



City of Whitewater, WI
2025 Stormwater Rate Study
Phase 1: Long-Range Cash Flow Analysis

September 2, 2025 Council Meeting

Why are we here?

- Analyze the impact of planned capital projects and operational expenditures
- Ehlers to identify fiscal sustainability
- Our Process
 - ✓ Historical Rate and Financial Performance
 - ✓ Future Projections
 - O&M, Depreciation, and PILOT
 - Funding Project(s): Debt vs. Cash
 - ✓ Rate Impact

Revenue Requirement Review

How much revenue should we generate from user rates?



Cash Basis

+ Op. and Maint. Expenses
+ Taxes/Transfer Payments
+ Debt Service (P&I)
+ Capital funded from rates
- Less Non-rate Revenue
= Total Revenue Requirements

Utility Basis - PSC

+ Op. and Maint. Expenses
+ Taxes/Transfer Payments
+ Depreciation
+ Rate of Return on Rate Base
- Less Non-Rate Revenue
= Total Revenue Requirements

Stormwater: Historical Rate Performance

		Shown with no increase				Est	Budget
Component	Revenue Requirement Description	2020	2021	2022	2023	2024	2025
Cash Basis							
1	Operating and Maintenance	\$362,606	\$353,026	\$380,422	\$439,863	\$484,687	\$434,249
2	Debt	\$171,334	\$189,664	\$243,934	\$247,267	\$272,282	\$299,424
3	Cash Funded Capital	\$142,035	\$75,866	\$97,574	\$98,907	\$108,913	\$119,770
	Less:						
	Other Revenue	\$15,000	\$15,000	\$17,000	\$17,000	\$17,000	\$17,000
	Interest Income	\$194	\$30	\$3,866	\$3,866	\$0	\$0
	Revenue Requirement (Costs less Other Income)	\$660,781	\$603,526	\$701,064	\$765,171	\$848,882	\$836,442
	User Rates Revenue	\$523,428	\$527,543	\$532,692	\$534,171	\$536,259	\$535,839
	Rate Adequacy	(\$137,353)	(\$75,983)	(\$168,372)	(\$231,000)	(\$312,623)	(\$300,603)
	Rate Adjustment Needed	26.24%	14.40%	31.61%	43.24%	58.30%	56.10%
Utility Basis (PSC)							
1	Operating and Maintenance	\$362,606	\$353,026	\$380,422	\$439,863	\$484,687	\$434,249
2	Depreciation	\$81,918	\$100,685	\$117,144	\$121,028	\$130,431	\$146,616
	NIRB	\$5,889,478	\$6,151,244	\$6,327,906	\$6,353,185	\$6,559,450	\$6,827,184
3	Typical ROI (2.5%)	\$147,237	\$153,781	\$158,198	\$158,830	\$163,986	\$170,680
	Less:						
	Other Revenue	\$15,000	\$15,000	\$17,000	\$17,000	\$17,000	\$17,000
	Interest Income	\$194	\$30	\$3,866	\$3,866	\$0	\$0
	Revenue Requirement (Costs less Other Income)	\$576,567	\$592,462	\$634,898	\$698,855	\$762,104	\$734,545
	User Rates Revenue	\$523,428	\$527,543	\$532,692	\$534,171	\$536,259	\$535,839
	Rate Adequacy	(\$53,139)	(\$64,919)	(\$102,206)	(\$164,684)	(\$225,845)	(\$198,706)
	Rate Adjustment Needed	10.15%	12.31%	19.19%	30.83%	42.11%	37.08%

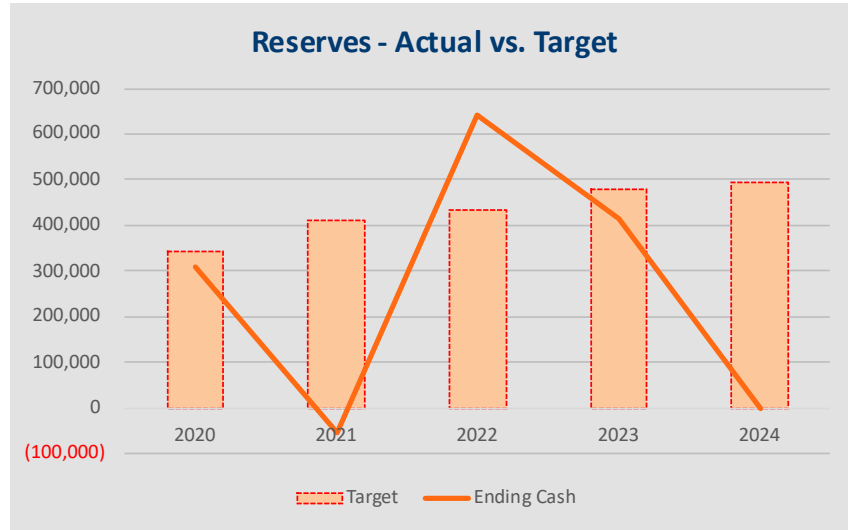
- Rates last adjusted effective 12-29-2015
- Per Ord. 16.10.070(c) the City uses Cash basis

Let's investigate the history further....

Notes:

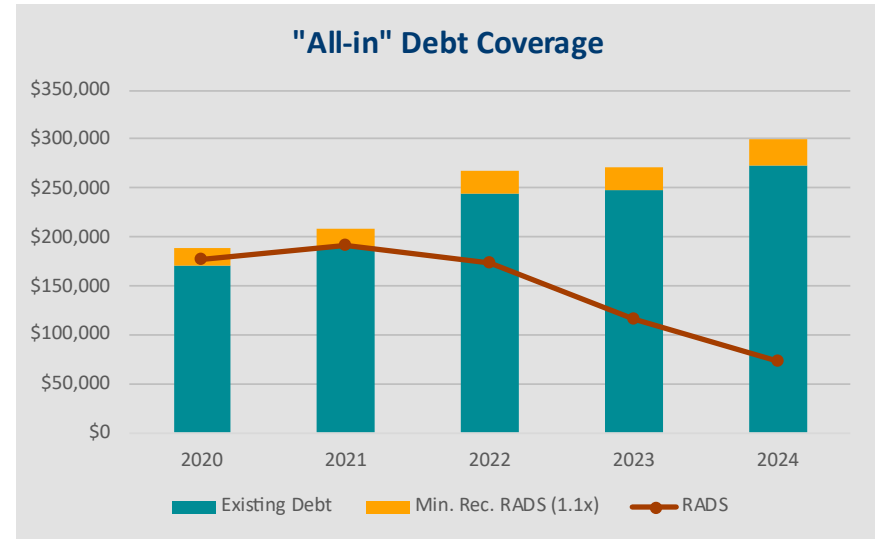
^aIncludes recommended debt coverage at 1.4x annual debt payment

Stormwater: Historical Financial Indicators



- Reserves to fund deficits and capital (4 mo. + debt target)

- Unable to cover debt payment



Upcoming Capital Investment

- With limited cash reserves the utility will need primarily to rely on outside sources of funding (debt or other as available)

Projects	Funding	2025	2026	2027	2028	Totals
Putnam Street	G.O. Debt		115,000			115,000
Jefferson Street Reconstruction	G.O. Debt	40,000	225,000			265,000
Biennial Street Reconstruction	G.O. Debt			90,000		90,000
Biennial Street Reconstruction	G.O. Debt				400,000	400,000
Detention Pond Dredging	Cash	115,310				115,310
Detention Pond Dredging	G.O. Debt		300,000	300,000	300,000	900,000
Starin Park Underground Detention - City Portion	G.O. Debt		3,624,300			3,624,300
Actual CIP Costs		155,310	4,264,300	390,000	700,000	5,509,610

Sources of Funding	2025	2026	2027	2028	Totals
G.O. Debt	40,000	4,264,300	390,000	700,000	5,394,300
Grants/Aids	0	0	0	0	0
Cash	115,310	0	0	0	115,310
Total	155,310	4,264,300	390,000	700,000	5,509,610

Stormwater: Future Projection

	Budget 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Revenues										
Total Revenues from User Rates	\$535,839	\$796,377	\$1,056,914	\$1,317,452	\$1,356,975	\$1,356,975	\$1,397,685	\$1,397,685	\$1,439,615	\$1,439,615
Percent Increase to User Rates	0.00%	48.62%	32.72%	24.65%	3.00%	0.00%	3.00%	0.00%	3.00%	0.00%
Cumulative Percent Rate Increase	0.00%	48.62%	97.24%	145.87%	153.24%	153.24%	160.84%	160.84%	168.67%	168.67%
Dollar Amount Increase to Revenues		\$260,538	\$260,538	\$260,538	\$39,524	\$0	\$40,709	\$0	\$41,931	\$0
Total Other Revenues	\$17,000	\$18,074	\$17,749	\$18,123	\$19,535	\$20,980	\$22,394	\$23,976	\$25,526	\$27,252
Total Revenues	\$552,839	\$814,451	\$1,074,663	\$1,335,575	\$1,376,511	\$1,377,955	\$1,420,079	\$1,421,661	\$1,465,141	\$1,466,867
Less: Expenses										
Operating and Maintenance	\$434,249	\$445,105	\$456,233	\$467,639	\$479,330	\$491,313	\$503,596	\$516,186	\$529,090	\$542,317
Net Before Debt Service and Capital Expenditures	\$118,590	\$369,346	\$618,430	\$867,936	\$897,181	\$886,643	\$916,483	\$905,475	\$936,051	\$924,549
Debt Service										
Existing Debt P&I	\$299,424	\$271,570	\$269,943	\$273,653	\$271,978	\$199,853	\$194,553	\$159,503	\$160,553	\$156,478
New (2025-2034) Debt Service P&I	\$0	\$0	\$283,369	\$278,225	\$346,663	\$414,738	\$416,638	\$447,413	\$442,175	\$441,600
Total Debt Service	\$299,424	\$271,570	\$553,311	\$551,878	\$618,640	\$614,590	\$611,190	\$606,915	\$602,728	\$598,078
Transfer In (Out)	-\$25,000	-\$25,000	-\$25,000	-\$25,000	-\$25,000	-\$25,000	-\$25,000	-\$25,000	-\$25,000	-\$25,000
Less: Capital Improvements & COI	\$153,310	\$4,436,472	\$390,000	\$743,600	\$0	\$0	\$0	\$0	\$0	\$0
Debt Proceeds	\$540,000	\$4,264,300	\$390,000	\$700,000	\$0	\$0	\$0	\$0	\$0	\$0
Net Annual Cash Flow	\$180,856	(\$99,396)	\$40,119	\$247,459	\$253,541	\$247,053	\$280,293	\$273,560	\$308,323	\$301,472
Restricted and Unrestricted Cash Balance:										
Balance at first of year	\$0	\$180,856	\$81,460	\$121,579	\$369,038	\$622,579	\$869,631	\$1,149,924	\$1,423,484	\$1,731,808
Net Annual Cash Flow Addition/(Subtraction)	\$180,856	(\$99,396)	\$40,119	\$247,459	\$253,541	\$247,053	\$280,293	\$273,560	\$308,323	\$301,472
Balance at end of year	\$180,856	\$81,460	\$121,579	\$369,038	\$622,579	\$869,631	\$1,149,924	\$1,423,484	\$1,731,808	\$2,033,279
"All-in" Debt Coverage	0.31	1.27	1.07	1.53	1.41	1.40	1.46	1.45	1.51	1.50

Notes:
 1) Assumes no changes in number of ERUs beyond Test Year.
 2) Assumes 2.50% annual inflation beyond budget year.

Stormwater: Impact on Avg. Res. Bill

Year	Stormwater				Utility Bill (Annual)	Change Over Prior Year	% of MHI (49,000)	Year
	Increase	Storm User Charge	Utility Bill (Monthly)	Change Over Prior Year				
		<u>Per ERU</u>						
2024		6.17	\$ 6.17		\$ 74.04		0.15%	2024
2025	0.00%	6.17	\$ 6.17	\$ -	\$ 74.04	\$ -	0.15%	2025
2026	48.62%	9.17	\$ 9.17	\$ 3.00	\$ 110.04	\$ 36.00	0.22%	2026
2027	32.72%	12.17	\$ 12.17	\$ 3.00	\$ 146.04	\$ 36.00	0.30%	2027
2028	24.65%	15.17	\$ 15.17	\$ 3.00	\$ 182.04	\$ 36.00	0.37%	2028
2029	3.00%	15.63	\$ 15.63	\$ 0.46	\$ 187.50	\$ 5.46	0.38%	2029
2030	0.00%	15.63	\$ 15.63	\$ -	\$ 187.50	\$ -	0.38%	2030
2031	3.00%	16.09	\$ 16.09	\$ 0.47	\$ 193.13	\$ 5.63	0.39%	2031
2032	0.00%	16.09	\$ 16.09	\$ -	\$ 193.13	\$ -	0.39%	2032
2033	3.00%	16.58	\$ 16.58	\$ 0.48	\$ 198.92	\$ 5.79	0.41%	2033
2034	0.00%	16.58	\$ 16.58	\$ -	\$ 198.92	\$ -	0.41%	2034
Total Change over planning period				\$ 10.41	\$ 124.88			

Stormwater: Recommendations

- This plan identifies
 - ✓ Min. rate adjustment to achieve the following goals
 - Max use of cash above benchmark
 - Get Debt Coverage to minimum recommendation of 1.4
- Plan risk exposure
 - ✓ Other CIP not identified beyond 2029
 - ✓ Future O&M needs (i.e. staffing)

Questions?
