



City of Naples, FL

# Utility Rate Study

Final Report

March 23, 2018

March 23, 2018

Mr. Robert Middleton  
Utilities Director  
City of Naples, FL  
380 Riverside Circle  
Naples, Florida 34102

Re: Final Report – Utility Rate Study

Dear Mr. Middleton,

Stantec Consulting Services Inc. is pleased to present this Final Report of the Utility Rate Study that we performed for the City of Naples. We appreciate the fine assistance provided by you and all of the members of the City staff who participated in this Study.

If you or others at the City have any questions, please do not hesitate to call me at (813) 204-3331, email me at [Andrew.Burnham@stantec.com](mailto:Andrew.Burnham@stantec.com) or contact our Project Manager, Jeff Dykstra at (813) 204-3311. We appreciate the opportunity to be of service to the City and look forward to working with you again in the near future.

Sincerely,



Andrew J. Burnham

Vice President

Enclosure



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## SECTION 1. INTRODUCTION

Stantec Consulting Services Inc. (Stantec) has conducted a Utility Rate Study (Study) for the City of Naples (City) water, wastewater, and reclaimed water systems. This report presents the objectives, approach, methodologies, source data, assumptions, as well as the findings and recommendations of the Study.

### 1.1 Background

The City operates an enterprise fund consisting of a public water, wastewater, and reclaimed water utility (Utility) which provides water service to approximately 20,000 customers, wastewater service to approximately 9,500 customers, and reclaimed water service to approximately 1,500 customers.

The City periodically conducts a rate study which includes a revenue sufficiency analysis (RSA) to measure the sufficiency of the Utility's rates to meet projected operating and capital costs, meet existing debt obligations, and maintain minimum reserve balances over a 10-year planning period. As part of this Study, the City requested that Stantec incorporate recent findings and recommendations from the Utility's engineer of record, Weston & Sampson, regarding the continued expansion of the City's reclaimed water system.

The City's last Utility Rate Study was completed by Burton & Associates<sup>1</sup> in 2013. One of the key components of that analysis was an evaluation of the ability of the Utility to support the expansion of the reclaimed water system. Weston & Sampson provided timing and cost estimates for the key distribution and transmission infrastructure associated with expanding the system. In order to facilitate the development of timing and cost scenarios, expansion areas were partitioned into 12 zones, encompassing the entire City. The total cost to build out the system during that Study was estimated at \$100 million. Based on the findings of that analysis, annual CPI rate adjustments would not be sufficient to completely build out the reclaimed water system. As such, reclaimed water expansion of transmission and distribution infrastructure was considered for 4 subareas with the highest potential demand. Since that analysis, the City has completed a majority of the transmission infrastructure to provide reclaimed water service to Zones 1 through 4.

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<sup>1</sup> The 2013 study was completed by Burton & Associates, which was acquired by Stantec.

## 1.2 Objectives

The principal objective of this Study was to conduct a revenue sufficiency analysis incorporating the proposed expansion of the Utility's reclaimed water system. The analysis was conducted by developing and populating a multi-year forecasting model for the Utility to determine the level of annual revenue required to satisfy its projected annual operating expense, debt service payments, and capital cost requirements, while maintaining adequate reserves levels. This report includes a ten-year financial plan covering fiscal years (FY) 2019 through 2028.

## SECTION 2. REVENUE SUFFICIENCY ANALYSIS

This section of the Report presents the components of the financial management plan developed in this analysis. The following sub-sections present a description of the source data and assumptions, while Appendix A includes supporting schedules for the financial management plan identified herein for the Utility.

### 2.1 Description

During the RSA, Stantec developed and reviewed several multi-year financial management plans and corresponding rate revenue adjustment plans through interactive work sessions with City staff. During these work sessions, we examined the impact of various inputs or assumptions upon key financial indicators under assumed conditions. In this way, we incorporated City staff input as we developed the recommended overall financial management plan for the Utility and the resulting plans of rate revenue adjustments presented in this report. The result is a financial plan for the Utility that meets its key financial performance objectives and minimizes rate adjustments to the greatest extent possible. Appendix A includes detailed schedules supporting the plan identified herein for the Utility.

Stantec obtained the Utility's historical and budgeted financial information, as well as historical customer counts and volume data by class of customer. We also obtained the Utility's multi-year capital improvement program (CIP) and documented the Utility's current debt service obligations and covenants, or promises made to lenders, relative to net income coverage requirements, and reserves. We also counseled with City staff regarding other assumptions and policies that would affect the performance of the Utility, such as trends in demands, expansion of reclaimed water, customer growth, capital funding sources, cost inflation, as well as targeted debt coverage and reserve levels.

All of this information was entered into our proprietary Financial Analysis and Management System (FAMS-XL®) interactive modeling system. This produced a ten-year projection of the sufficiency of the revenue provided by the current rates of each system to meet current and projected financial requirements. It further determined the level of rate revenue increases necessary in each year of the projection period to satisfy the Utility's annual financial requirements.

The revenue sufficiency and financial planning model 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 rules of cash application as defined and applied by City 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 available

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. In this way, the FAMS-XL<sup>®</sup> model is used to develop a borrowing program that includes the required borrowing amount by year and the resultant annual debt service requirements for each year in the projection period.

## 2.2 Source Data

The following presents the key source data relied upon in conducting the RSA:

### **Beginning Fund Balances**

City staff provided beginning fund FY 2018 balances for the Utility which are summarized in Schedule 5 of Appendix A.

### **Revenues**

Projected revenues reflect an evaluation of historical results and the FY 2018 Budget. Revenues consist of rate revenue, interest income, system development charges, and other miscellaneous revenue. Projected rate revenue for FY 2018 is based upon the projected number of accounts and projected changes in consumption per account. Rate revenue is adjusted annually, beginning in FY 2019, to reflect assumed customer growth and changes in demand. Projections of all other revenues are based upon the amounts within the FY 2018 Budget, excluding interest income (which was calculated annually based upon projected average fund balances and assumed interest rates), and revenue from system development charges (which are calculated based on the assumed growth in new accounts). Projected revenue is shown in Schedule 8 of Appendix A.

### **Operating Expenditures**

FY 2018 revenue requirements were based upon the FY 2018 Budget, and include all operations and maintenance (O&M) expenses, debt service requirements, transfers out, and minor capital outlay requirements. Each year thereafter, O&M expenses and minor capital outlays were projected based upon the FY 2018 Budget, adjusted by assumed inflation factors for individual expense categories and annual spending assumptions. The cost escalation factors and spending assumptions are reflected in Schedules 2 and 7, respectively, of Appendix A.

Historically, the Utility has spent less than its annual operations expenditure budget. As such, it is important to note that, in each year of the projection period, expense spending execution rates of 95% and 90% were assumed for all Personnel Services

and other O&M expenses, respectively, while all minor capital outlays were assumed to be spent at 100% of projected amounts.

### **Debt Service**

The annual repayments for all outstanding debt for the Utility were based upon the specific amortization schedules for each outstanding issuance, as provided by City staff. No additional borrowing is anticipated during the projection period.

### **PILOT**

The Utility makes a payment in-lieu of taxes (PILOT) to the City's General Fund equal to 6% of annual revenues. FY 2018's PILOT is based upon the Utility's budget, and increases to the PILOT payment over the projection period are based upon 6% of anticipated revenue in each year.

### **Capital Improvement Program**

The City provided the five-year CIP through FY 2023 in future year dollars. For each year thereafter of the projection period, the annual capital improvements were assumed to be equal to the prior five-year average annual CIP with annual 3% cost inflation adjustments (based upon recent increases observed in the Engineering News Record - Construction Cost Index), to account for the inflation in the future cost of construction. In addition, capital costs for continued reclaimed water system expansion was included. In total, the CIP from FY 2018 through FY 2028 is approximately \$114 million. A list of projects and costs by year is included on Schedule 6 of Appendix A.

## **2.3 Assumptions**

The following presents the key assumptions utilized in the conduct of the RSA.

### **Cost Escalation**

Annual cost escalation factors for the various types of O&M were developed based upon City staff estimates, historical trends, industry experience, and future expectations. Schedule 2 of Appendix A presents the specific escalation factors assumed for the various categories of expenses.

### **Customer Growth & Volume Forecast**

New connections and billed volume projections were based upon a review of recent historical data, observance of local environmental and economic conditions, and discussions with staff regarding the anticipated number of new service connections to the Utility and recent trends in water demands.



Projected annual water, wastewater, and reclaimed water system growth and volumes, are presented on Schedules 1, 3, and 4 of Appendix A.

It is important to note that the RSA reflects a recently observed overall industry trend of reduced water use per account for purposes of projecting the volume-based portion of water and wastewater revenue. The RSA reflects overall account growth while system use is projected to decrease over the same period, resulting in a projected decrease in use per account. Reclaimed water use on a per account basis is anticipated to remain at current levels over the projection period.

### **Price Elasticity**

As rates increase, discretionary water consumption (and therefore billed sewer volumes to a certain degree) will likely decline. In order to generate sufficient rate revenue, projected rate revenue adjustments must increase to compensate for the smaller revenue base. Therefore, a price elasticity adjustment was included in the analysis which reduces projected consumption-based revenues by the product of the annual rate revenue increase and the annual price elasticity coefficient assumed. For example, a 0.10 price elasticity coefficient results in a projected decline in water and wastewater volumetric-based revenue of 1.00% for every 10.00% increase in rates.

### **Interest Earnings**

The RSA reflects assumed interest earning rates on fund balances of 1.00% in FY 2018, increasing to 1.50% by FY 2020 and throughout the remainder of the projection period. This rate is representative of recent historical interest received as a percentage of the Utility's cash balances.

### **Minimum Reserve Policies**

Reserve balances for utilities are funds set aside for a specific cash flow requirement, financial need, project, task, or legal covenant. These balances are maintained in order to meet short-term cash flow requirements and also minimize the risk associated with meeting the financial obligations and continued operational and capital needs under adverse conditions. The level of reserves maintained by a utility is an important component and consideration of developing a utility system multi-year financial management plan.

Most utilities, rating agencies, and the investment community as a whole place a significant emphasis on having sufficient reserves available. The rationale related to the maintenance of adequate reserves is twofold. First, it helps to ensure that a utility will have adequate funds available to meet its 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 as a result of natural disasters or unanticipated system failures.

Moreover, a utility should review the approach used to establish reserve balances periodically given that debt levels and capital infrastructure activity can vary over time, which would have an effect on the appropriate level of reserve balances. This type of review allows for the philosophy of establishing reserve targets to be modified to better reflect existing conditions and issues.

The financial management plan presented herein assumes that the Utility will maintain a minimum fund balance or reserve equal to 6 months of annual O&M. Overall, this level of reserves are consistent with 1) our industry experience for similar systems, and 2) a healthy level of reserves for a municipal utility system per the evaluation criteria published by the municipal utility rating agencies (Fitch, Moody's, and Standard & Poor's).

### **Future Borrowing & Capital Funding**

No new long-term debt is expected to be issued during the projection period. The CIP is anticipated to be funded through a combination of system development charges, grant proceeds, annual revenues, and available reserves. Schedule 11 of Appendix A provides a summary of the capital funding plan for the CIP.

### **Debt Service Coverage**

One of the most important covenants in the Utility's outstanding bond/loan agreements is that its net income must be at least at least 1.10 times its annual debt service requirements.

It is important to note that these revenue covenants (often referred to as debt service coverage requirements) represent the City's minimum requirements. Should the City be unable to meet these requirements, it could be found in technical default. This would likely result a downgrade in credit rating, which would affect the interest rate and terms of any future financings.

As a policy decision, utilities often measure revenue sufficiency and set rates based upon higher debt service coverage levels so as to ensure compliance with these type of covenants in the event that future projections of revenue and expenses do not occur as predicted (due to extended drought conditions, unanticipated capital requirements or operating costs, natural disasters, etc.).

Recently published guidance from Fitch Ratings, the municipal ratings agency, indicates that utility systems with *Stronger* financial profiles maintain debt service

coverage based on net revenues greater than 2.0 times annual debt service. It is projected that the Utility's net revenues will be at least 2.0 times debt service requirements in each year of the projection period.

## 2.4 Reclaimed Water Expansion Analysis

The City has been expanding reclaimed water service availability over the last five years primarily focused on expansion of its "backbone" transmission infrastructure to areas with high potential demand. Upon completion of much of this infrastructure, the City is now evaluating the potential for further expansion of the Utility's reclaimed water system.

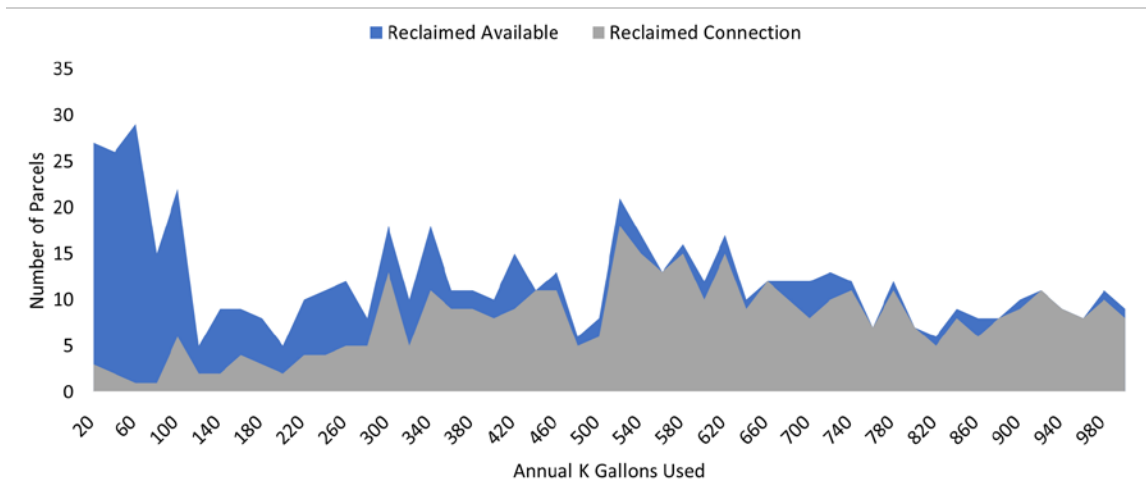
In 2017, Weston & Sampson provided the City with updated cost estimates and recommendations for further reclaimed expansion. Based upon their proximity to existing transmission mains, potential of reclaimed water demands, and anticipated costs, it was determined that the distribution system expansion in Zones 1 and 4 is the next phase of expansion recommended to be completed.

As such, Stantec incorporated the capital costs identified by Weston & Sampson (approximately \$18 million) to expand the reclaimed water distribution system to Zones 1 and 4 along with the associated estimated revenue impacts of customers switching from more expensive potable water irrigation demands to reclaimed water use in the RSA herein.

### **New Connections and Demand**

In the prior rate study, forecasting customer connection rates was done strictly based on an economic payback model to project the likely revenue impacts of reclaimed water expansion efforts. However, the City now has data to identify customers who have connected to reclaimed water and usage profiles of such customers. Figure 1 provides a usage profile of customers who have access to reclaimed water versus those which have connected as of FY 2017.

Figure 1



This demonstrates a clear trend between the amount of water consumed and likelihood that users will connect to the service. This outcome is expected from a monetary standpoint as higher demand results in a faster payback period. However, as shown, some customers with low demands have connected with longer pay back periods, while some with high demands have not yet connected but would recoup their investments in a relatively short period if they were to connect. Some possible explanations for this may include:

**Long-Term Home Ownership** - Homeowners who anticipate staying in their homes for longer periods of time may be willing to connect and accept longer payback periods as they still expect to benefit from the service over time.

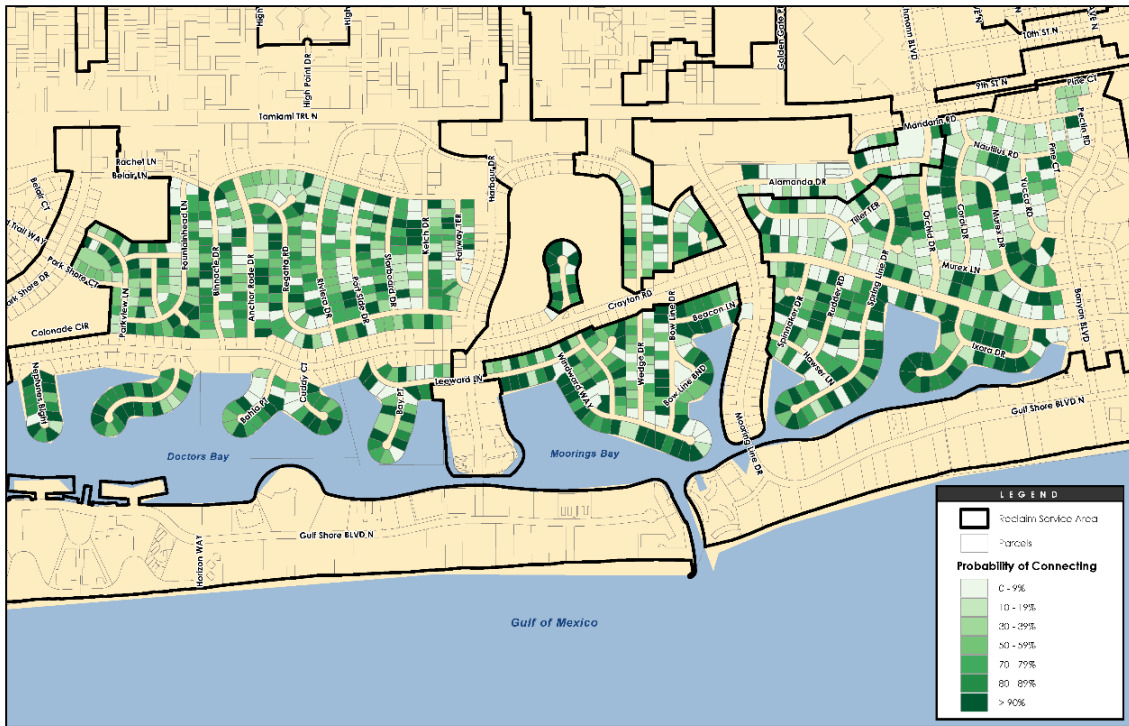
**Sustainability** - Customers may be attracted to the sustainability attributes of reclaimed water and connect with lower paybacks over longer periods because a portion of the value proposition is non-monetary.

**Affluence** - For some customers, the cost savings of reclaimed water may be passed up due to a perceived low impact value proposition.

**Awareness/Other Barriers** - For other customers, there may be a lack of awareness as to the availability of service or accurate and complete knowledge of the value.

These options are not intended to be inclusive of all possible reasons, but rather informative as we forecast connections within reclaimed expansion areas. As such Stantec has used the information gleaned from the City's recent reclaimed expansion experience to develop a model to forecast the likelihood of new reclaimed customer connections in future expansion zones. Figure 2 summarizes the probability analysis within Zones 1 and 4. Parcels with a high probability of connecting are shown in dark green.

Figure 2



This analysis results in a probability that approximately 50%, 497 of 985 available parcels, in Zones 1 and 4 will connect within 5 years of reclaimed water becoming available. This is estimated to result in approximately 267M gallons of annual potable water demand switching to reclaimed water. These projections of future reclaimed water connections, and their associated reclaimed demands and reduced potable water demands, result in a modest projected net revenue loss of \$335,000 annually.

## SECTION 3. RESULTS

This section of the Report presents the results of the RSA and corresponding plan of recommended rate adjustments developed in this analysis.

### 3.1 Financial Management Plan

In recent years, the City has adjusted Utility rates in conjunction with the U.S. Consumer Price Index (CPI). Based upon the assumptions and data described herein, projected annual CPI rate indexing adjustments as shown in Table 1 through FY 2023 are projected to generate sufficient revenue to satisfy the Utility's annual O&M, capital improvement (including planned reclaimed water expansion), debt service, and reserve requirements over the projection period.

**Table 1. Plan of Water, Sewer & Reclaimed Rate Revenue Increases**

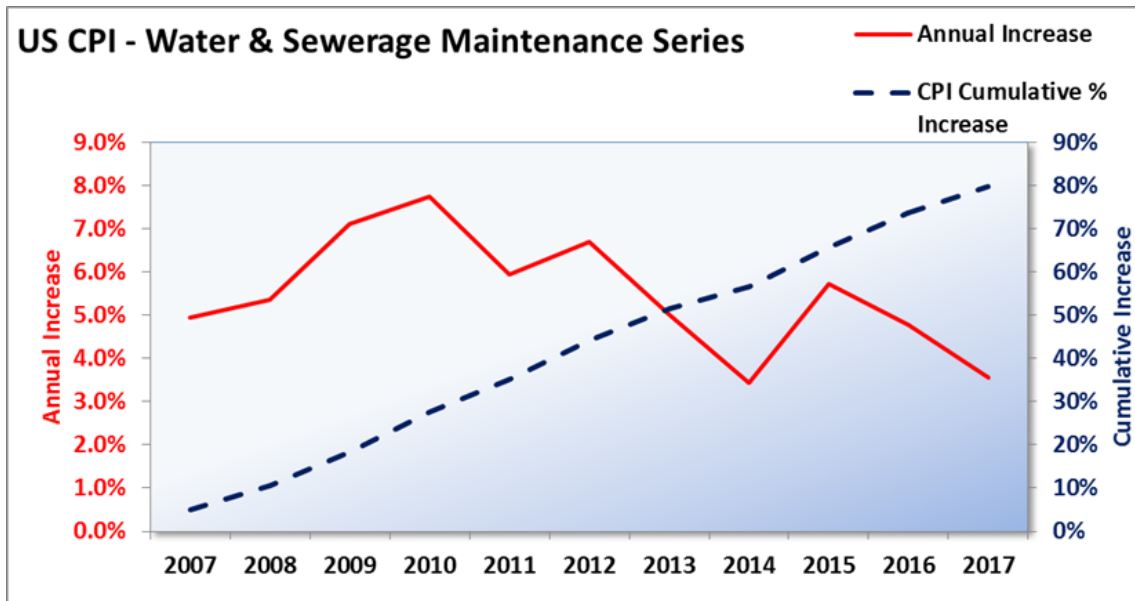
|                                 | <u>FY 19<sup>1</sup></u> | <u>FY 20</u> | <u>FY 21</u> | <u>FY 22</u> | <u>FY 23</u> |
|---------------------------------|--------------------------|--------------|--------------|--------------|--------------|
| Effective Date                  | 10/1/18                  | 10/1/19      | 10/1/20      | 10/1/21      | 10/1/22      |
| Water Rate Revenue Increase     | 2.25%                    | 2.25%        | 2.25%        | 2.25%        | 2.25%        |
| Sewer Rate Revenue Increase     | 2.25%                    | 2.25%        | 2.25%        | 2.25%        | 2.25%        |
| Reclaimed Rate Revenue Increase | 2.25%                    | 2.25%        | 2.25%        | 2.25%        | 2.25%        |

1) 2.25% is an estimate of the CPI based on recent historical trends and future projections

### 3.2 Comparative Rate Survey

The annual rate adjustments for the Utility identified herein are less than those indicated in recent national trends. As demonstrated in Figure 3, the U.S. Consumer Price Index Water & Sewerage Maintenance Series, which specifically measures the average national change in the cost of water and wastewater service to households, has risen at an average annual rate of approximately 5.5% during the past ten years. Moreover, many of our clients across the country and in Southwest Florida are presently experiencing similar rate increase requirements per year.

Figure 3



Stantec also performed a comparative water and sewer residential monthly typical bill survey of the City's surrounding geographic area as well as a reclaimed water rate survey. The rate surveys were prepared with rates as of October 1, 2017 to provide an understanding of the current market range of typical utility costs in the area and how the City fits within that range. The Utility's average residential customer uses approximately 7,000 gallons per month. As such, Stantec evaluated the Utility's monthly bills for water and sewer service at 5,000 gallons per month, 7,000 gallons per month, and 20,000 gallons per month in Figures 4, 5, and 6 respectively. The survey indicates that the City is one of the more affordable utilities within the surrounding geographic area.

Figure 4

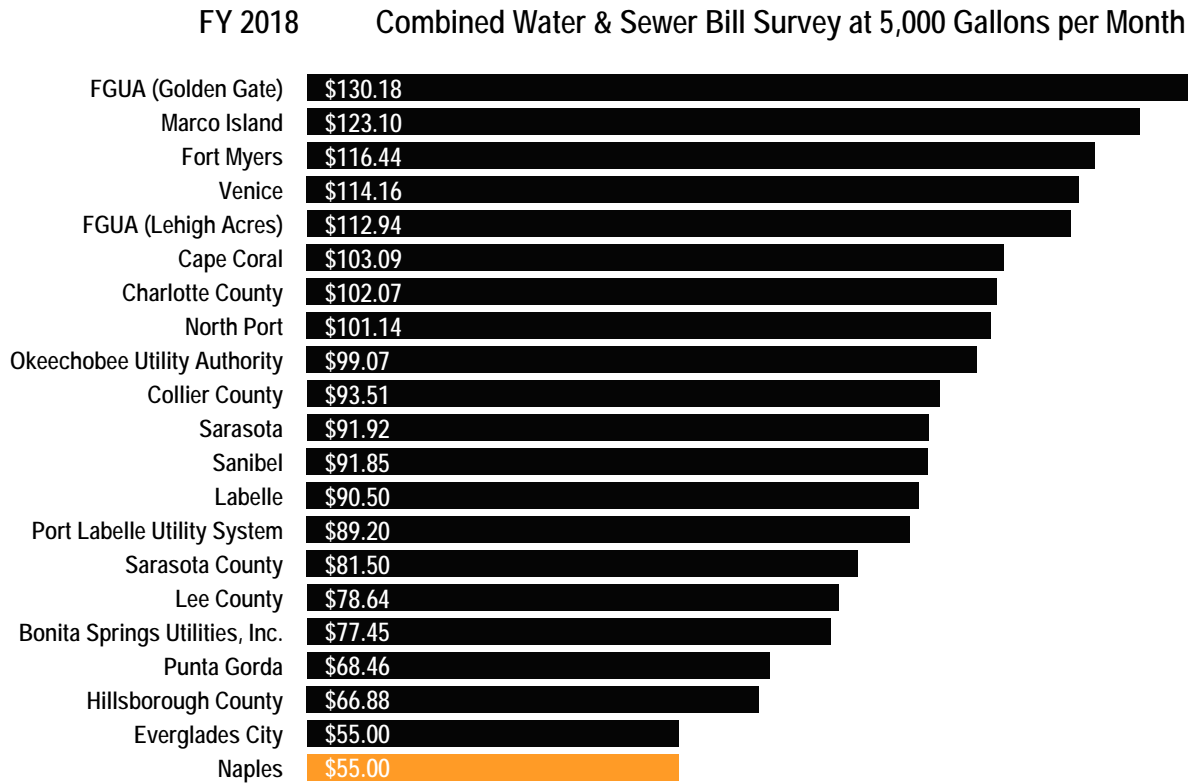




Figure 5

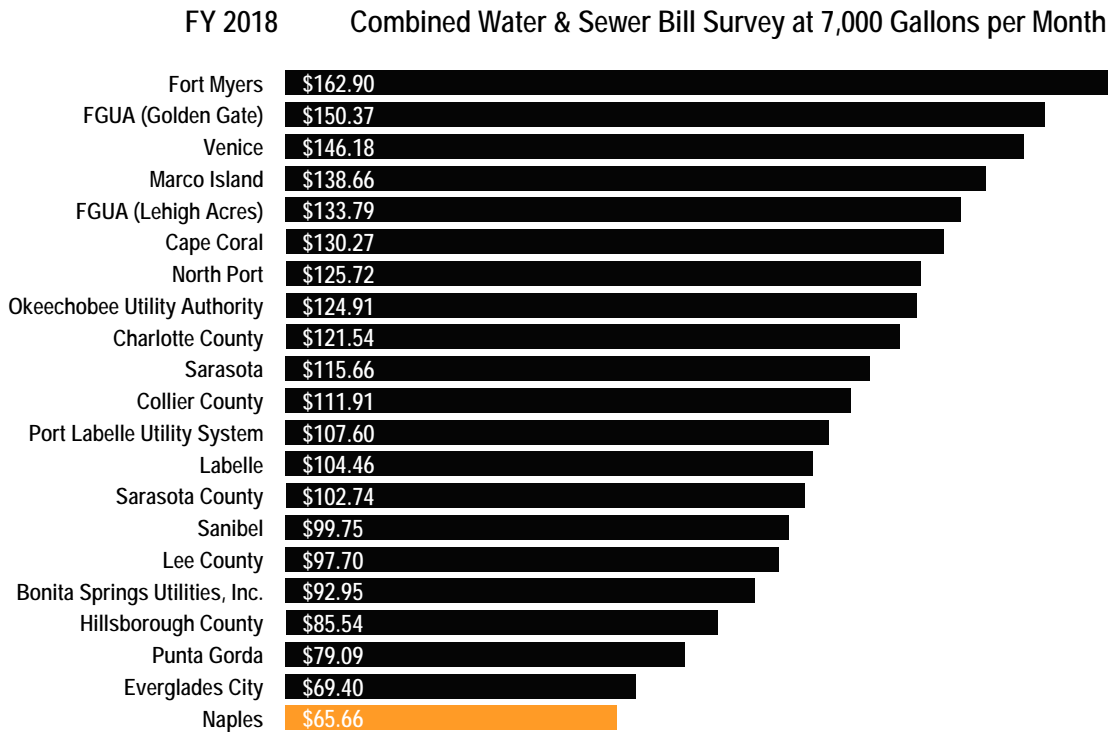
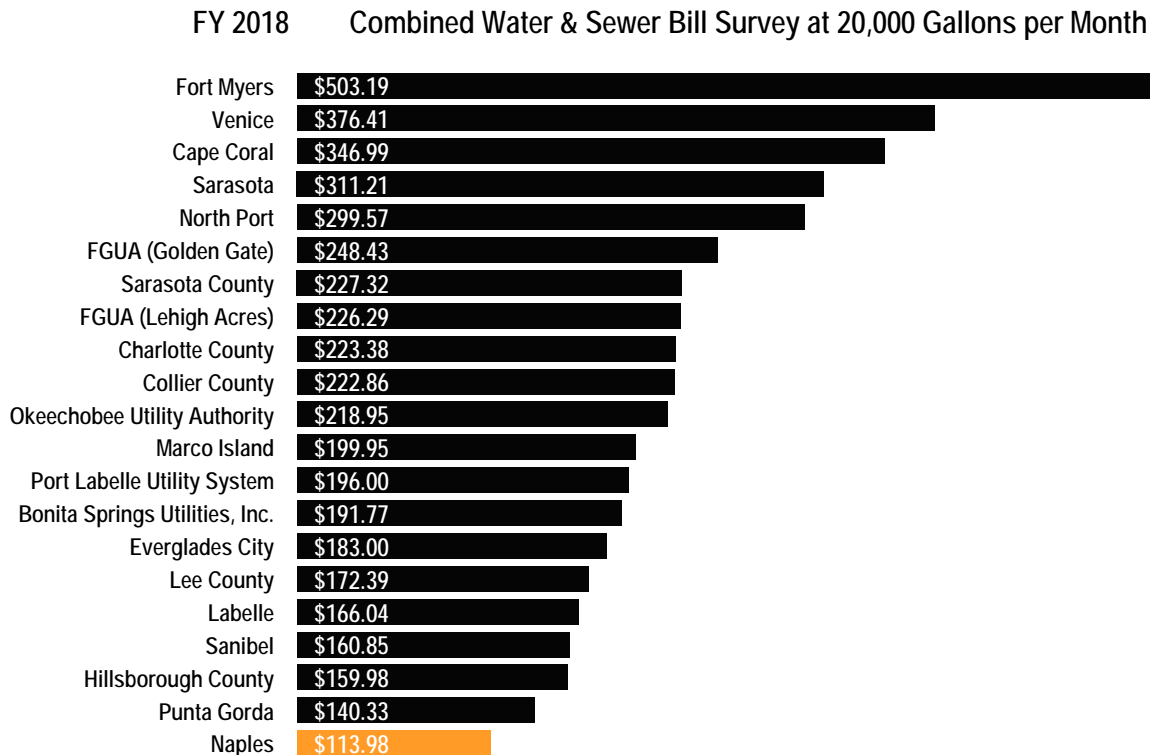


Figure 6



### 3.3 Conclusions and Recommendations

We have reached the following conclusions and recommendations regarding the sufficiency of the Utility's rates over the projection period of FY 2019 to FY 2028.

- Based upon current economic and operating conditions and the updated operating and capital costs of the Utility, the plan of annual CPI-based rate adjustments (estimated at 2.25% per year from FY 2019 through FY 2023) is anticipated to provide adequate revenue to meet the current projections of future system operating, capital, debt service, and reserve requirements.
- Based upon this plan of rate adjustments and current data and assumptions presented herein, the Utility will not need to issue additional borrowing for its capital improvement plan.
- These recommended rate adjustments can support approximately \$3.5 million annually of capital costs through FY 2023 to expand the reclaimed water distribution system to Zones 1 and 4 as outlined herein, support \$1.2 million in capital costs to enhance the reclaimed water supply, provide sufficient reserves, and meet targeted debt service coverage.
- Finally, the Utility should continue to perform periodic updates to the financial management plan to evaluate the adequacy of its revenues and plan of annual rate increases especially with planned reclaimed water expansion. Doing so will allow for the incorporation of updated revenue and expense information, changes in economic conditions, water consumption, regulatory requirements, and other factors so that any necessary adjustments can be made to the financial management plan presented herein.

#### DISCLAIMER

This document was produced by Stantec Consulting Services, Inc. (“Stantec”) for the City of Naples and is based on a specific scope agreed upon by both parties. Stantec’s scope of work and services do not include serving as a “municipal advisor” for purposes of the registration requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission. Stantec is not advising City of Naples, or any municipal entity or other person or entity, regarding municipal financial products or the issuance of municipal securities, including advice with respect to the structure, terms, or other similar matters concerning such products or issuances.

In preparing this report, Stantec utilized information and data obtained from the City of Naples or public and/or industry sources. Stantec has relied on the information and data without independent verification, except only to the extent such verification is expressly described in this document. Any projections of future conditions presented in the document are not intended as predictions, as there may be differences between forecasted and actual results, and those differences may be material.

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 City of Naples 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 – REVENUE SUFFICIENCY ANALYSIS**

**Schedule 1 – Assumptions**

**Schedule 2 – Cost Escalation Factors**

**Schedule 3 – Customer and Usage History**

**Schedule 4 – Customer and Usage Forecast**

**Schedule 5 – Beginning Balances**

**Schedule 6 – Capital Improvement Program**

**Schedule 7 – Cash Outflows**

**Schedule 8 – Cash Inflows**

**Schedule 9 – Control Panel Summary**

**Schedule 10 – Forecast of Net Revenues and Debt Service Coverage**

**Schedule 11 – Capital Project Funding Summary**

**Schedule 12 – Funding Summary by Fund**

**Schedule 13 – Long-term Borrowing Projections**

**Assumptions**

|   | FY 2018       | FY 2019       | FY 2020       | FY 2021       | FY 2022       | FY 2023       | FY 2024       | FY 2025       | FY 2026       | FY 2027       | FY 2028       |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total Annual Account &amp; Volume Growth :</b> |               |               |               |               |               |               |               |               |               |               |               |
| <b>Water System</b>                               |               |               |               |               |               |               |               |               |               |               |               |
| Number of Accounts                                | 19,769        | 19,869        | 19,969        | 20,069        | 20,169        | 20,269        | 20,369        | 20,469        | 20,569        | 20,669        | 20,769        |
| Growth  | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Percent Increase                                  | 0.53%         | 0.51%         | 0.50%         | 0.50%         | 0.50%         | 0.50%         | 0.49%         | 0.49%         | 0.49%         | 0.49%         | 0.48%         |
| Usage (Gallons)                                   | 3,663,506,893 | 3,646,846,044 | 3,630,152,062 | 3,613,427,274 | 3,596,673,968 | 3,579,894,384 | 3,563,090,725 | 3,546,265,150 | 3,529,419,777 | 3,512,556,685 | 3,495,677,913 |
| Growth  | (92,504,357)  | (16,660,849)  | (16,693,982)  | (16,724,787)  | (16,753,307)  | (16,779,583)  | (16,803,659)  | (16,825,575)  | (16,845,373)  | (16,863,092)  | (16,878,772)  |
| Percent Increase                                  | -2.46%        | -0.45%        | -0.46%        | -0.46%        | -0.46%        | -0.47%        | -0.47%        | -0.47%        | -0.48%        | -0.48%        | -0.48%        |
| <b>Sewer System</b>                               |               |               |               |               |               |               |               |               |               |               |               |
| Number of Accounts (1)                            | 9,551         | 9,651         | 10,224        | 10,324        | 10,424        | 10,524        | 10,624        | 10,724        | 10,824        | 10,924        | 11,024        |
| Growth  | 100           | 100           | 573           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Percent Increase                                  | 1.06%         | 1.05%         | 5.94%         | 0.98%         | 0.97%         | 0.96%         | 0.95%         | 0.94%         | 0.93%         | 0.92%         | 0.92%         |
| Usage   | 1,925,686,052 | 1,926,390,756 | 2,020,362,814 | 2,019,723,515 | 2,018,894,966 | 2,017,881,015 | 2,016,685,454 | 2,015,312,016 | 2,013,764,378 | 2,012,046,161 | 2,010,160,933 |
| Growth  | 915,491       | 704,704       | 93,972,058    | (639,299)     | (828,549)     | (1,013,951)   | (1,195,561)   | (1,373,438)   | (1,547,638)   | (1,718,216)   | (1,885,228)   |
| Percent Increase                                  | 0.05%         | 0.04%         | 4.88%         | -0.03%        | -0.04%        | -0.05%        | -0.06%        | -0.07%        | -0.08%        | -0.09%        | -0.09%        |
| <b>Reuse System</b>                               |               |               |               |               |               |               |               |               |               |               |               |
| Number of Accounts                                | 1,449         | 1,499         | 1,499         | 1,499         | 1,499         | 1,499         | 1,499         | 1,499         | 1,499         | 1,499         | 1,499         |
| Growth  | 50            | 50            | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Percent Increase (3) (4)                          | 3.57%         | 3.45%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Usage (Gallons) (4)                               | 2,269,255,172 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 |
| Growth  | 78,286,172    | 78,286,172    | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Percent Increase                                  | 4.38%         | 3.45%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| <b>Capital Spending:</b>                          |               |               |               |               |               |               |               |               |               |               |               |
| Annual Capital Budget (Future Year Dollars)       | \$ 17,010,000 | 14,692,750    | 12,120,600    | 10,738,750    | 9,287,650     | 9,419,550     | 7,936,150     | 7,984,970     | 8,173,073     | 8,354,679     | 8,650,768     |
| Annual Percent Executed                           | 100%          | 100%          | 100%          | 100%          | 100%          | 100%          | 100%          | 100%          | 100%          | 100%          | 100%          |
| <b>System Development Fees</b>                    |               |               |               |               |               |               |               |               |               |               |               |
| Water System Dev.                                 | \$1,416       | \$1,416       | \$1,416       | \$1,416       | \$1,416       | \$1,416       | \$1,416       | \$1,416       | \$1,416       | \$1,416       | \$1,416       |
| Sewer System Dev.                                 | \$2,324       | \$2,324       | \$2,324       | \$2,324       | \$2,324       | \$2,324       | \$2,324       | \$2,324       | \$2,324       | \$2,324       | \$2,324       |
| <b>Average Annual Interest Earnings Rate:</b>     |               |               |               |               |               |               |               |               |               |               |               |
| On Fund Balances:                                 | 1.00%         | 1.25%         | 1.50%         | 1.50%         | 1.50%         | 1.50%         | 1.50%         | 1.50%         | 1.50%         | 1.50%         | 1.50%         |
| <b>Operating Budget Reserve:</b>                  |               |               |               |               |               |               |               |               |               |               |               |
| Target (Number of Months of Reserve)              | 6.0           | 6.0           | 6.0           | 6.0           | 6.0           | 6.0           | 6.0           | 6.0           | 6.0           | 6.0           | 6.0           |
| <b>Operating Budget Execution Percentage:</b>     |               |               |               |               |               |               |               |               |               |               |               |
| Personal Services                                 | 95%           | 95%           | 95%           | 95%           | 95%           | 95%           | 95%           | 95%           | 95%           | 95%           | 95%           |
| Operations and Maintenance (2)                    | 90%           | 90%           | 90%           | 90%           | 90%           | 90%           | 90%           | 90%           | 90%           | 90%           | 90%           |

(1) Sanitary sewer improvements are expected to be extended to Unsewered Areas 4 and 5 as depicted in the 2006 Master Sewer Plan. As such additional growth assumptions have been made for FY 2020.

(2) Execution percentages are based on an evaluation of historical trends.

(3) Reclaimed accounts are expected to be added in FY 2018 and FY 2019 along the T-4 line expansion.

(4) Excluding assumed 497 new connections from future expansion which are handled as revenue adjustments.

|                             | FY 2019                        | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-----------------------------|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>PERSONAL SERVICES</b>    |                                |         |         |         |         |         |         |         |         |         |
| 1                           | Personal Serv/Reg Sal & Wages  | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| 2                           | Personal Services/Other Salary | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| 3                           | Personal Services/Overtime     | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| 4                           | Other Fringe Benefits/FICA     | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| 5                           | Other Fringe Benefits/Retireme | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| 6                           | Other Fringe Benefits/LifeHlth | 6.00%   | 6.00%   | 6.00%   | 6.00%   | 6.00%   | 6.00%   | 6.00%   | 6.00%   | 6.00%   |
| 7                           | OFB/Employee Allowances        | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| 8                           | Other General Gov/Gen & Merit  | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| <b>OPERATIONAL EXPENSES</b> |                                |         |         |         |         |         |         |         |         |         |
| 9                           | Operating Expense              | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 10                          | Oper Exp/City Administration   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 11                          | Operating Exp/Bottled Water    | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 12                          | Professional Services/Pro Serv | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 13                          | Professional Srvc              | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 14                          | Profess Serv/Oth Contract Svcs | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| 15                          | Legal Counsel/Other Legal Serv | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 16                          | Payments in Lieu of Taxes (1)  | 6.00%   | 6.00%   | 6.00%   | 6.00%   | 6.00%   | 6.00%   | 6.00%   | 6.00%   | 6.00%   |
| 17                          | Training & Travel Costs        | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 18                          | Books and Memberships          | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 19                          | Communications                 | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 20                          | Communications/Telephone       | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 21                          | Transport/Equip Serv-Repairs   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 22                          | Transportation/Equip Serv-Fuel | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   |
| 23                          | Utility Services/Electricity   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| 24                          | Util Serv/Water/Sewer/Garbage  | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| 25                          | Insurance/Self Ins Prop Damage | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 26                          | Repair & Maintenance           | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 27                          | Repair & Maintenance/Buildings | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 28                          | Printing & Binding             | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 29                          | Other Current Charges          | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 30                          | Other Current Chge/Tech Serv   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 31                          | Office Supplies                | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 32                          | Operating Supplies             | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 33                          | Operating Supplies- Uniform    | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 34                          | Operating Supp Other Clothing  | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 35                          | Books/ Subs/ Memberships       | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 36                          | Operating Exp/Small Tools      | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 37                          | Transport/Postage & Freight    | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 38                          | Rentals & Leases Equip Rental  | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 39                          | Rpr & Mtnanc/Equip Maint Contr | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 40                          | Rpr & Mtnanc/Equip Maint       | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 41                          | Operating Supplies- Fuel       | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   |
| 42                          | Operating Supplies/ Oil & Lube | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 43                          | Operating Supplies Janitorial  | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 44                          | Operating Supplies/ Chemicals  | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   |
| 45                          | Repair & Maint/Road Repairs    | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 46                          | Operating Supplies/ New Instal | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 47                          | Operating Supplies/ Repair Sup | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 48                          | Oth Curr Chge/Hazardous Ws Dis | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |
| 49                          | Admin Reimbursement            | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   | 2.30%   |

(1) Payment in Lieu of Taxes is calculated by taking 6% of Water/Sewer/ Irrigation revenue in the current year.

## Customer & Usage History

Schedule 3

| Fiscal Year Ending:         | 2012          | 2013 <sup>(1)</sup> | 2014 <sup>(1)</sup> | 2015 <sup>(1)</sup> | 2016          | 2017          |
|-----------------------------|---------------|---------------------|---------------------|---------------------|---------------|---------------|
| <b>Water <sup>(2)</sup></b> |               |                     |                     |                     |               |               |
| <b>Accounts</b>             |               |                     |                     |                     |               |               |
| Total Accts                 | 16,684        | 16,791              | 16,943              | 18,778              | 18,891        | 19,669        |
| Growth                      |               | 107                 | 152                 | 1,835               | 113           | 778           |
| % Change                    |               | 0.64%               | 0.91%               | 10.83%              | 0.60%         | 4.12%         |
| <b>Usage</b>                |               |                     |                     |                     |               |               |
| Billed Use (GAL)            | 5,073,500,000 | 4,436,511,000       | 4,025,813,000       | 4,629,710,000       | 4,468,439,000 | 4,713,150,250 |
| Mo. Usage per Acct          | 25.34         | 22.02               | 19.80               | 20.55               | 19.71         | 19.97         |
| % Change                    |               | -13.11%             | -10.07%             | 3.76%               | -4.06%        | 1.30%         |
| <b>Sewer</b>                |               |                     |                     |                     |               |               |
| <b>Accounts</b>             |               |                     |                     |                     |               |               |
| Total Accts                 | 8,951         | 8,895               | 8,812               | 9,316               | 9,415         | 9,451         |
| Growth                      |               | -56                 | -83                 | 504                 | 99            | 36            |
| % Change                    |               | -0.63%              | -0.93%              | 5.72%               | 1.06%         | 0.38%         |
| <b>Usage</b>                |               |                     |                     |                     |               |               |
| Billed Use (GAL)            | 1,492,924,752 | 1,168,631,695       | 1,409,665,848       | 1,650,700,000       | 1,816,819,000 | 1,924,770,562 |
| Mo. Usage per Acct          | 13.90         | 10.95               | 13.33               | 14.77               | 16.08         | 16.97         |
| % Change                    |               | -21.23%             | 21.76%              | 10.76%              | 8.91%         | 5.54%         |
| <b>Reuse Water</b>          |               |                     |                     |                     |               |               |
| <b>Accounts</b>             |               |                     |                     |                     |               |               |
| Total Accts                 | 631           | 768                 | 950                 | 1,131               | 1,260         | 1,399         |
| Growth                      |               | 137                 | 182                 | 182                 | 129           | 139           |
| % Change                    |               | 21.71%              | 23.63%              | 19.12%              | 11.41%        | 11.06%        |
| <b>Usage</b>                |               |                     |                     |                     |               |               |
| Billed Use (GAL)            | 1,393,086,000 | 1,833,753,000       | 1,810,199,000       | 1,786,645,000       | 1,788,309,000 | 2,130,719,000 |
| Mo. Usage per Acct          | 183.98        | 198.97              | 158.87              | 131.64              | 118.27        | 126.89        |
| % Change                    |               | 8.15%               | -20.15%             | -17.14%             | -10.15%       | 7.28%         |

(1) Due to the change in billing systems, historical detailed billing data was not available for this analysis. As such, information from the Comprehensive Annual Financial Report and normalizing adjustments were made in the historical trends. Data from the new billing system has been used in deriving the FY 2015, FY 2016, and FY 2017 billing history, which have been utilized in the model's revenue projections.

(2) Includes potable irrigation accounts and consumption.

Customer & Usage Forecast

Schedule 4

|                                   | FY 2018       | FY 2019       | FY 2020       | FY 2021       | FY 2022       | FY 2023       | FY 2024       | FY 2025       | FY 2026       | FY 2027       | FY 2028       |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Water <sup>(1)</sup></b>       |               |               |               |               |               |               |               |               |               |               |               |
| <b>Accounts</b>                   |               |               |               |               |               |               |               |               |               |               |               |
| Total Number of Accounts          | 19,769        | 19,869        | 19,969        | 20,069        | 20,169        | 20,269        | 20,369        | 20,469        | 20,569        | 20,669        | 20,769        |
| Growth ( In Accounts)             | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| % Change                          | 0.53%         | 0.51%         | 0.50%         | 0.50%         | 0.50%         | 0.50%         | 0.49%         | 0.49%         | 0.49%         | 0.49%         | 0.48%         |
| <b>Usage</b>                      |               |               |               |               |               |               |               |               |               |               |               |
| Annual Billed Consumption         | 3,663,506,893 | 3,646,846,044 | 3,630,152,062 | 3,613,427,274 | 3,596,673,968 | 3,579,894,384 | 3,563,090,725 | 3,546,265,150 | 3,529,419,777 | 3,512,556,685 | 3,495,677,913 |
| Average Usage per Account         | 15.44         | 15.30         | 15.15         | 15.00         | 14.86         | 14.72         | 14.58         | 14.44         | 14.30         | 14.16         | 14.03         |
| % Change                          | -21.66%       | -0.96%        | -0.96%        | -0.96%        | -0.96%        | -0.96%        | -0.96%        | -0.96%        | -0.96%        | -0.96%        | -0.96%        |
| <b>Sewer</b>                      |               |               |               |               |               |               |               |               |               |               |               |
| <b>Accounts</b>                   |               |               |               |               |               |               |               |               |               |               |               |
| Total Number of Accounts          | 9,551         | 9,651         | 10,224        | 10,324        | 10,424        | 10,524        | 10,624        | 10,724        | 10,824        | 10,924        | 11,024        |
| Growth ( In Accounts)             | 100           | 100           | 573           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| % Change                          | 1.06%         | 1.05%         | 5.94%         | 0.98%         | 0.97%         | 0.96%         | 0.95%         | 0.94%         | 0.93%         | 0.92%         | 0.92%         |
| <b>Usage</b>                      |               |               |               |               |               |               |               |               |               |               |               |
| Annual Billed Consumption         | 1,925,686,052 | 1,926,390,756 | 2,020,362,814 | 2,019,723,515 | 2,018,894,966 | 2,017,881,015 | 2,016,685,454 | 2,015,312,016 | 2,013,764,378 | 2,012,046,161 | 2,010,160,933 |
| Average Usage per Account         | 16.80         | 16.63         | 16.47         | 16.30         | 16.14         | 15.98         | 15.82         | 15.66         | 15.50         | 15.35         | 15.20         |
| % Change                          | -1.00%        | -1.00%        | -1.00%        | -1.00%        | -1.00%        | -1.00%        | -1.00%        | -1.00%        | -1.00%        | -1.00%        | -1.00%        |
| <b>Reuse Water <sup>(2)</sup></b> |               |               |               |               |               |               |               |               |               |               |               |
| <b>Accounts</b>                   |               |               |               |               |               |               |               |               |               |               |               |
| Total Number of Accounts          | 1,449         | 1,499         | 1,499         | 1,499         | 1,499         | 1,499         | 1,499         | 1,499         | 1,499         | 1,499         | 1,499         |
| Growth ( In Accounts)             | 189           | 50            | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| % Change                          | 15.03%        | 3.45%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| <b>Usage</b>                      |               |               |               |               |               |               |               |               |               |               |               |
| Billed Use (GAL)                  | 2,269,255,172 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 | 2,347,541,344 |
| Mo. Usage per Acct                | 130.48        | 130.48        | 130.48        | 130.48        | 130.48        | 130.48        | 130.48        | 130.48        | 130.48        | 130.48        | 130.48        |
| % Change                          | -             | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |

(1) Includes potable irrigation accounts and consumption.

(2) Excluding assumed 497 new connections from future expansion which are handled as revenue adjustments.



## Beginning Balances

Schedule 5

Source: Unaudited Fiscal Year Ending September 30, 2017 & Supporting Trial Balance

|  | Revenue Fund        | Water System<br>Development<br>Fees | Sewer System<br>Development<br>Fees | Renewal and<br>Replacement | Restricted<br>Reserves |
|--|---------------------|-------------------------------------|-------------------------------------|----------------------------|------------------------|
| <b>CURRENT UNRESTRICTED ASSETS</b>                         |                     |                                     |                                     |                            |                        |
| Cash & Investments   | 29,364,244          | -                                   | -                                   | -                          | -                      |
| Receivables (Net Of Uncollectible)                         | 4,167,642           | 0                                   | 0                                   | 0                          | 0                      |
| Special Assessments  | 30,112              | 0                                   | 0                                   | 0                          | 0                      |
| Accrued Interest   | 67,621              | 0                                   | 0                                   | 0                          | 0                      |
| Advances Due From Other Funds                              | 0                   | 0                                   | 0                                   | 0                          | 0                      |
| Due From Other Governments                                 | 430,655             | 0                                   | 0                                   | 0                          | 0                      |
| Inventories  | 0                   | 0                                   | 0                                   | 0                          | 0                      |
| <b>TOTAL CURRENT ASSETS</b>                                | <b>\$34,060,274</b> | <b>\$ -</b>                         | <b>\$ -</b>                         | <b>\$ -</b>                | <b>\$ -</b>            |
| Accounts Payable   | (1,798,312)         | -                                   | -                                   | -                          | -                      |
| Accrued Payroll  | (283,685)           | 0                                   | 0                                   | 0                          | 0                      |
| Due To Other Governments                                   | 0                   | 0                                   | 0                                   | 0                          | 0                      |
| Unearned Revenue   | 0                   | 0                                   | 0                                   | 0                          | 0                      |
| Current Portion Of Compensated Absences                    | (603,200)           | 0                                   | 0                                   | 0                          | 0                      |
| Current Portion Of Long Term Debt                          | (2,681,555)         | 0                                   | 0                                   | 0                          | 0                      |
| Customer Deposits  | (114,643)           | 0                                   | 0                                   | 0                          | 0                      |
| Accrued Interest Payable                                   | 0                   | 0                                   | 0                                   | 0                          | 0                      |
| <b>CALCULATED FUND BALANCE (ASSETS - LIABILITIES)</b>      | <b>\$28,578,879</b> | <b>\$ -</b>                         | <b>\$ -</b>                         | <b>\$ -</b>                | <b>\$ -</b>            |
| Plus/(Less): Contributed Capital Account 250 (Impact Fees) | -                   | -                                   | -                                   | -                          | -                      |
| Plus/(Less): City Funds General/Other Account 250.1-01     | (759,547)           | 409,300                             | 350,247                             | 0                          | 0                      |
| Plus/(Less): Fifth Third Trust Equipment Reserve           | 0                   | 0                                   | 0                                   | 0                          | 0                      |
| Plus/(Less): All Other Reserves/ Debt Service Reserve      | (1,357,735)         | 0                                   | 0                                   | 0                          | 1,357,735              |
| Plus/(Less): General/Renewal & Replacement Account         | (1,136,822)         | 0                                   | 0                                   | 1,136,822                  | 0                      |
| Plus/(Less): Sinking Fund Reserve                          | (246,680)           | 0                                   | 0                                   | 0                          | 246,680                |
| Plus/(Less): SRF Reserve                                   | (1,548,847)         | 0                                   | 0                                   | 0                          | 1,548,847              |
| Plus/(Less): Reserve for Encumbrances                      | 0                   | 0                                   | 0                                   | 0                          | 0                      |
| Plus/(Less): Inventories                                   | 0                   | 0                                   | 0                                   | 0                          | 0                      |
| <b>NET UNRESTRICTED FUND BALANCE</b>                       | <b>\$23,529,248</b> | <b>\$ 409,300</b>                   | <b>\$ 350,247</b>                   | <b>\$ 1,136,822</b>        | <b>\$3,153,262</b>     |

Stantec Consulting Services, Inc.

3/23/2018

Capital Improvement Program

Schedule 6

| Project Description                               | FY 2018     | FY 2019     | FY 2020     | FY 2021     | FY 2022     | FY 2023     | FY 2024   | FY 2025   | FY 2026   | FY 2027   | FY 2028   |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|
| <b>Water Production</b>                           |             |             |             |             |             |             |           |           |           |           |           |
| 1 Filter Bed Replacement (2 per year)             | \$200,000   | \$250,000   | \$250,000   | \$250,000   | \$250,000   | \$250,000   | \$0       | \$0       | \$0       | \$0       | \$0       |
| 2 Accelator Improvements                          | 1,200,000   | 1,200,000   | 1,200,000   | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 3 Influent Mag Flow Meter                         | 0           | 40,000      | 40,000      | 40,000      | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 4 Infrastructure Repairs - Water Plant            | 0           | 100,000     | 100,000     | 100,000     | 100,000     | 100,000     | 0         | 0         | 0         | 0         | 0         |
| 5 High Service Pump (HSP) Improvements            | 0           | 100,000     | 100,000     | 100,000     | 100,000     | 100,000     | 0         | 0         | 0         | 0         | 0         |
| 6 Chlorine Scrubber System Replacement            | 0           | 150,000     | 0           | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 7 Electrical Upgrades - MCC & Generator Controls  | 0           | 50,000      | 400,000     | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 8 Washwater Transfer Sludge Pumps                 | 30,000      | 0           | 30,000      | 0           | 30,000      | 0           | 0         | 0         | 0         | 0         | 0         |
| 9 Delroyd Gear Box Rebuilds                       | 0           | 0           | 45,000      | 45,000      | 45,000      | 45,000      | 0         | 0         | 0         | 0         | 0         |
| 10 Filter Awnings Replacements                    | 0           | 0           | 25,000      | 120,000     | 120,000     | 0           | 0         | 0         | 0         | 0         | 0         |
| 11 Anionic Polymer Feed System Replacement        | 0           | 0           | 50,000      | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 12 Fluoride/Phosphate Feed System Replacements    | 0           | 0           | 0           | 100,000     | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 13 PAX Mixers for Port Royal                      | 0           | 0           | 0           | 0           | 60,000      | 0           | 0         | 0         | 0         | 0         | 0         |
| 14 Golden Gate Well 426                           | 0           | 0           | 0           | 0           | 85,000      | 600,000     | 0         | 0         | 0         | 0         | 0         |
| 15 Well 1A Engine/Pump Replacement                | 0           | 0           | 0           | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 16 Service Truck Replacement                      | 0           | 0           | 0           | 0           | 30,000      | 0           | 0         | 0         | 0         | 0         | 0         |
| 17 Chemical Building Replacement                  | 0           | 0           | 0           | 0           | 0           | 100,000     | 0         | 0         | 0         | 0         | 0         |
| 18 Slaker Replacement                             | 350,000     | 0           | 0           | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 19 Future CIP <sup>(1)</sup>                      | 0           | 0           | 0           | 0           | 0           | 0           | 1,380,000 | 1,380,000 | 1,380,000 | 1,380,000 | 1,380,000 |
| <b>Water Distribution</b>                         |             |             |             |             |             |             |           |           |           |           |           |
| 20 Water Transmission Mains                       | \$3,000,000 | \$4,500,000 | \$3,000,000 | \$3,000,000 | \$2,000,000 | \$2,000,000 | \$0       | \$0       | \$0       | \$0       | \$0       |
| 21 Service Truck Replacement (1)                  | 70,000      | 70,000      | 70,000      | 70,000      | 70,000      | 70,000      | 0         | 0         | 0         | 0         | 0         |
| 22 G.G Blvd Expansion (Everglades Blvd to Desoto) | 0           | 250,000     | 0           | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 23 Valve Maintenance Equipment                    | 0           | 0           | 60,000      | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 24 Insta-Valve Equipment Purchase                 | 0           | 0           | 75,000      | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 25 Trailer Mounted Water Jet/Tanker               | 0           | 0           | 0           | 35,000      | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 26 Dump Truck Replacement                         | 0           | 0           | 0           | 120,000     | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 27 Future CIP <sup>(1)</sup>                      | 0           | 0           | 0           | 0           | 0           | 0           | 3,078,000 | 3,078,000 | 3,078,000 | 3,078,000 | 3,078,000 |
| <b>Wastewater Treatment</b>                       |             |             |             |             |             |             |           |           |           |           |           |
| 28 WWTP Pumps                                     | \$150,000   | \$150,000   | \$150,000   | \$150,000   | \$150,000   | \$150,000   | \$0       | \$0       | \$0       | \$0       | \$0       |
| 29 Infrastructure Repairs - Wastewater Plant      | 180,000     | 75,000      | 100,000     | 100,000     | 100,000     | 150,000     | 0         | 0         | 0         | 0         | 0         |
| 30 Generator Improvements                         | 60,000      | 400,000     | 0           | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 31 Clarifier Improvements                         | 100,000     | 100,000     | 150,000     | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 32 Belt Filter Press Conveyor Replacement         | 0           | 160,000     | 0           | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 33 Service Truck Replacement                      | 0           | 0           | 35,000      | 0           | 0           | 0           | 0         | 0         | 0         | 0         | 0         |
| 34 Future CIP <sup>(1)</sup>                      | 0           | 0           | 0           | 0           | 0           | 0           | 424,000   | 424,000   | 424,000   | 424,000   | 424,000   |

Capital Improvement Program

Schedule 6

| Project Description                                      | FY 2018             | FY 2019             | FY 2020             | FY 2021             | FY 2022            | FY 2023            | FY 2024            | FY 2025            | FY 2026            | FY 2027            | FY 2028            |
|--|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Wastewater Collections</b>                            |                     |                     |                     |                     |                    |                    |                    |                    |                    |                    |                    |
| 35 Replace Sewer Mains, Laterals, etc.                   | \$1,000,000         | \$1,450,000         | \$1,000,000         | \$1,000,000         | \$1,000,000        | \$1,000,000        | \$0                | \$0                | \$0                | \$0                | \$0                |
| 36 Service Truck Replacement (1)                         | 45,000              | 70,000              | 70,000              | 70,000              | 70,000             | 70,000             | 0                  | 0                  | 0                  | 0                  | 0                  |
| 37 Combination Jet/Vacuum Truck (Repl)                   | 0                   | 450,000             | 0                   | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 38 Large Truck Awning (Design and Installation)          | 0                   | 100,000             | 0                   | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 39 Dump Truck Replacement                                | 0                   | 0                   | 120,000             | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 40 Box blade Tractor Replacement                         | 0                   | 0                   | 55,000              | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 41 High Velocity Jet Truck Replacement                   | 0                   | 0                   | 0                   | 250,000             | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 42 Dewatering Pump                                       | 0                   | 0                   | 0                   | 55,000              | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 43 Vacuum/Pumper Truck Replacement                       | 225,000             | 0                   | 0                   | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 44 Light Tower Replacements (2)                          | 30,000              | 0                   | 0                   | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 45 Cement Sprayer (F/Manhole Rehabs)                     | 80,000              | 0                   | 0                   | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 46 Sewer Improvements (Assessments)                      | 7,200,000           | 0                   | 0                   | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 47 Future CIP <sup>(1)</sup>                             | 0                   | 0                   | 0                   | 0                   | 0                  | 0                  | 1,366,000          | 1,225,200          | 1,221,240          | 1,190,488          | 1,214,586          |
| <b>Utilities Maintenance</b>                             |                     |                     |                     |                     |                    |                    |                    |                    |                    |                    |                    |
| 48 Replace/Upgrade Remote Pumping Facilities             | \$300,000           | \$250,000           | \$250,000           | \$150,000           | \$150,000          | \$150,000          | \$0                | \$0                | \$0                | \$0                | \$0                |
| 49 Replace Submersible Pumps                             | 150,000             | 150,000             | 150,000             | 150,000             | 150,000            | 150,000            | 0                  | 0                  | 0                  | 0                  | 0                  |
| 50 Pump Stations Improvements                            | 300,000             | 300,000             | 300,000             | 300,000             | 300,000            | 300,000            | 0                  | 0                  | 0                  | 0                  | 0                  |
| 51 Power Service Control Panels                          | 300,000             | 300,000             | 300,000             | 300,000             | 300,000            | 300,000            | 0                  | 0                  | 0                  | 0                  | 0                  |
| 52 Service Truck Replacement (1)                         | 90,000              | 95,000              | 95,000              | 95,000              | 70,000             | 70,000             | 0                  | 0                  | 0                  | 0                  | 0                  |
| 53 Generator Replacements                                | 150,000             | 150,000             | 150,000             | 150,000             | 150,000            | 150,000            | 0                  | 0                  | 0                  | 0                  | 0                  |
| 54 Generator/Diesel Pumps New Installations (Sewer Pump) | 0                   | 400,000             | 300,000             | 200,000             | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 55 Irrigation System Control Valves                      | 0                   | 0                   | 50,000              | 50,000              | 50,000             | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 56 Odor Control Systems                                  | 0                   | 0                   | 40,000              | 40,000              | 40,000             | 40,000             | 0                  | 0                  | 0                  | 0                  | 0                  |
| 57 Telemetry Upgrades/Improvements (Sewer PS)            | 0                   | 0                   | 0                   | 70,000              | 65,000             | 65,000             | 0                  | 0                  | 0                  | 0                  | 0                  |
| 58 Handheld Radio Replacements                           | 160,000             | 0                   | 0                   | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 59 Paving of parking areas                               | 240,000             | 0                   | 0                   | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 60 Future CIP <sup>(1)</sup>                             | 0                   | 0                   | 0                   | 0                   | 0                  | 0                  | 1,457,000          | 1,419,400          | 1,376,280          | 1,350,536          | 1,365,643          |
| <b>Utilities/Finance/Customer Service</b>                |                     |                     |                     |                     |                    |                    |                    |                    |                    |                    |                    |
| 61 Meter Reading Truck Replacement                       | \$0                 | \$0                 | \$0                 | \$25,000            | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| 62 Future CIP <sup>(1)</sup>                             | 0                   | 0                   | 0                   | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| <b>IWRP (Integrated Water Resource Plan)</b>             |                     |                     |                     |                     |                    |                    |                    |                    |                    |                    |                    |
| 63 Reclaimed Water Distribution System (Phase 5)         | \$1,200,000         | \$3,182,750         | \$3,160,600         | \$3,403,750         | \$3,602,650        | \$3,359,550        | \$0                | \$0                | \$0                | \$0                | \$0                |
| 64 Reclaimed Water Transmission Mains                    | 200,000             | 200,000             | 200,000             | 200,000             | 200,000            | 200,000            | 0                  | 0                  | 0                  | 0                  | 0                  |
| <b>65 Total CIP Budget (in current dollars)</b>          | <b>\$17,010,000</b> | <b>\$14,692,750</b> | <b>\$12,120,600</b> | <b>\$10,738,750</b> | <b>\$9,287,650</b> | <b>\$9,419,550</b> | <b>\$7,705,000</b> | <b>\$7,526,600</b> | <b>\$7,479,520</b> | <b>\$7,423,024</b> | <b>\$7,462,229</b> |
| 66 Cumulative Projected Cost Escalation                  | 0.00%               | 0.00%               | 0.00%               | 0.00%               | 0.00%              | 0.00%              | 3.00%              | 6.09%              | 9.27%              | 12.55%             | 15.93%             |
| <b>67 Resulting CIP Funding Level</b>                    | <b>\$17,010,000</b> | <b>\$14,692,750</b> | <b>\$12,120,600</b> | <b>\$10,738,750</b> | <b>\$9,287,650</b> | <b>\$9,419,550</b> | <b>\$7,936,150</b> | <b>\$7,984,970</b> | <b>\$8,173,073</b> | <b>\$8,354,679</b> | <b>\$8,650,768</b> |
| 68 Annual CIP Execution Percentage                       | 100%                | 100%                | 100%                | 100%                | 100%               | 100%               | 100%               | 100%               | 100%               | 100%               | 100%               |
| <b>69 Final CIP Funding Level</b>                        | <b>\$17,010,000</b> | <b>\$14,692,750</b> | <b>\$12,120,600</b> | <b>\$10,738,750</b> | <b>\$9,287,650</b> | <b>\$9,419,550</b> | <b>\$7,936,150</b> | <b>\$7,984,970</b> | <b>\$8,173,073</b> | <b>\$8,354,679</b> | <b>\$8,650,768</b> |

(1) Future CIP is based upon a rolling five year average of total compartmental capital spending indicated in the City's CIP.

Projection of Cash Outflows

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|                                   | FY 2018                                       | FY 2019            | FY 2020            | FY 2021            | FY 2022            | FY 2023            | FY 2024            | FY 2025            | FY 2026            | FY 2027            | FY 2028            |                    |
|-----------------------------------|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>FUND 450 WATER &amp; SEWER</b> |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>ADMINISTRATION</b>             |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>PERSONAL SERVICES</b>          |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 1                                 |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 2                                 | Personal Serv/Reg Sal & Wages                 | \$661,266          | \$681,104          | \$701,537          | \$722,583          | \$744,261          | \$766,589          | \$789,586          | \$813,274          | \$837,672          | \$862,802          | \$888,686          |
| 3                                 | Personal Services/Overtime                    | 1,000              | 1,030              | 1,061              | 1,093              | 1,126              | 1,159              | 1,194              | 1,230              | 1,267              | 1,305              | 1,344              |
| 4                                 | Other Fringe Benefits/FICA                    | 47,935             | 49,373             | 50,854             | 52,380             | 53,951             | 55,570             | 57,237             | 58,954             | 60,723             | 62,544             | 64,421             |
| 5                                 | Other Fringe Benefits/Retireme                | 86,254             | 88,842             | 91,507             | 94,252             | 97,080             | 99,992             | 102,992            | 106,082            | 109,264            | 112,542            | 115,918            |
| 6                                 | Other Fringe Benefits/LifeHlth                | 109,541            | 116,113            | 123,080            | 130,465            | 138,293            | 146,591            | 155,386            | 164,709            | 174,592            | 185,067            | 196,171            |
| 7                                 | OFB/Employee Allowances                       | 6,960              | 7,169              | 7,384              | 7,605              | 7,834              | 8,069              | 8,311              | 8,560              | 8,817              | 9,081              | 9,354              |
| 8                                 | <b>SUBTOTAL</b>                               | <b>\$912,956</b>   | <b>\$943,631</b>   | <b>\$975,423</b>   | <b>\$1,008,378</b> | <b>\$1,042,544</b> | <b>\$1,077,969</b> | <b>\$1,114,706</b> | <b>\$1,152,808</b> | <b>\$1,192,334</b> | <b>\$1,233,342</b> | <b>\$1,275,894</b> |
| 9                                 | <b>PERSONAL SERVICES EXECUTION PERCENTAGE</b> | 95%                | 95%                | 95%                | 95%                | 95%                | 95%                | 95%                | 95%                | 95%                | 95%                | 95%                |
| 10                                | <b>SUBTOTAL AT EXECUTION PERCENTAGE</b>       | <b>\$867,308</b>   | <b>\$896,449</b>   | <b>\$926,652</b>   | <b>\$957,959</b>   | <b>\$990,416</b>   | <b>\$1,024,070</b> | <b>\$1,058,970</b> | <b>\$1,095,168</b> | <b>\$1,132,717</b> | <b>\$1,171,674</b> | <b>\$1,212,099</b> |
| <b>OPERATIONS</b>                 |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 11                                | Operating Expense                             | \$3,500            | \$3,581            | \$3,663            | \$3,747            | \$3,833            | \$3,921            | \$4,012            | \$4,104            | \$4,198            | \$4,295            | \$4,394            |
| 12                                | Oper Exp/City Administration                  | 1,541,550          | 1,577,006          | 1,613,277          | 1,650,382          | 1,688,341          | 1,727,173          | 1,766,898          | 1,807,536          | 1,849,110          | 1,891,639          | 1,935,147          |
| 13                                | Operating Exp/Bottled Water                   | 20,000             | 20,460             | 20,931             | 21,412             | 21,904             | 22,408             | 22,924             | 23,451             | 23,990             | 24,542             | 25,107             |
| 14                                | Professional Services/Pro Serv                | 321,266            | 328,655            | 336,215            | 343,947            | 351,858            | 359,951            | 368,230            | 376,699            | 385,363            | 394,227            | 403,294            |
| 15                                | Profess Serv/Oth Contract Svcs                | 34,000             | 35,020             | 36,071             | 37,153             | 38,267             | 39,415             | 40,598             | 41,816             | 43,070             | 44,362             | 45,693             |
| 16                                | Prof Serv/Investment Advisor                  | 17,990             | 18,404             | 18,827             | 19,260             | 19,703             | 20,156             | 20,620             | 21,094             | 21,579             | 22,076             | 22,583             |
| 17                                | Legal Counsel/Other Legal Serv                | 15,000             | 15,345             | 15,698             | 16,059             | 16,428             | 16,806             | 17,193             | 17,588             | 17,993             | 18,407             | 18,830             |
| 18                                | Payments in Lieu of Taxes                     | 1,722,000          | 1,821,768          | 1,893,337          | 1,931,183          | 1,970,469          | 2,007,474          | 2,007,536          | 2,009,141          | 2,010,696          | 2,012,204          | 2,013,666          |
| 19                                | Training & Travel Costs                       | 2,000              | 2,046              | 2,093              | 2,141              | 2,190              | 2,241              | 2,292              | 2,345              | 2,399              | 2,454              | 2,511              |
| 20                                | Communications                                | 2,584              | 2,643              | 2,704              | 2,766              | 2,830              | 2,895              | 2,962              | 3,030              | 3,100              | 3,171              | 3,244              |
| 21                                | Communications/Telephone                      | 10,500             | 10,742             | 10,989             | 11,241             | 11,500             | 11,764             | 12,035             | 12,312             | 12,595             | 12,885             | 13,181             |
| 22                                | Transport/Equip Serv-Repairs                  | 2,500              | 2,558              | 2,616              | 2,676              | 2,738              | 2,801              | 2,865              | 2,931              | 2,999              | 3,068              | 3,138              |
| 23                                | Transportation/Equip Serv-Fuel                | 1,000              | 1,050              | 1,103              | 1,158              | 1,216              | 1,276              | 1,340              | 1,407              | 1,477              | 1,551              | 1,629              |
| 24                                | Utility Services/Electricity                  | 25,000             | 25,750             | 26,523             | 27,318             | 28,138             | 28,982             | 29,851             | 30,747             | 31,669             | 32,619             | 33,598             |
| 25                                | Util Serv/Water/Sewer/Garbage                 | 23,000             | 23,690             | 24,401             | 25,133             | 25,887             | 26,663             | 27,463             | 28,287             | 29,136             | 30,010             | 30,910             |
| 26                                | Insurance/Self Ins Prop Damage                | 990,310            | 1,013,087          | 1,036,388          | 1,060,225          | 1,084,610          | 1,109,556          | 1,135,076          | 1,161,183          | 1,187,890          | 1,215,211          | 1,243,161          |
| 27                                | Repair & Maintenance                          | 16,500             | 16,880             | 17,268             | 17,665             | 18,071             | 18,487             | 18,912             | 19,347             | 19,792             | 20,247             | 20,713             |
| 28                                | Repair & Maintenance/Buildings                | 16,600             | 16,982             | 17,372             | 17,772             | 18,181             | 18,599             | 19,027             | 19,464             | 19,912             | 20,370             | 20,838             |
| 29                                | Printing & Binding                            | 2,000              | 2,046              | 2,093              | 2,141              | 2,190              | 2,241              | 2,292              | 2,345              | 2,399              | 2,454              | 2,511              |
| 30                                | Other Current Chge/Tech Serv                  | 179,010            | 183,127            | 187,339            | 191,648            | 196,056            | 200,565            | 205,178            | 209,897            | 214,725            | 219,664            | 224,716            |
| 31                                | Office Supplies                               | 2,600              | 2,660              | 2,721              | 2,784              | 2,848              | 2,913              | 2,980              | 3,049              | 3,119              | 3,190              | 3,264              |
| 32                                | Operating Supplies                            | 4,500              | 4,604              | 4,709              | 4,818              | 4,929              | 5,042              | 5,158              | 5,276              | 5,398              | 5,522              | 5,649              |
| 33                                | Operating Supp Other Clothing                 | 150                | 153                | 157                | 161                | 164                | 168                | 172                | 176                | 180                | 184                | 188                |
| 34                                | Books/ Subs/ Memberships                      | 700                | 716                | 733                | 749                | 767                | 784                | 802                | 821                | 840                | 859                | 879                |
| 35                                | <b>SUBTOTAL</b>                               | <b>\$4,954,260</b> | <b>\$5,128,971</b> | <b>\$5,277,226</b> | <b>\$5,393,539</b> | <b>\$5,513,118</b> | <b>\$5,632,283</b> | <b>\$5,716,415</b> | <b>\$5,804,046</b> | <b>\$5,893,629</b> | <b>\$5,985,211</b> | <b>\$6,078,843</b> |
| 36                                | <b>OPERATIONS EXECUTION PERCENTAGE</b>        | 90%                | 90%                | 90%                | 90%                | 90%                | 90%                | 90%                | 90%                | 90%                | 90%                | 90%                |
| 37                                | <b>SUBTOTAL AT EXECUTION PERCENTAGE</b>       | <b>\$4,458,834</b> | <b>\$4,616,074</b> | <b>\$4,749,503</b> | <b>\$4,854,185</b> | <b>\$4,961,806</b> | <b>\$5,069,055</b> | <b>\$5,144,774</b> | <b>\$5,223,641</b> | <b>\$5,304,266</b> | <b>\$5,386,690</b> | <b>\$5,470,959</b> |
| 38                                | <b>SUBTOTAL-ADMINISTRATION</b>                | <b>\$5,326,143</b> | <b>\$5,512,524</b> | <b>\$5,676,155</b> | <b>\$5,812,145</b> | <b>\$5,952,223</b> | <b>\$6,093,125</b> | <b>\$6,203,744</b> | <b>\$6,318,809</b> | <b>\$6,436,983</b> | <b>\$6,558,365</b> | <b>\$6,683,058</b> |

Projection of Cash Outflows

Schedule 7

|                          | FY 2018                                       | FY 2019             | FY 2020             | FY 2021             | FY 2022             | FY 2023             | FY 2024             | FY 2025             | FY 2026             | FY 2027             | FY 2028             |                     |
|--------------------------|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>WATER PRODUCTION</b>  |   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>PERSONAL SERVICES</b> |   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 39                       | Personal Serv/Reg Sal & Wages                 | \$776,195           | \$799,481           | \$823,465           | \$848,169           | \$873,614           | \$899,823           | \$926,817           | \$954,622           | \$983,261           | \$1,012,758         | \$1,043,141         |
| 40                       | Personal Services/Other Salary                | 2,000               | 2,060               | 2,122               | 2,185               | 2,251               | 2,319               | 2,388               | 2,460               | 2,534               | 2,610               | 2,688               |
| 41                       | Personal Services/Overtime                    | 45,000              | 46,350              | 47,741              | 49,173              | 50,648              | 52,167              | 53,732              | 55,344              | 57,005              | 58,715              | 60,476              |
| 42                       | Other Fringe Benefits/FICA                    | 55,584              | 57,254              | 58,971              | 60,740              | 62,563              | 64,439              | 66,373              | 68,364              | 70,415              | 72,527              | 74,703              |
| 43                       | Other Fringe Benefits/Retireme                | 102,786             | 105,870             | 109,046             | 112,317             | 115,687             | 119,157             | 122,732             | 126,414             | 130,206             | 134,112             | 138,136             |
| 44                       | Other Fringe Benefits/LifeHlth                | 219,570             | 232,744             | 246,709             | 261,511             | 277,202             | 293,834             | 311,464             | 330,152             | 349,961             | 370,959             | 393,216             |
| 45                       | OFB/Employee Allowances                       | 960                 | 989                 | 1,018               | 1,049               | 1,080               | 1,113               | 1,146               | 1,181               | 1,216               | 1,253               | 1,290               |
| 46                       |   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 47                       | <b>SUBTOTAL</b>                               | <b>\$ 1,202,097</b> | <b>\$ 1,244,747</b> | <b>\$ 1,289,072</b> | <b>\$ 1,335,145</b> | <b>\$ 1,383,045</b> | <b>\$ 1,432,852</b> | <b>\$ 1,484,653</b> | <b>\$ 1,538,536</b> | <b>\$ 1,594,597</b> | <b>\$ 1,652,934</b> | <b>\$ 1,713,651</b> |
| 48                       | <b>PERSONAL SERVICES EXECUTION PERCENTAGE</b> | <b>95%</b>          | <b>95%</b>          | <b>95%</b>          | <b>95%</b>          | <b>95%</b>          | <b>95%</b>          | <b>95%</b>          | <b>95%</b>          | <b>95%</b>          | <b>95%</b>          | <b>95%</b>          |
| 49                       | <b>SUBTOTAL AT EXECUTION PERCENTAGE</b>       | <b>\$ 1,141,992</b> | <b>\$ 1,182,510</b> | <b>\$ 1,224,618</b> | <b>\$ 1,268,388</b> | <b>\$ 1,313,893</b> | <b>\$ 1,361,210</b> | <b>\$ 1,410,420</b> | <b>\$ 1,461,610</b> | <b>\$ 1,514,867</b> | <b>\$ 1,570,287</b> | <b>\$ 1,627,968</b> |
| <b>OPERATIONS</b>        |   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 50                       | Operating Expense                             | \$14,000            | \$14,322            | \$14,651            | \$14,988            | \$15,333            | \$15,686            | \$16,047            | \$16,416            | \$16,793            | \$17,179            | \$17,575            |
| 51                       | Operating Exp/Small Tools                     | 2,500               | 2,558               | 2,616               | 2,676               | 2,738               | 2,801               | 2,865               | 2,931               | 2,999               | 3,068               | 3,138               |
| 52                       | Professional Svc                              | 30,000              | 30,690              | 31,396              | 32,118              | 32,857              | 33,612              | 34,385              | 35,176              | 35,985              | 36,813              | 37,660              |
| 53                       | Profess Serv/Oth Contract Svcs                | 625,000             | 643,750             | 663,063             | 682,954             | 703,443             | 724,546             | 746,283             | 768,671             | 791,731             | 815,483             | 839,948             |
| 54                       | Training & Travel Costs                       | 6,400               | 6,547               | 6,698               | 6,852               | 7,009               | 7,171               | 7,336               | 7,504               | 7,677               | 7,853               | 8,034               |
| 55                       | Communications                                | 600                 | 614                 | 628                 | 642                 | 657                 | 672                 | 688                 | 704                 | 720                 | 736                 | 753                 |
| 56                       | Communications/Telephone                      | 45,400              | 46,444              | 47,512              | 48,605              | 49,723              | 50,867              | 52,037              | 53,234              | 54,458              | 55,710              | 56,992              |
| 57                       | Transport/Equip Serv-Repairs                  | 18,000              | 18,414              | 18,838              | 19,271              | 19,714              | 20,167              | 20,631              | 21,106              | 21,591              | 22,088              | 22,596              |
| 58                       | Transportation/Equip Serv-Fuel                | 2,400               | 2,520               | 2,646               | 2,778               | 2,917               | 3,063               | 3,214               | 3,377               | 3,546               | 3,723               | 3,909               |
| 59                       | Utility Services/Electricity                  | 1,220,000           | 1,256,600           | 1,294,298           | 1,333,127           | 1,373,121           | 1,414,314           | 1,456,744           | 1,500,446           | 1,545,459           | 1,591,823           | 1,639,578           |
| 60                       | Util Serv/Water/Sewer/Garbage                 | 13,000              | 13,390              | 13,792              | 14,205              | 14,632              | 15,071              | 15,523              | 15,988              | 16,468              | 16,962              | 17,471              |
| 61                       | Rentals & Leases Equip Rental                 | 4,000               | 4,092               | 4,186               | 4,282               | 4,381               | 4,482               | 4,585               | 4,690               | 4,798               | 4,908               | 5,021               |
| 62                       | Repair & Maintenance                          | 96,000              | 98,208              | 100,467             | 102,778             | 105,141             | 107,560             | 110,034             | 112,564             | 115,153             | 117,802             | 120,511             |
| 63                       | Repair & Maintenance/Buildings                | 119,000             | 121,737             | 124,537             | 127,401             | 130,332             | 133,329             | 136,396             | 139,533             | 142,742             | 146,025             | 149,384             |
| 64                       | Rpr & Mtncnc/Equip Maint                      | 222,000             | 227,106             | 232,329             | 237,673             | 243,139             | 248,732             | 254,453             | 260,305             | 266,292             | 272,417             | 278,682             |
| 65                       | Printing & Binding                            | 1,500               | 1,535               | 1,570               | 1,606               | 1,643               | 1,681               | 1,719               | 1,759               | 1,799               | 1,841               | 1,883               |
| 66                       | Other Current Charges                         | 3,000               | 3,069               | 3,140               | 3,212               | 3,286               | 3,361               | 3,439               | 3,518               | 3,599               | 3,681               | 3,766               |
| 67                       | Office Supplies                               | 1,300               | 1,330               | 1,360               | 1,392               | 1,424               | 1,457               | 1,490               | 1,524               | 1,559               | 1,595               | 1,632               |
| 68                       | Operating Supplies                            | 46,000              | 47,058              | 48,140              | 49,248              | 50,380              | 51,539              | 52,724              | 53,937              | 55,178              | 56,447              | 57,745              |
| 69                       | Operating Supplies- Fuel                      | 25,000              | 26,250              | 27,563              | 28,941              | 30,388              | 31,907              | 33,502              | 35,178              | 36,936              | 38,783              | 40,722              |
| 70                       | Operating Supplies/ Oil & Lube                | 7,000               | 7,161               | 7,326               | 7,494               | 7,667               | 7,843               | 8,023               | 8,208               | 8,397               | 8,590               | 8,787               |
| 71                       | Operating Supplies- Uniform                   | 5,200               | 5,320               | 5,442               | 5,567               | 5,695               | 5,826               | 5,960               | 6,097               | 6,237               | 6,381               | 6,528               |
| 72                       | Operating Supp Other Clothing                 | 2,250               | 2,302               | 2,355               | 2,409               | 2,464               | 2,521               | 2,579               | 2,638               | 2,699               | 2,761               | 2,824               |
| 73                       | Operating Supplies/ Chemicals                 | 2,281,533           | 2,395,610           | 2,515,390           | 2,641,160           | 2,773,218           | 2,911,879           | 3,057,472           | 3,210,346           | 3,370,863           | 3,539,407           | 3,716,377           |
| 74                       | Books/ Subs/ Memberships                      | 600                 | 614                 | 628                 | 642                 | 657                 | 672                 | 688                 | 704                 | 720                 | 736                 | 753                 |
| 75                       | <b>SUBTOTAL</b>                               | <b>\$4,791,683</b>  | <b>\$4,977,239</b>  | <b>\$5,170,570</b>  | <b>\$5,372,022</b>  | <b>\$5,581,958</b>  | <b>\$5,800,758</b>  | <b>\$6,028,818</b>  | <b>\$6,266,554</b>  | <b>\$6,514,400</b>  | <b>\$6,772,814</b>  | <b>\$7,042,270</b>  |
| 76                       | <b>OPERATIONS EXECUTION PERCENTAGE</b>        | <b>90%</b>          | <b>90%</b>          | <b>90%</b>          | <b>90%</b>          | <b>90%</b>          | <b>90%</b>          | <b>90%</b>          | <b>90%</b>          | <b>90%</b>          | <b>90%</b>          | <b>90%</b>          |
| 77                       | <b>SUBTOTAL AT EXECUTION PERCENTAGE</b>       | <b>\$4,312,515</b>  | <b>\$4,479,515</b>  | <b>\$4,653,513</b>  | <b>\$4,834,820</b>  | <b>\$5,023,763</b>  | <b>\$5,220,682</b>  | <b>\$5,425,936</b>  | <b>\$5,639,898</b>  | <b>\$5,862,960</b>  | <b>\$6,095,532</b>  | <b>\$6,338,043</b>  |
| 78                       | <b>SUBTOTAL-WATER PRODUCTION</b>              | <b>\$5,454,507</b>  | <b>\$5,662,025</b>  | <b>\$5,878,131</b>  | <b>\$6,103,208</b>  | <b>\$6,337,655</b>  | <b>\$6,581,892</b>  | <b>\$6,836,356</b>  | <b>\$7,101,508</b>  | <b>\$7,377,828</b>  | <b>\$7,665,819</b>  | <b>\$7,966,011</b>  |

