

**ORDINANCE NO. 2021-07**

**AN ORDINANCE TO AMEND SECTION 9-4-7(c) OF THE CODE OF ORDINANCES FOR THE VILLAGE OF CALEDONIA RELATING TO THE AMOUNT OF SEWER SERVICE CHARGES**

That the Village Board of the Village of Caledonia, Racine County, do ordain as follows:

1. That Caledonia Utility District has a five-year Sanitary Sewer Capital Improvement Plan (CIP) of approximately \$42.86 million (2021 – 2025). In addition to the CIP, the Mount Pleasant TID #5 Conveyance for the Interstate 94 Corridor in Caledonia (TID #1 and TID #4) has a cost share of \$27.06 million, and the City of Racine wastewater treatment plant equipment upgrade has an estimated cost share of \$3.62 million. This is a total of approximately \$73.4 million of capital that will need to be funded through 2025.

2. That due to high intensity rain events in May, July, and August 2020, and the lack of additional Sanitary Sewer Capacity available, the Utility District will need to construct additional attenuation basins to mitigate and control peak sanitary sewer flows. These projects will hopefully avoid or limit the duration the Village of Caledonia is placed on a Sewer Moratorium at two of its three connection points with the Racine Wastewater Utility.

3. That the Caledonia Utility District has proposed to begin two major sewer projects in 2021: Hoods Creek Attenuation Basin cells 2 and 3, and Dominican Lift Station rehabilitation. The balance of the five-year CIP has Riverbend Lift Station safety site and forcemain replacement in 2022, sanitary sewer replacement along 4 ½ Mile Road in 2023, the Central Attenuation Basin and safe site in 2023-2024, and sewer improvements for Caddy Vista and Erie Street in 2024. The total estimated project costs are \$42.86 million dollars.

4. That the first interest-only payment on the Village's share of the Mount Pleasant Clean Water Fund Loan is due in November 2021, and the first principal and interest payment is due in May 2022.

5. That the Village's share of the projected City of Racine wastewater treatment plant equipment Clean Water Fund Loan is expected to have its first principal and interest payment due in May 2024.

6. That a Financial Plan was prepared by Brian Della of PMA (the Village's municipal advisor) and reviewed by Village staff. The Financial Plan indicates that the Village will need to issue water and sewer revenue bonds for approximately \$13.8 million in 2021, \$6.3 million in 2022, \$12.6 million in 2023, \$14.1 million in 2024 to finance scheduled sewer projects in years 2021-2025. Bonding amounts are higher than project costs in order to finance deposits to the Debt Service Reserve Account, which is equal to maximum annual revenue bond debt service over a given year, and to pay debt issuance expenses.

7. That the Financial Plan also indicates that in order to complete the CIP, Bond for the projects, and pay Caledonia's share of the Mount Pleasant TID #5 Conveyance and Racine

WWTP equipment upgrades, the Sewer Service Charge will need to increase. The projected overall increase needed in the Sewer Service Charge for the five-year CIP, and the Mount Pleasant TID #5 Conveyance and Racine WWTP equipment upgrade is 62%. The Financial Plan currently projects future increases effective in the fourth quarter as follows: 10.0% (\$140 to \$154) in 2021, 10.4% (\$154 to \$170) in 2022, 10.0% (\$170 to \$187) in 2023, 10.2% (\$187 to \$206) in 2024, 10.2% (\$206 to \$227) in 2025, and 10.1% (\$227 to \$250) in 2026.

8. That the Caledonia Utility District Commission and staff have discussed the CIP, sewer capacity issues, Caledonia's share of the Mount Pleasant TID #5 Conveyance and Racine WWTP equipment upgrades, the Financial Plan, and the necessity for a Sewer Service Charge increase at various noticed meetings during the year 2021.

