

# Water and Sewer 10 year operating projection

Fiscal Year 2022

| <b>Assumptions</b>                     | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                    | 2022                  | 2023                  | 2024                  | 2025                  | 2026                  | 2027                  | 2028                  | 2029                  | 2030                  | 2031                  | 2032                  |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Water Rates</b>                     |                     |                     |                     |                     |                     |                     |                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Flat Fee                               | N/A                 | N/A                 | \$ 3.35             | \$ 6.70             | \$ 10.05            | \$ 13.40            | \$ 17.75                | \$ 21.25              | \$ 23.45              | 25.33                 | 26.59                 | 27.92                 | 29.18                 | 30.49                 | 31.86                 | 33.30                 | 34.80                 | 36.36                 |
| Usage (Tier one)                       | \$                  | 3.10                | \$ 3.10             | \$ 3.07             | \$ 3.07             | \$ 3.07             | \$ 3.13                 | \$ 3.19               | \$ 3.26               | 3.35                  | 3.45                  | 3.56                  | 3.67                  | 3.78                  | 3.89                  | 4.01                  | 4.13                  | 4.25                  |
| <b>Sewer Rates</b>                     |                     |                     |                     |                     |                     |                     |                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Flat Fee                               |                     | N/A                 | \$ 3.20             | \$ 6.40             | \$ 9.64             | \$ 12.80            | \$ 15.25                | \$ 17.20              | \$ 18.20              | \$ 19.20              | 19.87                 | 20.57                 | 21.34                 | 22.14                 | 22.97                 | 23.83                 | 24.72                 | 25.65                 |
| Usage                                  |                     | \$                  | 4.62                | \$ 4.69             | \$ 4.69             | \$ 4.64             | \$ 4.64                 | \$ 4.64               | \$ 4.64               | \$ 4.64               | 4.90                  | 5.16                  | 5.45                  | 5.75                  | 6.06                  | 6.40                  | 6.75                  | 7.12                  |
| <b>Expenses</b>                        |                     |                     |                     |                     |                     |                     |                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Met Council - \$ Actual                | 593,381             | 576,237             | 643,390             | 708,567             | 733,670             | 712,664             | 719,437                 | 711,023               | 743,019               | 780,170               | 823,079               | 868,349               | 916,108               | 966,494               | 1,019,651             | 1,075,732             | 1,134,897             | 1,197,316             |
| Met Council - % Increase               | -4.57%              | -2.89%              | 11.65%              | 10.13%              | 3.54%               | -2.86%              | 0.95%                   | -1.17%                | 4.50%                 | 5.00%                 | 5.50%                 | 5.50%                 | 5.50%                 | 5.50%                 | 5.50%                 | 5.50%                 | 5.50%                 | 5.50%                 |
| City Water Expenses - % Increase       |                     |                     |                     |                     |                     |                     | EST ACTUAL              | 4.00%                 | 4.00%                 | 4.00%                 | 4.00%                 | 4.00%                 | 4.00%                 | 4.00%                 | 4.00%                 | 4.00%                 | 4.00%                 | 4.00%                 |
| City Sewer Expenses - % Increase       |                     |                     |                     |                     |                     |                     | EST ACTUAL              | 3.50%                 | 3.50%                 | 3.50%                 | 3.50%                 | 3.50%                 | 3.50%                 | 3.50%                 | 3.50%                 | 3.50%                 | 3.50%                 | 3.50%                 |
| <b>REVENUES</b>                        |                     |                     |                     |                     |                     |                     |                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|  | <b>Actual 2015</b>  | <b>Actual 2016</b>  | <b>Actual 2017</b>  | <b>Actual 2018</b>  | <b>Actual 2019</b>  | <b>Actual 2020</b>  | <b>Est. Actual 2021</b> | <b>Projected 2022</b> | <b>Projected 2023</b> | <b>Projected 2024</b> | <b>Projected 2025</b> | <b>Projected 2026</b> | <b>Projected 2027</b> | <b>Projected 2028</b> | <b>Projected 2029</b> | <b>Projected 2030</b> | <b>Projected 2031</b> | <b>Projected 2032</b> |
| Water Operations                       | \$ 897,232          | 917,927             | 945,788             | 985,022             | 997,332             | 1,130,292           | 1,285,510               | 1,291,631             | 1,355,688             | 1,418,599             | 1,470,654             | 1,524,755             | 1,578,316             | 1,633,844             | 1,691,415             | 1,751,108             | 1,813,002             | 1,877,185             |
| Sewer Operations                       | 947,618             | 1,005,329           | 1,098,938           | 1,136,667           | 1,212,400           | 1,224,881           | 1,310,608               | 1,319,981             | 1,368,609             | 1,419,209             | 1,463,648             | 1,509,492             | 1,563,198             | 1,618,825             | 1,687,816             | 1,759,778             | 1,778,947             | 1,798,835             |
| <b>Total Operating Revenues</b>        | <b>\$ 1,844,850</b> | <b>\$ 1,923,256</b> | <b>\$ 2,044,726</b> | <b>\$ 2,121,689</b> | <b>\$ 2,209,732</b> | <b>\$ 2,355,173</b> | <b>\$ 2,596,118</b>     | <b>\$ 2,611,611</b>   | <b>\$ 2,724,297</b>   | <b>\$ 2,837,808</b>   | <b>\$ 2,934,302</b>   | <b>\$ 3,034,247</b>   | <b>\$ 3,141,514</b>   | <b>\$ 3,252,669</b>   | <b>\$ 3,379,232</b>   | <b>\$ 3,510,886</b>   | <b>\$ 3,591,949</b>   | <b>\$ 3,676,020</b>   |
| <b>EXPENDITURES</b>                    |                     |                     |                     |                     |                     |                     |                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Water Operations                       | \$ 618,069          | 787,497             | 841,508             | 1,077,197           | 1,091,922           | 1,026,775           | 1,097,552               | 1,188,258             | 1,235,788             | 1,285,220             | 1,336,628             | 1,390,094             | 1,445,697             | 1,503,525             | 1,563,666             | 1,626,213             | 1,691,261             | 1,758,912             |
| Sewer Operations                       | 963,621             | 930,659             | 1,029,372           | 1,133,409           | 1,134,511           | 1,118,027           | 1,117,214               | 1,164,498             | 1,212,365             | 1,265,943             | 1,325,855             | 1,388,721             | 1,454,693             | 1,523,930             | 1,596,597             | 1,672,871             | 1,752,936             | 1,836,987             |
| <b>Total Operating Expenditures</b>    | <b>1,581,690</b>    | <b>1,718,156</b>    | <b>1,870,880</b>    | <b>2,210,606</b>    | <b>2,226,432</b>    | <b>2,144,802</b>    | <b>2,214,766</b>        | <b>2,352,755</b>      | <b>2,448,153</b>      | <b>2,551,163</b>      | <b>2,662,483</b>      | <b>2,778,815</b>      | <b>2,900,390</b>      | <b>3,027,455</b>      | <b>3,160,263</b>      | <b>3,299,084</b>      | <b>3,444,197</b>      | <b>3,595,899</b>      |
| <b>Combined Operating Income</b>       | <b>\$ 263,160</b>   | <b>\$ 205,100</b>   | <b>\$ 173,846</b>   | <b>\$ (88,917)</b>  | <b>\$ (16,700)</b>  | <b>\$ 210,370</b>   | <b>\$ 381,351</b>       | <b>\$ 258,856</b>     | <b>\$ 276,144</b>     | <b>\$ 286,646</b>     | <b>\$ 271,819</b>     | <b>\$ 255,432</b>     | <b>\$ 241,123</b>     | <b>\$ 225,215</b>     | <b>\$ 218,968</b>     | <b>\$ 211,802</b>     | <b>\$ 147,752</b>     | <b>\$ 80,122</b>      |
| <b>Other (Income)/Expense</b>          |                     |                     |                     |                     |                     |                     |                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Water                                  | (1,938)             | (11,143)            | (40,051)            | (28,689)            | (12,036)            | 8,530               | 500                     | 500                   | (2,550)               | (2,500)               | (2,450)               | (2,400)               | (2,350)               | (2,300)               | (2,250)               | (2,200)               | (2,150)               | (2,100)               |
| Sewer                                  | (21,139)            | (14,045)            | (36,189)            | (22,650)            | (2,250)             | (1,317)             | 752                     | 400                   | 450                   | (2,600)               | (2,550)               | (2,500)               | (2,450)               | (2,400)               | (2,350)               | (2,300)               | (2,250)               | (2,200)               |
| Interest income                        | (499)               | (23,907)            | (11,500)            | (24,620)            | (25,000)            | (27,781)            | (12,450)                | (6,250)               | (11,749)              | (13,080)              | (18,335)              | (21,085)              | (23,629)              | (25,955)              | (28,350)              | (33,000)              | (35,000)              | (34,999)              |
| Depreciation Expense                   | 308,955             | 332,399             | 352,399             | 371,766             | 611,728             | 631,728             | 656,728                 | 673,146               | 698,146               | 723,146               | 748,146               | 773,146               | 798,146               | 823,146               | 848,146               | 873,146               | 898,146               | 923,146               |
| <b>Total Other (Income)/Expense</b>    | <b>285,380</b>      | <b>283,304</b>      | <b>264,659</b>      | <b>295,807</b>      | <b>572,442</b>      | <b>611,160</b>      | <b>645,530</b>          | <b>667,796</b>        | <b>684,297</b>        | <b>704,966</b>        | <b>724,811</b>        | <b>747,161</b>        | <b>769,717</b>        | <b>792,491</b>        | <b>767,491</b>        | <b>742,491</b>        | <b>717,491</b>        | <b>692,491</b>        |
| <b>Net Income/(Loss)</b>               | <b>\$ (22,220)</b>  | <b>\$ (78,204)</b>  | <b>\$ (90,813)</b>  | <b>\$ (384,724)</b> | <b>\$ (589,142)</b> | <b>\$ (400,789)</b> | <b>\$ (264,179)</b>     | <b>\$ (408,940)</b>   | <b>\$ (408,154)</b>   | <b>\$ (418,320)</b>   | <b>\$ (452,992)</b>   | <b>\$ (491,729)</b>   | <b>\$ (528,594)</b>   | <b>\$ (567,276)</b>   | <b>\$ (548,523)</b>   | <b>\$ (530,689)</b>   | <b>\$ (569,740)</b>   | <b>\$ (612,370)</b>   |
| <b>Other Sources and Uses:</b>         |                     |                     |                     |                     |                     |                     |                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Transfers in                           | -                   | 1,632,862           | -                   | -                   | -                   | -                   | -                       | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Transfers Out CIP                      | (15,000)            | (225,000)           | -                   | -                   | -                   | -                   | -                       | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Transfers Out - W/S Infrastructure     | -                   | -                   | -                   | -                   | -                   | -                   | -                       | -                     | (50,000)              | (175,000)             | (210,000)             | (255,000)             | (300,000)             | (345,000)             | (390,000)             | (435,000)             | (480,000)             | (525,000)             |
| Army Reimbursements                    | -                   | 130,932             | -                   | -                   | -                   | -                   | -                       | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Debt Service Payments                  | (140,450)           | (138,150)           | (145,750)           | (148,200)           | (145,600)           | (147,950)           | (150,200)               | (\$147,400)           | (149,550)             | (156,550)             | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Net Change in Assets / Liabilities     | (46,105)            | 49,451              | (30,728)            | 49,417              | (18,684)            | 114,365             | -                       | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Add back Depreciation Expense          | 308,955             | 332,399             | 352,399             | 371,766             | 611,728             | 631,728             | 656,728                 | 673,146               | 698,146               | 723,146               | 748,146               | 773,146               | 798,146               | 823,146               | 848,146               | 873,146               | 898,146               | 923,146               |
| <b>Total Other Sources and Uses</b>    | <b>107,400</b>      | <b>1,782,494</b>    | <b>175,921</b>      | <b>272,983</b>      | <b>447,444</b>      | <b>598,143</b>      | <b>506,528</b>          | <b>525,746</b>        | <b>498,596</b>        | <b>391,596</b>        | <b>538,146</b>        | <b>518,146</b>        | <b>498,146</b>        | <b>478,146</b>        | <b>458,146</b>        | <b>438,146</b>        | <b>418,146</b>        | <b>398,146</b>        |
| <b>Net increase (decrease) in cash</b> | <b>\$ 85,180</b>    | <b>\$ 1,704,290</b> | <b>\$ 85,108</b>    | <b>\$ (111,740)</b> | <b>\$ (141,698)</b> | <b>\$ 197,354</b>   | <b>\$ 242,349</b>       | <b>\$ 116,806</b>     | <b>\$ 90,443</b>      | <b>\$ (26,724)</b>    | <b>\$ 85,154</b>      | <b>\$ 26,417</b>      | <b>\$ (30,448)</b>    | <b>\$ (89,130)</b>    | <b>\$ (90,377)</b>    | <b>\$ (92,543)</b>    | <b>\$ (151,593)</b>   | <b>\$ (214,223)</b>   |
| <b>BEGINNING CASH BALANCE</b>          | <b>40,837</b>       | <b>126,017</b>      | <b>1,830,307</b>    | <b>1,915,415</b>    | <b>1,803,675</b>    | <b>1,661,977</b>    | <b>1,859,331</b>        | <b>2,101,681</b>      | <b>2,218,488</b>      | <b>2,308,930</b>      | <b>2,282,206</b>      | <b>2,367,360</b>      | <b>2,393,778</b>      | <b>2,363,330</b>      | <b>2,274,200</b>      | <b>2,183,823</b>      | <b>2,091,280</b>      | <b>1,939,687</b>      |
| <b>ENDING CASH BALANCE</b>             | <b>\$ 126,017</b>   | <b>\$ 1,830,307</b> | <b>\$ 1,915,415</b> | <b>\$ 1,803,675</b> | <b>\$ 1,661,977</b> | <b>\$ 1,859,331</b> | <b>\$ 2,101,681</b>     | <b>\$ 2,218,488</b>   | <b>\$ 2,308,930</b>   | <b>\$ 2,282,206</b>   | <b>\$ 2,367,360</b>   | <b>\$ 2,393,778</b>   | <b>\$ 2,363,330</b>   | <b>\$ 2,274,200</b>   | <b>\$ 2,183,823</b>   | <b>\$ 2,091,280</b>   | <b>\$ 1,939,687</b>   | <b>\$ 1,725,463</b>   |
| <b>MINIMUM CASH BALANCE</b>            | <b>755,400</b>      | <b>779,235</b>      | <b>827,325</b>      | <b>855,430</b>      | <b>882,177</b>      | <b>933,008</b>      | <b>1,015,573</b>        | <b>1,017,937</b>      | <b>1,057,649</b>      | <b>1,102,486</b>      | <b>978,101</b>        | <b>1,011,416</b>      | <b>1,047,171</b>      | <b>1,084,223</b>      | <b>1,126,411</b>      | <b>1,099,695</b>      | <b>1,148,066</b>      | <b>1,198,633</b>      |