



CITY COUNCIL WORKSHOP SESSION

Monday, June 24, 2024 – 6:00 PM

109 North Kaufman Street, Mount Vernon, Texas 75457

Our mission: to provide effective and fiscally responsible municipal services in a manner which promotes our high standard of community life.

AGENDA

Call to order and announce a quorum is present.

Invocation and Pledges

Citizen Participation (3 minutes)

The Texas Open Meetings Act prohibits the Council from responding to any comments other than to refer the matter to a future agenda, to an existing policy, or to a staff person with specific information. Claims against the City, Council Members, or employees, as well as individual personnel appeals are not appropriate for citizens' forum.

Discussion Items and Mayor/Council/City Administrator Reports

2024/2025 Budget - department capital purchases

Rate Study

1. Rate Study

Presiding Officer to Adjourn the City Council Meeting

Notes to the Agenda:

The Council may vote and/or act upon each of the items listed in this Agenda except for discussion-only items. Persons with disabilities who plan to attend this meeting and who may need assistance should contact the City Secretary at 903-537-2252 two working days prior to the meeting so that appropriate arrangements can be made.

CERTIFICATION

I do hereby certify that this Public Meeting Notice was posted on the outside bulletin board, at the front entrance of City Hall located at 109 N Kaufman St., Mount Vernon, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted on the following date and time:

Posted June 21, 2024 by 4:00 p.m. and remained so posted at least 72 hours before said meeting was convened.

Kathy Lovier, City Secretary

NOTE: The City of Mount Vernon, Texas meets regularly on the second Monday night of each month at 6:00 p.m. The Council follows a printed Agenda for official action. *Any individual desiring official action should submit his/her request to the office of the City Manager not later than fifteen (15) days prior to the Council Meeting.*

 /s/ Kathy Lovier

Kathy Lovier, City Secretary

NewGen Strategies & Solutions

www.newgenstrategies.net



DRAFT REPORT

WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY



Prepared for:
City of Mount Vernon
109 North Kaufman Street
Mount Vernon, TX 75457

June 20, 2024

Mr. Craig Lindholm
City Administrator
City of Mount Vernon
109 North Kaufman Street
Mount Vernon, TX 75457

Subject: Water and Wastewater Cost of Service and Rate Design Study

Mr. Lindholm:

NewGen Strategies and Solutions, LLC is pleased to provide the City of Mount Vernon with the enclosed report summarizing our findings and recommendations from the conduct of a Water Cost of Service and Rate Design Study.

We appreciate the opportunity to assist the City in this engagement. In addition, we would like to acknowledge the excellent assistance we received from your staff. Without their support, this project could not have been completed. Please contact us if you have any questions concerning this report.

Sincerely,

Grant Rabon, Partner
NewGen Strategies and Solutions, LLC

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Section 1 INTRODUCTION

The City of Mount Vernon (City) contracted NewGen Strategies and Solutions, LLC (NewGen) to perform an independent water and wastewater cost of service and rate design study (Study). As part of the Study, NewGen was requested to forecast revenue requirements and design rates for Fiscal Year (FY) 2024 through FY 2028. This Study describes the analysis performed for the City and makes recommendations with respect to rates to be charged to the City's water and wastewater customers.

Regular reviews of the performance of a utility's water and wastewater rates are an integral part of the management of any water and wastewater utility, and failure to monitor the City's rates can result in the need for significant rate actions. NewGen recommends that, going forward, the City continues its practice of regularly monitoring and reviewing the performance of its rates and perform rate adjustments, when necessary, to preserve the financial integrity of the water and wastewater utility.

The analysis performed by NewGen is designed to consider the foreseeable changes from the current fiscal year (FY 2024) through FY 2028. The goal is to construct a planning tool with which the City can gain an understanding of the issues that need to be addressed during the Study's planning horizon. As with any forecast, assumptions must be made and the City should be aware that the actual rates required may be different from the projected rates outlined in this Study due to unforeseen changes in key assumptions, such as system growth, inflation, etc.

Current Utility Operations

The City provides water service to its retail customers, composed of approximately 1,230 connections. Wastewater service is provided to retail customers, comprises approximately 1,170 connections.

For the twelve-month period ending in December 2022, a period of somewhat typical rainfall, retail customers (other than the City accounts) were delivered approximately 91 million gallons of treated water. The City's primary source of water supply is through a contract with Franklin County Water District by which the City has the rights to purchase up to 3,000 acre-ft of raw water at Lake Cypress Springs annually.

Current Retail Rates

The water and wastewater rate structure currently consists of a two-part rate design composed of 1) a minimum monthly charge for all customers which currently includes the first 1,000 gallons of consumption; and 2) a volumetric charge per 1,000 gallons for all consumption after the first 1,000 gallons. The minimum monthly charge increases with the increasing meter size, which is consistent with industry best management practices. The current retail water meter rates are shown in Table 1-1.

Section 1

**Table 1-1
Current Water Fixed Charges**

Customer Class/Meter Size	Minimum Bill
Residential Inside <1"	\$ 25.00
Commercial Inside <1"	\$ 31.00
<u>Multi-Unit/Hotel</u>	
5/8"	\$ 34.19
3/4"	\$ 34.19
1"	\$ 39.63
1.5"	\$ 77.70
2"	\$ 99.45
3"	\$ 175.59
4"	\$ 300.67
Sprinkler	\$ -

The City uses a five-tiered inclining block rate structure for volumetric rates for residential and commercial customers, and a flat volumetric rate for Apartments/Low Rent Housing/Hotel/Motel (Multi-Unit/Hotel) and bulk customers. Table 1-2 lists the current volumetric rates for each retail customer type.

**Table 1-2
Current Water Volumetric Rates**

Water Consumption (per 1,000 Gallons)	Residential/ Commercial	Multi- Unit/Hotel	Bulk
0–1,000 gallons	\$ -	\$ -	\$ -
2,001–8,999 gallons	\$ 3.75	\$ 3.75	\$ 12.00
9,000–20,999 gallons	\$ 4.00	\$ 3.75	\$ 12.00
21,000–40,999 gallons	\$ 4.25	\$ 3.75	\$ 12.00
> 41,000 gallons	\$ 4.50	\$ 3.75	\$ 12.00

The City's wastewater rate structure also includes a minimum bill and a volumetric rate. Customers are billed according to their water consumption. While wastewater customers are theoretically billed for 100% of their water consumption, NewGen's analysis of historical billing found that wastewater customers were only billed for approximately 75.6% of their water consumption in calendar year 2022. The current wastewater rates are shown in Tables 1-3 and 1-4.

**Table 1-3
Current Wastewater Fixed Charges**

Customer Class/Meter Size	Minimum Bill
Residential Inside <1"	\$ 26.00
Commercial Inside <1"	\$ 28.00
Commercial Outside	\$ 40.00
<u>Multi-Unit/Hotel</u>	
5/8"	\$ 37.41
3/4"	\$ 37.41
1"	\$ 45.51
1.5"	\$ 86.03
2"	\$ 117.45
3"	\$ 215.69
4"	\$ 375.75

**Table 1-4
Current Wastewater Volumetric Rates**

Water Consumption (per 1,000 gal)	Residential	Commercial	Multi-Unit/Hotel	Commercial Outside
<u>Volumetric Rates</u>				
0–1,000 gallons	\$ -	\$ -	\$ -	\$ -
2,001–8,999 gallons	\$ 4.00	\$ 4.00	\$ 4.00	\$ 5.00
9,000–20,999 gallons	\$ 4.05	\$ 4.05	\$ 4.05	\$ 5.05
21,000–40,999 gallons	\$ 4.10	\$ 4.10	\$ 4.10	\$ 5.10
> 41,000 gallons	\$ 4.15	\$ 4.15	\$ 4.15	\$ 5.15

Section 2

REVENUE REQUIREMENT

There are two primary ratemaking methodologies employed in the water and wastewater utility industry: the cash basis and the utility basis. The primary difference between the cash basis and the utility basis involves the use of depreciation and return on invested capital (utility basis); versus debt service and cash capital outlays (cash basis), to reflect the cost of building and maintaining the utility's capital infrastructure. The cash basis, which is the most common method used by municipal utilities, includes operating and maintenance costs (O&M), debt service, reserve contributions (if warranted) and cash capital outlays in the revenue requirement determination. The cash basis focuses on meeting the cash demands of the utility. The cash basis is usually more easily understood by municipal utilities since it follows the traditional cash-oriented budgeting practices used by governmental entities. In addition, the cash basis is generally easier to explain to customers since the cash basis attempts to match revenues to expenditures. In performing this analysis, the Project Team has utilized the cash basis to develop the City's revenue requirement.

Test Year Revenue Requirement

NewGen reviewed historical financial results for prior fiscal years and developed a "Test Year" for the Study based on the FY 2024 Budget.¹ A Test Year is a common term in rate studies that refers to an adjusted fiscal year that is used as a basis for setting rates. The Test Year should be representative of "typical" conditions, with adjustments for any unusual or one-time revenues or expenses. The Test Year separates costs and allocates them specifically to the water and wastewater functions.

The Test Year was used to develop a five-year revenue requirement forecast for FY 2024 through FY 2028. The revenue requirement identifies the amount that should be recovered from rates to fully recover the cost of providing service. To ensure the City's budget accurately reflects the cost of providing service, adjustments were made to capital costs and revenue offsets (i.e., miscellaneous revenues received by the City other than through rates). The FY 2024 Budget, adjustments, and resulting "Test Year" are shown in the Appendix, Schedule 1.

The following sub-sections summarize the notable factors affecting the projected revenue requirement.

Inflation Factors

The Test Year revenue requirement was used as the basis for the five-year financial forecast. Certain expenses were projected based on contractual terms, such as debt service payments, however, most expenses were O&M related costs and assigned one of the inflation factors outlined in Table 2-1.

Table 2-1
Inflation Factors

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
General	0.00%	4.00%	4.00%	4.00%	4.00%
Salaries	0.00%	4.00%	4.00%	4.00%	4.00%
Chemicals	0.00%	3.00%	3.00%	3.00%	3.00%

¹ The City's fiscal year starts October 1 and ends September 30.

Section 2

To be conservative, revenue offsets are assumed to be constant over the five-year forecast.

Capital Improvement Plan

Following guidance from the City, the revenue requirement does not incorporate the costs associated with the water and wastewater capital improvement plan (CIP) for the five-year forecast. **Thus, the rates recommended in this Study do not include funding for the CIP.** This is a significant assumption and the City will need to find alternative sources to fund these important projects, such as impact fee revenues or support from the General Fund. A capital improvement plan forecast for the FY 2024 – FY 2028 period is provided in the Appendix, Schedule 2. However, there are some capital expenses included in the revenue requirement for water and wastewater – specifically \$100,000 each for water and wastewater per year in the Test Year, which increases at general inflation over the five-year forecast. This is assumed to pay for renewals and replacements on the system beyond what is captured on the CIP.

Debt Service

Existing Debt Service

The five-year revenue requirement forecast includes the City’s outstanding debt service to ensure the annual recovery of principal and interest payments. Specifically, the revenue requirement includes approximately \$65,500 per year for new Core & Main meters – split evenly between water and wastewater.

Proposed Debt Service

There are currently no assumed plans for the City to issue additional debt to pay for capital projects at this time as the CIP is assumed to be funded externally.

Revenue Requirement Forecast

Based on the Test Year, and assumptions detailed above, NewGen developed the net revenue requirement forecast for the City. Table 2-2 shows the City’s net revenue requirement for the five-year forecast period. A detailed five-year forecast for water and wastewater is provided in the Appendix, Schedule 4 and Schedule 5, respectively.

**Table 2-2
Revenue Requirement Forecast**

	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
Water	\$ 1,017,263	\$ 1,057,072	\$ 1,098,442	\$ 1,141,437	\$ 1,186,119
Wastewater	814,524	847,002	880,774	915,889	952,401
	\$ 1,831,787	\$ 1,904,074	\$ 1,979,216	\$ 2,057,326	\$ 2,138,520

Section 3 RATES

In evaluating the performance of existing rates, and to project future rates, some estimation of billed water consumption is required. In making this estimation, it is necessary to consider a period of normal precipitation. If data involving abnormal weather patterns is utilized (i.e., unusually low or excessive precipitation), then the resulting revenue estimates could be too low or too high. NewGen reviewed customer billing data for the period of October 1, 2020, to July 30, 2023. From these data sets, NewGen compiled 12 months of data determined to be the closest to what normal consumption would be during a year with a “normal” level of rainfall. For purposes of the Study, NewGen used retail consumption data from January 2022 through December 2022. This projected period was used to reflect normal system operation. **The Utility’s actual water sales should be compared annually to the figures utilized within this Study. To the extent significant variances exist, then the rates forecasted herein may need to be amended.**

Revenue Recovery from Current Rates

Table 3-1 provides a summary of the projected revenue to be realized if current rates remain unchanged. It should be noted that for the purpose of this analysis, NewGen has assumed some customer growth from FY 2024 to FY 2028.

