

**LEBANON UTILITIES
2023 BUDGET - FINAL**

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Lebanon Electric Utility

2023 Budget - Final

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Revenues

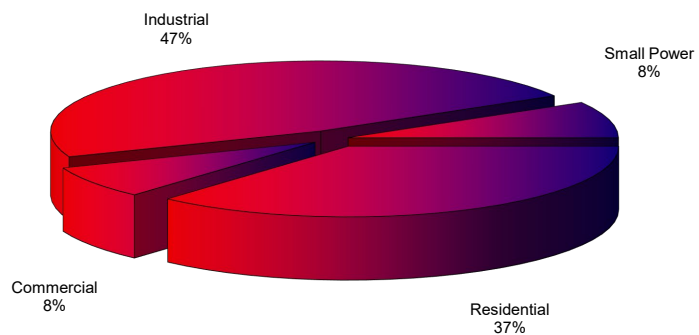
| | Actual 2021 | Budget 2022 | 9 Months 2022 | Rolling 12 Months | Proposed 2023 |
|---------------------------------|-------------------|-------------------|-------------------|----------------------|-------------------|
| Operating Revenue | | | | | |
| Residential | 8,682,018 | 9,268,765 | 6,943,146 | 8,895,488 | 9,797,891 |
| Commercial | 1,849,536 | 1,955,769 | 1,390,788 | 1,827,781 | 1,987,408 |
| Industrial | 11,355,046 | 11,883,306 | 8,959,973 | 11,641,144 | 12,731,242 |
| Small Power | 1,902,255 | 2,021,752 | 1,589,369 | 2,039,262 | 2,244,462 |
| Street & Highway Lighting | 112,476 | 119,125 | 83,911 | 112,074 | 120,877 |
| Security Lights | 47,353 | 50,296 | 34,737 | 46,503 | 50,098 |
| Interdepartmental | 116,352 | 125,635 | 96,114 | 120,656 | 134,291 |
| Late Penalties | 126,383 | 123,613 | 113,528 | 155,775 | 166,779 |
| Total Revenue from Sales | 24,191,419 | 25,548,261 | 19,211,566 | 24,838,683 | 27,233,049 |
| Other Revenue | | | | | |
| Interest | 25,626 | 24,267 | 20,467 | 27,310 | 127,300 |
| Other | 306,523 | 334,954 | 201,888 | 238,964 | 259,155 |
| Total Other Revenues | 332,149 | 359,221 | 222,355 | 266,274 | 386,455 |
| Total Revenue | 24,523,568 | 25,907,483 | 19,433,921 | 25,104,957 | 27,619,505 |

Note: A growth factor of 2% and an estimated increase of 8.62% in purchased power was used in determining the proposed 2023 revenues.

The 10 year planning study shows growth in the range of 1.8% to 3.5%.

| Rate Class | Number of Active Customers |
|---------------------|----------------------------------|
| Residential | 7,790 |
| Commercial | 753 |
| Commercial - Sm Pwr | 251 |
| Industrial - Lg Pwr | 122 |
| Municipal | 57 |
| Total | 8,973 |
| | (As of 09-22) |

Projected Operating Revenue by Rate Class



| | 2018 | 2019 | 2020 | 2021 | Sep-22 |
|----------------------------|------|------|------|------|--------|
| Number of Employees | 17 | 19 | 18 | 19 | 19 |

ELECTRIC UTILITY

2023 Budget - Final

Revenues/Expenses

| | Actual 2021 | Budget 2022 | 9 Months 2022 | Rolling 12 Months | Proposed 2023 | |
|--------------------------------------|-------------------|-------------------|-------------------|----------------------|-------------------|---------|
| Operating Revenues | | | | | | |
| Residential | 8,682,018 | 9,268,765 | 6,943,146 | 8,895,488 | 9,797,891 | (1),(2) |
| Commercial | 1,849,536 | 1,955,769 | 1,390,788 | 1,827,781 | 1,987,408 | (1),(2) |
| Industrial | 11,355,046 | 11,883,306 | 8,959,973 | 11,641,144 | 12,731,242 | (1),(2) |
| Small Power | 1,902,255 | 2,021,752 | 1,589,369 | 2,039,262 | 2,244,462 | (1),(2) |
| Street & Highway Lighting | 112,476 | 119,125 | 83,911 | 112,074 | 120,877 | (1),(2) |
| Security Lights | 47,353 | 50,296 | 34,737 | 46,503 | 50,098 | (1),(2) |
| Interdepartmental | 116,352 | 125,635 | 96,114 | 120,656 | 134,291 | (1),(2) |
| Late Penalties | 126,383 | 123,613 | 113,528 | 155,775 | 166,779 | (1),(2) |
| Total Operating Revenue | 24,191,419 | 25,548,261 | 19,211,566 | 24,838,683 | 27,233,049 | |
| Other Revenue | | | | | | |
| Other | 306,523 | 334,954 | 201,888 | 238,964 | 259,155 | (3) |
| Total Other Revenue | 306,523 | 334,954 | 201,888 | 238,964 | 259,155 | |
| Total Revenue (less Interest) | 24,497,942 | 25,883,216 | 19,413,454 | 25,077,647 | 27,492,205 | |
| Purchased Services | | | | | | |
| Purchased Power | 18,175,882 | 19,379,780 | 15,266,026 | 19,345,455 | 21,992,378 | (4) |
| Telephone | 13,650 | 14,626 | 12,615 | 16,078 | 17,436 | |
| Contractual Services - Testing | 5,936 | 140,000 | 84,835 | 85,091 | 50,000 | (5) |
| Contractual Services - IT | 95,969 | 101,586 | 67,724 | 97,830 | 105,555 | (6) |
| Contractual Services - Other | 300,492 | 321,898 | 231,519 | 314,928 | 385,738 | (7) |
| Accounting Fees | 10,139 | 27,000 | 5,738 | 5,738 | 13,000 | (8) |
| Engineering Fees | 50,941 | 80,000 | 25,647 | 55,710 | 50,000 | (9) |
| Legal Fees | 59,711 | 69,745 | 33,055 | 57,109 | 63,627 | (10) |
| Utilities | 40,039 | 44,466 | 32,469 | 43,241 | 48,830 | (11) |
| Total Purchased Services | 18,752,759 | 20,179,101 | 15,759,628 | 20,021,180 | 22,726,563 | |
| Wages & Benefits | | | | | | |
| Operation Supervision | 85,250 | 85,252 | 66,083 | 87,993 | 95,600 | (12) |
| Engineering | 39,252 | 39,950 | 35,689 | 45,159 | 51,630 | (12) |
| Line Work | 703,451 | 686,866 | 584,622 | 778,024 | 845,753 | (12) |
| Line Locating | 18,891 | 19,427 | 14,058 | 18,637 | 20,337 | (12) |
| Mapping | 1,336 | 1,598 | 0 | 216 | 0 | (12) |
| Meter Reading | 62,134 | 61,498 | 44,797 | 61,573 | 64,806 | (12) |
| Billing | 29,156 | 30,044 | 22,345 | 29,145 | 32,326 | (12) |
| Administrative | 130,690 | 130,935 | 103,392 | 136,447 | 149,574 | (12) |
| Office Personnel | 119,232 | 125,025 | 87,843 | 114,806 | 127,080 | (12) |
| Sick/Vacation Pay | 195,308 | 160,021 | 122,081 | 197,568 | 176,611 | (12) |
| FICA Taxes | 101,224 | 98,105 | 79,300 | 107,743 | 114,721 | (12) |
| Group Insurance | 357,769 | 381,496 | 272,127 | 333,017 | 373,358 | (13) |
| Pension | (134,100) | 196,901 | 85,810 | (201,288) | 124,138 | (14) |
| Miscellaneous Payroll | 9,292 | 6,998 | 12,177 | 15,695 | 17,616 | (12) |
| Total Wages & Benefits | 1,718,885 | 2,024,114 | 1,530,324 | 1,724,735 | 2,193,550 | |

**ELECTRIC UTILITY
2023 Budget - Final**

Revenues/Expenses (Cont.)

| | Actual 2021 | Budget 2022 | 9 Months 2022 | Rolling 12 Months | Proposed 2023 | |
|---|------------------------|------------------------|--------------------------|------------------------------|--------------------------|------|
| Operating Supplies & Expense | | | | | | |
| Station Expenses | 0 | 3,500 | 0 | 0 | 0 | |
| Street Lights and Signals | 2,547 | 3,243 | 6,654 | 7,705 | 8,786 | |
| Security Lights | 1,823 | 1,150 | 1,372 | 2,369 | 2,225 | |
| Meter Expense | 8,405 | 8,479 | 8,370 | 10,708 | 11,590 | (15) |
| Meter Repair & Maintenance | 0 | 1,500 | 0 | 0 | 0 | |
| Tools & Equipment | 13,477 | 22,000 | 10,314 | 15,527 | 20,000 | |
| Safety Equipment | 12,087 | 14,000 | 8,866 | 15,262 | 15,000 | |
| Rents | 3,885 | 3,885 | 3,885 | 3,885 | 3,885 | |
| Maintenance of Lines | 129,771 | 157,410 | 147,446 | 178,939 | 199,033 | |
| Maintenance of Station Equipment | 475 | 1,387 | 8,201 | 8,201 | 10,942 | |
| General Maintenance | 12,488 | 17,147 | 8,911 | 8,696 | 10,906 | (16) |
| Office Supplies | 11,325 | 11,951 | 6,673 | 9,383 | 9,689 | |
| Janitorial Services | 19,247 | 18,900 | 14,163 | 19,247 | 18,900 | |
| Exterior Landscaping | 10,585 | 10,593 | 11,922 | 15,238 | 16,501 | |
| Computer Equipment | 2,497 | 7,321 | (134) | 1,054 | 8,313 | |
| Software Expense | 10,608 | 11,691 | 12,718 | 13,467 | 17,248 | |
| Maintenance Agreements | 69,560 | 89,057 | 64,062 | 81,019 | 93,869 | (17) |
| Dues & Subscriptions | 16,694 | 17,309 | 18,122 | 17,015 | 18,578 | |
| Postage | 876 | 858 | 688 | 962 | 996 | |
| Insurance | 116,964 | 67,309 | 2,217 | 65,116 | 69,023 | |
| Conference & Training | 36,428 | 52,229 | 36,912 | 47,235 | 57,229 | |
| Promotion | 0 | 3,180 | 104 | 104 | 3,180 | |
| Employee Recognition | 961 | 930 | 33 | 853 | 930 | |
| Transportation | 33,586 | 45,723 | 33,141 | 43,188 | 46,309 | |
| Uniforms | 16,096 | 18,251 | 14,012 | 16,584 | 18,691 | |
| SCADA Expense | 0 | 0 | 1,250 | 1,250 | 0 | |
| Payment in Lieu of Taxes | 187,125 | 194,685 | 136,407 | 183,188 | 189,224 | |
| Depreciation Expense | 1,028,315 | 1,046,734 | 791,867 | 1,050,525 | 1,076,939 | |
| Amortization of Deferred Costs | 0 | (12,484) | (9,363) | 0 | (12,484) | |
| Gross Income Tax | 355,000 | 346,579 | 180,600 | 265,600 | 0 | (18) |
| Bad Debt Expense | 60,110 | 148,871 | 148,871 | 148,871 | 68,083 | (19) |
| Lease Rental Payments - Principal | 75,981 | 78,632 | 78,631 | 78,631 | 79,515 | (20) |
| Lease - Copiers/Printers | 2,299 | 2,444 | 1,761 | 2,333 | 2,481 | |
| Bank Fees - Credit Card | 27,051 | 28,837 | 19,930 | 26,943 | 28,364 | |
| Miscellaneous | 29,417 | 35,055 | 32,216 | 39,976 | 43,953 | |
| Total Operating Supplies & Expense | 2,295,683 | 2,458,356 | 1,800,822 | 2,379,074 | 2,137,898 | |
| Total Expenses | 22,767,327 | 24,661,571 | 19,090,774 | 24,124,989 | 27,058,011 | |
| Operating Income | 1,730,615 | 1,221,644 | 322,680 | 952,658 | 434,194 | |
| Interest | | | | | | |
| Interest Revenue | 25,626 | 24,267 | 20,467 | 27,310 | 127,300 | |
| Interest Expense | (270,157) | (263,369) | (199,739) | (255,265) | (243,657) | (21) |
| Total Interest Revenue (Expense) | (244,531) | (239,102) | (179,272) | (227,955) | (116,357) | |
| Extraordinary Items | | | | | | |
| Gain on Sale of Assets | 0 | 0 | 0 | 0 | 0 | |
| Loss on Sale of Assets | (36,644) | (42,684) | (34,408) | (37,059) | (42,298) | |
| Total Extraordinary Items | (36,644) | (42,684) | (34,408) | (37,059) | (42,298) | |
| Net Margin | 1,449,440 | 939,858 | 109,000 | 687,644 | 275,539 | |

ELECTRIC UTILITY 2023 Budget - Final

Notes to Proposed Revenue and Expenses

| Note | Description |
|------|---|
| (1) | A growth factor of 2% was used in determining the proposed 2023 revenues. Adjusted for the elimination of the URT in 2022. |
| (2) | An estimated average increase in purchased power costs of 8.62%. This affects approximately 75% of revenue. |
| (3) | This amount includes miscellaneous revenue such as pole attachments and the sale of scrap metal. |
| (4) | A 8.62% increase in purchased power costs has been estimated using estimates by IMPA. |
| (5) | Testing includes pole testing and substation testing. |
| (6) | Contractual Services for IT consulting / Cyber Security. |
| (7) | Estimated amount for miscellaneous contractual services needed by the different departments. Also, includes \$200,000 for contracting out our tree trimming. |
| (8) | Accounting fees include State Board of Accounts audit costs and arbitrage testing. |
| (9) | Engineering Services to be used to assist in the designing of several planned residential subdivisions. Also, includes the use of engineers on multiple projects. |
| (10) | General legal counsel. |
| (11) | Electric's portion of shared utility bills along with all utility bills for their individual facility. |
| (12) | Assumes an overall 8.5% increase in wages with inflationary adjustment along with employees moving through the advancement program. |
| (13) | We received a 2.9% increase for 2023. |
| (14) | Funding of the Defined Benefit Plan and the Defined Contribution Plan. |
| (15) | Miscellaneous meter expenses only. With the implementation of AMI all meters have been capitalized, however, endpoints or other parts may need to be replaced. |
| (16) | Estimated and then allowed for the usual winter contingencies. |
| (17) | General maintenance agreements on items such as SCADATA, SCADA, NISC, Microsoft, and other misc. systems. |

**ELECTRIC UTILITY
2023 Budget - Final**

Notes to Proposed Revenue and Expenses (Cont.)

| Note | Description |
|------|---|
| (18) | Utility receipts tax is equal to 1.2% of total revenues. This was eliminated in July of 2022. |
| (19) | A bad debt allowance has been set at .25%. |
| (20) | Lease rental principal on municipal building. |
| (21) | Lease rental interest on municipal building plus interest on 2013 Revenue Bonds. |

