

# CITY OF ROCKPORT, TX

## ► 2024

Water And Wastewater Rate  
Study And Utility Cost Of  
Service Fee Study



**CITY OF ROCKPORT, TEXAS  
2024 WATER AND WASTEWATER RATE STUDY  
AND UTILITY COST OF SERVICE FEE STUDY  
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**Appendix A – Water and Wastewater Rate Model**

**Appendix B – Utility Non Rate Fee Study**

## Acknowledgements

During the course of this rate study, several City of Rockport ("City") employees expended considerable time and effort in assisting the project team. These employees included the Council, the Mayor, Vanessa Shrauner, Reagan Lauterbach, Robbie Sorrell, Mike Donoho, Ryan Picarazzi, and Jamie Gonzales. The project team owes a debt of gratitude to the hard work, dedication, and professionalism of these individuals, without whom this project would not have been successfully completed.

The project team has relied upon the extensive data supplied by the City. Thus, the integrity of the study is largely dependent upon the accuracy of this financial and customer data. Every effort has been made by the project team to validate and confirm the information contained herein prior to the preparation of the final study documents. **This report presents no assurance or guarantee that the forecast contained herein will be consistent with actual results or performances.** These represent forecasts based on a series of assumptions about future behavior and are not guarantees. Any changes in assumptions or actual events may result in significant revisions to the forecast and its conclusions. The cash flow projections and debt service coverage calculations are not intended to present overall financial positions, results of operations, and/or cash flows for the periods indicated, which is in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants.





# Executive Summary

## Background



In February 2024, the City of Rockport, Texas (“Rockport” or the “City”) engaged **Willdan Financial Services** to conduct a water and wastewater rate study and a long-term financial plan. The City was interested in developing a comprehensive water and wastewater rate plan for FY 2024 and beyond. The objective of this study is to develop a long-term rate plan that will enable the City to recover sufficient funds to meet operating expenses, capital outlays, debt service, and coverage requirements, while minimizing the impact of adjustments on ratepayers.

The City identified numerous objectives for this study, including but not limited to the following:

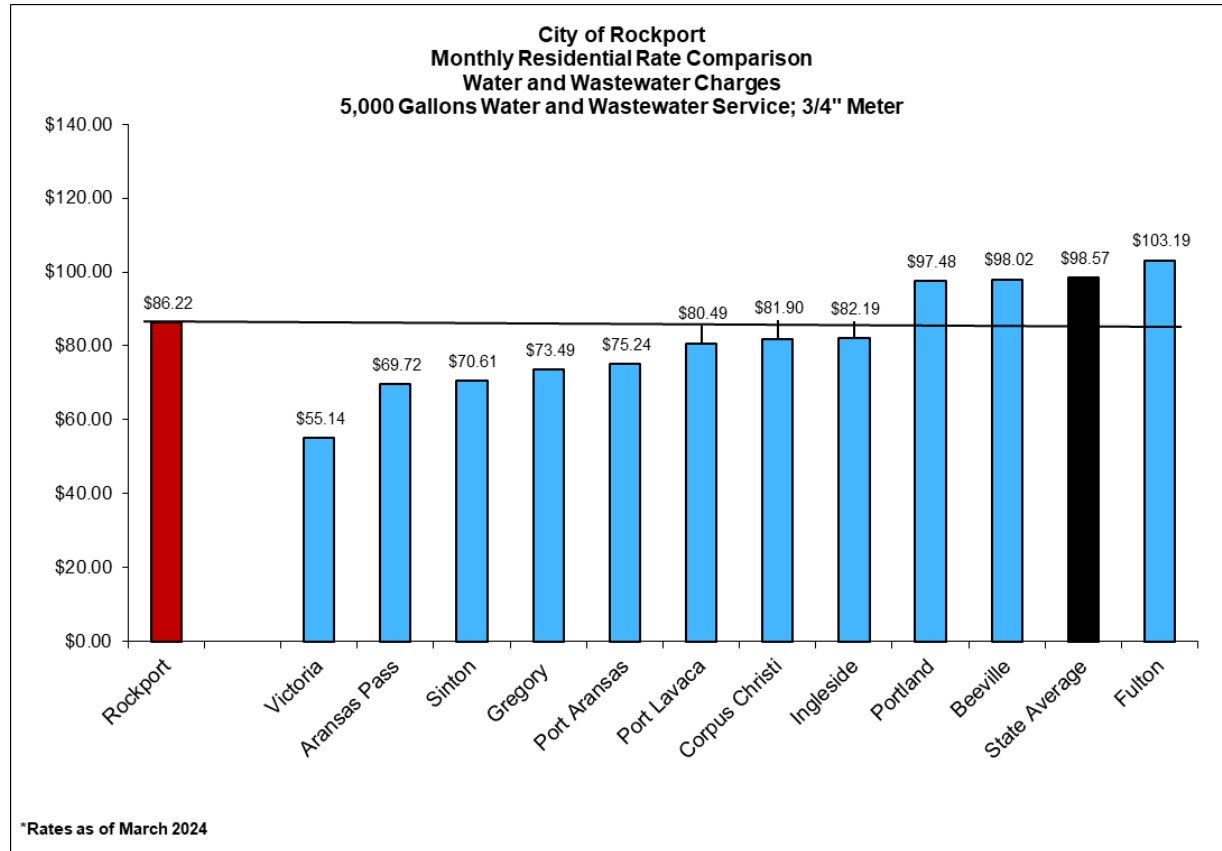
- A comprehensive analysis and evaluation of the water and wastewater systems’ current cost of service and revenue requirements.
- A forecast of operating expenses over the next ten years, taking into consideration such factors as inflation, system growth, salary adjustments, and increases in staffing levels.
- A thorough review of the water and wastewater systems’ known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt for the existing identified capital improvements.
- An estimate of current and forecast accounts, volumes, and billing units for the ten-year forecast period.
- A detailed analysis and comparison of the City’s current and proposed rates to rates charged by surrounding municipalities.
- A rate plan designed to recover the cost of service over a five-year forecast period with forecasts of future rates required for the remaining five years.
- A thorough analysis of outside city limits (“OCL”) rates and their overall cost of service according to national ratemaking standards.
- A review of wholesale rates and cost of service, both current and forecast.

## Water and Wastewater Rate Comparison

**Chart ES-1** compares Rockport’s monthly residential water and wastewater charges to those of nearby cities in the region. Volumes of 5,000 gallons for water and wastewater were used for the residential comparison as they represent typical usage levels for an average household. The rate data is based on published rates and ordinances

posted by each municipality on their websites as of March 2024. These rates do not include sales tax, activation or other charges beyond the basic minimum and volume charges. Since the majority of the current residential meters served by the City are 3/4", the comparisons reflect 3/4" meters for the cities that charge by meter size.

CHART ES-1



## Water and Wastewater Customers and Meters – Test Year & Forecast

Two major customer classes served by the City are Residential and Commercial. In addition to these customer classes, the City has one wholesale water customer – the Copano Cove Water Company; and one wholesale wastewater customer – the Town of Fulton. Finally, Rockport provides service to 40 “sewer-only” accounts that only use the City’s wastewater system and are not connected to the City’s water system.

The majority of water customers are located inside the city limits: 5,914 accounts or 57% of the total customer base. Outside city water customers represent 43% of the total system with 4,488 accounts. Similarly, the majority of wastewater customers are ICL accounts – 4,917 accounts or 85% of the total system; followed by 864 OCL wastewater accounts or 15% of the total system.

**Table ES-2** and **Table ES-3** on the next page present total water and wastewater accounts for the City in the historical years and forecast period.

TABLE ES-2

CITY OF ROCKPORT						
FORECAST TOTAL CUSTOMERS						
WATER Customer Classes						
Fiscal Year	Residential Inside	Commercial Inside	Residential Outside	Commercial Outside	Copano Cove Water Co.	Total
WATER Total Customers						
2021	4,563	822	3,531	431	1	9,348
2022	4,673	848	3,643	445	1	9,610
2023	4,802	851	3,772	466	1	9,891
2024	5,040	874	4,014	474	1	10,403
2025	5,216	900	4,154	488	1	10,760
2026	5,399	927	4,300	503	1	11,130
2027	5,588	955	4,450	518	1	11,512
2028	5,774	982	4,598	533	1	11,888
2029	5,960	1,009	4,746	547	1	12,264
2030	6,143	1,036	4,893	562	1	12,635
2031	6,326	1,062	5,038	576	1	13,004
2032	6,508	1,089	5,183	590	1	13,370
2033	6,690	1,115	5,328	605	1	13,738

TABLE ES-3

CITY OF ROCKPORT								
FORECAST TOTAL CUSTOMERS								
WASTEWATER Customer Classes								
	Residential Inside	Non-Residential Inside	Contracted Rate (Town of Fulton)	Sewer Only (ICL)	Residential Outside	Non- Residential Outside	Sewer Only (OCL)	Total
WASTEWATER Total Customers								
2021	3,911	577	787	8	536	63	32	5,914
2022	3,977	578	797	8	567	66	32	6,025
2023	4,064	592	807	8	612	73	32	6,188
2024	4,295	622	817	8	772	92	32	6,638
2025	4,471	648	827	8	912	106	32	7,005
2026	4,654	675	837	8	1,058	121	32	7,385
2027	4,843	703	847	8	1,208	136	32	7,777
2028	5,029	730	857	8	1,356	151	32	8,163
2029	5,215	757	867	8	1,504	165	32	8,549
2030	5,398	784	877	8	1,651	180	32	8,930
2031	5,581	810	887	8	1,796	194	32	9,309
2032	5,763	837	897	8	1,941	208	32	9,685
2033	5,945	863	907	8	2,086	223	32	10,063

## Net Revenue Requirement

The American Water Works Association (“AWWA”) *Manual M-1* is generally considered to be the definitive source of ratemaking guidelines in the USA. According to *Manual M-1*, there are two generally accepted approaches to determining revenue requirements. The approaches are defined within the manual as follows:

**Cash Needs Approach** – this approach seeks to ensure that utility revenues are sufficient to recover total cash needs for a given period. The revenue requirement component of this approach includes O&M expenses, debt-service principal and interest payments, and capital outlays that are not funded by long-term debt. Depreciation expense is not considered to be a cash expense and is therefore not included. The cash-needs approach is generally used by government-owned utilities for *customers who reside inside the city limits* and is generally preferred by most government utilities.

**Utility/Hybrid Basis Approach** – When a government-owned utility provides service to customers outside its geographical limits, the situation is similar to that of an investor-owned utility to its customers because the owner provides service to non-owner customers (customers outside the geographical limits of the city). To assess the risk and other factors associated with providing service outside city limits, *Manual M-1* recommends use of the Utility/Hybrid Approach, which calculates costs based on operating expenses, depreciation and return on investment.

The manual devotes an entire section to the discussion of and philosophy behind the calculation of rates for outside city customers. While circumstances can vary between cities, the manual lists many reasons why the cost to serve outside city customers is typically higher than for inside city customers. These reasons include but are not limited to customer location, risk elements, and what the manual characterizes as the “nature of the relationship” between inside and outside customers. Essentially, this means that inside and outside city customers have fundamentally different financial relationships to the utility. This results in a different degree of overall risk to serve. The Utility/Hybrid Basis methodology assesses the financial impact of these collective risks and cost differentials, and calculates the cost of service for outside city customers. The project team has applied this approach.

**Table ES-4** presents the test year and ten-year forecast for the City’s net revenue requirement to be raised from rates under the Cash Basis. The City currently has six outstanding debt obligations for which payments are made annually throughout the forecast period. In addition, the forecast assumes that the City will issue **\$67.9 million** in new debt over the next 5 years to finance the expansion of its water distribution and wastewater collection infrastructure needed to meet customer growth projections. Non-rate revenues include income from connection fees, penalties, and other sources of income other than rate revenues. **Table ES-4** reveals that the net revenue requirement for the combined water and wastewater utility is forecast to increase from the test year total of **\$11,835,310** to **\$25,518,725** by FY 2033. Detailed calculations are presented in the rate model contained in **Appendix A** of this report.

A summary of the Utility Basis cost of service is included in **Table ES-5**. This table reveals that over the ten-year rate plan forecast period, a Utility basis calculation, which would be used for outside city customers, would result in a cost of service that is approximately 21.8% greater for water and 34.0% greater for wastewater than the cash basis cost of service calculations over the same time period. Detailed calculations supporting this table are contained in the rate model prepared for the City.



TABLE ES-4

CITY OF ROCKPORT						
CURRENT AND FORECAST NET REVENUE REQUIREMENT						
SCENARIO: 2024 08 19 Scenario I -- Status Quo						
Fiscal Year	Operating/ Cap Outlays	Debt Service	Transfers & Contingencies	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
<b>WATER Revenue Requirement</b>						
2024	\$ 6,815,415	\$ 925,941	\$ 927,197	\$ 8,668,553	\$ 1,300,641	\$ 7,367,911
2025	7,772,056	926,687	955,012	9,653,755	682,321	8,971,434
2026	8,444,180	1,294,620	983,663	10,722,462	688,605	10,033,857
2027	8,999,248	1,504,077	1,013,173	11,516,498	695,008	10,821,490
2028	9,586,144	1,601,346	1,043,568	12,231,058	701,531	11,529,527
2029	10,209,701	1,783,557	1,074,875	13,068,133	708,176	12,359,957
2030	10,869,654	1,540,071	1,107,121	13,516,846	714,947	12,801,899
2031	11,569,640	1,540,445	1,140,335	14,250,420	721,845	13,528,574
2032	12,311,543	1,541,059	1,174,545	15,027,147	728,873	14,298,273
2033	13,099,910	1,541,576	1,209,781	15,851,267	736,034	15,115,233
<b>WASTEWATER Revenue Requirement</b>						
2024	\$ 3,091,121	\$ 925,941	\$ 927,197	\$ 4,944,258	\$ 476,859	\$ 4,467,399
2025	3,581,762	926,687	955,012	5,463,461	439,329	5,024,132
2026	3,979,781	1,730,798	983,663	6,694,241	440,266	6,253,975
2027	4,243,989	2,323,750	1,013,173	7,580,912	441,216	7,139,696
2028	4,528,585	2,981,252	1,043,568	8,553,405	442,181	8,111,224
2029	4,836,320	3,355,499	1,074,875	9,266,694	443,161	8,823,533
2030	5,168,326	3,304,048	1,107,121	9,579,495	444,155	9,135,340
2031	5,527,217	3,304,422	1,140,335	9,971,974	445,164	9,526,810
2032	5,915,133	3,305,037	1,174,545	10,394,714	446,188	9,948,526
2033	6,335,385	3,305,553	1,209,781	10,850,720	447,228	10,403,492
<b>TOTAL Revenue Requirement</b>						
2024	9,906,536	1,851,882	1,854,393	13,612,810	1,777,500	11,835,310
2025	11,353,818	1,853,374	1,910,025	15,117,217	1,121,650	13,995,567
2026	12,423,960	3,025,418	1,967,326	17,416,703	1,128,871	16,287,832
2027	13,243,237	3,827,828	2,026,345	19,097,410	1,136,224	17,961,186
2028	14,114,729	4,582,598	2,087,136	20,784,463	1,143,712	19,640,751
2029	15,046,021	5,139,056	2,149,750	22,334,827	1,151,337	21,183,489
2030	16,037,980	4,844,119	2,214,242	23,096,341	1,159,102	21,937,239
2031	17,096,857	4,844,867	2,280,669	24,222,394	1,167,010	23,055,384
2032	18,226,676	4,846,095	2,349,090	25,421,861	1,175,062	24,246,799
2033	19,435,295	4,847,129	2,419,562	26,701,987	1,183,262	25,518,725

TABLE ES-5

## CITY OF ROCKPORT

## NET REVENUE REQUIREMENTS CASH BASIS vs UTILITY BASIS

## SCENARIO:

2024 08 19 Scenario I -- Status Quo

## TOTAL COST OF SERVICE -- WATER

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>CASH Basis</b>										
Operating Expenses	\$ 6,804,065	\$ 7,613,540	\$ 8,285,664	\$ 8,840,732	\$ 9,427,628	\$ 10,051,185	\$ 10,711,138	\$ 11,411,124	\$ 12,153,027	\$ 12,941,394
Capital Outlays	11,350	158,516	158,516	158,516	158,516	158,516	158,516	158,516	158,516	158,516
Transfers	927,197	955,012	983,663	1,013,173	1,043,568	1,074,875	1,107,121	1,140,335	1,174,545	1,209,781
Current Debt Service	925,941	926,687	928,728	779,142	566,081	620,268	248,757	249,131	249,746	250,262
Future Debt Service	-	-	365,892	724,935	1,035,265	1,163,289	1,291,313	1,291,313	1,291,313	1,291,313
Depreciation	-	-	-	-	-	-	-	-	-	-
Return	-	-	-	-	-	-	-	-	-	-
Total Cost of Service	8,668,553	9,653,755	10,722,462	11,516,498	12,231,058	13,068,133	13,516,846	14,250,420	15,027,147	15,851,267
Less Non-Rate Revenues	1,300,641	682,321	688,605	695,008	701,531	708,176	714,947	721,845	728,873	736,034
<b>Net Revenue Requirement</b>	<b>7,367,911</b>	<b>8,971,434</b>	<b>10,033,857</b>	<b>10,821,490</b>	<b>11,529,527</b>	<b>12,359,957</b>	<b>12,801,899</b>	<b>13,528,574</b>	<b>14,298,273</b>	<b>15,115,233</b>
<b>UTILITY Basis</b>										
Operating Expenses	\$ 6,804,065	\$ 7,613,540	\$ 8,285,664	\$ 8,840,732	\$ 9,427,628	\$ 10,051,185	\$ 10,711,138	\$ 11,411,124	\$ 12,153,027	\$ 12,941,394
Capital Outlays	-	-	-	-	-	-	-	-	-	-
Transfers	927,197	955,012	983,663	1,013,173	1,043,568	1,074,875	1,107,121	1,140,335	1,174,545	1,209,781
Current Debt Service	-	-	-	-	-	-	-	-	-	-
Future Debt Service	-	-	-	-	-	-	-	-	-	-
Depreciation	860,403	1,048,501	1,213,636	1,345,633	1,390,970	1,441,960	1,437,054	1,436,925	1,435,662	1,435,662
Return	1,840,119	2,309,922	2,751,238	3,103,130	3,170,279	3,232,848	3,099,249	2,966,148	2,833,682	2,701,780
Total Cost of Service	10,431,783	11,926,976	13,234,200	14,302,668	15,032,444	15,800,868	16,354,562	16,954,532	17,596,916	18,288,617
Less Non-Rate Revenues	1,300,641	682,321	688,605	695,008	701,531	708,176	714,947	721,845	728,873	736,034
<b>Net Revenue Requirement</b>	<b>9,131,142</b>	<b>11,244,655</b>	<b>12,545,595</b>	<b>13,607,660</b>	<b>14,330,914</b>	<b>15,092,691</b>	<b>15,639,615</b>	<b>16,232,687</b>	<b>16,868,043</b>	<b>17,552,584</b>
<b>Percent Greater than Cash Basis</b>	<b>23.9%</b>	<b>25.3%</b>	<b>25.0%</b>	<b>25.7%</b>	<b>24.3%</b>	<b>22.1%</b>	<b>22.2%</b>	<b>20.0%</b>	<b>18.0%</b>	<b>16.1%</b>
<b>5 Year Average</b>	<b>24.9%</b>									
<b>10 Year Average</b>	<b>21.8%</b>									

## TOTAL COST OF SERVICE

	2024	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>CASH Basis</b>										
Operating Expenses	\$ 3,071,121	\$ 3,436,230	\$ 3,834,249	\$ 4,098,457	\$ 4,383,053	\$ 4,690,788	\$ 5,022,794	\$ 5,381,685	\$ 5,769,601	\$ 6,189,853
Capital Outlays	20,000	145,532	145,532	145,532	145,532	145,532	145,532	145,532	145,532	145,532
Transfers	927,197	955,012	983,663	1,013,173	1,043,568	1,074,875	1,107,121	1,140,335	1,174,545	1,209,781
Current Debt Service	925,941	926,687	928,728	779,142	566,081	620,268	248,757	249,131	249,746	250,262
Future Debt Service	-	-	802,070	1,544,609	2,415,171	2,735,231	3,055,291	3,055,291	3,055,291	3,055,291
Depreciation	-	-	-	-	-	-	-	-	-	-
Return	-	-	-	-	-	-	-	-	-	-
Total Cost of Service	4,944,258	5,463,461	6,694,241	7,580,912	8,553,405	9,266,694	9,579,495	9,971,974	10,394,714	10,850,720
Less Non-Rate Revenues	476,859	439,329	440,266	441,216	442,181	443,161	444,155	445,164	446,188	447,228
<b>Net Revenue Requirement</b>	<b>4,467,399</b>	<b>5,024,132</b>	<b>6,253,975</b>	<b>7,139,696</b>	<b>8,111,224</b>	<b>8,823,533</b>	<b>9,135,340</b>	<b>9,526,810</b>	<b>9,948,526</b>	<b>10,403,492</b>
<b>UTILITY Basis</b>										
Operating Expenses	\$ 3,071,121	\$ 3,436,230	\$ 3,834,249	\$ 4,098,457	\$ 4,383,053	\$ 4,690,788	\$ 5,022,794	\$ 5,381,685	\$ 5,769,601	\$ 6,189,853
Capital Outlays	-	-	-	-	-	-	-	-	-	-
Transfers	927,197	955,012	983,663	1,013,173	1,043,568	1,074,875	1,107,121	1,140,335	1,174,545	1,209,781
Current Debt Service	-	-	-	-	-	-	-	-	-	-
Future Debt Service	-	-	-	-	-	-	-	-	-	-
Depreciation	668,702	985,947	1,207,522	1,452,625	1,482,544	1,510,477	1,485,313	1,485,183	1,483,921	1,483,921
Return	1,283,769	2,352,630	3,316,438	4,438,443	4,768,050	5,095,615	4,966,676	4,838,357	4,710,812	4,584,000
Total Cost of Service	5,950,788	7,729,819	9,341,872	11,002,697	11,677,216	12,371,756	12,581,904	12,845,560	13,138,879	13,467,555
Net Revenue Requirement	476,859	439,329	440,266	441,216	442,181	443,161	444,155	445,164	446,188	447,228
<b>Net Revenue Requirement</b>	<b>5,473,929</b>	<b>7,290,490</b>	<b>8,901,606</b>	<b>10,561,481</b>	<b>11,235,034</b>	<b>11,928,595</b>	<b>12,137,748</b>	<b>12,400,396</b>	<b>12,692,691</b>	<b>13,020,327</b>
<b>Percent Greater than Cash Basis</b>	<b>22.5%</b>	<b>45.1%</b>	<b>42.3%</b>	<b>47.9%</b>	<b>38.5%</b>	<b>35.2%</b>	<b>32.9%</b>	<b>30.2%</b>	<b>27.6%</b>	<b>25.2%</b>
<b>5 Year Average</b>	<b>40.2%</b>									
<b>10 Year Average</b>	<b>34.0%</b>									

## Water and Wastewater Rate Design

Rate design involves determining charges for each class of customers that will generate a desired level of revenue in accordance with AWWA and other industry cost of service rate-making principles. The water and wastewater rates developed in this section are designed to recover the test year and forecast revenue requirements while providing funding for the identified capital improvements and existing debt service.

- The plan is a **five-year plan** with rate adjustments applied for each rate class starting in October 2024 and continuing in October of each year afterwards.
- The planning horizon for this rate plan is 5 years. **The revenue requirements for the years FY 2025 – FY 2029 are used as the basis for the rate design.** This is because the rates are intended to recover forecast costs, not historical costs as shown in the test year FY 2024.
- The proposed rate plan will ensure that all operating expenses and capital outlays are fully funded.
- The proposed rate plan will ensure that the City's \$67.9 million capital improvement plan is fully funded. The plan is to be implemented over the FY 2025 – FY 2029 time period. No CIP expenses are assumed for or recovered in the FY 2024 revenue requirement.
- No changes are recommended to the existing rate structure and/or tiers.
- The rate plan assumes uniform percentage adjustments for base and volume charges.
- The plan recommends lesser increases for water and higher increases for wastewater.
- Outside city rate premium is set to be 20% on water and wastewater rates. To achieve this, **no adjustment is recommended for outside city water rates for October 2024, October 2025 or October 2026. No adjustment for outside city wastewater rates is recommended for October 2024.**
- Future growths projections, forecast of water purchases from San Patricio MWD, and the amount of new debt required to fund CIP projects are three major factors impacting the rates. Should growth assumptions be slower than expected, future demand for Sand Patricio MWD water be lower than projected, or should the City choose to issue more or less debt than assumed in this study, then the rate plans contained in this study may require re-evaluation.

**Table ES-6** on the next page presents a summary of the proposed water rate plan. **Table ES-7** presents a summary of the proposed wastewater rate plan.

TABLE ES-6

CITY OF ROCKPORT		PROPOSED WATER RATE PLAN					
Scenario: 2024 08 13 Scenario I -- Status Quo		Effective					
		Current	Oct-24	Oct-25	Oct-26	Oct-27	Oct-28
<b>WATER</b>							
<b>Residential Inside</b>							
<u>Base Charge</u>							
3/4"	\$	22.52	\$ 23.42	\$ 24.12	\$ 24.85	\$ 25.34	\$ 25.85
1"		27.21	28.30	29.15	30.02	30.62	31.23
1 1/2"		50.39	52.41	53.98	55.60	56.71	57.84
2"		78.24	81.37	83.81	86.33	88.05	89.81
3"		152.51	158.61	163.37	168.27	171.64	175.07
4"		236.07	245.51	252.88	260.46	265.67	270.99
<u>Volume Rate Per 1,000 Gal</u>							
1,501 10,000		6.04	6.28	6.47	6.66	6.80	6.93
10,001 15,000		7.08	7.36	7.58	7.81	7.97	8.13
15,001 Above		8.04	8.36	8.61	8.87	9.05	9.23
<b>Commercial Inside</b>							
<u>Base Charge</u>							
3/4"		23.91	24.87	25.61	26.38	26.91	27.45
1"		28.89	30.05	30.95	31.88	32.51	33.16
1 1/2"		53.50	55.64	57.31	59.03	60.21	61.41
2"		83.07	86.39	88.98	91.65	93.49	95.36
3"		161.93	168.41	173.46	178.66	182.24	185.88
4"		250.66	260.69	268.51	276.56	282.09	287.74
<u>Volume Rate Per 1,000 Gal</u>							
1,501 10,000		6.41	6.67	6.87	7.07	7.21	7.36
10,001 15,000		7.51	7.81	8.04	8.29	8.45	8.62
15,001 Above		8.54	8.88	9.15	9.42	9.61	9.80
<b>Copano Cove Water Co.</b>							
<u>Volume Rate Per 1,000 Gal</u>							
- Above		6.93	7.21	7.42	7.65	7.80	7.96
<b>Residential Outside</b>							
<u>Base Charge</u>							
3/4"	\$	29.95	\$ 29.95	\$ 29.95	\$ 29.95	\$ 30.41	\$ 31.02
1"		36.21	36.21	36.21	36.21	36.75	37.48
1 1/2"		67.62	67.62	67.62	67.62	68.05	69.41
2"		104.68	104.68	104.68	104.68	105.66	107.78
3"		204.36	204.36	204.36	204.36	205.96	210.08
4"		316.45	316.45	316.45	316.45	318.81	325.18
6"		316.45	316.45	316.45	316.45	318.81	325.18
<u>Volume Rate Per 1,000 Gal</u>							
1,501 10,000		8.16	8.16	8.16	8.16	8.16	8.32
10,001 15,000		9.59	9.59	9.59	9.59	9.56	9.75
15,001 Above		10.90	10.90	10.90	10.90	10.86	11.08
<b>Commercial Outside</b>							
<u>Base Charge</u>							
3/4"		29.95	29.95	29.95	29.95	32.29	32.94
1"		36.21	36.21	36.21	36.21	39.02	39.80
1 1/2"		67.62	67.62	67.62	67.62	72.25	73.70
2"		104.68	104.68	104.68	104.68	112.18	114.43
3"		204.36	204.36	204.36	204.36	218.68	223.06
4"		316.45	316.45	316.45	316.45	338.51	345.28
6"		316.45	316.45	316.45	316.45	338.51	345.28
<u>Volume Rate Per 1,000 Gal</u>							
1,501 10,000		8.16	8.16	8.16	8.16	8.66	8.83
10,001 15,000		9.59	9.59	9.59	9.59	10.14	10.34
15,001 Above		10.90	10.90	10.90	10.90	11.53	11.76

TABLE ES-7

CITY OF ROCKPORT		PROPOSED WASTEWATER RATE PLAN					
Scenario:		2024 08 13 Scenario I -- Status Quo					
		Effective					
		Current	Oct-24	Oct-25	Oct-26	Oct-27	Oct-28
WASTEWATER							
Residential Inside							
<u>Base Charge</u>							
3/4"		\$ 25.79	\$ 28.11	\$ 30.64	\$ 33.09	\$ 35.74	\$ 38.60
1" or Larger		29.42	32.07	34.95	37.75	40.77	44.03
<u>Volume Rate Per 1,000 Gal</u>							
1,501	5,000	4.79	5.22	5.69	6.15	6.64	7.17
5,001	15,000	5.62	6.13	6.68	7.21	7.79	8.41
Non-Residential Inside							
<u>Base Charge</u>							
3/4"		29.64	32.31	35.22	38.03	41.08	44.36
1"		37.03	40.36	44.00	47.51	51.32	55.42
1 1/2"		44.46	48.46	52.82	57.05	61.61	66.54
2"		59.28	64.62	70.43	76.07	82.15	88.72
3"		118.57	129.24	140.87	152.14	164.31	177.46
4" or Larger		185.25	201.92	220.10	237.70	256.72	277.26
<u>Volume Rate Per 1,000 Gal</u>							
1,501	5,000	5.44	5.93	6.46	6.98	7.54	8.14
5,001	Above	6.38	6.95	7.58	8.19	8.84	9.55
Sewer Only (ICL)							
<u>Base Charge</u>							
Res. Inside		46.38	50.55	55.10	59.51	64.27	69.42
Non -Res. Inside		52.79	57.54	62.72	67.74	73.16	79.01
Comm. Opps. Inside		229.86	250.55	273.10	294.94	318.54	344.02
Residential Outside							
<u>Base Charge</u>							
3/4"		32.70	32.70	36.77	39.71	42.89	46.32
1" or Larger		40.84	40.84	41.94	45.30	48.92	52.84
<u>Volume Rate Per 1,000 Gal</u>							
1,501	5,000	5.97	5.97	6.83	7.38	7.97	8.60
5,001	15,000	7.05	7.05	8.01	8.65	9.35	10.09
Non- Residential Outside							
<u>Base Charge</u>							
3/4"		32.69	32.69	42.26	45.64	49.29	53.23
1"		40.84	40.84	52.79	57.02	61.58	66.51
1 1/2"		49.03	49.03	63.39	68.46	73.94	79.85
2"		65.35	65.35	84.52	91.28	98.58	106.47
3"		130.70	130.70	169.05	182.57	197.18	212.95
4" or Larger		204.22	204.22	264.11	285.24	308.06	332.71
<u>Volume Rate Per 1,000 Gal</u>							
1,501	5,000	5.95	5.95	7.76	8.38	9.05	9.77
5,001	Above	7.05	7.05	9.10	9.82	10.61	11.46
Sewer Only (OCL)							
<u>Base Charge</u>							
Res. - Outside		55.89	55.89	66.12	71.41	77.13	83.30
Non -Res. Outside		63.58	63.58	75.26	81.28	87.79	94.81
Comm. Opps. Outside		272.96	272.96	327.72	353.93	382.25	412.83



**Table ES-8** presents the impact that the proposed rate plan will have on ratepayers at various levels of consumption.

TABLE ES-8

CITY OF ROCKPORT													
IMPACT ON MONTHLY CHARGES													
Scenario:		2024 08 13 Scenario I -- Status Quo											
				Effective									
				Oct-24	Oct-25	Oct-26	Oct-27	Oct-28					
<b>Residential Monthly Charges Inside -- 3/4"</b>													
5,000 Water	Total	\$	86.22	\$	91.79	\$	97.33	\$	102.78	\$	108.11	\$	113.81
5,000 WW	Increase -- \$				5.58		5.54		5.45		5.33		5.70
	Increase -- %				6.5%		6.0%		5.6%		5.2%		5.3%
<b>10,000 Water</b>													
10,000 WW	Total	\$	144.52	\$	153.83	\$	163.06	\$	172.15	\$	181.04	\$	190.53
	Increase -- \$				9.31		9.24		9.09		8.88		9.50
	Increase -- %				6.4%		6.0%		5.6%		5.2%		5.2%
<b>20,000 Water</b>													
10,000 WW	Total	\$	220.12	\$	232.45	\$	244.05	\$	255.57	\$	266.12	\$	277.31
	Increase -- \$				12.34		11.59		11.52		10.55		11.20
	Increase -- %				5.6%		5.0%		4.7%		4.1%		4.2%
<b>Commercial Monthly Charges Inside -- 2"</b>													
25,000 Water	Total	\$	466.43	\$	495.38	\$	523.71	\$	551.65	\$	578.54	\$	607.23
25,000 WW	Increase -- \$				28.95		28.33		27.94		26.89		28.69
	Increase -- %				6.2%		5.7%		5.3%		4.9%		5.0%
<b>50,000 Water</b>													
50,000 WW	Total	\$	839.43	\$	891.27	\$	941.91	\$	991.87	\$	1,039.85	\$	1,091.03
	Increase -- \$				51.85		50.64		49.97		47.97		51.18
	Increase -- %				6.2%		5.7%		5.3%		4.8%		4.9%
<b>Residential Monthly Charges Outside -- 3/4"</b>													
5,000 Water	Total	\$	112.11	\$	112.11	\$	119.18	\$	124.04	\$	129.73	\$	136.57
5,000 WW	Increase -- \$				-		7.08		4.85		5.69		6.84
	Increase -- %				0.0%		6.3%		4.1%		4.6%		5.3%
<b>10,000 Water</b>													
10,000 WW	Total	\$	188.16	\$	188.16	\$	200.04	\$	208.10	\$	217.24	\$	228.64
	Increase -- \$				-		11.89		8.06		9.14		11.39
	Increase -- %				0.0%		6.3%		4.0%		4.4%		5.2%
<b>Commercial Monthly Charges Outside -- 2"</b>													
25,000 Water	Total	\$	558.17	\$	558.17	\$	624.57	\$	648.06	\$	694.24	\$	728.68
25,000 WW	Increase -- \$				-		66.41		23.49		46.18		34.43
	Increase -- %				0.0%		11.9%		3.8%		7.1%		5.0%
<b>50,000 Water</b>													
50,000 WW	Total	\$	1,006.92	\$	1,006.92	\$	1,124.48	\$	1,166.16	\$	1,247.81	\$	1,309.23
	Increase -- \$				-		117.56		41.68		81.66		61.42
	Increase -- %				0.0%		11.7%		3.7%		7.0%		4.9%

## Non-Rate Fees and Services Cost Analysis

The project team also has been engaged by the City of Rockport to update its schedule of Non-Rate Fees and Services related to its water and wastewater utilities. As is common for all utilities, the City maintains a schedule of fees and charges for services that are offered in addition to basic monthly water and wastewater service. Unlike utility rates, which are charged to all active ratepayers, these fees are only charged to those customers who specifically request the associated service or who are violating the utility's codes. These fees are generally known as Non-Rate Fees and Services.

If the City's principal goal of this study was to maximize revenues from user fees, and participation from the public in City services was guaranteed to remain constant, the project team would recommend setting user fees at 100% of the full cost identified in this study. However, revenue enhancement is not the only goal of a cost of service study, and sometimes full-cost recovery is not needed, desired, or appropriate. Other City and departmental goals, City Council priorities, policy initiatives, past experience, implementation issues, and other internal and external factors may influence staff recommendations and City Council decisions.

**Table ES-9** presents full cost of service, new suggested fees, and recovery levels for the fees reviewed in this study. For the full detail of each fee's analysis, refer to **Appendix B** of this report.

TABLE ES-9

Utility User Fees		
#	Description	Current Fee/Charge
1	Meter Connects	25.00
2	Meter Reconnects	25.00
3	Meter Reconnects - After Hours	37.50
New	Meter Disconnects	0.00
4	Deposits - Residential	150.00
5	Deposits - Commercial	700.00
6	NSF Fees	25.00
7	Meter Tempering Fees	50.00
8	Trip Charges	25.00
9	Theft of Services	at cost
10	Damage Indemnification	at cost
11	Meter Lock Fee	25.00

Full Cost	Suggested Fee	Fee Δ	Cost Recovery
\$62.11	\$60.00	\$35	97%
\$62.11	\$60.00	\$35	97%
\$87.96	\$85.00	\$48	97%
\$62.11	\$60.00	\$60	97%
\$172.44	\$170.00	\$20	99%
\$783.66	\$780.00	\$80	100%
\$53.76	\$30.00	\$5	56%
\$96.82	\$100.00	\$50	103%
\$62.11	\$50.00	\$25	81%
NA	At Cost	NA	NA
NA	At cost	NA	NA
\$62.11	\$60.00	\$35	97%



## SECTION I

# Introduction and Demographic Profile

## Background



In February 2024, the City of Rockport, Texas (“Rockport” or the “City”) engaged **Willdan Financial Services** to conduct a water and wastewater rate study and a long-term financial plan. The City was interested in developing a comprehensive water and wastewater rate plan for FY 2024 and beyond. The objective of this study is to develop a long-term rate plan that will enable the City to recover sufficient funds to meet operating expenses, capital outlays, debt service, and coverage requirements, while minimizing the impact of adjustments on ratepayers.

