



WATERWORTH™





# Waterworth

A financial forecasting and revenue calibration solution adopted by hundreds of organizations across North America. Our job is to help utilities like yours plan financially — so you can avoid surprises, avoid emergency rate hikes, and make smart choices about how to invest in your infrastructure.

## Our Tool

Continuous Process



Full Cost Recovery



Communication



## Presentation Outcomes



- To have a clear picture on current/forecasted financials
- To know what the revenue requirements are
- To have an actionable plan



- Understanding of our tool/process
- To know how we have produced the information
- Have confidence in the results

## Our Process

Establish Financial Baseline

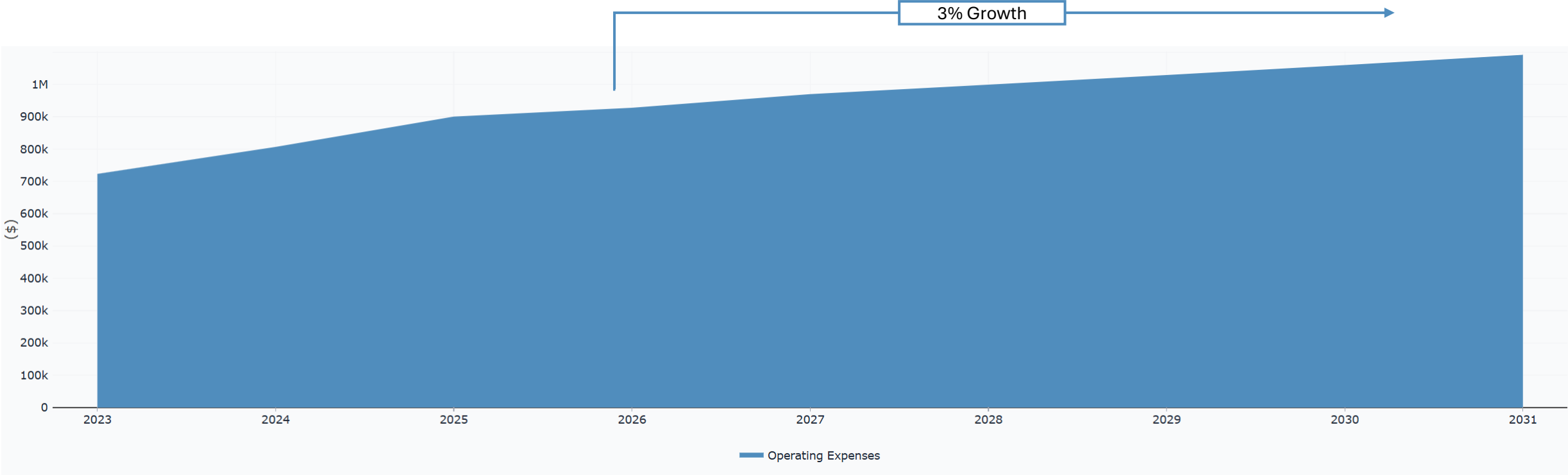
Build Long-term  
Financial Forecasts

Determine Revenue  
Needs and Funding  
Strategies

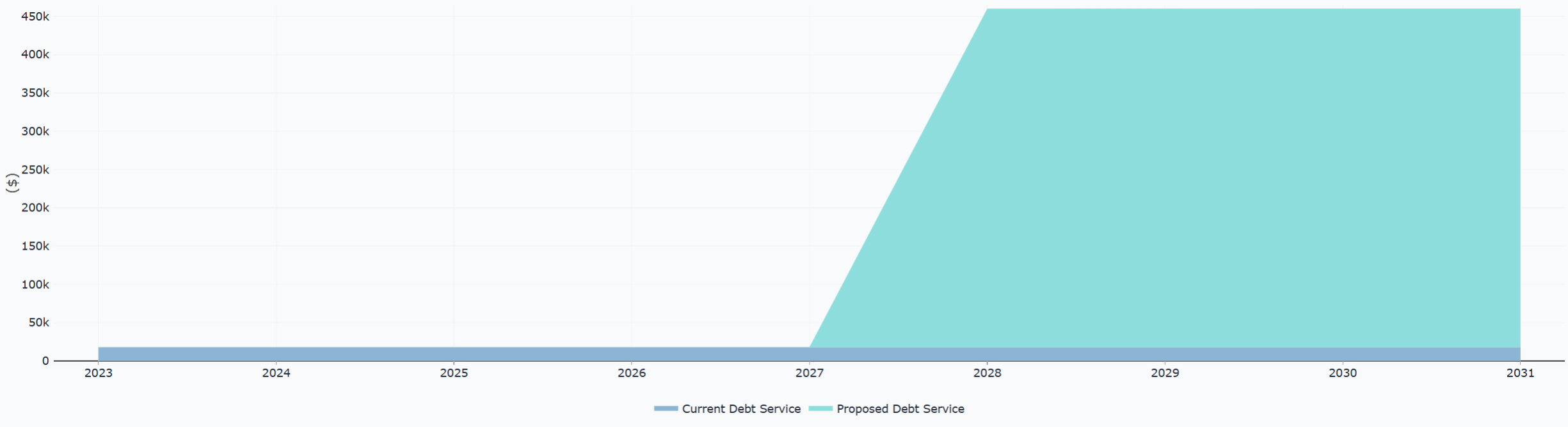
Communicate, Refine and  
Repeat

# Water Baseline Model

# Operating Expenses

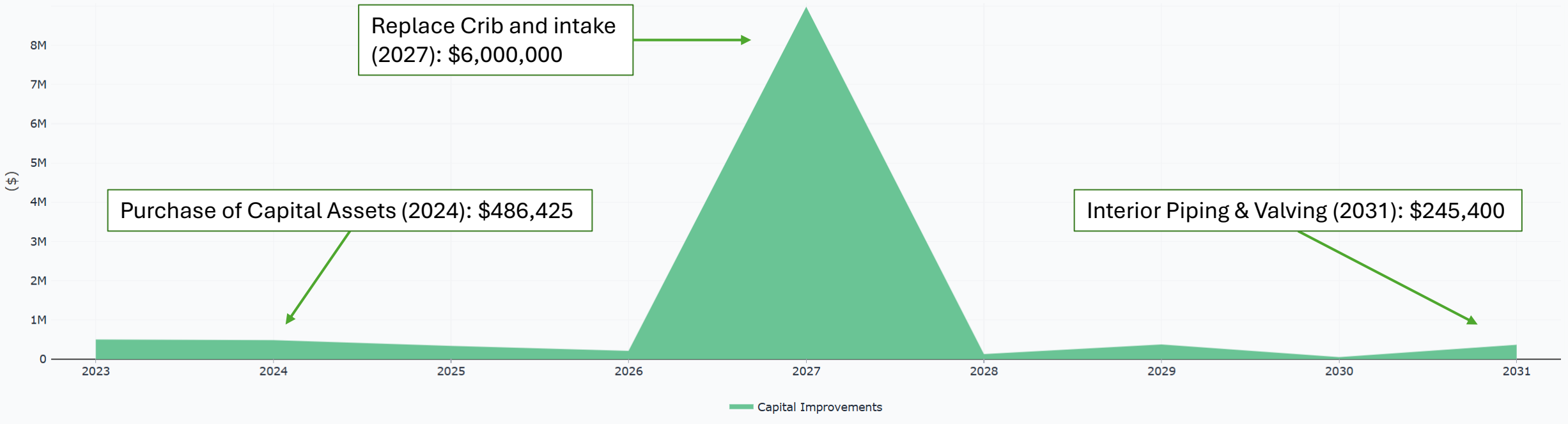


# Current Debt Service

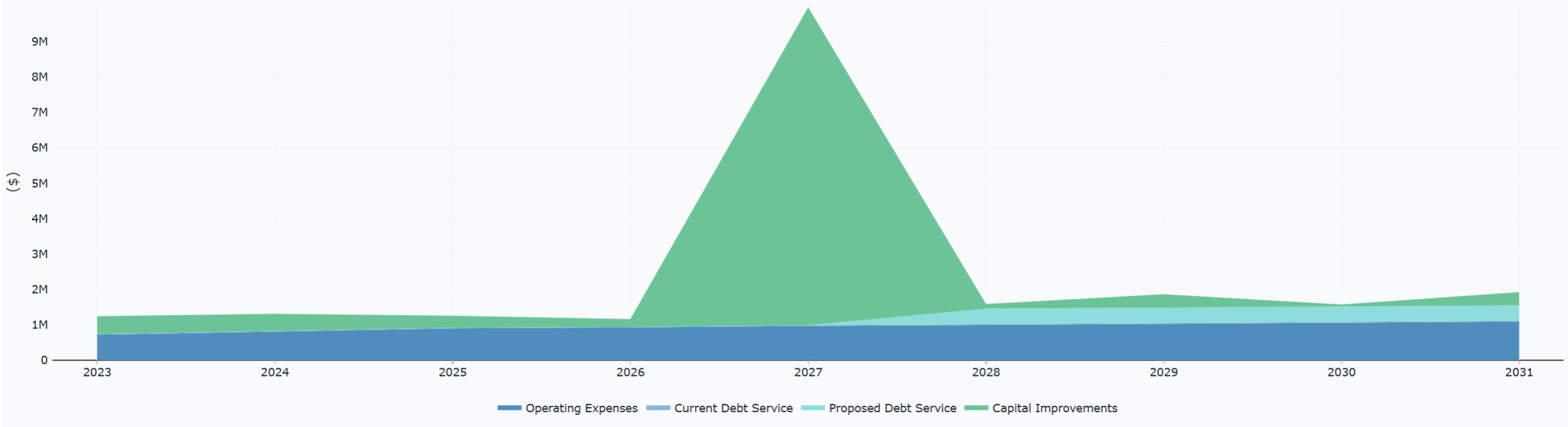


- Proposed Debt service reflects estimated payments for \$7,927,000 USDA 2025 Loan over a 40-year repayment schedule at a 3.375% interest rate.

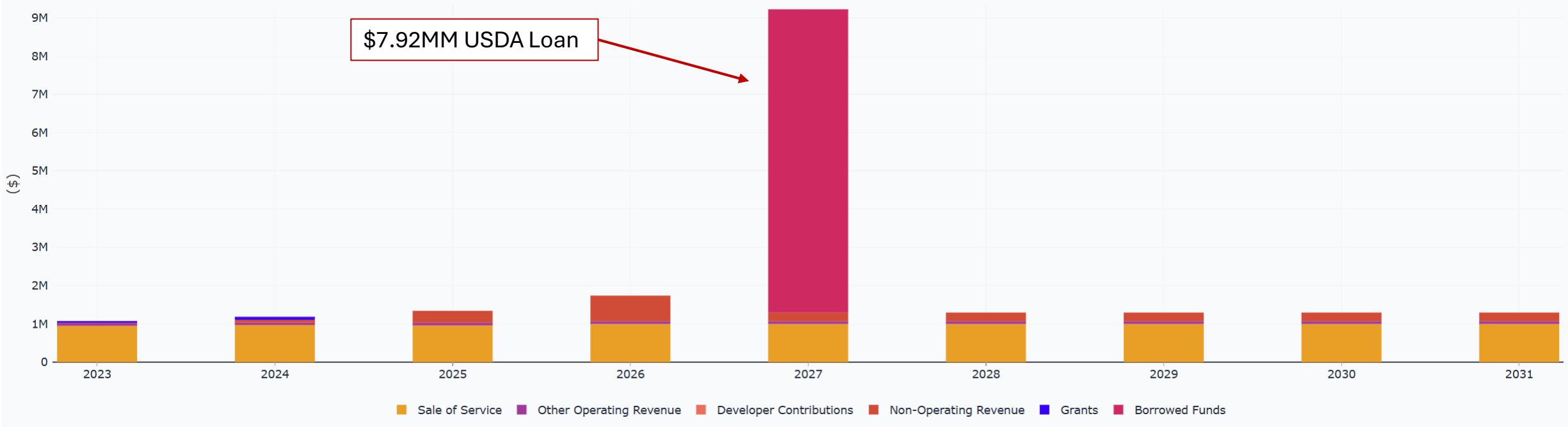
# Capital Expenses



# Revenue Requirements

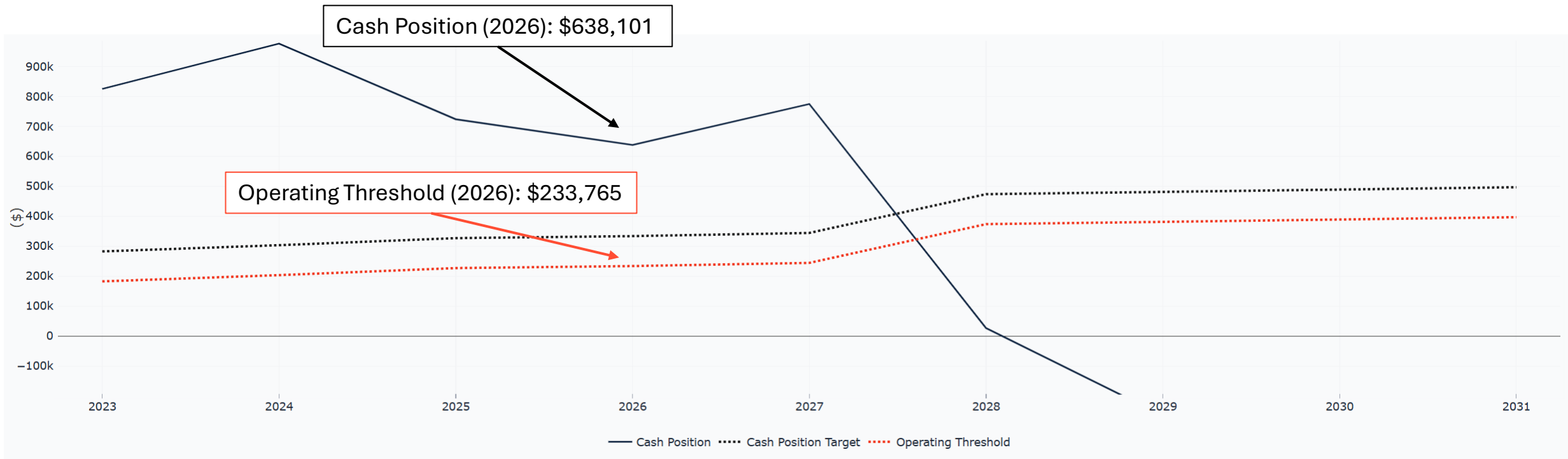


# Projected Revenues – No Growth



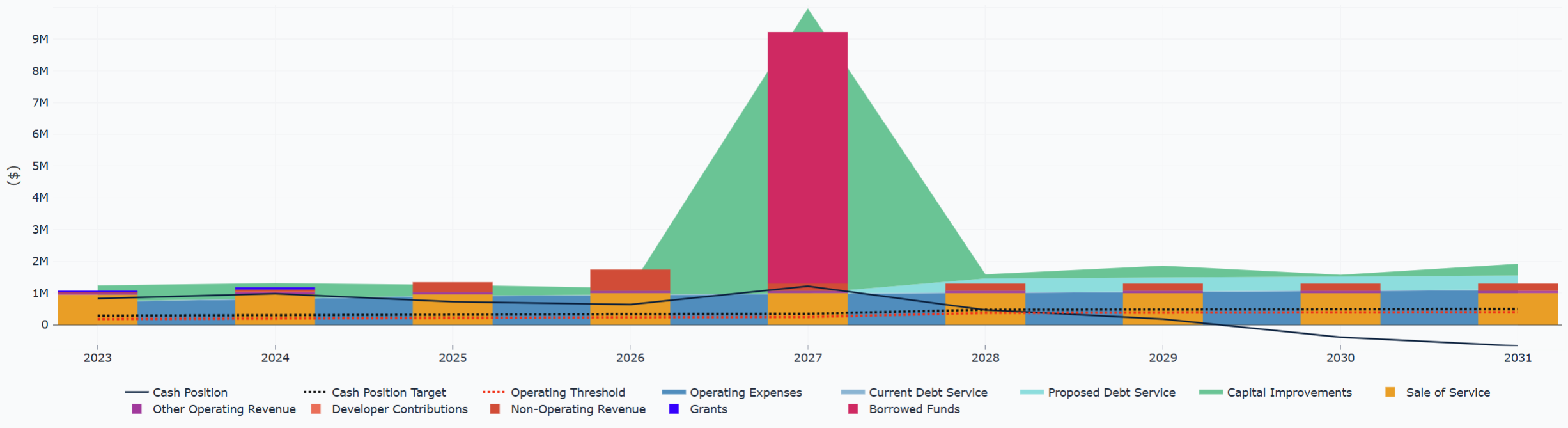
- FY2026 PFAS settlement is captured in Non-operating Revenue. No additional PFAS settlement revenues are assumed in forecast.

# Cash Position



- Operating Threshold is reflective of 25% (3 months) of Operating Expenses and 10% of Debt Payments worth of Cash on hand in a given Fiscal Year
- Cash Position Target is \$100,000 in addition to Operating Threshold

# Status Quo - Long Term Financial Model

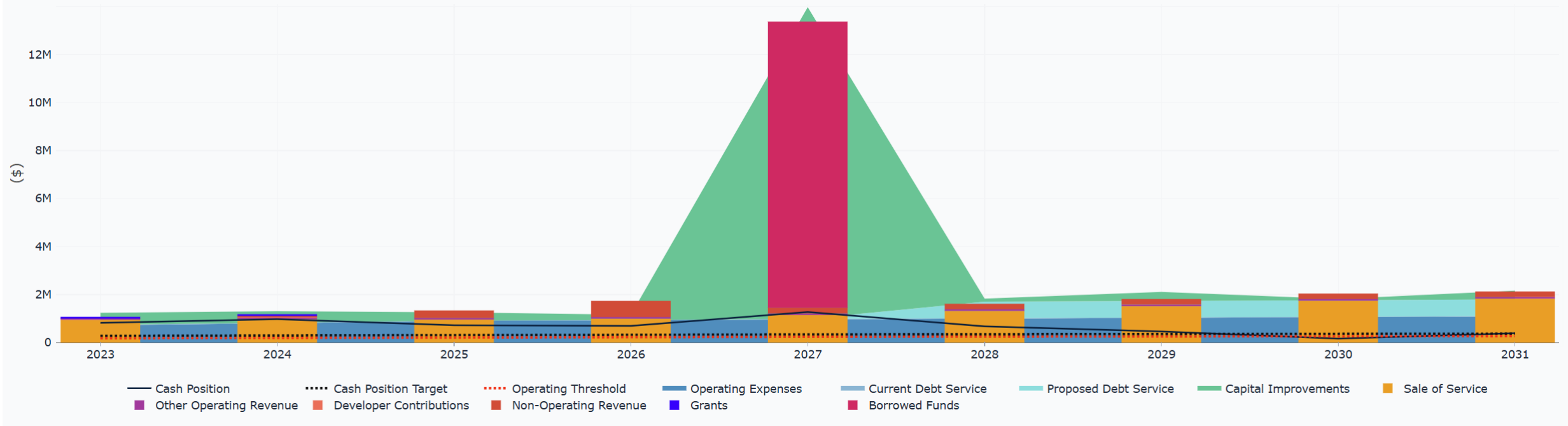


# Proposed Water Scenarios



# Proposed Scenario 1 – \$4MM Loan Lead Pipelines Service FY2027

- Proposed \$4MM Loan to service all Lead Pipelines is forecasted at 4.50% interest over a 30-year amortization period
- Scenario 1 includes a 15% rate increase from FY2027 to FY2030, followed by a 5% increase in FY2031

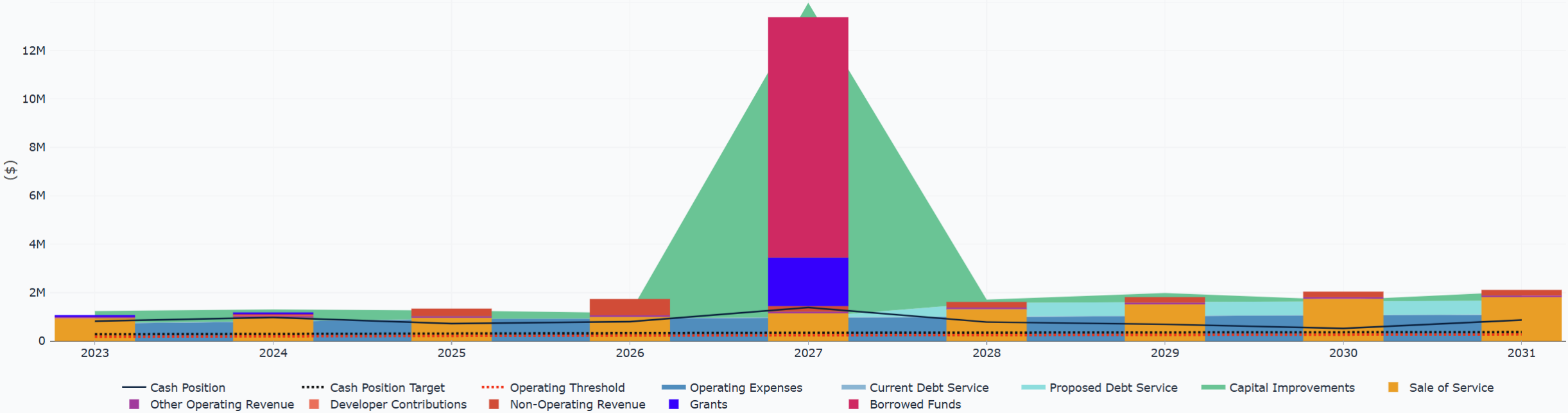


2027	2028	2029	2030	2031
15.0%	15.0%	15.0%	15.0%	5.0%



# Proposed Scenario 2 – \$4MM Loan w/ Principal Forgiveness FY2027

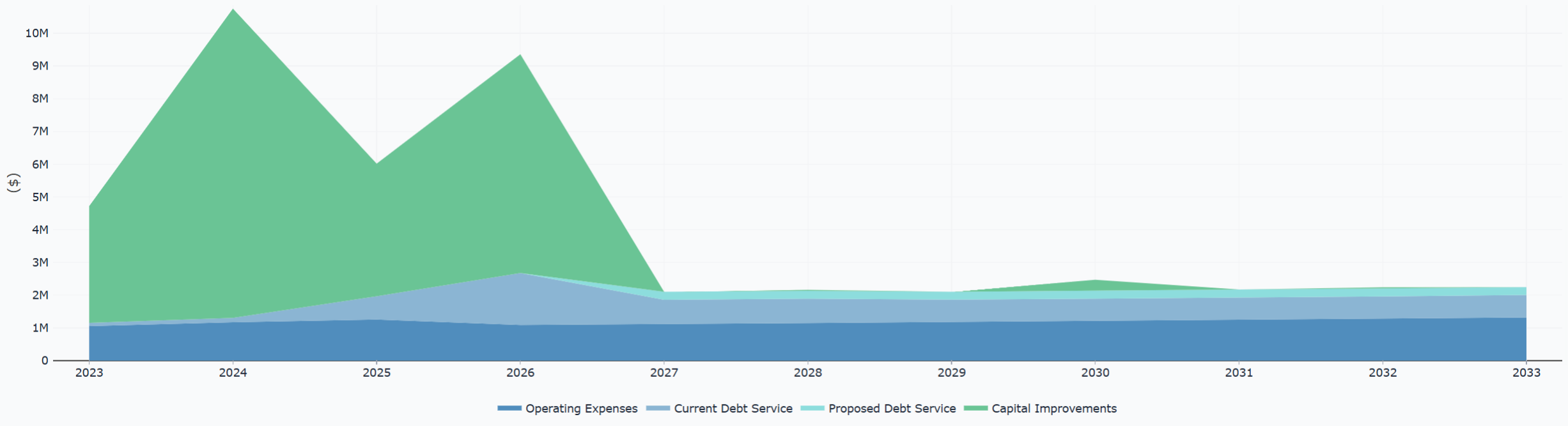
- Proposed \$4MM Loan to service all Lead Pipelines is forecasted at 4.50% interest over a 30-year amortization period, with \$2MM in Principal Forgiveness captured in Grant Revenue category
- Scenario 2 includes a 15% rate increase from FY2027 to FY2030, followed by a 4% increase in FY2031



2027	2028	2029	2030	2031
15.0%	15.0%	15.0%	15.0%	4.0%

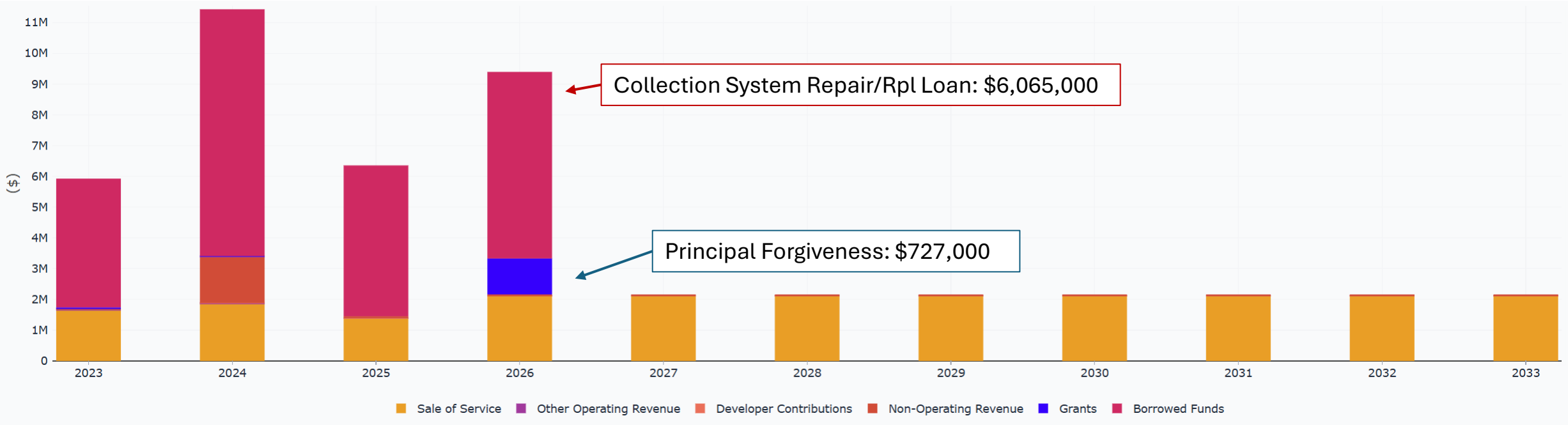
# Wastewater Baseline Model

# Revenue Requirements

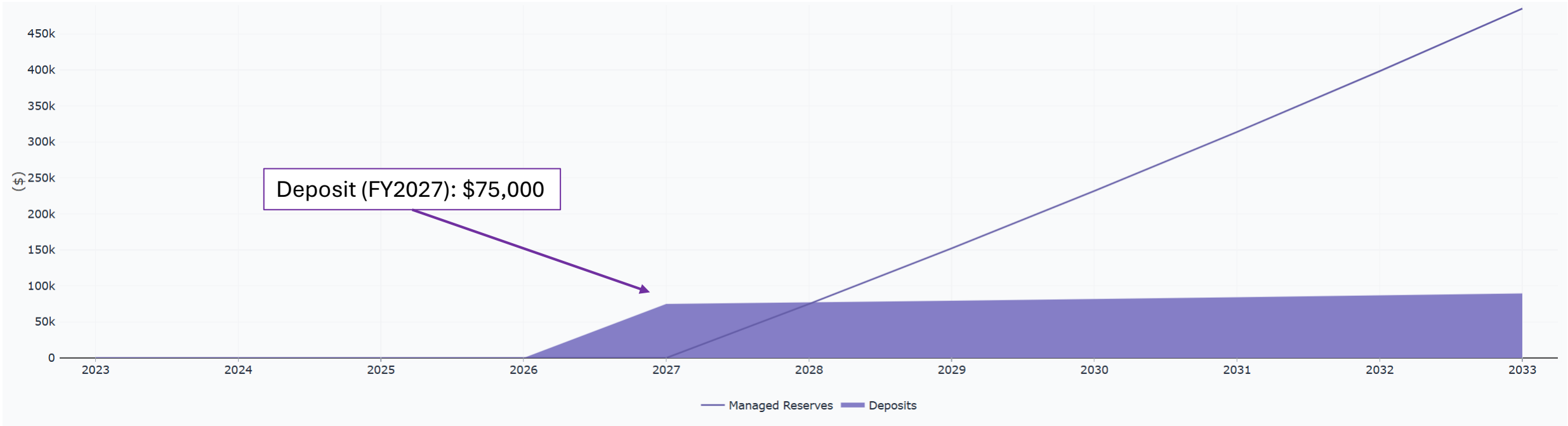


- Major Planned Wastewater Capital projects end in FY2026
- Proposed Debt service reflects scheduled payments for \$6,065,000 USDA 2025 Loan

# Projected Revenues – No Growth

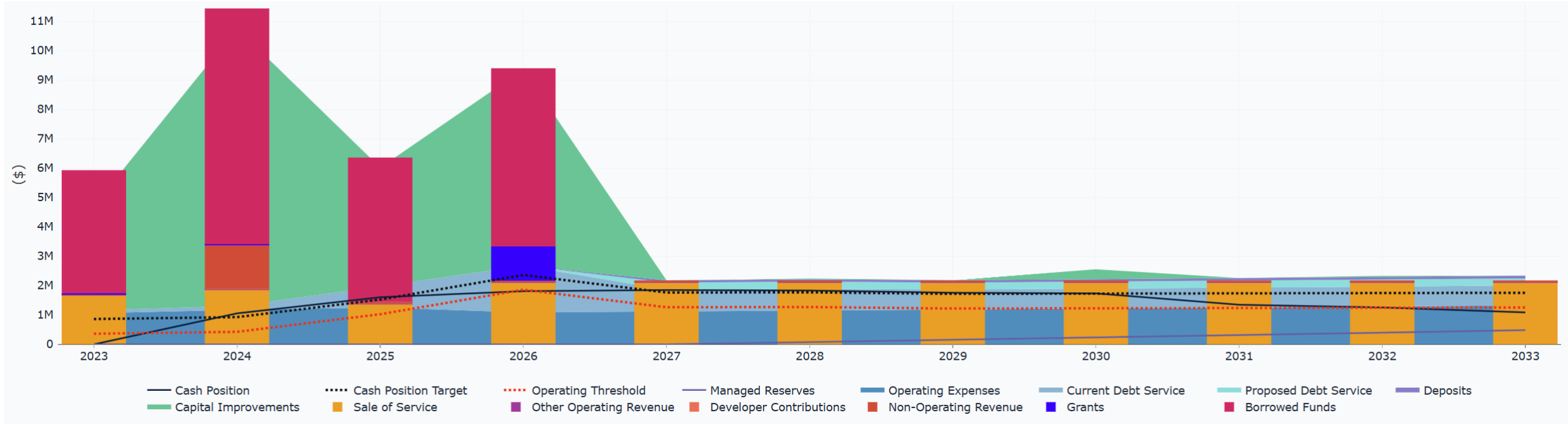


# Managed Reserves



- Managed Reserves represents small reoccurring cash 'deposit' of \$75,000 growing at 3% annually.

# Status Quo - Long Term Financial Model



- Operating Threshold is reflective of 25% (3 months) of Operating Expenses and 100% of Debt Payments worth of Cash on hand in a given Fiscal Year
- Cash Position Target is \$500,000 in addition to Operating Threshold

# Proposed Wastewater Scenarios



