
Round Hill Rate Study

Part 6: Public Hearing

March 15, 2023 - Introduction of Issues

April 5, 2023 – Capital Project Scenarios

April 19, 2023 – Near Term Financing (w/Davenport)

May 3, 2023 – Rate Scenarios

May 17, 2023 – Advertised Rates



June 7, 2023 – Public Hearing

Rate Study Recap

- March 15: overview of utility system
 - Outlined challenges facing current rate structure
- April 5: determining the Capital Improvement Plan (CIP)
 - Council chose a baseline scenario with \$12M in projected CIP
- April 19: discussion with advisors (Davenport) on near-term financing
- May 3: discussion of rate scenarios to fund \$12M CIP plan
 - Council narrowed to 24-5-5-5-5 vs. 15-15-5-5-5
- May 17: discussion of final rates to be advertised for public hearing
 - Decision to advertise 24% with option to choose either 24 or 15/15 after hearing

Today is public hearing

General Principles

- Utility system is self-sustaining
 - Rates must balance costs over long term
 - All utility revenues and expenses kept in separate Utility Fund
 - Current reserves are healthy at \$4.9M
 - Current debt is very low at \$3.5M
 - No subsidies from tax-supported General Fund (only 14% of users)
 - 260 in-town users, 1564 out-of-town users, 1824 total users
 - Annual transfer used to reimburse GF for utility expenses (staff time, supplies)
 - No profits to Town – all utility revenues used for utility matters

- Town adheres to adopted fiscal policies to manage public funds
 - Annual audits
 - Cash reserves should be 12 months of operating expenses
 - Debt limits
 - Utility rates are periodically set to meet fiscal policy guidelines

Rate Study and Rate Adoption

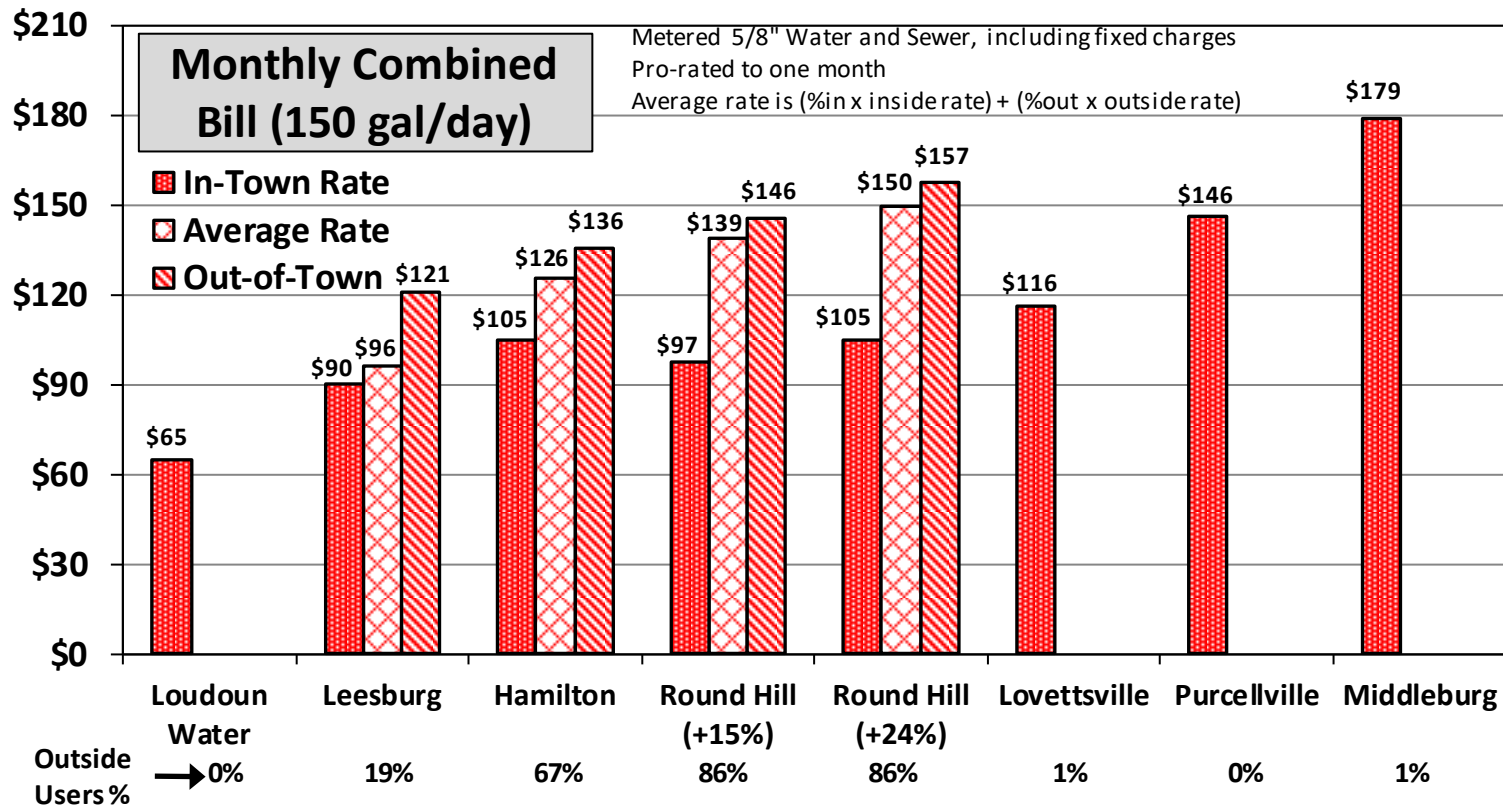
- Periodically the Town performs a detailed rate study
 - Draft 2023 Rate Study Report is on Town Website (37 pages)

