

Martin Schmidt, Assistant County Manager for Public Works

Phone: (970) 641-0044  
mschmidt@gunnisoncounty.org

## MEMORANDUM

12/30/2025

Gunnison County is unique in its utility service delivery. Gunnison is one of just a handful of Colorado Counties that provide water and sewer service; in almost every other area either municipalities or special districts are the responsible entities. It is worthwhile to review how we became a utility provider, how the utility is set up, and what comprises the costs and rates in order to understand the output of the rate study.

### History of County Water and Sewer

The Gunnison County Water and Sewer District is a county-administered utility that provides potable water and/or sanitary sewer collection across multiple service areas in the county. This utility program was established to ensure reliable water and wastewater collection for residents and developments outside of the City of Gunnison boundaries.

The sewer services provided by Gunnison County can be traced back to as early as 1977 in the Dos Rios area. The original purpose of the sewer utility was to improve the quality of domestic wells (and the river) in the low-laying Dos Rios Area. In a theme that is repeated for other areas, when the quality of water wells is impacted by septic fields, the first infrastructure solution is to “remove the poison” by conveying the sewage to a treatment facility. This was the intent behind the Antelope Hills and North Gunnison sewer extensions as well. In every case, after the installation of the central sewer, the quality of the area’s wells rebounded, and the customer regained safe drinking water. Each of our service areas represents a situation where the property owners faced a bleak property value future without the intervention of the County. Most of the sewer extensions were a mix of grants and low interest government loans, in an attempt to minimize the cost to the customer. Gunnison County has not and does not treat sewage but instead conveys the sewage to the City of Gunnison treatment plant on McCabe’s Lane. This is a type of treatment arrangement that minimizes the proliferation of sewage treatment plants, a goal of the Colorado Department of Public Health and the Environment (CDPHE) for larger environmental and regulatory reasons.

The water utility began in 1991 when the Uranium Mill Tailings Remedial Action Project cleanup of the old Uranium Processing Super Fund site south of the GUC airport was in full swing and the federal government identified potential uranium contamination that had the potential to impact ground water. The wells tested clean, but under a preponderance of caution, water service was extended. The treatment plant is in good condition for its age. It uses conventional surface water infiltration (Gunnison River water) and is supported by a 250,000-gallon treated potable water storage tank. The water system regularly meets and exceeds any regulatory standard and staff is proud to deliver such high-quality water to its customers. The water system was not looking to expand, but in the 2000’s contaminants were found in the water system in Antelope Hills (not related to septic) and the County once again worked to extend utilities to the area. Luckily only a delivery line was needed, not an expansion of the

treatment facility. The water system is in good repair, but most of the infrastructure is around 30 years old and needing more intensive repair or replacement to maintain operability.

The history of the Gunnison County Water and Sewer utility is one of stepping in when only government could provide a solution and maintaining habitable homes and businesses for the community. The utility's goal has never been expansion but rather providing quality service to those that required the County's help.

### **Enterprise Accounts**

In Colorado state law, a government enterprise account or enterprise fund is a government-owned business. It is not a typical government funds account like the general fund; rather, it is a financial classification for certain government activities that operate like self-supporting businesses, where the users rather than the taxpayers bear the cost. The enterprise fund is accounted for separately to reflect financial independence from the General Fund. This is the typical structure for most government provided utilities. The Utility Department in Gunnison County is entirely comprised of Enterprise accounts and therefore the rates are tied to the cost to provide service. All the rates are paid into the enterprise account and stay in that account, they are not used for any other purpose.

### **Low Density Utilities are Expensive**

Utility systems inherently include fixed, capital-intensive infrastructure and are distance-dependent, which unfortunately does not scale down well with fewer customers. When systems are spread out, costs rise sharply on a per-customer basis because infrastructure must be built, operated, and maintained over long distances for relatively few users. This is why compact, higher-density development is consistently less expensive to serve with public utilities, rate charges comparison is difficult to perform, and is why utility extensions into low-density areas need to serve a critical purpose. Low-density utilities require more pipe, trenching, manholes, road crossings, and maintenance per household (user).

### **City Sewer Treatment**

Gunnison County does not treat sewage collected in the sanitary sewer system, we deliver the wastewater to the City of Gunnison Sewer Treatment Plant. Through an Intergovernmental Agreement executed in the early 2000's the two systems are tied together in such a way that the amount of sewage produced in the County is metered separately and a per-gallon charge is levied by the City. This treatment fee has steadily risen over the last decade due to both the age of the treatment facility that requires regular maintenance at a higher rate and increased state regulations from CDPHE, that while important, create expensive upfitting to the treatment facility. The charges for treatment are the majority of the sewer costs for customers. Because the treatment costs are charged on a per-gallon basis, the amount of wastewater produced and the integrity of the system directly changes these costs.

### **Capital Improvement Expenditures**

Capital Improvement Expenditures in a sewer utility encompass all major, long-term investments required to build, expand, perform major maintenance, and modernize the wastewater system. These activities are essential to system reliability, regulatory compliance, reducing treatment costs, and public and environmental health. There are long-term sewer costs and specific short term, priced 10-year and general 20-year costs that are part of a Capital Improvement Plan for utilities.

## **Sewer Rate Structures**

Sewer utilities employ a two-part rate structure consisting of service charges based on connected wastewater generators and availability, or readiness-to-serve, and fees. Each component serves a distinct operational and financial purpose and together ensures that the utility can maintain reliable service, meet regulatory requirements, and remain financially sustainable.

### **Service Charges**

Service charges recover the variable costs associated with collecting wastewater. These costs fluctuate with the volume and strength of flows entering the system and include energy consumption, treatment chemicals, and other operating expenses directly tied to the collection system. Fixed costs and capital expenditures are added to the quarterly service charges to make up the full-service charge.

### **Availability Fees**

Availability fees are fixed charges assessed on all properties that have the ability or requirement to connect to the sewer system. Because sewer utilities have a high proportion of fixed costs, these fees provide a stable revenue source to support the infrastructure required to serve customers when they finally tap into the system. Availability fees primarily fund two things, system capacity maintenance and capital and debt service every potentially connected property requires the utility to maintain capacity within the collection system and pipelines, lift stations, and other system assets must be financed, operated, and maintained at all times. These costs do not vary with usage and need to be funded prior to connection. This approach is standard and viewed as a best practice among U.S. sewer utilities and is essential for maintaining service reliability and regulatory compliance.

In the State of Colorado, there is a mandate to connect to sewer. (§ 30-20-416) The CDPHE and the County Commissioners have the authority to require owners of premises located within 400 feet of a sewer line to connect for public health reasons. This 400-foot connection limit is what our utility uses to determine if availability fees apply, and if availability is paid, the cost of the tap is reduced when the property finally connects.

### **Rate Study**

A rate study is conducted to ensure that utility rates are financially adequate, legally defensible, and equitable, while also supporting the long-term reliability of the system. A professional study provides the analytical basis for determining how existing rates should be adjusted and how costs are allocated among customers. A rate study for an existing utility includes review of past expenses and projecting known, future expenditures; reviewing rate equity for cost centers; incorporating any regulatory requirements and focuses on explaining the recommended course in a transparent way. The study is necessary to maintain the financial stability of the utility and avoid deferred maintenance or unplanned rate adjustments. It is always better to create stability in rates than to make the customers deal with uncertainty.

A competitively bid consultant has prepared a rate study for the Utility. Staff has worked closely with the consultant and will assist in presenting the findings and answering any questions from the Board. The recommended rate schedule resolutions will be presented after the rate study discussion.

## **GUNNISON COUNTY SEWER AND WATER DISTRICT WATER AND SEWER UTILITY RATE STUDY**

### **FINAL SUMMARY REPORT DECEMBER 19, 2025**

---

#### **INTRODUCTION**

RG and Associates, LLC (RGA) was retained by Gunnison County Sewer and Water District (District) to conduct an analysis of the District's water and sewer utility rates. The purpose of the analysis is to establish fair and equitable rates and fees for all the customers in the District, now and into the future. The rates and fees should be set so that the District can pay for reasonable expenses and improvements to the system. This updated rate study uses the district's entire customer base of metered water usage data, existing and projected customer base, revenues, and expenses for 2024 and uses 2024 as the starting point for developing the model.

#### **THE DISTRICT**

The District consists of three distinctive communities called "Divisions", and each, while still being part of the overall District, has different demographics. The divisions included in the District are the Dos Rios Division, which provides both water and sewer utilities, the Antelope Hills Division which includes water and sewer utilities, and the North Gunnison Division which only provides sewer utility. The Dos Rios Division also includes Tomichi Village. Each utility was analyzed separately following the parameters of the study, then analyzed in the aggregate of the District as a whole.

#### **GOALS AND OBJECTIVES**

The following goals and objectives were generally and specifically utilized in the analysis of the District's existing rates and in formulation of suggested future adjustments and policies.

### **Population**

Determine actual population and actual numbers and types of customers. Perform all analysis in terms of SFEs and determine the SFE value of all of the non-single family customers based on the proportion of their water usage to that of a typical single-family home. Determine population growth for 10 years into the future.

### **Water/Wastewater Usage**

Obtain actual metered water usage from all metered accounts for each QUARTER for a year, then input into the model this actual usage and the SFE equivalency. Utilize winter water usage for wastewater usage when available.

### **Costs of Water/Wastewater Operation**

Obtain revenues and costs of operation from the District for the starting year of study, 2024, and input these values in the model.

### **Project Costs of Operation into the Future**

For a period of ten (10) years, project, utilizing population projection, the amount of water/wastewater being used on a monthly, then yearly basis and what the resulting costs of operations will be. Add the yearly costs of system improvements.

### **Project Revenue into the Future**

For a period of ten years, project the revenues that can be derived from the existing or suggested rates that affect the operating expenses, from the increase in one-time fees for new SFEs like tap fees and plant investment fees, and from user fees using charges developed from water usage patterns found in the sampling work.

### **Discussion of Adequacy of Fees:**

Analysis of the fees used in the model in terms of ability of revenue to pay expenses, accumulated surplus to be used as reserves, and political acceptance of any fees that are suggested to be increased in order to "balance the budget".

### **Run the Model**

Run the model for a variety of “what if” scenarios, such as yearly increases, a change in tiers, allowable water per tier, inflation values, financing or cash-funding capital improvements.

**Review Projections**

Review projections for capital expenditures for the next ten years.

**Input Water Usage**

Input metered water usage data and population/SFE data for each entity into the spreadsheet model.

**Wintertime Water Usage**

Equate wintertime water usage to wastewater production for each SFE where applicable.

**Compare Revenues**

Compare the revenues generated from each system, including user rates, PIFs, to the proportionate costs to determine if the rates are in accordance with the Agreements, that they are equitable, and that the revenues will balance the costs in the future.

**Determine Proportionality of Wastewater System Costs**

Determine if the wastewater treatment system costs are proportional to the revenue derived from the rates.

**Recommend Metered Water Wastewater Rates**

Utilizing the spreadsheet model, evaluate and recommend equitable wastewater rates that utilize metered water flows, particularly winter-time water flows.

**Provide educational information**

Provide educational information on industry-accepted rate setting methodologies.

**Draft Report**

Provide the District with a draft report.

### **Meet with District**

Meet with the District Board representatives separately to present draft report, run numerous “what if” scenarios, and settle on a palatable rate scenario.

### **Finalize Report**

Finalize final report and submit.

## **MODEL OVERVIEW AND IMPLEMENTATION**

The goals and objectives were accomplished in the construction and utilization of the Model and populating it with the obtained information. The base year of study was 2024, and future projections were made from the 2024 base. Variables that can established for each utility in the input stage are the population growth, user rates, connection fees, tiered rates and tiered usage levels, percentage of rate increases, and inflation.

### **The Model**

The Model is a large Excel spreadsheet consisting of numerous sub-spreadsheets called tabs. Each tab depicts yearly population projections (SFE’s), Revenues and Expenses, then one tab for each year of the study. This yearly tab calculates revenues for each year of the study based on the projected SFE increases, and any projected rate increases, all based on water usage patterns of 2024 projected into the future, then a projection of the expenses that are the 2024 expenses with an applied inflation factor, and desired yearly improvements to the system, contained in the “10 Year Projections” tab of the model.

The heart of the model is contained in the “Master Input/Output” tab where, for each utility, the variable factors including population growth, yearly inflation, and percentages of yearly rate increases can be input, and those changes can then be instantly realized in the output portion of that tab. Each utility has a table that shows the year, the metered revenues that are calculated from each yearly tab, connection revenues and miscellaneous revenues that are 2024 miscellaneous revenues carried forward, and expenses for each year as



**Expenses and Revenues**

The model then tabulates all the revenues and expenses for the starting year, 2024, for each utility then projects the expenses forward with an inflation factor that can be assigned for each year of the study at the Master I/O tab of the model. Examples are shown below

**Yearly Revenue and Expense Tab**

Table 5-4B: 2026 Revenue													
Revenue	January	February	March	April	May	June	July	August	September	October	November	December	Totals
<b>DOS RIOS</b>													
<b>Residential Potable Water Rate Structure</b>	<b>436</b>	<b>436</b>	<b>436</b>	<b>437</b>	<b>437</b>	<b>437</b>	<b>437</b>	<b>437</b>	<b>437</b>	<b>437</b>	<b>437</b>	<b>437</b>	
Base Rate	\$ 59,110.80			\$ 59,144.67			\$ 59,178.55			\$ 59,212.42			\$ 236,646.44
Tier 1													\$ -
Tier 2	\$ 3,604.01			\$ 3,821.76			\$ 6,334.89			\$ 11,032.44			\$ 24,793.11
Tier 3	\$ 1,825.43			\$ 761.86			\$ 7,344.68			\$ 11,517.07			\$ 21,439.01
<b>Commercial Potable Water Rate Structure</b>	<b>46</b>	<b>46</b>	<b>46</b>										
Base Rate	\$ 6,200.32			\$ 6,200.32			\$ 6,200.32			\$ 6,200.32			\$ 24,801.28
Tier 1													\$ -
Tier 2	\$ 200.95			\$ 3,977.87			\$ 5,258.38			\$ 3,796.43			\$ 13,234.24
Tier 3	\$ 3,251.12			\$ -			\$ 587.91			\$ 7,612.07			\$ 11,451.09
<b>Availability of Service</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>	
Base Rate	\$ 1,528.93			\$ 1,514.79			\$ 1,500.59			\$ 1,486.38			\$ 6,030.74
<b>Total Revenue (DOS RIOS)</b>	<b>\$ 75,721.68</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,411.28</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 86,405.81</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,857.14</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 338,395.92</b>
<b>ANTELOPE HILLS</b>													
<b>Residential Potable Water Rate Structure</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	
Base Rate	\$ 1,912.55			\$ 1,959.37			\$ 2,007.39			\$ 2,054.81			\$ 7,934.72
Tier 1													\$ -
Tier 2	\$ 233.93			\$ 235.42			\$ 708.47			\$ -			\$ 1,177.83
Tier 3	\$ -			\$ -			\$ -			\$ 1,011.15			\$ 1,011.15
<b>IDA Potable Water Rate Structure</b>	<b>110</b>	<b>110</b>	<b>110</b>										
Base Rate	\$ 18,811.20			\$ 18,811.20			\$ 18,811.20			\$ 18,811.20			\$ 75,244.80
Tier 1													\$ -
Tier 2				\$ 7,890.77			\$ 7,096.60			\$ 2,814.62			\$ 17,801.99
Tier 3													\$ -
Loan repayment	\$ 10,734.90			\$ 10,734.90			\$ 10,734.90			\$ 10,734.90			\$ 42,939.60
<b>Availability of Service</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	
Base Rate	\$ (4.74)			\$ (18.97)			\$ (93.20)			\$ (47.43)			\$ (104.35)
<b>Total Revenue (ANTELOPE HILLS)</b>	<b>\$ 31,687.84</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,613.29</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,325.36</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,379.24</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 146,005.73</b>
<b>Total Revenue (ALL)</b>	<b>\$ 107,409.52</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 115,024.57</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,731.17</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 136,236.38</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 484,401.64</b>
Table 5-9C: 2031 Expenses													
Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Totals
<b>DOS RIOS</b>													
<b>Water Distribution</b>													
Potable Water Expenses	\$ 27,339.58	\$ 27,339.58	\$ 27,339.58	\$ 27,339.58	\$ 27,339.58	\$ 27,339.58	\$ 27,339.58	\$ 27,339.58	\$ 27,339.58	\$ 27,339.58	\$ 27,339.58	\$ 27,339.58	\$ 335,274.97
Water Meter Replacement	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 20,000.00
Fire Hydrant Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Tanks Inspection/Cleaning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Water Treatment</b>													
Potable Water Treatment Expenses	\$ 10,516.26	\$ 10,516.26	\$ 10,516.26	\$ 10,516.26	\$ 10,516.26	\$ 10,516.26	\$ 10,516.26	\$ 10,516.26	\$ 10,516.26	\$ 10,516.26	\$ 10,516.26	\$ 10,516.26	\$ 126,195.10
VFP Generator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SCADA Computer Upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Filter Turb Meter Upgrade (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Filter Media Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intake Pumps Rebuild	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surge Protection Upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disinfection System replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
High Service Pumps Rebuild	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenses (DOS RIOS)</b>	<b>\$ 40,122.51</b>	<b>\$ 40,122.51</b>	<b>\$ 40,122.51</b>	<b>\$ 40,122.51</b>	<b>\$ 40,122.51</b>	<b>\$ 40,122.51</b>	<b>\$ 40,122.51</b>	<b>\$ 40,122.51</b>	<b>\$ 40,122.51</b>	<b>\$ 40,122.51</b>	<b>\$ 40,122.51</b>	<b>\$ 40,122.51</b>	<b>\$ 481,470.07</b>
<b>ANTELOPE HILLS</b>													
Expenses	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 43,756.46
Pump Station Upgrade	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 50,000.00
Water System Modeling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenses (Antelope Hills)</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 93,756.46</b>
<b>SOMERSET</b>													
Total Expenses (Somerset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>ALL DISTRICTS</b>													
Truck Replace	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MOSCAD Telemetry Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenses (TOMICHI)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (ALL DISTRICTS)</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 575,226.54</b>
													Annual Balance
													\$ (13,535.88)

### 10-Year System Improvements Projections

A very large part of the expenses calculated each year are the required future system improvements. These are shown year-by-year and pulled into the yearly tabs as expenses for the year that they are shown. The System Improvements projections for the water utilities is shown below as an example.

14-4A: Potable Water and Distribution System Improvements																	
Potable Water and Distribution System Improvements	Total Cost	Responsible Cost	Years Cash Funded	Financed?	Project Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>ALL DISTRICTS</b>																	
Operational Support																	
Ysector Truck Replacement	\$ 200,000	\$ 200,000	1		2029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Truck Replaces	\$ 70,000	\$ 70,000	1		2032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ -	\$ -	
MOSCAD Telemetry Replacement	\$ 62,000	\$ 62,000	1			\$ -	\$ -	\$ 17,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 25,000	
<b>TOTAL FOR ALL DISTRICTS:</b>	<b>\$ 332,000</b>					\$ -	\$ -	\$ 17,000	\$ -	\$ -	\$ 200,000	\$ 20,000	\$ -	\$ 70,000	\$ -	\$ 25,000	
<b>DOS RIOS</b>																	
Water-Dos Rios Div Distribtn																	
Water Meter Replacement	\$ -	\$ -	1			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fires Hydrant Rehabilitation	\$ 172,000	\$ 172,000	1			\$ -	\$ 7,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	
Water Tank Inspection/Cleaning	\$ 20,000	\$ 20,000	1		2025	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Water-Dos Rios Div: Trunk																	
WTP Generator	\$ 125,000	\$ 125,000	1		2025	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SCADA Computers Upgrades	\$ 65,000	\$ 65,000	1			\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000	
Filter Turb Meter Upgrades (2)	\$ 13,000	\$ 13,000	1		2025	\$ -	\$ 13,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Filter Media Replacement	\$ 100,000	\$ 100,000	1		2026	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Intake Pumps Rebuild	\$ 28,000	\$ 28,000	1			\$ -	\$ 14,000	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Surge Protection Upgrades	\$ 11,000	\$ 11,000	1		2025	\$ -	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Disinfection System replacement	\$ 30,000	\$ 30,000	1		2025	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
High Service Pump Rebuild	\$ 32,000	\$ 32,000	1		2025	\$ -	\$ 16,000	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>TOTAL FOR DOS RIOS:</b>	<b>\$ 596,000</b>					\$ -	\$ 236,000	\$ 143,000	\$ 38,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 20,000	\$ 40,000	\$ 20,000	\$ 20,000	
<b>ANTELOPE HILLS</b>																	
Water-Antelope Hills Div																	
Pump Station Upgrades	\$ 50,000	\$ 50,000	1		2031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	
Water System Modeling	\$ 10,000	\$ 10,000	1		2025	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>TOTAL FOR ANTELOPE HILLS:</b>	<b>\$ 60,000</b>					\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -		
<b>SOMERSET</b>																	
Water-Somerset Div																	
	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL FOR SOMERSET:</b>	<b>\$ -</b>					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>GRAND TOTAL:</b>	<b>\$ 988,000</b>	<b>\$ 988,000</b>				\$ -	\$ 246,000	\$ 160,000	\$ 38,000	\$ 13,000	\$ 213,000	\$ 33,000	\$ 70,000	\$ 110,000	\$ 20,000	\$ 45,000	

**Master Input/Output Tab**

As said earlier, the “Master I/O” tab is the heart of the spreadsheet. All the variable decisions are made here and the results of the variable inputs are recorded here as well.

This tab is segmented into three parts. The first part, at the top, is a posting of the existing 2024/25 rates for each utility. These are used as a starting point for posting on each yearly calculation tab, which, in turn, show the rates as increased from input on the Master I/O tab, to be then used to calculate the revenues for that year.

**2025 Sewer Rates**

Table 3-1B: Sanitary Sewer 2025 Rates

DOS RIOS			
Dos Rios 2025 Sanitary Sewer Quarterly Rates			
Residential Sanitary Sewer Rate Structure			Gallons
Base Rate	\$184.18		
Usage Rate	\$0.00	for every	1,000
RES75 Sanitary Sewer Rate Structure			Gallons
Base Rate	\$138.14		
Usage Rate	\$0.00	for every	1,000
Commercial Sanitary Sewer Rate Structure			Gallons
Base Rate	\$184.18		
Usage Rate	\$0.00	for every	1,000
Vacant Lot			
Base Rate	\$63.13		

ANTELOPE HILLS			
Antelope Hills 2025 Sanitary Sewer Quarterly Rates			
Residential Sanitary Sewer Rate Structure			Gallons
Base Rate	\$167.09		
Usage Rate	\$0.00	for every	1,000
Commercial Sanitary Sewer Rate Structure			Gallons
Base Rate	\$167.09		
Usage Rate	\$0.00	for every	1,000
Vacant Lot			
Base Rate	\$55.26	Per Vacant lot	

NORTH GUNNISON			
North Gunnison 2025 Sanitary Sewer Quarterly Rates			
Residential Phase I Sanitary Sewer Rate Structure			Gallons
Base Rate	\$246.39		
Usage Rate	\$0.00	for every	1,000
Phase 1 RES75 Sanitary Sewer Rate Structure			Gallons
Base Rate	\$184.79		
Usage Rate	\$0.00	for every	1,000
Residential Phase II Sanitary Sewer Rate Structure			Gallons
Base Rate	\$360.21		
Usage Rate	\$0.00	for every	1,000
Phase 2 RES75 Sanitary Sewer Rate Structure			Gallons
Base Rate	\$270.16		
Usage Rate	\$0.00	for every	1,000
Commercial Sanitary Sewer Rate Structure			Gallons
Base Rate	\$360.21		
Usage Rate		for every	1,000
Vacant Lot			Gallons
Base Rate	\$221.27	per vacant lot	

## 2025 Water Rates

Table 3-1D: Potable Water 2025 Rates

DOS RIOS			
Dos Rios 2025 Potable Water Quarterly Rates			
Residential Potable Water Rate Structure			Gallons
Base Rate	\$131.55		
Tier 1	\$0.00	for up to	18,000
Tier 2	\$7.32	for up to	36,000
Tier 3	\$11.59	for all over	36,000
Commercial Potable Water Rate Structure			Gallons
Base Rate	\$131.55		
Tier 1	\$0.00	for up to	18,000
Tier 2	\$7.40	for up to	36,000
Tier 3	\$7.40	for all over	36,000
Availability of Service			Gallons
Base Rate	\$55.15		
ANTELOPE HILLS			
Antelope Hills 2025 Potable Water Quarterly Rates			
Residential Potable Water Rate Structure			Gallons
Base Rate	\$184.15		
Tier 1	\$0.00	for up to	18,000
Tier 2	\$10.23	for up to	36,000
Tier 3	\$11.25	for all over	36,000
HOA Potable Water Rate Structure			Gallons
Base Rate	\$166.03	per unit	
Tier 1	\$0.00	for up to	18,000
Tier 2	\$10.23	for up to	36,000
Tier 3	\$11.25	for all over	36,000
Loan repayment	\$97.59	per unit	
Availability of Service			Gallons
Base Rate	\$55.26	per vacant lot	

**SFE Increases/Percentage Rate Increase/Inflation Input**

The second part of the Master I/O tab is where the desired yearly increases in SFEs, the percentage of rate increases per year are input, and the desired yearly inflation can be input. An example is shown below:

**Table 3-2A: Sanitary Sewer Annual Rate/ERT Increases**

Year	North Gunnison							Inflation	Total New SFEs
	Phase 1 Residential Yearly SFE Increase	Phase 1 RES75 Yearly SFE Increase	Phase 2 Residential Yearly SFE Increase	Phase 2 RES 75 Yearly SFE Increase	Commercial Yearly SFE Increase	Change in Number of Vacant Lots	Percentage Rate Increase		
2024	0.00	0.00	0.00	0.00	0.00	0.00	0%	0%	0.00
2025	0.00	0.00	8.00	0.00	0.44	-8.00	0%	0%	10.69
2026	1.00	0.00	0.00	0.00	0.00	-1.00	3%	6%	3.00
2027	1.00	0.00	0.00	0.00	0.00	-1.00	3%	6%	3.00
2028	1.00	0.00	0.00	0.00	0.00	-1.00	3%	6%	3.00
2029	1.00	0.00	0.00	0.00	0.00	-1.00	3%	6%	3.00
2030	1.00	0.00	0.00	0.00	0.00	-1.00	3%	6%	3.00
2031	1.00	0.00	0.00	0.00	0.00	-1.00	3%	6%	3.00
2032	1.00	0.00	0.00	0.00	0.00	-1.00	3%	6%	3.00
2033	1.00	0.00	0.00	0.00	0.00	-1.00	3%	6%	3.00
2034	1.00	0.00	0.00	0.00	0.00	-1.00	3%	6%	3.00
2035	1.00	0.00	0.00	0.00	0.00	-1.00	3%	6%	3.00

