

City of Homer Water and Sewer Water and Sewer Utility Financial/Rate Setting Policies

Introduction

Financial policies are an important tool for maintaining a financially healthy and sustainable utilities while also maintaining required and/or mandated measures. The Government Finance Officers Association (GFOA), bond rating agencies, and other industry organizations (e.g., the American Water Works Association (AWWA), the Water Environment Federation (WEF)) recommend written financial/rate setting policies to provide clear policy direction and guidance.

The establishment of written financial policies is intended to:

- Institutionalize sound financial practices
- Clarify strategic intent
- Define boundaries
- Support bond ratings
- Promote long range strategic thinking
- Manage risk
- Adhere to established best practices

Financial Policy Goals and Objectives

The goals of the City's financial policies are to:

1. Maintain sufficient revenues for operating and capital needs,
2. Maintain sufficient reserves, and,
3. Provide rate stability. Notwithstanding (1) and (2) above, rates will be set to provide rate/revenue stability and avoid major periodic increases.

A detailed set of financial policies have been adopted to establish consistency in utility financial planning and rate setting decision-making for the City Council and City management team.

This framework provides recommendations that take into consideration the typical or median reserve levels for a "AAA" versus a "AA" rated utility. This framework will also enable the City Council to make more informed decisions in establishing the financial targets contained within the financial policies.

Review and Discussion of the City's Financial/Rate Setting Policies

The Utility Financial Plan will take into consideration the following financial policies. The financial planning period will be for a minimum of five years to determine overall trends and impacts to reserves and rates over a long-term horizon. The Utility Financial Plan is an integral component of the City's approach to effectively managing the utilities at a sustainable level to support the service levels of the community.

1. Reserve Funds

Reserve funds shall be established for the City to properly account for the City's funds, but to also provide adequate reserve levels to address the different types of funding requirements of the City. The City's reserve policies shall be as follows:

- 1.1 Operating Reserve** – The City's operating reserve is an unrestricted reserve. The minimum operating reserve shall be established at 90 Days of annual O&M expenses (approximately 25% of annual O&M for both the Water and Sewer Funds) as outlined in Exhibits 4 and 6 in the Utility Financial Planning models for water and sewer. Once the minimum operating reserves are met, excess revenues will be distributed in accordance with the Affordability Plan adopted by the City Council.
- 1.2 Capital Reserve** – The City currently has two different capital reserves for the water and sewer utilities. The first is the Homer Accelerated Water and Sewer Program (HAWSP). HAWSP is funded through a portion of the voter approved sales tax and assessments levied on benefited properties. The second is the Capital Asset Repair and Maintenance Allowance (CARMA). CARMA is funded annually through a rate surcharge equal to 15% of water and sewer costs and collected through the water and sewer rates. In general, HAWSP is intended to provide seed money to support expanded access to the City water and sewer system while CARMA is intended to support improvements, repairs, and replacements of the City's existing infrastructure, and may also be used for Capital Contingencies or Infrastructure Replacement. CARMA and HAWSP funds may be used jointly to fund a project where applicable. The development of the projection of CARMA and HAWSP funds is provided in Exhibits 8 and 9 respectively of the Utility Financial Plan.

1.2.1 Homer Accelerated Water and Sewer Program (HAWSP) – Voters in the City of Homer established the HAWSP fund to improve the Health and Welfare of the community by funding capital improvements to the City's water and sewer system. The HAWSP is funded by a voter approved dedicated sales tax, and assessments levied on benefited properties. (See HCC 9.16.010(b).) Specifically, the HAWSP Fund is built from a levy of $\frac{3}{4}$ of a percent on the retail sales tax. This tax was established by voters and can only be modified through another ballot measure. The key objectives of the HAWSP fund are as follows:

- Provide for water/sewer improvements without placing a heavy financial burden on individual property owners. (Resolution 99-53.)

- Increase the number of users to the system(s), thereby increasing revenues to the Water and Sewer Enterprise Funds. (Resolution 99-53.)
- Promote construction of additional improvements to the City water and sewer systems. (See Ordinance 99-14(S)(A).)
- Protect public health. (2016 HAWSP Policy Manual.)

The HAWSP is generally intended to provide “Seed Money” for major projects (projects that exceed \$1.1 million). The target HAWSP fund value is to be maintained at a level to provide sufficient funding for current long-term debt obligations and annual funding needs as outlined in the Utility Financial Plan. The HAWSP fund may additionally be used to pay off HAWSP-project debt, subject to City Council approval, and may furthermore be used in conjunction with CARMA for project funding, especially where an element of the project involves extension of service, expansion of capacity, or promotion of public health.

1.2.2 Capital Asset Repair and Maintenance Allowance (CARMA) – The CARMA reserve was established to fund improvements, repairs, and replacements to the City’s existing water and sewer systems. The level of CARMA funding can be adjusted by the City Council. “The amount of the CARMA funds shall be established by City Council in the biennial budget based on the projected maintenance and repair needs of the City.” (Ordinance 19-35(S)(A)). CARMA shall be funded as an element of the rates at a sufficient level to fund capital improvements as identified in the Utility Financial Plan.

The intent of the City of Homer Water and Sewer CARMA Fund is “for appropriation and expenditure for equipment replacement, fleet replacement, engineering or planning services, major maintenance of city facilities, or any other purpose as identified and recommended by the City Manager and authorized by the City Council...and to extend the life and use of taxpayer funded assets, facilities and infrastructure.” (See Ordinance 19-35(S)(A)). The Water and Sewer Utilities - which operate independently - use CARMA Funds for improvements, repairs, and replacements to the City’s existing water and sewer systems. CARMA Funds may additionally be used for capital contingencies or infrastructure replacement and can be used in conjunction with HAWSP to jointly fund a project.

- 1.3 Bond Reserve** – A bond reserve fund is a restricted reserve. A bond reserve fund shall be established, as required and in accordance with anticipated bond covenants for specified projects where the City Council intends to pursue bond funding. The minimum fund balance of the bond reserve shall be equal to bond reserve requirements set by applicable bond covenants.

2. Debt Issuance and Debt Management

The City, during the course of normal operations, may issue long-term debt to fund certain capital projects. The establishment of policies related to debt issuance and debt management are intended to minimize the overall long-term costs of the City and utilize long-term debt to the benefit of the City’s customers. Provided below are the debt issuance and debt management policies.

- 2.1 Funding of Annual Renewal and Replacement Capital Projects** – The City will not need to issue long-term debt to fund annual renewal and replacement capital projects, as it

will use rate funding, through CARMA, to properly and adequately fund the City's annual renewal and replacement capital projects. Accordingly, the minimum annual funding from rates shall be at least equal to or greater than the City's annual renewal and replacement needs as determined in the Utility Financial Plan.

