



**City of Mountain Lake, MN  
Financial Management Plan For  
Water Fund and Sanitary Sewer Fund**

**2019 REPORT**

**Final Draft as of August 19, 2019**



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August 19, 2019

Michael Schulte, City Administrator  
930 Third Avenue  
Drawer C  
Mountain Lake, MN 56159

**RE: Financial Management Plan for City Utility Funds**

Dear Michael:

Northland Public Finance is pleased to present the City of Mountain Lake with a Financial Management Plan for the Water Fund and the Sanitary Sewer (Wastewater) Fund (the "Plan"). Northland was hired to provide financial planning services for utility system financial planning and review of user charges and rates. Services include performing a rate analysis for the utility funds. The Plan includes a review of the past and projected future performance of the funds. The Plan provides recommendation on future rates which reflect projected cost experience in addition to anticipated capital project expenditures and estimated future debt service.

Northland appreciates the opportunity to provide service to the City of Mountain Lake.

Sincerely,

A handwritten signature in black ink that reads "Tammy Omdal". The signature is written in a cursive, flowing style.

Tammy Omdal  
Managing Director

## **EXECUTIVE SUMMARY**

The Financial Management Plan for the Water Fund, and the Sanitary Sewer (Wastewater) Fund (the “Plan”) is intended to serve as a guide for the financial management of the City of Mountain Lake’s (the “City”) municipal utility services. The Plan contains information on estimated utility fees and charges needed to support operations, capital improvements, and debt service.

The Plan is built around key assumptions, including: cost drivers, estimated utility rates, and cash balance objectives. As assumptions change, the City will need to adjust the Plan accordingly.

A summary of key financial information for the Water Fund, and the Sanitary Sewer Fund (together, the “Utility Funds”) is provided in Tables 1 and 2, beginning on page 4.

A major capital improvement to the City’s wastewater plant is anticipated within the next two years. The improvement is needed to improve the quality of water being discharged from the City’s wastewater ponds.

The City plans to acquire approximately 55 acres of land in which treatment ponds will be built and operational by the fall of 2020. The preliminary estimated cost is \$11.75 million. The City expects to receive a \$2.75 million Point Source Implementation Grant (PSIG) from the Minnesota Public Facilities Authority (the “PFA”) to offset a portion of the project cost. The balance of the project, approximately \$9.0 million will be funded from a loan from the PFA payable over a 20 year term. The City estimates the annual debt service

payment on the loan at \$450,000 annually. The City anticipates to begin loan payments in 2021.

The PFA loan will be supported by revenue collected from customers of the City’s Sanitary Sewer Utility. Revenue will include payment from a private company, Milk Specialities, under terms of a new “Significant Industrial User Agreement” that is under negotiation. Under terms of the proposed agreement, the City will receive \$18,000 a month (or \$216,000 annually) plus revenue from basic wastewater charges, and revenue from a surcharge for wastewater flow over agreed to limits.

The revenue from Milk Specialities combined with revenue from other customers of the utility is expected to be sufficient to meet all obligations of the Sanitary Sewer Utility with minimal impact on customer rates.

The City does not anticipate any significant rise in water and sanitary sewer volume over the next ten years. The estimated future volumes included in the Plan, for purpose of estimating future financial performance of the Utility Funds is held constant in the Plan. The Plan anticipates an average annual increase in fees and charges to support the Utility Funds of 2.0%.

### **Study Approach**

The Plan was prepared by Northland Public Finance, a division within Northland Securities, Inc. The following steps were taken as part of the study process:

- City provided information on customer activity, including number of customers and volumes billed.
- Information provided by the City was organized, analyzed, and used to support the development of the Plan. The prior year data included in the Plan is

reconciled with the City's annual audited financial statements.

- City staff offered input and feedback on the assumptions and desired outcomes.

It is also important to note aspects of financial performance not reviewed as part of this study:

- Analysis of the basis for the City's determination of prior years' availability base fees and usage fees was not reviewed.
- The financial impact to the City of potential changes to the existing customer tier structure for charging for water and sanitary sewer services was not reviewed.
- The study did not include a review of the City's utility fees in comparison to other cities.

### **Conclusions and Recommendations**

The following conclusions and recommendations are offered:

- 1. Fees and Charges.** The City has adjusted utility fees and charges in recent years. The Plan anticipates the City will continue to annually adjust its fees and charges to ensure charges remain at a level sufficient to fund operations, capital improvements, and debt service going forward and future rate increases are needed.

The Plan anticipates 2.0% average annual rate increases, between years 2020 and 2029, for water and sanitary sewer services.

The impact of the proposed fees and charges on an example residential and commercial-industrial customer are shown on pages 10 and 11.

Based on the proposed increases, the following objectives are achieved:

- Minimum of three-months of operating cash is maintained;
- annual debt service is funded; and
- future cash is estimated to be available to pay for capital on a planned pay-go basis, with the exception of certain major capital improvements, which are shown in the Plan to be funded from bond proceeds.

It is recommended that the City annually review its utility fees and charges to ensure rates continue to be set at a level that provides adequate revenues and cash flow based on actual future financial performance. The recommended rates in the Plan will need to be adjusted based on actual financial performance, among other factors.

- 2. Depreciation and Debt Service of the Utility Funds.** Enterprise funds are used to account for the City's ongoing organizations and activities that are similar to businesses found in the private sector. The enterprise funds of the City are to be self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis.

Other requirements for an Enterprise fund includes that the activity's costs of providing services, such as capital costs (and depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues. The fees and charges from one activity may not necessarily fund the activities of another activity, for example revenue collected to provide water services should

not be used to pay for the cost of providing sanitary sewer services. Providing of service includes the acquisition of capital to provide these services.

The Plan provides proposed fees and charges sufficient to cover the full cost, including depreciation and debt service, of providing water and sanitary sewer services.

### **Organization of Plan**

The Plan is organized into five sections:

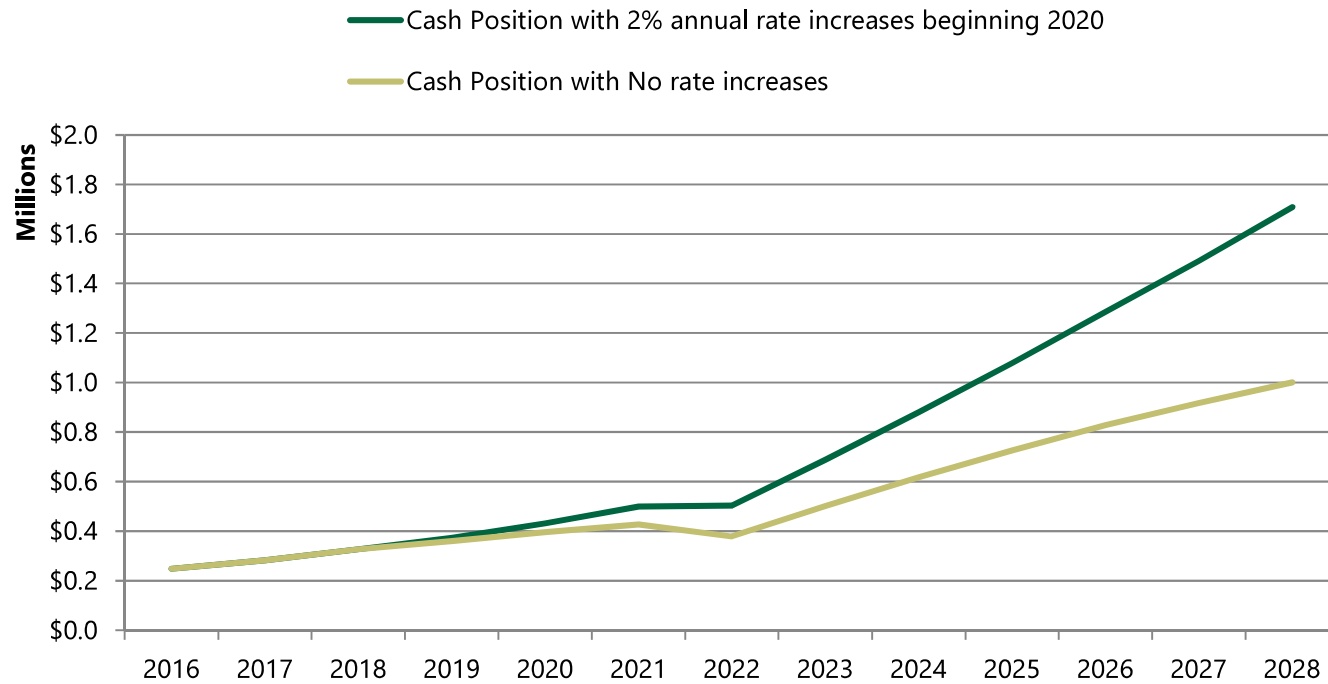
1. Executive Summary provides information on the organization of the report, study approach, and conclusions and recommendations.
2. Background provides historical and statistical context for the Utility Funds.
3. Capital Improvement Plan and Debt Service provides information on the City's plans for maintaining and improving the utility systems. This includes estimates on project costs and sources of funds to pay for the improvements. The time horizon for the capital plan is year 2019-2029. Information on debt service is also included in this section.
4. Financial Plans are provided for the Utility Funds. The financial plans provide both historical, current, and projected sources and uses of funds. Financial plans take into account capital improvement plans and proposed utility rates.
5. Appendix provides additional supporting data for the financial plans, including details on outstanding bonds by revenue source.

**TABLE 1**  
**Water Fund**  
**Summary of Key Financial Information**  
**Amounts are Estimated Projections**

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Revenue</b>	\$605,200	\$622,099	\$634,454	\$647,056	\$659,910	\$673,021	\$686,394	\$700,035	\$713,948	\$728,140	\$742,615
<b>Expense</b>	\$515,499	\$518,372	\$521,026	\$551,981	\$565,975	\$565,560	\$571,253	\$577,080	\$582,931	\$588,725	\$594,389
<b>Revenue Over (Under) Expense</b>	\$89,701	\$103,727	\$113,428	\$95,075	\$93,935	\$107,461	\$115,141	\$122,955	\$131,017	\$139,414	\$148,226
<b>Cash Balance</b>											
For future capital and reserves	(62,218)	(14,429)	45,716	78,379	259,225	445,160	635,065	834,056	1,032,601	1,241,115	1,455,379
For 3-months of operating cash	55,318	56,977	58,687	64,197	62,261	64,128	66,052	68,034	70,075	72,177	74,342
For following year debt service	333,788	329,741	327,854	357,094	181,958	178,705	180,356	176,927	183,062	178,815	178,815
Total Cash	326,888	372,289	432,256	499,670	503,443	687,993	881,473	1,079,017	1,285,738	1,492,107	1,708,537
<b>Net Position</b>											
Ending unrestricted net position	\$1,332,147	\$1,733,298	\$1,706,345	\$1,682,080	\$1,711,628	\$1,211,501	\$1,230,214	\$1,267,179	\$1,314,168	\$1,381,534	\$1,468,655
As % of expense	258.4%	334.4%	327.5%	304.7%	302.4%	214.2%	215.4%	219.6%	225.4%	234.7%	247.1%
<b>Total Customer Units</b>	880	880	880	880	880	880	880	880	880	880	880
<b>Total Water Volume Billed (1,000 of gallons)</b>	37,812	37,813	37,813	37,813	37,813	37,813	37,813	37,813	37,813	37,813	37,813
<b>Annual % Increase in Fees and Charges</b>	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Cumulative Average Annual YTD Increase in Fees and Charges (Base Year is 2019)</b>		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%