**Table 3-1
Projected Revenue Performance under Current Rates**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water					
Revenue	\$ 701,148	\$ 722,541	\$ 742,547	\$ 763,401	\$ 785,110
Cost of Service	1,017,263	1,057,072	1,098,442	1,141,437	1,186,119
Water Over / (Under) ¹	\$ (316,115)	\$ (334,531)	\$ (355,895)	\$ (378,036)	\$ (401,009)
Wastewater					
Revenue	\$ 626,786	\$ 647,351	\$ 666,415	\$ 686,300	\$ 707,014
Cost of Service	814,524	847,002	880,774	915,889	952,401
Wastewater Over / (Under) ¹	\$ (187,738)	\$ (199,652)	\$ (214,359)	\$ (229,589)	\$ (245,388)
Total Utility Over / (Under) ¹	(503,853)	(534,183)	(570,253)	(607,624)	(646,397)
Cumulative Utility Over/(Under) ¹	\$ (503,853)	\$ (1,038,036)	\$ (1,608,289)	\$ (2,215,914)	\$ (2,862,310)

1. Any minor arithmetic deviation is due to rounding.

Other Rate Analyses

Proposed Water Rates

Minimum Bills

Table 3-2 reflects NewGen’s proposed fixed charges for FY 2024 – FY 2028.

**Table 3-2
Proposed Water Fixed Charges**

Meter Size (inches)	Current Rates	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
Residential <1”	\$ 25.00	\$ 25.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
Commercial <1”	\$ 31.00	\$ 31.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
<u>Multi-Unit/Hotel</u>						
5/8	\$ 34.19	\$ 34.19	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
3/4	\$ 34.19	\$ 34.19	\$ 49.50	\$ 49.50	\$ 49.50	\$ 49.50
1	\$ 39.63	\$ 39.63	\$ 82.50	\$ 82.50	\$ 82.50	\$ 82.50
1 ½	\$ 77.70	\$ 77.70	\$ 165.00	\$ 165.00	\$ 165.00	\$ 165.00
2	\$ 99.45	\$ 99.45	\$ 264.00	\$ 264.00	\$ 264.00	\$ 264.00
3	\$ 175.59	\$ 175.59	\$ 495.00	\$ 495.00	\$ 495.00	\$ 495.00
4	\$ 300.67	\$ 300.67	\$ 825.00	\$ 825.00	\$ 825.00	\$ 825.00
Sprinklers	\$ -	\$ -	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50

NewGen proposes the City increase the fixed charge. Further, other than the sprinkler accounts, the fixed charge should be the same for all customers with the same size meter. The proposed fixed charge for larger meters increases more significantly than the current rates to better align with the capacity of larger meters to place demands on the water system. We propose to charge sprinkler accounts a fixed charge equal to half of the domestic water fixed charge.

Volumetric Rates

The City currently uses a tiered volumetric rate for residential and commercial customers and a flat volumetric rate for multi-unit/hotel and bulk customers. NewGen recommends charging for all water used and changing all customers identical tiered volumetric rate blocks, except for sprinkler accounts. Table 3-3 details the proposed retail volumetric rates for FY 2024 – FY 2028.

**Table 3-3
Proposed Water Volumetric Rates**

Volumetric Rate (per 1,000 gal)	Current Rates	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
All Customer Classes, except Sprinklers						
0–1,000 gallons	\$ -	\$ -	\$ 4.20	\$ 4.20	\$ 4.20	\$ 4.20
1,001–8,999 gallons	\$ 3.75	\$ 3.75	\$ 5.25	\$ 5.25	\$ 5.25	\$ 5.25
9,000–20,999 gallons	\$ 4.00	\$ 4.00	\$ 6.30	\$ 6.30	\$ 6.30	\$ 6.30
21,000–40,999 gallons	\$ 4.25	\$ 4.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25
> 41,000 gallons	\$ 4.50	\$ 4.50	\$ 7.97	\$ 7.97	\$ 7.97	\$ 7.97
Sprinklers						
0–1,000 gallons	\$ -	\$ -	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
1,001–8,999 gallons	\$ 3.75	\$ 3.75	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25
9,000–20,999 gallons	\$ 4.00	\$ 4.00	\$ 7.50	\$ 7.50	\$ 7.50	\$ 7.50
21,000–40,999 gallons	\$ 4.25	\$ 4.25	\$ 8.63	\$ 8.63	\$ 8.63	\$ 8.63
> 41,000 gallons	\$ 4.50	\$ 4.50	\$ 9.49	\$ 9.49	\$ 9.49	\$ 9.49

The proposed volumetric rates reflect increases between rate blocks that align with approximately 25%, 20%, 15%, and 10% rate increases in between rate blocks 1, 2, 3, 4, and 5, respectively (i.e., the increase between tier 1 and tier 2 rates is 25%). NewGen also recommends charging sprinkler accounts 20% more for water consumption than other, primarily domestic, accounts to reflect the more discretionary nature of this consumption.

Proposed Wastewater Rates

Minimum Bills

Table 3-4 lists the proposed wastewater fixed charges for retail wastewater customers.

Other Rate Analyses

**Table 3-4
Proposed Wastewater Fixed Charges**

Customer Class/Meter Size	Current Rates	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
Residential Inside <1"	\$ 26.00	\$ 26.00	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00
Commercial Inside <1"	\$ 28.00	\$ 28.00	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00
Commercial Outside	\$ 40.00	\$ 40.00	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00
<u>Multi-Unit/Hotel</u>						
5/8"	\$ 37.41	\$ 37.41	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00
3/4"	\$ 37.41	\$ 37.41	\$ 51.00	\$ 51.00	\$ 51.00	\$ 51.00
1"	\$ 45.51	\$ 45.51	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00
1.5"	\$ 86.03	\$ 86.03	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00
2"	\$ 117.45	\$ 117.45	\$ 272.00	\$ 272.00	\$ 272.00	\$ 272.00
3"	\$ 215.69	\$ 215.69	\$ 510.00	\$ 510.00	\$ 510.00	\$ 510.00
4"	\$ 375.75	\$ 375.75	\$ 850.00	\$ 850.00	\$ 850.00	\$ 850.00

NewGen proposes the City charge commercial customers, both inside and outside city limits, as well as multi-unit/hotel customers with a 5/8-inch meter the same rate as residential customers.

Volumetric Rates

The City currently charges a tiered volumetric wastewater rate similar to the block rate for volumetric water rates. Table 3-5 lists the proposed wastewater volumetric rates.

**Table 3-5
Proposed Wastewater Volumetric Rates**

Water Consumption (per 1,000 gal)	Current Rates	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
All Customer Classes, except Commercial Outside						
0–1,000 gallons	\$ -	\$ -	\$ 4.55	\$ 4.55	\$ 4.55	\$ 4.55
2,001–8,999 gallons	\$ 4.00	\$ 4.00	\$ 4.78	\$ 4.78	\$ 4.78	\$ 4.78
9,000–20,999 gallons	\$ 4.05	\$ 4.05	\$ 5.02	\$ 5.02	\$ 5.02	\$ 5.02
21,000–40,999 gallons	\$ 4.10	\$ 4.10	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27
> 41,000 gallons	\$ 4.15	\$ 4.15	\$ 5.53	\$ 5.53	\$ 5.53	\$ 5.53
Commercial Outside						
0–1,000 gallons	\$ -	\$ -	\$ 4.55	\$ 4.55	\$ 4.55	\$ 4.55
2,001–8,999 gallons	\$ 5.00	\$ 5.00	\$ 4.78	\$ 4.78	\$ 4.78	\$ 4.78
9,000–20,999 gallons	\$ 5.05	\$ 5.05	\$ 5.02	\$ 5.02	\$ 5.02	\$ 5.02
21,000–40,999 gallons	\$ 5.10	\$ 5.10	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27
> 41,000 gallons	\$ 5.15	\$ 5.15	\$ 5.53	\$ 5.53	\$ 5.53	\$ 5.53

NewGen recommends the City bill for the first 1,000 gallons of flow and charge a uniform rate structure for all customer classes for wastewater. The volumetric rates reflect 5% increases between each rate block.

Projected Revenue Recovery

The rates proposed are sufficient to recover the revenue requirement in FY 2025 through FY 2028, but will cumulatively under-recover due to a significant forecasted under-recovery in FY 2024, as shown in Table 3-6. A detailed five-year forecast is provided for water and wastewater in the Appendix, Schedule 9 and Schedule 11, respectively.

Table 3-6
Projected Revenue Performance under Proposed Rates

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water					
Revenue	\$ 701,148	\$ 1,099,081	\$ 1,127,998	\$ 1,158,137	\$ 1,189,517
Cost of Service	1,017,263	1,057,072	1,098,442	1,141,437	1,186,119
Water Over / (Under)	\$ (316,115)	\$ 42,009	\$ 29,556	\$ 16,701	\$ 3,398
Cumulative Over / (Under) Recovery¹	\$ (316,115)	\$ (274,106)	\$ (244,550)	\$ (227,850)	\$ (224,451)
Wastewater					
Revenue	\$ 626,786	\$ 883,967	\$ 909,927	\$ 937,004	\$ 965,210
Cost of Service	814,524	847,002	880,774	915,889	952,401
Wastewater Over / (Under)	\$ (187,738)	\$ 36,965	\$ 29,153	\$ 21,115	\$ 12,808
Cumulative Over / (Under) Recovery¹	\$ (187,738)	\$ (150,773)	\$ (121,620)	\$ (100,505)	\$ (87,697)

1. Water and Wastewater combined under-recoveries are forecasted to result in a decrease in operating reserves

Average Residential Bill

Table 3-7 shows the average bill for residential customers under the proposed rates from FY 2024 - FY 2028.

Table 3-7
Average Bill – Proposed Rates (Residential)

	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water (5,000 gallons)	\$ 40.00	\$ 40.00	\$ 58.20	\$ 58.20	\$ 58.20	\$ 58.20
Wastewater (5,000 gallons)	\$ 42.00	\$ 42.00	\$ 57.66	\$ 57.66	\$ 57.66	\$ 57.66
Total Bill	\$ 82.00	\$ 82.00	\$ 115.86	\$ 115.86	\$ 115.86	\$ 115.86
Change (\$)		\$ -	\$ 33.86	\$ -	\$ -	\$ -
Change (%)		0.0%	41.3%	0.0%	0.0%	0.0%

Other Rate Analyses

Average Multi-Unit/Hotel Bill

Table 3-8 shows the average bill for a Multi-Unit/Hotel customer with a 2” meter under the proposed rates from FY 2024 - FY 2028.

**Table 3-8
Average Bill – Proposed Rates (Multi-Unit/Hotel 2” Meter)**

	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water (33,606 gallons)	\$ 221.72	\$ 221.72	\$ 405.14	\$ 405.14	\$ 405.14	\$ 405.14
Wastewater (33,606 gallons)	\$ 249.73	\$ 249.73	\$ 441.36	\$ 441.36	\$ 441.36	\$ 441.36
Total Bill	\$ 471.45	\$ 471.45	\$ 846.51	\$ 846.51	\$ 846.51	\$ 846.51
Change (\$)		\$ -	\$ 375.05	\$ -	\$ -	\$ -
Change (%)		0.0%	79.6%	0.0%	0.0%	0.0%

DRAFT

Section 4 RECOMMENDATIONS

Based on the Study, NewGen recommends the City implement the rates as developed and provided in Section 4 and summarized in this section of the report.

