

Fort Mill, SC, Town of, SC

1 Town of Fort Mill, South Carolina Waterworks and Sewer System Improvement Revenue Bonds, Series 2015, \$11,605,000, Dated: August 25, 2015

Series 2015

Top Ten Users - Water

Fiscal Year Ended September 30, 2016				
User	Description of User	Total Usage (1,000 Gallons)	Revenues Collected	Percentage of Revenues
1 City of Tega Cay	Wholesale	145,204	258,340	6.98%
2 Riverview Wter District	Wholesale	71,160	207,452	5.61%
3 Nations Ford Chemical	Business	19,070	156,164	4.22%
4 Forest Ridge Apartments	Multi-Family	10,019	47,159	1.27%
5 US Foodservice, Inc.	Wholesale Foods	8,894	72,393	1.96%
6 Cascades @ Rivercrossing	Condos	8,546	41,609	1.12%
7 Fort Mill School District	Public School System	5,251	46,075	1.25%
8 CitiFinancial	Office Building	4,896	38,814	1.05%
9 The Townes@Rivercrossing	Town Homes	4,125	24,086	0.65%
10 Palmetto Palm Project Company	Business	4,071	33,683	0.91%
Total Top 10		281,235	925,776	25.02%
Total Water		614,495	3,700,573	
Top 10 as a Percent of Total		45.77%	25.02%	

Series 2015

Top Ten Users - Sewer

Fiscal Year Ended September 30, 2016				
User	Description of User	Total Usage (1,000 Gallons)	Revenues Collected	Percentage of Revenues
1 US Foods	Wholesale Foods	12,281	126,499	4.36%
2 Forest Ridge Apartments	Mult-family	10,019	49,527	1.71%
3 Cascades @ Rivercrossing	Condos	8,546	54,477	1.88%
4 The Townes @ Rivercrossing	Town Homes	4,125	33,209	1.15%
5 Fort Mill School District	Public School System	3,825	40,977	1.41%
6 Fort Mill Dialysis	Medical Facility	3,136	16,419	0.57%
7 Housing Authority of Fort Mill	Public Housing	2,819	18,907	0.65%
8 Avery Lakes	Mult-family	2,449	19,799	0.68%
9 Love's Travel Stop	Gas/Convenience Store	2,119	11,531	0.40%
10 Citifinancial	Office Building	1,805	13,026	0.45%
Total Top 10		51,123	384,371	13.26%
Total Sewer		316,111	2,898,950	
Top 10 as a Percent of Total		16.17%	13.26%	

Series 2015

Revenues, Expenses and Change in Net Position of the System

Fiscal Year Ended September 30, 2016

Please See Audited Financial Statements filed separately.

Series 2015

Net Earnings and Debt Service Coverage

Fiscal Year Ended September 30,

	2016
Gross Revenues	10,015,918
Operational Expenses	4,583,080
Net Earnings	5,432,838
Debt Service	1,286,723
Coverage Ratio	4.22%
Combined Rate Adjustment	3%

Series 2015

Historical and Projected Customers and Flows - Water

Fiscal Year Ended September 30,

		Accounts/Customers		Metered Flows (1,000s Gal)	
		Amount	Growth %	Amount	Growth %
Historical	2012	5,053		1,104,100	
	2013	5,147	1.86%	1,038,982	-5.90%
	2014	5,752	11.75%	775,440	-25.37%
	2015	5,525	-3.95%	581,819	-24.97%
	2016	5,997	8.54%	614,496	5.62%
Actual					
Compound Growth ('12-'16)			4.37%		-13.63%
Projected					
Projected	2017	7,275	21.31%	725,769	18.11%
	2018	7,783	6.98%	753,857	3.87%
	2019	8,528	9.57%	791,913	5.05%
	2020	9,273	8.74%	830,078	4.82%
	2021	10,018	8.03%	868,356	4.61%
Compound Growth ('17-'21)			8.33%		4.59%

Note that historical information has been updated with more current data.

Series 2015
Historical and Projected Customers and Flows - Wastewater
Fiscal Year Ended September 30,

		<u>Accounts/Customers</u>		<u>Billable Flows (1,000s Gal)</u>	
		<u>Amount</u>	<u>Growth %</u>	<u>Amount</u>	<u>Growth %</u>
Historical	2012	4,379		\$276,361	
	2013	4,442	1.44%	\$279,362	1.09%
	2014	4,947	11.37%	\$283,647	1.53%
	2015	5,607	13.34%	\$300,794	6.05%
	2016	6,107	8.92%	\$316,110	5.09%
Compound Growth ('12-'16)			8.67%		3.42%
Projected	2017	5,963	-2.36%	\$289,208	-8.51%
	2018	6,302	5.69%	\$303,822	5.05%
	2019	6,799	7.89%	\$324,726	6.88%
	2020	7,296	7.31%	\$345,631	6.44%
	2021	7,793	6.81%	\$366,535	6.05%
Compound Growth ('17-'21)			6.92%		6.10%

Note that historical information has been updated with more current data.

Series 2015
Existing Rates - Water
Fiscal Year Ended September 30, 2016

<u>Description</u>	<u>Adopted Rates</u>	
	<u>Inside Town</u>	<u>Outside Town</u>
Base Rates		
3/4 Inch	8.89	17.78
1.0 Inch	22.23	44.45
1.5 Inch	44.45	88.91
2.0 Inch	71.12	142.25
3.0 Inch	142.25	284.51
4.0 Inch	222.27	444.55
6.0 Inch	444.55	889.10
8.0 Inch	711.28	1,422.55
Volumetric Rates per 1,000 Gallons		
Residential:		
Blk 1 (0-2,000 Gals)	3.40	6.77
Blk 2 (2,001-6,000 Gals)	3.77	7.54
Blk 3 (6,001-10,000 Gals)	5.65	11.31
Blk 4 (10,001-20,000 Gals)	7.54	15.08
Blk 5 (All Over 20,000 Gals)	9.42	18.85
Commercial:		
All Usage	3.77	7.54
Irrigation:		
Blk 1 (0-10,000 Gals)	7.54	15.08
Blk 2 (All Over 10,000 Gals)	9.42	18.85
Wholesale:		
Riverview		2.79
Tega Cay		1.73

Series 2015

Existing Rates - Sewer

Fiscal Year Ended September 30, 2016

Description	Adopted Rates	
	Inside Town	Outside Town
Monthly Base Charges:		
3/4 Inch	13.93	27.85
1.0 Inch	34.81	69.63
1.5 Inch	69.63	139.26
2.0 Inch	111.40	222.81
3.0 Inch	222.81	445.62
4.0 Inch	348.14	696.28
6.0 Inch	696.28	1,392.56
8.0 Inch	1,114.05	2,228.10
Monthly Volumetric Charges:		
Residential & Commercial	4.81	9.62
Commercial - Kingsley North	8.63	
Residential - Mason Bend	7.53	
Multi-Family	4.81	9.62

Series 2015

Statement of Any Rate Increase Effected in Such Fiscal Year or Approved to be Effected in the Following Fiscal Year -

see attached letter

Fiscal Year Ending September 30,	Projected Rate Adjustments		
	Water	Wastewater	Combined
2017	3%	3%	3%

Series 2015

Parity Bond Debt Service for All Outstanding Parity Bonds

Description	Projected For Fiscal Year Ending September 30:					
	2017	2018	2019	2020	2021	2022
Parity Debt Service:						
2011 Revernue Bonds	673,836	609,933	577,094	564,433	551,594	543,489
2011B Revenue Bonds	108,259	108,213	107,086	104,913	105,659	0
2013A Revenue Bonds	121,807	121,926	121,017	121,079	121,103	121,089
2015 Revenue Bonds	492,444	556,794	589,144	605,344	616,519	729,394
Total Parity Debt Service	1,396,346	1,396,866	1,394,341	1,395,769	1,394,875	1,393,972



Rock Hill
Water
Contract
3/17/17
from D.P.

March 10, 2017

Dennis P. Pieper
Town Manager
Town of Fort Mill
112 Confederate St.
P.O. Box 159
Fort Mill, SC 29716-0159

Dear Dennis P. Pieper:

I want to begin again by saying how much we appreciate the partnerships between the City of Rock Hill and Town of Fort Mill. As I indicated last year about this time, Rock Hill has undergone many efforts to provide excellent water and wastewater services to its citizens and to our valued wholesale customers as well. To the extent that we mentioned last year, I wanted to again this year provide with you with budgeting information regarding increases for the next several years. Below is a chart that outlines the current proposals to fund these upgrades as we are still looking at \$258 million for these expansions and enhancements to both the water and wastewater plants.

FY2018:

- Water Base: 5.50%
- Water Volumetric: 11.50%
- Sewer Base: 3.00%
- Sewer Volumetric: 3.00%

FY2019:

- Water Base: 0.00%
- Water Volumetric: 11.00%
- Sewer Base: 3.00%
- Sewer Volumetric: 3.00%

OPERATIONS CENTER

757 S. ANDERSON ROAD, P.O. BOX 11706
ROCK HILL, SC 29731-1706, 803-329-7000



Dennis P. Pieper

March 10, 2017

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FY2020:

- Water Base: 5.50%
- Water Volumetric: 9.00%
- Sewer Base: 3.00%
- Sewer Volumetric: 3.00%

FY2021:

- Water Base: 0.00%
- Water Volumetric: 0.00%
- Sewer Base: 3.00%
- Sewer Volumetric: 3.00%

FY2022:

- Water Base: 5.00%
- Water Volumetric: 0.00%
- Sewer Base: 3.00%
- Sewer Volumetric: 3.00%

The Fiscal Year 2018 increase will be effective July 1, 2017 with the remaining years also taking effect on July 1 each year thereafter. Although these projections are based on the studies completed to date, the future increases will be evaluated each year based on the actual capital cost projections at that time, but I wanted to share with you an outlook as we know it today. Accordingly, unless given notice otherwise, these rate adjustments will be effective in their respective years on July 1.

Please free to call me at 803-448-9823 (mobile) should you have any questions.

Sincerely,



James G. Bagley, Jr., P.E.
Deputy City Manager

Cc: David Vehaun

Mark Kettlewell