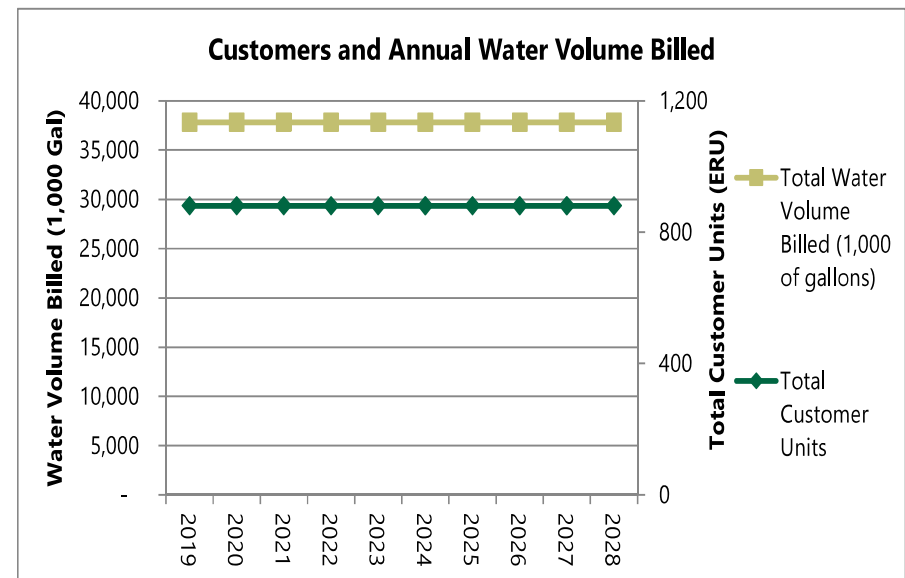
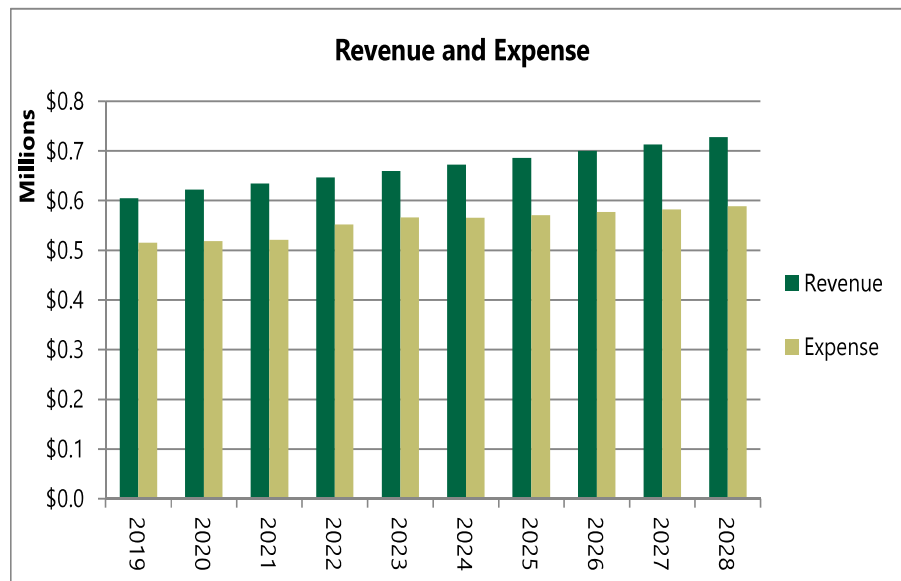
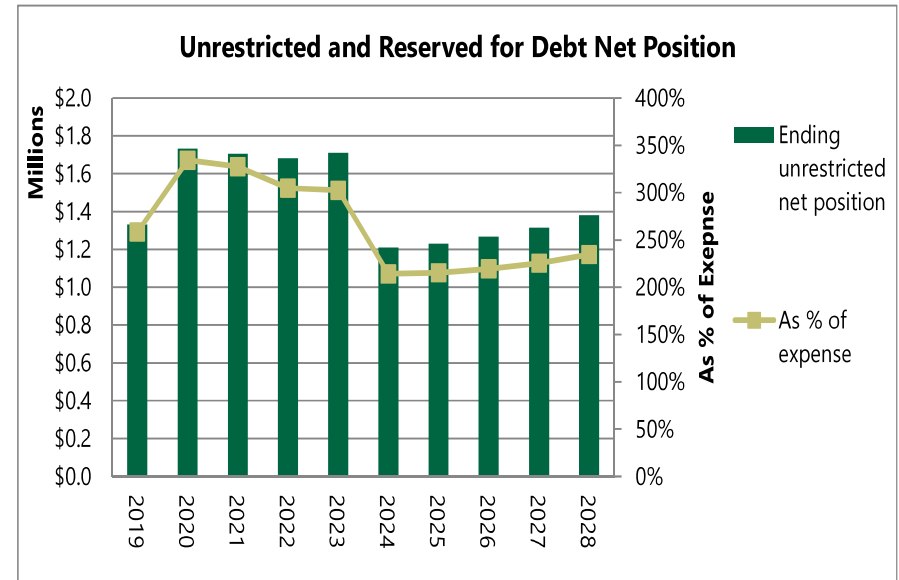
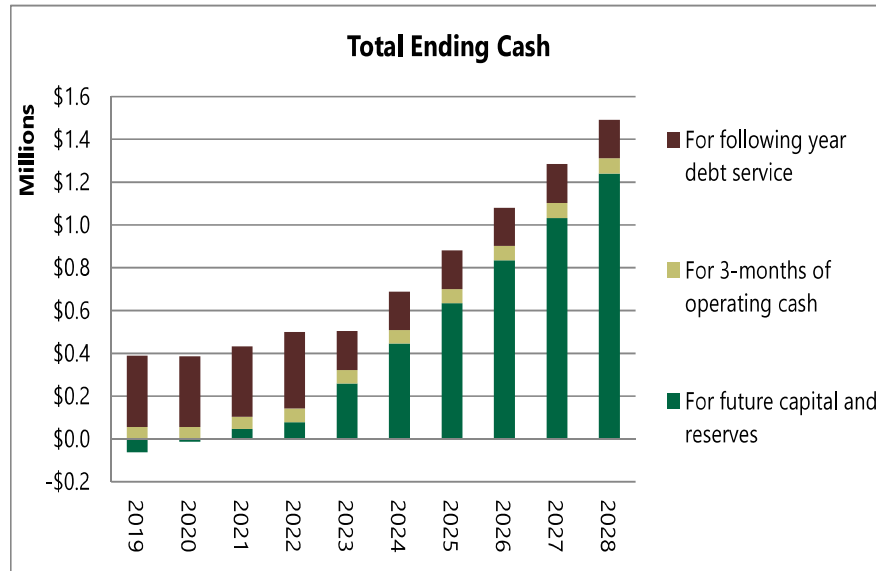
### Water Fund Projected Ending Cash Position



The cash position with 2% annual rate increases beginning in 2020 will provide the Water Fund with cash to pay debt service on existing and future debt, 3-months of operating cash, and cash for future capital improvements and to maintain a reserve for unanticipated events.

The projected cash position with no rate increases will not provide cash sufficient for these purposes.

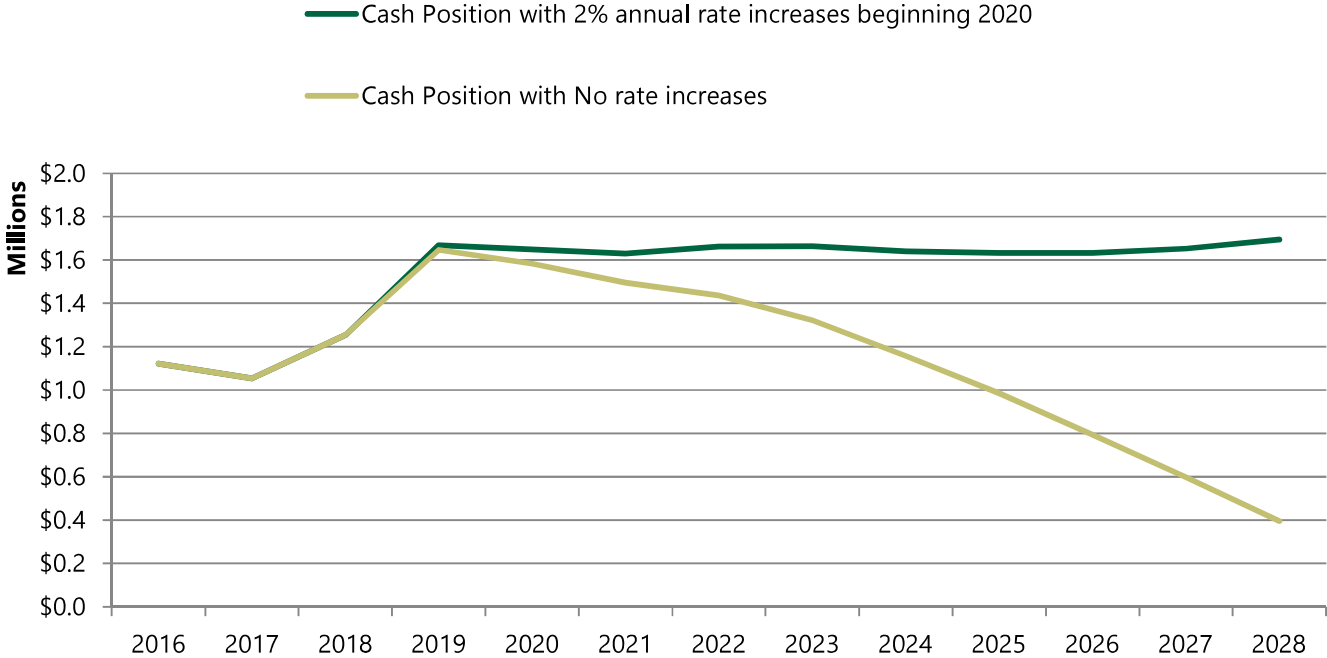
Water Fund  
Charts of Key Financial Information  
Estimated Based on Financial Plan



**TABLE 2**  
**Sanitary Sewer Fund**  
**Summary of Key Financial Information**  
**Amounts are Estimated Projections**

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Revenue</b>	\$904,600	\$3,888,821	\$1,161,505	\$1,184,643	\$1,208,243	\$1,232,315	\$1,256,869	\$1,281,913	\$1,307,458	\$1,333,513	\$1,360,090
<b>Expense</b>	\$502,645	\$796,691	\$900,223	\$904,245	\$912,282	\$935,779	\$943,376	\$938,084	\$935,943	\$933,672	\$931,543
<b>Revenue Over (Under) Expense</b>	\$401,955	\$3,092,130	\$261,282	\$280,399	\$295,961	\$296,536	\$313,493	\$343,829	\$371,514	\$399,841	\$428,546
<b>Cash Balance</b>											
For future capital and reserves	\$674,354	\$637,709	\$646,933	\$615,903	\$651,958	\$605,509	\$583,144	\$562,418	\$562,691	\$583,431	\$622,953
For 3-months of operating cash	\$48,904	\$50,371	\$51,882	\$55,938	\$55,041	\$60,443	\$58,393	\$60,145	\$61,949	\$63,808	\$65,722
For following year debt service	\$531,188	\$980,931	\$951,155	\$958,530	\$955,672	\$998,216	\$998,667	\$1,010,871	\$1,007,915	\$1,005,880	\$1,005,880
Total Cash	\$1,254,445	\$1,669,011	\$1,649,970	\$1,630,371	\$1,662,671	\$1,664,167	\$1,640,204	\$1,633,434	\$1,632,556	\$1,653,118	\$1,694,555
<b>Net Position</b>											
Ending unrestricted net position	\$1,332,147	\$1,733,298	\$1,706,345	\$1,682,080	\$1,711,628	\$1,711,501	\$1,686,580	\$1,679,246	\$1,678,035	\$1,698,401	\$1,739,722
As % of expense	265.0%	217.6%	189.5%	186.0%	187.6%	182.9%	178.8%	179.0%	179.3%	181.9%	186.8%
<b>Total Customer Units</b>											
	847	849	849	849	849	849	849	849	849	849	849
<b>Total Sewer Volume Billed (1,000 of gallons)</b>											
	9,954	9,955	9,955	9,955	9,955	9,955	9,955	9,955	9,955	9,955	9,955
<b>Annual % Increase in Fees and Charges</b>											
	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Cumulative Average Annual YTD Increase in Fees and Charges (Base Year is 2019)</b>											
		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

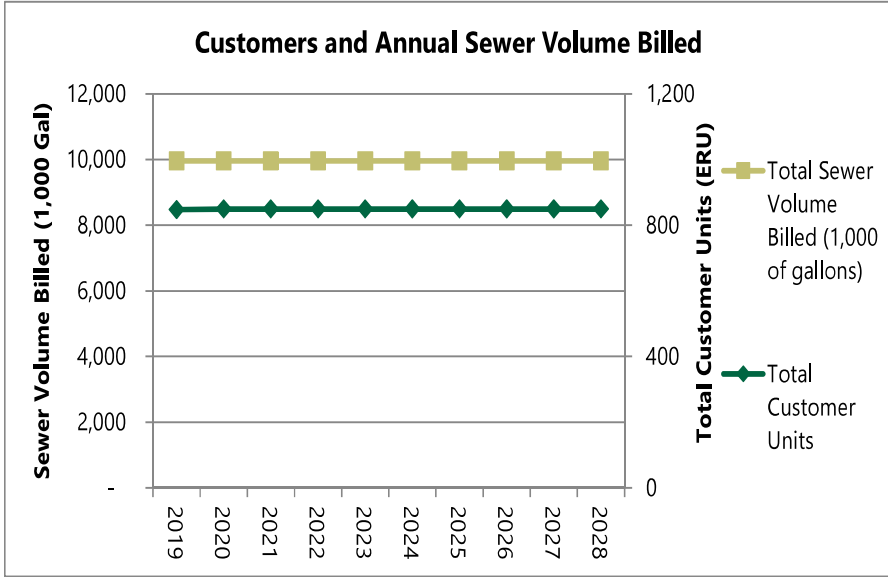
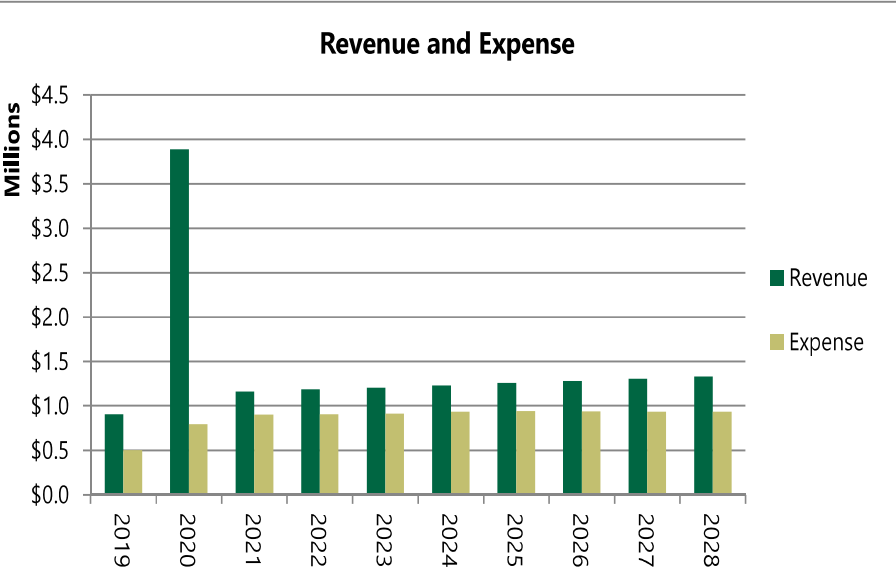
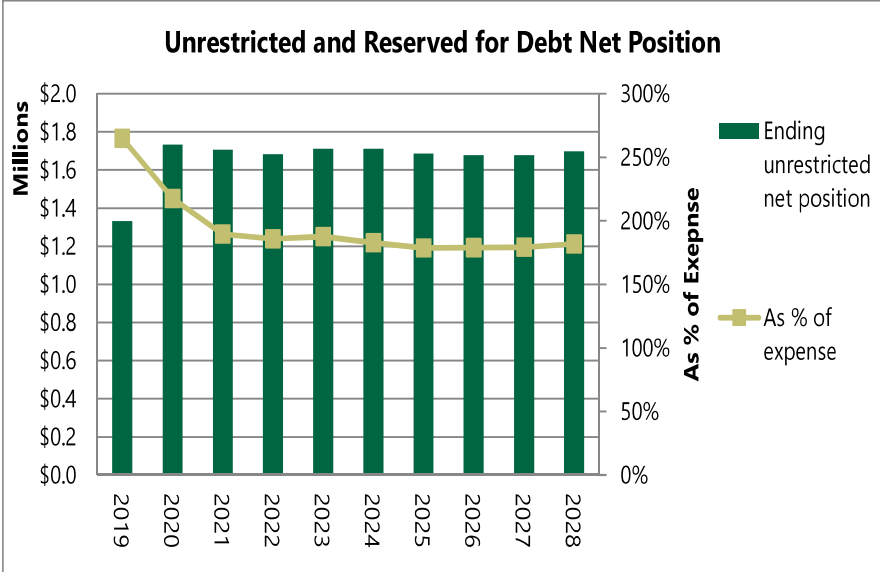
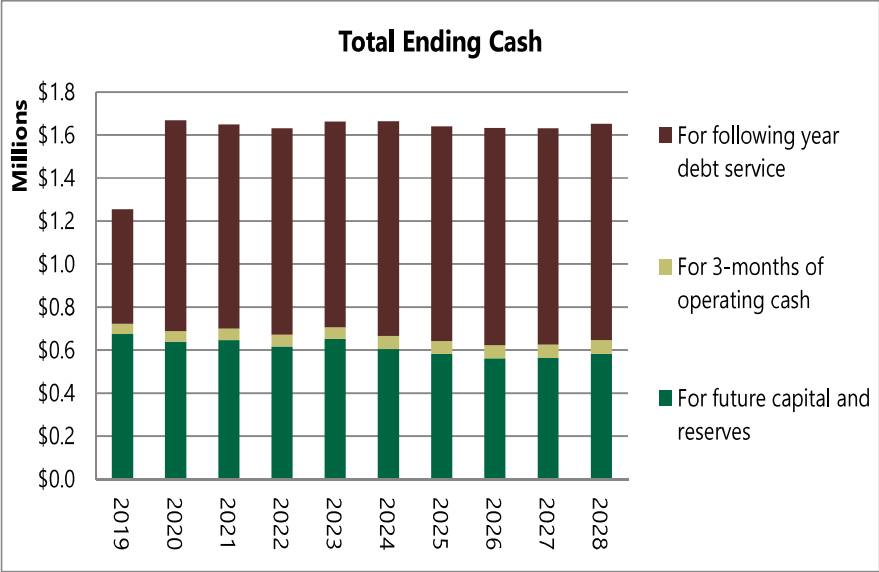
### Sanitary Sewer Fund Projected Ending Cash Position



