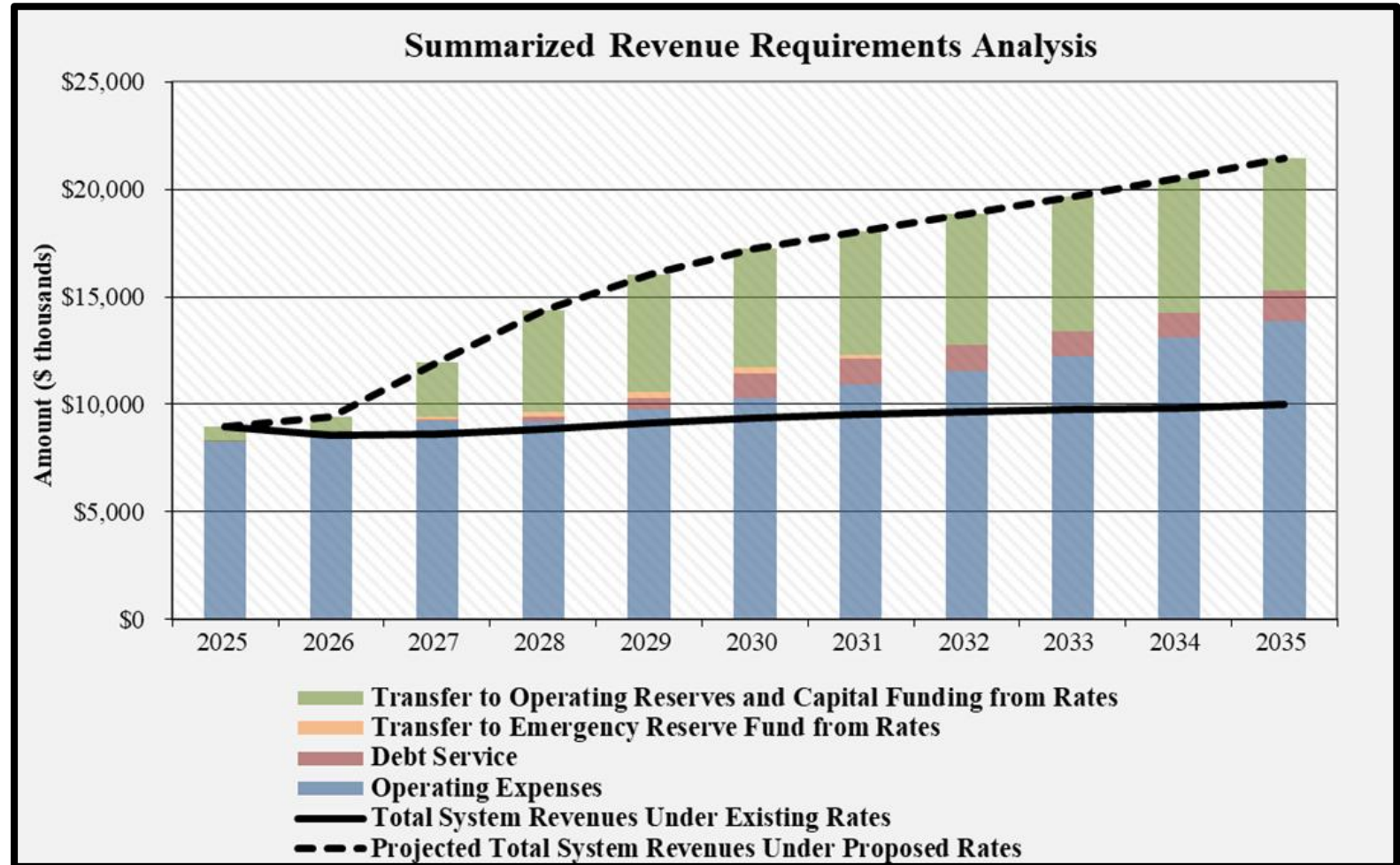


# Island Water Association, Inc.

Water Revenue Sufficiency Study Outcomes  
Proposed Revised Rate & Fee Adjustments

# Why are Rate Adjustments Required?

- IWA last adjusted rates in 2009 (16 years)
- Inflationary impacts on O&M costs
  - FY2026 Revenues projected < O&M expenses
- 10-year, \$122 million Capital Improvement Plan
  - Resiliency/reliability
  - Renewal/replacement
  - Capacity expansion
- Establish an Emergency Reserve Fund



