

May 21, 2024

PRE-SALE REPORT FOR

City of Whitewater, Wisconsin

\$1,390,000 Waterworks and Sewer System Revenue Bonds, Series 2024B



Prepared by:

Ehlers
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Suite 100
Waukesha, WI 53188

Advisors:

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Brian Roemer, Senior Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

EXECUTIVE SUMMARY OF PROPOSED DEBT

Proposed Issue:

\$1,390,000 Waterworks and Sewer System Revenue Bonds, Series 2024B

Purposes:

The proposed issue includes financing for the following purposes: finance water and sewer system improvements. Debt service attributable to water projects will be repaid by water user fees. Debt service attributable to sewer projects will be repaid by sewer user fees.

Authority:

The Bonds are being issued pursuant to Wisconsin Statute(s):

- 66.0621

The Bonds are not general obligations of the City but are payable only from and secured by a pledge of income and revenue to be derived from the operation of the Waterworks and Sewer System.

Term/Call Feature:

The Bonds are being issued for a term of 20 years. Principal on the Bonds will be due on May 1 in the years 2025 through 2044. Interest will be due every six months beginning May 1, 2025.

The Bonds will be subject to prepayment at the discretion of the City on May 1, 2033 or any date thereafter.

Bank Qualification:

Because the City is issuing, or expects to issue, more than \$10,000,000 in tax-exempt obligations during the calendar year (G.O. Notes, Water & Sewer Revenue Bonds, and a Clean Water Fund Loan), the City will be not able to designate the Bonds as “bank qualified” obligations.

Rating:

The City’s most recent bond issues were rated by S&P Global Ratings. The current rating on those bonds is “A-”. The City will request a new rating for the Bonds. If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.

Basis for Recommendation:

Based on your objectives, financial situation and need, risk tolerance, liquidity needs, experience with the issuance of Bonds and long-term financial capacity, as well as the tax status considerations related to the Bonds and the structure, timing and other similar matters related to the Bonds, we are recommending the issuance of Bonds as a suitable option.

Method of Sale/Placement:

We are recommending the Bonds be issued as municipal securities and offered through a competitive underwriting process. You will solicit competitive bids, which we will compile on your behalf, for the purchase of the Bonds from underwriters and banks.

An allowance for discount bidding will be incorporated in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

Premium Pricing:

In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or “discount”) but will pay the remainder of the premium to the City. For this issue of Bonds, any premium amount received may: be retained; used to reduce the issue size; or combination thereof. These adjustments may slightly change the true interest cost of the original bid, either up or down. We anticipate using any premium amounts received to reduce the issue size.

The amount of premium allowed can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended results with respect to debt service payment impacts. Ehlers will identify appropriate premium restrictions for the Bonds intended to achieve the City’s objectives for this financing.

Parameters:

The Common Council will consider adoption of a Parameters Resolution on June 27, 2024, which delegates authority to the Director of Administration & City Manager to accept and approve a bid for the Notes so long as the bid meets certain parameters. These parameters are:

* Issue size not to exceed \$1,415,000 (higher than resolution amount to account for debt service reserve fund changes).

* Minimum Bid of 98.75%

* Maximum True Interest Cost (TIC) of 4.82%

* Maturity Schedule Adjustments: each maturity may be increased or decreased by \$30,000.

Review of Existing Debt:

We have reviewed all outstanding indebtedness for the City and find that there are no refunding opportunities at this time.

We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any future refunding opportunities.

Continuing Disclosure:

Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and prepares and files its own reports. The City may continue to prepare and file its own reports or contract with Ehlers to do so.

Arbitrage Monitoring:

The City must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations ("Arbitrage Rules") throughout the life of the issue to maintain the tax-exempt status of the Bonds. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The City's specific arbitrage responsibilities will be detailed in the Tax Exemption Certificate (the "Tax Compliance Document") prepared by your Bond Attorney and provided at closing.

The Bonds may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

An Ehlers arbitrage expert will contact the City within 30 days after the sale date to review the City's specific responsibilities for the Bonds. The City is currently receiving arbitrage services from Ehlers in relation to the Bonds.

Investment of Bond Proceeds:

Ehlers can assist the City in developing a strategy to invest your Bond proceeds until the funds are needed to pay project costs.

Risk Factors:

Utility Revenue: The City expects to pay the Bond debt service with:

- Wastewater and Water Revenues

In the event utility revenues are insufficient to pay debt service, the Common Council is committing to consider appropriating funds from any other available sources in an amount sufficient to cover the shortfall. If it chooses to do so, the City may levy a tax to make up a shortfall. While the City is not required to appropriate the funds necessary to remedy any shortfall in revenues needed to pay debt service, failure to do so would result in either a lack of access to capital markets in the future, or access at a substantially higher cost.

Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.

Bond & Disclosure Counsel: Quarles & Brady LLP.

Paying Agent: Bond Trust Services Corporation.

Rating Agency: Standard & Poor's Global Ratings (S&P).

PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by Common Council:	May 21, 2024
Due Diligence Call to Review Official Statement:	Week of June 10, 2024
Conference with Rating Agency:	Week of June 10, 2024
Distribute Official Statement:	Week of June 17, 2024
Designated Officials Award Sale of the Notes:	June 27, 2024
Estimated Closing Date:	July 17, 2024

Attachments

Projects funded with 2024 revenue bonds
 Water CIP 2024-2028
 Sewer CIP 2024-2028
 Estimated Sources and Uses of Funds
 Estimated Proposed Debt Service Schedule
 Revenue Debt Coverage Calculation
 Water Utility Cash Flow Projection
 Sewer Utility Cash Flow Projection

EHLERS' CONTACTS

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Alicia Burnett, Public Finance Analyst	(262) 796-6193
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Table 1

Projects included in 2024 Water & Sewer Revenue Bonds

City of Whitewater, WI

Projects	Plan Issue	Funding	2024	2025	Totals
Ann Street/Fremont St Reconstruction	2024 Revenue Bond	Bond	481,400		481,400
Fremont Street Reconstruction	2024 Revenue Bond	Bond	311,100		311,100
Forest Street Reconstruction	2024 Revenue Bond	Bond	142,000		142,000
Well 7 Modification	2024 Revenue Bond	Bond	96,000		96,000
Valve operator maintenance truck	2024 Revenue Bond	Bond	180,000		180,000
Fire Hydrant Replacement	2024 Revenue Bond	Bond		45,000	45,000
Jefferson Street Reconstruction	2024 Revenue Bond	Bond		40,000	40,000
Service vehicle	2024 Revenue Bond	Bond		65,000	65,000
Actual CIP Costs			1,210,500	150,000	1,360,500

Projects	Plan Issue	Funding	2024	2025	Totals
Roof Replacement Program - Wastewater Utility	2024 Revenue Bond	Bond		105,000	105,000

Table 2**Capital Improvement Plan & Funding Uses (Water) 2024-2028***City of Whitewater, WI*

Projects	Plan Issue	Funding	2024	2025	2026	2027	2028	Totals
Vehicle Garage / Material Storage		2022 Rev Bond	524,500					524,500
Concrete barriers		Fund Balance	8,000					8,000
Tree, brush and stump removal		Fund Balance	40,000					40,000
Fire Hydrant Replacement		2022 Rev Bond	45,000					45,000
Well 8 Discharge		2022 Rev Bond	35,000					35,000
Well 6 rehab		2022 Rev Bond	140,000					140,000
Variable Frequency Drive for Wells 5 & 9		2022 Rev Bond	70,000					70,000
Well 8 rehab		2022 Rev Bond	160,000					160,000
Large meter replacements		Fund Balance	20,000					20,000
Residential Cross Connection - Meter Replacement		Fund Balance				109,955		109,955
Ann Street/Fremont St Reconstruction	2024 Revenue Bond	Bond	481,400					481,400
Fremont Street Reconstruction	2024 Revenue Bond	Bond	311,100					311,100
Forest Street Reconstruction	2024 Revenue Bond	Bond	142,000					142,000
Well 7 Modification	2024 Revenue Bond	Bond	96,000					96,000
Office desk computers		Fund Balance	7,000					7,000
Residential Cross Connection - Meter Replacement		Fund Balance	101,500					101,500
WELL 8 FILTER MEDIA		2022 Rev Bond	270,000					270,000
Automatic hydrant flushers.		Fund Balance	15,000					15,000
Valve operator maintenance truck	2024 Revenue Bond	Bond	180,000					180,000
Well 9 air compressor		2022 Rev Bond	20,000					20,000
Well 9 Holding Tank Maintenance		Fund Balance		14,000				14,000
Fire Hydrant Replacement	2024 Revenue Bond	Bond		45,000				45,000
Large meter replacements		Fund Balance		20,000				20,000
Jefferson Street Reconstruction	2024 Revenue Bond	Bond		40,000				40,000
Service vehicle	2024 Revenue Bond	Bond		65,000				65,000
Fire Hydrant Replacement	2026 Revenue Bond	Bond			75,000			75,000
Large meter replacements		Fund Balance			25,000			25,000
Putnam Street Reconstruction	2026 Revenue Bond	Bond			176,000			176,000
Jefferson Street Reconstruction	2026 Revenue Bond	Bond			731,120			731,120
Residential Cross Connection - Meter Replacement		Fund Balance			107,065			107,065
Pneumatic control saw.		Fund Balance			1,500			1,500
Facilities & Other Improvements		Fund Balance				15,000		15,000
Biennial St Reconstruction		Fund Balance				90,000		90,000
Fire Hydrant Replacement	2026 Revenue Bond	Bond				75,000		75,000
Large meter replacements		Fund Balance				25,000		25,000
Residential Cross Connection - Meter Replacement		Fund Balance				109,555		109,555
WELL 8 FILTER MEDIA		Fund Balance				1,500		1,500
Pneumatic control saw.		Fund Balance				1,500		1,500
Lease agreement/Skidsteer		Fund Balance				7,000		7,000
Biennial St Reconstruction	2028 Revenue Bond	Bond					650,000	650,000
Fire Hydrant Replacement	2028 Revenue Bond	Bond					75,000	75,000
Main Imprmnt - Franklin/Wisconsin	2028 Revenue Bond	Bond					1,360,000	1,360,000
Main Imprmnt - LSP/Enterprise	2028 Revenue Bond	Bond					880,000	880,000
Main Imprmnt - LSP/Enterprise		Grant					300,000	300,000
Main Imprmnt - Pearson /Main	2028 Revenue Bond	Bond					450,000	450,000
Main Imprmnt - Tratt/Prairie Village	2028 Revenue Bond	Bond					455,000	455,000
Main Imprmnt - Tratt/Prairie Village		Grant					455,000	455,000
Well 6 rehab		Grant					455,000	455,000
Variable Frequency Drive for Wells 5 & 9		Grant					455,000	455,000
Large meter replacements		Fund Balance					30,000	30,000
Residential Cross Connection - Meter Replacement	2028 Revenue Bond	Bond					112,924	112,924
Pneumatic control saw.		Fund Balance					1,500	1,500
Actual CIP Costs			2,666,500	184,000	1,115,685	434,510	5,679,424	10,080,119

Table 3

Capital Improvement Plan & Funding Uses (Sewer)

City of Whitewater, WI

Projects	Plan Issue	Funding	2024	2025	2026	2027	2028	Totals
Roof Replacement Program - Wastewater Utility		2022 Rev Bond	65,000		0	0		65,000
Roof Replacement Program - Wastewater Utility	2024 Revenue Bond	Bond		105,000				105,000
Roof Replacement Program - Wastewater Utility	2028 Revenue Bond	Bond					145,000	145,000
Biogas Sphere Coating	2026 Revenue Bond	Bond	0	0	0	185,000	0	185,000
Structure 429 - Mixer Installation		Fund Balance	0	0	0	0	5,000	5,000
Replacement Solids Loadout Pump		2022 Rev Bond	15,000	0	0	0	0	15,000
Installation of RAS pump No.4		2022 Rev Bond	55,000		0	0	0	55,000
Watermain Special Assessment		Fund Balance	16,657	16,657	16,657	16,657	16,657	83,285
Vanderlip Lift Station Replacement-Inspections		2022 Rev Bond	250,000	0	0	0	0	250,000
Vanderlip Lift Station Replacement		2022 Rev Bond	380,342	0	0	0	0	380,342
Vanderlip Lift Station Replacement		Grant	2,100,000	0	0	0	0	2,100,000
Vanderlip Lift Station Replacement	2024 CWFL	CWFL	2,100,000	0	0	0	0	2,100,000
Biennial St Reconstruction	2028 Revenue Bond	Bond	0	0	0	90,000	650,000	740,000
Milwaukee St. LS access road		2022 Rev Bond	17,000	0	0	0	0	17,000
Sealcoating Asphalt		2022 Rev Bond	30,000	0	0	0	0	30,000
Ann Street/Fremont St Reconstruction		ARPA	281,000	0	0	0	0	281,000
Fremont Street Reconstruction		ARPA	256,300	0	0	0	0	256,300
Forest Street Reconstruction		ARPA	114,500	0	0	0	0	114,500
Jefferson Street Reconstruction	2026 Revenue Bond	Bond	0	40,000	579,400	0	0	619,400
Emergency Dialer		Fund Balance	0	20,000	0	0	0	20,000
CAT Switchgear PLC replacement		Fund Balance	0	8,000	0	0	0	8,000
Centrifuge Cake Pump Rebuild		Fund Balance	0	0	0	18,000	0	18,000
Influent Pump Rebuild		2022 Rev Bond	17,000		0	0	0	17,000
Influent Pump Rebuild		Fund Balance		18,000				18,000
Lift Station pump rebuild		ARPA	3,800	3,800				7,600
Lift Station pump rebuild		Fund Balance			3,800	3,800	3,800	11,400
Milwaukee St. lift station control upgrade		Fund Balance	0	0	11,000	0	0	11,000
Spectrophotometer		ARPA	7,500	0	0	0	0	7,500
Sludge Thickener/Dewatering		ARPA	0	200,000		0	0	200,000
Sludge Thickener/Dewatering	2026 Revenue Bond	Bond			1,500,000			1,500,000
Centrifuge Maintenance		Fund Balance	18,000	30,000	20,000	125,000	20,000	213,000
Repurpose Fraternity LS Genset		Fund Balance	35,000					35,000
UV Hydraulic Hoses		Fund Balance	5,500	0	0	0	0	5,500
Actual CIP Costs			5,767,599	441,457	2,130,857	438,457	840,457	9,618,827

Table 4

Sources and Uses

City of Whitewater, WI

		2024		
		Revenue Bonds	Water Portion	Sewer Portion
CIP Projects				
Water		1,360,500	1,360,500	0
Sewer		105,000	0	105,000
Subtotal Project Costs		1,465,500	1,360,500	105,000
CIP Projects¹		1,465,500	1,360,500	105,000
Debt Service Reserve				
DSR Funds On Hand		(937,546)	(870,373)	(67,173)
New DSR Requirement		773,087	717,469	55,618
Reserve Fund Requirement		(164,459)	(152,904)	(11,555)
Estimated Issuance Expenses				
Municipal Advisor (Ehlers)		34,400	31,925	2,475
Bond Counsel		18,000	16,705	1,295
Disclosure Counsel		11,700	10,858	842
Rating Fee		15,000	13,921	1,079
Maximum Underwriter's Discount	12.50	17,375	16,125	1,250
Paying Agent		850	789	61
Subtotal Issuance Expenses		97,325	90,323	7,002
TOTAL TO BE FINANCED		1,398,366	1,297,919	100,446
Estimated Interest Earnings	3.00%	(10,991)	(10,203.75)	(787.50)
Assumed spend down (months)	3			
Rounding		2,626	2,284	341
NET BOND SIZE		1,390,000	1,290,000	100,000

Table 5

Allocation of Debt Service - 2024 Revenue Bonds

City of Whitewater, WI

Year Ending	Water Portion				Sewer Portion			
	Principal	Est. Rate ¹	Interest	Total	Principal	Est. Rate	Interest	Total
2024				0				0
2025	25,000	4.09%	75,066	100,066	10,000	4.09%	5,095	15,095
2026	45,000	4.09%	56,695	101,695	10,000	4.09%	3,499	13,499
2027	45,000	4.05%	54,863	99,863	10,000	4.05%	3,092	13,092
2028	45,000	4.03%	53,045	98,045	10,000	4.03%	2,688	12,688
2029	50,000	4.04%	51,129	101,129	10,000	4.04%	2,284	12,284
2030	50,000	4.09%	49,096	99,096	10,000	4.09%	1,878	11,878
2031	55,000	4.12%	46,941	101,941	10,000	4.12%	1,467	11,467
2032	55,000	4.16%	44,664	99,664	10,000	4.16%	1,053	11,053
2033	60,000	4.21%	42,257	102,257	10,000	4.21%	635	10,635
2034	60,000	4.24%	39,722	99,722	10,000	4.24%	212	10,212
2035	65,000	4.27%	37,062	102,062				
2036	65,000	4.36%	34,257	99,257				
2037	70,000	4.53%	31,255	101,255				
2038	75,000	4.59%	27,948	102,948				
2039	75,000	4.69%	24,468	99,468				
2040	80,000	4.76%	20,805	100,805				
2041	85,000	5.03%	16,763	101,763				
2042	90,000	5.08%	12,340	102,340				
2043	95,000	5.13%	7,617	102,617				
2044	100,000	5.18%	2,590	102,590				
Total	1,290,000		728,579	2,018,579	100,000		21,901	121,901

Year Ending	Totals		
	Principal (5/1)	Interest	Total
2024	0	0	0
2025	35,000	80,161	115,161
2026	55,000	60,193	115,193
2027	55,000	57,955	112,955
2028	55,000	55,733	110,733
2029	60,000	53,413	113,413
2030	60,000	50,974	110,974
2031	65,000	48,408	113,408
2032	65,000	45,717	110,717
2033	70,000	42,891	112,891
2034	70,000	39,934	109,934
2035	65,000	37,062	102,062
2036	65,000	34,257	99,257
2037	70,000	31,255	101,255
2038	75,000	27,948	102,948
2039	75,000	24,468	99,468
2040	80,000	20,805	100,805
2041	85,000	16,763	101,763
2042	90,000	12,340	102,340
2043	95,000	7,617	102,617
2044	100,000	2,590	102,590
Total	1,390,000	750,480	2,140,480

Notes:

1) Estimated Rate assumes current rates plus 50 basis points.

Table 6
Revenue Debt Coverage - Existing Revenue Debt & 2024 Revenue Bonds only

City of Whitewater, WI

Year	Water Debt Service				Sewer Debt Service (includes 2024 Revenue Bonds & CWFL)				Combined Revenue Debt Coverage				Year
	Existing Debt	Proposed 2024 Debt	Total	Debt Coverage	Existing Debt	Proposed 2024 Debt	Total	Debt Coverage	Existing Debt	Proposed Debt	Total	Debt Coverage	
	\$1,146,480 2023 Est. Net Revenues				\$2,578,336 2023 Est. Net Revenues				\$3,724,816 2023 Est. Net Revenues				
2024	529,969	0	529,969	2.16	1,907,617	0	1,907,617	1.35	2,437,586	0	2,437,586	1.53	2024
2025	472,594	100,066	572,660	2.00	1,860,289	166,937	2,027,227	1.27	2,332,883	267,003	2,599,887	1.43	2025
2026	471,094	101,695	572,789	2.00	1,844,204	142,798	1,987,002	1.30	2,315,298	244,493	2,559,791	1.46	2026
2027	430,094	99,863	529,957	2.16	1,794,486	142,371	1,936,857	1.33	2,224,580	242,235	2,466,814	1.51	2027
2028	410,094	98,045	508,139	2.26	1,737,260	141,947	1,879,207	1.37	2,147,354	239,992	2,387,346	1.56	2028
2029	419,844	101,129	520,972	2.20	1,736,401	141,523	1,877,924	1.37	2,156,245	242,651	2,398,896	1.55	2029
2030	433,469	99,096	532,565	2.15	1,586,464	141,095	1,727,559	1.49	2,019,933	240,191	2,260,124	1.65	2030
2031	450,719	101,941	552,659	2.07	1,583,422	140,662	1,724,084	1.50	2,034,140	242,603	2,276,743	1.64	2031
2032	437,219	99,664	536,882	2.14	1,579,389	140,226	1,719,615	1.50	2,016,608	239,890	2,256,497	1.65	2032
2033	444,669	102,257	546,925	2.10	1,584,620	139,785	1,724,405	1.50	2,029,289	242,041	2,271,331	1.64	2033
2034	452,669	99,722	552,390	2.08	1,589,921	139,339	1,729,260	1.49	2,042,589	239,061	2,281,650	1.63	2034
2035	459,869	102,062	561,931	2.04	1,580,115	129,104	1,709,218	1.51	2,039,984	231,165	2,271,149	1.64	2035
2036	480,969	99,257	580,226	1.98	149,300	129,079	278,379	9.26	630,269	228,336	858,605	4.34	2036
2037	490,869	101,255	592,123	1.94	149,600	129,055	278,655	9.25	640,469	230,309	870,778	4.28	2037
2038	494,869	102,948	597,817	1.92	149,700	129,029	278,729	9.25	644,569	231,977	876,546	4.25	2038
2039	502,697	99,468	602,165	1.90	144,622	129,003	273,625	9.42	647,319	228,471	875,790	4.25	2039
2040	499,444	100,805	600,249	1.91	149,259	128,977	278,236	9.27	648,703	229,782	878,485	4.24	2040
2041	495,281	101,763	597,045	1.92	143,606	128,950	272,556	9.46	638,888	230,713	869,601	4.28	2041
2042	490,200	102,340	592,540	1.93	137,869	128,923	266,791	9.66	628,069	231,262	859,331	4.33	2042
2043	0	102,617	102,617	11.17	0	128,895	128,895	20.00	0	231,511	231,511	16.09	2043
2044		102,590	102,590	11.18		128,866	128,866	20.01		231,456	231,456	16.09	2044
Total	8,866,628	2,018,579	10,885,207		21,408,144	2,726,565	24,134,709		30,274,772	4,745,144	35,019,916		Total

Notes:

Table 7

Water Utility Cash Flow Analysis - Projected 2024-2033

City of Whitewater, WI

	Budget 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenues										
Total Revenues from User Rates ¹	\$2,742,132	\$2,854,559	\$2,854,559	\$2,940,196	\$2,940,196	\$3,381,226	\$3,381,226	\$3,482,662	\$3,482,662	\$3,587,142
Percent Increase to User Rates	0.00%	4.10%	0.00%	3.00%	0.00%	15.00%	0.00%	3.00%	0.00%	3.00%
Cumulative Percent Rate Increase	0.00%	4.10%	4.10%	7.22%	7.22%	23.31%	23.31%	27.01%	27.01%	30.82%
Dollar Amount Increase to Revenues		\$112,427	\$0	\$85,637	\$0	\$441,029	\$0	\$101,437	\$0	\$104,480
Other Revenues										
Interest Income	\$20,586	\$20,689	\$20,792	\$20,896	\$21,001	\$21,106	\$21,211	\$21,423	\$21,638	\$21,854
Other Income	\$55,000	\$55,550	\$56,106	\$56,667	\$57,233	\$57,806	\$58,384	\$58,967	\$60,147	\$61,350
Total Other Revenues	\$148,569	\$149,222	\$149,881	\$150,546	\$151,217	\$151,894	\$152,578	\$153,374	\$154,767	\$156,187
Total Revenues	\$2,890,701	\$3,003,781	\$3,004,440	\$3,090,742	\$3,091,413	\$3,533,120	\$3,533,804	\$3,636,036	\$3,637,430	\$3,743,329
Less: Expenses										
Operating and Maintenance ²	\$1,565,888	\$1,597,206	\$1,629,150	\$1,661,733	\$1,694,968	\$1,728,867	\$1,763,444	\$1,798,713	\$1,834,687	\$1,871,381
PILOT Payment	\$338,276	\$338,276	\$338,276	\$338,276	\$338,276	\$338,276	\$338,276	\$338,276	\$338,276	\$338,276
Net Before Debt Service and Capital Expenditures	\$986,537	\$1,068,300	\$1,037,014	\$1,090,733	\$1,058,170	\$1,465,977	\$1,432,083	\$1,499,047	\$1,464,467	\$1,533,672
Debt Service										
Existing Debt P&I	\$863,535	\$798,231	\$793,761	\$754,562	\$728,007	\$731,133	\$676,729	\$688,766	\$675,054	\$682,079
New (2024-2033) Debt Service P&I	\$0	\$100,066	\$101,695	\$198,451	\$197,808	\$592,385	\$589,752	\$587,491	\$589,539	\$595,607
Total Debt Service	\$863,535	\$898,297	\$895,456	\$953,013	\$925,815	\$1,323,518	\$1,266,481	\$1,276,257	\$1,264,592	\$1,277,685
Transfer In (Out)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Capital Improvements	\$2,666,500	\$184,000	\$1,115,685	\$434,510	\$5,679,424	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Debt Proceeds	\$2,464,177	\$150,000	\$1,150,455	\$75,000	\$6,019,659	\$0	\$0	\$0	\$0	\$0
Net Annual Cash Flow	(\$79,321)	\$136,003	\$176,328	(\$221,789)	\$472,591	(\$7,541)	\$15,602	\$72,790	\$49,874	\$105,987
Restricted and Unrestricted Cash Balance:										
Balance at first of year	\$3,472,461	\$3,393,140	\$3,529,143	\$3,705,471	\$3,483,681	\$3,956,272	\$3,948,731	\$3,964,334	\$4,037,124	\$4,086,998
Net Annual Cash Flow Addition/(subtraction)	-\$79,321	\$136,003	\$176,328	-\$221,789	\$472,591	-\$7,541	\$15,602	\$72,790	\$49,874	\$105,987
Balance at end of year	\$3,393,140	\$3,529,143	\$3,705,471	\$3,483,681	\$3,956,272	\$3,948,731	\$3,964,334	\$4,037,124	\$4,086,998	\$4,192,985
"All-in" Debt Coverage	1.14	1.19	1.16	1.14	1.14	1.11	1.13	1.17	1.16	1.20
PSC Days Cash on Hand	437	439	472	405	492	397	424	434	441	456

Notes:

- 1) Assumes no changes in customer count or usage beyond Test Year.
2) Assumes 3.00% annual inflation beyond budget year.

Legend:

- Simplified Rate Case (projected eligibility)
 Conventional (Full) Rate Case

Table 8 Sewer Utility Cash Flow Analysis - Projected 2024-2033

City of Whitewater, WI

	Budget 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenues										
Total Revenues from User Rates ¹	\$4,047,750	\$4,047,750	\$4,250,138	\$4,250,138	\$4,377,642	\$4,377,642	\$4,508,971	\$4,508,971	\$4,644,240	\$4,644,240
Percent Increase to User Rates	0.00%	0.00%	5.00%	0.00%	3.00%	0.00%	3.00%	0.00%	3.00%	0.00%
Cumulative Percent Rate Increase	0.00%	0.00%	5.00%	5.00%	8.15%	8.15%	11.39%	11.39%	14.74%	14.74%
Dollar Amount Increase to Revenues		\$0	\$202,388	\$0	\$127,504	\$0	\$131,329	\$0	\$135,269	\$0
Other Revenues										
Interest Income	\$90,179	\$90,404	\$90,630	\$90,857	\$91,084	\$91,312	\$91,540	\$91,769	\$91,998	\$92,228
Other Income	\$11,600	\$11,716	\$11,833	\$11,951	\$12,071	\$12,192	\$12,314	\$12,437	\$12,561	\$12,687
Total Other Revenues	\$101,779	\$102,120	\$102,464	\$102,809	\$103,155	\$103,504	\$103,854	\$104,206	\$104,560	\$104,915
Total Revenues	\$4,149,529	\$4,149,870	\$4,352,601	\$4,352,946	\$4,480,797	\$4,481,145	\$4,612,825	\$4,613,177	\$4,748,800	\$4,749,155
Less: Expenses										
Operating and Maintenance	\$1,675,491	\$1,725,756	\$1,777,528	\$1,830,854	\$1,885,780	\$1,942,353	\$2,000,624	\$2,060,643	\$2,122,462	\$2,186,136
Net Before Debt Service and Capital Expenditures	\$2,474,038	\$2,424,115	\$2,575,073	\$2,522,092	\$2,595,017	\$2,538,792	\$2,612,201	\$2,552,534	\$2,626,338	\$2,563,019
Debt Service										
Existing Debt P&I	\$2,157,367	\$2,107,743	\$2,096,036	\$2,045,175	\$1,988,084	\$1,987,285	\$1,799,737	\$1,802,244	\$1,798,549	\$1,798,955
New (2024-2033) Debt Service P&I	\$0	\$166,937	\$142,798	\$362,146	\$362,747	\$449,035	\$449,182	\$446,937	\$449,270	\$446,179
Total Debt Service	\$2,157,367	\$2,274,681	\$2,238,835	\$2,407,321	\$2,350,831	\$2,436,320	\$2,248,919	\$2,249,182	\$2,247,819	\$2,245,134
Transfer In (Out)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Capital Improvements	\$5,767,599	\$441,457	\$2,130,857	\$438,457	\$840,457	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Debt Issued/Grants/Aid	\$5,785,440	\$203,800	\$2,507,895	\$0	\$966,628	\$0	\$0	\$0	\$0	\$0
Net Annual Cash Flow	\$334,512	(\$88,223)	\$713,276	(\$323,686)	\$370,357	(\$147,528)	\$113,282	\$53,353	\$128,519	\$67,885
Restricted and Unrestricted Cash Balance:										
Balance at first of year	\$7,707,983	\$8,042,495	\$7,954,272	\$8,667,548	\$8,343,862	\$8,714,218	\$8,566,690	\$8,679,972	\$8,733,325	\$8,861,844
Net Annual Cash Flow Addition/(subtraction)	\$334,512	(\$88,223)	\$713,276	(\$323,686)	\$370,357	(\$147,528)	\$113,282	\$53,353	\$128,519	\$67,885
Balance at end of year	\$8,042,495	\$7,954,272	\$8,667,548	\$8,343,862	\$8,714,218	\$8,566,690	\$8,679,972	\$8,733,325	\$8,861,844	\$8,929,729
"All-in" Debt Coverage	1.15	1.07	1.15	1.05	1.10	1.04	1.16	1.13	1.17	1.14

Notes:

- 1) Assumes no changes in customer count or usage beyond Test Year.
2) Assumes 3.00% annual inflation beyond budget year.

Legend:

- Increase depicted to maintain with assumed O&M inflation
 Increase needed above inflationary adjustment