Stantec

Pinery Water and Wastewater District, CO

2024 Comprehensive Water and Wastewater Rates and Fees Study – Final Draft Report

November 14, 2024



November 14, 2024

Ms. Heather Beasley,
District Manager
5242 Old Schoolhouse Rd,
Parker, CO 80134

Re: 2024 Water & Wastewater Rates and Fees Study

Dear Ms. Beasley,

Stantec is pleased to provide you with this report of findings from the 2024 Water & Wastewater Rates and Fees Study completed for the Pinery Water and Wastewater District, CO. We appreciate the professional assistance provided by you and all members of District staff who participated in the study.

Key findings and recommendations are provided in the attached report.

If you or others at the District have any questions, please do not hesitate to call our Downtown District Denver office at (303) 291-2222 or email me at Carol.Malesky@stantec.com. We appreciate the opportunity to be of service to the District and look forward to the possibility of doing so again in the future.

Sincerely,

Carol Malesky
Senior Principal/Project Manager

Enclosure

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1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

This Executive Summary presents an overview of the findings of the 2024 Water and Wastewater Rates and Fees Study (Study) that was completed for the Pinery Water and Wastewater District (hereafter referred to as "Pinery" or the "District") by Stantec Consulting Services Inc. (Stantec). The findings of the Study are based on a set of assumptions and costs that are subject to change, which could have a measurable effect on the findings. While this Executive Summary presents the findings and recommendations of the Study, the full report presents the detailed analyses prepared to develop the findings.

1.2 OBJECTIVES

The principal objectives or components of the Study are as follows:

Financial Management Plans & Demand Analysis – Develop multi-year financial plans for the District's water and wastewater systems that determine the level of annual revenue required to satisfy projected annual operating, debt service, and capital cost requirements as well as maintain adequate reserves.

Cost-of-Service Analysis – Determine the costs of providing water and wastewater service in order to compare system costs to revenues and allocate the costs of providing the District services to specific system functions for use in developing water and wastewater user rates.

Rate Design – Review the District's existing rate structures and develop modifications, as appropriate, to ensure that the District's rates conform to accepted industry practice and reflect the appropriate recovery of system costs. Assess the ability of the rate structures to achieve the District's policy objectives, such as fiscal stability, affordability, and conservation to the greatest extent possible.

Review & Development of Tap Fees – Evaluate the cost impacts of new development following directives of Colorado state statute. Through review of existing District assets, system capacities, and planned capital improvements, provide that growth is paying for the costs of growth in a fair and equitable manner by calculating relevant tap fees (i.e., water system and wastewater system tap fees).

Comparative Rate Surveys – Survey neighboring utility rates to determine how the District's water and wastewater rates compare to its neighbors. Calculate monthly water and wastewater bills to compare cost of services across communities. During this step, it is assumed that utilities likely follow differing asset replacement schedules and deliver different levels of service; therefore, this comparison of bill totals is provided simply as an objective look at neighboring rates and structures.

Miscellaneous Service Fees Review – Review miscellaneous service charges assessed by the District, identify the underlying processes and related costs, and determine the full cost recovery for services provided related to these specific fees.

1.3 FINANCIAL MANAGEMENT PLANS & DEMAND ANALYSIS

The financial planning analysis evaluates the sufficiency of the District's revenues to meet all current and projected financial requirements over a 10-year projection period and determines the level of any rate revenue adjustments necessary in each year of the projection period to provide sufficient revenues to fund all of the water and wastewater system cost requirements. Stantec independently reviewed financial documents of both the water and wastewater systems. Data and assumptions of the analysis were reviewed and discussed with District staff. Through this process, the recommended financial management plans and associated forecast of annual water and wastewater rate adjustments were developed and are presented in the main sections of this report.

The recommended financial management plans and corresponding plans of water and wastewater rate adjustments are based upon both audited and budgeted revenue and expense information, beginning balances, and assumptions as described in the body of this report. Detailed schedules presenting all components of the financial management plans are provided in Appendices A and B to this report. The following findings and conclusions are provided based on the financial planning analysis.

- Water Fund Scenarios:

  1) No Water Treatment Plant

  2) Surface Water Treatment Plant ($36M in 2031 - 2033)

  The evaluation of fund balances and the District's revenues generated from current rates and fees indicate that rate increases of 6.5% in fiscal year (FY) 2032 and a 10% in (FY) 2033 are sufficient to cover revenue requirements within the water fund over the projection period under scenario 2.

- The wastewater fund is projected to maintain its reserves and meet revenue requirements with 1.5% rate increases from FY 2025 - 2029.

The recommended rate adjustments for the water and wastewater systems are presented in Table 1-1 below. The recommended rate plans maintain industry-recommended reserves for working capital and follow the District's own guidance as it prepares for large long-term water and wastewater projects as well as maintaining adequate debt service coverage. Overall, the recommended rate plans will enable the District to maintain its fiscally responsible nature and allow for flexibility in the future.

Table 1-1 Recommended Plans of Water and Wastewater Rate Adjustments

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.5%	10.0%	0.0%
Wastewater	0.0%	1.5%	1.5%	1.5%	1.5%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%

1.4 COST-OF-SERVICE ANALYSIS

Stantec allocated the District's water and wastewater costs in a cost-of-service (COS) analysis to determine the under or over-recovery of revenues generated from each system. The COS analysis evaluated projected FY 2025 annual costs the District will incur to provide its customers both water and wastewater service and determined the portion of system costs that are allocable to system functions. Customer classes require water and wastewater services depending on each class's usage characteristics. Therefore, Stantec analyzed customer class consumption patterns and requirements to determine the demand each class places on the District's systems.

Costs to serve each class of customers were calculated and compared against the revenue generated by the existing rates for each customer class. This comparison provides insight into the revenue sufficiency of existing rates to recover the costs for each class. Table 1-2 presents a summary of each customer class's costs compared to revenues collected assuming total revenue requirements for FY 2025 are approximately equal to $6.97 million for the water system and $2.90 million for the wastewater system. Customer classes include residential, commercial, large irrigation, Colorado Golf Course (CGC), Pradera Golf Course, Pinery Golf Course, and wholesale wastewater customers such as the Canyons and Cielo Metro District.

Table 1-2 Water Cost-of-Service Summary

Water System	Revenue Under Existing Rates	COS Revenue Requirement	Difference
Residential	$5,811,549	$5,590,916	$220,632
Commercial	201,594	176,568	$25,026
Large Irrigation	329,336	354,767	($25,430)
CGC & Pradera Golf Irrigation	362,187	428,442	($66,255)
Pinery Golf Irrigation	334,011	421,221	($87,210)
Total	$7,038,677	$6,971,914	$66,763

Table 1-3 Wastewater Cost-of-Service Summary

Wastewater System	Revenue Under Existing Rates	COS Revenue Requirement	Difference
Residential	$2,635,633	$2,382,517	$253,116
Commercial	95,027	176,354	($81,327)
Contract/ Wholesale	198,378	336,287	($137,910)
Total	$2,929,037	$2,895,158	$33,879

A positive difference indicates the revenue collected from the class is more than the allocated costs of service; a negative difference indicates the revenue collected is less than the costs of service. The general comparison of allocated costs of service and revenues collected by class indicates that while there are small differences across customer classes, the revenues collected are, generally, in line with the COS by class.

1.5 RATE DESIGN

Stantec examined the District's current water and wastewater rate structures to assess how well the District's pricing objectives are being met across the different customer classes and profiles.

At the beginning of the rate study, Board Members and District staff voted Revenue Stability as the most important pricing objective, followed by System Sustainability and Conservation / Demand Management as the 2nd and 3rd most important pricing objectives. Other objectives include Administrative Burden, Interclass Equity, Intraclass Equity, and Bill Stability. During the rate and fee structure analysis, Stantec evaluated the sufficiency of each rate component, such as monthly fixed charges and tiered usage rates, in recovering the costs of serving customer types and determined possible adjustments to District's rate structure that may better meet the District's goals. Stantec explored an alternative water rate structure option that would allow the District to collect 20% of the total costs through monthly fixed charges, and the remaining revenue requirement is recovered through volumetric rates. In addition, water volumetric rates for Large Irrigators and Golf Courses are adjusted to better reflect the COS analysis.

Stantec proposes the following changes to the existing water and wastewater rates:

1.5.1 Water System

1. Maintain existing 5-tier residential rate structure
2. Reduce the monthly fixed charges for all customer classes to recover 20% of total revenues through fixed charges
3. Increase irrigation volumetric rates by 8% to recover allocated costs for the class
4. Increase golf courses volumetric rates by 22.5% to recover allocated costs for these classes

1.5.2 Wastewater System

1. Maintain current wastewater rate structure
2. Adopt 1.5% rate increase for FY 2025

All rates and fees adjustments will be effective January 1, 2025. The existing and proposed rate schedules for FY 2025 are presented below.

Table 1-4 Existing and FY 2025 Proposed Water Rate Schedules

Description	FY 2024	FY 2025
Residential		
Monthly Fixed Charge ($/ Month)		
Fixed Monthly Charge	$30.41	$21.64
Water Project Fee	12.50	12.50
Volumetric Charge ($/ kgal)		
0 – 5,000 gallons	$2.69	$2.82
5,000 – 20,000 gallons	3.89	4.42
20,000 – 30,000 gallons	4.91	5.59
30,000 – 50,000 gallons	6.39	7.27
Over 50,000 gallons	11.23	11.79
Large Irrigation		
Monthly Fixed Charge ($/ Month)		
Fixed Monthly Charge	$30.41	$21.64
Water Project Fee	12.50	12.50
Volumetric Charge ($/ kgal)	$5.04	$5.44
Golf Courses		
Monthly Fixed Charge ($/ Month)		
Fixed Monthly Charge	$30.41	$21.64
Water Project Fee	250.00	250.00
Volumetric Charge ($/ kgal)		
Pinery Golf Course	$4.53	$5.55
Pradera/ Colorado Golf Course	4.08	5.00

Description	FY 2024 Commercial				
Commercial	**3/4"**	**1"**	**1 1/2"**	**2"**	**3"**
Monthly Fixed Charge ($/ Month)					
Fixed Monthly Charge	$30.41	$50.20	$71.39	$101.86	$192.99
Water Project Fee	$12.50	$25.00	$50.00	$87.50	$200.00
Volumetric Charge ($/ kgal)					
Tier 1: $2.69/ kgal	0 - 5 kgal	2x 3/4" Threshold	4x 3/4" Threshold	7x 3/4" Threshold	16x 3/4" Threshold
Tier 2: $3.89/ kgal	5 - 20 kgal				
Tier 3: $4.91/ kgal	20 - 30 kgal				
Tier 4: $6.39/ kgal	30 - 50 kgal				
Tier 5: $11.23/ kgal	Over 50 kgal				

Description	Proposed FY 2025 Commercial				
Commercial	**3/4"**	**1"**	**1 1/2"**	**2"**	**3"**
Monthly Fixed Charge ($/ Month)					
Fixed Monthly Charge	$21.64	$35.72	$50.80	$72.48	$137.33
Water Project Fee	$12.50	$25.00	$50.00	$87.50	$200.00
Volumetric Charge ($/ kgal)					
Tier 1: $2.82/ kgal	0 - 5 kgal	2x 3/4" Threshold	4x 3/4" Threshold	7x 3/4" Threshold	16x 3/4" Threshold
Tier 2: $4.42/ kgal	5 - 20 kgal				
Tier 3: $5.59/ kgal	20 - 30 kgal				
Tier 4: $7.27/ kgal	30 - 50 kgal				
Tier 5: $11.79/ kgal	Over 50 kgal				

Table 1-5 Existing and FY 2025 Proposed Wastewater Rate Schedules

Description	FY 2024	FY 2025
Residential		
0 – 5,000 gallons AWC	$37.86	$38.43
> 5,000 gallons AWC	55.61	56.44
Commercial, $ per month		
¾” meter	$55.61	$56.44
1” meter	111.24	112.91
1 ½” meter	222.48	225.82
2” meter	389.34	395.18
3” meter	889.93	903.28

1.6 TAP FEE ANALYSIS

Stantec completed a comprehensive review of the District’s water and wastewater tap fees. Following the hybrid method for the water system and buy-in approach for the wastewater system in AWWA Manual M1[1] and WEF Manual of Practice No. 27 [2], Stantec focused on the value of the water and wastewater systems using the replacement cost new (RCN) method. There are four accepted asset valuation methodologies including replacement cost new (RCN), RCNLD, original cost, and net book value. RCN values existing fixed assets according to the costs of replacing the asset in today’s dollars. Next, the cost of new capital improvements needed to serve new customers was added to the RCN of the existing assets. The total

[1] American Water Works Association, Manual of Water Supply Practices M1, Principles of Water Rates, Fees, and Charges, 7th ed., 2017.

[2] Water Environment Federation, Manual of Practice No. 27, Financing and Charges for Sewer Systems, 2005.

system costs represent the value of the District's investment in its water and wastewater systems to serve new customers.

In addition to determining the system value, Stantec applied system capacity values for the water and wastewater systems obtained from the recent master plans and discussions with District staff. Total capacity and the number of single-family equivalent units (SFEs) able to be served were used to determine the tap fee for each new unit connecting to the District's water and wastewater systems. Given these independent calculations, Table 1-6 below presents the current and proposed tap fees for a ¾" meter.

Table 1-6 Current and Proposed Tap Fees

System	Proposed Tap Fee ($/ SFE)	Existing Tap Fee ($/ SFE)	Difference
Water System	$41,759	$41,480	$279
Wastewater System	16,064	8,790	7,274
Total	$57,823	$50,270	$7,553

1.7 COMPARATIVE RATE ANALYSIS TO NEIGHBORING UTILITIES

Stantec completed a rate survey for neighboring utilities that captures the water and wastewater volumetric rates and monthly fixed fees as well as rate structure of each District. A list of neighboring utilities, excluding those with water budget-based rate structures, includes:

- Roxborough Water & Wastewater District
- Parker Water & Sanitation District
- Aurora Water
- City of Lakewood
- East Cherry Creek Valley Water District
- Stonegate Village Metropolitan District

The graph below presents the comparison of total monthly water and wastewater bills for each community as of 2024 assuming 25,000 gallons of water usage and 5,000 gallons of wastewater flow. Water usage is based on the Pinery's average summer monthly water usage while wastewater flow is based on the Pinery's average winter water consumption using 2023 billing data. The average water and wastewater monthly bill combined at this usage level for all communities is $207.32. Given the survey results, the Pinery's current and proposed water and wastewater rates are less than the average for water and wastewater bills.

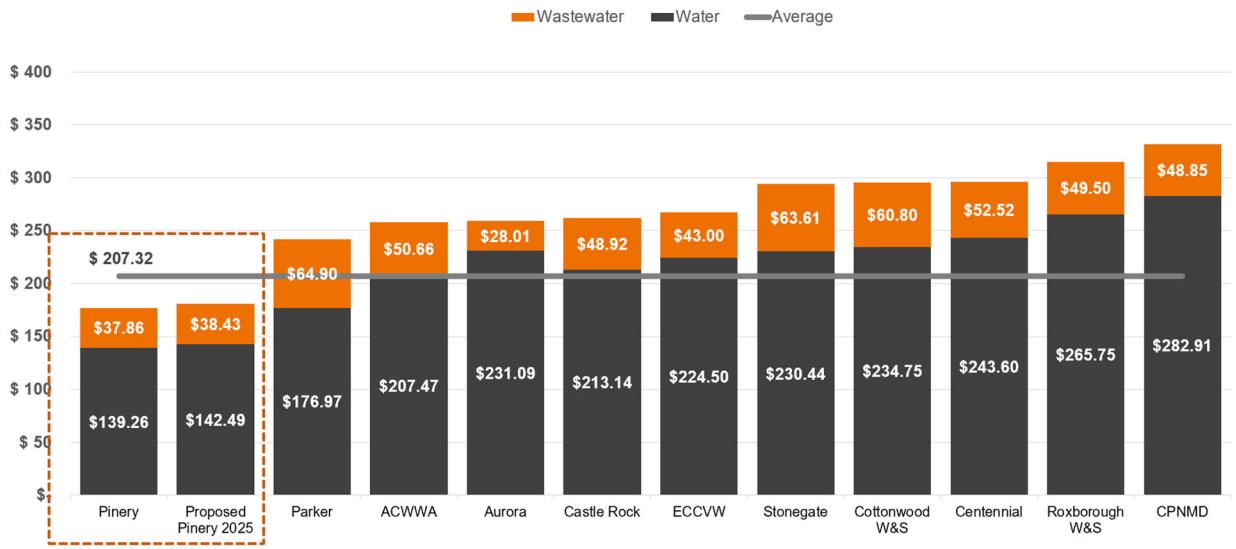

Figure 1-1 Monthly Bill Comparison at 25,000 Gallons of Water Use

1.8 MISCELLANEOUS FEES REVIEW

Stantec updated the District miscellaneous fees in conjunction with District Staff in several steps. Stantec conducted interviews with District staff to identify activities and costs associated with each fee, then populated Stantec's proprietary cost computation template with information from the interviews. To assist with background for some assumptions, Stantec used information from its recently completed fee studies. Finally, an analysis of the cost recovery and financial implications of the updated fees was conducted to propose fees that cover corresponding costs based on City objectives and policies. Table 1-7 Existing and FY 2025 Proposed Miscellaneous Fees below presents the current and proposed miscellaneous fees.

Table 1-7 Existing and FY 2025 Proposed Miscellaneous Fees

Miscellaneous Fees	2024	Proposed 2025
Ready to Serve "Stand By Fee"		
Water	$10.42	No Change
Water and Sewer	19.32	No Change
Late Payment Fee	10.00 + 1%	No Change
Transfer Fee	45.00	No Change
Shutoff Fee	110.00	No Change
Residential Meter Test	165.00	No Change
Bulk Water		
Set up Charge	$55.00	$55.00
$/1000 Gallons	$10.16	$10.97

1.9 SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

A summary of Study recommendations based on the development of the financial analysis for the District's water and wastewater utilities is presented below.

