



Town of Purcellville

Utility Rate Modeling

May 24, 2022



Agenda

2

- 1) Modeling Assumptions
- 2) Water Fund Forecast
- 3) Sewer Fund Forecast



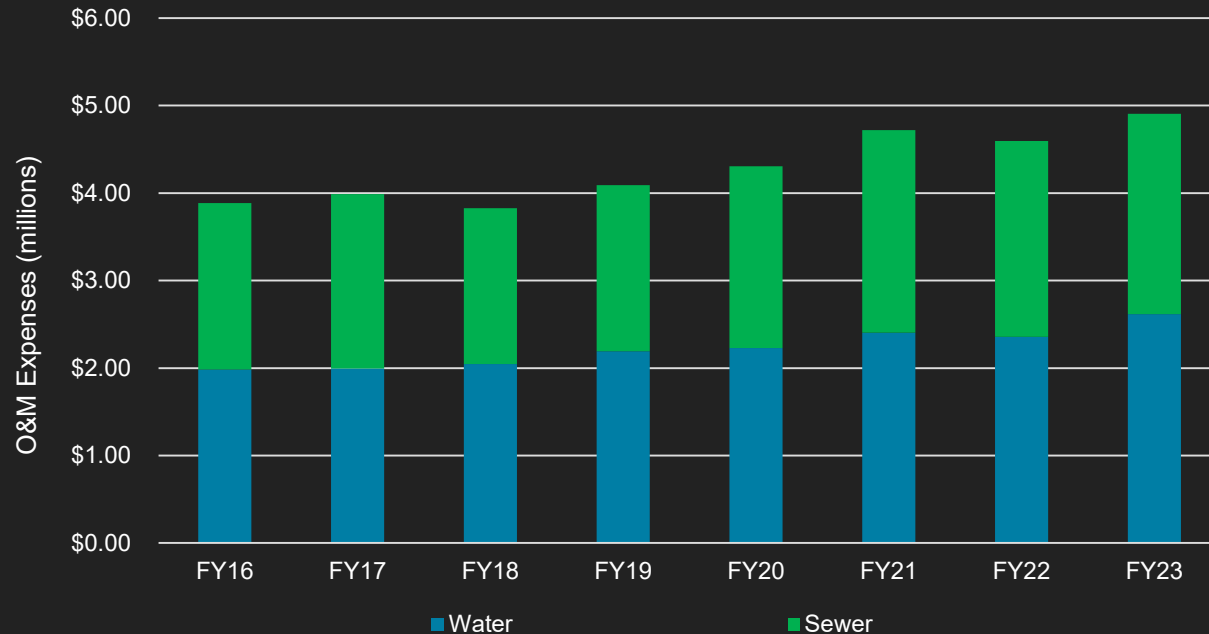


Modeling Assumptions – O&M Cost Escalation

Purcellville Inflation

- Average 3.7% and 3.5% annual expense increase for water and sewer, respectively, over last 7 years
- Model uses FY23 budgeted expenditures
- Future expenditures escalated at 2.5% per year

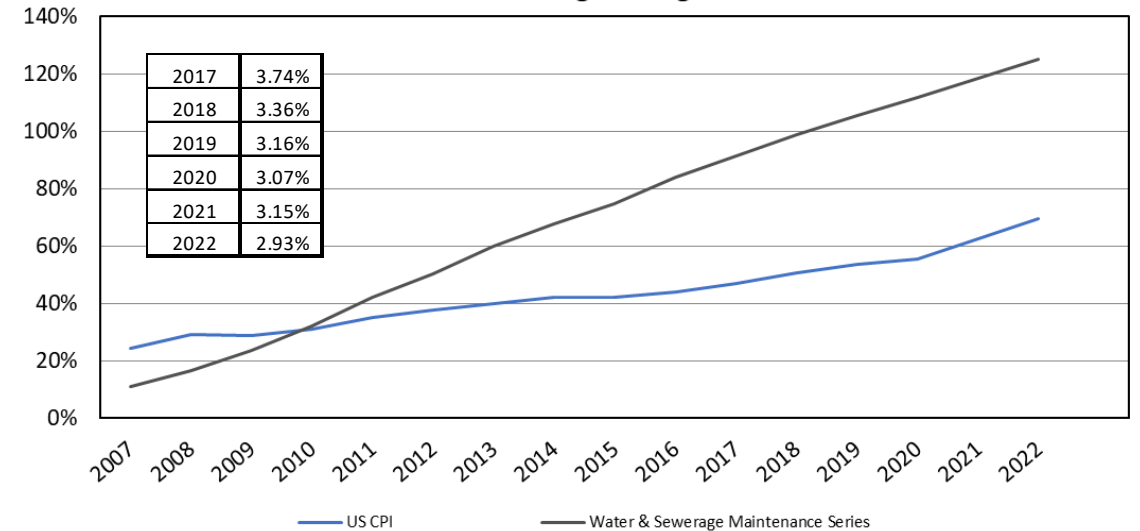
Water and Sewer O&M Expense History



Industry Inflation

- CPI vs. Water & Sewer Maintenance Series Trends
- W & S shows ~ 3% annual average increase over the last 5 years

