

Peters Municipal Consultants, PC  
P.O. Box 542  
Greenwood, Indiana 46142

Phone 317-535-6166  
Fax 317-535-4912

[www.Petersmunicipalconsultants.com](http://www.Petersmunicipalconsultants.com)

April 28, 2010

Town of Wolcottville Council  
P.O. Box 325  
Wolcottville, Indiana 46795

Town Council,

Please find enclosed the requested wastewater rate study. The needed across the board rate increase to operate the utility on an ongoing basis would be ~\$16.17 for unmetered users and ~\$16.17 for metered users with consumption of ~3,900 gallons per month, which is the average monthly consumption of metered users in 2009.

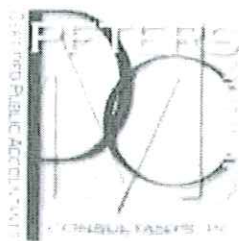
This includes funding for operations and maintenance, PILOT (in-town only), General Fund reimbursement for wastewater utility expenses currently paid by the General Fund, and \$50,000 per year for capital improvements/large repairs as needed. Currently no funds are available for capital improvements/large repairs and any major repair would have to be paid through another Town fund or bond issue.

In addition to the aforementioned expenses, the Utility owes the Town for funds that have been temporarily loaned to the Utility in the amount of ~\$150,000. If repayment is made across the board for a 1 year period, the rate would need to be ~\$12.81. Therefore, the total rate increase required to make funding appropriate would be ~\$28.98 (\$16.17 + \$12.81). However, the \$12.81 of that rate would only be imposed for the first year.

Sincerely,



Jeffrey A. Peters



Peters Municipal Consultants, PC  
P.O. Box 542  
Greensburg Indiana 46142

Phone 317-535-6160  
Fax 317-535-4912

[www.Petersmunicipalconsultants.com](http://www.Petersmunicipalconsultants.com)

April 28, 2010

Wolcottville Town Council  
Town of Wolcottville  
104 Race Street  
Wolcottville, IN 46795

Members of the Council.

We have, at your request, analyzed the wastewater utility rates and charges of the Town of Wolcottville and prepared this special purpose report including the following schedules.

BASE REVENUE  
OPERATING & MAINTENANCE EXPENSES  
REVENUE REQUIREMENTS  
SUMMARY OF REVENUE & EXPENSES  
PROPOSED RATES

APPENDIX A - AMORTIZATION SCHEDULES  
APPENDIX B - ADJUSTMENTS  
APPENDIX C - PILOT CALCULATION  
APPENDIX D - RESERVE CALCULATION

This special purpose report includes projected financial information of the Town of Wolcottville Municipal Sewage Works based on assumptions, estimates, and other information furnished by the officials of the Town of Wolcottville (Indiana) Municipal Sewage Works and others. Because projections are based on assumptions and estimates of future events, we express no opinion on the accuracy or achievability of such projections. We have not examined the underlying assumptions, nor have we audited or reviewed the historical data.

Sincerely,

Peters Municipal Consultants, PC

**TOWN OF WOLCOTTVILLE, LAGRANGE/NOBLE COUNTIES, INDIANA**  
**SPECIAL PURPOSE REPORT ON WASTEWATER UTILITY RATES**

Revised April 28, 2010

Wolcottville Town Council

TOWN OF WOLCOTTVILLE LAGRANGE/NOBLE COUNTIES, INDIANA  
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SPECIAL PURPOSE REPORT ON WASTEWATER UTILITY RATES  
Revised April 28, 2010

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TOWN OF WOLCOTTVILLE, LAGRANGE/NOBLE COUNTIES, INDIANA  
 BASE REVENUE  
 SPECIAL PURPOSE REPORT ON WASTEWATER UTILITY RATES  
 Revised April 28, 2010

|   | Base Year  |
|---|------------|
| <u>Unmetered Accounts</u>                       |            |
| In Town <sup>1</sup>                            | 29         |
| Out of Town                                     | 668        |
| Total Unmetered Accounts                        | 697        |
| Current rate per account per month <sup>2</sup> | 20.95      |
| Revenue from unmetered accounts                 | 175,225.80 |

|   |           |
|---|-----------|
| <u>Metered Consumption - 1,000 gal</u>            |           |
| Metered Users                                     | 292.00    |
| Avg Monthly Residential Consumption <sup>1</sup>  | 3,900.72  |
| Current rate per first 2,000 gallons <sup>2</sup> | 14.08     |
| Current rate for next 5,000 gallons <sup>2</sup>  | 6.84      |
|   | 20.92     |
| Total   | 73,303.68 |

|                                    |            |
|------------------------------------|------------|
| Revenue from unmetered and metered | 248,529.48 |
| <u>Revenue for debt service</u>    |            |
| New Town                           | 2,820.00   |
| Phase 1                            | 76,297.20  |
| Phase 2                            | 247,966.20 |
|                                    | 327,083.40 |
| Total all-rate revenue             | 575,612.88 |

<sup>1</sup> Extracted from Sewer Billing Calculation Report provided by Clerk-Treasurer  
<sup>2</sup> Per current ordinance

<sup>3</sup> Extracted from Sewer Billing Calculation Report provided by Clerk-Treasurer and recommended method per AWWA Manual "Developing Rates for Small Systems"

TOWN OF WOLCOTTVILLE, LAGRANGE/NOBLE COUNTIES, INDIANA  
 OPERATING & MAINTENANCE EXPENSES  
 SPECIAL PURPOSE REPORT ON WASTEWATER UTILITY RATES  
 Revised April 28, 2010

| <u>Operating and Maintenance Expense</u>     | Adjusted<br><u>2009</u>      |
|--|------------------------------|
| Employees Salaries and Benefits              | \$ 117,799                   |
| Vehicle Repair & Fuel                        | 2,432                        |
| Materials and Supplies                       | 3,446                        |
| Purchased Power                              | 42,249                       |
| Sludge Removal                               | 16,288                       |
| Chemicals                                    | 17,891                       |
| Professional Fees                            | 19,237                       |
| Equip and Repair                             | 6,997                        |
| Len Fees                                     | 1,559                        |
| Miscellaneous Expenses                       | 19,181                       |
| General Fund Reimbursement <sup>1</sup>      | 39,094                       |
| PILOT for In-Town Property Only <sup>2</sup> | 25,171                       |
| <br>Total Operating and Maintenance          | <br><u><u>\$ 311,343</u></u> |

<sup>1</sup> Per 2010 Salary Ordinance. Amount paid by General Fund for Wastewater Health Insurance, PERF, and FICA  
<sup>2</sup> See Appendix C for calculation

TOWN OF WOLCOTTVILLE, LAGRANGE/NOBLE COUNTIES, INDIANA  
 REVENUE REQUIREMENTS  
 SPECIAL PURPOSE REPORT ON WASTEWATER UTILITY RATES  
 Revised April 28, 2010

| <u>Revenue Requirements</u>    | <u>Projected</u>  | <u>Ref</u> |
|--------------------------------|-------------------|------------|
| Operation and maintenance      | \$ 311,343        | (1)        |
| Debt Service                   |                   |            |
| Series 2003                    | 46,200            | (2)        |
| Series 1999                    | 230,730           | (2)        |
| Series 1995 A                  | 101,698           | (2)        |
| Series 1995 B                  | 32,063            | (2)        |
| Temporary Loan Repayment       | 152,048           | (5)        |
| Improvements                   | <u>50,000</u>     | (3)        |
| Total Revenue Requirements     | 924,082           |            |
| Less interest income           | (220)             | (4)        |
| Less miscellaneous receipts    | <u>(4,343)</u>    | (4)        |
| Total Net Revenue Requirements | <u>\$ 919,519</u> |            |

- (1) Per Town 2009 Annual Report (page 4)
- (2) Annual principal and interest for Series 2003, 1999, 1995A, 1995B (appendix A), based on 2010
- (3) Based on AWWA manual "Developing Rates for Small Systems" recommendation to have 1-2% of Original Capital Cost
- (4) Projected based on year 2009
- (5) Temporary Loans made to the Sewer Operating Fund from other Town funds to keep the Sewer Operating Fund positive

TOWN OF WOLCOTTVILLE, LAGRANGE/NOBLE COUNTIES, INDIANA  
SUMMARY OF REVENUE & EXPENSES  
SPECIAL PURPOSE REPORT ON WASTEWATER UTILITY RATES  
Revised April 28, 2010

|   | Base Year        |
|---|------------------|
| <b>Revenue</b>  |                  |
| Operating Revenue                                       |                  |
| Service Revenue   | 575,613          |
| Total Operating Revenue                                 | <u>575,613</u>   |
| Nonoperating Revenue                                    |                  |
| Tap/Connection Fees                                     | 4,330            |
| Interest  | 220              |
| Other Revenue   | 13               |
| Total non operating Revenues                            | <u>4,563</u>     |
| Total Revenue   | <u>580,176</u>   |
| <b>Expenditures</b>                                     |                  |
| Total O&M Expenses                                      | 311,343          |
| <b>Subtotal: Surplus/Deficit from Operating Revenue</b> | <u>268,833</u>   |
| Debt Service  |                  |
| Series 2003   | 46,200           |
| Series 1999   | 230,730          |
| Series 1995 A   | 101,698          |
| Series 1995 B   | 32,063           |
| Temporary Loan  | 152,048          |
| Total Debt Service                                      | 562,739          |
| <b>Surplus/Deficit from Operations</b>                  | <u>(293,906)</u> |
| Reserves  |                  |
| O&M Reserve   | 50,000           |
| Capital Reserve   | 50,000           |
| Total Reserves  | <u>100,000</u>   |
| <b>Surplus/Deficit after Reserves</b>                   | <u>(343,906)</u> |

(Subject to the comments in the attached letter dated April 28, 2010 of Peters Municipal Consultants, PC

TOWN OF WOLCOTTVILLE, LAGRANGE/NOBLE COUNTIES, INDIANA  
SUMMARY OF REVENUE & EXPENSES  
SPECIAL PURPOSE REPORT ON WASTEWATER UTILITY RATES  
Revised April 28, 2010

|                                     | Present Rates<br>(Per 1,000 Gallons) | %<br>Gap | Proposed Rates<br>(Per 1,000 Gallons) |
|-------------------------------------|--------------------------------------|----------|---------------------------------------|
| <u>Metered Water Usage</u>          |                                      |          |                                       |
| First 2,000 Gallons                 | \$7.04                               |          | \$12.53                               |
| Next 5,000 Gallons                  | \$3.60                               | 51%      | \$6.41                                |
| Next 8,000 Gallons                  | \$3.00                               | 83%      | \$5.34                                |
| Next 25,000 Gallons                 | \$2.52                               | 84%      | \$4.49                                |
| Next 60,000 Gallons                 | \$2.04                               | 81%      | \$3.63                                |
| Over 100,000 Gallons                | \$1.56                               | 76%      | \$2.78                                |
| Minimum monthly charge              | \$14.07                              |          | \$25.06                               |
| Unmetered users - flat rate charge  | \$20.95                              |          | \$37.12                               |
| <u>Monthly debt service charges</u> |                                      |          |                                       |
| Phase I                             | \$29.30                              |          | \$29.30                               |
| Phase II                            | \$52.05                              |          | \$52.05                               |
| New Town                            | \$23.50                              |          | \$23.50                               |
| <u>1 year Debt Service Charge</u>   |                                      |          |                                       |
| Temporary Loan Repayment            |                                      |          | \$12.81                               |





UNIVERSITY OF CALIFORNIA, SAN DIEGO  
 BOARD OF DIRECTORS  
 FINANCIAL STATEMENTS  
 STATEMENTS OF FINANCIAL POSITION

| 2017                           | 2016      | 2015      | 2014      | 2013      |
|--------------------------------|-----------|-----------|-----------|-----------|
| Assets                         |           |           |           |           |
| Current assets                 | 1,234,567 | 1,123,456 | 1,012,345 | 901,234   |
| Investments                    | 2,345,678 | 2,234,567 | 2,123,456 | 2,012,345 |
| Property, plant, and equipment | 3,456,789 | 3,345,678 | 3,234,567 | 3,123,456 |
| Intangible assets              | 456,789   | 445,678   | 434,567   | 423,456   |
| Other assets                   | 567,890   | 556,789   | 545,678   | 534,567   |
| Total assets                   | 8,061,613 | 7,945,168 | 7,830,613 | 7,712,056 |
| Liabilities                    |           |           |           |           |
| Current liabilities            | 1,234,567 | 1,123,456 | 1,012,345 | 901,234   |
| Long-term liabilities          | 2,345,678 | 2,234,567 | 2,123,456 | 2,012,345 |
| Total liabilities              | 3,580,245 | 3,358,023 | 3,135,801 | 2,913,579 |
| Net assets                     | 4,481,368 | 4,587,145 | 4,694,812 | 4,798,477 |

TOWN OF WOLCOTTVILLE, LAGRANGE/NOBLE COUNTIES, INDIANA  
 APPENDIX B - ADJUSTMENTS  
 SPECIAL PURPOSE REPORT ON WASTEWATER UTILITY RATES  
 Revised April 28, 2010

|                                 | <u>Final 2009</u> | <u>Adjustments</u> | <u>Adjusted 2009</u> |
|---------------------------------|-------------------|--------------------|----------------------|
| Employees Salaries and Benefits | 117,799           |                    | 117,799              |
| Vehicle Repair & Fuel           | 2,432             |                    | 2,432                |
| Materials and Supplies          | 3,446             |                    | 3,446                |
| Purchased Power                 | 42,249            |                    | 42,249               |
| Sludge Removal                  | 16,288            |                    | 16,288               |
| Chemicals                       | 17,891            |                    | 17,891               |
| Professional Fees               | 19,237            |                    | 19,237               |
| Equip and Repair                | 6,997             |                    | 6,997                |
| Lien Fees                       | 1,559             |                    | 1,559                |
| Miscellaneous Expenses          | 19,181            |                    | 19,181               |
| General Fund Reimbursement      | -                 | 39,094             | (1)                  |
| PILOT                           | 29,129            | (3,959)            | (2)                  |
| <b>Total</b>                    | <u>276,208</u>    | <u>35,135</u>      | <u>311,343</u>       |

- (1) Adjustment to include amount to be transferred to general fund for PERF, FICA, and Medicare
- (2) Adjustment made to change PILOT calculation to only include In-Town assets.

TOWN OF WOLCOTTVILLE, LAGRANGE/NOBLE COUNTIES, INDIANA  
 APPENDIX C- PILOT CALCULATION  
 SPECIAL PURPOSE REPORT ON WASTEWATER UTILITY RATES  
 Revised April 28, 2010

| Asset                     | Type     | Net 12/31/08 Balance | Less 1995 Series A Principal | Less 1995 Series B Principal | Less 1999 Series Principal | Estimated In Town Assets | 2009 Wolcottville Tax Rate | Gross Tax           |
|---------------------------|----------|----------------------|------------------------------|------------------------------|----------------------------|--------------------------|----------------------------|---------------------|
| Land                      | Real     | 27,778               |                              |                              |                            |                          |                            |                     |
| Constructions in Progress | Real     | 68,779               |                              |                              |                            |                          |                            |                     |
| Buildings                 | Real     | 7,363,064            |                              |                              |                            |                          |                            |                     |
| Improvements              | Personal | 235,531              |                              |                              |                            |                          |                            |                     |
| Machinery & Equip         | Personal |                      |                              |                              |                            |                          |                            |                     |
| Transportation Equip      | Personal |                      |                              |                              |                            |                          |                            |                     |
|                           |          | <u>7,695,152</u>     | <u>\$ 1,599,000</u>          | <u>\$ 499,000</u>            | <u>\$ 3,042,000</u>        | <u>\$ 2,555,152</u>      | <u>0.9851</u>              | <u>\$ 25,170.80</u> |

\* Per 2008 State Board of Accounts Audit

TOWN OF WOLCOTTVILLE, LAGRANGE/NOBLE COUNTIES, INDIANA  
 APPENDIX D - RESERVE CALCULATION  
 SPECIAL PURPOSE REPORT ON WASTEWATER UTILITY RATES  
 Revised April 28, 2010

|                                       |                  |
|---------------------------------------|------------------|
| Operating Reserve <sup>1</sup>        |                  |
| Estimated Annual O&M Expenditures     | 311,342.88       |
| Divided by 12 months                  | 12.00            |
| Estimated Monthly O&M Expenditures    | 25,945.24        |
| Multipled times 2 for 2 month reserve | <u>51,890.48</u> |

|  |                  |
|--|------------------|
| Capital Reserve <sup>2</sup>           |                  |
| Total Wastewater Capital Assets        | 7,695,152.00     |
| Multipled by 1%                        | 1.00%            |
| Estimated Capital Reserve <sup>3</sup> | <u>76,951.52</u> |

<sup>1</sup> AWWA Manual "Developing Rates for Small Systems" recommends 45-90 day operating reserve  
<sup>2</sup> AWWA Manual "Developing Rates for Small Systems" recommends 1-2% for capital reserve  
<sup>3</sup> Town officials decided \$50,000 was more appropriate of a capital reserve amount.