

Town of Atlanta

Municipal Water Utility

Preliminary

Water User Fee Study

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11550 North Meridian Street, Suite 275
Carmel, Indiana 46032

December 2022

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December 12, 2022

Town Council
105 East Main Street
PO Box 133
Atlanta, Indiana 46031

Re: Water User Fee Study

Members of the Town Council:

We have prepared the following information and schedules for discussion and consideration by the Atlanta Town Council. These schedules are preliminary and subject to revision based on the comments of the Town.

Attached are our calculations of the monthly user fees recommended for the Town's Water utility. The recommendations are based on the longevity that the Town wants to project for the Water user fees. Rates for 1. Breakeven Rates, 2, 1-Year Rates, 3. 3-Year Rates and 4. 5-Year Rates. All alternative rates include a provision for short-term asset replacement.

Town of Atlanta

Atlanta is a Town in Jackson Township, Hamilton County, Indiana. The population was 725 in the 2010 census and contained 1265 households and 203 families. The population density was 2,274 people per square mile. The Town has a total area of 0.31 square miles, all in land. The population was 712 in the 2020 Census.

Current Water User Fees

The current rates charge a residential customer using 4000 gallons of water a month a water charge of \$61.42.

The Town's rates and charges are not under the jurisdiction of the Indiana Utility Regulatory Commission. Currently, the authority for the approval of the Town's Water rates and charges rests solely with the Town Council (although various sections of the Indiana Code do provide a framework within which municipal Water utility rates must be determined).

Pro Forma Budget

Our rate study is intended to calculate a proforma budget of expenses and expenditures for the utility. Then the rates are calculated that will collect that budget.

The items included in the budget are the statutory items allowed by Indiana Code to be included in municipally owned Water utility rate studies. These are operation expenses, maintenance expenses, repair and replacement expenses and expenditures, taxes, working capital, debt service expenses, a provision for a debt service reserve, payment in lieu of tax and return on utility plant

Debt Outstanding

The Water utility has one debt issue outstanding. This is the Waterworks Revenue Bonds of 2005. At 1/2/2021 there were \$124,000 outstanding on these bonds at an interest rate of 3.150%. The final payment on these bonds is due on 1/12/2025 in the amount of \$44,354.

Pro Forma Budget

Our rate study is intended to calculate a proforma budget of expenses and expenditures for the utility. Then the rates are calculated that will collect that budget.

The items included in the budget are the statutory items allowed by Indiana Code to be included in municipally owned Water utility rate studies. These are operation expenses, maintenance expenses, repair and replacement expenses and expenditures, taxes, working capital, debt service expenses, a provision for a debt service reserve, payment in lieu of tax and return on utility plant.

Rate Alternatives

We have shown several rate alternatives. These rate alternatives include an inflation estimation in order to give longevity to the rates.

Return on Plant

The return on plant revenue requirement is included in rates to extend the life of the rate increase. Without the return element, rates would be set at the current cash breakeven level. This makes the rate structure out of date after the first year. The return counteracts the affects of inflation and unspecified and unpredictable increases in operating expenses.

We have shown inflation calculations for Beakeven, 1, 3, and 5 years to be included as "Return on Plant". It is important for the Council to choose an inflation factor that meets their goals for the utility. We recommend a 3 to 5 year rate.

We recommend a 3 to 5 year rate based on the belief that periodically utility rates and charges need to be reviewed to determine if the rates are set at a level that meets or exceeds the cost of operating the utility. Generally, for smaller Towns, we believe this should be done at least every 3 to 5 years. During a 3 to 5-year time frame the inflation rate affects the utility operating expenses, the number of customers, the customers Water consumption and usage patterns vary and plant repair and replacement needs change. Reviewing utility rates every 3 to 5 years enables the Town to set rates at a level that meets the annual expense of operation, maintenance, repair and replacement and enables the Town to maintain its Water utility as a Town asset.

Improvements and Replacements

My analysis includes the calculation of a capital improvement budget as allowed by Indiana Code. It is important to include an amount for capital improvements to fund replacements, capital repairs and improvements for the Water utility infrastructure. If an amount for replacement, capital repairs and improvements is not included in rates – then these funds will not be available when these improvements and replacements need to be done – this could severely hamper the operation of the sewage utility in future years.

We generally recommend that the Clerk Treasurer transfer on a monthly basis 1/12 of the annual replacement budget to the improvement fund. In this way the Council and the operator have an idea of how much money is available for improvements, replacements and capital repairs.

We developed a range for the value of improvements and replacements based on the calculated value of utility plant and the average annual historic expenditure for improvement and replacements. We also interviewed the utility superintendent and calculated a schedule of assets that need to be replaced and their estimated cost of replacement and their estimated useful life. We have included this estimation in our report. This estimate is within the range that we calculated based on plant value and historic expenditure. We recommend that this value be used for rate purposes.

Billing Policy

The Town has no comprehensive written billing policy that governs the billing of the utility customers. We believe it is a good idea for the Town to have a written policy that describes all of the Town's processes and procedures for billing, disconnection, penalties and the use of collection services and liens.

Non-Recurring Rates and Charges

Recurring rates and charges are the rates that are billed out each month – generally the metered rates applied to volumetric consumption. Non-recurring rates and charges are all other rates and include penalties, tap fees, and re-connection charges.

General Matters

The increases shown are for Water bills only and will not affect the bill for water, trash or storm service.

I have shown a summary of the annual revenue requirements under the different estimated rate terms on the revenue requirement statements on page 22 (along with the debt service coverage calculations on page 23).

I have shown the projected monthly user fees for various monthly usage levels for each rate increase alternative on the typical residential billing schedules, page 27.

The receipts and disbursements, revenue requirements user fees and other financial results and presentations shown in this report are projections. These projections are based on operating data contained in the financial records of the utility. These projections are also based on engineering estimates on project costs and increased cost of operations for facilities to be constructed and projected interest rates and financing terms and conditions. Since this financial information is projected it can and probably will vary from actual results, because events and circumstances frequently do not occur as expected and such variances may be material. We have no responsibility to update the information in this report for events and circumstances occurring after the date of this report.

Frequency of Utility Rate Increases

Cities generally review their utility rates each year. Towns generally do not do this as frequently. All municipalities set a budget for their municipality each year. Budgets for utilities are only set when a rate analysis is performed. We generally recommend that utility rates be reviewed every 3 to 5 years.

Payment in Lieu of Tax (PILOT)

Indiana Code allows municipalities to charge municipal utilities a fee based on the amount of property tax the utility would have paid if it were a private corporation liable for Indiana Property Tax. This fee or PILOT can be used by the civil Town in any manner the Town Council chooses. PILOT is set by ordinance. The Town has not adopted a PILOT ordinance for its utilities. If the Town Council chooses, the Water utility budget included in this report can be modified to include the payment of PILOT to the Town.

Amount of Rate Increase

Page 22 of the schedules shows the annual revenue requirements statement for four alternatives. These range from \$77.39 at Break-Even rates to \$81.51 for 3-year rates (recommended) to higher rate increase to pay for the proposed future sewer works project.

Customers Outside of Town Limits

If the Town has customers outside the Town limits that receive utility service. These customers have different and more extensive notice requirements for rate increases. Additionally, these customers have the ability to petition the IURC for rate relief if their rates are greater than the rates for inside Town limit customers by more than 15%. The rates charged to these outside customers are the same rates that are being charged to the inside Town customers.

Council Action Required for Water Rate Increase

The Council needs to decide the following:

1. Approve a percentage of rate increase;
2. Choose a billing month that the new rates will be effective in (i.e. January 2023 usage);
3. Introduce a rate ordinance prior to a public hearing;
4. Prepare a list of the mailing addresses of all customer outside the Town limits;
5. Authorize their attorney to advertise the new rates in the newspaper for a public hearing;
6. At the public hearing discuss the new rates with the public;
7. After the public hearing decide on the level of rate increase to adopt;
8. Notify the billing software company that a change needs to be made to the utility billing program.

I am available to discuss and explain this report with the Town Council at their convenience. Thank you.

Sincerely,

/s/ Steven K. Brock

Steven K. Brock MBA, CPA

Town of Atlanta
Waterworks
Analysis of Cash Operating Fund

		Cash Operating Fund	Investments	Cash Operating Total
<u>Balance December 31, 2015</u>	Per Gateway Reports	\$ 35,025.12	\$ -	\$ 35,025.12
<u>Year 2016</u>				
Receipts	Per Gateway Reports	212,581.89	-	212,581.89
Disbursements	Per Gateway Reports	<u>(188,587.75)</u>	<u>-</u>	<u>(188,587.75)</u>
<u>Balance December 31, 2016</u>	Per Gateway Reports	\$ 59,019.26	\$ -	\$ 59,019.26
<u>Year 2017</u>				
Receipts	Per Gateway Reports	209,294.34	-	209,294.34
Disbursements	Per Gateway Reports	<u>(231,635.59)</u>	<u>-</u>	<u>(231,635.59)</u>
<u>Balance December 31, 2017</u>	Per Gateway Reports	\$ 36,678.01	\$ -	\$ 36,678.01
<u>Year 2018</u>				
Receipts	Per Gateway Reports	200,952.04	-	200,952.04
Disbursements	Per Gateway Reports	<u>(193,778.06)</u>	<u>-</u>	<u>(193,778.06)</u>
<u>Balance December 31, 2018</u>	Per Gateway Reports	\$ 43,851.99	\$ -	\$ 43,851.99
<u>Year 2019</u>				
Receipts	Per Gateway Reports	222,178.47	-	222,178.47
Disbursements	Per Gateway Reports	<u>(206,375.23)</u>	<u>-</u>	<u>(206,375.23)</u>
<u>Balance December 31, 2019</u>	Per Gateway Reports	\$ 59,655.23	\$ -	\$ 59,655.23
<u>Year 2020</u>				
Receipts	Per Gateway Reports	250,900.19	-	250,900.19
Disbursements	Per Gateway Reports	<u>(203,729.51)</u>	<u>-</u>	<u>(203,729.51)</u>
<u>Balance December 31, 2020</u>	Per Gateway Reports	\$ 106,825.91	\$ -	\$ 106,825.91
<u>Year 2021</u>				
Receipts	Per Gateway Reports	229,078.84	-	229,078.84
Disbursements	Per Gateway Reports	<u>(296,972.17)</u>	<u>-</u>	<u>(296,972.17)</u>
<u>Balance December 31, 2021</u>	Per Gateway Reports	\$ 38,932.58	\$ -	\$ 38,932.58

Town of Atlanta
Waterworks
Analysis of Bond and Interest Fund

		Bond & Interest <u>Fund</u>	<u>Investments</u>	Bond & Interest <u>Total</u>
<u>Balance December 31, 2015</u>	Per Gateway Reports	\$ 44,668.43	\$ -	\$ 44,668.43
<u>Year 2016</u>				
Receipts	Per Gateway Reports	54,427.50	-	54,427.50
Disbursements	Per Gateway Reports	<u>(85,656.25)</u>	<u>-</u>	<u>(85,656.25)</u>
<u>Balance December 31, 2016</u>	Per Gateway Reports	\$ 13,439.68	\$ -	\$ 13,439.68
<u>Year 2017</u>				
Receipts	Per Gateway Reports	44,400.00	-	44,400.00
Disbursements	Per Gateway Reports	<u>(43,701.98)</u>	<u>-</u>	<u>(43,701.98)</u>
<u>Balance December 31, 2017</u>	Per Gateway Reports	\$ 14,137.70	\$ -	\$ 14,137.70
<u>Year 2018</u>				
Receipts	Per Gateway Reports	44,400.00	-	44,400.00
Disbursements	Per Gateway Reports	<u>(44,631.00)</u>	<u>-</u>	<u>(44,631.00)</u>
<u>Balance December 31, 2018</u>	Per Gateway Reports	\$ 13,906.70	\$ -	\$ 13,906.70
<u>Year 2019</u>				
Receipts	Per Gateway Reports	46,800.00	-	46,800.00
Disbursements	Per Gateway Reports	<u>(44,496.96)</u>	<u>-</u>	<u>(44,496.96)</u>
<u>Balance December 31, 2019</u>	Per Gateway Reports	\$ 16,209.74	\$ -	\$ 16,209.74
<u>Year 2020</u>				
Receipts	Per Gateway Reports	45,600.00	-	45,600.00
Disbursements	Per Gateway Reports	<u>(44,331.48)</u>	<u>-</u>	<u>(44,331.48)</u>
<u>Balance December 31, 2020</u>	Per Gateway Reports	\$ 17,478.26	\$ -	\$ 17,478.26
<u>Year 2021</u>				
Receipts	Per Gateway Reports	45,600.00	-	45,600.00
Disbursements	Per Gateway Reports	<u>(44,134.56)</u>	<u>-</u>	<u>(44,134.56)</u>
<u>Balance December 31, 2021</u>	Per Gateway Reports	\$ 18,943.70	\$ -	\$ 18,943.70

Town of Atlanta
Waterworks
Analysis of Depreciation Fund

		Depreciation Fund	Investments	Depreciation Total
<u>Balance December 31, 2015</u>	Per Gateway Reports	\$ 40,314.11	\$ -	\$ 40,314.11
<u>Year 2016</u>				
Receipts	Per Gateway Reports	25,781.52	-	25,781.52
Disbursements	Per Gateway Reports	<u>(7,192.17)</u>	<u>-</u>	<u>(7,192.17)</u>
<u>Balance December 31, 2016</u>	Per Gateway Reports	\$ 58,903.46	\$ -	\$ 58,903.46
<u>Year 2017</u>				
Receipts	Per Gateway Reports	25,781.52	-	25,781.52
Disbursements	Per Gateway Reports	<u>(6,728.00)</u>	<u>-</u>	<u>(6,728.00)</u>
<u>Balance December 31, 2017</u>	Per Gateway Reports	\$ 77,956.98	\$ -	\$ 77,956.98
<u>Year 2018</u>				
Receipts	Per Gateway Reports	25,781.52	-	25,781.52
Disbursements	Per Gateway Reports	<u>(60,782.49)</u>	<u>-</u>	<u>(60,782.49)</u>
<u>Balance December 31, 2018</u>	Per Gateway Reports	\$ 42,956.01	\$ -	\$ 42,956.01
<u>Year 2019</u>				
Receipts	Per Gateway Reports	25,781.52	-	25,781.52
Disbursements	Per Gateway Reports	<u>(5,028.00)</u>	<u>-</u>	<u>(5,028.00)</u>
<u>Balance December 31, 2019</u>	Per Gateway Reports	\$ 63,709.53	\$ -	\$ 63,709.53
<u>Year 2020</u>				
Receipts	Per Gateway Reports	25,781.52	-	25,781.52
Disbursements	Per Gateway Reports	<u>(3,771.00)</u>	<u>-</u>	<u>(3,771.00)</u>
<u>Balance December 31, 2020</u>	Per Gateway Reports	\$ 85,720.05	\$ -	\$ 85,720.05
<u>Year 2021</u>				
Receipts	Per Gateway Reports	25,781.52	-	25,781.52
Disbursements	Per Gateway Reports	<u>(60,653.00)</u>	<u>-</u>	<u>(60,653.00)</u>
<u>Balance December 31, 2021</u>	Per Gateway Reports	\$ 50,848.57	\$ -	\$ 50,848.57

Town of Atlanta
Waterworks
Analysis of Customer Deposit Fund

		Customer Dep. <u>Fund</u>	<u>Investments</u>	Customer Dep. <u>Total</u>
<u>Balance December 31, 2015</u>	Per Gateway Reports	\$ 17,848.00	\$ -	\$ 17,848.00
<u>Year 2016</u>				
Receipts	Per Gateway Reports	2,925.00	-	2,925.00
Disbursements	Per Gateway Reports	<u>(2,428.00)</u>	<u>-</u>	<u>(2,428.00)</u>
<u>Balance December 31, 2016</u>	Per Gateway Reports	\$ 18,345.00	\$ -	\$ 18,345.00
<u>Year 2017</u>				
Receipts	Per Gateway Reports	1,875.00	-	1,875.00
Disbursements	Per Gateway Reports	<u>(1,795.00)</u>	<u>-</u>	<u>(1,795.00)</u>
<u>Balance December 31, 2017</u>	Per Gateway Reports	\$ 18,425.00	\$ -	\$ 18,425.00
<u>Year 2018</u>				
Receipts	Per Gateway Reports	1,650.00	-	1,650.00
Disbursements	Per Gateway Reports	<u>(1,225.00)</u>	<u>-</u>	<u>(1,225.00)</u>
<u>Balance December 31, 2018</u>	Per Gateway Reports	\$ 18,850.00	\$ -	\$ 18,850.00
<u>Year 2019</u>				
Receipts	Per Gateway Reports	2,100.00	-	2,100.00
Disbursements	Per Gateway Reports	<u>(1,098.00)</u>	<u>-</u>	<u>(1,098.00)</u>
<u>Balance December 31, 2019</u>	Per Gateway Reports	\$ 19,852.00	\$ -	\$ 19,852.00
<u>Year 2020</u>				
Receipts	Per Gateway Reports	3,975.00	-	3,975.00
Disbursements	Per Gateway Reports	<u>(1,950.00)</u>	<u>-</u>	<u>(1,950.00)</u>
<u>Balance December 31, 2020</u>	Per Gateway Reports	\$ 21,877.00	\$ -	\$ 21,877.00
<u>Year 2021</u>				
Receipts	Per Gateway Reports	6,150.00	-	6,150.00
Disbursements	Per Gateway Reports	<u>(4,969.00)</u>	<u>-</u>	<u>(4,969.00)</u>
<u>Balance December 31, 2021</u>	Per Gateway Reports	\$ 23,058.00	\$ -	\$ 23,058.00

Town of Atlanta
Waterworks
Analysis of Water Money Market Fund

		Money Market Fund	Investments	Money Market Total
<u>Balance December 31, 2015</u>	Per Gateway Reports	\$ 12,594.11	\$ -	\$ 12,594.11
<u>Year 2016</u>				
Receipts	Per Gateway Reports	6.14	-	6.14
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2016</u>	Per Gateway Reports	\$ 12,600.25	\$ -	\$ 12,600.25
<u>Year 2017</u>				
Receipts	Per Gateway Reports	16.35	-	16.35
Disbursements	Per Gateway Reports	(10.00)	-	(10.00)
<u>Balance December 31, 2017</u>	Per Gateway Reports	\$ 12,606.60	\$ -	\$ 12,606.60
<u>Year 2018</u>				
Receipts	Per Gateway Reports	7.34	-	7.34
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2018</u>	Per Gateway Reports	\$ 12,613.94	\$ -	\$ 12,613.94
<u>Year 2019</u>				
Receipts	Per Gateway Reports	7.34	-	7.34
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2019</u>	Per Gateway Reports	\$ 12,621.28	\$ -	\$ 12,621.28
<u>Year 2020</u>				
Receipts	Per Gateway Reports	3.09	-	3.09
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2020</u>	Per Gateway Reports	\$ 12,624.37	\$ -	\$ 12,624.37
<u>Year 2021</u>				
Receipts	Per Gateway Reports	2.27	-	2.27
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2021</u>	Per Gateway Reports	\$ 12,626.64	\$ -	\$ 12,626.64

Town of Atlanta
Waterworks
Analysis of Water Reserve Fund

		Water Reserve <u>Fund</u>	<u>Investments</u>	Water Reserve <u>Total</u>
<u>Balance December 31, 2015</u>	Per Gateway Reports	\$ 45,740.50	\$ -	\$ 45,740.50
<u>Year 2016</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2016</u>	Per Gateway Reports	\$ 45,740.50	\$ -	\$ 45,740.50
<u>Year 2017</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	(44,631.00)	-	(44,631.00)
<u>Balance December 31, 2017</u>	Per Gateway Reports	\$ 1,109.50	\$ -	\$ 1,109.50
<u>Year 2018</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2018</u>	Per Gateway Reports	\$ 1,109.50	\$ -	\$ 1,109.50
<u>Year 2019</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2019</u>	Per Gateway Reports	\$ 1,109.50	\$ -	\$ 1,109.50
<u>Year 2020</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2020</u>	Per Gateway Reports	\$ 1,109.50	\$ -	\$ 1,109.50
<u>Year 2021</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2021</u>	Per Gateway Reports	\$ 1,109.50	\$ -	\$ 1,109.50

Town of Atlanta
Waterworks
Analysis of Well Head Protection Fund

		Well Head Prot. Fund	Investments	Well Head Prot. Total
<u>Balance December 31, 2015</u>	Per Gateway Reports	\$ 13.00	\$ -	\$ 13.00
<u>Year 2016</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2016</u>	Per Gateway Reports	\$ 13.00	-	\$ 13.00
<u>Year 2017</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2017</u>	Per Gateway Reports	\$ 13.00	-	\$ 13.00
<u>Year 2018</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2018</u>	Per Gateway Reports	\$ 13.00	-	\$ 13.00
<u>Year 2019</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2019</u>	Per Gateway Reports	\$ 13.00	-	\$ 13.00
<u>Year 2020</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2020</u>	Per Gateway Reports	\$ 13.00	-	\$ 13.00
<u>Year 2021</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2021</u>	Per Gateway Reports	\$ 13.00	-	\$ 13.00

Town of Atlanta
Waterworks
Analysis of Water Grant Fund

		<u>Grant Fund</u>	<u>Investments</u>	<u>Grant Fund Total</u>
<u>Balance December 31, 2016</u>	Per Gateway Reports	\$ 9.94	\$ -	\$ -
<u>Year 2017</u>				
Receipts	Per Gateway Reports	186,587.81	-	186,587.81
Disbursements	Per Gateway Reports	<u>(186,586.00)</u>	<u>-</u>	<u>(186,586.00)</u>
<u>Balance December 31, 2017</u>	Per Gateway Reports	\$ 11.75	\$ -	\$ 11.75
<u>Year 2018</u>				
Receipts	Per Gateway Reports	513,439.96	-	513,439.96
Disbursements	Per Gateway Reports	<u>(513,434.00)</u>	<u>-</u>	<u>(513,434.00)</u>
<u>Balance December 31, 2018</u>	Per Gateway Reports	\$ 17.71	\$ -	\$ 17.71
<u>Year 2019</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	<u>(17.71)</u>	<u>-</u>	<u>(17.71)</u>
<u>Balance December 31, 2019</u>	Per Gateway Reports	\$ 0.00	\$ -	\$ 0.00
<u>Year 2020</u>				
Receipts	Per Gateway Records	-	-	-
Disbursements	Per Gateway Records	<u>-</u>	<u>-</u>	<u>-</u>
<u>Balance December 31, 2020</u>	Per Gateway Records	\$ 0.00	\$ -	\$ 0.00
<u>Year 2021</u>				
Receipts	Per Gateway Records	-	-	-
Disbursements	Per Gateway Records	<u>-</u>	<u>-</u>	<u>-</u>
<u>Balance December 31, 2021</u>	Per Gateway Records	\$ 0.00	\$ -	\$ 0.00

Town of Atlanta
Waterworks
Analysis of SRF Water Forgivable Loan

		Forgivable Loan	Investments	Forgivable Loan
		Fund		Total
<u>Balance December 31, 2017</u>	Per Gateway Reports	\$ 494,368.00	\$ -	\$ 494,368.00
<u>Year 2018</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	(493,533.00)	-	(493,533.00)
<u>Balance December 31, 2018</u>	Per Gateway Reports	\$ 835.00	\$ -	\$ 835.00
<u>Year 2019</u>				
Receipts	Per Gateway Reports	-	-	-
Disbursements	Per Gateway Reports	-	-	-
<u>Balance December 31, 2019</u>	Per Gateway Reports	\$ 835.00	\$ -	\$ 835.00
<u>Year 2020</u>				
Receipts	Per Gateway Records	-	-	-
Disbursements	Per Gateway Records	-	-	-
<u>Balance December 31, 2020</u>	Per Gateway Records	\$ 835.00	\$ -	\$ 835.00
<u>Year 2021</u>				
Receipts	Per Gateway Records	-	-	-
Disbursements	Per Gateway Records	-	-	-
<u>Balance December 31, 2021</u>	Per Gateway Records	\$ -	\$ -	\$ -

Town of Atlanta
Waterworks
Analysis of SRF Water Fund

		SRF Water Fund	Investments	SRF Water Total
<u>Balance December 31, 2017</u>	Per Gateway Reports	\$ 83,702.05	\$ -	\$ 83,702.05
<u>Year 2018</u>				
Receipts	Per Gateway Reports	45,629.77	-	45,629.77
Disbursements	Per Gateway Reports	<u>(38,851.00)</u>	<u>-</u>	<u>(38,851.00)</u>
<u>Balance December 31, 2018</u>	Per Gateway Reports	\$ 90,480.82	\$ -	\$ 90,480.82
<u>Year 2019</u>				
Receipts	Per Gateway Reports	45,991.57	-	45,991.57
Disbursements	Per Gateway Reports	<u>(44,064.00)</u>	<u>-</u>	<u>(44,064.00)</u>
<u>Balance December 31, 2019</u>	Per Gateway Reports	\$ 92,408.39	\$ -	\$ 92,408.39
<u>Year 2020</u>				
Receipts	Per Gateway Reports	44,767.86	-	44,767.86
Disbursements	Per Gateway Reports	<u>(43,915.25)</u>	<u>-</u>	<u>(43,915.25)</u>
<u>Balance December 31, 2020</u>	Per Gateway Reports	<u>93,261.00</u>	<u>-</u>	<u>93,261.00</u>
<u>Year 2021</u>				
Receipts	Per Gateway Reports	44,141.86	-	44,141.86
Disbursements	Per Gateway Reports	<u>(43,733.00)</u>	<u>-</u>	<u>(43,733.00)</u>
<u>Balance December 31, 2021</u>	Per Gateway Reports	<u>93,669.61</u>	<u>-</u>	<u>93,669.61</u>

Town of Atlanta
Waterworks
Summary of Fund Balances

<u>Date</u>		<u>Oper. And Maint. Fund</u>	<u>Bond & Interest Fund</u>	<u>Depreciation Fund</u>	<u>Customer Deposit Fund</u>	<u>Water Grant Fund</u>	<u>SRF Water Forgivable Loan Fund</u>
12/31/15	[1]	\$ 35,025.12	\$ 44,668.43	\$ 40,314.11	\$ 17,848.00	\$ -	\$ -
12/31/16	[1]	\$ 59,019.26	\$ 13,439.68	\$ 58,903.46	\$ 18,345.00	\$ -	\$ -
12/31/17	[1]	\$ 36,678.01	\$ 14,137.70	\$ 77,956.98	\$ 18,425.00	\$ 11.75	\$ -
12/31/18	[1]	\$ 43,851.99	\$ 13,906.70	\$ 42,956.01	\$ 18,850.00	\$ 17.71	\$ 835.00
12/31/19	[1]	\$ 59,655.23	\$ 16,209.74	\$ 63,709.53	\$ 19,852.00	\$ 0.00	\$ 835.00
12/31/20	[1]	\$ 106,825.91	\$ 17,478.26	\$ 85,720.05	\$ 21,877.00	\$ -	\$ 835.00
12/31/21	[1]	\$ 38,932.58	\$ 18,943.70	\$ 50,848.57	\$ 23,058.00	\$ -	\$ -

<u>Date</u>		<u>Sub-Total (Above)</u>	<u>Money Market Fund</u>	<u>Reserve Fund</u>	<u>Well Head Prot. Fund</u>	<u>SRF Water Fund</u>	<u>All Funds Total</u>
12/31/15	[1]	\$ 137,855.66	\$ 12,594.11	\$ 45,740.50	\$ 13.00		\$ 196,203.27
12/31/16	[1]	\$ 149,707.40	\$ 12,600.25	\$ 45,740.50	\$ 13.00		\$ 208,061.15
12/31/17	[1]	\$ 147,209.44	\$ 12,606.60	\$ 1,109.50	\$ 13.00		\$ 160,938.54
12/31/18	[1]	\$ 120,417.41	\$ 12,613.94	\$ 1,109.50	\$ 13.00	\$ 90,480.82	\$ 224,634.67
12/31/19	[1]	\$ 160,261.50	\$ 12,621.28	\$ 1,109.50	\$ 13.00	\$ 92,408.39	\$ 266,413.67
12/31/20	[1]	\$ 232,736.22	\$ 12,624.37	\$ 1,109.50	\$ 13.00	\$ 93,261.00	\$ 339,744.09
12/31/21	[1]	\$ 131,782.85	\$ 12,626.64	\$ 1,109.50	\$ 13.00	\$ 93,669.61	\$ 239,201.60

[1] Per Gateway
[2] Per Town Records

Town of Atlanta
Waterworks
Schedule of Historic Receipts and Disbursements

	Year Ended <u>12/31/21</u>	Year Ended <u>12/31/20</u>	Year Ended <u>12/31/19</u>	Year Ended <u>12/31/18</u>
<u>Operating Receipts</u>				
Metered Water Service	\$ 193,459.75	\$ 195,003.16	\$ 177,665.13	\$ 195,443.25
Unmetered Service	25,717.01	25,127.45	23,500.14	-
Tap Fees	8,383.65	29,350.92		
Sales Tax	-	-	19,720.09	-
Penalties	1,400.03	1,209.75	1,171.39	4,040.64
Earnings on Investments	118.40			
Hydrant Rental	-	-	-	-
Interest	-	208.91	121.72	84.40
Transfers from Other Funds	-	-	-	-
Other Receipts	-	-	-	1,383.75
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Operating	<u>\$ 229,078.84</u>	<u>\$ 250,900.19</u>	<u>\$ 222,178.47</u>	<u>\$ 200,952.04</u>
<u>Operating Disbursements</u>				
Salaries and Wages	\$ 57,482.94	\$ 56,053.19	\$ 50,290.78	\$ 47,802.95
Insurance	16,108.65	18,978.66	16,751.64	15,889.33
Machinery and Equipment	14,455.50	-	2,112.31	-
Transfers	71,381.52	71,381.52	72,581.52	70,181.52
Chemicals	233.58	1,451.48	-	-
Loan to Another Fund	-	-	-	-
Other Disbursements	-	55,864.66	64,638.98	18,138.41
Bad Debt	-	-	-	-
Contractual Services	-	-	-	-
Employee Benefits	-	-	-	3,690.96
Materials and Supplies	-	-	-	17,038.68
Purchased Power	-	-	-	12,254.84
Transportation	-	-	-	1,916.04
Other	137,309.98	-	-	6,865.33
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Operating Disbursements	<u>\$ 296,972.17</u>	<u>\$ 203,729.51</u>	<u>\$ 206,375.23</u>	<u>\$ 193,778.06</u>
Net Operating Income	<u>\$ (67,893.33)</u>	<u>\$ 47,170.68</u>	<u>\$ 15,803.24</u>	<u>\$ 7,173.98</u>
<u>Other Receipts and Disbursements</u>				
Other Receipts	\$ 121,675.65	\$ 120,127.47	\$ 120,680.43	\$ 630,908.59
Other Disbursements	<u>(153,489.56)</u>	<u>(93,967.73)</u>	<u>(94,704.67)</u>	<u>(1,152,456.49)</u>
Total Other Receipts and Disbursements	<u>\$ (31,813.91)</u>	<u>\$ 26,159.74</u>	<u>\$ 25,975.76</u>	<u>\$ (521,547.90)</u>
Net Receipts (Disbursements)	<u>\$ (99,707.24)</u>	<u>\$ 73,330.42</u>	<u>\$ 41,779.00</u>	<u>\$ (514,373.92)</u>

[1] Per Gateway

Town of Atlanta
Waterworks
Detail of Test Year Water Operating Receipts and Disbursements
For the 12 Months Ended December 31, 2021

<u>Operating Receipts</u>	<u>Per Town Records</u>	<u>Per Gateway</u>	
Metered Water Service	\$ 193,459.75	\$ 193,459.75	
Unmetered Sales		\$ 25,717.01	
Sales Tax	13,160.57	-	
Penalties	1,091.75	1,400.03	
Hydrant Rental	12,556.53		
Hydrant Penalties	307.28		
Interest	118.40	118.40	
Transfers from Other Funds	-	-	
Tap Fees	1,024.00	8,383.55	
Other Receipts (bulk water and bad checks)	<u>7,360.56</u>	<u>-</u>	
 Total Operating	 <u>\$ 229,078.84</u>	 <u>\$ 229,078.74</u>	 Ties to Gateway
 <u>Operating Disbursements</u>			
Employers Share of FICA	\$ 4,104.86	\$ -	
PERF	3,838.42	-	
Postage	1,408.46	-	
Testing	1,115.00	-	
Gas	1,901.09	-	
Equipment	14,455.50	-	
Tax	16,924.69	-	
Transfers	71,381.52	71,381.52	
Other	44,984.00	-	
Salaries	49,539.66	-	
Office Supplies	4,887.75	-	
Advertising	70.93	-	
Insurance	16,108.65	16,108.65	
Telephone	1,865.42	-	
Heat	2,394.31	-	
Electric	8,850.81	-	
Chemical	233.58	233.58	
Repairs & Maintenance	52,907.52	-	
Sales Tax	-	-	
URT Tax	-	-	
Other Salaries & Wages	-	57,482.94	
Machinery & Equipment	-	14,455.50	
Telephone	-	-	
Other	<u>-</u>	<u>137,309.98</u>	
 Total Operating Disbursements	 <u>\$ 296,972.17</u>	 <u>\$ 296,972.17</u>	
 Net Operating Receipts	 <u>\$ (67,893.33)</u>	 <u>\$ (67,893.43)</u>	 Ties to Gateway

Town of Atlanta
Waterworks
Detail of Billing and Consumption by Month
(Per Town Records)

I Detail of Receipts

<u>2021</u>	<u>Metered</u> <u>Sales</u>	<u>Penalties</u>	<u>Sales</u> <u>Tax</u>	<u>Hydrant</u> <u>Rental</u>	<u>Other</u> <u>Receipts</u>	<u>Total</u>
January	\$ 15,093.06	\$ 85.36	\$ 1,039.00	\$ 867.34	\$ 189.37	\$ 17,274.13
February	16,332.40	104.91	1,124.30	1,058.79	25.32	18,645.72
March	17,278.28	87.46	1,217.21	1,095.55	2,178.04	21,856.54
April	13,230.99	71.83	880.02	935.87	276.71	15,395.42
May	13,979.95	96.61	959.19	1,023.79	497.30	16,556.84
June	17,590.84	96.33	1,204.48	1,171.37	738.57	20,801.59
July	16,087.47	81.26	1,110.73	1,011.23	58.87	18,349.56
August	17,142.80	106.18	1,122.75	1,092.87	192.84	19,657.44
September	17,963.24	106.62	1,253.40	1,048.23	138.25	20,509.74
October	15,409.18	67.45	1,051.99	1,033.21	56.06	17,617.89
November	16,996.81	85.12	1,176.14	1,121.88	4,196.88	23,576.83
December	<u>16,354.73</u>	<u>102.62</u>	<u>1,021.36</u>	<u>1,096.40</u>	<u>262.03</u>	<u>18,837.14</u>
Total	<u>\$ 193,459.75</u>	<u>\$ 1,091.75</u>	<u>\$ 13,160.57</u>	<u>\$ 12,556.53</u>	<u>\$ 8,810.24</u>	<u>\$ 229,078.84</u>

<u>2020</u>	<u>Metered</u> <u>Sales</u>	<u>Penalties</u>	<u>Sales</u> <u>Tax</u>	<u>Hydrant</u> <u>Rental</u>	<u>Other</u> <u>Receipts</u>	<u>Total</u>
January	20,317.75	120.27	1,400.10	1,174.66	41.24	23,054.02
February	13,438.39	72.71	855.13	825.98	31.93	15,224.14
March	13,769.71	79.19	906.04	920.32	132.64	15,807.90
April	13,813.16	11.92	955.49	1,067.90	17.45	15,865.92
May	15,510.76	9.42	1,051.47	763.69	10,514.43	27,849.77
June	16,130.36	72.42	1,115.44	988.73	325.05	18,632.00
July	20,067.01	83.71	1,380.18	1,161.95	1,069.06	23,761.91
August	15,995.51	59.78	1,084.48	860.51	12,405.10	30,405.38
September	18,599.06	127.63	1,267.43	1,121.83	108.90	21,224.85
October	14,535.66	71.44	991.53	1,049.06	58.95	16,706.64
November	15,974.29	89.44	1,106.06	1,078.42	105.59	18,353.80
December	<u>16,851.50</u>	<u>66.25</u>	<u>1,071.46</u>	<u>929.59</u>	<u>5,095.06</u>	<u>24,013.86</u>
Total	<u>195,003.16</u>	<u>864.18</u>	<u>13,184.81</u>	<u>11,942.64</u>	<u>29,905.40</u>	<u>250,900.19</u>

Town of Atlanta
Waterworks
Detail of Year End Water Customers By Year
(Per Town Records)

<u>Year</u>	<u>Water Customers</u>
2021	343
2020	321
2019	307
2018	299
2017	301
2016	291

Note: The 2021 year-end number of customers represents a 17.9% increase over the 2016 year-end customers.

Town of Atlanta
Waterworks
 Schedule of Present and Proposed Rates and Charges

<u>Metered Rates</u>	Present	Proposed	<u>Difference</u>	
<u>Per 1000 Gallons</u>	<u>Rates [1]</u>	<u>Rates</u>	<u>Amount</u>	<u>Percent</u>
First 2,000 Gallons	\$ 16.42	\$ 21.79	\$ 5.37	32.71%
Next 2,000 Gallons	12.72	16.88	4.16	32.71%
Next 16,000 Gallons	8.19	10.87	2.68	32.71%
Next 30,000 Gallons	2.88	3.82	0.94	32.71%
Over 50,000 Gallons	1.45	1.92	0.47	32.71%
 <u>Minimum Charge</u>				
<u>Per Month</u>				
All Users	\$ 32.85	\$ 43.60	\$ 10.75	32.71%
 <u>Monthly Hydrant Charge - Per User</u>	 \$ 3.14	 \$ 4.17	 \$ 1.03	 32.71%
 <u>Tap Fee for Water</u>				
All Connections	Actual Cost of Installation and Labor - Not Less than \$1,000			
 <u>Reconnection Charge</u>				
To Reconnect a Disconnected Service	\$ 35.00	\$ 35.00	\$ -	0.00%
 <u>Bad Check Charge</u>				
Service Charge For Late Payment	\$ 25.00	\$ 25.00	\$ -	0.00%
 <u>Temporary Users</u>				
	Charged on the basis of estimated quantity multiplied by the metered rates above. Utility superintendent will make estimates of quantities used.			
 <u>Deposit Fee - For Properties Occupied By Owners</u>				
Deposit For All Billing Locations	\$ 75.00	\$ 100.00	\$ 25.00	33.33%
 <u>Deposit Fee - For Properties Occupied By Renters</u>				
Deposit For All Billing Locations	\$ 75.00	\$ 125.00	\$ 50.00	66.67%
 <u>Late Payment Charge</u>				
Charge For Payments Made After Due Date	10% of the amount owed			

[1] Per Ordinance 6-2013-01, approved June 25, 2013. (Matching the rate ordinance in effect to the year receipts were received)

Note: Atlanta water utility withdrew from IURC regulation on May, 4, 1991.

Town of Atlanta
Waterworks
 Bond Amortization Schedule - SRF Revenue Bonds of 2005

<u>Date</u>	<u>Year</u>	<u>Amount</u> <u>Outstanding</u>	<u>Principal</u> <u>Payments [1]</u>	<u>Interest</u> <u>Rate [1]</u>	<u>Interest</u> <u>Expense</u>	<u>Annual</u> <u>Debt</u> <u>Service</u>
January 1	2017	\$ 341,000	\$ 33,000	3.15%	\$ 10,741.50	\$ 43,741.50
January 1	2018	308,000	34,000	3.15%	9,702.00	43,702.00
January 1	2019	274,000	36,000	3.15%	8,631.00	44,631.00
January 1	2020	238,000	37,000	3.15%	7,497.00	44,497.00
January 1	2021	201,000	38,000	3.15%	6,331.50	44,331.50
January 1	2022	163,000	39,000	3.15%	5,134.50	44,134.50
January 1	2023	124,000	40,000	3.15%	3,906.00	43,906.00
January 1	2024	84,000	41,000	3.15%	2,646.00	43,646.00
January 1	2025	43,000	<u>43,000</u>	3.15%	<u>1,354.50</u>	<u>44,354.50</u> Maximum
Total			<u>\$ 341,000</u>		<u>\$ 55,944.00</u>	<u>\$ 396,944.00</u>
Average			<u>\$ 37,888.89</u>		<u>\$ 6,216.00</u>	<u>\$ 44,104.89</u>

Issued on September 8, 2005

Issued in the original amount of \$573,610

Interest payable semi-annually on January 1 and July 1.

10-Year call protection

Interest rate of 3.15%

Issued to SRF

Requires a debt reserve equal to one years P&I to be built up within 60 months of date of issue

Town of Atlanta
Waterworks
Schedule of Meter Lease Payments

<u>Payment Due Date</u>	<u>Monthly Payment</u>	<u>Annual Total</u>
1/10/22	\$ 838.00	
2/10/22	838.00	
3/10/22	838.00	
4/10/22	838.00	
5/10/22	838.00	
6/10/22	838.00	
7/10/22	838.00	
8/10/22	838.00	
9/10/22	838.00	
10/10/22	838.00	
11/10/22	838.00	
12/10/22	838.00	<u>\$ 10,056.00</u>
1/10/23	838.00	
2/10/23	838.00	
3/10/23	838.00	
4/10/23	838.00	
5/10/23	838.00	
6/10/23	838.00	
7/10/23	838.00	
8/10/23	838.00	
9/10/23	838.00	
10/10/23	838.00	
11/10/23	838.00	
12/10/23	838.00	<u>\$ 10,056.00</u>
1/10/24	<u>838.00</u>	<u>\$ 838.00</u>
Total	<u>\$ 20,950.00</u>	

Radio Read Meter Lease - Original Amount	\$ 82,390.76
First Lease Payment Date	February 10, 2014
Final Lease Payment Date	January 10, 2024

Town of Atlanta
Waterworks
 Pro Forma Receipts and Disbursement Statement - Receipts

<u>Operating Receipts</u>	<u>Year Ended</u> <u>12/31/2021 [1]</u>	<u>Adjustments</u>	<u>Pro Forma</u> <u>Present</u> <u>Rates</u>	<u>Adjustments</u>	<u>Pro Forma</u> <u>Proposed</u> <u>Rates</u>	<u>Adj.</u> <u>No.</u>
Metered Water Service	\$ 193,459.75		\$ 193,459.75	\$ 63,281.24	\$ 256,740.99	13
Sales Tax	13,160.57	(13,160.57)	-	-	-	1
Penalties	1,091.75	-	1,091.75	357.11	1,448.86	13
Hydrant Rental	12,556.53	-	12,556.53	4,107.28	16,663.81	13
Hydrant Penalties	307.28	-	307.28	100.51	407.79	13
Interest	118.40	(118.40)	-	-	-	2
Transfers from Other Funds	-	-	-	-	-	
Tap Fees	1,024.00	(1,024.00)	-	-	-	3
Other Receipts (bulk water and bad checks)	<u>7,360.56</u>	<u>(7,360.56)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
Total Operating Receipts	<u>\$ 229,078.84</u>	<u>\$ (21,663.53)</u>	<u>\$ 207,415.31</u>	<u>\$ 67,846.14</u>	<u>\$ 275,261.45</u>	

[1] Per Town Records

Town of Atlanta
Waterworks
 Pro Forma Receipts and Disbursement Statement - Disbursements

<u>Operating Disbursements</u>	<u>Year Ended</u> <u>12/31/2021 [1]</u>	<u>Adjustments</u>	<u>Pro Forma</u> <u>Present</u> <u>Rates</u>	<u>Adjustments</u>	<u>Pro Forma</u> <u>Proposed</u> <u>Rates</u>	<u>Adj.</u> <u>No.</u>
Employers Share of FICA	\$ 4,104.86	\$ 955.14	\$ 5,060.00	\$ -	\$ 5,060.00	5
PERF	3,838.42	959.61	4,798.03	-	4,798.03	6
Postage	1,408.46	-	1,408.46	-	1,408.46	
Testing	1,115.00	-	1,115.00	-	1,115.00	
Gas	1,901.09	-	1,901.09	-	1,901.09	
Equipment	14,455.50	(14,455.50)	-	-	-	7
Tax	16,924.69	(16,924.69)	-	-	-	8
Repairs & Maint.	44,984.00	(37,074.74)	7,909.26	-	7,909.26	9
Transfers	71,381.52	(71,381.52)	-	-	-	10
Salaries	49,539.66	16,612.34	66,152.00	-	66,152.00	11
Office Supplies	4,887.75	-	4,887.75	-	4,887.75	
Advertising	70.93	-	70.93	-	70.93	
Insurance	16,108.65	13,891.35	30,000.00	-	30,000.00	
Telephone	1,865.42	-	1,865.42	-	1,865.42	
Heat	2,394.31	-	2,394.31	-	2,394.31	
Electric	8,850.81	-	8,850.81	-	8,850.81	
Chemical	233.58	-	233.58	-	233.58	
Repairs & Maintenance	52,907.52	(33,531.00)	19,376.52	-	19,376.52	12
Sales Tax	-	-	-	-	-	
URT Tax	-	-	-	-	-	
Other Salaries & Wages	-	-	-	-	-	
Machinery & Equipment	-	-	-	-	-	
Telephone	-	-	-	-	-	
Other	-	-	-	-	-	
Total	\$ 296,972.17	\$ (140,949.02)	\$ 156,023.16	\$ -	\$ 156,023.16	
Net Operating Receipts	\$ (67,893.33)	\$ 119,285.49	\$ 51,392.16	\$ 67,846.14	\$ 119,238.30	

[1] Per Town Records

Town of Atlanta
Waterworks
Detail of Adjustments

Adjustment Number	Adjustment Amount	Reason for Adjustment
1	\$ (13,160.57)	Eliminate sales tax receipts
2	(118.40)	Eliminate interest receipts
3	(1,024.00)	Eliminate tap fee receipts
4	(7,360.56)	Eliminate other receipts
5	955.14	Increase FICA for an increase in payroll
6	959.61	Increase PERF for an increase in payroll
7	(14,455.50)	Eliminate truck purchase payments
8	(16,924.69)	Eliminate sales and URT tax payments
9	(37,074.74)	Eliminate Kubota and land purchase
10	(71,381.52)	Eliminate transfers
11	16,612.34	Increase salaries and wages for an increase in payroll
12	(33,531.00)	Eliminate new well payments and other non recurring payments
13	67,846.14	Increase receipts for an increase in rates and charges

Town of Atlanta
Waterworks
Revenue Requirements Statement

<u>Revenue Requirements</u>	<u>Breakeven</u> <u>Rates</u>	<u>1-Year</u> <u>Rates</u>	<u>3-Year</u> <u>Rates</u>	<u>5-Year</u> <u>Rates</u>
Operation and Maintenance	\$ 156,023.16	\$ 156,023.16	\$ 156,023.16	\$ 156,023.16
Taxes	-	-	-	-
Working Capital	3,679.31	3,679.31	3,679.31	3,679.31
Short - Term Asset Replacement	42,215.00	42,215.00	42,215.00	42,215.00
Water Meter Lease	5,028.00	5,028.00	5,028.00	5,028.00
Payment in Lieu of Tax	0.00	0.00	0.00	0.00
Debt Service - Existing Debt [1]	44,354.50	44,354.50	44,354.50	44,354.50
Debt Service Reserve-Existing Debt [2]	0.00	0.00	0.00	0.00
Water Meter Lease Payment [3]	10,056.00	10,056.00	10,056.00	10,056.00
Debt Service Reserve-New Debt	0.00	2,011.20	2,011.20	2,011.20
Return on Plant (2.0% inflation)	<u>0.00</u>	<u>3,964.76</u>	<u>11,894.29</u>	<u>19,823.82</u>
Total Revenue Requirements	\$ 261,355.96	\$ 267,331.93	\$ 275,261.45	\$ 283,190.98
Less: Pro Forma Present Rate Receipts	<u>207,415.31</u>	<u>207,415.31</u>	<u>207,415.31</u>	<u>207,415.31</u>
Increase - Amount	\$ 53,940.65	\$ 59,916.62	\$ 67,846.14	\$ 75,775.67
Pro Forma Present Rate Oper. Receipts	<u>207,415.31</u>	<u>207,415.31</u>	<u>207,415.31</u>	<u>207,415.31</u>
Increase - Percentage	<u>26.01%</u>	<u>28.89%</u>	<u>32.71%</u>	<u>36.53%</u>

[1] Debt has a final payment in 1/1/2025. SRF is lender.

[2] Debt Service Reserve Revenue Requirement. The required DSR on the current debt is fully funded as of Dec. 2016

[3] Lease has a final payment in 1/1/2025. SRF is lender.

Town of Atlanta
Waterworks
Calculation of Debt Service Coverage

<u>Calculation of Debt Service Coverage</u>	<u>Breakeven Rates</u>	<u>1-Year Rates</u>	<u>3-Year Rates</u>	<u>5-Year Rates</u>
Total Revenue Requirements	\$ 261,355.96	\$ 267,331.93	\$ 275,261.45	\$ 283,190.98
Less: Operation and Maint.	<u>(156,023.16)</u>	<u>(156,023.16)</u>	<u>(156,023.16)</u>	<u>(156,023.16)</u>
Receipts Available for Debt Service	\$ 105,332.81	\$ 111,308.77	\$ 119,238.30	\$ 127,167.82
Pro Forma Debt Service (maximum)	<u>44,354.50</u>	<u>44,354.50</u>	<u>44,354.50</u>	<u>44,354.50</u>
Debt Service Coverage [1]	<u>2.375</u>	<u>2.510</u>	<u>2.688</u>	<u>2.867</u>

[1] Town has covenanted with the SRF that it will maintain a 1.25 or better debt service coverage ratio.

Town of Atlanta
Waterworks
Proposed Equipment Replacement Program

<u>Asset</u>	<u>Cost Allocation</u>	<u>Estimated [1] Cost per Item</u>	<u>No. of Units [2]</u>	<u>Extension</u>	<u>Estimated [1] Service Life</u>	<u>Annual Amortization</u>
Back Hoe	W & S	\$ 105,000	0.50	52,500	20	\$ 2,625
Truck 3/4 ton	W & S & T	55,000	0.33	18,150	10	1,815
Truck 3/4 ton	W & S & T	55,000	0.33	18,150	10	1,815
Water Tower Painting	W	125,000	1.00	125,000	15	8,333
Dump Truck	W & S & T	80,000	0.33	26,400	15	1,760
Plant Pumps Hi Service	W	12,000	2.00	24,000	20	1,200
Well Pumps	W	14,000	3.00	42,000	15	2,800
Media Replacement	W	30,000	1.00	30,000	10	3,000
Well Rehabilitation	W	12,000	3.00	36,000	12	3,000
Meter Replacement	W & S	250	170.00	42,500	10	4,250
Hydrant Replacement	W	5,000	1.00	5,000	1	5,000
Computer	W & S	2,000	0.50	1,000	5	200
Water Valves	W	2,000	0.50	1,000	1	1,000
Chlorinator	W	3,500	2.00	7,000	10	700
Flow Meter	W	5,000	1.00	5,000	10	500
Zero Turn Mower	W & S & T	10,000	1.00	10,000	10	1,000
Kuboto	W & S & T	25,000	0.33	8,250	15	550
Lab Equipment	W	1,000	1.00	1,000	1	1,000
Utility Tractor	W & S	35,000	0.50	17,500	15	1,167
Tool Replacement	W & S	<u>1,000</u>	0.50	<u>500</u>	1	<u>500</u>
Total		<u>\$ 577,750</u>		<u>\$ 470,950</u>	<u>12.34</u>	<u>\$ 42,215</u>

Monthly Transfer Amount to Depreciation	<u>\$ 2,823</u>
Monthly Transfer Amount to Water Tower	<u>\$ 694</u>
Total Monthly Transfer	<u>\$ 3,518</u>

[1] [2] Developed in conjunction with the Utility Superintendent, November 2022.

Town of Atlanta
Waterworks
Calculation of Transfers and Accruals for the Clerk Treasurer

	<u>Annual</u>	<u>Monthly</u>
Transfer to Depreciation Fund (for short term asset replacement)	\$ <u>42,215.00</u>	\$ <u>3,517.92</u>
Transfer to Meter Fund (for payments on the meter lease)	\$ <u>10,056.00</u>	\$ <u>838.00</u>
Transfer to Bond & Interest - Current Bonds (for payments on the SRF debt)	\$ <u>44,354.50</u>	\$ <u>3,696.21</u>

Town of Atlanta
Waterworks
Schedule of Miscellaneous Calculations

I Working Capital (FERC Method)

Operation and Maintenance	\$ 156,023.16
Less: Purchased Power	<u>(8,850.81)</u>
Expenses Requiring Working Capital	\$ 147,172.35
Divide by 45 Days (FERC 45 Day Method)	<u>8.00</u>
Static Working Capital	\$ 18,396.54
Amortize Over 5 Years	<u>5.00</u>
Working Capital Revenue Requirement	<u>\$ 3,679.31</u>

II Calculation of Debt Service Reserve and Debt Service Reserve Revenue Requirement (Current Debt)

Maximum Annual Principal and Interest Payment	\$ 44,354.50
Balance in Debt Reserve fund on 12/31/21 (per Clerk Treasurer)	<u>\$ 1,109.50</u>
Unfunded Reserve Balance (To be funded by a transfer from the Operating Fund)	<u>\$ 43,245.00</u>
Divide By 60	<u>60.00</u>
Monthly DSR Build-Up/Transfer	\$ 720.75
Times 12	<u>12.00</u>
Debt Service Reserve Annual Revenue Requirement Until Fully Funded	<u>\$ 8,649.00</u>

III Calculation of Number Of Months of O&M Is In The Operating Fund

Pro Forma Required Annual O&M	\$ 156,023.16
Divide By 12	<u>12.00</u>
Average Monthly O&M	\$ 13,001.93
Operating Fund Balance on 12/31/2021	<u>38,932.58</u>
Number of Months of O&M in Operating Fund At 12/31/21	<u>2.99</u>

IV Calculation of Percentage of Short Term Asset Replacement Program Funded

Calculated Amount to Fund all Short Term-Asset Replacement	\$ 470,950.00
Depreciation Fund Balance on 12/31/2021	<u>\$ 50,848.57</u>
Percentage of Short-Term Asset Replacement Funded at 12/31/2020	<u>10.80%</u>

V Inflation Projection

Operation and Maintenance	\$ 156,023.16
Extensions and Replacements	<u>42,215.00</u>
Tot. Rev. Req. Subject to Inflation	<u>\$ 198,238.16</u>

	Year <u>1</u>	Year <u>2</u>	Year <u>3</u>	Year <u>4</u>	Year <u>5</u>	Year <u>6</u>
1% inflation	\$ 1,982.38	\$ 3,964.76	\$ 5,947.14	\$ 7,929.53	\$ 9,911.91	\$ 11,894.29
2% inflation	\$ 3,964.76	\$ 7,929.53	\$ 11,894.29	\$ 15,859.05	\$ 19,823.82	\$ 23,788.58
2.5% inflation	\$ 4,955.95	\$ 9,911.91	\$ 14,867.86	\$ 19,823.82	\$ 24,779.77	\$ 29,735.72
3% inflation	\$ 5,947.14	\$ 11,894.29	\$ 17,841.43	\$ 23,788.58	\$ 29,735.72	\$ 35,682.87
4% inflation	\$ 7,929.53	\$ 15,859.05	\$ 23,788.58	\$ 31,718.10	\$ 39,647.63	\$ 47,577.16
5% inflation	\$ 9,911.91	\$ 19,823.82	\$ 29,735.72	\$ 39,647.63	\$ 49,559.54	\$ 59,471.45

Town of Atlanta
Waterworks
Typical Residential Billing Schedule

<u>Gallons</u>	<u>Current</u> <u>Rates [1],[3]</u>	<u>Breakeven</u> <u>Rates</u>	<u>1-Year</u> <u>Rates</u>	<u>3-Year</u> <u>Rates</u>	<u>5-Year</u> <u>Rates</u>
0	\$ 35.99	\$ 45.35	\$ 46.39	\$ 47.76	\$ 49.14
1,000	35.99	45.35	46.39	47.76	49.14
2,000	35.99	45.35	46.39	47.76	49.14
3,000	48.70	61.36	62.77	64.63	66.49
4,000 [2]	61.42	77.39	79.16	81.51	83.86
5,000	69.61	87.71	89.72	92.38	95.04
6,000	77.80	98.03	100.27	103.25	106.22
7,000	85.99	108.35	110.83	114.12	117.40
8,000	94.18	118.67	121.39	124.99	128.59
9,000	102.37	128.99	131.94	135.86	139.77
10,000	110.56	139.31	142.50	146.72	150.95
11,000	118.75	149.63	153.05	157.59	162.13
12,000	126.94	159.95	163.61	168.46	173.32
13,000	135.13	170.27	174.17	179.33	184.50
14,000	143.32	180.59	184.72	190.20	195.68
15,000	151.51	190.91	195.28	201.07	206.86
16,000	159.70	201.23	205.83	211.94	218.04
17,000	167.89	211.55	216.39	222.81	229.23
18,000	176.08	221.87	226.94	233.68	240.41
19,000	184.27	232.19	237.50	244.55	251.59
20,000	192.46	242.51	248.06	255.41	262.77

[1] Rates adopted on June 25, 2013, in Ordinance No. 06-2013-01

[2] IDEM Considers 4000 gallons of Water Usage Per Month to be the Average Usage for Residential Users.

[3] Includes \$3.14 monthly hydrant charge by user.

