City of Brandon
Utility Rate Study
Executive Summary
May, 2026

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Contents

Overview

The City of Brandon owns and operates a municipal water and wastewater utility that provides services to 14,970 Brandon customers.

The last utility rate application by the City of Brandon to the Public Utilities Board (PUB) was in July, 2022 and resulted in approved utility rate increases in October, 2023, and January, 2024, 2025 and 2026 under authority of PUB Order no. 119/23.

Way To Go Consulting Inc. was retained on March 31, 2025 by the City of Brandon to prepare a Utility Rate Study in accordance with Request for Proposal #L-31. The City's RFP included the following objectives:

1. Analyze the City's utility finances and rate structure;
2. Work with administration to create an updated, financially sustainable, rate structure considering fairness and equity to customers and natural resource management; and,
3. Produce a package that can be presented to City Council and ultimately submitted to the Public Utilities Board (PUB).

This Utility Rate Study is for the years 2026 to 2030 with projected utility rate increases effective January 1, 2027, 2028, 2029 and 2030.

PUB Order No. 108/21 approved $8 million in debenture debt for the water plant chemical building with a debt surcharge of $0.083 per cubic meter (CM) of consumption effective October 1, 2021 to recover debt servicing costs. PUB Order No. 83/22 approved an additional $8 million in debenture debt for the water plant chemical building with a debt surcharge of $0.089 per CM of consumption effective October 1, 2022 to recover debt servicing costs. The impacts of these debt surcharges are included in this utility rate study.

The City's capital plan includes capital projects that are funded by debt issuance and federal/provincial capital grants. Approval of actual debt surcharges by the PUB occurs through separate Board Orders based on the actual debt payments required for the capital project in question. The utility rate impacts of the Southwest Wastewater Servicing and Water Treatment Facility Expansion were included in the last Rate Study and PUB Order No. 119/23. These capital projects as well as the Water Reservoir Expansion are not included in this utility rate study. There is, however, a separate table in this report outlining the forecast debt surcharges for these projects.

Utility Rate Goals

The City of Brandon incorporated the following goals into its rate setting methodology:

1. **Health & Safety**

Rates should be adequate to operate the water utility, providing an uninterrupted supply of safe, potable water in promotion of public health.

2. **Environment**

Rates should be adequate to operate the wastewater utility, providing a treated water effluent back to the environment of a higher quality than was withdrawn. Conservation of all water resources should be a priority.

3. **Capacity**

Rates should allow for increasing input costs and aging infrastructure maintenance to operate existing infrastructure to its full potential.

4. **Self-sufficiency**

Rates should be sufficient to limit debt requirements and to operate the Utility Fund without reliance on the General Fund (property tax revenue).

5. **Reliability**

Rates should ensure sufficient funds are appropriated to utility reserves to deliver the ongoing capital improvement plan.

6. **Growth**

Rates should promote new user connections, with growth-related capital investments funded by Development Charges.

7. **Affordability**

Rates should ensure that utility services are accessible to the public in a fair and affordable manner, and competitive with other jurisdictions.

Reasons for Utility Rate Increase

The proposed utility rate increase is required as a result of inflationary cost increases, with the impact of rising chemical costs being especially significant. Cost increases attributable to the ongoing Water Treatment Facility upgrade are also included in Water Purification and Treatment Costs. Proposed increases in Utility Reserve transfers to fund capital projects and an increase in the Net Operating Surplus to comply with PUB rate setting guidelines also impact utility rates.

Increase in Water and Wastewater Billing Revenues			
2030 Forecast Billing Revenues	$ 41,282,779		
2026 Budgeted Billing Revenues	33,941,739		
		7,341,040	
Increase in Water Purification & Treatment Costs			
2030 purification and treatment expense	$ 8,006,297		
2026 purification and treatment expense	6,698,450	1,307,847	16%
Increase in Water Transmission & Distribution Costs			
2030 transmission and distribution expense	$ 4,518,351		
2026 transmission and distribution expense	4,079,723	438,628	10%
Increase in Wastewater Collection Costs			
2030 collection expense	$ 4,286,657		
2026 collection expense	3,942,987	343,670	8%
Increase in Wastewater Treatment Costs			
2030 treatment and disposal expense	$ 8,617,389		
2026 treatment and disposal expense	7,757,121	860,268	10%
Increase in Utility Reserve Transfers			
Increase in Water Utility Reserve transfer	$ 8,000,000		
2026 Utility Reserve transfer (built into previous rates)	4,000,000	4,000,000	50%
Increase in Utility Net Operating Surplus (excluding increase in Reserve Transfers)			
2030 operating surplus	$ 8,982,154		
2026 operating surplus	8,744,777	237,377	3%
		$ 7,187,790	98%

Financial Modelling Used for Utility Rate Setting

The PUB rate setting guidelines utilize audited financial statements for rate setting purposes. The audited financial statements are prepared using Public Sector Accounting Standards (PSAS) and include amortization expense and asset retirement obligations for the Utility's Tangible Capital Assets.

The 2022 to 2024 audited financial results, along with the City's 2025 budget and 2026 to 2028 budget forecasts were used to forecast 2029 and 2030 revenues and expenses calculated on a PSAS basis. In addition, the City's capital plan was used to incorporate the impacts of capital purchases on a PSAS basis and to forecast Working Capital in accordance with PUB requirements. Forecast costs include a Contingency Allowance of 10% of net rate costs less amortization and interest expenses and a 1% Working Capital provision as mandated by PUB rate setting guidelines, plus an annual transfer to Utility Reserves of $8.0 million. The financial forecast from this process, which includes a 3% inflation factor for 2029 and 2030, formed the basis for the proposed utility rates.

Population Growth and Water Volume Used for Utility Rate Study

The 2016 and 2021 federal population census results indicate population increases in the City of Brandon of 6% and 5% respectively for the 5-year period reflected in each census. However total water consumption is virtually unchanged since 2011.

For purposes of this rate study, the average water volume sold for 2020 to 2024 was used:

Calculation of Water Volume to use for Rate Study

Brandon Population from Federal Census		Population	Total	Total %	Average % Compound Pop. Growth per year
	2006	41,511			
	2011	46,061	4,550	11%	2.2%
	2016	48,883	2,822	6%	1.2%
	2021	51,313	2,430	5%	1.0%

Water Volume sold in CM:	2011	6,679,461	
	2012	6,742,990	
	2013	6,457,747	
	2014	6,441,921	
	2015	6,715,044	
	2016	6,681,977	
	2017	6,919,586	
	2018	6,906,873	
	2019	6,692,721	
	2020	6,632,565	6,632,565
	2021	6,761,081	6,761,081
	2022	6,596,006	6,596,006
	2023	6,625,876	6,625,876
	2024	6,871,281	6,871,281
Average 2011 to 2024		6,694,652	
Average 2020 to 2024			6,697,362

Population growth that would otherwise result in increases in water volume sold appears to be offset by increased water conservation.

