



**CITY OF MONTAGUE**

**230 S. 13th Street, P.O. Box 428, Montague, CA 96064 Ph. (530) 459-3030**

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In compliance with the requirements of the Brown Act, notice of this meeting has been posted  
in a publicly accessible place, 72 hours in advance of the meeting.

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**PUBLIC HEARING AGENDA**

**February 16, 2026**

**6:30 PM**

**Montague Community Hall, 200 S 11<sup>th</sup> St, Montague, CA 96064**

**SPEAKERS:** Speakers, please stand at the podium and speak loudly so the entire room can hear you.

The mayor will recognize you and ask that you state your name and mailing address so that the City Staff can follow up on any issues requiring City action, or provide you with information, if appropriate.

**I. CALL TO ORDER:**

**II. PLEDGE OF ALLIGIANCE:**

**III. ROLL CALL:**

**IV. PUBLIC COMMENTS:** "This time is set aside for the public to address the City Council on matters listed on the Consent Agenda as well as other items not included on the Regular Agenda. If your comments concern an item noted on the Regular Agenda, please address the Council when that item is open for public comment." (The Brown Act requires the public be given the opportunity to address the Council before action is taken. If there is a Consent Agenda, there is no other opportunity for public comment on items on the Consent Agenda.) The Council has the right to reasonably limit the duration of each speaker to three minutes. Speakers may not cede their time. The Council may ask questions but may take no action during the Public Comments portion of the meeting, except to direct staff to prepare a report, or to place an item on a future agenda.

**V. PUBLIC HEARING AGENDA:**

1. DISCUSSION OF WATER RATE INCREASE SCHEDULE PROPOSAL SUGGESTED TO GO INTO EFFECT APRIL 2026.

**VI. ADJOURN:**

In compliance with the requirements of the Brown Act, notice of this meeting has been posted in a publicly accessible place, 72 hours in advance of the meeting.

Public Hearings: If you wish to challenge in court any of the matters on an agenda for which a public hearing is to be conducted, you may be limited to raising only those issues which you (or someone else) raised orally at the public hearing or in written correspondence received by the City at or before the hearing. Any person seeking to challenge a Planning Commission decision made as a result of a



proceeding in which by law a hearing is required to be given, evidence is required to be taken, and the discretion in the determination of facts is vested in the Planning Commission, shall be required to commence that action 90 days following the date on which the decision becomes final as provided in Code of Civil Procedure Section 1094.6. Please refer to Code of Civil Procedure 1094.6 to determine how to calculate when a decision becomes “final.”

**CHALLENGING DECISIONS OF CITY ENTITIES** The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City of Montague is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision, including without limitation Government Code section 65009 applicable to many land use and zoning decisions, Government Code section 66499.37 applicable to the Subdivision Map Act, and Public Resources Code section 21167 applicable to the California Environmental Quality Act (CEQA). Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. Government Code section 65009 and 66499.37, and Public Resources Code section 21167, impose shorter limitations periods and requirements, including timely service in addition to filing. If a person wishes to challenge the above actions in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Montague, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

The City of Montague does not discriminate on the basis of race, color, national origin, religion, age, gender, sexual orientation, disability, or any other legally protected classes in employment or provision of services. In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the City Clerk 48 hours prior to the meeting at (530) 459-3030 or by notifying the Clerk at [clerk@cityofmontagueca.gov](mailto:clerk@cityofmontagueca.gov)

**AFFIDAVIT OF NOTIFICATION AND POSTING  
STATE OF CALIFORNIA  
COUNTY OF SISKIYOU  
CITY OF MONTAGUE**

I, David Dunn City Administrator for the City of Montague, hereby declare under penalty of perjury that a copy of the above Agenda of the Regular Meeting of the Regular City Council of the City of Montague, California, was delivered and/or notice by email not less than 72 hours, before the hour of 4:30 PM on February 16, 2026 to the members of the City Council, caused the agenda to be posted at the bulletin board found at City Hall, 230 S. 13<sup>th</sup> Street, Montague CA, and a copy to be place for review at the Office of the City Clerk.

**POSTED: February 12, 2026 @ 12:30 PM**

**NOTICE OF PUBLIC HEARING  
CONCERNING RATE INCREASES FOR  
CITY OF MONTAGUE  
WATER & WASTEWATER SERVICES**

Regarding Assessor's Parcel Number: ( *insert APN here* )

**Dear Customer and/or Property Owner:**

**NOTICE OF PUBLIC HEARING**

The Montague City Council will hold a public hearing on the proposed rate increases on Monday, February 16, 2026 at 6:30pm at the Montague Community Hall located at 200 South 11<sup>th</sup> Street, Montague, CA 96064. The hearing will cover proposed rate increases for the City's water and wastewater services in order to maintain reliable service. If adopted, the proposed rate increases will become effective as indicated on the table(s) attached with this notice.

**INTRODUCTION**

The purpose of this notice is to explain the proposed utility rate increases for City of Montague water and wastewater services. The Montague City Council directed staff to initiate a public review process as provided by Proposition 218. The Council is considering a rate increase for both water and sewer services. According to the State Constitution, Article 13D, an engineering study must be undertaken to determine the cost of operation of those systems, prior to any rate increase. The City Engineer has completed those studies and has made his recommendations to the City Council. The findings indicate the City is not charging enough to cover its costs of operation, maintenance and replacement of the water and wastewater treatment facilities and infrastructure. The actual numbers associated with those findings will be discussed later in this notice.

A public hearing to review all information and an opportunity to object to the proposed increase will be held prior to any rate hike. The council hopes you will take this opportunity to become better acquainted with the situation and are then able to make an informed decision. If you have further questions please contact the City staff and plan on attending the public hearing.

This notice is being sent to property owners in the City of Montague, based on the Siskiyou County Assessors Office as of October 2025. Property owners will receive the notice regardless whether they receive utility service or not. Each parcel number of record is entitled to one objection. This notice describes how to file a protest against the proposed rate increases. If a majority of property owners protest, the rates will not be changed. If that occurs, revenues will not keep up with the cost increases for operations, materials, maintenance and capital reserves.

Staff presented to the Montague City Council at the regular City Council Meeting on December 4, 2025 at 6:30pm for their approval of the proposed rate increases and were directed to proceed with the mailing of this Public Notice. If a majority of property owners do not protest the rate increases, then the increases will be considered by the City Council on March 5, 2026 at the Regular City Council Meeting and if approved will go into effect as indicated on the tables located within this notice.

## WHY ARE RATES PROPOSED TO BE INCREASED?

Revenues from rates pay for maintenance and operation of the utilities and for many capital replacement costs or upgrades. Each utility is treated as a stand alone entity in order to account for expenditures. Several factors have contributed to the increase in costs. In general for all utilities, increased costs for materials, chemicals, labor, equipment, fuel, and unfunded State and Federal mandates increase costs. Mandates add to the cost of operation but do not cover the costs that the City will incur to meet the State and Federal Mandates. In addition, as the City continues to increase in population, there are costs associated with maintaining more facilities and handling greater volumes. Specific issues vary by utility.

The need for a rate increase in both the water and sewer bills is driven by four primary factors. **First**, a significant increase in regulations has increased costs, both in monitoring and changing treatment strategies. **Second**, a modification or replacement of the existing sewer treatment plant because of its age and operational requirements is necessary. **Third**, the need to increase the rate of growth of a capital reserve fund. **Lastly**, just the increased cost of operating and maintaining the water and wastewater systems.

Drinking water regulations are developed by USEPA and enforced by the Drinking Water Division of the California Dept. of Public Health (CDPH). Due to pressure from the general public as well as the federal legislators, USEPA has, over the past 25 years, significantly increased the number of regulated substances in the water as well as tightened a number of existing regulations. These changes have resulted in a great deal of more required laboratory testing, which unfortunately is not free. Other regulations require operational changes at the treatment plant which impact costs. A change in Cal-OSHA regulations forced the City to change from using gas chlorine for disinfection, to using liquid chlorine.

Regulations for the wastewater plant are developed by USEPA, and enforced at the state level by the Regional Water Quality Control Board. To date increased regulations on the wastewater system have not been much of a problem even though the sewer treatment plant has had several state discharge permit violations due to the effluent, coming out of the plant, having higher levels of contaminants than are allowed by the Regional Water Quality Control Board. The State in the near future will most likely mandate that the City upgrade the Sewer Treatment Plant to meet their state discharge permit, this will require that the Sewer Capital Reserve Fund be well funded, which is one of the reasons for a rate increase.

### WASTEWATER CAPITAL RESERVE FUND:

The wastewater treatment plant is a much simpler system when compared to the new water treatment plant. It has much less equipment. It is mainly made up of pump lift stations, sewer treatment ponds, and aerators. There are some pumps that have reached the end of their life and will need replacement as soon as funding is available. The biggest concern in the wastewater collection system is the deteriorated condition of the homeowner's service lines.

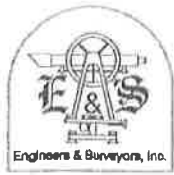
The minimum annual contribution that should be deposited into the sewer capital reserve fund per the engineering study for capital replacement of the wastewater system is \$332,344 and the amount currently being set aside is \$94,454. This is only 28 percent of what is required to be able to have a reserve account that could actually fund upgrades to the current system whenever they becomes necessary. It is recommended that the City begins gradually increasing the amount being deposited into the wastewater capital reserve fund, which is again one of the reasons for the sewer rate increase.



| PROPOSED WATER AND SEWER RATE INCREASE SCHEDULE |                |                 |                 |                 |                 |                 |
|-------------------------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                                 | Current        | April 2026      | April 2027      | April 2028      | April 2029      | April 2030      |
| Monthly Water Base Rate                         | \$40.13        | \$44.64         | \$49.61         | \$55.07         | \$61.07         | \$66.03         |
| Water Maintenance Bond                          | \$5.00         | \$5.00          | \$5.00          | \$5.00          | \$5.00          | \$5.00          |
| MWCD                                            | \$2.10         | \$2.10          | \$2.10          | \$2.10          | \$2.10          | \$2.10          |
| <b>Total Water Bill=</b>                        | <b>\$47.23</b> | <b>\$51.74</b>  | <b>\$56.71</b>  | <b>\$62.17</b>  | <b>\$68.17</b>  | <b>\$73.13</b>  |
| Consumption Rate Per Thousand Gallons           | \$5.75         | \$6.24          | \$6.77          | \$7.34          | \$7.97          | \$8.65          |
| <b>Monthly Sewer Charge=</b>                    | <b>\$51.21</b> | <b>\$57.36</b>  | <b>\$64.24</b>  | <b>\$71.95</b>  | <b>\$80.58</b>  | <b>\$90.25</b>  |
| <b>Total Minimum Monthly Bill=</b>              | <b>\$98.44</b> | <b>\$109.10</b> | <b>\$120.95</b> | <b>\$134.12</b> | <b>\$148.75</b> | <b>\$163.38</b> |

**NOTES:**

1. Monthly sewer charge will increase by 12% each year.
2. The monthly water base rate will increase by 10% each year.
3. The consumption rate per thousand gallons will increase by 8.5% each year.
4. MWCD Fees: The MWCD pass-through fee will increase if fees are raised by the Montague Water Conservation District.



**E & S Engineers & Surveyors, Inc.**  
Civil Engineering & Land Surveying  
brayengineer.com

329 West Miner Street  
Yreka CA 96097  
530.842.6813  
530-842.6645 (Fax)  
brayengr@sbcglobal.net

11/21/2025

City of Montague  
230 S. 13<sup>th</sup> Street  
Montague, CA 96064

**RE: Water and Sewer System User Rates**

Ladies and Gentlemen of the Council,

This Letter and the attached calculations represent my professional opinion and recommendations to the City of Montague as to reasonable and appropriate fees to be charged for the water and sewer services under the provisions of Article 13D, Section 6 of the California Constitution.

On November 5, 1996, California voters approved Proposition 218, which amended the California Constitution by adding articles 13C and 13D. Article 13D established new procedural requirements for when a public agency decides to impose new, or increase existing, property-related fees and placed limitations on the use of the revenues collected from the property-related fees as well as on the amount of the fee that may be imposed on each parcel.

In accordance with Article 13D, Section 6(b) of the California Constitution, in order for an agency to be able to impose or increase a fee or charge upon a parcel, the fee or charge must meet all the following requirements:

- Revenues derived from the fee must not exceed the funds required to provide the property-related service.
- Revenues derived from the fee must not be used for any purpose other than that for which the fee or charge was imposed.
- The amount of a fee imposed upon a parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel.
- The fee may not be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted. Stand-by charges must be classified as assessments subject to the ballot protest and proportionality requirements for assessments of Article 13A, Section 4.
- No fee or charge may be imposed for general government services, such as police, fire, ambulance, or libraries, where the service is available to the public in substantially the same manner as it is to property owners.

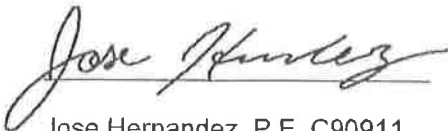
With the requirements of Article 13D, Section 6 in mind, I went ahead and completed an in depth analysis of the City's water system in which the age, remaining useful life, and estimated cost of replacement of each facility within the water system were considered.

The first step in the analysis was to itemize all the components within the City's water system to the best of my knowledge (by using old construction plans and asking city employees) and to estimate a cost of replacement for the system. The results can be seen on sheet 2 of the Water and Sewer Rate Analysis packet. The second step in the analysis was to summarize and add the expenses incurred by the City from operating and maintaining the water system throughout the 24/25 fiscal year. The results for Operation and Maintenance ("O&M") expenses can be seen on sheets 3 through 4 of the attached analysis packet. The third step in the analysis was to summarize and add the expenses incurred by the City from the production and treatment of water throughout the 24/25 fiscal year. The results for Water Production and Treatment ("WP&T") expenses can be seen on sheet 5 of the attached analysis packet. The fourth and final step in the analysis was to figure out a monthly base rate per water service connection that would cover the O&M costs and a monthly rate per 1000 gallons of water sold that would cover the replacement costs of the water system in the long run. The calculated water rates can be seen on sheet 6 of the attached analysis packet.

In conclusion, the majority of the facilities within the City's water system are about 45 years old and the system has about gone through half of its useful life. Based on the estimated cost of replacement of the system's facilities and their remaining useful life, the City would need to deposit approximately \$309,154.48 into the Water Capital Reserve Account annually to have enough funds for when the time comes to replace each facility. For the fiscal year 24/25 the City had a loss of \$20,656.92 after O&M, WP&T, and MWCD expenses were paid off from the water system's revenue. This leaves the City with no new funds for future replacement of the system, and thus the reason why a rate increase is needed at this time. My recommendations for the City is to apply a **10 percent** yearly increase to the current monthly water base rate per connection and an **8.5 percent** yearly increase to the current consumption rate per 1000 gallons.

Similar to the analysis of the City's water system and current water user rates, I have completed an in depth analysis of the City's sewer system and its current sewer user rates. The sewer system's analysis results can be found on sheets 7-10 of the Water and Sewer Rate Analysis packet. Based on my analysis of the sewer system's age, remaining useful life, and estimated cost of replacement, I have concluded that the City would need to deposit approximately \$332,343.73 into the Sewer Capital Reserve Account annually to have enough funds to replace each facility within the sewer system once its useful life comes to an end. For the fiscal year 24/25, the City had a gain of \$94,454.52 after O&M expenses were paid for from the sewer system's revenue. At the current rates, the City is \$237,889.21 short of total sum of money it needs to bring in annually for future replacement of the system. Therefore, my recommendation for the City at this time would be to apply a **12 percent** yearly increase to the current monthly sewer base rate.

Respectfully submitted,



Jose Hernandez, P.E. C90911

Attachments:

- Water and Sewer Rate Analysis
- Proposed Water and Sewer Rate Schedule



| PROPOSED WATER AND SEWER RATE INCREASE SCHEDULE |                |                 |                 |                 |                 |                 |
|-------------------------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                                 | Current        | March 2026      | March 2027      | March 2028      | March 2029      | March 2030      |
| Monthly Water Base Rate                         | \$40.13        | \$44.64         | \$49.61         | \$55.07         | \$61.07         | \$66.03         |
| Water Maintenance Bond                          | \$5.00         | \$5.00          | \$5.00          | \$5.00          | \$5.00          | \$5.00          |
| MWCD                                            | \$2.10         | \$2.10          | \$2.10          | \$2.10          | \$2.10          | \$2.10          |
| <b>Total Water Bill=</b>                        | <b>\$47.23</b> | <b>\$51.74</b>  | <b>\$56.71</b>  | <b>\$62.17</b>  | <b>\$68.17</b>  | <b>\$73.13</b>  |
| Consumption Rate Per Thousand Gallons           | \$5.75         | \$6.24          | \$6.77          | \$7.34          | \$7.97          | \$8.65          |
| <b>Monthly Sewer Charge=</b>                    | <b>\$51.21</b> | <b>\$57.36</b>  | <b>\$64.24</b>  | <b>\$71.95</b>  | <b>\$80.58</b>  | <b>\$90.25</b>  |
| <b>Total Minimum Monthly Bill=</b>              | <b>\$98.44</b> | <b>\$109.10</b> | <b>\$120.95</b> | <b>\$134.12</b> | <b>\$148.75</b> | <b>\$163.38</b> |

**NOTES:**

1. Monthly sewer charge will increase by 12% each year.
2. The monthly water base rate will increase by 10% each year.
3. The consumption rate per thousand gallons will increase by 8.5% each year.
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**E & S Engineers & Surveyors, Inc.**  
Civil Engineers & Land Surveyors  
eandsengineersandsurveyors.com

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530-842.6645 (Fax)

November 21, 2025

## **CITY OF MONTAGUE**

### **WATER AND SEWER RATE ANALYSIS**



## Capital Improvement Plan

Date: 21-Nov-25

City of Montague-Water Distribution System And Treatment Plant

System ID Number:

Number Service Connections: 540

| Quantity | Units | Component | Unit<br>Cost | Installed<br>Cost | Ave.<br>Life | Annual<br>Reserve | Monthly<br>Reserve | Monthly<br>Reserve<br>/ Conn. |
|----------|-------|-----------|--------------|-------------------|--------------|-------------------|--------------------|-------------------------------|
|----------|-------|-----------|--------------|-------------------|--------------|-------------------|--------------------|-------------------------------|

### Existing Facilities

|                             |      |                                     |                |                 |    |              |             |         |
|-----------------------------|------|-------------------------------------|----------------|-----------------|----|--------------|-------------|---------|
| 2245                        | LF   | 4" AC Pipe (1970)                   | \$46.80        | -\$21,845.46    | 44 | -\$496.49    | -\$41.37    | -\$0.08 |
| 20775                       | LF   | 6" AC Pipe (1970)                   | \$67.60        | \$928,472.02    | 44 | \$21,101.64  | \$1,758.47  | \$3.26  |
| 21138                       | LF   | 6" PVC Pipe (1985)                  | \$67.60        | \$1,111,650.15  | 59 | \$18,841.53  | \$1,570.13  | \$2.91  |
| 12600                       | LF   | 10" AC Pipe (1980)                  | \$88.40        | \$809,998.10    | 54 | \$14,999.96  | \$1,250.00  | \$2.31  |
| 14015                       | LF   | 10" HDPE Emergency Pipe Line (2015) | \$78.00        | \$1,093,170.00  | 89 | \$12,282.81  | \$1,023.57  | \$1.90  |
| 7                           | Each | 4" Gate Valve (1980)                | \$936.00       | -\$1,379.97     | 4  | -\$344.99    | -\$28.75    | -\$0.05 |
| 141                         | Each | 6" Gate Valve (1980)                | \$2,080.00     | -\$63,658.49    | 4  | -\$15,914.62 | -\$1,326.22 | -\$2.46 |
| 42                          | Each | 10" Gate Valve (1980)               | \$3,120.00     | -\$27,599.33    | 4  | -\$6,899.83  | -\$574.99   | -\$1.06 |
| 2                           | Each | 6" Pressure Reducing Valve (1980)   | \$7,280.00     | -\$2,842.73     | 4  | -\$710.68    | -\$59.22    | -\$0.11 |
| 1                           | Each | 10" Pressure Reducing Valve (1980)  | \$10,400.00    | -\$1,497.95     | 4  | -\$374.49    | -\$31.21    | -\$0.06 |
| 9                           | Each | Air Release Valve (2015)            | \$7,280.00     | \$49,656.07     | 39 | \$1,273.23   | \$106.10    | \$0.20  |
| 70                          | Each | Fire Hydrants                       | \$6,760.00     | -\$82,037.64    | 14 | -\$5,859.83  | -\$488.32   | -\$0.90 |
| 1                           | Each | Pump Station                        | \$110,240.00   | \$110,240.00    | 14 | \$7,874.29   | \$656.19    | \$1.22  |
| 1                           | Each | Water Storage Tank                  | \$1,144,000.00 | \$1,144,000.00  | 81 | \$14,123.46  | \$1,176.95  | \$2.18  |
| 1                           | Each | Water Treatment Plant               | \$8,008,000.00 | \$7,976,272.13  | 32 | \$249,258.50 | \$20,771.54 | \$38.47 |
| Subtotal Existing CIP Costs |      |                                     |                | \$13,022,596.90 |    | \$309,154.48 | \$25,762.87 | \$47.71 |

Existing Deficiency for Future Replacement of System Facilities: \$13,022,596.90

Note: A percentage of the total funds within the City's Water Capital Reserve Account has been Subtracted from the total installed cost of each water facility based on the remaining useful life of the water facility. Those facilities with a short useful life were applied a larger percentage of the funds compared to the facilities with a longer useful life remaining.

**Water Capital Reserve Account Funds: \$ 2,379,589.90**

# FIVE YEAR BUDGET PROJECTION

System Name:

System ID Number:

% Inflation:

Date:

City of Montague - Water Distribution System & Treatment Plant

2.40

21-Nov-25

| LINE | EXPENSES AND SOURCE OF FUNDS                           | 2026          | 2027          | 2028          | 2029          | 2030          |
|------|--------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
|      | <b>OPERATIONS &amp; MAINTENANCE (O&amp;M) EXPENSES</b> |               |               |               |               |               |
|      | <b>Water Treatment Plant (Account 405):</b>            |               |               |               |               |               |
| 1    | Salaries                                               | \$ 70,508.96  | \$ 72,201.18  | \$ 73,934.00  | \$ 75,708.42  | \$ 77,525.42  |
| 2    | Clothing Allowance                                     | \$ 796.33     | \$ 815.44     | \$ 835.01     | \$ 855.05     | \$ 875.57     |
| 3    | Pers-Retirement                                        | \$ 11,669.27  | \$ 11,949.33  | \$ 12,236.12  | \$ 12,529.78  | \$ 12,830.50  |
| 4    | Insurance WC                                           | \$ 4,590.96   | \$ 4,701.14   | \$ 4,813.97   | \$ 4,929.51   | \$ 5,047.81   |
| 5    | Health Insurance                                       | \$ 16,098.02  | \$ 16,484.37  | \$ 16,880.00  | \$ 17,285.12  | \$ 17,699.96  |
| 6    | Maintain Vehicles                                      | \$ 21,899.39  | \$ 22,424.98  | \$ 22,963.17  | \$ 23,514.29  | \$ 24,078.63  |
| 7    | Insurance Liability                                    | \$ 7,451.77   | \$ 7,630.61   | \$ 7,813.75   | \$ 8,001.28   | \$ 8,193.31   |
| 8    | Property Insurance                                     | \$ 96,460.86  | \$ 98,775.92  | \$ 101,146.54 | \$ 103,574.06 | \$ 106,059.84 |
| 10   | Loan Payment                                           | \$ 32,001.97  | \$ 32,770.02  | \$ 33,556.50  | \$ 34,361.85  | \$ 35,186.54  |
| 12   | Telephone/Internet/Wireless                            | \$ 2,854.30   | \$ 2,922.80   | \$ 2,992.95   | \$ 3,064.78   | \$ 3,138.34   |
| 15   | Medical (safety exams)                                 | \$ 120.00     | \$ 122.88     | \$ 125.83     | \$ 128.85     | \$ 131.94     |
| 16   | Special Department Supplies                            | \$ 49.56      | \$ 50.75      | \$ 51.97      | \$ 53.21      | \$ 54.49      |
| 18   | Dues & Subscriptions                                   | \$ 481.00     | \$ 492.54     | \$ 504.37     | \$ 516.47     | \$ 528.87     |
| 19   | License & Permits                                      | \$ 1,569.68   | \$ 1,607.35   | \$ 1,645.93   | \$ 1,685.43   | \$ 1,725.88   |
| 20   | Postage                                                | \$ 2,332.27   | \$ 2,388.24   | \$ 2,445.56   | \$ 2,504.26   | \$ 2,564.36   |
| 21   | Total Water Treatment Plant Expenses:                  | \$ 268,884.34 | \$ 275,337.56 | \$ 281,945.67 | \$ 288,712.36 | \$ 295,641.46 |
|      | <b>Water Distribution System (Account 410):</b>        |               |               |               |               |               |
| 22   | Salaries                                               | \$ 117,076.84 | \$ 119,886.68 | \$ 122,763.96 | \$ 125,710.30 | \$ 128,727.35 |
| 23   | Insurance WC                                           | \$ 9,182.02   | \$ 9,402.39   | \$ 9,628.05   | \$ 9,859.12   | \$ 10,095.74  |
| 24   | Health Insurance                                       | \$ 32,088.98  | \$ 32,859.12  | \$ 33,647.73  | \$ 34,455.28  | \$ 35,282.21  |
| 25   | Clothing allowance                                     | \$ (1,438.00) | \$ (1,472.51) | \$ (1,507.85) | \$ (1,544.04) | \$ (1,581.10) |
| 27   | Heating Fuel                                           | \$ 2,304.28   | \$ 2,359.58   | \$ 2,416.21   | \$ 2,474.20   | \$ 2,533.58   |
| 28   | Fuel                                                   | \$ 2,519.29   | \$ 2,579.75   | \$ 2,641.67   | \$ 2,705.07   | \$ 2,769.99   |
| 30   | Computer/Software/Support                              | \$ 3,840.14   | \$ 3,932.30   | \$ 4,026.68   | \$ 4,123.32   | \$ 4,222.28   |
| 31   | Maintenance Vehicles                                   | \$ 791.70     | \$ 810.70     | \$ 830.16     | \$ 850.08     | \$ 870.48     |
| 33   | Pers-retirement                                        | \$ 16,334.98  | \$ 16,727.02  | \$ 17,128.47  | \$ 17,539.55  | \$ 17,960.50  |
| 34   | Telephone/Internet/Wireless                            | \$ 2,498.17   | \$ 2,558.13   | \$ 2,619.52   | \$ 2,682.39   | \$ 2,746.77   |
| 35   | Security Camaras                                       | \$ 708.66     | \$ 725.67     | \$ 743.08     | \$ 760.92     | \$ 779.18     |
| 36   | Dues & Subscriptions                                   | \$ 522.00     | \$ 534.53     | \$ 547.36     | \$ 560.49     | \$ 573.95     |

# FIVE YEAR BUDGET PROJECTION

|    |                                                 |    |            |    |            |    |            |    |            |    |            |
|----|-------------------------------------------------|----|------------|----|------------|----|------------|----|------------|----|------------|
| 37 | Licenses & Permits                              | \$ | 274.00     | \$ | 280.58     | \$ | 287.31     | \$ | 294.21     | \$ | 301.27     |
| 38 | Total Water Distribution System Expenses:       | \$ | 186,703.06 | \$ | 191,183.93 | \$ | 195,772.35 | \$ | 200,470.88 | \$ | 205,282.19 |
| 39 | Total Water System O&M Expenses:                | \$ | 455,587.40 | \$ | 466,521.50 | \$ | 477,718.01 | \$ | 489,183.25 | \$ | 500,923.64 |
|    | Average Revenue Generated From Invested Money = | \$ | 40,000.00  | \$ | 40,000.00  | \$ | 40,000.00  | \$ | 40,000.00  | \$ | 40,000.00  |

|                                              |  |          |          |          |          |          |
|----------------------------------------------|--|----------|----------|----------|----------|----------|
| Number of Customers:                         |  | 2026     | 2027     | 2028     | 2029     | 2030     |
| Monthly Revenue Needed per Customer for O&M: |  | 540      | 540      | 540      | 540      | 540      |
| Total Monthly Revenue Needed per Customer:   |  | \$ 64.13 | \$ 65.82 | \$ 67.55 | \$ 69.32 | \$ 71.13 |

# FIVE YEAR BUDGET PROJECTION

System Name:

System ID Number:

% Inflation:

Date:

City of Montague - Water Distribution System & Treatment Plant

2.40

21-Nov-25

| LINE | EXPENSES AND SOURCE OF FUNDS                                | 2026          | 2027          | 2028          | 2029          | 2030          |
|------|-------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
|      | <b>WATER PRODUCTION &amp; TREATMENT (WP&amp;T) EXPENSES</b> |               |               |               |               |               |
|      | Water Treatment Plant (Account 405):                        |               |               |               |               |               |
| 1    | Utilities                                                   | \$ 35,000.00  | \$ 35,840.00  | \$ 36,700.16  | \$ 37,580.96  | \$ 38,482.91  |
| 2    | Chemicals-Treatment                                         | \$ 28,640.33  | \$ 29,327.70  | \$ 30,031.56  | \$ 30,752.32  | \$ 31,490.38  |
| 3    | Repairs & Maintain BLDGS                                    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| 4    | Ach Polymer                                                 | \$ 25,387.05  | \$ 25,996.34  | \$ 26,620.25  | \$ 27,259.14  | \$ 27,913.36  |
| 5    | Lab Sample                                                  | \$ 5,757.48   | \$ 5,895.66   | \$ 6,037.16   | \$ 6,182.05   | \$ 6,330.42   |
| 6    | Repairs & Maintain Equipment                                | \$ 2,863.99   | \$ 2,932.73   | \$ 3,003.11   | \$ 3,075.19   | \$ 3,148.99   |
|      | Total Water Treatment Plant Expenses:                       | \$ 97,648.85  | \$ 99,992.42  | \$ 102,392.24 | \$ 104,849.65 | \$ 107,366.05 |
|      | <b>Water Distribution System (Account 410):</b>             |               |               |               |               |               |
| 7    | Utilities                                                   | \$ 1,893.92   | \$ 1,939.37   | \$ 1,985.92   | \$ 2,033.58   | \$ 2,082.39   |
| 8    | Backflow Inspection                                         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| 9    | Repairs & Maint. Bldgs                                      | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| 10   | Shop Supplies                                               | \$ 135.76     | \$ 139.02     | \$ 142.35     | \$ 145.77     | \$ 149.27     |
| 11   | Repairs & Maintain Equipment                                | \$ 5,001.62   | \$ 5,121.66   | \$ 5,244.58   | \$ 5,370.45   | \$ 5,499.34   |
|      | Total Water Distribution System Expenses:                   | \$ 7,031.30   | \$ 7,200.05   | \$ 7,372.85   | \$ 7,549.80   | \$ 7,731.00   |
| 13   | Total Water System (WP&T) Expenses:                         | \$ 104,680.15 | \$ 107,192.47 | \$ 109,765.09 | \$ 112,399.46 | \$ 115,097.04 |

## PROJECTED 2026 EXPENSE AND REVENUE REPORT

|                                                              |               |
|--------------------------------------------------------------|---------------|
| Total Water System Expenses [(O&M) + (WT&P)]:                | \$ 560,267.55 |
| Total MWCD Annual Fee:                                       | \$ 26,952.37  |
| Total Water System Revenue (Base Rate, Water Sold, MWCD Fee) | \$ 566,563.00 |

Net Gain or (Loss): **-\$20,656.92**

## PROPOSED RATES

| System:                                                               |  |  |  |                                  | System ID Number:                                              | Date: 21-Nov-25           |
|-----------------------------------------------------------------------|--|--|--|----------------------------------|----------------------------------------------------------------|---------------------------|
| <b>City of Montague-Water Distribution System And Treatment Plant</b> |  |  |  |                                  |                                                                |                           |
| Capital Recovery Value 2025                                           |  |  |  |                                  |                                                                | \$309,154.48 Annually     |
| Water Production & Treatment Costs                                    |  |  |  |                                  |                                                                | \$104,680.15 Annually     |
|                                                                       |  |  |  |                                  | <b>Estimated Annual Cost to Distribute Water to Customers:</b> | <b>\$413,834.63</b>       |
| 2024 Water Production                                                 |  |  |  |                                  |                                                                | <b>47,284,190 Gallons</b> |
|                                                                       |  |  |  |                                  |                                                                |                           |
|                                                                       |  |  |  |                                  |                                                                |                           |
| Calculated Flat Rate per connection in 2026                           |  |  |  |                                  |                                                                | \$64.13 / conn.           |
|                                                                       |  |  |  |                                  |                                                                |                           |
| Calculated Rate per 1000 Gallons for 2026                             |  |  |  |                                  |                                                                | \$8.75 / 1000 gal.        |
|                                                                       |  |  |  |                                  |                                                                |                           |
|                                                                       |  |  |  |                                  | <b>O &amp; M Rate</b>                                          | <b>Rate/1000 Gallons</b>  |
|                                                                       |  |  |  |                                  | <b>( 10%/year)</b>                                             | <b>(8.5%/year)</b>        |
| 2025                                                                  |  |  |  | Current Flat Rate                | \$ 45.13                                                       | \$5.75 /1000 gal.         |
| 2026 1                                                                |  |  |  | Proposed Flat Rate w/ % Increase | \$49.64                                                        | \$6.24 /1000 gal.         |
| 2027 2                                                                |  |  |  | Proposed Flat Rate w/ % Increase | \$54.61                                                        | \$6.77 /1000 gal.         |
| 2028 3                                                                |  |  |  | Proposed Flat Rate w/ % Increase | \$60.07                                                        | \$7.34 /1000 gal.         |
| 2029 4                                                                |  |  |  | Proposed Flat Rate w/ % Increase | \$66.07                                                        | \$7.97 /1000 gal.         |
| 2030 5                                                                |  |  |  | Proposed Flat Rate w/ % Increase | \$71.03                                                        | \$8.65 /1000 gal.         |

**Flat Rate** Proposed Rate Increase - 10% per year for 5 years to account for inflation.

**Rate/1000 Gallons** Proposed Rate Increase -The price per 1000 gallons will increase by 8.5% per year for 5 years.

## Capital Improvements Plan

City of Montague - Sanitary Sewer Collection System & Treatment Plant

Date: 21-Nov-25

System ID Number:

Number Equivalent Family Dwelling Units (EDU): 540

| Quantity | Units | Component | Unit<br>Cost | Installed<br>Cost | Ave.<br>Life | Annual<br>Reserve | Monthly<br>Reserve | Monthly<br>Reserve<br>/ Conn. |
|----------|-------|-----------|--------------|-------------------|--------------|-------------------|--------------------|-------------------------------|
|----------|-------|-----------|--------------|-------------------|--------------|-------------------|--------------------|-------------------------------|

### Existing Facilities

|                     |      |                                    |                |                 |     |              |             |         |
|---------------------|------|------------------------------------|----------------|-----------------|-----|--------------|-------------|---------|
| 30870               | L.F. | 6" AC Sewer Pipe (1953)            | \$85.00        | \$2,583,018.18  | 27  | \$95,667.34  | \$7,972.28  | \$14.76 |
| 4200                | L.F. | 8" AC Sewer Pipe (1953)            | \$95.00        | \$358,068.18    | 27  | \$13,261.78  | \$1,105.15  | \$2.05  |
| 2020                | L.F. | 10" AC Sewer Pipe (1953)           | \$105.00       | \$171,168.18    | 27  | \$6,339.56   | \$528.30    | \$0.98  |
| 1716                | L.F. | 6" AC Sewer Pipe (1973)            | \$85.00        | \$111,750.15    | 47  | \$2,377.66   | \$198.14    | \$0.37  |
| 200                 | L.F. | 6" AC Sewer Pipe (1976)            | \$85.00        | -\$17,109.85    | 50  | -\$342.20    | -\$28.52    | -\$0.05 |
| 2916                | L.F. | 6" PVC Sewer Pipe (1980)           | \$85.00        | \$216,024.14    | 54  | \$4,000.45   | \$333.37    | \$0.62  |
| 846                 | L.F. | 6" PVC Sewer Pipe (2000)           | \$85.00        | \$66,225.03     | 74  | \$894.93     | \$74.58     | \$0.14  |
| 825                 | L.F. | 6" PVC Sewer Pipe (2005)           | \$85.00        | \$64,781.12     | 79  | \$820.01     | \$68.33     | \$0.13  |
| 412                 | L.F. | 6" PVC Sewer Pipe (2008)           | \$85.00        | \$31,609.02     | 82  | \$385.48     | \$32.12     | \$0.06  |
| 2440                | L.F. | 8" PVC Sewer Pipe (2013)           | \$95.00        | \$229,526.01    | 87  | \$2,638.23   | \$219.85    | \$0.41  |
| 2890                | L.F. | 8" PVC Sewer Pipe (2016)           | \$95.00        | \$272,276.01    | 90  | \$3,025.29   | \$252.11    | \$0.47  |
| 74                  | Each | 1953 Manholes                      | \$5,720.00     | \$382,348.18    | 27  | \$14,161.04  | \$1,180.09  | \$2.19  |
| 9                   | Each | 1980 Manholes                      | \$5,720.00     | \$21,918.13     | 54  | \$405.89     | \$33.82     | \$0.06  |
| 5                   | Each | 2005 Manholes                      | \$5,720.00     | \$24,052.02     | 79  | \$304.46     | \$25.37     | \$0.05  |
| 19                  | Each | 2016 Manholes                      | \$5,720.00     | \$106,406.01    | 90  | \$1,182.29   | \$98.52     | \$0.18  |
| 14                  | Each | 1953 Clean Outs                    | \$1,872.00     | -\$14,723.82    | 7   | -\$2,103.40  | -\$175.28   | -\$0.32 |
| 5                   | Each | 2005 Clean Outs                    | \$1,872.00     | \$4,357.22      | 59  | \$73.85      | \$6.15      | \$0.01  |
| 1                   | Each | Waste Water Treatment Plant (1978) | \$2,402,400.00 | \$2,368,290.15  | 34  | \$69,655.59  | \$5,804.63  | \$10.75 |
| 1                   | Each | Storage Reservoir (1978)           | \$1,092,000.00 | \$1,086,428.72  | 134 | \$8,107.68   | \$675.64    | \$1.25  |
| 3                   | Each | Pumping Stations (1978)            | \$841,360.00   | \$2,485,422.17  | 24  | \$103,559.26 | \$8,629.94  | \$15.98 |
| 2                   | Each | Buildings @ Treatment Plant (1978) | \$151,840.00   | \$269,570.15    | 34  | \$7,928.53   | \$660.71    | \$1.22  |
| Subtotal CIP Costs: |      |                                    |                | \$10,821,405.13 |     | \$332,343.73 | \$27,695.31 | \$51.29 |

Existing Deficiency for Future Replacement of System Facilities: \$10,821,405.13

**Note:** A percentage of the total funds within the City's Sewer Capital Reserve Account has been Subtracted from the total installed cost of each sewer facility based on the remaining useful life of the sewer facility. Those facilities with a short useful life were applied a larger percentage of the funds compared to the facilities with a longer useful life remaining.

A negative installed cost means that currently there are sufficient funds within the Sewer Capital Reserve Account to replace that facility if need to.

**Sewer Capital Reserve Balance: \$477,537.87**

# FIVE YEAR BUDGET PROJECTION

System Name: **City of Montague - Sanitary Sewer Collection System & Treatment Plant**      System ID Number: **2.40**      % Inflation: **2.40**      Date: **21-Nov-25**

| LINE | EXPENSES AND SOURCE OF FUNDS                           | 2026          | 2027          | 2028          | 2029          | 2030          |
|------|--------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
|      | <b>OPERATIONS &amp; MAINTENANCE (O&amp;M) EXPENSES</b> |               |               |               |               |               |
|      | <b>Sanitary Sewer System (Account 310):</b>            |               |               |               |               |               |
| 1    | Salaries                                               | \$ 74,738.08  | \$ 76,531.79  | \$ 78,368.56  | \$ 80,249.40  | \$ 82,175.39  |
| 2    | Clothing Allowance                                     | \$ 22.00      | \$ 22.53      | \$ 23.07      | \$ 23.62      | \$ 24.19      |
| 3    | Pers-Retirement                                        | \$ 12,167.92  | \$ 12,459.95  | \$ 12,758.99  | \$ 13,065.20  | \$ 13,378.77  |
| 4    | Insurance WC                                           | \$ 6,886.46   | \$ 7,051.74   | \$ 7,220.98   | \$ 7,394.28   | \$ 7,571.74   |
| 5    | Health Insurance                                       | \$ 19,213.13  | \$ 19,674.25  | \$ 20,146.43  | \$ 20,629.94  | \$ 21,125.06  |
| 6    | Fuel                                                   | \$ 2,519.29   | \$ 2,579.75   | \$ 2,641.67   | \$ 2,705.07   | \$ 2,769.99   |
| 8    | Repairs & Maintain Equipment                           | \$ 1,179.44   | \$ 1,207.75   | \$ 1,236.73   | \$ 1,266.41   | \$ 1,296.81   |
| 9    | Maintain Vehicles                                      | \$ 749.49     | \$ 767.48     | \$ 785.90     | \$ 804.76     | \$ 824.07     |
| 10   | Security Cameras                                       | \$ 708.66     | \$ 725.67     | \$ 743.08     | \$ 760.92     | \$ 779.18     |
| 11   | Utilities                                              | \$ 1,893.94   | \$ 1,939.39   | \$ 1,985.94   | \$ 2,033.60   | \$ 2,082.41   |
| 12   | Heating Fuel                                           | \$ 2,304.32   | \$ 2,359.62   | \$ 2,416.25   | \$ 2,474.24   | \$ 2,533.63   |
| 13   | Telephone/Internet/Wireless                            | \$ 2,498.23   | \$ 2,558.19   | \$ 2,619.58   | \$ 2,682.45   | \$ 2,746.83   |
| 15   | Shop Supplies                                          | \$ 508.30     | \$ 520.50     | \$ 532.99     | \$ 545.78     | \$ 558.88     |
| 16   | Dues & Subscriptions                                   | \$ 150.00     | \$ 153.60     | \$ 157.29     | \$ 161.06     | \$ 164.93     |
| 21   | Computer/Software/Support                              | \$ 1,821.63   | \$ 1,865.35   | \$ 1,910.12   | \$ 1,955.96   | \$ 2,002.90   |
| 22   | Total Sanitary Sewer System Expenses:                  | \$ 127,360.89 | \$ 130,417.55 | \$ 133,547.57 | \$ 136,752.71 | \$ 140,034.78 |
|      |                                                        |               |               |               |               |               |
|      | <b>Wastewater Treatment Plant (Account 305):</b>       |               |               |               |               |               |
| 24   | Salaries                                               | \$ 32,580.58  | \$ 33,362.51  | \$ 34,163.21  | \$ 34,983.13  | \$ 35,822.73  |
| 25   | Insurance WC                                           | \$ 4,315.52   | \$ 4,419.09   | \$ 4,525.15   | \$ 4,633.75   | \$ 4,744.96   |
| 26   | Health Insurance                                       | \$ 7,139.57   | \$ 7,310.92   | \$ 7,486.38   | \$ 7,666.05   | \$ 7,850.04   |
| 27   | Clothing allowance                                     | \$ 796.34     | \$ 815.45     | \$ 835.02     | \$ 855.06     | \$ 875.59     |
| 30   | Chemicals Treatment                                    | \$ 3,643.99   | \$ 3,731.45   | \$ 3,821.00   | \$ 3,912.70   | \$ 4,006.61   |
| 31   | Repairs & Maintain Equipment                           | \$ 7,587.77   | \$ 7,769.88   | \$ 7,956.35   | \$ 8,147.31   | \$ 8,342.84   |
| 32   | Maintenance Vehicles                                   | \$ 21,818.53  | \$ 22,342.17  | \$ 22,878.39  | \$ 23,427.47  | \$ 23,989.73  |
| 33   | Pers-retirement                                        | \$ 6,871.51   | \$ 7,036.43   | \$ 7,205.30   | \$ 7,378.23   | \$ 7,555.31   |
| 34   | Utilities                                              | \$ 28,398.17  | \$ 29,079.73  | \$ 29,777.64  | \$ 30,492.30  | \$ 31,224.12  |
| 35   | Telephone/Internet/Wireless                            | \$ 1,005.10   | \$ 1,029.22   | \$ 1,053.92   | \$ 1,079.22   | \$ 1,105.12   |
| 36   | Lab Samples                                            | \$ 1,769.76   | \$ 1,812.23   | \$ 1,855.73   | \$ 1,900.27   | \$ 1,945.87   |

# FIVE YEAR BUDGET PROJECTION

|    |                                                |    |            |    |            |    |            |    |            |    |            |
|----|------------------------------------------------|----|------------|----|------------|----|------------|----|------------|----|------------|
| 37 | Dues & Subscriptions                           | \$ | 85.00      | \$ | 87.04      | \$ | 89.13      | \$ | 91.27      | \$ | 93.46      |
| 39 | Insurance Liability                            | \$ | 3,275.00   | \$ | 3,353.60   | \$ | 3,434.09   | \$ | 3,516.50   | \$ | 3,600.90   |
| 40 | Property Insurance                             | \$ | 6,245.47   | \$ | 6,395.36   | \$ | 6,548.85   | \$ | 6,706.02   | \$ | 6,866.97   |
| 43 | Postage                                        | \$ | 2,332.28   | \$ | 2,388.25   | \$ | 2,445.57   | \$ | 2,504.27   | \$ | 2,564.37   |
| 45 | Total Sanitary Sewer Treatment Plant Expenses: | \$ | 127,864.59 | \$ | 130,933.34 | \$ | 134,075.74 | \$ | 137,293.56 | \$ | 140,588.60 |
|    |                                                |    |            |    |            |    |            |    |            |    |            |
|    | Total Sanitary Sewer System Expenses:          | \$ | 255,225.48 | \$ | 261,350.89 | \$ | 267,623.31 | \$ | 274,046.27 | \$ | 280,623.38 |
|    |                                                |    |            |    |            |    |            |    |            |    |            |
|    | REVENUES RECEIVED                              |    |            |    |            |    |            |    |            |    |            |
|    |                                                |    |            |    |            |    |            |    |            |    |            |
|    | Sewer System Revenue:                          | \$ | 349,680.00 |    |            |    |            |    |            |    |            |
|    |                                                |    |            |    |            |    |            |    |            |    |            |
|    | NET GAIN OR (LOSS)                             | \$ | 94,454.52  |    |            |    |            |    |            |    |            |

|                                              | 2026     | 2027     | 2028     | 2029     | 2030     |
|----------------------------------------------|----------|----------|----------|----------|----------|
| Number of Customers:                         | 540      | 540      | 540      | 540      | 540      |
| Average Monthly Revenue Needed per Customer: | \$ 39.39 | \$ 40.33 | \$ 41.30 | \$ 42.29 | \$ 43.31 |

## PROPOSED RATES

|                                                            |                                                                                                                  |  |  |  |  |  |  |                                  |                                   |                 |              |                  |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|----------------------------------|-----------------------------------|-----------------|--------------|------------------|
| <b>System:</b>                                             |                                                                                                                  |  |  |  |  |  |  |                                  |                                   |                 | <b>Date:</b> | <b>21-Nov-25</b> |
| <b>City of Montague</b>                                    | <b>Sanitary Sewer Collection System &amp; Treatment Plant</b>                                                    |  |  |  |  |  |  |                                  | System ID Number:                 |                 |              |                  |
| Capital Recovery Value                                     | (Based on estimated system replacement costs for 2025)                                                           |  |  |  |  |  |  |                                  |                                   | \$332,343.73    | Annually     |                  |
|                                                            |                                                                                                                  |  |  |  |  |  |  |                                  |                                   |                 |              |                  |
|                                                            |                                                                                                                  |  |  |  |  |  |  |                                  |                                   |                 |              |                  |
|                                                            |                                                                                                                  |  |  |  |  |  |  |                                  |                                   |                 |              |                  |
|                                                            |                                                                                                                  |  |  |  |  |  |  |                                  |                                   |                 |              |                  |
| Calculated O & M Rate per Connection in FY 2026            | (Flat Rate is calculated using O & M for fiscal year 24/25, 540 connections, and an inflation rate of 2.4 %/yr ) |  |  |  |  |  |  |                                  |                                   |                 | \$39.39      | / conn.          |
| Calculated CIP Rate per Connection in FY 2026              | (Flat Rate is calculated using estimated system replacement costs for 2025 & 544 connections)                    |  |  |  |  |  |  |                                  |                                   |                 | \$51.29      | / conn.          |
|                                                            |                                                                                                                  |  |  |  |  |  |  |                                  |                                   |                 |              |                  |
| Total Calculated Sewer Flat Rate per Connection in FY 2026 |                                                                                                                  |  |  |  |  |  |  |                                  |                                   |                 | \$90.67      | / conn.          |
|                                                            |                                                                                                                  |  |  |  |  |  |  |                                  | Monthly Sewer Rate<br>( 12%/year) |                 |              |                  |
|                                                            |                                                                                                                  |  |  |  |  |  |  |                                  |                                   |                 |              |                  |
| 2025                                                       |                                                                                                                  |  |  |  |  |  |  | Current Rate                     |                                   | \$51.21 / conn. |              |                  |
| 2026                                                       | 1                                                                                                                |  |  |  |  |  |  | Proposed Flat Rate w/ % increase |                                   | \$57.36 / conn. |              |                  |
| 2027                                                       | 2                                                                                                                |  |  |  |  |  |  | Proposed Flat Rate w/ % increase |                                   | \$64.24 / conn. |              |                  |
| 2028                                                       | 3                                                                                                                |  |  |  |  |  |  | Proposed Flat Rate w/ % increase |                                   | \$71.95 / conn. |              |                  |
| 2029                                                       | 4                                                                                                                |  |  |  |  |  |  | Proposed Flat Rate w/ % increase |                                   | \$80.58 / conn. |              |                  |
| 2030                                                       | 5                                                                                                                |  |  |  |  |  |  | Proposed Flat Rate w/ % increase |                                   | \$90.25 / conn. |              |                  |

Proposed Rate Increase - 12% per year for 5 years

### Flat Rate