Carollo Engineers offers many financial related services for water, wastewater, and storm water agencies. Whether your agency is looking for a revenue program analysis, rate and fee study, cost allocation, project financing, or general financial planning services, Carollo has the experience and expertise to meet your needs.

**Revenue Programs**

Revenue programs formally document revenues, expenditures, and user charges. These programs evaluate sources of revenue for operational, maintenance, replacement, and debt service costs that satisfy federal, state, and local requirements or policy objectives.

Some of the components of a formal revenue program include a cash flow analysis, future rates and fees, a defined capital improvement plan (CIP), appropriate reserve levels, and future project financing methods. A detailed cash flow analysis is an essential planning tool. Carollo integrates the financial and engineering disciplines, giving us a distinct advantage in helping your agency plan for its capital and operational needs. We can develop revenue requirement forecasts designed to meet a variety cash flow, earnings, and bond coverage objectives.

We recognize that not all agencies or projects will warrant the same level of effort. We also recognize that not every agency will require a detailed revenue program. Carollo has developed programs for agencies of all sizes and can tailor our analyses to the specific needs of the community, incorporating only necessary study components.

**Rate Development Studies**

A utility must set rates not only recover revenue needs, but to equitably distribute costs among its customers. Industry standards, as well as statutory and case law guidelines, provide flexibility in establishing rates. Adopted rate structures should reflect both policy objectives and community values. Carollo’s engineering perspective allows us to provide our clients with detailed cost allocations based on the functional design of the utility system. This approach ultimately provides equity and defensibility.

**Reserve Level Sufficiency Studies**

Reserve targets must be established to meet various working capital safeguards, policy objectives, and legal obligations. Carollo will review your agency’s reserves in light of these requirements and recommend changes as necessary. We will help your agency set minimum reserve levels, establish or consolidate funds, and define spending procedures. Our revenue sufficiency studies incorporate these reserve targets and procedures, ensuring that your agency’s operational and capital programs are legally defensible and poised to meet current and future needs.

**Capital Improvement Plan Development**

Carollo can help determine the best future CIP for your agency. Carollo has developed award-winning strategic master plans, as well as the financing strategies required to implement them. Integrating master planning and CIP needs with financial analyses is crucial to developing the appropriate funding levels.

**Capital Project Financing**

There are many funding options available to agencies to meet capital improvement needs, including grants, state revolving funds (SRFs), bonds, private-public partnerships, and user and connection fees. We can guide you through the funding process and help you define the right capital funding strategy to achieve your financial and policy objectives. Carollo can also serve as the conduit for funding procurement, relieving you from the stress and burden of securing funding.

**Connection Fee Analysis**

Connection fees, often referred to as capital facilities or system development charges, provide growing municipalities with a mechanism for recovering capacity-related capital costs. Connection fees ensure that...
new development pays its fair and equitable share of the costs for water, wastewater, and storm water systems. As is appropriate for many communities, legal parameters permit municipalities to recover connection fees on an equivalent dwelling unit basis. Using a more detailed cost allocation approach, Carollo can also tailor your connection fees to reflect the individual demands of your utility’s various user groups. Such an approach is often warranted in communities with large industrial users or stakeholder groups placing unique demands on the utility system.

**Financial Planning Tool**

Carollo’s Financial Planning Tool (FPT) is a standalone financial model that allows users to quickly update user rates, fees, and financing needs. Once configured, the FPT is a user-friendly, spreadsheet-based model that automatically calculates future user rates, fees, and financing requirements based upon adjustments to the financial plan of an agency. The FPT allows users to update changes in customer information, reserve account balances, timing, and the costs of CIPs, reserve levels, and cash flows. The program uses recursive algorithms to optimize future funding options, minimizing long term expenditures, rates, and fees while adhering to agency-defined financial and policy requirements. The FPT can also be integrated with Carollo’s Master Plan Manager and Water/Wastewater Asset Manager, or as other financial services that Carollo offers.

The Financial Planning Tool projects future revenues, expenses, and debt service to meet an agency’s financial needs.