

ES.9 Financial Program

The last section of the Plan presents a financial program that allows the water utility to remain financially viable during the planning period. The financial analysis considers the historical financial condition, current and future financial obligations, O&M needs, and the ability to support the financial impact related to the completion of the capital projects identified in the CIP.

The analysis shows that the District’s reserves will be adequate to fund the anticipated CIP projects with moderate rate increases (3.0 percent increase per year from 2019 to 2020 and then continuing at 2.5 percent through 2037). This would decrease the ending fund balance to approximately \$4 million by 2023, which is above the District’s financial requirement of 60 days of operating expenses. The ending fund balance would begin to increase as current debt services end, as illustrated in the financial forecast (Figure ES.27). The District has the option to issue debt, apply for qualifying grants, or conduct a rate study to determine if a rate increase would help cover the costs of the projected capital improvements.

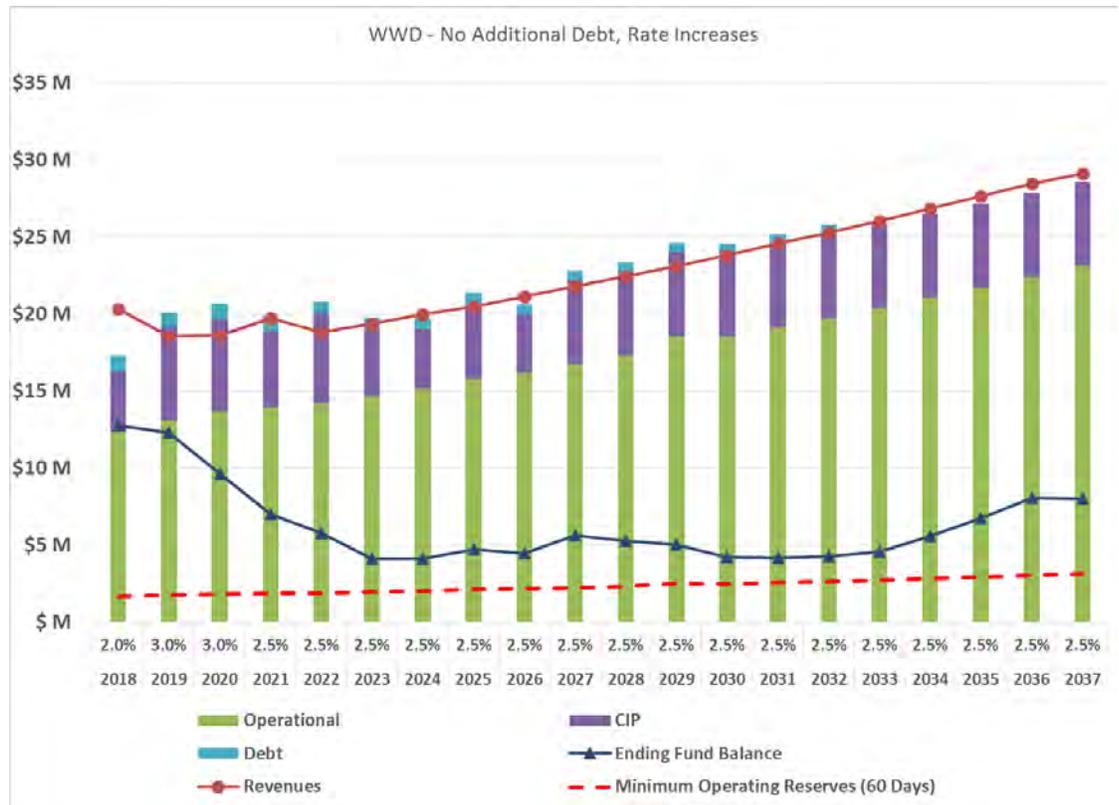


Figure ES.27 Financial Forecast