The City identified numerous objectives for this study, including but not limited to the following:

- A comprehensive analysis and evaluation of the water and wastewater systems’ current cost of service and revenue requirements.
- A forecast of operating expenses over the next ten years, taking into consideration such factors as inflation, system growth, salary adjustments, and increases in staffing levels.
- A thorough review of the water and wastewater systems’ known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt for the existing identified capital improvements.
- An estimate of current and forecast accounts, volumes, and billing units for the ten-year forecast period.
- A rate plan designed to recover the cost of service over a five-year forecast period with forecasts of future rates required for the subsequent five years.
- A detailed analysis and comparison of the City’s current and proposed rates to rates charged by surrounding municipalities.
- A thorough analysis of outside city limits (“OCL”) rates and their overall cost of service according to national ratemaking standards.
- A review of wholesale rates and cost of service, both current and forecast.

## Report Organization

This report is organized into the following sections:

**Section I – Introduction and Demographic Profile** - outlines the background, objectives and scope of this rate study and long-term financial plan. It also presents the City's current rate structure and a community profile of Rockport. This includes a comparison of the City's water and wastewater charges with other several neighboring cities.

**Section II – Water and Wastewater Test Year and Forecast Volumes** – analyzes the City's customer base, total accounts and current volumes of treated water and wastewater. This section presents totals for the current year and a forecast ten years into the future.

**Section III – Water and Wastewater Test Year and Forecast Revenue Requirement** – outlines the process of analyzing the City's current water and wastewater utility cost structure. The total current or "test year" revenue requirements are developed, and costs are functionalized between treatment, distribution/collection, administration, and customer billing. Using the test year as a basis, costs are forecast for a ten-year period.

**Section IV – Water and Wastewater Rate Design** – summarizes rate recommendations presented to the Rockport City Council which would enable the City to meet its revenue requirements over the next five to ten years for all customer classes. This section also presents an analysis of the impact of this rate plan.

**Section V – Non-Rate Fees and Services Cost Analysis** – presents and analysis of, and recommendations for, the City's various non-rate user fees and charges.

**Appendix A** – presents a hard copy printout of the relevant pages from the interactive Microsoft Excel spreadsheet model summaries developed for Rockport to calculate water and wastewater current and future revenue requirements. The model automatically generates all calculations based on a set of defined user inputs and has an executive dashboard for users to develop real-time "what-if" scenarios.

**Appendix B** – presents a hard copy printout of the relevant pages from the non-rate and user fee model prepared for the City.

## Community Overview



Rockport, Texas is a charming coastal city situated on the Live Oak Peninsula in Aransas County along the Gulf of Mexico. Known for its picturesque landscapes, rich cultural heritage, and vibrant community, Rockport offers an exceptional quality of life for its residents and a captivating destination for visitors.

Established in 1867, Rockport's origins are deeply rooted in the cattle industry, serving in its yearly years as a cattle processing, packing, and shipping port for local ranching families. Named for the rock ledge that lines its shores, Rockport has a rich history marked by resilience and adaptation. Over the years, it transitioned from an industrial hub to a thriving tourist destination.

Today, Rockport is home to approximately 10,000 residents, forming a diverse and welcoming community. The city offers a blend of historical charm, natural beauty, and modern amenities. Its rich cultural heritage, diverse



population, and robust economy make it an attractive place to live, work, and visit.

## Rockport Leadership

The City of Rockport has a Council-Manager form of government in which the elected Mayor and City Council Members establish policy. Those policies are then implemented by the City Manager who is appointed by, and reports to, the City Council. The Rockport City Council consists of four Council Members and a Mayor.

The City Manager operates in much the same way as a Chief Executive Officer of a corporation. The City Manager's Office is responsible for the day-to-day administration of Rockport's City government, including managing the City's budget, the City's departments and operations, and programs for communicating with residents and employees.

**Table I-1** lists currently serving Rockport's officials.

**TABLE I-1**

CITY OF ROCKPORT			
CITY OFFICIALS -- JULY 2024			
Mayor and Council		Senior City Staff	
Mayor	Lowell Timothy Jayroe	Vanessa Shrauner	City Manager
Ward 1 Council Member	Stephanie Rangel	Reagan Lauterbach	Executive Assistant
Ward 2 Council Member	Matt Anderson	Robbie Sorrell	Finance Director
Ward 3 Council Member	Brad Brundrett	Mike Donoho	Director of Public Works & Building Services
Ward 4 Council Member,	Andrea Hattman	Ryan Picarazzi	Assistant Director of Public Works
Mayor Pro Tem		Jamie Gonzales	Utility Billing Supervisor
		Shelley Goodwin	City Secretary

## Water and Wastewater Current Rates

The water rate structure assesses a base charge for residential and commercial customers based on their meter size. The base charge includes 1,500 gallons of water. Additionally, the City assesses a volume charge based on actual water consumption for all additional gallons that exceed the first 1,500 gallons. Rockport uses an inverted block rate structure that includes increasing base charges for larger meters and higher volume rates for increased consumption to promote conservation. For all customers, volume is billed based on three tiered rates per 1,000 gallons.

Rockport's wastewater rate structure is similar to its water rate structure. Customers are assessed a base charge depending on their water meter size and are billed for wastewater flows based on their metered water consumption. Similar to water, the base charge includes 1,500 gallons of wastewater. Also, an inverted block rate structure is used for wastewater when users with larger water meters and higher wastewater volumes are assessed higher rates. Residential wastewater volumes are capped at 15,000 gallons. Non-Residential customers are billed based on actual water consumption.

Additionally, the City of Rockport provides wholesale water service to the Copano Cove Water Co. and wastewater service to the Town of Fulton.

**Table I-2** on the next page presents a detailed summary of the City's current water and wastewater rate structure.

TABLE I-2

CITY OF ROCKPORT				CURRENT WATER AND WASTEWATER RATES			
Water Rates -- Inside				Water Rates -- Outside			
<b><u>Residential Inside</u></b>				<b><u>Residential Outside</u></b>			
Monthly Charge	3/4"	\$	22.52	Monthly Charge	3/4"	\$	29.95
	1"		27.21		1"		36.21
	1 1/2"		50.39		1 1/2"		67.62
	2"		78.24		2"		104.68
	3"		152.51		3"		204.36
	4"		236.07		4"		316.45
	6"		236.07		6"		316.45
Volume Rate/1,000 Gal				Volume Rate/1,000 Gal			
1,501	10,000		6.04	1,501	10,000		8.16
10,001	15,000		7.08	10,001	15,000		9.59
15,001	Above		8.04	15,001	Above		10.90
<b><u>Commercial Inside</u></b>				<b><u>Commercial Outside</u></b>			
Monthly Charge	3/4"	\$	23.91	Monthly Charge	3/4"	\$	29.95
	1"		28.89		1"		36.21
	1 1/2"		53.50		1 1/2"		67.62
	2"		83.07		2"		104.68
	3"		161.93		3"		204.36
	4"		250.66		4"		316.45
	6"		250.66		6"		316.45
Volume Rate/1,000 Gal				Volume Rate/1,000 Gal			
1,501	10,000		6.41	1,501	10,000		8.16
10,001	15,000		7.51	10,001	15,000		9.59
15,001	Above		8.54	15,001	Above		10.90
<b><u>Wholesale</u></b>							
Volume Rate/1,000 Gal			6.93				
Wastewater Rates -- Inside				Wastewater Rates -- Outside			
<b><u>Residential Inside</u></b>				<b><u>Residential Outside</u></b>			
Monthly Charge	3/4"	\$	25.79	Monthly Charge	3/4"	\$	32.70
	1" or Larger		29.42		1" or Larger		40.84
Volume Rate/1,000 Gal				Volume Rate/1,000 Gal			
1,501	5,000		4.79	1,501	5,000		5.97
5,001	15,000		5.62	5,001	15,000		7.05
<b><u>Non-Residential Inside</u></b>				<b><u>Non-Residential Outside</u></b>			
Monthly Charge	3/4"	\$	29.64	Monthly Charge	3/4"	\$	32.69
	1"		37.03		1"		40.84
	1 1/2"		44.46		1 1/2"		49.03
	2"		59.28		2"		65.35
	3"		118.57		3"		130.70
	4" or Larger		185.25		4" or Larger		204.22
Volume Rate/1,000 Gal				Volume Rate/1,000 Gal			
1,501	5,000		5.44	1,501	5,000		5.95
5,001	Above		6.38	5,001	Above		7.05
<b><u>Sewer Only Inside</u></b>				<b><u>Sewer Only Outside</u></b>			
Residential / Single Family			46.38	Residential / Single Family			55.89
Nonresidential / Non Single Famr			52.79	Nonresidential / Non Single Family			63.58
Commercial Operations			229.86	Commercial Operations			272.96
<b><u>Contracted Rate -- Town of Fulton Sewer</u></b>							
Volume Rate/1,000 Gal			3.31				
Monthly Billing Charge (per Acc)			3.18				

## Outside City Limits (“OCL”) Rates

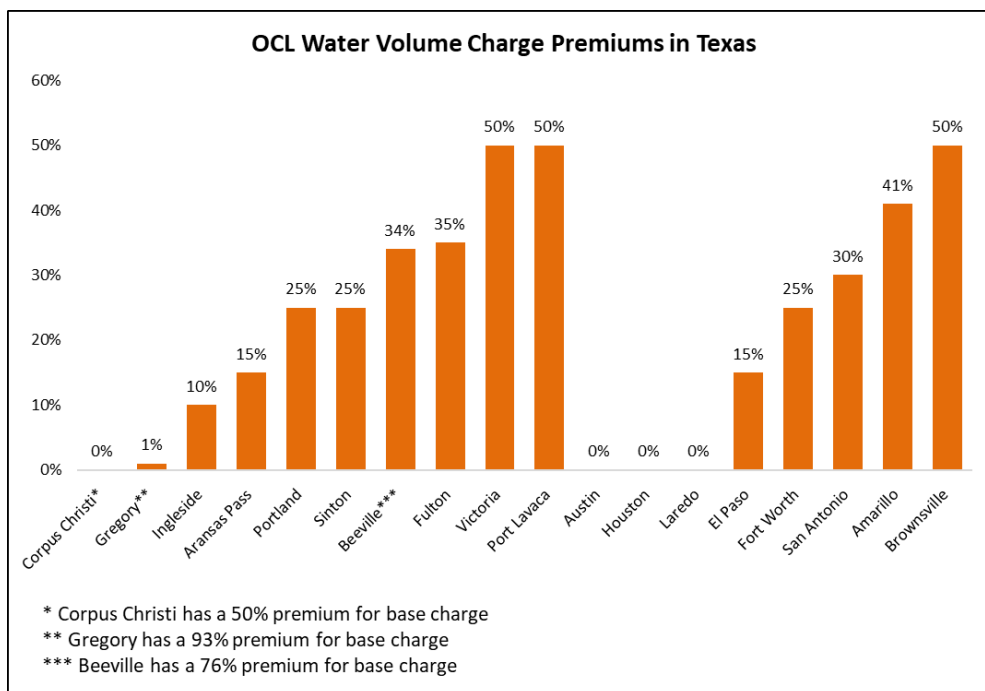
The City provides water and wastewater services to a number of customers located outside of the city limits. The City charges higher rates to outside city limits (“OCL”) than for customers inside the city (“ICL”). The practice of charging higher rates for OCL customers is common in Texas and across the nation. According to a national survey, the average premium for outside city rates is 47%. Outside city rate premiums can be applied by municipalities to base charges only, volume charges only, or a combination of both.

**Table I-3** presents current OCL premiums charged by the City of Rockport. **Chart I-4** presents OCL water rate premiums charged by neighboring cities and other major cities in Texas.

TABLE I-3

ROCKPORT OCL CUSTOMERS RATE PREMIUM			
RESIDENTIAL		COMMERCIAL	
WATER		WATER	
Residential Minimum Charge	134%	Commercial Minimum Charge	126%
Residential Volume Rate	135%	Commercial Volume Rate	128%
Residential Average	<u>134%</u>	Commercial Average	<u>126%</u>
SEWER		SEWER	
Residential Minimum Charge	133%	Commercial Minimum Charge	110%
Residential Volume Rate	125%	Commercial Volume Rate	110%
Residential Average	<u>129%</u>	Commercial Average	<u>110%</u>
<b>WATER AND SEWER COMBINED*</b>	<b>130%</b>	<b>WATER AND SEWER COMBINED**</b>	<b>120%</b>
*based on a 5,000 gallons sample		**based on a 25,000 gallons sample	

CHART I-4



The American Water Works Association (“AWWA”) *Manual M-1* is generally considered to be the definitive source of ratemaking guidelines in the USA. The manual devotes an entire section to the discussion of and philosophy behind the calculation of rates for outside city customers. While circumstances can vary between cities, the manual lists many reasons why the cost to serve outside city customers is typically higher than for inside city customers. These reasons include but are not limited to customer location, risk elements, and what the manual characterizes as the “nature of the relationship” between inside and outside customers. As stated on page 276 of *Manual M-1*:

“A publicly owned utility may be considered to be the property of the respective government’s residents who, as owner-customers, bear both the risks and the responsibilities of utility ownership. As the utility’s owners, customers located inside the public utility’s jurisdictional boundaries cannot simply “walk away” from the utility. Furthermore, the utility has a responsibility to develop and maintain the system to serve all of its customers, both inside and, if such agreements exist, outside its boundaries. In contrast, outside customers are nonowner customers, and as such enjoy many of the benefits of the utility system with lower risk than that of the owners.”

Essentially, this means that inside and outside city customers have fundamentally different financial relationships to the utility. This results in a different degree of overall risk to serve. The AWWA recommends use of the Utility/Hybrid Basis methodology to assess the financial impact of these collective risks and cost differentials, and to calculate the cost of service for outside city customers. This methodology and the reasonableness of separate rates for outside city customers has recently been reaffirmed by the Public Utility Commission of Texas, through their final decision in *Docket 53063, Petition of Outside City Ratepayers Appealing the Rates Established by the City of Leander*.

The project team has applied this approach in this analysis and will discuss Utility Basis calculations in more detail in Section III of this report.

## Water and Wastewater Rate Comparison

**Table I-5** compares Rockport’s monthly ICL residential water and wastewater charges to those of nearby cities in the region. Volumes of 5,000 gallons for water and wastewater were used for the residential comparison as they represent typical usage levels for an average household. **Chart I-6** on the next page presents the data graphically.

The rate data is based on published rates and ordinances posted by each municipality on their website. These rates do not include sales tax, activation or other charges beyond the basic minimum and volume charges. Comparisons such as these are for usage charges only. This type of comparison may have the unintended effect of discriminating against communities who choose to finance system expansions through current rates or revenue bonds, which are included in rates, as opposed to those who utilize general obligation bonds, which are funded through taxes. All else being equal, a city that primarily or exclusively uses general obligation bonds will have a lower water rate per 1,000 gallons but a higher tax rate.

The following points are also notable:

- Many cities do not assess rates that recover the full cost of service, choosing instead to subsidize their water and wastewater utilities with other revenues or to defer needed repairs and maintenance at the expense of system reliability and integrity.
- Some cities use tax bonds to fund water/wastewater system construction. This results in lower rates but higher ad valorem taxes.
- Since the majority of the current residential meters served by the City are 3/4", the comparison reflects 3/4" meters for the cities that charge by meter size.

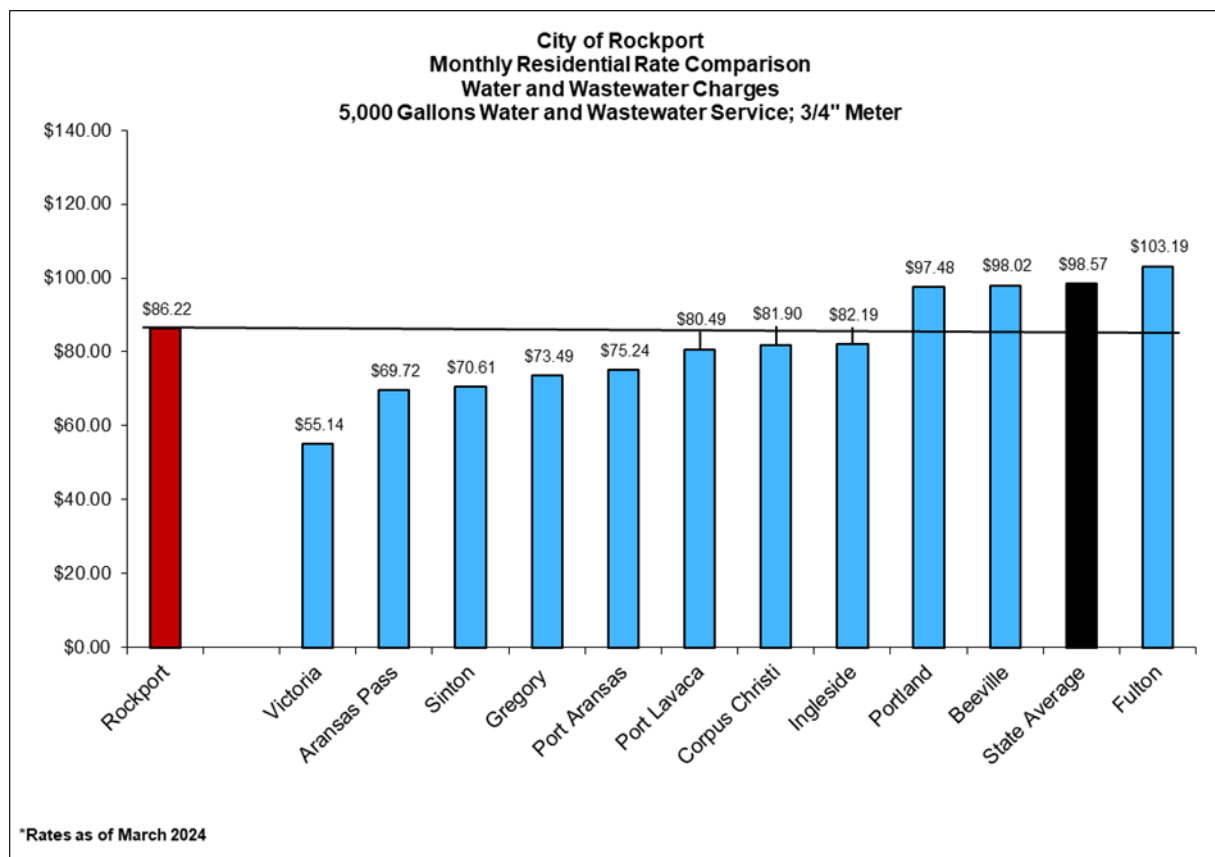
With these caveats in mind, the table reveals that the City's rates are very close to the State average and are moderately higher than in other cities in the region.

TABLE I-5

CITY OF ROCKPORT			
MONTHLY RESIDENTIAL CHARGES 5,000 GALLONS WATER AND WASTEWATER			
	Water	Wastewater	Total
<b>Rockport</b>	\$ 43.66	\$ 42.56	\$ 86.22
Fulton*	58.51	44.68	103.19
Aransas Pass	42.26	27.46	69.72
Ingleside	46.66	35.53	82.19
Portland	43.25	54.23	97.48
Corpus Christi	27.26	54.64	81.90
Sinton	42.00	28.61	70.61
Gregory	46.12	27.37	73.49
Beeville	61.32	36.70	98.02
Victoria	24.96	30.18	55.14
Port Lavaca	39.02	41.47	80.49
Port Aransas	41.69	33.55	75.24
<b>State Average</b>	\$ 52.91	\$ 45.66	\$ 98.57
<b>Source:</b> Cities' Websites and Municode.com			
* Town of Fulton assumes Rockport's OCL water rates and Fulton sewer rates			



CHART I-6





## SECTION II

## Water & Wastewater Test Year and Forecast Volumes



In order to accurately forecast future revenues and expenses, it is necessary to examine current water and wastewater utility conditions. The first step in developing cost of service rates is to analyze patterns of usage, both for the system as a whole, and for specified customer classes.

For the City of Rockport, monthly water and wastewater records were reviewed for the period of 2020 through 2024. These records provided summary information on the monthly water volumes distributed system wide as well as the number of accounts for each period by defined customer class and the associated revenues. Additionally, these records provided the number of accounts and revenues monthly for all classifications of wastewater customers.

According to standard utility ratemaking methodology, in order to allocate revenue requirements equitably among system users, customers must be classified into relatively

homogeneous groups with similar usage characteristics or service demands. Costs are then allocated to the customer classes in proportion to the usage characteristics of each class. For the water system, costs are typically allocated to customers based on their average and peak water demands. For the wastewater system, costs are allocated to customers based on their estimated wastewater flows, and in some cases, based on wastewater strengths.

The project team finds these customer class distinctions to be reasonable and appropriate, meeting the criteria of homogenous groups with similar usage patterns.

In this section, the City's functional customer classes and test year usage patterns will be thoroughly analyzed. A ten-year projection of customers and usage will also be presented. These forecasts, along with the revenue requirements, will form the basis of the proposed rate design.

### Water and Wastewater Customers and Accounts – Test Year and Forecast

Two major customer classes served by the City are Residential and Commercial. In addition to these customer classes, the City has one wholesale water customer – the Copano Cove Water Company; and one wholesale wastewater customer – the Town of Fulton. Finally, the City of Rockport provides service to 40 “sewer-only” accounts that use only the City's wastewater system and are not connected to the City's water system.

The majority of water customers are located inside the city limits: 5,914 accounts or 57% of the total customer base. Outside city water customers represent 43% of the total system with 4,488 accounts. Similarly, the majority of wastewater customers are inside city limit accounts – 4,917 or 85% of the total system; followed by 864 outside city wastewater accounts or 15% of the total system.

**Table II-1** presents the total number of the City's water and wastewater accounts in the test year.

TABLE II-1

CITY OF ROCKPORT			
RATE MODEL CUSTOMER CLASSES			
WATER Customer Accounts		WASTEWATER Customer Accounts	
<u>Inside City</u>		<u>Inside City</u>	
Residential Inside	5,040	Residential Inside	4,295
Commercial Inside	874	Non-Residential Inside	622
<u>Outside City</u>		<u>Outside City</u>	
Residential Outside	4,014	Residential Outside	772
Commercial Outside	474	Non- Residential Outside	92
<u>Copano Cove Water Co.</u>	1	<u>Sewer Only</u>	40
		<u>Contracted Rate --Town of Fulton*</u>	817
<b>Total</b>	<b>10,403</b>	<b>Total</b>	<b>6,638</b>

\* City of Rockport provides wastewater treatment services to the Town of Fulton.

The contract rate is based on sewer volumes treated and the number of sewer accounts.

In FY2024 there were 817 active Fulton's sewer customer accounts

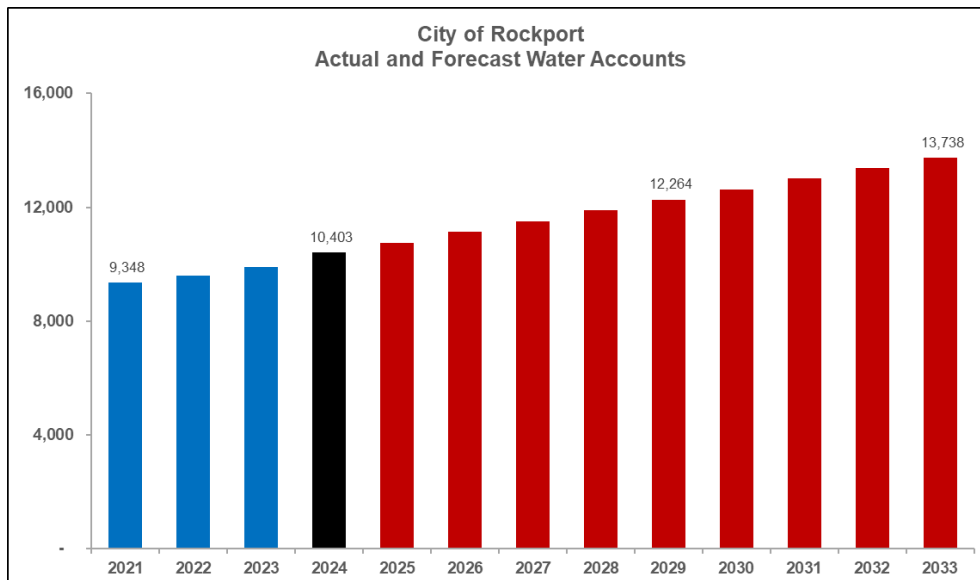
**Table II-2** and **Chart II-3** present total water accounts for the City in the historical years and forecast period.

For each of the historical years, the average number of accounts for the year is shown and the growth reflects the difference from one fiscal year to the next. Overall water accounts are expected to increase by adding approximately **385** new accounts per year, from **10,403** in the test year TY2024 to **13,738** in FY2033, an average annual increase of 3.1%.

TABLE II-2

CITY OF ROCKPORT						
FORECAST TOTAL CUSTOMERS						
WATER Customer Classes						
Fiscal Year	Residential Inside	Commercial Inside	Residential Outside	Commercial Outside	Copano Cove Water Co.	Total
<b>WATER Total Customers</b>						
2021	4,563	822	3,531	431	1	9,348
2022	4,673	848	3,643	445	1	9,610
2023	4,802	851	3,772	466	1	9,891
2024	5,040	874	4,014	474	1	10,403
2025	5,216	900	4,154	488	1	10,760
2026	5,399	927	4,300	503	1	11,130
2027	5,588	955	4,450	518	1	11,512
2028	5,774	982	4,598	533	1	11,888
2029	5,960	1,009	4,746	547	1	12,264
2030	6,143	1,036	4,893	562	1	12,635
2031	6,326	1,062	5,038	576	1	13,004
2032	6,508	1,089	5,183	590	1	13,370
2033	6,690	1,115	5,328	605	1	13,738
<b>WATER Annual New Customers</b>						
2022	110	26	112	15	-	263
2023	129	3	129	20	-	281
2024	238	24	242	8	-	512
2025	176	26	140	14	-	357
2026	183	27	145	15	-	370
2027	189	28	150	15	-	382
2028	186	27	148	15	-	376
2029	186	27	148	15	-	376
2030	184	27	146	14	-	371
2031	183	26	146	14	-	369
2032	182	26	145	14	-	366
2033	182	26	145	14	-	368

CHART II-3

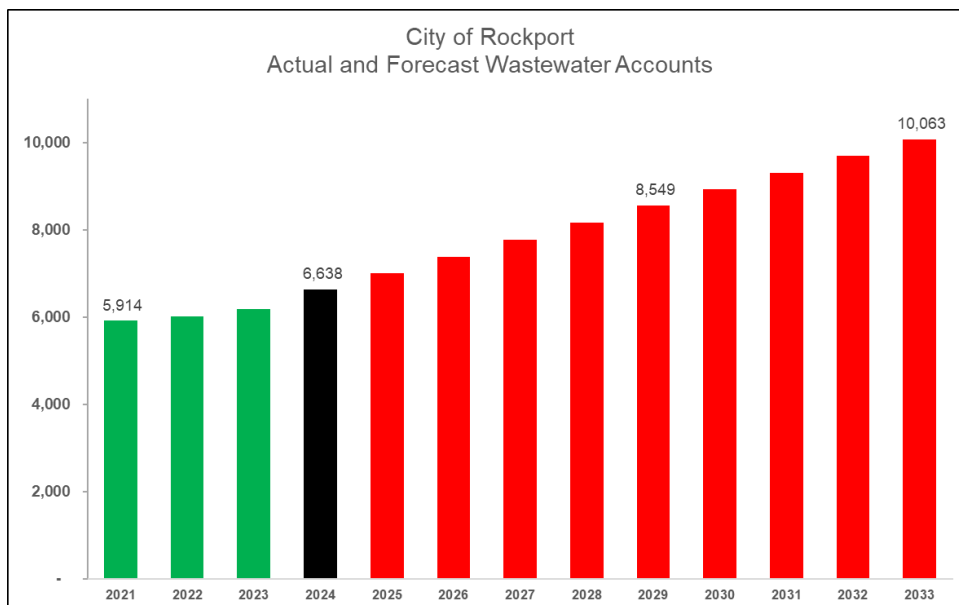


**Table II-4** presents the project team's ten-year forecast of wastewater account growth. Wastewater accounts are forecast to increase by approximately **381** accounts per year, from **6,638** in the test year TY2024 to **10,063** in FY2033. **Chart II-5** presents the data graphically.

TABLE II-4

CITY OF ROCKPORT								
FORECAST TOTAL CUSTOMERS								
WASTEWATER Customer Classes								
	Residential Inside	Non-Residential Inside	Contracted Rate (Town of Fulton)	Sewer Only (ICL)	Residential Outside	Non- Residential Outside	Sewer Only (OCL)	Total
<b>WASTEWATER Total Customers</b>								
2021	3,911	577	787	8	536	63	32	5,914
2022	3,977	578	797	8	567	66	32	6,025
2023	4,064	592	807	8	612	73	32	6,188
2024	4,295	622	817	8	772	92	32	6,638
2025	4,471	648	827	8	912	106	32	7,005
2026	4,654	675	837	8	1,058	121	32	7,385
2027	4,843	703	847	8	1,208	136	32	7,777
2028	5,029	730	857	8	1,356	151	32	8,163
2029	5,215	757	867	8	1,504	165	32	8,549
2030	5,398	784	877	8	1,651	180	32	8,930
2031	5,581	810	887	8	1,796	194	32	9,309
2032	5,763	837	897	8	1,941	208	32	9,685
2033	5,945	863	907	8	2,086	223	32	10,063
<b>WASTEWATER Annual New Customers</b>								
2022	66	1	10	-	31	3	-	110
2023	87	14	10	-	45	7	-	163
2024	231	30	10	-	160	19	-	450
2025	176	26	10	-	140	14	-	367
2026	183	27	10	-	145	15	-	380
2027	189	28	10	-	150	15	-	392
2028	186	27	10	-	148	15	-	386
2029	186	27	10	-	148	15	-	386
2030	184	27	10	-	146	14	-	381
2031	183	26	10	-	146	14	-	379
2032	182	26	10	-	145	14	-	376
2033	182	26	10	-	145	14	-	378

CHART II-5

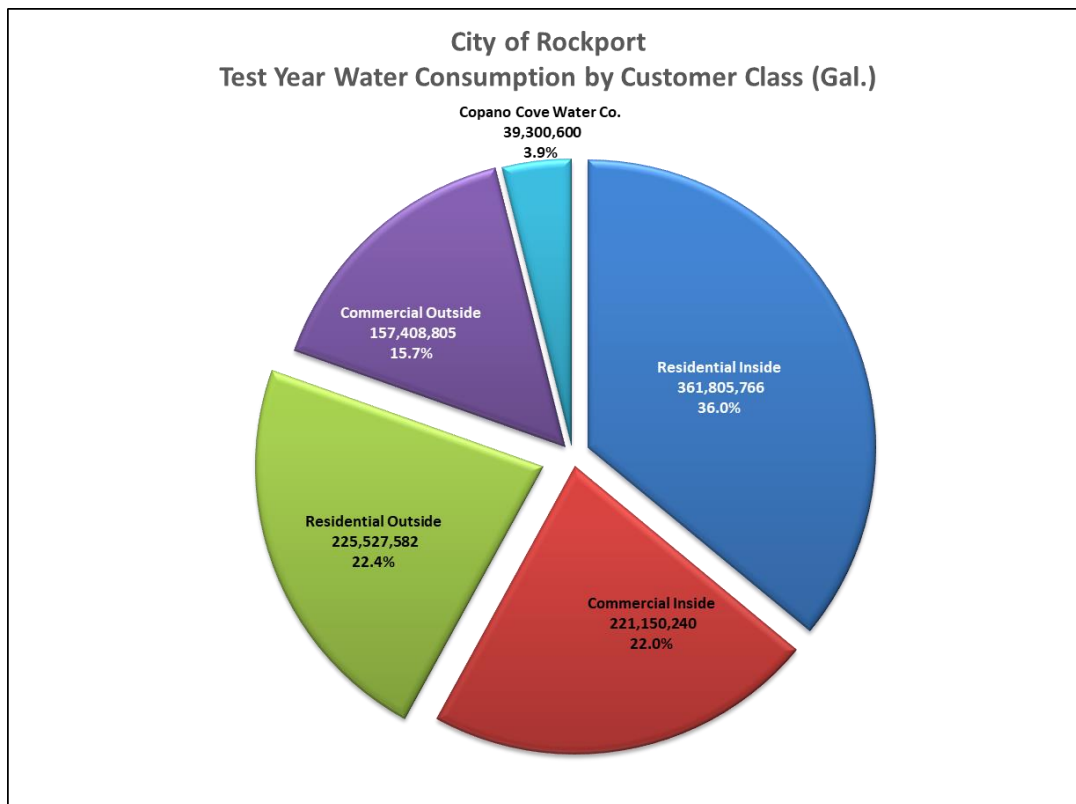


## Historical and Forecast Water Consumption

Total water system consumption data was analyzed over the same time period as customer data. A combination of consumption over the past 12 months and historical trends were used as the basis for the development of the forecast water and wastewater volumes within the rate model.

**Chart II-6** presents total water usage in volumes and percentages by customer class in the test year. The chart shows that the total consumption in the test year 2024 is **1,005,192,993** gallons. ICL customers were responsible for 58.0%, OCL customers for 38.1%, and the Copano Cove Water Company for 3.9% of the total water consumption.

**CHART II-6**



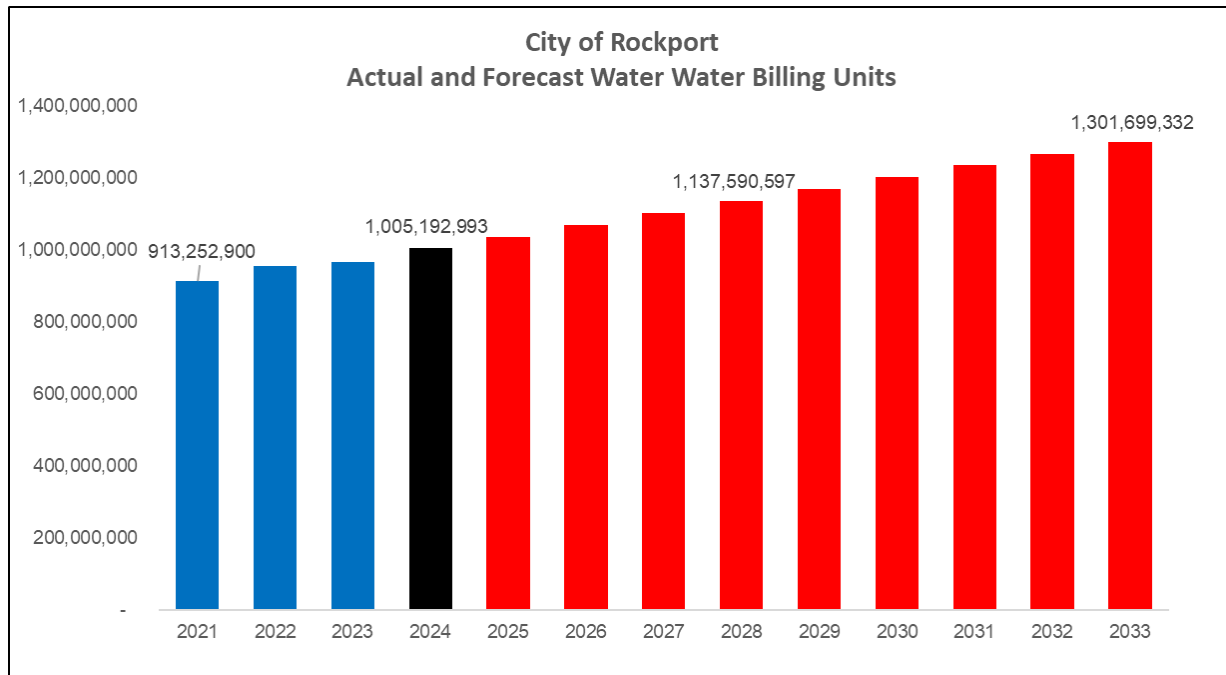
The project team prepared a ten-year forecast of water usage based on the historical data and forecast account growth. The table below reveals that water usage is expected to increase by an average of 2.9% per year during the forecast period. By FY2033 water usage is expected to reach **1,301,699,332** gallons. The results of this forecast for water usage are presented on the next page in **Table II-7** and **Chart II-8**.



