



WATERWORTH™

# Continuous Utility Rate Management

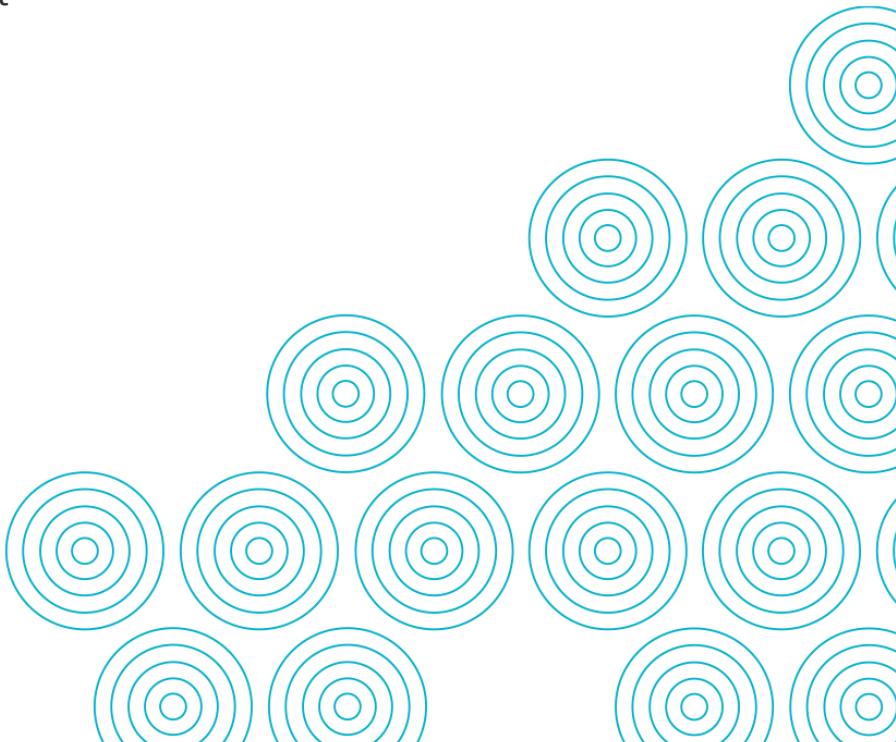
**Yorktown, IN**

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# OUR MISSION

Empowering financially sustainable local government services and winning back the public trust.



## YOUR GOALS

Based on conversations with Yorktown staff, we understand your key goals are:

**Generate sufficient revenue from rates for long-term capital needs and to fully recover our costs while justifying our recommendations**

**Present visual data-driven recommendations backed and supported by a professional advising team.**

Related priorities:

- **Ensure services are priced equitably between customer classes, and protect customer affordability**
- **Facilitate strong communication between staff, the public, and Board Members**
- **Maintain a strategic financial plan that leverages the best mix of cash, debt and Federal or State funding**
- **Explore funding strategies and scenarios to pay off debt service**
- **Maintain a healthy debt service coverage ratio**
- **Proactively renew and replace aging infrastructure**
- **Understand impacts to utility rates**

Waterworth can help achieve these goals and priorities through **Continuous Utility Rate Management**.

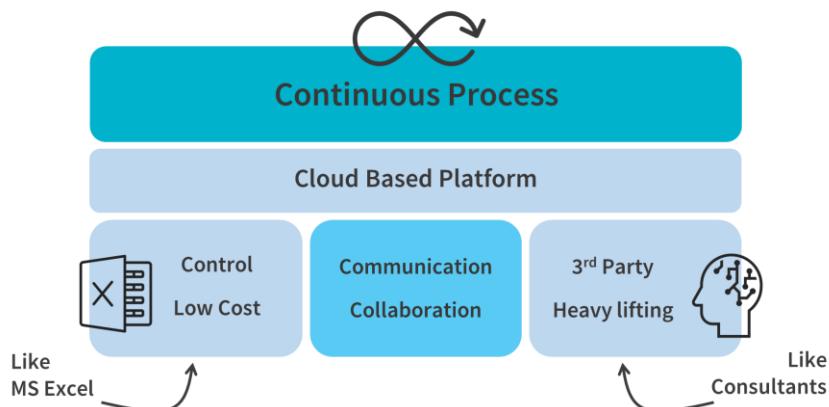
# Continuous Utility Rate Management

## What is it?

There are two methods of rates management commonly used today. When people want total control and low cost, they build in-house models with Microsoft Excel. We all love Excel - you can build what you want, it's flexible and practically free. It also has headaches. With Waterworth you have the control but without the headaches that come with maintaining an Excel spreadsheet. It's easy to use and very cost effective.