9. That based on the above, Section 9-4-7(c) of the Code of Ordinances for the Village of Caledonia be, and hereby is, amended to read as follows:

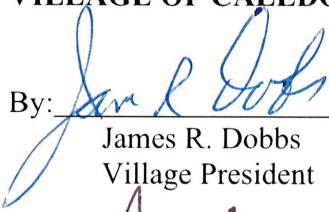
**“(c) Amount of Sewer Service Charges.**

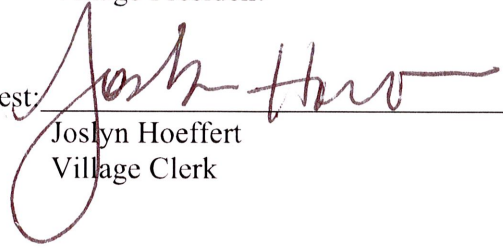
- (1) Category A. Customers as defined in s. 9-4-3(a)(3) shall pay a total service charge of **\$154.00/quarter**, effective September 15, 2021.
- (2) Category B. Customers as defined in s. 9-4-3(a)(4) shall pay a user charge, as determined by the District, based upon (without limitation) the costs of collection, treatment and disposal of wastewater, treatment and disposal of prohibited substances, and/or sampling, measurement and analysis performed by, or on behalf of, the District."

10. That this ordinance shall take effect on September 15, 2021, after recommendation by the Caledonia Utility District Commission on September 8, 2021 and publication as required by law.

*JRH* Adopted by the Village Board of the Village of Caledonia, Racine County, Wisconsin, this \_\_\_ day of September, 2021.

**VILLAGE OF CALEDONIA**

By:   
James R. Dobbs  
Village President

Attest:   
Joslyn Hoeffert  
Village Clerk



## Village of Caledonia, WI

### Sewer Utility

Capital Improvement Plan Overview, Rate Setting Considerations, &  
\$17.1 million W&S Revenue Bonds, Series 2021 (Pre-Sale)

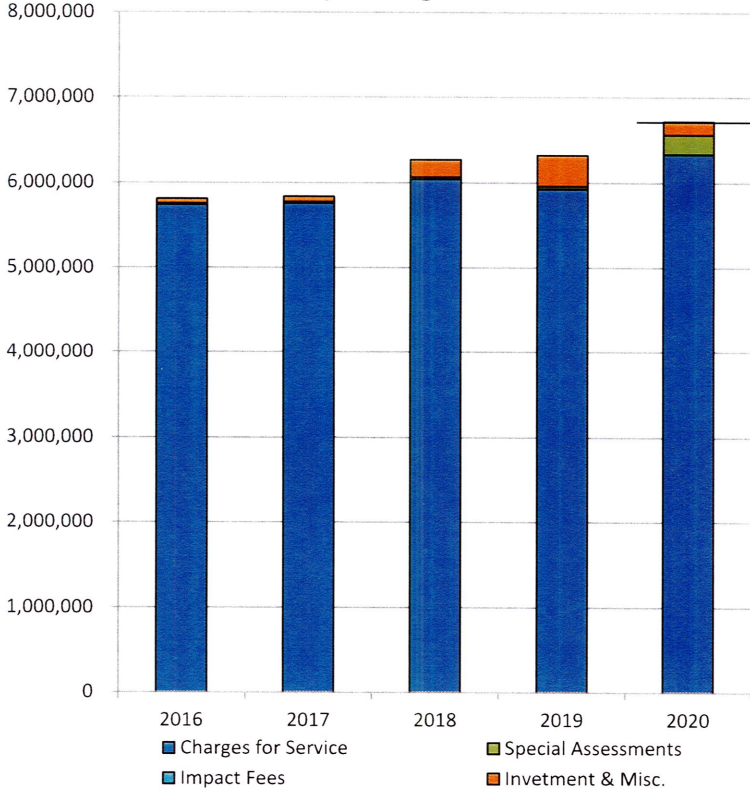
Village Board: September 7, 2021  
Utility Commission: September 8, 2021

