



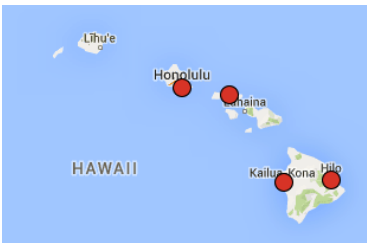
Setting Water Rates Using a Free Excel[®]-Based Model

August 11, 2015

Webinar by the Environmental Finance Center Network,
sponsored by the U.S. Environmental Protection Agency



Smart Management for Small Water Systems





Smart Management for Small Water Systems

under a Cooperative Agreement with the US EPA

- The EFCN provides training and technical assistance to small public water systems in all fifty states and five territories to help local water systems achieve and maintain compliance with the Safe Drinking Water Act.
- Workshops, trainings and direct assistance are provided on:
 - Asset Management
 - Water Loss Reduction
 - Water System Collaboration
 - Fiscal Planning and Rate Setting
 - Energy Management
 - Funding Coordination, and
 - Managerial and Financial Leadership
- Sign up for direct assistance
at <http://efcnetwork.org/assistance/request-assistance/>





Setting Water Rates Using the EFC-UNC's Water and Wastewater Rates Analysis Model

(version 2.8.2)

August 11, 2015



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Water and Wastewater Rates Analysis Model


<http://efc.sog.unc.edu> or <http://efcnetwork.org>

Find the most up-to-date version in Resources / Tools


Free!

Water & Wastewater Rates Analysis Model

Version 2.8.2 (last updated August 4, 2015)



Developed by the Environmental Finance Center at the University of North Carolina, Chapel Hill
<http://efc.sog.unc.edu>



Funded by the U.S. Environmental Protection Agency and the Public Water Supply Section of the North Carolina Department of Environment and Natural Resources

Get Started

Download a copy of the model populated with data from an example utility

DESCRIPTION

A do-it-yourself, simplified financial model to assist utility managers and private system owners in setting water and wastewater rates.

FEATURES

- Comparisons of annual fund balance projections (for up to 20 years) under proposed new rates vs. staying with existing rates
- Adjust rates for the next 1-5 years
- Model changes to accounts and water use
- Up to 12 rate structures
- Customizable list of operating and capital expenses
- Compare monthly bills under new rates vs. existing rates
- Uniform or block rates (up to 10 blocks)
- Building up reserves through rates
- Assess revenue sufficiency and fund balance
- Error notifications

INSTRUCTIONS

- Navigate using worksheet tabs at bottom of screen or following arrows and clicking on buttons
- In the green "Data Input" worksheets, input data in the dark green cells

View Results

Financial forecast of the next few years under "Existing" rates versus "New" rates (graphs of cost recovery and end-of-year fund balance)

How new rates compare to existing rates (graphs of monthly bills)

Year	2015	2016	2017	2018	2019	2020
Total	\$11,500	\$13,000	\$15,000	\$17,000	\$20,000	\$25,000
Interest	2,000	2,000	2,000	2,000	2,000	2,000
Principal	9,500	11,000	13,000	15,000	18,000	23,000

Category	2015
Interest	\$ 700,000
Depreciation	\$ 290,000
Capital expenses	\$ 20,000
Program Security Authority operations & maintenance	\$ 500,000
Interest on debt	\$ 700,000
Interest on bonds	\$ 200,000
Debt and insurance	\$ 45,000
Other charges	\$ 400,000

Year:	2015	2016	2017	2018	2019	2020
Existing	\$11.50	\$13.00	\$15.00	\$17.00	\$20.00	\$25.00
New	\$11.50	\$13.00	\$15.00	\$17.00	\$20.00	\$25.00

Block	End	2015	2016	2017	2018	2019	2020
1,000	gallons	\$2.78	\$2.78	\$2.78	\$3.00	\$3.50	\$4.00
1,000	gallons	\$4.00	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50
1,000	gallons	\$6.00	\$6.50	\$7.00	\$8.00	\$9.00	\$9.50

Watch out for red "Error" messages describing where data entry errors

Created by the Environmental Finance Center at the University of North Carolina, Chapel Hill
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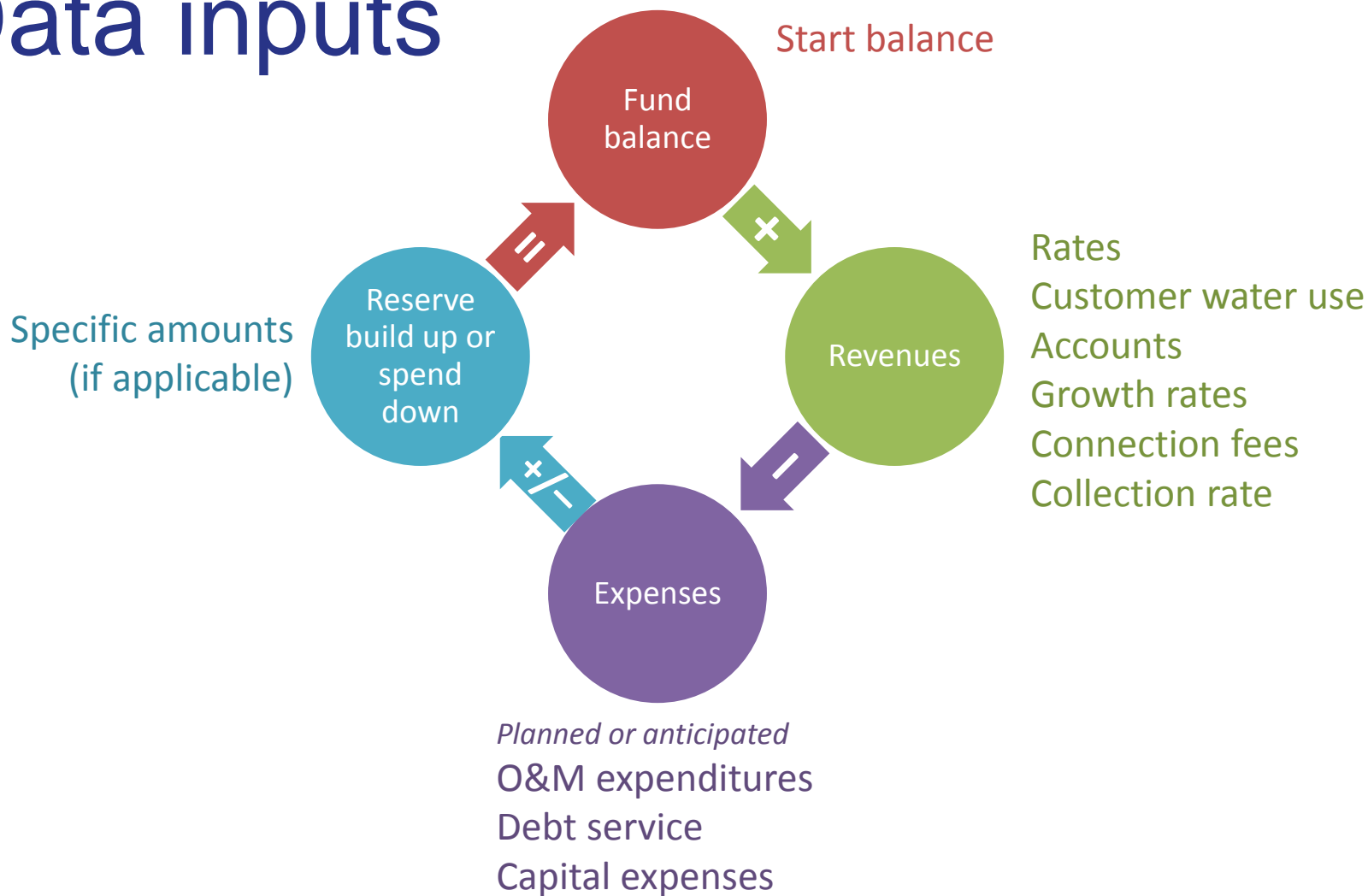
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Data inputs





Useful documents to start with

- Rate sheet and fee schedule
- Current budget
- Past budgets or audited financial statements
- Capital Improvement Plan
- Reports from billing data: number of accounts, and 1 or more complete years of monthly water use (broken down by rate structures and blocks)
- Other documents that influence future rates or expenses (e.g. Master plan, reserve study, etc.)



Demonstration of the model

Direct link to the tool:

<http://efc.sog.unc.edu/reslib/item/water-sewer-rates-analysis-model>



Thank You

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C.E.U.s and evaluation form

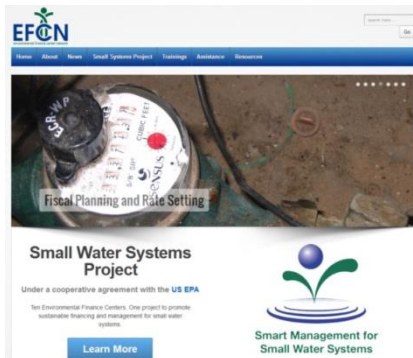
Additional resources:

- Download more tools and resources
- View your state's funding programs matrix
- Attend in-person workshops or webinars
- Sign up for direct technical assistance

<http://efcnetwork.org>

Sign up for a weekly *Environmental Finance* blog

<http://efc.web.unc.edu>



Five Dangerous Financial Myths for Small Water Systems

JULY 23, 2015 / JEFFREY HUGHES / 2 COMMENTS / EDIT

Print PDF

Small water systems serving 10,000 people or less comprise more than 94% of our nation's public water systems. They are a large and diverse group, and are managed in a wide variety of ways – from local and tribal governments to municipalities.



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