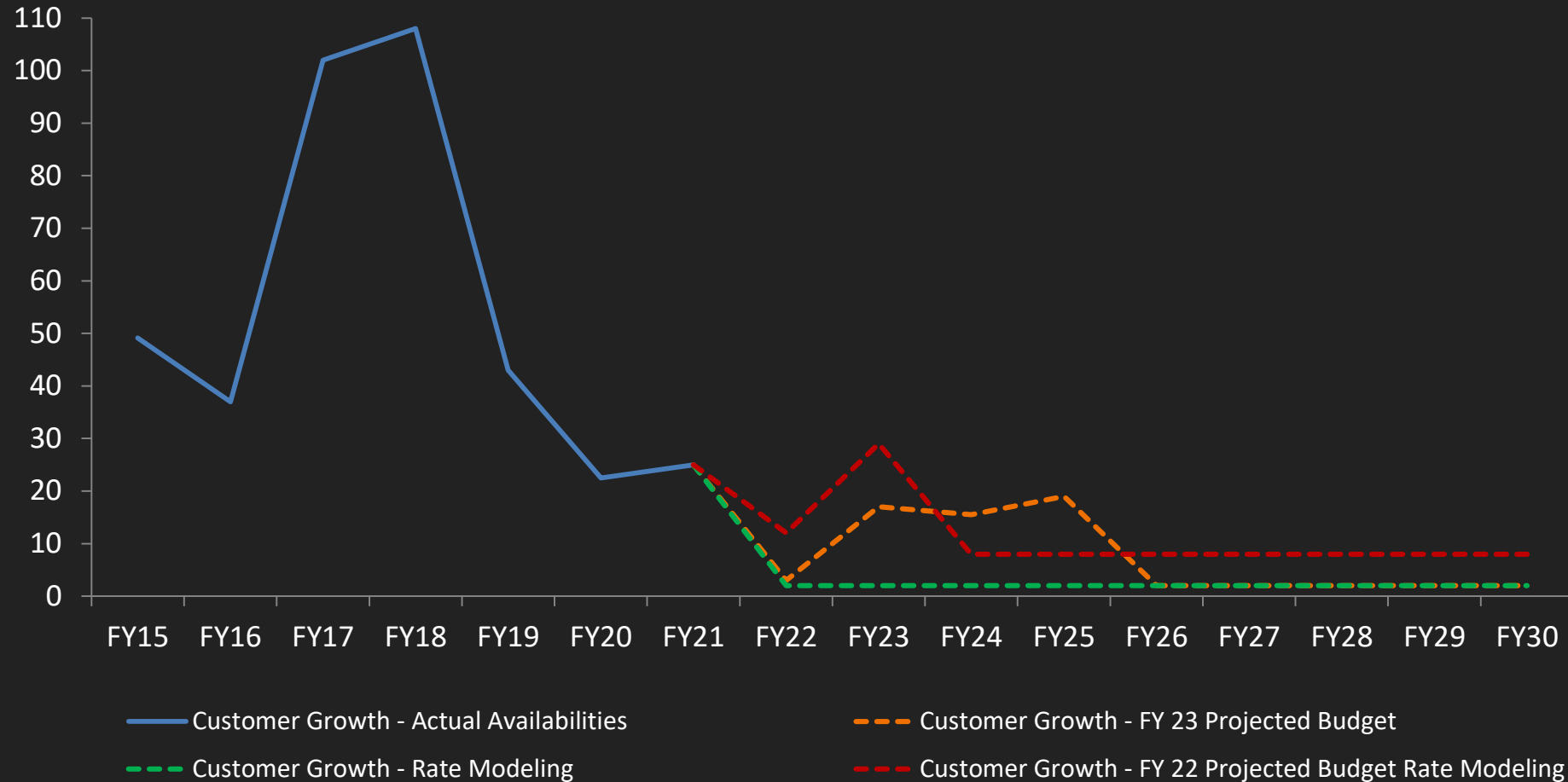
US CPI v. Water & Sewer Maintenance Series:
Cumulative Percentage Change Over Time





Modeling Assumptions – Customer Growth and Usage

Number of Availabilities





Availabilities

Number of Availabilities	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	Total
FY 23 Budget	3.0	17.0	15.5	19.0	2.0	2.0	2.0	2.0	2.0	64.5
FY 22 Budget / Prior Rate Modeling	12.0	29.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	97.0
Anticipated for Modeling	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	18.0

Availability Fee Revenue (\$ Millions)	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	Total
FY 23 Budget	\$0.14	\$0.81	\$0.73	\$0.90	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$3.05
FY 22 Budget / Prior Rate Modeling	\$0.57	\$1.37	\$0.38	\$0.38	\$0.38	\$0.38	\$0.38	\$0.38	\$0.38	\$4.59
Anticipated for Modeling	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.85

Change in assumed availabilities has significant impact on financial forecast / rate modeling

Revenues

- 1% increase in Water Rates = \$23,000 in Additional Water Revenue
- 1% increase in Sewer Rates = \$34,000 in Additional Sewer Revenue

Expenditure Impacts

- 4.4% rate increase required for every \$100k in additional Water Exp
- 2.9% rate increase required for every \$100k in additional Sewer Exp



Water: Current Revenues vs. Expenses (No Rate Funded CIP)

Revenues (millions)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Current User Rates	\$2.25	\$2.24	\$2.22	\$2.20	\$2.18	\$2.17	\$2.15	\$2.13	\$2.12	\$2.10
Other Revenues	\$0.38	\$0.28	\$0.27	\$0.27	\$0.28	\$0.27	\$0.27	\$0.26	\$0.26	\$0.26
Availability Fees	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
Total Revenues	\$2.68	\$2.56	\$2.54	\$2.53	\$2.51	\$2.49	\$2.47	\$2.45	\$2.43	\$2.41

Expenditures (millions)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Operating and Maintenance	\$2.62	\$2.68	\$2.75	\$2.82	\$2.89	\$2.96	\$3.03	\$3.11	\$3.19	\$3.27
Minor Capital	\$0.03	\$0.06	\$0.03	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.05
Existing Debt Service	\$0.50	\$0.53	\$0.53	\$0.76	\$0.76	\$0.76	\$0.76	\$0.76	\$0.76	\$0.76
Total Expenditures	\$3.15	\$3.26	\$3.31	\$3.62	\$3.69	\$3.76	\$3.84	\$3.91	\$3.99	\$4.07

Revenues Less Expenditures (millions)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Annual Surplus / (Shortfall)	(\$0.46)	(\$0.70)	(\$0.76)	(\$1.09)	(\$1.18)	(\$1.27)	(\$1.37)	(\$1.47)	(\$1.56)	(\$1.66)
Cumulative Surplus / (Shortfall)	(\$0.46)	(\$1.16)*	(\$1.92)	(\$3.02)	(\$4.19)**	(\$5.46)	(\$6.83)***	(\$8.30)	(\$9.86)	(\$11.52)

* Nutrient Credit is depleted

** Water Cash Balance drops below target levels

*** Water Cash Balance is depleted

Future rate adjustments are required to align revenues with annual expenditures = achieve structural balance



Water: Just in Time Rate Increases – No Rate Funded Capital

Baseline vs. Just In Time	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Expenses (millions)	\$3.15	\$3.26	\$3.31	\$3.62	\$3.69	\$3.76	\$3.84	\$3.91	\$3.99	\$4.07
Baseline Rate Increase	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Revenues (millions)	\$2.75	\$2.70	\$2.74	\$2.79	\$2.85	\$2.90	\$2.95	\$3.00	\$3.05	\$3.10
<i>Monthly/Daily Water Bill</i>	<i>\$43.3/\$1.4</i>	<i>\$44.6/\$1.5</i>	<i>\$45.9/\$1.5</i>	<i>\$47.3/\$1.6</i>	<i>\$48.7/\$1.6</i>	<i>\$50.2/\$1.7</i>	<i>\$51.7/\$1.7</i>	<i>\$53.3/\$1.8</i>	<i>\$54.9/\$1.8</i>	<i>\$56.5/\$1.9</i>
Just In Time Rate Increase	3.0%	0.0%	0.0%	0.0%	22.0%	31.0%	3.0%	3.0%	3.0%	3.0%
Revenues (millions)	\$2.75	\$2.63	\$2.61	\$2.59	\$3.04	\$3.83	\$3.91	\$3.99	\$4.07	\$4.15
<i>Monthly/Daily Water Bill</i>	<i>\$43.3/\$1.4</i>	<i>\$43.3/\$1.4</i>	<i>\$43.3/\$1.4</i>	<i>\$43.3/\$1.4</i>	<i>\$52.8/\$1.8</i>	<i>\$69.2/\$2.3</i>	<i>\$71.3/\$2.4</i>	<i>\$73.4/\$2.4</i>	<i>\$75.6/\$2.5</i>	<i>\$77.9/\$2.6</i>