Other communities use rate consultants. They do an excellent job. They're experts and bring credibility to a council presentation. Similarly, the Waterworth team can step in as needed to do the heavy lifting and facilitate communications and action among staff and your elected officials.

Waterworth also addresses a critical gap by enabling easy Communication & Collaboration between individual departments, city administration and elected officials. With Waterworth, options can be carefully and efficiently reviewed, updated, reported on, compared with other scenarios. You can communicate difficult financial stories with ease so Council and the public can really buy in to the right decisions.



The thing our customers love the most is how we enable Continuous Rate Management. Rate studies are static in time. But variables keep changing - inflation is high, projects are getting repriced and reshuffled, interest rates fluctuate, sometimes you might get a grant, but you don't want to plan on it.

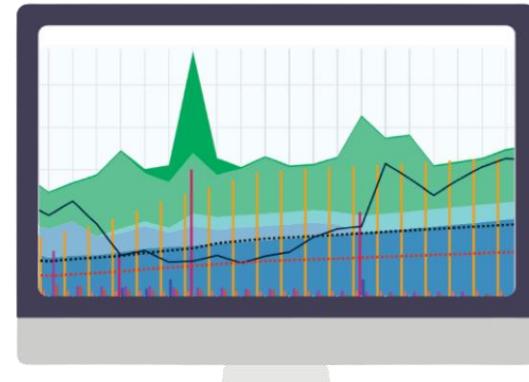
With Waterworth, you can stay in total control of all the moving parts while keeping everyone on the same page. This makes managing rates effortless and builds a synergistic relationship between city and elected officials.



## KEY FEATURES

### LONG-TERM FINANCIAL MODEL

Develop a full-cost recovery model to understand long-term revenue requirements. Integrate CIP, Master Plans, and future capital reinvestment budgeting along with debt service scenarios, cash reserve policies, and tie it all back to a rate schedule.



### ASSET REPLACEMENT SCHEDULE

Leverage your GIS data to produce a long-term asset replacement schedule to understand the cost of sustainable ownership, and benchmark how much to invest annually in capital renewal to avoid emergencies and preserve intergenerational equity.

### COST OF SERVICE ANALYSIS (Upgrade Required)

Review historical demand patterns and work towards a true cost-of-service model for each customer category including wholesale customers. Explore cost reallocation scenarios to see how you can make rates more equitable.

### RATE DESIGN (Upgrade Required)

Onboard billing data, analyze your current rate structure, easily model new rate structure options and immediately visualize the billing impacts of various options – what the changes will mean for revenues and affordability for residents.

### SCENARIO EXPLORATION

Perhaps one of the most powerful features is the ability to quickly create and manage scenarios, compare them visually using 3 comparative modes (difference, side-by-side, overlay) and combine scenarios from different service areas into one complete organization-wide model.

## SAVE TIME AND AGGRAVATION

Take pride in telling a better financial story. This makes communicating tough, complex issues easier leading to more efficient conversations. In the end, smarter decisions are made more quickly and with very little effort. Everyone saves time and aggravation.

## BENEFITS



## LEVERAGE YOUR DATA TO DRIVE BETTER DECISIONS

Up-to-date data reflects the real-world circumstances of your community so you can have confidence that analysis and recommendations plot the best path forward in real-time. Waterworth is compatible with many other systems, so onboarding is relatively easy.



## ENSURE LONG-TERM FINANCIAL SUSTAINABILITY

Plan for intergenerational equity by first determining long-term cost of sustainable ownership of infrastructure. Then become financially resilient and mitigate uncertainty about future events through better planning by developing and exploring scenarios.

## LEVERAGE PROFESSIONAL SUPPORT THAT'S TAILORED TO YOU

Short-staffed? Think of us as a specialized part of your team. We're here to make sure you are asking the right questions and making progress towards community goals. Support is here, whenever and however you need it: we'll assist with data needs, analysis, scenario exploration, presentation, and succession.

We've got your back!



## UNLIMITED SUPPORT & ADVISING

Included with all services. We're here for you by chat, email, phone or zoom as much or as little as needed to ensure you meet your goals.

