

# Emergent Condition Evaluation Report

**Egg Harbor City – WIPA Submission**  
December 6, 2018

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# Table of Contents

I. Background.....	1
II. Emergent Conditions – Egg Harbor City .....	2

# List of Appendices

- Appendix A Egg Harbor City Operations Analysis & Rate Study
- Appendix B Proposed 20-Year Capital Improvement Plan (2019 – 2038)

## I. Background

In 2015, P.L. 2015, Chapter 18, cited as the Water Infrastructure Protection Act (WIPA) was enacted. The WIPA established legislature which declared that the maintenance and operation of water and wastewater treatment and conveyance systems is vital to ensure the protection of water quality and clean drinking water in the State of New Jersey.

In addition, the legislature declared that there are public water and wastewater systems in the State which present risks to the integrity of drinking water and the environment because of issues such as aging infrastructure systems and deterioration of the physical assets of the system.

As such, the law identified and defined conditions in a public utility system which may be classified as an “emergent condition”. An emergent condition for a utility system shall exist if the system meets one (1) of the following conditions:

- A. The system is located in an area designated by the Department of Environmental Protection as an Area of Critical Water Supply I or II;
- B. The owner of the system is a significant non-complier, as defined in P.L. 1977, c.7 and has been the subject of formal enforcement action initiated by the department or is substantially out of compliance with an Administrative Consent Order, settlement agreement, or judicial consent order entered into with the department. The department is defined as the New Jersey Department of Environmental Protection (NJDEP);
- C. There is a present deficiency or violation of maximum contaminant levels established pursuant to the “Safe Drinking Water Act” concerning the availability of potable water or concerning the provisions of water at adequate volume or pressure or distribution or treatment of wastewater;
- D. There is a demonstrated lack of historical investment, repair or sustainable maintenance as determined by the department or material damage to the infrastructure of the system; or
- E. The system owner lacks the financial, technical or managerial capacity to adequately address any of the foregoing on a sustainable basis or own and operate the system in a way that supports economic activity in the municipality on a sustainable basis.

## II. Emergent Conditions – Egg Harbor City

In 2017, Egg Harbor City authorized Remington & Vernick Engineers to tour their existing water and sewer facilities, review past and current utility records, and interview utility personnel to develop a complete understanding of the existing systems and the City's current operations.

The results from the evaluation have determined that Egg Harbor City meets the requirements of Emergent Conditions #4 and #5 as defined in the Water Infrastructure Protection Act (WIPA).

The system evaluation has shown that the Utility Department has planned improvements of some critical elements of the system but lacks sufficient funds for the routine maintenance and necessary upgrades of the City's below grade infrastructure. While the City's system has been expanded significantly in the last 30 years, much of the City's core still relies on the original system which dates back to pre-1910. The advanced age of much of the City's water and sewer systems demonstrates a lack of sustainable maintenance and qualifies the city to fall under Emergent Condition #4, which is characterized by a demonstrated lack of historical investment, repair, or sustainable maintenance. In addition, the city does not have the financial means to address current or future problems with the system or replace the pipe sections, valves, manholes, etc. that are currently beyond their useful life. This qualifies the city to also fall under Emergent Condition #5, which is characterized by a system owner who lacks the financial, technical, or managerial capacity to adequately address issues on a sustainable basis or own and operate the system in a way that supports economic activity on a sustainable basis.

As part of the review of the existing system a Conditions Assessment and Capital Improvements Plan (previously prepared by Remington & Vernick Engineers in July of 2017) was produced that evaluates the water and sewer facilities and details the repairs and maintenance that the facilities will require over the next 20 years. The Capital Improvement Plan (CIP) (see Appendix B, Proposed 20-Year Capital Improvement Plan (2019 – 2038)) estimates a present value average annual expenditure of \$2,055,135 over the next 20 years for the water and sewer utility improvements. It should be noted that this plan relies on optimistic replacement costs that reflect ideal bidding conditions. Bid results may increase the annual projected expenditures if/when the CIP is implemented.

The proposed CIP aims to replace all water and sewer infrastructure that will reach the end of its 75-year useful lifespan by the end of the analysis period. Utilizing 75-year useful life replacement cycle, the City would ideally replace 1/75 of the system each year. This would mean that 27% of the system would be replaced every 20 years to perpetually maintain the replacement cycle and ensure that no infrastructure was older than 75 years. However, since historical maintenance of the water and sanitary systems has been lacking, the proposed CIP will need to replace approximately 42% of the water distribution system and approximately 45% of the sanitary system over the next 20 years to ensure that no components of the system have been in place for more than 75 years. The estimated cost to achieve these replacements

will total about \$41,100,000 in 2018 dollars and about \$49,900,000 when inflation is accounted for.

If such a plan is not implemented immediately, the percentages of the system aging to the end of their useful life, as well as the costs to replace those components, will continue to escalate. Once this initial 20-year CIP is completed, future CIP's should be able to utilize the 27% per 20-year cycle to maintain the system components within the desired 75-year replacement cycle. The amount of infrastructure that must initially be addressed to bring the City on track to meet the required 75-year replacement schedule serves as evidence to support the lack of historical maintenance and the presence of Emergent Condition #4.

In order to complete the required improvements, the city has several options. Each of these options is deemed to be unfeasible due to the financial hardship placed on the utility ratepayers and support the presence of Emergent Conditions #4 and #5. All options either result in the city accumulating an exorbitant amount of debt or transferring the cost to the consumer through extremely high utility rate increases (see Appendix A, Egg Harbor City Operations Analysis & Rate Study). Both results are overly burdensome since the city is already shouldered with over \$16M in utility debt and utility rates have been increased more than 50% since 2015. The options to complete the CIP are as follows:

1. The city implements the needed CIP starting immediately in 2019, fully funds the cost, and does not implement any rate increases. This would result in the city running a deficit of approximately \$49,100,000 by the end of the 20-year CIP in 2038, which is not feasible. This outcome is not realistic but is still listed as an option in order to demonstrate the dire financial state of the city and show supporting evidence of Emergent Condition #4 and #5.
2. The city implements the needed CIP starting in 2019, finances the total cost of the improvements, and does not implement any rate increases. This results in the city financing a total of approximately \$49,900,000 (not including interest), making about \$28,300,000 of debt service payments over the 20-year CIP duration (with payments continuing after that until the debts are paid), and running a deficit of about \$27,400,000 by the end of the CIP duration in 2038. In addition to the large deficit that would accumulate, the city would also still owe about \$35M in remaining debt service payments for the loans taken out to fund the CIP. This deficit, combined with the remaining debt at the end of the CIP would increase the amount of capital debt that the city is currently facing by about four times and is also not feasible because the city cannot run a deficit approaching \$29M. This demonstrates more evidence of Emergent Condition #4 because even with financing the total amount needed for the CIP, the city is still forced to run an immense deficit without increasing the utility rates.
3. The city implements the needed CIP starting in 2019, and raises the utility rates in order to fund the improvements. In order to fund the CIP and keep the city budget from running in a deficit, the 2018 utility rates must be increased by about 98% in 2019 and by about 156% by 2038. In addition, comparing the rate increases to the annual rate cost in 2016 (prior to the most recent and substantial rate increases that

were implemented) consumers will realize almost triple the annual cost for water and sewer in 2019 and four times the annual cost by 2038. Transferring such large costs to the consumers that have already recently been subjected to substantial water and sewer rate increases in the past three years is not realistic or fair to the consumer. Rate increases will not stop in 2038 because capital improvements will need to continue in order to keep addressing the remainder of the system. The debt service payments from the first CIP will continue past 2038 which places a significant burden on future rate payers. This will force significant rate increases to continue indefinitely into the future, which is not a sustainable practice.

4. The city implements the needed CIP in 2019, finances the total cost of the improvements, and raises the utility rates in order to fund the CIP debt service payments. In order for the city to implement this option, they would need to secure annual loans from the USDA totaling approximately \$49,900,000 over the duration of the CIP. The financial analysis over the 20-year CIP period assumes that the loans would be characterized by a 2.50% interest rate, 2 payments per year, and a 20-year term. Utility rates are able to be raised much slower than as in option 3, but the end result is nearly the same. The 2018 utility rates must be increased by about 152% by 2038 to keep the city out of a deficit and consumers will still realize almost four times the annual cost of 2016 by the end of the CIP. This is again not realistic or fair to a consumers who were recently subject to substantial rate increases over the past three years. Also, in addition to future capital improvements resulting in future rate increase after this 20-year period, the city will still have about \$35M in debt service payments on the loans taken out to fund the initial 20-year CIP. The cost of the debt service payments for the first CIP will still have to be transferred to future consumers, along with the cost from additional improvements that will be needed after the first CIP is complete.
5. The city implements the needed CIP in 2019, receives a USDA grant for 25% of the yearly CIP cost, and finances the total cost of the improvements less the grant amount. This is essentially the same as option 4, with the only difference being that the city is able to finance a smaller amount as a result of the hypothetical grant(s). This option is significantly more aggressive because it relies on the assumption that the city would be able to acquire a 25% grant every year during the CIP period, which is far from guaranteed. With debt service payments being slightly reduced compared to option 4, the 2018 utility rates would have to be increased by about 120% by 2038 to keep the city out of a deficit and consumers will realize about three times the annual cost of 2016 by the end of the CIP in 2038. Even though this option will result in less debt service payments as compared to option 4, the city will still have about \$27M in debt service payments left on the loans taken out to fund the first CIP by 2038. The cost of those payments will still have to be transferred to future consumers, in addition to the cost of additional improvements that will be needed after the completion of the first CIP.

Table 1. Annual utility cost per consumer for each CIP Implementation Plan

C.I.P. IMPLEMENTATION PLAN	ANNUAL UTILITY COST PER CONSUMER					2038 END FUND BALANCE	2038 PROJECTED DEBT
	2016 Rate	2017 Rate	2018 Rate	2019 Rate	2038 Rate		
Fully Fund CIP & No Rate Increase	\$891.94	\$1,128.71	\$1,237.29	\$1,237.29	\$1,237.29	<b>-\$49,134,788.03</b>	<b>\$7,450,203.00</b>
Finance CIP & No Rate Increase	\$891.94	\$1,128.71	\$1,237.29	\$1,237.29	\$1,237.29	<b>-\$27,410,814.39</b>	<b>\$42,822,410.00</b>
Fully Fund CIP & Rate Increase	\$891.94	\$1,128.71	\$1,237.29	\$2,448.10	<b>\$3,162.91</b>	<b>\$1,036.63</b>	<b>\$7,450,203.00</b>
Finance CIP & Rate Increase	\$891.94	\$1,128.71	\$1,237.29	\$1,238.03	<b>\$3,118.64</b>	<b>\$1,014.83</b>	<b>\$42,822,410.00</b>
Finance CIP, 25% USDA Grant, & Rate Increase	\$891.94	\$1,128.71	\$1,237.29	\$1,238.03	<b>\$2,724.14</b>	<b>\$1,075.32</b>	<b>\$33,979,359.00</b>

As was previously noted, 42% of the water distribution system and approximately 45% of the sanitary system infrastructure in Egg Harbor City has been identified to be beyond its useful lifespan. A 20-year Capital Improvements Plan has been devised to address these needed replacements, which comes at a total cost of about \$41,100,000 in 2018 dollars and about \$49,900,000 when inflation is accounted for. This provides sufficient evidence that Egg Harbor City meets the conditions to fall under Emergent Condition #4 because a needed Capital Improvements Plan at the cost of \$41,100,000-\$49,900,000 shows that there has been a lack of sustainable maintenance. Egg Harbor City also does not have any viable financial options to carry out the needed Capital Improvement Plan without transferring the high costs directly to the consumer and/or taking on a significant amount of debt. This displays evidence that Egg Harbor City also meets the conditions to fall under Emergent Condition #5 because raising consumer utility rates indefinitely to account for the needed improvements and/or taking on large sums of debt are not sustainable practices that support economic activity in the municipality.

# **APPENDIX A**

## **EGG HARBOR CITY OPERATIONS ANALYSIS & RATE STUDY**



**CITY OF EGG HARBOR  
OPERATIONS ANALYSIS AND RATE STUDY  
NO CIP AND NO RATE INCREASE**

	2010	2011	2012	2013	2014	2015	2016	2017	PROJECTED RATES						
									2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>															
Operating Expenses															
Salaries & Wages	\$285,867.00	\$254,000.00	\$236,000.00	\$233,750.00	\$244,000.00	\$247,500.00	\$251,000.00	\$252,500.00	\$255,783.00	\$260,898.66	\$266,116.63	\$271,438.97	\$276,867.75	\$282,405.10	\$288,053.20
Other Expenses	\$290,390.00	\$382,844.00	\$387,344.00	\$279,506.00	\$369,702.00	\$349,500.00	\$361,872.00	\$397,301.00	\$358,720.00	\$362,307.20	\$365,930.27	\$369,589.57	\$373,285.47	\$377,018.33	\$380,788.51
Engineering Fees	\$5,000.00	\$5,000.00													
Legal Fees	\$4,491.00	\$9,500.00													
Payment to ACUA	\$381,878.00	\$328,611.00	\$288,140.00	\$261,484.00	\$308,989.00	\$317,707.00	\$319,523.00	\$317,450.00	\$320,671.00	\$328,687.78	\$336,904.97	\$345,327.59	\$353,960.78	\$362,809.80	\$371,880.05
Capitol Improvements				\$800.00		\$2,500.00									
Current Debt Service	\$521,633.00	\$501,182.00	\$681,273.00	\$682,805.00	\$643,968.00	\$599,227.13	\$764,321.00	\$958,473.00	\$1,013,989.00	\$1,005,740.00	\$1,010,222.00	\$973,890.00	\$976,909.00	\$920,307.00	\$920,307.00
Statutory Expenditures	\$23,129.00	\$25,000.00	\$39,159.00	\$21,000.00	\$91,560.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,420.00	\$21,848.40	\$22,285.37	\$22,731.08	\$23,185.70	\$23,649.41
Prior Year Defecit	\$1,087.00	\$35,433.00							\$51,916.00						
<b>Proposed Capital Improvement Plan (CIP)</b>															
Estimated Debt Service from Implementation of CIP															
<b>Total Expenses</b>	<b>\$1,513,475.00</b>	<b>\$1,541,570.00</b>	<b>\$1,631,916.00</b>	<b>\$1,479,345.00</b>	<b>\$1,658,219.00</b>	<b>\$1,537,434.13</b>	<b>\$1,717,716.00</b>	<b>\$1,946,724.00</b>	<b>\$2,022,079.00</b>	<b>\$1,979,053.64</b>	<b>\$2,001,022.27</b>	<b>\$1,982,531.50</b>	<b>\$2,003,754.07</b>	<b>\$1,965,725.93</b>	<b>\$1,984,678.17</b>
<b>Revenues</b>															
Surplus				\$90,000.00	\$7,000.00	\$208,147.00	\$173,000.00	\$15,000.00							
Water & Sewer Rents	\$1,257,368.00	\$1,198,812.00	\$1,233,889.00	\$1,202,462.00	\$1,214,454.00	\$1,237,097.00	\$1,386,081.00	\$1,754,022.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00
Rent Rate Increase															
<b>RENT INCREASE (FROM PRIOR YEAR)</b>															
Miscellaneous - Water Tap Fees, Sewer Tap Fees, & Fire Fees	\$57,414.00	\$34,388.00	\$31,539.00	\$42,429.00	\$43,782.00	\$41,579.00	\$40,996.00	\$47,882.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00
Fire Hydrant Services	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
EHC North Land Sale		\$182,922.00	\$305,500.00	\$84,500.00	\$58,500.00										
Utility Capital Surplus			\$14,159.00				\$26,588.00	\$70,271.00	\$26,000.00	\$10,100.00					
FEMA Reimbursement		\$61,008.00		\$4,272.00	\$4,336.00										
Reserve to pay debt					\$237,000.00	\$35,000.00	\$1,444.00								
Conifer Connection Fee					\$307,314.00										
JIF Dividend								\$10,702.00	\$11,733.00						
Transfer from Current Fund Budget															
Reserve for land sale			\$52,268.00	\$55,055.00											
Unexpected Balance of Appropriation Reserves			\$70,196.00	\$70,255.00	\$17,911.00	\$30,520.00	\$30,816.00	\$11,201.00							
Deficit (General Budget) & other credits to income	\$49,517.00	\$49,440.00													
USDA Finance Loan															
USDA Grant Funding (25% of CIP)															
<b>Total Revenues</b>	<b>\$1,379,299.00</b>	<b>\$1,541,570.00</b>	<b>\$1,722,551.00</b>	<b>\$1,563,973.00</b>	<b>\$1,905,297.00</b>	<b>\$1,593,931.00</b>	<b>\$1,732,608.00</b>	<b>\$1,894,807.00</b>	<b>\$2,022,079.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>
<b>Annual Surplus (Deficit)</b>	<b>\$49,317.00</b>	<b>\$0.00</b>	<b>\$90,635.00</b>	<b>\$84,628.00</b>	<b>\$247,078.00</b>	<b>\$56,496.87</b>	<b>\$14,892.00</b>	<b>-\$51,917.00</b>	<b>\$0.00</b>	<b>\$51,192.36</b>	<b>\$29,223.73</b>	<b>\$47,714.50</b>	<b>\$26,491.93</b>	<b>\$64,520.07</b>	<b>\$45,567.83</b>
<b>Fund Balance Utilized as Revenue</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$90,000.00</b>	<b>-\$7,000.00</b>	<b>-\$208,147.00</b>	<b>-\$173,000.00</b>	<b>-\$15,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>END FUND BALANCE</b>	<b>\$49,317.00</b>	<b>\$0.00</b>	<b>\$90,635.00</b>	<b>\$85,263.00</b>	<b>\$325,341.00</b>	<b>\$173,690.87</b>	<b>\$15,582.87</b>	<b>-\$51,334.13</b>	<b>-\$51,334.13</b>	<b>-\$141.76</b>	<b>\$29,081.96</b>	<b>\$76,796.46</b>	<b>\$103,288.38</b>	<b>\$167,808.46</b>	<b>\$213,376.29</b>
<b>COST PER YEAR PER CUSTOMER</b>				<b>\$773.79</b>	<b>\$781.50</b>	<b>\$796.07</b>	<b>\$891.94</b>	<b>\$1,128.71</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>

Salaries and Wages - Assume 2% increase per year

Other Expenses - Assume 1% increase per year

Payment to ACUA - Assume 2.5% increase per year

Statutory Expenditures - Assume 2% increase per year

Total Revenues - Water & Sewer Rents, Fire Hydrant Services, Water Tap Fees, Sewer tap Fee, Fire Fees

Tap Fees = Assume tap fees remain steady over the next 20 years

Proposed Capital Improvement Plan - Anticipated debt service resulting from additional system upgrades based on Capital Improvements Plan CIP debt service payments to begin 1 year after loan is approved with a 2.50% interest rate, 20 year term, and 2 payments per year. Inflation rate of 2% is also accounted for over the 20-year duration

End Fund Balance - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**CITY OF EGG HARBOR  
OPERATIONS ANALYSIS AND RATE STUDY  
NO CIP AND NO RATE INCREASE**

	PROJECTED RATES (CONTINUED)													
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
<b>Expenses</b>														
Operating Expenses														
Salaries & Wages	\$293,814.27	\$299,690.55	\$305,684.36	\$311,798.05	\$318,034.01	\$324,394.69	\$330,882.58	\$337,500.24	\$344,250.24	\$351,135.25	\$358,157.95	\$365,321.11	\$372,627.53	\$380,080.08
Other Expenses	\$384,596.39	\$388,442.36	\$392,326.78	\$396,250.05	\$400,212.55	\$404,214.67	\$408,256.82	\$412,339.39	\$416,462.78	\$420,627.41	\$424,833.69	\$429,082.02	\$433,372.84	\$437,706.57
Engineering Fees														
Legal Fees														
Payment to ACUA	\$381,177.05	\$390,706.48	\$400,474.14	\$410,485.99	\$420,748.14	\$431,266.84	\$442,048.52	\$453,099.73	\$464,427.22	\$476,037.90	\$487,938.85	\$500,137.32	\$512,640.75	\$525,456.77
Capitol Improvements														
Current Debt Service	\$920,307.00	\$920,307.00	\$920,307.00	\$793,378.00	\$793,378.00	\$793,378.00	\$793,378.00	\$793,378.00	\$672,044.00	\$672,044.00	\$672,044.00	\$672,044.00	\$672,045.00	\$672,046.00
Statutory Expenditures	\$24,122.40	\$24,604.85	\$25,096.94	\$25,598.88	\$26,110.86	\$26,633.08	\$27,165.74	\$27,709.05	\$28,263.24	\$28,828.50	\$29,405.07	\$29,993.17	\$30,593.03	\$31,204.90
Prior Year Defecit														
<b>Proposed Capital Improvement Plan (CIP)</b>														
Estimated Debt Service from Implementation of CIP														
<b>Total Expenses</b>	<b>\$2,004,017.11</b>	<b>\$2,023,751.23</b>	<b>\$2,043,889.22</b>	<b>\$1,937,510.97</b>	<b>\$1,958,483.56</b>	<b>\$1,979,887.29</b>	<b>\$2,001,731.66</b>	<b>\$2,024,026.41</b>	<b>\$1,925,447.48</b>	<b>\$1,948,673.06</b>	<b>\$1,972,379.56</b>	<b>\$1,996,577.62</b>	<b>\$2,021,279.16</b>	<b>\$2,046,494.32</b>
<b>Revenues</b>														
Surplus														
Water & Sewer Rents	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00
Rent Rate Increase														
<b>RENT INCREASE (FROM PRIOR YEAR)</b>														
Miscellaneous - Water Tap Fees, Sewer Tap Fees, & Fire Fees	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00
Fire Hydrant Services	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
EHC North Land Sale														
Utility Capital Surplus														
FEMA Reimbursement														
Reserve to pay debt														
Conifer Connection Fee														
JIF Dividend														
Transfer from Current Fund Budget														
Reserve for land sale														
Unexpected Balance of Appropriation Reserves														
Deficit (General Budget) & other credits to income														
USDA Finance Loan														
USDA Grant Funding (25% of CIP)														
<b>Total Revenues</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>
<b>Annual Surplus (Deficit)</b>	<b>\$26,228.89</b>	<b>\$6,494.77</b>	<b>-\$13,643.22</b>	<b>\$92,735.03</b>	<b>\$71,762.44</b>	<b>\$50,358.71</b>	<b>\$28,514.34</b>	<b>\$6,219.59</b>	<b>\$104,798.52</b>	<b>\$81,572.94</b>	<b>\$57,866.44</b>	<b>\$33,668.38</b>	<b>\$8,966.84</b>	<b>-\$16,248.32</b>
<b>Fund Balance Utilized as Revenue</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>END FUND BALANCE</b>	<b>\$239,605.18</b>	<b>\$246,099.95</b>	<b>\$232,456.72</b>	<b>\$325,191.75</b>	<b>\$396,954.19</b>	<b>\$447,312.90</b>	<b>\$475,827.24</b>	<b>\$482,046.83</b>	<b>\$586,845.35</b>	<b>\$668,418.29</b>	<b>\$726,284.74</b>	<b>\$759,953.11</b>	<b>\$768,919.95</b>	<b>\$752,671.63</b>
<b>COST PER YEAR PER CUSTOMER</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>

**Salaries and Wages** - Assume 2% increase per year

**Other Expenses** - Assume 1% increase per year

**Payment to ACUA** - Assume 2.5% increase per year

**Statutory Expenditures** - Assume 2% increase per year

**Total Revenues** - Water & Sewer Rents, Fire Hydrant Services, Water Tap Fees, Sewer tap Fee, Fire Fees

**Tap Fees** = Assume tap fees remain steady over the next 20 years

**Proposed Capital Improvement Plan** - Anticipated debt service resulting from additional system upgrades based on Capital Improvements Plan CIP debt service payments to begin 1 year after loan is approved with a 2.50% interest rate, 20 year term, and 2 payments per year. Inflation rate of 2% is also accounted for over the 20-year duration

**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**CITY OF EGG HARBOR  
OPERATIONS ANALYSIS RATE STUDY  
IMPLEMENT CIP (NO FINANCING) AND NO RATE INCREASE**

	2010	2011	2012	2013	2014	2015	2016	2017	PROJECTED RATES						
									2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>															
Operating Expenses															
Salaries & Wages	\$285,867.00	\$254,000.00	\$236,000.00	\$233,750.00	\$244,000.00	\$247,500.00	\$251,000.00	\$252,500.00	\$255,783.00	\$260,898.66	\$266,116.63	\$271,438.97	\$276,867.75	\$282,405.10	\$288,053.20
Other Expenses	\$290,390.00	\$382,844.00	\$387,344.00	\$279,506.00	\$369,702.00	\$349,500.00	\$361,872.00	\$397,301.00	\$358,720.00	\$362,307.20	\$365,930.27	\$369,589.57	\$373,285.47	\$377,018.33	\$380,788.51
Engineering Fees	\$5,000.00	\$5,000.00													
Legal Fees	\$4,491.00	\$9,500.00													
Payment to ACUA	\$381,878.00	\$328,611.00	\$288,140.00	\$261,484.00	\$308,989.00	\$317,707.00	\$319,523.00	\$317,450.00	\$320,671.00	\$328,687.78	\$336,904.97	\$345,327.59	\$353,960.78	\$362,809.80	\$371,880.05
Capitol Improvements				\$800.00		\$2,500.00									
Current Debt Service	\$521,633.00	\$501,182.00	\$681,273.00	\$682,805.00	\$643,968.00	\$599,227.13	\$764,321.00	\$958,473.00	\$1,013,989.00	\$1,005,740.00	\$1,010,222.00	\$973,890.00	\$976,909.00	\$920,307.00	\$920,307.00
Statutory Expenditures	\$23,129.00	\$25,000.00	\$39,159.00	\$21,000.00	\$91,560.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,420.00	\$21,848.40	\$22,285.37	\$22,731.08	\$23,185.70	\$23,649.41
Prior Year Deficit	\$1,087.00	\$35,433.00							\$51,916.00						
<b>Proposed Capital Improvement Plan (CIP)</b>										\$1,880,422.53	\$2,078,759.73	\$2,255,059.65	\$2,158,208.57	\$2,239,997.38	\$2,259,991.72
<b>Estimated Debt Service from Implementation of CIP</b>															
<b>Total Expenses</b>	<b>\$1,513,475.00</b>	<b>\$1,541,570.00</b>	<b>\$1,631,916.00</b>	<b>\$1,479,345.00</b>	<b>\$1,658,219.00</b>	<b>\$1,537,434.13</b>	<b>\$1,717,716.00</b>	<b>\$1,946,724.00</b>	<b>\$2,022,079.00</b>	<b>\$3,859,476.17</b>	<b>\$4,079,782.00</b>	<b>\$4,237,591.15</b>	<b>\$4,161,962.64</b>	<b>\$4,205,723.31</b>	<b>\$4,244,669.89</b>
<b>Revenues</b>															
Surplus				\$90,000.00	\$7,000.00	\$208,147.00	\$173,000.00	\$15,000.00							
Water & Sewer Rents	\$1,257,368.00	\$1,198,812.00	\$1,233,889.00	\$1,202,462.00	\$1,214,454.00	\$1,237,097.00	\$1,386,081.00	\$1,754,022.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00
Rent Rate Increase															
RENT INCREASE (FROM PRIOR YEAR)															
Miscellaneous - Water Tap Fees, Sewer Tap Fees, & Fire Fees	\$57,414.00	\$34,388.00	\$31,539.00	\$42,429.00	\$43,782.00	\$41,579.00	\$40,996.00	\$47,882.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00
Fire Hydrant Services	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
EHC North Land Sale		\$182,922.00	\$305,500.00	\$84,500.00	\$58,500.00										
Utility Capital Surplus			\$14,159.00			\$26,588.00	\$70,271.00	\$26,000.00	\$10,100.00						
FEMA Reimbursement		\$61,008.00		\$4,272.00	\$4,336.00										
Reserve to pay debt					\$237,000.00	\$35,000.00	\$1,444.00								
Conifer Connection Fee					\$307,314.00										
JIF Dividend								\$10,702.00	\$11,733.00						
Transfer from Current Fund Budget															
Reserve for land sale			\$52,268.00	\$55,055.00											
Unexpected Balance of Appropriation Reserves			\$70,196.00	\$70,255.00	\$17,911.00	\$30,520.00	\$30,816.00	\$11,201.00							
Deficit (General Budget) & other credits to income	\$49,517.00	\$49,440.00													
USDA Finance Loan															
USDA Grant Funding (25% of CIP)										\$470,105.63	\$519,689.93	\$563,764.91	\$539,552.14	\$559,999.35	\$564,997.93
<b>Total Revenues</b>	<b>\$1,379,299.00</b>	<b>\$1,541,570.00</b>	<b>\$1,722,551.00</b>	<b>\$1,563,973.00</b>	<b>\$1,905,297.00</b>	<b>\$1,593,931.00</b>	<b>\$1,732,608.00</b>	<b>\$1,894,807.00</b>	<b>\$2,022,079.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>
<b>Annual Surplus (Deficit)</b>	<b>\$49,317.00</b>	<b>\$0.00</b>	<b>\$90,635.00</b>	<b>\$84,628.00</b>	<b>\$247,078.00</b>	<b>\$56,496.87</b>	<b>\$14,892.00</b>	<b>-\$51,917.00</b>	<b>\$0.00</b>	<b>-\$1,829,230.17</b>	<b>-\$2,049,536.00</b>	<b>-\$2,207,345.15</b>	<b>-\$2,131,716.64</b>	<b>-\$2,175,477.31</b>	<b>-\$2,214,423.89</b>
<b>Fund Balance Utilized as Revenue</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$90,000.00</b>	<b>-\$7,000.00</b>	<b>-\$208,147.00</b>	<b>-\$173,000.00</b>	<b>-\$15,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>END FUND BALANCE</b>	<b>\$49,317.00</b>	<b>\$0.00</b>	<b>\$90,635.00</b>	<b>\$85,263.00</b>	<b>\$325,341.00</b>	<b>\$173,690.87</b>	<b>\$15,582.87</b>	<b>-\$51,334.13</b>	<b>-\$51,334.13</b>	<b>-\$1,880,564.30</b>	<b>-\$3,930,100.30</b>	<b>-\$6,137,445.46</b>	<b>-\$8,269,162.10</b>	<b>-\$10,444,639.40</b>	<b>-\$12,659,063.30</b>
<b>COST PER YEAR PER CUSTOMER</b>				\$773.79	\$781.50	\$796.07	\$891.94	\$1,128.71	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29

**Salaries and Wages** - Assume 2% increase per year

**Other Expenses** - Assume 1% increase per year

**Payment to ACUA** - Assume 2.5% increase per year

**Statutory Expenditures** - Assume 2% increase per year

**Total Revenues** - Water & Sewer Rents, Fire Hydrant Services, Water Tap Fees, Sewer tap Fee, Fire Fees

**Tap Fees** = Assume tap fees remain steady over the next 20 years

**Proposed Capital Improvement Plan** - Anticipated debt service resulting from additional system upgrades based on Capital Improvements Plan CIP debt service payments to begin 1 year after loan is approved with a 2.50% interest rate, 20 year term, and 2 payments per year. Inflation rate of 2% is also accounted for over the 20-year duration

**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**CITY OF EGG HARBOR  
OPERATIONS ANALYSIS RATE STUDY  
IMPLEMENT CIP (NO FINANCING) AND NO RATE INCREASE**

	PROJECTED RATES (CONTINUED)													
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
<b>Expenses</b>														
Operating Expenses														
Salaries & Wages	\$293,814.27	\$299,690.55	\$305,684.36	\$311,798.05	\$318,034.01	\$324,394.69	\$330,882.58	\$337,500.24	\$344,250.24	\$351,135.25	\$358,157.95	\$365,321.11	\$372,627.53	\$380,080.08
Other Expenses	\$384,596.39	\$388,442.36	\$392,326.78	\$396,250.05	\$400,212.55	\$404,214.67	\$408,256.82	\$412,339.39	\$416,462.78	\$420,627.41	\$424,833.69	\$429,082.02	\$433,372.84	\$437,706.57
Engineering Fees														
Legal Fees														
Payment to ACUA	\$381,177.05	\$390,706.48	\$400,474.14	\$410,485.99	\$420,748.14	\$431,266.84	\$442,048.52	\$453,099.73	\$464,427.22	\$476,037.90	\$487,938.85	\$500,137.32	\$512,640.75	\$525,456.77
Capitol Improvements														
Current Debt Service	\$920,307.00	\$920,307.00	\$920,307.00	\$793,378.00	\$793,378.00	\$793,378.00	\$793,378.00	\$793,378.00	\$672,044.00	\$672,044.00	\$672,044.00	\$672,044.00	\$672,045.00	\$672,046.00
Statutory Expenditures	\$24,122.40	\$24,604.85	\$25,096.94	\$25,598.88	\$26,110.86	\$26,633.08	\$27,165.74	\$27,709.05	\$28,263.24	\$28,828.50	\$29,405.07	\$29,993.17	\$30,593.03	\$31,204.90
Prior Year Defect														
<b>Proposed Capital Improvement Plan (CIP)</b>	\$2,650,485.57	\$2,407,465.20	\$2,409,160.55	\$2,604,231.16	\$2,504,879.62	\$2,471,993.41	\$2,490,425.28	\$2,673,584.96	\$2,700,899.31	\$2,633,965.73	\$2,704,787.78	\$2,819,951.98	\$2,966,954.40	\$2,976,235.12
Estimated Debt Service from Implementation of CIP														
<b>Total Expenses</b>	<b>\$4,654,502.68</b>	<b>\$4,431,216.43</b>	<b>\$4,453,049.78</b>	<b>\$4,541,742.13</b>	<b>\$4,463,363.18</b>	<b>\$4,451,880.70</b>	<b>\$4,492,156.94</b>	<b>\$4,697,611.37</b>	<b>\$4,626,346.80</b>	<b>\$4,582,638.79</b>	<b>\$4,677,167.34</b>	<b>\$4,816,529.61</b>	<b>\$4,988,233.56</b>	<b>\$5,022,729.44</b>
<b>Revenues</b>														
Surplus														
Water & Sewer Rents	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00
Rent Rate Increase														
RENT INCREASE (FROM PRIOR YEAR)														
Miscellaneous - Water Tap Fees, Sewer Tap Fees, & Fire Fees	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00
Fire Hydrant Services	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
EHC North Land Sale														
Utility Capital Surplus														
FEMA Reimbursement														
Reserve to pay debt														
Conifer Connection Fee														
JIF Dividend														
Transfer from Current Fund Budget														
Reserve for land sale														
Unexpected Balance of Appropriation Reserves														
Deficit (General Budget) & other credits to income														
USDA Finance Loan														
USDA Grant Funding (25% of CIP)	\$662,621.39	\$601,866.30	\$602,290.14	\$651,057.79	\$626,219.90	\$617,998.35	\$622,606.32	\$668,396.24	\$675,224.83	\$658,491.43	\$676,196.94	\$704,988.00	\$741,738.60	\$744,058.78
<b>Total Revenues</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>	<b>\$2,030,246.00</b>
<b>Annual Surplus (Deficit)</b>	<b>-\$2,624,256.68</b>	<b>-\$2,400,970.43</b>	<b>-\$2,422,803.78</b>	<b>-\$2,511,496.13</b>	<b>-\$2,433,117.18</b>	<b>-\$2,421,634.70</b>	<b>-\$2,461,910.94</b>	<b>-\$2,667,365.37</b>	<b>-\$2,596,100.80</b>	<b>-\$2,552,392.79</b>	<b>-\$2,646,921.34</b>	<b>-\$2,786,283.61</b>	<b>-\$2,957,987.56</b>	<b>-\$2,992,483.44</b>
<b>Fund Balance Utilized as Revenue</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>END FUND BALANCE</b>	<b>-\$15,283,319.97</b>	<b>-\$17,684,290.41</b>	<b>-\$20,107,094.18</b>	<b>-\$22,618,590.31</b>	<b>-\$25,051,707.49</b>	<b>-\$27,473,342.19</b>	<b>-\$29,935,253.13</b>	<b>-\$32,602,618.50</b>	<b>-\$35,198,719.30</b>	<b>-\$37,751,112.08</b>	<b>-\$40,398,033.42</b>	<b>-\$43,184,317.03</b>	<b>-\$46,142,304.59</b>	<b>-\$49,134,788.03</b>
<b>COST PER YEAR PER CUSTOMER</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>	<b>\$1,237.29</b>

Salaries and Wages - Assume 2% increase per year

Other Expenses - Assume 1% increase per year

Payment to ACUA - Assume 2.5% increase per year

Statutory Expenditures - Assume 2% increase per year

Total Revenues - Water & Sewer Rents, Fire Hydrant Services, Water Tap Fees, Sewer tap Fee, Fire Fees

Tap Fees = Assume tap fees remain steady over the next 20 years

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End Fund Balance - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**CITY OF EGG HARBOR  
OPERATIONS ANALYSIS AND RATE STUDY  
IMPLEMENT CIP (NO FINANCING) AND IMPLEMENT RATE INCREASE**

	2010	2011	2012	2013	2014	2015	2016	2017	PROJECTED RATES						
									2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>															
Operating Expenses															
Salaries & Wages	\$285,867.00	\$254,000.00	\$236,000.00	\$233,750.00	\$244,000.00	\$247,500.00	\$251,000.00	\$252,500.00	\$255,783.00	\$260,898.66	\$266,116.63	\$271,438.97	\$276,867.75	\$282,405.10	\$288,053.20
Other Expenses	\$290,390.00	\$382,844.00	\$387,344.00	\$279,506.00	\$369,702.00	\$349,500.00	\$361,872.00	\$397,301.00	\$358,720.00	\$362,307.20	\$365,930.27	\$369,589.57	\$373,285.47	\$377,018.33	\$380,788.51
Engineering Fees	\$5,000.00	\$5,000.00													
Legal Fees	\$4,491.00	\$9,500.00													
Payment to ACUA	\$381,878.00	\$328,611.00	\$288,140.00	\$261,484.00	\$308,989.00	\$317,707.00	\$319,523.00	\$317,450.00	\$320,671.00	\$328,687.78	\$336,904.97	\$345,327.59	\$353,960.78	\$362,809.80	\$371,880.05
Capitol Improvements				\$800.00		\$2,500.00									
Current Debt Service	\$521,633.00	\$501,182.00	\$681,273.00	\$682,805.00	\$643,968.00	\$599,227.13	\$764,321.00	\$958,473.00	\$1,013,989.00	\$1,005,740.00	\$1,010,222.00	\$973,890.00	\$976,909.00	\$920,307.00	\$920,307.00
Statutory Expenditures	\$23,129.00	\$25,000.00	\$39,159.00	\$21,000.00	\$91,560.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,420.00	\$21,848.40	\$22,285.37	\$22,731.08	\$23,185.70	\$23,649.41
Prior Year Deficit	\$1,087.00	\$35,433.00							\$51,916.00						
<b>Proposed Capital Improvement Plan (CIP)</b>										\$1,880,422.53	\$2,078,759.73	\$2,255,059.65	\$2,158,208.57	\$2,239,997.38	\$2,259,991.72
<b>Estimated Debt Service from Implementation of CIP</b>															
<b>Total Expenses</b>	<b>\$1,513,475.00</b>	<b>\$1,541,570.00</b>	<b>\$1,631,916.00</b>	<b>\$1,479,345.00</b>	<b>\$1,658,219.00</b>	<b>\$1,537,434.13</b>	<b>\$1,717,716.00</b>	<b>\$1,946,724.00</b>	<b>\$2,022,079.00</b>	<b>\$3,859,476.17</b>	<b>\$4,079,782.00</b>	<b>\$4,237,591.15</b>	<b>\$4,161,962.64</b>	<b>\$4,205,723.31</b>	<b>\$4,244,669.89</b>
<b>Revenues</b>															
Surplus				\$90,000.00	\$7,000.00	\$208,147.00	\$173,000.00	\$15,000.00							
Water & Sewer Rents	\$1,257,368.00	\$1,198,812.00	\$1,233,889.00	\$1,202,462.00	\$1,214,454.00	\$1,237,097.00	\$1,386,081.00	\$1,754,022.00	\$1,922,746.00	\$3,804,345.24	\$3,972,497.30	\$4,130,205.44	\$4,130,205.44	\$4,130,205.44	\$4,130,205.44
Rent Rate Increase										0.979	0.044	0.0397			
RENT INCREASE (FROM PRIOR YEAR)										\$1,881,599.24	\$168,152.06	\$157,708.14	\$0.00	\$0.00	\$0.00
Miscellaneous - Water Tap Fees, Sewer Tap Fees, & Fire Fees	\$57,414.00	\$34,388.00	\$31,539.00	\$42,429.00	\$43,782.00	\$41,579.00	\$40,996.00	\$47,882.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00
Fire Hydrant Services	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
EHC North Land Sale		\$182,922.00	\$305,500.00	\$84,500.00	\$58,500.00										
Utility Capital Surplus			\$14,159.00			\$26,588.00	\$70,271.00	\$26,000.00	\$10,100.00						
FEMA Reimbursement		\$61,008.00		\$4,272.00	\$4,336.00										
Reserve to pay debt					\$237,000.00	\$35,000.00	\$1,444.00								
Conifer Connection Fee					\$307,314.00										
JIF Dividend								\$10,702.00	\$11,733.00						
Transfer from Current Fund Budget															
Reserve for land sale			\$52,268.00	\$55,055.00											
Unexpected Balance of Appropriation Reserves			\$70,196.00	\$70,255.00	\$17,911.00	\$30,520.00	\$30,816.00	\$11,201.00							
Deficit (General Budget) & other credits to income	\$49,517.00	\$49,440.00													
USDA Finance Loan															
USDA Grant Funding (25% of CIP)															
<b>Total Revenues</b>	<b>\$1,379,299.00</b>	<b>\$1,541,570.00</b>	<b>\$1,722,551.00</b>	<b>\$1,563,973.00</b>	<b>\$1,905,297.00</b>	<b>\$1,593,931.00</b>	<b>\$1,732,608.00</b>	<b>\$1,894,807.00</b>	<b>\$2,022,079.00</b>	<b>\$3,911,845.24</b>	<b>\$4,079,997.30</b>	<b>\$4,237,705.44</b>	<b>\$4,237,705.44</b>	<b>\$4,237,705.44</b>	<b>\$4,237,705.44</b>
<b>Annual Surplus (Deficit)</b>	<b>\$49,317.00</b>	<b>\$0.00</b>	<b>\$90,635.00</b>	<b>\$84,628.00</b>	<b>\$247,078.00</b>	<b>\$56,496.87</b>	<b>\$14,892.00</b>	<b>-\$51,917.00</b>	<b>\$0.00</b>	<b>\$52,369.07</b>	<b>\$215.29</b>	<b>\$114.29</b>	<b>\$75,742.80</b>	<b>\$31,982.13</b>	<b>-\$6,964.46</b>
<b>Fund Balance Utilized as Revenue</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$90,000.00</b>	<b>-\$7,000.00</b>	<b>-\$208,147.00</b>	<b>-\$173,000.00</b>	<b>-\$15,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>END FUND BALANCE</b>	<b>\$49,317.00</b>	<b>\$0.00</b>	<b>\$90,635.00</b>	<b>\$85,263.00</b>	<b>\$325,341.00</b>	<b>\$173,690.87</b>	<b>\$15,582.87</b>	<b>-\$51,334.13</b>	<b>-\$51,334.13</b>	<b>\$1,034.94</b>	<b>\$1,250.23</b>	<b>\$1,364.51</b>	<b>\$77,107.31</b>	<b>\$109,089.44</b>	<b>\$102,124.98</b>
<b>COST PER YEAR PER CUSTOMER</b>				\$773.79	\$781.50	\$796.07	\$891.94	\$1,128.71	\$1,237.29	\$2,448.10	\$2,556.30	\$2,657.79	\$2,657.79	\$2,657.79	\$2,657.79
<b>RENT INCREASE PER CUSTOMER (FROM 2016)</b>									\$345.34	\$1,556.15	\$1,664.36	\$1,765.85	\$1,765.85	\$1,765.85	\$1,765.85

**Salaries and Wages** - Assume 2% increase per year

**Other Expenses** - Assume 1% increase per year

**Payment to ACUA** - Assume 2.5% increase per year

**Statutory Expenditures** - Assume 2% increase per year

**Total Revenues** - Water & Sewer Rents, Fire Hydrant Services, Water Tap Fees, Sewer tap Fee, Fire Fees

**Tap Fees** = Assume tap fees remain steady over the next 20 years

**Proposed Capital Improvement Plan** - Anticipated debt service resulting from additional system upgrades based on Capital Improvements Plan CIP debt service payments to begin 1 year after loan is approved with a 2.50% interest rate, 20 year term, and 2 payments per year. Inflation rate of 2% is also accounted for over the 20-year duration

**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**CITY OF EGG HARBOR  
OPERATIONS ANALYSIS AND RATE STUDY  
IMPLEMENT CIP (NO FINANCING) AND IMPLEMENT RATE INCREASE**

	PROJECTED RATES (CONTINUED)													
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
<b>Expenses</b>														
Operating Expenses														
Salaries & Wages	\$293,814.27	\$299,690.55	\$305,684.36	\$311,798.05	\$318,034.01	\$324,394.69	\$330,882.58	\$337,500.24	\$344,250.24	\$351,135.25	\$358,157.95	\$365,321.11	\$372,627.53	\$380,080.08
Other Expenses	\$384,596.39	\$388,442.36	\$392,326.78	\$396,250.05	\$400,212.55	\$404,214.67	\$408,256.82	\$412,339.39	\$416,462.78	\$420,627.41	\$424,833.69	\$429,082.02	\$433,372.84	\$437,706.57
Engineering Fees														
Legal Fees														
Payment to ACUA	\$381,177.05	\$390,706.48	\$400,474.14	\$410,485.99	\$420,748.14	\$431,266.84	\$442,048.52	\$453,099.73	\$464,427.22	\$476,037.90	\$487,938.85	\$500,137.32	\$512,640.75	\$525,456.77
Capitol Improvements														
Current Debt Service	\$920,307.00	\$920,307.00	\$920,307.00	\$793,378.00	\$793,378.00	\$793,378.00	\$793,378.00	\$793,378.00	\$672,044.00	\$672,044.00	\$672,044.00	\$672,044.00	\$672,045.00	\$672,046.00
Statutory Expenditures	\$24,122.40	\$24,604.85	\$25,096.94	\$25,598.88	\$26,110.86	\$26,633.08	\$27,165.74	\$27,709.05	\$28,263.24	\$28,828.50	\$29,405.07	\$29,993.17	\$30,593.03	\$31,204.90
Prior Year Defect														
<b>Proposed Capital Improvement Plan (CIP)</b>	\$2,650,485.57	\$2,407,465.20	\$2,409,160.55	\$2,604,231.16	\$2,504,879.62	\$2,471,993.41	\$2,490,425.28	\$2,673,584.96	\$2,700,899.31	\$2,633,965.73	\$2,704,787.78	\$2,819,951.98	\$2,966,954.40	\$2,976,235.12
Estimated Debt Service from Implementation of CIP														
<b>Total Expenses</b>	\$4,654,502.68	\$4,431,216.43	\$4,453,049.78	\$4,541,742.13	\$4,463,363.18	\$4,451,880.70	\$4,492,156.94	\$4,697,611.37	\$4,626,346.80	\$4,582,638.79	\$4,677,167.34	\$4,816,529.61	\$4,988,233.56	\$5,022,729.44
<b>Revenues</b>														
Surplus														
Water & Sewer Rents	\$4,446,166.15	\$4,446,166.15	\$4,446,166.15	\$4,446,166.15	\$4,446,166.15	\$4,446,166.15	\$4,446,166.15	\$4,446,166.15	\$4,446,166.15	\$4,446,166.15	\$4,446,166.15	\$4,589,332.70	\$4,880,755.33	\$4,915,164.66
Rent Rate Increase	0.077											0.032	0.064	0.007
RENT INCREASE (FROM PRIOR YEAR)	\$315,960.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$143,166.55	\$291,422.63	\$34,409.33
Miscellaneous - Water Tap Fees, Sewer Tap Fees, & Fire Fees	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00
Fire Hydrant Services	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
EHC North Land Sale														
Utility Capital Surplus														
FEMA Reimbursement														
Reserve to pay debt														
Conifer Connection Fee														
JIF Dividend														
Transfer from Current Fund Budget														
Reserve for land sale														
Unexpected Balance of Appropriation Reserves														
Deficit (General Budget) & other credits to income														
USDA Finance Loan														
USDA Grant Funding (25% of CIP)														
<b>Total Revenues</b>	\$4,553,666.15	\$4,553,666.15	\$4,553,666.15	\$4,553,666.15	\$4,553,666.15	\$4,553,666.15	\$4,553,666.15	\$4,553,666.15	\$4,553,666.15	\$4,553,666.15	\$4,553,666.15	\$4,696,832.70	\$4,988,255.33	\$5,022,664.66
<b>Annual Surplus (Deficit)</b>	-\$100,836.52	\$122,449.72	\$100,616.38	\$11,924.02	\$90,302.98	\$101,785.45	\$61,509.22	-\$143,945.22	-\$72,680.64	-\$28,972.63	-\$123,501.18	-\$119,696.90	\$21.77	-\$64.79
<b>Fund Balance Utilized as Revenue</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END FUND BALANCE</b>	\$1,288.46	\$123,738.18	\$224,354.56	\$236,278.58	\$326,581.56	\$428,367.01	\$489,876.23	\$345,931.01	\$273,250.37	\$244,277.73	\$120,776.55	\$1,079.65	\$1,101.42	\$1,036.63
<b>COST PER YEAR PER CUSTOMER</b>	\$2,861.11	\$2,861.11	\$2,861.11	\$2,861.11	\$2,861.11	\$2,861.11	\$2,861.11	\$2,861.11	\$2,861.11	\$2,861.11	\$2,861.11	\$2,953.24	\$3,140.77	\$3,162.91
<b>RENT INCREASE PER CUSTOMER (FROM 2016)</b>	\$1,969.17	\$1,969.17	\$1,969.17	\$1,969.17	\$1,969.17	\$1,969.17	\$1,969.17	\$1,969.17	\$1,969.17	\$1,969.17	\$1,969.17	\$2,061.29	\$2,248.83	\$2,270.97

**Salaries and Wages** - Assume 2% increase per year

**Other Expenses** - Assume 1% increase per year

**Payment to ACUA** - Assume 2.5% increase per year

**Statutory Expenditures** - Assume 2% increase per year

**Total Revenues** - Water & Sewer Rents, Fire Hydrant Services, Water Tap Fees, Sewer tap Fee, Fire Fees

**Tap Fees** = Assume tap fees remain steady over the next 20 years

**Proposed Capital Improvement Plan** - Anticipated debt service resulting from additional system upgrades based on Capital Improvements Plan CIP debt service payments to begin 1 year after loan is approved with a 2.50% interest rate, 20 year term, and 2 payments per year. Inflation rate of 2% is also accounted for over the 20-year duration

**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**CITY OF EGG HARBOR  
OPERATIONS ANALYSIS AND RATE STUDY  
IMPLEMENT CIP (WITH FINANCING) AND NO RATE INCREASE**

	2010	2011	2012	2013	2014	2015	2016	2017	PROJECTED RATES						
									2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>															
Operating Expenses															
Salaries & Wages	\$285,867.00	\$254,000.00	\$236,000.00	\$233,750.00	\$244,000.00	\$247,500.00	\$251,000.00	\$252,500.00	\$255,783.00	\$260,898.66	\$266,116.63	\$271,438.97	\$276,867.75	\$282,405.10	\$288,053.20
Other Expenses	\$290,390.00	\$382,844.00	\$387,344.00	\$279,506.00	\$369,702.00	\$349,500.00	\$361,872.00	\$397,301.00	\$358,720.00	\$362,307.20	\$365,930.27	\$369,589.57	\$373,285.47	\$377,018.33	\$380,788.51
Engineering Fees	\$5,000.00	\$5,000.00													
Legal Fees	\$4,491.00	\$9,500.00													
Payment to ACUA	\$381,878.00	\$328,611.00	\$288,140.00	\$261,484.00	\$308,989.00	\$317,707.00	\$319,523.00	\$317,450.00	\$320,671.00	\$328,687.78	\$336,904.97	\$345,327.59	\$353,960.78	\$362,809.80	\$371,880.05
Capitol Improvements				\$800.00		\$2,500.00									
Current Debt Service	\$521,633.00	\$501,182.00	\$681,273.00	\$682,805.00	\$643,968.00	\$599,227.13	\$764,321.00	\$958,473.00	\$1,013,989.00	\$1,005,740.00	\$1,010,222.00	\$973,890.00	\$976,909.00	\$920,307.00	\$920,307.00
Statutory Expenditures	\$23,129.00	\$25,000.00	\$39,159.00	\$21,000.00	\$91,560.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,420.00	\$21,848.40	\$22,285.37	\$22,731.08	\$23,185.70	\$23,649.41
Prior Year Deficit	\$1,087.00	\$35,433.00							\$51,916.00						
<b>Proposed Capital Improvement Plan (CIP)</b>										\$1,880,422.53	\$2,078,759.73	\$2,255,059.65	\$2,158,208.57	\$2,239,997.38	\$2,259,991.72
<b>Estimated Debt Service from Implementation of CIP</b>									\$0.00	\$120,051.49	\$252,765.39	\$396,734.78	\$534,520.91	\$677,528.68	
<b>Total Expenses</b>	<b>\$1,513,475.00</b>	<b>\$1,541,570.00</b>	<b>\$1,631,916.00</b>	<b>\$1,479,345.00</b>	<b>\$1,658,219.00</b>	<b>\$1,537,434.13</b>	<b>\$1,717,716.00</b>	<b>\$1,946,724.00</b>	<b>\$2,022,079.00</b>	<b>\$3,859,476.17</b>	<b>\$4,199,833.50</b>	<b>\$4,490,356.54</b>	<b>\$4,558,697.42</b>	<b>\$4,740,244.22</b>	<b>\$4,922,198.58</b>
<b>Revenues</b>															
Surplus				\$90,000.00	\$7,000.00	\$208,147.00	\$173,000.00	\$15,000.00							
Water & Sewer Rents	\$1,257,368.00	\$1,198,812.00	\$1,233,889.00	\$1,202,462.00	\$1,214,454.00	\$1,237,097.00	\$1,386,081.00	\$1,754,022.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00
Rent Rate Increase															
RENT INCREASE (FROM PRIOR YEAR)															
Miscellaneous - Water Tap Fees, Sewer Tap Fees, & Fire Fees	\$57,414.00	\$34,388.00	\$31,539.00	\$42,429.00	\$43,782.00	\$41,579.00	\$40,996.00	\$47,882.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00
Fire Hydrant Services	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
EHC North Land Sale		\$182,922.00	\$305,500.00	\$84,500.00	\$58,500.00										
Utility Capital Surplus			\$14,159.00			\$26,588.00	\$70,271.00	\$26,000.00	\$10,100.00						
FEMA Reimbursement		\$61,008.00		\$4,272.00	\$4,336.00										
Reserve to pay debt					\$237,000.00	\$35,000.00	\$1,444.00								
Conifer Connection Fee					\$307,314.00										
JIF Dividend								\$10,702.00	\$11,733.00						
Transfer from Current Fund Budget															
Reserve for land sale			\$52,268.00	\$55,055.00											
Unexpected Balance of Appropriation Reserves			\$70,196.00	\$70,255.00	\$17,911.00	\$30,520.00	\$30,816.00	\$11,201.00							
Deficit (General Budget) & other credits to income	\$49,517.00	\$49,440.00													
USDA Finance Loan										\$1,880,422.53	\$2,078,759.73	\$2,255,059.65	\$2,158,208.57	\$2,239,997.38	\$2,259,991.72
USDA Grant Funding (25% of CIP)															
<b>Total Revenues</b>	<b>\$1,379,299.00</b>	<b>\$1,541,570.00</b>	<b>\$1,722,551.00</b>	<b>\$1,563,973.00</b>	<b>\$1,905,297.00</b>	<b>\$1,593,931.00</b>	<b>\$1,732,608.00</b>	<b>\$1,894,807.00</b>	<b>\$2,022,079.00</b>	<b>\$3,910,668.53</b>	<b>\$4,109,005.73</b>	<b>\$4,285,305.65</b>	<b>\$4,188,454.57</b>	<b>\$4,270,243.38</b>	<b>\$4,290,237.72</b>
<b>Annual Surplus (Deficit)</b>	<b>\$49,317.00</b>	<b>\$0.00</b>	<b>\$90,635.00</b>	<b>\$84,628.00</b>	<b>\$247,078.00</b>	<b>\$56,496.87</b>	<b>\$14,892.00</b>	<b>-\$51,917.00</b>	<b>\$0.00</b>	<b>\$51,192.37</b>	<b>-\$90,827.77</b>	<b>-\$205,050.89</b>	<b>-\$370,242.85</b>	<b>-\$470,000.84</b>	<b>-\$631,960.85</b>
<b>Fund Balance Utilized as Revenue</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$90,000.00</b>	<b>-\$7,000.00</b>	<b>-\$208,147.00</b>	<b>-\$173,000.00</b>	<b>-\$15,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>END FUND BALANCE</b>	<b>\$49,317.00</b>	<b>\$0.00</b>	<b>\$90,635.00</b>	<b>\$85,263.00</b>	<b>\$325,341.00</b>	<b>\$173,690.87</b>	<b>\$15,582.87</b>	<b>-\$51,334.13</b>	<b>-\$51,334.13</b>	<b>-\$141.76</b>	<b>-\$90,969.53</b>	<b>-\$296,020.43</b>	<b>-\$666,263.28</b>	<b>-\$1,136,264.12</b>	<b>-\$1,768,224.97</b>
<b>COST PER YEAR PER CUSTOMER</b>				\$773.79	\$781.50	\$796.07	\$891.94	\$1,128.71	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29
<b>RENT INCREASE PER CUSTOMER (FROM 2016)</b>								\$236.77	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34

**Salaries and Wages** - Assume 2% increase per year  
**Other Expenses** - Assume 1% increase per year  
**Payment to ACUA** - Assume 2.5% increase per year  
**Statutory Expenditures** - Assume 2% increase per year  
**Total Revenues** - Water & Sewer Rents, Fire Hydrant Services, Water Tap Fees, Sewer tap Fee, Fire Fees  
**Tap Fees** = Assume tap fees remain steady over the next 20 years  
**Proposed Capital Improvement Plan** - Anticipated debt service resulting from additional system upgrades based on Capital Improvements Plan CIP debt service payments to begin 1 year after loan is approved with a 2.50% interest rate, 20 year term, and 2 payments per year. Inflation rate of 2% is also accounted for over the 20-year duration  
**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive  
**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**CITY OF EGG HARBOR  
OPERATIONS ANALYSIS AND RATE STUDY  
IMPLEMENT CIP (WITH FINANCING) AND NO RATE INCREASE**

	PROJECTED RATES (CONTINUED)													
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
<b>Expenses</b>														
Operating Expenses														
Salaries & Wages	\$293,814.27	\$299,690.55	\$305,684.36	\$311,798.05	\$318,034.01	\$324,394.69	\$330,882.58	\$337,500.24	\$344,250.24	\$351,135.25	\$358,157.95	\$365,321.11	\$372,627.53	\$380,080.08
Other Expenses	\$384,596.39	\$388,442.36	\$392,326.78	\$396,250.05	\$400,212.55	\$404,214.67	\$408,256.82	\$412,339.39	\$416,462.78	\$420,627.41	\$424,833.69	\$429,082.02	\$433,372.84	\$437,706.57
Engineering Fees														
Legal Fees														
Payment to ACUA	\$381,177.05	\$390,706.48	\$400,474.14	\$410,485.99	\$420,748.14	\$431,266.84	\$442,048.52	\$453,099.73	\$464,427.22	\$476,037.90	\$487,938.85	\$500,137.32	\$512,640.75	\$525,456.77
Capitol Improvements														
Current Debt Service	\$920,307.00	\$920,307.00	\$920,307.00	\$793,378.00	\$793,378.00	\$793,378.00	\$793,378.00	\$793,378.00	\$672,044.00	\$672,044.00	\$672,044.00	\$672,044.00	\$672,045.00	\$672,046.00
Statutory Expenditures	\$24,122.40	\$24,604.85	\$25,096.94	\$25,598.88	\$26,110.86	\$26,633.08	\$27,165.74	\$27,709.05	\$28,263.24	\$28,828.50	\$29,405.07	\$29,993.17	\$30,593.03	\$31,204.90
Prior Year Defect														
<b>Proposed Capital Improvement Plan (CIP)</b>	\$2,650,485.57	\$2,407,465.20	\$2,409,160.55	\$2,604,231.16	\$2,504,879.62	\$2,471,993.41	\$2,490,425.28	\$2,673,584.96	\$2,700,899.31	\$2,633,965.73	\$2,704,787.78	\$2,819,951.98	\$2,966,954.40	\$2,976,235.12
Estimated Debt Service from Implementation of CIP	\$821,812.94	\$991,027.44	\$1,144,726.82	\$1,298,534.45	\$1,464,795.93	\$1,624,714.53	\$1,782,533.58	\$1,941,529.37	\$2,112,218.59	\$2,284,651.64	\$2,452,811.46	\$2,625,492.76	\$2,729,359.81	\$2,907,675.44
<b>Total Expenses</b>	\$5,476,315.62	\$5,422,243.87	\$5,597,776.60	\$5,840,276.58	\$5,928,159.11	\$6,076,595.23	\$6,274,690.51	\$6,639,140.74	\$6,738,565.39	\$6,867,290.43	\$7,129,978.80	\$7,442,022.37	\$7,717,593.37	\$7,930,404.88
<b>Revenues</b>														
Surplus														
Water & Sewer Rents	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00	\$1,922,746.00
Rent Rate Increase														
RENT INCREASE (FROM PRIOR YEAR)														
Miscellaneous - Water Tap Fees, Sewer Tap Fees, & Fire Fees	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00
Fire Hydrant Services	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
EHC North Land Sale														
Utility Capital Surplus														
FEMA Reimbursement														
Reserve to pay debt														
Conifer Connection Fee														
JIF Dividend														
Transfer from Current Fund Budget														
Reserve for land sale														
Unexpected Balance of Appropriation Reserves														
Deficit (General Budget) & other credits to income														
USDA Finance Loan	\$2,650,485.57	\$2,407,465.20	\$2,409,160.55	\$2,604,231.16	\$2,504,879.62	\$2,471,993.41	\$2,490,425.28	\$2,673,584.96	\$2,700,899.31	\$2,633,965.73	\$2,704,787.78	\$2,819,951.98	\$2,966,954.40	\$2,976,235.12
USDA Grant Funding (25% of CIP)														
<b>Total Revenues</b>	\$4,680,731.57	\$4,437,711.20	\$4,439,406.55	\$4,634,477.16	\$4,535,125.62	\$4,502,239.41	\$4,520,671.28	\$4,703,830.96	\$4,731,145.31	\$4,664,211.73	\$4,735,033.78	\$4,850,197.98	\$4,997,200.40	\$5,006,481.12
<b>Annual Surplus (Deficit)</b>	-\$795,584.05	-\$984,532.67	-\$1,158,370.05	-\$1,205,799.42	-\$1,393,033.49	-\$1,574,355.81	-\$1,754,019.24	-\$1,935,309.78	-\$2,007,420.07	-\$2,203,078.70	-\$2,394,945.02	-\$2,591,824.39	-\$2,720,392.97	-\$2,923,923.76
<b>Fund Balance Utilized as Revenue</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END FUND BALANCE</b>	-\$2,563,809.02	-\$3,548,341.69	-\$4,706,711.74	-\$5,912,511.16	-\$7,305,544.65	-\$8,879,900.46	-\$10,633,919.70	-\$12,569,229.47	-\$14,576,649.55	-\$16,779,728.25	-\$19,174,673.27	-\$21,766,497.65	-\$24,486,890.63	-\$27,410,814.39
<b>COST PER YEAR PER CUSTOMER</b>	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29	\$1,237.29
<b>RENT INCREASE PER CUSTOMER (FROM 2016)</b>	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34	\$345.34

**Salaries and Wages** - Assume 2% increase per year

**Other Expenses** - Assume 1% increase per year

**Payment to ACUA** - Assume 2.5% increase per year

**Statutory Expenditures** - Assume 2% increase per year

**Total Revenues** - Water & Sewer Rents, Fire Hydrant Services, Water Tap Fees, Sewer tap Fee, Fire Fees

**Tap Fees** = Assume tap fees remain steady over the next 20 years

**Proposed Capital Improvement Plan** - Anticipated debt service resulting from additional system upgrades based on Capital Improvements Plan CIP debt service payments to begin 1 year after loan is approved with a 2.50% interest rate, 20 year term, and 2 payments per year. Inflation rate of 2% is also accounted for over the 20-year duration

**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive

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**CITY OF EGG HARBOR  
OPERATIONS ANALYSIS AND RATE STUDY  
IMPLEMENT CIP (WITH FINANCING) AND IMPLEMENT RATE INCREASE**

	2010	2011	2012	2013	2014	2015	2016	2017	PROJECTED RATES						
									2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>															
Operating Expenses															
Salaries & Wages	\$285,867.00	\$254,000.00	\$236,000.00	\$233,750.00	\$244,000.00	\$247,500.00	\$251,000.00	\$252,500.00	\$255,783.00	\$260,898.66	\$266,116.63	\$271,438.97	\$276,867.75	\$282,405.10	\$288,053.20
Other Expenses	\$290,390.00	\$382,844.00	\$387,344.00	\$279,506.00	\$369,702.00	\$349,500.00	\$361,872.00	\$397,301.00	\$358,720.00	\$362,307.20	\$365,930.27	\$369,589.57	\$373,285.47	\$377,018.33	\$380,788.51
Engineering Fees	\$5,000.00	\$5,000.00													
Legal Fees	\$4,491.00	\$9,500.00													
Payment to ACUA	\$381,878.00	\$328,611.00	\$288,140.00	\$261,484.00	\$308,989.00	\$317,707.00	\$319,523.00	\$317,450.00	\$320,671.00	\$328,687.78	\$336,904.97	\$345,327.59	\$353,960.78	\$362,809.80	\$371,880.05
Capitol Improvements				\$800.00		\$2,500.00									
Current Debt Service	\$521,633.00	\$501,182.00	\$681,273.00	\$682,805.00	\$643,968.00	\$599,227.13	\$764,321.00	\$958,473.00	\$1,013,989.00	\$1,005,740.00	\$1,010,222.00	\$973,890.00	\$976,909.00	\$920,307.00	\$920,307.00
Statutory Expenditures	\$23,129.00	\$25,000.00	\$39,159.00	\$21,000.00	\$91,560.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,420.00	\$21,848.40	\$22,285.37	\$22,731.08	\$23,185.70	\$23,649.41
Prior Year Deficit	\$1,087.00	\$35,433.00							\$51,916.00						
<b>Proposed Capital Improvement Plan (CIP)</b>										\$1,880,422.53	\$2,078,759.73	\$2,255,059.65	\$2,158,208.57	\$2,239,997.38	\$2,259,991.72
<b>Estimated Debt Service from Implementation of CIP</b>									\$0.00	\$120,051.49	\$252,765.39	\$396,734.78	\$534,520.91	\$677,528.68	
<b>Total Expenses</b>	<b>\$1,513,475.00</b>	<b>\$1,541,570.00</b>	<b>\$1,631,916.00</b>	<b>\$1,479,345.00</b>	<b>\$1,658,219.00</b>	<b>\$1,537,434.13</b>	<b>\$1,717,716.00</b>	<b>\$1,946,724.00</b>	<b>\$2,022,079.00</b>	<b>\$3,859,476.17</b>	<b>\$4,199,833.50</b>	<b>\$4,490,356.54</b>	<b>\$4,558,697.42</b>	<b>\$4,740,244.22</b>	<b>\$4,922,198.58</b>
<b>Revenues</b>															
Surplus				\$90,000.00	\$7,000.00	\$208,147.00	\$173,000.00	\$15,000.00							
Water & Sewer Rents	\$1,257,368.00	\$1,198,812.00	\$1,233,889.00	\$1,202,462.00	\$1,214,454.00	\$1,237,097.00	\$1,386,081.00	\$1,754,022.00	\$1,922,746.00	\$1,923,899.65	\$2,013,745.76	\$2,127,723.77	\$2,293,047.91	\$2,392,795.49	\$2,554,548.47
Rent Rate Increase										0.001	0.047	0.057	0.078	0.044	0.068
RENT INCREASE (FROM PRIOR YEAR)										\$1,153.65	\$89,846.11	\$113,978.01	\$165,324.14	\$99,747.58	\$161,752.98
Miscellaneous - Water Tap Fees, Sewer Tap Fees, & Fire Fees	\$57,414.00	\$34,388.00	\$31,539.00	\$42,429.00	\$43,782.00	\$41,579.00	\$40,996.00	\$47,882.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00
Fire Hydrant Services	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
EHC North Land Sale		\$182,922.00	\$305,500.00	\$84,500.00	\$58,500.00										
Utility Capital Surplus			\$14,159.00			\$26,588.00	\$70,271.00	\$26,000.00	\$10,100.00						
FEMA Reimbursement		\$61,008.00		\$4,272.00	\$4,336.00										
Reserve to pay debt					\$237,000.00	\$35,000.00	\$1,444.00								
Conifer Connection Fee					\$307,314.00										
JIF Dividend								\$10,702.00	\$11,733.00						
Transfer from Current Fund Budget															
Reserve for land sale			\$52,268.00	\$55,055.00											
Unexpected Balance of Appropriation Reserves			\$70,196.00	\$70,255.00	\$17,911.00	\$30,520.00	\$30,816.00	\$11,201.00							
Deficit (General Budget) & other credits to income	\$49,517.00	\$49,440.00													
<b>USDA Finance Loan</b>										\$1,880,422.53	\$2,078,759.73	\$2,255,059.65	\$2,158,208.57	\$2,239,997.38	\$2,259,991.72
<b>USDA Grant Funding (25% of CIP)</b>															
<b>Total Revenues</b>	<b>\$1,379,299.00</b>	<b>\$1,541,570.00</b>	<b>\$1,722,551.00</b>	<b>\$1,563,973.00</b>	<b>\$1,905,297.00</b>	<b>\$1,593,931.00</b>	<b>\$1,732,608.00</b>	<b>\$1,894,807.00</b>	<b>\$2,022,079.00</b>	<b>\$3,911,822.18</b>	<b>\$4,200,005.49</b>	<b>\$4,490,283.42</b>	<b>\$4,558,756.47</b>	<b>\$4,740,292.87</b>	<b>\$4,922,040.19</b>
<b>Annual Surplus (Deficit)</b>	<b>\$49,317.00</b>	<b>\$0.00</b>	<b>\$90,635.00</b>	<b>\$84,628.00</b>	<b>\$247,078.00</b>	<b>\$56,496.87</b>	<b>\$14,892.00</b>	<b>-\$51,917.00</b>	<b>\$0.00</b>	<b>\$52,346.01</b>	<b>\$171.99</b>	<b>-\$73.12</b>	<b>\$59.06</b>	<b>\$48.65</b>	<b>-\$158.38</b>
<b>Fund Balance Utilized as Revenue</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$90,000.00</b>	<b>-\$7,000.00</b>	<b>-\$208,147.00</b>	<b>-\$173,000.00</b>	<b>-\$15,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>END FUND BALANCE</b>	<b>\$49,317.00</b>	<b>\$0.00</b>	<b>\$90,635.00</b>	<b>\$85,263.00</b>	<b>\$325,341.00</b>	<b>\$173,690.87</b>	<b>\$15,582.87</b>	<b>-\$51,334.13</b>	<b>-\$51,334.13</b>	<b>\$1,011.88</b>	<b>\$1,183.88</b>	<b>\$1,110.75</b>	<b>\$1,169.81</b>	<b>\$1,218.46</b>	<b>\$1,060.08</b>
<b>COST PER YEAR PER CUSTOMER</b>						\$796.07	\$891.94	\$1,128.71	\$1,237.29	\$1,238.03	\$1,295.85	\$1,369.19	\$1,475.58	\$1,539.77	\$1,643.85
<b>RENT INCREASE PER CUSTOMER (FROM 2016)</b>								\$236.77	\$345.34	\$346.09	\$403.90	\$477.25	\$583.63	\$647.82	\$751.91

Salaries and Wages - Assume 2% increase per year

Other Expenses - Assume 1% increase per year

Payment to ACUA - Assume 2.5% increase per year

Statutory Expenditures - Assume 2% increase per year

Total Revenues - Water & Sewer Rents, Fire Hydrant Services, Water Tap Fees, Sewer tap Fee, Fire Fees

Tap Fees = Assume tap fees remain steady over the next 20 years

Proposed Capital Improvement Plan - Anticipated debt service resulting from additional system upgrades based on Capital Improvements Plan CIP debt service payments to begin 1 year after loan is approved with a 2.50% interest rate, 20 year term, and 2 payments per year. Inflation rate of 2% is also accounted for over the 20-year duration

End Fund Balance - Attempted to be kept as close to \$1,000 to keep balance minimally positive

End Fund Balance - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**CITY OF EGG HARBOR  
OPERATIONS ANALYSIS AND RATE STUDY  
IMPLEMENT CIP (WITH FINANCING) AND IMPLEMENT RATE INCREASE**

	PROJECTED RATES (CONTINUED)													
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
<b>Expenses</b>														
Operating Expenses														
Salaries & Wages	\$293,814.27	\$299,690.55	\$305,684.36	\$311,798.05	\$318,034.01	\$324,394.69	\$330,882.58	\$337,500.24	\$344,250.24	\$351,135.25	\$358,157.95	\$365,321.11	\$372,627.53	\$380,080.08
Other Expenses	\$384,596.39	\$388,442.36	\$392,326.78	\$396,250.05	\$400,212.55	\$404,214.67	\$408,256.82	\$412,339.39	\$416,462.78	\$420,627.41	\$424,833.69	\$429,082.02	\$433,372.84	\$437,706.57
Engineering Fees														
Legal Fees														
Payment to ACUA	\$381,177.05	\$390,706.48	\$400,474.14	\$410,485.99	\$420,748.14	\$431,266.84	\$442,048.52	\$453,099.73	\$464,427.22	\$476,037.90	\$487,938.85	\$500,137.32	\$512,640.75	\$525,456.77
Capitol Improvements														
Current Debt Service	\$920,307.00	\$920,307.00	\$920,307.00	\$793,378.00	\$793,378.00	\$793,378.00	\$793,378.00	\$793,378.00	\$672,044.00	\$672,044.00	\$672,044.00	\$672,044.00	\$672,045.00	\$672,046.00
Statutory Expenditures	\$24,122.40	\$24,604.85	\$25,096.94	\$25,598.88	\$26,110.86	\$26,633.08	\$27,165.74	\$27,709.05	\$28,263.24	\$28,828.50	\$29,405.07	\$29,993.17	\$30,593.03	\$31,204.90
Prior Year Deficit														
<b>Proposed Capital Improvement Plan (CIP)</b>	<b>\$2,650,485.57</b>	<b>\$2,407,465.20</b>	<b>\$2,409,160.55</b>	<b>\$2,604,231.16</b>	<b>\$2,504,879.62</b>	<b>\$2,471,993.41</b>	<b>\$2,490,425.28</b>	<b>\$2,673,584.96</b>	<b>\$2,700,899.31</b>	<b>\$2,633,965.73</b>	<b>\$2,704,787.78</b>	<b>\$2,819,951.98</b>	<b>\$2,966,954.40</b>	<b>\$2,976,235.12</b>
Estimated Debt Service from Implementation of CIP	\$821,812.94	\$991,027.44	\$1,144,726.82	\$1,298,534.45	\$1,464,795.93	\$1,624,714.53	\$1,782,533.58	\$1,941,529.37	\$2,112,218.59	\$2,284,651.64	\$2,452,811.46	\$2,625,492.76	\$2,729,359.81	\$2,907,675.44
<b>Total Expenses</b>	<b>\$5,476,315.62</b>	<b>\$5,422,243.87</b>	<b>\$5,597,776.60</b>	<b>\$5,840,276.58</b>	<b>\$5,928,159.11</b>	<b>\$6,076,595.23</b>	<b>\$6,274,690.51</b>	<b>\$6,639,140.74</b>	<b>\$6,738,565.39</b>	<b>\$6,867,290.43</b>	<b>\$7,129,978.80</b>	<b>\$7,442,022.37</b>	<b>\$7,717,593.37</b>	<b>\$7,930,404.88</b>
<b>Revenues</b>														
Surplus														
Water & Sewer Rents	\$2,718,295.02	\$2,907,488.36	\$3,081,065.41	\$3,128,513.82	\$3,315,911.80	\$3,496,960.58	\$3,676,704.36	\$3,858,333.55	\$3,930,098.56	\$4,125,817.46	\$4,317,667.98	\$4,514,553.64	\$4,643,218.41	\$4,846,359.22
Rent Rate Increase	0.064	0.070	0.060	0.015	0.060	0.055	0.051	0.049	0.019	0.050	0.047	0.046	0.029	0.044
RENT INCREASE (FROM PRIOR YEAR)	\$163,746.56	\$189,193.33	\$0.06	\$47,448.41	\$187,397.98	\$181,048.78	\$179,743.77	\$181,629.20	\$71,765.00	\$195,718.91	\$191,850.51	\$196,885.66	\$128,664.78	\$203,140.81
Miscellaneous - Water Tap Fees, Sewer Tap Fees, & Fire Fees	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00
Fire Hydrant Services	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
EHC North Land Sale														
Utility Capital Surplus														
FEMA Reimbursement														
Reserve to pay debt														
Conifer Connection Fee														
JIF Dividend														
Transfer from Current Fund Budget														
Reserve for land sale														
Unexpected Balance of Appropriation Reserves														
Deficit (General Budget) & other credits to income														
USDA Finance Loan	\$2,650,485.57	\$2,407,465.20	\$2,409,160.55	\$2,604,231.16	\$2,504,879.62	\$2,471,993.41	\$2,490,425.28	\$2,673,584.96	\$2,700,899.31	\$2,633,965.73	\$2,704,787.78	\$2,819,951.98	\$2,966,954.40	\$2,976,235.12
USDA Grant Funding (25% of CIP)														
<b>Total Revenues</b>	<b>\$5,476,280.59</b>	<b>\$5,422,453.56</b>	<b>\$5,597,725.97</b>	<b>\$5,840,244.98</b>	<b>\$5,928,291.41</b>	<b>\$6,076,454.00</b>	<b>\$6,274,629.63</b>	<b>\$6,639,418.51</b>	<b>\$6,738,497.87</b>	<b>\$6,867,283.19</b>	<b>\$7,129,955.75</b>	<b>\$7,442,005.62</b>	<b>\$7,717,672.81</b>	<b>\$7,930,094.34</b>
<b>Annual Surplus (Deficit)</b>	<b>-\$35.03</b>	<b>\$209.69</b>	<b>-\$50.64</b>	<b>-\$31.60</b>	<b>\$132.31</b>	<b>-\$141.23</b>	<b>-\$60.88</b>	<b>\$277.78</b>	<b>-\$67.52</b>	<b>-\$7.24</b>	<b>-\$23.04</b>	<b>-\$16.75</b>	<b>\$79.44</b>	<b>-\$310.54</b>
<b>Fund Balance Utilized as Revenue</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>END FUND BALANCE</b>	<b>\$1,025.05</b>	<b>\$1,234.74</b>	<b>\$1,184.11</b>	<b>\$1,152.51</b>	<b>\$1,284.82</b>	<b>\$1,143.59</b>	<b>\$1,082.71</b>	<b>\$1,360.48</b>	<b>\$1,292.96</b>	<b>\$1,285.72</b>	<b>\$1,262.68</b>	<b>\$1,245.93</b>	<b>\$1,325.37</b>	<b>\$1,014.83</b>
<b>COST PER YEAR PER CUSTOMER</b>	<b>\$1,749.22</b>	<b>\$1,870.97</b>	<b>\$1,982.67</b>	<b>\$2,013.20</b>	<b>\$2,133.79</b>	<b>\$2,250.30</b>	<b>\$2,365.96</b>	<b>\$2,482.84</b>	<b>\$2,529.02</b>	<b>\$2,654.97</b>	<b>\$2,778.42</b>	<b>\$2,905.12</b>	<b>\$2,987.91</b>	<b>\$3,118.64</b>
<b>RENT INCREASE PER CUSTOMER (FROM 2016)</b>	<b>\$857.28</b>	<b>\$979.03</b>	<b>\$1,090.72</b>	<b>\$1,121.26</b>	<b>\$1,241.85</b>	<b>\$1,358.35</b>	<b>\$1,474.02</b>	<b>\$1,590.90</b>	<b>\$1,637.08</b>	<b>\$1,763.02</b>	<b>\$1,886.48</b>	<b>\$2,013.17</b>	<b>\$2,095.97</b>	<b>\$2,226.69</b>

**Salaries and Wages** - Assume 2% increase per year

**Other Expenses** - Assume 1% increase per year

**Payment to ACUA** - Assume 2.5% increase per year

**Statutory Expenditures** - Assume 2% increase per year

**Total Revenues** - Water & Sewer Rents, Fire Hydrant Services, Water Tap Fees, Sewer tap Fee, Fire Fees

**Tap Fees** = Assume tap fees remain steady over the next 20 years

**Proposed Capital Improvement Plan** - Anticipated debt service resulting from additional system upgrades based on Capital Improvements Plan CIP debt service payments to begin 1 year after loan is approved with a 2.50% interest rate, 20 year term, and 2 payments per year. Inflation rate of 2% is also accounted for over the 20-year duration

**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive

**CITY OF EGG HARBOR  
OPERATIONS ANALYSIS AND RATE STUDY  
IMPLEMENT CIP (WITH FINANCING), ASSUME GRANT FUNDING, AND IMPLEMENT RATE INCREASE**

	2010	2011	2012	2013	2014	2015	2016	2017	PROJECTED RATES						
									2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>															
Operating Expenses															
Salaries & Wages	\$285,867.00	\$254,000.00	\$236,000.00	\$233,750.00	\$244,000.00	\$247,500.00	\$251,000.00	\$252,500.00	\$255,783.00	\$260,898.66	\$266,116.63	\$271,438.97	\$276,867.75	\$282,405.10	\$288,053.20
Other Expenses	\$290,390.00	\$382,844.00	\$387,344.00	\$279,506.00	\$369,702.00	\$349,500.00	\$361,872.00	\$397,301.00	\$358,720.00	\$362,307.20	\$365,930.27	\$369,589.57	\$373,285.47	\$377,018.33	\$380,788.51
Engineering Fees	\$5,000.00	\$5,000.00													
Legal Fees	\$4,491.00	\$9,500.00													
Payment to ACUA	\$381,878.00	\$328,611.00	\$288,140.00	\$261,484.00	\$308,989.00	\$317,707.00	\$319,523.00	\$317,450.00	\$320,671.00	\$328,687.78	\$336,904.97	\$345,327.59	\$353,960.78	\$362,809.80	\$371,880.05
Capitol Improvements				\$800.00		\$2,500.00									
Current Debt Service	\$521,633.00	\$501,182.00	\$681,273.00	\$682,805.00	\$643,968.00	\$599,227.13	\$764,321.00	\$958,473.00	\$1,013,989.00	\$1,005,740.00	\$1,010,222.00	\$973,890.00	\$976,909.00	\$920,307.00	\$920,307.00
Statutory Expenditures	\$23,129.00	\$25,000.00	\$39,159.00	\$21,000.00	\$91,560.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,420.00	\$21,848.40	\$22,285.37	\$22,731.08	\$23,185.70	\$23,649.41
Prior Year Deficit	\$1,087.00	\$35,433.00							\$51,916.00						
<b>Proposed Capital Improvement Plan (CIP) w/ Grant Funding</b>										\$1,880,422.53	\$2,078,759.73	\$2,255,059.65	\$2,158,208.57	\$2,239,997.38	\$2,259,991.72
<b>Estimated Debt Service from Implementation of CIP w/ Grant Funding</b>									\$0.00	\$90,038.62	\$189,574.04	\$297,551.08	\$400,890.69	\$508,146.51	
<b>Total Expenses</b>	<b>\$1,513,475.00</b>	<b>\$1,541,570.00</b>	<b>\$1,631,916.00</b>	<b>\$1,479,345.00</b>	<b>\$1,658,219.00</b>	<b>\$1,537,434.13</b>	<b>\$1,717,716.00</b>	<b>\$1,946,724.00</b>	<b>\$2,022,079.00</b>	<b>\$3,859,476.17</b>	<b>\$4,169,820.62</b>	<b>\$4,427,165.20</b>	<b>\$4,459,513.72</b>	<b>\$4,606,613.99</b>	<b>\$4,752,816.40</b>
<b>Revenues</b>															
Surplus				\$90,000.00	\$7,000.00	\$208,147.00	\$173,000.00	\$15,000.00							
Water & Sewer Rents	\$1,257,368.00	\$1,198,812.00	\$1,233,889.00	\$1,202,462.00	\$1,214,454.00	\$1,237,097.00	\$1,386,081.00	\$1,754,022.00	\$1,922,746.00	\$1,923,899.65	\$1,983,732.93	\$2,064,470.86	\$2,193,913.18	\$2,259,072.40	\$2,385,354.55
Rent Rate Increase										0.001	0.031	0.041	0.063	0.030	0.056
RENT INCREASE (FROM PRIOR YEAR)										\$1,153.65	\$59,833.28	\$80,737.93	\$129,442.32	\$65,159.22	\$126,282.15
Miscellaneous - Water Tap Fees, Sewer Tap Fees, & Fire Fees	\$57,414.00	\$34,388.00	\$31,539.00	\$42,429.00	\$43,782.00	\$41,579.00	\$40,996.00	\$47,882.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00
Fire Hydrant Services	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
EHC North Land Sale		\$182,922.00	\$305,500.00	\$84,500.00	\$58,500.00										
Utility Capital Surplus			\$14,159.00			\$26,588.00	\$70,271.00	\$26,000.00	\$10,100.00						
FEMA Reimbursement		\$61,008.00		\$4,272.00	\$4,336.00										
Reserve to pay debt					\$237,000.00	\$35,000.00	\$1,444.00								
Conifer Connection Fee					\$307,314.00										
JIF Dividend								\$10,702.00	\$11,733.00						
Transfer from Current Fund Budget															
Reserve for land sale			\$52,268.00	\$55,055.00											
Unexpected Balance of Appropriation Reserves			\$70,196.00	\$70,255.00	\$17,911.00	\$30,520.00	\$30,816.00	\$11,201.00							
Deficit (General Budget) & other credits to income	\$49,517.00	\$49,440.00													
USDA Finance Loan w/ Grant Funding										\$1,410,316.90	\$1,559,069.80	\$1,691,294.74	\$1,618,656.42	\$1,679,998.04	\$1,694,993.79
USDA Grant Funding (25% of CIP)										\$470,105.63	\$519,689.93	\$563,764.91	\$539,552.14	\$559,999.35	\$564,997.93
<b>Total Revenues</b>	<b>\$1,379,299.00</b>	<b>\$1,541,570.00</b>	<b>\$1,722,551.00</b>	<b>\$1,563,973.00</b>	<b>\$1,905,297.00</b>	<b>\$1,593,931.00</b>	<b>\$1,732,608.00</b>	<b>\$1,894,807.00</b>	<b>\$2,022,079.00</b>	<b>\$3,911,822.18</b>	<b>\$4,169,992.66</b>	<b>\$4,427,030.51</b>	<b>\$4,459,621.75</b>	<b>\$4,606,569.78</b>	<b>\$4,752,846.27</b>
<b>Annual Surplus (Deficit)</b>	<b>\$49,317.00</b>	<b>\$0.00</b>	<b>\$90,635.00</b>	<b>\$84,628.00</b>	<b>\$247,078.00</b>	<b>\$56,496.87</b>	<b>\$14,892.00</b>	<b>-\$51,917.00</b>	<b>\$0.00</b>	<b>\$52,346.01</b>	<b>\$172.03</b>	<b>-\$134.69</b>	<b>\$108.02</b>	<b>-\$44.21</b>	<b>\$29.87</b>
<b>Fund Balance Utilized as Revenue</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$90,000.00</b>	<b>-\$7,000.00</b>	<b>-\$208,147.00</b>	<b>-\$173,000.00</b>	<b>-\$15,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>END FUND BALANCE</b>	<b>\$49,317.00</b>	<b>\$0.00</b>	<b>\$90,635.00</b>	<b>\$85,263.00</b>	<b>\$325,341.00</b>	<b>\$173,690.87</b>	<b>\$15,582.87</b>	<b>-\$51,334.13</b>	<b>-\$51,334.13</b>	<b>\$1,011.88</b>	<b>\$1,183.92</b>	<b>\$1,049.23</b>	<b>\$1,157.25</b>	<b>\$1,113.04</b>	<b>\$1,142.91</b>
<b>COST PER YEAR PER CUSTOMER</b>					\$781.50	\$796.07	\$891.94	\$1,128.71	\$1,237.29	\$1,238.03	\$1,276.53	\$1,328.49	\$1,411.78	\$1,453.71	\$1,534.98
<b>RENT INCREASE PER CUSTOMER (FROM 2016)</b>								\$236.77	\$345.34	\$346.09	\$384.59	\$436.54	\$519.84	\$561.77	\$643.03

**Salaries and Wages** - Assume 2% increase per year  
**Other Expenses** - Assume 1% increase per year  
**Payment to ACUA** - Assume 2.5% increase per year  
**Statutory Expenditures** - Assume 2% increase per year  
**Total Revenues** - Water & Sewer Rents, Fire Hydrant Services, Water Tap Fees, Sewer tap Fee, Fire Fees  
**Tap Fees** = Assume tap fees remain steady over the next 20 years  
**Proposed Capital Improvement Plan** - Anticipated debt service resulting from additional system upgrades based on Capital Improvements Plan CIP debt service payments to begin 1 year after loan is approved with a 2.50% interest rate, 20 year term, and 2 payments per year. Inflation rate of 2% is also accounted for over the 20-year duration  
**End Fund Balance** - Attempted to be kept as close to \$1,000 to keep balance minimally positive  
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**CITY OF EGG HARBOR  
OPERATIONS ANALYSIS AND RATE STUDY  
IMPLEMENT CIP (WITH FINANCING), ASSUME GRANT FUNDING, AND IMPLEMENT RATE INCREASE**

	PROJECTED RATES (CONTINUED)													
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
<b>Expenses</b>														
Operating Expenses														
Salaries & Wages	\$293,814.27	\$299,690.55	\$305,684.36	\$311,798.05	\$318,034.01	\$324,394.69	\$330,882.58	\$337,500.24	\$344,250.24	\$351,135.25	\$358,157.95	\$365,321.11	\$372,627.53	\$380,080.08
Other Expenses	\$384,596.39	\$388,442.36	\$392,326.78	\$396,250.05	\$400,212.55	\$404,214.67	\$408,256.82	\$412,339.39	\$416,462.78	\$420,627.41	\$424,833.69	\$429,082.02	\$433,372.84	\$437,706.57
Engineering Fees														
Legal Fees														
Payment to ACUA	\$381,177.05	\$390,706.48	\$400,474.14	\$410,485.99	\$420,748.14	\$431,266.84	\$442,048.52	\$453,099.73	\$464,427.22	\$476,037.90	\$487,938.85	\$500,137.32	\$512,640.75	\$525,456.77
Capitol Improvements														
Current Debt Service	\$920,307.00	\$920,307.00	\$920,307.00	\$793,378.00	\$793,378.00	\$793,378.00	\$793,378.00	\$793,378.00	\$672,044.00	\$672,044.00	\$672,044.00	\$672,044.00	\$672,045.00	\$672,046.00
Statutory Expenditures	\$24,122.40	\$24,604.85	\$25,096.94	\$25,598.88	\$26,110.86	\$26,633.08	\$27,165.74	\$27,709.05	\$28,263.24	\$28,828.50	\$29,405.07	\$29,993.17	\$30,593.03	\$31,204.90
Prior Year Defect														
<b>Proposed Capital Improvement Plan (CIP) w/ Grant Funding</b>	<b>\$2,650,485.57</b>	<b>\$2,407,465.20</b>	<b>\$2,409,160.55</b>	<b>\$2,604,231.16</b>	<b>\$2,504,879.62</b>	<b>\$2,471,993.41</b>	<b>\$2,490,425.28</b>	<b>\$2,673,584.96</b>	<b>\$2,700,899.31</b>	<b>\$2,633,965.73</b>	<b>\$2,704,787.78</b>	<b>\$2,819,951.98</b>	<b>\$2,966,954.40</b>	<b>\$2,976,235.12</b>
<b>Estimated Debt Service from Implementation of CIP w/ Grant Funding</b>	<b>\$616,359.71</b>	<b>\$743,270.58</b>	<b>\$858,545.12</b>	<b>\$973,900.83</b>	<b>\$1,098,596.95</b>	<b>\$1,218,535.89</b>	<b>\$1,336,900.18</b>	<b>\$1,456,147.03</b>	<b>\$1,584,163.94</b>	<b>\$1,713,488.73</b>	<b>\$1,839,608.60</b>	<b>\$1,969,119.57</b>	<b>\$2,116,156.94</b>	<b>\$2,294,472.57</b>
<b>Total Expenses</b>	<b>\$5,270,862.39</b>	<b>\$5,174,487.01</b>	<b>\$5,311,594.90</b>	<b>\$5,515,642.96</b>	<b>\$5,561,960.12</b>	<b>\$5,670,416.59</b>	<b>\$5,829,057.12</b>	<b>\$6,153,758.40</b>	<b>\$6,210,510.74</b>	<b>\$6,296,127.52</b>	<b>\$6,516,775.93</b>	<b>\$6,785,649.18</b>	<b>\$7,104,390.50</b>	<b>\$7,317,202.02</b>
<b>Revenues</b>														
Surplus														
Water & Sewer Rents	\$2,512,971.02	\$2,659,477.23	\$2,795,110.57	\$2,803,775.41	\$2,949,571.73	\$3,090,856.22	\$3,231,181.09	\$3,372,706.82	\$3,402,049.37	\$3,554,801.38	\$3,704,458.52	\$3,858,193.55	\$4,029,883.16	\$4,233,311.67
Rent Rate Increase	0.054	0.058	0.051	0.003	0.052	0.048	0.045	0.044	0.009	0.045	0.042	0.042	0.045	0.050
RENT INCREASE (FROM PRIOR YEAR)	\$127,616.47	\$146,506.21	\$135,633.34	\$8,664.84	\$145,796.32	\$141,284.49	\$140,324.87	\$141,525.73	\$29,342.55	\$152,752.02	\$149,657.14	\$153,735.03	\$171,689.61	\$203,428.50
Miscellaneous - Water Tap Fees, Sewer Tap Fees, & Fire Fees	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00	\$47,500.00
Fire Hydrant Services	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
EHC North Land Sale														
Utility Capital Surplus														
FEMA Reimbursement														
Reserve to pay debt														
Conifer Connection Fee														
JIF Dividend														
Transfer from Current Fund Budget														
Reserve for land sale														
Unexpected Balance of Appropriation Reserves														
Deficit (General Budget) & other credits to income														
USDA Finance Loan w/ Grant Funding	\$1,987,864.18	\$1,805,598.90	\$1,806,870.41	\$1,953,173.37	\$1,878,659.71	\$1,853,995.06	\$1,867,818.96	\$2,005,188.72	\$2,025,674.49	\$1,975,474.30	\$2,028,590.83	\$2,114,963.99	\$2,225,215.80	\$2,232,176.34
USDA Grant Funding (25% of CIP)	\$662,621.39	\$601,866.30	\$602,290.14	\$651,057.79	\$626,219.90	\$617,998.35	\$622,606.32	\$668,396.24	\$675,224.83	\$658,491.43	\$676,196.94	\$704,988.00	\$741,738.60	\$744,058.78
<b>Total Revenues</b>	<b>\$5,270,956.59</b>	<b>\$5,174,442.43</b>	<b>\$5,311,771.12</b>	<b>\$5,515,506.57</b>	<b>\$5,561,951.35</b>	<b>\$5,670,349.63</b>	<b>\$5,829,106.36</b>	<b>\$6,153,791.78</b>	<b>\$6,210,448.68</b>	<b>\$6,296,267.11</b>	<b>\$6,516,746.30</b>	<b>\$6,785,645.54</b>	<b>\$7,104,337.56</b>	<b>\$7,317,046.79</b>
<b>Annual Surplus (Deficit)</b>	<b>\$94.20</b>	<b>-\$44.58</b>	<b>\$176.22</b>	<b>-\$136.40</b>	<b>-\$8.78</b>	<b>-\$66.97</b>	<b>\$49.24</b>	<b>\$33.38</b>	<b>-\$62.06</b>	<b>\$139.59</b>	<b>-\$29.63</b>	<b>-\$3.64</b>	<b>-\$52.94</b>	<b>-\$155.23</b>
<b>Fund Balance Utilized as Revenue</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>END FUND BALANCE</b>	<b>\$1,237.11</b>	<b>\$1,192.52</b>	<b>\$1,368.75</b>	<b>\$1,232.35</b>	<b>\$1,223.57</b>	<b>\$1,156.60</b>	<b>\$1,205.85</b>	<b>\$1,239.23</b>	<b>\$1,177.17</b>	<b>\$1,316.77</b>	<b>\$1,287.14</b>	<b>\$1,283.49</b>	<b>\$1,230.55</b>	<b>\$1,075.32</b>
<b>COST PER YEAR PER CUSTOMER</b>	<b>\$1,617.10</b>	<b>\$1,711.38</b>	<b>\$1,798.66</b>	<b>\$1,804.23</b>	<b>\$1,898.05</b>	<b>\$1,988.97</b>	<b>\$2,079.27</b>	<b>\$2,170.34</b>	<b>\$2,189.22</b>	<b>\$2,287.52</b>	<b>\$2,383.82</b>	<b>\$2,482.75</b>	<b>\$2,593.23</b>	<b>\$2,724.14</b>
<b>RENT INCREASE PER CUSTOMER (FROM 2016)</b>	<b>\$725.15</b>	<b>\$819.43</b>	<b>\$906.71</b>	<b>\$912.29</b>	<b>\$1,006.11</b>	<b>\$1,097.02</b>	<b>\$1,187.32</b>	<b>\$1,278.39</b>	<b>\$1,297.28</b>	<b>\$1,395.57</b>	<b>\$1,491.88</b>	<b>\$1,590.81</b>	<b>\$1,701.29</b>	<b>\$1,832.19</b>

Salaries and Wages - Assume 2% increase per year

Other Expenses - Assume 1% increase per year

Payment to ACUA - Assume 2.5% increase per year

Statutory Expenditures - Assume 2% increase per year

Total Revenues - Water & Sewer Rents, Fire Hydrant Services, Water Tap Fees, Sewer tap Fee, Fire Fees

Tap Fees = Assume tap fees remain steady over the next 20 years

Proposed Capital Improvement Plan - Anticipated debt service resulting from additional system upgrades based on Capital Improvements Plan CIP debt service payments to begin 1 year after loan is approved with a 2.50% interest rate, 20 year term, and 2 payments per year. Inflation rate of 2% is also accounted for over the 20-year duration

End Fund Balance - Attempted to be kept as close to \$1,000 to keep balance minimally positive

End Fund Balance - Attempted to be kept as close to \$1,000 to keep balance minimally positive

## **APPENDIX B**

### **PROPOSED 20-YEAR CAPITAL IMPROVEMENT PLAN (2019 - 2038)**

# PROPOSED 20-YEAR CAPITAL IMPROVEMENT PLAN (2019 - 2038)

## PROPOSED 20 YEAR **WATER** DISTRIBUTION SYSTEM IMPROVEMENT PLAN (2019 - 2038)

PRIORITIZED WATER MAIN REPLACEMENTS - AGE, MATERIAL, AND CRITICAL AREAS	ESTIMATED COSTS
4" DIAMETER AND TRANSITE MAIN - ESTIMATED 42% OF SYSTEM, INCLUDING ASSOCIATED VALVES AND HYDRANTS	\$16,382,553.19
CONTINGENCY COSTS - 12%	\$1,965,906.38
ADDITIONAL INFRASTRUCTURE REPLACEMENT COSTS - WATER TANK & SERVICES	\$2,490,000.00
<b>TOTAL ESTIMATED CONSTRUCTION COSTS</b>	<b>\$18,348,459.57</b>
ESTIMATED ENGINEERING, INSPECTION & CONTRACT ADMINISTRATION	\$3,302,722.72
<b>ESTIMATED ANNUAL WATER DISTRIBUTION SYSTEM PLANNING COSTS 20 YEAR PERIOD</b>	<b>\$1,082,559.11</b>

## PROPOSED 20 YEAR **SANITARY** CONVEYANCE SYSTEM IMPROVEMENT PLAN (2019 - 2038)

GENERAL SANITARY MAIN IMPROVEMENTS - 45% OF MAINS REPLACED OR LINED OVER 20 YEARS INCLUDING LATERAL REPLACEMENTS	ESTIMATED COSTS
8" SANITARY MAIN REPLACEMENTS - ESTIMATED 45% OF SYSTEM, INCLUDING ASSOCIATED LATERALS	\$11,443,253.93
CONTINGENCY COSTS - 12%	\$1,373,190.47
ADDITIONAL INFRASTRUCTURE REPLACEMENT COSTS	\$781,000.00
<b>TOTAL ESTIMATED CONSTRUCTION COSTS</b>	<b>\$13,597,444.40</b>
ESTIMATED ENGINEERING, INSPECTION & CONTRACT ADMINISTRATION	\$2,306,959.99
<b>ESTIMATED ANNUAL SANITARY CONVEYANCE SYSTEM PLANNING COSTS 20 YEAR PERIOD</b>	<b>\$795,220.22</b>

<b>MAJOR CAPITAL IMPROVEMENTS &amp; WATER DISTRIBUTION PROJECTS</b>	<b>ESTIMATED COSTS</b>
<b>YEAR 1 - 2019</b>	
BUERGER STREET TANK FENCE REPAIRS	\$1,000.00
CLAUDIA LS GENERTOR - RUST REPAIRS & PAINTING	\$350.00
BEETHOVEN LS GENERTOR - RUST REPAIRS & PAINTING	\$350.00
BEETHOVEN LS ELECTRICAL BLDG DOOR - MORTOR REPAIRS & PAINTING	\$300.00
CONTINGENCY COSTS - 12%	\$240.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$403.20
<i>ESTIMATED CAPITAL IMPROVEMENTS 2017</i>	<i>\$2,643.20</i>
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2017</i>	<i>\$795,220.22</i>
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS -2017</i>	<i>\$1,082,559.11</i>
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS -2019</b>	<b>\$1,880,422.53</b>

<b>MAJOR CAPITAL IMPROVEMENTS &amp; WATER DISTRIBUTION PROJECTS</b>	<b>ESTIMATED COSTS</b>
<b>YEAR 2 - 2020</b>	
SECURITY FENCE - WELL NO. 6	\$3,000.00
NEW WELL HOUSE NO. 6 INCLUDING SITE WORK & PIPE PAINTING	\$18,000.00
VALVE PIT BUILDING REPAIRS - BUERGER STREET TANK	\$15,000.00
BUERGER STREET LIFT STATION - LIGHT FIXTURE INSTALLATION	\$5,500.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
REPLACE GALVANIZED WATER SERVICES PHASE I (APPROX. 37 HOMES)	\$44,500.00
CONTINGENCY COSTS - 12%	\$9,780.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$24,440.40
<i>ESTIMATED CAPITAL IMPROVEMENTS 2018</i>	<i>\$160,220.40</i>
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2018</i>	<i>\$795,220.22</i>
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2018</i>	<i>\$1,082,559.11</i>
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2020</b>	<b>\$2,037,999.73</b>

MAJOR CAPITAL IMPROVEMENTS & WATER DISTRIBUTION PROJECTS	ESTIMATED COSTS
<b>YEAR 3 - 2021</b>	
SITE SECURITY FENCE - WELL NO. 7	\$3,000.00
CLEANING AND PAINT EXTERIOR OF THE BUERGER STREET TANK	\$100,000.00
ALTITUDE VALVE AT BUERGER STREET TANK	\$15,000.00
INTERIOR TELEVISION OF THE BUERGER STREET TANK	\$3,500.00
BUERGER STREET LIFT STATION - ELECTRICAL RELOCATION	\$11,000.00
RENAULT LS TREE REMOVAL	\$6,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
REPLACE GALVANIZED WATER SERVICES PHASE I (APPROX. 38 HOMES)	\$45,600.00
CONTINGENCY COSTS - 12%	\$21,420.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$44,193.60
<i>ESTIMATED CAPITAL IMPROVEMENTS 2019</i>	<i>\$289,713.60</i>
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2019</i>	<i>\$795,220.22</i>
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2019</i>	<i>\$1,082,559.11</i>
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2021</b>	<b>\$2,167,492.93</b>

MAJOR CAPITAL IMPROVEMENTS & WATER DISTRIBUTION PROJECTS	ESTIMATED COSTS
<b>YEAR 4 - 2022</b>	
REPLACE FILTER EFFLUENT PUMP - 1 TANK	\$20,000.00
CLAUDIA LS - PUMP #1 REPLACEMENT	\$20,000.00
DUERER STREET LS - PUMP #2 REPLACEMENT	\$20,000.00
RENAULT LS - PUMP #1 REPLACEMENT	\$18,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$14,160.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$23,788.80
<i>ESTIMATED CAPITAL IMPROVEMENTS 2020</i>	<i>\$155,948.80</i>
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2020</i>	<i>\$795,220.22</i>
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS -2020</i>	<i>\$1,082,559.11</i>
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2022</b>	<b>\$2,033,728.13</b>



<b>MAJOR CAPITAL IMPROVEMENTS &amp; WATER DISTRIBUTION PROJECTS</b>	<b>ESTIMATED COSTS</b>
<b>YEAR 5 - 2023</b>	
REPLACE FILTER EFFLUENT PUMP - 1 TANK	\$20,000.00
BEETHOVEN LS - PUMP #1 REPLACEMENT	\$20,000.00
RENAULT LS - INSTALL GRINDER	\$65,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$17,400.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$29,232.00
<i>ESTIMATED CAPITAL IMPROVEMENTS 2021</i>	\$191,632.00
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2021</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS-2021</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2023</b>	<b>\$2,069,411.33</b>

<b>MAJOR CAPITAL IMPROVEMENTS &amp; WATER DISTRIBUTION PROJECTS</b>	<b>ESTIMATED COSTS</b>
<b>YEAR 6 - 2024</b>	
REPLACE FILTER EFFLUENT PUMP - 1 TANK	\$20,000.00
CLAUDIA LS - PUMP #2 REPLACEMENT	\$20,000.00
BUERGER LS - PUMP #1 REPLACEMENT	\$15,000.00
RENAULT LS - PUMP #2 REPLACEMENT	\$18,000.00
PHILADELPHIA AVE LS - PUMP #1 REPLACEMENT	\$15,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$15,360.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$25,804.80
<i>ESTIMATED CAPITAL IMPROVEMENTS 2022</i>	\$169,164.80
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2022</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS-2022</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2024</b>	<b>\$2,046,944.13</b>

<b>MAJOR CAPITAL IMPROVEMENTS &amp; WATER DISTRIBUTION PROJECTS</b>	<b>ESTIMATED COSTS</b>
<b>YEAR 7 - 2025</b>	
WELL NO. 6 REDEVELOPMENT, MOTOR REPAIRS, PUMP & VALVE REPLACEMENTS	\$80,000.00
BEEHTOVEN LS - PUMP #2 REPLACEMENT	\$20,000.00
CONSTRUCT NEW FICHTE LS INCLUDING GRINDER, GENERATOR	\$220,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$43,200.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$72,576.00
<i>ESTIMATED CAPITAL IMPROVEMENTS 2023</i>	\$475,776.00
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2023</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS-2023</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2025</b>	<b>\$2,353,555.33</b>

<b>MAJOR CAPITAL IMPROVEMENTS &amp; WATER DISTRIBUTION PROJECTS</b>	<b>ESTIMATED COSTS</b>
<b>YEAR 8- 2026</b>	
DUALATOR FILTER MEDIA REMOVAL AND REPALCEMENT - 1 TANK	\$50,000.00
BUERGER LS - PUMP #2 REPLACEMENT	\$15,000.00
PHILADELPHIA AVE LS - INSTALL GRINDER SYSTEM	\$60,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$19,800.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$33,264.00
<i>ESTIMATED CAPITAL IMPROVEMENTS 2024</i>	\$218,064.00
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2024</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS -2024</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2026</b>	<b>\$2,095,843.33</b>

<b>MAJOR CAPITAL IMPROVEMENTS &amp; WATER DISTRIBUTION PROJECTS</b>	<b>ESTIMATED COSTS</b>
<b>YEAR 9- 2027</b>	
WELL NO. 7 REDEVELOPMENT, MOTOR REPAIRS, PUMP & VALVE REPLACEMENTS	\$80,000.00
PHILADELPHIA AVE LS - PUMP #2 REPLACEMENT	\$15,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$16,200.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$27,216.00
<i>ESTIMATED CAPITAL IMPROVEMENTS 2025</i>	\$178,416.00
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2025</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2025</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2027</b>	<b>\$2,056,195.33</b>

<b>MAJOR CAPITAL IMPROVEMENTS &amp; WATER DISTRIBUTION PROJECTS</b>	<b>ESTIMATED COSTS</b>
<b>YEAR 10- 2028</b>	
WELL NO. 8 REDEVELOPMENT, MOTOR REPAIRS, & PUMP REPLACEMENT	\$60,000.00
DUALATOR FILTER MEDIA REMOVAL AND REPLACEMENT - 1 TANK	\$50,000.00
BUERGER STREET LS - GENERATOR INSTALLATION	\$60,000.00
RENAULT LS - PUMP #1 REPLACEMENT	\$18,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$27,360.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$45,964.80
<i>ESTIMATED CAPITAL IMPROVEMENTS 2026</i>	\$301,324.80
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2026</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2026</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2028</b>	<b>\$2,179,104.13</b>

<b>YEAR 11 - 2029</b>	
WELL NO. 7 ROOF REPLACEMENT	\$6,000.00
DUALATOR FILTER MEDIA REMOVAL AND REPLACEMENT - 1 TANK	\$50,000.00
DUERER STREET LS - PUMP #1 REPLACEMENT	\$20,000.00
GOETHE STREET LS - PUMP #1 REPLACEMENT	\$18,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$16,080.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$27,014.40
<i>ESTIMATED CAPITAL IMPROVEMENTS 2027</i>	\$177,094.40
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2027</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2027</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2029</b>	<b>\$2,054,873.73</b>

<b>YEAR 12- 2030</b>	
BUERGER STREET LS - ELECTRICAL BUILDING / ENCLOSURE	\$20,000.00
DUERER STREET LS - LIGHT FIXTURE	\$5,500.00
RENAULT LS - PUMP #2 REPLACEMENT	\$18,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$10,020.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$16,833.60
<i>ESTIMATED CAPITAL IMPROVEMENTS 2028</i>	\$110,353.60
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2028</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2028</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2030</b>	<b>\$1,988,132.93</b>

<b>YEAR 13 - 2031</b>	
DUALATOR FILTER AERATOR FAN REPLACEMENT - 1 TANK	\$25,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$7,800.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$13,104.00
<i>ESTIMATED CAPITAL IMPROVEMENTS 2029</i>	\$85,904.00
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2029</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2029</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2031</b>	<b>\$1,963,683.33</b>

<b>YEAR 14 - 2032</b>	
DUALATOR FILTER AERATOR FAN REPLACEMENT - 1 TANK	\$25,000.00
CLAUDIA LS - PUMP #1 REPLACEMENT	\$20,000.00
EXPANSION OF SCADA SYSTEM TO SANITARY FACILITIES	\$40,000.00
RENAULT LS - PUMP #1 REPLACEMENT	\$18,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$17,160.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$28,828.80
<i>ESTIMATED CAPITAL IMPROVEMENTS 2030</i>	\$188,988.80
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2030</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2030</i>	\$1,082,559.11
<b>30TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2032</b>	<b>\$2,066,768.13</b>

<b>YEAR 15 - 2033</b>	
DUALATOR FILTER AERATOR FAN REPLACEMENT - 1 TANK	\$25,000.00
CLAUDIA LS - PUMP #2 REPLACEMENT	\$20,000.00
CLAUDIA LS - VALVE REPLACEMENTS	\$23,000.00
BEETHOVEN LS - PUMP #1 REPLACEMENT	\$20,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$15,360.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$25,804.80
<i>ESTIMATED CAPITAL IMPROVEMENTS 2031</i>	\$169,164.80
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2031</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2031</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2033</b>	<b>\$2,046,944.13</b>

<b>YEAR 16 - 2034</b>	
WELL NO. 6 REDEVELOPMENT, MOTOR REPAIRS & PUMP REPLACEMENT	\$60,000.00
CONTINGENCY COSTS - 12%	\$7,200.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$12,096.00
<i>ESTIMATED CAPITAL IMPROVEMENTS 2032</i>	\$79,296.00
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2032</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2032</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2034</b>	<b>\$1,957,075.33</b>

<b>YEAR 17 - 2035</b>	
BUERGER LS - PUMP #1 REPLACEMENT	\$15,000.00
PHILADELPHIA AVE LS - PUMP #1 REPLACEMENT	\$15,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$8,400.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$14,112.00
<i>ESTIMATED CAPITAL IMPROVEMENTS 2033</i>	\$92,512.00
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2033</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2033</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2035</b>	<b>\$1,970,291.33</b>

<b>YEAR 18 - 2036</b>	
BEEHOTOVEN LS - PUMP #2 REPLACEMENT	\$20,000.00
BEETHOVEN LS - VALVE REPLACEMENTS	\$23,000.00
DUERER STREET LS - PUMP #2 REPLACEMENT	\$20,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$12,360.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$20,764.80
<i>ESTIMATED CAPITAL IMPROVEMENTS 2034</i>	\$136,124.80
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2034</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2034</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2036</b>	<b>\$2,013,904.13</b>

<b>YEAR 19 - 2037</b>	
WELL NO. 7 REDEVELOPMENT, MOTOR REPAIRS, PUMP REPLACEMENT	\$60,000.00
RENAULT LS - PUMP #1 REPLACEMENT	\$18,000.00
RENAULT LS - PUMP #2 REPLACEMENT	\$18,000.00
PHILADELPHIA AVE LS - PUMP #2 REPLACEMENT	\$15,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$18,120.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$30,441.60
<i>ESTIMATED CAPITAL IMPROVEMENTS 2035</i>	\$199,561.60
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2035</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2035</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2037</b>	<b>\$2,077,340.93</b>

<b>YEAR 20 - 2038</b>	
CLAUDIA LS STATION - POSSIBLE ROOF REPLACEMENT	\$5,000.00
BEETHOVEN LS STATION - POSSIBLE ROOF REPLACEMENT	\$5,000.00
BUERGER LS - PUMP #2 REPLACEMENT	\$15,000.00
DUERER STREET LS - GENERATOR REPLACEMENT	\$60,000.00
METER REPLACEMENTS - 75/YEAR	\$40,000.00
CONTINGENCY COSTS - 12%	\$15,000.00
ESTIMATED ENGINEERING, PERMITTING, INSPECTION & CONTRACT ADMINISTRATION	\$25,200.00
<i>ESTIMATED CAPITAL IMPROVEMENTS 2036</i>	\$165,200.00
<i>EST. ANNUAL SANITARY COLLECTION SYSTEM IMPROVEMENTS -2036</i>	\$795,220.22
<i>EST. ANNUAL WATER DISTRIBUTION IMPROVEMENTS - 2036</i>	\$1,082,559.11
<b>TOTAL ESTIMATED UTILITY IMPROVEMENT COSTS - 2038</b>	<b>\$2,042,979.33</b>

<b>AVERAGE TOTAL ANNUAL EXPENDITURE</b>	<b>\$2,055,134.51</b>
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