

ONANCOCK - OPERATES EVERYTHING - NO HRSD - NO NEW VOLUME

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Gallons							
Water Gallons Billed	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Sewer Gallons Billed	51,000,000	51,000,000	51,000,000	51,000,000	51,000,000	51,000,000	51,000,000
WATER							
Revenue	(2) \$ 475	\$ 487	\$ 492	\$ 497	\$ 503	\$ 508	\$ 514
Expenditures							
Wages (a) (b) (c)	\$ 121	\$ 126	\$ 130	\$ 135	\$ 140	\$ 145	\$ 150
Debt (Principal and Interest) (d)	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158
Non-Wage, Non-Debt Operating Costs (e)	\$ 64	\$ 71	\$ 71	\$ 72	\$ 72	\$ 72	\$ 73
Depreciation (serves to create reserve) (f)	\$ 123	\$ 123	\$ 123	\$ 123	\$ 123	\$ 123	\$ 123
Total Expenditures	\$ 465	\$ 477	\$ 482	\$ 488	\$ 493	\$ 498	\$ 503
Revenue over Expenditures	\$ 9	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
Req'd Rate --> (j)	\$ 0.014	\$ 0.014	\$ 0.014	\$ 0.014	\$ 0.014	\$ 0.014	\$ 0.015
Current rate -->	0.009						
SEWER							
Revenue	(2) \$ 1,293	\$ 1,537	\$ 1,561	\$ 1,513	\$ 1,526	\$ 1,539	\$ 1,648
Revenue - New Septage				60		60	60
Expenditures							
Wages (a) (b)	\$ 275	\$ 286	\$ 296	\$ 308	\$ 319	\$ 330	\$ 342
Existing Debt (Principal and Interest) (g) (h)	\$ 363	\$ 363	\$ 318	\$ 318	\$ 318	\$ 318	\$ 318
New Debt	-	\$ 91	\$ 156	\$ 156	\$ 156	\$ 156	\$ 208
Non-Wage, Non-Debt Operating Costs (e)	\$ 260	\$ 266	\$ 268	\$ 269	\$ 271	\$ 273	\$ 274
Depreciation (serves to create reserve) (i)	\$ 369	\$ 501	\$ 492	\$ 492	\$ 492	\$ 492	\$ 534
Total Expenditures	\$ 1,267	\$ 1,506	\$ 1,530	\$ 1,543	\$ 1,556	\$ 1,569	\$ 1,676
Revenue over Expenditures	\$ 25	\$ 30	\$ 31	\$ 30	\$ 30	\$ 30	\$ 32
Req'd Rate --> (j)	\$ 0.025	\$ 0.030	\$ 0.031	\$ 0.030	\$ 0.030	\$ 0.030	\$ 0.032
Current rate -->	0.021						
Combined Req'd Rate --> (j)	\$ 0.039	\$ 0.044	\$ 0.045	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.047
Combined Current rate -->	\$ 0.030						
Percent increase over prior year	28%	13%	1%	(2%)	1%	1%	5%
Summary Rates							
If your bill is \$100 today	\$ 128.34	\$ 145.23	\$ 147.33	\$ 144.73	\$ 146.08	\$ 147.44	\$ 154.99
(Year 0)							

Please see Footnotes for additional information
These figures use assumptions and best available data at this time. These figures represent our best estimates and not not guarantees of future rates.

ONANCOCK WATER - HRSD SEWER

Gallons
WATER

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Revenue							
Expenditures							
Wages (b) (m)	475	470	475	481	486	491	497
Debt (Principal and Interest) (d)	121	126	130	135	140	145	150
Non-Wage, Non-Debt Operating Costs (n)	158	158	158	158	158	158	158
Depreciation (serves to create reserve) (f)	64	55	55	55	56	56	56
Total Expenditures	123	123	123	123	123	123	123
Revenue over Expenditures	465	461	466	471	476	482	487
Water Req'd Rate --> (j)	\$ 0.014	\$ 0.013	\$ 0.014	\$ 0.014	\$ 0.014	\$ 0.014	\$ 0.014
Current water rate -->	\$ 0.009						
Percent Increase over prior year	44%	(1%)	1%	1%	1%	1%	1%
Current sewer rate -->	\$ 0.021						
HRSD sewer rate -->	\$ 0.013	\$ 0.014	\$ 0.015	\$ 0.016	\$ 0.017	\$ 0.018	\$ 0.018
Percent Increase over prior year	(36%)	6%	6%	6%	5%	5%	5%
If your bill is \$100 today	\$ 89.03	\$ 91.10	\$ 94.38	\$ 97.84	\$ 100.88	\$ 104.08	\$ 107.44
Year 0							

Please see Footnotes for additional information
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FOOTNOTES

ASSUMPTIONS

- (1) Assumes annual billed volume of 35,000,000 gallons
- (2) Assumes revenue will cover all cash and non-cash expenditures and generate a 2% surplus
- (a) Uses all current wage percentage allocations
- (b) 3% year-over-year wage increase, 8% YOY medical increase
- (c) What would staffing look like if we outsourced water testing?
- (d) Assumes no new debt, all capital requirements met with PRSSM reserve
- (e) 3% YOY inflationary increase
- (f) Only current assets included, no future capital expense plan in place for water
- (g) Follows capital plan as detailed by DBF. Cartridge replacement in 2030 paid with reserves
- (h) 10-year at 5% \$842k in FY21, 30-year at 3% \$1,650k in FY21, \$1,250k in FY26
- (i) Borrowing term aligns with useful life
- (j) Simple weighted cost per gallon (revenue divided into volume)
- (k) Amounts reflect current Onancock rate tiers and rates
- (l) Using volume and required rate, the estimated cost the customer would experience
- (m) 1FTE manager, 1 FTE mechanic
- (n) Assumes HRSD does water billing for zero cost
- (o) Assume HRSD tier of 3,000 bi-monthly minimum use

	HRSD PUBLISHED RATES						
	FY20	FY21	FY22	FY23	FY24	FY25	FY26
HRSD Projected Rate Increases	9.1%	9.0%	9.1%	9.0%	7.0%	7.0%	7.0%
HRSD Wastewater Treatment Rate per k-gals	\$ 7.83	\$ 8.53	\$ 9.31	\$ 10.15	\$ 10.86	\$ 11.62	\$ 12.43
Avg water consumption @ 4,000 gals	\$ 31.32	\$ 34.12	\$ 37.24	\$ 40.60	\$ 43.44	\$ 46.48	\$ 49.72
Metro Collection Rate Projected Rate Increases	1.3%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Weighted Average Metro Collection Rate per k-gals	\$ 5.60	\$ 5.66	\$ 5.72	\$ 5.78	\$ 5.84	\$ 5.90	\$ 5.96
Avg water consumption @ 4,000 gals	\$ 22.40	\$ 22.64	\$ 22.88	\$ 23.12	\$ 23.36	\$ 23.60	\$ 23.84
Combined Rate	\$ 13.43	\$ 14.19	\$ 15.03	\$ 15.93	\$ 16.70	\$ 17.52	\$ 18.39
Total Wastewater Bill	\$ 53.72	\$ 56.76	\$ 60.12	\$ 63.72	\$ 66.80	\$ 70.08	\$ 73.56
Projected Rate Total Wastewater Average Increase		5.7%	5.9%	6.0%	4.8%	4.9%	5.0%
Cost/1000	\$ 13.43	\$ 14.19	\$ 15.03	\$ 15.93	\$ 16.70	\$ 17.52	\$ 18.39
	\$ 40.29	\$ 42.57	\$ 45.09	\$ 47.79	\$ 50.10	\$ 52.56	\$ 55.17