**Annual Revenue/Expense Summary**

The third part of the Master I/O tab is where the tabulation of the revenues and expenses calculated each year based on the SFE increase, percentage of rate increase, and inflation increases are shown and the Annual Balance and Accumulated Surplus are shown for each division's utility, an aggregate of the water utilities, and an aggregate of the sewer utilities, and finally an aggregate of the all the utilities combined in the district. A copy of the aggregate water, sewer and combined of all the utilities with no increases in rates in the next 10 years is shown below:

**Table 3-4A-6: Sewer Divisions Sanitary Sewer Annual Revenue/Expense Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							0
2024	\$ 1,085,330	\$ 125,000	\$ 82,902	\$ 1,293,233	\$ 1,367,469	(74,237)	(74,237)
2025	\$ 1,169,588	\$ 85,520	\$ 82,902	\$ 1,338,010	\$ 1,597,722	(259,712)	(333,949)
2026	\$ 1,173,437	\$ 24,000	\$ 85,389	\$ 1,282,826	\$ 1,190,814	92,012	(241,937)
2027	\$ 1,174,469	\$ 24,000	\$ 87,951	\$ 1,286,420	\$ 1,691,745	(405,325)	(647,263)
2028	\$ 1,191,350	\$ 24,000	\$ 90,589	\$ 1,305,939	\$ 1,726,038	(420,099)	(1,067,361)
2029	\$ 1,176,533	\$ 24,000	\$ 93,307	\$ 1,293,840	\$ 1,822,450	(528,610)	(1,595,972)
2030	\$ 1,177,565	\$ 24,000	\$ 96,106	\$ 1,297,671	\$ 1,971,194	(673,522)	(2,269,494)
2031	\$ 1,178,597	\$ 24,000	\$ 98,989	\$ 1,301,586	\$ 1,957,491	(655,905)	(2,925,399)
2032	\$ 1,179,629	\$ 24,000	\$ 101,959	\$ 1,305,588	\$ 2,032,576	(726,988)	(3,652,387)
2033	\$ 1,177,523	\$ 24,000	\$ 105,018	\$ 1,306,541	\$ 2,125,696	(819,154)	(4,471,541)
2034	\$ 1,181,693	\$ 24,000	\$ 108,168	\$ 1,313,861	\$ 2,307,108	(993,246)	(5,464,787)
2035	\$ 1,181,990	\$ 24,000	\$ 111,413	\$ 1,317,403	\$ 2,443,085	(1,125,682)	(6,590,469)

**Table 3-4B-6: Water Divisions Annual Revenue/Expense Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 457,475.34	\$ -	\$ 40,872.42	\$ 498,347.76	\$ 423,119.27	\$75,228	\$75,228
2025	\$ 470,397.22	\$ 13,020.00	\$ 40,872.42	\$ 524,289.64	\$ 674,091.19	(\$149,802)	(\$74,573)
2026	\$ 471,543.53	\$ 12,000.00	\$ 42,098.59	\$ 525,642.12	\$ 583,933.93	(\$58,292)	(\$132,865)
2027	\$ 472,344.77	\$ 12,000.00	\$ 43,361.55	\$ 527,706.32	\$ 492,161.95	\$35,544	(\$97,320)
2028	\$ 473,791.88	\$ 12,000.00	\$ 44,662.40	\$ 530,454.27	\$ 480,786.80	\$49,667	(\$47,653)
2029	\$ 475,017.36	\$ 12,000.00	\$ 46,002.27	\$ 533,019.63	\$ 494,820.41	\$38,199	(\$9,454)
2030	\$ 476,261.27	\$ 12,000.00	\$ 47,382.34	\$ 535,643.61	\$ 509,275.02	\$26,369	\$16,915
2031	\$ 477,385.45	\$ 12,000.00	\$ 48,803.81	\$ 538,189.25	\$ 581,163.27	(\$42,974)	(\$26,059)
2032	\$ 478,509.62	\$ 12,000.00	\$ 50,267.92	\$ 540,777.54	\$ 566,498.17	(\$25,721)	(\$51,780)
2033	\$ 479,633.80	\$ 12,000.00	\$ 51,775.96	\$ 543,409.76	\$ 562,293.11	(\$18,883)	(\$70,663)
2034	\$ 480,757.97	\$ 12,000.00	\$ 53,329.24	\$ 546,087.21	\$ 578,561.91	(\$32,475)	(\$103,138)
2035	\$ 481,882.15	\$ 12,000.00	\$ 54,929.11	\$ 548,811.27	\$ 615,318.76	(\$66,507)	(\$169,645)

**Table 3-4C: All Divisions Water and Sewer Annual Revenue/Expense Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							
2024	\$ 1,542,806	\$ 125,000	\$ 123,774	\$ 1,791,580	\$ 1,790,589	\$992	\$992
2025	\$ 1,639,985	\$ 98,540	\$ 123,774	\$ 1,862,300	\$ 2,271,813	(\$409,514)	(\$408,522)
2026	\$ 1,644,981	\$ 36,000	\$ 127,488	\$ 1,808,468	\$ 1,774,748	\$33,720	(\$374,802)
2027	\$ 1,646,814	\$ 36,000	\$ 131,312	\$ 1,814,126	\$ 2,183,907	(\$369,781)	(\$744,583)
2028	\$ 1,665,142	\$ 36,000	\$ 135,252	\$ 1,836,393	\$ 2,206,825	(\$370,431)	(\$1,115,014)
2029	\$ 1,651,550	\$ 36,000	\$ 139,309	\$ 1,826,860	\$ 2,317,271	(\$490,411)	(\$1,605,425)
2030	\$ 1,653,826	\$ 36,000	\$ 143,489	\$ 1,833,315	\$ 2,480,469	(\$647,154)	(\$2,252,579)
2031	\$ 1,655,983	\$ 36,000	\$ 147,793	\$ 1,839,776	\$ 2,538,654	(\$698,879)	(\$2,951,458)
2032	\$ 1,658,139	\$ 36,000	\$ 152,227	\$ 1,846,366	\$ 2,599,074	(\$752,709)	(\$3,704,166)
2033	\$ 1,657,157	\$ 36,000	\$ 156,794	\$ 1,849,951	\$ 2,687,989	(\$838,038)	(\$4,542,204)
2034	\$ 1,662,451	\$ 36,000	\$ 161,498	\$ 1,859,949	\$ 2,885,670	(\$1,025,721)	(\$5,567,925)
2035	\$ 1,663,872	\$ 36,000	\$ 166,343	\$ 1,866,215	\$ 3,058,404	(\$1,192,189)	(\$6,760,115)

## Discussion on Rates

### Water Division Rates

For each of the water divisions, a resolution was passed by the Board of County Commissioners (BOCC) that set the fees and rates, in particular, the base fees, user rates, the tiered maximums for water usage, the availability fees, and the connection fees. Those resolutions numbers for 2025 rates are 24-40 for Dos Rios and 24-38 for Antelope Hills. All those values set by the resolution fall into the normal category from what we have seen in other districts, towns, and cities. Those rates are shown below:

Table 3-1D: Potable Water 2025 Rates

DOS RIOS			
Dos Rios 2025 Potable Water Quarterly Rates			
Residential Potable Water Rate Structure			Gallons
Base Rate	\$131.55		
Tier 1	\$0.00	for up to	18,000
Tier 2	\$7.32	for up to	36,000
Tier 3	\$11.59	for all over	36,000
Commercial Potable Water Rate Structure			Gallons
Base Rate	\$131.55		
Tier 1	\$0.00	for up to	18,000
Tier 2	\$7.40	for up to	36,000
Tier 3	\$7.40	for all over	36,000
Availability of Service			
Base Rate	\$55.15		
ANTELOPE HILLS			
Antelope Hills 2025 Potable Water Quarterly Rates			
Residential Potable Water Rate Structure			Gallons
Base Rate	\$184.15		
Tier 1	\$0.00	for up to	18,000
Tier 2	\$10.23	for up to	36,000
Tier 3	\$11.25	for all over	36,000
HOA Potable Water Rate Structure			Gallons
Base Rate	\$166.03	per unit	
Tier 1	\$0.00	for up to	18,000
Tier 2	\$10.23	for up to	36,000
Tier 3	\$11.25	for all over	36,000
Loan repayment	\$97.59	per unit	
Availability of Service			Gallons
Base Rate	\$55.26	per vacant lot	

The billing categories for each district include residential and commercial categories each with its own rates per tier, three tiers, and tier maximums, and a fee for an availability of service charge. In comparison to other entities, the division water rates fall into the middle of the extremes that we have seen. The allowance for the usage of 18,000 gallons per quarter to be included in the base fees without a per thousand-gallon charge is both normal and “right in the ballpark” when compared with other entities. Eighteen-thousand gallons per quarter equates to 6,000 gallons per month, about equal to the monthly average domestic water usage (most other entities bill on a monthly basis, rather than on a quarterly basis). We have seen the monthly averages for water included from 4,000 to 8,000 gallons. Reducing the amount of water included in the base fees would be a way to increase the revenues if so desired. The second tier range

of 18,000-36,000 is also in the range of being acceptable, if not a little lower than average. Being lower is more conducive to earning more revenue, since the majority of customers use water in the 0-12,000 gallons category. We believe that the existing tier category is conducive to encouraging conservation while not being horribly punitive. The number of customers who have ultrahigh water usage is very small when compared to the rest of the customer base, and those are typically the customers who can afford ultrahigh water charges. We have found that excessively high top-tier rates generate comparatively little substantial revenue, do little to encourage conservation, and tend to just create ill will with those customers.

In terms of the Availability charge, our experience has shown that there is no generally accepted formula for establishing those rates. We have seen applications from nothing to a fee of 100% of the Base Fee. One principle that is sometimes used, when the main distribution lines and other infrastructure were constructed with District municipal GO bonds, and being paid for by property taxes, is that improved properties will pay more in taxes and therefore pay more towards the retirement of those bonds than a lesser valued unimproved property. The availability fee in that case could then be set to help make up that difference.

### **Sewer Division Rates**

As with the water divisions, each of the sewer divisions has a rate schedule assigned to it by resolutions of the BOCC. Those resolution numbers setting the 2025 rates are 24-39 for Dos Rios, 24-35 for Antelope Hills, and 24-37 for North Gunnison. Unlike the water divisions, however, there are no tiered rates. The stated rates are for a flat rate residential fee, commercial fee and an availability fee. While some sewer entities charge a usage fee for the amount of water a customer uses in the wintertime non-irrigation months in addition to the flat rate, our experience has shown that, as often as not, just a flat rate is charged. Our thought is that there is not such a conservation drive with wastewater usage. Where virtually all the usage is in the lower categories, 0-12000 gallons per quarter, it would be difficult to find reasonable ways to conserve significant wastewater usage like there are with potable water usage, without a significant change in lifestyle. Basically, a family of five is just going to use more water than a retired couple. Our recommendation is therefore to not initiate a usage charge, especially because North Gunnison does not have any public water system from which to generate those usage values . The rates are shown below:

Table 3-1B: Sanitary Sewer 2025 Rates			
<b>DOS RIOS</b>			
Dos Rios 2025 Sanitary Sewer Quarterly Rates			
<b>Residential Sanitary Sewer Rate Structure</b>			<b>Gallons</b>
Base Rate	\$184.18		
Usage Rate	\$0.00	for every	1,000
<b>RES75 Sanitary Sewer Rate Structure</b>			<b>Gallons</b>
Base Rate	\$138.14		
Usage Rate	\$0.00	for every	1,000
<b>Commercial Sanitary Sewer Rate Structure</b>			<b>Gallons</b>
Base Rate	\$184.18		
Usage Rate	\$0.00	for every	1,000
<b>Vacant Lot</b>			
Base Rate	\$63.13		

<b>ANTELOPE HILLS</b>			
Antelope Hills 2025 Sanitary Sewer Quarterly Rates			
<b>Residential Sanitary Sewer Rate Structure</b>			<b>Gallons</b>
Base Rate	\$167.09		
Usage Rate	\$0.00	for every	1,000
<b>Commercial Sanitary Sewer Rate Structure</b>			<b>Gallons</b>
Base Rate	\$167.09		
Usage Rate	\$0.00	for every	1,000
<b>Vacant Lot</b>			
Base Rate	\$55.26	Per Vacant lot	

<b>NORTH GUNNISON</b>			
North Gunnison 2025 Sanitary Sewer Quarterly Rates			
<b>Residential Phase I Sanitary Sewer Rate Structure</b>			<b>Gallons</b>
Base Rate	\$246.39		
Usage Rate	\$0.00	for every	1,000
<b>Phase 1 RES75 Sanitary Sewer Rate Structure</b>			<b>Gallons</b>
Base Rate	\$184.79		
Usage Rate	\$0.00	for every	1,000
<b>Residential Phase II Sanitary Sewer Rate Structure</b>			<b>Gallons</b>
Base Rate	\$360.21		
Usage Rate	\$0.00	for every	1,000
<b>Phase 2 RES75 Sanitary Sewer Rate Structure</b>			<b>Gallons</b>
Base Rate	\$270.16		
Usage Rate	\$0.00	for every	1,000
<b>Commercial Sanitary Sewer Rate Structure</b>			<b>Gallons</b>
Base Rate	\$360.21		
Usage Rate		for every	1,000
<b>Vacant Lot</b>			
Base Rate	\$221.27	per vacant lot	

## **IMPLEMENTATION OF THE MODEL**

Now that it has been described how the model works, it is time to utilize the model to determine, with the given input variables such as population growth, general system expenses, inflation, inflating treatment costs, necessary system improvements, and current rates, whether those current rates are sufficient now and into the future to generate sufficient revenue to cover the expected expenses, or what increases it might be necessary to make. To do this, we ran the model with a number of different scenarios and finally settled on four scenarios as being representative of the realm of possibilities. In the following several sections we will describe each scenario's inputs and show the results of that model run, then analyze those model runs and their applicability to answering the basic question of how do rates have to change, if they do need to, in the next ten years to provide sufficient revenue to the District for it to meet its growing expenses for the next ten years?

The scenarios that were examined were as follows:

**Scenario 1-** This scenario assumes no programmed rate increases, but with only the current rates, yearly SFE increases of one SFE per year per division, yearly inflation of 3%, and yearly wastewater treatment cost increases of 5%.

**Scenario 2-** This scenario assumes yearly SFE increases of one SFE per year per division, yearly inflation of 3%, yearly wastewater treatment cost increases of 5%, and rate increases for:

**Dos Rios Sewer-**25% increase in 2026, 15% in 2027, 10% in 2028 – 2030 then 5% for 2031-2035.

**Antelope Hills Sewer-**25% increase in 2026-2028, then 10% thereafter until 2035.

**North Gunnison Sewer-** a 3% per year increase until 2035.

**Antelope Hills Water-** No rate increases through 2035.

**Dos Rios Water-** 5% per year through 2035.

**Scenario 3-** This scenario assumes yearly SFE increases of one SFE per year per division, yearly inflation of 3%, yearly wastewater treatment cost increases of 5%, and a 5.5% per year rate increase equally each year to all the districts through 2035.

**Scenario 4-** This scenario assumes yearly SFE increases of one SFE per year per division, yearly inflation of 3%, yearly wastewater treatment cost increases of 5% for all the divisions. Then, an increase to Dos Rios and Antelope Hills sewer rates

(excluding Vacant Lots) of 15% in 2026, 10% in 2027 and 2028, and then 5% each year after will be effected. For North Gunnison sewer, the recommended increase in rates (excluding Vacant Lots) is 4% for each year. For the water rates for both divisions, the recommendation is to increase the Base Rate by 4% each year, increase Tier 2 Rate to 25% of Base Rate and Tier 3 Rate to 25% of Tier 2 Rate. The Vacant Lot rates will be modified downward for 2026 for Dos Rios at \$14.98 and Antelope Hills at \$108.21, then held at that rate for every year thereafter.

### MODEL OUTPUTS FOR EACH SCENARIO

This section will describe and analyze the resulting outputs of each scenario.

#### Scenario 1

The first scenario was to run the model with no programmed rate increases, but with the current rates, yearly SFE increases of one SFE per year per division, yearly inflation of 3%, and yearly wastewater treatment cost increases of 5% to see where the District finances would be. The Revenue/Expense Summaries for each division are shown below.

#### Sewer Divisions

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0.00
2024	\$ 444,829.64	\$ -	\$ 77,750.94	\$ 522,580.58	\$ 659,598.75	(\$137,018.17)	(\$137,018.17)
2025	\$ 478,720.19	\$ 18,000.00	\$ 77,750.94	\$ 574,471.13	\$ 766,986.71	(\$192,515.59)	(\$329,533.76)
2026	\$ 479,566.43	\$ 8,000.00	\$ 80,083.47	\$ 567,649.89	\$ 789,845.25	(\$222,195.35)	(\$551,729.11)
2027	\$ 480,050.63	\$ 8,000.00	\$ 82,485.97	\$ 570,536.60	\$ 822,471.96	(\$251,935.36)	(\$803,664.47)
2028	\$ 480,534.83	\$ 8,000.00	\$ 84,960.55	\$ 573,495.38	\$ 865,956.66	(\$292,461.28)	(\$1,096,125.75)
2029	\$ 481,019.03	\$ 8,000.00	\$ 87,509.37	\$ 576,528.39	\$ 888,393.70	(\$311,865.31)	(\$1,407,991.06)
2030	\$ 481,503.23	\$ 8,000.00	\$ 90,134.65	\$ 579,637.87	\$ 1,005,882.25	(\$426,244.38)	(\$1,834,235.44)
2031	\$ 481,987.43	\$ 8,000.00	\$ 92,838.69	\$ 582,826.11	\$ 943,526.51	(\$360,700.40)	(\$2,194,935.84)
2032	\$ 482,471.63	\$ 8,000.00	\$ 95,623.85	\$ 586,095.47	\$ 982,436.00	(\$396,340.53)	(\$2,591,276.36)
2033	\$ 482,955.83	\$ 8,000.00	\$ 98,492.56	\$ 589,448.39	\$ 1,021,725.79	(\$432,277.40)	(\$3,023,553.76)
2034	\$ 483,440.03	\$ 8,000.00	\$ 101,447.34	\$ 592,887.37	\$ 1,146,516.80	(\$553,629.43)	(\$3,577,183.20)
2035	\$ 483,924.23	\$ 8,000.00	\$ 104,490.76	\$ 596,414.99	\$ 1,192,936.12	(\$596,521.14)	(\$4,173,704.33)

**Table 3-4A-2: Antelope Hills Sanitary Sewer Annual Revenue/Expense Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0.00
2024	\$ 73,353.12	\$ 88,000.00	\$ 1,670.78	\$ 163,023.90	\$ 174,574.96	(\$11,551.06)	(\$11,551.06)
2025	\$ 78,856.00	\$ -	\$ 1,670.78	\$ 80,526.78	\$ 208,049.47	(\$127,522.69)	(\$139,073.75)
2026	\$ 79,061.02	\$ 8,000.00	\$ 1,720.90	\$ 88,781.93	\$ 202,477.37	(\$113,695.45)	(\$252,769.20)
2027	\$ 79,508.34	\$ 8,000.00	\$ 1,772.53	\$ 89,280.87	\$ 210,405.56	(\$121,124.69)	(\$373,893.89)
2028	\$ 79,955.66	\$ 8,000.00	\$ 1,825.71	\$ 89,781.37	\$ 207,860.65	(\$118,079.28)	(\$491,973.17)
2029	\$ 80,402.98	\$ 8,000.00	\$ 1,880.48	\$ 90,283.46	\$ 233,870.65	(\$143,587.20)	(\$635,560.36)
2030	\$ 80,850.30	\$ 8,000.00	\$ 1,936.89	\$ 90,787.19	\$ 245,465.09	(\$154,677.90)	(\$790,238.26)
2031	\$ 81,297.62	\$ 8,000.00	\$ 1,995.00	\$ 91,292.62	\$ 242,675.06	(\$151,382.44)	(\$941,620.70)
2032	\$ 81,744.94	\$ 8,000.00	\$ 2,054.85	\$ 91,799.79	\$ 255,533.29	(\$163,733.50)	(\$1,105,354.19)
2033	\$ 82,192.26	\$ 8,000.00	\$ 2,116.49	\$ 92,308.76	\$ 269,074.27	(\$176,765.52)	(\$1,282,119.71)
2034	\$ 82,639.58	\$ 8,000.00	\$ 2,179.99	\$ 92,819.57	\$ 283,334.35	(\$190,514.78)	(\$1,472,634.49)
2035	\$ 83,086.90	\$ 8,000.00	\$ 2,245.39	\$ 93,332.29	\$ 313,351.77	(\$220,019.48)	(\$1,692,653.97)

**Table 3-4A-3: North Gunnison Sanitary Sewer Annual Revenue/Expense Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 567,148	\$ 37,000	\$ 3,480	\$ 607,628	\$ 533,296	\$74,332	\$74,332
2025	\$ 612,012	\$ 67,520	\$ 3,480	\$ 683,012	\$ 622,686	\$60,326	\$134,658
2026	\$ 614,810	\$ 8,000	\$ 3,585	\$ 626,394	\$ 198,492	\$427,903	\$562,561
2027	\$ 614,910	\$ 8,000	\$ 3,692	\$ 626,602	\$ 658,868	(\$32,265)	\$530,296
2028	\$ 630,859	\$ 8,000	\$ 3,803	\$ 642,662	\$ 652,221	(\$9,558)	\$520,738
2029	\$ 615,111	\$ 8,000	\$ 3,917	\$ 627,028	\$ 700,186	(\$73,158)	\$447,580
2030	\$ 615,212	\$ 8,000	\$ 4,035	\$ 627,246	\$ 719,846	(\$92,600)	\$354,980
2031	\$ 615,312	\$ 8,000	\$ 4,156	\$ 627,468	\$ 771,289	(\$143,822)	\$211,158
2032	\$ 615,413	\$ 8,000	\$ 4,280	\$ 627,693	\$ 794,607	(\$166,914)	\$44,244
2033	\$ 612,375	\$ 8,000	\$ 4,409	\$ 624,784	\$ 834,896	(\$210,111)	(\$165,867)
2034	\$ 615,613	\$ 8,000	\$ 4,541	\$ 628,155	\$ 877,257	(\$249,102)	(\$414,970)
2035	\$ 614,979	\$ 8,000	\$ 4,677	\$ 627,656	\$ 936,797	(\$309,141)	(\$724,111)

### Water Divisions

Table 3-4B-4: Dos Rios Potable Water Annual Revenue/Expense Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 319,277.47	\$0	\$40,872	\$360,150	\$386,474	(\$26,324)	(\$26,324)
2025	\$ 327,752.40	\$13,020	\$40,872	\$381,645	\$626,346	(\$244,702)	(\$271,026)
2026	\$ 328,539.72	\$6,000	\$42,099	\$376,638	\$545,057	(\$168,419)	(\$439,444)
2027	\$ 328,948.09	\$6,000	\$43,362	\$378,310	\$452,119	(\$73,809)	(\$513,253)
2028	\$ 329,356.45	\$6,000	\$44,662	\$380,019	\$439,542	(\$59,523)	(\$572,776)
2029	\$ 329,764.81	\$6,000	\$46,002	\$381,767	\$452,338	(\$70,571)	(\$643,348)
2030	\$ 330,173.17	\$6,000	\$47,382	\$383,556	\$465,519	(\$81,963)	(\$725,311)
2031	\$ 330,581.53	\$6,000	\$48,804	\$385,385	\$486,094	(\$100,709)	(\$826,020)
2032	\$ 330,989.90	\$6,000	\$50,268	\$387,258	\$520,077	(\$132,819)	(\$958,839)
2033	\$ 331,398.26	\$6,000	\$51,776	\$389,174	\$514,479	(\$125,305)	(\$1,084,144)
2034	\$ 331,806.62	\$6,000	\$53,329	\$391,136	\$529,314	(\$138,178)	(\$1,222,322)
2035	\$ 332,214.98	\$6,000	\$54,929	\$393,144	\$564,593	(\$171,449)	(\$1,393,770)

Table 3-4B-5: Antelope Hills Potable Water Annual Revenue/Expense Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 138,197.86	\$0	\$0	\$138,198	\$36,645	\$101,553	\$101,553
2025	\$ 142,644.83	\$0	\$0	\$142,645	\$47,745	\$94,900	\$196,453
2026	\$ 143,003.80	\$6,000	\$0	\$149,004	\$38,877	\$110,127	\$306,579
2027	\$ 143,396.68	\$6,000	\$0	\$149,397	\$40,043	\$109,353	\$415,933
2028	\$ 144,435.43	\$6,000	\$0	\$150,435	\$41,245	\$109,191	\$525,123
2029	\$ 145,252.55	\$6,000	\$0	\$151,253	\$42,482	\$108,771	\$633,894
2030	\$ 146,088.10	\$6,000	\$0	\$152,088	\$43,756	\$108,332	\$742,226
2031	\$ 146,803.91	\$6,000	\$0	\$152,804	\$95,069	\$57,735	\$799,960
2032	\$ 147,519.73	\$6,000	\$0	\$153,520	\$46,421	\$107,098	\$907,059
2033	\$ 148,235.54	\$6,000	\$0	\$154,236	\$47,814	\$106,422	\$1,013,481
2034	\$ 148,951.36	\$6,000	\$0	\$154,951	\$49,248	\$105,703	\$1,119,184
2035	\$ 149,667.17	\$6,000	\$0	\$155,667	\$50,726	\$104,941	\$1,224,125

