

DULUTH PUBLIC UTILITIES COMMISSION
Tuesday, October 16, 2018
City Council Chambers
AGENDA

1. Roll call
2. Approval of previous meeting minutes
3. Old business:
 - 3.1 Stormwater system discussion
 - 3.2 Middle and Woodland water booster stations
4. Updates from staff
5. Upcoming Council actions
6. Commissioner questions or comments
7. Preview of upcoming business
8. Known absences for future meetings
9. Tour of water pump stations

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
September 18, 2018

Members Present: Councilor Arik Forsman, Jennifer Julsrud, Rob Prusak, Carrie Ryan, Councilor Joel Sipress; Chris McIntosh arrived at 5:25 p.m.

Members Absent: Councilor Em Westerlund

Staff Present: Bob Asleson, Jim Benning, Leanna Gilbert, Howard Jacobson, Chris Kleist, Glenn Strid, Kerry Venier

Call to Order: President Prusak called the meeting to order at 5:15 p.m.

Approval of previous meeting minutes

Old business:

Stormwater system discussion

Four stormwater rate scenarios were provided as requested. After some discussion, commissioners requested a few more rate scenarios. Commissioner Julsrud requested a 75-year life cycle scenario over 10 years. Commissioner Ryan would like to see a 50-year, a 75-year, and a 100-year life cycle scenario over 10 years. Commissioner Forsman would like to see one with progressive increases every couple of years for 10 years, maybe start with 5% then 8% etcetera until we hit the 75-year number.

Middle and Woodland water booster stations

Jim Benning stated that Eric Shaffer's analysis was heavy on the need for increased capacity and a little light on what upgrades are needed at the stations. We could tour the stations in October so that commissioners can see the state of the facilities.

2019 utilities budget discussion

There have been no substantial changes since last month. Bonding for the two pump stations is an option, but is not definite at this point. President Prusak mentioned that the stormwater budget might be in trouble according to the cash projections.

New business:

Clean Water fund update

An update of the clean water fund was provided as requested. Jim Benning mentioned various options of keeping it as is, decreasing the surcharge prior to the sunset, and rolling it into the sanitary sewer fund. The \$400,000 for lateral grants may continue indefinitely if our plan is approved by WLSSD. A decision can be made in the future. Commissioner Sipress suggested shifting the \$400,000 into the sanitary sewer fund, having an equivalent sewer rate increase to account for that, and then stepping down the clean water surcharge as the bonds are paid off. He suggested rolling out the stormwater 10-year plan with the plan to make the clean water surcharge go away.

18PUC-005 - RESOLUTION APPROVING AND RECOMMENDING 2019 UTILITY BUDGET.

Commissioner Sipress motioned to approve 18-PUC-005, and the resolution was approved unanimously.

18PUC-006 - RESOLUTION ESTABLISHING FEES FOR VARIOUS UTILITY-RELATED SERVICES.

Jim Benning mentioned that there was only one small change to a fee. We will be reviewing the Customer Service fees in more detail next year to make sure that we cover our costs and remain competitive with other companies. Commissioner Sipress motioned to approve 18PUC-006, and the resolution was approved unanimously.

Updates from staff

Jim Benning stated that projects are being finished up. Superior Street will go down to the wire, but it will be drivable for sure before winter. There may be a section of temporary sidewalk.

Upcoming Council actions

Jim Benning stated that our budget presentation to Council is on Monday at 5:45 p.m. Citizen commissioners are welcome to attend.

Commissioner questions and comments

Commissioner Julsrud mentioned that her term and Chris McIntosh's term expire March 31, 2019. It would be nice to take action on stormwater prior to that. Commissioner Sipress mentioned the possibility of reappointment.

President Prusak stated that we had a very thoughtful discussion on stormwater and he really appreciates this.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, October 16, 2018, at 5:15 p.m. in City Council Chambers. Staff will prepare more scenarios for stormwater as requested and plan for a tour of the two pump stations.

Known absences for future meetings

No absences were mentioned.

Adjournment: The meeting was adjourned at 6:05 p.m.

Stormwater Rate Scenario Summary Information

10/5/2018

Monthly Rate/ERU*

Scenario Goals: (Capital Improvements-in millions)	Time to achieve goal	Annual Rate increase needed	Monthly Rate/ERU*			Capital Investment 2019-2024	Total Change in Capital Investment	6 Yr. Average Annual Capital \$
			2019	2024	2029			
Current (\$1.265)			\$6.75	\$6.75	\$6.75	\$7,590,000	\$0	\$1,265,000
Double (\$2.4)	In 6 Yrs	6.6%	\$7.20	\$9.90		\$10,065,000	\$2,475,000	\$1,677,500
	In 11 Yrs	4.6%	\$7.06	\$8.84	\$11.07	\$8,230,000	\$640,000	\$1,371,667
	Increasing Rate % In 6 Yrs	5.5%-8.5%	\$7.12	\$10.17		\$10,065,000	\$2,475,000	\$1,677,500
	Decreasing Rate % In 6 Yrs	8.5%-3%	\$7.32	\$9.43		\$10,065,000	\$2,475,000	\$1,677,500
Triple (\$3.6)	In 6 Yrs	8.7%	\$7.34	\$11.13		\$13,065,000	\$5,475,000	\$2,177,500
	In 11 Yrs	5.6%	\$7.13	\$9.36	\$12.29	\$9,165,000	\$1,575,000	\$1,527,500
	W/adjustment for Clean Water rate reduction in 2021 In 6 Yrs	8.2% Avg	\$7.34	\$10.83		\$12,265,000	\$4,675,000	\$2,044,167
100 yr Asset Life Cycle (\$4.6)	In 6 Yrs	11.0%	\$7.49	\$12.63		\$16,565,000	\$8,975,000	\$2,760,833
	In 11 Yrs	6.6%	\$7.20	\$9.90	\$13.63	\$10,465,000	\$2,875,000	\$1,744,167
75 yr Life Cycle (\$6.3)	In 6 Yrs	13.8%	\$7.68	\$14.66		\$21,265,000	\$13,675,000	\$3,544,167
	In 11 Yrs	8.0%	\$7.29	\$10.71	\$15.74	\$12,265,000	\$4,675,000	\$2,044,167
	Increasing Rate % In 11 Yrs	5% - 12%	\$7.09	\$10.31	\$17.22	\$12,265,000	\$4,675,000	\$2,044,167
	Increasing Rate % EOY In 11 Yrs	12% - 21%	\$7.56	\$10.00	\$17.13	\$12,265,000	\$4,675,000	\$2,044,167
	Decreasing Rate % In 11 Yrs	11% - 2%	\$7.49	\$11.32	\$13.76	\$12,265,000	\$4,675,000	\$2,044,167
50 yr life Cycle (\$8.3)	In 6 Yrs	18.0%	\$7.97	\$18.22		\$28,965,000	\$21,375,000	\$4,827,500
	In 11 Yrs	9.5%	\$7.39	\$11.64	\$18.32	\$14,565,000	\$6,975,000	\$2,427,500

Proposed Rate Change:	6.60%		W/adjustment for Clean Water rate reduction in '21		13.80%		
Scenario Goals	Double Capital Spending in 6 Yrs		Triple Capital Spending in 6 yrs.		75 yr Life Cycle Capital in 6 yrs		
Annual Capital investment:	\$1,265,000	\$1,500,000	\$1,265,000	\$3,600,000	\$1,265,000	\$6,300,000	
Monthly Rate/ERU*	\$6.75	\$7.20	\$9.90	\$7.34	\$10.83	\$7.68	\$14.66

	# of Accts	# of ERU's Billed*	Monthly Charge	Monthly Change in Bill					
				2019	2024	2019	2024	2019	2024
Avg Residential Monthly Bill		1.4	\$9.64	\$0.64	\$4.50	\$0.84	\$5.83	\$1.33	\$11.30
Avg. Comm/Ind. Customer monthly Bill		19.2	\$129.68	\$8.65	\$60.52	\$11.34	\$78.39	\$17.87	\$151.97
Large Stormwater Customer Examples									
CITY OF DULUTH	21	1,788.50	\$12,072	\$804.83	\$5,633.78	\$1,055.22	\$7,297.08	\$1,663.31	\$14,147.04
UMD	1	1,658.60	\$11,196	\$746.37	\$5,224.59	\$978.57	\$6,767.09	\$1,542.50	\$13,119.53
ISD 709	14	1,087.40	\$7,340	\$489.33	\$3,425.31	\$641.57	\$4,436.59	\$1,011.28	\$8,601.33
MN AIR NATL GUARD	3	636.50	\$4,296	\$286.43	\$2,004.98	\$375.54	\$2,596.92	\$591.95	\$5,034.72
LAKE SUPERIOR COLLEGE	2	595.90	\$4,022	\$268.16	\$1,877.09	\$351.58	\$2,431.27	\$554.19	\$4,713.57
SIMON PROPERTY GROUP	2	527.80	\$3,563	\$237.51	\$1,662.57	\$311.40	\$2,153.42	\$490.85	\$4,174.90
DULUTH AIRPORT AUTHORITY	1	517.90	\$3,496	\$233.06	\$1,631.39	\$305.56	\$2,113.03	\$481.65	\$4,096.59
DECC	2	506.90	\$3,422	\$228.11	\$1,596.74	\$299.07	\$2,068.15	\$471.42	\$4,009.58
VERSO MINNESOTA WISCONSIN LLC	2	462.20	\$3,120	\$207.99	\$1,455.93	\$272.70	\$1,885.78	\$429.85	\$3,656.00
SMDC	9	441.60	\$2,981	\$198.72	\$1,391.04	\$260.54	\$1,801.73	\$410.69	\$3,493.06
ST SCHOLASTICA PRIORY	1	395.30	\$2,668	\$177.89	\$1,245.20	\$233.23	\$1,612.82	\$367.63	\$3,126.82
ST LOUIS COUNTY	9	394.30	\$2,662	\$177.44	\$1,242.05	\$232.64	\$1,608.74	\$366.70	\$3,118.91
MINNESOTA POWER	7	340.50	\$2,298	\$153.23	\$1,072.58	\$200.90	\$1,389.24	\$316.67	\$2,693.36

*Equivalent Residential Unit (ERU)

Constant Rate Increase of 6.6% to Double Capital Spending in 6 years

2019 - 2024 CIP \$ Total = **\$10,065,000**

	Current Budget							
	2019	2019	2020	2021	2022	2023	2024	
User Rate:	\$6.75	\$7.20	\$7.67	\$8.18	\$8.72	\$9.29	\$9.90	
Stormwater Revenue (4835)	\$5,260,000	\$5,607,160	\$5,977,233	\$6,371,730	\$6,792,264	\$7,240,554	\$7,718,430	
Expenses:								
Capital	\$1,265,000	\$1,265,000	\$1,300,000	\$1,400,000	\$1,700,000	\$2,000,000	\$2,400,000	<i>Annual Assumptions</i>
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	<i>3.5% increase</i>
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	<i>Per debt schedule</i>
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	<i>2% increase</i>
Total Expenses	\$5,814,700	\$5,814,700	\$5,977,849	\$6,212,369	\$6,646,684	\$6,935,122	\$7,477,817	
CHANGE IN FUND BALANCE		-\$207,540	-\$616	\$159,361	\$145,580	\$305,431	\$240,613	

Rate Increase %		6.6%		6.6%		6.6%		6.6%		6.6%		6.6%
Monthly Change	\$	0.45	\$	0.47	\$	0.51	\$	0.54	\$	0.58	\$	0.61
Annual Change	\$	5.35	\$	5.70	\$	6.07	\$	6.48	\$	6.90	\$	7.36

2019

<u>Current Sample Residential Bill</u>		<u>Sample Residential Bill w/rate change</u>		
				2019 % Change
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	4.70%
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.20	6.67%
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	\$147.39	Total Bill	\$148.93	1.04%

Progressive Rate Increase to Double Capital Spending in 6 years

2019 - 2024 CIP \$ Total = **\$10,065,000**

Current Budget		2019	2019	2020	2021	2022	2023	2024
User Rate: \$	6.75 \$	7.12 \$	7.55 \$	8.08 \$	8.68 \$	9.38 \$	10.17	
Stormwater Revenue (4835)	\$5,260,000	\$5,549,300	\$5,882,258	\$6,294,016	\$6,766,067	\$7,307,353	\$7,928,478	
Expenses:								
Capital	\$1,265,000	\$1,265,000	\$1,300,000	\$1,400,000	\$1,700,000	\$2,000,000	\$2,400,000	<i>Annual Assumptions</i>
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	<i>3.5% increase</i>
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	<i>Per debt schedule</i>
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	<i>2% increase</i>
Total	\$5,814,700	\$5,814,700	\$5,977,849	\$6,212,369	\$6,646,684	\$6,935,122	\$7,477,817	
CHANGE IN FUND BALANCE		-\$265,400	-\$95,591	\$81,647	\$119,384	\$372,230	\$450,660	
Rate Increase %		5.5%	6.0%	7.0%	7.5%	8.0%	8.5%	
Monthly Change	\$ 0.37	\$ 0.43	\$ 0.53	\$ 0.61	\$ 0.69	\$ 0.80		
Annual Change	\$ 4.46	\$ 5.13	\$ 6.34	\$ 7.27	\$ 8.34	\$ 9.56		

Current Sample Residential Bill		2019 Sample Residential Bill w/rate change		
	Water & Storm Inc			% Change
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	<u>4.70%</u>
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.12	<u>5.48%</u>
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	<u>\$147.39</u>	Total Bill	<u>\$148.85</u>	<u>0.99%</u>

Declining Rate Increase to Double Capital Spending in 6 years

2019 - 2024 CIP \$ Total = **\$10,065,000**

	Current Budget		2019	2020	2021	2022	2023	2024					
User Rate: \$	6.75	\$	7.32	\$	7.87	\$	8.80	\$	9.16	\$	9.43		
Stormwater Revenue (4835)	\$5,260,000		\$5,707,100		\$6,135,133		\$6,533,916		\$6,860,612		\$7,135,036		\$7,349,087
Expenses:													
Capital	\$1,265,000		\$1,265,000		\$1,300,000		\$1,400,000		\$1,700,000		\$2,000,000		\$2,400,000
Salary/Benefits	\$2,555,800		\$2,555,800		\$2,645,253		\$2,737,837		\$2,833,661		\$2,932,839		\$3,035,489
Debt Service	\$144,100		\$144,100		\$145,800		\$150,000		\$150,000		\$0		\$0
Other	\$1,849,800		\$1,849,800		\$1,886,796		\$1,924,532		\$1,963,023		\$2,002,283		\$2,042,329
Total	\$5,814,700		\$5,814,700		\$5,977,849		\$6,212,369		\$6,646,684		\$6,935,122		\$7,477,817
CHANGE IN FUND BALANCE													
			-\$107,600		\$157,284		\$321,547		\$213,928		\$199,914		-\$128,730
Rate Increase %			8.5%		7.5%		6.5%		5.0%		4.0%		3.0%
Monthly Change	\$		0.57	\$	0.55	\$	0.51	\$	0.42	\$	0.35	\$	0.27
Annual Change	\$		6.89	\$	6.59	\$	6.14	\$	5.03	\$	4.23	\$	3.30

Annual Assumptions

3.5% increase

Per debt schedule

2% increase

Current Sample Residential Bill

Gas (83 ccf)*	\$62.79
Water (6 ccf)	\$23.10
Water Fixed Rate	\$6.27
Storm	\$6.75
Clean Water	\$4.90
Sanitary (6 ccf)	\$40.33
Street Lighting	\$3.25
Total Bill	\$147.39

2019
Sample Residential Bill w/rate change for Water & Storm

		% Change
Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$24.19	<u>4.70%</u>
Water Fixed Rate	\$6.27	0.00%
Storm	\$7.32	<u>8.44%</u>
Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	0.00%
Total Bill	\$149.05	<u>1.12%</u>

Constant Rate Increase of 4.6% to Double Capital Spending in 11 years

2019 - 2024 CIP \$ Total = **\$8,230,000**

	Current Budget											
	2019	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
User Rate: \$	6.75	\$ 7.06	\$ 7.39	\$ 7.73	\$ 8.08	\$ 8.45	\$ 8.84	9.25	9.67	10.12	10.58	11.07
Stormwater Revenue (4835)	\$5,260,000	\$5,501,960	\$5,755,050	\$6,019,782	\$6,296,692	\$6,586,340	\$6,889,312	\$7,206,220	\$7,537,706	\$7,884,441	\$8,247,125	\$8,626,493
Expenses												
Capital	\$1,265,000	\$1,265,000	\$1,265,000	\$1,300,000	\$1,300,000	\$1,500,000	\$1,600,000	\$1,800,000	\$2,000,000	\$2,200,000	\$2,400,000	\$2,600,000
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	\$3,141,731	\$3,251,691	\$3,365,501	\$3,483,293	\$3,605,208
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	\$2,083,175	\$2,124,839	\$2,167,336	\$2,210,682	\$2,254,896
Total	\$5,814,700	\$5,814,700	\$5,942,849	\$6,112,369	\$6,246,684	\$6,435,122	\$6,677,817	\$7,024,906	\$7,376,530	\$7,732,836	\$8,093,975	\$8,460,104
CHANGE IN FUND BALANCE		-\$312,740	-\$187,799	-\$92,586	\$50,009	\$151,218	\$211,495	\$181,314	\$161,176	\$151,605	\$153,150	\$166,389
Rate Increase %		4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
Monthly Change	\$	0.31	\$ 0.32	\$ 0.34	\$ 0.36	\$ 0.37	\$ 0.39	\$ 0.41	\$ 0.43	\$ 0.44	\$ 0.47	\$ 0.49
Annual Change	\$	3.73	\$ 3.90	\$ 4.08	\$ 4.26	\$ 4.46	\$ 4.67	\$ 4.88	\$ 5.10	\$ 5.34	\$ 5.59	\$ 5.84

2019

Current Sample Residential Bill

Sample Residential Bill w/rate change for Water & Storm

	Water & Storm Inc		% Change
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79 0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19 <u>4.70%</u>
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27 0.00%
Storm	\$6.75	Storm	\$7.06 <u>4.59%</u>
Clean Water	\$4.90	Clean Water	\$4.90 0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33 0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25 0.00%
Total Bill	\$147.39	Total Bill	\$148.79 <u>0.95%</u>

Constant Rate Increase of 8.7% to Triple Capital Spending in 6 years

2019 - 2024 CIP \$ Total = **\$13,065,000**

	Current Budget							
	2019	2019	2020	2021	2022	2023	2024	
User Rate: \$	6.75	\$ 7.34	\$ 7.98	\$ 8.67	\$ 9.42	\$ 10.24	\$ 11.13	
Stormwater Revenue (4835)	\$5,260,000	\$5,717,620	\$6,215,053	\$6,755,763	\$7,343,514	\$7,982,400	\$8,676,868	
Expenses:								
Capital	\$1,265,000	\$1,265,000	\$1,300,000	\$1,700,000	\$2,300,000	\$2,900,000	\$3,600,000	
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	
Total	\$5,814,700	\$5,814,700	\$5,977,849	\$6,512,369	\$7,246,684	\$7,835,122	\$8,677,817	

Annual Assumptions

3.5% increase
Per debt schedule
2% increase

CHANGE IN FUND BALANCE		-\$97,080	\$237,204	\$243,394	\$96,830	\$147,277	-\$949
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Rate Increase %	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%
Monthly Change	\$ 0.59	\$ 0.64	\$ 0.69	\$ 0.75	\$ 0.82	\$ 0.89
Annual Change	\$ 7.05	\$ 7.66	\$ 8.33	\$ 9.05	\$ 9.84	\$ 10.69

Current Sample Residential Bill		2019 Sample Residential Bill w/rate change for Water & Storm		
				% Change
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	4.70%
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.34	8.74%
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	\$147.39	Total Bill	\$149.07	1.14%

Constant Rate Increase of 8.7% to Triple Capital Spending in 6 years (with 2020 adjustment for reduction in Clean Water Rate)

	Budget 2019	2019	zero net increase w/ clean water fee reduction 2020	2021	2022	2023	2024	2019 - 2024 CIP \$ Total = \$12,265,000
User Rate: \$	6.75	\$ 7.34	\$ 7.79	\$ 8.47	\$ 9.21	\$ 10.01	\$ 10.88	
Stormwater Revenue (4835)	\$5,260,000	\$5,717,620	\$6,072,112	\$6,600,386	\$7,174,620	\$7,798,812	\$8,477,308	
Expenses:								
Capital	\$1,265,000	\$1,265,000	\$1,300,000	\$1,500,000	\$2,000,000	\$2,600,000	\$3,600,000	<i>Annual Assumptions</i>
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	<i>3.5% increase</i>
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	<i>Per debt schedule</i>
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	<i>2% increase</i>
Total	\$5,814,700	\$5,814,700	\$5,977,849	\$6,312,369	\$6,946,684	\$7,535,122	\$8,677,817	
CHANGE IN FUND BALANCE		-\$97,080	\$94,263	\$288,017	\$227,936	\$263,689	-\$200,509	

	Rate Increase %	8.7%	6.2%	8.7%	8.7%	8.7%	8.7%
Monthly Change	\$	0.59	\$ 0.45	\$ 0.68	\$ 0.74	\$ 0.80	\$ 0.87
Annual Change	\$	7.05	\$ 5.46	\$ 8.14	\$ 8.84	\$ 9.61	\$ 10.45

Current Sample Residential Bill		2019 Sample Residential Bill w/rate change		
				% Change
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	<u>4.70%</u>
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.34	<u>8.74%</u>
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	\$147.39	Total Bill	\$149.07	<u>1.14%</u>

Constant Rate Increase of 8.7% to Triple Capital Spending in 6 years (with 2021 adjustment for reduction in Clean Water Rate)

	Budget 2019	2019	2020	zero net increase w/ clean water fee reduction 2021	2022	2023	2024	2019 - 2024 CIP \$ Total = \$12,265,000
User Rate: \$	6.75	\$ 7.34	\$ 7.98	\$ 8.43	\$ 9.16	\$ 9.96	\$ 10.83	
Stormwater Revenue (4835)	\$5,260,000	\$5,717,620	\$6,215,053	\$6,569,311	\$7,140,841	\$7,762,094	\$8,437,396	
Expenses:								<i>Annual Assumptions</i>
Capital	\$1,265,000	\$1,265,000	\$1,300,000	\$1,500,000	\$2,000,000	\$2,600,000	\$3,600,000	
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	<i>3.5% increase</i>
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	<i>Per debt schedule</i>
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	<i>2% increase</i>
Total	\$5,814,700	\$5,814,700	\$5,977,849	\$6,312,369	\$6,946,684	\$7,535,122	\$8,677,817	
CHANGE IN FUND BALANCE		-\$97,080	\$237,204	\$256,942	\$194,157	\$226,972	-\$240,421	

Rate Increase %		8.7%		8.7%		5.7%		8.7%		8.7%		8.7%
Monthly Change	\$	0.59	\$	0.64	\$	0.45	\$	0.73	\$	0.80	\$	0.87
Annual Change	\$	7.05	\$	7.66	\$	5.46	\$	8.80	\$	9.57	\$	10.40

Current Sample Residential Bill		2019 Sample Residential Bill w/rate change		
				% Change
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	<u>4.70%</u>
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.34	<u>8.74%</u>
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	<u>\$147.39</u>	Total Bill	<u>\$149.07</u>	<u>1.14%</u>

Constant Rate Increase of 5.6% to Triple Capital Spending in 11 years

2019 - 2024 CIP \$ Total = **\$9,165,000**

	Current Budget											
	2019	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
User Rate:	6.75	7.13	7.53	7.95	8.39	8.86	9.36	9.88	10.44	11.02	11.64	12.29
Stormwater Revenue (4835)	\$5,260,000	\$5,554,560	\$5,865,615	\$6,194,090	\$6,540,959	\$6,907,253	\$7,294,059	\$7,702,526	\$8,133,867	\$8,589,364	\$9,070,368	\$9,578,309
Expenses												
Capital	\$1,265,000	\$1,265,000	\$1,300,000	\$1,400,000	\$1,400,000	\$1,700,000	\$2,100,000	\$2,400,000	\$2,700,000	\$3,000,000	\$3,300,000	\$3,600,000
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	\$3,141,731	\$3,251,691	\$3,365,501	\$3,483,293	\$3,605,208
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	\$2,083,175	\$2,124,839	\$2,167,336	\$2,210,682	\$2,254,896
Total	\$5,814,700	\$5,814,700	\$5,977,849	\$6,212,369	\$6,346,684	\$6,635,122	\$7,177,817	\$7,624,906	\$8,076,530	\$8,532,836	\$8,993,975	\$9,460,104
CHANGE IN FUND BALANCE		-\$260,140	-\$112,234	-\$18,279	\$194,275	\$272,130	\$116,241	\$77,620	\$57,337	\$56,528	\$76,393	\$118,205
Rate Increase %	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Monthly Change	\$ 0.38	\$ 0.40	\$ 0.42	\$ 0.45	\$ 0.47	\$ 0.50	\$ 0.52	\$ 0.55	\$ 0.58	\$ 0.62	\$ 0.65	\$ 0.65
Annual Change	\$ 4.54	\$ 4.79	\$ 5.06	\$ 5.34	\$ 5.64	\$ 5.96	\$ 6.29	\$ 6.64	\$ 7.01	\$ 7.41	\$ 7.82	\$ 7.82

2019

Current Sample Residential Bill

Sample Residential Bill w/rate change

Water & Storm Inc		2019		% Change
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	<u>4.70%</u>
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.13	<u>5.60%</u>
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	\$147.39	Total Bill	\$148.85	<u>0.99%</u>

Constant Rate Increase of 11% to reach 100 yr. Asset Life Cycle (\$4.6 million annual Capital Investment) in 6 years

2019 - 2024 CIP \$ Total = \$16,565,000

	Current Budget						
	2019	2019	2020	2021	2022	2023	2024
User Rate:	6.75	7.49	8.32	9.23	10.25	11.37	12.63
Stormwater Revenue (4835)	\$5,260,000	\$5,838,600	\$6,480,846	\$7,193,739	\$7,985,050	\$8,863,406	\$9,838,381
Expenses:							
Capital	\$1,265,000	\$1,265,000	\$1,800,000	\$2,300,000	\$2,900,000	\$3,700,000	\$4,600,000
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329
Total	\$5,814,700	\$5,814,700	\$6,477,849	\$7,112,369	\$7,846,684	\$8,635,122	\$9,677,817
CHANGE IN FUND BALANCE		\$23,900	\$2,997	\$81,370	\$138,367	\$228,284	\$160,563

Annual Assumptions

3.5% increase

Per debt schedule

2% increase

Rate Increase %	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Monthly change	\$ 0.74	\$ 0.82	\$ 0.91	\$ 1.02	\$ 1.13	\$ 1.25
Annual Change	\$ 8.91	\$ 9.89	\$ 10.98	\$ 12.19	\$ 13.53	\$ 15.01

2019

Current Sample Residential Bill

Sample Residential Bill w/rate

Gas (83 ccf)*	\$62.79
Water (6 ccf)	\$23.10
Water Fixed Rate	\$6.27
Storm	\$6.75
Clean Water	\$4.90
Sanitary (6 ccf)	\$40.33
Street Lighting	\$3.25
Total Bill	\$147.39

		% Change
Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$24.19	<u>4.70%</u>
Water Fixed Rate	\$6.27	0.00%
Storm	\$7.49	<u>10.96%</u>
Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	0.00%
Total Bill	\$149.22	<u>1.24%</u>

Constant Rate Increase of 6.6% to reach 100 yr. Asset Life Cycle (\$4.6 million annual Capital Investment) in 11 years

Current Budget		2019 - 2024 CIP \$ Total = \$10,465,000																				
	2019	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029										
User Rate:	6.75	7.20	7.67	8.18	8.72	9.29	9.90	10.56	11.26	12.00	12.79	13.63										
Stormwater Revenue (4835)	\$5,260,000	\$5,607,160	\$5,977,233	\$6,371,730	\$6,792,264	\$7,240,554	\$7,718,430	\$8,227,846	\$8,770,884	\$9,349,763	\$9,966,847	\$10,624,659										
Expenses:																						
Capital	\$1,265,000	\$1,265,000	\$1,300,000	\$1,500,000	\$1,800,000	\$2,100,000	\$2,500,000	\$2,900,000	\$3,400,000	\$3,800,000	\$4,200,000	\$4,600,000										
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	\$3,141,731	\$3,251,691	\$3,365,501	\$3,483,293	\$3,605,208										
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	\$2,083,175	\$2,124,839	\$2,167,336	\$2,210,682	\$2,254,896										
Total	\$5,814,700	\$5,814,700	\$5,977,849	\$6,312,369	\$6,746,684	\$7,035,122	\$7,577,817	\$8,124,906	\$8,776,530	\$9,332,836	\$9,893,975	\$10,460,104										
CHANGE IN FUND BALANCE		-\$207,540	-\$616	\$59,361	\$45,580	\$205,431	\$140,613	\$102,940	-\$5,646	\$16,927	\$72,872	\$164,555										
Rate Increase %		6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%										
Monthly change	\$	0.45	\$	0.47	\$	0.51	\$	0.54	\$	0.58	\$	0.61	\$	0.65	\$	0.70	\$	0.74	\$	0.79	\$	0.84
Annual Change	\$	5.35	\$	5.70	\$	6.07	\$	6.48	\$	6.90	\$	7.36	\$	7.84	\$	8.36	\$	8.91	\$	9.50	\$	10.13

Current Sample Residential Bill		2019 Sample Residential Bill w/rate change		
				% Change
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	<u>4.70%</u>
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.20	<u>6.67%</u>
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	\$147.39	Total Bill	\$148.93	<u>1.04%</u>

Constant Rate Increase of 13.8% to reach 75 yr. Asset Life Cycle (\$6.3 million annual Capital Investment) in 6 years

2019 - 2024 CIP \$ Total = \$21,265,000

	Current Budget						
	2019	2019	2020	2021	2022	2023	2024
User Rate:	6.75	7.68	8.74	9.95	11.32	12.88	14.66
Stormwater Revenue (4835)	\$5,260,000	\$5,985,880	\$6,811,931	\$7,751,978	\$8,821,751	\$10,039,153	\$11,424,556
Expenses:							
Capital	\$1,265,000	\$1,265,000	\$2,000,000	\$2,900,000	\$3,800,000	\$5,000,000	\$6,300,000
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329
Total	\$5,814,700	\$5,814,700	\$6,677,849	\$7,712,369	\$8,746,684	\$9,935,122	\$11,377,817

Annual Assumptions

3.5% increase

Per debt schedule

2% increase

CHANGE IN FUND BALANCE	\$171,180	\$134,082	\$39,609	\$75,067	\$104,030	\$46,738
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Rate Increase %	13.8%		13.8%		13.8%		13.8%		13.8%			
Monthly change	\$	0.93	\$	1.06	\$	1.21	\$	1.37	\$	1.56	\$	1.78
Annual Change	\$	11.18	\$	12.72	\$	14.48	\$	16.47	\$	18.75	\$	21.33

<u>Current Sample Residential Bill</u>		2019		
		<u>Sample Residential Bill w/rate change</u>		
		% Change		
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	<u>4.70%</u>
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.68	<u>13.78%</u>
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	\$147.39	Total Bill	\$149.41	<u>1.37%</u>

Constant Rate Increase of 8% to reach 75 yr. Asset Life Cycle (\$6.3 million annual Capital Investment) in 11 years

2019 - 2024 CIP \$ Total = \$12,265,000

	Current Budget											
	2019	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
User Rate:	\$6.75	\$7.29	\$7.87	\$8.50	\$9.18	\$9.92	\$10.71	\$11.57	\$12.49	\$13.49	\$14.57	\$15.74
Stormwater Revenue (4835)	\$5,260,000	\$5,680,800	\$6,135,264	\$6,626,085	\$7,156,172	\$7,728,666	\$8,346,959	\$9,014,716	\$9,735,893	\$10,514,764	\$11,355,945	\$12,264,421
Expenses:												
Capital	\$1,265,000	\$1,265,000	\$1,400,000	\$1,700,000	\$2,100,000	\$2,600,000	\$3,200,000	\$3,700,000	\$4,300,000	\$5,000,000	\$5,700,000	\$6,300,000
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	\$3,141,731	\$3,251,691	\$3,365,501	\$3,483,293	\$3,605,208
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	\$2,083,175	\$2,124,839	\$2,167,336	\$2,210,682	\$2,254,896
Total	\$5,814,700	\$5,814,700	\$6,077,849	\$6,512,369	\$7,046,684	\$7,535,122	\$8,277,817	\$8,924,906	\$9,676,530	\$10,532,836	\$11,393,975	\$12,160,104
CHANGE IN FUND BALANCE		-\$133,900	\$57,415	\$113,716	\$109,488	\$193,543	\$69,142	\$89,810	\$59,363	-\$18,072	-\$38,030	\$104,317

Rate Increase %	8.0%		8.0%		8.0%		8.0%		8.0%		8.0%		8.0%									
Monthly change	\$	0.54	\$	0.58	\$	0.63	\$	0.68	\$	0.73	\$	0.79	\$	0.86	\$	0.93	\$	1.00	\$	1.08	\$	1.17
Annual Change	\$	6.48	\$	7.00	\$	7.56	\$	8.16	\$	8.82	\$	9.52	\$	10.28	\$	11.11	\$	11.99	\$	12.95	\$	13.99

Current Sample Residential Bill		2019 Sample Residential Bill w/rate change		
				% Change
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	4.70%
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.29	8.00%
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	\$147.39	Total Bill	\$149.02	1.10%

Progressive Rate Increase to achieve 75 yr Asset Life Cycle Capital Spending (\$6.3 million) in 11 years

		2019 - 2024 CIP \$ Total = \$12,265,000																				
Current Budget		2019	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029									
User Rate:		6.75	7.09	7.51	8.04	8.68	9.46	10.31	11.35	12.48	13.85	15.38	17.22									
Stormwater Revenue (4835)		\$5,260,000	\$5,523,000	\$5,854,380	\$6,264,187	\$6,765,322	\$7,374,200	\$8,037,879	\$8,841,666	\$9,725,833	\$10,795,675	\$11,983,199	\$13,421,183									
Expenses:																						
Capital		\$1,265,000	\$1,265,000	\$1,400,000	\$1,700,000	\$2,100,000	\$2,600,000	\$3,200,000	\$3,700,000	\$4,300,000	\$5,000,000	\$5,700,000	\$6,300,000									
Salary/Benefits		\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	\$3,141,731	\$3,251,691	\$3,365,501	\$3,483,293	\$3,605,208									
Debt Service		\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Other		\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	\$2,083,175	\$2,124,839	\$2,167,336	\$2,210,682	\$2,254,896									
Total		\$5,814,700	\$5,814,700	\$6,077,849	\$6,512,369	\$7,046,684	\$7,535,122	\$8,277,817	\$8,924,906	\$9,676,530	\$10,532,836	\$11,393,975	\$12,160,104									
CHANGE IN FUND BALANCE			-\$291,700	-\$223,469	-\$248,182	-\$281,362	-\$160,922	-\$239,939	-\$83,240	\$49,303	\$262,839	\$589,224	\$1,261,079									
Rate Increase %		5.0%	6.0%	7.0%	8.0%	9.0%	9.0%	10.0%	10.0%	11.0%	11.0%	12.0%										
Monthly change	\$	0.34	\$	0.43	\$	0.53	\$	0.64	\$	0.78	\$	0.85	\$	1.03	\$	1.13	\$	1.37	\$	1.52	\$	1.85
Annual Change	\$	4.05	\$	5.10	\$	6.31	\$	7.72	\$	9.38	\$	10.22	\$	12.38	\$	13.62	\$	16.47	\$	18.29	\$	22.14

Current Sample Residential Bill		2019 Sample Residential Bill w/rate change		
Water & Storm Inc		% Change		
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	<u>4.70%</u>
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.09	<u>5.04%</u>
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	\$147.39	Total Bill	\$148.82	<u>0.97%</u>

Progressive Biennial Rate Increase to achieve 75 yr Asset Life Cycle Capital Spending (\$6.3 million) in 11 years

		2019 - 2024 CIP \$ Total = \$12,265,000												
Current Budget		2019	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
User Rate:	\$6.75	\$7.56	\$7.56	\$8.62	\$8.62	\$10.00	\$10.00	\$11.80	\$11.80	\$14.16	\$14.16	\$17.13		
Stormwater Revenue (4835)	\$5,260,000	\$5,891,200	\$5,891,200	\$6,715,968	\$6,715,968	\$7,790,523	\$7,790,523	\$9,192,817	\$9,192,817	\$11,031,380	\$11,031,380	\$13,347,970		
Expenses:														
Capital	\$1,265,000	\$1,265,000	\$1,400,000	\$1,700,000	\$2,100,000	\$2,600,000	\$3,200,000	\$3,700,000	\$4,300,000	\$5,000,000	\$5,700,000	\$6,300,000		
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	\$3,141,731	\$3,251,691	\$3,365,501	\$3,483,293	\$3,605,208		
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	\$2,083,175	\$2,124,839	\$2,167,336	\$2,210,682	\$2,254,896		
Total	\$5,814,700	\$5,814,700	\$6,077,849	\$6,512,369	\$7,046,684	\$7,535,122	\$8,277,817	\$8,924,906	\$9,676,530	\$10,532,836	\$11,393,975	\$12,160,104		
CHANGE IN FUND BALANCE		\$76,500	-\$186,649	\$203,599	-\$330,716	\$255,401	-\$487,294	\$267,911	-\$483,713	\$498,544	-\$362,595	\$1,187,866		
Rate Increase %		12.0%	0.0%	14.0%	0.0%	16.0%	0.0%	18.0%	0.0%	20.0%	0.0%	21.0%		
Monthly change	\$	0.81	\$	-	\$	1.06	\$	-	\$	1.80	\$	-	\$	2.97
Annual Change	\$	9.72	\$	-	\$	12.70	\$	-	\$	16.55	\$	-	\$	35.67

Current Sample Residential Bill		2019 Sample Residential Bill w/rate change for Water & Storm		
		% Change		
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	<u>4.70%</u>
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.56	<u>12.00%</u>
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	\$147.39	Total Bill	\$149.29	<u>1.29%</u>

Declining Rate Increase to achieve 75 yr Asset Life Cycle Capital Spending (\$6.3 million) in 6 years

2019 - 2024 CIP \$ Total = \$12,265,000

Current Budget		2019	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029									
User Rate:		\$6.75	\$7.49	\$8.24	\$8.98	\$9.79	\$10.58	\$11.32	\$11.99	\$12.59	\$13.10	\$13.49	\$13.76									
Stormwater Revenue (4835)		\$5,260,000	\$5,838,600	\$6,422,460	\$7,000,481	\$7,630,525	\$8,240,967	\$8,817,834	\$9,346,904	\$9,814,250	\$10,206,820	\$10,513,024	\$10,723,285									
Expenses:																						
Capital		\$1,265,000	\$1,265,000	\$1,400,000	\$1,700,000	\$2,100,000	\$2,600,000	\$3,200,000	\$3,700,000	\$4,300,000	\$5,000,000	\$5,700,000	\$6,300,000									
Salary/Benefits		\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	\$3,141,731	\$3,251,691	\$3,365,501	\$3,483,293	\$3,605,208									
Debt Service		\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Other		\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	\$2,083,175	\$2,124,839	\$2,167,336	\$2,210,682	\$2,254,896									
Total		\$5,814,700	\$5,814,700	\$6,077,849	\$6,512,369	\$7,046,684	\$7,535,122	\$8,277,817	\$8,924,906	\$9,676,530	\$10,532,836	\$11,393,975	\$12,160,104									
CHANGE IN FUND BALANCE			\$23,900	\$344,611	\$488,113	\$583,841	\$705,844	\$540,017	\$421,998	\$137,720	-\$326,016	-\$880,951	-\$1,436,819									
Rate Increase %		11.0%	10.0%	9.0%	9.0%	8.0%	7.0%	6.0%	5.0%	4.0%	3.0%	2.0%										
Monthly change	\$	0.74	\$	0.75	\$	0.74	\$	0.81	\$	0.78	\$	0.74	\$	0.68	\$	0.60	\$	0.50	\$	0.39	\$	0.27
Annual Change	\$	8.91	\$	8.99	\$	8.90	\$	9.70	\$	9.40	\$	8.88	\$	8.15	\$	7.20	\$	6.05	\$	4.72	\$	3.24

2019

Current Sample Residential Bill		Sample Residential Bill w/rate change for Water & Storm		
				% Change
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	4.70%
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.49	10.96%
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	\$147.39	Total Bill	\$149.22	1.24%

Constant Rate Increase of 18% to reach 50 yr. Asset Life Cycle (\$8.3 million annual Capital Investment) in 6 years

2019 - 2024 CIP \$ Total = \$28,965,000

	Current Budget							
	2019	2019	2020	2021	2022	2023	2024	
User Rate:	6.75	7.97	9.40	11.09	13.09	15.44	18.22	
Stormwater Revenue (4835)	\$5,260,000	\$6,206,800	\$7,324,024	\$8,642,348	\$10,197,971	\$12,033,606	\$14,199,655	
Expenses:								<i>Annual Assumptions</i>
Capital	\$1,265,000	\$1,265,000	\$3,000,000	\$4,200,000	\$5,400,000	\$6,800,000	\$8,300,000	
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	<i>3.5% increase</i>
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	<i>Per debt schedule</i>
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	<i>2% increase</i>
Total	\$5,814,700	\$5,814,700	\$7,677,849	\$9,012,369	\$10,346,684	\$11,735,122	\$13,377,817	

CHANGE IN FUND BALANCE		\$392,100	-\$353,825	-\$370,020	-\$148,713	\$298,484	\$821,838
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	Rate Increase %	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Monthly change	\$	1.22	\$ 1.43	\$ 1.69	\$ 2.00	\$ 2.36	\$ 2.78
Annual Change	\$	14.58	\$ 17.20	\$ 20.30	\$ 23.96	\$ 28.27	\$ 33.36

Current Sample Residential Bill		2019 Sample Residential Bill w/rate change		
				% Change
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	<u>4.70%</u>
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.97	<u>18.07%</u>
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	\$147.39	Total Bill	\$149.70	<u>1.56%</u>

Constant Rate Increase of 9.5% to reach 50 yr. Asset Life Cycle (\$8.3 million annual Capital Investment) in 11 years

Current Budget		2019 - 2024 CIP \$ Total = \$14,565,000										
	2019	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
User Rate:	6.75	7.39	8.09	8.86	9.70	10.63	11.64	12.74	13.95	15.28	16.73	18.32
Stormwater Revenue (4835)	\$5,260,000	\$5,759,700	\$6,306,872	\$6,906,024	\$7,562,097	\$8,280,496	\$9,067,143	\$9,928,521	\$10,871,731	\$11,904,545	\$13,035,477	\$14,273,848
Expenses:												
Capital	\$1,265,000	\$1,265,000	\$1,600,000	\$2,000,000	\$2,600,000	\$3,200,000	\$3,900,000	\$4,700,000	\$5,400,000	\$6,300,000	\$7,300,000	\$8,300,000
Salary/Benefits	\$2,555,800	\$2,555,800	\$2,645,253	\$2,737,837	\$2,833,661	\$2,932,839	\$3,035,489	\$3,141,731	\$3,251,691	\$3,365,501	\$3,483,293	\$3,605,208
Debt Service	\$144,100	\$144,100	\$145,800	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$1,849,800	\$1,849,800	\$1,886,796	\$1,924,532	\$1,963,023	\$2,002,283	\$2,042,329	\$2,083,175	\$2,124,839	\$2,167,336	\$2,210,682	\$2,254,896
Total	\$5,814,700	\$5,814,700	\$6,277,849	\$6,812,369	\$7,546,684	\$8,135,122	\$8,977,817	\$9,924,906	\$10,776,530	\$11,832,836	\$12,993,975	\$14,160,104
CHANGE IN FUND BALANCE		-55,000	\$29,023	\$93,656	\$15,413	\$145,373	\$89,326	\$3,615	\$95,201	\$71,709	\$41,502	\$113,743
Rate Increase %		9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
Monthly change	\$	0.64	\$	0.70	\$	0.77	\$	0.84	\$	1.11	\$	1.59
Annual Change	\$	7.70	\$	8.43	\$	9.23	\$	10.10	\$	13.26	\$	19.07

Current Sample Residential Bill		2019 Sample Residential Bill w/rate change		
				% Change
Gas (83 ccf)*	\$62.79	Gas (83 ccf)*	\$62.79	0.00%
Water (6 ccf)	\$23.10	Water (6 ccf)	\$24.19	<u>4.70%</u>
Water Fixed Rate	\$6.27	Water Fixed Rate	\$6.27	0.00%
Storm	\$6.75	Storm	\$7.39	<u>9.48%</u>
Clean Water	\$4.90	Clean Water	\$4.90	0.00%
Sanitary (6 ccf)	\$40.33	Sanitary (6 ccf)	\$40.33	0.00%
Street Lighting	\$3.25	Street Lighting	\$3.25	0.00%
Total Bill	\$147.39	Total Bill	\$149.12	<u>1.17%</u>

2018 Review of Clean Water Fund 532 Annual Cash Projection

9/24/2018 Revised

**No Rate Change
Rate in effect until June 2028 sunset**

Estimated Grants (2019+) 100
Average Grant Award \$4,000

Line Item	Projected	Budget	Projected								6 mos Revenue
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Number of laterals installed	40	100	100	100	100	100	100	100	100	100	100
Surcharge \$ amount	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90
Estimated Beginning Balance	\$759,616	\$874,816	\$750,016	\$626,016	\$501,232	\$467,187	\$506,509	\$542,624	\$857,628	\$2,074,028	\$3,290,428
Clean Water Fee	\$1,620,000	\$1,620,000	\$1,622,000	\$1,622,000	\$1,622,000	\$1,622,000	\$1,622,000	\$1,622,000	\$1,622,000	\$1,622,000	\$811,000
Misc. Revenue	\$12,000	\$12,000	\$12,000	\$10,000	\$8,000	\$6,000	\$3,000	\$2,000	\$2,000	\$2,000	\$2,000
WIF Replacement Charge	(\$70,300)	(\$70,300)	(\$70,300)	(\$70,265)	(\$36,516)	(\$11,300)	(\$11,300)	(\$8,300)	\$0	\$0	\$0
Misc charges	(\$6,000)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)
Grants given out	(\$160,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)
Debt Service (Principal and Interest)	(\$1,280,500)	(\$1,278,900)	(\$1,280,100)	(\$1,278,919)	(\$1,219,929)	(\$1,169,778)	(\$1,169,986)	(\$893,096)	\$0	\$0	\$0
Estimated Year End Cash Balance	\$874,816	\$750,016	\$626,016	\$501,232	\$467,187	\$506,509	\$542,624	\$857,628	\$2,074,028	\$3,290,428	\$3,695,828

2018 Review of Clean Water Fund 532 Annual Cash Projection

9/24/2018

Early sunset of Fund in 2025

No Rate Change through December 2025

Lateral Grant Program costs transferred to Sanitary Sewer January 2026

Estimated Grants (2019+) 100
Average Grant Award \$4,000

Line Item	Projected	Budget	Projected									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Number of laterals installed	40	100	100	100	100	100	100	100	100	100	100	
Surcharge \$ amount	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	0.00	0.00	0.00	
Estimated Beginning Balance	\$759,616	\$874,816	\$750,016	\$626,016	\$501,232	\$467,187	\$506,509	\$542,624	\$0	\$0	\$0	
Clean Water Fee	\$1,620,000	\$1,620,000	\$1,622,000	\$1,622,000	\$1,622,000	\$1,622,000	\$1,622,000	\$1,622,000	\$0	\$0	\$0	
Misc. Revenue	\$12,000	\$12,000	\$12,000	\$10,000	\$8,000	\$6,000	\$3,000	\$2,000	\$0	\$0	\$0	
WIF Replacement Charge	(\$70,300)	(\$70,300)	(\$70,300)	(\$70,265)	(\$36,516)	(\$11,300)	(\$11,300)	(\$8,300)	\$0	\$0	\$0	
Misc charges	(\$6,000)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	\$0	\$0	\$0	
Grants given out	(\$160,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	\$0	\$0	\$0	
Debt Service (Principal and Interest)	(\$1,280,500)	(\$1,278,900)	(\$1,280,100)	(\$1,278,919)	(\$1,219,929)	(\$1,169,778)	(\$1,169,986)	(\$893,096)	\$0	\$0	\$0	
Estimated Year End Cash Balance	\$874,816	\$750,016	\$626,016	\$501,232	\$467,187	\$506,509	\$542,624	\$857,628	\$0	\$0	\$0	
									Grant Program Expenses Moved to Sanitary Sewer	(\$400,000)	(\$400,000)	(\$400,000)

2018 Review of Clean Water Fund 532 Annual Cash Projection

9/24/2018

Estimated Grants (2019+) 100
 Average Grant Award \$4,000
 Estimated Customers 27,585

Matches Year 1 only of Stormwater Doubling Scenario Ending 2024

Early sunset of Fund in 2025
 Rate Reduction of \$.45/month effective 2020
 (\$146,961) Annual Fee Reduction
 Lateral Grant Program costs transferred to Sanitary Sewer January 2026

Line Item	Projected 2018	Budget 2019	Projected 2020	2021	2022	2023	2024	2025	2026	2027	2028	
Number of laterals installed	40	100	100	100	100	100	100	100	100	100	100	
Surcharge \$ amount	4.90	4.90	4.45	4.45	4.45	4.45	4.45	4.45	0.00	0.00	0.00	
Estimated Beginning Balance	\$759,616	\$874,816	\$750,016	\$477,055	\$203,310	\$20,304	(\$89,335)	(\$202,181)	\$0	\$0	\$0	
Clean Water Fee	\$1,620,000	\$1,620,000	\$1,473,039	\$1,473,039	\$1,473,039	\$1,473,039	\$1,473,039	\$1,473,039	\$0	\$0	\$0	
Misc. Revenue	\$12,000	\$12,000	\$12,000	\$10,000	\$8,000	\$6,000	\$3,000	\$2,000	\$0	\$0	\$0	
WIF Replacement Charge	(\$70,300)	(\$70,300)	(\$70,300)	(\$70,265)	(\$36,516)	(\$11,300)	(\$11,300)	(\$8,300)	\$0	\$0	\$0	
Misc charges	(\$6,000)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	\$0	\$0	\$0	
Grants given out	(\$160,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	\$0	\$0	\$0	
Debt Service (Principal and Interest)	(\$1,280,500)	(\$1,278,900)	(\$1,280,100)	(\$1,278,919)	(\$1,219,929)	(\$1,169,778)	(\$1,169,986)	(\$893,096)	\$0	\$0	\$0	
Estimated Year End Cash Balance	\$874,816	\$750,016	\$477,055	\$203,310	\$20,304	(\$89,335)	(\$202,181)	(\$36,138)	\$0	\$0	\$0	
									Grant Program Expenses Moved to Sanitary Sewer	(\$400,000)	(\$400,000)	(\$400,000)

2018 Review of Clean Water Fund 532 Annual Cash Projection

9/24/2018

Estimated Grants (2019+) 100
 Average Grant Award \$4,000
 Estimated Customers 27,585

Matches Year 1 only of Stormwater Doubling Scenario Ending 2024

Early sunset of Fund in 2025
 Rate Reduction of \$.45/month effective 2021
 \$1,998 Annual Fee Reduction
 Lateral Grant Program costs transferred to Sanitary Sewer January 2026

Line Item	Projected 2018	Budget 2019	Projected 2020	2021	2022	2023	2024	2025	2026	2027	2028	
Number of laterals installed	40	100	100	100	100	100	100	100	100	100	100	
Surcharge \$ amount	4.90	4.90	4.90	4.45	4.45	4.45	4.45	4.45	0.00	0.00	0.00	
Estimated Beginning Balance	\$759,616	\$874,816	\$750,016	\$626,014	\$352,269	\$169,263	\$59,624	(\$53,222)	\$0	\$0	\$0	
Clean Water Fee	\$1,620,000	\$1,620,000	\$1,621,998	\$1,473,039	\$1,473,039	\$1,473,039	\$1,473,039	\$1,473,039	\$0	\$0	\$0	
Misc. Revenue	\$12,000	\$12,000	\$12,000	\$10,000	\$8,000	\$6,000	\$3,000	\$2,000	\$0	\$0	\$0	
WIF Replacement Charge	(\$70,300)	(\$70,300)	(\$70,300)	(\$70,265)	(\$36,516)	(\$11,300)	(\$11,300)	(\$8,300)	\$0	\$0	\$0	
Misc charges	(\$6,000)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	\$0	\$0	\$0	
Grants given out	(\$160,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	\$0	\$0	\$0	
Debt Service (Principal and Interest)	(\$1,280,500)	(\$1,278,900)	(\$1,280,100)	(\$1,278,919)	(\$1,219,929)	(\$1,169,778)	(\$1,169,986)	(\$893,096)	\$0	\$0	\$0	
Estimated Year End Cash Balance	\$874,816	\$750,016	\$626,014	\$352,269	\$169,263	\$59,624	(\$53,222)	\$112,821	\$0	\$0	\$0	
									Grant Program Expenses Moved to Sanitary Sewer	(\$400,000)	(\$400,000)	(\$400,000)