

# Preliminary Rate and Financing Report

Bloomington Municipal Sewage Works and  
Bloomington Municipal Stormwater Utility

October 21, 2022



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## Purpose of the Report

Crowe LLP (“Crowe” or “we”) has performed a study and analysis of the operating and financial reports, budgets, and other data pertaining to City of Bloomington Municipal Sewage Works (the “Sewage Works”) and City of Bloomington Municipal Stormwater Utility (the “Stormwater Utility”) (together the “Utilities”). The results of our analysis are contained in this Preliminary Rate and Financing Report (“Report”). While presented in one report, we analyzed the Utilities separately for the purpose of calculating rates and charges for each of the Utilities that would recover the respective revenue requirements of each utility.

The purpose of this Report is to estimate each utility’s on-going revenue requirements for operation and maintenance expenses, proposed debt service payments, and capital improvements to the Utilities’ systems. This Report is based on data for the twelve months ended April 30, 2022 (“Test Year”). The historical information used in this Report was taken from the books and records of the Utilities and was adjusted as necessary for fixed, known, and measurable items as disclosed in the exhibits and schedules of this Report.

In the course of preparing this Report, we have not conducted an audit of any financial or supplemental data used in the accompanying exhibits and schedules. We have made certain projections based on assumptions provided by the Utilities that may vary from actual results because events and circumstances frequently do not occur as estimated and such variances may be material. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

If you have any questions regarding this Report, please call Jennifer Wilson at (317) 269-6699.

*Crowe’s services are conducted in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants, and Crowe’s deliverables and other work product are based on underlying assumptions and other information determined by Client. Crowe’s services, deliverables and other work product do not constitute a forecast or projection of any kind. With no relevant precedent for the COVID-19 pandemic, it is impossible to predict with accuracy the economic repercussions of the COVID-19 pandemic, and therefore Crowe’s services, deliverables and other work product must not be relied upon for predicting such repercussions. Crowe’s services, deliverables and other work product are intended solely for the use of Crowe’s Client, and no other person or entity may rely on Crowe’s services, deliverables or other work product for any purpose. Crowe LLP disclaims any obligation to update this work product.*

## Financial Statements

### Balance Sheets as of April 30, 2022, December 31, 2021, and December 31, 2020

ASSETS AND OTHER DEBITS	April 30, 2022	December 31, 2021	December 31, 2020
<u>Utility Plant - Sewage Works</u>			
Utility Plant in Service	\$ 186,861,948	\$ 186,876,435	\$ 175,261,884
Less: Accumulated Depreciation	(102,128,299)	(102,128,299)	(98,438,414)
Net Utility Plant in Service	84,733,649	84,748,136	76,823,470
Add: Construction Work in Progress	47,753,539	44,304,025	26,434,416
Net Utility Plant - Sewage Works	132,487,188	129,052,161	103,257,886
<u>Utility Plant - Stormwater Utility</u>			
Utility Plant in Service	19,107,169	19,107,169	19,064,363
Less: Accumulated Depreciation	(3,872,199)	(3,872,199)	(3,591,518)
Net Utility Plant in Service	15,234,970	15,234,970	15,472,845
Add: Construction Work in Progress	1,742,714	1,843,332	980,542
Net Utility Plant - Stormwater Utility	16,977,684	17,078,302	16,453,387
<u>Restricted Assets</u>			
Sinking Fund	1,659,177	211	7,518
Debt Service Reserve Fund	4,990,262	4,990,262	5,270,319
Bond and Interest Fund	745,528	4,909,089	5,538,224
Improvement Fund - Sewage Works	-	-	549,742
Improvement Fund - Stormwater Utility	600,000	600,000	-
Construction Fund - Sewage Works	-	932,164	16,926,703
Construction Fund - Stormwater Utility	3,043,790	5,069,159	13,184,000
Total Restricted Assets	11,038,757	16,500,885	41,476,506
<u>Current and Accrued Assets</u>			
Operation and Maintenance			
Fund - Sewage Works	6,373,264	8,471,358	3,773,649
Operation and Maintenance			
Fund - Stormwater Utility	1,774,862	2,977,115	1,293,415
Accounts Receivable - Net	1,364,981	616,201	1,347,693
Total Current and Accrued Assets	9,513,107	12,064,674	6,414,757
<u>Deferred Debits</u>			
Unamortized Bond Issuance Costs	125,064	125,064	155,929
Unamortized Bond Discount	189,043	189,043	201,800
Deferral Loss on Advance Refunding	256,212	256,212	341,617
Total Deferred Debits	570,319	570,319	699,346
Total Assets and Other Debits	\$ 170,587,055	\$ 175,266,341	\$ 168,301,882

Data Source: Utility trial balances

Balance Sheets as of April 30, 2022, December 31, 2021, and  
December 31, 2020 (Continued)

LIABILITIES AND OTHER CREDITS	April 30, 2022	December 31, 2021	December 31, 2020
<u>Equity Capital</u>			
Unappropriated Retained Earnings	\$ 66,261,212	\$ 57,188,525	\$ 50,253,800
Current Year Earnings	3,493,755	9,072,687	6,923,533
Total Equity Capital	<u>69,754,967</u>	<u>66,261,212</u>	<u>57,177,333</u>
<u>Long Term Debt</u>			
Revenue Bonds Payable	42,626,000	45,957,400	49,816,000
Capital Lease Obligations	3,966,000	4,503,000	5,022,000
Compensated Absences - Long Term	217,427	217,427	234,692
Total Long Term Debt	<u>46,809,427</u>	<u>50,677,827</u>	<u>55,072,692</u>
<u>Current and Accrued Liabilities</u>			
Accounts Payable	(8,228)	4,627,233	1,403,730
Revenue Bonds - Current	3,331,400	3,278,600	4,320,700
Capital Lease Obligations - Current	270,000	-	-
Accounts Payable to Associated Company	10,803	8,957	9,875
Unearned Revenue	1,939,477	1,933,303	1,972,683
Accrued Payroll	101,460	101,460	78,747
Compensated Absences Payable - Short Term	96,892	96,892	86,600
Total Current and Accrued Liabilities	<u>5,741,804</u>	<u>10,046,445</u>	<u>7,872,335</u>
<u>Deferred Credits</u>			
Unamortized Bond Premium	6,654,738	6,654,738	6,544,292
Other Deferred Liabilities	19,000	19,000	19,000
Total Deferred Credits	<u>6,673,738</u>	<u>6,673,738</u>	<u>6,563,292</u>
Contributions in Aid of Construction	<u>41,607,119</u>	<u>41,607,119</u>	<u>41,607,119</u>
Prior Period Adjustments	<u>-</u>	<u>-</u>	<u>9,111</u>
Total Liabilities and Other Credits	<u>\$ 170,587,055</u>	<u>\$ 175,266,341</u>	<u>\$ 168,301,882</u>

Data Source: Utility trial balances

### Sewage Works Combined Outstanding Debt

Pay Year	2006 A-1 Bonds (1)	2013 Refunding Bonds	2017 Bonds	2019 Refunding Bonds	2020 Bonds (1)	2021 Refunding Bonds	Total
2022	\$ 129,000	\$ 1,181,232	\$ 457,300	\$ 1,021,800	\$ 446,000	\$ 775,904	\$ 4,011,236
2023	130,272	1,191,296	461,300	1,023,200	446,000	778,150	4,030,218
2024	130,116	1,190,826	460,100	1,022,200	446,000	779,400	4,028,642
2025	128,770		463,800	1,022,000	446,000	785,050	2,845,620
2026	131,244		467,300	613,600	846,000	784,950	2,843,094
2027			467,250		2,023,000	789,250	3,279,500
2028			471,900		2,024,600	777,800	3,274,300
2029			471,100		2,528,600	276,050	3,275,750
2030			475,000		2,529,800	273,700	3,278,500
2031			473,450		1,482,400	281,200	2,237,050
2032			476,600		1,483,200	283,250	2,243,050
2033			479,300		1,486,800		1,966,100
2034			486,550		1,483,000		1,969,550
2035			488,200		1,482,000		1,970,200
2036			494,400		1,483,600		1,978,000
2037					1,482,600		1,482,600
2038					1,484,000		1,484,000
2039					1,482,600		1,482,600
2040					1,483,400		1,483,400
<b>Totals</b>	<b>\$ 649,402</b>	<b>\$ 3,563,354</b>	<b>\$ 7,093,550</b>	<b>\$ 4,702,800</b>	<b>\$ 26,569,600</b>	<b>\$ 6,584,704</b>	<b>\$ 49,163,410</b>
<b>Maximum Annual Debt Service</b>							<b>\$ 4,030,218</b>

(1) Amounts shown are net of the Stormwater Utility portion of debt service.

## Sewage Works Revenue Bonds of 2006, Series A-1 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total	Less: Stormwater (1)	Sewage Works Fiscal Total
7/1/22			\$ 59,400	\$ 59,400			
1/1/23	\$ 446,400	4.80 %	59,400	505,800	\$ 565,200	\$ (436,200)	\$ 129,000
7/1/23			48,686	48,686			
1/1/24	469,100	4.83	48,686	517,786	566,472	(436,200)	130,272
7/1/24			37,358	37,358			
1/1/25	491,600	4.83	37,358	528,958	566,316	(436,200)	130,116
7/1/25			25,485	25,485			
1/1/26	514,000	4.83	25,485	539,485	564,970	(436,200)	128,770
7/1/26			13,072	13,072			
1/1/27	541,300	4.83	13,072	554,372	567,444	(436,200)	131,244
Totals	<u>\$2,462,400</u>		<u>\$ 368,002</u>	<u>\$2,830,402</u>	<u>\$2,830,402</u>	<u>\$(2,181,000)</u>	<u>\$ 649,402</u>

- (1) The Stormwater Utility transfers \$36,350 monthly to the Sewage Works for its portion of projects from the 2006 A-1 Bonds, as provided by Management of the Utility.

Note: The 2006 A-1 Bonds were issued through the Indiana Bond Bank. The amortization schedule was amended March 26, 2015, and resulted in a reduction in the overall payments of approximately \$720,000.

Source: *Sewage Works Revenue Bonds of 2006, Series A-1 Amended Qualified Entity Purchase Agreement as recalculated by Crowe.*



## Sewage Works Refunding Revenue Bonds, Series 2013 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/22			\$ 30,616	\$ 30,616	
1/1/23	\$ 1,120,000	1.78 %	30,616	1,150,616	\$ 1,181,232
7/1/23			20,648	20,648	
1/1/24	1,150,000	1.78	20,648	1,170,648	1,191,296
7/1/24			10,413	10,413	
1/1/25	<u>1,170,000</u>	1.78	<u>10,413</u>	<u>1,180,413</u>	1,190,826
Totals	<u>\$ 3,440,000</u>		<u>\$ 123,354</u>	<u>\$ 3,563,354</u>	

Source: Sewage Works Refunding Revenue Bonds, Series 2013 Final Private Placement Memorandum, as recalculated by Crowe.

### Sewage Works Revenue Bonds of 2017 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/22			\$ 78,650	\$ 78,650	
1/1/23	\$ 300,000	2.00 %	78,650	378,650	\$ 457,300
7/1/23			75,650	75,650	
1/1/24	310,000	2.00	75,650	385,650	461,300
7/1/24			72,550	72,550	
1/1/25	315,000	2.00	72,550	387,550	460,100
7/1/25			69,400	69,400	
1/1/26	325,000	2.00	69,400	394,400	463,800
7/1/26			66,150	66,150	
1/1/27	335,000	3.00	66,150	401,150	467,300
7/1/27			61,125	61,125	
1/1/28	345,000	3.00	61,125	406,125	467,250
7/1/28			55,950	55,950	
1/1/29	360,000	3.00	55,950	415,950	471,900
7/1/29			50,550	50,550	
1/1/30	370,000	3.00	50,550	420,550	471,100
7/1/30			45,000	45,000	
1/1/31	385,000	3.00	45,000	430,000	475,000
7/1/31			39,225	39,225	
1/1/32	395,000	3.00	39,225	434,225	473,450
7/1/32			33,300	33,300	
1/1/33	410,000	3.00	33,300	443,300	476,600
7/1/33			27,150	27,150	
1/1/34	425,000	3.00	27,150	452,150	479,300
7/1/34			20,775	20,775	
1/1/35	445,000	3.00	20,775	465,775	486,550
7/1/35			14,100	14,100	
1/1/36	460,000	3.00	14,100	474,100	488,200
7/1/36			7,200	7,200	
1/1/37	<u>480,000</u>	3.00	<u>7,200</u>	<u>487,200</u>	494,400
Totals	<u>\$ 5,660,000</u>		<u>\$ 1,433,550</u>	<u>\$ 7,093,550</u>	

Source: Sewage Works Refunding Revenue Bonds, Series 2017 Final Official Statement, as recalculated by Crowe.

## Sewage Works Refunding Revenue Bonds, Series 2019 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/22			\$ 78,400	\$ 78,400	
1/1/23	\$ 865,000	3.88 % (1)	78,400	943,400	\$ 1,021,800
7/1/23			61,600	61,600	
1/1/24	900,000	3.44 (1)	61,600	961,600	1,023,200
7/1/24			46,100	46,100	
1/1/25	930,000	3.25 (1)	46,100	976,100	1,022,200
7/1/25			31,000	31,000	
1/1/26	960,000	4.00	31,000	991,000	1,022,000
7/1/26			11,800	11,800	
1/1/27	<u>590,000</u>	4.00	<u>11,800</u>	<u>601,800</u>	613,600
Totals	<u>\$ 4,245,000</u>		<u>\$ 457,800</u>	<u>\$ 4,702,800</u>	

(1) The below maturities were sold with split coupons payments. The amount shown in the schedule is the weighted average of the below amounts.

<u>1/1/2023</u>			
	100,000	3.00 %	
	765,000	4.00	
	<u>865,000</u>	<u>3.88</u> %	
<u>1/1/2024</u>			
	250,000	2.00 %	
	650,000	4.00	
	<u>900,000</u>	<u>3.44</u> %	
<u>1/1/2025</u>			
	350,000	2.00 %	
	580,000	4.00	
	<u>930,000</u>	<u>3.25</u> %	

Source: Sewage Works Refunding Revenue Bonds, Series 2019 Final Official Statement, as recalculated by Crowe.

## Sewage Works Revenue Bonds of 2020 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total	Less: Stormwater (1)	Sewage Works Fiscal Total
7/1/22			\$ 484,900	\$ 484,900			
1/1/23			484,900	484,900	\$ 969,800	\$ (523,800)	\$ 446,000
7/1/23			484,900	484,900			
1/1/24			484,900	484,900	969,800	(523,800)	446,000
7/1/24			484,900	484,900			
1/1/25			484,900	484,900	969,800	(523,800)	446,000
7/1/25			484,900	484,900			
1/1/26			484,900	484,900	969,800	(523,800)	446,000
7/1/26			484,900	484,900			
1/1/27	\$ 400,000	2.00 %	484,900	884,900	1,369,800	(523,800)	846,000
7/1/27			480,900	480,900			
1/1/28	1,585,000	4.00	480,900	2,065,900	2,546,800	(523,800)	2,023,000
7/1/28			449,200	449,200			
1/1/29	1,650,000	4.00	449,200	2,099,200	2,548,400	(523,800)	2,024,600
7/1/29			416,200	416,200			
1/1/30	2,220,000	4.00	416,200	2,636,200	3,052,400	(523,800)	2,528,600
7/1/30			371,800	371,800			
1/1/31	2,310,000	4.00	371,800	2,681,800	3,053,600	(523,800)	2,529,800
7/1/31			325,600	325,600			
1/1/32	1,355,000	4.00	325,600	1,680,600	2,006,200	(523,800)	1,482,400
7/1/32			298,500	298,500			
1/1/33	1,410,000	4.00	298,500	1,708,500	2,007,000	(523,800)	1,483,200
7/1/33			270,300	270,300			
1/1/34	1,470,000	4.00	270,300	1,740,300	2,010,600	(523,800)	1,486,800
7/1/34			240,900	240,900			
1/1/35	1,525,000	4.00	240,900	1,765,900	2,006,800	(523,800)	1,483,000
7/1/35			210,400	210,400			
1/1/36	1,585,000	4.00	210,400	1,795,400	2,005,800	(523,800)	1,482,000
7/1/36			178,700	178,700			
1/1/37	1,650,000	4.00	178,700	1,828,700	2,007,400	(523,800)	1,483,600
7/1/37			145,700	145,700			
1/1/38	1,715,000	4.00	145,700	1,860,700	2,006,400	(523,800)	1,482,600
7/1/38			111,400	111,400			
1/1/39	1,785,000	4.00	111,400	1,896,400	2,007,800	(523,800)	1,484,000
7/1/39			75,700	75,700			
1/1/40	1,855,000	4.00	75,700	1,930,700	2,006,400	(523,800)	1,482,600
7/1/40			38,600	38,600			
1/1/41	1,930,000	4.00	38,600	1,968,600	2,007,200	(523,800)	1,483,400
Totals	<u>\$24,445,000</u>		<u>\$12,076,800</u>	<u>\$36,521,800</u>	<u>\$36,521,800</u>	<u>\$ (9,952,200)</u>	<u>\$26,569,600</u>

(1) The Stormwater Utility transfers \$33,650 monthly to the Sewage Works for its portion of projects from the 2020 Bonds, as provided by Management of the Utility.

Source: Sewage Works Revenue Bonds of 2020 Final Official Statement, as recalculated by Crowe.

## Sewage Works Refunding Revenue Bonds of 2021 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/22			\$ 90,329	\$ 90,329	
1/1/23	\$ 600,000	3.00 %	85,575	685,575	\$ 775,904
7/1/23			76,575	76,575	
1/1/24	625,000	3.00	76,575	701,575	778,150
7/1/24			67,200	67,200	
1/1/25	645,000	3.00	67,200	712,200	779,400
7/1/25			57,525	57,525	
1/1/26	670,000	3.00	57,525	727,525	785,050
7/1/26			47,475	47,475	
1/1/27	690,000	3.00	47,475	737,475	784,950
7/1/27			37,125	37,125	
1/1/28	715,000	3.00	37,125	752,125	789,250
7/1/28			26,400	26,400	
1/1/29	725,000	3.00	26,400	751,400	777,800
7/1/29			15,525	15,525	
1/1/30	245,000	3.00	15,525	260,525	276,050
7/1/30			11,850	11,850	
1/1/31	250,000	3.00	11,850	261,850	273,700
7/1/31			8,100	8,100	
1/1/32	265,000	3.00	8,100	273,100	281,200
7/1/32			4,125	4,125	
1/1/33	<u>275,000</u>	3.00	<u>4,125</u>	<u>279,125</u>	283,250
Totals	<u>\$ 5,705,000</u>		<u>\$ 879,704</u>	<u>\$ 6,584,704</u>	

Source: Sewage Works Refunding Revenue Bonds of 2021 Final Official Statement, as recalculated by Crowe.

