

**PITTSBORO TOWN COUNCIL SPECIAL MEETING  
MONDAY, FEBRUARY 25, 2019 @ 5:30 PM**

**QUORUM:**

Shelby Smith  
Doug Joiner  
William Majeske

Jim Buddenbaum, Attorney  
Shari L. Ping, Clerk Treasurer

OTHERS: Jason Love, Town Manager; Steve Maple, Building Comm; Sue Haase, LWG; Larry Hart, 400 Karen Dr.; Eric Wathen, RQAW

**PLEDGE OF ALLEGIANCE & MOMENT OF SILENCE:**

5:30 p.m. – President Shelby Smith brought the Special Council Meeting to order by establishing a quorum. Three (3) of five (5) members present. Jim Hill and John Hart (deceased) are absent. He asked the Council, staff and audience to stand for the Pledge of Allegiance and to follow with a Moment of Silence.

**OLD BUSINESS**

*Water Plant SRF Funding* – Shelby Smith introduced Sue Haase from London Witte Group. She explained that if we pull out of the SRF Funding this time we should count ourselves out for any SRF Funding in the future. Voting on this Rate and Financing Sufficiency Analysis does not mean we are finished with the project. There is still more to process with this project.

Sue Haase, LWG, went over the following Exhibits from the attached report-  
Exhibit E – Estimated Sources and Uses of Funds – Proposed Revenue Bonds.

Exhibit B – Pro Forma Statement of Annual Cash Revenue Requirements for the Twelve Months Ended June 30, 2018 – we will take away the cost of water purchased from Citizens except for the \$3000 surcharge currently being paid monthly

Exhibit H – Comparison of Current and Proposed Rates at Various Levels of Consumption for Residential Customers – Our minimum of 2500 gallons costs \$23.24 and with the new rates it will be \$31.91 which is a 37.31% increase. This rate will not increase unless we go over \$392,429 in expenses. We can use Citizens as a backup plan if needed.

Jason Love asked Jim Buddenbaum and Sue Haase if we could pledge EDIT monies to the debt? Discussion followed and it was decided to look into this at a later date.

Shelby Smith said the reason he is supportive of this is because we don't know how much Citizens will increase their rate to us. Doug Joiner said he agreed. This is an investment for the Town, long term will be good for the Town.

Eric Wathen, RQAW, reported that the ad for bids will go in paper with a return date by March 28, 2019. In order to meet the deadline for SRF Funding we must give them an intent by March 1<sup>st</sup> and the bid process is due by April 1<sup>st</sup>.

Larry Hart, 400 Karen Dr., asked if there is a fee for using Citizens as a back-up? We only pay for the gallons used. He also asked if the rate for sewer will go up as well? No

He asked if we were going to hire someone to manage the water plant? Yes

What happens if we back out of the SRF Funding? We would go the traditional route of funding with a higher interest rate.

Bill Majeske said we have Arbor Homes building in Jefferson Park and the area north of I74 to develop. Doug Joiner said the plant would be self-sufficient.

Jason Love said the purchase of the land to put the plant on is not figured into these rates. The land will be purchased with other monies. He also said we did a water rate increase two (2) years ago but Citizens passes an increase onto us every two (2) years.

Shelby Smith asked for a motion to notify the SRF to put us in the pool for funding. Doug Joiner made a motion, Bill Majeske seconded. All ayes, motion carries.

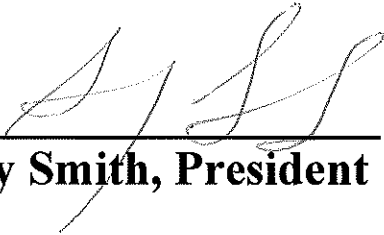
Shelby Smith asked for a motion to authorize Jason Love and RQAW to send the project out for bid. Bill Majeske made a motion, Doug Joiner seconded. All ayes, motion carries.

Jason Love asked about the purchase agreement with Lynn Love to purchase five (5) acres of ground for \$20,000 an acres. Bill Majeske made a motion to authorize Jason to enter into a purchase agreement with Lynn Love, Doug Joiner seconded. All ayes, motion carries.