**ELECTRIC UTILITY
2023 Budget - Final
Capital Additions**

| Item | Class | Description | Code | Amount | Notes |
|-----------------------|-------|--|------|-----------|---------|
| 1 | A | Annexation Loop Feed - Const. of a distribution line to create a loop feed to the annexed area. This will include all materials, legal, engineering, permits and other fees. | 1 | 350,000 | |
| 2 | C | New and Replacement Transformers - Ongoing transformer purchase allotment for new units (customer driven). | 2 | 300,000 | |
| 3 | C | Service to New Facilities - Ongoing service extensions for new customers. Includes Noble St. Subdivision, Cedar Ridge Phase 2, Sunbrook Phase 4. | 1 | 300,000 | |
| 4 | B | Operation Building Expansion - Additional building to allow for additional space as needed. | 1 | 300,000 | |
| 5 | D | UTE Line Truck/Digger Derrick - Equipment that will allow us to set poles and hang transformers. This unit will replace truck 19 which is a 2007. | 2 | 291,572 | (a),(b) |
| 6 | C | AMI - Ongoing program for replacement of meter infrastructure. | 2 | 240,000 | |
| 7 | D | Backyard Digger Derrick - Equipment that will allow us to set poles and work on the electric line in right of ways that cannot be accessed with a normal truck. We currently have 1,053 poles in back yard right of ways. | 1 | 219,166 | (a),(b) |
| 8 | C | System Upgrades and Improvements - Includes but is not limited to reclosures for the annexation, wire, poles, omni switches, switchgears, capacitor banks and other equipment. | 2 | 200,000 | |
| 9 | B | South Substation - Engineering, land acquisitions and legal work to construct a new substation on the south side of Lebanon. | 1 | 100,000 | |
| 10 | C | Electric's Portion of the IT Budget - The estimated cost to the Electric Utility for IT Functions. | 2 | 37,758 | |
| 11 | B | Meter Tester - Equipment that will allow us to test all single-phase and three-phase AMI meters. | 1 | 15,500 | |
| 12 | D | Electric's Portion of Administration Vehicles - Electric's portion of administrative vehicle replacements in agreement with our vehicle replacement program. | 2 | - | (a),(b) |
| TOTAL | | | | 2,353,996 | |
| Operational Cash Flow | | | | 1,284,666 | |
| Reserves | | | | 1,069,330 | |
| TOTAL | | | | 2,353,996 | |

| | | | |
|--------------|-----------------------|---|--|
| Code: | Class: | | |
| 1 | Operational Cash Flow | A | Must Accomplish This Year |
| 2 | Reserves | B | Accomplish for Improvement of System Integrity |
| 3 | Bonding | C | Ongoing Program - Accomplish for Improvement of System Integrity |
| 4 | Outside Funding | D | Ongoing Program - Long Term/Short Term & Vehicles/Equipment |

Notes:

- (a) Cost does not reflect money received from sale of old vehicle/equipment.
- (b) Included in 10 year replacement plan.
- (c) Cost estimates provided by engineering consultant.
- (d) May include capitalized labor.

****These figures do not include any future or anticipated annexation.**

ELECTRIC UTILITY

2023 Budget - Final

Capital Projects - 5 Years Beyond Fiscal Year 2023

| Item | Description | Projected 2024 | Projected 2025 | Projected 2026 | Projected 2027 | Projected 2028 | Total Amount |
|-----------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| 1 | Substation Install a substation on the south side of Lebanon. | 0 | 0 | 0 | 1,000,000 | 2,500,000 | 3,500,000 |
| 2 | New and Replacement Transformers Both O.H. and pad mounted types. | 300,000 | 250,000 | 200,000 | 200,000 | 200,000 | 1,150,000 |
| 3 | System Upgrades and Improvements On-going system improvements to provide operational flexibility. Includes capacitors, capacitor controls, reclosures, wire, poles, etc. | 200,000 | 150,000 | 150,000 | 150,000 | 150,000 | 800,000 |
| 4 | Service to New Facilities Install electric utility service facilities for residential, commercial and industrial customers. | 200,000 | 200,000 | 150,000 | 120,000 | 120,000 | 790,000 |
| 5 | AMI Replacement Program On-going program to replace old AMR Meters and upgrade to AMI and for new business. | 120,000 | 120,000 | 120,000 | 100,000 | 100,000 | 560,000 |
| 6 | 10 Year Vehicle Replacement Program Ongoing program and includes electric's portion of multi-departmental vehicle/equipment replacement program- five of ten years. | 352,050 | 20,000 | 90,000 | 10,000 | 30,000 | 502,050 |
| 7 | IT Budget On-going program. See IT 5-year capital budget for breakdown. | 35,650 | 13,950 | 13,950 | 37,200 | 29,450 | 130,200 |
| Totals | | <u>1,207,700</u> | <u>753,950</u> | <u>723,950</u> | <u>1,617,200</u> | <u>3,129,450</u> | <u>7,432,250</u> |
| Funded by LU | | 1,207,700 | 753,950 | 723,950 | 1,617,200 | 3,129,450 | 7,432,250 |
| Outside Funding | | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total | | <u>1,207,700</u> | <u>753,950</u> | <u>723,950</u> | <u>1,617,200</u> | <u>3,129,450</u> | <u>7,432,250</u> |

****These figures do not include any future or anticipated annexation.**

Electric Utility
Projected Cash Analysis

| | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> | <u>2027</u> | <u>2028</u> |
|--|-------------------------|-----------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| Total Cash & Investments - Beginning of Year Not Restricted by Ordinance/Regulation | 7,132,550 | 5,568,329 | 5,386,362 | 5,922,344 | 6,745,088 | 6,956,224 |
| Add: | | | | | | |
| Projected Operating Income (A) | 27,492,205 | 28,248,240 | 29,025,067 | 29,823,256 | 30,643,396 | 31,486,089 |
| Interest | 127,300 | 111,367 | 107,727 | 118,447 | 134,902 | 139,124 |
| Depreciation | 1,076,939 | 1,184,633 | 1,303,096 | 1,433,406 | 1,576,747 | 1,734,421 |
| Less: | | | | | | |
| Projected Operational Expenses (B) | (27,058,011) | (27,670,109) | (28,296,959) | (28,978,916) | (29,677,308) | (30,392,531) |
| Bond Principal and Interest | (846,200) | (847,900) | (849,000) | (849,500) | (849,400) | (848,700) |
| Lease Interest Expense | <u>(2,457)</u> | <u>(498)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Estimated Cash & Investments Before Capital Expenditures Not Restricted by Ordinance/Regulation | 7,922,325 | 6,594,062 | 6,676,294 | 7,469,038 | 8,573,424 | 9,074,629 |
| Less: | | | | | | |
| Projected Capital Expenditures | <u>(2,353,996)</u> | <u>(1,207,700)</u> | <u>(753,950)</u> | <u>(723,950)</u> | <u>(1,617,200)</u> | <u>(3,129,450)</u> |
| Estimated Cash & Investments - End of Year Not Restricted by Ordinance/Regulation | 5,568,329 | 5,386,362 | 5,922,344 | 6,745,088 | 6,956,224 | 5,945,179 |
| Less: Two Months of Average Operating Income | <u>(4,509,669)</u> | <u>(4,611,685)</u> | <u>(4,716,160)</u> | <u>(4,829,819)</u> | <u>(4,946,218)</u> | <u>(5,065,422)</u> |
| Available Cash & Investments - End of Year Not Restricted by Ordinance/Regulation | <u><u>1,058,661</u></u> | <u><u>774,677</u></u> | <u><u>1,206,184</u></u> | <u><u>1,915,268</u></u> | <u><u>2,010,006</u></u> | <u><u>879,757</u></u> |

(A) Prior year plus increase of 2.75% which is the average change in the last 10 years. Takes into account 2 highest years/2 lowest years/rate adjustments.

(B) Prior year plus increase of 2.41% which is the average change in the last 10 years. Takes into account 2 highest years/2 lowest years/rate adjustments.

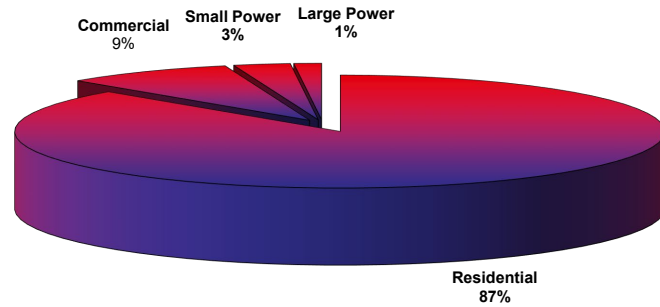
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Statistics

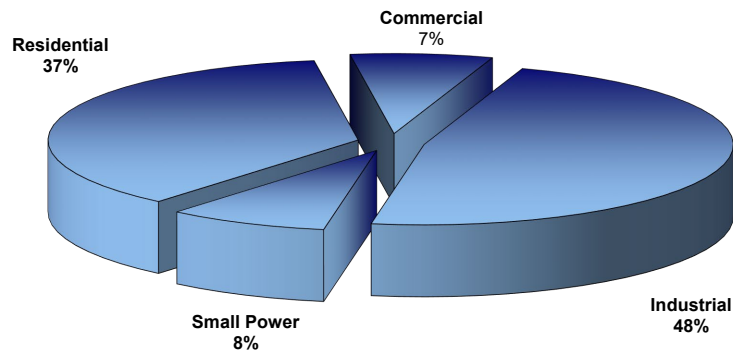
Number of Customers

| | |
|-------------|-------|
| Residential | 7,790 |
| Commercial | 753 |
| Small Power | 251 |
| Lg Power | 122 |
| Municipal | 57 |

Customers



Projected 2023 Revenue



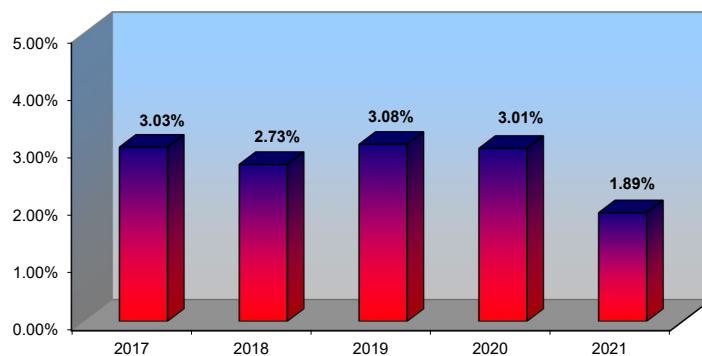
Projected 2023 Revenue

| | |
|-------------|------------|
| Residential | 9,797,891 |
| Commercial | 1,987,408 |
| Industrial | 12,731,242 |
| Small Power | 2,244,462 |

Line Loss Factor

| | |
|------|-------|
| 2017 | 3.03% |
| 2018 | 2.73% |
| 2019 | 3.08% |
| 2020 | 3.01% |
| 2021 | 1.89% |

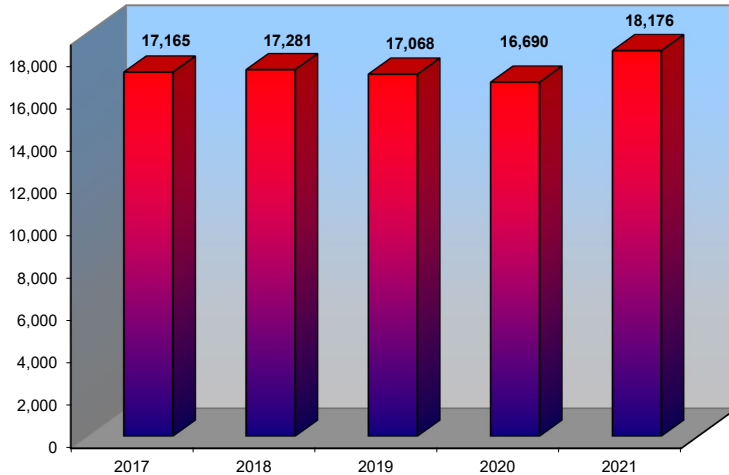
Energy Loss



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Statistics

IMPA Purchased Power (Thousands)



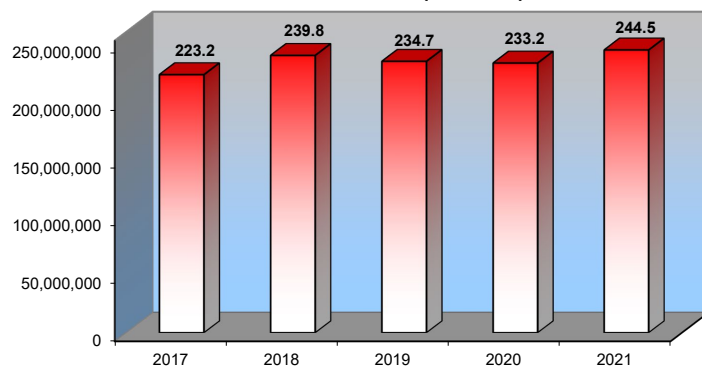
IMPA Power Bill

| | |
|--------------------------------|------------|
| 2017 | 17,164,728 |
| 2018 | 17,281,403 |
| 2019 | 17,068,363 |
| 2020 | 16,689,781 |
| 2021 | 18,175,882 |
| **2022 Year to Date Thru Sept. | 15,266,026 |

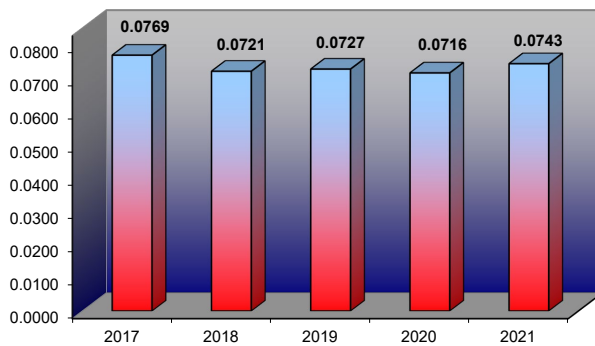
kWh Purchased

| | |
|--------------------------------|-------------|
| 2017 | 223,195,288 |
| 2018 | 239,805,880 |
| 2019 | 234,712,464 |
| 2020 | 233,207,942 |
| 2021 | 244,498,237 |
| **2022 Year to Date Thru Sept. | 192,797,057 |

kWh Purchased (Millions)



Average Cost per kWh Purchased



Average Cost per kWh Purchased

| | |
|--------------------------------|--------|
| 2017 | 0.0769 |
| 2018 | 0.0721 |
| 2019 | 0.0727 |
| 2020 | 0.0716 |
| 2021 | 0.0743 |
| **2022 Year to Date Thru Sept. | 0.0792 |

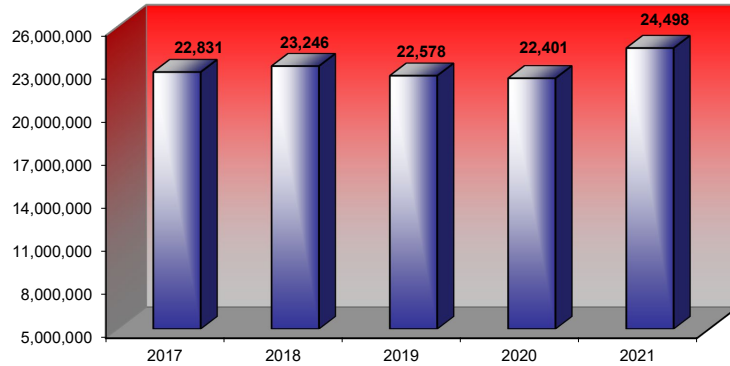
ELECTRIC UTILITY 2023 Budget - Final

Statistics

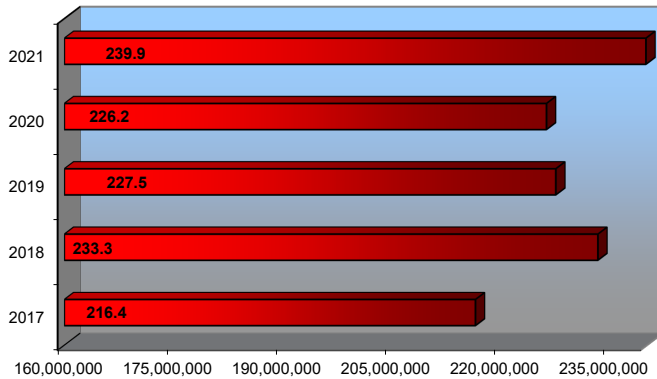
Revenue From Sales

| | |
|--------------------------------|------------|
| 2017 | 22,831,041 |
| 2018 | 23,245,779 |
| 2019 | 22,578,279 |
| 2020 | 22,400,600 |
| 2021 | 24,497,942 |
| **2022 Year to Date Thru Sept. | 19,413,454 |

