

Annual Consumption

The District currently receives three monthly invoices from Muncie for the treatment of sewage. Two of the monthly invoices are based upon usage and the third has a flat charge per month. Using an estimate of the monthly consumption for the flat rate billing and the actual consumption for the months of January through December 2017, the annual consumption billed by Muncie to the District was 225,629 one hundred cubic feet (CCF). The total annual consumption billed by Muncie to Liberty was 149,902 CCF for January through December 2017 usage. In 2017, the District paid a rate of \$5.37 per CCF. Liberty paid a rate of \$4.54 for the first two months and \$5.37 for the last ten months. The current rate charged in 2018 to both the District and Liberty is \$5.48 per CCF. The Muncie rate ordinance lists a two percent (2%) rate increase effective 2019. The estimated 2019 rate for the District and Liberty is expected to be \$5.60 per CCF. Below lists the calculation of the cost of treatment using the actual 2017 invoices, the calculated cost of treatment using the 2018 rate with the 2017 flow, and the calculated cost of treatment using the 2019 rate with the 2017 flow.

	<u>District</u>	<u>Liberty</u>
Total Consumption in CCF (2017)	225,629	149,902
Cost of Treatment for 2017 Flow	\$ 1,211,630	\$ 781,112
Cost of Treatment at 2018 Rate	\$ 1,236,447	\$ 821,463
Cost of Treatment at Estimated 2019 Rate	\$ 1,263,522	\$ 839,451

Treatment Rate

Using the Total WWTP Annual Expense divided by the total consumption in CCF, the following treatment rate can be calculated.

	1.0 MGD WWTP for <u>the District</u>	1.6 MGD WWTP for	
		<u>the District</u>	<u>Liberty</u>
Estimated Treatment Rate			
USDA Loan	\$ 4.22	\$ 3.66	\$ 4.76
State Revolving Fund	4.57	3.95	5.24
Open Market	6.18	5.27	7.38

This can be compared to the Muncie treatment rates as previously listed:

Compare to Muncie Treatment Rate per CCF	
2018 Rate	\$ 5.48
Estimated 2019 Rate	5.60

Summary

The treatment rate for the annual cost of financing and operating a WWTP is less than the current Muncie Treatment Rates if the District is able to secure either a USDA Loan or an SRF Loan. The treatment rate required to fund the annual costs of operating and financing an open market loan would be greater than the current Muncie Treatment Rate for the 1.0 MGD WWTP for the District and the 1.6 MGD WWTP rate for the portion allocated to Liberty.