



## UTILITY RATE STUDY

CULINARY WATER, SEWER, PRESSURIZED IRRIGATION,  
AND STORM DRAIN UTILITY

DRAFT

HIGHLAND CITY, UTAH

MAY 2021

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## SECTION I: EXECUTIVE SUMMARY

Highland City ("City") commissioned Lewis Young Robertson & Burningham, Inc. ("LYRB") to review the existing culinary water, sewer, pressurized irrigation, and storm drain utility fees (or rates) and provide a recommended rate schedule based on changes in forecasted expenses, capital improvements and bonding needs. The primary objectives of the rate analyses were to ensure sufficient revenues to cover all operation and maintenance ("O&M") expenses, maintain bond covenants, ensure appropriate debt service coverage ratios, and provide sufficient revenue to fund the proposed projects identified in the Master Plan and Capital Improvement Plan ("CIP"). The following summarizes the findings for each enterprise fund.

### CULINARY WATER

A review of projected revenues under the existing rate structure relative to proposed expenses illustrated that the City would not have sufficient revenues to fund the needed capital improvements without a rate increase. Thus, we recommend a proposed rate increase of 30 percent in year 1. The rate structure shown in **Tables 1.1 and 1.2** is designed to fund the proposed CIP, necessary O&M and other expenses forecasted within the planning horizon.

This analysis assumes an annual growth of three to four percent in connections over the next five years. Annual O&M expenditures increase by three percent annually. The proposed rate structure will meet the City's objective to achieve 365 days of "Working Capital" by year five. The City should reevaluate the proposed rates within three to five years. A detailed pro forma can be found in **Appendix A**.

### SEWER

A review of projected revenues and expenditures under the existing rate structure illustrated the City will have sufficient revenues to fund the needed capital improvements without a rate increase. Thus, no rate increase is proposed at this time. A detailed pro forma can be found in **Appendix C**.

### PRESSURIZED IRRIGATION

A review of projected revenues and expenditures under the existing rate structure illustrated the City will have sufficient revenues to fund the needed capital improvements without a rate increase. Thus, no rate increase is proposed at this time. A detailed pro forma can be found in **Appendix E**.

### STORM DRAIN

A review of projected revenues and expenditures under the existing rate structure illustrated the City will have sufficient revenues to fund the needed capital improvements without a rate increase. Thus, no rate increase is proposed at this time. A detailed pro forma can be found in **Appendix G**.

TABLE 1.1: ILLUSTRATION OF BASE RATE ADJUSTMENTS (COST PER CONNECTION)

	CURRENT	PROPOSED
Residential	\$12.24	\$15.91
Commercial	\$25.50	\$33.15
Institutional	\$25.50	\$33.15
Dairy/Stock Watering	\$12.24	\$15.91
County Rate	\$12.24	\$15.91
10,000 Rate	\$25.50	\$33.15

TABLE 1.2: ILLUSTRATION OF CONSUMPTIVE RATE ADJUSTMENTS (COST PER 1,000 GALLONS)

	CURRENT	PROPOSED
Residential (6,000 – 15,999 gallons)	\$0.78	\$1.01
Residential (16,000+ gallons)	\$2.04	\$2.65
Institutional (6,000+ gallons)	\$1.04	\$1.35
Dairy/Stock Watering (6,000+ gallons)	\$0.78	\$1.01
Commercial (6,000+ gallons)	\$1.02	\$1.33
Industrial (6,000+ gallons)	\$1.31	\$1.70
County (6,000+ gallons)	\$0.77	\$1.00
10,000 Rate	\$0.78	\$1.01

## SECTION II: GENERAL RATE METHODOLOGY

This study analyzes the proposed rate increases necessary to meet current and future debt obligations, while ensuring revenue sufficiency for capital improvements, the funding of depreciation (repair and replacement) and existing bond covenants. The City does not have existing bonds outstanding for the water, sewer or storm drain utilities, so this was not a consideration for these funds. However, the pressurized irrigation system does have outstanding debt. Therefore, an analysis of debt coverage is included in the section pertaining to the pressurized irrigation system. The recommendations presented in this study are based on reasonable planning, cost, and demand projections. Any proposed rate increase is designed to recover the costs necessary to maintain a viable utility, while balancing economic and sustainability concerns.

### GENERAL RATE OBJECTIVES

The following objectives were identified by the City, which served as the foundation of the rate update and scenario analysis.

1. Ensure sufficient revenues to cover all operation and maintenance expenses while maintaining bond covenants and the appropriate debt coverage ratio of at least 1.25x.
2. Continue to fund capital improvements in the 5-year window using rate revenues, while minimizing future bonding needs and maintaining 365 Days of Working Capital.
3. The rates should evaluate a policy to maintain the existing rate structure based on a base rate assessment and any usage fees.
4. Finally, the proposed rate recommendations should be implementable and equitably distribute cost relative to demand.

### RATE DETERMINATION METHODOLOGY

Based on the above objectives, the water rate analysis has been divided into the following three phases:

1. **Revenue Growth Analysis:** LYRB studied existing revenue data and growth projections provided by the City. This information was then analyzed to determine the potential allocation of new accounts and the revenue potential within each utility.
2. **Cost of Service Analysis:** The cost-of-service analysis is structured to balance revenue sufficiency with future operating and maintenance costs, contracts, repair and replacement, capital expenditures, funding for current system deficiencies and bond service coverage ratios. Expenses were projected out to 2031 and revenues were analyzed under a variety of scenarios to meet the City's needs.
3. **Rate Design Analysis:** The final phase focuses on structuring rates that will collect the necessary revenues based on the City's budgetary needs and rate objectives.

## SECTION III: CULINARY WATER ENTERPRISE FUND ANALYSIS

### DEMAND UNITS

The demand units in this analysis are connections and projected flows. According to information provided by the City, there were 4,875 system connections in 2021. The City has projected connections based on an annual growth rate between three and four percent as shown in **Table 3.1**, resulting in a total of 5,869 connections by 2026. Historic and projected usage data by major category is shown in **Table 3.2**. This data was used to calculate overage charges for various land use types. For the purposes of this analysis a zero percent growth in usage was assumed based on water conservation.

TABLE 3.1: CITY-WIDE GROWTH PROJECTIONS

(FY)	TOTAL CONNECTIONS	GROWTH IN CONNECTIONS	(FY)	TOTAL CONNECTIONS	GROWTH IN CONNECTIONS
2021	4,875		2024	5,468	3.80%
2022	5,070	4.00%	2025	5,670	3.70%
2023	5,268	3.90%	2026	5,869	3.50%

TABLE 3.2: HISTORIC AND PROJECTED USAGE DATA BY MAJOR LAND USE TYPE (MEASURED IN 1,000 GALLONS)

	2020	2021	2022	2023	2024	2025	2026
Residential (0 - 5,999 gallons)	-	-	-	-	-	-	-
Residential (6,000 - 15,999 gallons)	99,900	99,900	99,900	99,900	99,900	99,900	99,900
Residential (16,000+ gallons)	16,317	16,317	16,317	16,317	16,317	16,317	16,317
Institutional (6,000+ gallons)	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Dairy (0 - 5,999 gallons)	260	260	260	260	260	260	260
Dairy (6,000+ gallons)	360	360	360	360	360	360	360
Commercial (0 - 5,999 gallons)	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Commercial (6,000+ gallons)	17,200	17,200	17,200	17,200	17,200	17,200	17,200
Industrial (0 - 5,999 gallons)	72	72	72	72	72	72	72
Industrial (6,000+ gallons)	1,800	1,800	1,800	1,800	1,800	1,800	1,800
County (0 - 5,999 gallons)	535	535	535	535	535	535	535
County (6,000+ gallons)	5,960	5,960	5,960	5,960	5,960	5,960	5,960

Source: Highland City Financial Statements

### HISTORIC AND PROJECTED REVENUES

#### PROJECTED OPERATING REVENUES

Utilizing the growth estimates shown above, LYRB forecasted the potential revenues generated from current service charges. The City desired to maintain a rate structure based on a base rate assessment and a usage fee.

TABLE 3.3: HISTORIC OPERATING REVENUES

OPERATING REVENUES	2017	2018	2019	2020	2021
Charges for Services	787,995	828,579	831,572	845,934	866,791
Connection Fees	59,374	46,564	33,661	50,616	52,134
Miscellaneous	6,880	5,950	5,875	6,865	7,071
<b>Total Operating Revenue</b>	<b>\$854,249</b>	<b>\$881,093</b>	<b>\$871,108</b>	<b>\$903,415</b>	<b>\$925,997</b>

Source: Highland City Financial Statements

TABLE 3.4: PROJECTED OPERATING REVENUES

OPERATING REVENUES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Projected Operating Revenues	\$1,225,667	\$1,265,882	\$1,306,627	\$1,347,844	\$1,388,370

### PROJECTED NON-OPERATING REVENUES

Historic non-operating revenues are primarily comprised of impact fee revenues and interest revenues. While the City has not had development within the impact fee service area, they anticipate collecting impact fees from new development in the five-year planning horizon. The model assumes approximately 140 new ERCs per year that will be assessed an impact fee of \$603. Investment earnings are calculated based on a 1.5 percent interest rate on any fund balance carry-over within the enterprise fund. Historic and projected total non-operating revenues are shown in **Tables 3.5 and 3.6**.

TABLE 3.5: HISTORIC NON-OPERATING REVENUES

NON-OPERATING REVENUES	2017	2018	2019	2020	2021
Investment Earnings	23,413	43,641	71,831	55,165	56,820
Impact Fee Revenues	-	-	-	-	-
<b>Total Non-Operating Revenue</b>	<b>\$23,413</b>	<b>\$43,641</b>	<b>\$71,831</b>	<b>\$55,165</b>	<b>\$56,820</b>

TABLE 3.6: PROJECTED NON-OPERATING REVENUE

NON-OPERATING REVENUES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Investment Earnings	25,312	4,724	6,649	8,526	12,610
Impact Fee Revenues	\$84,420	\$84,420	\$84,420	\$84,420	\$84,420
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$109,732</b>	<b>\$89,144</b>	<b>\$91,069</b>	<b>\$92,946</b>	<b>\$97,030</b>

## WATER COST OF SERVICE ANALYSIS

This analysis considers historic revenues and expenses during the period from FY 2017 through FY 2021, and forecasts revenues and expenditures through a five-year planning horizon. Projected cash flows for the water utility were analyzed to ensure that the City's objectives are met – to ensure revenue sufficiency to cover O&M while maintaining bond covenants and the appropriate debt coverage ratio; fund all necessary capital improvements; and provide an appropriate fund balance according to the City's existing budget policies.

### COSTS TO BE RECOVERED THROUGH SERVICE CHARGES

#### OPERATIONS AND MAINTENANCE

General O&M expenses are incurred through the normal day-to-day operations of the water system. These expenses can include costs such as wages and salaries, benefits, utility costs and supplies. These costs can be variable based on fluctuations in water flows. Historic data shows an average annual growth of approximately seven percent in salaries and

benefits from 2017 to 2021, with over three percent growth in total expenses over the same timeframe. At the request of the City, a three percent increase in operations and maintenance expenses and a seven percent increase in salaries and benefits is applied for purposes of forecasting expenses. The City also expects to add an additional 3.5 full time employees (FTEs) in 2022 which would fall under the New O&M category shown below in **Table 3.8** and amount to approximately \$130,232 of additional operating expenses in year 1 of the planning horizon allocated to water.

TABLE 3.7: HISTORIC OPERATIONS AND MAINTENANCE EXPENSES

OPERATING EXPENSE	2017	2018	2019	2020	2021
Salaries & Benefits	(199,894)	(197,166)	(231,018)	(247,978)	(260,377)
Operations	(427,837)	(483,696)	(443,934)	(423,129)	(435,823)
Depreciation Expense	(309,262)	(315,190)	(338,875)	(354,955)	(365,604)
<b>Total Operating Expense</b>	<b>(\$936,993)</b>	<b>(\$996,052)</b>	<b>(\$1,013,827)</b>	<b>(\$1,026,062)</b>	<b>(\$1,061,803)</b>

Source: Highland City Financial Statements

TABLE 3.8: PROJECTED OPERATION AND MAINTENANCE EXPENSES

OPERATING EXPENSE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Salaries & Benefits	(278,603)	(298,106)	(318,973)	(341,301)	(365,192)
Operations	(448,898)	(462,364)	(476,235)	(490,522)	(505,238)
Depreciation Expense	-	-	-	-	-
New O&M	(130,232)	(139,349)	(149,103)	(159,540)	(170,708)
<b>Total Operating Expense</b>	<b>(\$857,733)</b>	<b>(\$899,819)</b>	<b>(\$944,311)</b>	<b>(\$991,364)</b>	<b>(\$1,041,138)</b>

Source: Highland City Financial Statements

As stated above, the new operating expense is based on adding an additional 3.5 FTEs in FY 2022. However, a portion of these FTEs will be shared across each utility and with other departments, as discussed below.

TABLE 3.9: CALCULATION OF NEW O&amp;M EXPENSE

NEW O&M	TOTAL FTE	% TO UTILITY	S&B	YEAR	BASE COST	CONSTRUCTION YEAR COST	2022	NOTES
Operator 1	1.00	100%	\$70,000	2022	\$70,000	\$80,143	\$80,143	100% Allocated to Culinary Water
FTE Floater	1.00	25%	\$70,000	2022	\$17,500	\$20,036	\$20,036	Shared between four enterprise funds
FTE Asst. Public Works Director	1.00	17%	\$120,000	2022	\$20,000	\$22,898	\$22,898	Shared between four enterprise funds and two public works departments
FTE Office Staff	0.50	25%	\$25,000	2022	\$6,250	\$7,156	\$7,156	Shared between four enterprise funds
<b>Total</b>							<b>\$130,232</b>	

### CAPITAL PROJECTS

Capital projects must be constructed to update and expand the water system. Capital project costs may be paid through cash reserves, impact fees or debt financing. If the City is able to accumulate sufficient cash reserves and chooses to use these reserves to fund capital projects, the need for debt financing may be mitigated. In this analysis, several projects are identified that must be constructed through 2026 and beyond. **Table 3.10** summarizes the total proposed capital improvement estimated construction costs. The City's Master Plan provides details for the proposed CIP.

TABLE 3.10: SUMMARY OF CAPITAL PROJECT COSTS

FIGURES REPRESENTED AS (EXPENSE)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Capital Improvement Project Costs	(\$1,850,185)	(\$326,885)	(\$328,262)	(\$177,145)	(\$108,311)
See Appendix B					

#### FUNDING OF DEPRECIATION (REPAIR AND REPLACEMENT)

Funding depreciation in the proposed rate structure, or adopting a formal repair and replacement plan, will reduce the City's need to issue future debt, and will therefore decrease future interest expense and help the City avoid abrupt rate increases to fund unforeseen expenses. The City's CIP includes both growth related projects and repair/replacement projects. Thus, an additional allocation in the CIP for depreciation is not included in this analysis.

#### DEBT SERVICE COSTS

The City does not currently have any outstanding bonds and debt service costs for the water utility.

### WATER RATE DESIGN ANALYSIS

The City commissioned LYRB to review the existing culinary water utility fees (or rates) and provide a recommended rate schedule based on changes in forecasted expenses, capital improvements and bonding needs. The primary objectives of the rate analysis were to ensure sufficient revenues to cover all O&M expenses, maintain bond covenants, ensure the appropriate debt service coverage ratio, and provide sufficient revenue to fund the proposed projects identified in the Master Plan and CIP. A review of projected revenues under the existing rate structure relative to proposed expenses illustrated that the City would not have sufficient revenues to fund the needed capital improvements without a rate increase. Thus, we recommend a proposed rate increase of 30 percent in year 1. The rate structure shown below is designed to fund the proposed CIP, necessary O&M and other expenses forecasted within the planning horizon.

TABLE 3.11: ILLUSTRATION OF BASE RATE (COST PER CONNECTION)

	CURRENT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Residential	\$12.24	\$15.91	\$15.91	\$15.91	\$15.91	\$15.91
Commercial	\$25.50	\$33.15	\$33.15	\$33.15	\$33.15	\$33.15
Institutional	\$25.50	\$33.15	\$33.15	\$33.15	\$33.15	\$33.15
Dairy/Stock Watering	\$12.24	\$15.91	\$15.91	\$15.91	\$15.91	\$15.91
County Rate	\$12.24	\$15.91	\$15.91	\$15.91	\$15.91	\$15.91
10,000 Rate	\$25.50	\$33.15	\$33.15	\$33.15	\$33.15	\$33.15

TABLE 3.12: ILLUSTRATION OF CONSUMPTIVE RATE (COST PER 1,000 GALLONS)

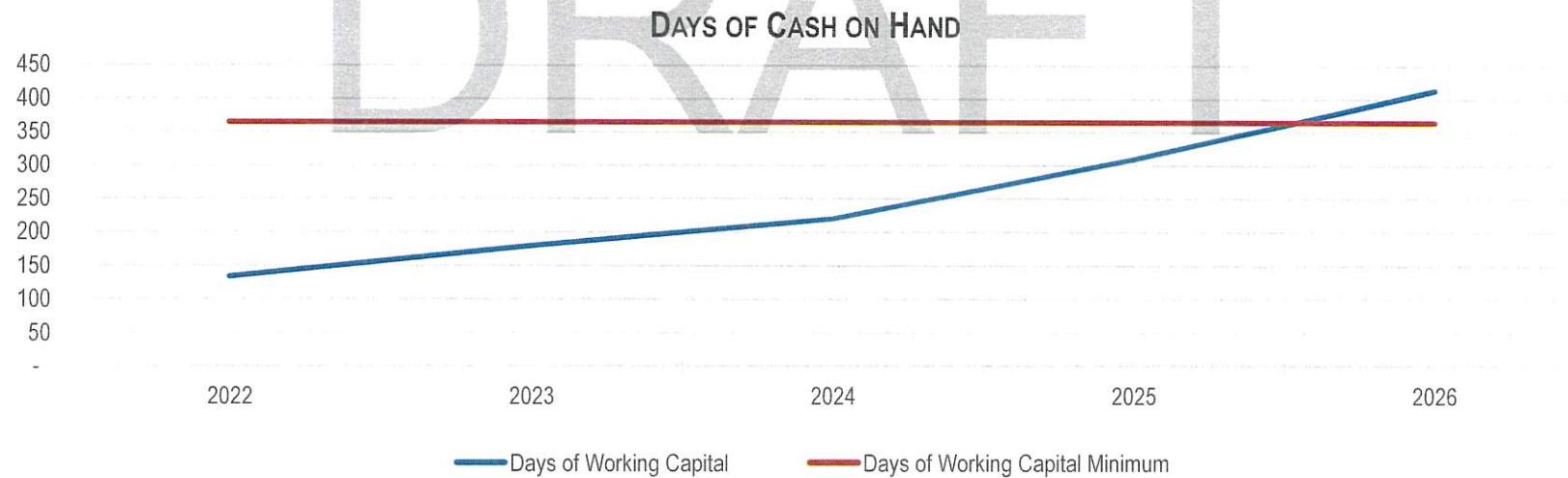
	CURRENT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Residential (6,000 – 15,999 gallons)	\$0.78	\$1.01	\$1.01	\$1.01	\$1.01	\$1.01
Residential (16,000+ gallons)	\$2.04	\$2.65	\$2.65	\$2.65	\$2.65	\$2.65
Institutional (6,000+ gallons)	\$1.04	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35
Dairy/Stock Watering (6,000+ gallons)	\$0.78	\$1.01	\$1.01	\$1.01	\$1.01	\$1.01
Commercial (6,000+ gallons)	\$1.02	\$1.33	\$1.33	\$1.33	\$1.33	\$1.33
Industrial (6,000+ gallons)	\$1.31	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70
County (6,000+ gallons)	\$0.77	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
10,000 Rate	\$0.78	\$1.01	\$1.01	\$1.01	\$1.01	\$1.01

The comparison of revenues and expenditures under the proposed rate increase, as shown in **Table 3.13**, illustrates that the City will be able to provide adequate funding for capital improvement and replacement projects according to the proposed CIP.

