Plan for New Water Borrowing to meet FY 17 to FY 21 Paving Needs
Total Water Revenue Anticipation Bonds Borrowing Request $8,344,000

Goal: To create a schedule that only borrows when we need the revenue (i.e. to fund needed water distribution capital replacements in advance of repaving), with term length correlated to life expectancy of renewed asset (30 years), and term payments designed to smooth out costs to taxpayers as much as possible. For modeling purposes, interest rates used are at assumed high range of charge (4%).

FY 17 Borrowing	$ 2,724,000
FY 18 Borrowing	$ 2,025,000
FY 19 Borrowing	$ 1,704,000
FY 20 Borrowing	$ 1,891,000

Note: Water main replacement and relining work must be completed in advance of street paving, thus proposed borrowing is currently proposed for FY17-FY20. However, depending on the schedule of paving, the remainder of the borrowing (up to the requested $8.344 M authorization) could occur in FY21.

Rate Impact of Water Borrowing on Average Single Family Residence

Average water use = 755 cf or 5648 gallons/month; (9057 cf or 67750 gallons/year)
Average annual cost of water with FY 17 rate = $366.81

	Estimated Yearly Cost to Pay For Borrowing[1] (Average Single Family Home)
FY 18	$9.96
FY 19	$17.21
FY 20	$23.55
FY21	$30.79
FY22 – FY47[2]	$30.79

The debt service payment expense for the full $8.344M in borrowing will result in a total cost increase for an average single family home of approximately $30.79 (8.4%) over FY17 rates.

[1] This rate impact is only for this proposed borrowing and does not include rate impacts due to City cost allocations, operating expense needs or other non-distribution system capital needs.
[2] Debt Service begins to decrease in FY48, with full retirement by FY51 (last payment of FY20 borrowing)