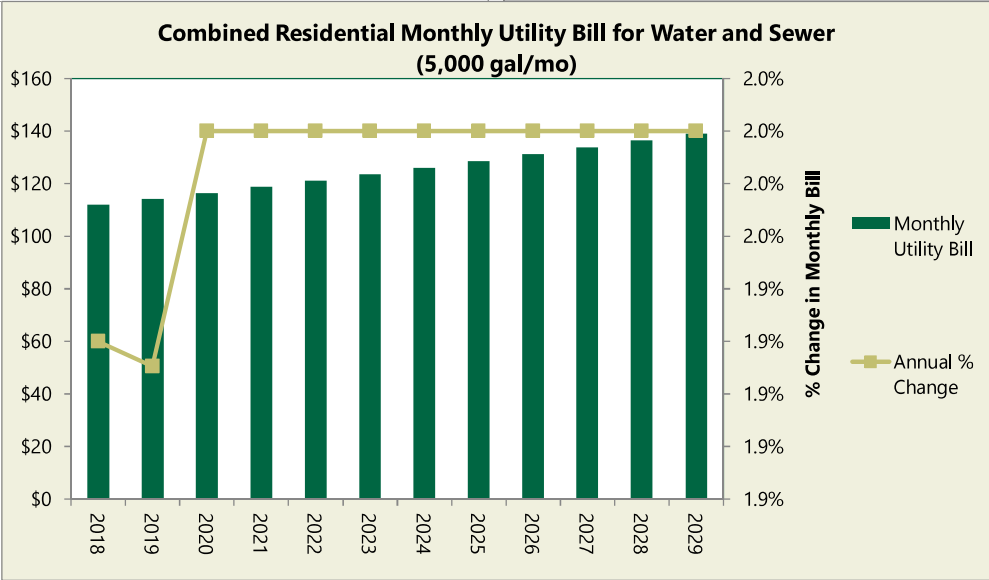
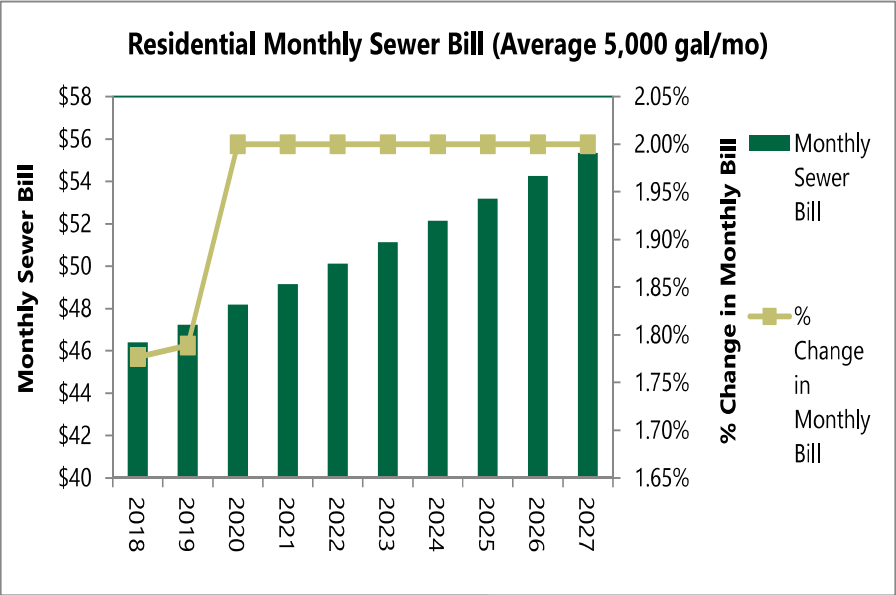
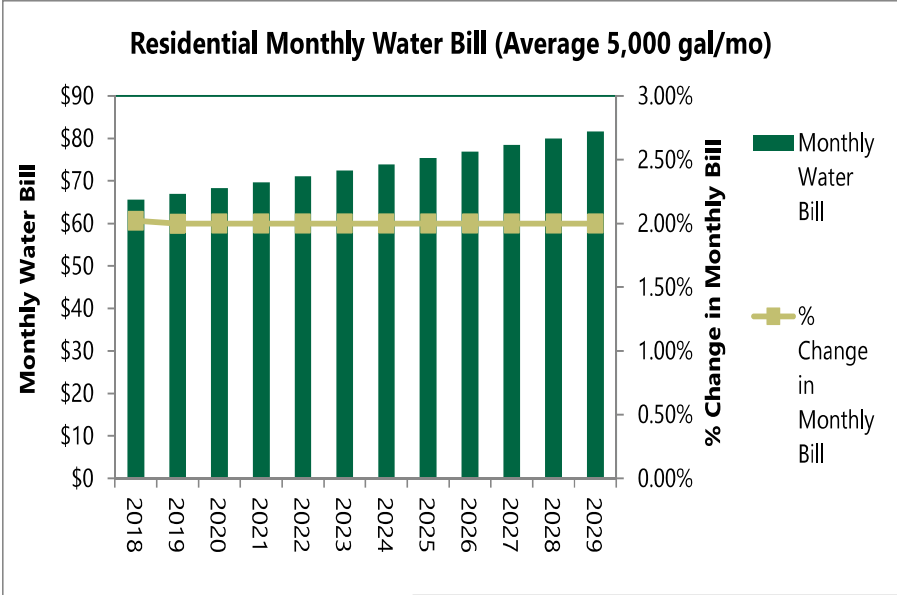
The cash position with 2% average annual rate increase, between 2021-2022, will provide the Sanitary Sewer Fund with cash to pay debt service on existing and future debt, 3-months of operating cash, and cash for future capital improvements and to maintain a reserve for unanticipated events.

The projected cash position with no rate increases will not provide cash sufficient for these purposes.

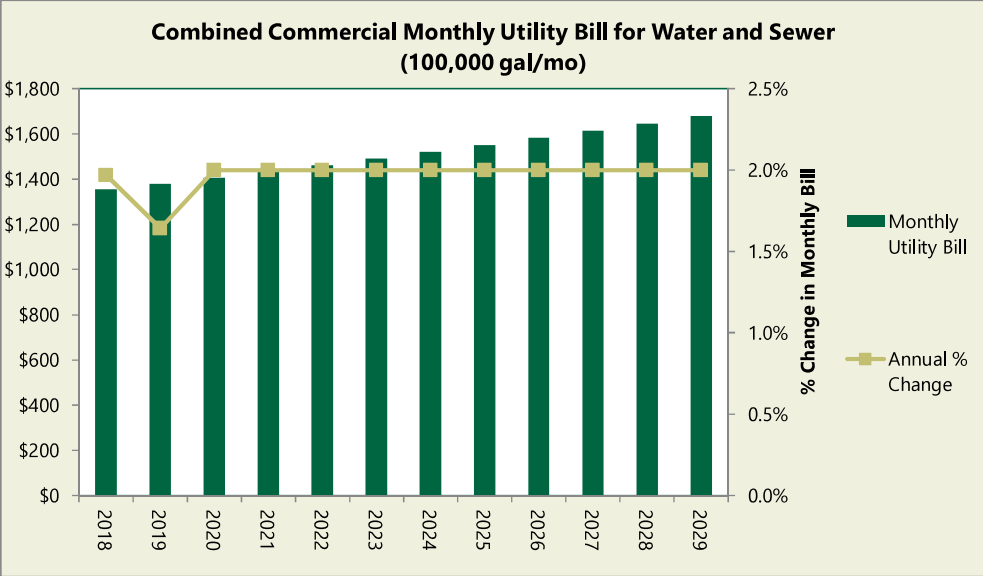
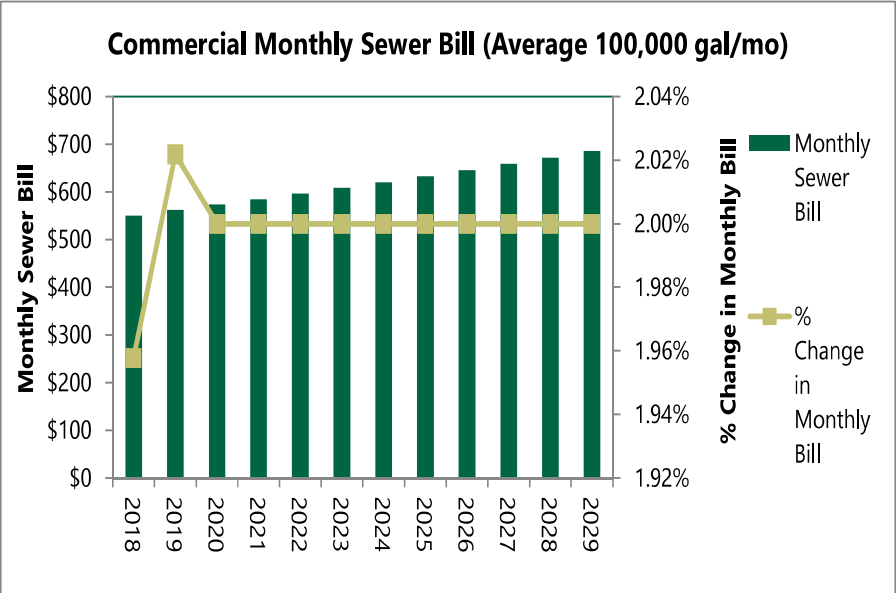
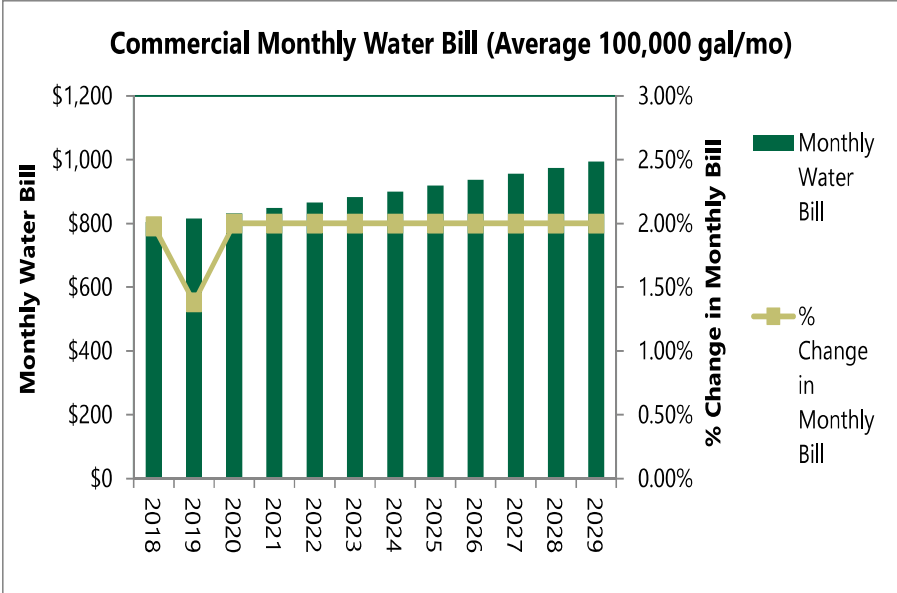
Sanitary Sewer Fund  
 Charts of Key Financial Information  
 Estimated Based on Financial Plan



Example Monthly Residential Customer Utility Bill  
 Estimated Based on Financial Plan



Example Monthly Commercial Customer Utility Bill  
 Estimated Based on Financial Plan



## **BACKGROUND**

Located in southwestern Minnesota, along the vital Highway 60 corridor that links Minneapolis/St. Paul to Sioux Falls and Omaha, Mountain Lake has a population of 2,104 and serves eastern Cottonwood and western Watonwan Counties.

Mountain Lake enjoys a growing industrial base, contributing to demand for municipal utility services. A business/manufacturing subdivision with utilities was annexed and platted in early 2002. The site, with direct access to Hwy 60, is poised to provide economic development and job growth into the 21st century for the inhabitants of Mountain Lake. Two strong schools (public and private), a lake with public access, park and walking trail, golf course, medical clinic, excellent public library, low crime rate, a variety of senior housing options, employment opportunities, and a full service downtown will make you want to call Mountain Lake home!

The information that follows on the utility systems is taken directly from the City's published Comprehensive Plan.

### **Water Utility System**

The water system for Mountain Lake is supplied by five municipal wells that have a pumping capacity of 580 Gallons per Minute (GPM), or approximately 403,200 gallons per day (GPD). The City reports that average daily consumption is approximately 259,200 gallons per day, with peak demand at 360,000 gallons per day. The amount the City bills for consumption is less due to non-billable water usage, including use by the City. Mountain Lake constructed a Water Treat-

ment Plant in 2004.

Water is stored in a 250,000-gallon overhead storage tank. A complete water distribution system covers the community with the necessary fire hydrants for fire protection.

### **Sanitary Sewer (Wastewater) Utility System**

The Sewer Utility system has approximately 970 connections served by a 55-acre stabilization pond system with four (4) lift stations. The system has a capability of processing 350,000 gallons per day. Present average demand is 260,000 gallons per day, with a peak demand of 360,000.

A major capital improvement to the City's wastewater plant is anticipated within the next two years, with completion by fall 2020. The improvement is needed to improve the quality of water being discharged from the City's wastewater ponds. The Executive Summary on page 1 describes the project.



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**CAPITAL IMPROVEMENT PLAN  
AND DEBT SERVICE**

For purposes of the Plan, the City provided a multi-year capital improvement projects plan for the utility systems.

One of the purposes of the Plan is to provide the City with options and recommendation for financing future capital improvement projects for the utility systems. The financial plans included in the Plan for the Water Fund and the Sanitary Sewer Fund are inclusive of all sources and uses of funds, both operating and non-operating, including the projected capital spending, as estimated by the City engineer.

Tables 4 and 5, beginning on page 14, provide information on the City's planned capital improvement projects for the Utility Services.

**Capital Projects**

The projects in the CIP include projects to manage both existing and expanding service demands and to reconstruct or replace existing infrastructure.

**Source of Funding for Capital Projects**

The source of funding for the planned capital projects is anticipated to come from the use of estimated available cash within the Utility Funds and the issuance of debt.

**Issuance of Debt**

The Plan anticipates the issuance of general obligations revenue bonds in the following years to finance Sanitary Sewer improvements: 2020, 2022, and 2023. The City anticipates the receipt of a \$2.75 million state

grant in 2020 to support construction of improvements to the wastewater treatment plant.

Debt financing of Water improvements is anticipated in year 2022. The Plan anticipates the City will use cash to pay for other capital improvements for the utility systems.

Information on existing debt outstanding and future anticipated debt issuance is provided in Table 7 on page 16.

**Table 4  
Water Fund  
Capital Improvement Plan**

Project Description	Current Year	Projected										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
<b>Capital Outlay</b>												
Water meters	10,000	10,000	10,000	10,000	-	-	-	-	-	-	-	-
Alley Btwn 10th and 11th St Block 7	-	-	-	100,000	-	-	-	-	-	-	-	-
Jet Rodder	-	-	-	-	-	-	-	-	-	-	-	-
Upgrade Lawnmowers	-	5,000	-	-	-	-	-	-	-	-	-	-
West end of Prince St	-	-	-	430,000	-	-	-	-	-	-	-	-
Annual Capital Placeholder	-	-	-	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Capital Outlay</b>	<b>10,000</b>	<b>15,000</b>	<b>10,000</b>	<b>540,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
Costs of Bond Issuance	-	-	-	15,000	-	-	-	-	-	-	-	-
<b>Total Use of Funds</b>	<b>10,000</b>	<b>15,000</b>	<b>10,000</b>	<b>555,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Source of Funds</b>												
G.O. Bonds	-	-	-	545,000	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Use of Cash	10,000	15,000	10,000	10,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Source of Funds</b>	<b>10,000</b>	<b>15,000</b>	<b>10,000</b>	<b>555,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

Notes:

1. Amount estimated to be reported as Depreciable Capital Asset in the Water Fund are as follows:

	10,000	15,000	10,000	540,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
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**Table 5  
Sanitary Sewer Fund  
Capital Improvement Plan**

Project Description	Current Year	Projected									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Capital Outlay</b>											
Wastewater Treatment Upgrades	-	11,750,000	-	-	-	-	-	-	-	-	-
Jet Rodder	-	-	-	-	-	500,000	-	-	-	-	-
Replace Reverse Osmosis Membranes	-	-	-	44,000	-	-	-	-	-	-	-
Upgrade Lawnmowers	-	5,000	-	-	-	-	-	-	-	-	-
West end of Prince St	-	-	-	430,000	-	-	-	-	-	-	-
Annual Capital Placeholder	-	-	-	-	-	50,000	50,000	50,000	50,000	50,000	50,000
Total Capital Outlay	-	11,755,000	-	474,000	-	550,000	50,000	50,000	50,000	50,000	50,000
Costs of Bond Issuance	-	-	-	10,000	-	15,000	-	-	-	-	-
<b>Total Use of Funds</b>	-	<b>11,755,000</b>	-	<b>484,000</b>	-	<b>565,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Source of Funds</b>											
G.O. Bonds	-	9,000,000	-	440,000	-	515,000	-	-	-	-	-
State Grant	-	2,750,000	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	-
Use of Cash	-	5,000	-	44,000	-	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Source of Funds</b>	-	<b>11,755,000</b>	-	<b>484,000</b>	-	<b>565,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

Notes:

Amount estimated to be reported as Depreciable Capital Asset in the Sanitary Sewer Fund are as follows:

	-	11,755,000	-	474,000	-	550,000	50,000	50,000	50,000	50,000	50,000
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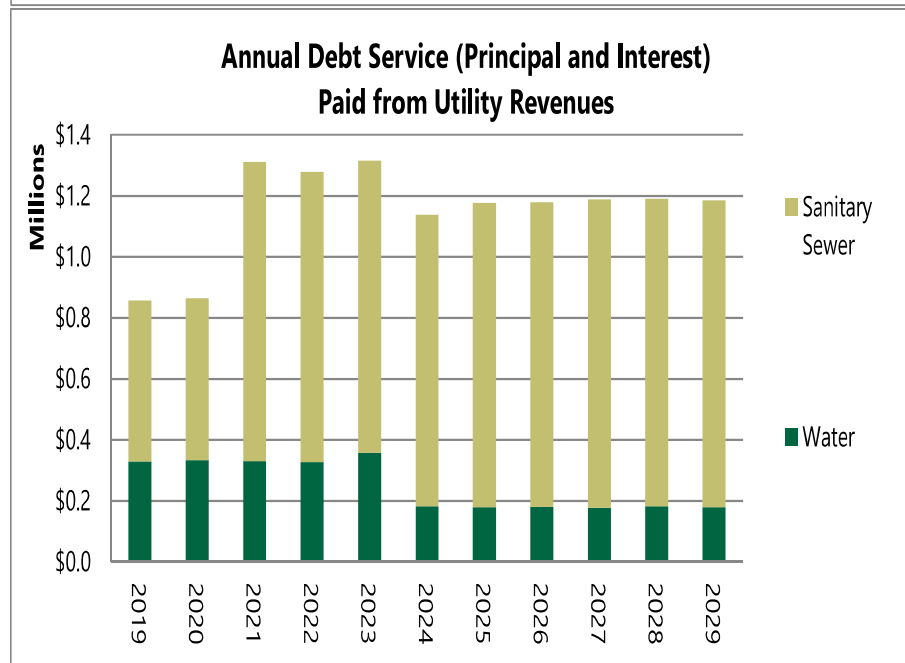
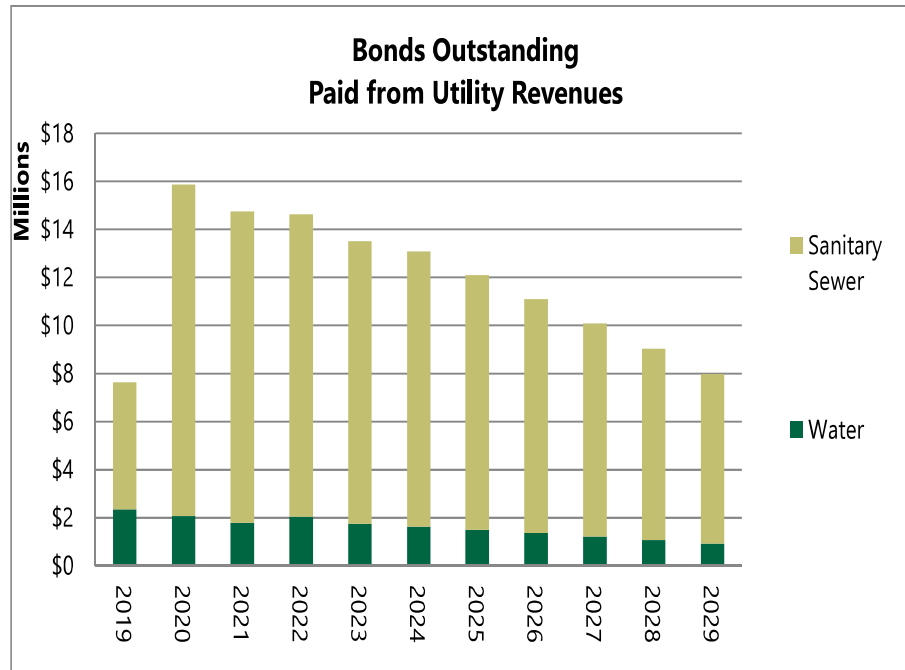
# Capital Improvement Plan and Debt Service

**Table 6**  
**G.O. Bonds Payable from Utility Revenue**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
EXISTING G.O. Water Revenue Note of 2003	832,000	670,000	506,000	340,000	171,000	0	0	0	0	0	0	0
EXISTING G.O. Corporate Purpose Crossover Refunding Bonds, Series 2011A	178,250	136,400	91,450	46,500	0	0	0	0	0	0	0	0
EXISTING G.O. Water Revenue Note of 2012	23,938	22,238	20,538	18,838	17,138	15,438	13,738	12,038	10,338	8,638	6,938	5,238
EXISTING G.O. Sewer Revenue Note of 2012	5,209,000	4,861,000	4,509,000	4,154,000	3,795,000	3,432,000	3,065,000	2,695,000	2,321,000	1,943,000	1,562,000	1,177,000
EXISTING G.O. Water Revenue Bond, Series 2013	1,635,000	1,550,000	1,460,000	1,370,000	1,280,000	1,185,000	1,090,000	995,000	895,000	795,000	690,000	585,000
EXISTING G.O. Water Revenue Note of 2014	31,412	29,447	27,482	25,517	23,552	21,587	19,622	17,657	15,692	13,727	11,762	9,797
EXISTING G.O. Refunding Bonds, Series 2015A (Refunded 2001 Bonds)	457,800	359,136	256,526	201,274	177,595	153,916	130,236	106,557	82,878	55,252	27,626	0
NEW 2020	-	-	-	-	-	-	-	-	-	-	-	-
NEW 2021	-	-	9,000,000	8,605,000	8,190,000	7,770,000	7,350,000	6,925,000	6,495,000	6,060,000	5,620,000	5,175,000
NEW 2022	-	-	-	-	-	-	-	-	-	-	-	-
NEW 2023	-	-	-	-	985,000	950,000	905,000	860,000	815,000	765,000	710,000	655,000
NEW 2024	-	-	-	-	-	-	-	-	-	-	-	-
NEW 2025	-	-	-	-	-	-	515,000	495,000	470,000	440,000	410,000	380,000
NEW 2026	-	-	-	-	-	-	-	-	-	-	-	-
NEW 2027	-	-	-	-	-	-	-	-	-	-	-	-
NEW 2028	-	-	-	-	-	-	-	-	-	-	-	-
NEW 2028	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>8,367,400</b>	<b>7,628,222</b>	<b>15,870,996</b>	<b>14,761,129</b>	<b>14,639,285</b>	<b>13,527,941</b>	<b>13,088,597</b>	<b>12,106,252</b>	<b>11,104,908</b>	<b>10,080,617</b>	<b>9,038,326</b>	<b>7,987,035</b>

Notes: See Appendix for detailed information on G.O. Bonds Outstanding by each fund (Water Fund and Sanitary Sewer Fund.).

## Capital Improvement Plan and Debt Service



The bonds outstanding and annual debt service amounts shown in the charts here are for the combined total estimated debt supported by utility revenues, including the Water Fund and the Sanitary Sewer Fund.

The charts include combined existing debt and future estimated debt based on anticipated bond issuance as shown in the Plan.

The charts include debt supported by utility revenue only (water and sewer) and do not include existing or future estimated debt that is or may be payable from property tax levy or other sources of revenue.

## FINANCIAL PLANS

Based on historical financial performance, current utility rates and structure, and anticipated future capital projects, the following reports have been prepared for each of the Utility Funds:

- **Pro Forma** - Includes information on annual revenues and expenditures and change in net assets and balance sheet line items.
- **Year End Cash Balance** - Includes a reconciliation of change in year end cash balance. Ending unrestricted net position as percent of expenditures is provided.
- **Customers/Usage and Rates** - Includes the number of customers, usage (i.e., volume of water billed), and rates charged to customers, for prior years and projections for future years.
- **Change in Net Capital Assets** - Includes calculation of depreciation on future acquisition of capital assets.
- **Projected Future Bond Issuance** - Includes amortization schedules for future debt issuance.

### Key Assumptions

The financial plans are based on certain key assumptions, which are as follows:

- Operating expenditures, including personnel costs and materials supplies and all other operating expense will increase by 3% per year.
- Depreciation is adjusted for anticipated annual depreciable capital acquisitions.

- Current capital improvement plan (as included in the report) will be implemented at estimated project costs and sources of funding.
- Water volume billed is estimated based on estimated customer units continuing at current levels. There is no factoring in for future development. Average consumption per unit is assumed to remain constant.
- Utility fee increases are assumed in order to provide additional revenue. The Plan anticipates fees and charges will be increased by an average annual amount of 2.0% for water and sanitary sewer, between years 2020 and 2029.
- The current fee structure is assumed to remain in place for both water and sanitary sewer services. This includes charging a monthly base charge for water to both residential and commercial customers, and a tiered usage fee based on volume of water consumed. For sanitary sewer services, residential is charged a fixed base charge with no charge for volume, and commercial is charged on volume billed only.
- There is no assumption for new revenue (from increased volume) from development.
- Future utility fees are set at level needed to maintain a positive cash balance in the funds sufficient to cover 3 months of operating expense (not including depreciation), debt service (existing and future), capital outlay, and provide funds for future capital.

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**WATER FUND****Fund Description**

The Water Fund is used to account for the operating and capital improvement costs of the water utility system.

**Background**

The Fund is in sound financial condition. Future financial performance will be impacted by future capital improvement needs and the timing of future development in the City. Future development, while not included in the Plan, will increase the demands on the water utility infrastructure and provide opportunity for increased revenue to support the infrastructure and operation of the system.

**Source of Funds**

The major source of funds for the Fund is the collection of a fixed monthly charge for service and charges based on water volume used.

The financial plan for the Fund assumes no change in the existing rate structure and assumes an average annual rate increase of 2.0%.

Interest income is earned on the cash balance in the Fund that is recorded as revenue. The investment earnings rate is projected to be 1.0% for future years.

**Use of Funds**

The use of funds is to pay for the operation of the water system, debt service expense, depreciation, and authorized transfers to other funds. The Plan does not anticipate the addition of any staff or other operational changes.

Debt service expense includes interest expense on bonds for existing outstanding bonds and future bond issuance. Calculation of depreciation expense is shown in Table 10.

There are no major future capital improvements in the Plan related to water treatment. The planned capital improvements are generally related to street improvement projects.

**Transfers**

There are no planned transfers in or out from the Water Fund.

**Balance Sheet Items**

The financial plan includes projected assets and liabilities for the Fund, this includes projected annual year-end cash balance. Table 8 provides a detailed summary on projected change in cash year by year.

Based on assumptions in the Plan, it is projected that the cash balance position of the Fund will continue to increase over the next ten years. The Fund is projected to have future cash sufficient to meet the objective of available cash to cover three-months of operating expense, debt service, and an annual capital spending, with a remaining unassigned cash balance to provide reserves for unanticipated events and future capital outlay.

# Financial Plans

## WATER FUND

**Table 7**  
**Water Fund**  
**Pro Forma**

	Prior Year	Prior Year	Current Year	Projected									
	Actual 2017	Actual 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Revenues</b>													
Federal grants and aids	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential sales	482,630	493,805	500,000	493,341	503,207	513,272	523,537	534,008	544,688	555,582	566,693	578,027	589,588
Commercial sales	105,904	93,400	97,000	115,844	118,160	120,524	122,934	125,393	127,901	130,459	133,068	135,729	138,444
Industrial sales	-	-	-	380	387	395	403	411	419	428	436	445	454
Rural sales	2,998	3,643	3,600	7,930	8,089	8,251	8,416	8,584	8,756	8,931	9,109	9,291	9,477
Late fees	4,403	3,459	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Interest income	1,244	1,066	500	505	510	515	520	526	531	536	541	547	552
Miscellaneous revenue	2,319	1,336	-	-	-	-	-	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Taps installed	-	660	-	-	-	-	-	-	-	-	-	-	-
Pera rate increase	-	106	100	100	100	100	100	100	100	100	100	100	100
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>599,498</b>	<b>597,475</b>	<b>605,200</b>	<b>622,099</b>	<b>634,454</b>	<b>647,056</b>	<b>659,910</b>	<b>673,021</b>	<b>686,394</b>	<b>700,035</b>	<b>713,948</b>	<b>728,140</b>	<b>742,615</b>
<b>Expenses</b>													
Water-admin and general personnel costs	32,714	17,483	19,670	20,260	20,868	21,494	22,139	22,803	23,487	24,192	24,917	25,665	26,435
Water-admin current expense	-	13,667	22,200	22,866	23,552	24,259	24,986	25,736	26,508	27,303	28,122	28,966	29,835
Water-distribution personnel costs	110,393	60,436	74,861	77,107	79,420	81,803	84,257	86,784	89,388	92,070	94,832	97,677	100,607
Water-distribution current expense	-	66,740	62,840	64,725	66,667	68,667	70,727	72,849	75,034	77,285	79,604	81,992	84,452
Depreciation expense	237,012	239,686	239,936	240,311	240,561	254,061	255,311	256,561	257,811	259,061	260,311	261,561	262,811
Interest expense	60,602	57,640	54,292	50,152	45,718	41,132	61,622	52,486	49,233	45,884	42,321	38,456	34,209
Cost of bond issuance	-	-	-	-	-	15,000	-	-	-	-	-	-	-
Pumping, treatment, production	33,509	52,489	41,700	42,951	44,240	45,567	46,934	48,342	49,792	51,286	52,824	54,409	56,041
Other expense 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer out - contribution of debt to city	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>474,230</b>	<b>508,141</b>	<b>515,499</b>	<b>518,372</b>	<b>521,026</b>	<b>551,981</b>	<b>565,975</b>	<b>565,560</b>	<b>571,253</b>	<b>577,080</b>	<b>582,931</b>	<b>588,725</b>	<b>594,389</b>
<b>Change in Net Position</b>													
<b>Net Position - December 31</b>	<b>2,605,460</b>	<b>2,694,794</b>	<b>2,784,495</b>	<b>2,888,222</b>	<b>3,001,650</b>	<b>3,096,724</b>	<b>3,190,659</b>	<b>3,298,120</b>	<b>3,413,261</b>	<b>3,536,215</b>	<b>3,667,232</b>	<b>3,806,646</b>	<b>3,954,872</b>
<b>Assets</b>													
Cash and cash equivalents	248,668	282,538	326,888	372,289	432,256	499,670	503,443	687,993	881,473	1,079,017	1,285,738	1,492,107	1,708,537
Cash and cash equivalents held in escrow	-	-	-	-	-	-	-	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets / receivables / discounts	109,969	112,650	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
Capital assets	8,646,316	8,666,088	8,676,088	8,691,088	8,701,088	9,241,088	9,291,088	9,341,088	9,391,088	9,441,088	9,491,088	9,541,088	9,591,088
Less Accumulated depreciation	(3,418,738)	(3,658,422)	(3,898,358)	(4,138,669)	(4,379,230)	(4,633,291)	(4,888,602)	(5,145,163)	(5,402,974)	(5,662,035)	(5,922,346)	(6,183,907)	(6,446,718)
Deferred pension resources	21,035	13,582	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
<b>Total Assets and Deferred Outflows</b>	<b>5,607,250</b>	<b>5,416,436</b>	<b>5,233,618</b>	<b>5,053,708</b>	<b>4,883,114</b>	<b>5,236,467</b>	<b>5,034,929</b>	<b>5,012,918</b>	<b>4,998,587</b>	<b>4,987,070</b>	<b>4,983,480</b>	<b>4,978,288</b>	<b>4,981,907</b>
<b>Liabilities</b>													
Other current liabilities / payables	26,617	27,129	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Bonds and notes payable	2,900,215	2,627,075	2,352,123	2,068,487	1,784,464	2,042,742	1,747,270	1,617,798	1,488,326	1,353,854	1,219,248	1,074,642	930,035
Unamortized bond premium	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred pension resources	20,358	20,048	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Other non-current liabilities	54,600	47,390	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000
<b>Total Liabilities</b>	<b>3,001,790</b>	<b>2,721,642</b>	<b>2,449,123</b>	<b>2,165,487</b>	<b>1,881,464</b>	<b>2,139,742</b>	<b>1,844,270</b>	<b>1,714,798</b>	<b>1,585,326</b>	<b>1,450,854</b>	<b>1,316,248</b>	<b>1,171,642</b>	<b>1,027,035</b>
<b>Total Liabilities and Net Position</b>	<b>5,607,250</b>	<b>5,416,436</b>	<b>5,233,618</b>	<b>5,053,708</b>	<b>4,883,114</b>	<b>5,236,467</b>	<b>5,034,929</b>	<b>5,012,918</b>	<b>4,998,587</b>	<b>4,987,070</b>	<b>4,983,480</b>	<b>4,978,288</b>	<b>4,981,907</b>



**Table 8**  
**Water Fund**  
**Projected Year End Cash Balance**

	Current Year		Projected								
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Beginning Cash and Investments*</b>	282,538	326,888	372,289	432,256	499,670	503,443	687,993	881,473	1,079,017	1,285,738	1,492,107
Plus revenues	605,200	622,099	634,454	647,056	659,910	673,021	686,394	700,035	713,948	728,140	742,615
Plus bond proceeds	-	-	-	545,000	-	-	-	-	-	-	-
Less change in capital assets	(10,000)	(15,000)	(10,000)	(540,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Less principal on debt	(274,952)	(283,637)	(284,023)	(286,722)	(295,472)	(129,472)	(129,472)	(134,472)	(134,606)	(144,606)	(144,606)
Less interest and fiscal charges	(54,292)	(50,152)	(45,718)	(41,132)	(61,622)	(52,486)	(49,233)	(45,884)	(42,321)	(38,456)	(34,209)
Less operating and other costs	(221,271)	(227,909)	(234,746)	(256,789)	(249,042)	(256,514)	(264,209)	(272,135)	(280,299)	(288,708)	(297,370)
Plus transfers in	-	-	-	-	-	-	-	-	-	-	-
Less transfer out	-	-	-	-	-	-	-	-	-	-	-
Net change in other assets	(2,768)	-	-	-	-	-	-	-	-	-	-
Net change in other liabilities	2,433	-	-	-	-	-	-	-	-	-	-
Total Change in Cash	44,350	45,402	59,966	67,414	3,774	184,550	193,480	197,544	206,721	206,369	216,430
<b>Ending Cash and Investments*</b>	326,888	372,289	432,256	499,670	503,443	687,993	881,473	1,079,017	1,285,738	1,492,107	1,708,537
<b>Ending Cash by Purpose</b>											
For future capital and reserves	(62,218)	(14,429)	45,716	78,379	259,225	445,160	635,065	834,056	1,032,601	1,241,115	1,455,379
For 3-months of operating cash	55,318	56,977	58,687	64,197	62,261	64,128	66,052	68,034	70,075	72,177	74,342
For following year debt service	333,788	329,741	327,854	357,094	181,958	178,705	180,356	176,927	183,062	178,815	178,815
Total Cash	326,888	372,289	432,256	499,670	503,443	687,993	881,473	1,079,017	1,285,738	1,492,107	1,708,537

**Table 9**  
**Water Fund**  
**Customers/Usage and Rates**  
(Page 1 of 1 of Table 10)

	Prior Year	Prior Year	Current Year	Projected									
	Actual 2017	Actual 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Customers and Usage</b>													
Residential Water Base Charge	743	762	762	762	762	762	762	762	762	762	762	762	762
Residential Water Base Charge - Rural	5	6	6	6	6	6	6	6	6	6	6	6	6
Commercial Water Base Charge	116	112	112	112	112	112	112	112	112	112	112	112	112
Industrial Water Base Charge	-	-	-	1	1	1	1	1	1	1	1	1	1
Residential Tier 1 Per 1,000 to 6,999 gallons	31,121	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858
Residential Tier 1 Per 1,000 to 6,999 gallons	148	679	679	679	679	679	679	679	679	679	679	679	679
Commercial Tier 1 Per 1,000 to 50,000 gallons	16,164	9,275	9,275	9,275	9,275	9,275	9,275	9,275	9,275	9,275	9,275	9,275	9,275
<b>Customer Rates for Fees and Charges</b>													
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Residential Water Base Charge	\$29.81	\$30.41	\$31.02	\$31.64	\$32.27	\$32.92	\$33.58	\$34.25	\$34.93	\$35.63	\$36.34	\$37.07	\$37.81
Residential Water Base Charge - Rural	\$30.91	\$31.53	\$32.16	\$32.80	\$33.46	\$34.13	\$34.81	\$35.51	\$36.22	\$36.94	\$37.68	\$38.43	\$39.20
Commercial Water Base Charge	\$29.81	\$30.41	\$31.02	\$31.64	\$32.27	\$32.92	\$33.58	\$34.25	\$34.93	\$35.63	\$36.34	\$37.07	\$37.81
Industrial Water Base Charge	\$29.81	\$30.41	\$31.02	\$31.64	\$32.27	\$32.92	\$33.58	\$34.25	\$34.93	\$35.63	\$36.34	\$37.07	\$37.81
Residential Tier 1 Per 1,000 to 6,999 gallons	\$6.90	\$7.04	\$7.18	\$7.32	\$7.47	\$7.62	\$7.77	\$7.93	\$8.09	\$8.25	\$8.41	\$8.58	\$8.75
Residential Tier 2 Per 7,000 to 12,999 gallons	\$7.73	\$7.88	\$8.04	\$8.20	\$8.36	\$8.53	\$8.70	\$8.88	\$9.05	\$9.24	\$9.42	\$9.61	\$9.80
Residential Tier 3 Per 13,000 to 25,999 gallons	\$8.83	\$9.01	\$9.19	\$9.37	\$9.56	\$9.75	\$9.95	\$10.15	\$10.35	\$10.56	\$10.77	\$10.98	\$11.20
Residential Tier 4 Greater than 26,000 gallons	\$9.94	\$10.14	\$10.34	\$10.55	\$10.76	\$10.97	\$11.19	\$11.42	\$11.64	\$11.88	\$12.11	\$12.36	\$12.60
Residential Tier 1 Per 1,000 to 6,999 gallons	\$7.73	\$7.88	\$8.04	\$8.20	\$8.36	\$8.53	\$8.70	\$8.88	\$9.05	\$9.24	\$9.42	\$9.61	\$9.80
Residential Tier 2 Per 7,000 to 12,999 gallons	\$8.83	\$9.01	\$9.19	\$9.37	\$9.56	\$9.75	\$9.95	\$10.15	\$10.35	\$10.56	\$10.77	\$10.98	\$11.20
Residential Tier 3 Per 13,000 to 25,999 gallons	\$9.94	\$10.14	\$10.34	\$10.55	\$10.76	\$10.97	\$11.19	\$11.42	\$11.64	\$11.88	\$12.11	\$12.36	\$12.60
Residential Tier 4 Greater than 26,000 gallons	\$11.04	\$10.14	\$11.49	\$11.72	\$11.95	\$12.19	\$12.44	\$12.69	\$12.94	\$13.20	\$13.46	\$13.73	\$14.01
Commercial Tier 1 Per 1,000 to 50,000 gallons	\$7.45	\$7.60	\$7.75	\$7.91	\$8.06	\$8.22	\$8.39	\$8.56	\$8.73	\$8.90	\$9.08	\$9.26	\$9.45
Commercial Tier 2 Greater than 51,000 gallons	\$7.73	\$7.88	\$7.94	\$8.10	\$8.26	\$8.43	\$8.59	\$8.77	\$8.94	\$9.12	\$9.30	\$9.49	\$9.68
<b>Revenue by Fee Type</b>													
Residential Water Base Charge	\$265,786	\$278,069	\$283,647	\$289,320	\$295,106	\$301,008	\$307,029	\$313,169	\$319,432	\$325,821	\$332,338	\$338,984	\$345,764
Residential Water Base Charge - Rural	\$1,855	\$2,270	\$2,316	\$2,362	\$2,409	\$2,457	\$2,506	\$2,557	\$2,608	\$2,660	\$2,713	\$2,767	\$2,823
Commercial Water Base Charge	\$41,496	\$40,871	\$41,691	\$42,525	\$43,375	\$44,243	\$45,128	\$46,030	\$46,951	\$47,890	\$48,848	\$49,824	\$50,821
Industrial Water Base Charge	\$0	\$0	\$0	\$380	\$387	\$395	\$403	\$411	\$419	\$428	\$436	\$445	\$454
Residential Tier 1 Per 1,000 to 6,999 gallons	\$214,735	\$196,120	\$200,020	\$204,021	\$208,101	\$212,263	\$216,509	\$220,839	\$225,256	\$229,761	\$234,356	\$239,043	\$243,824
Residential Tier 1 Per 1,000 to 6,999 gallons	\$1,144	\$5,351	\$5,459	\$5,568	\$5,680	\$5,793	\$5,909	\$6,027	\$6,148	\$6,271	\$6,396	\$6,524	\$6,655
Commercial Tier 1 Per 1,000 to 50,000 gallons	\$120,422	\$70,490	\$71,881	\$73,319	\$74,785	\$76,281	\$77,807	\$79,363	\$80,950	\$82,569	\$84,220	\$85,905	\$87,623
Total Revenue by Fee Type	\$645,437	\$593,171	\$605,014	\$617,494	\$629,844	\$642,441	\$655,290	\$668,395	\$681,763	\$695,399	\$709,307	\$723,493	\$737,963