Water volume used for rate study; 5-year average water volume sold, 2020 to 2024.	**6,697,362**

Calculation of Wastewater Volume to use for Rate Study

Wastewater Volume collected & charged for in CM:

2020	5,026,122
2021	5,141,629
2022	4,933,638
2023	5,092,425
2024	5,125,763
Average 2020 to 2024	5,063,915
Wastewater volumed used for rate study; 5-year average wastewater volume sold, 2020 to 2024	**5,063,915**

Proposed Utility Rates

Following are proposed water and wastewater rates for the Brandon Water and Wastewater Utility (excluding deficit rate riders):

Water and Wastewater Rates	Water per CM	%	Wastewater per CM	%	Water & Wastewater per CM.	%	Service Charge Quarterly	%
Current Rates	$ 2.71		$ 2.84		$ 5.55		$ 21.51	
January 1, 2027 Proposed Rates	2.82	4%	3.06	8%	5.88	6%	21.91	2%
January 1, 2028 Proposed Rates	2.93	4%	3.28	7%	6.21	6%	22.31	2%
January 1, 2029 Proposed Rates	3.04	4%	3.50	7%	6.54	5%	22.71	2%
January 1, 2030 Proposed Rates	3.16	4%	3.70	6%	6.86	5%	23.09	2%

Debt Surcharge - Water Plant Chemical Building

	per CM
PUB Order 108/21	$ 0.083
PUB Order 83/22	0.089
Total Debt Surcharge per CM	0.172

Capital Projects Funded by Debt

Brandon Utility currently has two debt surcharges for the Water Plant Chemical building that are included in this utility rate study. Debt surcharges are approved individually by PUB Order and are based on actual debt payments required to service debt that has been issued for capital projects. Brandon Utility has a variety of capital projects that are proposed to be funded by debt issuance.

Approval in Principle can be obtained through the PUB for debt recovery in advance. This was previously requested for SW Wastewater Servicing up to $20M and Water Treatment Facility Expansion up to $41.34M in the previous Rate Study. Subsequent Approvals in Principle have been obtained for these projects through the PUB under separate Board Orders as well.

Following are the yearly budgeted totals of capital projects from the Utility's 10-year capital plan out to 2030 that are not included in this utility rate study:

Wastewater Debt Funded Capital (not included in rate study):					
Southwest Wastewater Servicing	31,790,000	700,000			
subtotal - Wastewater debt funding	**31,790,000**	**700,000**			
Water Debt Funded Capital (not included in rate study):					
Reservoir Expansion	-	-	750,000	10,100,000	15,150,000
WTF Expansion	8,702,200	13,936,200	18,234,900	11,373,000	-
subtotal - Water debt funding	**8,702,200**	**13,936,200**	**18,984,900**	**21,473,000**	**15,150,000**
Water Capital Grand Funded Capital (not included in rate study):					
WTF Expansion	**19,497,800**	**25,963,800**	**37,765,100**	**18,927,000**	
Water Reserve Funded Capital (not included in rate study):					
WTF Expansion - Water Distribution Reserve	**200,000**				
Total Capital Projects not included in rate study	**$60,190,000**	**$40,600,000**	**$56,750,000**	**$40,400,000**	**$15,150,000**

Further analysis of the impacts of these potential debt surcharges on utility rates is included further on in this report.

Customer Service Charges

Customer Service charges increase by $0.40 in 2027, 2028 and 2029 and by $0.38 in 2030. With the working capital surplus not meeting PUB minimum requirements in 2024, a working capital contribution of 1% of expenses is included in the customer service charge.

Calculation of Customer Service Charge - 2030 Forecast

Administration costs		$1,065,677
Working Capital Contribution = 1% of 2030 expense:		
Net Administration Costs	$ 1,065,677	
Net Water Costs	16,203,059	
Net Wastewater Costs	14,406,765	
	$ 31,675,501	
Total x 1%		316,755
		$1,382,432
Number of customers		14,970
Annual customer service charge		$ 92.35
Proposed Quarterly customer service charge		**$ 23.09**
Proposed Monthly customer service charge		**$ 6.16**

2026 Quarterly customer service charge	$ 21.51
Current Monthly customer service charge (based on quarterly charge discounted by 20% due to monthly payments being automatic withdrawals done by bank requiring less staff time)	$ 5.74

			Increase		
	% of Increase	**Quarterly**	**$**	**%**	**Monthly (80%)**
January 1, 2027 Customer Service Charge	25%	**$ 21.91**	0.40	2%	**$ 5.84**
January 1, 2028 Customer Service Charge	25%	**22.31**	0.40	2%	**5.95**
January 1, 2029 Customer Service Charge	25%	**22.71**	0.40	2%	**6.06**
January 1, 2030 Customer Service Charge	25%	**23.09**	0.40	2%	**6.16**

Water Commodity Rates

Water rates increase by $0.11 per cubic meter in 2027, 2028 and 2029 and by $0.12 in 2030.

Calculation of Water Rates - 2030 Forecast

Water Net Rate Costs	$ 6,203,059	100%	$ 16,203,059	
Less amortization of capital grants - water	(75,772)	100%	(75,772)	
Less amortization of contributed capital - water	(247,401)	100%	(247,401)	
Less Debt surcharge;WTF Chemical Bldg $0.089/CM	(596,065)	100%	(596,065)	PUB Order No. 83/21
Less Debt surcharge;WTF Chemical Bldg $0.083/CM	(555,881)	100%	(555,881)	PUB Order No. 108/21
Transfer to Water Distribution Reserve	4,000,000	100%	4,000,000	
Transfer to Water DC Reserve	1,248,969	100%	1,248,969	
Contingency allowance	1,196,858	100%	1,196,858	
			$ 21,173,767	
Water volume used for rate study; see above			6,697,362	
Proposed Water rate per CM			**$ 3.16**	

2026 water charge per CM	$ 2.71

			Increase	
	% of Increase		**$**	**%**
January 1, 2027 Water Rate per CM	25%	**$ 2.82**	0.11	4%
January 1, 2028 Water Rate per CM	25%	**2.93**	0.11	4%
January 1, 2029 Water Rate per CM	25%	**3.04**	0.11	4%
January 1, 2030 Water Rate per CM	25%	**3.16**	0.12	4%

Bulk Water Rate

2026 Bulk Water Rate; for 310 litres			$ 1.00		
2026 Bulk Water Rate; per CM			$ 3.23		
		Total Water Volume sold in CM			**Increase/Decrease**
Jan 1, 2027 water rate in CM			$ 2.820		%
Add Debt Surcharge (Chemical Building)			0.172		
Add Deficit Rate Rider - Water (see deficit rate rider note on Sched of Rate Requirements)			0.287		
Administration costs	$ 893,049	6,697,362	0.133		
Jan 1, 2027 Bulk Water Rate per CM; rounded			3.500		
Based on set charge of $1.00 per volume =			**310**	Litres for $1	0%
Jan 1, 2028 water rate in CM			$ 2.930		
Add Debt Surcharge (Chemical Building)			0.172		
Add Deficit Rate Rider - Water (see deficit rate rider note on Sched of Rate Requirements)			0.287		
Administration costs	$ 918,137	6,697,362	0.137		
Jan 1, 2028 Bulk Water Rate per CM; rounded			3.500		
Based on set charge of $1.00 per volume =			285	Litres for $1	
The bulk water sales meter can only be adjusted in increments of 45 litres. Choice is either 310 or 265. Rounding brings it to 265.			**265**	Litres for $1	15%
Jan 1, 2029 water rate in CM			$ 3.040		
Add Debt Surcharge (Chemical Building)			0.172		
Add Deficit Rate Rider - Water (see deficit rate rider note on Sched of Rate Requirements)			0.287		
Administration costs	$ 1,035,702	6,697,362	0.155		
Jan 1, 2029 Bulk Water Rate per CM; rounded			3.750		
Based on set charge of $1.00 per volume =			265	Litres for $1	
Remains at			**265**	Litres for $1	0%

Jan 1, 2030 water rate in CM			$	3.130		
Add Debt Surcharge (Chemical Building)			$	0.172		
Add Deficit Rate Rider - Water (see deficit rate rider note on Sched of Rate Requirements)			$	0.287		
Administration costs	$ 1,065,677	6,697,362	$	0.159		
Jan 1, 2030 Bulk Water Rate per CM; rounded			$	3.750		
Based on set charge of $1.00 per volume =				265	Litres for $1	
Remains at				**265**	Litres for $1	0%

Wastewater Commodity Rates

Wastewater rates increase by $0.22 per cubic meter in 2027 to 2029 and by $0.20 in 2030.

Calculation of Wastewater Rate - 2030 Forecast

Total net Wastewater expenses	$ 14,406,765	100%	$ 14,406,765
Less amortization of capital grants - Wastewater	(1,651,826)	100%	(1,651,826)
Less amortization of contributed capital-Wastewater	(247,930)	100%	(247,930)
Transfer to Wastewater Reserve	4,000,000	100%	4,000,000
Transfer to Wastewater DC Reserve	1,350,841	100%	1,350,841
Contingency allowance	872,981	100%	872,981
			$ 18,730,831
Wastewater volume used for rate study; see above			5,063,915
Proposed Wastewater rate per CM			**$ 3.70**
2026 Wastewater Rate	$ 2.84		

	% of Increase		**Increase $**	**Increase %**
January 1, 2027 Wastewater Rate per CM	25%	**$ 3.06**	0.22	8%
January 1, 2028 Wastewater Rate per CM	25%	**3.28**	0.22	7%
January 1, 2029 Wastewater Rate per CM	25%	**3.50**	0.22	7%
January 1, 2030 Wastewater Rate per CM	25%	**3.70**	0.20	6%

Wastewater Septic Truck Tipping Fees

Septic truck tipping fees are set in the City of Brandon Utility Rates By-law and are $9.00 per cubic meter for 2026 with $0.25 per cubic meter increases in 2027 to 2030. Brandon is one of the only wastewater utilities that meters hauled wastewater, as most others use a price-per-truck model. Additionally, hauled wastewater in Brandon is treated through the mechanical facility as compared to nearby lagoon systems in most other municipalities. Therefore, the septic truck tipping fees are reflective of Brandon's cost to provide service.

Utility Operating Surplus/(Deficit)

The Utility had Audited Public Sector Accounting Standards, PUB adjusted, deficits in 2022 and 2023 and a surplus in 2024 as follows:

2022 deficit	$ (2,546,538)	approved by PUB Order #50/24
2023 deficit	$ (2,716,759)	approved by PUB Order #42/25
2024 surplus	$ 2,569,541	

The following deficit rate riders are in place until September 30, 2030 or until the full amount of the deficit is recovered, whichever comes first:

PUB Order No.	Deficit Years	Amount to Recover	Deficit Rate Rider per CM
119/23	2015, 2016, 2017, 2020, 2021	$ 15,869,919	$0.19 Water & $0.21 Wastewater
50/24	2022	$ 1,387,450	$0.033 Water
42/25	2023	$ 2,288,976	$0.064 Water

Deficit rate riders for 2015, 2016, 2017, 2020 and 2021 were established through the PUB Order as part of the last Rate Study, using the 7-year recovery model to reduce the impact on rate payers. The 2022 and 2023 deficit rate riders were proposed with shorter recovery periods to align the recovery completion of the preceding rate riders.

Utility Rate Approval Process

Typically, the utility rate setting process commences with City Council giving 1st reading to a bylaw to revise utility rates. The bylaw along with the utility rate study is then forwarded to the Public Utilities Board and under the normal approval process, the following steps occur:

- a public notice of application will be issued by the PUB and the City is responsible for posting and/or publishing the notice using Board Guidelines;
- the application is then reviewed by Board staff and any necessary information requests are sent to the City;
- once the Board is satisfied that the necessary evidence has been received, a final review is completed. The Board Panel will determine whether a public hearing is in the best interest of the community or whether a paper review process will suffice;
- the Board will complete its review and render a decision by way of a Board Order; and
- the utility rate bylaw can then receive 2nd and 3rd reading, as amended.

This process normally takes 10 to 12 months. It is anticipated that utility rates under the normal PUB process will be approved by early 2027.

Working Capital Surplus and Reserve Transfer

The Public Utilities Board requires that utilities have a minimum working capital position equal to 20% of Utility expenditures. Working capital is calculated by deducting the tangible capital asset balance from the Utility's accumulated surplus and adding the Utility reserve balance and the outstanding debt balance. The Utility's financial results for rate setting purposes are calculated on a Public Sector Accounting Standards basis. With PSAS including amortization as a non-cash expense, the Working Capital Surplus is utilized to determine the Utility's financial position and ability to fund capital projects. It is important to note that Utility Reserves are part of the Working Capital calculation and the actual Working Capital varies, at times significantly, from the balance of the Reserves.

An analysis of the Utility's Working Capital over the last 10 years shows the Working Capital Deficit increasing from $8.9 million in 2015 up to $36.8 million in 2021 and dropping slightly to $34.1 million in 2024.

	2015 Audited	2016 Audited	2017 Audited	2018 Audited	2019 Audited
Working Capital Surplus/(Deficit)					
Fund Surplus	$124,322,144	$118,733,175	$118,255,721	$119,691,275	$136,834,217
Less Tangible Capital Assets	(181,369,046)	(178,952,270)	(177,680,743)	(178,327,780)	(194,683,618)
Add Long term debt	2,678,192	11,673,499	10,887,025	10,072,522	9,227,764
Add Asset Retirement Obligations					
Add Water Distribution Reserve	19,868,030	18,310,470	18,948,738	18,492,116	14,405,597
Add Wastewater Reserve	25,613,696	18,353,817	16,656,127	15,996,172	14,581,145
Add DC Water Reserves					
Add DC Wastewater Reserves	-	-	-	-	-
Working Capital Surplus/(Deficit)	**$ (8,886,984)**	**$(11,881,309)**	**$(12,933,132)**	**$(14,075,695)**	**$(19,634,895)**
Annual change in Working Capital	$ (298,805)	$ (2,994,325)	$ (1,051,823)	$ (1,142,563)	$ (5,559,200)
Minimum working capital surplus = 20% of expenses	$ 4,159,792	$ 5,613,526	$ 4,932,727	$ 4,696,247	$ 4,798,461

	2020 Audited	2021 Audited	2022 Audited	2023 Audited	2024 Audited
Working Capital Surplus/(Deficit)					
Fund Surplus	$155,886,906	$149,484,075	$146,680,584	$149,039,112	$150,515,919
Less Tangible Capital Assets	(213,622,033)	(221,668,163)	(222,186,932)	(225,859,809)	(232,516,543)
Add Long term debt	8,351,349	15,147,053	21,898,633	20,331,623	19,114,418
Add Asset Retirement Obligations				7,422,235	7,735,415
Add Water Distribution Reserve	5,399,755	11,782,348	8,652,255	6,545,169	8,486,794
Add Wastewater Reserve	9,496,071	8,461,798	8,608,698	7,673,256	10,364,914
Add DC Water Reserves				-	665,738
Add DC Wastewater Reserves				-	1,505,048
Working Capital Surplus/(Deficit)	**$(34,487,952)**	**$(36,792,889)**	**$(36,346,762)**	**$(34,848,414)**	**$(34,128,297)**
Annual change in Working Capital	$(14,853,057)	$ (2,304,936)	$ 446,126	$ 1,498,348	$ 720,117
Minimum working capital surplus = 20% of expenses	$ 5,068,281	$ 5,445,474	$ 5,542,970	$ 5,913,258	$ 6,138,957

Forecast Working Capital improves dramatically from 2025 to 2030. Working Capital Surplus is forecast to exceed PUB minimum requirements in 2029 and be at $31.7 million in 2030 with PUB minimum 2030 requirement forecast at $7.6 million:

Working Capital Surplus/(Deficit)	**2025 Budget**	**2026 Budget Forecast**	**2027 Budget Forecast**
Fund Surplus	$156,349,303	$ 161,044,117	$ 166,137,492
Less Tangible Capital Assets	(235,049,986)	(231,273,436)	(226,392,322)
Add Long term debt	17,855,751	16,554,199	15,208,290
Add Asset Retirement Obligations	8,066,539	8,416,637	8,786,795
Add Water Distribution Reserve	8,537,015	9,358,008	10,532,890
Add Wastewater Reserve	7,745,294	9,335,348	11,835,509
Add DC Water Reserves	665,719	1,872,499	3,119,262
Add DC Wastewater Reserves	1,849,462	3,154,214	4,302,777
Add Industrial WW Treatment Facility Reserve	-	-	-
Working Capital Surplus/(Deficit)	**$ (33,980,902)**	**$ (21,538,413)**	**$ (6,469,307)**
Annual change in Working Capital	$ 147,395	$ 12,442,489	$ 15,069,106
Minimum working capital surplus = 20% of expenses	$ 6,772,101	$ 6,919,064	$ 7,022,873

Working Capital Surplus/(Deficit)	**2028 Budget Forecast**	**2029 Budget Forecast**	**2030 Budget Forecast**
Fund Surplus	$ 173,767,580	$ 186,082,826	$ 196,298,178
Less Tangible Capital Assets	(222,408,763)	(223,074,564)	(222,299,421)
Add Long term debt	13,816,503	12,377,264	10,888,942
Add Asset Retirement Obligations	9,178,163	9,591,957	10,029,461
Add Water Distribution Reserve	10,425,519	9,458,519	7,695,019
Add Wastewater Reserve	14,023,049	13,473,049	15,273,049
Add DC Water Reserves	4,412,627	5,661,596	6,610,566
Add DC Wastewater Reserves	5,701,986	7,052,827	7,203,669
Add Industrial WW Treatment Facility Reserve	-	-	-
Working Capital Surplus/(Deficit)	**$ 8,916,664**	**$ 20,623,475**	**$ 31,699,461**
Annual change in Working Capital	$ 15,385,971	$ 11,706,811	$ 11,075,986
Minimum working capital surplus = 20% of expenses	$ 7,216,941	$ 7,427,736	$ 7,624,486

Net amortization expenses (included in utility rates, but not a cash expense) at $38.6 million provide the majority of the $41.8 million in funding required for capital projects during that time. Operating surpluses due to increased utility rates improve working capital by $58.4 million from 2025 to 2030. Deficit rate riders (to recover prior year's deficits) improve Working Capital by $16.5 million from 2025 to 2030.

Reconciliation – Annual change in Working Capital	**2025 - 2030 Totals**
Net Amortization	36,652,048
Accretion	2,294,046
Net Operating Surplus/(Deficit)	58,392,445
Capital purchases	(41,772,500)
Changes in Debt balance	(8,225,476)
Transfers from Government for Captial	0
Transfers from General Operating Fund	(18,000)
Deficit Rate Rider revenues	16,505,196
	65,827,758

Unaccounted for Water

Unaccounted for water is a measure of non-revenue water use or loss. An acceptable unaccounted for water limit as determined by the PUB is below 10%, which Brandon has achieved in the past few years at 4% in 2024 and 6% in 2025.

Water Produced/Sold - Cubic Meters	**2025**	**2024**	**2020**
Water produced	7,422,075	7,204,073	7,483,357
Total Sales and Use	6,996,415	6,914,503	6,541,828
Unaccounted for water	425,660	289,570	941,529
Percentage of total	6%	4%	13%

Capital Program

There are $41.8 million in capital projects identified in the Utility's 10-year capital from 2025 to 2030 funded by reserves that are included in the utility rate study. There are $213 million in debt/grant funded capital projects from 2025 to 2030 that are not included in the utility rate study.

The 2022 utility rate study took into account the estimated cost of the Water Treatment Facility (WTF) upgrade and the Southwest Wastewater Servicing projects. Included in that rate study was the effect of issuing $41.34 million in debt for the Water Treatment Facility upgrade and $20 million in debt for the Southwest Wastewater Servicing project. Clause 7 on page 21 of PUB Order No.119/23 states:

7. "The City of Brandon return to the Board with an application for final approval of capital projects, as soon as costs have been finalized and approved by the Municipal Board, and for approval of any rate adjustments as may be required."

	2025	2026	2027	2028	2029	2030
Summary of Capital Expenditure Funding						
Wastewater Reserve	6,236,000	2,125,000	1,130,000	1,495,000	4,550,000	1,000,000
Wastewater Treatment Reserve - DC)	-	-	200,000	-	-	1,200,000
Water Network Infrastructure Reserve (DC)	150,000	-	-	-	-	-
Water Treatment Reserve - (DC)	-	-	-	-	-	300,000
Water Distribution Reserve	4,385,000	2,681,000	2,410,000	3,180,000	4,967,000	5,763,500
Capital Projects from 10-Year Capital Plan Included in Rate Study	10,771,000	4,806,000	3,740,000	4,675,000	9,517,000	8,263,500
Debt Funded Capital Not Included in Utility Rate Study						
SW WW Servicing & Southend Lift Station Upgrades	-	31,790,000	770,000	-	-	-
WTF Expansion & Reservoir	-	28,400,000	39,900,000	37,911,900	21,473,000	15,150,000
Capital Projects from 10-Year Capital Plan NOT Included in Rate Study	-	60,190,000	40,670,000	37,911,900	21,473,000	15,150,000
From 10-Year Capital Plan Total Projects Budgeted (2025 to 2030)	10,771,000	64,996,000	44,410,000	42,586,900	30,990,000	23,413,500

Impact of Forecast Debt Surcharges on Utility Rates to Coincide with Expiring Deficit Rate Riders

Based on current capital budgeting estimates, the SW Wastewater Servicing and Water Treatment Facility capital projects requiring debt issuance that are not included in this utility rate study that would require debt payment surcharges as follows:

Forecast Debt Surcharges

	Debt Amount to Issue	Year of Issues	Payment	Payment Years	Forecast Surcharge per CM	
Water Treatment Facility	52,246,300	2029	3,795,637	2030-2059	$ 0.57	Water
SW WW Servicing $ LS	32,560,000	2027	2,365,449	2027-2056	$ 0.47	Wastewater
Water Reservoir		Outside timeframe of rate study				

Deficit rate riders of $0.287/CM on water and $0.21 on wastewater expire September 30, 2030. If the water debt surcharge forecast at $0.57/CM commences October, 2030, the expiring water deficit rate rider of $0.287 would reduce the net impact to $0.283/CM. If the wastewater debt surcharge forecast at $0.480 commences October, 2030, the expiring wastewater deficit rate rider of $0.210 would reduce the net impact to $0.270/CM.

The Utility's Working Capital is forecast to be sufficient in 2029 and 2030 to potentially fund some of the initial debt payments in those years to allow debt issue without instituting debt surcharges prior to October, 2030.

With the Southwest Wastewater servicing and Water Treatment Facility being funded by debt and capital grants from government, the impact on Working Capital is minimal.

Inflationary Increase

The Utility's 2025 budget and 2026 to 2028 budget forecasts include projected increases for inflationary and operational costs increases. The forecast for 2029 and 2030 inclusive assume annual increases of 3% in expenses.

Cost Allocation

Allocation of staff salaries is reviewed for each position and the percentage of time spent on Utility is determined. Associated administrative costs are also allocated, based on percentages for services provided to the Utility.

Contingency Allowance and Reserves

There is a Contingency Allowance of 10% of net rate costs less amortization expenses and interest costs in accordance with PUB guidelines, included in the rate study. This equates to $1,196,858 for water and $872,981 for wastewater, $2,069,839 in total.

The City's 10-year capital program allocates $362 million for Utility capital expenditures. As part of this rate study, an annual transfer of $8,000,000 to Utility Reserves is included to support the funding needs of the Capital Plan. Infrastructure construction costs have risen at a pace much faster than inflation, and the City is concerned that capital expenditure costs will continue to escalate significantly. According to Statistics Canada, the Manitoba Consumer Price Index (CPI) has increased by 29% from January 2015 to December 2024. Meanwhile, Construction Analytics data shows a 51% rise in infrastructure costs over the same period.

Rate Adequacy Report – PUB

City of Brandon's audited financial statements, compiled in accordance with Public Sector Accounting Standards, are required under Clause 190(1) of the Municipal Act to be submitted to Council no later than June 30 in the year following the fiscal year for which the audit is prepared.

Ideally, a rate adequacy review will utilize Utility Schedules 8 and 9 of the audited statements to provide historical information for the prior year. Subsequent to receiving the audited financial statements by end of June, the City can then review those results in conjunction with current and future year budget forecasts. A review of the adequacy of current rates can then be extrapolated by examining forecast operating surplus/deficit and Working Capital impacts. The City proposes that a rate adequacy review be submitted to PUB no later than October 1st in years that a review is required.

Utility Bill Affordability

Further to PUB Order #119/23, the City of Brandon investigated several programs to alleviate financial hardship for Utility customers, including but not limited to:

- Low-Income Affordability Program
- Water Rebate Program
- Water Audit Program
- High-Efficiency Water Retrofit Program

A presentation on the findings was made to City Council in July, 2024. The resulting recommendation included a high-efficiency water retrofit program that targeted low-income residents. Additionally, a self-administered Home Water Audit Guide was developed for all Utility customers to identify leaks and reduce water bills. City Council was supportive of the recommendations which were then made available to the public.

Compare Brandon Utility's quarterly 14 CM billing, to other Mb utility rates

Utility	Effective year	Quarterly Minimum Water & Wastewater Bill		Utility	Effective year	Quarterly Minimum Water & Wastewater Bill
Stonewall, Town of	2025	$49.80		Hartney, Municipality of Grassland	2022	$ 105.60
Steinbach, City of	2027	$51.35		Deloraine-Winchester, Municipality of	2023	$106.73
Kleefeld, RM of Hanover	2028	$52.62		Morris, RM of - LUD rate	2025	$106.98
St. Malo, RM of De Salaberry	2024	$53.08		Gilbert Plains, RM of; Urban Utility	2022	$107.57
Ritchot, RM of	2025	$53.84		Brandon, City of (with deficit rate rider&debt surcharges)	Current	$108.58
Notre Dame de Lourdes; Municipality of Lorne	2022	$58.80		Flin Flon, City of	2028	$108.92
Virden, Town of	2022	$64.36		Brandon, City of	2028	$109.25
Treherne, Village of	2028	$72.08		Pierson, Municipality of Two Borders	2027	$109.84
Grunthal, RM of Hanover	2028	$73.55		Arden, Municipality of Glenella-Lansdowne	2025	$109.95
Yellowhead Regional; Municipality of Westlake-Gladstone	2027	$73.86		Selkirk, City of	2023	$111.18
Macdonald, RM of	2027	$74.38		Pipestone, RM of	2026	$111.69
Ashern, RM of West Interlake	2023	$74.69		Minnedosa, Town of - step 1	2023	$113.18
St. Francois, RM of	2026	$76.17		Brandon, City of (with deficit rate rider&debt surcharges)	2027	$113.60
Gladstone, Municiplaity of Westlake-Gladstone	2022	$78.90		Rhineland, RM of	2022	$114.16
Neepawa, Town - step 1	2025	$79.28		Benito, Municipality of Swan Valley West	2022	$114.18
Roblin, Municipality of - step 1	2026	$80.01		Brandon, City of	2029	$114.27

Utility	Effective year	Quarterly Minimum Water & Wastewater Bill		Utility	Effective year	Quarterly Minimum Water & Wastewater Bill
Springfield, RM of (water & wastewater)	2024	$80.08		Grandview G3 Urban Utility, Municipality of Grandview	2025	$114.64
Whitehead, RM of	2026	$80.63		Onanole, Municipality of Harison Park	2028	$115.45
Warren, RM of Woodlands	2025	$80.71		Birtle, Municipality of Prairieview	2024	$115.65
Lac du Bonnet, Town of	2024	$81.02		Inglis, RM of Riding Mountain West	2022	$115.73
Wallace Woodworth, Wallace/Woodworth/Kenton	2022	$81.48		Pinawa, LGD of	2027	$116.85
Portage la Prairie, City of	2025	$81.77		The Pas, Town of	2027	$117.19
Killarney-Turtle Mountain, RM of - step 1	2023	$82.00		Manitou, Municipality of Pembina	2022	$118.54
Winkler, City of	2025	$82.32		Brandon, City of (with deficit rate rider&debt surcharges)	2028	$118.62
Beausejour, Town of	2027	$82.44		Pilot Mound, Municiaplity of Louise	2026	$118.78
Tyndall-Garson LUD, RM of Brokenhead	2025	$82.52		Brandon, City of	2030	$119.13
Stony Mountain, RM of Rockwood	2025	$86.86		Montcalm, RM of	2025	$120.99
Bowsman, Municipality of Minitonas Bowsman	2027	$88.14		Brandon, City of (with deficit rate rider&debt surcharges)	2029	$123.64
Landmark, RM of Tache	2026	$88.36		McCreary, Municipality of	2027	$124.06
Boissevain, Boissevain-Morton Municipality	2022	$89.42		Brenda, Municipality of Brenda-Waskada	2028	$124.09
Austin, Municipality of North Norfolk	2027	$89.64		Melita, Town of	2028	$125.56
Carman, Town of	2025	$91.04		Brandon, City of (with deficit rate rider&debt surcharges)	2030	$128.50
Wawanesa, Municipality of Oakland Wawanesa	2025	$91.23		Grey, RM of	2027	$130.91

Utility	Effective year	Quarterly Minimum Water & Wastewater Bill		Utility	Effective year	Quarterly Minimum Water & Wastewater Bill
Portage la Prairie, RM (includes Oakville)	2023	$92.41		Balmoral, RM of Rockwood	2025	$131.00
Cartwright, Municipality of Cartwright-Roblin	2022	$92.46		Grosse Isle, RM of Rosser	2022	$132.88
Birch River, RM of Mountain	2022	$92.65		Dominion Emerson, Municipality of Emerson-Franklin	2027	$134.96
Plumas, Municiplaity of Westlake-Gladstone	2025	$93.59		Snow Lake, Town of	2026	$139.04
Russell-Binscarth, Municipality of	2022	$94.74		Centreport, RM of Rosser	2022	$139.94
MacGregor, Municipality of North Norfolk	2026	$95.15		Angusville, RM of Riding Mountain West	2022	$144.97
Dauphin, City of	2027	$95.39		Baldur, RM of Argyle	2024	$157.01
Erickson, Municipality of Clanwilliam-Erickson	2025	$96.22		Great Falls, RM of Alexander	2027	$162.67
East St. Paul (water and wastewater)	2028	$96.88		Lac du Bonnet, RM of	2024	$165.08
Winnipeg Beach, Town of	2024	$99.02		Rivers, Municipality of Riverdale	2022	$166.99
Brandon, City of	Current	$99.21		Belmont, RM of Prairie Lakes	2027	$168.77
Gunton, RM of Rockwood	2025	$100.92		Minto, Municipality of Grassland	2022	$171.93
Gimli, RM of (water and wastewater customers)	2026	$104.13		Rapid City, RM of Oakview	2026	$173.41
Brandon, City of	2027	$104.23		Elgin, RM of Grassland	2022	$182.62
Elton, RM of	2025	$104.58		Rathwell, Municipality of Norfolk Treherne	2024	$210.23
St. Lazare, RM of Ellice Archie	2023	$104.84		Rathwell, Municipality of Norfolk Treherne	2024	$210.23

Compare Brandon Utility's quarterly 46 CM billing, to other Manitoba utility rates

Utility	Effective year	46 CM Water & Wastewater Bill		Utility	Effective year	46 CM Water & Wastewater Bill
Stonewall, Town of	2025	$112.20		Hartney, Municipality of Grassland	2022	$290.44
Steinbach, City of	2027	$120.15		Brandon, City of	2027	$292.39
Kleefeld, RM of Hanover	2028	$150.67		Flin Flon, City of	2028	$293.62
Virden, Town of	2022	$152.63		Selkirk, City of	2023	$298.37
Ritchot, RM of	2025	$152.72		Pipestone, RM of	2026	$300.16
St. Malo, RM of De Salaberry	2024	$154.52		Deloraine-Winchester, Municipality of	2023	$301.07
Notre Dame de Lourdes; Municipality of Lorne	2022	$172.27		Morris, RM of - LUD rate	2025	$301.96
Wallace Woodworth, Wallace/Woodworth/Kenton	2022	$183.62		McCreary, Municipality of	2027	$302.35
Beausejour, Town of	2027	$184.84		Minnedosa, Town of - step 1	2023	$306.45
Springfield, RM of(water & wastewater customers)	2024	$185.68		Brandon, City of (with deficit rate rider & debt surcharge)	Current	$307.58
Ashern, RM of West Interlake	2023	$189.57		Brandon, City of	2028	$307.97
Grunthal, RM of Hanover	2028	$197.01		Elton, RM of	2025	$309.14
Roblin, Municipality of - step 1	2026	$198.41		St. Lazare, RM of Ellice Archie	2023	$321.15
Treherne, Village of	2028	$202.09		Brandon, City of (with deficit rate rider & debt surcharge)	2027	$323.16
Tyndall-Garson LUD, RM of Brokenhead	2025	$205.72		Onanole, Municipality of Harison Park	2028	$323.24
Yellowhead Regional; Municipality of Westlake-Gladstone	2027	$206.66		Benito, Municipality of Swan Valley West	2022	$323.38
Winkler, City of	2025	$207.61		Brandon, City of	2029	$323.55
Neepawa, Town - step 1	2025	$207.92		Pinawa, LGD of	2027	$324.84

Utility	Effective year	46 CM Water & Wastewater Bill		Utility	Effective year	46 CM Water & Wastewater Bill
Gimli, RM of (water and wastewater customers)	2026	$209.09		Pierson, Municipality of Two Borders	2027	$329.03
Dauphin, City of	2027	$212.83		Grandview G3 Urban Utility, Municipality of Grandview	2025	$335.10
Landmark, RM of Tache	2026	$216.04		Rhineland, RM of	2022	$336.03
Lac du Bonnet, Town of	2024	$216.38		Brandon, City of	2030	$338.65
Portage la Prairie, City of - step 1	2025	$216.81		Brandon, City of (with deficit rate rider & debt surcharge)	2028	$338.74
St. Francois, RM of	2026	$218.89		Birtle, Municipality of Prairieview	2024	$345.97
Whitehead, RM of	2026	$221.20		Grosse Isle, RM of Rosser	2022	$345.99
Gladstone, Municiplaity of Westlake-Gladstone	2022	$224.40		Arden, Municipality of Glenella-Lansdowne	2025	$346.67
Macdonald, RM of	2027	$224.78		Montcalm, RM of	2025	$350.81
Carman, Town of	2025	$227.46		Brenda, Municipality of Brenda-Waskada	2028	$354.12
Bowsman, Municipality of Minitonas Bowsman	2027	$231.53		Inglis, RM of Riding Mountain West	2022	$354.28
Killarney-Turtle Mountain, RM of	2023	$231.79		Brandon, City of (with deficit rate rider & debt surcharge)	2029	$354.32
Warren, RM of Woodlands	2025	$232.71		Grey, RM of (Amalgamated - former St. Claude and Grey Utility)	2027	$359.33
Boissevain, Boissevain-Morton Municipality	2022	$244.63		Manitou, Municipality of Pembina	2022	$360.05
Russell-Binscarth, Municipality of	2022	$253.19		Pilot Mound, Municiaplity of Louise	2026	$360.22
Stony Mountain, RM of Rockwood	2025	$254.85		Melita, Town of	2028	$365.52
Cartwright, Municipality of Cartwright-Roblin	2022	$256.26		Brandon, City of (with deficit rate rider & debt surcharge)	2030	$369.42
Birch River, RM of Mountain	2022	$260.18		Centreport, RM of Rosser	2022	$370.65

Utility	Effective year	46 CM Water & Wastewater Bill		Utility	Effective year	46 CM Water & Wastewater Bill
Erickson, Municipality of Clanwilliam-Erickson	2025	$262.69		Balmoral, RM of Rockwood	2025	$378.99
Austin, Municipality of North Norfolk	2027	$263.39		Dominion Emerson, Municipality of Emerson-Franklin	2027	$389.99
East St. Paul (water and wastewater)	2028	$264.23		Snow Lake, Town of	2026	$422.55
Wawanesa, Municipality of Oakland Wawanesa	2025	$266.22		Lac du Bonnet, RM of	2024	$423.63
Plumas, Municiplaity of Westlake-Gladstone	2025	$274.38		Angusville, RM of Riding Mountain West	2022	$436.95
Brandon, City of	Current	$276.81		Rivers, Municipality of Riverdale	2022	$444.12
Portage la Prairie, RM (includes Oakville)	2023	$276.84		Baldur, RM of Argyle	2024	$489.67
The Pas, Town of	2027	$276.84		Great Falls, RM of Alexander	2027	$496.74
Gunton, RM of Rockwood	2025	$277.87		Belmont, RM of Prairie Lakes	2027	$505.58
Winnipeg Beach, Town of	2024	$285.91		Rapid City, RM of Oakview	2026	$526.68
Gilbert Plains, RM of; Urban Utility	2022	$288.82		Minto, Municipality of Grassland	2022	$533.84
MacGregor, Municipality of North Norfolk	2026	$289.70		Elgin, RM of Grassland	2022	$577.17
				Rathwell, Municipality of Norfolk Treherne	2024	$641.72

Rate Comparison Average Residential Quarterly Billings – Large Urbans, Manitoba/Saskatchewan

Following is a comparison of **City of Brandon Utility's** quarterly proposed rates for 14 CM minimum quarterly bill and 46 CM quarterly average bills, to other utility rates in urban centres in the Prairie Provinces along with the year in which rates were last set:

	Water	Waste water	Water & Waste water	Quarterly Service Charge	Quarterly Water & Wastewater Minimum Bill 14 CM	Quarterly Water & Wastewater Average Bill 46 CM
Brandon, 2026 rates; with rate riders	$ 3.17	$ 3.05	$ 6.22	$ 21.51	$ 108.58	$ 307.58
Brandon, 2027 rates; with rate riders	3.28	3.27	6.55	21.91	113.60	323.16
Brandon, 2028 rates; with rate riders	3.39	3.49	6.88	22.31	118.62	338.74
Brandon, 2029 rates; with rate riders	3.50	3.71	7.21	22.71	123.64	354.32
Brandon, 2030 rates; with rate riders	3.62	3.91	7.53	23.09	128.50	369.42
Manitoba						
Portage la Prairie; Current 2026 rates	$ 2.64	$ 1.76	$ 4.40	$ 22.69	$ 84.29	$ 225.09
Portage la Prairie; Proposed 2030 rates	4.20	2.31	6.51	29.98	121.12	329.44
Neepawa; 2026 rates	2.41	1.61	4.02	23.00	79.28	207.92
Selkirk, 2026 rates	2.59	3.26	5.85	29.28	111.18	298.38
Selkirk, Proposed 2028 rates	2.97	3.99	6.96	37.03	134.47	357.19
Steinbach; 2027 rates	1.14	1.01	2.15	21.25	51.35	120.15
Winnipeg; 2026 rates for 4" meter; 10% sewer discount	2.17	4.53	6.70	71.19	164.99	379.39
Saskatchewan						
Moose Jaw; 2026 rates for 5/8" meter; no minimum	$ 1.72	$ 1.77	$ 3.49	$ 188.94	$ 237.80	$ 349.48
Prince Albert; 2026 rates, 5/8" meter; no minimum	1.61	1.43	3.04	183.15	225.71	322.99
Regina; 2026 rates for 5/8" meter; no minimum	2.74	2.42	5.16	181.59	253.83	418.95
Saskatoon; 2026 rates; Residential, first 17 CM	3.08	1.67	4.75	85.92	152.42	304.42
Saskatoon; 2026 rates; commercial	2.60	1.86	4.46	85.92	148.36	291.08
Yorkton; 2026 rates; no minimum; residential	1.88	1.87	3.75	102.75	155.25	275.25
Yorkton; 2026 rates; no minimum; industrial	3.10	3.10	6.20	5,625.00		

Rate Comparison Large Volume Quarterly Billings – Large Urbans, Manitoba/Saskatchewan

Following is a comparison of **City of Brandon Utility's** quarterly proposed rates for 400,000 CM quarterly water & wastewater bills, to other utility rates in urban centres in the Prairie Provinces along with the year in which rates were last set:

	Water	Waste water	Water & Waste water	Quarterly Service Charge	Large Industry Quarterly Water & Wastewater Bill 400,000 CM	Large Industry Quarterly Water Only Bill 500,000 CM
Brandon, 2026 rates; with rate riders	$ 3.17	$ 3.05	$ 6.22	$ 21.51	$ 2,487,622	$ 1,584,522
Brandon, 2027 rates; with rate riders	3.28	3.27	6.55	21.91	2,619,622	1,639,522
Brandon, 2028 rates; with rate riders	3.39	3.49	6.88	22.31	2,751,622	1,694,522
Brandon, 2029 rates; with rate riders	3.50	3.71	7.21	22.71	2,883,623	1,749,523
Brandon, 2030 rates; with rate riders	3.62	3.91	7.53	23.09	3,011,623	1,809,523
Manitoba						
Portage la Prairie; Current 2026 rates	$ 2.64	$ 1.76	$ 4.40	$ 22.69	$ 910,825	$ 466,850
Portage la Prairie; Proposed 2030 rates	4.20	2.31	6.51	29.98	1,296,276	739,984
Neepawa; 2026 rates	2.41	1.61	4.02	23.00	1,196,487	690,487
Selkirk, 2026 rates	2.59	3.26	5.85	29.28	2,340,029	1,295,029
Selkirk, Proposed 2028 rates	2.97	3.99	6.96	37.03	2,784,037	1,485,037
Steinbach; 2027 rates	1.14	1.01	2.15	21.25	860,021	570,021
Winnipeg; 2026 rates for 4" meter; 10% sewer discount	2.17	4.53	6.70	71.19	2,515,964	1,085,071
Saskatchewan						
Moose Jaw; 2026 rates for 4" meter; no minimum	$ 1.72	$ 1.77	$ 3.49	$ 188.94	$ 1,399,780	$ 862,452
Prince Albert; 2026 rates, 4" meter; no minimum	1.61	1.43	3.04	183.15	1,218,564	807,564
Regina; 2026 rates for 4" meter; no minimum	2.74	2.42	5.16	181.59	2,066,542	1,372,542
Saskatoon; 2026 rates; Residential, first 17 CM	3.08	1.67	4.75	85.92	n/a	n/a
Saskatoon; 2026 rates; commercial	2.60	1.86	4.46	85.92	1,787,015	1,303,015
Yorkton; 2026 rates; no minimum; residential	1.88	1.87	3.75	102.75	1,500,103	940,103
Yorkton; 2026 rates; no minimum; industrial	3.10	3.10	6.20	5,625.00	2,485,625	1,555,625

Impact of Rate Increases on Bills – Without Deficit Rate Rider & Debt Surcharges

Impact on 5/8" meter bill quarterly consumption of:	14 CM				
	Annual costs based on rates in effect Currently	**Annual costs based on rates proposed January 1, 2027**	**Annual costs based on rates proposed January 1, 2028**	**Annual costs based on rates proposed January 1, 2029**	**Annual costs based on rates proposed January 1, 2030**
Annual Cost	$ 396.84	$ 416.92	$ 437.00	$ 457.08	$ 476.52
Annual Increase		20.08	20.08	20.08	19.44
Quarterly Billing	99.21	104.23	109.25	114.27	119.13
Quarterly Increase		5.02	5.02	5.02	4.86
% Increase Per Year		5%	5%	5%	4%

Impact on a family with quarterly consumption of:	46 CM				
	Annual costs based on rates in effect Currently	**Annual costs based on rates proposed January 1, 2027**	**Annual costs based on rates proposed January 1, 2028**	**Annual costs based on rates proposed January 1, 2029**	**Annual costs based on rates proposed January 1, 2030**
Annual Cost	$ 1,107.24	$ 1,169.56	$ 1,231.88	$ 1,294.20	$ 1,354.60
Annual Increase		62.32	62.32	62.32	60.40
Quarterly Billing	276.81	292.39	307.97	323.55	338.65
Quarterly Increase		15.58	15.58	15.58	15.10
% Increase Per Year		6%	5%	5%	5%

Impact on a customer with quarterly consumption of:	455 CM				
	Annual costs based on rates in effect Currently	**Annual costs based on rates proposed January 1, 2027**	**Annual costs based on rates proposed January 1, 2028**	**Annual costs based on rates proposed January 1, 2029**	**Annual costs based on rates proposed January 1, 2030**
Annual Cost	$ 10,187.04	$ 10,789.24	$ 11,391.44	$ 11,993.64	$ 12,577.56
Annual Increase		602.20	602.20	602.20	583.92
Quarterly Billing	2,546.76	2,697.31	2,847.86	2,998.41	3,144.39
Quarterly Increase		150.55	150.55	150.55	145.98
% Increase Per Year		6%	6%	5%	5%

Impact on a customer with quarterly consumption of:	4,000 CM				
	Annual costs based on rates in effect Currently	**Annual costs based on rates proposed January 1, 2027**	**Annual costs based on rates proposed January 1, 2028**	**Annual costs based on rates proposed January 1, 2029**	**Annual costs based on rates proposed January 1, 2030**
Annual Cost	$ 88,886.04	$ 94,167.64	$ 99,449.24	$ 104,730.84	$ 109,852.36
Annual Increase		5,281.60	5,281.60	5,281.60	5,121.52
Quarterly Billing	22,221.51	23,541.91	24,862.31	26,182.71	27,463.09
Quarterly Increase		1,320.40	1,320.40	1,320.40	1,280.38
% Increase Per Year		6%	6%	5%	5%

Impact on a **Water** Only customer with quarterly consumption of:	400,000 CM				
	Annual costs based on rates in effect Currently	**Annual costs based on rates proposed January 1, 2027**	**Annual costs based on rates proposed January 1, 2028**	**Annual costs based on rates proposed January 1, 2029**	**Annual costs based on rates proposed January 1, 2030**
Annual Cost	$ 4,336,086.04	$ 4,512,087.64	$ 4,688,089.24	$ 4,864,090.84	$ 5,056,092.36
Annual Increase		176,001.60	176,001.60	176,001.60	192,001.52
Quarterly Billing	1,084,021.51	1,128,021.91	1,172,022.31	1,216,022.71	1,264,023.09
Quarterly Increase		44,000.40	44,000.40	44,000.40	48,000.38
% Increase Per Year		4%	4%	4%	4%

Impact of Rate Increases on Bills–With Deficit Rate Rider & Debt Surcharges

Impact on 5/8" meter bill quarterly consumption of:		14 CM			
	Annual costs based on rates in effect Currently	**Annual costs based on rates proposed January 1, 2027**	**Annual costs based on rates proposed January 1, 2028**	**Annual costs based on rates proposed January 1, 2029**	**Annual costs based on rates proposed January 1, 2030**
Annual Cost	$ 434.30	$ 454.38	$ 474.46	$ 494.54	$ 513.98
Annual Increase		20.08	20.08	20.08	19.44
Quarterly Billing	108.58	113.60	118.62	123.64	128.50
Quarterly Increase		5.02	5.02	5.02	4.86
% Increase Per Year		5%	4%	4%	4%

Impact on a family with quarterly consumption of:		46 CM			
	Annual costs based on rates in effect Currently	**Annual costs based on rates proposed January 1, 2027**	**Annual costs based on rates proposed January 1, 2028**	**Annual costs based on rates proposed January 1, 2029**	**Annual costs based on rates proposed January 1, 2030**
Annual Cost	$ 1,230.34	$ 1,292.66	$ 1,354.98	$ 1,417.30	$ 1,477.70
Annual Increase		62.32	62.32	62.32	60.40
Quarterly Billing	307.58	323.16	338.74	354.32	369.42
Quarterly Increase		15.58	15.58	15.58	15.10
% Increase Per Year		5%	5%	5%	4%

Impact on a customer with quarterly consumption of:		455 CM			
	Annual costs based on rates in effect Currently	**Annual costs based on rates proposed January 1, 2027**	**Annual costs based on rates proposed January 1, 2028**	**Annual costs based on rates proposed January 1, 2029**	**Annual costs based on rates proposed January 1, 2030**
Annual Cost	$ 11,404.62	$ 12,006.82	$ 12,609.02	$ 13,211.22	$ 13,795.14
Annual Increase		602.20	602.20	602.20	583.92
Quarterly Billing	2,851.16	3,001.71	3,152.26	3,302.81	3,448.79
Quarterly Increase		150.55	150.55	150.55	145.98
% Increase Per Year		5%	5%	5%	4%

Impact on a customer with quarterly consumption of:	4,000 CM

	Annual costs based on rates in effect Currently	Annual costs based on rates proposed January 1, 2027	Annual costs based on rates proposed January 1, 2028	Annual costs based on rates proposed January 1, 2029	Annual costs based on rates proposed January 1, 2030
Annual Cost	$ 99,590.04	$ 104,871.64	$ 110,153.24	$ 115,434.84	$ 120,556.36
Annual Increase		5,281.60	5,281.60	5,281.60	5,121.52
Quarterly Billing	24,897.51	26,217.91	27,538.31	28,858.71	30,139.09
Quarterly Increase		1,320.40	1,320.40	1,320.40	1,280.38
% Increase Per Year		5%	5%	5%	4%

Impact on a **Water Only** customer with quarterly consumption of:	400,000 CM

	Annual costs based on rates in effect Currently	Annual costs based on rates proposed January 1, 2027	Annual costs based on rates proposed January 1, 2028	Annual costs based on rates proposed January 1, 2029	Annual costs based on rates proposed January 1, 2030
Annual Cost	$ 5,070,486.04	$ 5,246,487.64	$ 5,422,489.24	$ 5,598,490.84	$ 5,790,492.36
Annual Increase		176,001.60	176,001.60	176,001.60	192,001.52
Quarterly Billing	1,267,621.51	1,311,621.91	1,355,622.31	1,399,622.71	1,447,623.09
Quarterly Increase		44,000.40	44,000.40	44,000.40	48,000.38
% Increase Per Year		3%	3%	3%	3%