

CITY OF HARTFORD
COUNTY OF VAN BUREN, STATE OF MICHIGAN
Operating & Maintenance Expenses - Water Fund

Draft 07/08/2025

	Fiscal Year Ended			Forecasted	
	6/30/2023	6/30/2024	6/30/2025	Test Year	Inflationary Increases
	Actuals	Actuals	Budget		
	(-----Per Client-----)				
Department 541 - Iron Removal Plant Operations					
702.000 Salary	\$13,279	\$14,893	\$16,000	\$65,000 [1]	3.00%
703.000 Salaries - Overtime	137	504	-	-	3.00%
704.000 Deferred Comp	-	420	600	1,000 [1]	3.00%
714.000 Fringe Benefits	4,276	4,263	4,775	7,500 [1]	3.00%
715.000 Employer's FICA	980	1,145	1,225	2,000 [1]	3.00%
730.000 Operating Supplies	10,689	11,187	11,000	11,000	3.00%
810.000 Administration Fee	16,000	16,000	16,000	16,000	0.00%
818.000 Contractual Services	9,675	9,737	13,000	10,000 [1]	4.00%
851.000 Telephone	1,596	1,682	1,600	1,600	3.00%
921.000 Electric	10,239	9,384	10,000	10,000	4.00%
923.000 Heat	1,692	1,305	1,200	1,200	4.00%
930.000 Repairs/Maintenance	7,007	22,456	40,000	40,000	4.00%
943.000 Equipment Rental	12,303	34,289	23,000	23,000	4.00%
960.000 Insurance and Bonds	1,466	1,966	2,000	2,000	3.00%
968.000 Depreciation Expense	-	-	- [2]	-	0.00%
980.000 Office Equipment	100	52	-	-	0.00%
Total Department 541 Expenses	89,441	129,283	140,400	190,300	
Department 560 - Water Distribution System					
702.000 Salary	15,382	23,907	25,000	25,000	3.00%
703.000 Salaries - Overtime	936	4,028	-	-	0.00%
704.000 Deferred Comp	446	697	-	-	0.00%
714.000 Fringe Benefits	4,276	4,263	75	75	3.00%
715.000 Employer's FICA	1,140	1,984	1,925	1,925	3.00%
721.000 Workers Compensation	1,146	1,205	1,400	1,400	3.00%
727.000 Office Supplies	627	409	-	-	0.00%
729.000 Postage	2,837	3,443	4,000	4,000	3.00%
730.000 Operating Supplies	2,638	2,852	5,000	5,000	3.00%
801.000 Audit Fees	5,000	3,000	3,500	3,500	3.00%
810.000 Administration Fee	47,000	47,000	47,000	47,000	0.00%
818.000 Contractual Services	5,423	15,514	6,000	6,000	4.00%
921.000 Electric	6,815	6,325	6,500	6,500	4.00%
930.000 Repairs/Maintenance	4,881	13,054	20,000	20,000	4.00%
943.000 Equipment Rental	21,547	40,466	38,000	38,000	4.00%
956.000 Miscellaneous	780	800	800	800	3.00%
958.000 Training Fund	-	720	800	800	3.00%
959.000 Membership Fees	83	87	1,000	1,000	3.00%
960.000 Insurance and Bonds	2,479	2,552	3,000	3,000	3.00%
968.000 Depreciation Expense	-	-	- [2]	-	0.00%
972.001 Capital Outlay	2,636	2,325	5,000	5,000	3.00%
973.001 Capital Improvements	-	-	- [3]	-	3.00%
Total Department 560 Expenses	126,071	174,629	169,000	169,000	
Department 996 - Operating Transfers					
972.000 Transfer - Capital Improvement	50,000	-	- [2]	-	0.00%
999.468 Transfer to CDBG Fund	14,620	131,250	-	-	0.00%
Total Department 996 Expenses	64,620	131,250	-	-	
Total Water O&M Expenses	\$280,132	\$435,162	\$309,400	\$359,300	

[1] Adjustments per client. These adjustments were made to account for the need to hire a full-time water operator.

