



City of Geneva, IL

FY 2023 Water & Sewer Rate Study – Final Report

March 13, 2023





March 13, 2023

Bob VanGyseghem
Superintendent of Water & Sewer
City of Geneva
22 S. First Street
Geneva, IL 60134

Re: FY23 Water & Sewer Rate
Study – Final Report

Dear Mr. VanGyseghem,

Stantec Consulting is pleased to present this Final Report describing the FY 2023 Water & Sewer Rate Study that we performed for the City of Geneva. We appreciate the fine assistance provided by you and all who participated in the study.

If you or others at the City have any questions, please do not hesitate to call me at 202-585-6391 or email me at david.hyder@stantec.com. We appreciate the opportunity to be of service to the City and look forward to the possibility of doing so again soon.

Sincerely,

A handwritten signature in black ink, appearing to read "David Hyder".

David A. Hyder,
Senior Principal

1101 14th Street NW Suite 1200
Washington DC 20005-5637

Enclosure

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1. INTRODUCTION

Stantec Consulting Services Inc. (Stantec) has conducted a rate study (Study) for the water and sewer systems (referred to as the “Utility”) of the City of Geneva (City). This report describes in detail the assumptions, procedures, and results of the analysis, as well as the conclusions and recommendations gathered from the analysis.

1.1 BACKGROUND

In the Fall of 2022, the City engaged Stantec to perform a rate study for the City’s water and sewer operations to determine the sufficiency of the current rate revenues to meet the short and long-term needs of the system and to help create a financial management plan that would minimize customer impacts, while allowing the City to fund necessary operating costs and capital repairs.

1.2 OBJECTIVES

The scope of services for the water and sewer rate study outlined two primary objectives for the engagement including:

- **Revenue Sufficiency Analysis (RSA)** - The City’s water and sewer model is to be updated with the actual operating results and the water and sewer fund budgets. The updates will be completed in support of the City’s annual budget process. The financial models will be used to evaluate any necessary adjustments to water and sewer rates, to ensure the ongoing sustainability of each, including the ability to maintain/meet key performance indicators (debt service coverage, cash reserves). The update will also evaluate how the City funds the capital improvement plans with cash or issuance of debt and include the addition two new loans for the sewer system and potentially a new loan for the water system to address lead service line replacement and aging distribution system assets.
- **Evaluation of Water and Sewer Rate Structure** - Evaluation of the City’s current water and sewer rate structures to identify potential modifications to ensure consistency with industry standards and best practices. The evaluation includes the consideration for adding residential winter quarter average billing for sewer bills.

2. REVENUE SUFFICIENCY ANALYSIS

2.1 DESCRIPTION

To begin the analysis, Stantec obtained the historical and updated budgeted financial information regarding the operation of the Utilities, including current and historical budgets, outstanding debt issuances and a capital improvement plan. Stantec discussed with City staff members any assumptions and policies that would affect the financial performance of the Utility, such as additional expenses outside of the budget, required levels of operating and capital reserves, earnings on invested funds, escalation rates for operating costs, etc.

All this information was entered into our proprietary Financial Analysis and Management System (FAMS) interactive model. The FAMS model produces a 10-year projection of the sufficiency of the current revenues to meet the Utility's current and projected financial requirements and determines the level of revenue increases necessary in each year of the projection period to provide sufficient revenues to fund all the Utility's cost requirements for both the water and sewer funds.

FAMS utilizes all projected available and unrestricted funds in each year of the projection period to pay for capital projects. Stantec also considers the City's financial practices of funding for capital projects. The model is set up to reflect the rules of cash application as defined and applied by the City and produces a detailed summary of the funding sources to be used for each project in the capital improvement program.

During the Study, interactive work sessions were conducted with City staff to discuss the analysis. During these work sessions and presentations, Stantec and City staff reviewed the financial model and examined the impact of various alternative financial scenarios. Revenue adjustment plans for each alternative financial management plan identified were developed, including the recommended financial management plan presented in this report for each fund, which will allow the Utility to meet its projected requirements and financial performance goals and objectives throughout the projection period.

2.2 SOURCE DATA

The RSA used both historical and projected information. The following presents the key source data utilized in the Study:

2.2.1 Cash Balance

City staff provided the FY 2022 year-end financial statements which were used to establish the FY 2023 beginning balances within the Water and Sewer Fund for the Study.

2.2.2 Revenues

The revenue for the Utility consists of base charge revenue, usage rate revenue, interest earnings, and revenue from various miscellaneous service charges. The basis of future revenue projections in this Study for each of the various revenue types are as follows:

- Water and sewer base and usage revenues are based upon the FY 2023 Budget, adjusted annually to reflect the impact of assumed rate increases, and any account growth.
- Interest earnings are calculated annually based upon projected average fund balances and an assumed interest rate of 0.25% in FY 2023 growing to 1.25% in FY 2028 and for the remainder of the projection period.
- All miscellaneous revenues are based upon the FY 2023 Budget.

2.2.3 Operating Expenditures

O&M expenses for the Utility include personnel costs, contract services costs, costs related to materials and supplies, maintenance activities, and others. The RSA utilized the Revised FY 2023 Budget and the FY 2024 Proposed Budget, and projects future expenses by applying various annual cost escalation factors based upon the type of expense.

Annual cost escalation factors for the various types of O&M expenses were developed based upon a review of historical trends, Stantec's industry experience, and detailed discussions with City staff. The specific escalation factors assumed for the various categories of expenses can be found in Schedule 5 of Appendix A. The escalation factors range from 3.0% to 4.0% depending on cost category.

2.2.4 Capital Improvement Program

One of the most important elements of a utility's financial plan is to ensure that there is continuous reinvestment in existing infrastructure to provide critical utility services and investment in new infrastructure to support new growth in the system. The RSA utilized the CIP provided by City staff for FY 2023 through FY 2033. Beginning in FY 2024, the RSA herein assumes an annual cost inflation factor of 3.0% applied to project estimates to account for inflation in the future cost of construction. In total, the CIP (including inflation) from FY 2023 through FY 2033 is approximately \$85M. After discussions with City staff, projects were designated to be cash funded through the operating fund and revenues collected from capital charges or funded through subordinate debt proceeds. A list of projects, funding sources and costs by year are included in Schedule 6 of the Appendix.

2.3 ASSUMPTIONS

The following presents the key assumptions utilized in the Study.

2.3.1 Minimum Reserve Policy

Reserve balances for utility systems are funds set aside for a specific cash flow requirement, financial need, project, task, or legal covenant. These balances are maintained to meet short-term cash flow requirements, and at the same time, minimize the risk associated with meeting the financial obligations and continued operational and capital needs under adverse conditions. The level of reserves maintained by a utility is an important component of developing a utility system multi-year financial management plan.

Many utilities, rating agencies, and the investment community as a whole place a significant emphasis on having sufficient reserves available for potentially adverse conditions. The rationale related to the maintenance of adequate reserves is twofold. First, it helps to assure a utility that it will have adequate funds available to meet its financial obligations during unusual periods (i.e., when revenues are unusually low and/or expenditures are unusually high). Second, it provides funds for emergency repairs or replacements to the system, which may occur because of natural disasters or unanticipated system failures.

The financial management plan presented in this report assumes the City will maintain a minimum Operating Fund balance or reserve equal to three months of annual operating expenses, including personal services costs and operating and maintenance costs. This level of reserves is consistent with our experience with other healthy financial utility systems.

2.3.2 Customer Growth and Volume Forecast

New connections and water and sewer volume projections were based upon a review of historical data, observations of current environmental and economic conditions, discussions with City staff regarding the anticipated number of new service connections to the Utility, and trends in demand.

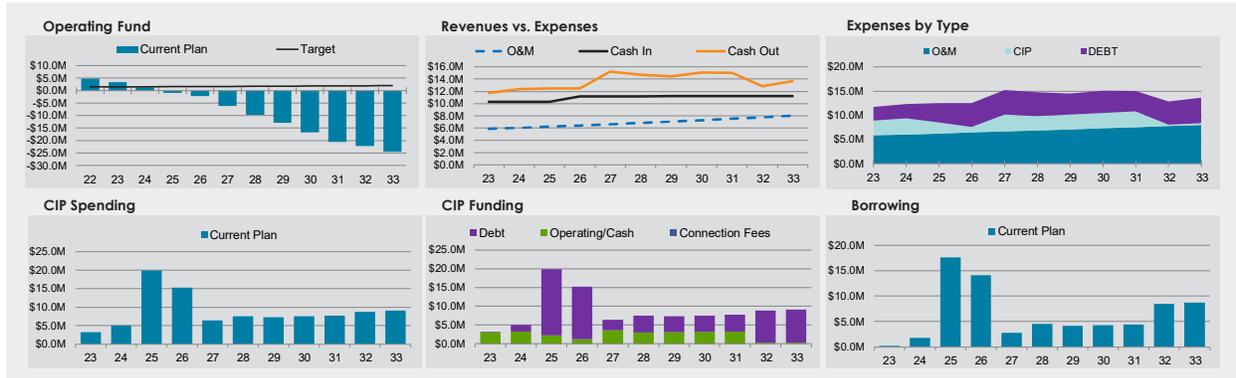
The analysis assumes about 30 equivalent residential unit (ERU) connections in growth for FY 2023 and 10 ERU's per year for the remainder of the projection period. In FY 2026 the City does anticipate an additional industrial large user to join the system. The customer is estimated to increase water consumption by 1,155,080 cubic feet (cf) per month and increase sewer usage by approximately half of water consumption. This will equate to a one time increase of 16.64% in water consumption and 8.38% in sewer usage for FY 2026.

2.4 RESULTS

Based on the RSA, it was determined that the City's current water and sewer rates will not be sufficient to meet the funding requirements of the water and sewer systems over the next several years. Exhibit 2-1 illustrates the results of the combined fund with current water and sewer rates.

Exhibit 2-1: Water & Sewer Fund Results – Current Rates

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2028	FY 2033
Water Rate Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sewer Rate Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Senior-Lien DSC	2.41	2.10	2.00	2.37	2.32	2.91	6.25	5.87	0.00	0.00	0.00	Scenario Manager	
All-In DSC	1.52	1.40	1.01	0.97	0.91	0.90	0.97	0.86	0.88	0.73	0.61		
Total Single Family Bill	\$59.51	\$59.51	\$59.51	\$59.51	\$59.51	\$59.51	\$59.51	\$59.51	\$59.51	\$59.51	\$59.51		
Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		



As demonstrated in Exhibit 2-1, the revenues from current water and sewer rates will not be sufficient to meet the total expenses of the water and sewer systems in each year of the projection period (Revenues vs. Expenses figure), with the cash out of the utility much higher than cash in for each year of the planning period. As a result, the exhibit demonstrates that the Operating Fund cash balance will fall below the target minimum balance and be completely depleted by Fiscal Year 2025. In addition, the exhibit demonstrates that the utility’s total (all-in) debt service coverage (DSC) will fall below 1.0 beginning in FY 2026. This means that the utility would not be generating sufficient revenues to pay the annual debt service. With this result the City would likely not be able to borrow additional capital to fund the capital improvement plan.

After discussions with City Staff and based on the expected operating and capital needs of the utility discussed herein, proposed increases to the water and sewer rates were recommended to provide future revenues for the Utility to cover the expected financial requirements of the Water and Sewer Fund. Table 2.1 illustrates the proposed annual increases to the water and sewer rates.

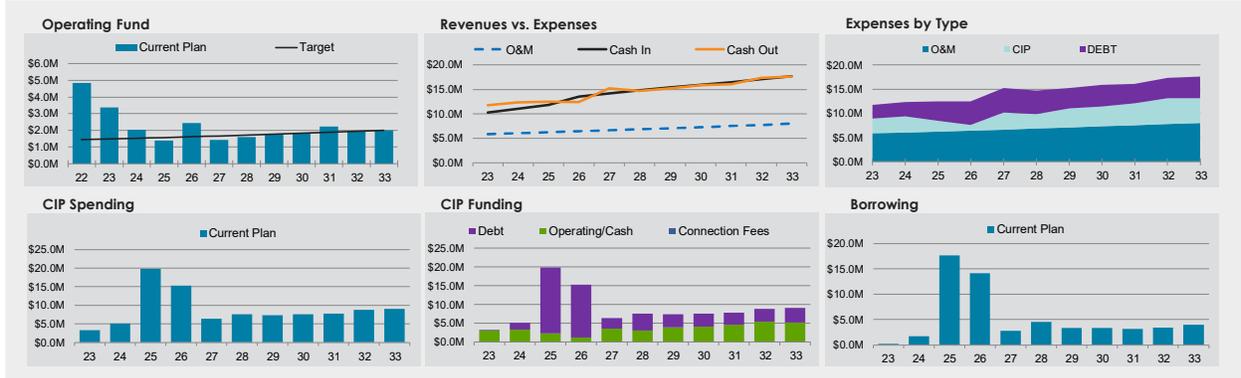
Table 2.1 – Proposed Water & Sewer Rate Revenue Adjustment Plans

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Increase Adoption Date	5/1/2023	5/1/2024	5/1/2025	5/1/2026	5/1/2027
Water Rate Revenue Increase	7.50%	7.50%	5.00%	5.00%	5.00%
Sewer Rate Revenue Increase	7.50%	7.50%	5.00%	5.00%	5.00%

When the rate revenue increases are applied each year, the resulting operating fund balance and debt service coverage all fall within recommended levels. Cash in (revenues within the utility) is also much closer to cash out each year resulting in sustainable operations. Exhibit 2-2 illustrates the results with planned increases. It should be noted that increases past FY 2028 are estimates at this point and will need to be evaluated in future years based on actual results over the next several years

Exhibit 2-2: Water & Sewer Fund Results – Recommended Rate Revenue Increases

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2028	FY 2033
Water Rate Plan	0.00%	7.50%	7.50%	5.00%	5.00%	5.00%	3.50%	3.50%	3.50%	3.50%	3.50%	33.81%	58.92%
Sewer Rate Plan	0.00%	7.50%	7.50%	5.00%	5.00%	5.00%	3.50%	3.50%	3.50%	3.50%	3.50%	33.75%	58.82%
Senior-Lien DSC	2.41	2.47	2.76	3.52	3.83	5.35	12.52	12.89	0.00	0.00	0.00	Scenario Manager	
All-In DSC	1.52	1.65	1.40	1.45	1.50	1.65	1.96	1.93	2.24	2.20	2.15		
Total Single Family Bill	\$59.51	\$63.99	\$68.78	\$72.24	\$75.86	\$79.68	\$82.49	\$85.38	\$88.40	\$91.51	\$94.75		
Change	0.0%	7.5%	7.5%	5.0%	5.0%	5.0%	3.5%	3.5%	3.5%	3.5%	3.5%		



3. RATE DESIGN ALTERNATIVES

In addition to the development of a long-term financial plan to address the financial sustainability of the City's water and sewer utilities, Stantec examined modifications to City's water and sewer rate structures. Based on discussions with City staff, Stantec examined two different rate structure alternatives including:

- **Status Quo** – This alternative assumes no changes to the water and sewer rate structure and therefore the rate adjustments shown in Table 2.1 would be applied “across the board” for all rate components.
- **Sewer Rate Structure Change / Winter Quarter Average (WQA)** – This alternative assumes that the sewer rate structure for single family residential would incorporate a cap on sewer bills during summer months based on each single-family residential customers average winter quarter usage. This structure was considered to address customer inquiries regarding the payment for sewer services for water use in the summer months that likely does not return to the sewer system (i.e., irrigation, washing cars, filling pools, etc.). The cap would be based on 130% of the winter quarter average to recognize that customers use more water indoors during the summer months.

The two rate alternatives were modeled and reviewed with City staff. It should be noted that when applying the winter quarter cap to summer usage, there would be a 13.5% reduction in billed use for sewer. To ensure that the sewer utility generates the same amount of revenue, the sewer rates would need to be adjusted above the rates under the status quo scenario. Table 3.1 presents the current water and sewer rates, the rate for FY 24 under the Status Quo alternative and the rates using the WQA alternative.

Table 3.1 - Water and Sewer Rate Alternatives (Usage Rates)

Rate per Ccf	Current (FY 2023)	FY 2024 Status Quo	FY 2024 WQA
Water			
0 to 1,500 CF	\$5.31	\$5.71	\$5.71
1,501 - 2,000 CF	\$4.91	\$5.28	\$5.28
20,001 and over CF	\$4.75	\$5.11	\$5.11
Sewer			
Non-Industrial per CF	\$2.91	\$3.13	\$3.62
Industrial per CF	\$4.37	\$4.70	\$4.70

As shown in the table, the water rates would be the same under each of the alternatives increasing consistent with the increases shown in Table 2.1 at 7.5% in FY 24. The alternatives do result in differing sewer rates in FY 24. The status quo scenario, similar to water rates, would increase by the increases in Table 2.1 at 7.5%. The sewer rates under the WQA scenario for the non-industrial customers would need to increase beyond the 7.5% to make up for the reduction in billable quantities of sewer resulting from the sewer cap to ensure that the sewer utility would generate sufficient revenues consistent with the financial plan.

4. CONCLUSIONS & RECOMMENDATIONS

We have reached the following conclusions and recommendations regarding the sufficiency of the current water and sewer rates over the projection period:

- Based upon the assumptions and base data described herein, the City's current water and sewer rates are not sufficient at current levels to fund necessary capital improvement projects and to sustain the water and sewer utility operations over the next 5 years.
- It is recommended the City adopt a 7.50% rate increase for both the water and sewer funds for FY 2024. The rate increases should be applied to all components of the rates (fixed and usage rates).
- Based on the customer analysis and discussions with the City staff and Council, it is recommended the City not change the sewer rate structure to implement a winter quarter average usage rate and instead, continue with the current sewer billing practices.
- It is recommended that the City perform regular updates every 3-5 years to this analysis as the City navigates through the next several years of operations, capital improvements, and a changing financial environment. Doing so will allow for the incorporation of updated revenues, expenses, capital project costs, and financing information, as well as any changes in economic and utility conditions, so that any necessary adjustments to water rates can be made to allow the Utility to meet its requirements during the projection period and minimize rate impacts from future events, which occur differently than currently projected.

Disclaimer

This document was produced by Stantec Consulting Services, Inc. (“Stantec”) for the City of Geneva (“City”) and is based on a specific scope agreed upon by both parties. Stantec’s scope of work and services do not include serving as a “municipal advisor” for purposes of the registration requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission. Stantec is not advising the City, or any municipal entity or other person or entity, regarding municipal financial products or the issuance of municipal securities, including advice with respect to the structure, terms, or other similar matters concerning such products or issuances.

In preparing this report, Stantec utilized information and data obtained from the City or public and/or industry sources. Stantec has relied on the information and data without independent verification, except only to the extent such verification is expressly described in this document. Any projections of future conditions presented in the document are not intended as predictions, as there may be differences between forecasted and actual results, and those differences may be material.

Additionally, the purpose of this document is to summarize Stantec’s analysis and findings related to this project, and it is not intended to address all aspects that may surround the subject area. Therefore, this document may have limitations, assumptions, or reliances on data that are not readily apparent on the face of it. Moreover, the reader should understand that Stantec was called on to provide judgments on a variety of critical factors which are incapable of precise measurement. As such, the use of this document and its findings by the City should only occur after consultation with Stantec, and any use of this document and findings by any other person is done so entirely at their own risk.

APPENDIX: SUPPORTING SCHEDULES

- Schedule 1 Assumptions
- Schedule 2 FY 2023 Beginning Balances as of May 1, 2023
- Schedule 3 Projection of Cash Inflows
- Schedule 4 Cost Escalation Factors
- Schedule 5 Capital Improvement Program
- Schedule 6 FAMS – Control Panel
- Schedule 7 Pro Forma
- Schedule 8 Capital Project Funding Summary
- Schedule 9 Funding Summary by Fund
- Schedule 10 Subordinate Borrowing Projections

City of Geneva - Water & Sewer Fund

FY 2023 Water & Sewer Revenue Sufficiency Analysis

Assumptions & Preliminary Results Workbook



Assumptions

Schedule 1

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Rate Increase Adoption Date	5/1/2022	5/1/2023	5/1/2024	5/1/2025	5/1/2026	5/1/2027	5/1/2028	5/1/2029	5/1/2030	5/1/2031	5/1/2032
Annual Growth											
Water											
Ending # of ERCs	13,081	13,091	13,101	13,111	13,121	13,131	13,141	13,151	13,161	13,171	13,181
ERC Growth	30	10	10	10	10	10	10	10	10	10	10
% Change in ERCs	0.23%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
Usage per ERC	5.32	5.32	5.32	5.32	5.32	5.32	5.32	5.32	5.32	5.32	5.32
% Change in Usage per ERC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Usage (Ccf)	835,614	836,253	836,891	976,140	976,779	977,417	978,056	978,695	979,334	979,973	980,612
% Change in Usage	0.23%	0.08%	0.08%	16.64%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
% Paying Capital Charges	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sewer											
Ending # of ERCs	13,009	13,019	13,029	13,039	13,049	13,059	13,069	13,079	13,089	13,099	13,109
ERC Growth	30	10	10	10	10	10	10	10	10	10	10
% Change in ERCs	0.23%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
Usage per ERC	5.34	5.34	5.34	5.34	5.34	5.34	5.34	5.34	5.34	5.34	5.34
% Change in Usage per ERC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Usage (Ccf)	833,578	834,219	834,860	904,805	905,446	906,087	906,728	907,368	908,009	908,650	909,291
% Change in Usage	0.23%	0.08%	0.08%	8.38%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
% Paying Capital Charges	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Spending											
Annual Capital Budget (Future Year Dollars)	\$ 3,279,086	\$ 5,083,394	\$ 19,900,362	\$ 15,276,323	\$ 6,372,631	\$ 7,555,569	\$ 7,316,555	\$ 7,536,052	\$ 7,762,134	\$ 8,826,791	\$ 9,091,594
Annual Percent Executed	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Connection Fees											
Water Connection Fees	\$1,795.00	\$1,795.00	\$1,795.00	\$1,795.00	\$1,795.00	\$1,795.00	\$1,795.00	\$1,795.00	\$1,795.00	\$1,795.00	\$1,795.00
Sewer Connection Fees	\$1,924.00	\$1,924.00	\$1,924.00	\$1,924.00	\$1,924.00	\$1,924.00	\$1,924.00	\$1,924.00	\$1,924.00	\$1,924.00	\$1,924.00
Average Annual Interest Earnings Rate											
On Fund Balances	0.25%	0.25%	0.50%	0.75%	1.00%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Operating Budget Reserve											
Target (Number of Months of Reserve)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Operating Budget Execution Percentage											
Personal Services	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Variable Operations and Maintenance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Fixed Operations and Maintenance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Outlay	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

FY 2023 Beginning Balances as of 5/1/2022

Schedule 2

Stantec Grouping of Funds in Model

Revenue Fund

Current Unrestricted Assets

Cash and Cash Equivalents	\$ 4,491,152
Receivables:	
Accounts	1,103,942
Accrued interest	4,570
Other	108,351
Prepaid Items	2,207
Inventories	134,716
Total Assets	\$ 5,844,938

Current Liabilities

Accounts and Contracts Payable	\$ (373,352)
Retainage Payable	(36,676)
Accrued payroll	(106,886)
Accrued interest payable	(226,378)
Due to others	(7,750)
Unearned revenue	(30,516)
Compensated absences payable	(193,350)
OPEB payable	(27,458)
Calculated Fund Balance (Assets - Liabilities)	\$ 4,842,572

Fund Summary

Revenue Fund	\$ 4,842,572
Total Available Funds	\$ 4,842,572

Projection of Cash Inflows

Schedule 3

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
1 Rate Revenue Growth Assumptions											
2 Water											
3 % Change in Base Revenue	0.23%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
4 % Change in Usage Revenue	0.23%	0.08%	0.08%	16.64%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
5 Sewer											
6 % Change in Base Revenue	0.23%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
7 % Change in Usage Revenue	0.23%	0.08%	0.08%	8.38%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
8 Assumed Rate Revenue Increases											
9 Assumed Water Rate Increase	0.00%	7.50%	7.50%	5.00%	5.00%	5.00%	3.50%	3.50%	3.50%	3.50%	3.50%
10 Assumed Sewer Rate Increase	0.00%	7.50%	7.50%	5.00%	5.00%	5.00%	3.50%	3.50%	3.50%	3.50%	3.50%
12 Water Rate Revenue											
13 Base Rate Revenue	\$ 1,923,000	\$ 2,068,805	\$ 2,225,665	\$ 2,338,732	\$ 2,457,541	\$ 2,582,385	\$ 2,674,804	\$ 2,770,529	\$ 2,869,678	\$ 2,972,374	\$ 3,078,743
14 Usage Rate Revenue	4,200,000	4,518,452	4,861,046	5,953,358	6,255,116	6,572,168	6,806,639	7,049,473	7,300,967	7,561,430	7,831,182
15 Total Water Rate Revenue	\$ 6,123,000	\$ 6,587,257	\$ 7,086,711	\$ 8,292,089	\$ 8,712,658	\$ 9,154,553	\$ 9,481,443	\$ 9,820,002	\$ 10,170,645	\$ 10,533,804	\$ 10,909,924
16 Sewer Rate Revenue											
17 Base Rate Revenue	\$ 1,248,000	\$ 1,342,631	\$ 1,444,437	\$ 1,517,823	\$ 1,594,937	\$ 1,675,967	\$ 1,735,954	\$ 1,798,087	\$ 1,862,443	\$ 1,929,102	\$ 1,998,144
18 Usage Rate Revenue	2,488,500	2,677,194	2,880,194	3,277,575	3,443,891	3,618,645	3,747,946	3,881,866	4,020,568	4,164,225	4,313,012
19 Total Sewer Rate Revenue	\$ 3,736,500	\$ 4,019,825	\$ 4,324,631	\$ 4,795,399	\$ 5,038,828	\$ 5,294,612	\$ 5,483,900	\$ 5,679,953	\$ 5,883,012	\$ 6,093,326	\$ 6,311,156
24 Other Operating Revenue											
25 Penalties	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
26 Industrial Wastewater Surcharge	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
27 Connection Fees Cross Connection-Business	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005
28 Connection Fees Cross Connection-Residential	10,965	10,965	10,965	10,965	10,965	10,965	10,965	10,965	10,965	10,965	10,965
29 Meter Sales Water	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
30 Private Fire Service	34,830	34,830	34,830	34,830	34,830	34,830	34,830	34,830	34,830	34,830	34,830
31 Lawn Permit Fees	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
32 Disconnection/Reconnection Fees	500	500	500	500	500	500	500	500	500	500	500
33 Rental Income	112,100	112,100	112,100	112,100	112,100	112,100	112,100	112,100	112,100	112,100	112,100
34 Sale of Capital Assets	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
35 Reimbursed Expenditures	8,245	8,245	8,245	8,245	8,245	8,245	8,245	8,245	8,245	8,245	8,245
36 Miscellaneous Other Miscellaneous Income	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
37 Total Other Operating Revenue	\$ 423,645										
38 Interest Income											
39 Unrestricted	\$ 10,272	\$ 6,769	\$ 8,578	\$ 14,367	\$ 19,353	\$ 18,920	\$ 21,036	\$ 22,466	\$ 25,342	\$ 26,082	\$ 24,684
40 Total Interest Income	\$ 10,272	\$ 6,769	\$ 8,578	\$ 14,367	\$ 19,353	\$ 18,920	\$ 21,036	\$ 22,466	\$ 25,342	\$ 26,082	\$ 24,684
41 Connection Fees											
42 Water Connection Fees	\$ 53,850	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950
43 Sewer Connection Fees	57,720	19,240	19,240	19,240	19,240	19,240	19,240	19,240	19,240	19,240	19,240
44 Total Connection Fees	\$ 111,570	\$ 37,190									
45 Total Cash Inflows	\$ 10,404,987	\$ 11,074,686	\$ 11,880,755	\$ 13,562,690	\$ 14,231,674	\$ 14,928,920	\$ 15,447,214	\$ 15,983,256	\$ 16,539,834	\$ 17,114,046	\$ 17,706,600

Cost Escalation Factors

Schedule 4

Expense Line Item Description	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Salaries & Wages	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Retirement	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Repair & Maintenance	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Fuel, Utilities, Chemicals	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Admin Services	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
No Escalation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Default Inflation Factor	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Capital Improvement Program (CIP)

Schedule 5

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	Total Cost
Category 1												
1	Water and Sewer Maintenance Department Capital Projects											
2	Water Main Valve Replacement Program	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	\$ 165,000
3	Fire Hydrant Replacement Program	21,000	21,000	23,000	23,000	25,000	25,000	25,000	25,000	25,000	25,000	\$ 263,000
4	Leak Survey	31,000	32,000	33,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	\$ 376,000
5	Lead Water Service Replacement	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	\$ 330,000
6	Valve Exercising Machine	24,890	-	-	-	-	-	-	-	-	-	\$ 24,890
7	Leak Correlator	-	30,000	-	-	-	-	-	-	-	-	\$ 30,000
8	Water Main Replacement Engineering	-	200,000	-	-	-	-	-	-	-	-	\$ 200,000
9	Union Pacific Railroad - Transmission Main Engineering	-	50,000	-	-	-	-	-	-	-	-	\$ 50,000
10	Water Main Infrastructure Replacement	64,781	-	-	-	-	-	-	-	-	-	\$ 64,781
11	N. Bennett	2,350	500,000	-	-	-	-	-	-	-	-	\$ 502,350
12	East State Street	-	20,000	-	-	-	-	-	-	-	-	\$ 20,000
13	Division Street	-	-	1,000,000	-	-	-	-	-	-	-	\$ 1,000,000
14	Multi-Year Replacement Downtown - 10 Year Const	-	-	-	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	\$ 20,000,000
15	Sanitary River Crossing Design	500,000	-	-	-	-	-	-	-	-	-	\$ 500,000
16	Sanitary River Crossing Construction	-	400,000	6,600,000	4,400,000	-	-	-	-	-	-	\$ 11,400,000
17	Large Diameter Sanitary Sewer Cleaning and TV	-	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	\$ 750,000
18	a. Engineering	440,000	40,000	-	-	-	-	-	-	-	-	\$ 480,000
19	b. FY2023 Rehab	651,792	-	-	-	-	-	-	-	-	-	\$ 651,792
20	c. East State Street Reconstruction	-	-	-	70,000	-	-	-	-	-	-	\$ 70,000
21	d. Fargo	-	-	280,000	280,000	280,000	-	-	-	-	-	\$ 840,000
22	e. W. State between River & 1st. Reconstruction	-	-	40,000	-	-	-	-	-	-	-	\$ 40,000
23	d. 2E	-	-	-	-	1,930,000	-	-	-	-	-	\$ 1,930,000
24	e. 2F	-	-	-	-	-	1,390,000	-	-	-	-	\$ 1,390,000
25	f. Downtown	-	-	-	-	-	2,362,500	2,362,500	2,362,500	2,362,500	-	\$ 9,450,000
26	Water Meter Replacement Program	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	\$ 550,000
27	New Construction Water Meters	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	\$ 165,000
28	Valve Actuator Replacment	30,796	35,000	35,000	35,000	-	-	-	-	-	-	\$ 135,796
29	IMT RO Flow Control Units	-	12,000	12,000	12,000	12,000	-	-	-	-	-	\$ 48,000
30	Conductivity Controllers	-	16,000	-	-	-	-	-	-	-	-	\$ 16,000
31	RO Membranes	-	175,000	175,000	175,000	175,000	-	-	-	-	-	\$ 700,000
32	Chemical Feed Pumps	19,547	5,000	7,000	-	-	-	-	-	-	-	\$ 31,547
33	Lab Analyzer DR2800	-	6,500	-	-	-	-	-	-	-	-	\$ 6,500
34	HVAC Engineering	48,900	-	-	-	-	-	-	-	-	-	\$ 48,900
35	HVAC System	-	300,000	-	-	-	-	-	-	-	-	\$ 300,000
36	High Service Pump Impeller Replacements	-	35,000	35,000	-	-	-	-	-	-	-	\$ 70,000
37	Logan Tower Spotlight	20,574	-	-	-	-	-	-	-	-	-	\$ 20,574
38	Water Tower Cleaning	6,600	-	-	-	-	-	-	-	-	-	\$ 6,600
39	B. Kirk Road Tower	4,150	-	-	-	500,000	-	-	-	-	-	\$ 504,150
40	C. Dodson Tower Repair	4,148	30,000	-	-	-	-	-	-	-	-	\$ 34,148
41	D. Reservoir Inspection	4,150	-	-	-	-	-	-	-	-	-	\$ 4,150
42	Water Plant Pump	4,200	-	-	-	-	-	-	-	-	-	\$ 4,200
43	Water Plant Interior Painting	-	-	-	75,000	-	-	-	-	-	-	\$ 75,000
44	Chemical Room Garage Door Frame Replacement	-	10,000	-	-	-	-	-	-	-	-	\$ 10,000
45	Valve Packings	1,274	-	-	-	-	-	-	-	-	-	\$ 1,274
46	RO VFD's	32,039	-	-	-	-	-	-	-	-	-	\$ 32,039
47	CIP Pipe Repairs	19,500	-	-	-	-	-	-	-	-	-	\$ 19,500
48	Risk & Resilience	2,448	-	-	-	-	-	-	-	-	-	\$ 2,448
49	Well #13 Rehab	131,437	-	-	-	-	-	-	-	-	-	\$ 131,437
50	Well #8 Rehab	31,990	-	-	-	-	-	-	-	-	-	\$ 31,990
51	Well #6 Rehab	250,000	-	-	-	-	-	-	-	-	-	\$ 250,000
52	Well #6 Motor Control Center Design - Const	-	30,000	250,000	-	-	-	-	-	-	-	\$ 280,000
53	Entrance Gate Replacment	5,830	-	-	-	-	-	-	-	-	-	\$ 5,830
54	High Service Pump Inspection	-	7,500	-	-	-	-	-	-	-	-	\$ 7,500
55	Pave Asphalt Lot and Drive at Water Plant	-	-	50,000	-	-	-	-	-	-	-	\$ 50,000
56	Well #9 Go on to City Electric	-	-	-	170,000	-	-	-	-	-	-	\$ 170,000
57	WTP Lift Station SCADA	-	25,000	-	-	-	-	-	-	-	-	\$ 25,000
58	Riverwalk LS	-	5,000	-	-	-	-	-	-	-	-	\$ 5,000

Capital Improvement Program (CIP)

Schedule 5

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	Total Cost
59 West Side LS Pump #1	13,500	-	-	-	-	-	-	-	-	-	-	\$ 13,500
60 A. Design Engineering	19,500	-	-	-	-	-	-	-	-	-	-	\$ 19,500
61 Western Ave LS Pump #2	-	60,000	-	-	-	-	-	-	-	-	-	\$ 60,000
62 Western Ave LS Roof	-	30,000	-	-	-	-	-	-	-	-	-	\$ 30,000
63 WTF LS Pump	19,500	-	-	-	-	-	-	-	-	-	-	\$ 19,500
64 Waste Activated Sludge Moyno Pump	16,966	-	-	-	-	-	-	-	-	-	-	\$ 16,966
65 Digester SRP No. 3	-	30,000	-	-	-	-	-	-	-	-	-	\$ 30,000
66 Clarifier Roto Skimmers	-	120,000	-	-	-	-	-	-	-	-	-	\$ 120,000
67 Digester Cleaning	19,974	750,000	-	-	-	-	-	-	-	-	-	\$ 769,974
68 Excess Flow Gate Actuator	8,128	-	-	-	-	-	-	-	-	-	-	\$ 8,128
69 Conveyor Repair	30,000	-	-	-	-	-	-	-	-	-	-	\$ 30,000
70 Centrifuge VFD	22,490	-	-	-	-	-	-	-	-	-	-	\$ 22,490
71 Portable Dissolved Oxygen/ORP Meter	-	12,000	-	-	-	-	-	-	-	-	-	\$ 12,000
72 Solids Handling Improvements Design	200,000	1,300,000	-	-	-	-	-	-	-	-	-	\$ 1,500,000
73 Solids Handling Improvements Construction	-	-	9,000,000	6,000,000	-	-	-	-	-	-	-	\$ 15,000,000
74 GIS Electric Vehicle	-	30,000	-	-	-	-	-	-	-	-	-	\$ 30,000
75 Storm Covers for Dumpsters	-	5,000	-	-	-	-	-	-	-	-	-	\$ 5,000
76 Semi & Trailer	-	-	250,000	-	-	-	-	-	-	-	-	\$ 250,000
77 G-2011	-	-	85,000	-	-	-	-	-	-	-	-	\$ 85,000
78 G-2010	-	-	85,000	-	-	-	-	-	-	-	-	\$ 85,000
79 Backhoe	-	-	175,000	-	-	-	-	-	-	-	-	\$ 175,000
80 G-2074 Trailer	-	20,000	-	-	-	-	-	-	-	-	-	\$ 20,000
81 Enterprise Lease Buyout	-	-	43,000	-	-	-	-	-	-	-	-	\$ 43,000
82 Brush Mower	19,809	-	-	-	-	-	-	-	-	-	-	\$ 19,809
83 Tire Machine Replacement	-	5,000	-	-	-	-	-	-	-	-	-	\$ 5,000
84 G-63 Front End Loader	-	-	90,000	-	-	-	-	-	-	-	-	\$ 90,000
85 Skid Steer	-	20,000	-	-	-	-	-	-	-	-	-	\$ 20,000
86 Well #10 Transmission Main Repair	165,797	-	-	-	-	-	-	-	-	-	-	\$ 165,797
87 SEMP	8,320	-	-	-	-	-	-	-	-	-	-	\$ 8,320
88 Heather Rd. Sanitary	47,076	-	-	-	-	-	-	-	-	-	-	\$ 47,076
89 WWTP Grinder Replacement	16,765	-	-	-	-	-	-	-	-	-	-	\$ 16,765
90 RAW Pump	9,236	-	-	-	-	-	-	-	-	-	-	\$ 9,236
91 Digester Repairs	39,475	-	-	-	-	-	-	-	-	-	-	\$ 39,475
92 Fuel System Upgrade	-	100,000	-	-	-	-	-	-	-	-	-	\$ 100,000
93 Fuel Dispenser Modifications	20,000	-	250,000	-	-	-	-	-	-	-	-	\$ 270,000
94 Fleet Bay Expansion	8,000	-	-	-	-	-	-	-	-	-	-	\$ 8,000
95 Public Works - Team Goals	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	\$ 165,000
96 Computer Replacement	10,475	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	\$ 60,475
97 Compensation Study	8,000	-	-	-	-	-	-	-	-	-	-	\$ 8,000
98 Rate Study	37,679	-	-	-	-	-	-	-	-	-	-	\$ 37,679
99 Sealcoat Drives	-	10,000	10,000	-	-	-	-	-	-	-	-	\$ 20,000
100 Digital Radios	60,000	-	-	-	-	-	-	-	-	-	-	\$ 60,000
101 UPM Trailer	-	-	25,000	-	-	-	-	-	-	-	-	\$ 25,000
102 Drone	-	20,000	-	-	-	-	-	-	-	-	-	\$ 20,000
103 Public Works Roof	-	233,334	-	-	-	-	-	-	-	-	-	\$ 233,334
104 Unspecified Future Capital Projects	-	-	-	-	-	-	1,000,000	1,000,000	1,000,000	4,000,000	4,000,000	\$ 11,000,000
105 Total CIP Budget (in current dollars)	\$ 3,279,086	\$ 4,935,334	\$ 18,758,000	\$ 13,980,000	\$ 5,662,000	\$ 6,517,500	\$ 6,127,500	\$ 6,127,500	\$ 6,127,500	\$ 6,765,000	\$ 6,765,000	\$ 85,044,420
106 Cumulative Projected Cost Escalation ¹	0.0%	3.0%	6.1%	9.3%	12.6%	15.9%	19.4%	23.0%	26.7%	30.5%	34.4%	
107 Resulting CIP Funding Level	\$ 3,279,086	\$ 5,083,394	\$ 19,900,362	\$ 15,276,323	\$ 6,372,631	\$ 7,555,569	\$ 7,316,555	\$ 7,536,052	\$ 7,762,134	\$ 8,826,791	\$ 9,091,594	\$ 98,000,491
108 Annual CIP Execution Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
109 Final CIP Funding Level	\$ 3,279,086	\$ 5,083,394	\$ 19,900,362	\$ 15,276,323	\$ 6,372,631	\$ 7,555,569	\$ 7,316,555	\$ 7,536,052	\$ 7,762,134	\$ 8,826,791	\$ 9,091,594	\$ 98,000,491

¹ CIP Escalation factors are consistent with the Engineering News Record Construction Cost Index.

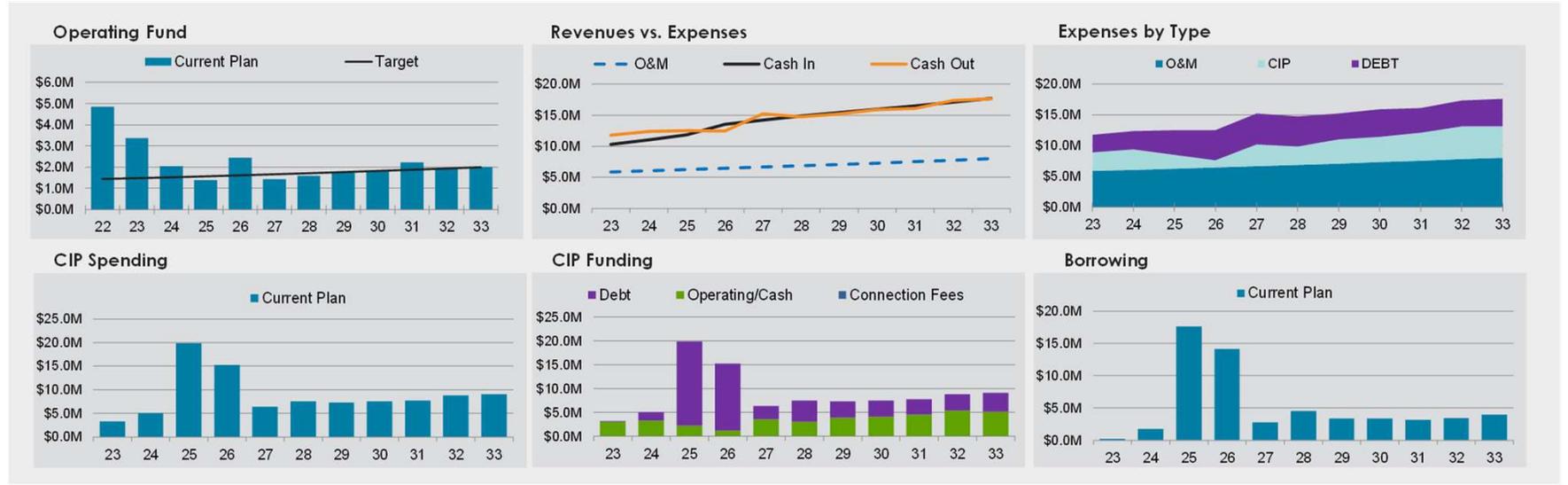


CITY OF GENEVA - WATER & SEWER FUND



CALC SAVE CTRL LAST OVR

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2028	FY 2033
Water Rate Plan	0.00%	7.50%	7.50%	5.00%	5.00%	5.00%	3.50%	3.50%	3.50%	3.50%	3.50%	33.81%	58.92%
Sewer Rate Plan	0.00%	7.50%	7.50%	5.00%	5.00%	5.00%	3.50%	3.50%	3.50%	3.50%	3.50%	33.75%	58.82%
Senior-Lien DSC	2.41	2.47	2.76	3.52	3.83	5.35	12.52	12.89	0.00	0.00	0.00	Scenario Manager	
All-In DSC	1.52	1.65	1.40	1.45	1.50	1.65	1.96	1.93	2.24	2.20	2.15		
Total Single Family Bill	\$59.51	\$63.99	\$68.78	\$72.24	\$75.86	\$79.68	\$82.49	\$85.38	\$88.40	\$91.51	\$94.75		
Change	0.0%	7.5%	7.5%	5.0%	5.0%	5.0%	3.5%	3.5%	3.5%	3.5%	3.5%		



	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
1 Operating Revenue											
2 Water, Sewer Rate Revenue	\$ 9,859,500	\$ 9,859,500	\$ 10,607,082	\$ 11,411,342	\$ 13,087,488	\$ 13,751,486	\$ 14,449,165	\$ 14,965,344	\$ 15,499,955	\$ 16,053,657	\$ 16,627,130
3 Change in Revenue From Growth	-	7,553	8,120	1,052,932	9,165	9,623	10,105	10,458	10,824	11,203	11,595
4 Subtotal	\$ 9,859,500	\$ 9,867,053	\$ 10,615,202	\$ 12,464,274	\$ 13,096,653	\$ 13,761,109	\$ 14,459,269	\$ 14,975,802	\$ 15,510,779	\$ 16,064,860	\$ 16,638,725
5 Weighted Average Rate Increase	0.00%	7.50%	7.50%	5.00%	5.00%	5.00%	3.50%	3.50%	3.50%	3.50%	3.50%
6 Additional Rate Revenue From Rate Increase	-	740,029	796,140	623,214	654,833	688,055	506,074	524,153	542,877	562,270	582,355
7 Total Rate Revenue	\$ 9,859,500	\$ 10,607,082	\$ 11,411,342	\$ 13,087,488	\$ 13,751,486	\$ 14,449,165	\$ 14,965,344	\$ 15,499,955	\$ 16,053,657	\$ 16,627,130	\$ 17,221,080
8 Plus: Other Operating Revenue	423,645	423,645	423,645	423,645	423,645	423,645	423,645	423,645	423,645	423,645	423,645
9 Equals: Total Operating Revenue	\$ 10,283,145	\$ 11,030,727	\$ 11,834,987	\$ 13,511,133	\$ 14,175,131	\$ 14,872,810	\$ 15,388,989	\$ 15,923,600	\$ 16,477,302	\$ 17,050,775	\$ 17,644,725
10 Less: Operating Expenses											
11 Personal Services	\$ (3,165,484)	\$ (3,105,989)	\$ (3,175,071)	\$ (3,270,323)	\$ (3,368,433)	\$ (3,469,486)	\$ (3,573,570)	\$ (3,680,777)	\$ (3,791,201)	\$ (3,904,937)	\$ (4,022,085)
12 Operations & Maintenance Costs	(1,766,696)	(1,851,315)	(1,941,645)	(1,999,894)	(2,059,891)	(2,121,688)	(2,185,339)	(2,250,899)	(2,318,426)	(2,387,978)	(2,459,618)
13 Equals: Net Operating Income	\$ 4,383,975	\$ 4,968,268	\$ 5,592,056	\$ 7,069,652	\$ 7,528,693	\$ 8,014,797	\$ 8,312,567	\$ 8,621,711	\$ 8,942,654	\$ 9,275,837	\$ 9,621,720
14 Plus: Non-Operating Income/(Expense)											
15 Interest Income	10,272	6,769	8,578	14,367	19,353	18,920	21,036	22,466	25,342	26,082	24,684
16 Water Connection Fees	53,850	17,950	17,950	17,950	17,950	17,950	17,950	17,950	17,950	17,950	17,950
17 Sewer Connection Fees	57,720	19,240	19,240	19,240	19,240	19,240	19,240	19,240	19,240	19,240	19,240
18 Equals: Net Income	\$ 4,505,817	\$ 5,012,227	\$ 5,637,824	\$ 7,121,209	\$ 7,585,236	\$ 8,070,907	\$ 8,370,793	\$ 8,681,367	\$ 9,005,186	\$ 9,339,109	\$ 9,683,594
19 Less: Revenues Excluded From Coverage Test											
20 Connection Fees	\$ (111,570)	\$ (37,190)	\$ (37,190)	\$ (37,190)	\$ (37,190)	\$ (37,190)	\$ (37,190)	\$ (37,190)	\$ (37,190)	\$ (37,190)	\$ (37,190)
21 Equals: Net Income Available For Debt Service	\$ 4,394,247	\$ 4,975,037	\$ 5,600,634	\$ 7,084,019	\$ 7,548,046	\$ 8,033,717	\$ 8,333,603	\$ 8,644,177	\$ 8,967,996	\$ 9,301,919	\$ 9,646,404
22 Senior Lien Debt Service Coverage Test											
23 Net Income Available for Senior-Lien Debt Service	\$ 4,394,247	\$ 4,975,037	\$ 5,600,634	\$ 7,084,019	\$ 7,548,046	\$ 8,033,717	\$ 8,333,603	\$ 8,644,177	\$ 8,967,996	\$ 9,301,919	\$ 9,646,404
24 Existing Senior-Lien Debt	1,821,034	2,012,200	2,027,000	2,013,600	1,973,000	1,501,200	665,400	670,800	-	-	-
25 Cumulative New Senior Lien Debt Service (calculated)	-	-	-	-	-	-	-	-	-	-	-
26 Total Annual Senior-Lien Debt Service	Req. \$ 1,821,034	\$ 2,012,200	\$ 2,027,000	\$ 2,013,600	\$ 1,973,000	\$ 1,501,200	\$ 665,400	\$ 670,800	\$ -	\$ -	\$ -
27 <i>Calculated Senior-Lien Debt Service Coverage</i>	1.25	2.41	2.47	2.76	3.52	3.83	5.35	12.52	12.89	-	-
28 Subordinate Debt Service Coverage Test											
29 Net Income Available for Subordinate Debt Service	\$ 2,573,212	\$ 2,962,837	\$ 3,573,634	\$ 5,070,419	\$ 5,575,046	\$ 6,532,517	\$ 7,668,203	\$ 7,973,377	\$ 8,967,996	\$ 9,301,919	\$ 9,646,404
30 Existing Subordinate Debt	1,061,121	880,413	696,458	682,312	682,312	682,312	682,312	682,312	682,312	682,312	682,312
31 Cumulative New Subordinate Debt Service (calculated)	12,476	121,703	1,273,988	2,196,302	2,380,407	2,675,469	2,895,406	3,116,611	3,323,823	3,548,434	3,807,528
32 Total Annual Subordinate Debt Service	Req. \$ 1,073,597	\$ 1,002,117	\$ 1,970,447	\$ 2,878,615	\$ 3,062,720	\$ 3,357,782	\$ 3,577,719	\$ 3,798,923	\$ 4,006,135	\$ 4,230,747	\$ 4,489,840
33 <i>Calculated Subordinate Debt Service Coverage</i>	1.20	2.40	2.96	1.81	1.76	1.82	1.95	2.14	2.10	2.24	2.20
34 Total All-In Debt Service Coverage Test											
35 Net Income Available for Subordinate Debt Service	\$ 4,394,247	\$ 4,975,037	\$ 5,600,634	\$ 7,084,019	\$ 7,548,046	\$ 8,033,717	\$ 8,333,603	\$ 8,644,177	\$ 8,967,996	\$ 9,301,919	\$ 9,646,404
36 Total Senior-Lien Debt Service	1,821,034	2,012,200	2,027,000	2,013,600	1,973,000	1,501,200	665,400	670,800	-	-	-
37 Total Subordinate Debt Service	1,073,597	1,002,117	1,970,447	2,878,615	3,062,720	3,357,782	3,577,719	3,798,923	4,006,135	4,230,747	4,489,840
38 Total Annual Debt Service	\$ 2,894,632	\$ 3,014,317	\$ 3,997,447	\$ 4,892,215	\$ 5,035,720	\$ 4,858,982	\$ 4,243,119	\$ 4,469,723	\$ 4,006,135	\$ 4,230,747	\$ 4,489,840
39 <i>Calculated All-In Debt Service Coverage</i>	1.52	1.65	1.40	1.45	1.50	1.65	1.96	1.93	2.24	2.20	2.15
40 Cash Flow Test											
41 Net Income Available For Debt Service	\$ 4,394,247	\$ 4,975,037	\$ 5,600,634	\$ 7,084,019	\$ 7,548,046	\$ 8,033,717	\$ 8,333,603	\$ 8,644,177	\$ 8,967,996	\$ 9,301,919	\$ 9,646,404
42 Less: Non-Operating Expenditures											
43 Net Debt Service Payment	(2,894,632)	(3,014,317)	(3,997,447)	(4,892,215)	(5,035,720)	(4,858,982)	(4,243,119)	(4,469,723)	(4,006,135)	(4,230,747)	(4,489,840)
44 Net Cash Flow	\$ 1,499,615	\$ 1,960,720	\$ 1,603,188	\$ 2,191,804	\$ 2,512,326	\$ 3,174,736	\$ 4,090,484	\$ 4,174,454	\$ 4,961,861	\$ 5,071,172	\$ 5,156,564
45 Unrestricted Reserve Fund Test											
46 Balance At Beginning Of Fiscal Year	\$ 4,842,572	\$ 3,374,671	\$ 2,040,187	\$ 1,391,143	\$ 2,439,991	\$ 1,430,649	\$ 1,596,582	\$ 1,769,105	\$ 1,825,472	\$ 2,229,315	\$ 1,943,734
47 Cash Flow Surplus/(Deficit)	1,499,615	1,960,720	1,603,188	2,191,804	2,512,326	3,174,736	4,090,484	4,174,454	4,961,861	5,071,172	5,156,564
48 Projects Designated To Be Paid With Cash	-	-	(2,252,232)	-	(3,521,669)	(3,008,803)	-	-	-	-	-
49 Projects Paid With Non Specified Funds	(2,967,516)	(3,295,204)	-	(1,142,955)	-	-	(3,917,960)	(4,118,087)	(4,558,018)	(5,356,753)	(5,094,546)
50 Balance At End Of Fiscal Year	\$ 3,374,671	\$ 2,040,187	\$ 1,391,143	\$ 2,439,991	\$ 1,430,649	\$ 1,596,582	\$ 1,769,105	\$ 1,825,472	\$ 2,229,315	\$ 1,943,734	\$ 2,005,751
51 Minimum Working Capital Reserve Target	1,474,793	1,515,615	1,560,733	1,610,370	1,661,610	1,714,503	1,769,105	1,825,472	1,883,662	1,943,734	2,005,751
52 Excess/(Deficiency) Of Working Capital To Target	\$ 1,899,878	\$ 524,572	\$ (169,590)	\$ 829,621	\$ (230,961)	\$ (117,922)	\$ 0	\$ 0	\$ 345,653	\$ 0	\$ 0

Capital Project Funding Summary

Schedule 8

Final Capital Projects Funding Sources	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Water Connection Fees	\$ 53,850	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950
Sewer Connection Fees	57,720	19,240	19,240	19,240	19,240	19,240	19,240	19,240	19,240	19,240	19,240
Revenue Fund	2,967,516	3,295,204	-	1,142,955	-	-	3,917,960	4,118,087	4,558,018	5,356,753	5,094,546
Subordinate Debt Proceeds	200,000	1,751,000	17,610,940	14,096,178	2,813,772	4,509,576	3,361,405	3,380,775	3,166,925	3,432,848	3,959,858
Senior-Lien Debt Proceeds	-	-	-	-	-	-	-	-	-	-	-
Projects Designated To Be Paid With Cash	-	-	2,252,232	-	3,521,669	3,008,803	-	-	-	-	-
Total Projects Paid	\$ 3,279,086	\$ 5,083,394	\$ 19,900,362	\$ 15,276,323	\$ 6,372,631	\$ 7,555,569	\$ 7,316,555	\$ 7,536,052	\$ 7,762,134	\$ 8,826,791	\$ 9,091,594

Funding Summary by Fund

Schedule 9

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Water Connection Fees											
Balance At Beginning Of Fiscal Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Revenues	53,850	17,950	17,950	17,950	17,950	17,950	17,950	17,950	17,950	17,950	17,950
Less: Annual Expenses	-	-	-	-	-	-	-	-	-	-	-
Less: Payment Of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 53,850	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950
Less: Restricted Funds	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available For Projects	\$ 53,850	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950
Amount Paid For Projects	(53,850)	(17,950)	(17,950)	(17,950)	(17,950)	(17,950)	(17,950)	(17,950)	(17,950)	(17,950)	(17,950)
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add Back: Restricted Funds	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Less: Interest Allocated To Cash Flow	-	-	-	-	-	-	-	-	-	-	-
Balance At End Of Fiscal Year	\$ -										
Sewer Connection Fees											
Balance At Beginning Of Fiscal Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Revenues	57,720	19,240	19,240	19,240	19,240	19,240	19,240	19,240	19,240	19,240	19,240
Less: Annual Expenses	-	-	-	-	-	-	-	-	-	-	-
Less: Payment Of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 57,720	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240
Less: Restricted Funds	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available For Projects	\$ 57,720	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240	\$ 19,240
Amount Paid For Projects	(57,720)	(19,240)	(19,240)	(19,240)	(19,240)	(19,240)	(19,240)	(19,240)	(19,240)	(19,240)	(19,240)
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add Back: Restricted Funds	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Less: Interest Allocated To Cash Flow	-	-	-	-	-	-	-	-	-	-	-
Balance At End Of Fiscal Year	\$ -										
Revenue Fund											
Balance At Beginning Of Fiscal Year	\$ 4,842,572	\$ 3,374,671	\$ 2,040,187	\$ 1,391,143	\$ 2,439,991	\$ 1,430,649	\$ 1,596,582	\$ 1,769,105	\$ 1,825,472	\$ 2,229,315	\$ 1,943,734
Net Cash Flow	1,499,615	1,960,720	1,603,188	2,191,804	2,512,326	3,174,736	4,090,484	4,174,454	4,961,861	5,071,172	5,156,564
Less: Cash-Funded Capital Projects	-	-	(2,252,232)	-	(3,521,669)	(3,008,803)	-	-	-	-	-
Less: Payment Of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 6,342,187	\$ 5,335,391	\$ 1,391,143	\$ 3,582,947	\$ 1,430,649	\$ 1,596,582	\$ 5,687,066	\$ 5,943,559	\$ 6,787,333	\$ 7,300,487	\$ 7,100,298
Less: Restricted Funds	(1,474,793)	(1,515,615)	(1,391,143)	(1,610,370)	(1,430,649)	(1,596,582)	(1,769,105)	(1,825,472)	(1,883,662)	(1,943,734)	(2,005,751)
Total Amount Available For Projects	\$ 4,867,394	\$ 3,819,776	\$ -	\$ 1,972,576	\$ -	\$ -	\$ 3,917,960	\$ 4,118,087	\$ 4,903,671	\$ 5,356,753	\$ 5,094,546
Amount Paid For Projects	(2,967,516)	(3,295,204)	-	(1,142,955)	-	-	(3,917,960)	(4,118,087)	(4,558,018)	(5,356,753)	(5,094,546)
Subtotal	\$ 1,899,878	\$ 524,572	\$ -	\$ 829,621	\$ -	\$ -	\$ -	\$ -	\$ 345,653	\$ -	\$ -
Add Back: Restricted Funds	1,474,793	1,515,615	1,391,143	1,610,370	1,430,649	1,596,582	1,769,105	1,825,472	1,883,662	1,943,734	2,005,751
Plus: Interest Earnings	10,272	6,769	8,578	14,367	19,353	18,920	21,036	22,466	25,342	26,082	24,684
Less: Interest Allocated To Cash Flow	(10,272)	(6,769)	(8,578)	(14,367)	(19,353)	(18,920)	(21,036)	(22,466)	(25,342)	(26,082)	(24,684)
Balance At End Of Fiscal Year	\$ 3,374,671	\$ 2,040,187	\$ 1,391,143	\$ 2,439,991	\$ 1,430,649	\$ 1,596,582	\$ 1,769,105	\$ 1,825,472	\$ 2,229,315	\$ 1,943,734	\$ 2,005,751

Subordinate Borrowing Projections

Schedule 10

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Term (Years)	20	20	20	20	20	20	20	20	20	20	20
Interest Rate	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Sources of Funds											
Par Amount	\$ 204,000	\$ 1,786,020	\$ 17,963,159	\$ 14,378,102	\$ 2,870,047	\$ 4,599,768	\$ 3,428,633	\$ 3,448,390	\$ 3,230,264	\$ 3,501,505	\$ 4,039,055
Uses of Funds											
Proceeds	\$ 200,000	\$ 1,751,000	\$ 17,610,940	\$ 14,096,178	\$ 2,813,772	\$ 4,509,576	\$ 3,361,405	\$ 3,380,775	\$ 3,166,925	\$ 3,432,848	\$ 3,959,858
Cost of Issuance	0.00% of Par	-	-	-	-	-	-	-	-	-	-
Loan Repayment Res.	0.00% of Capital Cost	-	-	-	-	-	-	-	-	-	-
Loan Service Fee	2.00% of Capital Cost	4,000	35,020	352,219	281,924	56,275	90,192	67,228	67,615	63,339	79,197
Capitalized Interest	0 Years Interest	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve	0 Year(s) of Debt Service	-	-	-	-	-	-	-	-	-	-
Total Uses	\$ 204,000	\$ 1,786,020	\$ 17,963,159	\$ 14,378,102	\$ 2,870,047	\$ 4,599,768	\$ 3,428,633	\$ 3,448,390	\$ 3,230,264	\$ 3,501,505	\$ 4,039,055
1 Year Interest	4,080	35,720	449,079	359,453	71,751	114,994	85,716	86,210	80,757	87,538	100,976
Annual Debt Service	\$ 12,476	\$ 109,227	\$ 1,152,285	\$ 922,314	\$ 184,105	\$ 295,062	\$ 219,937	\$ 221,204	\$ 207,212	\$ 224,611	\$ 259,094
Total Debt Service	249,519	2,184,542	23,045,701	18,446,279	3,682,106	5,901,238	4,398,739	4,424,087	4,144,243	4,492,230	5,181,876
Cumulative New Annual Subordinate Debt Service	\$ 12,476	\$ 121,703	\$ 1,273,988	\$ 2,196,302	\$ 2,380,407	\$ 2,675,469	\$ 2,895,406	\$ 3,116,611	\$ 3,323,823	\$ 3,548,434	\$ 3,807,528