Projection of Cash Outflows

Schedule 7

|                             | FY 2018                                       | FY 2019            | FY 2020            | FY 2021            | FY 2022            | FY 2023            | FY 2024            | FY 2025            | FY 2026            | FY 2027            | FY 2028            |
|-----------------------------|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>WATER DISTRIBUTION</b>   |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>PERSONAL SERVICES</b>    |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 79                          | Personal Services                             | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               |
| 79                          | Personal Serv/Req Sal & Wages                 | 988,026            | 1,017,667          | 1,048,197          | 1,079,643          | 1,112,032          | 1,145,393          | 1,179,755          | 1,215,147          | 1,251,602          | 1,289,150          |
| 80                          | Personal Services/Other Salary                | 20,280             | 20,888             | 21,515             | 22,161             | 22,825             | 23,510             | 24,215             | 24,942             | 25,690             | 26,461             |
| 81                          | Personal Services/Overtime                    | 50,000             | 51,500             | 53,045             | 54,636             | 56,275             | 57,964             | 59,703             | 61,494             | 63,339             | 65,239             |
| 82                          | Other Fringe Benefits/FICA                    | 72,225             | 74,392             | 76,624             | 78,922             | 81,290             | 83,729             | 86,240             | 88,828             | 91,492             | 94,237             |
| 83                          | Other Fringe Benefits/Retireme                | 130,571            | 134,488            | 138,523            | 142,678            | 146,959            | 151,368            | 155,909            | 160,586            | 165,403            | 170,366            |
| 84                          | Other Fringe Benefits/LifeHlth                | 209,990            | 222,589            | 235,945            | 250,101            | 265,108            | 281,014            | 297,875            | 315,747            | 334,692            | 354,774            |
| 85                          | OFB/Employee Allowances                       | 1,440              | 1,483              | 1,528              | 1,574              | 1,621              | 1,669              | 1,719              | 1,771              | 1,824              | 1,879              |
| 86                          | <b>SUBTOTAL</b>                               | <b>\$1,472,532</b> | <b>\$1,523,008</b> | <b>\$1,575,376</b> | <b>\$1,629,715</b> | <b>\$1,686,110</b> | <b>\$1,744,646</b> | <b>\$1,805,416</b> | <b>\$1,868,515</b> | <b>\$1,934,043</b> | <b>\$2,002,105</b> |
| 87                          | <b>PERSONAL SERVICES EXECUTION PERCENTAGE</b> | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         |
| 88                          | <b>SUBTOTAL AT EXECUTION PERCENTAGE</b>       | <b>\$1,398,905</b> | <b>\$1,446,857</b> | <b>\$1,496,607</b> | <b>\$1,548,229</b> | <b>\$1,601,804</b> | <b>\$1,657,414</b> | <b>\$1,715,145</b> | <b>\$1,775,089</b> | <b>\$1,837,340</b> | <b>\$1,901,999</b> |
| <b>OPERATIONS</b>           |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 89                          | Operating Expense                             | \$8,000            | \$8,184            | \$8,372            | \$8,565            | \$8,762            | \$8,963            | \$9,169            | \$9,380            | \$9,596            | \$9,817            |
| 90                          | Operating Exp/Small Tools                     | 5,000              | 5,115              | 5,233              | 5,353              | 5,476              | 5,602              | 5,731              | 5,863              | 5,998              | 6,136              |
| 91                          | Profess Serv/Oth Contract Svcs                | 80,000             | 82,400             | 84,872             | 87,418             | 90,041             | 92,742             | 95,524             | 98,390             | 101,342            | 104,382            |
| 92                          | Training & Travel Costs                       | 7,400              | 7,570              | 7,744              | 7,922              | 8,105              | 8,291              | 8,482              | 8,677              | 8,876              | 9,081              |
| 93                          | Communications                                | 344                | 352                | 360                | 368                | 377                | 385                | 394                | 403                | 413                | 422                |
| 94                          | Transport/Equip Serv-Repairs                  | 90,000             | 92,070             | 94,188             | 96,354             | 98,570             | 100,837            | 103,156            | 105,529            | 107,956            | 110,439            |
| 95                          | Transportation/Equip Serv-Fuel                | 50,000             | 52,500             | 55,125             | 57,881             | 60,775             | 63,814             | 67,005             | 70,355             | 73,873             | 77,566             |
| 96                          | Util Serv/Water/Sewer/Garbage                 | 8,000              | 8,240              | 8,487              | 8,742              | 9,004              | 9,274              | 9,552              | 9,839              | 10,134             | 10,438             |
| 97                          | Rentals & Leases Equip Rental                 | 27,900             | 28,542             | 29,198             | 29,870             | 30,557             | 31,260             | 31,978             | 32,714             | 33,466             | 34,236             |
| 98                          | Repair & Maintenance                          | 1,000              | 1,023              | 1,047              | 1,071              | 1,095              | 1,120              | 1,146              | 1,173              | 1,200              | 1,227              |
| 99                          | Rpr & Mtncnc/Equip Maint                      | 1,000              | 1,023              | 1,047              | 1,071              | 1,095              | 1,120              | 1,146              | 1,173              | 1,200              | 1,227              |
| 100                         | Repair & Maint/Road Repairs                   | 60,000             | 61,380             | 62,792             | 64,236             | 65,713             | 67,225             | 68,771             | 70,353             | 71,971             | 73,626             |
| 101                         | Office Supplies                               | 2,600              | 2,660              | 2,721              | 2,784              | 2,848              | 2,913              | 2,980              | 3,049              | 3,119              | 3,190              |
| 102                         | Operating Supplies                            | 23,000             | 23,529             | 24,070             | 24,624             | 25,190             | 25,770             | 26,362             | 26,969             | 27,589             | 28,223             |
| 103                         | Operating Supplies- Uniform                   | 9,100              | 9,309              | 9,523              | 9,742              | 9,967              | 10,196             | 10,430             | 10,670             | 10,916             | 11,167             |
| 104                         | Operating Supp Other Clothing                 | 2,700              | 2,762              | 2,826              | 2,891              | 2,957              | 3,025              | 3,095              | 3,166              | 3,239              | 3,313              |
| 105                         | Operating Supplies/ New Instal                | 523,603            | 535,646            | 547,966            | 560,569            | 573,462            | 586,651            | 600,144            | 613,948            | 628,069            | 642,514            |
| 106                         | Operating Supplies/ Repair Sup                | 240,000            | 245,520            | 251,167            | 256,944            | 262,854            | 268,899            | 275,084            | 281,411            | 287,883            | 294,505            |
| 107                         | <b>SUBTOTAL</b>                               | <b>\$1,139,647</b> | <b>\$1,167,825</b> | <b>\$1,196,737</b> | <b>\$1,226,403</b> | <b>\$1,256,847</b> | <b>\$1,288,088</b> | <b>\$1,320,151</b> | <b>\$1,353,060</b> | <b>\$1,386,837</b> | <b>\$1,421,509</b> |
| 108                         | <b>OPERATIONS EXECUTION PERCENTAGE</b>        | <b>90%</b>         | <b>90%</b>         | <b>90%</b>         | <b>90%</b>         | <b>90%</b>         | <b>90%</b>         | <b>90%</b>         | <b>90%</b>         | <b>90%</b>         | <b>90%</b>         |
| 109                         | <b>SUBTOTAL AT EXECUTION PERCENTAGE</b>       | <b>\$1,025,682</b> | <b>\$1,051,042</b> | <b>\$1,077,063</b> | <b>\$1,103,763</b> | <b>\$1,131,162</b> | <b>\$1,159,280</b> | <b>\$1,188,136</b> | <b>\$1,217,754</b> | <b>\$1,248,153</b> | <b>\$1,279,358</b> |
| <b>CAPITAL OUTLAYS</b>      |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 110                         | Capital Outlay/Machinery Equip                | \$26,000           | \$26,000           | \$26,000           | \$26,000           | \$26,000           | \$26,000           | \$26,000           | \$26,000           | \$26,000           | \$26,000           |
| 111                         | <b>SUBTOTAL</b>                               | <b>\$26,000</b>    | <b>\$26,000</b>    | <b>\$26,000</b>    | <b>\$26,000</b>    | <b>\$26,000</b>    | <b>\$26,000</b>    | <b>\$26,000</b>    | <b>\$26,000</b>    | <b>\$26,000</b>    | <b>\$26,000</b>    |
| 112                         | <b>SUBTOTAL-WATER DISTRIBUTION</b>            | <b>\$2,450,588</b> | <b>\$2,523,899</b> | <b>\$2,599,670</b> | <b>\$2,677,993</b> | <b>\$2,758,966</b> | <b>\$2,842,693</b> | <b>\$2,929,282</b> | <b>\$3,018,843</b> | <b>\$3,111,494</b> | <b>\$3,207,358</b> |
| <b>WASTEWATER TREATMENT</b> |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>PERSONAL SERVICES</b>    |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 113                         | Personal Serv/Req Sal & Wages                 | 1,082,499          | 1,114,974          | 1,148,423          | 1,182,876          | 1,218,362          | 1,254,913          | 1,292,560          | 1,331,337          | 1,371,277          | 1,412,416          |
| 114                         | Personal Services/Overtime                    | 20,000             | 20,600             | 21,218             | 21,855             | 22,510             | 23,185             | 23,881             | 24,597             | 25,335             | 26,095             |
| 115                         | Other Fringe Benefits/FICA                    | 79,015             | 81,385             | 83,827             | 86,342             | 88,932             | 91,600             | 94,348             | 97,178             | 100,094            | 103,097            |
| 116                         | Other Fringe Benefits/Retireme                | 143,067            | 147,359            | 151,780            | 156,333            | 161,023            | 165,854            | 170,829            | 175,954            | 181,233            | 186,670            |
| 117                         | Other Fringe Benefits/LifeHlth                | 213,614            | 226,431            | 240,017            | 254,418            | 269,683            | 285,864            | 303,016            | 321,196            | 340,468            | 360,896            |
| 118                         | OFB/Employee Allowances                       | 2,400              | 2,472              | 2,546              | 2,623              | 2,701              | 2,782              | 2,866              | 2,952              | 3,040              | 3,131              |
| 119                         | <b>SUBTOTAL</b>                               | <b>\$1,540,595</b> | <b>\$1,593,221</b> | <b>\$1,647,811</b> | <b>\$1,704,446</b> | <b>\$1,763,212</b> | <b>\$1,824,198</b> | <b>\$1,887,500</b> | <b>\$1,953,216</b> | <b>\$2,021,448</b> | <b>\$2,092,306</b> |
| 120                         | <b>PERSONAL SERVICES EXECUTION PERCENTAGE</b> | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         | <b>95%</b>         |
| 121                         | <b>SUBTOTAL AT EXECUTION PERCENTAGE</b>       | <b>\$1,463,565</b> | <b>\$1,513,560</b> | <b>\$1,565,420</b> | <b>\$1,619,223</b> | <b>\$1,675,051</b> | <b>\$1,732,988</b> | <b>\$1,793,125</b> | <b>\$1,855,555</b> | <b>\$1,920,376</b> | <b>\$1,987,690</b> |



Projection of Cash Outflows

Schedule 7

|     | FY 2018                                       | FY 2019     | FY 2020     | FY 2021     | FY 2022     | FY 2023     | FY 2024     | FY 2025     | FY 2026     | FY 2027     | FY 2028     |
|-----|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 183 | <b>SUBTOTAL AT EXECUTION PERCENTAGE</b>       |             |             |             |             |             |             |             |             |             |             |
|     | \$477,158                                     | \$489,355   | \$501,888   | \$514,768   | \$528,005   | \$541,609   | \$555,593   | \$569,968   | \$584,747   | \$599,942   | \$615,566   |
|     | <b>CAPITAL OUTLAY</b>                         |             |             |             |             |             |             |             |             |             |             |
| 184 | Capital Outlay/Machinery Equip                |             |             |             |             |             |             |             |             |             |             |
|     | \$41,500                                      | \$41,500    | \$41,500    | \$41,500    | \$41,500    | \$41,500    | \$41,500    | \$41,500    | \$41,500    | \$41,500    | \$41,500    |
| 185 | <b>SUBTOTAL</b>                               |             |             |             |             |             |             |             |             |             |             |
|     | \$41,500                                      | \$41,500    | \$41,500    | \$41,500    | \$41,500    | \$41,500    | \$41,500    | \$41,500    | \$41,500    | \$41,500    | \$41,500    |
| 186 | <b>SUBTOTAL-WASTEWATER COLLECTIONS</b>        |             |             |             |             |             |             |             |             |             |             |
|     | \$1,619,826                                   | \$1,670,837 | \$1,723,695 | \$1,778,476 | \$1,835,261 | \$1,894,133 | \$1,955,180 | \$2,018,494 | \$2,084,172 | \$2,152,314 | \$2,223,026 |
|     | <b>MAINTENANCE</b>                            |             |             |             |             |             |             |             |             |             |             |
|     | <b>PERSONAL SERVICES</b>                      |             |             |             |             |             |             |             |             |             |             |
| 187 | Personal Serv/Reg Sal & Wages                 |             |             |             |             |             |             |             |             |             |             |
|     | \$776,322                                     | \$799,612   | \$823,600   | \$848,308   | \$873,757   | \$899,970   | \$926,969   | \$954,778   | \$983,421   | \$1,012,924 | \$1,043,312 |
| 188 | Personal Services/Other Salary                |             |             |             |             |             |             |             |             |             |             |
|     | 20,280  | 20,888      | 21,515      | 22,161      | 22,825      | 23,510      | 24,215      | 24,942      | 25,690      | 26,461      | 27,255      |
| 189 | Personal Services/Overtime                    |             |             |             |             |             |             |             |             |             |             |
|     | 25,000  | 25,750      | 26,523      | 27,318      | 28,138      | 28,982      | 29,851      | 30,747      | 31,669      | 32,619      | 33,598      |
| 190 | Other Fringe Benefits/FICA                    |             |             |             |             |             |             |             |             |             |             |
|     | 57,005  | 58,715      | 60,477      | 62,291      | 64,160      | 66,084      | 68,067      | 70,109      | 72,212      | 74,379      | 76,610      |
| 191 | Other Fringe Benefits/Retireme                |             |             |             |             |             |             |             |             |             |             |
|     | 99,233  | 102,210     | 105,276     | 108,435     | 111,688     | 115,038     | 118,489     | 122,044     | 125,705     | 129,477     | 133,361     |
| 192 | Other Fringe Benefits/LifeHlth                |             |             |             |             |             |             |             |             |             |             |
|     | 150,633                                       | 159,671     | 169,251     | 179,406     | 190,171     | 201,581     | 213,676     | 226,496     | 240,086     | 254,491     | 269,761     |
| 193 | OFB/Employee Allowances                       |             |             |             |             |             |             |             |             |             |             |
|     | 960   | 989         | 1,018       | 1,049       | 1,080       | 1,113       | 1,146       | 1,181       | 1,216       | 1,253       | 1,290       |
| 195 | <b>SUBTOTAL</b>                               |             |             |             |             |             |             |             |             |             |             |
|     | \$1,129,433                                   | \$1,167,835 | \$1,207,660 | \$1,248,968 | \$1,291,819 | \$1,336,278 | \$1,382,414 | \$1,430,297 | \$1,480,001 | \$1,531,603 | \$1,585,186 |
| 196 | <b>PERSONAL SERVICES EXECUTION PERCENTAGE</b> |             |             |             |             |             |             |             |             |             |             |
|     | 95%   | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         |
| 197 | <b>SUBTOTAL AT EXECUTION PERCENTAGE</b>       |             |             |             |             |             |             |             |             |             |             |
|     | \$1,072,961                                   | \$1,109,443 | \$1,147,277 | \$1,186,519 | \$1,227,228 | \$1,269,464 | \$1,313,293 | \$1,358,782 | \$1,406,001 | \$1,455,023 | \$1,505,927 |
|     | <b>OPERATIONS</b>                             |             |             |             |             |             |             |             |             |             |             |
| 198 | Operating Expense                             |             |             |             |             |             |             |             |             |             |             |
|     | \$5,000                                       | \$5,115     | \$5,233     | \$5,353     | \$5,476     | \$5,602     | \$5,731     | \$5,863     | \$5,998     | \$6,136     | \$6,277     |
| 199 | Operating Exp/Small Tools                     |             |             |             |             |             |             |             |             |             |             |
|     | 8,000   | 8,184       | 8,372       | 8,565       | 8,762       | 8,963       | 9,169       | 9,380       | 9,596       | 9,817       | 10,043      |
| 200 | Profess Serv/Oth Contract Svcs                |             |             |             |             |             |             |             |             |             |             |
|     | 5,000   | 5,150       | 5,305       | 5,464       | 5,628       | 5,796       | 5,970       | 6,149       | 6,334       | 6,524       | 6,720       |
| 201 | Training & Travel Costs                       |             |             |             |             |             |             |             |             |             |             |
|     | 5,000   | 5,115       | 5,233       | 5,353       | 5,476       | 5,602       | 5,731       | 5,863       | 5,998       | 6,136       | 6,277       |
| 202 | Communications                                |             |             |             |             |             |             |             |             |             |             |
|     | 900   | 921         | 942         | 964         | 986         | 1,008       | 1,032       | 1,055       | 1,080       | 1,104       | 1,130       |
| 203 | Transport/Equip Serv-Repairs                  |             |             |             |             |             |             |             |             |             |             |
|     | 64,000  | 65,472      | 66,978      | 68,518      | 70,094      | 71,706      | 73,356      | 75,043      | 76,769      | 78,535      | 80,341      |
| 204 | Transportation/Equip Serv-Fuel                |             |             |             |             |             |             |             |             |             |             |
|     | 31,433  | 33,005      | 34,655      | 36,388      | 38,207      | 40,117      | 42,123      | 44,229      | 46,441      | 48,763      | 51,201      |
| 205 | Utility Services/Electricity                  |             |             |             |             |             |             |             |             |             |             |
|     | 230,000                                       | 236,900     | 244,007     | 251,327     | 258,867     | 266,633     | 274,632     | 282,871     | 291,357     | 300,098     | 309,101     |
| 206 | Util Serv/Water/Sewer/Garbage                 |             |             |             |             |             |             |             |             |             |             |
|     | 9,000   | 9,270       | 9,548       | 9,835       | 10,130      | 10,433      | 10,746      | 11,069      | 11,401      | 11,743      | 12,095      |
| 207 | Rentals & Leases Equip Rental                 |             |             |             |             |             |             |             |             |             |             |
|     | 6,000   | 6,138       | 6,279       | 6,424       | 6,571       | 6,722       | 6,877       | 7,035       | 7,197       | 7,363       | 7,532       |
| 208 | Repair & Maintenance                          |             |             |             |             |             |             |             |             |             |             |
|     | 20,000  | 20,460      | 20,931      | 21,412      | 21,904      | 22,408      | 22,924      | 23,451      | 23,990      | 24,542      | 25,107      |
| 209 | Repair & Maintenance/Buildings                |             |             |             |             |             |             |             |             |             |             |
|     | 20,000  | 20,460      | 20,931      | 21,412      | 21,904      | 22,408      | 22,924      | 23,451      | 23,990      | 24,542      | 25,107      |
| 210 | Rpr & Mtnanc/Equip Maint Contr                |             |             |             |             |             |             |             |             |             |             |
|     | 10,000  | 10,230      | 10,465      | 10,706      | 10,952      | 11,204      | 11,462      | 11,725      | 11,995      | 12,271      | 12,553      |
| 211 | Rpr & Mtnanc/Equip Maint                      |             |             |             |             |             |             |             |             |             |             |
|     | 124,005                                       | 126,857     | 129,774     | 132,759     | 135,813     | 138,936     | 142,132     | 145,401     | 148,745     | 152,166     | 155,666     |
| 212 | Office Supplies                               |             |             |             |             |             |             |             |             |             |             |
|     | 1,000   | 1,023       | 1,047       | 1,071       | 1,095       | 1,120       | 1,146       | 1,173       | 1,200       | 1,227       | 1,255       |
| 213 | Operating Supplies                            |             |             |             |             |             |             |             |             |             |             |
|     | 45,000  | 46,035      | 47,094      | 48,177      | 49,285      | 50,419      | 51,578      | 52,765      | 53,978      | 55,220      | 56,490      |
| 214 | Operating Supplies- Fuel                      |             |             |             |             |             |             |             |             |             |             |
|     | 15,000  | 15,750      | 16,538      | 17,364      | 18,233      | 19,144      | 20,101      | 21,107      | 22,162      | 23,270      | 24,433      |
| 215 | Operating Supplies- Uniform                   |             |             |             |             |             |             |             |             |             |             |
|     | 4,200   | 4,297       | 4,395       | 4,497       | 4,600       | 4,706       | 4,814       | 4,925       | 5,038       | 5,154       | 5,272       |
| 216 | Operating Supp Other Clothing                 |             |             |             |             |             |             |             |             |             |             |
|     | 2,400   | 2,455       | 2,512       | 2,569       | 2,629       | 2,689       | 2,751       | 2,814       | 2,879       | 2,945       | 3,013       |
| 217 | Operating Supplies/ Chemicals                 |             |             |             |             |             |             |             |             |             |             |
|     | 125,000                                       | 131,250     | 137,813     | 144,703     | 151,938     | 159,535     | 167,512     | 175,888     | 184,682     | 193,916     | 203,612     |
| 218 | <b>SUBTOTAL</b>                               |             |             |             |             |             |             |             |             |             |             |
|     | \$730,938                                     | \$754,086   | \$778,049   | \$802,860   | \$828,550   | \$855,155   | \$882,711   | \$911,256   | \$940,829   | \$971,470   | \$1,003,223 |
| 219 | <b>OPERATIONS EXECUTION PERCENTAGE</b>        |             |             |             |             |             |             |             |             |             |             |
|     | 90%   | 90%         | 90%         | 90%         | 90%         | 90%         | 90%         | 90%         | 90%         | 90%         | 90%         |
| 220 | <b>SUBTOTAL AT EXECUTION PERCENTAGE</b>       |             |             |             |             |             |             |             |             |             |             |
|     | \$657,844                                     | \$678,677   | \$700,244   | \$722,574   | \$745,695   | \$769,640   | \$794,440   | \$820,130   | \$846,746   | \$874,323   | \$902,901   |
|     | <b>CAPITAL OUTLAY</b>                         |             |             |             |             |             |             |             |             |             |             |
| 221 | Capital Outlay/Machinery Equip                |             |             |             |             |             |             |             |             |             |             |
|     | \$110,000                                     | \$110,000   | \$110,000   | \$110,000   | \$110,000   | \$110,000   | \$110,000   | \$110,000   | \$110,000   | \$110,000   | \$110,000   |
| 222 | <b>SUBTOTAL</b>                               |             |             |             |             |             |             |             |             |             |             |
|     | \$110,000                                     | \$110,000   | \$110,000   | \$110,000   | \$110,000   | \$110,000   | \$110,000   | \$110,000   | \$110,000   | \$110,000   | \$110,000   |
| 223 | <b>SUBTOTAL-MAINTENANCE</b>                   |             |             |             |             |             |             |             |             |             |             |
|     | \$1,840,805                                   | \$1,898,121 | \$1,957,521 | \$2,019,093 | \$2,082,923 | \$2,149,104 | \$2,217,734 | \$2,288,912 | \$2,362,746 | \$2,439,346 | \$2,518,827 |
|     | <b>UTILITY BILLING / CUSTOMER SERVICE</b>     |             |             |             |             |             |             |             |             |             |             |
|     | <b>PERSONAL SERVICES</b>                      |             |             |             |             |             |             |             |             |             |             |
| 224 | Personal Serv/Req Sal & Wages                 |             |             |             |             |             |             |             |             |             |             |
|     | 310,434                                       | 319,747     | 329,339     | 339,220     | 349,396     | 359,878     | 370,674     | 381,795     | 393,249     | 405,046     | 417,197     |



Projection of Cash Outflows

Schedule 7

|   | FY 2018             | FY 2019             | FY 2020             | FY 2021             | FY 2022             | FY 2023             | FY 2024             | FY 2025             | FY 2026             | FY 2027             | FY 2028             |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 225 Personal Services/Overtime                            | 5,150               | 5,305               | 5,464               | 5,628               | 5,796               | 5,970               | 6,149               | 6,334               | 6,524               | 6,720               | 6,921               |
| 226 Other Fringe Benefits/FICA                            | 23,058              | 23,750              | 24,462              | 25,196              | 25,952              | 26,731              | 27,532              | 28,358              | 29,209              | 30,085              | 30,988              |
| 227 Other Fringe Benefits/Retiree                         | 37,823              | 38,958              | 40,126              | 41,330              | 42,570              | 43,847              | 45,163              | 46,518              | 47,913              | 49,350              | 50,831              |
| 228 Other Fringe Benefits/Life/Health                     | 56,909              | 60,324              | 63,943              | 67,780              | 71,846              | 76,157              | 80,727              | 85,570              | 90,704              | 96,147              | 101,915             |
| 229 OFB/Employee Allowances                               | 480                 | 494                 | 509                 | 525                 | 540                 | 556                 | 573                 | 590                 | 608                 | 626                 | 645                 |
| <b>230 SUBTOTAL</b>                                       | <b>\$433,854</b>    | <b>\$448,577</b>    | <b>\$463,844</b>    | <b>\$479,678</b>    | <b>\$496,101</b>    | <b>\$513,140</b>    | <b>\$530,819</b>    | <b>\$549,165</b>    | <b>\$568,207</b>    | <b>\$587,974</b>    | <b>\$608,498</b>    |
| 231 PERSONAL SERVICES EXECUTION PERCENTAGE                | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 |
| <b>232 SUBTOTAL AT EXECUTION PERCENTAGE</b>               | <b>\$412,161</b>    | <b>\$426,148</b>    | <b>\$440,652</b>    | <b>\$455,694</b>    | <b>\$471,296</b>    | <b>\$487,483</b>    | <b>\$504,278</b>    | <b>\$521,707</b>    | <b>\$539,797</b>    | <b>\$558,576</b>    | <b>\$578,073</b>    |
| <b>OPERATIONS</b>   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 233 Operating Expense                                     | \$13,975            | \$14,296            | \$14,625            | \$14,962            | \$15,306            | \$15,658            | \$16,018            | \$16,386            | \$16,763            | \$17,149            | \$17,543            |
| 235 Operating Exp/Utility Billing                         | (80,000)            | (81,840)            | (83,722)            | (85,648)            | (87,618)            | (89,633)            | (91,695)            | (93,804)            | (95,961)            | (98,168)            | (100,426)           |
| 236 Prof Serv-Credit Card/Bank Fee                        | 161,000             | 164,703             | 168,491             | 172,366             | 176,331             | 180,387             | 184,535             | 188,780             | 193,122             | 197,563             | 202,107             |
| 237 Training & Travel Costs                               | 2,000               | 2,046               | 2,093               | 2,141               | 2,190               | 2,241               | 2,292               | 2,345               | 2,399               | 2,454               | 2,511               |
| 238 Communications  | 10,560              | 10,803              | 11,051              | 11,306              | 11,566              | 11,832              | 12,104              | 12,382              | 12,667              | 12,958              | 13,256              |
| 239 Transport/Postage & Freight                           | 45,700              | 46,751              | 47,826              | 48,926              | 50,052              | 51,203              | 52,381              | 53,585              | 54,818              | 56,079              | 57,368              |
| 240 Transport/Equip Serv-Repairs                          | 4,000               | 4,092               | 4,186               | 4,282               | 4,381               | 4,482               | 4,585               | 4,690               | 4,798               | 4,908               | 5,021               |
| 241 Transportation/Equip Serv-Fuel                        | 5,000               | 5,250               | 5,513               | 5,788               | 6,078               | 6,381               | 6,700               | 7,036               | 7,387               | 7,757               | 8,144               |
| 242 Repair & Maintenance                                  | 1,000               | 1,023               | 1,047               | 1,071               | 1,095               | 1,120               | 1,146               | 1,173               | 1,200               | 1,227               | 1,255               |
| 243 Printing & Binding                                    | 26,000              | 26,598              | 27,210              | 27,836              | 28,476              | 29,131              | 29,801              | 30,486              | 31,187              | 31,905              | 32,638              |
| 244 Office Supplies                                       | 2,500               | 2,558               | 2,616               | 2,676               | 2,738               | 2,801               | 2,865               | 2,931               | 2,999               | 3,068               | 3,138               |
| 245 Operating Supplies                                    | 1,500               | 1,535               | 1,570               | 1,606               | 1,643               | 1,681               | 1,719               | 1,759               | 1,799               | 1,841               | 1,883               |
| 246 Operating Supplies- Uniform                           | 450                 | 460                 | 471                 | 482                 | 493                 | 504                 | 516                 | 528                 | 540                 | 552                 | 565                 |
| <b>247 SUBTOTAL</b>                                       | <b>\$193,685</b>    | <b>\$198,275</b>    | <b>\$202,977</b>    | <b>\$207,794</b>    | <b>\$212,730</b>    | <b>\$217,787</b>    | <b>\$222,968</b>    | <b>\$228,277</b>    | <b>\$233,717</b>    | <b>\$239,292</b>    | <b>\$245,006</b>    |
| 248 OPERATIONS EXECUTION PERCENTAGE                       | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 |
| <b>249 SUBTOTAL AT EXECUTION PERCENTAGE</b>               | <b>\$174,317</b>    | <b>\$178,447</b>    | <b>\$182,679</b>    | <b>\$187,015</b>    | <b>\$191,457</b>    | <b>\$196,008</b>    | <b>\$200,671</b>    | <b>\$205,449</b>    | <b>\$210,346</b>    | <b>\$215,363</b>    | <b>\$220,505</b>    |
| <b>250 SUBTOTAL-UTILITY BILLING / CUSTOMER SERVICE</b>    | <b>\$586,478</b>    | <b>\$604,595</b>    | <b>\$623,331</b>    | <b>\$642,708</b>    | <b>\$662,753</b>    | <b>\$683,491</b>    | <b>\$704,949</b>    | <b>\$727,156</b>    | <b>\$750,142</b>    | <b>\$773,939</b>    | <b>\$798,578</b>    |
| <b>Existing Debt Service</b>                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 251 Series 2012A  | \$661,216           | \$661,728           | \$661,868           | \$661,638           | \$661,036           | \$661,064           | \$661,694           | \$660,900           | \$661,708           | \$661,066           | \$0                 |
| 252 Series 2012B  | 380,531             | 381,013             | 381,291             | 381,366             | 381,238             | 380,907             | 381,373             | 380,610             | 380,644             | 381,449             | 0                   |
| 253 SRF Loans Refund                                      | 1,752,616           | 1,752,616           | 323,450             | 323,474             | 323,434             | 57,529              | 0                   | 0                   | 0                   | 0                   | 0                   |
| 254 Special Assessment Revenue Bonds (Bembury), Series 2C | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              | 0                   |
| <b>255 Total Existing Debt Service</b>                    | <b>\$2,868,245</b>  | <b>\$2,869,238</b>  | <b>\$1,440,491</b>  | <b>\$1,440,360</b>  | <b>\$1,439,590</b>  | <b>\$1,173,381</b>  | <b>\$1,116,948</b>  | <b>\$1,115,391</b>  | <b>\$1,042,352</b>  | <b>\$1,042,515</b>  | <b>\$0</b>          |
| <b>Totals by Category (Budgeted/Forecast)</b>             |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 256 Personnel Services                                    | \$7,850,592         | \$8,121,000         | \$8,401,613         | \$8,692,864         | \$8,995,204         | \$9,309,108         | \$9,635,072         | \$9,973,617         | \$10,325,287        | \$10,690,655        | \$11,070,320        |
| 257 Operating   | 14,885,247          | 15,388,424          | 15,877,216          | 16,346,629          | 16,832,377          | 17,331,316          | 17,809,382          | 18,305,687          | 18,819,290          | 19,350,873          | 19,901,145          |
| 258 Capital Outlay  | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             |
| 259 Debt Service  | 2,868,245           | 2,869,238           | 1,440,491           | 1,440,360           | 1,439,590           | 1,173,381           | 1,116,948           | 1,115,391           | 1,042,352           | 1,042,515           | 0                   |
| <b>260 Total</b>  | <b>\$25,921,031</b> | <b>\$26,695,608</b> | <b>\$26,036,267</b> | <b>\$26,796,799</b> | <b>\$27,584,118</b> | <b>\$28,130,752</b> | <b>\$28,878,349</b> | <b>\$29,711,641</b> | <b>\$30,503,875</b> | <b>\$31,400,989</b> | <b>\$31,288,412</b> |
| <b>Execution Percentage</b>                               |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 261 Personnel Services                                    | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 | 95%                 |
| 262 Operating   | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 | 90%                 |
| 263 Capital Outlay  | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                |
| 264 Below the Line Expense                                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                |
| 265 Debt Service  | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                | 100%                |
| <b>Totals by Category (Assumed Cash Flow)</b>             |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 266 Personnel Services                                    | \$7,458,062         | \$7,714,950         | \$7,981,532         | \$8,258,221         | \$8,545,444         | \$8,843,653         | \$9,153,319         | \$9,474,936         | \$9,809,022         | \$10,156,122        | \$10,516,804        |
| 267 Operating   | 13,396,722          | 13,849,582          | 14,289,495          | 14,711,966          | 15,149,140          | 15,598,184          | 16,028,444          | 16,475,118          | 16,937,361          | 17,415,785          | 17,911,031          |
| 268 Capital Outlay  | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             | 316,947             |
| 269 Debt Service  | 2,868,245           | 2,869,238           | 1,440,491           | 1,440,360           | 1,439,590           | 1,173,381           | 1,116,948           | 1,115,391           | 1,042,352           | 1,042,515           | 0                   |
| <b>270 TOTAL CASH OUTFLOWS</b>                            | <b>\$24,039,976</b> | <b>\$24,750,716</b> | <b>\$24,028,465</b> | <b>\$24,727,493</b> | <b>\$25,451,120</b> | <b>\$25,932,165</b> | <b>\$26,615,657</b> | <b>\$27,382,391</b> | <b>\$28,105,682</b> | <b>\$28,931,369</b> | <b>\$28,744,778</b> |

