

Schedule 1 - O&M Expenses

O&M Expenses

		Outside City %	Inside City %	Outside City \$	Inside City \$
Director's Office					
Customer Outreach Unused	\$ 1,319,114	27%	73%	\$ 352,115	\$ 966,999
Security Unit	\$ 572,197	27%	73%	\$ 152,738	\$ 419,459
Personnel Services	\$ 789,206	27%	73%	\$ 210,665	\$ 578,541
Director's Office Unused	\$ 3,617,975	27%	73%	\$ 965,756	\$ 2,652,218
Subtotal: Director's Office	\$ 6,298,492			\$ 1,681,275	\$ 4,617,217
Customer Service					
Billing Office	\$ 4,017,919	28%	72%	\$ 1,125,017	\$ 2,892,902
Westside Metering Services	\$ 3,862,351	28%	72%	\$ 1,081,458	\$ 2,780,893
Eastside Metering Services	\$ 2,703,322	28%	72%	\$ 756,930	\$ 1,946,392
Subtotal: Customer Service	\$ 10,583,593			\$ 2,963,406	\$ 7,620,187
Business Services					
Financial & Office Services	\$ 1,214,304	27%	73%	\$ 324,138	\$ 890,166
Information Services/Support	\$ -	27%	73%	\$ -	\$ -
Pueblo Billing System Project	\$ 3,841,780	27%	73%	\$ 1,025,498	\$ 2,816,283
Subtotal: Business Services	\$ 5,056,084			\$ 1,349,635	\$ 3,706,449
Water Quality					
Reclaimed Water System	\$ 4,036,220	0%	100%	\$ -	\$ 4,036,220
Clearwater Facility Operations (CAVSARP)	\$ 5,166,500	27%	73%	\$ 1,379,109	\$ 3,787,391
CAP Water Purchases (CAVSARP) (7200-249)	\$ 10,965,787	27%	73%	\$ 2,927,129	\$ 8,038,658
Clearwater Facility 2 Operations (SAVSARP)	\$ 5,190,085	27%	73%	\$ 1,385,404	\$ 3,804,681
CAP Water Purchases (SAVSARP) (7210-249)	\$ 7,554,209	27%	73%	\$ 2,016,467	\$ 5,537,742
Maintenance Management Program	\$ -	27%	73%	\$ -	\$ -
Technical Support	\$ 235,556	27%	73%	\$ 62,878	\$ 172,679
Water Quality Lab	\$ 2,176,431	27%	73%	\$ 580,961	\$ 1,595,470
TARP Management	\$ 1,244,594	27%	73%	\$ 332,223	\$ 912,371
AOP	\$ 2,474,367	27%	73%	\$ 660,490	\$ 1,813,877
Water Production Admin Support	\$ 863,823	27%	73%	\$ 230,583	\$ 633,240
Water Production Plant Operation	\$ 1,133,168	27%	73%	\$ 302,480	\$ 830,688
Water Treatment Plant Maintenance	\$ 760,069	27%	73%	\$ 202,888	\$ 557,182
Water Production Plant Instru/Cntrl	\$ 5,673,352	27%	73%	\$ 1,514,404	\$ 4,158,948
Compliance & Regulatory Support	\$ 604,632	27%	73%	\$ 161,396	\$ 443,236
Environmental Performance	\$ -	27%	73%	\$ -	\$ -
Subtotal: Water Quality	\$ 48,078,793			\$ 11,756,412	\$ 36,322,381
Planning & Engineering					
Backflow Prevention	\$ -	27%	73%	\$ -	\$ -
Admin. & Project Support	\$ 723,400	27%	73%	\$ 193,099	\$ 530,301
Plant Design	\$ 1,060,562	27%	73%	\$ 283,099	\$ 777,463
Distribution Design	\$ 789,853	27%	73%	\$ 210,838	\$ 579,015
Construction	\$ 950,887	27%	73%	\$ 253,823	\$ 697,064
Mapping/GIS	\$ 1,222,152	27%	73%	\$ 326,233	\$ 895,919
Water System Evaluation	\$ 736,141	27%	73%	\$ 196,500	\$ 539,641
System Planning	\$ 939,940	27%	73%	\$ 250,901	\$ 689,039
Research & Technical Support	\$ 1,829,749	27%	73%	\$ 488,420	\$ 1,341,329
Subtotal: Planning & Engineering	\$ 8,252,683			\$ 2,202,913	\$ 6,049,771

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		Outside City %	Inside City %	Outside City \$	Inside City \$
Water Operations					
Maintenance Management Program (7297)	\$ 716,660	27%	73%	\$ 191,300	\$ 525,360
Equipment Maintenance	\$ 2,607,115	27%	73%	\$ 695,925	\$ 1,911,190
Control Systems	\$ 1,997,427	27%	73%	\$ 533,179	\$ 1,464,248
Property Management	\$ 2,511,699	27%	73%	\$ 670,455	\$ 1,841,244
Well Maintenance	\$ 452,284	27%	73%	\$ 120,729	\$ 331,554
Quality Control	\$ 1,754,177	27%	73%	\$ 468,248	\$ 1,285,929
North Maintenance	\$ 1,812,325	27%	73%	\$ 483,769	\$ 1,328,556
System Support	\$ 7,119,712	27%	73%	\$ 1,900,485	\$ 5,219,226
Central Maintenance	\$ 2,599,844	27%	73%	\$ 693,984	\$ 1,905,860
East Maintenance	\$ 1,712,822	27%	73%	\$ 457,209	\$ 1,255,614
System Improvements - Potable	\$ 2,851,188	27%	73%	\$ 761,076	\$ 2,090,112
System Improvements - Reclaimed	\$ 277,805	27%	73%	\$ 74,155	\$ 203,650
West Maintenance	\$ 1,964,723	27%	73%	\$ 524,449	\$ 1,440,274
Subtotal: Water Operations	\$ 28,377,781			\$ 7,574,963	\$ 20,802,817
Other Budgetary Requirements					
General Expense (7437)	\$ 4,462,291	27%	73%	\$ 1,191,132	\$ 3,271,159
Groundwater Withdrawal Tax	\$ 45,000	27%	73%	\$ 12,012	\$ 32,988
Superfund Tax (7437-289)	\$ 540,000	27%	73%	\$ 144,144	\$ 395,856
SAWARSA Settlement	\$ -	27%	73%	\$ -	\$ -
New Program (see below)	\$ -	27%	73%	\$ -	\$ -
Enhanced Water Quality Treatment Plant	\$ -	27%	73%	\$ -	\$ -
CAGR Membership	\$ -	27%	73%	\$ -	\$ -
In Lieu of Property Tax (7438-289)	\$ 2,020,400	27%	73%	\$ 539,311	\$ 1,481,089
CAP Water Purchases (non Clearwater) (7437-249)	\$ 5,848,420	27%	73%	\$ 1,561,136	\$ 4,287,284
CAP Annual Capital Payment (existing alloc.) (7437-250)	\$ 8,435,174	27%	73%	\$ 2,251,625	\$ 6,183,549
CAP Annual Capital Payment (add'l 8206 AF allocation)	\$ -	27%	73%	\$ -	\$ -
CAP Purchase - Back Capital 8206 (P)	\$ -	27%	73%	\$ -	\$ -
CAP Purchase - Back Capital 8206 (I)	\$ -	27%	73%	\$ -	\$ -
Admin. Serv. Chg. (Pmt to GF: direct srvc) (7438)	\$ 2,671,969	27%	73%	\$ 713,236	\$ 1,958,732
Admin. Serv. Chg. (Pmt to GF: indirect srvc) (7438-297)	\$ 8,009,441	27%	73%	\$ 2,137,983	\$ 5,871,458
Low Income Program (7400)	\$ 1,262,750	27%	73%	\$ 337,070	\$ 925,680
Capitalized O&M Expense (7439)	\$ (6,566,300)	27%	73%	\$ (1,752,761)	\$ (4,813,539)
New Program (7NEW)	\$ 3,823,166	27%	73%	\$ 1,020,529	\$ 2,802,637
Mail Services (7247)	\$ 565,076	27%	73%	\$ 150,837	\$ 414,238
Subtotal: Other Budgetary Requirements	\$ 31,117,387			\$ 8,306,254	\$ 22,811,133
Total: O&M Expenses	\$ 137,764,813			\$ 35,834,858	\$ 101,929,955

Schedule 2 - Rate Base and Depreciation

RateBase

Asset Type	Depreciated Net		Outside City %	Inside City %	Outside City \$	Inside City \$
	Plant Investment ¹					
Land - Other	\$ 45,661,445		27%	73%	\$ 12,188,542	\$ 33,472,903
Wells	\$ 169,636,454		27%	73%	\$ 45,281,550	\$ 124,354,904
Treatment Plant	\$ 101,023,967		27%	73%	\$ 26,966,620	\$ 74,057,346
Buildings	\$ 42,226,393		27%	73%	\$ 11,271,613	\$ 30,954,779
Pumping Equip.	\$ 27,125,657		27%	73%	\$ 7,240,730	\$ 19,884,927
Tanks and Reservoirs	\$ 190,429,213		27%	73%	\$ 50,831,822	\$ 139,597,391
Transmission Mains	\$ 247,039,617		27%	73%	\$ 65,943,001	\$ 181,096,616
Distribution Mains	\$ 270,167,064		27%	73%	\$ 72,116,478	\$ 198,050,587
Services and Meters	\$ 146,067,747		27%	73%	\$ 38,990,287	\$ 107,077,460
Hydrants	\$ 42,005,780		27%	73%	\$ 11,212,725	\$ 30,793,055
Reclaimed Water System	\$ 156,176,999		0%	100%	\$ -	\$ 156,176,999
General Plant	\$ 80,594,103		27%	73%	\$ 21,513,218	\$ 59,080,886
	<u>\$ 1,518,154,438</u>				<u>\$ 363,556,586</u>	<u>\$ 1,154,597,852</u>

Depreciation

Asset Type	Depreciation ¹	Outside City %	Inside City %	Outside City \$	Inside City \$
Land - Other	\$ -	27%	73%	\$ -	\$ -
Wells	\$ 4,411,000	27%	73%	\$ 1,177,441	\$ 3,233,559
Treatment Plant	\$ 2,526,000	27%	73%	\$ 674,273	\$ 1,851,727
Buidlings	\$ 1,056,000	27%	73%	\$ 281,881	\$ 774,119
Pumping Equip.	\$ 678,000	27%	73%	\$ 180,981	\$ 497,019
Tanks and Reservoirs	\$ 3,999,000	27%	73%	\$ 1,067,465	\$ 2,931,535
Transmission Mains	\$ 3,891,000	27%	73%	\$ 1,038,636	\$ 2,852,364
Distribution Mains	\$ 5,782,000	27%	73%	\$ 1,543,406	\$ 4,238,594
Services and Meters	\$ 3,798,000	27%	73%	\$ 1,013,811	\$ 2,784,189
Hydrants	\$ 672,000	27%	73%	\$ 179,379	\$ 492,621
Reclaimed Water System	\$ 2,499,000	0%	100%	\$ -	\$ 2,499,000
General Plant	\$ 5,967,000	27%	73%	\$ 1,592,789	\$ 4,374,211
	<u>\$ 35,279,000</u>			<u>\$ 8,750,060</u>	<u>\$ 26,528,940</u>

Notes:

1 - Data from "Vail Wheeling_1-14-20"

Schedule 3 - Cost of Capital

Rate of Return

Cost of Debt

	Par Amount	Outstanding Principal	% of Total	Interest Rate	Cost of Debt
Series 2010A Obligations	\$ 38,510,000	\$ 38,510,000	8.46%	5.87%	0.497%
Series 2011 Obligations	\$ 30,965,000	\$ 1,500,000	0.33%	5.00%	0.016%
Series 2012 Obligations	\$ 31,555,000	\$ 9,095,000	2.00%	3.78%	0.075%
Refunding Bonds, Series 2013A	\$ 34,280,000	\$ 21,085,000	4.63%	4.60%	0.213%
Refunding Bonds, Taxable Series 2013	\$ 18,825,000	\$ 6,005,000	1.32%	2.63%	0.035%
Series 2013 Obligations	\$ 21,065,000	\$ 18,065,000	3.97%	4.75%	0.189%
Series 2014 Obligations	\$ 35,630,000	\$ 33,130,000	7.28%	4.09%	0.298%
Series 2015 Obligations	\$ 20,570,000	\$ 18,470,000	4.06%	4.35%	0.176%
Refunding Bonds, Series 2015	\$ 46,640,000	\$ 46,640,000	10.25%	4.82%	0.494%
Refunding Bonds, Series 2016-A	\$ 71,805,000	\$ 44,060,000	9.68%	5.00%	0.484%
Series 2016 Obligations	\$ 17,215,000	\$ 16,425,000	3.61%	3.67%	0.132%
Series 2017 Obligations & Refunding	\$ 106,970,000	\$ 88,575,000	19.47%	5.00%	0.973%
Series 2018 Obligations	\$ 23,935,000	\$ 23,435,000	5.15%	4.04%	0.208%
Series 2019 Obligations	\$ 13,195,000	\$ 13,195,000	2.90%	4.38%	0.127%
Series 2020 Obligations	\$ 45,765,000	\$ 45,765,000	10.06%	4.37%	0.439%
Jr. WIFA Series 2012	\$ 4,000,000	\$ 2,658,662	0.58%	2.80%	0.016%
Series 2012 Refunding Bond	\$ 15,245,000	\$ 645,000	0.14%	1.90%	0.003%
Series 2011 Obligations	\$ 16,000,000	\$ 9,633,040	2.12%	2.79%	0.059%
Series 2010 Obligations	\$ 2,750,000	\$ 1,572,044	0.35%	2.93%	0.010%
Series 2009B	\$ 1,000,000	\$ 486,015	0.11%	3.60%	0.004%
Series 2009A	\$ 2,500,000	\$ 1,260,865	0.28%	3.38%	0.009%
Series 2008 Obligations	\$ 17,800,000	\$ 7,679,214	1.69%	3.55%	0.060%
Series 2007 Obligations	\$ 6,500,000	\$ 2,396,334	0.53%	3.21%	0.017%
Series 2006 Obligations (Drinking Wat	\$ 4,500,000	\$ 1,670,514	0.37%	3.32%	0.012%
Series 2005 Obligations	\$ 2,997,000	\$ 786,393	0.17%	3.11%	0.005%
Series 2004 Obligations	\$ 5,500,000	\$ 1,112,800	0.24%	3.20%	0.008%
Series 2003 Obligations	\$ 8,300,000	\$ 1,145,306	0.25%	3.44%	0.009%
	\$ 644,017,000	\$ 455,001,187			4.570%

Weighted Average Cost of Debt 4.570%

Cost of Equity

Net Plant Investment	\$ 1,518,154,438
Outstanding Debt	\$ 455,001,187
Equity in System	\$ 1,063,153,251
Less: OC Contributed Equity	\$ (283,790,579)
Adjusted System Equity	\$ 779,362,672

Cost of Equity 5.00%

Cost of Capital

		% of Total	Cost	
Outstanding Debt	\$ 455,001,187	37%	4.570%	1.68%
System Equity	\$ 779,362,672	63%	5.00%	3.16%
	\$ 1,234,363,859		WACC	4.84%

Rate of Return 4.84%

Schedule 4 - Units of Service

Meters

Meter Count Meter Size	Meters				Equiv. Meters			
	TU	OC Non-TU	IC		TU	OC Non-TU	IC	
5/8"	59,402	12,795	133,165		59,402	12,795	133,165	
3/4"	1,815	391	4,068		2,449	527	5,488	
1"	5,093	1,097	11,417		10,423	2,245	23,366	
1.5"	492	106	1,104		1,865	402	4,184	
2"	1,035	223	2,320		6,090	1,312	13,651	
2.5"	2	0	5		17	4	39	
3"	12	3	27		138	30	310	
4"	14	3	32		273	59	615	
6"	10	2	23		396	86	892	
8"	1	0	2		60	13	134	
10"	-	-	-		-	-	-	
12"	-	-	-		-	-	-	
Total	67,876	14,620	152,161	Total Meters 234,657	81,112 29%	17,472 6%	181,843 65%	Total Equivalent Meters 280,427

Consumption

	Usage (CCF)	
TU	10,101,253	27%
Non-TU	3,559,386	9%
Inside	24,181,281	64%
Total	37,841,920	

Schedule 5 - Outside City Revenue Requirements and Differential

Outside City Revenue Requirements

Utility Approach Revenue Requirements

Operation & Maintenance Expenses	\$	35,834,858
Depreciation	\$	8,750,060
Return on Rate Base	\$	17,601,576
Total Outside City Revenue Requirements	\$	62,186,494

Return on Rate Base

Outside City Rate Base	\$	363,556,586
Rate of Return		4.84%
Return on Rate Base	\$	17,601,576

Determination of Outside City Differential

Outside City Revenue Under Existing Rates	\$	58,607,302
Outside City Revenue Requirements	\$	62,186,494
% Difference		6%