

2021 Sewer Utility – Return Flow User Rates

Presentation to Board of Public Works –
10/22/2020



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Adm. Serv. Mgr., Waukesha Water Utility

Return Flow CIP 2018 - 2023

Capital Uses of Funds - Great Lakes Water Project (Return Flow Portion)

	2018	2019	2020	2021	2022	2023	Total
<u>Project/Activity</u>							
Proj Mgmt/WWU Admin	7,783,540	3,871,967	14,595,000	5,101,700	2,190,000	871,000	34,413,207
Return Flow Construct.	-	-	<u>24,030,000</u>	<u>52,373,000</u>	<u>23,509,000</u>	-	<u>99,912,000</u>
Total Capital Uses	7,783,540	3,871,967	38,625,000	57,474,700	25,699,000	871,000	134,325,207

Capital Sources of Funds - Great Lakes Water Project (Return Flow Portion)

	2020	2021	2022	2023	Total
<u>Debt Issues</u>					
State of WI CWFL - Refinancing**	13,119,474	-	-	-	13,119,474
State of WI CWFL - Current	<u>37,161,033</u>	<u>57,474,700</u>	<u>25,699,000</u>	<u>871,000</u>	<u>121,205,733</u>
Total Capital Sources	50,280,507	57,474,700	25,699,000	871,000	134,325,207

** Project Expenses from 2018, 2019 and early 2020 were funded by interim financing.

The interim debt was refinanced in September 2020.

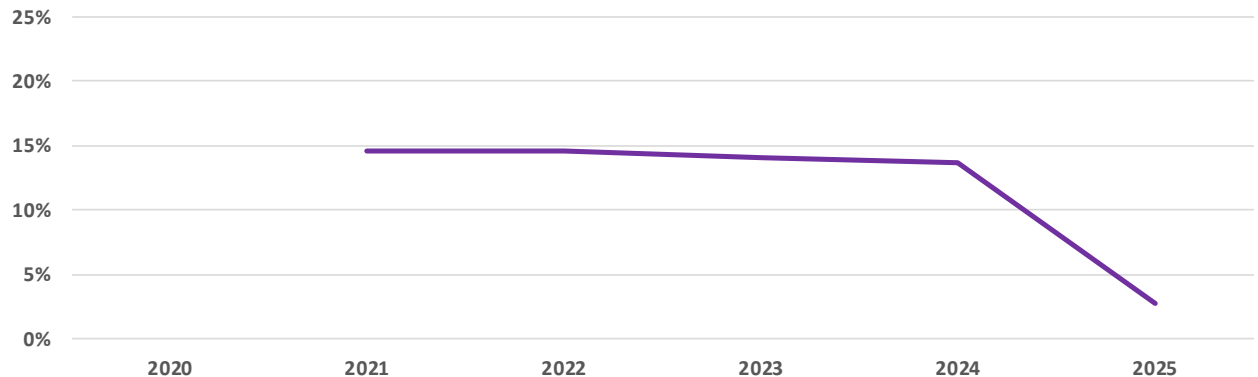
Return Flow Rate Projection 2020 - 2025

Return Flow Rate Calculation by Year						
	2020	2021	2022	2023	2024	2025
Revenues generated by rates	\$ 4,052,079	\$ 5,825,932	\$ 7,138,186	\$ 7,602,350	\$ 7,622,329	\$ 7,593,742
Investment income	50,800	83,200	107,900	119,100	127,100	139,400
Less: Operating Expenses	-	-	(219,600)	(452,300)	(465,900)	(479,900)
Net Revenues	\$ 4,102,879	\$ 5,909,132	\$ 7,026,486	\$ 7,269,150	\$ 7,283,529	\$ 7,253,242
Debt Service (Subsequent Year)	\$ 2,838,442	\$ 5,139,350	\$ 6,035,789	\$ 6,035,036	\$ 6,034,268	\$ 6,033,483
Total Debt Service Coverage (Min. = 1.10)	1.45	1.15	1.16	1.20	1.21	1.20
Return Flow Charge (\$/1,000 Gal.)	2.31	3.47	4.17	4.38	4.38	4.38
Return Flow Rate Increase		50%	20%	5%	0%	0%

Rate Revenue Projection 2020 - 2025

Rate Revenue Increase Projections - Global View

	2020	2021	2022	2023	2024	2025
Return Flow Rate Increase		50%	20%	5%	0%	0%
Return Flow Rate Rev. (annualized)	\$ 4,052,079	\$ 5,825,932	\$ 7,138,186	\$ 7,602,350	\$ 7,622,329	\$ 7,593,742
<i>Sewer Rate Increase</i>		6.92%	9.00%	9.00%	9.00%	5.00%
Sewer Rate Revenues	\$ 17,138,935	\$ 17,504,862	\$ 19,080,299	\$ 20,797,526	\$ 22,669,303	\$ 23,802,768
<i>Water Rate Increase</i>		25.00%	20.00%	25.00%	25.00%	2.73%
Water Rate Revenues	\$ 11,058,166	\$ 13,606,241	\$ 16,101,794	\$ 19,881,896	\$ 24,585,551	\$ 25,019,326
Combined RF/Swr/Wtr Rate Revenues	\$ 32,249,180	\$ 36,937,036	\$ 42,320,279	\$ 48,281,772	\$ 54,877,183	\$ 56,415,837
Combined RF/Swr/Wtr Rate Increase		14.5%	14.6%	14.1%	13.7%	2.8%



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Utility Billing Impact - Global View - Single Residential

	2020	2021	2022	2023	2024	2025
	\$/Yr	\$/Yr	\$/Yr	\$/Yr	\$/Yr	\$/Yr
Return Flow	\$ 111	\$ 167	\$ 200	\$ 210	\$ 210	\$ 210
Sewer	449	481	524	572	623	654
Water	344	431	517	647	808	830
RF/Swr/Wtr	\$ 904	\$ 1,078	\$ 1,242	\$ 1,428	\$ 1,642	\$ 1,695
Monthly Avg	\$ 75	\$ 90	\$ 103	\$ 119	\$ 137	\$ 141

**Assumes 48,000 gallons used annually.