



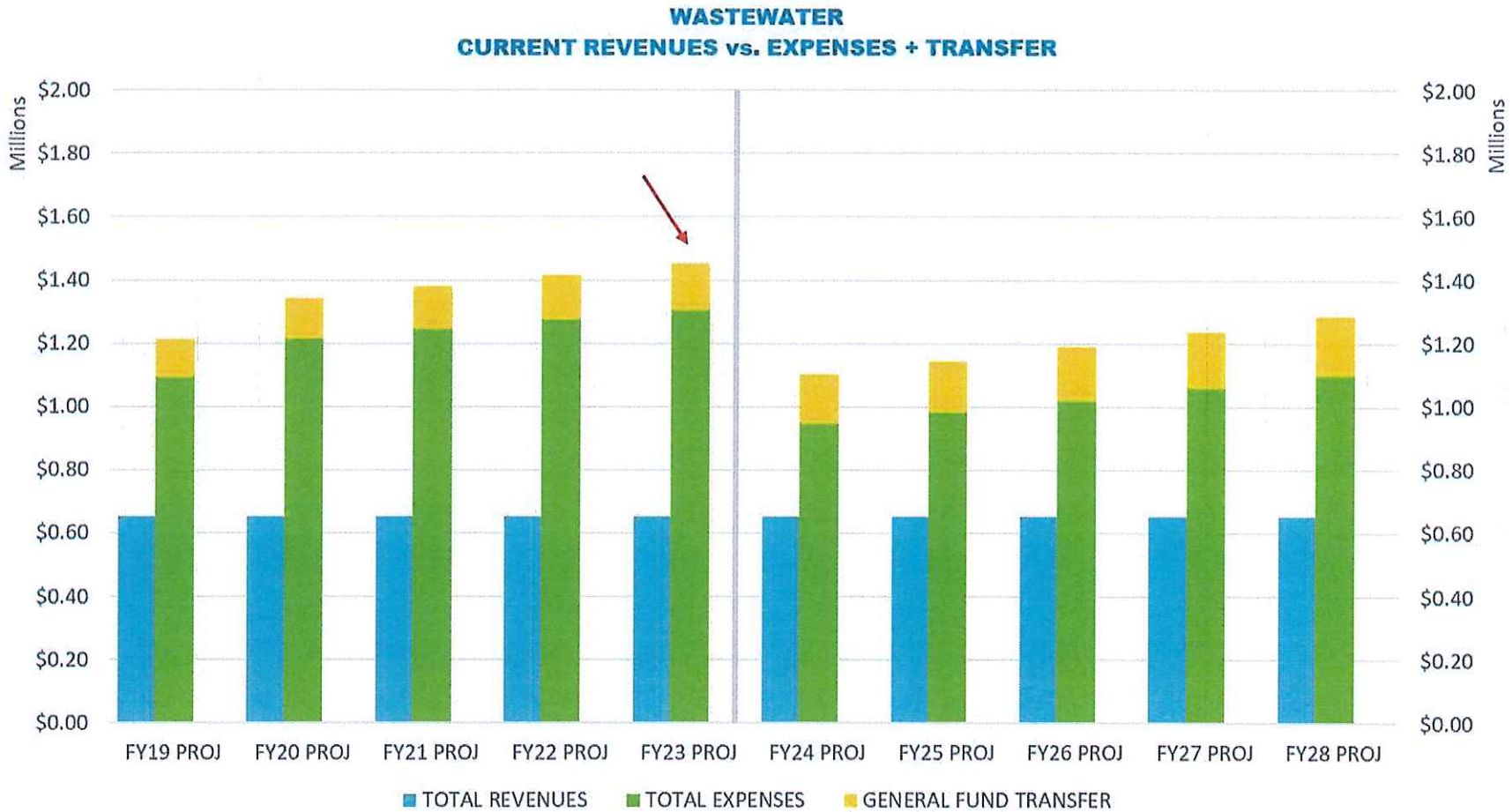
Wastewater

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Communication is Key
Turn Information Into Action



Wastewater: Enterprise Fund Future Outlook



*** Expenses already surpassed revenues.

*** Fund is unsustainable. Acquiring more revenues & reducing expenses are paramount to survival.

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Communication is Key
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Wastewater: Revenue Requirement (with and without Transfer)

5-year rate design:

With transfer:

- Deficit starts in FY19

No Transfer:

- Deficit starts in FY19

Design objectives

- Gradual increase to break-even in FY23

Assumptions

- Assumed 5% escalation in expenses
- Remove depreciation
- Remove Sr. Discount
- Include USDA loans

| | FY19 PROJ | FY20 PROJ | FY21 PROJ | FY22 PROJ | FY23 PROJ |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | | |
| Sales Revenues | \$0.669M | \$0.669M | \$0.669M | \$0.669M | \$0.669M |
| Other Revenues | \$(0.015M) | \$(0.015M) | \$(0.015M) | \$(0.015M) | \$(0.015M) |
| TOTAL REVENUES | \$0.654M | \$0.654M | \$0.654M | \$0.654M | \$0.654M |
| EXPENSES | | | | | |
| Operating: | | | | | |
| Personnel Costs | \$0.263M | \$0.276M | \$0.290M | \$0.304M | \$0.319M |
| Purchased Property Svcs | \$0.063M | \$0.066M | \$0.069M | \$0.073M | \$0.076M |
| Other Purchased Svcs | \$0.079M | \$0.083M | \$0.087M | \$0.091M | \$0.096M |
| Professional & Tech Svcs | \$0.009M | \$0.009M | \$0.010M | \$0.010M | \$0.011M |
| Supplies & Materials | \$0.066M | \$0.069M | \$0.072M | \$0.076M | \$0.080M |
| TOTAL OPERATING | \$0.479M | \$0.503M | \$0.528M | \$0.554M | \$0.582M |
| Non-Operating | | | | | |
| Capital Outlay | \$0.046M | \$0.049M | \$0.051M | \$0.053M | \$0.056M |
| USDA Reserves | \$0.035M | | | | |
| USDA Reserves | | \$0.044M | \$0.044M | \$0.044M | \$0.044M |
| Contingency | \$0.024M | \$0.025M | \$0.027M | \$0.028M | \$0.029M |
| TOTAL NON-OPER | \$0.105M | \$0.118M | \$0.122M | \$0.125M | \$0.130M |
| DEPRECIATION | \$ - | \$ - | \$ - | \$ - | \$ - |
| DEBT SERVICE | \$0.507M | \$0.594M | \$0.595M | \$0.595M | \$0.593M |
| TOTAL DEPR & DEBT SVC | \$0.507M | \$0.594M | \$0.595M | \$0.595M | \$0.593M |
| TOTAL EXPENSES | \$1.091M | \$1.214M | \$1.244M | \$1.274M | \$1.305M |
| INCOME BEFORE TRANSFER | \$(0.436M) | \$(0.560M) | \$(0.590M) | \$(0.620M) | \$(0.651M) |
| GENERAL FUND TRANSFER | \$0.121M | \$0.127M | \$0.133M | \$0.140M | \$0.146M |
| INCOME AFTER TRANSFER | \$(0.557M) | \$(0.687M) | \$(0.723M) | \$(0.760M) | \$(0.797M) |