- Maintain the current 5-tier water rate structure for residential customers; Reduce water monthly fixed charges to recover 20% of the total revenues through fixed charges. 8% rate increase will be applied to large irrigators volumetric rate and 22.5% to golf courses volumetric rates to align with cost-of-service results in FY 2025.
- In subsequent years, annually evaluate rate adjustment based on actual operating results. This Study projects 0% increase from FY 2025 through FY 2030 for the water system. If the District is planning on constructing the new water treatment plant, additional rate increases of 6.5% and 10% are needed in FY 2032 and FY 2033.
- Maintain the current wastewater rate structure.
- Additional rate increases of 1.5% annually from FY 2025 – FY 2029 are projected for the wastewater system.
- Increase water tap fees from $41,480 to $41,759 for a ¾” meter connection.
- Increase wastewater tap fees from $8,790 to $16,064 for a ¾” meter connection.
- Adopt the proposed changes to the miscellaneous fees for FY 2025.
- Evaluate District performance annually to assess rate revenue needs and update financial planning models.
- Review water and wastewater rate structures continually to ensure fairness and equity across customer classes.
- Review tap fees every 3-5 years or when changes to the growth-related CIP are expected.

2. INTRODUCTION

Stantec completed a comprehensive 2024 Water and Wastewater Rates and Fees (Study) for the Pinery Water and Wastewater District (hereafter referred to as “Pinery” or “District”). This report presents the objectives, approach, methodologies, source data, assumptions, as well as the findings and recommendations of the Study.

2.1 BACKGROUND

The Pinery Water and Wastewater District provides water and wastewater services to approximately 15,000 residents in northeastern Douglas County. The District population is expected to grow slowly and steadily to over 18,000 residents by buildout sometime after 2040.

The District’s current primary water supply comes from two sources: groundwater from Denver Basin aquifer wells and Cherry Creek Alluvial wells. The District is currently participating in the WISE (Water, Infrastructure and Supply Efficiency) project, which is a regional water supply project among Denver Water, City of Aurora, and members of the South Metro Water Supply Authority. The District receives 500 acre-feet (AF) of WISE water on average each year. In addition, the District owns and operates a tertiary wastewater treatment plant that discharges to Cherry Creek. Average daily wastewater treatment is currently around 1.0 million gallons per day. The treatment plant is rated to treat up to 2.0 million gallons per day.

This comprehensive rates and fees study addresses the following objectives:

2.2 OBJECTIVES

The principal objectives or components of the Study are as follows:

Financial Management Plans & Demand Analysis – Develop multi-year financial plans for the District’s water and wastewater systems that determine the level of annual revenue required to satisfy projected annual operating, debt service, and capital cost requirements as well as maintain adequate reserves.

Cost-of-Service Analysis – Determine the costs of providing water and wastewater service in order to compare system costs to revenues and allocate the costs of providing District services to specific system functions for use in developing water and wastewater user rates for each respective service.

Rate Development – Review the District’s existing rate structures and develop modifications, as appropriate, to ensure that the District’s rates conform to accepted industry practice and reflect the appropriate distribution of system costs. Assess the ability of the rate structures to achieve the District’s policy objectives, such as fiscal stability, affordability, and conservation to the greatest extent possible.

Review & Development of Tap Fees – Evaluate the cost impacts of new development following directives of Colorado state statute. Through review of existing District assets, system capacities, and planned capital improvements, provide that growth is paying for the costs of growth in a fair and equitable manner by calculating relevant tap fees (i.e., water system and wastewater system tap fees).

Comparative Rate Analysis – Survey neighboring utility rates to determine how the District's water and wastewater rates compare to its neighbors. Calculate monthly water and wastewater bills to compare cost of services across communities. During this step, it is assumed that utilities likely follow differing asset replacement schedules and deliver different levels of service; therefore, this comparison of bill totals is provided simply as an objective look at neighboring rates and structures.

Miscellaneous Service Fees Review – Review miscellaneous service charges assessed by the District, identify the underlying processes and related costs, and determine the full cost recovery for services provided related to these specific fees.

3. FINANCIAL MANAGEMENT PLANS & DEMAND ANALYSIS

3.1 DESCRIPTION

This section presents the financial management plans and corresponding plans of water and wastewater rate adjustments developed in the financial planning analysis conducted as part of the Study. The following sub-sections of the report describe the source data, assumptions, and results of the analysis, while Appendices A and B include detailed supporting schedules for the District's financial management plans identified for the water system and wastewater system.

During the financial planning analysis, Stantec reviewed alternative multi-year financial management plans and corresponding water and wastewater rate adjustment plans through several interactive work sessions with District staff. During these work sessions, the impact of various inputs or assumptions upon key financial indicators was evaluated. The recommended financial management plans and corresponding plans of annual water and wastewater rate adjustments presented in this report allow the District to fund its cost requirements throughout the projection period and meet its financial performance goals and objectives.

The District's historical and budgeted financial information regarding the operation of its water and wastewater systems, as well as historical customer counts and volume data by class of customer were used. Additionally, the District's multi-year capital improvement program (CIP) was received from District staff, as well as documented current debt service obligations and covenants, or promises made to lenders, relative to coverage requirements, reserves, etc. Trends in demands, planned developments/customer growth, debt coverage levels, levels of reserves, capital funding sources, earnings on invested funds, escalation rates for operating costs, and others were discussed and included as part of the analysis.

This information was entered into Stantec's Financial Analysis and Management System (FAMS) interactive modeling system. FAMS produces a 10-year projection of the sufficiency of the revenue provided by the current rates of the system to meet current and projected financial requirements and determines the level of rate adjustments necessary in each year of the projection period to satisfy the system's annual financial requirements.

FAMS utilizes all projected available funds in each year of the projection period to pay for capital projects. The model is set up to reflect the use of cash for projects as defined and applied by District staff, and it produces a detailed summary of the funding sources to be used for each project in the CIP. To the extent that current revenues and unrestricted reserves are not adequate to fund all capital projects in any year of the projection period, the model identifies a borrowing requirement to fund those projects, or portions thereof that are determined to be eligible for borrowing. The FAMS model is used to develop a borrowing program that includes the required borrowing amount by year and the resulting annual debt service requirements for each year in the projection period.

Interactive work sessions were conducted with District staff focusing on using the financial models to graphically represent impacts to identified key performance indicators under various scenarios. Inputs and assumptions used in the forecasting models were adjusted to model alternative scenarios for the systems. Local information and District staff input helped develop the recommended financial management plans for the District and the resulting plans of water and wastewater rate adjustments presented in this report. The results are financial plans that make use of the District's current and best assumptions and data to satisfy the District's revenue requirements over a multi-year projection period, while meeting key financial performance objectives and minimizing rate adjustments to the greatest extent possible.

3.2 SOURCE DATA

The following presents the key source data relied upon in conducting the financial planning analysis:

3.2.1 Beginning Fund Balances

Unaudited FY 2023 financials and supporting trial balance schedules available as of December 31, 2023 were provided by District staff to establish the beginning FY 2024 cash composition for the District's utility systems. The District reports financials for water and wastewater systems combined. Based on discussion with District staff, a 70% water - 30% wastewater split was used to allocate ending fund balance between water and wastewater systems.

3.2.2 Revenues

The revenues utilized in the analysis reflect an evaluation of historical budgets and actual results as well as the FY 2024 Budget, FY 2024 Year End Projections, and FY 2025 Budget used for future projections. Revenues consist of rate revenue, tap fee revenue, interest income, and other revenues from miscellaneous charges. FY 2024 rate revenue is forecasted based on year-to-date actuals. The projected FY 2024 revenues are higher than the adopted budget as budget estimates were based on FY 2023, a wet year for Colorado with lower water sales revenue than a normal year. FY 2024 evolved as a more normal year for precipitation, with higher water sales in the District. To be conservative, the FY 2025 rate revenues are based upon the FY 2024 adopted budget, adjusted to reflect assumed customer growth and changes in demand. Projections of all other revenues reflect the amounts within the FY 2024 and FY 2025 Budget, excluding interest income[3], which was calculated annually based upon projected average fund balances and assumed interest rates, and revenue from tap fees, which are calculated based on the assumed growth in new accounts and proposed changes to the existing tap fees. Cash inflows to the water and wastewater systems can be found in Schedule 3 of Appendices A and B.

[3] Interest Income in FY 2024-2034 is calculated annually based upon projected average fund balance and calculated interest rates at 0.25% annually.

3.2.3 Operating Expenditures

The District's operating expenditures include all personnel services expenses, operating and maintenance expenses, and minor capital outlay. The financial planning analysis based operating and maintenance expenditure projections on the individual expense categories and expenses amounts within the District's FY 2024 Budget, FY 2024 Year End Projections, and FY 2025 Budget, adjusted annually thereafter based upon assumed cost escalation factors that were reviewed with District staff. Schedule 4 in Appendices A and B provides the District's projected line-item expenditures over the projection period.

3.2.4 Debt Service

The annual debt service schedules for existing outstanding debt includes a 2010 Water Revenue Bond, a 2015 Colorado Water Resources and Power Development Authority (CWRPDA) Water Loan, and a CWRPDA Wastewater Loan. In addition, it includes estimated future debt service schedules for longer-term financings assumed to occur during the projection period for the water system's new water treatment plant (WTP). All debt information was provided by District staff and included in the financial planning analysis.

3.2.5 Capital Improvement Program

District staff provided the multi-year CIP in project and funding level detail from FY 2024 through FY 2033. An average from FY 2024-2030 CIP is calculated to project FY 2034 capital improvement expenditures for the water system, and an average from FY 2030 – 2033 is used to project FY 2034 capital improvement expenditures for the wastewater system. Beginning in FY 2025, the model includes an annual cost inflation factor of 3.84% (based upon 5-year average increases observed in the Engineering News Record Construction Cost Index) to account for the inflation in the future cost of construction.

In total, the CIP in future year dollars from FY 2024-FY 2034 is approximately $126.4 million ($99.1 million related to water and $27.3 million related to wastewater), including the water treatment plant costs. A complete list of projects and costs by year is included on Schedule 6 of Appendices A and B.

3.3 ASSUMPTIONS

The following presents the key assumptions utilized in the financial planning analysis.

3.3.1 Cost Escalation

Annual cost escalation factors for the various types of operating and maintenance expenses were developed based upon a review of historical trends, industry experience, and detailed discussions with District staff. The specific escalation factors assumed for the various categories of expenses can be found

on Schedule 5 of Appendices A and B. A CPI-based escalation factor[4] of 2.20% annually was utilized for most operating and maintenance expenses, with the exception of salaries which were escalated at 3.00% annually and benefits which were escalated at 7.1% annually.

3.3.2 Interest Earnings

Interest Income throughout the projection period is calculated annually based upon projected average fund balance and assumed interest rates. Interest earnings rates of 0.25% are assumed from FY 2024-FY 2034 for the water and wastewater systems.

3.3.3 Customer Growth & Volume Forecast

New connection and sales projections were based upon a review of historical growth data from FY 2021 through FY 2023. Additionally, we considered local environmental and economic conditions as well as discussions with staff regarding the anticipated number of new service connections to the District through FY 2034.

Schedule 1 in Appendices A and B provides a summary of projected customers and billed volume by system over the projection period.

3.3.4 Minimum Reserve Policy

Reserve balances for the District's systems are funds set aside for a specific cash flow requirements, financial needs, projects, tasks, or legal covenants. These balances are maintained in order to meet short-term cash flow requirements, and at the same time minimize the risk associated with meeting the financial obligations and continued operational and capital needs under adverse conditions. The level of reserves maintained by utilities is an important component and consideration of developing a utility system multi-year financial management plan.

Many utilities, rating agencies, and the investment community as a whole place a significant emphasis on having sufficient reserves available for potentially adverse conditions. The rationale related to the maintenance of adequate reserves is twofold. First, it helps to provide adequate funds available to meet financial obligations during unusual periods (i.e. when revenues are unusually low and/or expenditures are unusually high). Second, it provides funds that can be used for emergency repairs or replacements to the system that can occur because of natural disasters or unanticipated system failures.

Stantec has recommended that both the water and wastewater enterprise funds hold a working capital reserve equal to 6 months of operations and maintenance (O&M) expenses each. Financial policies should articulate how these balances are established, their use, and how to determine the adequacy of the reserve

[4] Headline CPI projected for 2019 – 2028 from Philadelphia Federal Reserve Bank.

fund balances. The overall targeted levels of operating reserves are consistent with 1) our industry experience for similar systems, 2) the findings of reserve studies conducted by the American Water Works Association (AWWA), and 3) a healthy level of reserves for a municipal District system per the evaluation criteria published by the municipal City rating agencies (Fitch, Moody's, and Standard & Poor's).

It is important to note that once reserve targets are established, they should be reviewed annually during the budgeting process to monitor current levels and assure conformance with stated policies and practices. Decisions can be made to maintain, increase, or spend down the reserve balances, as appropriate, depending upon the impact of such decisions to the upcoming budget period.

In addition to the O&M reserve target recommended, the District's water system also holds a groundwater protection reserve and a renewal and replacement (R&R) capital reserve for a total of $3.4M in FY 2024. The water R&R capital reserve is calculated based on the current year's capital improvement program expenditures and is capped at a maximum of $4.8M annually through the projection period. The District's wastewater system also holds a R&R capital reserve of $7.3M in FY 2024, which is capped at a maximum of $2.2M annually going forward.

3.3.5 Future Borrowing & Capital Funding

It is anticipated that the District will not need to issue new debt during the projection period to assist in the funding of the CIP besides funding the construction of the new Water Treatment Plant from FY 2031 – FY 2033 . This analysis assumed that subordinate debt would be utilized with 30-year terms at interest rates of 3.50%. Schedule 9 of Appendix A and B presents a summary of the capital project funding plan for major capital projects.

3.3.6 Debt Service and Coverage

One of the most important covenants the District makes relative to the issuance of debt is that its annual net revenues will be at least 1.10 times greater than its debt service requirements for the water and wastewater systems combined.

These debt service coverage requirements represent the District's minimum requirements. Should the District be unable to meet these requirements, it could be found in technical default. This would result in the District facing a potential downgrade in its credit rating, which would affect the interest rate and terms of any future financing initiatives.

As a policy decision, utilities often measure revenue sufficiency and set rates based upon a higher debt service coverage level so as to comply with these type of covenants in the event future projections of revenue and expenses do not occur as predicted (due to extended drought conditions, unanticipated capital requirements or operating cost increases, natural disasters, etc.). The financial management plans assume minimum debt service requirements.

3.4 RESULTS

Based upon the data, assumptions, and policies presented herein, the District's current water and wastewater rates will not provide sufficient revenue to meet its ongoing debt service, capital, operating, and reserve requirements over a multi-year projection period; The recommended plan of rate increases for each system is presented in the table below.

No rate increases are projected for the water fund through FY 2031. Rate increases of 6.5% and 10.0% in FY 2032 and FY 2033 are needed to fund the new water treatment plant.

The wastewater fund is projected to maintain its reserves and meet revenue requirements with 1.5% rate increases from FY 2025-2029.

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.5%	10.0%	0.0%
Wastewater	0.0%	1.5%	1.5%	1.5%	1.5%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%

Each financial management plan and corresponding plan of rate revenue adjustments will meet the District's current and projected cost requirements, including funding of capital projects, building and sustaining target reserve fund balances, and maintaining appropriate debt service coverage.

Appendices A and B include detailed schedules presenting all components of the financial management plan developed for the District's water and wastewater funds.

4. COST-OF-SERVICE ANALYSIS

As part of the Study, Stantec performed a water and wastewater cost-of-service analysis for each system to evaluate the District's current cost recovery among customer classes within each system. As separate water and wastewater financial management plans were developed during the financial planning analysis, we were able to quickly determine the portion of those costs allocable to each respective system. Through discussion with District staff, system functions were identified. The corresponding allocation of costs to functions was utilized in the calculation of updated base and usage charges. The District's water and wastewater rates differ among its separate customer classes – residential, commercial, large irrigators, golf courses, and wholesale wastewater customers.

4.1 COST-OF-SERVICE STEPS

The following steps were used to prepare the COS analysis:

1. **Determine the revenue requirements for a specified annual period referred to as a test year.** Revenue requirements are defined as the amount of money the District must recover from the rates charged to customers in order to meet the operating and capital expenditures anticipated for the test year. The revenue requirements are described in more detail in the financial planning results section. For purposes of evaluating alternative rates and rate structures, FY 2025 is set as the test year.

2. **Allocate the revenue requirements to functions and customer classes.** Following cost allocation guidelines from AWWA and WEF, revenue requirements are allocated to functions of the water and wastewater systems as well as to specific customer classes based on how various classes impact the system functions. Demand characteristics of customer classes and allocations of costs to customer classes are summarized in this section.

3. **Determine rates for service.** Rates are based on the allocated costs of service for each customer class, meaning that recommended rates for a given class reflect the cost to serve that class.

4.2 REVENUE REQUIREMENTS

Revenue requirements for the District's water and wastewater systems include total operating and capital expenditures (including debt service requirements, funding of reserves, and cash funding of capital expenditures) that must be recovered from the revenues provided from its rate and fee structure. Revenue requirements for FY 2025 are summarized below. Non-rate revenues include miscellaneous fees and charges that reduce the revenue required from rates.

Table 4-1 FY 2025 Water and Wastewater Revenue Requirements

Description	Water	Wastewater
Operating and Maintenance Expenses	$5,651,243	$2,457,187
Annual Debt Service	1,597,102	317,740
Cash Funded Capital	2,868,435	1,168,868
Change in Fund Balance	2,139,168	1,919,885
Total Revenue Requirement	**12,255,948**	**5,863,679**
Less: Other Revenues	(5,284,034)	(2,968,521)
Total User Charge Requirement	**$6,971,914**	**$2,895,158**

4.3 CUSTOMER DEMAND CHARACTERISTICS

Cost-of-service ratemaking is a process of allocating the system rate revenue requirements to customers based on the demands they place on the system. Individual customer demands vary depending on the nature of the use at the location where service by the District is provided. For example, water service demand for a family residing in a typical single-family home is different than the water service demand for an irrigation customer, primarily due to peak use behavior which drives the need for infrastructure sizing and operating costs. Rates are developed for each customer class, with each individual customer paying the customer class's average allocated cost of service for each unit of specific usage.

The District's water customer classes include:

- Residential
- Commercial
- Large Irrigator
- Colorado Golf Course & Pradera Golf Course
- Pinery Golf Course

The District's wastewater customer classes include:

- Residential
- Commercial
- Wholesale

4.4 ALLOCATIONS TO FUNCTIONS

Each cost from the FY 2025 budgeted expenditures was allocated to the primary system functions of source of supply, treatment, transmission/distribution, storage & pumping, administration, and meter. Costs for the wastewater system were allocated to treatment, collection, interceptors, and administration functions.