TABLE II-7

CITY OF ROCKPORT						
FORECAST BILLED CONSUMPTION						
WATER Customer Classes						
	Residential Inside	Commercial Inside	Residential Outside	Commercial Outside	Copano Cove Water Co.	Total
WATER Historical Volume						
2021	306,878,700	211,923,700	200,667,800	149,494,100	44,288,600	913,252,900
2022	339,624,400	214,924,500	217,162,200	144,233,800	39,555,900	955,500,800
2023	340,764,800	218,704,900	216,848,100	150,574,300	39,271,200	966,163,300
WATER Forecast Volume						
2024	361,805,766	221,150,240	225,527,582	157,408,805	39,300,600	1,005,192,993
2025	374,468,968	227,784,747	233,421,048	162,131,069	39,300,600	1,037,106,432
2026	387,575,382	234,618,290	241,590,784	166,995,001	39,300,600	1,070,080,057
2027	401,140,520	241,656,838	250,046,462	172,004,851	39,300,600	1,104,149,271
2028	414,478,442	248,544,058	258,360,506	176,906,990	39,300,600	1,137,590,597
2029	427,824,648	255,403,874	266,679,715	181,789,623	39,300,600	1,170,998,460
2030	441,001,647	262,146,537	274,893,450	186,588,869	39,300,600	1,203,931,103
2031	454,121,446	268,831,273	283,071,530	191,346,885	39,300,600	1,236,671,735
2032	467,154,732	275,444,523	291,195,683	196,054,018	39,300,600	1,269,149,556
2033	480,235,064	282,055,191	299,349,162	200,759,315	39,300,600	1,301,699,332

CHART II-8



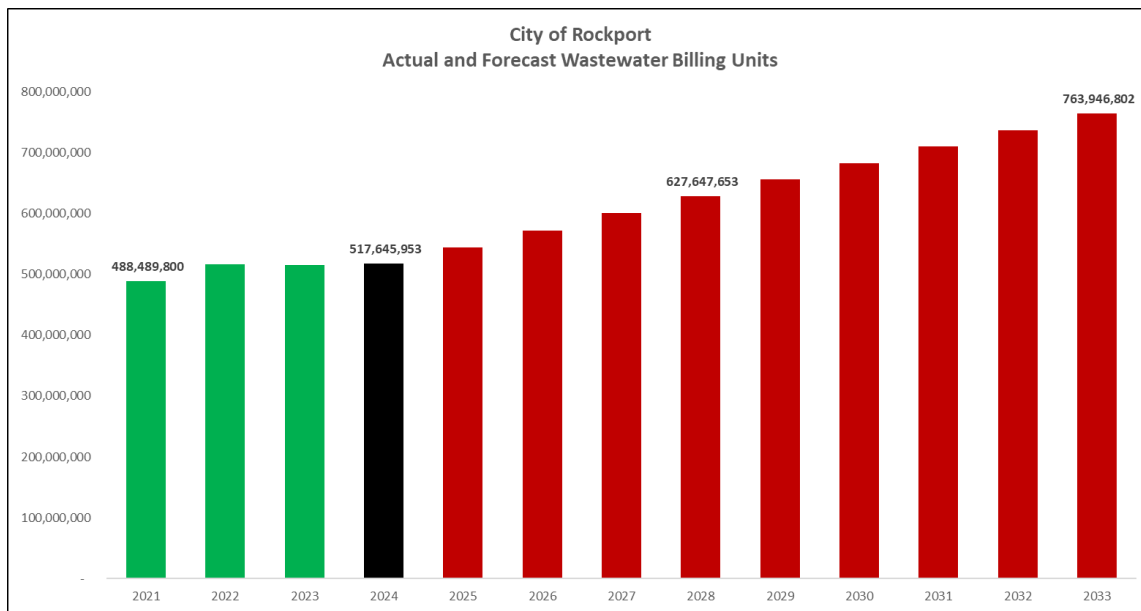
## Historical and Forecast Wastewater Flows

As with water-billed consumption, the project team prepared a ten-year forecast of wastewater billing units. The results of the forecast are presented in **Table II-9** and **Chart II-10**. The table reveals that wastewater billing units are forecast to increase by an annual average rate of 4.4% during the forecast period.

TABLE II-9

CITY OF ROCKPORT						
FORECAST WASTEWATER BILLING UNITS						
WASTEWATER Customer Classes						
	Residential Inside	Non- Residential	Contracted Rate (Town of	Residential Outside	Non- Residential	Total
WASTEWATER Historical Billing Units						
2021	271,171,400	142,682,500	34,813,000	23,664,600	16,158,300	488,489,800
2022	289,341,000	149,036,300	34,813,000	25,409,500	17,502,400	516,102,200
2023	286,528,800	151,222,600	34,813,000	26,243,000	16,353,300	515,160,700
WASTEWATER Forecast Billing Units						
2024	278,571,160	153,618,949	37,216,527	25,813,020	22,426,297	517,645,953
2025	290,012,360	160,094,654	37,672,053	30,510,522	25,892,623	544,182,212
2026	301,854,001	166,764,631	38,127,580	35,372,436	29,462,938	571,581,586
2027	314,110,100	173,634,707	38,583,107	40,404,517	33,140,363	599,872,794
2028	326,160,910	180,357,076	39,038,633	45,352,310	36,738,723	627,647,653
2029	338,219,204	187,052,698	39,494,160	50,303,177	40,322,766	655,392,004
2030	350,124,619	193,633,970	39,949,686	55,191,275	43,845,599	682,745,149
2031	361,978,354	200,158,702	40,405,213	60,058,155	47,338,168	709,938,592
2032	373,753,924	206,613,659	40,860,740	64,892,941	50,793,387	736,914,651
2033	385,572,002	213,066,096	41,316,266	69,745,180	54,247,257	763,946,802

CHART II-10



## Peaking Factors

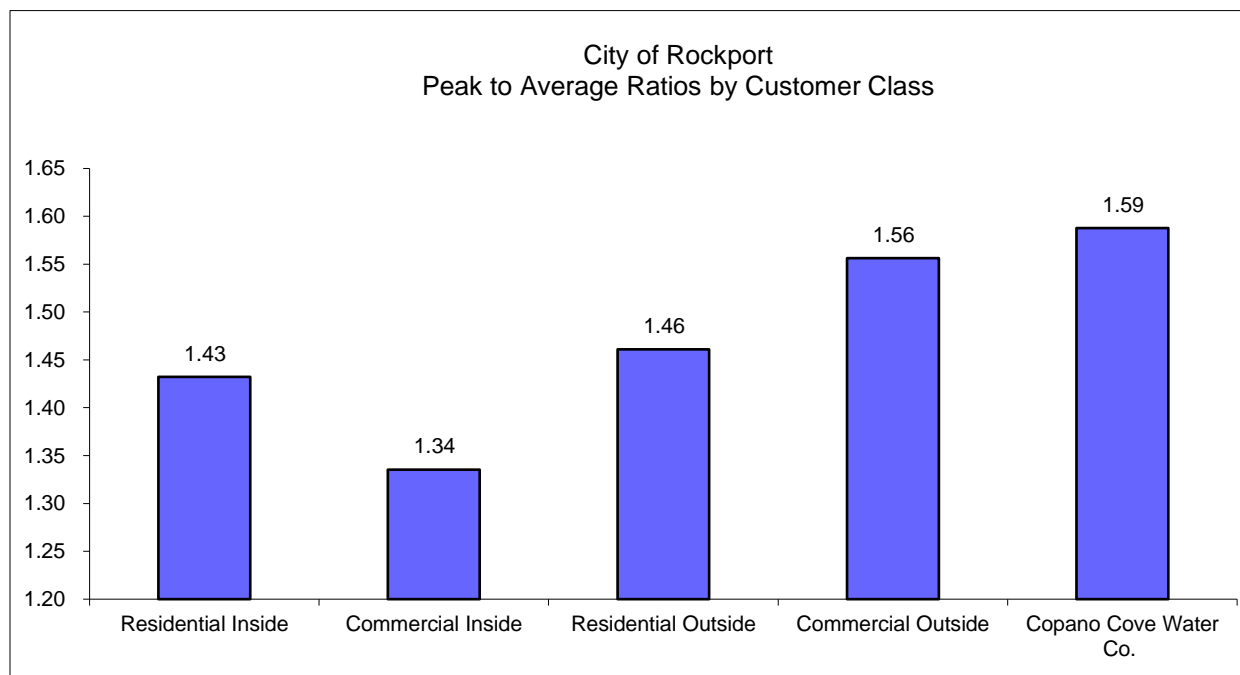
The cost of providing water to customers depends not only on the amount of water each class uses, but also on how that usage occurs over time. The maximum-day and maximum-hour peaking requirements of water utility's customers have an important influence on the utility's costs. Because water utilities attempt to meet all of the demands of their customers, water systems are sized to meet customers' peak requirements. Therefore, during off-peak periods, there are usually significant costs associated with the unused capacity of the system. These costs must be allocated to customers in proportion to the contribution of each customer class to the system peak, in order to develop equitable cost-based rates. Thus, it is necessary to determine the peak rate of use relative to the average rate of use for each class. This ratio is called a **Peaking Factor**.

The calculation of peaking factors for individual classes relies on available pumping and consumption information as well as professional judgment. It is accepted practice in the water industry to develop peaking factor estimates based on standard formulas using system peak day information and monthly customer class usage records. This is a conservative methodology, since customer class peaking factors based on peak months will inevitably be lower than the system-wide peaking factor, which is based on the peak day.

Based on AWWA guidelines, the customer class peaking factors calculated in this study are for non-coincidental peaks. The peaking factors developed for this analysis are based on the annualized water consumption by customer class from February 2023 to January 2024. The calculations of the peaking factors by class are presented graphically in **Chart II-11**.

A general ratemaking rule is that **the higher the peak to average ratio, the higher the unit cost of service for a given customer class**. While this is **not an absolute rule**, it is a good general indicator as to which customer classes are incurring the greatest costs to provide service. This principle will be examined more thoroughly in Section III of this report.

CHART II-11





## SECTION III

## Water and Wastewater Forecast Revenue Requirement



In this section of the water and wastewater rate study and long-term financial plan, the City of Rockport's test year and forecast water and wastewater utility revenue requirements are developed. The test year consists of the City's fiscal year, October 1, 2023 through September 30, 2024. The estimates presented in this section are based on the City's budget for FY2024.

It must be noted at the onset that **the test year 2024 is NOT used to determine the appropriate rate structure for the City**. The test year is used as a "base year" of expenses on which a ten-year forecast of costs is then calculated. It is the forecast cost of service for FY 2025 and beyond which is used as the actual basis for the rate plan. This is because any new rate plan is not designed to be effective prior to October 2024, the beginning of FY

2025. Therefore by definition, expenses from FY 2024 would be out of date and not relevant for the development of rates. Rate plans are intended to cover expenses in the forecast years FY 2025 – FY 2033, not the past year FY 2024. For the City of Rockport, this is particularly important given that the rate plan is designed to fund \$67.9 million in capital improvements intended to be incurred during the period FY 2025 – FY 2029, expenses which are not reflected in the base year FY 2024 because they have not yet been incurred. In summary, basing any rate plan on FY 2024 costs would result in rates that are too low and are insufficient to cover operating and capital costs in the 5 year planning period 2025 – 2029.

The calculation of a revenue requirement for the forecast period differs from a utility's budget in that it represents only the amount that must be raised through the City's user rates. This means that non-rate revenue (such as reconnection fees, late payment charges and interest) must be subtracted from the budgeted operating and capital expenditures to determine the net revenue requirement to be raised from rates.

According to the American Water Works Association *Manual M-1*, there are two primary generally accepted approaches to determining revenue requirements with additional hybrid variations. *Manual M-1* specifically pertains to water ratemaking, although these principles are equally applicable to wastewater ratemaking. The approaches are defined within the manual as follows:

**Cash Needs Approach** – this approach seeks to ensure that utility revenues are sufficient to recover total cash needs for a given period. The revenue requirement component of this approach includes O&M expenses, debt-service principal and interest payments, and capital outlays that are not funded by long-term debt. Depreciation expense is not considered to be a cash expense and is therefore not included.

The cash-needs approach is generally used by government-owned utilities for *customers who reside inside the city limits* and is generally preferred by most government utilities.

**Utility/Hybrid Basis Approach** – When a government-owned utility provides service to customers outside its geographical limits, the situation is similar to that of an investor-owned utility to its customers because the owner provides service to non-owner customers (customers outside the geographical limits of the city). To assess the risk associated with providing service outside city limits, *Manual M-1* recommends use of the Utility/Hybrid Approach. The main differences between using the Cash Basis and the Utility/Hybrid Basis in the development of the cost of service is that the cost basis under the Utility/Hybrid Basis includes depreciation and a return on investment but does not include capital outlays or debt principal in the calculation of the revenue requirement.

There are additional burdens for a City employing the Utility/Hybrid Basis methodology as well, such as a greater complexity of accounting and record keeping issues due to the application of a rate of return on various components of the utility's rate base and a requirement for the City to track grants, system development charges, and other contributions in aid of construction associated with specific assets because they reduce the total value of the rate base.

To maintain consistency with national ratemaking standards, and to achieve a just and reasonable rate structure for all customers of the City's system, the revenue requirement logic built into the rate model is based on the Cash Needs Approach inside City customers and Utility/Hybrid Basis for outside City customers.

All data used in the development of the revenue requirements was obtained from the financial statements, budgets and other information provided by the City. Calculation summaries are presented in the rate model provided in **Appendix A** in conjunction with this report. For rate design purposes, revenue requirements are developed separately for the water and wastewater systems.

Further, for the purposes of this report, the cost of service will be presented under the Cash Basis. This is because the predominant number of customers of the City's system are subject to the Cash Basis. The Utility/Hybrid basis will be summarized later in this section.

In this section, current and forecast Operating Costs, Capital Outlays, Transfers, and Debt Service will be examined first. Non-rate revenues will be subtracted from the total to yield the Net Revenue Requirement.

## Operating Expenses and Capital Outlays – Test Year

**Table III-1** presents a summary of the City's test year 2024 budget for the water system. **Table III-2** does the same for the City's wastewater system.

Operating expenditures capture the primary operating expenses associated with the day-to-day management of the water and wastewater utility departments. The tables examine operating expenses, transfers, and capital outlays only; allocations for debt service are presented in the next section.

TABLE III-1

CITY OF ROCKPORT						
WATER Operating Expenses, Capital Outlays and Transfers						
SCENARIO:	2024 08 19 Scenario I -- Status Quo					Customer Billing
	Net Budget	Treatment	Distribution	Admin	Customer Billing	
<b>Operating &amp; Maintenance</b>						
Water Distribution & Storage	\$ 5,932,188	\$ 3,853,858	\$ 1,946,730	\$ 130,100	\$ 1,500	
Wastewater/Sewer	-	-	-	-	-	
Utilities Customer Service	432,752	-	-	-	432,752	
Non-Departmental	439,126	-	-	439,126	-	
<b>Total Operating &amp; Maintenance</b>	<b>6,804,065</b>	<b>3,853,858</b>	<b>1,946,730</b>	<b>569,226</b>	<b>434,252</b>	
<b>Transfers</b>	<b>927,197</b>	-	-	<b>927,197</b>	-	
<b>Capital Outlays</b>	<b>11,350</b>	-	<b>11,350</b>	-	-	
<b>Total WATER Operating Expenses, Capital Outlays and Transfers</b>	<b>\$ 7,742,612</b>	<b>\$ 3,853,858</b>	<b>\$ 1,958,080</b>	<b>\$ 1,496,422</b>	<b>\$ 434,252</b>	

TABLE III-2

CITY OF ROCKPORT						
WASTEWATER Operating Expenses, Capital Outlays and Transfers						
SCENARIO:	2024 08 19 Scenario I -- Status Quo					Customer Billing
	Net Budget	Treatment	Collection	Admin	Customer Billing	
<b>Operating &amp; Maintenance</b>						
Water Distribution & Storage	\$ -	\$ -	\$ -	\$ -	\$ -	
Wastewater/Sewer	2,199,243	1,069,954	1,052,390	75,350	1,550	
Utilities Customer Service	432,752	-	-	-	432,752	
Non-Departmental	439,126	-	-	439,126	-	
<b>Total Operating &amp; Maintenance</b>	<b>3,071,121</b>	<b>1,069,954</b>	<b>1,052,390</b>	<b>514,476</b>	<b>434,302</b>	
<b>Transfers</b>	<b>927,197</b>	-	-	<b>927,197</b>	-	
<b>Capital Outlays</b>	<b>20,000</b>	<b>10,000</b>	<b>10,000</b>	-	-	
<b>Total WW Operating Expenses, Capital Outlays and Transfers</b>	<b>\$ 4,018,317</b>	<b>\$ 1,079,954</b>	<b>\$ 1,062,390</b>	<b>\$ 1,441,672</b>	<b>\$ 434,302</b>	

As the tables show, the total operating expenses, transfers, and capital outlays in the test year are **\$11,760,929** of which \$7,742,612 is for the Water Utility, and \$4,018,317 is for the Wastewater Utility. Debt service is examined separately and in detail later in this section.



## Operating Expenses, Transfers, and Capital Outlays – Ten Year Forecast

**Table III-3** on the next page presents the project team's ten-year forecast of the City's operating expenses, transfers, and capital outlays. The table reveals that water-related operating expenses, transfers, and capital outlays are forecast to increase from the test year total of \$7,742,612 to \$14,309,691 by FY2033. Wastewater-related operating costs, transfers, and capital outlays are forecast to increase from the test year total of \$4,018,317 to \$7,545,166 by FY2033. This represents an average annual increase of 7.1% for the combined water and wastewater utility. This forecast is based on the following set of assumptions:

- Most operating costs are expected to increase at an annual rate of 3.0%, which is approximately equivalent to the rate of inflation.
- In addition to anticipated inflationary increases, there are other factors that are considered when forecasting various expense items. One such factor is that certain expense categories are expected to increase at rates greater than the average inflation rate. Account growth and volume growth will also affect certain expense categories, and some of the expense items are vulnerable to a combination of these greater than average increases. Items that are affected by general inflation, premium escalation, and account growth are primarily energy related items such as gas and electric expenses, fuels, and lubricants.
- Certain expenses are forecast to increase at above-inflation rates, to reflect the rapid rate of increase of these costs (4-5% per year). These expenses include chemicals, workers' compensation, Medicare and insurance.
- San Patricio Municipal Water District ("SPMWD") water rate is expected to increase by 5.2% annually.
- Total SPMWD costs are anticipated to rise by 8.4% per year due to a combination of increasing water purchases and annual SPMWD rate adjustments.

Details behind these calculations can be found in the rate model summaries contained in **Appendix A**.



TABLE III-3

CITY OF ROCKPORT						
FORECAST OPERATING EXPENSES AND CAPITAL OUTLAYS						
SCENARIO:						
2024 08 19 Scenario I -- Status Quo						
	Operating Expenses		Capital Outlays		Transfers Contingencies	Total Cost of Service
<b>WATER Revenue Requirement</b>						
2024	\$ 6,804,065	\$	11,350	\$	927,197	\$ 7,742,612
2025	7,613,540		158,516		955,012	8,727,069
2026	8,285,664		158,516		983,663	9,427,842
2027	8,840,732		158,516		1,013,173	10,012,421
2028	9,427,628		158,516		1,043,568	10,629,712
2029	10,051,185		158,516		1,074,875	11,284,576
2030	10,711,138		158,516		1,107,121	11,976,775
2031	11,411,124		158,516		1,140,335	12,709,975
2032	12,153,027		158,516		1,174,545	13,486,088
2033	12,941,394		158,516		1,209,781	14,309,691
<b>WASTEWATER Revenue Requirement</b>						
2024	\$ 3,071,121	\$	20,000	\$	927,197	\$ 4,018,317
2025	3,436,230		145,532		955,012	4,536,774
2026	3,834,249		145,532		983,663	4,963,444
2027	4,098,457		145,532		1,013,173	5,257,162
2028	4,383,053		145,532		1,043,568	5,572,153
2029	4,690,788		145,532		1,074,875	5,911,195
2030	5,022,794		145,532		1,107,121	6,275,447
2031	5,381,685		145,532		1,140,335	6,667,552
2032	5,769,601		145,532		1,174,545	7,089,678
2033	6,189,853		145,532		1,209,781	7,545,166
<b>TOTAL Revenue Requirement</b>						
2024	\$ 9,875,186	\$	31,350	\$	1,854,393	\$ 11,760,929
2025	11,049,770		304,048		1,910,025	13,263,843
2026	12,119,912		304,048		1,967,326	14,391,286
2027	12,939,189		304,048		2,026,345	15,269,583
2028	13,810,681		304,048		2,087,136	16,201,865
2029	14,741,973		304,048		2,149,750	17,195,771
2030	15,733,932		304,048		2,214,242	18,252,222
2031	16,792,809		304,048		2,280,669	19,377,527
2032	17,922,628		304,048		2,349,090	20,575,766
2033	19,131,247		304,048		2,419,562	21,854,858

## Capital Improvement Plan

The purpose of a Capital Improvement Plan ("CIP") is to rehabilitate and maintain the existing system, expand the system and to service new growth. The capital improvement plan is an integral part of any long-term rate and financing plan.

The City has developed a comprehensive long-term capital improvement plan for the water and wastewater system that is intended to cover its needs over the next five years. The City estimates that water and wastewater CIP projects for FY2025-FY2029 will require an investment of **\$67.9 million**. It is expected that virtually all capital improvements will be funded through long-term debt. None of this CIP is reflected in the Text Year 2024, which is a critical reason why the rate plan is not based on FY 2024 cost of service.

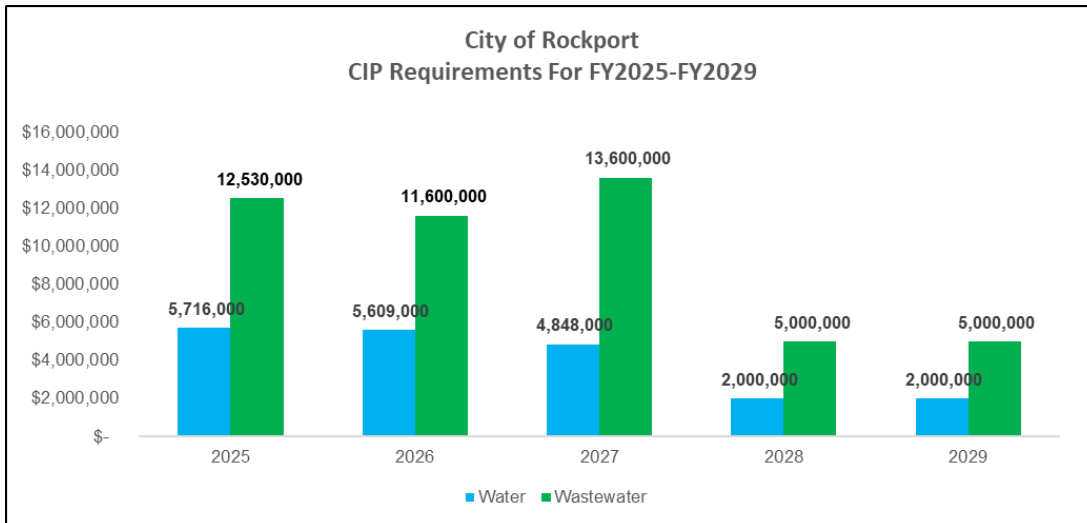
**Table III-4** summarizes the City's CIP. The table reveals that the City's CIP requirements over the next five years are expected to reach \$20.2 million for the water system and \$47.7 million for the wastewater system, for a combined total of **\$67.9 million**. The water CIP includes repairs and upgrades to pumps and distribution system, water tank and water lines replacement, and meter upgrades. The wastewater CIP includes upgrades of collection system, lift stations construction, and sewer lines replacement.

TABLE III-4

CITY OF ROCKPORT	
CAPITAL IMPROVEMENT PLAN	
FY 2025 - FY 2029	
<b>2024 08 19 Scenario I -- Status Quo</b>	
WATER PROJECTS	COST
Loop 16th St. to Bypass	\$ 522,000
Bolted Water Tank Replacement	2,000,000
Preplace Pump Station PLCs Boxes & SCADA	500,000
Tie in 10" on 35E on Tenth St.	62,000
Loop in Weeping Willow to 24	500,000
Replace P3 at 188 Pump Station	35,000
Drone	10,000
Loop @ Corpus Christi Street	350,000
188 Water Line -- West Side	5,544,000
Lead Pipe Replacement -- Annually	250,000
Copano Loop Study	200,000
Water Master Plan Update	200,000
Meter Upgrade	10,000,000
<b>Total Water Projects</b>	<b>20,173,000</b>
WASTEWATER PROJECTS	COST
3rd Clarifier	\$ 1,500,000
Check Valve RCC 1	60,000
Force Main 1st St to Gagon	3,200,000
SCADA -- Lift Stations	500,000
Master Lift Station	15,000,000
Equipment Purchase -- Front End Loader	120,000
Purple Pipe Project to Memorial Park	5,000,000
Master Lift Station @ Pearl	5,000,000
Master Lift at Bypass & Extend Sewer	15,000,000
Force Main -- South	2,000,000
Wastewater Master Plan Pupdate	350,000
<b>Total Wastewater Projects</b>	<b>47,730,000</b>
<b>Total Water and Wastewater Projects</b>	<b>67,903,000</b>

**Chart III-5** reveals the City's CIP expenditure schedule over the next five years. The City intends to fund virtually all CIP projects with long-term debt.

CHART III-5



## Existing and Forecast Debt Service

At present, the City of Rockport maintains debt service on six obligations. In addition, the forecast assumes that the City will issue **\$67.9 million** in new debt over the next 5 years. The new bond debt is forecast to have a 25-year term and 4.0% interest rate.

Forecast new bond issues are presented in **Table III-6**.

TABLE III-6

CITY OF ROCKPORT			
Forecast Debt Issues			
Year	Water	Wastewater	Total
2025	5,716,000	12,530,000	18,246,000
2026	5,609,000	11,600,000	17,209,000
2027	4,848,000	13,600,000	18,448,000
2028	2,000,000	5,000,000	7,000,000
2029	2,000,000	5,000,000	7,000,000
<b>2025--2029</b>	<b>20,173,000</b>	<b>47,730,000</b>	<b>67,903,000</b>

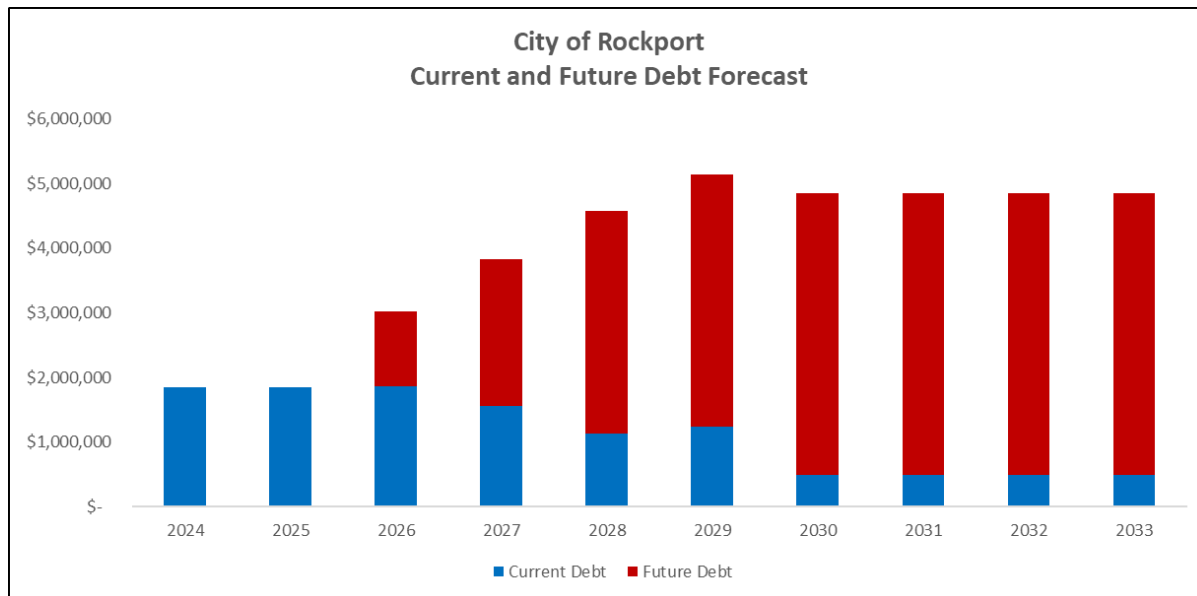
These assumptions are preliminary in nature and subject to change. Should the City Council choose to issue more or less debt than assumed in this study, or should different financing terms be available at the time the debt is issued, then the rate plans contained in this study may require revision.

Table III-7 and Chart III-8 present current and forecast annual debt service under the current scenario.

TABLE III-7

CITY OF ROCKPORT						
CURRENT AND FORECAST DEBT SERVICE						
SCENARIO: 2024 08 19 Scenario I -- Status Quo						
Year	Water		Wastewater		Total	
	Current	Forecast	Current	Forecast	Total	Total
2024	\$ 925,941	\$ -	\$ 925,941	\$ -	\$ 1,851,882	
2025	926,687	-	926,687	-	1,853,374	
2026	928,728	365,892	928,728	802,070	3,025,418	
2027	779,142	724,935	779,142	1,544,609	3,827,828	
2028	566,081	1,035,265	566,081	2,415,171	4,582,598	
2029	620,268	1,163,289	620,268	2,735,231	5,139,056	
2030	248,757	1,291,313	248,757	3,055,291	4,844,119	
2031	249,131	1,291,313	249,131	3,055,291	4,844,867	
2032	249,746	1,291,313	249,746	3,055,291	4,846,095	
2033	250,262	1,291,313	250,262	3,055,291	4,847,129	

CHART III-8



## Non-Rate Revenues

Although sales revenues constitute the majority of the revenue received by the City for water and wastewater service, a certain amount of revenue is accrued from non-rate sources. These revenues include other general revenues, late fees, penalties, miscellaneous charges, and contractual receipts. These non-rate revenues are subtracted from the overall budget to determine the revenue requirement to be raised from rates. Annual non-rate

revenue totals are presented in **Table III-9**. Non-rate revenues are examined more thoroughly in Section V of this report.

TABLE III-9

CITY OF ROCKPORT				
FORECAST NON-RATE REVENUES				
SCENARIO:				
2024 08 19 Scenario I -- Status Quo				
	Water	Wastewater	Total Water & WW	
2024	\$ 1,300,641	\$ 476,859	\$ 1,777,500	
2025	682,321	439,329	1,121,650	
2026	688,605	440,266	1,128,871	
2027	695,008	441,216	1,136,224	
2028	701,531	442,181	1,143,712	
2029	708,176	443,161	1,151,337	
2030	714,947	444,155	1,159,102	
2031	721,845	445,164	1,167,010	
2032	728,873	446,188	1,175,062	
2033	736,034	447,228	1,183,262	

### Net Revenue Requirement – Cash Basis

The net revenue requirement differs from the City's budget in that it represents only that amount that must be raised through the City's water and wastewater rates. **Table III-10** presents City's net revenue requirements for the water and wastewater utility for the test year TY2024 and forecast period.

Under the current scenario, water net revenue requirement is expected to increase from \$7,367,911 in TY2024 to \$15,115,233 in FY2033. The wastewater net revenue requirement is expected to increase from \$4,467,399 in TY2024 to \$10,403,492 in FY2033. The combined water and wastewater net revenue requirement is expected to increase from **\$11,835,310** in TY2024 to **\$25,518,725** in FY2033. This represents an average annual increase of **8.9%**. Detailed calculations are presented in the rate model contained in **Appendix A** of this report.

TABLE III-10

CITY OF ROCKPORT						
CURRENT AND FORECAST NET REVENUE REQUIREMENT						
SCENARIO: 2024 08 19 Scenario I – Status Quo						
Fiscal Year	Operating/ Cap Outlays	Debt Service	Transfers & Contingencies	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
<b>WATER Revenue Requirement</b>						
2024	\$ 6,815,415	\$ 925,941	\$ 927,197	\$ 8,668,553	\$ 1,300,641	\$ 7,367,911
2025	7,772,056	926,687	955,012	9,653,755	682,321	8,971,434
2026	8,444,180	1,294,620	983,663	10,722,462	688,605	10,033,857
2027	8,999,248	1,504,077	1,013,173	11,516,498	695,008	10,821,490
2028	9,586,144	1,601,346	1,043,568	12,231,058	701,531	11,529,527
2029	10,209,701	1,783,557	1,074,875	13,068,133	708,176	12,359,957
2030	10,869,654	1,540,071	1,107,121	13,516,846	714,947	12,801,899
2031	11,569,640	1,540,445	1,140,335	14,250,420	721,845	13,528,574
2032	12,311,543	1,541,059	1,174,545	15,027,147	728,873	14,298,273
2033	13,099,910	1,541,576	1,209,781	15,851,267	736,034	15,115,233
<b>WASTEWATER Revenue Requirement</b>						
2024	\$ 3,091,121	\$ 925,941	\$ 927,197	\$ 4,944,258	\$ 476,859	\$ 4,467,399
2025	3,581,762	926,687	955,012	5,463,461	439,329	5,024,132
2026	3,979,781	1,730,798	983,663	6,694,241	440,266	6,253,975
2027	4,243,989	2,323,750	1,013,173	7,580,912	441,216	7,139,696
2028	4,528,585	2,981,252	1,043,568	8,553,405	442,181	8,111,224
2029	4,836,320	3,355,499	1,074,875	9,266,694	443,161	8,823,533
2030	5,168,326	3,304,048	1,107,121	9,579,495	444,155	9,135,340
2031	5,527,217	3,304,422	1,140,335	9,971,974	445,164	9,526,810
2032	5,915,133	3,305,037	1,174,545	10,394,714	446,188	9,948,526
2033	6,335,385	3,305,553	1,209,781	10,850,720	447,228	10,403,492
<b>TOTAL Revenue Requirement</b>						
2024	9,906,536	1,851,882	1,854,393	13,612,810	1,777,500	11,835,310
2025	11,353,818	1,853,374	1,910,025	15,117,217	1,121,650	13,995,567
2026	12,423,960	3,025,418	1,967,326	17,416,703	1,128,871	16,287,832
2027	13,243,237	3,827,828	2,026,345	19,097,410	1,136,224	17,961,186
2028	14,114,729	4,582,598	2,087,136	20,784,463	1,143,712	19,640,751
2029	15,046,021	5,139,056	2,149,750	22,334,827	1,151,337	21,183,489
2030	16,037,980	4,844,119	2,214,242	23,096,341	1,159,102	21,937,239
2031	17,096,857	4,844,867	2,280,669	24,222,394	1,167,010	23,055,384
2032	18,226,676	4,846,095	2,349,090	25,421,861	1,175,062	24,246,799
2033	19,435,295	4,847,129	2,419,562	26,701,987	1,183,262	25,518,725

## Water Utility Cost Functionalization – Cash Basis

Once the total water and wastewater system costs have been identified, the next step in the rate development process is to isolate the costs associated with each system function. Some of these expenditures are a function of base water demand; others are based on the peak demands placed on the system. Certain costs are associated with serving customers regardless of the volume of water use or wastewater discharge. The basic steps used to allocate the City's water revenue requirements include the following:

1. Each system's costs (revenue requirements) are categorized by utility function (i.e. treatment, distribution, administrative, customer). This process is known as *functionalization*.



2. Functionalized costs are classified based on the service characteristics or the types of demand served by the utility (base and maximum day). This process is known as *classification*.
3. Costs by service characteristic are allocated to customer classes in proportion to the service demands demonstrated by each class.

This three-step process allows for the allocation of system costs in the same terms as customer classes. The approaches described in this section follow standard industry practices. Water system costs are allocated to the following functions:

*Treatment* – the process by which raw water is converted to potable water

*Distribution* – the lines that carry water to individual customers' properties

*Administration* – miscellaneous overhead and other non-operating costs

*Customer Billing* – the processes involved in billing and providing other services to customers

The project team allocated operating budget line-item expenses individually to system functions based on general guidelines, specific research and input from City staff. The results of the allocation process for the test year are summarized in **Table III-11**.

TABLE III-11

CITY OF ROCKPORT		
TEST YEAR WATER COST FUNCTIONALIZATION		
SCENARIO:		
2024 08 19 Scenario I – Status Quo		
Function	2024 Revenue Requirement	Percent
Treatment	\$ 3,275,620	44.5%
Distribution	2,451,298	33.3%
Administration	1,271,897	17.3%
Customer	<u>369,096</u>	<u>5.0%</u>
<b>Total</b>	<b>7,367,911</b>	<b>100.0%</b>

## Water Utility Cost Classification – Cash Basis

The allocation of functionalized water system costs to service characteristics follows the base-extra capacity cost allocation method recommended by the AWWA. Using this method, costs are segregated into the following categories:

*Base costs* – capital costs and O&M expenses associated with service to customers under average demand conditions. This category does not include any costs attributable to variations in water use resulting from peaks in demand. Base costs tend to vary directly with the total quantity of water used.

*Maximum Day/Extra Capacity costs* – costs attributable to facilities that are designed to meet peaking requirements. These costs include capital and operating charges for additional plant and system capacity beyond that required for average usage.

*Customer Billing costs* – costs associated with any aspect of customer service, including billing, accounting, and meter services. These costs are independent of the amount of water used and the size of the customer's meter, and are not subject to peaking factors.

According to the AWWA Manual M-1, in the base-extra capacity method, care must be taken in separating costs between those devoted to base capacity and those devoted to extra capacity. The peak to average factor is calculated by dividing the volume on the peak day of the year by the average daily volume. Facilities designed to meet maximum-day requirements, such as the treatment and distribution functions, are allocated 50% (1/2.0) to base, and 50% to extra capacity (Max Day). This means that facilities designed to meet maximum-day requirements, such as the treatment and distribution functions, are allocated 50% to base, and 50% to extra capacity.

All customer service-related costs are allocated 100% to customer billing. Administration costs are generally not directly assignable to individual classifications. Therefore, it is standard rate-making practice to allocate these costs on an indirect basis to service characteristics.

The system-wide costs by service characteristic are shown in **Table III-12**. As with cost functionalization, these percentages are not expected to change significantly in the forecast period.

TABLE III-12

CITY OF ROCKPORT

TEST YEAR WATER COST CLASSIFICATION

SCENARIO:

2024 08 19 Scenario I -- Status Quo

Function	2024 Revenue Requirement	Percent
Base	\$ 4,806,809	65.24%
Maximum Day	2,114,996	28.71%
Customer	<u>446,106</u>	<u>6.05%</u>
Total	7,367,911	100.0%

## Water Utility Cost Allocation – Cash Basis

Allocation of costs by service characteristic to customer classes is based on the proportionate use levels of each characteristic by each class. The total water utility costs by customer class for the test year are summarized in **Table III-13** and for the ten-year forecast period in **Table III-14**.

TABLE III-13

CITY OF ROCKPORT		
TEST YEAR WATER COST ALLOCATION		
SCENARIO:		
2024 08 19 Scenario I -- Status Quo		
Function	2024 Revenue Requirement	Percent
Residential Inside	\$ 2,147,732	29.1%
Commercial Inside	1,218,721	16.5%
Residential Outside	2,229,394	30.3%
Commercial Outside	1,421,318	19.3%
Copano Cove Water Co.	350,747	4.8%
<b>Total</b>	<b>7,367,911</b>	<b>100.0%</b>

TABLE III-14

CITY OF ROCKPORT						
FORECAST WATER COST ALLOCATION						
SCENARIO 2024 08 19 Scenario I -- Status Quo						
Year	Residential Inside	Commercial Inside	Residential Outside	Commercial Outside	Cove Water Co.	Total
2024	\$ 2,147,732	\$ 1,218,721	\$ 2,229,394	\$ 1,421,318	\$ 350,747	\$ 7,367,911
2025	2,588,385	1,463,775	2,753,160	1,747,417	418,697	8,971,434
2026	2,914,712	1,639,829	3,080,231	1,946,283	452,802	10,033,857
2027	3,132,681	1,755,229	3,350,160	2,107,379	476,041	10,821,490
2028	3,397,749	1,892,183	3,537,310	2,215,624	486,662	11,529,527
2029	3,732,891	2,065,106	3,734,521	2,329,476	497,963	12,359,957
2030	3,875,941	2,135,218	3,878,874	2,409,921	501,944	12,801,899
2031	4,193,325	2,295,826	4,034,934	2,497,254	507,234	13,528,574
2032	4,527,533	2,464,447	4,201,784	2,590,864	513,645	14,298,273
2033	4,879,544	2,641,490	4,381,285	2,691,744	521,169	15,115,233

## Wastewater Utility Cost Functionalization and Classification – Cash Basis

Wastewater system costs are allocated to the following functions:

*Treatment -- Volume* – the costs associated with treating wastewater volume discharges

*Collection* – the lines that transport wastewater from customers’ properties to the wastewater treatment plant

*Administration* – miscellaneous overhead and other non-operating costs

*Customer Billing* – the processes involved in billing and other services to customers

As was the case for the water system, wastewater utility operating budget line-item expenses are allocated individually to functions. The results of the allocation process are presented on **Table III-15**. As with the water utility, these percentages are not forecast to change significantly during the next five years.

TABLE III-15

CITY OF ROCKPORT		
TEST YEAR WASTEWATER COST FUNCTIONALIZATION		
SCENARIO:		
2024 08 19 Scenario I – Status Quo		
Function	2024 Revenue Requirement	Percent
<b>Treatment</b>		
Volume	\$ 1,268,577	28.4%
<b>Collection</b>	1,503,780	33.7%
<b>Administration</b>	1,302,627	29.2%
<b>Customer</b>	<u>392,415</u>	<u>8.8%</u>
<b>Total</b>	<b>4,467,399</b>	<b>100.0%</b>

## Wastewater Utility Cost Allocation – Cash Basis

Allocation of wastewater utility costs by service characteristic to customer classes is performed in the same manner as described for the water utility. The total wastewater utility costs by customer class for the test year are summarized in **Table III-16** and for the ten-year forecast period in **Table III-17**.

TABLE III-16

CITY OF ROCKPORT		
TEST YEAR WASTEWATER COST ALLOCATION		
SCENARIO:		
2024 08 19 Scenario I -- Status Quo		
Function	2024 Revenue Requirement	Percent
Residential Inside	\$ 2,417,640	54.1%
Non-Residential Inside	1,193,310	26.7%
Contracted Rate (Town of Fulton)	342,350	7.7%
Sewer Only (ICL)	640	0.0%
Residential Outside	291,460	6.5%
Non- Residential Outside	203,269	4.6%
Sewer Only (OCL)	18,731	0.4%
<b>Total</b>	<b>4,467,399</b>	<b>100.0%</b>

TABLE III-17

CITY OF ROCKPORT							
FORECAST WASTEWATER COST ALLOCATION							
SCENARIO:							
2024 08 19 Scenario I -- Status Quo							
Year	Residential Inside	Non-Residential Inside	Contracted Rate (Town of Fulton)	Sewer Only (ICL)	Residential Outside	Non- Residential Outside	Total
2024	\$ 2,417,640	\$ 1,193,310	\$ 342,350	\$ 640	\$ 291,460	\$ 203,269	\$ 4,467,399
2025	2,587,673	1,274,591	356,791	675	460,001	326,021	5,024,132
2026	3,174,291	1,590,504	422,214	687	614,269	434,710	6,253,975
2027	3,528,822	1,781,924	454,808	682	794,345	563,036	7,139,696
2028	4,018,406	2,046,795	502,552	682	899,313	628,321	8,111,224
2029	4,344,402	2,218,857	529,364	689	1,015,313	700,309	8,823,533
2030	4,471,040	2,277,757	532,997	706	1,096,343	742,161	9,135,340
2031	4,643,814	2,361,236	542,033	724	1,179,932	784,887	9,526,810
2032	4,834,002	2,453,140	553,062	743	1,265,605	827,833	9,948,526
2033	5,041,998	2,553,607	565,847	765	1,355,092	872,004	10,403,492

## Net Revenue Requirement – Utility/Hybrid Basis

As stated in Section I of this report, calculating the cost of service for outside city customers under the Utility/Hybrid basis is a common and accepted practice in the Utility industry. The AWWA *Manual M-1*, generally considered to be the definitive source of ratemaking policy in the United States, recommends the use of the Utility/Hybrid Basis to calculate the cost of service for outside customers. The Utility/Hybrid Basis differs from the Cash Basis in that it charges depreciation expense and a return on investment, to compensate cities for the risk and investment made in the provision of service to outside city customers. **Table III-18** outlines the difference between the Cash Basis and the Utility/Hybrid Basis.

TABLE III-18

CASH AND UTILITY BASIS REVENUE REQUIREMENTS COMPARISON		
	CASH Basis	UTILITY Basis
Operating Expenses	X	X
Transfers	X	X
Capital Outlays	X	
Current Debt Service	X *	
Depreciation		X
Return		X
* Includes Principal and Interest		

The City's comprehensive rate model includes a calculation of the cost of service, both in total and for the outside city customer classes. However, **this report has only outlined the cost of service via the cash basis.** The project team concluded that including the numerous detailed utility basis charts in this summary report would result in a document that was excessively lengthy and difficult to follow.

However, a summary of the Utility Basis cost of service is included in **Table III-19** presented on the next page. This table reveals that over the ten-year rate plan forecast period, a Utility basis calculation, which would be used for outside city customers, would result in a cost of service that is approximately 21.8% greater for water and 34.0% greater for wastewater than the cash basis cost of service calculations over the same time period. Detailed calculations supporting this table are contained in the rate model prepared for the City.

It should be noted that for the purposes of this study, the Utility/Hybrid Basis calculation is based on a series of broad assumptions about the timing of debt funding, asset values, and rates of return. The assumptions in this study should not be considered to be definitive, and the project team reserves the right to revisit and adjust these assumptions should circumstances so warrant.



TABLE III-19

CITY OF ROCKPORT										
NET REVENUE REQUIREMENTS CASH BASIS vs UTILITY BASIS										
SCENARIO: 2024 08 19 Scenario I -- Status Quo										
TOTAL COST OF SERVICE -- WATER										
CASH Basis	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Expenses	\$ 6,804,065	\$ 7,613,540	\$ 8,285,664	\$ 8,840,732	\$ 9,427,628	\$ 10,051,185	\$ 10,711,138	\$ 11,411,124	\$ 12,153,027	\$ 12,941,394
Capital Outlays	11,350	158,516	158,516	158,516	158,516	158,516	158,516	158,516	158,516	158,516
Transfers	927,197	955,012	983,663	1,013,173	1,043,568	1,074,875	1,107,121	1,140,335	1,174,545	1,209,781
Current Debt Service	925,941	926,687	928,728	779,142	566,081	620,268	248,757	249,131	249,746	250,262
Future Debt Service	-	-	365,892	724,935	1,035,265	1,163,289	1,291,313	1,291,313	1,291,313	1,291,313
Depreciation	-	-	-	-	-	-	-	-	-	-
Return	-	-	-	-	-	-	-	-	-	-
Total Cost of Service	8,668,553	9,653,755	10,722,462	11,516,498	12,231,058	13,068,133	13,516,846	14,250,420	15,027,147	15,851,267
Less Non-Rate Revenues	1,300,641	682,321	688,605	695,008	701,531	708,176	714,947	721,845	728,873	736,034
Net Revenue Requirement	7,367,911	8,971,434	10,033,857	10,821,490	11,529,527	12,359,957	12,801,899	13,528,574	14,298,273	15,115,233
UTILITY Basis										
Operating Expenses	\$ 6,804,065	\$ 7,613,540	\$ 8,285,664	\$ 8,840,732	\$ 9,427,628	\$ 10,051,185	\$ 10,711,138	\$ 11,411,124	\$ 12,153,027	\$ 12,941,394
Capital Outlays	-	-	-	-	-	-	-	-	-	-
Transfers	927,197	955,012	983,663	1,013,173	1,043,568	1,074,875	1,107,121	1,140,335	1,174,545	1,209,781
Current Debt Service	-	-	-	-	-	-	-	-	-	-
Future Debt Service	-	-	-	-	-	-	-	-	-	-
Depreciation	860,403	1,048,501	1,213,636	1,345,633	1,390,970	1,441,960	1,437,054	1,436,925	1,435,662	1,435,662
Return	1,840,119	2,309,922	2,751,238	3,103,130	3,170,279	3,232,848	3,099,249	2,966,148	2,833,682	2,701,780
Total Cost of Service	10,431,783	11,926,976	13,234,200	14,302,668	15,032,444	15,800,868	16,354,562	16,954,532	17,596,916	18,288,617
Less Non-Rate Revenues	1,300,641	682,321	688,605	695,008	701,531	708,176	714,947	721,845	728,873	736,034
Net Revenue Requirement	9,131,142	11,244,655	12,545,595	13,607,660	14,330,914	15,092,691	15,639,615	16,232,687	16,868,043	17,552,584
Percent Greater than Cash Basis	23.9%	25.3%	25.0%	25.7%	24.3%	22.1%	22.2%	20.0%	18.0%	16.1%
5 Year Average	24.9%									
10 Year Average	21.8%									
TOTAL COST OF SERVICE										
CASH Basis	2024	2024	2025	2026	2027	2028	2029	2030	2031	2032
Operating Expenses	\$ 3,071,121	\$ 3,436,230	\$ 3,834,249	\$ 4,098,457	\$ 4,383,053	\$ 4,690,788	\$ 5,022,794	\$ 5,381,685	\$ 5,769,601	\$ 6,189,853
Capital Outlays	20,000	145,532	145,532	145,532	145,532	145,532	145,532	145,532	145,532	145,532
Transfers	927,197	955,012	983,663	1,013,173	1,043,568	1,074,875	1,107,121	1,140,335	1,174,545	1,209,781
Current Debt Service	925,941	926,687	928,728	779,142	566,081	620,268	248,757	249,131	249,746	250,262
Future Debt Service	-	-	802,070	1,544,609	2,415,171	2,735,231	3,055,291	3,055,291	3,055,291	3,055,291
Depreciation	-	-	-	-	-	-	-	-	-	-
Return	-	-	-	-	-	-	-	-	-	-
Total Cost of Service	4,944,258	5,463,461	6,694,241	7,580,912	8,553,405	9,266,694	9,579,495	9,971,974	10,394,714	10,850,720
Less Non-Rate Revenues	476,859	439,329	440,266	441,216	442,181	443,161	444,155	445,164	446,188	447,228
Net Revenue Requirement	4,467,399	5,024,132	6,253,975	7,139,696	8,111,224	8,823,533	9,135,340	9,526,810	9,948,526	10,403,492
UTILITY Basis										
Operating Expenses	\$ 3,071,121	\$ 3,436,230	\$ 3,834,249	\$ 4,098,457	\$ 4,383,053	\$ 4,690,788	\$ 5,022,794	\$ 5,381,685	\$ 5,769,601	\$ 6,189,853
Capital Outlays	-	-	-	-	-	-	-	-	-	-
Transfers	927,197	955,012	983,663	1,013,173	1,043,568	1,074,875	1,107,121	1,140,335	1,174,545	1,209,781
Current Debt Service	-	-	-	-	-	-	-	-	-	-
Future Debt Service	-	-	-	-	-	-	-	-	-	-
Depreciation	668,702	985,947	1,207,522	1,452,625	1,482,544	1,510,477	1,485,313	1,485,183	1,483,921	1,483,921
Return	1,283,769	2,352,630	3,316,438	4,438,443	4,768,050	5,095,615	4,966,676	4,838,357	4,710,812	4,584,000
Total Cost of Service	5,950,788	7,729,819	9,341,872	11,002,697	11,677,216	12,371,756	12,581,904	12,845,560	13,138,879	13,467,555
Net Revenue Requirement	476,859	439,329	440,266	441,216	442,181	443,161	444,155	445,164	446,188	447,228
Net Revenue Requirement	5,473,929	7,290,490	8,901,606	10,561,481	11,235,034	11,928,595	12,137,748	12,400,396	12,692,691	13,020,327
Percent Greater than Cash Basis	22.5%	45.1%	42.3%	47.9%	38.5%	35.2%	32.9%	30.2%	27.6%	25.2%
5 Year Average	40.2%									
10 Year Average	34.0%									

*Section IV*



## SECTION IV

## Water and Wastewater Rate Design

### Rate Design



Rate design involves determining charges for each class of customers that will generate a desired level of revenue in accordance with AWWA and other industry cost of service rate-making principles. The water and wastewater rates developed in this section are designed to recover the forecast revenue requirements while providing funding for the identified capital improvements and existing debt service.

In this section the project team presents the final recommended rate plan for the City.

The following is notable about the proposed rate plan:

- The plan is a **five-year plan** with rate adjustments applied for each rate class starting in October 2024 and continuing in October of each year afterwards.
- The planning horizon for this rate plan is 5 years. **The revenue requirements for the years FY 2025 – FY 2029 are used as the basis for the rate design.** This is because the rates are intended to recover forecast costs, not historical costs as shown in the test year FY 2024.
- The proposed rate plan will ensure that all operating expenses and capital outlays are fully funded.
- The proposed rate plan will ensure that the City's \$67.9 million capital improvement plan is fully funded. The plan is to be implemented over the FY 2025 – FY 2029 time period. No CIP expenses are assumed for or recovered in the FY 2024 revenue requirement.
- No changes are recommended to the existing rate structure and/or tiers.
- The rate plan assumes uniform percentage adjustments for base and volume charges.
- The plan recommends lesser increases for water and higher increases for wastewater.

- Outside city rate premium is set to be 20% on water and wastewater rates. To achieve this, **no adjustment is recommended for outside city water rates for October 2024, October 2025 or October 2026. No adjustment for outside city wastewater rates is recommended for October 2024.**
- Future growths projections, forecast of water purchases from San Patricio MWD, and the amount of new debt required to fund CIP projects are three major factors impacting the rates. Should growth assumptions be slower than expected, future demand for Sand Patricio MWD water be lower than projected, or should the City choose to issue more or less debt than assumed in this study, then the rate plans contained in this study may require re-evaluation.

**Table IV-2** presents a summary of the proposed water rate plan. **Table IV-3** presents a summary of the proposed wastewater rate plan.

Details behind these calculations can be found in the rate model summaries contained in **Appendix A**.



TABLE IV-2

CITY OF ROCKPORT		PROPOSED WATER RATE PLAN					
Scenario: 2024 08 13 Scenario I -- Status Quo		Effective					
		Current	Oct-24	Oct-25	Oct-26	Oct-27	Oct-28
WATER							
Residential Inside							
Base Charge							
3/4"	\$	22.52	\$ 23.42	\$ 24.12	\$ 24.85	\$ 25.34	\$ 25.85
1"		27.21	28.30	29.15	30.02	30.62	31.23
1 1/2"		50.39	52.41	53.98	55.60	56.71	57.84
2"		78.24	81.37	83.81	86.33	88.05	89.81
3"		152.51	158.61	163.37	168.27	171.64	175.07
4"		236.07	245.51	252.88	260.46	265.67	270.99
Volume Rate Per 1,000 Gal							
1,501 10,000		6.04	6.28	6.47	6.66	6.80	6.93
10,001 15,000		7.08	7.36	7.58	7.81	7.97	8.13
15,001 Above		8.04	8.36	8.61	8.87	9.05	9.23
Commercial Inside							
Base Charge							
3/4"		23.91	24.87	25.61	26.38	26.91	27.45
1"		28.89	30.05	30.95	31.88	32.51	33.16
1 1/2"		53.50	55.64	57.31	59.03	60.21	61.41
2"		83.07	86.39	88.98	91.65	93.49	95.36
3"		161.93	168.41	173.46	178.66	182.24	185.88
4"		250.66	260.69	268.51	276.56	282.09	287.74
Volume Rate Per 1,000 Gal							
1,501 10,000		6.41	6.67	6.87	7.07	7.21	7.36
10,001 15,000		7.51	7.81	8.04	8.29	8.45	8.62
15,001 Above		8.54	8.88	9.15	9.42	9.61	9.80
Copano Cove Water Co.							
Volume Rate Per 1,000 Gal							
- Above		6.93	7.21	7.42	7.65	7.80	7.96
Residential Outside							
Base Charge							
3/4"	\$	29.95	\$ 29.95	\$ 29.95	\$ 29.95	\$ 30.41	\$ 31.02
1"		36.21	36.21	36.21	36.21	36.75	37.48
1 1/2"		67.62	67.62	67.62	67.62	68.05	69.41
2"		104.68	104.68	104.68	104.68	105.66	107.78
3"		204.36	204.36	204.36	204.36	205.96	210.08
4"		316.45	316.45	316.45	316.45	318.81	325.18
6"		316.45	316.45	316.45	316.45	318.81	325.18
Volume Rate Per 1,000 Gal							
1,501 10,000		8.16	8.16	8.16	8.16	8.16	8.32
10,001 15,000		9.59	9.59	9.59	9.59	9.56	9.75
15,001 Above		10.90	10.90	10.90	10.90	10.86	11.08
Commercial Outside							
Base Charge							
3/4"		29.95	29.95	29.95	29.95	32.29	32.94
1"		36.21	36.21	36.21	36.21	39.02	39.80
1 1/2"		67.62	67.62	67.62	67.62	72.25	73.70
2"		104.68	104.68	104.68	104.68	112.18	114.43
3"		204.36	204.36	204.36	204.36	218.68	223.06
4"		316.45	316.45	316.45	316.45	338.51	345.28
6"		316.45	316.45	316.45	316.45	338.51	345.28
Volume Rate Per 1,000 Gal							
1,501 10,000		8.16	8.16	8.16	8.16	8.66	8.83
10,001 15,000		9.59	9.59	9.59	9.59	10.14	10.34
15,001 Above		10.90	10.90	10.90	10.90	11.53	11.76

TABLE IV-3

CITY OF ROCKPORT		PROPOSED WASTEWATER RATE PLAN					
Scenario:		2024 08 13 Scenario I -- Status Quo					
		Effective					
		Current	Oct-24	Oct-25	Oct-26	Oct-27	Oct-28
<b>WASTEWATER</b>							
<b>Residential Inside</b>							
<u>Base Charge</u>							
3/4"		\$ 25.79	\$ 28.11	\$ 30.64	\$ 33.09	\$ 35.74	\$ 38.60
1" or Larger		29.42	32.07	34.95	37.75	40.77	44.03
<u>Volume Rate Per 1,000 Gal</u>							
1,501	5,000	4.79	5.22	5.69	6.15	6.64	7.17
5,001	15,000	5.62	6.13	6.68	7.21	7.79	8.41
<b>Non-Residential Inside</b>							
<u>Base Charge</u>							
3/4"		29.64	32.31	35.22	38.03	41.08	44.36
1"		37.03	40.36	44.00	47.51	51.32	55.42
1 1/2"		44.46	48.46	52.82	57.05	61.61	66.54
2"		59.28	64.62	70.43	76.07	82.15	88.72
3"		118.57	129.24	140.87	152.14	164.31	177.46
4" or Larger		185.25	201.92	220.10	237.70	256.72	277.26
<u>Volume Rate Per 1,000 Gal</u>							
1,501	5,000	5.44	5.93	6.46	6.98	7.54	8.14
5,001	Above	6.38	6.95	7.58	8.19	8.84	9.55
<b>Sewer Only (ICL)</b>							
<u>Base Charge</u>							
Res. Inside		46.38	50.55	55.10	59.51	64.27	69.42
Non -Res. Inside		52.79	57.54	62.72	67.74	73.16	79.01
Comm. Opps. Inside		229.86	250.55	273.10	294.94	318.54	344.02
<b>Residential Outside</b>							
<u>Base Charge</u>							
3/4"		32.70	32.70	36.77	39.71	42.89	46.32
1" or Larger		40.84	40.84	41.94	45.30	48.92	52.84
<u>Volume Rate Per 1,000 Gal</u>							
1,501	5,000	5.97	5.97	6.83	7.38	7.97	8.60
5,001	15,000	7.05	7.05	8.01	8.65	9.35	10.09
<b>Non- Residential Outside</b>							
<u>Base Charge</u>							
3/4"		32.69	32.69	42.26	45.64	49.29	53.23
1"		40.84	40.84	52.79	57.02	61.58	66.51
1 1/2"		49.03	49.03	63.39	68.46	73.94	79.85
2"		65.35	65.35	84.52	91.28	98.58	106.47
3"		130.70	130.70	169.05	182.57	197.18	212.95
4" or Larger		204.22	204.22	264.11	285.24	308.06	332.71
<u>Volume Rate Per 1,000 Gal</u>							
1,501	5,000	5.95	5.95	7.76	8.38	9.05	9.77
5,001	Above	7.05	7.05	9.10	9.82	10.61	11.46
<b>Sewer Only (OCL)</b>							
<u>Base Charge</u>							
Res. - Outside		55.89	55.89	66.12	71.41	77.13	83.30
Non -Res. Outside		63.58	63.58	75.26	81.28	87.79	94.81
Comm. Opps. Outside		272.96	272.96	327.72	353.93	382.25	412.83

**Table IV-4** presents the impact that the proposed rate plan will have on ratepayers at various levels of consumption.

TABLE IV-4

CITY OF ROCKPORT													
IMPACT ON MONTHLY CHARGES													
Scenario:		2024 08 13 Scenario I -- Status Quo											
				Effective									
				Oct-24	Oct-25	Oct-26	Oct-27	Oct-28					
Residential Monthly Charges Inside -- 3/4"													
5,000 Water	Total	\$	86.22	\$	91.79	\$	97.33	\$	102.78	\$	108.11	\$	113.81
5,000 WW	Increase -- \$				5.58		5.54		5.45		5.33		5.70
	Increase -- %				6.5%		6.0%		5.6%		5.2%		5.3%
10,000 Water	Total	\$	144.52	\$	153.83	\$	163.06	\$	172.15	\$	181.04	\$	190.53
10,000 WW	Increase -- \$				9.31		9.24		9.09		8.88		9.50
	Increase -- %				6.4%		6.0%		5.6%		5.2%		5.2%
20,000 Water	Total	\$	220.12	\$	232.45	\$	244.05	\$	255.57	\$	266.12	\$	277.31
10,000 WW	Increase -- \$				12.34		11.59		11.52		10.55		11.20
	Increase -- %				5.6%		5.0%		4.7%		4.1%		4.2%
Commercial Monthly Charges Inside -- 2"													
25,000 Water	Total	\$	466.43	\$	495.38	\$	523.71	\$	551.65	\$	578.54	\$	607.23
25,000 WW	Increase -- \$				28.95		28.33		27.94		26.89		28.69
	Increase -- %				6.2%		5.7%		5.3%		4.9%		5.0%
50,000 Water	Total	\$	839.43	\$	891.27	\$	941.91	\$	991.87	\$	1,039.85	\$	1,091.03
50,000 WW	Increase -- \$				51.85		50.64		49.97		47.97		51.18
	Increase -- %				6.2%		5.7%		5.3%		4.8%		4.9%
Residential Monthly Charges Outside -- 3/4"													
5,000 Water	Total	\$	112.11	\$	112.11	\$	119.18	\$	124.04	\$	129.73	\$	136.57
5,000 WW	Increase -- \$				-		7.08		4.85		5.69		6.84
	Increase -- %				0.0%		6.3%		4.1%		4.6%		5.3%
10,000 Water	Total	\$	188.16	\$	188.16	\$	200.04	\$	208.10	\$	217.24	\$	228.64
10,000 WW	Increase -- \$				-		11.89		8.06		9.14		11.39
	Increase -- %				0.0%		6.3%		4.0%		4.4%		5.2%
Commercial Monthly Charges Outside -- 2"													
25,000 Water	Total	\$	558.17	\$	558.17	\$	624.57	\$	648.06	\$	694.24	\$	728.68
25,000 WW	Increase -- \$				-		66.41		23.49		46.18		34.43
	Increase -- %				0.0%		11.9%		3.8%		7.1%		5.0%
50,000 Water	Total	\$	1,006.92	\$	1,006.92	\$	1,124.48	\$	1,166.16	\$	1,247.81	\$	1,309.23
50,000 WW	Increase -- \$				-		117.56		41.68		81.66		61.42
	Increase -- %				0.0%		11.7%		3.7%		7.0%		4.9%

## Forecast Rate Revenues

**Table IV-5** presents forecast revenues under the proposed rate plan. Details behind this calculation can be found in Appendix A.

TABLE IV-5

		2024	2025	2026	2027	2028	2029
CITY OF ROCKPORT FORECAST WATER/WASTEWATER REVENUES							
<b>Revenue Summary</b>							
<b>Scenario: 2024 08 13 Scenario I -- Status Quo</b>							
<b>WATER Revenues -- Total</b>							
W1	Residential Inside	\$ 3,334,063	\$ 3,587,690	\$ 3,827,642	\$ 4,080,458	\$ 4,303,875	\$ 4,531,309
W2	Commercial Inside	1,959,435	2,108,232	2,238,369	2,374,686	2,493,192	2,613,244
W5	Residential Outside	2,986,040	3,090,551	3,198,720	3,310,675	3,442,278	3,620,316
W6	Commercial Outside	1,747,107	1,799,520	1,853,506	1,909,111	2,072,049	2,178,598
W7	Copano Cove Water Co.	270,290	282,339	291,037	299,768	306,006	312,126
	Total Rate Revenue	10,296,934	10,868,332	11,409,273	11,974,697	12,617,400	13,255,593
	Non-Rate Revenue	1,300,641	682,321	688,605	695,008	701,531	708,176
	<b>Total Revenue</b>	<b>11,597,576</b>	<b>11,550,653</b>	<b>12,097,878</b>	<b>12,669,705</b>	<b>13,318,930</b>	<b>13,963,770</b>
<b>Water Revenues -- Additional</b>							
W1	Residential Inside		253,627	239,952	252,816	223,417	227,434
W2	Commercial Inside		148,797	130,137	136,317	118,507	120,052
W5	Residential Outside		104,511	108,169	111,955	131,602	178,038
W6	Commercial Outside		52,413	53,986	55,605	162,938	106,549
W7	Copano Cove Water Co.		12,050	8,697	8,731	6,238	6,120
	Total Rate Revenue		571,398	540,941	565,424	642,703	638,194
	Non-Rate Revenue		(618,320)	6,284	6,402	6,523	6,646
	<b>Total Revenue</b>		<b>(46,922)</b>	<b>547,225</b>	<b>571,826</b>	<b>649,226</b>	<b>644,839</b>
<b>WASTEWATER Revenues -- Total</b>							
WW1	Residential Inside	\$ 2,356,383	\$ 2,679,287	\$ 3,039,669	\$ 3,418,570	\$ 3,833,701	\$ 4,293,469
WW2	Non-Residential Inside	1,116,800	1,282,669	1,456,358	1,638,830	1,838,461	2,059,249
WW3	Contracted Rate (Town of Fulton)	154,363	169,144	186,596	204,077	223,005	243,656
WW4	Sewer Only (ICL)	8,929	9,753	10,631	11,490	12,409	13,401
WW5	Residential Outside	392,564	464,004	591,198	730,759	885,865	1,061,175
WW6	Non- Residential Outside	180,117	207,957	299,895	369,007	441,800	523,691
WW7	Sewer Only (OCL)	26,671	26,671	31,254	33,993	36,712	39,649
	Total Rate Revenue	4,235,829	4,839,486	5,615,600	6,406,725	7,271,952	8,234,291
	Non-Rate Revenue	476,859	439,329	440,266	441,216	442,181	443,161
	<b>Total Revenue</b>	<b>4,712,688</b>	<b>5,278,815</b>	<b>6,055,866</b>	<b>6,847,941</b>	<b>7,714,133</b>	<b>8,677,452</b>
<b>WASTEWATER Revenues -- Additional</b>							
WW1	Residential Inside		322,904	360,381	378,901	415,131	459,768
WW2	Non-Residential Inside		165,869	173,689	182,472	199,631	220,788
WW3	Contracted Rate (Town of Fulton)		14,780	17,452	17,481	18,928	20,651
WW4	Sewer Only (ICL)		824	878	859	919	993
WW5	Residential Outside		71,440	127,194	139,561	155,106	175,311
WW6	Non- Residential Outside		27,840	91,938	69,112	72,792	81,892
WW7	Sewer Only (OCL)		-	4,582	2,739	2,719	2,937
	Total Rate Revenue		603,657	776,114	791,125	865,227	962,339
	Non-Rate Revenue		(37,530)	937	951	965	979
	<b>Total Revenue</b>		<b>566,127</b>	<b>777,051</b>	<b>792,076</b>	<b>866,192</b>	<b>963,319</b>

## Notes on Rate Recommendations

The forecast and recommendations presented in this study represent a combination of the best information available from the City of Rockport and the project team's expertise. However, this forecast relies in part on assumptions about future events and events beyond the control of the project team (such as account growth rates within the City). The forecast and recommendations contained in this study may be subject to revision if any of the following events occurs:

- Actual growth in accounts and consumed volumes is less than (or significantly greater than) forecast.
- San Patricio MWD water rates increase at a much higher pace than forecast
- Capital improvement plan funding costs increase significantly due to the rising cost of materials or other factors.
- An unforeseen event impacts the City, such as an extended recession, natural catastrophe or terrorist attack.
- Significant and long-lasting changes in weather patterns.
- Increases or decreases in interest rates, coverage requirements, or reserve requirements for long-term debt.
- The City of Rockport budget levels or priorities change significantly from those forecast in this study.

It should be noted that none of these events is foreseen by the project team or the City of Rockport at this time.

**If any of these events occur, the City may be compelled to consider further adjustments to its water and wastewater rates.**





## SECTION V

## Utility Non-Rate Fees and Services Cost Analysis



The project team also has been engaged by the City of Rockport to update its schedule of Non-Rate Fees and Services related to its water and wastewater utilities. As is common for all utilities, the City maintains a schedule of fees and charges for services that are offered in addition to basic monthly water and wastewater service. Unlike utility rates, which are charged to all active ratepayers, these fees are only charged to those customers who specifically request the associated service or who are violating the utility's codes. These fees are generally known as Non-Rate Fees and Services.

The City seeks an analysis of the cost it incurs in providing each of these services to the associated ratepayer.

In this analysis, each category of Non-Rate Fees and Services has its costs calculated according to a basic, generally accepted methodology. This methodology has been closely followed during the course of this study. The non-rate revenue calculation model contained in **Appendix B** of this report presents the cost calculation methodology in detail.

### Cost Calculation Methodology

In order to develop a cost estimate for each of the categories of Non-Rate Fees and Services, the Project Team utilized the following approach:

1. City staff expended considerable time and effort fulfilling the data requests submitted by the Project Team. All requests were complied with in an efficient, professional manner. The Project Team owes a debt of gratitude to the professionalism and diligence of City staff for their assistance in this endeavor.
2. The Project Team divided the data and analysis for each service into three categories: Labor, Materials and Other. Labor includes the time devoted by clerical, field and administrative personnel in completing the associated service. Materials include the specific items required by each service. Other costs include specific items not assigned to any of the other categories.
3. The total cost of each service included in this analysis is primarily based on the Fully Burdened Hourly Rates (FBHRs) that were determined for City personnel directly involved in providing services. The FBHRs include not only personnel salary and benefits, but also any costs that are reasonably ascribable to personnel. The cost elements that are included in the calculation of fully burdened rates are:
  - Salaries & benefits of personnel involved

- Operating costs applicable to fee operations
- Departmental support, supervision, and administration overhead
- Internal Service Costs charged to each department
- Indirect City-wide overhead costs

The FBHRs are then used in conjunction with labor time estimates, when appropriate, to calculate a fee's cost based on the personnel and the amount of their time that is involved in providing each service.

4. Each cost was reviewed, calculated and incorporated into the non-rate fees and services cost calculation model presented in **Appendix B**.

## Current Utility Non-Rate Fees and Services

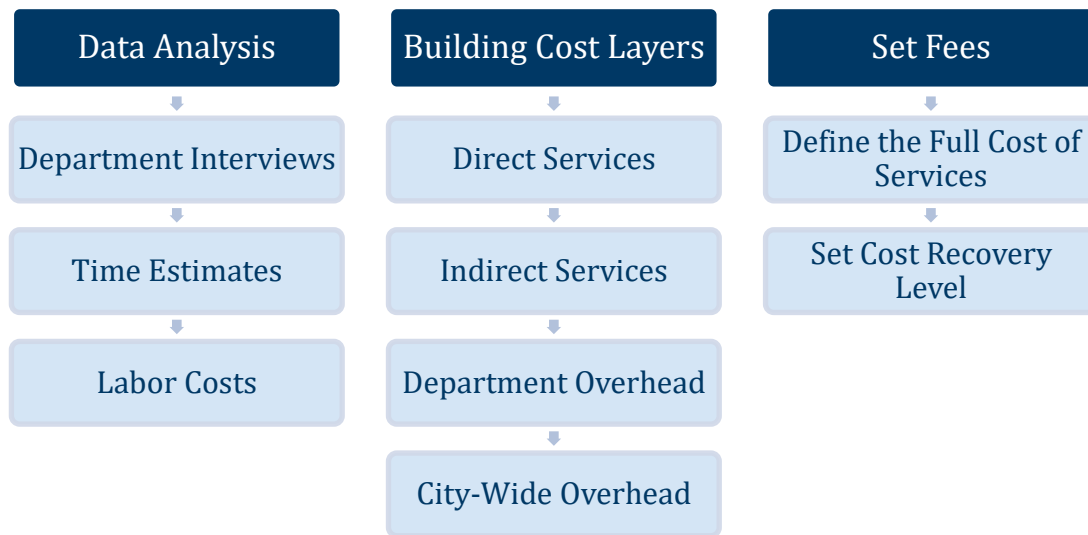
**Table V-1** presents the City's current schedule for Utility Non-Rate Fees and Services that were reviewed in this study.

**TABLE V-1**

Utility User Fees		
#	Description	Current Fee/Charge
1	Meter Connects	25.00
2	Meter Reconnects	25.00
3	Meter Reconnects - After Hours	37.50
New	Meter Disconnects	0.00
4	Deposits - Residential	150.00
5	Deposits - Commercial	700.00
6	NSF Fees	25.00
7	Meter Tempering Fees	50.00
8	Trip Charges	25.00
9	Theft of Services	at cost
10	Damage Indemnification	at cost
11	Meter Lock Fee	25.00

## Summary Steps of the Study

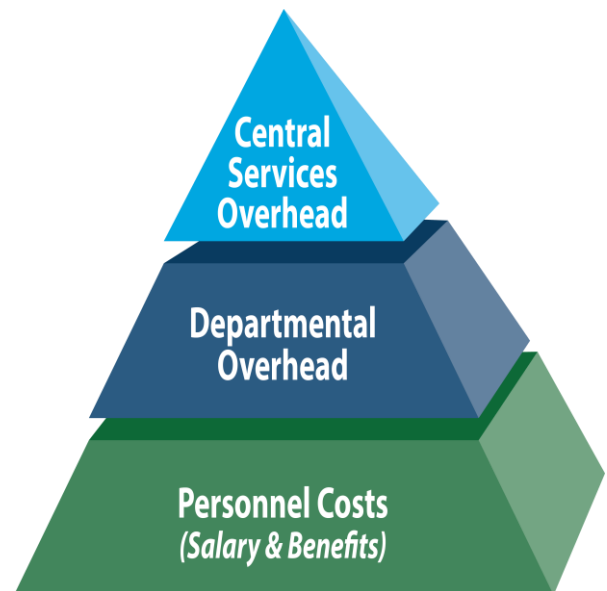
The methodology to evaluate most User Fee levels is straightforward and simple in concept. The following list provides a summary of the study process steps:



## Allowable Costs

This report identifies three types of costs that, when combined, constitute the fully burdened cost of a service. Costs are defined as direct labor, including salary and benefits, departmental overhead costs, and the City's central services overhead, where departmental and central service overhead costs constitute support costs. These cost types are defined as follows:

- **Direct Labor (Personnel Costs):** The costs related to staff salaries for time spent directly on fee-related services.
- **Departmental Overhead:** A proportional allocation of departmental overhead costs, including operation costs such as supplies and materials that are necessary for the department to function.
- **Central Services Overhead:** These costs represent services provided by those Central Services Departments whose primary function is to support other City departments.



## Quality Control/Quality Assurance

All study components are interrelated, thus flawed data at any step in the process will cause the ultimate results to be inconsistent and unsound. The elements of the project team's Quality Control process for User Fee calculations include:

- Involvement of knowledgeable City staff
- Clear instructions and guidance to City staff
- Reasonableness tests and validation
- Normalcy/expectation ranges
- FTE balancing
- Internal and external reviews
- Cross-checking

### Reasons for cost increases/decreases over current fees

Within the fee tables in **Appendix B**, the differences are identified between the full costs calculated through the study and the fee levels currently in effect. The reasons for differences between the two can arise from several possible factors including but not limited to:

- Previous fee levels may have been set at levels less than full cost intentionally, based on policy decisions
- Staffing levels and the positions that complete fee and service activity have changed
- Personnel and materials costs could have increased at levels that differed from any inflationary factors used to increase fees
- Costs that this study has identified as part of the full cost of services may not have been accounted for previously
  - Departmental overhead and administration costs
  - Indirect overhead
- Changes in processes and procedures within a department, or the city as a whole

### City Staff Contributions

As part of the study process, the project team received tremendous support and cooperation from City staff, which contributed and reviewed a variety of components to the study, including:

- Budget and other cost data,
- Staffing structures,
- Fee and service structures, organization, and descriptions,
- Direct and indirect work hours (billable/non-billable),
- Time estimates to complete work tasks,
- Current fee levels,

- Incorporation of the City's Cost Recovery goals in fee suggestions,
- Review of draft results and other documentation.

A User Fee Study requires significant involvement of the managers and line staff from the departments—on top of their existing workloads and competing priorities. The contributions from City staff were critical to this study. We would like to express our appreciation to the City and its staff for their assistance, professionalism, positive attitudes, helpful suggestions, responsiveness, and overall cooperation.

## Cost Recovery

The cost recovery models are presented in detail in **Appendix B**. In General, full cost recovery is determined by summing the estimated amount of time that each position (in increments of minutes or hours) spends to render a service. Time estimates for each service rendered were predominantly determined by the project team and City Staff through a time and materials survey conducted. The resulting cost recovery amount represents the total cost of providing each service. The City's current fee being charged for each service, if applicable, is provided in this section for reference.

It is important to note that the time and materials survey used to determine the amount of time each employee spends assisting in the provision of the services listed on the fee schedule is essential in identifying the total cost of providing each service. Specifically, in providing services, several employees and departments are often involved in various aspects of the process, spending anywhere from a few minutes to several hours on the service.

The principal goal of this study was to identify the cost of City services, to provide information to help the City make informed decisions regarding the actual fee levels and charges. The responsibility of determining the final fee levels is a complicated task. City staff must consider many issues in formulating recommendations, and the City Council must consider those same issues and more in making the final decisions.

There are occasions where the suggested fees deviate from the full cost calculation. For those cases, there are reasonable explanations, typically to account for individual service need considerations in providing the service to the public. Unfortunately, there are no hard and fast rules to guide the City, since many of the considerations are based on the unique characteristics of the City of Rockport, and administrative and political discretion.

## Subsidization

Recalling the definition of a user fee helps guide decisions regarding subsidization. The general standard is that individuals (or groups) who receive a wholly private benefit should pay 100% of the full cost of the services. In contrast, services that are simply public benefit should be funded entirely by the general fund's tax dollars. Unfortunately, for the decision makers, many services fall into the range between these two extremes.

Of course, subsidization can be an effective public policy tool, since it can be used to reduce fees to encourage certain activities (such as compliance inspections to ensure public safety) or allow some people to be able to afford to receive services they otherwise could not at the full cost. In addition, subsidies can be an appropriate and justifiable action, such as to allow citizens to rightfully access services, without burdensome costs.

Despite the intent, it is important for the City and public to understand that subsidies will be covered typically by the General Fund. Therefore, the general taxpayer will potentially help to fund private benefits, and/or other City services will not receive funds that are otherwise directed to cover subsidies.

## Impact on Demand (Elasticity)

Economic principles of elasticity suggest that increased costs for services (higher fees) will eventually curtail the demand for the services; whereas lower fees may spark an incentive to utilize the services and encourage certain actions. Either of these conditions may have a desirable effect to the City. However, the level of the fees that would cause demand changes is largely unknown. This study did not attempt to evaluate the economic or behavioral impacts of higher or lower fees; nevertheless, the City should consider the potential impacts of these issues when deciding on fee levels.

## Summary

If the City's principal goal of this study was to maximize revenues from user fees, and participation from the public in City services was guaranteed to remain constant, the project team would recommend setting user fees at 100% of the full cost identified in this study. However, revenue enhancement is not the only goal of a cost of service study, and sometimes full-cost recovery is not needed, desired, or appropriate. Other City and departmental goals, City Council priorities, policy initiatives, past experience, implementation issues, and other internal and external factors may influence staff recommendations and City Council decisions.

**Table V-2** presents full cost of service, new suggested fees, and recovery levels for the fees reviewed in this study. For the full detail of each fee's analysis, refer to **Appendix B** of this report.

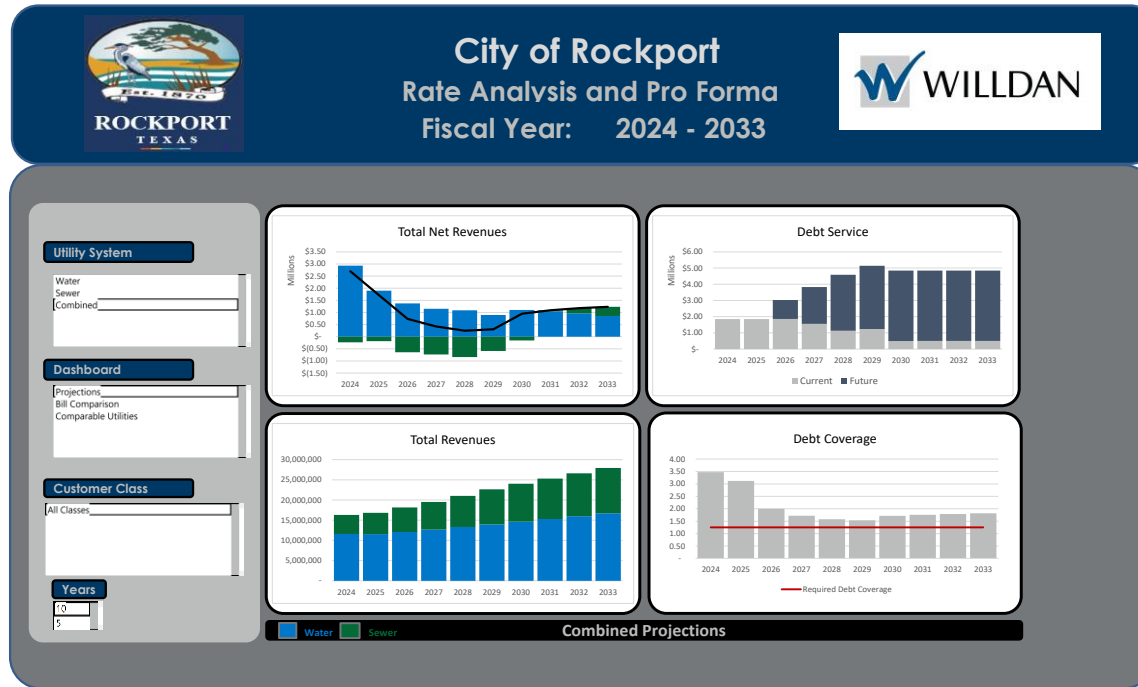
**TABLE V-2**

Utility User Fees						
#	Description	Current Fee/Charge	Full Cost	Suggested Fee	Fee Δ	Cost Recovery
1	Meter Connects	25.00	\$62.11	\$60.00	\$35	97%
2	Meter Reconnects	25.00	\$62.11	\$60.00	\$35	97%
3	Meter Reconnects - After Hours	37.50	\$87.96	\$85.00	\$48	97%
New	Meter Disconnects	0.00	\$62.11	\$60.00	\$60	97%
4	Deposits - Residential	150.00	\$172.44	\$170.00	\$20	99%
5	Deposits - Commercial	700.00	\$783.66	\$780.00	\$80	100%
6	NSF Fees	25.00	\$53.76	\$30.00	\$5	56%
7	Meter Tempering Fees	50.00	\$96.82	\$100.00	\$50	103%
8	Trip Charges	25.00	\$62.11	\$50.00	\$25	81%
9	Theft of Services	at cost	NA	At Cost	NA	NA
10	Damage Indemnification	at cost	NA	At cost	NA	NA
11	Meter Lock Fee	25.00	\$62.11	\$60.00	\$35	97%









Future Debt Term 25

Water Future Bond Issues		
	Alternative	Proposed
2024		-
2025		\$ 5,716,000
2026		\$ 5,609,000
2027		\$ 4,848,000
2028		\$ 2,000,000
2029		\$ 2,000,000
2030		-
2031		-
2032		-
2033		-
		<b>\$ 20,173,000</b>

Sewer Future Bond Issues		
	Alternative	Proposed
2024		-
2025		\$ 12,530,000
2026		\$ 11,600,000
2027		\$ 13,600,000
2028		\$ 5,000,000
2029		\$ 5,000,000
2030		-
2031		-
2032		-
2033		-
		<b>\$ 47,730,000</b>
		<b>\$ 67,903,000</b>

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Current	Oct-24	Oct-25	Oct-26	Oct-27	Oct-28	Oct-29	Oct-30	Oct-31	Oct-32
<b>Water Rate Adjustments</b>										
<b>Meter Charge</b>										
RES INSIDE	0.0%	4.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NON-RES INSIDE	0.0%	4.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
WHOLESALE (Copano Cove)	0.0%	4.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Volume Charge</b>										
RES INSIDE	0.0%	4.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NON-RES INSIDE	0.0%	4.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
WHOLESALE (Copano Cove)	0.0%	4.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Outside City Premium</b>		20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
<b>Sewer Rate Adjustments</b>										
<b>Meter Charge</b>										
RES INSIDE	0.0%	9.0%	9.0%	8.0%	8.0%	8.0%	4.0%	2.0%	2.0%	2.0%
NON-RES INSIDE	0.0%	9.0%	9.0%	8.0%	8.0%	8.0%	4.0%	2.0%	2.0%	2.0%
CONTRACTED RATE (Town of Fulton)	0.0%	9.0%	9.0%	8.0%	8.0%	8.0%	4.0%	2.0%	2.0%	2.0%
<b>Volume Charge</b>										
RES INSIDE	0.0%	9.0%	9.0%	8.0%	8.0%	8.0%	4.0%	2.0%	2.0%	2.0%
NON-RES INSIDE	0.0%	9.0%	9.0%	8.0%	8.0%	8.0%	4.0%	2.0%	2.0%	2.0%
CONTRACTED RATE (Town of Fulton)	0.0%	9.0%	9.0%	8.0%	8.0%	8.0%	4.0%	2.0%	2.0%	2.0%
<b>Outside City Premium</b>		20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%

CITY OF ROCKPORT  
PROPOSED WATER/WASTEWATER RATE SCHEDULE

		Current	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28
<i>City Rate Plan -- Five Year Summary</i>							
<i>Scen: 2024 08 19 Scenario I -- Status Quo</i>							
1	Water Monthly Rates and Charges						
W1	Residential Inside						
	Customer Service Charge						
	3/4"	\$	22.52	\$ 23.42	\$ 24.12	\$ 24.85	\$ 25.34
	1"		27.21	28.30	29.15	30.02	30.62
	1 1/2"		50.39	52.41	53.98	55.60	56.71
	2"		78.24	81.37	83.81	86.33	88.05
	3"		152.51	158.61	163.37	168.27	171.64
	4"		236.07	245.51	252.88	260.46	265.67
	6"		236.07	245.51	252.88	260.46	265.67
	Volume Rate/1,000 Gal						
	1,501	10,000	6.04	6.28	6.47	6.66	6.80
	10,001	15,000	7.08	7.36	7.58	7.81	7.97
	15,001	Above	8.04	8.36	8.61	8.87	9.05
W2	Commercial Inside						
	Customer Service Charge						
	3/4"	\$	23.91	\$ 24.87	\$ 25.61	\$ 26.38	\$ 26.91
	1"		28.89	30.05	30.95	31.88	32.51
	1 1/2"		53.50	55.64	57.31	59.03	60.21
	2"		83.07	86.39	88.98	91.65	93.49
	3"		161.93	168.41	173.46	178.66	182.24
	4"		250.66	260.69	268.51	276.56	282.09
	6"		250.66	260.69	268.51	276.56	282.09
	Volume Rate/1,000 Gal						
	1,501	10,000	6.41	6.67	6.87	7.07	7.21
	10,001	15,000	7.51	7.81	8.04	8.29	8.45
	15,001	Above	8.54	8.88	9.15	9.42	9.61

CITY OF ROCKPORT  
PROPOSED WATER/WASTEWATER RATE SCHEDULE

		Current	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28
<b>City Rate Plan -- Five Year Summary</b>							
<b>Scen: 2024 08 19 Scenario I -- Status Quo</b>							
<b>W5</b>	<b>Residential Outside</b>						
	<u>Customer Service Charge</u>						
	3/4"	\$ 29.95	\$ 29.95	\$ 29.95	\$ 29.95	\$ 30.41	\$ 31.02
	1"	36.21	36.21	36.21	36.21	36.75	37.48
	1 1/2"	67.62	67.62	67.62	67.62	68.05	69.41
	2"	104.68	104.68	104.68	104.68	105.66	107.78
	3"	204.36	204.36	204.36	204.36	205.96	210.08
	4"	316.45	316.45	316.45	316.45	318.81	325.18
	6"	316.45	316.45	316.45	316.45	318.81	325.18
	<u>Volume Rate/1,000 Gal</u>						
	1,501 10,000	8.16	8.16	8.16	8.16	8.16	8.32
	10,001 15,000	9.59	9.59	9.59	9.59	9.56	9.75
	15,001 Above	10.90	10.90	10.90	10.90	10.86	11.08
<b>W6</b>	<b>Commercial Outside</b>						
	<u>Customer Service Charge</u>						
	3/4"	\$ 29.95	\$ 29.95	\$ 29.95	\$ 29.95	\$ 32.29	\$ 32.94
	1"	36.21	36.21	36.21	36.21	39.02	39.80
	1 1/2"	67.62	67.62	67.62	67.62	72.25	73.70
	2"	104.68	104.68	104.68	104.68	112.18	114.43
	3"	204.36	204.36	204.36	204.36	218.68	223.06
	4"	316.45	316.45	316.45	316.45	338.51	345.28
	6"	316.45	316.45	316.45	316.45	338.51	345.28
	<u>Volume Rate/1,000 Gal</u>						
	1,501 10,000	8.16	8.16	8.16	8.16	8.66	8.83
	10,001 15,000	9.59	9.59	9.59	9.59	10.14	10.34
	15,001 Above	10.90	10.90	10.90	10.90	11.53	11.76
<b>W7</b>	<b>Copano Cove Water Co.</b>						
	<u>Volume Rate/1,000 Gal</u>						
	- Above	6.93	7.21	7.42	7.65	7.80	7.96

CITY OF ROCKPORT  
PROPOSED WATER/WASTEWATER RATE SCHEDULE

		Current	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28
<b>City Rate Plan -- Five Year Summary</b>							
<b>Scen: 2024 08 19 Scenario I -- Status Quo</b>							
2	Wastewater Monthly Rates and Charges						
WW1	Residential Inside						
<u>Customer Service Charge</u>							
	3/4"	\$ 25.79	\$ 28.11	\$ 30.64	\$ 33.09	\$ 35.74	\$ 38.60
	1:" and Above	29.42	32.07	34.95	37.75	40.77	44.03
<u>Volume Rate/1,000 Gal</u>							
	1,501 5,000	4.79	5.22	5.69	6.15	6.64	7.17
	5,001 15,000	5.62	6.13	6.68	7.21	7.79	8.41
WW2	Non-Residential Inside						
<u>Customer Service Charge</u>							
	1:" and Above	29.64	32.31	35.22	38.03	41.08	44.36
	1 1/2"	37.03	40.36	44.00	47.51	51.32	55.42
	2"	44.46	48.46	52.82	57.05	61.61	66.54
	3"	59.28	64.62	70.43	76.07	82.15	88.72
	4" and Above	118.57	129.24	140.87	152.14	164.31	177.46
		185.25	201.92	220.10	237.70	256.72	277.26
<u>Volume Rate/1,000 Gal</u>							
	1,501 5,000	5.44	5.93	6.46	6.98	7.54	8.14
	5,001 Above	6.38	6.95	7.58	8.19	8.84	9.55
WW3	Contracted Rate (Town of Fulton)						
<u>Customer Service Charge</u>							
		3.18	3.47	3.78	4.08	4.41	4.76
<u>Volume Rate/1,000 Gal</u>							
	- Above	3.31	3.61	3.93	4.25	4.59	4.95
WW4	Sewer Only (ICL)						
<u>Customer Service Charge</u>							
	Res. Inside	46.38	50.55	55.10	59.51	64.27	69.42
	Non -Res. Inside	52.79	57.54	62.72	67.74	73.16	79.01
	Comm. Opps. Inside	229.86	250.55	273.10	294.94	318.54	344.02

CITY OF ROCKPORT  
PROPOSED WATER/WASTEWATER RATE SCHEDULE

		Current	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28
<b>City Rate Plan -- Five Year Summary</b>							
<b>Scen: 2024 08 19 Scenario I -- Status Quo</b>							
<b>WW5</b>	<b>Residential Outside</b>						
	<u>Customer Service Charge</u>						
		32.70	32.70	36.77	39.71	42.89	46.32
	1:" and Above	40.84	40.84	41.94	45.30	48.92	52.84
	<u>Volume Rate/1,000 Gal</u>						
	1,501 5,000	5.97	5.97	6.83	7.38	7.97	8.60
	5,001 15,000	7.05	7.05	8.01	8.65	9.35	10.09
<b>WW6</b>	<b>Non- Residential Outside</b>						
	<u>Customer Service Charge</u>						
		32.69	32.69	42.26	45.64	49.29	53.23
	1:" and Above	40.84	40.84	52.79	57.02	61.58	66.51
	1 1/2"	49.03	49.03	63.39	68.46	73.94	79.85
	2"	65.35	65.35	84.52	91.28	98.58	106.47
	3"	130.70	130.70	169.05	182.57	197.18	212.95
	4" and Above	204.22	204.22	264.11	285.24	308.06	332.71
	<u>Volume Rate/1,000 Gal</u>						
	1,501 5,000	5.95	5.95	7.76	8.38	9.05	9.77
	5,001 Above	7.05	7.05	9.10	9.82	10.61	11.46
	<b>Sewer Only (OCL)</b>						
	<u>Customer Service Charge</u>						
	Res. - Outside	55.89	55.89	66.12	71.41	77.13	83.30
	Non -Res. Outside	63.58	63.58	75.26	81.28	87.79	94.81
	Comm. Opps. Outside	272.96	272.96	327.72	353.93	382.25	412.83

CITY OF ROCKPORT  
PROPOSED WATER/WASTEWATER RATE SCHEDULE

		Current	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28
<i>City Rate Plan -- Five Year Summary</i>							
<i>Scen: 2024 08 19 Scenario I -- Status Quo</i>							
3	Residential Monthly Charges Inside -- WATER						
	5,000 Gallons -- 3/4" Meter						
	Total	\$ 43.66	\$ 45.41	\$ 46.77	\$ 48.17	\$ 49.14	50.12
	Dollar Inc	1.52	1.75	1.36	1.40	0.96	0.98
	Percent Inc	3.6%	4.0%	3.0%	3.0%	2.0%	2.0%
	10,000 Gallons -- 3/4" Meter						
	Total	73.86	76.81	79.12	81.49	83.12	84.78
	Dollar Inc	2.57	2.95	2.30	2.37	1.63	1.66
	Percent Inc	3.6%	4.0%	3.0%	3.0%	2.0%	2.0%
	20,000 Gallons -- 3/4" Meter						
	Total	149.46	155.44	160.10	164.90	168.20	171.57
	Dollar Inc	5.21	5.98	4.66	4.80	3.30	3.36
	Percent Inc	3.6%	4.0%	3.0%	3.0%	2.0%	2.0%
	30,000 Gallons -- 3/4" Meter						
	Total	229.86	239.05	246.23	253.61	258.69	263.86
	Dollar Inc	8.01	9.19	7.17	7.39	5.07	5.17
	Percent Inc	3.6%	4.0%	3.0%	3.0%	2.0%	2.0%
4	Commercial Monthly Charges Inside -- WATER						
	25,000 Gallons -- 2" Meter						
	Total	260.51	270.93	279.05	287.42	293.17	299.04
	Dollar Inc	23.68	10.42	8.13	8.37	5.75	5.86
	Percent Inc	10.0%	4.0%	3.0%	3.0%	2.0%	2.0%
	50,000 Gallons -- 2" Meter						
	Total	474.01	492.97	507.75	522.99	533.45	544.12
	Dollar Inc	43.18	18.96	14.79	15.23	10.46	10.67
	Percent Inc	10.0%	4.0%	3.0%	3.0%	2.0%	2.0%

CITY OF ROCKPORT  
PROPOSED WATER/WASTEWATER RATE SCHEDULE

		Current	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28
<b>City Rate Plan -- Five Year Summary</b>							
<b>Scen: 2024 08 19 Scenario I -- Status Quo</b>							
5	<b>Residential Monthly Charges Inside -- WASTEWATER</b>						
<b>5,000 Gallons -- 3/4" Meter</b>							
Total		\$ 42.56	\$ 46.38	\$ 50.56	\$ 54.60	\$ 58.97	63.69
Dollar Inc		4.52	3.83	4.17	4.04	4.37	4.72
Percent Inc		11.9%	9.0%	9.0%	8.0%	8.0%	8.0%
<b>10,000 Gallons -- 3/4" Meter</b>							
Total		70.66	77.01	83.95	90.66	97.91	105.75
Dollar Inc		7.52	6.36	6.93	6.72	7.25	7.83
Percent Inc		11.9%	9.0%	9.0%	8.0%	8.0%	8.0%
6	<b>Commercial Monthly Charges Inside -- WASTEWATER</b>						
<b>25,000 Gallons -- 2" Meter</b>							
Total 2"		\$ 205.92	\$ 224.45	\$ 244.65	\$ 264.23	\$ 285.36	308.19
Dollar Inc		43.86	18.53	20.20	19.57	21.14	22.83
Percent Inc		27.1%	9.0%	9.0%	8.0%	8.0%	8.0%
<b>50,000 Gallons -- 2" Meter</b>							
Total 2"		365.42	398.31	434.16	468.89	506.40	546.91
Dollar Inc		77.86	32.89	35.85	34.73	37.51	40.51
Percent Inc		27.1%	9.0%	9.0%	8.0%	8.0%	8.0%

CITY OF ROCKPORT  
PROPOSED WATER/WASTEWATER RATE SCHEDULE

		Current	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28
<i>City Rate Plan -- Five Year Summary</i>							
<i>Scen: 2024 08 19 Scenario I -- Status Quo</i>							
5	Residential Monthly Charges Inside -- WATER AND WASTEWATER						
5,000 Gallons Water and WW -- 3/4" Meter							
Total		\$ 86.22	\$ 91.79	\$ 97.33	\$ 102.78	\$ 108.11	\$ 113.81
Dollar Inc		6.03	5.58	5.54	5.45	5.33	5.70
Percent Inc		7.5%	6.5%	6.0%	5.6%	5.2%	5.3%
10,000 Gallons Water and 10,000 WW -- 3/4" Meter							
Total		144.52	153.83	163.06	172.15	181.04	190.53
Dollar Inc		10.08	9.31	9.24	9.09	8.88	9.50
Percent Inc		7.5%	6.4%	6.0%	5.6%	5.2%	5.2%
20,000 Gallons Water and 10,000 WW -- 3/4" Meter							
Total		220.12	232.45	244.05	255.57	266.12	277.31
Dollar Inc		12.73	12.34	11.59	11.52	10.55	11.20
Percent Inc		6.1%	5.6%	5.0%	4.7%	4.1%	4.2%
30,000 Gallons Water and 10,000 WW -- 3/4" Meter							
Total		300.52	316.07	330.17	344.27	356.60	369.61
Dollar Inc		15.53	15.55	14.10	14.10	12.33	13.01
Percent Inc		5.4%	5.2%	4.5%	4.3%	3.6%	3.6%
6	Commercial Monthly Charges Inside -- WATER AND WASTEWATER						
25,000 Gallons Water and WW -- 2" Meter							
Total	Above	\$ 466.43	\$ 495.38	\$ 523.71	\$ 551.65	\$ 578.54	\$ 607.23
Dollar Inc		67.54	28.95	28.33	27.94	26.89	28.69
Percent Inc		16.9%	6.2%	5.7%	5.3%	4.9%	5.0%
50,000 Gallons Water and WW 95% -- 2" Meter							
Total	Above	839.43	891.27	941.91	991.87	1,039.85	1,091.03
Dollar Inc		121.04	51.85	50.64	49.97	47.97	51.18
Percent Inc		16.8%	6.2%	5.7%	5.3%	4.8%	4.9%



CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL												
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	

**Model Summary****Scenario: 2024 08 19 Scenario I -- Status Quo****1 Water and Wastewater Rates****Water Rates -- Residential**

<b>Customer Service Charge--5/8"</b>	\$	21.74	\$	22.52	\$	23.42	\$	24.12	\$	24.85	\$	25.34	\$	25.85	\$	26.37	\$	26.90	\$	27.43	\$	27.98
<b>Volume Rate Per 1,000 Gal</b>																						
1,501 10,000		5.83		6.04		6.28		6.47		6.66		6.80		6.93		7.07		7.21		7.36		7.50

**Wastewater Rates - Residential**

<b>Customer Service Charge--5/8"</b>	\$	23.06	\$	25.79	\$	28.11	\$	30.64	\$	33.09	\$	35.74	\$	38.60	\$	40.14	\$	40.95	\$	41.76	\$	42.60
<b>Volume Rate Per 1,000 Gal</b>																						
1,501 5,000		4.28		4.79		5.22		5.69		6.15		6.64		7.17		7.46		7.60		7.76		7.91

**2 Residential Standard Monthly Bill -- 3/4"**

5,000 Gal W	Total	\$	80.19	\$	86.22	\$	91.79	\$	97.33	\$	102.78	\$	108.11	\$	113.81	\$	117.36	\$	119.71	\$	122.10	\$	124.54
5,000 Gal WW	Increase -- \$				6.03		5.58		5.54		5.45		5.33		5.70		3.55		2.35		2.39		2.44
	Increase -- %				7.5%		6.5%		6.0%		5.6%		5.2%		5.3%		3.1%		2.0%		2.0%		2.0%
10,000 Gal W	Total		134.44		144.52		153.83		163.06		172.15		181.04		190.53		196.46		200.39		204.39		208.48
10,000 Gal WW	Increase -- \$				10.08		9.31		9.24		9.09		8.88		9.50		5.93		3.93		4.01		4.09
	Increase -- %				7.5%		6.4%		6.0%		5.6%		5.2%		5.2%		3.1%		2.0%		2.0%		2.0%
20,000 Gal W	Total		207.39		220.12		232.45		244.05		255.57		266.12		277.31		284.97		290.67		296.49		302.42
10,000 Gal WW	Increase -- \$				12.73		12.34		11.59		11.52		10.55		11.20		7.66		5.70		5.81		5.93
	Increase -- %				6.1%		5.6%		5.0%		4.7%		4.1%		4.2%		2.8%		2.0%		2.0%		2.0%
30,000 Gal W	Total		284.99		300.52		316.07		330.17		344.27		356.60		369.61		379.11		386.69		394.43		402.32
10,000 Gal WW	Increase -- \$				15.53		15.55		14.10		14.10		12.33		13.01		9.51		7.58		7.73		7.89
	Increase -- %				5.4%		5.2%		4.5%		4.3%		3.6%		3.6%		2.6%		2.0%		2.0%		2.0%

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL																					
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033										
Model Summary																					
Scenario:		2024 08 19 Scenario I -- Status Quo																			
3	Fund Balance, Revenues and Expenses																				
	Beginning Fund Balance	\$	8,045,341	\$	10,742,794	\$	12,455,045	\$	13,192,086	\$	13,612,322	\$	13,860,922	\$	14,167,317	\$	15,116,585	\$	16,208,080	\$	17,388,717
	Revenues and Expenses																				
	Water Rate Revenues	\$	10,296,934	\$	10,868,332	\$	11,409,273	\$	11,974,697	\$	12,617,400	\$	13,255,593	\$	13,905,831	\$	14,574,512	\$	15,261,205	\$	15,970,454
	WW Rate Revenues		4,235,829		4,839,486		5,615,600		6,406,725		7,271,952		8,234,291		8,980,675		9,572,368		10,166,231		10,780,977
	Non-Rate Revenues		1,777,500		1,121,650		1,128,871		1,136,224		1,143,712		1,151,337		1,159,102		1,167,010		1,175,062		1,183,262
	Total Revenues		16,310,263		16,829,468		18,153,744		19,517,646		21,033,063		22,641,222		24,045,609		25,313,889		26,602,498		27,934,693
	Operating Expenses		9,875,186		11,049,770		12,119,912		12,939,189		13,810,681		14,741,973		15,733,932		16,792,809		17,922,628		19,131,247
	Net Revenues for Transfers,Capital Outlays and Debt		6,435,077		5,779,698		6,033,832		6,578,457		7,222,382		7,899,248		8,311,677		8,521,080		8,679,870		8,803,446
	Capital Outlays		31,350		304,048		304,048		304,048		304,048		304,048		304,048		304,048		304,048		304,048
	Current Debt Service		1,851,882		1,853,374		1,857,455		1,558,284		1,132,162		1,240,535		497,515		498,262		499,491		500,525
	Future Debt Service		-		-		1,167,962		2,269,544		3,450,437		3,898,521		4,346,604		4,346,604		4,346,604		4,346,604
	Total Debt Service		1,851,882		1,853,374		3,025,418		3,827,828		4,582,598		5,139,056		4,844,119		4,844,867		4,846,095		4,847,129
	Total Contingencies & Transfers		1,854,393		1,910,025		1,967,326		2,026,345		2,087,136		2,149,750		2,214,242		2,280,669		2,349,090		2,419,562
	Total Cost of Service		13,612,810		15,117,217		17,416,703		19,097,410		20,784,463		22,334,827		23,096,341		24,222,394		25,421,861		26,701,987
	Net Revenues		2,697,453		1,712,252		737,041		420,236		248,600		306,395		949,268		1,091,496		1,180,637		1,232,706
	Percent of COS		19.8%		11.3%		4.2%		2.2%		1.2%		1.4%		4.1%		4.5%		4.6%		4.6%
	Debt Coverage																				
	Excluding Transfers, CO, Debt		3.47		3.12		1.99		1.72		1.58		1.54		1.72		1.76		1.79		1.82
	All Inclusive		2.46		1.92		1.24		1.11		1.05		1.06		1.20		1.23		1.24		1.25
	Ending Water & Sewer Combined Fund Balance		10,742,794		12,455,045		13,192,086		13,612,322		13,860,922		14,167,317		15,116,585		16,208,080		17,388,717		18,621,424
	Unrestricted/Capital Fund Balance from CIP Funding		-		-		-		-		-		-		-		-		-		-
	One Day Expenditures		37,295		41,417		47,717		52,322		56,944		61,191		63,278		66,363		69,649		73,156
	Days of Total Expenditures		288		301		276		260		243		232		239		244		250		255
	Fund Balance Goal Days		2,797,153		3,106,277		3,578,775		3,924,125		4,270,780		4,589,348		4,745,824		4,977,204		5,223,670		5,486,710
	Over (Short) of Requirement		7,945,641		9,348,768		9,613,311		9,688,196		9,590,142		9,577,969		10,370,761		11,230,876		12,165,047		13,134,714

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL										
Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

**Model Summary****Scenario: 2024 08 19 Scenario I -- Status Quo****5 Total Accounts****Water Accounts**

Total Accounts	10,403	10,760	11,130	11,512	11,888	12,264	12,635	13,004	13,370	13,738
New Accounts	-	357	370	382	376	376	371	369	366	368
Avg. Annual Growth Rate		3.43%	3.44%	3.44%	3.26%	3.16%	3.02%	2.92%	2.82%	2.75%

**Wastewater Accounts**

Total Accounts	6,638	7,005	7,385	7,777	8,163	8,549	8,930	9,309	9,685	10,063
New Accounts	-	367	380	392	386	386	381	379	376	378
Avg. Annual Growth Rate		5.53%	5.42%	5.31%	4.96%	4.73%	4.45%	4.24%	4.04%	3.90%

**6 Annual Volume****Water Volume**

Residential Inside	361,805,766	374,468,968	387,575,382	401,140,520	414,478,442	427,824,648	441,001,647	454,121,446	467,154,732	480,235,064
Commercial Inside	221,150,240	227,784,747	234,618,290	241,656,838	248,544,058	255,403,874	262,146,537	268,831,273	275,444,523	282,055,191
Other 3	-	-	-	-	-	-	-	-	-	-
Other 4	-	-	-	-	-	-	-	-	-	-
Residential Outside	225,527,582	233,421,048	241,590,784	250,046,462	258,360,506	266,679,715	274,893,450	283,071,530	291,195,683	299,349,162
Commercial Outside	157,408,805	162,131,069	166,995,001	172,004,851	176,906,990	181,789,623	186,588,869	191,346,885	196,054,018	200,759,315
Copano Cove Water Co.	39,300,600	39,300,600	39,300,600	39,300,600	39,300,600	39,300,600	39,300,600	39,300,600	39,300,600	39,300,600
Wholesale 8	-	-	-	-	-	-	-	-	-	-
Wholesale 9	-	-	-	-	-	-	-	-	-	-
Other 10	-	-	-	-	-	-	-	-	-	-
Total System	1,005,192,993	1,037,106,432	1,070,080,057	1,104,149,271	1,137,590,597	1,170,998,460	1,203,931,103	1,236,671,735	1,269,149,556	1,301,699,332

**Wastewater Billing Units**

Residential Inside	278,571,160	290,012,360	301,854,001	314,110,100	326,160,910	338,219,204	350,124,619	361,978,354	373,753,924	385,572,002
Non-Residential Inside	153,618,949	160,094,654	166,764,631	173,634,707	180,357,076	187,052,698	193,633,970	200,158,702	206,613,659	213,066,096
Contracted Rate (Town of Fulton)	37,216,527	37,672,053	38,127,580	38,583,107	39,038,633	39,494,160	39,949,686	40,405,213	40,860,740	41,316,266
Sewer Only (ICL)	-	-	-	-	-	-	-	-	-	-
Residential Outside	25,813,020	30,510,522	35,372,436	40,404,517	45,352,310	50,303,177	55,191,275	60,058,155	64,892,941	69,745,180
Non- Residential Outside	22,426,297	25,892,623	29,462,938	33,140,363	36,738,723	40,322,766	43,845,599	47,338,168	50,793,387	54,247,257
Sewer Only (OCL)	-	-	-	-	-	-	-	-	-	-
Wholesale 8	-	-	-	-	-	-	-	-	-	-
Wholesale 9	-	-	-	-	-	-	-	-	-	-
Wholesale 10	-	-	-	-	-	-	-	-	-	-
Total System	517,645,953	544,182,212	571,581,586	599,872,794	627,647,653	655,392,004	682,745,149	709,938,592	736,914,651	763,946,802

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
<b>Revenue Summary</b>											
<b>Scenario: 2024 08 19 Scenario I -- Status Quo</b>											
<b>WATER Revenues -- Total</b>											
W1 Residential Inside	\$ 3,334,063	\$ 3,587,690	\$ 3,827,642	\$ 4,080,458	\$ 4,303,875	\$ 4,531,309	\$ 4,764,291	\$ 5,004,149	\$ 5,250,723	\$ 5,505,698	
W2 Commercial Inside	1,959,435	2,108,232	2,238,369	2,374,686	2,493,192	2,613,244	2,735,879	2,861,757	2,990,799	3,123,830	
W5 Residential Outside	2,986,040	3,090,551	3,198,720	3,310,675	3,442,278	3,620,316	3,806,458	3,998,094	4,195,096	4,398,810	
W6 Commercial Outside	1,747,107	1,799,520	1,853,506	1,909,111	2,072,049	2,178,598	2,280,835	2,385,776	2,493,356	2,604,260	
W7 Copano Cove Water Co.	270,290	282,339	291,037	299,768	306,006	312,126	318,369	324,736	331,231	337,856	
Total Rate Revenue	10,296,934	10,868,332	11,409,273	11,974,697	12,617,400	13,255,593	13,905,831	14,574,512	15,261,205	15,970,454	
Non-Rate Revenue	1,300,641	682,321	688,605	695,008	701,531	708,176	714,947	721,845	728,873	736,034	
<b>Total Revenue</b>	<b>11,597,576</b>	<b>11,550,653</b>	<b>12,097,878</b>	<b>12,669,705</b>	<b>13,318,930</b>	<b>13,963,770</b>	<b>14,620,778</b>	<b>15,296,357</b>	<b>15,990,078</b>	<b>16,706,488</b>	
<b>Water Revenues -- Additional</b>											
W1 Residential Inside		253,627	239,952	252,816	223,417	227,434	232,982	239,858	246,574	254,975	
W2 Commercial Inside		148,797	130,137	136,317	118,507	120,052	122,634	125,878	129,042	133,031	
W5 Residential Outside		104,511	108,169	111,955	131,602	178,038	186,142	191,636	197,002	203,714	
W6 Commercial Outside		52,413	53,986	55,605	162,938	106,549	102,237	104,941	107,579	110,904	
W7 Copano Cove Water Co.		12,050	8,697	8,731	6,238	6,120	6,243	6,367	6,495	6,625	
Total Rate Revenue		571,398	540,941	565,424	642,703	638,194	650,238	668,681	686,693	709,249	
Non-Rate Revenue		(618,320)	6,284	6,402	6,523	6,646	6,771	6,898	7,028	7,160	
<b>Total Revenue</b>		<b>(46,922)</b>	<b>547,225</b>	<b>571,826</b>	<b>649,226</b>	<b>644,839</b>	<b>657,009</b>	<b>675,579</b>	<b>693,721</b>	<b>716,409</b>	
<b>WASTEWATER Revenues -- Total</b>											
WW1 Residential Inside	\$ 2,356,383	\$ 2,679,287	\$ 3,039,669	\$ 3,418,570	\$ 3,833,701	\$ 4,293,469	\$ 4,636,187	\$ 4,896,718	\$ 5,157,134	\$ 5,426,606	
WW2 Non-Residential Inside	1,116,800	1,282,669	1,456,358	1,638,830	1,838,461	2,059,249	2,223,590	2,348,183	2,472,388	2,600,591	
WW3 Contracted Rate (Town of Fulton)	154,363	169,144	186,596	204,077	223,005	243,656	257,090	265,640	274,008	282,604	
WW4 Sewer Only (ICL)	8,929	9,753	10,631	11,490	12,409	13,401	13,979	14,281	14,567	14,858	
WW5 Residential Outside	392,564	464,004	591,198	730,759	885,865	1,061,175	1,214,480	1,350,132	1,487,996	1,631,243	
WW6 Non- Residential Outside	180,117	207,957	299,895	369,007	441,800	523,691	593,990	655,162	717,042	781,116	
WW7 Sewer Only (OCL)	26,671	26,671	31,254	33,993	36,712	39,649	41,358	42,252	43,097	43,959	
Total Rate Revenue	4,235,829	4,839,486	5,615,600	6,406,725	7,271,952	8,234,291	8,980,675	9,572,368	10,166,231	10,780,977	
Non-Rate Revenue	476,859	439,329	440,266	441,216	442,181	443,161	444,155	445,164	446,188	447,228	
<b>Total Revenue</b>	<b>4,712,688</b>	<b>5,278,815</b>	<b>6,055,866</b>	<b>6,847,941</b>	<b>7,714,133</b>	<b>8,677,452</b>	<b>9,424,830</b>	<b>10,017,532</b>	<b>10,612,420</b>	<b>11,228,205</b>	
<b>WASTEWATER Revenues -- Additional</b>											
WW1 Residential Inside		322,904	360,381	378,901	415,131	459,768	342,718	260,531	260,416	269,472	
WW2 Non-Residential Inside		165,869	173,689	182,472	199,631	220,788	164,341	124,592	124,205	128,203	
WW3 Contracted Rate (Town of Fulton)		14,780	17,452	17,481	18,928	20,651	13,434	8,550	8,368	8,596	
WW4 Sewer Only (ICL)		824	878	859	919	993	578	302	286	291	
WW5 Residential Outside		71,440	127,194	139,561	155,106	175,311	153,305	135,652	137,864	143,247	
WW6 Non- Residential Outside		27,840	91,938	69,112	72,792	81,892	70,299	61,172	61,880	64,074	
WW7 Sewer Only (OCL)		-	4,582	2,739	2,719	2,937	1,709	894	845	862	
Total Rate Revenue		603,657	776,114	791,125	865,227	962,339	746,384	591,692	593,864	614,746	
Non-Rate Revenue		(37,530)	937	951	965	979	994	1,009	1,024	1,040	
<b>Total Revenue</b>		<b>566,127</b>	<b>777,051</b>	<b>792,076</b>	<b>866,192</b>	<b>963,319</b>	<b>747,379</b>	<b>592,701</b>	<b>594,888</b>	<b>615,785</b>	