2.2 Long-Term Debt as a Funding Mechanism for Capital Projects – The City can consider the use of long-term debt to fund significant non-reoccurring capital projects. The policy objective when issuing long-term debt is to minimize the financial and rate impacts of significant non-reoccurring capital projects. When structuring such long-term debt, the City shall consider the following factors as:

- Current interest rates (costs)
- Current amount of the utility's outstanding debt levels
- Consistency with the City's debt policy and overall debt level

The City shall avoid an over-reliance upon debt by considering the debt service coverage ratios of rating agencies to measure whether the City's debt to capitalization or debt to operating revenue ratios are appropriate. Specifically, the City should maintain a debt/equity ratio which is less than 50% for utility financial planning. In certain circumstances the City may need to exceed this target to fund critical infrastructure projects. In these cases, the City Council will provide guidance on the appropriate target debt/equity ratio. For each debt issuance, the City will identify the funding source for annual principal and interest payments, prior to the approval issuing the debt.

2.3 Types of Long-Term Debt – To minimize the overall costs of debt, the City shall strive, at all times, to utilize the lowest and best available cost option for issuing debt.

2.4 Bond Covenants – The City, at all times, shall adhere to and meet any bond covenants put forth by bonds issued by the City. Bond covenants are legal obligations placed upon the City. If the City is not in compliance with bond covenants, the City's management team shall inform the City Council and appropriate action will be taken.

2.5 Debt Service Coverage Ratio – At all times, the City shall meet the minimum debt service coverage (DSC) requirements associated with bond covenants. For financial planning and rate setting purposes, the City shall target a minimum DSC of 1.25 times annual debt service on all outstanding debt.

2.6 Debt Funding Through Assessment Revenues – For certain capital improvements the City may use Assessment District's to fund improvements to provide service to these areas. In these circumstances the City will establish specific criteria for each assessment to ensure the adequate repayment of the assessment to reimburse the funding of the infrastructure providing service. When structuring debt the funding sources will be identified prior to approving the Assessment District.

3. **Balanced Operating Budget**

3.1 Self-Supporting – The water and sewer utility shall be self-supporting, where current revenue fully funds current operating and capital expenditures on an annual basis.

3.2 Adequate Funding to Preserve System Assets – The City's assets shall be properly operated and maintained to provide for a long life. Annual operating expenditures will be budgeted and funded at a level that promotes the efficient operation of and

preservation of assets through the asset’s useful life.

- 3.3 Evaluation and Monitoring of Cost** – Costs will be monitored monthly to ensure the utility is operated in a cost effective and economically prudent manner and reported to the City Council on a quarterly basis.
- 3.4 Positive Annual Net Income** – The City shall plan for annual net income (total revenue less O&M, taxes or transfers, debt service, and capital projects funded from rates) greater than or equal to zero (positive balance of funds).
- 3.5 Strive for Rate Stability** – The City’s rates should be stable over time while generating sufficient revenue. As a part of the annual budgeting process, the City shall review the rates to confirm the adequacy of the current rates.
- 3.6 Disposition of “One-Time” Revenue** – In instances of large one-time revenues (e.g., legal settlement), if not specifically earmarked, the funds will be transferred to an appropriate reserve(s) (operating, capital, or rate stabilization).
- 3.7 Alternative Funding/Revenue Diversification** – To minimize overall rates, the City should explore alternative revenue sources such as grants and direct developer contributions.

4. Establishing Rates and Fees

The City shall establish rates utilizing industry recognized “generally accepted” rate setting methodologies. This will provide the City with consistency in their ratemaking process, while also establishing rates which are legally defensible. The City’s policies on establishing the water and sewer rates and fees, and the general methodologies to be utilized, are as follows:

4.1 Revenue Requirement Analysis

The revenue requirement analysis provides a projection of the City’s revenues and expenditures for a defined time period. The revenue requirement analysis shall provide the City Council with the information and cost-basis to determine the size and timing of any proposed rate adjustments. The City’s revenue requirement analysis methodology shall consider the following:

- 4.1.1** The revenue requirement (financial plan) analysis will be developed for a minimum projected five-year time period.
- 4.1.2** Revenue requirements will be established using the “cash basis” methodology. The “cash basis” methodology includes O&M expenses, taxes/transfer payments, debt service (P+I) and capital improvements (renewal and replacement) funded from rates. The revenue requirements may include a component for change in working capital/rate stabilization funds to manage reserve balances and mitigate rate impacts.
- 4.1.3** Costs shared across utilities shall be allocated to each utility based an equitable allocation method. These may include, but not be limited to, labor ratios, number of customers, revenues, usage etc. The allocation method should be whichever method most equitably allocates the specific cost.
- 4.1.4** Any wholesale increases imposed upon the City by a water supplier or wastewater treatment agency will be reviewed for financial/rate impacts.

- 4.1.5 The City's revenue requirement analysis shall fully incorporate the City's reserve, debt and budgeting policies.

4.2 Cost of Service Analysis

A cost of service analysis provides an equitable method to allocate the City's water and sewer revenue requirements to the customers utilizing the service. The City's cost of service analysis for the water utility shall use generally accepted cost of service methodologies as defined by the American Water Works Association (AWWA) and the analysis developed for the City's sewer utility shall use cost of service methodologies as defined by the Water Environment Federation (WEF). The City's water and sewer cost of service shall be developed to provide an equitable allocation of costs by taking into consideration a customer group's (e.g. residential, commercial) facility requirements and usage characteristics. The City's specific cost of service policies are as follows:

- 4.2.1 The cost of service shall be developed for a projected one-year time period or the period over which rates will be set, utilizing the revenue requirements as developed in 4.1.
- 4.2.2 The cost of service analysis shall be designed and developed to consider the unique and specific circumstances of the City's water and sewer system.
- 4.2.3 The City shall allocate costs to customer class of service based upon facility requirements and usage characteristics.
- 4.2.4 When necessary, the City may phase-in the cost of service results to transition to fully-cost based rates.

4.3 Rate Design Analysis

The development of cost-based rate designs concludes the City's rate setting process. The development of rate designs utilizes the results from the revenue requirement and cost of service analysis to establish the target level of revenues for each customer class of service (rate schedule). The City's rate design analysis is primarily focused on the structure of the rates. The City's rate design analysis policies are as follows:

- 4.3.1 The City shall utilize the results of the revenue requirement analysis and cost of service analysis in the development of final proposed rate designs.
- 4.3.2 Rates shall be designed to collect the overall target level of revenues for each customer class of service.
- 4.3.3 The City's rate designs shall be reflective of the City Council's rate design goals and objectives, while also being reflective of the greater public purpose (e.g., economic development, conservation, etc.).
- 4.3.4 The City shall take into consideration both fixed and variable costs in the development of final proposed rates. The average unit costs calculated within the cost of service analysis provides the cost-information related to fixed and variable costs.
- 4.3.4 Bill comparisons shall be developed for all proposed rate designs to illustrate the general impacts to customers across a range of consumption.
- 4.3.5 In establishing the final water and sewer rates, the City's Council may take into

consideration neighboring utility rates, but not to the financial detriment of the City.

