

MONROE COUNTY STORMWATER UTILITY

Monroe County, Indiana

Rate Review

August 12, 2020



**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Rate Review

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2680 East Main Street
Suite 223
Plainfield, IN 46168
Phone: 317.837.4933

Email Addresses:

greg@fsgcorp.com

tina@fsgcorp.com

August 12, 2020

Monroe County

Monroe County Council

Mr. Terry Quillman, MS4 Coordinator

301 N. College Ave.
Bloomington, IN 47404

VIA EMAIL: tquillman@co.monroe.in.us

RE: MONROE COUNTY STORMWATER UTILITY

Dear Council Members, Mr. Quillman:

Pursuant to your request, we have made a study and analysis of the financial reports, budgets and other data pertaining to Monroe County's Storm Water Utility (the "Utility"). The results of our analysis are contained in the report attached hereto.

The purpose of our report is to estimate the Utility's cash flow and financial capacity to meet its ongoing revenue requirements for operation, maintenance, and to fund debt service for future financing, as well as to improve the system. This report is based on data for the Budget Year 2020. Based on this information, to fund operations, a 7% rate increase is needed at this time. Additionally, at the request of the County, 4 "alternatives" have been calculated as follows:

The first requested alternative is the amount the County can bond with current revenues (no rate increase) while spending an additional \$25,000 on fleet maintenance. This alternative is not feasible as the County needs a rate increase without the addition of fleet maintenance or bonds.

The second alternative includes bonding for the construction of 4 Stormwater projects and additional equipment: Carmola Drive (\$2.6 million), Baby Creek Road (\$3.2 million), Moores Creek Road (\$0.9 million), and Stipp Road (\$1.9 million), as well as 3 tandem dump trucks and an excavator. \$100,000 a year is added to revenue requirements towards fleet replacement, and additional expenses are taken into account for maintenance of the 4 additional pieces of equipment. In 2022, 2 field crew workers and an inspector are added (See EXHIBIT V).

The third alternative calls for bonding \$6 million for construction projects, 3 dump trucks and an excavator. \$100,000 a year is added to revenue requirements towards fleet replacement, and additional expenses are taken into account for maintenance of the 4 additional pieces of equipment. In 2022, 2 field crew workers and an inspector are added (See EXHIBIT V).

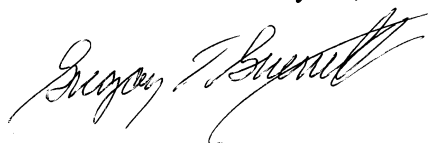
The fourth alternative includes bonding for \$3 million for construction projects, 3 dump trucks and an excavator. \$100,000 a year is added to revenue requirements towards fleet replacement, and additional expenses are taken into account for maintenance for the 4 additional pieces of equipment. In 2022, 2 field crew workers and an inspector are added (See EXHIBIT V).

It should be noted that "Alternative 2", bonded for 20 years, results in a proposed yearly rate of \$71.55, and "Alternative 3", bonded for 10 years, results in a proposed rate of \$75.77. Both are similar to Bloomington's Stormwater rate of \$71.40 per year.

In the course of preparing this report, we have not conducted an audit of any financial data. We have made certain projections of revenue and expense, which may vary from actual results, because of events and circumstances unknown to us as of the date of this report.

Sincerely,

Financial Solutions Group, Inc.

A handwritten signature in black ink, appearing to read "Gregory T. Guerrettaz", with a stylized, flowing script.

Gregory T. Guerrettaz

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

**Comparative Statement of Receipts and Disbursements for the
Calendar Years Ending 2015 through 2019, and 2020 Budget**

	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Budget Year 2020
<u>Operating Receipts</u>						
Spring Settlement	\$ 672,116	\$ 656,165	\$ 689,059	\$ 683,573	\$ 710,054	\$ 710,054
Fall Settlement	469,959	462,661	458,435	446,020	463,739	463,739
Misc.	-	-	1,338	1,142	8,722	-
Total Operating Receipts	<u>\$ 1,142,075</u>	<u>\$ 1,118,826</u>	<u>\$ 1,148,832</u>	<u>\$ 1,130,736</u>	<u>\$ 1,182,516</u>	<u>\$ 1,173,793</u>
<u>Operating Disbursements</u>						
MS4 Coordinator	\$ 64,927	\$ 59,798	\$ 70,255	\$ 71,607	\$ 73,440	\$ 78,754
Stormwater Equipment Operator	38,108	39,209	39,736	40,643	38,301	43,243
MS4 Assistant	-	-	-	48,395	48,606	51,862
Elected Official (Split)	11,031	11,327	11,425	11,606	11,803	12,436
Stormwater Equipment Operator (LB)	-	-	-	37,469	40,862	43,459
Stormwater Equipment Operator (CH)	-	-	-	37,908	35,311	43,459
Stormwater Equipment Operator (MB)	38,987	40,097	43,532	44,678	53,882	43,459
Stormwater Maintenance Supervisor (LM)	-	-	37,150	41,617	46,912	51,862
Stormwater Crew Foreman (JM)	-	-	-	-	30,127	47,347
Inspector	44,885	47,123	47,517	-	-	-
Truck Driver (AS)	-	-	-	-	27,260	41,731
Overtime	4,509	5,196	4,292	5,081	9,355	7,500
Clothing Allowance	-	-	-	5,878	7,452	8,750
Longevity	1,600	1,800	2,000	2,200	1,800	2,000
Part Time	3,489	7,951	8,703	9,133	9,918	15,000
Backfill/ Pavement Repair	2,285	975	13,716	30,474	48,707	50,000
Cartograph License and Maint.	-	2,350	31,500	5,000	-	5,000
Computer Hardware	-	-	726	-	-	-
Communications	1,642	2,577	-	-	-	2,500
Contract Services	-	14,971	39,795	-	-	-
Copier Maintenance	-	-	-	-	-	1,500
Disposal Fees	-	-	13,526	13,714	19,816	20,000
Deputy 1	5,000	-	-	-	-	-
Esri License and Maintenance	1,000	-	-	-	-	-
FICA	15,539	15,932	19,279	26,260	32,811	37,551
Field Crew Supplies	-	-	-	4,198	5,338	10,000
FT Self Insurance	36,440	42,856	50,921	71,050	89,250	94,350
Gas, Oil, and Lube	18,091	7,142	8,540	20,624	27,267	30,000
General Engineering Services	70,857	26,553	86,485	58,320	4,446	-
Intern (Contractual)	4,875	2,878	3,471	-	-	-

MONROE COUNTY
STORMWATER UTILITY
Monroe County, Indiana

Comparative Statement of Receipts and Disbursements for the
Calendar Years Ending 2015 through 2019, and 2020 Budget
(Continued)

	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Budget Year 2020
Labortory Services	\$ -	\$ -	\$ 30	\$ 200	\$ 175	\$ 1,000
Lake Monroe Water Quality	-	-	-	-	37,500	75,000
Maint/ Good Housekeeping SW	174	516	63	211	-	25,000
Office Supplies	353	1,348	460	492	619	3,000
On Call Construction Services	-	-	20,718	12,578	352,594	80,000
Other Insurance	-	5,024	8,000	20,549	16,000	20,000
Other Supplies	1,939	4,081	2,280	-	-	-
Overtime	-	-	-	-	-	-
PERF	28,748	28,790	36,055	49,164	60,042	66,046
Pipes	729	4,858	11,048	26,308	24,577	40,000
Postage and Freight	277	719	337	-	138	1,000
Printing and Advertising	433	3,029	740	737	-	3,000
Pubic Education and Participation	44,472	57,237	47,233	45,580	41,581	50,000
Refunds	-	-	-	3,239	512	1,000
Remote Monitoring	-	-	-	30	1,189	40,000
Rental of Equipment	784	4,258	11,413	9,845	4,634	10,000
Repairs (Equipment/ Vehicle)	46	4,723	11,890	8,659	10,540	5,000
Seed/ Mulch/ Compost/ Planting	380	770	1,317	2,170	4,267	6,000
Software	-	-	-	-	188	1,000
Signs	633	20	-	-	-	5,000
Street Sweeper	37,989	269,395	-	-	-	-
Testing	-	470	200	-	-	500
Training	1,307	2,505	1,455	2,035	3,541	5,000
Travel	385	230	402	-	-	-
Uniforms	2,500	2,500	3,125	-	-	-
Utilities	968	1,147	1,582	1,184	1,516	2,000
Vehicle Insurance	5,746	3,427	7,021	-	-	-
Vehicle Purchase	-	-	-	-	51,029	-
Vehicle Maintenance Supp	15,087	23,383	9,829	10,129	15,017	25,000
Total Operating Disbursements	\$ 506,215	\$ 747,165	\$ 707,767	\$ 778,965	\$ 1,288,321	\$ 1,206,309
Net Operating Reciepts	\$ 635,860	\$ 371,661	\$ 441,066	\$ 351,770	\$ (105,806)	\$ (32,516)

**MONROE COUNTY
STORMWATER UTILITY**

Monroe County, Indiana

**Comparative Statement of Receipts and Disbursements for the
Calendar Years Ending 2015 through 2019, and 2020 Budget**

(Continued)

	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Budget Year 2020
<u>Net Operating Receipts</u>	<u>\$ 635,860</u>	<u>\$ 371,661</u>	<u>\$ 441,066</u>	<u>\$ 351,770</u>	<u>\$ (105,806)</u>	<u>\$ (32,516)</u>
<u>Non Operating Receipts</u>						
TIF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Improvement/Rplcmnt.	-	-	-	-	-	-
Correction	-	-	-	-	-	-
Total Non Op. Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Non Operating Disbursements</u>						
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Baby Creek	-	-	-	-	182,122	75,000
Bottom Road	-	-	-	-	100,000	-
Cherry Lane	-	-	-	-	20,230	100,000
Dump Truck	18,165	18,165	17,899	-	-	-
Equipment	-	-	-	11,395	41,845	50,000
Gradall (Lease/ Purchase)	-	-	-	367,980	-	-
Mt Tabor Rd	-	-	-	35,922	46,341	-
Transfer/Temporary Loan	-	-	-	-	-	-
Professional Fees	15,750	126,500	154,570	15,550	27,469	150,000
Stipp Rd./ Moores	-	-	23,550	211,345	139,466	154,800
Truesdel Drive	-	-	-	-	46,535	-
Equipment	-	-	-	-	-	-
Utility Truck	-	33,648	-	-	-	-
Vac Truck	41,883	41,884	-	-	-	-
Construction	-	-	-	-	-	-
Total Non Op. Disbursements	<u>\$ 75,797</u>	<u>\$ 220,196</u>	<u>\$ 196,019</u>	<u>\$ 642,191</u>	<u>\$ 604,007</u>	<u>\$ 529,800</u>
Net Receipts	<u>\$ 560,063</u>	<u>\$ 151,465</u>	<u>\$ 245,046</u>	<u>\$ (290,421)</u>	<u>\$ (709,813)</u>	<u>\$ (562,315)</u>