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL																					
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033										
Revenue and Expense Summary																					
Scen:		2024 08 19 Scenario I -- Status Quo																			
1	TOTAL Revenues and Expenses -- CASH BASIS																				
Beginning Fund Balance		\$	8,045,341	\$	10,742,794	\$	12,455,045	\$	13,192,086	\$	13,612,322	\$	13,860,922	\$	14,167,317	\$	15,116,585	\$	16,208,080	\$	17,388,717
Rate Revenues																					
Water Rate Revenue																					
W1	Residential Inside	\$	3,334,063	\$	3,587,690	\$	3,827,642	\$	4,080,458	\$	4,303,875	\$	4,531,309	\$	4,764,291	\$	5,004,149	\$	5,250,723	\$	5,505,698
W2	Commercial Inside		1,959,435		2,108,232		2,238,369		2,374,686		2,493,192		2,613,244		2,735,879		2,861,757		2,990,799		3,123,830
W5	Residential Outside		2,986,040		3,090,551		3,198,720		3,310,675		3,442,278		3,620,316		3,806,458		3,998,094		4,195,096		4,398,810
W6	Commercial Outside		1,747,107		1,799,520		1,853,506		1,909,111		2,072,049		2,178,598		2,280,835		2,385,776		2,493,356		2,604,260
W7	Copano Cove Water Co.		270,290		282,339		291,037		299,768		306,006		312,126		318,369		324,736		331,231		337,856
Total			10,296,934		10,868,332		11,409,273		11,974,697		12,617,400		13,255,593		13,905,831		14,574,512		15,261,205		15,970,454
Wastewater Rate Revenue																					
WW1	Residential Inside		2,356,383		2,679,287		3,039,669		3,418,570		3,833,701		4,293,469		4,636,187		4,896,718		5,157,134		5,426,606
WW2	Non-Residential Inside		1,116,800		1,282,669		1,456,358		1,638,830		1,838,461		2,059,249		2,223,590		2,348,183		2,472,388		2,600,591
WW3	Contracted Rate (Town of Fulton)		154,363		169,144		186,596		204,077		223,005		243,656		257,090		265,640		274,008		282,604
WW4	Sewer Only (ICL)		8,929		9,753		10,631		11,490		12,409		13,401		13,979		14,281		14,567		14,858
WW5	Residential Outside		392,564		464,004		591,198		730,759		885,865		1,061,175		1,214,480		1,350,132		1,487,996		1,631,243
WW6	Non- Residential Outside		180,117		207,957		299,895		369,007		441,800		523,691		593,990		655,162		717,042		781,116
WW7	Sewer Only (OCL)		26,671		26,671		31,254		33,993		36,712		39,649		41,358		42,252		43,097		43,959
Total			4,235,829		4,839,486		5,615,600		6,406,725		7,271,952		8,234,291		8,980,675		9,572,368		10,166,231		10,780,977
Non-Rate Revenues			1,777,500		1,121,650		1,128,871		1,136,224		1,143,712		1,151,337		1,159,102		1,167,010		1,175,062		1,183,262
Total Revenues			16,310,263		16,829,468		18,153,744		19,517,646		21,033,063		22,641,222		24,045,609		25,313,889		26,602,498		27,934,693

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Revenue and Expense Summary</b>										
<b>Scen: 2024 08 19 Scenario I -- Status Quo</b>										
<b>Cost of Service</b>										
<b>Department Code</b>										
WDS	Water Distribution & Storage	5,932,188	6,704,306	7,337,276	7,851,297	8,395,147	8,973,554	9,586,134	10,236,403	11,659,677
WW	Wastewater/Sewer	2,199,243	2,526,996	2,885,861	3,109,022	3,350,573	3,613,157	3,897,790	4,206,964	4,908,136
CS	Utilities Customer Service	865,504	898,898	933,888	970,569	1,009,044	1,049,422	1,091,819	1,136,362	1,232,430
ND	Non-Departmental	878,251	919,570	962,888	1,008,302	1,055,917	1,105,841	1,158,189	1,213,080	1,331,004
	<b>Total</b>	<b>9,875,186</b>	<b>11,049,770</b>	<b>12,119,912</b>	<b>12,939,189</b>	<b>13,810,681</b>	<b>14,741,973</b>	<b>15,733,932</b>	<b>16,792,809</b>	<b>19,131,247</b>
<b>O&amp;M Code</b>										
P	Personnel	2,450,528	2,961,395	3,432,924	3,602,731	3,781,245	3,968,930	4,166,273	4,373,794	4,592,035
S	Supplies	805,100	889,735	984,072	1,089,237	1,204,349	1,331,071	1,469,919	1,622,420	1,789,755
U	Utilities	-	-	-	-	-	-	-	-	-
IT	Information Technology	-	-	-	-	-	-	-	-	-
SC	Services & Charges	5,639,172	6,151,141	6,582,064	7,046,106	7,537,500	8,060,675	8,615,249	9,204,514	10,496,155
RM	Repair/Maintenance & Operation	939,786	1,005,681	1,077,780	1,156,750	1,241,892	1,334,231	1,434,013	1,542,148	1,786,654
A	Administration	40,600	41,818	43,073	44,365	45,696	47,067	48,479	49,933	51,431
	<b>Total</b>	<b>9,875,186</b>	<b>11,049,770</b>	<b>12,119,912</b>	<b>12,939,189</b>	<b>13,810,681</b>	<b>14,741,973</b>	<b>15,733,932</b>	<b>16,792,809</b>	<b>19,131,247</b>
	<b>Total Operating Expenses</b>	<b>9,875,186</b>	<b>11,049,770</b>	<b>12,119,912</b>	<b>12,939,189</b>	<b>13,810,681</b>	<b>14,741,973</b>	<b>15,733,932</b>	<b>16,792,809</b>	<b>19,131,247</b>
	<b>Net Revenues for Transfers,Capital Outlays and Debt Service</b>	<b>6,435,077</b>	<b>5,779,698</b>	<b>6,033,832</b>	<b>6,578,457</b>	<b>7,222,382</b>	<b>7,899,248</b>	<b>8,311,677</b>	<b>8,521,080</b>	<b>8,803,446</b>
	<b>Capital Outlays</b>	<b>31,350</b>	<b>304,048</b>	<b>304,048</b>	<b>304,048</b>	<b>304,048</b>	<b>304,048</b>	<b>304,048</b>	<b>304,048</b>	<b>304,048</b>
<b>Debt Service</b>										
	Debt Service -- Current	1,851,882	1,853,374	1,857,455	1,558,284	1,132,162	1,240,535	497,515	498,262	500,525
	Debt Service -- Future	-	-	1,167,962	2,269,544	3,450,437	3,898,521	4,346,604	4,346,604	4,346,604
	<b>Total Debt Service</b>	<b>1,851,882</b>	<b>1,853,374</b>	<b>3,025,418</b>	<b>3,827,828</b>	<b>4,582,598</b>	<b>5,139,056</b>	<b>4,844,119</b>	<b>4,844,867</b>	<b>4,847,129</b>
	<b>Net Revenues for Contingencies &amp; Transfers</b>	<b>4,551,846</b>	<b>3,622,277</b>	<b>2,704,366</b>	<b>2,446,581</b>	<b>2,335,736</b>	<b>2,456,144</b>	<b>3,163,510</b>	<b>3,372,165</b>	<b>3,652,268</b>
	<b>Total Contingencies &amp; Transfers</b>	<b>1,854,393</b>	<b>1,910,025</b>	<b>1,967,326</b>	<b>2,026,345</b>	<b>2,087,136</b>	<b>2,149,750</b>	<b>2,214,242</b>	<b>2,280,669</b>	<b>2,419,562</b>
	<b>Total Cost of Service</b>	<b>13,612,810</b>	<b>15,117,217</b>	<b>17,416,703</b>	<b>19,097,410</b>	<b>20,784,463</b>	<b>22,334,827</b>	<b>23,096,341</b>	<b>24,222,394</b>	<b>26,701,987</b>
	<b>Net Revenues</b>	<b>2,697,453</b>	<b>1,712,252</b>	<b>737,041</b>	<b>420,236</b>	<b>248,600</b>	<b>306,395</b>	<b>949,268</b>	<b>1,091,496</b>	<b>1,232,706</b>
	Percent of COS	19.8%	11.3%	4.2%	2.2%	1.2%	1.4%	4.1%	4.5%	4.6%
	<b>Ending Fund Balance</b>	<b>10,742,794</b>	<b>12,455,045</b>	<b>13,192,086</b>	<b>13,612,322</b>	<b>13,860,922</b>	<b>14,167,317</b>	<b>15,116,585</b>	<b>16,208,080</b>	<b>17,388,717</b>
	<b>Revenue Adequacy Tests</b>									
	Total Expenses	13,612,810	15,117,217	17,416,703	19,097,410	20,784,463	22,334,827	23,096,341	24,222,394	26,701,987
	Expenses Per Day	37,295	41,417	47,717	52,322	56,944	61,191	63,278	66,363	73,156
	<b>Days of Expenses</b>	<b>288</b>	<b>301</b>	<b>276</b>	<b>260</b>	<b>243</b>	<b>232</b>	<b>239</b>	<b>244</b>	<b>255</b>
	<b>Debt Coverage</b>									
	Excluding Cap Outlays, G/F Transfers	3.47	3.12	1.99	1.72	1.58	1.54	1.72	1.76	1.82
	All Inclusive	2.46	1.92	1.24	1.11	1.05	1.06	1.20	1.23	1.25

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Revenue and Expense Summary											
Scen: 2024 08 19 Scenario I -- Status Quo											
2	WATER Revenues and Expenses -- CASH BASIS										
Water Revenues											
Water Rate Revenue											
W1	Residential Inside	\$ 3,334,063	\$ 3,587,690	\$ 3,827,642	\$ 4,080,458	\$ 4,303,875	\$ 4,531,309	\$ 4,764,291	\$ 5,004,149	\$ 5,250,723	\$ 5,505,698
W2	Commercial Inside	1,959,435	2,108,232	2,238,369	2,374,686	2,493,192	2,613,244	2,735,879	2,861,757	2,990,799	3,123,830
W5	Residential Outside	2,986,040	3,090,551	3,198,720	3,310,675	3,442,278	3,620,316	3,806,458	3,998,094	4,195,096	4,398,810
W6	Commercial Outside	1,747,107	1,799,520	1,853,506	1,909,111	2,072,049	2,178,598	2,280,835	2,385,776	2,493,356	2,604,260
W7	Copano Cove Water Co.	270,290	282,339	291,037	299,768	306,006	312,126	318,369	324,736	331,231	337,856
		10,296,934	10,868,332	11,409,273	11,974,697	12,617,400	13,255,593	13,905,831	14,574,512	15,261,205	15,970,454
	Non-Rate Revenues	1,300,641	682,321	688,605	695,008	701,531	708,176	714,947	721,845	728,873	736,034
	Total Revenues	11,597,576	11,550,653	12,097,878	12,669,705	13,318,930	13,963,770	14,620,778	15,296,357	15,990,078	16,706,488
Water Cost of Service											
Department Code											
WDS	Water Distribution & Storage	5,932,188	6,704,306	7,337,276	7,851,297	8,395,147	8,973,554	9,586,134	10,236,403	10,926,115	11,659,677
WW	Wastewater/Sewer	-	-	-	-	-	-	-	-	-	-
CS	Utilities Customer Service	432,752	449,449	466,944	485,284	504,522	524,711	545,910	568,181	591,592	616,215
ND	Non-Departmental	439,126	459,785	481,444	504,151	527,958	552,920	579,094	606,540	635,320	665,502
	Total	6,804,065	7,613,540	8,285,664	8,840,732	9,427,628	10,051,185	10,711,138	11,411,124	12,153,027	12,941,394
O&M Code											
P	Personnel	1,419,954	1,724,060	1,971,891	2,069,566	2,172,234	2,280,156	2,393,613	2,512,897	2,638,318	2,770,202
S	Supplies	161,350	168,953	176,958	185,389	194,105	203,171	212,556	222,299	232,405	242,922
U	Utilities	-	-	-	-	-	-	-	-	-	-
IT	Information Technology	-	-	-	-	-	-	-	-	-	-
SC	Services & Charges	4,811,215	5,290,825	5,688,043	6,116,974	6,571,788	7,056,851	7,571,713	8,119,594	8,702,052	9,323,154
RM	Repair/Maintenance & Operation	383,697	401,018	419,225	438,370	458,155	478,721	500,002	522,082	544,973	568,778
A	Administration	27,850	28,686	29,546	30,432	31,345	32,286	33,254	34,252	35,280	36,338
	Total	6,804,065	7,613,540	8,285,664	8,840,732	9,427,628	10,051,185	10,711,138	11,411,124	12,153,027	12,941,394
Total Operating Expenses 6,804,065 7,613,540 8,285,664 8,840,732 9,427,628 10,051,185 10,711,138 11,411,124 12,153,027 12,941,394											
Net Revenues for Transfers,Capital Outlays and Debt 4,793,510 3,937,113 3,812,215 3,828,973 3,891,303 3,912,585 3,909,640 3,885,233 3,837,051 3,765,094											
Capital Outlays 11,350 158,516 158,516 158,516 158,516 158,516 158,516 158,516 158,516 158,516											
Debt Service											
Debt Service -- Current 925,941 926,687 928,728 779,142 566,081 620,268 248,757 249,131 249,746 250,262											
Debt Service -- Future - - 365,892 724,935 1,035,265 1,163,289 1,291,313 1,291,313 1,291,313 1,291,313											
Total Debt Service 925,941 926,687 1,294,620 1,504,077 1,601,346 1,783,557 1,540,071 1,540,445 1,541,059 1,541,576											
Net Revenues for Contingencies & Transfers 3,856,219 2,851,910 2,359,079 2,166,379 2,131,440 1,970,512 2,211,054 2,186,272 2,137,476 2,065,002											
Total Contingencies & Transfers 927,197 955,012 983,663 1,013,173 1,043,568 1,074,875 1,107,121 1,140,335 1,174,545 1,209,781											
Total Cost of Service 8,668,553 9,653,755 10,722,462 11,516,498 12,231,058 13,068,133 13,516,846 14,250,420 15,027,147 15,851,267											
Net Revenues 2,929,023 1,896,898 1,375,416 1,153,207 1,087,872 895,637 1,103,933 1,045,938 962,932 855,221											
Percent of COS 25.3% 16.4% 11.4% 9.1% 8.2% 6.4% 7.6% 6.8% 6.0% 5.1%											
Debt Coverage 5.18 4.25 2.94 2.55 2.43 2.19 2.54 2.52 2.49 2.44											

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Revenue and Expense Summary											
Scen:	2024 08 19 Scenario I -- Status Quo										
3	WASTEWATER Revenues and Expenses -- CASH BASIS										
Wastewater Revenues											
Wastewater Rate Revenue											
WW1	Residential Inside	\$ 2,356,383	\$ 2,679,287	\$ 3,039,669	\$ 3,418,570	\$ 3,833,701	\$ 4,293,469	\$ 4,636,187	\$ 4,896,718	\$ 5,157,134	\$ 5,426,606
WW2	Non-Residential Inside	1,116,800	1,282,669	1,456,358	1,638,830	1,838,461	2,059,249	2,223,590	2,348,183	2,472,388	2,600,591
WW3	Contracted Rate (Town of Fulton)	154,363	169,144	186,596	204,077	223,005	243,656	257,090	265,640	274,008	282,604
WW4	Sewer Only (ICL)	8,929	9,753	10,631	11,490	12,409	13,401	13,979	14,281	14,567	14,858
WW5	Residential Outside	392,564	464,004	591,198	730,759	885,865	1,061,175	1,214,480	1,350,132	1,487,996	1,631,243
WW6	Non- Residential Outside	180,117	207,957	299,895	369,007	441,800	523,691	593,990	655,162	717,042	781,116
WW7	Sewer Only (OCL)	26,671	26,671	31,254	33,993	36,712	39,649	41,358	42,252	43,097	43,959
		4,235,829	4,839,486	5,615,600	6,406,725	7,271,952	8,234,291	8,980,675	9,572,368	10,166,231	10,780,977
	Non-Rate Revenues	476,859	439,329	440,266	441,216	442,181	443,161	444,155	445,164	446,188	447,228
	Total Revenues	4,712,688	5,278,815	6,055,866	6,847,941	7,714,133	8,677,452	9,424,830	10,017,532	10,612,420	11,228,205
Wastewater Cost of Service											
Department Code											
WDS	Water Distribution & Storage	-	-	-	-	-	-	-	-	-	-
WW	Wastewater/Sewer	2,199,243	2,526,996	2,885,861	3,109,022	3,350,573	3,613,157	3,897,790	4,206,964	4,542,688	4,908,136
CS	Utilities Customer Service	432,752	449,449	466,944	485,284	504,522	524,711	545,910	568,181	591,592	616,215
ND	Non-Departmental	439,126	459,785	481,444	504,151	527,958	552,920	579,094	606,540	635,320	665,502
	Total	3,071,121	3,436,230	3,834,249	4,098,457	4,383,053	4,690,788	5,022,794	5,381,685	5,769,601	6,189,853
O&M Code											
P	Personnel	1,030,575	1,237,336	1,461,032	1,533,165	1,609,012	1,688,773	1,772,661	1,860,897	1,953,718	2,051,373
S	Supplies	643,750	720,783	807,114	903,847	1,010,243	1,127,900	1,257,362	1,400,121	1,557,350	1,730,968
U	Utilities	-	-	-	-	-	-	-	-	-	-
IT	Information Technology	-	-	-	-	-	-	-	-	-	-
SC	Services & Charges	827,957	860,316	894,021	929,133	965,712	1,003,824	1,043,536	1,084,920	1,128,049	1,173,001
RM	Repair/Maintenance & Operation	556,089	604,663	658,555	718,381	783,736	855,510	934,011	1,020,066	1,114,333	1,217,876
A	Administration	12,750	13,133	13,526	13,932	14,350	14,781	15,224	15,681	16,151	16,636
	Total	3,071,121	3,436,230	3,834,249	4,098,457	4,383,053	4,690,788	5,022,794	5,381,685	5,769,601	6,189,853
	Total Operating Expenses	3,071,121	3,436,230	3,834,249	4,098,457	4,383,053	4,690,788	5,022,794	5,381,685	5,769,601	6,189,853
	Net Revenues for Transfers,Capital Outlays and Debt	1,641,567	1,842,585	2,221,617	2,749,484	3,331,080	3,986,664	4,402,037	4,635,847	4,842,819	5,038,352
	Capital Outlays	20,000	145,532	145,532	145,532	145,532	145,532	145,532	145,532	145,532	145,532
Debt Service											
	Debt Service -- Current	925,941	926,687	928,728	779,142	566,081	620,268	248,757	249,131	249,746	250,262
	Debt Service -- Future	-	-	802,070	1,544,609	2,415,171	2,735,231	3,055,291	3,055,291	3,055,291	3,055,291
	Total Debt Service	925,941	926,687	1,730,798	2,323,750	2,981,252	3,355,499	3,304,048	3,304,422	3,305,037	3,305,553
	Net Revenues for Contingencies & Transfers	695,626	770,366	345,287	280,202	204,296	485,633	952,456	1,185,893	1,392,250	1,587,267
	Total Contingencies & Transfers	927,197	955,012	983,663	1,013,173	1,043,568	1,074,875	1,107,121	1,140,335	1,174,545	1,209,781
	Total Cost of Service	4,944,258	5,463,461	6,694,241	7,580,912	8,553,405	9,266,694	9,579,495	9,971,974	10,394,714	10,850,720
	Net Revenues	(231,570)	(184,646)	(638,375)	(732,971)	(839,272)	(589,242)	(154,665)	45,558	217,706	377,485
	Percent of COS	-4.9%	-3.5%	-10.5%	-10.7%	-10.9%	-6.8%	-1.6%	0.5%	2.1%	3.4%
	Debt Coverage	1.77	1.99	1.28	1.18	1.12	1.19	1.33	1.40	1.47	1.52
	(excludes Debt, Cap Outlays, G/F Transfers)										



**CITY OF ROCKPORT**  
**WATER/WASTEWATER COST OF SERVICE MODEL**

Current      2024      2025      2026      2027      2028      2029      2030      2031      2032      2033

**Water Summary****Scen: 2024 08 19 Scenario I -- Status Quo**

1

**Water Monthly Rates and Charges****Residential****Monthly Minimum Charge**

3/4"	\$	21.74	\$	22.52	\$	23.42	\$	24.12	\$	24.85	\$	25.34	\$	25.85	\$	26.37	\$	26.90	\$	27.43	\$	27.98
1"		26.26		27.21		28.30		29.15		30.02		30.62		31.23		31.86		32.50		33.15		33.81
1 1/2"		48.64		50.39		52.41		53.98		55.60		56.71		57.84		59.00		60.18		61.38		62.61
2"		75.52		78.24		81.37		83.81		86.33		88.05		89.81		91.61		93.44		95.31		97.22
3"		147.21		152.51		158.61		163.37		168.27		171.64		175.07		178.57		182.14		185.78		189.50
4"		227.87		236.07		245.51		252.88		260.46		265.67		270.99		276.41		281.94		287.57		293.33
6"		227.87		236.07		245.51		252.88		260.46		265.67		270.99		276.41		281.94		287.57		293.33
8"		-		-		-		-		-		-		-		-		-		-		-
10"		-		-		-		-		-		-		-		-		-		-		-

**Volume Rate/1,000 Gal****Residential**

1,501	10,000	5.83	6.04	6.28	6.47	6.66	6.80	6.93	7.07	7.21	7.36	7.50
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**Commercial****Monthly Minimum Charge**

3/4"	\$	21.74	\$	23.91	\$	24.87	\$	25.61	\$	26.38	\$	26.91	\$	27.45	\$	28.00	\$	28.56	\$	29.13	\$	29.71
1"		26.26		28.89		30.05		30.95		31.88		32.51		33.16		33.83		34.50		35.19		35.90
1 1/2"		48.64		53.50		55.64		57.31		59.03		60.21		61.41		62.64		63.89		65.17		66.48
2"		75.52		83.07		86.39		88.98		91.65		93.49		95.36		97.26		99.21		101.19		103.22
3"		147.21		161.93		168.41		173.46		178.66		182.24		185.88		189.60		193.39		197.26		201.20
4"		227.87		250.66		260.69		268.51		276.56		282.09		287.74		293.49		299.36		305.35		311.45
6"		227.87		250.66		260.69		268.51		276.56		282.09		287.74		293.49		299.36		305.35		311.45
8"		-		-		-		-		-		-		-		-		-		-		-
10"		-		-		-		-		-		-		-		-		-		-		-

**Volume Rate Per 1,000 Gal - Commercial****Commercial**

1,501	10,000	5.83	6.41	6.67	6.87	7.07	7.21	7.36	7.51	7.66	7.81	7.96
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2.1

**Residential Monthly Charge -- 3/4" Meter (Inside City)**

5,000 Gallons	Total	\$	42.15	\$	43.66	\$	45.41	\$	46.77	\$	48.17	\$	49.14	\$	50.12	\$	51.12	\$	52.14	\$	53.19	\$	54.25
	Dollar Inc		1.52		1.75		1.36		1.40		0.96		0.98		1.00		1.02		1.04		1.06		1.06
	Percent Inc		3.6%		4.0%		3.0%		3.0%		2.0%		2.0%		2.0%		2.0%		2.0%		2.0%		2.0%
10,000 Gallons	Total		71.30		73.86		76.81		79.12		81.49		83.12		84.78		86.48		88.21		89.97		91.77
	Dollar Inc		2.57		2.95		2.30		2.37		1.63		1.66		1.70		1.73		1.76		1.80		1.80
	Percent Inc		3.6%		4.0%		3.0%		3.0%		2.0%		2.0%		2.0%		2.0%		2.0%		2.0%		2.0%
20,000 Gallons	Total		144.25		149.46		155.44		160.10		164.90		168.20		171.57		175.00		178.50		182.07		185.71
	Dollar Inc		5.21		5.98		4.66		4.80		3.30		3.36		3.43		3.50		3.57		3.64		3.64
	Percent Inc		3.6%		4.0%		3.0%		3.0%		2.0%		2.0%		2.0%		2.0%		2.0%		2.0%		2.0%
30,000 Gallons	Total		221.85		229.86		239.05		246.23		253.61		258.69		263.86		269.14		274.52		280.01		285.61
	Dollar Inc		8.01		7.19		7.17		7.39		5.07		5.17		5.28		5.38		5.49		5.60		5.60
	Percent Inc		3.6%		4.0%		3.0%		3.0%		2.0%		2.0%		2.0%		2.0%		2.0%		2.0%		2.0%

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL												
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
<b>Water Summary</b>												
<b>Scen: 2024 08 19 Scenario I -- Status Quo</b>												
<b>2.3</b>	<b>Commercial Monthly Charge – 2" Meter (Inside City)</b>											
25,000 Gallons	Total	236.83	260.51	270.93	279.05	287.42	293.17	299.04	305.02	311.12	317.34	323.69
	Dollar Inc		23.68	10.42	8.13	8.37	5.75	5.86	5.98	6.10	6.22	6.35
	Percent Inc		10.0%	4.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
50,000 Gallons	Total	430.83	474.01	492.97	507.75	522.99	533.45	544.12	555.00	566.10	577.42	588.97
	Dollar Inc		43.18	18.96	14.79	15.23	10.46	10.67	10.88	11.10	11.32	11.55
	Percent Inc		10.0%	4.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>3</b>	<b>Total Accounts</b>											
	<b>Total Accounts</b>	<b>10,403</b>	<b>10,760</b>	<b>11,130</b>	<b>11,512</b>	<b>11,888</b>	<b>12,264</b>	<b>12,635</b>	<b>13,004</b>	<b>13,370</b>	<b>13,738</b>	
	New Accounts		357	370	382	376	376	371	369	366	368	
	Avg. Annual Growth Rate		3.43%	3.44%	3.44%	3.26%	3.16%	3.02%	2.92%	2.82%	2.75%	
<b>4</b>	<b>Annual Water Consumption</b>											
	<u>Inside City</u>											
W1	Residential Inside	361,805,766	374,468,968	387,575,382	401,140,520	414,478,442	427,824,648	441,001,647	454,121,446	467,154,732	480,235,064	
W2	Commercial Inside	221,150,240	227,784,747	234,618,290	241,656,838	248,544,058	255,403,874	262,146,537	268,831,273	275,444,523	282,055,191	
W3	Other 3	-	-	-	-	-	-	-	-	-	-	
W4	Other 4	-	-	-	-	-	-	-	-	-	-	
W5	Residential Outside	225,527,582	233,421,048	241,590,784	250,046,462	258,360,506	266,679,715	274,893,450	283,071,530	291,195,683	299,349,162	
W6	Commercial Outside	157,408,805	162,131,069	166,995,001	172,004,851	176,906,990	181,789,623	186,588,869	191,346,885	196,054,018	200,759,315	
	<b>Total System</b>	<b>1,005,192,993</b>	<b>1,037,106,432</b>	<b>1,070,080,057</b>	<b>1,104,149,271</b>	<b>1,137,590,597</b>	<b>1,170,998,460</b>	<b>1,203,931,103</b>	<b>1,236,671,735</b>	<b>1,269,149,556</b>	<b>1,301,699,332</b>	

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Water Summary											
Scen: 2024 08 19 Scenario I -- Status Quo											
5	Revenues and Expenses -- CASH BASIS										
Water Revenues											
Water Rate Revenue											
W1	Residential Inside	\$ 3,334,063	\$ 3,587,690	\$ 3,827,642	\$ 4,080,458	\$ 4,303,875	\$ 4,531,309	\$ 4,764,291	\$ 5,004,149	\$ 5,250,723	\$ 5,505,698
W2	Commercial Inside	1,959,435	2,108,232	2,238,369	2,374,686	2,493,192	2,613,244	2,735,879	2,861,757	2,990,799	3,123,830
W3	Other 3	-	-	-	-	-	-	-	-	-	-
W4	Other 4	-	-	-	-	-	-	-	-	-	-
W5	Residential Outside	2,986,040	3,090,551	3,198,720	3,310,675	3,442,278	3,620,316	3,806,458	3,998,094	4,195,096	4,398,810
W6	Commercial Outside	1,747,107	1,799,520	1,853,506	1,909,111	2,072,049	2,178,598	2,280,835	2,385,776	2,493,356	2,604,260
		10,296,934	10,868,332	11,409,273	11,974,697	12,617,400	13,255,593	13,905,831	14,574,512	15,261,205	15,970,454
	Non-Rate Revenues	1,300,641	682,321	688,605	695,008	701,531	708,176	714,947	721,845	728,873	736,034
	Total Revenues	11,597,576	11,550,653	12,097,878	12,669,705	13,318,930	13,963,770	14,620,778	15,296,357	15,990,078	16,706,488
Water Cost of Service											
Department Code											
WDS	Water Distribution & Storage	\$ 5,932,188	\$ 6,704,306	\$ 7,337,276	\$ 7,851,297	\$ 8,395,147	\$ 8,973,554	\$ 9,586,134	\$ 10,236,403	\$ 10,926,115	\$ 11,659,677
WW	Wastewater/Sewer	-	-	-	-	-	-	-	-	-	-
CS	Utilities Customer Service	432,752	449,449	466,944	485,284	504,522	524,711	545,910	568,181	591,592	616,215
ND	Non-Departmental	439,126	459,785	481,444	504,151	527,958	552,920	579,094	606,540	635,320	665,502
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
	Total	6,804,065	7,613,540	8,285,664	8,840,732	9,427,628	10,051,185	10,711,138	11,411,124	12,153,027	12,941,394
O&M Code											
P	Personnel	\$ 1,419,954	\$ 1,724,060	\$ 1,971,891	\$ 2,069,566	\$ 2,172,234	\$ 2,280,156	\$ 2,393,613	\$ 2,512,897	\$ 2,638,318	\$ 2,770,202
S	Supplies	161,350	168,953	176,958	185,389	194,105	203,171	212,556	222,299	232,405	242,922
U	Utilities	-	-	-	-	-	-	-	-	-	-
IT	Information Technology	-	-	-	-	-	-	-	-	-	-
SC	Services & Charges	4,811,215	5,290,825	5,688,043	6,116,974	6,571,788	7,056,851	7,571,713	8,119,594	8,702,052	9,323,154
RM	Repair/Maintenance & Operation	383,697	401,018	419,225	438,370	458,155	478,721	500,002	522,082	544,973	568,778
A	Administration	27,850	28,686	29,546	30,432	31,345	32,286	33,254	34,252	35,280	36,338
CO	Capital Outlays	-	-	-	-	-	-	-	-	-	-
DS	Debt Service	-	-	-	-	-	-	-	-	-	-
	Total	6,804,065	7,613,540	8,285,664	8,840,732	9,427,628	10,051,185	10,711,138	11,411,124	12,153,027	12,941,394
	Total Operating Expenses	6,804,065	7,613,540	8,285,664	8,840,732	9,427,628	10,051,185	10,711,138	11,411,124	12,153,027	12,941,394

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Water Summary</b>											
<b>Scen: 2024 08 19 Scenario I -- Status Quo</b>											
Net Revenues for Transfers,Capital Outlays and Debt Service		4,793,510	3,937,113	3,812,215	3,828,973	3,891,303	3,912,585	3,909,640	3,885,233	3,837,051	3,765,094
Capital Outlays		11,350	158,516	158,516	158,516	158,516	158,516	158,516	158,516	158,516	158,516
<b>Debt Service</b>											
Debt Service -- Current		925,941	926,687	928,728	779,142	566,081	620,268	248,757	249,131	249,746	250,262
Debt Service -- Future		-	-	365,892	724,935	1,035,265	1,163,289	1,291,313	1,291,313	1,291,313	1,291,313
Total Debt Service		925,941	926,687	1,294,620	1,504,077	1,601,346	1,783,557	1,540,071	1,540,445	1,541,059	1,541,576
Net Revenues for Contingencies & Transfers		3,856,219	2,851,910	2,359,079	2,166,379	2,131,440	1,970,512	2,211,054	2,186,272	2,137,476	2,065,002
Total Contingencies & Transfers		927,197	955,012	983,663	1,013,173	1,043,568	1,074,875	1,107,121	1,140,335	1,174,545	1,209,781
Total Cost of Service		8,668,553	9,653,755	10,722,462	11,516,498	12,231,058	13,068,133	13,516,846	14,250,420	15,027,147	15,851,267
Net Revenues		2,929,023	1,896,898	1,375,416	1,153,207	1,087,872	895,637	1,103,933	1,045,938	962,932	855,221
Percent of COS		25.3%	16.4%	11.4%	9.1%	8.2%	6.4%	7.6%	6.8%	6.0%	5.1%
<b>Debt Coverage</b>											
Excludes Capital Outlays, G/F Transfers		5.18	4.25	2.94	2.55	2.43	2.19	2.54	2.52	2.49	2.44
All Inclusive		4.16	3.05	2.06	1.77	1.68	1.50	1.72	1.68	1.62	1.55

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL													
		Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
<b>Wastewater Summary</b>													
<b>Scen: 2024 08 19 Scenario I -- Status Quo</b>													
1	<b>Wastewater Monthly Rates and Charges</b>												
	<b>Residential</b>												
	<b>Monthly Minimum Charge</b>												
	Base Charge	\$ 23.06	\$ 25.79	\$ 28.11	\$ 30.64	\$ 33.09	\$ 35.74	\$ 38.60	\$ 40.14	\$ 40.95	\$ 41.76	\$ 42.60	
	<b>Volume Rate/1,000 Gal</b>												
	<b>Residential</b>												
	1,501 5,000	4.28	4.79	5.22	5.69	6.15	6.64	7.17	7.46	7.60	7.76	7.91	
	<b>Commercial</b>												
	<b>Monthly Minimum Charge</b>												
	Usage Charge	23.34	29.64	32.31	35.22	38.03	41.08	44.36	46.14	47.06	48.00	48.96	
	<b>Volume Rate/1,000 Gal</b>												
	- Above	4.28	5.44	5.93	6.46	6.98	7.54	8.14	8.47	8.64	8.81	8.99	
2.1	<b>Residential Monthly Charge -- (Inside City)</b>												
	5,000 W Gallons	Total	\$ 38.04	\$ 42.56	\$ 46.38	\$ 50.56	\$ 54.60	\$ 58.97	\$ 63.69	\$ 66.24	\$ 67.56	\$ 68.91	\$ 70.29
		Dollar Inc		4.52	3.83	4.17	4.04	4.37	4.72	2.55	1.32	1.35	1.38
		Percent Inc		11.9%	9.0%	9.0%	8.0%	8.0%	8.0%	4.0%	2.0%	2.0%	2.0%
	10,000 W Gallons	Total	63.14	70.66	77.01	83.95	90.66	97.91	105.75	109.98	112.18	114.42	116.71
		Dollar Inc		7.52	6.36	6.93	6.72	7.25	7.83	4.23	2.20	2.24	2.29
		Percent Inc		11.9%	9.0%	9.0%	8.0%	8.0%	8.0%	4.0%	2.0%	2.0%	2.0%

