



City of Cape Coral

FY 2011 Utility Revenue Sufficiency Analysis

Water, Sewer & Irrigation Rate Study

Final Report

September 10, 2011

Prepared by:

BURTON & ASSOCIATES

UTILITY RATES ■ ASSESSMENTS ■ FINANCIAL PLANNING

September 10, 2011

Ms. Sheena Milliken
Management/Budget Administrator
City of Cape Coral
PO Box 150027
Cape Coral, FL 33915-0027

Re: FY 2011 Utility Revenue Sufficiency Analysis – Final Report

Dear Ms. Milliken:

Burton & Associates is pleased to present this Final Report of the FY 2011 Utility Revenue Sufficiency Analysis that we have performed for the City's Water, Sewer, and Irrigation Utility Systems.

We appreciate the fine assistance provided by you and all of the members of City staff who participated in the analysis.

If you have any questions, please do not hesitate to call me at (904) 247-0787.

Sincerely,



Andrew J. Burnham
Senior Vice President

Enclosure

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS
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SECTION 1. INTRODUCTION

Burton & Associates has conducted a comprehensive Utility Revenue Sufficiency Analysis (RSA) for the City of Cape Coral Water, Sewer, and Irrigation Utility Systems (Utility). This report describes in detail the assumptions, procedures, results, as well as the conclusions and recommendations of the RSA.

1.1 BACKGROUND & OBJECTIVES

Historically, Burton & Associates has prepared an annual RSA for the Utility that measures the sufficiency of its revenues to meet all current and projected financial requirements over a multi-year projection period and determines the level of rate revenue increases necessary in each year to provide sufficient revenues to fund all of the Utility's requirements, including operating expenses, capital costs, and debt service requirements.

In 2006, the City adopted and implemented a four-year rate adjustment program based on the continuation of its Utility Expansion Program (UEP). Subsequent to the adoption of that program, Burton & Associates performed a RSA in May 2008 which provided several scenarios, ranging from continuing the UEP program for water and sewer, to water only, and to ceasing the program altogether. Recommended changes to the rate adjustment plan from that analysis were not implemented.

For the fiscal year ending September 30, 2008, the City did not meet its rate covenant as required by the bond documents for the existing water & sewer revenue bonds. The rate covenant requires that the net revenue of the water and sewer system be at least equal to annual debt service requirements (i.e. a minimum ratio of net revenue to debt service of 1.0), however, the net revenues for FYE 2008 were actually less than the annual debt service (the ratio of net revenue to debt service was only .88). Since that time, City staff has implemented measures to help ensure that the required coverage will be met, such as monitoring net revenues on a monthly basis and continually updating the net revenue forecast through the end of each fiscal year.

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Pursuant to the City’s rate covenant for its water and sewer revenue bonds, when the City fails to maintain adequate net revenue it is required to engage a rate consultant to update water and sewer rates to ensure adequate net revenue in the future for operations, maintenance, and debt service expenses. As such, the City re-engaged Burton & Associates to perform a RSA that was completed in March of 2009 (hereafter referred to as the “2009 Rate Study”).

The 2009 Rate Study reflected the most current available capital and operating plans, assumptions and cost escalation factors based upon then-current and expected market conditions, and the City Council’s decision to discontinue the UEP program entirely. As a result of the 2009 Rate Study, the City approved a five-year plan of rate adjustments as identified in the table below (of which only the FY 2010 adjustment was implemented):

| APPROVED RATE ADJ. | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|------------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Water | 30.00% | 15.00% | 15.00% | 15.00% | 3.50% |
| Sewer | 30.00% | 15.00% | 15.00% | 15.00% | 3.50% |
| Irrigation | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Avg. Res. Bill (5,000 GAL) | \$97.87 | \$111.13 | \$126.37 | \$143.91 | \$148.61 |
| Monthly Bill Increase / Yr. | \$20.39 | \$13.26 | \$15.24 | \$17.53 | \$4.70 |

Upon completion of the 2009 Rate Study, the City Council requested that City Staff provide options for consideration that would achieve the goal of reducing the remaining plan of approved rate adjustments. As such, the City again engaged Burton & Associates to perform a RSA in FY 2010 (hereafter referred to as the “2010 Rate Study”) to update to the 2009 Rate Study based upon current data and economic assumptions in order to 1) evaluate the adequacy of the remaining rate adjustments to provide sufficient annual revenues to meet the updated cost requirements of the Utility without resuming the UEP program, and 2) identify the annual rate adjustments associated with alternative options

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developed by City staff, legal counsel, as well as the City’s rate consultants and financial advisor (collectively called the “Working Group”) intended to reduce the plan of approved rate adjustments.

The 2010 Rate Study reflected the most current available capital and operating plans (which included the implementation of certain operating and capital cost savings and efficiency measures), assumptions and cost escalation factors based upon then-current and expected market conditions, and the City Council’s decision to discontinue the UEP program entirely. As a result of the 2010 Rate Study, the City approved a revised five-year plan of rate adjustments as identified in the table below (of which only the FY 2011 adjustment has been implemented to date):

| APPROVED RATE ADJ. | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Water | 8.00% | 8.00% | 8.00% | 3.50% | 3.50% |
| Sewer | 8.00% | 8.00% | 8.00% | 5.50% | 3.50% |
| Irrigation | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Avg. Res. Bill (5,000 GAL) | \$104.97 | \$112.61 | \$120.84 | \$124.75 | \$128.75 |
| Monthly Bill Increase / Yr. | \$7.10 | \$7.64 | \$8.23 | \$3.91 | \$4.00 |

Upon completion of the 2010 Rate Study, City Staff has continued to implement cost reduction and efficiency measures and explore the alternative options presented in the 2010 Rate Study to achieve the goal of reducing the near-term plan of rate adjustments. As such, the City has again engaged Burton & Associates to perform a RSA in FY 2011 to update to the 2010 Rate Study based upon current data and economic assumptions to 1) evaluate the level of the approved rate adjustments in light of the updated cost requirements of the Utility without resuming the UEP program, and 2) identify the annual rate adjustments associated with the alternative options developed by the Working Group as part of the 2010 Rate Study.

SECTION 2. BASIS & ASSUMPTIONS OF ANALYSIS

The RSA first identified the level of annual water, sewer, and irrigation revenue (and rate adjustments) required over a near-term planning period (FY 2012 – FY 2016) and long-term projection period (FY 2012 – FY 2021) to meet all of the Utility’s updated financial requirements assuming that the UEP is not resumed in any form. Next the RSA identified the level of annual required revenue (and rate adjustments) for each of the rate adjustment reduction options as presented by the Working Group to City Council at its May 19, 2010 Committee of the Whole Meeting¹. The following sub-sections present the basis and assumptions of the RSA, while the remaining sections of the report present the results of the RSA as well as our conclusions and recommendations.

2.1 BASIS

The RSA was performed using both historical and projected information. Historical financial information for FY 2010 was provided by City staff in order to establish the beginning FY 2011 balances for each of the various funds for the Utility. It is important to note that funds reserved or encumbered for specific capital projects were included in the beginning fund balances available for capital projects in FY 2011 and the associated capital project costs were included in the capital improvement plan in FY 2011.

The revenue utilized in the RSA consists of retail rate revenue, interest earnings, impact and betterment fee revenue, and other minor revenue from miscellaneous service charges. Future rate revenue is based upon estimated FY 2011 results (which reflect 9 months of actual data extrapolated for the full fiscal year), adjusted annually to reflect additional revenue from assumed rate increases and customer growth. All other non-rate revenues reflect estimated FY 2011 results (which reflect 9 months of actual data extrapolated for the full fiscal year). The future projections of all other non-rate revenues were based

¹ The May 14, 2010 City staff memorandum includes the Funding Alternatives Report (May, 2010) prepared by the Working Group that contains the options presented to the City Council.

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upon the FY 2012 Proposed Budget, excluding water and sewer impact and betterment fee revenue (which was calculated annually based upon the projected number of new connections) and interest earnings (which were calculated annually based upon projected average fund balances and assumed interest rates).

The operating expenditure requirements (inclusive of all operating and maintenance expenses, debt service requirements, inter-fund transfers, and minor capital outlay requirements) for FY 2011 are based upon estimated results (which reflect 9 months of actual data extrapolated for the full fiscal year), while FY 2012 reflects the FY 2012 Proposed Budget. After FY 2012, operating expenditure requirements were projected based upon prior year amounts adjusted for assumed cost escalation factors for individual expense categories, excluding debt service (which reflects the identified annual repayment schedules for each financing). The capital improvement program utilized in the RSA was provided by City staff and is presented in project-level detail by year in Appendix A.

2.2 ASSUMPTIONS

The following presents the assumptions, base data, and parameters utilized in the RSA:

2.2.1 Adjustments to Revenues & Expenditures

The following adjustments were made to the projections of future revenue and expenditures described in the preceding sub-section. All adjustments extend through the remainder of the projection period (unless otherwise noted) and are adjusted annually based upon the appropriate growth, rate adjustment, or cost escalation factors.

- Bio-Solids partnership operating expense savings: (\$750,000) in FY 2012
- One-time proceeds from the sale of bio-solids equipment: \$3,700,000 in FY 2012
- One-time Lee County Impact Fee Reimbursement for North Del Prado Water Main Extension: \$1,872,017 in FY 2011
- One-time workers compensation adjustment: (\$211,113) in FY 2012
- Incremental O&M from ASR Wells: \$200,000 in FY 2016

2.2.2 Cost Escalation

Annual cost escalation factors for the various types of operating and maintenance (O&M) expenses were discussed with City staff and applied in each year of the projection period beginning in FY 2013. These specific factors can be seen on Schedule 1 included in Appendix A of this report and are based upon City staff and management input, recent history, industry trends, and current known and measurable factors/circumstances.

2.2.3 Growth

Forecasted new water, sewer, and irrigation connections were provided by City staff. Prior to the 2009 Rate Study, the City had more robust growth projections that reflected the continuation of the UEP program, large meter connections for commercial construction (meter size equates to number of units), and new construction in areas currently served by water and sewer. However, given City Council's decision to discontinue the UEP and the current economic conditions resulting in a significant drop off in construction, historical forecasts of annual units connecting to the Utility have not and will not be met. As such, this RSA (as with the 2009 and 2010 Rate Studies) reflects very modest future annual growth rates ranging from less than 0.5% in FY 2012 to approximately 1% by FY 2016 to slightly less than 1.5% by FY 2021. The specific annual growth units assumed in the RSA can be seen on Schedule 1 of Appendix A of this report. It is important to note that the annual growth in the irrigation system is assumed to be at 80% of the forecasted growth for the water system. It is also important to note that City staff provided growth schedules that were used in evaluating the UEP options as prepared and presented by the Working Group.

2.2.4 Price Elasticity

This adjustment is incorporated into the RSA to reflect that as rates increase, discretionary water consumption will likely decline. Therefore, in order to generate sufficient revenue, projected rate increases will have to be adjusted to reflect a smaller revenue base to which they will be applied, thus causing the projected rate increases to be larger. The price elasticity adjustment reduces the discretionary portion of consumption-based revenues by the product of the annual rate increase and the annual assumed elasticity coefficient. In each year of the projection period, the price elasticity coefficient

assumed is 0.15, which means that for every 10% increase in price, the RSA reflects a 1.5% reduction in water, sewer, and irrigation consumption-based revenues.

2.2.5 Interest Earnings on Invested Funds

It is assumed interest earnings on invested funds would be 0.5% in FY 2011, 1.0% in FY 2012, 1.5% in FY 2013, 2.0% in FY 2014, and 2.5% in FY 2015 and each subsequent year of the projection period.

2.2.6 Irrigation Rate Adjustments

The RSA does not reflect any adjustments to irrigation rates during the projection period.

2.2.7 Impact Fees

The projections of impact fee revenues are based upon the annual number of additional equivalent residential units added to the water, sewer, and irrigation systems respectively each year and the current approved impact fees. It is important to note that it is assumed that 100% of projected new connections provide cash impact fees and that 100% of State Revolving Fund (SRF) Loan debt service can be paid for with sewer impact fee revenue.

2.2.8 Capital Improvement Program

The capital improvement program (CIP) prepared by City staff from FY 2011 through FY 2021 is included in the RSA by project. In the last four years of the projection period, additional unspecified capital improvement cost allowances were made to supplement the CIP as provided by City staff. It is important to note that City staff also confirmed the capital costs associated with resuming the UEP in the North 1-8 and SW 6/7 expansion areas that were used in the preparation of the UEP options by the Working Group.

2.2.9 Plan of Finance

The RSA reflects the final pricing for the Series 2011 Bonds that were issued for a par amount of \$175 million² with an average true interest cost of 4.93%. This bond, plus other sources of funds, refunded the Series 2009 Bond Anticipation Note and refinanced

² Debt schedule provided by the City's financial advisor, RBC Capital Markets.

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\$99.2 million of outstanding commercial paper. Furthermore, an additional \$110.1 million bond^{2,3} (including \$2.3 million of costs of issuance) at an assumed 6% interest rate will be issued in FY 2012 to refinance the remaining \$107.4 million of outstanding commercial paper for the plant expansions and certain other CIP projects. This timing of debt issues and use of commercial paper is consistent with the 2009 and 2010 Rate Studies and serves to levelize annual rate adjustments over the next two years.

2.2.10 Borrowing Assumptions

The interim financing and any other additional long-term borrowing requirements after FY 2012 are assumed to carry the following terms per discussions with the City's financial advisor:

Long-Term Debt (Revenue Bonds):

- Term: 30 Years
- Interest Rate: 6.00% in each year of the projection period
- Cost of Issuance: 2.00% of Par
- Debt Service Reserve: Equal to 1 year of annual debt service expense

Interim Financing (Commercial Paper):

- Payments: Interest only payments until taken out with proceeds of long-term debt (revenue bonds)
- Interest Rate: 3.0%⁴ in each year of the projection period

³ At the end of FY 2010, the Utility portion of the outstanding commercial paper was \$203.6 million; however, \$3.0 million was added to the line of credit for CIP funding in FY 2011. As the Series 2011 Bonds refinanced \$99.2 million of commercial paper, the remaining amount of 107.4 million, plus an additional \$0.4 million for CIP funding in FY 2012, represents the total proceeds of the Series 2012 Bonds.

⁴ Rate provided by City's financial advisor and is grossed up to reflect the anticipated annual costs to maintain availability of commercial paper.

2.2.11 Debt Service and Coverage

The debt service coverage test in the Utility’s outstanding bond covenants is that net income must be at least 1.00 times annual debt service and that net income plus impact fee revenue must be at least 1.20 times annual debt service. The coverage test for the Utility’s SRF loans is that net income after senior lien debt service plus impact fee revenue must be at least 1.15 times annual SRF debt service.

It is important to note that these coverage requirements are minimum requirements. To the extent that a utility is unable to meet these requirements (as the City did in FY 2008), it could be found in technical default and would potentially have its credit rating downgraded, which would affect the interest rates and terms of future financing initiatives. As a policy decision, utilities often measure revenue sufficiency and set rates based upon a higher coverage level so as to ensure compliance with these covenants in the event future projections of revenue and expenses do not occur as predicted. As such, the RSA reflects a near-term (FY 2012 – FY 2016) debt service coverage ratio target of 1.25 (instead of the required 1.00 for net revenues excluding impact fees), which is considered “Adequate” for utility systems by one of the major municipal water and sewer utility credit rating agencies⁵. In the long-term, the RSA endeavors to achieve a debt service coverage ratio of 1.50, which is considered “Good” for utility systems by one of the major municipal water and sewer utility credit rating agencies⁵.

2.2.12 Minimum Operating Reserve

The RSA targets a minimum operating reserve equal to 3-months of operating and maintenance expenses. The level of operating reserve is within the typical industry range in Florida and is consistent with the prudent amount as identified by a recent analysis conducted by the Rates and Charges Sub-committee of the American Water Works Association (AWWA). Based upon our industry experience, water and sewer utilities will generally target a minimum working capital reserve, or operating reserve, in the range of 2 – 6 months of operating and maintenance expenses. This range is consistent

⁵ Per the published ratings criteria for water and sewer utility of Standard & Poor’s (September 2008).

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with the results of the recent analysis performed by the Rates and Charges Subcommittee of the AWWA, which concluded that adequate working capital reserves for water and sewer utility systems should be at least equal to 2 months of operating and maintenance expenses. Moreover, this amount is considered "Good" for utility systems by one of the major municipal water and sewer utility credit rating agencies⁵.

SECTION 3. RESULTS

As mentioned previously, the RSA first identified the level of annual water, sewer, and irrigation revenue (and rate adjustments) required over a near-term planning period (FY 2012 – FY 2016) and long-term projection period (FY 2012 – FY 2021) to meet all of the Utility’s updated financial requirements assuming that the UEP is not resumed. The RSA then identified the level of annual required revenue (and rate adjustments) for each of the rate adjustment reduction options developed by the Working Group and presented to City Council at its May 19, 2010 Committee of the Whole Meeting⁶.

3.1 NO UEP

Similar to the 2009 and 2010 Rate Studies, this financial management plan continues to reflect the City Council’s decision to discontinue the UEP program indefinitely and reflects the most current assumptions and cost data available today, such as very modest projections of new connections within the City’s existing utility service area, an updated CIP, and current operating expense estimates and proposed budgets.

In comparing the current assumptions and cost data for this RSA to the projections from the 2010 Rate Study, the most significant change is the updated level of operating expense requirements for the Utility. City staff has continued to implement significant operating cost cutting initiatives, particularly at the water production and wastewater treatment facilities, that have resulted in personal service and operating and maintenance expenses being almost \$7 million less in FY 2011 and \$5 million less in FY 2012 and each year thereafter than what was included in the 2010 Rate Study. Moreover, the exploration of alternative bio-solids partnerships and processes has resulted in a significant amount of capital cost avoidance and contributed to the operating cost reductions.

⁶ Per the May 14, 2010 City staff memorandum that includes the Funding Alternatives Report (May, 2010) prepared by the Working Group.

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Given that other key data points, such as revenues and capital expenditure requirements (notwithstanding the aforementioned bio-solids facility cost avoidance), are very comparable to the 2010 Rate Study, these operating cost reductions have a significant impact of the level of rate adjustment requirements of the Utility. The table below identifies the updated plan of multi-year rate adjustments that are necessary to provide sufficient revenue over the next five-year planning period to cover annual operating, maintenance, and capital costs while maintaining targeted reserve and debt service coverage levels. The rate adjustments in FY 2012 and FY 2013 are over 30% lower in each year than the previously approved annual rate adjustments for that same time period as identified in the 2010 Rate Study.

| UPDATED RATE ADJ. | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Water | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% |
| Sewer | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% |
| Irrigation | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Avg. Res. Bill (5,000 GAL) | \$110.22 | \$115.78 | \$119.52 | \$123.41 | \$127.39 |
| Monthly Bill Increase / Yr. | \$5.25 | \$5.56 | \$3.74 | \$3.89 | \$3.98 |

It is important to note that beginning in FY 2017, 2.50% annual rate adjustments for the remainder of the projection period would provide sufficient revenues to meet increases in operating costs, fund estimated future capital improvement requirements, maintain reserves, and meet targeted debt service coverage levels. Appendix A to this report includes detailed supporting schedules for the financial management plan reflecting the plan of annual rate adjustments identified in the table above and 2.50% annual rate adjustments thereafter for the remainder of the projection period.

3.2 ALTERNATIVE OPTIONS OF WORKING GROUP

The following sub-sections present brief descriptions of the alternative options developed by the Working Group as contained in the May, 2010 Funding Alternatives Report that was attached to the City Staff memorandum dated May, 14, 2010 and presented to City Council at its May 19, 2010 Committee of the Whole Meeting. Appendix B to this report includes summary schedules of the financial management plan for each respective option based upon the updated data and assumptions of the RSA as presented herein.

It is important to note that the RSA focuses solely on the impact of the options to future utility rate adjustment requirements based upon the parameters and assumptions contained in the Funding Alternative Report for each option and does not attempt to quantify the comprehensive impacts of each option to ratepayers or non-ratepayers.

3.2.1 Public Service Tax (Option 2)

This option involves the imposition of a city-wide public service tax on certain utilities pursuant to Section 166.231, Florida Statutes. Based upon a 10% public services tax on electric and natural gas utilities, it is estimated that the tax would generate an annual revenue stream of about \$11,000,000 per year. This revenue stream would effectively remove \$150 million of long-term borrowing requirements from utility rates. As indicated previously, the current plan of finance for the Utility includes the Series 2011 Bonds (\$175 million) and the Series 2012 Bonds (\$110 million). Removing \$150 million of this future debt from the financial management plan for the Utility would result in the plan of rate adjustments identified in the following table.

| PUBLIC SERVICE TAX | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Water | 0.00% | -6.50% | 0.00% | 3.50% | 3.50% |
| Sewer | 0.00% | -6.50% | 0.00% | 3.50% | 3.50% |
| Irrigation | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

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| | | | | | |
|------------------------------------|-----------------|-----------------|----------------|-----------------|-----------------|
| Avg. Res. Bill (5,000 GAL) | \$104.97 | \$98.81 | \$98.81 | \$101.93 | \$105.13 |
| Monthly Bill Increase / Yr. | \$0.00 | (\$6.16) | \$0.00 | \$3.12 | \$3.20 |

Schedule 1 of Appendix B presents a summary of the financial management plan for this option, including key assumptions, annual rate adjustments, debt service coverage levels, operating reserves, capital improvement spending, and Utility borrowing requirements.

3.2.2 Capital Facility Expansion Charge: Prior Expansion Areas (Option 3A)

This option involves imposing a special assessment against properties not currently connected to, but that are abutting, existing utility lines for the purpose of paying for a portion of the costs associated with the construction and expansion of the City’s water and sewer plant facilities and reserving capacity in such facilities. Based upon the properties in these areas (i.e. the infill in the prior utility expansion plan areas), the services available in these areas, and an assumed assessment comparable to the Utility’s current impact fees for the services available would effectively allow for the removal of \$91 million of long-term borrowing requirements from utility rates. Removing \$91 million of long-term debt from the financial management plan for the Utility would result in the plan of rate adjustments identified in the table below.

| CFEC: Prior UEP Areas | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Water | 0.00% | 0.00% | 0.00% | 3.50% | 3.50% |
| Sewer | 0.00% | 0.00% | 0.00% | 3.50% | 3.50% |
| Irrigation | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Avg. Res. Bill (5,000 GAL) | \$104.97 | \$104.97 | \$104.97 | \$108.31 | \$111.75 |
| Monthly Bill Increase / Yr. | \$0.00 | \$0.00 | \$0.00 | \$3.34 | \$3.44 |

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Schedule 2 of Appendix B presents a summary of the financial management plan for this option, including key assumptions, annual rate adjustments, debt service coverage levels, operating reserves, capital improvement spending, and Utility borrowing requirements.

3.2.3 Capital Facility Expansion Charge: New Expansion Areas (Option 3B)

This option involves imposing a special assessment against properties not currently connected to the Utility for the purpose of paying for a portion of the costs associated with the construction and expansion of the City’s water and sewer plant facilities and reserving capacity in such facilities. Specifically, the properties subject to this assessment would be the properties in the North 1-8 and Southwest 6/7 expansion areas. Based upon the properties in these areas, the planned utility services for those areas (water only in North 1-8, and all services in Southwest 6/7), and an assumed assessment comparable to the Utility’s current impact fees for the planned services would effectively allow for the removal of \$214 million of long-term borrowing requirements from utility rates. Removing \$214 million of long-term debt from the financial management plan for the Utility would result in the plan of rate adjustments identified in the table below.

| CFEC: New UEP Areas | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|------------------------------------|-----------------|------------------|----------------|----------------|----------------|
| Water | 0.00% | -14.00% | 0.00% | 3.50% | 3.50% |
| Sewer | 0.00% | -14.00% | 0.00% | 3.50% | 3.50% |
| Irrigation | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Avg. Res. Bill (5,000 GAL) | \$104.97 | \$91.59 | \$91.59 | \$94.46 | \$97.42 |
| Monthly Bill Increase / Yr. | \$0.00 | (\$13.38) | \$0.00 | \$2.87 | \$2.96 |

Schedule 3 of Appendix B presents a summary of the financial management plan for this option, including key assumptions, annual rate adjustments, debt service coverage levels, operating reserves, capital improvement spending, and Utility borrowing requirements.

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3.2.4 Resume UEP: SW 6/7 Only (Option 4A)

This option involves resuming the UEP for the Southwest 6/7 areas for all utility services (water, sewer, and irrigation) and includes the imposition of capital facility expansion charges to all properties in these areas for the purpose of paying for a portion of the costs associated with the construction and expansion of the City’s water and sewer plant facilities and reserving capacity in such facilities. City staff provided the additional capital costs necessary to serve these areas as well as a schedule of projected service connections (with the first connections projected to be in service mid FY 2013). Based upon the properties in these areas, planned utility services, schedule of projected service connections, and an assumed assessment comparable to the Utility’s current impact fees for the services that would be available, the Utility would require the plan of annual rate adjustments identified in the table below.

| Resume UEP: SW 6/7 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Water | 0.00% | 5.50% | 0.00% | 3.50% | 3.50% |
| Sewer | 0.00% | 5.50% | 0.00% | 3.50% | 3.50% |
| Irrigation | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Avg. Res. Bill (5,000 GAL) | \$104.97 | \$110.22 | \$110.22 | \$113.73 | \$117.39 |
| Monthly Bill Increase / Yr. | \$0.00 | \$5.25 | \$0.00 | \$3.51 | \$3.66 |

Schedule 4 of Appendix B presents a summary of the financial management plan for this option, including key assumptions, annual rate adjustments, debt service coverage levels, operating reserves, capital improvement spending, and Utility borrowing requirements.

3.2.5 Resume UEP: North 1-8 Only (Option 4B)

This option involves resuming the UEP for the North 1-8 areas for water service only and includes the imposition of capital facility expansion charges to all properties in these

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areas for the purpose of paying for a portion of the costs associated with the construction and expansion of the City’s water plant facilities and reserving capacity in such facilities. City staff provided the additional capital costs necessary to serve these areas as well as a schedule of projected service connections (with the first connections projected to be in service mid FY 2013). Based upon the properties in these areas, planned utility services, schedule of projected service connections, and an assumed assessment comparable to the Utility’s current impact fee for water service, the Utility would require the plan of annual rate adjustments identified in the table below.

| Resume UEP: North 1-8 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|------------------------------------|-----------------|------------------|----------------|----------------|-----------------|
| Water | 0.00% | -11.50% | 0.00% | 3.50% | 3.50% |
| Sewer | 0.00% | -11.50% | 0.00% | 3.50% | 3.50% |
| Irrigation | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Avg. Res. Bill (5,000 GAL) | \$104.97 | \$93.98 | \$93.98 | \$96.93 | \$100.02 |
| Monthly Bill Increase / Yr. | \$0.00 | (\$10.99) | \$0.00 | \$2.95 | \$3.09 |

Schedule 5 of Appendix B presents a summary of the financial management plan for this option, including key assumptions, annual rate adjustments, debt service coverage levels, operating reserves, capital improvement spending, and Utility borrowing requirements.

3.2.6 Resume UEP: SW 6/7 & N 1-8 (Option 4C)

This option involves resuming the UEP for the Southwest 6/7 (all utility services) and North 1-8 areas (water service only) and includes the imposition of capital facility expansion charges to all properties in these areas for the purpose of paying for a portion of the costs associated with the construction and expansion of the City’s water (all areas) and sewer (SW 6/7 only) plant facilities and reserving capacity in such facilities. City staff provided the additional capital costs necessary to serve these areas as well as a

**FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS
RESULTS**

schedule of projected service connections (with the first connections projected to be in service mid FY 2013). Based upon the properties in these areas, planned utility services, schedule of projected service connections, and an assumed assessment comparable to the Utility’s current impact fee for the utility services available, the Utility would require the plan of annual rate adjustments identified in the table below.

| Resume UEP: SW 6/7 & N 1-8 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|---|-----------------|------------------|----------------|----------------|----------------|
| Water | 0.00% | -16.50% | 0.00% | 3.50% | 3.50% |
| Sewer | 0.00% | -16.50% | 0.00% | 3.50% | 3.50% |
| Irrigation | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Avg. Res. Bill (5,000 GAL) | \$104.97 | \$89.20 | \$89.20 | \$91.99 | \$94.87 |
| Monthly Bill Increase / Yr. | \$0.00 | (\$15.77) | \$0.00 | \$2.79 | \$2.88 |

Schedule 6 of Appendix B presents a summary of the financial management plan for this option, including key assumptions, annual rate adjustments, debt service coverage levels, operating reserves, capital improvement spending, and Utility borrowing requirements.

3.2.7 General Obligation Bonds (Option 5)

This option involves obtaining voter approval to issue general obligation bonds (payable from ad valorem taxes) that would remove the total amount of new long-term borrowing requirements from utility rates identified in the current plan of finance for the Utility. This option would remove \$285 million of current and future debt from the financial management plan for the Utility and result in the plan of rate adjustments identified in the table on the following page.

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS
RESULTS

| GO Bonds | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|------------------------------------|-----------------|------------------|----------------|----------------|----------------|
| Water | 0.00% | -21.50% | 0.00% | 3.50% | 3.50% |
| Sewer | 0.00% | -21.50% | 0.00% | 3.50% | 3.50% |
| Irrigation | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Avg. Res. Bill (5,000 GAL) | \$104.97 | \$84.42 | \$84.42 | \$87.05 | \$89.77 |
| Monthly Bill Increase / Yr. | \$0.00 | (\$20.55) | \$0.00 | \$2.63 | \$2.72 |

Schedule 7 of Appendix B presents a summary of the financial management plan for this option, including key assumptions, annual rate adjustments, debt service coverage levels, operating reserves, capital improvement spending, and Utility borrowing requirements.

SECTION 4. CONCLUSIONS & RECOMMENDATIONS

This section of the report presents the conclusions and recommendations of the RSA.

4.1 CONCLUSIONS

Based upon the analysis presented herein and the results presented in the prior subsection, we have reached the following conclusions:

- Given the operating expenditure cost cutting initiatives undertaken by City staff, the current plan of adopted 8.00% water and sewer rate increases for FY 2012 and FY 2013 can be reduced to 5.50% in each of those respective years, followed by annual 3.50% water and sewer rate increases through FY 2016.

This plan of rate increases would allow the Utility to meet its ongoing operating and capital expenditure requirements and achieve targeted reserve and debt service coverage levels for good utility systems as measured by municipal utility rating agencies and consistent with industry practice.

- The current plan of finance with the issuance of revenue bonds in FY 2011 and FY 2012 will continue to allow the Utility to minimize near-term rate adjustments by utilizing its commercial paper program and deferring full debt service requirements.
- Based upon the assumptions and data supporting the RSA, any one or combination of the options identified by the Working Group would serve to lower the future rate increase requirements of the Utility, starting in FY 2012.

4.2 RECOMMENDATIONS

Based upon the analysis presented herein and the conclusions presented in the prior subsection, we recommend the following:

- The City adopt the updated rate adjustment plan for FY 2012 through FY 2016 consistent with its decision to discontinue the UEP in order to support the current projections of the Utility's cost requirements over this planning period, including compliance with all rate covenants associated with existing and new debt service requirements.

- The Utility should continue to perform annual revenue sufficiency updates so that additional or revised information regarding the timing and cost of significant capital projects, customer growth, water demands, as well as updated revenue and operating expenses may be incorporated into the determination of required rate increases that would be necessary in order to allow the Utility to meet its financial requirements and obligations during this time period. Advanced planning will play a prominent role in avoiding significant future rate impacts to the Utility's customers resulting from these variables occurring differently than currently projected.

Appendix A – Supporting Financial Schedules for the RSA

Schedule 1 contains the assumptions of the RSA

Schedule 2 identifies the end of FY 2010 fund balances that serve as the FY 2011 beginning balances of the analysis

Schedule 3 provides a listing of the ten-year capital improvement program that was utilized in the RSA

Schedule 4 presents a detailed list of all projected cash inflows from FY 2011-2021

Schedule 5 presents a detailed list of all projected cash outflows from FY 2011-2021

Schedule 6 contains the FAMS-XL © Control Panel that presents a summary of the financial management plan, including annual rate increases, debt service coverage ratios, total CIP spending levels, customer impacts, and fund balances

Schedule 7 presents the projected annual net income, debt service coverage, and cash flow results

Schedule 8 shows the projected funding sources for the capital improvement program

Schedule 9 contains the calculation of projected annual long-term borrowing

Schedule 10 presents a fund-level cash flow reconciliation, providing the beginning balance in each year, the amount utilized for project funding or payment of debt service, interest calculations, and the end of year fund balance

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS
APPENDIX A

Schedule 1 - Assumptions

| <u>Assumptions</u> | <u>Schedule 1</u> | | | | | | | | | | |
|--|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> | <u>FY 2018</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> |
| Annual Growth: | | | | | | | | | | | |
| Water Growth: | | | | | | | | | | | |
| Equivalent Residential Units (ERUs) | 59,416 | 59,416 | 59,690 | 60,047 | 60,487 | 61,011 | 61,606 | 62,260 | 62,975 | 63,750 | 64,585 |
| Growth in ERUs | 274 | 357 | 440 | 524 | 595 | 655 | 715 | 775 | 835 | 895 | 895 |
| Percent increase in ERUs | N/A | 0.46% | 0.60% | 0.74% | 0.87% | 0.98% | 1.07% | 1.16% | 1.24% | 1.33% | 1.40% |
| % Increase in Water Use (100% of ERU Growth) | N/A | 0.46% | 0.60% | 0.74% | 0.87% | 0.98% | 1.07% | 1.16% | 1.24% | 1.33% | 1.40% |
| Irrigation Growth: | | | | | | | | | | | |
| Equivalent Residential Units (ERUs) | 40,801 | 40,801 | 41,020 | 41,306 | 41,658 | 42,077 | 42,552 | 43,076 | 43,648 | 44,268 | 44,936 |
| Growth in ERUs | 219 | 286 | 352 | 419 | 476 | 524 | 572 | 620 | 668 | 716 | 716 |
| Percent increase in ERUs | N/A | 0.54% | 0.70% | 0.86% | 1.01% | 1.14% | 1.24% | 1.34% | 1.44% | 1.53% | 1.62% |
| % Increase in Irrigation Use (100% of ERU Growth) | N/A | 0.54% | 0.70% | 0.86% | 1.01% | 1.14% | 1.24% | 1.34% | 1.44% | 1.53% | 1.62% |
| Sewer Growth: | | | | | | | | | | | |
| Equivalent Residential Units (ERUs) | 57,916 | 57,916 | 58,189 | 58,546 | 58,987 | 59,510 | 60,105 | 60,760 | 61,474 | 62,249 | 63,084 |
| Growth in ERUs | 274 | 357 | 440 | 524 | 595 | 655 | 715 | 775 | 835 | 895 | 895 |
| Percent increase in ERUs | N/A | 0.47% | 0.62% | 0.76% | 0.89% | 1.01% | 1.10% | 1.19% | 1.28% | 1.36% | 1.44% |
| % Increase in Sewer Use (100% of ERU Growth) | N/A | 0.47% | 0.62% | 0.76% | 0.89% | 1.01% | 1.10% | 1.19% | 1.28% | 1.36% | 1.44% |
| Capital Spending: | | | | | | | | | | | |
| Annual Capital Budget | \$19,228,540 | \$4,569,390 | \$3,574,175 | \$6,814,708 | \$13,010,479 | \$12,573,977 | \$14,884,394 | \$14,989,590 | \$10,726,098 | \$13,276,500 | \$15,063,188 |
| Annual Percent Executed | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Impact Fees: | | | | | | | | | | | |
| Water | \$ 2,241 | 2,241 | 2,241 | 2,241 | 2,241 | 2,241 | 2,241 | 2,241 | 2,241 | 2,241 | 2,241 |
| Sewer (Fee for District 2) | \$ 3,389 | 3,389 | 3,389 | 3,389 | 3,389 | 3,389 | 3,389 | 3,389 | 3,389 | 3,389 | 3,389 |
| Average Annual Interest Earnings Rate: | | | | | | | | | | | |
| Water & Sewer Enterprise Fund: | 0.50% | 1.00% | 1.50% | 2.00% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Effective Date of Rate Increases | | | | | | | | | | | |
| Date: | 10/1/2010 | 10/1/2011 | 10/1/2012 | 10/1/2013 | 10/1/2014 | 10/1/2015 | 10/1/2016 | 10/1/2017 | 10/1/2018 | 10/1/2019 | 10/1/2020 |
| Operating Expenses Cost Escalation: | | | | | | | | | | | |
| Salaries | N/A | N/A | 0.00% | 0.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Life, Health, Disability | N/A | N/A | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% |
| Equipment Repairs / Maintenance (1) | N/A | N/A | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Electric (2) | N/A | N/A | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| Unleaded & Diesel Fuel, Oil & Grease (2) | N/A | N/A | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% |
| Lab / Professional / Outside Services (1) | N/A | N/A | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Chemicals (2) | N/A | N/A | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| All Other Categories of Operating Expenses | N/A | N/A | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Weighted Average Cost Escalation | N/A | N/A | 3.28% | 2.79% | 4.07% | 4.64% | 4.20% | 4.27% | 4.33% | 4.40% | 4.47% |
| Operating Budget Reserve: | | | | | | | | | | | |
| Target (Number of Months of Reserve) | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Operating Budget Execution Percentage: | | | | | | | | | | | |
| Percent of Personnel Services Budget/Forecast Executed | 90.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Percent of O&M Budget/Forecast Executed | 80.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

(1) In addition to the base escalation factor, Equipment Repairs and Lab Services increase at 50% of the assumed annual customer growth rates.

(2) In addition to the base escalation factor, Electric, Fuel and Chemical costs increase by 100% of the assumed annual customer growth rates.

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

Schedule 2 – Beginning Balances

APPENDIX A

Beginning Balances as of September, 30 2010

Schedule 2

Source: FY 2010 CAFR and supporting detail provided by City staff

| FUND BALANCES | 9/30/2010 |
|--|----------------------|
| Water Impact Fees | \$ 3,203,334 |
| Sewer Impact Fees | \$ 1,077,831 |
| Irrigation Impact Fees | \$ 290,191 |
| Water Betterment Fees | \$ 394,552 |
| Sewer Betterment Fees | \$ 122,271 |
| Irrigation Betterment Fees | \$ 347,907 |
| Series 2012 Project Proceeds | \$ - |
| R&R, Sewer, & Membrane Reserves | \$ 3,815,579 |
| Revenue Fund | \$ 31,355,584 |
| Restricted Reserves | \$ 6,515,130 |
| Total Consolidated Fund Balance | \$ 47,122,379 |
| | |
| CURRENT UNRESTRICTED ASSETS | |
| Cash and Cash Equivalents | \$ 12,495,780 |
| Investments | \$ 14,754,416 |
| Interest Receivable | \$ 70,987 |
| Accounts Receivable, net of allowance for uncollectibles | \$ 10,756,593 |
| Due from other funds | \$ - |
| Intergovernmental receivables | \$ - |
| Inventories | \$ 419,279 |
| Prepaid Items | \$ 3,011 |
| Loans to Other Funds (1) | \$ - |
| TOTAL CURRENT UNRESTRICTED ASSETS | \$ 38,500,066 |
| Less: Inventories at Cost | \$ (419,279) |
| Less: Accounts Payable and other Accrued Liabilities | \$ (778,576) |
| Less: Intergovernmental Payable | \$ (1,363) |
| Less: Accrued Liabilities | \$ - |
| Less: Overpayments, etc. | \$ (384,059) |
| Less: Accrued Payroll | \$ (827,302) |
| Less: Compensated Absences | \$ - |
| Less: Interest Payable | \$ - |
| Less: Loans From Other Funds | \$ - |
| Less: Unearned Revenue | \$ - |
| Less: Revenue Bonds | \$ (4,035,000) |
| Less: Notes | \$ (2,779,700) |
| UNRESTRICTED WORKING CAPITAL | \$ 29,274,786 |
| Plus/(Less): Current Assets in W/S Cap Projects Fund | \$ 1,504,022 |
| Plus/(Less): Current Liabilities in W/S Cap Projects Fund | \$ - |
| Plus/(Less): Net Restricted Assets Available For Current Liabilities | \$ 576,775 |
| NET UNRESTRICTED WORKING CAPITAL AVAILABLE | \$ 31,355,584 |
| | |
| RESTRICTED ASSETS | |
| Restricted Cash and Cash Equivalents: | \$ 10,444,253 |
| Restricted Investments | \$ 2,267,436 |
| Unamortized bond issuance costs | \$ - |
| TOTAL RESTRICTED ASSETS | \$ 12,711,689 |
| Less: Net Restricted Assets Available For CL | \$ (576,775) |
| Less: R&R, Gravity & Membrane Reserve | \$ (3,815,579) |
| Less: Customer Deposits | \$ (1,804,204) |
| NET RESTRICTED BALANCE (Debt Service Reserve) | \$ 6,515,130 |

(1) Not included as amounts are for assessment portion of debt service that is not included in the rate model.

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS
APPENDIX A

Schedule 3 – Capital Improvement Plan

Capital Improvement Program

Schedule 3

| Project Description | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|---------|
| North ro plant | \$ 2,681,152 | - | - | - | - | - | - | - | - | - | - |
| Everest Odor Control Project | \$ 777,924 | - | - | - | - | - | - | - | - | - | - |
| South ro wellfield & generators | \$ 95,441 | - | - | - | - | - | - | - | - | - | - |
| SW wrf expansion | \$ 3,516,724 | - | - | - | - | - | - | - | - | - | - |
| Galvanized pipe svc replacement | \$ 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | - | - | - | - | - | - | - |
| Aquifer Storage and Recovery | \$ - | - | - | - | 9,125,000 | - | - | - | - | - | - |
| WIRELESS COMMUNICATIONS | \$ 390,000 | - | 1,150,000 | 2,400,000 | - | - | 4,725,000 | 4,900,000 | - | - | - |
| Palm tree blvd water main extension | \$ 500,000 | 610,200 | - | - | - | - | - | - | - | - | - |
| Hancock/grinders | \$ 650,000 | - | - | - | - | - | - | - | - | - | - |
| LS #201 rehab | \$ 194,250 | - | - | - | - | - | - | - | - | - | - |
| LS #202 rehab | \$ 125,000 | - | - | - | - | - | - | - | - | - | - |
| LS #203 rehab | \$ 150,000 | - | - | - | - | - | - | - | - | - | - |
| LS #204 rehab pipes, valves | \$ 125,000 | - | - | - | - | - | - | - | - | - | - |
| LS #205 rehab | \$ 194,250 | - | - | - | - | - | - | - | - | - | - |
| LS #206 rehab | \$ 194,250 | - | - | - | - | - | - | - | - | - | - |
| LS #207 rehab | \$ 194,250 | - | - | - | - | - | - | - | - | - | - |
| LS #212 rehab | \$ 194,250 | - | - | - | - | - | - | - | - | - | - |
| L/S #200 rehab (pipes & valves) | \$ 150,000 | - | 218,500 | - | - | - | - | - | - | - | - |
| L/S #105 Install new wetwell | \$ - | - | - | 360,000 | - | - | - | - | - | - | - |
| L/S # 106 rehab | \$ - | 203,500 | - | - | - | - | - | - | - | - | - |
| LS 111 new wetwell | \$ - | - | 330,000 | - | - | - | - | - | - | - | - |
| LS 102 new wetwell | \$ - | - | - | 330,000 | - | - | - | - | - | - | - |
| L/S # 112 rehab | \$ - | - | 209,000 | - | - | - | - | - | - | - | - |
| L/S # 113 Install new wetwell | \$ - | - | - | 330,000 | - | - | - | - | - | - | - |
| L/S #114 rehab | \$ - | 203,500 | - | - | - | - | - | - | - | - | - |
| L/S #115 rehab | \$ - | 218,500 | - | - | - | - | - | - | - | - | - |
| L/S #116 rehab | \$ - | - | - | 218,500 | - | - | - | - | - | - | - |
| L/S #118 rehab | \$ - | - | - | 234,000 | - | - | - | - | - | - | - |
| LS #119,121, 122, 124, 125 Rehab | \$ - | - | - | 468,000 | 250,000 | 500,000 | - | - | - | - | - |
| LS #126, 310, 311, 312, 313, 318 Rehab | \$ - | - | - | - | - | 516,500 | 533,000 | - | - | - | - |
| L/S #401 Rehab | \$ - | 150,000 | - | - | - | - | - | - | - | - | - |
| Irrigation & ASR Master Plan | \$ 29,403 | - | - | - | - | - | - | - | - | - | - |
| Bio Solids Facility Construction | \$ 2,000,000 | - | - | - | - | - | - | - | - | - | - |
| Relocation of Subaqueous Force Main Canal Crossings | \$ - | - | - | - | 2,500,000 | 2,600,000 | - | - | - | - | - |
| RO WTP No 2 Building Upgrades Design | \$ 13,002 | - | - | - | - | - | - | - | - | - | - |
| Rehab Biosolids Facility @ Everest | \$ 97,500 | - | - | 1,200,000 | - | - | - | - | - | - | - |
| Large Meter Replacement Program | \$ 47,000 | - | - | - | - | - | - | - | - | - | - |
| North RO Plant Phase II Expansion | \$ - | - | - | - | - | - | - | - | - | - | - |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 3 – Capital Improvement Plan

Capital Improvement Program

Schedule 3

| Project Description | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|----------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Plant 1 Raw Water Fiberglass Pipe Replacement | \$ 650,000 | - | - | - | - | - | - | - | - | - | - |
| Coating for Clear Wells | \$ 140,000 | - | - | - | - | - | - | - | - | - | - |
| Underground Well Feeds | \$ - | 39,690 | 41,675 | 43,759 | 22,973 | 24,122 | - | - | - | - | - |
| Replace Membranes for Plant 2 | \$ 529,200 | - | - | - | - | - | - | - | - | - | - |
| Land - Utility Extension Program | \$ - | - | - | - | 250,000 | 260,000 | 270,000 | 280,000 | 290,000 | - | - |
| Everest UCD Building | \$ - | 320,000 | - | - | - | - | - | - | - | - | - |
| SW WRD Operations Building | \$ 3,000,000 | - | - | - | - | - | - | - | - | - | - |
| NCRO Perimeter Wall | \$ 281,307 | - | - | - | - | - | - | - | - | - | - |
| NCRO Landscaping | \$ 300,000 | - | - | - | - | - | - | - | - | - | - |
| NC Wellfield Landscaping | \$ 48,000 | 24,000 | - | - | - | - | - | - | - | - | - |
| EWRf Diesel Tank Walkway | \$ 40,000 | - | - | - | - | - | - | - | - | - | - |
| EWRf Filter Rehab | \$ 250,000 | - | - | - | - | - | - | - | - | - | - |
| EWRf Perimeter Wall | \$ 370,000 | - | - | - | - | - | - | - | - | - | - |
| North Del Prado Water Main Extension | \$ 300,637 | - | - | - | - | - | - | - | - | - | - |
| Maintenance Building at NCGC | \$ - | - | 575,000 | - | - | - | - | - | - | - | - |
| MPS to Support N2 only if UEP begins | \$ - | - | - | - | - | - | - | - | - | - | - |
| NC WRF Construction only if UEP begins | \$ - | - | - | - | - | - | - | - | - | - | - |
| Unspecified Future Projects - Water | \$ - | - | - | - | - | 3,500,000 | 3,500,000 | 3,500,000 | 4,000,000 | 5,000,000 | 5,500,000 |
| Unspecified Future Projects - Sewer | \$ - | - | - | - | - | 3,500,000 | 3,500,000 | 3,500,000 | 4,000,000 | 5,000,000 | 5,500,000 |
| Unspecified Future Projects - Irrigation | \$ - | - | - | - | - | 437,500 | 437,500 | 437,500 | 437,500 | 437,500 | 437,500 |
| SW 6/7 Potable Water Transmission | \$ - | - | - | - | - | - | - | - | - | - | - |
| SW 6/7 Irrigation Water Transmission | \$ - | - | - | - | - | - | - | - | - | - | - |
| SW 6/7 Wastewater Transmission | \$ - | - | - | - | - | - | - | - | - | - | - |
| N 1/8 Potable Water Transmission | \$ - | - | - | - | - | - | - | - | - | - | - |
| Offsite Storage Tanks Potable Water - West & East | \$ - | - | - | - | - | - | - | - | - | - | - |
| Manhole Repair | \$ - | 1,800,000 | - | - | - | - | - | - | - | - | - |
| Total CIP Budget (Current Day Dollars) | \$ 19,228,540 | 4,569,390 | 3,574,175 | 6,584,259 | 12,147,973 | 11,338,122 | 12,965,500 | 12,617,500 | 8,727,500 | 10,437,500 | 11,437,500 |
| Cumulative Projected Cost Inflation | 0.0% | 0.0% | 0.0% | 3.5% | 7.1% | 10.9% | 14.8% | 18.8% | 22.9% | 27.2% | 31.7% |
| Resulting CIP Funding Level | \$ 19,228,540 | 4,569,390 | 3,574,175 | 6,814,708 | 13,010,479 | 12,573,977 | 14,884,394 | 14,989,590 | 10,726,098 | 13,276,500 | 15,063,188 |
| Annual CIP Execution Percentage | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Final CIP Funding Level | \$ 19,228,540 | 4,569,390 | 3,574,175 | 6,814,708 | 13,010,479 | 12,573,977 | 14,884,394 | 14,989,590 | 10,726,098 | 13,276,500 | 15,063,188 |
| Projects in Blue would only occur if N1-N8 UEP is resumed | | | | | | | | | | | |
| Projects in Green would only occur if SW 6/7 UEP is resumed | | | | | | | | | | | |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS
APPENDIX A

Schedule 4 – Projection of Cash Inflows

Projection of Cash Inflows

Schedule 4

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1 Rate Revenue Growth Assumptions | | | | | | | | | | | |
| 2 Growth in Water ERUs | N/A | 0.46% | 0.60% | 0.74% | 0.87% | 0.98% | 1.07% | 1.16% | 1.24% | 1.33% | 1.40% |
| 3 Growth in Water Usage | N/A | 0.46% | 0.60% | 0.74% | 0.87% | 0.98% | 1.07% | 1.16% | 1.24% | 1.33% | 1.40% |
| 4 Growth in Irrigation ERUs | N/A | 0.54% | 0.70% | 0.86% | 1.01% | 1.14% | 1.24% | 1.34% | 1.44% | 1.53% | 1.62% |
| 5 Growth in Irrigation Usage | N/A | 0.54% | 0.70% | 0.86% | 1.01% | 1.14% | 1.24% | 1.34% | 1.44% | 1.53% | 1.62% |
| 6 Growth in Sewer ERUs | N/A | 0.47% | 0.62% | 0.76% | 0.89% | 1.01% | 1.10% | 1.19% | 1.28% | 1.36% | 1.44% |
| 7 Growth in Sewer Usage | N/A | 0.47% | 0.62% | 0.76% | 0.89% | 1.01% | 1.10% | 1.19% | 1.28% | 1.36% | 1.44% |
| 8 Assumed Rate Revenue Increases | | | | | | | | | | | |
| 9 Assumed Water Rate Increase | N/A | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| 10 Assumed Irrigation/Reclaimed Water Rate Increases | N/A | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 11 Assumed Sewer Rate Increase | N/A | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| 12 Water & Sewer Rate Revenue | | | | | | | | | | | |
| 13 Water Rate Revenue | | | | | | | | | | | |
| 14 Base Facility Charges | \$11,443,586 | 12,128,607 | 12,872,563 | 13,421,368 | 14,012,221 | 14,645,248 | 15,172,477 | 15,732,221 | 16,326,189 | 16,956,164 | 17,624,006 |
| 15 Usage Charges | \$13,370,601 | 14,054,064 | 14,793,067 | 15,342,777 | 15,934,120 | 16,566,539 | 17,098,574 | 17,662,891 | 18,261,013 | 18,894,523 | 19,565,061 |
| 16 Irrigation Rate Revenue | \$ 5,030,733 | 5,057,735 | 5,093,139 | 5,136,869 | 5,188,952 | 5,248,218 | 5,313,552 | 5,384,953 | 5,462,435 | 5,546,010 | 5,635,691 |
| 17 Sewer Rate Revenue | | | | | | | | | | | |
| 18 Base Facility Charges | \$13,566,146 | 14,379,934 | 15,264,346 | 15,918,127 | 16,622,578 | 17,377,836 | 18,008,259 | 18,677,968 | 19,389,037 | 20,143,627 | 20,943,998 |
| 19 Usage Charges | \$23,150,213 | 24,336,471 | 25,620,117 | 26,577,176 | 27,607,633 | 28,710,480 | 29,640,451 | 30,627,465 | 31,674,222 | 32,783,529 | 33,958,295 |
| 20 Total Water, Reclaimed Water/Irrigation & Sewer Rate Revenue | \$66,561,279 | 69,956,812 | 73,643,232 | 76,396,317 | 79,365,504 | 82,548,321 | 85,233,312 | 88,085,497 | 91,112,896 | 94,323,853 | 97,727,051 |
| 21 Other Operating Revenue | | | | | | | | | | | |
| 22 Lee County Sludge Processing | \$ - | - | - | - | - | - | - | - | - | - | - |
| 23 Sale of Sludge Pellets | \$ - | - | - | - | - | - | - | - | - | - | - |
| 24 Lee County Wholesale Sewer Revenue (Waterway Estates) | \$ - | - | - | - | - | - | - | - | - | - | - |
| 25 Total Other Operating Revenue | \$ - | - | - | - | - | - | - | - | - | - | - |
| 26 Other Non-Operating Revenue | | | | | | | | | | | |
| 26 Biosolids Equipment Sale Proceeds | \$ - | 3,700,000 | - | - | - | - | - | - | - | - | - |
| 27 General Fu | \$ 94,057 | 101,541 | 104,872 | 107,803 | 112,191 | 117,393 | 122,324 | 127,541 | 133,065 | 138,917 | 145,123 |
| 28 DelPrado M | \$ 71 | 64 | 66 | 68 | 71 | 74 | 77 | 80 | 84 | 88 | 91 |
| 29 Lot Mowing | \$ 13,628 | 16,510 | 17,052 | 17,528 | 18,242 | 19,087 | 19,889 | 20,737 | 21,636 | 22,587 | 23,596 |
| 30 Seawall Ph | \$ 696 | 744 | 768 | 790 | 822 | 860 | 896 | 935 | 975 | 1,018 | 1,063 |
| 31 Seawall Ph | \$ - | - | - | - | - | - | - | - | - | - | - |
| 32 Seawall Ph | \$ 107 | 74 | 76 | 79 | 82 | 86 | 89 | 93 | 97 | 101 | 106 |
| 33 Blue Irr | \$ - | - | - | - | - | - | - | - | - | - | - |
| 34 Green Wate | \$ 54 | 60 | 62 | 64 | 66 | 69 | 72 | 75 | 79 | 82 | 86 |
| 35 Green Wstw | \$ 32,429 | 34,689 | 35,827 | 36,828 | 38,327 | 40,104 | 41,789 | 43,571 | 45,458 | 47,458 | 49,578 |
| 36 Striped | \$ 4,763 | 5,094 | 5,261 | 5,408 | 5,628 | 5,889 | 6,137 | 6,398 | 6,675 | 6,969 | 7,280 |
| 37 Orange Wst | \$ 57,615 | (61,663) | - | - | - | - | - | - | - | - | - |
| 38 Orange Irr | \$ 43,666 | 46,694 | 48,226 | 49,574 | 51,592 | 53,984 | 56,251 | 58,650 | 61,190 | 63,882 | 66,735 |
| 39 Trafalgar | \$ - | - | - | - | - | - | - | - | - | - | - |
| 40 PI Util Ex | \$ 9,311 | 6,871 | 7,096 | 7,295 | 7,592 | 7,944 | 8,277 | 8,630 | 9,004 | 9,400 | 9,820 |
| 41 SW 1 Util | \$ 19,960 | 14,283 | 14,752 | 15,164 | 15,781 | 16,513 | 17,206 | 17,940 | 18,717 | 19,540 | 20,413 |
| 42 SW 3 Util | \$ 23,510 | 16,800 | 17,351 | 17,836 | 18,562 | 19,423 | 20,239 | 21,102 | 22,016 | 22,984 | 24,011 |
| 43 SW 2 Util | \$ 22,582 | 16,088 | 16,616 | 17,080 | 17,775 | 18,600 | 19,381 | 20,207 | 21,083 | 22,010 | 22,993 |
| 44 SE 1 Util | \$ 9,186 | 6,563 | 6,778 | 6,968 | 7,251 | 7,588 | 7,906 | 8,243 | 8,601 | 8,979 | 9,380 |
| 45 SW 4 Util | \$ 30,609 | 22,088 | 22,813 | 23,450 | 24,405 | 25,536 | 26,609 | 27,744 | 28,945 | 30,218 | 31,568 |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 4 – Projection of Cash Inflows

Projection of Cash Inflows

Schedule 4

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| 46 NC Loop Ut | \$ 2,390 | 1,699 | 1,755 | 1,804 | 1,877 | 1,964 | 2,047 | 2,134 | 2,226 | 2,324 | 2,428 |
| 47 Surfside U | \$ 874 | 616 | 636 | 654 | 681 | 712 | 742 | 774 | 807 | 843 | 880 |
| 48 SWS Util | \$ 29,218 | 21,048 | 21,739 | 22,346 | 23,256 | 24,334 | 25,356 | 26,437 | 27,582 | 28,796 | 30,082 |
| 49 Stormwater | \$ 67,080 | 69,374 | 71,650 | 73,653 | 76,651 | 80,204 | 83,573 | 87,138 | 90,911 | 94,910 | 99,149 |
| 50 Zoning Cases Gen | \$ 91 | 102 | 103 | 103 | 104 | 105 | 106 | 108 | 109 | 110 | 112 |
| 51 Reinspection Gen | \$ 4,006 | 3,656 | 3,678 | 3,705 | 3,737 | 3,774 | 3,815 | 3,859 | 3,907 | 3,959 | 4,014 |
| 52 Misc Inspections | \$ 64 | 72 | 72 | 73 | 74 | 74 | 75 | 76 | 77 | 78 | 79 |
| 53 Misc Permits Gen Gov Chg | \$ 1,275 | - | - | - | - | - | - | - | - | - | - |
| 54 Meter Installati | \$ 177,860 | 179,355 | 180,433 | 181,763 | 183,348 | 185,151 | 187,138 | 189,309 | 191,665 | 194,205 | 196,931 |
| 55 Reconnect Charge | \$ 12,720 | 12,688 | 12,764 | 12,858 | 12,970 | 13,098 | 13,239 | 13,392 | 13,559 | 13,739 | 13,931 |
| 56 Meter Rental Fee | \$ 24,435 | 20,994 | 21,120 | 21,276 | 21,461 | 21,672 | 21,905 | 22,159 | 22,435 | 22,732 | 23,051 |
| 57 Irrigation Boxes | \$ - | - | - | - | - | - | - | - | - | - | - |
| 58 Lab Fees/Sample | \$ - | - | - | - | - | - | - | - | - | - | - |
| 59 Lot Mowing | \$ - | - | - | - | - | - | - | - | - | - | - |
| 60 Stormwater Utili | \$ 35 | 1,284 | 1,292 | 1,301 | 1,313 | 1,325 | 1,340 | 1,355 | 1,372 | 1,390 | 1,410 |
| 61 Service Pickup C | \$ 349,650 | 343,832 | 345,898 | 348,449 | 351,487 | 354,943 | 358,752 | 362,914 | 367,430 | 372,301 | 377,526 |
| 62 Local Ord Violat | \$ - | - | - | - | - | - | - | - | - | - | - |
| 63 Other Judgment/F | \$ - | - | - | - | - | - | - | - | - | - | - |
| 64 Returned Check F | \$ 13,247 | 14,967 | 15,731 | 16,243 | 16,773 | 17,322 | 17,727 | 18,143 | 18,569 | 19,005 | 19,452 |
| 65 Penalties/Late C | \$ 370,070 | 340,478 | 357,849 | 369,507 | 381,569 | 394,050 | 403,274 | 412,726 | 422,412 | 432,338 | 442,510 |
| 66 Disposition of F | \$ (14,301) | 16,089 | 16,089 | 16,089 | 16,089 | 16,089 | 16,089 | 16,089 | 16,089 | 16,089 | 16,089 |
| 67 Surplus Material | \$ 4,074 | - | - | - | - | - | - | - | - | - | - |
| 68 Other Miscellaneous | \$ 137,428 | 152,207 | 153,122 | 154,251 | 155,596 | 157,126 | 158,812 | 160,654 | 162,653 | 164,810 | 167,123 |
| 69 Reimbursable Cha | \$ 23,762 | 26,433 | 26,592 | 26,788 | 27,021 | 27,287 | 27,580 | 27,900 | 28,247 | 28,622 | 29,023 |
| 70 Contractors Surp | \$ - | - | - | - | - | - | - | - | - | - | - |
| 71 Lien Fees Misc R | \$ 427 | 332 | 334 | 336 | 339 | 343 | 346 | 350 | 355 | 359 | 365 |
| 72 Total Non-Operating Revenue | \$ 1,566,648 | 5,131,726 | 1,528,473 | 1,557,135 | 1,592,735 | 1,632,723 | 1,669,059 | 1,707,467 | 1,748,032 | 1,790,844 | 1,836,000 |
| 73 Interest Earnings | | | | | | | | | | | |
| 74 Interest Earned on Unrestricted Funds | \$ 167,952 | 331,996 | 513,557 | 681,486 | 829,541 | 821,896 | 837,220 | 854,073 | 961,502 | 1,136,022 | 1,300,676 |
| 75 Interest Earned on Restricted Funds (Debt Service Reserve) | \$ 32,576 | - | - | - | - | - | - | - | - | - | - |
| 76 Total Interest Earnings | \$ 200,527 | 331,996 | 513,557 | 681,486 | 829,541 | 821,896 | 837,220 | 854,073 | 961,502 | 1,136,022 | 1,300,676 |
| 77 Impact & Betterment Fee Revenue | | | | | | | | | | | |
| 78 Water Impact Fees | \$ 633,903 | 613,474 | 800,037 | 986,600 | 1,173,164 | 1,332,835 | 1,467,295 | 1,601,755 | 1,736,215 | 1,870,675 | 2,005,135 |
| 79 LC Impact Fee Reimbursement - Del Prado WM Ext. | \$ 1,872,017 | - | - | - | - | - | - | - | - | - | - |
| 80 Sewer Impact Fees | \$ 462,570 | 927,739 | 1,209,873 | 1,492,007 | 1,774,142 | 2,015,608 | 2,218,948 | 2,422,288 | 2,625,628 | 2,828,968 | 3,032,308 |
| 81 Irrigation Impact Fees | \$ 198,240 | 245,280 | 319,872 | 394,464 | 469,056 | 532,896 | 586,656 | 640,416 | 694,176 | 747,936 | 801,696 |
| 82 Water Betterment Fees | \$ 109,543 | 109,543 | 109,543 | 109,543 | 109,543 | 109,543 | 109,543 | 109,543 | 109,543 | 109,543 | 109,543 |
| 83 Sewer Betterment fees | \$ 256,687 | 256,687 | 256,687 | 256,687 | 256,687 | 256,687 | 256,687 | 256,687 | 256,687 | 256,687 | 256,687 |
| 84 Irrigation Betterment Fees | \$ 81,433 | 81,433 | 81,433 | 81,433 | 81,433 | 81,433 | 81,433 | 81,433 | 81,433 | 81,433 | 81,433 |
| 85 Total Impact & Betterment Fee Revenue | \$ 3,614,393 | 2,234,156 | 2,777,445 | 3,320,735 | 3,864,024 | 4,329,002 | 4,720,562 | 5,112,122 | 5,503,682 | 5,895,242 | 6,286,802 |
| 86 Total Revenue | \$ 71,942,847 | 77,654,690 | 78,462,707 | 81,955,673 | 85,651,804 | 89,331,942 | 92,460,152 | 95,759,159 | 99,326,112 | 103,145,959 | 107,150,529 |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows

Schedule 5

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 Personnel Services | | | | | | | | | | | |
| 2 Accounting Payroll | | | | | | | | | | | |
| 3 Regular Salary | 146,572 | 145,229 | 145,229 | 145,229 | 149,586 | 154,073 | 158,696 | 163,457 | 168,360 | 173,411 | 178,613 |
| 4 Overtime | 451 | - | - | - | - | - | - | - | - | - | - |
| 5 FICA Taxes | 9,088 | 9,005 | 9,005 | 9,005 | 9,275 | 9,553 | 9,840 | 10,135 | 10,439 | 10,752 | 11,075 |
| 6 Medicare Taxes | 2,125 | 2,106 | 2,106 | 2,106 | 2,169 | 2,234 | 2,301 | 2,370 | 2,441 | 2,515 | 2,590 |
| 7 General Retirement | 41,069 | 47,010 | 47,010 | 47,010 | 48,420 | 49,873 | 51,369 | 52,910 | 54,497 | 56,132 | 57,816 |
| 8 Life,Health,Disability | 26,268 | 27,318 | 29,230 | 31,276 | 33,466 | 35,808 | 38,315 | 40,997 | 43,867 | 46,937 | 50,223 |
| 9 Workers Compensation | 440 | 436 | 436 | 436 | 449 | 463 | 476 | 491 | 505 | 521 | 536 |
| 10 Leave Payout | 6,170 | 5,169 | 5,169 | 5,169 | 5,324 | 5,484 | 5,648 | 5,818 | 5,992 | 6,172 | 6,357 |
| 11 CBS Payroll | | | | | | | | | | | |
| 12 Regular Salary | 709,186 | 1,013,762 | 1,013,762 | 1,013,762 | 1,044,175 | 1,075,500 | 1,107,765 | 1,140,998 | 1,175,228 | 1,210,485 | 1,246,799 |
| 13 Contract Employee | 17,571 | 61,729 | 61,729 | 61,729 | 63,581 | 65,488 | 67,453 | 69,477 | 71,561 | 73,708 | 75,919 |
| 14 Overtime | 409 | 550 | 550 | 550 | 567 | 583 | 601 | 619 | 638 | 657 | 676 |
| 15 Special Pay/Add | 1,325 | 1,950 | 1,950 | 1,950 | 2,009 | 2,069 | 2,131 | 2,195 | 2,261 | 2,328 | 2,398 |
| 16 Shift Differential | 524 | - | - | - | - | - | - | - | - | - | - |
| 17 FICA Taxes | 41,807 | 66,801 | 66,801 | 66,801 | 68,805 | 70,869 | 72,995 | 75,185 | 77,441 | 79,764 | 82,157 |
| 18 Medicare Taxes | 9,777 | 15,623 | 15,623 | 15,623 | 16,092 | 16,574 | 17,072 | 17,584 | 18,111 | 18,655 | 19,214 |
| 19 General Retirement | 202,847 | 313,799 | 313,799 | 313,799 | 323,213 | 332,909 | 342,897 | 353,184 | 363,779 | 374,692 | 385,933 |
| 20 Life,Health,Disability | 157,423 | 255,520 | 273,406 | 292,545 | 313,023 | 334,935 | 358,380 | 383,467 | 410,309 | 439,031 | 469,763 |
| 21 Workers Compensation | 2,105 | 3,137 | 3,137 | 3,137 | 3,231 | 3,328 | 3,428 | 3,531 | 3,637 | 3,746 | 3,858 |
| 22 Unemployment | - | - | - | - | - | - | - | - | - | - | - |
| 23 Leave Payout | 774 | 10,610 | 10,610 | 10,610 | 10,928 | 11,256 | 11,594 | 11,942 | 12,300 | 12,669 | 13,049 |
| 24 Regular Salary | 156,934 | 199,192 | 199,192 | 199,192 | 205,168 | 211,323 | 217,662 | 224,192 | 230,918 | 237,846 | 244,981 |
| 25 Longevity Salary | 733 | 998 | 998 | 998 | 1,028 | 1,059 | 1,091 | 1,123 | 1,157 | 1,192 | 1,227 |
| 26 Overtime | 272 | 500 | 500 | 500 | 515 | 530 | 546 | 563 | 580 | 597 | 615 |
| 27 Special Pay/Add | 286 | 390 | 390 | 390 | 402 | 414 | 426 | 439 | 452 | 466 | 480 |
| 28 FICA Taxes | 9,317 | 12,436 | 12,436 | 12,436 | 12,809 | 13,193 | 13,589 | 13,997 | 14,417 | 14,849 | 15,295 |
| 29 Medicare Taxes | 2,179 | 2,908 | 2,908 | 2,908 | 2,995 | 3,085 | 3,178 | 3,273 | 3,371 | 3,472 | 3,576 |
| 30 General Retirement | 46,861 | 64,928 | 64,928 | 64,928 | 66,876 | 68,882 | 70,949 | 73,077 | 75,269 | 77,527 | 79,853 |
| 31 Life,Health,Disability | 31,423 | 44,035 | 47,117 | 50,416 | 53,945 | 57,721 | 61,761 | 66,085 | 70,711 | 75,660 | 80,957 |
| 32 Workers Compensation | 452 | 602 | 602 | 602 | 620 | 639 | 658 | 678 | 698 | 719 | 740 |
| 33 Leave Payout | - | 7,000 | 7,000 | 7,000 | 7,210 | 7,426 | 7,649 | 7,879 | 8,115 | 8,358 | 8,609 |
| 34 Utility Admin Payroll | | | | | | | | | | | |
| 35 Regular Salary | 479,692 | 424,508 | 424,508 | 424,508 | 437,243 | 450,361 | 463,871 | 477,787 | 492,121 | 506,885 | 522,091 |
| 36 Longevity Salary | - | - | - | - | - | - | - | - | - | - | - |
| 37 Overtime | 2,938 | - | - | - | - | - | - | - | - | - | - |
| 38 Special Pay/Add | - | 1,440 | 1,440 | 1,440 | 1,483 | 1,528 | 1,574 | 1,621 | 1,669 | 1,719 | 1,771 |
| 39 FICA Taxes | 29,741 | 26,409 | 26,409 | 26,409 | 27,201 | 28,017 | 28,858 | 29,724 | 30,615 | 31,534 | 32,480 |
| 40 Medicare Taxes | 6,956 | 6,176 | 6,176 | 6,176 | 6,361 | 6,552 | 6,749 | 6,951 | 7,160 | 7,374 | 7,596 |
| 41 General Retirement | 134,410 | 137,879 | 137,879 | 137,879 | 142,015 | 146,276 | 150,664 | 155,184 | 159,840 | 164,635 | 169,574 |
| 42 Life,Health,Disability | - | - | - | - | - | - | - | - | - | - | - |
| 43 Workers Compensation | 66,117 | 64,522 | 64,522 | 64,522 | 66,458 | 68,451 | 70,505 | 72,620 | 74,799 | 77,043 | 79,354 |
| 44 Leave Payout | 1,439 | 1,278 | 1,278 | 1,278 | 1,316 | 1,356 | 1,397 | 1,438 | 1,482 | 1,526 | 1,572 |
| 45 Water Prod SW Payroll | | | | | | | | | | | |
| 46 Regular Salary | 1,162,261 | 1,185,420 | 1,185,420 | 1,185,420 | 1,220,982 | 1,257,612 | 1,295,340 | 1,334,200 | 1,374,226 | 1,415,453 | 1,457,917 |
| 47 Longevity Salary | 3,218 | 3,370 | 3,370 | 3,370 | 3,471 | 3,575 | 3,682 | 3,793 | 3,907 | 4,024 | 4,145 |
| 48 Overtime | 29,382 | 90,000 | 90,000 | 90,000 | 92,700 | 95,481 | 98,345 | 101,296 | 104,335 | 107,465 | 110,689 |
| 49 Special Pay/Add | 3,692 | 4,666 | 4,666 | 4,666 | 4,806 | 4,950 | 5,099 | 5,252 | 5,410 | 5,572 | 5,739 |
| 50 Standby Pay | 46,506 | 27,343 | 27,343 | 27,343 | 28,163 | 29,008 | 29,878 | 30,775 | 31,698 | 32,649 | 33,628 |
| 51 Shift Differential | 3,463 | 3,328 | 3,328 | 3,328 | 3,428 | 3,531 | 3,637 | 3,746 | 3,858 | 3,974 | 4,093 |
| 52 FICA Taxes | 75,613 | 75,896 | 75,896 | 75,896 | 78,173 | 80,518 | 82,933 | 85,421 | 87,984 | 90,624 | 93,342 |
| 53 Medicare Taxes | 17,684 | 17,750 | 17,750 | 17,750 | 18,282 | 18,831 | 19,396 | 19,978 | 20,577 | 21,194 | 21,830 |
| 54 General Retirement | 341,728 | 322,357 | 322,357 | 322,357 | 332,028 | 341,989 | 352,249 | 362,816 | 373,701 | 384,912 | 396,459 |
| 55 Life,Health,Disability | 209,145 | 294,266 | 314,865 | 336,905 | 360,489 | 385,723 | 412,723 | 441,614 | 472,527 | 505,604 | 540,996 |
| 56 Workers Compensation | 58,416 | 58,312 | 58,312 | 58,312 | 60,062 | 61,864 | 63,719 | 65,631 | 67,600 | 69,628 | 71,717 |
| 57 Leave Payout | 48,826 | 49,720 | 49,720 | 49,720 | 51,212 | 52,748 | 54,330 | 55,960 | 57,639 | 59,368 | 61,149 |
| 58 Water Prod NO Payroll | | | | | | | | | | | |
| 59 Regular Salary | 1,186,627 | 929,506 | 929,506 | 929,506 | 957,391 | 986,113 | 1,015,696 | 1,046,167 | 1,077,552 | 1,109,879 | 1,143,175 |
| 60 Longevity Salary | 3,341 | 3,724 | 3,724 | 3,724 | 3,835 | 3,950 | 4,069 | 4,191 | 4,317 | 4,446 | 4,580 |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows

Schedule 5

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 61 Overtime | 33,300 | 90,000 | 90,000 | 90,000 | 92,700 | 95,481 | 98,345 | 101,296 | 104,335 | 107,465 | 110,689 |
| 62 Special Pay/Add | 5,348 | 2,327 | 2,327 | 2,327 | 2,397 | 2,469 | 2,543 | 2,619 | 2,698 | 2,779 | 2,862 |
| 63 Standby Pay | 47,766 | 24,989 | 24,989 | 24,989 | 25,738 | 26,510 | 27,306 | 28,125 | 28,969 | 29,838 | 30,733 |
| 64 Shift Differential | 3,158 | 3,016 | 3,016 | 3,016 | 3,106 | 3,200 | 3,296 | 3,395 | 3,496 | 3,601 | 3,709 |
| 65 FICA Taxes | 77,268 | 59,741 | 59,741 | 59,741 | 61,533 | 63,379 | 65,281 | 67,239 | 69,256 | 71,334 | 73,474 |
| 66 Medicare Taxes | 18,070 | 13,972 | 13,972 | 13,972 | 14,391 | 14,823 | 15,268 | 15,726 | 16,197 | 16,683 | 17,184 |
| 67 General Retirement | 349,197 | 297,954 | 297,954 | 297,954 | 306,893 | 316,099 | 325,582 | 335,350 | 345,410 | 355,773 | 366,446 |
| 68 Life,Health,Disability | 203,610 | 192,342 | 205,806 | 220,212 | 235,627 | 252,121 | 269,770 | 288,653 | 308,859 | 330,479 | 353,613 |
| 69 Workers Compensation | 55,232 | 46,252 | 46,252 | 46,252 | 47,640 | 49,069 | 50,541 | 52,057 | 53,619 | 55,227 | 56,884 |
| 70 Leave Payout | 38,394 | 20,448 | 20,448 | 20,448 | 21,061 | 21,693 | 22,344 | 23,014 | 23,705 | 24,416 | 25,148 |
| 71 <u>UCD Payroll</u> | | | | | | | | | | | |
| 72 Regular Salary | 3,197,627 | 2,524,147 | 2,524,147 | 2,524,147 | 2,599,871 | 2,677,868 | 2,758,204 | 2,840,950 | 2,926,178 | 3,013,964 | 3,104,382 |
| 73 Longevity Salary | 3,891 | 3,973 | 3,973 | 3,973 | 4,092 | 4,215 | 4,341 | 4,472 | 4,606 | 4,744 | 4,886 |
| 74 Contract Employees | - | - | - | - | - | - | - | - | - | - | - |
| 75 Overtime | 93,044 | 95,000 | 95,000 | 95,000 | 97,850 | 100,786 | 103,809 | 106,923 | 110,131 | 113,435 | 116,838 |
| 76 Special Pay/Add | 26,611 | 27,690 | 27,690 | 27,690 | 28,521 | 29,376 | 30,258 | 31,165 | 32,100 | 33,063 | 34,055 |
| 77 Standby Pay | 39,426 | 33,124 | 33,124 | 33,124 | 34,118 | 35,141 | 36,195 | 37,281 | 38,400 | 39,552 | 40,738 |
| 78 Shift Differential Pay | - | - | - | - | - | - | - | - | - | - | - |
| 79 FICA Taxes | 202,587 | 160,514 | 160,514 | 160,514 | 165,329 | 170,289 | 175,398 | 180,660 | 186,080 | 191,662 | 197,412 |
| 80 Medicare Taxes | 47,372 | 37,340 | 37,340 | 37,340 | 38,460 | 39,614 | 40,802 | 42,026 | 43,287 | 44,586 | 45,923 |
| 81 General Retirement | 915,564 | 743,025 | 743,025 | 743,025 | 765,316 | 788,275 | 811,923 | 836,281 | 861,370 | 887,211 | 913,827 |
| 82 Life,Health,Disability | 696,213 | 561,970 | 601,308 | 643,399 | 688,437 | 736,628 | 788,192 | 843,365 | 902,401 | 965,569 | 1,033,159 |
| 83 Workers Compensation | 224,102 | 170,159 | 170,159 | 170,159 | 175,264 | 180,522 | 185,937 | 191,515 | 197,261 | 203,179 | 209,274 |
| 84 Unemployment | - | - | - | - | - | - | - | - | - | - | - |
| 85 Leave Payout | 57,644 | 73,492 | 73,492 | 73,492 | 75,697 | 77,968 | 80,307 | 82,716 | 85,197 | 87,753 | 90,386 |
| 86 <u>WtrRec Collection Payroll</u> | | | | | | | | | | | |
| 87 Regular Salary | 938,405 | 856,735 | 856,735 | 856,735 | 882,437 | 908,910 | 936,178 | 964,263 | 993,191 | 1,022,987 | 1,053,676 |
| 88 Longevity Salary | 2,018 | 2,059 | 2,059 | 2,059 | 2,121 | 2,184 | 2,250 | 2,317 | 2,387 | 2,459 | 2,532 |
| 89 Overtime | 8,815 | 8,815 | 8,815 | 8,815 | 9,079 | 9,352 | 9,632 | 9,921 | 10,219 | 10,526 | 10,841 |
| 90 Special Pay/Add | 6,670 | 6,630 | 6,630 | 6,630 | 6,829 | 7,034 | 7,245 | 7,462 | 7,686 | 7,917 | 8,154 |
| 91 Standby Pay | 28,501 | 15,189 | 15,189 | 15,189 | 15,645 | 16,114 | 16,597 | 17,095 | 17,608 | 18,136 | 18,681 |
| 92 Shift Differential | 1,019 | - | - | - | - | - | - | - | - | - | - |
| 93 FICA Taxes | 60,552 | 54,598 | 54,598 | 54,598 | 56,236 | 57,923 | 59,661 | 61,451 | 63,294 | 65,193 | 67,149 |
| 94 Medicare Taxes | 14,158 | 12,769 | 12,769 | 12,769 | 13,152 | 13,547 | 13,953 | 14,372 | 14,803 | 15,247 | 15,704 |
| 95 General Retirement | 273,647 | 285,054 | 285,054 | 285,054 | 293,606 | 302,414 | 311,486 | 320,831 | 330,456 | 340,369 | 350,580 |
| 96 Life,Health,Disability | 183,894 | 168,866 | 180,687 | 193,335 | 206,868 | 221,349 | 236,843 | 253,422 | 271,162 | 290,143 | 310,453 |
| 97 Workers Compensation | 49,933 | 42,920 | 42,920 | 42,920 | 44,208 | 45,534 | 46,900 | 48,307 | 49,756 | 51,249 | 52,786 |
| 98 Leave Payout | 21,917 | 31,204 | 31,204 | 31,204 | 32,140 | 33,104 | 34,097 | 35,120 | 36,174 | 37,259 | 38,377 |
| 99 <u>WtrRec Everest-Payroll</u> | | | | | | | | | | | |
| 100 Regular Salary | 1,180,827 | 1,116,951 | 1,116,951 | 1,116,951 | 1,150,460 | 1,184,973 | 1,220,523 | 1,257,138 | 1,294,852 | 1,333,698 | 1,373,709 |
| 101 Longevity Salary | 2,546 | 3,022 | 3,022 | 3,022 | 3,113 | 3,206 | 3,302 | 3,401 | 3,503 | 3,608 | 3,717 |
| 102 Overtime | 41,135 | 80,000 | 80,000 | 80,000 | 82,400 | 84,872 | 87,418 | 90,041 | 92,742 | 95,524 | 98,390 |
| 103 Special Pay/Add | 5,706 | 2,334 | 2,334 | 2,334 | 2,404 | 2,476 | 2,550 | 2,627 | 2,706 | 2,787 | 2,871 |
| 104 Standby Pay | 38,923 | 5,669 | 5,669 | 5,669 | 5,839 | 6,014 | 6,195 | 6,381 | 6,572 | 6,769 | 6,972 |
| 105 Shift Differential | 4,787 | 4,576 | 4,576 | 4,576 | 4,713 | 4,855 | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 |
| 106 FICA Taxes | 76,432 | 70,218 | 70,218 | 70,218 | 72,325 | 74,494 | 76,729 | 79,031 | 81,402 | 83,844 | 86,359 |
| 107 Medicare Taxes | 17,876 | 16,422 | 16,422 | 16,422 | 16,915 | 17,422 | 17,945 | 18,483 | 19,038 | 19,609 | 20,197 |
| 108 General Retirement | 345,429 | 366,607 | 366,607 | 366,607 | 377,605 | 388,933 | 400,601 | 412,619 | 424,998 | 437,748 | 450,880 |
| 109 Life,Health,Disability | 196,665 | 193,806 | 207,372 | 221,888 | 237,421 | 254,040 | 271,823 | 290,851 | 311,210 | 332,995 | 356,304 |
| 110 Othr Post Employ Benefits | - | - | - | - | - | - | - | - | - | - | - |
| 111 Opt Out Health Ins Sub | - | - | - | - | - | - | - | - | - | - | - |
| 112 Workers Compensation | 48,530 | 48,378 | 48,378 | 48,378 | 49,829 | 51,324 | 52,864 | 54,450 | 56,083 | 57,766 | 59,499 |
| 113 Leave Payout | 50,282 | 28,330 | 28,330 | 28,330 | 29,180 | 30,055 | 30,957 | 31,886 | 32,842 | 33,828 | 34,842 |
| 114 <u>WtrRec SW-Payroll</u> | | | | | | | | | | | |
| 115 Regular Salary | 850,627 | 860,048 | 860,048 | 860,048 | 885,849 | 912,425 | 939,798 | 967,992 | 997,031 | 1,026,942 | 1,057,751 |
| 116 Longevity Salary | 1,976 | 2,018 | 2,018 | 2,018 | 2,079 | 2,141 | 2,205 | 2,271 | 2,339 | 2,410 | 2,482 |
| 117 Overtime | 20,078 | 60,000 | 60,000 | 60,000 | 61,800 | 63,654 | 65,564 | 67,531 | 69,556 | 71,643 | 73,792 |
| 118 Special Pay/Add | 2,674 | 2,340 | 2,340 | 2,340 | 2,410 | 2,483 | 2,557 | 2,634 | 2,713 | 2,794 | 2,878 |
| 119 Standby Pay | 26,663 | 8,961 | 8,961 | 8,961 | 9,230 | 9,507 | 9,792 | 10,086 | 10,388 | 10,700 | 11,021 |
| 120 Tool Allowance Spec Pay | - | - | - | - | - | - | - | - | - | - | - |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows

Schedule 5

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 121 Shift Differential | 4,889 | 6,032 | 6,032 | 6,032 | 6,213 | 6,399 | 6,591 | 6,789 | 6,993 | 7,203 | 7,419 |
| 122 FICA Taxes | 55,898 | 54,523 | 54,523 | 54,523 | 56,159 | 57,843 | 59,579 | 61,366 | 63,207 | 65,103 | 67,056 |
| 123 Medicare Taxes | 13,073 | 12,751 | 12,751 | 12,751 | 13,134 | 13,528 | 13,933 | 14,351 | 14,782 | 15,225 | 15,682 |
| 124 General Retirement | 252,620 | 268,118 | 268,118 | 268,118 | 276,162 | 284,446 | 292,980 | 301,769 | 310,822 | 320,147 | 329,751 |
| 125 Life,Health,Disability | 156,243 | 165,918 | 177,532 | 189,960 | 203,257 | 217,485 | 232,709 | 248,998 | 266,428 | 285,078 | 305,033 |
| 126 Workers Compensation | 43,918 | 42,849 | 42,849 | 42,849 | 44,134 | 45,459 | 46,822 | 48,227 | 49,674 | 51,164 | 52,699 |
| 127 Leave Payout | 33,485 | 32,850 | 32,850 | 32,850 | 33,836 | 34,851 | 35,896 | 36,973 | 38,082 | 39,225 | 40,401 |
| 128 <u>WtrRec Bio S-Payroll</u> | | | | | | | | | | | |
| 129 Regular Salary | 240,479 | 223,055 | 223,055 | 223,055 | 229,747 | 236,639 | 243,739 | 251,051 | 258,582 | 266,340 | 274,330 |
| 130 Longevity Salary | 1,100 | 749 | 749 | 749 | 771 | 794 | 818 | 843 | 868 | 894 | 921 |
| 131 Overtime | 7,346 | 20,000 | 20,000 | 20,000 | 20,600 | 21,218 | 21,855 | 22,510 | 23,185 | 23,881 | 24,597 |
| 132 Special Pay/Add | 1,146 | 780 | 780 | 780 | 803 | 828 | 852 | 878 | 904 | 931 | 959 |
| 133 Standby Pay | 9,091 | - | - | - | - | - | - | - | - | - | - |
| 134 FICA Taxes | 15,612 | 13,924 | 13,924 | 13,924 | 14,342 | 14,772 | 15,215 | 15,672 | 16,142 | 16,626 | 17,125 |
| 135 Medicare Taxes | 3,651 | 3,256 | 3,256 | 3,256 | 3,354 | 3,455 | 3,558 | 3,665 | 3,775 | 3,888 | 4,005 |
| 136 General Retirement | 70,559 | 72,698 | 72,698 | 72,698 | 74,879 | 77,125 | 79,439 | 81,822 | 84,277 | 86,805 | 89,409 |
| 137 Life,Health,Disability | 34,395 | 45,473 | 48,656 | 52,062 | 55,706 | 59,606 | 63,778 | 68,243 | 73,020 | 78,131 | 83,600 |
| 138 Workers Compensation | 11,987 | 10,690 | 10,690 | 10,690 | 11,011 | 11,341 | 11,681 | 12,032 | 12,393 | 12,765 | 13,148 |
| 139 Leave Payout | 12,919 | 12,982 | 12,982 | 12,982 | 13,372 | 13,773 | 14,186 | 14,611 | 15,050 | 15,501 | 15,966 |
| 140 <u>WtrRec Reuse-Payroll</u> | | | | | | | | | | | |
| 141 Regular Salary | 266,514 | 189,796 | 189,796 | 189,796 | 195,490 | 201,355 | 207,395 | 213,617 | 220,026 | 226,626 | 233,425 |
| 142 Longevity Salary | 628 | - | - | - | - | - | - | - | - | - | - |
| 143 Overtime | 1,763 | 5,000 | 5,000 | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 | 5,796 | 5,970 | 6,149 |
| 144 Special Pay/Add | 1,528 | 1,170 | 1,170 | 1,170 | 1,205 | 1,241 | 1,278 | 1,317 | 1,356 | 1,397 | 1,439 |
| 145 Standby Pay | 12,368 | 4,699 | 4,699 | 4,699 | 4,840 | 4,985 | 5,135 | 5,289 | 5,447 | 5,611 | 5,779 |
| 146 FICA Taxes | 17,424 | 12,131 | 12,131 | 12,131 | 12,495 | 12,870 | 13,256 | 13,654 | 14,063 | 14,485 | 14,920 |
| 147 Medicare Taxes | 4,074 | 2,837 | 2,837 | 2,837 | 2,922 | 3,010 | 3,100 | 3,193 | 3,289 | 3,388 | 3,489 |
| 148 General Retirement | 78,748 | 63,337 | 63,337 | 63,337 | 65,237 | 67,194 | 69,210 | 71,286 | 73,425 | 75,628 | 77,897 |
| 149 Life,Health,Disability | 43,425 | 36,953 | 39,540 | 42,307 | 45,269 | 48,438 | 51,828 | 55,456 | 59,338 | 63,492 | 67,937 |
| 150 Workers Compensation | 13,379 | 9,314 | 9,314 | 9,314 | 9,593 | 9,881 | 10,178 | 10,483 | 10,797 | 11,121 | 11,455 |
| 151 Leave Payout | 7,385 | 6,647 | 6,647 | 6,647 | 6,846 | 7,052 | 7,263 | 7,481 | 7,706 | 7,937 | 8,175 |
| 152 | - | - | - | - | - | - | - | - | - | - | - |
| 153 <u>Items Not in FY 2011 or FY 2012 Budgets</u> | | | | | | | | | | | |
| 154 One-time Workers Comp. Adj. | \$ - | (211,113) | - | - | - | - | - | - | - | - | - |
| 155 Personnel Services | \$ 17,787,340 | \$ 16,684,027 | \$ 17,034,193 | \$ 17,182,979 | \$ 17,789,441 | \$ 18,420,464 | \$ 19,077,232 | \$ 19,760,994 | \$ 20,473,070 | \$ 21,214,855 | \$ 21,987,826 |
| 156 Personnel Services Execution Percentage | 90% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 157 Total Personnel Services | \$ 16,008,606 | 16,684,027 | 17,034,193 | 17,182,979 | 17,789,441 | 18,420,464 | 19,077,232 | 19,760,994 | 20,473,070 | 21,214,855 | 21,987,826 |
| 158 <u>Operations & Maintenance Expenses</u> | | | | | | | | | | | |
| 159 <u>Accounting Operating</u> | | | | | | | | | | | |
| 160 Accounting & Auditing | \$ 25,082 | 16,532 | 16,945 | 17,369 | 17,803 | 18,248 | 18,704 | 19,172 | 19,651 | 20,143 | 20,646 |
| 161 Travel Costs | \$ 270 | 270 | 277 | 284 | 291 | 298 | 305 | 313 | 321 | 329 | 337 |
| 162 Equip Repair/Maintenance | \$ 100 | 100 | 103 | 105 | 108 | 110 | 113 | 116 | 119 | 122 | 125 |
| 163 Office Supplies | \$ 1,000 | 1,000 | 1,025 | 1,051 | 1,077 | 1,104 | 1,131 | 1,160 | 1,189 | 1,218 | 1,249 |
| 164 Computer Equip/Accessor | \$ 200 | 200 | 205 | 210 | 215 | 221 | 226 | 232 | 238 | 244 | 250 |
| 165 Books Pubs Subscrpt & Membrshp | \$ 20 | 20 | 21 | 21 | 22 | 22 | 23 | 23 | 24 | 24 | 25 |
| 166 Training & Seminars | \$ 400 | 400 | 410 | 420 | 431 | 442 | 453 | 464 | 475 | 487 | 500 |
| 167 <u>CBS Operating</u> | | | | | | | | | | | |
| 168 Other Professional Services | \$ - | - | - | - | - | - | - | - | - | - | - |
| 169 Security Service | \$ 3,000 | 500 | 513 | 525 | 538 | 552 | 566 | 580 | 594 | 609 | 624 |
| 170 Outside Services | \$ 90,273 | 48,546 | 50,002 | 51,502 | 53,048 | 54,639 | 56,278 | 57,966 | 59,705 | 61,497 | 63,342 |
| 171 Food And Mileage | \$ - | - | - | - | - | - | - | - | - | - | - |
| 172 Communication Service | \$ 765 | 250 | 256 | 263 | 269 | 276 | 283 | 290 | 297 | 305 | 312 |
| 173 Telephone Service | \$ 22,570 | 17,500 | 17,938 | 18,386 | 18,846 | 19,317 | 19,800 | 20,295 | 20,802 | 21,322 | 21,855 |
| 174 Postage & Shipping | \$ 850 | 750 | 769 | 788 | 808 | 828 | 849 | 870 | 892 | 914 | 937 |
| 175 Electric | \$ 13,500 | 21,885 | 23,198 | 24,590 | 26,065 | 27,629 | 29,287 | 31,044 | 32,907 | 34,881 | 36,974 |
| 176 Water & Sewer | \$ - | 1,683 | 1,725 | 1,768 | 1,812 | 1,858 | 1,904 | 1,952 | 2,001 | 2,051 | 2,102 |
| 177 Building Rental/Leases | \$ 120,000 | 30,000 | 30,750 | 31,519 | 32,307 | 33,114 | 33,942 | 34,791 | 35,661 | 36,552 | 37,466 |
| 178 Copy & Fax Machine | \$ 6,000 | 6,000 | 6,150 | 6,304 | 6,461 | 6,623 | 6,788 | 6,958 | 7,132 | 7,310 | 7,493 |
| 179 Other Rentals/Leases | \$ - | - | - | - | - | - | - | - | - | - | - |
| 180 Equip Repair/Maintenance | \$ 1,000 | 1,000 | 1,025 | 1,051 | 1,077 | 1,104 | 1,131 | 1,160 | 1,189 | 1,218 | 1,249 |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows

Schedule 5

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------------------------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 181 Building Maintenance | \$ 500 | 500 | 513 | 525 | 538 | 552 | 566 | 580 | 594 | 609 | 624 |
| 182 Unleaded Fuel | \$ 1,400 | 700 | 763 | 832 | 907 | 988 | 1,077 | 1,174 | 1,280 | 1,395 | 1,520 |
| 183 Facilities charge | \$ - | 3,262 | 3,344 | 3,427 | 3,513 | 3,601 | 3,691 | 3,783 | 3,877 | 3,974 | 4,074 |
| 184 Printing | \$ 1,600 | 1,600 | 1,640 | 1,681 | 1,723 | 1,766 | 1,810 | 1,856 | 1,902 | 1,949 | 1,998 |
| 185 Advertising | \$ - | - | - | - | - | - | - | - | - | - | - |
| 186 Public Relations | \$ - | - | - | - | - | - | - | - | - | - | - |
| 187 Bank Fees | \$ 48,000 | 48,000 | 49,200 | 50,430 | 51,691 | 52,983 | 54,308 | 55,665 | 57,057 | 58,483 | 59,945 |
| 188 Various Fees | \$ 100 | 100 | 103 | 105 | 108 | 110 | 113 | 116 | 119 | 122 | 125 |
| 189 Foreclosure Cost | \$ - | - | - | - | - | - | - | - | - | - | - |
| 190 Office Supplies | \$ 5,200 | 5,200 | 5,330 | 5,463 | 5,600 | 5,740 | 5,883 | 6,030 | 6,181 | 6,336 | 6,494 |
| 191 Uniforms | \$ 70 | 70 | 72 | 74 | 75 | 77 | 79 | 81 | 83 | 85 | 87 |
| 192 Small Equipment | \$ 200 | 200 | 205 | 210 | 215 | 221 | 226 | 232 | 238 | 244 | 250 |
| 193 Computer Equip/Accessories | \$ 3,100 | 3,000 | 3,075 | 3,152 | 3,231 | 3,311 | 3,394 | 3,479 | 3,566 | 3,655 | 3,747 |
| 194 Computer Software/License | \$ 28,000 | 27,500 | 28,188 | 28,892 | 29,614 | 30,355 | 31,114 | 31,892 | 32,689 | 33,506 | 34,344 |
| 195 Other Operating | \$ - | - | - | - | - | - | - | - | - | - | - |
| 196 Books Pubs Subscrpt & Magazines | \$ 425 | 300 | 308 | 315 | 323 | 331 | 339 | 348 | 357 | 366 | 375 |
| 197 Training & Seminars | \$ - | 250 | 256 | 263 | 269 | 276 | 283 | 290 | 297 | 305 | 312 |
| 198 Other Professional Services | \$ - | - | - | - | - | - | - | - | - | - | - |
| 199 Outside Services | \$ 627,000 | 662,137 | 678,690 | 695,658 | 713,049 | 730,875 | 749,147 | 767,876 | 787,073 | 806,750 | 826,918 |
| 200 Communication Service | \$ 1,092 | 250 | 256 | 263 | 269 | 276 | 283 | 290 | 297 | 305 | 312 |
| 201 Postage & Shipping | \$ 4,721 | 2,400 | 2,460 | 2,522 | 2,585 | 2,649 | 2,715 | 2,783 | 2,853 | 2,924 | 2,997 |
| 202 Equipment Rental | \$ - | - | - | - | - | - | - | - | - | - | - |
| 203 Copy & Fax Machine | \$ 5,500 | 5,000 | 5,125 | 5,253 | 5,384 | 5,519 | 5,657 | 5,798 | 5,943 | 6,092 | 6,244 |
| 204 Other Rentals/Leases | \$ - | - | - | - | - | - | - | - | - | - | - |
| 205 Equip Repair/Maintenance | \$ 16,300 | 16,300 | 16,708 | 17,125 | 17,553 | 17,992 | 18,442 | 18,903 | 19,376 | 19,860 | 20,356 |
| 206 Building Maintenance | \$ - | - | - | - | - | - | - | - | - | - | - |
| 207 Unleaded Fuel | \$ - | - | - | - | - | - | - | - | - | - | - |
| 208 Printing | \$ 9,750 | 5,000 | 5,125 | 5,253 | 5,384 | 5,519 | 5,657 | 5,798 | 5,943 | 6,092 | 6,244 |
| 209 Advertising | \$ - | - | - | - | - | - | - | - | - | - | - |
| 210 Uncollectable Accts Exp | \$ - | - | - | - | - | - | - | - | - | - | - |
| 211 Bank Fees | \$ 53,350 | 53,350 | 54,684 | 56,051 | 57,452 | 58,888 | 60,361 | 61,870 | 63,416 | 65,002 | 66,627 |
| 212 Various Fees | \$ 6,500 | 6,500 | 6,663 | 6,829 | 7,000 | 7,175 | 7,354 | 7,538 | 7,726 | 7,920 | 8,118 |
| 213 Asmt Refund | \$ - | - | - | - | - | - | - | - | - | - | - |
| 214 Interfund Service | \$ - | 156 | 160 | 164 | 168 | 172 | 176 | 181 | 185 | 190 | 195 |
| 215 Settlements | \$ - | - | - | - | - | - | - | - | - | - | - |
| 216 Office Supplies | \$ 7,000 | 4,000 | 4,100 | 4,203 | 4,308 | 4,415 | 4,526 | 4,639 | 4,755 | 4,874 | 4,995 |
| 217 Uniforms | \$ - | 30 | 31 | 32 | 32 | 33 | 34 | 35 | 36 | 37 | 37 |
| 218 Small Equipment | \$ 500 | 500 | 513 | 525 | 538 | 552 | 566 | 580 | 594 | 609 | 624 |
| 219 Computer Equip/Accessories | \$ 1,000 | 1,000 | 1,025 | 1,051 | 1,077 | 1,104 | 1,131 | 1,160 | 1,189 | 1,218 | 1,249 |
| 220 Computer Software/License | \$ 960 | 960 | 984 | 1,009 | 1,034 | 1,060 | 1,086 | 1,113 | 1,141 | 1,170 | 1,199 |
| 221 Other Operating | \$ 600 | 400 | 410 | 420 | 431 | 442 | 453 | 464 | 475 | 487 | 500 |
| 222 Books Pubs Subscrpt & Magazines | \$ 500 | 500 | 513 | 525 | 538 | 552 | 566 | 580 | 594 | 609 | 624 |
| 223 Training & Seminars | \$ - | 250 | 256 | 263 | 269 | 276 | 283 | 290 | 297 | 305 | 312 |
| 224 Discounts Taken/Lost | \$ - | - | - | - | - | - | - | - | - | - | - |
| 225 Other Refunds | \$ - | - | - | - | - | - | - | - | - | - | - |
| 226 Various Fees | \$ - | - | - | - | - | - | - | - | - | - | - |
| 227 PW Admin Operating | \$ - | - | - | - | - | - | - | - | - | - | - |
| 228 General Retirement | \$ - | - | - | - | - | - | - | - | - | - | - |
| 229 Leave Payout | \$ - | - | - | - | - | - | - | - | - | - | - |
| 230 Travel Costs | \$ - | - | - | - | - | - | - | - | - | - | - |
| 231 Stormwater | \$ 116,590 | 84,983 | 87,108 | 89,285 | 91,517 | 93,805 | 96,150 | 98,554 | 101,018 | 103,544 | 106,132 |
| 232 Interfund Service | \$ 3,416,220 | 3,872,446 | 3,969,257 | 4,068,489 | 4,170,201 | 4,274,456 | 4,381,317 | 4,490,850 | 4,603,121 | 4,718,199 | 4,836,154 |
| 233 Training & Seminars | \$ - | - | - | - | - | - | - | - | - | - | - |
| 234 Settlements | \$ - | - | - | - | - | - | - | - | - | - | - |
| 235 Property taxes | \$ - | - | - | - | - | - | - | - | - | - | - |
| 236 Utility Admin Operating | \$ - | - | - | - | - | - | - | - | - | - | - |
| 237 Legal Services | \$ 30,000 | 30,000 | 30,900 | 31,827 | 32,782 | 33,765 | 34,778 | 35,822 | 36,896 | 38,003 | 39,143 |
| 238 Studies & Master Plans | \$ 75,798 | 76,000 | 77,900 | 79,848 | 81,844 | 83,890 | 85,987 | 88,137 | 90,340 | 92,599 | 94,914 |
| 239 Accounting & Auditing | \$ - | 200,000 | 205,000 | 210,125 | 215,378 | 220,763 | 226,282 | 231,939 | 237,737 | 243,681 | 249,773 |
| 240 Other Professional Services | \$ 313,961 | 305,400 | 314,562 | 323,999 | 333,719 | 343,730 | 354,042 | 364,664 | 375,603 | 386,872 | 398,478 |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows

Schedule 5

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------------------------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 241 Outside Services | \$ - | - | - | - | - | - | - | - | - | - | - |
| 242 Food And Mileage | \$ 400 | 300 | 308 | 315 | 323 | 331 | 339 | 348 | 357 | 366 | 375 |
| 243 Travel Costs | \$ 1,800 | 1,200 | 1,230 | 1,261 | 1,292 | 1,325 | 1,358 | 1,392 | 1,426 | 1,462 | 1,499 |
| 244 Communication Service | \$ 4,000 | 1,740 | 1,784 | 1,828 | 1,874 | 1,921 | 1,969 | 2,018 | 2,068 | 2,120 | 2,173 |
| 245 Telephone Service | \$ 1,600 | 900 | 923 | 946 | 969 | 993 | 1,018 | 1,044 | 1,070 | 1,097 | 1,124 |
| 246 Postage & Shipping | \$ 12,000 | 9,000 | 9,225 | 9,456 | 9,692 | 9,934 | 10,183 | 10,437 | 10,698 | 10,966 | 11,240 |
| 247 Electric | \$ 2,000 | 1,000 | 1,066 | 1,138 | 1,216 | 1,301 | 1,393 | 1,493 | 1,601 | 1,718 | 1,845 |
| 248 Water & Sewer | \$ 60,000 | 79,200 | 81,180 | 83,210 | 85,290 | 87,422 | 89,608 | 91,848 | 94,144 | 96,498 | 98,910 |
| 249 Water & Sewer | \$ - | - | - | - | - | - | - | - | - | - | - |
| 250 Water & Sewer | \$ - | - | - | - | - | - | - | - | - | - | - |
| 251 Water & Sewer | \$ - | - | - | - | - | - | - | - | - | - | - |
| 252 Copy & Fax Machine | \$ 7,000 | 7,000 | 7,175 | 7,354 | 7,538 | 7,727 | 7,920 | 8,118 | 8,321 | 8,529 | 8,742 |
| 253 Equip Repair/Maintenance | \$ 500 | 500 | 517 | 534 | 552 | 572 | 592 | 613 | 635 | 658 | 683 |
| 254 Building Maintenance | \$ - | - | - | - | - | - | - | - | - | - | - |
| 255 Unleaded Fuel | \$ 3,000 | 1,725 | 1,891 | 2,075 | 2,280 | 2,507 | 2,760 | 3,040 | 3,351 | 3,698 | 4,082 |
| 256 Printing | \$ 200 | 200 | 205 | 210 | 215 | 221 | 226 | 232 | 238 | 244 | 250 |
| 257 Photo & Microfilm | \$ - | - | - | - | - | - | - | - | - | - | - |
| 258 Advertising | \$ - | - | - | - | - | - | - | - | - | - | - |
| 259 Public Relations | \$ 500 | 600 | 615 | 630 | 646 | 662 | 679 | 696 | 713 | 731 | 749 |
| 260 Uncollectable Accts Exp | \$ - | - | - | - | - | - | - | - | - | - | - |
| 261 Various Fees | \$ 2,500 | 3,000 | 3,075 | 3,152 | 3,231 | 3,311 | 3,394 | 3,479 | 3,566 | 3,655 | 3,747 |
| 262 Foreclosure Cost | \$ - | - | - | - | - | - | - | - | - | - | - |
| 263 Lot Mow / Impact | \$ - | - | - | - | - | - | - | - | - | - | - |
| 264 Office Supplies | \$ 2,000 | 2,000 | 2,050 | 2,101 | 2,154 | 2,208 | 2,263 | 2,319 | 2,377 | 2,437 | 2,498 |
| 265 Uniforms | \$ - | - | - | - | - | - | - | - | - | - | - |
| 266 Tools | \$ - | - | - | - | - | - | - | - | - | - | - |
| 267 Small Equipment | \$ 250 | 250 | 256 | 263 | 269 | 276 | 283 | 290 | 297 | 305 | 312 |
| 268 Computer Equip/Accessories | \$ 500 | 600 | 615 | 630 | 646 | 662 | 679 | 696 | 713 | 731 | 749 |
| 269 Computer Software/License | \$ 4,000 | 4,000 | 4,100 | 4,203 | 4,308 | 4,415 | 4,526 | 4,639 | 4,755 | 4,874 | 4,995 |
| 270 Safety Equipment | \$ - | - | - | - | - | - | - | - | - | - | - |
| 271 Other Materials | \$ 200 | 200 | 205 | 210 | 215 | 221 | 226 | 232 | 238 | 244 | 250 |
| 272 Books Pubs Subscrpt & Magazines | \$ 3,212 | 3,250 | 3,331 | 3,415 | 3,500 | 3,587 | 3,677 | 3,769 | 3,863 | 3,960 | 4,059 |
| 273 Training & Seminars | \$ 1,500 | 2,200 | 2,255 | 2,311 | 2,369 | 2,428 | 2,489 | 2,551 | 2,615 | 2,680 | 2,747 |
| 274 In-House Training | \$ 575 | 1,190 | 1,220 | 1,250 | 1,281 | 1,314 | 1,346 | 1,380 | 1,415 | 1,450 | 1,486 |
| 275 Depreciation | \$ - | - | - | - | - | - | - | - | - | - | - |
| 276 Clearing account | \$ - | - | - | - | - | - | - | - | - | - | - |
| 277 <u>Water Prod SW Operating</u> | | | | | | | | | | | |
| 278 Food And Mileage | \$ 64,475 | 56,200 | 58,055 | 60,011 | 62,072 | 64,240 | 66,512 | 68,893 | 71,388 | 74,003 | 76,743 |
| 279 Travel Costs | \$ 73,250 | 55,600 | 57,435 | 59,370 | 61,410 | 63,554 | 65,802 | 68,157 | 70,626 | 73,213 | 75,923 |
| 280 Communication Service | \$ 46,839 | 56,720 | 58,592 | 60,566 | 62,647 | 64,834 | 67,127 | 69,530 | 72,049 | 74,688 | 77,453 |
| 281 Telephone Service | \$ 24,000 | 12,144 | 12,545 | 12,967 | 13,413 | 13,881 | 14,372 | 14,887 | 15,426 | 15,991 | 16,583 |
| 282 Food And Mileage | \$ 500 | 200 | 205 | 210 | 215 | 221 | 226 | 232 | 238 | 244 | 250 |
| 283 Travel Costs | \$ 4,000 | 2,358 | 2,417 | 2,477 | 2,539 | 2,603 | 2,668 | 2,735 | 2,803 | 2,873 | 2,945 |
| 284 Communication Service | \$ 3,800 | 2,200 | 2,255 | 2,311 | 2,369 | 2,428 | 2,489 | 2,551 | 2,615 | 2,680 | 2,747 |
| 285 Telephone Service | \$ 12,000 | 12,120 | 12,423 | 12,734 | 13,052 | 13,378 | 13,713 | 14,055 | 14,407 | 14,767 | 15,136 |
| 286 Postage & Shipping | \$ 8,000 | 8,000 | 8,200 | 8,405 | 8,615 | 8,831 | 9,051 | 9,278 | 9,509 | 9,747 | 9,991 |
| 287 Electric | \$ 1,180,000 | 1,200,000 | 1,279,210 | 1,365,398 | 1,459,225 | 1,561,127 | 1,671,548 | 1,791,234 | 1,920,998 | 2,061,721 | 2,214,361 |
| 288 Water | \$ - | 12 | 12 | 13 | 13 | 14 | 14 | 15 | 15 | 16 | 16 |
| 289 Propane Fuel | \$ 250 | 500 | 513 | 525 | 538 | 552 | 566 | 580 | 594 | 609 | 624 |
| 290 Building Rental/ Leases | \$ - | - | - | - | - | - | - | - | - | - | - |
| 291 Equipment Rental/Leases | \$ 1,200 | 3,980 | 4,080 | 4,181 | 4,286 | 4,393 | 4,503 | 4,616 | 4,731 | 4,849 | 4,970 |
| 292 Copy & Fax Machine | \$ 4,500 | 6,000 | 6,150 | 6,304 | 6,461 | 6,623 | 6,788 | 6,958 | 7,132 | 7,310 | 7,493 |
| 293 Uniforms/Linen/Mats Rent/Lease | \$ 10,920 | 9,620 | 9,861 | 10,107 | 10,360 | 10,619 | 10,884 | 11,156 | 11,435 | 11,721 | 12,014 |
| 294 Other Rentals/Leases | \$ - | - | - | - | - | - | - | - | - | - | - |
| 295 Equip Repair/Maintenance | \$ 250,000 | 390,000 | 402,872 | 416,444 | 430,752 | 445,792 | 461,558 | 478,082 | 495,400 | 513,545 | 532,555 |
| 296 Building Maintenance | \$ 40,000 | 20,000 | 20,660 | 21,356 | 22,090 | 22,861 | 23,670 | 24,517 | 25,405 | 26,336 | 27,311 |
| 297 Diesel Fuel | \$ 39,000 | 33,007 | 36,176 | 39,699 | 43,618 | 47,972 | 52,804 | 58,169 | 64,128 | 70,750 | 78,111 |
| 298 Unleaded Fuel | \$ 20,000 | 17,250 | 18,906 | 20,747 | 22,795 | 25,071 | 27,596 | 30,400 | 33,515 | 36,975 | 40,822 |
| 299 Oil & Grease | \$ 750 | 750 | 822 | 902 | 991 | 1,090 | 1,200 | 1,322 | 1,457 | 1,608 | 1,775 |
| 300 Other Repairs & Maintenance | \$ 55,000 | 40,000 | 41,000 | 42,025 | 43,076 | 44,153 | 45,256 | 46,388 | 47,547 | 48,736 | 49,955 |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows

Schedule 5

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------------------------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 301 Facilities charges | \$ - | 51,893 | 53,190 | 54,520 | 55,883 | 57,280 | 58,712 | 60,180 | 61,684 | 63,227 | 64,807 |
| 302 Fleet charges | \$ - | 23,443 | 24,029 | 24,630 | 25,246 | 25,877 | 26,524 | 27,187 | 27,866 | 28,563 | 29,275 |
| 303 Printing | \$ 100 | 100 | 103 | 105 | 108 | 110 | 113 | 116 | 119 | 122 | 125 |
| 304 Public Relations | \$ 3,500 | 3,500 | 3,588 | 3,677 | 3,769 | 3,863 | 3,960 | 4,059 | 4,160 | 4,264 | 4,371 |
| 305 Various Fees | \$ 22,782 | 7,150 | 7,329 | 7,512 | 7,700 | 7,892 | 8,090 | 8,292 | 8,499 | 8,712 | 8,929 |
| 306 Office Supplies | \$ 3,000 | 2,500 | 2,563 | 2,627 | 2,692 | 2,760 | 2,829 | 2,899 | 2,972 | 3,046 | 3,122 |
| 307 Uniforms | \$ 3,000 | 3,350 | 3,434 | 3,520 | 3,608 | 3,698 | 3,790 | 3,885 | 3,982 | 4,082 | 4,184 |
| 308 Chemicals | \$ 500,000 | 400,000 | 422,403 | 446,639 | 472,865 | 501,158 | 531,594 | 564,341 | 599,581 | 637,507 | 678,330 |
| 309 Tools | \$ 3,000 | 2,500 | 2,563 | 2,627 | 2,692 | 2,760 | 2,829 | 2,899 | 2,972 | 3,046 | 3,122 |
| 310 Small Equipment | \$ 30,000 | 25,000 | 25,625 | 26,266 | 26,922 | 27,595 | 28,285 | 28,992 | 29,717 | 30,460 | 31,222 |
| 311 Janitorial Supplies | \$ 4,200 | 3,000 | 3,075 | 3,152 | 3,231 | 3,311 | 3,394 | 3,479 | 3,566 | 3,655 | 3,747 |
| 312 Computer Equip/Accessories | \$ 10,000 | 5,000 | 5,125 | 5,253 | 5,384 | 5,519 | 5,657 | 5,798 | 5,943 | 6,092 | 6,244 |
| 313 Computer Software/License | \$ 15,000 | 10,000 | 10,250 | 10,506 | 10,769 | 11,038 | 11,314 | 11,597 | 11,887 | 12,184 | 12,489 |
| 314 Safety Equipment | \$ 5,000 | 5,000 | 5,125 | 5,253 | 5,384 | 5,519 | 5,657 | 5,798 | 5,943 | 6,092 | 6,244 |
| 315 Other Operating | \$ 30,000 | 60,000 | 61,980 | 64,068 | 66,270 | 68,583 | 71,009 | 73,551 | 76,215 | 79,007 | 81,932 |
| 316 Books Pubs Subscrpt & Magazines | \$ 2,500 | 2,500 | 2,563 | 2,627 | 2,692 | 2,760 | 2,829 | 2,899 | 2,972 | 3,046 | 3,122 |
| 317 Training & Seminars | \$ 7,873 | 4,240 | 4,346 | 4,455 | 4,566 | 4,680 | 4,797 | 4,917 | 5,040 | 5,166 | 5,295 |
| 318 In-House Training | \$ 3,000 | 4,000 | 4,100 | 4,203 | 4,308 | 4,415 | 4,526 | 4,639 | 4,755 | 4,874 | 4,995 |
| 319 Discounts Taken/Lost | \$ - | - | - | - | - | - | - | - | - | - | - |
| 320 <u>Water Prod NO Operating</u> | | | | | | | | | | | |
| 321 Lab Services | \$ 61,100 | 55,000 | 56,815 | 58,729 | 60,747 | 62,868 | 65,092 | 67,422 | 69,864 | 72,423 | 75,104 |
| 322 Other Professional Services | \$ 20,600 | 96,200 | 99,375 | 102,723 | 106,252 | 109,962 | 113,851 | 117,927 | 122,199 | 126,674 | 131,364 |
| 323 Security Service | \$ 83,219 | 103,440 | 106,854 | 110,454 | 114,249 | 118,238 | 122,419 | 126,802 | 131,395 | 136,208 | 141,250 |
| 324 Outside Services | \$ 24,000 | 15,816 | 16,338 | 16,888 | 17,469 | 18,079 | 18,718 | 19,388 | 20,090 | 20,826 | 21,597 |
| 325 Food And Mileage | \$ 200 | 600 | 615 | 630 | 646 | 662 | 679 | 696 | 713 | 731 | 749 |
| 326 Travel Costs | \$ 6,185 | 2,841 | 2,912 | 2,985 | 3,059 | 3,136 | 3,214 | 3,295 | 3,377 | 3,461 | 3,548 |
| 327 Communication Services | \$ 4,200 | 1,500 | 1,538 | 1,576 | 1,615 | 1,656 | 1,697 | 1,740 | 1,783 | 1,828 | 1,873 |
| 328 Telephone Service | \$ 12,000 | 8,436 | 8,647 | 8,863 | 9,085 | 9,312 | 9,545 | 9,783 | 10,028 | 10,278 | 10,535 |
| 329 Postage & Shipping | \$ 8,000 | 8,000 | 8,200 | 8,405 | 8,615 | 8,831 | 9,051 | 9,278 | 9,509 | 9,747 | 9,991 |
| 330 Electric | \$ 1,153,200 | 1,200,000 | 1,279,210 | 1,365,398 | 1,459,225 | 1,561,127 | 1,671,548 | 1,791,234 | 1,920,998 | 2,061,721 | 2,214,361 |
| 331 Water & Sewer | \$ 200 | 240 | 246 | 252 | 258 | 265 | 272 | 278 | 285 | 292 | 300 |
| 332 Propane Fuel | \$ 250 | 500 | 513 | 525 | 538 | 552 | 566 | 580 | 594 | 609 | 624 |
| 333 Equipment Rental | \$ 1,200 | 3,980 | 4,080 | 4,181 | 4,286 | 4,393 | 4,503 | 4,616 | 4,731 | 4,849 | 4,970 |
| 334 Copy & Fax Machine | \$ 5,000 | 6,000 | 6,150 | 6,304 | 6,461 | 6,623 | 6,788 | 6,958 | 7,132 | 7,310 | 7,493 |
| 335 Uniforms/Linen/Mats Rent/Lease | \$ 10,920 | 6,760 | 6,929 | 7,102 | 7,280 | 7,462 | 7,648 | 7,840 | 8,036 | 8,236 | 8,442 |
| 336 Equip Repair/Maintenance | \$ 45,000 | 75,000 | 77,475 | 80,085 | 82,837 | 85,729 | 88,761 | 91,939 | 95,269 | 98,759 | 102,414 |
| 337 Building Maintenance | \$ 12,000 | 10,000 | 10,330 | 10,678 | 11,045 | 11,431 | 11,835 | 12,259 | 12,703 | 13,168 | 13,655 |
| 338 Diesel Fuel | \$ 38,000 | 32,160 | 35,151 | 38,444 | 42,072 | 46,065 | 50,458 | 55,292 | 60,612 | 66,469 | 72,918 |
| 339 Parts Repair/Maintenance | \$ 100 | - | - | - | - | - | - | - | - | - | - |
| 340 Unleaded Fuel | \$ 20,025 | 17,270 | 18,876 | 20,645 | 22,593 | 24,737 | 27,096 | 29,692 | 32,549 | 35,694 | 39,157 |
| 341 Oil & Grease | \$ 300 | 500 | 547 | 598 | 654 | 716 | 784 | 860 | 942 | 1,033 | 1,134 |
| 342 Other Repairs & Maintenance | \$ 10,000 | 15,000 | 15,375 | 15,759 | 16,153 | 16,557 | 16,971 | 17,395 | 17,830 | 18,276 | 18,733 |
| 343 Facilities charges | \$ - | 62,267 | 63,824 | 65,419 | 67,055 | 68,731 | 70,449 | 72,211 | 74,016 | 75,866 | 77,763 |
| 344 Fleet charges | \$ - | 12,698 | 13,015 | 13,341 | 13,674 | 14,016 | 14,367 | 14,726 | 15,094 | 15,471 | 15,858 |
| 345 Printing | \$ 100 | 100 | 103 | 105 | 108 | 110 | 113 | 116 | 119 | 122 | 125 |
| 346 Public Relations | \$ 3,500 | 3,500 | 3,588 | 3,677 | 3,769 | 3,863 | 3,960 | 4,059 | 4,160 | 4,264 | 4,371 |
| 347 Various Fees | \$ 15,000 | 350 | 359 | 368 | 377 | 386 | 396 | 406 | 416 | 426 | 437 |
| 348 Office Supplies | \$ 3,500 | 2,500 | 2,563 | 2,627 | 2,692 | 2,760 | 2,829 | 2,899 | 2,972 | 3,046 | 3,122 |
| 349 Uniforms | \$ 3,000 | 3,700 | 3,793 | 3,887 | 3,984 | 4,084 | 4,186 | 4,291 | 4,398 | 4,508 | 4,621 |
| 350 Chemicals | \$ 500,000 | 300,000 | 316,803 | 334,979 | 354,649 | 375,868 | 398,695 | 423,256 | 449,685 | 478,130 | 508,748 |
| 351 Tools | \$ 3,000 | 3,000 | 3,075 | 3,152 | 3,231 | 3,311 | 3,394 | 3,479 | 3,566 | 3,655 | 3,747 |
| 352 Small Equipment | \$ 13,000 | 20,000 | 20,500 | 21,013 | 21,538 | 22,076 | 22,628 | 23,194 | 23,774 | 24,368 | 24,977 |
| 353 Janitorial Supplies | \$ 4,000 | 4,000 | 4,100 | 4,203 | 4,308 | 4,415 | 4,526 | 4,639 | 4,755 | 4,874 | 4,995 |
| 354 Computer Equipment | \$ 10,000 | 5,000 | 5,125 | 5,253 | 5,384 | 5,519 | 5,657 | 5,798 | 5,943 | 6,092 | 6,244 |
| 355 Computer Software/Licenses | \$ 10,000 | 10,000 | 10,250 | 10,506 | 10,769 | 11,038 | 11,314 | 11,597 | 11,887 | 12,184 | 12,489 |
| 356 Safety Equipment | \$ 10,000 | 10,000 | 10,250 | 10,506 | 10,769 | 11,038 | 11,314 | 11,597 | 11,887 | 12,184 | 12,489 |
| 357 Other Operating | \$ 41,000 | 35,000 | 36,155 | 37,373 | 38,657 | 40,007 | 41,422 | 42,905 | 44,459 | 46,087 | 47,793 |
| 358 Books Pubs Subscrpt & Magazines | \$ 2,000 | 2,500 | 2,563 | 2,627 | 2,692 | 2,760 | 2,829 | 2,899 | 2,972 | 3,046 | 3,122 |
| 359 Training & Seminars | \$ 9,500 | 5,475 | 5,612 | 5,752 | 5,896 | 6,043 | 6,194 | 6,349 | 6,508 | 6,671 | 6,838 |
| 360 In-House Training | \$ 4,000 | 4,000 | 4,100 | 4,203 | 4,308 | 4,415 | 4,526 | 4,639 | 4,755 | 4,874 | 4,995 |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows **Schedule 5**

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 361 Discounts Taken/Lost | \$ - | - | - | - | - | - | - | - | - | - | - |
| 362 <u>UCD Operating</u> | | | | | | | | | | | |
| 363 Lab Services | \$ 29,000 | 30,000 | 30,990 | 32,034 | 33,135 | 34,292 | 35,504 | 36,776 | 38,108 | 39,503 | 40,966 |
| 364 Other Professional Services | \$ 50,000 | 45,368 | 46,865 | 48,444 | 50,109 | 51,858 | 53,692 | 55,614 | 57,629 | 59,740 | 61,951 |
| 365 Outside Services | \$ 37,400 | 25,000 | 25,825 | 26,695 | 27,612 | 28,576 | 29,587 | 30,646 | 31,756 | 32,920 | 34,138 |
| 366 Food And Mileage | \$ 300 | 200 | 205 | 210 | 215 | 221 | 226 | 232 | 238 | 244 | 250 |
| 367 Travel Costs | \$ 2,500 | 7,984 | 8,184 | 8,388 | 8,598 | 8,813 | 9,033 | 9,259 | 9,490 | 9,728 | 9,971 |
| 368 Communication Service | \$ 21,623 | 20,000 | 20,500 | 21,013 | 21,538 | 22,076 | 22,628 | 23,194 | 23,774 | 24,368 | 24,977 |
| 369 Telephone Service | \$ 500 | 225 | 231 | 236 | 242 | 248 | 255 | 261 | 267 | 274 | 281 |
| 370 Telecommunication | \$ - | - | - | - | - | - | - | - | - | - | - |
| 371 Postage & Shipping | \$ 125 | 200 | 205 | 210 | 215 | 221 | 226 | 232 | 238 | 244 | 250 |
| 372 Electric | \$ 18,767 | 15,500 | 16,523 | 17,636 | 18,848 | 20,165 | 21,591 | 23,137 | 24,813 | 26,631 | 28,602 |
| 373 Water & Sewer | \$ - | - | - | - | - | - | - | - | - | - | - |
| 374 Propane Fuel | \$ - | 500 | 513 | 525 | 538 | 552 | 566 | 580 | 594 | 609 | 624 |
| 375 Equipment Rental | \$ 2,000 | 2,000 | 2,050 | 2,101 | 2,154 | 2,208 | 2,263 | 2,319 | 2,377 | 2,437 | 2,498 |
| 376 Copy & Fax Machine | \$ 6,546 | 9,820 | 10,066 | 10,317 | 10,575 | 10,839 | 11,110 | 11,388 | 11,673 | 11,965 | 12,264 |
| 377 Uniforms/Linen/Mats Rent/Leases | \$ 25,000 | 20,000 | 20,500 | 21,013 | 21,538 | 22,076 | 22,628 | 23,194 | 23,774 | 24,368 | 24,977 |
| 378 Other Rentals/Leases | \$ - | - | - | - | - | - | - | - | - | - | - |
| 379 Equip Repair/Maintenance | \$ 15,000 | 20,000 | 20,660 | 21,356 | 22,090 | 22,861 | 23,670 | 24,517 | 25,405 | 26,336 | 27,311 |
| 380 Building Maintenance | \$ 4,000 | 3,000 | 3,099 | 3,203 | 3,313 | 3,429 | 3,550 | 3,678 | 3,811 | 3,950 | 4,097 |
| 381 Diesel Fuel | \$ 45,665 | 55,010 | 60,126 | 65,759 | 71,964 | 78,795 | 86,309 | 94,578 | 103,678 | 113,696 | 124,727 |
| 382 Parts Repair/Maintenance | \$ - | - | - | - | - | - | - | - | - | - | - |
| 383 Unleaded Fuel | \$ 100,000 | 99,188 | 108,413 | 118,570 | 129,758 | 142,074 | 155,623 | 170,532 | 186,941 | 205,005 | 224,894 |
| 384 Facilities charges | \$ - | 5,526 | 5,664 | 5,806 | 5,951 | 6,100 | 6,252 | 6,408 | 6,569 | 6,733 | 6,901 |
| 385 Fleet charges | \$ - | 323,959 | 332,058 | 340,359 | 348,868 | 357,590 | 366,530 | 375,693 | 385,085 | 394,713 | 404,580 |
| 386 Printing | \$ 2,000 | 4,000 | 4,100 | 4,203 | 4,308 | 4,415 | 4,526 | 4,639 | 4,755 | 4,874 | 4,995 |
| 387 Photo& Microfilm | \$ - | - | - | - | - | - | - | - | - | - | - |
| 388 Advertising | \$ 500 | - | - | - | - | - | - | - | - | - | - |
| 389 Office Supplies | \$ 6,000 | 6,500 | 6,663 | 6,829 | 7,000 | 7,175 | 7,354 | 7,538 | 7,726 | 7,920 | 8,118 |
| 390 Uniforms | \$ 10,000 | 8,000 | 8,200 | 8,405 | 8,615 | 8,831 | 9,051 | 9,278 | 9,509 | 9,747 | 9,991 |
| 391 Chemicals | \$ 3,000 | 3,000 | 3,168 | 3,350 | 3,546 | 3,759 | 3,987 | 4,233 | 4,497 | 4,781 | 5,087 |
| 392 Tools | \$ 30,000 | 30,000 | 30,750 | 31,519 | 32,307 | 33,114 | 33,942 | 34,791 | 35,661 | 36,552 | 37,466 |
| 393 Small Equipment | \$ 10,000 | 10,000 | 10,250 | 10,506 | 10,769 | 11,038 | 11,314 | 11,597 | 11,887 | 12,184 | 12,489 |
| 394 Janitorial Supplies | \$ 7,800 | 7,800 | 7,995 | 8,195 | 8,400 | 8,610 | 8,825 | 9,046 | 9,272 | 9,504 | 9,741 |
| 395 Computer Equip/Accessories | \$ 2,500 | 2,500 | 2,563 | 2,627 | 2,692 | 2,760 | 2,829 | 2,899 | 2,972 | 3,046 | 3,122 |
| 396 Computer Software/Licenses | \$ 19,000 | 14,000 | 14,350 | 14,709 | 15,076 | 15,453 | 15,840 | 16,236 | 16,642 | 17,058 | 17,484 |
| 397 Safety Equipment | \$ 12,000 | 11,000 | 11,275 | 11,557 | 11,846 | 12,142 | 12,445 | 12,757 | 13,076 | 13,402 | 13,737 |
| 398 Other Operating | \$ 1,500,000 | 1,000,000 | 1,033,004 | 1,067,804 | 1,104,493 | 1,143,057 | 1,183,483 | 1,225,853 | 1,270,255 | 1,316,782 | 1,365,526 |
| 399 Sidewalk Maintenance | \$ - | - | - | - | - | - | - | - | - | - | - |
| 400 Parking Lot Maintenance | \$ - | - | - | - | - | - | - | - | - | - | - |
| 401 Utility System Maintenance | \$ 900,000 | 1,000,000 | 1,025,000 | 1,050,625 | 1,076,891 | 1,103,813 | 1,131,408 | 1,159,693 | 1,188,686 | 1,218,403 | 1,248,863 |
| 402 Books Pubs Subscrpt & Magazines | \$ 2,600 | 2,600 | 2,665 | 2,732 | 2,800 | 2,870 | 2,942 | 3,015 | 3,091 | 3,168 | 3,247 |
| 403 Training & Seminars | \$ 1,641 | 1,641 | 1,682 | 1,724 | 1,767 | 1,811 | 1,857 | 1,903 | 1,951 | 1,999 | 2,049 |
| 404 In-House Training | \$ 28,071 | 24,165 | 24,769 | 25,388 | 26,023 | 26,674 | 27,340 | 28,024 | 28,725 | 29,443 | 30,179 |
| 405 Discounts Taken/Lost | \$ - | - | - | - | - | - | - | - | - | - | - |
| 406 <u>WtrRec Collection-Operating</u> | | | | | | | | | | | |
| 407 Lab Services | \$ 2,000 | 1,430 | 1,477 | 1,527 | 1,580 | 1,635 | 1,693 | 1,754 | 1,818 | 1,885 | 1,955 |
| 408 Other Professional Services | \$ 100,000 | 150,000 | 154,962 | 160,197 | 165,720 | 171,527 | 177,616 | 184,001 | 190,694 | 197,709 | 205,061 |
| 409 Outside Services | \$ 60,000 | 25,421 | 26,262 | 27,149 | 28,085 | 29,069 | 30,101 | 31,183 | 32,317 | 33,506 | 34,752 |
| 410 Travel Costs | \$ 2,522 | 2,522 | 2,585 | 2,650 | 2,716 | 2,784 | 2,853 | 2,925 | 2,998 | 3,073 | 3,150 |
| 411 Communication Service | \$ 6,912 | 3,300 | 3,383 | 3,467 | 3,554 | 3,643 | 3,734 | 3,827 | 3,923 | 4,021 | 4,121 |
| 412 Postage & Shipping | \$ 200 | 400 | 410 | 420 | 431 | 442 | 453 | 464 | 475 | 487 | 500 |
| 413 Electric | \$ 750,000 | 750,000 | 800,250 | 855,136 | 915,114 | 980,473 | 1,051,507 | 1,128,727 | 1,212,692 | 1,304,007 | 1,403,333 |
| 414 Water & Sewer | \$ 1,100 | 600 | 615 | 630 | 646 | 662 | 679 | 696 | 713 | 731 | 749 |
| 415 Equipment Rental | \$ - | - | - | - | - | - | - | - | - | - | - |
| 416 Copy & Fax Machine | \$ 1,500 | 1,058 | 1,084 | 1,112 | 1,139 | 1,168 | 1,197 | 1,227 | 1,258 | 1,289 | 1,321 |
| 417 Uniforms/Linen/Mats Rent/Leases | \$ 6,000 | 3,139 | 3,217 | 3,298 | 3,380 | 3,465 | 3,551 | 3,640 | 3,731 | 3,825 | 3,920 |
| 418 Other Rentals/Leases | \$ - | - | - | - | - | - | - | - | - | - | - |
| 419 Insurance | \$ - | - | - | - | - | - | - | - | - | - | - |
| 420 Equip Repair/Maintenance | \$ 356,891 | 375,000 | 387,406 | 400,493 | 414,299 | 428,816 | 444,040 | 460,001 | 476,734 | 494,273 | 512,653 |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows

Schedule 5

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------------------------|------------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|
| 421 Building Maintenance | \$ 28,000 | 20,000 | 20,662 | 21,360 | 22,096 | 22,870 | 23,682 | 24,533 | 25,426 | 26,361 | 27,342 |
| 422 Diesel Fuel | \$ 18,000 | 18,400 | 20,113 | 21,999 | 24,077 | 26,366 | 28,883 | 31,655 | 34,705 | 38,065 | 41,764 |
| 423 Unleaded Fuel | \$ 32,000 | 36,800 | 40,225 | 43,998 | 48,154 | 52,731 | 57,767 | 63,309 | 69,411 | 76,129 | 83,528 |
| 424 Oil & Grease | \$ 450 | 450 | 492 | 538 | 589 | 645 | 706 | 774 | 849 | 931 | 1,021 |
| 425 Other Repairs & Maintenance | \$ 30,000 | 15,000 | 15,375 | 15,759 | 16,153 | 16,557 | 16,971 | 17,395 | 17,830 | 18,276 | 18,733 |
| 426 Fleet Charges | \$ - | 120,456 | 123,467 | 126,554 | 129,718 | 132,961 | 136,285 | 139,692 | 143,184 | 146,764 | 150,433 |
| 427 Printing | \$ 100 | 500 | 513 | 525 | 538 | 552 | 566 | 580 | 594 | 609 | 624 |
| 428 Office Supplies | \$ 1,500 | 1,500 | 1,538 | 1,576 | 1,615 | 1,656 | 1,697 | 1,740 | 1,783 | 1,828 | 1,873 |
| 429 Uniforms | \$ 2,200 | 2,200 | 2,255 | 2,311 | 2,369 | 2,428 | 2,489 | 2,551 | 2,615 | 2,680 | 2,747 |
| 430 Chemicals | \$ 40,000 | 45,506 | 48,100 | 50,918 | 53,980 | 57,296 | 60,874 | 64,735 | 68,903 | 73,403 | 78,260 |
| 431 Tools | \$ 5,000 | 4,000 | 4,100 | 4,203 | 4,308 | 4,415 | 4,526 | 4,639 | 4,755 | 4,874 | 4,995 |
| 432 Small Equipment | \$ 15,000 | 15,000 | 15,375 | 15,759 | 16,153 | 16,557 | 16,971 | 17,395 | 17,830 | 18,276 | 18,733 |
| 433 Janitorial Supplies | \$ 1,000 | 1,000 | 1,025 | 1,051 | 1,077 | 1,104 | 1,131 | 1,160 | 1,189 | 1,218 | 1,249 |
| 434 Computer Equip/Accessories | \$ 5,000 | 5,000 | 5,125 | 5,253 | 5,384 | 5,519 | 5,657 | 5,798 | 5,943 | 6,092 | 6,244 |
| 435 Computer Software/Licenses | \$ 650 | 650 | 666 | 683 | 700 | 717 | 735 | 754 | 773 | 792 | 812 |
| 436 Safety Equipment | \$ 4,000 | 4,000 | 4,100 | 4,203 | 4,308 | 4,415 | 4,526 | 4,639 | 4,755 | 4,874 | 4,995 |
| 437 Other Operating | \$ 40,000 | 25,000 | 25,827 | 26,700 | 27,620 | 28,588 | 29,603 | 30,667 | 31,782 | 32,952 | 34,177 |
| 438 Books Pubs Subscrpt & Magazines | \$ 100 | 100 | 103 | 105 | 108 | 110 | 113 | 116 | 119 | 122 | 125 |
| 439 Training & Seminars | \$ 11,000 | 3,825 | 3,921 | 4,019 | 4,119 | 4,222 | 4,328 | 4,436 | 4,547 | 4,660 | 4,777 |
| 440 In-House Training | \$ 900 | 8,000 | 8,200 | 8,405 | 8,615 | 8,831 | 9,051 | 9,278 | 9,509 | 9,747 | 9,991 |
| 441 Discounts Taken/Lost | \$ - | - | - | - | - | - | - | - | - | - | - |
| 442 <u>WtrRec Ever-Operating</u> | | | | | | | | | | | |
| 443 Lab Services | \$ 115,000 | 105,000 | 108,474 | 112,138 | 116,004 | 120,069 | 124,331 | 128,800 | 133,486 | 138,396 | 143,543 |
| 444 Other Professional Services | \$ 10,000 | - | - | - | - | - | - | - | - | - | - |
| 445 Security Service | \$ - | - | - | - | - | - | - | - | - | - | - |
| 446 Outside Services | \$ 20,806 | 12,445 | 12,857 | 13,291 | 13,749 | 14,231 | 14,736 | 15,266 | 15,821 | 16,403 | 17,013 |
| 447 Food And Mileage | \$ - | - | - | - | - | - | - | - | - | - | - |
| 448 Travel Costs | \$ 5,000 | 6,382 | 6,542 | 6,705 | 6,873 | 7,045 | 7,221 | 7,401 | 7,586 | 7,776 | 7,970 |
| 449 Communication Service | \$ 2,800 | 960 | 984 | 1,009 | 1,034 | 1,060 | 1,086 | 1,113 | 1,141 | 1,170 | 1,199 |
| 450 Telephone Service | \$ 5,000 | 4,500 | 4,613 | 4,728 | 4,846 | 4,967 | 5,091 | 5,219 | 5,349 | 5,483 | 5,620 |
| 451 Postage & Shipping | \$ 1,200 | 2,500 | 2,563 | 2,627 | 2,692 | 2,760 | 2,829 | 2,899 | 2,972 | 3,046 | 3,122 |
| 452 Electric | \$ 676,500 | 660,000 | 704,220 | 752,520 | 805,301 | 862,816 | 925,326 | 993,280 | 1,067,169 | 1,147,526 | 1,234,933 |
| 453 Water & Sewer | \$ 1,100 | 1,100 | 1,128 | 1,156 | 1,185 | 1,214 | 1,245 | 1,276 | 1,308 | 1,340 | 1,374 |
| 454 Building Rental/Leases | \$ - | - | - | - | - | - | - | - | - | - | - |
| 455 Equipment Rental | \$ 3,000 | 3,000 | 3,075 | 3,152 | 3,231 | 3,311 | 3,394 | 3,479 | 3,566 | 3,655 | 3,747 |
| 456 Copy & Fax Machine | \$ 2,000 | 1,405 | 1,440 | 1,476 | 1,513 | 1,551 | 1,590 | 1,629 | 1,670 | 1,712 | 1,755 |
| 457 Uniforms/Linen/Mats Rent/Leases | \$ 11,000 | 7,621 | 7,812 | 8,007 | 8,207 | 8,412 | 8,622 | 8,838 | 9,059 | 9,285 | 9,518 |
| 458 Other Rentals/Leases | \$ - | - | - | - | - | - | - | - | - | - | - |
| 459 Insurance | \$ - | - | - | - | - | - | - | - | - | - | - |
| 460 Tires | \$ - | - | - | - | - | - | - | - | - | - | - |
| 461 Equip Repair/Maintenance | \$ 125,000 | 110,000 | 113,639 | 117,478 | 121,528 | 125,786 | 130,252 | 134,934 | 139,842 | 144,987 | 150,378 |
| 462 Building Maintenance | \$ 10,000 | 27,000 | 27,893 | 28,836 | 29,830 | 30,875 | 31,971 | 33,120 | 34,325 | 35,588 | 36,911 |
| 463 Diesel Fuel | \$ 97,000 | 83,280 | 91,032 | 99,569 | 108,975 | 119,333 | 130,729 | 143,272 | 157,080 | 172,284 | 189,027 |
| 464 Unleaded Fuel | \$ 5,000 | 5,915 | 6,466 | 7,072 | 7,740 | 8,476 | 9,285 | 10,176 | 11,157 | 12,237 | 13,426 |
| 465 Oil & Grease | \$ 10,000 | 6,858 | 7,496 | 8,199 | 8,974 | 9,827 | 10,765 | 11,798 | 12,935 | 14,187 | 15,566 |
| 466 Other Repairs & Maintenance | \$ 25,000 | 25,000 | 25,625 | 26,266 | 26,922 | 27,595 | 28,285 | 28,992 | 29,717 | 30,460 | 31,222 |
| 467 Facilities Charge | \$ - | 8,354 | 8,563 | 8,777 | 8,996 | 9,221 | 9,452 | 9,688 | 9,930 | 10,179 | 10,433 |
| 468 Printing | \$ 50 | 50 | 51 | 53 | 54 | 55 | 57 | 58 | 59 | 61 | 62 |
| 469 Various Fees | \$ 4,500 | 10,000 | 10,250 | 10,506 | 10,769 | 11,038 | 11,314 | 11,597 | 11,887 | 12,184 | 12,489 |
| 470 Office Supplies | \$ 3,800 | 3,800 | 3,895 | 3,992 | 4,092 | 4,194 | 4,299 | 4,407 | 4,517 | 4,630 | 4,746 |
| 471 Uniforms | \$ 2,500 | 2,400 | 2,460 | 2,522 | 2,585 | 2,649 | 2,715 | 2,783 | 2,853 | 2,924 | 2,997 |
| 472 Chemicals | \$ 448,000 | 265,139 | 280,252 | 296,671 | 314,512 | 333,830 | 354,677 | 377,177 | 401,463 | 427,678 | 455,978 |
| 473 Tools | \$ 3,000 | 3,000 | 3,075 | 3,152 | 3,231 | 3,311 | 3,394 | 3,479 | 3,566 | 3,655 | 3,747 |
| 474 Small Equipment | \$ 9,000 | 9,000 | 9,225 | 9,456 | 9,692 | 9,934 | 10,183 | 10,437 | 10,698 | 10,966 | 11,240 |
| 475 Janitorial Supplies | \$ 3,400 | 3,400 | 3,485 | 3,572 | 3,661 | 3,753 | 3,847 | 3,943 | 4,042 | 4,143 | 4,246 |
| 476 Computer Equip/Accessories | \$ 1,500 | 1,500 | 1,538 | 1,576 | 1,615 | 1,656 | 1,697 | 1,740 | 1,783 | 1,828 | 1,873 |
| 477 Computer Software/Licenses | \$ 2,000 | 1,000 | 1,025 | 1,051 | 1,077 | 1,104 | 1,131 | 1,160 | 1,189 | 1,218 | 1,249 |
| 478 Safety Equipment | \$ 4,000 | 4,500 | 4,613 | 4,728 | 4,846 | 4,967 | 5,091 | 5,219 | 5,349 | 5,483 | 5,620 |
| 479 Other Operating | \$ 45,000 | 45,000 | 46,489 | 48,059 | 49,716 | 51,458 | 53,285 | 55,200 | 57,208 | 59,313 | 61,518 |
| 480 Books Pubs Subscrpt & Magazines | \$ 1,350 | 925 | 948 | 972 | 996 | 1,021 | 1,047 | 1,073 | 1,100 | 1,127 | 1,155 |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows Schedule 5

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------------------------|------------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|
| 481 Training & Seminars | \$ 10,600 | 3,235 | 3,316 | 3,399 | 3,484 | 3,571 | 3,660 | 3,752 | 3,845 | 3,942 | 4,040 |
| 482 In-House Training | \$ 100 | 8,000 | 8,200 | 8,405 | 8,615 | 8,831 | 9,051 | 9,278 | 9,509 | 9,747 | 9,991 |
| 483 <u>WtrRec SW-Operating</u> | | | | | | | | | | | |
| 484 Lab Services | \$ 91,000 | 90,000 | 92,977 | 96,118 | 99,432 | 102,916 | 106,570 | 110,400 | 114,416 | 118,625 | 123,037 |
| 485 Other Professional Services | \$ - | 8,000 | 8,265 | 8,544 | 8,838 | 9,148 | 9,473 | 9,813 | 10,170 | 10,544 | 10,937 |
| 486 Security Service | \$ 30,451 | 33,945 | 35,068 | 36,253 | 37,502 | 38,816 | 40,194 | 41,639 | 43,154 | 44,742 | 46,405 |
| 487 Outside Services | \$ 20,000 | 7,675 | 7,929 | 8,197 | 8,479 | 8,776 | 9,088 | 9,415 | 9,757 | 10,116 | 10,492 |
| 488 Food And Mileage | \$ - | - | - | - | - | - | - | - | - | - | - |
| 489 Travel Costs | \$ 1,561 | 1,561 | 1,600 | 1,640 | 1,681 | 1,723 | 1,766 | 1,810 | 1,856 | 1,902 | 1,949 |
| 490 Communication Service | \$ 2,280 | 480 | 492 | 504 | 517 | 530 | 543 | 557 | 571 | 585 | 599 |
| 491 Telephone Service | \$ - | - | - | - | - | - | - | - | - | - | - |
| 492 Postage & Shipping | \$ 100 | 100 | 103 | 105 | 108 | 110 | 113 | 116 | 119 | 122 | 125 |
| 493 Electric | \$ 676,500 | 676,500 | 721,825 | 771,333 | 825,433 | 884,387 | 948,460 | 1,018,112 | 1,093,848 | 1,176,214 | 1,265,806 |
| 494 Equipment Rental | \$ 1,000 | 1,000 | 1,025 | 1,051 | 1,077 | 1,104 | 1,131 | 1,160 | 1,189 | 1,218 | 1,249 |
| 495 Copy & Fax Machine | \$ 2,500 | 1,355 | 1,389 | 1,424 | 1,459 | 1,496 | 1,533 | 1,571 | 1,611 | 1,651 | 1,692 |
| 496 Uniforms/Linen/Mats Rent/Leases | \$ 8,604 | 7,206 | 7,386 | 7,571 | 7,760 | 7,954 | 8,153 | 8,357 | 8,566 | 8,780 | 8,999 |
| 497 Equip Repair/Maintenance | \$ 85,000 | 115,000 | 118,804 | 122,818 | 127,052 | 131,504 | 136,172 | 141,067 | 146,198 | 151,577 | 157,214 |
| 498 Building Maintenance | \$ 13,000 | 28,000 | 28,926 | 29,904 | 30,934 | 32,018 | 33,155 | 34,347 | 35,596 | 36,906 | 38,278 |
| 499 Diesel Fuel | \$ 117,000 | 166,560 | 182,064 | 199,138 | 217,951 | 238,665 | 261,458 | 286,544 | 314,160 | 344,567 | 378,055 |
| 500 Unleaded Fuel | \$ 2,500 | 4,925 | 5,383 | 5,888 | 6,445 | 7,057 | 7,731 | 8,473 | 9,289 | 10,188 | 11,179 |
| 501 Oil & Grease | \$ 1,000 | 5,714 | 6,246 | 6,832 | 7,477 | 8,188 | 8,970 | 9,830 | 10,778 | 11,821 | 12,970 |
| 502 Other Repairs & Maintenance | \$ 5,000 | 5,000 | 5,125 | 5,253 | 5,384 | 5,519 | 5,657 | 5,798 | 5,943 | 6,092 | 6,244 |
| 503 Fleet charges | \$ - | 18,704 | 19,172 | 19,651 | 20,142 | 20,646 | 21,162 | 21,691 | 22,233 | 22,789 | 23,359 |
| 504 Printing | \$ 100 | 100 | 103 | 105 | 108 | 110 | 113 | 116 | 119 | 122 | 125 |
| 505 Various Fees | \$ 4,500 | 10,000 | 10,250 | 10,506 | 10,769 | 11,038 | 11,314 | 11,597 | 11,887 | 12,184 | 12,489 |
| 506 Office Supplies | \$ 2,000 | 2,000 | 2,050 | 2,101 | 2,154 | 2,208 | 2,263 | 2,319 | 2,377 | 2,437 | 2,498 |
| 507 Uniforms | \$ 1,800 | 1,900 | 1,948 | 1,996 | 2,046 | 2,097 | 2,150 | 2,203 | 2,259 | 2,315 | 2,373 |
| 508 Chemicals | \$ 235,000 | 216,178 | 228,500 | 241,887 | 256,434 | 272,184 | 289,182 | 307,527 | 327,328 | 348,703 | 371,776 |
| 509 Tools | \$ 2,800 | 2,800 | 2,870 | 2,942 | 3,015 | 3,091 | 3,168 | 3,247 | 3,328 | 3,412 | 3,497 |
| 510 Small Equipment | \$ 8,000 | 8,000 | 8,200 | 8,405 | 8,615 | 8,831 | 9,051 | 9,278 | 9,509 | 9,747 | 9,991 |
| 511 Janitorial Supplies | \$ 3,400 | 3,400 | 3,485 | 3,572 | 3,661 | 3,753 | 3,847 | 3,943 | 4,042 | 4,143 | 4,246 |
| 512 Computer Equip/Accessories | \$ 500 | 500 | 513 | 525 | 538 | 552 | 566 | 580 | 594 | 609 | 624 |
| 513 Computer Software/Licenses | \$ 500 | 500 | 513 | 525 | 538 | 552 | 566 | 580 | 594 | 609 | 624 |
| 514 Safety Equipment | \$ 4,000 | 4,000 | 4,100 | 4,203 | 4,308 | 4,415 | 4,526 | 4,639 | 4,755 | 4,874 | 4,995 |
| 515 Other Operating | \$ 45,000 | 45,000 | 46,489 | 48,059 | 49,716 | 51,458 | 53,285 | 55,200 | 57,208 | 59,313 | 61,518 |
| 516 Books Pubs Subscrpt & Magazines | \$ 900 | 850 | 871 | 893 | 915 | 938 | 962 | 986 | 1,010 | 1,036 | 1,062 |
| 517 Training & Seminars | \$ 6,670 | 695 | 712 | 730 | 748 | 767 | 786 | 806 | 826 | 847 | 868 |
| 518 In-House Training | \$ 100 | 5,975 | 6,124 | 6,277 | 6,434 | 6,595 | 6,760 | 6,929 | 7,102 | 7,280 | 7,462 |
| 519 <u>WtrRec Bio S-Operating</u> | | | | | | | | | | | |
| 520 Lab Services | \$ 29,000 | 26,132 | 26,997 | 27,909 | 28,871 | 29,882 | 30,943 | 32,055 | 33,221 | 34,444 | 35,724 |
| 521 Other Professional Services | \$ 500 | 500 | 517 | 534 | 552 | 572 | 592 | 613 | 636 | 659 | 684 |
| 522 Security Service | \$ 10,150 | 11,315 | 11,689 | 12,084 | 12,501 | 12,939 | 13,398 | 13,880 | 14,385 | 14,914 | 15,468 |
| 523 Outside Services | \$ 319,000 | 241,332 | 249,316 | 257,738 | 266,623 | 275,966 | 285,763 | 296,035 | 306,803 | 318,090 | 329,919 |
| 524 Food And Mileage | \$ - | - | - | - | - | - | - | - | - | - | - |
| 525 Travel Costs | \$ 669 | 1,740 | 1,784 | 1,828 | 1,874 | 1,921 | 1,969 | 2,018 | 2,068 | 2,120 | 2,173 |
| 526 Communication Service | \$ 456 | - | - | - | - | - | - | - | - | - | - |
| 527 Telephone Service | \$ - | - | - | - | - | - | - | - | - | - | - |
| 528 Postage & Shipping | \$ 100 | 100 | 103 | 105 | 108 | 110 | 113 | 116 | 119 | 122 | 125 |
| 529 Electric | \$ 50,400 | 50,400 | 53,777 | 57,465 | 61,496 | 65,888 | 70,661 | 75,850 | 81,493 | 87,629 | 94,304 |
| 530 Equipment Rental | \$ 2,030 | 1,000 | 1,025 | 1,051 | 1,077 | 1,104 | 1,131 | 1,160 | 1,189 | 1,218 | 1,249 |
| 531 Copy & Fax Machine | \$ - | - | - | - | - | - | - | - | - | - | - |
| 532 Uniforms/Linen/Mats Rent/Leases | \$ 1,365 | 302 | 310 | 317 | 325 | 333 | 342 | 350 | 359 | 368 | 377 |
| 533 Other Rentals/Leases | \$ 8,970 | 10,000 | 10,250 | 10,506 | 10,769 | 11,038 | 11,314 | 11,597 | 11,887 | 12,184 | 12,489 |
| 534 Equip Repair/Maintenance | \$ 19,000 | 19,000 | 19,629 | 20,292 | 20,991 | 21,727 | 22,498 | 23,307 | 24,155 | 25,043 | 25,974 |
| 535 Building Maintenance | \$ 1,000 | 1,000 | 1,033 | 1,068 | 1,105 | 1,144 | 1,184 | 1,227 | 1,271 | 1,318 | 1,367 |
| 536 Diesel Fuel | \$ 5,000 | 575 | 629 | 687 | 752 | 824 | 903 | 989 | 1,085 | 1,190 | 1,305 |
| 537 Unleaded Fuel | \$ 1,000 | 862 | 942 | 1,031 | 1,128 | 1,235 | 1,353 | 1,483 | 1,626 | 1,783 | 1,957 |
| 538 Oil & Grease | \$ 1,000 | 1,000 | 1,093 | 1,196 | 1,309 | 1,433 | 1,570 | 1,720 | 1,886 | 2,069 | 2,270 |
| 539 Other Repairs & Maintenance | \$ 2,000 | 2,000 | 2,050 | 2,101 | 2,154 | 2,208 | 2,263 | 2,319 | 2,377 | 2,437 | 2,498 |
| 540 Printing | \$ - | - | - | - | - | - | - | - | - | - | - |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 5 – Projection of Cash Outflows

Projection of Cash Outflows

Schedule 5

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 541 Various Fees | \$ - | - | - | - | - | - | - | - | - | - | - |
| 542 Office Supplies | \$ 400 | 400 | 410 | 420 | 431 | 442 | 453 | 464 | 475 | 487 | 500 |
| 543 Uniforms | \$ 500 | 500 | 513 | 525 | 538 | 552 | 566 | 580 | 594 | 609 | 624 |
| 544 Chemicals | \$ 597,000 | 453,339 | 479,179 | 507,252 | 537,758 | 570,788 | 606,433 | 644,904 | 686,428 | 731,252 | 779,638 |
| 545 Tools | \$ 200 | 200 | 205 | 210 | 215 | 221 | 226 | 232 | 238 | 244 | 250 |
| 546 Small Equipment | \$ 200 | 200 | 205 | 210 | 215 | 221 | 226 | 232 | 238 | 244 | 250 |
| 547 Janitorial Supplies | \$ 200 | 200 | 205 | 210 | 215 | 221 | 226 | 232 | 238 | 244 | 250 |
| 548 Safety Equipment | \$ 2,000 | 1,500 | 1,538 | 1,576 | 1,615 | 1,656 | 1,697 | 1,740 | 1,783 | 1,828 | 1,873 |
| 549 Other Operating | \$ 700 | 1,000 | 1,033 | 1,068 | 1,105 | 1,144 | 1,184 | 1,227 | 1,271 | 1,318 | 1,367 |
| 550 Books Pubs Subscript & Magazines | \$ 100 | 75 | 77 | 79 | 81 | 83 | 85 | 87 | 89 | 91 | 94 |
| 551 Training & Seminars | \$ 30 | 980 | 1,005 | 1,030 | 1,055 | 1,082 | 1,109 | 1,136 | 1,165 | 1,194 | 1,224 |
| 552 In-House Training | \$ 200 | 250 | 256 | 263 | 269 | 276 | 283 | 290 | 297 | 305 | 312 |
| 553 Discounts Taken/Lost | \$ - | - | - | - | - | - | - | - | - | - | - |
| 554 <u>WtrRec Reuse-Operating</u> | | | | | | | | | | | |
| 555 Lab Services | \$ 25,000 | 24,970 | 25,806 | 26,691 | 27,628 | 28,614 | 29,651 | 30,739 | 31,883 | 33,083 | 34,343 |
| 556 Other Professional Services | \$ - | - | - | - | - | - | - | - | - | - | - |
| 557 Outside Services | \$ 11,000 | 8,881 | 9,179 | 9,493 | 9,826 | 10,177 | 10,546 | 10,933 | 11,340 | 11,767 | 12,215 |
| 558 Travel Costs | \$ 1,000 | 4,042 | 4,143 | 4,247 | 4,353 | 4,462 | 4,573 | 4,687 | 4,805 | 4,925 | 5,048 |
| 559 Communication Service | \$ 1,824 | 240 | 246 | 252 | 258 | 265 | 272 | 278 | 285 | 292 | 300 |
| 560 Postage & Shipping | \$ 250 | - | - | - | - | - | - | - | - | - | - |
| 561 Electric | \$ 660,000 | 660,000 | 704,220 | 752,520 | 805,301 | 862,816 | 925,326 | 993,280 | 1,067,169 | 1,147,526 | 1,234,933 |
| 562 Equipment Rental | \$ 1,000 | - | - | - | - | - | - | - | - | - | - |
| 563 Uniforms/Linen/Mats Rent/Leases | \$ 1,650 | - | - | - | - | - | - | - | - | - | - |
| 564 Equip Repair/Maintenance | \$ 98,000 | 98,000 | 101,283 | 104,756 | 108,430 | 112,302 | 116,370 | 120,643 | 125,130 | 129,842 | 134,787 |
| 565 Building Maintenance | \$ 17,000 | 17,000 | 17,569 | 18,172 | 18,809 | 19,481 | 20,187 | 20,928 | 21,706 | 22,524 | 23,381 |
| 566 Diesel Fuel | \$ 5,000 | 5,780 | 6,318 | 6,911 | 7,563 | 8,282 | 9,073 | 9,944 | 10,902 | 11,957 | 13,119 |
| 567 Unleaded Fuel | \$ 6,600 | 6,503 | 7,108 | 7,775 | 8,509 | 9,318 | 10,208 | 11,188 | 12,266 | 13,453 | 14,760 |
| 568 Oil & Grease | \$ 1,200 | 1,200 | 1,312 | 1,435 | 1,570 | 1,719 | 1,884 | 2,064 | 2,263 | 2,482 | 2,724 |
| 569 Other Repairs & Maintenance | \$ 5,000 | 5,000 | 5,125 | 5,253 | 5,384 | 5,519 | 5,657 | 5,798 | 5,943 | 6,092 | 6,244 |
| 570 Fleet charges | \$ - | 15,712 | 16,105 | 16,507 | 16,920 | 17,343 | 17,777 | 18,221 | 18,677 | 19,144 | 19,622 |
| 571 Printing | \$ 100 | 100 | 103 | 105 | 108 | 110 | 113 | 116 | 119 | 122 | 125 |
| 572 Office Supplies | \$ 400 | 400 | 410 | 420 | 431 | 442 | 453 | 464 | 475 | 487 | 500 |
| 573 Uniforms | \$ 600 | 600 | 615 | 630 | 646 | 662 | 679 | 696 | 713 | 731 | 749 |
| 574 Chemicals | \$ 204,000 | 182,355 | 192,749 | 204,042 | 216,312 | 229,599 | 243,937 | 259,412 | 276,115 | 294,145 | 313,608 |
| 575 Tools | \$ 8,000 | 4,000 | 4,100 | 4,203 | 4,308 | 4,415 | 4,526 | 4,639 | 4,755 | 4,874 | 4,995 |
| 576 Small Equipment | \$ 15,000 | 15,000 | 15,375 | 15,759 | 16,153 | 16,557 | 16,971 | 17,395 | 17,830 | 18,276 | 18,733 |
| 577 Janitorial Supplies | \$ 700 | 700 | 718 | 735 | 754 | 773 | 792 | 812 | 832 | 853 | 874 |
| 578 Computer Equip/Accessories | \$ 1,000 | 1,000 | 1,025 | 1,051 | 1,077 | 1,104 | 1,131 | 1,160 | 1,189 | 1,218 | 1,249 |
| 579 Computer Software/Licenses | \$ 1,000 | 1,000 | 1,025 | 1,051 | 1,077 | 1,104 | 1,131 | 1,160 | 1,189 | 1,218 | 1,249 |
| 580 Safety Equipment | \$ 800 | 800 | 820 | 841 | 862 | 883 | 905 | 928 | 951 | 975 | 999 |
| 581 Other Operating | \$ 7,000 | 7,000 | 7,234 | 7,483 | 7,745 | 8,022 | 8,312 | 8,617 | 8,938 | 9,274 | 9,628 |
| 582 Books Pubs Subscript & Magazines | \$ 125 | 75 | 77 | 79 | 81 | 83 | 85 | 87 | 89 | 91 | 94 |
| 583 Training & Seminars | \$ 1,680 | 1,680 | 1,722 | 1,765 | 1,809 | 1,854 | 1,901 | 1,948 | 1,997 | 2,047 | 2,098 |
| 584 In-House Training | \$ 200 | 250 | 256 | 263 | 269 | 276 | 283 | 290 | 297 | 305 | 312 |
| 585 <u>O&M Exp/Adj Not in FY 2011 or FY 2012 Budgets</u> | | | | | | | | | | | |
| 586 Incremental O&M - North WRF (Only if UEP Resumes) | \$ - | - | - | - | - | - | - | - | - | - | - |
| 587 Incremental O&M - New ASR Wells | \$ - | - | - | - | - | 200,000 | 208,401 | 217,289 | 226,700 | 236,671 | 247,243 |
| 588 Bio Solids Exp Reduction (Partnership Impacts) | \$ - | (750,000) | (774,607) | (796,255) | (828,666) | (867,085) | (903,507) | (942,042) | (982,841) | (1,026,069) | (1,071,901) |
| 589 O&M Expenses | \$ 19,378,276 | 18,861,130 | 19,677,173 | 20,554,386 | 21,483,992 | 22,673,751 | 23,743,160 | 24,885,703 | 26,107,254 | 27,414,176 | 28,813,360 |
| 590 O&M Execution Percentage | 80% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 591 Total O&M Expenses | \$ 15,502,621 | 18,861,130 | 19,677,173 | 20,554,386 | 21,483,992 | 22,673,751 | 23,743,160 | 24,885,703 | 26,107,254 | 27,414,176 | 28,813,360 |

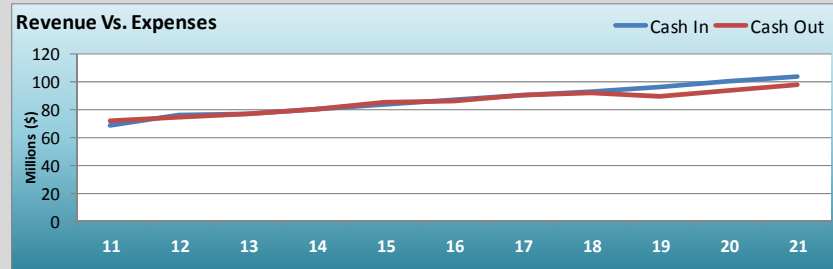
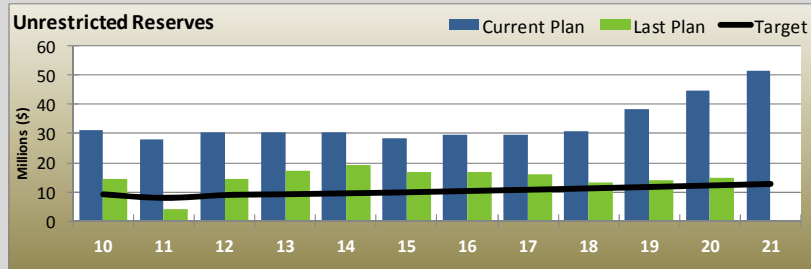
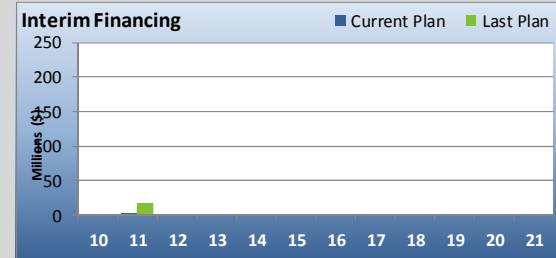
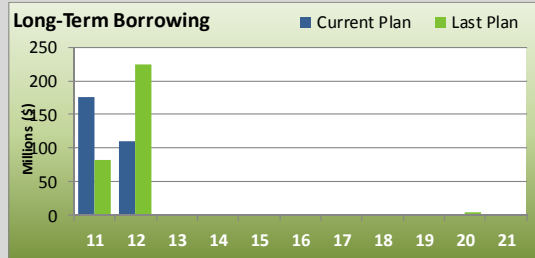
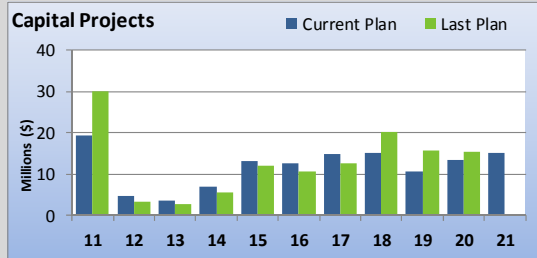
FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS
APPENDIX A

Schedule 5 – Projection of Cash Outflows

| Projection of Cash Outflows | | | | | | | | | | | Schedule 5 |
|---|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| 592 Capital Outlay | | | | | | | | | | | |
| 593 <u>Utility Admin Capital</u> | | | | | | | | | | | |
| 594 Land | \$ - | - | - | - | - | - | - | - | - | - | - |
| 595 Improvements Other than Buildings | \$ - | - | - | - | - | - | - | - | - | - | - |
| 596 Vehicles | \$ - | - | - | - | - | - | - | - | - | - | - |
| 597 Capital Outlay Contra Expense | \$ - | - | - | - | - | - | - | - | - | - | - |
| 598 <u>Water Prod SW Capital</u> | | | | | | | | | | | |
| 599 Buildings | \$ - | - | - | - | - | - | - | - | - | - | - |
| 600 Building Improve | \$ - | - | - | - | - | - | - | - | - | - | - |
| 601 Improvements Oth | \$ - | 39,690 | 40,682 | 41,699 | 42,742 | 43,810 | 44,906 | 46,028 | 47,179 | 48,358 | 49,567 |
| 602 Equipment | \$ 347,737 | 235,727 | 241,620 | 247,661 | 253,852 | 260,199 | 266,703 | 273,371 | 280,205 | 287,210 | 294,391 |
| 603 Vehicles | \$ - | - | - | - | - | - | - | - | - | - | - |
| 604 Capital Outlay Contra Expense | \$ - | - | - | - | - | - | - | - | - | - | - |
| 605 <u>Water Prod NO Capital</u> | | | | | | | | | | | |
| 606 Other Infrastructure | \$ - | - | - | - | - | - | - | - | - | - | - |
| 607 Equipment | \$ 38,800 | 27,050 | 27,726 | 28,419 | 29,130 | 29,858 | 30,605 | 31,370 | 32,154 | 32,958 | 33,782 |
| 608 Vehicles | \$ - | - | - | - | - | - | - | - | - | - | - |
| 609 <u>UCD Capital</u> | | | | | | | | | | | |
| 610 Equipment | \$ 115,000 | 458,700 | 470,168 | 481,922 | 493,970 | 506,319 | 518,977 | 531,951 | 545,250 | 558,881 | 572,853 |
| 611 Vehicles | \$ 463,000 | - | - | - | - | - | - | - | - | - | - |
| 612 <u>WtrRec Collection-Capital</u> | | | | | | | | | | | |
| 613 Improvements Other than Buildings | \$ 971,250 | - | - | - | - | - | - | - | - | - | - |
| 614 Other Professl Services | \$ - | - | - | - | - | - | - | - | - | - | - |
| 615 Equipment | \$ 631,837 | 286,000 | 293,150 | 300,479 | 307,991 | 315,690 | 323,583 | 331,672 | 339,964 | 348,463 | 357,175 |
| 616 Vehicles | \$ 9,000 | - | - | - | - | - | - | - | - | - | - |
| 617 <u>WtrRec Everest-Capital</u> | | | | | | | | | | | |
| 618 Improvements Other than Buildings | \$ - | - | - | - | - | - | - | - | - | - | - |
| 619 Equipment | \$ 308,190 | 76,400 | 78,310 | 80,268 | 82,274 | 84,331 | 86,440 | 88,601 | 90,816 | 93,086 | 95,413 |
| 620 Vehicles | \$ 90,000 | - | - | - | - | - | - | - | - | - | - |
| 621 Capital Outlay Contra Expense | \$ - | - | - | - | - | - | - | - | - | - | - |
| 622 <u>WtrRec SW-Capital</u> | | | | | | | | | | | |
| 623 Building Improvements | \$ - | - | - | - | - | - | - | - | - | - | - |
| 624 Improvements Other than Buildings | \$ - | - | - | - | - | - | - | - | - | - | - |
| 625 Equipment | \$ 112,000 | 28,500 | 29,213 | 29,943 | 30,691 | 31,459 | 32,245 | 33,051 | 33,878 | 34,724 | 35,593 |
| 626 Vehicles | \$ - | - | - | - | - | - | - | - | - | - | - |
| 627 <u>WtrRec SW-Capital</u> | | | | | | | | | | | |
| 628 Equipment | \$ 407,500 | 400,000 | 410,000 | 420,250 | 430,756 | 441,525 | 452,563 | 463,877 | 475,474 | 487,361 | 499,545 |
| 629 <u>WtrRec Reuse-Capital</u> | | | | | | | | | | | |
| 630 Building Improvement | \$ - | - | - | - | - | - | - | - | - | - | - |
| 631 Equipment | \$ 447,000 | 381,000 | 390,525 | 400,288 | 410,295 | 420,553 | 431,067 | 441,843 | 452,889 | 464,212 | 475,817 |
| 632 Vehicles | \$ - | - | - | - | - | - | - | - | - | - | - |
| 589 <u>Capital Outlay Adj. to Calibrate Spending to Staff Request</u> | \$ (2,899,616) | - | 318,606 | 669,071 | 918,298 | 941,256 | 964,787 | 988,907 | 1,013,629 | 1,038,970 | 1,064,944 |
| 633 Total Capital Outlay | \$ 1,041,698 | 1,933,067 | 2,300,000 | 2,700,000 | 3,000,000 | 3,075,000 | 3,151,875 | 3,230,672 | 3,311,439 | 3,394,225 | 3,479,080 |
| 634 Debt Service Expenses | | | | | | | | | | | |
| 635 401 - Water and Sewer Revenue Bonds, Series 1991 | \$ 1,135,000 | 1,135,000 | - | - | - | - | - | - | - | - | - |
| 636 401 - Water and Sewer Refunding Revenue, Series 2000 | \$ 1,193,656 | 1,196,844 | 1,251,656 | - | - | - | - | - | - | - | - |
| 637 401 - Water and Sewer Refunding Revenue, Series 2003 | \$ 541,570 | 541,570 | 1,151,570 | 2,402,508 | 2,401,158 | 2,402,370 | 2,401,438 | 2,399,013 | - | - | - |
| 638 401 - Water and Sewer Revenue Bonds, Series 2006 | \$ 10,443,526 | 10,440,486 | 10,910,106 | 10,911,206 | 10,907,731 | 10,906,169 | 10,908,544 | 10,914,544 | 13,308,544 | 13,309,044 | 13,312,156 |
| 639 Series 2009 BAN | \$ 4,932,300 | - | - | - | - | - | - | - | - | - | - |
| 640 Series 2011 | \$ - | 10,180,238 | 10,178,438 | 10,179,638 | 10,183,038 | 10,184,788 | 10,186,788 | 10,179,988 | 10,184,238 | 10,187,488 | 10,182,738 |
| 641 Series 2012 | \$ - | 2,161,417 | 7,689,250 | 7,690,150 | 7,688,250 | 7,687,650 | 7,686,900 | 7,689,100 | 7,686,200 | 7,683,200 | 7,684,800 |
| 642 Cumulative New Debt Service - Future Revenue Bonds | \$ - | - | - | - | - | - | - | - | - | - | - |
| 643 SRF CS120675090 | \$ 1,721,851 | 1,721,851 | 1,721,851 | - | - | - | - | - | - | - | - |
| 644 SRF CS120675100 | \$ 1,296,187 | 1,296,187 | 1,296,187 | 1,296,187 | 648,094 | - | - | - | - | - | - |
| 645 SRF 67516P | \$ 170,410 | 170,410 | 170,410 | 170,410 | 170,410 | 170,410 | 170,410 | 170,410 | 170,410 | 170,410 | 170,410 |
| 646 SRF - 67516L-01 | \$ 49,061 | 49,061 | 49,061 | 49,061 | 49,061 | 49,061 | 49,061 | 49,061 | 49,061 | 49,061 | 49,061 |
| 647 SRF 67516L 02 | \$ 196,209 | 196,209 | 196,209 | 196,209 | 196,209 | 196,209 | 196,209 | 196,209 | 196,209 | 196,209 | 196,209 |
| 648 Interest On Outstanding Commercial Paper | \$ 6,153,240 | 3,223,140 | - | - | - | - | - | - | - | - | - |
| 649 Total Debt Service Payments | \$ 27,833,011 | 32,312,414 | 34,614,738 | 32,895,368 | 32,243,950 | 31,596,656 | 31,599,348 | 31,598,323 | 31,594,661 | 31,595,411 | 31,595,373 |
| 650 TOTAL OPERATING EXPENDITURES | \$ 60,385,935 | 69,790,638 | 73,626,104 | 73,332,733 | 74,517,383 | 75,765,872 | 77,571,615 | 79,475,692 | 81,486,424 | 83,618,667 | 85,875,639 |

FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

| CAPE CORAL, FL | | | | | | | | | | | | Check | \$ | - | | |
|-----------------------------------|------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------------|-----------------|------------|----|
| SAVE | CALC | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | Cumulative Change | | | |
| Override ▶ | | | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | FY 2016 | FY 2021 | | |
| Water Rate Increases | | 0.00% | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 23.5% | 39.6% | | |
| Last Plan | | 8.00% | 8.00% | 8.00% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 0.00% | 35.0% | 60.3% | | |
| Override ▶ | | | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | | | | |
| Sewer Rate Increases | | 0.00% | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 23.5% | 39.8% | | |
| Last Plan | | 8.00% | 8.00% | 8.00% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 0.00% | 34.9% | 60.3% | | |
| Rate Covenant I | | 1.25 | 2.02 | 1.55 | 1.25 | 1.31 | 1.36 | 1.41 | 1.44 | 1.48 | 1.52 | 1.56 | 1.61 | Bio-Solids? | NO | |
| Last Plan | | 1.64 | 1.50 | 1.24 | 1.29 | 1.20 | 1.23 | 1.26 | 1.30 | 1.33 | 1.35 | | | O&M FY12 ▶ | 100% | |
| Rate Covenant II | | 1.20 | 2.19 | 1.62 | 1.32 | 1.40 | 1.47 | 1.53 | 1.58 | 1.62 | 1.68 | 1.73 | 1.79 | | SW 6/7? | NO |
| SRF Coverage | | 1.15 | 5.41 | 4.14 | 2.27 | 5.67 | 10.65 | 30.62 | 33.04 | 35.65 | 38.64 | 41.96 | 45.43 | | North 1-8? | NO |
| CIP Execution Percentage ▶ | | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 2011 CP Takeout | YES | |
| Water | | \$34.10 | \$34.10 | 35.98 | 37.96 | 39.29 | 40.69 | 42.11 | 43.16 | 44.22 | 45.34 | 46.47 | 47.62 | 2011 Bond Red. | \$0.0 | |
| Irrigation | | \$9.50 | \$9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | Series 2012? | YES | |
| Sewer | | \$61.37 | \$61.37 | 64.74 | 68.32 | 70.73 | 73.22 | 75.78 | 77.68 | 79.65 | 81.63 | 83.68 | 85.79 | 2012 Bond Red. | \$0.0 | |
| Average Bill (5,000 gals.) | | \$104.97 | 110.22 | 115.78 | 119.52 | 123.41 | 127.39 | 130.34 | 133.37 | 136.47 | 139.65 | 142.91 | Reserve Target | | | |
| Last Plan | | \$104.97 | 112.61 | 120.84 | 124.75 | 128.75 | 132.95 | 137.26 | 141.72 | 146.40 | 151.19 | 0.00 | 3.00 | Mos. O&M | | |



FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS
APPENDIX A

Schedule 7 – Pro Forma

Forecast of Net Revenues and Debt Service Coverage

Schedule 7

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1 Water Rate Revenue | | | | | | | | | | | |
| 2 Revenue Generated From Fixed Monthly Charges | | | | | | | | | | | |
| 3 Base Rate Revenue | \$ 11,443,586 | 11,443,586 | 12,128,607 | 12,872,563 | 13,421,368 | 14,012,221 | 14,645,248 | 15,172,477 | 15,732,221 | 16,326,189 | 16,956,164 |
| 4 Additional Rate Revenue From Growth | \$ - | 52,724 | 72,874 | 94,943 | 117,010 | 137,777 | 157,168 | 176,032 | 195,767 | 216,408 | 237,985 |
| 5 Subtotal: Base Revenue With Growth | \$ 11,443,586 | 11,496,310 | 12,201,481 | 12,967,506 | 13,538,378 | 14,149,998 | 14,802,416 | 15,348,508 | 15,927,990 | 16,542,599 | 17,194,152 |
| 6 Proposed Water Rate Increase | 0.00% | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| 7 Additional Rate Revenue From Rate Increase | \$ - | 632,297 | 671,081 | 453,863 | 473,843 | 495,250 | 370,060 | 383,713 | 398,200 | 413,565 | 429,854 |
| 8 Total Water Fixed Monthly Charge Revenue | \$ 11,443,586 | 12,128,607 | 12,872,563 | 13,421,368 | 14,012,221 | 14,645,248 | 15,172,477 | 15,732,221 | 16,326,189 | 16,956,164 | 17,624,006 |
| 9 Revenue Generated From Usage Rates | | | | | | | | | | | |
| 10 Base Rate Revenue | \$ 13,370,601 | 13,370,601 | 14,054,064 | 14,793,067 | 15,342,777 | 15,934,120 | 16,566,539 | 17,098,574 | 17,662,891 | 18,261,013 | 18,894,523 |
| 11 Additional Rate Revenue From Growth | \$ - | 61,603 | 84,443 | 109,108 | 133,761 | 156,674 | 177,787 | 198,378 | 219,792 | 242,054 | 265,191 |
| 12 Weather Normalization And Other Adjustments | \$ - | - | - | - | - | - | - | - | - | - | - |
| 13 Subtotal: Base Revenue With Growth | \$ 13,370,601 | 13,432,204 | 14,138,508 | 14,902,175 | 15,476,537 | 16,090,795 | 16,744,327 | 17,296,952 | 17,882,683 | 18,503,067 | 19,159,714 |
| 14 Proposed Water Rate Increase | 0.00% | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| 15 Additional Rate Revenue From Rate Increase | \$ - | 738,771 | 777,618 | 521,576 | 541,679 | 563,178 | 418,608 | 432,424 | 447,067 | 462,577 | 478,993 |
| 16 Price Elasticity Adjustment | \$ - | (116,911) | (123,058) | (80,975) | (84,096) | (87,433) | (64,361) | (66,485) | (68,737) | (71,121) | (73,645) |
| 17 Total Water Usage Rate Revenue | \$ 13,370,601 | 14,054,064 | 14,793,067 | 15,342,777 | 15,934,120 | 16,566,539 | 17,098,574 | 17,662,891 | 18,261,013 | 18,894,523 | 19,565,061 |
| 18 Irrigation Rate Revenue | | | | | | | | | | | |
| 19 Revenue Generated From Fixed Monthly Charges | | | | | | | | | | | |
| 20 Base Rate Revenue | \$ 5,030,733 | 5,030,733 | 5,057,735 | 5,093,139 | 5,136,869 | 5,188,952 | 5,248,218 | 5,313,552 | 5,384,953 | 5,462,435 | 5,546,010 |
| 21 Additional Rate Revenue From Growth | \$ - | 27,003 | 35,403 | 43,730 | 52,083 | 59,266 | 65,334 | 71,401 | 77,481 | 83,573 | 89,678 |
| 22 Subtotal: Base Revenue With Growth | \$ 5,030,733 | 5,057,735 | 5,093,139 | 5,136,869 | 5,188,952 | 5,248,218 | 5,313,552 | 5,384,953 | 5,462,435 | 5,546,010 | 5,635,691 |
| 23 Proposed Irrigation Rate Increase | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 24 Additional Rate Revenue From Rate Increase | \$ - | - | - | - | - | - | - | - | - | - | - |
| 25 Total Irrigation Rate Revenue | \$ 5,030,733 | 5,057,735 | 5,093,139 | 5,136,869 | 5,188,952 | 5,248,218 | 5,313,552 | 5,384,953 | 5,462,435 | 5,546,010 | 5,635,691 |
| 26 Sewer Rate Revenue | | | | | | | | | | | |
| 27 Revenue Generated From Fixed Monthly Charges | | | | | | | | | | | |
| 28 Base Rate Revenue | \$ 13,566,146 | 13,566,146 | 14,379,934 | 15,264,346 | 15,918,127 | 16,622,578 | 17,377,836 | 18,008,259 | 18,677,968 | 19,389,037 | 20,143,627 |
| 29 Additional Rate Revenue From Growth | \$ - | 64,123 | 88,640 | 115,487 | 142,334 | 167,602 | 191,197 | 214,149 | 238,164 | 263,281 | 289,539 |
| 30 Subtotal: Base Revenue With Growth | \$ 13,566,146 | 13,630,270 | 14,468,574 | 15,379,833 | 16,060,461 | 16,790,180 | 17,569,033 | 18,222,408 | 18,916,133 | 19,652,319 | 20,433,169 |
| 31 Proposed Sewer Rate Increase | 0.00% | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| 32 Additional Rate Revenue From Rate Increase | \$ - | 749,665 | 795,772 | 538,294 | 562,116 | 587,656 | 439,226 | 455,560 | 472,903 | 491,308 | 510,829 |
| 33 Total Sewer Fixed Monthly Charge Revenue | \$ 13,566,146 | 14,379,934 | 15,264,346 | 15,918,127 | 16,622,578 | 17,377,836 | 18,008,259 | 18,677,968 | 19,389,037 | 20,143,627 | 20,943,998 |
| 34 Revenue Generated From Usage Rates | | | | | | | | | | | |
| 35 Base Rate Revenue | \$ 23,150,213 | 23,150,213 | 24,336,471 | 25,620,117 | 26,577,176 | 27,607,633 | 28,710,480 | 29,640,451 | 30,627,465 | 31,674,222 | 32,783,529 |
| 36 Additional Rate Revenue From Growth | \$ - | 109,424 | 150,014 | 193,837 | 237,643 | 278,362 | 315,882 | 352,476 | 390,533 | 430,099 | 471,221 |
| 37 Weather Normalization And Other Adjustments | \$ - | - | - | - | - | - | - | - | - | - | - |
| 38 Subtotal: Base Revenue With Growth | \$ 23,150,213 | 23,259,637 | 24,486,485 | 25,813,954 | 26,814,819 | 27,885,995 | 29,026,362 | 29,992,927 | 31,017,998 | 32,104,322 | 33,254,749 |
| 39 Proposed Sewer Rate Increase | 0.00% | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| 40 Additional Rate Revenue From Rate Increase | \$ - | 1,279,280 | 1,346,757 | 903,488 | 938,519 | 976,010 | 725,659 | 749,823 | 775,450 | 802,608 | 831,369 |
| 41 Price Elasticity Adjustment | \$ - | (202,446) | (213,124) | (140,267) | (145,705) | (151,526) | (111,570) | (115,285) | (119,225) | (123,401) | (127,823) |
| 42 Total Sewer Rate Revenue | \$ 23,150,213 | 24,336,471 | 25,620,117 | 26,577,176 | 27,607,633 | 28,710,480 | 29,640,451 | 30,627,465 | 31,674,222 | 32,783,529 | 33,958,295 |
| 43 Water, Irrigation & Sewer Rate Revenue | | | | | | | | | | | |
| 44 Base Rate Revenue | \$ 66,561,279 | 66,561,279 | 69,956,812 | 73,643,232 | 76,396,317 | 79,365,504 | 82,548,321 | 85,233,312 | 88,085,497 | 91,112,896 | 94,323,853 |
| 45 Additional Rate Revenue From Growth | \$ - | 314,877 | 431,374 | 557,105 | 682,831 | 799,682 | 907,368 | 1,012,436 | 1,121,738 | 1,235,415 | 1,353,613 |
| 46 Subtotal: Base Revenue With Growth | \$ 66,561,279 | 66,876,156 | 70,388,186 | 74,200,337 | 77,079,148 | 80,165,186 | 83,455,689 | 86,245,748 | 89,207,235 | 92,348,311 | 95,677,466 |
| 47 Proposed Water & Sewer Rate Increases | 0.00% | 5.50% | 5.50% | 3.50% | 3.50% | 3.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| 48 Additional Rate Revenue From Rate Increase | \$ - | 3,400,013 | 3,591,228 | 2,417,221 | 2,516,157 | 2,622,094 | 1,953,553 | 2,021,520 | 2,093,620 | 2,170,058 | 2,251,045 |
| 49 Price Elasticity Adjustment | \$ - | (319,357) | (336,182) | (221,241) | (229,801) | (238,959) | (175,931) | (181,770) | (187,962) | (194,522) | (201,468) |
| 50 Total Rate Revenue | \$ 66,561,279 | 69,956,812 | 73,643,232 | 76,396,317 | 79,365,504 | 82,548,321 | 85,233,312 | 88,085,497 | 91,112,896 | 94,323,853 | 97,727,051 |
| 51 Plus: Other Operating Revenue | \$ - | - | - | - | - | - | - | - | - | - | - |
| 52 Equals: Total Operating Revenue | \$ 66,561,279 | 69,956,812 | 73,643,232 | 76,396,317 | 79,365,504 | 82,548,321 | 85,233,312 | 88,085,497 | 91,112,896 | 94,323,853 | 97,727,051 |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 7 – Pro Forma

Forecast of Net Revenues and Debt Service Coverage

Schedule 7

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 53 Less: Operating Expenses | | | | | | | | | | | |
| 54 Personnel Services | \$ (16,008,606) | (16,684,027) | (17,034,193) | (17,182,979) | (17,789,441) | (18,420,464) | (19,077,232) | (19,760,994) | (20,473,070) | (21,214,855) | (21,987,826) |
| 55 O&M | \$ (15,502,621) | (18,861,130) | (19,677,173) | (20,554,386) | (21,483,992) | (22,673,751) | (23,743,160) | (24,885,703) | (26,107,254) | (27,414,176) | (28,813,360) |
| 56 Equals: Net Operating Income | \$ 35,050,052 | 34,411,655 | 36,931,866 | 38,658,952 | 40,092,071 | 41,454,105 | 42,412,920 | 43,438,800 | 44,532,572 | 45,694,821 | 46,925,866 |
| 57 Plus: Non-Operating Income/(Expense) | | | | | | | | | | | |
| 58 Non-Operating Revenue (1) | \$ 1,566,648 | 5,131,726 | 1,528,473 | 1,557,135 | 1,592,735 | 1,632,723 | 1,669,059 | 1,707,467 | 1,748,032 | 1,790,844 | 1,836,000 |
| 59 Interest Earned On Fund Balances | \$ 200,527 | 331,996 | 513,557 | 681,486 | 829,541 | 821,896 | 837,220 | 854,073 | 961,502 | 1,136,022 | 1,300,676 |
| 60 Impact Fees | \$ 3,166,730 | 1,786,493 | 2,329,782 | 2,873,072 | 3,416,361 | 3,881,339 | 4,272,899 | 4,664,459 | 5,056,019 | 5,447,579 | 5,839,139 |
| 61 Betterment Fees | \$ 447,663 | 447,663 | 447,663 | 447,663 | 447,663 | 447,663 | 447,663 | 447,663 | 447,663 | 447,663 | 447,663 |
| 62 SRF Proceeds | \$ - | - | - | - | - | - | - | - | - | - | - |
| 63 Equals: Net Income | \$ 40,431,620 | 42,109,533 | 41,751,341 | 44,218,308 | 46,378,371 | 48,237,726 | 49,639,760 | 51,112,462 | 52,745,787 | 54,516,928 | 56,349,344 |
| 64 Less: Revenues Excluded From Coverage Test | | | | | | | | | | | |
| 65 Impact Fees | \$ (3,166,730) | \$(1,786,493) | \$(2,329,782) | \$(2,873,072) | \$(3,416,361) | \$(3,881,339) | \$(4,272,899) | \$(4,664,459) | \$(5,056,019) | \$(5,447,579) | \$(5,839,139) |
| 66 Betterment Fees | \$ (447,663) | \$(447,663) | \$(447,663) | \$(447,663) | \$(447,663) | \$(447,663) | \$(447,663) | \$(447,663) | \$(447,663) | \$(447,663) | \$(447,663) |
| 67 Transfers In | \$ - | - | - | - | - | - | - | - | - | - | - |
| 68 Equals: Net Income Available For Debt Service | \$ 36,817,228 | 39,875,377 | 38,973,896 | 40,897,574 | 42,514,346 | 43,908,725 | 44,919,199 | 46,000,340 | 47,242,106 | 48,621,686 | 50,062,542 |
| 69 Debt Service Coverage Test | | | | | | | | | | | |
| 70 Existing Debt Service | \$ 13,313,753 | 13,313,900 | 13,313,333 | 13,313,714 | 13,308,889 | 13,308,539 | 13,309,981 | 13,313,556 | 13,308,544 | 13,309,044 | 13,312,156 |
| 71 Series 2011 and 2012 Debt Service | \$ 4,932,300 | 12,341,655 | 17,867,688 | 17,869,788 | 17,871,288 | 17,872,438 | 17,873,688 | 17,869,088 | 17,870,438 | 17,870,688 | 17,867,538 |
| 72 Cumulative New Debt Service | \$ - | - | - | - | - | - | - | - | - | - | - |
| 73 Total Conventional Debt Service | \$ 18,246,053 | 25,655,555 | 31,181,020 | 31,183,501 | 31,180,176 | 31,180,976 | 31,183,669 | 31,182,644 | 31,178,981 | 31,179,731 | 31,179,694 |
| 74 Calculated Debt Service Coverage | Target/Reg. 1.25 / 1.00 | 2.02 | 1.55 | 1.25 | 1.31 | 1.36 | 1.41 | 1.44 | 1.48 | 1.52 | 1.56 |
| 75 Calculated Debt Service Coverage (Test II - w/ Impacts) | 1.20 / 1.20 | 2.19 | 1.62 | 1.32 | 1.40 | 1.47 | 1.53 | 1.58 | 1.62 | 1.68 | 1.73 |
| 76 Net Income Available For Debt Service | \$ 36,817,228 | 39,875,377 | 38,973,896 | 40,897,574 | 42,514,346 | 43,908,725 | 44,919,199 | 46,000,340 | 47,242,106 | 48,621,686 | 50,062,542 |
| 77 Less: Total Conventional Debt Service & Coverage | \$ (18,246,053) | (25,655,555) | (31,181,020) | (31,183,501) | (31,180,176) | (31,180,976) | (31,183,669) | (31,182,644) | (31,178,981) | (31,179,731) | (31,179,694) |
| 78 Equals: Net Income Available For SRF Debt Service | \$ 18,571,175 | 14,219,822 | 7,792,876 | 9,714,072 | 11,334,170 | 12,727,748 | 13,735,530 | 14,817,696 | 16,063,124 | 17,441,955 | 18,882,848 |
| 79 SRF Debt Service | \$ 3,433,719 | 3,433,719 | 3,433,718 | 1,711,867 | 1,063,773 | 415,680 | 415,680 | 415,680 | 415,680 | 415,680 | 415,680 |
| 80 Calculated SRF Debt Coverage | 1.15 / 1.15 | 5.41 | 4.14 | 2.27 | 5.67 | 10.65 | 30.62 | 33.04 | 35.65 | 38.64 | 45.43 |
| 81 Cash Flow Test | | | | | | | | | | | |
| 82 Net Income Available For Debt Service | \$ 36,817,228 | 39,875,377 | 38,973,896 | 40,897,574 | 42,514,346 | 43,908,725 | 44,919,199 | 46,000,340 | 47,242,106 | 48,621,686 | 50,062,542 |
| 83 Net Interfund Transfers (In - Out) | \$ - | - | - | - | - | - | - | - | - | - | - |
| 84 Net Debt Service Payment (Debt Service - Impact Fee Payment) | \$ (21,217,201) | (28,161,535) | (33,404,865) | (31,403,361) | (30,469,808) | (29,581,048) | (29,380,401) | (29,176,036) | (28,969,033) | (28,766,443) | (28,563,066) |
| 85 Other Below The Line Expenses (Int. Pmt. On CP) | \$ (6,153,240) | (3,223,140) | - | - | - | - | - | - | - | - | - |
| 86 Capital Outlay | \$ (1,041,698) | (1,933,067) | (2,300,000) | (2,700,000) | (3,000,000) | (3,075,000) | (3,151,875) | (3,230,672) | (3,311,439) | (3,394,225) | (3,479,080) |
| 87 Renewal & Replacement Transfer | \$ - | - | - | - | - | - | - | - | - | - | - |
| 88 Net Cash Flow | \$ 8,405,088 | 6,557,635 | 3,269,031 | 6,794,212 | 9,044,538 | 11,252,676 | 12,386,923 | 13,593,632 | 14,961,634 | 16,461,018 | 18,020,396 |
| 89 Unrestricted Working Capital Reserve Fund | | | | | | | | | | | |
| 90 Balance At Beginning Of Fiscal Year | \$ 31,355,584 | 28,193,884 | 30,574,129 | 30,268,985 | 30,248,489 | 28,483,630 | 29,636,901 | 29,709,551 | 30,985,109 | 38,303,899 | 44,946,667 |
| 91 Cash Flow Surplus/(Deficit) | \$ 8,405,088 | 6,557,635 | 3,269,031 | 6,794,212 | 9,044,538 | 11,252,676 | 12,386,923 | 13,593,632 | 14,961,634 | 16,461,018 | 18,020,396 |
| 92 Reserve Fund Balance Used For Cash Flow Deficit | \$ - | - | - | - | - | - | - | - | - | - | - |
| 93 Projects Designated To Be Paid With Cash | \$ (4,427,450) | (3,225,390) | (1,999,175) | (4,537,708) | (292,354) | (1,154,050) | (6,036,184) | (5,821,200) | - | - | - |
| 94 Projects Paid With Reserve Funds (Non Specified Funds) | \$ (7,139,339) | (952,000) | (1,575,000) | (2,277,000) | (10,517,043) | (8,945,356) | (6,278,089) | (6,496,875) | (7,642,844) | (9,818,250) | (11,490,778) |
| 95 Balance At End Of Fiscal Year | \$ 28,193,884 | 30,574,129 | 30,268,985 | 30,248,489 | 28,483,630 | 29,636,901 | 29,709,551 | 30,985,109 | 38,303,899 | 44,946,667 | 51,476,285 |
| 96 Minimum Working Capital Reserve Target | 3 Mo. O&M | \$ 7,877,807 | 8,886,289 | 9,177,841 | 9,434,341 | 9,818,358 | 10,273,554 | 10,705,098 | 11,161,674 | 11,645,081 | 12,157,258 |
| 97 Excess/(Deficiency) of Fund Balance, Net Of Cash Flow Deficit | \$ 20,316,077 | 21,687,840 | 21,091,143 | 20,814,148 | 18,665,272 | 19,363,347 | 19,004,453 | 19,823,435 | 26,658,818 | 32,789,409 | 38,775,989 |

(1) Includes one-time revenue of \$3.7 million in FY 2012 for sale of equipment associated with previously planned bio-solids facility

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 8 – Capital Projects Funding Sources

Capital Project Funding Summary

Schedule 8

| FINAL CAPITAL PROJECTS FUNDING SOURCES | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|----------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| WATER IMPACT FEES | \$ 3,554,517 | - | - | - | 267,750 | 2,229,090 | 2,318,960 | 2,411,640 | 2,814,410 | 3,180,000 | 3,284,316 |
| SEWER IMPACT FEES | \$ 1,077,831 | - | - | - | - | 2,888 | 36 | 0 | 0 | 0 | 0 |
| IRRIGATION IMPACT FEES | \$ 29,403 | - | - | - | 1,933,332 | 242,594 | 251,125 | 259,875 | 268,844 | 278,250 | 288,094 |
| WATER BETTERMENT FEES | \$ - | - | - | - | - | - | - | - | - | - | - |
| SEWER BETTERMENT FEES | \$ - | - | - | - | - | - | - | - | - | - | - |
| IRRIGATION BETTERMENT FEES | \$ - | - | - | - | - | - | - | - | - | - | - |
| SERIES 2012 PROJECT PROCEEDS (1) | \$ - | 392,000 | - | - | - | - | - | - | - | - | - |
| R&R, SEWER, & MEMBRANE RESERVES | \$ - | - | - | - | - | - | - | - | - | - | - |
| REVENUE FUND | \$ 7,139,339 | 952,000 | 1,575,000 | 2,277,000 | 10,517,043 | 8,945,356 | 6,278,089 | 6,496,875 | 7,642,844 | 9,818,250 | 11,490,778 |
| SRF PROCEEDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| DEBT / COMMERCIAL PAPER PROCEEDS | \$ 3,000,000 | - | - | - | - | - | - | - | - | - | - |
| PROJECTS DESIGNATED TO BE PAID WITH CASH | \$ 4,427,450 | 3,225,390 | 1,999,175 | 4,537,708 | 292,354 | 1,154,050 | 6,036,184 | 5,821,200 | - | - | - |
| TOTAL PROJECTS PAID | \$ 19,228,540 | 4,569,390 | 3,574,175 | 6,814,708 | 13,010,479 | 12,573,977 | 14,884,394 | 14,989,590 | 10,726,098 | 13,276,500 | 15,063,188 |
| TOTAL CIP INPUT | \$ 19,228,540 | 4,569,390 | 3,574,175 | 6,814,708 | 13,010,479 | 12,573,977 | 14,884,394 | 14,989,590 | 10,726,098 | 13,276,500 | 15,063,188 |
| VARIANCE | \$ - | - | - | - | - | - | - | - | - | - | - |

(1) Remaining proceeds available for capital funding after take-out of commercial paper

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS
APPENDIX A

Schedule 9 – Projection of Long-Term Borrowing

Long-Term Borrowing Projections

Schedule 9

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|-------------------------|-----------------|----------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Term (Years) | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Interest Rate | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| Sources of Funds | | | | | | | | | | | |
| Par Amount | | | \$0 | - | - | - | - | - | - | - | - |
| Uses of Funds | | | | | | | | | | | |
| Proceeds | | | \$0 | - | - | - | - | - | - | - | - |
| Cost of Issuance | 2.00% | | \$0 | - | - | - | - | - | - | - | - |
| Underwriter's Discount | \$0.00 | | \$0 | - | - | - | - | - | - | - | - |
| Bond Insurance | 0 | | \$0 | - | - | - | - | - | - | - | - |
| Capitalized Interest | 0 | | \$0 | - | - | - | - | - | - | - | - |
| Debt Service Surety | 0% | | \$0 | - | - | - | - | - | - | - | - |
| Debt Service Reserve | 1 | | \$0 | - | - | - | - | - | - | - | - |
| Other Costs | | | \$0 | - | - | - | - | - | - | - | - |
| Total Uses | | | \$0 | - | - | - | - | - | - | - | - |
| 1 Year Interest | | | \$0 | - | - | - | - | - | - | - | - |
| Annual Debt Service | | | \$0 | - | - | - | - | - | - | - | - |
| Total Debt Service | | | \$0 | - | - | - | - | - | - | - | - |
| Interim Financing Section | | | | | | | | | | | |
| Utilize Interim Financing? | Balance as of 9/30/2010 | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Interim Financing Proceeds | \$ 203,608,000 | \$ 3,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest Payments | | \$ 6,153,240 | \$ 3,223,140 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Series 2011 Bonds CP Take-out | | \$ (99,170,000) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| EOY Balance | \$ 203,608,000 | \$ 107,438,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| PROCEEDS TO BE BOND-FUNDED | | \$ - | \$ 107,438,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cumulative New Annual Debt Service (1) | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

(1) New borrowing reflects interest only payment in year of issuance, and leveled debt service thereafter.

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 10 – Funding Summary by Fund

Sources & Uses of Funds

Schedule 10

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------------|----------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| WATER IMPACT FEES | | | | | | | | | | | |
| BALANCE AT BEGINNING OF FISCAL YEAR | \$ 3,203,334 | 2,168,131 | 2,806,354 | 3,654,486 | 4,724,042 | 5,758,875 | 4,995,388 | 4,257,962 | 3,544,402 | 2,541,339 | 1,279,181 |
| ADDITIONAL ANNUAL REVENUES | \$ 2,505,920 | 613,474 | 800,037 | 986,600 | 1,173,164 | 1,332,835 | 1,467,295 | 1,601,755 | 1,736,215 | 1,870,675 | 2,005,135 |
| LESS: PAYMENT OF DEBT SERVICE | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ 5,709,253 | 2,781,605 | 3,606,391 | 4,641,087 | 5,897,206 | 7,091,709 | 6,462,683 | 5,859,716 | 5,280,617 | 4,412,014 | 3,284,316 |
| LESS: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| TOTAL AMOUNT AVAILABLE FOR PROJECTS | \$ 5,709,253 | 2,781,605 | 3,606,391 | 4,641,087 | 5,897,206 | 7,091,709 | 6,462,683 | 5,859,716 | 5,280,617 | 4,412,014 | 3,284,316 |
| AMOUNT PAID FOR PROJECTS | \$ (3,554,517) | - | - | - | (267,750) | (2,229,090) | (2,318,960) | (2,411,640) | (2,814,410) | (3,180,000) | (3,284,316) |
| SUBTOTAL | \$ 2,154,736 | 2,781,605 | 3,606,391 | 4,641,087 | 5,629,456 | 4,862,619 | 4,143,723 | 3,448,076 | 2,466,207 | 1,232,014 | - |
| ADD BACK: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| PLUS: INTEREST EARNINGS | \$ 13,395 | 24,749 | 48,096 | 82,956 | 129,419 | 132,769 | 114,239 | 96,325 | 75,133 | 47,167 | 15,990 |
| LESS: INTEREST ALLOCATED TO CASH FLOW | \$ - | - | - | - | - | - | - | - | - | - | - |
| BALANCE AT END OF FISCAL YEAR | \$ 2,168,131 | 2,806,354 | 3,654,486 | 4,724,042 | 5,758,875 | 4,995,388 | 4,257,962 | 3,544,402 | 2,541,339 | 1,279,181 | 15,990 |
| SEWER IMPACT FEES | | | | | | | | | | | |
| BALANCE AT BEGINNING OF FISCAL YEAR | \$ 1,077,831 | 2,695 | 2,722 | 2,762 | 2,818 | 2,888 | 36 | 0 | 0 | 0 | 0 |
| ADDITIONAL ANNUAL REVENUES | \$ 462,570 | 927,739 | 1,209,873 | 1,492,007 | 1,774,142 | 2,015,608 | 2,218,948 | 2,422,288 | 2,625,628 | 2,828,968 | 3,032,308 |
| LESS: PAYMENT OF DEBT SERVICE | \$ (462,570) | (927,739) | (1,209,873) | (1,492,007) | (1,774,142) | (2,015,608) | (2,218,948) | (2,422,288) | (2,625,628) | (2,828,968) | (3,032,308) |
| SUBTOTAL | \$ 1,077,831 | 2,695 | 2,722 | 2,762 | 2,818 | 2,888 | 36 | 0 | 0 | 0 | 0 |
| LESS: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| TOTAL AMOUNT AVAILABLE FOR PROJECTS | \$ 1,077,831 | 2,695 | 2,722 | 2,762 | 2,818 | 2,888 | 36 | 0 | 0 | 0 | 0 |
| AMOUNT PAID FOR PROJECTS | \$ (1,077,831) | - | - | - | - | (2,888) | (36) | (0) | (0) | (0) | (0) |
| SUBTOTAL | \$ - | 2,695 | 2,722 | 2,762 | 2,818 | 0 | 0 | 0 | 0 | (0) | 0 |
| ADD BACK: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| PLUS: INTEREST EARNINGS | \$ 2,695 | 27 | 41 | 55 | 70 | 36 | 0 | 0 | 0 | 0 | 0 |
| LESS: INTEREST ALLOCATED TO CASH FLOW | \$ - | - | - | - | - | - | - | - | - | - | - |
| BALANCE AT END OF FISCAL YEAR | \$ 2,695 | 2,722 | 2,762 | 2,818 | 2,888 | 36 | 0 | 0 | 0 | 0 | 0 |
| IRRIGATION IMPACT FEES | | | | | | | | | | | |
| BALANCE AT BEGINNING OF FISCAL YEAR | \$ 290,191 | 460,901 | 712,017 | 1,044,968 | 1,464,276 | 18,303 | 312,692 | 660,235 | 1,062,038 | 1,519,238 | 2,032,776 |
| ADDITIONAL ANNUAL REVENUES | \$ 198,240 | 245,280 | 319,872 | 394,464 | 469,056 | 532,896 | 586,656 | 640,416 | 694,176 | 747,936 | 801,696 |
| LESS: PAYMENT OF DEBT SERVICE | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ 488,431 | 706,181 | 1,031,889 | 1,439,432 | 1,933,332 | 551,199 | 899,348 | 1,300,651 | 1,756,214 | 2,267,174 | 2,834,472 |
| LESS: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| TOTAL AMOUNT AVAILABLE FOR PROJECTS | \$ 488,431 | 706,181 | 1,031,889 | 1,439,432 | 1,933,332 | 551,199 | 899,348 | 1,300,651 | 1,756,214 | 2,267,174 | 2,834,472 |
| AMOUNT PAID FOR PROJECTS | \$ (29,403) | - | - | - | (1,933,332) | (242,594) | (251,125) | (259,875) | (268,844) | (278,250) | (288,094) |
| SUBTOTAL | \$ 459,028 | 706,181 | 1,031,889 | 1,439,432 | - | 308,606 | 648,223 | 1,040,776 | 1,487,370 | 1,988,924 | 2,546,378 |
| ADD BACK: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| PLUS: INTEREST EARNINGS | \$ 1,873 | 5,835 | 13,079 | 24,844 | 18,303 | 4,086 | 12,011 | 21,263 | 31,868 | 43,852 | 57,239 |
| LESS: INTEREST ALLOCATED TO CASH FLOW | \$ - | - | - | - | - | - | - | - | - | - | - |
| BALANCE AT END OF FISCAL YEAR | \$ 460,901 | 712,017 | 1,044,968 | 1,464,276 | 18,303 | 312,692 | 660,235 | 1,062,038 | 1,519,238 | 2,032,776 | 2,603,618 |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 10 – Funding Summary by Fund

Sources & Uses of Funds

Schedule 10

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------------|------------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| WATER BETTERMENT FEES | | | | | | | | | | | |
| BALANCE AT BEGINNING OF FISCAL YEAR | \$ 394,552 | 506,341 | 621,495 | 741,182 | 866,644 | 999,223 | 1,135,115 | 1,274,405 | 1,417,178 | 1,563,519 | 1,713,520 |
| ADDITIONAL ANNUAL REVENUES | \$ 109,543 | 109,543 | 109,543 | 109,543 | 109,543 | 109,543 | 109,543 | 109,543 | 109,543 | 109,543 | 109,543 |
| LESS: PAYMENT OF DEBT SERVICE | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ 504,095 | 615,884 | 731,038 | 850,725 | 976,187 | 1,108,765 | 1,244,658 | 1,383,948 | 1,526,721 | 1,673,062 | 1,823,062 |
| LESS: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| TOTAL AMOUNT AVAILABLE FOR PROJECTS | \$ 504,095 | 615,884 | 731,038 | 850,725 | 976,187 | 1,108,765 | 1,244,658 | 1,383,948 | 1,526,721 | 1,673,062 | 1,823,062 |
| AMOUNT PAID FOR PROJECTS | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ 504,095 | 615,884 | 731,038 | 850,725 | 976,187 | 1,108,765 | 1,244,658 | 1,383,948 | 1,526,721 | 1,673,062 | 1,823,062 |
| ADD BACK: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| PLUS: INTEREST EARNINGS | \$ 2,247 | 5,611 | 10,144 | 15,919 | 23,035 | 26,350 | 29,747 | 33,229 | 36,799 | 40,457 | 44,207 |
| LESS: INTEREST ALLOCATED TO CASH FLOW | \$ - | - | - | - | - | - | - | - | - | - | - |
| BALANCE AT END OF FISCAL YEAR | \$ 506,341 | 621,495 | 741,182 | 866,644 | 999,223 | 1,135,115 | 1,274,405 | 1,417,178 | 1,563,519 | 1,713,520 | 1,867,270 |
| SEWER BETTERMENT FEES | | | | | | | | | | | |
| BALANCE AT BEGINNING OF FISCAL YEAR | \$ 122,271 | 380,211 | 641,984 | 910,226 | 1,187,685 | 1,477,273 | 1,774,100 | 2,078,349 | 2,390,203 | 2,709,854 | 3,037,496 |
| ADDITIONAL ANNUAL REVENUES | \$ 256,687 | 256,687 | 256,687 | 256,687 | 256,687 | 256,687 | 256,687 | 256,687 | 256,687 | 256,687 | 256,687 |
| LESS: PAYMENT OF DEBT SERVICE | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ 378,958 | 636,899 | 898,671 | 1,166,913 | 1,444,372 | 1,733,960 | 2,030,787 | 2,335,036 | 2,646,890 | 2,966,541 | 3,294,183 |
| LESS: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| TOTAL AMOUNT AVAILABLE FOR PROJECTS | \$ 378,958 | 636,899 | 898,671 | 1,166,913 | 1,444,372 | 1,733,960 | 2,030,787 | 2,335,036 | 2,646,890 | 2,966,541 | 3,294,183 |
| AMOUNT PAID FOR PROJECTS | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ 378,958 | 636,899 | 898,671 | 1,166,913 | 1,444,372 | 1,733,960 | 2,030,787 | 2,335,036 | 2,646,890 | 2,966,541 | 3,294,183 |
| ADD BACK: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| PLUS: INTEREST EARNINGS | \$ 1,253 | 5,086 | 11,555 | 20,771 | 32,901 | 40,140 | 47,561 | 55,167 | 62,964 | 70,955 | 79,146 |
| LESS: INTEREST ALLOCATED TO CASH FLOW | \$ - | - | - | - | - | - | - | - | - | - | - |
| BALANCE AT END OF FISCAL YEAR | \$ 380,211 | 641,984 | 910,226 | 1,187,685 | 1,477,273 | 1,774,100 | 2,078,349 | 2,390,203 | 2,709,854 | 3,037,496 | 3,373,329 |
| IRRIGATION BETTERMENT FEES | | | | | | | | | | | |
| BALANCE AT BEGINNING OF FISCAL YEAR | \$ 347,907 | 431,283 | 517,436 | 607,241 | 701,633 | 801,625 | 904,117 | 1,009,170 | 1,116,851 | 1,227,223 | 1,340,354 |
| ADDITIONAL ANNUAL REVENUES | \$ 81,433 | 81,433 | 81,433 | 81,433 | 81,433 | 81,433 | 81,433 | 81,433 | 81,433 | 81,433 | 81,433 |
| LESS: PAYMENT OF DEBT SERVICE | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ 429,340 | 512,716 | 598,869 | 688,674 | 783,066 | 883,058 | 985,550 | 1,090,603 | 1,198,284 | 1,308,656 | 1,421,787 |
| LESS: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| TOTAL AMOUNT AVAILABLE FOR PROJECTS | \$ 429,340 | 512,716 | 598,869 | 688,674 | 783,066 | 883,058 | 985,550 | 1,090,603 | 1,198,284 | 1,308,656 | 1,421,787 |
| AMOUNT PAID FOR PROJECTS | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ 429,340 | 512,716 | 598,869 | 688,674 | 783,066 | 883,058 | 985,550 | 1,090,603 | 1,198,284 | 1,308,656 | 1,421,787 |
| ADD BACK: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| PLUS: INTEREST EARNINGS | \$ 1,943 | 4,720 | 8,372 | 12,959 | 18,559 | 21,059 | 23,621 | 26,247 | 28,939 | 31,698 | 34,527 |
| LESS: INTEREST ALLOCATED TO CASH FLOW | \$ - | - | - | - | - | - | - | - | - | - | - |
| BALANCE AT END OF FISCAL YEAR | \$ 431,283 | 517,436 | 607,241 | 701,633 | 801,625 | 904,117 | 1,009,170 | 1,116,851 | 1,227,223 | 1,340,354 | 1,456,314 |

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 10 – Funding Summary by Fund

Sources & Uses of Funds

Schedule 10

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|----------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| SERIES 2012 PROJECT PROCEEDS | | | | | | | | | | | |
| BALANCE AT BEGINNING OF FISCAL YEAR | \$ - | - | - | - | - | - | - | - | - | - | - |
| ADDITIONAL ANNUAL REVENUES | \$ - | 392,000 | - | - | - | - | - | - | - | - | - |
| LESS: PAYMENT OF DEBT SERVICE | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ - | 392,000 | - | - | - | - | - | - | - | - | - |
| LESS: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| TOTAL AMOUNT AVAILABLE FOR PROJECTS | \$ - | 392,000 | - | - | - | - | - | - | - | - | - |
| AMOUNT PAID FOR PROJECTS | \$ - | (392,000) | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ - | - | - | - | - | - | - | - | - | - | - |
| ADD BACK: RESTRICTED FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| PLUS: INTEREST EARNINGS | \$ - | - | - | - | - | - | - | - | - | - | - |
| LESS: INTEREST ALLOCATED TO CASH FLOW | \$ - | - | - | - | - | - | - | - | - | - | - |
| BALANCE AT END OF FISCAL YEAR | \$ - | - | - | - | - | - | - | - | - | - | - |
| R&R, SEWER, & MEMBRANE RESERVES | | | | | | | | | | | |
| BALANCE AT BEGINNING OF FISCAL YEAR | \$ 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 |
| ADDITIONAL ANNUAL REVENUES | \$ - | - | - | - | - | - | - | - | - | - | - |
| LESS: PAYMENT OF DEBT SERVICE | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 |
| LESS: RESTRICTED FUNDS | \$ (3,815,579) | (3,815,579) | (3,815,579) | (3,815,579) | (3,815,579) | (3,815,579) | (3,815,579) | (3,815,579) | (3,815,579) | (3,815,579) | (3,815,579) |
| TOTAL AMOUNT AVAILABLE FOR PROJECTS | \$ - | - | - | - | - | - | - | - | - | - | - |
| AMOUNT PAID FOR PROJECTS | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ - | - | - | - | - | - | - | - | - | - | - |
| ADD BACK: RESTRICTED FUNDS | \$ 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 |
| PLUS: INTEREST EARNINGS | \$ 19,078 | 38,156 | 57,234 | 76,312 | 95,389 | 95,389 | 95,389 | 95,389 | 95,389 | 95,389 | 95,389 |
| LESS: INTEREST ALLOCATED TO CASH FLOW | \$ (19,078) | (38,156) | (57,234) | (76,312) | (95,389) | (95,389) | (95,389) | (95,389) | (95,389) | (95,389) | (95,389) |
| BALANCE AT END OF FISCAL YEAR | \$ 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 | 3,815,579 |
| REVENUE FUND | | | | | | | | | | | |
| BALANCE AT BEGINNING OF FISCAL YEAR | \$ 31,355,584 | 28,193,884 | 30,574,129 | 30,268,985 | 30,248,489 | 28,483,630 | 29,636,901 | 29,709,551 | 30,985,109 | 38,303,899 | 44,946,667 |
| ADDITIONAL ANNUAL REVENUES | \$ 8,405,088 | 6,557,635 | 3,269,031 | 6,794,212 | 9,044,538 | 11,252,676 | 12,386,923 | 13,593,632 | 14,961,634 | 16,461,018 | 18,020,396 |
| LESS: CASH-FUNDED CAPITAL PROJECTS | \$ (4,427,450) | (3,225,390) | (1,999,175) | (4,537,708) | (292,354) | (1,154,050) | (6,036,184) | (5,821,200) | - | - | - |
| LESS: PAYMENT OF DEBT SERVICE | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ 35,333,223 | 31,526,129 | 31,843,985 | 32,525,489 | 39,000,673 | 38,582,257 | 35,987,640 | 37,481,984 | 45,946,743 | 54,764,917 | 62,967,063 |
| LESS: RESTRICTED FUNDS | \$ (7,877,807) | (8,886,289) | (9,177,841) | (9,434,341) | (9,818,358) | (10,273,554) | (10,705,098) | (11,161,674) | (11,645,081) | (12,157,258) | (12,700,296) |
| TOTAL AMOUNT AVAILABLE FOR PROJECTS | \$ 27,455,416 | 22,639,840 | 22,666,143 | 23,091,148 | 29,182,315 | 28,308,703 | 25,282,542 | 26,320,309 | 34,301,662 | 42,607,659 | 50,266,767 |
| AMOUNT PAID FOR PROJECTS | \$ (7,139,339) | (952,000) | (1,575,000) | (2,277,000) | (10,517,043) | (8,945,356) | (6,278,089) | (6,496,875) | (7,642,844) | (9,818,250) | (11,490,778) |
| SUBTOTAL | \$ 21,687,840 | 21,091,143 | 20,814,148 | 18,665,272 | 19,363,347 | 19,004,453 | 19,004,453 | 19,823,435 | 26,658,818 | 32,789,409 | 38,775,989 |
| ADD BACK: RESTRICTED FUNDS | \$ 7,877,807 | 8,886,289 | 9,177,841 | 9,434,341 | 9,818,358 | 10,273,554 | 10,705,098 | 11,161,674 | 11,645,081 | 12,157,258 | 12,700,296 |
| PLUS: INTEREST EARNINGS | \$ 148,874 | 293,840 | 456,323 | 605,175 | 734,151 | 726,507 | 741,831 | 758,683 | 866,113 | 1,040,632 | 1,205,287 |
| LESS: INTEREST ALLOCATED TO CASH FLOW | \$ (148,874) | (293,840) | (456,323) | (605,175) | (734,151) | (726,507) | (741,831) | (758,683) | (866,113) | (1,040,632) | (1,205,287) |
| BALANCE AT END OF FISCAL YEAR | \$ 28,193,884 | 30,574,129 | 30,268,985 | 30,248,489 | 28,483,630 | 29,636,901 | 29,709,551 | 30,985,109 | 38,303,899 | 44,946,667 | 51,476,285 |
| RESTRICTED RESERVES | | | | | | | | | | | |
| BALANCE AT BEGINNING OF FISCAL YEAR | \$ 6,515,130 | - | - | - | - | - | - | - | - | - | - |
| ADDITIONAL FUNDS: | \$ - | - | - | - | - | - | - | - | - | - | - |
| DEBT SERVICE RESERVE ON NEW DEBT | \$ - | - | - | - | - | - | - | - | - | - | - |
| OTHER ADDITIONAL FUNDS | \$ - | - | - | - | - | - | - | - | - | - | - |
| SUBTOTAL | \$ 6,515,130 | - | - | - | - | - | - | - | - | - | - |
| PLUS: INTEREST EARNINGS | \$ 32,576 | - | - | - | - | - | - | - | - | - | - |
| LESS: INTEREST ALLOCATED TO CASH FLOW | \$ (32,576) | - | - | - | - | - | - | - | - | - | - |
| BALANCE AT END OF FISCAL YEAR (1) | \$ 6,515,130 | - | - | - | - | - | - | - | - | - | - |

(1) Debt Service Reserve liquidated as part of Series 2011 Bonds

Appendix B – Summary Schedules for Alternative Options

Schedule 1 contains the FAMS-XL © Control Panel for Option 2 (Public Service Tax) that presents a summary of the financial management plan, including annual rate increases, debt service coverage, CIP spending, future borrowing, and fund balances

Schedule 2 contains the FAMS-XL © Control Panel for Option 3A (CFEC: Prior UEP) that presents a summary of the financial management plan, including annual rate increases, debt service coverage, CIP spending, future borrowing, and fund balances

Schedule 3 contains the FAMS-XL © Control Panel for Option 3B (CFEC: New UEP) that presents a summary of the financial management plan, including annual rate increases, debt service coverage, CIP spending, future borrowing, and fund balances

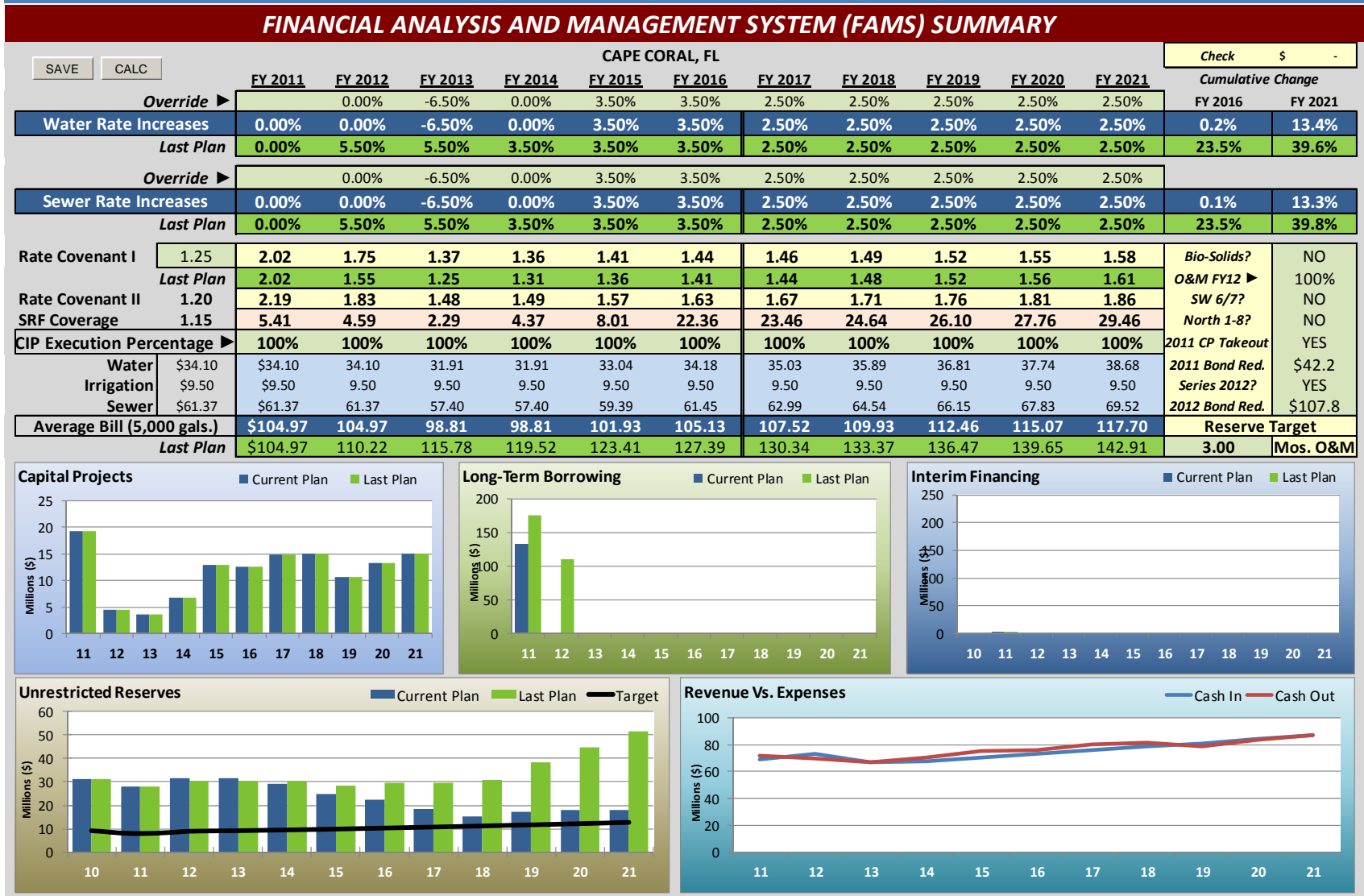
Schedule 4 contains the FAMS-XL © Control Panel for Option 4A (Resume UEP: SW 6/7) that presents a summary of the financial management plan, including annual rate increases, debt service coverage, CIP spending, future borrowing, and fund balances

Schedule 5 contains the FAMS-XL © Control Panel for Option 4B (Resume UEP: N 1-8) that presents a summary of the financial management plan, including annual rate increases, debt service coverage, CIP spending, future borrowing, and fund balances

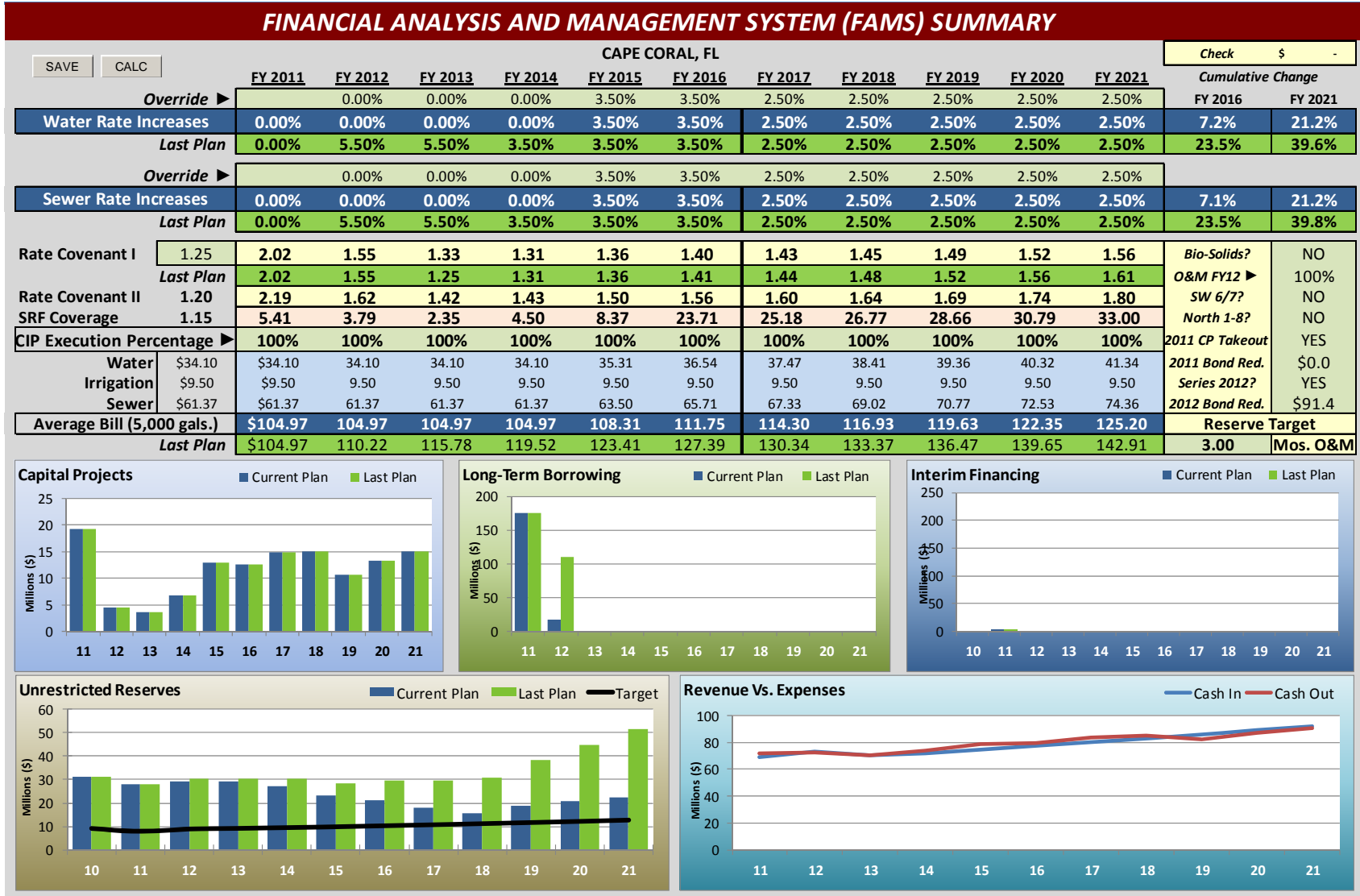
Schedule 6 contains the FAMS-XL © Control Panel for Option 4C (Resume UEP: SW 6/7 & N 1-8) that presents a summary of the financial management plan, including annual rate increases, debt service coverage, CIP spending, future borrowing, and fund balances

Schedule 7 contains the FAMS-XL © Control Panel for Option 5 (GO Bonds) that presents a summary of the financial management plan, including annual rate increases, debt service coverage, CIP spending, future borrowing, and fund balances

FAMS - Control Panel - Public Services Tax (\$150M Borrowing Reduction)

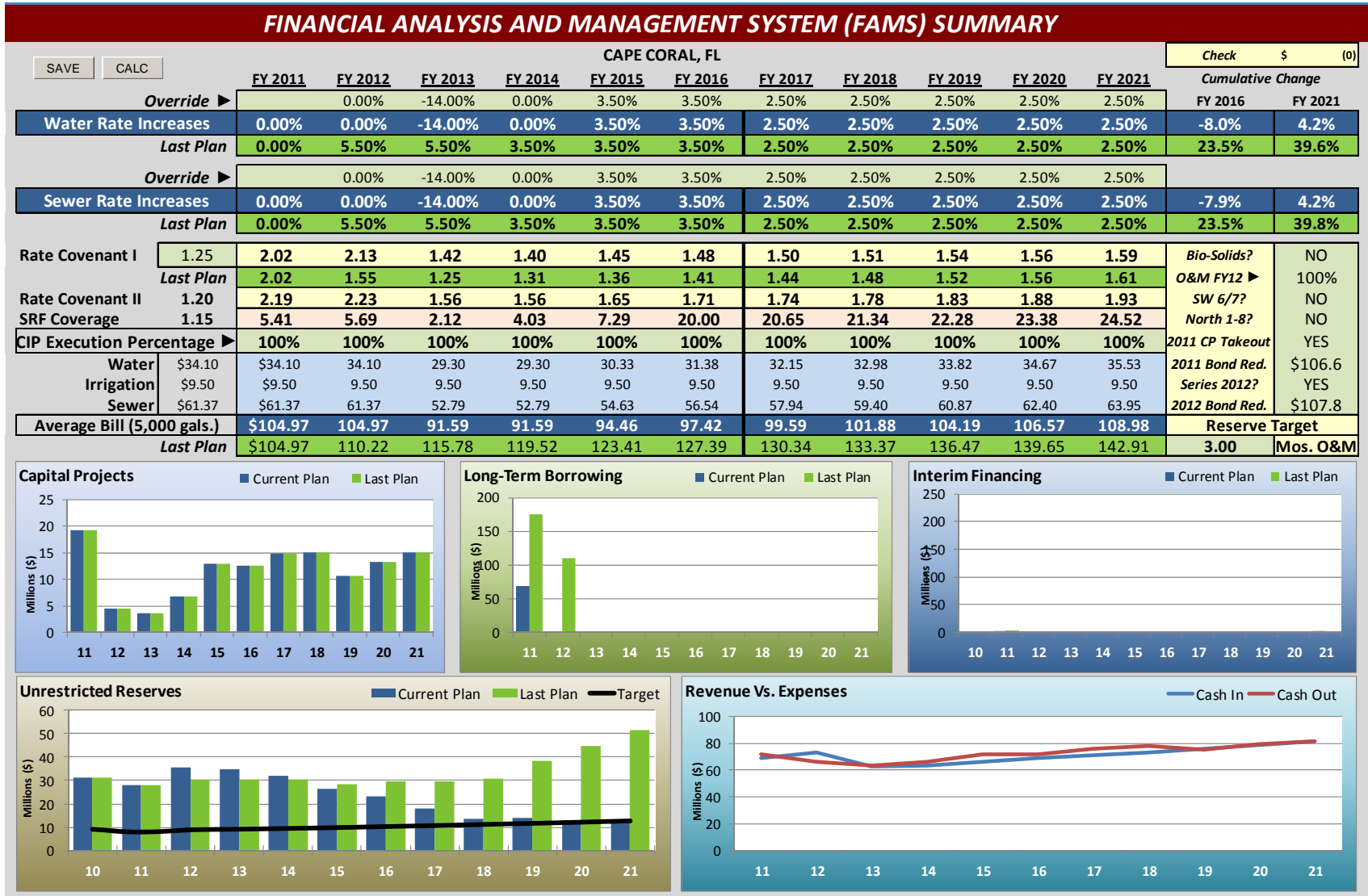


FAMS - Control Panel - Infill Assessment



CFEC:
 \$91 Million for 16,437 Properties; 12,119 @ CFEC of \$5,136 and 4,318 @ CFEC of \$6,750 for Water, Sewer, and Irrigation Services

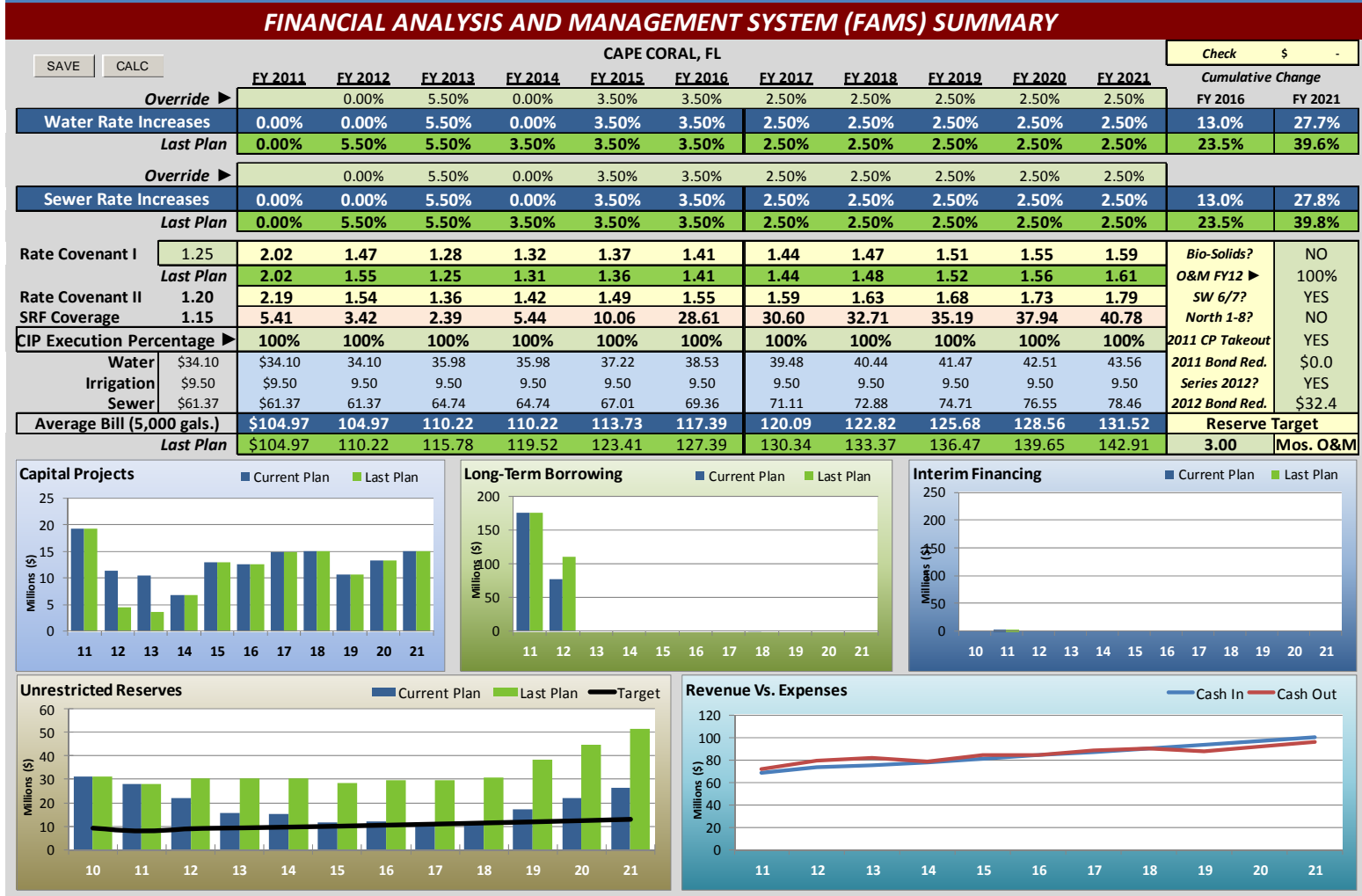
FAMS - Control Panel - CFEC New UEP Areas



CFEC:

\$32 Million for SW 6/7 = 4,793 Total Properties @ CFEC of \$6,750 for Water, Sewer, and Irrigation Services
 \$182 Million for N1-8 = 54,188 Total Properties @ CFEC of \$3,361 for Water Services

FAMS - Control Panel - SW 6/7 UEP

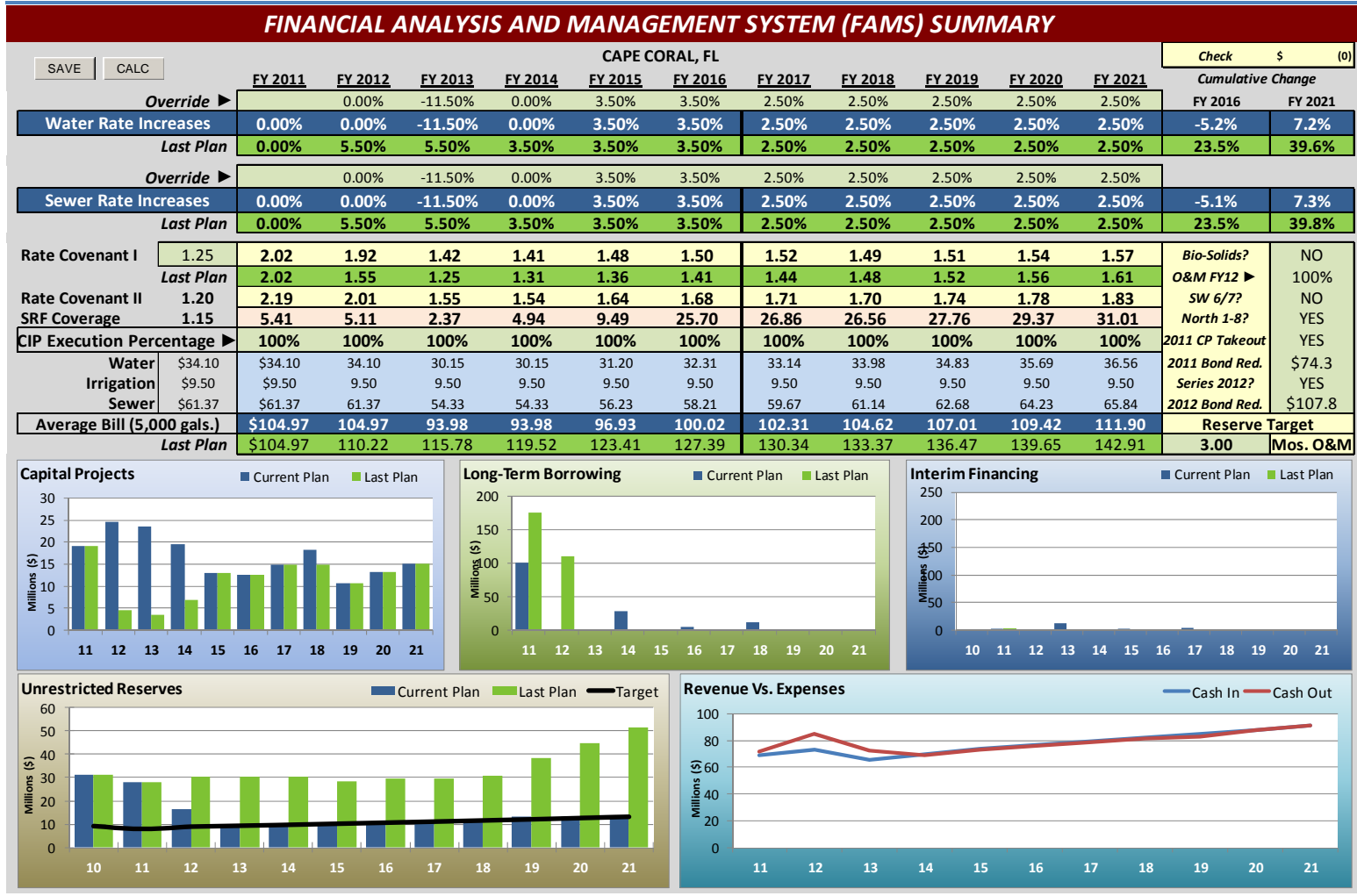


CFEC:
 \$32 Million for SW 6/7 = 4,793 Total Properties @ CFEC of \$6,750 for Water, Sewer, and Irrigation Services

Initial New Service Connections:
 SW 6/7 = 2,137 Water, 3,282 Sewer, and 3,349 Irrigation on 4/1/2013

Additional Capital:
 SW 6/7 = \$14 Million

FAMS - Control Panel - N 1-8 UEP



CFEC:

\$182 Million for N1-8 = 54,188 Total Properties @ CFEC of \$3,361 for Water Services

Initial New Service Connections:

N1-8 (Water Only) = 10,019 on 4/1/2013, 4,942 on 4/1/2014

Additional Capital:

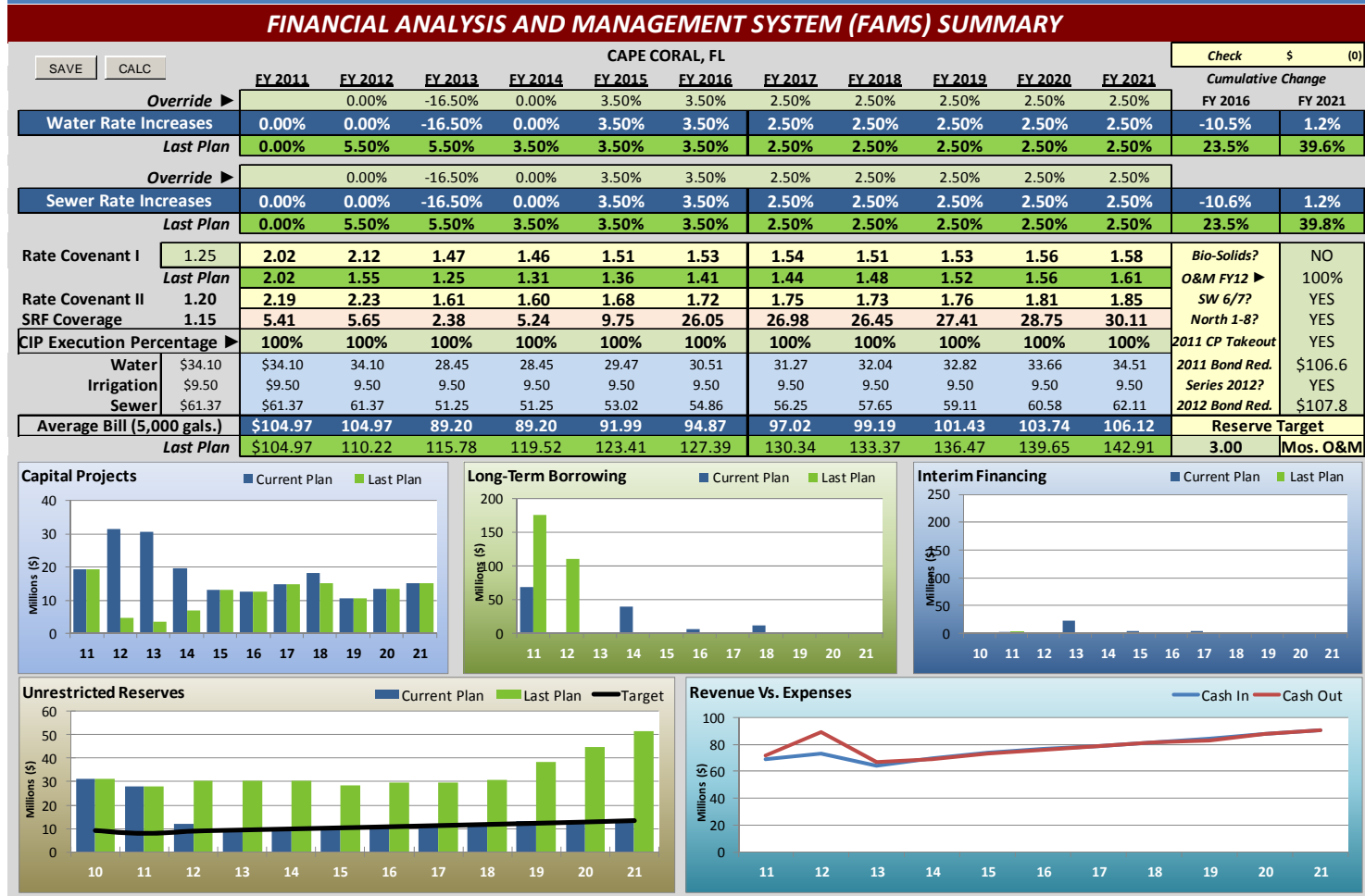
N1-8 = \$40 Million trans, plus \$15 Million other

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

Schedule 6 – FAMS-XL Control Panel – Option 4C (UEP: SW 6/7 & N 1-8)

APPENDIX B

FAMS - Control Panel - SW 6/7 & N 1-8 UEP



CFEC:
 \$32 Million for SW 6/7 = 4,793 Total Properties @ CFEC of \$6,750 for Water, Sewer, and Irrigation Services
 \$182 Million for N1-8 = 54,188 Total Properties @ CFEC of \$3,361 for Water Services

Initial New Service Connections:
 SW 6/7 = 2,137 Water, 3,282 Sewer, and 3,349 Irrigation on 4/1/2013
 N1-8 (Water Only) = 10,019 on 4/1/2013, 4,942 on 4/1/2014

Additional Capital:
 SW 6/7 = \$14 Million
 N1-8 = \$40 Million trans, plus \$15 Million other

FY 2011 UTILITY REVENUE SUFFICIENCY ANALYSIS

Schedule 7 – FAMS-XL Control Panel – Option 5 (GO Bonds)

APPENDIX B

FAMS - Control Panel - GO Bonds (\$285M Borrowing Reduction)