# What's Changed from Original Proposal?

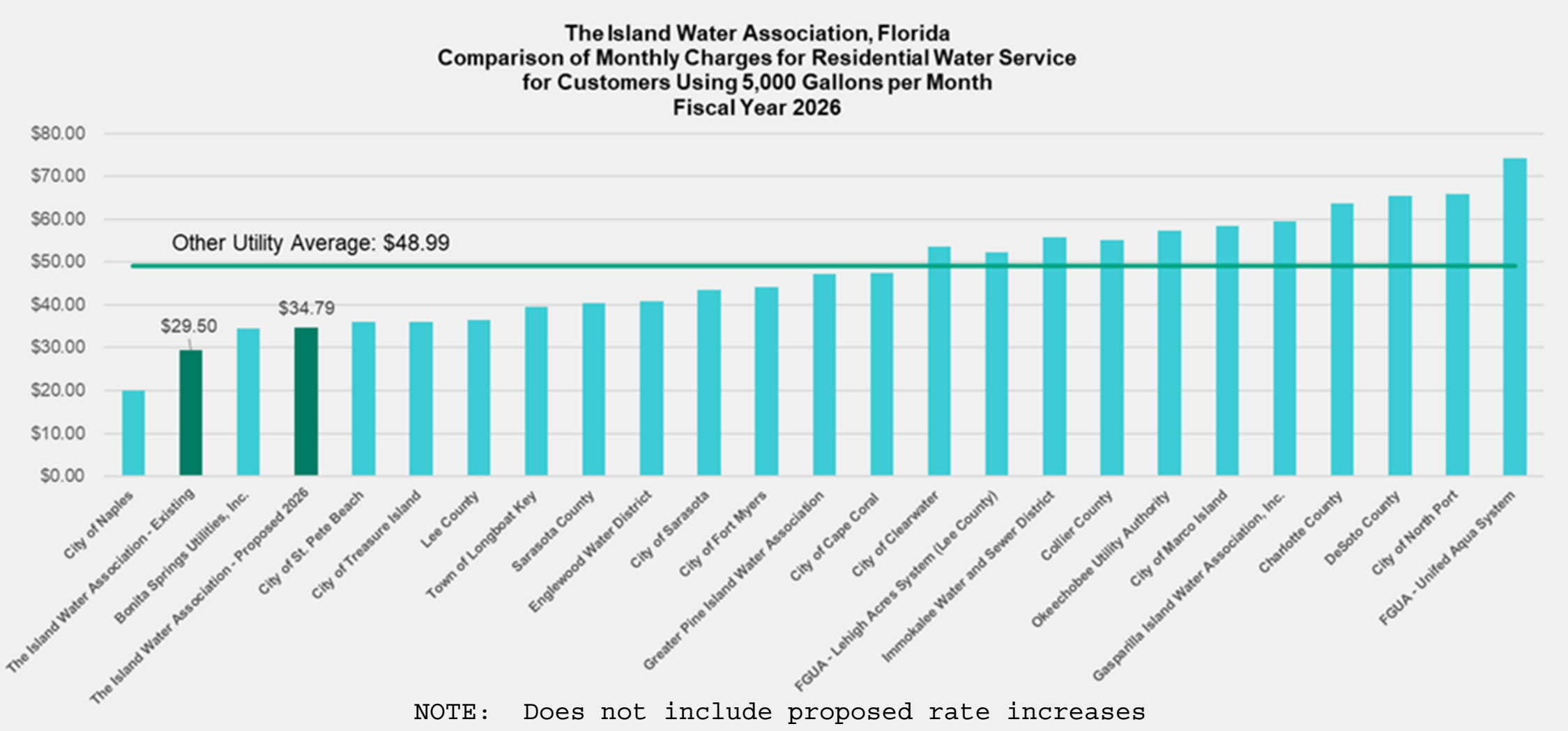
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- \$34.6M in newly awarded forgivable and zero-interest loans
  - Added to \$10 million in previously awarded grant funds
- Recommended rate adjustment reduced from 21% to 18%, applied to all billed services annually in 2026-2028
- Membership Fees updated to consider impact of award. Fees remain based cost per Equivalent Residential Unit (ERU)
  - 1 ERU = Average water use of typical household

