



East Shore Conservancy District

Financial Plan – Rates & Charges

September 11, 2020

East Shore Conservancy District

- **Total Estimated Cost of District's Initial Project – Approximately \$2.9M**
- **Proposed Funding through Indiana State Revolving Fund (“SRF”) Program at Below-Market Interest Rates (SRF Terms = 20 yrs @ 2.0%)**
- **Debt Service to be Re-paid (in whole or in part) with Exceptional Benefits Assessments and/or Special Benefits Assessments and/or User Fees**
 - **2021 projected to require 100% Special Benefits Assessment (“SBA”) for Debt Service and Bond Coverage Requirements. User Fees for Operation & Maintenance costs.**
 - **2022 projected to be first year for Exceptional Benefits Assessments (“EBA”).**
 - **District will also establish a combination of Special Benefits Assessments (“SBA”) to Fund Debt Coverage (Replacement Funds) and Monthly User Fees to Operate & Maintain the District's Wastewater Collection System.**

East Shore Conservancy District

Estimated Project Costs

ESTIMATED COST OF ACQUISITION OF EAST SHORE CORP'S ASSETS (AVERAGE OF 2 FORMAL APPRAISALS)	2,685,000
ADDITIONAL CAPACITY PURCHASE FROM CULVER	30,000
ESTIMATED IURC COSTS - CTA TRANSFER PROCEEDINGS	25,000
LEGAL	25,000
MUNICIPAL ADVISOR	25,000
BOND COUNSEL	40,000
ADMINISTRATIVE COSTS & CONTINGENCIES	15,000
TOTAL ESTIMATED PROJECT COSTS - TO BE FUNDED BY STATE REVOLVING FUND LOAN	\$ 2,845,000
ESTIMATED FREEHOLDS SUBJECT TO E.B.A.	130
TOTAL ESTIMATED COST PER FREEHOLD	\$ 2,845,000
	<u>\$21,885</u>

Acquisition price by statute cannot exceed the average of 2 independent appraisals.

East Shore Conservancy District



**Assumes No Pre-Payments of Exceptional
Benefits Assessments (EBA)**

SCHEDULE OF AMORTIZATION OF \$2,845,000 PROPOSED SEWAGE WORKS REVENUE BONDS OF 2020						
Assumed Bonds Dated December 15, 2020						
Payment Date	Principal Balance	Interest Rate	Debt Service			Bond Year Total
			Principal	Interest	Total	
7/1/2021	\$ 2,845,000			\$ 30,978.89	\$ 30,978.89	
1/1/2022	2,845,000	2.00%	\$ 50,000	28,450.00	78,450.00	\$ 109,428.89
7/1/2022	2,795,000	2.00%	55,000	27,950.00	82,950.00	
1/1/2023	2,740,000	2.00%	55,000	27,400.00	82,400.00	165,350.00
7/1/2023	2,685,000	2.00%	60,000	26,850.00	86,850.00	
1/1/2024	2,625,000	2.00%	60,000	26,250.00	86,250.00	173,100.00
7/1/2024	2,565,000	2.00%	60,000	25,650.00	85,650.00	
1/1/2025	2,505,000	2.00%	60,000	25,050.00	85,050.00	170,700.00
7/1/2025	2,445,000	2.00%	60,000	24,450.00	84,450.00	
1/1/2026	2,385,000	2.00%	60,000	23,850.00	83,850.00	168,300.00
7/1/2026	2,325,000	2.00%	60,000	23,250.00	83,250.00	
1/1/2027	2,265,000	2.00%	60,000	22,650.00	82,650.00	165,900.00
7/1/2027	2,205,000	2.00%	65,000	22,050.00	87,050.00	
1/1/2028	2,140,000	2.00%	65,000	21,400.00	86,400.00	173,450.00
7/1/2028	2,075,000	2.00%	65,000	20,750.00	85,750.00	
1/1/2029	2,010,000	2.00%	65,000	20,100.00	85,100.00	170,850.00
7/1/2029	1,945,000	2.00%	65,000	19,450.00	84,450.00	
1/1/2030	1,880,000	2.00%	65,000	18,800.00	83,800.00	168,250.00
7/1/2030	1,815,000	2.00%	65,000	18,150.00	83,150.00	
1/1/2031	1,750,000	2.00%	70,000	17,500.00	87,500.00	170,650.00
7/1/2031	1,680,000	2.00%	70,000	16,800.00	86,800.00	
1/1/2032	1,610,000	2.00%	70,000	16,100.00	86,100.00	172,900.00
7/1/2032	1,540,000	2.00%	70,000	15,400.00	85,400.00	
1/1/2033	1,470,000	2.00%	70,000	14,700.00	84,700.00	170,100.00
7/1/2033	1,400,000	2.00%	70,000	14,000.00	84,000.00	
1/1/2034	1,330,000	2.00%	75,000	13,300.00	88,300.00	172,300.00
7/1/2034	1,255,000	2.00%	75,000	12,550.00	87,550.00	
1/1/2035	1,180,000	2.00%	75,000	11,800.00	86,800.00	174,350.00
7/1/2035	1,105,000	2.00%	75,000	11,050.00	86,050.00	
1/1/2036	1,030,000	2.00%	75,000	10,300.00	85,300.00	171,350.00
7/1/2036	955,000	2.00%	75,000	9,550.00	84,550.00	
1/1/2037	880,000	2.00%	75,000	8,800.00	83,800.00	168,350.00
7/1/2037	805,000	2.00%	75,000	8,050.00	83,050.00	
1/1/2038	730,000	2.00%	80,000	7,300.00	87,300.00	170,350.00
7/1/2038	650,000	2.00%	80,000	6,500.00	86,500.00	
1/1/2039	570,000	2.00%	80,000	5,700.00	85,700.00	172,200.00
7/1/2039	490,000	2.00%	80,000	4,900.00	84,900.00	
1/1/2040	410,000	2.00%	80,000	4,100.00	84,100.00	169,000.00
7/1/2040	330,000	2.00%	80,000	3,300.00	83,300.00	
1/1/2041	250,000	2.00%	85,000	2,500.00	87,500.00	170,800.00
7/1/2041	165,000	2.00%	85,000	1,650.00	86,650.00	
1/1/2042	80,000	2.00%	80,000	800.00	80,800.00	167,450.00
Totals			\$ 2,845,000	\$ 670,128.89	\$ 3,515,128.89	\$ 3,515,128.89

East Shore Conservancy District

Pro Forma Revenue Requirements – 2021 & 2022

	CALENDAR YEARS			
	2021		2022	
OPERATION & MAINTENANCE EXPENSES:	104	NO. USERS	120	
O&M CONTRACTS	\$ 29,550		\$ 30,100	
GENERAL EXPENSES	28,200		28,800	
CULVER SEWAGE TREATMENT COST	27,600		28,200	
ADMINISTRATION & BILLING	42,000		42,800	
CONSERVANCY CONTINGENCY ALLOWANCE	12,950		13,200	
TOTAL O&M EXPENSES	140,300	<u>2021</u> <u>3 B.R. HOME / MO</u> <u>\$99.60</u> <u>RATE / \$100 A.V.</u>	143,100	<u>2022</u> <u>3 B.R. HOME / MO</u> <u>\$90.00</u> <u>RATE / \$100 A.V.</u>
MINIMUM BOND COVERAGE REQUIREMENT	45,000	<u>\$0.0250</u> <u>RATE / \$100 A.V.</u>	45,000	<u>\$0.0250</u> <u>E.B.A. / YR</u>
ESTIMATED BOND PRINCIPAL & INTEREST PAYMENTS	120,447	<u>\$0.0669</u>	165,350	<u>\$1,340</u>
TOTAL REVENUE REQUIREMENTS	\$ 305,747		\$ 353,450	

East Shore Conservancy District

Proposed User Fees – 2020 / 2021 (104 Users)

Schedule of Proposed Rates and Charges

Does Not Include Exceptional Benefits or Special Benefits Assessments

Number of Bathrooms	Fixed Cost of OM&R	Additional Treatment Costs	Total O&M Charges
1	\$ 74.70	\$ 8.30	\$ 83.00
2	74.70	16.60	91.30
3	74.70	24.90	99.60
4	74.70	33.20	107.90
5	74.70	41.50	116.20
6	74.70	49.80	124.50
7	74.70	58.10	132.80
8	74.70	66.40	141.10
9 or more	74.70	74.70	149.40

Commercial User Rates To Be Determined By District based upon 327 IAC Guidelines

East Shore Conservancy District

Proposed User Fees

Non-Recurring Charges:

(1)	Reconnection Charge	Actual cost of Disconnection and Reconnection		
(2)	Preliminary Plan Review Fee	\$	250.00	
(3)	Sewer Connection Application Fee	\$	250.00	
(4)	System Development Charge - New Freeholds		TBD	plus 2.0% accrued interest from 12/15/2020
(5)	Dishonored Check Charge:	\$	30.00	per Occurrence
(6)	Late Payment Fees	10% of Delinquent Monthly Charge		
(7)	Penalty for Downspouts, Sump Pump & Hot Tub Connections to Sewer Discharge	\$	200.00	per Occurrence

East Shore Conservancy District

Combined User Fees with Special Benefits & Exceptional Benefits Assessments

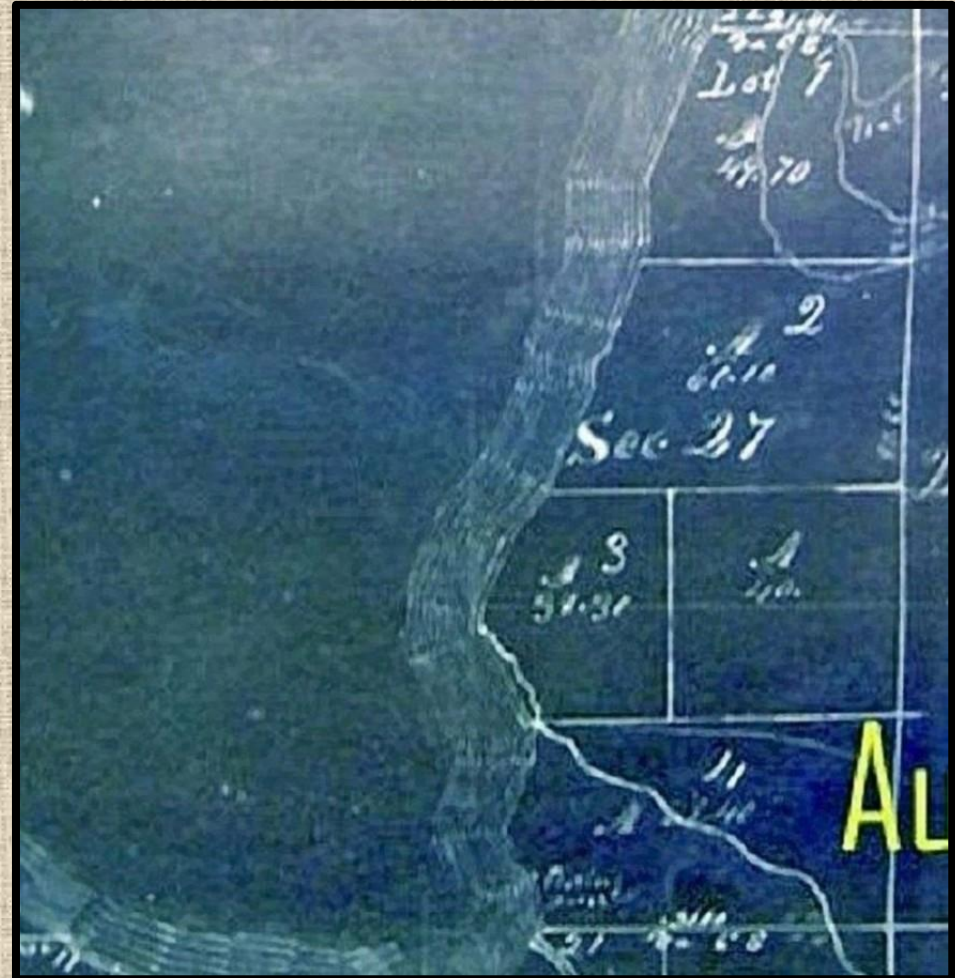
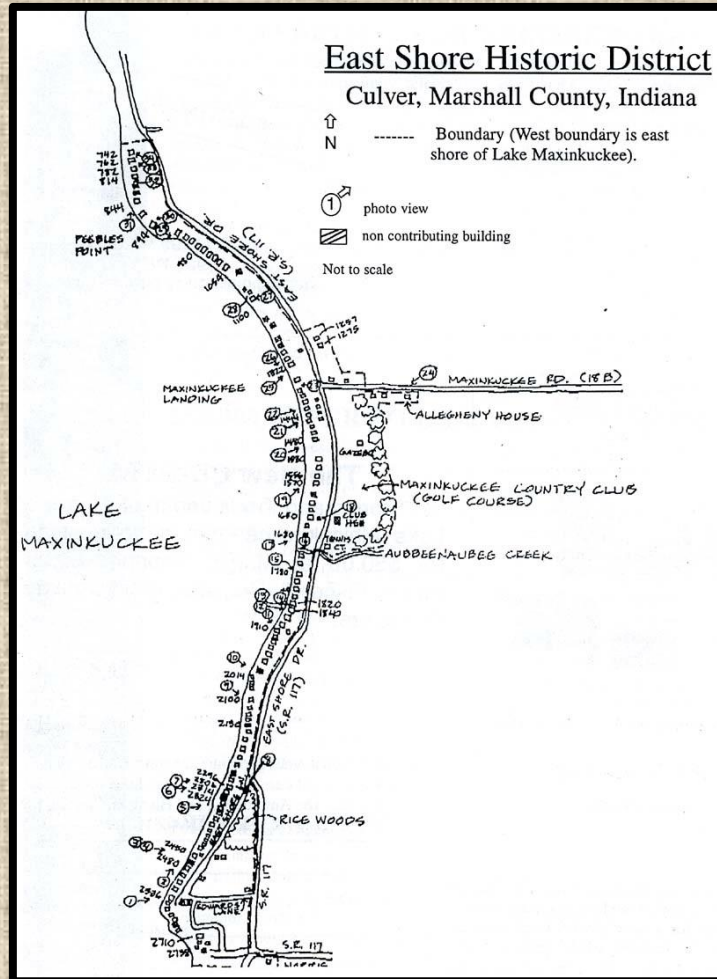
ILLUSTRATION OF TYPICAL EQUIVALENT MONTHLY BILLS

	1 BATHROOM / \$100K HOME		3 BATHROOM / \$1.5M HOME	
	2021	2022	2021	2022
•Monthly User Fee (OM&R)	\$ 83.00	\$ 75.00	\$ 99.60	\$ 90.00
•Exceptional Benefits Assessment				
• <i>\$1,340 per year / \$670 semi-annual tax bills (1)</i>	N/A	\$ 111.67	N/A	\$ 111.67
•Special Benefits Assessment (SBA)				
• <i>Estimated at 2.5 cents per \$100 of Assessed Value</i>	\$ 2.08	\$ 2.08	\$ 31.25	\$ 31.25
• <i>Estimated at 6.7 cents per \$100 of Assessed Value</i>	\$ 5.58		\$ 83.75	
• <i>Payable semi-annually with tax bills</i>				
•Total Estimated Equivalent Monthly Cost	\$ 90.67	\$ 188.75	\$ 214.60	\$ 232.92

(1) Freeholders that elect to pre-pay their Exceptional Benefits Assessment will eliminate the semi-annual EBA payment for their respective Freehold.

East Shore Conservancy District

Questions & Comments From the Board



East Shore Conservancy District

- **Conservancy District Provides the Best & Least Expensive Means of Solving the Wastewater Collection & Treatment Requirements for the Property Owners (Freeholders) within the District's Boundaries.**
- **Board of Directors:**
 - **Area 1 Representative** is Peter Cleveland, clevelandescd@gmail.com (Term: 2020 – 2023)
 - **Area 2 Representative** is Whitney Johnson, whitney.johnson@roche.com (Term: 2020 – 2022)
 - **Area 3 Representative** is Fritz Steck, fsteck@winthroptsupply.com (Term: 2020 – 2024)
 - Fritz has been elected Chair
 - **Area 4 Representative** is Brian Welch, b.welch.esc@gmail.com (Term: 2020 – 2024)
 - Brian has been appointed Board Secretary.
 - **Area 5 Representative** is Jim Bremner, jim.bremner@icloud.com (Term: 2020 – 2021)
 - Jim has been elected Vice Chair and appointed Financial Clerk
- **District's Operations Manager – Kathy Clark**
- **District Engineer - Mark Sullivan, Midwestern Engineers, Inc.**

KROHN & ASSOCIATES – ENGAGEMENT LETTER

MUNICIPAL ADVISORY SERVICES

- **Rates & Charges:** (Included in Project Budget Fee Range – Estimate \$20k to \$30k)
 - Work with District to establish combination of fair & equitable rates & charges for service (including capacity fees for future connections)
 - Assist District’s attorney with Rate Resolution
 - Participation in Public Hearing on Rates
- **State Revolving Fund:** (Included in Project Budget Fee Range – Estimate \$20k to \$30k)
 - Preparation of Financial Due Diligence Filing with SRF
 - Work with SRF Staff & Financial Review Team towards financial approval of proposed funding plan
 - Assist District’s attorney with Bond Resolution & Purchase Agreement
 - Prepare Monthly Bond & Debt Reserve Transfer Schedules
- **Additional Services - General Accounting & Support Services:**
 - Assist with DLGF Budgets & Gateway Reporting Activities (Hourly Time Charges)
 - Asset Management Plan (Work with Engineers – Payable with SRF Grant)