**ADJOURNMENT:** Doug Joiner made a motion to adjourn, Shelby Smith seconded. All ayes, motion carries.

Respectfully submitted,

Shari L. Ping  
Clerk Treasurer



**Shelby Smith, President**



**William Majeske**

**John Hart**

**James Hill**



**Doug Joiner**

Attest:   
**Shari L. Ping**

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*Pittsboro Water Utility*

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**Rate and Financing Sufficiency Analysis**

**Based Upon the Twelve Months Ending June 30, 2018**

**Exhibits and Schedules**

**February 23, 2019**



# **PITTSBORO WATER UTILITY**

Pittsboro, Indiana

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**PITTSBORO WATER UTILITY**

Pittsboro, Indiana

**Comparable Cash Receipts and Disbursements Statement (Unadjusted)  
For the Twelve Months Ended June 30, 2017 and 2018**

<u>Line No.</u>	<u>Description</u>	<u>Year Ended 6/30/2017</u>	<u>Year Ended 6/30/2018</u>
	<u>Operating receipts:</u>		
1	Customer collections	\$535,276	\$607,021
2	Penalties	7,295	9,290
3	Interest income	3,229	2,467
4	Total operating receipts	\$601,835	\$618,778
	<u>Operating disbursements:</u>		
5	Salaries and wages	\$63,093	\$62,096
6	<u>Employee Benefits</u>		
7	Health Insurance	20,149	19,207
8	Employee Retirement Benefits	7,315	6,504
9	Payroll Tax	4,908	4,667
10	Other	2,774	1,377
11	Materials and supplies	18,844	35,611
12	Purchased water	230,702	247,680
13	Office supplies	6,961	9,523
14	Contractual services	98,113	131,799
15	Utility receipt tax	7,451	8,141
16	Insurance	10,200	10,055
17	Non-utility expenses	4,144	6,393
18	Miscellaneous	54	837
19	Total operating disbursements	\$474,708	\$543,890
20	Net Operating Receipts	\$127,126	\$74,888
	<u>Non-operating receipts:</u>		
21	Transfers	\$110,800	\$35,400
22	Availability fee	56,034	74,887
23	BAN Draws	-	1,579,547
24	Interest Earned on BAN Proceeds	-	19
25	Customer deposits	1,300	1,350
26	Total non-operating receipts	\$168,134	\$1,691,203
	<u>Non-operating disbursements:</u>		
27	Capital Disbursements - Depreciation	\$52,599	\$2,750
28	Capital Disbursements - Ban Proceeds	-	1,506,597
29	Citizens Energy Special Main Extension Obligation	36,000	36,000
30	Customer Deposit Refunds	1,248	1,550
31	Bond Principal and Interest	69,099	69,241
32	Transfers	110,800	35,400
33	Net non-operating disbursements	\$269,745	\$1,651,538
34	Net Receipts and Disbursements	\$25,515	\$114,552

**PITTSBORO WATER UTILITY**

Pittsboro, Indiana

**Current and Adjusted Fund Balances as of December 31, 2018**

Line No.		601 Operating	626 Investment Debt Service Reserve	603 Depreciation	604 Meter Deposit	626 Cash Water Utility Bond & Interest	627 Construction (BAN)	Total
1	Beginning balance 01/01/2018	\$ 54,419	\$ 115,077	\$ 27,766	\$ 4,812	\$ 1,860	\$ (1,107)	\$ 202,826
2	Receipts	684,228	1,027	-	1,058	0.49	1,414,977	2,101,291
3	Disbursements	591,874	-	2,750	1,175	-	1,413,206	2,009,006
4	Transfers In	-	-	-	-	-	-	0
5	Transfers Out	-	-	-	-	-	-	0
6	Ending balance	\$ 146,772	\$ 116,104	\$ 25,016	\$ 4,696	\$ 1,860	\$ 663	\$ 295,111
7	Adjustment	(86,660)		61,256		25,404		-
8	Adjusted Balance	\$ 60,112	\$ 116,104	\$ 86,272	\$ 4,696	\$ 27,264	\$ 663	\$ 295,111

