



2025 Recommended Utility Rates

Finance Committee

January 16, 2025

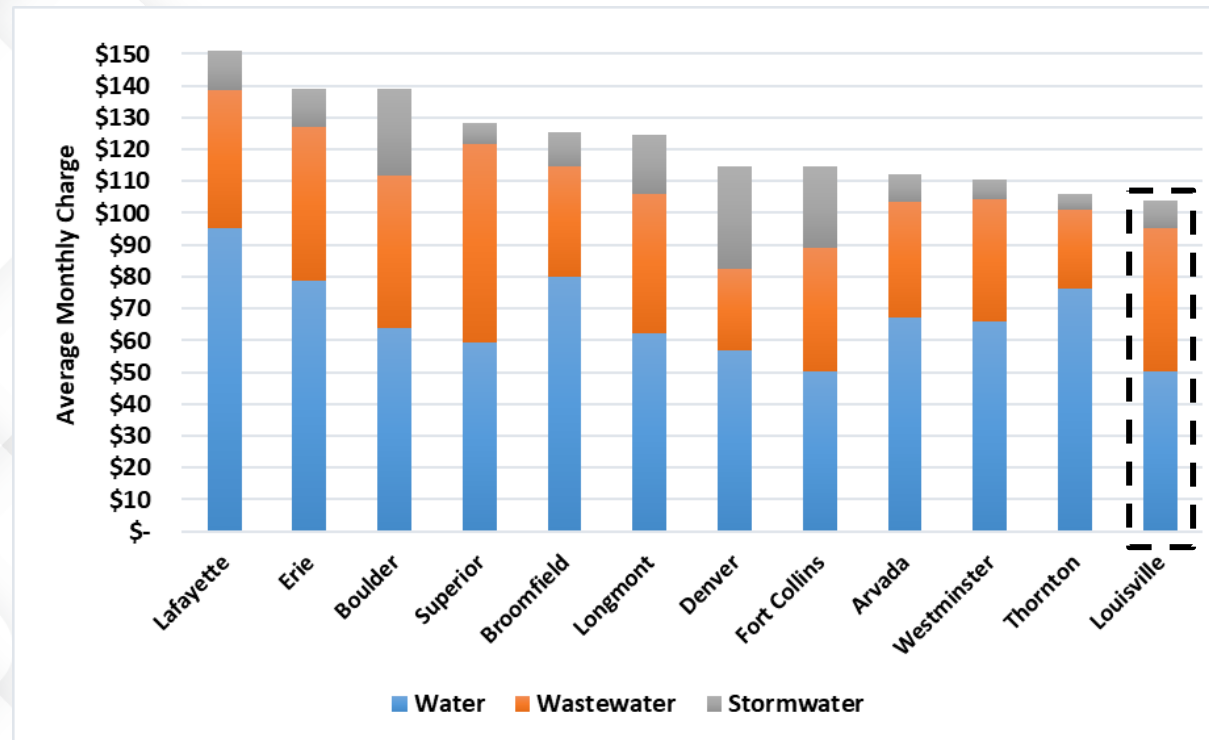
Overview

- Rate Summary
- Surrounding Community Rate Comparison
- Modifications
 - 2024 Impacts
 - O&M Turnback (All Funds)
 - Capital Cash Flow (Wastewater)
 - Interfund Loan (Water to Wastewater)
- Recommended Rates

Past and Proposed Utility Rate

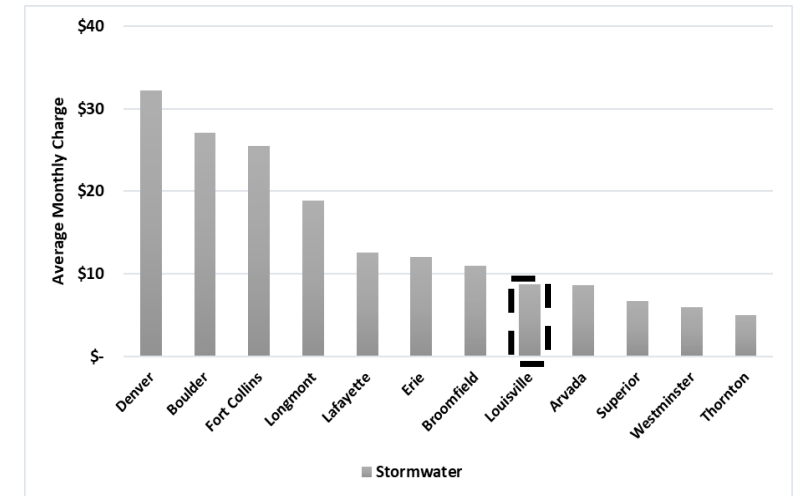
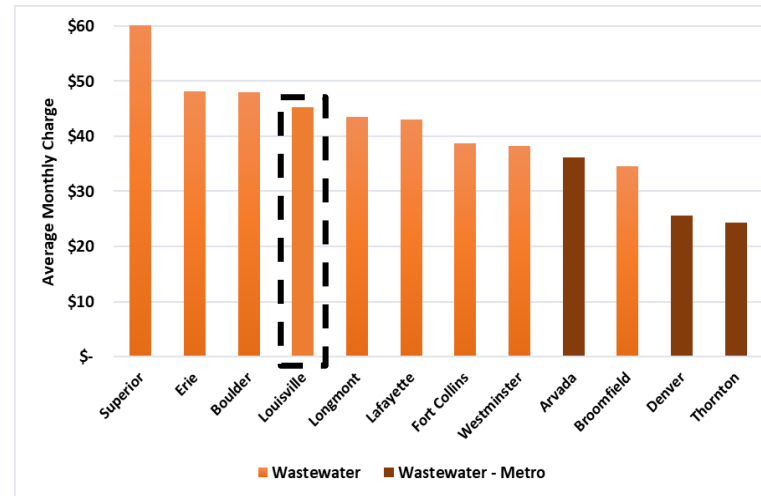
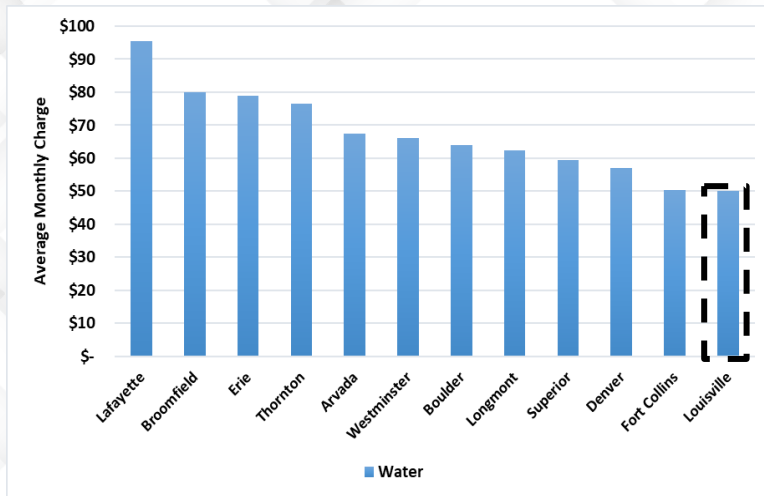
Utility	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water	13%	0%	3%	0%	0%	2%	0%	0%	6.5%	6%
Wastewater	13%	7%	7%	7%	0%	4%	4%	8%	12.1%	16%
Stormwater	0%	4%	7%	18.5%	0%	5%	5%	9%	14%	14%

Average 2025 Monthly Water, Wastewater & Storm Rates (Louisville Single Family Residential)



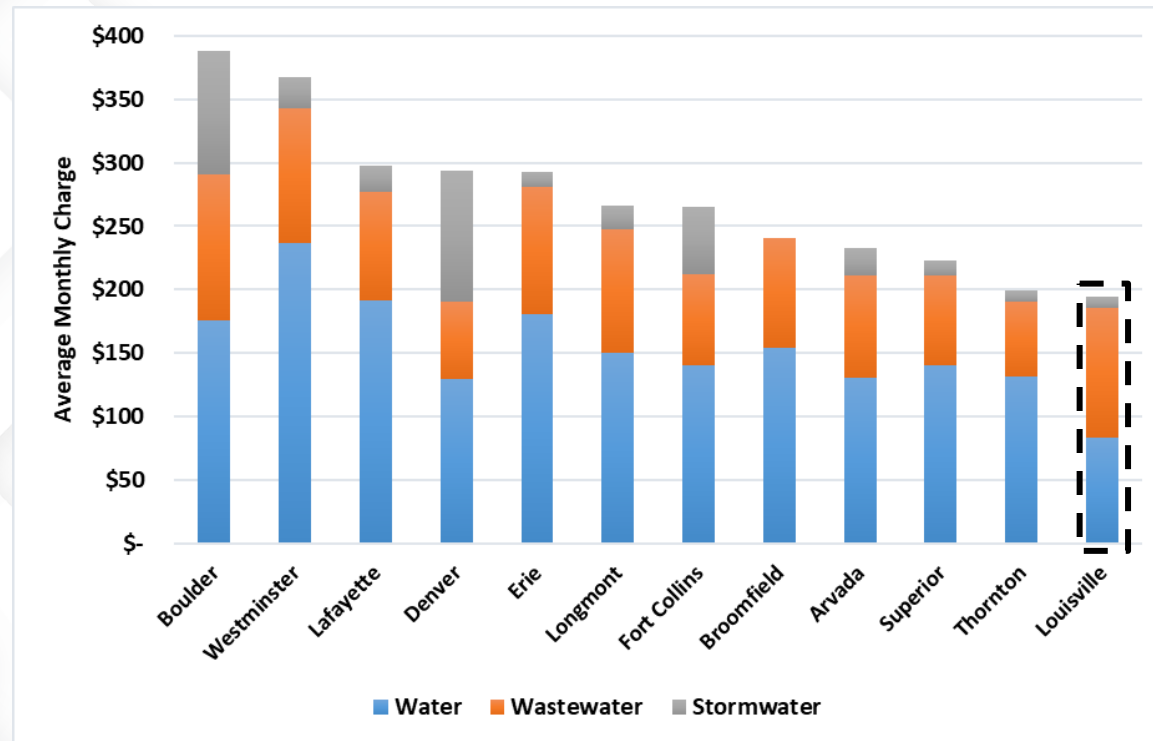
- *Based on average usage of approx. 9,220 gallons. Actual bills will be dependent on usage and will vary based on seasonal fluctuation.*

Average 2025 Monthly Water, Wastewater & Storm Rates (Louisville Single Family Residential)



- Based on average usage of approx. 9,220 gallons. Actual bills will be dependent on usage and will vary based on seasonal fluctuation.

Monthly Water, Wastewater & Storm Rates (1-inch Commercial User 280,000 gallons/yr)



- *There is a greater variety of factors that impact rates for Commercial Users, the above is a single representation*

2024 to 2025 Changes

2024 Impacts:

- **2024 Water Revenue \$726,000 above estimate (10%)**
 - Related to the dry weather
(Future revenue projections are based on average water use)
- **2024 Water Tap Fees \$1.8 Million above estimate (250%)**
- **2024 Stormwater Revenue \$167,000 above estimate (15%)**
- **Wastewater not weather dependent matched projections**

O&M Turnback

- Prior Policy: 10%

Utility Turnback	2016	2017	2018	2019	2020	2021	2022	2023
Water	16.1%	33.1%	21.4%	20.4%	4.2%	-1.7%	-24.5%	6.5%
Wastewater	10.9%	7.6%	12.6%	15.4%	3.5%	5.3%	-11.1%	3.5%
Stormwater	11.3%	19.4%	21.4%	7.8%	11%	2%	-9.7%	11%

Utility Turnback	8-year Average (2016-2023)	5-year Average (2019-2023)	3-year Average (2020, 2021 & 2023)	2024 Projection
Water	9.4%	1.0%	3.0%	3% - 6%
Wastewater	6.0%	3.3%	4.1%	1% - 4%
Stormwater	9.3%	4.4%	8.0%	2% - 5%

O&M Turnback

Policy Options	Estimating	Rate Adjustment	Added Rate Impacts for 2025	Future Risk
10% (prior)	Savings - <u>over</u> estimated Expenditures - <u>under</u> estimated	Reactive	None	Higher
0% (2025+)	Savings – <u>under</u> estimated Expenditures – align with budget	Proactive	Minor to Moderate	Lower

Recommended

Wastewater CIP Adjustment

WWTP Solids Handling Upgrades CIP	2024	2025	2026	
July - Forecast	\$3,450,000	\$1,000,000		
Sept - Revision	\$2,500,000	\$1,200,000	\$750,000	
2025 Estimate	\$800,000	\$2,700,000	\$950,000	Recommended

- Redtail Wastewater Plant Upgrades alignment
- Equipment and material lead times

Wastewater Loan from Water

Water	Debit	Credit	Net
2025	\$600,000		-\$600,000
2026	\$900,000	\$30,000	-\$1,470,000
2027		\$645,000	-\$825,000
2028		\$945,000	\$120,000
TOTAL	\$1,500,000	\$1,620,000	\$120,000

Wastewater	Debit	Credit	Net
2025		\$600,000	\$600,000
2026	\$30,000	\$900,000	\$1,470,000
2027	\$645,000		\$825,000
2028	\$945,000		-\$120,000
TOTAL	\$1,620,000	\$1,500,000	-\$120,000

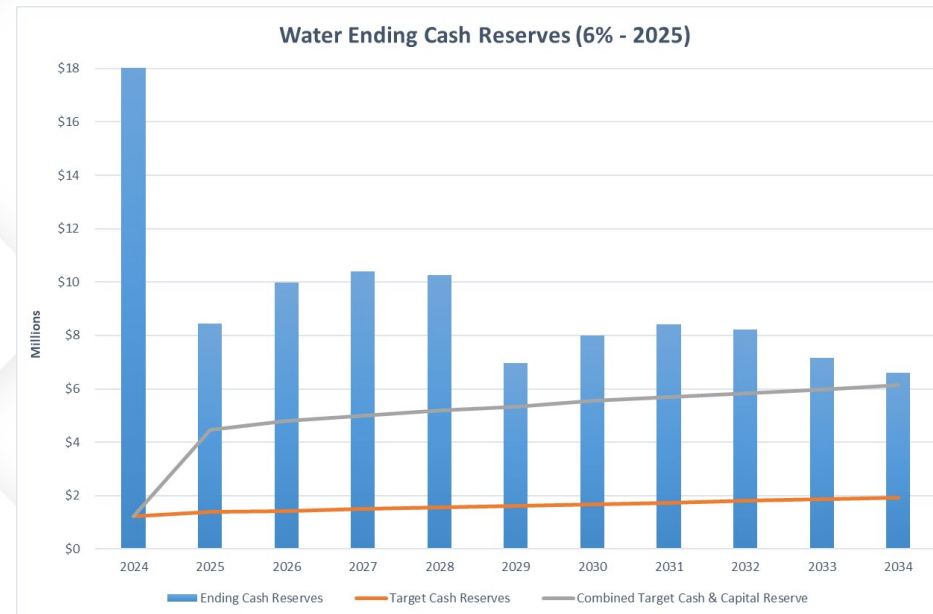
- \$1.5 million from Water to Wastewater
- Approval by Ordinance in March with Rates Adoption
- Paid back over 3 years at an estimated* 5% interest (\$120,000)

*Interest charges will calculate based on actual City investments returns and timing of need/repayment

Recommended Rates

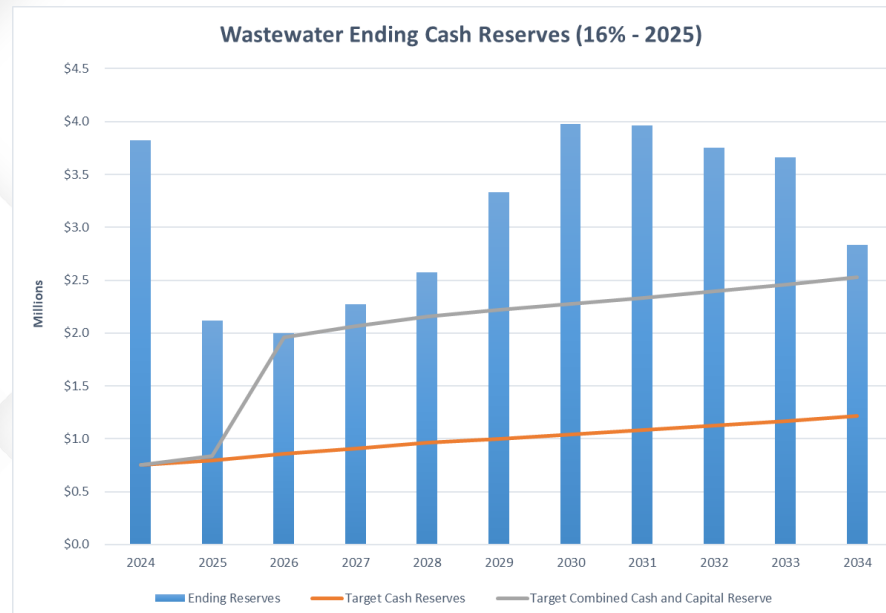
WATER

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
2024 Rates (Approved 02/07/24 Council Meeting)										
	6.5%	6.5%	6.5%	6.5%	4%	4%	4%	2%	2%	
Preliminary Rates (10/17/24 Finance Committee)										
	6.5%	6.5%	6.5%	6.5%	6.5%	4%	4%	2%	2%	2%
2025 Recommended Rates										
	6%	6%	6%	6%	6%	4%	4%	2%	2%	2%



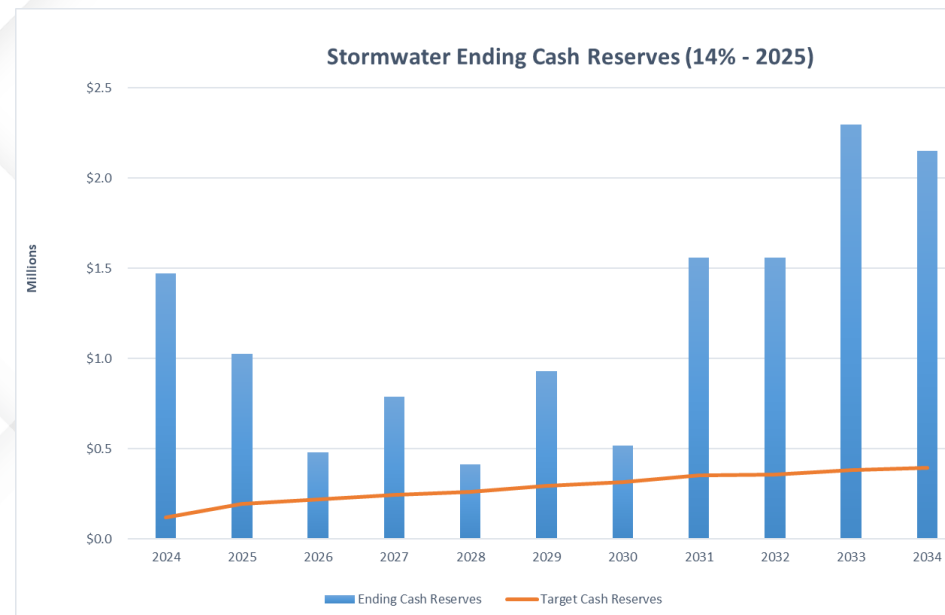
WASTEWATER

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
2024 Rates (Approved 02/07/24 Council Meeting)										
	12.1%	12.1%	2%	2%	2%	2%	2%	2%	2%	
Preliminary Rates (10/17/24 Finance Committee)										
	17.5%	17.5%	6%	0%	0%	0%	0%	3%	3%	3%
2025 Recommended Rates										
	16%	16%	9%	0%	0%	0%	0%	3%	3%	3%



STORMWATER

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
2024 Rates (Approved 02/07/24 Council Meeting)										
	14%	13%	13%	13%	13%	0%	0%	0%	0%	
Preliminary Rates (10/17/24 Finance Committee)										
	15%	16%	16%	16%	15%	-7%	0%	0%	0%	0%
2025 Recommended Rates										
	14%	13%	13%	13%	13%	-7%	0%	0%	0%	0%



Past and Proposed Utility Rate

Utility	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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Average⁽¹⁾ Monthly Residential Bill:

	Current 2024	Proposed 2025	Difference	Percent Increase
Water	\$47.45	\$50.32	\$2.86	6%
Wastewater	\$38.95 ⁽²⁾	\$45.21	\$6.26	16%
Stormwater	\$7.64	\$8.71	\$1.07	14%
Total	\$94.04	\$104.24	\$10.19	10.8%

(1)Based on average water usage of approx. 9,220 gallons. Actual bills will be dependent on usage and will vary with seasonal fluctuation.

(2) AWC calculation error corrected for 2024.