



City of Mount Pleasant

Water and Wastewater System Financial Sufficiency Review

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Municipal Technical Advisory Service
INSTITUTE *for* PUBLIC SERVICE

MTAS Mission

The City of Mount Pleasant asked MTAS to conduct a financial review of its water and wastewater utilities. More specifically, the City was interested in determining if Outside City Water Rates are sufficient to cover costs associated with serving those customers. It is the understanding of MTAS that the City prefers to keep its current rate structure basically intact. In order to prepare the requested study, MTAS had the following goals:

- Prepare a multi-year financial analysis of the water and wastewater utilities.
- Perform a cost of services analysis of the water utility.
- Consider the financial impact of implementing the capital investment plan in plant and equipment over the same period.
- Consider any new grant revenues and/or debt issuances.
- Evaluate the costs of debt and depreciation associated with the capital investment plan.
- Project any necessary water and wastewater rate changes to operate the utility on a sound financial basis.

Mount Pleasant Water and Wastewater System

The City of Mount Pleasant is located middle Tennessee in Maury County. The 2022 population of the City was 5,296. The City is governed by a Commission consisting of a Mayor and four Commissioners. The City Commission also serves as the utility board.

The City operates a water treatment facility with a design capacity of 2.0 MGD. The City operates a wastewater treatment facility with a current design capacity of 0.71 MGD, which is being improved to increase the design capacity to 0.90 MGD.

The City's customer base as of June 30, 2022, was as follows:

| | | |
|-------|--------------------------|-----------|
| Water | Residential Inside City | 1,482 |
| | Residential Outside City | 213 |
| | Sheepneck/Elk Ridge | 576 |
| | Mt Joy | 159 |
| | Commercial | 180 |
| | Industrial | <u>40</u> |
| | Total | 2,650 |
| Sewer | Inside City | 1,416 |

Change in Net Position

The City's Water and Sewer Fund has reported a positive change in net position for at least the last five fiscal years - FY 18 through FY 22. Those fiscal years make up the base data used in the study.

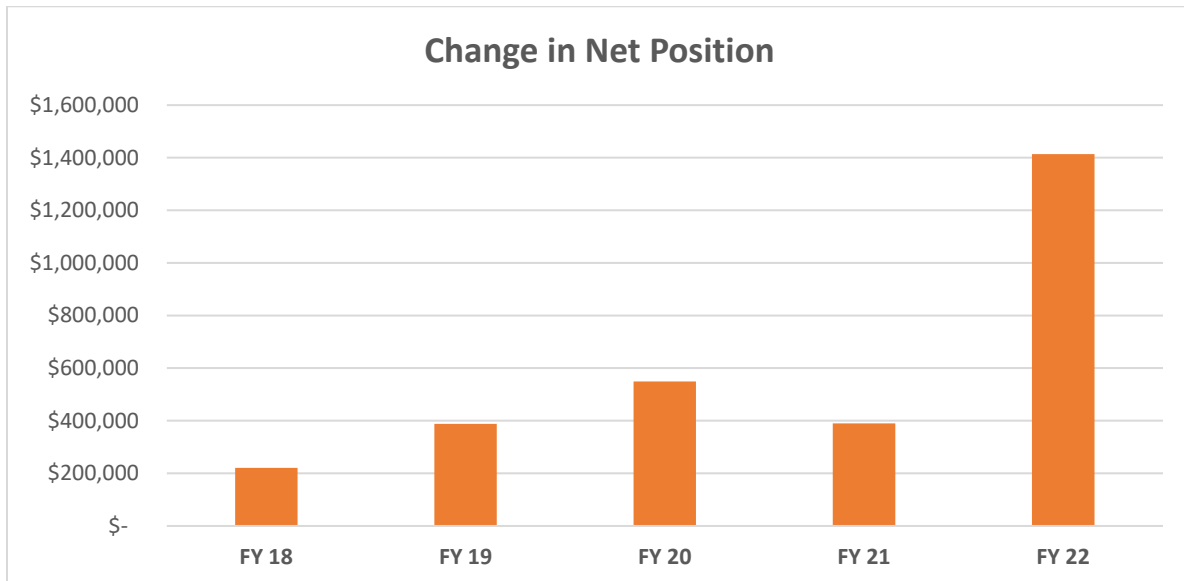
Items that have a positive effect on net position are:

- Positive income from operations
- Positive nonoperating revenue (interest earnings)
- Grants
- Contributions

Items that have a negative effect on net position are:

- Negative income from operations
- Nonoperating expenses (interest payments)
- Transfers out

The following chart shows the change in net position for the previous five fiscal years.



State Requirements for the Financial Operation of Public Utilities

The State of Tennessee requires that municipal utility systems be financially self-supporting. To provided oversight and support to ensure that municipal water and sewer enterprises are financially sustainable, the State has created the Water & Wastewater Financing Board (WWFB). This Board oversees the financially distressed water and wastewater systems. Per State law, TCA 68-221-1010, a system would be considered to be in financial distress if it meets any of the following conditions:

- Has a deficit total net position in any one year.
- Has a negative statutory change in net position for two consecutive years.
- Is in default on any of its debt instruments.

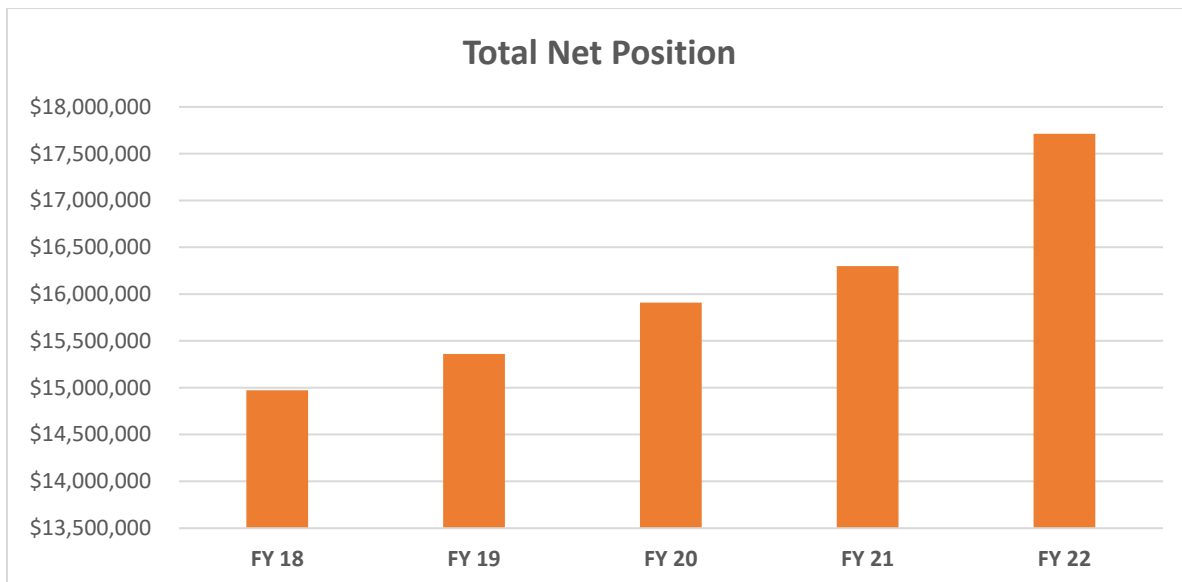
Statutory change in net position is defined as the following:

Change in Net Position (GAAP Basis)

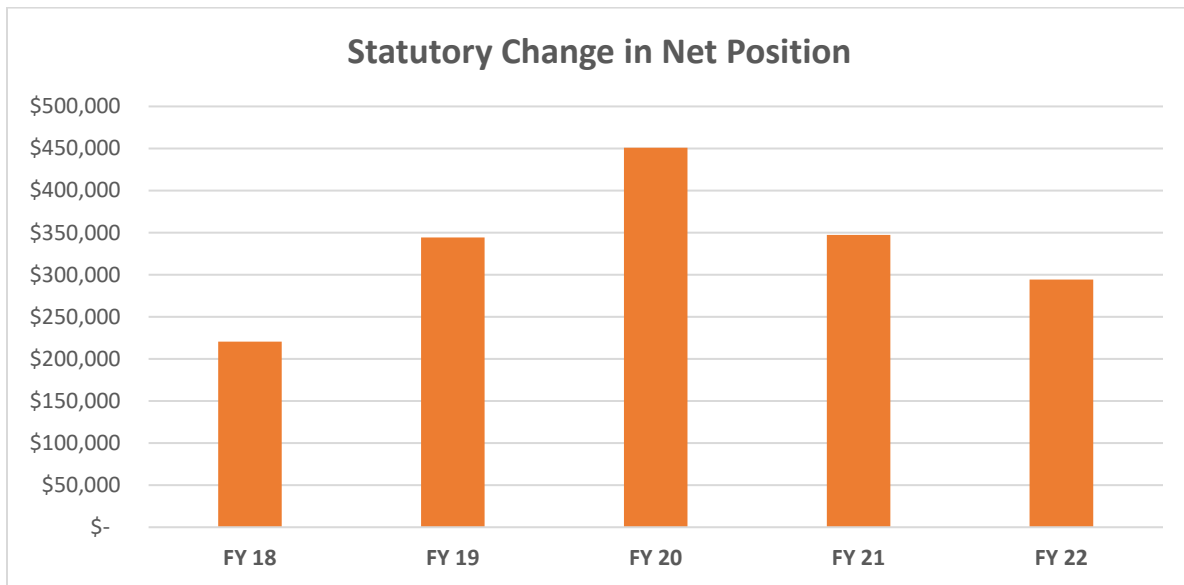
Less: Grants – Capital
Grants – Operating
Capital Contributions
Interfund Transfers from Other Funds

Equals: Statutory Change in Net Position

For the previous five fiscal years, which have been audited, the City has reported the following Total Net Position of the Water & Sewer Fund:



The following chart represents the Statutory Change in Net Position for previous five fiscal years that have been audited:



Most notably, the City has not reported a negative Statutory Change in Net Position over the last five fiscal years, but has started to experience a decline.

(Reference Exhibit 1)

The City is currently not in default on any of its debt obligations.

Water Loss

The City has experienced various levels of water loss over the last several years. This is defined as non-revenue water as a percent by volume of water supplied. These historical percentages for the last five years available are:

| | |
|-------|-------|
| FY 17 | 52.4% |
| FY 18 | 54.0% |
| FY 19 | 48.8% |
| FY 20 | 48.2% |
| FY 21 | 46.2% |

Current Rate Structure

Water Rates:

Residential Inside City Limits

| | |
|---|---------|
| Minimum monthly charge, up to 2,000 gallons | \$16.00 |
| Unit charge above 2,000 gallons | \$3.04 |

Residential Outside City Limits

| | |
|---|---------|
| Minimum monthly charge, up to 2,000 gallons | \$25.00 |
| Unit charge above 2,000 gallons | \$4.55 |

Lewis County Water Line Extension

| | |
|-----------------------------|---------|
| Minimum monthly charge | \$54.00 |
| Unit charge above 0 gallons | \$6.00 |

Commercial

| | |
|---|---------|
| Minimum monthly charge, up to 2,000 gallons | \$23.00 |
| Unit charge above 2,000 gallons | \$4.55 |

Industrial

| | |
|---|---------|
| Minimum monthly charge, up to 2,000 gallons | \$31.00 |
| Unit charge above 2,000 gallons | \$6.07 |

Sewer Rates:

Residential

| | |
|---|---------|
| Minimum monthly charge, up to 2,000 gallons | \$50.00 |
| Unit charge above 2,000 gallons | \$5.89 |

Commercial

| | |
|---|---------|
| Minimum monthly charge, up to 2,000 gallons | \$62.00 |
| Unit charge above 2,000 gallons | \$8.15 |

Industrial

| | |
|---|----------|
| Minimum monthly charge, up to 2,000 gallons | \$150.00 |
| Unit charge above 2,000 gallons | \$8.15 |

Debt Service

The City has multiple bonds and loans outstanding. As of June 30, 2022, the principal balances of these debt obligations are as follows:

| | |
|-----------------------|----------------|
| USDA Water Plant Loan | \$ 4,326,720 |
| Series 2020 Bonds | 480,850 |
| Mt Joy Bonds | <u>183,539</u> |
| Total | \$ 4,991,109 |

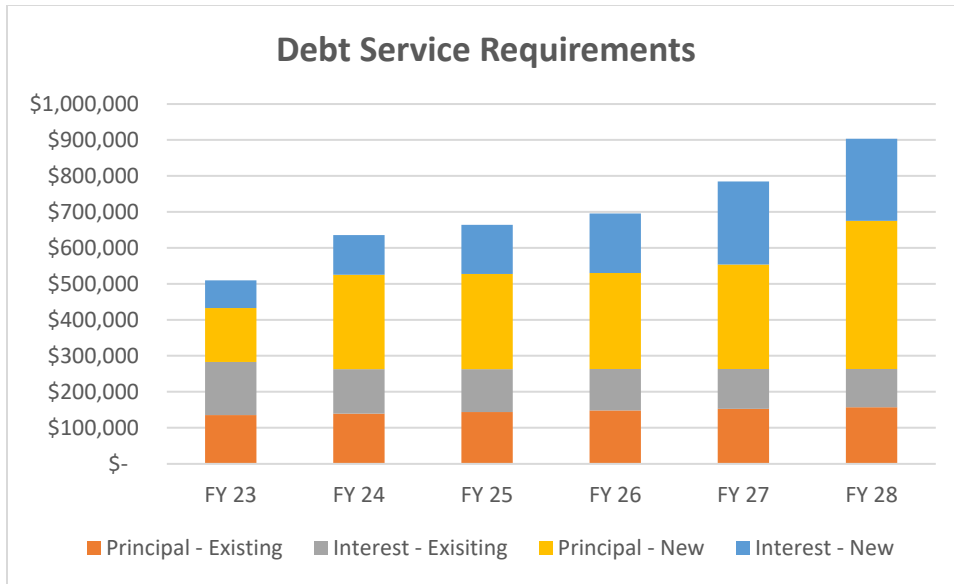
The City also has two additional USDA Loans that are in process for the wastewater project. Payments on the first USDA loan are expected to begin in FY 23. Payments on the second USDA Loan are expected to begin in FY 24 upon completion of the project. The principal balances of those loans will be:

| | |
|-------------|------------------|
| USDA Loan 1 | \$ 6,830,000 |
| USDA Loan 2 | <u>1,892,000</u> |
| Total | \$ 8,722,000 |

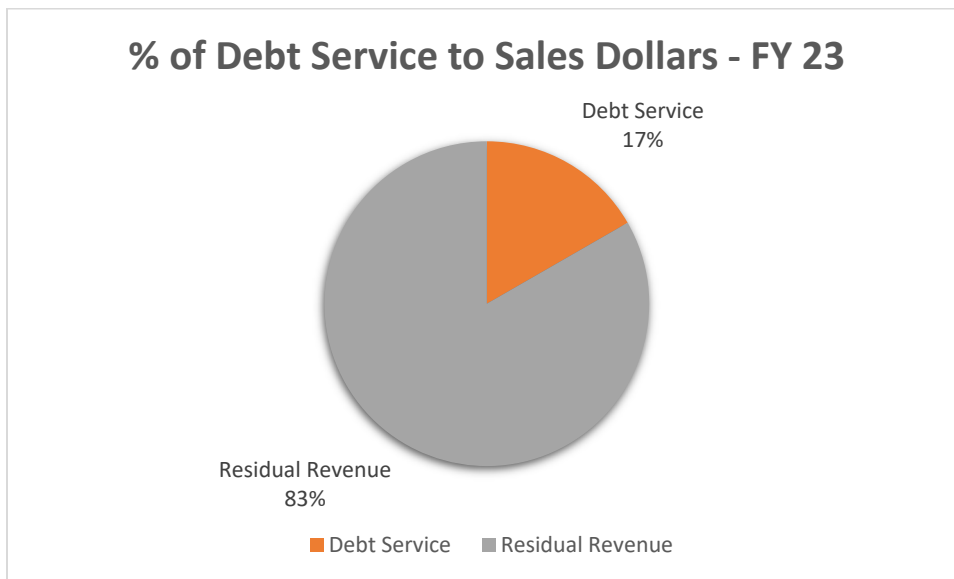
The City also anticipates additional debt being issued during the study period to fund new capital projects. The projected principal balances of these loans will be:

| | |
|-------------------------------------|----------------|
| Trunkline | \$ 4,000,000 |
| Sheepneck Pump | 1,000,000 |
| Williams Hollow Spring/Line Replace | 811,000 |
| Vehicle Replacements | 370,000 |
| Sewer Rehab | <u>900,000</u> |
| Total | \$ 7,081,000 |

The projected debt service requirements are as follows (reference Exhibit 2):



Based on the amounts projected for FY 23, \$0.17 of every \$1.00 of sales generated will be needed to cover principal and interest requirements, as represented graphically below.



The breakdown of debt service to sales dollars for Water is \$0.18 per \$1.00 of sales and for Sewer it is \$0.15 per \$1.00 of sales generated.

Capital Projects

The City has a major capital project in the wastewater system currently in process. This project is being funded by USDA loans, USDA grants, a CDBG grant, and ARPA funds in conjunction with

part of the City's cash reserves. The total estimated cost of this project is \$18,908,000. It is estimated that the construction will be completed during Fiscal Year 24.

The City also has other proposed capital projects included in the study. These projects are known as:

- TDOT Utility Relocation Arrow Mines
- Water Meters
- Scada
- 308 Cat
- Trunkline 16"
- Water Leaks/System Improvements
- Sheepneck Pump
- Williams Hollow Spring Improvement & Line Replacement
- Sewer Rehab
- Vehicle Replacements

These capital projects will be funded by a combination of debt issuances, grant proceeds, and the use of cash reserves. The multi-year Capital Investment Plan can be found in Exhibit 3. The funding source for each project can be found in Exhibit 3a.

As a result of additional capital investments in the system, depreciation expense (Exhibit 4) is expected to increase.

Financial Analysis – Case 1

This multi-year financial analysis (Exhibit 5) represents the baseline for the study and is an analysis of the current condition. The purpose of the baseline is to assess whether the City's current rate structure will generate a sufficient level of revenues to ensure that the water and sewer utility will be self-supporting and generate a positive statutory change in net position.

The following assumptions were used to develop the financial analysis for Case 1:

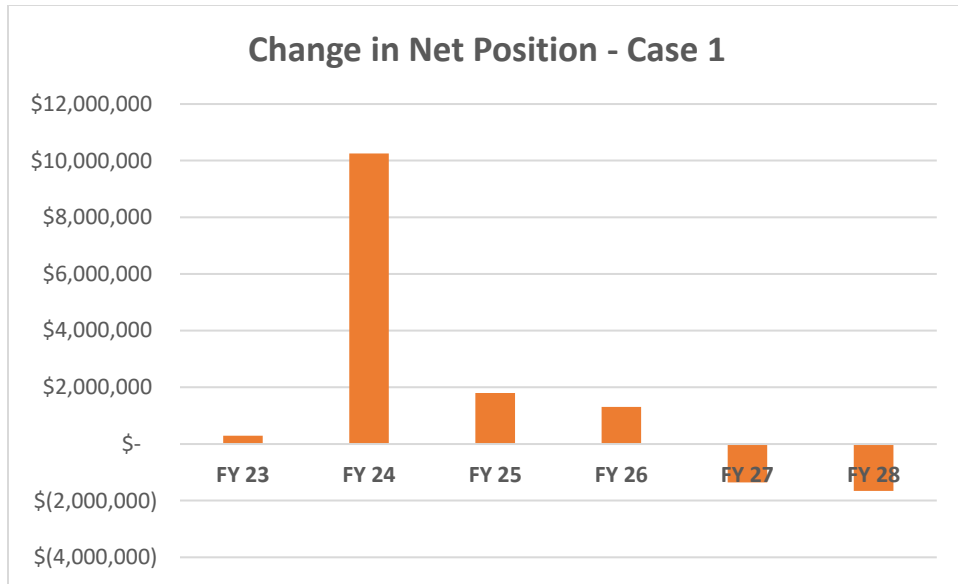
- FY 23 was established as the base year and the City's budget was used for this.
- Revenues (Exhibit 6a & 6b):
 - Budget revenues for FY 23 were used as the base.
 - No additional rate increases are included in future years.
 - Annual growth in customer base of:

- 1% annually for Residential Water, Inside and Outside for FY 24 and FY 25, then 2% annually for FY 26, FY 27, and FY 28.
 - 1% annually for Sewer for FY 24 and FY 25, then 2% annually for FY 26, FY 27, and FY 28.
 - Tap Fees and Other Revenues are based on previous 3-year average.
 - Interest Income is based on budget.
- Expenses:
 - Annual increases in operating expenses due to growth and inflation were based on the following:

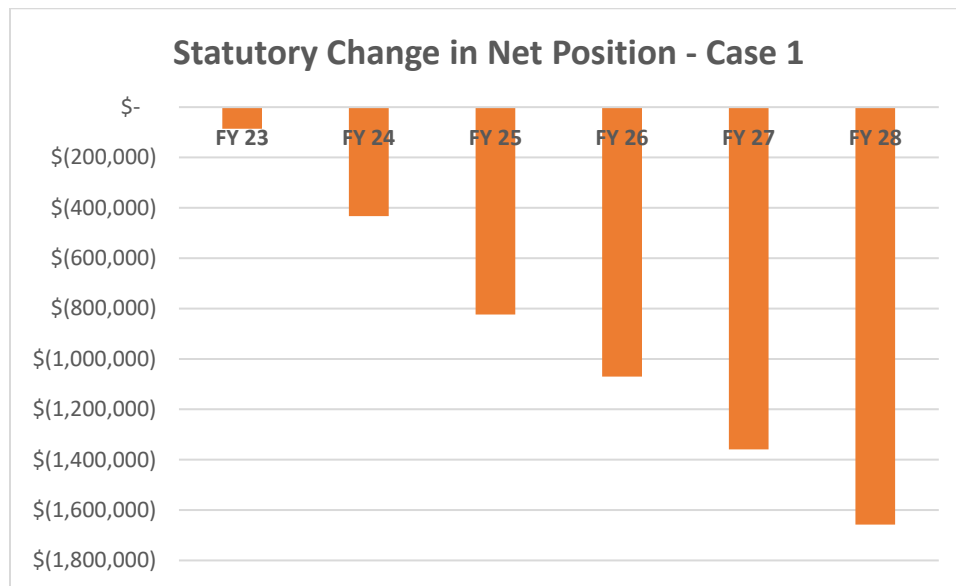
| | |
|-------------------------|-----|
| ▪ Salaries | 3% |
| ▪ Employee Benefits | 10% |
| ▪ Fees | 3% |
| ▪ Utilities | 8% |
| ▪ Professional Services | 3% |
| ▪ Insurance | 3% |
| ▪ Repairs & Maintenance | 3% |
| ▪ Operating Supplies | 4% |
| ▪ Office Expense | 4% |
| ▪ Vehicle Expense | 8% |
| ▪ Miscellaneous | 3% |
 - For FY 27 and FY 28, \$100,000 per year was added to Professional Services for the development of a Raw Water Line Plan.
 - For FY 28, \$250,000 was added to Repairs and Maintenance for the Tank Painting/Maintenance Project.
 - Depreciation expense is based on the City's current fixed asset schedule and the new depreciation included in the capital investment plan (Exhibit 4).
 - Interest expense is based on the amortization schedules of existing debt as well as new debt issuances (Exhibit 2).

Using the FY 23 budget as the base year and the assumptions listed above, financial projections were prepared through FY 28. Following are the key observations of this analysis:

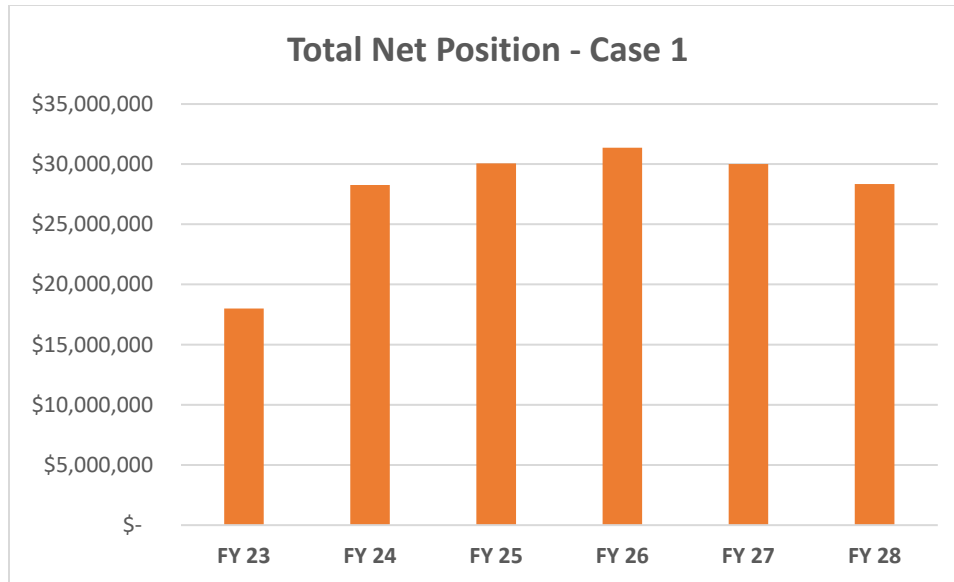
- Revenues from water sales and wastewater services are projected to have marginal increases each year with growth in customer base.
- Operating expenses, including depreciation, rise annually.
- Interest expense, which is a nonoperating expense, increases annually as new debt is issued.
- Change in Net Position is expected to go negative in FY 27 and continue to decline through FY 28, as reflected in the chart below:



- Statutory Change in Net Position is expected to go negative in FY 23 and continue to decline through FY 28, as reflected in the chart below:



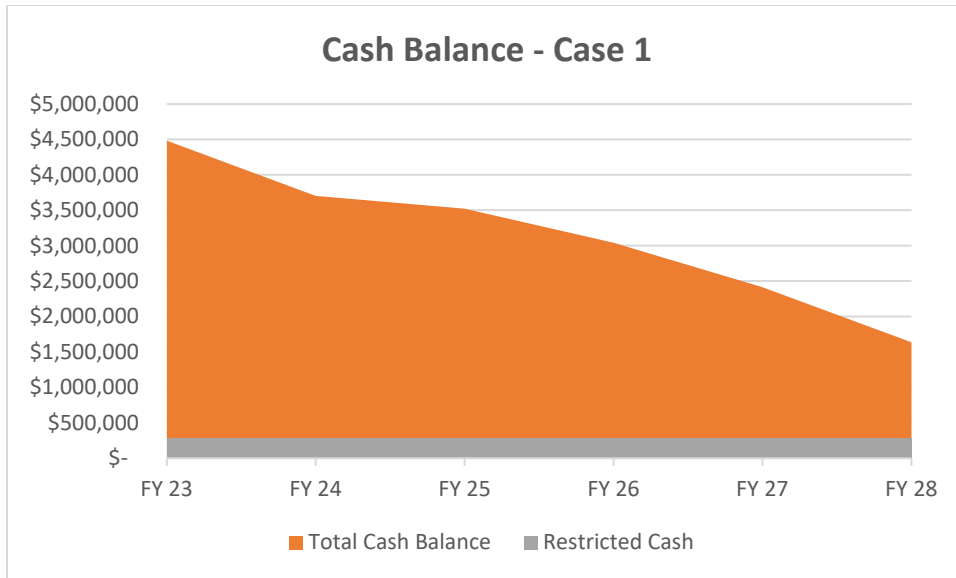
- Total Net Position will remain strong, however, it will begin to decline in FY 27 as reflected in the chart below:



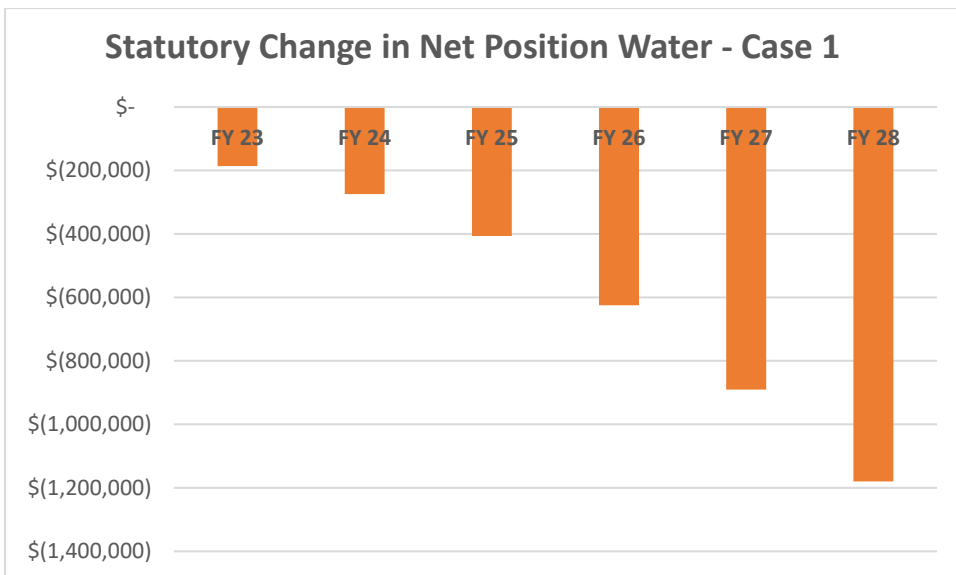
Cash flow was also reviewed as part of this analysis (Exhibit 7). Factors that affect cash flow are:

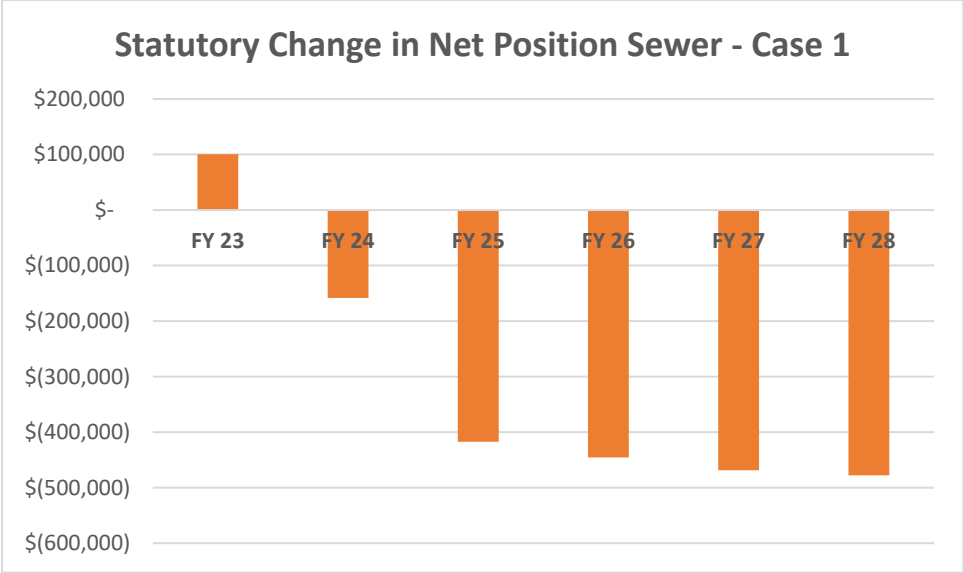
- Depreciation expense:
 - An operating expense that must be funded by revenue but is an expense that does not reduce cash.
 - The cash generated by funding this expense should be invested or used to replace the utility's assets as they wear out, offsetting some of the debt requirements for future capital investment.
- Revenues exceeding operating and nonoperating expenses and transfers increase cash.
- Proceeds from the issuance of debt provides cash for capital investments.
- Proceeds from grants provides cash for capital investments.
- Debt principal payments, which are not an expense of the utility, reduce cash as they reduce debt liability.