## ESG Solar Lease Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total	Sewer Portion (1)
6/30/22	\$ 279,263	2.97 %	\$ 168,352	\$ 447,615		
12/30/22	283,410	2.97	164,205	447,615	\$ 895,230	\$ 394,287
6/30/23	287,619	2.97	159,996	447,615		
12/30/23	291,890	2.97	155,725	447,615	895,230	394,287
6/30/24	296,225	2.97	151,390	447,615		
12/30/24	300,623	2.97	146,991	447,614	895,229	394,286
6/30/25	305,088	2.97	142,527	447,615		
12/30/25	309,618	2.97	137,997	447,615	895,230	394,287
6/30/26	314,216	2.97	133,399	447,615		
12/30/26	318,882	2.97	128,733	447,615	895,230	394,287
6/30/27	323,618	2.97	123,997	447,615		
12/30/27	328,423	2.97	119,192	447,615	895,230	394,287
6/30/28	333,300	2.97	114,315	447,615		
12/30/28	338,250	2.97	109,365	447,615	895,230	394,287
6/30/29	343,273	2.97	104,342	447,615		
12/30/29	348,371	2.97	99,244	447,615	895,230	394,287
6/30/30	353,544	2.97	94,071	447,615		
12/30/30	358,794	2.97	88,821	447,615	895,230	394,287
6/30/31	364,122	2.97	83,493	447,615		
12/30/31	369,529	2.97	78,086	447,615	895,230	394,287
6/30/32	375,017	2.97	72,598	447,615		
12/30/32	380,586	2.97	67,029	447,615	895,230	394,287
6/30/33	386,237	2.97	61,377	447,614		
12/30/33	391,973	2.97	55,642	447,615	895,229	394,286
6/30/34	397,794	2.97	49,821	447,615		
12/30/34	403,701	2.97	43,914	447,615	895,230	394,287
6/30/35	409,696	2.97	37,919	447,615		
12/30/35	415,780	2.97	31,835	447,615	895,230	394,287
6/30/36	421,954	2.97	25,661	447,615		
12/30/36	428,220	2.97	19,395	447,615	895,230	394,287
6/30/37	434,580	2.97	13,035	447,615		
10/30/37	<u>443,227</u>	2.97	<u>4,388</u>	<u>447,615</u>	895,230	394,287
Totals	<u>\$ 11,336,823</u>		<u>\$ 2,986,855</u>	<u>\$ 14,323,678</u>		
Annual Lease Payment						<u>\$ 394,287</u>

(1) The ESG Solar Lease payments are allocated between the Sewage Works, the Bloomington Municipal Water Utility, the City of Bloomington Redevelopment Commission, and the City of Bloomington Parks & Recreation Department. The ESG Solar Lease payments are not on parity with the outstanding bonds of the Utility.

Source: ESG Solar Lease Payment Schedule, as recalculated by Crowe.

## Equipment Lease Purchase for Advance Metering Infrastructure Project Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total	Sewer Portion (1)
8/15/22	\$ 450,000	3.40 %	\$ 120,020	\$ 570,020		
2/15/23	460,000	3.40	112,370	572,370	\$ 1,142,390	\$ 685,434
8/15/23	470,000	3.40	104,550	574,550		
2/15/24	470,000	3.40	96,560	566,560	1,141,110	684,666
8/15/24	485,000	3.40	88,570	573,570		
2/15/25	490,000	3.40	80,325	570,325	1,143,895	686,337
8/15/25	500,000	3.40	71,995	571,995		
2/15/26	505,000	3.40	63,495	568,495	1,140,490	684,294
8/15/26	520,000	3.40	54,910	574,910		
2/15/27	520,000	3.40	46,070	566,070	1,140,980	684,588
8/15/27	535,000	3.40	37,230	572,230		
2/15/28	540,000	3.40	28,135	568,135	1,140,365	684,219
8/15/28	555,000	3.40	18,955	573,955		
2/15/29	560,000	3.40	9,520	569,520	1,143,475	686,085
<b>Totals</b>	<b>\$ 7,060,000</b>		<b>\$ 932,705</b>	<b>\$ 7,992,705</b>		

Average Annual Lease Payment \$ 685,089

- (1) The Advance Metering Infrastructure Project payments are allocated between the Sewage Works and the Bloomington Municipal Water Utility. The Sewage Works' allocated share is sixty percent (60%). The Advance Metering Infrastructure Project lease payments are not on parity with the outstanding bonds of the Utility.

Source: *Equipment Lease Purchase for Advance Metering Infrastructure Project Agreement, as recalculated by Crowe.*

## Sewage Works Statements of Income for the Twelve Months Ended April 30, 2022, December 31, 2021, and December 31, 2020

	April 30, 2022	December 31, 2021	December 31, 2020
<b>Operating Revenues</b>			
Metered Sales - Single Family	\$ 7,238,965	\$ 7,341,677	\$ 7,280,096
Metered Sales - Commercial	4,353,781	4,298,417	3,477,048
Metered Sales - Industrial	630,436	623,506	506,270
Metered Sales - Public Authority	3,665,161	3,390,316	3,026,846
Metered Sales - Multiple Family	7,879,925	7,691,107	7,125,106
Forfeited Discounts	116,691	137,765	69,290
Miscellaneous Operating Revenues	100,377	102,302	115,983
<b>Total Operating Revenues</b>	<b>23,985,336</b>	<b>23,585,090</b>	<b>21,600,639</b>
<b>Operation and Maintenance Expenses</b>			
Director	497,698	510,495	479,014
Utility Service Board	1,038,104	1,048,824	2,370,948
Accounting	477,940	562,044	443,098
Billing and Collections	607,053	608,492	442,494
Customer Relations	197,768	201,074	181,640
Purchasing	275,239	281,324	260,027
Environmental Services	339,497	329,431	358,639
Communications	198,474	189,076	170,891
Blucher Poole Treatment Plant	1,588,643	1,667,008	1,674,729
Dillman Road Treatment Plant	4,126,260	3,254,773	3,318,085
Laboratory	207,505	227,407	212,856
Transmission and Distribution	2,085,403	2,128,865	2,167,701
Booster and Lift Stations	159,175	160,273	145,273
Meters	635,657	602,157	580,074
Engineering	906,288	911,838	936,791
<b>Total Operation and Maintenance Expenses</b>	<b>13,340,704</b>	<b>12,683,081</b>	<b>13,742,260</b>
Sewage Works Depreciation Expense	3,802,100	3,802,100	3,249,161
<b>Taxes Other Than Income Taxes</b>			
FICA	391,222	392,509	397,483
Payment in Lieu of Property Taxes	-	-	716,626
<b>Total Taxes Other Than Income Taxes</b>	<b>391,222</b>	<b>392,509</b>	<b>1,114,109</b>
<b>Total Operating Expenses</b>	<b>17,534,026</b>	<b>16,877,690</b>	<b>18,105,530</b>
<b>Net Operating Income</b>	<b>6,451,310</b>	<b>6,707,400</b>	<b>3,495,109</b>

Data Source: Utility trial balances



## Statements of Income (Continued)

	April 30, 2022	December 31, 2021	December 31, 2020
<b>Other Income</b>			
Interest Income	\$ 19,219	\$ 35,347	\$ 94,086
Stormwater Revenues	3,512,915	3,272,706	3,124,754
Connection Charges	536,175	648,619	582,586
Miscellaneous Other Income	1,567,717	1,156,229	2,542,457
<b>Total Other Income</b>	<b>5,636,026</b>	<b>5,112,901</b>	<b>6,343,883</b>
<b>Other Expenses</b>			
Stormwater Expenses	990,866	1,000,422	1,142,579
Stormwater Depreciation Expense	280,681	280,681	279,824
Interest Expense	1,676,959	1,249,741	1,178,374
Miscellaneous Expense	216,870	216,770	314,682
<b>Total Other Expenses</b>	<b>3,165,376</b>	<b>2,747,614</b>	<b>2,915,459</b>
<b>Net Income</b>	<b>\$ 8,921,960</b>	<b>\$ 9,072,687</b>	<b>\$ 6,923,533</b>

Note: Stormwater Revenues and Stormwater Expenses are included in Other Income and Other Expenses. See Stormwater Detailed Income Statement for additional information on Stormwater Utility operating results.

*Data Source: Utility trial balances*

## Adjustments to the Sewage Works Financial Statements

Note: Expense categories with multiple adjustments are listed on separate lines.

### Sewage Works Adjusted Statement of Income

	April 30, 2022	Adjustments	Adjusted
<u>Operating Revenues</u>			
Metered Sales - Single Family	\$ 7,238,965		\$ 7,238,965
Metered Sales - Commercial	4,353,781		4,353,781
Metered Sales - Industrial	630,436		630,436
Metered Sales - Public Authority	3,665,161		3,665,161
Metered Sales - Multiple Family	7,879,925		7,879,925
Forfeited Discounts	116,691		116,691
Miscellaneous Operating Revenues	100,377		100,377
Total Operating Revenues	<u>23,985,336</u>		<u>23,985,336</u>
<u>Operation and Maintenance Expenses</u>			
Director	497,698	\$ 39,978 1	501,940
		5,262 2	
		(40,998) 3	
Utility Service Board	1,038,104	(17,823) 1	1,474,742
		724,206 4	
		(269,745) 5	
Accounting	477,940	(11,111) 1	398,149
		(1,453) 2	
		(67,227) 3	
Billing and Collections	607,053	4,715 1	604,914
		644 2	
		(15,498) 6	
		8,000 7	
Customer Relations	197,768	13,115 1	212,777
		1,894 2	
Purchasing	275,239	(10,263) 1	263,573
		(1,403) 2	
Environmental Services	339,497	64,703 1	413,305
		9,105 2	
Communications	198,474	35,468 1	239,017
		5,075 2	
Blucher Poole Treatment Plant	1,588,643	130,431 1	1,737,919
		18,845 2	
Dillman Road Treatment Plant	4,126,260	150,274 1	3,865,450
		21,440 2	
		223,448 8	
		(738,542) 9	
		82,570 10	

See Appendix A: Assumptions and Adjustment Detail

## Sewage Works Adjusted Statement of Income (Continued)

Note: Expense categories with multiple adjustments are listed on separate lines.

	April 30, 2022	Adjustments		Adjusted
Laboratory	\$ 207,505	\$ 9,833	1	\$ 218,754
		1,416	2	
Transmission and Distribution	2,085,403	98,140	1	2,238,779
		13,159	2	
		24,896	11	
		17,181	12	
Booster and Lift Stations	159,175	21,740	8	180,915
Meters	635,657	83,757	1	731,301
		11,887	2	
Engineering	906,288	104,505	1	1,025,514
		14,721	2	
Total Operation and Maintenance Expenses	<u>13,340,704</u>	<u>766,345</u>		<u>14,107,049</u>
Sewage Works Depreciation Expense	<u>3,802,100</u>			<u>3,802,100</u>
<u>Taxes Other Than Income Taxes</u>				
FICA	391,222	50,527	13	441,749
Payment in Lieu of Property Taxes	-	432,657	14	432,657
Total Taxes Other Than Income Taxes	<u>391,222</u>	<u>483,184</u>		<u>874,406</u>
Total Operating Expenses	<u>17,534,026</u>	<u>1,249,529</u>		<u>18,783,555</u>
Net Operating Income	<u>\$ 6,451,310</u>	<u>\$ (1,249,529)</u>		<u>\$ 5,201,781</u>

See Appendix A: Assumptions and Adjustment Detail

### Sewage Works Adjustment Detail

#	Functional Area	Category	Adjustment to Test Year (1)	Description
1	Multiple	Salaries & Wages	\$695,722	To adjust Salaries & Wages to the Utility's 2023 budget.
2	Multiple	Employee Pension & Benefits	\$100,592	To adjust Employee Pension & Benefits for additional PERF contributions resulting from increased Salaries & Wages.
3	Multiple	Contract Services Accounting	(\$108,225)	To adjust Contract Services Accounting to remove expenses related to the 2021 Refunding Bonds and to provide for rate analysis to be conducted every four years.
4	USB	Contract Services Interdepartmental	\$724,206	To adjust Contractual Services Interdepartmental to remove the Utility's share of the ESG Solar Lease recorded to the Test Year, which will be included as a distinct revenue requirement, and to add in the Utility's share of the General Expenses from the 2021 Interdepartmental Agreement.
5	USB	Contracted Services Other	(\$269,745)	To adjust Contracted Services Other to exclude the adjusting entry to expense Construction Work in Progress totaling \$269,745.
6	Billing & Collections	Materials & Supplies Statements	(\$15,498)	To adjust Materials & Supplies Statements to remove two months of expenses. The average monthly bill is \$7,749.
7	Billing & Collections	Bad Debt	\$8,000	To adjust Bad Debt to the Utility's 2023 adopted budget.
8	Multiple	Purchased Power	\$245,188	To adjust Purchased Power for the anticipated increased expenses due to an electric rate increase by Duke Energy.
9	Dillman Road WWTP	Materials & Supplies Structures	(\$738,542)	To adjust Materials & Supplies Structures to remove two invoices from Electric Plus for emergency services performed at Dillman Road Wastewater Treatment Plant. Future similar expenses would be expected to be capitalized.
10	Dillman Road WWTP	Chemicals	\$82,570	To adjust Sodium Hypochlorite and Sodium Aluminate to the Utility's 2023 budget.
11	Transmission & Distribution	Materials & Supplies General	\$24,896	To adjust the Test Year to the three-year historical average.
12	Transmission & Distribution	Materials & Supplies Lines	\$17,181	To adjust the Test Year to the three-year historical average.
13	Taxes Other Than Income Taxes	FICA	\$50,527	To adjust FICA expenses due to an increase in Salaries & Wages.
14	Taxes Other Than Income Taxes	Contract Services in Lieu of Taxes	\$432,657	To adjust Contract Services in Lieu of Taxes to include the 2021 payment to be made by the Utility to the City of Bloomington.

(1) Adjustment amounts are expressed based on the net effect on the Utility's revenue requirements.

See Appendix A: Assumptions

## Sewage Works Capital Improvement Plan

Project	2023	2024	2025	2026	2027	Total
<u>Dillman Road Waste Water Treatment Plant</u>						
Modernization and capacity Phase II - Design	\$ 2,000,000 ^					\$ 2,000,000
Modernization and capacity Phase II - Const	\$ 9,889,617 ^					9,889,617
Clarifier Algae Control - Weir Covers, 4 Remaining	1,166,000 ^					1,166,000
Mechanical Screen Replacement and Electrical Feed	4,400,000 ^					4,400,000
Sludge Press Re-Build	470,000 ^					470,000
PACL Feed System	\$ 530,000 #					530,000
End of life Equipment Replacements; PS VFDs, etc			\$ 1,500,000			1,500,000
Admin HVAC		350,000				350,000
Repair or Replace Equalization Basin Liner				\$ 50,000		50,000
Addition of Video Surveillance for Security			140,000			140,000
Replace Main Plan Gate and Controls		110,000				110,000
Headworks- Bar Screen, Replace Compactor Auger, Replace VFD, AV, Add Space Pump					390,000	390,000
Asphalt Drives at Plant		2,140,000				2,140,000
Vortex Grit Removal					8,307,000 &	8,307,000
Final Clarifier Drive Motors					247,000	247,000
Replace Sand Filter Media					1,508,000	1,508,000
Replace Polymer Blending Units for Belt Presses		220,000 ^				220,000
Demolish and Transition Annunciator Board in Admin Building				200,000		200,000
Replace Scum Pump Suction Piping and Valves				156,000		156,000
<u>Blucher Poole Waste Water Treatment Plant</u>						
Belt Press Rehab	155,000					155,000
Intake (2) and RAS (1) Pump Replacements and Misc.	175,000					175,000
End of life Equipment Replacements	200,000	200,000	200,000		200,000	800,000
North Sewer Basin and Plant Hydraulic Capacity Study	250,000					250,000
Plant Expansion (EQ Basin/PC Plus Other Capacity) - Design		1,100,000 ^				1,100,000

Data Source Utility

See Appendix A: Assumptions

### Sewage Works Capital Improvement Plan (Continued)

Project	2023	2024	2025	2026	2027	Total
<b>Blucher Poole Waste Water Treatment Plant (continued)</b>						
Waste Storage Building	\$ 2,000,000 ^	\$ 101,920				\$ 2,000,000
Solids Handling Building Plumbing		44,800				101,920
Parking Lot Expansion		560,000 ^				44,800
Human Machine Interface (HMI) PLC			\$ 749,300 #			560,000
RAS (3) Pump and Flow Meter Replacement			769,360 #			749,300
Secondary Clarifier - Painting & Sanding Covers, ISO Valves			118,000			769,360
Influent Flume Rehab		168,000				118,000
Yard Valve Replacement (6)					\$ 100,000	168,000
Plant Generator						100,000
Electrical Upgrades		560,000 ^				560,000
Plant Hydraulic Expansion				\$ 12,887,692 #		12,887,692
<b>Collection System</b>						
I&I Reduction Program	100,000	100,000	100,000	100,000	100,000	500,000
Sewer Lining, Manhole Rehab, FMs Lining	430,000	430,000	430,000	430,000	430,000	2,150,000
Lift Stations (Morningside, Cans, etc)	1,200,000	2,240,000	2,124,000	100,000	100,000	5,764,000
Road Projects Relocations	20,000	20,000	20,000	20,000	20,000	100,000
SE-Interceptor College Mail-Design (3,000')			1,500,000 #			1,500,000
SE Interceptor MH 8830 Past Goat Farm - Design		1,200,000 ^		1,200,000		1,200,000
SC Interceptor Gordan Pike to Rogers St - Design	2,916,000 ^				15,163,200 &	1,200,000
Relief Interceptor Dillman WWTP to Rogers St. (3,300')	550,000	145,750	154,495	163,765	173,591	18,079,200
Replacement of Maintenance Equipment (55%)						1,187,601
<b>Other</b>						
New Service Center			22,929,759 +			22,929,759
<b>Total Capital Improvement Plan</b>	<b>\$ 14,396,000</b>	<b>\$ 18,616,087</b>	<b>\$ 32,224,914</b>	<b>\$ 16,541,457</b>	<b>\$ 27,144,791</b>	<b>\$ 108,923,249</b>
Projects to be Funded through Proposed 2023 Bond Issuance (^)	(11,316,000)	(15,165,617)				(26,481,617)
Projects to be Funded through Proposed 2025 Bond Issuance (#)			(3,548,660)	(12,887,692)		(16,436,352)
Projects to be Funded through Proposed Service Center Financing (+)			(22,929,759)			(22,929,759)
Projects to be Funded through Future Rate Analysis (&)					(23,470,200)	(23,470,200)
<b>Calculated Extensions and Replacements</b>	<b>\$ 3,080,000</b>	<b>\$ 3,450,470</b>	<b>\$ 5,746,495</b>	<b>\$ 3,653,765</b>	<b>\$ 3,674,591</b>	<b>\$ 19,605,321</b>
<b>Five-Year Average Extensions and Replacements</b>						<b>\$ 3,921,064</b>

Data Source: Utility  
See Appendix A: Assumptions

## Proposed Sewage Works Revenue Bonds of 2023

### Estimated Sources and Uses of Funds

#### Estimated Sources of Funds

Par Amount	<u>\$ 34,240,000</u>
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#### Estimated Uses of Funds

Project Fund	
Sewage Works Projects	\$ 26,481,617
Stormwater Projects	4,080,000
Debt Service Reserve	2,860,516
Underwriter's Discount	342,400
Insurance Expense	272,710
Costs of Issuance	<u>202,757</u>
Total Estimated Uses of Funds	<u>\$ 34,240,000</u>

See Appendix A: Assumptions

## Estimated Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total	Less: Stormwater (1)	Sewage Works Fiscal Total
7/1/23			\$ 774,679	\$ 774,679			
1/1/24			774,679	774,679	\$ 1,549,358	\$ (320,782)	\$ 1,228,576
7/1/24			774,679	774,679			
1/1/25			774,679	774,679	1,549,358	(320,782)	1,228,576
7/1/25			774,679	774,679			
1/1/26	\$ 1,310,000	3.70 %	774,679	2,084,679	2,859,358	(320,782)	2,538,576
7/1/26			750,444	750,444			
1/1/27	1,355,000	3.80	750,444	2,105,444	2,855,888	(320,782)	2,535,106
7/1/27			724,699	724,699			
1/1/28	1,410,000	3.90	724,699	2,134,699	2,859,398	(320,782)	2,538,616
7/1/28			697,204	697,204			
1/1/29	1,465,000	3.95	697,204	2,162,204	2,859,408	(320,782)	2,538,626
7/1/29			668,270	668,270			
1/1/30	1,520,000	4.00	668,270	2,188,270	2,856,540	(320,782)	2,535,758
7/1/30			637,870	637,870			
1/1/31	1,580,000	4.15	637,870	2,217,870	2,855,740	(320,782)	2,534,958
7/1/31			605,085	605,085			
1/1/32	1,650,000	4.20	605,085	2,255,085	2,860,170	(320,782)	2,539,388
7/1/32			570,435	570,435			
1/1/33	1,715,000	4.35	570,435	2,285,435	2,855,870	(320,782)	2,535,088
7/1/33			533,134	533,134			
1/1/34	1,790,000	4.55	533,134	2,323,134	2,856,268	(320,782)	2,535,486
7/1/34			492,411	492,411			
1/1/35	1,875,000	4.65	492,411	2,367,411	2,859,822	(320,782)	2,539,040
7/1/35			448,818	448,818			
1/1/36	1,960,000	4.70	448,818	2,408,818	2,857,636	(320,782)	2,536,854
7/1/36			402,758	402,758			
1/1/37	2,055,000	4.75	402,758	2,457,758	2,860,516	(320,782)	2,539,734
7/1/37			353,951	353,951			
1/1/38	2,150,000	4.75	353,951	2,503,951	2,857,902	(320,782)	2,537,120
7/1/38			302,889	302,889			
1/1/39	2,250,000	4.80	302,889	2,552,889	2,855,778	(320,782)	2,534,996
7/1/39			248,889	248,889			
1/1/40	2,360,000	4.85	248,889	2,608,889	2,857,778	(320,782)	2,536,996
7/1/40			191,659	191,659			
1/1/41	2,475,000	4.90	191,659	2,666,659	2,858,318	(320,782)	2,537,536
7/1/41			131,021	131,021			
1/1/42	2,595,000	4.90	131,021	2,726,021	2,857,042	(320,782)	2,536,260
7/1/42			67,444	67,444			
1/1/43	2,725,000	4.95	67,444	2,792,444	2,859,888	(320,782)	2,539,106
Totals	<u>\$ 34,240,000</u>		<u>\$ 20,302,036</u>	<u>\$ 54,542,036</u>	<u>\$ 54,542,036</u>	<u>\$ (6,415,640)</u>	<u>\$ 48,126,396</u>

(1) The Stormwater portion of the debt service payment was calculated based on a twenty-year amortization of the Stormwater Project costs at the Net Interest Cost on the Bonds of 4.76%.

Note: Coupon rates are estimated and subject to change. Arbitrage yield on the bonds is estimated at 4.65%. Coupon rate is based on "A" rates as of September 21, 2022, plus issuer credit spread and 50 basis point timing spread to account for uncertainty of future market rates at time of issuance.

See Appendix A: Assumptions



## Proposed Sewage Works Revenue Bonds of 2025

### Estimated Sources and Uses of Funds

#### Estimated Sources of Funds

Par Amount	<u>\$ 18,490,000</u>
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#### Estimated Uses of Funds

Project Fund	\$ 16,436,352
Debt Service Reserve	1,513,508
Underwriter's Discount	184,900
Insurance Expense	151,110
Costs of Issuance	<u>204,130</u>

Total Estimated Uses of Funds	<u>\$ 18,490,000</u>
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*See Appendix A: Assumptions*

## Estimated Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/25			\$ 468,728	\$ 468,728	
1/1/26	\$ 575,000	4.20 %	468,728	1,043,728	\$ 1,512,456
7/1/26			456,653	456,653	
1/1/27	600,000	4.30	456,653	1,056,653	1,513,306
7/1/27			443,753	443,753	
1/1/28	625,000	4.40	443,753	1,068,753	1,512,506
7/1/28			430,003	430,003	
1/1/29	650,000	4.45	430,003	1,080,003	1,510,006
7/1/29			415,540	415,540	
1/1/30	680,000	4.50	415,540	1,095,540	1,511,080
7/1/30			400,240	400,240	
1/1/31	710,000	4.65	400,240	1,110,240	1,510,480
7/1/31			383,733	383,733	
1/1/32	745,000	4.70	383,733	1,128,733	1,512,466
7/1/32			366,225	366,225	
1/1/33	780,000	4.85	366,225	1,146,225	1,512,450
7/1/33			347,310	347,310	
1/1/34	815,000	5.00	347,310	1,162,310	1,509,620
7/1/34			326,935	326,935	
1/1/35	855,000	5.10	326,935	1,181,935	1,508,870
7/1/35			305,133	305,133	
1/1/36	900,000	5.15	305,133	1,205,133	1,510,266
7/1/36			281,958	281,958	
1/1/37	945,000	5.15	281,958	1,226,958	1,508,916
7/1/37			257,624	257,624	
1/1/38	995,000	5.20	257,624	1,252,624	1,510,248
7/1/38			231,754	231,754	
1/1/39	1,050,000	5.25	231,754	1,281,754	1,513,508
7/1/39			204,191	204,191	
1/1/40	1,105,000	5.25	204,191	1,309,191	1,513,382
7/1/40			175,185	175,185	
1/1/41	1,160,000	5.35	175,185	1,335,185	1,510,370
7/1/41			144,155	144,155	
1/1/42	1,220,000	5.40	144,155	1,364,155	1,508,310
7/1/42			111,215	111,215	
1/1/43	1,290,000	5.40	111,215	1,401,215	1,512,430
7/1/43			76,385	76,385	
1/1/44	1,360,000	5.45	76,385	1,436,385	1,512,770
7/1/44			39,325	39,325	
1/1/45	1,430,000	5.50	39,325	1,469,325	1,508,650
Totals	<u>\$18,490,000</u>		<u>\$ 11,732,090</u>	<u>\$ 30,222,090</u>	

Note: Coupon rates are estimated and subject to change. Arbitrage yield on the bonds is estimated at 5.22%. Coupon rate is based on "A" rates as of September 21, 2022, plus issuer credit spread and 100 basis point timing spread to account for uncertainty of future market rates at time of issuance.

See Appendix A: Assumptions

## Proposed Service Center Financing

### Estimated Sources and Uses of Funds

Estimated Sources of Funds	
Par Amount	<u>\$ 25,680,000</u>

  

Estimated Uses of Funds	
Project Fund	\$ 22,929,759
Debt Service Reserve	2,081,306
Underwriter's Discount	256,800
Insurance Expense	207,897
Costs of Issuance	<u>204,238</u>
Total Estimated Uses of Funds	<u>\$ 25,680,000</u>

Note: As of the date of this Report, Management of the Utility is uncertain when financing of a new service center will occur. This Report provides funding for estimated financing beginning in 2023, though actual timing is preliminary and subject to change.

*See Appendix A: Assumptions*

## Estimated Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total	Contingency Fiscal Total (1)	Sewage Works Portion (2)
7/1/23			\$ 634,960	\$ 634,960			
1/1/24	\$ 810,000	4.15 %	634,960	1,444,960	\$ 2,079,920	\$ 2,287,912	\$ 1,372,747
7/1/24			618,153	618,153			
1/1/25	845,000	4.20	618,153	1,463,153	2,081,306	2,289,437	1,373,662
7/1/25			600,408	600,408			
1/1/26	880,000	4.20	600,408	1,480,408	2,080,816	2,288,898	1,373,339
7/1/26			581,928	581,928			
1/1/27	915,000	4.30	581,928	1,496,928	2,078,856	2,286,742	1,372,045
7/1/27			562,255	562,255			
1/1/28	955,000	4.40	562,255	1,517,255	2,079,510	2,287,461	1,372,477
7/1/28			541,245	541,245			
1/1/29	995,000	4.45	541,245	1,536,245	2,077,490	2,285,239	1,371,143
7/1/29			519,106	519,106			
1/1/30	1,040,000	4.50	519,106	1,559,106	2,078,212	2,286,033	1,371,620
7/1/30			495,706	495,706			
1/1/31	1,085,000	4.65	495,706	1,580,706	2,076,412	2,284,053	1,370,432
7/1/31			470,480	470,480			
1/1/32	1,140,000	4.70	470,480	1,610,480	2,080,960	2,289,056	1,373,434
7/1/32			443,690	443,690			
1/1/33	1,190,000	4.85	443,690	1,633,690	2,077,380	2,285,118	1,371,071
7/1/33			414,833	414,833			
1/1/34	1,250,000	5.00	414,833	1,664,833	2,079,666	2,287,633	1,372,580
7/1/34			383,583	383,583			
1/1/35	1,310,000	5.10	383,583	1,693,583	2,077,166	2,284,883	1,370,930
7/1/35			350,178	350,178			
1/1/36	1,380,000	5.15	350,178	1,730,178	2,080,356	2,288,392	1,373,035
7/1/36			314,643	314,643			
1/1/37	1,450,000	5.15	314,643	1,764,643	2,079,286	2,287,215	1,372,329
7/1/37			277,305	277,305			
1/1/38	1,525,000	5.20	277,305	1,802,305	2,079,610	2,287,571	1,372,543
7/1/38			237,655	237,655			
1/1/39	1,605,000	5.25	237,655	1,842,655	2,080,310	2,288,341	1,373,005
7/1/39			195,524	195,524			
1/1/40	1,690,000	5.25	195,524	1,885,524	2,081,048	2,289,153	1,373,492
7/1/40			151,161	151,161			
1/1/41	1,775,000	5.35	151,161	1,926,161	2,077,322	2,285,054	1,371,032
7/1/41			103,680	103,680			
1/1/42	1,870,000	5.40	103,680	1,973,680	2,077,360	2,285,096	1,371,058
7/1/42			53,190	53,190			
1/1/43	1,970,000	5.40	53,190	2,023,190	2,076,380	2,284,018	1,370,411
Totals	<u>\$25,680,000</u>		<u>\$ 15,899,366</u>	<u>\$41,579,366</u>	<u>\$41,579,366</u>	<u>\$45,737,305</u>	<u>\$27,442,385</u>

Note: Coupon rates are estimated and subject to change. Arbitrage yield on the bonds is estimated at 5.11%. Coupon rate is based on "A" rates as of September 21, 2022, plus issuer credit spread and 100 basis point timing spread to account for uncertainty of future market rates at time of issuance.

- (1) Contingency amount includes a ten percent cushion on Fiscal Total Amounts, as provided by Management of the Utility.
- (2) Sewage Works Portion is sixty percent (60%) of Contingency Fiscal Total, as provided by Management of the Utility.

See Appendix A: Assumptions

## Estimated Sewage Works Combined Debt after Issuance of the Proposed Bonds

Pay Year	2006 A-1 Bonds (1)	2013 Refunding Bonds	2017 Bonds	2019 Refunding Bonds	2020 Bonds (1)	2021 Refunding Bonds	Total Outstanding Bonds	Estimated 2023 Bonds (1)	Estimated 2025 Bonds	Estimated Service Center Financing WW Portion (1)	Total
2022	\$ 129,000	\$ 1,181,232	\$ 457,300	\$ 1,021,800	\$ 446,000	\$ 775,904	\$ 4,011,236			\$ 1,372,747	\$ 4,011,236
2023	130,272	1,191,296	461,300	1,023,200	446,000	778,150	4,030,218	\$ 1,228,576		\$ 1,373,662	6,631,541
2024	130,116	1,190,826	460,100	1,022,200	446,000	779,400	4,028,642	1,228,576		1,373,339	6,630,880
2025	128,770		463,800	1,022,000	446,000	785,050	2,845,620	2,538,576	\$ 1,512,456	1,372,045	8,269,991
2026	131,244		467,300	613,600	846,000	784,950	2,843,094	2,535,106	1,513,306	1,372,045	8,263,551
2027			467,250		2,023,000	789,250	3,279,500	2,538,616	1,512,506	1,372,477	8,703,099
2028			471,900		2,024,600	777,800	3,274,300	2,538,626	1,510,006	1,371,143	8,694,075
2029			471,100		2,528,600	276,050	3,275,750	2,535,758	1,511,080	1,371,620	8,694,208
2030			475,000		2,529,800	273,700	3,278,500	2,534,958	1,510,480	1,370,432	8,694,370
2031			473,450		1,482,400	281,200	2,237,050	2,539,388	1,512,466	1,373,434	7,662,338
2032			476,600		1,483,200	283,250	2,243,050	2,535,088	1,512,450	1,371,071	7,661,659
2033			479,300		1,486,800		1,966,100	2,535,486	1,509,620	1,372,580	7,383,786
2034			486,550		1,483,000		1,969,550	2,539,040	1,508,870	1,370,930	7,388,390
2035			488,200		1,482,000		1,970,200	2,536,854	1,510,266	1,373,035	7,390,355
2036			494,400		1,483,600		1,978,000	2,539,734	1,508,916	1,372,329	7,398,979
2037					1,482,600		1,482,600	2,537,120	1,510,248	1,372,543	6,902,511
2038					1,484,000		1,484,000	2,534,996	1,513,508	1,373,005	6,905,509
2039					1,482,600		1,482,600	2,536,996	1,513,382	1,373,492	6,906,470
2040					1,483,400		1,483,400	2,537,536	1,510,370	1,371,032	6,902,338
2041								2,536,260	1,508,310	1,371,058	5,415,628
2042								2,539,106	1,512,430	1,370,411	5,421,947
2043									1,512,770		1,512,770
2044									1,508,650		1,508,650
<b>Totals</b>	<b>\$ 649,402</b>	<b>\$ 3,563,354</b>	<b>\$ 7,093,550</b>	<b>\$ 4,702,800</b>	<b>\$ 26,569,600</b>	<b>\$ 6,584,704</b>	<b>\$ 49,163,410</b>	<b>\$ 48,126,396</b>	<b>\$ 30,222,090</b>	<b>\$ 27,442,385</b>	<b>\$ 154,954,281</b>
<b>Average Annual Debt Service (2023-2024)</b>											<b>\$ 6,631,211</b>
<b>Average Annual Debt Service (2025-2027)</b>											<b>\$ 8,412,214</b>

(1) Amounts shown are net of the Stormwater Utility portion of debt service.

Note: The Proposed 2023 Bonds, Proposed 2025 Bonds, and Proposed Service Center Financing were amortized using level debt service. The Utility may consider structuring such obligations at the time of issuance to achieve aggregate level debt service for the Utility on a combined basis.

# Statement of Sewage Works Revenue Requirements

## Statement of Sewage Works Revenue Requirements

	Phase I (2023)	Phase II (2025)
Adjusted Operation and Maintenance Expense	\$ 14,107,049	\$ 14,107,049
Adjusted Taxes Other Than Income Taxes	874,406	874,406
Estimated Combined Annual Debt Service	6,631,211 (1)	8,412,214 (2)
Average Annual Lease Payment: Equipment for AMI	685,089	685,089
Annual Lease Payment: Solar Lease	394,287	394,287
Extensions and Replacements (3)	<u>3,921,064</u>	<u>3,921,064</u>
Total Revenue Requirements	26,613,106	28,394,109
Less: Adjusted Operating Revenues	<u>23,985,336</u>	<u>26,837,528</u>
Deficit	2,627,770	1,556,581
Divide by: Adjustable Operating Revenues	<u>23,768,268</u>	<u>26,620,460</u>
Percent Rate Increase Required	<u>12%</u>	<u>6%</u>

- (1) Estimated average combined annual debt service of the Sewage Works for 2023 and 2024.
- (2) Estimated average combined annual debt service of the Sewage Works for 2025 through 2027.
- (3) Average Calculated Extensions and Replacements for 2023 through 2027. See Sewage Works Capital Improvement Plan.

See Appendix A: Assumptions

## Schedule of Sewage Works Present and Proposed Rates and Charges

	Present Rates (1)	Phase I Proposed Rates	Phase II Proposed Rates
<b>SEWAGE WORKS RATES</b>			
<u>Monthly Usage Charge (Per 1,000 Gallons)</u>			
Inside City Customers	\$ 7.99	\$ 8.95	\$ 9.49
Outside City Customers	8.95	10.02 (2)	10.63 (2)
<u>Monthly Service Charge (per meter)</u>			
Inside City Customers	\$ 8.19	\$ 9.17	\$ 9.72
Outside City Customers	9.17	10.27 (2)	10.89 (2)
<u>Excess Strength Surcharge</u>			
<u>Rate per Pound in Excess of 300 ppm</u>			
Biochemical Oxygen Demand (BOD)	\$ 0.391	\$ 0.438	\$ 0.464
Suspended Solids (SS)	0.319	0.357	0.378
<u>Special Laboratory Analysis Monthly Charge</u>			
Strength of BOD and SS Sampling Charge	\$ 171.91	\$ 192.54	\$ 204.09
Grease and Oil Sampling	161.14	180.48	191.31
Metal Sampling (per metal per test)	35.81	40.11	42.52
<u>Unmetered Users</u>			
Minimum Annual Charge - Inside City Customers	\$ 796.74	\$ 892.35	\$ 945.89
Minimum Annual Charge - Outside City Customers	892.41	999.43 (2)	1,059.40 (2)

(1) Sewage Works Present Rates and Charges went into effect on January 1, 2020.

(2) Includes the Outside City Surcharge Factor of 12% applied against the Proposed Rates for Inside City customers.

## Typical Monthly Bill Analysis

### Inside City Customers

Gallons	Present Charges	Proposed Phase I Charge	Difference to Present	Proposed Phase II Charge	Difference to Phase I
0	\$ 8.19	\$ 9.17	\$ 0.98	\$ 9.72	\$ 0.55
1,000	16.18	18.12	1.94	19.21	1.09
2,000	24.17	27.07	2.90	28.70	1.63
3,000	32.16	36.02	3.86	38.19	2.17
4,000	40.15	44.97	4.82	47.68	2.71
5,000	48.14	53.92	5.78	57.17	3.25
6,000	56.13	62.87	6.74	66.66	3.79
7,000	64.12	71.82	7.70	76.15	4.33
8,000	72.11	80.77	8.66	85.64	4.87
9,000	80.10	89.72	9.62	95.13	5.41
10,000	88.09	98.67	10.58	104.62	5.95
11,000	96.08	107.62	11.54	114.11	6.49
12,000	104.07	116.57	12.50	123.60	7.03
13,000	112.06	125.52	13.46	133.09	7.57
14,000	120.05	134.47	14.42	142.58	8.11
15,000	128.04	143.42	15.38	152.07	8.65
16,000	136.03	152.37	16.34	161.56	9.19
17,000	144.02	161.32	17.30	171.05	9.73
18,000	152.01	170.27	18.26	180.54	10.27
19,000	160.00	179.22	19.22	190.03	10.81
20,000	167.99	188.17	20.18	199.52	11.35



## Outside City Customers

Gallons	Present Charges	Proposed Phase I Charge	Difference to Present	Proposed Phase II Charge	Difference to Phase I
0	\$ 9.17	\$ 10.27	\$ 1.10	\$ 10.89	\$ 0.62
1,000	18.12	20.29	2.17	21.52	1.23
2,000	27.07	30.31	3.24	32.15	1.84
3,000	36.02	40.33	4.31	42.78	2.45
4,000	44.97	50.35	5.38	53.41	3.06
5,000	53.92	60.37	6.45	64.04	3.67
6,000	62.87	70.39	7.52	74.67	4.28
7,000	71.82	80.41	8.59	85.30	4.89
8,000	80.77	90.43	9.66	95.93	5.50
9,000	89.72	100.45	10.73	106.56	6.11
10,000	98.67	110.47	11.80	117.19	6.72
11,000	107.62	120.49	12.87	127.82	7.33
12,000	116.57	130.51	13.94	138.45	7.94
13,000	125.52	140.53	15.01	149.08	8.55
14,000	134.47	150.55	16.08	159.71	9.16
15,000	143.42	160.57	17.15	170.34	9.77
16,000	152.37	170.59	18.22	180.97	10.38
17,000	161.32	180.61	19.29	191.60	10.99
18,000	170.27	190.63	20.36	202.23	11.60
19,000	179.22	200.65	21.43	212.86	12.21
20,000	188.17	210.67	22.50	223.49	12.82

## Stormwater Analysis

### Stormwater Detailed Income Statement

	April 30, 2022	December 31, 2021	December 31, 2020
<b>Stormwater Revenues</b>			
Stormwater Single Family	\$ 952,925	\$ 950,868	\$ 931,785
Stormwater Sales Commercial	957,385	962,128	896,530
Stormwater Sales Industrial	31,743	31,743	30,628
Stormwater Sales Public Authority	602,593	601,255	577,488
Stormwater Sales Multiple Family	702,287	693,851	658,753
Stormwater Plan Review Revenue	1,445	1,190	765
Forfeited Discounts - Storm	16,260	18,037	8,305
Total Stormwater Revenues	<u>3,264,638</u>	<u>3,259,072</u>	<u>3,104,254</u>
<b>Stormwater Operation and Maintenance Expenses</b>			
Salaries and Wages	517,069	520,477	591,315
Employee Pension and Benefits	274,436	271,252	267,482
Materials and Supplies	82,452	83,464	72,828
Customer Assistance Program	44,944	46,961	34,874
Contractual Services	16,690	16,038	82,152
Liability Insurance	15,534	15,425	36,995
Miscellaneous Expenses	2,673	9,717	12,120
Total	<u>953,798</u>	<u>963,334</u>	<u>1,097,766</u>
Stormwater Depreciation Expense:	<u>280,681</u>	<u>280,681</u>	<u>279,824</u>
FICA	<u>37,067</u>	<u>37,088</u>	<u>44,813</u>
Total Stormwater Operating Expenses:	<u>1,271,546</u>	<u>1,281,103</u>	<u>1,422,403</u>
Stormwater Net Operating Income:	<u>1,993,092</u>	<u>1,977,969</u>	<u>1,681,851</u>
<b>Stormwater Other Income</b>			
Reimbursements	234,454	194	16,794
Interest Stormwater Construction	10,236	7,748	-
Revenue from Contract Work	-	1,650	-
Interest Stormwater O&M	3,588	4,043	3,707
Total Stormwater Other Income:	<u>248,278</u>	<u>13,635</u>	<u>20,501</u>
Stormwater Net Income	<u>\$ 2,241,370</u>	<u>\$ 1,991,604</u>	<u>\$ 1,702,352</u>

## Stormwater Utility Adjusted Statement of Income

	April 30, 2022	Adjustments	Adjusted
<b>Stormwater Revenues</b>			
Stormwater Single Family	\$ 952,925		\$ 952,925
Stormwater Sales Commercial	957,385		957,385
Stormwater Sales Industrial	31,743		31,743
Stormwater Sales Public Authority	602,593		602,593
Stormwater Sales Multiple Family	702,287		702,287
Stormwater Plan Review Revenue	1,445		1,445
Forfeited Discounts - Storm	16,260		16,260
<b>Total Stormwater Revenues</b>	<b>3,264,638</b>		<b>3,264,638</b>
<b>Stormwater Operation and Maintenance Expenses</b>			
Salaries and Wages	517,069	\$ 190,937 1	708,006
Employee Pension and Benefits	274,436	27,654 2	302,090
Materials and Supplies	82,452		82,452
Customer Assistance Program	44,944		44,944
Contractual Services	16,690	6,115 3	22,805
Liability Insurance	15,534		15,534
Miscellaneous Expenses	2,673	250,000 4	252,673
<b>Total</b>	<b>953,798</b>	<b>474,706</b>	<b>1,428,504</b>
Stormwater Depreciation Expense	280,681		280,681
FICA	37,067	13,687 5	50,754
<b>Total Stormwater Operating Expenses</b>	<b>1,271,546</b>	<b>488,393</b>	<b>1,759,939</b>
<b>Stormwater Net Operating Income</b>	<b>1,993,092</b>	<b>(488,393)</b>	<b>1,504,699</b>

See Appendix A: Assumptions and Adjustment Detail

### Stormwater Utility Adjustment Detail

#	Functional Area	Category	Adjustment to Test Year (1)	Description
1	Multiple	Stormwater Salaries & Wages	\$190,937	To adjust Environmental Sciences (Department 57) and Utilities Stormwater (Department 81) Salaries & Wages to the Utility's 2023 adopted budget.
2	Multiple	Employee Pension & Benefits	\$27,654	To adjust Environmental Sciences (Department 57) and Utilities Stormwater (Department 81) Employee Pensions & Benefits for additional PERF contributions resulting from increased Salaries & Wages.
3	Contractual Services	Contract Services Accounting	\$6,115	To provide funding for estimated rate analysis expenses (\$25,000) every four (4) years.
4	Multiple	Miscellaneous Expenses	\$250,000	To provide funding for Street Sweeping expenses to be incurred annually by the Stormwater Utility.
5	Taxes Other Than Income Taxes	FICA	\$13,687	To adjust FICA expenses due to an increase in Salaries & Wages.

(1) Adjustment amounts are expressed based on the net effect on the Utility's revenue requirements.

See *Appendix A: Assumptions*

### Stormwater Utility Capital Improvement Plan

Project	2023	2024	2025	2026	2027	Total
<b>300 Other Services E&amp;R and Green Infrastructure</b>						
Jordan River Culvert at Indiana - Construction	\$ 2,050,000 ^					\$ 2,050,000
Lower Cascades Storm Culvert Extension		\$ 250,000				250,000
Spanker's Arch at 6th street	100,000	100,000	\$ 746,000			946,000
Clear Creek Open Channel Improvements - E 1st St. to Grimes Ln. ROW relocations		500,000				500,000
High Street Combined with City	70,000			\$ 200,000	\$ 300,000	570,000
<b>Green Infrastructure</b>						
RGSP/Regional Detention	100,000	100,000	100,000	100,000	100,000	500,000
Wexley Road - YMCA Pond	110,000					110,000
Wexley Road - Winslow Park		150,000				150,000
Wexley Road - South Hampton Pond			150,000			150,000
Public 4 Small Projects	261,290					261,290
Stormwater Master Plan	50,000					50,000
Miller Showers Dredging	300,000 ^		50,000			350,000
DPW Engineering GI Inclusion for Road Projects	50,000	50,000	54,866	50,000	50,000	254,866
Replacement of Equipment	321,680	51,760		58,157	61,647	493,244
Stormwater Review Assistance	100,000					100,000
Bridge Inspections	20,000	20,000	20,000	20,000	20,000	100,000
Septic Elimination Program (Sewer Credit)	11,200	11,200	11,200	11,200	11,200	56,000
Internal Neighborhood Projects	300,000 ^	300,000 ^	300,000 ^	300,000	300,000	1,500,000
Condition Assessment 18" and Larger CMP	50,000	50,000	50,000	50,000	50,000	250,000
Weimer Bridge					200,000	200,000
Moores Pike Culvert Extension				100,000		100,000
MS4 Permit Software	25,000					25,000
MS4 On-call Consultant	20,000	20,000	20,000	20,000	20,000	100,000
Stormwater Master Plan Implementation Items	171,000 ^	235,000 ^	424,000 ^	500,000	480,000	1,810,000
<b>Total Capital Improvement Plan</b>	<b>\$ 4,110,170</b>	<b>\$ 1,837,960</b>	<b>\$ 1,926,066</b>	<b>\$ 1,409,357</b>	<b>\$ 1,592,847</b>	<b>\$ 10,876,400</b>
Less: Projects to be Funded through 2023 Bond Issuance (^)	(2,821,000)	(535,000)	(724,000)			(4,080,000)
Less: Anticipated Grant Proceeds	(150,000)					(150,000)
<b>Calculated Extensions and Replacements</b>	<b>\$ 1,139,170</b>	<b>\$ 1,302,960</b>	<b>\$ 1,202,066</b>	<b>\$ 1,409,357</b>	<b>\$ 1,592,847</b>	<b>\$ 6,646,400</b>
<b>Five-Year Average Extensions and Replacements</b>						<b>\$ 1,329,280</b>

Data Source: Utility  
See Appendix A: Assumptions

## Estimated Stormwater Utility Combined Debt After Issuance of the Proposed Bonds

Pay Year	2006 A-1	2020 Bonds	Proposed 2023 Bonds	Estimated Total Bonds
2022	\$ 436,200	\$ 523,800		\$ 960,000
2023	436,200	523,800	\$ 320,782	1,280,782
2024	436,200	523,800	320,782	1,280,782
2025	436,200	523,800	320,782	1,280,782
2026	436,200	523,800	320,782	1,280,782
2027		523,800	320,782	844,582
2028		523,800	320,782	844,582
2029		523,800	320,782	844,582
2030		523,800	320,782	844,582
2031		523,800	320,782	844,582
2032		523,800	320,782	844,582
2033		523,800	320,782	844,582
2034		523,800	320,782	844,582
2035		523,800	320,782	844,582
2036		523,800	320,782	844,582
2037		523,800	320,782	844,582
2038		523,800	320,782	844,582
2039		523,800	320,782	844,582
2040		523,800	320,782	844,582
2041			320,782	320,782
2042			320,782	320,782
<b>Total</b>	<b>\$ 2,181,000</b>	<b>\$ 9,952,200</b>	<b>\$ 6,415,640</b>	<b>\$ 18,548,840</b>
Estimated Average Annual Debt Service (2023-2026)				<b>\$ 1,280,782</b>

## Statement of Stormwater Utility Revenue Requirements

Adjusted Operation and Maintenance Expense	\$ 1,428,504
Adjusted Taxes Other Than Income Taxes	50,754
Estimated Average Annual Debt Service (2023-2026)	1,280,782
Estimated Average Annual Extensions and Replacements (2023-2027)	<u>1,329,280</u>
Total Revenue Requirements	4,089,320
Less: Adjusted Operating Revenues	<u>3,264,638</u>
Deficit	824,682
Divide by: Adjustable Operating Revenues	<u>3,248,378</u>
Percent Rate Increase Required	<u>26%</u>

## Stormwater Utility Present and Proposed Rates

	Present Rates (1)	Proposed Rates
<u>Stormwater Utility Monthly Charges</u>		
Single Family Residential Customers	\$ 5.95	\$ 7.50

All other customers shall be charged based upon the amount of runoff generated by the customer.

(1) Stormwater Utility Present Rates and Charges went into effect on January 1, 2020.



## Appendix A: Assumptions

The following assumptions, provided by and approved by the management of the Utility, were used in preparation of the Report.

#	Report Area	Assumption
1	All	Operating Revenues, Operation and Maintenance Expenses, and Taxes Other Than Income Taxes of the Utility for the year ending April 30, 2022, ("Test Year") are representative of expected pro forma operating results, except where otherwise noted.
2	All	Assumes no provision for new debt or leases beyond those summarized in the Estimated Combined Amortization Schedule After Issuance of Proposed Bonds for the Sewage Works and Stormwater Utility.
3	Adjusted Statements of Income	Consumption patterns and number of customers are assumed to be stable and not materially fluctuate in future years from the Test Year.
4	Sewage Works Adjusted Statement of Income	Adjustment 1: Test Year overtime and 2023 Budget for Salaries and Wages will be indicative of personnel costs for the Pro Forma year.
5	Sewage Works Adjusted Statement of Income	Adjustment 2: Pro Forma PERF expense based on Pro Forma wages and assumes that PERF expense is incurred in similar proportions in the Pro Forma year as the Test Year.
6	Sewage Works Adjusted Statement of Income	Adjustment 3: Assumes future similar costs of issuance will be paid from proceeds of future bond issues.
7	Sewage Works Adjusted Statement of Income	Adjustment 4: Sewage Works will be responsible for \$1,008,674 for General Services Costs in the Pro Forma year, which is 60% of the 2021 Interdepartmental agreement value of \$1,681,123.
8	Sewage Works Adjusted Statement of Income	Adjustment 8: Contemplates a 29% increase in electricity costs for Departments 65 (Dillman Road WWTP) and Department 73 (Boosters & Lift Stations) based on the observed increases in Duke Energy rates between average Test Year costs and rates as of June 2022. Energy costs for Blucher Poole were not increased as they are not served by Duke Energy.
9	Sewage Works Adjusted Statement of Income	Adjustment 9: Assumes future similar expenses will be capitalized or non-recurring in nature.
10	Sewage Works Adjusted Statement of Income	Adjustment 13: Pro Forma FICA expense equals Pro Forma Salaries and Wages times FICA rate of 7.65%.
11	Sewage Works Capital Improvement Plan	Funding for large 2027 projects, including Vortex Grit Removal and Relief Interceptor Dillman WWTP to Rogers Street, will be determined in the Utility's 2026 rate analysis.  Timing for the New Service Center is unknown as of the date of this Report. Funding is provided for the New Service Center beginning in 2023, however, actual timing of construction and financing is unknown.
12	Estimated Sources and Uses (Proposed 2023 Bonds, Proposed 2025 Bonds, and Proposed Service Center Financing)	<ul style="list-style-type: none"> <li>Project costs based on sum of projects to be financed as indicated in the Capital Improvement Plans provided by Management of the Utilities.</li> <li>Debt Service Reserve Funds are based on the maximum annual debt service of the respective</li> </ul>

#	Report Area	Assumption
		bond issuances. <ul style="list-style-type: none"> <li>Costs of issuance are estimates based on similar transactions.</li> </ul>
13	Estimated Amortization Schedules	Coupon rates based on A Refinitiv MMD rates as of September 21, 2022, plus an issuer credit spread, and a 50 basis point timing spread for the 2023 Bonds, and 100 basis point timing spread for the 2025 Bonds and Service Center Financing. Rates are estimated and subject to change. The amortization schedule for the 2023 Bonds assumes level debt service after interest only payments for the first two years. The amortization schedule for the 2025 Bonds and Service Center Financing assumes level debt service. The Utility may consider structuring the obligations at the time of issuance to achieve aggregate level debt service for the Utility on a combined basis.
14	Statement of Sewage Works Revenue Requirements	Assumes a Phase I rate increase effective January of 2023, and a Phase II rate increase effective January of 2025. Assumes the Utility will complete an additional rate analysis in 2027 to evaluate funding needs for the projects identified on the capital improvement plan as debt financing and for the Utility's anticipated increased debt service for the years 2027 through 2030.
15	Stormwater Utility Adjusted Statement of Income	Adjustment 1: Test Year overtime and 2023 Budget for Salaries and Wages will be indicative of personnel costs for the Pro Forma year.
16	Stormwater Utility Adjusted Statement of Income	Adjustment 2 and 5: Pro Forma PERF and FICA expense based on Pro Forma wages, and assumes that PERF expense is incurred in similar proportions in the Pro Forma year as the Test Year.
17	Stormwater Utility Adjusted Statement of Income	Adjustment 4: Pro Forma estimated expenses attributable to Street Sweeping functions provided by Utility management.
18	Stormwater Utility Capital Improvement Plan	Assumes receipt of grant funding of \$150,000 for Green Infrastructure Public 4 small projects in 2023.