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL													
		Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Wastewater Summary													
Scen: 2024 08 19 Scenario I -- Status Quo													
2.3	Commercial Monthly Bill												
	25,000 W Gallons	Total	162.06	205.92	224.45	244.65	264.23	285.36	308.19	320.52	326.93	333.47	340.14
		Dollar Inc		43.86	18.53	20.20	19.57	21.14	22.83	12.33	6.41	6.54	6.67
		Percent Inc		27.1%	9.0%	9.0%	8.0%	8.0%	8.0%	4.0%	2.0%	2.0%	2.0%
	50,000 W Gallons	Total	287.56	365.42	398.31	434.16	468.89	506.40	546.91	568.79	580.16	591.77	603.60
		Dollar Inc		77.86	32.89	35.85	34.73	37.51	40.51	21.88	11.38	11.60	11.84
		Percent Inc		27.1%	9.0%	9.0%	8.0%	8.0%	8.0%	4.0%	2.0%	2.0%	2.0%
3	Total Accounts												
	Total Accounts		6,638	7,005	7,385	7,777	8,163	8,549	8,930	9,309	9,685	10,063	
	New Accounts			367	380	392	386	386	381	379	376	378	
	Avg. Annual Growth Rate			5.53%	5.42%	5.31%	4.96%	4.73%	4.45%	4.24%	4.04%	3.90%	
4	Annual Wastewater Billing Units												
WW1	Residential Inside		278,571,160	290,012,360	301,854,001	314,110,100	326,160,910	338,219,204	350,124,619	361,978,354	373,753,924	385,572,002	
WW2	Non-Residential Inside		153,618,949	160,094,654	166,764,631	173,634,707	180,357,076	187,052,698	193,633,970	200,158,702	206,613,659	213,066,096	
WW3	Contracted Rate (Town of Fulton)		37,216,527	37,672,053	38,127,580	38,583,107	39,038,633	39,494,160	39,949,686	40,405,213	40,860,740	41,316,266	
WW4	Sewer Only (ICL)		-	-	-	-	-	-	-	-	-	-	
WW5	Residential Outside		25,813,020	30,510,522	35,372,436	40,404,517	45,352,310	50,303,177	55,191,275	60,058,155	64,892,941	69,745,180	
WW6	Non- Residential Outside		22,426,297	25,892,623	29,462,938	33,140,363	36,738,723	40,322,766	43,845,599	47,338,168	50,793,387	54,247,257	
WW7	Sewer Only (OCL)		-	-	-	-	-	-	-	-	-	-	
WW8	Wholesale 8		-	-	-	-	-	-	-	-	-	-	
WW9	Wholesale 9		-	-	-	-	-	-	-	-	-	-	
WW10	Wholesale 10		-	-	-	-	-	-	-	-	-	-	
	Total System		517,645,953	544,182,212	571,581,586	599,872,794	627,647,653	655,392,004	682,745,149	709,938,592	736,914,651	763,946,802	

**CITY OF ROCKPORT**  
**WATER/WASTEWATER COST OF SERVICE MODEL**

Current      2024      2025      2026      2027      2028      2029      2030      2031      2032      2033

**Wastewater Summary****Scen: 2024 08 19 Scenario I -- Status Quo****5 Revenues and Expenses -- CASH BASIS****Wastewater Revenues**Wastewater Rate Revenue

WW1	Residential Inside	\$	2,356,383	\$	2,679,287	\$	3,039,669	\$	3,418,570	\$	3,833,701	\$	4,293,469	\$	4,636,187	\$	4,896,718	\$	5,157,134	\$	5,426,606
WW2	Non-Residential Inside		1,116,800		1,282,669		1,456,358		1,638,830		1,838,461		2,059,249		2,223,590		2,348,183		2,472,388		2,600,591
WW3	Contracted Rate (Town of Fulton)		154,363		169,144		186,596		204,077		223,005		243,656		257,090		265,640		274,008		282,604
WW4	Sewer Only (ICL)		8,929		9,753		10,631		11,490		12,409		13,401		13,979		14,281		14,567		14,858
WW5	Residential Outside		392,564		464,004		591,198		730,759		885,865		1,061,175		1,214,480		1,350,132		1,487,996		1,631,243
WW6	Non- Residential Outside		180,117		207,957		299,895		369,007		441,800		523,691		593,990		655,162		717,042		781,116
WW7	Sewer Only (OCL)		26,671		26,671		31,254		33,993		36,712		39,649		41,358		42,252		43,097		43,959
WW8	Wholesale 8		-		-		-		-		-		-		-		-		-		-
WW9	Wholesale 9		-		-		-		-		-		-		-		-		-		-
WW10	Wholesale 10		-		-		-		-		-		-		-		-		-		-
	Total Rate Revenue		4,235,829		4,839,486		5,615,600		6,406,725		7,271,952		8,234,291		8,980,675		9,572,368		10,166,231		10,780,977
	Non-Rate Revenues		476,859		439,329		440,266		441,216		442,181		443,161		444,155		445,164		446,188		447,228
	<b>Total Revenues</b>		<b>4,712,688</b>		<b>5,278,815</b>		<b>6,055,866</b>		<b>6,847,941</b>		<b>7,714,133</b>		<b>8,677,452</b>		<b>9,424,830</b>		<b>10,017,532</b>		<b>10,612,420</b>		<b>11,228,205</b>

**Wastewater Cost of Service**Department Code

WDS	Water Distribution & Storage	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
WW	Wastewater/Sewer		2,199,243		2,526,996		2,885,861		3,109,022		3,350,573		3,613,157		3,897,790		4,206,964		4,542,688		4,908,136
CS	Utilities Customer Service		432,752		449,449		466,944		485,284		504,522		524,711		545,910		568,181		591,592		616,215
ND	Non-Departmental		439,126		459,785		481,444		504,151		527,958		552,920		579,094		606,540		635,320		665,502
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
	<b>Total</b>		<b>3,071,121</b>		<b>3,436,230</b>		<b>3,834,249</b>		<b>4,098,457</b>		<b>4,383,053</b>		<b>4,690,788</b>		<b>5,022,794</b>		<b>5,381,685</b>		<b>5,769,601</b>		<b>6,189,853</b>

O&M Code

P	Personnel	\$	1,030,575	\$	1,237,336	\$	1,461,032	\$	1,533,165	\$	1,609,012	\$	1,688,773	\$	1,772,661	\$	1,860,897	\$	1,953,718	\$	2,051,373
S	Supplies		643,750		720,783		807,114		903,847		1,010,243		1,127,900		1,257,362		1,400,121		1,557,350		1,730,968
U	Utilities		-		-		-		-		-		-		-		-		-		-
IT	Information Technology		-		-		-		-		-		-		-		-		-		-
SC	Services & Charges		827,957		860,316		894,021		929,133		965,712		1,003,824		1,043,536		1,084,920		1,128,049		1,173,001
RM	Repair/Maintenance & Operation		556,089		604,663		658,555		718,381		783,736		855,510		934,011		1,020,066		1,114,333		1,217,876
A	Administration		12,750		13,133		13,526		13,932		14,350		14,781		15,224		15,681		16,151		16,636
CO	Capital Outlays		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
	<b>Total</b>		<b>3,071,121</b>		<b>3,436,230</b>		<b>3,834,249</b>		<b>4,098,457</b>		<b>4,383,053</b>		<b>4,690,788</b>		<b>5,022,794</b>		<b>5,381,685</b>		<b>5,769,601</b>		<b>6,189,853</b>
	<b>Total Operating Expenses</b>		<b>3,071,121</b>		<b>3,436,230</b>		<b>3,834,249</b>		<b>4,098,457</b>		<b>4,383,053</b>		<b>4,690,788</b>		<b>5,022,794</b>		<b>5,381,685</b>		<b>5,769,601</b>		<b>6,189,853</b>

CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Wastewater Summary											
Scen: 2024 08 19 Scenario I -- Status Quo											
Net Revenues for Transfers,Capital Outlays and Debt Service		1,641,567	1,842,585	2,221,617	2,749,484	3,331,080	3,986,664	4,402,037	4,635,847	4,842,819	5,038,352
Capital Outlays		20,000	145,532	145,532	145,532	145,532	145,532	145,532	145,532	145,532	145,532
Debt Service											
Debt Service -- Current		925,941	926,687	928,728	779,142	566,081	620,268	248,757	249,131	249,746	250,262
Debt Service -- Future		-	-	802,070	1,544,609	2,415,171	2,735,231	3,055,291	3,055,291	3,055,291	3,055,291
Total Debt Service		925,941	926,687	1,730,798	2,323,750	2,981,252	3,355,499	3,304,048	3,304,422	3,305,037	3,305,553
Net Revenues for Contingencies & Transfers		695,626	770,366	345,287	280,202	204,296	485,633	952,456	1,185,893	1,392,250	1,587,267
Total Contingencies & Transfers		927,197	955,012	983,663	1,013,173	1,043,568	1,074,875	1,107,121	1,140,335	1,174,545	1,209,781
Total Cost of Service		4,944,258	5,463,461	6,694,241	7,580,912	8,553,405	9,266,694	9,579,495	9,971,974	10,394,714	10,850,720
Net Revenues		(231,570)	(184,646)	(638,375)	(732,971)	(839,272)	(589,242)	(154,665)	45,558	217,706	377,485
Percent of COS		-4.9%	-3.5%	-10.5%	-10.7%	-10.9%	-6.8%	-1.6%	0.5%	2.1%	3.4%
Debt Coverage											
Excludes Debt, Cap Outlays, G/F Transfers		1.77	1.99	1.28	1.18	1.12	1.19	1.33	1.40	1.47	1.52
All Inclusive		0.75	0.80	0.63	0.68	0.72	0.82	0.95	1.01	1.07	1.11



10 Year Forecast 2024 - 2033				CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL										
				Test Year 2024	Forecast 2025	2026	2027	2028	2029	2030	2031	2032	2033	
Forecast W 4.0 -- WATER Service Revenue Requirement Raised from Rates														
Scenario: 2024 08 19 Scenario I -- Status Quo														
NON-RATE REVENUES														
O	O	O	O	Interest Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
R	O	R	40601	Interest on Investments	123,095	61,547	61,547	61,547	61,547	61,547	61,547	61,547	61,547	61,547
R	O	R	O	0	-	-	-	-	-	-	-	-	-	-
R	O	R	O	Charges for Services	-	-	-	-	-	-	-	-	-	-
R	O	R	40701	Water Revenue	-	-	-	-	-	-	-	-	-	-
R	O	R	40702	Wastewater Revenue	-	-	-	-	-	-	-	-	-	-
R	O	R	40703	Water Connection Fees	797,500	239,250	244,035	248,916	253,894	258,972	264,151	269,434	274,823	280,320
R	O	R	40704	Wastewater Connection Fees	-	-	-	-	-	-	-	-	-	-
R	O	R	40705	Water Line Inst Revenue	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
R	O	R	40706	Wastewater Line Inst Revenue	-	-	-	-	-	-	-	-	-	-
R	O	R	40707	Service Charges & Fees	52,315	52,315	52,315	52,315	52,315	52,315	52,315	52,315	52,315	52,315
R	O	R	40708	Late Fee	67,702	67,702	67,702	67,702	67,702	67,702	67,702	67,702	67,702	67,702
R	O	R	40711	Septic Tank Disposal Fee	-	-	-	-	-	-	-	-	-	-
R	O	R	40712	Fulton Wastewater Revenue	-	-	-	-	-	-	-	-	-	-
R	O	R	43065	Credit Card Fees	98,476	99,953	101,452	102,974	104,519	106,086	107,678	109,293	110,932	112,596
R	O	R	O	0	-	-	-	-	-	-	-	-	-	-
R	O	R	O	Operating Transfers	-	-	-	-	-	-	-	-	-	-
R	O	R	40921	TRF From Gas Department	55,393	55,393	55,393	55,393	55,393	55,393	55,393	55,393	55,393	55,393
R	O	R	O	0	-	-	-	-	-	-	-	-	-	-
R	O	R	O	Other Revenues	-	-	-	-	-	-	-	-	-	-
R	O	R	43004	Misc. Revenue	46,161	46,161	46,161	46,161	46,161	46,161	46,161	46,161	46,161	46,161
O	O	O	O	Last	-	-	-	-	-	-	-	-	-	-
Total Non-Rate Revenues					\$ 1,300,641	\$ 682,321	\$ 688,605	\$ 695,008	\$ 701,531	\$ 708,176	\$ 714,947	\$ 721,845	\$ 728,873	\$ 736,034

**10 Year Forecast**  
**2024 - 2033**

**CITY OF ROCKPORT**  
**WATER/WASTEWATER COST OF SERVICE MODEL**

Test Year      Forecast  
2024      2025      2026      2027      2028      2029      2030      2031      2032      2033

**Forecast W 4.0 -- WATER Service Revenue Requirement Raised from Rates**  
**Scenario:      2024 08 19 Scenario I -- Status Quo**

**OPERATING EXPENSES**

Department	1	O&M Code	2	Expense	2022	2023	2020	2021	2022	2023	2024	2025	2026	2027
WDS	0	0	0	641 -- WATER DISTRIBUTION & STOR/	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	Personnel	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1001	Base Pay	664,298	830,373	964,155	1,012,362	1,062,981	1,116,130	1,171,936	1,230,533	1,292,060	1,356,663
WDS	0	P	1002	Stability Pay	5,600	7,000	8,128	8,534	8,961	9,409	9,879	10,373	10,892	11,437
WDS	0	P	1104	Certification Pay	17,220	21,525	24,993	26,243	27,555	28,932	30,379	31,898	33,493	35,168
WDS	0	P	1005	Part-Time	8,642	10,803	12,543	13,170	13,829	14,520	15,246	16,008	16,809	17,649
WDS	0	P	1006	Overtime	60,000	75,000	87,083	91,438	96,009	100,810	105,850	111,143	116,700	122,535
WDS	0	P	1010	TMRs	141,600	177,000	205,517	215,793	226,582	237,911	249,807	262,297	275,412	289,183
WDS	0	P	1011	FICA	57,991	72,489	84,167	88,376	92,795	97,434	102,306	107,421	112,792	118,432
WDS	0	P	1012	Group Medical Insurance	167,832	209,790	243,590	255,769	268,557	281,985	296,085	310,889	326,433	342,755
WDS	0	P	1013	Worker's Compensation	19,000	23,750	27,576	28,955	30,403	31,923	33,519	35,195	36,955	38,803
WDS	0	P	1016	Uniforms	8,500	10,625	12,337	12,954	13,601	14,281	14,995	15,745	16,532	17,359
WDS	0	P	1020	Car Allowance	2,288	2,860	3,321	3,487	3,661	3,844	4,036	4,238	4,450	4,673
WDS	0	P	1050	Halo Flight Expense	450	563	653	686	720	756	794	834	875	919
WDS	0	P	1051	Stipend Pay	17,612	22,015	25,562	26,840	28,182	29,591	31,071	32,624	34,255	35,968
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	Contracts & Services	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2004	Audits	10,500	10,815	11,139	11,474	11,818	12,172	12,538	12,914	13,301	13,700
WDS	0	SC	2011	Insurance	70,000	73,500	77,175	81,034	85,085	89,340	93,807	98,497	103,422	108,593
WDS	0	SC	2016	Legal Services	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
WDS	0	SC	2036	Communications Services	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657
WDS	0	SC	2037	Equipment Rental	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438
WDS	0	SC	2040	Engineering/Surveying	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438
WDS	0	SC	2044	Easement Expense	200	206	212	219	225	232	239	246	253	261
WDS	0	SC	2047	Telephone	5,500	5,665	5,835	6,010	6,190	6,376	6,567	6,764	6,967	7,176
WDS	0	SC	2054	System Inspect/Tests	65,000	66,950	68,959	71,027	73,158	75,353	77,613	79,942	82,340	84,810
WDS	0	SC	2056	Security System Monitoring	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
WDS	0	SC	2057	SCADA System	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
WDS	0	SC	2058	Itron System Maintenance	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	Supplies	-	-	-	-	-	-	-	-	-	-
WDS	0	S	3001	Office	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
WDS	0	S	3002	Postage	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
WDS	0	S	3007	Boots	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
WDS	0	S	3011	Chemicals	2,000	2,123	2,255	2,394	2,538	2,689	2,845	3,008	3,177	3,354
WDS	0	S	3018	Computer Supplies	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
WDS	0	S	3019	GIS & Mapping	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
WDS	0	S	3020	Small Tools/Safety Equip	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
WDS	0	S	3024	Electricity	85,000	90,249	95,825	101,751	107,885	114,290	120,933	127,850	135,043	142,558
WDS	0	SC	3038	Water	3,853,858	4,296,027	4,654,245	5,042,548	5,455,036	5,895,996	6,364,903	6,864,895	7,397,442	7,966,522
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	Travel & Training	-	-	-	-	-	-	-	-	-	-
WDS	0	A	4001	Schools/Seminars-Registration	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
WDS	0	A	4002	Dues & Subscriptions	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
WDS	0	A	4003	Schools/Seminars-Travel & Exp.	1,100	1,133	1,167	1,202	1,238	1,275	1,313	1,353	1,393	1,435
WDS	0	A	4004	Public Awareness	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	Intergovernmental Transfers	-	-	-	-	-	-	-	-	-	-
WDS	0	CO	5080	Trf to Veh & Equip Fd	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	Maintenance	-	-	-	-	-	-	-	-	-	-
WDS	0	RM	7012	Water System Maintenance	12,794	13,584	14,423	15,315	16,239	17,203	18,203	19,244	20,326	21,457
WDS	0	RM	7016	Pump Station Maintenance	34,394	36,518	38,774	41,172	43,654	46,246	48,934	51,733	54,643	57,684
WDS	0	RM	7018	Meter/AMI Program	10,800	11,467	12,175	12,928	13,708	14,522	15,366	16,244	17,158	18,113
WDS	0	RM	7031	Water Tank Maint/Insp	25,000	26,544	28,184	29,927	31,731	33,615	35,569	37,603	39,719	41,929
WDS	0	CO	7040	Meters & Boxes	-	-	-	-	-	-	-	-	-	-
WDS	0	RM	7041	Line Materials & Repairs	100,000	106,175	112,736	119,707	126,924	134,459	142,274	150,412	158,874	167,715
WDS	0	RM	7044	Trf to Fleet/ Fuel	62,000	63,860	65,776	67,749	69,782	71,875	74,031	76,252	78,540	80,896
WDS	0	RM	7045	Trf to Fleet/ Vehicle Maint	138,709	142,870	147,156	151,571	156,118	160,802	165,626	170,595	175,712	180,984
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-	-

10 Year Forecast 2024 - 2033				CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL									
				Test Year 2024	Forecast 2025	2026	2027	2028	2029	2030	2031	2032	2033
Forecast W 4.0 -- WATER Service Revenue Requirement Raised from Rates													
Scenario: 2024 08 19 Scenario I -- Status Quo													
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-
WDS	0	0	0	Capital Outlay/Projects	-	-	-	-	-	-	-	-	-
WDS	0	CO	8001	Computer Hardware	-	-	-	-	-	-	-	-	-
WDS	0	CO	8019	Utility Mapping/GIS	-	-	-	-	-	-	-	-	-
WDS	0	CO	8040	Boat Buy Back Program	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
0	0	0	0	646 -- WASTEWATER/SEWER	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	Personnel	-	-	-	-	-	-	-	-	-
WW	0	P	1001	Base Pay	-	-	-	-	-	-	-	-	-
WW	0	P	1104	Certification Pay	-	-	-	-	-	-	-	-	-
WW	0	P	1005	Part-Time	-	-	-	-	-	-	-	-	-
WW	0	P	1006	Overtime	-	-	-	-	-	-	-	-	-
WW	0	P	1010	TMRS	-	-	-	-	-	-	-	-	-
WW	0	P	1011	FICA	-	-	-	-	-	-	-	-	-
WW	0	P	1012	Group Medical Insurance	-	-	-	-	-	-	-	-	-
WW	0	P	1013	Worker's Compensation	-	-	-	-	-	-	-	-	-
WW	0	P	1016	Uniforms	-	-	-	-	-	-	-	-	-
WW	0	P	1020	Car Allowance	-	-	-	-	-	-	-	-	-
WW	0	P	1050	Halo Flight Expense	-	-	-	-	-	-	-	-	-
WW	0	P	1051	Stipend Pay	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	Contracts & Services	-	-	-	-	-	-	-	-	-
WW	0	SC	2004	Audits	-	-	-	-	-	-	-	-	-
WW	0	SC	2011	Insurance	-	-	-	-	-	-	-	-	-
WW	0	SC	2016	Legal Services	-	-	-	-	-	-	-	-	-
WW	0	SC	2036	Communications Services	-	-	-	-	-	-	-	-	-
WW	0	SC	2037	Equipment Rental	-	-	-	-	-	-	-	-	-
WW	0	SC	2040	Engineering/Surveying	-	-	-	-	-	-	-	-	-
WW	0	SC	2046	Contracted Services	-	-	-	-	-	-	-	-	-
WW	0	SC	2047	Telephone	-	-	-	-	-	-	-	-	-
WW	0	SC	2054	System Inspect/Tests	-	-	-	-	-	-	-	-	-
WW	0	SC	2056	Security System Monitoring	-	-	-	-	-	-	-	-	-
WW	0	SC	2057	SCADA System	-	-	-	-	-	-	-	-	-
WW	0	SC	2058	Itron System Maintenance	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	Supplies	-	-	-	-	-	-	-	-	-
WW	0	S	3001	Office	-	-	-	-	-	-	-	-	-
WW	0	S	3002	Postage	-	-	-	-	-	-	-	-	-
WW	0	S	3007	Boots	-	-	-	-	-	-	-	-	-
WW	0	S	3011	Chemicals	-	-	-	-	-	-	-	-	-
WW	0	S	3018	Computer Supplies	-	-	-	-	-	-	-	-	-
WW	0	S	3019	GIS & Mapping	-	-	-	-	-	-	-	-	-
WW	0	S	3020	Small Tools/Safety Equip	-	-	-	-	-	-	-	-	-
WW	0	S	3023	Utilities	-	-	-	-	-	-	-	-	-
WW	0	S	3024	Electricity	-	-	-	-	-	-	-	-	-
WW	0	S	3049	H2S Control	-	-	-	-	-	-	-	-	-
WW	0	S	3050	Emergency Mngmt Supplies	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	Travel & Training	-	-	-	-	-	-	-	-	-
WW	0	A	4001	Schools/Seminars-Registration	-	-	-	-	-	-	-	-	-
WW	0	A	4002	Dues & Subscriptions	-	-	-	-	-	-	-	-	-
WW	0	A	4003	Schools/Seminars-Travel & Exp.	-	-	-	-	-	-	-	-	-
WW	0	A	4004	Public Awareness	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	Intergovernmental Transfers	-	-	-	-	-	-	-	-	-
WW	0	CO	5080	Trf to Veh & Equip Fd	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	Maintenance	-	-	-	-	-	-	-	-	-
WW	0	RM	7012	Wastewater System Main	-	-	-	-	-	-	-	-	-

10 Year Forecast 2024 - 2033				CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL									
				Test Year 2024	Forecast 2025	2026	2027	2028	2029	2030	2031	2032	2033
Forecast W 4.0 -- WATER Service Revenue Requirement Raised from Rates Scenario: 2024 08 19 Scenario I -- Status Quo													
WW	0	RM	7016	WWTP Equipment	-	-	-	-	-	-	-	-	-
WW	0	RM	7017	Lift Station Maintenance	-	-	-	-	-	-	-	-	-
WW	0	RM	7041	Lift Station Equipment M & R	-	-	-	-	-	-	-	-	-
WW	0	RM	7043	Manholes/Lines & Supplies	-	-	-	-	-	-	-	-	-
WW	0	RM	7044	Trf to Fleet/ Fuel	-	-	-	-	-	-	-	-	-
WW	0	RM	7045	Trf to Fleet/ Vehicle Maint	-	-	-	-	-	-	-	-	-
WW	0	RM	7047	SSO Initiative	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	Capital Outlay/Projects	-	-	-	-	-	-	-	-	-
WW	0	CO	8015	Main Line Ext & Taps	-	-	-	-	-	-	-	-	-
WW	0	CO	8017	Lift Station Maintenance	-	-	-	-	-	-	-	-	-
WW	0	CO	8019	Utility Mapping/GIS	-	-	-	-	-	-	-	-	-
WW	0	CO	8040	Boat Buy Back Program	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
0	0	0	0	651 -- UTILITY CUSTOMER SERVICE	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
CS	0	P	1001	Base Pay	151,466	156,009	160,690	165,510	170,476	175,590	180,858	186,283	191,872
CS	0	P	1002	Stability Pay	713	734	756	779	802	827	851	877	903
CS	0	P	1104	Certification Pay	2,100	2,163	2,228	2,295	2,364	2,434	2,508	2,583	2,660
CS	0	P	1005	Part-Time	-	-	-	-	-	-	-	-	-
CS	0	P	1006	Overtime	750	773	796	820	844	869	896	922	950
CS	0	P	1010	TMRS	29,293	31,636	34,167	36,900	39,852	43,040	46,484	50,202	54,218
CS	0	P	1011	FICA	11,860	12,808	13,833	14,940	16,135	17,425	18,820	20,325	21,951
CS	0	P	1012	Group Medical Insurance	32,634	35,245	38,064	41,109	44,398	47,950	51,786	55,929	60,403
CS	0	P	1013	Worker's Compensation	500	540	583	630	680	735	793	857	925
CS	0	P	1016	Uniforms	-	-	-	-	-	-	-	-	-
CS	0	P	1021	Mileage Reimbursement	100	103	106	109	113	116	119	123	127
CS	0	P	1050	Halo Flight Expense	88	90	93	96	98	101	104	108	111
CS	0	P	1051	Stipend Pay	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560
CS	0	0	0	0	-	-	-	-	-	-	-	-	-
CS	0	0	0	0	-	-	-	-	-	-	-	-	-
CS	0	0	0	Contracts & Services	-	-	-	-	-	-	-	-	-
CS	0	SC	2000	Overages/Shortages	-	-	-	-	-	-	-	-	-
CS	0	SC	2002	Merchant Processing Fees	76,400	78,692	81,053	83,484	85,989	88,569	91,226	93,962	96,781
CS	0	SC	2004	Audits	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267
CS	0	SC	2016	Legal Services	-	-	-	-	-	-	-	-	-
CS	0	SC	2037	Equipment Rental	-	-	-	-	-	-	-	-	-
CS	0	SC	2040	Engineering/Surveying	-	-	-	-	-	-	-	-	-
0	0	0	0	Last	-	-	-	-	-	-	-	-	-
Total					7,731,262	8,568,553	9,269,326	9,853,905	10,471,196	11,126,060	11,818,259	12,551,459	13,327,572
													14,151,175

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10 Year Forecast 2024 - 2033	CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL									
	Test Year 2024	Forecast 2025	2026	2027	2028	2029	2030	2031	2032	2033

Forecast W 4.0 -- WATER Service Revenue Requirement Raised from Rates  
Scenario: 2024 08 19 Scenario I -- Status Quo

**CURRENT DEBT SERVICE - WATER**

Water Debt Service																					
Principal & Interest	\$	720,496	\$	749,505	\$	781,196	\$	660,212	\$	470,590	\$	544,825	\$	188,337	\$	196,791	\$	205,853	\$	215,206	
Commercial Paper Interest Expense		205,445		177,182		147,532		118,930		95,491		75,443		60,420		52,341		43,892		35,057	
Reserve		-		-		-		-		-		-		-		-		-		-	
TOTAL CURRENT DEBT SERVICE – CASH BASIS		\$	925,941	\$	926,687	\$	928,728	\$	779,142	\$	566,081	\$	620,268	\$	248,757	\$	249,131	\$	249,746	\$	250,262
TOTAL CURRENT DEBT SERVICE – UTILITY BASIS		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

**FUTURE DEBT SERVICE - WATER**

Water Debt Service										
Principal	\$ -	\$ -	\$ 137,252	\$ 277,426	\$ 404,933	\$ 469,154	\$ 535,944	\$ 557,382	\$ 579,677	\$ 602,864
Interest	-	-	228,640	447,510	630,333	694,136	755,369	733,932	711,636	688,449
Reserve	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUTURE DEBT SERVICE -- CASH BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 365,892</b>	<b>\$ 724,935</b>	<b>\$ 1,035,265</b>	<b>\$ 1,163,289</b>	<b>\$ 1,291,313</b>	<b>\$ 1,291,313</b>	<b>\$ 1,291,313</b>	<b>\$ 1,291,313</b>
<b>TOTAL FUTURE DEBT SERVICE -- UTILITY BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**DEPRECIATION - WATER**

Existing Assets	\$ 860,403	\$ 841,381	\$ 834,336	\$ 809,373	\$ 754,710	\$ 705,700	\$ 700,794	\$ 700,665	\$ 699,402	\$ 699,402
CIP	-	207,120	379,300	536,260	636,260	736,260	736,260	736,260	736,260	736,260
<b>TOTAL DEPRECIATION -- CASH BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL DEPRECIATION -- UTILITY BASIS</b>	<b>\$ 860,403</b>	<b>\$ 1,048,501</b>	<b>\$ 1,213,636</b>	<b>\$ 1,345,633</b>	<b>\$ 1,390,970</b>	<b>\$ 1,441,960</b>	<b>\$ 1,437,054</b>	<b>\$ 1,436,925</b>	<b>\$ 1,435,662</b>	<b>\$ 1,435,662</b>

**RETURN - WATER**

Net Rate Base										
Existing Assets	\$ 18,672,484	\$ 17,930,901	\$ 17,179,430	\$ 16,438,489	\$ 15,756,136	\$ 15,127,313	\$ 14,507,883	\$ 13,893,518	\$ 13,285,584	\$ 12,683,378
CIP	-	5,508,880	10,738,580	15,050,320	16,414,060	17,677,800	16,941,540	16,205,280	15,469,020	14,732,760
Total	18,672,484	23,439,781	27,918,010	31,488,809	32,170,196	32,805,113	31,449,423	30,098,798	28,754,604	27,416,138
Rate of Return	9.85%	9.85%	9.85%	9.85%	9.85%	9.85%	9.85%	9.85%	9.85%	9.85%
<b>TOTAL RETURN -- CASH BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL RETURN -- UTILITY BASIS</b>	<b>\$ 1,840,119</b>	<b>\$ 2,309,922</b>	<b>\$ 2,751,238</b>	<b>\$ 3,103,130</b>	<b>\$ 3,170,279</b>	<b>\$ 3,232,848</b>	<b>\$ 3,099,249</b>	<b>\$ 2,966,148</b>	<b>\$ 2,833,682</b>	<b>\$ 2,701,780</b>

10 Year Forecast 2024 - 2033	CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL									
	Test Year 2024	Forecast 2025	2026	2027	2028	2029	2030	2031	2032	2033

Forecast W 4.0 -- WATER Service Revenue Requirement Raised from Rates  
Scenario: 2024 08 19 Scenario I -- Status Quo

**TOTAL COST OF SERVICE**

TOTAL COST OF SERVICE - CASH BASIS	\$	8,668,553	\$	9,653,755	\$	10,722,462	\$	11,516,498	\$	12,231,058	\$	13,068,133	\$	13,516,846	\$	14,250,420	\$	15,027,147	\$	15,851,267
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TOTAL COST OF SERVICE - UTILITY BASIS	\$	10,431,783	\$	11,926,976	\$	13,234,200	\$	14,302,668	\$	15,032,444	\$	15,800,868	\$	16,354,562	\$	16,954,532	\$	17,596,916	\$	18,288,617
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**NON RATE REVENUES**

TOTAL NON-RATE REVENUES -- CASH BASIS	\$	1,300,641	\$	682,321	\$	688,605	\$	695,008	\$	701,531	\$	708,176	\$	714,947	\$	721,845	\$	728,873	\$	736,034
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TOTAL NON-RATE REVENUES -- UTILITY BASIS	\$	1,300,641	\$	682,321	\$	688,605	\$	695,008	\$	701,531	\$	708,176	\$	714,947	\$	721,845	\$	728,873	\$	736,034
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**NET REVENUE REQUIREMENT**

NET REVENUE REQUIREMENT -- CASH BASIS	\$	7,367,911	\$	8,971,434	\$	10,033,857	\$	10,821,490	\$	11,529,527	\$	12,359,957	\$	12,801,899	\$	13,528,574	\$	14,298,273	\$	15,115,233
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NET REVENUE REQUIREMENT -- UTILITY BASIS	\$	9,131,142	\$	11,244,655	\$	12,545,595	\$	13,607,660	\$	14,330,914	\$	15,092,691	\$	15,639,615	\$	16,232,687	\$	16,868,043	\$	17,552,584
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10 Year Forecast 2024 - 2033				CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL									
				Test Year 2024	Forecast 2025	2026	2027	2028	2029	2030	2031	2032	2033
Forecast WW 3.0 -- WASTEWATER Service Revenue Requirement Raised from Rates Scenario: 2024 08 19 Scenario I -- Status Quo													
NON-RATE REVENUES													
0	0	0	0	Interest Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
R	0	R	40601	Interest on Investments	76,905	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453
R	0	R	0	0	-	-	-	-	-	-	-	-	-
R	0	R	0	Charges for Services	-	-	-	-	-	-	-	-	-
R	0	R	40701	Water Revenue	-	-	-	-	-	-	-	-	-
R	0	R	40702	Wastewater Revenue	-	-	-	-	-	-	-	-	-
R	0	R	40703	Water Connection Fees	-	-	-	-	-	-	-	-	-
R	0	R	40704	Wastewater Connection Fees	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
R	0	R	40705	Water Line Inst Revenue	-	-	-	-	-	-	-	-	-
R	0	R	40706	Wastewater Line Inst Revenue	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
R	0	R	40707	Service Charges & Fees	32,685	32,685	32,685	32,685	32,685	32,685	32,685	32,685	32,685
R	0	R	40708	Late Fee	42,298	42,298	42,298	42,298	42,298	42,298	42,298	42,298	42,298
R	0	R	40711	Septic Tank Disposal Fee	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
R	0	R	40712	Fulton Wastewater Revenue	-	-	-	-	-	-	-	-	-
R	0	R	43065	Credit Card Fees	61,524	62,447	63,384	64,334	65,299	66,279	67,273	68,282	69,307
R	0	R	0	0	-	-	-	-	-	-	-	-	-
R	0	R	0	Operating Transfers	-	-	-	-	-	-	-	-	-
R	0	R	40921	TRF From Gas Department	34,607	34,607	34,607	34,607	34,607	34,607	34,607	34,607	34,607
R	0	R	0	0	-	-	-	-	-	-	-	-	-
R	0	R	0	Other Revenues	-	-	-	-	-	-	-	-	-
R	0	R	43004	Misc. Revenue	28,839	28,839	28,839	28,839	28,839	28,839	28,839	28,839	28,839
0	0	0	0	Last	-	-	-	-	-	-	-	-	-
Total Non-Rate Revenues					\$ 476,859	\$ 439,329	\$ 440,266	\$ 441,216	\$ 442,181	\$ 443,161	\$ 444,155	\$ 445,164	\$ 446,188
													\$ 447,228



**10 Year Forecast**  
**2024 - 2033**

**CITY OF ROCKPORT**  
**WATER/WASTEWATER COST OF SERVICE MODEL**

Test Year      Forecast  
2024      2025      2026      2027      2028      2029      2030      2031      2032      2033

**Forecast WW 3.0 -- WASTEWATER Service Revenue Requirement Raised from Rates**  
**Scenario:      2024 08 19 Scenario I -- Status Quo**

**OPERATING EXPENSES**

Department 1	O&M Code	2	Expense	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
WDS	0	0	641 -- WATER DISTRIBUTION & STORAGE	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	Personnel	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1001 Base Pay	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1002 Stability Pay	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1104 Certification Pay	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1005 Part-Time	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1006 Overtime	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1010 TMRS	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1011 FICA	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1012 Group Medical Insurance	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1013 Worker's Compensation	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1016 Uniforms	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1020 Car Allowance	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1050 Halo Flight Expense	-	-	-	-	-	-	-	-	-	-
WDS	0	P	1051 Stipend Pay	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	Contracts & Services	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2004 Audits	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2011 Insurance	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2016 Legal Services	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2036 Communications Services	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2037 Equipment Rental	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2040 Engineering/Surveying	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2044 Easement Expense	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2046 Contracted Services	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2047 Telephone	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2054 System Inspect/Tests	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2056 Security System Monitoring	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2057 SCADA System	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	2058 Itron System Maintenance	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	Supplies	-	-	-	-	-	-	-	-	-	-
WDS	0	S	3001 Office	-	-	-	-	-	-	-	-	-	-
WDS	0	S	3002 Postage	-	-	-	-	-	-	-	-	-	-
WDS	0	S	3007 Boots	-	-	-	-	-	-	-	-	-	-
WDS	0	S	3011 Chemicals	-	-	-	-	-	-	-	-	-	-
WDS	0	S	3018 Computer Supplies	-	-	-	-	-	-	-	-	-	-
WDS	0	S	3019 GIS & Mapping	-	-	-	-	-	-	-	-	-	-
WDS	0	S	3020 Small Tools/Safety Equip	-	-	-	-	-	-	-	-	-	-
WDS	0	S	3024 Electricity	-	-	-	-	-	-	-	-	-	-
WDS	0	SC	3038 Water	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	Travel & Training	-	-	-	-	-	-	-	-	-	-
WDS	0	A	4001 Schools/Seminars-Registration	-	-	-	-	-	-	-	-	-	-
WDS	0	A	4002 Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-
WDS	0	A	4003 Schools/Seminars-Travel & Exp.	-	-	-	-	-	-	-	-	-	-
WDS	0	A	4004 Public Awareness	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	Intergovernmental Transfers	-	-	-	-	-	-	-	-	-	-
WDS	0	CO	5080 Trf to Veh & Equip Fd	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	0	-	-	-	-	-	-	-	-	-	-
WDS	0	0	Maintenance	-	-	-	-	-	-	-	-	-	-
WDS	0	RM	7012 Water System Maintenance	-	-	-	-	-	-	-	-	-	-
WDS	0	RM	7016 Pump Station Maintenance	-	-	-	-	-	-	-	-	-	-
WDS	0	RM	7018 Meter/AMI Program	-	-	-	-	-	-	-	-	-	-
WDS	0	RM	7031 Water Tank Maint/Insp	-	-	-	-	-	-	-	-	-	-
WDS	0	CO	7040 Meters & Boxes	-	-	-	-	-	-	-	-	-	-
WDS	0	RM	7041 Line Materials & Repairs	-	-	-	-	-	-	-	-	-	-
WDS	0	RM	7044 Trf to Fleet/ Fuel	-	-	-	-	-	-	-	-	-	-

10 Year Forecast 2024 - 2033				CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL									
				Test Year	Forecast								
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Forecast WW 3.0 -- WASTEWATER Service Revenue Requirement Raised from Rates</b>													
<b>Scenario: 2024 08 19 Scenario I -- Status Quo</b>													
WDS	0	RM	7045	Trf to Fleet/ Vehicle Maint	-	-	-	-	-	-	-	-	-
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-
WDS	0	0	0	0	-	-	-	-	-	-	-	-	-
WDS	0	0	0	Capital Outlay/Projects	-	-	-	-	-	-	-	-	-
WDS	0	CO	8001	Computer Hardware	-	-	-	-	-	-	-	-	-
WDS	0	CO	8019	Utility Mapping/GIS	-	-	-	-	-	-	-	-	-
WDS	0	CO	8040	Boat Buy Back Program	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
0	0	0	0	646 -- WASTEWATER/SEWER	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	Personnel	-	-	-	-	-	-	-	-	-
WW	0	P	1001	Base Pay	474,769	593,461	722,045	758,147	796,054	835,857	877,650	921,532	967,609
WW	0	P	1002	Stability Pay	2,960	3,700	4,502	4,727	4,963	5,211	5,472	5,745	6,033
WW	0	P	1104	Certification Pay	22,560	28,200	34,310	36,026	37,827	39,718	41,704	43,789	45,979
WW	0	P	1005	Part-Time	-	-	-	-	-	-	-	-	-
WW	0	P	1006	Overtime	30,000	37,500	45,625	47,906	50,302	52,817	55,457	58,230	61,142
WW	0	P	1010	TMRS	100,630	125,788	153,041	160,694	168,728	177,165	186,023	195,324	205,090
WW	0	P	1011	FICA	40,742	50,928	61,962	65,060	68,313	71,729	75,315	79,081	83,035
WW	0	P	1012	Group Medical Insurance	83,916	104,895	127,622	134,003	140,704	147,739	155,126	162,882	171,026
WW	0	P	1013	Worker's Compensation	6,500	8,125	9,885	10,380	10,899	11,444	12,016	12,617	13,247
WW	0	P	1016	Uniforms	7,000	8,750	10,646	11,178	11,737	12,324	12,940	13,587	14,266
WW	0	P	1020	Car Allowance	2,288	2,860	3,480	3,654	3,836	4,028	4,230	4,441	4,663
WW	0	P	1050	Halo Flight Expense	225	281	342	359	377	396	416	437	459
WW	0	P	1051	Stipend Pay	10,064	12,580	15,306	16,071	16,874	17,718	18,604	19,534	20,511
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	Contracts & Services	-	-	-	-	-	-	-	-	-
WW	0	SC	2004	Audits	5,200	5,356	5,517	5,682	5,853	6,028	6,209	6,395	6,587
WW	0	SC	2011	Insurance	10,000	10,500	11,025	11,576	12,155	12,763	13,401	14,071	14,775
WW	0	SC	2016	Legal Services	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167
WW	0	SC	2036	Communications Services	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067
WW	0	SC	2037	Equipment Rental	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867
WW	0	SC	2040	Engineering/Surveying	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335
WW	0	SC	2044	Easement Expense	60,000	61,800	63,654	65,564	67,531	69,556	71,643	73,792	76,006
WW	0	SC	2046	Contracted Services	5,100	5,253	5,411	5,573	5,740	5,912	6,090	6,272	6,461
WW	0	SC	2047	Telephone	45,500	46,865	48,271	49,719	51,211	52,747	54,329	55,959	57,638
WW	0	SC	2054	System Inspect/Tests	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677
WW	0	SC	2056	Security System Monitoring	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167
WW	0	SC	2057	SCADA System	-	-	-	-	-	-	-	-	-
WW	0	SC	2058	Iron System Maintenance	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	Supplies	-	-	-	-	-	-	-	-	-
WW	0	S	3001	Office	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040
WW	0	S	3002	Postage	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267
WW	0	S	3007	Boots	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280
WW	0	S	3011	Chemicals	80,000	90,501	102,298	115,545	130,139	146,302	164,112	183,778	205,463
WW	0	S	3018	Computer Supplies	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267
WW	0	S	3019	GIS & Mapping	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334
WW	0	S	3020	Small Tools/Safety Equip	11,000	11,330	11,670	12,020	12,381	12,752	13,135	13,529	13,934
WW	0	S	3023	Utilities	25,000	26,282	27,608	28,980	30,400	31,868	33,385	34,952	36,569
WW	0	S	3024	Electricity	215,000	243,222	274,925	310,527	349,747	393,187	441,052	493,903	552,183
WW	0	S	3049	H2S Control	250,000	282,816	319,681	361,078	406,683	457,194	512,851	574,306	642,073
WW	0	S	3050	Emergency Mngmt Supplies	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	Travel & Training	-	-	-	-	-	-	-	-	-
WW	0	A	4001	Schools/Seminars-Registration	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334
WW	0	A	4002	Dues & Subscriptions	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534
WW	0	A	4003	Schools/Seminars-Travel & Exp.	500	515	530	546	563	580	597	615	633
WW	0	A	4004	Public Awareness	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-
WW	0	0	0	Intergovernmental Transfers	-	-	-	-	-	-	-	-	-

**10 Year Forecast**  
**2024 - 2033**

**CITY OF ROCKPORT**  
**WATER/WASTEWATER COST OF SERVICE MODEL**

Test Year      Forecast  
2024      2025      2026      2027      2028      2029      2030      2031      2032      2033

**Forecast WW 3.0 -- WASTEWATER Service Revenue Requirement Raised from Rates**  
**Scenario:      2024 08 19 Scenario I -- Status Quo**

WW	0	CO	5080	Trf to Veh & Equip Fd	-	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WW	0	0	0	Maintenance	-	-	-	-	-	-	-	-	-	-
WW	0	RM	7012	Wastewater System Main	20,000	22,625	25,574	28,886	32,535	36,576	41,028	45,944	51,366	57,359
WW	0	RM	7016	WWTP Equipment	75,000	84,845	95,904	108,323	122,005	137,158	153,855	172,292	192,622	215,098
WW	0	RM	7017	Lift Station Maintenance	109,936	124,367	140,578	158,782	178,836	201,049	225,523	252,548	282,348	315,293
WW	0	RM	7041	Lift Station Equipment M & R	75,000	84,845	95,904	108,323	122,005	137,158	153,855	172,292	192,622	215,098
WW	0	RM	7043	Manholes/Lines & Supplies	35,000	39,594	44,755	50,551	56,936	64,007	71,799	80,403	89,890	100,379
WW	0	RM	7044	Trf to Fleet/ Fuel	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619
WW	0	RM	7045	Trf to Fleet/ Vehicle Maint	66,153	68,138	70,182	72,287	74,456	76,689	78,990	81,360	83,801	86,315
WW	0	RM	7047	SSO Initiative	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716
WW	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WW	0	0	0	0	-	-	-	-	-	-	-	-	-	-
WW	0	0	0	Capital Outlay/Projects	-	-	-	-	-	-	-	-	-	-
WW	0	CO	8015	Main Line Ext & Taps	-	-	-	-	-	-	-	-	-	-
WW	0	CO	8017	Lift Station Maintenance	-	-	-	-	-	-	-	-	-	-
WW	0	CO	8019	Utility Mapping/GIS	-	-	-	-	-	-	-	-	-	-
WW	0	CO	8040	Boot Buy Back Program	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
0	0	0	0	651 -- UTILITY CUSTOMER SERVICE	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
CS	0	0	0	Personnel	-	-	-	-	-	-	-	-	-	-
CS	0	P	1001	Base Pay	151,466	156,009	160,690	165,510	170,476	175,590	180,858	186,283	191,872	197,628
CS	0	P	1002	Stability Pay	713	734	756	779	802	827	851	877	903	930
CS	0	P	1104	Certification Pay	2,100	2,163	2,228	2,295	2,364	2,434	2,508	2,583	2,660	2,740
CS	0	P	1005	Part-Time	-	-	-	-	-	-	-	-	-	-
CS	0	P	1006	Overtime	750	773	796	820	844	869	896	922	950	979
CS	0	P	1010	TMRS	29,293	31,636	34,167	36,900	39,852	43,040	46,484	50,202	54,218	58,556
CS	0	P	1011	FICA	11,860	12,808	13,833	14,940	16,135	17,425	18,820	20,325	21,951	23,707
CS	0	P	1012	Group Medical Insurance	32,634	35,245	38,064	41,109	44,398	47,950	51,786	55,929	60,403	65,236
CS	0	P	1013	Worker's Compensation	500	540	583	630	680	735	793	857	925	1,000
CS	0	P	1016	Uniforms	-	-	-	-	-	-	-	-	-	-
CS	0	P	1021	Mileage Reimbursement	100	103	106	109	113	116	119	123	127	130
CS	0	P	1050	Halo Flight Expense	88	90	93	96	98	101	104	108	111	114
CS	0	P	1051	Stipend Pay	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697
CS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
CS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
CS	0	0	0	Contracts & Services	-	-	-	-	-	-	-	-	-	-
CS	0	SC	2000	Overages/Shortages	-	-	-	-	-	-	-	-	-	-
CS	0	SC	2002	Merchant Processing Fees	76,400	78,692	81,053	83,484	85,989	88,569	91,226	93,962	96,781	99,685
CS	0	SC	2004	Audits	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
CS	0	SC	2016	Legal Services	-	-	-	-	-	-	-	-	-	-
CS	0	SC	2037	Equipment Rental	-	-	-	-	-	-	-	-	-	-
CS	0	SC	2040	Engineering/Surveying	-	-	-	-	-	-	-	-	-	-
CS	0	SC	2044	Easement Expense	-	-	-	-	-	-	-	-	-	-
CS	0	SC	2045	Contracted Services	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858
CS	0	SC	2047	Telephone	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
CS	0	SC	2054	System Inspect/Tests	-	-	-	-	-	-	-	-	-	-
CS	0	SC	2056	Security System Monitoring	-	-	-	-	-	-	-	-	-	-
CS	0	SC	2057	SCADA System	-	-	-	-	-	-	-	-	-	-
CS	0	SC	2058	Itron System Maintenance	-	-	-	-	-	-	-	-	-	-
CS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
CS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
CS	0	0	0	Supplies	-	-	-	-	-	-	-	-	-	-
CS	0	S	3001	Office	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262
CS	0	S	3002	Postage	36,500	37,595	38,723	39,885	41,081	42,314	43,583	44,890	46,237	47,624
CS	0	S	3007	Boots	-	-	-	-	-	-	-	-	-	-
CS	0	S	3011	Chemicals	-	-	-	-	-	-	-	-	-	-
CS	0	S	3018	Computer Supplies	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
CS	0	S	3019	GIS & Mapping	-	-	-	-	-	-	-	-	-	-
CS	0	S	3020	Small Tools/Safety Equip	-	-	-	-	-	-	-	-	-	-
CS	0	S	3023	Utilities	-	-	-	-	-	-	-	-	-	-
CS	0	S	3024	Electricity	-	-	-	-	-	-	-	-	-	-

10 Year Forecast 2024 - 2033					CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL									
					Test Year	Forecast								
					2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Forecast WW 3.0 -- WASTEWATER Service Revenue Requirement Raised from Rates</b>														
<b>Scenario: 2024 08 19 Scenario I -- Status Quo</b>														
CS	0	S	3049	H2S Control	-	-	-	-	-	-	-	-	-	-
CS	0	S	3050	Emergency Mngmt Supplies	-	-	-	-	-	-	-	-	-	-
CS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
CS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
CS	0	0	0	Travel & Training	-	-	-	-	-	-	-	-	-	-
CS	0	A	4001	Schools/Seminars-Registration	3,250	3,348	3,448	3,551	3,658	3,768	3,881	3,997	4,117	4,241
CS	0	A	4002	Dues & Subscriptions	500	515	530	546	563	580	597	615	633	652
CS	0	A	4003	Schools/Seminars-Travel & Exp.	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
CS	0	A	4004	Public Awareness	-	-	-	-	-	-	-	-	-	-
CS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
CS	0	0	0	0	-	-	-	-	-	-	-	-	-	-
CS	0	0	0	Capital Outlay/Projects	-	-	-	-	-	-	-	-	-	-
CS	0	CO	8001	Computer Equip	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
0	0	0	0	699 -- NON-DEPARTMENTAL	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
ND	0	0	0	Personnel	-	-	-	-	-	-	-	-	-	-
ND	0	P	1000	Vacation Pay	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786
ND	0	P	1001	Cost of Living Adjustment	-	-	-	-	-	-	-	-	-	-
ND	0	P	1002	Sick Pay -- Retirement	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
ND	0	P	1010	TMRs	2,362	2,551	2,755	2,975	3,213	3,471	3,748	4,048	4,372	4,722
ND	0	P	1011	FICA	957	1,033	1,116	1,205	1,301	1,405	1,518	1,639	1,770	1,912
ND	0	0	0	0	-	-	-	-	-	-	-	-	-	-
ND	0	0	0	Contracts & Services	-	-	-	-	-	-	-	-	-	-
ND	0	SC	2000	Overages/Shortages	-	-	-	-	-	-	-	-	-	-
ND	0	SC	2011	Insurance	366,000	384,300	403,515	423,691	444,875	467,119	490,475	514,999	540,749	567,786
ND	0	SC	2012	Retiree Insurance	33,000	33,990	35,010	36,060	37,142	38,256	39,404	40,586	41,803	43,058
ND	0	SC	2016	Legal Services	-	-	-	-	-	-	-	-	-	-
ND	0	SC	2023	Insurance Claim - Lightning	-	-	-	-	-	-	-	-	-	-
ND	0	SC	2040	Engineering/Surveying	-	-	-	-	-	-	-	-	-	-
ND	0	SC	2044	Easement Expense	-	-	-	-	-	-	-	-	-	-
ND	0	SC	2046	Contracted Services	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786
ND	0	SC	2047	Telephone	-	-	-	-	-	-	-	-	-	-
ND	0	SC	2054	System Inspect/Tests	-	-	-	-	-	-	-	-	-	-
ND	0	SC	2056	Security System Monitoring	-	-	-	-	-	-	-	-	-	-
ND	0	SC	2098	Insurance Reserve Contingency	5,757	5,930	6,108	6,291	6,480	6,674	6,874	7,080	7,293	7,512
ND	0	0	0	Supplies	-	-	-	-	-	-	-	-	-	-
ND	0	S	3001	Office	-	-	-	-	-	-	-	-	-	-
ND	0	S	3002	Postage	-	-	-	-	-	-	-	-	-	-
ND	0	S	3007	Boots	-	-	-	-	-	-	-	-	-	-
ND	0	S	3011	Chemicals	-	-	-	-	-	-	-	-	-	-
ND	0	S	3018	Computer Supplies	11,050	11,382	11,723	12,075	12,437	12,810	13,194	13,590	13,998	14,418
ND	0	0	0	0	-	-	-	-	-	-	-	-	-	-
ND	0	0	0	Capital Outlay/Projects	-	-	-	-	-	-	-	-	-	-
ND	0	CO	8030	Pictometry	-	-	-	-	-	-	-	-	-	-
ND	0	0	0	0	-	-	-	-	-	-	-	-	-	-
ND	0	0	0	Operating Transfers	-	-	-	-	-	-	-	-	-	-
T	0	T	8501	Trf to Gen Fund-Bldg & Dev	329,691	339,581	349,769	360,262	371,070	382,202	393,668	405,478	417,642	430,171
T	0	T	8502	Trf to Gen Fund-Franchise Fees	391,500	403,245	415,342	427,803	440,637	453,856	467,471	481,496	495,940	510,819
T	0	T	8503	Trf to Gen Fund Site Maint.	11,737	12,089	12,452	12,825	13,210	13,606	14,015	14,435	14,868	15,314
T	0	T	8505	Trf to Gen Fund - Admin Salaries	193,219	199,016	204,986	211,136	217,470	223,994	230,714	237,635	244,764	252,107
ND	0	DS	8532	Trf to Util Debt Serv Fund	-	-	-	-	-	-	-	-	-	-
T	0	T	8550	Trf to Compensation Study Fund	1,050	1,082	1,114	1,147	1,182	1,217	1,254	1,291	1,330	1,370
0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
0	0	0	0	Last	-	-	-	-	-	-	-	-	-	-
<b>Total</b>					<b>\$ 3,998,317</b>	<b>\$ 4,391,242</b>	<b>\$ 4,817,912</b>	<b>\$ 5,111,630</b>	<b>\$ 5,426,621</b>	<b>\$ 5,765,663</b>	<b>\$ 6,129,915</b>	<b>\$ 6,522,020</b>	<b>\$ 6,944,146</b>	<b>\$ 7,399,634</b>

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<div> <div>10 Year Forecast 2024 - 2033</div> <div>CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL</div> </div>											
	Test Year 2024	Forecast 2025	2026	2027	2028	2029	2030	2031	2032	2033	
<b>Forecast WW 3.0 -- WASTEWATER Service Revenue Requirement Raised from Rates</b> <b>Scenario: 2024 08 19 Scenario I -- Status Quo</b>											
Sub-Total -- Operating, Capital Outlays, Transfers	\$ 4,018,317	\$ 4,536,774	\$ 4,963,444	\$ 5,257,162	\$ 5,572,153	\$ 5,911,195	\$ 6,275,447	\$ 6,667,552	\$ 7,089,678	\$ 7,545,166	
<b>CURRENT DEBT SERVICE</b>											
Wastewater Debt Service											
Principal & Interest	\$ 720,496	\$ 749,505	\$ 781,196	\$ 660,212	\$ 470,590	\$ 544,825	\$ 188,337	\$ 196,791	\$ 205,853	\$ 215,206	
Commercial Paper Interest Expense	205,445	177,182	147,532	118,930	95,491	75,443	60,420	52,341	43,892	35,057	
Reserve	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL CURRENT DEBT SERVICE -- CASH BASIS</b>	<b>\$ 925,941</b>	<b>\$ 926,687</b>	<b>\$ 928,728</b>	<b>\$ 779,142</b>	<b>\$ 566,081</b>	<b>\$ 620,268</b>	<b>\$ 248,757</b>	<b>\$ 249,131</b>	<b>\$ 249,746</b>	<b>\$ 250,262</b>	
<b>TOTAL CURRENT DEBT SERVICE -- UTILITY BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>FUTURE DEBT SERVICE</b>											
Wastewater Debt Service											
Principal	\$ -	\$ -	\$ 300,870	\$ 591,443	\$ 941,664	\$ 1,099,390	\$ 1,263,426	\$ 1,313,963	\$ 1,366,521	\$ 1,421,182	
Interest	-	-	501,200	953,165	1,473,507	1,635,841	1,791,865	1,741,328	1,688,770	1,634,109	
Reserve	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL FUTURE DEBT SERVICE -- CASH BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 802,070</b>	<b>\$ 1,544,609</b>	<b>\$ 2,415,171</b>	<b>\$ 2,735,231</b>	<b>\$ 3,055,291</b>	<b>\$ 3,055,291</b>	<b>\$ 3,055,291</b>	<b>\$ 3,055,291</b>	
<b>TOTAL FUTURE DEBT SERVICE -- UTILITY BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>DEPRECIATION</b>											
Existing Assets	\$ 668,702	\$ 667,347	\$ 656,922	\$ 630,025	\$ 559,944	\$ 487,877	\$ 462,713	\$ 462,583	\$ 461,321	\$ 461,321	
Capital Improvement Plan	-	318,600	550,600	822,600	922,600	1,022,600	1,022,600	1,022,600	1,022,600	1,022,600	
<b>TOTAL DEPRECIATION -- CASH BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>TOTAL DEPRECIATION -- UTILITY BASIS</b>	<b>\$ 668,702</b>	<b>\$ 985,947</b>	<b>\$ 1,207,522</b>	<b>\$ 1,452,625</b>	<b>\$ 1,482,544</b>	<b>\$ 1,510,477</b>	<b>\$ 1,485,313</b>	<b>\$ 1,485,183</b>	<b>\$ 1,483,921</b>	<b>\$ 1,483,921</b>	
<b>RETURN</b>											
Net Rate Base											
Existing Assets	\$ 13,973,253	\$ 13,395,934	\$ 12,837,153	\$ 12,272,276	\$ 11,782,506	\$ 11,370,508	\$ 10,989,660	\$ 10,615,570	\$ 10,249,900	\$ 9,892,203	
Capital Improvement Plan	-	12,211,400	23,260,800	36,038,200	40,115,600	44,093,000	43,070,400	42,047,800	41,025,200	40,002,600	
<b>Total</b>	<b>13,973,253</b>	<b>25,607,334</b>	<b>36,097,953</b>	<b>48,310,476</b>	<b>51,898,106</b>	<b>55,463,508</b>	<b>54,060,060</b>	<b>52,663,370</b>	<b>51,275,100</b>	<b>49,894,803</b>	
Rate of Return	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	
<b>TOTAL RETURN -- CASH BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>TOTAL RETURN -- UTILITY BASIS</b>	<b>\$ 1,283,769</b>	<b>\$ 2,352,630</b>	<b>\$ 3,316,438</b>	<b>\$ 4,438,443</b>	<b>\$ 4,768,050</b>	<b>\$ 5,095,615</b>	<b>\$ 4,966,676</b>	<b>\$ 4,838,357</b>	<b>\$ 4,710,812</b>	<b>\$ 4,584,000</b>	

<div> <div>10 Year Forecast 2024 - 2033</div> <div>CITY OF ROCKPORT WATER/WASTEWATER COST OF SERVICE MODEL</div> </div>										
	Test Year 2024	Forecast 2025	2026	2027	2028	2029	2030	2031	2032	2033
Forecast WW 3.0 -- WASTEWATER Service Revenue Requirement Raised from Rates										
Scenario: 2024 08 19 Scenario I -- Status Quo										
<b>TOTAL COST OF SERVICE</b>										
TOTAL COST OF SERVICE -- CASH BASIS	\$ 4,944,258	\$ 5,463,461	\$ 6,694,241	\$ 7,580,912	\$ 8,553,405	\$ 9,266,694	\$ 9,579,495	\$ 9,971,974	\$ 10,394,714	\$ 10,850,720
TOTAL COST OF SERVICE -- UTILITY BASIS	\$ 5,950,788	\$ 7,729,819	\$ 9,341,872	\$ 11,002,697	\$ 11,677,216	\$ 12,371,756	\$ 12,581,904	\$ 12,845,560	\$ 13,138,879	\$ 13,467,555
<b>NON RATE REVENUES</b>										
TOTAL NON-RATE REVENUES -- CASH BASIS	\$ 476,859	\$ 439,329	\$ 440,266	\$ 441,216	\$ 442,181	\$ 443,161	\$ 444,155	\$ 445,164	\$ 446,188	\$ 447,228
TOTAL NON-RATE REVENUES -- UTILITY BASIS	\$ 476,859	\$ 439,329	\$ 440,266	\$ 441,216	\$ 442,181	\$ 443,161	\$ 444,155	\$ 445,164	\$ 446,188	\$ 447,228
<b>TOTAL REVENUE REQUIREMENT</b>										
TOTAL WASTEWATER REVENUE REQUIREMENT -- CASH BASIS	\$ 4,467,399	\$ 5,024,132	\$ 6,253,975	\$ 7,139,696	\$ 8,111,224	\$ 8,823,533	\$ 9,135,340	\$ 9,526,810	\$ 9,948,526	\$ 10,403,492
TOTAL WASTEWATER REVENUE REQUIREMENT -- UTILITY BASIS	\$ 5,473,929	\$ 7,290,490	\$ 8,901,606	\$ 10,561,481	\$ 11,235,034	\$ 11,928,595	\$ 12,137,748	\$ 12,400,396	\$ 12,692,691	\$ 13,020,327





## City of Rockport, TX Overhead Rate Calculations

Adjust rows and Departments as needed for updates

Department	Salary and Benefits	Department Operations & Administration	Direct Overhead	Indirect Overhead
Finance	436,553	23,094	5.3%	0.0%
City Secretary	114,638	63,580	55.5%	0.0%
City Manager	455,587	54,800	12.0%	0.0%
INFORMATION TECHNOLOGY	241,967	26,000	10.7%	0.0%
BUILDING & DEVELOPMENT	241,563	62,300	25.8%	10.0%
INSPECTIONS	305,851	13,000	4.3%	10.0%
CODE ENFORCEMENT	230,864	194,826	84.4%	10.0%
STREETS	558,354	619,752	111.0%	10.0%
BUILDING MAINTENANCE	56,378	251,242	445.6%	0.0%
UTILITIES	2,600,529	3,853,938	148.2%	10.0%
NATURAL GAS	663,143	455,534	68.7%	10.0%
FLEET SERVICES	356,112	565,026	158.7%	0.0%
COMMUNICATIONS	1,101,339	7,380	0.7%	0.0%
POLICE	3,317,990	324,602	9.8%	10.0%

City of Rockport, TX  
Fully Burdened Hourly Rate Calculation

O&amp;M

Department	Position	FTE's	Total Salary & Benefits	S&B Hourly Rate	Direct %	Indirect %	Fully Burdened Hourly Rate
<b>Department Rates</b>							
Finance		3.75	311,335.20	48.85	5%	0%	51.44
City Secretary		0.75	85,950.36	69.45	55%	0%	107.98
City Manager		2.00	275,819.20	83.58	12%	0%	93.64
INFORMATION TECHNOLOGY		2.00	144,913.60	43.91	11%	0%	48.63
BUILDING & DEVELOPMENT		3.09	202,623.98	46.57	26%	10%	64.44
INSPECTIONS		4.00	209,507.20	29.98	4%	10%	34.38
CODE ENFORCEMENT		3.00	141,688.80	28.62	84%	10%	58.06
STREETS		7.25	320,728.82	34.51	111%	10%	80.09
BUILDING MAINTENANCE		1.00	35,984.00	21.81	446%	0%	119.00
UTILITIES		30.87	1,503,170.26	33.46	148%	10%	91.35
NATURAL GAS		8.67	390,785.90	36.05	69%	10%	66.90
FLEET SERVICES		3.38	247,830.51	54.27	159%	0%	140.38
COMMUNICATIONS		11.50	617,400.80	35.86	1%	0%	36.10
POLICE		31.00	2,014,649.44	41.57	10%	10%	50.20

## Position Rates\*

City Manager	City Manager - ASST TO THE CITY MGR	1.00	86,072.00	52.16	12%	0%	58.44
City Manager	City Manager - CITY MANAGER	1.00	189,747.20	115.00	12%	0%	128.83
City Secretary	City Secretary - CITY SECRETARY	0.75	85,950.36	69.45	55%	0%	107.98
CODE ENFORCEMENT	Code - CODE ENFORCEMENT OFFICER	3.00	141,688.80	28.62	84%	10%	58.06
COMMUNICATIONS	Communications - CODE ENFORCEMENT OFFICER	0.50	23,909.60	28.98	1%	0%	29.18
COMMUNICATIONS	Communications - COMM CTR DIRECTOR	1.00	76,358.40	46.28	1%	0%	46.59
COMMUNICATIONS	Communications - COMMUNICATIONS SHIFT SPVR	1.00	56,235.20	34.08	1%	0%	34.31
COMMUNICATIONS	Communications - COMMUNICATIONS ASSISTANT	1.00	66,040.00	40.02	1%	0%	40.29
COMMUNICATIONS	Communications - COMMUNICATIONS OFFICER	8.00	394,857.60	29.91	1%	0%	30.11
BUILDING & DEVELOPMENT	Development - ADMIN COORDINATOR	0.50	22,464.00	27.23	26%	10%	37.68
BUILDING & DEVELOPMENT	Development - ASST DIR/COMMUNITY PLANNER	1.00	99,540.00	60.33	26%	10%	83.47
BUILDING & DEVELOPMENT	Development - BLDG & DEV PLANNING TECH	1.00	41,724.80	25.29	26%	10%	34.99
BUILDING & DEVELOPMENT	Development - EXECUTIVE ASSISTANT	0.50	25,702.40	31.15	26%	10%	43.11
BUILDING & DEVELOPMENT	Development - PUBLIC WORKS DIR	0.09	13,192.78	88.84	26%	10%	122.93
Finance	Finance - ACCOUNTING TECHNICIAN	0.75	33,290.40	26.90	5%	0%	28.32
Finance	Finance - CONTROLLER	1.00	87,524.80	53.05	5%	0%	55.85
Finance	Finance - DIRECTOR OF FINANCE	1.00	120,806.40	73.22	5%	0%	77.09
Finance	Finance - FINANCIAL MANAMEMENT ANALYST	1.00	69,713.60	42.25	5%	0%	44.49
FLEET SERVICES	Fleet - ASSISTANT DIRECTOR OF PUBLIC WORKS	0.25	23,878.40	57.89	159%	0%	149.73
FLEET SERVICES	Fleet - FLEET MANAGER	1.00	88,795.20	53.82	159%	0%	139.20
FLEET SERVICES	Fleet - MECHANIC	1.00	50,856.00	30.82	159%	0%	79.73
FLEET SERVICES	Fleet - PW DIRECTOR	0.13	18,323.31	88.84	159%	0%	229.80
FLEET SERVICES	Fleet - SENIOR MECHANIC	1.00	65,977.60	39.99	159%	0%	103.43
NATURAL GAS	Gas - ADMIN SUPERVISOR	0.25	14,929.20	36.19	69%	10%	67.16
NATURAL GAS	Gas - COMPLIANCE ASSISTANT	1.00	41,724.80	25.29	69%	10%	46.92
NATURAL GAS	Gas - CREW LEADER-FIELD OP	1.00	43,804.80	26.55	69%	10%	49.26
NATURAL GAS	Gas - NATURAL GAS CREW LEAD	1.00	52,145.60	31.60	69%	10%	58.64
NATURAL GAS	Gas - NATURAL GAS MAINT TECH	4.00	146,660.80	22.22	69%	10%	41.23
NATURAL GAS	Gas - NATURAL GAS MAINT TECH-PT	0.20	8,998.08	27.27	69%	10%	50.60
NATURAL GAS	Gas - PW DIRECTOR	0.22	32,249.02	88.84	69%	10%	164.85
NATURAL GAS	Gas - SYSTEMS OPERATOR	1.00	50,273.60	30.47	69%	10%	56.54
INSPECTIONS	Inspections - ADMIN COORDINATOR	0.50	22,464.00	27.23	4%	10%	31.23
INSPECTIONS	Inspections - BLDG INSPECTOR/PLAN REVIEW	2.00	119,616.00	36.25	4%	10%	41.57
INSPECTIONS	Inspections - EXECUTIVE ASSISTANT	0.50	25,702.40	31.15	4%	10%	35.73
INSPECTIONS	Inspections - PERMIT TECH	1.00	41,724.80	25.29	4%	10%	29.00
INFORMATION TECHNOLOGY	IT - DESKTOP SUPPORT TECHNICIAN	1.00	54,080.00	32.78	11%	0%	36.30
INFORMATION TECHNOLOGY	IT - IT DIRECTOR	1.00	90,833.60	55.05	11%	0%	60.97
BUILDING MAINTENANCE	Maintenance - CUSTODIAL SERVICES TECH	1.00	35,984.00	21.81	446%	0%	119.00
POLICE	Police - ADMIN COORDINATOR	1.00	67,016.00	40.62	10%	10%	49.05
POLICE	Police - CAPTAIN - CID	1.00	87,928.00	53.29	10%	10%	64.35
POLICE	Police - CAPTAIN - PATROL	1.00	96,128.00	58.26	10%	10%	70.35

Add/remove rows as needed to  
include all positions from pivot table

POLICE	Police - CHIEF OF POLICE	1.00	105,023.04	63.65	10%	10%	76.87
POLICE	Police - DETECTIVE	4.00	252,299.20	38.23	10%	10%	46.16
POLICE	Police - INVESTIGATIVE ASST	1.00	45,046.40	27.30	10%	10%	32.97
POLICE	Police - LIEUTENANT - ADMIN	1.00	65,860.80	39.92	10%	10%	48.20
POLICE	Police - LIEUTENANT - PATROL	4.00	287,640.00	43.58	10%	10%	52.63
POLICE	Police - POLICE OFFICER	15.00	916,224.00	37.02	10%	10%	44.70
POLICE	Police - PROPERTY & EVIDENCE TECH	1.00	51,472.00	31.20	10%	10%	37.67
POLICE	Police - RECORDS TECHNICIAN	1.00	40,012.00	24.25	10%	10%	29.28
STREETS	Streets - ASSISTANT DIRECTOR PUBLIC WORKS	0.25	24,958.40	60.51	111%	10%	140.43
STREETS	Streets - CREW LEADER	1.00	48,941.60	29.66	111%	10%	68.84
STREETS	Streets - HEAVY EQUIPMENT OPERATOR	1.00	42,264.80	25.62	111%	10%	59.45
STREETS	Streets - MAINT TECH	4.00	147,905.62	22.41	111%	10%	52.01
STREETS	Streets - PRODUCTION Supervisor	1.00	56,658.40	34.34	111%	10%	79.70
UTILITIES	Utilities - ACCOUNTANT	1.00	61,732.80	37.41	148%	10%	102.15
UTILITIES	Utilities - ADMIN COORDINATOR	1.00	45,489.60	27.57	148%	10%	75.27
UTILITIES	Utilities - ADMIN SUPERVISOR	0.75	41,230.80	33.32	148%	10%	90.96
UTILITIES	Utilities - ADMIN TECHNICIAN	1.00	40,227.20	24.38	148%	10%	66.56
UTILITIES	Utilities - AMI SPECIALIST	1.00	44,864.80	27.19	148%	10%	74.24
UTILITIES	Utilities - ASSISTANT DIRECTOR OF PUBLIC WORKS	0.25	23,878.40	57.89	148%	10%	158.04
UTILITIES	Utilities - CHIEF PLANT OPERATOR	1.00	64,000.00	38.79	148%	10%	105.90
UTILITIES	Utilities - DIRECTOR OF PW & BLD DEV	0.57	82,821.34	88.84	148%	10%	242.55
UTILITIES	Utilities - LEAD FACILITY MAINT TECH	1.00	58,861.60	35.67	148%	10%	97.40
UTILITIES	Utilities - LEAD UTIL BILLING TECH	1.00	40,705.60	24.67	148%	10%	67.35
UTILITIES	Utilities - LIFT STATION MAINT TECH	1.00	41,245.60	25.00	148%	10%	68.25
UTILITIES	Utilities - PART TIME-UTIL MAINT TECH	0.30	8,933.60	18.05	148%	10%	49.27
UTILITIES	Utilities - QUALITY CONTROL SUPERVISOR	1.00	52,748.80	31.97	148%	10%	87.28
UTILITIES	Utilities - UTIL MAINT TECH	3.00	117,352.00	23.71	148%	10%	64.73
UTILITIES	Utilities - UTIL PLANT OPERATOR	1.00	60,028.00	36.38	148%	10%	99.33
UTILITIES	Utilities - UTIL SYS OPR	1.00	42,805.60	25.94	148%	10%	70.83
UTILITIES	Utilities - UTIL SYS PROD MGR	2.00	160,652.52	48.68	148%	10%	132.91
UTILITIES	Utilities - UTILITIES EQUIPMENT OPERATOR	1.00	40,705.60	24.67	148%	10%	67.35
UTILITIES	Utilities - UTILITIES MAINT TECH	6.00	222,834.40	22.51	148%	10%	61.45
UTILITIES	Utilities - UTILITY BILLING SPVR	1.00	54,745.60	33.18	148%	10%	90.59
UTILITIES	Utilities - UTILITY BILLING TECH I	4.00	152,380.80	23.09	148%	10%	63.03
UTILITIES	Utilities - WATER QUALITY TECH	1.00	44,925.60	27.23	148%	10%	74.34

Contract Personnel

Select Position or input Contract Employee

			0.00
			0.00
			0.00

Manually update contract personnel (Columns B, C, and F)

## Rockport, TX

Utility User Fees		
#	Description	Current Fee/Charge
1	Meter Connects	25.00
2	Meter Reconnects	25.00
3	Meter Reconnects - After Hours	37.50
New	Meter Disconnects	0.00
4	Deposits - Residential	150.00
5	Deposits - Commercial	700.00
6	NSF Fees	25.00
7	Meter Tempering Fees	50.00
8	Trip Charges	25.00
9	Theft of Services	at cost
10	Damage Indemnification	at cost
11	Meter Lock Fee	25.00

## Add new fees or fee replacements below


## Fees removed, replaced, or consolidated


Utilities - UTILITY BILLING TECH I	Utilities - UTILITIES MAINT TECH	Communications - COMMUNICATIONS OFFICER	Utilities - ASSISTANT DIRECTOR OF PUBLIC WORKS	Material/3rd Party Cost
\$63.03	\$61.45	\$30.11	\$158.04	
0.42	0.58			
0.42	0.58			
	0.75	0.42		
0.42	0.58			
0.25				\$38.00
0.13	0.88		0.08	\$22.00
0.42	0.58			
0.42	0.58			



Full Cost	Subsidy %	Suggested Fee	Fee Δ
\$62.11	3%	\$60.00	\$35
\$62.11	3%	\$60.00	\$35
\$87.96	3%	\$85.00	\$48
\$62.11	3%	\$60.00	\$60
\$172.44	1%	\$170.00	\$20
\$783.66	0%	\$780.00	\$80
\$53.76	44%	\$30.00	\$5
\$96.82	-3%	\$100.00	\$50
\$62.11	19%	\$50.00	\$25
NA	NA	At Cost	NA
NA	NA	At cost	NA
\$62.11	3%	\$60.00	\$35

\$0.00	#DIV/0!		0
\$0.00	#DIV/0!		0
\$0.00	#DIV/0!		0
\$0.00	#DIV/0!		0
\$0.00	#DIV/0!		0

\$0.00	NA		0
\$0.00	NA		0
\$0.00	NA		0
\$0.00	NA		0



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