As detailed in the chart below, cash is expected to decline through FY 28 as cash reserves are used to fund capital projects, debt service, and increases in operational expenses.



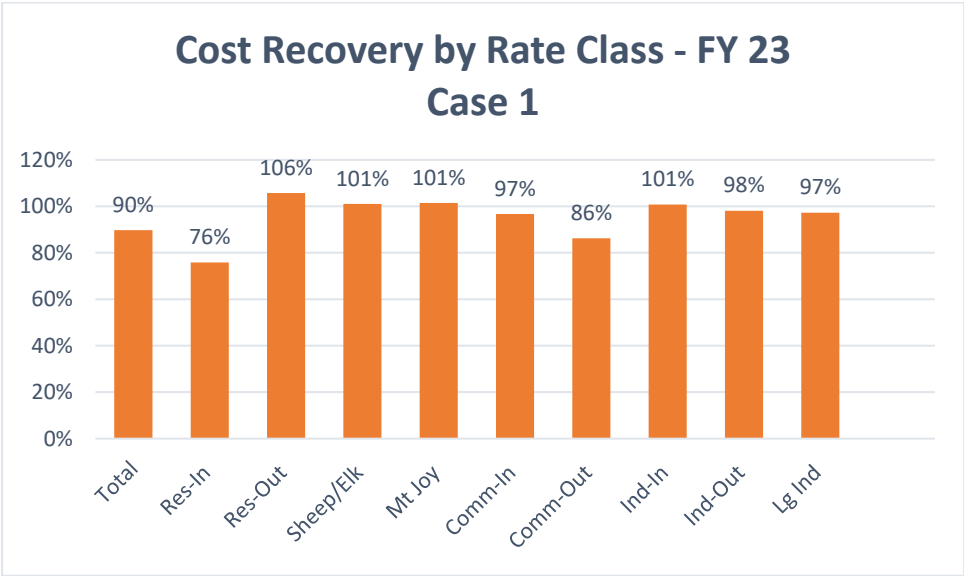
Not only is it important to understand the financial performance of the water and sewer systems as a whole, but also separately. This is to ensure that each function is generating enough revenues to support all associated costs. Further, since the functions are reported as one fund, it is important to know if one function is subsidizing the other financially. Detailed financial projections for each system can be found in Exhibits 5a and 5b. The following charts show the statutory change in net position for each function.





Currently, it appears that the sewer system is subsidizing the water system financially. However, starting in FY 24, the statutory change in net position for both systems is projected to be negative and continue to decline through the period of the study.

Another goal of this study was to perform a cost of services analysis for the water utility to determine if revenues generated from each rate class are recovering the associated costs. The detailed cost allocation can be found in Exhibit 8. Based on the cost allocation, the current cost recovery by rate class is as follows:



Financial Analysis – Case 2

The purpose of this multi-year financial analysis (Exhibit 9) is to include rate adjustments to correct the negative statutory change in net position that the City would experience as detailed in Case 1. The same assumptions for the base year, revenues, and expenses used in Case 1 were used in Case 2, with the addition of rate increases applied consistently to all customer classes. Those rate increases (Exhibit 10a and 10b) are as follows:

Water rate increases:

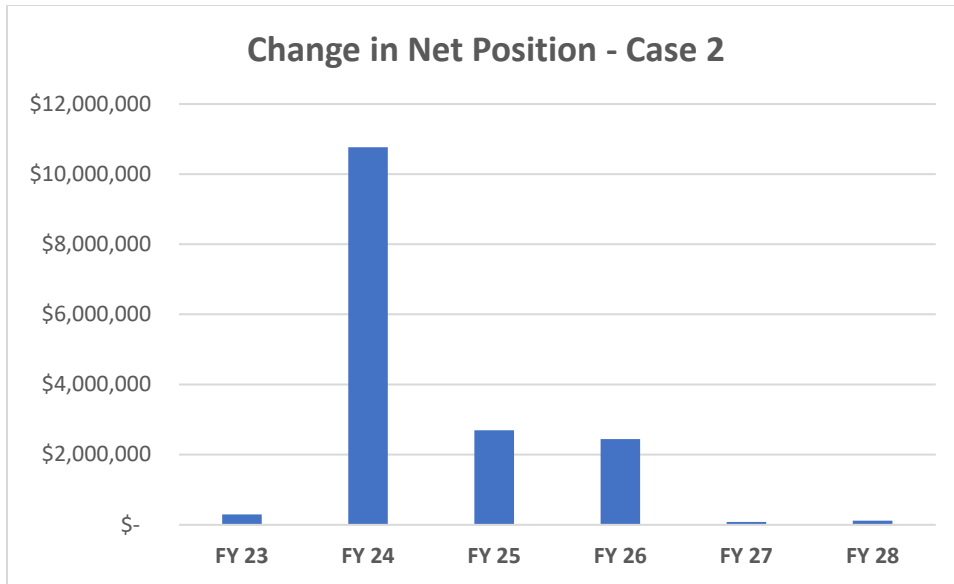
- FY 24 22.0%
- FY 25 7.0%
- FY 26 11.0%
- FY 27 12.0%
- FY 28 12.0%

Sewer rate increases:

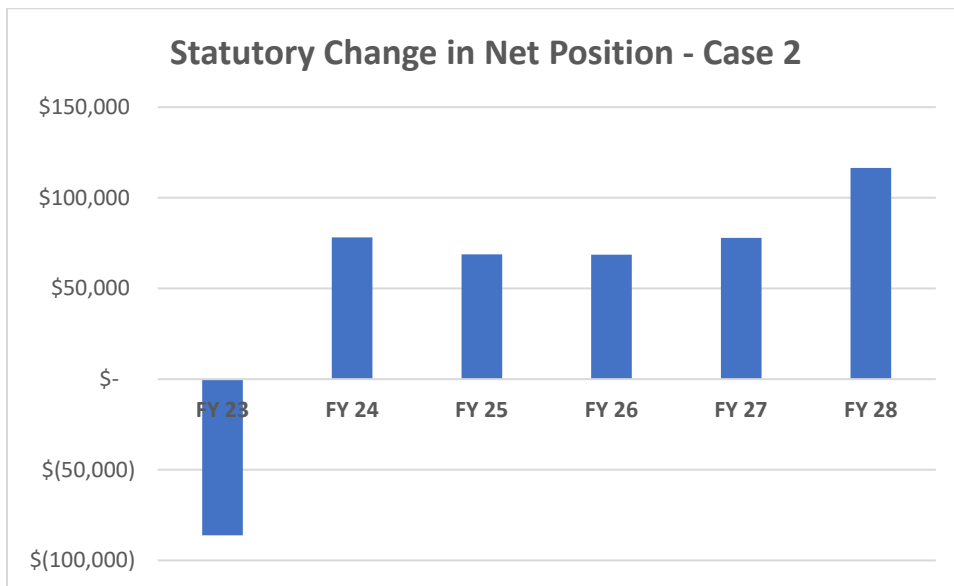
- FY 24 12.0%
- FY 25 14.0%
- FY 26 1.0%
- FY 27 1.0%
- FY 28 1.0%

Following are the key observations of this analysis:

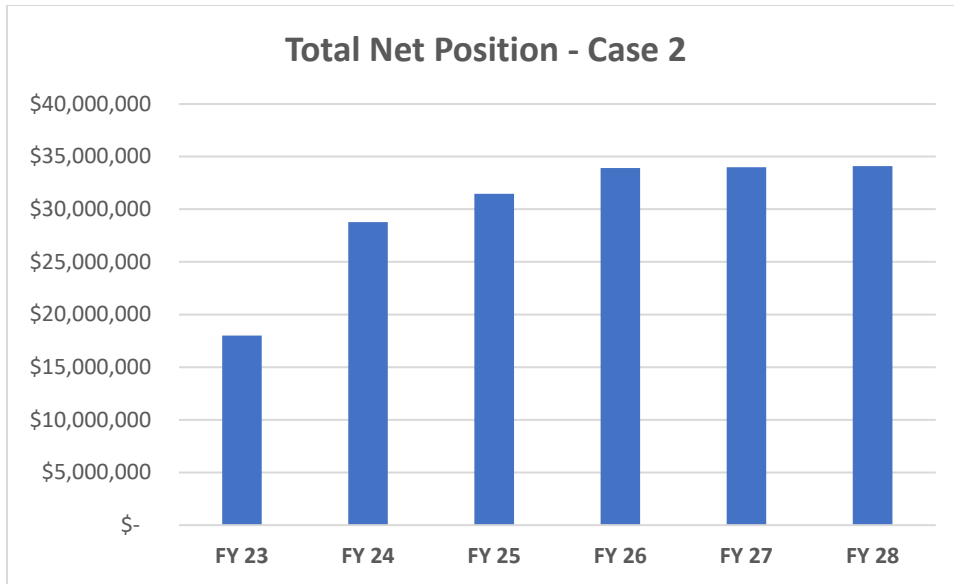
- Revenues from water sales and wastewater services are projected to increase from new rates, as well as marginal increases each year with growth in customer base.
- Operating expenses, including depreciation, rise annually.
- Interest expense, which is a nonoperating expense, increases annually as new debt is issued.
- Change in Net Position is expected to stay positive during the study period, as reflected in the chart below:



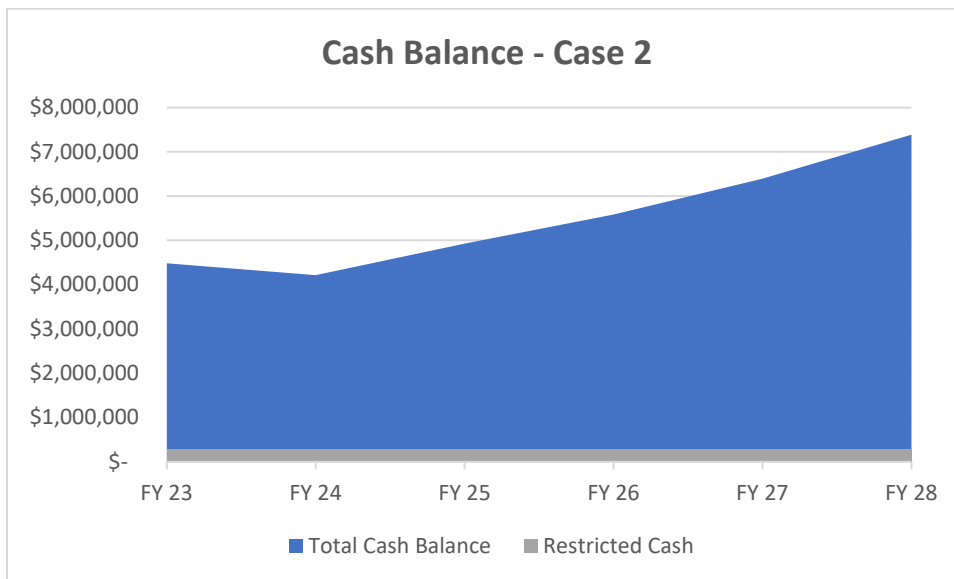
- Statutory Change in Net Position is expected to increase beginning in FY 24 and stay positive during the study period, as reflected in the chart below:



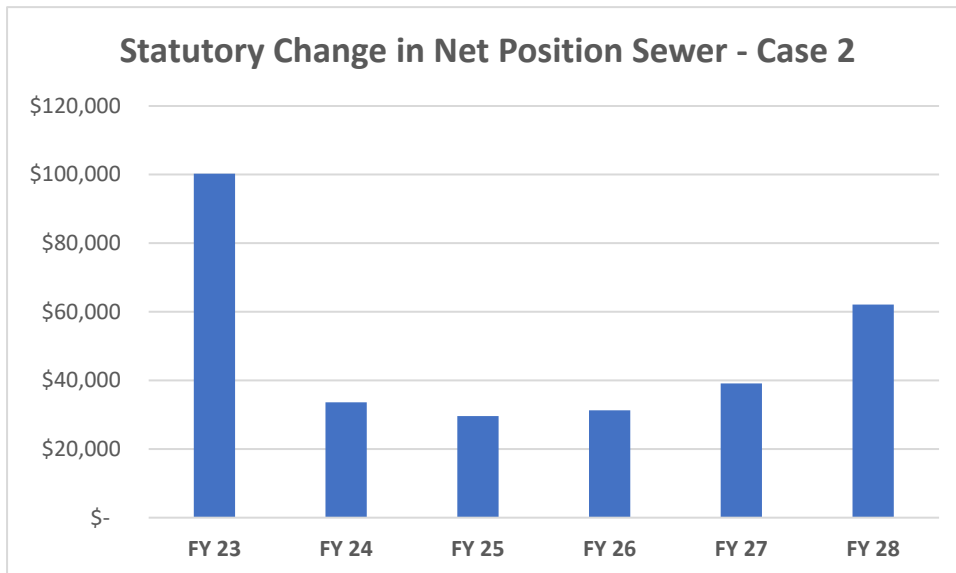
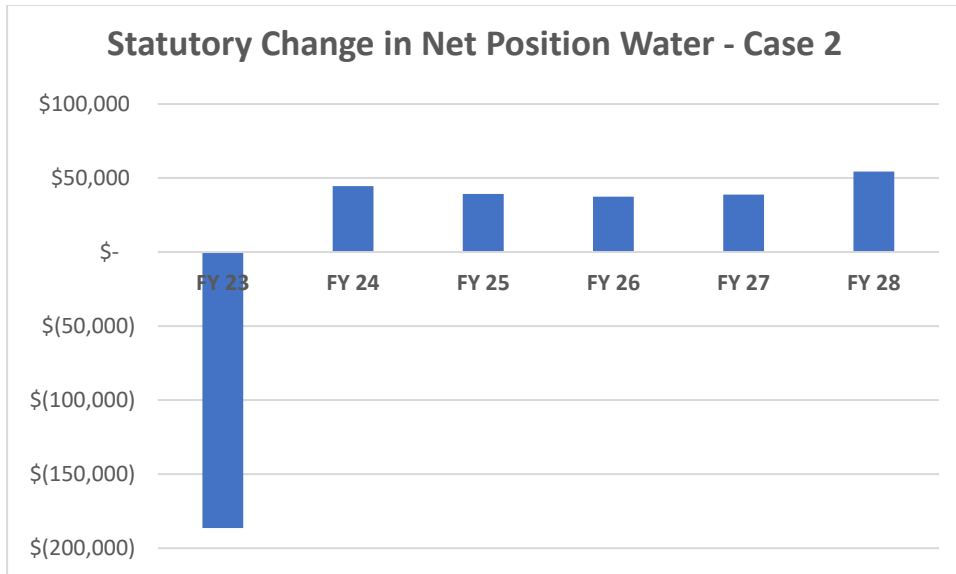
- Total Net Position will remain strong and increase annually during the study period, as reflected in the chart below:



Cash flow was also reviewed as part of this analysis (Exhibit 11). As detailed in the chart below, cash is expected to increase annually, largely due to funding depreciation expense through the rate structure.

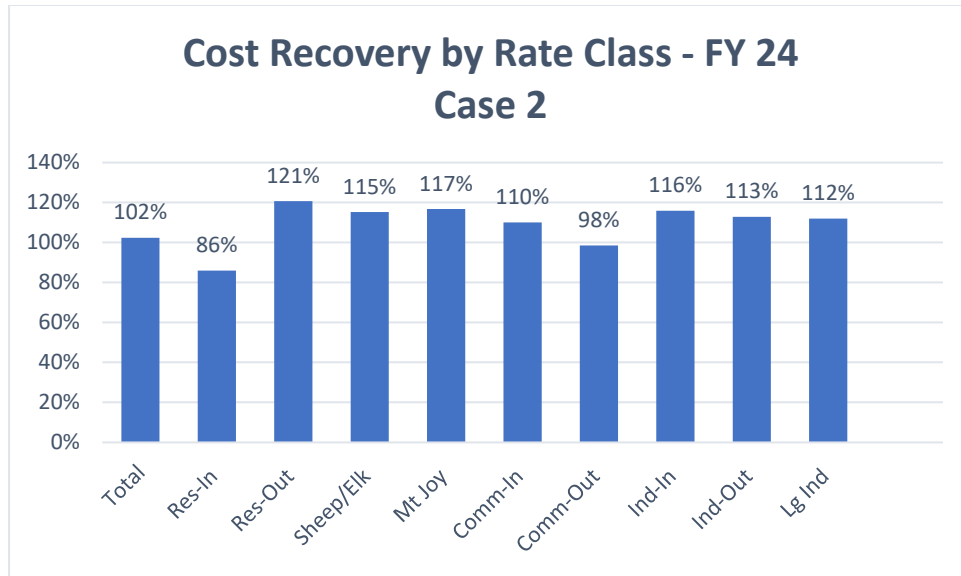


When analyzing Case 2 by function, the statutory change in net position for the water system and sewer system separately is reflected in the charts below. The detailed financial projections for each function can be found in Exhibits 9a and 9b.



The proposed rate increases will allow each function to be financially self-supporting.

As noted in the assumptions listed for Case 2, the rate increases were applied consistently across all customer rate classes. Based on the increase applied beginning in FY 24, a detailed cost allocation for the water system was developed (Exhibit 12). The following chart shows the cost recovery by rate class under the assumptions used for Case 2:



Financial Analysis – Case 3

The purpose of this multi-year financial analysis (Exhibit 13) is to include rate adjustments to correct the negative statutory change in net position that the City would experience as detailed in Case 1, as well as adjusting for the cost recovery by rate class in the water system in order for each rate class to cover the associated costs. The same assumptions for the base year, revenues, and expenses used in Case 1 were used in Case 3, with the addition of rate increases as detailed in Exhibits 14a and 14b. Those rate increases are as follows:

Water rate increases:

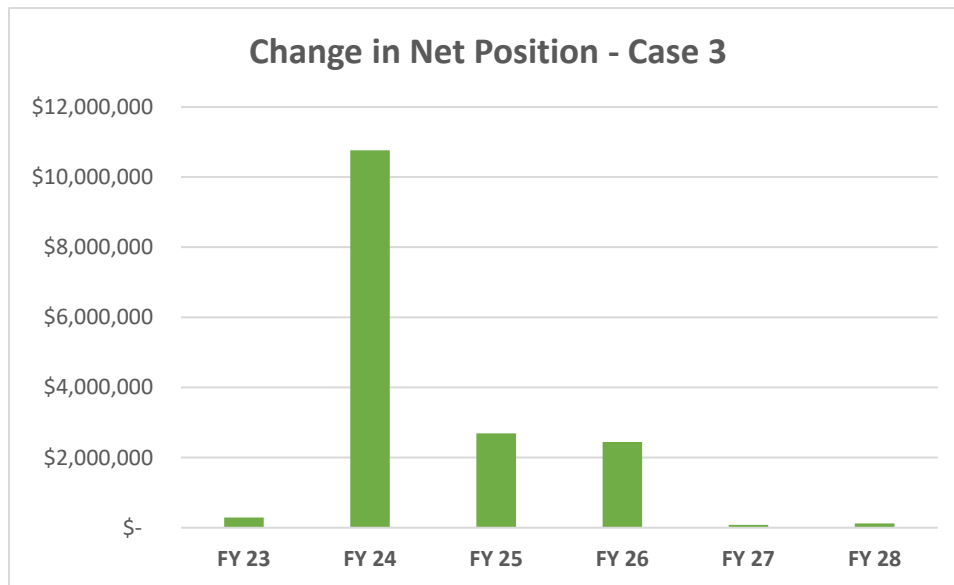
- FY 24
 - Residential Inside 49.0%
 - Residential Outside 4.0%
 - Sheepneck/Elk Ridge 9.0%
 - Mt Joy 14.0%
 - Mt Joy District 0.0%
 - Commercial Inside 10.0%
 - Commercial Outside 24.0%
 - Industrial Inside 5.0%
 - Industrial Outside 8.0%
 - Large Industrial 9.0%
- FY 25 7.0% consistently
- FY 26 11.0% consistently
- FY 27 12.0% consistently
- FY 28 12.0% consistently

Sewer rate increases:

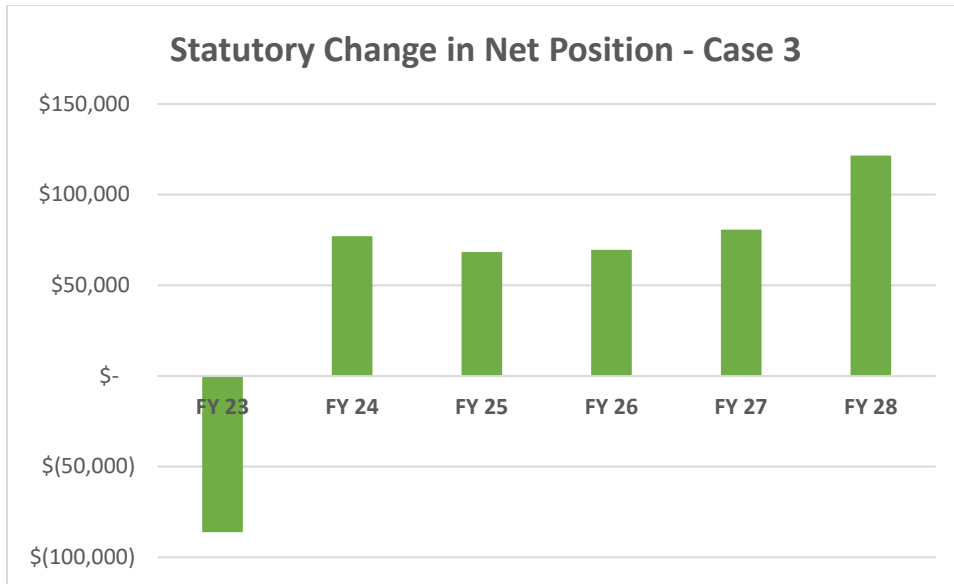
- FY 24 12.0%
- FY 25 14.0%
- FY 26 1.0%
- FY 27 1.0%
- FY 28 1.0%

Following are the key observations of this analysis:

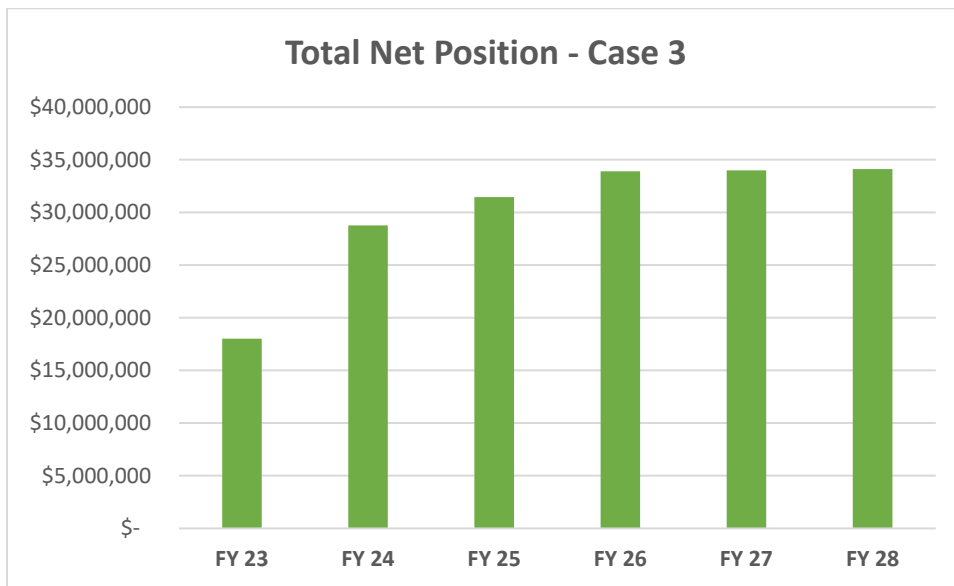
- Revenues from water sales and wastewater services are projected to increase from new rates, as well as marginal increases each year with growth in customer base.
- Each water customer class will essentially recover all associated costs.
- Operating expenses, including depreciation, rise annually.
- Interest expense, which is a nonoperating expense, increases annually as new debt is issued.
- Change in Net Position is expected to stay positive during the study period, as reflected in the chart below:



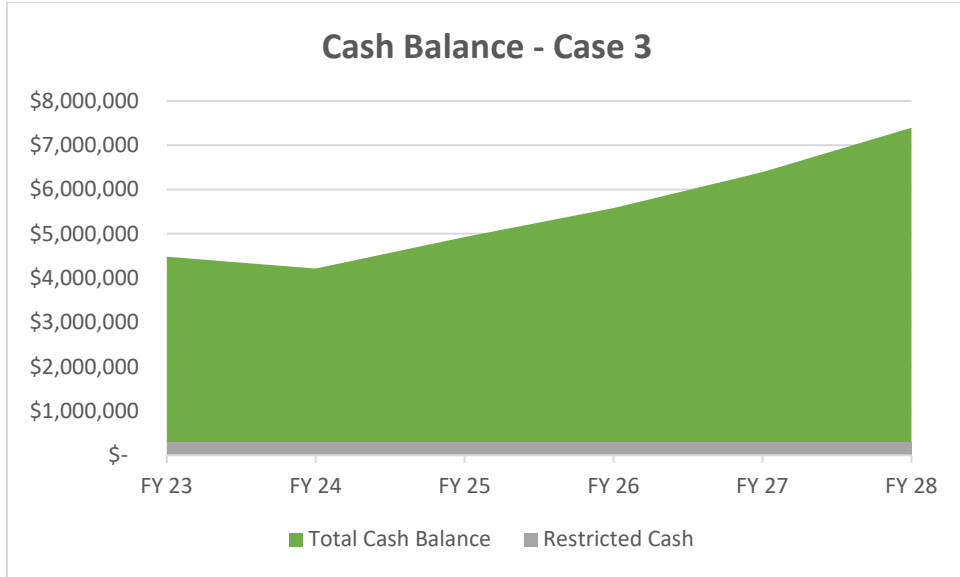
- Statutory Change in Net Position is expected to increase beginning in FY 24 and stay positive during the study period, as reflected in the chart below:



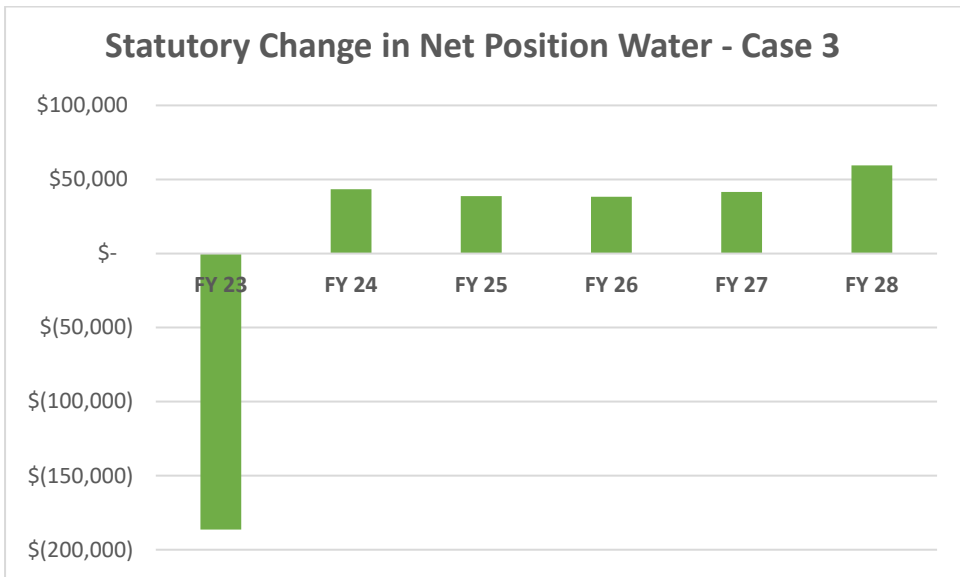
- Total Net Position will remain strong and increase annually during the study period, as reflected in the chart below:

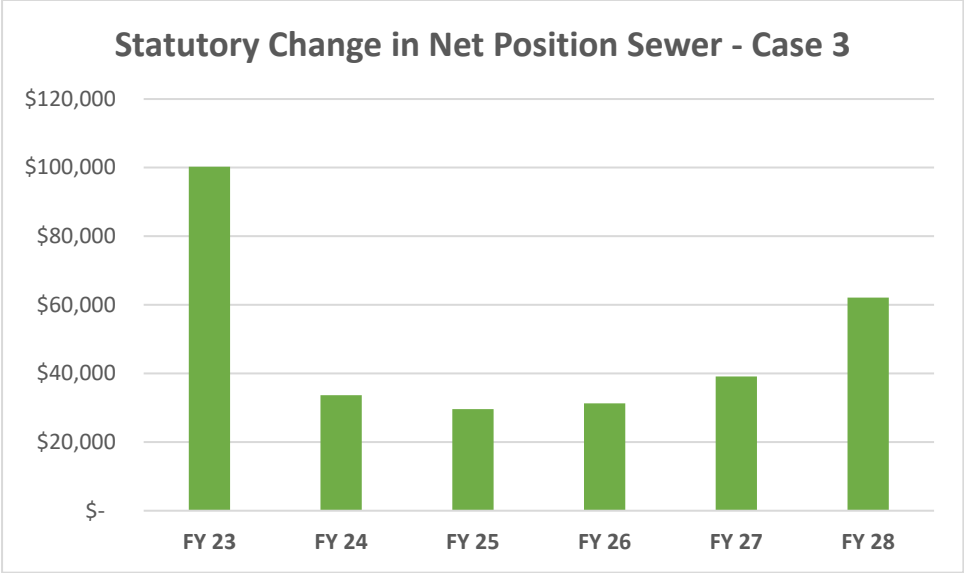


Cash flow was also reviewed as part of this analysis (Exhibit 15). As detailed in the chart below, cash is expected to increase annually, largely due to funding depreciation expense through the rate structure.



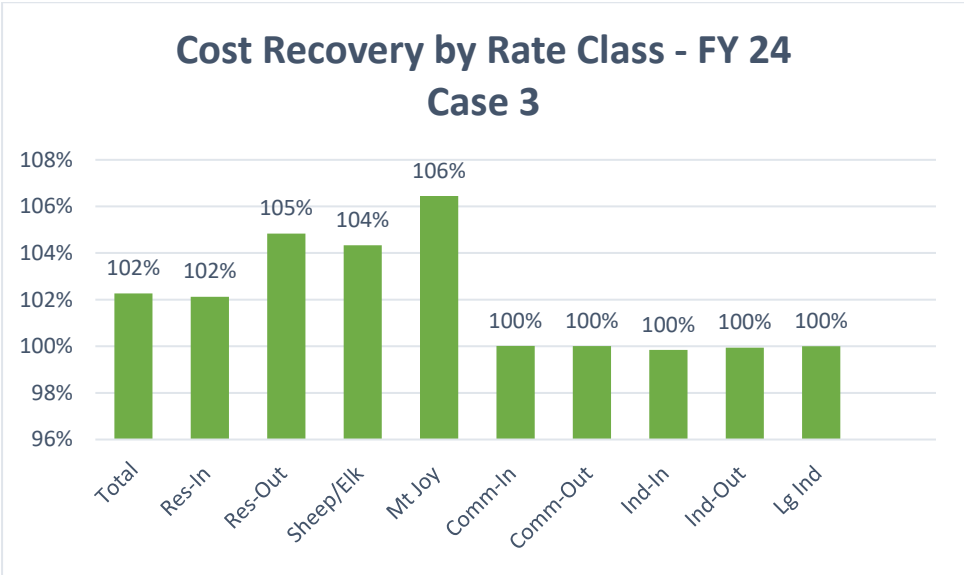
When analyzing Case 3 by function, the statutory change in net position for the water system and sewer system separately is reflected in the charts below (Exhibits 13a and 13b):





The proposed rate increases will allow each function to be financially self-supporting.

As noted in the assumptions listed for Case 3, the rate increases for water were applied for each specific customer class in FY 24. Based on those increases, a detailed cost allocation for the water system was developed (Exhibit 16). The following chart shows the cost recovery by rate class under the assumptions used for Case 3:



Financial Analysis – Case 4

The purpose of this multi-year financial analysis (Exhibit 17) is to include rate adjustments to correct the negative statutory change in net position that the City would experience as detailed in Case 1. The same assumptions for the base year, revenues, and expenses used in Case 1 were used in Case 4, with the addition of rate increases applied consistently to all customer classes, as well as the elimination of usage in the base rate of 1,000 gallons in FY 25 and another 1,000 gallons in FY 26. Beginning in FY 26, there would be no usage included in the base rate. The rate increases (Exhibit 18a and 18b) are as follows:

Water rate increases:

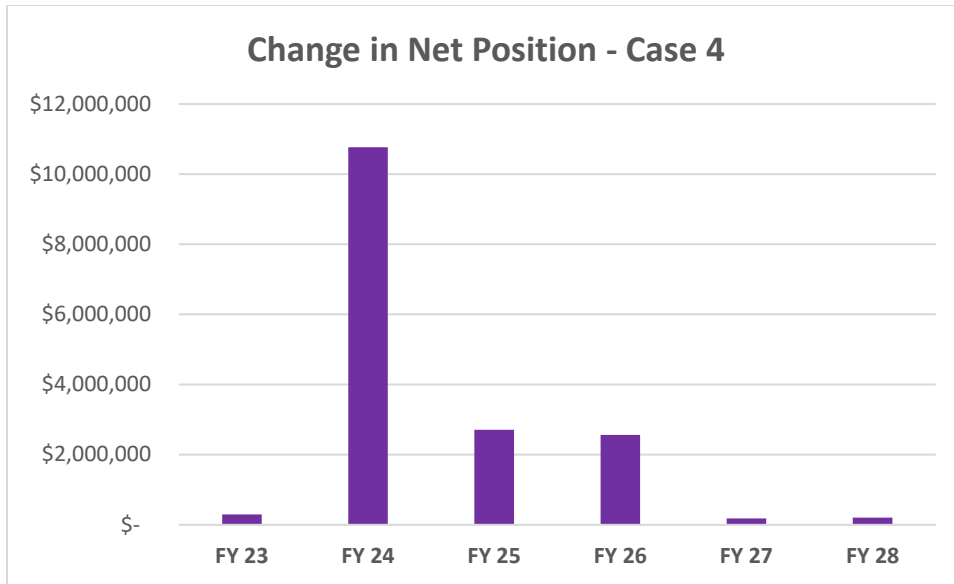
- FY 24 22.0%
- FY 25 2.0%
- FY 26 5.0%
- FY 27 12.0%
- FY 28 12.0%

Sewer rate increases:

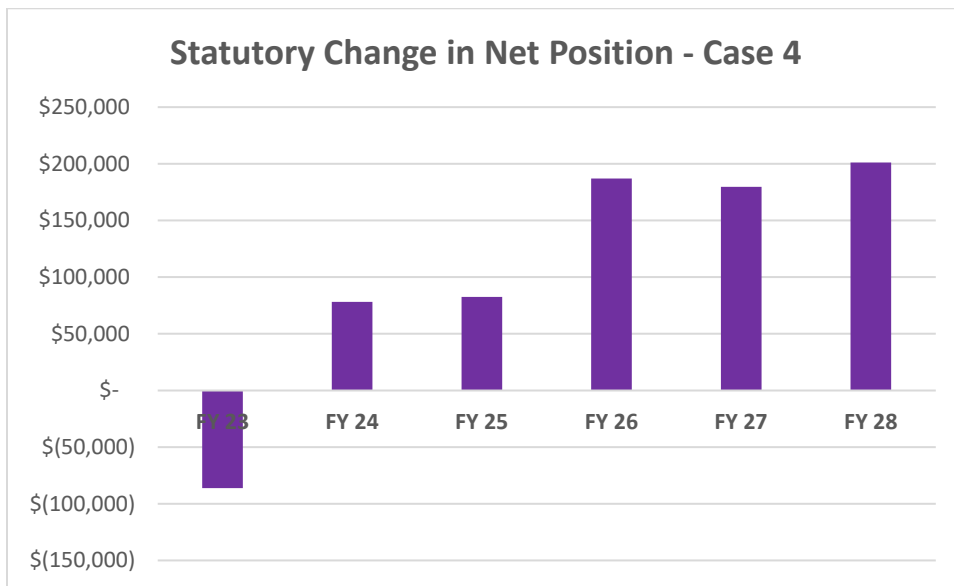
- FY 24 12.0%
- FY 25 7.0%
- FY 26 0.0%
- FY 27 0.0%
- FY 28 0.0%

Following are the key observations of this analysis:

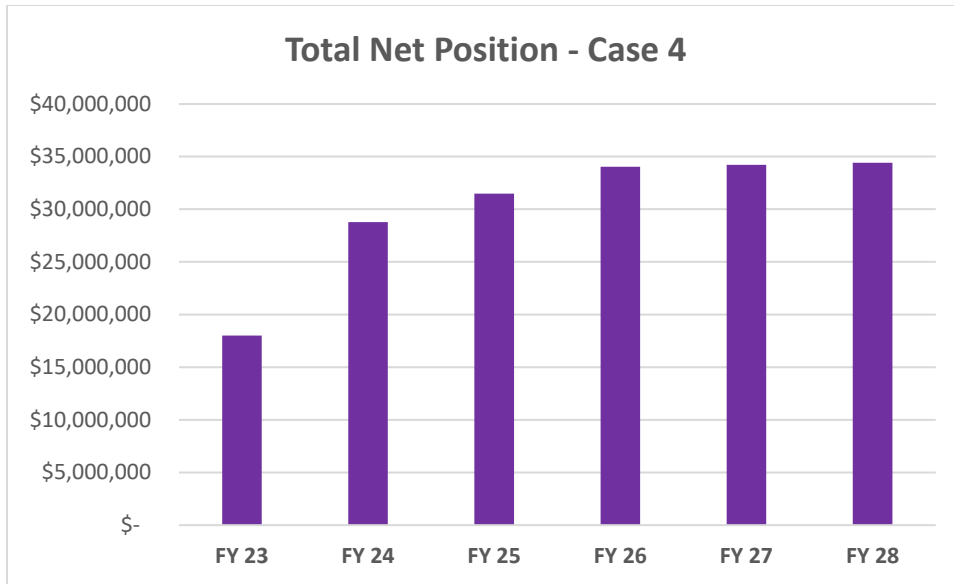
- Revenues from water sales and wastewater services are projected to increase from new rates and elimination of usage in the base rate, as well as marginal increases each year with growth in customer base.
- Operating expenses, including depreciation, rise annually.
- Interest expense, which is a nonoperating expense, increases annually as new debt is issued.
- Change in Net Position is expected to stay positive during the study period, as reflected in the chart below:



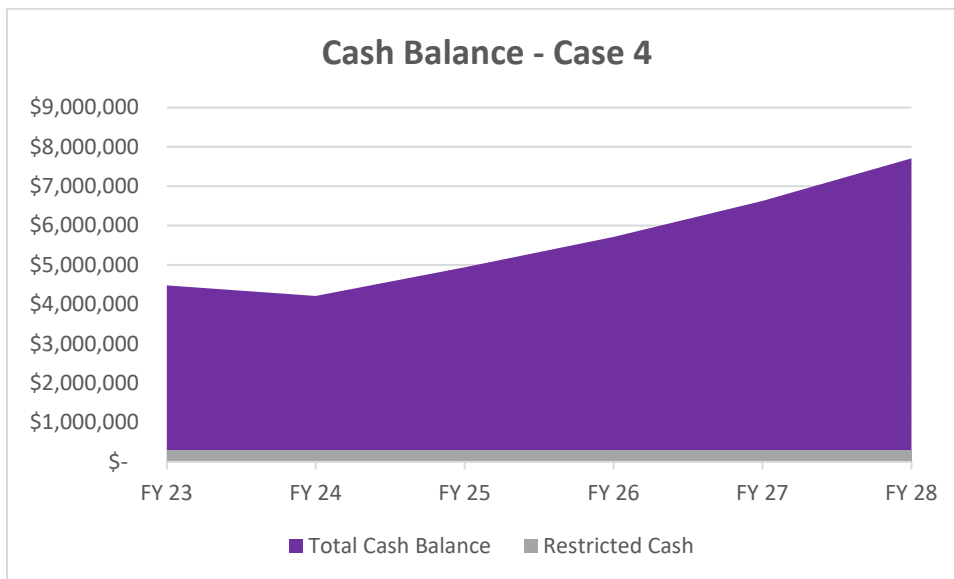
- Statutory Change in Net Position is expected to increase beginning in FY 24 and stay positive during the study period, as reflected in the chart below:



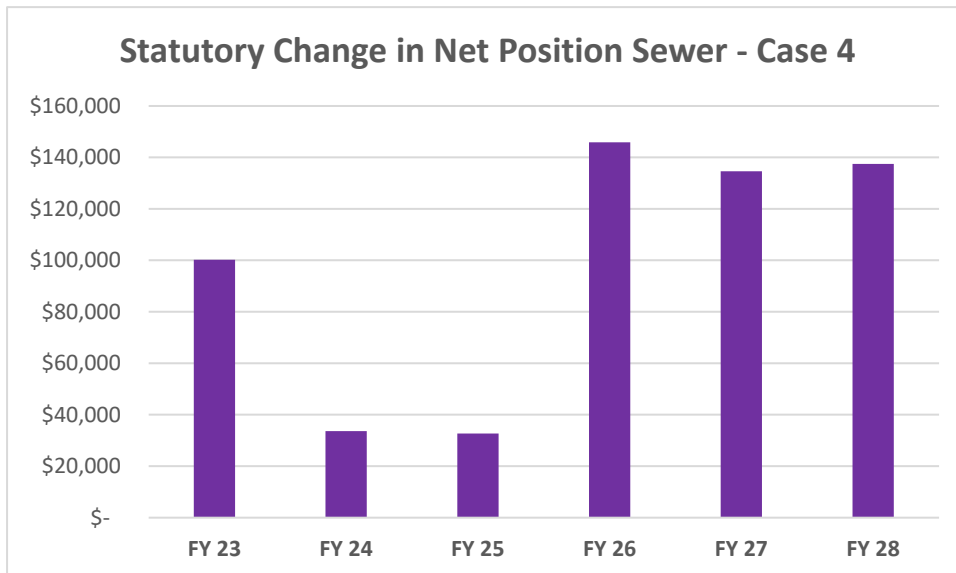
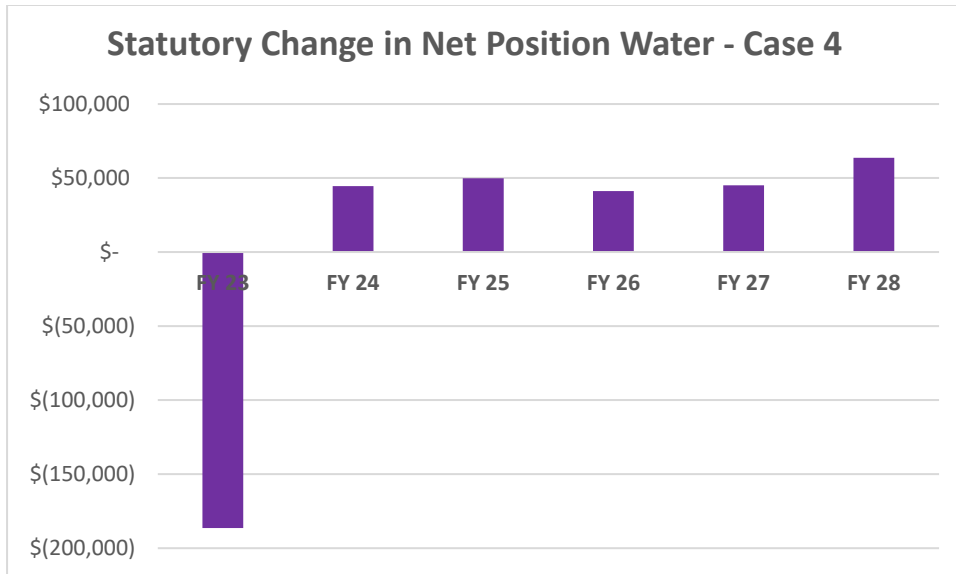
- Total Net Position will remain strong and increase annually during the study period, as reflected in the chart below:



Cash flow was also reviewed as part of this analysis (Exhibit 19). As detailed in the chart below, cash is expected to increase annually, largely due to funding depreciation expense through the rate structure.



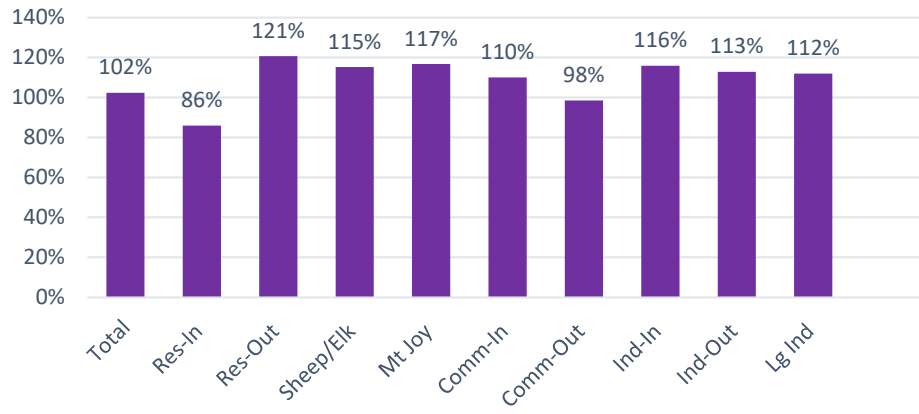
When analyzing Case 4 by function, the statutory change in net position for the water system and sewer system separately is reflected in the charts below. The detailed financial projections for each function can be found in Exhibits 17a and 17b.



The proposed rate increases will allow each function to be financially self-supporting.

As noted in the assumptions listed for Case 4, the rate increases were applied consistently across all customer rate classes. Based on the increase applied beginning in FY 24, a detailed cost allocation for the water system was developed (Exhibit 20). The following chart shows the cost recovery by rate class under the assumptions used for Case 4:

Cost Recovery by Rate Class - FY 24 Case 4



Recommendations

Based on the case studies prepared, MTAS recommends the following course of action:

- The water and wastewater utility must raise rates to:
 - Maintain positive total net position
 - Maintain positive statutory change in net position
 - Fund debt service
 - Fund capital investments
 - Fund operational expense increases

- The City should consider the proposed rate increases as outlined in Case 2 or Case 3 to provide the necessary revenue for the water and sewer systems be financially sufficient. The proposed percentage increases should be applied to the base rate as well as the unit charge rate. These proposed increases represent the minimum amount needed to essentially break-even. The City should consider whether or not they prefer a larger amount of positive change in statutory net position and adjust the rate increases accordingly.

- The City should consider reducing the amount of consumption included in the base rate at some point in the future, perhaps implementing this change gradually. An analysis of this is presented in Case 4.

- The rate structure and multi-year financial analysis should be reviewed and updated annually.

- Capital needs and funding sources should be reviewed and updated annually.

**Mount Pleasant
Water and Sewer Fund
Financial Review
2023**

Exhibit 1

Base Data

| | FY 18 Audited | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|
| Operating Revenues | | | | | | |
| Service Fees | 2,880,987 | 2,969,689 | 2,950,027 | 2,852,695 | - | - |
| Water Sales and Related Service | - | - | - | - | 1,468,934 | 1,450,000 |
| Sewer Service Charges | - | - | - | - | 1,491,656 | 1,600,000 |
| Other Operating Revenue - Water | - | - | - | - | 52,950 | 58,000 |
| Forfeited Discounts and Penalties | - | - | - | - | 42,816 | 41,400 |
| Servicing Customer Installations | - | - | - | - | 980 | 11,000 |
| Installation Charges - Water | - | - | - | - | 53,700 | 50,000 |
| Refunds and Allowances - Water | - | - | - | - | - | (2,500) |
| Miscellaneous - Water | - | - | - | - | 19,246 | 14,000 |
| Installation Charges - Sewer | - | - | - | - | - | - |
| Refunds and Allowances - Sewer | - | - | - | - | - | (5,000) |
| Charge for Pretreatment - Sewer | - | - | - | - | 4,000 | - |
| Miscellaneous - Sewer | - | - | - | - | 870 | - |
| Tap and Connection Fees | 29,850 | 64,944 | 57,775 | 75,550 | - | - |
| Sale of Materials | - | - | - | - | - | - |
| Insurance Recoveries | - | - | - | - | 10,046 | - |
| Other | 14,220 | 30,368 | 76,658 | 184,680 | 3,558 | - |
| Total Operating Revenues | 2,925,057 | 3,065,001 | 3,084,460 | 3,112,925 | 3,148,756 | 3,216,900 |
| Operating Expenses - Water | | | | | | |
| Salaries | 626,165 | 649,446 | 699,776 | 719,026 | 476,057 | 513,075 |
| Payroll Taxes | - | - | - | - | 35,896 | 38,300 |
| Employee Benefits | 240,650 | 255,463 | 309,229 | 322,863 | 150,955 | 189,400 |
| Fees | - | - | - | - | 4,730 | 7,000 |
| Utilities | 293,969 | 257,784 | 249,440 | 253,242 | 142,154 | 146,500 |
| Professional Services | 162,566 | 135,030 | 146,072 | 208,672 | 69,107 | 129,700 |
| Insurance | 52,696 | 39,126 | 35,110 | 36,037 | 25,153 | 31,500 |
| Repair and Maintenance | 30,331 | 44,386 | 61,558 | 65,787 | 13,185 | 20,750 |
| Operating Supplies | 236,954 | 248,408 | 230,225 | 290,657 | 113,216 | 170,500 |
| Office Expense | 18,491 | 19,243 | 45,764 | 22,173 | 22,150 | 24,500 |
| Vehicle Expense | 9,546 | 10,404 | 10,788 | 8,456 | 13,687 | 14,000 |
| Miscellaneous | 12,293 | 8,620 | 7,868 | - | - | - |
| Depreciation - Existing | 789,215 | 796,229 | 776,080 | 748,688 | 103,889 | 400,000 |
| Depreciation - New | - | - | - | - | - | - |
| Total Operating Expenses - Water | 2,472,876 | 2,464,139 | 2,571,910 | 2,675,601 | 1,170,179 | 1,685,225 |
| Operating Expenses - Sewer | | | | | | |
| Salaries | - | - | - | - | 257,747 | 305,775 |
| Payroll Taxes | - | - | - | - | 19,318 | 23,300 |
| Employee Benefits | - | - | - | - | 115,824 | 138,000 |
| Fees | - | - | - | - | 2,814 | 6,000 |
| Utilities | - | - | - | - | 144,137 | 153,900 |
| Professional Services | - | - | - | - | 137,432 | 145,650 |
| Insurance | - | - | - | - | 19,001 | 25,750 |
| Repair and Maintenance | - | - | - | - | 31,953 | 32,000 |
| Operating Supplies | - | - | - | - | 153,994 | 166,400 |
| Office Expense | - | - | - | - | 23,326 | 20,900 |
| Vehicle Expense | - | - | - | - | 7,772 | 9,500 |
| Miscellaneous | - | - | - | - | - | - |
| Depreciation - Existing | - | - | - | - | 650,876 | 375,000 |
| Depreciation - New | - | - | - | - | - | - |
| Total Operating Expenses - Sewer | - | - | - | - | 1,564,194 | 1,402,175 |
| Total Operating Expenses | 2,472,876 | 2,464,139 | 2,571,910 | 2,675,601 | 2,734,373 | 3,087,400 |
| Operating Income (Loss) | 452,181 | 600,862 | 512,550 | 437,324 | 414,383 | 129,500 |
| Nonoperating Revenues (Expenses) | | | | | | |
| Interest Income | 5,213 | 8,323 | 102,504 | 10,834 | 5,526 | 8,500 |
| Interest Expense - Water | (236,936) | (264,900) | (164,097) | (100,918) | (125,653) | (127,362) |
| Interest Expense - Sewer | - | - | - | - | - | (96,837) |
| Total Nonoperating Revenues (Expenses) | (231,723) | (256,577) | (61,593) | (90,084) | (120,127) | (215,699) |
| Income (Loss) Before Contributions | 220,458 | 344,285 | 450,957 | 347,240 | 294,256 | (86,199) |

| | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|
| Capital Contributions | | | | | | |
| Grants | - | 43,520 | 98,308 | 42,489 | 1,119,018 | - |
| CDBG Grant | - | - | - | - | - | 377,775 |
| ARPA | - | - | - | - | - | - |
| Grant - Open | - | - | - | - | - | - |
| Total Capital Contributions | - | 43,520 | 98,308 | 42,489 | 1,119,018 | 377,775 |
| Change in Net Position | 220,458 | 387,805 | 549,265 | 389,729 | 1,413,274 | 291,576 |
| Net Position - Beginning | 14,751,808 | 14,972,266 | 15,360,071 | 15,909,336 | 16,299,065 | 17,712,339 |
| Net Position - Ending | 14,972,266 | 15,360,071 | 15,909,336 | 16,299,065 | 17,712,339 | 18,003,915 |
| Cash - Unrestricted | 1,705,941 | 8,592,708 | 6,316,677 | 2,523,868 | 4,613,643 | |
| Cash - Restricted | - | - | - | 861,195 | 284,490 | |
| Ending Cash | 1,705,941 | 8,592,708 | 6,316,677 | 3,385,063 | 4,898,133 | |
| Does not included CDs | | | | | | |

Note - audited data for FY 18 through FY 21 has reports water and sewer as combined revenues and expenses.

Mount Pleasant
Water and Sewer Fund
Financial Review
2023

Debt Service Requirements

Exhibit 2

| Fund | Exist/New | Item No | Description | P/I | FY 22 | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|-----------------------|-----------|--------------------------------------|-----------------------|-----|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Water | Existing | 1 | USDA Water Plant Loan | P | 93,819 | 96,192 | 98,625 | 101,119 | 103,676 | 106,298 | 108,986 |
| | | | | I | 103,878 | 107,071 | 104,638 | 102,144 | 99,587 | 96,965 | 94,277 |
| | | | | | <u>197,697</u> | <u>203,263</u> | <u>203,263</u> | <u>203,263</u> | <u>203,263</u> | <u>203,263</u> | <u>203,263</u> |
| Existing | 2 | Series 2020 GO Bonds | | P | 35,000 | 35,400 | 36,750 | 38,500 | 40,250 | 42,000 | 43,750 |
| | | | | I | 17,604 | 16,204 | 14,804 | 13,334 | 11,794 | 10,184 | 8,504 |
| | | | | | <u>52,604</u> | <u>51,604</u> | <u>51,554</u> | <u>51,834</u> | <u>52,044</u> | <u>52,184</u> | <u>52,254</u> |
| Existing | 3 | Mt Joy Bonds | | P | 3,677 | 3,761 | 3,846 | 3,934 | 4,024 | 4,115 | 4,209 |
| | | | | I | 4,171 | 4,087 | 4,002 | 3,914 | 3,824 | 3,733 | 3,639 |
| | | | | | <u>7,848</u> | <u>7,848</u> | <u>7,848</u> | <u>7,848</u> | <u>7,848</u> | <u>7,848</u> | <u>7,848</u> |
| Existing Water | | Total Projected Pymts | | P | 132,496 | 135,353 | 139,221 | 143,553 | 147,950 | 152,413 | 156,945 |
| | | Total Projected Pymts | | I | 125,653 | 127,362 | 123,444 | 119,392 | 115,205 | 110,882 | 106,420 |
| | | | | | <u>258,149</u> | <u>262,715</u> | <u>262,665</u> | <u>262,945</u> | <u>263,155</u> | <u>263,295</u> | <u>263,365</u> |
| New | 8 | Vehicle Replacement | | P | - | - | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 |
| | | | | I | - | - | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| | | | | | <u>-</u> | <u>-</u> | <u>40,000</u> | <u>40,000</u> | <u>40,000</u> | <u>40,000</u> | <u>40,000</u> |
| New | 9 | Trunkline - \$4M | | P | - | - | - | - | 94,797 | 96,930 | 99,111 |
| | | | | I | - | - | 22,500 | 56,250 | 90,000 | 87,867 | 85,686 |
| | | | | | <u>-</u> | <u>-</u> | <u>22,500</u> | <u>56,250</u> | <u>184,797</u> | <u>184,797</u> | <u>184,797</u> |
| New | 11 | Sheepneck - \$1M | | P | - | - | - | 23,699 | 24,232 | 24,778 | 25,335 |
| | | | | I | - | - | 5,625 | 22,500 | 21,967 | 21,421 | 20,864 |
| | | | | | <u>-</u> | <u>-</u> | <u>5,625</u> | <u>46,199</u> | <u>46,199</u> | <u>46,199</u> | <u>46,199</u> |
| New | 12 | Williams Hollow Spring/Line - \$811K | | P | - | - | - | - | 19,220 | 19,653 | 20,095 |
| | | | | I | - | - | 18,248 | 18,248 | 18,248 | 17,815 | 17,373 |
| | | | | | <u>-</u> | <u>-</u> | <u>18,248</u> | <u>18,248</u> | <u>37,468</u> | <u>37,468</u> | <u>37,468</u> |
| New | Open | | | P | - | - | - | - | - | - | - |
| | | | | I | - | - | - | - | - | - | - |
| | | | | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| New Water | | Total Projected Pymts | | P | - | - | 37,000 | 60,699 | 175,249 | 178,361 | 181,541 |
| | | Total Projected Pymts | | I | - | - | 49,373 | 99,998 | 133,215 | 130,103 | 126,923 |
| | | | | | <u>-</u> | <u>-</u> | <u>86,373</u> | <u>160,697</u> | <u>308,464</u> | <u>308,464</u> | <u>308,464</u> |
| Total Water | | Total Projected Pymts | | P | 132,496 | 135,353 | 176,221 | 204,252 | 323,199 | 330,774 | 338,486 |
| | | Total Projected Pymts | | I | 125,653 | 127,362 | 172,817 | 219,390 | 248,420 | 240,985 | 233,343 |
| | | | | | <u>258,149</u> | <u>262,715</u> | <u>349,038</u> | <u>423,642</u> | <u>571,619</u> | <u>571,759</u> | <u>571,829</u> |

- - - - -

| Fund | Exist/New | Item No | Description | P/I | FY 22 | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|-----------------------|-----------|-----------------------|-----------------|-----|---------|---------|---------|---------|---------|---------|---------|
| Sewer | Existing | 4 | USDA Loan/Grant | P | - | - | - | - | - | - | - |
| | | | | I | - | 20,000 | - | - | - | - | - |
| | | | | | | - | 20,000 | - | - | - | - |
| Existing | 5 | Due To Gas UST | P | - | - | - | - | - | - | - | - |
| | | | I | - | - | - | - | - | - | - | |
| | | | | | - | - | - | - | - | - | |
| Existing | Open | | P | - | - | - | - | - | - | - | - |
| | | | I | - | - | - | - | - | - | - | |
| | | | | | - | - | - | - | - | - | |
| Existing Sewer | | Total Projected Pymts | P | - | - | - | - | - | - | - | - |
| | | Total Projected Pymts | I | - | 20,000 | - | - | - | - | - | - |
| | | | | | - | 20,000 | - | - | - | - | - |
| New | 6 | USDA - \$6,300,000 | P | - | 149,919 | 151,606 | 153,311 | 155,036 | 156,780 | 158,544 | |
| | | | I | - | 76,837 | 75,150 | 73,445 | 71,720 | 69,976 | 68,212 | |
| | | | | | - | 226,756 | 226,756 | 226,756 | 226,756 | 226,756 | 226,756 |
| New | 7 | USDA - \$1,892,000 | P | - | - | 36,762 | 37,222 | 37,687 | 38,158 | 38,635 | |
| | | | I | - | - | 23,650 | 23,190 | 22,725 | 22,254 | 21,777 | |
| | | | | | - | - | 60,412 | 60,412 | 60,412 | 60,412 | 60,412 |
| New | 8 | Vehicle Replacement | P | - | - | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 | |
| | | | I | - | - | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | |
| | | | | | - | - | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| New | 10 | Sewer Rehab - \$900K | P | - | - | - | - | - | 21,329 | 21,809 | |
| | | | I | - | - | 5,625 | 11,250 | 20,250 | 20,250 | 19,770 | |
| | | | | | - | - | 5,625 | 11,250 | 20,250 | 41,579 | 41,579 |
| New | Open | | P | - | - | - | - | - | - | - | |
| | | | I | - | - | - | - | - | - | - | |
| | | | | | - | - | - | - | - | - | |
| New | Open | | P | - | - | - | - | - | - | - | |
| | | | I | - | - | - | - | - | - | - | |
| | | | | | - | - | - | - | - | - | |
| New | Open | | P | - | - | - | - | - | - | - | |
| | | | I | - | - | - | - | - | - | - | |
| | | | | | - | - | - | - | - | - | |
| New Sewer | | Total Projected Pymts | P | - | 149,919 | 225,368 | 227,533 | 229,723 | 253,267 | 255,988 | |
| | | Total Projected Pymts | I | - | 76,837 | 107,425 | 110,885 | 117,695 | 115,480 | 112,759 | |

| | | | | | | | | | |
|--------------------|-----------------------|---|---|---------|---------|---------|---------|---------|---------|
| | | | - | 226,756 | 332,793 | 338,418 | 347,418 | 368,747 | 368,747 |
| Total Sewer | Total Projected Pymts | P | - | 149,919 | 225,368 | 227,533 | 229,723 | 253,267 | 255,988 |
| | Total Projected Pymts | I | - | 96,837 | 107,425 | 110,885 | 117,695 | 115,480 | 112,759 |
| | | | - | 246,756 | 332,793 | 338,418 | 347,418 | 368,747 | 368,747 |

| Fund | Exist/New | Item No | Description | P/I | FY 22 | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|----------------------|-----------------|---------|-----------------------|-----|---------|---------|---------|---------|---------|---------|---------|
| Wtr & Swr | Existing | | Total Projected Pymts | P | 132,496 | 135,353 | 139,221 | 143,553 | 147,950 | 152,413 | 156,945 |
| | | | Total Projected Pymts | I | 125,653 | 147,362 | 123,444 | 119,392 | 115,205 | 110,882 | 106,420 |
| | | | | | 258,149 | 282,715 | 262,665 | 262,945 | 263,155 | 263,295 | 263,365 |
| | New | | Total Projected Pymts | P | - | 149,919 | 262,368 | 288,232 | 404,972 | 431,628 | 437,529 |
| | | | Total Projected Pymts | I | - | 76,837 | 156,798 | 210,883 | 250,910 | 245,583 | 239,682 |
| | | | | | - | 226,756 | 419,166 | 499,115 | 655,882 | 677,211 | 677,211 |
| | Total | | Total Projected Pymts | P | 132,496 | 285,272 | 401,589 | 431,785 | 552,922 | 584,041 | 594,474 |
| | | | Total Projected Pymts | I | 125,653 | 224,199 | 280,242 | 330,275 | 366,115 | 356,465 | 346,102 |
| | | | | | 258,149 | 509,471 | 681,831 | 762,060 | 919,037 | 940,506 | 940,576 |

Capital Investment Plan

| Year Put In Service Project | W/S | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 | Est Useful Life (Years) |
|-------------------------------------|-----|----------|-------------------|------------------|-------------------|----------------|----------------|----------------------------|
| TDOT Utility Relocation Arrow Mines | W | - | - | - | - | 250,000 | - | 40 |
| Meters | W | - | 250,000 | - | - | - | - | 10 |
| Meters | W | - | - | 150,000 | - | - | - | 10 |
| Meters | W | - | - | - | 150,000 | - | - | 10 |
| Meters | W | - | - | - | - | 150,000 | - | 10 |
| Meters | W | - | - | - | - | - | 150,000 | 10 |
| Scada | W | - | - | 100,000 | - | - | - | 10 |
| 308 Cat | W | - | 100,000 | - | - | - | - | 10 |
| OPEN | W | - | - | - | - | - | - | - |
| Trunkline 16" | W | - | - | - | 7,500,000 | - | - | 40 |
| Water Leaks/System Improvements | W | - | - | - | 100,000 | - | - | 40 |
| Water Leaks/System Improvements | W | - | - | - | - | 100,000 | - | 40 |
| Water Leaks/System Improvements | W | - | - | - | - | - | 100,000 | 40 |
| Sheepneck Pump | W | - | - | 1,500,000 | - | - | - | 40 |
| Sewer Rehab | S | - | - | - | 1,400,000 | - | - | 40 |
| Sewer System Improvements | S | - | - | - | - | 300,000 | - | 40 |
| Sewer System Improvements | S | - | - | - | - | - | 300,000 | 40 |
| Vehicle Replacement | W/S | - | 74,000 | - | - | - | - | 10 |
| Vehicle Replacement | W/S | - | - | 74,000 | - | - | - | 10 |
| Vehicle Replacement | W/S | - | - | - | 74,000 | - | - | 10 |
| Vehicle Replacement | W/S | - | - | - | - | 74,000 | - | 10 |
| Vehicle Replacement | W/S | - | - | - | - | - | 74,000 | 10 |
| Wastewater Project | S | - | 18,908,000 | - | - | - | - | 40 |
| Williams Hollow Spring/Line Replace | W | - | - | - | 2,559,000 | - | - | 40 |
| Total | | - | 19,332,000 | 1,824,000 | 11,783,000 | 874,000 | 624,000 | |

| Capital Outlay Project | | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|-------------------------------------|-----|------------------|-------------------|------------------|------------------|----------------|----------------|
| TDOT Utility Relocation Arrow Mines | W | - | - | - | 125,000 | 125,000 | - |
| Meters | W | - | 250,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Scada | W | - | - | 100,000 | - | - | - |
| 308 Cat | W | - | 100,000 | - | - | - | - |
| Trunkline 16" | W | - | 1,500,000 | 3,000,000 | 3,000,000 | - | - |
| Water Leaks/System Improvements | W | - | - | - | 100,000 | 100,000 | 100,000 |
| Sheepneck Pump | W | - | 750,000 | 750,000 | - | - | - |
| Sewer Rehab | S | - | 500,000 | 500,000 | 400,000 | - | - |
| Vehicle Replacement | W/S | - | 74,000 | 74,000 | 74,000 | 74,000 | 74,000 |
| Wastewater Project | S | 4,012,550 | 11,954,568 | - | - | - | - |
| Williams Hollow Spring/Line Replace | W | - | 811,000 | 874,000 | 874,000 | - | - |
| Total | | 4,012,550 | 15,939,568 | 5,448,000 | 4,723,000 | 449,000 | 324,000 |

| Funding Source Project | | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|---------------------------|---|------------------|-------------------|------------------|------------------|----------------|----------------|
| Debt | W | - | 2,098,000 | 2,287,000 | 1,537,000 | 37,000 | 37,000 |
| Debt | S | 2,814,210 | 2,179,000 | 287,000 | 437,000 | 37,000 | 37,000 |
| Grants | W | - | 1,000,000 | 2,374,000 | 2,374,000 | - | - |
| Grants | S | 377,775 | 9,686,000 | 250,000 | - | - | - |
| Cash | W | - | 350,000 | 250,000 | 375,000 | 375,000 | 250,000 |
| Cash | S | 820,565 | 626,568 | - | - | - | - |
| Total | | 4,012,550 | 15,939,568 | 5,448,000 | 4,723,000 | 449,000 | 324,000 |

| Additional Depreciation Expense Project | | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|--|---|-------|--------|--------|--------|---------|---------|
| TDOT Utility Relocation Arrow Mines | W | - | - | - | - | 3,125 | 6,250 |
| Meters | W | - | 12,500 | 25,000 | 25,000 | 25,000 | 25,000 |
| Meters | W | - | - | 7,500 | 15,000 | 15,000 | 15,000 |
| Meters | W | - | - | - | 7,500 | 15,000 | 15,000 |
| Meters | W | - | - | - | - | 7,500 | 15,000 |
| Meters | W | - | - | - | - | - | 7,500 |
| Scada | W | - | - | 5,000 | 10,000 | 10,000 | 10,000 |
| 308 Cat | W | - | 5,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| OPEN | W | - | - | - | - | - | - |
| Trunkline 16" | W | - | - | - | 93,750 | 187,500 | 187,500 |
| Water Leaks/System Improvements | W | - | - | - | 1,250 | 2,500 | 2,500 |

| | | | | | | | |
|------------------------------------|-----|---|----------|----------------|----------------|----------------|----------------|
| Water Leaks/System Improvements | W | - | - | - | - | 1,250 | 2,500 |
| Water Leaks/System Improvements | W | - | - | - | - | - | 1,250 |
| Sheepneck Pump | W | - | - | 18,750 | 37,500 | 37,500 | 37,500 |
| Sewer Rehab | S | - | - | - | 17,500 | 35,000 | 35,000 |
| Sewer System Improvements | S | - | - | - | - | 3,750 | 7,500 |
| Sewer System Improvements | S | - | - | - | - | - | 3,750 |
| Vehicle Replacement | W/S | - | 3,700 | 7,400 | 7,400 | 7,400 | 7,400 |
| Vehicle Replacement | W/S | - | - | 3,700 | 7,400 | 7,400 | 7,400 |
| Vehicle Replacement | W/S | - | - | - | 3,700 | 7,400 | 7,400 |
| Vehicle Replacement | W/S | - | - | - | - | 3,700 | 7,400 |
| Vehicle Replacement | W/S | - | - | - | - | - | 3,700 |
| Wastewater Project | S | - | 236,350 | 472,700 | 472,700 | 472,700 | 472,700 |
| Willams Hollow Spring/Line Replace | W | - | - | - | 31,988 | 63,975 | 63,975 |
| Total | | | - | 257,550 | 550,050 | 740,688 | 915,700 |
| | W | - | 19,350 | 71,800 | 241,238 | 391,300 | 415,625 |
| | S | - | 238,200 | 478,250 | 499,450 | 524,400 | 535,600 |
| | | | - | 257,550 | 550,050 | 740,688 | 915,700 |
| | | | - | - | - | - | - |

Wastewater Project:

Funding Summary:

| | |
|-------------|-------------------|
| CDBG Grant | 500,000 |
| USDA Loan 1 | 6,830,000 |
| USDA Loan 2 | 1,892,000 |
| USDA Grant | 8,000,000 |
| ARPA | 1,436,000 |
| City Funds | 250,000 |
| | 18,908,000 |

Capital Outlay:

| | | | CIP | Debt Bal | |
|---------------|-------------------|----------------------|------------|-----------|-----------|
| Through FY 21 | 1,664,417 | per audit | 1,664,417 | | |
| FY 22 | 1,276,465 | per audit | 2,940,882 | 4,015,790 | 1,074,908 |
| FY 23 | 4,012,550 | ref capital budget | 6,953,432 | | |
| FY 24 | 11,954,568 | balance - in service | 18,908,000 | | |
| | 18,908,000 | | | | |
| | - | | | | |

Mount Pleasant
Water and Sewer Fund
Financial Review
2023

Exhibit 3a

Capital Investment Plan Funding

| Project | | Project Cost | Cash | Grant | Debt | |
|-------------------------------------|-----|---------------------|------------------|-------------------|-------------------|---|
| TDOT Utility Relocation Arrow Mines | W | 250,000 | 250,000 | - | - | - |
| Meters | W | 850,000 | 850,000 | - | - | - |
| Scada | W | 100,000 | 100,000 | - | - | - |
| 308 Cat | W | 100,000 | 100,000 | - | - | - |
| Trunkline 16" | W | 7,500,000 | - | 3,500,000 | 4,000,000 | - |
| Water Leaks/System Improvements | W | 300,000 | 300,000 | - | - | - |
| Sheepneck Pump | W | 1,500,000 | - | 500,000 | 1,000,000 | - |
| Sewer Rehab | S | 1,400,000 | - | 500,000 | 900,000 | - |
| Vehicle Replacement | W/S | 370,000 | - | - | 370,000 | - |
| Wastewater Project | S | 18,908,000 | 250,000 | 9,936,000 | 8,722,000 | - |
| Willams Hollow Spring/Line Replace | W | 2,559,000 | - | 1,748,000 | 811,000 | - |
| Total | | 33,837,000 | 1,850,000 | 16,184,000 | 15,803,000 | |

**Mount Pleasant
Water and Sewer Fund
Financial Review
2023**

Exhibit 4

Depreciation Schedule

| Water | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Existing Assets | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| New Assets | - | 19,350 | 71,800 | 241,238 | 391,300 | 415,625 |
| Total | 400,000 | 419,350 | 471,800 | 641,238 | 791,300 | 815,625 |

| Sewer | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Existing Assets | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 |
| New Assets | - | 238,200 | 478,250 | 499,450 | 524,400 | 535,600 |
| Total | 375,000 | 613,200 | 853,250 | 874,450 | 899,400 | 910,600 |

| Total | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|-----------------|----------------|------------------|------------------|------------------|------------------|------------------|
| Existing Assets | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 |
| New Assets | - | 257,550 | 550,050 | 740,688 | 915,700 | 951,225 |
| Total | 775,000 | 1,032,550 | 1,325,050 | 1,515,688 | 1,690,700 | 1,726,225 |

Mount Pleasant
Water and Sewer Fund
Financial Review
2023

Exhibit 5

Case 1 - No Rate Increase

| | FY 18 Audited | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenues | | | | | | | | | | | |
| Metered Sales | 2,880,987 | 2,969,689 | 2,950,027 | 2,852,695 | 2,960,590 | 3,050,000 | 3,050,000 | 3,075,581 | 3,101,419 | 3,153,610 | 3,206,845 |
| Metered Sales from Growth | - | - | - | - | - | - | 25,581 | 25,837 | 52,191 | 53,235 | 54,300 |
| Revenue from Rate Increase | - | - | - | - | - | - | - | - | - | - | - |
| Installation and Tap Fees | 29,850 | 64,944 | 57,775 | 75,550 | 54,680 | 61,000 | 57,840 | 59,420 | 58,630 | 59,025 | 58,828 |
| Other Revenue | 14,220 | 30,368 | 76,658 | 184,680 | 133,486 | 105,900 | 119,758 | 115,329 | 117,544 | 116,436 | 116,990 |
| Total Operating Revenues | 2,925,057 | 3,065,001 | 3,084,460 | 3,112,925 | 3,148,756 | 3,216,900 | 3,253,179 | 3,276,168 | 3,329,783 | 3,382,306 | 3,436,961 |
| Operating Expenses | | | | | | | | | | | |
| Salaries | 626,165 | 649,446 | 699,776 | 719,026 | 733,804 | 818,850 | 843,416 | 868,718 | 894,780 | 921,623 | 949,272 |
| Payroll Taxes | - | - | - | - | 55,214 | 61,600 | 63,448 | 65,351 | 67,312 | 69,331 | 71,411 |
| Employee Benefits | 240,650 | 255,463 | 309,229 | 322,863 | 266,779 | 327,400 | 337,222 | 347,339 | 357,759 | 368,492 | 379,546 |
| Fees | - | - | - | - | 7,544 | 13,000 | 13,390 | 13,792 | 14,205 | 14,632 | 15,071 |
| Utilities | 293,969 | 257,784 | 249,440 | 253,242 | 286,291 | 300,400 | 309,412 | 318,694 | 328,255 | 338,103 | 348,246 |
| Professional Services | 162,566 | 135,030 | 146,072 | 208,672 | 206,539 | 275,350 | 283,611 | 292,119 | 300,882 | 409,909 | 419,206 |
| Insurance | 52,696 | 39,126 | 35,110 | 36,037 | 44,154 | 57,250 | 58,968 | 60,737 | 62,559 | 64,435 | 66,368 |
| Repair and Maintenance | 30,331 | 44,386 | 61,558 | 65,787 | 45,138 | 52,750 | 54,333 | 55,962 | 57,641 | 59,371 | 311,152 |
| Operating Supplies | 236,954 | 248,408 | 230,225 | 290,657 | 267,210 | 336,900 | 347,007 | 357,417 | 368,140 | 379,184 | 390,559 |
| Office Expense | 18,491 | 19,243 | 45,764 | 22,173 | 45,476 | 45,400 | 46,762 | 48,165 | 49,610 | 51,098 | 52,631 |
| Vehicle Expense | 9,546 | 10,404 | 10,788 | 8,456 | 21,459 | 23,500 | 24,205 | 24,931 | 25,679 | 26,449 | 27,243 |
| Miscellaneous | 12,293 | 8,620 | 7,868 | - | - | - | - | - | - | - | - |
| Depreciation - Existing | 789,215 | 796,229 | 776,080 | 748,688 | 754,765 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 |
| Depreciation - New | - | - | - | - | - | - | 257,550 | 550,050 | 740,688 | 915,700 | 951,225 |
| Total Operating Expenses | 2,472,876 | 2,464,139 | 2,571,910 | 2,675,601 | 2,734,373 | 3,087,400 | 3,414,322 | 3,778,275 | 4,042,509 | 4,393,327 | 4,756,930 |
| Operating Income (Loss) | 452,181 | 600,862 | 512,550 | 437,324 | 414,383 | 129,500 | (161,143) | (502,108) | (712,726) | (1,011,021) | (1,319,969) |
| Nonoperating Revenues (Expenses) | | | | | | | | | | | |
| Interest Income | 5,213 | 8,323 | 102,504 | 10,834 | 5,526 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 |
| Interest Expense - Existing | (236,936) | (264,900) | (164,097) | (100,918) | (125,653) | (224,199) | (123,444) | (119,392) | (115,205) | (110,882) | (106,420) |
| Interest Expense - New | - | - | - | - | - | - | (156,798) | (210,883) | (250,910) | (245,583) | (239,682) |
| Total Nonoperating Revenues (Expenses) | (231,723) | (256,577) | (61,593) | (90,084) | (120,127) | (215,699) | (271,742) | (321,775) | (357,615) | (347,965) | (337,602) |
| Income (Loss) Before Contributions | 220,458 | 344,285 | 450,957 | 347,240 | 294,256 | (86,199) | (432,884) | (823,882) | (1,070,341) | (1,358,986) | (1,657,571) |
| Capital Contributions | - | 43,520 | 98,308 | 42,489 | 1,119,018 | 377,775 | 10,686,000 | 2,624,000 | 2,374,000 | - | - |
| Change in Net Position | 220,458 | 387,805 | 549,265 | 389,729 | 1,413,274 | 291,576 | 10,253,116 | 1,800,118 | 1,303,659 | (1,358,986) | (1,657,571) |
| Net Position - Beginning | 14,751,808 | 14,972,266 | 15,360,071 | 15,909,336 | 16,299,065 | 17,712,339 | 18,003,915 | 28,257,031 | 30,057,149 | 31,360,807 | 30,001,822 |
| Net Position - Ending | 14,972,266 | 15,360,071 | 15,909,336 | 16,299,065 | 17,712,339 | 18,003,915 | 28,257,031 | 30,057,149 | 31,360,807 | 30,001,822 | 28,344,251 |
| Check Figures | | | | | | - | - | 0 | - | - | 0 |
| Statutory Change in NP to Sales | 7.7% | 11.6% | 15.3% | 12.2% | 9.9% | -2.8% | -14.1% | -26.6% | -33.9% | -42.4% | -50.8% |

Mount Pleasant
Water Fund
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Exhibit 5a

Case 1 - No Rate Increase

| | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|---|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenues | | | | | | | |
| Metered Sales | 1,468,934 | 1,450,000 | 1,450,000 | 1,459,581 | 1,469,259 | 1,488,806 | 1,508,745 |
| Metered Sales from Growth | - | - | 9,581 | 9,677 | 19,548 | 19,939 | 20,338 |
| Revenue from Rate Increase | - | - | - | - | - | - | - |
| Installation and Tap Fees | 54,680 | 61,000 | 57,840 | 59,420 | 58,630 | 59,025 | 58,828 |
| Other Revenue | 128,616 | 110,900 | 119,758 | 115,329 | 117,544 | 116,436 | 116,990 |
| Total Operating Revenues | 1,652,230 | 1,621,900 | 1,637,179 | 1,644,008 | 1,664,980 | 1,684,206 | 1,704,900 |
| Operating Expenses | | | | | | | |
| Salaries | 476,057 | 513,075 | 528,467 | 544,321 | 560,651 | 577,470 | 594,795 |
| Payroll Taxes | 35,896 | 38,300 | 39,449 | 40,632 | 41,851 | 43,107 | 44,400 |
| Employee Benefits | 150,955 | 189,400 | 195,082 | 200,934 | 206,962 | 213,171 | 219,567 |
| Fees | 4,730 | 7,000 | 7,210 | 7,426 | 7,649 | 7,879 | 8,115 |
| Utilities | 142,154 | 146,500 | 150,895 | 155,422 | 160,085 | 164,887 | 169,834 |
| Professional Services | 69,107 | 129,700 | 133,591 | 137,599 | 141,727 | 245,978 | 250,358 |
| Insurance | 25,153 | 31,500 | 32,445 | 33,418 | 34,421 | 35,454 | 36,517 |
| Repair and Maintenance | 13,185 | 20,750 | 21,373 | 22,014 | 22,674 | 23,354 | 274,055 |
| Operating Supplies | 113,216 | 170,500 | 175,615 | 180,883 | 186,310 | 191,899 | 197,656 |
| Office Expense | 22,150 | 24,500 | 25,235 | 25,992 | 26,772 | 27,575 | 28,402 |
| Vehicle Expense | 13,687 | 14,000 | 14,420 | 14,853 | 15,298 | 15,757 | 16,230 |
| Miscellaneous | - | - | - | - | - | - | - |
| Depreciation - Existing | 103,889 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Depreciation - New | - | - | 19,350 | 71,800 | 241,238 | 391,300 | 415,625 |
| Total Operating Expenses | 1,170,179 | 1,685,225 | 1,743,132 | 1,835,295 | 2,045,638 | 2,337,832 | 2,655,553 |
| Operating Income (Loss) | 482,051 | (63,325) | (105,952) | (191,288) | (380,658) | (653,626) | (950,653) |
| Nonoperating Revenues (Expenses) | | | | | | | |
| Interest Income | 2,763 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 |
| Interest Expense - Existing | (125,653) | (127,362) | (123,444) | (119,392) | (115,205) | (110,882) | (106,420) |
| Interest Expense - New | - | - | (49,373) | (99,998) | (133,215) | (130,103) | (126,923) |
| Total Nonoperating Revenues (Expenses) | (122,890) | (123,112) | (168,567) | (215,140) | (244,170) | (236,735) | (229,093) |
| Income (Loss) Before Contributions | 359,161 | (186,437) | (274,519) | (406,427) | (624,828) | (890,361) | (1,179,746) |
| Capital Contributions | - | - | 1,000,000 | 2,374,000 | 2,374,000 | - | - |
| Change in Net Position | 359,161 | (186,437) | 725,481 | 1,967,573 | 1,749,172 | (890,361) | (1,179,746) |
| | | | | | | | |
| Statutory Change in NP to Sales | 24.5% | -12.9% | -18.8% | -27.7% | -42.0% | -59.0% | -77.2% |

Mount Pleasant
Sewer Fund
Financial Review
2023

Exhibit 5b

Case 1 - No Rate Increase

| | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|---|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenues | | | | | | | |
| Metered Sales | 1,491,656 | 1,600,000 | 1,600,000 | 1,616,000 | 1,632,160 | 1,664,803 | 1,698,099 |
| Metered Sales from Growth | - | - | 16,000 | 16,160 | 32,643 | 33,296 | 33,962 |
| Revenue from Rate Increase | - | - | - | - | - | - | - |
| Installation and Tap Fees | - | - | - | - | - | - | - |
| Other Revenue | 4,870 | (5,000) | - | - | - | - | - |
| Total Operating Revenues | 1,496,526 | 1,595,000 | 1,616,000 | 1,632,160 | 1,664,803 | 1,698,099 | 1,732,061 |
| Operating Expenses | | | | | | | |
| Salaries | 257,747 | 305,775 | 314,948 | 324,397 | 334,129 | 344,152 | 354,477 |
| Payroll Taxes | 19,318 | 23,300 | 23,999 | 24,719 | 25,461 | 26,224 | 27,011 |
| Employee Benefits | 115,824 | 138,000 | 142,140 | 146,404 | 150,796 | 155,320 | 159,980 |
| Fees | 2,814 | 6,000 | 6,180 | 6,365 | 6,556 | 6,753 | 6,956 |
| Utilities | 144,137 | 153,900 | 158,517 | 163,273 | 168,171 | 173,216 | 178,412 |
| Professional Services | 137,432 | 145,650 | 150,020 | 154,520 | 159,156 | 163,930 | 168,848 |
| Insurance | 19,001 | 25,750 | 26,523 | 27,318 | 28,138 | 28,982 | 29,851 |
| Repair and Maintenance | 31,953 | 32,000 | 32,960 | 33,949 | 34,967 | 36,016 | 37,097 |
| Operating Supplies | 153,994 | 166,400 | 171,392 | 176,534 | 181,830 | 187,285 | 192,903 |
| Office Expense | 23,326 | 20,900 | 21,527 | 22,173 | 22,838 | 23,523 | 24,229 |
| Vehicle Expense | 7,772 | 9,500 | 9,785 | 10,079 | 10,381 | 10,692 | 11,013 |
| Miscellaneous | - | - | - | - | - | - | - |
| Depreciation - Existing | 650,876 | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 |
| Depreciation - New | - | - | 238,200 | 478,250 | 499,450 | 524,400 | 535,600 |
| Total Operating Expenses | 1,564,194 | 1,402,175 | 1,671,190 | 1,942,980 | 1,996,872 | 2,055,495 | 2,101,377 |
| Operating Income (Loss) | (67,668) | 192,825 | (55,190) | (310,820) | (332,069) | (357,395) | (369,316) |
| Nonoperating Revenues (Expenses) | | | | | | | |
| Interest Income | 2,763 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 |
| Interest Expense - Existing | - | (20,000) | - | - | - | - | - |
| Interest Expense - New | - | (76,837) | (107,425) | (110,885) | (117,695) | (115,480) | (112,759) |
| Total Nonoperating Revenues (Expenses) | 2,763 | (92,587) | (103,175) | (106,635) | (113,445) | (111,230) | (108,509) |
| Income (Loss) Before Contributions | (64,905) | 100,238 | (158,365) | (417,455) | (445,514) | (468,625) | (477,825) |
| Capital Contributions | 1,119,018 | 377,775 | 9,686,000 | 250,000 | - | - | - |
| Change in Net Position | 1,054,113 | 478,013 | 9,527,635 | (167,455) | (445,514) | (468,625) | (477,825) |
| | | | | | | | |
| Statutory Change in NP to Sales | -4.4% | 6.3% | -9.8% | -25.6% | -26.8% | -27.6% | -27.6% |

Mount Pleasant
Water and Sewer Fund
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Exhibit 6a

Water Sales Revenue Projection
Case 1 - No Rate Increase

| | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
|-------------------------------------|---------------|-------|-------|-------|-------|-------|
| 01 - Residential Water In City | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 02 - Residential Water Outside City | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 03 - Sheepneck/Elk Ridge Water | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 04 - Mt Joy Water | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 52 - Mt Joy Water District | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 35 - Commercial Water In City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 14 - Commercial Water Outside City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 50 - Industrial Water In City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 40 - Industrial Water Outside City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 51 - Large Industrial Water In City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

| | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|--|------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|--|------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|

Metered Sales

| | | | | | | | | | | |
|-------------------------------------|---|---|---|---------|---------|---------|---------|---------|---------|---------|
| 01 - Residential Water In City | - | - | - | 504,077 | 497,577 | 497,577 | 502,552 | 507,578 | 517,730 | 528,084 |
| Growth | - | - | - | - | - | 4,976 | 5,026 | 10,152 | 10,355 | 10,562 |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| 02 - Residential Water Outside City | - | - | - | 105,247 | 103,890 | 103,890 | 104,929 | 105,978 | 108,098 | 110,260 |
| Growth | - | - | - | - | - | 1,039 | 1,049 | 2,120 | 2,162 | 2,205 |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| 03 - Sheepneck/Elk Ridge Water | - | - | - | 275,455 | 271,903 | 271,903 | 274,622 | 277,368 | 282,915 | 288,573 |
| Growth | - | - | - | - | - | 2,719 | 2,746 | 5,547 | 5,658 | 5,771 |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| 04 - Mt Joy Water | - | - | - | 61,319 | 60,528 | 60,528 | 61,134 | 61,745 | 62,980 | 64,240 |
| Growth | - | - | - | - | - | 605 | 611 | 1,235 | 1,260 | 1,285 |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| 52 - Mt Joy Water District | - | - | - | 24,554 | 24,238 | 24,238 | 24,480 | 24,725 | 25,220 | 25,724 |
| Growth | - | - | - | - | - | 242 | 245 | 495 | 504 | 514 |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| 35 - Commercial Water In City | - | - | - | 116,501 | 114,998 | 114,998 | 114,998 | 114,998 | 114,998 | 114,998 |
| Growth | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|-------------------------------------|---|---------|---------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| 14 - Commercial Water Outside City | - | - | - | 6,181 | 6,101 | 6,101 | 6,101 | 6,101 | 6,101 | 6,101 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| 50 - Industrial Water In City | - | - | - | 215,089 | 212,315 | 212,315 | 212,315 | 212,315 | 212,315 | 212,315 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| 40 - Industrial Water Outside City | - | - | - | 87,090 | 85,967 | 85,967 | 85,967 | 85,967 | 85,967 | 85,967 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| 51 - Large Industrial Water In City | - | - | - | 73,429 | 72,482 | 72,482 | 72,482 | 72,482 | 72,482 | 72,482 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| Total Metered Sales | - | - | - | 1,468,943 | 1,450,000 | 1,459,581 | 1,469,259 | 1,488,806 | 1,508,745 | 1,529,083 |
| | | #DIV/0! | #DIV/0! | #DIV/0! | -1.29% | 0.66% | 0.66% | 1.33% | 1.34% | 1.35% |

Summary

| | | | | | | | | | |
|--------------------------------|--|--|--|--|------------------|------------------|------------------|------------------|------------------|
| Metered Sales | | | | | 1,450,000 | 1,459,581 | 1,469,259 | 1,488,806 | 1,508,745 |
| New Revenue From Growth | | | | | 9,581 | 9,677 | 19,548 | 19,939 | 20,338 |
| New Revenue From Rate Increase | | | | | - | - | - | - | - |
| Total Metered Sales | | | | | 1,459,581 | 1,469,259 | 1,488,806 | 1,508,745 | 1,529,083 |

Mount Pleasant
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Exhibit 6b

Sewer Sales Revenue Projection
Case 1 - No Rate Increase

| | | | | | | |
|--------------|---------------|-------|-------|-------|-------|-------|
| Regular Cust | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| OPEN | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| OPEN | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

| | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|----------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Metered Sales | | | | | | | | | | |
| Regular Customers | - | - | - | 1,491,656 | 1,600,000 | 1,600,000 | 1,616,000 | 1,632,160 | 1,664,803 | 1,698,099 |
| Growth | - | - | - | - | - | 16,000 | 16,160 | 32,643 | 33,296 | 33,962 |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| OPEN | - | - | - | - | - | - | - | - | - | - |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| OPEN | - | - | - | - | - | - | - | - | - | - |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| Total Metered Sales | - | - | - | 1,491,656 | 1,600,000 | 1,616,000 | 1,632,160 | 1,664,803 | 1,698,099 | 1,732,061 |
| | | #DIV/0! | #DIV/0! | #DIV/0! | 7.26% | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |

Summary

| | | | | | |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Metered Sales | 1,600,000 | 1,616,000 | 1,632,160 | 1,664,803 | 1,698,099 |
| New Revenue From Growth | 16,000 | 16,160 | 32,643 | 33,296 | 33,962 |
| New Revenue From Rate Increase | - | - | - | - | - |
| Total Metered Sales | 1,616,000 | 1,632,160 | 1,664,803 | 1,698,099 | 1,732,061 |

Mount Pleasant
Water and Sewer Fund
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2023

Exhibit 7

Cash Flow Projection
Case 1 - No Rate Increase

| | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|------------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Income (Loss) Before Contributions | (86,199) | (432,884) | (823,882) | (1,070,341) | (1,358,986) | (1,657,571) |
| Add: Depreciation - Existing | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 |
| Depreciation - New | - | 257,550 | 550,050 | 740,688 | 915,700 | 951,225 |
| Grant Proceeds | 377,775 | 10,686,000 | 2,624,000 | 2,374,000 | - | - |
| Debt Proceeds | 2,814,210 | 4,277,000 | 2,574,000 | 1,974,000 | 74,000 | 74,000 |
| Less: Capital Projects | (4,012,550) | (15,939,568) | (5,448,000) | (4,723,000) | (449,000) | (324,000) |
| Debt Principal - Existing | (135,353) | (139,221) | (143,553) | (147,950) | (152,413) | (156,945) |
| Debt Principal - New | (149,919) | (262,368) | (288,232) | (404,972) | (431,628) | (437,529) |
| Cash Increase (Decrease) | (417,036) | (778,491) | (180,617) | (482,576) | (627,327) | (775,820) |
| Cash - Beginning | 4,898,133 | 4,481,097 | 3,702,606 | 3,521,989 | 3,039,413 | 2,412,086 |
| Cash - Ending | 4,481,097 | 3,702,606 | 3,521,989 | 3,039,413 | 2,412,086 | 1,636,266 |

Note - Cash Includes Restricted and Unrestricted

Water Cost Allocation by Class - Based on FY 24

| | | A | B |
|---------------------------|-------------------------------------|------------------|----------------|
| Customer Billing Classes: | | % of Consumption | % of Customers |
| 01 | 01 - Residential Water In City | 40.88% | 55.90% |
| 02 | 02 - Residential Water Outside City | 5.49% | 8.05% |
| 03 | 03 - Sheepneck/Elk Ridge Water | 15.22% | 21.73% |
| 04 | 04 - Mt Joy Water | 3.74% | 4.91% |
| 52 | 52 - Mt Joy Water District | 0.41% | 1.09% |
| 35 | 35 - Commercial Water In City | 7.54% | 6.58% |
| 14 | 14 - Commercial Water Outside City | 0.47% | 0.23% |
| 50 | 50 - Industrial Water In City | 14.78% | 1.25% |
| 40 | 40 - Industrial Water Outside City | 6.18% | 0.23% |
| 51 | 51 - Large Industrial Water In City | 5.29% | 0.04% |
| | | <u>100.00%</u> | <u>100.00%</u> |

| Water Dept Expenses - FY 24: | Total | Allocation Basis | 01 | 02 | 03 | 04 | 52 | 35 | 14 | 50 | 40 | 51 | Check Figure |
|---|------------------|------------------|------------------|-----------------|-----------------|-----------------|---------------|-----------------|----------------|-----------------|----------------|----------------|--------------|
| Salaries | 528,467 | A | 216,043 | 29,016 | 80,436 | 19,784 | 2,144 | 39,843 | 2,465 | 78,112 | 32,679 | 27,945 | - |
| Payroll Taxes | 39,449 | A | 16,127 | 2,166 | 6,004 | 1,477 | 160 | 2,974 | 184 | 5,831 | 2,439 | 2,086 | - |
| Employee Benefits | 195,082 | A | 79,752 | 10,711 | 29,693 | 7,303 | 792 | 14,708 | 910 | 28,835 | 12,063 | 10,316 | - |
| Fees | 7,210 | A | 2,948 | 396 | 1,097 | 270 | 29 | 544 | 34 | 1,066 | 446 | 381 | - |
| Utilities | 150,895 | A | 61,687 | 8,285 | 22,967 | 5,649 | 612 | 11,376 | 704 | 22,304 | 9,331 | 7,979 | - |
| Professional Services | 133,591 | A | 54,613 | 7,335 | 20,333 | 5,001 | 542 | 10,072 | 623 | 19,746 | 8,261 | 7,064 | - |
| Insurance | 32,445 | A | 13,264 | 1,781 | 4,938 | 1,215 | 132 | 2,446 | 151 | 4,796 | 2,006 | 1,716 | - |
| Repair and Maintenance | 21,373 | A | 8,737 | 1,173 | 3,253 | 800 | 87 | 1,611 | 100 | 3,159 | 1,322 | 1,130 | - |
| Operating Supplies | 175,615 | A | 71,793 | 9,642 | 26,730 | 6,575 | 713 | 13,240 | 819 | 25,957 | 10,859 | 9,286 | - |
| Office Expense | 25,235 | A | 10,316 | 1,386 | 3,841 | 945 | 102 | 1,903 | 118 | 3,730 | 1,560 | 1,334 | - |
| Vehicle Expense | 14,420 | A | 5,895 | 792 | 2,195 | 540 | 59 | 1,087 | 67 | 2,131 | 892 | 763 | - |
| Miscellaneous | - | A | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation - Existing | 400,000 | Ref Sch | 210,030 | 34,342 | 92,710 | 25,686 | 5,730 | 24,715 | 966 | 4,714 | 966 | 142 | - |
| Depreciation - New | 19,350 | Ref Sch | 10,160 | 1,724 | 4,654 | 1,050 | 234 | 1,196 | 48 | 228 | 48 | 7 | - |
| Interest Expense - Existing | 123,444 | Ref Sch | 48,829 | 6,558 | 18,180 | 7,744 | 1,215 | 9,005 | 557 | 17,655 | 7,386 | 6,316 | - |
| Interest Expense - New | 49,373 | Ref Sch | 20,184 | 2,711 | 7,515 | 1,848 | 200 | 3,722 | 230 | 7,298 | 3,053 | 2,611 | - |
| | <u>1,915,948</u> | | <u>830,379</u> | <u>118,019</u> | <u>324,546</u> | <u>85,888</u> | <u>12,751</u> | <u>138,442</u> | <u>7,977</u> | <u>225,560</u> | <u>93,311</u> | <u>79,075</u> | - |
| Water Revenue by Class - FY 24 | 1,459,581 | | 502,552 | 104,929 | 274,622 | 61,134 | 24,480 | 114,998 | 6,101 | 212,315 | 85,967 | 72,482 | - |
| Operating Rev Over (Under) Exp | (456,367) | | (327,826) | (13,090) | (49,924) | (24,754) | 11,729 | (23,444) | (1,876) | (13,245) | (7,344) | (6,593) | - |
| Installation and Tap Fees | 57,840 | B | 32,332 | 4,656 | 12,569 | 2,837 | 633 | 3,805 | 131 | 726 | 131 | 22 | - |
| Other Revenue | 119,758 | B | 66,943 | 9,640 | 26,023 | 5,874 | 1,310 | 7,877 | 271 | 1,502 | 271 | 45 | - |
| Interest Income | 4,250 | B | 2,376 | 342 | 924 | 208 | 47 | 280 | 10 | 53 | 10 | 2 | - |
| Income (Loss) Before Contributions | (274,519) | | (226,176) | 1,547 | (10,409) | (15,834) | 13,719 | (11,482) | (1,464) | (10,964) | (6,932) | (6,525) | - |
| Check Figure | - | | | | | | | | | | | | |

Statutory Change in NP to Sales -18.8% -45.0% 1.5% -3.8% -25.9% 56.0% -10.0% -24.0% -5.2% -8.1% -9.0%

Rate Class Total Res-In Res-Out Sheep/Elk Mt Joy Mt Joy Dist Comm-In Comm-Out Ind-In Ind-Out Lg Ind
Cost Recovery 86% 73% 101% 97% 82% 208% 92% 82% 95% 93% 92%

Rate Class Total Res-In Res-Out Sheep/Elk Mt Joy Comm-In Comm-Out Ind-In Ind-Out Lg Ind
Cost Recovery 86% 73% 101% 97% 98% 92% 82% 95% 93% 92%

Case 2 - Rate Increase

| | FY 18 Audited | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenues | | | | | | | | | | | |
| Metered Sales | 2,880,987 | 2,969,689 | 2,950,027 | 2,852,695 | 2,960,590 | 3,050,000 | 3,050,000 | 3,586,581 | 3,994,067 | 4,292,534 | 4,643,661 |
| Metered Sales from Growth | - | - | - | - | - | - | 25,581 | 29,865 | 67,040 | 71,597 | 76,909 |
| Revenue from Rate Increase | - | - | - | - | - | - | 511,000 | 377,621 | 231,427 | 279,531 | 314,599 |
| Installation and Tap Fees | 29,850 | 64,944 | 57,775 | 75,550 | 54,680 | 61,000 | 57,840 | 59,420 | 58,630 | 59,025 | 58,828 |
| Other Revenue | 14,220 | 30,368 | 76,658 | 184,680 | 133,486 | 105,900 | 119,758 | 115,329 | 117,544 | 116,436 | 116,990 |
| Total Operating Revenues | 2,925,057 | 3,065,001 | 3,084,460 | 3,112,925 | 3,148,756 | 3,216,900 | 3,764,179 | 4,168,816 | 4,468,708 | 4,819,123 | 5,210,986 |
| Operating Expenses | | | | | | | | | | | |
| Salaries | 626,165 | 649,446 | 699,776 | 719,026 | 733,804 | 818,850 | 843,416 | 868,718 | 894,780 | 921,623 | 949,272 |
| Payroll Taxes | - | - | - | - | 55,214 | 61,600 | 63,448 | 65,351 | 67,312 | 69,331 | 71,411 |
| Employee Benefits | 240,650 | 255,463 | 309,229 | 322,863 | 266,779 | 327,400 | 337,222 | 347,339 | 357,759 | 368,492 | 379,546 |
| Fees | - | - | - | - | 7,544 | 13,000 | 13,390 | 13,792 | 14,205 | 14,632 | 15,071 |
| Utilities | 293,969 | 257,784 | 249,440 | 253,242 | 286,291 | 300,400 | 309,412 | 318,694 | 328,255 | 338,103 | 348,246 |
| Professional Services | 162,566 | 135,030 | 146,072 | 208,672 | 206,539 | 275,350 | 283,611 | 292,119 | 300,882 | 409,909 | 419,206 |
| Insurance | 52,696 | 39,126 | 35,110 | 36,037 | 44,154 | 57,250 | 58,968 | 60,737 | 62,559 | 64,435 | 66,368 |
| Repair and Maintenance | 30,331 | 44,386 | 61,558 | 65,787 | 45,138 | 52,750 | 54,333 | 55,962 | 57,641 | 59,371 | 311,152 |
| Operating Supplies | 236,954 | 248,408 | 230,225 | 290,657 | 267,210 | 336,900 | 347,007 | 357,417 | 368,140 | 379,184 | 390,559 |
| Office Expense | 18,491 | 19,243 | 45,764 | 22,173 | 45,476 | 45,400 | 46,762 | 48,165 | 49,610 | 51,098 | 52,631 |
| Vehicle Expense | 9,546 | 10,404 | 10,788 | 8,456 | 21,459 | 23,500 | 24,205 | 24,931 | 25,679 | 26,449 | 27,243 |
| Miscellaneous | 12,293 | 8,620 | 7,868 | - | - | - | - | - | - | - | - |
| Depreciation - Existing | 789,215 | 796,229 | 776,080 | 748,688 | 754,765 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 |
| Depreciation - New | - | - | - | - | - | - | 257,550 | 550,050 | 740,688 | 915,700 | 951,225 |
| Total Operating Expenses | 2,472,876 | 2,464,139 | 2,571,910 | 2,675,601 | 2,734,373 | 3,087,400 | 3,414,322 | 3,778,275 | 4,042,509 | 4,393,327 | 4,756,930 |
| Operating Income (Loss) | 452,181 | 600,862 | 512,550 | 437,324 | 414,383 | 129,500 | 349,857 | 390,541 | 426,198 | 425,796 | 454,056 |
| Nonoperating Revenues (Expenses) | | | | | | | | | | | |
| Interest Income | 5,213 | 8,323 | 102,504 | 10,834 | 5,526 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 |
| Interest Expense - Existing | (236,936) | (264,900) | (164,097) | (100,918) | (125,653) | (224,199) | (123,444) | (119,392) | (115,205) | (110,882) | (106,420) |
| Interest Expense - New | - | - | - | - | - | - | (156,798) | (210,883) | (250,910) | (245,583) | (239,682) |
| Total Nonoperating Revenues (Expenses) | (231,723) | (256,577) | (61,593) | (90,084) | (120,127) | (215,699) | (271,742) | (321,775) | (357,615) | (347,965) | (337,602) |
| Income (Loss) Before Contributions | 220,458 | 344,285 | 450,957 | 347,240 | 294,256 | (86,199) | 78,116 | 68,766 | 68,583 | 77,831 | 116,454 |
| Capital Contributions | - | 43,520 | 98,308 | 42,489 | 1,119,018 | 377,775 | 10,686,000 | 2,624,000 | 2,374,000 | - | - |
| Change in Net Position | 220,458 | 387,805 | 549,265 | 389,729 | 1,413,274 | 291,576 | 10,764,116 | 2,692,766 | 2,442,583 | 77,831 | 116,454 |
| Net Position - Beginning | 14,751,808 | 14,972,266 | 15,360,071 | 15,909,336 | 16,299,065 | 17,712,339 | 18,003,915 | 28,768,031 | 31,460,797 | 33,903,381 | 33,981,212 |
| Net Position - Ending | 14,972,266 | 15,360,071 | 15,909,336 | 16,299,065 | 17,712,339 | 18,003,915 | 28,768,031 | 31,460,797 | 33,903,381 | 33,981,212 | 34,097,666 |
| Check Figures | | | | | | - | - | 0 | (0) | 0 | 0 |
| Statutory Change in NP to Sales | 7.7% | 11.6% | 15.3% | 12.2% | 9.9% | -2.8% | 2.2% | 1.7% | 1.6% | 1.7% | 2.3% |

Mount Pleasant
Water Fund
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Exhibit 9a

Case 2 - Rate Increase

| | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|---|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenues | | | | | | | |
| Metered Sales | 1,468,934 | 1,450,000 | 1,450,000 | 1,778,581 | 1,914,867 | 2,150,958 | 2,437,838 |
| Metered Sales from Growth | - | - | 9,581 | 11,785 | 25,456 | 28,765 | 32,792 |
| Revenue from Rate Increase | - | - | 319,000 | 124,501 | 210,635 | 258,115 | 292,541 |
| Installation and Tap Fees | 54,680 | 61,000 | 57,840 | 59,420 | 58,630 | 59,025 | 58,828 |
| Other Revenue | 128,616 | 110,900 | 119,758 | 115,329 | 117,544 | 116,436 | 116,990 |
| Total Operating Revenues | 1,652,230 | 1,621,900 | 1,956,179 | 2,089,616 | 2,327,132 | 2,613,299 | 2,938,988 |
| Operating Expenses | | | | | | | |
| Salaries | 476,057 | 513,075 | 528,467 | 544,321 | 560,651 | 577,470 | 594,795 |
| Payroll Taxes | 35,896 | 38,300 | 39,449 | 40,632 | 41,851 | 43,107 | 44,400 |
| Employee Benefits | 150,955 | 189,400 | 195,082 | 200,934 | 206,962 | 213,171 | 219,567 |
| Fees | 4,730 | 7,000 | 7,210 | 7,426 | 7,649 | 7,879 | 8,115 |
| Utilities | 142,154 | 146,500 | 150,895 | 155,422 | 160,085 | 164,887 | 169,834 |
| Professional Services | 69,107 | 129,700 | 133,591 | 137,599 | 141,727 | 245,978 | 250,358 |
| Insurance | 25,153 | 31,500 | 32,445 | 33,418 | 34,421 | 35,454 | 36,517 |
| Repair and Maintenance | 13,185 | 20,750 | 21,373 | 22,014 | 22,674 | 23,354 | 274,055 |
| Operating Supplies | 113,216 | 170,500 | 175,615 | 180,883 | 186,310 | 191,899 | 197,656 |
| Office Expense | 22,150 | 24,500 | 25,235 | 25,992 | 26,772 | 27,575 | 28,402 |
| Vehicle Expense | 13,687 | 14,000 | 14,420 | 14,853 | 15,298 | 15,757 | 16,230 |
| Miscellaneous | - | - | - | - | - | - | - |
| Depreciation - Existing | 103,889 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Depreciation - New | - | - | 19,350 | 71,800 | 241,238 | 391,300 | 415,625 |
| Total Operating Expenses | 1,170,179 | 1,685,225 | 1,743,132 | 1,835,295 | 2,045,638 | 2,337,832 | 2,655,553 |
| Operating Income (Loss) | 482,051 | (63,325) | 213,048 | 254,321 | 281,494 | 275,467 | 283,435 |
| Nonoperating Revenues (Expenses) | | | | | | | |
| Interest Income | 2,763 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 |
| Interest Expense - Existing | (125,653) | (127,362) | (123,444) | (119,392) | (115,205) | (110,882) | (106,420) |
| Interest Expense - New | - | - | (49,373) | (99,998) | (133,215) | (130,103) | (126,923) |
| Total Nonoperating Revenues (Expenses) | (122,890) | (123,112) | (168,567) | (215,140) | (244,170) | (236,735) | (229,093) |
| Income (Loss) Before Contributions | 359,161 | (186,437) | 44,481 | 39,181 | 37,324 | 38,732 | 54,342 |
| Capital Contributions | - | - | 1,000,000 | 2,374,000 | 2,374,000 | - | - |
| Change in Net Position | 359,161 | (186,437) | 1,044,481 | 2,413,181 | 2,411,324 | 38,732 | 54,342 |
| | | | | | | | |
| Statutory Change in NP to Sales | 24.5% | -12.9% | 2.5% | 2.0% | 1.7% | 1.6% | 2.0% |

Mount Pleasant
Sewer Fund
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Exhibit 9b

Case 2 - Rate Increase

| | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|---|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenues | | | | | | | |
| Metered Sales | 1,491,656 | 1,600,000 | 1,600,000 | 1,808,000 | 2,079,200 | 2,141,576 | 2,205,823 |
| Metered Sales from Growth | - | - | 16,000 | 18,080 | 41,584 | 42,832 | 44,116 |
| Revenue from Rate Increase | - | - | 192,000 | 253,120 | 20,792 | 21,416 | 22,058 |
| Installation and Tap Fees | - | - | - | - | - | - | - |
| Other Revenue | 4,870 | (5,000) | - | - | - | - | - |
| Total Operating Revenues | 1,496,526 | 1,595,000 | 1,808,000 | 2,079,200 | 2,141,576 | 2,205,823 | 2,271,998 |
| Operating Expenses | | | | | | | |
| Salaries | 257,747 | 305,775 | 314,948 | 324,397 | 334,129 | 344,152 | 354,477 |
| Payroll Taxes | 19,318 | 23,300 | 23,999 | 24,719 | 25,461 | 26,224 | 27,011 |
| Employee Benefits | 115,824 | 138,000 | 142,140 | 146,404 | 150,796 | 155,320 | 159,980 |
| Fees | 2,814 | 6,000 | 6,180 | 6,365 | 6,556 | 6,753 | 6,956 |
| Utilities | 144,137 | 153,900 | 158,517 | 163,273 | 168,171 | 173,216 | 178,412 |
| Professional Services | 137,432 | 145,650 | 150,020 | 154,520 | 159,156 | 163,930 | 168,848 |
| Insurance | 19,001 | 25,750 | 26,523 | 27,318 | 28,138 | 28,982 | 29,851 |
| Repair and Maintenance | 31,953 | 32,000 | 32,960 | 33,949 | 34,967 | 36,016 | 37,097 |
| Operating Supplies | 153,994 | 166,400 | 171,392 | 176,534 | 181,830 | 187,285 | 192,903 |
| Office Expense | 23,326 | 20,900 | 21,527 | 22,173 | 22,838 | 23,523 | 24,229 |
| Vehicle Expense | 7,772 | 9,500 | 9,785 | 10,079 | 10,381 | 10,692 | 11,013 |
| Miscellaneous | - | - | - | - | - | - | - |
| Depreciation - Existing | 650,876 | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 |
| Depreciation - New | - | - | 238,200 | 478,250 | 499,450 | 524,400 | 535,600 |
| Total Operating Expenses | 1,564,194 | 1,402,175 | 1,671,190 | 1,942,980 | 1,996,872 | 2,055,495 | 2,101,377 |
| Operating Income (Loss) | (67,668) | 192,825 | 136,810 | 136,220 | 144,704 | 150,329 | 170,621 |
| Nonoperating Revenues (Expenses) | | | | | | | |
| Interest Income | 2,763 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 |
| Interest Expense - Existing | - | (20,000) | - | - | - | - | - |
| Interest Expense - New | - | (76,837) | (107,425) | (110,885) | (117,695) | (115,480) | (112,759) |
| Total Nonoperating Revenues (Expenses) | 2,763 | (92,587) | (103,175) | (106,635) | (113,445) | (111,230) | (108,509) |
| Income (Loss) Before Contributions | (64,905) | 100,238 | 33,635 | 29,585 | 31,259 | 39,099 | 62,112 |
| Capital Contributions | 1,119,018 | 377,775 | 9,686,000 | 250,000 | - | - | - |
| Change in Net Position | 1,054,113 | 478,013 | 9,719,635 | 279,585 | 31,259 | 39,099 | 62,112 |
| | | | | | | | |
| Statutory Change in NP to Sales | -4.4% | 6.3% | 1.9% | 1.4% | 1.5% | 1.8% | 2.7% |

Mount Pleasant
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Exhibit 10a

Water Sales Revenue Projection
Case 2 - Rate Increase

| | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
|-------------------------------------|---------------|--------|-------|--------|--------|--------|
| 01 - Residential Water In City | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | Rate Increase | 22.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| 02 - Residential Water Outside City | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | Rate Increase | 22.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| 03 - Sheepneck/Elk Ridge Water | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | Rate Increase | 22.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| 04 - Mt Joy Water | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | Rate Increase | 22.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| 52 - Mt Joy Water District | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | Rate Increase | 22.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| 35 - Commercial Water In City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 22.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| 14 - Commercial Water Outside City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 22.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| 50 - Industrial Water In City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 22.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| 40 - Industrial Water Outside City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 22.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| 51 - Large Industrial Water In City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 22.00% | 7.00% | 11.00% | 12.00% | 12.00% |

| | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|--|------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|--|------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|

Metered Sales

| | | | | | | | | | | |
|-------------------------------------|---|---|---|---------|---------|---------|---------|---------|---------|---------|
| 01 - Residential Water In City | - | - | - | 504,077 | 497,577 | 497,577 | 612,019 | 660,981 | 746,908 | 851,476 |
| Growth | - | - | - | - | - | 4,976 | 6,120 | 13,220 | 14,938 | 17,030 |
| Rate Increase | - | - | - | - | - | 109,467 | 42,841 | 72,708 | 89,629 | 102,177 |
| 02 - Residential Water Outside City | - | - | - | 105,247 | 103,890 | 103,890 | 127,785 | 138,007 | 155,948 | 177,781 |
| Growth | - | - | - | - | - | 1,039 | 1,278 | 2,760 | 3,119 | 3,556 |
| Rate Increase | - | - | - | - | - | 22,856 | 8,945 | 15,181 | 18,714 | 21,334 |
| 03 - Sheepneck/Elk Ridge Water | - | - | - | 275,455 | 271,903 | 271,903 | 334,440 | 361,195 | 408,151 | 465,292 |
| Growth | - | - | - | - | - | 2,719 | 3,344 | 7,224 | 8,163 | 9,306 |
| Rate Increase | - | - | - | - | - | 59,819 | 23,411 | 39,731 | 48,978 | 55,835 |
| 04 - Mt Joy Water | - | - | - | 61,319 | 60,528 | 60,528 | 74,450 | 80,406 | 90,859 | 103,579 |
| Growth | - | - | - | - | - | 605 | 744 | 1,608 | 1,817 | 2,072 |
| Rate Increase | - | - | - | - | - | 13,316 | 5,211 | 8,845 | 10,903 | 12,429 |
| 52 - Mt Joy Water District | - | - | - | 24,554 | 24,238 | 24,238 | 29,813 | 32,198 | 36,383 | 41,477 |
| Growth | - | - | - | - | - | 242 | 298 | 644 | 728 | 830 |
| Rate Increase | - | - | - | - | - | 5,332 | 2,087 | 3,542 | 4,366 | 4,977 |
| 35 - Commercial Water In City | - | - | - | 116,501 | 114,998 | 114,998 | 140,298 | 150,119 | 166,632 | 186,628 |
| Growth | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|-------------------------------------|---|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Rate Increase | - | - | - | - | - | 25,300 | 9,821 | 16,513 | 19,996 | 22,395 |
| 14 - Commercial Water Outside City | - | - | - | 6,181 | 6,101 | 6,101 | 7,443 | 7,965 | 8,841 | 9,902 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | 1,342 | 521 | 876 | 1,061 | 1,188 |
| 50 - Industrial Water In City | - | - | - | 215,089 | 212,315 | 212,315 | 259,025 | 277,157 | 307,644 | 344,561 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | 46,709 | 18,132 | 30,487 | 36,917 | 41,347 |
| 40 - Industrial Water Outside City | - | - | - | 87,090 | 85,967 | 85,967 | 104,880 | 112,222 | 124,566 | 139,514 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | 18,913 | 7,342 | 12,344 | 14,948 | 16,742 |
| 51 - Large Industrial Water In City | - | - | - | 73,429 | 72,482 | 72,482 | 88,428 | 94,618 | 105,026 | 117,630 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | 15,946 | 6,190 | 10,408 | 12,603 | 14,116 |
| Total Metered Sales | - | - | - | 1,468,943 | 1,450,000 | 1,778,581 | 1,914,867 | 2,150,958 | 2,437,838 | 2,763,171 |
| | | #DIV/0! | #DIV/0! | #DIV/0! | -1.29% | 22.66% | 7.66% | 12.33% | 13.34% | 13.35% |

Summary

| | | | | | | | | | | |
|--------------------------------|--|--|--|--|--|-----------|-----------|-----------|-----------|-----------|
| Metered Sales | | | | | | 1,450,000 | 1,778,581 | 1,914,867 | 2,150,958 | 2,437,838 |
| New Revenue From Growth | | | | | | 9,581 | 11,785 | 25,456 | 28,765 | 32,792 |
| New Revenue From Rate Increase | | | | | | 319,000 | 124,501 | 210,635 | 258,115 | 292,541 |
| Total Metered Sales | | | | | | 1,778,581 | 1,914,867 | 2,150,958 | 2,437,838 | 2,763,171 |

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Exhibit 10b

Sewer Sales Revenue Projection
Case 2 - Rate Increase

| Regular Cust | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
|--------------|---------------|--------|--------|-------|-------|-------|
| | Rate Increase | 12.00% | 14.00% | 1.00% | 1.00% | 1.00% |
| OPEN | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| OPEN | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

| | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|----------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Metered Sales | | | | | | | | | | |
| Regular Customers | - | - | - | 1,491,656 | 1,600,000 | 1,600,000 | 1,808,000 | 2,079,200 | 2,141,576 | 2,205,823 |
| Growth | - | - | - | - | - | 16,000 | 18,080 | 41,584 | 42,832 | 44,116 |
| Rate Increase | - | - | - | - | - | 192,000 | 253,120 | 20,792 | 21,416 | 22,058 |
| OPEN | - | - | - | - | - | - | - | - | - | - |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| OPEN | - | - | - | - | - | - | - | - | - | - |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| Total Metered Sales | - | - | - | 1,491,656 | 1,600,000 | 1,808,000 | 2,079,200 | 2,141,576 | 2,205,823 | 2,271,998 |
| | | #DIV/0! | #DIV/0! | #DIV/0! | 7.26% | 13.00% | 15.00% | 3.00% | 3.00% | 3.00% |

Summary

| | | | | | |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Metered Sales | 1,600,000 | 1,808,000 | 2,079,200 | 2,141,576 | 2,205,823 |
| New Revenue From Growth | 16,000 | 18,080 | 41,584 | 42,832 | 44,116 |
| New Revenue From Rate Increase | 192,000 | 253,120 | 20,792 | 21,416 | 22,058 |
| Total Metered Sales | 1,808,000 | 2,079,200 | 2,141,576 | 2,205,823 | 2,271,998 |

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Exhibit 11

Cash Flow Projection
Case 2 - Rate Increase

| | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|------------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Income (Loss) Before Contributions | (86,199) | 78,116 | 68,766 | 68,583 | 77,831 | 116,454 |
| Add: Depreciation - Existing | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 |
| Depreciation - New | - | 257,550 | 550,050 | 740,688 | 915,700 | 951,225 |
| Grant Proceeds | 377,775 | 10,686,000 | 2,624,000 | 2,374,000 | - | - |
| Debt Proceeds | 2,814,210 | 4,277,000 | 2,574,000 | 1,974,000 | 74,000 | 74,000 |
| Less: Capital Projects | (4,012,550) | (15,939,568) | (5,448,000) | (4,723,000) | (449,000) | (324,000) |
| Debt Principal - Existing | (135,353) | (139,221) | (143,553) | (147,950) | (152,413) | (156,945) |
| Debt Principal - New | (149,919) | (262,368) | (288,232) | (404,972) | (431,628) | (437,529) |
| Cash Increase (Decrease) | (417,036) | (267,491) | 712,031 | 656,349 | 809,490 | 998,205 |
| Cash - Beginning | 4,898,133 | 4,481,097 | 4,213,606 | 4,925,637 | 5,581,986 | 6,391,476 |
| Cash - Ending | 4,481,097 | 4,213,606 | 4,925,637 | 5,581,986 | 6,391,476 | 7,389,681 |

Note - Cash Includes Restricted and Unrestricted

Water Cost Allocation by Class - Based on FY 24

| | | A | B |
|---------------------------|-------------------------------------|------------------|----------------|
| Customer Billing Classes: | | % of Consumption | % of Customers |
| 01 | 01 - Residential Water In City | 40.88% | 55.90% |
| 02 | 02 - Residential Water Outside City | 5.49% | 8.05% |
| 03 | 03 - Sheepneck/Elk Ridge Water | 15.22% | 21.73% |
| 04 | 04 - Mt Joy Water | 3.74% | 4.91% |
| 52 | 52 - Mt Joy Water District | 0.41% | 1.09% |
| 35 | 35 - Commercial Water In City | 7.54% | 6.58% |
| 14 | 14 - Commercial Water Outside City | 0.47% | 0.23% |
| 50 | 50 - Industrial Water In City | 14.78% | 1.25% |
| 40 | 40 - Industrial Water Outside City | 6.18% | 0.23% |
| 51 | 51 - Large Industrial Water In City | 5.29% | 0.04% |
| | | <u>100.00%</u> | <u>100.00%</u> |

| Water Dept Expenses - FY 24: | Total | Allocation Basis | 01 | 02 | 03 | 04 | 52 | 35 | 14 | 50 | 40 | 51 | Check Figure |
|---|------------------|------------------|------------------|----------------|----------------|-----------------|---------------|----------------|--------------|----------------|----------------|---------------|--------------|
| Salaries | 528,467 | A | 216,043 | 29,016 | 80,436 | 19,784 | 2,144 | 39,843 | 2,465 | 78,112 | 32,679 | 27,945 | - |
| Payroll Taxes | 39,449 | A | 16,127 | 2,166 | 6,004 | 1,477 | 160 | 2,974 | 184 | 5,831 | 2,439 | 2,086 | - |
| Employee Benefits | 195,082 | A | 79,752 | 10,711 | 29,693 | 7,303 | 792 | 14,708 | 910 | 28,835 | 12,063 | 10,316 | - |
| Fees | 7,210 | A | 2,948 | 396 | 1,097 | 270 | 29 | 544 | 34 | 1,066 | 446 | 381 | - |
| Utilities | 150,895 | A | 61,687 | 8,285 | 22,967 | 5,649 | 612 | 11,376 | 704 | 22,304 | 9,331 | 7,979 | - |
| Professional Services | 133,591 | A | 54,613 | 7,335 | 20,333 | 5,001 | 542 | 10,072 | 623 | 19,746 | 8,261 | 7,064 | - |
| Insurance | 32,445 | A | 13,264 | 1,781 | 4,938 | 1,215 | 132 | 2,446 | 151 | 4,796 | 2,006 | 1,716 | - |
| Repair and Maintenance | 21,373 | A | 8,737 | 1,173 | 3,253 | 800 | 87 | 1,611 | 100 | 3,159 | 1,322 | 1,130 | - |
| Operating Supplies | 175,615 | A | 71,793 | 9,642 | 26,730 | 6,575 | 713 | 13,240 | 819 | 25,957 | 10,859 | 9,286 | - |
| Office Expense | 25,235 | A | 10,316 | 1,386 | 3,841 | 945 | 102 | 1,903 | 118 | 3,730 | 1,560 | 1,334 | - |
| Vehicle Expense | 14,420 | A | 5,895 | 792 | 2,195 | 540 | 59 | 1,087 | 67 | 2,131 | 892 | 763 | - |
| Miscellaneous | - | A | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation - Existing | 400,000 | Ref Sch | 210,030 | 34,342 | 92,710 | 25,686 | 5,730 | 24,715 | 966 | 4,714 | 966 | 142 | - |
| Depreciation - New | 19,350 | Ref Sch | 10,160 | 1,724 | 4,654 | 1,050 | 234 | 1,196 | 48 | 228 | 48 | 7 | - |
| Interest Expense - Existing | 123,444 | Ref Sch | 48,829 | 6,558 | 18,180 | 7,744 | 1,215 | 9,005 | 557 | 17,655 | 7,386 | 6,316 | - |
| Interest Expense - New | 49,373 | Ref Sch | 20,184 | 2,711 | 7,515 | 1,848 | 200 | 3,722 | 230 | 7,298 | 3,053 | 2,611 | - |
| | <u>1,915,948</u> | | <u>830,379</u> | <u>118,019</u> | <u>324,546</u> | <u>85,888</u> | <u>12,751</u> | <u>138,442</u> | <u>7,977</u> | <u>225,560</u> | <u>93,311</u> | <u>79,075</u> | - |
| Water Revenue by Class - FY 24 | 1,778,581 | | 612,019 | 127,785 | 334,440 | 74,450 | 29,813 | 140,298 | 7,443 | 259,025 | 104,880 | 88,428 | - |
| Operating Rev Over (Under) Exp | (137,367) | | (218,359) | 9,766 | 9,894 | (11,438) | 17,062 | 1,856 | (533) | 33,464 | 11,569 | 9,353 | - |
| Installation and Tap Fees | 57,840 | B | 32,332 | 4,656 | 12,569 | 2,837 | 633 | 3,805 | 131 | 726 | 131 | 22 | - |
| Other Revenue | 119,758 | B | 66,943 | 9,640 | 26,023 | 5,874 | 1,310 | 7,877 | 271 | 1,502 | 271 | 45 | - |
| Interest Income | 4,250 | B | 2,376 | 342 | 924 | 208 | 47 | 280 | 10 | 53 | 10 | 2 | - |
| Income (Loss) Before Contributions | 44,481 | | (116,709) | 24,403 | 49,410 | (2,518) | 19,051 | 13,817 | (122) | 35,746 | 11,981 | 9,422 | (0) |
| Check Figure | - | | | | | | | | | | | | |

| | | | | | | | | | | | |
|---------------------------------|-------|--------|---------|-----------|--------|-------------|----------|----------|---------|---------|--------|
| Statutory Change in NP to Sales | 2.5% | -19.1% | 19.1% | 14.8% | -3.4% | 63.9% | 9.8% | -1.6% | 13.8% | 11.4% | 10.7% |
| Rate Class | Total | Res-In | Res-Out | Sheep/Elk | Mt Joy | Mt Joy Dist | Comm-In | Comm-Out | Ind-In | Ind-Out | Lg Ind |
| Cost Recovery | 102% | 86% | 121% | 115% | 97% | 249% | 110% | 98% | 116% | 113% | 112% |
| Rate Class | Total | Res-In | Res-Out | Sheep/Elk | Mt Joy | Comm-In | Comm-Out | Ind-In | Ind-Out | Lg Ind | |
| Cost Recovery | 102% | 86% | 121% | 115% | 117% | 110% | 98% | 116% | 113% | 112% | |

Case 3 - Rate Increase By Rate Class

| | FY 18 Audited | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenues | | | | | | | | | | | |
| Metered Sales | 2,880,987 | 2,969,689 | 2,950,027 | 2,852,695 | 2,960,590 | 3,050,000 | 3,050,000 | 3,585,475 | 3,993,585 | 4,293,514 | 4,646,470 |
| Metered Sales from Growth | - | - | - | - | - | - | 25,581 | 30,566 | 68,554 | 73,308 | 78,860 |
| Revenue from Rate Increase | - | - | - | - | - | - | 509,894 | 377,543 | 231,374 | 279,648 | 314,936 |
| Installation and Tap Fees | 29,850 | 64,944 | 57,775 | 75,550 | 54,680 | 61,000 | 57,840 | 59,420 | 58,630 | 59,025 | 58,828 |
| Other Revenue | 14,220 | 30,368 | 76,658 | 184,680 | 133,486 | 105,900 | 119,758 | 115,329 | 117,544 | 116,436 | 116,990 |
| Total Operating Revenues | 2,925,057 | 3,065,001 | 3,084,460 | 3,112,925 | 3,148,756 | 3,216,900 | 3,763,073 | 4,168,334 | 4,469,687 | 4,821,931 | 5,216,083 |
| Operating Expenses | | | | | | | | | | | |
| Salaries | 626,165 | 649,446 | 699,776 | 719,026 | 733,804 | 818,850 | 843,416 | 868,718 | 894,780 | 921,623 | 949,272 |
| Payroll Taxes | - | - | - | - | 55,214 | 61,600 | 63,448 | 65,351 | 67,312 | 69,331 | 71,411 |
| Employee Benefits | 240,650 | 255,463 | 309,229 | 322,863 | 266,779 | 327,400 | 337,222 | 347,339 | 357,759 | 368,492 | 379,546 |
| Fees | - | - | - | - | 7,544 | 13,000 | 13,390 | 13,792 | 14,205 | 14,632 | 15,071 |
| Utilities | 293,969 | 257,784 | 249,440 | 253,242 | 286,291 | 300,400 | 309,412 | 318,694 | 328,255 | 338,103 | 348,246 |
| Professional Services | 162,566 | 135,030 | 146,072 | 208,672 | 206,539 | 275,350 | 283,611 | 292,119 | 300,882 | 409,909 | 419,206 |
| Insurance | 52,696 | 39,126 | 35,110 | 36,037 | 44,154 | 57,250 | 58,968 | 60,737 | 62,559 | 64,435 | 66,368 |
| Repair and Maintenance | 30,331 | 44,386 | 61,558 | 65,787 | 45,138 | 52,750 | 54,333 | 55,962 | 57,641 | 59,371 | 311,152 |
| Operating Supplies | 236,954 | 248,408 | 230,225 | 290,657 | 267,210 | 336,900 | 347,007 | 357,417 | 368,140 | 379,184 | 390,559 |
| Office Expense | 18,491 | 19,243 | 45,764 | 22,173 | 45,476 | 45,400 | 46,762 | 48,165 | 49,610 | 51,098 | 52,631 |
| Vehicle Expense | 9,546 | 10,404 | 10,788 | 8,456 | 21,459 | 23,500 | 24,205 | 24,931 | 25,679 | 26,449 | 27,243 |
| Miscellaneous | 12,293 | 8,620 | 7,868 | - | - | - | - | - | - | - | - |
| Depreciation - Existing | 789,215 | 796,229 | 776,080 | 748,688 | 754,765 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 |
| Depreciation - New | - | - | - | - | - | - | 257,550 | 550,050 | 740,688 | 915,700 | 951,225 |
| Total Operating Expenses | 2,472,876 | 2,464,139 | 2,571,910 | 2,675,601 | 2,734,373 | 3,087,400 | 3,414,322 | 3,778,275 | 4,042,509 | 4,393,327 | 4,756,930 |
| Operating Income (Loss) | 452,181 | 600,862 | 512,550 | 437,324 | 414,383 | 129,500 | 348,751 | 390,059 | 427,178 | 428,605 | 459,153 |
| Nonoperating Revenues (Expenses) | | | | | | | | | | | |
| Interest Income | 5,213 | 8,323 | 102,504 | 10,834 | 5,526 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 |
| Interest Expense - Existing | (236,936) | (264,900) | (164,097) | (100,918) | (125,653) | (224,199) | (123,444) | (119,392) | (115,205) | (110,882) | (106,420) |
| Interest Expense - New | - | - | - | - | - | - | (156,798) | (210,883) | (250,910) | (245,583) | (239,682) |
| Total Nonoperating Revenues (Expenses) | (231,723) | (256,577) | (61,593) | (90,084) | (120,127) | (215,699) | (271,742) | (321,775) | (357,615) | (347,965) | (337,602) |
| Income (Loss) Before Contributions | 220,458 | 344,285 | 450,957 | 347,240 | 294,256 | (86,199) | 77,010 | 68,284 | 69,563 | 80,640 | 121,551 |
| Capital Contributions | - | 43,520 | 98,308 | 42,489 | 1,119,018 | 377,775 | 10,686,000 | 2,624,000 | 2,374,000 | - | - |
| Change in Net Position | 220,458 | 387,805 | 549,265 | 389,729 | 1,413,274 | 291,576 | 10,763,010 | 2,692,284 | 2,443,563 | 80,640 | 121,551 |
| Net Position - Beginning | 14,751,808 | 14,972,266 | 15,360,071 | 15,909,336 | 16,299,065 | 17,712,339 | 18,003,915 | 28,766,925 | 31,459,209 | 33,902,772 | 33,983,412 |
| Net Position - Ending | 14,972,266 | 15,360,071 | 15,909,336 | 16,299,065 | 17,712,339 | 18,003,915 | 28,766,925 | 31,459,209 | 33,902,772 | 33,983,412 | 34,104,963 |
| Check Figures | | | | | | | | 0 | 0 | 0 | 0 |
| Statutory Change in NP to Sales | 7.7% | 11.6% | 15.3% | 12.2% | 9.9% | -2.8% | 2.1% | 1.7% | 1.6% | 1.7% | 2.4% |

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Exhibit 13a

Case 3 - Rate Increase By Rate Class

| | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|---|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenues | | | | | | | |
| Metered Sales | 1,468,934 | 1,450,000 | 1,450,000 | 1,777,475 | 1,914,385 | 2,151,938 | 2,440,647 |
| Metered Sales from Growth | - | - | 9,581 | 12,486 | 26,970 | 30,477 | 34,743 |
| Revenue from Rate Increase | - | - | 317,894 | 124,423 | 210,582 | 258,233 | 292,878 |
| Installation and Tap Fees | 54,680 | 61,000 | 57,840 | 59,420 | 58,630 | 59,025 | 58,828 |
| Other Revenue | 128,616 | 110,900 | 119,758 | 115,329 | 117,544 | 116,436 | 116,990 |
| Total Operating Revenues | 1,652,230 | 1,621,900 | 1,955,073 | 2,089,134 | 2,328,111 | 2,616,108 | 2,944,085 |
| Operating Expenses | | | | | | | |
| Salaries | 476,057 | 513,075 | 528,467 | 544,321 | 560,651 | 577,470 | 594,795 |
| Payroll Taxes | 35,896 | 38,300 | 39,449 | 40,632 | 41,851 | 43,107 | 44,400 |
| Employee Benefits | 150,955 | 189,400 | 195,082 | 200,934 | 206,962 | 213,171 | 219,567 |
| Fees | 4,730 | 7,000 | 7,210 | 7,426 | 7,649 | 7,879 | 8,115 |
| Utilities | 142,154 | 146,500 | 150,895 | 155,422 | 160,085 | 164,887 | 169,834 |
| Professional Services | 69,107 | 129,700 | 133,591 | 137,599 | 141,727 | 245,978 | 250,358 |
| Insurance | 25,153 | 31,500 | 32,445 | 33,418 | 34,421 | 35,454 | 36,517 |
| Repair and Maintenance | 13,185 | 20,750 | 21,373 | 22,014 | 22,674 | 23,354 | 274,055 |
| Operating Supplies | 113,216 | 170,500 | 175,615 | 180,883 | 186,310 | 191,899 | 197,656 |
| Office Expense | 22,150 | 24,500 | 25,235 | 25,992 | 26,772 | 27,575 | 28,402 |
| Vehicle Expense | 13,687 | 14,000 | 14,420 | 14,853 | 15,298 | 15,757 | 16,230 |
| Miscellaneous | - | - | - | - | - | - | - |
| Depreciation - Existing | 103,889 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Depreciation - New | - | - | 19,350 | 71,800 | 241,238 | 391,300 | 415,625 |
| Total Operating Expenses | 1,170,179 | 1,685,225 | 1,743,132 | 1,835,295 | 2,045,638 | 2,337,832 | 2,655,553 |
| Operating Income (Loss) | 482,051 | (63,325) | 211,942 | 253,839 | 282,474 | 278,276 | 288,532 |
| Nonoperating Revenues (Expenses) | | | | | | | |
| Interest Income | 2,763 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 |
| Interest Expense - Existing | (125,653) | (127,362) | (123,444) | (119,392) | (115,205) | (110,882) | (106,420) |
| Interest Expense - New | - | - | (49,373) | (99,998) | (133,215) | (130,103) | (126,923) |
| Total Nonoperating Revenues (Expenses) | (122,890) | (123,112) | (168,567) | (215,140) | (244,170) | (236,735) | (229,093) |
| Income (Loss) Before Contributions | 359,161 | (186,437) | 43,375 | 38,699 | 38,304 | 41,541 | 59,439 |
| Capital Contributions | - | - | 1,000,000 | 2,374,000 | 2,374,000 | - | - |
| Change in Net Position | 359,161 | (186,437) | 1,043,375 | 2,412,699 | 2,412,304 | 41,541 | 59,439 |
| | | | | | | | |
| Statutory Change in NP to Sales | 24.5% | -12.9% | 2.4% | 2.0% | 1.8% | 1.7% | 2.1% |

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Exhibit 13b

Case 3 - Rate Increase By Rate Class

| | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|---|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenues | | | | | | | |
| Metered Sales | 1,491,656 | 1,600,000 | 1,600,000 | 1,808,000 | 2,079,200 | 2,141,576 | 2,205,823 |
| Metered Sales from Growth | - | - | 16,000 | 18,080 | 41,584 | 42,832 | 44,116 |
| Revenue from Rate Increase | - | - | 192,000 | 253,120 | 20,792 | 21,416 | 22,058 |
| Installation and Tap Fees | - | - | - | - | - | - | - |
| Other Revenue | 4,870 | (5,000) | - | - | - | - | - |
| Total Operating Revenues | 1,496,526 | 1,595,000 | 1,808,000 | 2,079,200 | 2,141,576 | 2,205,823 | 2,271,998 |
| Operating Expenses | | | | | | | |
| Salaries | 257,747 | 305,775 | 314,948 | 324,397 | 334,129 | 344,152 | 354,477 |
| Payroll Taxes | 19,318 | 23,300 | 23,999 | 24,719 | 25,461 | 26,224 | 27,011 |
| Employee Benefits | 115,824 | 138,000 | 142,140 | 146,404 | 150,796 | 155,320 | 159,980 |
| Fees | 2,814 | 6,000 | 6,180 | 6,365 | 6,556 | 6,753 | 6,956 |
| Utilities | 144,137 | 153,900 | 158,517 | 163,273 | 168,171 | 173,216 | 178,412 |
| Professional Services | 137,432 | 145,650 | 150,020 | 154,520 | 159,156 | 163,930 | 168,848 |
| Insurance | 19,001 | 25,750 | 26,523 | 27,318 | 28,138 | 28,982 | 29,851 |
| Repair and Maintenance | 31,953 | 32,000 | 32,960 | 33,949 | 34,967 | 36,016 | 37,097 |
| Operating Supplies | 153,994 | 166,400 | 171,392 | 176,534 | 181,830 | 187,285 | 192,903 |
| Office Expense | 23,326 | 20,900 | 21,527 | 22,173 | 22,838 | 23,523 | 24,229 |
| Vehicle Expense | 7,772 | 9,500 | 9,785 | 10,079 | 10,381 | 10,692 | 11,013 |
| Miscellaneous | - | - | - | - | - | - | - |
| Depreciation - Existing | 650,876 | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 |
| Depreciation - New | - | - | 238,200 | 478,250 | 499,450 | 524,400 | 535,600 |
| Total Operating Expenses | 1,564,194 | 1,402,175 | 1,671,190 | 1,942,980 | 1,996,872 | 2,055,495 | 2,101,377 |
| Operating Income (Loss) | (67,668) | 192,825 | 136,810 | 136,220 | 144,704 | 150,329 | 170,621 |
| Nonoperating Revenues (Expenses) | | | | | | | |
| Interest Income | 2,763 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 |
| Interest Expense - Existing | - | (20,000) | - | - | - | - | - |
| Interest Expense - New | - | (76,837) | (107,425) | (110,885) | (117,695) | (115,480) | (112,759) |
| Total Nonoperating Revenues (Expenses) | 2,763 | (92,587) | (103,175) | (106,635) | (113,445) | (111,230) | (108,509) |
| Income (Loss) Before Contributions | (64,905) | 100,238 | 33,635 | 29,585 | 31,259 | 39,099 | 62,112 |
| Capital Contributions | 1,119,018 | 377,775 | 9,686,000 | 250,000 | - | - | - |
| Change in Net Position | 1,054,113 | 478,013 | 9,719,635 | 279,585 | 31,259 | 39,099 | 62,112 |
| | | | | | | | |
| Statutory Change in NP to Sales | -4.4% | 6.3% | 1.9% | 1.4% | 1.5% | 1.8% | 2.7% |

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Exhibit 14a

| Water Sales Revenue Projection | 01 - Residential Water In City | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
|--------------------------------------|-------------------------------------|---------------|--------|-------|--------|--------|--------|
| Case 3 - Rate Increase By Rate Class | | Rate Increase | 49.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| | 02 - Residential Water Outside City | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | | Rate Increase | 4.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| | 03 - Sheepneck/Elk Ridge Water | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | | Rate Increase | 9.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| | 04 - Mt Joy Water | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | | Rate Increase | 14.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| | 52 - Mt Joy Water District | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | | Rate Increase | 0.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| | 35 - Commercial Water In City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | Rate Increase | 10.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| | 14 - Commercial Water Outside City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | Rate Increase | 24.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| | 50 - Industrial Water In City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | Rate Increase | 5.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| | 40 - Industrial Water Outside City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | Rate Increase | 8.00% | 7.00% | 11.00% | 12.00% | 12.00% |
| | 51 - Large Industrial Water In City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | Rate Increase | 9.00% | 7.00% | 11.00% | 12.00% | 12.00% |

| | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|-------------------------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Metered Sales | | | | | | | | | | |
| 01 - Residential Water In City | - | - | - | 504,077 | 497,577 | 497,577 | 746,365 | 806,074 | 910,864 | 1,038,385 |
| Growth | - | - | - | - | - | 4,976 | 7,464 | 16,121 | 18,217 | 20,768 |
| Rate Increase | - | - | - | - | - | 243,813 | 52,246 | 88,668 | 109,304 | 124,606 |
| 02 - Residential Water Outside City | - | - | - | 105,247 | 103,890 | 103,890 | 109,085 | 117,811 | 133,127 | 151,764 |
| Growth | - | - | - | - | - | 1,039 | 1,091 | 2,356 | 2,663 | 3,035 |
| Rate Increase | - | - | - | - | - | 4,156 | 7,636 | 12,959 | 15,975 | 18,212 |
| 03 - Sheepneck/Elk Ridge Water | - | - | - | 275,455 | 271,903 | 271,903 | 299,093 | 323,020 | 365,013 | 416,115 |
| Growth | - | - | - | - | - | 2,719 | 2,991 | 6,460 | 7,300 | 8,322 |
| Rate Increase | - | - | - | - | - | 24,471 | 20,936 | 35,532 | 43,802 | 49,934 |
| 04 - Mt Joy Water | - | - | - | 61,319 | 60,528 | 60,528 | 69,608 | 75,176 | 84,949 | 96,842 |
| Growth | - | - | - | - | - | 605 | 696 | 1,504 | 1,699 | 1,937 |
| Rate Increase | - | - | - | - | - | 8,474 | 4,873 | 8,269 | 10,194 | 11,621 |
| 52 - Mt Joy Water District | - | - | - | 24,554 | 24,238 | 24,238 | 24,480 | 26,439 | 29,876 | 34,058 |
| Growth | - | - | - | - | - | 242 | 245 | 529 | 598 | 681 |
| Rate Increase | - | - | - | - | - | - | 1,714 | 2,908 | 3,585 | 4,087 |
| 35 - Commercial Water In City | - | - | - | 116,501 | 114,998 | 114,998 | 126,498 | 135,353 | 150,242 | 168,271 |
| Growth | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|-------------------------------------|---------|---------|---------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Rate Increase | - | - | - | - | - | 11,500 | 8,855 | 14,889 | 18,029 | 20,193 |
| 14 - Commercial Water Outside City | - | - | - | 6,181 | 6,101 | 6,101 | 7,566 | 8,095 | 8,986 | 10,064 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | 1,464 | 530 | 890 | 1,078 | 1,208 |
| 50 - Industrial Water In City | - | - | - | 215,089 | 212,315 | 212,315 | 222,931 | 238,536 | 264,775 | 296,548 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | 10,616 | 15,605 | 26,239 | 31,773 | 35,586 |
| 40 - Industrial Water Outside City | - | - | - | 87,090 | 85,967 | 85,967 | 92,845 | 99,344 | 110,272 | 123,504 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | 6,877 | 6,499 | 10,928 | 13,233 | 14,821 |
| 51 - Large Industrial Water In City | - | - | - | 73,429 | 72,482 | 72,482 | 79,006 | 84,536 | 93,835 | 105,095 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | 6,523 | 5,530 | 9,299 | 11,260 | 12,611 |
| Total Metered Sales | - | - | - | 1,468,943 | 1,450,000 | 1,777,475 | 1,914,385 | 2,151,938 | 2,440,647 | 2,768,268 |
| | #DIV/0! | #DIV/0! | #DIV/0! | | -1.29% | 22.58% | 7.70% | 12.41% | 13.42% | 13.42% |

Summary

| | | | | | | | | | | |
|--------------------------------|--|--|--|--|--|------------------|------------------|------------------|------------------|------------------|
| Metered Sales | | | | | | 1,450,000 | 1,777,475 | 1,914,385 | 2,151,938 | 2,440,647 |
| New Revenue From Growth | | | | | | 9,581 | 12,486 | 26,970 | 30,477 | 34,743 |
| New Revenue From Rate Increase | | | | | | 317,894 | 124,423 | 210,582 | 258,233 | 292,878 |
| Total Metered Sales | | | | | | 1,777,475 | 1,914,385 | 2,151,938 | 2,440,647 | 2,768,268 |

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Exhibit 14b

Sewer Sales Revenue Projection
Case 3 - Rate Increase By Rate Class

| Regular Cust | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
|--------------|---------------|--------|--------|-------|-------|-------|
| | Rate Increase | 12.00% | 14.00% | 1.00% | 1.00% | 1.00% |
| OPEN | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| OPEN | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

| | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|----------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Metered Sales | | | | | | | | | | |
| Regular Customers | - | - | - | 1,491,656 | 1,600,000 | 1,600,000 | 1,808,000 | 2,079,200 | 2,141,576 | 2,205,823 |
| Growth | - | - | - | - | - | 16,000 | 18,080 | 41,584 | 42,832 | 44,116 |
| Rate Increase | - | - | - | - | - | 192,000 | 253,120 | 20,792 | 21,416 | 22,058 |
| OPEN | - | - | - | - | - | - | - | - | - | - |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| OPEN | - | - | - | - | - | - | - | - | - | - |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| Total Metered Sales | - | - | - | 1,491,656 | 1,600,000 | 1,808,000 | 2,079,200 | 2,141,576 | 2,205,823 | 2,271,998 |
| | | #DIV/0! | #DIV/0! | #DIV/0! | 7.26% | 13.00% | 15.00% | 3.00% | 3.00% | 3.00% |

Summary

| | | | | | |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Metered Sales | 1,600,000 | 1,808,000 | 2,079,200 | 2,141,576 | 2,205,823 |
| New Revenue From Growth | 16,000 | 18,080 | 41,584 | 42,832 | 44,116 |
| New Revenue From Rate Increase | 192,000 | 253,120 | 20,792 | 21,416 | 22,058 |
| Total Metered Sales | 1,808,000 | 2,079,200 | 2,141,576 | 2,205,823 | 2,271,998 |

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Exhibit 15

Cash Flow Projection
Case 3 - Rate Increase By Rate Class

| | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|------------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Income (Loss) Before Contributions | (86,199) | 77,010 | 68,284 | 69,563 | 80,640 | 121,551 |
| Add: Depreciation - Existing | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 |
| Depreciation - New | - | 257,550 | 550,050 | 740,688 | 915,700 | 951,225 |
| Grant Proceeds | 377,775 | 10,686,000 | 2,624,000 | 2,374,000 | - | - |
| Debt Proceeds | 2,814,210 | 4,277,000 | 2,574,000 | 1,974,000 | 74,000 | 74,000 |
| Less: Capital Projects | (4,012,550) | (15,939,568) | (5,448,000) | (4,723,000) | (449,000) | (324,000) |
| Debt Principal - Existing | (135,353) | (139,221) | (143,553) | (147,950) | (152,413) | (156,945) |
| Debt Principal - New | (149,919) | (262,368) | (288,232) | (404,972) | (431,628) | (437,529) |
| Cash Increase (Decrease) | (417,036) | (268,597) | 711,549 | 657,328 | 812,299 | 1,003,302 |
| Cash - Beginning | 4,898,133 | 4,481,097 | 4,212,500 | 4,924,049 | 5,581,378 | 6,393,676 |
| Cash - Ending | 4,481,097 | 4,212,500 | 4,924,049 | 5,581,378 | 6,393,676 | 7,396,978 |

Note - Cash Includes Restricted and Unrestricted

Water Cost Allocation by Class - Based on FY 24

| | | A | B |
|---------------------------|-------------------------------------|------------------|----------------|
| Customer Billing Classes: | | % of Consumption | % of Customers |
| 01 | 01 - Residential Water In City | 40.88% | 55.90% |
| 02 | 02 - Residential Water Outside City | 5.49% | 8.05% |
| 03 | 03 - Sheepneck/Elk Ridge Water | 15.22% | 21.73% |
| 04 | 04 - Mt Joy Water | 3.74% | 4.91% |
| 52 | 52 - Mt Joy Water District | 0.41% | 1.09% |
| 35 | 35 - Commercial Water In City | 7.54% | 6.58% |
| 14 | 14 - Commercial Water Outside City | 0.47% | 0.23% |
| 50 | 50 - Industrial Water In City | 14.78% | 1.25% |
| 40 | 40 - Industrial Water Outside City | 6.18% | 0.23% |
| 51 | 51 - Large Industrial Water In City | 5.29% | 0.04% |
| | | <u>100.00%</u> | <u>100.00%</u> |

| Water Dept Expenses - FY 24: | Total | Allocation Basis | 01 | 02 | 03 | 04 | 52 | 35 | 14 | 50 | 40 | 51 | Check Figure |
|---|------------------|------------------|-----------------|----------------|-----------------|-----------------|---------------|-----------------|--------------|----------------|---------------|---------------|--------------|
| Salaries | 528,467 | A | 216,043 | 29,016 | 80,436 | 19,784 | 2,144 | 39,843 | 2,465 | 78,112 | 32,679 | 27,945 | - |
| Payroll Taxes | 39,449 | A | 16,127 | 2,166 | 6,004 | 1,477 | 160 | 2,974 | 184 | 5,831 | 2,439 | 2,086 | - |
| Employee Benefits | 195,082 | A | 79,752 | 10,711 | 29,693 | 7,303 | 792 | 14,708 | 910 | 28,835 | 12,063 | 10,316 | - |
| Fees | 7,210 | A | 2,948 | 396 | 1,097 | 270 | 29 | 544 | 34 | 1,066 | 446 | 381 | - |
| Utilities | 150,895 | A | 61,687 | 8,285 | 22,967 | 5,649 | 612 | 11,376 | 704 | 22,304 | 9,331 | 7,979 | - |
| Professional Services | 133,591 | A | 54,613 | 7,335 | 20,333 | 5,001 | 542 | 10,072 | 623 | 19,746 | 8,261 | 7,064 | - |
| Insurance | 32,445 | A | 13,264 | 1,781 | 4,938 | 1,215 | 132 | 2,446 | 151 | 4,796 | 2,006 | 1,716 | - |
| Repair and Maintenance | 21,373 | A | 8,737 | 1,173 | 3,253 | 800 | 87 | 1,611 | 100 | 3,159 | 1,322 | 1,130 | - |
| Operating Supplies | 175,615 | A | 71,793 | 9,642 | 26,730 | 6,575 | 713 | 13,240 | 819 | 25,957 | 10,859 | 9,286 | - |
| Office Expense | 25,235 | A | 10,316 | 1,386 | 3,841 | 945 | 102 | 1,903 | 118 | 3,730 | 1,560 | 1,334 | - |
| Vehicle Expense | 14,420 | A | 5,895 | 792 | 2,195 | 540 | 59 | 1,087 | 67 | 2,131 | 892 | 763 | - |
| Miscellaneous | - | A | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation - Existing | 400,000 | Ref Sch | 210,030 | 34,342 | 92,710 | 25,686 | 5,730 | 24,715 | 966 | 4,714 | 966 | 142 | - |
| Depreciation - New | 19,350 | Ref Sch | 10,160 | 1,724 | 4,654 | 1,050 | 234 | 1,196 | 48 | 228 | 48 | 7 | - |
| Interest Expense - Existing | 123,444 | Ref Sch | 48,829 | 6,558 | 18,180 | 7,744 | 1,215 | 9,005 | 557 | 17,655 | 7,386 | 6,316 | - |
| Interest Expense - New | 49,373 | Ref Sch | 20,184 | 2,711 | 7,515 | 1,848 | 200 | 3,722 | 230 | 7,298 | 3,053 | 2,611 | - |
| | <u>1,915,948</u> | | <u>830,379</u> | <u>118,019</u> | <u>324,546</u> | <u>85,888</u> | <u>12,751</u> | <u>138,442</u> | <u>7,977</u> | <u>225,560</u> | <u>93,311</u> | <u>79,075</u> | - |
| Water Revenue by Class - FY 24 | <u>1,777,475</u> | | <u>746,365</u> | <u>109,085</u> | <u>299,093</u> | <u>69,608</u> | <u>24,480</u> | <u>126,498</u> | <u>7,566</u> | <u>222,931</u> | <u>92,845</u> | <u>79,006</u> | - |
| Operating Rev Over (Under) Exp | <u>(138,473)</u> | | <u>(84,014)</u> | <u>(8,935)</u> | <u>(25,453)</u> | <u>(16,280)</u> | <u>11,729</u> | <u>(11,944)</u> | <u>(411)</u> | <u>(2,629)</u> | <u>(466)</u> | <u>(70)</u> | - |
| Installation and Tap Fees | 57,840 | B | 32,332 | 4,656 | 12,569 | 2,837 | 633 | 3,805 | 131 | 726 | 131 | 22 | - |
| Other Revenue | 119,758 | B | 66,943 | 9,640 | 26,023 | 5,874 | 1,310 | 7,877 | 271 | 1,502 | 271 | 45 | - |
| Interest Income | 4,250 | B | 2,376 | 342 | 924 | 208 | 47 | 280 | 10 | 53 | 10 | 2 | - |
| Income (Loss) Before Contributions | <u>43,375</u> | | <u>17,637</u> | <u>5,703</u> | <u>14,062</u> | <u>(7,360)</u> | <u>13,719</u> | <u>18</u> | <u>0</u> | <u>(348)</u> | <u>(55)</u> | <u>(1)</u> | (0) |
| Check Figure | - | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---------------------------------|-------|--------|---------|-----------|--------|-------------|----------|----------|---------|---------|--------|--|
| Statutory Change in NP to Sales | 2.4% | 2.4% | 5.2% | 4.7% | -10.6% | 56.0% | 0.0% | 0.0% | -0.2% | -0.1% | 0.0% | |
| Rate Class | Total | Res-In | Res-Out | Sheep/Elk | Mt Joy | Mt Joy Dist | Comm-In | Comm-Out | Ind-In | Ind-Out | Lg Ind | |
| Cost Recovery | 102% | 102% | 105% | 104% | 91% | 208% | 100% | 100% | 100% | 100% | 100% | |
| Rate Class | Total | Res-In | Res-Out | Sheep/Elk | Mt Joy | Comm-In | Comm-Out | Ind-In | Ind-Out | Lg Ind | | |
| Cost Recovery | 102% | 102% | 105% | 104% | 106% | 100% | 100% | 100% | 100% | 100% | | |

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Exhibit 17

Case 4 - Rate Increase and Adjust Base

| | FY 18 Audited | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenues | | | | | | | | | | | |
| Metered Sales | 2,880,987 | 2,969,689 | 2,950,027 | 2,852,695 | 2,960,590 | 3,050,000 | 3,050,000 | 3,586,581 | 3,778,578 | 3,933,205 | 4,231,997 |
| Metered Sales from Growth | - | - | - | - | - | - | 25,581 | 29,865 | 63,330 | 65,810 | 70,244 |
| Revenue from Rate Increase | - | - | - | - | - | - | 511,000 | 162,132 | 91,297 | 232,981 | 264,056 |
| Revenue from Base Adjustment | - | - | - | - | - | - | - | 229,210 | 477,744 | 513,403 | 553,493 |
| Installation and Tap Fees | 29,850 | 64,944 | 57,775 | 75,550 | 54,680 | 61,000 | 57,840 | 59,420 | 58,630 | 59,025 | 58,828 |
| Other Revenue | 14,220 | 30,368 | 76,658 | 184,680 | 133,486 | 105,900 | 119,758 | 115,329 | 117,544 | 116,436 | 116,990 |
| Total Operating Revenues | 2,925,057 | 3,065,001 | 3,084,460 | 3,112,925 | 3,148,756 | 3,216,900 | 3,764,179 | 4,182,537 | 4,587,123 | 4,920,862 | 5,295,608 |
| Operating Expenses | | | | | | | | | | | |
| Salaries | 626,165 | 649,446 | 699,776 | 719,026 | 733,804 | 818,850 | 843,416 | 868,718 | 894,780 | 921,623 | 949,272 |
| Payroll Taxes | - | - | - | - | 55,214 | 61,600 | 63,448 | 65,351 | 67,312 | 69,331 | 71,411 |
| Employee Benefits | 240,650 | 255,463 | 309,229 | 322,863 | 266,779 | 327,400 | 337,222 | 347,339 | 357,759 | 368,492 | 379,546 |
| Fees | - | - | - | - | 7,544 | 13,000 | 13,390 | 13,792 | 14,205 | 14,632 | 15,071 |
| Utilities | 293,969 | 257,784 | 249,440 | 253,242 | 286,291 | 300,400 | 309,412 | 318,694 | 328,255 | 338,103 | 348,246 |
| Professional Services | 162,566 | 135,030 | 146,072 | 208,672 | 206,539 | 275,350 | 283,611 | 292,119 | 300,882 | 409,909 | 419,206 |
| Insurance | 52,696 | 39,126 | 35,110 | 36,037 | 44,154 | 57,250 | 58,968 | 60,737 | 62,559 | 64,435 | 66,368 |
| Repair and Maintenance | 30,331 | 44,386 | 61,558 | 65,787 | 45,138 | 52,750 | 54,333 | 55,962 | 57,641 | 59,371 | 311,152 |
| Operating Supplies | 236,954 | 248,408 | 230,225 | 290,657 | 267,210 | 336,900 | 347,007 | 357,417 | 368,140 | 379,184 | 390,559 |
| Office Expense | 18,491 | 19,243 | 45,764 | 22,173 | 45,476 | 45,400 | 46,762 | 48,165 | 49,610 | 51,098 | 52,631 |
| Vehicle Expense | 9,546 | 10,404 | 10,788 | 8,456 | 21,459 | 23,500 | 24,205 | 24,931 | 25,679 | 26,449 | 27,243 |
| Miscellaneous | 12,293 | 8,620 | 7,868 | - | - | - | - | - | - | - | - |
| Depreciation - Existing | 789,215 | 796,229 | 776,080 | 748,688 | 754,765 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 |
| Depreciation - New | - | - | - | - | - | - | 257,550 | 550,050 | 740,688 | 915,700 | 951,225 |
| Total Operating Expenses | 2,472,876 | 2,464,139 | 2,571,910 | 2,675,601 | 2,734,373 | 3,087,400 | 3,414,322 | 3,778,275 | 4,042,509 | 4,393,327 | 4,756,930 |
| Operating Income (Loss) | 452,181 | 600,862 | 512,550 | 437,324 | 414,383 | 129,500 | 349,857 | 404,262 | 544,613 | 527,535 | 538,677 |
| Nonoperating Revenues (Expenses) | | | | | | | | | | | |
| Interest Income | 5,213 | 8,323 | 102,504 | 10,834 | 5,526 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 |
| Interest Expense - Existing | (236,936) | (264,900) | (164,097) | (100,918) | (125,653) | (224,199) | (123,444) | (119,392) | (115,205) | (110,882) | (106,420) |
| Interest Expense - New | - | - | - | - | - | - | (156,798) | (210,883) | (250,910) | (245,583) | (239,682) |
| Total Nonoperating Revenues (Expenses) | (231,723) | (256,577) | (61,593) | (90,084) | (120,127) | (215,699) | (271,742) | (321,775) | (357,615) | (347,965) | (337,602) |
| Income (Loss) Before Contributions | 220,458 | 344,285 | 450,957 | 347,240 | 294,256 | (86,199) | 78,116 | 82,487 | 186,998 | 179,570 | 201,075 |
| Capital Contributions | - | 43,520 | 98,308 | 42,489 | 1,119,018 | 377,775 | 10,686,000 | 2,624,000 | 2,374,000 | - | - |
| Change in Net Position | 220,458 | 387,805 | 549,265 | 389,729 | 1,413,274 | 291,576 | 10,764,116 | 2,706,487 | 2,560,998 | 179,570 | 201,075 |
| Net Position - Beginning | 14,751,808 | 14,972,266 | 15,360,071 | 15,909,336 | 16,299,065 | 17,712,339 | 18,003,915 | 28,768,031 | 31,474,518 | 34,035,516 | 34,215,086 |
| Net Position - Ending | 14,972,266 | 15,360,071 | 15,909,336 | 16,299,065 | 17,712,339 | 18,003,915 | 28,768,031 | 31,474,518 | 34,035,516 | 34,215,086 | 34,416,162 |
| Check Figures | | | | | - | - | - | 0 | (0) | 0 | 0 |
| Statutory Change in NP to Sales | 7.7% | 11.6% | 15.3% | 12.2% | 9.9% | -2.8% | 2.2% | 2.2% | 4.8% | 4.2% | 4.4% |

Mount Pleasant
Water Fund
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Exhibit 17a

Case 4 - Rate Increase and Adjust Base

| | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|---|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenues | | | | | | | |
| Metered Sales | 1,468,934 | 1,450,000 | 1,450,000 | 1,778,581 | 1,825,938 | 1,941,512 | 2,200,470 |
| Metered Sales from Growth | - | - | 9,581 | 11,785 | 24,277 | 25,977 | 29,613 |
| Revenue from Rate Increase | - | - | 319,000 | 35,572 | 91,297 | 232,981 | 264,056 |
| Revenue from Base Adjustment | - | - | - | 99,566 | 213,271 | 243,640 | 278,335 |
| Installation and Tap Fees | 54,680 | 61,000 | 57,840 | 59,420 | 58,630 | 59,025 | 58,828 |
| Other Revenue | 128,616 | 110,900 | 119,758 | 115,329 | 117,544 | 116,436 | 116,990 |
| Total Operating Revenues | 1,652,230 | 1,621,900 | 1,956,179 | 2,100,253 | 2,330,956 | 2,619,572 | 2,948,292 |
| Operating Expenses | | | | | | | |
| Salaries | 476,057 | 513,075 | 528,467 | 544,321 | 560,651 | 577,470 | 594,795 |
| Payroll Taxes | 35,896 | 38,300 | 39,449 | 40,632 | 41,851 | 43,107 | 44,400 |
| Employee Benefits | 150,955 | 189,400 | 195,082 | 200,934 | 206,962 | 213,171 | 219,567 |
| Fees | 4,730 | 7,000 | 7,210 | 7,426 | 7,649 | 7,879 | 8,115 |
| Utilities | 142,154 | 146,500 | 150,895 | 155,422 | 160,085 | 164,887 | 169,834 |
| Professional Services | 69,107 | 129,700 | 133,591 | 137,599 | 141,727 | 245,978 | 250,358 |
| Insurance | 25,153 | 31,500 | 32,445 | 33,418 | 34,421 | 35,454 | 36,517 |
| Repair and Maintenance | 13,185 | 20,750 | 21,373 | 22,014 | 22,674 | 23,354 | 274,055 |
| Operating Supplies | 113,216 | 170,500 | 175,615 | 180,883 | 186,310 | 191,899 | 197,656 |
| Office Expense | 22,150 | 24,500 | 25,235 | 25,992 | 26,772 | 27,575 | 28,402 |
| Vehicle Expense | 13,687 | 14,000 | 14,420 | 14,853 | 15,298 | 15,757 | 16,230 |
| Miscellaneous | - | - | - | - | - | - | - |
| Depreciation - Existing | 103,889 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Depreciation - New | - | - | 19,350 | 71,800 | 241,238 | 391,300 | 415,625 |
| Total Operating Expenses | 1,170,179 | 1,685,225 | 1,743,132 | 1,835,295 | 2,045,638 | 2,337,832 | 2,655,553 |
| Operating Income (Loss) | 482,051 | (63,325) | 213,048 | 264,958 | 285,319 | 281,740 | 292,739 |
| Nonoperating Revenues (Expenses) | | | | | | | |
| Interest Income | 2,763 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 |
| Interest Expense - Existing | (125,653) | (127,362) | (123,444) | (119,392) | (115,205) | (110,882) | (106,420) |
| Interest Expense - New | - | - | (49,373) | (99,998) | (133,215) | (130,103) | (126,923) |
| Total Nonoperating Revenues (Expenses) | (122,890) | (123,112) | (168,567) | (215,140) | (244,170) | (236,735) | (229,093) |
| Income (Loss) Before Contributions | 359,161 | (186,437) | 44,481 | 49,818 | 41,149 | 45,005 | 63,646 |
| Capital Contributions | - | - | 1,000,000 | 2,374,000 | 2,374,000 | - | - |
| Change in Net Position | 359,161 | (186,437) | 1,044,481 | 2,423,818 | 2,415,149 | 45,005 | 63,646 |
| | | | | | | | |
| Statutory Change in NP to Sales | 24.5% | -12.9% | 2.5% | 2.7% | 2.1% | 2.0% | 2.6% |

Mount Pleasant
Sewer Fund
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Exhibit 17b

Case 4 - Rate Increase and Adjust Base

| | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|---|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenues | | | | | | | |
| Metered Sales | 1,491,656 | 1,600,000 | 1,600,000 | 1,808,000 | 1,952,640 | 1,991,693 | 2,031,527 |
| Metered Sales from Growth | - | - | 16,000 | 18,080 | 39,053 | 39,834 | 40,631 |
| Revenue from Rate Increase | - | - | 192,000 | 126,560 | - | - | - |
| Revenue from Base Adjustment | - | - | - | 129,644 | 264,474 | 269,763 | 275,158 |
| Installation and Tap Fees | - | - | - | - | - | - | - |
| Other Revenue | 4,870 | (5,000) | - | - | - | - | - |
| Total Operating Revenues | 1,496,526 | 1,595,000 | 1,808,000 | 2,082,284 | 2,256,166 | 2,301,290 | 2,347,316 |
| Operating Expenses | | | | | | | |
| Salaries | 257,747 | 305,775 | 314,948 | 324,397 | 334,129 | 344,152 | 354,477 |
| Payroll Taxes | 19,318 | 23,300 | 23,999 | 24,719 | 25,461 | 26,224 | 27,011 |
| Employee Benefits | 115,824 | 138,000 | 142,140 | 146,404 | 150,796 | 155,320 | 159,980 |
| Fees | 2,814 | 6,000 | 6,180 | 6,365 | 6,556 | 6,753 | 6,956 |
| Utilities | 144,137 | 153,900 | 158,517 | 163,273 | 168,171 | 173,216 | 178,412 |
| Professional Services | 137,432 | 145,650 | 150,020 | 154,520 | 159,156 | 163,930 | 168,848 |
| Insurance | 19,001 | 25,750 | 26,523 | 27,318 | 28,138 | 28,982 | 29,851 |
| Repair and Maintenance | 31,953 | 32,000 | 32,960 | 33,949 | 34,967 | 36,016 | 37,097 |
| Operating Supplies | 153,994 | 166,400 | 171,392 | 176,534 | 181,830 | 187,285 | 192,903 |
| Office Expense | 23,326 | 20,900 | 21,527 | 22,173 | 22,838 | 23,523 | 24,229 |
| Vehicle Expense | 7,772 | 9,500 | 9,785 | 10,079 | 10,381 | 10,692 | 11,013 |
| Miscellaneous | - | - | - | - | - | - | - |
| Depreciation - Existing | 650,876 | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 |
| Depreciation - New | - | - | 238,200 | 478,250 | 499,450 | 524,400 | 535,600 |
| Total Operating Expenses | 1,564,194 | 1,402,175 | 1,671,190 | 1,942,980 | 1,996,872 | 2,055,495 | 2,101,377 |
| Operating Income (Loss) | (67,668) | 192,825 | 136,810 | 139,304 | 259,295 | 245,795 | 245,938 |
| Nonoperating Revenues (Expenses) | | | | | | | |
| Interest Income | 2,763 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 |
| Interest Expense - Existing | - | (20,000) | - | - | - | - | - |
| Interest Expense - New | - | (76,837) | (107,425) | (110,885) | (117,695) | (115,480) | (112,759) |
| Total Nonoperating Revenues (Expenses) | 2,763 | (92,587) | (103,175) | (106,635) | (113,445) | (111,230) | (108,509) |
| Income (Loss) Before Contributions | (64,905) | 100,238 | 33,635 | 32,669 | 145,850 | 134,565 | 137,429 |
| Capital Contributions | 1,119,018 | 377,775 | 9,686,000 | 250,000 | - | - | - |
| Change in Net Position | 1,054,113 | 478,013 | 9,719,635 | 282,669 | 145,850 | 134,565 | 137,429 |
| Statutory Change in NP to Sales | -4.4% | 6.3% | 1.9% | 1.7% | 7.3% | 6.6% | 6.6% |

Mount Pleasant
Water and Sewer Fund
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2023

Exhibit 18a

| Water Sales Revenue Projection | 01 - Residential Water In City | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
|--|-------------------------------------|---------------|--------|-------|-------|--------|--------|
| Case 4 - Rate Increase and Adjust Base | | Rate Increase | 22.00% | 2.00% | 5.00% | 12.00% | 12.00% |
| | 02 - Residential Water Outside City | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | | Rate Increase | 22.00% | 2.00% | 5.00% | 12.00% | 12.00% |
| | 03 - Sheepneck/Elk Ridge Water | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | | Rate Increase | 22.00% | 2.00% | 5.00% | 12.00% | 12.00% |
| | 04 - Mt Joy Water | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | | Rate Increase | 22.00% | 2.00% | 5.00% | 12.00% | 12.00% |
| | 52 - Mt Joy Water District | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| | | Rate Increase | 22.00% | 2.00% | 5.00% | 12.00% | 12.00% |
| | 35 - Commercial Water In City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | Rate Increase | 22.00% | 2.00% | 5.00% | 12.00% | 12.00% |
| | 14 - Commercial Water Outside City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | Rate Increase | 22.00% | 2.00% | 5.00% | 12.00% | 12.00% |
| | 50 - Industrial Water In City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | Rate Increase | 22.00% | 2.00% | 5.00% | 12.00% | 12.00% |
| | 40 - Industrial Water Outside City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | Rate Increase | 22.00% | 2.00% | 5.00% | 12.00% | 12.00% |
| | 51 - Large Industrial Water In City | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | Rate Increase | 22.00% | 2.00% | 5.00% | 12.00% | 12.00% |

| | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|-------------------------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Metered Sales | | | | | | | | | | |
| 01 - Residential Water In City | - | - | - | 504,077 | 497,577 | 497,577 | 612,019 | 630,380 | 674,506 | 768,937 |
| Growth | - | - | - | - | - | 4,976 | 6,120 | 12,608 | 13,490 | 15,379 |
| Rate Increase | - | - | - | - | - | 109,467 | 12,240 | 31,519 | 80,941 | 92,272 |
| 02 - Residential Water Outside City | - | - | - | 105,247 | 103,890 | 103,890 | 127,785 | 131,618 | 140,832 | 160,548 |
| Growth | - | - | - | - | - | 1,039 | 1,278 | 2,632 | 2,817 | 3,211 |
| Rate Increase | - | - | - | - | - | 22,856 | 2,556 | 6,581 | 16,900 | 19,266 |
| 03 - Sheepneck/Elk Ridge Water | - | - | - | 275,455 | 271,903 | 271,903 | 334,440 | 344,473 | 368,586 | 420,189 |
| Growth | - | - | - | - | - | 2,719 | 3,344 | 6,889 | 7,372 | 8,404 |
| Rate Increase | - | - | - | - | - | 59,819 | 6,689 | 17,224 | 44,230 | 50,423 |
| 04 - Mt Joy Water | - | - | - | 61,319 | 60,528 | 60,528 | 74,450 | 76,683 | 82,051 | 93,538 |
| Growth | - | - | - | - | - | 605 | 744 | 1,534 | 1,641 | 1,871 |
| Rate Increase | - | - | - | - | - | 13,316 | 1,489 | 3,834 | 9,846 | 11,225 |
| 52 - Mt Joy Water District | - | - | - | 24,554 | 24,238 | 24,238 | 29,813 | 30,707 | 32,856 | 37,456 |
| Growth | - | - | - | - | - | 242 | 298 | 614 | 657 | 749 |
| Rate Increase | - | - | - | - | - | 5,332 | 596 | 1,535 | 3,943 | 4,495 |
| 35 - Commercial Water In City | - | - | - | 116,501 | 114,998 | 114,998 | 140,298 | 143,104 | 150,259 | 168,290 |
| Growth | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|-------------------------------------|---|---------|---------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Rate Increase | - | - | - | - | - | 25,300 | 2,806 | 7,155 | 18,031 | 20,195 |
| 14 - Commercial Water Outside City | - | - | - | 6,181 | 6,101 | 6,101 | 7,443 | 7,592 | 7,972 | 8,929 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | 1,342 | 149 | 380 | 957 | 1,071 |
| 50 - Industrial Water In City | - | - | - | 215,089 | 212,315 | 212,315 | 259,025 | 264,205 | 277,416 | 310,705 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | 46,709 | 5,180 | 13,210 | 33,290 | 37,285 |
| 40 - Industrial Water Outside City | - | - | - | 87,090 | 85,967 | 85,967 | 104,880 | 106,978 | 112,327 | 125,806 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | 18,913 | 2,098 | 5,349 | 13,479 | 15,097 |
| 51 - Large Industrial Water In City | - | - | - | 73,429 | 72,482 | 72,482 | 88,428 | 90,197 | 94,707 | 106,072 |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | 15,946 | 1,769 | 4,510 | 11,365 | 12,729 |
| Total Metered Sales | - | - | - | 1,468,943 | 1,450,000 | 1,778,581 | 1,825,938 | 1,941,512 | 2,200,470 | 2,494,140 |
| | | #DIV/0! | #DIV/0! | #DIV/0! | -1.29% | 22.66% | 2.66% | 6.33% | 13.34% | 13.35% |

Summary

| | | | | | | | | | | |
|--------------------------------|--|--|--|--|--|------------------|------------------|------------------|------------------|------------------|
| Metered Sales | | | | | | 1,450,000 | 1,778,581 | 1,825,938 | 1,941,512 | 2,200,470 |
| New Revenue From Growth | | | | | | 9,581 | 11,785 | 24,277 | 25,977 | 29,613 |
| New Revenue From Rate Increase | | | | | | 319,000 | 35,572 | 91,297 | 232,981 | 264,056 |
| Total Metered Sales | | | | | | 1,778,581 | 1,825,938 | 1,941,512 | 2,200,470 | 2,494,140 |

Base Adjustment - Reference Exhibit 18a.1

| | | | | | | | | | | |
|--|--|--|--|--|--|---|--------|---------|---------|---------|
| | | | | | | - | 99,566 | 213,271 | 243,640 | 278,335 |
|--|--|--|--|--|--|---|--------|---------|---------|---------|

**Mount Pleasant
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Exhibit 18a.1

**Water Base Adjustment Revenue Projection
Case 4 - Rate Increase and Adjust Base**

| Rate per 1,000 | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Rate Increase | Current | 22.00% | 2.00% | 5.00% | 12.00% | 12.00% |
| Residential Water In City | 3.04 | 3.71 | 3.78 | 3.97 | 4.45 | 4.98 |
| Residential Water Outside City | 4.55 | 5.55 | 5.66 | 5.95 | 6.66 | 7.46 |
| Commercial | 4.55 | 5.55 | 5.66 | 5.95 | 6.66 | 7.46 |
| Industrial | 6.07 | 7.41 | 7.55 | 7.93 | 8.88 | 9.95 |

Note - Lewis County Water Line Extension customers have no usage in the base rate. Other customers have 2,000 gallons in base rate.

| Number of Customers | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Growth Rate | | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| Residential Water In City | 1,482 | 1,497 | 1,512 | 1,542 | 1,573 | 1,604 |
| Residential Water Outside City | 213 | 215 | 217 | 222 | 226 | 231 |
| Commercial | 180 | 182 | 184 | 187 | 191 | 195 |
| Industrial | 40 | 40 | 41 | 42 | 42 | 43 |

**Additional Revenue Generated if Remove 1,000 from Base in FY 25 and FY 26
assuming each customer uses at least 2,000 gallons per month**

| Number of Customers | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Additional Gallons Billed | - | - | 1,000 | 2,000 | 2,000 | 2,000 |
| Residential Water In City | - | - | 68,629 | 147,003 | 167,936 | 191,850 |
| Residential Water Outside City | - | - | 14,763 | 31,622 | 36,125 | 41,270 |
| Commercial | - | - | 12,476 | 26,723 | 30,529 | 34,876 |
| Industrial | - | - | 3,699 | 7,922 | 9,050 | 10,339 |
| | - | - | 99,566 | 213,271 | 243,640 | 278,335 |

Mount Pleasant
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Exhibit 18b

Sewer Sales Revenue Projection
Case 4 - Rate Increase and Adjust Base

| Regular Cust | Growth Rate | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
|--------------|---------------|--------|-------|-------|-------|-------|
| | Rate Increase | 12.00% | 7.00% | 0.00% | 0.00% | 0.00% |
| OPEN | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| OPEN | Growth Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

| | FY 19 Audited | FY 20 Audited | FY 21 Audited | FY 22 Audited | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|----------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Metered Sales | | | | | | | | | | |
| Regular Customers | - | - | - | 1,491,656 | 1,600,000 | 1,600,000 | 1,808,000 | 1,952,640 | 1,991,693 | 2,031,527 |
| Growth | - | - | - | - | - | 16,000 | 18,080 | 39,053 | 39,834 | 40,631 |
| Rate Increase | - | - | - | - | - | 192,000 | 126,560 | - | - | - |
| OPEN | - | - | - | - | - | - | - | - | - | - |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| OPEN | - | - | - | - | - | - | - | - | - | - |
| Growth | - | - | - | - | - | - | - | - | - | - |
| Rate Increase | - | - | - | - | - | - | - | - | - | - |
| Total Metered Sales | - | - | - | 1,491,656 | 1,600,000 | 1,808,000 | 1,952,640 | 1,991,693 | 2,031,527 | 2,072,157 |
| | | #DIV/0! | #DIV/0! | #DIV/0! | 7.26% | 13.00% | 8.00% | 2.00% | 2.00% | 2.00% |

Summary

| | | | | | |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Metered Sales | 1,600,000 | 1,808,000 | 1,952,640 | 1,991,693 | 2,031,527 |
| New Revenue From Growth | 16,000 | 18,080 | 39,053 | 39,834 | 40,631 |
| New Revenue From Rate Increase | 192,000 | 126,560 | - | - | - |
| Total Metered Sales | 1,808,000 | 1,952,640 | 1,991,693 | 2,031,527 | 2,072,157 |

**Mount Pleasant
Water and Sewer Fund
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2023**

Exhibit 18b.1

**Sewer Base Adjustment Revenue Projection
Case 4 - Rate Increase and Adjust Base**

| Rate per 1,000 | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Rate Increase | Current | 12.00% | 7.00% | 0.00% | 0.00% | 0.00% |
| Residential | 5.89 | 6.60 | 7.06 | 7.06 | 7.06 | 7.06 |
| Commercial | 8.15 | 9.13 | 9.77 | 9.77 | 9.77 | 9.77 |
| Industrial | 8.15 | 9.13 | 9.77 | 9.77 | 9.77 | 9.77 |

| Number of Customers | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Growth Rate | | 1.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| Residential | 1,196 | 1,208 | 1,220 | 1,244 | 1,269 | 1,295 |
| Commercial | 180 | 182 | 184 | 187 | 191 | 195 |
| Industrial | 40 | 40 | 41 | 42 | 42 | 43 |

**Additional Revenue Generated if Remove 1,000 from Base in FY 25 and FY 26
assuming each customer uses at least 2,000 gallons per month**

| Number of Customers | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Additional Gallons Billed | - | - | 1,000 | 2,000 | 2,000 | 2,000 |
| Residential | - | - | 103,341 | 210,815 | 215,032 | 219,332 |
| Commercial | - | - | 21,521 | 43,902 | 44,780 | 45,676 |
| Industrial | - | - | 4,782 | 9,756 | 9,951 | 10,150 |
| | - | - | 129,644 | 264,474 | 269,763 | 275,158 |

Mount Pleasant
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Exhibit 19

Cash Flow Projection
Case 4 - Rate Increase and Adjust Base

| | FY 23 Budgeted | FY 24 Projected | FY 25 Projected | FY 26 Projected | FY 27 Projected | FY 28 Projected |
|------------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Income (Loss) Before Contributions | (86,199) | 78,116 | 82,487 | 186,998 | 179,570 | 201,075 |
| Add: Depreciation - Existing | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 | 775,000 |
| Depreciation - New | - | 257,550 | 550,050 | 740,688 | 915,700 | 951,225 |
| Grant Proceeds | 377,775 | 10,686,000 | 2,624,000 | 2,374,000 | - | - |
| Debt Proceeds | 2,814,210 | 4,277,000 | 2,574,000 | 1,974,000 | 74,000 | 74,000 |
| Less: Capital Projects | (4,012,550) | (15,939,568) | (5,448,000) | (4,723,000) | (449,000) | (324,000) |
| Debt Principal - Existing | (135,353) | (139,221) | (143,553) | (147,950) | (152,413) | (156,945) |
| Debt Principal - New | (149,919) | (262,368) | (288,232) | (404,972) | (431,628) | (437,529) |
| Cash Increase (Decrease) | (417,036) | (267,491) | 725,752 | 774,764 | 911,229 | 1,082,826 |
| Cash - Beginning | 4,898,133 | 4,481,097 | 4,213,606 | 4,939,358 | 5,714,122 | 6,625,351 |
| Cash - Ending | 4,481,097 | 4,213,606 | 4,939,358 | 5,714,122 | 6,625,351 | 7,708,177 |

Note - Cash Includes Restricted and Unrestricted

Water Cost Allocation by Class - Based on FY 24

| | | A | B |
|---------------------------|-------------------------------------|------------------|----------------|
| Customer Billing Classes: | | % of Consumption | % of Customers |
| 01 | 01 - Residential Water In City | 40.88% | 55.90% |
| 02 | 02 - Residential Water Outside City | 5.49% | 8.05% |
| 03 | 03 - Sheepneck/Elk Ridge Water | 15.22% | 21.73% |
| 04 | 04 - Mt Joy Water | 3.74% | 4.91% |
| 52 | 52 - Mt Joy Water District | 0.41% | 1.09% |
| 35 | 35 - Commercial Water In City | 7.54% | 6.58% |
| 14 | 14 - Commercial Water Outside City | 0.47% | 0.23% |
| 50 | 50 - Industrial Water In City | 14.78% | 1.25% |
| 40 | 40 - Industrial Water Outside City | 6.18% | 0.23% |
| 51 | 51 - Large Industrial Water In City | 5.29% | 0.04% |
| | | <u>100.00%</u> | <u>100.00%</u> |

| Water Dept Expenses - FY 24: | Total | Allocation Basis | 01 | 02 | 03 | 04 | 52 | 35 | 14 | 50 | 40 | 51 | Check Figure |
|---|------------------|------------------|------------------|----------------|----------------|-----------------|---------------|----------------|--------------|----------------|----------------|---------------|--------------|
| Salaries | 528,467 | A | 216,043 | 29,016 | 80,436 | 19,784 | 2,144 | 39,843 | 2,465 | 78,112 | 32,679 | 27,945 | - |
| Payroll Taxes | 39,449 | A | 16,127 | 2,166 | 6,004 | 1,477 | 160 | 2,974 | 184 | 5,831 | 2,439 | 2,086 | - |
| Employee Benefits | 195,082 | A | 79,752 | 10,711 | 29,693 | 7,303 | 792 | 14,708 | 910 | 28,835 | 12,063 | 10,316 | - |
| Fees | 7,210 | A | 2,948 | 396 | 1,097 | 270 | 29 | 544 | 34 | 1,066 | 446 | 381 | - |
| Utilities | 150,895 | A | 61,687 | 8,285 | 22,967 | 5,649 | 612 | 11,376 | 704 | 22,304 | 9,331 | 7,979 | - |
| Professional Services | 133,591 | A | 54,613 | 7,335 | 20,333 | 5,001 | 542 | 10,072 | 623 | 19,746 | 8,261 | 7,064 | - |
| Insurance | 32,445 | A | 13,264 | 1,781 | 4,938 | 1,215 | 132 | 2,446 | 151 | 4,796 | 2,006 | 1,716 | - |
| Repair and Maintenance | 21,373 | A | 8,737 | 1,173 | 3,253 | 800 | 87 | 1,611 | 100 | 3,159 | 1,322 | 1,130 | - |
| Operating Supplies | 175,615 | A | 71,793 | 9,642 | 26,730 | 6,575 | 713 | 13,240 | 819 | 25,957 | 10,859 | 9,286 | - |
| Office Expense | 25,235 | A | 10,316 | 1,386 | 3,841 | 945 | 102 | 1,903 | 118 | 3,730 | 1,560 | 1,334 | - |
| Vehicle Expense | 14,420 | A | 5,895 | 792 | 2,195 | 540 | 59 | 1,087 | 67 | 2,131 | 892 | 763 | - |
| Miscellaneous | - | A | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation - Existing | 400,000 | Ref Sch | 210,030 | 34,342 | 92,710 | 25,686 | 5,730 | 24,715 | 966 | 4,714 | 966 | 142 | - |
| Depreciation - New | 19,350 | Ref Sch | 10,160 | 1,724 | 4,654 | 1,050 | 234 | 1,196 | 48 | 228 | 48 | 7 | - |
| Interest Expense - Existing | 123,444 | Ref Sch | 48,829 | 6,558 | 18,180 | 7,744 | 1,215 | 9,005 | 557 | 17,655 | 7,386 | 6,316 | - |
| Interest Expense - New | 49,373 | Ref Sch | 20,184 | 2,711 | 7,515 | 1,848 | 200 | 3,722 | 230 | 7,298 | 3,053 | 2,611 | - |
| | <u>1,915,948</u> | | <u>830,379</u> | <u>118,019</u> | <u>324,546</u> | <u>85,888</u> | <u>12,751</u> | <u>138,442</u> | <u>7,977</u> | <u>225,560</u> | <u>93,311</u> | <u>79,075</u> | - |
| Water Revenue by Class - FY 24 | 1,778,581 | | 612,019 | 127,785 | 334,440 | 74,450 | 29,813 | 140,298 | 7,443 | 259,025 | 104,880 | 88,428 | - |
| Operating Rev Over (Under) Exp | (137,367) | | (218,359) | 9,766 | 9,894 | (11,438) | 17,062 | 1,856 | (533) | 33,464 | 11,569 | 9,353 | - |
| Installation and Tap Fees | 57,840 | B | 32,332 | 4,656 | 12,569 | 2,837 | 633 | 3,805 | 131 | 726 | 131 | 22 | - |
| Other Revenue | 119,758 | B | 66,943 | 9,640 | 26,023 | 5,874 | 1,310 | 7,877 | 271 | 1,502 | 271 | 45 | - |
| Interest Income | 4,250 | B | 2,376 | 342 | 924 | 208 | 47 | 280 | 10 | 53 | 10 | 2 | - |
| Income (Loss) Before Contributions | 44,481 | | (116,709) | 24,403 | 49,410 | (2,518) | 19,051 | 13,817 | (122) | 35,746 | 11,981 | 9,422 | (0) |
| Check Figure | - | | | | | | | | | | | | |

| | | | | | | | | | | | |
|---------------------------------|-------|--------|---------|-----------|--------|-------------|----------|----------|---------|---------|--------|
| Statutory Change in NP to Sales | 2.5% | -19.1% | 19.1% | 14.8% | -3.4% | 63.9% | 9.8% | -1.6% | 13.8% | 11.4% | 10.7% |
| Rate Class | Total | Res-In | Res-Out | Sheep/Elk | Mt Joy | Mt Joy Dist | Comm-In | Comm-Out | Ind-In | Ind-Out | Lg Ind |
| Cost Recovery | 102% | 86% | 121% | 115% | 97% | 249% | 110% | 98% | 116% | 113% | 112% |
| Rate Class | Total | Res-In | Res-Out | Sheep/Elk | Mt Joy | Comm-In | Comm-Out | Ind-In | Ind-Out | Lg Ind | |
| Cost Recovery | 102% | 86% | 121% | 115% | 117% | 110% | 98% | 116% | 113% | 112% | |



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