

# Water Utility Cost Presentation

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# Water Service Pricing - Dayton for Trotwood

Water pricing set annually based on a Cost-of-Service Model

- Follows the “**Utility Method**” of rate setting as defined in:
  - › *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, American Water Works Association M1, Seventh Edition, 2017.*
- Under the Utility Method, costs are recovered through several components:
  - › Operation and maintenance (O&M) expenses
  - › Depreciation
  - › Rate of return on assets.

# Other 2025 Cost of Service Model Parameters

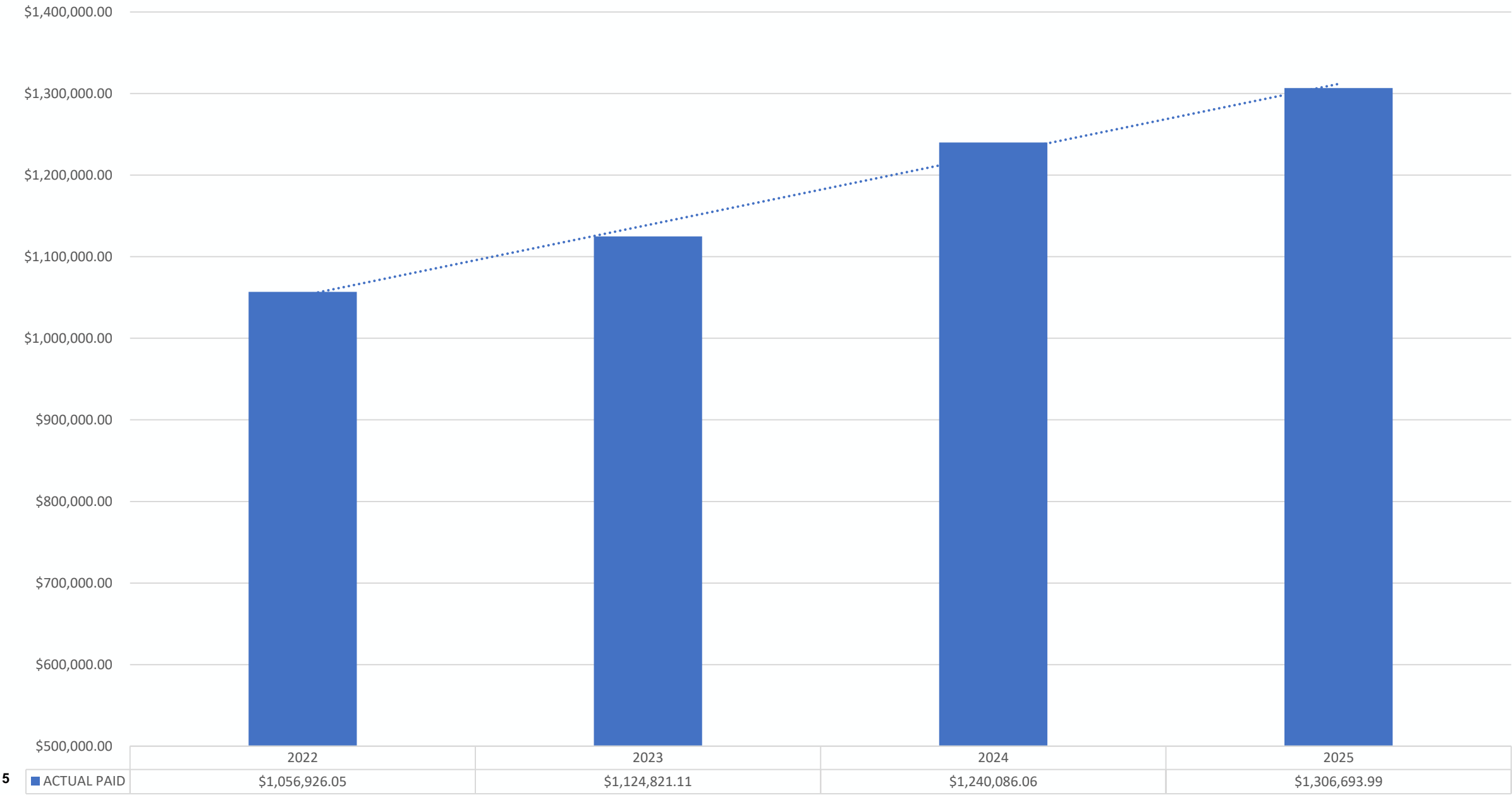
- Water demands are based on the average of the prior three years.
- O&M expenses are based on 2023 actual costs escalated to 2025.
- Capital costs are based on 2023 asset base and depreciation adjusted to 2025
- The cost of debt = 3.9%, equity return = 6.5%, WACC = 4.65%

# Trotwood Water Rate Summary for 2025

Information provided by City of Dayton Water Department

Description	Model	% of Total	Trotwood % of Total	Trotwood Portion	
	Calculated FY 2025				
Billed Volume (CCF)					
Inside City	7,715,517	40.3%			
Outside City - Retail	432,921	2.3%	50.1%	216,842	
Outside City - Wholesale	33,837	0.2%			
Montgomery County	10,945,548	57.2%			
Total	19,127,823				
Base Charge Portion (Capital)					
Inside City	\$ 20,424,983	69.6%			
Outside City - Retail	462,206	1.6%	50.1%	\$231,655	
Outside City - Wholesale	20,339	0.1%			
Montgomery County	8,440,062	28.8%			
Total	\$ 29,347,590				
Volumetric Rate Portion (O&M)					
Inside City	\$ 23,896,689	56.4%			
Outside City - Retail	1,286,946	3.0%	50.6%	\$651,780	
Outside City - Wholesale	40,569	0.1%			
Montgomery County	17,142,458	40.5%			
Total	\$ 42,366,662				
Total Allocated Cost					
Inside City	\$ 42,858,660	61.0%			
Outside City - Retail	1,749,152	2.5%	50.5%	\$883,435	\$1,110,573 (2023)
Outside City - Wholesale	60,707	0.1%			
Montgomery County	25,582,520	36.4%			
Total	\$ 70,251,039				
Trotwood Volumetric Rate (\$ / MCF)				\$30.06	
Trotwood Monthly Base Charge (\$)				19,305	
Equivalent Cost (\$ / MCF)				\$40.74	
Equivalent Cost (\$ / kgal)				\$5.45	

WATER CHARGES PER YEAR



2025 WATER CHARGES COMPARISON CHART

