

Attachment 2 - City of Mesa Utility Fund Cash Flow Projections - Notice of Intent

| As of 09/23/2021 | FY 20/21 Projected | FY 21/22 Projected | FY 22/23 Forecast | FY 23/24 Forecast | FY 24/25 Forecast | FY 25/26 Forecast | FY 26/27 Forecast |
|--|-----------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|
| WATER | \$16,910,201 | (\$6,915,788) | (\$1,841,274) | \$846,285 | (\$5,755,115) | (\$9,289,220) | (\$12,701,216) |
| WASTEWATER | (\$11,423,546) | (\$11,314,449) | (\$8,291,052) | (\$8,207,583) | (\$6,056,079) | (\$3,575,249) | (\$860,038) |
| SOLID WASTE | \$5,691,119 | (\$5,624,244) | \$1,087,902 | \$4,192,255 | \$1,264,981 | \$4,932,460 | \$6,051,494 |
| ELECTRIC | \$1,159,913 | \$1,392,829 | (\$141,377) | (\$1,222,666) | (\$596,531) | (\$639,010) | (\$697,063) |
| NATURAL GAS | (\$2,306,409) | \$963,199 | \$129,290 | (\$475,337) | \$157,276 | \$597,012 | \$917,502 |
| DISTRICT COOLING | (\$179,475) | (\$494,503) | (\$54,508) | (\$59,951) | (\$103,641) | (\$234,463) | (\$29,430) |
| TOTAL NET SOURCES AND USES | \$9,851,803 | (\$21,992,956) | (\$9,111,019) | (\$4,926,996) | (\$11,089,109) | (\$8,208,471) | (\$7,318,750) |
| Beginning Reserve Balance | \$136,773,320 | \$146,625,123 | \$124,632,168 | \$115,521,149 | \$110,594,153 | \$99,505,044 | \$91,296,573 |
| Ending Reserve Balance | \$146,625,123 | \$124,632,168 | \$115,521,149 | \$110,594,153 | \$99,505,044 | \$91,296,573 | \$83,977,823 |
| Ending Reserve Balance Percent* | 32.2% | 27.7% | 25.0% | 23.2% | 20.2% | 17.2% | 15.8% |
| *As a % of Next Fiscal Year's Expenditures | | | | | | | |
| WATER Residential | 1.50% | 3.00% | 2.50% | 2.00% | 2.00% | 2.00% | 2.00% |
| WATER Non-Residential (usage) | 5.00% | 5.25% | 5.00% | 5.00% | 5.00% | 5.00% | 3.00% |
| WASTEWATER Residential | 3.50% | 3.50% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| WASTEWATER Non-Residential | 4.00% | 4.00% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% |
| SOLID WASTE Residential | 0.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| SOLID WASTE Commercial | 2.00% | 3.75% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| SOLID WASTE Rolloff | 2.00% | 3.50% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| ELECTRIC Residential - svc charge | \$1.50 | \$1.50 | \$2.00 | \$2.50 | \$2.50 | \$2.50 | \$2.50 |
| ELECTRIC Non-Residential - svc charge | \$2.50 | \$2.50 | \$2.50 | \$2.50 | \$2.50 | \$2.50 | \$2.50 |
| GAS Residential - svc charge | \$0.50 | \$0.50 | \$0.75 | \$1.00 | \$1.00 | \$1.00 | \$1.00 |
| GAS Non-Residential - svc charge | \$2.00 | \$0.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 |

Attachment 2 - City of Mesa Utility Fund Cash Flow Projections - Notice of Intent

TOTAL

As of 09/23/2021

| | FY 20/21 Projected | FY 21/22 Projected | FY 22/23 Forecast | FY 23/24 Forecast | FY 24/25 Forecast | FY 25/26 Forecast | FY 26/27 Forecast |
|-------------------------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|
| Sources of Funding | | | | | | | |
| Revenues | \$379,734,707 | \$384,502,974 | \$400,501,299 | \$417,091,182 | \$432,204,825 | \$450,764,927 | \$467,927,701 |
| EECAF/PNGCAF Revenues | \$22,358,236 | \$48,800,473 | \$39,905,884 | \$40,608,312 | \$34,051,591 | \$34,675,106 | \$35,837,570 |
| Total Sources | \$402,092,943 | \$433,303,446 | \$440,407,182 | \$457,699,494 | \$466,256,417 | \$485,440,033 | \$503,765,272 |
| Uses of Funding | | | | | | | |
| Operating Expenditures | \$149,242,290 | \$170,344,913 | \$174,469,360 | \$177,227,891 | \$184,149,813 | \$189,587,120 | \$193,870,117 |
| EECAF/PNGCAF Expenditures | \$29,973,664 | \$45,821,161 | \$39,905,884 | \$40,608,312 | \$34,051,591 | \$34,675,106 | \$35,837,570 |
| Expenditure Subtotal | \$179,215,954 | \$216,166,074 | \$214,375,243 | \$217,836,203 | \$218,201,405 | \$224,262,226 | \$229,707,687 |
| Project Costs | \$620,870 | \$1,734,136 | \$368,875 | \$0 | \$0 | \$5,067 | \$0 |
| General Fund Transfer | \$113,920,412 | \$115,350,892 | \$120,150,390 | \$125,127,355 | \$129,661,448 | \$135,229,478 | \$140,378,310 |
| Debt Service Transfer | \$90,164,225 | \$100,299,109 | \$104,073,480 | \$109,986,297 | \$116,726,098 | \$123,663,772 | \$130,458,858 |
| Lifecycle/ Infrastructure Transfers | \$8,018,679 | \$8,341,109 | \$8,682,646 | \$9,128,048 | \$9,298,701 | \$9,681,817 | \$10,047,678 |
| Capital Transfer | \$301,000 | \$13,405,082 | \$1,867,567 | \$548,587 | \$3,457,874 | \$806,145 | \$491,488 |
| Total Uses | \$392,241,140 | \$455,296,402 | \$449,518,201 | \$462,626,490 | \$477,345,526 | \$493,648,504 | \$511,084,022 |
| Net Sources and Uses | \$9,851,803 | (\$21,992,956) | (\$9,111,019) | (\$4,926,996) | (\$11,089,109) | (\$8,208,471) | (\$7,318,750) |
| Beginning Reserve Balance | \$136,773,320 | \$146,625,123 | \$124,632,168 | \$115,521,149 | \$110,594,153 | \$99,505,044 | \$91,296,573 |
| Ending Reserve Balance | \$146,625,123 | \$124,632,168 | \$115,521,149 | \$110,594,153 | \$99,505,044 | \$91,296,573 | \$83,977,823 |
| Ending Reserve Balance Percent* | 32.2% | 27.7% | 25.0% | 23.2% | 20.2% | 17.2% | 15.8% |

*As a % of Next Fiscal Year's Expenditures

Attachment 2 - City of Mesa Utility Fund Cash Flow Projections - Notice of Intent

| WATER | FY 20/21 Projected | FY 21/22 Projected | FY 22/23 Forecast | FY 23/24 Forecast | FY 24/25 Forecast | FY 25/26 Forecast | FY 26/27 Forecast |
|-------------------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Sources of Funding | | | | | | | |
| Residential Rate Revenues | \$95,310,227 | \$95,143,279 | \$98,724,230 | \$101,988,849 | \$103,789,097 | \$107,272,918 | \$109,658,329 |
| Non-Residential Rate Revenues | \$67,060,860 | \$66,932,005 | \$70,112,791 | \$73,335,480 | \$76,967,357 | \$81,406,068 | \$85,516,944 |
| Other Revenues | \$7,686,942 | \$5,264,567 | \$5,056,700 | \$5,056,919 | \$5,057,157 | \$5,057,432 | \$5,057,750 |
| Total Sources | \$170,058,029 | \$167,339,850 | \$173,893,721 | \$180,381,247 | \$185,813,611 | \$193,736,418 | \$200,233,022 |
| Uses of Funding | | | | | | | |
| Operating Expenditures | \$58,986,360 | \$66,618,657 | \$69,763,715 | \$71,143,944 | \$74,414,159 | \$78,051,197 | \$80,039,293 |
| Project Costs | \$157,703 | \$548,836 | \$114,468 | \$0 | \$0 | \$217 | \$0 |
| General Fund Transfer | \$51,017,409 | \$50,201,955 | \$52,168,116 | \$54,114,374 | \$55,744,083 | \$58,120,925 | \$60,069,907 |
| Debt Service Transfer | \$39,585,196 | \$47,966,632 | \$50,005,642 | \$50,447,280 | \$57,547,614 | \$62,797,762 | \$68,626,292 |
| Lifecycle/ Infrastructure Transfers | \$3,401,161 | \$3,346,797 | \$3,477,874 | \$3,607,625 | \$3,716,272 | \$3,874,728 | \$4,004,660 |
| Capital Transfer | \$0 | \$5,572,762 | \$205,181 | \$221,738 | \$146,598 | \$180,809 | \$194,087 |
| Total Uses | \$153,147,828 | \$174,255,639 | \$175,734,995 | \$179,534,962 | \$191,568,726 | \$203,025,638 | \$212,934,238 |
| Net Sources and Uses | \$16,910,201 | (\$6,915,788) | (\$1,841,274) | \$846,285 | (\$5,755,115) | (\$9,289,220) | (\$12,701,216) |
| WASTEWATER | FY 20/21 Projected | FY 21/22 Projected | FY 22/23 Forecast | FY 23/24 Forecast | FY 24/25 Forecast | FY 25/26 Forecast | FY 26/27 Forecast |
| Sources of Funding | | | | | | | |
| Residential Rate Revenues | \$46,816,243 | \$51,342,909 | \$53,854,933 | \$56,733,408 | \$59,335,092 | \$62,671,161 | \$65,780,509 |
| Non-Residential Rate Revenues | \$37,910,126 | \$39,277,707 | \$40,650,771 | \$42,370,833 | \$44,182,558 | \$46,065,366 | \$48,015,118 |
| Other Revenues | \$3,046,718 | \$2,973,500 | \$2,973,500 | \$2,973,500 | \$2,973,500 | \$2,973,500 | \$2,973,500 |
| Total Sources | \$87,773,087 | \$93,594,116 | \$97,479,204 | \$102,077,742 | \$106,491,150 | \$111,710,026 | \$116,769,127 |
| Uses of Funding | | | | | | | |
| Operating Expenditures | \$29,507,239 | \$34,959,798 | \$35,195,194 | \$35,846,635 | \$36,726,349 | \$37,373,370 | \$38,164,060 |
| Project Costs | \$89,122 | \$336,850 | \$67,515 | \$0 | \$0 | \$4,850 | \$0 |
| General Fund Transfer | \$26,331,926 | \$28,078,235 | \$29,243,761 | \$30,623,323 | \$31,947,345 | \$33,513,008 | \$35,030,738 |
| Debt Service Transfer | \$41,256,885 | \$39,527,269 | \$39,162,476 | \$41,617,572 | \$41,641,086 | \$42,071,233 | \$41,943,753 |
| Lifecycle/ Infrastructure Transfers | \$1,755,462 | \$1,871,882 | \$1,949,584 | \$2,041,555 | \$2,129,823 | \$2,234,201 | \$2,335,383 |
| Capital Transfer | \$256,000 | \$134,531 | \$151,725 | \$156,240 | \$102,627 | \$88,614 | \$155,231 |
| Total Uses | \$99,196,633 | \$104,908,565 | \$105,770,256 | \$110,285,324 | \$112,547,229 | \$115,285,276 | \$117,629,165 |
| Net Sources and Uses | (\$11,423,546) | (\$11,314,449) | (\$8,291,052) | (\$8,207,583) | (\$6,056,079) | (\$3,575,249) | (\$860,038) |

Attachment 2 - City of Mesa Utility Fund Cash Flow Projections - Notice of Intent

| SOLID WASTE | FY 20/21 Projected | FY 21/22 Projected | FY 22/23 Forecast | FY 23/24 Forecast | FY 24/25 Forecast | FY 25/26 Forecast | FY 26/27 Forecast |
|-------------------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Sources of Funding | | | | | | | |
| Revenues | \$64,637,887 | \$66,004,508 | \$68,312,443 | \$71,393,222 | \$73,901,831 | \$76,446,591 | \$79,098,582 |
| Uses of Funding | | | | | | | |
| Operating Expenditures | \$37,454,743 | \$42,284,787 | \$43,077,430 | \$43,552,173 | \$45,123,432 | \$45,858,132 | \$46,949,218 |
| Project Costs | \$126,548 | \$470,132 | \$105,569 | \$0 | \$0 | \$0 | \$0 |
| General Fund Transfer | \$19,391,366 | \$19,801,353 | \$20,493,733 | \$21,417,967 | \$22,170,549 | \$22,933,977 | \$23,729,575 |
| Debt Service Transfer | \$681,353 | \$695,842 | \$671,424 | \$633,480 | \$656,771 | \$656,657 | \$644,742 |
| Lifecycle/ Infrastructure Transfers | \$1,292,758 | \$1,320,090 | \$1,366,249 | \$1,427,864 | \$1,478,037 | \$1,528,932 | \$1,581,972 |
| Capital Transfer | \$0 | \$7,056,548 | \$1,510,136 | \$169,483 | \$3,208,062 | \$536,433 | \$141,582 |
| Total Uses | \$58,946,768 | \$71,628,752 | \$67,224,540 | \$67,200,967 | \$72,636,850 | \$71,514,131 | \$73,047,088 |
| Net Sources and Uses | \$5,691,119 | (\$5,624,244) | \$1,087,902 | \$4,192,255 | \$1,264,981 | \$4,932,460 | \$6,051,494 |
| ELECTRIC | FY 20/21 Projected | FY 21/22 Projected | FY 22/23 Forecast | FY 23/24 Forecast | FY 24/25 Forecast | FY 25/26 Forecast | FY 26/27 Forecast |
| Sources of Funding | | | | | | | |
| Revenues | \$18,841,058 | \$19,226,182 | \$19,992,867 | \$20,723,935 | \$21,549,691 | \$22,374,830 | \$23,210,747 |
| EECAF Revenues | \$13,778,304 | \$33,765,979 | \$26,518,565 | \$26,740,054 | \$19,773,746 | \$19,683,841 | \$20,160,870 |
| Total Sources | \$32,619,362 | \$52,992,162 | \$46,511,432 | \$47,463,989 | \$41,323,437 | \$42,058,671 | \$43,371,617 |
| Uses of Funding | | | | | | | |
| Operating Expenditures | \$6,937,132 | \$8,760,364 | \$8,911,756 | \$9,031,490 | \$9,464,030 | \$9,576,389 | \$9,783,115 |
| EECAF Expenditures | \$15,785,023 | \$32,920,470 | \$26,518,565 | \$26,740,054 | \$19,773,746 | \$19,683,841 | \$20,160,870 |
| Expenditure Subtotal | \$22,722,155 | \$41,680,834 | \$35,430,321 | \$35,771,544 | \$29,237,776 | \$29,260,230 | \$29,943,985 |
| Project Costs | \$44,384 | \$169,741 | \$36,826 | \$0 | \$0 | \$0 | \$0 |
| General Fund Transfer | \$5,652,317 | \$5,767,855 | \$5,997,860 | \$6,217,181 | \$6,464,907 | \$6,712,449 | \$6,963,224 |
| Debt Service Transfer | \$2,388,205 | \$3,221,059 | \$4,357,573 | \$5,748,651 | \$5,390,817 | \$5,883,829 | \$6,294,039 |
| Lifecycle/ Infrastructure Transfers | \$652,387 | \$759,843 | \$830,229 | \$949,280 | \$826,469 | \$841,173 | \$867,432 |
| Capital Transfer | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Uses | \$31,459,449 | \$51,599,332 | \$46,652,809 | \$48,686,655 | \$41,919,968 | \$42,697,681 | \$44,068,680 |
| Net Sources and Uses | \$1,159,913 | \$1,392,829 | (\$141,377) | (\$1,222,666) | (\$596,531) | (\$639,010) | (\$697,063) |

Attachment 2 - City of Mesa Utility Fund Cash Flow Projections - Notice of Intent

| NATURAL GAS | FY 20/21 Projected | FY 21/22 Projected | FY 22/23 Forecast | FY 23/24 Forecast | FY 24/25 Forecast | FY 25/26 Forecast | FY 26/27 Forecast |
|-------------------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Sources of Funding | | | | | | | |
| Revenues | \$37,265,646 | \$37,090,317 | \$39,548,198 | \$41,217,958 | \$43,127,197 | \$45,147,857 | \$47,234,846 |
| PNGCAF Revenues | \$8,579,932 | \$15,034,494 | \$13,387,319 | \$13,868,258 | \$14,277,845 | \$14,991,265 | \$15,676,700 |
| Total Sources | \$45,845,578 | \$52,124,810 | \$52,935,517 | \$55,086,216 | \$57,405,042 | \$60,139,122 | \$62,911,547 |
| Uses of Funding | | | | | | | |
| Operating Expenditures | \$15,411,041 | \$16,354,047 | \$16,574,875 | \$16,686,869 | \$17,393,850 | \$17,549,415 | \$17,938,626 |
| PNGCAF Expenditures | \$14,188,641 | \$12,900,691 | \$13,387,319 | \$13,868,258 | \$14,277,845 | \$14,991,265 | \$15,676,700 |
| Expenditure Subtotal | \$29,599,682 | \$29,254,738 | \$29,962,194 | \$30,555,127 | \$31,671,695 | \$32,540,680 | \$33,615,327 |
| Project Costs | \$203,113 | \$208,577 | \$44,498 | \$0 | \$0 | \$0 | \$0 |
| General Fund Transfer | \$11,179,694 | \$11,127,095 | \$11,864,459 | \$12,365,388 | \$12,938,159 | \$13,544,357 | \$14,170,454 |
| Debt Service Transfer | \$6,252,587 | \$8,888,307 | \$9,876,366 | \$11,539,314 | \$11,489,811 | \$12,254,291 | \$12,950,033 |
| Lifecycle/ Infrastructure Transfers | \$916,912 | \$1,042,496 | \$1,058,710 | \$1,101,724 | \$1,148,101 | \$1,202,782 | \$1,258,231 |
| Capital Transfer | \$0 | \$640,398 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Uses | \$48,151,987 | \$51,161,611 | \$52,806,227 | \$55,561,553 | \$57,247,766 | \$59,542,110 | \$61,994,044 |
| Net Sources and Uses | (\$2,306,409) | \$963,199 | \$129,290 | (\$475,337) | \$157,276 | \$597,012 | \$917,502 |
| DISTRICT COOLING | | | | | | | |
| Sources of Funding | | | | | | | |
| Revenues | \$1,159,000 | \$1,248,000 | \$1,274,866 | \$1,297,078 | \$1,321,346 | \$1,349,205 | \$1,381,377 |
| Uses of Funding | | | | | | | |
| Operating Expenditures | \$945,775 | \$1,367,260 | \$946,389 | \$966,780 | \$1,027,995 | \$1,178,618 | \$995,805 |
| General Fund Transfer | \$347,700 | \$374,400 | \$382,460 | \$389,123 | \$396,404 | \$404,762 | \$414,413 |
| Project Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital Transfer | \$45,000 | \$843 | \$525 | \$1,126 | \$588 | \$289 | \$588 |
| Total Uses | \$1,338,475 | \$1,742,503 | \$1,329,374 | \$1,357,028 | \$1,424,987 | \$1,583,668 | \$1,410,806 |
| Net Sources and Uses | (\$179,475) | (\$494,503) | (\$54,508) | (\$59,951) | (\$103,641) | (\$234,463) | (\$29,430) |