Revenue From Sales (Thousands)



kWh Sold (Millions)



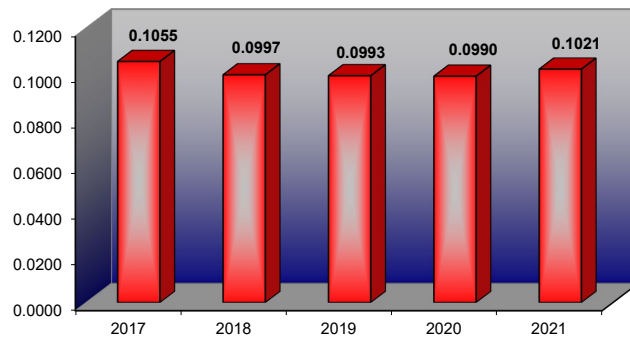
Kilowatt Hours Sold

| | |
|--------------------------------|-------------|
| 2017 | 216,431,029 |
| 2018 | 233,260,835 |
| 2019 | 227,476,176 |
| 2020 | 226,195,125 |
| 2021 | 239,865,786 |
| **2022 Year to Date Thru Sept. | 187,735,814 |

Average Revenue per kWh Sold

| | |
|--------------------------------|--------|
| 2017 | 0.1055 |
| 2018 | 0.0997 |
| 2019 | 0.0993 |
| 2020 | 0.0990 |
| 2021 | 0.1021 |
| **2022 Year to Date Thru Sept. | 0.1034 |

Average Revenue Per kWh Sold



Lebanon Water Utility

2023 Budget - Final

WATER UTILITY 2023 Budget - Final

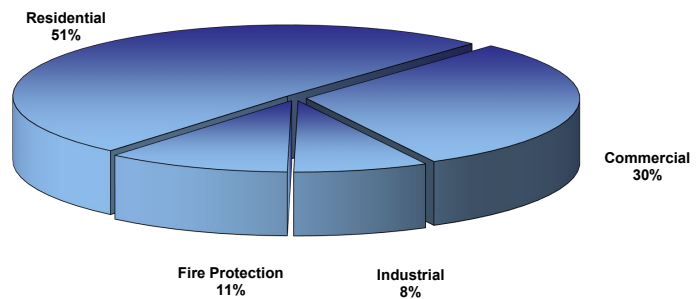
Revenues

| | <u>Actual 2021</u> | <u>Budget 2022</u> | <u>9 Months 2022</u> | <u>Rolling 12 Months</u> | <u>Proposed 2023</u> |
|---------------------------------|-------------------------|-------------------------|--------------------------|------------------------------|--------------------------|
| Operating Revenue | | | | | |
| Residential | 2,479,664 | 2,744,234 | 2,014,636 | 2,617,256 | 2,688,525 |
| Commercial | 1,412,411 | 1,544,736 | 1,218,756 | 1,566,154 | 1,617,728 |
| Industrial | 358,474 | 398,557 | 317,991 | 407,109 | 421,316 |
| Fire Protection | 539,000 | 591,094 | 429,247 | 563,829 | 575,964 |
| Rent | 11,746 | 11,340 | 7,870 | 11,744 | 11,273 |
| Late Penalties | 24,843 | 27,637 | 19,577 | 25,980 | 26,403 |
| Total Revenue from Sales | <u>4,826,138</u> | <u>5,317,598</u> | <u>4,008,077</u> | <u>5,192,072</u> | <u>5,341,208</u> |
| Other Revenue | | | | | |
| Availability Fees | 664,500 | 153,000 | 320,000 | 453,500 | 8,670,800 |
| Interest | 22,673 | 22,641 | 30,555 | 36,266 | 219,273 |
| Other | 146,710 | 84,030 | 96,179 | 175,005 | 154,654 |
| Total Other Revenues | <u>833,883</u> | <u>259,671</u> | <u>446,734</u> | <u>664,771</u> | <u>9,044,728</u> |
| Total Revenue | <u>5,660,021</u> | <u>5,577,269</u> | <u>4,454,811</u> | <u>5,856,843</u> | <u>14,385,936</u> |

Note: A growth factor of 2% for residential, commercial and industrial was used in determining the proposed 2023 revenues.

| <u>Rate Class</u> | <u>Number of Customers</u> |
|-------------------|--------------------------------|
| Residential | 5,913 |
| Commercial | 743 |
| Industrial | 61 |
| Municipal | 7 |
| Total | <u>6,724</u> |
| | (As of 09/22) |

Projected Operating Revenue by Rate Class



| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>Sep-22</u> |
|----------------------------|-------------|-------------|-------------|-------------|---------------|
| Number of Employees | 16 | 14 | 14 | 14 | 13 |

WATER UTILITY 2023 Budget - Final

Revenues/Expenses

| | <u>Actual 2021</u> | <u>Budget 2022</u> | <u>9 Months 2022</u> | <u>Rolling 12 Months</u> | <u>Proposed 2023</u> | |
|--------------------------------------|-------------------------|-------------------------|--------------------------|------------------------------|--------------------------|-----|
| Operating Revenues | | | | | | |
| Residential | 2,479,664 | 2,744,234 | 2,014,636 | 2,617,256 | 2,688,525 | (1) |
| Commercial | 1,412,411 | 1,544,736 | 1,218,756 | 1,566,154 | 1,617,728 | (1) |
| Industrial | 358,474 | 398,557 | 317,991 | 407,109 | 421,316 | (1) |
| Fire Protection | 539,000 | 591,094 | 429,247 | 563,829 | 575,964 | (1) |
| Rent | 11,746 | 11,340 | 7,870 | 11,744 | 11,273 | (1) |
| Late Penalties | 24,843 | 27,637 | 19,577 | 25,980 | 26,403 | (1) |
| Total Operating Revenue | <u>4,826,138</u> | <u>5,317,598</u> | <u>4,008,077</u> | <u>5,192,072</u> | <u>5,341,208</u> | |
| Other Revenue | | | | | | |
| Other | 146,710 | 84,030 | 96,179 | 175,005 | 154,654 | |
| Total Other Revenue | <u>146,710</u> | <u>84,030</u> | <u>96,179</u> | <u>175,005</u> | <u>154,654</u> | |
| Total Revenue (less Interest) | <u>4,972,848</u> | <u>5,401,628</u> | <u>4,104,256</u> | <u>5,367,077</u> | <u>5,495,863</u> | |
| Purchased Services | | | | | | |
| Engineering Fees | 56,253 | 75,000 | 64,550 | 94,715 | 225,000 | (2) |
| Accounting Fees | 4,902 | 24,750 | 5,048 | 5,048 | 10,000 | (3) |
| Legal Fees | 48,901 | 53,173 | 23,410 | 52,815 | 54,535 | (4) |
| Contractual Services - Testing | 15,946 | 15,000 | 4,914 | 9,809 | 35,000 | |
| Contractual Services - IT | 96,219 | 101,586 | 67,724 | 100,076 | 105,555 | (5) |
| Contractual Services - Other | 121,788 | 195,398 | 66,866 | 112,996 | 113,738 | (6) |
| Telephone Expense | 16,243 | 16,677 | 13,933 | 18,376 | 19,692 | |
| Utilities | 158,779 | 166,257 | 128,527 | 170,510 | 216,919 | |
| Total Purchased Services | <u>519,031</u> | <u>647,841</u> | <u>374,972</u> | <u>564,345</u> | <u>780,439</u> | |
| Wages & Benefits | | | | | | |
| Salaries WT | 183,945 | 175,651 | 141,236 | 202,061 | 204,321 | (7) |
| Salaries WD | 234,266 | 230,509 | 140,362 | 213,056 | 203,057 | (7) |
| Meter Reading | 62,004 | 61,372 | 44,704 | 63,690 | 64,672 | (7) |
| Billing Salaries | 28,274 | 29,135 | 21,668 | 29,520 | 31,346 | (7) |
| Administrative Salaries | 174,280 | 178,279 | 134,263 | 183,581 | 194,234 | (7) |
| Office Salaries | 145,624 | 150,936 | 111,788 | 151,616 | 161,720 | (7) |
| Line Locating | 18,800 | 19,085 | 13,496 | 18,919 | 19,524 | (7) |
| Sick/Vacation Leave | 133,933 | 113,449 | 88,113 | 142,526 | 127,470 | (7) |
| FICA Taxes | 70,355 | 69,464 | 52,360 | 74,025 | 75,747 | (7) |
| Pension | (92,670) | 164,239 | 63,948 | (143,843) | 92,511 | (8) |
| Group Insurance | 282,027 | 299,543 | 199,556 | 270,041 | 273,791 | (9) |
| Total Wages & Benefits | <u>1,240,838</u> | <u>1,491,663</u> | <u>1,011,494</u> | <u>1,205,192</u> | <u>1,448,394</u> | |

WATER UTILITY 2023 Budget - Final

Revenues/Expenses (Cont.)

| | Actual 2021 | Budget 2022 | 9 Months 2022 | Rolling 12 Months | Proposed 2023 |
|---|------------------|------------------|------------------|----------------------|-------------------|
| Operating Supplies & Expense | | | | | |
| Chemicals | 51,345 | 62,712 | 125,752 | 140,516 | 163,338 |
| Materials & Supplies | 35,899 | 33,591 | 18,307 | 29,208 | 28,417 |
| Meter Expense | 8,515 | 8,736 | 3,670 | 5,256 | 5,379 |
| Meter Repair & Maintenance | 0 | 1,500 | 0 | 0 | 0 |
| Office Supplies | 12,195 | 14,155 | 6,791 | 10,180 | 12,194 |
| Janitorial Services | 5,997 | 5,881 | 4,413 | 5,997 | 5,881 |
| Interior Landscaping | 0 | 177 | 0 | 0 | 177 |
| Exterior Landscaping | 1,967 | 2,509 | 1,346 | 2,074 | 2,509 |
| Sand / Gravel / Pavement | 6,041 | 8,359 | 962 | 1,963 | 2,720 |
| SCADA Expense | 11,776 | 11,915 | 20,122 | 15,037 | 22,189 |
| Safety Equipment | 3,320 | 5,057 | 600 | 600 | 742 |
| Miscellaneous Equipment | 4,619 | 2,123 | 4,419 | 7,828 | 7,723 |
| Tools | 1,703 | 1,666 | 2,056 | 2,914 | 2,997 |
| Transportation | 30,408 | 40,398 | 24,982 | 34,043 | 43,531 |
| Insurance | 141,575 | 79,186 | 2,931 | 70,051 | 74,254 |
| Regulatory Expense | 4,440 | 5,491 | 4,440 | 4,440 | 5,491 |
| Well Expense | 1,043 | 1,226 | 3,369 | 3,421 | 4,194 |
| Dues & Subscriptions | 8,417 | 11,408 | 10,823 | 8,773 | 11,578 |
| Promotional Expense | 0 | 4,180 | 104 | 104 | 4,180 |
| Employee Recognition | 1,011 | 930 | 433 | 1,253 | 930 |
| Bad Debt Expense | 12,275 | 29,676 | 29,676 | 29,676 | 13,353 (10) |
| Postage | 1,395 | 1,136 | 831 | 1,453 | 1,357 |
| Conferences & Training | 15,577 | 25,829 | 13,972 | 17,847 | 25,829 |
| Uniforms - Cleaning | 12,888 | 13,751 | 6,407 | 10,220 | 9,944 |
| General Maintenance | 39,882 | 36,274 | 17,562 | 26,734 | 26,580 |
| Computer Equipment | 1,598 | 7,321 | 3,757 | 5,255 | 8,313 |
| Software Expense | 9,655 | 9,926 | 7,182 | 7,574 | 9,090 |
| Maintenance Agreements | 55,639 | 49,176 | 44,691 | 61,648 | 64,255 (11) |
| Payment in Lieu of Taxes | 188,581 | 199,643 | 148,539 | 195,684 | 208,680 |
| Depreciation | 591,789 | 585,918 | 582,334 | 743,301 | 791,974 |
| Gross Income Tax | 66,500 | 66,656 | 36,000 | 51,000 | 0 (12) |
| Lease Rental Payments - Principal | 75,981 | 78,632 | 78,631 | 78,631 | 79,515 (13) |
| Lease - Copiers/Printers | 2,299 | 2,444 | 1,761 | 2,333 | 2,481 |
| Bank Fees - Credit Card | 26,260 | 27,989 | 19,348 | 26,159 | 27,537 |
| Miscellaneous | 19,337 | 21,943 | 17,991 | 24,167 | 25,522 |
| Total Operating Supplies & Expense | 1,449,927 | 1,457,512 | 1,244,202 | 1,625,340 | 1,692,855 |
| Total Expenses | 3,209,796 | 3,597,017 | 2,630,668 | 3,394,877 | 3,921,689 |
| Operating Income | 1,763,052 | 1,804,611 | 1,473,588 | 1,972,200 | 1,574,174 |
| Interest | | | | | |
| Interest Revenue | 22,673 | 22,641 | 30,555 | 36,266 | 219,273 |
| Interest Expense | (196,991) | (219,451) | (170,732) | (313,475) | (190,887) (14) |
| Total Interest Revenue (Expense) | (174,318) | (196,810) | (140,177) | (277,209) | 28,386 |
| Extraordinary Items | | | | | |
| Availability Fees | 664,500 | 153,000 | 320,000 | 453,500 | 8,670,800 (15) |
| Gain on Sale of Assets | 0 | 0 | 0 | 0 | 0 |
| Loss on Sale of Assets | (23,196) | (111,600) | (13,465) | (36,179) | (111,600) (16) |
| Total Extraordinary Items | 641,304 | 41,400 | 306,535 | 417,321 | 8,559,200 |
| Net Margin | 2,230,038 | 1,649,202 | 1,639,946 | 2,112,312 | 10,161,760 |

WATER UTILITY

2023 Budget - Final

Notes to Proposed Revenue and Expenses

| Note | Description |
|------|---|
| (1) | An overall growth factor of 2% was used in determining the proposed 2023 revenues. Adjusted for the elimination of the URT in 2022. |
| (2) | Includes \$115,000 for GIS updates, \$20,000 for TAC Meetings, \$25,000 for on-call services, \$30,000 for CIP updates and \$35,000 for Construction Inspection. |
| (3) | Accounting fees include State Board of Accounts audit costs and arbitrage testing. |
| (4) | General legal counsel. |
| (5) | Contractual Services for IT consulting / Cyber Security. |
| (6) | Estimated amount for miscellaneous contractual services needed by the different departments. |
| (7) | Assumes an overall 8.5% increase in wages with inflationary adjustment along with employees moving through the advancement program. |
| (8) | Funding of the Defined Benefit Plan and the Defined Contribution Plan. |
| (9) | We received a 2.9% increase for 2023. |
| (10) | A bad debt allowance has been set at .25%. |
| (11) | General maintenance agreements on items such as NISC, Microsoft and other misc. systems. |
| (12) | Utility receipts tax is equal to 1.2% of total revenues. This was eliminated in July of 2022. |
| (13) | Lease rental principal on the municipal building. |
| (14) | Lease rental interest on municipal building and loan interest on the 2019 and 2021 SRF loan. |
| (15) | Estimated based on MOU with a current developer, 100 EDU's at previous rate and 120 EDU's at current rate. |
| (16) | Replacing 20% of the water meters. Estimate of book value. |