### Sewer Combined Division

Table 3-4A-6: Sewer Divisions Sanitary Sewer Annual Revenue/Expense Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							0
2024	\$ 1,085,330	\$ 125,000	\$ 82,902	\$ 1,293,233	\$ 1,367,469	(74,237)	(74,237)
2025	\$ 1,169,588	\$ 85,520	\$ 82,902	\$ 1,338,010	\$ 1,597,722	(259,712)	(333,949)
2026	\$ 1,173,437	\$ 24,000	\$ 85,389	\$ 1,282,826	\$ 1,190,814	92,012	(241,937)
2027	\$ 1,174,469	\$ 24,000	\$ 87,951	\$ 1,286,420	\$ 1,691,745	(405,325)	(647,263)
2028	\$ 1,191,350	\$ 24,000	\$ 90,589	\$ 1,305,939	\$ 1,726,038	(420,099)	(1,067,361)
2029	\$ 1,176,533	\$ 24,000	\$ 93,307	\$ 1,293,840	\$ 1,822,450	(528,610)	(1,595,972)
2030	\$ 1,177,565	\$ 24,000	\$ 96,106	\$ 1,297,671	\$ 1,971,194	(673,522)	(2,269,494)
2031	\$ 1,178,597	\$ 24,000	\$ 98,989	\$ 1,301,586	\$ 1,957,491	(655,905)	(2,925,399)
2032	\$ 1,179,629	\$ 24,000	\$ 101,959	\$ 1,305,588	\$ 2,032,576	(726,988)	(3,652,387)
2033	\$ 1,177,523	\$ 24,000	\$ 105,018	\$ 1,306,541	\$ 2,125,696	(819,154)	(4,471,541)
2034	\$ 1,181,693	\$ 24,000	\$ 108,168	\$ 1,313,861	\$ 2,307,108	(993,246)	(5,464,787)
2035	\$ 1,181,990	\$ 24,000	\$ 111,413	\$ 1,317,403	\$ 2,443,085	(1,125,682)	(6,590,469)

### Water Combined Division

Table 3-4B: Water Divisions Annual Revenue/Expense Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 457,475.34	\$ -	\$ 40,872.42	\$ 498,347.76	\$ 423,119.27	\$75,228	\$75,228
2025	\$ 470,397.22	\$ 13,020.00	\$ 40,872.42	\$ 524,289.64	\$ 674,091.19	(\$149,802)	(\$74,573)
2026	\$ 471,543.53	\$ 12,000.00	\$ 42,098.59	\$ 525,642.12	\$ 583,933.93	(\$58,292)	(\$132,865)
2027	\$ 472,344.77	\$ 12,000.00	\$ 43,361.55	\$ 527,706.32	\$ 492,161.95	\$35,544	(\$97,320)
2028	\$ 473,791.88	\$ 12,000.00	\$ 44,662.40	\$ 530,454.27	\$ 480,786.80	\$49,667	(\$47,653)
2029	\$ 475,017.36	\$ 12,000.00	\$ 46,002.27	\$ 533,019.63	\$ 494,820.41	\$38,199	(\$9,454)
2030	\$ 476,261.27	\$ 12,000.00	\$ 47,382.34	\$ 535,643.61	\$ 509,275.02	\$26,369	\$16,915
2031	\$ 477,385.45	\$ 12,000.00	\$ 48,803.81	\$ 538,189.25	\$ 581,163.27	(\$42,974)	(\$26,059)
2032	\$ 478,509.62	\$ 12,000.00	\$ 50,267.92	\$ 540,777.54	\$ 566,498.17	(\$25,721)	(\$51,780)
2033	\$ 479,633.80	\$ 12,000.00	\$ 51,775.96	\$ 543,409.76	\$ 562,293.11	(\$18,883)	(\$70,663)
2034	\$ 480,757.97	\$ 12,000.00	\$ 53,329.24	\$ 546,087.21	\$ 578,561.91	(\$32,475)	(\$103,138)
2035	\$ 481,882.15	\$ 12,000.00	\$ 54,929.11	\$ 548,811.27	\$ 615,318.76	(\$66,507)	(\$169,645)

### All Divisions Combined

Table 3-4C: All Divisions Water and Sewer Annual Revenue/Expense Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							
2024	\$ 1,542,806	\$ 125,000	\$ 123,774	\$ 1,791,580	\$ 1,790,589	\$992	\$992
2025	\$ 1,639,985	\$ 98,540	\$ 123,774	\$ 1,862,300	\$ 2,271,813	(\$409,514)	(\$408,522)
2026	\$ 1,644,981	\$ 36,000	\$ 127,488	\$ 1,808,468	\$ 1,774,748	\$33,720	(\$374,802)
2027	\$ 1,646,814	\$ 36,000	\$ 131,312	\$ 1,814,126	\$ 2,183,907	(\$369,781)	(\$744,583)
2028	\$ 1,665,142	\$ 36,000	\$ 135,252	\$ 1,836,393	\$ 2,206,825	(\$370,431)	(\$1,115,014)
2029	\$ 1,651,550	\$ 36,000	\$ 139,309	\$ 1,826,860	\$ 2,317,271	(\$490,411)	(\$1,605,425)
2030	\$ 1,653,826	\$ 36,000	\$ 143,489	\$ 1,833,315	\$ 2,480,469	(\$647,154)	(\$2,252,579)
2031	\$ 1,655,983	\$ 36,000	\$ 147,793	\$ 1,839,776	\$ 2,538,654	(\$698,879)	(\$2,951,458)
2032	\$ 1,658,139	\$ 36,000	\$ 152,227	\$ 1,846,366	\$ 2,599,074	(\$752,709)	(\$3,704,166)
2033	\$ 1,657,157	\$ 36,000	\$ 156,794	\$ 1,849,951	\$ 2,687,989	(\$838,038)	(\$4,542,204)
2034	\$ 1,662,451	\$ 36,000	\$ 161,498	\$ 1,859,949	\$ 2,885,670	(\$1,025,721)	(\$5,567,925)
2035	\$ 1,663,872	\$ 36,000	\$ 166,343	\$ 1,866,215	\$ 3,058,404	(\$1,192,189)	(\$6,760,115)

### Analysis of Scenario 1

It appears clear that with no rate increases and expenses increasing every year, that no division except Antelope Hills water is financially stable. The Combined Division Summary shows that in ten years the yearly accumulated losses would be a negative \$ 6,760,115, certainly not a sustainable situation. It is clear that the rates would need to be increased.

**Scenario 2**

Given the massive accumulated loss in the District as a whole, demonstrated in Scenario 1, it is obvious that some type of rate increase is needed, and also given that the annual balances for each of the divisions is different, the model provides that different percentages of increases can be applied to each division. We tried several different combinations of rate increases per year for each division to try to arrive at a reasonable Accumulated Surplus in 2035 for the district as a whole, which would be considered a reasonable reserve fund. What we arrived at was the following:

**Dos Rios Sewer** - This division is clearly the most upside-down and in need of a massive jump-start to try to even get close to operating in the black, so a 25% increase was applied in 2026, 15% in 2027, 10% in 2028 – 2030 then 5% for 2031-2035. This gets Dos Rios with a positive Accumulated Surplus of \$332,213 or roughly 25% of the operating budget.

**Table 3-4A-1: Dos Rios-Tomichi Sanitary Sewer Annual Revenue Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0.00
2024	\$ 444,829.64	\$ -	\$ 77,750.94	\$ 522,580.58	\$ 659,598.75	(\$137,018.17)	(\$137,018.17)
2025	\$ 478,720.19	\$ 18,000.00	\$ 77,750.94	\$ 574,471.13	\$ 769,741.90	(\$195,270.77)	(\$332,288.94)
2026	\$ 599,602.70	\$ 8,000.00	\$ 80,083.47	\$ 687,686.17	\$ 790,387.10	(\$102,700.93)	(\$434,989.87)
2027	\$ 690,602.14	\$ 8,000.00	\$ 82,485.97	\$ 781,088.12	\$ 820,607.80	(\$39,519.69)	(\$474,509.55)
2028	\$ 760,827.30	\$ 8,000.00	\$ 84,960.55	\$ 853,787.85	\$ 861,481.08	(\$7,693.23)	(\$482,202.79)
2029	\$ 838,191.46	\$ 8,000.00	\$ 87,509.37	\$ 933,700.83	\$ 881,087.81	\$52,613.01	(\$429,589.77)
2030	\$ 923,420.18	\$ 8,000.00	\$ 90,134.65	\$ 1,021,554.83	\$ 995,512.86	\$26,041.97	(\$403,547.81)
2031	\$ 971,071.24	\$ 8,000.00	\$ 92,838.69	\$ 1,071,909.93	\$ 929,845.28	\$142,064.65	(\$261,483.15)
2032	\$ 1,021,178.86	\$ 8,000.00	\$ 95,623.85	\$ 1,124,802.71	\$ 965,178.53	\$159,624.19	(\$101,858.97)
2033	\$ 1,073,869.57	\$ 8,000.00	\$ 98,492.56	\$ 1,180,362.13	\$ 1,000,610.66	\$179,751.47	\$77,892.50
2034	\$ 1,129,276.39	\$ 8,000.00	\$ 101,447.34	\$ 1,238,723.74	\$ 1,121,244.60	\$117,479.14	\$195,371.64
2035	\$ 1,187,539.23	\$ 8,000.00	\$ 104,490.76	\$ 1,300,029.99	\$ 1,163,188.34	\$136,841.65	\$332,213.29

**Antelope Hills Sewer** - This division is also very upside down and would require a 25% increase in 2026-2028, then 10% thereafter until 2035, to still arrive at a negative Accumulated Surplus of \$275,832.

**Table 3-4A-2: Antelope Hills Sanitary Sewer Annual Revenue Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0.00
2024	\$ 73,353.12	\$ 88,000.00	\$ 1,670.78	\$ 163,023.90	\$ 174,574.96	(\$11,551.06)	(\$11,551.06)
2025	\$ 78,856.00	\$ -	\$ 1,670.78	\$ 80,526.78	\$ 211,202.01	(\$130,675.23)	(\$142,226.29)
2026	\$ 98,952.91	\$ 8,000.00	\$ 1,720.90	\$ 108,673.82	\$ 203,097.37	(\$94,423.55)	(\$236,649.85)
2027	\$ 124,735.46	\$ 8,000.00	\$ 1,772.53	\$ 134,507.99	\$ 208,272.55	(\$73,764.56)	(\$310,414.41)
2028	\$ 157,224.71	\$ 8,000.00	\$ 1,825.71	\$ 167,050.42	\$ 202,739.60	(\$35,689.18)	(\$346,103.60)
2029	\$ 174,383.11	\$ 8,000.00	\$ 1,880.48	\$ 184,263.59	\$ 225,511.11	(\$41,247.52)	(\$387,351.11)
2030	\$ 193,400.94	\$ 8,000.00	\$ 1,936.89	\$ 203,337.84	\$ 233,600.22	(\$30,262.39)	(\$417,613.50)
2031	\$ 214,478.51	\$ 8,000.00	\$ 1,995.00	\$ 224,473.51	\$ 227,020.70	(\$2,547.19)	(\$420,160.69)
2032	\$ 237,837.59	\$ 8,000.00	\$ 2,054.85	\$ 247,892.44	\$ 235,786.92	\$12,105.52	(\$408,055.17)
2033	\$ 263,723.69	\$ 8,000.00	\$ 2,116.49	\$ 273,840.19	\$ 244,913.90	\$28,926.29	(\$379,128.88)
2034	\$ 292,408.64	\$ 8,000.00	\$ 2,179.99	\$ 302,588.63	\$ 254,417.36	\$48,171.27	(\$330,957.61)
2035	\$ 324,193.34	\$ 8,000.00	\$ 2,245.39	\$ 334,438.73	\$ 279,313.73	\$55,125.00	(\$275,832.61)

**North Gunnison** - This division was already fairly well balanced, so we only applied a 3% per year increase, to arrive at a positive 2035 Accumulated Surplus of \$645,633 or about 75% of the annual budget.

**Table 3-4A-3: North Gunnison Sanitary Sewer Annual Revenue Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 567,148	\$ 37,000	\$ 3,480	\$ 607,628	\$ 533,296	\$74,332	\$74,332
2025	\$ 612,012	\$ 67,520	\$ 3,480	\$ 683,012	\$ 627,051	\$55,961	\$130,294
2026	\$ 633,672	\$ 8,000	\$ 3,585	\$ 645,256	\$ 199,350	\$445,906	\$576,200
2027	\$ 653,727	\$ 8,000	\$ 3,692	\$ 665,420	\$ 655,914	\$9,505	\$585,705
2028	\$ 691,735	\$ 8,000	\$ 3,803	\$ 703,538	\$ 645,131	\$58,407	\$644,113
2029	\$ 695,758	\$ 8,000	\$ 3,917	\$ 707,675	\$ 688,612	\$19,063	\$663,176
2030	\$ 717,773	\$ 8,000	\$ 4,035	\$ 729,808	\$ 703,419	\$26,388	\$689,564
2031	\$ 740,483	\$ 8,000	\$ 4,156	\$ 752,639	\$ 749,616	\$3,023	\$692,587
2032	\$ 763,910	\$ 8,000	\$ 4,280	\$ 776,190	\$ 767,268	\$8,922	\$701,509
2033	\$ 784,101	\$ 8,000	\$ 4,409	\$ 796,510	\$ 801,445	(\$4,936)	\$696,574
2034	\$ 813,004	\$ 8,000	\$ 4,541	\$ 825,545	\$ 837,221	(\$11,676)	\$684,897
2035	\$ 837,730	\$ 8,000	\$ 4,677	\$ 850,408	\$ 889,672	(\$39,264)	\$645,633

**Sewer Divisions Combined** - With all the sewer divisions combined, the 2035 Accumulated Surplus is a positive \$702,014 or roughly 28% of the budget.

**Table 3-4A-6: Sewer Divisions Sanitary Sewer Annual Revenue Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							0
2024	\$ 1,085,330	\$ 125,000	\$ 82,902	\$ 1,293,233	\$ 1,367,469	(74,237)	(74,237)
2025	\$ 1,169,588	\$ 85,520	\$ 82,902	\$ 1,338,010	\$ 1,607,995	(269,985)	(344,221)
2026	\$ 1,332,227	\$ 24,000	\$ 85,389	\$ 1,441,616	\$ 1,192,835	248,782	(95,440)
2027	\$ 1,469,065	\$ 24,000	\$ 87,951	\$ 1,581,016	\$ 1,684,795	(103,779)	(199,219)
2028	\$ 1,609,787	\$ 24,000	\$ 90,589	\$ 1,724,376	\$ 1,709,351	15,025	(184,194)
2029	\$ 1,708,333	\$ 24,000	\$ 93,307	\$ 1,825,640	\$ 1,795,211	30,429	(153,765)
2030	\$ 1,834,594	\$ 24,000	\$ 96,106	\$ 1,954,701	\$ 1,932,533	22,168	(131,597)
2031	\$ 1,926,033	\$ 24,000	\$ 98,989	\$ 2,049,022	\$ 1,906,482	142,540	10,943
2032	\$ 2,022,926	\$ 24,000	\$ 101,959	\$ 2,148,885	\$ 1,968,234	180,652	191,595
2033	\$ 2,121,694	\$ 24,000	\$ 105,018	\$ 2,250,712	\$ 2,046,970	203,742	395,337
2034	\$ 2,234,689	\$ 24,000	\$ 108,168	\$ 2,366,857	\$ 2,212,883	153,974	549,311
2035	\$ 2,349,463	\$ 24,000	\$ 111,413	\$ 2,484,876	\$ 2,332,174	152,703	702,014

**Antelope Hills Water** - This division is very flush, and not in need of a rate increase, still ending with a positive 2035 Accumulated Surplus of \$1,247,738.

Table 3-4B-5: Antelope Hills Potable Water Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 138,197.86	\$0	\$0	\$138,198	\$36,645	\$101,553	\$101,553
2025	\$ 142,644.83	\$0	\$0	\$142,645	\$46,645	\$95,999	\$197,552
2026	\$ 143,105.11	\$6,000	\$0	\$149,105	\$37,745	\$111,360	\$308,912
2027	\$ 143,719.03	\$6,000	\$0	\$149,719	\$38,877	\$110,842	\$419,754
2028	\$ 144,978.82	\$6,000	\$0	\$150,979	\$40,043	\$110,935	\$530,690
2029	\$ 145,915.67	\$6,000	\$0	\$151,916	\$41,245	\$110,671	\$641,361
2030	\$ 146,852.53	\$6,000	\$0	\$152,853	\$42,482	\$110,371	\$751,731
2031	\$ 147,789.38	\$6,000	\$0	\$153,789	\$93,756	\$60,033	\$811,764
2032	\$ 148,726.24	\$6,000	\$0	\$154,726	\$45,069	\$109,657	\$921,421
2033	\$ 149,663.09	\$6,000	\$0	\$155,663	\$46,421	\$109,242	\$1,030,663
2034	\$ 150,599.95	\$6,000	\$0	\$156,600	\$47,814	\$108,786	\$1,139,449
2035	\$ 151,536.80	\$6,000	\$0	\$157,537	\$ 49,248.29	\$108,289	\$1,247,738

**Dos Rios Water** - For this division we only applied a 5% increase, arriving at a negative \$273,365 2035 Accumulated Surplus.

Table 3-4B-4: Dos Rios Potable Water Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 319,277.47	\$0	\$40,872	\$360,150	\$386,474	(\$26,324)	(\$26,324)
2025	\$ 327,752.40	\$13,020	\$40,872	\$381,645	\$622,474	(\$240,829)	(\$267,153)
2026	\$ 344,775.06	\$6,000	\$42,099	\$392,874	\$541,068	(\$148,194)	(\$415,348)
2027	\$ 362,707.25	\$6,000	\$43,362	\$412,069	\$448,010	(\$35,941)	(\$451,289)
2028	\$ 381,570.71	\$6,000	\$44,662	\$432,233	\$435,310	(\$3,077)	(\$454,366)
2029	\$ 401,413.75	\$6,000	\$46,002	\$453,416	\$447,980	\$5,436	(\$448,930)
2030	\$ 422,287.17	\$6,000	\$47,382	\$475,670	\$461,029	\$14,640	(\$434,290)
2031	\$ 444,244.40	\$6,000	\$48,804	\$499,048	\$481,470	\$17,578	(\$416,712)
2032	\$ 467,341.64	\$6,000	\$50,268	\$523,610	\$515,314	\$8,295	(\$408,416)
2033	\$ 491,637.98	\$6,000	\$51,776	\$549,414	\$509,574	\$39,840	(\$368,576)
2034	\$ 517,195.61	\$6,000	\$53,329	\$576,525	\$524,261	\$52,264	(\$316,312)
2035	\$ 541,406.59	\$6,000	\$54,929	\$602,336	\$559,389	\$42,947	(\$273,365)

**Water Divisions Combined** - The combined water divisions yield a 2035 Accumulated Surplus of a positive \$974,373, or approximately 128% of the combined operating budget.

**Table 3-4B-6: Water Divisions Annual Revenue Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 457,475.34	\$ -	\$ 40,872.42	\$ 498,347.76	\$ 423,119.27	\$75,228	\$75,228
2025	\$ 470,397.22	\$ 13,020.00	\$ 40,872.42	\$ 524,289.64	\$ 669,119.27	(\$144,830)	(\$69,601)
2026	\$ 487,880.18	\$ 12,000.00	\$ 42,098.59	\$ 541,978.77	\$ 578,812.85	(\$36,834)	(\$106,435)
2027	\$ 506,426.28	\$ 12,000.00	\$ 43,361.55	\$ 561,787.83	\$ 486,887.23	\$74,901	(\$31,535)
2028	\$ 526,549.53	\$ 12,000.00	\$ 44,662.40	\$ 583,211.93	\$ 475,353.85	\$107,858	\$76,323
2029	\$ 547,329.43	\$ 12,000.00	\$ 46,002.27	\$ 605,331.70	\$ 489,224.47	\$116,107	\$192,431
2030	\$ 569,139.70	\$ 12,000.00	\$ 47,382.34	\$ 628,522.04	\$ 503,511.20	\$125,011	\$317,442
2031	\$ 592,033.79	\$ 12,000.00	\$ 48,803.81	\$ 652,837.59	\$ 575,226.54	\$77,611	\$395,053
2032	\$ 616,067.87	\$ 12,000.00	\$ 50,267.92	\$ 678,335.79	\$ 560,383.33	\$117,952	\$513,005
2033	\$ 641,301.07	\$ 12,000.00	\$ 51,775.96	\$ 705,077.03	\$ 555,994.83	\$149,082	\$662,087
2034	\$ 667,795.55	\$ 12,000.00	\$ 53,329.24	\$ 733,124.79	\$ 572,074.68	\$161,050	\$823,137
2035	\$ 692,943.39	\$ 12,000.00	\$ 54,929.11	\$ 759,872.50	\$ 608,636.92	\$151,236	\$974,373

**All Divisions Combined** - The combination of all the divisions in the district yield a positive 2035 Accumulated Surplus of \$1,676,387 or roughly 52% of the operating budget.

**Table 3-4C: All Divisions Water and Sewer Annual Revenue Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							
2024	\$ 1,542,806	\$ 125,000	\$ 123,774	\$ 1,791,580	\$ 1,790,589	\$992	\$992
2025	\$ 1,639,985	\$ 98,540	\$ 123,774	\$ 1,862,300	\$ 2,277,114	(\$414,814)	(\$413,823)
2026	\$ 1,820,108	\$ 36,000	\$ 127,488	\$ 1,983,595	\$ 1,771,648	\$211,948	(\$201,875)
2027	\$ 1,975,491	\$ 36,000	\$ 131,312	\$ 2,142,804	\$ 2,171,682	(\$28,878)	(\$230,753)
2028	\$ 2,136,336	\$ 36,000	\$ 135,252	\$ 2,307,588	\$ 2,184,705	\$122,883	(\$107,870)
2029	\$ 2,255,662	\$ 36,000	\$ 139,309	\$ 2,430,971	\$ 2,284,435	\$146,536	\$38,665
2030	\$ 2,403,734	\$ 36,000	\$ 143,489	\$ 2,583,223	\$ 2,436,044	\$147,179	\$185,844
2031	\$ 2,518,067	\$ 36,000	\$ 147,793	\$ 2,701,860	\$ 2,481,708	\$220,152	\$405,996
2032	\$ 2,638,994	\$ 36,000	\$ 152,227	\$ 2,827,221	\$ 2,528,617	\$298,604	\$704,600
2033	\$ 2,762,995	\$ 36,000	\$ 156,794	\$ 2,955,789	\$ 2,602,965	\$352,824	\$1,057,424
2034	\$ 2,902,484	\$ 36,000	\$ 161,498	\$ 3,099,982	\$ 2,784,958	\$315,024	\$1,372,449
2035	\$ 3,042,406	\$ 36,000	\$ 166,343	\$ 3,244,749	\$ 2,940,811	\$303,938	\$1,676,387

**Analysis of Scenario 2**

While the rate increases presented in Scenario 2 are mathematically feasible and even necessary, it would probably not be palatable or even acceptable to the general customer base. Another scenario that would maybe not make that large initial increase should be investigated.