[2] Depreciation expense and internal transfers are removed as this study is performed on the cash basis.

[3] Capital Improvements are removed from this section of the report. These items are discussed later in the report.

CITY OF HARTFORD
COUNTY OF VAN BUREN, STATE OF MICHIGAN

Draft 07/08/2025

Debt Service Schedule of:

Water Supply System Senior Lien Revenues Bonds, Series 2025 - ESTIMATED - 30 Years

Date	Interest Rate	Principal Payments	Interest Payments	Total Principal and Interest	Fiscal Year Total	Fiscal Year
04/01/26			\$40,356.09	\$40,356.09	\$40,356.09	2025/26
10/01/26			34,103.74	34,103.74		
04/01/27			34,103.74	34,103.74	68,207.48	2026/27
10/01/27	1.000%	\$190,747	34,103.74	224,850.74		
04/01/28			33,150.00	33,150.00	258,000.74	2027/28
10/01/28	1.000%	200,000	33,150.00	233,150.00		
04/01/29			32,150.00	32,150.00	265,300.00	2028/29
10/01/29	1.000%	200,000	32,150.00	232,150.00		
04/01/30			31,150.00	31,150.00	263,300.00	2029/30
10/01/30	1.000%	200,000	31,150.00	231,150.00		
04/01/31			30,150.00	30,150.00	261,300.00	2030/31
10/01/31	1.000%	205,000	30,150.00	235,150.00		
04/01/32			29,125.00	29,125.00	264,275.00	2031/32
10/01/32	1.000%	205,000	29,125.00	234,125.00		
04/01/33			28,100.00	28,100.00	262,225.00	2032/33
10/01/33	1.000%	210,000	28,100.00	238,100.00		
04/01/34			27,050.00	27,050.00	265,150.00	2033/34
10/01/34	1.000%	210,000	27,050.00	237,050.00		
04/01/35			26,000.00	26,000.00	263,050.00	2034/35
10/01/35	1.000%	215,000	26,000.00	241,000.00		
04/01/36			24,925.00	24,925.00	265,925.00	2035/36
10/01/36	1.000%	215,000	24,925.00	239,925.00		
04/01/37			23,850.00	23,850.00	263,775.00	2036/37
10/01/37	1.000%	215,000	23,850.00	238,850.00		
04/01/38			22,775.00	22,775.00	261,625.00	2037/38
10/01/38	1.000%	220,000	22,775.00	242,775.00		
04/01/39			21,675.00	21,675.00	264,450.00	2038/39
10/01/39	1.000%	220,000	21,675.00	241,675.00		
04/01/40			20,575.00	20,575.00	262,250.00	2039/40
10/01/40	1.000%	225,000	20,575.00	245,575.00		
04/01/41			19,450.00	19,450.00	265,025.00	2040/41
10/01/41	1.000%	225,000	19,450.00	244,450.00		
04/01/42			18,325.00	18,325.00	262,775.00	2041/42
10/01/42	1.000%	230,000	18,325.00	248,325.00		
04/01/43			17,175.00	17,175.00	265,500.00	2042/43
10/01/43	1.000%	230,000	17,175.00	247,175.00		
04/01/44			16,025.00	16,025.00	263,200.00	2043/44
10/01/44	1.000%	235,000	16,025.00	251,025.00		
04/01/45			14,850.00	14,850.00	265,875.00	2044/45
10/01/45	1.000%	235,000	14,850.00	249,850.00		
04/01/46			13,675.00	13,675.00	263,525.00	2045/46

CITY OF HARTFORD
COUNTY OF VAN BUREN, STATE OF MICHIGAN

Draft 07/08/2025

Debt Service Schedule of:

Water Supply System Senior Lien Revenues Bonds, Series 2025 - ESTIMATED - 30 Years

Date	Interest Rate	Principal Payments	Interest Payments	Total Principal and Interest	Fiscal Year Total	Fiscal Year
10/01/46	1.000%	235,000	13,675.00	248,675.00		
04/01/47			12,500.00	12,500.00	261,175.00	2046/47
10/01/47	1.000%	240,000	12,500.00	252,500.00		
04/01/48			11,300.00	11,300.00	263,800.00	2047/48
10/01/48	1.000%	240,000	11,300.00	251,300.00		
04/01/49			10,100.00	10,100.00	261,400.00	2048/49
10/01/49	1.000%	245,000	10,100.00	255,100.00		
04/01/50			8,875.00	8,875.00	263,975.00	2049/50
10/01/50	1.000%	245,000	8,875.00	253,875.00		
04/01/51			7,650.00	7,650.00	261,525.00	2050/51
10/01/51	1.000%	250,000	7,650.00	257,650.00		
04/01/52			6,400.00	6,400.00	264,050.00	2051/52
10/01/52	1.000%	250,000	6,400.00	256,400.00		
04/01/53			5,150.00	5,150.00	261,550.00	2052/53
10/01/53	1.000%	255,000	5,150.00	260,150.00		
04/01/54			3,875.00	3,875.00	264,025.00	2053/54
10/01/54	1.000%	255,000	3,875.00	258,875.00		
04/01/55			2,600.00	2,600.00	261,475.00	2054/55
10/01/55	1.000%	260,000	2,600.00	262,600.00		
04/01/56			1,300.00	1,300.00	263,900.00	2055/56
10/01/56	1.000%	260,000	1,300.00	261,300.00	261,300.00	2056/57
Total Outstanding:		<u>\$6,820,747</u>	<u>\$1,182,517.31</u>	<u>\$8,003,264.31</u>	<u>\$8,003,264.31</u>	

Note: Bonds are not callable at anytime.

CITY OF HARTFORD
COUNTY OF VAN BUREN, STATE OF MICHIGAN
Schedule of Estimated Capital Improvements - Water

Draft 07/08/2025

Project	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Water Reliability Studies	\$21,000					\$21,000	\$42,000
Water Asset Management Plans					\$19,000		19,000
Overhaul Well #5	32,500						32,500
Overhaul Well #4		\$32,500					32,500
Overhaul Well #6			\$32,500				32,500
Lead Service Line Replacements		6,310,000					6,310,000
Water Meter Replacements		735,000					735,000
Plant Bypass Valve		20,000					20,000
Backwash Forcemain Relocation		135,000					135,000
System Control Updates		75,000					75,000
Water Tower Interior Repaint			66,000				66,000
Water Tower Renovations			132,000				132,000
Marion Avenue Water Main Replacement		1,040,000					1,040,000
Railroad St. and Michigan Ave. Water Main Replacement		575,000					575,000
Tower Drive Water Main Replacement		380,000					380,000
E. Olds Water Main Replacement		145,000					145,000
Hilliard and Hart Streets Water Main Replacement		875,000					875,000
Washington Street Water Main Replacement		555,000					555,000
Bernard Street Water Main Replacement		705,000					705,000
Dunbar Street Water Main Looping		155,000					155,000
W. Main Street Water Main Replacement					893,000		893,000
Subtotal:	53,500	11,737,500	230,500	-	912,000	21,000	12,954,500
Plus 5% Yearly Inflation:	-	-	11,525	-	143,754	4,526	159,805
Total Estimated Capital Improvements:	\$53,500	\$11,737,500	\$242,025	\$0	\$1,055,754	\$25,526	\$13,114,305
Cash-Funded:	\$53,500	\$32,500	\$242,025		\$1,055,754	\$25,526	\$1,409,305
Bond-Funded:		\$11,705,000					\$11,705,000

	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	Total
Water Reliability Studies					\$21,000			\$21,000
Water Asset Management Plans				\$19,000				19,000
Pressure Filter Media Replacement						\$361,000		361,000
Church Street Water Main Replacement							\$239,000	239,000
Subtotal:	-	-	-	19,000	21,000	361,000	239,000	640,000
Plus 5% Yearly Inflation:	-	-	-	9,072	11,578	227,031	169,771	417,452
Total Estimated Capital Improvements:	\$0	\$0	\$0	\$28,072	\$32,578	\$588,031	\$408,771	\$1,057,452
Cash-Funded:				\$28,072	\$32,578	\$588,031	\$408,771	\$1,057,452
Bond-Funded:								\$0

CITY OF HARTFORD
COUNTY OF VAN BUREN, STATE OF MICHIGAN
Cash Flow - Water Fund

Draft 07/08/2025

	2024/25	Increases Per Year	2025/26	2026/27	Increases Per Year	2027/28	2028/29	2029/30
City Metered:								
Customer Count	1,061		1,061	1,061		1,061	1,061	1,061
Service Ready Fee (monthly)	\$7.92	\$1.25	\$9.17	\$10.42	\$2.00	\$12.42	\$14.42	\$16.42
Billable Flow (1,000 gal)	55,782		55,782	55,782		55,782	55,782	55,782
Commodity Charge (per 1,000 gal)	\$3.35	\$0.75	\$4.10	\$4.85	\$0.25	\$5.10	\$5.35	\$5.60
Non-City Metered (1.5x city rates):								
Customer Count	123		123	123		123	123	123
Service Ready Fee (monthly)	\$11.88		\$13.76	\$15.63		\$18.63	\$21.63	\$24.63
Billable Flow (1,000 gal)	7,058		7,058	7,058		7,058	7,058	7,058
Commodity Charge (per 1,000 gal)	\$5.03		\$6.15	\$7.28		\$7.65	\$8.03	\$8.40
Combined:								
Customer Count	1,184		1,184	1,184		1,184	1,184	1,184
Water Improvement Project Fee (monthly)	\$6.00	\$8.00	\$14.00	\$22.00	\$1.00	\$23.00	\$24.00	\$25.00
Typical City homeowner's monthly bill (assumes 4,500 gallons/month)	\$29.00		\$41.62	\$54.25		\$58.37	\$62.50	\$66.62
Revenues:								
City Metered:								
Service Ready Fee Revenue	\$100,837		\$116,752	\$132,667		\$158,131	\$183,595	\$209,059
Commodity Revenue	186,870		228,706	270,543		284,488	298,434	312,379
Non-City Metered:								
Service Ready Fee Revenue	17,535		20,302	23,070		27,498	31,926	36,354
Commodity Revenue	35,501		43,406	51,347		53,993	56,640	59,287
Water Improvement Project Revenue	85,248		198,912	312,576		326,784	340,992	355,200
Other Revenues	45,106		25,000	25,000		25,000	25,000	25,000
Total Revenues	471,097		633,079	815,203		875,895	936,587	997,279
Less: Total Operating Expenditures	(309,400)		(369,736)	(380,547)		(391,747)	(403,349)	(415,369)
Net Operating Revenue	161,697		263,343	434,656		484,148	533,238	581,910
Less: Estimated Debt Service #1: 2025 DWSRF Bonds [1]	-		(40,356)	(68,207)		(258,001)	(265,300)	(263,300)
Estimated Cash-Funded Capital Improvements	(53,500)		(32,500)	(242,025)		-	(1,055,754)	(25,526)
Net Cash Flow	\$108,197		\$190,487	\$124,423		\$226,147	(\$787,816)	\$293,084
Cash & Investments	\$376,153	\$484,350	\$674,838	\$799,261		\$1,025,408	\$237,592	\$530,676

[1] Estimated debt payments based on a \$6,820,747 30-year DWSRF bond issue at the significantly overburdened interest rate (1.00%). Total project costs are estimated at \$11,367,911 with \$4,547,164 of principal forgiveness.