WATER UTILITY 2023 Budget - Final

Capital Additions

| Item | Class | Description | Code | Amount | Notes |
|-----------------------|-------|---|------|-----------|---------|
| 1 | A | Abner Longley Water Storage Facility - Construction of a 2 MG storage tank, booster station and water main. | 3 | 400,000 | |
| 2 | A | Lakeshore Drive and SR 39 Water Main Replacement - Replacement of failing water main in the system. | 2 | 350,000 | |
| 3 | C | Automated Meter Infrastructure - Annual amount for meter replacements as needed. This is year 3 of a 5 year program. | 2 | 243,500 | |
| 4 | C | Facility Rehab & Improvements - Miscellaneous facility improvements as deemed necessary. | 2 | 150,000 | |
| 5 | B | Water Tower Asset Management Program - Asset management program to maintain OSHA and AWWA compliance. | 2 | 150,000 | |
| 6 | A | Ulen/Elmwood Bridge Water Main Reroute - Relocation of 6" water main as part of the bridge replacement project. (380' of 6" main). | 2 | 150,000 | |
| 7 | D | Vacuum Excavator with Trailer - This will be used for potholing, soft excavation and clean-up tasks. | 2 | 125,000 | (a),(b) |
| 8 | C | Unforeseen Distribution System Repairs & Upgrades - Misc. distribution system improvements as deemed necessary. | 2 | 100,000 | |
| 9 | C | Unforeseen Equipment Repair & Replacement - Allows for misc. equipment repair or replacement. | 2 | 85,000 | |
| 10 | C | Well Improvement, Rehab and Upgrades - Program to upgrade, maintain and clean wells. | 2 | 80,000 | |
| 11 | C | Water's Portion of the IT Budget - The estimated cost to the Water Utility for IT Functions. | 1 | 37,758 | |
| 12 | D | Water's Portion of Administration Vehicles - Water's portion of administrative vehicle replacements in agreement with our vehicle replacement program. | 2 | - | (a),(b) |
| TOTAL | | | | 1,871,258 | |
| Operational Cash Flow | | | | 37,758 | |
| Reserves | | | | 1,433,500 | |
| Bond | | | | 400,000 | |
| Outside Funding | | | | - | |
| TOTAL | | | | 1,871,258 | |

Code:

Class:

| | | | |
|---|-----------------------|---|--|
| 1 | Operational Cash Flow | A | Must Accomplish This Year |
| 2 | Reserves | B | Accomplish for Improvement of System Integrity |
| 3 | Bonding | C | Ongoing Program - Accomplish for Improvement of System Integrity |
| 4 | Outside Funding | D | Ongoing Program - Long Term/Short Term & Vehicles/Equipment |

Notes:

- (a) Cost does not reflect money received from sale of old vehicle/equipment.
- (b) Included in 10 year replacement plan.
- (c) Cost estimates provided by engineering consultant.
- (d) May include capitalized labor.

****These figures do not include any future or anticipated annexation.**

**WATER UTILITY
2023 Budget - Final**

Capital Projects - 5 Years Beyond Fiscal Year 2023

| Item | Description | 2024 | 2025 | 2026 | 2027 | 2028 | Total Amount |
|------|---|---------|-----------|-----------|-----------|------------|--------------|
| 1 | Sugar Creek WTP Distribution Line Upgrade Redundant 24-inch water main from Sugar Creek. | 500,000 | 2,000,000 | 2,000,000 | 2,000,000 | 19,000,000 | 25,500,000 |
| 2 | Indianapolis Avenue - Phase III 16" waterline from Spencer Ave. to Busby. | 0 | 0 | 3,500,000 | 0 | 0 | 3,500,000 |
| 3 | Lead/Galvanized Water Service Line Replacement Program Replacement of Lead/Galvanized Water Service Lines per EPA Requirements. | 0 | 500,000 | 500,000 | 500,000 | 0 | 1,500,000 |
| 4 | Facility Rehab & Improvements Miscellaneous improvements as deemed necessary by staff. | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 750,000 |
| 5 | Automated Meter Infrastructure Ongoing Program for AMR/AMI System. | 232,500 | 226,500 | 60,000 | 60,000 | 60,000 | 639,000 |
| 6 | Spencer Avenue Water Main Loop Replacement and extension of water mains along Spencer Avenue. | 600,000 | 0 | 0 | 0 | 0 | 600,000 |
| 7 | Unforeseen Distribution System Repairs & Upgrades Miscellaneous distribution system improvements as deemed necessary. | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 |
| 8 | Chicago Street WTP Emergency Generator Addition of back-up power for the Chicago Street WTP. | 500,000 | 0 | 0 | 0 | 0 | 500,000 |
| 9 | Unforeseen Equipment Repair & Replacement Miscellaneous repairs and replacement. | 85,000 | 90,000 | 95,000 | 95,000 | 100,000 | 465,000 |
| 10 | 10 Year Vehicle/Mower Replacement Program Ongoing program including support departments, IT, Meter Engineering. | 130,800 | 115,000 | 20,000 | 140,000 | 43,500 | 449,300 |
| 11 | Well Improvement, Rehab & Upgrades Program to maintain and clean wells. We have 10 active wells and work on two wells per year. | 80,000 | 85,000 | 85,000 | 85,000 | 90,000 | 425,000 |
| 12 | South Street Water Main Improvements Upsize water main from 4" to 6" from Indianapolis Ave. to Grant Street. | 0 | 400,000 | 0 | 0 | 0 | 400,000 |
| 13 | Chicago Street WTP Bulk Water Station Bulk water station with 24 hour access. | 0 | 200,000 | 0 | 0 | 0 | 200,000 |

WATER UTILITY **2023 Budget - Final**

Capital Projects - 5 Years Beyond Fiscal Year 2023

| Item | Description | 2024 | 2025 | 2026 | 2027 | 2028 | Total Amount |
|------|--|------------------|------------------|------------------|------------------|-------------------|-------------------|
| 14 | Fordice Road Water Main Improvements Upsize of water main coinciding with city road project. | 200,000 | 0 | 0 | 0 | 0 | 200,000 |
| 15 | IT Budget See IT capital budget for breakdown. | 35,650 | 13,950 | 13,950 | 37,200 | 29,450 | 130,200 |
| | Total | <u>2,613,950</u> | <u>3,880,450</u> | <u>6,523,950</u> | <u>3,167,200</u> | <u>19,572,950</u> | <u>35,758,500</u> |
| | Funded by LU | 2,613,950 | 3,880,450 | 6,523,950 | 3,167,200 | 19,572,950 | 35,758,500 |
| | Outside Funding | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | <u>2,613,950</u> | <u>3,880,450</u> | <u>6,523,950</u> | <u>3,167,200</u> | <u>19,572,950</u> | <u>35,758,500</u> |

****These figures do not include any future or anticipated annexation.**

Water Utility Projected Cash Analysis

| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Total Cash & Investments - Beginning of Year Not Restricted by Ordinance/Regulation | 9,968,598 | 10,652,919 | 18,879,862 | 18,068,752 | 14,625,708 | 14,545,243 |
| Add: | | | | | | |
| Projected Operating Income (A) | 5,495,863 | 5,596,437 | 5,698,852 | 5,803,141 | 5,909,338 | 6,017,479 |
| Interest | 219,273 | 213,058 | 377,597 | 361,375 | 292,514 | 290,905 |
| Availability Fee Proceeds | 8,670,800 | 1,012,000 | 1,012,000 | 1,012,000 | 1,012,000 | 1,012,000 |
| Bond Proceeds | - | - | - | - | - | - |
| Depreciation | 791,974 | 807,814 | 823,970 | 840,449 | 857,258 | 874,404 |
| Less: | | | | | | |
| Projected Operational Expenses (B) | (3,921,689) | (4,027,182) | (4,135,513) | (4,246,758) | (4,360,996) | (4,478,307) |
| Availability Fee Deposits | (7,948,800) | 7,948,800 | 0 | 0 | 0 | 0 |
| Bond Principal and Interest | (624,430) | (622,680) | (623,770) | (623,660) | (623,380) | (623,900) |
| Reserve Transfers | (124,956) | (86,856) | (83,796) | (65,640) | 0 | 0 |
| Lease Interest Expense | (2,457) | (498) | 0 | 0 | 0 | 0 |
| Estimated Cash & Investments Before Capital Expenditures Not Restricted by Ordinance/Regulation | 12,524,177 | 21,493,812 | 21,949,202 | 21,149,658 | 17,712,443 | 17,637,823 |
| Less: | | | | | | |
| Projected Capital Expenditures | (1,871,258) | (2,613,950) | (3,880,450) | (6,523,950) | (3,167,200) | (19,572,950) |
| Estimated Cash & Investments - End of Year Not Restricted by Ordinance/Regulation | 10,652,919 | 18,879,862 | 18,068,752 | 14,625,708 | 14,545,243 | (1,935,127) |
| Less: Two Months of Average Operation Expense | (653,615) | (671,197) | (689,252) | (707,793) | (726,833) | (746,385) |
| Available Cash & Investments - End of Year Not Restricted by Ordinance/Regulation | <u>9,999,304</u> | <u>18,208,665</u> | <u>17,379,499</u> | <u>13,917,915</u> | <u>13,818,410</u> | <u>(2,681,511)</u> |

(A) Prior year plus increase of 1.83% which is the average change in the last 10 years (taking out availability fees). Takes into account 2 highest years/2 lowest years/rate adjustments.

(B) Prior year plus increase of 2.69% which is the average change in the last 10 years. Takes into account 2 highest years/2 lowest years/rate adjustments.

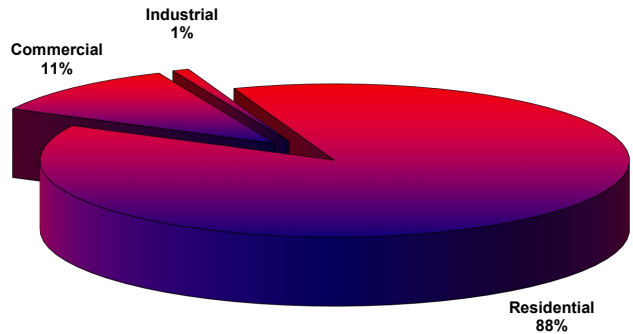
WATER UTILITY 2023 Budget - Final

Statistics

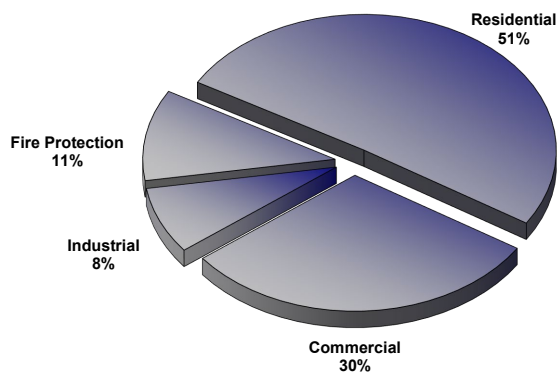
Number of Customers

| | |
|-------------|-------|
| Residential | 5,913 |
| Commercial | 743 |
| Industrial | 61 |
| Municipal | 7 |

Customers



Projected 2023 Revenue



Projected 2023 Revenue

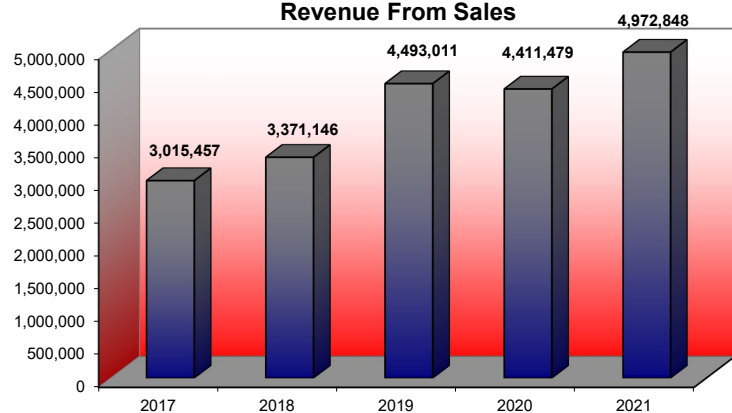
| | |
|-----------------|-----------|
| Residential | 2,688,525 |
| Commercial | 1,617,728 |
| Industrial | 421,316 |
| Fire Protection | 575,964 |

Revenue From Sales

| | |
|--------------------------------|-----------|
| 2017 | 3,015,457 |
| 2018 | 3,371,146 |
| 2019 | 4,493,011 |
| 2020 | 4,411,479 |
| 2021 | 4,972,848 |
| **2022 Year to Date Thru Sept. | 4,104,256 |

***Does not include Availability Fees or non-recurring fees.

Revenue From Sales



WATER UTILITY 2023 Budget - Final

Statistics

Gallons Pumped (Series 1)

| | |
|------|-------------|
| 2017 | 584,075,000 |
| 2018 | 587,420,000 |
| 2019 | 578,188,000 |
| 2020 | 619,007,000 |
| 2021 | 626,956,000 |

**2022 Year to Date Thru Sept.

490,171,000

Gallons Sold (Series 2)

| | |
|------|---------------|
| 2017 | 475,208,362 * |
| 2018 | 502,758,229 * |
| 2019 | 545,570,000 * |
| 2020 | 549,594,000 * |
| 2021 | 554,947,000 * |

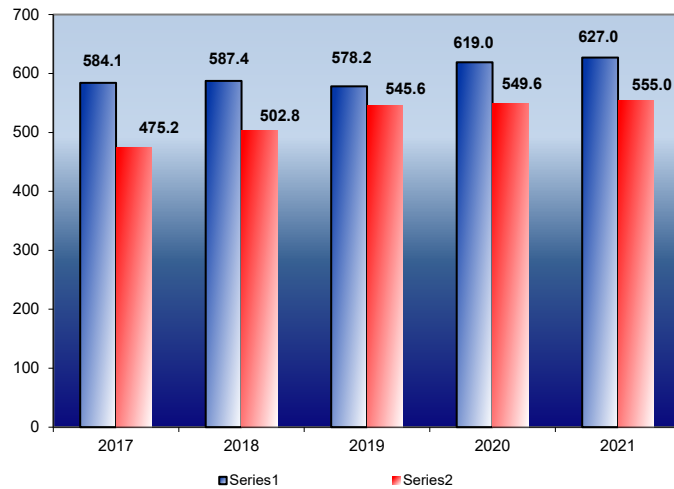
**2022 Year to Date Thru Sept.

