

**Table 5**  
**Sewer Utility Cash Flow Analysis - Projected 2024-2033**

*Heart of the Valley Metropolitan Sewerage District*

	Budget					Projected					
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
<b>Revenues</b>											
Sewer Charges	\$6,160,317	\$7,708,876	\$7,708,876	\$7,708,876	\$7,708,876	\$7,708,876	\$7,940,143	\$8,178,347	\$8,423,697	\$8,676,408	
Connection Fees	\$355,581	\$355,581	\$355,581	\$355,581	\$355,581	\$355,581	\$355,581	\$355,581	\$355,581	\$355,581	
Effluent Sales	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	
Outside Haulers Income	\$33,166	\$41,503	\$41,503	\$41,503	\$41,503	\$41,503	\$42,748	\$44,031	\$45,352	\$46,712	
Farmland Rental Income	\$59,372	\$59,372	\$59,372	\$59,372	\$59,372	\$59,372	\$59,372	\$59,372	\$59,372	\$59,372	
<b>Percent Increase to User Rates</b>	0.00%	25.14%	0.00%	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	
<b>Cumulative Percent Rate Increase</b>	0.00%	25.14%	25.14%	25.14%	25.14%	25.14%	28.89%	32.76%	36.74%	40.84%	
<b>Dollar Amount Increase to Revenues</b>		\$1,548,559	\$0	\$0	\$0	\$0	\$231,266	\$238,204	\$245,350	\$252,711	
<b>Other Revenues</b>											
Interest Income	\$275,000	\$242,880	\$246,820	\$264,643	\$267,626	\$271,562	\$270,730	\$270,932	\$270,769	\$270,143	
Clean Water Fund Contribution	\$182,941	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Income	\$7,500	\$9,385	\$9,385	\$9,385	\$9,385	\$9,385	\$9,667	\$9,957	\$10,256	\$10,563	
<b>Total Other Revenues</b>	<b>\$465,441</b>	<b>\$252,265</b>	<b>\$256,206</b>	<b>\$274,028</b>	<b>\$277,011</b>	<b>\$280,947</b>	<b>\$280,397</b>	<b>\$280,889</b>	<b>\$281,024</b>	<b>\$280,706</b>	
<b>Total Revenues</b>	<b>\$7,238,877</b>	<b>\$8,582,598</b>	<b>\$8,586,538</b>	<b>\$8,604,361</b>	<b>\$8,607,344</b>	<b>\$8,611,280</b>	<b>\$8,843,241</b>	<b>\$9,083,220</b>	<b>\$9,330,026</b>	<b>\$9,583,779</b>	
<b>Expenses</b>											
Operating and Maintenance	\$3,949,323	\$4,146,789	\$4,354,129	\$4,571,835	\$4,800,427	\$5,040,448	\$5,292,471	\$5,557,094	\$5,834,949	\$6,126,696	
<b>Net Before Debt Service and Capital Expenditures</b>	<b>\$3,289,554</b>	<b>\$4,435,808</b>	<b>\$4,232,410</b>	<b>\$4,032,525</b>	<b>\$3,806,917</b>	<b>\$3,570,832</b>	<b>\$3,550,770</b>	<b>\$3,526,126</b>	<b>\$3,495,077</b>	<b>\$3,457,083</b>	
<b>Debt Service</b>											
Existing Debt P&I <sup>1</sup>	\$3,081,062	\$2,924,132	\$754,929	\$1,634,728	\$1,338,827	\$1,338,606	\$1,338,381	\$1,338,150	\$1,337,915	\$1,337,674	
New (2024-2033) Debt Service P&I	\$0	\$458,202	\$1,408,137	\$1,408,137	\$1,408,137	\$1,408,137	\$1,408,137	\$1,408,137	\$1,408,137	\$1,408,137	
<b>Total Debt Service</b>	<b>\$3,081,062</b>	<b>\$3,382,334</b>	<b>\$2,163,065</b>	<b>\$3,042,864</b>	<b>\$2,746,964</b>	<b>\$2,746,743</b>	<b>\$2,746,517</b>	<b>\$2,746,287</b>	<b>\$2,746,051</b>	<b>\$2,745,811</b>	
Transfer In (Out)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Capital Improvements	\$21,797,000	\$0	\$90,430	\$0	\$6,790	\$88,790	\$0	\$0	\$0	\$0	
Bonds Issued/Grants/Aid	\$21,785,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Deposit to Equipment Replacement Fund	\$617,913	\$790,763	\$790,763	\$790,763	\$790,763	\$790,763	\$790,763	\$790,763	\$790,763	\$790,763	
<b>Net Annual Cash Flow</b>	<b>(\$421,421)</b>	<b>\$262,712</b>	<b>\$1,188,151</b>	<b>\$198,898</b>	<b>\$262,400</b>	<b>(\$55,464)</b>	<b>\$13,490</b>	<b>(\$10,924)</b>	<b>(\$41,737)</b>	<b>(\$79,491)</b>	
<b>Restricted and Unrestricted Cash Balance:</b>											
Balance at first of year	\$16,613,397	\$16,191,976	\$16,454,688	\$17,642,839	\$17,841,737	\$18,104,137	\$18,048,673	\$18,062,163	\$18,051,239	\$18,009,502	
Net Annual Cash Flow Addition/(subtraction)	(\$421,421)	\$262,712	\$1,188,151	\$198,898	\$262,400	(\$55,464)	\$13,490	(\$10,924)	(\$41,737)	(\$79,491)	
Balance at end of year	\$16,191,976	\$16,454,688	\$17,642,839	\$17,841,737	\$18,104,137	\$18,048,673	\$18,062,163	\$18,051,239	\$18,009,502	\$17,930,012	
"All-in" Debt Coverage	1.07	1.31	1.96	1.33	1.39	1.30	1.29	1.28	1.27	1.26	

**Notes:**

- 1) Assumes no changes in customer count or usage beyond Test Year.
- 2) Assumes 5.00% annual inflation beyond budget year.

**Legend:**

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



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	Budget			Projected						
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Revenues</b>										
Sewer Charges	\$6,160,317	\$6,468,333	\$6,791,749	\$7,131,337	\$7,487,904	\$7,806,140	\$8,040,324	\$8,281,534	\$8,529,980	\$8,785,879
Connection Fees	\$355,581	\$355,581	\$355,581	\$355,581	\$355,581	\$355,581	\$355,581	\$355,581	\$355,581	\$355,581
Effluent Sales	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000
Outside Haulers Income	\$33,166	\$34,824	\$36,566	\$38,394	\$40,313	\$42,027	\$43,288	\$44,586	\$45,924	\$47,302
Farmland Rental Income	\$59,372	\$59,372	\$59,372	\$59,372	\$59,372	\$59,372	\$59,372	\$59,372	\$59,372	\$59,372
<b>Percent Increase to User Rates</b>	0.00%	5.00%	5.00%	5.00%	5.00%	4.25%	3.00%	3.00%	3.00%	3.00%
<b>Cumulative Percent Rate Increase</b>	0.00%	5.00%	10.25%	15.76%	21.55%	26.72%	30.52%	34.43%	38.47%	42.62%
<b>Dollar Amount Increase to Revenues</b>		\$308,016	\$323,417	\$339,587	\$356,567	\$318,236	\$234,184	\$241,210	\$248,446	\$255,899
<b>Other Revenues</b>										
Interest Income	\$275,000	\$242,880	\$228,089	\$231,783	\$225,553	\$225,522	\$225,468	\$226,504	\$227,231	\$227,557
Clean Water Fund Contribution	\$182,941	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	\$7,500	\$7,875	\$8,269	\$8,682	\$9,116	\$9,504	\$9,789	\$10,083	\$10,385	\$10,697
<b>Total Other Revenues</b>	\$465,441	\$250,755	\$236,358	\$240,465	\$234,670	\$235,025	\$235,257	\$236,586	\$237,616	\$238,254
<b>Total Revenues</b>	<b>\$7,238,877</b>	<b>\$7,333,865</b>	<b>\$7,644,626</b>	<b>\$7,990,149</b>	<b>\$8,342,840</b>	<b>\$8,663,145</b>	<b>\$8,898,821</b>	<b>\$9,142,659</b>	<b>\$9,393,473</b>	<b>\$9,651,387</b>
<b>Expenses</b>										
Operating and Maintenance	\$3,949,323	\$4,146,789	\$4,354,129	\$4,571,835	\$4,800,427	\$5,040,448	\$5,292,471	\$5,557,094	\$5,834,949	\$6,126,696
Net Before Debt Service and Capital Expenditures	\$3,289,554	\$3,187,076	\$3,290,497	\$3,418,314	\$3,542,413	\$3,622,697	\$3,606,350	\$3,585,565	\$3,558,524	\$3,524,691
<b>Debt Service</b>										
Existing Debt P&I <sup>1</sup>	\$3,081,062	\$2,924,132	\$754,929	\$1,634,728	\$1,338,827	\$1,338,606	\$1,338,381	\$1,338,150	\$1,337,915	\$1,337,674
New (2024-2033) Debt Service P&I	\$0	\$458,202	\$1,408,137	\$1,408,137	\$1,408,137	\$1,408,137	\$1,408,137	\$1,408,137	\$1,408,137	\$1,408,137
<b>Total Debt Service</b>	<b>\$3,081,062</b>	<b>\$3,382,334</b>	<b>\$2,163,065</b>	<b>\$3,042,864</b>	<b>\$2,746,964</b>	<b>\$2,746,743</b>	<b>\$2,746,517</b>	<b>\$2,746,287</b>	<b>\$2,746,051</b>	<b>\$2,745,811</b>
Transfer In (Out)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Improvements	\$21,797,000	\$0	\$90,430	\$0	\$6,790	\$88,790	\$0	\$0	\$0	\$0
Bonds Issued/Grants/Aid	\$21,785,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit to Equipment Replacement Fund	\$617,913	\$790,763	\$790,763	\$790,763	\$790,763	\$790,763	\$790,763	\$790,763	\$790,763	\$790,763
<b>Net Annual Cash Flow</b>	<b>(\$421,421)</b>	<b>(\$986,021)</b>	<b>\$246,239</b>	<b>(\$415,313)</b>	<b>(\$2,104)</b>	<b>(\$3,599)</b>	<b>\$69,070</b>	<b>\$48,515</b>	<b>\$21,710</b>	<b>(\$11,883)</b>
<b>Restricted and Unrestricted Cash Balance:</b>										
Balance at first of year	\$16,613,397	\$16,191,976	\$15,205,955	\$15,452,194	\$15,036,881	\$15,034,776	\$15,031,177	\$15,100,247	\$15,148,762	\$15,170,472
Net Annual Cash Flow Addition/(subtraction)	(\$421,421)	(\$986,021)	\$246,239	(\$415,313)	(\$2,104)	(\$3,599)	\$69,070	\$48,515	\$21,710	(\$11,883)
Balance at end of year	\$16,191,976	\$15,205,955	\$15,452,194	\$15,036,881	\$15,034,776	\$15,031,177	\$15,100,247	\$15,148,762	\$15,170,472	\$15,158,589
"All-in" Debt Coverage	1.07	0.94	1.52	1.12	1.29	1.32	1.31	1.31	1.30	1.28

**Notes:**

- 1) Assumes no changes in customer count or usage beyond Test Year.
- 2) Assumes 5.00% annual inflation beyond budget year.

**Legend:**

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