4.4 Other Rate Setting Considerations

Provided below are other policies related to the City's rate setting process.

- 4.4.1 At a minimum, the City shall conduct a comprehensive rate study every five (5) years to update assumptions and determine financial sustainability.

City of Homer
Water and Sewer Financial Plan
Water Revenue Requirement
Exhibit 4

	<i>Actual</i>					<i>Projected</i>					<i>Notes</i>	
	<i>CY 2019</i>	<i>CY 2020</i>	<i>CY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>		<i>FY 2029</i>
CARMA Revenue (Input)	15.0%	0.0%	0.0%	0.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	
Revenues												
Rate Revenue - Water												
Meter Revenue	\$1,842,857	\$1,852,072	\$1,861,332	\$1,779,324	\$1,779,324	\$1,788,221	\$1,797,162	\$1,806,148	\$1,815,178	\$1,824,254	\$1,833,375	As Customer Growth
CARMA Revenue	276,429	0	0	0	0	266,899	268,233	269,574	270,922	272,277	273,638	275,006
Service Revenue	30,931	31,086	31,241	31,829	38,450	38,642	38,835	39,030	39,225	39,421	39,618	As Customer Growth
Total Rate Revenue - Water	\$2,150,217	\$1,883,157	\$1,892,573	\$1,811,153	\$2,084,673	\$2,095,096	\$2,105,571	\$2,116,099	\$2,126,680	\$2,137,313	\$2,148,000	
Miscellaneous Revenue - Water												
Penalties/Interest	\$6,855	\$579	\$6,207	\$5,065	\$2,487	\$2,499	\$2,512	\$2,524	\$2,537	\$2,550	\$2,563	As Miscellaneous Revenues
Connection Fees	17,738	17,655	17,032	17,211	16,911	16,996	17,081	17,166	17,252	17,338	17,425	As Customer Growth
Operating Grants and Contributions	38,101	0	0	0	0	0	0	0	0	0	0	As Flat
Hydrant Transfers	100,350	99,629	108,433	91,418	91,734	91,734	91,734	91,734	91,734	91,734	91,734	As Flat
Interest Income	105,161	127,748	36,968	89,573	84,500	84,500	84,500	84,500	84,500	84,500	84,500	As Flat
Total Miscellaneous Revenue - Water	\$268,205	\$245,611	\$168,640	\$203,267	\$195,632	\$195,729	\$195,826	\$195,924	\$196,023	\$196,122	\$196,221	
Total Revenue	\$2,418,422	\$2,128,768	\$2,061,213	\$2,014,420	\$2,280,305	\$2,290,825	\$2,301,398	\$2,312,024	\$2,322,703	\$2,333,435	\$2,344,221	
Expenses												
Salaries and Benefits Expenses - Water												
Salary and Wages	\$542,757	\$562,408	\$620,652	\$562,462	\$581,145	\$601,485	\$622,537	\$644,326	\$666,877	\$690,218	\$714,376	As Labor
Fringe Benefits	345,883	337,094	363,966	362,296	388,998	412,338	437,078	463,303	491,101	520,567	551,801	As Benefits - Medical
Part-time Wages	1,371	0	0	0	0	0	0	0	0	0	0	As Labor
Part-time Benefits	170	0	0	0	0	0	0	0	0	0	0	As Benefits - Other
Overtime	34,782	35,796	41,019	42,453	42,662	44,155	45,701	47,300	48,956	50,669	52,442	As Labor
Part-time Overtime	9	0	0	0	0	0	0	0	0	0	0	As Labor
Unemployment Benefits	972	0	0	0	0	0	0	0	0	0	0	As Benefits - Other
PERS Relief	38,101	0	0	0	0	0	0	0	0	0	0	As Benefits - Other
Total Salaries and Benefits - Water	\$964,045	\$935,298	\$1,025,637	\$967,211	\$1,012,805	\$1,057,978	\$1,105,316	\$1,154,929	\$1,206,934	\$1,261,454	\$1,318,619	
Maintenance and Operations Expenses - Water												
Office Supplies	(\$698)	\$1,027	\$1,750	\$1,750	\$1,750	\$1,803	\$1,857	\$1,912	\$1,970	\$2,029	\$2,090	As Materials & Supplies
Operating Supplies	151,448	89,034	126,250	133,750	133,750	137,763	141,895	146,152	150,537	155,053	159,704	As Materials & Supplies
Fuel and Lube	21,894	28,297	26,600	26,600	26,600	27,398	28,220	29,067	29,939	30,837	31,762	As Materials & Supplies
Chemicals	116,335	127,941	160,000	135,000	150,000	154,500	159,135	163,909	168,826	173,891	179,108	As Materials & Supplies
Vehicle and Boat Maintenance	472	249	500	500	500	520	541	562	585	608	633	As Equipment
Equipment Maintenance	37,423	33,571	33,550	40,350	40,350	41,964	43,643	45,388	47,204	49,092	51,056	As Equipment
Building & Grounds Maintenance	5,701	6,489	7,700	7,700	7,700	7,893	8,090	8,292	8,499	8,712	8,930	As Miscellaneous
Professional Services	54,617	59,936	47,500	65,500	77,500	80,213	83,020	85,926	88,933	92,046	95,267	As Labor
Audit Services	17,121	7,027	17,469	18,343	19,260	19,934	20,632	21,354	22,101	22,875	23,675	As Labor
Survey and Appraisal	1,100	1,150	1,200	1,200	1,200	1,242	1,285	1,330	1,377	1,425	1,475	As Labor
Communications	8,937	13,086	8,000	9,000	9,000	9,315	9,641	9,978	10,328	10,689	11,063	As Labor
Freight and Postage	70	417	500	500	500	513	525	538	552	566	580	As Miscellaneous
Electricity	175,988	201,163	219,077	190,434	209,477	216,809	224,397	232,251	240,380	248,793	257,501	As Electricity
Property Insurance	11,705	14,088	13,936	8,276	9,104	9,468	9,847	10,241	10,650	11,076	11,519	As Insurance
Auto Insurance	10,531	11,186	12,046	11,343	12,477	12,976	13,495	14,035	14,596	15,180	15,787	As Insurance
Liability Insurance	1,526	1,519	3,364	5,207	5,728	5,957	6,195	6,443	6,701	6,969	7,248	As Insurance
Testing and Analysis	12,526	16,459	17,000	17,000	17,000	17,595	18,211	18,848	19,508	20,191	20,897	As Labor
Advertising	1,083	0	750	1,000	1,000	1,025	1,051	1,077	1,104	1,131	1,160	As Miscellaneous
Tools and Equipment	10,417	8,563	8,400	9,400	9,400	9,776	10,167	10,574	10,997	11,437	11,894	As Equipment
Computer Related Items	74	0	750	750	750	780	811	844	877	912	949	As Equipment
Record and Permits	150	150	250	250	250	256	263	269	276	283	290	As Miscellaneous
Membership Dues	588	944	1,000	1,000	1,000	1,025	1,051	1,077	1,104	1,131	1,160	As Miscellaneous
Transportation	961	0	800	800	800	820	841	862	883	905	928	As Miscellaneous
Subsistence	419	35	350	750	750	769	788	808	828	849	870	As Miscellaneous
Credit Card Expenses	17,128	17,868	25,000	25,000	25,000	25,625	26,266	26,922	27,595	28,285	28,992	As Miscellaneous
Safety Equipment	1,793	1,331	1,700	1,900	1,900	1,976	2,055	2,137	2,223	2,312	2,404	As Equipment
Employee Training	5,783	1,051	5,200	5,200	5,200	5,382	5,570	5,765	5,967	6,176	6,392	As Labor
Bad Debt Expenses	13,455	576	12,000	12,000	12,000	12,300	12,608	12,923	13,246	13,577	13,916	As Miscellaneous

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	Actual	Actual	Budget	Budget	Budget	Projected						Notes
	CY 2019	CY 2020	CY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
Total Maintenance and Operations Water	\$678,546	\$643,157	\$752,642	\$730,503	\$779,946	\$805,595	\$832,098	\$859,485	\$887,785	\$917,029	\$947,250	
C/O and Transfer Expenses - Water												
Transfers To	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Miscellaneous
Debt Repayment - Principal	0	0	0	0	0	0	0	0	0	0	0	As Miscellaneous
Debt Repayment - Interest	0	0	0	0	0	0	0	0	0	0	0	As Miscellaneous
GF Admin Fees	290,905	292,014	303,587	302,008	312,711	320,529	328,542	336,756	345,174	353,804	362,649	As Miscellaneous
Leave Cash Out	0	0	0	0	0	0	0	0	0	0	0	As Miscellaneous
Total Salaries and Benefits - Water	\$290,905	\$292,014	\$303,587	\$302,008	\$312,711	\$320,529	\$328,542	\$336,756	\$345,174	\$353,804	\$362,649	
Total Operations & Maintenance	\$1,933,496	\$1,870,469	\$2,081,866	\$1,999,722	\$2,105,462	\$2,184,102	\$2,265,956	\$2,351,169	\$2,439,893	\$2,532,287	\$2,628,518	
Taxes												
State Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
City Taxes	0	0	0	0	0	0	0	0	0	0	0	
Total Taxes and Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Rate Funded Capital	\$406,754	\$25,620	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2019 Depr. Exp. = \$1,034,155
Debt Service												
ADWF #409041 - Water Ext	\$158,101	\$155,954	\$153,808	\$151,662	\$149,516	\$147,370	\$145,224	\$0	\$0	\$0	\$0	Debt Schedule
ADWF #409271 - KOPPHII - Water	117,831	117,831	117,832	117,832	117,832	117,832	117,832	117,832	117,832	117,832	117,832	Debt Schedule
ADWF #409131 - Water TP	424,062	418,602	413,142	407,682	402,222	396,762	391,302	385,842	380,382	374,922	369,462	Debt Schedule
ADWF #409091 - Water Distribution	4,776	4,776	4,776	4,776	4,776	4,776	4,776	4,776	4,776	4,776	4,776	Debt Schedule
Total Debt Service	\$704,770	\$697,163	\$689,558	\$681,952	\$674,346	\$666,740	\$659,134	\$508,450	\$502,990	\$497,530	\$492,070	
Less: Debt Service Funding												
HAWSP Funding	\$704,770	\$697,163	\$689,558	\$681,952	\$674,346	\$666,740	\$659,134	\$508,450	\$502,990	\$497,530	\$492,070	
Rate Related Funding	0	0	0	0	0	0	0	0	0	0	0	
Total Less Debt Service Funding	\$704,770	\$697,163	\$689,558	\$681,952	\$674,346	\$666,740	\$659,134	\$508,450	\$502,990	\$497,530	\$492,070	
Net Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Reserve Funding												
Transfer to Water Operating	(\$6,080)	\$151,439	(\$20,653)	\$69,033	\$34,901	\$32,762	\$30,136	\$26,972	\$23,220	\$18,822	\$13,719	
Transfer to CARMA	84,252	81,240	0	0	266,899	268,233	269,574	270,922	272,277	273,638	275,006	
Transfer to HAWSP	0	0	0	0	0	0	0	0	0	0	0	
Total Reserve Funding	\$78,172	\$232,679	(\$20,653)	\$69,033	\$301,799	\$300,995	\$299,710	\$297,894	\$295,496	\$292,460	\$288,725	
Total Revenue Requirement	\$2,418,422	\$2,128,768	\$2,061,213	\$2,068,755	\$2,407,261	\$2,485,097	\$2,565,666	\$2,649,063	\$2,735,390	\$2,824,747	\$2,917,243	
Bal./(Def.) of Funds Before Added Tax	\$0	\$0	\$0	(\$54,335)	(\$126,957)	(\$194,272)	(\$264,268)	(\$337,040)	(\$412,687)	(\$491,312)	(\$573,022)	
Plus: Add'l Taxes with Rate Increase	0	0	0	0	0	0	0	0	0	0	0	
Bal./(Def.) of Funds With Added Tax	\$0	\$0	\$0	(\$54,335)	(\$126,957)	(\$194,272)	(\$264,268)	(\$337,040)	(\$412,687)	(\$491,312)	(\$573,022)	
Bal. as a % of Rate Adj. Req'd	0.0%	0.0%	0.0%	3.0%	6.1%	9.3%	12.6%	15.9%	19.4%	23.0%	26.7%	
Proposed Rate Adjustment	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Add'l Revenue with Rate Adj.	\$0	\$0	\$0	\$54,335	\$126,957	\$194,272	\$264,268	\$337,040	\$412,687	\$491,312	\$573,022	
Bal./(Def.) After Rate Adj.	\$0	\$0	\$0	(\$0)	\$0	\$0	(\$0)	\$0	(\$0)	\$0	\$0	
Additional Rate Adjustment Required	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Avg Res Customer Bill (\$14.00+ 6Kgal @ \$0.0107/gal)	\$78.20											
Customer Bill on Proposed Adj.	\$78.20	\$78.20	\$78.20	\$80.55	\$82.96	\$85.45	\$88.01	\$90.66	\$93.37	\$96.18	\$99.06	

* 2020 proposed rate adjustment assumed to be effective for 11 months

City of Homer
 Water and Sewer Financial Plan
 Water Revenue Requirement
 Exhibit 4

	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Projected</i>					<i>Notes</i>	
	<i>CY 2019</i>	<i>CY 2020</i>	<i>CY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>		<i>FY 2029</i>
Bill Difference - Monthly	0.00	0.00	0.00	2.35	2.42	2.49	2.56	2.64	2.72	2.80	2.89	
CARMA - Monthly	11.73	0.00	0.00	0.00	12.44	12.82	13.20	13.60	14.01	14.43	14.86	
Cumulative Bill Difference	11.73	0.00	0.00	2.35	14.86	15.31	15.76	16.24	16.73	17.23	17.75	
Cash Reserves												
Beginning Reserve Funds	\$0	\$336,804	\$488,243	\$467,590	\$536,623	\$571,523	\$604,286	\$634,421	\$661,393	\$684,613	\$703,435	
Water Operating Fund												
Beginning Balance	\$0	\$336,804	\$488,243	\$467,590	\$536,623	\$571,523	\$604,286	\$634,421	\$661,393	\$684,613	\$703,435	
Plus: Additions	0	151,439	0	69,033	34,901	32,762	30,136	26,972	23,220	18,822	13,719	
Less: Uses of Funds	(6,080)	0	(20,653)	0	0	0	0	0	0	0	0	
Ending Balance	\$336,804	\$488,243	\$467,590	\$536,623	\$571,523	\$604,286	\$634,421	\$661,393	\$684,613	\$703,435	\$717,154	
Target : 90 Days of O&M	\$476,753	\$461,212	\$513,337	\$493,082	\$519,155	\$538,546	\$558,729	\$579,740	\$601,618	\$624,400	\$648,128	

City of Homer
Water and Sewer Financial Plan
Water Capital Improvement Plan
Exhibit 5

Year 1 - July 2020 - June 2021 Year 2 July 2021- June 2022 Year 3 July 2022- June 2023 Year 4 July 2023- June 2024 Year 5 July 2024- June 2025

CARMA-Funded Projects	CY 2019	CY 2020	CY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Future Unidentified Projects	\$406,754	\$25,620	\$0	\$0	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
1/2 of Utility Financial Mgmt.			12,907								
Betterments on East Hill			49,000								
Raw Water Transmission Line			33,185								
Commercial Meter Replacement			80,000								
Dredge for WTP			10,000								
Million Gallon Water Tank Aeration System			172,624								
Tesoro Water Vault Upgrade			100,000								
Raw Water Line Replacement Design			202,222								
PRV Replacement West Trunk Line			25,000								
Fuel Island			7,200								
Water Share of Ocean Drive SAD				52,506							
DR 6000 uV VIS Spectrophotometer w/ RFID				9,276							
Mlox Chlorine Generator Cell Replacement				30,000							
PR Station Hatch Improvement				35,279							
Water Treatment Plant HVAC Control System Upgrade				55,955							
East Trunk FPI Mag Flow Meter				9,000							
Replacement Flow Meters at Main and Danview PR Station and East Rd Monitor				15,000							
Replacement of E-170 ToolCat				21,667							
Replacement of E-161 CAT Loader				158,333							
Replacement of E-131 W/S Truck				15,000							
Replacement of E-130 Service Truck				26,667							
Replacement of E-114 PW Truck				10,000							
PW Campus Mitigation Plan				16,667							
Computerized Maintenance Management System				23,333							
Total CARMA-Funded Projects	\$406,754	\$25,620	\$692,138	\$478,683	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Transfer to Cash Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total CARMA-Funded Projects	\$406,754	\$25,620	\$692,138	\$478,683	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000

City of Homer
Water and Sewer Financial Plan
Sewer Revenue Requirement
Exhibit 6

	Actual	Actual	Budget	Budget	Budget	Projected					Notes	
	CY 2019	CY 2020	CY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028		FY 2029
CARMA Funding (Input)	15.0%	0.0%	0.0%	0.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	
Revenues												
Rate Revenue - Sewer												
Meter Revenue	\$1,721,738	\$1,635,120	\$1,755,805	\$1,731,174	\$1,731,174	\$1,739,830	\$1,748,529	\$1,757,272	\$1,766,058	\$1,774,888	\$1,783,763	As Customer Growth
CARMA Revenue	258,261	0	0	0	259,676	260,974	262,279	263,591	264,909	266,233	267,564	
Service Revenue	28,173	88,454	26,656	25,515	17,522	17,610	17,698	17,786	17,875	17,964	18,054	As Customer Growth
Total Rate Revenue - Sewer	\$2,008,172	\$1,723,574	\$1,782,461	\$1,756,689	\$2,008,372	\$2,018,414	\$2,028,506	\$2,038,649	\$2,048,842	\$2,059,086	\$2,069,381	
Miscellaneous Revenue - Sewer												
Operating Grants and Contributions	\$28,828	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Flat
RV Dump Station	6,084	5,964	6,156	5,575	5,986	6,016	6,046	6,076	6,107	6,137	6,168	As Miscellaneous Revenues
Capital Grants and Contributions	0	0	0	0	0	0	0	0	0	0	0	As Miscellaneous Revenues
Total Miscellaneous Revenue - Sewer	\$34,912	\$5,964	\$6,156	\$5,575	\$5,986	\$6,016	\$6,046	\$6,076	\$6,107	\$6,137	\$6,168	
Total Revenue	\$2,043,084	\$1,729,538	\$1,788,617	\$1,762,264	\$2,014,358	\$2,024,430	\$2,034,552	\$2,044,725	\$2,054,948	\$2,065,223	\$2,075,549	
Expenses												
Salaries and Benefits Expenses - Sewer												
Salary and Wages	\$435,882	\$478,916	\$504,076	\$470,280	\$485,601	\$502,597	\$520,188	\$538,395	\$557,238	\$576,742	\$596,928	As Labor
Fringe Benefits	274,623	279,241	293,270	295,902	317,331	336,371	356,553	377,946	400,623	424,660	450,140	As Benefits - Medical
Part-time Wages	10,739	11,003	13,550	12,842	12,945	13,398	13,867	14,352	14,855	15,375	15,913	As Labor
Part-time Benefits	1,290	1,296	1,793	1,558	1,571	1,642	1,716	1,793	1,873	1,958	2,046	As Benefits - Other
Overtime	18,860	28,023	23,254	23,434	23,434	24,254	25,103	25,982	26,891	27,832	28,806	As Labor
Part-time Overtime	574	477	0	0	0	0	0	0	0	0	0	As Labor
Unemployment Benefits	1,090	4,326	0	0	0	0	0	0	0	0	0	As Benefits - Other
PERS Relief	28,828	0	0	0	0	0	0	0	0	0	0	As Benefits - Other
Total Salaries and Benefits - Sewer	\$771,886	\$803,282	\$835,943	\$804,016	\$840,882	\$878,262	\$917,427	\$958,468	\$1,001,481	\$1,046,567	\$1,093,833	
Maintenance and Operations Expenses - Sewer												
Office Supplies	\$395	\$537	\$1,100	\$1,100	\$1,100	\$1,133	\$1,167	\$1,202	\$1,238	\$1,275	\$1,313	As Materials & Supplies
Operating Supplies	25,617	22,395	50,900	51,300	51,300	52,839	54,424	56,057	57,739	59,471	61,255	As Materials & Supplies
Fuel and Lube	25,322	28,734	25,000	25,000	25,000	25,750	26,523	27,318	28,138	28,982	29,851	As Materials & Supplies
Chemicals	52,761	52,942	55,000	55,000	55,000	56,650	58,350	60,100	61,903	63,760	65,673	As Materials & Supplies
Vehicle and Boat Maintenance	398	145	250	250	250	260	270	281	292	304	316	As Equipment
Equipment Maintenance	41,798	41,416	39,400	39,400	39,400	40,976	42,615	44,320	46,092	47,936	49,854	As Equipment
Building & Grounds Maintenance	3,685	2,875	3,800	3,800	3,800	3,895	3,992	4,092	4,194	4,299	4,407	As Miscellaneous
Professional Services	20,951	27,332	85,859	95,259	52,700	54,545	56,454	58,429	60,474	62,591	64,782	As Labor
Audit Services	17,121	6,714	17,469	18,343	19,260	19,934	20,632	21,354	22,101	22,875	23,675	As Labor
Communications	4,778	5,448	5,500	5,500	5,500	5,693	5,892	6,098	6,311	6,532	6,761	As Labor
Freight and Postage	354	272	350	500	500	513	525	538	552	566	580	As Miscellaneous
Electricity	260,135	279,496	270,069	255,627	281,190	291,032	301,218	311,760	322,672	333,966	345,654	As Electricity
Water	640	701	612	560	560	577	594	612	630	649	669	As Utilities
Sewer	532	599	522	444	444	457	471	485	500	515	530	As Utilities
Property Insurance	6,769	8,670	8,587	10,822	11,904	12,380	12,875	13,390	13,926	14,483	15,062	As Insurance
Auto Insurance	10,531	11,186	12,046	11,343	12,477	12,976	13,495	14,035	14,596	15,180	15,787	As Insurance
Liability Insurance	1,357	1,174	2,992	4,014	4,415	4,592	4,775	4,966	5,165	5,372	5,586	As Insurance
Testing and Analysis	2,012	6,900	6,500	6,500	6,500	6,728	6,963	7,207	7,459	7,720	7,990	As Labor
Advertising	0	364	1,250	1,250	1,250	1,281	1,313	1,346	1,380	1,414	1,450	As Miscellaneous
Tools and Equipment	4,681	4,397	4,800	4,800	4,800	4,992	5,192	5,399	5,615	5,840	6,074	As Equipment
Damages not covered by Insurance	0	0	0	0	0	0	0	0	0	0	0	As Miscellaneous
Record and Permits	7,920	7,920	8,075	8,075	8,075	8,277	8,484	8,696	8,913	9,136	9,365	As Miscellaneous
Membership Dues	444	300	700	700	700	718	735	754	773	792	812	As Miscellaneous
Transportation	1,193	64	1,000	1,000	1,000	1,025	1,051	1,077	1,104	1,131	1,160	As Miscellaneous
Subsistence	960	833	1,000	1,000	1,000	1,025	1,051	1,077	1,104	1,131	1,160	As Miscellaneous
Credit Card Expenses	17,128	17,868	20,000	20,000	20,000	20,500	21,013	21,538	22,076	22,628	23,194	As Miscellaneous
Uniform	80	212	350	350	350	359	368	377	386	396	406	As Miscellaneous
Safety Equipment	1,318	2,515	2,650	2,650	2,650	2,756	2,866	2,981	3,100	3,224	3,353	As Equipment
Employee Training	7,997	4,348	8,000	8,000	8,000	8,280	8,570	8,870	9,180	9,501	9,834	As Labor
Bad Debt Expenses	6,254	(3,851)	2,500	2,500	2,500	2,563	2,627	2,692	2,760	2,829	2,899	As Miscellaneous

City of Homer
 Water and Sewer Financial Plan
 Sewer Revenue Requirement
 Exhibit 6

	Actual		Budget		Budget		Projected					Notes
	CY 2019	CY 2020	CY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
Total Maintenance and Operations Sewer	\$523,132	\$532,506	\$636,281	\$635,087	\$621,625	\$642,703	\$664,503	\$687,052	\$710,375	\$734,499	\$759,452	
C/O and Transfer Expenses - Sewer												
Leave Cash Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Miscellaneous
GF Admin Fees	226,141	232,276	241,482	289,535	299,830	307,326	315,009	322,884	330,956	339,230	347,711	As Miscellaneous
Transfers To	0	0	0	0	0	0	0	0	0	0	0	As Miscellaneous
Total Salaries and Benefits - Sewer	\$226,141	\$232,276	\$241,482	\$289,535	\$299,830	\$307,326	\$315,009	\$322,884	\$330,956	\$339,230	\$347,711	
Total Operations & Maintenance	\$1,521,159	\$1,568,064	\$1,713,706	\$1,728,638	\$1,762,337	\$1,828,290	\$1,896,939	\$1,968,404	\$2,042,812	\$2,120,296	\$2,200,995	
Taxes												
State Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
City Taxes	0	0	0	0	0	0	0	0	0	0	0	
Total Taxes and Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Rate Funded Capital	\$118,039	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2019 Depr. Exp. = \$438,191
Debt Service												
ACWF #409031 - Sewer Ext	\$134,780	\$132,951	\$132,951	\$132,951	\$132,951	\$132,951	\$132,951	\$0	\$0	\$0	\$0	Debt Schedule
ACWF #409261 - KDPHII Sewer	96,300	80,490	79,480	78,470	77,460	76,450	75,440	74,430	73,420	72,410	71,400	Debt Schedule
ACWF #409081 - Sewer	67,386	66,571	65,756	64,941	64,126	63,311	62,496	61,681	60,866	60,051	59,236	Debt Schedule
ACWF #409111 - Eric Ln Sewer	12,267	12,124	11,981	11,838	11,695	11,552	11,409	11,266	11,123	10,980	10,837	Debt Schedule
ACWF #409071 - KDRPIII	14,263	12,308	12,308	12,308	12,308	12,308	12,308	12,308	12,308	12,308	12,308	Debt Schedule
Total Debt Service	\$324,996	\$304,444	\$302,476	\$300,508	\$298,540	\$296,572	\$294,604	\$159,685	\$157,717	\$155,749	\$153,781	
Less: Debt Service Funding												
HAWSP	\$324,996	\$304,444	\$302,476	\$300,508	\$298,540	\$296,572	\$294,604	\$159,685	\$157,717	\$155,749	\$153,781	
Rate Related Funding	0	0	0	0	0	0	0	0	0	0	0	
Total Less Debt Service Funding	\$324,996	\$304,444	\$302,476	\$300,508	\$298,540	\$296,572	\$294,604	\$159,685	\$157,717	\$155,749	\$153,781	
Net Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Reserve Funding												
Transfer to Sewer Operating	\$248,722	\$146,618	\$74,911	\$33,626	(\$7,655)	(\$4,282)	(\$1,130)	\$1,768	\$4,376	\$6,653	\$8,558	
Transfer to CARMA	155,164	14,856	0	0	259,676	260,974	262,279	263,591	264,909	266,233	267,564	
Transfer to HAWSP	0	0	0	0	0	0	0	0	0	0	0	
Reserve Funding	\$403,886	\$161,474	\$74,911	\$33,626	\$252,021	\$256,692	\$261,149	\$265,359	\$269,284	\$272,886	\$276,122	
Total Revenue Requirement	\$2,043,084	\$1,729,538	\$1,788,617	\$1,762,264	\$2,014,358	\$2,084,982	\$2,158,088	\$2,233,763	\$2,312,096	\$2,393,182	\$2,477,118	
Bal./.(Def.) of Funds Before Added Tax	\$0	\$0	\$0	\$0	\$0	(\$60,552)	(\$123,536)	(\$189,038)	(\$257,148)	(\$327,959)	(\$401,568)	
Plus: Add'l Taxes with Rate Increase	0	0	0	0	0	0	0	0	0	0	0	
Bal./.(Def.) of Funds With Added Tax	\$0	\$0	\$0	\$0	\$0	(\$60,552)	(\$123,536)	(\$189,038)	(\$257,148)	(\$327,959)	(\$401,568)	
Bal. as a % of Rate Adj. Req'd	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	6.1%	9.3%	12.6%	15.9%	19.4%	
Proposed Rate Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Add'l Revenue with Rate Adj.	\$0	\$0	\$0	\$0	\$0	\$60,552	\$123,536	\$189,038	\$257,148	\$327,959	\$401,568	
Bal./.(Def.) After Rate Adj.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	
Additional Rate Adjustment Required	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<i>* 2020 proposed rate adjustment assumed to be effective for 11 months</i>												
Avg Res Customer Bill (6Kgal @ \$0.0143/gal)	\$85.80											
Customer Bill on Proposed Adj.	\$85.80	\$85.80	\$85.80	\$85.80	\$85.80	\$88.37	\$91.03	\$93.76	\$96.57	\$99.47	\$102.45	
Bill Difference - Monthly	0.00	0.00	0.00	0.00	0.00	2.57	2.65	2.73	2.81	2.90	2.98	

City of Homer
Water and Sewer Financial Plan
Sewer Revenue Requirement
Exhibit 6

	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Projected</i>					<i>Notes</i>	
	<i>CY 2019</i>	<i>CY 2020</i>	<i>CY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>		<i>FY 2029</i>
CARMA - Monthly	12.87	0.00	0.00	0.00	12.87	13.26	13.65	14.06	14.49	14.92	15.37	
Cumulative Bill Difference	12.87	0.00	0.00	0.00	12.87	15.83	16.30	16.79	17.30	17.82	18.35	
Cash Reserves												
Beginning Reserve Funds	\$0	\$336,804	\$483,422	\$558,333	\$591,959	\$584,304	\$580,022	\$578,891	\$580,659	\$585,035	\$591,688	
Sewer Operating Fund												
Beginning Balance	\$0	\$336,804	\$483,422	\$558,333	\$591,959	\$584,304	\$580,022	\$578,891	\$580,659	\$585,035	\$591,688	
Plus: Additions	248,722	146,618	74,911	33,626	0	0	0	1,768	4,376	6,653	8,558	
Less: Uses of Funds	0	0	0	0	(7,655)	(4,282)	(1,130)	0	0	0	0	
Ending Balance	\$336,804	\$483,422	\$558,333	\$591,959	\$584,304	\$580,022	\$578,891	\$580,659	\$585,035	\$591,688	\$600,246	
Target : 90 Days of O&M	\$375,080	\$386,646	\$422,558	\$426,240	\$434,549	\$450,811	\$467,738	\$485,360	\$503,707	\$522,813	\$542,711	

City of Homer
Water and Sewer Financial Plan
Sewer Capital Improvement Plan
Exhibit 7

Year 1 - July 2020 - June 2021 Year 2 July 2021- June 2022 Year 3 July 2022- June 2023 Year 4 July 2023- June 2024 Year 5 July 2024- June 2025

CARMA-Funded Projects	CY 2019	CY 2020	CY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Future Unidentified Projects	\$118,039	\$0	\$0	\$0	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000
1/2 of Utility Financial Mgmt.			12,907								
Engineering Beluga Lift Station			4,463								
Betterments of East Hill			49,000								
Launch Ramp Lift Station Enclosure			13,674								
Replace Deep Shaft Air Compressor			85,000								
Upgrade SCADA for 7 Lift Stations			210,900								
WWTP Digester Blowers			170,917								
Fuel Island			7,200								
Charles Street Sewer SAD - Design				55,000							
Charles Street Sewer SAD - Construction				178,561							
Influent Station Backup Pump				16,136							
Safety Hoist for Lift Station & Other Underground				10,282							
Sewer Inspection Camera				57,320							
Repair Pond Liner at Sewer Treatment Plant				25,000							
Replacement of E-170 ToolCat				21,667							
Replacement of E-161 CAT Loader				158,333							
Replacement of E-131 W/S Truck				15,000							
Replacement of E-130 Service Truck				26,667							
Replacement of E-114 PW Truck				10,000							
PW Campus Mitigation Plan				16,667							
Computerized Maintenance Management System				23,333							
Total CARMA-Funded Projects	\$118,039	\$0	\$554,061	\$613,966	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000
Transfer to Cash Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total CARMA-Funded Projects	\$118,039	\$0	\$554,061	\$613,966	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000

City of Homer
Water and Sewer Financial Plan
HAWSP Fund Projects and Balance
Exhibit 8

Year 1 - July 2020 - June 2021 Year 2 July 2021- June 2022 Year 3 July 2022- June 2023 Year 4 July 2023- June 2024 Year 5 July 2024- June 2025

HAWSP Project Funding (Direct-funding and seed-funding)	CY 2019	CY 2020	CY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Ground Water Research			\$50,000								
Betterment - Tasmania Ct Water/Sewer SAD			88,569								
Alder Lane Water Improvement - 25% City Portion			97,057								
Tasmania Court Water Main Extension - 25% City Portion			141,330								
Tasmania Court Sewer Main Extension - 25% City Portion			82,712								
Hornaday Park Restroom Replacement				300,000							
Hornaday Park W/S Line Replacement				25,000							
Bishop's Beach Restroom Replacement Design				25,000							
Bishop's Beach Restroom Replacement Construction				400,000							
Charles Street Water SAD - Design				15,000							
Charles Street Water SAD - Construction - 25% City Portion				69,536							
Ground Water Research				50,000							
Bunnell-Charles Water Main Extension - 25% City Portion					169,722						
Bunnell-Charles Sewer Main Extension - 25% City Portion					210,611						
Mission Road Water Main Extension - 25% City Portion					350,634	350,634					
Mission Road Sewer Trunk Line - 25% City Portion					248,918	248,918					
Sterling Highway Water Main Extension - 25% City Portion						62,573					
Sterling Highway Sewer Main Extension - 25% City Portion						88,580					
West Hill Road Water Trunk Line - 25% City Portion							459,181	459,181			
West Hill Road Sewer Trunk Line - 25% City Portion							489,559	489,559			
Future Water Projects - Direct Funded					50,000	50,000	25,000	25,000	580,000	597,400	615,322
Future Sewer Projects - Direct Funded					50,000	50,000	25,000	25,000	380,000	391,400	403,142
Future Water Projects - Debt Seed Funded											
Future Sewer Projects - Debt Seed Funded											
<i>Total HAWSP Direct Funding - Water Projects</i>	\$0	\$0	\$138,569	\$559,536	\$50,000	\$50,000	\$25,000	\$25,000	\$580,000	\$597,400	\$615,322
<i>Total HAWSP Direct Funding - Sewer Projects</i>			\$0	\$325,000	\$50,000	\$50,000	\$25,000	\$25,000	\$380,000	\$391,400	\$403,142
<i>Total HAWSP Debt Seed Funding - Water</i>			238,387	0	520,357	413,207	459,181	459,181	0	0	0
<i>Total HAWSP Debt Seed Funding - Sewer</i>			82,712	0	459,529	337,498	489,559	489,559	0	0	0
Total HAWSP Project Funding (Direct-funding and seed-fundi	\$0	\$0	\$459,668	\$884,536	\$1,079,886	\$850,705	\$998,740	\$998,740	\$960,000	\$988,800	\$1,018,464
Transfer to Cash Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct HAWSP Funding	\$0	\$0	\$459,668	\$884,536	\$1,079,886	\$850,705	\$998,740	\$998,740	\$960,000	\$988,800	\$1,018,464

HAWSP Debt-Funded Capital Loan Requests (75% of Project total, after Seed) (Matches state loan request docs)

Alder Lane Water Main Extension	\$291,172
Tasmania Court Water Main Extension	\$423,990
Tasmania Court Sewer Main Extension	\$248,136
Bunnell-Charles Water Main Extension	\$509,167

City of Homer
Water and Sewer Financial Plan
HAWSP Fund Projects and Balance
Exhibit 8

Year 1 - July 2020 - June 2021 Year 2 July 2021- June 2022 Year 3 July 2022- June 2023 Year 4 July 2023- June 2024 Year 5 July 2024- June 2025

Bunnell-Charles Sewer Main Extension

\$631,834

Mission Road Water Main Extension

1,051,903

1,051,903

Mission Road Sewer Trunk Line

746,753

746,753

Sterling Highway Water Main Extension

187,719

Sterling Highway Sewer Main Extension

265,740

West Hill Road Water Trunk Line

1,377,544

1,377,544

West Hill Road Sewer Trunk Line

1,468,677

1,468,677

Total HAWSP Debt-Funded Capital Projects - Water

\$1,224,329

\$1,051,903

\$1,239,622

\$1,377,544

\$1,377,544

\$0

\$0

\$0

Total HAWSP Debt-Funded Capital Projects - Sewer

\$879,970

\$746,753

\$1,012,493

\$1,468,677

\$1,468,677

\$0

\$0

\$0

HAWSP Debt-Funded Capital, Loan Total

\$0

\$0

\$0

\$2,104,299

\$1,798,656

\$2,252,115

\$2,846,220

\$2,846,220

\$0

\$0

\$0

Input (Assessment deferment %)

30%

30%

30%

30%

30%

30%

30%

30%

30%

HAWSP FUND BALANCE

	2022	2023	2024	2025	2026	2027	2028	2029
Beginning Balance	\$2,275,476	\$2,353,970	\$2,233,105	\$2,349,453	\$2,236,662	\$2,416,012	\$2,651,027	\$2,874,762
Plus: Transfers In	0	0	0	0	0	0	0	0
Plus: Annual HAWSP Sales Tax	1,404,987	1,469,398	1,517,889	1,525,478	1,533,106	1,540,771	1,548,475	1,563,999
Plus: Interest	0	22,755	23,540	22,331	23,495	22,367	24,160	28,748
Plus: Current Assessment Collection	481,370	481,370	481,370	481,370	481,370	481,370	481,370	481,370
Plus: Future Assessment (modified by deferment %)		65,411	212,080	230,569	462,661	462,661	462,661	462,661
Less: Current Debt Payment	(992,034)	(982,460)	(972,886)	(963,312)	(953,738)	(668,135)	(660,707)	(645,851)
Less: Future Project Debt Payment		(93,444)	(302,972)	(329,384)	(660,944)	(660,944)	(660,944)	(660,944)
Less: Total Direct & Seed HAWSP Project Funding	(459,668)	(884,536)	(1,079,886)	(850,705)	(998,740)	(998,740)	(960,000)	(1,018,464)
Ending Balance	\$2,275,476	\$2,353,970	\$2,233,105	\$2,349,453	\$2,236,662	\$2,416,012	\$2,651,027	\$3,086,280

City of Homer
Water and Sewer Financial Plan
Sewer Capital Improvement Plan
Exhibit 9

	<i>Actual</i>		<i>Budget</i>								
	CY 2019	CY 2020	CY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
CARMA FUND - Water											
Beginning Balance			\$2,434,942	\$1,774,075	\$1,317,919	\$1,303,666	\$1,290,618	\$1,278,794	\$1,268,214	\$1,258,895	\$1,250,859
Plus: Annual CARMA Water Transfers In			0	0	266,899	268,233	269,574	270,922	272,277	273,638	275,006
Plus: Other Transfers in			0	0	0	0	0	0	0	0	0
Plus: Interest			31,271	22,528	18,848	18,719	18,602	18,497	18,405	18,325	18,259
Less: Uses of Funds-Capital			(692,138)	(478,683)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Ending Balance		\$2,434,942	\$1,774,075	\$1,317,919	\$1,303,666	\$1,290,618	\$1,278,794	\$1,268,214	\$1,258,895	\$1,250,859	\$1,244,124
CARMA FUND - Sewer											
Beginning Balance			\$1,836,104	\$1,294,863	\$687,706	\$729,606	\$773,237	\$818,621	\$865,784	\$914,750	\$965,543
Plus: Annual CARMA Sewer Transfers In			0	0	259,676	260,974	262,279	263,591	264,909	266,233	267,564
Plus: Other Transfers in			0	0	0	0	0	0	0	0	0
Plus: Interest			12,820	6,809	7,224	7,656	8,105	8,572	9,057	9,560	10,081
Less: Uses of Funds-Capital			(554,061)	(613,966)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
Ending Balance		\$1,836,104	\$1,294,863	\$687,706	\$729,606	\$773,237	\$818,621	\$865,784	\$914,750	\$965,543	\$1,018,188