

Attachment 2: Sewer Fund Financial Forecast and Rate Scenarios

Chart 1A below forecasts revenues maintained at current rates, while necessary operational, capital, equipment, and labor costs continue to increase consistent with recent trends. The forecast assumes capital improvement projects would continue as needed to maintain effective reliable sewer service and compliance with current and future regulatory requirements.

Chart 1A: Current 10-year Sewer Financial Model forecast at current sewer service rate.

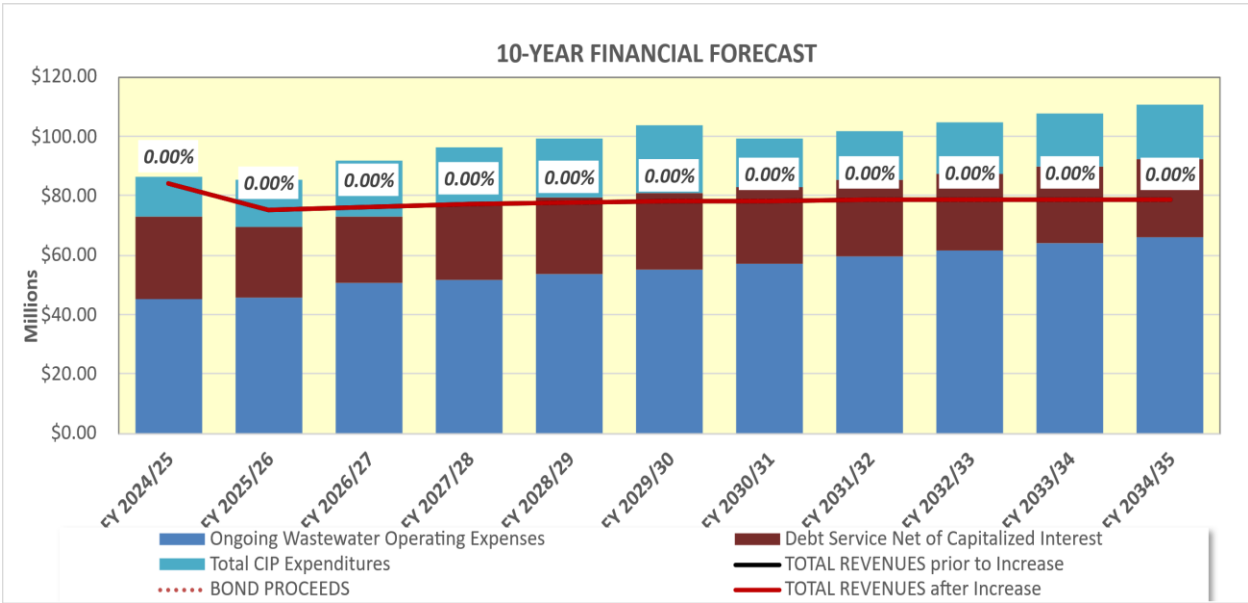


Chart 1B: Projected Sewer Enterprise Fund Reserve Balance and Reserve Policy Goal

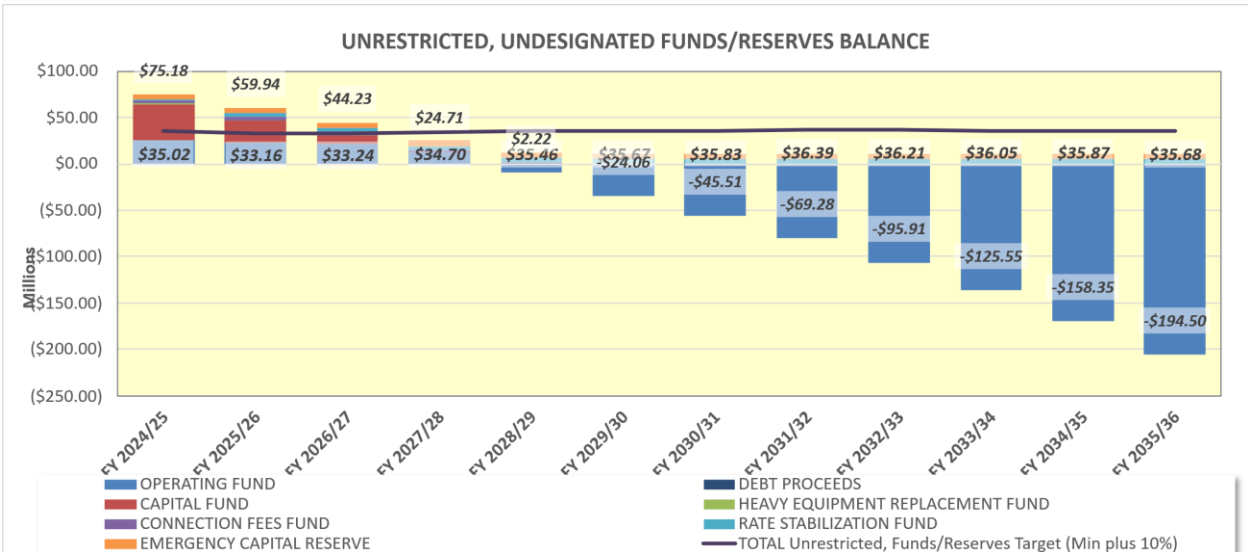


Chart 2A below forecasts revenues and expenditures for a 5-year, 6-percent per year rate increase including a 3% placeholder for revenue and cost escalation for years 6 through 10. The scenario anticipates a small bond in FY 2028/29.

Chart 2A: 10-year forecast with 6% increases Jan 1, 2027, through Jan 1, 2031.

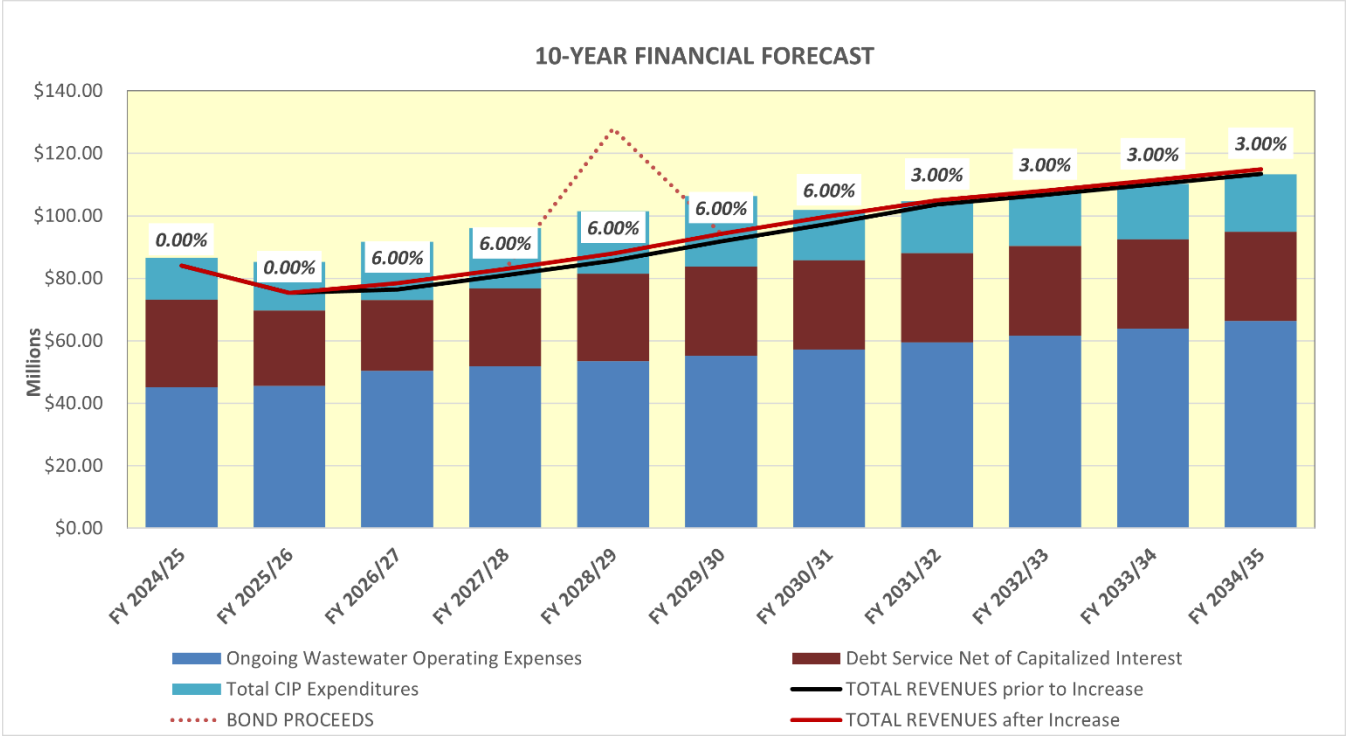


Chart 2B: 10-year Sewer Reserve Projection and Reserve Goal with 6% increases.

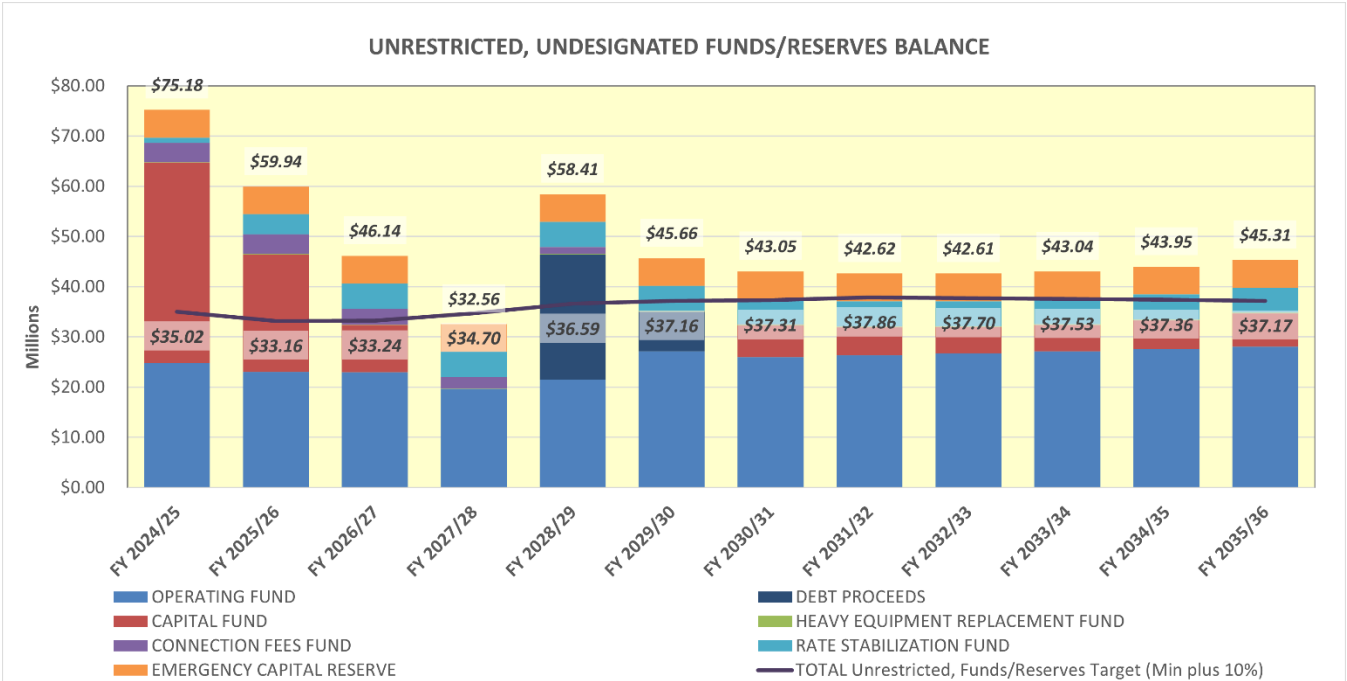


Chart 3A below forecasts revenues and expenditures for a 5-year, escalating rate increase including a 3% placeholder for revenue and cost escalation for years 6 through 10. The scenario anticipates a small bond in FY 2028/29 and a reduced introductory increase of 3.5% stating in FY 2026/27. The scenario demonstrates rates would need to increase by as much as 9.0% in out years to keep pace with expenditures and cost increases and to account for reduced revenues at the start of the 5-year plan. **Fund would regularly remain at or below the reserve goal over the term of the rate plan apart from the year bonds were issued.**

Chart 3A: 10-year forecast with escalating increases starting FY 2026/27.

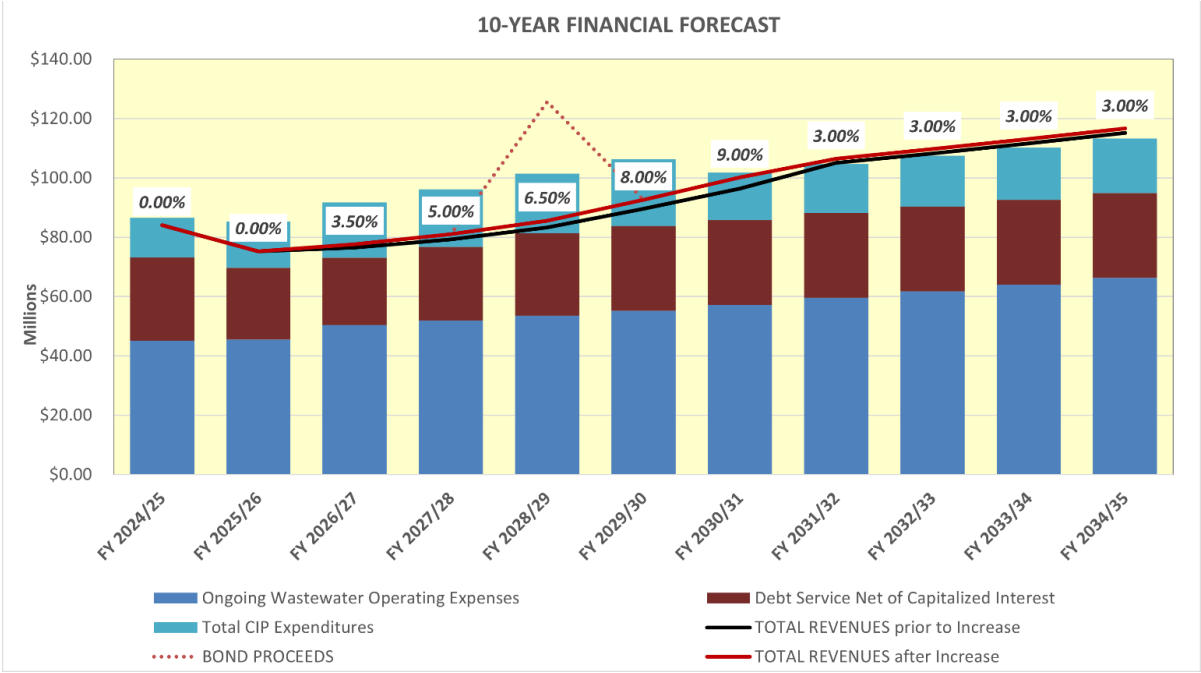


Chart 3B: 10-year Sewer Reserve Projection and Reserve with escalating increases.