Projection of Cash Inflows

Schedule 8

|                                       | FY 2018  | FY 2019             | FY 2020             | FY 2021             | FY 2022             | FY 2023             | FY 2024             | FY 2025             | FY 2026             | FY 2027             | FY 2028             |                     |
|---------------------------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Assumed Rate Revenue Increases</b> |  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 1                                     | Assumed Water Rate Increase                        | N/A                 | 2.25%               | 2.25%               | 2.25%               | 2.25%               | 2.25%               | 0.00%               | 0.00%               | 0.00%               | 0.00%               |                     |
| 2                                     | Assumed Sewer Rate Increase                        | N/A                 | 2.25%               | 2.25%               | 2.25%               | 2.25%               | 2.25%               | 0.00%               | 0.00%               | 0.00%               | 0.00%               |                     |
| 3                                     | Reclaimed Rate Increases                           | N/A                 | 2.25%               | 2.25%               | 2.25%               | 2.25%               | 2.25%               | 0.00%               | 0.00%               | 0.00%               | 0.00%               |                     |
| <b>Water Rate Revenue</b>             |  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 4                                     | Base Facility Charges                              | \$4,582,801         | \$4,711,624         | \$4,843,925         | \$4,979,794         | \$5,119,324         | \$5,262,613         | \$5,290,717         | \$5,318,820         | \$5,346,924         | \$5,375,028         | \$5,403,132         |
| 5                                     | Usage Charges                                      | 10,887,079          | 11,056,479          | 11,040,362          | 11,094,518          | 11,157,818          | 11,155,291          | 11,041,258          | 10,989,119          | 10,936,919          | 10,884,664          | 10,832,360          |
| 6                                     | <b>Total Water Rate Revenue</b>                    | <b>\$15,469,879</b> | <b>\$15,768,103</b> | <b>\$15,884,287</b> | <b>\$16,074,312</b> | <b>\$16,277,142</b> | <b>\$16,417,904</b> | <b>\$16,331,974</b> | <b>\$16,307,939</b> | <b>\$16,283,843</b> | <b>\$16,259,692</b> | <b>\$16,235,492</b> |
| <b>Sewer Rate Revenue</b>             |  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 7                                     | Base Facility Charges                              | \$4,849,120         | \$5,010,141         | \$5,427,041         | \$5,603,427         | \$5,785,004         | \$5,971,915         | \$6,028,664         | \$6,085,412         | \$6,142,160         | \$6,198,909         | \$6,255,657         |
| 8                                     | Usage Charges                                      | 7,567,946           | 7,723,639           | 8,264,033           | 8,428,293           | 8,595,012           | 8,764,222           | 8,759,029           | 8,753,064           | 8,746,342           | 8,738,880           | 8,730,692           |
| 9                                     | <b>Total Sewer Rate Revenue</b>                    | <b>\$12,417,066</b> | <b>\$12,733,781</b> | <b>\$13,691,073</b> | <b>\$14,031,721</b> | <b>\$14,380,016</b> | <b>\$14,736,137</b> | <b>\$14,787,693</b> | <b>\$14,838,476</b> | <b>\$14,888,503</b> | <b>\$14,937,788</b> | <b>\$14,986,349</b> |
| <b>Reclaimed Rate Revenue</b>         |  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 10                                    | Base Facility Charges                              | \$625,988           | \$662,154           | \$677,052           | \$692,286           | \$707,862           | \$723,789           | \$723,789           | \$723,789           | \$723,789           | \$723,789           | \$723,789           |
| 11                                    | Usage Charges                                      | 1,135,843           | 1,198,763           | 1,303,206           | 1,388,058           | 1,476,126           | 1,580,064           | 1,615,472           | 1,615,472           | 1,615,472           | 1,615,472           | 1,615,472           |
| 12                                    | <b>Total Reclaimed Rate Revenue</b>                | <b>\$1,761,830</b>  | <b>\$1,860,917</b>  | <b>\$1,980,258</b>  | <b>\$2,080,344</b>  | <b>\$2,183,988</b>  | <b>\$2,303,854</b>  | <b>\$2,339,261</b>  | <b>\$2,339,261</b>  | <b>\$2,339,261</b>  | <b>\$2,339,261</b>  | <b>\$2,339,261</b>  |
| <b>System Development Charges</b>     |  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 13                                    | Water System Development Charges                   | \$141,600           | \$141,600           | \$141,600           | \$141,600           | \$141,600           | \$141,600           | \$141,600           | \$141,600           | \$141,600           | \$141,600           | \$141,600           |
| 14                                    | Sewer System Development Charges <sup>(1)</sup>    | 232,400             | 232,400             | 1,331,652           | 232,400             | 232,400             | 232,400             | 232,400             | 232,400             | 232,400             | 232,400             | 232,400             |
| 15                                    | <b>Total System Development Charges Revenue</b>    | <b>\$374,000</b>    | <b>\$374,000</b>    | <b>\$1,473,252</b>  | <b>\$374,000</b>    | <b>\$374,000</b>    | <b>\$374,000</b>    | <b>\$374,000</b>    | <b>\$374,000</b>    | <b>\$374,000</b>    | <b>\$374,000</b>    | <b>\$374,000</b>    |
| <b>Other Operating Revenues</b>       |  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 16                                    | 420-00-00-000-343302- Hydrant Services             | \$39,000            | \$39,000            | \$39,000            | \$39,000            | \$39,000            | \$39,000            | \$39,000            | \$39,000            | \$39,000            | \$39,000            | \$39,000            |
| 17                                    | 420-00-00-000-343303- Tapping fees                 | 112,000             | 112,000             | 112,000             | 112,000             | 112,000             | 112,000             | 112,000             | 112,000             | 112,000             | 112,000             | 112,000             |
| 18                                    | 420-00-00-000-343304- Reinstall Fees               | 1,000               | 1,000               | 1,000               | 1,000               | 1,000               | 1,000               | 1,000               | 1,000               | 1,000               | 1,000               | 1,000               |
| 19                                    | 420-00-00-000-343305- Connection Charges           | 135,000             | 135,000             | 135,000             | 135,000             | 135,000             | 135,000             | 135,000             | 135,000             | 135,000             | 135,000             | 135,000             |
| 20                                    | 420-00-00-000-343306- Water Surcharge              | 1,272,000           | 1,240,673           | 1,240,673           | 1,210,117           | 1,204,614           | 1,199,099           | 1,193,575           | 1,188,041           | 1,182,498           | 1,176,948           | 1,171,390           |
| 21                                    | 420-00-00-000-343307- Delinquent Fees              | 125,000             | 125,000             | 125,000             | 125,000             | 125,000             | 125,000             | 125,000             | 125,000             | 125,000             | 125,000             | 125,000             |
| 22                                    | 420-00-00-000-343308- Water Miscellaneous Fees     | 40,000              | 40,000              | 40,000              | 40,000              | 40,000              | 40,000              | 40,000              | 40,000              | 40,000              | 40,000              | 40,000              |
| 23                                    | 420-00-00-000-343310- Plan Review Fees             | 33,000              | 33,000              | 33,000              | 33,000              | 33,000              | 33,000              | 33,000              | 33,000              | 33,000              | 33,000              | 33,000              |
| 24                                    | 420-00-00-000-343311- Application Fees             | 18,000              | 18,000              | 18,000              | 18,000              | 18,000              | 18,000              | 18,000              | 18,000              | 18,000              | 18,000              | 18,000              |
| 25                                    | 420-00-00-000-343312- Water Inspection Fees        | 6,000               | 6,000               | 6,000               | 6,000               | 6,000               | 6,000               | 6,000               | 6,000               | 6,000               | 6,000               | 6,000               |
| 26                                    | 420-00-00-000-343502- Connection Charges           | 35,000              | 35,000              | 35,000              | 35,000              | 35,000              | 35,000              | 35,000              | 35,000              | 35,000              | 35,000              | 35,000              |
| 27                                    | 420-00-00-000-343503- Inspection Charges           | 4,000               | 4,000               | 4,000               | 4,000               | 4,000               | 4,000               | 4,000               | 4,000               | 4,000               | 4,000               | 4,000               |
| 28                                    | 420-00-00-000-343505- Surcharge Sewer              | 625,000             | 625,297             | 625,297             | 625,595             | 625,824             | 656,352             | 656,144             | 655,875             | 655,546             | 655,158             | 654,711             |
| 29                                    | 420-00-00-000-343511- Application Fees             | 13,000              | 13,000              | 13,000              | 13,000              | 13,000              | 13,000              | 13,000              | 13,000              | 13,000              | 13,000              | 13,000              |
| 30                                    | <b>Total Other Operating Revenue</b>               | <b>\$2,458,000</b>  | <b>\$2,426,970</b>  | <b>\$2,426,970</b>  | <b>\$2,396,712</b>  | <b>\$2,391,437</b>  | <b>\$2,416,452</b>  | <b>\$2,410,719</b>  | <b>\$2,404,916</b>  | <b>\$2,399,044</b>  | <b>\$2,393,105</b>  | <b>\$2,387,101</b>  |
| <b>Non-Operating Revenue</b>          |  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 31                                    | 420-00-00-000-362000- Rents and Royalties          | \$54,000            | \$54,000            | \$54,000            | \$54,000            | \$54,000            | \$54,000            | \$54,000            | \$54,000            | \$54,000            | \$54,000            | \$54,000            |
| 32                                    | 420-00-00-000-365000- Scrap Surplus                | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| 33                                    | 420-00-00-000-365100- Scrap/Auction Proceeds       | 25,000              | 25,000              | 25,000              | 25,000              | 25,000              | 25,000              | 25,000              | 25,000              | 25,000              | 25,000              | 25,000              |
| 34                                    | 420-00-00-000-381350- Transfer From/Loan to        | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| 35                                    | 420-00-00-000-381425- Transfers from Bembury 425   | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              | 73,882              |
| 36                                    | 420-07-07-533-530150-Operating Exp/Utility Billing | 80,000              | 82,400              | 82,400              | 82,400              | 82,400              | 82,400              | 82,400              | 82,400              | 82,400              | 82,400              | 82,400              |
| 37                                    | Special Assessment                                 | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| 38                                    | Interest Earned on Unrestricted Funds              | 251,490             | 280,096             | 304,275             | 316,460             | 341,460             | 377,377             | 413,258             | 443,339             | 461,135             | 464,439             | 459,080             |
| 39                                    | Interest Earned on Restricted Funds                | 31,533              | 39,416              | 47,299              | 47,299              | 47,299              | 47,299              | 47,299              | 47,299              | 47,299              | 47,299              | 47,299              |
| 40                                    | <b>Total Non-Operating Revenue</b>                 | <b>\$515,904</b>    | <b>\$554,794</b>    | <b>\$586,856</b>    | <b>\$599,040</b>    | <b>\$624,041</b>    | <b>\$659,958</b>    | <b>\$695,839</b>    | <b>\$725,920</b>    | <b>\$743,716</b>    | <b>\$673,138</b>    | <b>\$667,778</b>    |
| 41                                    | <b>Total Revenue</b>                               | <b>\$32,996,681</b> | <b>\$33,718,564</b> | <b>\$36,042,697</b> | <b>\$35,556,129</b> | <b>\$36,230,625</b> | <b>\$36,908,304</b> | <b>\$36,939,487</b> | <b>\$36,990,513</b> | <b>\$37,028,367</b> | <b>\$36,976,984</b> | <b>\$36,989,981</b> |

(1) Assumes system development charges from sewer service expansion area 473 new accounts in FY 2020.

## FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

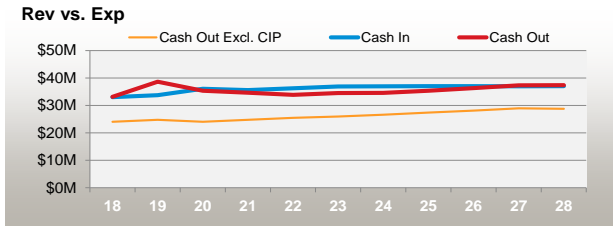
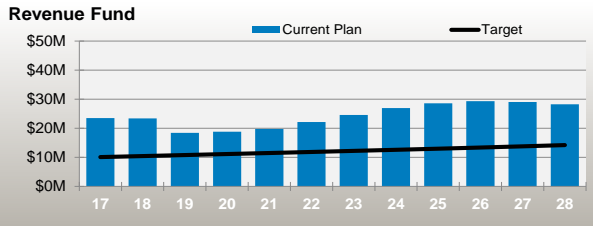


ROLL CALC SAVE

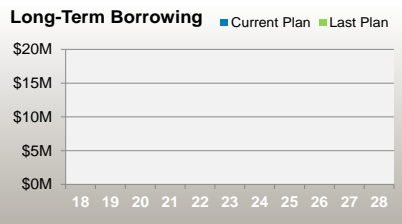
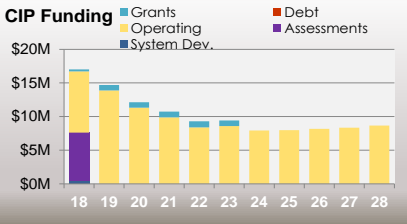
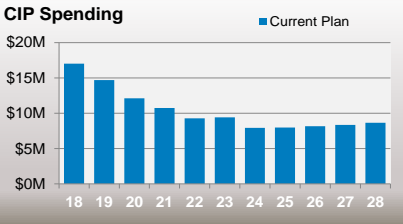
Naples

|   | FY 2018  | FY 2019  | FY 2020  | FY 2021  | FY 2022  | FY 2023  | FY 2024  | FY 2025  | FY 2026  | FY 2027  | FY 2028  |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Override ▶                              | 0.00%    | 2.25%    | 2.25%    | 2.25%    | 2.25%    | 2.25%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    |
| <b>Water Rate Plan</b>                  | 0.00%    | 2.25%    | 2.25%    | 2.25%    | 2.25%    | 2.25%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    |
| Override ▶                              | 0.00%    | 2.25%    | 2.25%    | 2.25%    | 2.25%    | 2.25%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    |
| <b>Sewer Rate Plan</b>                  | 0.00%    | 2.25%    | 2.25%    | 2.25%    | 2.25%    | 2.25%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    |
| Override ▶                              | 0.00%    | 2.25%    | 2.25%    | 2.25%    | 2.25%    | 2.25%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    |
| <b>Reclaim Rate Plan</b>                | 0.00%    | 2.25%    | 2.25%    | 2.25%    | 2.25%    | 2.25%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    |
| <b>Senior DSC</b>                       | 11.30    | 11.30    | 11.79    | 11.71    | 11.67    | 11.61    | 10.91    | 10.24    | 9.51     | 8.66     | 0.00     |
| <b>All DSC</b>                          | 4.10     | 4.11     | 8.54     | 8.48     | 8.45     | 10.31    | 10.19    | 9.56     | 0.00     | 0.00     | 0.00     |
| <b>Avg Bi-Monthly Bill (14,000 gal)</b> | \$131.32 | \$134.27 | \$137.25 | \$140.26 | \$143.30 | \$146.52 | \$146.52 | \$146.52 | \$146.52 | \$146.52 | \$146.52 |

| Cumulative Change       |         |
|-------------------------|---------|
| FY 2023                 | FY 2028 |
| 11.18%                  | 11.18%  |
| <b>RW Grants %</b>      | 25.0%   |
| <b>Assessment Cust.</b> | 473     |



| Distribution | Year    |
|--------------|---------|
| 1A & 4A      | FY 2019 |
| 4B           | FY 2020 |
| 1B & 1C & 4C | FY 2021 |
| 1D & 1E      | FY 2022 |
| 1F           | FY 2023 |



Forecast of Net Revenues and Debt Service Coverage

Schedule 10

|   | FY 2018              | FY 2019              | FY 2020              | FY 2021              | FY 2022              | FY 2023              | FY 2024              | FY 2025              | FY 2026              | FY 2027              | FY 2028              |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Rate Revenue</b>   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Water, Reclaimed, And Sewer Rate Revenue                                  | \$ 29,587,996        | \$ 29,648,776        | \$ 30,362,800        | \$ 31,555,619        | \$ 32,186,377        | \$ 32,841,147        | \$ 33,457,895        | \$ 33,458,928        | \$ 33,485,676        | \$ 33,511,606        | \$ 33,536,741        |
| Additional Revenue From Growth  | 60,781               | 89,956               | 649,346              | 25,893               | 26,263               | 26,614               | 27,298               | 26,748               | 25,930               | 25,134               | 24,360               |
| Subtotal: Base Revenue With Growth  | \$ 29,648,776        | \$ 29,738,733        | \$ 31,012,146        | \$ 31,581,512        | \$ 32,212,639        | \$ 32,867,760        | \$ 33,485,192        | \$ 33,485,676        | \$ 33,511,606        | \$ 33,536,741        | \$ 33,561,101        |
| Weighted Average Rate Increase  | 0.0%                 | 2.3%                 | 2.3%                 | 2.3%                 | 2.3%                 | 2.3%                 | 0.0%                 | 0.0%                 | 0.0%                 | 0.0%                 | 0.0%                 |
| Additional Rate Revenue From Rate Increase                                | -                    | 669,121              | 695,401              | 707,295              | 723,719              | 737,304              | -                    | -                    | -                    | -                    | -                    |
| Price Elasticity Adjustment   | -                    | (46,054)             | (46,472)             | (47,156)             | (47,873)             | (48,483)             | -                    | -                    | -                    | -                    | -                    |
| Total Rate Revenue  | 29,648,776           | 30,362,800           | 31,661,075           | 32,243,652           | 32,888,486           | 33,556,581           | 33,485,192           | 33,485,676           | 33,511,606           | 33,536,741           | 33,561,101           |
| Plus: Other Operating Revenue   | 2,458,000            | 2,426,970            | 2,426,970            | 2,396,712            | 2,391,437            | 2,416,452            | 2,410,719            | 2,404,916            | 2,399,044            | 2,393,105            | 2,387,101            |
| <b>Equals: Total Operating Revenue</b>                                    | <b>\$ 32,106,776</b> | <b>\$ 32,789,770</b> | <b>\$ 34,088,045</b> | <b>\$ 34,640,363</b> | <b>\$ 35,279,923</b> | <b>\$ 35,973,033</b> | <b>\$ 35,895,912</b> | <b>\$ 35,890,593</b> | <b>\$ 35,910,651</b> | <b>\$ 35,929,846</b> | <b>\$ 35,948,202</b> |
| <b>Less: Operating Expenses</b>   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Personal Services   | \$ (7,458,062)       | \$ (7,714,950)       | \$ (7,981,532)       | \$ (8,258,221)       | \$ (8,545,444)       | \$ (8,843,653)       | \$ (9,153,319)       | \$ (9,474,936)       | \$ (9,809,022)       | \$ (10,156,122)      | \$ (10,516,804)      |
| O&M   | (13,396,722)         | (13,849,582)         | (14,289,495)         | (14,711,966)         | (15,149,140)         | (15,598,184)         | (16,028,444)         | (16,475,118)         | (16,937,361)         | (17,415,785)         | (17,911,031)         |
| <b>Equals: Net Operating Income</b>                                       | <b>\$ 11,251,991</b> | <b>\$ 11,225,239</b> | <b>\$ 11,817,018</b> | <b>\$ 11,670,177</b> | <b>\$ 11,585,339</b> | <b>\$ 11,531,196</b> | <b>\$ 10,714,149</b> | <b>\$ 9,940,539</b>  | <b>\$ 9,164,267</b>  | <b>\$ 8,357,939</b>  | <b>\$ 7,520,368</b>  |
| <b>Plus: Non-Operating Income/(Expense)</b>                               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Non-Operating Revenue   | \$ 232,882           | \$ 235,282           | \$ 235,282           | \$ 235,282           | \$ 235,282           | \$ 235,282           | \$ 235,282           | \$ 235,282           | \$ 235,282           | \$ 235,282           | \$ 235,282           |
| Interest  | 283,022              | 319,512              | 351,574              | 363,758              | 388,759              | 424,676              | 460,557              | 490,638              | 508,434              | 511,738              | 506,378              |
| Water System Development Charges  | 141,600              | 141,600              | 141,600              | 141,600              | 141,600              | 141,600              | 141,600              | 141,600              | 141,600              | 141,600              | 141,600              |
| Sewer System Development Charges  | 232,400              | 232,400              | 1,331,652            | 232,400              | 232,400              | 232,400              | 232,400              | 232,400              | 232,400              | 232,400              | 232,400              |
| Grant Proceeds  | 300,000              | 795,688              | 790,150              | 850,938              | 900,663              | 839,888              | -                    | -                    | -                    | -                    | -                    |
| Assessments   | 7,200,000            | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Equals: Net Income</b>   | <b>\$ 19,641,896</b> | <b>\$ 12,949,720</b> | <b>\$ 14,667,276</b> | <b>\$ 13,494,155</b> | <b>\$ 13,484,042</b> | <b>\$ 13,405,042</b> | <b>\$ 11,783,988</b> | <b>\$ 11,040,459</b> | <b>\$ 10,281,983</b> | <b>\$ 9,405,077</b>  | <b>\$ 8,562,146</b>  |
| <b>Less: Revenues Excluded From Coverage Test</b>                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| System Development Charges  | \$ (374,000)         | \$ (374,000)         | \$ (1,473,252)       | \$ (374,000)         | \$ (374,000)         | \$ (374,000)         | \$ (374,000)         | \$ (374,000)         | \$ (374,000)         | \$ (374,000)         | \$ (374,000)         |
| Other Capital Funding Sources   | \$ (7,500,000)       | \$ (795,688)         | \$ (790,150)         | \$ (850,938)         | \$ (900,663)         | \$ (839,888)         | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| <b>Equals: Net Income Available For Debt Service</b>                      | <b>\$ 11,767,896</b> | <b>\$ 11,780,033</b> | <b>\$ 12,403,874</b> | <b>\$ 12,269,217</b> | <b>\$ 12,209,380</b> | <b>\$ 12,191,154</b> | <b>\$ 11,409,988</b> | <b>\$ 10,666,459</b> | <b>\$ 9,907,983</b>  | <b>\$ 9,031,077</b>  | <b>\$ 8,188,146</b>  |
| <b>Net Income Available For Debt Service</b>                              | <b>\$ 11,767,896</b> | <b>\$ 11,780,033</b> | <b>\$ 12,403,874</b> | <b>\$ 12,269,217</b> | <b>\$ 12,209,380</b> | <b>\$ 12,191,154</b> | <b>\$ 11,409,988</b> | <b>\$ 10,666,459</b> | <b>\$ 9,907,983</b>  | <b>\$ 9,031,077</b>  | <b>\$ 8,188,146</b>  |
| Existing Senior Lien Debt   | 1,041,747            | 1,042,740            | 1,043,159            | 1,043,004            | 1,042,274            | 1,041,971            | 1,043,066            | 1,041,509            | 1,042,352            | 1,042,515            | -                    |
| New Senior Lien Debt - Input  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Cumulative New Senior Lien Debt - As Calculated                           | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Total Senior Lien Debt Service</b>                                     | <b>Req. 1.10</b>     | <b>\$ 1,041,747</b>  | <b>\$ 1,042,740</b>  | <b>\$ 1,043,159</b>  | <b>\$ 1,043,004</b>  | <b>\$ 1,042,274</b>  | <b>\$ 1,041,971</b>  | <b>\$ 1,043,066</b>  | <b>\$ 1,041,509</b>  | <b>\$ 1,042,352</b>  | <b>\$ 1,042,515</b>  |
| Calculated Debt Service Coverage (Test I)                                 | 1.10                 | 11.30                | 11.30                | 11.89                | 11.76                | 11.71                | 11.70                | 10.94                | 10.24                | 9.51                 | 8.66                 |
| Calculated Debt Service Coverage (Test II)                                | 1.20                 | 11.66                | 11.66                | 13.30                | 12.12                | 12.07                | 12.06                | 11.30                | 10.60                | 9.86                 | 9.02                 |
| <b>Cash Flow Test</b>   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Income Available For Debt Service                                     | \$ 11,767,896        | \$ 11,780,033        | \$ 12,403,874        | \$ 12,269,217        | \$ 12,209,380        | \$ 12,191,154        | \$ 11,409,988        | \$ 10,666,459        | \$ 9,907,983         | \$ 9,031,077         | \$ 8,188,146         |
| Less: Non-Operating Expenditures  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Net Interfund Transfers (In - Out)  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Net Debt Service Payment (Debt Service - System Development Charges Pmts) | (2,494,245)          | (2,495,238)          | (255,732)            | (1,066,360)          | (1,065,590)          | (799,381)            | (742,948)            | (741,391)            | (668,352)            | (668,515)            | -                    |
| Other Below The Line Expenses   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Capital Outlay  | (316,947)            | (316,947)            | (316,947)            | (316,947)            | (316,947)            | (316,947)            | (316,947)            | (316,947)            | (316,947)            | (316,947)            | (316,947)            |
| <b>Net Cash Flow</b>  | <b>\$ 8,956,704</b>  | <b>\$ 8,967,848</b>  | <b>\$ 11,831,195</b> | <b>\$ 10,885,911</b> | <b>\$ 10,826,843</b> | <b>\$ 11,074,826</b> | <b>\$ 10,350,094</b> | <b>\$ 9,608,122</b>  | <b>\$ 8,922,685</b>  | <b>\$ 8,045,615</b>  | <b>\$ 7,871,199</b>  |
| <b>Unrestricted Reserve Fund Test</b>                                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Balance At Beginning Of Fiscal Year                                       | \$ 23,529,248        | \$ 23,385,252        | \$ 18,456,038        | \$ 18,851,327        | \$ 19,792,151        | \$ 22,184,667        | \$ 24,581,144        | \$ 26,968,824        | \$ 28,591,976        | \$ 29,341,588        | \$ 29,032,524        |
| Cash Flow Surplus/(Deficit)   | 8,956,704            | 8,967,848            | 11,725,739           | 10,828,636           | 10,779,504           | 10,976,139           | 10,323,830           | 9,608,122            | 8,922,685            | 8,045,615            | 7,871,199            |
| Reserve Fund Balance Used For Cash Flow Deficit                           | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Projects Designated To Be Paid With Cash                                  | (9,100,700)          | (13,897,063)         | (11,330,450)         | (9,887,813)          | (8,386,988)          | (8,579,663)          | (7,936,150)          | (7,984,970)          | (8,173,073)          | (8,354,679)          | (8,650,768)          |
| Projects Paid With Reserve Funds (Non Specified Funds)                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Balance At End Of Fiscal Year   | 23,385,252           | 18,456,038           | 18,851,327           | 19,792,151           | 22,184,667           | 24,581,144           | 26,968,824           | 28,591,976           | 29,341,588           | 29,032,524           | 28,252,955           |
| Minimum Working Capital Reserve Target                                    | 10,427,392           | 10,782,266           | 11,135,514           | 11,485,093           | 11,847,292           | 12,220,918           | 12,590,881           | 12,975,027           | 13,373,192           | 13,785,954           | 14,213,917           |
| <b>Excess/(Deficiency) Of Working Capital To Target</b>                   | <b>\$ 12,957,859</b> | <b>\$ 7,673,772</b>  | <b>\$ 7,715,813</b>  | <b>\$ 8,307,057</b>  | <b>\$ 10,337,376</b> | <b>\$ 12,360,226</b> | <b>\$ 14,377,943</b> | <b>\$ 15,616,949</b> | <b>\$ 15,968,396</b> | <b>\$ 15,246,571</b> | <b>\$ 14,039,038</b> |

**Capital Project Funding Summary**

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| <b>FINAL CAPITAL PROJECTS FUNDING SOURCES</b> | <b>FY 2018</b>      | <b>FY 2019</b>      | <b>FY 2020</b>      | <b>FY 2021</b>      | <b>FY 2022</b>     | <b>FY 2023</b>     | <b>FY 2024</b>     | <b>FY 2025</b>     | <b>FY 2026</b>     | <b>FY 2027</b>     | <b>FY 2028</b>     |
|---|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| WATER SYSTEM DEVELOPMENT CHARGES (1)          | \$409,300           | \$0                 | \$0                 | \$0                 | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| SEWER SYSTEM DEVELOPMENT CHARGES              | 0                   | 0                   | 0                   | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| RECLAIMED GRANT PROCEEDS                      | 300,000             | 795,688             | 790,150             | 850,938             | 900,663            | 839,888            | 0                  | 0                  | 0                  | 0                  | 0                  |
| ASSESSMENTS (2)                               | 7,200,000           | 0                   | 0                   | 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| CASH DESIGNATED                               | 9,100,700           | 13,897,063          | 11,330,450          | 9,887,813           | 8,386,988          | 8,579,663          | 7,936,150          | 7,984,970          | 8,173,073          | 8,354,679          | 8,650,768          |
| <b>TOTAL PROJECTS PAID</b>                    | <b>\$17,010,000</b> | <b>\$14,692,750</b> | <b>\$12,120,600</b> | <b>\$10,738,750</b> | <b>\$9,287,650</b> | <b>\$9,419,550</b> | <b>\$7,936,150</b> | <b>\$7,984,970</b> | <b>\$8,173,073</b> | <b>\$8,354,679</b> | <b>\$8,650,768</b> |
| TOTAL CIP INPUT                               | \$17,010,000        | \$14,692,750        | \$12,120,600        | \$10,738,750        | \$9,287,650        | \$9,419,550        | \$7,936,150        | \$7,984,970        | \$8,173,073        | \$8,354,679        | \$8,650,768        |
| VARIANCE                                      | \$0                 | \$0                 | \$0                 | \$0                 | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |

(1) Water System Development Charges funding reflects the available fund balance, after debt service payments, for the expansion related CIP items. In FY 18, there are available funds for the Water Transmission Main improvements.

(2) The amount of funding reflected in the Assessments Fund represents the funds utilized in the extension of sewer services to the Unsewered Areas 4 & 5 identified in the 2006 Master Plan.

|  | FY 2018      | FY 2019      | FY 2020      | FY 2021      | FY 2022      | FY 2023      | FY 2024      | FY 2025      | FY 2026      | FY 2027      | FY 2028      |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>WATER SYSTEM DEVELOPMENT CHARGES</b>  |              |              |              |              |              |              |              |              |              |              |              |
| 1 BALANCE AT BEGINNING OF FISCAL YEAR    | \$ 409,300   | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| 2 ADDITIONAL ANNUAL REVENUES             | 141,600      | 141,600      | 141,600      | 141,600      | 141,600      | 141,600      | 141,600      | 141,600      | 141,600      | 141,600      | 141,600      |
| 3 LESS: PAYMENT OF DEBT SERVICE          | (141,600)    | (141,600)    | (141,600)    | (141,600)    | (141,600)    | (141,600)    | (141,600)    | (141,600)    | (141,600)    | (141,600)    | -            |
| 4 SUBTOTAL                               | 409,300      | -            | -            | -            | -            | -            | -            | -            | -            | -            | 141,600      |
| 5 LESS: RESTRICTED FUNDS                 | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 6 TOTAL AMOUNT AVAILABLE FOR PROJECTS    | 409,300      | -            | -            | -            | -            | -            | -            | -            | -            | -            | 141,600      |
| 7 AMOUNT PAID FOR PROJECTS               | (409,300)    | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 8 SUBTOTAL                               | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | 141,600      |
| 9 ADD BACK: RESTRICTED FUNDS             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 10 PLUS: INTEREST EARNINGS               | 2,046        | -            | -            | -            | -            | -            | -            | -            | -            | -            | 1,062        |
| 11 LESS: INTEREST ALLOCATED TO CASH FLOW | (2,046)      | -            | -            | -            | -            | -            | -            | -            | -            | -            | (1,062)      |
| 12 BALANCE AT END OF FISCAL YEAR         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 141,600   |
| <b>SEWER SYSTEM DEVELOPMENT CHARGES</b>  |              |              |              |              |              |              |              |              |              |              |              |
| 13 BALANCE AT BEGINNING OF FISCAL YEAR   | \$ 350,247   | \$ 350,247   | \$ 350,247   | \$ 638,740   | \$ 638,740   | \$ 638,740   | \$ 638,740   | \$ 638,740   | \$ 638,740   | \$ 638,740   | \$ 638,740   |
| 14 ADDITIONAL ANNUAL REVENUES            | 232,400      | 232,400      | 1,331,652    | 232,400      | 232,400      | 232,400      | 232,400      | 232,400      | 232,400      | 232,400      | 232,400      |
| 15 LESS: PAYMENT OF DEBT SERVICE         | (232,400)    | (232,400)    | (1,043,159)  | (232,400)    | (232,400)    | (232,400)    | (232,400)    | (232,400)    | (232,400)    | (232,400)    | -            |
| 16 SUBTOTAL                              | 350,247      | 350,247      | 638,740      | 638,740      | 638,740      | 638,740      | 638,740      | 638,740      | 638,740      | 638,740      | 871,140      |
| 17 LESS: RESTRICTED FUNDS                | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 18 TOTAL AMOUNT AVAILABLE FOR PROJECTS   | 350,247      | 350,247      | 638,740      | 638,740      | 638,740      | 638,740      | 638,740      | 638,740      | 638,740      | 638,740      | 871,140      |
| 19 AMOUNT PAID FOR PROJECTS              | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 20 SUBTOTAL                              | 350,247      | 350,247      | 638,740      | 638,740      | 638,740      | 638,740      | 638,740      | 638,740      | 638,740      | 638,740      | 871,140      |
| 21 ADD BACK: RESTRICTED FUNDS            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 22 PLUS: INTEREST EARNINGS               | 3,502        | 4,378        | 7,417        | 9,581        | 9,581        | 9,581        | 9,581        | 9,581        | 9,581        | 9,581        | 11,324       |
| 23 LESS: INTEREST ALLOCATED TO CASH FLOW | (3,502)      | (4,378)      | (7,417)      | (9,581)      | (9,581)      | (9,581)      | (9,581)      | (9,581)      | (9,581)      | (9,581)      | (11,324)     |
| 24 BALANCE AT END OF FISCAL YEAR         | \$ 350,247   | \$ 350,247   | \$ 638,740   | \$ 638,740   | \$ 638,740   | \$ 638,740   | \$ 638,740   | \$ 638,740   | \$ 638,740   | \$ 638,740   | \$ 871,140   |
| <b>RECLAIMED GRANT PROCEEDS</b>          |              |              |              |              |              |              |              |              |              |              |              |
| 25 BALANCE AT BEGINNING OF FISCAL YEAR   | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| 26 ADDITIONAL ANNUAL REVENUES            | 300,000      | 795,688      | 790,150      | 850,938      | 900,663      | 839,888      | -            | -            | -            | -            | -            |
| 27 LESS: PAYMENT OF DEBT SERVICE         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 28 SUBTOTAL                              | 300,000      | 795,688      | 790,150      | 850,938      | 900,663      | 839,888      | -            | -            | -            | -            | -            |
| 29 LESS: RESTRICTED FUNDS                | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 30 TOTAL AMOUNT AVAILABLE FOR PROJECTS   | 300,000      | 795,688      | 790,150      | 850,938      | 900,663      | 839,888      | -            | -            | -            | -            | -            |
| 31 AMOUNT PAID FOR PROJECTS              | (300,000)    | (795,688)    | (790,150)    | (850,938)    | (900,663)    | (839,888)    | -            | -            | -            | -            | -            |
| 32 SUBTOTAL                              | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 33 ADD BACK: RESTRICTED FUNDS            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 34 PLUS: INTEREST EARNINGS               | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 35 LESS: INTEREST ALLOCATED TO CASH FLOW | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 36 BALANCE AT END OF FISCAL YEAR         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>RENEWAL &amp; REPLACEMENT</b>         |              |              |              |              |              |              |              |              |              |              |              |
| 37 BALANCE AT BEGINNING OF FISCAL YEAR   | \$ 1,136,822 | \$ 1,136,822 | \$ 1,136,822 | \$ 1,136,822 | \$ 1,136,822 | \$ 1,136,822 | \$ 1,136,822 | \$ 1,136,822 | \$ 1,136,822 | \$ 1,136,822 | \$ 1,136,822 |
| 38 ADDITIONAL ANNUAL REVENUES            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 39 LESS: PAYMENT OF DEBT SERVICE         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 40 SUBTOTAL                              | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    |
| 41 LESS: RESTRICTED FUNDS                | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| 42 TOTAL AMOUNT AVAILABLE FOR PROJECTS   | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    | 1,136,822    |
| 43 AMOUNT PAID FOR PROJECTS              | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |

Funding Summary by Fund

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|                            | FY 2018                               | FY 2019       | FY 2020       | FY 2021       | FY 2022       | FY 2023       | FY 2024       | FY 2025       | FY 2026       | FY 2027       | FY 2028       |               |
|----------------------------|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 44                         | SUBTOTAL                              | 1,136,822     | 1,136,822     | 1,136,822     | 1,136,822     | 1,136,822     | 1,136,822     | 1,136,822     | 1,136,822     | 1,136,822     | 1,136,822     |               |
| 45                         | ADD BACK: RESTRICTED FUNDS            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |               |
| 46                         | PLUS: INTEREST EARNINGS               | 11,368        | 14,210        | 17,052        | 17,052        | 17,052        | 17,052        | 17,052        | 17,052        | 17,052        | 17,052        |               |
| 47                         | LESS: INTEREST ALLOCATED TO CASH FLOW | (11,368)      | (14,210)      | (17,052)      | (17,052)      | (17,052)      | (17,052)      | (17,052)      | (17,052)      | (17,052)      | (17,052)      |               |
| 48                         | BALANCE AT END OF FISCAL YEAR         | \$ 1,136,822  | \$ 1,136,822  | \$ 1,136,822  | \$ 1,136,822  | \$ 1,136,822  | \$ 1,136,822  | \$ 1,136,822  | \$ 1,136,822  | \$ 1,136,822  | \$ 1,136,822  |               |
| <b>SPECIAL ASSESSMENTS</b> |                                       |               |               |               |               |               |               |               |               |               |               |               |
| 49                         | BALANCE AT BEGINNING OF FISCAL YEAR   | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |               |
| 50                         | ADDITIONAL ANNUAL REVENUES            | 7,200,000     | -             | -             | -             | -             | -             | -             | -             | -             | -             |               |
| 51                         | LESS: PAYMENT OF DEBT SERVICE         | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |               |
| 52                         | SUBTOTAL                              | 7,200,000     | -             | -             | -             | -             | -             | -             | -             | -             | -             |               |
| 53                         | LESS: RESTRICTED FUNDS                | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |               |
| 54                         | TOTAL AMOUNT AVAILABLE FOR PROJECTS   | 7,200,000     | -             | -             | -             | -             | -             | -             | -             | -             | -             |               |
| 55                         | AMOUNT PAID FOR PROJECTS              | (7,200,000)   | -             | -             | -             | -             | -             | -             | -             | -             | -             |               |
| 56                         | SUBTOTAL                              | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |               |
| 57                         | ADD BACK: RESTRICTED FUNDS            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |               |
| 58                         | PLUS: INTEREST EARNINGS               | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |               |
| 59                         | LESS: INTEREST ALLOCATED TO CASH FLOW | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |               |
| 60                         | BALANCE AT END OF FISCAL YEAR         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |               |
| <b>REVENUE FUND</b>        |                                       |               |               |               |               |               |               |               |               |               |               |               |
| 61                         | BALANCE AT BEGINNING OF FISCAL YEAR   | \$ 23,529,248 | \$ 23,385,252 | \$ 18,456,038 | \$ 18,851,327 | \$ 19,792,151 | \$ 22,184,667 | \$ 24,581,144 | \$ 26,968,824 | \$ 28,591,976 | \$ 29,341,588 | \$ 29,032,524 |
| 62                         | ADDITIONAL ANNUAL REVENUES            | 8,956,704     | 8,967,848     | 11,725,739    | 10,828,636    | 10,779,504    | 10,976,139    | 10,323,830    | 9,608,122     | 8,922,685     | 8,045,615     | 7,871,199     |
| 63                         | LESS: CASH-FUNDED CAPITAL PROJECTS    | (9,100,700)   | (13,897,063)  | (11,330,450)  | (9,887,813)   | (8,386,988)   | (8,579,663)   | (7,936,150)   | (7,984,970)   | (8,173,073)   | (8,354,679)   | (8,650,768)   |
| 64                         | LESS: PAYMENT OF DEBT SERVICE         | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 65                         | SUBTOTAL                              | 23,385,252    | 18,456,038    | 18,851,327    | 19,792,151    | 22,184,667    | 24,581,144    | 26,968,824    | 28,591,976    | 29,341,588    | 29,032,524    | 28,252,955    |
| 66                         | LESS: RESTRICTED FUNDS                | (10,427,392)  | (10,782,266)  | (11,135,514)  | (11,485,093)  | (11,847,292)  | (12,220,918)  | (12,590,881)  | (12,975,027)  | (13,373,192)  | (13,785,954)  | (14,213,917)  |
| 67                         | TOTAL AMOUNT AVAILABLE FOR PROJECTS   | 12,957,859    | 7,673,772     | 7,715,813     | 8,307,057     | 10,337,376    | 12,360,226    | 14,377,943    | 15,616,949    | 15,968,396    | 15,246,571    | 14,039,038    |
| 68                         | AMOUNT PAID FOR PROJECTS              | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 69                         | SUBTOTAL                              | 12,957,859    | 7,673,772     | 7,715,813     | 8,307,057     | 10,337,376    | 12,360,226    | 14,377,943    | 15,616,949    | 15,968,396    | 15,246,571    | 14,039,038    |
| 70                         | ADD BACK: RESTRICTED FUNDS            | 10,427,392    | 10,782,266    | 11,135,514    | 11,485,093    | 11,847,292    | 12,220,918    | 12,590,881    | 12,975,027    | 13,373,192    | 13,785,954    | 14,213,917    |
| 71                         | PLUS: INTEREST EARNINGS               | 234,572       | 261,508       | 279,805       | 289,826       | 314,826       | 350,744       | 386,625       | 416,706       | 434,502       | 437,806       | 429,641       |
| 72                         | LESS: INTEREST ALLOCATED TO CASH FLOW | (234,572)     | (261,508)     | (279,805)     | (289,826)     | (314,826)     | (350,744)     | (386,625)     | (416,706)     | (434,502)     | (437,806)     | (429,641)     |
| 73                         | BALANCE AT END OF FISCAL YEAR         | \$ 23,385,252 | \$ 18,456,038 | \$ 18,851,327 | \$ 19,792,151 | \$ 22,184,667 | \$ 24,581,144 | \$ 26,968,824 | \$ 28,591,976 | \$ 29,341,588 | \$ 29,032,524 | \$ 28,252,955 |
| <b>RESTRICTED RESERVES</b> |                                       |               |               |               |               |               |               |               |               |               |               |               |
| 74                         | BALANCE AT BEGINNING OF FISCAL YEAR   | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  |
| 75                         | ADDITIONAL FUNDS:                     | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 76                         | DEBT SERVICE RESERVE ON NEW DEBT      | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 77                         | OTHER ADDITIONAL FUNDS                | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 78                         | SUBTOTAL                              | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  |
| 79                         | PLUS: INTEREST EARNINGS               | 31,533        | 39,416        | 47,299        | 47,299        | 47,299        | 47,299        | 47,299        | 47,299        | 47,299        | 47,299        | 47,299        |
| 80                         | LESS: INTEREST ALLOCATED TO CASH FLOW | (31,533)      | (39,416)      | (47,299)      | (47,299)      | (47,299)      | (47,299)      | (47,299)      | (47,299)      | (47,299)      | (47,299)      | (47,299)      |
| 81                         | BALANCE AT END OF FISCAL YEAR         | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  | \$ 3,153,262  |

Senior Lien Borrowing Projections

Schedule 13

|   | FY 2018    | FY 2019    | FY 2020    | FY 2021    | FY 2022    | FY 2023    | FY 2024    | FY 2025    | FY 2026    | FY 2027    | FY 2028    |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Term (Years)                              | 30         | 30         | 30         | 30         | 30         | 30         | 30         | 30         | 30         | 30         | 30         |
| Interest Rate                             | 4.00%      | 4.25%      | 4.50%      | 4.75%      | 5.00%      | 5.00%      | 5.00%      | 5.00%      | 5.00%      | 5.00%      | 5.00%      |
| <b>Sources of Funds</b>                   |            |            |            |            |            |            |            |            |            |            |            |
| Par Amount                                | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
| Interest During Construction              | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| <b>Total Sources</b>                      | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
| <b>Uses of Funds</b>                      |            |            |            |            |            |            |            |            |            |            |            |
| Proceeds                                  | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
| Cost of Issuance                          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Underwriter's Discount                    | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Bond Insurance                            | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Capitalized Interest                      | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Debt Service Surety                       | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Debt Service Reserve                      | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Other Costs                               | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| <b>Total Uses</b>                         | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
| 1 Year Interest                           | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
| Annual Debt Service                       | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
| <b>Total Debt Service</b>                 | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
| <b>Cumulative New Annual Debt Service</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |