



Village of Hortonville, WI
2026 Water & Sewer Rate Study
Phase 1: Long-Range Cash Flow Analysis

Village Board – April 2nd, 2026

Why are we here?

- Utility is preparing to analyze Capital Improvement Plan needs of the Water & Sewer Utilities
- Our Process
 - ✓ Historical Rate and Financial Performance
 - ✓ Future Projections
 - O&M, Depreciation, and PILOT
 - Funding Projects: Debt vs. Cash
 - Revenue Bond Coverage vs. All-In Debt Coverage



WATER UTILITY

PSC Windows of Opportunity to Adjust Rates

Simplified Rate Case ("SRC")

- Once a year and only if eligible
- Eligibility based on time and finances
 - The cumulative rate increase of all SRCs since the last conventional rate case must not exceed 40 percent.
 - Finances: if PSC report indicates that year's SRC rate would not take utility over benchmark ROR
- The Utility is currently eligible for a SRC (currently 3%)

Conventional Rate Case ("CRC")

- Eligible whenever
- PSC will generally want their math
- Last CRC: 2016

Rate Revenue Determination

How much revenue should we generate from user rates?



Cash Basis

- + Op. and Maint. Expenses
- + Taxes/Transfer Payments
- + Debt Service (P&I)
- + Capital funded from rates
- Less Non-rate Revenue
- = Total Revenue Requirements

Utility Basis - PSC

- + Op. and Maint. Expenses
- + Taxes/Transfer Payments
- + Depreciation
- + Rate of Return on Rate Base
- Less Non-Rate Revenue
- = Total Revenue Requirements

Water Historical Rate Performance

		Shown with no increase				Est	Budget
Component	Description	2021	2022	2023	2024	2025	2026
Cash Basis							
1	O&M and PILOT	\$294,885	\$364,735	\$429,026	\$403,940	\$563,081	\$550,788
2	Debt	\$0	\$0	\$0	\$0	\$0	\$0
3	Cash Funded Capital^	\$106,890	\$288,058	\$51,385	\$196,115	\$172,906	\$125,000
Less:							
	Other Revenue	\$40,121	\$7,238	\$8,316	\$8,693	\$10,613	\$10,500
	Interest Income	\$0	\$0	\$0	\$0	\$19,815	\$20,000
	Revenue Requirement (Costs less Other Income)	\$361,654	\$645,555	\$472,095	\$591,362	\$705,559	\$645,288
	User Rates Revenue	\$507,425	\$554,489	\$574,793	\$564,641	\$595,291	\$595,954
	Rate Adequacy	\$145,771	(\$91,066)	\$102,698	(\$26,721)	(\$110,268)	(\$49,334)
	Rate Adjustment Needed	0.00%	16.42%	0.00%	4.73%	18.52%	8.28%
Utility Basis (PSC)							
1	O&M and PILOT	\$294,885	\$364,735	\$429,026	\$403,940	\$563,081	\$550,788
2	Depreciation	\$100,453	\$104,204	\$107,850	\$110,397	\$112,537	\$118,363
		NIRB	\$2,636,791	\$2,732,859	\$2,797,125	\$2,808,058	\$2,842,447
		PSC Benchmark ROI %	4.90%	4.90%	6.50%	6.50%	6.20%
3	PSC Calculated ROI	\$129,203	\$133,910	\$181,813	\$182,524	\$176,232	\$192,071
Less:							
	Other Revenue	\$40,121	\$7,238	\$8,316	\$8,693	\$10,613	\$10,500
	Revenue Requirement (Costs less Other Income)	\$484,420	\$595,611	\$710,373	\$688,168	\$841,236	\$850,722
	User Rates Revenue	\$507,425	\$554,489	\$574,793	\$564,641	\$595,291	\$595,954
	Rate Adequacy	\$23,005	(\$41,122)	(\$135,580)	(\$123,527)	(\$245,945)	(\$254,768)
	Rate Adjustment Needed	0.00%	7.42%	23.59%	21.88%	41.32%	42.75%

Notes:

^Includes recommended debt coverage at 1.4x annual debt payment

Assumes funding 2026 Water CIP with cash.

Water Rate Adjustment Options

- SRC: currently eligible (once 2025 PSC Annual Report is filed)
- CRC: even in a scenario with a declining ROR, the magnitude of the necessary rate adjustment will continue to increase year over year

	Budget	Projected				
	2026	2027	2028	2029	2030	2031
<u>Rate of Return</u>						
Average Utility Plant in Service	4,961,149	5,136,149	5,436,149	5,776,149	6,653,649	7,558,649
Plus: Materials and Supplies	2,281	2,281	2,281	2,281	2,281	2,281
Less: Avg. Utility Plant Accum. Depreciation	2,053,261	2,146,438	2,200,784	2,256,762	2,197,640	2,164,560
Less: Regulatory Liability	0	0	0	0	0	0
Average Net Investment Rate Base (NIRB)	2,910,169	2,991,992	3,237,646	3,521,668	4,458,290	5,396,371
Net Operating Income	(62,697)	(84,483)	(111,070)	(140,985)	(183,835)	(242,047)
ROR	-2.15%	-2.82%	-3.43%	-4.00%	-4.12%	-4.49%
PSC Projected Benchmark	6.60%	6.40%	6.20%	6.00%	5.80%	5.60%
Rate Adj. to Benchmark	42.75%	46.31%	52.32%	59.11%	74.24%	91.32%

Water Cashflow Projection – SRCs Scenario

- Assumes funding CIP w/ mix of cash and debt 2026-2031, and SRCs only through 2030

- All-in Debt Coverage drops below 1.0 in 2031 – need to start CRC by 2030 based on this plan and assumptions

- CRC increase for 2031, after prior SRCs: **54.81%**

✓ Cumulative increase: 79.46%

- May allow for additional cash application in CIP, less debt

	Budget 2026	2027	2028	2029	2030	Projected 2031	2032	2033	2034	2035
Revenues										
Total Revenues from User Rates ¹	\$595,954	\$613,833	\$632,248	\$651,215	\$670,751	\$670,751	\$670,751	\$670,751	\$670,751	\$670,751
Percent Increase to User Rates	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cumulative Percent Rate Increase	3.00%	6.09%	9.27%	12.55%	15.93%	15.93%	15.93%	15.93%	15.93%	15.93%
Dollar Amount Increase to Revenues		\$17,879	\$18,415	\$18,967	\$19,536	\$0	\$0	\$0	\$0	\$0
Total Other Revenues	\$30,500	\$32,808	\$33,966	\$33,914	\$28,151	\$27,393	\$23,244	\$20,261	\$16,956	\$13,016
Total Revenues	\$626,454	\$646,641	\$666,214	\$685,129	\$698,902	\$698,144	\$693,995	\$691,012	\$687,707	\$683,767
Less: Expenses										
Operating and Maintenance ²	\$518,080	\$533,439	\$549,255	\$565,541	\$582,313	\$599,584	\$617,368	\$635,683	\$654,542	\$673,964
PILOT Payment	\$32,708	\$33,362	\$34,029	\$34,710	\$35,404	\$36,112	\$36,835	\$37,571	\$38,323	\$39,089
Net Before Debt Service and Capital Expenditures	\$75,666	\$79,840	\$82,930	\$84,878	\$81,185	\$62,449	\$39,792	\$17,758	-\$5,158	-\$29,285
Debt Service										
Existing Debt P&I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New (2026-2035) Debt Service P&I	\$0	\$0	\$25,459	\$58,162	\$72,274	\$154,317	\$186,466	\$179,728	\$186,952	\$188,821
Total Debt Service	\$0	\$0	\$25,459	\$58,162	\$72,274	\$154,317	\$186,466	\$179,728	\$186,952	\$188,821
Transfer In (Out)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Capital Improvements	\$84,166	\$240,000	\$375,000	\$305,000	\$1,450,000	\$360,000	\$0	\$0	\$0	\$0
Debt Proceeds	\$0	\$210,000	\$310,000	\$0	\$1,400,000	\$250,000	\$0	\$0	\$0	\$0
Net Annual Cash Flow	(\$8,500)	\$49,840	(\$7,530)	(\$278,284)	(\$41,089)	(\$201,868)	(\$146,674)	(\$161,969)	(\$192,110)	(\$218,106)
Restricted and Unrestricted Cash Balance:										
Balance at first of year	\$1,060,795	\$1,052,295	\$1,102,135	\$1,094,605	\$816,321	\$775,232	\$573,364	\$426,690	\$264,721	\$72,610
Net Annual Cash Flow Addition/(subtraction)	-\$8,500	\$49,840	-\$7,530	-\$278,284	-\$41,089	-\$201,868	-\$146,674	-\$161,969	-\$192,110	-\$218,106
Balance at end of year	\$1,052,295	\$1,102,135	\$1,094,605	\$816,321	\$775,232	\$573,364	\$426,690	\$264,721	\$72,610	-\$145,495
"All-in" Debt Coverage	#DIV/0!	#DIV/0!	3.26	1.46	1.12	0.40	0.21	0.10	(0.03)	(0.16)
Water & Sewer Revenue Debt Coverage	1.71	1.52	1.55	1.57	1.52	5.45	5.03	4.59	4.13	3.64
Over PSC Days Cash on Hand	651	664	624	416	370	232	140	50	(52)	(164)
Over Ehlers Target Cash on Hand	694,188	705,223	649,979	336,104	183,812	(63,915)	(213,375)	(392,375)	(596,447)	(821,635)

Notes:

- 1) Assumes no changes in customer count or usage beyond Test Year.
- 2) Assumes 3.00% annual inflation beyond budget year.

Legend:

- Simplified Rate Case (projected eligibility)
- Conventional (Full) Rate Case

Water Sample Residential Bill Comparison

CRC Test Year 2026 for 2027

Year	Water				
	Increase	Water Vol. Charge ¹	Water User Charge ²	Utility Bill (Quarterly)	Change Over Prior Year
		<u>Tiered</u>	<u>Serv.</u>		
2025		4.10	29.25	\$ 78.45	
2026	3.00%	4.22	30.13	\$ 80.80	\$ 2.35
2027	42.75%	6.03	43.01	\$ 115.35	\$ 34.54
2028	0.00%	6.03	43.01	\$ 115.35	\$ -
2029	0.00%	6.03	43.01	\$ 115.35	\$ -
2030	0.00%	6.03	43.01	\$ 115.35	\$ -
2031	0.00%	6.03	43.01	\$ 115.35	\$ -
2032	0.00%	6.03	43.01	\$ 115.35	\$ -
2033	0.00%	6.03	43.01	\$ 115.35	\$ -
2034	0.00%	6.03	43.01	\$ 115.35	\$ -
2035	0.00%	6.03	43.01	\$ 115.35	\$ -
Total Change over planning period					\$ 36.90

CRC Test Year 2030 for 2031

Year	Water				
	Increase	Water Vol. Charge ¹	Water User Charge ²	Utility Bill (Quarterly)	Change Over Prior Year
		<u>Tiered</u>	<u>Serv.</u>		
2025		4.10	29.25	\$ 78.45	
2026	3.00%	4.22	30.13	\$ 80.80	\$ 2.35
2027	3.00%	4.35	31.03	\$ 83.23	\$ 2.42
2028	3.00%	4.48	31.96	\$ 85.72	\$ 2.50
2029	3.00%	4.61	32.92	\$ 88.30	\$ 2.57
2030	3.00%	4.75	33.91	\$ 90.95	\$ 2.65
2031	54.81%	7.36	52.49	\$ 140.79	\$ 49.84
2032	0.00%	7.36	52.49	\$ 140.79	\$ -
2033	0.00%	7.36	52.49	\$ 140.79	\$ -
2034	0.00%	7.36	52.49	\$ 140.79	\$ -
2035	0.00%	7.36	52.49	\$ 140.79	\$ -
Total Change over planning period					\$ 62.34



SEWER UTILITY

Sewer Historical Rate Performance

		Shown with no increase					
Component	Revenue Requirement Description	2021	2022	2023	2024	Est 2025	Budget 2026
Cash Basis							
1	Operating and Maintenance	\$447,156	\$519,314	\$561,212	\$625,103	\$607,281	\$699,546
2	Debt	\$347,484	\$398,930	\$398,869	\$398,808	\$341,817	\$329,949
3	Cash Funded Capital^	\$86,871	\$99,732	\$99,717	\$99,702	\$386,707	\$207,487
Less:							
	Other Revenue	\$5,404	\$8,506	\$10,736	\$11,962	\$12,930	\$12,500
	Interest Income	\$0	\$0	\$0	\$0	\$80,142	\$80,000
	Revenue Requirement (Costs less Other Income)	\$876,107	\$1,009,470	\$1,049,063	\$1,111,651	\$1,242,733	\$1,144,482
	User Rates Revenue	\$996,105	\$1,040,537	\$1,072,504	\$1,057,802	\$1,058,000	\$980,000
	Rate Adequacy	\$119,998	\$31,067	\$23,441	(\$53,849)	(\$184,733)	(\$164,482)
	Rate Adjustment Needed	0.00%	0.00%	0.00%	5.09%	17.46%	16.78%
Notes:							
^Includes recommended debt coverage at 1.25x annual debt payment							

Sewer Cashflow Projection

	Budget	Projected								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues										
Total Revenues from User Rates ¹	\$1,062,000	\$1,062,000	\$1,104,480	\$1,104,480	\$1,148,659	\$1,148,659	\$1,194,606	\$1,194,606	\$1,194,606	\$1,194,606
Percent Increase to User Rates	0.00%	0.00%	4.00%	0.00%	4.00%	0.00%	4.00%	0.00%	0.00%	0.00%
Cumulative Percent Rate Increase	0.00%	0.00%	4.00%	4.00%	8.16%	8.16%	12.49%	12.49%	12.49%	12.49%
Dollar Amount Increase to Revenues		\$0	\$42,480	\$0	\$44,179	\$0	\$45,946	\$0	\$0	\$0
Total Other Revenues	\$92,500	\$44,976	\$41,552	\$35,339	\$33,173	\$33,633	\$41,727	\$44,856	\$50,003	\$54,640
Total Revenues	\$1,154,500	\$1,106,976	\$1,146,032	\$1,139,819	\$1,181,832	\$1,182,292	\$1,236,333	\$1,239,462	\$1,244,608	\$1,249,246
Less: Expenses										
Operating and Maintenance ²	\$699,546	\$720,340	\$741,754	\$763,807	\$786,518	\$809,905	\$833,990	\$858,793	\$884,336	\$910,641
Net Before Debt Service and Capital Expenditures	\$454,954	\$386,636	\$404,278	\$376,011	\$395,315	\$372,387	\$402,343	\$380,668	\$360,272	\$338,604
Debt Service										
Existing Debt P&I	\$329,949	\$329,883	\$329,817	\$329,749	\$329,679	\$0	\$0	\$0	\$0	\$0
New (2026-2035) Debt Service P&I	\$0	\$0	\$0	\$0	\$0	\$0	\$50,338	\$43,110	\$46,906	\$45,576
Total Debt Service	\$329,949	\$329,883	\$329,817	\$329,749	\$329,679	\$0	\$50,338	\$43,110	\$46,906	\$45,576
Transfer In (Out)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Capital Improvements	\$112,087	\$225,000	\$375,000	\$155,000	\$50,000	\$360,000	\$210,000	\$100,000	\$100,000	\$0
Debt Issued/Grants/Aid	\$0	\$0	\$0	\$0	\$0	\$365,000	\$0	\$0	\$0	\$0
Net Annual Cash Flow	\$12,918	(\$168,247)	(\$300,539)	(\$108,737)	\$15,635	\$377,387	\$142,005	\$237,558	\$213,366	\$293,028
Restricted and Unrestricted Cash Balance:										
Balance at first of year	\$1,520,317	\$1,533,235	\$1,364,988	\$1,064,449	\$955,712	\$971,347	\$1,348,734	\$1,490,739	\$1,728,297	\$1,941,663
Net Annual Cash Flow Addition/(subtraction)	\$12,918	(\$168,247)	(\$300,539)	(\$108,737)	\$15,635	\$377,387	\$142,005	\$237,558	\$213,366	\$293,028
Balance at end of year	\$1,533,235	\$1,364,988	\$1,064,449	\$955,712	\$971,347	\$1,348,734	\$1,490,739	\$1,728,297	\$1,941,663	\$2,234,691
"All-in"Debt Coverage	1.38	1.17	1.23	1.14	1.20	#DIV/0!	7.99	8.83	7.68	7.43
Water & Sewer Revenue Debt Coverage	1.71	2.23	2.25	2.18	2.12	11.11	11.26	11.06	10.49	9.88
Over Ehlers Target Cash Position	645,822	461,830	144,733	22,483	353,257	662,509	796,123	1,015,258	1,215,563	1,496,411

Notes:

- 1) Assumes no changes in customer count or usage beyond Test Year.
- 2) Assumes 3.00% annual inflation beyond budget year.

Legend:

- Increase depicted to maintain with assumed O&M inflation
- Increase needed above inflationary adjustment

Water & Sewer Impact on Avg. Res. Bill

(Recommended Scenario w/ Water TY 2026 CRC for 2027)

Year	Water					Sewer ⁵								
	Increase	Water Vol. Charge ¹	Water User Charge ²	Utility Bill (Quarterly)	Change Over Prior Year	Increase	Sewer Vol. Charge ³	Sewer User Charge ³	Utility Bill (Quarterly)	Change Over Prior Year	Utility Bill (Annual)	Change Over Prior Year	% of MHI (90,446)	Year
		<u>Tiered</u>	<u>Serv.</u>				<u>1,000 Gal</u>	<u>Gen Service</u>						
2025		4.10	29.25	\$ 78.45			14.49	60.00	\$ 233.88		\$ 1,249.32		1.38%	2025
2026	3.00%	4.22	30.13	\$ 80.80	\$ 2.35	0.00%	14.49	60.00	\$ 233.88	\$ -	\$ 1,258.73	\$ 9.41	1.39%	2026
2027	42.75%	6.03	43.01	\$ 115.35	\$ 34.54	0.00%	14.49	60.00	\$ 233.88	\$ -	\$ 1,396.91	\$ 138.17	1.54%	2027
2028	0.00%	6.03	43.01	\$ 115.35	\$ -	4.00%	15.07	62.40	\$ 243.24	\$ 9.36	\$ 1,434.33	\$ 37.42	1.59%	2028
2029	3.00%	6.21	44.30	\$ 118.81	\$ 3.46	0.00%	15.07	62.40	\$ 243.24	\$ -	\$ 1,448.17	\$ 13.84	1.60%	2029
2030	0.00%	6.21	44.30	\$ 118.81	\$ -	4.00%	15.67	64.90	\$ 252.96	\$ 9.73	\$ 1,487.09	\$ 38.92	1.64%	2030
2031	3.00%	6.40	45.63	\$ 122.37	\$ 3.56	0.00%	15.67	64.90	\$ 252.96	\$ -	\$ 1,501.34	\$ 14.26	1.66%	2031
2032	0.00%	6.40	45.63	\$ 122.37	\$ -	4.00%	16.30	67.49	\$ 263.08	\$ 10.12	\$ 1,541.82	\$ 40.47	1.70%	2032
2033	3.00%	6.59	46.99	\$ 126.04	\$ 3.67	0.00%	16.30	67.49	\$ 263.08	\$ -	\$ 1,556.50	\$ 14.68	1.72%	2033
2034	0.00%	6.59	46.99	\$ 126.04	\$ -	0.00%	16.30	67.49	\$ 263.08	\$ -	\$ 1,556.50	\$ -	1.72%	2034
2035	0.00%	6.59	46.99	\$ 126.04	\$ -	0.00%	16.30	67.49	\$ 263.08	\$ -	\$ 1,556.50	\$ -	1.72%	2035
Total Change over planning period					\$ 47.59						\$ 307.18			

Notes:

1. Current water volumetric rate is \$4.10/1,000 Gal for the first 30K Gal, \$3.30/1,000 Gal for the next 170K Gal, \$2.60/1,000 Gal over 200K Gal
2. The water user charges include a quarterly & service charge of \$29.25 for a 5/8" meter. (Note - PFP is currently 100% Municipal Charge and is not included above.)
3. The current Sewer volumetric rate is \$14.49 per 1,000 gallons and a service charge of \$60 for 5/8 inch meter, for Category A Customers.
4. The usage is assumed to be 12,000 Gallons per quarter.
5. Note - the Sewer Rates are shown for Metered Category A customers only, defined by Village Sewer Rates schedule as "sewerage contributors discharging domestic strength sewage up to 250 mg per liter Biochemical Oxygen Demand (BOD), 250 mg per liter Suspended Solids (SS), and 6 mg per liter Phosphorus (P)." The Village has separate fees for Metered Category B customers, and for Unmetered customers, not depicted above.

Recommendations & Next Steps

- Water:
 - ✓ If pursuing CRC in Test Year (TY) 2026, application is due 7/31/2026
 - If filing after above deadline, becomes TY27, which will incorporate additional capital (est. 4% increase if moving from TY26 to TY27)
 - ✓ If not pursuing CRC in Test Year 2026 (understand increase in CRC magnitude w/ deferment):
 - Begin to file SRCs annually, as eligibility permits, until CRC
 - Can file SRC in 2026 anytime after 2025 PSC Annual Report is filed
 - Continue to revisit LRCFA annually to monitor position and timing for future CRC
 - Per this plan's assumptions and CIP, at the latest file Test Year 2030 CRC Application for 2031 implementation
- Sewer:
 - ✓ Implement inflationary rate increases, not regulated by PSC – can do so anytime
 - ✓ May consider water/sewer inflationary increases alternating years, as depicted
 - ✓ Continue discussions regarding future rate increases and capital planning

TONIGHT'S ACTION:

- ✓ Direction on next steps for Water Utility – TY 2026 CRC vs. SRC Filing
- ✓ Consensus on Sewer Rate approach

Questions?

Appendix A: Water Capital Improvement Plan – TY2026 CRC Scenario

Projects	Funding	2026	2027	2028	2029	2030	2031	2032	2033	2034	Totals
Well 2 Reconstruction	Cash				150,000						150,000
Well 2 Reconstruction	Revenue Debt					1,000,000					1,000,000
Well 2 Reconstruction	Cash					400,000					
Back Up Generator at Otto Miller Park	Cash								100,000		100,000
Back Up Generator at Natures Haven	Cash									100,000	100,000
Back Up Generator at WWTP	Cash					50,000					50,000
Back Up Generator at WWTP	Cash						250,000				250,000
Back Up Generator Natures Haven (addition)											0
Back Up Generator (mobile) replacement											0
Main Street Downtown Area (Mill street to Miller Park Bridge)	Cash	75,000									75,000
Main Street East Side (Nash to Greendale) 6000 Feet	Cash		200,000								200,000
Main Street East Side (Nash to Greendale) 6000 Feet	Cash										0
Main Street West Side (Spruce to Miller Park Bridge) 3000 Feet	Cash			300,000							300,000
Main Street West Side (Spruce to Miller Park Bridge) 3000 Feet	Cash										
Embarrass Street (Cherry to Pine) 900 Feet	Cash							210,000			210,000
S Mill Street (Bath to Dewey Street) 740 Feet	Cash				155,000						155,000
Dewey Street (Mill street to Nash) 504 Feet	Cash						110,000				110,000
Giese Street											0
Wayne Dr											0
Honeysuckle Lateral Replacement	Cash	50,000									50,000
Purchase of Public Works Garage	Cash		25,000								25,000
Water Utility Capacity Study	Cash			75,000							75,000
Actual CIP Costs		125,000	225,000	375,000	305,000	1,450,000	360,000	210,000	100,000	100,000	2,850,000
Sources of Funding		2026	2027	2028	2029	2030	2031	2032	2033	2034	
G.O. Debt		0	0	0	0	0	0	0	0	0	0
Revenue Debt		0	0	0	0	1,000,000	0	0	0	0	1,000,000
Cash		125,000	225,000	375,000	305,000	450,000	360,000	210,000	100,000	100,000	2,250,000
Total		125,000	225,000	375,000	305,000	1,450,000	360,000	210,000	100,000	100,000	3,250,000

Appendix B: Cashflow Projection TY2026 CRC & Future SRCs

	Budget 2026	2027	2028	2029	2030	Projected 2031	2032	2033	2034	2035
Revenues										
Total Revenues from User Rates ¹	\$595,954	\$850,722	\$850,722	\$876,244	\$876,244	\$902,531	\$902,531	\$929,607	\$929,607	\$929,607
Percent Increase to User Rates	3.00%	42.75%	0.00%	3.00%	0.00%	3.00%	0.00%	3.00%	0.00%	0.00%
Cumulative Percent Rate Increase	3.00%	47.03%	47.03%	51.44%	51.44%	55.99%	55.99%	60.67%	60.67%	60.67%
Dollar Amount Increase to Revenues		\$254,768	\$0	\$25,522	\$0	\$26,287	\$0	\$27,076	\$0	\$0
Total Other Revenues	\$30,500	\$32,808	\$34,850	\$33,423	\$33,624	\$30,172	\$27,613	\$27,776	\$30,435	\$32,736
Total Revenues	\$626,454	\$883,531	\$885,572	\$909,667	\$909,868	\$932,703	\$930,144	\$957,383	\$960,042	\$962,343
Less: Expenses										
Operating and Maintenance ²	\$518,080	\$533,439	\$549,255	\$565,541	\$582,313	\$599,584	\$617,368	\$635,683	\$654,542	\$673,964
PILOT Payment	\$32,708	\$33,362	\$34,029	\$34,710	\$35,404	\$36,112	\$36,835	\$37,571	\$38,323	\$39,089
Net Before Debt Service and Capital Expenditures	\$75,666	\$316,730	\$302,288	\$309,415	\$292,151	\$297,007	\$275,942	\$284,129	\$267,177	\$249,291
Debt Service										
Existing Debt P&I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New (2026-2035) Debt Service P&I	\$0	\$0	\$0	\$0	\$10,931	\$63,510	\$63,498	\$63,486	\$63,473	\$63,460
Total Debt Service	\$0	\$0	\$0	\$0	\$10,931	\$63,510	\$63,498	\$63,486	\$63,473	\$63,460
Transfer In (Out)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Capital Improvements	\$84,166	\$225,000	\$375,000	\$305,000	\$1,450,000	\$360,000	\$210,000	\$100,000	\$100,000	\$0
Debt Proceeds	\$0	\$0	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$0
Net Annual Cash Flow	(\$8,500)	\$91,730	(\$72,712)	\$4,415	(\$168,780)	(\$126,503)	\$2,443	\$120,644	\$103,703	\$185,831
Restricted and Unrestricted Cash Balance:										
Balance at first of year	\$1,060,795	\$1,052,295	\$1,144,024	\$1,071,312	\$1,075,727	\$906,947	\$780,444	\$782,888	\$903,532	\$1,007,235
Net Annual Cash Flow Addition/(subtraction)	-\$8,500	\$91,730	-\$72,712	\$4,415	-\$168,780	-\$126,503	\$2,443	\$120,644	\$103,703	\$185,831
Balance at end of year	\$1,052,295	\$1,144,024	\$1,071,312	\$1,075,727	\$906,947	\$780,444	\$782,888	\$903,532	\$1,007,235	\$1,193,066
"All-in" Debt Coverage										
Water & Sewer Revenue Debt Coverage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	26.73	4.68	4.35	4.48	4.21	3.93
Over PSC Days Cash on Hand	1.71	2.23	2.25	2.18	2.12	11.11	11.26	11.06	10.49	9.88
Over Ehlers Target Cash on Hand	651	693	622	604	468	367	356	411	454	537
Over Ehlers Target Cash on Hand	694,188	772,571	684,848	656,853	406,333	264,835	254,547	363,542	455,927	631,380

Notes:

1) Assumes no changes in customer count or usage beyond Test Year.

2) Assumes 3.00% annual inflation beyond budget year.

Legend:

 Simplified Rate Case (projected eligibility)
 Conventional (Full) Rate Case

Appendix C: Water Rate Comparison – Outagamie County

Utility Name	Min. Qtr. Bill (5/8" meter)	6000 GAL	12000 GAL	15000 GAL	Effective Date
Bear Creek Water Utility	69.00	134.40	199.80	232.50	8/28/2019
Kaukauna Utilities	38.94	86.78	134.62	158.54	8/1/2025
Village of Wrightstown Water Utility	43.26	88.38	133.50	156.06	6/1/2022
Town of Grand Chute Sanitary District 1	21.00	69.84	118.68	143.10	7/1/2024
Village of Hortonville Water and Sewer (CRC 42.75% Increase in 2027)	41.75	76.87	111.99	129.55	TBD
Fox Crossing Utilities	21.63	56.79	96.03	115.65	1/1/2026
Appleton Water Department	21.90	58.38	94.86	113.10	1/1/2018
Combined Locks Water Utility	24.72	57.66	90.60	107.07	8/20/2019
Freedom Sanitary District No 1	31.74	58.74	85.74	99.24	6/16/2021
Shiocton Municipal Utility	25.92	55.38	84.84	99.57	12/21/2023
Seymour Municipal Water Utility	28.20	56.16	84.12	98.10	4/28/2017
New London Electric and Water Utility	36.99	57.87	78.75	89.19	3/1/2024
Village of Hortonville Water and Sewer (Current)	29.25	53.85	78.45	90.75	3/21/2016
Nichols Municipal Water Utility	27.81	50.37	72.93	84.21	12/30/2025
Darboy Joint Sanitary District No 1	18.00	44.16	70.32	83.40	9/24/2021
Little Chute Municipal Water Department	19.11	43.95	68.79	81.21	9/29/2015
Kimberly Municipal Water Utility	18.00	40.92	63.84	75.30	4/1/2019
Greenville Utilities	26.55	44.73	62.91	72.00	1/1/2025
Black Creek Municipal Water and Sewer Utility	24.48	42.42	60.36	69.33	1/1/2025

* Does not
include PFP.
* Sorted by 12K
Gal.

Appendix D: Sewer Capital Improvement Plan

Projects	Funding	2026	2027	2028	2029	2030	2031	2032	2033	2034	Totals
Well 2 Reconstruction											0
Well 2 Reconstruction											0
Back Up Generator at Otto Miller Park	Cash								100,000		100,000
Back Up Generator at Natures Haven	Cash									100,000	100,000
Back Up Generator at WWTP	Cash					50,000					50,000
Back Up Generator at WWTP	G.O. Debt						250,000				250,000
Back Up Generator Natures Haven (addition)											0
Back Up Generator (mobile) replacement											0
Main Street Downtown Area (Mill street to Miller Park Bridge)	Cash	75,000									75,000
Main Street East Side (Nash to Greendale) 6000 Feet	Cash		200,000								200,000
Main Street West Side (Spruce to Miller Park Bridge) 3000 Feet	Cash			300,000							300,000
Embarrass Street (Cherry to Pine) 900 Feet	Cash							210,000			210,000
S Mill Street (Bath to Dewey Street) 740 Feet	Cash				155,000						155,000
Dewey Street (Mill street to Nash) 504 Feet	G.O. Debt						110,000				110,000
Giese Street											0
Wayne Dr											0
Honeysuckle Lateral Replacement	Cash	50,000									50,000
Purchase of Public Works Garage	Cash		25,000								25,000
Sewer Utility Capacity Study	Cash			75,000							75,000
Actual CIP Costs		125,000	225,000	375,000	155,000	50,000	360,000	210,000	100,000	100,000	1,700,000
Sources of Funding		2026	2027	2028	2029	2030	2031	2032	2033	2034	
G.O. Debt		0	0	0	0	0	360,000	0	0	0	360,000
Revenue Debt		0	0	0	0	0	0	0	0	0	0
Cash		125,000	225,000	375,000	155,000	50,000	0	210,000	100,000	100,000	1,340,000
Total		125,000	225,000	375,000	155,000	50,000	360,000	210,000	100,000	100,000	1,700,000