**Table 10**  
**Water Fund**  
**Change in Net Capital Assets**

	Prior Year Actual 2017	Prior Year Actual 2018	Current Year 2019	Projected									
				2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Balance of Capital Assets and Depreciation</b>													
Capital assets	8,646,316	8,666,088	8,676,088	8,691,088	8,701,088	9,241,088	9,291,088	9,341,088	9,391,088	9,441,088	9,491,088	9,541,088	9,591,088
Total capital assets	8,646,316	8,666,088	8,676,088	8,691,088	8,701,088	9,241,088	9,291,088	9,341,088	9,391,088	9,441,088	9,491,088	9,541,088	9,591,088
Less allowance for depreciation	(3,418,738)	(3,658,422)	(3,898,358)	(4,138,669)	(4,379,230)	(4,633,291)	(4,888,602)	(5,145,163)	(5,402,974)	(5,662,035)	(5,922,346)	(6,183,907)	(6,446,718)
Net capital assets	5,227,578	5,007,666	4,777,730	4,552,419	4,321,858	4,607,797	4,402,486	4,195,925	3,988,114	3,779,053	3,568,742	3,357,181	3,144,370
<b>Acquisition and Construction of Capital Assets</b>													
Capital assets	-	19,772	10,000	15,000	10,000	540,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total capital assets	-	19,772	10,000	15,000	10,000	540,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Less allowance for depreciation on current assets	237,012	239,686	239,686	239,936	240,311	240,561	254,061	255,311	256,561	257,811	259,061	260,311	261,561
Less allowance for depreciation on new assets			250	375	250	13,500	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Total increase in allowance for depreciation	237,012	239,686	239,936	240,311	240,561	254,061	255,311	256,561	257,811	259,061	260,311	261,561	262,811
Change in net capital assets	(237,012)	(219,914)	(229,936)	(225,311)	(230,561)	285,939	(205,311)	(206,561)	(207,811)	(209,061)	(210,311)	(211,561)	(212,811)
* Number of years new assets depreciated over:		40											

**Table 11**  
**New G.O. Debt Payable from Water Fund**  
**Planned Future Issuance for Planning Purposes**

**Purpose:** G.O. Water Revenue Bonds, Series 2022  
**Dated:** 6/1/2022  
**First Interest:** 2/1/2023  
**First Principal:** 2/1/2023  
**Original Amount:** \$545,000  
**Term (years):** 15  
**Average Coupon:** 4.00%

Fiscal Year	Principal Paid	DEBT SERVICE PAYMENTS			OUTSTANDING BONDS	105% of Levy	Less: Special Assessments	Less: Sanitary Sewer	Less: Water	Less: Storm Water	Net Tax Levy	Total Source of Funds
		Principal	Interest	Total								
	6/1/22	0	0	0	545,000							
	2/1/23	25,000	14,533		520,000							
2023	8/1/23	0	10,400	49,933	520,000	52,430	0	0	52,430	0	0	52,430
	2/1/24	30,000	10,400		490,000							
2024	8/1/24	0	9,800	50,200	490,000	52,710	0	0	52,710	0	0	52,710
	2/1/25	30,000	9,800		460,000							
2025	8/1/25	0	9,200	49,000	460,000	51,450	0	0	51,450	0	0	51,450
	2/1/26	30,000	9,200		430,000							
2026	8/1/26	0	8,600	47,800	430,000	50,190	0	0	50,190	0	0	50,190
	2/1/27	30,000	8,600		400,000							
2027	8/1/27	0	8,000	46,600	400,000	48,930	0	0	48,930	0	0	48,930
	2/1/28	35,000	8,000		365,000							
2028	8/1/28	0	7,300	50,300	365,000	52,815	0	0	52,815	0	0	52,815
	2/1/29	35,000	7,300		330,000							
2029	8/1/29	0	6,600	48,900	330,000	51,345	0	0	51,345	0	0	51,345
	2/1/30	35,000	6,600		295,000							
2030	8/1/30	0	5,900	47,500	295,000	49,875	0	0	49,875	0	0	49,875
	2/1/31	40,000	5,900		255,000							
2031	8/1/31	0	5,100	51,000	255,000	53,550	0	0	53,550	0	0	53,550
	2/1/32	40,000	5,100		215,000							
2032	8/1/32	0	4,300	49,400	215,000	51,870	0	0	51,870	0	0	51,870
	2/1/33	40,000	4,300		175,000							
2033	8/1/33	0	3,500	47,800	175,000	50,190	0	0	50,190	0	0	50,190
	2/1/34	40,000	3,500		135,000							
2034	8/1/34	0	2,700	46,200	135,000	48,510	0	0	48,510	0	0	48,510
	2/1/35	45,000	2,700		90,000							
2035	8/1/35	0	1,800	49,500	90,000	51,975	0	0	51,975	0	0	51,975
	2/1/36	45,000	1,800		45,000							
2036	8/1/36	0	900	47,700	45,000	50,085	0	0	50,085	0	0	50,085
	2/1/37	45,000	900		0							
2037	8/1/37	0	0	45,900	0	48,195	0	0	48,195	0	0	48,195
<b>Total</b>		<b>545,000</b>	<b>182,733</b>	<b>727,733</b>		<b>764,120</b>	<b>0</b>	<b>0</b>	<b>764,120</b>	<b>0</b>	<b>0</b>	<b>764,120</b>

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## SANITARY SEWER FUND

### Fund Description

The Sanitary Sewer Fund is used to account for the operating and capital improvement costs of the sanitary sewer system, including the wastewater treatment facility.

### Background

The Fund is in sound financial condition. Future financial performance will be impacted by future capital improvement needs and the timing of future development in the City. Future development, while not included in the Plan, will increase the demands on the sanitary sewer infrastructure and provide opportunity for increased revenue to support the infrastructure and operation of the system.

### Source of Funds

The major source of funds for the Fund is the collection of a fixed monthly charge for residential service and commercial and industrial charges based on volume billed.

The financial plan for the Fund assumes no change in the existing rate structure and assumes an average annual rate increase of 2.0% between 2019 and 2029.

The City has a “Significant Industrial User Agreement” with Milk Specialities Company for wastewater discharge to the sanitary sewer system. The agreement is presently under review with proposed changes. The Plan reflects the following anticipated key terms of the proposed new agreement:

- \$18,300 monthly base charge (regardless of actual

flow charges)

- User charges will be determined based on actual flow and charged based on the City’s annual fee schedule for commercial usage
- Agreement will provide for a surcharge, when volume exceeds limits, however the Plan does not anticipate surcharge revenue in the pro forma for the Sanitary Sewer Fund

Interest income is earned on the cash balance in the Fund that is recorded as revenue. The investment earnings rate is projected to be 1.0% for future years.

In addition to base charges and usage charges, the City bills customers, which some limited exceptions, \$5.00 per month as a “sewer infrastructure charge”. The Plan anticipates annual adjustments to this charge at the same rate of adjustment for all other sanitary sewer fees and charges.

### Use of Funds

The use of funds is to pay for the operation of the sanitary sewer system, debt service expense, depreciation, and authorized transfers to other funds. The Plan does not anticipate the addition of any staff or other operational changes.

Debt service expense includes interest expense on bonds for existing and future bond issuance. Calculation of depreciation expense is shown in Table 15.

The City is planning to undertake improvements to the wastewater treatment plant (ponds) within the next two years at an estimated cost of \$11.5 million. The impact of this major project is included in the financial plan for the Fund.

**Transfers**

The Fund historically transferred cash to the City's governmental debt service funds. The City reclassified debt to account for all debt payable from net sanitary sewer revenue in the Fund beginning with year 2019.

**Balance Sheet Items**

The financial plan includes projected assets and liabilities for the Fund, this includes projected annual year-end cash balance. Table 8 provides a detailed summary on projected change in cash year by year.

Based on assumptions in the Plan, it is projected that the cash balance position of the Fund will continue to increase over the next ten years. The Fund is projected to have future cash sufficient to meet the objective of available cash to cover three-months of operating expense, debt service, and an annual capital spending, with a remaining unassigned cash balance to provide reserves for unanticipated events and future capital outlay.

**Table 12**  
**Sanitary Sewer Fund**  
**Pro Forma**

	Prior Year	Prior Year	Current Year	Projected									
	Actual 2017	Actual 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Revenues</b>													
Charges for services	-	-	-	51,836	52,873	53,931	55,009	56,109	57,232	58,376	59,544	60,735	61,949
Residential sales	369,089	375,719	382,000	378,884	386,462	394,191	402,075	410,116	418,319	426,685	435,219	443,923	452,802
Residential Rural sales	7,794	7,948	8,000	8,269	8,435	8,603	8,775	8,951	9,130	9,313	9,499	9,689	9,883
Commercial sales	368,591	421,441	462,000	418,383	426,751	435,286	443,991	452,871	461,928	471,167	480,590	490,202	500,006
MSC Surcharge fee	25,748	9,632	-	-	-	-	-	-	-	-	-	-	-
Sewer infrastructure	49,447	48,115	47,000	51,836	52,873	53,931	55,009	56,109	57,232	58,376	59,544	60,735	61,949
Investment earnings	5,336	4,532	2,000	2,020	2,040	2,061	2,081	2,102	2,123	2,144	2,166	2,187	2,209
Late fees	3,690	3,709	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Refunds and reimbursements	-	2,343	-	-	-	-	-	-	-	-	-	-	-
Taps installed	-	411	-	-	-	-	-	-	-	-	-	-	-
State grants	-	-	-	2,750,000	-	-	-	-	-	-	-	-	-
MSC contractual payment	-	-	-	223,992	228,472	233,041	237,702	242,456	247,305	252,251	257,296	262,442	267,691
Amortization of bond premium	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues	-	-	100	100	100	100	100	100	100	100	100	100	100
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>829,695</b>	<b>873,850</b>	<b>904,600</b>	<b>3,888,821</b>	<b>1,161,505</b>	<b>1,184,643</b>	<b>1,208,243</b>	<b>1,232,315</b>	<b>1,256,869</b>	<b>1,281,913</b>	<b>1,307,458</b>	<b>1,333,513</b>	<b>1,360,090</b>
<b>Expenses</b>													
Sewer-admin and general personnel costs	16,824	17,483	19,764	20,357	20,968	21,597	22,245	22,912	23,599	24,307	25,036	25,788	26,561
Sewer-distribution current expense	20,263	8,010	11,839	12,194	12,560	12,937	13,325	13,725	14,136	14,560	14,997	15,447	15,911
Sewer-distribution personnel costs	73,289	60,433	74,862	77,108	79,421	81,804	84,258	86,786	89,389	92,071	94,833	97,678	100,608
Sewer-admin current expense	15,322	16,641	34,999	36,049	37,130	38,244	39,392	40,573	41,791	43,044	44,336	45,666	47,036
Depreciation expense	242,808	243,734	243,734	537,609	537,609	549,459	549,459	563,209	564,459	565,709	566,959	568,209	569,459
Interest expense	72,520	68,008	63,297	57,600	155,087	131,033	142,658	130,800	145,343	131,795	121,186	110,231	99,195
Transfer out - contribution of debt to city	-	-	-	-	-	-	-	-	-	-	-	-	-
Pumping, treatment, production	41,838	71,320	54,150	55,775	57,448	59,171	60,946	62,775	64,658	66,598	68,596	70,653	72,773
Sewer-distribution private infrastructure	-	19,108	-	-	-	-	-	-	-	-	-	-	-
Bond issuance cost	-	-	-	-	-	10,000	-	15,000	-	-	-	-	-
<b>Total Expenses</b>	<b>482,864</b>	<b>504,737</b>	<b>502,645</b>	<b>796,691</b>	<b>900,223</b>	<b>904,245</b>	<b>912,282</b>	<b>935,779</b>	<b>943,376</b>	<b>938,084</b>	<b>935,943</b>	<b>933,672</b>	<b>931,543</b>
<b>Change in Net Position</b>													
<b>Net Position - December 31</b>	<b>3,224,578</b>	<b>3,593,691</b>	<b>3,995,646</b>	<b>7,087,776</b>	<b>7,349,058</b>	<b>7,629,457</b>	<b>7,925,418</b>	<b>8,221,955</b>	<b>8,535,448</b>	<b>8,879,276</b>	<b>9,250,791</b>	<b>9,650,632</b>	<b>10,079,179</b>
<b>Assets</b>													
Cash and investments	1,122,194	1,053,501	1,254,445	1,669,011	1,649,970	1,630,371	1,662,671	1,664,167	1,640,204	1,633,434	1,632,556	1,653,118	1,694,555
Cash and investments held in escrow	-	-	-	-	-	-	-	-	-	-	-	-	-
Special assessments receivable	84,182	53,702	32,702	19,287	11,375	6,709	3,957	2,334	1,376	812	479	282	167
Other current assets / receivables	137,424	145,705	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capital assets	10,415,062	10,672,295	10,672,295	22,427,295	22,427,295	22,901,295	22,901,295	23,451,295	23,501,295	23,551,295	23,601,295	23,651,295	23,701,295
Less Accumulated depreciation	(2,245,230)	(2,488,964)	(2,732,698)	(3,270,307)	(3,807,916)	(4,357,375)	(4,906,834)	(5,470,043)	(6,034,502)	(6,600,211)	(7,167,170)	(7,735,379)	(8,304,838)
Deferred pension resources	21,035	13,582	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
<b>Total Assets</b>	<b>9,534,667</b>	<b>9,449,821</b>	<b>9,391,744</b>	<b>21,010,286</b>	<b>20,445,724</b>	<b>20,346,000</b>	<b>19,826,089</b>	<b>19,812,753</b>	<b>19,273,373</b>	<b>18,750,330</b>	<b>18,232,160</b>	<b>17,734,317</b>	<b>17,256,179</b>
<b>Liabilities</b>													
Other current liabilities / payables	75,531	48,367	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Due to Sewer Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonds payable	6,159,600	5,740,325	5,276,098	13,802,509	12,976,666	12,596,543	11,780,671	11,470,798	10,617,926	9,751,053	8,861,369	7,963,684	7,057,000
Unamortized bond premium	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred pension resources	20,358	20,048	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Other non-current liabilities	54,600	47,390	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Liabilities</b>	<b>6,310,089</b>	<b>5,856,130</b>	<b>5,396,098</b>	<b>13,922,509</b>	<b>13,096,666</b>	<b>12,716,543</b>	<b>11,900,671</b>	<b>11,590,798</b>	<b>10,737,926</b>	<b>9,871,053</b>	<b>8,981,369</b>	<b>8,083,684</b>	<b>7,177,000</b>
<b>Total Liabilities and Net Position</b>	<b>9,534,667</b>	<b>9,449,821</b>	<b>9,391,744</b>	<b>21,010,286</b>	<b>20,445,724</b>	<b>20,346,000</b>	<b>19,826,089</b>	<b>19,812,753</b>	<b>19,273,373</b>	<b>18,750,330</b>	<b>18,232,160</b>	<b>17,734,317</b>	<b>17,256,179</b>