**9 Calculation of Minimum Balances:****10 Fund 601 - Operating Fund:**

11	Test Year Adjusted O&M Disbursements	\$ 360,674
12	Divide by Months/year	12
13	Average Monthly Disbursements	\$ 30,056
14	Multiply by: 2 months minimum balance requirement	2
15	Minimum Requirement Operating Fund Balance	\$ 60,112

**16 Fund 626 - Water Utility Bond and Interest:**

17	(Using for Payment of Interest on BAN)	
18	BAN Interest Expense Due at Maturity	\$ 25,404

19 NOTES: Fund 603 - Depreciation has no set funding balance to maintain. Funds that have balances greater than the minimum balance requirement should transfer that excess to the Depreciation Fund.

Fund 604 - Meter Deposits and Fund 627 - Construction BAN are funds that have no minimum fund balance requirements.

**PITTSBORO WATER UTILITY**

Pittsboro, Indiana

**Pro Forma Statement of Annual Cash Revenue Requirements  
For the Twelve Months Ended June 30, 2018**

<b>Line No</b>	<b>Description</b>	<b>Actual 12 months Ending 6/30/2018</b>	<b>Pro Forma Proposed</b>
1	Operation and Maintenance Costs	\$ 543,890	\$ 392,429
2	Citizens Energy Infrastructure Restitution	36,000	36,000
3	BAN - Interest Payment	-	-
4	Maximum Annual Debt Service	-	409,500
5	Debt Service Reserve Annual Funding (5 Years)	-	58,307
6	Extensions and Replacements	-	15,000
7	Gross Revenue Requirements	\$ 579,890	\$ 911,236
8	Less: Unrestricted Earned Interest	(2,467)	(2,467)
9	Less: Taxpayer Pledge Payment		(25,000)
10	Net Revenue Requirements to be recovered through Customer Revenues	\$ 577,423	\$ 883,769
11	Less: Pro Forma Present Rate Customer Revenues	(616,311)	(646,175)
12	Gross Increase/(Decrease) from Current Rates	\$ (38,888)	\$ 237,594
13	URT Increase		3,374
14	Total Increase (Decrease) from Current Rates		\$ 240,968
15	Percentage Increase		37.30%
16	Coverage at Maximum Annual Debt Service	N/A	1.27
17	Residential Customer Rate (2,500 gallons)	\$23.24	\$31.91
18	Residential Customer Rate (4,000 gallons)	\$32.32	\$44.38
19	Residential Customer Rate (5,000 gallons)	\$38.37	\$52.69



**PITTSBORO WATER UTILITY**  
Pittsboro, Indiana

**Pro Forma Statement of Receipts and Disbursements at Present and Proposed Rates  
(Without Audit) For the Twelve Months Ended June 30, 2018**

Pro Forma Proposed Increase 37.30%

Line No.	Description	Year Ended 6/30/2018	Adj	Sch. Ref.	Pro Forma Present	Adj	Sch. Ref.	Pro Forma Proposed
<b><u>OPERATING RECEIPTS:</u></b>								
1	Customer collections	\$ 607,021	\$ 29,864	(1)	\$ 636,885	\$ 237,526	Exh B	\$ 874,411
2	Penalties	9,290			9,290	3,465	Exh B	12,755
3	Interest income	2,467			2,467			2,467
4	Total Operating Receipts	618,778	29,864		648,642	240,991		889,633
<b><u>OPERATING DISBURSEMENTS:</u></b>								
5	Salaries and wages	62,096	100,000	(2)	162,096			162,096
6	Employee Benefits	31,755	18,850	(3)&(4)	50,605			50,605
7	Materials and supplies	35,611	(22,708)	(5)	12,903			12,903
8	Purchased water	247,680	(231,680)	(6)	16,000			16,000
9	Office supplies	9,523			9,523			9,523
10	Contractual services	131,799	(87,923)	(7)	43,877			43,877
11	Insurance	10,055			10,055			10,055
12	Non-utility expenses	6,393			6,393			6,393
13	Miscellaneous	837			837			837
14	New plant operational expenses	-	72,000	(8)	72,000			72,000
15	Utility receipt tax	8,141			8,141	3,374	Exh B	11,514
16	Total Operating Disbursements	543,890	(151,461)		392,429	3,374		395,802
17	Net Operating Receipts	\$ 74,888	\$ 181,325		\$ 256,213	\$ 237,617		\$ 493,830

**PITTSBORO WATER UTILITY**

Pittsboro, Indiana

<u>Line No.</u>	<b>Detail of Adjustments</b>		
1		(1)	
2		To adjust test year receipts for customer growth through December 31, 2019.	
3	Additional customers through December 31, 2019		77
4	Multiply by: Monthly billing for 4,000 gallons		<u>\$32.32</u>
5	Annual Receipts per customer		\$2,489
6	Normalize for a full 12 months		<u>12</u>
7		Adjustment increase/(decrease)	<u>\$29,864</u>
8		(2)	
9		To adjust salaries and wages for the additional employee needed for the Water Plant.	
10	New Hire		<u>\$100,000</u>
11		Adjustment increase/(decrease)	<u>\$ 100,000</u>
12		(3)	
13		To adjust payroll taxes for the additional employee needed for the Water Plant	
14	Pro-forma Payroll Increase		\$100,000
15	Payroll taxes rate		<u>7.65%</u>
16		Adjustment increase/(decrease)	<u>\$ 7,650</u>
17		(4)	
18		To adjust PERF	
19	Pro-forma Payroll Increase		\$100,000
20	Payroll taxes rate		<u>11.20%</u>
21		Adjustment increase/(decrease)	<u>\$ 11,200</u>
22		(5)	
23		To remove non-recurring expenses	
24	Utility Supply Co.		<u>\$22,708</u>
25		Adjustment increase/(decrease)	<u>\$ (22,708)</u>
26		(6)	
27		To remove purchased water expenses due to new project.	
28	Test year purchased water		<u>\$ 231,680</u>
29		Adjustment increase/(decrease)	<u>\$ (231,680)</u>
30		(7)	
31		To remove expenses paid through operating that are related to capital project.	
32	Project Expenses paid through Operating		<u>\$ 87,923</u>
33		Adjustment increase/(decrease)	<u>\$ (87,923)</u>
34		(8)	
35		To add operational expenses of new plant	
36	Estimated monthly expense		\$6,000
37	Annualization		<u>12</u>
38		Adjustment increase/(decrease)	<u>\$ 72,000</u>

**PITTSBORO WATER UTILITY**  
Pittsboro, Indiana

**Proposed Combined Debt Amortization Schedule**

Line No.	Payment Date	2017 BAN (1)	2018 Bonds (2)	Total Debt Service	Fiscal Year Debt Service	Taxpayer Agreement Pledge	Net Fiscal Year Debt Service
1	5/23/2019	\$ 25,404	-	\$ 25,404			
2	1/1/2020		\$ 138,124	138,124	\$ 163,528	\$ -	\$163,528
3	7/1/2020		114,048	114,048			
4	1/1/2021		207,048	207,048	321,095	25,000	\$296,095
5	7/1/2021		205,420	205,420			
6	1/1/2022		203,793	203,793	409,213	25,000	\$384,213
7	7/1/2022		204,165	204,165			
8	1/1/2023		204,503	204,503	408,668	25,000	\$383,668
9	7/1/2023		203,805	203,805			
10	1/1/2024		205,090	205,090	408,895	25,000	\$383,895
11	7/1/2024		204,323	204,323			
12	1/1/2025		204,538	204,538	408,860	25,000	\$383,860
13	7/1/2025		203,718	203,718			
14	1/1/2026		204,880	204,880	408,598	25,000	\$383,598
15	7/1/2026		204,990	204,990			
16	1/1/2027		204,065	204,065	409,055	25,000	\$384,055
17	7/1/2027		204,123	204,123			
18	1/1/2028		204,145	204,145	408,268	25,000	\$383,268
19	7/1/2028		204,133	204,133			
20	1/1/2029		204,085	204,085	408,218	25,000	\$383,218
21	7/1/2029		204,003	204,003			
22	1/1/2030		204,885	204,885	408,888	25,000	\$383,888
23	7/1/2030		204,715	204,715			
24	1/1/2031		204,510	204,510	409,225	25,000	\$384,225
25	7/1/2031		204,270	204,270			
26	1/1/2032		203,995	203,995	408,265	25,000	\$383,265
27	7/1/2032		204,685	204,685			
28	1/1/2033		204,323	204,323	409,008	25,000	\$384,008
29	7/1/2033		204,925	204,925			
30	1/1/2034		204,475	204,475	409,400	25,000	\$384,400
31	7/1/2034		204,990	204,990			
32	1/1/2035		204,453	204,453	409,443	25,000	\$384,443
33	7/1/2035		204,880	204,880			
34	1/1/2036		204,255	204,255	409,135	25,000	\$384,135
35	7/1/2036		205,595	205,595			
36	1/1/2037		203,865	203,865	409,460	25,000	\$384,460
37	7/1/2037		205,118	205,118			
38	1/1/2038		204,300	204,300	409,418	25,000	\$384,418
39	7/1/2038		205,448	205,448			
40	1/1/2039		203,525	203,525	408,973	25,000	\$383,973
41	7/1/2039		204,585	204,585			
42	1/1/2040		204,575	204,575	409,160	25,000	\$384,160
43	7/1/2040		204,513	204,513			
44	1/1/2041		204,398	204,398	408,910	25,000	\$383,910
45	7/1/2041		205,230	205,230			
46	1/1/2042		203,993	203,993	409,223	25,000	\$384,223
47	7/1/2042		204,720	204,720			
48	1/1/2043		204,378	204,378	409,098	25,000	\$384,098
49	7/1/2043		204,983	204,983			
50	1/1/2044		204,518	204,518	409,500	25,000	\$384,500
51	1/1/2044		-	-			
52	Totals	<u>\$ 25,404</u>	<u>\$ 9,866,094</u>	<u>\$ 9,891,498</u>	<u>\$ 9,891,498</u>	<u>\$ 600,000</u>	<u>\$ 9,291,498</u>
53				Maximum annual debt service	<u>\$ 409,500</u>		<u>\$384,500</u>

(1) See Schedule D-1  
(2) See Schedule D-2

**PITTSBORO WATER UTILITY**

Pittsboro, Indiana

**Water Revenue Bond Anticipation Note, Series 2018**

<b>Par Amount:</b>	\$1,752,000	<b>Term:</b>	1 year
<b>Interest:</b>	3.00%	<b>Date:</b>	11/29/2018

<b>Line No.</b>	<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	
				<b>Semi-Annual</b>	<b>Annual</b>
1	11/29/2018				
2	5/23/2019	\$1,752,000.00	\$25,404.00	\$1,777,404.00	\$1,777,404.00
3	Total	\$1,752,000.00	\$25,404.00	\$1,777,404.00	\$1,777,404.00

(1) BANs are dated and delivered on November 29, 2018.

**PITTSBORO WATER UTILITY**

Pittsboro, Indiana

**Proposed Waterworks Revenue Bonds, Series 2019**

**Par Amount:** \$6,517,000      **Term:** 25 Years  
**Interest:** 3.50%              **Date:** 5/23/2019

Line No.	Date	Principal	Interest	Debt Service		Taxpayer Agreement Pledge	Net Annual
				Semi-Annual	Annual		
	5/23/2019 (1)						
1	1/1/2020	-	\$138,124.19	\$138,124.19	\$138,124.19	-	\$138,124.19
2	7/1/2020	-	114,047.50	114,047.50			
3	1/1/2021	\$93,000.00	114,047.50	207,047.50	321,095.00	25,000.00	296,095.00
4	7/1/2021	93,000.00	112,420.00	205,420.00			
5	1/1/2022	93,000.00	110,792.50	203,792.50	409,212.50	25,000.00	384,212.50
6	7/1/2022	95,000.00	109,165.00	204,165.00			
7	1/1/2023	97,000.00	107,502.50	204,502.50	408,667.50	25,000.00	383,667.50
8	7/1/2023	98,000.00	105,805.00	203,805.00			
9	1/1/2024	101,000.00	104,090.00	205,090.00	408,895.00	25,000.00	383,895.00
10	7/1/2024	102,000.00	102,322.50	204,322.50			
11	1/1/2025	104,000.00	100,537.50	204,537.50	408,860.00	25,000.00	383,860.00
12	7/1/2025	105,000.00	98,717.50	203,717.50			
13	1/1/2026	108,000.00	96,880.00	204,880.00	408,597.50	25,000.00	383,597.50
14	7/1/2026	110,000.00	94,990.00	204,990.00			
15	1/1/2027	111,000.00	93,065.00	204,065.00	409,055.00	25,000.00	384,055.00
16	7/1/2027	113,000.00	91,122.50	204,122.50			
17	1/1/2028	115,000.00	89,145.00	204,145.00	408,267.50	25,000.00	383,267.50
18	7/1/2028	117,000.00	87,132.50	204,132.50			
19	1/1/2029	119,000.00	85,085.00	204,085.00	408,217.50	25,000.00	383,217.50
20	7/1/2029	121,000.00	83,002.50	204,002.50			
21	1/1/2030	124,000.00	80,885.00	204,885.00	408,887.50	25,000.00	383,887.50
22	7/1/2030	126,000.00	78,715.00	204,715.00			
23	1/1/2031	128,000.00	76,510.00	204,510.00	409,225.00	25,000.00	384,225.00
24	7/1/2031	130,000.00	74,270.00	204,270.00			
25	1/1/2032	132,000.00	71,995.00	203,995.00	408,265.00	25,000.00	383,265.00
26	7/1/2032	135,000.00	69,685.00	204,685.00			
27	1/1/2033	137,000.00	67,322.50	204,322.50	409,007.50	25,000.00	384,007.50
28	7/1/2033	140,000.00	64,925.00	204,925.00			
29	1/1/2034	142,000.00	62,475.00	204,475.00	409,400.00	25,000.00	384,400.00
30	7/1/2034	145,000.00	59,990.00	204,990.00			
31	1/1/2035	147,000.00	57,452.50	204,452.50	409,442.50	25,000.00	384,442.50
32	7/1/2035	150,000.00	54,880.00	204,880.00			
33	1/1/2036	152,000.00	52,255.00	204,255.00	409,135.00	25,000.00	384,135.00
34	7/1/2036	156,000.00	49,595.00	205,595.00			
35	1/1/2037	157,000.00	46,865.00	203,865.00	409,460.00	25,000.00	384,460.00
36	7/1/2037	161,000.00	44,117.50	205,117.50			
37	1/1/2038	163,000.00	41,300.00	204,300.00	409,417.50	25,000.00	384,417.50
38	7/1/2038	167,000.00	38,447.50	205,447.50			
39	1/1/2039	168,000.00	35,525.00	203,525.00	408,972.50	25,000.00	383,972.50
40	7/1/2039	172,000.00	32,585.00	204,585.00			
41	1/1/2040	175,000.00	29,575.00	204,575.00	409,160.00	25,000.00	384,160.00
42	7/1/2040	178,000.00	26,512.50	204,512.50			
43	1/1/2041	181,000.00	23,397.50	204,397.50	408,910.00	25,000.00	383,910.00
44	7/1/2041	185,000.00	20,230.00	205,230.00			
45	1/1/2042	187,000.00	16,992.50	203,992.50	409,222.50	25,000.00	384,222.50
46	7/1/2042	191,000.00	13,720.00	204,720.00			
47	1/1/2043	194,000.00	10,377.50	204,377.50	409,097.50	25,000.00	384,097.50
48	7/1/2043	198,000.00	6,982.50	204,982.50			
49	1/1/2044	201,000.00	3,517.50	204,517.50	409,500.00	25,000.00	384,500.00
50	Total	\$6,517,000.00	\$3,349,094.19	\$9,866,094.19	\$9,866,094.19	\$600,000.00	\$9,266,094.19
51				Maximum Annual Debt Service	\$409,500.00		\$384,500.00

(1) Bonds are dated and delivered on May 23, 2019.

**PITTSBORO WATER UTILITY**

Pittsboro, Indiana

**Estimated Sources and Uses of Funds - Proposed Revenue Bonds**

<b><u>Line No.</u></b>	<b><u>Source of Funds:</u></b>		
1	Par Amount of Bonds		<u>\$6,517,000</u>
2	Total Sources of Funds		<u><u>\$6,517,000</u></u>
	<b><u>Uses of Funds</u></b>		
3	Refinance of 2018 BAN:		
4	Phase I Construction Costs	\$825,851	
5	COI from 2017 and 2018 BAN	78,328	
6	Phase I Engineering Costs	129,000	
7	Phase II Engineering Costs	<u>718,821</u>	
8	2018 BAN Refinance		\$1,752,000
9	Estimated Phase II Projects Costs	\$3,896,400	
10	Construction Contingency (Pre-Bid) (approx. 10%)	<u>390,121</u>	
11	Total Estimated Phase II Construction Costs		4,286,521
12	Engineering Costs:		
13	Total Phase I & II Engineering Costs per Engineer	\$1,221,300	
14	Engineering Costs Paid from BANs	<u>(847,821)</u>	
15	Remaining Engineering Costs thru Permanent Debt		373,479
16	Cost of Issuance 2019 SRF Debt:		
17	Bond Counsel	\$30,000	
18	Local Counsel	15,000	
19	Municipal Advisor	25,000	
20	Rate Consultant	20,000	
21	SRF Counsel	<u>15,000</u>	
22	Total 2019 SRF Debt Costs of Issuance		<u>105,000</u>
23	Total Estimated Uses of Funds		<u><u>\$6,517,000</u></u>

**PITTSBORO WATER UTILITY**

Pittsboro, Indiana

**Debt Coverage Calculations**

<b>Line No.</b>		<b>Actual 12 months Ending 6/30/2018</b>	<b>Pro Forma Proposed</b>
1	Gross Operating Revenues	\$ 616,311	\$ 887,166
2	Less: Gross Operating Expenses	<u>(543,890)</u>	<u>(395,802)</u>
3	Net Operating Income	\$ 72,421	\$ 491,364
	Non - Operating Taxpayer Pledge	-	25,000
4	Non - Operating Interest Income	<u>2,467</u>	<u>2,467</u>
5	Net Revenues	\$ 74,888	\$ 518,830
6	Maximum Annual Proposed Debt Service		\$ 409,500
7	Coverage	<u>N/A</u>	<u>1.27</u>

**PITTSBORO WATER UTILITY**

Pittsboro, Indiana

**Debt Service Reserve Calculation****Line  
No.**

1	Maximum Annual Debt Service (Proposed Debt)	\$ 409,500
2	Upfront Funding of Debt Service Reserve	<u>(117,965)</u>
3	Remaining Amount to be Funded	291,535
4	Funded over 5 Years	5
5	Annual Funding Amount	<u><u>\$ 58,307</u></u>



**PITTSBORO WATER UTILITY**

Pittsboro, Indiana

**Current and Proposed Rates and Charges**

<b>Line No.</b>	<b>Minimum Monthly Charge</b>	<b>Gallons Allowed</b>	<b>Current</b>	<b>Increase</b>	<b>Proposed</b>
1	5/8 - 3/4 inch meter	2,500	\$23.24	\$8.67	\$31.91
2	1 inch meter	5,900	\$50.85	\$18.97	\$69.82
3	1 1/4 inch meter	9,200	\$76.28	\$28.45	\$104.73
4	1 1/2 inch meter	13,900	\$109.08	\$40.69	\$149.77
5	2 inch meter	21,900	\$161.07	\$60.08	\$221.15
6	3 inch meter	33,000	\$227.58	\$84.88	\$312.46
7	4 inch meter	66,300	\$427.11	\$159.30	\$586.41
8	6 inch meter	151,600	\$840.42	\$313.44	\$1,153.86

	<b>Fixed Monthly Charge</b>		<b>Current</b>	<b>Increase</b>	<b>Proposed</b>
9	5/8 - 3/4 inch meter		\$5.18	\$1.93	\$7.11
10	1 inch meter		\$12.21	\$4.55	\$16.76
11	1 1/4 inch meter		\$19.03	\$7.10	\$26.13
12	1 1/2 inch meter		\$28.74	\$10.72	\$39.46
13	2 inch meter		\$45.28	\$16.89	\$62.17
14	3 inch meter		\$68.24	\$25.45	\$93.69
15	4 inch meter		\$137.10	\$51.13	\$188.23
16	6 inch meter		\$313.20	\$116.81	\$430.01

	<b>Metered Consumption (Gallons/Month)</b>		<b>Current</b>	<b>Increase</b>	<b>Proposed</b>
17	First	2,500	\$7.224	\$2.695	\$9.92
18	Next	5,500	\$6.053	\$2.258	\$8.31
19	Next	1,000	\$4.913	\$1.833	\$6.75
20	Next	50,000	\$3.924	\$1.464	\$5.39
21	Next	132,000	\$2.754	\$1.028	\$3.78
22	Over	200,000	\$2.265	\$0.845	\$3.110

		<b>Current</b>	<b>Increase</b>	<b>Proposed</b>
23	Unmetered Flat Rate	\$26.70	\$9.96	\$36.66

**PITTSBORO WATER UTILITY**

Pittsboro, Indiana

**Comparison of Current and Proposed Rates at various levels of consumption for Residential Customers**

<b>Line No.</b>	<b>Consumption Gallons</b>	<b>Current Rate Monthly Invoice</b>	<b>Proposed Monthly Increase</b>	<b>Proposed Rate Monthly Invoice</b>	<b>Percentage Increase</b>
1	1,000	\$23.24	\$8.67	\$31.91	37.31%
2	2,000	\$23.24	\$8.67	\$31.91	37.31%
3	2,500	\$23.24	\$8.67	\$31.91	37.31%
4	3,000	\$26.27	\$9.80	\$36.07	37.31%
5	4,000	\$32.32	\$12.06	\$44.38	37.31%
6	5,000	\$38.37	\$14.32	\$52.69	37.31%
7	6,000	\$44.43	\$16.57	\$61.00	37.31%
8	7,000	\$50.48	\$18.83	\$69.31	37.30%
9	8,000	\$56.53	\$21.09	\$77.62	37.30%
10	9,000	\$61.44	\$22.92	\$84.37	37.31%
11	10,000	\$66.36	\$24.76	\$91.11	37.31%
12	11,000	\$71.27	\$26.59	\$97.86	37.31%
13	12,000	\$76.18	\$28.42	\$104.60	37.31%
14	13,000	\$81.10	\$30.26	\$111.35	37.31%
15	14,000	\$86.01	\$32.09	\$118.10	37.31%
16	15,000	\$90.92	\$33.92	\$124.84	37.31%

**PITTSBORO WATER UTILITY**

Pittsboro, Indiana

**Comparison of Surrounding Communities' Rates and Charges  
Ordered by Residential User (2,500 gallons)**

<b>Line No.</b>	<b>Community</b>	<b>Residential User (2,500 gallons)</b>	<b>Residential User (4,000 gallons)</b>	<b>Residential User (5,000 gallons)</b>
1	Brownsburg - Outside Town Rates 07/01/20 and thereafter	\$36.88	\$46.12	\$52.28
2	Brownsburg - Outside Town Rates 07/01/19 to 06/30/20	\$33.50	\$42.56	\$48.60
3	<b>Pittsboro - Proposed</b>	<b>\$31.91</b>	<b>\$44.38</b>	<b>\$52.69</b>
4	Brownsburg - Outside Town Rates 07/01/18 to 06/30/19	\$30.33	\$38.53	\$44.00
5	Brownsburg - Inside Town Rates 07/01/20 and thereafter	\$28.14	\$36.89	\$43.05
6	Brownsburg - Inside Town Rates 07/01/19 to 06/30/20	\$27.10	\$36.16	\$42.20
7	Brownsburg - Inside Town Rates 07/01/18 to 06/30/19	\$24.53	\$32.73	\$38.20
8	<b>Pittsboro - Current</b>	<b>\$23.24</b>	<b>\$32.32</b>	<b>\$38.37</b>
9	Danville*	\$21.38	\$30.62	\$36.78
10	Avon (Citizens Water)	\$20.93	\$28.27	\$33.17
11	Plainfield	\$10.09	\$14.65	\$17.69

\* Includes \$4.22/monthly fire protection charge.