

Financial Analysis - Well 2 and Future Capital Projects Funded - 6% Rate Increase FY 2021

Assumptions:

- 1. Well 2 Funded
- 2. Capital Projects Funded - assume 1 project every other year starting in Fiscal Year 2023.
- 3. Cash Reserves healthy by Fiscal Year 2026
- 4. Inflation factor of 3% per year
- 5. Imported Water cost increase of 4% per year

WW#19 Proposed RCA Loan Proceeds and Repayment Analysis		FISCAL YEAR 2019-20										
		FY19 Actual	FY20 Adopted Budget	FY20 Adjusted Budget	FY20 Actual (AP06)	FY20 Yr-End Projection (AP6)	FY20 Yr-End (Modified)	FY21 Estimate	FY22 Estimate	FY23 Estimate	FY24 Estimate	FY25 Estimate
1	OPERATING INCOME:											
	Actual/Estimated Usage (AF)	2,444	2,505	2,505	1,055	2,346	2,259	2,259	2,259	2,259	2,259	2,259
2	Water Sales	\$3,343.1	\$3,895.9	\$3,895.9	\$1,636.1	\$3,716.8	\$3,599.9	\$3,707.9	\$3,911.3	\$4,106.8	\$4,291.1	\$4,462.8
3	Other Revenue- Late Charges & Customer Fees	\$48.6	\$10.1	\$10.1	\$3.8	\$10.1	\$10.1	\$10.1	\$10.1	\$10.1	\$10.1	\$10.1
4	Misc Revenue- Permit,Planning, Eng., Interest etc.	\$23.0	\$61.6	\$61.6	\$21.2	\$51.3	\$51.3	\$51.3	\$73.1	\$60.9	\$74.6	\$75.4
5	Total Operating Income	\$3,414.7	\$3,967.6	\$3,967.6	\$1,661.1	\$3,778.2	\$3,661.3	\$3,769.3	\$3,994.5	\$4,177.8	\$4,375.8	\$4,548.2
6												
7	OPERATING EXPENSES:											
8	County & Agency Svcs	\$239.9	\$203.8	\$203.8	\$172.9	\$358.8	\$358.8	\$209.9	\$216.2	\$222.7	\$229.4	\$236.3
9	Imported Water Cost	\$916.9	\$1,380.7	\$1,380.7	\$232.5	\$792.7	\$793.0	\$817.1	\$849.8	\$883.8	\$919.1	\$955.9
10	Local Water Cost - Power& Ground Water Extract.	\$454.5	\$568.9	\$568.9	\$284.3	\$569.6	\$571.0	\$589.8	\$607.7	\$626.1	\$645.2	\$664.8
11	Operation & Maintenance	\$985.5	\$1,201.3	\$1,205.3	\$703.6	\$1,115.4	\$1,115.4	\$1,161.2	\$1,196.1	\$1,232.0	\$1,268.9	\$1,157.0
12	Regulatory Permit Costs	\$23.1	\$22.2	\$22.2	\$8.8	\$28.6	\$28.6	\$22.9	\$23.6	\$24.3	\$25.0	\$25.7
13	System Maint, Repairs & Replc.	\$592.1	\$380.8	\$398.2	\$231.8	\$407.0	\$407.0	\$592.1	\$592.1	\$592.1	\$592.1	\$592.1
14	Depreciation Expense	\$341.5	\$341.4	\$341.4	\$172.1	\$341.4	\$341.4	\$392.9	\$392.9	\$392.9	\$392.9	\$392.9
15	Total Operating Expenses	\$3,553.5	\$4,099.1	\$4,120.6	\$1,806.0	\$3,613.6	\$3,615.3	\$3,785.9	\$3,878.4	\$3,973.9	\$4,072.6	\$4,024.7
16	NET OPERATING GAIN (LOSS)	(\$138.8)	(\$131.5)	(\$153.0)	(\$144.9)	\$164.6	\$46.0	(\$16.7)	\$116.1	\$203.9	\$303.2	\$523.5
17												
18	NON-OPERATING (EXPENSES)INCOME											
19	Interest Earnings	\$25.0	\$26.8	\$26.8	\$2.5	\$26.8	\$5.6	\$10.5	\$17.1	\$24.6	\$31.3	\$40.1
20	Capital Improvement Charges	\$22.8	\$8.0	\$8.0	\$2.0	\$8.0	\$8.0	\$2.4	\$2.4	\$2.4	\$2.4	\$2.4
21	Debt & Capital Reserve Contributions	\$0.0	(\$51.7)	(\$51.7)	(\$51.7)	(\$51.7)	(\$51.7)	\$15.1	\$15.1	\$15.1	\$0.0	\$0.0
22	Debt service- USDA Loan	(\$161.2)	(\$160.9)	(\$160.9)	(\$109.6)	(\$160.9)	(\$131.7)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
23	Debt service- RCA - USDA Loan Payoff (\$2.264M/24yrs/2%)						(\$21.7)	(\$137.4)	(\$137.4)	(\$137.4)	(\$137.4)	(\$137.4)
24	Debt Service - RCA - Well 2 Loan (\$1.214M/30yrs/2%)							(\$31.9)	(\$54.2)	(\$174.8)	(\$174.8)	(\$331.1)
25	General Fund Loan Interest						(\$3.0)					
26	Total Non Operating (Expenses)Income	(\$113.4)	(\$177.8)	(\$177.8)	(\$156.7)	(\$177.8)	(\$194.5)	(\$141.3)	(\$157.0)	(\$270.1)	(\$278.5)	(\$426.0)
27	NET INCOME GAIN (LOSS)	(\$252.2)	(\$309.3)	(\$330.8)	(\$301.7)	(\$13.2)	(\$148.5)	(\$158.0)	(\$40.9)	(\$66.2)	\$24.7	\$97.6

WWD19 Special CAC
Meeting
2/28/2020

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28												
29		FY19 Actual	FY20 Adopted Budget	FY20 Adjusted Budget	FY20 Actual (AP06)	FY20 Yr-End Projection (AP6)	FY20 Yr-End (Modified)	FY21 Estimate	FY22 Estimate	FY23 Estimate	FY24 Estimate	FY25 Estimate
30	PROJECTED CASH FLOW:											
31	A Line 22 from Schedule 1 Net Income (Loss)	(\$252.2)	(\$309.3)	(\$330.8)	(\$301.7)	(\$13.2)	(\$148.5)	(\$158.0)	(\$40.9)	(\$66.2)	\$24.7	\$97.6
32	Add											
33	B Items in Operations not Requiring Cash:											
34	1 Depreciation (Line 17, Section 1))	\$341.5	\$341.4	\$341.4	\$172.1	\$341.4	\$341.4	\$392.9	\$392.9	\$392.9	\$392.9	\$392.9
35	C Cash Provided from:											
36	1 Proceeds from USDA Loan	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0				
37	2 Proceeds from State Grant						\$0.0	\$2,650.0				
38	3 Proceeds from RCA						\$0.0	\$1,214.4	\$0.0	\$2,700.0	\$0.0	\$3,500.0
39	4 Proceeds from RCA - PayOff USDA Loan Balance						\$2,599.0					
	5 USDA Reserve Fund Transferred back to District's Account						\$335.5					
40	6 Proceeds from Loan		\$4,925.0	\$4,925.0	\$0.0	\$0.0	\$0.0	\$0.0				
41	7 General Fund Loan		\$0.0	\$0.0	\$0.0	\$0.0	\$700.0	\$0.0				
42	8 Incr. (Dec.) in Accounts Payable, Accruals, and Other Current Liab.	(\$202.7)	(\$125.1)	(\$125.1)	(\$183.1)	(\$125.1)	(\$0.00)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
43	9 Dec (Incr) in Acct. Rec., Inventories, and Other Curr. Assets (Exclude Ca	\$66.5	\$472.4	\$511.9	\$511.9	(\$2.6)	(\$2.6)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
44	10 Others:											
45	11 CAFR Adjustments											
46	D Total all A, B, and C Items	(\$47.0)	\$5,304.3	\$5,322.4	\$199.3	\$200.5	\$3,824.7	\$4,099.3	\$352.1	\$3,026.7	\$417.7	\$3,990.5
47												
48	E Less: Cash Expended for:											
49	1 All Construction, Equipment and New Capital Items											
50	2 Acquisition of Land											
51	3 Water Syst. Replacement & Construction Projects	\$56.7	\$5,110.0	\$5,323.2	\$70.8	\$154.0	\$130.0	\$174.9	\$74.4	\$2,775.9	\$77.4	\$3,578.9
52	4 Well 2 Treatment Facility	\$119.9	\$0.0	\$0.0	\$39.3	\$159.5	\$1,000.0	\$2,864.4	\$0.0	\$0.0	\$0.0	\$0.0
53	5 Misc Water System Improvement	\$26.1	\$378.0	\$388.7	\$2.1	\$399.1	\$399.1	\$100.0	\$100.0	\$100.0	\$100.0	\$100.0
54	6 Other Capital Expenses	\$10.0	\$9.4	\$9.4	\$0.0	\$9.4	\$9.4	\$9.4	\$9.4	\$9.4	\$9.4	\$9.4
55	8 USDA Loan O/S Balance PayOff						\$2,599.0					
56	9 General Fund Loan Repayment						\$0.0	\$700.0				
57	Total E 1 through 7	\$212.7	\$5,497.4	\$5,721.3	\$112.2	\$722.1	\$4,137.5	\$3,848.7	\$183.8	\$2,885.3	\$186.8	\$3,688.3
58												
59	F Add: Beginning Cash Balance	\$856.3	\$596.6	\$596.6	\$596.6	\$596.6	\$596.6	\$283.8	\$534.4	\$702.7	\$844.1	\$1,075.0
60	G Ending Cash Balances	596.56	403.49	197.69	683.65	74.94	283.81	534.39	702.66	844.11	1,074.97	1,377.14
61	Minimum Cash Balance Requirement: 25% O&M/10% Rate Revenue	\$1,263.0	\$1,467.5	\$1,472.9	\$655.4	\$1,328.2	\$1,315.1	\$1,355.8	\$1,404.8	\$1,478.4	\$1,525.3	\$1,569.6
62	Variance: (shortfall)/surplus	(\$666.4)	(\$1,064.0)	(\$1,275.2)	\$28.2	(\$1,253.3)	(\$1,031.3)	(\$821.4)	(\$702.2)	(\$634.3)	(\$450.3)	(\$192.4)
63												
66												
67		FY2019	FY2019	FY20 Adjusted Budget	FY20 Actual (AP06)	FY20 Yr-End Projection (AP6)	FY20 Yr-End (Modified)	FY21 Estimate	FY22 Estimate	FY23 Estimate	FY24 Estimate	FY25 Estimate
68	% Commodity Rate Increase		0%	0%	0%	0%	0%	6%	5%	5.0%	4.0%	4.0%
69	% Fixed Rate Increase		0%	0%	0%	0%	0%	6%	5%	5.0%	4.0%	4.0%