Forecasted Water Fund Cash Balance



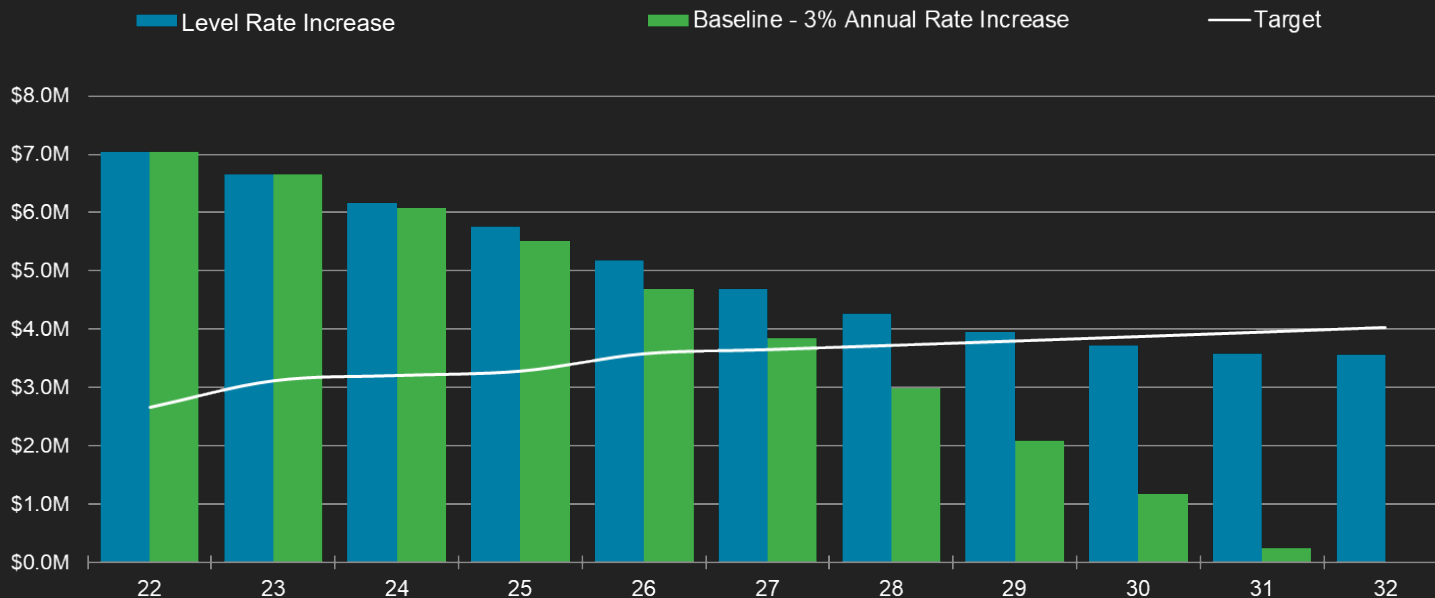
- Debt Service increase in 2026 of \$225K to a total payment of \$760K per year
- Assumes use of Nutrient Credit to fund near-term shortfalls
- CIP: FY22 – 23 ARPA/VODT Funded Only
 - ARPA = \$7.5M
 - VDOT = \$0.2M



Water: Level Rate Increases – No Rate Funded Capital

Baseline vs. Level	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Expenses (millions)	\$3.15	\$3.26	\$3.31	\$3.62	\$3.69	\$3.76	\$3.84	\$3.91	\$3.99	\$4.07
Baseline Rate Increase	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Revenues (millions)	\$2.75	\$2.70	\$2.74	\$2.79	\$2.85	\$2.90	\$2.95	\$3.00	\$3.05	\$3.10
<i>Monthly/Daily Water Bill</i>	<i>\$43.3/\$1.4</i>	<i>\$44.6/\$1.5</i>	<i>\$45.9/\$1.5</i>	<i>\$47.3/\$1.6</i>	<i>\$48.7/\$1.6</i>	<i>\$50.2/\$1.7</i>	<i>\$51.7/\$1.7</i>	<i>\$53.3/\$1.8</i>	<i>\$54.9/\$1.8</i>	<i>\$56.5/\$1.9</i>
Level Rate Increase	3.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Revenues (millions)	\$2.75	\$2.77	\$2.90	\$3.04	\$3.19	\$3.35	\$3.51	\$3.68	\$3.86	\$4.05
<i>Monthly/Daily Water Bill</i>	<i>\$43.3/\$1.4</i>	<i>\$46.1/\$1.5</i>	<i>\$49.1/\$1.6</i>	<i>\$52.3/\$1.7</i>	<i>\$55.7/\$1.9</i>	<i>\$59.3/\$2</i>	<i>\$63.2/\$2.1</i>	<i>\$67.3/\$2.2</i>	<i>\$71.7/\$2.4</i>	<i>\$76.4/\$2.5</i>

Forecasted Water Fund Cash Balance



- Debt Service increase in 2026 of \$225K to a total payment of \$760K per year
- Assumes use of Nutrient Credit to fund near-term shortfalls
- CIP: FY22 – 23 ARPA/VODT Funded Only
 - ARPA = \$7.5M
 - VDOT = \$0.2M



Water Capital Improvement Plan

Description	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Funding Source
Hirst Reservoir Intake Structure	126,050											Cash
S Nursery Ave Water Main Replacement	50,576											Cash
Consolidated Ground Water Treatment Plant Ph 1	50,000	550,000										Cash
F Street Water Main Replacement	40,657											Cash
Hall Ave/O St Water Main Replacement	367,505											Cash
12th Street Water Main Replacement - WF	67	100,000	131,997									Cash
Reservoir to WTP Raw Water Main						1,240,000	1,000,000					Debt
F Street Water Main Replacement							140,400					Debt
Cooper Springs Raw Water Main						240,000	880,000					Debt
Holly Lane Water Main Replacement						150,000	150,000					Debt
Additional Water Supply							650,000	650,000	650,000	650,000		Debt
Consolidated Ground Water Treatment Plant Ph 2								650,000	650,000			Debt
Consolidated Ground Water Treatment Plant PH 3										650,000		Debt
"A" Street Water Line Loop										126,000		Debt
Water Treatment Plant Improvements										2,300,000	2,300,000	Debt
LVSC Water Main Replacement										232,100		Debt
WTP to Town Water Main Replacement Ph 2										1,150,000	1,150,000	Debt
Springsbury Street Water Main Replacement										162,600		Debt
E Street Water Main Replacement										337,000		Debt
Rugby Court Water Main Replacement										111,900		Debt
G Street Water Main Replacement										700,000		Debt
New Elevated Water Tank	2,399,941	1,346,059										ARPA
Hirst Reservoir Rehabilitation	580,000	1,230,000										ARPA
WTP to Town Water Main Replacement Ph1	480,000	1,520,000										ARPA
12th Street Water Main Replacement - VDOT/NVTA		127,538	95,540									VDOT
	\$ 4,094,796	\$ 4,873,597	\$ 227,537	\$ -	\$ -	\$ 1,630,000	\$ 2,820,400	\$ 1,300,000	\$ 1,300,000	\$ 5,769,600	\$ 3,450,000	

Total CIP = \$25.5M

- \$7.6M ARPA, \$200K VDOT
- \$1.4M Cash
- \$16.2M Future Debt (FY27)

Assumed Debt Service Terms

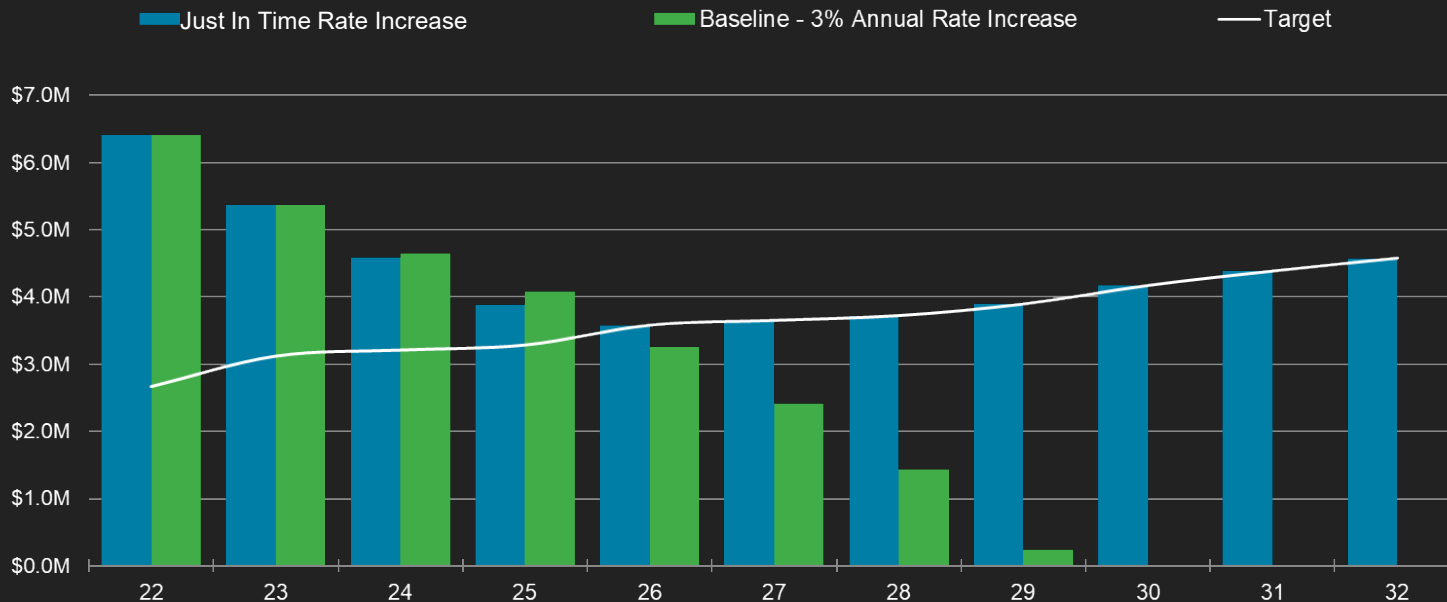
- Maturity of 30 years
- 5% interest rate on future debt



Water: Just In Time Rate Increases - Include All Capital Projects

Baseline vs. Just In Time	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Expenses (millions)	\$3.80	\$3.40	\$3.31	\$3.62	\$3.69	\$3.86	\$4.14	\$4.35	\$4.54	\$5.05
Baseline Rate Increase	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Revenues (millions)	\$2.75	\$2.70	\$2.74	\$2.79	\$2.85	\$2.90	\$2.95	\$3.00	\$3.05	\$3.10
<i>Monthly/Daily Water Bill</i>	<i>\$43.3/\$1.4</i>	<i>\$44.6/\$1.5</i>	<i>\$45.9/\$1.5</i>	<i>\$47.3/\$1.6</i>	<i>\$48.7/\$1.6</i>	<i>\$50.2/\$1.7</i>	<i>\$51.7/\$1.7</i>	<i>\$53.3/\$1.8</i>	<i>\$54.9/\$1.8</i>	<i>\$56.5/\$1.9</i>
Just In Time Rate Increase	3.0%	0.0%	0.0%	33.0%	17.0%	6.0%	12.0%	9.0%	4.0%	12.0%
Revenues (millions)	\$2.75	\$2.63	\$2.61	\$3.31	\$3.76	\$3.93	\$4.31	\$4.62	\$4.76	\$5.24
<i>Monthly/Daily Water Bill</i>	<i>\$43.3/\$1.4</i>	<i>\$43.3/\$1.4</i>	<i>\$43.3/\$1.4</i>	<i>\$57.6/\$1.9</i>	<i>\$67.4/\$2.2</i>	<i>\$71.4/\$2.4</i>	<i>\$80/\$2.7</i>	<i>\$87.2/\$2.9</i>	<i>\$90.7/\$3</i>	<i>\$101.6/\$3.4</i>

Forecasted Water Fund Cash Balance



○ CIP

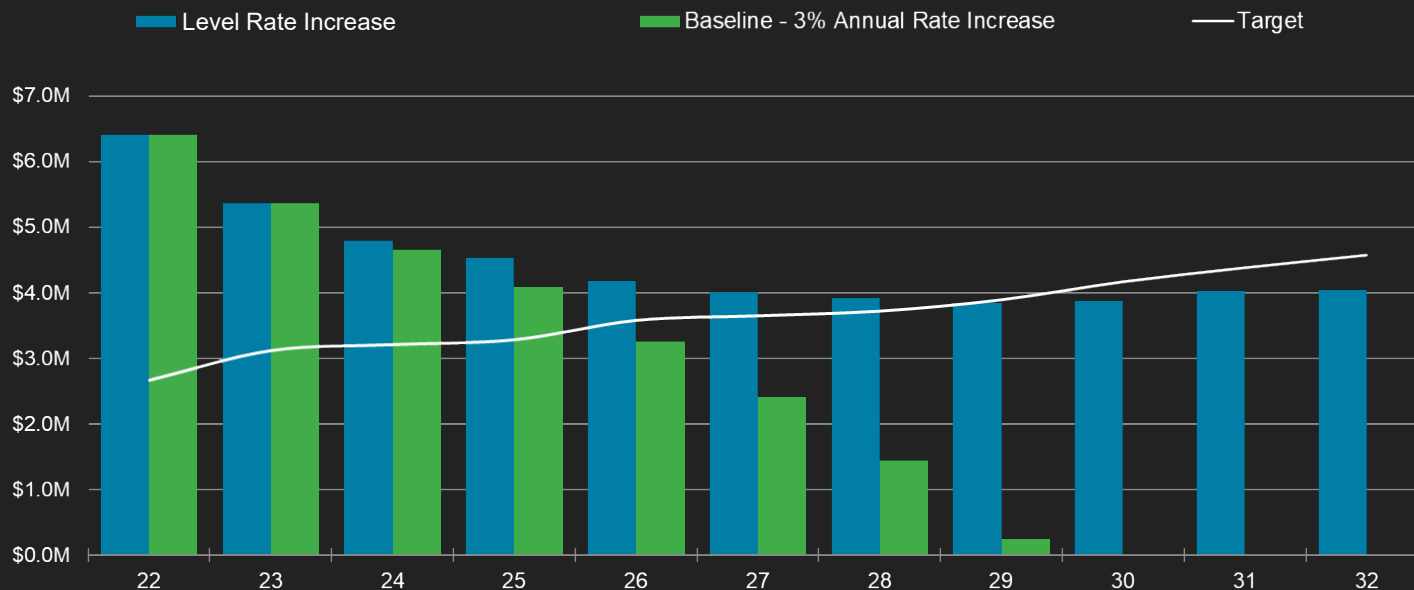
- FY22 – 23
 - ARPA = \$7.5M
 - VDOT = \$0.2M
- FY22 – 26 = \$1.4M Cash
- FY27 – 32 = \$16.2M Debt



Water: Level Rate Increases – Include All Capital Projects

Baseline vs. Level	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Expenses (millions)	\$3.80	\$3.40	\$3.31	\$3.62	\$3.69	\$3.86	\$4.14	\$4.35	\$4.54	\$5.05
Baseline Rate Increase	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Revenues (millions)	\$2.75	\$2.70	\$2.74	\$2.79	\$2.85	\$2.90	\$2.95	\$3.00	\$3.05	\$3.10
<i>Monthly/Daily Water Bill</i>	<i>\$43.3/\$1.4</i>	<i>\$44.6/\$1.5</i>	<i>\$45.9/\$1.5</i>	<i>\$47.3/\$1.6</i>	<i>\$48.7/\$1.6</i>	<i>\$50.2/\$1.7</i>	<i>\$51.7/\$1.7</i>	<i>\$53.3/\$1.8</i>	<i>\$54.9/\$1.8</i>	<i>\$56.5/\$1.9</i>
Level Rate Increase	3.0%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
Revenues (millions)	\$2.74	\$2.83	\$3.04	\$3.27	\$3.51	\$3.78	\$4.06	\$4.37	\$4.70	\$5.06
<i>Monthly/Daily Water Bill</i>	<i>\$43.3/\$1.4</i>	<i>\$47.4/\$1.6</i>	<i>\$51.9/\$1.7</i>	<i>\$56.8/\$1.9</i>	<i>\$62.2/\$2.1</i>	<i>\$68.1/\$2.3</i>	<i>\$74.6/\$2.5</i>	<i>\$81.7/\$2.7</i>	<i>\$89.5/\$3</i>	<i>\$98/\$3.3</i>

Forecasted Water Fund Cash Balance



○ CIP

- FY22 – 23
 - ARPA = \$7.5M
 - VDOT = \$0.2M
- FY22 – 26 = \$1.4M Cash
- FY27 – 32 = \$16.2M Debt



Sewer: Current Revenues vs. Expenses (No Rate Funded CIP)

Revenues (millions)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Current User Rates	\$3.22	\$3.19	\$3.17	\$3.14	\$3.11	\$3.09	\$3.06	\$3.04	\$3.01	\$2.99
Other Revenues	\$0.04	\$0.05	\$0.04	\$0.04	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
Availability Fees	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Total Revenues	\$3.31	\$3.28	\$3.25	\$3.22	\$3.19	\$3.17	\$3.14	\$3.11	\$3.09	\$3.06

Expenditures (millions)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Operating and Maintenance	\$2.29	\$2.35	\$2.41	\$2.47	\$2.53	\$2.59	\$2.65	\$2.72	\$2.79	\$2.86
Minor Capital	\$0.08	\$0.28	\$0.08	\$0.08	\$0.08	\$0.08	\$0.09	\$0.09	\$0.09	\$0.09
Existing Debt Service	\$0.87	\$0.87	\$2.25	\$2.44	\$2.46	\$2.47	\$2.47	\$2.48	\$2.48	\$2.48
Total Expenditures	\$3.24	\$3.50	\$4.74	\$4.99	\$5.07	\$5.14	\$5.21	\$5.29	\$5.36	\$5.43

Revenues Less Expenditures (millions)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Annual Surplus / (Shortfall)	\$0.06	(\$0.22)	(\$1.49)	(\$1.76)	(\$1.88)	(\$1.98)	(\$2.07)	(\$2.18)	(\$2.27)	(\$2.37)
Cumulative Surplus / (Shortfall)	\$0.06	(\$0.16)	(\$1.64)	(\$3.40)*	(\$5.28)	(\$7.26)**	(\$9.33)	(\$11.51)	(\$13.78)	(\$16.15)

* Sewer Cash Balance drops below target levels

** Sewer Cash Balance is depleted

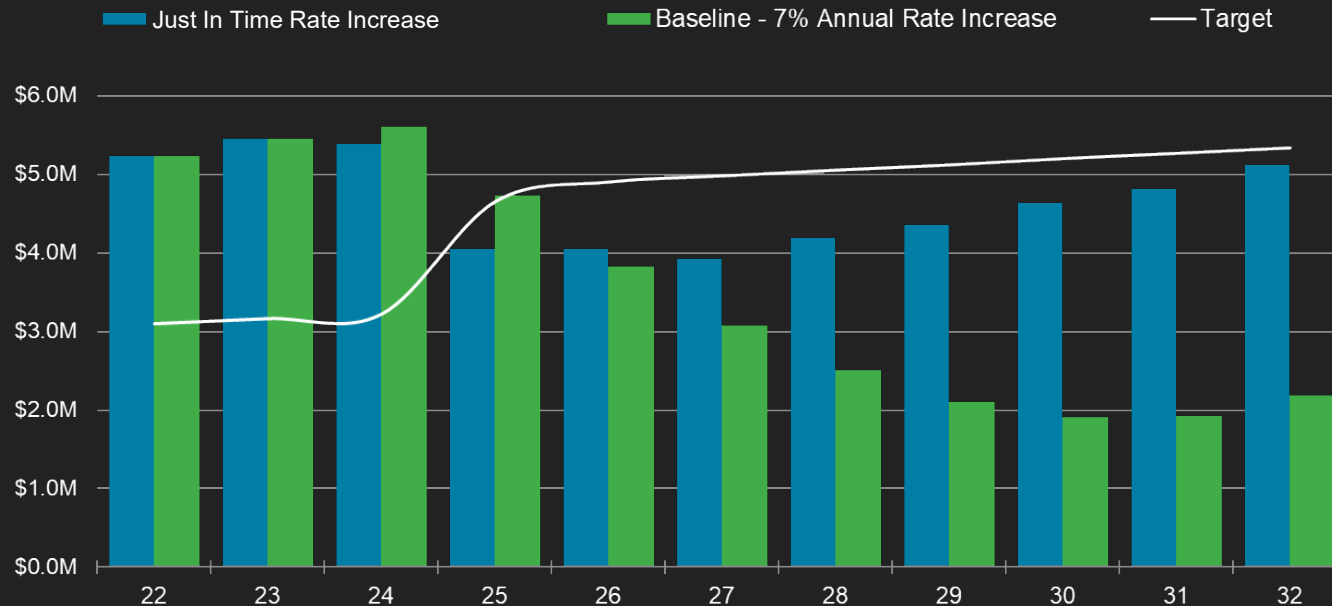
Future rate adjustments are required to align revenues with annual expenditures = achieve structural balance



Sewer: Just In Time Rate Increases – No Rate Funded Capital

Baseline vs. Just In Time	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Expenses (millions)	\$3.24	\$3.50	\$4.74	\$4.99	\$5.07	\$5.14	\$5.21	\$5.29	\$5.36	\$5.43
Baseline Rate Increase	5.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Revenues (millions)	\$3.46	\$3.66	\$3.86	\$4.08	\$4.32	\$4.56	\$4.82	\$5.09	\$5.38	\$5.69
<i>Monthly/Daily Sewer Bill</i>	<i>\$72.3/\$2.4</i>	<i>\$77.4/\$2.6</i>	<i>\$82.8/\$2.8</i>	<i>\$88.6/\$3</i>	<i>\$94.8/\$3.2</i>	<i>\$101.4/\$3.4</i>	<i>\$108.5/\$3.6</i>	<i>\$116.1/\$3.9</i>	<i>\$124.2/\$4.1</i>	<i>\$132.9/\$4.4</i>
Just In Time Rate Increase	5.0%	0.0%	0.0%	51.0%	0.0%	11.0%	0.0%	5.0%	0.0%	5.0%
Revenues (millions)	\$3.46	\$3.43	\$3.40	\$4.98	\$4.94	\$5.41	\$5.37	\$5.58	\$5.54	\$5.75
<i>Monthly/Daily Sewer Bill</i>	<i>\$72.3/\$2.4</i>	<i>\$72.3/\$2.4</i>	<i>\$72.3/\$2.4</i>	<i>\$109.2/\$3.6</i>	<i>\$109.2/\$3.6</i>	<i>\$121.2/\$4</i>	<i>\$121.2/\$4</i>	<i>\$127.3/\$4.2</i>	<i>\$127.3/\$4.2</i>	<i>\$133.7/\$4.5</i>

Forecasted Sewer Fund Cash Balance



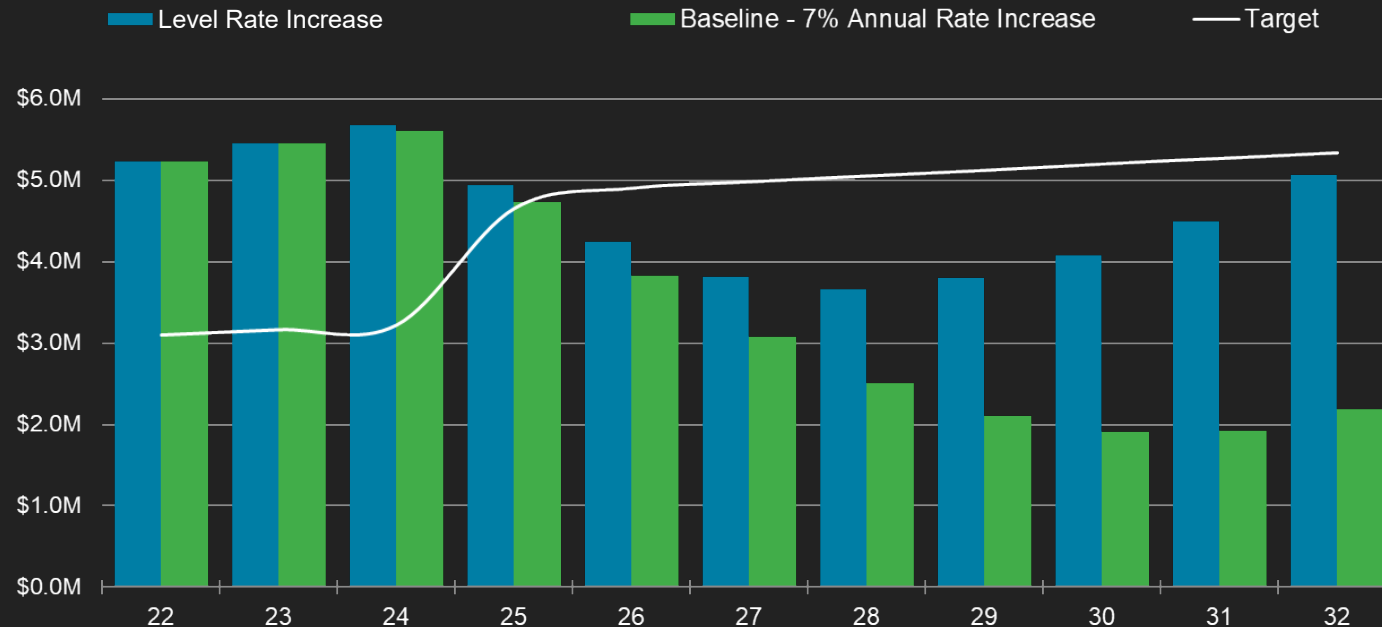
- Debt Service increase in FY25 of \$1.4M to a total payment of \$2.4M per year
- CIP: FY22 ARPA Only
 - ARPA = \$0.5M



Sewer: Level Rate Increases – No Rate Funded Capital

Baseline vs. Level	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Expenses (millions)	\$3.24	\$3.50	\$4.74	\$4.99	\$5.07	\$5.14	\$5.21	\$5.29	\$5.36	\$5.43
Baseline Rate Increase	5.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
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Level Rate Increase	5.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	5.0%	5.0%	5.0%
Revenues (millions)	\$3.46	\$3.72	\$4.00	\$4.30	\$4.63	\$4.98	\$5.36	\$5.57	\$5.78	\$6.01
<i>Monthly/Daily Sewer Bill</i>	<i>\$72.3/\$2.4</i>	<i>\$78.8/\$2.6</i>	<i>\$85.9/\$2.9</i>	<i>\$93.6/\$3.1</i>	<i>\$102/\$3.4</i>	<i>\$111.2/\$3.7</i>	<i>\$121.2/\$4</i>	<i>\$127.3/\$4.2</i>	<i>\$133.7/\$4.5</i>	<i>\$140.4/\$4.7</i>

Forecasted Sewer Fund Cash Balance



- Debt Service increase in FY25 of \$1.4M to a total payment of \$2.4M per year
- CIP: FY22 ARPA Only
 - ARPA = \$0.5M



Sewer Capital Improvements Plan

Description	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Funding Source
East End Pump Station - Cash	248,440	51,560	-									Cash
East End Pump Station - Debt		-	-	-	-	-	125,000	125,000	1,038,360	-		Debt
West End Gravity Sewer	384,411	213,710	-	-	-	-	-	-	-	-	-	Cash
12th Street Sewer Line	150,000	-	-	-	-	-	-	-	-	-	-	Cash
LEAP Aeration	10,514	-	-	-	-	-	-	-	-	-	-	Cash
Valley Industrial Park Pump Station Improvements	-	-	-	-	-	275,000	-	-	-	-	-	Debt
Sludge Storage Facility	-	-	-	-	-	371,000	-	-	-	-	-	Debt
SCADA System Upgrades	500,000											ARPA
	\$ 1,293,365	\$ 265,270	\$ -	\$ -	\$ -	\$ 646,000	\$ 125,000	\$ 125,000	\$ 1,038,360	\$ -	\$ -	

Total CIP = \$3.5M

- \$500K ARPA
- \$1.0M Cash
- \$2.0M Future Debt (FY27)

Assumed Debt Service Terms

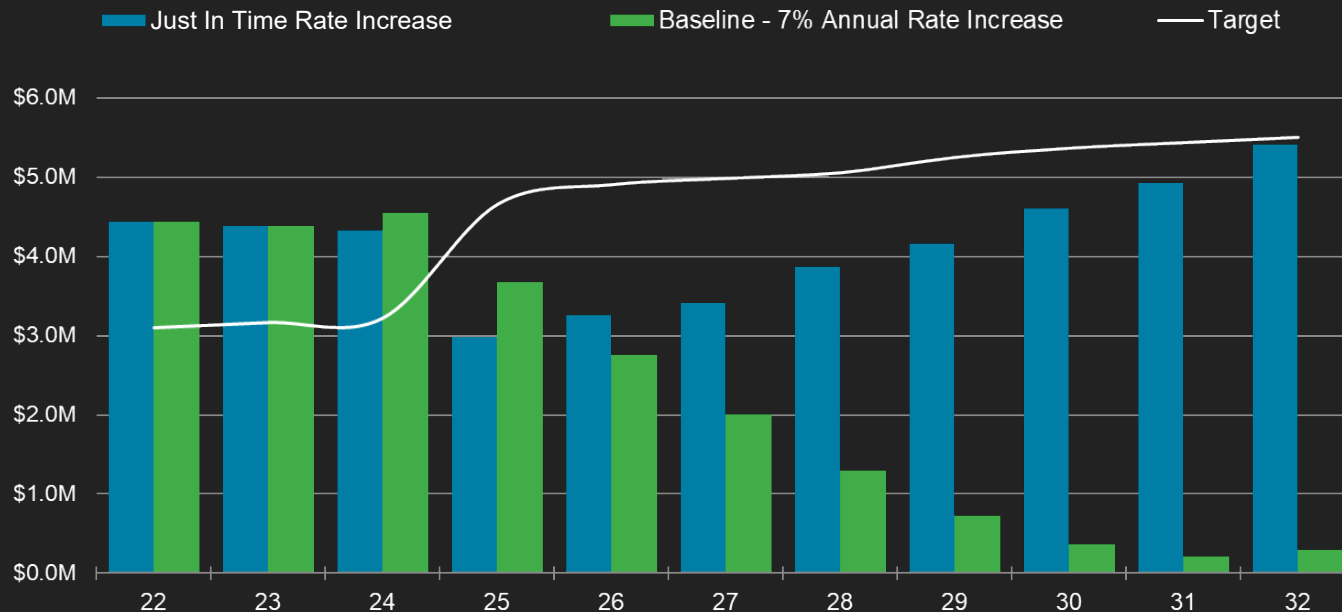
- Maturity of 30 years
- 5% interest rate on future debt



Sewer Just In Time Rate Increases - Include All Capital Projects

Baseline vs. Just In Time	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Expenses (millions)	\$3.51	\$3.50	\$4.74	\$4.99	\$5.07	\$5.27	\$5.38	\$5.46	\$5.53	\$5.60
Baseline Rate Increase	5.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Revenues (millions)	\$3.46	\$3.66	\$3.86	\$4.08	\$4.31	\$4.56	\$4.81	\$5.09	\$5.38	\$5.68
<i>Monthly/Daily Sewer Bill</i>	<i>\$72.3/\$2.4</i>	<i>\$77.4/\$2.6</i>	<i>\$82.8/\$2.8</i>	<i>\$88.6/\$3</i>	<i>\$94.8/\$3.2</i>	<i>\$101.4/\$3.4</i>	<i>\$108.5/\$3.6</i>	<i>\$116.1/\$3.9</i>	<i>\$124.2/\$4.1</i>	<i>\$132.9/\$4.4</i>
Just In Time Rate Increase	5.0%	0.0%	0.0%	60.0%	0.0%	11.0%	0.0%	5.0%	0.0%	5.0%
Revenues (millions)	\$3.46	\$3.43	\$3.40	\$5.26	\$5.22	\$5.72	\$5.68	\$5.90	\$5.85	\$6.08
<i>Monthly/Daily Sewer Bill</i>	<i>\$72.3/\$2.4</i>	<i>\$72.3/\$2.4</i>	<i>\$72.3/\$2.4</i>	<i>\$115.7/\$3.9</i>	<i>\$115.7/\$3.9</i>	<i>\$128.4/\$4.3</i>	<i>\$128.4/\$4.3</i>	<i>\$134.8/\$4.5</i>	<i>\$134.8/\$4.5</i>	<i>\$141.5/\$4.7</i>

Forecasted Sewer Fund Cash Balance



○ Debt Service increase in FY25 of \$1.4M to a total payment of \$2.4M per year

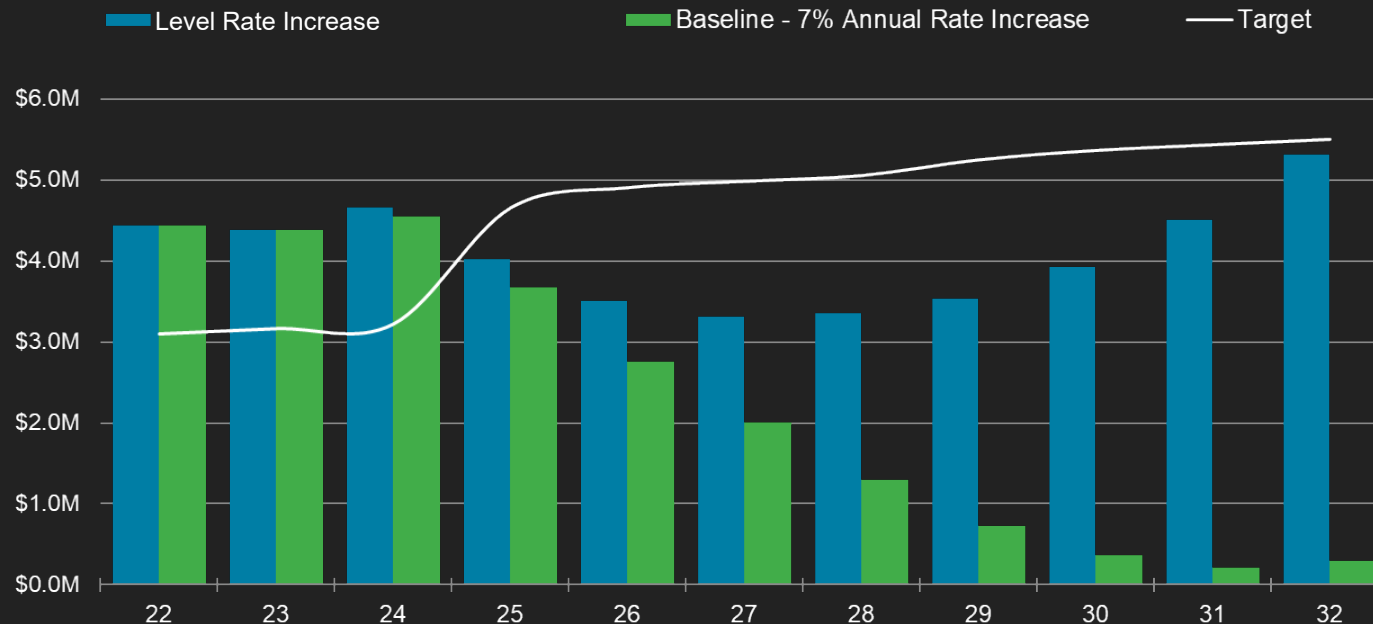
- CIP: FY22 ARPA Only
 - ARPA = \$0.5M
 - FY22 – 26 = \$1.0M Cash
 - FY27 – 32 = \$2.0M Debt



Sewer Level Rate Increases - Include All Capital Projects

Baseline vs. Level	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Expenses (millions)	\$3.51	\$3.50	\$4.74	\$4.99	\$5.07	\$5.27	\$5.38	\$5.46	\$5.53	\$5.60
Baseline Rate Increase	5.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Revenues (millions)	\$3.46	\$3.66	\$3.86	\$4.08	\$4.31	\$4.56	\$4.81	\$5.09	\$5.38	\$5.68
<i>Monthly/Daily Sewer Bill</i>	<i>\$72.3/\$2.4</i>	<i>\$77.4/\$2.6</i>	<i>\$82.8/\$2.8</i>	<i>\$88.6/\$3</i>	<i>\$94.8/\$3.2</i>	<i>\$101.4/\$3.4</i>	<i>\$108.5/\$3.6</i>	<i>\$116.1/\$3.9</i>	<i>\$124.2/\$4.1</i>	<i>\$132.9/\$4.4</i>
Level Rate Increase	5.0%	10.5%	10.5%	10.5%	10.5%	10.5%	6.0%	6.0%	6.0%	6.0%
Revenues (millions)	\$3.46	\$3.77	\$4.10	\$4.47	\$4.87	\$5.31	\$5.57	\$5.83	\$6.11	\$6.41
<i>Monthly/Daily Sewer Bill</i>	<i>\$72.3/\$2.4</i>	<i>\$79.9/\$2.7</i>	<i>\$88.3/\$2.9</i>	<i>\$97.6/\$3.3</i>	<i>\$107.8/\$3.6</i>	<i>\$119.1/\$4</i>	<i>\$126.2/\$4.2</i>	<i>\$133.8/\$4.5</i>	<i>\$141.8/\$4.7</i>	<i>\$150.3/\$5</i>

Forecasted Sewer Fund Cash Balance



- Debt Service increase in FY25 of \$1.4M to a total payment of \$2.4M per year
- CIP: FY22 ARPA Only
 - ARPA = \$0.5M
 - FY22 – 26 = \$1.0M Cash
 - FY27 – 32 = \$2.0M Debt



Combined Funds: Level Rate Increases – No Rate Funded Capital

Level Rate Increases	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Water Rate Increase	3.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Water Revenues (millions)	\$2.75	\$2.77	\$2.90	\$3.04	\$3.19	\$3.35	\$3.51	\$3.68	\$3.86	\$4.05
Water Expenses (millions)	\$3.15	\$3.26	\$3.31	\$3.62	\$3.69	\$3.76	\$3.84	\$3.91	\$3.99	\$4.07
<i>Monthly/Daily Water Bill</i>	<i>\$43.3/\$1.4</i>	<i>\$46.1/\$1.5</i>	<i>\$49.1/\$1.6</i>	<i>\$52.3/\$1.7</i>	<i>\$55.7/\$1.9</i>	<i>\$59.3/\$2</i>	<i>\$63.2/\$2.1</i>	<i>\$67.3/\$2.2</i>	<i>\$71.7/\$2.4</i>	<i>\$76.4/\$2.5</i>
Sewer Rate Increase	5.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	5.0%	5.0%	5.0%
Sewer Revenues (millions)	\$3.46	\$3.72	\$4.00	\$4.30	\$4.63	\$4.98	\$5.36	\$5.57	\$5.78	\$6.01
Sewer Expenses (millions)	\$3.24	\$3.50	\$4.74	\$4.99	\$5.07	\$5.14	\$5.21	\$5.29	\$5.36	\$5.43
<i>Monthly/Daily Sewer Bill</i>	<i>\$72.3/\$2.4</i>	<i>\$78.8/\$2.6</i>	<i>\$85.9/\$2.9</i>	<i>\$93.6/\$3.1</i>	<i>\$102/\$3.4</i>	<i>\$111.2/\$3.7</i>	<i>\$121.2/\$4</i>	<i>\$127.3/\$4.2</i>	<i>\$133.7/\$4.5</i>	<i>\$140.4/\$4.7</i>

Forecasted Combined Cash Balances with Required Rate Increases

