



## Filing Receipt

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## **Staff Questions 2-1 and 2-2**

Respondent: Travis Treadway General Manager of Concord Robbins WSC.

**Staff Question 2-1: Concord's projected capital purchases exceed Concord's current cash, net income, and 5-year projected net income combined. How will Concord finance these purchases?**

The answers and 5-year projections I provided in staff questions 1-1 and 1-2 were only in regards to the existing Southeast Water System. Both questions named the Southeast system so I did not include the current Concord Robbins WSC system in those projections.

I am providing a Projected Cash Flow and Capital Expenditures sheet attached to these answers. These projections are only for Southeast WSC current system and Southeast WSC cash balances. For this projection I used the highest dollar projection for each project. We will be reviewing our cash flow and capital expenditures plan yearly and largely base our rate cuts off of those numbers. We do not plan to acquire anymore outside debt to finance these capital expenditures. We believe we can balance our rate cuts and capital expenditures to cover all cost.

According to my calculations, 2024 is the only year that we could fall into a negative balance. This will be in consideration as we look at rate cuts in 2023 and 2024. Also, we may delay another project by one year to cover the cost. We must also keep in mind that it is not certain that we will need to do the well project that year for \$250,000.

**Staff Question 2-2: If Concord intends to finance the aforementioned purchases with debt, Concord must submit documentation from its respective bank confirming that the bank has made or will make such funds available to Concord (e.g., a line of credit or a loan).**

NA. We do not plan to finance with debt.

## Projected Cash Flow and Capital Expenditures

8/20/2022 Cash Reserve Balance					\$	601,053
2022 Capital Expenditures						
	WHR/CR 114 phase I	\$	28,000			
	Deerfield/FM 977 phase I	\$	42,000			
	CR 204	\$	10,000			
	Well 4 Replacement	\$	<u>100,000</u>			
Total Expenditures		\$		180,000		
2022 Projected Cash Flow		\$		<u>200,000</u>		
1/1/2023 Cash Reserve Balance					\$	621,053
2023 Capital Expenditures						
	WHR/CR 114 phase II	\$	215,000			
	Meter Replacement	\$	153,000			
	Truck Replacement	\$	45,000			
	GIS/Hydraulic Study	\$	<u>30,000</u>			
Total Expenditures		\$		443,000		
2023 Projected Cash Flow						
	Net income (loss)	\$	65,000	to	\$	198,600
	Non Cash Exp.	\$	300,000		\$	300,000
	Principal Loan Pmt.	\$	<u>(187,972)</u>		\$	<u>(187,972)</u>
Total 2023 Projected Cash Flow					\$	<u>\$177,028 to \$310,628</u>
1/1/2024 Cash Reserve Balance						\$355,081 to \$488,681
2024 Capital Expenditures						
	WHR/CR 114 phase III	\$	190,000			
	Deerfield/FM 977 phase II	\$	71,000			
	TLR Development Well	\$	<u>250,000</u>			
Total Expenditures		\$		511,000		
2024 Projected Cash Flow						
	Net income (loss)	\$	(25,400)	to	\$	171,200
	Non Cash Exp.	\$	300,000		\$	300,000
	Principal Loan Pmt.	\$	<u>(194,711)</u>		\$	<u>(194,711)</u>
Total 2024 Projected Cash Flow					\$	<u>\$79,889 to \$276,489</u>
1/1/2025 Cash Reserve Balance						(\$76,030) to \$254,170
2025 Capital Expenditures						
	Based off of Hydraulic study			Unknown		
Total Expenditures				Unknown		
2025 Projected Cash Flow						
	Net income (loss)	\$	(1,500)	to	\$	210,100
	Non Cash Exp.	\$	302,000		\$	302,000
	Principal Loan Pmt.	\$	<u>(202,581)</u>		\$	<u>(202,581)</u>
Total 2025 Projected Cash Flow					\$	<u>\$97,919 to \$309,519</u>
1/1/2026 Cash Reserve Balance						\$21,889 to \$563,689
2026 Capital Expenditures						
	Based off of Hydraulic study			Unknown		
Total Expenditures				Unknown		
2026 Projected Cash Flow						
	Net income (loss)	\$	(66,750)	to	\$	191,650
	Non Cash Exp.	\$	304,000		\$	304,000
	Principal Loan Pmt.	\$	<u>(210,342)</u>		\$	<u>(210,342)</u>
Total 2026 Projected Cash Flow					\$	<u>\$26,908 to \$285,308</u>
1/1/2027 Cash Reserve Balance						\$48,797 to \$848,997
2027 Capital Expenditures						
	Based off of Hydraulic study			Unknown		
Total Expenditures				Unknown		
2027 Projected Cash Flow						
	Net income (loss)	\$	(74,700)	to	\$	188,500
	Non Cash Exp.	\$	305,000		\$	305,000
	Principal Loan Pmt.	\$	<u>(220,000)</u>		\$	<u>(220,000)</u>
Total 2027 Projected Cash Flow					\$	<u>\$10,300 to \$273,500</u>
1/1/2028 Cash Reserve Balance						\$59,097 to \$1,122,497