# Proposed Rate Adjustments

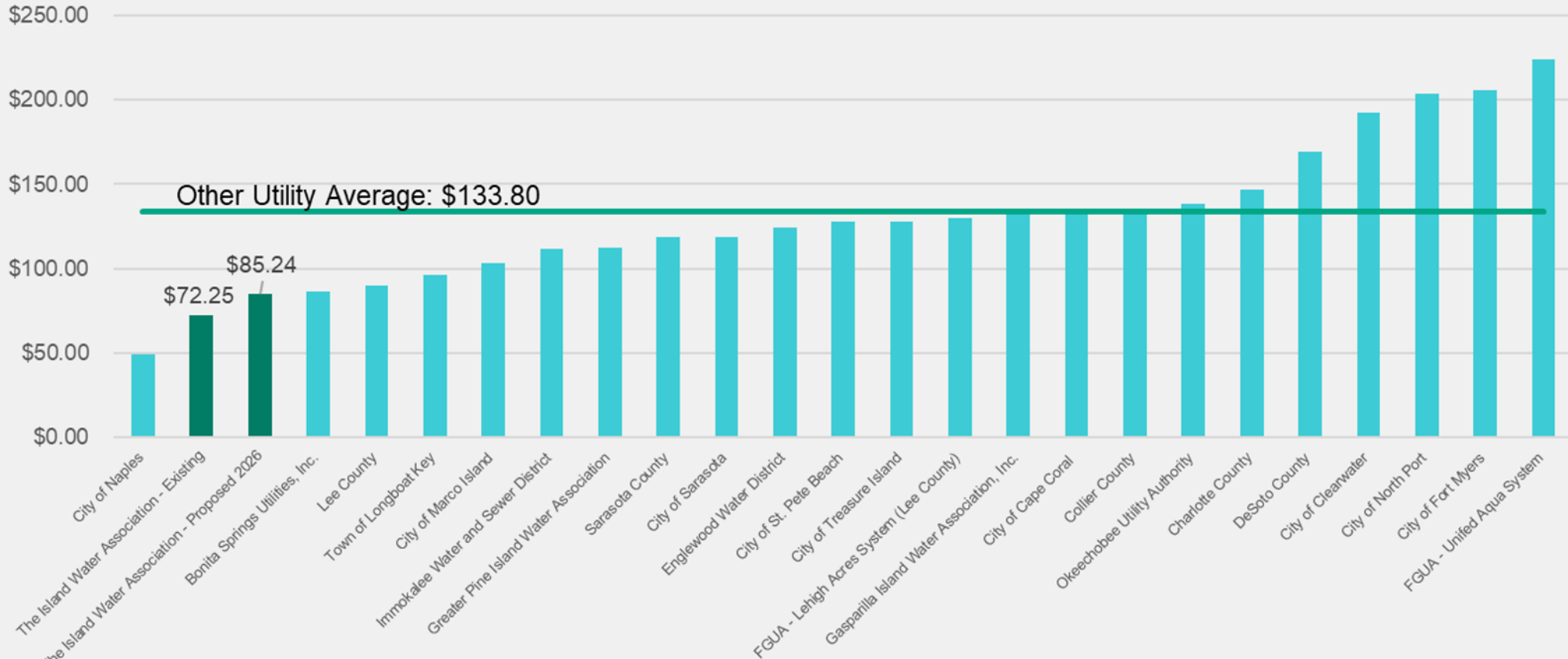
Description	2025	2026	2027	2028
Proposed Rates Rate Adjustments	N/A	18.0%	18.0%	18.0%
Monthly Bill at 5,000 Gallons	\$29.50	\$34.79	\$41.05	\$48.46
Change in Bill	N/A	5.29	6.26	7.41
Monthly Bill at 10,000 Gallons	\$49.25	\$58.09	\$68.55	\$80.91
Change in Bill	N/A	8.84	10.46	12.36
Monthly Bill at 15,000 Gallons	\$72.25	\$85.24	\$100.60	\$118.71
Change in Bill	N/A	12.99	15.36	18.11

# Rate Comparison at 5,000 Gallons of Residential Usage – Existing and Proposed 2026 Rates



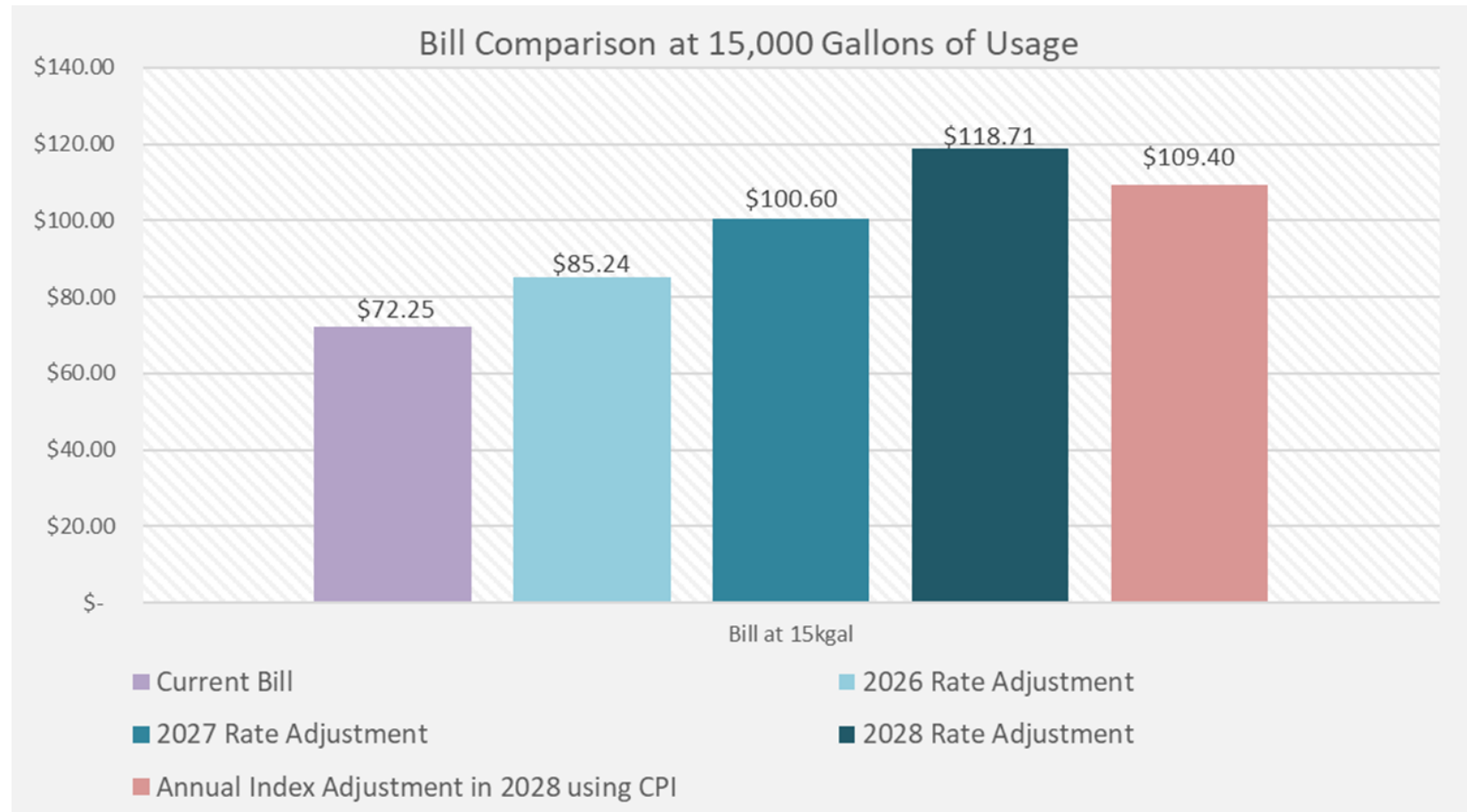
# Rate Comparison at 15,000 Gallons of Residential Usage – Existing and Proposed 2026 Rates

**The Island Water Association, Florida  
Comparison of Monthly Charges for Residential Water Service  
for Customers Using 15,000 Gallons per Month**



NOTE: Does not include proposed rate increases for other utilities.

# Comparison of Proposed Rates vs Past Inflationary Indexing



# Conclusions

- First rate increase in 16 years
- Modest impact on typical household water users
- Even after increases, IWA rates remain well below regional averages
- Capital projects essential for system reliability, infrastructure renewal, and growing irrigation demands
- New Emergency Reserve Fund ensures operational stability during future disaster recovery