- Unlimited 1:1 coaching with all included tools
- Expert advice with Financial Modeling, Cost of Service Analysis, Infrastructure Analysis and Rate Design
- Onboarding and refining of external financial model or Pro Forma into Waterworth's financial model
- Assistance with project management and organization to help meet deadlines and stay on track of priorities
- Training for effective communication with elected officials and between departments
- Assistance with analysis of complex datasets, and impact analysis of any scenarios or proposed changes
- Assistance with presenting models internally or to Boards/Councils
- Assistance with onboarding instructions for Assets, Population, Flows or Billing Data
- Training of new staff on Waterworth
- Facilitating succession transitions

# METHODOLOGY

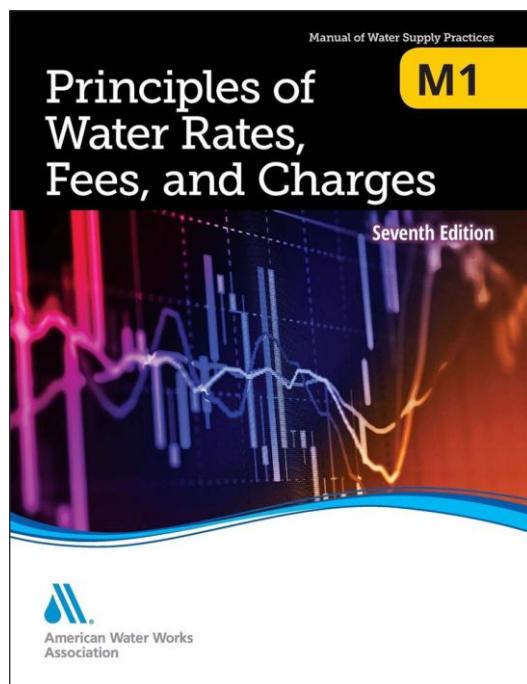
Waterworth is based on the fundamentals of rate design as outlined in AWWA M1 and WEF 27.

These manuals set the industry accepted standard practices in financial planning and rate making to establish cost-based rates, fees, and charges to recover the full costs associated with utilities.



**American Water Works  
Association**

*Dedicated to the World's Most Important Resource®*



WEF PRESS



## Financing and Charges for Wastewater Systems

- Asset Management
- Operating and capital costs analysis and allocation
- Integrates cost allocation and rate making
- SI units followed by US customary units

WATER ENVIRONMENT FEDERATION

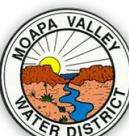
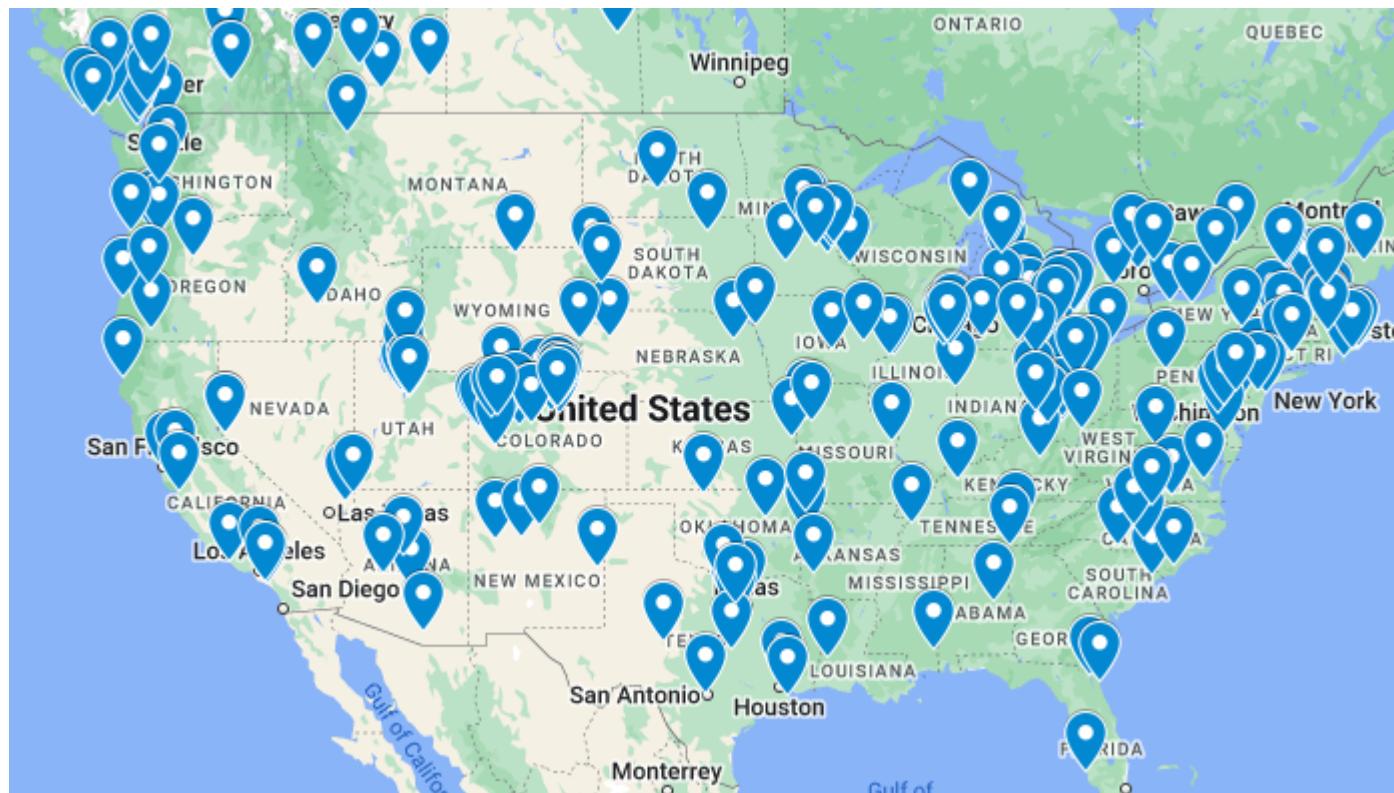
MANUAL OF PRACTICE No. 27



WATERWORTH™

## WHO ELSE DOES THIS?

Waterworth is trusted by over 300 cities and towns across North America.



## CLIENT TESTIMONIALS

“We informed our Board that inflation has severely impacted the costs of our capital projects and it became clear that without a \$7,000,000 bond, we would be in trouble.

It is amazing how much easier this process is now that we have Waterworth. Whenever we have discussions with our Board we use Waterworth to review and explore options. Because we do this frequently, the board is familiar with the model and so they trust in Waterworth. The discussion regarding the need to obtain the \$7,000,000 bond lasted less than 10 minutes.”

Wes Smith, CFO  
Virgin Valley Water District, Nevada



“What’s great about Waterworth is that I don’t have to wait for a consultant and compile all kinds of information.

I can go into my model and get a snapshot of what I’m looking at... it’s the convenience of being able to get the information I need quickly and whenever I want.”

John Mastandona, Director of Finance  
Village of Western Springs, Illinois



Yvonne Acuña, Assistant Finance Director  
City of Leon Valley Texas



“That’s how we have found Waterworth to be valuable: showing our elected officials the scenarios of if we don’t do anything, if we do something, and having those changes side by side.”

“We’ve been trying to do this on our own for 10 years, to have something so turnkey was just an absolute blessing.”



Lisa Vollbrecht, Public Utilities Director  
City of St. Cloud, Minnesota

# Annual Subscription – LFM Only

Item	Description	Unit Price	Cumulative Price
Long Term Financial Model Asset Replacement Schedule Scenario Exploration	Software Access to Water Unlimited Support and Advising for Water	\$7,000	\$7,000
			<b>Total USD</b> <b>\$7,000</b>

# Annual Subscription – W/ Rate Design

Item	Description	Unit Price	Cumulative Price
Long Term Financial Model Asset Replacement Schedule Scenario Exploration <b>Rate Design</b>	Software Access to Water Unlimited Support and Advising for Water	\$9,000	\$9,000
			<b>Total USD</b> <b>\$9,000</b>

## Included:

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- Implementation
- Unlimited User Licenses
- Unlimited Support and Advising
- Training
- Creation of Reports
- Workshop Facilitation
- Presentation
- Assistance with: Data Onboarding, Data Analysis, Scenario Exploration

Subscription effective date is on the day of the Getting Started Meeting when user sign-in accounts are created. Renewal invoices will be sent 60 days before the anniversary of the effective date. **Prices set to increase by 5% per year.**

# Unique Value Proposition Document

Waterworth is a unique and specialized solution with no comparable alternative. No customer has ever had to procure Waterworth through an RFP process.

## Sole Source Qualifying Factors

1. Unique & Proprietary Technology
2. Highly Specialized Purpose-Built
3. Compatibility with Existing Systems
4. Quick Implementation & Training
5. Professional Advice & Coaching

Based on the Sole Source Requirements outlined by the National Association of State Procurement Officials (NASPO), the Single/Sole Source Procurement our clients have referenced when subscribing to Waterworth.

Unique Value Proposition Document available upon request:



- Detailed documentation describing what is unique and specialized about Waterworth to assist in varying procurement approaches