

**ATTACHMENT A: Wastewater Treatment Division Financial Plan for the 2013 Amended Proposed Sewer Rate, Revised June 5, 2012**

2012-0144

	2011 Unaudited	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	2017 Forecast	2018 Forecast
RESIDENTIAL CUSTOMER EQUIVALENTS (RCEs)	707.28	707.28	707.28	709.05	712.59	716.15	721.53	726.94
MONTHLY RATE	\$36.10	\$36.10	\$39.79	\$39.79	\$44.26	\$44.26	\$44.77	\$45.09
% Increase		0.0%	10.2%	0.0%	11.1%	0.0%	1.1%	0.7%
BEGINNING OPERATING FUND	61,368	86,886	72,262	50,204	21,537	16,774	13,701	14,249
OPERATING REVENUE:								
Customer Charges	306,407	306,393	337,711	338,555	378,504	380,396	387,652	393,340
Investment Income	1,720	1,060	996	1,015	1,131	4,988	8,562	11,541
Capacity Charge	48,693	43,774	46,338	49,351	54,038	59,638	65,907	72,446
Rate Stabilization *	(25,500)	15,900	22,600	29,100	5,300	3,600		
Other Income	7,927	9,188	9,492	10,968	11,187	11,411	11,639	11,988
TOTAL OPERATING REVENUES	339,247	376,314	417,137	428,989	450,160	460,034	473,761	489,316
OPERATING EXPENSE	(103,862)	(116,620)	(121,538)	(126,370)	(131,742)	(137,012)	(142,492)	(148,192)
DEBT SERVICE REQUIREMENT PARITY DEBT	(167,517)	(197,355)	(222,534)	(227,539)	(234,684)	(240,520)	(248,352)	(256,455)
SUBORDINATE DEBT SERVICE	(12,684)	(15,699)	(16,611)	(16,728)	(23,942)	(25,554)	(29,626)	(33,913)
DEBT SERVICE COVERAGE RATIO PARITY DEBT **	1.41	1.32	1.33	1.33	1.36	1.34	1.33	1.33
DEBT SERVICE COVERAGE RATIO TOTAL PAYMENTS	1.31	1.15	1.15	1.15	1.15	1.15	1.15	1.15
INTER-FUND LOAN REPAYMENTS	(20,300)	(20,090)	(20,030)	-	-	-	-	-
LIQUIDITY RESERVE CONTRIBUTION	(18)	(1,276)	(542)	(433)	(537)	(527)	(548)	(570)
TRANSFERS TO CAPITAL	(34,866)	(25,274)	(35,892)	(58,429)	(59,254)	(56,422)	(52,742)	(50,185)
RATE STABILIZATION RESERVE *	76,500	60,600	38,000	8,900	3,600			
OPERATING LIQUIDITY RESERVE BALANCE	10,386	11,662	12,204	12,637	13,174	13,701	14,249	14,819
OPERATING FUND ENDING BALANCE	86,886	72,262	50,204	21,537	16,774	13,701	14,249	14,819
<b>CONSTRUCTION FUND</b>								
BEGINNING FUND BALANCE	5,000	95,579	5,461	5,329	5,000	5,000	5,000	5,000
REVENUES:								
Parity Bonds	245,000	80,000	55,000	81,763	115,761	104,913	122,992	127,540
Variable Debt Bonds	78,380	15,000	65,000	10,000	10,000	14,559	9,081	9,172
Grants & Loans	8,233	16,085	14,510	784	-	-	-	-
Other	2	500	500	500	500	500	500	500
Transfers From Operating Fund	34,866	25,274	35,892	58,429	59,254	56,422	52,742	50,185
TOTAL REVENUES	366,482	136,859	170,902	151,476	185,514	176,394	185,315	187,397
CAPITAL EXPENDITURES	(273,262)	(203,644)	(166,181)	(144,856)	(174,645)	(175,418)	(174,892)	(176,590)
DEBT ISSUANCE COSTS	(1,874)	(554)	(1,425)	(1,685)	(2,365)	(2,171)	(2,505)	(2,597)
BOND RESERVE TRANSACTIONS	11,547	(20,795)	(3,428)	(5,264)	(7,453)	2,246	(7,918)	(8,211)
DEBT SERVICE, CAPITALIZED INTEREST RESERVE ADJUSTMENTS	(28,795)	(7,366)	-	-	(1,051)	(1,051)	-	-
	16,481	5,381	-	-				
ENDING FUND BALANCE	95,579	5,461	5,329	5,000	5,000	5,000	5,000	5,000
CONSTRUCTION FUND RESERVES								
Bond & Loan Reserves	160,424	181,218	184,646	189,910	198,413	197,218	205,136	213,347
Policy Reserves	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL FUND RESERVES	175,424	196,218	199,646	204,910	213,413	212,218	220,136	228,347
CONSTRUCTION FUND BALANCE	271,002	201,679	204,975	209,910	218,414	217,219	225,137	233,348

\* This revenue is accounted for as a regulatory asset to be deferred to future years in accordance with FAS-71.

\*\* This includes a Regulatory Asset for a \$53.9 million estimate of Environmental Remediation Liability in accordance with FAS-71 which will be amortized over a 30-year average bond term.