441,161,000 *

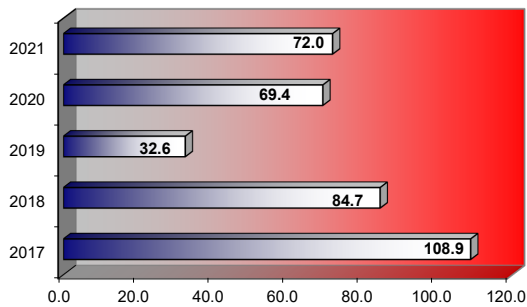
Yearly Backflush

| | |
|-------|------------|
| Add * | 15,157,000 |
|-------|------------|

Gallons Pumped (Millions)



Water Loss (Millions)



Water Loss (Millions)

| | |
|------|-------------|
| 2017 | 108,866,638 |
| 2018 | 84,661,771 |
| 2019 | 32,618,000 |
| 2020 | 69,413,000 |
| 2021 | 72,009,000 |

**2022 Year to Date Thru Sept.

49,010,000

Lebanon Wastewater Utility

2023 Budget - Final

WASTEWATER UTILITY 2023 Budget - Final

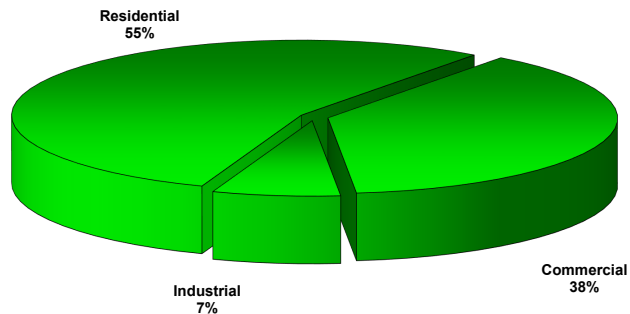
Revenues

| | Actual 2021 | Budget 2022 | 9 Months 2022 | Rolling 12 Months | Proposed 2023 |
|---------------------------------|------------------|------------------|------------------|----------------------|-------------------|
| Operating Revenue | | | | | |
| Residential | 2,871,709 | 2,938,786 | 2,211,937 | 2,914,500 | 2,990,512 |
| Commercial | 1,984,009 | 1,993,004 | 1,548,393 | 2,038,334 | 2,092,458 |
| Industrial | 336,301 | 391,234 | 274,072 | 359,566 | 389,748 |
| Surcharges | 138,852 | 121,743 | 115,957 | 158,275 | 149,571 |
| Inspection Fees | 6,100 | 4,369 | 7,697 | 10,447 | 10,562 |
| Late Penalties | 95,923 | 114,525 | 69,237 | 93,932 | 109,986 |
| Total Revenue from Sales | 5,432,894 | 5,563,661 | 4,227,293 | 5,575,054 | 5,742,837 |
| Other Revenue | | | | | |
| Availability Fees | 422,729 | 180,000 | 170,329 | 249,642 | 14,158,400 |
| Other | 100,715 | 36,210 | 111,965 | 116,291 | 135,445 |
| Interest | 21,039 | 20,661 | 16,281 | 22,128 | 202,142 |
| Total Other Revenues | 544,483 | 236,871 | 298,575 | 388,061 | 14,495,987 |
| Total Revenue | 5,977,377 | 5,800,532 | 4,525,868 | 5,963,115 | 20,238,824 |

Note: A growth factor of 2% for residential, commercial and industrial was used in determining the proposed 2023 revenues.

| Rate Class | Number of Customers |
|--------------|------------------------|
| Residential | 5,747 |
| Commercial | 710 |
| Industrial | 57 |
| Total | 6,514 |
| | (As of 09/22) |

Projected Revenue by Rate Class



| | 2018 | 2019 | 2020 | 2021 | Sep-22 |
|----------------------------|------|------|------|------|--------|
| Number of Employees | 17 | 16 | 16 | 15 | 15 |

WASTEWATER UTILITY

2023 Budget - Final

Revenues/Expenses

| | Actual 2021 | Budget 2022 | 9 Months 2022 | Rolling 12 Months | Proposed 2023 | |
|---------------------------------------|------------------|------------------|------------------|----------------------|------------------|-----|
| Operating Revenues | | | | | | |
| Residential | 2,871,709 | 2,938,786 | 2,211,937 | 2,914,500 | 2,990,512 | (1) |
| Commercial | 1,984,009 | 1,993,004 | 1,548,393 | 2,038,334 | 2,092,458 | (1) |
| Industrial | 336,301 | 391,234 | 274,072 | 359,566 | 389,748 | (1) |
| Surcharges | 138,852 | 121,743 | 115,957 | 158,275 | 149,571 | (1) |
| Inspection Fees | 6,100 | 4,369 | 7,697 | 10,447 | 10,562 | (1) |
| Late Penalties | 95,923 | 114,525 | 69,237 | 93,932 | 109,986 | (1) |
| Total Operating Revenues | 5,432,894 | 5,563,661 | 4,227,293 | 5,575,054 | 5,742,837 | |
| Other Revenues | | | | | | |
| Other | 100,715 | 36,210 | 111,965 | 116,291 | 135,445 | |
| Total Other Revenue | 100,715 | 36,210 | 111,965 | 116,291 | 135,445 | |
| Total Revenue (less Interest) | 5,533,609 | 5,599,871 | 4,339,258 | 5,691,345 | 5,878,281 | |
| Purchased Services | | | | | | |
| Engineering Fees | 75,733 | 90,000 | 58,287 | 94,458 | 255,000 | (2) |
| Accounting Fees | 6,277 | 24,750 | 4,438 | 4,438 | 10,000 | (3) |
| Legal Fees | 51,941 | 68,711 | 26,385 | 51,720 | 56,057 | (4) |
| Contractual Services - Sludge Removal | 80,142 | 80,000 | 71,051 | 91,430 | 80,000 | |
| Contractual Services - IT | 96,219 | 101,586 | 67,724 | 100,076 | 105,555 | (5) |
| Contractual Services - Other | 73,086 | 378,598 | 70,228 | 88,980 | 258,738 | (6) |
| Telephone Expense | 14,011 | 14,487 | 12,522 | 16,379 | 17,530 | |
| Utilities | 284,390 | 297,563 | 216,068 | 293,678 | 328,287 | |
| Total Purchased Services | 681,799 | 1,055,696 | 526,703 | 741,159 | 1,111,167 | |
| Wages & Benefits | | | | | | |
| Salaries WWC | 210,163 | 219,020 | 128,604 | 185,248 | 186,047 | (7) |
| Salaries WWT | 249,670 | 247,805 | 191,414 | 267,389 | 276,912 | (7) |
| Meter Reading | 62,004 | 61,372 | 44,704 | 63,690 | 64,672 | (7) |
| Line Locating | 17,900 | 18,622 | 12,977 | 17,824 | 18,773 | (7) |
| Mapping | 1,117 | 1,440 | 0 | 108 | 0 | (7) |
| Billing Salaries | 28,274 | 29,135 | 21,668 | 29,520 | 31,346 | (7) |
| Laboratory Salaries | 57,639 | 59,127 | 45,493 | 61,688 | 65,813 | (7) |
| Administrative Salaries | 174,280 | 178,279 | 134,263 | 183,581 | 194,234 | (7) |
| Office Salaries | 145,624 | 150,936 | 111,788 | 151,616 | 161,720 | (7) |
| Vacation/Sick Leave | 135,712 | 116,272 | 91,295 | 145,508 | 132,073 | (7) |
| FICA Taxes | 81,098 | 80,679 | 56,550 | 81,097 | 81,809 | (7) |
| Pension | (184,769) | 192,191 | 70,562 | (248,920) | 102,080 | (8) |
| Group Insurance | 312,749 | 333,468 | 211,614 | 288,863 | 290,334 | (9) |
| Total Wages & Benefits | 1,291,461 | 1,688,346 | 1,120,932 | 1,227,212 | 1,605,814 | |

WASTEWATER UTILITY

2023 Budget

Revenues/Expenses (Cont.)

| | Actual 2021 | Budget 2022 | 9 Months 2022 | Rolling 12 Months | Proposed 2023 |
|---|------------------|------------------|------------------|----------------------|-------------------|
| Chemicals | 30,498 | 29,692 | 28,857 | 39,069 | 45,099 |
| Materials & Supplies | 798 | 1,104 | 9,363 | 9,721 | 11,769 |
| Lab | 9,342 | 11,720 | 11,486 | 12,707 | 14,851 |
| Liftstations | 6,514 | 7,137 | 20,438 | 21,986 | 26,095 |
| Office Supplies | 11,775 | 12,315 | 6,182 | 9,060 | 9,170 |
| Janitorial Services | 5,997 | 5,881 | 4,413 | 5,997 | 5,881 |
| Interior Landscaping | 0 | 177 | 0 | 0 | 177 |
| Exterior Landscaping | 1,772 | 2,509 | 3,271 | 3,804 | 2,509 |
| Meter Expense | 13,083 | 14,219 | 8,690 | 10,275 | 13,000 |
| Safety Equipment | 271 | 1,286 | 775 | 775 | 958 |
| SCADA Equipment | 11,482 | 12,957 | 11,567 | 15,465 | 16,370 |
| Sand / Gravel / Pavement | 490 | 606 | 338 | 338 | 418 |
| Miscellaneous Equipment | 1,194 | 10,508 | 3,221 | (1,459) | 1,503 |
| General Maintenance | 53,082 | 44,401 | 42,521 | 67,584 | 65,868 |
| Transportation | 14,054 | 13,139 | 15,355 | 22,450 | 25,297 |
| Computer Equipment | 4,057 | 7,321 | 2,370 | 6,141 | 8,313 |
| Software Expense | 10,312 | 10,495 | 7,842 | 8,564 | 10,081 |
| Maintenance Agreements | 60,928 | 53,801 | 47,810 | 66,207 | 68,875 (10) |
| Insurance | 110,500 | 55,608 | 868 | 59,158 | 62,707 |
| Promotional Expense | 0 | 6,180 | 104 | 104 | 6,180 |
| Employee Recognition | 1,066 | 930 | 33 | 908 | 930 |
| Regulatory Expense | 9,500 | 11,748 | 9,500 | 9,500 | 11,748 |
| Bad Debt Expense | 14,620 | 30,359 | 30,359 | 30,359 | 14,357 (11) |
| Dues & Subscriptions | 8,583 | 11,409 | 10,848 | 8,823 | 11,579 |
| Postage | 1,123 | 1,000 | 777 | 1,240 | 1,206 |
| Conferences & Training | 17,981 | 25,829 | 15,151 | 19,721 | 25,829 |
| Uniforms | 14,571 | 13,969 | 9,744 | 14,867 | 14,765 |
| Safety Training Expense | 3,524 | 1,345 | 3,274 | 5,897 | 5,439 |
| Payment in Lieu of Taxes | 280,378 | 295,692 | 206,409 | 276,504 | 292,409 |
| Depreciation Expense | 997,476 | 1,006,371 | 711,723 | 969,220 | 967,943 |
| Amortization - Deferred Costs | 0 | (1,572) | (1,178) | 0 | (1,572) |
| Lease Rental Payments - Principal | 75,981 | 78,632 | 78,631 | 78,631 | 79,515 (12) |
| Lease - Copiers/Printers | 2,299 | 2,444 | 1,761 | 2,333 | 2,481 |
| Bank Fees - Credit Card | 26,260 | 27,488 | 19,348 | 26,159 | 27,345 |
| Miscellaneous | 26,981 | 18,043 | 34,389 | 40,825 | 45,939 |
| Total Operating Supplies & Expense | 1,826,492 | 1,824,745 | 1,356,240 | 1,842,933 | 1,895,038 |
| Total Expenses | 3,799,752 | 4,568,787 | 3,003,875 | 3,811,304 | 4,612,019 |
| Operating Income | 1,733,857 | 1,031,084 | 1,335,383 | 1,880,041 | 1,266,262 |
| Interest | | | | | |
| Interest Revenue | 21,039 | 20,661 | 16,281 | 22,128 | 202,142 |
| Interest Expense | (416,752) | (402,076) | (304,094) | (404,080) | (385,362) (13) |
| Total Interest Revenue (Expense) | (395,713) | (381,415) | (287,813) | (381,952) | (183,220) |
| Extraordinary Items | | | | | |
| Availability Fees | 422,729 | 180,000 | 170,329 | 249,642 | 14,158,400 (14) |
| Contributed Capital | 0 | 0 | 710,000 | 777,260 | 600,000 |
| Gain on Sale of Assets | 0 | 0 | 0 | 0 | 0 |
| Loss on Sale of Assets | (9,135) | (111,600) | (8,846) | (9,912) | (111,600) (15) |
| Total Extraordinary Items | 413,594 | 68,400 | 871,483 | 1,016,990 | 14,646,800 |
| NET MARGIN | 1,751,738 | 718,069 | 1,919,053 | 2,515,079 | 15,729,843 |

WASTEWATER UTILITY

2023 Budget - Final

Notes to Proposed Revenue and Expenses

| Note | Description |
|------|---|
| (1) | An overall growth factor of 2% was used in determining the proposed 2023 revenues. |
| (2) | This includes amounts for GIS, pretreatment, lining, biosolids, development projects, system evaluation and other misc. engineering services. |
| (3) | Accounting fees include State Board of Accounts audit costs and arbitrage testing. |
| (4) | General legal counsel. |
| (5) | Contractual Services for IT consulting / Cyber Security. |
| (6) | Estimated amount for miscellaneous contractual services needed by the different departments. Includes \$100,000 for ditch cleaning. |
| (7) | Assumes an overall 8.5% increase in wages with inflationary adjustment along with employees moving through the advancement program. |
| (8) | Funding of the Defined Benefit Plan and the Defined Contribution Plan. |
| (9) | We received a 2.9% increase for 2023. |
| (10) | General maintenance agreements on items such as NISC, Microsoft and other misc. systems. |
| (11) | A bad debt allowance has been set at .25%. |
| (12) | Lease rental principal on municipal building. |
| (13) | Lease rental interest on municipal building and bond interest on the 2014 and 2018 bonds. |
| (14) | Estimated based on MOU with a current developer, 100 EDU's at previous rate and 120 EDU's at current rate. |
| (15) | Replacing 20% of the meters. Estimate of book value. |

WASTEWATER UTILITY

2023 Budget - Final

Capital Additions

| Item | Class | Description | Code | Amount | Notes |
|------|-------|--|------|-----------|---------|
| 1 | B | Forcemain for Southeast Regional Lift Station - Force main from southeast regional lift station to the wastewater treatment plant. | 4 | 8,000,000 | |
| 2 | B | Southeast Regional Lift Station - Construction of New regional lift station east of the 4-H grounds. | 4 | 5,500,000 | |
| 3 | B | Reese Park Lift Station & Gravity Sewer Improvements Phase 2 - New gravity sewers upstream of the new LS to reduce SSO's. | 2 | 2,100,000 | |
| 4 | A | Reese Park Lift Station & Gravity Sewer Improvements Phase I - Construction of lift station and force main to reduce SSO's. | 2 | 1,300,000 | |
| 5 | B | Elimination of 4H Fairgrounds Lift Station - New gravity sewers to redirect flow from the 4H LS to the southeast regional LS. | 4 | 1,000,000 | |
| 6 | D | Vac Truck - Vac Truck for the Wastewater Department. | 1 | 600,000 | (a),(b) |
| 7 | B | Business Park Regional Lift Station - Design of new regional lift station, sewers & forcemain for the Business Park. | 2 | 500,000 | |
| 8 | B | Hickory Junction Lift Station - Phase 2 - Pump upgrades and forcemain extension to expand LS capacity. | 2 | 500,000 | |
| 9 | C | Collection System Repairs & Upgrades - Used for various repairs and upgrades in the collection system. | 2 | 300,000 | |
| 10 | C | Automated Meter Infrastructure - Annual amount for meter replacements as needed. | 2 | 243,500 | |
| 11 | C | WWTP Clarifier Drive Mechanism Improvements - Rebuild/Replace drive mechanisms. | 2 | 175,000 | |
| 12 | B | WWTP - Clarifier Mechanism Recoating - Recoat metal structures that have been in service since 1998. | 2 | 175,000 | |

WASTEWATER UTILITY 2023 Budget - Final

Capital Additions (Cont)

| Item | Class | Description | Code | Amount | Notes |
|-----------------------|-------|--|------|--------------------------|---------|
| 13 | C | WWTP Unforeseen Repairs & Upgrades - Various repairs and upgrades to the WWTP. | 2 | 150,000 | |
| 14 | C | Wastewater's Portion of the IT Budget - The estimated cost to the Water Utility for IT Functions. | 1 | 37,758 | |
| 15 | D | Kubota - Replace our 2008 Kubota RTV900. | 2 | 15,000 | (a),(b) |
| TOTAL | | | | <u>20,596,258</u> | |
| Operational Cash Flow | | | | 637,758 | |
| Reserves | | | | 5,458,500 | |
| Bonding | | | | 0 | |
| Outside Funding | | | | <u>14,500,000</u> | |
| TOTAL | | | | <u><u>20,596,258</u></u> | |

Code:

Class:

| | | | |
|---|-----------------------|---|--|
| 1 | Operational Cash Flow | A | Must Accomplish This Year |
| 2 | Reserves | B | Accomplish for Improvement of System Integrity |
| 3 | Bonding | C | Ongoing Program - Accomplish for Improvement of System Integrity |
| 4 | Outside Funding | D | Ongoing Program - Long Term/Short Term & Vehicles/Equipment |

Notes:

- (a) Cost does not reflect money received from sale of old vehicle/equipment.
- (b) Included in 10 year replacement plan.
- (c) Cost estimates provided by engineering consultant.
- (d) May include capitalized labor.