**Scenario 3**

Scenario 3 is a scenario that we and the Gunnison County staff developed together cover inflation and yearly increasing City of Gunnison treatment costs. It was decided to apply a 5.5 percent per year increase equally each year to all the districts. The results of that scenario are shown below:

**Dos Rios Sewer**

Table 3-4A-1: Dos Rios-Tomichi Sanitary Sewer Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0.00
2024	\$ 444,829.64	\$ -	\$ 77,750.94	\$ 522,580.58	\$ 659,598.75	(\$137,018.17)	(\$137,018.17)
2025	\$ 478,720.19	\$ 18,000.00	\$ 77,750.94	\$ 574,471.13	\$ 769,741.90	(\$195,270.77)	(\$332,288.94)
2026	\$ 506,064.68	\$ 8,000.00	\$ 80,083.47	\$ 594,148.15	\$ 790,387.10	(\$196,238.95)	(\$528,527.89)
2027	\$ 534,718.23	\$ 8,000.00	\$ 82,485.97	\$ 625,204.20	\$ 820,607.80	(\$195,403.60)	(\$723,931.49)
2028	\$ 564,992.82	\$ 8,000.00	\$ 84,960.55	\$ 657,953.37	\$ 861,481.08	(\$203,527.71)	(\$927,459.21)
2029	\$ 596,980.09	\$ 8,000.00	\$ 87,509.37	\$ 692,489.46	\$ 881,087.81	(\$188,598.36)	(\$1,116,057.56)
2030	\$ 630,776.86	\$ 8,000.00	\$ 90,134.65	\$ 728,911.51	\$ 995,512.86	(\$266,601.36)	(\$1,382,658.92)
2031	\$ 666,485.41	\$ 8,000.00	\$ 92,838.69	\$ 767,324.09	\$ 929,845.28	(\$162,521.19)	(\$1,545,180.11)
2032	\$ 704,213.79	\$ 8,000.00	\$ 95,623.85	\$ 807,837.64	\$ 965,178.53	(\$157,340.88)	(\$1,702,520.99)
2033	\$ 744,076.19	\$ 8,000.00	\$ 98,492.56	\$ 850,568.75	\$ 1,000,610.66	(\$150,041.91)	(\$1,852,562.90)
2034	\$ 786,193.20	\$ 8,000.00	\$ 101,447.34	\$ 895,640.54	\$ 1,121,244.60	(\$225,604.06)	(\$2,078,166.96)
2035	\$ 830,692.25	\$ 8,000.00	\$ 104,490.76	\$ 943,183.01	\$ 1,163,188.34	(\$220,005.33)	(\$2,298,172.29)

**Antelope Hills Sewer**

Table 3-4A-2: Antelope Hills Sanitary Sewer Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0.00
2024	\$ 73,353.12	\$ 88,000.00	\$ 1,670.78	\$ 163,023.90	\$ 174,574.96	(\$11,551.06)	(\$11,551.06)
2025	\$ 78,856.00	\$ -	\$ 1,670.78	\$ 80,526.78	\$ 211,202.01	(\$130,675.23)	(\$142,226.29)
2026	\$ 83,516.26	\$ 8,000.00	\$ 1,720.90	\$ 93,237.16	\$ 203,097.37	(\$109,860.21)	(\$252,086.50)
2027	\$ 88,853.56	\$ 8,000.00	\$ 1,772.53	\$ 98,626.09	\$ 208,272.55	(\$109,646.47)	(\$361,732.97)
2028	\$ 94,525.32	\$ 8,000.00	\$ 1,825.71	\$ 104,351.02	\$ 202,739.60	(\$98,388.58)	(\$460,121.54)
2029	\$ 100,552.19	\$ 8,000.00	\$ 1,880.48	\$ 110,432.67	\$ 225,511.11	(\$115,078.44)	(\$575,199.98)
2030	\$ 106,956.08	\$ 8,000.00	\$ 1,936.89	\$ 116,892.97	\$ 233,600.22	(\$116,707.25)	(\$691,907.23)
2031	\$ 113,760.23	\$ 8,000.00	\$ 1,995.00	\$ 123,755.23	\$ 227,020.70	(\$103,265.47)	(\$795,172.70)
2032	\$ 120,989.29	\$ 8,000.00	\$ 2,054.85	\$ 131,044.14	\$ 235,786.92	(\$104,742.78)	(\$899,915.48)
2033	\$ 128,669.42	\$ 8,000.00	\$ 2,116.49	\$ 138,785.92	\$ 244,913.90	(\$106,127.98)	(\$1,006,043.46)
2034	\$ 136,828.38	\$ 8,000.00	\$ 2,179.99	\$ 147,008.37	\$ 254,417.36	(\$107,408.99)	(\$1,113,452.45)
2035	\$ 145,495.60	\$ 8,000.00	\$ 2,245.39	\$ 155,740.99	\$ 279,313.73	(\$123,572.74)	(\$1,237,025.20)

### North Gunnison Sewer

Table 3-4A-3: North Gunnison Sanitary Sewer Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 567,148	\$ 37,000	\$ 3,480	\$ 607,628	\$ 533,296	\$74,332	\$74,332
2025	\$ 612,012	\$ 67,520	\$ 3,480	\$ 683,012	\$ 627,051	\$55,961	\$130,294
2026	\$ 649,052	\$ 8,000	\$ 3,585	\$ 660,637	\$ 199,350	\$461,287	\$591,580
2027	\$ 685,847	\$ 8,000	\$ 3,692	\$ 697,539	\$ 655,914	\$41,625	\$633,205
2028	\$ 743,336	\$ 8,000	\$ 3,803	\$ 755,139	\$ 645,131	\$110,009	\$743,214
2029	\$ 765,807	\$ 8,000	\$ 3,917	\$ 777,724	\$ 688,612	\$89,112	\$832,326
2030	\$ 809,214	\$ 8,000	\$ 4,035	\$ 821,249	\$ 703,419	\$117,829	\$950,155
2031	\$ 855,080	\$ 8,000	\$ 4,156	\$ 867,236	\$ 749,616	\$117,620	\$1,067,774
2032	\$ 903,543	\$ 8,000	\$ 4,280	\$ 915,823	\$ 767,268	\$148,555	\$1,216,330
2033	\$ 949,935	\$ 8,000	\$ 4,409	\$ 962,344	\$ 801,445	\$160,898	\$1,377,228
2034	\$ 1,008,857	\$ 8,000	\$ 4,541	\$ 1,021,398	\$ 837,221	\$184,177	\$1,561,405
2035	\$ 1,064,772	\$ 8,000	\$ 4,677	\$ 1,077,449	\$ 889,672	\$187,778	\$1,749,183

### Sewer Divisions Combined

Table 3-4A-6: Sewer Divisions Sanitary Sewer Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							0
2024	\$ 1,085,330	\$ 125,000	\$ 82,902	\$ 1,293,233	\$ 1,367,469	(74,237)	(74,237)
2025	\$ 1,169,588	\$ 85,520	\$ 82,902	\$ 1,338,010	\$ 1,607,995	(269,985)	(344,221)
2026	\$ 1,238,633	\$ 24,000	\$ 85,389	\$ 1,348,022	\$ 1,192,835	155,188	(189,034)
2027	\$ 1,309,419	\$ 24,000	\$ 87,951	\$ 1,421,370	\$ 1,684,795	(263,425)	(452,459)
2028	\$ 1,402,854	\$ 24,000	\$ 90,589	\$ 1,517,444	\$ 1,709,351	(191,908)	(644,367)
2029	\$ 1,463,339	\$ 24,000	\$ 93,307	\$ 1,580,646	\$ 1,795,211	(214,565)	(858,932)
2030	\$ 1,546,947	\$ 24,000	\$ 96,106	\$ 1,667,053	\$ 1,932,533	(265,479)	(1,124,411)
2031	\$ 1,635,325	\$ 24,000	\$ 98,989	\$ 1,758,315	\$ 1,906,482	(148,167)	(1,272,578)
2032	\$ 1,728,746	\$ 24,000	\$ 101,959	\$ 1,854,705	\$ 1,968,234	(113,528)	(1,386,107)
2033	\$ 1,822,681	\$ 24,000	\$ 105,018	\$ 1,951,698	\$ 2,046,970	(95,272)	(1,481,378)
2034	\$ 1,931,879	\$ 24,000	\$ 108,168	\$ 2,064,047	\$ 2,212,883	(148,836)	(1,630,214)
2035	\$ 2,040,960	\$ 24,000	\$ 111,413	\$ 2,176,373	\$ 2,332,174	(155,800)	(1,786,015)

### Antelope Hills Water

Table 3-4B-5:Antelope Hills Potable Water Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 138,197.86	\$0	\$0	\$138,198	\$36,645	\$101,553	\$101,553
2025	\$ 142,644.83	\$0	\$0	\$142,645	\$46,645	\$95,999	\$197,552
2026	\$ 148,614.21	\$6,000	\$0	\$154,614	\$37,745	\$116,870	\$314,421
2027	\$ 155,109.63	\$6,000	\$0	\$161,110	\$38,877	\$122,233	\$436,654
2028	\$ 162,758.27	\$6,000	\$0	\$168,758	\$40,043	\$128,715	\$565,369
2029	\$ 170,508.90	\$6,000	\$0	\$176,509	\$41,245	\$135,264	\$700,633
2030	\$ 178,749.64	\$6,000	\$0	\$184,750	\$42,482	\$142,268	\$842,901
2031	\$ 187,510.97	\$6,000	\$0	\$193,511	\$93,756	\$99,755	\$942,655
2032	\$ 196,825.22	\$6,000	\$0	\$202,825	\$45,069	\$157,756	\$1,100,411
2033	\$ 206,726.70	\$6,000	\$0	\$212,727	\$46,421	\$166,305	\$1,266,717
2034	\$ 217,251.85	\$6,000	\$0	\$223,252	\$47,814	\$175,438	\$1,442,155
2035	\$ 228,439.30	\$6,000	\$0	\$234,439	\$ 49,248.29	\$185,191	\$1,627,346

### Dos Rios Water

Table 3-4B-4:Dos Rios Potable Water Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 319,277.47	\$0	\$40,872	\$360,150	\$386,474	(\$26,324)	(\$26,324)
2025	\$ 327,752.40	\$13,020	\$40,872	\$381,645	\$622,474	(\$240,829)	(\$267,153)
2026	\$ 346,716.08	\$6,000	\$42,099	\$394,815	\$541,068	(\$146,253)	(\$413,407)
2027	\$ 366,485.51	\$6,000	\$43,362	\$415,847	\$448,010	(\$32,163)	(\$445,570)
2028	\$ 387,380.77	\$6,000	\$44,662	\$438,043	\$435,310	\$2,733	(\$442,837)
2029	\$ 409,465.88	\$6,000	\$46,002	\$461,468	\$447,980	\$13,488	(\$429,349)
2030	\$ 432,808.54	\$6,000	\$47,382	\$486,191	\$461,029	\$25,162	(\$404,187)
2031	\$ 457,480.25	\$6,000	\$48,804	\$512,284	\$481,470	\$30,814	(\$373,373)
2032	\$ 483,556.60	\$6,000	\$50,268	\$539,825	\$515,314	\$24,510	(\$348,863)
2033	\$ 511,117.47	\$6,000	\$51,776	\$568,893	\$509,574	\$59,320	(\$289,543)
2034	\$ 540,247.28	\$6,000	\$53,329	\$599,577	\$524,261	\$75,316	(\$214,227)
2035	\$ 567,855.20	\$6,000	\$54,929	\$628,784	\$559,389	\$69,396	(\$144,831)

### Water Divisions Combined

Table 3-4B-6:Water Divisions Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 457,475.34	\$ -	\$ 40,872.42	\$ 498,347.76	\$ 423,119.27	\$75,228	\$75,228
2025	\$ 470,397.22	\$ 13,020.00	\$ 40,872.42	\$ 524,289.64	\$ 669,119.27	(\$144,830)	(\$69,601)
2026	\$ 495,330.29	\$ 12,000.00	\$ 42,098.59	\$ 549,428.88	\$ 578,812.85	(\$29,384)	(\$98,985)
2027	\$ 521,595.14	\$ 12,000.00	\$ 43,361.55	\$ 576,956.69	\$ 486,887.23	\$90,069	(\$8,916)
2028	\$ 550,139.04	\$ 12,000.00	\$ 44,662.40	\$ 606,801.44	\$ 475,353.85	\$131,448	\$122,532
2029	\$ 579,974.78	\$ 12,000.00	\$ 46,002.27	\$ 637,977.05	\$ 489,224.47	\$148,753	\$271,285
2030	\$ 611,558.18	\$ 12,000.00	\$ 47,382.34	\$ 670,940.51	\$ 503,511.20	\$167,429	\$438,714
2031	\$ 644,991.21	\$ 12,000.00	\$ 48,803.81	\$ 705,795.02	\$ 575,226.54	\$130,568	\$569,282
2032	\$ 680,381.81	\$ 12,000.00	\$ 50,267.92	\$ 742,649.73	\$ 560,383.33	\$182,266	\$751,549
2033	\$ 717,844.17	\$ 12,000.00	\$ 51,775.96	\$ 781,620.13	\$ 555,994.83	\$225,625	\$977,174
2034	\$ 757,499.13	\$ 12,000.00	\$ 53,329.24	\$ 822,828.36	\$ 572,074.68	\$250,754	\$1,227,928
2035	\$ 796,294.51	\$ 12,000.00	\$ 54,929.11	\$ 863,223.62	\$ 608,636.92	\$254,587	\$1,482,514

**All Divisions Combined**

Table 3-4C: All Divisions Water and Sewer Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							
2024	\$ 1,542,806	\$ 125,000	\$ 123,774	\$ 1,791,580	\$ 1,790,589	\$992	\$992
2025	\$ 1,639,985	\$ 98,540	\$ 123,774	\$ 1,862,300	\$ 2,277,114	(\$414,814)	(\$413,823)
2026	\$ 1,733,963	\$ 36,000	\$ 127,488	\$ 1,897,451	\$ 1,771,648	\$125,804	(\$288,019)
2027	\$ 1,831,014	\$ 36,000	\$ 131,312	\$ 1,998,326	\$ 2,171,682	(\$173,356)	(\$461,375)
2028	\$ 1,952,993	\$ 36,000	\$ 135,252	\$ 2,124,245	\$ 2,184,705	(\$60,460)	(\$521,835)
2029	\$ 2,043,314	\$ 36,000	\$ 139,309	\$ 2,218,623	\$ 2,284,435	(\$65,812)	(\$587,647)
2030	\$ 2,158,505	\$ 36,000	\$ 143,489	\$ 2,337,994	\$ 2,436,044	(\$98,050)	(\$685,697)
2031	\$ 2,280,317	\$ 36,000	\$ 147,793	\$ 2,464,110	\$ 2,481,708	(\$17,599)	(\$703,296)
2032	\$ 2,409,128	\$ 36,000	\$ 152,227	\$ 2,597,355	\$ 2,528,617	\$68,738	(\$634,558)
2033	\$ 2,540,525	\$ 36,000	\$ 156,794	\$ 2,733,319	\$ 2,602,965	\$130,354	(\$504,204)
2034	\$ 2,689,378	\$ 36,000	\$ 161,498	\$ 2,886,876	\$ 2,784,958	\$101,918	(\$402,287)
2035	\$ 2,837,254	\$ 36,000	\$ 166,343	\$ 3,039,597	\$ 2,940,811	\$98,786	(\$303,500)

**Analysis of Scenario 3**

An analysis of Scenario 3 indicates that, while the Accumulated Surplus in 2035 is not positive, at a negative \$303,500, it goes a long way towards being positive when compared with the 2035 deficit of a negative \$6,760,115 that would result with no rate increases. This analysis was presented to Gunnison County staff for their analysis and final input to both develop a recommended rate for 2026 plus recommended rate increases for the future.

#### **Scenario 4: Final Recommended Rate Structure**

The Preliminary Rate Analysis was updated by the county staff to include:

- Updated expenses for 2025 based on where it is expected to be at the end the year. This was because the 2025 expenses were based on now outdated mid-year projections.
- Updated 2024 Expenses to equal final audited numbers.
- Updated Net Position details for the Summary Tables of the combined divisions.
- While the Preliminary Rate Structure focused on the operating revenue and expenses, the Division Summary tables were modified to include all other revenues and expenses in the complete District Financial Portfolio to gain a better understanding of all the District's revenues and expenses and the impact that the rates have on that portfolio.

#### **Final Rate Change and Increase Recommendation**

The following recommendations are made:

- For final sewer rates, the recommendation is to increase Ros Rios and Antelope Hills rates (excluding Vacant Lots) by 15% in 2026, 10% in 2027 and 2028, and then 5% each year after. For North Gunnison, the recommended increase in rates (excluding Vacant Lots) is 4% for each year. This proposal helps align Dos Rios and Antelope Hills Rates with the already higher current North Gunnison Rates and help maintain a healthy Net Position for the mid-term outlook.
- For final water rates, the recommendation is to increase Base Rate by 4% each year and increase Tier 2 Rate to 25% of Base Rate and Tier 3 Rate to 25% of Tier 2 Rate. The Vacant Lot rates are recommended to be modified downward for 2026 to Dos Rios at \$14.98 and Antelope Hills at \$108.21, then held at that rate for every year thereafter. This will maintain a healthy Net Position for the mid-term against an assumed 3% increase in Expenses.

#### **Model Results with the Recommended Rate Changes**

The tables directly below show what the rates will be each year with the applied increases for each division. Below those tables, are the division summary tables which show how the recommended yearly revenues and expenses and the change in the Accumulated Surplus balances are affected by the recommended rate increases.

### Recommended Rate Schedules

The recommended rate increases in Scenario 4 will yield the following dollar value for the rates for each year:

#### Sewer Divisions

Table 7-1A: Workbook last saved: 4h ago Sanitary Sewer Rate Schedules

Year	Per Year Increase	Residential Base Rate	Residential Usage Rate	Commercial Base Rate	Commercial Usage Rate	Vacant Lot Base Rate
2024	0%	\$171.33	\$0.00	\$171.33	\$0.00	\$58.73
2025	0%	\$184.18	\$0.00	\$184.18	\$0.00	\$63.13
2026	15%	\$211.81	\$0.00	\$211.81	\$0.00	\$34.03
2027	10%	\$232.99	\$0.00	\$232.99	\$0.00	\$34.03
2028	10%	\$256.29	\$0.00	\$256.29	\$0.00	\$34.03
2029	5%	\$269.10	\$0.00	\$269.10	\$0.00	\$34.03
2030	5%	\$282.56	\$0.00	\$282.56	\$0.00	\$34.03
2031	5%	\$296.68	\$0.00	\$296.68	\$0.00	\$34.03
2032	5%	\$311.52	\$0.00	\$311.52	\$0.00	\$34.03
2033	5%	\$327.09	\$0.00	\$327.09	\$0.00	\$34.03
2034	5%	\$343.45	\$0.00	\$343.45	\$0.00	\$34.03
2035	5%	\$360.62	\$0.00	\$360.62	\$0.00	\$34.03

Table 7-1B: Summary of Antelope Hills Sanitary Sewer Rate Schedules

Year	Per Year Increase	Residential Base Rate	Residential Usage Rate	Commercial Base Rate	Commercial Usage Rate	Vacant Lot Base Rate
2024	0%	\$155.43	\$0.00	\$155.43	\$0.00	\$51.40
2025	0%	\$167.09	\$0.00	\$167.09	\$0.00	\$55.26
2026	15%	\$192.15	\$0.00	\$192.15	\$0.00	\$12.82
2027	10%	\$211.37	\$0.00	\$211.37	\$0.00	\$12.82
2028	10%	\$232.51	\$0.00	\$232.51	\$0.00	\$12.82
2029	5%	\$244.13	\$0.00	\$244.13	\$0.00	\$12.82
2030	5%	\$256.34	\$0.00	\$256.34	\$0.00	\$12.82
2031	5%	\$269.15	\$0.00	\$269.15	\$0.00	\$12.82
2032	5%	\$282.61	\$0.00	\$282.61	\$0.00	\$12.82
2033	5%	\$296.74	\$0.00	\$296.74	\$0.00	\$12.82
2034	5%	\$311.58	\$0.00	\$311.58	\$0.00	\$12.82
2035	5%	\$327.16	\$0.00	\$327.16	\$0.00	\$12.82

**Table 7-1C: Summary of North Gunnison Sanitary Sewer Rate Schedules**

Year	Per Year Increase	Residential Phase 1 Base Rate	Residential Phase 1 Usage Rate	Residential Phase 2 Base Rate	Residential Phase 2 Usage Rate	Commercial Base Rate	Commercial Usage Rate	Vacant Lot Base Rate
2024	0%	\$229.20	\$0.00	\$335.08	\$0.00	\$335.08	\$0.00	\$205.83
2025	0%	\$246.39	\$0.00	\$360.21	\$0.00	\$360.21	\$0.00	\$221.27
2026	4%	\$256.25	\$0.00	\$374.62	\$0.00	\$374.62	\$0.00	\$67.22
2027	4%	\$266.50	\$0.00	\$389.60	\$0.00	\$389.60	\$0.00	\$67.22
2028	4%	\$277.16	\$0.00	\$405.19	\$0.00	\$405.19	\$0.00	\$67.22
2029	4%	\$288.24	\$0.00	\$421.39	\$0.00	\$421.39	\$0.00	\$67.22
2030	4%	\$299.77	\$0.00	\$438.25	\$0.00	\$438.25	\$0.00	\$67.22
2031	4%	\$311.76	\$0.00	\$455.78	\$0.00	\$455.78	\$0.00	\$67.22
2032	4%	\$324.23	\$0.00	\$474.01	\$0.00	\$474.01	\$0.00	\$67.22
2033	4%	\$337.20	\$0.00	\$492.97	\$0.00	\$492.97	\$0.00	\$67.22
2034	4%	\$350.69	\$0.00	\$512.69	\$0.00	\$512.69	\$0.00	\$67.22
2035	4%	\$364.72	\$0.00	\$533.20	\$0.00	\$533.20	\$0.00	\$67.22

**Water Divisions**

**Table 7-2A: Summary of Dos Rios Potable Water Rate Schedules**

Year	Per Year Increase	Residential				Commercial			Availability of Service Base Rate	
		Base Rate	Tier 1	Tier 2	Tier 3	Base Rate	Tier 1	Tier 2		Tier 3
2024	0%	\$127.52	\$0.00	\$7.32	\$11.59	\$127.52	\$0.00	\$7.40	\$7.40	\$53.54
2025	0%	\$131.55	\$0.00	\$7.32	\$11.59	\$131.55	\$0.00	\$7.40	\$7.40	\$55.15
2026	4%	\$136.81	\$0.00	\$9.50	\$11.88	\$136.81	\$0.00	\$9.50	\$11.88	\$14.98
2027	4%	\$142.28	\$0.00	\$9.88	\$12.35	\$142.28	\$0.00	\$9.88	\$12.35	\$14.98
2028	4%	\$147.98	\$0.00	\$10.28	\$12.85	\$147.98	\$0.00	\$10.28	\$12.85	\$14.98
2029	4%	\$153.89	\$0.00	\$10.69	\$13.36	\$153.89	\$0.00	\$10.69	\$13.36	\$14.98
2030	4%	\$160.05	\$0.00	\$11.11	\$13.89	\$160.05	\$0.00	\$11.11	\$13.89	\$14.98
2031	4%	\$166.45	\$0.00	\$11.56	\$14.45	\$166.45	\$0.00	\$11.56	\$14.45	\$14.98
2032	4%	\$173.11	\$0.00	\$12.02	\$15.03	\$173.11	\$0.00	\$12.02	\$15.03	\$14.98
2033	4%	\$180.04	\$0.00	\$12.50	\$15.63	\$180.04	\$0.00	\$12.50	\$15.63	\$14.98
2034	4%	\$187.24	\$0.00	\$13.00	\$16.25	\$187.24	\$0.00	\$13.00	\$16.25	\$14.98
2035	4%	\$194.73	\$0.00	\$13.52	\$16.90	\$194.73	\$0.00	\$13.52	\$16.90	\$14.98

**Table 7-1B: Summary of Antelope Hills Sanitary Sewer Rate Schedules**

Year	Per Year Increase	Residential				HOA				Availability of Service Base	
		Base Rate	Tier 1	Tier 2	Tier 3	Base Rate	Tier 1	Tier 2	Tier 3		Loan Repayment
2024	0%	\$178.79	\$0.00	\$4.87	\$7.79	\$158.35	\$0.00	\$10.23	\$11.25	\$97.59	\$35.69
2025	0%	\$184.15	\$0.00	\$10.23	\$11.25	\$166.03	\$0.00	\$10.23	\$11.25	\$97.59	\$55.26
2026	4%	\$191.52	\$0.00	\$13.30	\$16.62	\$172.67	\$0.00	\$11.99	\$14.99	\$97.59	\$108.21
2027	4%	\$199.18	\$0.00	\$13.83	\$17.29	\$179.58	\$0.00	\$12.47	\$15.59	\$97.59	\$108.21
2028	4%	\$207.14	\$0.00	\$14.38	\$17.98	\$186.76	\$0.00	\$12.97	\$16.21	\$97.59	\$108.21
2029	4%	\$215.43	\$0.00	\$14.96	\$18.70	\$194.23	\$0.00	\$13.49	\$16.86	\$97.59	\$108.21
2030	4%	\$224.05	\$0.00	\$15.56	\$19.45	\$202.00	\$0.00	\$14.03	\$17.53	\$97.59	\$108.21
2031	4%	\$233.01	\$0.00	\$16.18	\$20.23	\$210.08	\$0.00	\$14.59	\$18.24	\$97.59	\$108.21
2032	4%	\$242.33	\$0.00	\$16.83	\$21.04	\$218.48	\$0.00	\$15.17	\$18.97	\$97.59	\$108.21
2033	4%	\$252.02	\$0.00	\$17.50	\$21.88	\$227.22	\$0.00	\$15.78	\$19.72	\$97.59	\$108.21
2034	4%	\$262.10	\$0.00	\$18.20	\$22.75	\$236.31	\$0.00	\$16.41	\$20.51	\$97.59	\$108.21
2035	4%	\$272.59	\$0.00	\$18.93	\$23.66	\$245.76	\$0.00	\$17.07	\$21.33	\$97.59	\$108.21

**Sewer Division Annual Revenue Summaries**  
**Dos Rios Sewer**

**Table 3-4A-1: Dos Rios Sanitary Sewer Annual Revenue Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0.00
2024	\$ 444,829.64	\$ -	\$ 71,959.34	\$ 516,788.98	\$ 641,273.75	(\$124,484.77)	(\$124,484.77)
2025	\$ 478,857.70	\$ 24,000.00	\$ 14,995.15	\$ 517,852.84	\$ 730,511.96	(\$212,659.12)	(\$337,143.89)
2026	\$ 545,591.72	\$ 8,000.00	\$ 15,445.00	\$ 569,036.72	\$ 740,327.32	(\$171,290.60)	(\$508,434.49)
2027	\$ 600,394.87	\$ 8,000.00	\$ 15,908.35	\$ 624,303.22	\$ 750,737.14	(\$126,433.92)	(\$634,868.41)
2028	\$ 660,785.15	\$ 8,000.00	\$ 16,385.60	\$ 685,170.75	\$ 789,759.26	(\$104,588.51)	(\$739,456.92)
2029	\$ 694,502.37	\$ 8,000.00	\$ 16,877.17	\$ 719,379.54	\$ 793,412.03	(\$74,032.49)	(\$813,489.41)
2030	\$ 729,966.09	\$ 8,000.00	\$ 17,383.48	\$ 755,349.57	\$ 890,714.39	(\$135,364.82)	(\$948,854.23)
2031	\$ 767,266.30	\$ 8,000.00	\$ 17,904.99	\$ 793,171.29	\$ 806,685.83	(\$13,514.54)	(\$962,368.77)
2032	\$ 806,497.67	\$ 8,000.00	\$ 18,442.14	\$ 832,939.81	\$ 822,346.40	\$10,593.41	(\$951,775.36)
2033	\$ 847,759.72	\$ 8,000.00	\$ 18,995.40	\$ 874,755.12	\$ 836,716.79	\$38,038.33	(\$913,737.03)
2034	\$ 891,157.09	\$ 8,000.00	\$ 19,565.26	\$ 918,722.36	\$ 934,818.30	(\$16,095.94)	(\$929,832.97)
2035	\$ 936,799.83	\$ 8,000.00	\$ 20,152.22	\$ 964,952.06	\$ 952,672.85	\$12,279.21	(\$917,553.76)

### Antelope Hills Sewer

Table 3-4A-2: Antelope Hills Sanitary Sewer Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0.00
2024	\$ 73,353.12	\$ 88,000.00	\$ 1,360.82	\$ 162,713.94	\$ 174,574.96	(\$11,861.02)	(\$11,861.02)
2025	\$ 79,061.02	\$ 8,000.00	\$ 1,179.98	\$ 88,241.00	\$ 138,320.00	(\$50,079.00)	(\$61,940.02)
2026	\$ 90,513.02	\$ 8,000.00	\$ 1,215.38	\$ 99,728.40	\$ 126,569.60	(\$26,841.20)	(\$88,781.22)
2027	\$ 104,887.66	\$ 8,000.00	\$ 1,251.84	\$ 114,139.50	\$ 127,916.69	(\$13,777.19)	(\$102,558.40)
2028	\$ 121,558.78	\$ 8,000.00	\$ 1,289.40	\$ 130,848.18	\$ 118,364.19	\$12,483.99	(\$90,074.42)
2029	\$ 140,890.73	\$ 8,000.00	\$ 1,328.08	\$ 150,218.81	\$ 136,915.11	\$13,303.70	(\$76,770.72)
2030	\$ 149,107.45	\$ 8,000.00	\$ 1,367.92	\$ 158,475.37	\$ 140,572.57	\$17,902.80	(\$58,867.92)
2031	\$ 157,231.75	\$ -	\$ 1,408.96	\$ 158,640.71	\$ 129,339.74	\$29,300.96	(\$29,566.96)
2032	\$ 165,093.33	\$ -	\$ 1,451.23	\$ 166,544.56	\$ 133,219.94	\$33,324.63	\$3,757.67
2033	\$ 173,348.00	\$ -	\$ 1,494.77	\$ 174,842.77	\$ 137,216.54	\$37,626.23	\$41,383.90
2034	\$ 182,015.40	\$ -	\$ 1,539.61	\$ 183,555.01	\$ 141,333.03	\$42,221.98	\$83,605.88
2035	\$ 191,116.17	\$ -	\$ 1,585.80	\$ 192,701.97	\$ 160,573.02	\$32,128.95	\$115,734.83

### North Gunnison Sewer

Table 3-4A-3: North Gunnison Sanitary Sewer Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 567,148	\$ 37,000	\$ 7,659.44	\$ 611,807	\$ 513,733	\$98,074	\$98,074
2025	\$ 610,606	\$ 21,000	\$ 31,454.44	\$ 663,060	\$ 617,232	\$45,828	\$143,903
2026	\$ 584,382	\$ 8,000	\$ 32,398	\$ 624,780	\$ 608,649	\$16,131	\$160,033
2027	\$ 607,699	\$ 8,000	\$ 33,370	\$ 649,069	\$ 628,558	\$20,510	\$180,543
2028	\$ 632,002	\$ 8,000	\$ 34,371	\$ 674,373	\$ 607,975	\$66,397	\$246,941
2029	\$ 657,332	\$ 8,000	\$ 35,402	\$ 700,734	\$ 640,914	\$59,819	\$306,760
2030	\$ 683,732	\$ 8,000	\$ 36,464	\$ 728,196	\$ 644,392	\$83,804	\$390,565
2031	\$ 711,247	\$ 8,000	\$ 37,558	\$ 756,805	\$ 678,424	\$78,382	\$468,946
2032	\$ 739,923	\$ 8,000	\$ 38,685	\$ 786,608	\$ 683,026	\$103,582	\$572,528
2033	\$ 769,809	\$ 8,000	\$ 39,846	\$ 817,655	\$ 703,217	\$114,437	\$686,966
2034	\$ 800,955	\$ 8,000	\$ 41,041	\$ 849,996	\$ 724,014	\$125,982	\$812,948
2035	\$ 833,414	\$ 8,000	\$ 42,272	\$ 883,686	\$ 760,434	\$123,252	\$936,200

### Water Divisions Annual Revenue Summaries

#### Antelope Hills Water

Table 3-4B-5: Antelope Hills Potable Water Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 134,285.30	\$0	(\$10,907)	\$123,378	\$45,618	\$77,760	\$77,760
2025	\$ 138,732.26	\$0	(\$8,311)	\$130,422	\$56,987	\$73,435	\$151,194
2026	\$ 145,012.22	\$0	(\$8,560)	\$136,452	\$48,397	\$88,056	\$239,250
2027	\$ 149,095.12	\$0	(\$8,817)	\$140,278	\$49,848	\$90,430	\$329,680
2028	\$ 153,341.34	\$0	(\$9,081)	\$144,260	\$51,344	\$92,916	\$422,596
2029	\$ 157,757.41	\$0	(\$9,354)	\$148,404	\$52,884	\$95,519	\$518,115
2030	\$ 162,350.12	\$0	(\$9,634)	\$152,716	\$54,471	\$98,245	\$616,360
2031	\$ 167,126.54	\$0	(\$9,923)	\$157,203	\$106,105	\$51,098	\$667,459
2032	\$ 172,094.02	\$0	(\$10,221)	\$161,873	\$57,788	\$104,085	\$771,543
2033	\$ 177,260.20	\$0	(\$10,528)	\$166,732	\$59,522	\$107,211	\$878,754
2034	\$ 182,633.02	\$0	(\$10,844)	\$171,789	\$61,307	\$110,482	\$989,236
2035	\$ 188,220.76	\$0	(\$11,169)	\$177,052	\$63,146	\$113,905	\$1,103,142

#### Dos Rios Water

Table 3-4B-4: Dos Rios Potable Water Annual Revenue Summary

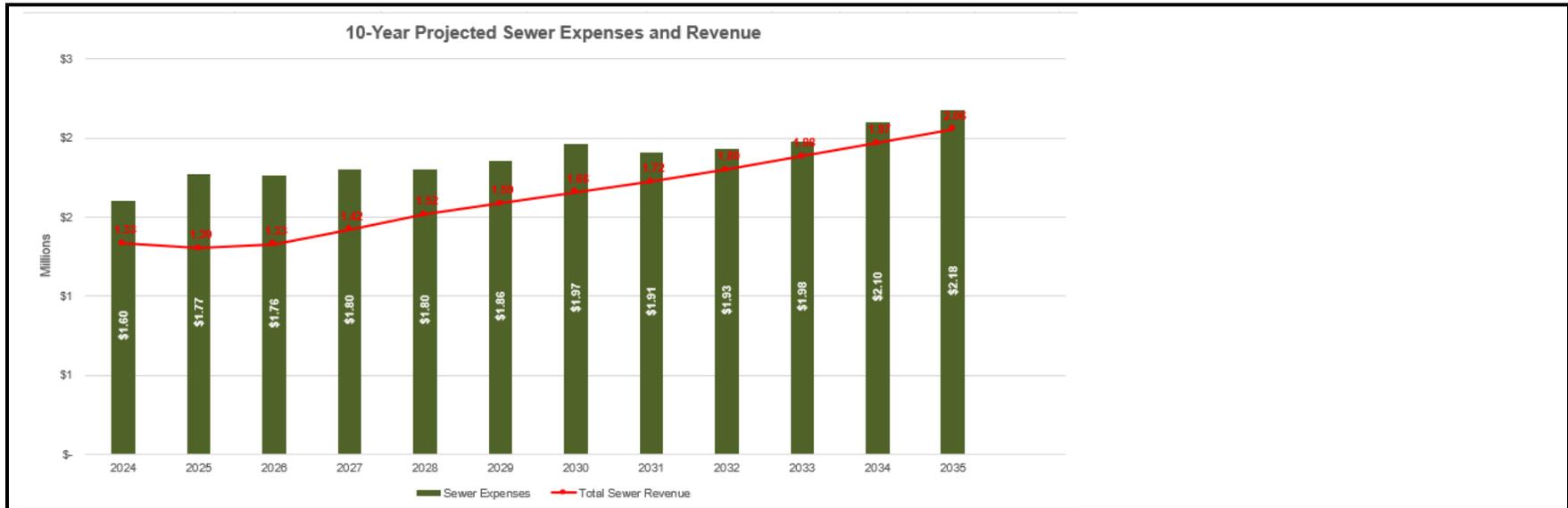
Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0
2024	\$ 326,104.68	\$0	(\$19,372)	\$306,733	\$218,483	\$88,250	\$88,250
2025	\$ 334,832.80	\$18,000	(\$36,510)	\$316,323	\$461,037	(\$144,714)	(\$56,464)
2026	\$ 366,363.08	\$6,000	(\$37,605)	\$334,758	\$374,788	(\$40,031)	(\$96,495)
2027	\$ 381,588.38	\$6,000	(\$38,734)	\$348,855	\$276,742	\$72,113	(\$24,382)
2028	\$ 397,452.86	\$6,000	(\$39,896)	\$363,557	\$258,904	\$104,653	\$80,271
2029	\$ 413,983.20	\$6,000	(\$41,092)	\$378,891	\$266,281	\$112,609	\$192,880
2030	\$ 431,207.19	\$6,000	(\$42,325)	\$394,882	\$273,880	\$121,002	\$313,883
2031	\$ 449,153.77	\$6,000	(\$43,595)	\$411,559	\$288,706	\$122,853	\$436,735
2032	\$ 467,853.10	\$6,000	(\$44,903)	\$428,950	\$316,767	\$112,183	\$548,918
2033	\$ 487,336.60	\$6,000	(\$46,250)	\$447,087	\$305,070	\$142,016	\$690,935
2034	\$ 507,636.97	\$6,000	(\$47,637)	\$466,000	\$313,622	\$152,377	\$843,312
2035	\$ 528,788.30	\$6,000	(\$49,067)	\$485,722	\$342,431	\$143,291	\$986,602

### Sewer Divisions Combined

Table 3-4A-6: Sewer Divisions Sanitary Sewer Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							2,074,205
2024	\$ 1,085,330	\$ 125,000	\$ 123,029	\$ 1,333,360	\$ 1,604,435	(271,075)	1,803,130
2025	\$ 1,168,524	\$ 53,000	\$ 82,109	\$ 1,303,634	\$ 1,772,249	(468,615)	1,334,515
2026	\$ 1,220,486	\$ 24,000	\$ 84,573	\$ 1,329,059	\$ 1,762,133	(433,074)	901,441
2027	\$ 1,340,027	\$ 24,000	\$ 87,110	\$ 1,451,137	\$ 1,803,273	(352,136)	549,305
2028	\$ 1,475,294	\$ 24,000	\$ 89,723	\$ 1,589,018	\$ 1,800,707	(211,690)	337,616
2029	\$ 1,628,582	\$ 24,000	\$ 92,415	\$ 1,744,997	\$ 1,858,475	(113,478)	224,138
2030	\$ 1,705,678	\$ 24,000	\$ 95,187	\$ 1,824,866	\$ 1,965,615	(140,749)	83,388
2031	\$ 1,785,995	\$ 16,000	\$ 98,043	\$ 1,900,038	\$ 1,907,170	(7,131)	76,257
2032	\$ 1,869,523	\$ 16,000	\$ 100,984	\$ 1,986,507	\$ 1,934,181	52,326	128,583
2033	\$ 1,957,083	\$ 16,000	\$ 104,014	\$ 2,077,097	\$ 1,975,693	101,405	229,987
2034	\$ 2,048,873	\$ 16,000	\$ 107,134	\$ 2,172,007	\$ 2,101,750	70,258	300,245
2035	\$ 2,145,097	\$ 16,000	\$ 110,348	\$ 2,271,445	\$ 2,178,398	93,047	393,292

### Sewer Divisions Graphically:

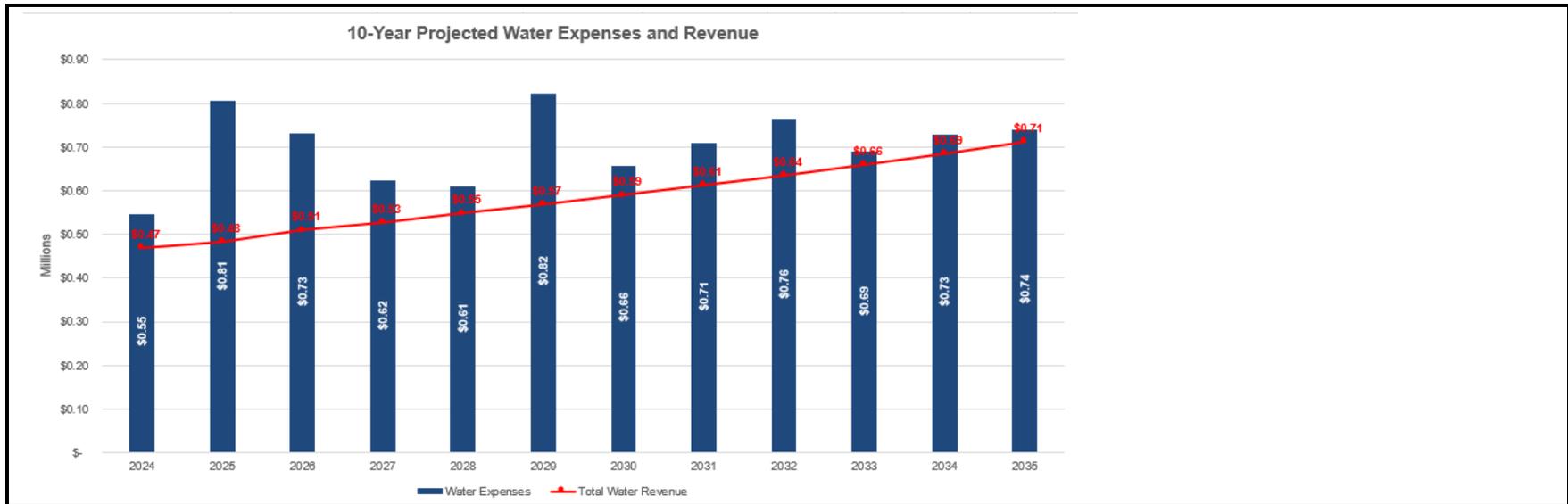


### Water Divisions Combined

Table 3-4B-6: Water Divisions Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$2,019,763
2024	\$ 460,389.97	\$ -	\$ 9,750.46	\$ 470,140.43	\$ 547,320.43	(\$77,180)	\$1,942,583
2025	\$ 473,565.06	\$ 18,000.00	\$ (8,116.79)	\$ 483,448.27	\$ 805,281.77	(\$321,833)	\$1,620,750
2026	\$ 511,375.30	\$ 6,000.00	\$ (8,360.29)	\$ 509,015.01	\$ 731,601.94	(\$222,587)	\$1,398,163
2027	\$ 530,683.50	\$ 6,000.00	\$ (8,611.10)	\$ 528,072.40	\$ 622,291.73	(\$94,219)	\$1,303,943
2028	\$ 550,794.20	\$ 6,000.00	\$ (8,869.43)	\$ 547,924.77	\$ 610,362.20	(\$62,437)	\$1,241,506
2029	\$ 571,740.61	\$ 6,000.00	\$ (9,135.52)	\$ 568,605.09	\$ 823,824.79	(\$255,220)	\$986,286
2030	\$ 593,557.31	\$ 6,000.00	\$ (9,409.58)	\$ 590,147.73	\$ 657,691.26	(\$67,544)	\$918,743
2031	\$ 616,280.31	\$ 6,000.00	\$ (9,691.87)	\$ 612,588.45	\$ 708,973.72	(\$96,385)	\$822,357
2032	\$ 639,947.13	\$ 6,000.00	\$ (9,982.93)	\$ 635,964.50	\$ 763,684.66	(\$127,720)	\$694,637
2033	\$ 664,596.80	\$ 6,000.00	\$ (10,282.10)	\$ 660,314.69	\$ 888,836.92	(\$28,522)	\$666,115
2034	\$ 690,269.99	\$ 6,000.00	\$ (10,590.57)	\$ 685,679.42	\$ 729,443.75	(\$43,764)	\$622,351
2035	\$ 717,009.06	\$ 6,000.00	\$ (10,908.28)	\$ 712,100.77	\$ 740,518.79	(\$28,418)	\$593,933

### Water Divisions Graphically:

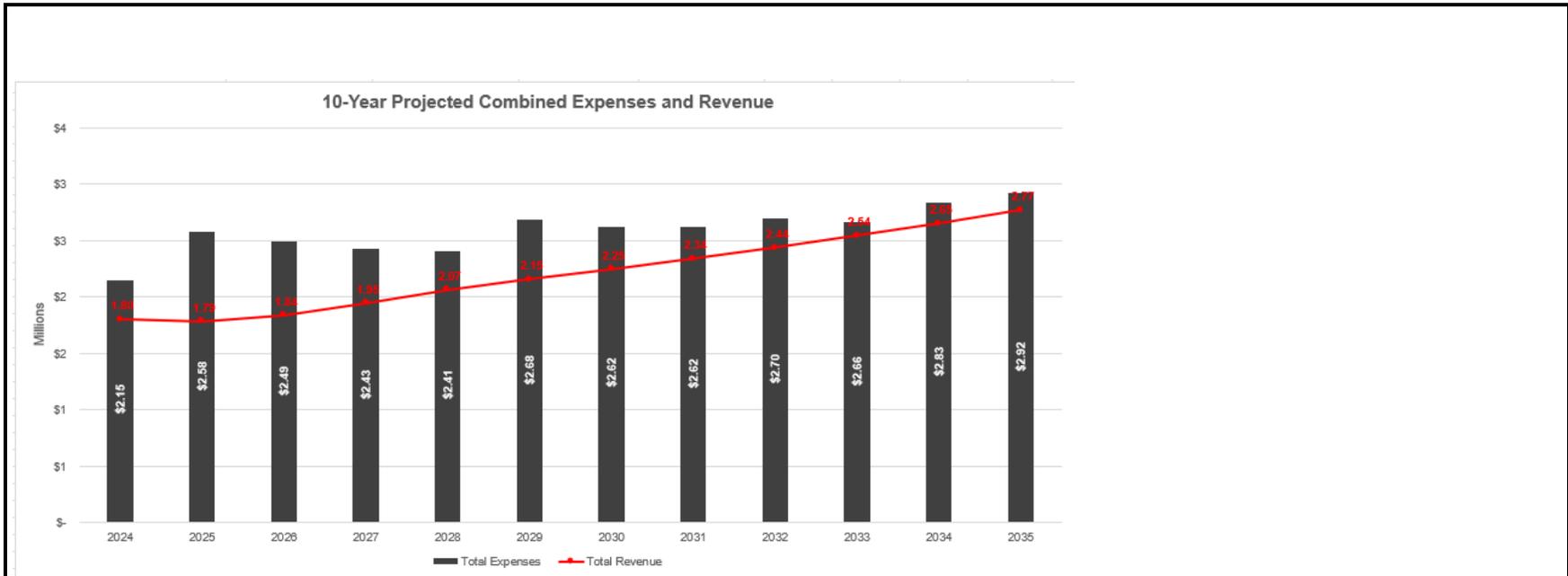


### All Divisions Combined

**Table 3-4C: All Divisions Water and Sewer Annual Revenue Summary**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							
2024	\$ 1,545,720	\$ 125,000	\$ 132,780	\$ 1,803,500	\$ 2,151,755	(\$348,255)	\$3,745,713
2025	\$ 1,642,089	\$ 71,000	\$ 73,993	\$ 1,787,082	\$ 2,577,531	(\$790,449)	\$2,955,264
2026	\$ 1,731,862	\$ 30,000	\$ 76,212	\$ 1,838,074	\$ 2,493,735	(\$655,660)	\$2,299,604
2027	\$ 1,870,711	\$ 30,000	\$ 78,499	\$ 1,979,209	\$ 2,425,565	(\$446,355)	\$1,853,249
2028	\$ 2,026,089	\$ 30,000	\$ 80,854	\$ 2,136,942	\$ 2,411,069	(\$274,127)	\$1,579,121
2029	\$ 2,200,323	\$ 30,000	\$ 83,279	\$ 2,313,602	\$ 2,682,299	(\$368,697)	\$1,210,424
2030	\$ 2,299,236	\$ 30,000	\$ 85,778	\$ 2,415,013	\$ 2,623,306	(\$208,293)	\$1,002,131
2031	\$ 2,402,276	\$ 22,000	\$ 88,351	\$ 2,512,627	\$ 2,616,143	(\$103,517)	\$898,614
2032	\$ 2,509,470	\$ 22,000	\$ 91,002	\$ 2,622,471	\$ 2,697,866	(\$75,394)	\$823,220
2033	\$ 2,621,680	\$ 22,000	\$ 93,732	\$ 2,737,412	\$ 2,664,530	\$72,882	\$896,102
2034	\$ 2,739,143	\$ 22,000	\$ 96,544	\$ 2,857,687	\$ 2,831,193	\$26,494	\$922,596
2035	\$ 2,862,106	\$ 22,000	\$ 99,440	\$ 2,983,546	\$ 2,918,917	\$64,629	\$987,225

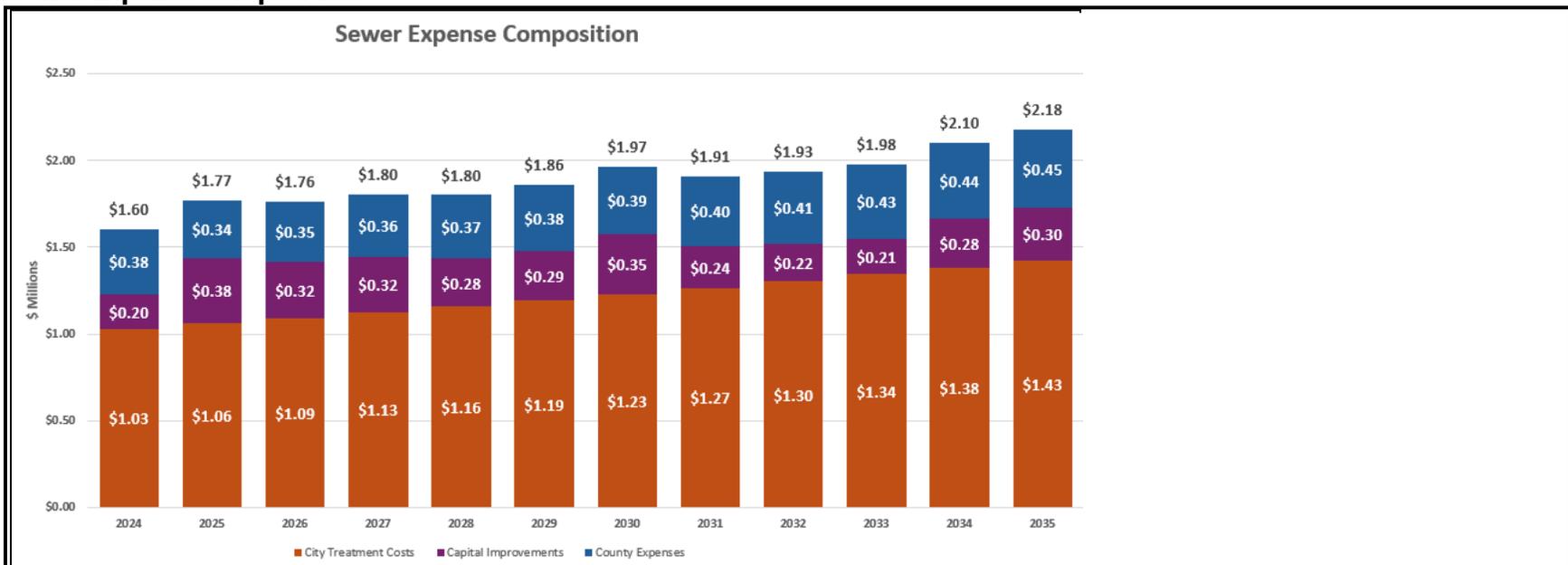
### All Divisions Water and Sewer Annual Revenue Summary Graphically,



**ANALYSIS OF THE FINAL RECOMMENDATION**

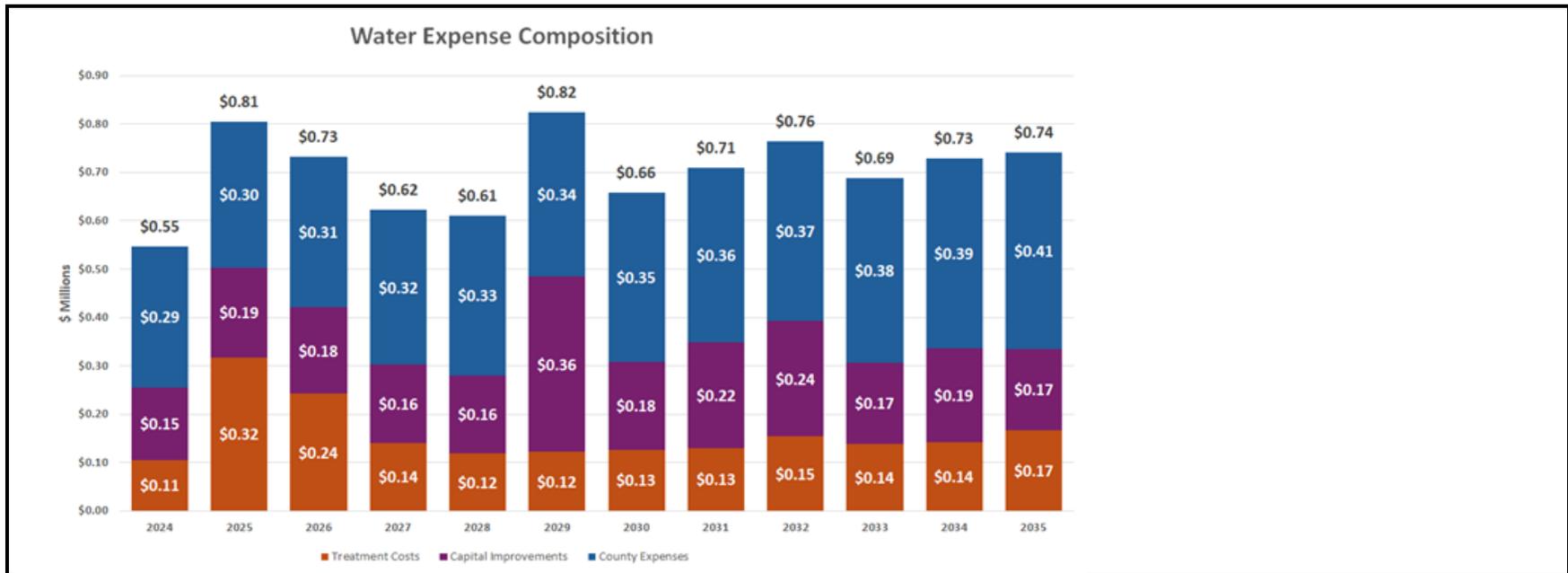
It can be seen from the Dos Rios Summary that even with the implementation of the severe rate increases, the Accumulated Fund continues to grow negatively over the ten years of the study, from **\$(337,143)** to **\$(917,553)**. This is primarily due to the extremely large percentage of the City of Gunnison wastewater treatment costs in comparison to all the other expenses. The same is true for Antelope Hills and North Gunnison. The graph below gives a visual representation of this issue.