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Fund Balance Analysis (County Fund #1197)

Funds	12/31/15	Minimum Funding Requirement	12/31/16	Minimum Funding Requirement
Stormwater Management Fund 1197	\$ 2,745,870	\$ 126,554	\$ 2,897,358	\$ 186,791
Total Cash and Investments	<u>\$ 2,745,870</u>		<u>\$ 2,897,358</u>	
Change in Cash			<u>\$ 151,488</u>	

Funds	12/31/17	Minimum Funding Requirement	12/31/2018	Minimum Funding Requirement	12/31/2019	Minimum Funding Requirement
Stormwater Management Fund 1197	\$ 3,142,404	\$ 176,942	\$ 2,851,983	\$ 194,741	\$ 2,142,171	\$ 322,080
Total Cash and Investments	<u>\$ 3,142,404</u>		<u>\$ 2,851,983</u>		<u>\$ 2,142,171</u>	
Change in Cash	<u>\$ 245,046</u>		<u>\$ (290,421)</u>		<u>\$ (709,813)</u>	

NOTE: Minimum funding requirement for Cash Operating is calculated by taking the monthly average of the total Test Year operating expenses, multiplied by 3 months, to get a 3-month average operating expense.

**MONROE COUNTY
STORMWATER UTILITY**

Monroe County, Indiana

Adjusted Statement of Receipts and Disbursements

	Budget Year 2020	Adjustments Amount	Ref.	Pro-Forma 2021
<u>Operating Receipts</u>				
Spring Settlement	\$ 710,054			\$ 710,054
Fall Settlement	463,739			463,739
Misc.	-			-
Total Operating Receipts	<u>\$ 1,173,793</u>	<u>\$ -</u>		<u>\$ 1,173,793</u>
<u>Operating Disbursements</u>				
Operation and Maintenance Expenses	\$ 1,206,309	\$ 9,452	(1)	
		723	(2)	
		3,000	(3)	
		1,500	(4)	
		14,274	(5)	
		(75,000)	(6)	
Total Operating Disbursements	<u>\$ 1,206,309</u>	<u>\$ (46,051)</u>		<u>\$ 1,160,258</u>
Net Operating Receipts (Disbursements)	<u>\$ (32,516)</u>			<u>\$ 13,535</u>

**MONROE COUNTY
STORMWATER UTILITY**

Monroe County, Indiana

Detail of Adjustments

(1)

To adjust "Operating Disbursements" to reflect an increase in Salaries and Wages.

Test Year Salaries and Wages	\$ 472,612	
Times: Estimated Percentage Increase	<u>2%</u>	

Adjustment - Increase:		<u><u>\$ 9,452</u></u>
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(2)

To adjust "Operating Disbursements" to reflect an increase in the FICA tax due to the increase in Salaries and Wages.

Increase in Salaries and Wages	\$ 9,452	
FICA Tax Rate	<u>7.65%</u>	

Adjustment - Increase:		<u><u>\$ 723</u></u>
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(3)

To adjust "Operating Disbursements" to allow for an increase in the employer's share of Health Insurance.

Test Year Premiums	\$ 20,000	
Estimated Increase	<u>15%</u>	

Adjustment - Increase:		<u><u>\$ 3,000</u></u>
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**MONROE COUNTY
STORMWATER UTILITY**

Monroe County, Indiana

Detail of Adjustments
(Continued)

(4)

To adjust "Operating Disbursements" to allow for an annual rate review.

Adjustment - Increase:	<u>\$ 1,500</u>
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(5)

To adjust "Operating Disbursements" to allow for an inflation adjustment and compliance with new regulations.

Other Expenses	\$ 713,697	
Inflation Adjustment	<u>2.00%</u>	
Adjustment - Increase:		<u>\$ 14,274</u>

(6)

To adjust "Operating Disbursements" to eliminate "Lake Monroe Water Quality" payment.

Test Year	<u>\$ 75,000</u>	
Adjustment - Decrease:		<u>\$ (75,000)</u>

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Revenue Requirements

	PRO-FORMA	ADJUSTED			
	2021	2022	2023	2024	2025
Adjusted Operating Revenue	\$ 1,173,793	\$ 1,185,531	\$ 1,197,386	\$ 1,209,360	\$ 1,221,454
Adjusted Operating Expense	\$ 1,160,258	\$ 1,195,066	\$ 1,230,918	\$ 1,267,846	\$ 1,305,881
Capital Improvement Plan	-	-	-	-	-
Total Revenue Requirements	\$ 1,160,258	\$ 1,195,066	\$ 1,230,918	\$ 1,267,846	\$ 1,305,881
Net Operating Income	\$ 13,535	\$ (9,535)	\$ (33,531)	\$ (58,485)	\$ (84,427)
Increase Needed (for Break Even)		7%			

NOTE

Operating Expense has been increased at a rate of 3% and 1% for Operating Receipts for this analysis.

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Present and Proposed Storm Water Rates

<u>Classification</u>	<u>ERU</u>	<u>Present Yearly Rate</u>	<u>Proposed Yearly Rate</u>	<u>Percent Increase</u>
<u>Residential Rate</u>				
Flat Rate	1.00	\$ 35.16	\$ 37.62	7.00%
<u>Commercial, Industrial & Institutional Rate</u>				
Rate Per ERU	1.00	\$ 35.16	\$ 37.62	7.00%
Minimum		\$ 35.16	\$ 37.62	7.00%

NOTE: Current rates were approved by Chapter 766 and Amended April 19, 2013.

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Revenue Requirements (Alternative 1)

	PRO-FORMA	ADJUSTED			
	2021	2022	2023	2024	2025
Adjusted Operating Revenue	\$ 1,173,793	\$ 1,185,531	\$ 1,197,386	\$ 1,209,360	\$ 1,221,454
Adjusted Operating Expense	\$ 1,160,258	\$ 1,195,066	\$ 1,230,918	\$ 1,267,846	\$ 1,305,881
Fleet Maintenance	25,000	25,000	25,000	25,000	25,000
Capital Improvement Plan	-	-	-	-	-
Debt Service	-	-	-	-	-
Debt Service Coverage	-	-	-	-	-
Total Revenue Requirements	\$ 1,185,258	\$ 1,220,066	\$ 1,255,918	\$ 1,292,846	\$ 1,330,881
Net Operating Income	\$ (11,465)	\$ (34,535)	\$ (58,531)	\$ (83,485)	\$ (109,427)
Increase Needed		9%			

NOTE

Operating Expense has been increased at a rate of 3% and 1% for Operating Receipts for this analysis.

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Revenue Requirements (Alternative 2/ 20-Year Bond)

	PRO-FORMA	ADJUSTED			
	2021	2022	2023	2024	2025
Adjusted Operating Revenue	\$ 1,173,793	\$ 1,185,531	\$ 1,197,386	\$ 1,209,360	\$ 1,221,454
Adjusted Operating Expense	\$ 1,160,258	\$ 1,195,066	\$ 1,230,918	\$ 1,267,846	\$ 1,305,881
Field Crew (x2)	-	80,000	80,000	80,000	80,000
Inspector	-	50,000	50,000	50,000	50,000
Fleet Replacement	100,000	100,000	100,000	100,000	100,000
Additional Costs (New Equipment)	25,000	25,000	25,000	25,000	25,000
Capital Improvement Plan	-	-	-	-	-
Debt Service	733,292	733,575	731,175	733,675	737,125
Debt Service Coverage (25%)	183,323	183,394	182,794	183,419	184,281
Total Revenue Requirements	\$ 2,201,873	\$ 2,367,035	\$ 2,399,887	\$ 2,439,939	\$ 2,482,287
Net Operating Income	\$ (1,028,080)	\$ (1,181,504)	\$ (1,202,500)	\$ (1,230,579)	\$ (1,260,833)
Increase Needed		103.50%			

NOTE

Operating Expense has been increased at a rate of 3% and 1% for Operating Receipts for this analysis.

**MONROE COUNTY
STORMWATER UTILITY**

EXHIBIT H

Proposed Stormwater Revenue Bonds of 2021 (Open Market) (Alt 2 / 20-Year Bond)

Date	Principal	Interest Rate	Interest Amount	Semi-Annual Debt Service	Annual Debt Service
3/1/2021					
7/1/2021			\$ 123,317	\$ 123,317	
1/1/2022	\$ 425,000	1.50%	184,975	609,975	\$ 733,292
7/1/2022			181,788	181,788	
1/1/2023	370,000	2.00%	181,788	551,788	733,575
7/1/2023			178,088	178,088	
1/1/2024	375,000	2.00%	178,088	553,088	731,175
7/1/2024			174,338	174,338	
1/1/2025	385,000	3.00%	174,338	559,338	733,675
7/1/2025			168,563	168,563	
1/1/2026	400,000	3.00%	168,563	568,563	737,125
7/1/2026			162,563	162,563	
1/1/2027	415,000	3.50%	162,563	577,563	740,125
7/1/2027			155,300	155,300	
1/1/2028	425,000	3.50%	155,300	580,300	735,600
7/1/2028			147,863	147,863	
1/1/2029	440,000	3.50%	147,863	587,863	735,725
7/1/2029			140,163	140,163	
1/1/2030	460,000	3.50%	140,163	600,163	740,325
7/1/2030			132,113	132,113	
1/1/2031	475,000	3.50%	132,113	607,113	739,225
7/1/2031			123,800	123,800	
1/1/2032	490,000	4.00%	123,800	613,800	737,600
7/1/2032			114,000	114,000	
1/1/2033	515,000	4.00%	114,000	629,000	743,000
7/1/2033			103,700	103,700	
1/1/2034	535,000	4.00%	103,700	638,700	742,400
7/1/2034			93,000	93,000	
1/1/2035	555,000	4.00%	93,000	648,000	741,000
7/1/2035			81,900	81,900	
1/1/2036	575,000	4.00%	81,900	656,900	738,800
7/1/2036			70,400	70,400	
1/1/2037	600,000	4.00%	70,400	670,400	740,800
7/1/2037			58,400	58,400	
1/1/2038	625,000	4.00%	58,400	683,400	741,800
7/1/2038			45,900	45,900	
1/1/2039	650,000	4.50%	45,900	695,900	741,800
7/1/2039			31,275	31,275	
1/1/2040	680,000	4.50%	31,275	711,275	742,550
7/1/2040			15,975	15,975	
1/1/2041	710,000	4.50%	15,975	725,975	741,950
Total	\$ 10,105,000		\$ 4,666,542	\$ 14,771,542	\$ 14,771,542

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Revenue Requirements (Alternative 2/10-Year Bond)

	PRO-FORMA	ADJUSTED			
	2021	2022	2023	2024	2025
Adjusted Operating Revenue	\$ 1,173,793	\$ 1,185,531	\$ 1,197,386	\$ 1,209,360	\$ 1,221,454
Adjusted Operating Expense	\$ 1,160,258	\$ 1,195,066	\$ 1,230,918	\$ 1,267,846	\$ 1,305,881
Field Crew (x2)	-	80,000	80,000	80,000	80,000
Inspector	-	50,000	50,000	50,000	50,000
Fleet Replacement	100,000	100,000	100,000	100,000	100,000
Additional Costs (New Equipment)	25,000	25,000	25,000	25,000	25,000
Capital Improvement Plan	-	-	-	-	-
Debt Service	1,205,313	1,204,750	1,200,625	1,206,000	1,205,625
Debt Service Coverage (25%)	301,328	301,188	300,156	301,500	301,406
Total Revenue Requirements	\$ 2,791,899	\$ 2,956,003	\$ 2,986,699	\$ 3,030,346	\$ 3,067,912
Net Operating Income	\$ (1,618,106)	\$ (1,770,472)	\$ (1,789,313)	\$ (1,820,985)	\$ (1,846,458)
Increase Needed		151.00%			

NOTE

Operating Expense has been increased at a rate of 3% and 1% for Operating Receipts for this analysis.

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Proposed Stormwater Revenue Bonds of 2021 (Open Market) (Alt 2 / 10-Year Bond)

Date	Principal	Interest Rate	Interest Amount	Semi-Annual Debt Service	Annual Debt Service
3/1/2021					
7/1/2021			\$ 88,125	\$ 88,125	
1/1/2022	\$ 985,000	2.50%	132,188	1,117,188	\$ 1,205,313
7/1/2022			119,875	119,875	
1/1/2023	965,000	2.50%	119,875	1,084,875	1,204,750
7/1/2023			107,813	107,813	
1/1/2024	985,000	2.50%	107,813	1,092,813	1,200,625
7/1/2024			95,500	95,500	
1/1/2025	1,015,000	2.50%	95,500	1,110,500	1,206,000
7/1/2025			82,813	82,813	
1/1/2026	1,040,000	2.50%	82,813	1,122,813	1,205,625
7/1/2026			69,813	69,813	
1/1/2027	1,060,000	2.50%	69,813	1,129,813	1,199,625
7/1/2027			56,563	56,563	
1/1/2028	1,090,000	2.50%	56,563	1,146,563	1,203,125
7/1/2028			42,938	42,938	
1/1/2029	1,120,000	2.50%	42,938	1,162,938	1,205,875
7/1/2029			28,938	28,938	
1/1/2030	1,145,000	2.50%	28,938	1,173,938	1,202,875
7/1/2030			14,625	14,625	
1/1/2031	1,170,000	2.50%	14,625	1,184,625	1,199,250
Total	<u>\$ 10,575,000</u>		<u>\$ 1,458,063</u>	<u>\$ 12,033,063</u>	<u>\$ 12,033,063</u>

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Estimated Sources & Uses of Funds (Alternative 2)

<u>Sources of Funds</u>	20-Year Bond	10-Year Bond
Par Amount of Bonds	\$ 10,105,000	\$ 10,575,000
Cash Contribution	0	0
Total Sources of Funds	<u>\$ 10,105,000</u>	<u>\$ 10,575,000</u>
 <u>Uses of Funds</u>		
Construction Costs (Carmola Drive)	\$ 2,600,000	\$ 2,600,000
Construction Costs (Baby Creek Road)	3,200,000	3,200,000
Construction Costs (Moores Creek Road)	900,000	900,000
Construction Costs (Stipp Road)	1,900,000	1,900,000
3 Tandem Dump Trucks	510,000	510,000
Excavator	50,000	50,000
Debt Service Reserve Fund (Max Annual Debt Svc.)	743,000	1,206,000
Underwriters Discount (1%)	101,050	105,750
Cost of Issuance and Rounding	100,950	103,250
Total Uses of Funds	<u>\$ 10,105,000</u>	<u>\$ 10,575,000</u>

NOTES: Contingency, engineering fees, and construction inspection are all assumed to be part of construction costs.

Bonds are assumed to be sold on the open market.

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Revenue Requirements (Alternative 3 / 20-Year Bond)

	PRO-FORMA	ADJUSTED			
	2021	2022	2023	2024	2025
Adjusted Operating Revenue	\$ 1,173,793	\$ 1,185,531	\$ 1,197,386	\$ 1,209,360	\$ 1,221,454
Adjusted Operating Expense	\$ 1,160,258	\$ 1,195,066	\$ 1,230,918	\$ 1,267,846	\$ 1,305,881
Field Crew (x2)	-	80,000	80,000	80,000	80,000
Inspector	-	50,000	50,000	50,000	50,000
Fleet Replacement	100,000	100,000	100,000	100,000	100,000
Additional Costs (New Equipment)	10,000	10,000	10,000	10,000	10,000
Capital Improvement Plan	-	-	-	-	-
Debt Service	483,729	529,575	529,275	533,875	535,475
Debt Service Coverage (25%)	120,932	132,394	132,319	133,469	133,869
Total Revenue Requirements	\$ 1,874,920	\$ 2,097,035	\$ 2,132,512	\$ 2,175,189	\$ 2,215,225
Net Operating Income	\$ (701,126)	\$ (911,504)	\$ (935,125)	\$ (965,829)	\$ (993,771)
Increase Needed		81.50%			

NOTE

Operating Expense has been increased at a rate of 3% and 1% for Operating Receipts for this analysis.

**MONROE COUNTY
STORMWATER UTILITY**

EXHIBIT M

Proposed Stormwater Revenue Bonds of 2021 (Open Market) (Alt 3/ 20-Year Bond)

Date	Principal	Interest Rate	Interest Amount	Semi-Annual Debt Service	Annual Debt Service
3/1/2021					
7/1/2021			\$ 89,492	\$ 89,492	
1/1/2022	\$ 260,000	1.50%	134,238	394,238	\$ 483,729
7/1/2022			132,288	132,288	
1/1/2023	265,000	2.00%	132,288	397,288	529,575
7/1/2023			129,638	129,638	
1/1/2024	270,000	2.00%	129,638	399,638	529,275
7/1/2024			126,938	126,938	
1/1/2025	280,000	3.00%	126,938	406,938	533,875
7/1/2025			122,738	122,738	
1/1/2026	290,000	3.00%	122,738	412,738	535,475
7/1/2026			118,388	118,388	
1/1/2027	300,000	3.50%	118,388	418,388	536,775
7/1/2027			113,138	113,138	
1/1/2028	310,000	3.50%	113,138	423,138	536,275
7/1/2028			107,713	107,713	
1/1/2029	320,000	3.50%	107,713	427,713	535,425
7/1/2029			102,113	102,113	
1/1/2030	335,000	3.50%	102,113	437,113	539,225
7/1/2030			96,250	96,250	
1/1/2031	345,000	3.50%	96,250	441,250	537,500
7/1/2031			90,213	90,213	
1/1/2032	360,000	4.00%	90,213	450,213	540,425
7/1/2032			83,013	83,013	
1/1/2033	375,000	4.00%	83,013	458,013	541,025
7/1/2033			75,513	75,513	
1/1/2034	390,000	4.00%	75,513	465,513	541,025
7/1/2034			67,713	67,713	
1/1/2035	405,000	4.00%	67,713	472,713	540,425
7/1/2035			59,613	59,613	
1/1/2036	420,000	4.00%	59,613	479,613	539,225
7/1/2036			51,213	51,213	
1/1/2037	435,000	4.00%	51,213	486,213	537,425
7/1/2037			42,513	42,513	
1/1/2038	455,000	4.00%	42,513	497,513	540,025
7/1/2038			33,413	33,413	
1/1/2039	475,000	4.50%	33,413	508,413	541,825
7/1/2039			22,725	22,725	
1/1/2040	495,000	4.50%	22,725	517,725	540,450
7/1/2040			11,588	11,588	
1/1/2041	515,000	4.50%	11,588	526,588	538,175
Total	\$ 7,300,000		\$ 3,397,154	\$ 10,697,154	\$ 10,697,154

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Revenue Requirements (Alternative 3 / 10-Year Bond)

	PRO-FORMA	ADJUSTED			
	2021	2022	2023	2024	2025
Adjusted Operating Revenue	\$ 1,173,793	\$ 1,185,531	\$ 1,197,386	\$ 1,209,360	\$ 1,221,454
Adjusted Operating Expense	\$ 1,160,258	\$ 1,195,066	\$ 1,230,918	\$ 1,267,846	\$ 1,305,881
Field Crew (x2)	-	80,000	80,000	80,000	80,000
Inspector	-	50,000	50,000	50,000	50,000
Fleet Replacement	100,000	100,000	100,000	100,000	100,000
Additional Costs (New Equipment)	10,000	10,000	10,000	10,000	10,000
Capital Improvement Plan	-	-	-	-	-
Debt Service	868,958	868,000	860,625	868,000	869,750
Debt Service Coverage (25%)	217,240	217,000	215,156	217,000	217,438
Total Revenue Requirements	\$ 2,356,456	\$ 2,520,066	\$ 2,546,699	\$ 2,592,846	\$ 2,633,068
Net Operating Income	\$ (1,182,663)	\$ (1,334,535)	\$ (1,349,313)	\$ (1,383,485)	\$ (1,411,614)
Increase Needed		115.50%			

NOTE

Operating Expense has been increased at a rate of 3% and 1% for Operating Receipts for this analysis.

MONROE COUNTY
STORMWATER UTILITY
Monroe County, Indiana

Proposed Stormwater Revenue Bonds of 2021 (Open Market) (Alt 3 / 10-Year Bond)

Date	Principal	Interest Rate	Interest Amount	Semi-Annual Debt Service	Annual Debt Service
3/1/2021					
7/1/2021			\$ 63,583	\$ 63,583	
1/1/2022	\$ 710,000	2.50%	95,375	805,375	\$ 868,958
7/1/2022			86,500	86,500	
1/1/2023	695,000	2.50%	86,500	781,500	868,000
7/1/2023			77,813	77,813	
1/1/2024	705,000	2.50%	77,813	782,813	860,625
7/1/2024			69,000	69,000	
1/1/2025	730,000	2.50%	69,000	799,000	868,000
7/1/2025			59,875	59,875	
1/1/2026	750,000	2.50%	59,875	809,875	869,750
7/1/2026			50,500	50,500	
1/1/2027	770,000	2.50%	50,500	820,500	871,000
7/1/2027			40,875	40,875	
1/1/2028	785,000	2.50%	40,875	825,875	866,750
7/1/2028			31,063	31,063	
1/1/2029	805,000	2.50%	31,063	836,063	867,125
7/1/2029			21,000	21,000	
1/1/2030	830,000	2.50%	21,000	851,000	872,000
7/1/2030			10,625	10,625	
1/1/2031	850,000	2.50%	10,625	860,625	871,250
Total	<u>\$ 7,630,000</u>		<u>\$ 1,053,458</u>	<u>\$ 8,683,458</u>	<u>\$ 8,683,458</u>

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Estimated Sources & Uses of Funds (Alternative 3)

<u>Sources of Funds</u>	20-Year Bond	10-Year Bond
Par Amount of Bonds	\$ 7,300,000	\$ 7,630,000
Cash Contribution	-	-
Total Sources of Funds	<u>\$ 7,300,000</u>	<u>\$ 7,630,000</u>
 <u>Uses of Funds</u>		
Construction Costs	\$ 6,020,000	\$ 6,020,000
3 Tandem Dump Trucks	510,000	510,000
Excavator	50,000	50,000
Debt Service Reserve Fund (Max Annual Debt Svc.)	541,825	872,000
Underwriters Discount (1%)	73,000	76,300
Cost of Issuance and Rounding	105,175	101,700
Total Uses of Funds	<u>\$ 7,300,000</u>	<u>\$ 7,630,000</u>

NOTES: Contingency, engineering fees, and construction inspection are all assumed to be part of construction costs.

Bonds are assumed to be sold on the open market.

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Revenue Requirements (Alternative 4 / 20-Year Bond)

	PRO-FORMA	ADJUSTED			
	2021	2022	2023	2024	2025
Adjusted Operating Revenue	\$ 1,173,793	\$ 1,185,531	\$ 1,197,386	\$ 1,209,360	\$ 1,221,454
Adjusted Operating Expense	\$ 1,160,258	\$ 1,195,066	\$ 1,230,918	\$ 1,267,846	\$ 1,305,881
Field Crew (x2)	-	80,000	80,000	80,000	80,000
Inspector	-	50,000	50,000	50,000	50,000
Fleet Replacement	100,000	100,000	100,000	100,000	100,000
Additional Costs (New Equipment)	10,000	10,000	10,000	10,000	10,000
Capital Improvement Plan	-	-	-	-	-
Debt Service	292,021	288,875	290,975	292,975	288,325
Debt Service Coverage (25%)	73,005	72,219	72,744	73,244	72,081
Total Revenue Requirements	\$ 1,635,284	\$ 1,796,160	\$ 1,834,637	\$ 1,874,064	\$ 1,906,287
Net Operating Income	\$ (461,491)	\$ (610,629)	\$ (637,250)	\$ (664,704)	\$ (684,833)
Increase Needed		56.00%			

NOTE

Operating Expense has been increased at a rate of 3% and 1% for Operating Receipts for this analysis.

**MONROE COUNTY
STORMWATER UTILITY**

EXHIBIT R

Proposed Stormwater Revenue Bonds of 2021 (Open Market) (Alt 4 / 20-Year Bond)

Date	Principal	Interest Rate	Interest Amount	Semi-Annual Debt Service	Annual Debt Service
3/1/2021					
7/1/2021			\$ 48,808	\$ 48,808	
1/1/2022	\$ 170,000	1.50%	73,213	243,213	\$ 292,021
7/1/2022			71,938	71,938	
1/1/2023	145,000	2.00%	71,938	216,938	288,875
7/1/2023			70,488	70,488	
1/1/2024	150,000	2.00%	70,488	220,488	290,975
7/1/2024			68,988	68,988	
1/1/2025	155,000	3.00%	68,988	223,988	292,975
7/1/2025			66,663	66,663	
1/1/2026	155,000	3.00%	66,663	221,663	288,325
7/1/2026			64,338	64,338	
1/1/2027	165,000	3.50%	64,338	229,338	293,675
7/1/2027			61,450	61,450	
1/1/2028	170,000	3.50%	61,450	231,450	292,900
7/1/2028			58,475	58,475	
1/1/2029	175,000	3.50%	58,475	233,475	291,950
7/1/2029			55,413	55,413	
1/1/2030	180,000	3.50%	55,413	235,413	290,825
7/1/2030			52,263	52,263	
1/1/2031	185,000	3.50%	52,263	237,263	289,525
7/1/2031			49,025	49,025	
1/1/2032	195,000	4.00%	49,025	244,025	293,050
7/1/2032			45,125	45,125	
1/1/2033	205,000	4.00%	45,125	250,125	295,250
7/1/2033			41,025	41,025	
1/1/2034	210,000	4.00%	41,025	251,025	292,050
7/1/2034			36,825	36,825	
1/1/2035	220,000	4.00%	36,825	256,825	293,650
7/1/2035			32,425	32,425	
1/1/2036	225,000	4.00%	32,425	257,425	289,850
7/1/2036			27,925	27,925	
1/1/2037	240,000	4.00%	27,925	267,925	295,850
7/1/2037			23,125	23,125	
1/1/2038	245,000	4.00%	23,125	268,125	291,250
7/1/2038			18,225	18,225	
1/1/2039	260,000	4.50%	18,225	278,225	296,450
7/1/2039			12,375	12,375	
1/1/2040	270,000	4.50%	12,375	282,375	294,750
7/1/2040			6,300	6,300	
1/1/2041	280,000	4.50%	6,300	286,300	292,600
Total	<u>\$ 4,000,000</u>		<u>\$ 1,846,796</u>	<u>\$ 5,846,796</u>	<u>\$ 5,846,796</u>

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Revenue Requirements (Alternative 4 / 10-Year Bond)

	PRO-FORMA	ADJUSTED			
	2021	2022	2023	2024	2025
Adjusted Operating Revenue	\$ 1,173,793	\$ 1,185,531	\$ 1,197,386	\$ 1,209,360	\$ 1,221,454
Adjusted Operating Expense	\$ 1,160,258	\$ 1,195,066	\$ 1,230,918	\$ 1,267,846	\$ 1,305,881
Field Crew (x2)	-	80,000	80,000	80,000	80,000
Inspector	-	50,000	50,000	50,000	50,000
Fleet Replacement	100,000	100,000	100,000	100,000	100,000
Additional Costs (New Equipment)	10,000	10,000	10,000	10,000	10,000
Capital Improvement Plan	-	-	-	-	-
Debt Service	472,188	480,000	475,375	475,625	475,625
Debt Service Coverage (25%)	118,047	120,000	118,844	118,906	118,906
Total Revenue Requirements	\$ 1,860,493	\$ 2,035,066	\$ 2,065,137	\$ 2,102,377	\$ 2,140,412
Net Operating Income	\$ (686,699)	\$ (849,535)	\$ (867,750)	\$ (893,016)	\$ (918,958)
Increase Needed		75.50%			

NOTE

Operating Expense has been increased at a rate of 3% and 1% for Operating Receipts for this analysis.

MONROE COUNTY
STORMWATER UTILITY
Monroe County, Indiana

Proposed Stormwater Revenue Bonds of 2021 (Open Market) (Alt 4/10-Year Bond)

Date	Principal	Interest Rate	Interest Amount	Semi-Annual Debt Service	Annual Debt Service
3/1/2021					
7/1/2021			\$ 34,875	\$ 34,875	
1/1/2022	\$ 385,000	2.50%	52,313	437,313	\$ 472,188
7/1/2022			47,500	47,500	
1/1/2023	385,000	2.50%	47,500	432,500	480,000
7/1/2023			42,688	42,688	
1/1/2024	390,000	2.50%	42,688	432,688	475,375
7/1/2024			37,813	37,813	
1/1/2025	400,000	2.50%	37,813	437,813	475,625
7/1/2025			32,813	32,813	
1/1/2026	410,000	2.50%	32,813	442,813	475,625
7/1/2026			27,688	27,688	
1/1/2027	420,000	2.50%	27,688	447,688	475,375
7/1/2027			22,438	22,438	
1/1/2028	435,000	2.50%	22,438	457,438	479,875
7/1/2028			17,000	17,000	
1/1/2029	445,000	2.50%	17,000	462,000	479,000
7/1/2029			11,438	11,438	
1/1/2030	450,000	2.50%	11,438	461,438	472,875
7/1/2030			5,813	5,813	
1/1/2031	465,000	2.50%	5,813	470,813	476,625
Total	<u>\$ 4,185,000</u>		<u>\$ 577,563</u>	<u>\$ 4,762,563</u>	<u>\$ 4,762,563</u>

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Estimated Sources & Uses of Funds (Alternative 4)

<u>Sources of Funds</u>	20-Year Bond	10-Year Bond
Par Amount of Bonds	\$ 4,000,000	\$ 4,185,000
Cash Contribution	-	-
Total Sources of Funds	<u>\$ 4,000,000</u>	<u>\$ 4,185,000</u>
 <u>Uses of Funds</u>		
Construction Costs	\$ 3,000,000	\$ 3,000,000
3 Tandem Dump Trucks	510,000	510,000
Excavator	50,000	50,000
Debt Service Reserve Fund (Max Annual Debt Svc.)	296,450	480,000
Underwriters Discount (1%)	40,000	41,850
Cost of Issuance and Rounding	<u>107,400</u>	<u>102,900</u>
Total Uses of Funds	<u>\$ 4,000,000</u>	<u>\$ 4,185,000</u>

NOTES: Contingency, engineering fees, and construction inspection are all assumed to be part of construction costs.

Bonds are assumed to be sold on the open market.

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Present and Proposed Stormwater Rate Summary

Alternative 1				
<u>Classification</u>	<u>ERU</u>	<u>Present Yearly Rate</u>	<u>Proposed Yearly Rate</u>	<u>Percent Increase</u>
Not Feasible				
Alternative 2				
<u>Classification</u>	<u>ERU</u>	<u>Present Yearly Rate</u>	<u>Proposed Yearly Rate</u>	<u>Percent Increase</u>
20-Year Rate per ERU	1.00	\$ 35.16	\$ 71.55	103.50%
10-Year Rate per ERU	1.00	35.16	88.25	151.00%
Alternative 3				
<u>Classification</u>	<u>ERU</u>	<u>Present Yearly Rate</u>	<u>Proposed Yearly Rate</u>	<u>Percent Increase</u>
20-Year Rate per ERU	1.00	\$ 35.16	\$ 63.82	81.50%
10-Year Rate per ERU	1.00	35.16	75.77	115.50%
Alternative 4				
<u>Classification</u>	<u>ERU</u>	<u>Present Yearly Rate</u>	<u>Proposed Yearly Rate</u>	<u>Percent Increase</u>
20-Year Rate per ERU	1.00	\$ 35.16	\$ 54.85	56.00%
10-Year Rate per ERU	1.00	35.16	61.71	75.50%

NOTE: Current rates were approved by Chapter 766 and amended on April 19, 2013.

**MONROE COUNTY
STORMWATER UTILITY**
Monroe County, Indiana

Cash Funded Capital Improvements Plan as of 7/29/2020

<u>Project</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Beginning Balance	\$ 2,142,171	\$ 2,162,171	\$ 2,182,171	\$ 2,202,171	\$ 2,222,171	
Transfer In	20,000	20,000	20,000	20,000	20,000	
<u>Improvements</u>						
Carmola Drive	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Baby Creek Road	-	-	-	-	-	-
Moores Creek Road	-	-	-	-	-	-
Stipp Road	-	-	-	-	-	-
3 Dump Trucks	-	-	-	-	-	-
Excavator	-	-	-	-	-	-
Fleet Replacement	-	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Balance	<u>\$ 2,162,171</u>	<u>\$ 2,182,171</u>	<u>\$ 2,202,171</u>	<u>\$ 2,222,171</u>	<u>\$ 2,242,171</u>	