****These figures do not include any future or anticipated annexation.**

WASTEWATER UTILITY
2023 Budget Final
Capital Projects - 5 Years Beyond Fiscal Year 2023

| Item | Description | 2024 | 2025 | 2026 | 2027 | 2028 | Total Amount |
|-----------------|---|------------------|------------------|------------------|------------------|------------------|-------------------|
| 1 | Business Park Regional Lift Station New regional lift station, sewers, force mains for the Business Park. | 4,500,000 | 0 | 0 | 0 | 0 | 4,500,000 |
| 2 | Northside Lift Station Full Buildout Additional Pumps and Force Main to increase capacity at the Northside LS | 0 | 1,000,000 | 3,000,000 | 0 | 0 | 4,000,000 |
| 3 | Gravity Sewer Line and Manhole Rehab, Replacement & Cleaning Ongoing project to help reduce I&I. | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 2,500,000 |
| 4 | Hickory Junction Lift Station - Phase 3 Pump Upgrades and Force Main Extension to expand LS Capacity | 0 | 0 | 0 | 500,000 | 2,000,000 | 2,500,000 |
| 5 | Hickory Junction Lift Station - Phase 2 Pump Upgrades and Force Main Extension to expand LS Capacity | 2,000,000 | 0 | 0 | 0 | 0 | 2,000,000 |
| 6 | Collection System Repairs & Upgrades Various repairs and upgrades to the collections system. | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,500,000 |
| 7 | Gravity Sewer Reroute Program Reroute of sewers located under/near structures and exposed sewer creek crossings | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| 8 | 10 Year Vehicle/Equipment Replacement Program Ongoing program and includes wastewater's portion of multi-departmental equipment replacement program- five of ten years. | 169,800 | 272,000 | 100,500 | 165,000 | 132,700 | 840,000 |
| 9 | WWTP Unforeseen Repairs & Upgrades Various repairs and upgrades to the WWTP. | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 750,000 |
| 10 | AMI Replacement Program Ongoing Program for AMR/AMI System | 232,500 | 226,500 | 60,000 | 60,000 | 60,000 | 639,000 |
| 11 | IT Budget See IT capital budget for breakdown. | 35,650 | 13,950 | 13,950 | 37,200 | 29,450 | 130,200 |
| Total | | <u>8,087,950</u> | <u>2,662,450</u> | <u>4,324,450</u> | <u>1,912,200</u> | <u>3,372,150</u> | <u>20,359,200</u> |
| Funded by LU | | 8,087,950 | 2,662,450 | 4,324,450 | 1,912,200 | 3,372,150 | 20,359,200 |
| Outside Funding | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | <u>8,087,950</u> | <u>2,662,450</u> | <u>4,324,450</u> | <u>1,912,200</u> | <u>3,372,150</u> | <u>20,359,200</u> |

****These figures do not include any future or anticipated annexation.**

WASTEWATER UTILITY

Projected Cash Analysis

| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Cash & Investments - Beginning of Year Not Restricted by Ordinance/Regulation | 5,763,929 | 2,433,085 | 10,332,390 | 10,093,675 | 8,305,558 | 9,006,339 |
| Add: | | | | | | |
| Projected Operating Income (A) | 5,878,281 | 6,024,651 | 6,174,664 | 6,328,414 | 6,485,991 | 6,647,492 |
| Interest | 202,142 | 198,662 | 206,648 | 201,874 | 166,111 | 180,127 |
| Availability Fee Revenue | 14,158,400 | 1,056,000 | 1,056,000 | 1,056,000 | 1,056,000 | 1,056,000 |
| Contributions | 600,000 | 0 | 0 | 0 | 0 | 0 |
| Depreciation & Amortization | 966,371 | 985,699 | 1,005,413 | 1,025,521 | 1,046,031 | 1,066,952 |
| Bond Proceeds | - | - | - | - | - | - |
| Less: | | | | | | |
| Projected Operational Expenses (B) | (4,612,019) | (4,612,048) | (4,642,078) | (4,707,532) | (4,773,908) | (4,841,220) |
| Availability Fee Deposits | (13,382,400) | 13,382,400 | 0 | 0 | 0 | 0 |
| Bond Principal & Interest Payments | (1,042,905) | (1,047,610) | (1,376,911) | (1,367,944) | (1,367,244) | (1,365,944) |
| Lease Interest Expense | (2,457) | (498) | 0 | 0 | 0 | 0 |
| Estimated Cash & Investments Before Capital Expenditures Not Restricted by Ordinance/Regulation | 8,529,343 | 18,420,340 | 12,756,125 | 12,630,008 | 10,918,539 | 11,749,747 |
| Less: | | | | | | |
| Projected Capital Expenditures | (6,096,258) | (8,087,950) | (2,662,450) | (4,324,450) | (1,912,200) | (3,372,150) |
| Estimated Cash & Investments - End of Year Not Restricted by Ordinance/Regulation | 2,433,085 | 10,332,390 | 10,093,675 | 8,305,558 | 9,006,339 | 8,377,597 |
| Less: Two Months of Average Operation Expense | (768,670) | (768,675) | (773,680) | (784,589) | (795,651) | (806,870) |
| Available Cash & Investments - End of Year Not Restricted by Ordinance/Regulation | <u>1,664,415</u> | <u>9,563,715</u> | <u>9,319,995</u> | <u>7,520,969</u> | <u>8,210,688</u> | <u>7,570,727</u> |

(A) Prior year plus increase of 2.49% which is the average change in the last 10 years.
Takes into account 2 highest years/2 lowest years/rate adjustments.

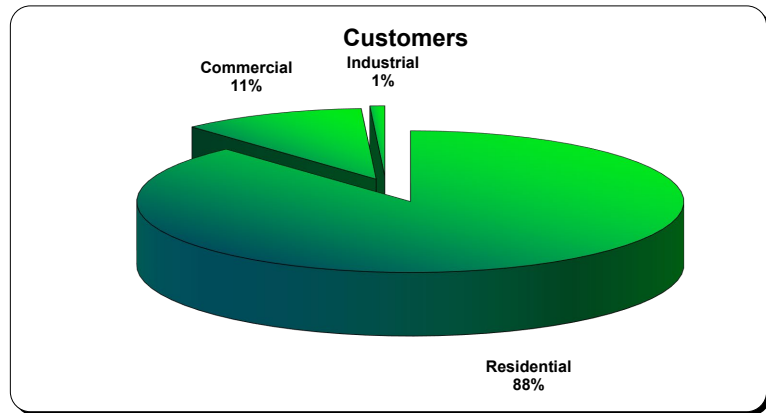
(B) Prior year plus increase of 1.41% which is the average change in the last 10 years. Takes into account 2 highest years/2 lowest years/rate adjustments.

WASTEWATER UTILITY 2023 Budget - Final

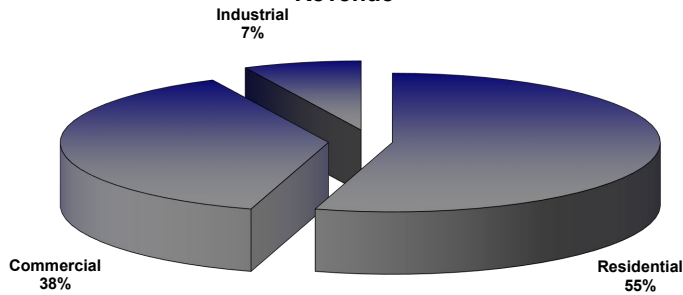
Statistics

Number of Customers

| | |
|-------------|-------|
| Residential | 5,747 |
| Commercial | 710 |
| Industrial | 57 |



Projected 2023 Revenue



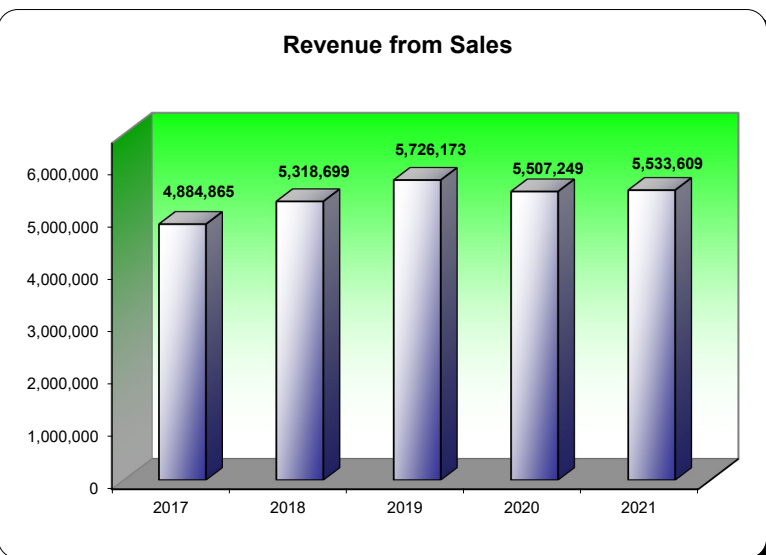
Projected 2023 Revenue

| | |
|-------------|-----------|
| Residential | 2,990,512 |
| Commercial | 2,092,458 |
| Industrial | 389,748 |

Revenue From Sales

| | |
|--------------------------------|-----------|
| 2017 | 4,884,865 |
| 2018 | 5,318,699 |
| 2019 | 5,726,173 |
| 2020 | 5,507,249 |
| 2021 | 5,533,609 |
| **2022 Year to Date Thru Sept. | 4,339,258 |

***Does not include Availability Fees.



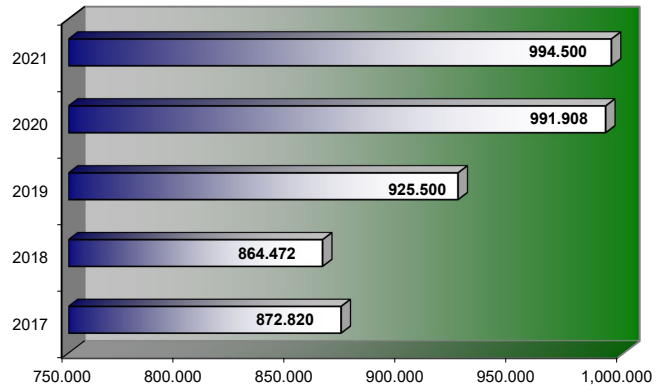
WASTEWATER UTILITY 2023 Budget - Final

Statistics

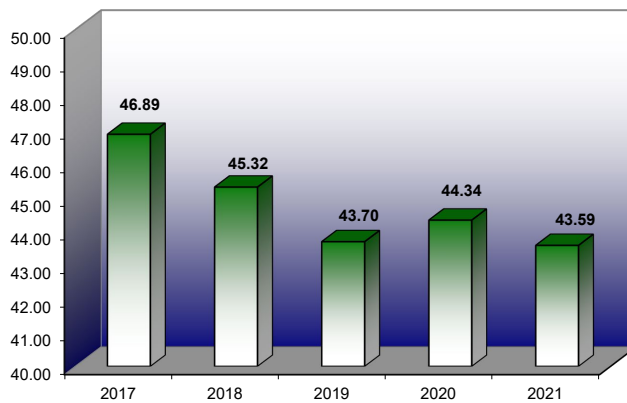
Effluent (1,000,000 Gallons)

| | |
|--------------------------------|---------|
| 2017 | 872.820 |
| 2018 | 864.472 |
| 2019 | 925.500 |
| 2020 | 991.908 |
| 2021 | 994.500 |
| **2022 Year to Date Thru Sept. | 783.880 |

Effluent (Millions per Year)



Rainfall (Inches)



Rainfall (Inches)

| | |
|--------------------------------|-------|
| 2017 | 46.89 |
| 2018 | 45.32 |
| 2019 | 43.70 |
| 2020 | 44.34 |
| 2021 | 43.59 |
| **2022 Year to Date Thru Sept. | 32.71 |

Telecommunications Division

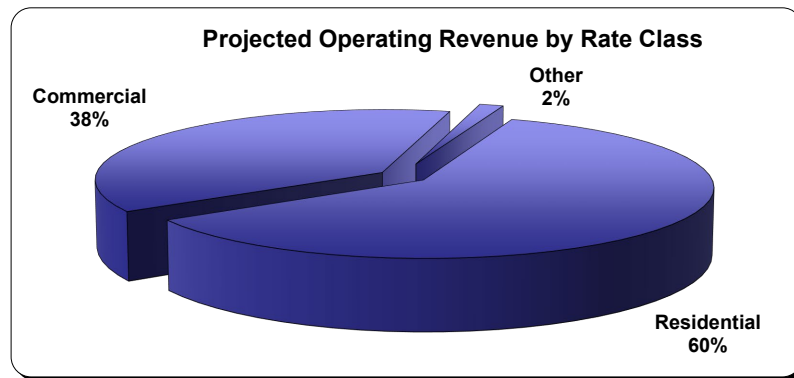
2023 Budget - Final

TELECOMMUNICATIONS DIVISION
2023 Budget - Final

Revenues

| | <u>Actual 2021</u> | <u>Budget 2022</u> | <u>9 Months 2022</u> | <u>Rolling 12 Months</u> | <u>Proposed 2023</u> |
|---------------------------------|------------------------|------------------------|--------------------------|------------------------------|--------------------------|
| Operating Revenue | | | | | |
| Residential | 556,221 | 562,376 | 418,357 | 558,703 | 569,421 |
| Commercial | 269,272 | 272,171 | 213,314 | 282,015 | 288,881 |
| Custom Commercial | 67,426 | 68,243 | 51,395 | 68,618 | 69,944 |
| Installations | 3,707 | 4,496 | 2,378 | 3,147 | 3,222 |
| Set-up Charges | 5,928 | 6,664 | 3,509 | 4,579 | 4,721 |
| Late Penalties | 5,351 | 5,543 | 4,531 | 5,991 | 6,136 |
| Total Revenue from Sales | <u>907,905</u> | <u>919,492</u> | <u>693,484</u> | <u>923,053</u> | <u>942,326</u> |
| Other Revenue | | | | | |
| Interest | 2,256 | 2,059 | 1,840 | 2,522 | 22,537 |
| Other | 47,880 | 50,704 | 37,325 | 47,923 | 50,762 |
| Total Other Revenues | <u>50,136</u> | <u>52,763</u> | <u>39,165</u> | <u>50,445</u> | <u>73,299</u> |
| Total Revenue | <u>958,041</u> | <u>972,255</u> | <u>732,649</u> | <u>973,498</u> | <u>1,015,626</u> |

Note: An average growth factor of 2% was used in determining the proposed 2023 revenues.