**Sewer Expense Composition:**



### Water Expense Composition

The water systems do not have anywhere near the singular weight of treatment expenses that the sewer systems do. In fact, the county expenses, unlike with the sewer systems, are generally about half of the total expenses, while the treatment expenses are only 15-30% of the total costs, as can be seen below.



### Summary Discussion

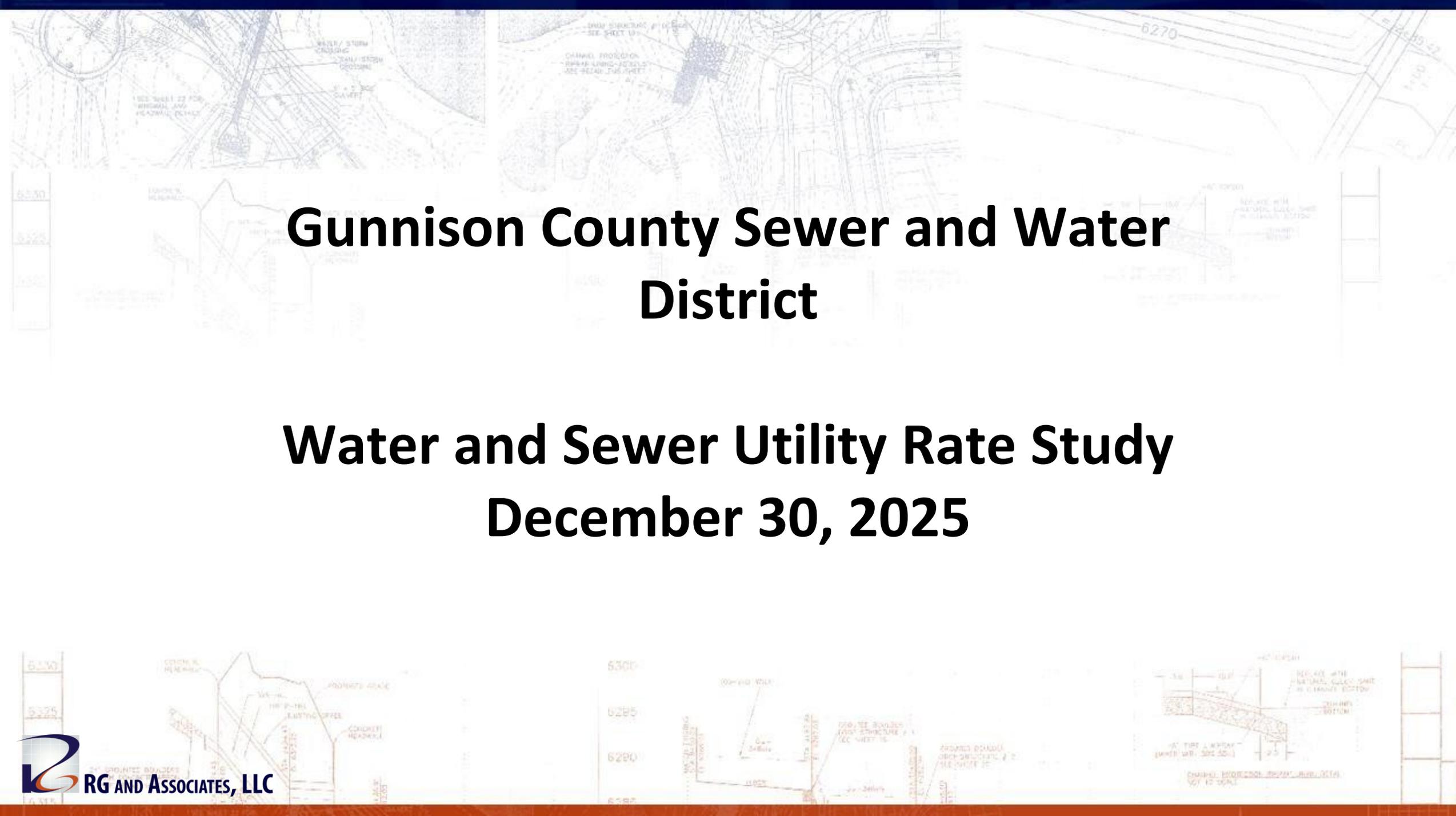
While the Dos Rios Accumulated Surplus never gets “into the black”, all the other divisions eventually do get into the positive fund category, leaving a positive Accumulated Surplus in the final year of the study, 2035, of \$987,225. While this also shows a steady drain on the Accumulated Surplus, down from the starting surplus in 2024 of \$3,745,713, the 2035 surplus of \$987,225 still represents a comfortable reserve fund that can be used for future emergency system repairs or other emergencies. However, given all the system improvements that are built into the model, emergency system repairs should be very unlikely. The 2035 Accumulated Surplus is 34%

of the operating budget, which is about in the ballpark of other municipal entities. Many communities struggle to break even with their operating funds and do not even have a significant reserve fund. It must be also noted that a great part of the reason for the drawdown of the Accumulated Surplus is due to the significant amount of the expense for system improvements that will be made over the next ten years, all of which will avoid emergency improvements needing to be made at a greater expense and greater draw on the Accumulated Surplus than if they had been done as is currently planned.

## **CONCLUSION**

In conclusion, we find that implementation of the recommended rate increases as shown in Scenario 4 will provide a reasonably needed increase in revenues to offset the ever-increasing inflationary costs, and in the case of the sewer system, the increasing costs of wastewater treatment made necessary by the ever-tightening government regulations which, in turn, requires constant upgrade and replacement of sophisticated equipment. In the near term, five years or so, the District as a whole of all the divisions, will still retain a significant Accumulated Surplus or Net Cash Position of \$1,210,424.

If the District adjusts the rates yearly, rather than adopting a multi-year rate structure, we recommend updating this model each year in the fall with updated expenses, growth figures, and system improvements to formulate new ten-year projections and to determine if the next year's projected rates and future increases are still valid, or if they need to be adjusted slightly for the yearly rate setting resolutions.



# Gunnison County Sewer and Water District

## Water and Sewer Utility Rate Study December 30, 2025

# Introduction

- **RGA engaged to conduct an analysis of District's utility rates**
- **Establish fair and equitable rates**
- **Rates that cover the costs of operations**
- **Rates that cover the cost of anticipated growth**
- **Rates that cover the costs of maintenance and future system improvements**
- **Establish the adequacy of the current rate structure**

# Objectives

- Analyze current and 10 years into the future
- Reasonability of rates
- Equitability of rates
- Adequacy of rates to pay for:
  - Operating costs
  - City wastewater treatment costs
  - Future system improvements and replacements
- Maintain an adequate surplus for emergency fund

# Objectives (cont.)

- **Develop spreadsheet model to attain the objectives**
- **Utilize model to predict revenues and expenses yearly for ten years**
- **Run various scenarios of different input variables**
- **Analyze various model runs for and report on their applicability**
- **Work with county staff on various scenarios**

# Model Description

- Large spreadsheet model with a couple dozen sub-spreadsheet (tabs)

The screenshot displays the Microsoft Excel interface with the following components:

- Excel Ribbon:** File, Home, Insert, Draw, Page Layout, Formulas, Data, Review, View, Automate, Help, Acrobat. The Home tab is active, showing options for Clipboard, Font, Alignment, Number, Styles, Cells, and Editing.
- Formula Bar:** Shows the cell address I169 and the formula bar.
- Table 1 (Antelope Hills Sanitary Sewer Annual Revenue Summary):**

Year	Metered Revenue	Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0.00
2024	\$ 444,829.64	\$ -	\$ 71,959.34	\$ 516,788.98	\$ 641,273.75	(\$124,484.77)	(\$124,484.77)
2025	\$ 478,857.70	\$ 24,000.00	\$ 14,995.15	\$ 517,852.84	\$ 730,511.96	(\$212,659.12)	(\$337,143.89)
2026	\$ 545,591.72	\$ 8,000.00	\$ 15,445.00	\$ 569,036.72	\$ 740,327.32	(\$171,290.60)	(\$508,434.49)
2027	\$ 600,394.87	\$ 8,000.00	\$ 15,908.35	\$ 624,303.22	\$ 750,737.14	(\$126,433.92)	(\$634,868.41)
2028	\$ 660,785.15	\$ 8,000.00	\$ 16,385.60	\$ 685,170.75	\$ 789,759.26	(\$104,588.51)	(\$739,456.92)
2029	\$ 694,502.37	\$ 8,000.00	\$ 16,877.17	\$ 719,379.54	\$ 793,412.03	(\$74,032.49)	(\$813,489.41)
2030	\$ 729,966.09	\$ 8,000.00	\$ 17,383.48	\$ 755,349.57	\$ 890,714.39	(\$135,364.82)	(\$948,854.23)
2031	\$ 767,266.30	\$ 8,000.00	\$ 17,904.99	\$ 793,171.29	\$ 806,685.83	(\$13,514.54)	(\$962,368.77)
2032	\$ 806,497.67	\$ 8,000.00	\$ 18,442.14	\$ 832,939.81	\$ 822,346.40	\$10,593.41	(\$951,775.36)
2033	\$ 847,759.72	\$ 8,000.00	\$ 18,995.40	\$ 874,755.12	\$ 836,716.79	\$38,038.33	(\$913,737.03)
2034	\$ 891,157.09	\$ 8,000.00	\$ 19,565.26	\$ 918,722.36	\$ 934,818.30	(\$16,095.94)	(\$929,832.97)
2035	\$ 936,799.83	\$ 8,000.00	\$ 20,152.22	\$ 964,952.06	\$ 952,672.85	\$12,279.21	(\$917,553.76)
- Table 2 (Antelope Hills Sanitary Sewer Annual Revenue Summary):**

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							\$0.00
2024	\$ 73,353.12	\$ 88,000.00	\$ 1,360.82	\$ 162,713.94	\$ 174,574.96	(\$11,861.02)	(\$11,861.02)
2025	\$ 79,061.02	\$ 8,000.00	\$ 1,179.98	\$ 88,241.00	\$ 138,320.00	(\$50,079.00)	(\$61,940.02)
2026	\$ 90,513.02	\$ 8,000.00	\$ 1,215.38	\$ 99,728.40	\$ 99,728.40	(\$26,841.20)	(\$88,781.22)
2027	\$ 100,335.22	\$ 8,000.00	\$ 1,251.84	\$ 109,587.07	\$ 127,916.69	(\$18,329.62)	(\$107,110.84)
2028	\$ 111,229.33	\$ 8,000.00	\$ 1,289.40	\$ 120,518.72	\$ 118,364.19	\$2,154.54	(\$104,956.31)
2029	\$ 117,709.52	\$ 8,000.00	\$ 1,328.08	\$ 127,037.60	\$ 136,915.11	(\$9,877.51)	(\$114,833.82)
2030	\$ 124,565.11	\$ 8,000.00	\$ 1,367.92	\$ 133,933.04	\$ 140,572.57	(\$6,639.53)	(\$121,473.35)
2031	\$ 131,347.37	\$ -	\$ 1,408.96	\$ 132,756.33	\$ 129,339.74	\$3,416.59	(\$118,056.76)
2032	\$ 137,914.74	\$ -	\$ 1,451.23	\$ 139,365.97	\$ 133,219.94	\$6,146.03	(\$111,910.73)
2033	\$ 144,810.48	\$ -	\$ 1,494.77	\$ 146,305.24	\$ 137,216.54	\$9,088.71	(\$102,822.02)
2034	\$ 152,051.00	\$ -	\$ 1,539.61	\$ 153,590.61	\$ 141,333.03	\$12,257.58	(\$90,564.44)
2035	\$ 159,653.55	\$ -	\$ 1,585.80	\$ 161,239.35	\$ 160,573.02	\$666.33	(\$89,898.12)
- Summary Table (Right Side):**

From County Balance Sheets	
Total 2024 Sewer Expenses	\$ 1,32
Total 2024 Sewer Revenue	1,290,
Net Revenue (Expenses)	\$ (3
Total 2024 Water Expense	
Total 2024 Water Revenue	-450,
Net Revenue (Expenses)	\$ 450,7
- Excel Tabs:** 1 - SFEs, 3-Master IO (selected), S Usage, S 2024, S 2025, S 2026, S 2027, S 2028, S 2029, S 2030, S 2031, S 2032, S 2033, S 2034, S 2035.

# Model Description (cont.)

- **Basic tabs**
  - **SFEs- population projections**
  - **Expenses- based on 2024 operational expenses**
  - **Master Input/Output**
    - **SFE increases per year**
    - **Rate increase percentages per year**
    - **Inflation increase per year**
    - **Yearly summary revenue/expense/annual surplus**
    - **Change the rate structure**
  - **Usage**

# Model Description (cont.)

- Yearly revenue/expense computation tabs (Year Tabs)

The screenshot displays a complex financial model spreadsheet with multiple tabs. The top section shows a summary of revenue and expense components, with red arrows pointing to specific data points. Below this, there are several detailed tables, each representing a different year's computation. The tables are organized into columns for various categories, likely representing different revenue and expense streams. The bottom section of the spreadsheet shows a long-term projection, with data extending to the year 2034. The overall layout is dense with numerical data and formulas, typical of a financial modeling software output.

- Yearly tab shows rates adjusted by increase % over previous year's rates
- Calculates revenues based on SFEs, rates, and water usage
- Calculates expenses based on 2024 base increased by inflation and system improvements from 10 year projection tab

# Model Description (cont.)

- Rate Structure for the year on each Year Tab

Table 3-1B: Sanitary Sewer 2025 Rates			
<b>DOS BIOS</b>			
<b>Dos Bios 2025 Sanitary Sewer Quarterly Rates</b>			
<b>Residential Sanitary Sewer Rate Structure</b>			
Base Rate	\$184.18		Gallons
Usage Rate	\$0.00	for every	1,000
<b>RES75 Sanitary Sewer Rate Structure</b>			
Base Rate	\$138.14		Gallons
Usage Rate	\$0.00	for every	1,000
<b>Commercial Sanitary Sewer Rate Structure</b>			
Base Rate	\$184.18		Gallons
Usage Rate	\$0.00	for every	1,000
<b>Vacant Lot</b>			
Base Rate	\$63.13		
<b>ANTELOPE HILLS</b>			
<b>Antelope Hills 2025 Sanitary Sewer Quarterly Rates</b>			
<b>Residential Sanitary Sewer Rate Structure</b>			
Base Rate	\$167.03		Gallons
Usage Rate	\$0.00	for every	1,000
<b>Commercial Sanitary Sewer Rate Structure</b>			
Base Rate	\$167.03		Gallons
Usage Rate	\$0.00	for every	1,000
<b>Vacant Lot</b>			
Base Rate	\$55.26	Per Vacant lot	
<b>NORTH GUNNISON</b>			
<b>North Gunnison 2025 Sanitary Sewer Quarterly Rates</b>			
<b>Residential Phase I Sanitary Sewer Rate Structure</b>			
Base Rate	\$246.33		Gallons
Usage Rate	\$0.00	for every	1,000
<b>Phase I RES75 Sanitary Sewer Rate Structure</b>			
Base Rate	\$184.79		Gallons
Usage Rate	\$0.00	for every	1,000
<b>Residential Phase II Sanitary Sewer Rate Structure</b>			
Base Rate	\$360.21		Gallons
Usage Rate	\$0.00	for every	1,000
<b>Phase 2 RES75 Sanitary Sewer Rate Structure</b>			
Base Rate	\$270.16		Gallons
Usage Rate	\$0.00	for every	1,000
<b>Commercial Sanitary Sewer Rate Structure</b>			
Base Rate	\$360.21		Gallons
Usage Rate		for every	1,000
<b>Vacant Lot</b>			
Base Rate	\$221.27	per vacant lot	Gallons

Table 3-1C: Potable Water 2024 Rates			
<b>DOS BIOS</b>			
<b>Dos Bios 2024 Potable Water Quarterly Rates</b>			
<b>Residential Potable Water Rate Structure</b>			
Base Rate	\$127.52		Gallons
Tier 1	\$0.00	for up to	18,000
Tier 2	\$7.32	for up to	36,000
Tier 3	\$11.53	for all over	36,000
<b>Commercial Potable Water Rate Structure</b>			
Base Rate	\$127.52		Gallons
Tier 1	\$0.00	for up to	18,000
Tier 2	\$7.40	for up to	36,000
Tier 3	\$7.40	for all over	36,000
<b>Availability of Service</b>			
Base Rate	\$53.54		
<b>ANTELOPE HILLS</b>			
<b>Antelope Hills 2024 Potable Water Quarterly Rates</b>			
<b>Residential Potable Water Rate Structure</b>			
Base Rate	\$178.79		Gallons
Tier 1	\$0.00	for up to	18,000
Tier 2	\$4.87	for up to	36,000
Tier 3	\$7.79	for all over	36,000
<b>HOA Potable Water Rate Structure</b>			
Base Rate	\$158.35	per unit	Gallons
Tier 1	\$0.00	for up to	18,000
Tier 2	\$10.23	for up to	36,000
Tier 3	\$11.25	for all over	36,000
Loan repayment	\$37.59	per unit	
<b>Availability of Service</b>			
Base Rate	\$35.63	per vacant lot	Gallons

# Model Description (cont.)

- Revenue and Expense calculations on each Year Tab

Table 5-4B: 2026 Revenue														
Revenue	January	February	March	April	May	June	July	August	September	October	November	December	Totals	
<b>DOGS HEADS</b>														
Residential Potable Water Rate Structure	436	436	436	437	437	437	437	437	437	437	437	437		
Base Rate	\$ 93,180.80			\$ 93,184.67			\$ 93,178.95			\$ 93,210.42			\$ 236,846.44	
Tier 1														
Tier 2	\$ 3,604.01			\$ 3,621.76			\$ 3,724.89			\$ 4,022.44			\$ 24,793.18	
Tier 3	\$ 1,826.43			\$ 1,810.64			\$ 1,741.50			\$ 1,877.07			\$ 21,429.81	
Commercial Potable Water Rate Structure	46	46	46	46	46	46	46	46	46	46	46	46		
Base Rate	\$ 6,200.32			\$ 6,200.32			\$ 6,200.32			\$ 6,200.32			\$ 24,801.28	
Tier 1														
Tier 2	\$ 200.95			\$ 207.87			\$ 209.98			\$ 219.43			\$ 13,234.24	
Tier 3	\$ 1,981.12			\$ 1,981.12			\$ 1,981.12			\$ 1,981.12			\$ 11,451.89	
Availability of Service	27	27	27	27	27	27	26	26	26	26	26	26		
Rate Rate	\$ 1,528.39			\$ 1,514.79			\$ 1,500.09			\$ 1,486.38			\$ 6,030.74	
<b>Total Revenue (DOGS HEADS)</b>	<b>\$ 75,721.68</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,411.28</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 86,405.81</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 160,357.14</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 338,335.32</b>	
<b>ANTELOPE HILLS</b>														
Residential Potable Water Rate Structure	10	10	10	10	11	11	11	11	11	11	11	11		
Base Rate	\$ 1,952.55			\$ 1,959.87			\$ 2,007.29			\$ 2,054.81			\$ 7,924.72	
Tier 1														
Tier 2	\$ 233.93			\$ 236.42			\$ 708.47			\$ -			\$ 1,177.93	
Tier 3										\$ 1,011.85			\$ 1,011.85	
INDIA Potable Water Rate Structure	110	110	110	110	110	110	110	110	110	110	110	110		
Base Rate	\$ 18,811.20			\$ 18,811.20			\$ 18,811.20			\$ 18,811.20			\$ 75,244.80	
Tier 1														
Tier 2				\$ 7,890.77			\$ 7,896.60			\$ 2,814.62			\$ 17,801.99	
Tier 3														
Loan Impayment	\$ 10,734.30			\$ 10,734.30			\$ 10,734.30			\$ 10,734.30			\$ 42,939.60	
Availability of Service	0	0	0	0	0	-1	-1	-1	-1	-1	-1	-1		
Rate Rate	\$ 74.74			\$ 18.91			\$ 233.20			\$ 147.43			\$ 184.35	
<b>Total Revenue (ANTELOPE HILLS)</b>	<b>\$ 31,687.84</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,613.29</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,325.36</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,379.24</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 146,005.73</b>	
<b>Total Revenue (ALL)</b>	<b>\$ 107,409.52</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 115,024.57</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,731.17</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 126,236.38</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 484,401.64</b>	
<b>Table 5-3C: 2021 Expenses</b>														
Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Totals	
<b>DOGS HEADS</b>														
<b>Water Distribution</b>														
Potable Water Expenses	\$ 27,929.58	\$ 27,929.58	\$ 27,929.58	\$ 27,929.58	\$ 27,929.58	\$ 27,929.58	\$ 27,929.58	\$ 27,929.58	\$ 27,929.58	\$ 27,929.58	\$ 27,929.58	\$ 27,929.58	\$ 27,929.58	\$ 335,274.97
Water Meter Replacement	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 20,000.00
Fire Hydrant Replacement														
Water Tanks Inspection/Cleaning														
<b>Water Treatment</b>														
Potable Water Treatment Expenses	\$ 10,536.26	\$ 10,536.26	\$ 10,536.26	\$ 10,536.26	\$ 10,536.26	\$ 10,536.26	\$ 10,536.26	\$ 10,536.26	\$ 10,536.26	\$ 10,536.26	\$ 10,536.26	\$ 10,536.26	\$ 10,536.26	\$ 126,395.18
MTP Generator														
SCADA Computer Upgrade														
Filter Tank Meter Upgrade (2)														
Filter Media Replacement														
Intake Pumps Rebuild														
Surge Protection Upgrade														
Disinfection System replacement														
High Service Pumps Rebuild														
<b>Total Expenses (DOGS HEADS)</b>	<b>\$ 48,122.51</b>	<b>\$ 48,122.51</b>	<b>\$ 48,122.51</b>	<b>\$ 48,122.51</b>	<b>\$ 48,122.51</b>	<b>\$ 48,122.51</b>	<b>\$ 48,122.51</b>	<b>\$ 48,122.51</b>	<b>\$ 48,122.51</b>	<b>\$ 48,122.51</b>	<b>\$ 48,122.51</b>	<b>\$ 48,122.51</b>	<b>\$ 48,122.51</b>	<b>\$ 481,470.07</b>
<b>ANTELOPE HILLS</b>														
Expenses	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 3,646.37	\$ 43,756.46
Pump Station Upgrade	\$ 4,368.67	\$ 4,368.67	\$ 4,368.67	\$ 4,368.67	\$ 4,368.67	\$ 4,368.67	\$ 4,368.67	\$ 4,368.67	\$ 4,368.67	\$ 4,368.67	\$ 4,368.67	\$ 4,368.67	\$ 4,368.67	\$ 50,000.00
Water System Modeling														
<b>Total Expenses (Antelope Hills)</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 7,813.04</b>	<b>\$ 93,756.46</b>
<b>SOMERSET</b>														
<b>Total Expenses (Somerset)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ALL DISTRICTS</b>														
Truck Replace														
MOBILE AD Telemetry Replacement														
<b>Total Expenses (TOMBCH)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (ALL DISTRICTS)</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 47,935.54</b>	<b>\$ 575,226.54</b>
<b>Annual Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (13,535.88)</b>

# Model Description (cont.)

- 10-year Projection Tab

14-4A: Potable Water and Distribution System Improvements																	
Potable Water and Distribution System Improvements	Total Cost	Responsible Cost	Years Cash Funded	Financed?	Project Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>ALL DISTRICTS</b>																	
<b>Operational Support</b>																	
Water Truck Replacement	\$ 200,000	\$ 200,000	1		2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Truck Repairs	\$ 70,000	\$ 70,000	1		2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ -	\$ -	\$ -
MDCAD Telemetry Replacement	\$ 62,000	\$ 62,000	1			\$ -	\$ -	\$ 17,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
<b>TOTAL FOR ALL DISTRICTS:</b>	<b>\$ 332,000</b>					\$ -	\$ -	\$ 17,000	\$ -	\$ -	\$ 200,000	\$ 20,000	\$ -	\$ 70,000	\$ -	\$ 25,000	\$ -
<b>DOS RIOS</b>																	
<b>Water-Dos Rios Div Distribute</b>																	
Water Motor Replacement	\$ -	\$ -	1			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Flex Hydrant Replacement	\$ 172,000	\$ 172,000	1			\$ -	\$ 7,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Water Tanks Inspection/Cleaning	\$ 20,000	\$ 20,000	1		2025	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Water-Dos Rios Div Treat</b>																	
WTP Generator	\$ 125,000	\$ 125,000	1		2025	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONDU Generator Upgrades	\$ 45,000	\$ 45,000	1			\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000
Filter Tank Motor Upgrades (2)	\$ 13,000	\$ 13,000	1		2025	\$ -	\$ 13,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Filter Media Replacement	\$ 100,000	\$ 100,000	1		2025	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intake Pump Rebuild	\$ 28,000	\$ 28,000	1			\$ -	\$ 14,000	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Protection Upgrades	\$ 11,000	\$ 11,000	1		2025	\$ -	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disinfection System replacement	\$ 30,000	\$ 30,000	1		2025	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
High Service Pump Rebuild	\$ 32,000	\$ 32,000	1		2025	\$ -	\$ 16,000	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL FOR DOS RIOS:</b>	<b>\$ 596,000</b>					\$ -	\$ 236,000	\$ 143,000	\$ 38,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 20,000	\$ 40,000	\$ 20,000	\$ 20,000	\$ 40,000
<b>ANTELOPE HILLS</b>																	
<b>Water-Antelope Hills Div</b>																	
Pump Station Upgrade	\$ 50,000	\$ 50,000	1		2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Water System Modeling	\$ 10,000	\$ 10,000	1		2025	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL FOR ANTELOPE HILLS:</b>	<b>\$ 60,000</b>					\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
<b>SOMERSET</b>																	
<b>Water-Somerset Div</b>																	
	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL FOR SOMERSET:</b>	<b>\$ -</b>					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>GRAND TOTAL:</b>	<b>\$ 988,000</b>	<b>\$ 988,000</b>				\$ -	\$ 246,000	\$ 160,000	\$ 38,000	\$ 13,000	\$ 213,000	\$ 33,000	\$ 70,000	\$ 110,000	\$ 20,000	\$ 45,000	\$ 40,000

- Yearly system improvements, replacements and repairs by district
- City wastewater charges and increases



# Model Description (cont.)

- Annual Rate Summary Tabs

Table 7-2A: Summary of Dos Rios Potable Water Rate Schedules

Year	Per Year Increase	Residential				Commercial				Availability of Service Base Rate
		Base Rate	Tier 1	Tier 2	Tier 3	Base Rate	Tier 1	Tier 2	Tier 3	
2024	0%	\$127.52	\$0.00	\$7.32	\$11.59	\$127.52	\$0.00	\$7.40	\$7.40	\$53.54
2025	0%	\$131.55	\$0.00	\$7.32	\$11.59	\$131.55	\$0.00	\$7.40	\$7.40	\$55.15
2026	4%	\$136.81	\$0.00	\$9.50	\$11.88	\$136.81	\$0.00	\$9.50	\$11.88	\$14.98
2027	4%	\$142.28	\$0.00	\$9.88	\$12.35	\$142.28	\$0.00	\$9.88	\$12.35	\$14.98
2028	4%	\$147.98	\$0.00	\$10.28	\$12.85	\$147.98	\$0.00	\$10.28	\$12.85	\$14.98
2029	4%	\$153.89	\$0.00	\$10.69	\$13.36	\$153.89	\$0.00	\$10.69	\$13.36	\$14.98
2030	4%	\$160.05	\$0.00	\$11.11	\$13.89	\$160.05	\$0.00	\$11.11	\$13.89	\$14.98
2031	4%	\$166.45	\$0.00	\$11.56	\$14.45	\$166.45	\$0.00	\$11.56	\$14.45	\$14.98
2032	4%	\$173.11	\$0.00	\$12.02	\$15.03	\$173.11	\$0.00	\$12.02	\$15.03	\$14.98
2033	4%	\$180.04	\$0.00	\$12.50	\$15.63	\$180.04	\$0.00	\$12.50	\$15.63	\$14.98
2034	4%	\$187.24	\$0.00	\$13.00	\$16.25	\$187.24	\$0.00	\$13.00	\$16.25	\$14.98
2035	4%	\$194.73	\$0.00	\$13.52	\$16.90	\$194.73	\$0.00	\$13.52	\$16.90	\$14.98

Table 7-2B: Summary of Antelope Hills Potable Water Rate Schedules

Year	Per Year Increase	Residential				HOA				Loan Repayment	Availability of Service Base
		Base Rate	Tier 1	Tier 2	Tier 3	Base Rate	Tier 1	Tier 2	Tier 3		
2024	0%	\$178.79	\$0.00	\$4.87	\$7.79	\$158.35	\$0.00	\$10.23	\$11.25	\$97.59	\$35.69
2025	0%	\$184.15	\$0.00	\$10.23	\$11.25	\$166.03	\$0.00	\$10.23	\$11.25	\$97.59	\$55.26
2026	4%	\$191.52	\$0.00	\$13.30	\$16.62	\$172.67	\$0.00	\$11.99	\$14.99	\$97.59	\$108.21
2027	4%	\$199.18	\$0.00	\$13.83	\$17.29	\$179.58	\$0.00	\$12.47	\$15.59	\$97.59	\$108.21
2028	4%	\$207.14	\$0.00	\$14.38	\$17.98	\$186.76	\$0.00	\$12.97	\$16.21	\$97.59	\$108.21
2029	4%	\$215.43	\$0.00	\$14.96	\$18.70	\$194.23	\$0.00	\$13.49	\$16.86	\$97.59	\$108.21
2030	4%	\$224.05	\$0.00	\$15.56	\$19.45	\$202.00	\$0.00	\$14.03	\$17.53	\$97.59	\$108.21
2031	4%	\$233.01	\$0.00	\$16.18	\$20.23	\$210.08	\$0.00	\$14.59	\$18.24	\$97.59	\$108.21
2032	4%	\$242.33	\$0.00	\$16.83	\$21.04	\$218.48	\$0.00	\$15.17	\$18.97	\$97.59	\$108.21
2033	4%	\$252.02	\$0.00	\$17.50	\$21.88	\$227.22	\$0.00	\$15.78	\$19.72	\$97.59	\$108.21
2034	4%	\$262.10	\$0.00	\$18.20	\$22.75	\$236.31	\$0.00	\$16.41	\$20.51	\$97.59	\$108.21
2035	4%	\$272.59	\$0.00	\$18.93	\$23.66	\$245.76	\$0.00	\$17.07	\$21.33	\$97.59	\$108.21

# Model Description (cont.)

- **Master Input/Output**
  - Heart of the model implementation
  - Input population increases, inflation, and rate changes
  - Get resulting annual revenue/expense and surplus summaries
  - Where different scenario variables are implemented



# Model Description (cont.)

- Master Input/Output- starting rates

Table 3-1B: Sanitary Sewer 2025 Rates

DOS BIOS			
Dos Bios 2025 Sanitary Sewer Quarterly Rates			
Residential Sanitary Sewer Rate Structure		Gallons	
Base Rate	\$184.18		
Usage Rate	\$0.00	for every	1,000
BEST5 Sanitary Sewer Rate Structure		Gallons	
Base Rate	\$138.14		
Usage Rate	\$0.00	for every	1,000
Commercial Sanitary Sewer Rate Structure		Gallons	
Base Rate	\$184.18		
Usage Rate	\$0.00	for every	1,000
Vacant Lot			
Base Rate	\$63.13		
ANTELOPE HILLS			
Antelope Hills 2025 Sanitary Sewer Quarterly Rates			
Residential Sanitary Sewer Rate Structure		Gallons	
Base Rate	\$167.03		
Usage Rate	\$0.00	for every	1,000
Commercial Sanitary Sewer Rate Structure		Gallons	
Base Rate	\$167.03		
Usage Rate	\$0.00	for every	1,000
Vacant Lot			
Base Rate	\$55.26	Per Vacant lot	
NORTH GUNNISON			
North Gunnison 2025 Sanitary Sewer Quarterly Rates			
Residential Phase I Sanitary Sewer Rate Structure		Gallons	
Base Rate	\$246.39		
Usage Rate	\$0.00	for every	1,000
Phase I BEST5 Sanitary Sewer Rate Structure		Gallons	
Base Rate	\$184.73		
Usage Rate	\$0.00	for every	1,000
Residential Phase II Sanitary Sewer Rate Structure		Gallons	
Base Rate	\$360.21		
Usage Rate	\$0.00	for every	1,000
Phase 2 BEST5 Sanitary Sewer Rate Structure		Gallons	
Base Rate	\$270.16		
Usage Rate	\$0.00	for every	1,000
Commercial Sanitary Sewer Rate Structure		Gallons	
Base Rate	\$360.21		
Usage Rate		for every	1,000
Vacant Lot			
Base Rate	\$221.27	per vacant lot	

Table 3-1C: Potable Water 2024 Rates

DOS BIOS			
Dos Bios 2024 Potable Water Quarterly Rates			
Residential Potable Water Rate Structure		Gallons	
Base Rate	\$127.52		
Tier 1	\$0.00	for up to	18,000
Tier 2	\$7.32	for up to	36,000
Tier 3	\$11.53	for all over	36,000
Commercial Potable Water Rate Structure		Gallons	
Base Rate	\$127.52		
Tier 1	\$0.00	for up to	18,000
Tier 2	\$7.40	for up to	36,000
Tier 3	\$7.40	for all over	36,000
Availability of Service			
Base Rate	\$53.54		
ANTELOPE HILLS			
Antelope Hills 2024 Potable Water Quarterly Rates			
Residential Potable Water Rate Structure		Gallons	
Base Rate	\$178.79		
Tier 1	\$0.00	for up to	18,000
Tier 2	\$4.87	for up to	36,000
Tier 3	\$7.73	for all over	36,000
HOA Potable Water Rate Structure		Gallons	
Base Rate	\$158.35	per unit	
Tier 1	\$0.00	for up to	18,000
Tier 2	\$10.23	for up to	36,000
Tier 3	\$11.25	for all over	36,000
Loan repayment	\$37.53	per unit	
Availability of Service			
Base Rate	\$35.63	per vacant lot	

# Model Description (cont.)

- Master Input/Output- SFE, rate increase, inflation factor

Table 3-2A: Sanitary Sewer Annual Rate/FRT Increases

Year	Dioz Bios					Antelope Hills				North Gunnison						Inflation	Total New SFEs	
	Residential Yearly SFE Increase	RES75 Yearly SFE Increase	Commercial/Multifamily Yearly SFE Increase	Change in Number of Vacant Lots	Percentage Rate Increase	Residential Yearly SFE Increase	Commercial/Multifamily Yearly SFE Increase	Change in Number of Vacant Lots	Percentage Rate Increase	Phase 1 Residential Yearly SFE Increase	Phase 1 RES75 Yearly SFE Increase	Phase 2 Residential Yearly SFE Increase	Phase 2 RES75 Yearly SFE Increase	Commercial Yearly SFE Increase	Change in Number of Vacant Lots			Percentage Rate Increase
2024	-	-	-	-	0%	-	-	-	0%	-	-	-	-	-	-	0%	0%	0.00
2025	3.0	-	-	(3.0)	0%	1.0	-	(1.0)	0%	-	-	2.0	-	0.6	(2.0)	0%	3%	6.63
2026	1.0	-	-	(1.0)	15%	1.0	-	(1.0)	15%	1.0	-	-	-	-	(1.0)	4%	3%	3.00
2027	1.0	-	-	(1.0)	10%	1.0	-	(1.0)	10%	1.0	-	-	-	-	(1.0)	4%	3%	3.00
2028	1.0	-	-	(1.0)	10%	1.0	-	(1.0)	10%	1.0	-	-	-	-	(1.0)	4%	3%	3.00
2029	1.0	-	-	(1.0)	5%	1.0	-	(1.0)	5%	1.0	-	-	-	-	(1.0)	4%	3%	3.00
2030	1.0	-	-	(1.0)	5%	1.0	-	(1.0)	5%	1.0	-	-	-	-	(1.0)	4%	3%	3.00
2031	1.0	-	-	(1.0)	5%	-	-	-	5%	1.0	-	-	-	-	(1.0)	4%	3%	2.00
2032	1.0	-	-	(1.0)	5%	-	-	-	5%	1.0	-	-	-	-	(1.0)	4%	3%	2.00
2033	1.0	-	-	(1.0)	5%	-	-	-	5%	1.0	-	-	-	-	(1.0)	4%	3%	2.00
2034	1.0	-	-	(1.0)	5%	-	-	-	5%	1.0	-	-	-	-	(1.0)	4%	3%	2.00
2035	1.0	-	-	(1.0)	5%	-	-	-	5%	1.0	-	-	-	-	(1.0)	4%	3%	2.00

Table 3-2B: Potable Water Annual R:

Year	Dioz Bios				Antelope Hills				Inflation	Total New SFEs
	Residential Yearly SFE Increase	Commercial/Multifamily Yearly SFE Increase	Availability of Water Service Lots	Rate Increase	Residential Yearly SFE Increase	Commercial/Multifamily Yearly SFE Increase	Availability of Water Service Lots	Rate Increase		
2024	-	-	-	0%	-	-	-	0%	0%	0.00
2025	3.0	-	(1.0)	0%	-	-	-	0%	0%	3.00
2026	1.0	-	(1.0)	4%	-	-	-	4%	3%	1.00
2027	1.0	-	(1.0)	4%	-	-	-	4%	3%	1.00
2028	1.0	-	(1.0)	4%	-	-	-	4%	3%	1.00
2029	1.0	-	(1.0)	4%	-	-	-	4%	3%	1.00
2030	1.0	-	(1.0)	4%	-	-	-	4%	3%	1.00
2031	1.0	-	(1.0)	4%	-	-	-	4%	3%	1.00
2032	1.0	-	(1.0)	4%	-	-	-	4%	3%	1.00
2033	1.0	-	(1.0)	4%	-	-	-	4%	3%	1.00
2034	1.0	-	(1.0)	4%	-	-	-	4%	3%	1.00
2035	1.0	-	(1.0)	4%	-	-	-	4%	3%	1.00

# Model Description (cont.)

- Master Input/Output- Annual revenue summaries

Table 3-4C: All Divisions Water and Sewer Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							
2024	\$ 1,542,806	\$ 125,000	\$ 123,774	\$ 1,791,580	\$ 1,790,589	\$992	\$992
2025	\$ 1,639,985	\$ 98,540	\$ 123,774	\$ 1,862,300	\$ 2,277,114	(\$414,814)	(\$413,823)
2026	\$ 1,820,108	\$ 36,000	\$ 127,488	\$ 1,983,595	\$ 1,771,648	\$211,948	(\$201,875)
2027	\$ 1,975,491	\$ 36,000	\$ 131,312	\$ 2,142,804	\$ 2,171,682	(\$28,878)	(\$230,753)
2028	\$ 2,136,336	\$ 36,000	\$ 135,252	\$ 2,307,588	\$ 2,184,705	\$122,883	(\$107,870)
2029	\$ 2,255,662	\$ 36,000	\$ 139,309	\$ 2,430,971	\$ 2,284,435	\$146,536	\$38,665
2030	\$ 2,403,734	\$ 36,000	\$ 143,489	\$ 2,583,223	\$ 2,436,044	\$147,179	\$185,844
2031	\$ 2,518,067	\$ 36,000	\$ 147,793	\$ 2,701,860	\$ 2,481,708	\$220,152	\$405,996
2032	\$ 2,638,994	\$ 36,000	\$ 152,227	\$ 2,827,221	\$ 2,528,617	\$298,604	\$704,600
2033	\$ 2,762,995	\$ 36,000	\$ 156,794	\$ 2,955,789	\$ 2,602,965	\$352,824	\$1,057,424
2034	\$ 2,902,484	\$ 36,000	\$ 161,498	\$ 3,099,982	\$ 2,784,958	\$315,024	\$1,372,449
2035	\$ 3,042,406	\$ 36,000	\$ 166,343	\$ 3,244,749	\$ 2,940,811	\$303,938	\$1,676,387

# Model Implementation

- Always with “balancing the budget,
- Many combinations of input variables were run:
  - rate increases
  - rate structures
  - inflation increases
  - new growth figures
- Resulted in different values of accumulated surplus revenues over 10 year period
- Ultimately, four different scenarios were selected as representative of the major possibilities

# Model Implementation (cont.)

- **Scenario One**
  - **No yearly rate increases**
  - **One SFE per year per division**
  - **Inflation at 3% per year**
  - **City wastewater treatment increases per year of 5%**
  - **System improvements as projected for next 10 years**

# Model Implementation (cont.)

- **Scenario Two**
  - **One SFE per year per division**
  - **Inflation at 3% per year**
  - **City wastewater treatment increases per year of 5%**
  - **System improvements as projected for next 10 years**
  - **Differing rate increases per year for each division**

# Model Implementation (cont.)

- **Scenario Two- differing rate increases per division**
  - **Dos Rios Sewer- 25% in 2026, 15% in 2027, 10% in 2028-2030, 5% in 2031-2035**
  - **Antelope Hills Sewer- 25% in 2026-2028, 10% in 2029-2035**
  - **North Gunnison Sewer- 3% each year from 2026-2035**
  - **Antelope Hills Water- no increases needed**
  - **Dos Rios Water- 5% in 2026- 2035**

# Model Implementation (cont.)

- **Scenario Three**
  - **One SFE per year per division**
  - **Inflation at 3% per year**
  - **City wastewater treatment increases per year of 5%**
  - **System improvements as projected for 10 next years**
  - **Rate increase of 5.5% per year for each division**

# Model Implementation (cont.)

- **Scenario Four**
  - **One SFE per year per division**
  - **Inflation at 3% per year**
  - **City wastewater treatment increases per year of 5%**
  - **System improvements as projected for next 10 years**
  - **Updated 2024 and 2025 expenses to equal final audited numbers for the entire district financial portfolio, not just the operating fund**
  - **Updated 2024 Net Position to reflect more complete yearly Accumulated Surplus**

# Model Implementation (cont.)

- **Scenario Four**
  - **Dos Rios and Antelope Hills Sewer-**
    - 15% increase in 2026
    - 10% in 2027-2028
    - 5% in 2029-2035
  - **North Gunnison Sewer-**
    - 4% per year 2026-2035
  - **Dos Rios and Antelope Hills Water-**
    - Increase Base Rate 4% per year,
    - Increase Tier 2 rate to 25% of Base Rate
    - Increase Tier 3 rates to 25% of Tier 2 rate
    - Reduce Vacant Lot Rates for
      - Dos Rios to \$14.98 in 2026 and every year thereafter
      - Antelope Hills to \$108.21 in 2026 and every year thereafter

# Analyses of Scenarios

- Scenario One

Table 3-4C: All Divisions Water and Sewer Annual Revenue/Expense Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							
2024	\$ 1,542,806	\$ 125,000	\$ 123,774	\$ 1,791,580	\$ 1,790,589	\$992	\$992
2025	\$ 1,639,985	\$ 98,540	\$ 123,774	\$ 1,862,300	\$ 2,271,813	(\$409,514)	(\$408,522)
2026	\$ 1,644,981	\$ 36,000	\$ 127,488	\$ 1,808,468	\$ 1,774,748	\$33,720	(\$374,802)
2027	\$ 1,646,814	\$ 36,000	\$ 131,312	\$ 1,814,126	\$ 2,183,907	(\$369,781)	(\$744,583)
2028	\$ 1,665,142	\$ 36,000	\$ 135,252	\$ 1,836,393	\$ 2,206,825	(\$370,431)	(\$1,115,014)
2029	\$ 1,651,550	\$ 36,000	\$ 139,309	\$ 1,826,860	\$ 2,317,271	(\$490,411)	(\$1,605,425)
2030	\$ 1,653,826	\$ 36,000	\$ 143,489	\$ 1,833,315	\$ 2,480,469	(\$647,154)	(\$2,252,579)
2031	\$ 1,655,983	\$ 36,000	\$ 147,793	\$ 1,839,776	\$ 2,538,654	(\$698,879)	(\$2,951,458)
2032	\$ 1,658,139	\$ 36,000	\$ 152,227	\$ 1,846,366	\$ 2,599,074	(\$752,709)	(\$3,704,166)
2033	\$ 1,657,157	\$ 36,000	\$ 156,794	\$ 1,849,951	\$ 2,687,989	(\$838,038)	(\$4,542,204)
2034	\$ 1,662,451	\$ 36,000	\$ 161,498	\$ 1,859,949	\$ 2,885,670	(\$1,025,721)	(\$5,567,925)
2035	\$ 1,663,872	\$ 36,000	\$ 166,343	\$ 1,866,215	\$ 3,058,404	(\$1,192,189)	(\$6,760,115)

- Analysis shows that no rate increases in the face of increasing inflationary and system improvements costs only accumulates a negative \$6.7 million surplus in 10 years
- An unacceptable situation

# Analyses of Scenarios

- Scenario Two

Table 3-4C: All Divisions Water and Sewer Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							
2024	\$ 1,542,806	\$ 125,000	\$ 123,774	\$ 1,791,580	\$ 1,790,589	\$992	\$992
2025	\$ 1,639,985	\$ 98,540	\$ 123,774	\$ 1,862,300	\$ 2,277,114	(\$414,814)	(\$413,823)
2026	\$ 1,820,108	\$ 36,000	\$ 127,488	\$ 1,983,595	\$ 1,771,648	\$211,948	(\$201,875)
2027	\$ 1,975,491	\$ 36,000	\$ 131,312	\$ 2,142,804	\$ 2,171,882	(\$28,878)	(\$230,753)
2028	\$ 2,136,336	\$ 36,000	\$ 135,252	\$ 2,307,588	\$ 2,184,705	\$122,883	(\$107,870)
2029	\$ 2,255,862	\$ 36,000	\$ 139,309	\$ 2,430,971	\$ 2,284,435	\$146,536	\$38,665
2030	\$ 2,403,734	\$ 36,000	\$ 143,489	\$ 2,583,223	\$ 2,436,044	\$147,179	\$185,844
2031	\$ 2,518,067	\$ 36,000	\$ 147,793	\$ 2,701,860	\$ 2,481,708	\$220,152	\$405,996
2032	\$ 2,638,994	\$ 36,000	\$ 152,227	\$ 2,827,221	\$ 2,528,617	\$298,604	\$704,600
2033	\$ 2,762,995	\$ 36,000	\$ 156,794	\$ 2,955,789	\$ 2,602,965	\$352,824	\$1,057,424
2034	\$ 2,902,484	\$ 36,000	\$ 161,498	\$ 3,099,982	\$ 2,784,958	\$315,024	\$1,372,449
2035	\$ 3,042,406	\$ 36,000	\$ 166,343	\$ 3,244,749	\$ 2,940,811	\$303,938	\$1,676,387

- Mathematically feasible
- Yields positive Accumulated Surplus of \$1,676,387 in 2035
- Positive surplus in 2035 is a healthy 50% of annual budget
- Immediate increases of 25% may not be palatable with customers

# Analyses of Scenarios

- Scenario Three

Table 3-4C: All Divisions Water and Sewer Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							
2024	\$ 1,542,806	\$ 125,000	\$ 123,774	\$ 1,791,580	\$ 1,790,589	\$992	\$992
2025	\$ 1,639,985	\$ 98,540	\$ 123,774	\$ 1,862,300	\$ 2,277,114	(\$414,814)	(\$413,823)
2026	\$ 1,733,963	\$ 36,000	\$ 127,488	\$ 1,897,451	\$ 1,771,648	\$125,804	(\$288,019)
2027	\$ 1,831,014	\$ 36,000	\$ 131,312	\$ 1,998,326	\$ 2,171,682	(\$173,356)	(\$461,375)
2028	\$ 1,952,993	\$ 36,000	\$ 135,252	\$ 2,124,245	\$ 2,184,705	(\$60,460)	(\$521,835)
2029	\$ 2,043,314	\$ 36,000	\$ 139,309	\$ 2,218,623	\$ 2,284,435	(\$65,812)	(\$587,647)
2030	\$ 2,158,505	\$ 36,000	\$ 143,489	\$ 2,337,994	\$ 2,436,044	(\$98,050)	(\$685,697)
2031	\$ 2,280,317	\$ 36,000	\$ 147,793	\$ 2,464,110	\$ 2,481,708	(\$17,599)	(\$703,296)
2032	\$ 2,409,128	\$ 36,000	\$ 152,227	\$ 2,597,355	\$ 2,528,617	\$68,738	(\$634,558)
2033	\$ 2,540,525	\$ 36,000	\$ 156,794	\$ 2,733,319	\$ 2,602,965	\$130,354	(\$504,204)
2034	\$ 2,689,378	\$ 36,000	\$ 161,498	\$ 2,886,876	\$ 2,784,958	\$101,918	(\$402,287)
2035	\$ 2,837,254	\$ 36,000	\$ 166,343	\$ 3,039,597	\$ 2,940,811	\$98,786	(\$303,500)

- Reduces annual negative balances to positive by 2032
- Reduces the size of negative Accumulated Surplus in 2035 from (\$6,760,115) to (\$303,500)

# Analyses of Scenarios

- Scenario Four

Table 3-4C: All Divisions Water and Sewer Annual Revenue Summary

Year	Metered Revenue	Connection Revenue (Tap Fee)	Miscellaneous Revenue	Total Revenue	Expenses	Annual Balance	Accumulated Surplus
2023							
2024	\$ 1,545,720	\$ 125,000	\$ 132,780	\$ 1,803,500	\$ 2,151,755	(\$348,255)	\$3,745,713
2025	\$ 1,642,089	\$ 71,000	\$ 73,993	\$ 1,787,082	\$ 2,577,531	(\$790,449)	\$2,955,264
2026	\$ 1,731,862	\$ 30,000	\$ 76,212	\$ 1,838,074	\$ 2,493,735	(\$655,660)	\$2,299,604
2027	\$ 1,870,711	\$ 30,000	\$ 78,499	\$ 1,979,209	\$ 2,425,565	(\$446,355)	\$1,853,249
2028	\$ 2,026,089	\$ 30,000	\$ 80,854	\$ 2,136,942	\$ 2,411,069	(\$274,127)	\$1,579,121
2029	\$ 2,200,323	\$ 30,000	\$ 83,279	\$ 2,313,602	\$ 2,682,299	(\$368,697)	\$1,210,424
2030	\$ 2,299,236	\$ 30,000	\$ 85,778	\$ 2,415,013	\$ 2,623,306	(\$208,293)	\$1,002,131
2031	\$ 2,402,276	\$ 22,000	\$ 88,351	\$ 2,512,627	\$ 2,616,143	(\$103,517)	\$898,614
2032	\$ 2,509,470	\$ 22,000	\$ 91,002	\$ 2,622,471	\$ 2,697,866	(\$75,394)	\$823,220
2033	\$ 2,621,680	\$ 22,000	\$ 93,732	\$ 2,737,412	\$ 2,664,530	\$72,882	\$896,102
2034	\$ 2,739,143	\$ 22,000	\$ 96,544	\$ 2,857,687	\$ 2,831,193	\$26,494	\$922,596
2035	\$ 2,862,106	\$ 22,000	\$ 99,440	\$ 2,983,546	\$ 2,918,917	\$64,629	\$987,225

- Reduces annual negative Annual Balances to positive by 2032
- Reduces the Accumulated Surplus but leaves a positive \$987,225 in 2035 which is a healthy reserve fund of 34% of the annual budget
- This is the preferred and recommended rate structure

# Scenario 4 Recommended Sewer Rate Schedules

**Table 7-1A: Summary of Dos Rios Sanitary Sewer Rate Schedules**

Year	Per Year Increase	Residential Base Rate	Residential Usage Rate	Commercial Base Rate	Commercial Usage Rate	Vacant Lot Base Rate
2024	0%	\$171.33	\$0.00	\$171.33	\$0.00	\$58.73
2025	0%	\$184.18	\$0.00	\$184.18	\$0.00	\$63.13
2026	15%	\$211.81	\$0.00	\$211.81	\$0.00	\$34.03
2027	10%	\$232.99	\$0.00	\$232.99	\$0.00	\$34.03
2028	10%	\$256.29	\$0.00	\$256.29	\$0.00	\$34.03
2029	5%	\$269.10	\$0.00	\$269.10	\$0.00	\$34.03
2030	5%	\$282.56	\$0.00	\$282.56	\$0.00	\$34.03
2031	5%	\$296.68	\$0.00	\$296.68	\$0.00	\$34.03
2032	5%	\$311.52	\$0.00	\$311.52	\$0.00	\$34.03
2033	5%	\$327.09	\$0.00	\$327.09	\$0.00	\$34.03
2034	5%	\$343.45	\$0.00	\$343.45	\$0.00	\$34.03
2035	5%	\$360.62	\$0.00	\$360.62	\$0.00	\$34.03

**Table 7-1B: Summary of Antelope Hills Sanitary Sewer Rate Schedules**

Year	Per Year Increase	Residential Base Rate	Residential Usage Rate	Commercial Base Rate	Commercial Usage Rate	Vacant Lot Base Rate
2024	0%	\$155.43	\$0.00	\$155.43	\$0.00	\$51.40
2025	0%	\$167.09	\$0.00	\$167.09	\$0.00	\$55.26
2026	15%	\$192.15	\$0.00	\$192.15	\$0.00	\$12.82
2027	10%	\$211.37	\$0.00	\$211.37	\$0.00	\$12.82
2028	10%	\$232.51	\$0.00	\$232.51	\$0.00	\$12.82
2029	5%	\$244.13	\$0.00	\$244.13	\$0.00	\$12.82
2030	5%	\$256.34	\$0.00	\$256.34	\$0.00	\$12.82
2031	5%	\$269.15	\$0.00	\$269.15	\$0.00	\$12.82
2032	5%	\$282.61	\$0.00	\$282.61	\$0.00	\$12.82
2033	5%	\$296.74	\$0.00	\$296.74	\$0.00	\$12.82
2034	5%	\$311.58	\$0.00	\$311.58	\$0.00	\$12.82
2035	5%	\$327.16	\$0.00	\$327.16	\$0.00	\$12.82

# Scenario 4 Recommended Sewer Rate Schedules

Table 7-1C: Summary of North Gunnison Sanitary Sewer Rate Schedules

Year	Per Year Increase	Residential Phase 1 Base Rate	Residential Phase 1 Usage Rate	Residential Phase 2 Base Rate	Residential Phase 2 Usage Rate	Commercial Base Rate	Commercial Usage Rate	Vacant Lot Base Rate
2024	0%	\$229.20	\$0.00	\$335.08	\$0.00	\$335.08	\$0.00	\$205.83
2025	0%	\$246.39	\$0.00	\$360.21	\$0.00	\$360.21	\$0.00	\$221.27
2026	4%	\$256.25	\$0.00	\$374.62	\$0.00	\$374.62	\$0.00	\$67.22
2027	4%	\$266.50	\$0.00	\$389.60	\$0.00	\$389.60	\$0.00	\$67.22
2028	4%	\$277.16	\$0.00	\$405.19	\$0.00	\$405.19	\$0.00	\$67.22
2029	4%	\$288.24	\$0.00	\$421.39	\$0.00	\$421.39	\$0.00	\$67.22
2030	4%	\$299.77	\$0.00	\$438.25	\$0.00	\$438.25	\$0.00	\$67.22
2031	4%	\$311.76	\$0.00	\$455.78	\$0.00	\$455.78	\$0.00	\$67.22
2032	4%	\$324.23	\$0.00	\$474.01	\$0.00	\$474.01	\$0.00	\$67.22
2033	4%	\$337.20	\$0.00	\$492.97	\$0.00	\$492.97	\$0.00	\$67.22
2034	4%	\$350.69	\$0.00	\$512.69	\$0.00	\$512.69	\$0.00	\$67.22
2035	4%	\$364.72	\$0.00	\$533.20	\$0.00	\$533.20	\$0.00	\$67.22

# Scenario 4 Recommended Water Rate Schedules

Table 7-2A: Summary of Dos Rios Potable Water Rate Schedules

Year	Per Year Increase	Residential				Commercial				Availability of Service Base Rate
		Base Rate	Tier 1	Tier 2	Tier 3	Base Rate	Tier 1	Tier 2	Tier 3	
2024	0%	\$127.52	\$0.00	\$7.32	\$11.59	\$127.52	\$0.00	\$7.40	\$7.40	\$53.54
2025	0%	\$131.55	\$0.00	\$7.32	\$11.59	\$131.55	\$0.00	\$7.40	\$7.40	\$55.15
2026	4%	\$136.81	\$0.00	\$9.50	\$11.88	\$136.81	\$0.00	\$9.50	\$11.88	\$14.98
2027	4%	\$142.28	\$0.00	\$9.88	\$12.35	\$142.28	\$0.00	\$9.88	\$12.35	\$14.98
2028	4%	\$147.98	\$0.00	\$10.28	\$12.85	\$147.98	\$0.00	\$10.28	\$12.85	\$14.98
2029	4%	\$153.89	\$0.00	\$10.69	\$13.36	\$153.89	\$0.00	\$10.69	\$13.36	\$14.98
2030	4%	\$160.05	\$0.00	\$11.11	\$13.89	\$160.05	\$0.00	\$11.11	\$13.89	\$14.98
2031	4%	\$166.45	\$0.00	\$11.56	\$14.45	\$166.45	\$0.00	\$11.56	\$14.45	\$14.98
2032	4%	\$173.11	\$0.00	\$12.02	\$15.03	\$173.11	\$0.00	\$12.02	\$15.03	\$14.98
2033	4%	\$180.04	\$0.00	\$12.50	\$15.63	\$180.04	\$0.00	\$12.50	\$15.63	\$14.98
2034	4%	\$187.24	\$0.00	\$13.00	\$16.25	\$187.24	\$0.00	\$13.00	\$16.25	\$14.98
2035	4%	\$194.73	\$0.00	\$13.52	\$16.90	\$194.73	\$0.00	\$13.52	\$16.90	\$14.98

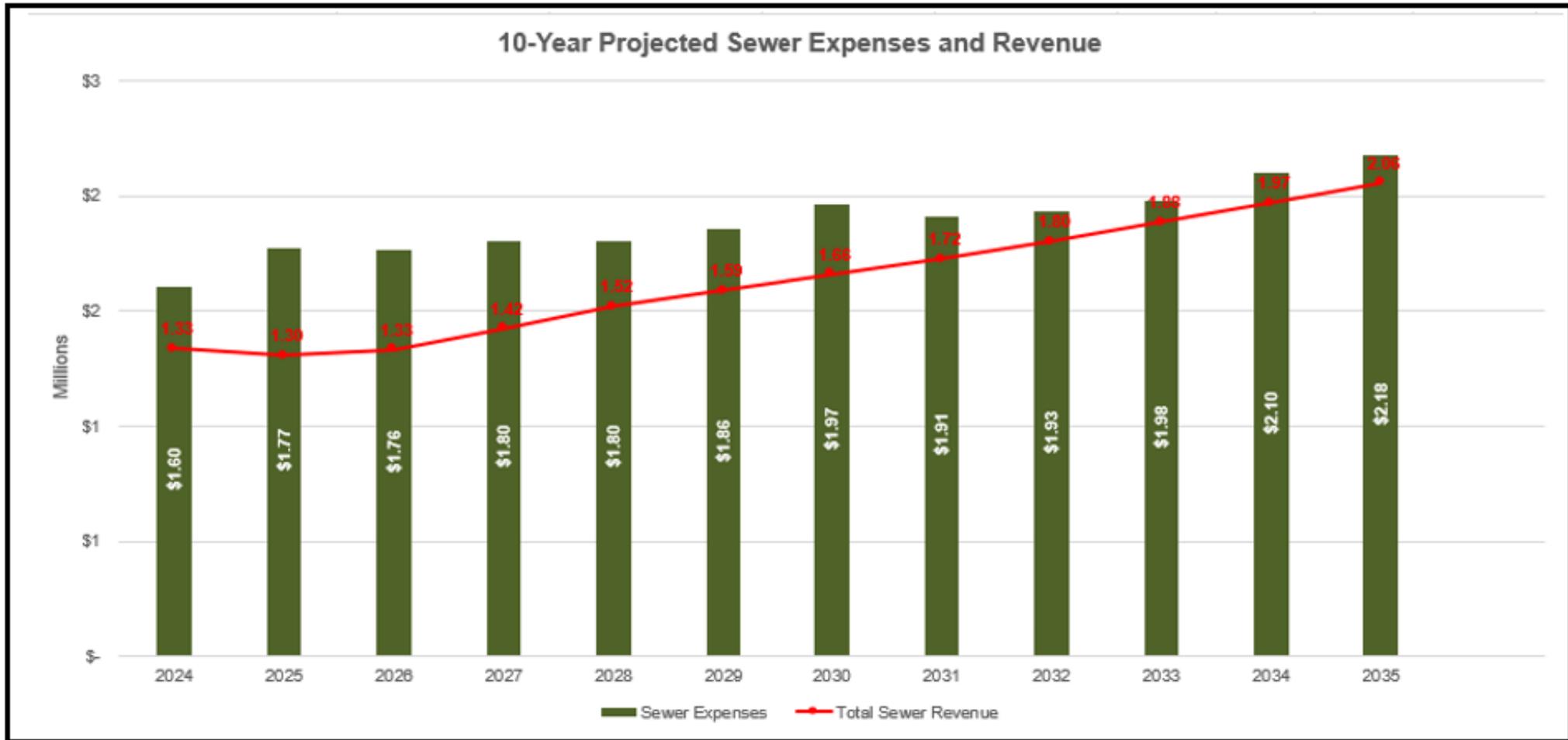
Table 7-2B: Summary of Antelope Hills Potable Water Rate Schedules

Year	Per Year Increase	Residential				HOA				Loan Repayment	Availability of Service Base
		Base Rate	Tier 1	Tier 2	Tier 3	Base Rate	Tier 1	Tier 2	Tier 3		
2024	0%	\$178.79	\$0.00	\$4.87	\$7.79	\$158.35	\$0.00	\$10.23	\$11.25	\$97.59	\$35.69
2025	0%	\$184.15	\$0.00	\$10.23	\$11.25	\$166.03	\$0.00	\$10.23	\$11.25	\$97.59	\$55.26
2026	4%	\$191.52	\$0.00	\$13.30	\$16.62	\$172.67	\$0.00	\$11.99	\$14.99	\$97.59	\$108.21
2027	4%	\$199.18	\$0.00	\$13.83	\$17.29	\$179.58	\$0.00	\$12.47	\$15.59	\$97.59	\$108.21
2028	4%	\$207.14	\$0.00	\$14.38	\$17.98	\$186.76	\$0.00	\$12.97	\$16.21	\$97.59	\$108.21
2029	4%	\$215.43	\$0.00	\$14.96	\$18.70	\$194.23	\$0.00	\$13.49	\$16.86	\$97.59	\$108.21
2030	4%	\$224.05	\$0.00	\$15.58	\$19.45	\$202.00	\$0.00	\$14.03	\$17.53	\$97.59	\$108.21
2031	4%	\$233.01	\$0.00	\$16.18	\$20.23	\$210.08	\$0.00	\$14.59	\$18.24	\$97.59	\$108.21
2032	4%	\$242.33	\$0.00	\$16.83	\$21.04	\$218.48	\$0.00	\$15.17	\$18.97	\$97.59	\$108.21
2033	4%	\$252.02	\$0.00	\$17.50	\$21.88	\$227.22	\$0.00	\$15.78	\$19.72	\$97.59	\$108.21
2034	4%	\$262.10	\$0.00	\$18.20	\$22.75	\$236.31	\$0.00	\$16.41	\$20.51	\$97.59	\$108.21
2035	4%	\$272.59	\$0.00	\$18.93	\$23.66	\$245.76	\$0.00	\$17.07	\$21.33	\$97.59	\$108.21

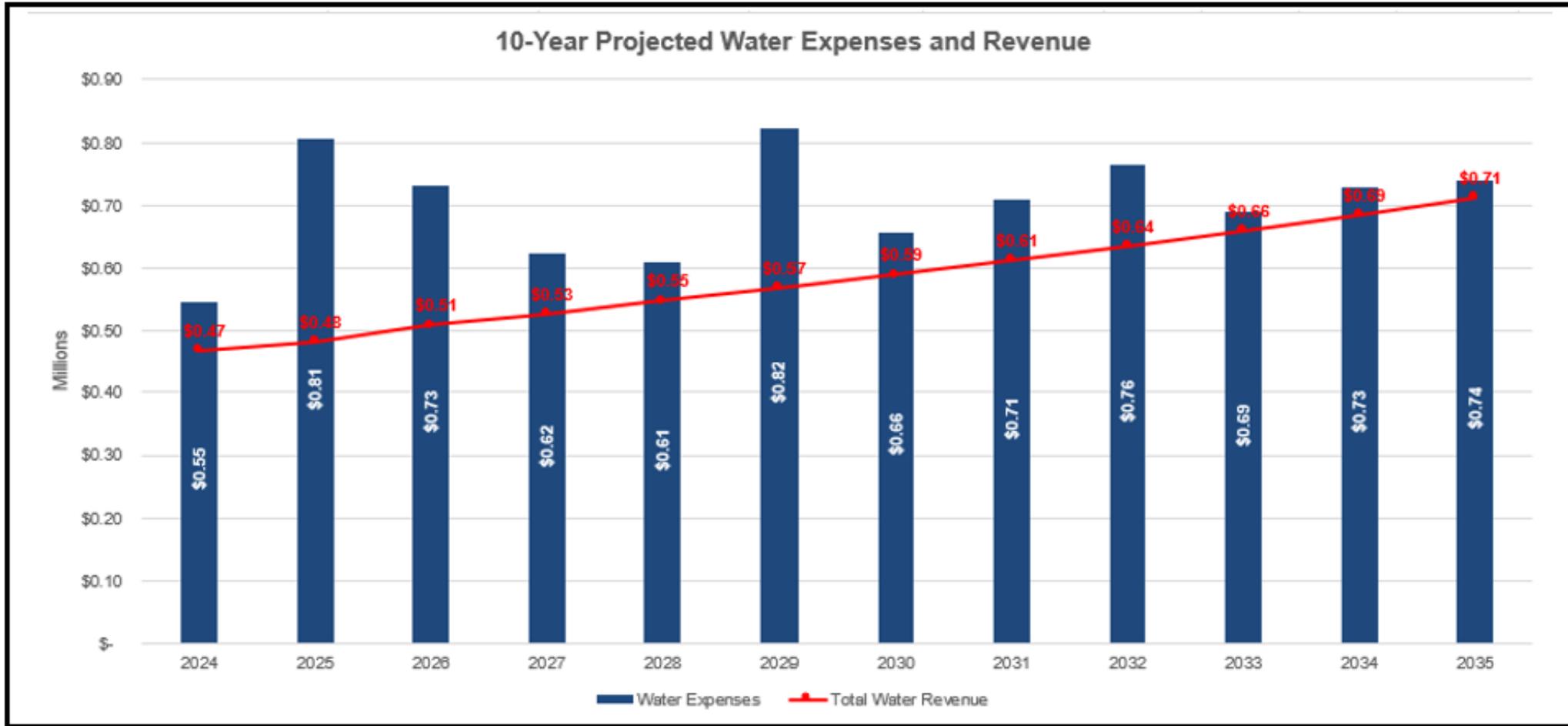
# Analysis of Expenses

- **Covering increasing expenses is the most critical factor driving the need to increase rates**
- **Expenses comprise**
  - **General routine expenses that are affected by inflation**
  - **Cash-funded**
    - **Equipment purchases**
    - **Replacement projects**
    - **Major repair projects**
- **The following graphs demonstrate the significance of rising expenses**

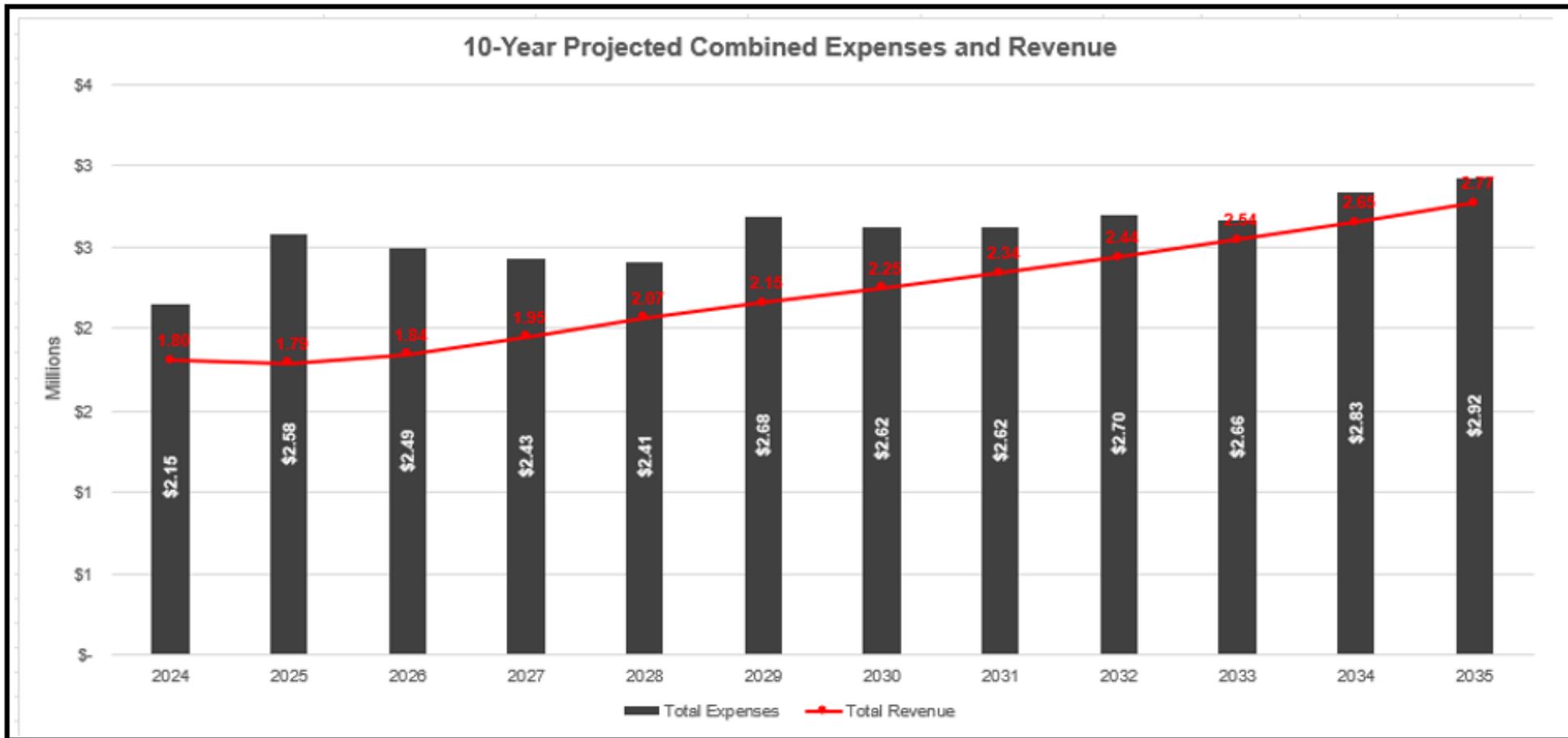
# Sewer Divisions Annual Revenue/Expense Summary Graph



# Water Divisions Annual Revenue/Expense Summary Graph

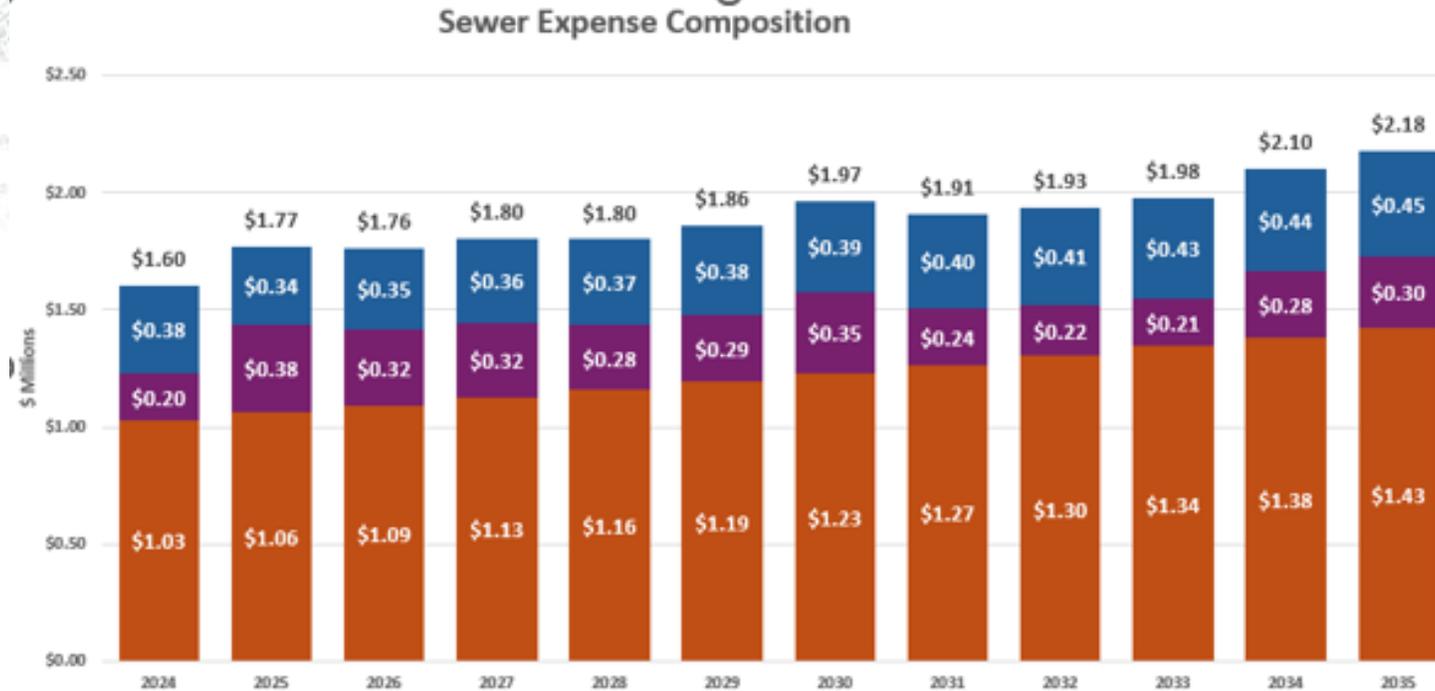


# All Divisions Water and Sewer Annual Revenue Summary Graph



# Analyses of Expense Composition

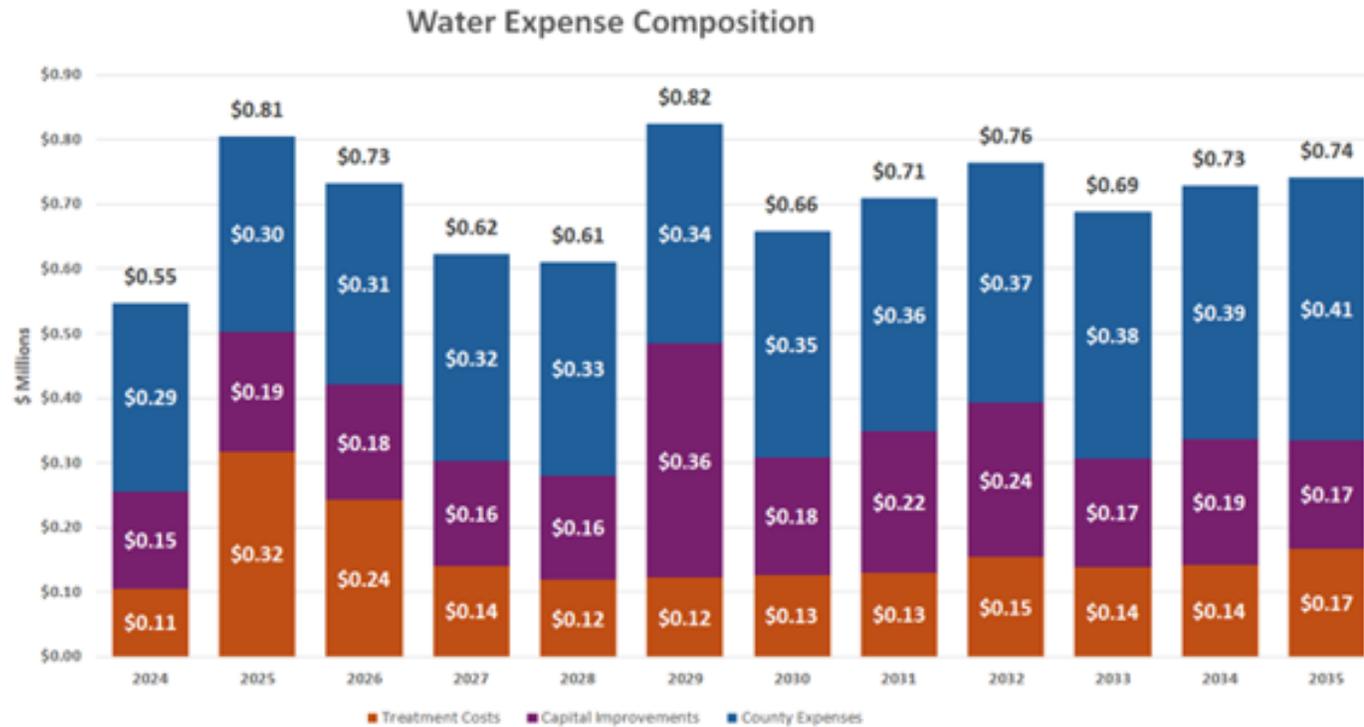
## Sewer



- Total sewer expenses generally higher than water
- Due mostly to wastewater treatment costs such large % of sewer expenses (65-75%)
- Makes sewer rates generally higher than water rates

# Analyses of Expense Composition

## Water



- Total water expenses generally lower than sewer by 2/3
- Water has no expensive treatment costs
- This makes water rates generally lower than sewer rates

# Conclusion

- **Staff recommends implementation of the Scenario 4 Rate Structure**
  - Reasonably offset increasing inflationary costs
  - Help pay for needed equipment, replacement and repairs
  - Pay for ever increasing wastewater treatment costs
  - When coupled with total district financial portfolio, provide a reasonable emergency fund
  - Are equitable
  - Follows industry standards for rate setting
  - Rate structures are in line with accepted general practice
  - Can assist in promoting water conservation