**Brian Della, CFA**  
Director, Public Finance  
PMA Securities, LLC

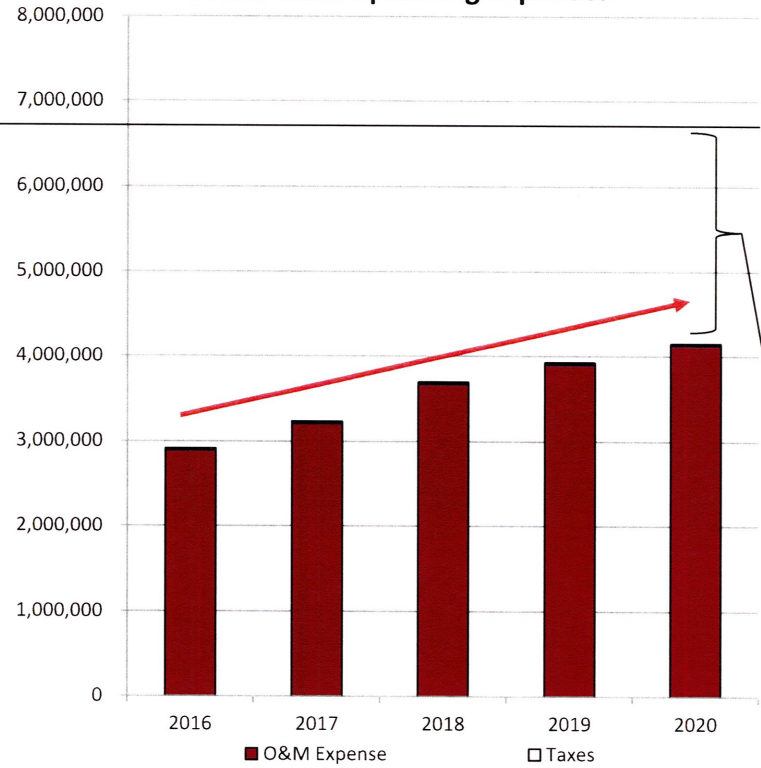


# Sewer Revenues and Cash Operating Expenses

### Sewer Operating Revenues



### Sewer Cash Operating Expenses



In August 2020, PMA made a Sewer Utility presentation with 2019 results and projections.

2020 Results

**Operating Revenues**  
\$6.7 million  
(rate increase and Spec. Asmt.)

**Cash Operating Expenses**  
\$4.15 million

**Available for Sewer D.S.**  
\$2.5 million - Net Revenues



# Existing Sewer Debt Service



Year	Paid by Net Sewer Rev.			Paid by Net Sewer Rev.			Approx. 32.4% of Mt. P. CWFL	Total Rev. D.S.	Paid by Property Taxes		
	Principal	Interest	D.S.	Principal	Interest	D.S.			Principal	Interest	D.S.
2018	688,104	383,586	1,071,690	923,401	128,019	1,051,420	--	2,123,110	419,144	137,013	556,157
2019	704,473	360,155	1,064,628	949,664	100,691	1,050,355	--	2,114,983	431,271	126,539	557,810
2020	841,140	429,053	1,270,193	976,673	72,591	1,049,264	--	2,319,457	443,593	115,765	559,358
2021	858,114	411,678	1,269,792	1,004,420	43,697	1,048,117	226,805	2,544,714	451,117	104,738	555,855
2022	875,402	387,129	1,262,531	994,192	14,524	1,008,716	1,300,000	3,571,247	463,192	93,516	556,708
2023	898,013	361,978	1,259,991	--	--	--	1,300,000	2,559,991	470,000	82,808	552,808
2024	925,954	336,092	1,262,046	--	--	--	1,300,000	2,562,046	285,000	74,478	359,478
2025	949,235	309,461	1,258,696	--	--	--	1,300,000	2,558,696	290,000	67,648	357,648
2026	977,865	282,077	1,259,942	--	--	--	1,300,000	2,559,942	295,000	60,334	355,334
2027	1,006,853	253,712	1,260,565	--	--	--	1,300,000	2,560,565	305,000	52,531	357,531
2028	1,036,208	224,331	1,260,539	--	--	--	1,300,000	2,560,539	315,000	44,159	359,159
2029	1,065,940	193,963	1,259,903	--	--	--	1,300,000	2,559,903	325,000	35,196	360,196
2030	1,091,058	164,321	1,255,379	--	--	--	1,300,000	2,555,379	335,000	25,708	360,708
2031	1,126,573	135,358	1,261,931	--	--	--	1,300,000	2,561,931	345,000	15,675	360,675
2032	1,152,496	105,333	1,257,829	--	--	--	1,300,000	2,557,829	350,000	5,250	355,250
2033	550,000	82,631	632,631	--	--	--	1,300,000	1,932,631	--	--	--
2034	565,000	67,406	632,406	--	--	--	1,300,000	1,932,406	--	--	--
2035	590,000	51,188	641,188	--	--	--	1,300,000	1,941,188	--	--	--
2036	605,000	33,953	638,953	--	--	--	1,300,000	1,938,953	--	--	--
2037	500,000	17,775	517,775	--	--	--	1,300,000	1,817,775	--	--	--
2038	200,000	7,881	--	--	--	--	1,300,000	1,300,000	--	--	--
2039	205,000	2,691	--	--	--	--	1,300,000	1,300,000	--	--	--
2040	--	--	--	--	--	--	1,300,000	1,300,000	--	--	--
	17,412,428	4,601,752	21,598,608	4,848,350	359,522	5,207,872	thru 2051	51,733,285	5,523,317	1,041,358	6,564,675

2012 Clean Water Fund Loan
2013C W&S Revenue Bonds
2016D W&S Revenue Bonds
2017B W&S Revenue Bonds
2019 W&S Revenue Bonds
2020 W&S Revenue Bonds

2002A Racine CWFL
2002B Racine CWFL
2002C Racine CWFL
2008 Racine Advance

2001 G.O. CWFL
2003 G.O. CWFL
Portions of 2010A & 2012B G.O.
Portions of 2012A & 2016B G.O.

Sewer Revenue Debt Service is paid by Net Sewer Operating Revenues.

G.O. Debt issued to finance Sewer Projects is paid by property taxes.

Sewer Revenue Debt Service in 2021 is \$2.54 million.

Temporary spike to \$3.57 million in 2022.

Stabilized at \$2.6 million 2023-2032

Net Revenues from the previous were \$2.5 million in 2020.



# Village Water and Sewer Utility Capital Projects

Below is a list of Water and Sewer projects. Estimated timing for those projects highlighted in **Yellow** are reasonably known. The timing of the other projects will be determined if and when certain TID-related developments occur.

Village of Caledonia		Total	Sewer	Water	TID Allocation		Project	2021	2022	2023	2024	2025
Project Description		Cost	Total	Total	%	\$	Schedule	Borrowing	Borrowing	Borrowing	Borrowing	Borrowing
1	Hoods Creek Attenuation Basin (Cells 2 and 3)	10,600,000	10,600,000	--	--	--	9/21 - 8/22	10,600,000	--	--	--	--
2	Dominican Lift Station Rehab (TID #5)	2,150,000	1,010,500	--	53%	1,139,500	9/21 - 2/22	2,150,000	--	--	--	--
3	North Kremer Watermain Relay	3,000,000	--	3,000,000	--	--	7/21 - 5/22	3,000,000	--	--	--	--
4	Riverbend Lift Station Safety Site & Forcemain Relay	5,750,000	5,750,000	--	--	--	2/22 - 8/22	--	5,750,000	--	--	--
5	Washington Meadows Watermain Relay	1,500,000	--	1,500,000	--	--	6/22 - 11/22	--	1,500,000	--	--	--
6	Central Attenuation Basin & Safety Site	22,600,000	21,470,000	--	5%	1,130,000	5/23 - 7/24	--	--	11,300,000	11,300,000	--
7	5 Mile Road East New Sanitary Sewer (TID #5)	443,000	--	--	100%	Dev. Finance	Dev. Driven	--	--	--	--	--
8	5 Mile Road East New Water Main (TID #5)	280,000	--	--	100%	Dev. Finance	Dev. Driven	--	--	--	--	--
9	4 ½ Mile Road Sanitary Sewer Rehab (TID #5)	201,100	201,100	--	--	--	2023-2024	--	--	201,100	--	--
10	4 ½ Mile Road New Water Main (TID #5)	208,000	--	--	100%	208,000	2023-2024	--	--	208,000	--	--
11	TID #1 (Water and Sanitary Sewer extension)	6,000,000	4,500,000	1,500,000	100%	6,000,000	Dev. Driven	--	--	--	--	--
12	TID #1 Phase 1 (West Franksville W&S extension)	10,920,000	7,435,000	3,485,000	100%	10,920,000	Dev. Driven	--	--	--	--	--
13	TID #4 (Golf Road Water Main extension)	750,000	--	750,000	100%	750,000	Dev. Driven	--	--	--	--	--
14	TID #4 Phase 4 (Sanitary Sewer to Hintz & S. of Badgerland)	4,370,000	4,370,000	--	100%	4,370,000	Dev. Driven	--	--	--	--	--
15	TID #4 Water Main Extension	???	--	--	--	--	Dev. Driven	--	--	--	--	--
16	TID #4 Elevated Storage Tank (ARPA Funds?)	3,750,000	--	3,750,000	100%	3,750,000	2025	--	--	--	--	3,750,000
17	Caddy Vista Sewer Improvements East	1,250,000	1,250,000	--	--	--	2024-2025	--	--	--	1,250,000	--
18	Erie Street Sanitary Sewer Rehab (TID #5)	313,600	313,600	--	0%	--	2025	--	--	--	313,600	--
19	Erie Street Watermain Improvements (TID #5)	1,895,700	--	1,895,700	0%	--	2025	--	--	--	--	1,895,700
20	North Main Street Utility Rehabilitation	???	--	--	--	--	2026	--	--	--	--	--
Direct Borrowing for W&S Projects		75,981,400	56,900,200	15,880,700	28,267,500		Total	15,750,000	7,250,000	11,709,100	12,863,600	5,645,700
							Sewer Total	12,750,000	5,750,000	11,501,100	12,863,600	
							Water Total	3,000,000	1,500,000			5,645,700



# Village Sewer Utility Projected Debt Service and Rev. Bond Sizing

Year	Estimated 2021 W&S Bonds			Estimated 2022 W&S Bonds			Estimated 2023 W&S Bonds			Estimated 2024 W&S Bonds			Estimated 2021-2025 CIP Bonds		
	Principal	Interest	D.S.	Principal	Interest	D.S.	Principal	Interest	D.S.	Principal	Interest	D.S.	Principal	Interest	D.S.
2018	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2019	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2020	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2021	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2022	--	166,152	166,152	--	--	--	--	--	--	--	--	--	--	166,152	166,152
2023	--	345,750	345,750	--	157,000	157,000	--	--	--	--	--	--	--	502,750	502,750
2024	495,000	345,750	840,750	--	157,000	157,000	--	345,400	345,400	--	--	--	495,000	848,150	1,343,150
2025	505,000	333,375	838,375	280,000	157,000	437,000	--	345,400	895,400	--	--	--	785,000	1,257,275	2,042,275
2026	520,000	320,750	840,750	290,000	150,000	440,000	550,000	345,400	895,400	--	421,500	421,500	1,360,000	1,237,650	2,597,650
2027	530,000	307,750	837,750	295,000	142,750	437,750	565,000	330,275	895,275	600,000	421,500	1,021,500	1,990,000	1,202,275	3,192,275
2028	545,000	294,500	839,500	300,000	135,375	435,375	580,000	314,738	894,738	620,000	403,500	1,023,500	2,045,000	1,148,113	3,193,113
2029	560,000	280,875	840,875	310,000	127,875	437,875	595,000	298,788	893,788	635,000	384,900	1,019,900	2,100,000	1,092,438	3,192,438
2030	575,000	266,875	841,875	315,000	120,125	435,125	610,000	282,425	892,425	655,000	365,850	1,020,850	2,155,000	1,035,275	3,190,275
2031	585,000	252,500	837,500	325,000	112,250	437,250	630,000	265,650	895,650	675,000	346,200	1,021,200	2,215,000	976,600	3,191,600
2032	600,000	237,875	837,875	335,000	104,125	439,125	645,000	248,325	893,325	695,000	325,950	1,020,950	2,275,000	916,275	3,191,275
2033	615,000	222,875	837,875	340,000	95,750	435,750	665,000	230,588	895,588	715,000	305,100	1,020,100	2,335,000	854,313	3,189,313
2034	835,000	207,500	1,042,500	350,000	87,250	437,250	680,000	212,300	892,300	740,000	283,650	1,023,650	2,605,000	790,700	3,395,700
2035	855,000	186,625	1,041,625	360,000	78,500	438,500	700,000	193,600	893,600	760,000	261,450	1,021,450	2,675,000	720,175	3,395,175
2036	875,000	165,250	1,040,250	370,000	69,500	439,500	720,000	174,350	894,350	785,000	238,650	1,023,650	2,750,000	647,750	3,397,750
2037	900,000	143,375	1,043,375	375,000	60,250	435,250	740,000	154,550	894,550	805,000	215,100	1,020,100	2,820,000	573,275	3,393,275
2038	920,000	120,875	1,040,875	385,000	50,875	435,875	760,000	134,200	894,200	830,000	190,950	1,020,950	2,895,000	496,900	3,391,900
2039	945,000	97,875	1,042,875	395,000	41,250	436,250	780,000	113,300	893,300	855,000	166,050	1,021,050	2,975,000	418,475	3,393,475
2040	965,000	74,250	1,039,250	405,000	31,375	436,375	800,000	91,850	891,850	880,000	140,400	1,020,400	3,050,000	337,875	3,387,875
2041	990,000	50,125	1,040,125	415,000	21,250	436,250	825,000	69,850	894,850	910,000	114,000	1,024,000	3,140,000	255,225	3,395,225
2042	1,015,000	25,375	1,040,375	435,000	10,875	445,875	845,000	47,163	892,163	935,000	86,700	1,021,700	3,230,000	170,113	3,400,113
2043	--	--	--	--	--	--	870,000	23,925	893,925	965,000	58,650	1,023,650	1,835,000	82,575	1,917,575
2044	--	--	--	--	--	--	--	--	--	990,000	29,700	1,019,700	990,000	29,700	1,019,700
2045	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	<b>13,830,000</b>	4,446,277	18,276,277	<b>6,280,000</b>	1,910,375	8,190,375	<b>12,560,000</b>	4,222,075	16,782,075	<b>14,050,000</b>	5,181,300	19,231,300	<b>46,720,000</b>	15,760,027	62,480,027
Project	<b>12,750,000</b>			<b>5,750,000</b>			<b>11,501,100</b>			<b>12,863,600</b>			<b>42,864,700</b>		
DSRF	846,749			402,844			805,688			901,267			2,956,549		
COI	233,251			127,156			253,212			285,133			898,751		
Par	<b>13,830,000</b>			<b>6,280,000</b>			<b>12,560,000</b>			<b>14,050,000</b>			<b>46,720,000</b>		



# Estimated Sewer Debt Service and Example Rate Increases

Year	Paid by Net W&S Revenues			Paid by Net W&S Revenues			Est. Mount Pleasant	Estimated			TOTAL D.S.	\$500,000 Required Revenues	\$6,330,328 Base Charges for Service		
	Senior W&S Rev.			Junior W&S Rev. (Racine)				2021-2025 CIP Bonds					Required Increase		
	Principal	Interest	D.S.	Principal	Interest	D.S.		Principal	Interest	D.S.		\$	Annual %	Agg. %	
2018	688,104	383,586	1,071,690	923,401	128,019	1,051,420					2,123,110	2,569,760*	--	--	--
2019	704,473	360,155	1,064,628	949,664	100,691	1,050,355					2,114,983	2,397,026*	--	--	--
2020	841,140	429,053	1,270,193	976,673	72,591	1,049,264					2,319,457	2,562,701	--	--	--
2021	858,114	411,678	1,269,792	1,004,420	43,697	1,048,117	226,805				2,544,714	3,045,000	482,299	7.6%	7.6%
2022	875,402	387,129	1,262,531	994,192	14,524	1,008,716	1,300,000	--	166,152	166,152	3,737,399	3,537,000	492,000	7.8%	15.4%
2023	898,013	361,978	1,259,991	--	--	--	1,300,000	--	502,750	502,750	3,062,741	3,563,000	26,000	0.4%	15.8%
2024	925,954	336,092	1,262,046	141,713	90,500	232,213	1,300,000	495,000	848,150	1,343,150	4,137,409	4,637,000	1,074,000	17.0%	32.8%
2025	949,235	309,461	1,258,696	145,255	86,957	232,213	1,300,000	785,000	1,257,275	2,042,275	4,833,184	5,333,000	696,000	11.0%	43.8%
2026	977,865	282,077	1,259,942	148,887	83,326	232,213	1,300,000	1,360,000	1,237,650	2,597,650	5,389,805	5,890,000	557,000	8.8%	52.6%
2027	1,006,853	253,712	1,260,565	152,609	79,604	232,213	1,300,000	1,990,000	1,202,275	3,192,275	5,985,053	6,485,000	595,000	9.4%	62.0%
2028	1,036,208	224,331	1,260,539	156,424	75,788	232,213	1,300,000	2,045,000	1,148,113	3,193,113	5,985,864	6,486,000	--	--	62.0%
2029	1,065,940	193,963	1,259,903	160,335	71,878	232,213	1,300,000	2,100,000	1,092,438	3,192,438	5,984,553	6,485,000	--	--	62.0%
2030	1,091,058	164,321	1,255,379	164,343	67,869	232,213	1,300,000	2,155,000	1,035,275	3,190,275	5,977,867	6,478,000	--	--	62.0%
2031	1,126,573	135,358	1,261,931	168,452	63,761	232,213	1,300,000	2,215,000	976,600	3,191,600	5,985,744	6,486,000	--	--	62.0%
2032	1,152,496	105,333	1,257,829	172,663	59,550	232,213	1,300,000	2,275,000	916,275	3,191,275	5,981,317	6,481,000	--	--	62.0%
2033	550,000	82,631	632,631	176,980	55,233	232,213	1,300,000	2,335,000	854,313	3,189,313	5,354,156	5,854,000	--	--	62.0%
2034	565,000	67,406	632,406	181,404	50,808	232,213	1,300,000	2,605,000	790,700	3,395,700	5,560,319	6,060,000	--	--	62.0%
2035	590,000	51,188	641,188	185,939	46,273	232,213	1,300,000	2,675,000	720,175	3,395,175	5,568,916	6,069,000	--	--	62.0%
2036	605,000	33,953	638,953	190,588	41,625	232,213	1,300,000	2,750,000	647,750	3,397,750	5,568,916	6,069,000	--	--	62.0%
2037	500,000	17,775	517,775	195,352	36,860	232,213	1,300,000	2,820,000	573,275	3,393,275	5,443,263	5,943,000	--	--	62.0%
2038	200,000	7,881	--	200,236	31,976	232,213	1,300,000	2,895,000	496,900	3,391,900	4,924,113	5,424,000	--	--	62.0%
2039	205,000	2,691	--	205,242	26,970	232,213	1,300,000	2,975,000	418,475	3,393,475	4,925,688	5,426,000	--	--	62.0%
2040	--	--	--	210,373	21,839	232,213	1,300,000	3,050,000	337,875	3,387,875	4,920,088	5,420,000	--	--	62.0%
2041	--	--	--	215,632	16,580	232,213	1,300,000	3,140,000	255,225	3,395,225	4,927,438	5,427,000	--	--	62.0%
2042	--	--	--	221,023	11,189	232,213	1,300,000	3,230,000	170,113	3,400,113	4,932,325	5,432,000	--	--	62.0%
2043	--	--	--	226,549	5,664	232,213	1,300,000	1,835,000	82,575	1,917,575	3,449,788	3,950,000	--	--	62.0%
2044	--	--	--	--	--	--	1,300,000	990,000	29,700	1,019,700	2,319,700	2,820,000	--	--	62.0%
2045	--	--	--	--	--	--	1,300,000	--	--	--	1,300,000	1,800,000	--	--	62.0%
2046	--	--	--	--	--	--	1,300,000	--	--	--	1,300,000	1,800,000	--	--	62.0%
	17,412,428	4,601,752	21,598,608	8,468,350	1,383,774	9,852,124	thru 2051	46,720,000	15,760,027	62,480,027			3,922,299		

3,620,000 WWTP Equipment

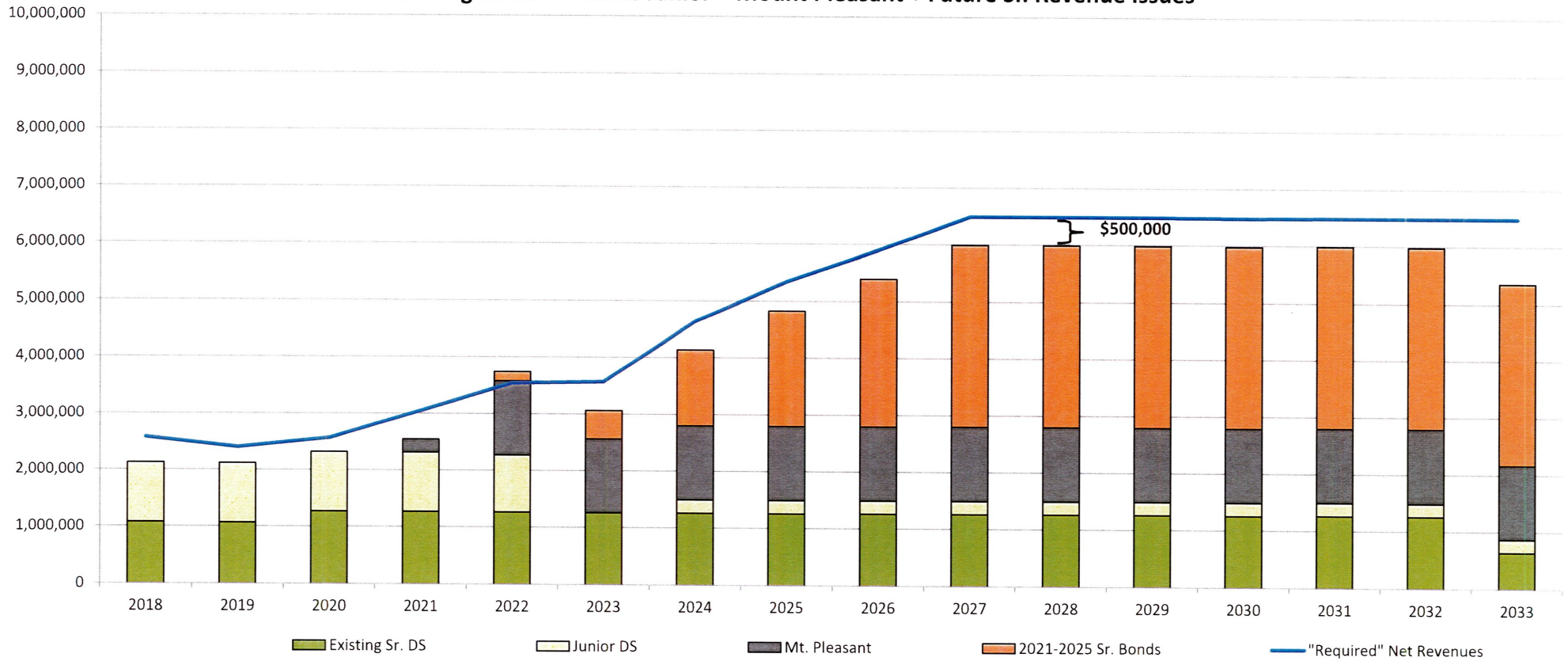
(700,000) fund balance applied to cover spike





# Estimated Sewer Debt Service and Example Rate Increases

Existing Senior + Racine Junior + Mount Pleasant + Future Sr. Revenue Issues





## Current, Minimum Suggested Sewer Rate Schedule

	Year	Quarter	Sewer Service Charge	Quarter-over-Quarter Rate Increase	Calendar Year Rate Increase
Historical	2019	Q1	123	--	0.6%
	2019	Q2	123	--	
	2019	Q3	123	--	
	2019	Q4	126	2.4%	
	2020	Q1	126	2.4%	4.6%
	2020	Q2	126	2.4%	
	2020	Q3	126	2.4%	
	2020	Q4	140	11.1%	
	2021	Q1	140	11.1%	10.8%
	2021	Q2	140	11.1%	
2021	Q3	140	11.1%		
2021	Q4	154	10.0%		
Suggested Minimum	2022	Q1	154	10.0%	10.1%
	2022	Q2	154	10.0%	
	2022	Q3	154	10.0%	
	2022	Q4	170	10.4%	
	2023	Q1	170	10.4%	10.3%
	2023	Q2	170	10.4%	
	2023	Q3	170	10.4%	
	2023	Q4	187	10.0%	
	2024	Q1	187	10.0%	10.0%
	2024	Q2	187	10.0%	
	2024	Q3	187	10.0%	
	2024	Q4	206	10.2%	
	2025	Q1	206	10.2%	10.2%
	2025	Q2	206	10.2%	
	2025	Q3	206	10.2%	
	2025	Q4	227	10.2%	
2026	Q1	227	10.2%	10.2%	
2026	Q2	227	10.2%		
2026	Q3	227	10.2%		
2026	Q4	250	10.1%		

In August of 2020, PMA estimated that 10% annual sewer service charge rate increases would be the minimum needed to finance the estimated required capital projects.

The Village has already increased rates beginning in Quarter 4 (i.e., September 15<sup>th</sup>) in 2019 and 2020.

The adjacent table shows projected minimum 10% rate increases annually beginning in Quarter 4, 2021 (September 15, 2021), through Quarter 4, 2026.

It's important to have consistent timing of the needed rate increases for revenue and credit rating (Moody's) reasons.

**Additional rate increases could be needed if Operations and Maintenance expenses continue to grow at recent pace (9% annually since 2016).**



## Disclosure

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