| <u>Rate Class</u> | <u>Number of Customers</u> |
|------------------------|--------------------------------|
| Wireless - Residential | 959 |
| Wireless - Commercial | 297 |
| Fiber | <u>7</u> |
| Total | <u>1,263</u> |
| | (As of 9-22) |

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>Sep-22</u> |
|----------------------------|-------------|-------------|-------------|-------------|---------------|
| Number of Employees | 3 | 2 | 2 | 2 | 3 |

TELECOMMUNICATIONS DIVISION
2023 Budget - Final

Revenues/Expenses

| | <u>Actual 2021</u> | <u>Budget 2022</u> | <u>9 Months 2022</u> | <u>Rolling 12 Months</u> | <u>Proposed 2023</u> | |
|--------------------------------------|------------------------|------------------------|--------------------------|------------------------------|--------------------------|-----|
| Operating Revenues | | | | | | |
| Residential | 556,221 | 562,376 | 418,357 | 558,703 | 569,421 | (1) |
| Commercial | 269,272 | 272,171 | 213,314 | 282,015 | 288,881 | (1) |
| Custom Commercial | 67,426 | 68,243 | 51,395 | 68,618 | 69,944 | (1) |
| Installations | 3,707 | 4,496 | 2,378 | 3,147 | 3,222 | (1) |
| Set-up Charges | 5,928 | 6,664 | 3,509 | 4,579 | 4,721 | (1) |
| Late Penalties | 5,351 | 5,543 | 4,531 | 5,991 | 6,136 | (1) |
| Total Operating Revenue | 907,905 | 919,492 | 693,484 | 923,053 | 942,326 | |
| Other Revenue | | | | | | |
| Other | 47,880 | 50,704 | 37,325 | 47,923 | 50,762 | |
| Total Other Revenue | 47,880 | 50,704 | 37,325 | 47,923 | 50,762 | |
| Total Revenue (less Interest) | 955,785 | 970,196 | 730,809 | 970,976 | 993,088 | |
| Purchased Services | | | | | | |
| Bandwidth | 74,802 | 79,163 | 56,513 | 75,270 | 79,829 | |
| Telephone | 2,662 | 2,684 | 2,143 | 2,873 | 3,037 | |
| Contractual Services - Other | 14,518 | 27,135 | 6,106 | 8,180 | 47,226 | (2) |
| Contractual Services - IT | 22,783 | 22,939 | 15,293 | 32,088 | 23,835 | (3) |
| Accounting Fees | 1,774 | 18,000 | 722 | 722 | 3,000 | (4) |
| Legal Fees | 5,283 | 10,741 | 2,411 | 4,461 | 4,068 | (5) |
| Utilities | 9,176 | 10,186 | 7,219 | 9,396 | 10,734 | |
| Total Purchased Services | 130,998 | 170,848 | 90,407 | 132,990 | 171,729 | |
| Wages & Benefits | | | | | | |
| Customer Install | 30,122 | 43,543 | 31,648 | 34,754 | 45,784 | (6) |
| Billing | 2,653 | 2,733 | 2,032 | 2,769 | 2,940 | (6) |
| Administrative | 93,041 | 91,395 | 70,560 | 99,539 | 102,077 | (6) |
| Office Personnel | 20,613 | 26,297 | 15,725 | 21,410 | 22,749 | (6) |
| Sick/Vacation Pay | 21,100 | 22,326 | 10,735 | 16,186 | 15,530 | (6) |
| FICA Taxes | 12,118 | 12,824 | 9,404 | 12,533 | 13,604 | (6) |
| Group Insurance | 60,085 | 64,485 | 44,920 | 59,465 | 61,630 | (7) |
| Pension | (16,777) | 23,687 | 9,518 | (23,862) | 13,769 | (8) |
| Total Wages & Benefits | 222,955 | 287,291 | 194,542 | 222,794 | 278,083 | |

TELECOMMUNICATIONS DIVISION
2023 Budget - Final

Revenues/Expenses (Cont.)

| | Actual 2021 | Budget 2022 | 9 Months 2022 | Rolling 12 Months | Proposed 2023 |
|---|------------------------|------------------------|--------------------------|------------------------------|--------------------------|
| Operating Supplies & Expense | | | | | |
| Tools & Equipment | 8,390 | 7,464 | 1,177 | 3,698 | 2,894 |
| Installation Supplies | 6,061 | 6,931 | 4,059 | 5,158 | 5,602 |
| Tower Rent | 24,286 | 23,133 | 9,608 | 23,605 | 24,300 |
| Maintenance of Equipment | 183 | 274 | 585 | 628 | 746 |
| General Maintenance | 881 | 1,527 | 397 | 152 | 361 |
| Office Supplies | 1,836 | 1,943 | 1,244 | 1,791 | 1,828 |
| Janitorial Services | 1,354 | 1,327 | 996 | 1,354 | 1,327 |
| Interior Landscaping | 0 | 39 | 0 | 0 | 39 |
| Exterior Landscaping | 400 | 567 | 330 | 450 | 567 |
| Fiber Lease | 0 | 0 | 0 | 0 | 27,000 |
| Communications Equipment | 4,598 | 5,536 | 4,357 | 5,177 | 5,823 |
| Computer Equipment | 970 | 1,438 | 307 | 610 | 1,662 |
| Software Expense | 1,552 | 1,206 | 1,089 | 1,404 | 1,514 |
| Maintenance Agreements | 11,967 | 10,213 | 8,809 | 12,729 | 12,971 |
| Dues & Subscriptions | 11,686 | 12,249 | 9,750 | 12,189 | 10,788 |
| Postage | 141 | 80 | 134 | 219 | 211 |
| Insurance | 6,471 | 4,617 | 815 | 2,760 | 4,039 |
| Conference & Training | 2,521 | 5,429 | 2,311 | 2,675 | 5,429 |
| Promotion | 0 | 460 | 23 | 23 | 460 |
| Employee Recognition | 197 | 210 | 7 | 188 | 210 |
| Transportation | 4,348 | 6,365 | 3,382 | 4,615 | 6,070 |
| Freight / Shipping | 1,355 | 1,609 | 1,321 | 1,586 | 1,774 |
| Payment in Lieu of Taxes | 2,393 | 2,538 | 1,679 | 2,278 | 2,394 |
| Depreciation Expense | 41,760 | 42,769 | 30,586 | 40,898 | 41,597 |
| Gross Income Tax | 14,300 | 11,642 | 7,500 | 11,500 | 0 (9) |
| Bad Debt Expense | 3,284 | 5,799 | 5,799 | 5,799 | 2,356 (10) |
| Lease Rental Payments - Principal | 17,157 | 17,756 | 17,755 | 17,755 | 17,955 (11) |
| Lease - Copiers/Printers | 519 | 552 | 398 | 527 | 561 |
| Bank Fees - Credit Card | 2,461 | 2,624 | 1,813 | 2,451 | 2,580 |
| Miscellaneous | 30,742 | 35,029 | 19,038 | 26,014 | 27,241 |
| Total Operating Supplies & Expense | 201,813 | 211,327 | 135,269 | 188,233 | 210,298 |
| Total Expenses | 555,766 | 669,465 | 420,218 | 544,017 | 660,111 |
| Operating Income | 400,019 | 300,731 | 310,591 | 426,959 | 332,978 |
| Interest | | | | | |
| Interest Revenue | 2,256 | 2,059 | 1,840 | 2,522 | 22,537 |
| Interest Expense | (1,415) | (992) | (992) | (992) | (554) (12) |
| Total Interest Revenue (Expense) | 841 | 1,067 | 848 | 1,530 | 21,983 |
| Extraordinary Items | | | | | |
| Gain on Sale of Assets | 0 | 0 | 0 | 0 | 0 |
| Loss on Sale of Assets | (230) | (5,000) | (1,034) | (1,264) | (5,000) |
| Total Extraordinary Items | (230) | (5,000) | (1,034) | (1,264) | (5,000) |
| Net Margin | 400,630 | 296,797 | 310,405 | 427,225 | 349,961 |

TELECOMMUNICATIONS DIVISION
2023 Budget - Final

Notes to Proposed Revenue and Expenses

| Note | Description |
|------|---|
| (1) | The revenue numbers are based on a 2% increase in revenue for 2023. |
| (2) | Estimated amount for miscellaneous contractual services needed by the different departments. |
| (3) | Contractual Services for IT consulting / Cyber Security. |
| (4) | Accounting fees include State Board of Accounts audit costs. |
| (5) | General legal counsel. |
| (6) | Assumes an overall 8.5% increase in wages with inflationary adjustment along with employees moving through the advancement program. |
| (7) | We received a 2.9% increase for 2023. |
| (8) | Funding of the Defined Benefit Plan and the Defined Contribution Plan. |
| (9) | Utility receipts tax is equal to 1.2% of total revenues. This was eliminated in July of 2022. |
| (10) | A bad debt allowance has been set at .25%. |
| (11) | Lease rental principal on municipal building. |
| (12) | Includes a portion for the interest on the lease for the municipal building. |

TELECOMMUNICATIONS DIVISION 2023 Budget - Final

Capital Additions

| Item | Class | Description | Code | Amount | Notes |
|------|-------|---|------|--------|---------|
| 1 | B | Wireless Technology Upgrade - Buying and testing new equipment allowing for possible upgrade. | 2 | 20,000 | |
| 2 | C | Tower AP Upgrades - Additional access points, antennas or upgrade access points to provide faster service. | 2 | 20,000 | |
| 3 | C | Wireless Installs/Maintenance - Annual amount for routine break/fix and required upgrades. This will cover approx. 100 customers. | 2 | 15,000 | |
| 4 | C | Fiber Maintenance/Upgrades - Annual amount for routine break/fix and required upgrades. | 2 | 15,000 | |
| 5 | B | Fiber Project - Replace old air-blown fiber cable from the municipal building to the Elm Street water tower. | 2 | 10,000 | |
| 6 | C | Telecom's Portion of the IT Budget - The estimated cost to the Telecommunication Utility for IT Functions. | 2 | 8,526 | |
| 7 | C | Backhaul Upgrades - To maintain or upgrade the radios that feed the different locations. | 2 | 8,000 | |
| 8 | C | Router/Switch Upgrades - Upgrade routing and switching infrastructure for the internet service. | 2 | 5,000 | |
| 9 | D | Telecom's Portion of the Administration Vehicles - Telecom's portion of administrative vehicle replacements in agreement with our vehicle replacement program. | 2 | - | (a),(b) |

TOTAL

101,526

Operational Cash Flow

-

Reserves

101,526

Bonding

-

Outside Funding

-

TOTAL

101,526

Code:

1 Operational Cash Flow
2 Reserves
3 Bonding
4 Outside Funding

Class:

A Must Accomplish This Year
B Accomplish for Improvement of System Integrity
C Ongoing Program - Accomplish for Improvement of System Integrity
D Ongoing Program - Long Term/Short Term & Vehicles/Equipment

Notes:

- (a) Cost does not reflect money received from sale of old vehicle/equipment.
- (b) Included in 10 year replacement plan.
- (c) Cost estimates provided by engineering consultant.
- (d) May include capitalized labor.

TELECOMMUNICATIONS DIVISION
2023 Budget - Final

Capital Projects - 5 Years Beyond Fiscal Year 2023

| Item | Description | Projected 2024 | Projected 2025 | Projected 2026 | Projected 2027 | Projected 2028 | Total Amount |
|-----------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| 1 | Wireless Technology Upgrade Cost to migrate to a new fixed-wireless platform. | 50,000 | 0 | 50,000 | 0 | 50,000 | 150,000 |
| 2 | Wireless Installs/Maintenance Equipment on customer premises. | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 75,000 |
| 3 | Fiber Maintenance/Upgrades Major maintenance and repair. | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 75,000 |
| 4 | 10 Year Vehicle Replacement Program Ongoing program and includes telecoms portion of multi-departmental equipment replacement program - five of ten years. | 35,600 | 30,000 | 0 | 0 | 0 | 65,600 |
| 5 | IT Budget See IT capital budget for breakdown. | 8,050 | 3,150 | 3,150 | 8,400 | 6,650 | 29,400 |
| 6 | Tower AP Upgrades Additional access points, antennas or upgrade access points to provide for faster service. | 2,000 | 8,000 | 2,000 | 8,000 | 2,000 | 22,000 |
| 7 | Backhaul upgrades To maintain or upgrade the radios that feed the remote locations. | 0 | 10,000 | 0 | 10,000 | 0 | 20,000 |
| 8 | Router/Switch Upgrades Upgrade routing and switching infrastructure for the internet service. | 0 | 5,000 | 0 | 5,000 | 0 | 10,000 |
| Total | | <u>125,650</u> | <u>86,150</u> | <u>85,150</u> | <u>61,400</u> | <u>88,650</u> | <u>447,000</u> |
| Funded by LU | | 125,650 | 86,150 | 85,150 | 61,400 | 88,650 | 447,000 |
| Outside Funding | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | <u>125,650</u> | <u>86,150</u> | <u>85,150</u> | <u>61,400</u> | <u>88,650</u> | <u>447,000</u> |

Telecommunications Division

Projected Cash Analysis

| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|----------------|------------------|------------------|------------------|------------------|------------------|
| Total Cash & Investments - Beginning of Year Not Restricted by Ordinance/Regulation | 733,913 | 1,028,944 | 1,305,827 | 1,635,501 | 1,998,139 | 2,400,080 |
| Add: | | | | | | |
| Projected Operating Income (A) | 993,088 | 1,012,950 | 1,033,209 | 1,053,873 | 1,074,951 | 1,096,450 |
| Interest | 22,537 | 20,579 | 26,117 | 32,710 | 39,963 | 48,002 |
| Depreciation & Amortization | 41,597 | 42,429 | 43,277 | 44,143 | 45,026 | 45,926 |
| Less: | | | | | | |
| Projected Operational Expenses (B) | (660,111) | (673,313) | (686,779) | (682,939) | (696,597) | (710,529) |
| Interest on Lease | (555) | (112) | 0 | 0 | 0 | 0 |
| Repayment of Loan | 0 | 0 | 0 | 0 | 0 | 0 |
| Estimated Cash & Investments Before Capital Expenditures Not Restricted by Ordinance/Regulation | 1,130,470 | 1,431,477 | 1,721,651 | 2,083,289 | 2,461,480 | 2,879,929 |
| Less: | | | | | | |
| Projected Capital Expenditures | (101,526) | (125,650) | (86,150) | (85,150) | (61,400) | (88,650) |
| Estimated Cash & Investments - End of Year Not Restricted by Ordinance/Regulation | 1,028,944 | 1,305,827 | 1,635,501 | 1,998,139 | 2,400,080 | 2,791,279 |
| Less: Two Months of Average Operation Expense | (110,018) | (112,219) | (114,463) | (113,823) | (116,100) | (118,422) |
| Available Cash & Investments - Beginning of Year Not Restricted by Ordinance/Regulation | <u>918,926</u> | <u>1,193,608</u> | <u>1,521,038</u> | <u>1,884,315</u> | <u>2,283,981</u> | <u>2,672,857</u> |

(A) Prior year plus increase of 2% in 2022 - 2026.

(B) Prior year plus increase of 2% in 2022 - 2026 which will need to be monitored by staff.

**If funds permit more will be applied to the loan.

IT Capital Program

2023 Budget - Final

**IT
2023 Budget - Final**

Capital Additions

| Item | Class | Description | Code | Amount | Department |
|-----------------------|-------|--|------|----------------|------------|
| 1 | B | Accounting Software - Replace the Accounting/Finance Software. | 2 | 76,800 | IT |
| 2 | C | Incidental Hardware - Incidental hardware purchases that may arise. | 1 | 30,000 | IT |
| 3 | C | Incidental Software - Incidental software purchases that may arise. | 1 | 15,000 | IT |
| TOTAL | | | | <u>121,800</u> | |
| Operational Cash Flow | | | | 45,000 | |
| Other | | | | <u>76,800</u> | |
| TOTAL | | | | <u>121,800</u> | |

Class:

- A Must Accomplish This Year
- B Accomplish for Improvement of System Integrity
- C Ongoing Program - Accomplish for Improvement of System Integrity
- D Ongoing Program - Long Term/Short Term & Vehicles/Equipment

Code:

- 1 Operational Cash Flow
- 2 Reserves
- 3 Bonding
- 4 Other

Notes:

- (a) Cost does not reflect money received from sale of old vehicle/equipment.
- (b) Included in 10 year replacement plan.
- (c) Cost estimates provided by consultant.
- (d) May include capitalized labor.

**IT
2023 Budget - Final**

Capital Projects - 5 Years Beyond Fiscal Year 2023

| Item | Description | Projected 2024 | Projected 2025 | Projected 2026 | Projected 2027 | Projected 2028 | Total Amount |
|----------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| 1 | Incidental Hardware Incidental hardware purchases that may arise. | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 150,000 |
| 2 | Firewall Hardware Firewall will be close to EOL. | 35,000 | 0 | 0 | 0 | 50,000 | 85,000 |
| 3 | Incidental Software Incidental software purchases that may arise. | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 75,000 |
| 4 | Server Hardware Replace server hardware. | 0 | 0 | 0 | 75,000 | 0 | 75,000 |
| 5 | Switch Replacement Replace switch. | 35,000 | 0 | 0 | 0 | 0 | 35,000 |
| Total | | <u>115,000</u> | <u>45,000</u> | <u>45,000</u> | <u>120,000</u> | <u>95,000</u> | <u>420,000</u> |
| Electric | | 35,650 | 13,950 | 13,950 | 37,200 | 29,450 | 130,200 |
| Water | | 35,650 | 13,950 | 13,950 | 37,200 | 29,450 | 130,200 |
| Sewer | | 35,650 | 13,950 | 13,950 | 37,200 | 29,450 | 130,200 |
| Telecom | | <u>8,050</u> | <u>3,150</u> | <u>3,150</u> | <u>8,400</u> | <u>6,650</u> | <u>29,400</u> |
| | | <u>115,000</u> | <u>45,000</u> | <u>45,000</u> | <u>120,000</u> | <u>95,000</u> | <u>420,000</u> |

Vehicle Replacement Plan

2023 Budget - Final

**ALL UTILITIES
2023 Budget - Final**

Vehicles - 10 Year Replacement Plan

| Dept. | Year | No. | Description | Cycle Years | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 |
|---------------------------------|------|-----|---------------------------|----------------|----------------|----------------|------------|---------------|------------|---------------|------------|---------------|------------|------------|
| Electric: | | | | | | | | | | | | | | |
| Electric Distribution | | | | | | | | | | | | | | |
| I. Light Vehicles | | | | | | | | | | | | | | |
| | 2018 | 91 | Ford F150 | 10 | | | | | | 30,000 | | | | |
| | 2016 | 28 | Ford Pick-Up | 10 | | | | 40,000 | | | | | | |
| | 2016 | 81 | Ford F-150 4X4 | 10 | | | | 40,000 | | | | | | |
| | 2014 | 31 | Ford Escape | 10 | | 80,000 | | | | | | | | |
| | 2013 | 88 | Dodge Van | 10 | | 30,000 | | | | | | | | |
| II. Bucket Trucks | | | | | | | | | | | | | | |
| | 2018 | 17 | Chevy Duramax C 7500 | 10 | | | | | | | | | | |
| | 2016 | 3 | GMC C 6500 | 10 | | | | | | | | | | |
| | 2013 | 11 | Line Bucket 45ft | 10 | | 217,250 | | | | | | | | |
| | 2009 | 8 | Ford 550 (Service Bucket) | 10 | | | | | | | | | | |
| III. Line Trucks | | | | | | | | | | | | | | |
| | 2017 | 22 | International 4300 | 10 | | | | | | | | | | |
| | 2007 | 19 | International 4300 | 10 | 291,572 | | | | | | | | | |
| IV. Misc. Trucks | | | | | | | | | | | | | | |
| | 2008 | 7 | 1T Ford Dump Truck | 10 | | | | | | | | | | |
| V. Other Equipment | | | | | | | | | | | | | | |
| | 2020 | | New Wire Trailer | None | | | | | | | | 30,000 | | |
| | 2009 | | Cable Puller | None | | | | | | | | | | |
| | 2008 | | Forklift Clark | None | | | | | | | | | | |
| | 2003 | | Trencher Trailer | 10 | | | | | | | | | | |
| | 2002 | | Bandit Chipper | None | | | | | | | | | | |
| | 2002 | | Pole Trailer | None | | | | | | | | | | |
| | 2002 | | Case DBH4 Trencher | 10 | | | | | | | | | | |
| | 1997 | | 1PL Wire Trailer | None | | | | | | | | | | |
| | 1985 | | 2PL Wire Trailer | None | | | | | | | | | | |
| | 2022 | | Backyard Digger Derrick | None | 219,166 | | | | | | | | | |
| | 2013 | | Hole Vac | None | | | | | | | | | | |
| Subtotal Vehicles | | | | | 291,572 | 327,250 | 0 | 80,000 | 0 | 30,000 | 0 | 0 | 0 | 0 |
| Subtotal Other Equipment | | | | | 219,166 | 0 | 0 | 0 | 0 | 0 | 0 | 30,000 | 0 | 0 |
| Total | | | | | <u>510,738</u> | <u>327,250</u> | <u>0</u> | <u>80,000</u> | <u>0</u> | <u>30,000</u> | <u>0</u> | <u>30,000</u> | <u>0</u> | <u>0</u> |

**ALL UTILITIES
2023 Budget - Final**

Vehicles - 10 Year Replacement Plan

| Dept. | Year | No. | Description | Cycle Years | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 |
|---------------------------------|------|-----|-----------------------------|----------------|----------------|----------------|---------------|---------------|----------------|---------------|------------|--------------|------------|------------|
| Water: | | | | | | | | | | | | | | |
| Administration: | | | | | | | | | | | | | | |
| I. Vehicles | | | | | | | | | | | | | | |
| | 2013 | 20 | Ford Escape (1/2) | 10 | | 12,500 | | | | | | | | |
| | 2006 | 14 | Ford Escape (1/2) | 10 | | 12,500 | | | | | | | | |
| Water Plant: | | | | | | | | | | | | | | |
| I. Vehicles | | | | | | | | | | | | | | |
| | 2016 | 15 | Dodge with Snow Plow | 10 | | | | | | 35,000 | | | | |
| | 2015 | 34 | Chevy Silverado | 10 | | | 35,000 | | | | | | | |
| | 2004 | 92 | GMC Canyon | 10 | | | | | | | | | | |
| II. Other Equipment | | | | | | | | | | | | | | |
| | 2020 | | Toro ZTR | None | | | | | | | | | | |
| | 2005 | | John Deere Z930M | None | | | | | | 8,500 | | | | |
| | 2003 | | John Deere Lawn Mower | None | | | | | | | | | | |
| Water Distribution: | | | | | | | | | | | | | | |
| I. Vehicles | | | | | | | | | | | | | | |
| | 2015 | 10 | 1T Service Truck | 10 | | | | | 65,000 | | | | | |
| | 2015 | 6 | Ford F 350 Service Truck | 10 | | | | | 65,000 | | | | | |
| II. Dump Trucks | | | | | | | | | | | | | | |
| | 2004 | 29 | 1 1/2T Ford F450 | 15 | | | 60,000 | | | | | | | |
| | 2002 | 18 | GMC 2T Dump Truck | 10 | | 70,000 | | | | | | | | |
| III. Other Equipment | | | | | | | | | | | | | | |
| | 2023 | | Vacuum Excavator on Trailer | None | 125,000 | | | | | | | | | |
| | 2020 | | Toro Zero Turn | None | | | | | | | | 6,500 | | |
| | 2021 | | Case Backhoe | None | | | | | | | | | | |
| | 2004 | | Vemeer - Pull behind Vac | None | | | | | | | | | | |
| | 2003 | | Sullair - Air Compressor | None | | | | 10,000 | | | | | | |
| | 1997 | | Trailer | None | | 4,000 | | | | | | | | |
| | 1977 | | Bame Backhoe Trailer | None | | 7,000 | | | | | | | | |
| Subtotal Vehicles | | | | | 0 | 95,000 | 95,000 | 0 | 130,000 | 35,000 | 0 | 0 | 0 | 0 |
| Subtotal Other Equipment | | | | | 125,000 | 11,000 | 0 | 10,000 | 0 | 8,500 | 0 | 6,500 | 0 | 0 |
| Total | | | | | <u>125,000</u> | <u>106,000</u> | <u>95,000</u> | <u>10,000</u> | <u>130,000</u> | <u>43,500</u> | <u>0</u> | <u>6,500</u> | <u>0</u> | <u>0</u> |

**ALL UTILITIES
2023 Budget - Final**

Vehicles - 10 Year Replacement Plan

| Dept. | Year | No. | Description | Cycle Years | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 |
|------------------------------------|------|-----|---------------------------------|----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Wastewater: | | | | | | | | | | | | | | |
| Administration: | | | | | | | | | | | | | | |
| I. Vehicles | | | | | | | | | | | | | | |
| | 2013 | 20 | Ford Escape (1/2) | 10 | | 12,500 | | | | | | | | |
| | 2006 | 14 | Ford Escape (1/2) | 10 | | 12,500 | | | | | | | | |
| Wastewater Treatment Plant: | | | | | | | | | | | | | | |
| I. Vehicles | | | | | | | | | | | | | | |
| | 2022 | 12 | Dodge Ram with Snow Plow | 10 | | | | | | | | | | |
| | 2020 | 35 | Operations Vehicle | 10 | | | | | | | | 50,000 | | |
| | 2007 | 37 | GMC Sierra | 10 | | 35,000 | | | | | | | | |
| II. Other Equipment | | | | | | | | | | | | | | |
| | 2022 | E45 | Toro Z Master | None | | | | | | | | | | |
| | 2022 | E41 | Deutz / Allis Tractor | None | | | | | | | | | | |
| | 2020 | | Front Deck Mower - Kubota F3990 | None | | | | | | | | 17,000 | | |
| | 2015 | E49 | Com PRO Trailer | None | | | | | | 2,700 | | | | |
| | 2011 | E46 | Toro Z Master | 10 | | 15,000 | | | | | | | | |
| | 2008 | E48 | Kubota Mower | None | | | | 8,500 | | | | | | |
| | 2008 | E47 | Kubota RTV900 | None | 15,000 | | | | | | | | | |
| Sewer Maintenance: | | | | | | | | | | | | | | |
| I. Vehicles | | | | | | | | | | | | | | |
| | 2022 | 26 | Ford F 350 Super Duty | 10 | | | | | | | | | | |
| | 2016 | 2 | Ford | 10 | | | | 60,000 | | | | | | |
| | 2015 | 27 | Ford | 10 | | | 120,000 | | | | | | | |
| | 2014 | 24 | Ford Escape | 10 | | | | | 35,000 | | | | | |
| | 2003 | 23 | 3/4T Camera Van | 10 | | | | | | 130,000 | | | | |
| II. Dump Trucks | | | | | | | | | | | | | | |
| | 2009 | 25 | Ford F 450 Dump | 10 | | | 60,000 | | | | | | | |
| | 2002 | 13 | Ford F 650 2T Dump | 10 | | 70,000 | | | | | | | | |
| III. Other Equipment | | | | | | | | | | | | | | |
| | 2009 | | Case Backhoe 580 Super | 10 | | | | | 120,000 | | | | | |
| | 2002 | | Air Compressor | None | | | | 10,000 | | | | | | |
| | 2002 | | Liftstation Generator | None | | | | 12,000 | | | | | | |
| | 2002 | | Case 85 XT Skid Steer | None | | | 65,000 | | | | | | | |
| | 2002 | | Skid Steer Trailer | None | | | 7,000 | | | | | | | |
| | 2000 | 36 | Vactor | 10 | 600,000 | | | | | | | | | |
| Subtotal Vehicles | | | | | 0 | 130,000 | 180,000 | 60,000 | 35,000 | 130,000 | 0 | 50,000 | 0 | 0 |
| Subtotal Other Equipment | | | | | 615,000 | 15,000 | 72,000 | 30,500 | 120,000 | 2,700 | 0 | 17,000 | 0 | 0 |
| Total | | | | | 615,000 | 145,000 | 252,000 | 90,500 | 155,000 | 132,700 | 0 | 67,000 | 0 | 0 |

ALL UTILITIES
2023 Budget - Final

Vehicles - 10 Year Replacement Plan

| <u>Dept.</u> | <u>Year</u> | <u>No.</u> | <u>Description</u> | <u>Cycle Years</u> | <u>FY 2023</u> | <u>FY 2024</u> | <u>FY 2025</u> | <u>FY 2026</u> | <u>FY 2027</u> | <u>FY 2028</u> | <u>FY 2029</u> | <u>FY 2030</u> | <u>FY 2031</u> | <u>FY 2032</u> |
|---------------------------|-------------|------------|--------------------|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Telecommunications | | | | | | | | | | | | | | |
| I. Vehicles | | | | | | | | | | | | | | |
| | 2014 | 51 | Ford E Series E150 | 8 | | 30,000 | | | | | | | | |
| | 2014 | 85 | Ford E Series E150 | 8 | | | 30,000 | | | | | | | |
| Total | | | | | <u>0</u> | <u>30,000</u> | <u>30,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |

ALL UTILITIES
2023 Budget - Final

Vehicles - 10 Year Replacement Plan

| Dept. | Year | No. | Description | Dept. | Cycle Years | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 |
|-----------------------------|------|-----|---------------|----------|----------------|------------|---------------|---------------|---------------|---------------|------------|------------|------------|------------|------------|
| Miscellaneous: | | | | | | | | | | | | | | | |
| Meter Technicians: | | | | | | | | | | | | | | | |
| I. Vehicles | | | | | | | | | | | | | | | |
| | 2017 | 16 | Ford F150 | Metering | 7 | | | 30,000 | | | | | | | |
| | 2017 | 80 | Ford F150 | Metering | 7 | | | 30,000 | | | | | | | |
| | 2018 | 21 | Ford F150 | Metering | 7 | | | | 30,000 | | | | | | |
| II. Locator Vehicles | | | | | | | | | | | | | | | |
| | 2020 | 33 | Ford Ranger | | 7 | | | | | 30,000 | | | | | |
| Administration: | | | | | | | | | | | | | | | |
| I. Vehicles | | | | | | | | | | | | | | | |
| | 2010 | 90 | GMC Pick-Up | Facility | 10 | | 35,000 | | | | | | | | |
| | 2014 | 1 | Jeep Cherokee | Office | 10 | | 45,000 | | | | | | | | |
| Total | | | | | | <u>0</u> | <u>80,000</u> | <u>60,000</u> | <u>30,000</u> | <u>30,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| | | | | E | | 0 | 24,800 | 20,000 | 10,000 | 10,000 | 0 | 0 | 0 | 0 | 0 |
| | | | | W | | 0 | 24,800 | 20,000 | 10,000 | 10,000 | 0 | 0 | 0 | 0 | 0 |
| | | | | WW | | 0 | 24,800 | 20,000 | 10,000 | 10,000 | 0 | 0 | 0 | 0 | 0 |
| | | | | T | | 0 | 5,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | <u>0</u> | <u>80,000</u> | <u>60,000</u> | <u>30,000</u> | <u>30,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |