



MEMO

12-Dec-2025

FROM: Kerry Venier & Chris Ostern, PWU Analysts
TO: Director Benning
RE: Review & Recommendation for 2026 Water Infrastructure Surcharge (WIS)

We have reviewed the cash flow needs of the WIS fund; considering both the Capital Plan and Debt Issuance plan for 2026 and recommend leaving the WIS at its current rate for 2026 based on the following:

1. We will conduct our first set of major capital improvements in 2026 (approx., \$22M) as well as our first issuance of debt to fund the projects.
2. Our current 5 yr CIP for this fund has us completing the identified projects for which this fund was created and issuance of the associated debt that the WIS is designed to repay.
3. The plan includes utilizing revenues collected prior to any debt issuance to offset the amount of debt in the fund. Once all debt is issued and projects completed, the intent will be to hold a fund balance sufficient to cover the following year's debt service obligation.