**Table 13**  
**Sanitary Sewer Fund**  
**Projected Year End Cash Balance**

	Current Year		Projected								
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Beginning Cash and Investments*</b>	1,053,501	1,254,445	1,669,011	1,649,970	1,630,371	1,662,671	1,664,167	1,640,204	1,633,434	1,632,556	1,653,118
Plus revenues	904,600	1,138,821	1,161,505	1,184,643	1,208,243	1,232,315	1,256,869	1,281,913	1,307,458	1,333,513	1,360,090
Plus bond proceeds	-	9,000,000	-	440,000	-	515,000	-	-	-	-	-
Plus state grants	-	2,750,000	-	-	-	-	-	-	-	-	-
Less change in capital assets	-	(11,755,000)	-	(474,000)	-	(550,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Less principal on debt	(464,227)	(473,589)	(825,844)	(820,122)	(815,872)	(824,872)	(852,872)	(866,872)	(889,684)	(897,684)	(906,684)
Less interest and fiscal charges	(63,297)	(57,600)	(155,087)	(131,033)	(142,658)	(130,800)	(145,343)	(131,795)	(121,186)	(110,231)	(99,195)
Less operating and other costs	(195,614)	(201,482)	(207,527)	(223,753)	(220,165)	(241,770)	(233,573)	(240,581)	(247,798)	(255,232)	(262,889)
Plus transfers in	-	-	-	-	-	-	-	-	-	-	-
Less transfers out	-	-	-	-	-	-	-	-	-	-	-
Net change in other assets	15,287	13,415	7,912	4,666	2,752	1,623	957	565	333	196	116
Net change in other liabilities	4,195	-	-	-	-	-	-	-	-	-	-
<b>Total Change in Cash</b>	<b>200,944</b>	<b>414,565</b>	<b>(19,041)</b>	<b>(19,599)</b>	<b>32,300</b>	<b>1,496</b>	<b>(23,963)</b>	<b>(6,770)</b>	<b>(878)</b>	<b>20,562</b>	<b>41,437</b>
<b>Ending Cash and Investments*</b>	<b>1,254,445</b>	<b>1,669,011</b>	<b>1,649,970</b>	<b>1,630,371</b>	<b>1,662,671</b>	<b>1,664,167</b>	<b>1,640,204</b>	<b>1,633,434</b>	<b>1,632,556</b>	<b>1,653,118</b>	<b>1,694,555</b>
<b>Ending Cash by Purpose</b>											
For future capital and reserves	674,354	637,709	646,933	615,903	651,958	605,509	583,144	562,418	562,691	583,431	622,953
For 3-months of operating cash	48,904	50,371	51,882	55,938	55,041	60,443	58,393	60,145	61,949	63,808	65,722
For following year debt service	531,188	980,931	951,155	958,530	955,672	998,216	998,667	1,010,871	1,007,915	1,005,880	1,005,880
<b>Total Cash</b>	<b>1,254,445</b>	<b>1,669,011</b>	<b>1,649,970</b>	<b>1,630,371</b>	<b>1,662,671</b>	<b>1,664,167</b>	<b>1,640,204</b>	<b>1,633,434</b>	<b>1,632,556</b>	<b>1,653,118</b>	<b>1,694,555</b>



**Table 14**  
**Sanitary Sewer Fund**  
**Customers/Usage and Rates**

	Prior Year Actuals		Current Year					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Customers and Usage</b>													
Residential Sewer Monthly Basic Charge	755	732	732	733	733	733	733	733	733	733	733	733	733
Residential Sewer Monthly Basic Charge - Rural	15	15	15	15	15	15	15	15	15	15	15	15	15
Commercial Sewer Monthly Basic Charge	106	100	100	101	101	101	101	101	101	101	101	101	101
Commercial Tier 1 0 to 3,000 gallons used	8,090	9,107	9,107	9,107	9,107	9,107	9,107	9,107	9,107	9,107	9,107	9,107	9,107
Sewer Infrastructure Charge	876	847	847	847	847	847	847	847	847	847	847	847	847
Industrial contract with Milk Spec	-	-	-	1	1	1	1	1	1	1	1	1	1
<b>Customer Rates for Fees and Charges</b>													
Residential Sewer Monthly Basic Charge	\$40.59	\$41.40	\$42.23	\$43.07	\$43.94	\$44.81	\$45.71	\$46.63	\$47.56	\$48.51	\$49.48	\$50.47	\$51.48
Residential Sewer Monthly Basic Charge - Rural	\$43.30	\$44.16	\$45.04	\$45.94	\$46.86	\$47.80	\$48.75	\$49.73	\$50.72	\$51.74	\$52.77	\$53.83	\$54.90
Commercial Tier 1 0 to 3,000 gallons used	\$43.30	\$44.16	\$45.04	\$45.94	\$46.86	\$47.80	\$48.75	\$49.73	\$50.72	\$51.74	\$52.77	\$53.83	\$54.90
Commercial Tier 2 Greater Per 1,000 for greater than 3,001 gallons used	\$8.11	\$8.27	\$8.44	\$8.61	\$8.78	\$8.96	\$9.14	\$9.32	\$9.50	\$9.69	\$9.89	\$10.09	\$10.29
Sewer Infrastructure Charge	\$5.00	\$5.00	\$5.00	\$5.10	\$5.20	\$5.31	\$5.41	\$5.52	\$5.63	\$5.74	\$5.86	\$5.98	\$6.09
Industrial contract with Milk Spec	\$0.00	\$0.00	\$18,300.00	\$18,666.00	\$19,039.32	\$19,420.11	\$19,808.51	\$20,204.68	\$20,608.77	\$21,020.95	\$21,441.37	\$21,870.19	\$22,307.60
<b>Revenue by Fee Type</b>													
Residential Sewer Monthly Basic Charge	\$367,745	\$363,658	\$370,948	\$378,884	\$386,462	\$394,191	\$402,075	\$410,116	\$418,319	\$426,685	\$435,219	\$443,923	\$452,802
Residential Sewer Monthly Basic Charge - Rural	\$7,794	\$7,949	\$8,107	\$8,269	\$8,435	\$8,603	\$8,775	\$8,951	\$9,130	\$9,313	\$9,499	\$9,689	\$9,883
Commercial Tier 1 0 to 3,000 gallons used	\$350,297	\$402,165	\$410,179	\$418,383	\$426,751	\$435,286	\$443,991	\$452,871	\$461,928	\$471,167	\$480,590	\$490,202	\$500,006
Sewer Infrastructure Charge	\$52,560	\$50,820	\$50,820	\$51,836	\$52,873	\$53,931	\$55,009	\$56,109	\$57,232	\$58,376	\$59,544	\$60,735	\$61,949
Industrial contract with Milk Spec	\$0	\$0	\$0	\$223,992	\$228,472	\$233,041	\$237,702	\$242,456	\$247,305	\$252,251	\$257,296	\$262,442	\$267,691
<b>Total Revenue by Fee Type</b>	<b>\$778,396</b>	<b>\$824,592</b>	<b>\$840,055</b>	<b>\$1,081,365</b>	<b>\$1,102,992</b>	<b>\$1,125,052</b>	<b>\$1,147,553</b>	<b>\$1,170,504</b>	<b>\$1,193,914</b>	<b>\$1,217,792</b>	<b>\$1,242,148</b>	<b>\$1,266,991</b>	<b>\$1,292,331</b>

**Table 15**  
**Sanitary Sewer Fund**  
**Change in Net Capital Assets**

	Prior Year Actual 2017	Prior Year Actual 2018	Current Year 2019	Projected									
				2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Balance of Capital Assets and Depreciation</b>													
Capital assets	10,415,062	10,672,295	10,672,295	22,427,295	22,427,295	22,901,295	22,901,295	23,451,295	23,501,295	23,551,295	23,601,295	23,651,295	23,701,295
Total capital assets	10,415,062	10,672,295	10,672,295	22,427,295	22,427,295	22,901,295	22,901,295	23,451,295	23,501,295	23,551,295	23,601,295	23,651,295	23,701,295
Less allowance for depreciation	(2,245,230)	(2,488,964)	(2,732,698)	(3,270,307)	(3,807,916)	(4,357,375)	(4,906,834)	(5,470,043)	(6,034,502)	(6,600,211)	(7,167,170)	(7,735,379)	(8,304,838)
Net capital assets	8,169,832	8,183,331	7,939,597	19,156,988	18,619,379	18,543,920	17,994,461	17,981,252	17,466,793	16,951,084	16,434,125	15,915,916	15,396,457
Acquisition and Construction of Capital Assets													
Capital assets	244,958	257,233	-	11,755,000	-	474,000	-	550,000	50,000	50,000	50,000	50,000	50,000
Total capital assets	244,958	257,233	-	11,755,000	-	474,000	-	550,000	50,000	50,000	50,000	50,000	50,000
Less allowance for depreciation on current assets	242,808	243,734	243,734	243,734	537,609	537,609	549,459	549,459	563,209	564,459	565,709	566,959	568,209
Less allowance for depreciation on new assets			-	293,875	-	11,850	-	13,750	1,250	1,250	1,250	1,250	1,250
Total increase in allowance for depreciation	242,808	243,734	243,734	537,609	537,609	549,459	549,459	563,209	564,459	565,709	566,959	568,209	569,459
Change in net capital assets	2,150	13,499	(243,734)	11,217,391	(537,609)	(75,459)	(549,459)	(13,209)	(514,459)	(515,709)	(516,959)	(518,209)	(519,459)
* Number of years new assets depreciated over:		40											