TABLE 3.13: SUMMARY PRO FORMA

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Operating Revenue	\$1,225,667	\$1,265,882	\$1,306,627	\$1,347,844	\$1,388,370
Total Operating Expense	(\$857,733)	(\$899,819)	(\$944,311)	(\$991,364)	(\$1,041,138)
Total Non-Operating Revenue	\$109,732	\$89,144	\$91,069	\$92,946	\$97,030
Total DS	\$0	\$0	\$0	\$0	\$0
Total CIP	(\$1,850,185)	(\$326,885)	(\$328,262)	(\$177,145)	(\$108,311)
<b>Net Income (Loss) Before Transfers</b>	<b>(\$1,372,520)</b>	<b>\$128,322</b>	<b>\$125,122</b>	<b>\$272,281</b>	<b>\$335,951</b>
Change in Net Position after Transfers and Contributions	(\$1,372,520)	\$128,322	\$125,122	\$272,281	\$335,951
Beginning Fund Balance	\$1,687,463	\$314,943	\$443,266	\$568,388	\$840,669
<b>Ending Fund Balance (Unrestricted)</b>	<b>\$314,943</b>	<b>\$443,266</b>	<b>\$568,388</b>	<b>\$840,669</b>	<b>\$1,176,620</b>
Days of Working Capital	134	180	220	310	412
Days of Working Capital (minimum)	365	365	365	365	365

FIGURE 3.1: ILLUSTRATION OF DAYS OF CASH ON HAND



The proposed rate structure will meet the City's objective to achieve 365 days of "Working Capital" at the end of the planning horizon. The City should conduct an annual review of the financial performance of each enterprise fund and reevaluate the proposed rates within three to five years. A detailed pro forma can be found in **Appendix A**.

## SECTION IV: SEWER ENTERPRISE FUND ANALYSIS

### DEMAND UNITS

The demand units in this analysis are connections and projected production. According to information provided by the City, there were 4,235 system connections in 2021. The City has projected connections based on an annual growth rate between three and four percent as shown in **Table 4.1**, resulting in a total of 5,098 connections by 2026. Historic and projected production data is also shown in **Table 4.1**. This data was used to calculate production charges for various land use types. For the purposes of this analysis a zero percent growth in usage was assumed which assumes water conservation. The City is also served by the Timpanogos Special Service District (TSSD) which provides sewer treatment facilities to the City. As a result, the City assesses a City maintenance monthly fee and a sewer processing fee. As such, this analysis calculates the municipal demand, and the demand attributed to the TSSD fee.

TABLE 4.1: CITY-WIDE GROWTH PROJECTIONS (PRODUCTION MEASURED IN 1,000 GALLONS)

DEMAND	2020	2021	2022	2023	2024	2025	2026
Growth in Connections			4.00%	3.90%	3.80%	3.70%	3.50%
City Residential Connections	4,235	4,235	4,404	4,576	4,750	4,926	5,098
City Commercial Connections	59	59	61	64	66	69	71
City Consumption (in Thousands)	50,000	50,000	50,000	50,000	50,000	50,000	50,000
TSSD Residential Connections	4,235	4,235	4,404	4,576	4,750	4,926	5,098
TSSD Commercial Connections	59	59	61	64	66	69	71
TSSD Consumption (in Thousands)	50,000	50,000	50,000	50,000	50,000	50,000	50,000

### HISTORIC AND PROJECTED OPERATING REVENUES

Utilizing the growth estimates shown above, LYRB forecasted the potential revenues generated from current service charges, as shown below. The City desired to maintain a rate structure based on a base rate assessment and a production fee for the City and TSSD.

TABLE 4.2: HISTORIC OPERATING REVENUES

OPERATING REVENUES	2017	2018	2019	2020	2021
Charges for Services	1,942,707	2,012,982	2,050,579	2,084,675	2,084,736
Connection Fees	2,527	352	167	29	29
Miscellaneous	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$1,945,234</b>	<b>\$2,013,334</b>	<b>\$2,050,746</b>	<b>\$2,084,704</b>	<b>\$2,084,765</b>

Source: Highland City Financial Statements

TABLE 4.3: PROJECTED OPERATING REVENUES

OPERATING REVENUES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Projected Operating Revenues	\$2,163,075	\$2,242,481	\$2,322,868	\$2,404,115	\$2,483,813

### PROJECTED NON-OPERATING REVENUES

Historic non-operating revenues are primarily comprised of impact fee revenues and interest revenues. The City has realized sewer impact fee revenue collections in the past and anticipates collecting impact fee revenues in the five-year planning horizon from new development. The model assumes approximately 175 new ERCs per year that will be assessed an impact fee of \$1,155 or \$2,108, depending on the impact fee service area in which the development occurs. For the purposes of this analysis approximately 42 percent of the ERCs will be in the Central Service Area, with the remaining 58 percent in the Southeast Service Area. Investment earnings are calculated based on a 1.5 percent interest rate on any fund balance carry-over within the enterprise fund. Historic and projected total non-operating revenues are shown in **Tables 4.4 and 4.5**.

TABLE 4.4: HISTORIC NON-OPERATING REVENUES

NON-OPERATING REVENUES (EXPENSES)	2017	2018	2019	2020	2021
Investment Earnings	33,335	59,258	101,926	86,330	87,193
Impact Fee Revenues	269,272	204,339	145,630	211,179	213,291
<b>Total Non-Operating Revenue</b>	<b>\$302,607</b>	<b>\$263,597</b>	<b>\$247,556</b>	<b>\$297,509</b>	<b>\$300,484</b>

TABLE 4.5: PROJECTED NON-OPERATING REVENUE

NON-OPERATING REVENUES (EXPENSE)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Investment Earnings	59,951	31,283	39,560	47,272	50,586
Impact Fee Revenues	292,992	297,094	300,766	303,980	298,188
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$352,943</b>	<b>\$328,378</b>	<b>\$340,326</b>	<b>\$351,252</b>	<b>\$348,774</b>

### SEWER COST OF SERVICE ANALYSIS

This analysis considers historic revenues and expenses during the period from FY 2017 through FY 2021, and forecasts revenues and expenditures through a five-year planning horizon. Projected cash flows for the sewer utility were analyzed to ensure that the City's objectives are met – to ensure revenue sufficiency to cover O&M while maintaining bond covenants and the appropriate debt coverage ratio; fund all necessary capital improvements; and provide an appropriate fund balance according to the City's existing budget policies.

### COSTS TO BE RECOVERED THROUGH SERVICE CHARGES

#### OPERATIONS AND MAINTENANCE

General O&M expenses are incurred through the normal day-to-day operations of the sewer system. These expenses can include costs such as wages and salaries, benefits, utility costs and supplies. These costs can be variable based on fluctuations in production. Historic data shows an average annual growth of two percent in salaries and benefits from 2017 to 2021, with no growth in total O&M expenses of over the same timeframe. At the request of the City, a three percent increase in operations and maintenance expenses and a seven percent increase in salaries and benefits is applied for purposes of forecasting expenses. The City also expects to add an additional 3.5 full time employees in 2022 which would fall under the New O&M category shown below in **Table 4.7**, with approximately \$50,089 of additional operating expenses in year 1 of the planning horizon allocated to sewer.

TABLE 4.6: HISTORIC OPERATIONS AND MAINTENANCE EXPENSES

OPERATING EXPENSE	2017	2018	2019	2020	2021
Salaries & Benefits	(220,783)	(249,348)	(204,081)	(224,728)	(235,964)
Operations	(1,518,119)	(1,494,836)	(1,518,260)	(1,385,300)	(1,426,859)
Depreciation Expense	(334,641)	(350,107)	(374,591)	(386,707)	(398,308)
<b>Total Operating Expense</b>	<b>(\$2,073,543)</b>	<b>(\$2,094,291)</b>	<b>(\$2,096,932)</b>	<b>(\$1,996,735)</b>	<b>(\$2,061,132)</b>

Source: Highland City Financial Statements

TABLE 4.7: PROJECTED OPERATION AND MAINTENANCE EXPENSES

OPERATING EXPENSE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Salaries & Benefits	(252,482)	(270,156)	(289,067)	(309,301)	(330,952)
Operations	(1,469,665)	(1,513,755)	(1,559,167)	(1,605,942)	(1,654,121)
Depreciation Expense	-	-	-	-	-
New O&M	(50,089)	(53,596)	(57,347)	(61,362)	(65,657)
<b>Total Operating Expense</b>	<b>(\$1,772,236)</b>	<b>(\$1,837,506)</b>	<b>(\$1,905,581)</b>	<b>(\$1,976,605)</b>	<b>(\$2,050,730)</b>

Source: Highland City Financial Statements

As stated above, the new operating expense is based on adding an additional 3.5 FTEs in FY 2022. However, a portion of these FTEs will be shared across each utility and with other departments, as discussed below.

TABLE 4.8: CALCULATION OF NEW O&amp;M EXPENSE

NEW O&M	TOTAL FTE	% TO UTILITY	S&B	YEAR	BASE COST	CONSTRUCTION YEAR COST	2022	NOTES
Operator 1	1.00	0%	\$70,000	2022	-	-	-	0% Allocated to Sewer
FTE Floater	1.00	25%	\$70,000	2022	\$17,500	\$20,036	\$20,036	Shared between four enterprise funds
FTE Asst. Public Works Director	1.00	17%	\$120,000	2022	\$20,000	\$22,898	\$22,898	Shared between four enterprise funds and two public works departments
FTE Office Staff	0.50	25%	\$25,000	2022	\$6,250	\$7,156	\$7,156	Shared between four enterprise funds
<b>Total</b>							<b>\$50,089</b>	

## CAPITAL PROJECTS

Capital projects must be constructed to update and expand the water system. Capital project costs may be paid through cash reserves, impact fees or debt financing. If the City is able to accumulate sufficient cash reserves and chooses to use these reserves to fund capital projects, the need for debt financing may be mitigated. In this analysis, several projects are identified that must be constructed through 2026 and beyond. Table 4.9 summarizes the total proposed capital improvement estimated construction costs. The City's Master Plan provides details for the proposed CIP.

TABLE 4.9: SUMMARY OF CAPITAL PROJECT COSTS

FIGURES REPRESENTED AS (EXPENSE)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Capital Improvement Project Costs	(\$2,654,964)	(\$181,547)	(\$243,477)	(\$557,847)	(\$21,717)

See Appendix D

## FUNDING OF DEPRECIATION (REPAIR AND REPLACEMENT)

Funding depreciation in the proposed rate structure, or adopting a formal repair and replacement plan, will reduce the City's need to issue future debt, and will therefore decrease future interest expense and help the City avoid abrupt rate increases to fund unforeseen expenses. The City's CIP includes both growth related projects and repair/replacement projects. Thus, an additional allocation in the CIP for depreciation is not included in this analysis.

## DEBT SERVICE COSTS

The City does not currently have any outstanding bonds and debt service costs for the sewer utility.

## SEWER RATE DESIGN ANALYSIS

The City commissioned LYRB to review the existing sewer utility fees (or rates) and provide a recommended rate schedule based on changes in forecasted expenses, capital improvements and bonding needs. The primary objectives of the rate analysis were to ensure sufficient revenues to cover all O&M expenses, maintain bond covenants, ensure the appropriate debt service coverage ratio, and provide sufficient revenue to fund the proposed projects identified in the Master Plan and CIP. A review of projected revenues under the existing rate structure relative to proposed expenses illustrated that the City would have sufficient revenues to fund the needed capital improvements without a rate increase. Thus, a rate increase is not recommended at this time.

TABLE 4.10: ILLUSTRATION OF SEWER RATE ADJUSTMENTS

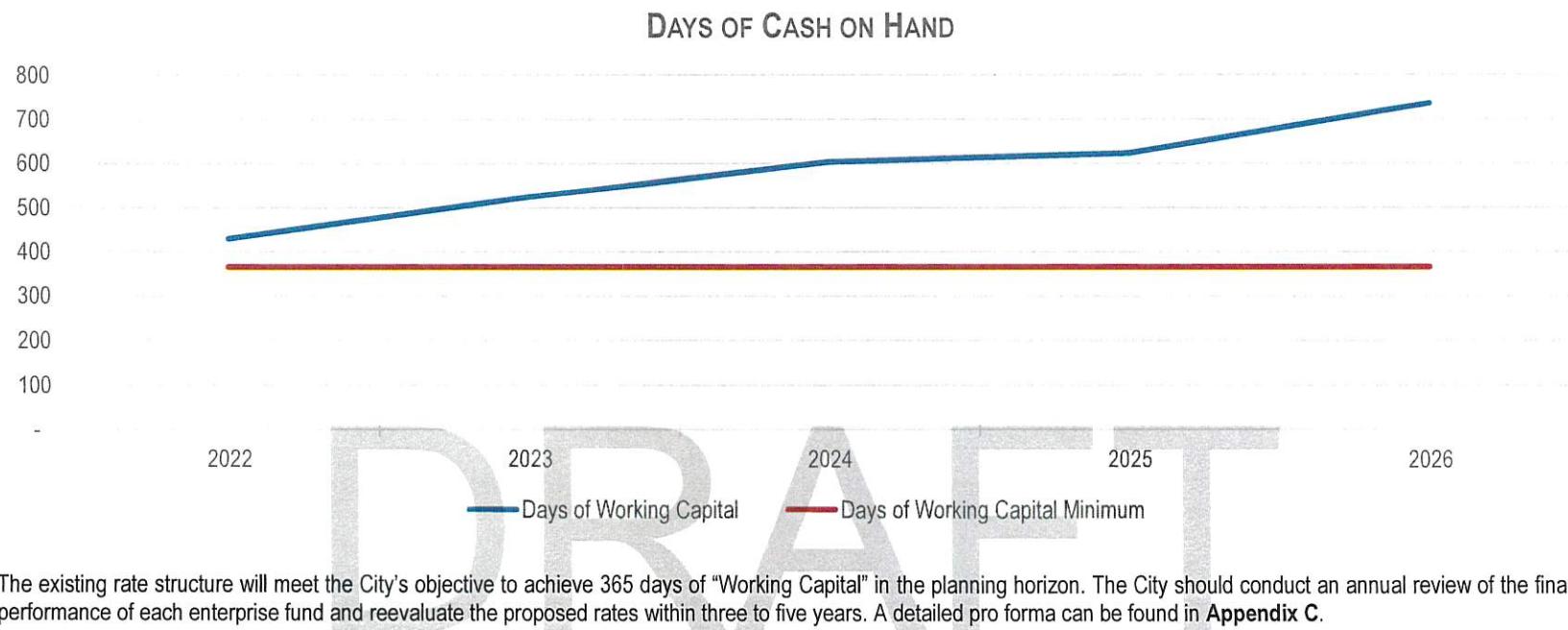
DEMAND	CURRENT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
City Residential Base Rate (per Connection/Month)	\$5.11	\$5.11	\$5.11	\$5.11	\$5.11	\$5.11
City Commercial Base Rate (per Connection/Month)	\$6.20	\$6.20	\$6.20	\$6.20	\$6.20	\$6.20
City Production Rate (per 1,000 Gal)	\$0.34	\$0.34	\$0.34	\$0.34	\$0.34	\$0.34
TSSD Base Rate Residential	\$32.77	\$32.77	\$32.77	\$32.77	\$32.77	\$32.77
TSSD Base Rate Commercial	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95
TSSD Production Rate (per 1,000 Gal)	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20

This analysis assumes an annual growth of three to four percent in connections over the next five years. Annual O&M expenditures increase by three percent annually. The comparison of revenues and expenditures, as shown in Table 4.11, illustrates that the City will be able to provide adequate funding for capital improvement and replacement projects according to the proposed CIP.

TABLE 4.11: SUMMARY PRO FORMA

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Operating Revenue	\$2,163,075	\$2,242,481	\$2,322,868	\$2,404,115	\$2,483,813
Total Operating Expense	(\$1,772,236)	(\$1,837,506)	(\$1,905,581)	(\$1,976,605)	(\$2,050,730)
Total Non-Operating Revenue	\$352,943	\$328,378	\$340,326	\$351,252	\$348,774
Total DS	\$0	\$0	\$0	\$0	\$0
Total CIP	(\$2,654,964)	(\$181,547)	(\$243,477)	(\$557,847)	(\$21,717)
<b>Net Income (Loss) Before Transfers</b>	<b>(\$1,911,182)</b>	<b>\$551,806</b>	<b>\$514,137</b>	<b>\$220,914</b>	<b>\$760,139</b>
Change in Net Position after Transfers and Contributions	(\$1,911,182)	\$551,806	\$514,137	\$220,914	\$760,139
Beginning Fund Balance	\$3,996,733	\$2,085,551	\$2,637,357	\$3,151,494	\$3,372,408
<b>Ending Fund Balance (Unrestricted)</b>	<b>\$2,085,551</b>	<b>\$2,637,357</b>	<b>\$3,151,494</b>	<b>\$3,372,408</b>	<b>\$4,132,548</b>
Days of Working Capital	430	524	604	623	736
Days of Working Capital (minimum)	365	365	365	365	365

FIGURE 4.1: ILLUSTRATION OF DAYS OF CASH ON HAND



## SECTION V: PRESSURIZED IRRIGATION ENTERPRISE FUND ANALYSIS

### DEMAND UNITS

The demand units in this analysis are connections and lot square footage. According to information provided by the City, there were 4,385 system connections in 2021, with 146,077,134 lot square footage. The City has projected connections based on an annual growth rate of approximately 1.28 percent as shown in **Table 5.1**, resulting in a total of 4,673 connections by 2026, and 155,683,847 lot square footage.

TABLE 5.1: CITY-WIDE GROWTH PROJECTIONS

	2021	2022	2023	2024	2025	2026
Growth in ESUs		1.30%	1.30%	1.28%	1.27%	1.26%
Calculated ESUs	4,385	4,442	4,500	4,557	4,615	4,673
Square Footage	146,077,134	147,976,136	149,899,826	151,818,544	153,746,639	155,683,847

### HISTORIC AND PROJECTED OPERATING REVENUES

Utilizing the growth estimates shown above, LYRB forecasted the potential revenues generated from current service charges, as shown below. The City desired to maintain a rate structure based on a base rate assessment and lot square footage.

TABLE 5.2: HISTORIC OPERATING REVENUES

OPERATING REVENUES	2017	2018	2019	2020	2021
Charges for Services	2,143,071	2,200,592	2,225,651	2,222,657	2,222,657
Intergovernmental	9,030	18,338	394,365	91,773	92,691
Miscellaneous	-	-	48	-	-
<b>Total Operating Revenue</b>	<b>\$2,152,101</b>	<b>\$2,218,930</b>	<b>\$2,620,064</b>	<b>\$2,314,430</b>	<b>\$2,315,348</b>

Source: Highland City Financial Statements

TABLE 5.3: PROJECTED OPERATING REVENUES

OPERATING REVENUES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Projected Operating Revenues	\$2,345,169	\$2,375,376	\$2,405,516	\$2,435,808	\$2,466,248

### PROJECTED NON-OPERATING REVENUES

Historic non-operating revenues are primarily comprised of impact fee revenues, interest revenues and interest expense. Interest expense is interest associated with the outstanding debt service. For the purposes of this analysis, the interest expense is removed from non-operating expense and included in the discussion of debt service expense. The City has realized pressurized irrigation impact fee revenue collections in the past and anticipates collecting impact fee revenues in the five-year planning horizon from new development. Due to the difficulty in projecting lost sizes, the model assumes approximately \$250K annually of future impact fee revenues, similar to historic revenue collections. Investment earnings are calculated based on a 1.5 percent interest rate on any fund balance carry-over within the enterprise fund. Historic and projected total non-operating revenues are shown in **Tables 5.4 and 5.5**.

TABLE 5.4: HISTORIC NON-OPERATING REVENUES

NON-OPERATING REVENUES (EXPENSES)	2017	2018	2019	2020	2021
Investment Earnings	6,795	28,924	77,255	77,764	78,542
Interest Expense	(132,946)	(119,766)	(91,046)	(48,569)	(49,055)
Impact Fee Revenues	328,644	278,259	182,993	242,483	244,908
<b>Total Non-Operating Revenue</b>	<b>\$202,493</b>	<b>\$187,417</b>	<b>\$169,202</b>	<b>\$271,678</b>	<b>\$274,395</b>

TABLE 5.5: PROJECTED NON-OPERATING REVENUE

NON-OPERATING REVENUES (EXPENSES)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Investment Earnings	68,485	56,867	34,713	8,202	11,306
Interest Expense	-	-	-	-	-
Impact Fee Revenues	250,000	250,000	250,000	250,000	250,000
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$318,485</b>	<b>\$306,867</b>	<b>\$284,713</b>	<b>\$258,202</b>	<b>\$261,306</b>

## PRESSURIZED IRRIGATION COST OF SERVICE ANALYSIS

This analysis considers historic revenues and expenses during the period from FY 2017 through FY 2021, and forecasts revenues and expenditures through a five-year planning horizon. Projected cash flows for the pressurized irrigation utility were analyzed to ensure that the City's objectives are met – to ensure revenue sufficiency to cover O&M while maintaining bond covenants and the appropriate debt coverage ratio; fund all necessary capital improvements; and provide an appropriate fund balance according to the City's existing budget policies.

### COSTS TO BE RECOVERED THROUGH SERVICE CHARGES

#### OPERATIONS AND MAINTENANCE

General O&M expenses are incurred through the normal day-to-day operations of the pressurized irrigation system. These expenses can include costs such as wages and salaries, benefits, utility costs and supplies. These costs can be variable based on fluctuations in demand. Historic data shows an average annual growth of nine percent in salaries and benefits from 2017 to 2021, with three percent growth in total O&M expenses of over the same timeframe. At the request of the City, a three percent increase in operations and maintenance expenses and a seven percent increase in salaries and benefits is applied for purposes of forecasting expenses. The City also expects to add an additional 3.5 full time employees in 2022 which would fall under the New O&M category shown below in **Table 5.7**, with approximately \$50,089 of additional operating expenses in year 1 of the planning horizon allocated to pressurized irrigation.

TABLE 5.6: HISTORIC OPERATIONS AND MAINTENANCE EXPENSES

OPERATING EXPENSE	2017	2018	2019	2020	2021
Salaries & Benefits	(187,109)	(174,712)	(216,216)	(254,178)	(266,887)
Operations	(655,671)	(647,645)	(665,644)	(676,357)	(696,648)
Depreciation Expense	(405,127)	(415,765)	(421,790)	(433,022)	(446,013)
<b>Total Operating Expense</b>	<b>(\$1,247,907)</b>	<b>(\$1,238,122)</b>	<b>(\$1,303,650)</b>	<b>(\$1,363,557)</b>	<b>(\$1,409,547)</b>

Source: Highland City Financial Statements

TABLE 5.7: PROJECTED OPERATION AND MAINTENANCE EXPENSES

OPERATING EXPENSE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Salaries & Benefits	(285,569)	(305,559)	(326,948)	(349,834)	(374,323)
Operations	(717,547)	(739,074)	(761,246)	(784,083)	(807,606)
Depreciation Expense	-	-	-	-	-
New O&M	(50,089)	(53,596)	(57,347)	(61,362)	(65,657)
<b>Total Operating Expense</b>	<b>(\$1,053,205)</b>	<b>(\$1,098,228)</b>	<b>(\$1,145,541)</b>	<b>(\$1,195,279)</b>	<b>(\$1,247,585)</b>

Source: Highland City Financial Statements

As stated above, the new operating expense is based on adding an additional 3.5 FTEs in FY 2022. However, a portion of these FTEs will be shared across each utility and with other departments, as discussed below.

TABLE 5.8: CALCULATION OF NEW O&amp;M EXPENSE

NEW O&M	TOTAL FTE	% TO UTILITY	S&B	YEAR	BASE COST	CONSTRUCTION YEAR COST	2022	NOTES
Operator 1	1.00	0%	\$70,000	2022	-	-	-	0% Allocated to Pressurized Irrigation
FTE Floater	1.00	25%	\$70,000	2022	\$17,500	\$20,036	\$20,036	Shared between four enterprise funds
FTE Asst. Public Works Director	1.00	17%	\$120,000	2022	\$20,000	\$22,898	\$22,898	Shared between four enterprise funds and two public works departments
FTE Office Staff	0.50	25%	\$25,000	2022	\$6,250	\$7,156	\$7,156	Shared between four enterprise funds
<b>Total</b>							<b>\$50,089</b>	

## CAPITAL PROJECTS

Capital projects must be constructed to update and expand the pressurized irrigation system. Capital project costs may be paid through cash reserves, impact fees or debt financing. If the City is able to accumulate sufficient cash reserves and chooses to use these reserves to fund capital projects, the need for debt financing may be mitigated. In this analysis, several projects are identified that must be constructed through 2026 and beyond. Table 5.9 summarizes the total proposed capital improvement estimated construction costs. The City's Master Plan provides details for the proposed CIP.

TABLE 5.9: SUMMARY OF CAPITAL PROJECT COSTS

FIGURES REPRESENTED AS (EXPENSE)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Capital Improvement Project Costs	(\$2,246,572)	(\$2,922,721)	(\$3,174,211)	(\$1,153,364)	(\$1,126,499)

See Appendix F

## FUNDING OF DEPRECIATION (REPAIR AND REPLACEMENT)

Funding depreciation in the proposed rate structure, or adopting a formal repair and replacement plan, will reduce the City's need to issue future debt, and will therefore decrease future interest expense and help the City avoid abrupt rate increases to fund unforeseen expenses. The City's CIP includes both growth related projects and repair/replacement projects. Thus, an additional allocation in the CIP for depreciation is not included in this analysis.

## DEBT SERVICE COSTS

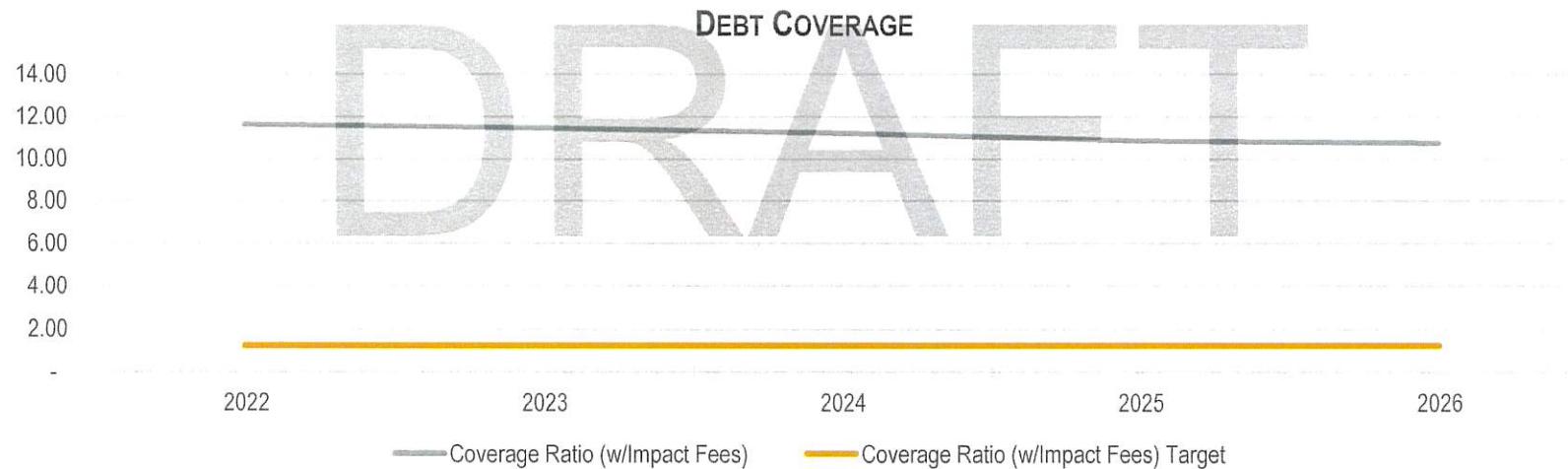
The City has outstanding bonds related to the pressurized irrigation system. This analysis includes the principal and interest payments associated with these bonds, as shown in Table 5.10, when determining revenue sufficiency and debt coverage ratios. As stated in Section II, this analysis is designed to ensure sufficient revenues to cover all operation and

maintenance expenses while maintaining bond covenants and the appropriate debt coverage ratio of at least 1.25x. As shown in **Figure 5.1**, the City's existing rates will ensure adequate debt coverage through the five-year planning horizon.

TABLE 5.10: OUTSTANDING PRESSURIZED IRRIGATION DEBT SERVICE

YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE
2021	\$77,000	\$61,480	\$138,480	2029	\$105,000	\$33,200	\$138,200
2022	\$80,000	\$58,400	\$138,400	2030	\$109,000	\$29,000	\$138,000
2023	\$83,000	\$55,200	\$138,200	2031	\$114,000	\$24,640	\$138,640
2024	\$86,000	\$51,880	\$137,880	2032	\$118,000	\$20,080	\$138,080
2025	\$90,000	\$48,440	\$138,440	2033	\$123,000	\$15,360	\$138,360
2026	\$93,000	\$44,840	\$137,840	2034	\$128,000	\$10,440	\$138,440
2027	\$97,000	\$41,120	\$138,120	2035	\$133,000	\$5,320	\$138,320
2028	\$101,000	\$37,240	\$138,240				

FIGURE 5.1: ILLUSTRATION OF DEBT SERVICE COVERAGE



## PRESSURIZED IRRIGATION RATE DESIGN ANALYSIS

The City commissioned LYRB to review the existing pressurized irrigation utility fees (or rates) and provide a recommended rate schedule based on changes in forecasted expenses, capital improvements and bonding needs. The primary objectives of the rate analysis were to ensure sufficient revenues to cover all O&M expenses, maintain bond covenants, ensure the appropriate debt service coverage ratio, and provide sufficient revenue to fund the proposed projects identified in the Master Plan and CIP. A review of projected revenues under the existing rate structure relative to proposed expenses illustrated that the City would have sufficient revenues to fund the needed capital improvements without a rate increase. Thus, a rate increase is not recommended at this time.

TABLE 5.11: ILLUSTRATION OF SEWER RATE ADJUSTMENTS

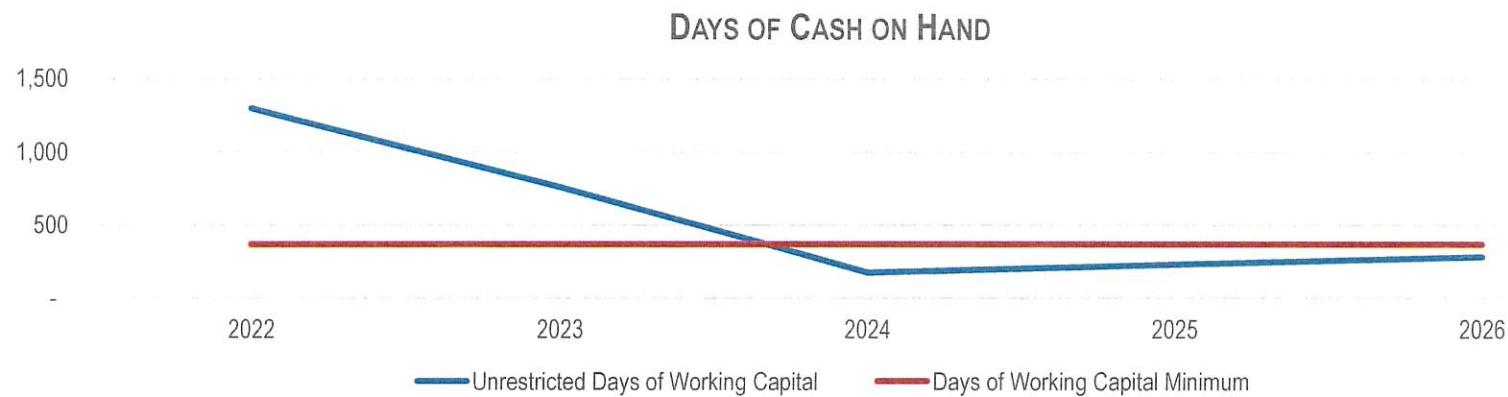
	2021	2022	2023	2024	2025	2026
Base Fee	\$20.12	\$20.12	\$20.12	\$20.12	\$20.12	\$20.12
Fee per SF	\$0.000664	\$0.000664	\$0.000664	\$0.000664	\$0.000664	\$0.000664

This analysis assumes an annual growth in ESUs of approximately 1.28 percent over the next five years. Annual O&M expenditures increase by three percent annually. The comparison of revenues and expenditures under the proposed rate increase, as shown in **Table 5.12**, illustrates that the City will be able to provide adequate funding for capital improvement and replacement projects according to the proposed CIP.

TABLE 5.12: SUMMARY PRO FORMA

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Operating Revenue	\$2,345,169	\$2,375,376	\$2,405,516	\$2,435,808	\$2,466,248
Total Operating Expense	(\$1,053,205)	(\$1,098,228)	(\$1,145,541)	(\$1,195,279)	(\$1,247,585)
Total Non-Operating Revenue	\$318,485	\$306,867	\$284,713	\$258,202	\$261,306
Total DS	(\$138,400)	(\$138,200)	(\$137,880)	(\$138,440)	(\$137,840)
Total CIP	(\$2,246,572)	(\$2,922,721)	(\$3,174,211)	(\$1,153,364)	(\$1,126,499)
<b>Net Income (Loss) Before Transfers</b>	<b>(\$774,524)</b>	<b>(\$1,476,907)</b>	<b>(\$1,767,403)</b>	<b>\$206,927</b>	<b>\$215,630</b>
Change in Net Position after Transfers and Contributions	(\$774,524)	(\$1,476,907)	(\$1,767,403)	\$206,927	\$215,630
Beginning Fund Balance	\$4,565,647	\$3,791,123	\$2,314,216	\$546,814	\$753,741
<b>Ending Fund Balance (Unrestricted)</b>	<b>\$3,791,123</b>	<b>\$2,314,216</b>	<b>\$546,814</b>	<b>\$753,741</b>	<b>\$969,371</b>
Days of Working Capital	1,296	759	172	227	280
Days of Working Capital (minimum)	365	365	365	365	365

FIGURE 5.2: ILLUSTRATION OF DAYS OF CASH ON HAND



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While the existing rate structure will fall below the City's target amount of 365 days of "Working Capital" in the planning horizon, a rate increase is not recommended at this time. The ending fund balance is projected to decrease through 2024 but begin to recover in the following years. It is anticipated that the fund balance should continue to recover beyond the five-year planning horizon. The City should conduct an annual review of the financial performance of each enterprise fund and reevaluate the proposed rates within three to five years. A detailed pro forma can be found in **Appendix E**.

# DRAFT

## SECTION VI: STORM DRAIN ENTERPRISE FUND ANALYSIS

### DEMAND UNITS

The demand units in this analysis are residential connections and non-residential square footage of parking lot. According to information provided by the City, there were 5,024 residential connections in 2021, with 8,719,586 non-residential square footage of parking lot. The City is not anticipating new growth within the storm drain service area. This data was used to calculate revenue sufficiency based on existing rates.

TABLE 6.1: CITY-WIDE GROWTH PROJECTIONS

	2021	2022	2023	2024	2025	2026
Calculated ESUs	5,024	5,024	5,024	5,024	5,024	5,024
Square Footage (Non-Residential)	8,719,586	8,719,586	8,719,586	8,719,586	8,719,586	8,719,586

### HISTORIC AND PROJECTED OPERATING REVENUES

Utilizing the growth estimates shown above, LYRB forecasted the potential revenues generated from current service charges, as shown below. The City desired to maintain a rate structure based on a base residential rate assessment and a non-residential fee per square foot of parking lot.

TABLE 6.2: HISTORIC OPERATING REVENUES

OPERATING REVENUES	2017	2018	2019	2020	2021
Charges for Services	530,212	531,742	524,926	562,511	562,511
Miscellaneous	-	-	-	10,757	10,865
Total Operating Revenue	\$530,212	\$531,742	\$524,926	\$573,268	\$573,376
Source: Highland City Financial Statements					

TABLE 6.3: PROJECTED OPERATING REVENUES

OPERATING REVENUES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Projected Operating Revenues	\$573,484	\$573,594	\$573,705	\$573,817	\$573,930

### PROJECTED NON-OPERATING REVENUES

Historic non-operating revenues are primarily comprised of investment earnings. Future investment earnings are calculated based on a 1.5 percent interest rate on any fund balance carry-over within the enterprise fund. Historic and projected total non-operating revenues are shown in **Tables 6.4 and 6.5**.

TABLE 6.4: HISTORIC NON-OPERATING REVENUES

NON-OPERATING REVENUES (EXPENSES)	2017	2018	2019	2020	2021
Investment Earnings	8,472	18,026	32,478	26,199	26,461
Gain/Loss of Capital Assets	-	-	14,295	-	-
Total Non-Operating Revenue	\$8,472	\$18,026	\$46,773	\$26,199	\$26,461

TABLE 6.5: PROJECTED NON-OPERATING REVENUE

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Investment Earnings	20,836	17,321	17,719	15,844	14,559
<b>Total Non-Operating Revenues (Expenses)</b>	<b>20,836</b>	<b>17,321</b>	<b>17,719</b>	<b>15,844</b>	<b>14,559</b>

## STORM DRAIN COST OF SERVICE ANALYSIS

This analysis considers historic revenues and expenses during the period from FY 2017 through FY 2021, and forecasts revenues and expenditures through a five-year planning horizon. Projected cash flows for the storm drain utility were analyzed to ensure that the City's objectives are met – to ensure revenue sufficiency to cover O&M while maintaining bond covenants and the appropriate debt coverage ratio; fund all necessary capital improvements; and provide an appropriate fund balance according to the City's existing budget policies.

### COSTS TO BE RECOVERED THROUGH SERVICE CHARGES

#### OPERATIONS AND MAINTENANCE

General O&M expenses are incurred through the normal day-to-day operations of the storm drain system. These expenses can include costs such as wages and salaries, benefits, utility costs and supplies. Historic data shows an average annual growth of eight percent in salaries and benefits from 2017 to 2021, with three growth in total O&M expenses of over the same timeframe. At the request of the City, a three percent increase in operations and maintenance expenses and a seven percent increase in salaries and benefits is applied for purposes of forecasting expenses. The City also expects to add an additional 3.5 full time employees in 2022 which would fall under the New O&M category shown below in **Table 6.7**, with approximately \$50,089 of additional operating expenses in year 1 of the planning horizon allocated to storm drain.

TABLE 6.6: HISTORIC OPERATIONS AND MAINTENANCE EXPENSES

OPERATING EXPENSE	2017	2018	2019	2020	2021
Salaries & Benefits	(127,315)	(135,851)	(143,882)	(165,156)	(173,414)
Operations	(213,775)	(152,162)	(122,026)	(161,989)	(166,849)
Depreciation Expense	(125,271)	(132,023)	(152,491)	(172,454)	(177,628)
<b>Total Operating Expense</b>	<b>(\$466,361)</b>	<b>(\$420,036)</b>	<b>(\$418,399)</b>	<b>(\$499,599)</b>	<b>(\$517,890)</b>

Source: Highland City Financial Statements

TABLE 6.7: PROJECTED OPERATION AND MAINTENANCE EXPENSES

OPERATING EXPENSE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Salaries & Benefits	(185,553)	(198,541)	(212,439)	(227,310)	(243,222)
Operations	(171,854)	(177,010)	(182,320)	(187,790)	(193,423)
Depreciation Expense	-	-	-	-	-
New O&M	(50,089)	(53,596)	(57,347)	(61,362)	(65,657)
<b>Total Operating Expense</b>	<b>(\$407,496)</b>	<b>(\$429,147)</b>	<b>(\$452,107)</b>	<b>(\$476,461)</b>	<b>(\$502,302)</b>

Source: Highland City Financial Statements

As stated above, the new operating expense is based on adding an additional 3.5 FTEs in FY 2022. However, a portion of these FTEs will be shared across each utility and with other departments, as discussed below.

TABLE 6.8: CALCULATION OF NEW O&amp;M EXPENSE

NEW O&M	TOTAL FTE	% TO UTILITY	S&B	YEAR	BASE COST	CONSTRUCTION YEAR COST	2022	NOTES
Operator 1	1.00	0%	\$70,000	2022	-	-	-	0% Allocated to Storm Drain
FTE Floater	1.00	25%	\$70,000	2022	\$17,500	\$20,036	\$20,036	Shared between four enterprise funds
FTE Asst. Public Works Director	1.00	17%	\$120,000	2022	\$20,000	\$22,898	\$22,898	Shared between four enterprise funds and two public works departments
FTE Office Staff	0.50	25%	\$25,000	2022	\$6,250	\$7,156	\$7,156	Shared between four enterprise funds
<b>Total</b>							<b>\$50,089</b>	

### CAPITAL PROJECTS

Capital projects must be constructed to update and expand the storm drain system. Capital project costs may be paid through cash reserves, impact fees or debt financing. If the City is able to accumulate sufficient cash reserves and chooses to use these reserves to fund capital projects, the need for debt financing may be mitigated. In this analysis, several projects are identified that must be constructed through 2026 and beyond. **Table 6.9** summarizes the total proposed capital improvement estimated construction costs. The City's Master Plan provides details for the proposed CIP.

TABLE 6.9: SUMMARY OF CAPITAL PROJECT COSTS

FIGURES REPRESENTED AS (EXPENSE)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Capital Improvement Project Costs	(\$421,200)	(\$135,200)	(\$264,343)	(\$198,876)	(\$285,913)
See Appendix H					

### FUNDING OF DEPRECIATION (REPAIR AND REPLACEMENT)

Funding depreciation in the proposed rate structure, or adopting a formal repair and replacement plan, will reduce the City's need to issue future debt, and will therefore decrease future interest expense and help the City avoid abrupt rate increases to fund unforeseen expenses. The City's CIP includes both growth related projects and repair/replacement projects. Thus, an additional allocation in the CIP for depreciation is not included in this analysis.

### DEBT SERVICE COSTS

The City does not currently have any outstanding bonds and debt service costs for the storm drain utility.

### STORM DRAIN RATE DESIGN ANALYSIS

The City commissioned LYRB to review the existing storm drain utility fees (or rates) and provide a recommended rate schedule based on changes in forecasted expenses, capital improvements and bonding needs. The primary objectives of the rate analysis were to ensure sufficient revenues to cover all O&M expenses, maintain bond covenants, ensure the appropriate debt service coverage ratio, and provide sufficient revenue to fund the proposed projects identified in the Master Plan and CIP. A review of projected revenues under the existing rate structure relative to proposed expenses illustrated that the City would have sufficient revenues to fund the needed capital improvements without a rate increase. Thus, a rate increase is not recommended at this time.

TABLE 6.10: ILLUSTRATION OF STORM DRAIN RATE ADJUSTMENTS

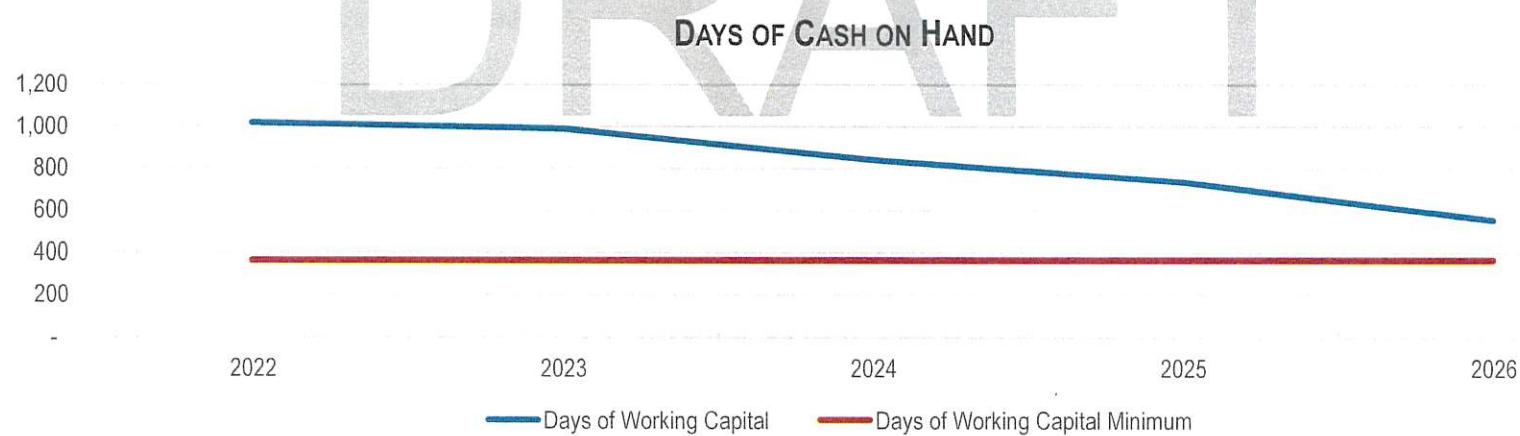
	2021	2022	2023	2024	2025	2026
Residential Base Fee	\$6.97	\$6.97	\$6.97	\$6.97	\$6.97	\$6.97
Non-Residential Fee per SF	\$0.00136	\$0.00136	\$0.00136	\$0.00136	\$0.00136	\$0.00136

This analysis assumes no new growth in storm drain over the next five years. Annual O&M expenditures increase by three percent annually. The comparison of revenues and expenditures under the proposed rate increase, as shown in **Table 4.11**, illustrates that the City will be able to provide adequate funding for capital improvement and replacement projects according to the proposed CIP.

TABLE 4.11: SUMMARY PRO FORMA

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Operating Revenue	\$573,484	\$573,594	\$573,705	\$573,817	\$573,930
Total Operating Expense	(\$407,496)	(\$429,147)	(\$452,107)	(\$476,461)	(\$502,302)
Total Non-Operating Revenue	\$20,836	\$17,321	\$17,719	\$15,844	\$14,559
Total DS	\$0	\$0	\$0	\$0	\$0
Total CIP	(\$421,200)	(\$135,200)	(\$264,343)	(\$198,876)	(\$285,913)
Net Income (Loss) Before Transfers	(\$234,376)	\$26,568	(\$125,026)	(\$85,677)	(\$199,727)
Change in Net Position after Transfers and Contributions	(\$234,376)	\$26,568	(\$125,026)	(\$85,677)	(\$199,727)
Beginning Fund Balance	\$1,389,083	\$1,154,707	\$1,181,275	\$1,056,249	\$970,572
Ending Fund Balance (Unrestricted)	\$1,154,707	\$1,181,275	\$1,056,249	\$970,572	\$770,845
Days of Working Capital	1,020	991	841	733	552
Days of Working Capital (minimum)	365	365	365	365	365

FIGURE 6.1: ILLUSTRATION OF DAYS OF CASH ON HAND



The proposed rate structure will meet the City's objective to achieve 365 days of "Working Capital" in the planning horizon. The City should conduct an annual review of the financial performance of each enterprise fund and reevaluate the proposed rates within three to five years. A detailed pro forma can be found in **Appendix G**.

## SECTION VII: EVALUATION OF PRICING OBJECTIVES

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Several objectives were identified by the City, which serve as the foundation of the rate update and scenario analysis.

- ☒ First, the City wanted to ensure sufficient revenues to cover all operation and maintenance expenses while maintaining bond covenants and the appropriate debt coverage ratio of at least 1.25x.
- ☒ Second, the City wanted to continue to fund capital improvements in the five-year window using rate revenues, while minimizing future bonding needs and maintaining 365 Days of Working Capital.
- ☒ Third, the rates should evaluate a policy to maintain the existing rate structure.
- ☒ Finally, the proposed rate recommendations should be implementable and equitable.

## EVALUATION OF EFFECTIVENESS OF RATE OBJECTIVES

- ☒ **Revenue Sufficiency:** The comparison of revenues and expenditures under the proposed rate increases illustrates that the City will continue to provide necessary funding for capital improvement and replacement projects according to the proposed CIP scenarios. The City's only outstanding debt service is within the pressurized irrigation utility, which shows sufficient coverage within the planning horizon.
- ☒ **Funding Capital Costs and Maintaining Revenue Sufficiency:** The rate analysis considers necessary increases to adequately fund the repair and replacement of existing facilities, future capital costs and to maintain a fund balance at the end of each year utilizing a pay-as-you go approach. Each fund is able to do this, with the water fund requiring a rate increase in year one to meet the desired targets.
- ☒ **Rate Structure:** The analysis did not include any structural changes to the rates.
- ☒ **Equity and Implementation:** The adopted rate calculations follow a reasonable methodology to promote conservation and ease of implementation.

## APPENDIX A: DETAILED CULINARY WATER PRO FORMA

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Operating Revenues</b>										
Charges for Services	1,164,685	1,203,071	1,241,932	1,281,207	1,319,735	1,319,735	1,319,735	1,319,735	1,319,735	1,319,735
Connection Fees	53,699	55,309	56,969	58,678	60,438	62,251	64,119	66,042	68,024	70,064
Miscellaneous	7,283	7,502	7,727	7,958	8,197	8,443	8,696	8,957	9,226	9,503
<b>Total Operating Revenue</b>	<b>\$1,225,667</b>	<b>\$1,265,882</b>	<b>\$1,306,627</b>	<b>\$1,347,844</b>	<b>\$1,388,370</b>	<b>\$1,390,429</b>	<b>\$1,392,550</b>	<b>\$1,394,734</b>	<b>\$1,396,984</b>	<b>\$1,399,302</b>
<b>Operating Expense</b>										
Salaries and Benefits	(278,603)	(298,106)	(318,973)	(341,301)	(365,192)	(390,756)	(418,108)	(447,376)	(478,692)	(512,201)
Operations	(446,896)	(462,364)	(476,235)	(490,522)	(505,238)	(520,395)	(536,007)	(552,087)	(568,650)	(585,709)
Depreciation Expense	-	-	-	-	-	-	-	-	-	-
New O&M	(130,232)	(139,349)	(149,103)	(159,540)	(170,708)	(182,658)	(195,444)	(209,125)	(223,763)	(239,427)
<b>Total Operating Expense</b>	<b>(\$857,733)</b>	<b>(\$899,819)</b>	<b>(\$944,311)</b>	<b>(\$991,364)</b>	<b>(\$1,041,138)</b>	<b>(\$1,093,808)</b>	<b>(\$1,149,559)</b>	<b>(\$1,208,588)</b>	<b>(\$1,271,105)</b>	<b>(\$1,337,337)</b>
<b>Non-Operating Revenues (Expenses)</b>										
Investment Earnings	25,312	4,724	6,649	8,526	12,610	17,649	18,404	19,644	21,437	16,750
Impact Fee Revenues	84,420	84,420	84,420	84,420	84,420	0	0	0	0	0
<b>Total Non-Operating Revenue</b>	<b>\$109,732</b>	<b>\$89,144</b>	<b>\$91,069</b>	<b>\$92,946</b>	<b>\$97,030</b>	<b>\$17,649</b>	<b>\$18,404</b>	<b>\$19,644</b>	<b>\$21,437</b>	<b>\$16,750</b>
Total Revenue Available for DS	\$477,665	\$455,208	\$453,385	\$449,426	\$444,262	\$314,270	\$261,394	\$205,790	\$147,315	\$78,715
<b>Debt Service</b>										
None	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total DS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Total Revenue Available for CIP	\$477,665	\$455,208	\$453,385	\$449,426	\$444,262	\$314,270	\$261,394	\$205,790	\$147,315	\$78,715
<b>Total CIP</b>	<b>(\$1,850,185)</b>	<b>(\$326,885)</b>	<b>(\$328,262)</b>	<b>(\$177,145)</b>	<b>(\$108,311)</b>	<b>(\$263,976)</b>	<b>(\$178,735)</b>	<b>(\$86,253)</b>	<b>(\$459,764)</b>	<b>(\$709,073)</b>
<b>Net Income (Loss) Before Transfers</b>	<b>(\$1,372,520)</b>	<b>\$128,322</b>	<b>\$125,122</b>	<b>\$272,281</b>	<b>\$335,951</b>	<b>\$50,294</b>	<b>\$82,659</b>	<b>\$119,537</b>	<b>(\$312,449)</b>	<b>(\$630,358)</b>
Change in Net Position	<b>(\$1,372,520)</b>	<b>\$128,322</b>	<b>\$125,122</b>	<b>\$272,281</b>	<b>\$335,951</b>	<b>\$50,294</b>	<b>\$82,659</b>	<b>\$119,537</b>	<b>(\$312,449)</b>	<b>(\$630,358)</b>
Beginning Cash Balance	\$1,687,463	\$314,943	\$443,266	\$568,388	\$840,689	\$1,176,620	\$1,226,514	\$1,309,573	\$1,429,110	\$1,116,662
Ending Fund Balance	\$314,943	\$443,266	\$568,388	\$840,689	\$1,176,620	\$1,226,914	\$1,309,573	\$1,429,110	\$1,116,662	\$486,304
Unrestricted	\$314,943	\$443,266	\$568,388	\$840,689	\$1,176,620	\$1,226,914	\$1,309,573	\$1,429,110	\$1,116,662	\$486,304
<b>Days of Working Capital</b>	<b>134</b>	<b>180</b>	<b>220</b>	<b>310</b>	<b>412</b>	<b>409</b>	<b>416</b>	<b>432</b>	<b>321</b>	<b>133</b>
<b>Days of Working Capital Minimum</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>

## APPENDIX B: CULINARY WATER CAPITAL IMPROVEMENT PLAN

CIP	YEAR	TRIGGER	BASE COST	CONSTRUCTION YEAR COST	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Concrete Sealing for Exposed Tank Roof	2026	1.00	\$25,000	\$31,633	-	-	-	-	-	31,633	-	-	-	-	-
Well Maintenance	2023	1.00	\$70,000	\$78,740	-	-	78,740	-	-	-	-	-	-	-	-
Well Maintenance	2025	1.00	\$70,000	\$85,166	-	-	-	-	85,166	-	-	-	-	-	-
Well Maintenance	2028	1.00	\$70,000	\$95,800	-	-	-	-	-	-	-	-	-	-	-
Well Maintenance	2030	1.00	\$70,000	\$103,617	-	-	-	-	-	-	-	95,800	-	-	-
Viewpointe Pump Station Maintenance	2022	1.00	\$2,000	\$2,163	-	2,163	-	-	-	-	-	-	-	103,617	-
Viewpointe Pump Station Maintenance	2023	1.00	\$2,000	\$2,250	-	-	2,250	-	-	-	-	-	-	-	-
Viewpointe Pump Station Maintenance	2024	1.00	\$2,000	\$2,340	-	-	-	2,340	-	-	-	-	-	-	-
Viewpointe Pump Station Maintenance	2025	1.00	\$2,000	\$2,433	-	-	-	-	2,433	-	-	-	-	-	-
Viewpointe Pump Station Maintenance	2026	1.00	\$2,000	\$2,531	-	-	-	-	-	2,531	-	-	-	-	-
Viewpointe Pump Station Maintenance	2027	1.00	\$2,000	\$2,632	-	-	-	-	-	-	2,632	-	-	-	-
Viewpointe Pump Station Maintenance	2028	1.00	\$2,000	\$2,737	-	-	-	-	-	-	-	2,737	-	-	-
Viewpointe Pump Station Maintenance	2029	1.00	\$2,000	\$2,847	-	-	-	-	-	-	-	-	2,847	-	-
Viewpointe Pump Station Maintenance	2030	1.00	\$2,000	\$2,960	-	-	-	-	-	-	-	-	-	2,960	-
Viewpointe Pump Station Maintenance	2031	1.00	\$2,000	\$3,079	-	-	-	-	-	-	-	-	-	-	3,079
Beacon Hill Pump Station Maintenance	2022	1.00	\$2,000	\$2,163	-	2,163	-	-	-	-	-	-	-	-	-
Beacon Hill Pump Station Maintenance	2023	1.00	\$2,000	\$2,250	-	-	2,250	-	-	-	-	-	-	-	-
Beacon Hill Pump Station Maintenance	2024	1.00	\$2,000	\$2,340	-	-	-	2,340	-	-	-	-	-	-	-
Beacon Hill Pump Station Maintenance	2025	1.00	\$2,000	\$2,433	-	-	-	-	2,433	-	-	-	-	-	-
Beacon Hill Pump Station Maintenance	2026	1.00	\$2,000	\$2,531	-	-	-	-	-	2,531	-	-	-	-	-
Beacon Hill Pump Station Maintenance	2027	1.00	\$2,000	\$2,632	-	-	-	-	-	-	2,632	-	-	-	-
Beacon Hill Pump Station Maintenance	2028	1.00	\$2,000	\$2,737	-	-	-	-	-	-	-	2,737	-	-	-
Beacon Hill Pump Station Maintenance	2029	1.00	\$2,000	\$2,847	-	-	-	-	-	-	-	-	2,847	-	-
Beacon Hill Pump Station Maintenance	2030	1.00	\$2,000	\$2,960	-	-	-	-	-	-	-	-	-	2,960	-
Beacon Hill Pump Station Maintenance	2031	1.00	\$2,000	\$3,079	-	-	-	-	-	-	-	-	-	-	3,079
Beacon Hill Pump Station Maintenance	2022	1.00	\$2,000	\$2,163	-	-	2,163	-	-	-	-	-	-	-	-
Beacon Hill Pump Station Maintenance	2023	1.00	\$2,000	\$2,250	-	-	-	2,250	-	-	-	-	-	-	-
Beacon Hill Pump Station Maintenance	2024	1.00	\$2,000	\$2,340	-	-	-	-	2,340	-	-	-	-	-	-
Beacon Hill Pump Station Maintenance	2025	1.00	\$2,000	\$2,433	-	-	-	-	-	2,433	-	-	-	-	-
Beacon Hill Pump Station Maintenance	2026	1.00	\$2,000	\$2,531	-	-	-	-	-	-	2,531	-	-	-	-
Beacon Hill Pump Station Maintenance	2027	1.00	\$2,000	\$2,632	-	-	-	-	-	-	-	2,632	-	-	-
Beacon Hill Pump Station Maintenance	2028	1.00	\$2,000	\$2,737	-	-	-	-	-	-	-	-	2,737	-	-
Beacon Hill Pump Station Maintenance	2029	1.00	\$2,000	\$2,847	-	-	-	-	-	-	-	-	-	2,847	-
Beacon Hill Pump Station Maintenance	2030	1.00	\$2,000	\$2,960	-	-	-	-	-	-	-	-	-	-	2,960
Beacon Hill Pump Station Maintenance	2031	1.00	\$2,000	\$3,079	-	-	-	-	-	-	-	-	-	-	3,079
Replacement of Galvanized Services	2022	1.00	\$10,000	\$10,816	-	-	10,816	-	-	-	-	-	-	-	-
Replacement of Galvanized Services	2023	1.00	\$10,000	\$11,249	-	-	-	11,249	-	-	-	-	-	-	-
Replacement of Galvanized Services	2024	1.00	\$10,000	\$11,699	-	-	-	11,699	-	-	-	-	-	-	-
Replacement of Galvanized Services	2025	1.00	\$10,000	\$12,167	-	-	-	-	12,167	-	-	-	-	-	-
Replacement of Galvanized Services	2026	1.00	\$10,000	\$12,653	-	-	-	-	-	12,653	-	-	-	-	-
Replacement of Galvanized Services	2027	1.00	\$10,000	\$13,159	-	-	-	-	-	-	13,159	-	-	-	-
Replacement of Galvanized Services	2028	1.00	\$10,000	\$13,686	-	-	-	-	-	-	-	13,686	-	-	-
Replacement of Galvanized Services	2029	1.00	\$10,000	\$14,233	-	-	-	-	-	-	-	-	14,233	-	-
Replacement of Galvanized Services	2030	1.00	\$10,000	\$14,802	-	-	-	-	-	-	-	-	-	14,802	-
Hydrant Replacement	2021	1.00	\$10,000	\$15,395	-	-	-	-	-	-	-	-	-	-	15,395
Hydrant Replacement	2022	1.00	\$40,000	\$43,264	-	43,264	-	-	-	-	-	-	-	-	-
Hydrant Replacement	2023	1.00	\$40,000	\$44,995	-	-	44,995	-	-	-	-	-	-	-	-
Hydrant Replacement	2024	1.00	\$40,000	\$46,794	-	-	-	46,794	-	-	-	-	-	-	-
Hydrant Replacement	2025	1.00	\$40,000	\$48,666	-	-	-	-	48,666	-	-	-	-	-	-
Hydrant Replacement	2026	1.00	\$40,000	\$50,613	-	-	-	-	-	50,613	-	-	-	-	-
Hydrant Replacement	2027	1.00	\$40,000	\$52,637	-	-	-	-	-	-	52,637	-	-	-	-
Hydrant Replacement	2028	1.00	\$40,000	\$54,743	-	-	-	-	-	-	-	54,743	-	-	-
Hydrant Replacement	2029	1.00	\$40,000	\$56,932	-	-	-	-	-	-	-	56,932	-	-	-
Hydrant Replacement	2030	1.00	\$40,000	\$59,210	-	-	-	-	-	-	-	-	59,210	-	-
Hydrant Replacement	2031	1.00	\$40,000	\$61,578	-	-	-	-	-	-	-	-	-	61,578	-
PRV Replacement	2022	1.00	\$400	\$433	-	433	-	-	-	-	-	-	-	-	-
PRV Replacement	2023	1.00	\$400	\$450	-	-	450	-	-	-	-	-	-	-	-
PRV Replacement	2024	1.00	\$400	\$468	-	-	-	468	-	-	-	-	-	-	-
PRV Replacement	2025	1.00	\$400	\$487	-	-	-	-	487	-	-	-	-	-	-
PRV Replacement	2026	1.00	\$400	\$506	-	-	-	-	-	506	-	-	-	-	-
PRV Replacement	2027	1.00	\$400	\$526	-	-	-	-	-	-	526	-	-	-	-
PRV Replacement	2028	1.00	\$400	\$547	-	-	-	-	-	-	-	547	-	-	-
PRV Replacement	2029	1.00	\$400	\$569	-	-	-	-	-	-	-	-	569	-	-
PRV Replacement	2030	1.00	\$400	\$592	-	-	-	-	-	-	-	-	-	592	-
PRV Replacement	2031	1.00	\$400	\$616	-	-	-	-	-	-	-	-	-	-	616
SCADA System	2022	1.00	\$2,000	\$2,163	-	2,163	-	-	-	-	-	-	-	-	-
SCADA System	2023	1.00	\$2,000	\$2,250	-	-	2,250	-	-	-	-	-	-	-	-
SCADA System	2024	1.00	\$2,000	\$2,340	-	-	-	2,340	-	-	-	-	-	-	-
SCADA System	2025	1.00	\$2,000	\$2,433	-	-	-	-	2,433	-	-	-	-	-	-
SCADA System	2026	1.00	\$2,000	\$2,531	-	-	-	-	-	2,531	-	-	-	-	-
SCADA System	2027	1.00	\$2,000	\$2,632	-	-	-	-	-	-	2,632	-	-	-	-

CIP	YEAR	trigger	BASE COST	CONSTRUCTION YEAR Cost	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
SCADA System	2028	1.00	\$2,000	\$2,737	-	-	-	-	-	-	-	2,737	-	-	-
SCADA System	2029	1.00	\$2,000	\$2,847	-	-	-	-	-	-	-	-	2,847	-	-
SCADA System	2030	1.00	\$2,000	\$2,960	-	-	-	-	-	-	-	-	-	2,960	-
SCADA System	2031	1.00	\$2,000	\$3,079	-	-	-	-	-	-	-	-	-	-	3,079
Meter Battery Replacement	2022	1.00	\$4,200	\$4,543	-	4,543	-	-	-	-	-	-	-	-	-
Meter Battery Replacement	2023	1.00	\$4,200	\$4,724	-	-	4,724	-	-	-	-	-	-	-	-
Meter Battery Replacement	2024	1.00	\$4,200	\$4,913	-	-	-	4,913	-	-	-	-	-	-	-
Meter Battery Replacement	2025	1.00	\$4,200	\$5,110	-	-	-	-	5,110	-	-	-	-	-	-
Meter Battery Replacement	2026	1.00	\$4,200	\$5,314	-	-	-	-	-	5,314	-	-	-	-	-
Meter Battery Replacement	2027	1.00	\$4,200	\$5,527	-	-	-	-	-	-	5,527	-	-	-	-
Meter Battery Replacement	2028	1.00	\$4,200	\$5,748	-	-	-	-	-	-	-	5,748	-	-	-
Meter Battery Replacement	2029	1.00	\$4,200	\$5,978	-	-	-	-	-	-	-	-	5,978	-	-
Meter Battery Replacement	2030	1.00	\$4,200	\$6,217	-	-	-	-	-	-	-	-	-	6,217	-
Meter Battery Replacement	2031	1.00	\$4,200	\$6,466	-	-	-	-	-	-	-	-	-	-	6,466
Booster Station Generator Replacement	2027	1.00	\$140,000	\$184,230	-	-	-	-	-	-	184,230	-	-	-	-
Booster Station Generator Replacement	2038	1.00	\$140,000	\$283,614	-	-	-	-	-	-	-	-	-	-	-
PRV Placement in Lower Zone	2024	1.00	\$220,000	\$257,369	-	-	-	257,369	-	-	-	-	-	-	-
Well House #1 Replacement	2031	1.00	\$400,000	\$615,782	-	-	-	-	-	-	-	-	-	-	615,782
Well House #3 Replacement	2021	1.00	\$400,000	\$416,000	416,000	-	-	-	-	-	-	-	-	-	-
Well #5 Modification for Cascading	2022	1.00	\$150,000	\$162,240	-	162,240	-	-	-	-	-	-	-	-	-
VFD Replacement in Booster Stations	2032	1.00	\$60,000	\$96,062	-	-	-	-	-	-	-	-	-	-	-
SCADA System Upgrade	2030	1.00	\$30,000	\$44,407	-	-	-	-	-	-	-	-	-	-	44,407
Well House #5 Replacement	2030	1.00	\$150,000	\$222,037	-	-	-	-	-	-	-	-	-	-	222,037
Well & Well House #4 Replacement	2022	1.00	\$1,500,000	\$1,622,400	-	1,622,400	-	-	-	-	-	-	-	-	-
Chlorination	2023	1.00	\$160,000	\$179,978	-	-	179,978	-	-	-	-	-	-	-	-
View Pointe Booster Station	2045	1.00	\$50,000	\$133,292	-	-	-	-	-	-	-	-	-	-	-
Beacon Hill Booster Station	2045	1.00	\$60,000	\$159,950	-	-	-	-	-	-	-	-	-	-	-
Vehicle Replacement															
Knight Avenue 12" Transmission Line	2020	1.00	\$408,275	\$408,275	-	-	-	-	-	-	-	-	-	-	-
Impact Fee Facilities Plan	2025	1.00	\$10,000	\$12,167	-	-	-	-	12,167	-	-	-	-	-	-
Impact Fee Analysis	2025	1.00	\$5,000	\$6,083	-	-	-	-	-	6,083	-	-	-	-	-
<b>Total</b>			<b>\$4,794,275</b>	<b>\$5,965,782</b>	<b>\$416,000</b>	<b>\$1,850,185</b>	<b>\$326,885</b>	<b>\$328,262</b>	<b>\$177,145</b>	<b>\$108,311</b>	<b>\$263,976</b>	<b>\$178,735</b>	<b>\$86,253</b>	<b>\$459,764</b>	<b>\$709,073</b>

## APPENDIX C: DETAILED SEWER PRO FORMA

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Operating Revenues</b>										
Charges for Services	2,163,045	2,242,451	2,322,838	2,404,084	2,483,782	2,483,782	2,483,782	2,483,782	2,483,782	2,483,782
Connection Fees	30	30	30	30	31	31	31	32	32	32
Miscellaneous	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$2,163,075</b>	<b>\$2,242,481</b>	<b>\$2,322,868</b>	<b>\$2,404,115</b>	<b>\$2,483,813</b>	<b>\$2,483,813</b>	<b>\$2,483,813</b>	<b>\$2,483,814</b>	<b>\$2,483,814</b>	<b>\$2,483,814</b>
<b>Operating Expense</b>										
Salaries and Benefits	(252,482)	(270,156)	(289,067)	(309,301)	(330,952)	(354,119)	(378,907)	(405,431)	(433,811)	(464,178)
Operations	(1,469,665)	(1,513,755)	(1,559,167)	(1,605,942)	(1,654,121)	(1,703,744)	(1,754,857)	(1,807,502)	(1,861,727)	(1,917,579)
Depreciation Expense	-	-	-	-	-	-	-	-	-	-
New Q&M	(50,089)	(53,596)	(57,347)	(61,362)	(65,657)	(70,253)	(75,171)	(80,433)	(86,063)	(92,087)
<b>Total Operating Expense</b>	<b>(\$1,772,236)</b>	<b>(\$1,837,506)</b>	<b>(\$1,905,581)</b>	<b>(\$1,976,605)</b>	<b>(\$2,050,730)</b>	<b>(\$2,128,116)</b>	<b>(\$2,208,933)</b>	<b>(\$2,293,365)</b>	<b>(\$2,381,601)</b>	<b>(\$2,473,844)</b>
<b>Non-Operating Revenues (Expenses)</b>										
Investment Earnings	59,951	31,283	39,560	47,272	50,586	61,988	67,915	72,704	75,844	78,134
Impact Fee Revenues	292,992	297,094	300,766	303,980	298,188	-	-	-	-	-
<b>Total Non-Operating Revenue</b>	<b>\$352,943</b>	<b>\$328,378</b>	<b>\$340,326</b>	<b>\$351,252</b>	<b>\$348,774</b>	<b>\$61,988</b>	<b>\$67,915</b>	<b>\$72,704</b>	<b>\$75,844</b>	<b>\$78,134</b>
Total Revenue Available for DS	\$743,782	\$733,353	\$757,614	\$778,761	\$781,857	\$417,685	\$342,794	\$263,152	\$178,057	\$88,104
<b>Debt Service</b>										
None	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total DS</b>	<b>\$0</b>									
Total Revenue Available for CIP	\$743,782	\$733,353	\$757,614	\$778,761	\$781,857	\$417,685	\$342,794	\$263,152	\$178,057	\$88,104
<b>Total CIP</b>	<b>(\$2,654,964)</b>	<b>(\$181,547)</b>	<b>(\$243,477)</b>	<b>(\$557,847)</b>	<b>(\$21,717)</b>	<b>(\$22,586)</b>	<b>(\$23,489)</b>	<b>(\$53,853)</b>	<b>(\$25,406)</b>	<b>(\$26,422)</b>
Net Income (Loss) Before Transfers	(\$1,911,182)	\$551,806	\$514,137	\$220,914	\$760,139	\$395,099	\$319,304	\$209,299	\$152,651	\$61,681
Change in Net Position	(\$1,911,182)	\$551,806	\$514,137	\$220,914	\$760,139	\$395,099	\$319,304	\$209,299	\$152,651	\$61,681
Beginning Cash Balance	\$3,996,733	\$2,085,551	\$2,637,357	\$3,151,494	\$3,372,408	\$4,132,548	\$4,527,647	\$4,846,951	\$5,056,251	\$5,208,901
Ending Fund Balance	\$2,085,551	\$2,637,357	\$3,151,494	\$3,372,408	\$4,132,548	\$4,527,647	\$4,846,951	\$5,056,251	\$5,208,901	\$5,270,583
Unrestricted	\$2,085,551	\$2,637,357	\$3,151,494	\$3,372,408	\$4,132,548	\$4,527,647	\$4,846,951	\$5,056,251	\$5,208,901	\$5,270,583
Days of Working Capital	430	524	604	623	736	777	801	805	798	778
Days of Working Capital Minimum	365	365	365	365	365	365	365	365	365	365

## APPENDIX D: SEWER CAPITAL IMPROVEMENT PLAN

CIP	YEAR	TRIGGER	BASE COST	CONSTRUCTION YEAR COST	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
System Flusing & Vacuuming	2022	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
System Flusing & Vacuuming	2023	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
System Flusing & Vacuuming	2024	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
System Flusing & Vacuuming	2025	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
System Flusing & Vacuuming	2026	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
System Flusing & Vacuuming	2027	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
System Flusing & Vacuuming	2028	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
System Flusing & Vacuuming	2029	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
System Flusing & Vacuuming	2030	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
System Flusing & Vacuuming	2031	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
System Flusing & Vacuuming	2032	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
Root Control	2022	1.00	\$4,000	\$4,160	-	4,160	-	-	-	-	-	-	-	-	-
Root Control	2023	1.00	\$4,000	\$4,326	-	-	4,326	-	-	-	-	-	-	-	-
Root Control	2024	1.00	\$4,000	\$4,499	-	-	-	4,499	-	-	-	-	-	-	-
Root Control	2025	1.00	\$4,000	\$4,679	-	-	-	-	4,679	-	-	-	-	-	-
Root Control	2026	1.00	\$4,000	\$4,867	-	-	-	-	-	4,867	-	-	-	-	-
Root Control	2027	1.00	\$4,000	\$5,061	-	-	-	-	-	-	5,061	-	-	-	-
Root Control	2028	1.00	\$4,000	\$5,264	-	-	-	-	-	-	-	5,264	-	-	-
Root Control	2029	1.00	\$4,000	\$5,474	-	-	-	-	-	-	-	-	5,474	-	-
Root Control	2030	1.00	\$4,000	\$5,693	-	-	-	-	-	-	-	-	-	5,693	-
Root Control	2031	1.00	\$4,000	\$5,921	-	-	-	-	-	-	-	-	-	-	5,921
Root Control	2032	1.00	\$4,000	\$6,158	-	-	-	-	-	-	-	-	-	-	-
Groundwater Infiltration Pipe Repair	2022	1.00	\$3,050	\$3,172	-	3,172	-	-	-	-	-	-	-	-	-
Groundwater Infiltration Pipe Repair	2023	1.00	\$3,050	\$3,299	-	-	3,299	-	-	-	-	-	-	-	-
Groundwater Infiltration Pipe Repair	2024	1.00	\$3,050	\$3,431	-	-	-	3,431	-	-	-	-	-	-	-
Groundwater Infiltration Pipe Repair	2025	1.00	\$3,050	\$3,568	-	-	-	-	3,568	-	-	-	-	-	-
Groundwater Infiltration Pipe Repair	2026	1.00	\$3,050	\$3,711	-	-	-	-	-	3,711	-	-	-	-	-
Groundwater Infiltration Pipe Repair	2027	1.00	\$3,050	\$3,859	-	-	-	-	-	-	3,859	-	-	-	-
Groundwater Infiltration Pipe Repair	2028	1.00	\$3,050	\$4,014	-	-	-	-	-	-	-	4,014	-	-	-
Groundwater Infiltration Pipe Repair	2029	1.00	\$3,050	\$4,174	-	-	-	-	-	-	-	-	4,174	-	-
Groundwater Infiltration Pipe Repair	2030	1.00	\$3,050	\$4,341	-	-	-	-	-	-	-	-	-	4,341	-
Groundwater Infiltration Pipe Repair	2031	1.00	\$3,050	\$4,515	-	-	-	-	-	-	-	-	-	-	4,515
Groundwater Infiltration Pipe Repair	2032	1.00	\$3,050	\$4,695	-	-	-	-	-	-	-	-	-	-	-
Manhole Repair	2022	1.00	\$3,000	\$3,120	-	3,120	-	-	-	-	-	-	-	-	-
Manhole Repair	2023	1.00	\$3,000	\$3,245	-	-	3,245	-	-	-	-	-	-	-	-
Manhole Repair	2024	1.00	\$3,000	\$3,375	-	-	-	3,375	-	-	-	-	-	-	-
Manhole Repair	2025	1.00	\$3,000	\$3,510	-	-	-	-	3,510	-	-	-	-	-	-
Manhole Repair	2026	1.00	\$3,000	\$3,650	-	-	-	-	-	3,650	-	-	-	-	-
Manhole Repair	2027	1.00	\$3,000	\$3,796	-	-	-	-	-	-	3,796	-	-	-	-
Manhole Repair	2028	1.00	\$3,000	\$3,948	-	-	-	-	-	-	-	3,948	-	-	-
Manhole Repair	2029	1.00	\$3,000	\$4,106	-	-	-	-	-	-	-	-	4,106	-	-
Manhole Repair	2030	1.00	\$3,000	\$4,270	-	-	-	-	-	-	-	-	-	4,270	-
Manhole Repair	2031	1.00	\$3,000	\$4,441	-	-	-	-	-	-	-	-	-	-	4,441
Manhole Repair	2032	1.00	\$3,000	\$4,618	-	-	-	-	-	-	-	-	-	-	-
Dry Creek Lift Station Pump Maintenance	2022	1.00	\$2,500	\$2,600	-	2,600	-	-	-	-	-	-	-	-	-
Dry Creek Lift Station Pump Maintenance	2023	1.00	\$2,500	\$2,704	-	-	2,704	-	-	-	-	-	-	-	-
Dry Creek Lift Station Pump Maintenance	2024	1.00	\$2,500	\$2,812	-	-	-	2,812	-	-	-	-	-	-	-
Dry Creek Lift Station Pump Maintenance	2025	1.00	\$2,500	\$2,925	-	-	-	-	2,925	-	-	-	-	-	-
Dry Creek Lift Station Pump Maintenance	2026	1.00	\$2,500	\$3,042	-	-	-	-	-	3,042	-	-	-	-	-
Dry Creek Lift Station Pump Maintenance	2027	1.00	\$2,500	\$3,163	-	-	-	-	-	-	3,163	-	-	-	-
Dry Creek Lift Station Pump Maintenance	2028	1.00	\$2,500	\$3,290	-	-	-	-	-	-	-	3,290	-	-	-
Dry Creek Lift Station Pump Maintenance	2029	1.00	\$2,500	\$3,421	-	-	-	-	-	-	-	-	3,421	-	-
Dry Creek Lift Station Pump Maintenance	2030	1.00	\$2,500	\$3,558	-	-	-	-	-	-	-	-	-	3,558	-
Dry Creek Lift Station Pump Maintenance	2031	1.00	\$2,500	\$3,701	-	-	-	-	-	-	-	-	-	-	3,701
Dry Creek Lift Station Pump Maintenance	2032	1.00	\$2,500	\$3,849	-	-	-	-	-	-	-	-	-	-	-
Highland Hollow Lift Station Pump Maintenance	2022	1.00	\$1,500	\$1,560	-	1,560	-	-	-	-	-	-	-	-	-
Highland Hollow Lift Station Pump Maintenance	2023	1.00	\$1,500	\$1,622	-	-	1,622	-	-	-	-	-	-	-	-
Highland Hollow Lift Station Pump Maintenance	2024	1.00	\$1,500	\$1,687	-	-	-	1,687	-	-	-	-	-	-	-
Highland Hollow Lift Station Pump Maintenance	2025	1.00	\$1,500	\$1,755	-	-	-	-	1,755	-	-	-	-	-	-
Highland Hollow Lift Station Pump Maintenance	2026	1.00	\$1,500	\$1,825	-	-	-	-	-	1,825	-	-	-	-	-
Highland Hollow Lift Station Pump Maintenance	2027	1.00	\$1,500	\$1,898	-	-	-	-	-	-	1,898	-	-	-	-

CIP	YEAR	TRIGGER	BASE COST	CONSTRUCTION YEAR COST	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Highland Hollow Lift Station Pump Maintenance	2028	1.00	\$1,500	\$1,974	-	-	-	-	-	-	-	1,974	-	-	-
Highland Hollow Lift Station Pump Maintenance	2029	1.00	\$1,500	\$2,053	-	-	-	-	-	-	-	-	2,053	-	-
Highland Hollow Lift Station Pump Maintenance	2030	1.00	\$1,500	\$2,135	-	-	-	-	-	-	-	-	-	2,135	-
Highland Hollow Lift Station Pump Maintenance	2031	1.00	\$1,500	\$2,220	-	-	-	-	-	-	-	-	-	-	2,220
Highland Hollow Lift Station Pump Maintenance	2032	1.00	\$1,500	\$2,309	-	-	-	-	-	-	-	-	-	-	-
AF River Lift Station Pump Maintenance	2022	1.00	\$1,500	\$1,560	-	1,560	-	-	-	-	-	-	-	-	-
AF River Lift Station Pump Maintenance	2023	1.00	\$1,500	\$1,622	-	-	1,622	-	-	-	-	-	-	-	-
AF River Lift Station Pump Maintenance	2024	1.00	\$1,500	\$1,687	-	-	-	1,687	-	-	-	-	-	-	-
AF River Lift Station Pump Maintenance	2025	1.00	\$1,500	\$1,755	-	-	-	-	1,755	-	-	-	-	-	-
AF River Lift Station Pump Maintenance	2026	1.00	\$1,500	\$1,825	-	-	-	-	-	1,825	-	-	-	-	-
AF River Lift Station Pump Maintenance	2027	1.00	\$1,500	\$1,898	-	-	-	-	-	-	1,898	-	-	-	-
AF River Lift Station Pump Maintenance	2028	1.00	\$1,500	\$1,974	-	-	-	-	-	-	-	1,974	-	-	-
AF River Lift Station Pump Maintenance	2029	1.00	\$1,500	\$2,053	-	-	-	-	-	-	-	-	2,053	-	-
AF River Lift Station Pump Maintenance	2030	1.00	\$1,500	\$2,135	-	-	-	-	-	-	-	-	-	2,135	-
AF River Lift Station Pump Maintenance	2031	1.00	\$1,500	\$2,220	-	-	-	-	-	-	-	-	-	-	2,220
AF River Lift Station Pump Maintenance	2032	1.00	\$1,500	\$2,309	-	-	-	-	-	-	-	-	-	-	-
Greens on Highlands Lift Station Pump Maintenance	2022	1.00	\$1,500	\$1,560	-	1,560	-	-	-	-	-	-	-	-	-
Greens on Highlands Lift Station Pump Maintenance	2023	1.00	\$1,500	\$1,622	-	-	1,622	-	-	-	-	-	-	-	-
Greens on Highlands Lift Station Pump Maintenance	2024	1.00	\$1,500	\$1,687	-	-	-	1,687	-	-	-	-	-	-	-
Greens on Highlands Lift Station Pump Maintenance	2025	1.00	\$1,500	\$1,755	-	-	-	-	1,755	-	-	-	-	-	-
Greens on Highlands Lift Station Pump Maintenance	2026	1.00	\$1,500	\$1,825	-	-	-	-	-	1,825	-	-	-	-	-
Greens on Highlands Lift Station Pump Maintenance	2027	1.00	\$1,500	\$1,898	-	-	-	-	-	-	1,898	-	-	-	-
Greens on Highlands Lift Station Pump Maintenance	2028	1.00	\$1,500	\$1,974	-	-	-	-	-	-	-	1,974	-	-	-
Greens on Highlands Lift Station Pump Maintenance	2029	1.00	\$1,500	\$2,053	-	-	-	-	-	-	-	-	2,053	-	-
Greens on Highlands Lift Station Pump Maintenance	2030	1.00	\$1,500	\$2,135	-	-	-	-	-	-	-	-	-	2,135	-
Greens on Highlands Lift Station Pump Maintenance	2031	1.00	\$1,500	\$2,220	-	-	-	-	-	-	-	-	-	-	2,220
Greens on Highlands Lift Station Pump Maintenance	2032	1.00	\$1,500	\$2,309	-	-	-	-	-	-	-	-	-	-	-
Generator Maintenance	2022	1.00	\$800	\$832	-	832	-	-	-	-	-	-	-	-	-
Generator Maintenance	2023	1.00	\$800	\$865	-	-	865	-	-	-	-	-	-	-	-
Generator Maintenance	2024	1.00	\$800	\$900	-	-	-	900	-	-	-	-	-	-	-
Generator Maintenance	2025	1.00	\$800	\$936	-	-	-	-	936	-	-	-	-	-	-
Generator Maintenance	2026	1.00	\$800	\$973	-	-	-	-	-	973	-	-	-	-	-
Generator Maintenance	2027	1.00	\$800	\$1,012	-	-	-	-	-	-	1,012	-	-	-	-
Generator Maintenance	2028	1.00	\$800	\$1,053	-	-	-	-	-	-	-	1,053	-	-	-
Generator Maintenance	2029	1.00	\$800	\$1,095	-	-	-	-	-	-	-	-	1,095	-	-
Generator Maintenance	2030	1.00	\$800	\$1,139	-	-	-	-	-	-	-	-	-	1,139	-
Generator Maintenance	2031	1.00	\$800	\$1,184	-	-	-	-	-	-	-	-	-	-	1,184
Generator Maintenance	2032	1.00	\$800	\$1,232	-	-	-	-	-	-	-	-	-	-	-
Vehicles															
Camera Truck	2025	1.00	\$40,000	\$46,794	-	-	-	-	46,794	-	-	-	-	-	-
Lift Station VFD's/Soft Starts	2023	1.00	\$50,000	\$54,080	-	54,080	-	-	-	-	-	-	-	-	-
Dry Creek Lift Station Replacement	2047	1.00	\$60,000	\$166,348	-	-	-	-	-	-	-	-	-	-	-
Highland Hollow Lift Station Replacement	2049	1.00	\$30,000	\$89,961	-	-	-	-	-	-	-	-	-	-	-
AF River Lift Station Replacement	2022	1.00	\$987,000	\$1,026,480	-	1,026,480	-	-	-	-	-	-	-	-	-
Greens on Highlands Lift Station Replacement	2044	1.00	\$40,000	\$98,589	-	-	-	-	-	-	-	-	-	-	-
Victor's View Lift Station Replacement	2021	1.00	\$650,000	\$650,000	650,000	-	-	-	-	-	-	-	-	-	-
Dry Creek Lift Station Generator Replacement	2024	1.00	\$80,000	\$89,989	-	-	89,989	-	-	-	-	-	-	-	-
Highland Hollow Lift Station Generator Replacement	2029	1.00	\$21,500	\$29,424	-	-	-	-	-	-	-	-	-	29,424	-
Greens on Highlands Lift Station Gen Replacement	2024	1.00	\$18,600	\$20,922	-	-	-	20,922	-	-	-	-	-	-	-
Pheasant Hollow and Hidden Oaks Concrete Pipe Rehab	2021	1.00	\$100,000	\$100,000	100,000	-	-	-	-	-	-	-	-	-	-
Pheasant Hollow and Hidden Oaks Concrete Pipe Rehab	2022	1.00	\$100,000	\$104,000	-	104,000	-	-	-	-	-	-	-	-	-
Pheasant Hollow and Hidden Oaks Concrete Pipe Rehab	2023	1.00	\$100,000	\$108,160	-	-	108,160	-	-	-	-	-	-	-	-
Pheasant Hollow and Hidden Oaks Concrete Pipe Rehab	2024	1.00	\$100,000	\$112,486	-	-	-	112,486	-	-	-	-	-	-	-
12" Pipe Replacement in 10480 North (MP#1)	2025	1.00	\$419,000	\$490,171	-	-	-	-	490,171	-	-	-	-	-	-
12" Pipe Replacement in County Club Drive (MP#2)	2022	1.00	\$1,050,000	\$1,092,000	-	1,092,000	-	-	-	-	-	-	-	-	-
12" Pipe Replacement in Dry Creek Circle (MP#3)	2022	1.00	\$398,000	\$413,920	-	-	413,920	-	-	-	-	-	-	-	-
<b>Total</b>			<b>\$4,440,450</b>	<b>\$4,943,686</b>	<b>\$750,000</b>	<b>\$2,654,964</b>	<b>\$181,547</b>	<b>\$243,477</b>	<b>\$557,847</b>	<b>\$21,717</b>	<b>\$22,586</b>	<b>\$23,489</b>	<b>\$53,853</b>	<b>\$25,406</b>	<b>\$26,422</b>

## APPENDIX E: DETAILED PRESSURIZED IRRIGATION PRO FORMA

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Operating Revenues</b>										
Charges for Services	2,251,552	2,280,822	2,310,016	2,339,353	2,368,829	2,398,440	2,428,180	2,458,047	2,488,035	2,518,140
Intergovernmental	93,618	94,554	95,499	96,454	97,419	98,393	99,377	100,371	101,374	102,388
Miscellaneous	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$2,345,169</b>	<b>\$2,375,376</b>	<b>\$2,405,516</b>	<b>\$2,435,808</b>	<b>\$2,466,248</b>	<b>\$2,496,833</b>	<b>\$2,527,557</b>	<b>\$2,558,418</b>	<b>\$2,589,410</b>	<b>\$2,620,529</b>
<b>Operating Expense</b>										
Salaries and Benefits	(285,569)	(305,559)	(326,948)	(349,834)	(374,323)	(400,525)	(426,562)	(458,561)	(490,661)	(525,007)
Operations	(717,547)	(739,074)	(761,46)	(784,083)	(807,606)	(831,834)	(856,789)	(882,492)	(908,967)	(936,236)
Depreciation Expense	-	-	-	-	-	-	-	-	-	-
New O&M	(50,089)	(53,596)	(57,347)	(61,362)	(65,657)	(70,253)	(75,171)	(80,433)	(86,063)	(92,087)
<b>Total Operating Expense</b>	<b>(\$1,053,205)</b>	<b>(\$1,098,228)</b>	<b>(\$1,145,541)</b>	<b>(\$1,195,279)</b>	<b>(\$1,247,585)</b>	<b>(\$1,302,612)</b>	<b>(\$1,360,521)</b>	<b>(\$1,421,486)</b>	<b>(\$1,485,691)</b>	<b>(\$1,553,330)</b>
<b>Non-Operating Revenues (Expenses)</b>										
Investment Earnings	68,485	56,867	34,713	8,202	11,306	14,541	26,697	47,268	67,676	79,334
Interest Expense	-	-	-	-	-	-	-	-	-	-
Impact Fee Revenues	250,000	250,000	250,000	250,000	250,000	350,000	350,000	350,000	350,000	350,000
<b>Total Non-Operating Revenue</b>	<b>\$318,485</b>	<b>\$305,867</b>	<b>\$284,713</b>	<b>\$258,202</b>	<b>\$261,306</b>	<b>\$364,541</b>	<b>\$376,697</b>	<b>\$397,268</b>	<b>\$417,676</b>	<b>\$429,334</b>
<b>Total Revenue Available for DS</b>	<b>\$1,610,448</b>	<b>\$1,584,014</b>	<b>\$1,544,688</b>	<b>\$1,498,731</b>	<b>\$1,479,969</b>	<b>\$1,558,761</b>	<b>\$1,543,732</b>	<b>\$1,534,199</b>	<b>\$1,521,395</b>	<b>\$1,496,532</b>
<b>Debt Service</b>										
Existing Debt	(\$138,400)	(\$138,200)	(\$137,880)	(\$138,440)	(\$137,840)	(\$138,120)	(\$138,240)	(\$138,200)	(\$138,000)	(\$138,640)
<b>Total DS</b>	<b>(\$138,400)</b>	<b>(\$138,200)</b>	<b>(\$137,880)</b>	<b>(\$138,440)</b>	<b>(\$137,840)</b>	<b>(\$138,120)</b>	<b>(\$138,240)</b>	<b>(\$138,200)</b>	<b>(\$138,000)</b>	<b>(\$138,640)</b>
<b>Total Revenue Available for CIP</b>	<b>\$1,472,048</b>	<b>\$1,445,814</b>	<b>\$1,406,808</b>	<b>\$1,360,291</b>	<b>\$1,342,129</b>	<b>\$1,420,641</b>	<b>\$1,405,492</b>	<b>\$1,395,999</b>	<b>\$1,383,395</b>	<b>\$1,357,892</b>
<b>Total CIP</b>	<b>(\$2,246,572)</b>	<b>(\$2,922,721)</b>	<b>(\$3,174,211)</b>	<b>(\$1,153,364)</b>	<b>(\$1,126,499)</b>	<b>(\$610,239)</b>	<b>(\$34,083)</b>	<b>(\$35,446)</b>	<b>(\$506,189)</b>	<b>(\$38,338)</b>
<b>Net Income (Loss) Before Transfers</b>	<b>(\$774,524)</b>	<b>(\$1,476,907)</b>	<b>(\$1,767,403)</b>	<b>\$206,927</b>	<b>\$215,630</b>	<b>\$810,402</b>	<b>\$1,371,410</b>	<b>\$1,360,553</b>	<b>\$777,206</b>	<b>\$1,319,554</b>
Change in Net Position	(\$774,524)	(\$1,476,907)	(\$1,767,403)	\$206,927	\$215,630	\$810,402	\$1,371,410	\$1,360,553	\$777,206	\$1,319,554
Beginning Cash Balance	\$4,565,647	\$3,791,123	\$2,314,216	\$546,814	\$753,741	\$969,371	\$1,779,773	\$3,151,183	\$4,511,736	\$5,288,943
Ending Fund Balance	\$3,791,123	\$2,314,216	\$546,814	\$753,741	\$969,371	\$1,779,773	\$3,151,183	\$4,511,736	\$5,288,943	\$6,608,496
Unrestricted	\$3,791,123	\$2,314,216	\$546,814	\$753,741	\$969,371	\$1,779,773	\$3,151,183	\$4,511,736	\$5,288,943	\$6,608,496
<b>Days of Working Capital</b>	<b>1,296</b>	<b>759</b>	<b>172</b>	<b>227</b>	<b>280</b>	<b>492</b>	<b>834</b>	<b>1,143</b>	<b>1,282</b>	<b>1,532</b>
<b>Days of Working Capital Minimum</b>	<b>365</b>	<b>365</b>	<b>385</b>	<b>365</b>						

## APPENDIX F: PRESSURIZED IRRIGATION CAPITAL IMPROVEMENT PLAN

CIP	YEAR	TRIGGER	BASE COST	CONSTRUCTION YEAR COST	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Concrete Irrigation Pond Crack Sealing Replacement	2022	1.00	\$3,000	\$3,120	-	3,120	-	-	-	-	-	-	-	-	-
Concrete Irrigation Pond Crack Sealing Replacement	2023	1.00	\$3,000	\$3,245	-	-	3,245	-	-	-	-	-	-	-	-
Concrete Irrigation Pond Crack Sealing Replacement	2024	1.00	\$3,000	\$3,375	-	-	-	3,375	-	-	-	-	-	-	-
Concrete Irrigation Pond Crack Sealing Replacement	2025	1.00	\$3,000	\$3,510	-	-	-	-	3,510	-	-	-	-	-	-
Concrete Irrigation Pond Crack Sealing Replacement	2026	1.00	\$3,000	\$3,650	-	-	-	-	-	3,650	-	-	-	-	-
Concrete Irrigation Pond Crack Sealing Replacement	2027	1.00	\$3,000	\$3,795	-	-	-	-	-	-	3,795	-	-	-	-
Concrete Irrigation Pond Crack Sealing Replacement	2028	1.00	\$3,000	\$3,948	-	-	-	-	-	-	-	3,948	-	-	-
Concrete Irrigation Pond Crack Sealing Replacement	2029	1.00	\$3,000	\$4,106	-	-	-	-	-	-	-	-	4,106	-	-
Concrete Irrigation Pond Crack Sealing Replacement	2030	1.00	\$3,000	\$4,270	-	-	-	-	-	-	-	-	-	4,270	-
Concrete Irrigation Pond Crack Sealing Replacement	2031	1.00	\$3,000	\$4,441	-	-	-	-	-	-	-	-	-	-	4,441
Concrete Irrigation Pond Crack Sealing Replacement	2032	1.00	\$3,000	\$4,618	-	-	-	-	-	-	-	-	-	-	-
Northwest Irrigation Pond Maintenance	2022	1.00	\$1,500	\$1,560	-	1,560	-	-	-	-	-	-	-	-	-
Northwest Irrigation Pond Maintenance	2023	1.00	\$1,500	\$1,622	-	-	1,622	-	-	-	-	-	-	-	-
Northwest Irrigation Pond Maintenance	2024	1.00	\$1,500	\$1,687	-	-	-	1,687	-	-	-	-	-	-	-
Northwest Irrigation Pond Maintenance	2025	1.00	\$1,500	\$1,755	-	-	-	-	1,755	-	-	-	-	-	-
Northwest Irrigation Pond Maintenance	2026	1.00	\$1,500	\$1,825	-	-	-	-	-	1,825	-	-	-	-	-
Northwest Irrigation Pond Maintenance	2027	1.00	\$1,500	\$1,898	-	-	-	-	-	-	1,898	-	-	-	-
Northwest Irrigation Pond Maintenance	2028	1.00	\$1,500	\$1,974	-	-	-	-	-	-	-	1,974	-	-	-
Northwest Irrigation Pond Maintenance	2029	1.00	\$1,500	\$2,053	-	-	-	-	-	-	-	-	2,053	-	-
Northwest Irrigation Pond Maintenance	2030	1.00	\$1,500	\$2,135	-	-	-	-	-	-	-	-	-	2,135	-
Northwest Irrigation Pond Maintenance	2031	1.00	\$1,500	\$2,220	-	-	-	-	-	-	-	-	-	-	2,220
Northwest Irrigation Pond Maintenance	2032	1.00	\$1,500	\$2,309	-	-	-	-	-	-	-	-	-	-	-
Upper Zone Station Pump Maintenance	2022	1.00	\$2,000	\$2,080	-	2,080	-	-	-	-	-	-	-	-	-
Upper Zone Station Pump Maintenance	2023	1.00	\$2,000	\$2,163	-	-	2,163	-	-	-	-	-	-	-	-
Upper Zone Station Pump Maintenance	2024	1.00	\$2,000	\$2,250	-	-	-	2,250	-	-	-	-	-	-	-
Upper Zone Station Pump Maintenance	2025	1.00	\$2,000	\$2,340	-	-	-	-	2,340	-	-	-	-	-	-
Upper Zone Station Pump Maintenance	2026	1.00	\$2,000	\$2,433	-	-	-	-	-	2,433	-	-	-	-	-
Upper Zone Station Pump Maintenance	2027	1.00	\$2,000	\$2,531	-	-	-	-	-	-	2,531	-	-	-	-
Upper Zone Station Pump Maintenance	2028	1.00	\$2,000	\$2,632	-	-	-	-	-	-	-	2,632	-	-	-
Upper Zone Station Pump Maintenance	2029	1.00	\$2,000	\$2,737	-	-	-	-	-	-	-	-	2,737	-	-
Upper Zone Station Pump Maintenance	2030	1.00	\$2,000	\$2,847	-	-	-	-	-	-	-	-	-	2,847	-
Upper Zone Station Pump Maintenance	2031	1.00	\$2,000	\$2,960	-	-	-	-	-	-	-	-	-	-	2,960
Upper Zone Station Pump Maintenance	2032	1.00	\$2,000	\$3,079	-	-	-	-	-	-	-	-	-	-	-
11800 Station Pump Maintenance	2022	1.00	\$2,000	\$2,080	-	-	2,080	-	-	-	-	-	-	-	-
11800 Station Pump Maintenance	2023	1.00	\$2,000	\$2,163	-	-	2,163	-	-	-	-	-	-	-	-
11800 Station Pump Maintenance	2024	1.00	\$2,000	\$2,250	-	-	-	2,250	-	-	-	-	-	-	-
11800 Station Pump Maintenance	2025	1.00	\$2,000	\$2,340	-	-	-	-	2,340	-	-	-	-	-	-
11800 Station Pump Maintenance	2026	1.00	\$2,000	\$2,433	-	-	-	-	-	2,433	-	-	-	-	-
11800 Station Pump Maintenance	2027	1.00	\$2,000	\$2,531	-	-	-	-	-	-	2,531	-	-	-	-
11800 Station Pump Maintenance	2028	1.00	\$2,000	\$2,632	-	-	-	-	-	-	-	2,632	-	-	-
11800 Station Pump Maintenance	2029	1.00	\$2,000	\$2,737	-	-	-	-	-	-	-	-	2,737	-	-
11800 Station Pump Maintenance	2030	1.00	\$2,000	\$2,847	-	-	-	-	-	-	-	-	-	2,847	-
11800 Station Pump Maintenance	2031	1.00	\$2,000	\$2,960	-	-	-	-	-	-	-	-	-	-	2,960
Hogs Hollow Pump Maintenance	2032	1.00	\$2,000	\$3,079	-	-	-	-	-	-	-	-	-	-	-
Hogs Hollow Pump Maintenance	2022	1.00	\$2,000	\$2,080	-	2,080	-	-	-	-	-	-	-	-	-
Hogs Hollow Pump Maintenance	2023	1.00	\$2,000	\$2,163	-	-	2,163	-	-	-	-	-	-	-	-
Hogs Hollow Pump Maintenance	2024	1.00	\$2,000	\$2,250	-	-	-	2,250	-	-	-	-	-	-	-
Hogs Hollow Pump Maintenance	2025	1.00	\$2,000	\$2,340	-	-	-	-	2,340	-	-	-	-	-	-
Hogs Hollow Pump Maintenance	2026	1.00	\$2,000	\$2,433	-	-	-	-	-	2,433	-	-	-	-	-
Hogs Hollow Pump Maintenance	2027	1.00	\$2,000	\$2,531	-	-	-	-	-	-	2,531	-	-	-	-
Hogs Hollow Pump Maintenance	2028	1.00	\$2,000	\$2,632	-	-	-	-	-	-	-	2,632	-	-	-
Hogs Hollow Pump Maintenance	2029	1.00	\$2,000	\$2,737	-	-	-	-	-	-	-	-	2,737	-	-
Hogs Hollow Pump Maintenance	2030	1.00	\$2,000	\$2,847	-	-	-	-	-	-	-	-	-	2,847	-
Hogs Hollow Pump Maintenance	2031	1.00	\$2,000	\$2,960	-	-	-	-	-	-	-	-	-	-	2,960
Lower Pond Pump Maintenance	2032	1.00	\$2,000	\$3,079	-	-	-	-	-	-	-	-	-	-	-
Lower Pond Pump Maintenance	2022	1.00	\$2,000	\$2,080	-	-	2,080	-	-	-	-	-	-	-	-
Lower Pond Pump Maintenance	2023	1.00	\$2,000	\$2,163	-	-	2,163	-	-	-	-	-	-	-	-
Lower Pond Pump Maintenance	2024	1.00	\$2,000	\$2,250	-	-	-	2,250	-	-	-	-	-	-	-
Lower Pond Pump Maintenance	2025	1.00	\$2,000	\$2,340	-	-	-	-	2,340	-	-	-	-	-	-
Lower Pond Pump Maintenance	2026	1.00	\$2,000	\$2,433	-	-	-	-	-	2,433	-	-	-	-	-
Lower Pond Pump Maintenance	2027	1.00	\$2,000	\$2,531	-	-	-	-	-	-	2,531	-	-	-	-

CIP	YEAR	TRIGGER	BASE COST	CONSTRUCTION YEAR COST	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Lower Pond Pump Maintenance	2028	1.00	\$2,000	\$2,632	-	-	-	-	-	-	-	2,632	-	-	-
Lower Pond Pump Maintenance	2029	1.00	\$2,000	\$2,737	-	-	-	-	-	-	-	-	2,737	-	-
Lower Pond Pump Maintenance	2030	1.00	\$2,000	\$2,847	-	-	-	-	-	-	-	-	-	2,847	-
Lower Pond Pump Maintenance	2031	1.00	\$2,000	\$2,960	-	-	-	-	-	-	-	-	-	-	2,960
Lower Pond Pump Maintenance	2032	1.00	\$2,000	\$3,079	-	-	-	-	-	-	-	-	-	-	-
General Well Maintenance	2022	1.00	\$2,000	\$2,080	-	2,080	-	-	-	-	-	-	-	-	-
General Well Maintenance	2023	1.00	\$2,000	\$2,163	-	-	2,163	-	-	-	-	-	-	-	-
General Well Maintenance	2024	1.00	\$2,000	\$2,250	-	-	-	2,250	-	-	-	-	-	-	-
General Well Maintenance	2025	1.00	\$2,000	\$2,340	-	-	-	-	2,340	-	-	-	-	-	-
General Well Maintenance	2026	1.00	\$2,000	\$2,433	-	-	-	-	-	2,433	-	-	-	-	-
General Well Maintenance	2027	1.00	\$2,000	\$2,531	-	-	-	-	-	-	2,531	-	-	-	-
General Well Maintenance	2028	1.00	\$2,000	\$2,632	-	-	-	-	-	-	-	2,632	-	-	-
General Well Maintenance	2029	1.00	\$2,000	\$2,737	-	-	-	-	-	-	-	-	2,737	-	-
General Well Maintenance	2030	1.00	\$2,000	\$2,847	-	-	-	-	-	-	-	-	-	2,847	-
General Well Maintenance	2031	1.00	\$2,000	\$2,960	-	-	-	-	-	-	-	-	-	-	2,960
General Well Maintenance	2032	1.00	\$2,000	\$3,079	-	-	-	-	-	-	-	-	-	-	-
Main Valve Replacements	2022	1.00	\$5,000	\$5,200	-	5,200	-	-	-	-	-	-	-	-	-
Main Valve Replacements	2023	1.00	\$5,000	\$5,408	-	-	5,408	-	-	-	-	-	-	-	-
Main Valve Replacements	2024	1.00	\$5,000	\$5,624	-	-	-	5,624	-	-	-	-	-	-	-
Main Valve Replacements	2025	1.00	\$5,000	\$5,849	-	-	-	-	5,849	-	-	-	-	-	-
Main Valve Replacements	2026	1.00	\$5,000	\$6,083	-	-	-	-	-	6,083	-	-	-	-	-
Main Valve Replacements	2027	1.00	\$5,000	\$6,327	-	-	-	-	-	-	6,327	-	-	-	-
Main Valve Replacements	2028	1.00	\$5,000	\$6,580	-	-	-	-	-	-	-	6,580	-	-	-
Main Valve Replacements	2029	1.00	\$5,000	\$6,843	-	-	-	-	-	-	-	-	6,843	-	-
Main Valve Replacements	2030	1.00	\$5,000	\$7,117	-	-	-	-	-	-	-	-	-	7,117	-
Main Valve Replacements	2031	1.00	\$5,000	\$7,401	-	-	-	-	-	-	-	-	-	-	7,401
Main Valve Replacements	2032	1.00	\$5,000	\$7,697	-	-	-	-	-	-	-	-	-	-	-
PRV Maintenance	2022	1.00	\$400	\$416	-	416	-	-	-	-	-	-	-	-	-
PRV Maintenance	2023	1.00	\$400	\$433	-	-	433	-	-	-	-	-	-	-	-
PRV Maintenance	2024	1.00	\$400	\$450	-	-	-	450	-	-	-	-	-	-	-
PRV Maintenance	2025	1.00	\$400	\$468	-	-	-	-	468	-	-	-	-	-	-
PRV Maintenance	2026	1.00	\$400	\$487	-	-	-	-	-	487	-	-	-	-	-
PRV Maintenance	2027	1.00	\$400	\$506	-	-	-	-	-	-	506	-	-	-	-
PRV Maintenance	2028	1.00	\$400	\$526	-	-	-	-	-	-	-	526	-	-	-
PRV Maintenance	2029	1.00	\$400	\$547	-	-	-	-	-	-	-	-	547	-	-
PRV Maintenance	2030	1.00	\$400	\$569	-	-	-	-	-	-	-	-	-	569	-
PRV Maintenance	2031	1.00	\$400	\$592	-	-	-	-	-	-	-	-	-	-	592
PRV Maintenance	2032	1.00	\$400	\$616	-	-	-	-	-	-	-	-	-	-	-
SCADA System	2022	1.00	\$1,000	\$1,040	-	1,040	-	-	-	-	-	-	-	-	-
SCADA System	2023	1.00	\$1,000	\$1,082	-	-	1,082	-	-	-	-	-	-	-	-
SCADA System	2024	1.00	\$1,000	\$1,125	-	-	-	1,125	-	-	-	-	-	-	-
SCADA System	2025	1.00	\$1,000	\$1,170	-	-	-	-	1,170	-	-	-	-	-	-
SCADA System	2026	1.00	\$1,000	\$1,217	-	-	-	-	-	1,217	-	-	-	-	-
SCADA System	2027	1.00	\$1,000	\$1,265	-	-	-	-	-	-	1,265	-	-	-	-
SCADA System	2028	1.00	\$1,000	\$1,316	-	-	-	-	-	-	-	1,316	-	-	-
SCADA System	2029	1.00	\$1,000	\$1,369	-	-	-	-	-	-	-	-	1,369	-	-
SCADA System	2030	1.00	\$1,000	\$1,423	-	-	-	-	-	-	-	-	-	1,423	-
SCADA System	2031	1.00	\$1,000	\$1,480	-	-	-	-	-	-	-	-	-	-	1,480
SCADA System	2032	1.00	\$1,000	\$1,539	-	-	-	-	-	-	-	-	-	-	-
Drain Valve Replacements	2022	1.00	\$5,000	\$5,200	-	5,200	-	-	-	-	-	-	-	-	-
Drain Valve Replacements	2023	1.00	\$5,000	\$5,408	-	-	5,408	-	-	-	-	-	-	-	-
Drain Valve Replacements	2024	1.00	\$5,000	\$5,624	-	-	-	5,624	-	-	-	-	-	-	-
Drain Valve Replacements	2025	1.00	\$5,000	\$5,849	-	-	-	-	5,849	-	-	-	-	-	-
Drain Valve Replacements	2026	1.00	\$5,000	\$6,083	-	-	-	-	-	6,083	-	-	-	-	-
Drain Valve Replacements	2027	1.00	\$5,000	\$6,327	-	-	-	-	-	-	6,327	-	-	-	-
Drain Valve Replacements	2028	1.00	\$5,000	\$6,580	-	-	-	-	-	-	-	6,580	-	-	-
Drain Valve Replacements	2029	1.00	\$5,000	\$6,843	-	-	-	-	-	-	-	-	6,843	-	-
Drain Valve Replacements	2030	1.00	\$5,000	\$7,117	-	-	-	-	-	-	-	-	-	7,117	-
Drain Valve Replacements	2031	1.00	\$5,000	\$7,401	-	-	-	-	-	-	-	-	-	-	7,401
Drain Valve Replacements	2032	1.00	\$5,000	\$7,697	-	-	-	-	-	-	-	-	-	-	-
Upper Zone Station Replacement	2035	1.00	\$300,000	\$519,503	-	-	-	-	-	-	-	-	-	-	-
11800 Station PS Replacement	2050	1.00	\$250,000	\$779,663	-	-	-	-	-	-	-	-	-	-	-
Hogs Hollow PS Replacement	2050	1.00	\$60,000	\$187,119	-	-	-	-	-	-	-	-	-	-	-
Lower Pond PS Replacement	2040	1.00	\$160,000	\$337,096	-	-	-	-	-	-	-	-	-	-	-

CIP	YEAR	TRIGGER	BASE COST	CONSTRUCTION YEAR COST	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Flow Meters in Upper Station	2022	1.00	\$4,000	\$4,150	-	4,160	-	-	-	-	-	-	-	-	-
VFD Replacement in 11800 & Upper Zone PS	2025	1.00	\$60,000	\$70,192	-	-	-	-	70,192	-	-	-	-	-	-
New SCADA System	2030	1.00	\$30,000	\$42,699	-	-	-	-	-	-	-	-	-	42,699	-
Granite Well	2027	1.00	\$70,000	\$88,572	-	-	-	-	-	-	88,572	-	-	-	-
Provo Well	2022	1.00	\$70,000	\$72,800	-	72,800	-	-	-	-	-	-	-	-	-
11800 Well (#6)	2021	1.00	\$54,000	\$54,000	54,000	-	-	-	-	-	-	-	-	-	-
11800 Well (#6)	2030	1.00	\$70,000	\$99,632	-	-	-	-	-	-	-	-	-	99,632	-
11800 Pressure Zone Modifications	2030	1.00	\$300,000	\$426,994	-	-	-	-	-	-	-	-	-	426,994	-
Concrete Pond Spillway Improvements	2021	1.00	\$130,000	\$130,000	130,000	-	-	-	-	-	-	-	-	-	-
Lower PS Improvements	2021	1.00	\$67,000	\$67,000	67,000	-	-	-	-	-	-	-	-	-	-
MP #2 Source (11800 Well Pump Replacement)	2021	1.00	\$54,000	\$56,160	56,160	-	-	-	-	-	-	-	-	-	-
MP #3 Pumping (11800 Booster Station)	2021	1.00	\$120,960	\$125,798	125,798	-	-	-	-	-	-	-	-	-	-
MP #8 Distribution (5250 W Pipeline)	2027	1.00	\$58,320	\$76,745	-	-	-	-	-	-	76,745	-	-	-	-
Rev MP #12 Storage (Upper Pond Expansion)	2023	1.00	\$1,706,000	\$1,921,268	-	-	1,921,268	-	-	-	-	-	-	-	-
MP #13 Pumping (Upper Booster Station)	2027	1.00	\$145,800	\$191,863	-	-	-	-	-	-	191,863	-	-	-	-
MP #14 Source	2022	1.00	\$1,115,640	\$1,206,676	-	1,206,676	-	-	-	-	-	-	-	-	-
MP #15 Source	2024	1.00	\$1,823,040	\$2,132,699	-	-	-	2,132,699	-	-	-	-	-	-	-
MP #16 Distribution	2027	1.00	\$167,400	\$220,287	-	-	-	-	-	-	220,287	-	-	-	-
New Meters	2022	1.00	\$900,000	\$936,000	-	936,000	-	-	-	-	-	-	-	-	-
New Meters	2023	1.00	\$900,000	\$973,440	-	-	973,440	-	-	-	-	-	-	-	-
New Meters	2024	1.00	\$900,000	\$1,012,378	-	-	-	1,012,378	-	-	-	-	-	-	-
New Meters	2025	1.00	\$900,000	\$1,052,873	-	-	-	-	1,052,873	-	-	-	-	-	-
New Meters	2026	1.00	\$900,000	\$1,094,988	-	-	-	-	-	1,094,988	-	-	-	-	-
New Meters	2027	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
New Meters	2028	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
New Meters	2029	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
New Meters	2030	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
New Meters	2031	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>\$11,603,060</b>	<b>\$14,243,872</b>	<b>\$432,958</b>	<b>\$2,246,572</b>	<b>\$2,922,721</b>	<b>\$3,174,211</b>	<b>\$1,153,364</b>	<b>\$1,126,499</b>	<b>\$610,239</b>	<b>\$34,083</b>	<b>\$35,446</b>	<b>\$606,189</b>	<b>\$38,338</b>

## APPENDIX G: DETAILED STORM DRAIN PRO FORMA

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Operating Revenues</b>										
Charges for Services	562,511	562,511	562,511	562,511	562,511	562,511	562,511	562,511	562,511	562,511
Miscellaneous	10,973	11,083	11,194	11,306	11,419	11,533	11,648	11,765	11,882	12,001
<b>Total Operating Revenue</b>	<b>\$573,484</b>	<b>\$573,594</b>	<b>\$573,705</b>	<b>\$573,817</b>	<b>\$573,930</b>	<b>\$574,044</b>	<b>\$574,159</b>	<b>\$574,276</b>	<b>\$574,393</b>	<b>\$574,512</b>
<b>Operating Expense</b>										
Salaries and Benefits	(186,553)	(198,541)	(212,439)	(227,310)	(243,222)	(260,247)	(278,465)	(297,957)	(319,814)	(341,131)
Operations	(171,854)	(177,010)	(182,320)	(187,790)	(193,423)	(199,226)	(205,203)	(211,359)	(217,700)	(224,231)
Depreciation Expense	-	-	-	-	-	-	-	-	-	-
New O&M	(50,089)	(53,596)	(57,347)	(61,362)	(65,657)	(70,253)	(75,171)	(80,433)	(86,063)	(92,087)
<b>Total Operating Expense</b>	<b>(\$407,496)</b>	<b>(\$429,147)</b>	<b>(\$452,107)</b>	<b>(\$476,461)</b>	<b>(\$502,302)</b>	<b>(\$529,726)</b>	<b>(\$558,838)</b>	<b>(\$589,749)</b>	<b>(\$622,577)</b>	<b>(\$657,449)</b>
<b>Non-Operating Revenues (Expenses)</b>										
Investment Earnings	20,836	17,321	17,719	15,844	14,559	11,563	10,028	5,770	3,058	-
Gain/Loss of Capital Assets	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Operating Revenue</b>	<b>\$20,836</b>	<b>\$17,321</b>	<b>\$17,719</b>	<b>\$15,844</b>	<b>\$14,559</b>	<b>\$11,563</b>	<b>\$10,028</b>	<b>\$5,770</b>	<b>\$3,058</b>	<b>\$0</b>
<b>Total Revenue Available for DS</b>	<b>\$186,824</b>	<b>\$161,768</b>	<b>\$139,317</b>	<b>\$113,199</b>	<b>\$86,186</b>	<b>\$55,880</b>	<b>\$25,350</b>	<b>(\$9,703)</b>	<b>(\$45,125)</b>	<b>(\$82,937)</b>
<b>Debt Service</b>										
None	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total DS</b>	<b>\$0</b>									
<b>Total Revenue Available for CIP</b>	<b>\$186,824</b>	<b>\$161,768</b>	<b>\$139,317</b>	<b>\$113,199</b>	<b>\$86,186</b>	<b>\$55,880</b>	<b>\$25,350</b>	<b>(\$9,703)</b>	<b>(\$45,125)</b>	<b>(\$82,937)</b>
<b>Total CIP</b>	<b>(\$421,200)</b>	<b>(\$355,200)</b>	<b>(\$264,343)</b>	<b>(\$198,876)</b>	<b>(\$285,913)</b>	<b>(\$158,165)</b>	<b>(\$309,244)</b>	<b>(\$171,071)</b>	<b>(\$334,478)</b>	<b>(\$185,031)</b>
<b>Net Income (Loss) Before Transfers</b>	<b>(\$234,376)</b>	<b>\$26,568</b>	<b>(\$125,026)</b>	<b>(\$85,677)</b>	<b>(\$199,727)</b>	<b>(\$102,285)</b>	<b>(\$283,894)</b>	<b>(\$180,774)</b>	<b>(\$379,603)</b>	<b>(\$267,967)</b>
<b>Change in Net Position</b>	<b>(\$234,376)</b>	<b>\$26,568</b>	<b>(\$125,026)</b>	<b>(\$85,677)</b>	<b>(\$199,727)</b>	<b>(\$102,285)</b>	<b>(\$283,894)</b>	<b>(\$180,774)</b>	<b>(\$379,603)</b>	<b>(\$267,967)</b>
<b>Beginning Cash Balance</b>	<b>\$1,389,083</b>	<b>\$1,154,707</b>	<b>\$1,181,275</b>	<b>\$1,056,249</b>	<b>\$970,572</b>	<b>\$770,845</b>	<b>\$668,560</b>	<b>\$384,666</b>	<b>\$203,892</b>	<b>(\$175,711)</b>
<b>Ending Fund Balance</b>	<b>\$1,154,707</b>	<b>\$1,181,275</b>	<b>\$1,056,249</b>	<b>\$970,572</b>	<b>\$770,845</b>	<b>\$668,560</b>	<b>\$384,666</b>	<b>\$203,892</b>	<b>(\$175,711)</b>	<b>(\$443,679)</b>
<b>Unrestricted</b>	<b>\$1,154,707</b>	<b>\$1,181,275</b>	<b>\$1,056,249</b>	<b>\$970,572</b>	<b>\$770,845</b>	<b>\$668,560</b>	<b>\$384,666</b>	<b>\$203,892</b>	<b>(\$175,711)</b>	<b>(\$443,679)</b>
<b>Days of Working Capital</b>	<b>1,020</b>	<b>991</b>	<b>841</b>	<b>733</b>	<b>552</b>	<b>454</b>	<b>248</b>	<b>124</b>	<b>(102)</b>	<b>(243)</b>
<b>Days of Working Capital Minimum</b>	<b>365</b>									

## APPENDIX H: STORM DRAIN CAPITAL IMPROVEMENT PLAN

CIP	YEAR	TRIGGER	BASE COST	CONSTRUCTION YEAR COST	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sump Vacuuming & Cleaning Catch Basins	2022	1.00	\$42,000	\$43,680	-	43,680	-	-	-	-	-	-	-	-	-
Sump Vacuuming & Cleaning Catch Basins	2023	1.00	\$42,000	\$45,427	-	-	45,427	-	-	-	-	-	-	-	-
Sump Vacuuming & Cleaning Catch Basins	2024	1.00	\$42,000	\$47,244	-	-	-	47,244	-	-	-	-	-	-	-
Sump Vacuuming & Cleaning Catch Basins	2025	1.00	\$42,000	\$49,134	-	-	-	-	49,134	-	-	-	-	-	-
Sump Vacuuming & Cleaning Catch Basins	2026	1.00	\$42,000	\$51,099	-	-	-	-	-	51,099	-	-	-	-	-
Sump Vacuuming & Cleaning Catch Basins	2027	1.00	\$42,000	\$53,143	-	-	-	-	-	-	53,143	-	-	-	-
Sump Vacuuming & Cleaning Catch Basins	2028	1.00	\$42,000	\$55,269	-	-	-	-	-	-	-	55,269	-	-	-
Sump Vacuuming & Cleaning Catch Basins	2029	1.00	\$42,000	\$57,480	-	-	-	-	-	-	-	-	57,480	-	-
Sump Vacuuming & Cleaning Catch Basins	2030	1.00	\$42,000	\$59,779	-	-	-	-	-	-	-	-	-	59,779	-
Sump Vacuuming & Cleaning Catch Basins	2031	1.00	\$42,000	\$62,170	-	-	-	-	-	-	-	-	-	-	62,170
Detention Pond Cleaning	2022	1.00	\$10,000	\$10,400	-	10,400	-	-	-	-	-	-	-	-	-
Detention Pond Cleaning	2023	1.00	\$10,000	\$10,816	-	-	10,816	-	-	-	-	-	-	-	-
Detention Pond Cleaning	2024	1.00	\$10,000	\$11,249	-	-	-	11,249	-	-	-	-	-	-	-
Detention Pond Cleaning	2025	1.00	\$10,000	\$11,699	-	-	-	-	11,699	-	-	-	-	-	-
Detention Pond Cleaning	2026	1.00	\$10,000	\$12,167	-	-	-	-	-	12,167	-	-	-	-	-
Detention Pond Cleaning	2027	1.00	\$10,000	\$12,653	-	-	-	-	-	-	12,653	-	-	-	-
Detention Pond Cleaning	2028	1.00	\$10,000	\$13,159	-	-	-	-	-	-	-	13,159	-	-	-
Detention Pond Cleaning	2029	1.00	\$10,000	\$13,666	-	-	-	-	-	-	-	-	13,666	-	-
Detention Pond Cleaning	2030	1.00	\$10,000	\$14,233	-	-	-	-	-	-	-	-	-	14,233	-
Detention Pond Cleaning	2031	1.00	\$10,000	\$14,802	-	-	-	-	-	-	-	-	-	-	14,802
Detention Pond Cleaning	2032	1.00	\$10,000	\$15,395	-	-	-	-	-	-	-	-	-	-	-
Drainage Channels	2022	1.00	\$3,000	\$3,120	-	3,120	-	-	-	-	-	-	-	-	-
Drainage Channels	2023	1.00	\$3,000	\$3,245	-	-	3,245	-	-	-	-	-	-	-	-
Drainage Channels	2024	1.00	\$3,000	\$3,375	-	-	-	3,375	-	-	-	-	-	-	-
Drainage Channels	2025	1.00	\$3,000	\$3,510	-	-	-	-	3,510	-	-	-	-	-	-
Drainage Channels	2026	1.00	\$3,000	\$3,650	-	-	-	-	-	3,650	-	-	-	-	-
Drainage Channels	2027	1.00	\$3,000	\$3,796	-	-	-	-	-	-	3,796	-	-	-	-
Drainage Channels	2028	1.00	\$3,000	\$3,948	-	-	-	-	-	-	-	3,948	-	-	-
Drainage Channels	2029	1.00	\$3,000	\$4,106	-	-	-	-	-	-	-	-	4,106	-	-
Drainage Channels	2030	1.00	\$3,000	\$4,270	-	-	-	-	-	-	-	-	-	4,270	-
Drainage Channels	2031	1.00	\$3,000	\$4,441	-	-	-	-	-	-	-	-	-	-	4,441
Drainage Channels	2032	1.00	\$3,000	\$4,618	-	-	-	-	-	-	-	-	-	-	-
Street Sweeping	2022	1.00	\$20,000	\$20,800	-	20,800	-	-	-	-	-	-	-	-	-
Street Sweeping	2023	1.00	\$20,000	\$21,632	-	-	21,632	-	-	-	-	-	-	-	-
Street Sweeping	2024	1.00	\$20,000	\$22,497	-	-	-	22,497	-	-	-	-	-	-	-
Street Sweeping	2025	1.00	\$20,000	\$23,397	-	-	-	-	23,397	-	-	-	-	-	-
Street Sweeping	2026	1.00	\$20,000	\$24,333	-	-	-	-	-	24,333	-	-	-	-	-
Street Sweeping	2027	1.00	\$20,000	\$25,308	-	-	-	-	-	-	25,306	-	-	-	-
Street Sweeping	2028	1.00	\$20,000	\$26,319	-	-	-	-	-	-	-	26,319	-	-	-
Street Sweeping	2029	1.00	\$20,000	\$27,371	-	-	-	-	-	-	-	-	27,371	-	-
Street Sweeping	2030	1.00	\$20,000	\$28,466	-	-	-	-	-	-	-	-	-	28,466	-
Street Sweeping	2031	1.00	\$20,000	\$29,605	-	-	-	-	-	-	-	-	-	-	29,605
Street Sweeping	2032	1.00	\$20,000	\$30,789	-	-	-	-	-	-	-	-	-	-	-
Replacement of Sumps & Roadway Drain Improvements	2022	1.00	\$50,000	\$52,000	-	52,000	-	-	-	-	-	-	-	-	-
Replacement of Sumps & Roadway Drain Improvements	2023	1.00	\$50,000	\$54,080	-	-	54,080	-	-	-	-	-	-	-	-
Replacement of Sumps & Roadway Drain Improvements	2024	1.00	\$50,000	\$56,243	-	-	-	56,243	-	-	-	-	-	-	-
Replacement of Sumps & Roadway Drain Improvements	2025	1.00	\$50,000	\$58,493	-	-	-	-	58,493	-	-	-	-	-	-
Replacement of Sumps & Roadway Drain Improvements	2026	1.00	\$50,000	\$60,833	-	-	-	-	-	60,833	-	-	-	-	-
Replacement of Sumps & Roadway Drain Improvements	2027	1.00	\$50,000	\$63,266	-	-	-	-	-	-	63,266	-	-	-	-
Replacement of Sumps & Roadway Drain Improvements	2028	1.00	\$50,000	\$65,797	-	-	-	-	-	-	-	65,797	-	-	-
Replacement of Sumps & Roadway Drain Improvements	2029	1.00	\$50,000	\$68,428	-	-	-	-	-	-	-	-	68,428	-	-
Replacement of Sumps & Roadway Drain Improvements	2030	1.00	\$50,000	\$71,166	-	-	-	-	-	-	-	-	-	71,166	-
Replacement of Sumps & Roadway Drain Improvements	2031	1.00	\$50,000	\$74,012	-	-	-	-	-	-	-	-	-	-	74,012
Replacement of Sumps & Roadway Drain Improvements	2032	1.00	\$50,000	\$76,973	-	-	-	-	-	-	-	-	-	-	-
Detention Basin Improvements	2022	1.00	\$60,000	\$62,400	-	62,400	-	-	-	-	-	-	-	-	-
Detention Basin Improvements	2024	1.00	\$60,000	\$67,492	-	-	67,492	-	-	-	-	-	-	-	-
Detention Basin Improvements	2026	1.00	\$60,000	\$72,999	-	-	-	72,999	-	-	-	-	-	-	-
Detention Basin Improvements	2028	1.00	\$60,000	\$78,956	-	-	-	-	-	-	-	78,956	-	-	-
Detention Basin Improvements	2030	1.00	\$60,000	\$85,399	-	-	-	-	-	-	-	-	-	85,399	-
Detention Basin Improvements	2032	1.00	\$60,000	\$92,367	-	-	-	-	-	-	-	-	-	-	-

CIP	YEAR	TRIGGER	BASE COST	CONSTRUCTION YEAR COST	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Channel Restoration	2022	1.00	\$220,000	\$228,800	-	228,800	-	-	-	-	-	-	-	-	-
Channel Restoration	2024	1.00	\$50,000	\$56,243	-	-	-	56,243	-	-	-	-	-	-	-
Channel Restoration	2026	1.00	\$50,000	\$60,833	-	-	-	-	-	60,833	-	-	-	-	-
Channel Restoration	2028	1.00	\$50,000	\$65,797	-	-	-	-	-	-	-	65,797	-	-	-
Channel Restoration	2030	1.00	\$50,000	\$71,166	-	-	-	-	-	-	-	-	71,166	-	-
Channel Restoration	2032	1.00	\$50,000	\$76,973	-	-	-	-	-	-	-	-	-	-	-
Camera Truck	2025	1.00	\$45,000	\$52,644	-	-	-	-	52,644	-	-	-	-	-	-
Project	2025	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
Project	2023	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
Project	2023	1.00	\$0	\$0	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>\$2,250,000</b>	<b>\$2,825,293</b>	<b>\$0</b>	<b>\$421,200</b>	<b>\$135,200</b>	<b>\$264,343</b>	<b>\$198,876</b>	<b>\$285,913</b>	<b>\$158,165</b>	<b>\$309,244</b>	<b>\$171,071</b>	<b>\$334,478</b>	<b>\$185,031</b>

# DRAFT