Recommended Water Rates

**Table 4-1
Proposed Water Fixed Charges**

Meter Size (inches)	Current Rates	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
Residential <1"	\$ 25.00	\$ 25.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
Commercial <1"	\$ 31.00	\$ 31.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
<u>Multi-Unit/Hotel</u>						
5/8	\$ 34.19	\$ 34.19	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
3/4	\$ 34.19	\$ 34.19	\$ 49.50	\$ 49.50	\$ 49.50	\$ 49.50
1	\$ 39.63	\$ 39.63	\$ 82.50	\$ 82.50	\$ 82.50	\$ 82.50
1 ½	\$ 77.70	\$ 77.70	\$ 165.00	\$ 165.00	\$ 165.00	\$ 165.00
2	\$ 99.45	\$ 99.45	\$ 264.00	\$ 264.00	\$ 264.00	\$ 264.00
3	\$ 175.59	\$ 175.59	\$ 495.00	\$ 495.00	\$ 495.00	\$ 495.00
4	\$ 300.67	\$ 300.67	\$ 825.00	\$ 825.00	\$ 825.00	\$ 825.00
Sprinklers	\$ -	\$ -	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50

Section 4

**Table 4-2
Proposed Water Volumetric Rates**

Volumetric Rate (per 1,000 gal)	Current Rates	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
All Customer Classes, except Sprinklers						
0–1,000 gallons	\$ -	\$ -	\$ 4.20	\$ 4.20	\$ 4.20	\$ 4.20
1,001–8,999 gallons	\$ 3.75	\$ 3.75	\$ 5.25	\$ 5.25	\$ 5.25	\$ 5.25
9,000–20,999 gallons	\$ 4.00	\$ 4.00	\$ 6.30	\$ 6.30	\$ 6.30	\$ 6.30
21,000–40,999 gallons	\$ 4.25	\$ 4.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25
> 41,000 gallons	\$ 4.50	\$ 4.50	\$ 7.97	\$ 7.97	\$ 7.97	\$ 7.97
Sprinklers						
0–1,000 gallons	\$ -	\$ -	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
1,001–8,999 gallons	\$ 3.75	\$ 3.75	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25
9,000–20,999 gallons	\$ 4.00	\$ 4.00	\$ 7.50	\$ 7.50	\$ 7.50	\$ 7.50
21,000–40,999 gallons	\$ 4.25	\$ 4.25	\$ 8.63	\$ 8.63	\$ 8.63	\$ 8.63
> 41,000 gallons	\$ 4.50	\$ 4.50	\$ 9.49	\$ 9.49	\$ 9.49	\$ 9.49

Recommended Wastewater Rates

**Table 4-3
Proposed Wastewater Fixed Charges**

Customer Class/Meter Size	Current Rates	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
Residential Inside <1"	\$ 26.00	\$ 26.00	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00
Commercial Inside <1"	\$ 28.00	\$ 28.00	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00
Commercial Outside	\$ 40.00	\$ 40.00	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00
<u>Multi-Unit/Hotel</u>						
5/8"	\$ 37.41	\$ 37.41	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00
3/4"	\$ 37.41	\$ 37.41	\$ 51.00	\$ 51.00	\$ 51.00	\$ 51.00
1"	\$ 45.51	\$ 45.51	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00
1.5"	\$ 86.03	\$ 86.03	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00
2"	\$ 117.45	\$ 117.45	\$ 272.00	\$ 272.00	\$ 272.00	\$ 272.00
3"	\$ 215.69	\$ 215.69	\$ 510.00	\$ 510.00	\$ 510.00	\$ 510.00
4"	\$ 375.75	\$ 375.75	\$ 850.00	\$ 850.00	\$ 850.00	\$ 850.00

Recommendations

**Table 4-4
Proposed Wastewater Volumetric Rates**

Water Consumption (per 1,000 gal)	Current Rates	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
All Customer Classes, except Commercial Outside						
0–1,000 gallons	\$ -	\$ -	\$ 4.55	\$ 4.55	\$ 4.55	\$ 4.55
2,001–8,999 gallons	\$ 4.00	\$ 4.00	\$ 4.78	\$ 4.78	\$ 4.78	\$ 4.78
9,000–20,999 gallons	\$ 4.05	\$ 4.05	\$ 5.02	\$ 5.02	\$ 5.02	\$ 5.02
21,000–40,999 gallons	\$ 4.10	\$ 4.10	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27
> 41,000 gallons	\$ 4.15	\$ 4.15	\$ 5.53	\$ 5.53	\$ 5.53	\$ 5.53
Commercial Outside						
0–1,000 gallons	\$ -	\$ -	\$ 4.55	\$ 4.55	\$ 4.55	\$ 4.55
2,001–8,999 gallons	\$ 5.00	\$ 5.00	\$ 4.78	\$ 4.78	\$ 4.78	\$ 4.78
9,000–20,999 gallons	\$ 5.05	\$ 5.05	\$ 5.02	\$ 5.02	\$ 5.02	\$ 5.02
21,000–40,999 gallons	\$ 5.10	\$ 5.10	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27
> 41,000 gallons	\$ 5.15	\$ 5.15	\$ 5.53	\$ 5.53	\$ 5.53	\$ 5.53

Reserves Under Recommended Rates

Table 4-5 reflects the Water and Wastewater operating reserve fund balances from FY 2024 through FY 2028 as well as the days cash on hand for each ending balance.

**Table 4-5
Operating Reserve Balances**

	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
Water & Wastewater					
Beginning Balance	\$ 1,300,232	\$ 796,379	\$ 875,353	\$ 934,062	\$ 971,877
Proposed Water Rate Over/(Under) Recovery	(316,115)	42,009	29,556	16,701	3,398
Proposed Wastewater Rate Over/(Under) Recovery	(187,738)	36,965	29,153	21,115	12,808
Ending Balance	\$ 796,379	\$ 875,353	\$ 934,062	\$ 971,877	\$ 988,084
Cash O&M Expenses	\$ 1,609,309	\$ 1,671,150	\$ 1,735,428	\$ 1,802,239	\$ 1,871,684
Days Cash on Hand	181	191	196	197	193



APPENDIX A SCHEDULES

Appendix List of Schedules

List of Schedules

Schedule 1	Test Year – Water & Wastewater
Schedule 2	Capital Improvement Plan
Schedule 3	Reserves
Schedule 4	Water Five-Year Revenue Requirement Forecast
Schedule 5	Wastewater Five-Year Revenue Requirement Forecast
Schedule 6	Base-Extra Allocation
Schedule 7	Base-Extra Revenue Requirement Forecast
Schedule 8	Water Proposed Rates
Schedule 9	Water Revenue Reconciliation – Proposed Rates
Schedule 10	Wastewater Proposed Rates
Schedule 11	Wastewater Revenue Reconciliation – Proposed Rates

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City of Mt. Vernon, TX
Water & Wastewater Cost of Service Study
Test Year

Table with columns: Line No., Code, Description, FY 2021 Actual, FY 2022 Actual, FY 2023 Actual, FY 2024 Budget, Adjustments, Test Year, Allocation (Water, Wastewater), Inflation Factor, Notes. Rows include Expenditures for Water and Sewer services.



City of Mt. Vernon, TX
Water & Wastewater Cost of Service Study
Test Year

Line No.	Code	Description	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	Adjustments	Test Year	Allocation		Inflation		Notes
									Water	Wastewater	Water	Wastewater	
86	5170.029	Certificate/License Pay	3,000	2,769	3,000	3,000		3,000	0%	100%	-	3,000	General
87	5170.032	Social Security (FICA)	8,384	9,065	10,910	9,641		9,641	0%	100%	-	9,641	General
88	5170.033	Medicare	1,994	2,120	2,552	2,255		2,255	0%	100%	-	2,255	General
89	5170.034	TML Health Insu.	24,397	22,951	28,236	40,410		40,410	0%	100%	-	40,410	General
90	5170.035	Retirement (TMRS)	16,743	15,478	16,162	14,416		14,416	0%	100%	-	14,416	General
91	5170.036	Fuel (Gas & Oil)	2,601	3,007	3,884	3,000		3,000	0%	100%	-	3,000	General
92	5170.037	Telephone	2,471	1,343	1,440	2,500		2,500	0%	100%	-	2,500	General
93	5170.038	Utilities	37,610	42,066	55,572	30,000		30,000	0%	100%	-	30,000	General
94	5170.039	Overtime	10,558	15,182	25,015	11,000		11,000	0%	100%	-	11,000	General
95	5170.040	Lease Vehicles	5,781	8,631	7,813	8,218		8,218	0%	100%	-	8,218	General
96	5170.041	Bad Debt Expense	1,660	2,553	778	3,000		3,000	0%	100%	-	3,000	General
97	5170.042	School/Training/Travel	1,845	950	1,395	2,000		2,000	0%	100%	-	2,000	General
98	5170.043	Uniforms	303	-	110	600		600	0%	100%	-	600	General
99	5170.044	Supplies	2,391	2,146	2,206	5,000		5,000	0%	100%	-	5,000	General
100	5170.045	Property/Liability Ins.	2,936	3,796	13,704	5,000		5,000	0%	100%	-	5,000	General
101	5170.047	Administration Fee	-	-	-	-		-	0%	100%	-	-	General
102	5170.049	Workers Comp. Insurance	1,085	2,138	-	2,500		2,500	0%	100%	-	2,500	General
103	5170.050	Termination Pay	-	-	-	-		-	0%	100%	-	-	General
104	5170.053	Longevity	(569)	3,300	3,500	2,900		2,900	0%	100%	-	2,900	General
105	5170.054	Transfer Out	-	-	-	-		-	0%	100%	-	-	General
106	5170.056	Interest Expense	-	-	-	-		-	0%	100%	-	-	General
107		Total Sewer Expenses	\$ 637,370	\$ 661,437	\$ 1,465,656	\$ 1,292,830	\$ (505,938)	\$ 786,892			\$ -	\$ 786,892	
108 Model Additions													
109		Water Cash Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%	0%	-	-	General
110		Wastewater Cash Capital Outlays	-	-	-	-	-	-	0%	100%	-	-	General
111		Existing Debt Service	-	-	-	-	-	-	0%	100%	-	-	General
112		Proposed Debt Service - Water	-	-	-	-	-	-	100%	0%	-	-	General
113		Proposed Debt Service - Wastewater	-	-	-	-	-	-	0%	100%	-	-	General
114		Contributions to Reserves	-	-	-	-	-	-	50%	50%	-	-	None
115	5140.001	Director of Public Works Wages	-	-	-	60,008	-	60,008	33%	33%	20,003	20,003	Salaries I
116	5140.007	Computer/Tech	-	-	-	1,000	-	1,000	33%	33%	333	333	General I
117	5140.025	Unemployment Expense (TEC)	-	-	-	100	-	100	33%	33%	33	33	General I
118	5140.032	Social Security Expense (FICA)	-	-	-	3,720	-	3,720	33%	33%	1,240	1,240	General I
119	5140.033	Medicare Expense	-	-	-	870	-	870	33%	33%	290	290	General I
120	5140.034	TML Health Ins.	-	-	-	9,000	-	9,000	33%	33%	3,000	3,000	General I
121	5140.035	Retirement (TMRS)	-	-	-	4,200	-	4,200	33%	33%	1,400	1,400	General I
122	5140.036	Fuel (Gas & Oil)	-	-	-	2,000	-	2,000	33%	33%	667	667	General I
123	5140.039	Overtime	-	-	-	1,000	-	1,000	33%	33%	333	333	General I
124	5140.040	Lease Vehicles	-	-	-	8,218	-	8,218	33%	33%	2,739	2,739	General I
125	5140.042	Travel/Training/School	-	-	-	1,000	-	1,000	33%	33%	333	333	General I
126	5140.043	Uniforms	-	-	-	300	-	300	33%	33%	100	100	General I
127	5140.044	Supplies	-	-	-	300	-	300	33%	33%	100	100	General I
128		Total Model Additions	\$ -	\$ -	\$ -	\$ 91,716	\$ -	\$ 91,716			\$ 30,572	\$ 30,572	
129		TOTAL EXPENSES	\$ 1,185,555	\$ 1,245,374	\$ 2,491,608	\$ 2,559,621	\$ (625,812)	\$ 1,933,809			\$ 1,052,988	\$ 850,249	
130 Revenues													
131	4000	Disbursement Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50%	50%	\$ -	\$ -	None
132	4001	Water Revenue	(520,039)	(647,792)	(716,309)	(800,000)	800,000	-	100%	0%	-	-	None E
133	4002	Sewer Revenue	(524,799)	(607,339)	(667,951)	(750,000)	750,000	-	0%	100%	-	-	None E
134	4003	Penalties	(25,359)	(26,992)	(29,536)	(30,000)	-	(30,000)	50%	50%	(15,000)	(15,000)	None
135	4004	Tap Fees	(26,400)	(22,800)	(16,356)	(20,000)	-	(20,000)	50%	50%	(10,000)	(10,000)	None
136	4005	Miscellaneous Revenue	-	-	-	-	-	-	50%	50%	-	-	None
137	4006	Transfer Fee	(180)	(240)	(270)	(250)	-	(250)	50%	50%	(125)	(125)	None
138	4007	Cash Over/Short	-	-	-	-	-	-	50%	50%	-	-	None
139	4008	Bulk Water Revenue	(1,144)	(1,090)	(4,453)	(5,000)	-	(5,000)	100%	0%	(5,000)	-	None
140	4009	Return Check Fee Revenue	(200)	(140)	(125)	(200)	-	(200)	50%	50%	(100)	(100)	None
141	4010	Reconnect Fee Revenue	(11,540)	(6,880)	(7,430)	(9,000)	-	(9,000)	50%	50%	(4,500)	(4,500)	None
142	4011	Misc. Water & Sewer Revenue	(860)	(753)	(2,123)	(2,000)	-	(2,000)	50%	50%	(1,000)	(1,000)	None
143	4012	Bulk Sewer	(6,080)	(4,960)	(3,720)	(5,000)	-	(5,000)	0%	100%	-	(5,000)	None
144	4015	Stormwater Revenue	(52,236)	(48,438)	(53,502)	(52,000)	52,000	-	50%	50%	-	-	None F
145	4016	2012 CO FNB Assessment Fee	(216,865)	(200,372)	(219,885)	(215,000)	215,000	-	50%	50%	-	-	None F
146	4022	Interest Earned Revenue	(18,033)	(18,529)	(27,448)	(20,000)	20,000	-	50%	50%	-	-	None G
147	4033	Resale of Vehicles	(24,570)	-	(14,115)	-	-	-	50%	50%	-	-	None
148	4040	Transfer from EDC	-	-	-	(102,623)	102,623	-	50%	50%	-	-	None H
149	4044	TDA Grant Proceed	-	-	-	-	-	-	50%	50%	-	-	None
150	4045	Intergovernmental Contribution	-	-	-	-	-	-	50%	50%	-	-	None
151	4998	Use of Fund Balance	-	-	-	(440,932)	440,932	-	50%	50%	-	-	None H
152	4999	Transfers In	86,446	-	-	-	-	-	50%	50%	-	-	None
153	4999.001	Transfer In SH-37	-	-	-	-	-	-	50%	50%	-	-	None
154		Total Utility Fund Revenues	\$ (1,341,859)	\$ (1,586,325)	\$ (1,763,223)	\$ (2,452,005)	\$ 2,380,555	\$ (71,450)			\$ (35,725)	\$ (35,725)	
155		Revenue Requirement	\$ (156,304)	\$ (340,951)	\$ 728,385	\$ 107,616	\$ 1,754,743	\$ 1,862,359			\$ 1,017,263	\$ 814,524	J

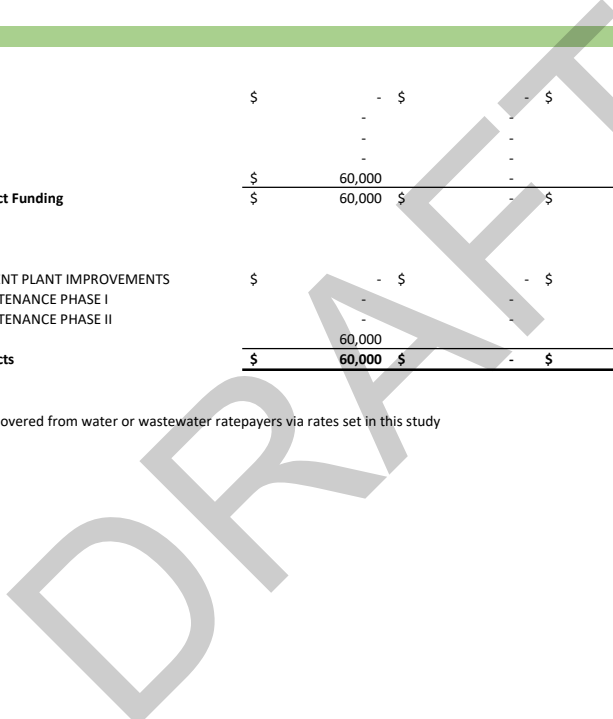
- Notes:
- A Test Year reflects an annualized amount of capital spending.
 - B Added to Test Year on this worksheet to reflect the unique debt terms associated with the meter replacement project.
 - C Amount adjusted for one-time expense, this expense is accounted for on the "CIP" tab instead.
 - D There is a line item on the bill to recover the cost of payments on the CO (and so the cost is removed from the Test Year).
 - E Removed from Test Year as this is the answer the rate study is quantifying.
 - F Not part of the water/wastewater revenues.
 - G Assume all interest earned is retained in the reserves (as opposed to offsetting revenue requirement).
 - H Non-recurring transfer.
 - I Only two-thirds of the Public Works costs are attributable to water and wastewater
 - J Water plus wastewater does not equal the Test Year because one-third of the Public Works costs are not included



City of Mt. Vernon, TX
 Water & Wastewater Cost of Service Study
 Capital Improvement Plan

Line No.		Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028	Notes
Water							
1 Sources of Funds							
2	Water/Sewer Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -	
3	Proposed Debt	-	-	-	-	-	
4	Impact Fee Fund	-	-	1,000,000	-	-	
5	Other (e.g. grants)	490,410	-	-	-	-	
6	Outside Funding (City Subsidy)	-	5,364,700	7,000,000	7,718,650	3,093,500	A
7	Total Water Capital Project Funding	\$ 490,410	\$ 5,364,700	\$ 8,000,000	\$ 7,718,650	\$ 3,093,500	
8 Uses of Funds							
9	LEAD SERVICE LINE REPL. (LSLR)	\$ -	\$ -	\$ -	5,017,550	\$ -	
10	CORE & MAIN AMI NEPTUNE BID	490,410	-	-	-	-	
11	DISTRIBUTION SYSTEM IMPROVEMENTS	-	5,364,700	-	-	-	
12	WATER LINE REPLACEMENT/UPGRADES PHASE I	-	-	-	2,701,100	-	
13	WATER LINE REPLACEMENT/UPGRADES PHASE II	-	-	-	-	3,093,500	
14	RAW WATER LINE REPLACEMENT	-	-	8,000,000	-	-	
15	Total Water Capital Projects	\$ 490,410	\$ 5,364,700	\$ 8,000,000	\$ 7,718,650	\$ 3,093,500	
16 Wastewater							
17 Sources of Funds							
18	Water/Sewer Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -	
19	Proposed Debt	-	-	-	-	-	
20	Impact Fee Fund	-	-	1,000,000	-	-	
21	Other (e.g. grants)	-	-	-	-	-	
22	Outside Funding (City Subsidy)	60,000	-	6,571,835	1,701,900	7,080,000	A
23	Total Wastewater Capital Project Funding	\$ 60,000	\$ -	\$ 7,571,835	\$ 1,701,900	\$ 7,080,000	
24 Uses of Funds							
25	COLLECTION AND WW TREATMENT PLANT IMPROVEMENTS	\$ -	\$ -	7,571,835	\$ -	\$ -	
26	WW COLLECTION SYSTEM MAINTENANCE PHASE I	-	-	-	1,701,900	-	
27	WW COLLECTION SYSTEM MAINTENANCE PHASE II	-	-	-	-	7,080,000	
28	WWTP Clearing	60,000	-	-	-	-	
29	Total Wastewater Capital Projects	\$ 60,000	\$ -	\$ 7,571,835	\$ 1,701,900	\$ 7,080,000	

Notes:
 A Outside funding does not get recovered from water or wastewater ratepayers via rates set in this study





City of Mt. Vernon, TX
Water and Wastewater Cost of Service Study
Reserves

Line No	FY 2023	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
1 General Fund (Water & Sewer)						
2 <u>Beginning Balance</u>	\$ 1,300,232	\$ 1,300,232	\$ 796,379	\$ 875,353	\$ 934,062	\$ 971,877
3 Proposed Water Rate Under-Recovery	-	(316,115)	-	-	-	-
4 Proposed Wastewater Rate Under-Recovery	-	(187,738)	-	-	-	-
5 Contributions From Rates	-	-	-	-	-	-
6 Interest Earned	-	-	-	-	-	-
7 Proposed Water Rate Over-Recovery	-	-	42,009	29,556	16,701	3,398
8 Manual Adjustments	-	-	-	-	-	-
9 Proposed Wastewater Rate Over-Recovery	-	-	36,965	29,153	21,115	12,808
10 <u>Ending Balance</u>	\$ 1,300,232	\$ 796,379	\$ 875,353	\$ 934,062	\$ 971,877	\$ 988,084
Cash O&M Expenses		\$ 1,609,309	\$ 1,671,150	\$ 1,735,428	\$ 1,802,239	\$ 1,871,684
Days Cash on Hand		181	191	196	197	193

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City of Mt. Vernon, TX
Water and Wastewater Cost of Service Study
Revenue Requirement - Water

Line No.	Code	Description	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028
1	Expenditures						
2	5160.001	Wages	\$ 120,790	\$ 125,622	\$ 130,647	\$ 135,873	\$ 141,308
3	5160.002	Certificate/License Pay	3,600	3,744	3,894	4,050	4,211
4	5160.003	Dues & Subscriptions	300	312	324	337	351
5	5160.004	Freight/Postage	3,280	3,411	3,548	3,690	3,837
6	5160.005	Permits/Assess./License	7,500	7,800	8,112	8,436	8,774
7	5160.006	Lab Supplies & Fees	25,000	26,000	27,040	28,122	29,246
8	5160.007	Computer/Tech	3,000	3,120	3,245	3,375	3,510
9	5160.008	Contract - FOWD (Raw Water)	90,000	93,600	97,344	101,238	105,287
10	5160.009	Legal	-	-	-	-	-
11	5160.010	Water Plant Repairs	71,500	74,360	77,334	80,428	83,645
12	5160.011	Service Contract Fees	8,000	8,320	8,653	8,999	9,359
13	5160.012	Chemicals - Water Plant	100,000	103,000	106,090	109,273	112,551
14	5160.013	Sludge Disposal	40,000	41,600	43,264	44,995	46,794
15	5160.014	Repair Water Dist. System	150,000	156,000	162,240	168,730	175,479
16	5160.015	Int. Due on Deposits	3,500	3,640	3,786	3,937	4,095
17	5160.016	Fire Hydrants and Valves	8,000	8,320	8,653	8,999	9,359
18	5160.017	Repair Vehicle	500	520	541	562	585
19	5160.018	Special Projects	1,000	1,040	1,082	1,125	1,170
20	5160.019	Engineer Expense/Adm.	50,000	52,000	54,080	56,243	58,493
21	5160.020	Pipe Supplies	30,000	31,200	32,448	33,746	35,096
22	5160.021	Capital Expense	100,000	104,000	108,160	112,486	116,986
23	5160.022	Water Meter/Repair/Flush	10,000	10,400	10,816	11,249	11,699
24	5160.023	Audit	1,000	1,040	1,082	1,125	1,170
25	5160.024	Trans to Equip. Fund	5,000	5,200	5,408	5,624	5,849
26	5160.025	Unemployment Expense (TEC)	300	312	324	337	351
27	5160.026	Meter Reading Device Maint.	300	312	324	337	351
28	5160.027	Street Repair for Water Leaks	2,500	2,600	2,704	2,812	2,925
29	5160.028	Dam Cleaning	5,000	5,200	5,408	5,624	5,849
30	5160.032	Social Security (FICA)	12,178	12,665	13,171	13,698	14,246
31	5160.033	Medicare	2,848	2,962	3,080	3,204	3,332
32	5160.034	TML Health Insu.	40,410	42,026	43,707	45,456	47,274
33	5160.035	TMRS	18,208	18,936	19,693	20,481	21,300
34	5160.036	Gas & Oil	4,000	4,160	4,326	4,499	4,679
35	5160.037	Telephone	3,000	3,120	3,245	3,375	3,510
36	5160.038	Utilities	25,000	26,000	27,040	28,122	29,246
37	5160.039	Overtime	8,000	8,320	8,653	8,999	9,359
38	5160.040	Lease Vehicles	8,218	8,547	8,889	9,244	9,614
39	5160.041	Bad Debt Expense	2,000	2,080	2,163	2,250	2,340
40	5160.042	School/Training/Travel	7,000	7,280	7,571	7,874	8,189
41	5160.043	Uniforms	600	624	649	675	702
42	5160.044	Supplies	3,500	3,640	3,786	3,937	4,095
43	5160.045	Property/Liability Ins.	11,000	11,440	11,898	12,374	12,868
44	5160.047	Administration Fee	-	-	-	-	-
45	5160.049	Workers Comp. Insurance	2,700	2,808	2,920	3,037	3,159
46	5160.050	Termination Pay	-	-	-	-	-
47	5160.051	2007 WTP Construction Loan	-	-	-	-	-
48	5160.052	2007 WTP Construction Debt TRF	-	-	-	-	-
49	5160.053	Longevity	900	936	973	1,012	1,053
50	5160.054	2008 USDA Construction Loan	-	-	-	-	-
51	5160.055	2008 USDA Construction Debt	-	-	-	-	-
52	5160.056	Transfers Out	-	-	-	-	-
53	5160.075	TMRS -Pension Cost Auditors	-	-	-	-	-
54	5160.076	OPEB Expense	-	-	-	-	-
55	0 Core & Main Meter Debt Issue 2024		32,785	32,785	32,785	32,785	32,785
56	Total Water Expenses		\$ 1,022,416	\$ 1,061,002	\$ 1,101,100	\$ 1,142,772	\$ 1,186,079



City of Mt. Vernon, TX
Water and Wastewater Cost of Service Study
Revenue Requirement - Water

Line No.	Code	Description	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028
57 Model Additions							
58		Water Cash Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
59		Wastewater Cash Capital Outlays	-	-	-	-	-
60		Existing Debt Service	-	-	-	-	-
61		Proposed Debt Service - Water	-	-	-	-	-
62		Proposed Debt Service - Wastewater	-	-	-	-	-
63		Contributions to Reserves	-	-	-	-	-
64	5140.001	Director of Public Works Wages	20,003	20,803	21,635	22,500	23,400
65	5140.007	Computer/Tech	333	347	361	375	390
66	5140.025	Unemployment Expense (TEC)	33	35	36	37	39
67	5140.032	Social Security Expense (FICA)	1,240	1,290	1,341	1,395	1,451
68	5140.033	Medicare Expense	290	302	314	326	339
69	5140.034	TML Health Ins.	3,000	3,120	3,245	3,375	3,510
70	5140.035	Retirement (TMRS)	1,400	1,456	1,514	1,575	1,638
71	5140.036	Fuel (Gas & Oil)	667	693	721	750	780
72	5140.039	Overtime	333	347	361	375	390
73	5140.040	Lease Vehicles	2,739	2,849	2,963	3,081	3,205
74	5140.042	Travel/Training/School	333	347	361	375	390
75	5140.043	Uniforms	100	104	108	112	117
76	5140.044	Supplies	100	104	108	112	117
77		Total Model Additions	\$ 30,572	\$ 31,795	\$ 33,067	\$ 34,389	\$ 35,765
78		TOTAL EXPENSES	\$ 1,052,988	\$ 1,092,797	\$ 1,134,167	\$ 1,177,162	\$ 1,221,844
79 Revenues							
80	4000	Disbursement Utilities	\$ -	\$ -	\$ -	\$ -	\$ -
81	4001	Water Revenue	-	-	-	-	-
82	4002	Sewer Revenue	-	-	-	-	-
83	4003	Penalties	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
84	4004	Tap Fees	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
85	4005	Miscellaneous Revenue	-	-	-	-	-
86	4006	Transfer Fee	(125)	(125)	(125)	(125)	(125)
87	4007	Cash Over/Short	-	-	-	-	-
88	4008	Bulk Water Revenue	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
89	4009	Return Check Fee Revenue	(100)	(100)	(100)	(100)	(100)
90	4010	Reconnect Fee Revenue	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)
91	4011	Misc. Water & Sewer Revenue	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
92	4012	Bulk Sewer	-	-	-	-	-
93	4015	Stormwater Revenue	-	-	-	-	-
94	4016	2012 CO FNB Assessment Fee	-	-	-	-	-
95	4022	Interest Earned Revenue	-	-	-	-	-
96	4033	Resale of Vehicles	-	-	-	-	-
97	4040	Transfer from EDC	-	-	-	-	-
98	4044	TDA Grant Proceed	-	-	-	-	-
99	4045	Intergovernmental Contribution	-	-	-	-	-
100	4998	Use of Fund Balance	-	-	-	-	-
101	4999	Transfers In	-	-	-	-	-
102	4999.001	Transfer In SH-37	-	-	-	-	-
103		Total Water Revenue	\$ (35,725)	\$ (35,725)	\$ (35,725)	\$ (35,725)	\$ (35,725)
104		Water Net Revenue Requirement	\$ 1,017,263	\$ 1,057,072	\$ 1,098,442	\$ 1,141,437	\$ 1,186,119



City of Mt. Vernon, TX
Water and Wastewater Cost of Service Study
Revenue Requirement - Wastewater

Line No.	Code	Description	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028
1	Expenditures						
2	0	Core & Main Meter Debt Issue 2024	32,785	32,785	32,785	32,785	32,785
3		Total Water Expenses	\$ 32,785	\$ 32,785	\$ 32,785	\$ 32,785	\$ 32,785
4	Sewer						
5	5170.001	Wages	\$ 158,403	\$ 164,739	\$ 171,328	\$ 178,182	\$ 185,309
6	5170.002	Building Repair	500	520	541	562	585
7	5170.003	Dues & Subscriptions	150	156	162	169	175
8	5170.004	Freight/Postage	3,500	3,640	3,786	3,937	4,095
9	5170.005	Permits/Assess./License	5,600	5,824	6,057	6,299	6,551
10	5170.006	Lab Fees	16,500	17,160	17,846	18,560	19,303
11	5170.007	Transfer to WWTP Fund	-	-	-	-	-
12	5170.008	Trans to OPR Fund	-	-	-	-	-
13	5170.009	Legal	-	-	-	-	-
14	5170.01	Plant/Lift Station Repair	50,000	52,000	54,080	56,243	58,493
15	5170.011	Lift Station & WW Plant Rehab	-	-	-	-	-
16	5170.012	Chemicals - Waste Water Plant	22,000	22,660	23,340	24,040	24,761
17	5170.013	Sludge Disposal	80,000	83,200	86,528	89,989	93,589
18	5170.014	Repair Sewer Coll. System	140,000	145,600	151,424	157,481	163,780
19	5170.015	Computer/Tech	5,000	5,200	5,408	5,624	5,849
20	5170.016	Aerators/Maintenance	10,000	10,400	10,816	11,249	11,699
21	5170.017	Repair Vehicle	1,500	1,560	1,622	1,687	1,755
22	5170.018	Special Projects	3,000	3,120	3,245	3,375	3,510
23	5170.019	Engineer Expense/Adm.	30,000	31,200	32,448	33,746	35,096
24	5170.02	Pipe Supplies	6,000	6,240	6,490	6,749	7,019
25	5170.021	Capital Expense	100,000	104,000	108,160	112,486	116,986
26	5170.022	2012 - C.O. First National Bank	-	-	-	-	-
27	5170.023	Audit	1,000	1,040	1,082	1,125	1,170
28	5170.024	Trans to Equip. Fund	5,000	5,200	5,408	5,624	5,849
29	5170.025	Unemployment Expense (TEC)	300	312	324	337	351
30	5170.026	2013 CO TWDB Debt	-	-	-	-	-
31	5170.027	Street Repair for Water Leaks	3,000	3,120	3,245	3,375	3,510
32	5170.028	2013 CO TWDB Debt	-	-	-	-	-
33	5170.029	Certificate/License Pay	3,000	3,120	3,245	3,375	3,510
34	5170.032	Social Security (FICA)	9,641	10,027	10,428	10,845	11,279
35	5170.033	Medicare	2,255	2,345	2,439	2,536	2,638
36	5170.034	TML Health Insu.	40,410	42,026	43,707	45,456	47,274
37	5170.035	Retirement (TMRS)	14,416	14,992	15,592	16,215	16,864
38	5170.036	Fuel (Gas & Oil)	3,000	3,120	3,245	3,375	3,510
39	5170.037	Telephone	2,500	2,600	2,704	2,812	2,925
40	5170.038	Utilities	30,000	31,200	32,448	33,746	35,096
41	5170.039	Overtime	11,000	11,440	11,898	12,374	12,868
42	5170.04	Lease Vehicles	8,218	8,547	8,889	9,244	9,614
43	5170.041	Bad Debt Expense	3,000	3,120	3,245	3,375	3,510
44	5170.042	School/Training/Travel	2,000	2,080	2,163	2,250	2,340
45	5170.043	Uniforms	600	624	649	675	702
46	5170.044	Supplies	5,000	5,200	5,408	5,624	5,849
47	5170.045	Property/Liability Ins.	5,000	5,200	5,408	5,624	5,849
48	5170.047	Administration Fee	-	-	-	-	-
49	5170.049	Workers Comp. Insurance	2,500	2,600	2,704	2,812	2,925
50	5170.050	Termination Pay	-	-	-	-	-
51	5170.053	Longevity	2,900	3,016	3,137	3,262	3,393
52	5170.054	Transfer Out	-	-	-	-	-
53	5170.056	Interest Expense	-	-	-	-	-
54		Total Sewer Expenses	\$ 786,892	\$ 818,148	\$ 850,647	\$ 884,440	\$ 919,577



City of Mt. Vernon, TX
Water and Wastewater Cost of Service Study
Revenue Requirement - Wastewater

Line No.	Code	Description	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028
55	Model Additions						
56		Water Cash Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
57		Wastewater Cash Capital Outlays	-	-	-	-	-
58		Existing Debt Service	-	-	-	-	-
59		Proposed Debt Service - Water	-	-	-	-	-
60		Proposed Debt Service - Wastewater	-	-	-	-	-
61		Contributions to Reserves	-	-	-	-	-
62	5140.001	Director of Public Works Wages	20,003	20,803	21,635	22,500	23,400
63	5140.007	Computer/Tech	333	347	361	375	390
64	5140.025	Unemployment Expense (TEC)	33	35	36	37	39
65	5140.032	Social Security Expense (FICA)	1,240	1,290	1,341	1,395	1,451
66	5140.033	Medicare Expense	290	302	314	326	339
67	5140.034	TML Health Ins.	3,000	3,120	3,245	3,375	3,510
68	5140.035	Retirement (TMRS)	1,400	1,456	1,514	1,575	1,638
69	5140.036	Fuel (Gas & Oil)	667	693	721	750	780
70	5140.039	Overtime	333	347	361	375	390
71	5140.040	Lease Vehicles	2,739	2,849	2,963	3,081	3,205
72	5140.042	Travel/Training/School	333	347	361	375	390
73	5140.043	Uniforms	100	104	108	112	117
74	5140.044	Supplies	100	104	108	112	117
75		Total Model Additions	\$ 30,572	\$ 31,795	\$ 33,067	\$ 34,389	\$ 35,765
76		TOTAL EXPENSES	\$ 850,249	\$ 882,727	\$ 916,499	\$ 951,614	\$ 988,126
77	Revenues						
78	4000	Disbursement Utilities	\$ -	\$ -	\$ -	\$ -	\$ -
79	4001	Water Revenue	-	-	-	-	-
80	4002	Sewer Revenue	-	-	-	-	-
81	4003	Penalties	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
82	4004	Tap Fees	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
83	4005	Miscellaneous Revenue	-	-	-	-	-
84	4006	Transfer Fee	(125)	(125)	(125)	(125)	(125)
85	4007	Cash Over/Short	-	-	-	-	-
86	4008	Bulk Water Revenue	-	-	-	-	-
87	4009	Return Check Fee Revenue	(100)	(100)	(100)	(100)	(100)
88	4010	Reconnect Fee Revenue	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)
89	4011	Misc. Water & Sewer Revenue	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
90	4012	Bulk Sewer	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
91	4015	Stormwater Revenue	-	-	-	-	-
92	4016	2012 CO FNB Assessment Fee	-	-	-	-	-
93	4022	Interest Earned Revenue	-	-	-	-	-
94	4033	Resale of Vehicles	-	-	-	-	-
95	4040	Transfer from EDC	-	-	-	-	-
96	4044	TDA Grant Proceed	-	-	-	-	-
97	4045	Intergovernmental Contribution	-	-	-	-	-
98	4998	Use of Fund Balance	-	-	-	-	-
99	4999	Transfers In	-	-	-	-	-
100	4999.001	Transfer In SH-37	-	-	-	-	-
101		Total Sewer Revenue	\$ (35,725)	\$ (35,725)	\$ (35,725)	\$ (35,725)	\$ (35,725)
102		Wastewater Net Revenue Requirement	\$ 814,524	\$ 847,002	\$ 880,774	\$ 915,889	\$ 952,401



City of Mt. Vernon TX
Water and Wastewater Cost of Service Study
Base-Extra Allocation

Line No.	Customer Class	Water Demand		Peaking Ratio	Base %	Excess Month	Extra %	Meter Counts	Customer %
		Maximum Month	Average Month						
1	Residential	5,842,000	4,066,167	1.44	46.06%	1,775,833	36.40%	955	77.58%
2	Commercial	3,346,000	2,386,917	1.40	27.04%	959,083	19.66%	179	14.54%
3	Multi-Unit/Hotel/Apt/Low Rent	628,000	504,083	1.25	5.71%	123,917	2.54%	15	1.22%
4	Sprinklers	2,000,000	628,417	3.18	7.12%	1,371,583	28.11%	62	5.04%
5	City NO Bill	1,892,000	1,243,250	1.52	14.08%	648,750	13.30%	20	1.62%
6	Total	13,708,000	8,828,833	1.55	100.00%	4,879,167	100.00%	1,231	100.00%

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Item 1.



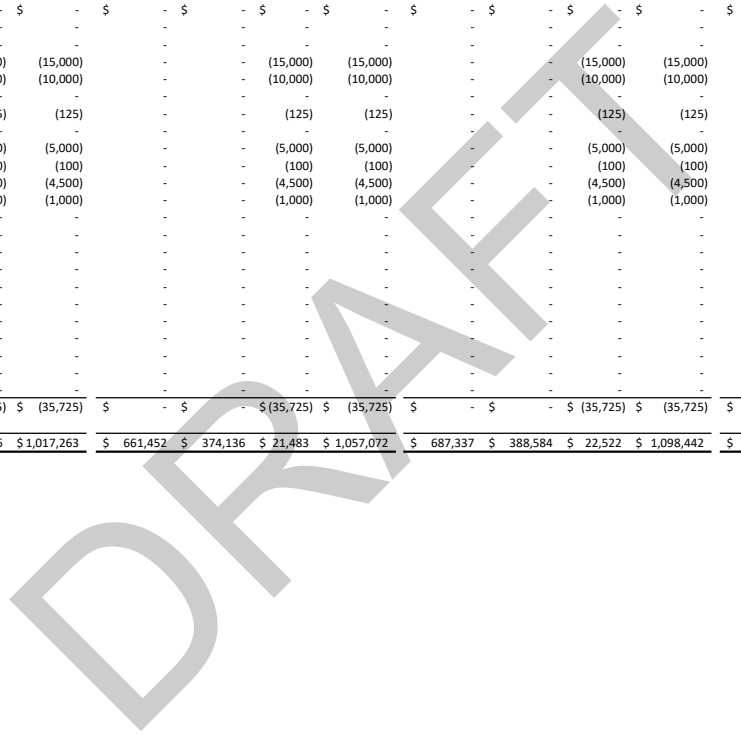
City of Mt. Vernon TX
Water and Wastewater Cost of Service Study
Base-Extra Revenue Requirement Forecast

Line No.	Code	Description	Allocation	Year 1 FY 2024				Year 2 FY 2025				Year 3 FY 2026				Year 4 FY 2027				Year 5 FY 2028			
				Base	Extra	Customer	Total	Base	Extra	Customer	Total	Base	Extra	Customer	Total	Base	Extra	Customer	Total	Base	Extra	Customer	Total
Expenditures																							
2	5160	Wages	RR Composite	\$ 75,584	\$ 42,774	\$ 2,432	\$ 120,790	\$ 78,607	\$ 44,462	\$ 2,553	\$ 125,622	\$ 81,751	\$ 46,218	\$ 2,679	\$ 130,647	\$ 85,021	\$ 48,043	\$ 2,809	\$ 135,873	\$ 88,422	\$ 49,940	\$ 2,946	\$ 141,308
3	5160	Certificate/License Pay	RR Composite	2,253	1,275	72	3,600	2,343	1,325	76	3,744	2,436	1,377	80	3,894	2,534	1,432	84	4,050	2,635	1,488	88	4,211
4	5160	Dues & Subscriptions	RR Composite	188	106	6	300	195	110	6	312	203	115	7	324	211	119	7	337	220	124	7	351
5	5160	Freight/Postage	Customer	-	-	3,280	3,280	-	-	3,411	3,411	-	-	3,548	3,548	-	3,690	3,690	-	-	-	3,837	3,837
6	5160.01	Permits/Assess./License	RR Composite	4,693	2,656	151	7,500	4,881	2,761	159	7,800	5,076	2,870	166	8,112	5,279	2,983	174	8,436	5,490	3,101	183	8,774
7	5160.01	Lab Supplies & Fees	Base	25,000	-	-	25,000	26,000	-	-	26,000	27,040	-	-	27,040	28,122	-	-	28,122	29,246	-	-	29,246
8	5160.01	Computer/Tech	RR Composite	1,877	1,062	60	3,000	1,952	1,104	63	3,120	2,030	1,148	67	3,245	2,112	1,193	70	3,375	2,196	1,240	73	3,510
9	5160.01	Contract - FOWD (Raw Water)	Base	90,000	-	-	90,000	93,600	-	-	93,600	97,344	-	-	97,344	101,238	-	-	101,238	105,287	-	-	105,287
10	5160.01	Legal	RR Composite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	5160.01	Water Plant Repairs	Base-Extra	39,754	31,746	-	71,500	41,344	33,016	-	74,360	42,998	34,336	-	77,334	44,718	35,710	-	80,428	46,507	37,138	-	83,645
12	5160.01	Service Contract Fees	RR Composite	5,006	2,833	161	8,000	5,206	2,945	169	8,320	5,414	3,061	177	8,653	5,631	3,182	186	8,999	5,856	3,308	195	9,359
13	5160.01	Chemicals - Water Plant	Base-Extra	55,600	44,400	-	100,000	57,268	45,732	-	103,000	58,986	47,104	-	106,090	60,756	48,517	-	109,273	62,578	49,972	-	112,551
14	5160.01	Sludge Disposal	Base-Extra	22,240	17,760	-	40,000	23,130	18,470	-	41,600	24,055	19,209	-	43,264	25,017	19,978	-	44,995	26,018	20,777	-	46,794
15	5160.01	Repair Water Dist. System	Base-Extra	83,400	66,600	-	150,000	86,736	69,264	-	156,000	90,206	72,034	-	162,240	93,814	74,916	-	168,730	97,566	77,912	-	175,479
16	5160.02	Int. Due on Deposits	Customer	-	-	3,500	3,500	-	-	3,640	3,640	-	-	3,786	3,786	-	3,937	3,937	-	-	-	4,095	4,095
17	5160.02	Fire Hydrants and Valves	Base	8,000	-	-	8,000	8,320	-	-	8,320	8,653	-	-	8,653	8,999	-	-	8,999	9,359	-	-	9,359
18	5160.02	Repair Vehicle	RR Composite	313	177	10	500	325	184	11	520	338	191	11	541	352	199	12	562	366	207	12	585
19	5160.02	Special Projects	RR Composite	626	354	20	1,000	651	368	21	1,040	677	383	22	1,082	704	398	23	1,125	732	413	24	1,170
20	5160.02	Engineer Expense/Adm.	Base-Extra	27,800	22,200	-	50,000	28,912	23,088	-	52,000	30,069	24,011	-	54,080	31,271	24,972	-	56,243	32,522	25,971	-	58,493
21	5160.02	Pipe Supplies	Base-Extra	16,680	13,320	-	30,000	17,347	13,853	-	31,200	18,041	14,407	-	32,448	18,763	14,983	-	33,746	19,513	15,582	-	35,096
22	5160.02	Capital Expense	Base-Extra	55,600	44,400	-	100,000	57,824	46,176	-	104,000	60,137	48,023	-	108,160	62,543	49,944	-	112,486	65,044	51,942	-	116,986
23	5160.02	Water Meter/Repair/Flush	Customer	-	-	10,000	10,000	-	-	10,400	10,400	-	-	10,816	10,816	-	-	11,249	11,249	-	-	11,699	11,699
24	5160.02	Audit	RR Composite	626	354	20	1,000	651	368	21	1,040	677	383	22	1,082	704	398	23	1,125	732	413	24	1,170
25	5160.02	Trans to Equip. Fund	Base-Extra	2,780	2,220	-	5,000	2,891	2,309	-	5,200	3,007	2,401	-	5,408	3,127	2,497	-	5,624	3,252	2,597	-	5,849
26	5160.03	Unemployment Expense (TEC)	RR Composite	188	106	6	300	195	110	6	312	203	115	7	324	211	119	7	337	220	124	7	351
27	5160.03	Meter Reading Device Maint.	Customer	-	-	300	300	-	-	312	312	-	-	324	324	-	-	337	337	-	-	351	351
28	5160.03	Street Repair for Water Leaks	Base-Extra	1,390	1,110	-	2,500	1,446	1,154	-	2,600	1,503	1,201	-	2,704	1,564	1,249	-	2,812	1,626	1,299	-	2,925
29	5160.03	Dam Cleaning	Base	5,000	-	-	5,000	5,200	-	-	5,200	5,408	-	-	5,408	5,624	-	-	5,624	5,849	-	-	5,849
30	5160.03	Social Security (FICA)	RR Composite	7,620	4,312	245	12,178	7,925	4,483	257	12,665	8,242	4,660	270	13,171	8,572	4,843	283	13,698	8,914	5,035	297	14,246
31	5160.03	Medicare	RR Composite	1,782	1,009	57	2,848	1,853	1,048	60	2,962	1,928	1,090	63	3,080	2,005	1,133	66	3,204	2,085	1,177	69	3,332
32	5160.03	TML Health Ins.	RR Composite	25,286	14,310	814	40,410	26,298	14,875	854	42,026	27,349	15,462	896	43,707	28,443	16,072	940	45,456	29,581	16,707	985	47,274
33	5160.04	TMRS	RR Composite	11,393	6,448	367	18,208	11,849	6,702	385	18,936	12,323	6,967	404	19,693	12,816	7,242	423	20,481	13,329	7,528	444	21,300
34	5160.04	Gas & Oil	RR Composite	2,503	1,416	81	4,000	2,603	1,472	85	4,160	2,707	1,531	89	4,326	2,815	1,591	93	4,499	2,928	1,654	98	4,679
35	5160.04	Telephone	RR Composite	1,877	1,062	60	3,000	1,952	1,104	63	3,120	2,030	1,148	67	3,245	2,112	1,193	70	3,375	2,196	1,240	73	3,510
36	5160.04	Utilities	RR Composite	15,644	8,853	503	25,000	16,269	9,202	528	26,000	16,920	9,566	554	27,040	17,597	9,943	581	28,122	18,301	10,336	610	29,246
37	5160.04	Overtime	RR Composite	5,006	2,833	161	8,000	5,206	2,945	169	8,320	5,414	3,061	177	8,653	5,631	3,182	186	8,999	5,856	3,308	195	9,359
38	5160.04	Lease Vehicles	RR Composite	5,142	2,910	165	8,218	5,348	3,025	174	8,547	5,562	3,144	182	5,889	5,784	3,269	191	9,244	6,016	3,398	200	9,614
39	5160.04	Bad Debt Expense	RR Composite	1,251	708	40	2,000	1,302	736	42	2,080	1,354	765	44	2,163	1,408	795	47	2,250	1,464	827	49	2,340
40	5160.04	School/Training/Travel	RR Composite	4,380	2,479	141	7,000	4,555	2,577	148	7,280	4,738	2,678	155	5,751	4,927	2,784	163	7,874	5,124	2,894	171	8,189
41	5160.04	Uniforms	RR Composite	375	212	12	600	390	221	13	624	406	230	13	649	422	239	14	675	439	248	15	702
42	5160.04	Supplies	RR Composite	2,190	1,239	70	3,500	2,278	1,288	74	3,640	2,369	1,339	78	3,786	2,464	1,392	81	3,937	2,562	1,447	85	4,095
43	5160.05	Property/Liability Ins.	Base-Extra	6,116	4,884	-	11,000	6,361	5,079	-	11,440	6,615	5,283	-	11,898	6,880	5,494	-	12,374	7,155	5,714	-	12,868
44	5160.05	Administration Fee	RR Composite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	5160.05	Workers Comp. Insurance	RR Composite	1,690	956	54	2,700	1,757	994	57	2,808	1,827	1,033	60	2,920	1,900	1,074	63	3,037	1,976	1,116	66	3,159
46	5160.05	Termination Pay	RR Composite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	5160.05	2007 WTP Construction Loan	Base-Extra	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	5160.05	2007 WTP Construction Debt TRF	Base-Extra	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	5160.05	Longevity	RR Composite	563	319	18	900	586	331	19	936	609	344	20	973	633	358	21	1,012	659	372	22	1,053
50	5160.05	2008 USDA Construction Loan	Base-Extra	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	5160.06	2008 USDA Construction Debt	Base-Extra	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	5160.06	Transfers Out	RR Composite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	5160.08	TMRS - Pension Cost Auditors	RR Composite																				



City of Mt. Vernon TX
Water and Wastewater Cost of Service Study
Base-Extra Revenue Requirement Forecast

Line No.	Code	Description	Allocation	Year 1 FY 2024				Year 2 FY 2025				Year 3 FY 2026				Year 4 FY 2027				Year 5 FY 2028			
				Base	Extra	Customer	Total	Base	Extra	Customer	Total	Base	Extra	Customer	Total	Base	Extra	Customer	Total	Base	Extra	Customer	Total
73		Retirement (TMRS)	RR Composite	876	496	28	1,400	911	515	30	1,456	948	536	31	1,514	985	557	33	1,575	1,025	579	34	1,638
74		Fuel (Gas & Oil)	RR Composite	417	236	13	667	434	245	14	693	451	255	15	721	469	265	16	750	488	276	16	780
75		Overtime	RR Composite	209	118	7	333	217	123	7	347	226	128	7	361	235	133	8	375	244	138	8	390
76		Lease Vehicles	RR Composite	1,714	970	55	2,739	1,783	1,008	58	2,849	1,854	1,048	61	2,963	1,928	1,090	64	3,081	2,005	1,133	67	3,205
77		Travel/Training/School	RR Composite	209	118	7	333	217	123	7	347	226	128	7	361	235	133	8	375	244	138	8	390
78		Uniforms	RR Composite	63	35	2	100	65	37	2	104	68	38	2	108	70	40	2	112	73	41	2	117
79		Supplies	RR Composite	63	35	2	100	65	37	2	104	68	38	2	108	70	40	2	112	73	41	2	117
82		Total Model Additions		\$ 19,130	\$ 10,826	\$ 616	\$ 30,572	\$ 19,895	\$ 11,253	\$ 646	\$ 31,795	\$ 20,691	\$ 11,698	\$ 678	\$ 33,067	\$ 21,519	\$ 12,160	\$ 711	\$ 34,389	\$ 22,380	\$ 12,640	\$ 746	\$ 35,765
Revenues																							
83	4000	Disbursement Utilities	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
84	4001	Water Revenue	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
85	4002	Sewer Revenue	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
86	4003	Penalties	Customer	-	-	(15,000)	(15,000)	-	-	(15,000)	(15,000)	-	-	(15,000)	(15,000)	-	-	(15,000)	(15,000)	-	-	(15,000)	
87	4004	Tap Fees	Customer	-	-	(10,000)	(10,000)	-	-	(10,000)	(10,000)	-	-	(10,000)	(10,000)	-	-	(10,000)	(10,000)	-	-	(10,000)	
88	4005	Miscellaneous Revenue	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
89	4006	Transfer Fee	Customer	-	-	(125)	(125)	-	-	(125)	(125)	-	-	(125)	(125)	-	-	(125)	(125)	-	-	(125)	
90	4007	Cash Over/Short	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
91	4008	Bulk Water Revenue	Customer	-	-	(5,000)	(5,000)	-	-	(5,000)	(5,000)	-	-	(5,000)	(5,000)	-	-	(5,000)	(5,000)	-	-	(5,000)	
92	4009	Return Check Fee Revenue	Customer	-	-	(100)	(100)	-	-	(100)	(100)	-	-	(100)	(100)	-	-	(100)	(100)	-	-	(100)	
93	4010	Reconnect Fee Revenue	Customer	-	-	(4,500)	(4,500)	-	-	(4,500)	(4,500)	-	-	(4,500)	(4,500)	-	-	(4,500)	(4,500)	-	-	(4,500)	
94	4011	Misc. Water & Sewer Revenue	Customer	-	-	(1,000)	(1,000)	-	-	(1,000)	(1,000)	-	-	(1,000)	(1,000)	-	-	(1,000)	(1,000)	-	-	(1,000)	
95	4012	Bulk Sewer	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
96	4015	Stormwater Revenue	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97	4016	2012 CO FNB Assessment Fee	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
98	4022	Interest Earned Revenue	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
99	4033	Resale of Vehicles	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
100	4040	Transfer from EDC	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
101	4044	TDA Grant Proceed	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
102	4045	Intergovernmental Contribution	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
103	4998	Use of Fund Balance	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
104	4999	Transfers In	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
105	4999	Transfer In SH-37	Customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
106		Total Water Revenue		\$ -	\$ -	\$ (35,725)	\$ (35,725)	\$ -	\$ -	\$ (35,725)	\$ (35,725)	\$ -	\$ -	\$ (35,725)	\$ (35,725)	\$ -	\$ -	\$ (35,725)	\$ (35,725)	\$ -	\$ -	\$ (35,725)	
107		Water Net Revenue Requirement		\$ 636,548	\$ 360,230	\$ 20,486	\$ 1,017,263	\$ 661,452	\$ 374,136	\$ 21,483	\$ 1,057,072	\$ 687,337	\$ 388,584	\$ 22,522	\$ 1,098,442	\$ 714,240	\$ 403,594	\$ 23,602	\$ 1,141,437	\$ 742,204	\$ 419,189	\$ 24,726	\$ 1,186,119





City of Mt. Vernon TX
Water and Wastewater Cost of Service Study
Proposed Water Rates

Line No.	Current Rates	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028
1 Retail Fixed Charges						
		<u>Annual Increase:</u>				
			8.00	0.00	0.00	0.00
2 RESIDENTIAL INSIDE						
3	5/8" \$ 25.00	\$ 25.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
4 COMMERCIAL INSIDE						
5	5/8" \$ 31.00	\$ 31.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
6 RESIDENTIAL OUTSIDE						
7	5/8" \$ 35.00	\$ 35.00	\$ -	\$ -	\$ -	\$ -
8 COMMERCIAL OUTSIDE						
9	5/8" \$ 49.06	\$ 49.06	\$ -	\$ -	\$ -	\$ -
10 MULTI-UNIT / HOTEL						
11	5/8" \$ 34.19	\$ 34.19	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
12	3/4" 34.19	34.19	49.50	49.50	49.50	49.50
13	1" 39.63	39.63	82.50	82.50	82.50	82.50
14	1.5" 77.70	77.70	165.00	165.00	165.00	165.00
15	2" 99.45	99.45	264.00	264.00	264.00	264.00
16	3" 175.59	175.59	495.00	495.00	495.00	495.00
17	4" 300.67	300.67	825.00	825.00	825.00	825.00
18 SPRINKLERS						
19	5/8" \$ -	\$ -	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50
CITY NO BILL						
20	5/8" \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21 Retail Volumetric Charges						
22 RESIDENTIAL INSIDE						
23	0-1000 gals \$ -	\$ -	\$ 4.20	\$ 4.20	\$ 4.20	\$ 4.20
24	1001-8999 gals 3.75	3.75	5.25	5.25	5.25	5.25
25	9000 - 20999 gals 4.00	4.00	6.30	6.30	6.30	6.30
26	21000 - 40999 gals 4.25	4.25	7.25	7.25	7.25	7.25
27	41000+ 4.50	4.50	7.97	7.97	7.97	7.97
28 COMMERCIAL INSIDE						
29	0-1000 gals \$ -	\$ -	\$ 4.20	\$ 4.20	\$ 4.20	\$ 4.20
30	1001-8999 gals 3.75	3.75	5.25	5.25	5.25	5.25
31	9000 - 20999 gals 4.00	4.00	6.30	6.30	6.30	6.30
32	21000 - 40999 gals 4.25	4.25	7.25	7.25	7.25	7.25
33	41000+ 4.50	4.50	7.97	7.97	7.97	7.97
34 MULTI-UNIT / HOTEL						
35	0-1000 gals \$ -	\$ -	\$ 4.20	\$ 4.20	\$ 4.20	\$ 4.20
36	1001-8999 gals 3.75	3.75	4.20	4.20	4.20	4.20
37	9000 - 20999 gals 3.75	3.75	4.20	4.20	4.20	4.20
38	21000 - 40999 gals 3.75	3.75	4.20	4.20	4.20	4.20
39	41000+ 3.75	3.75	4.20	4.20	4.20	4.20
40 SPRINKLERS						
41	0-1000 gals \$ -	\$ -	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
42	1001-8999 gals 3.75	3.75	6.25	6.25	6.25	6.25
43	9000 - 20999 gals 4.00	4.00	7.50	7.50	7.50	7.50
44	21000 - 40999 gals 4.25	4.25	8.63	8.63	8.63	8.63
45	41000+ 4.50	4.50	9.49	9.49	9.49	9.49
46 CITY NO BILL						
47	Per 1000 gal \$ -	\$ -	\$ -	\$ -	\$ -	\$ -



City of Mt. Vernon TX
Water and Wastewater Cost of Service Study
Over/(Under) at Proposed Rates - Water

Line No.		Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
1	Revenue Requirement	\$ 1,017,263	\$ 1,057,072	\$ 1,098,442	\$ 1,141,437	\$ 1,186,119
2	Customer Allocation					
3	Allocation to Base, Extra, Customer					
4	Base	\$ 636,548	\$ 661,452	\$ 687,337	\$ 714,240	\$ 742,204
5	Extra Capacity	360,230	374,136	388,584	403,594	419,189
6	Customer	20,486	21,483	22,522	23,602	24,726
7	Total	\$ 1,017,263	\$ 1,057,072	\$ 1,098,442	\$ 1,141,437	\$ 1,186,119
8	Residential					
9	Base 46.06%	\$ 293,166	\$ 304,635	\$ 316,557	\$ 328,947	\$ 341,826
10	Extra Capacity 36.40%	131,110	136,171	141,430	146,893	152,569
11	Customer 77.58%	15,893	16,667	17,472	18,310	19,182
12	Total	\$ 440,168	\$ 457,474	\$ 475,459	\$ 494,151	\$ 513,577
13	Commercial					
14	Base 27.04%	\$ 172,094	\$ 178,827	\$ 185,825	\$ 193,098	\$ 200,658
15	Extra Capacity 19.66%	70,809	73,543	76,383	79,333	82,399
16	Customer 14.54%	2,979	3,124	3,275	3,432	3,595
17	Total	\$ 245,882	\$ 255,493	\$ 265,482	\$ 275,864	\$ 286,652
18	Multi-Unit/Hotel/Apt/Low Rent					
19	Base 5.71%	\$ 36,344	\$ 37,766	\$ 39,244	\$ 40,780	\$ 42,376
20	Extra Capacity 2.54%	9,149	9,502	9,869	10,250	10,646
21	Customer 1.22%	250	262	274	288	301
22	Total	\$ 45,742	\$ 47,529	\$ 49,387	\$ 51,317	\$ 53,324
23	Sprinklers					
24	Base 7.12%	\$ 45,308	\$ 47,081	\$ 48,923	\$ 50,838	\$ 52,828
25	Extra Capacity 28.11%	101,264	105,173	109,235	113,454	117,838
26	Customer 5.04%	1,032	1,082	1,134	1,189	1,245
27	Total	\$ 147,604	\$ 153,336	\$ 159,292	\$ 165,481	\$ 171,912
28	CITY NO BILL					
29	Base 14.08%	\$ 89,637	\$ 93,144	\$ 96,789	\$ 100,577	\$ 104,515
30	Extra Capacity 13.30%	47,897	49,746	51,667	53,663	55,737
31	Customer 1.62%	333	349	366	383	402
32	Total	\$ 137,867	\$ 143,239	\$ 148,822	\$ 154,624	\$ 160,653
33	Total Revenue Requirement	\$ 1,017,263	\$ 1,057,072	\$ 1,098,442	\$ 1,141,437	\$ 1,186,119



City of Mt. Vernon TX
Water and Wastewater Cost of Service Study
Over/(Under) at Proposed Rates - Water

Line No.	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
34 Annual Average Meter Count					
35 <u>Residential</u>	997	1,037	1,078	1,121	1,166
36 <u>Commercial</u>	182	185	188	191	194
37 Multi-Unit/Hotel/Apt/Low Rent					
38 Master Meter 3/4"	1	1	1	1	1
39 Master Meter 1'	2	2	2	2	2
40 Master Meter 1.5'	5	5	5	5	5
41 Master Meter 2'	6	7	7	7	7
42 Master Meter 3' (Super 8)	1	1	1	1	1
43 Total Multi/Hotel/Apt/Low Rent	<u>15</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
44 Sprinklers					
45 Commercial Sprinklers	24	24	24	24	24
46 Residential Sprinklers	41	41	41	41	41
47 Total Sprinklers	<u>65</u>	<u>65</u>	<u>65</u>	<u>65</u>	<u>65</u>
48 Non-Billed Connections					
49 Cypress Springs (3 & 4')	4	4	4	4	4
50 City NO BILL	16	16	16	16	16
51 Total Non-Billed	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
52 Total Meters	1,279	1,323	1,367	1,413	1,461
53 Minimum Bill Revenue					
54 <u>Residential</u>	\$ 299,100	\$ 410,652	\$ 426,888	\$ 443,916	\$ 461,736
55 <u>Commercial</u>	\$ 67,704	\$ 73,260	\$ 74,448	\$ 75,636	\$ 76,824
56 Multi-Unit/Hotel/Apt/Low Rent					
57 Master Meter 3/4"	\$ 410	\$ 594	\$ 594	\$ 594	\$ 594
58 Master Meter 1'	951	1,980	1,980	1,980	1,980
59 Master Meter 1.5'	4,662	9,900	9,900	9,900	9,900
60 Master Meter 2'	7,160	22,176	22,176	22,176	22,176
61 Master Meter 3' (Super 8)	2,107	5,940	5,940	5,940	5,940
62 Total Multi/Hotel/Apt/Low Rent	<u>\$ 15,291</u>	<u>\$ 40,590</u>	<u>\$ 40,590</u>	<u>\$ 40,590</u>	<u>\$ 40,590</u>
63 Sprinklers					
64 Commercial Sprinklers	\$ -	\$ 4,752	\$ 4,752	\$ 4,752	\$ 4,752
65 Residential Sprinklers	-	8,118	8,118	8,118	8,118
66 Total Sprinklers	<u>\$ -</u>	<u>\$ 12,870</u>	<u>\$ 12,870</u>	<u>\$ 12,870</u>	<u>\$ 12,870</u>
67 City NO BILL	\$ -	\$ -	\$ -	\$ -	\$ -
68 Total Retail Minimum Bill Revenue	<u>\$ 382,095</u>	<u>\$ 537,372</u>	<u>\$ 554,796</u>	<u>\$ 573,012</u>	<u>\$ 592,020</u>
69 Percent of Revenue Requirement	37.6%	50.8%	50.5%	50.2%	49.9%



City of Mt. Vernon TX
Water and Wastewater Cost of Service Study
Over/(Under) at Proposed Rates - Water

Line No.	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028	
70 Volumetric Consumption (gal)						
71	Total Residential Consumption	50,836,062	52,759,265	54,759,396	56,839,531	59,002,873
72	Total Commercial Consumption	28,860,114	29,080,974	29,305,647	29,534,198	29,766,694
73	Total Multi-Unit/Hotel/Apt. Consumption	6,049,000	6,255,533	6,255,533	6,255,533	6,255,533
74	Total Sprinkler Consumption	7,711,806	7,711,806	7,711,806	7,711,806	7,711,806
75	Total City NO BILL Consumption	14,919,000	14,919,000	14,919,000	14,919,000	14,919,000
76	Total Retail Consumption	108,375,982	110,726,579	112,951,383	115,260,069	117,655,906
77 Volumetric Revenue						
78	Total Residential Volumetric Revenue	\$ 152,216	\$ 277,057	\$ 287,301	\$ 297,953	\$ 309,032
79	Total Commercial Volumetric Revenue	\$ 114,423	\$ 197,003	\$ 198,253	\$ 199,524	\$ 200,817
80	Total Multi-Unit/Hotel/Apt. Volumetric Revenue	\$ 22,009	\$ 26,273	\$ 26,273	\$ 26,273	\$ 26,273
81	Total Sprinkler Volumetric Revenue	\$ 30,405	\$ 61,375	\$ 61,375	\$ 61,375	\$ 61,375
82	Total City NO BILL Volumetric Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
83	Total Retail Volumetric Revenue	\$ 319,053	\$ 561,709	\$ 573,202	\$ 585,125	\$ 597,497
84 Over/(Under) Revenue Requirement						
85	Total Water Revenue	\$ 701,148	\$ 1,099,081	\$ 1,127,998	\$ 1,158,137	\$ 1,189,517
86	Water Revenue Requirement	\$ 1,017,263	\$ 1,057,072	\$ 1,098,442	\$ 1,141,437	\$ 1,186,119
87	Over/(Under) Revenue Requirement	\$ (316,115)	\$ 42,009	\$ 29,556	\$ 16,701	\$ 3,398
88	Cumulative Over/(Under)	\$ (316,115)	\$ (274,106)	\$ (244,550)	\$ (227,850)	\$ (224,451)



City of Mt. Vernon TX
Water and Wastewater Cost of Service Study
Over/(Under) at Proposed Rates - Water

Line No.		Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
89	Over/(Under) by Customer Class					
90	Residential					
91	Cost of Service	\$ 440,168	\$ 457,474	\$ 475,459	\$ 494,151	\$ 513,577
92	Revenue	451,316	687,709	714,189	741,869	770,768
93	Over/(Under)	\$ 11,148	\$ 230,236	\$ 238,730	\$ 247,719	\$ 257,191
94	Commercial					
95	Cost of Service	\$ 245,882	\$ 255,493	\$ 265,482	\$ 275,864	\$ 286,652
96	Revenue	182,127	270,263	272,701	275,160	277,641
97	Over/(Under)	\$ (63,755)	\$ 14,770	\$ 7,218	\$ (704)	\$ (9,012)
98	Multi-Unit/Hotel/Apt.					
99	Cost of Service	\$ 45,742	\$ 47,529	\$ 49,387	\$ 51,317	\$ 53,324
100	Revenue	37,300	66,863	66,863	66,863	66,863
101	Over/(Under)	\$ (8,443)	\$ 19,334	\$ 17,476	\$ 15,546	\$ 13,540
102	Sprinkler					
103	Cost of Service	\$ 147,604	\$ 153,336	\$ 159,292	\$ 165,481	\$ 171,912
104	Revenue	30,405	74,245	74,245	74,245	74,245
105	Over/(Under)	\$ (117,199)	\$ (79,091)	\$ (85,047)	\$ (91,236)	\$ (97,667)
106	City NO BILL					
107	Cost of Service	\$ 137,867	\$ 143,239	\$ 148,822	\$ 154,624	\$ 160,653
108	Revenue	-	-	-	-	-
109	Over/(Under)	\$ (137,867)	\$ (143,239)	\$ (148,822)	\$ (154,624)	\$ (160,653)
110	Total					
111	Cost of Service	\$ 1,017,263	\$ 1,057,072	\$ 1,098,442	\$ 1,141,437	\$ 1,186,119
112	Revenue	701,148	1,099,081	1,127,998	1,158,137	1,189,517
113	Over/(Under)	\$ (316,115)	\$ 42,009	\$ 29,556	\$ 16,701	\$ 3,398

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City of Mt. Vernon TX
Water and Wastewater Cost of Service Study
Proposed Wastewater Rates

Line No.		Current Rates	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028	
1 Retail Fixed Charges								
			<u>Annual Increase:</u>		8.00	0.00	0.00	0.00
2 RESIDENTIAL INSIDE								
3	5/8"	\$ 26.00	\$ 26.00	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00	
4 COMMERCIAL INSIDE								
5	5/8"	\$ 28.00	\$ 28.00	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00	
6 RESIDENTIAL OUTSIDE								
7	5/8"	\$ 38.00	\$ 38.00	\$ -	\$ -	\$ -	\$ -	
8 COMMERCIAL OUTSIDE (LOWE'S)								
9	5/8"	\$ 40.00	\$ 40.00	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00	
10 MULTI-UNIT / HOTEL								
11	5/8"	\$ 37.41	\$ 37.41	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00	
12	3/4"	37.41	37.41	51.00	51.00	51.00	51.00	
13	1"	45.51	45.51	85.00	85.00	85.00	85.00	
14	1.5"	86.03	86.03	170.00	170.00	170.00	170.00	
15	2"	117.45	117.45	272.00	272.00	272.00	272.00	
16	3"	215.69	215.69	510.00	510.00	510.00	510.00	
17	4"	375.75	375.75	850.00	850.00	850.00	850.00	
18 CITY NO BILL								
19	5/8"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20 Retail Volumetric Charges								
21 RESIDENTIAL INSIDE								
22	0-1000 gals	\$ -	\$ -	\$ 4.55	\$ 4.55	\$ 4.55	\$ 4.55	
23	1001-8999 gals	4.00	4.00	4.78	4.78	4.78	4.78	
24	9000 - 20999 gals	4.05	4.05	5.02	5.02	5.02	5.02	
25	21000 - 40999 gals	4.10	4.10	5.27	5.27	5.27	5.27	
26	41000+	4.15	4.15	5.53	5.53	5.53	5.53	
27 COMMERCIAL INSIDE								
28	0-1000 gals	\$ -	\$ -	\$ 4.55	\$ 4.55	\$ 4.55	\$ 4.55	
29	1001-8999 gals	4.00	4.00	4.78	4.78	4.78	4.78	
30	9000 - 20999 gals	4.05	4.05	5.02	5.02	5.02	5.02	
31	21000 - 40999 gals	4.10	4.10	5.27	5.27	5.27	5.27	
32	41000+	4.15	4.15	5.53	5.53	5.53	5.53	
33 RESIDENTIAL OUTSIDE								
34	0-1000 gals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
35	1001-8999 gals	5.00	5.00	-	-	-	-	
36	9000 - 20999 gals	5.05	5.05	-	-	-	-	
37	21000 - 40999 gals	5.10	5.10	-	-	-	-	
38	41000+	5.15	5.15	-	-	-	-	
39 COMMERCIAL OUTSIDE (LOWE'S)								
40	0-1000 gals	\$ -	\$ -	\$ 4.55	\$ 4.55	\$ 4.55	\$ 4.55	
41	1001-8999 gals	5.00	5.00	4.78	4.78	4.78	4.78	
42	9000 - 20999 gals	5.05	5.05	5.02	5.02	5.02	5.02	
43	21000 - 40999 gals	5.10	5.10	5.27	5.27	5.27	5.27	
44	41000+	5.15	5.15	5.53	5.53	5.53	5.53	
45 MULTI-UNIT / HOTEL								
46	0-1000 gals	\$ -	\$ -	\$ 4.55	\$ 4.55	\$ 4.55	\$ 4.55	
47	1001-8999 gals	4.00	4.00	4.78	4.78	4.78	4.78	
48	9000 - 20999 gals	4.05	4.05	5.02	5.02	5.02	5.02	
49	21000 - 40999 gals	4.10	4.10	5.27	5.27	5.27	5.27	
50	41000+	4.15	4.15	5.53	5.53	5.53	5.53	
51 CITY NO BILL								
	Per 1000 gal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	



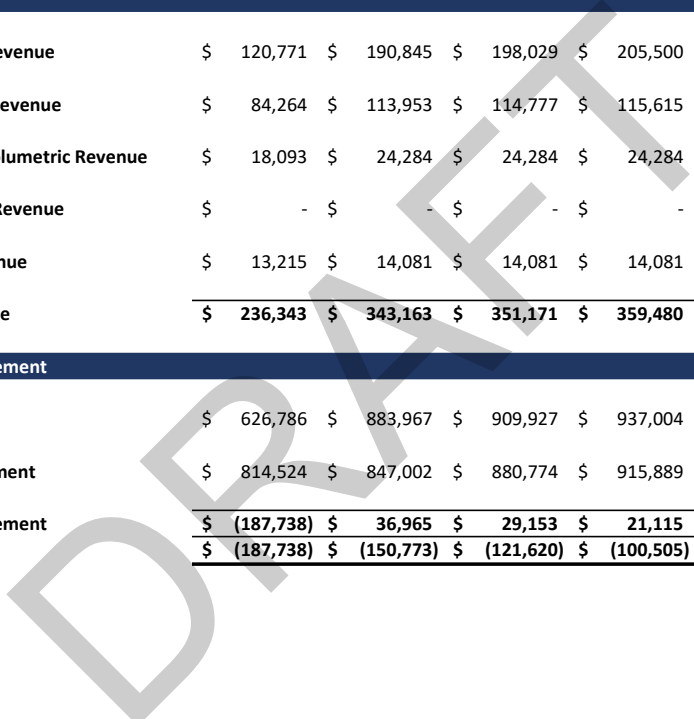
City of Mt. Vernon TX
Water and Wastewater Cost of Service Study
Over/(Under) at Proposed Rates - Wastewater

Line No.	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028
1 Annual Average Meter Count					
2 Residential	997	1,037	1,078	1,121	1,166
3 Commercial	182	185	188	191	194
4 Multi-Unit/Hotel/Apt/Low Rent					
5 Master Meter 3/4"	1	1	1	1	1
6 Master Meter 1'	2	2	2	2	2
7 Master Meter 1.5'	5	5	5	5	5
8 Master Meter 2'	6	7	7	7	7
9 Master Meter 3' (Super 8)	1	1	1	1	1
10 Total Multi/Hotel/Apt/Low Rent	15	16	16	16	16
11 Non-Billed Connections					
12 Cypress Springs (3 & 4')	4	4	4	4	4
13 City NO BILL	16	16	16	16	16
14 Total Non-Billed	20	20	20	20	20
15 LOWE'S	1	1	1	1	1
16 Total Meters	1,215	1,259	1,303	1,349	1,397
17 Minimum Bill Revenue					
18 Residential	\$ 311,064	\$ 423,096	\$ 439,824	\$ 457,368	\$ 475,728
19 Commercial	\$ 61,152	\$ 75,480	\$ 76,704	\$ 77,928	\$ 79,152
20 Multi-Unit/Hotel/Apt/Low Rent					
21 Master Meter 3/4"	\$ 449	\$ 612	\$ 612	\$ 612	\$ 612
22 Master Meter 1'	1,092	2,040	2,040	2,040	2,040
23 Master Meter 1.5'	5,162	10,200	10,200	10,200	10,200
24 Master Meter 2'	8,456	22,848	22,848	22,848	22,848
25 Master Meter 3' (Super 8)	2,588	6,120	6,120	6,120	6,120
26 Total Multi/Hotel/Apt/Low Rent	\$ 17,748	\$ 41,820	\$ 41,820	\$ 41,820	\$ 41,820
27 City NO BILL	\$ -	\$ -	\$ -	\$ -	\$ -
28 LOWE'S	\$ 480	\$ 408	\$ 408	\$ 408	\$ 408
29 Total Retail Minimum Bill Revenue	\$ 390,444	\$ 540,804	\$ 558,756	\$ 577,524	\$ 597,108



City of Mt. Vernon TX
Water and Wastewater Cost of Service Study
Over/(Under) at Proposed Rates - Wastewater

Line No.	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028
30 Volumetric Consumption (gal)					
31 Total Residential Consumption	38,432,063	39,886,004	41,398,103	42,970,686	44,606,172
32 Total Commercial Consumption	21,818,246	21,985,217	22,155,069	22,327,854	22,503,621
33 Total Multi-Unit/Hotel/Apt. Consumption	4,573,044	4,729,183	4,729,183	4,729,183	4,729,183
34 Total City NO BILL Consumption	11,278,764	11,278,764	11,278,764	11,278,764	11,278,764
35 Total LOWE'S Consumption	2,585,974	2,585,974	2,585,974	2,585,974	2,585,974
36 Total Retail Consumption	<u>78,688,091</u>	<u>80,465,142</u>	<u>82,147,094</u>	<u>83,892,461</u>	<u>85,703,714</u>
37 Volumetric Revenue					
38 Total Residential Volumetric Revenue	\$ 120,771	\$ 190,845	\$ 198,029	\$ 205,500	\$ 213,270
39 Total Commercial Volumetric Revenue	\$ 84,264	\$ 113,953	\$ 114,777	\$ 115,615	\$ 116,468
40 Total Multi-Unit/Hotel/Apt. Volumetric Revenue	\$ 18,093	\$ 24,284	\$ 24,284	\$ 24,284	\$ 24,284
41 Total City NO BILL Volumetric Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
42 Total LOWE'S Volumetric Revenue	\$ 13,215	\$ 14,081	\$ 14,081	\$ 14,081	\$ 14,081
43 Total Retail Volumetric Revenue	<u>\$ 236,343</u>	<u>\$ 343,163</u>	<u>\$ 351,171</u>	<u>\$ 359,480</u>	<u>\$ 368,102</u>
44 Over/(Under) Revenue Requirement					
45 Total Wastewater Revenue	\$ 626,786	\$ 883,967	\$ 909,927	\$ 937,004	\$ 965,210
46 Wastewater Revenue Requirement	\$ 814,524	\$ 847,002	\$ 880,774	\$ 915,889	\$ 952,401
47 Over/(Under) Revenue Requirement	<u>\$ (187,738)</u>	<u>\$ 36,965</u>	<u>\$ 29,153</u>	<u>\$ 21,115</u>	<u>\$ 12,808</u>
48 Cumulative Over/(Under)	<u>\$ (187,738)</u>	<u>\$ (150,773)</u>	<u>\$ (121,620)</u>	<u>\$ (100,505)</u>	<u>\$ (87,697)</u>



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