**Table 16**  
**New G.O. Debt Payable from Sanitary Sewer Fund**  
**Planned Future Issuance for Planning Purposes**

<b>Purpose:</b>	G.O. Sewer Revenue Bonds, Series 2020											
<b>Dated:</b>	6/1/2020											
<b>First Interest:</b>	2/1/2021											
<b>First Principal:</b>	2/1/2021											
<b>Original Amount:</b>	\$9,000,000											
<b>Term (years):</b>	20											
<b>Average Coupon:</b>	1.00%											
THIS SCHEDULE IS FOR PLANNING PURPOSES. THE FINAL SCHEDULE WILL VARY AND MAY INCLUDE DIFFERENT TERMS. THE CITY ANTICIPATES ENTERING INTO A LOAN AGREEMENT WITH THE MN PUBLIC FACILITIES AUTHORITY.												
Fiscal Year	Principal Paid	DEBT SERVICE PAYMENTS			OUTSTANDING BONDS	105% of Levy	Less: Special Assessments	Less: Sanitary Sewer	Less: Water	Less: Storm Water	Net Tax Levy	Total Source of Funds
		Principal	Interest	Total								
	6/1/20	0	0	0	9,000,000							
	2/1/21	395,000	60,000		8,605,000							
2021	8/1/21	0	43,025	498,025	8,605,000	522,926	0	522,926	0	0	0	522,926
	2/1/22	415,000	43,025		8,190,000							
2022	8/1/22	0	40,950	498,975	8,190,000	523,924	0	523,924	0	0	0	523,924
	2/1/23	420,000	40,950		7,770,000							
2023	8/1/23	0	38,850	499,800	7,770,000	524,790	0	524,790	0	0	0	524,790
	2/1/24	420,000	38,850		7,350,000							
2024	8/1/24	0	36,750	495,600	7,350,000	520,380	0	520,380	0	0	0	520,380
	2/1/25	425,000	36,750		6,925,000							
2025	8/1/25	0	34,625	496,375	6,925,000	521,194	0	521,194	0	0	0	521,194
	2/1/26	430,000	34,625		6,495,000							
2026	8/1/26	0	32,475	497,100	6,495,000	521,955	0	521,955	0	0	0	521,955
	2/1/27	435,000	32,475		6,060,000							
2027	8/1/27	0	30,300	497,775	6,060,000	522,664	0	522,664	0	0	0	522,664
	2/1/28	440,000	30,300		5,620,000							
2028	8/1/28	0	28,100	498,400	5,620,000	523,320	0	523,320	0	0	0	523,320
	2/1/29	445,000	28,100		5,175,000							
2029	8/1/29	0	25,875	498,975	5,175,000	523,924	0	523,924	0	0	0	523,924
	2/1/30	450,000	25,875		4,725,000							
2030	8/1/30	0	23,625	499,500	4,725,000	524,475	0	524,475	0	0	0	524,475
	2/1/31	450,000	23,625		4,275,000							
2031	8/1/31	0	21,375	495,000	4,275,000	519,750	0	519,750	0	0	0	519,750
	2/1/32	455,000	21,375		3,820,000							
2032	8/1/32	0	19,100	495,475	3,820,000	520,249	0	520,249	0	0	0	520,249
	2/1/33	460,000	19,100		3,360,000							
2033	8/1/33	0	16,800	495,900	3,360,000	520,695	0	520,695	0	0	0	520,695
	2/1/34	465,000	16,800		2,895,000							
2034	8/1/34	0	14,475	496,275	2,895,000	521,089	0	521,089	0	0	0	521,089
	2/1/35	470,000	14,475		2,425,000							
2035	8/1/35	0	12,125	496,600	2,425,000	521,430	0	521,430	0	0	0	521,430
	2/1/36	475,000	12,125		1,950,000							
2036	8/1/36	0	9,750	496,875	1,950,000	521,719	0	521,719	0	0	0	521,719
	2/1/37	480,000	9,750		1,470,000							
2037	8/1/37	0	7,350	497,100	1,470,000	521,955	0	521,955	0	0	0	521,955
	2/1/38	485,000	7,350		985,000							
2038	8/1/38	0	4,925	497,275	985,000	522,139	0	522,139	0	0	0	522,139
	2/1/39	490,000	4,925		495,000							
2039	8/1/39	0	2,475	497,400	495,000	522,270	0	522,270	0	0	0	522,270
	2/1/40	495,000	2,475		0							
<b>Total</b>		<b>9,000,000</b>	<b>945,900</b>	<b>9,448,425</b>		<b>9,920,846</b>	<b>0</b>	<b>9,920,846</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,920,846</b>

**Table 17**  
**New G.O. Debt Payable from Sanitary Sewer Fund**  
**Planned Future Issuance for Planning Purposes**

**Purpose:** G.O. Sewer Revenue Bonds, Series 2022  
**Dated:** 6/1/2022  
**First Interest:** 2/1/2023  
**First Principal:** 2/1/2023  
**Original Amount:** \$440,000  
**Term (years):** 20  
**Average Coupon:** 4.00%

Term	Fiscal Year	Principal Paid	DEBT SERVICE PAYMENTS			OUTSTANDING BONDS	Total Source of Funds						
			Principal	Interest	Total		100% of Levy	Less: Special Assessments	Sanitary Sewer	Water	Storm Water	Net Tax Levy	
		6/1/22	0	0	0	440,000							
1		2/1/23	10,000	11,733		430,000							
	2023	8/1/23	0	8,600	30,333	430,000	30,333	0	30,333	0	0	0	30,333
2		2/1/24	15,000	8,600		415,000							
	2024	8/1/24	0	8,300	31,900	415,000	31,900	0	31,900	0	0	0	31,900
3		2/1/25	15,000	8,300		400,000							
	2025	8/1/25	0	8,000	31,300	400,000	31,300	0	31,300	0	0	0	31,300
4		2/1/26	15,000	8,000		385,000							
	2026	8/1/26	0	7,700	30,700	385,000	30,700	0	30,700	0	0	0	30,700
5		2/1/27	20,000	7,700		365,000							
	2027	8/1/27	0	7,300	35,000	365,000	35,000	0	35,000	0	0	0	35,000
6		2/1/28	20,000	7,300		345,000							
	2028	8/1/28	0	6,900	34,200	345,000	34,200	0	34,200	0	0	0	34,200
7		2/1/29	20,000	6,900		325,000							
	2029	8/1/29	0	6,500	33,400	325,000	33,400	0	33,400	0	0	0	33,400
8		2/1/30	20,000	6,500		305,000							
	2030	8/1/30	0	6,100	32,600	305,000	32,600	0	32,600	0	0	0	32,600
9		2/1/31	20,000	6,100		285,000							
	2031	8/1/31	0	5,700	31,800	285,000	31,800	0	31,800	0	0	0	31,800
10		2/1/32	20,000	5,700		265,000							
	2032	8/1/32	0	5,300	31,000	265,000	31,000	0	31,000	0	0	0	31,000
11		2/1/33	20,000	5,300		245,000							
	2033	8/1/33	0	4,900	30,200	245,000	30,200	0	30,200	0	0	0	30,200
12		2/1/34	25,000	4,900		220,000							
	2034	8/1/34	0	4,400	34,300	220,000	34,300	0	34,300	0	0	0	34,300
13		2/1/35	25,000	4,400		195,000							
	2035	8/1/35	0	3,900	33,300	195,000	33,300	0	33,300	0	0	0	33,300
14		2/1/36	25,000	3,900		170,000							
	2036	8/1/36	0	3,400	32,300	170,000	32,300	0	32,300	0	0	0	32,300
15		2/1/37	25,000	3,400		145,000							
	2037	8/1/37	0	2,900	31,300	145,000	31,300	0	31,300	0	0	0	31,300
16		2/1/38	25,000	2,900		120,000							
	2038	8/1/38	0	2,400	30,300	120,000	30,300	0	30,300	0	0	0	30,300
17		2/1/39	30,000	2,400		90,000							
	2039	8/1/39	0	1,800	34,200	90,000	34,200	0	34,200	0	0	0	34,200
18		2/1/40	30,000	1,800		60,000							
	2040	8/1/40	0	1,200	33,000	60,000	33,000	0	33,000	0	0	0	33,000
19		2/1/41	30,000	1,200		30,000							
	2041	8/1/41	0	600	31,800	30,000	31,800	0	31,800	0	0	0	31,800
20		2/1/42	30,000	600		0							
	<b>Total</b>		<b>440,000</b>	<b>203,533</b>	<b>612,933</b>		<b>612,933</b>	<b>0</b>	<b>612,933</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>612,933</b>

**Table 18**  
**New G.O. Debt Payable from Sanitary Sewer Fund**  
**Planned Future Issuance for Planning Purposes**

**Purpose:** G.O. Sewer Revenue Bonds, Series 2024  
**Dated:** 6/1/2024  
**First Interest:** 2/1/2025  
**First Principal:** 2/1/2025  
**Original Amount:** \$515,000  
**Term (years):** 15  
**Subject to Debt Limit:** No  
**Include in Debt Ratios:** No  
**Average Coupon:** 4.00%

Fiscal Year	Principal Paid	DEBT SERVICE PAYMENTS			OUTSTANDING BONDS	Sources of Funds						
		Principal	Interest	Total		105% of Levy	Less: Special Assessments	Less: Sanitary Sewer	Less: Water	Less: Storm Water	Net Tax Levy	Total Source of Funds
	6/1/24	0	0	0	515,000							
	2/1/25	20,000	13,733		495,000							
2025	8/1/25	0	9,900	43,633	495,000	45,815	0	45,815	0	0	0	45,815
	2/1/26	25,000	9,900		470,000							
2026	8/1/26	0	9,400	44,300	470,000	46,515	0	46,515	0	0	0	46,515
	2/1/27	30,000	9,400		440,000							
2027	8/1/27	0	8,800	48,200	440,000	50,610	0	50,610	0	0	0	50,610
	2/1/28	30,000	8,800		410,000							
2028	8/1/28	0	8,200	47,000	410,000	49,350	0	49,350	0	0	0	49,350
	2/1/29	30,000	8,200		380,000							
2029	8/1/29	0	7,600	45,800	380,000	48,090	0	48,090	0	0	0	48,090
	2/1/30	30,000	7,600		350,000							
2030	8/1/30	0	7,000	44,600	350,000	46,830	0	46,830	0	0	0	46,830
	2/1/31	35,000	7,000		315,000							
2031	8/1/31	0	6,300	48,300	315,000	50,715	0	50,715	0	0	0	50,715
	2/1/32	35,000	6,300		280,000							
2032	8/1/32	0	5,600	46,900	280,000	49,245	0	49,245	0	0	0	49,245
	2/1/33	35,000	5,600		245,000							
2033	8/1/33	0	4,900	45,500	245,000	47,775	0	47,775	0	0	0	47,775
	2/1/34	35,000	4,900		210,000							
2034	8/1/34	0	4,200	44,100	210,000	46,305	0	46,305	0	0	0	46,305
	2/1/35	40,000	4,200		170,000							
2035	8/1/35	0	3,400	47,600	170,000	49,980	0	49,980	0	0	0	49,980
	2/1/36	40,000	3,400		130,000							
2036	8/1/36	0	2,600	46,000	130,000	48,300	0	48,300	0	0	0	48,300
	2/1/37	40,000	2,600		90,000							
2037	8/1/37	0	1,800	44,400	90,000	46,620	0	46,620	0	0	0	46,620
	2/1/38	45,000	1,800		45,000							
2038	8/1/38	0	900	47,700	45,000	50,085	0	50,085	0	0	0	50,085
	2/1/39	45,000	900		0							
<b>Total</b>		<b>515,000</b>	<b>174,933</b>	<b>644,033</b>		<b>676,235</b>	<b>0</b>	<b>676,235</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>676,235</b>

**Appendix A**  
**G.O. Bonds Payable from Water Fund**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
EXISTING G.O. Water Revenue Note of 2003	832,000	670,000	506,000	340,000	171,000	0	0	0	0	0	0	0
EXISTING G.O. Corporate Purpose Crossover Refunding Bonds, Series 2011A	89,125	68,200	45,725	23,250	0	0	0	0	0	0	0	0
EXISTING G.O. Water Revenue Note of 2012	23,938	22,238	20,538	18,838	17,138	15,438	13,738	12,038	10,338	8,638	6,938	5,238
EXISTING G.O. Sewer Revenue Note of 2012	0	0	0	0	0	0	0	0	0	0	0	0
EXISTING G.O. Water Revenue Bond, Series 2013	1,635,000	1,550,000	1,460,000	1,370,000	1,280,000	1,185,000	1,090,000	995,000	895,000	795,000	690,000	585,000
EXISTING G.O. Water Revenue Note of 2014	31,412	29,447	27,482	25,517	23,552	21,587	19,622	17,657	15,692	13,727	11,762	9,797
EXISTING G.O. Refunding Bonds, Series 2015A (Refunded 2001 Bonds)	15,600	12,238	8,741	6,859	6,052	5,245	4,438	3,631	2,824	1,883	941	0
NEW 2019	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2020	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2021	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2022	0	0	0	0	545,000	520,000	490,000	460,000	430,000	400,000	365,000	330,000
NEW 2023	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2024	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2025	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2026	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2027	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2028	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2029	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>2,627,075</b>	<b>2,352,123</b>	<b>2,068,487</b>	<b>1,784,464</b>	<b>2,042,742</b>	<b>1,747,270</b>	<b>1,617,798</b>	<b>1,488,326</b>	<b>1,353,854</b>	<b>1,219,248</b>	<b>1,074,642</b>	<b>930,035</b>

**Appendix B**  
**G.O. Bonds Payable from Sanitary Sewer Fund**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
EXISTING G.O. Water Revenue Note of 2003	0	0	0	0	0	0	0	0	0	0	0	0	0
EXISTING G.O. Corporate Purpose Crossover Refunding Bonds, Series 2011A	110,050	89,125	68,200	45,725	23,250	0	0	0	0	0	0	0	0
EXISTING G.O. Water Revenue Note of 2012	0	0	0	0	0	0	0	0	0	0	0	0	0
EXISTING G.O. Sewer Revenue Note of 2012	5,554,000	5,209,000	4,861,000	4,509,000	4,154,000	3,795,000	3,432,000	3,065,000	2,695,000	2,321,000	1,943,000	1,562,000	1,177,000
EXISTING G.O. Water Revenue Bond, Series 2013	0	0	0	0	0	0	0	0	0	0	0	0	0
EXISTING G.O. Water Revenue Note of 2014	0	0	0	0	0	0	0	0	0	0	0	0	0
EXISTING G.O. Refunding Bonds, Series 2015A (Refunded 2001 Bonds)	526,066	442,200	346,898	247,784	194,416	171,543	148,671	125,798	102,926	80,053	53,369	26,684	0
NEW 2019	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2020	0	0	0	9,000,000	8,605,000	8,190,000	7,770,000	7,350,000	6,925,000	6,495,000	6,060,000	5,620,000	5,175,000
NEW 2021	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2022	0	0	0	0	0	440,000	430,000	415,000	400,000	385,000	365,000	345,000	325,000
NEW 2023	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2024	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2025	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2026	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2027	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2028	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW 2029	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>6,190,116</b>	<b>5,740,325</b>	<b>5,276,098</b>	<b>13,802,509</b>	<b>12,976,666</b>	<b>12,596,543</b>	<b>11,780,671</b>	<b>10,955,798</b>	<b>10,122,926</b>	<b>9,281,053</b>	<b>8,421,369</b>	<b>7,553,684</b>	<b>6,677,000</b>



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