Where possible, costs were directly assigned to specific functions. For example, all costs in the administration division were allocated to the administration function. Where cost items supported more than one function, proper allocation criteria were identified to apportion the line-item cost to system functions. For example, costs related to implementing the CIP were allocated based upon an analysis of the different functions served by the capital improvement plan for each system and was determined with the assistance of District staff.

Cost Allocation for Base Charge

As stated, the cost allocation derives total costs by system function. Costs allocated to Administration and Meter are recovered from the District's base charges. As part of the cost allocations in the prior rate study, a portion of the District's annual debt service payments were allocated to the Meter function, primarily due to the nature of annual payments. Debt service payments are fixed costs that do not vary with the volume of water sold. It is appropriate to recover a portion of these costs in base charges. Currently, the District recovers nearly 30% of its revenue requirement from base charges, 33% of which is due to annual debt service payments. During the current rate study for 2025, Stantec revised the allocation of costs to be recovered from base charges.

Tables 4-2 and 4-3 provide summaries of the total allocation of system costs for each system for FY 2025. These allocations for the water system reflect the proposed allocation of 20% of costs to be recovered through base charges (see percentage of costs allocated to Administration and Meter). The FY 2025 costs in each table below are equal to the revenue requirements shown in Table 4-1.

Table 4-2 Water System Cost Allocation Summary

System Function	FY 2025 Costs	%
Source of Supply	$3,332,854	48%
Treatment	592,244	8%
Transmission & Distribution	747,314	11%
Storage & Pumping	913,617	13%
Administration	671,538	10%
Meter	714,348	10%
Total	**$6,971,914**	**100%**

Table 4-3 Wastewater System Cost Allocation Summary

System Function	FY 2025 Costs	%
Treatment	$1,587,014	55%
Collection	694,798	24%
Interceptors	401,965	14%
Administration	211,382	7%
Total	**$2,895,158**	**100%**

4.5 ALLOCATION OF FUNCTIONS TO COMPONENTS

In order to distribute costs based on billable units such as volume of water used and number of accounts, each system function was further allocated to the rate structure component designed to recover the appropriate types of costs. The District's water and wastewater rates include a component that recovers costs based on volume of usage (or flow) and a component that recovers costs on a per customer or per single family equivalent basis per month (customer). These are the volume and base charge components in a rate structure. System functions that are allocated to the customer component indicate that these are fixed costs incurred within the system, which do not vary based on water used and are recovered either on a customer basis or an equivalent meter basis. The fixed monthly service charges are designed to recover all customer costs.

Volume charges are designed to recover all remaining cost components, including Sources of Supply, Treatment, Transmission & Distribution, Storage & Pumping for the water system, and Treatment, Collection, and Interceptors for the wastewater system. Tables below summarize the allocation of functions to charge components.

Table 4-4 Water System Functional Allocation to Components

System Function	FY 2025 Costs	Flow	Customer
Source of Supply	$3,332,854	100%	
Treatment	592,244	100%	
Transmission & Distribution	747,314	100%	
Storage & Pumping	913,617	100%	
Administration	671,538		100%
Meter	714,348		100%
Total	**$6,971,914**	**$5,586,028**	**$1,385,886**

Table 4-5 Wastewater System Cost Allocation Summary

System Function	FY 2025 Costs	Flow	Customer
Treatment	$1,587,014	100%	
Collection	694,798	100%	
Interceptors	401,965	100%	
Administration	211,382		100%
Total	**$2,895,158**	**$2,683,777**	**$211,382**

4.6 ALLOCATED COST OF SERVICE BY CLASS

Functional allocations are next used to allocate cost of service by class. Each customer class's water demands, wastewater flow, and other service requirements are applied to determine costs of service by class. Each customer class's proportion of use within each category of flow, max-day, max-hour, and

customer for water and flow and customer for wastewater is applied to the cost of each category. Finally, total allocated costs are used to determine the total cost of service by customer class for FY 2025.

The results of the cost-of-service analysis for the water and wastewater systems are summarized in the figures below.

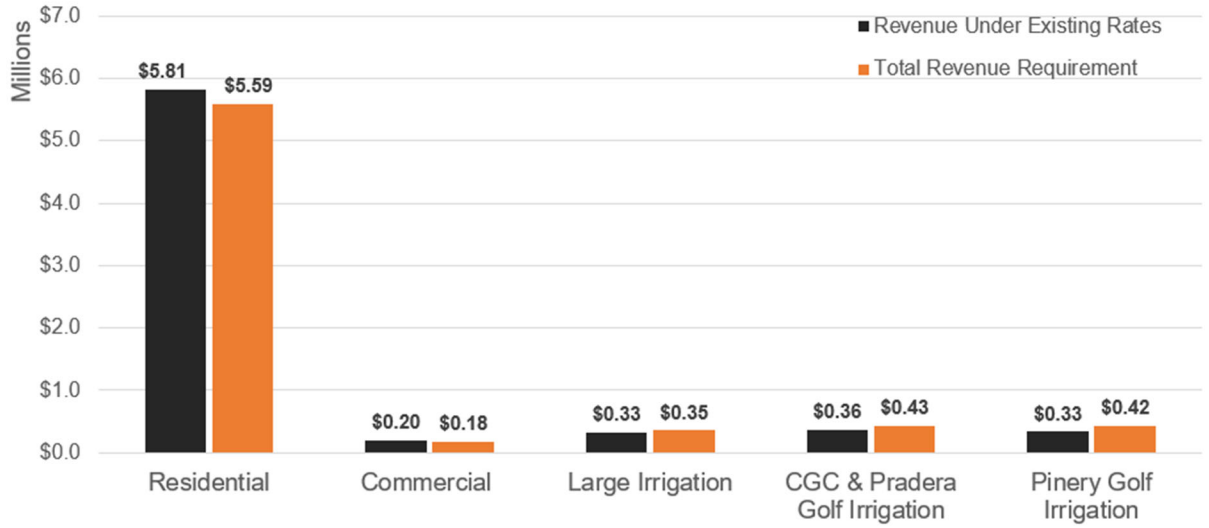

Figure 4-1 Water System Cost of Service Summary

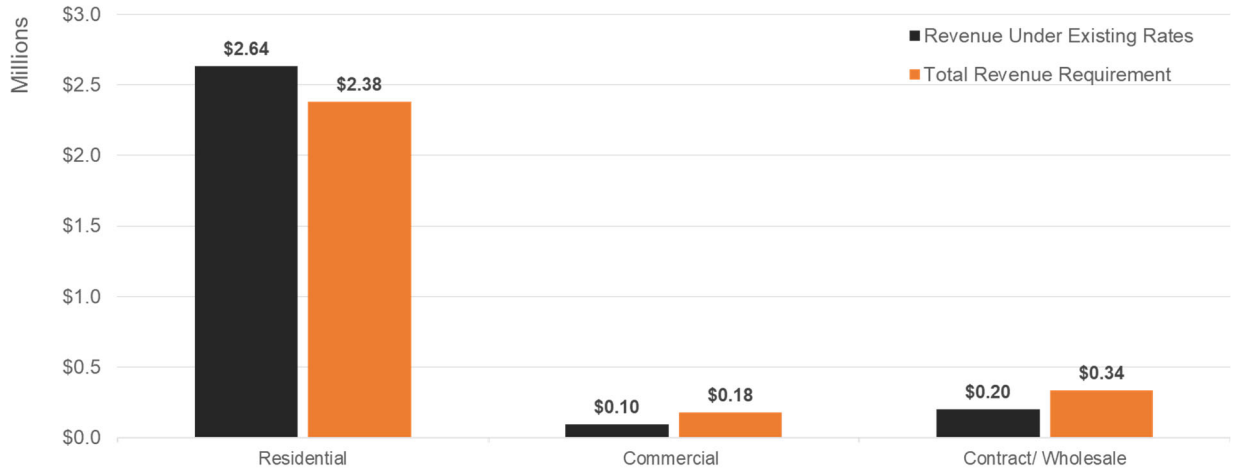

Figure 4-2 Wastewater System Cost of Service Summary

4.7 RECOMMENDATIONS

Several factors drive the difference between expected revenue under existing rates by class and calculated class costs of service. Policy decisions, peaking factors, usage by class in each tier, and block rate ratios all contribute to potential differences between actual revenues and costs of service.

A comparison of the allocated costs of service and the revenues collected by class indicates that while there are differences across customer classes, the revenues collected by class are, generally, in line with the cost-of-service by class. Based on the cost-of-service analysis, large irrigators and golf course revenues are not sufficient to meet these classes' revenue requirements. In the rate and fee structure analysis section, Stantec evaluated alternative rate structures to better align water and wastewater rates among customer classes.

5. RATE DESIGN

The purpose of the financial plan is to identify required rate adjustments to meet the revenue requirements of the water and wastewater systems. The purpose of the COS analysis is to identify which system functions are driving the costs of the systems, which rate components should recover the costs, and how much each customer class should share. The final component of the Study is to evaluate the District's existing rates and rate structure and to provide recommended rates for FY 2025.

5.1 RATE STRUCTURE REVIEW

Common industry practice is a two-part rate structure comprising both fixed and variable charges. Generally accepted practice recovers a portion of the costs of the system in a fixed monthly charge, recognizing that utilities have substantial investments in District-related costs and other year-round fixed costs to maintain a state of readiness to meet peak demands of their customers when they occur. In addition, fixed charges also include recovery of customer-related costs.

The District currently has a monthly fixed charge for water service, which is scaled based upon meter size. In addition, the District currently applies a usage charge to its customers based on metered water use. For wastewater service, residential customers are charged a two-tiered monthly fixed charge. One rate is charged for usage up to 5,000 gallons of average monthly winter water use. A higher rate is charged for usage over 5,000 gallons. Commercial wastewater rates are flat monthly rates scaled based on meter size.

The District's current rate structures for both water and wastewater services comply with common industry practice. At the beginning of the rate study, Board members were presented with a set of pricing objectives that are used to evaluate alternative rate structures. The table below presents the set of criteria discussed with the Board.

Table 5-1 Pricing Objectives for Evaluations

Category	Pricing Objectives
Revenue	Revenue Stability
Equity	Interclass Equity – *Res vs. Non-Res*
	Intraclass Equity – *Low vs. High users*
	Intergenerational Equity – *Current users vs. Future users*
Customer Impact	Essential Use Affordability
	Conservation/ Demand Management
	Bill Stability
Administration	Administrative Burden
Others	System Sustainability / Resiliency

Board Members voted Revenue Stability as the most important pricing objective, followed by System Sustainability and Conservation/ Demand Management as the 2nd and 3rd most important pricing objectives. Other objectives include Administrative Burden, Interclass Equity, Intraclass Equity, and Bill Stability.

The District's current water rate structure consists of a monthly fixed charge and a water project fee based on meter size for all customers. The residential and commercial customer classes have a five-tiered volume rates reflecting an inclining block structure, while for the large irrigators and golf courses, their water demands are billed at a uniform water volumetric rate.

Currently, the District collects approximately 30% of rate revenue through fixed charges, and the remaining rate revenue through volumetric charges. Recovering 30% of rate revenue through fixed charges can be beneficial to the District by protecting against fluctuations in customer water usage and therefore allowing for revenue stability, which is one of the pricing objectives that Board Members voted. By revising the allocations of costs to adjust the proportion of annual debt service that is recovered through fixed charges, the fixed costs in the water system now comprise 20% of the total costs. This change balances revenue stability with a conservation objective in that more of a customer's bill will be based on volume of water used.

Following the revised COS scenario, Stantec calculated the proposed rate design option that would allow the District to collect 20% of the total costs through monthly fixed charges, and the remaining revenue requirement is recovered through volumetric rates. The proposed volumetric rates for Large Irrigators and Golf Courses are also adjusted to align better with COS results. This proposed option also addresses conservation, affordability, and equity goals outlined by increasing the volumetric rates while reducing the monthly fixed charge paid by customers.

Stantec proposes the following changes to the current water rates for FY 2025:

1. Maintain existing 5-tier residential rate structure
2. Reduce the monthly fixed charges for all customer classes to ensure that 20% of total revenues are collected through monthly fixed charges
3. Increase irrigation volumetric rates by 8% to recover allocated costs for the class
4. Increase golf courses volumetric rates by 22.5% to recover allocated costs for these classes

For the wastewater system, residential customers have a flat monthly fixed charge, which is based on the Average Monthly Winter Water Use, while other customers have a flat monthly fixed charge based on meter size. No wastewater rate structure changes were proposed at this time.

Stantec proposes the following changes to the current wastewater rates for FY 2025:

1. Maintain current wastewater rate structures
2. Adopt 1.5% rate increase for FY 2025 – FY 2029

The Board evaluated and approved the alternative water rate structure and the 1.5% rate increase recommended for wastewater while maintaining the current rate structure in FY 2025. The recommended rate structure adjustments provide sufficient revenues for each system to meet its revenue requirements over the projection period. The tables below summarize the existing and proposed FY 2025 water and wastewater rates.

Table 5-2 Existing and FY 2025 Proposed Water Rate Schedules

Description	FY 2024	FY 2025
Residential/ Commercial 3/4"		
Monthly Fixed Charge ($/ Month)		
Fixed Monthly Charge	$29.22	$21.64
Water Project Fee	12.50	12.50
Volumetric Charge ($/ kgal)		
0 – 5,000 gallons	$2.58	$2.82
5,000 – 20,000 gallons	3.74	4.42
20,000 – 30,000 gallons	4.71	5.59
30,000 – 50,000 gallons	6.13	7.27
Over 50,000 –	8.36	11.79
Large Irrigation		
Monthly Fixed Charge ($/ Month)		
Fixed Monthly Charge	$29.22	$21.64
Water Project Fee	12.50	12.50
Volumetric Charge ($/ kgal)	$4.14	$5.44
Golf Courses		
Monthly Fixed Charge ($/ Month)		
Fixed Monthly Charge	$29.22	$21.64
Water Project Fee	250.00	250.00
Volumetric Charge ($/ kgal)		
Pinery Golf Course	$3.74	$5.55
Pradera/ Colorado Golf Course	3.40	5.00

Description	FY 2024 Commercial				
Commercial	**3/4"**	**1"**	**1 1/2"**	**2"**	**3"**
Monthly Fixed Charge ($/ Month)					
Fixed Monthly Charge	$29.22	$48.26	$68.61	$97.89	$185.49
Water Project Fee	$12.50	$25.00	$50.00	$87.50	$200.00
Volumetric Charge ($/ kgal)					
Tier 1: $2.58/ kgal	0 – 5 kgal	2x 3/4" Threshold	4x 3/4" Threshold	7x 3/4" Threshold	16x 3/4" Threshold
Tier 2: $3.74/ kgal	5 - 20 kgal				
Tier 3: $4.71/ kgal	20 - 30 kgal				
Tier 4: $6.13/ kgal	30 - 50 kgal				
Tier 5: $8.36/ kgal	Over 50 kgal				

Description	Proposed FY 2025 Commercial				
Commercial	**3/4"**	**1"**	**1 1/2"**	**2"**	**3"**
Monthly Fixed Charge ($/ Month)					
Fixed Monthly Charge	$21.64	$35.72	$50.80	$72.48	$137.33
Water Project Fee	$12.50	$25.00	$50.00	$87.50	$200.00
Volumetric Charge ($/ kgal)					
Tier 1: $2.82/ kgal	0 – 5 kgal	2x 3/4" Threshold	4x 3/4" Threshold	7x 3/4" Threshold	16x 3/4" Threshold
Tier 2: $4.42/ kgal	5 - 20 kgal				
Tier 3: $5.59/ kgal	20 - 30 kgal				
Tier 4: $7.27/ kgal	30 - 50 kgal				
Tier 5: $11.79/ kgal	Over 50 kgal				

Table 5-3 Existing and FY 2025 Proposed Wastewater Rate Schedules

Description	FY 2024	FY 2025
Residential		
0 – 5,000 gallons AWC	$37.86	$38.43
> 5,000 gallons AWC	55.61	56.44
Commercial, $ per month		
¾” meter	$55.61	$56.44
1” meter	111.24	112.91
1 ½” meter	222.48	225.82
2” meter	389.34	395.18
3” meter	889.93	903.28

6. TAP FEE ANALYSIS

This section presents the objectives, approach, methodologies, source data, assumptions, as well as the findings and recommendations of the review and development of the District's tap fees.

6.1 TAP FEES

Tap fees (also referred to as "impact fees" or "system development fees" among other terms) are one-time fees charged to new connections to pay for their proportional share of water or wastewater service facilities that would be required to enable development of areas served by the District water or wastewater system. In other words, tap fees are assessed to new customers as a mechanism by which growth can "pay its own way" and minimize the extent to which existing customers must bear the cost of facilities that will be used to serve new customers. Utilities use these charges to finance the growth-related expenses incurred in furnishing source, treatment, storage, distribution, and related capital project expenses including, but not limited to, costs of acquisition and financing and necessary costs of improvement and extension of the water and/or wastewater systems.

The District currently charges both water and wastewater systems tap fees. For purpose of the Study, Stantec separated the water system tap fee between water system and water resource tap fees. The Table below summarizes the existing tap fee for a ¾" customer for each system.

Table 6-1 Existing ¾" Tap Fee

System	Water System	Wastewater System
Water System	$25,643	NA
Water Resource	15,837	NA
Wastewater	NA	8,790
Total	$41,480	$8,790

6.2 LEGAL FRAMEWORK

Colorado Revised Statutes Sec. 29-20-104.5 entitled *Impact Fees*, provides in part, "A local government may impose an impact fee or other similar development charge to fund expenditures by such local government on capital facilities needed to serve new development."

6.3 SELECTION OF METHODOLOGY

The following provides a description of the industry-accepted methodologies for calculating the tap fees and the approach proposed by this Study. In the water and wastewater utility industry, there are two primary approaches to the calculation of tap fees (and a hybrid of the two), as described below.

6.3.1 Buy-In Method

The Buy-In Method calculates the tap fees solely on the value of existing utility system assets. Specifically, the approach calculates the replacement cost of each system's major functional components then subtracts the depreciated value based on the age of each component. This approach is most appropriate for a system with sufficient excess capacity to serve anticipated growth. New connections to the system will be served by existing capacity and those new customers are effectively "buying-in" to the existing (and aged) infrastructure.

