

CITY OF POLK CITY, IOWA

Water Enterprise Fund

Growth Assumptions	
Water Sales Growth	1.00%
Max Day Demand Growth (5 year average)	1.00%
Customer Growth (Meters per Year)	75
Operating Expenses	Various

WATER REVENUE ADJUSTMENTS					
1-Apr-21	6.50%	1-Jul-25	8.00%	1-Jul-29	8.00%
1-Jul-22	3.00%	1-Jul-26	8.00%		
1-Jul-23	10.00%	1-Jul-27	8.00%		
1-Jul-24	7.50%	1-Jul-28	8.00%		

		Audited	Audited	Audited	Budget	Projected	Projected	Projected	Projected	Projected	Projected
		FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Water Rates	1	4/1/2020	4/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/2029
Service Availability Charge	2	\$8.80	\$9.37	\$9.65	\$10.62	\$11.42	\$12.33	\$13.32	\$14.39	\$15.54	\$16.78
Rate per 1,000 gallons	3	\$5.89	\$6.27	\$6.45	\$7.10	\$7.63	\$8.24	\$8.90	\$9.61	\$10.38	\$11.21
Irrigation/Garden Rate per 1,000 gallons	4	\$10.05	\$10.70	\$11.02	\$12.12	\$13.03	\$14.07	\$15.20	\$16.42	\$17.73	\$19.15
Average Monthly Bill (4,100 gals)	5	\$32.95	\$35.08	\$36.10	\$39.73	\$42.70	\$46.11	\$49.81	\$53.79	\$58.10	\$62.74
Change in Average Monthly Bill	6	\$2.19	\$2.13	\$1.02	\$3.64	\$2.97	\$3.41	\$3.70	\$3.98	\$4.31	\$4.64
Average Number of Regular Meters	7	2,061	2,152	2,283	2,358	2,433	2,508	2,583	2,658	2,733	2,808
Average Number of Irrigation Meters	8	328	365	384	407	429	452	474	497	519	542
Water Sales (1,000 Gallons)		Projected Irrigation Water Sales Based on 90% of the 3 year average									
Regular Water Sales	9	103,895	102,664	110,582	111,688	112,805	113,933	115,072	116,223	117,385	118,559
Irrigation Water Sales	10	39,089	32,034	46,624	30,539	30,539	30,539	30,539	30,539	30,539	30,539
Subtotal Water Sales	11	142,984	134,699	157,206	142,227	143,343	144,472	145,611	146,762	147,924	149,098
Average \$\$ Per 1,000 Gallons	12	\$8.74	\$9.69	\$9.19	\$9.93	\$10.67	\$11.52	\$12.44	\$13.44	\$14.52	\$15.68
Operating Revenues											
Sale of Water	13	\$1,249,097	\$1,305,393	\$1,444,993	\$1,502,704	\$1,619,869	\$1,754,706	\$1,901,793	\$2,062,870	\$2,238,248	\$2,428,245
Irrigation Meter Sales	14	39,747	73,824	26,064	35,000	25,000	25,000	25,000	25,000	25,000	25,000
Sales Tax/Water Excise Tax	15	59,531	62,222	69,340	72,109	77,732	84,202	91,260	98,990	107,406	116,523
Hookup Charges	16	118,800	166,400	59,400	80,000	50,000	50,000	50,000	50,000	50,000	50,000
Late Charges/Penalties	17	1,470	1,261	2,505	2,200	2,400	2,400	2,400	2,400	2,400	2,400
Other Misc. Revenue	18	10,036	10,386	14,646	11,700	10,800	10,800	10,800	10,800	10,800	10,800
Total Operating Revenues	19	\$1,478,681	\$1,619,487	\$1,616,948	\$1,703,714	\$1,785,801	\$1,927,108	\$2,081,254	\$2,250,060	\$2,433,853	\$2,632,968

CITY OF POLK CITY, IOWA

EXHIBIT 1

Water Enterprise Fund

<i>Growth Assumptions</i>	
Water Sales Growth	1.00%
Max Day Demand Growth (5 year average)	1.00%
Customer Growth (Meters per Year)	75
Operating Expenses	Various

<i>WATER REVENUE ADJUSTMENTS</i>					
1-Apr-21	6.50%	1-Jul-25	8.00%	1-Jul-29	8.00%
1-Jul-22	3.00%	1-Jul-26	8.00%		
1-Jul-23	10.00%	1-Jul-27	8.00%		
1-Jul-24	7.50%	1-Jul-28	8.00%		

	Audited	Audited	Audited	Budget	Projected	Projected	Projected	Projected	Projected	Projected
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Apr-21	Apr-22	Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30
DMWW Rate/1,000 Gallons										
With Storage Rate 20	\$4.57	\$4.57	\$4.57	\$4.71						
Purchased Capacity Rate 21	\$2.68	\$3.08	\$3.39	\$3.59						
Purchased Water Percentage 22	69%	68%	72%	70%	70%					
Base Costs (\$ per kgal) 23					\$2.22	\$2.30	\$2.33	\$2.23	\$2.23	\$2.23
Extra Capacity Costs (\$ per MGD) 24					\$228,497	\$245,271	\$253,021	\$251,821	\$243,001	\$243,001
CIWW 5 Year Average MDD (MGD) 25					1.216	1.228	1.240	1.252	1.265	1.278
Ave. \$\$ per 1,000 Gallons Purchased 26	\$3.04	\$3.54	\$3.58	\$3.89	\$4.15					
Total Water Purchased (DMWW) 27	129,224	121,486	160,449	129,426	130,443	-	-	-	-	-
Total Water Produced (Polk City) 28	56,810	56,810	63,836	55,468	55,904	-	-	-	-	-
Total Water 29	186,034	178,296	224,285	184,895	186,346	187,813	189,294	190,790	192,301	193,827
Unaccounted for Water 30	23%	24%	30%	30%	30%	30%	30%	30%	30%	30%
Operating Expenses 31	24%	0%	21%	5%	4%	10%	10%	4%	4%	2%
Administration 31	\$369,795	\$355,424	\$429,361	\$485,400	\$539,410	\$555,823	\$572,812	\$590,397	\$608,601	\$627,447
Repair & Maintenance 32	27,396	26,085	32,865	59,000	59,000	59,000	59,000	59,000	59,000	59,000
DMWW Purchased Water 33	392,829	429,966	573,873	504,020	270,993	0	0	0	0	0
CIWW Cost Recovery 34					(93,585)	(191,475)	(195,879)	(200,384)	(204,993)	(209,708)
CIWW Variable 35					210,538	440,584	462,891	480,545	498,881	517,925
CIWW Fixed 36					147,664	354,539	437,488	470,587	500,228	507,082
Sales Tax/Excise Tax Expense 37	67,007	80,894	73,187	93,000	100,000	100,000	100,000	100,000	100,000	100,000
Other Operational Expenses 38	205,477	174,953	184,208	221,550	188,675	250,770	287,821	286,367	300,447	300,106
Total Operating Expense 39	\$1,062,504	\$1,067,322	\$1,293,493	\$1,362,970	\$1,422,695	\$1,569,241	\$1,724,133	\$1,786,512	\$1,862,164	\$1,901,853
Net Operating Revenues 40	\$416,177	\$552,165	\$323,455	\$340,744	\$363,106	\$357,867	\$357,120	\$463,548	\$571,690	\$731,115
Interest on Reserves 41	0	0	0	0	0	0	0	0	0	0
Net Revenues for Debt Service 42	\$416,177	\$552,165	\$323,455	\$340,744	\$363,106	\$357,867	\$357,120	\$463,548	\$571,690	\$731,115

CITY OF POLK CITY, IOWA

EXHIBIT 1

Water Enterprise Fund

<i>Growth Assumptions</i>	
Water Sales Growth	1.00%
Max Day Demand Growth (5 year average)	1.00%
Customer Growth (Meters per Year)	75
Operating Expenses	Various

<i>WATER REVENUE ADJUSTMENTS</i>					
1-Apr-21	6.50%	1-Jul-25	8.00%	1-Jul-29	8.00%
1-Jul-22	3.00%	1-Jul-26	8.00%		
1-Jul-23	10.00%	1-Jul-27	8.00%		
1-Jul-24	7.50%	1-Jul-28	8.00%		

		Audited	Audited	Audited	Budget	Projected	Projected	Projected	Projected	Projected	Projected
		FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Net Revenues for Debt Service	43	\$416,177	\$552,165	\$323,455	\$340,744	\$363,106	\$357,867	\$357,120	\$463,548	\$571,690	\$731,115
Water Debt Service											
Proposed Water Rev Bonds (2024)	44	\$0	\$0	\$0	\$0	\$25,717	\$123,578	\$175,675	\$177,788	\$174,763	\$176,738
Proposed Water Rev SRF Loan (2025)	45	0	0	0	0	0	87,206	121,163	121,913	121,550	121,113
Subtotal Revenue Debt	46	\$0	\$0	\$0	\$0	\$25,717	\$210,784	\$296,838	\$299,700	\$296,313	\$297,850
Series 2018 G.O. Bonds	47	\$0	\$68,127	\$133,878	\$204,745	\$196,000	\$201,595	\$202,370	\$202,983	\$203,433	\$203,720
Total GO Bonds paid by Water Fund	48	0	68,127	133,878	204,745	196,000	201,595	202,370	202,983	203,433	203,720
Total Water Debt	49	\$0	\$68,127	\$133,878	\$204,745	\$221,717	\$412,379	\$499,208	\$502,683	\$499,745	\$501,570
Debt Service Coverage											
Net Revenues/ Revenue Debt	50	N.A.	N.A.	N.A.	N.A.	14.12	1.70	1.20	1.55	1.93	2.45
Net Revenues / All Debt	51	N.A.	8.10	2.42	1.66	1.64	0.87	0.72	0.92	1.14	1.46
Net Cashflow after Debt	52	\$416,177	\$484,038	\$189,577	\$135,999	\$141,389	(\$54,512)	(\$142,087)	(\$39,135)	\$71,945	\$229,545
Capital Expenditures	53	(72,792)	(136,900)	(71,567)	(1,844,615)	(5,253,260)	(1,750,914)	(110,000)	(110,000)	(145,000)	(145,000)
Transfer (out)/in	54	0	(33,333)	(215,000)	1,740,000	2,571,630	0	0	0	0	0
Bond Proceeds	55	0	0	0	0	2,571,630	1,640,914	0	0	0	0
Transfer (to) from Restricted/Designated	56	2,375	886	0	0	(17,565)	(7,171)	(239)	282	(128)	0
Other Cash Sources/(Uses)	57	1	21,722	(1)	0	0	0	0	0	0	0
Annual Surplus/ (Deficit)	58	\$345,760	\$336,414	(\$96,991)	\$31,384	\$13,824	(\$171,683)	(\$252,326)	(\$148,853)	(\$73,183)	\$84,545
Unrestricted Beg. Cash Balance	59	\$831,185	\$1,176,946	\$1,513,359	\$1,416,369	\$1,447,753	\$1,461,577	\$1,289,894	\$1,037,568	\$888,716	\$815,532
Unrestricted End. Cash Balance	60	\$1,176,946	\$1,513,359	\$1,416,369	\$1,447,753	\$1,461,577	\$1,289,894	\$1,037,568	\$888,716	\$815,532	\$900,078
Cash Balance as % of Operating Exp.	61	111%	142%	109%	106%	103%	82%	60%	50%	44%	47%

CITY OF POLK CITY, IOWA

EXHIBIT 1

Water Enterprise Fund

Growth Assumptions	
Water Sales Growth	1.00%
Max Day Demand Growth (5 year average)	1.00%
Customer Growth (Meters per Year)	75
Operating Expenses	Various

WATER REVENUE ADJUSTMENTS					
1-Apr-21	6.50%	1-Jul-25	8.00%	1-Jul-29	8.00%
1-Jul-22	3.00%	1-Jul-26	8.00%		
1-Jul-23	10.00%	1-Jul-27	8.00%		
1-Jul-24	7.50%	1-Jul-28	8.00%		

	Audited	Audited	Audited	Budget	Projected	Projected	Projected	Projected	Projected	Projected
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Restricted/Designated Funds										
Water Deposits 62	\$41,192	\$40,306	\$40,306	\$40,306	\$40,306	\$40,306	\$40,306	\$40,306	\$40,306	\$40,306
Bond Debt Service Reserve Fund 63	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond Debt Service Sinking Fund 64	\$0	\$0	\$0	\$0	\$17,565	\$24,736	\$24,975	\$24,693	\$24,821	\$24,821
Restricted Bond Proceeds 65	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Restricted/Designated 66	\$41,192	\$40,306	\$40,306	\$40,306	\$57,871	\$65,042	\$65,281	\$64,999	\$65,127	\$65,127
Total Cash 67	\$1,218,138	\$1,553,665	\$1,456,675	\$1,488,059	\$1,519,448	\$1,354,936	\$1,102,849	\$953,714	\$880,659	\$965,204
				CIWW Projected Costs		\$264,617	\$690,853	\$825,663	\$872,661	\$915,666
Water Capital Outlays:										
Creekview Estates - Upside Water Main	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1.5 MG Water Tower	0	0	0	1,000,000	5,143,260	0	0	0	0	0
Watermain Project	0	0	0	699,615	0	0	0	0	0	0
CIWW Asset Transfer Expense	0	0	0	0	0	1,640,914	0	0	0	0
Repairs & Replacement (600-810-6780)	136,900	71,567	145,000	145,000	110,000	110,000	110,000	110,000	145,000	145,000
Total	\$136,900	\$71,567	\$145,000	\$1,844,615	\$5,253,260	\$1,750,914	\$110,000	\$110,000	\$145,000	\$145,000