- History of past rate study recommendations
 - 2007: +26% with 3% escalator (system was literally broke)
 - 2012: 0% with 3% escalator
 - 2015: -14% with 3% escalator (fast buildout and historically low rates)
 - 2019: -3% with 3% escalator
 - 2021: 0% with 3% escalator
 - 2023: +24% recommended (or +15/15)
 - \$12M in upcoming renewal projects during rising inflation and interest rates

Round Hill Hates Raising Rates

- Last major increase was in 2007, it was painful but necessary
 - FY 2008 combined rate: \$16.46 (after 26% increase)
 - FY 2023 combined rate: \$18.48 (before proposed 24% increase)
- $\$18.46/\$16.48 = 12\%$ increase in real utility rates from 2008-2023
 - Average rate increase of 0.8% per year for past 15 years
 - Current in-town rates are the lowest of all Loudoun towns (even Leesburg)
 - Current out-of-town rates are lower than in-town rates for Purcellville and Middleburg, and lower than out-of-town rates in Hamilton
- Consumer Price Index = 44% increase from 2008-2023
- Town staff can help low-income households in seeking assistance
 - Low-Income Household Water Assistance Program (LIHWAP) is a state program that Round Hill participates in
 - Call Kim McGaha at 540-338-4772, ext 2 or email kmcgaha@roundhillva.org

Comparison of Loudoun FY24 Rates



- Leesburg, Hamilton and Round Hill only systems with significant out-of-town users
 - 4 in-town Leesburg users for every 1 out-of-town Leesburg user
 - 1 in-town Hamilton user for every 2 out-of-town Hamilton users
 - 1 in-town Round Hill user for every 6 out-of-town Round Hill users

Change in Utility Bills

- Amounts show are average (142 gal/day) – your mileage may vary
- Amounts shown are bi-monthly (divide by 2 for monthly)

- Main scenarios in rate study are 24-5-5-5-5 vs. 15-15-5-5-5
 - Secondary scenarios to adjust water/sewer balance for 74 water-only accounts (4% of customers) and 14 sewer-only accounts (1% of customers)
 - “Balanced” = shift more charges to water service instead of sewer service
 - Water-only customers will see larger increases over time, sewer-only less
 - 95% of users not affected by any shifts from sewer to water

In-Town Bills

- A: 24% Not Balanced
- B: 24% Balanced
- C: 15%/15% Not Balanced
- D: 15%/15% Balanced

In-Town User Bimonthly Bills (Typical)						Bi-Monthly Change in In-Town Bills				
2023	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
\$159.64	\$197.90	\$207.84	\$218.20	\$229.17	\$240.66	\$ 38.27	\$ 9.93	\$ 10.37	\$ 10.97	\$ 11.49
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\$159.64	\$183.56	\$211.12	\$221.66	\$232.72	\$244.38	\$ 23.93	\$ 27.56	\$ 10.54	\$ 11.06	\$ 11.66
\$159.64	\$183.56	\$211.12	\$221.66	\$232.72	\$244.38	\$ 23.93	\$ 27.56	\$ 10.54	\$ 11.06	\$ 11.66

Out-of-Town Bills

- A: 24% Not Balanced
- B: 24% Balanced
- C: 15%/15% Not Balanced
- D: 15%/15% Balanced

Out-of-Town User Bimonthly Bills (Typical)						Bi-Monthly Change in Out-of-Town Bills				
2023	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
\$239.45	\$296.86	\$311.76	\$327.31	\$343.76	\$361.00	\$ 57.40	\$ 14.90	\$ 15.55	\$ 16.46	\$ 17.23
\$239.45	\$296.86	\$311.76	\$327.31	\$343.76	\$361.00	\$ 57.40	\$ 14.90	\$ 15.55	\$ 16.46	\$ 17.23
\$239.45	\$275.35	\$316.68	\$332.49	\$349.08	\$366.57	\$ 35.89	\$ 41.33	\$ 15.81	\$ 16.59	\$ 17.49
\$239.45	\$275.35	\$316.68	\$332.49	\$349.08	\$366.57	\$ 35.89	\$ 41.33	\$ 15.81	\$ 16.59	\$ 17.49

Projects, Debt and Inflation Baselines

- Town Manager, Mayor and Town Council refined project list several times
 - Converged at \$10.6M in specified projects
 - Unspecified \$1.7M for miscellaneous and unknown

- Sequencing of projects determined
 - Well D and Tertiary filters this summer/fall
 - Southern Tank next summer
 - Evening Star Treatment Plant after Tank finishes
 - Spreads out loans, staff has 1 big project at a time

- Town has debt margin to fund the 4 major projects
 - Plan to borrow \$9.6M in near term

	Year	Principal	Term	Rate
Bank Placement Bond	2024	\$ 2.6M	20	5.5%
Southern Tank Bond	2025	\$ 3.8M	30	5.0%
ESTP Bond	2027	\$ 3.2M	20	5.5%

Baseline CIP Plan

Project	% Water	5-year Total
Airmont Tank	100%	\$ 4,100,000
Well D	100%	\$ 570,000
Sewer Upgrades	0%	\$ 400,000
Sewer Repairs	0%	\$ 150,000
Water Repairs	100%	\$ 540,000
ESTP	100%	\$ 3,390,000
Wells	100%	\$ 60,000
NewOfficeBldg	50%	\$ 250,000
Fleet	50%	\$ 235,000
TertiaryFilters	0%	\$ 615,000
Stoneleigh	100%	\$ 130,000
Water Meters	100%	\$ 125,000
Unspecified	50%	\$ 1,700,000
Total CIP	82%	\$ 12,265,000

*only future project costs shown

- Assuming 5% O&M inflation rate in baseline
 - 8% over recent history, so may be optimistic

Southern Water Tank

- Town main zone needs a second water tank
 - Single current tank inadequate to serve 1,670 main zone homes – should have been a proffer
 - Single point of failure – difficult to maintain tank without interruptions in water or cellular service
- Site acquired from RHI (developer of RHOA) and zoning approvals granted
 - Design complete, ready for bid
 - Plan to build with new debt next year
- Cost estimates for a new tank:
 - 2018: \$2.4M
 - 2020: \$3.3M
 - 2023: \$4.2M



Evening Star Treatment Plant (ESTP)

- Town needs to rebuild a major water treatment plant at base of water tower
 - Oldest water plant in system (almost 30 yrs)
 - Not enough capacity to treat needed wells
 - New Well D coming online this summer

- Site acquired in cooperation with RHOA
 - Expansion of existing site to allow construction of new plant without taking existing plant out of operation
 - Zoning approved, plan to build with new debt in 2026

- Cost estimates for a new water treatment plant:
 - 2018: \$1.7M (+\$400K for Well D)
 - 2020: \$2.5M (+\$570K for Well D)
 - 2023: \$3.4M (+\$850K for Well D)



Options

- Option 1: Build necessary facilities, raise rates as needed
 - 1a – big step in single year (24%), get it over with
 - 1b – phase in over two years (15%/15%), costs a bit more but can do it
 - 1c – phase in over three years (12%/12%/12%) – no longer considered

- Option 2: Build necessary facilities, let future Town Councils figure out how to pay for it later
 - Reserve levels won't violate fiscal policies until 2026
 - Reserves won't drain entirely until 2030 – “kick the can down the road”
 - Required rate increases in 2026 would be much worse (40%)

- Option 3: Don't build necessary facilities, let future Town Councils deal with consequences
 - Can increase just 5% per year if don't build Southern Tank and ESTP
 - “No one will even notice until a tank or plant fails or we have a drought”

Other Options

- “Go find outside money from county, state, federal” or “just cut costs”
 - Already trying that, and as succeed can lower rates afterwards
 - Most grant programs think Round Hill is too rich to qualify
 - Median Household Income (MHI) = \$96K
 - Typical standard of affordability is 2% water/4.5% combined
 - 4.5% of Round Hill MHI = \$4320 per annum
 - FY24 combined out-of-town bills (after +24%) = \$1884 per annum
 - Most grant programs are intended for poor communities, not Loudoun County

- Let Loudoun Water/Loudoun County run things
 - Loudoun County approved 1200 homes around a quaint little railroad town
 - LoCo Board will soon be 7 Eastern, 1 Leesburg and 1 Western supervisor
 - Loudoun Water Board of Directors is ‘developer-friendly’
 - Round Hill needs to control its own service area (utilities = land-use)

- Expand boundaries so Round Hill gets more state/federal money
 - Mayor and Town Council support this option, but not in our control

Public Comment

- Wait to be recognized by the chair (Mayor)
 - This is not a public debate – its an opportunity for all to be heard
 - If you want Q&A, email mayor@roundhillva.org
 - Mayor will try to personally respond to everyone who writes
 - Personal appointments available on request

 - 3 minutes per speaker please (state name/address for record)
 - Be considerate of those waiting to speak after you
 - Mayor will give you a sign if you need to wrap it up

 - Town Council and Mayor are unpaid volunteers
 - Remember we are your neighbors, and this is not fun for any of us

 - Town Staff are hardworking and excellent professionals
 - Be considerate to them as well – they are bearers of bad news, not cause
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Next Steps

- Public Hearing (could take a while)
 - Council will listen while you talk
- After public hearing, Council has a regular meeting agenda
 - Rates will not be approved tonight, though there will be discussion
 - Everyone is welcome to watch the regular meeting after hearing
- Budget, Taxes, Rates and Fees are scheduled for adoption June 14
 - Fallback date would be a special meeting at end of June
- Any new rates become effective July 1
 - First bills with new rates would be mailed early September

Backup Information

Rate Study Rate and Fee Increases

Usage Rate Increases

- A: 24% Not Balanced
- B: 24% Balanced
- C: 15%/15% Not Balanced
- D: 15%/15% Balanced

2024 Rate Increase			2025 Rate Increase			2026 Rate Increase		
Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
24.0%	24.0%	24.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
24.0%	24.0%	24.0%	12.5%	0.0%	5.0%	11.7%	0.0%	5.0%
15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	5.0%	5.0%	5.0%
19.8%	11.9%	15.0%	19.8%	11.6%	15.0%	11.5%	0.0%	5.0%

Scenario Usage Rates

- A: 24% Not Balanced
- B: 24% Balanced
- C: 15%/15% Not Balanced
- D: 15%/15% Balanced

2024 Usage Rates			2025 Usage Rates			2026 Usage Rates		
Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
\$9.16	\$13.75	\$22.91	\$9.62	\$14.44	\$24.06	\$10.10	\$15.16	\$25.26
\$9.16	\$13.75	\$22.91	\$10.31	\$13.75	\$24.06	\$11.51	\$13.75	\$25.26
\$8.50	\$12.75	\$21.25	\$9.78	\$14.66	\$24.44	\$10.27	\$15.39	\$25.66
\$8.85	\$12.40	\$21.25	\$10.60	\$13.84	\$24.44	\$11.82	\$13.84	\$25.66

Availability Fee Increases

- A: 24% Not Balanced
- B: 24% Balanced
- C: 15%/15% Not Balanced
- D: 15%/15% Balanced

2024 Avail Increase			2025 Avail Increase			2026 Avail Increase		
Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
24.0%	24.0%	24.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
24.0%	24.0%	24.0%	11.0%	0.0%	5.0%	10.4%	0.0%	5.0%
15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	5.0%	5.0%	5.0%
24.0%	7.5%	15.0%	24.0%	6.4%	15.0%	9.5%	0.0%	5.0%

Scenario Avail Fees

- A: 24% Not Balanced
- B: 24% Balanced
- C: 15%/15% Not Balanced
- D: 15%/15% Balanced

2024 Avail Fees			2025 Avail Fees			2026 Avail Fees		
Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
\$14,754	\$17,751	\$32,505	\$15,492	\$18,639	\$34,131	\$16,267	\$19,571	\$35,838
\$14,754	\$17,751	\$32,505	\$16,380	\$17,751	\$34,131	\$18,087	\$17,751	\$35,838
\$13,683	\$16,462	\$30,145	\$15,735	\$18,931	\$34,666	\$16,522	\$19,878	\$36,400
\$14,754	\$15,391	\$30,145	\$18,295	\$16,371	\$34,666	\$20,029	\$16,371	\$36,400

Financial Model w/5% escalator

\$12.3M CIP
(Baseline Debt)

	Historical				5-year Projection				
	Actual 2020	Actual 2021	Actual 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Combined Usage Rate Increase	-3%	3%	0%	3%	5%	5%	5%	5%	5%
Water Operating Receipts	\$ 893,153	\$ 952,513	\$ 980,521	\$ 1,021,424	\$ 1,048,624	\$ 1,104,352	\$ 1,162,240	\$ 1,223,934	\$ 1,287,826
Sewer Operating Receipts	\$ 1,293,471	\$ 1,374,895	\$ 1,419,678	\$ 1,522,787	\$ 1,521,428	\$ 1,601,149	\$ 1,685,583	\$ 1,773,979	\$ 1,866,363
Operating Receipts	\$ 2,186,624	\$ 2,327,408	\$ 2,400,199	\$ 2,544,211	\$ 2,570,052	\$ 2,705,501	\$ 2,847,823	\$ 2,997,913	\$ 3,154,189
Water Operating Payments	\$ (708,089)	\$ (1,040,905)	\$ (971,460)	\$ (1,039,463)	\$ (1,091,436)	\$ (1,146,008)	\$ (1,203,308)	\$ (1,263,473)	\$ (1,326,647)
Sewer Operating Payments	\$ (1,196,139)	\$ (1,136,757)	\$ (1,100,245)	\$ (1,177,262)	\$ (1,236,125)	\$ (1,297,931)	\$ (1,362,828)	\$ (1,430,969)	\$ (1,502,517)
Operating Payments	\$ (1,904,228)	\$ (2,177,662)	\$ (2,071,705)	\$ (2,216,724)	\$ (2,327,561)	\$ (2,443,939)	\$ (2,566,136)	\$ (2,694,442)	\$ (2,829,164)
Operating Surplus/(Deficit)	\$ 282,396	\$ 149,746	\$ 328,494	\$ 327,487	\$ 242,491	\$ 261,562	\$ 281,688	\$ 303,471	\$ 325,025
Total Debt Service (P+I)	\$ (493,073)	\$ (415,176)	\$ (409,846)	\$ (422,141)	\$ (406,959)	\$ (626,585)	\$ (875,071)	\$ (875,128)	\$ (1,137,036)
Acquisition and Construction	\$ (300,561)	\$ (525,167)	\$ (813,779)	\$ (630,000)	\$ (3,326,000)	\$ (2,259,000)	\$ (2,470,000)	\$ (2,920,000)	\$ (1,290,000)
Bond Contributions	\$ -	\$ -	\$ -	\$ -	\$ 2,522,000	\$ 1,843,000	\$ 1,843,000	\$ 2,328,000	\$ 776,000
Cash-funded capital	\$ (300,561)	\$ (525,167)	\$ (813,779)	\$ (630,000)	\$ (804,000)	\$ (416,000)	\$ (627,000)	\$ (592,000)	\$ (514,000)
Availability fees	\$ 787,100	\$ 992	\$ 1,038,124	\$ 200,000	\$ 178,906	\$ 187,857	\$ 197,249	\$ 207,116	\$ 217,445
Other Non-Operating Income	\$ 39,322	\$ 5,410	\$ 17,740	\$ 60,000	\$ 147,674	\$ 183,707	\$ 116,133	\$ 112,203	\$ 63,593
Non-Operating Surplus/(Deficit)	\$ 32,788	\$ (933,941)	\$ (167,761)	\$ (792,141)	\$ (884,379)	\$ (671,022)	\$ (1,188,688)	\$ (1,147,808)	\$ (1,369,998)
Total Cash Surplus/(Deficit)	\$ 315,184	\$ (784,195)	\$ 160,733	\$ (464,655)	\$ (641,888)	\$ (409,459)	\$ (907,001)	\$ (844,337)	\$ (1,044,973)
Water Cash Reserves	\$ 2,849,557	\$ 2,334,424	\$ 2,188,388	\$ 1,754,528	\$ 1,361,713	\$ 1,061,073	\$ 250,087	\$ (470,950)	\$ (1,345,388)
Sewer Cash Reserves	\$ 3,161,022	\$ 2,891,960	\$ 3,198,729	\$ 3,167,934	\$ 2,918,861	\$ 2,810,042	\$ 2,714,028	\$ 2,590,727	\$ 2,420,192
Total Cash Reserves	\$ 6,010,582	\$ 5,226,387	\$ 5,387,120	\$ 4,922,465	\$ 4,280,577	\$ 3,871,118	\$ 2,964,117	\$ 2,119,780	\$ 1,074,807
Reserve Target (Op Pmts + Debt)	\$ 2,397,301	\$ 2,592,838	\$ 2,481,551	\$ 2,638,866	\$ 2,734,520	\$ 3,070,524	\$ 3,441,206	\$ 3,569,570	\$ 3,966,200
Months of Reserve (>12)	30.1	24.2	26.1	22.4	18.8	15.1	10.3	7.1	3.3
Total Expenditures (Pmts+Debt+Const)	\$ 2,697,862	\$ 3,118,005	\$ 3,295,330	\$ 3,268,866	\$ 6,060,520	\$ 5,329,524	\$ 5,911,206	\$ 6,489,570	\$ 5,256,200
Debt Servicing Ratio (<30%)	18%	13%	12%	13%	7%	12%	15%	13%	22%
CIP Expenses (5-year annual avg)	\$ (323,034)	\$ (384,533)	\$ (499,389)	\$ (574,354)	\$ (1,119,101)	\$ (1,510,789)	\$ (1,899,756)	\$ (2,321,000)	\$ (2,453,000)
Debt Funded CIP (5-year annual avg)	\$ 15,084	\$ 5,294	\$ 4,639	\$ -	\$ 504,400	\$ 873,000	\$ 1,241,600	\$ 1,707,200	\$ 1,862,400
Non-debt funded CIP (>25%)	95%	99%	99%	100%	55%	42%	35%	26%	24%
Total Debt	\$ 5,130,000	\$ 3,965,000	\$ 3,740,000	\$ 3,510,000	\$ 5,865,000	\$ 9,330,434	\$ 8,919,571	\$ 11,691,522	\$ 11,144,131
Pro-Rata Debt	\$ 769,500	\$ 594,750	\$ 561,000	\$ 491,400	\$ 836,921	\$ 1,338,116	\$ 1,285,548	\$ 1,693,344	\$ 1,621,916
Pro-Rata Debt vs. Assessments (<2%)	0.7%	0.6%	0.5%	0.4%	0.7%	1.0%	0.9%	1.2%	1.1%

Financial Model w/big step, 5% escalator

\$12.3M CIP
(Baseline Debt)

	Historical				5-year Projection				
	Actual 2020	Actual 2021	Actual 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Combined Usage Rate Increase	-3%	3%	0%	3%	24%	5%	5%	5%	5%
Water Operating Receipts	\$ 893,153	\$ 952,513	\$ 980,521	\$ 1,021,424	\$ 1,237,358	\$ 1,302,611	\$ 1,370,885	\$ 1,443,963	\$ 1,519,294
Sewer Operating Receipts	\$ 1,293,471	\$ 1,374,895	\$ 1,419,678	\$ 1,522,787	\$ 1,796,861	\$ 1,891,279	\$ 1,990,483	\$ 2,095,426	\$ 2,206,150
Operating Receipts	\$ 2,186,624	\$ 2,327,408	\$ 2,400,199	\$ 2,544,211	\$ 3,034,220	\$ 3,193,891	\$ 3,361,367	\$ 3,539,389	\$ 3,725,443
Water Operating Payments	\$ (708,089)	\$ (1,040,905)	\$ (971,460)	\$ (1,039,463)	\$ (1,091,436)	\$ (1,146,008)	\$ (1,203,308)	\$ (1,263,473)	\$ (1,326,647)
Sewer Operating Payments	\$ (1,196,139)	\$ (1,136,757)	\$ (1,100,245)	\$ (1,177,262)	\$ (1,236,125)	\$ (1,297,931)	\$ (1,362,828)	\$ (1,430,969)	\$ (1,502,517)
Operating Payments	\$ (1,904,228)	\$ (2,177,662)	\$ (2,071,705)	\$ (2,216,724)	\$ (2,327,561)	\$ (2,443,939)	\$ (2,566,136)	\$ (2,694,442)	\$ (2,829,164)
Operating Surplus/(Deficit)	\$ 282,396	\$ 149,746	\$ 328,494	\$ 327,487	\$ 706,659	\$ 749,952	\$ 795,232	\$ 844,947	\$ 896,279
Total Debt Service (P+I)	\$ (493,073)	\$ (415,176)	\$ (409,846)	\$ (422,141)	\$ (406,959)	\$ (626,585)	\$ (875,071)	\$ (875,128)	\$ (1,137,036)
Acquisition and Construction	\$ (300,561)	\$ (525,167)	\$ (813,779)	\$ (630,000)	\$ (3,326,000)	\$ (2,259,000)	\$ (2,470,000)	\$ (2,920,000)	\$ (1,290,000)
Bond Contributions	\$ -	\$ -	\$ -	\$ -	\$ 2,522,000	\$ 1,843,000	\$ 1,843,000	\$ 2,328,000	\$ 776,000
Cash-funded capital	\$ (300,561)	\$ (525,167)	\$ (813,779)	\$ (630,000)	\$ (804,000)	\$ (416,000)	\$ (627,000)	\$ (592,000)	\$ (514,000)
Availability fees	\$ 787,100	\$ 992	\$ 1,038,124	\$ 200,000	\$ 211,283	\$ 221,852	\$ 232,947	\$ 244,660	\$ 256,926
Other Non-Operating Income	\$ 39,322	\$ 5,410	\$ 17,740	\$ 60,000	\$ 147,674	\$ 198,604	\$ 147,148	\$ 160,626	\$ 130,839
Non-Operating Surplus/(Deficit)	\$ 32,788	\$ (933,941)	\$ (167,761)	\$ (792,141)	\$ (852,003)	\$ (622,130)	\$ (1,121,976)	\$ (1,061,842)	\$ (1,263,271)
Total Cash Surplus/(Deficit)	\$ 315,184	\$ (784,195)	\$ 160,733	\$ (464,655)	\$ (145,344)	\$ 127,822	\$ (326,744)	\$ (216,895)	\$ (366,992)
Water Cash Reserves	\$ 2,849,557	\$ 2,334,424	\$ 2,188,388	\$ 1,754,528	\$ 1,565,143	\$ 1,484,297	\$ 910,857	\$ 446,715	\$ (150,798)
Sewer Cash Reserves	\$ 3,161,022	\$ 2,891,960	\$ 3,198,729	\$ 3,167,934	\$ 3,211,975	\$ 3,420,643	\$ 3,667,340	\$ 3,914,587	\$ 4,145,108
Total Cash Reserves	\$ 6,010,582	\$ 5,226,387	\$ 5,387,120	\$ 4,922,465	\$ 4,777,122	\$ 4,904,943	\$ 4,578,200	\$ 4,361,305	\$ 3,994,313
Reserve Target (Op Pmts + Debt)	\$ 2,397,301	\$ 2,592,838	\$ 2,481,551	\$ 2,638,866	\$ 2,734,520	\$ 3,070,524	\$ 3,441,206	\$ 3,569,570	\$ 3,966,200
Months of Reserve (>12)	30.1	24.2	26.1	22.4	21.0	19.2	16.0	14.7	12.1
Total Expenditures (Pmts+Debt+Const)	\$ 2,697,862	\$ 3,118,005	\$ 3,295,330	\$ 3,268,866	\$ 6,060,520	\$ 5,329,524	\$ 5,911,206	\$ 6,489,570	\$ 5,256,200
Debt Servicing Ratio (<30%)	18%	13%	12%	13%	7%	12%	15%	13%	22%
CIP Expenses (5-year annual avg)	\$ (323,034)	\$ (384,533)	\$ (499,389)	\$ (574,354)	\$ (1,119,101)	\$ (1,510,789)	\$ (1,899,756)	\$ (2,321,000)	\$ (2,453,000)
Debt Funded CIP (5-year annual avg)	\$ 15,084	\$ 5,294	\$ 4,639	\$ -	\$ 504,400	\$ 873,000	\$ 1,241,600	\$ 1,707,200	\$ 1,862,400
Non-debt funded CIP (>25%)	95%	99%	99%	100%	55%	42%	35%	26%	24%
Total Debt	\$ 5,130,000	\$ 3,965,000	\$ 3,740,000	\$ 3,510,000	\$ 5,865,000	\$ 9,330,434	\$ 8,919,571	\$ 11,691,522	\$ 11,144,131
Pro-Rata Debt	\$ 769,500	\$ 594,750	\$ 561,000	\$ 491,400	\$ 836,921	\$ 1,338,116	\$ 1,285,548	\$ 1,693,344	\$ 1,621,916
Pro-Rata Debt vs. Assessments (<2%)	0.7%	0.6%	0.5%	0.4%	0.7%	1.0%	0.9%	1.2%	1.1%

Financial Model w/2 steps, 5% escalator

\$12.3M CIP
(Baseline Debt)

	Historical				5-year Projection				
	Actual 2020	Actual 2021	Actual 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Combined Usage Rate Increase	-3%	3%	0%	3%	15%	15%	5%	5%	5%
Water Operating Receipts	\$ 893,153	\$ 952,513	\$ 980,521	\$ 1,021,424	\$ 1,148,384	\$ 1,324,235	\$ 1,394,324	\$ 1,466,645	\$ 1,543,802
Sewer Operating Receipts	\$ 1,293,471	\$ 1,374,895	\$ 1,419,678	\$ 1,522,787	\$ 1,666,509	\$ 1,920,031	\$ 2,021,011	\$ 2,126,953	\$ 2,239,468
Operating Receipts	\$ 2,186,624	\$ 2,327,408	\$ 2,400,199	\$ 2,544,211	\$ 2,814,893	\$ 3,244,266	\$ 3,415,334	\$ 3,593,598	\$ 3,783,270
Water Operating Payments	\$ (708,089)	\$ (1,040,905)	\$ (971,460)	\$ (1,039,463)	\$ (1,091,436)	\$ (1,146,008)	\$ (1,203,308)	\$ (1,263,473)	\$ (1,326,647)
Sewer Operating Payments	\$ (1,196,139)	\$ (1,136,757)	\$ (1,100,245)	\$ (1,177,262)	\$ (1,236,125)	\$ (1,297,931)	\$ (1,362,828)	\$ (1,430,969)	\$ (1,502,517)
Operating Payments	\$ (1,904,228)	\$ (2,177,662)	\$ (2,071,705)	\$ (2,216,724)	\$ (2,327,561)	\$ (2,443,939)	\$ (2,566,136)	\$ (2,694,442)	\$ (2,829,164)
Operating Surplus/(Deficit)	\$ 282,396	\$ 149,746	\$ 328,494	\$ 327,487	\$ 487,332	\$ 800,327	\$ 849,199	\$ 899,156	\$ 954,105
Total Debt Service (P+I)	\$ (493,073)	\$ (415,176)	\$ (409,846)	\$ (422,141)	\$ (406,959)	\$ (626,585)	\$ (875,071)	\$ (875,128)	\$ (1,137,036)
Acquisition and Construction	\$ (300,561)	\$ (525,167)	\$ (813,779)	\$ (630,000)	\$ (3,326,000)	\$ (2,259,000)	\$ (2,470,000)	\$ (2,920,000)	\$ (1,290,000)
Bond Contributions	\$ -	\$ -	\$ -	\$ -	\$ 2,522,000	\$ 1,843,000	\$ 1,843,000	\$ 2,328,000	\$ 776,000
Cash-funded capital	\$ (300,561)	\$ (525,167)	\$ (813,779)	\$ (630,000)	\$ (804,000)	\$ (416,000)	\$ (627,000)	\$ (592,000)	\$ (514,000)
Availability fees	\$ 787,100	\$ 992	\$ 1,038,124	\$ 200,000	\$ 195,943	\$ 225,329	\$ 236,600	\$ 248,404	\$ 260,852
Other Non-Operating Income	\$ 39,322	\$ 5,410	\$ 17,740	\$ 60,000	\$ 147,674	\$ 191,564	\$ 141,513	\$ 156,550	\$ 128,379
Non-Operating Surplus/(Deficit)	\$ 32,788	\$ (933,941)	\$ (167,761)	\$ (792,141)	\$ (867,343)	\$ (625,693)	\$ (1,123,958)	\$ (1,062,174)	\$ (1,261,805)
Total Cash Surplus/(Deficit)	\$ 315,184	\$ (784,195)	\$ 160,733	\$ (464,655)	\$ (380,011)	\$ 174,634	\$ (274,759)	\$ (163,018)	\$ (307,699)
Water Cash Reserves	\$ 2,849,557	\$ 2,334,424	\$ 2,188,388	\$ 1,754,528	\$ 1,469,207	\$ 1,408,686	\$ 858,074	\$ 416,727	\$ (155,403)
Sewer Cash Reserves	\$ 3,161,022	\$ 2,891,960	\$ 3,198,729	\$ 3,167,934	\$ 3,073,244	\$ 3,308,400	\$ 3,584,253	\$ 3,862,582	\$ 4,127,013
Total Cash Reserves	\$ 6,010,582	\$ 5,226,387	\$ 5,387,120	\$ 4,922,465	\$ 4,542,455	\$ 4,717,089	\$ 4,442,330	\$ 4,279,312	\$ 3,971,612
Reserve Target (Op Pmts + Debt)	\$ 2,397,301	\$ 2,592,838	\$ 2,481,551	\$ 2,638,866	\$ 2,734,520	\$ 3,070,524	\$ 3,441,206	\$ 3,569,570	\$ 3,966,200
Months of Reserve (>12)	30.1	24.2	26.1	22.4	19.9	18.4	15.5	14.4	12.0
Total Expenditures (Pmts+Debt+Const)	\$ 2,697,862	\$ 3,118,005	\$ 3,295,330	\$ 3,268,866	\$ 6,060,520	\$ 5,329,524	\$ 5,911,206	\$ 6,489,570	\$ 5,256,200
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Pro-Rata Debt vs. Assessments (<2%)	0.7%	0.6%	0.5%	0.4%	0.7%	1.0%	0.9%	1.2%	1.1%