6.3.2 Incremental Cost Method

The Incremental Cost Method is based on the estimated cost of building new system capacity to serve growth. This approach is most appropriate when the existing system has limited or no excess capacity to accommodate growth. In this case, new developments (or re-developments with greater demand) must fund their proportional cost of new infrastructure needed to expand system capacity.

6.3.3 Hybrid Method

Finally, a third approach combines the two approaches described above and is commonly referred to as the Hybrid Method. This approach is most appropriate when there is both excess capacity in the current system that can accommodate a limited amount of growth, and additional capacity that will need to be built in order to accommodate anticipated growth.

Table 6-2 summarizes each of the three methodologies and typical applications.

Table 6-2: Common Tap Fee Calculation Methodologies

Methodology:	Description:	Often used by systems with:
Buy-In Method	New development shares in **capital costs previously incurred,** which is discounted by the age of the existing infrastructure	Sufficient excess capacity to accommodate anticipated growth
Incremental Cost Method	New development pays for projected **capital costs to be incurred in the future** which will provide capacity for new development	Limited or no excess capacity
Hybrid Method	Combination of the Buy-In and Incremental Cost methods	Some available capacity but not enough to serve all anticipated near-term growth.

After reviewing the District's systems, Stantec recommends using the Hybrid Method for the water system, Incremental Method for water resource system, and Hybrid Method for the wastewater system to calculate the tap fees.

6.4 TAP FEE CALCULATION

6.4.1 Existing System Value

The District provided a detailed asset inventory list for the water and wastewater systems which included asset identification, description, installation year, original cost, and expected useful life for each asset installed through 2023. Stantec separated out water assets between water system related and water supply related. District staff has completed a detailed review of the information included in the asset table.

Following the AWWA Manual M1 and WEF Manual of Practice No. 27, Stantec focused on the value of the water and wastewater systems using the RCN method. There are four accepted asset valuing methodologies including Replacement Cost New (RCN), Replacement Cost New Less Depreciation (RCNLD), original cost, and net book value. RCN values existing fixed assets according to the costs of replacing the asset in today's dollars. Table 6-3 provides a summary of the water and wastewater system fixed assets. Stantec also identified contributed assets that are excluded from the gross asset values.

Table 6-3: Summary of Gross Asset Values by System

System	Gross Asset Value - RCN
Water System	$ 124,305,820
Water Resource	NA
Wastewater	57,805,852
Total	$190,211,672

The value of a utility is not only measured by its existing physical assets but also by available cash reserves and the amount of debt carried by the enterprise. The value of system assets which the new customers are buying into may include cash reserves accumulated from charges from the utility's customers. For purposes of net system value for the District's water and wastewater systems, only physical assets were included in the determination of system value, excluding cash reserves from the calculation.

Outstanding debt principal is subtracted from the value of the utility because the same property owners that are paying a tap fee to join the system will become ratepayers, who will then become responsible for paying down the debt through user rates. Table 6-4 summarizes the net system valuation, factoring the RCN of existing assets, and outstanding debt principal related to each system as of the beginning of 2024.

Table 6-4: Summary of Net Asset Values by System

System	Gross Asset Value - RCNLD	Less: Principal Credit	Net System Value
Water System	$124,305,820	$13,780,775	$110,525,045
Water Resource	NA	NA	NA
Wastewater	57,805,852	900,000	56,905,852
Total	$182,111,672	$14,680,775	$167,430,897

Water and wastewater system values are then adjusted by the proportion of system capacities that are not subscribed or available for new customers. The percentage unsubscribed for water and wastewater systems are calculated to be 12.2% and 18.2% respectively, which is based on projected new single-family equivalents (SFEs) through build-out divided by total number of SFEs the system could serve.

Table 6-5: Summary of System Values Unsubscribed

System	Net System Value	% Unsubscribed	System Unsubscribed
Water System	$110,525,045	12.2%	$13,513,062
Water Resource	NA	NA	NA
Wastewater	56,905,852	18.2%	10,347,760
Total	$167,430,897		$23,860,822

6.4.2 Growth-Related Capital Costs

The Study examined the District's 10-year CIP to analyze the cost of constructing new water, water resource, and wastewater system capacities. The District provided project descriptions and project costs. Stantec and District staff reviewed each project to identify whether the project was designated for expansion or rehabilitation, and the percentage that is expansion related. Only expansion-related capital costs are included in the tap fee calculation. In the previous study, no growth-related wastewater capital projects were included in the tap fee calculation. However, due to growing demand and regulatory requirements, $5.5M of wastewater capital project costs were identified as growth-related CIP. Table 6-6 summarizes the expansion related capital costs for each system.

Table 6-6 Summary of Growth-Related CIP by Function

System	Growth-Related CIP
Water System	$12,679,420
Water Resource	14,940,205
Wastewater	5,475,437
Total	$33,095,062

6.4.3 Unit Cost of Capacity

The next step is to express the unit cost of capacity for the water, water resource, and wastewater systems. This is done by dividing the net system value by the total system capacity (in million gallons per day), as illustrated in Figure 6-1.

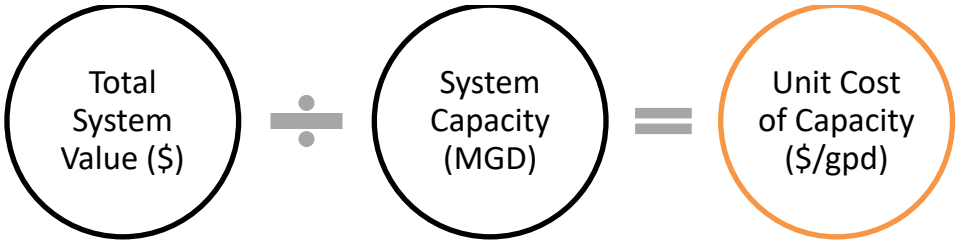

Figure 6-1 Illustration of Unit Cost of System Capacity

For this analysis, the District's water treatment facilities have an existing capacity of 10.4 MGD; however, nearly 88% of the existing capacity is already subscribed by current customers. The growth- related CIP adds an additional 2.8 MGD of system capacity. Water resource capacity accounts for capacities provided by WISE, CCPWA, and Pinery local water supply projects, for a total of 2.77 MGD. Wastewater treatment has a total capacity of 2.0 MGD, less 0.15 MGD reserved for Intergovernmental agreements (IGAs), which results in 1.85 MGD capacity. However, similar to the water system, the current wastewater system capacity is already subscribed by 82% by existing customers. Total capacity unsubscribed is calculated as incremental capacity from growth-related CIP plus existing capacity for each system, adjusted by the percentage unsubscribed. Table 6-7 summarizes the calculation of unit cost of capacity for each system.

Table 6-7 Summary of Unit Cost of Capacity by Function

System	System Unsubscribed	Growth-Related CIP	Total System Value	Unsubscribed Capacity (MGD)	Unit Cost ($/ gpd)
Water System	$13,513,062	$12,679,420	$26,192,482	4.07	$16.58
Water Resource	NA	14,940,205	14,940,205	2.77	25.51
Wastewater	10,347,760	5,475,437	15,823,197	1.15	66.93
Total	$23,860,822	$33,095,062	$56,955,887		

6.4.4 Proposed Tap Fee

To calculate a tap fee per single family equivalent (SFE), the average water flow per SFE was estimated based on master plan data, treatment plant data, as well as billing data. Based on water treatment plant data from FY 2020-2023, the average daily water flow per single family equivalent (SFE) is 600 gallons per day (gpd). This level of service is used in calculating water resource system tap fee. A 4-year average peaking factor of 2.70 from treatment plant data is applied to the average water flow per SFE to calculate a peak usage per SFE of 1,603 gpd. This level of service is used in calculating the water system tap fee.

In determining the average wastewater flow per SFE, an assumption of 240 gpd/ SFE is used for wastewater flow based on wastewater treatment plant influent data from previous study.

As shown in table below**,** the tap fees calculated by multiplying the unit cost of capacity ($/ gpd) by the level of service per SFE (gpd).

Table 6-8 Summary of Proposed Tap Fees

System	Unit Cost of Capacity ($/ gpd)	LOS (gpd)	Tap Fee ($/ SFE)
Water System	$16.58	1,603	$26,591
Water Resource	25.51	594	15,168
Wastewater	66.93	240	16,064

6.5 CONCLUSIONS

Based upon the tap fee analysis as discussed above, the following conclusions and recommendations are provided:

1) We recommend that the District consider adopting the proposed water and wastewater system tap fees presented in the table below.

Table 6-9 Summary of Tap Fees

System	Proposed Tap Fee ($/ SFE)	Existing Tap Fee ($/ SFE)	Difference
Water System	$41,759	$41,480	$279
Wastewater	16,064	8,790	7,274
Total	$57,823	$50,270	$7,553

2) Given the fact that the growth-related CIP cost data in the tap fee analysis do not include inflation, we recommend that tap fees are escalated annually at a rate equal to the percentage change in the year-over-year Engineering News Record Construction Cost Index (ENR CCI).

3) We recommend that the District review its tap fees at a minimum every three to five years to provide that they remain fair and equitable and continue to reflect the current cost of capacity. As the District continues to expand its facilities, future changes in technology, demands, development patterns, or other factors may necessitate additional adjustments to its tap fees.

4) We recommend that as part of any system tap fees update, the District also evaluates the most appropriate accepted methodology for calculating its system unit cost of capacity as system capacity may change over time

7. COMPARATIVE RATE ANALYSIS TO NEIGHBORING UTILITIES

Stantec completed a rate survey for neighboring utilities that captures the water and wastewater volumetric rates and monthly fixed fees as well as rate structure of each District. A list of neighboring utilities, excluding those with water budget-based rate structures, includes:

- Roxborough Water & Wastewater District
- Parker Water & Sanitation District
- Aurora Water
- City of Lakewood
- East Cherry Creek Valley Water District
- Stonegate Village Metropolitan District

The graph below presents the comparison of total monthly water and wastewater bills for each community as of 2024 assuming 25,000 gallons of water usage and 5,000 gallons of wastewater flow. Water usage is based on the Pinery's average summer monthly water usage while wastewater flow is based on the Pinery's average winter water consumption using 2023 billing data. The average water and wastewater monthly bill combined at this usage level for all communities is $207.32. Given the survey results, the Pinery's current and proposed water and wastewater rates are below the average water and wastewater bills.

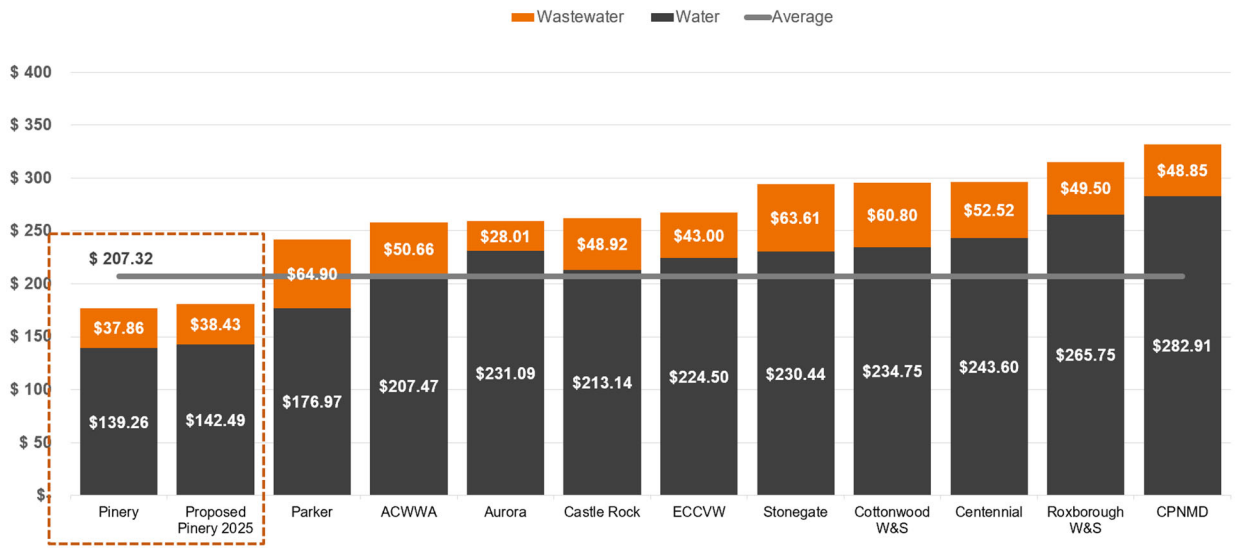

Figure 7-1 Monthly Bill Comparison at 25,000 Gallons

8. MISCELLANEOUS FEES REVIEW

Miscellaneous fees are fees for services provided by the District staff that are not for day-to-day consumption of water or use of wastewater services. These fees typically include ready to serve fees, turn on/ turn off fees, late payment fees, meter test, bulk water fees and charges.

Stantec updated the miscellaneous fees in conjunction with District Staff in several steps. Stantec conducted interviews with District staff to identify activities and costs associated with each fee, then populated Stantec's proprietary cost computation template with information from the interviews. To assist with background for some assumptions, Stantec used information from its recently completed fee studies. Finally, an analysis of the cost recovery and financial implications of the updated fees was conducted to propose fees that cover corresponding costs based on District objectives and policies.

During the review of the District's miscellaneous fees, we found that the fees are properly set. Therefore, we recommend no changes to the current miscellaneous fees, with the exception of the bulk water rate. We recommend that the District consider adopting an 8% increase in the bulk water volumetric rate to align with the proposed increases for large irrigators following the COS study.

Table 8-1 Existing and FY 2025 Proposed Miscellaneous Fees

Miscellaneous Fees	2024	Proposed 2025
Ready to Serve "Stand By Fee"		
Water	$10.42	No Change
Water and Sewer	19.32	No Change
Late Payment Fee	10.00 + 1%	No Change
Transfer Fee	45.00	No Change
Shutoff Fee	110.00	No Change
Residential Meter Test	165.00	No Change
Bulk Water		
Set up Charge	$55.00	$55.00
$/1000 Gallons	$10.16	$10.97

9. CONCLUSIONS AND RECOMMENDATIONS

A summary of Study recommendations based on the development of the financial analysis for the District's water and wastewater utilities is presented below.

- Maintain the current 5-tier water rate structure for residential customers; Reduce water monthly fixed charges to ensure 20% of the total revenues is collected through fixed charges. 8% rate increase will be applied to large irrigators volumetric rate and 22.5% to golf courses volumetric rates to align with cost-of-service results in FY 2025.
- In subsequent years, annually evaluate rate adjustment based on actual operating results. This Study projects 0% increase from FY 2025 through FY 2030 for the water system. If the District is planning on constructing the new water treatment plant, additional rate increases of 6.5% and 10% are needed in FY 2032 and FY 2033.
- Maintain the current wastewater rate structure.
- Additional rate increases of 1.5% annually from FY 2025 – FY 2029 are projected for the wastewater system.
- Increase water tap fees from $41,480 to $41,759 for a ¾" meter connection.
- Increase wastewater tap fees from $8,790 to $16,064 for a ¾" meter connection.
- Adopt the proposed changes to the miscellaneous fees for FY 2025.
- Evaluate District performance annually to assess rate revenue needs and update financial planning models.
- Review water and wastewater rate structures continually to ensure fairness and equity across customer classes.
- Review tap fees every 3-5 years or when changes to the growth-related CIP are expected.

Disclaimer

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Additionally, the purpose of this document is to summarize Stantec's analysis and findings related to this project, and it is not intended to address all aspects that may surround the subject area. Therefore, this document may have limitations, assumptions, or reliances on data that are not readily apparent on the face of it. Moreover, the reader should understand that Stantec was called on to provide judgments on a variety of critical factors which are incapable of precise measurement. As such, the use of this document and its findings by the Pinery Water and Wastewater District should only occur after consultation with Stantec, and any use of this document and findings by any other person is done so entirely at their own risk.

APPENDIX A: SUPPORTING SCHEDULES – WATER FINANCIAL PLAN

Supporting Schedules for the Water Financial Plan

Schedule 1	Assumptions
Schedule 2	FY 2024 Beginning Balances as of 1/1/2024
Schedule 3	Projection of Cash Inflows
Schedule 4	Projected of Cash Outflows
Schedule 5	Cost Escalation Factors
Schedule 6	Capital Improvement Program
Schedule 7	FAMS Control Panel
Schedule 8	Pro Forma
Schedule 9	Capital Project Funding Summary
Schedule 10	Funding Summary by Fund
Schedule 11	Senior Lien Borrowing Projections

Pinery Water & Wastewater District, CO

FY 2024 Water & Sewer Revenue Sufficiency Analysis

Assumptions & Preliminary Results Workbook



Stantec

Assumptions

Schedule 1

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Rate Increase Adoption Date	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	1/1/2034
Annual Growth											
Water											
Ending # of Accounts	5,218	5,313	5,408	5,503	5,599	5,694	5,789	5,884	5,979	6,074	6,169
Account Growth	N/A	94	94	94	94	94	94	94	94	94	94
% Change in Accounts	*N/A*	*1.82%*	*1.79%*	*1.76%*	*1.73%*	*1.70%*	*1.67%*	*1.64%*	*1.62%*	*1.59%*	*1.57%*
Usage per Account	17.61	17.73	17.85	17.96	18.07	18.18	18.28	18.38	18.47	18.57	18.66
% Change in Usage per Account	*N/A*	*0.69%*	*0.66%*	*0.64%*	*0.61%*	*0.59%*	*0.56%*	*0.54%*	*0.52%*	*0.50%*	*0.49%*
Usage (Kgal)	1,102,504	1,130,377	1,158,249	1,186,122	1,213,995	1,241,868	1,269,741	1,297,614	1,325,487	1,353,360	1,381,233
% Change in Usage	*N/A*	*2.53%*	*2.47%*	*2.41%*	*2.35%*	*2.30%*	*2.24%*	*2.20%*	*2.15%*	*2.10%*	*2.06%*
% Paying Capital Charges	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
Capital Spending											
Annual Capital Budget (Future Year Dollars)	$ 7,729,200	$ 2,868,435	$ 4,753,861	$ 6,097,220	$ 4,327,466	$ 3,246,432	$ 5,013,959	$ 18,904,960	$ 19,541,499	$ 20,307,650	$ 6,344,031
Annual Percent Executed	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Tap Fees											
Water Tap Fees	$41,480	$41,759	$43,363	$45,028	$46,757	$48,552	$50,417	$52,353	$54,363	$56,450	$58,618
Average Annual Interest Earnings Rate											
On Fund Balances	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Operating Budget Execution Percentage											
Personal Services	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Variable Operations and Maintenance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Fixed Operations and Maintenance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Outlay	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

FY 2024 Beginning Balances as of 1/1/2024

Schedule 2

Stantec Grouping of Funds in Model	Operating Fund
Current Unrestricted Assets	
Cash and cash equivalents	$ 17,553,589
Total Assets	**$ 17,553,589**
Calculated Fund Balance (Assets - Liabilities)	**$ 17,553,589**
Net Unrestricted Fund Balance	**$ 17,553,589**
Available Fund Balance	**$ 17,553,589**

Fund Summary

Operating Fund	$	17,553,589
Total Available Funds	**$**	**17,553,589**

Projection of Cash Inflows

Schedule 3

		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
1	**Rate Revenue Growth Assumptions**											
2	**Water**											
3	% Change in Base Revenue	N/A	1.82%	1.79%	1.76%	1.73%	1.70%	1.67%	1.64%	1.62%	1.59%	1.57%
4	% Change in Usage Revenue	N/A	2.53%	2.47%	2.41%	2.35%	2.30%	2.24%	2.20%	2.15%	2.10%	2.06%
5	**Water Rate Revenue**											
6	Usage Rate Revenue	6,800,000	6,971,914	7,143,828	7,315,742	7,487,656	7,659,570	7,831,483	8,003,397	8,711,757	9,792,055	9,994,064
7	**Total Water Rate Revenue**	**$ 6,800,000**	**$ 6,971,914**	**$ 7,143,828**	**$ 7,315,742**	**$ 7,487,656**	**$ 7,659,570**	**$ 7,831,483**	**$ 8,003,397**	**$ 8,711,757**	**$ 9,792,055**	**$ 9,994,064**
8	**Non-Operating Revenue**											
9	Water supply project fee	$ 800,000	$ 810,000	$ 824,501	$ 839,003	$ 853,504	$ 868,005	$ 882,507	$ 897,008	$ 911,509	$ 926,010	$ 940,512
10	Bulk and hydrant meter water sales	$ 160,000	$ 165,000	$ 165,000	$ 165,000	$ 165,000	$ 165,000	$ 165,000	$ 165,000	$ 165,000	$ 165,000	$ 165,000
11	Ground water protection fees	$ 33,600	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000
12	Ready to serve fees	$ 21,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
13	Cherry Creek Project Water Authority	$ 98,600	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000
14	Wheeling Charges to Castle Rock for SSPWA Wate	$ 110,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 127,874	$ 140,771	$ 140,776
15	Other	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
16	Late charges	$ 28,210	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000
17	Other income	$ 112,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000
18	Proceeds from sale of assets	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000
19	Tap Surcharge Water	$ 17,600	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
20	**Total Non-Operating Revenue**	**$ 1,388,010**	**$ 1,321,000**	**$ 1,335,501**	**$ 1,350,003**	**$ 1,364,504**	**$ 1,379,005**	**$ 1,393,507**	**$ 1,408,008**	**$ 1,430,383**	**$ 1,457,781**	**$ 1,472,287**
21	**Interest Income**											
22	Unrestricted	$ 39,449	$ 37,688	$ 40,004	$ 37,821	$ 36,597	$ 39,371	$ 41,724	$ 43,643	$ 46,868	$ 49,876	$ 50,356
23	**Total Interest Income**	**$ 39,449**	**$ 37,688**	**$ 40,004**	**$ 37,821**	**$ 36,597**	**$ 39,371**	**$ 41,724**	**$ 43,643**	**$ 46,868**	**$ 49,876**	**$ 50,356**
24	**Tap Fees**											
25	Water Tap Fees	$ 1,866,600	$ 3,925,346	$ 4,076,079	$ 4,232,601	$ 4,395,133	$ 4,563,906	$ 4,739,160	$ 4,921,143	$ 5,110,115	$ 5,306,344	$ 5,510,107
26	**Total Tap Fees**	**$ 1,866,600**	**$ 3,925,346**	**$ 4,076,079**	**$ 4,232,601**	**$ 4,395,133**	**$ 4,563,906**	**$ 4,739,160**	**$ 4,921,143**	**$ 5,110,115**	**$ 5,306,344**	**$ 5,510,107**
27	**Total Cash Inflows**	**$ 10,094,059**	**$ 12,255,948**	**$ 12,595,413**	**$ 12,936,167**	**$ 13,283,889**	**$ 13,641,852**	**$ 14,005,874**	**$ 14,376,191**	**$ 15,299,123**	**$ 16,606,056**	**$ 17,026,815**

Projection of Cash Outflows **Schedule 4**

	Expense Line Item	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
1	**Department Title 1**											
2	**Personal Services**											
3	**Operations & Maintenance**											
4	Vehicle expense/maintenance	$ 42,000	$ 41,000	$ 41,902	$ 42,824	$ 43,766	$ 44,729	$ 45,713	$ 46,719	$ 47,746	$ 48,797	$ 49,870
5	Laboratory testing and chemicals	$ 330,000	$ 345,000	$ 352,590	$ 360,347	$ 368,275	$ 376,377	$ 384,657	$ 393,119	$ 401,768	$ 410,607	$ 419,640
6	Legal	$ 20,000	$ 25,000	$ 25,550	$ 26,112	$ 26,687	$ 27,274	$ 27,874	$ 28,487	$ 29,114	$ 29,754	$ 30,409
7	Outside services	$ 60,000	$ 60,000	$ 61,320	$ 62,669	$ 64,048	$ 65,457	$ 66,897	$ 68,369	$ 69,873	$ 71,410	$ 72,981
8	Repairs, maintenance and supplies	$ 250,000	$ 284,000	$ 290,248	$ 296,633	$ 303,159	$ 309,829	$ 316,645	$ 323,611	$ 330,731	$ 338,007	$ 345,443
9	Salaries and related costs	$ 790,000	$ 1,003,600	$ 1,033,708	$ 1,064,719	$ 1,096,661	$ 1,129,561	$ 1,163,447	$ 1,198,351	$ 1,234,301	$ 1,271,330	$ 1,309,470
10	Payroll taxes	$ 65,700	$ 75,270	$ 77,528	$ 79,854	$ 82,250	$ 84,717	$ 87,259	$ 89,876	$ 92,573	$ 95,350	$ 98,210
11	Employee benefits	$ 324,500	$ 378,000	$ 404,830	$ 433,565	$ 464,339	$ 497,297	$ 532,595	$ 570,398	$ 610,885	$ 654,245	$ 700,683
12	Small tools and safety items	$ 30,000	$ 25,000	$ 25,550	$ 26,112	$ 26,687	$ 27,274	$ 27,874	$ 28,487	$ 29,114	$ 29,754	$ 30,409
13	Utilities	$ 760,000	$ 760,000	$ 776,720	$ 793,808	$ 811,272	$ 829,120	$ 847,360	$ 866,002	$ 885,054	$ 904,525	$ 924,425
14	Conservation	$ 30,000	$ 30,000	$ 30,660	$ 31,335	$ 32,024	$ 32,728	$ 33,448	$ 34,184	$ 34,936	$ 35,705	$ 36,490
15	CCPWA Water Lease	$ -	$ 500,000	$ 511,000	$ 522,242	$ 533,731	$ 545,473	$ 557,474	$ 569,738	$ 582,272	$ 595,082	$ 608,174
16	CCPWA Operations	$ 200,000	$ 200,000	$ 207,676	$ 215,646	$ 223,923	$ 232,517	$ 241,441	$ 250,707	$ 260,329	$ 270,321	$ 280,696
17	SMWSA and SPWRAP Dues	$ 25,150	$ 30,000	$ 30,660	$ 31,335	$ 32,024	$ 32,728	$ 33,448	$ 34,184	$ 34,936	$ 35,705	$ 36,490
18	South Metro WISE Authority Operatio	$ 125,000	$ 200,000	$ 207,676	$ 215,646	$ 223,923	$ 232,517	$ 241,441	$ 250,707	$ 260,329	$ 270,321	$ 280,696
19	WISE Water	$ 166,000	$ 530,000	$ 1,258,346	$ 1,271,307	$ 1,284,402	$ 1,297,631	$ 1,310,997	$ 1,324,500	$ 1,338,142	$ 1,351,925	$ 1,365,850
20	Eye on Water Service Fee	$ 58,000	$ 65,000	$ 66,430	$ 67,891	$ 69,385	$ 70,912	$ 72,472	$ 74,066	$ 75,695	$ 77,361	$ 79,063
21	Meter Services	$ -	$ 5,000	$ 5,110	$ 5,222	$ 5,337	$ 5,455	$ 5,575	$ 5,697	$ 5,823	$ 5,951	$ 6,082
22	Accounting and audit	$ 63,000	$ 66,500	$ 67,963	$ 69,458	$ 70,986	$ 72,548	$ 74,144	$ 75,775	$ 77,442	$ 79,146	$ 80,887
23	Admin vehicle	$ 140	$ 140	$ 143	$ 146	$ 149	$ 153	$ 156	$ 160	$ 163	$ 167	$ 170
24	Data processing	$ 91,000	$ 119,000	$ 121,618	$ 124,294	$ 127,028	$ 129,823	$ 132,679	$ 135,598	$ 138,581	$ 141,630	$ 144,745
25	Directors' fees	$ 4,200	$ 4,200	$ 4,292	$ 4,387	$ 4,483	$ 4,582	$ 4,683	$ 4,786	$ 4,891	$ 4,999	$ 5,109
26	Dues and seminars	$ 21,000	$ 21,000	$ 21,462	$ 21,934	$ 22,417	$ 22,910	$ 23,414	$ 23,929	$ 24,455	$ 24,993	$ 25,543
27	Paying agent fees	$ 10,500	$ 1,050	$ 1,073	$ 1,097	$ 1,121	$ 1,145	$ 1,171	$ 1,196	$ 1,223	$ 1,250	$ 1,277
28	Insurance	$ 127,820	$ 133,000	$ 135,926	$ 138,916	$ 141,973	$ 145,096	$ 148,288	$ 151,550	$ 154,884	$ 158,292	$ 161,774
29	Legal	$ 49,000	$ 52,500	$ 53,655	$ 54,835	$ 56,042	$ 57,275	$ 58,535	$ 59,823	$ 61,139	$ 62,484	$ 63,858
30	Miscellaneous	$ 3,500	$ 4,900	$ 5,008	$ 5,118	$ 5,231	$ 5,346	$ 5,463	$ 5,583	$ 5,706	$ 5,832	$ 5,960
31	Office expense	$ 11,900	$ 14,000	$ 14,308	$ 14,623	$ 14,944	$ 15,273	$ 15,609	$ 15,953	$ 16,304	$ 16,662	$ 17,029
32	Outside services	$ 87,500	$ 70,000	$ 71,540	$ 73,114	$ 74,722	$ 76,366	$ 78,046	$ 79,763	$ 81,518	$ 83,312	$ 85,144
33	Repairs and maintenance - office	$ 45,500	$ 52,500	$ 53,655	$ 54,835	$ 56,042	$ 57,275	$ 58,535	$ 59,823	$ 61,139	$ 62,484	$ 63,858
34	Salaries and related costs	$ 302,708	$ 316,680	$ 326,180	$ 335,966	$ 346,045	$ 356,426	$ 367,119	$ 378,132	$ 389,476	$ 401,161	$ 413,196
35	Payroll taxes	$ 22,680	$ 23,751	$ 24,464	$ 25,197	$ 25,953	$ 26,732	$ 27,534	$ 28,360	$ 29,211	$ 30,087	$ 30,990
36	Employee benefits	$ 71,750	$ 69,552	$ 74,489	$ 79,776	$ 85,438	$ 91,503	$ 97,998	$ 104,953	$ 112,403	$ 120,381	$ 128,926
37	Utility billing system	$ 11,200	$ 10,500	$ 10,731	$ 10,967	$ 11,208	$ 11,455	$ 11,707	$ 11,965	$ 12,228	$ 12,497	$ 12,772
38	Safety and training	$ 28,420	$ 29,400	$ 30,047	$ 30,708	$ 31,383	$ 32,074	$ 32,779	$ 33,501	$ 34,238	$ 34,991	$ 35,761
39	Security services	$ 18,900	$ 38,500	$ 39,347	$ 40,213	$ 41,097	$ 42,001	$ 42,925	$ 43,870	$ 44,835	$ 45,821	$ 46,829
40	Customer communications	$ 28,000	$ 28,000	$ 28,616	$ 29,246	$ 29,889	$ 30,547	$ 31,219	$ 31,905	$ 32,607	$ 33,325	$ 34,058
41	Utilities	$ 38,500	$ 39,200	$ 40,062	$ 40,944	$ 41,845	$ 42,765	$ 43,706	$ 44,667	$ 45,650	$ 46,654	$ 47,681
42	**Total Department Title 1**	**$ 4,313,568**	**$ 5,651,243**	**$ 6,532,084**	**$ 6,703,042**	**$ 6,879,888**	**$ 7,062,889**	**$ 7,252,326**	**$ 7,448,496**	**$ 7,651,716**	**$ 7,862,316**	**$ 8,080,649**
43	**Department Title 2**											
44	**Personal Services**											
45	**Total Expenses by Category**											
46	Personal Services	$ 1,577,338	$ 1,866,853	$ 1,941,199	$ 2,019,077	$ 2,100,686	$ 2,186,236	$ 2,275,952	$ 2,370,071	$ 2,468,849	$ 2,572,554	$ 2,681,475
47	Operations & Maintenance	2,736,230	3,784,390	4,590,885	4,683,965	4,779,202	4,876,653	4,976,374	5,078,425	5,182,867	5,289,762	5,399,175
48	**Total Expenses**	**$ 4,313,568**	**$ 5,651,243**	**$ 6,532,084**	**$ 6,703,042**	**$ 6,879,888**	**$ 7,062,889**	**$ 7,252,326**	**$ 7,448,496**	**$ 7,651,716**	**$ 7,862,316**	**$ 8,080,649**
49	**Expense Execution Factors**											
50	Personal Services	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Variable Operations & Maintenance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
51	Operations & Maintenance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Projection of Cash Outflows **Schedule 4**

	Expense Line Item	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
52	Capital Outlay	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
53	**Total Expenses at Execution**											
54	Personal Services	$ 1,577,338	$ 1,866,853	$ 1,941,199	$ 2,019,077	$ 2,100,686	$ 2,186,236	$ 2,275,952	$ 2,370,071	$ 2,468,849	$ 2,572,554	$ 2,681,475
55	Operations & Maintenance	2,736,230	3,784,390	4,590,885	4,683,965	4,779,202	4,876,653	4,976,374	5,078,425	5,182,867	5,289,762	5,399,175
56	**Total Expenses at Execution**	**$ 4,313,568**	**$ 5,651,243**	**$ 6,532,084**	**$ 6,703,042**	**$ 6,879,888**	**$ 7,062,889**	**$ 7,252,326**	**$ 7,448,496**	**$ 7,651,716**	**$ 7,862,316**	**$ 8,080,649**
60	Series 2010 Water Enterprise Revenu	$ 759,491	$ 758,491	$ 758,491	$ 758,491	$ 758,491	$ 758,491	$ 758,491	$ -	$ -	$ -	$ -
61	2015 CWRPDA	$ 839,633	$ 838,611	$ 837,265	$ 837,507	$ 837,592	$ 834,834	$ 838,126	$ 839,111	$ 836,804	$ 837,409	$ 836,071
62	New Debt Service	-	-	-	-	-	-	-	834,235	1,700,488	2,599,987	2,599,987
63	**Total Debt Service**	**$ 1,599,124**	**$ 1,597,102**	**$ 1,595,756**	**$ 1,595,998**	**$ 1,596,083**	**$ 1,593,325**	**$ 1,596,617**	**$ 1,673,346**	**$ 2,537,292**	**$ 3,437,396**	**$ 3,436,058**
64	**Total Cash Outflows**	**$ 5,912,692**	**$ 7,248,345**	**$ 8,127,840**	**$ 8,299,040**	**$ 8,475,971**	**$ 8,656,213**	**$ 8,848,943**	**$ 9,121,843**	**$ 10,189,008**	**$ 11,299,713**	**$ 11,516,708**

Cost Escalation Factors

Schedule 5

Expense Line Item Description	Inflation Factor	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Vehicle expense/maintenance	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Communications (remove)	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Laboratory testing and chemicals	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Legal	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Well A-16 Legal	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Outside services	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Repairs, maintenance and supplies	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Salaries and related costs	Salaries	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Payroll taxes	Salaries	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Employee benefits	Benefits	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%
Small tools and safety items	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Utilities	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Conservation	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
CCPWA Water Lease	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
CCPWA Operations	Maintenance	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%
SMWSA and SPWRAP Dues	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
South Metro WISE Authority Operations	Maintenance	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%
WISE Water	No Escalation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Eye on Water Service Fee	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Meter Services	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Accounting and audit	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Admin vehicle	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Data processing	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Directors' fees	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Dues and seminars	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Paying agent fees	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Insurance	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Legal	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Miscellaneous	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Office expense	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Outside services	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Repairs and maintenance - office	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Salaries and related costs	Salaries	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Payroll taxes	Salaries	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Employee benefits	Benefits	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%
Utility billing system	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Safety and training	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Security services											
Weighted Average Increase in O&M Expenses [1]		31.01%	15.59%	2.62%	2.64%	2.66%	2.68%	2.70%	2.73%	2.75%	2.78%

Capital Improvement Program

Schedule 6

		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
1	**Category 1**										
2	TDS Solution	350,000	-	-	2,166,667	2,166,667	1,083,333	1,083,333	-	-	-
3	Other Capital	617,500	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
4	Alluvial Wells - 3 Total	400,000	-	-	-	-	-	-	-	-	-
5	Other Capital	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
6	Shallow Well 8	-	-	400,000	800,000	-	-	-	-	-	-
7	Shallow Well 5	250,000	-	-	-	-	-	-	-	-	-
8	Shallow Well 14	1,200,000	-	-	-	-	-	-	-	-	-
9	Shallow Wells Redrill (Well 2)	-	500,000	-	-	-	-	-	-	-	-
10	Well Rehab	150,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
11	ASR Program	-	-	-	-	-	-	-	-	400,000	400,000
12	Pipeline to connect A and F Zones	200,000	-	-	-	-	-	-	-	-	-
13	Pump Station 7 & Pipeline to Pump Station 4	-	700,000	1,500,000	-	-	-	-	-	-	-
14	Other Capital (Water Repair and Replacement Wat	1,145,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
15	Zone E Pipeline (Derby Way to Ponderosa Court)	-	-	1,000,000	1,000,000	-	-	-	-	-	-
16	Replace Existing Water Pipelines and Gate Valves	2,850,000	150,000	150,000	150,000	150,000	150,000	1,500,000	1,500,000	150,000	150,000
17	Residential Meter Replacement Project (4-year proj	-	-	-	-	-	-	-	-	870,000	870,000
18	Residential AMI Program	25,000	-	-	-	-	-	-	-	-	-
19	Surface Water Treatment Plant	-	-	-	-	-	-	-	12,000,000	12,000,000	12,000,000
20	Computer/Network Replacement	70,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
21	GIS	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000
22	Security Improvements	7,000	-	-	-	-	-	-	-	-	-
23	Other Genral Capital	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
24	Vehicles	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500
25	Capital Labor Costs	314,500	323,935	333,653	343,663	353,973	364,592	375,529	386,795	398,399	410,351
26	District Office Improvements (basement buildout, re	25,200	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500
27	**Total CIP Budget (in current dollars)**	**$ 7,729,200**	**$ 2,868,435**	**$ 4,578,153**	**$ 5,654,829**	**$ 3,865,139**	**$ 2,792,425**	**$ 4,153,363**	**$ 15,081,295**	**$ 15,012,899**	**$ 15,024,851**
28	Cumulative Projected Cost Escalation[1]	0.0%	0.0%	3.8%	7.8%	12.0%	16.3%	20.7%	25.4%	30.2%	35.2%
29	**Resulting CIP Funding Level**	**$ 7,729,200**	**$ 2,868,435**	**$ 4,753,861**	**$ 6,097,220**	**$ 4,327,466**	**$ 3,246,432**	**$ 5,013,959**	**$ 18,904,960**	**$ 19,541,499**	**$ 20,307,650**
30	Annual CIP Execution Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
31	**Final CIP Funding Level**	**$ 7,729,200**	**$ 2,868,435**	**$ 4,753,861**	**$ 6,097,220**	**$ 4,327,466**	**$ 3,246,432**	**$ 5,013,959**	**$ 18,904,960**	**$ 19,541,499**	**$ 20,307,650**

[1] CIP Escalation factors are consistent with the Engineering News Record Construction Cost Index.

FAMS - Control Panel **Schedule 7**

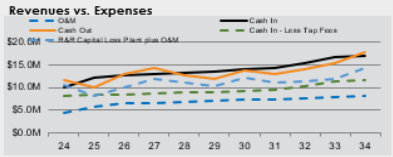
FAMS | PINERY WATER AND WASTEWATER DISTRICT

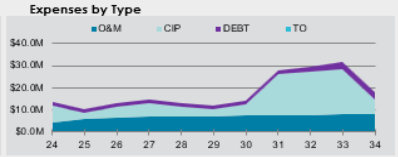
Stantec

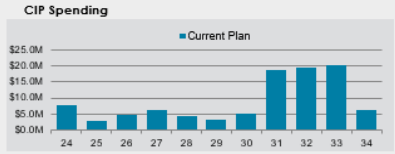
CALC SAVE CTRL LAST OVR

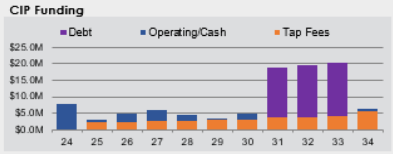
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2025	FY 2034
Override ►	0.00%											Cumulative	
Water Rate Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.56%	10.09%	0.00%	0.00%	14.72%
Last Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.08%	12.26%	11.00%	0.00%	0.00%	22.07%
All-In DSC w/o Tap Fees	2.45	1.68	1.25	1.25	1.26	1.26	1.26	2.39	3.03	4.10	4.11	Scenario Manager	
Last Plan	4.05	1.01	1.02	1.02	1.02	1.02	1.01	1.99	3.03	4.10	4.11		
W+WW DSC (w/out Tap Fees)	4.40	2.62	1.34	1.64	1.66	1.69	1.67	1.57	1.23	1.16	1.15		
CIP $ Redistrib	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
CIP Execution %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Include WTP	Yes
Oper Reserve Mos	6	6	6	6	6	6	6	6	6	6	6		
PS Execution	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Admin - Wate	70.00%
OMV Execution	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
OMF Execution	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
CO Execution	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Restricted Reserves	$ 531,312	$ 567,312	$ 603,312	$ 639,312	$ 675,312	$ 711,312	$ 747,312	$ 783,312	$ 819,312	$ 855,312	$ 891,312		
Capital Reserve	$ 2,892,750	$ 4,800,000	$ 4,800,000	$ 4,800,000	$ 4,800,000	$ 4,800,000	$ 4,800,000	$ 4,800,000	$ 4,800,000	$ 4,800,000	$ 4,800,000	Max R&R	$4,800,000
Panel Control 10 ►													
↑ Insert New Panel Controls Above this Row↑													
Total Residential Bill	$83.59	$83.59	$83.59	$83.59	$83.59	$83.59	$83.59	$83.59	$88.25	$95.90	$95.90		
Last Plan	$83.59	$83.59	$83.59	$83.59	$83.59	$83.59	$83.59	$84.36	$93.17	$102.04	$102.04	Check	-

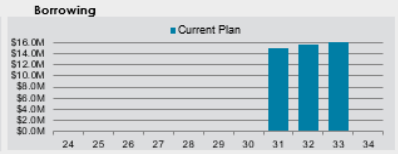












Pro Forma **Schedule 8**

			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
1	**Operating Revenue**												
2	Water, Unused And Unused Rate Revenue		$ 6,800,000	$ 6,800,000	$ 6,971,914	$ 7,143,828	$ 7,315,742	$ 7,487,656	$ 7,659,570	$ 7,831,483	$ 8,003,397	$ 8,711,757	$ 9,792,055
3	Change in Revenue From Growth		-	171,914	171,914	171,914	171,914	171,914	171,914	171,914	171,914	183,195	201,671
4	Subtotal		$ 6,800,000	$ 6,971,914	$ 7,143,828	$ 7,315,742	$ 7,487,656	$ 7,659,570	$ 7,831,483	$ 8,003,397	$ 8,175,311	$ 8,894,951	$ 9,993,726
5	*Weighted Average Rate Increase*		*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*6.56%*	*10.09%*	*0.00%*
6	Additional Rate Revenue From Rate Increase		-	-	-	-	-	-	-	-	536,445	897,104	338
8	Total Rate Revenue		$ 6,800,000	$ 6,971,914	$ 7,143,828	$ 7,315,742	$ 7,487,656	$ 7,659,570	$ 7,831,483	$ 8,003,397	$ 8,711,757	$ 9,792,055	$ 9,994,064
9	Plus: Other Operating Revenue		1,223,200	1,231,000	1,245,501	1,260,003	1,274,504	1,289,005	1,303,507	1,318,008	1,340,383	1,367,781	1,382,287
10	**Equals: Total Operating Revenue**		**$ 8,023,200**	**$ 8,202,914**	**$ 8,389,329**	**$ 8,575,744**	**$ 8,762,160**	**$ 8,948,575**	**$ 9,134,990**	**$ 9,321,405**	**$ 10,052,140**	**$ 11,159,837**	**$ 11,376,352**
11	**Less: Operating Expenses**												
12	Personal Services		$ (1,577,338)	$ (1,866,853)	$ (1,941,199)	$ (2,019,077)	$ (2,100,686)	$ (2,186,236)	$ (2,275,952)	$ (2,370,071)	$ (2,468,849)	$ (2,572,554)	$ (2,681,475)
	Variable Operations & Maintenance Costs		-	-	-	-	-	-	-	-	-	-	-
13	Operations & Maintenance Costs		(2,736,230)	(3,784,390)	(4,590,885)	(4,683,965)	(4,779,202)	(4,876,653)	(4,976,374)	(5,078,425)	(5,182,867)	(5,289,762)	(5,399,175)
14	**Equals: Net Operating Income**		**$ 3,709,632**	**$ 2,551,671**	**$ 1,857,245**	**$ 1,872,702**	**$ 1,882,271**	**$ 1,885,686**	**$ 1,882,664**	**$ 1,872,909**	**$ 2,400,424**	**$ 3,297,521**	**$ 3,295,703**
15	**Plus: Non-Operating Income/(Expense)**												
16	Non-Operating Revenue		$ 164,810	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
17	Interest Income		39,449	37,688	40,004	37,821	36,597	39,371	41,724	43,643	46,868	49,876	50,356
18	Water Tap Fees		1,866,600	3,925,346	4,076,079	4,232,601	4,395,133	4,563,906	4,739,160	4,921,143	5,110,115	5,306,344	5,510,107
21	**Equals: Net Income**		**$ 5,780,491**	**$ 6,604,705**	**$ 6,063,329**	**$ 6,233,125**	**$ 6,404,001**	**$ 6,578,963**	**$ 6,753,548**	**$ 6,927,695**	**$ 7,647,407**	**$ 8,743,740**	**$ 8,946,166**
22	**Less: Revenues Excluded From Coverage Test**												
23	Tap Fees		$ (1,866,600)	$ (3,925,346)	$ (4,076,079)	$ (4,232,601)	$ (4,395,133)	$ (4,563,906)	$ (4,739,160)	$ (4,921,143)	$ (5,110,115)	$ (5,306,344)	$ (5,510,107)
26	**Equals: Net Income Available For Debt Service**		**$ 3,913,891**	**$ 2,679,359**	**$ 1,987,250**	**$ 2,000,524**	**$ 2,008,868**	**$ 2,015,058**	**$ 2,014,389**	**$ 2,006,552**	**$ 2,537,292**	**$ 3,437,396**	**$ 3,436,058**
27	**Senior Lien Debt Service Coverage Test**												
28	Net Income Available for Senior-Lien Debt Service		**$ 3,913,891**	**$ 2,679,359**	**$ 1,987,250**	**$ 2,000,524**	**$ 2,008,868**	**$ 2,015,058**	**$ 2,014,389**	**$ 2,006,552**	**$ 2,537,292**	**$ 3,437,396**	**$ 3,436,058**
29	Existing Senior-Lien Debt		1,599,124	1,597,102	1,595,756	1,595,998	1,596,083	1,593,325	1,596,617	839,111	836,804	837,409	836,071
31	**Total Annual Senior-Lien Debt Service**	**Req.**	**$ 1,599,124**	**$ 1,597,102**	**$ 1,595,756**	**$ 1,595,998**	**$ 1,596,083**	**$ 1,593,325**	**$ 1,596,617**	**$ 839,111**	**$ 836,804**	**$ 837,409**	**$ 836,071**
32	*Calculated Senior-Lien Debt Service Coverage*	**0.00**	**2.45**	**1.68**	**1.25**	**1.25**	**1.26**	**1.26**	**1.26**	**2.39**	**3.03**	**4.10**	**4.11**
33	**Subordinate Debt Service Coverage Test**												
34	Net Income Available for Subordinate Debt Service		**$ 2,314,768**	**$ 1,082,257**	**$ 391,494**	**$ 404,525**	**$ 412,786**	**$ 421,733**	**$ 417,772**	**$ 1,167,441**	**$ 1,700,488**	**$ 2,599,987**	**$ 2,599,987**
36	Cumulative New Subordinate Debt Service (calculated)		-	-	-	-	-	-	-	834,235	1,700,488	2,599,987	2,599,987
37	**Total Annual Subordinate Debt Service**	**Req.**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 834,235**	**$ 1,700,488**	**$ 2,599,987**	**$ 2,599,987**
38	*Calculated Subordinate Debt Service Coverage*	**1.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.40**	**1.00**	**1.00**	**1.00**
39	**Total All-In Debt Service Coverage Test**												
40	Net Income Available for Subordinate Debt Service		**$ 3,913,891**	**$ 2,679,359**	**$ 1,987,250**	**$ 2,000,524**	**$ 2,008,868**	**$ 2,015,058**	**$ 2,014,389**	**$ 2,006,552**	**$ 2,537,292**	**$ 3,437,396**	**$ 3,436,058**
41	Total Senior-Lien Debt Service		1,599,124	1,597,102	1,595,756	1,595,998	1,596,083	1,593,325	1,596,617	839,111	836,804	837,409	836,071
42	Total Subordinate Debt Service		-	-	-	-	-	-	-	834,235	1,700,488	2,599,987	2,599,987
43	**Total Annual Debt Service**		**$ 1,599,124**	**$ 1,597,102**	**$ 1,595,756**	**$ 1,595,998**	**$ 1,596,083**	**$ 1,593,325**	**$ 1,596,617**	**$ 1,673,346**	**$ 2,537,292**	**$ 3,437,396**	**$ 3,436,058**
44	*Calculated All-In Debt Service Coverage*		**2.45**	**1.68**	**1.25**	**1.25**	**1.26**	**1.26**	**1.26**	**1.20**	**1.00**	**1.00**	**1.00**
45	**Cash Flow Test**												
46	Net Income Available For Debt Service		$ 5,780,491	$ 6,604,705	$ 6,063,329	$ 6,233,125	$ 6,404,001	$ 6,578,963	$ 6,753,548	$ 6,927,695	$ 7,647,407	$ 8,743,740	$ 8,946,166
47	Less: Non-Operating Expenditures												
48	Net Debt Service Payment		(1,599,124)	(1,597,102)	(1,595,756)	(1,595,998)	(1,596,083)	(1,593,325)	(1,596,617)	(1,673,346)	(2,537,292)	(3,437,396)	(3,436,058)
49	**Net Cash Flow**		**$ 4,181,368**	**$ 5,007,603**	**$ 4,467,573**	**$ 4,637,126**	**$ 4,807,918**	**$ 4,985,639**	**$ 5,156,931**	**$ 5,254,349**	**$ 5,110,115**	**$ 5,306,344**	**$ 5,510,107**
50	**Unrestricted Reserve Fund Test**												
51	Balance At Beginning Of Fiscal Year		$ 17,553,589	$ 14,005,757	$ 16,144,924	$ 15,858,636	$ 14,398,542	$ 14,878,994	$ 16,618,201	$ 16,761,174	$ 18,153,005	$ 19,341,388	$ 20,559,331
52	Cash Flow Surplus/(Deficit)		4,181,368	5,007,603	4,467,573	4,637,126	4,807,918	4,985,639	5,156,931	5,254,349	5,110,115	5,306,344	5,510,107
53	Projects Paid with Operating Funds		(7,729,200)	(2,868,435)	(4,753,861)	(6,097,220)	(4,327,466)	(3,246,432)	(5,013,959)	(3,862,517)	(3,921,732)	(4,088,401)	(6,344,031)
54	**Balance At End Of Fiscal Year**		**$ 14,005,757**	**$ 16,144,924**	**$ 15,858,636**	**$ 14,398,542**	**$ 14,878,994**	**$ 16,618,201**	**$ 16,761,174**	**$ 18,153,005**	**$ 19,341,388**	**$ 20,559,331**	**$ 19,725,407**
55	Minimum Working Capital Reserve Target		5,580,846	8,192,934	8,669,354	8,790,833	8,915,256	9,042,756	9,173,475	9,307,560	9,445,170	9,586,470	9,731,637
56	**Excess/(Deficiency) Of Working Capital To Target**		**$ 8,424,911**	**$ 7,951,991**	**$ 7,189,283**	**$ 5,607,709**	**$ 5,963,738**	**$ 7,575,445**	**$ 7,587,699**	**$ 8,845,445**	**$ 9,896,219**	**$ 10,972,861**	**$ 9,993,771**

Capital Project Funding Summary

Schedule 9

Final Capital Projects Funding Sources	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Operating Fund	$ 7,729,200	$ 2,868,435	$ 4,753,861	$ 6,097,220	$ 4,327,466	$ 3,246,432	$ 5,013,959	$ 3,862,517	$ 3,921,732	$ 4,088,401	$ 6,344,031
Total Projects Paid	**$ 7,729,200**	**$ 2,868,435**	**$ 4,753,861**	**$ 6,097,220**	**$ 4,327,466**	**$ 3,246,432**	**$ 5,013,959**	**$ 18,904,960**	**$ 19,541,499**	**$ 20,307,650**	**$ 6,344,031**

Funding Summary by Fund

Schedule 10

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Water Tap Fees											
Balance At Beginning Of Fiscal Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 219,515	$ 571,094	$ 951,628
Annual Revenues	1,866,600	3,925,346	4,076,079	4,232,601	4,395,133	4,563,906	4,739,160	4,921,143	5,110,115	5,306,344	5,510,107
Less: Payment Of Debt Service	(1,599,124)	(1,597,102)	(1,595,756)	(1,595,998)	(1,596,083)	(1,593,325)	(1,596,617)	(839,111)	(836,804)	(837,409)	(836,071)
Subtotal	$ 267,476	$ 2,328,244	$ 2,480,323	$ 2,636,602	$ 2,799,050	$ 2,970,581	$ 3,142,543	$ 4,082,032	$ 4,492,826	$ 5,040,029	$ 5,625,664
Total Amount Available For Projects	267,476	2,328,244	2,480,323	2,636,602	2,799,050	2,970,581	3,142,543	4,082,032	4,492,826	5,040,029	5,625,664
Amount Paid For Projects	(267,476)	(2,328,244)	(2,480,323)	(2,636,602)	(2,799,050)	(2,970,581)	(3,142,543)	(3,862,517)	(3,921,732)	(4,088,401)	(5,625,664)
Subtotal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 219,515	$ 571,094	$ 951,628	$ -
Plus: Interest Earnings	-	-	-	-	-	-	-	274	988	1,903	1,190
Less: Interest Allocated To Cash Flow	-	-	-	-	-	-	-	(274)	(988)	(1,903)	(1,190)
Balance At End Of Fiscal Year	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 219,515**	**$ 571,094**	**$ 951,628**	**$ -**
Operating Fund											
Balance At Beginning Of Fiscal Year	$ 17,553,589	$ 14,005,757	$ 16,144,924	$ 15,858,636	$ 14,398,542	$ 14,878,994	$ 16,618,201	$ 16,761,174	$ 17,933,490	$ 18,770,294	$ 19,607,703
Net Cash Flow	3,913,891	2,679,359	1,987,250	2,000,524	2,008,868	2,015,058	2,014,389	1,172,316	836,804	837,409	836,071
Subtotal	$ 21,467,480	$ 16,685,116	$ 18,132,174	$ 17,859,160	$ 16,407,411	$ 16,894,052	$ 18,632,590	$ 17,933,490	$ 18,770,294	$ 19,607,703	$ 20,443,774
Less: Restricted Funds	(5,580,846)	(8,192,934)	(8,669,354)	(8,790,833)	(8,915,256)	(9,042,756)	(9,173,475)	(9,307,560)	(9,445,170)	(9,586,470)	(9,731,637)
Total Amount Available For Projects	15,886,634	8,492,182	9,462,820	9,068,327	7,492,155	7,851,296	9,459,115	8,625,930	9,325,124	10,021,233	10,712,137
Amount Paid For Projects	(7,461,724)	(540,191)	(2,273,538)	(3,460,618)	(1,528,416)	(275,851)	(1,871,416)	-	-	-	(718,367)
Subtotal	$ 8,424,911	$ 7,951,991	$ 7,189,283	$ 5,607,709	$ 5,963,738	$ 7,575,445	$ 7,587,699	$ 8,625,930	$ 9,325,124	$ 10,021,233	$ 9,993,771
Add Back: Restricted Funds	5,580,846	8,192,934	8,669,354	8,790,833	8,915,256	9,042,756	9,173,475	9,307,560	9,445,170	9,586,470	9,731,637
Plus: Interest Earnings	39,449	37,688	40,004	37,821	36,597	39,371	41,724	43,368	45,880	47,972	49,166
Less: Interest Allocated To Cash Flow	(39,449)	(37,688)	(40,004)	(37,821)	(36,597)	(39,371)	(41,724)	(43,368)	(45,880)	(47,972)	(49,166)
Balance At End Of Fiscal Year	**$ 14,005,757**	**$ 16,144,924**	**$ 15,858,636**	**$ 14,398,542**	**$ 14,878,994**	**$ 16,618,201**	**$ 16,761,174**	**$ 17,933,490**	**$ 18,770,294**	**$ 19,607,703**	**$ 19,725,407**

Subordinate Borrowing Projections

Schedule 11

			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Term (Years)			30	30	30	30	30	30	30	30	30	30	30
Interest Rate			3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Sources of Funds													
Par Amount			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,343,291	$ 15,932,162	$ 16,543,634	$ -
Uses of Funds													
Proceeds			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,042,443	$ 15,619,767	$ 16,219,249	$ -
Cost of Issuance	0.00%	of Par	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment Res.	0.00%	of Capital Cost	-	-	-	-	-	-	-	-	-	-	-
Loan Service Fee	2.00%	of Capital Cost	-	-	-	-	-	-	-	300,849	312,395	324,385	-
Capitalized Interest	0	Years Interest	-	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve	0	Year(s) of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Other Costs			-	-	-	-	-	-	-	-	-	-	-
Total Uses			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,343,291	$ 15,932,162	$ 16,543,634	$ -
1 Year Interest			-	-	-	-	-	-	-	537,015	557,626	579,027	-
Annual Debt Service			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 834,235	$ 866,253	$ 899,499	$ -
Total Debt Service			-	-	-	-	-	-	-	25,027,056	25,987,586	26,984,982	-
Cumulative New Annual Subordinate Debt Service			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 834,235**	**$ 1,700,488**	**$ 2,599,987**	**$ 2,599,987**

APPENDIX B: SUPPORTING SCHEDULES – WASTEWATER FINANCIAL PLAN

Supporting Schedules for the Wastewater Financial Plan

Schedule 1 Assumptions

Schedule 2 FY 2024 Beginning Balances as of 1/1/2024

Schedule 3 Projection of Cash Inflows

Schedule 4 Projected of Cash Outflows

Schedule 5 Cost Escalation Factors

Schedule 6 Capital Improvement Program

Schedule 7 FAMS Control Panel

Schedule 8 Pro Forma

Schedule 9 Capital Project Funding Summary

Schedule 10 Funding Summary by Fund

Pinery Water & Wastewater District

FY 2024 Water & Sewer Revenue Sufficiency Analysis

Assumptions & Preliminary Results Workbook



Stantec

Assumptions

Schedule 1

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Rate Increase Adoption Date	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	1/1/2034
Annual Growth											
Wastewater											
Ending # of Accounts	5,079	5,174	5,269	5,364	5,459	5,554	5,649	5,744	5,839	5,934	6,029
Account Growth	N/A	95	95	95	95	95	95	95	95	95	95
% Change in Accounts	*N/A*	*1.87%*	*1.84%*	*1.80%*	*1.77%*	*1.74%*	*1.71%*	*1.68%*	*1.65%*	*1.63%*	*1.60%*
% Change in Usage per Account	*N/A*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
% Change in Usage	*N/A*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
% Paying Capital Charges	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
Capital Spending											
Annual Capital Budget (Future Year Dollars)	$ 4,482,300	$ 1,168,868	$ 676,461	$ 2,271,862	$ 5,500,150	$ 4,808,103	$ 1,234,445	$ 828,834	$ 863,412	$ 3,706,467	$ 1,741,980
Annual Percent Executed	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Tap Fees											
Wastewater Tap Fees	$8,790	$16,064	$16,681	$17,321	$17,985	$18,676	$19,393	$20,137	$20,910	$21,712	$22,545
Average Annual Interest Earnings Rate											
On Fund Balances	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Operating Budget Execution Percentage											
Personal Services	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Variable Operations and Maintenance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Fixed Operations and Maintenance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Outlay	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

FY 2024 Beginning Balances as of 1/1/2024 — Schedule 2

Stantec Grouping of Funds in Model	Operating Fund
Current Unrestricted Assets	
Cash and cash equivalents	$ 8,000,000
Total Assets	**$ 8,000,000**
Calculated Fund Balance (Assets - Liabilities)	**$ 8,000,000**
Net Unrestricted Fund Balance	**$ 8,000,000**
Available Fund Balance	**$ 8,000,000**

Fund Summary		
Operating Fund	$	8,000,000
Total Available Funds	**$**	**8,000,000**

Projection of Cash Inflows

Schedule 3

		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
1	**Rate Revenue Growth Assumptions**											
2	**Wastewater**											
3	% Change in Base Revenue	N/A	1.87%	1.84%	1.80%	1.77%	1.74%	1.71%	1.68%	1.65%	1.63%	1.60%
4	**Assumed Rate Revenue Increases**											
5	Assumed Wastewater Rate Increase	N/A	1.50%	1.50%	1.50%	1.50%	1.50%	0.00%	0.00%	0.00%	0.00%	0.00%
6	**Wastewater Rate Revenue**											
7	Base Rate Revenue	$ 2,800,000	$ 2,895,158	$ 2,992,541	$ 3,092,194	$ 3,194,163	$ 3,298,496	$ 3,354,916	$ 3,411,336	$ 3,467,756	$ 3,524,176	$ 3,580,596
8	**Total Wastewater Rate Revenue**	**$ 2,800,000**	**$ 2,895,158**	**$ 2,992,541**	**$ 3,092,194**	**$ 3,194,163**	**$ 3,298,496**	**$ 3,354,916**	**$ 3,411,336**	**$ 3,467,756**	**$ 3,524,176**	**$ 3,580,596**
9	**Other Operating Revenue**											
10	Ready to Serve Fees	$ 17,830	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
11	Canyons South	$ 64,900	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12	Other	$ 1,700,000	$ 1,300,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13	Cielo Tap Fees	$ 64,900	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	Late charges	$ 12,090	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
15	Other income	$ 48,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000
16	Proceeds from sale of assets	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
17	**Total Non-Operating Revenue**	**$ 1,910,720**	**$ 1,425,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**
18	**Interest Income**											
19	Unrestricted	$ 17,521	$ 17,441	$ 21,340	$ 22,842	$ 18,917	$ 12,027	$ 10,620	$ 14,291	$ 18,533	$ 19,280	$ 19,025
20	**Total Interest Income**	**$ 17,521**	**$ 17,441**	**$ 21,340**	**$ 22,842**	**$ 18,917**	**$ 12,027**	**$ 10,620**	**$ 14,291**	**$ 18,533**	**$ 19,280**	**$ 19,025**
21	**Wastewater Tap Fees**											
22	Wastewater Tap Fees	$ 395,550	$ 1,526,080	$ 1,584,650	$ 1,645,469	$ 1,708,621	$ 1,774,198	$ 1,842,291	$ 1,912,998	$ 1,986,418	$ 2,062,656	$ 2,141,820
23	**Total Wastewater Tap Fees**	**$ 395,550**	**$ 1,526,080**	**$ 1,584,650**	**$ 1,645,469**	**$ 1,708,621**	**$ 1,774,198**	**$ 1,842,291**	**$ 1,912,998**	**$ 1,986,418**	**$ 2,062,656**	**$ 2,141,820**
24	**Total Cash Inflows**	**$ 5,123,791**	**$ 5,863,679**	**$ 4,648,532**	**$ 4,810,505**	**$ 4,971,701**	**$ 5,134,720**	**$ 5,257,827**	**$ 5,388,624**	**$ 5,522,706**	**$ 5,656,112**	**$ 5,791,441**

Projection of Cash Outflows **Schedule 4**

	Expense Line Item	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
1	**Department Title 1**											
2	**Personal Services**											
3	**Operations & Maintenance**											
4	Vehicle expense/maintenance	$ 15,000	$ 20,000	$ 20,440	$ 20,890	$ 21,349	$ 21,819	$ 22,299	$ 22,790	$ 23,291	$ 23,803	$ 24,327
5	Cherry Creek Basin fees	18,000	20,000	20,440	20,890	21,349	21,819	22,299	22,790	23,291	23,803	24,327
6	Laboratory testing and chemicals	150,000	168,000	171,696	175,473	179,334	183,279	187,311	191,432	195,644	199,948	204,347
7	Outside services	90,000	100,000	102,200	104,448	106,746	109,095	111,495	113,948	116,454	119,016	121,635
8	Repairs, maintenance and supplies	190,000	260,000	195,700	200,005	204,406	208,902	213,498	218,195	222,996	227,901	232,915
9	Salaries and related costs	697,800	691,600	712,348	733,718	755,730	778,402	801,754	825,807	850,581	876,098	902,381
10	Payroll taxes	52,335	51,870	53,426	55,029	56,680	58,380	60,132	61,935	63,794	65,707	67,679
11	Employee benefits	228,400	232,200	248,681	266,333	285,237	305,483	327,166	350,388	375,258	401,893	430,420
12	Solids Removal	140,000	156,000	159,432	162,940	166,524	170,188	173,932	177,758	181,669	185,666	189,750
13	Small tools and Equipment	13,500	18,500	18,907	19,323	19,748	20,183	20,627	21,080	21,544	22,018	22,502
14	Utilities	270,000	270,000	275,940	282,011	288,215	294,556	301,036	307,659	314,427	321,345	328,414
15	Accounting and audit	27,000	28,500	29,127	29,768	30,423	31,092	31,776	32,475	33,190	33,920	34,666
16	Admin vehicle	60	60	61	63	64	65	67	68	70	71	73
17	Data processing	39,000	51,000	52,122	53,269	54,441	55,638	56,862	58,113	59,392	60,698	62,034
18	Directors' fees	1,800	1,800	1,840	1,880	1,921	1,964	2,007	2,051	2,096	2,142	2,189
19	Dues and seminars	9,000	9,000	9,198	9,400	9,607	9,819	10,035	10,255	10,481	10,711	10,947
20	Paying agent fees	4,500	450	460	470	480	491	502	513	524	536	547
21	Insurance	54,780	57,000	58,254	59,536	60,845	62,184	63,552	64,950	66,379	67,839	69,332
22	Legal	21,000	22,500	22,995	23,501	24,018	24,546	25,086	25,638	26,202	26,779	27,368
23	Miscellaneous	1,500	2,100	2,146	2,193	2,242	2,291	2,341	2,393	2,446	2,499	2,554
24	Office expense	5,100	6,000	6,132	6,267	6,405	6,546	6,690	6,837	6,987	7,141	7,298
25	Outside services	37,500	30,000	30,660	31,335	32,024	32,728	33,448	34,184	34,936	35,705	36,490
26	Repairs and maintenance - office	19,500	22,500	22,995	23,501	24,018	24,546	25,086	25,638	26,202	26,779	27,368
27	Salaries and related costs	129,732	135,720	139,792	143,985	148,305	152,754	157,337	162,057	166,918	171,926	177,084
28	Payroll taxes	9,720	10,179	10,484	10,799	11,123	11,457	11,800	12,154	12,519	12,894	13,281
29	Employee benefits	30,750	29,808	31,924	34,190	36,616	39,215	41,999	44,980	48,173	51,592	55,254
30	Utility billing system	4,800	4,500	4,599	4,700	4,804	4,909	5,017	5,128	5,240	5,356	5,474
31	Safety and training	12,180	12,600	12,877	13,160	13,450	13,746	14,048	14,357	14,673	14,996	15,326
32	Security services	8,100	16,500	16,863	17,234	17,613	18,001	18,397	18,801	19,215	19,638	20,070
33	Customer communications	12,000	12,000	12,264	12,534	12,810	13,091	13,379	13,674	13,975	14,282	14,596
34	Utilities	16,500	16,800	17,170	17,547	17,933	18,328	18,731	19,143	19,564	19,995	20,435
35	**Total Department Title 1**	**$ 2,309,557**	**$ 2,457,187**	**$ 2,461,173**	**$ 2,536,391**	**$ 2,614,459**	**$ 2,695,516**	**$ 2,779,709**	**$ 2,867,192**	**$ 2,958,131**	**$ 3,052,699**	**$ 3,151,083**
36	**Total Expenses by Category**											
37	Personal Services	$ 1,148,737	$ 1,151,377	$ 1,196,655	$ 1,244,054	$ 1,293,691	$ 1,345,691	$ 1,400,187	$ 1,457,321	$ 1,517,242	$ 1,580,111	$ 1,646,098
38	Operations & Maintenance	1,160,820	1,305,810	1,264,518	1,292,337	1,320,769	1,349,826	1,379,522	1,409,871	1,440,888	1,472,588	1,504,985
39	**Total Expenses**	**$ 2,309,557**	**$ 2,457,187**	**$ 2,461,173**	**$ 2,536,391**	**$ 2,614,459**	**$ 2,695,516**	**$ 2,779,709**	**$ 2,867,192**	**$ 2,958,131**	**$ 3,052,699**	**$ 3,151,083**
40	**Expense Execution Factors**											
41	Personal Services	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Variable Operations & Maintenance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
42	Operations & Maintenance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
43	Capital Outlay	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
44	**Total Expenses at Execution**											
45	Personal Services	$ 1,148,737	$ 1,151,377	$ 1,196,655	$ 1,244,054	$ 1,293,691	$ 1,345,691	$ 1,400,187	$ 1,457,321	$ 1,517,242	$ 1,580,111	$ 1,646,098
46	Operations & Maintenance	1,160,820	1,305,810	1,264,518	1,292,337	1,320,769	1,349,826	1,379,522	1,409,871	1,440,888	1,472,588	1,504,985
47	**Total Expenses at Execution**	**$ 2,309,557**	**$ 2,457,187**	**$ 2,461,173**	**$ 2,536,391**	**$ 2,614,459**	**$ 2,695,516**	**$ 2,779,709**	**$ 2,867,192**	**$ 2,958,131**	**$ 3,052,699**	**$ 3,151,083**
48	**Debt Service**											
49	2005 CWRPDA	$ 315,440	$ 317,740	$ 311,460	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
50	**Total Debt Service**	**$ 315,440**	**$ 317,740**	**$ 311,460**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
51	**Total Cash Outflows**	**$ 2,624,997**	**$ 2,774,927**	**$ 2,772,633**	**$ 2,536,391**	**$ 2,614,459**	**$ 2,695,516**	**$ 2,779,709**	**$ 2,867,192**	**$ 2,958,131**	**$ 3,052,699**	**$ 3,151,083**

Cost Escalation Factors

Schedule 5

Expense Line Item Description	Inflation Factor	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Vehicle expense/maintenance	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Cherry Creek Basin fees	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Communications	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Laboratory testing and chemicals	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Outside services	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Repairs, maintenance and supplies	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Salaries and related costs	Salaries	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Payroll taxes	Salaries	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Employee benefits	Benefits	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%
Solids Removal	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Small tools and Equipment	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Utilities	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Accounting and audit	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Admin vehicle	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Data processing	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Directors' fees	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Insurance	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Legal	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Miscellaneous	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Office expense	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Outside services	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Repairs and maintenance - office	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Salaries and related costs	Salaries	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Payroll taxes	Salaries	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Employee benefits	Benefits	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%
Utility billing system	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Safety and training	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Security services	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Customer communications	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Telephone and utilities	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Utilities	General Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Weighted Average Increase in O&M Expenses [1]		6.39%	0.16%	3.06%	3.08%	3.10%	3.12%	3.15%	3.17%	3.20%	3.22%

[1] The Weighted Average Increase in O&M Expenses is reflective of the cost escalation factors presented on this schedule and the cost execution factors on Schedule 1.

Capital Improvement Program

Schedule 6

		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
1	**Category 1**										
2	Pipe Bursting Project (increase main size from 6" to 8")	-	-	-	300,000	300,000	-	-	-	-	-
3	Collection System Lining, New Manholes, pipeline repa	$ 260,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
4	Aeration Upgrade	3,000,000	500,000	-	-	-	-	-	-	-	-
5	Lagoon Liner	500,000	-	-	-	-	-	-	-	-	-
6	UV System	-	-	-	800,000	800,000	-	-	-	-	-
7	Filter Expansion	-	-	-	300,000	3,000,000	3,000,000	-	-	-	-
8	Misc WWTP Repairs	58,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
9	Expansion to Maintenance Bldg	-	-	-	-	-	350,000	350,000	-	-	-
10	WWTP ReRating to 2.6 MGD Project	-	-	-	-	-	-	-	-	-	2,000,000
11	Other Capital	535,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
12	Computer/Network Replacement	30,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
13	GIS	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
14	Security Improvements	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
15	Other Genral Capital	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
16	Vehicles	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500
17	Capital Labor Costs	55,500	57,165	58,880	60,646	62,466	64,340	66,270	68,258	70,306	72,415
18	District Office Improvements (basement buildout, repai	10,800	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
19	**Total CIP Budget (in current dollars)**	**$ 4,482,300**	**$ 1,125,665**	**$ 627,380**	**$ 2,029,146**	**$ 4,730,966**	**$ 3,982,840**	**$ 984,770**	**$ 636,758**	**$ 638,806**	**$ 2,640,915**
20	Cumulative Projected Cost Escalation[1]	0.0%	3.8%	7.8%	12.0%	16.3%	20.7%	25.4%	30.2%	35.2%	40.3%
21	**Resulting CIP Funding Level**	**$ 4,482,300**	**$ 1,168,868**	**$ 676,461**	**$ 2,271,862**	**$ 5,500,150**	**$ 4,808,103**	**$ 1,234,445**	**$ 828,834**	**$ 863,412**	**$ 3,706,467**
22	Annual CIP Execution Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
23	**Final CIP Funding Level**	**$ 4,482,300**	**$ 1,168,868**	**$ 676,461**	**$ 2,271,862**	**$ 5,500,150**	**$ 4,808,103**	**$ 1,234,445**	**$ 828,834**	**$ 863,412**	**$ 3,706,467**

[1] CIP Escalation factors are consistent with the Engineering News Record Construction Cost Index.

FAMS - Control Panel **Schedule 7**

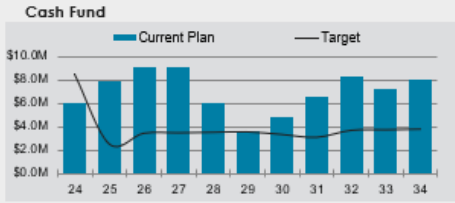
FAMS Financial Analysis & Management System | By Stantec

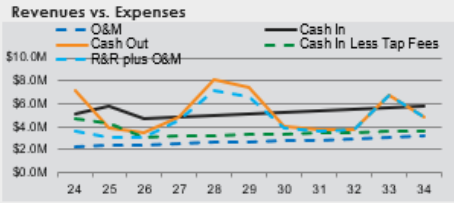
PINERY WATER AND WASTEWATER DISTRICT

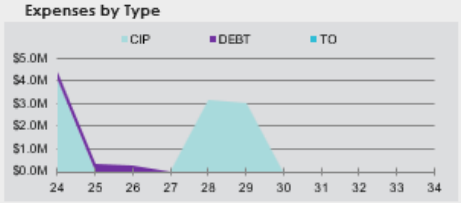
Stantec

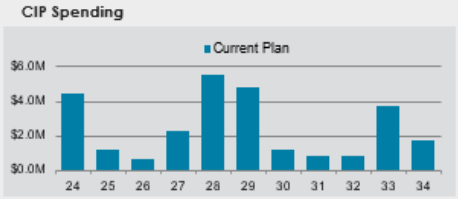
CALC | SAVE | CTRL | LAST | OVR

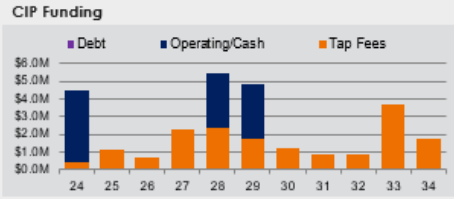
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2025	FY 2028
Override ▶	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%						Cumulative	
Wastewater Rate Plan	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%	0.00%	0.00%	0.00%	0.00%	0.00%	1.51%	6.15%
W+WW DSC (w/ Tap Fees)	4.90	4.81	3.83	4.80	5.03	5.28	5.37	10.39	10.58	10.82	11.00		
W+WW DSC (w/out Tap Fees)	3.92	2.76	1.70	2.16	2.28	2.42	2.41	4.54	4.48	4.49	4.42		
CIP $ Redistrib	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
CIP Execution %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Oper Reserve Mos	6	6	6	6	6	6	6	6	6	6	6		
PS Execution	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Admin - Sewe	30.00%
OMV Execution	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
OMF Execution	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
CO Execution	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Restricted Reserves	$ 7,293,790	$ 1,295,013	$ 2,200,000	$ 2,200,000	$ 2,200,000	$ 2,200,000	$ 1,934,413	$ 1,648,746	$ 2,200,000	$ 2,200,000	$ 2,200,000	Max R&R	$2,200,000
	↑ Insert New Panel Controls Above this Row												
Total Residential Bill	$37.86	$38.43	$39.01	$39.60	$40.19	$40.79	$40.79	$40.79	$40.79	$40.79	$40.79		

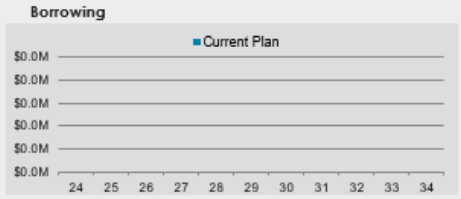












Pro Forma **Schedule 8**

			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
1	**Operating Revenue**												
2	Wastewater, Unused And Unused Rate Revenue		$ 2,800,000	$ 2,800,000	$ 2,895,158	$ 2,992,541	$ 3,092,194	$ 3,194,163	$ 3,298,496	$ 3,354,916	$ 3,411,336	$ 3,467,756	$ 3,524,176
3	Change in Revenue From Growth		-	52,373	53,158	53,955	54,765	55,586	56,420	56,420	56,420	56,420	56,420
4	Subtotal		$ 2,800,000	$ 2,852,373	$ 2,948,316	$ 3,046,496	$ 3,146,959	$ 3,249,749	$ 3,354,916	$ 3,411,336	$ 3,467,756	$ 3,524,176	$ 3,580,596
5	*Weighted Average Rate Increase*		*0.00%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
6	Additional Rate Revenue From Rate Increase		-	42,786	44,225	45,697	47,204	48,746	-	-	-	-	-
8	Total Rate Revenue		$ 2,800,000	$ 2,895,158	$ 2,992,541	$ 3,092,194	$ 3,194,163	$ 3,298,496	$ 3,354,916	$ 3,411,336	$ 3,467,756	$ 3,524,176	$ 3,580,596
9	Plus: Other Operating Revenue		1,847,630	1,395,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
10	**Equals: Total Operating Revenue**		**$ 4,647,630**	**$ 4,290,158**	**$ 3,012,541**	**$ 3,112,194**	**$ 3,214,163**	**$ 3,318,496**	**$ 3,374,916**	**$ 3,431,336**	**$ 3,487,756**	**$ 3,544,176**	**$ 3,600,596**
11	**Less: Operating Expenses**												
12	Personal Services		$ (1,148,737)	$ (1,151,377)	$ (1,196,655)	$ (1,244,054)	$ (1,293,691)	$ (1,345,691)	$ (1,400,187)	$ (1,457,321)	$ (1,517,242)	$ (1,580,111)	$ (1,646,098)
13	Operations & Maintenance Costs		(1,160,820)	(1,305,810)	(1,264,518)	(1,292,337)	(1,320,769)	(1,349,826)	(1,379,522)	(1,409,871)	(1,440,888)	(1,472,588)	(1,504,985)
14	**Equals: Net Operating Income**		**$ 2,338,073**	**$ 1,832,971**	**$ 551,368**	**$ 575,803**	**$ 599,704**	**$ 622,979**	**$ 595,207**	**$ 564,144**	**$ 529,625**	**$ 491,477**	**$ 449,513**
15	**Plus: Non-Operating Income/(Expense)**												
16	Non-Operating Revenue		$ 63,090	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000
17	Interest Income		17,521	17,441	21,340	22,842	18,917	12,027	10,620	14,291	18,533	19,280	19,025
18	Wastewater Tap Fees		395,550	1,526,080	1,584,650	1,645,469	1,708,621	1,774,198	1,842,291	1,912,998	1,986,418	2,062,656	2,141,820
19	**Equals: Net Income**		**$ 2,814,234**	**$ 3,406,492**	**$ 2,187,359**	**$ 2,274,114**	**$ 2,357,242**	**$ 2,439,204**	**$ 2,478,118**	**$ 2,521,432**	**$ 2,564,576**	**$ 2,603,413**	**$ 2,640,357**
20	**Less: Revenues Excluded From Coverage Test**												
21	Tap Fees		$ (395,550)	$ (1,526,080)	$ (1,584,650)	$ (1,645,469)	$ (1,708,621)	$ (1,774,198)	$ (1,842,291)	$ (1,912,998)	$ (1,986,418)	$ (2,062,656)	$ (2,141,820)
22	**Equals: Net Income Available For Debt Service**		**$ 2,418,684**	**$ 1,880,412**	**$ 602,708**	**$ 628,645**	**$ 648,620**	**$ 665,006**	**$ 635,827**	**$ 608,434**	**$ 578,158**	**$ 540,757**	**$ 498,537**
23	**Senior Lien Debt Service Coverage Test**												
24	Net Income Available for Senior-Lien Debt Service		**$ 2,418,684**	**$ 1,880,412**	**$ 602,708**	**$ 628,645**	**$ 648,620**	**$ 665,006**	**$ 635,827**	**$ 608,434**	**$ 578,158**	**$ 540,757**	**$ 498,537**
25	Existing Senior-Lien Debt		315,440	317,740	311,460	-	-	-	-	-	-	-	-
26	**Total Annual Senior-Lien Debt Service**	**Req.**	**$ 315,440**	**$ 317,740**	**$ 311,460**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
27	*Calculated Senior-Lien Debt Service Coverage*	**0.00**	**7.67**	**5.92**	**1.94**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
28	**Subordinate Debt Service Coverage Test**												
29	Net Income Available for Subordinate Debt Service		**$ 2,103,244**	**$ 1,562,672**	**$ 291,248**	**$ 628,645**	**$ 648,620**	**$ 665,006**	**$ 635,827**	**$ 608,434**	**$ 578,158**	**$ 540,757**	**$ 498,537**
30	**Total Annual Subordinate Debt Service**	**Req.**	**$ 2,103,244**	**$ 1,562,672**	**$ 291,248**	**$ 628,645**	**$ 648,620**	**$ 665,006**	**$ 635,827**	**$ 608,434**	**$ 578,158**	**$ 540,757**	**$ 498,537**
31	*Calculated Subordinate Debt Service Coverage*	**1.00**	1	1	1	1	1	1	1	1	1	1	1
32	**Total All-In Debt Service Coverage Test**												
33	Net Income Available for Subordinate Debt Service		**$ 2,418,684**	**$ 1,880,412**	**$ 602,708**	**$ 628,645**	**$ 648,620**	**$ 665,006**	**$ 635,827**	**$ 608,434**	**$ 578,158**	**$ 540,757**	**$ 498,537**
34	Total Senior-Lien Debt Service		315,440	317,740	311,460	-	-	-	-	-	-	-	-
35	Total Subordinate Debt Service		2,103,244	1,562,672	291,248	628,645	648,620	665,006	635,827	608,434	578,158	540,757	498,537
36	**Total Annual Debt Service**		**$ 2,418,684**	**$ 1,880,412**	**$ 602,708**	**$ 628,645**	**$ 648,620**	**$ 665,006**	**$ 635,827**	**$ 608,434**	**$ 578,158**	**$ 540,757**	**$ 498,537**
37	*Calculated All-In Debt Service Coverage*		**1.00**	**1.00**	**1.00**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
38	**Cash Flow Test**												
39	Net Income Available For Debt Service		$ 2,814,234	$ 3,406,492	$ 2,187,359	$ 2,274,114	$ 2,357,242	$ 2,439,204	$ 2,478,118	$ 2,521,432	$ 2,564,576	$ 2,603,413	$ 2,640,357
40	Less: Non-Operating Expenditures												
41	Net Debt Service Payment		(315,440)	(317,740)	(311,460)	-	-	-	-	-	-	-	-
42	**Net Cash Flow**		**$ 2,498,794**	**$ 3,088,752**	**$ 1,875,899**	**$ 2,274,114**	**$ 2,357,242**	**$ 2,439,204**	**$ 2,478,118**	**$ 2,521,432**	**$ 2,564,576**	**$ 2,603,413**	**$ 2,640,357**
43	**Unrestricted Reserve Fund Test**												
44	Balance At Beginning Of Fiscal Year		$ 8,000,000	$ 10,103,244	$ 12,023,128	$ 13,222,565	$ 13,224,817	$ 10,081,909	$ 7,713,010	$ 8,956,683	$ 10,649,280	$12,350,444	$ 11,247,390
45	Cash Flow Surplus/(Deficit)		2,498,794	3,088,752	1,875,899	2,274,114	2,357,242	2,439,204	2,478,118	2,521,432	2,564,576	2,603,413	2,640,357
46	Projects Paid with Operating Funds		(395,550)	(1,168,868)	(676,461)	(2,271,862)	(5,500,150)	(4,808,103)	(1,234,445)	(828,834)	(863,412)	(3,706,467)	(1,741,980)
47	**Balance At End Of Fiscal Year**		**$ 10,103,244**	**$ 12,023,128**	**$ 13,222,565**	**$ 13,224,817**	**$ 10,081,909**	**$ 7,713,010**	**$ 8,956,683**	**$ 10,649,280**	**$ 12,350,444**	**$11,247,390**	**$ 12,145,768**
48	Minimum Working Capital Reserve Target		8,448,569	2,523,606	3,430,587	3,468,196	3,507,230	3,547,758	3,324,267	3,082,342	3,679,065	3,726,350	3,775,542
49	**Excess/(Deficiency) Of Working Capital To Target**		**$ 1,654,675**	**$ 9,499,522**	**$ 9,791,979**	**$ 9,756,622**	**$ 6,574,679**	**$ 4,165,252**	**$ 5,632,415**	**$ 7,566,938**	**$ 8,671,379**	**$ 7,521,041**	**$ 8,370,226**

Capital Project Funding Summary

Schedule 9

Final Capital Projects Funding Sources	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Operating Fund	$ 395,550	$ 1,168,868	$ 676,461	$ 2,271,862	$ 5,500,150	$ 4,808,103	$ 1,234,445	$ 828,834	$ 863,412	$ 3,706,467	$ 1,741,980
Projects Designated To Be Paid With Cash	4,086,750	-	-	-	-	-	-	-	-	-	-
Total Projects Paid	**$ 4,482,300**	**$ 1,168,868**	**$ 676,461**	**$ 2,271,862**	**$ 5,500,150**	**$ 4,808,103**	**$ 1,234,445**	**$ 828,834**	**$ 863,412**	**$ 3,706,467**	**$ 1,741,980**

Funding Summary by Fund

Schedule 10

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Wastewater Tap Fees											
Balance At Beginning Of Fiscal Year	$ -	$ -	$ 357,212	$ 1,265,401	$ 639,008	$ -	$ -	$ 607,846	$ 1,692,009	$ 2,815,014	$ 1,171,204
Annual Revenues	395,550	1,526,080	1,584,650	1,645,469	1,708,621	1,774,198	1,842,291	1,912,998	1,986,418	2,062,656	2,141,820
Subtotal	$ 395,550	$ 1,526,080	$ 1,941,863	$ 2,910,870	$ 2,347,630	$ 1,774,198	$ 1,842,291	$ 2,520,843	$ 3,678,427	$ 4,877,670	$ 3,313,024
Total Amount Available For Projects	395,550	1,526,080	1,941,863	2,910,870	2,347,630	1,774,198	1,842,291	2,520,843	3,678,427	4,877,670	3,313,024
Amount Paid For Projects	(395,550)	(1,168,868)	(676,461)	(2,271,862)	(2,347,630)	(1,774,198)	(1,234,445)	(828,834)	(863,412)	(3,706,467)	(1,741,980)
Subtotal	$ -	$ 357,212	$ 1,265,401	$ 639,008	$ -	$ -	$ 607,846	$ 1,692,009	$ 2,815,014	$ 1,171,204	$ 1,571,044
Plus: Interest Earnings	-	447	2,028	2,381	799	-	760	2,875	5,634	4,983	3,428
Less: Interest Allocated To Cash Flow	-	(447)	(2,028)	(2,381)	(799)	-	(760)	(2,875)	(5,634)	(4,983)	(3,428)
Balance At End Of Fiscal Year	**$ -**	**$ 357,212**	**$ 1,265,401**	**$ 639,008**	**$ -**	**$ -**	**$ 607,846**	**$ 1,692,009**	**$ 2,815,014**	**$ 1,171,204**	**$ 1,571,044**
Operating Fund											
Balance At Beginning Of Fiscal Year	$ 8,000,000	$ 6,016,494	$ 7,579,166	$ 7,870,414	$ 8,499,059	$ 5,995,159	$ 3,626,260	$ 4,262,087	$ 4,870,522	$ 5,448,680	$ 5,989,437
Net Cash Flow	2,103,244	1,562,672	291,248	628,645	648,620	665,006	635,827	608,434	578,158	540,757	498,537
Less: Cash-Funded Capital Projects	(4,086,750)	-	-	-	-	-	-	-	-	-	-
Subtotal	$ 6,016,494	$ 7,579,166	$ 7,870,414	$ 8,499,059	$ 9,147,679	$ 6,660,165	$ 4,262,087	$ 4,870,522	$ 5,448,680	$ 5,989,437	$ 6,487,974
Less: Restricted Funds	(6,016,494)	(2,523,606)	(3,430,587)	(3,468,196)	(3,507,230)	(3,547,758)	(3,324,267)	(3,082,342)	(3,679,065)	(3,726,350)	(3,775,542)
Total Amount Available For Projects	-	5,055,560	4,439,827	5,030,864	5,640,450	3,112,407	937,820	1,788,179	1,769,614	2,263,087	2,712,432
Amount Paid For Projects	-	-	-	-	(3,152,520)	(3,033,905)	-	-	-	-	-
Subtotal	$ -	$ 5,055,560	$ 4,439,827	$ 5,030,864	$ 2,487,929	$ 78,502	$ 937,820	$ 1,788,179	$ 1,769,614	$ 2,263,087	$ 2,712,432
Add Back: Restricted Funds	6,016,494	2,523,606	3,430,587	3,468,196	3,507,230	3,547,758	3,324,267	3,082,342	3,679,065	3,726,350	3,775,542
Plus: Interest Earnings	17,521	16,995	19,312	20,462	18,118	12,027	9,860	11,416	12,899	14,298	15,597
Less: Interest Allocated To Cash Flow	(17,521)	(16,995)	(19,312)	(20,462)	(18,118)	(12,027)	(9,860)	(11,416)	(12,899)	(14,298)	(15,597)
Balance At End Of Fiscal Year	**$ 6,016,494**	**$ 7,579,166**	**$ 7,870,414**	**$ 8,499,059**	**$ 5,995,159**	**$ 3,626,260**	**$ 4,262,087**	**$ 4,870,522**	**$ 5,448,680**	**$ 5,989,437**	**$ 6,487,974**