

Enterprise Funds

Sewerage and Drainage Operating Fund

2008 Cash Balance Statement

The fund will begin 2008 with a cash balance of \$77.6 million.

2008 SEWERAGE AND DRAINAGE OPERATING FUND BALANCE SUMMARY		
Cash Balance (January 1, 2008)	\$	77,592,932
Plus Estimated 2008 Receipts		229,832,356
Total Estimated Available Resources	\$	307,425,288
Less 2008 Recommended Operating Budget (Sewers/Drains)		(227,799,343)
Less 2008 Recommended Operating Budget (Administration)		(3,778,624)
Less 2008 Recommended Operating Budget (Operational Support)		-
Projected Available Balance (December 31, 2008)	<u>\$</u>	<u>75,847,321</u>
Note: Cash Balance at January 1, 2008 does not include reserve fund balance of \$10 million		

2008 Revenue Summary

User fees completely support the operations of the Division of Sewerage and Drainage. Section 118 of the Columbus City Charter empowers the City Council to establish separate sewer and water rates to fully cover the cost of service. Rates are set to recover the cost of operations; maintenance and debt service, and are reviewed annually by the Sewer and Water Advisory Board. City Council must approve all rate increases before they are effective.

One of the city's goals in the rate setting process is to avoid steep increases and at the same time to fully meet the needs of the system. In order to achieve this goal, a pro forma operating statement was developed. This document is updated annually to reflect current appropriation levels and adjusted for actual revenues and expenditures.

Statements relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances.

2008 Revenue Summary

SEWERAGE AND DRAINAGE				
REVENUE BY SOURCE AND YEAR				
HISTORICAL AND PROJECTED				
2005-2008				
REVENUE SUMMARY	2005 Actual	2006 Actual	2007 Estimated	2008 Proposed
Service Charges:				
Standard Strength	\$ 120,631,673	\$ 129,864,745	\$ 150,678,606	\$ 155,990,027
Extra Strength	7,259,015	7,774,570	9,846,064	10,193,138
Wet Weather Charges	-	8,168,104	22,743,211	40,427,306
System Capacity Charges	9,152,682	9,018,034	8,000,000	8,080,000
Investment Income	1,173,810	4,625,437	8,649,012	2,066,830
Storm Maintenance Reimbursement	7,211,361	10,571,735	10,000,000	10,300,000
Other	2,820,875	2,773,811	2,586,171	2,775,055
Beginning Year Cash Balance	51,778,648	42,157,518	65,305,417	77,592,933
TOTAL RESOURCES	\$ 200,028,064	\$ 214,953,954	\$ 277,808,481	\$ 307,425,289
PERCENT CHANGE		7.46%	29.24%	10.66%

Revenue Notes:

- The Sewer and Water Advisory Board is recommending a ten percent increase in revenues in 2008. With this increase, revenues, excluding the beginning balance, will total nearly \$229.8 million in 2008 or over \$17.3 million more than the 2007 projection. Approximately \$21.4 million of this total is attributable to increased rates.
- System capacity fees are assumed to grow by a modest one percent, representing growth in the system.
- The interest income projection is based on the amount of cash assumed to be available in each year for capital projects. For the purposes of projection, an interest rate of two percent is assumed.
- A sewer surcharge, based upon impervious cover, is proposed to fund consent order projects.
- A low income discount of at least 15 percent is proposed for the commodity portion of the bill for qualified customers.

Sewer Pro Forma Operating Statement

Presented below is a ten-year pro forma operating statement for the sewerage system enterprise operating fund, reflecting sanitary sewer operations only. A separate pro forma statement for storm sewer operations is presented later in this document. Represented is a projection of the sewerage and drainage operating fund revenues and expenditures on a cash basis for the period 2006 through 2017 given certain assumptions as outlined below. The pro forma operating statement is essential to the planning and rate setting processes. The major assumptions upon which the pro forma's numbers are based are as follows:

- The Sewer and Water Advisory Board recommended various sewer rate increases to produce ten percent more revenue for 2008.
- Sanitary sales growth is projected at 1.1 percent per year from 2007 throughout the pro forma projection period.
- System capacity charges are assumed to grow by one percent annually, representing growth in the system.
- Operations and maintenance expenses, excluding health insurance and pro rata are inflated at three percent per year. Insurance costs are inflated by 7 percent annually, while the projected pro rata in each year is 4.5 percent of each year's projected revenues. (Note: As non-insurance personnel costs are inflated by only three percent annually, it is assumed that the division's employee strength will not increase over the pro forma period.)
- The pro-rated costs associated with the Division of Operational Support (DOS) are not included in 2008 and beyond, because of the elimination of DOS.
- Equipment costs in 2007 and beyond include an annual allotment to the EPA-mandated capital replacement fund.
- Included in the operations and maintenance budget is \$8.65 million to pay pro rata (payment to the general fund for services provided to the utility divisions by general fund agencies).
- In 2008, new debt will be issued in the form of revenue bonds to fund various sanitary and wet-weather sewer projects related to the federally mandated projects.
- Debt service for payment of Ohio Water Development Authority (OWDA) low-interest loans has been included within the appropriate debt schedules. Use of these low-interest monies decrease the debt retirement expenses associated with sanitary sewer projects. Unlike municipal bonds, debt service on OWDA-funded construction projects is not paid until construction is complete.

- The Division of Sewerage and Drainage's capital improvements plan has been reduced by ten percent throughout the pro forma period. This reduction recognizes the likelihood that actual debt issuance in any given year will not reach levels outlined in the capital improvements budget because of unavoidable lags in the project planning and implementation process.
- The Division of Sewerage and Drainage's pro forma statement also assumes that all debt will be issued late in any given year, such that the interest expense is not due until the following year and the principal payment is due the year after that.

Enterprise Funds

SEWERAGE SYSTEM ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT FOR YEARS 2006 - 2016
 IN DOLLARS - 000'S OMITTED

	ACTUAL												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
BEGINNING CASH BALANCE	\$ 40,290	\$ 65,305	\$ 77,593	\$ 75,847	\$ 41,971	\$ 33,118	\$ 29,179	\$ 23,675	\$ 34,624	\$ 76,729	\$ 122,588	\$ 176,046	\$ 230,984
UTILITY REVENUES													
Sewer Sales	\$ 137,639	\$ 160,525	\$ 162,130	\$ 168,413	\$ 174,945	\$ 181,736	\$ 213,270	\$ 250,475	\$ 294,381	\$ 313,139	\$ 333,115	\$ 352,759	\$ 356,287
Sewer Sales Increase	-	-	4,053	4,210	4,374	25,746	30,213	35,484	13,492	14,352	13,880	-	-
Wet Weather	8,168	22,743	23,019	40,917	44,401	71,137	71,946	54,686	55,742				
Wet Weather Increase	-	-	17,409	2,953	25,884	(52)	(17,915)	388	10,570	1,017	5,361	276	8,565
Interest Income	4,625	8,649	2,067	1,754	5,425	5,197	2,470	814	4,712				
System Capacity Charge	9,018	8,000	8,080	8,161	8,242	8,325	8,408	8,492	8,577	8,663	8,749	8,837	8,925
Other	2,774	2,586	2,775	2,781	2,831	2,883	2,907	2,962	3,018	3,030	3,091	3,153	3,216
Reimbursement from Stormwater Fund	10,572	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842
Transfer	1,867	-	-	-	-	-	-	-	-	-	-	-	-
Debt Refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	174,663	212,503	229,832	239,798	277,030	306,227	322,892	365,243	402,792	352,868	377,244	378,464	390,835
TOTAL RESOURCES	\$ 214,954	\$ 277,808	\$ 307,425	\$ 315,645	\$ 319,000	\$ 339,346	\$ 352,071	\$ 388,918	\$ 437,416	\$ 429,598	\$ 499,832	\$ 554,510	\$ 621,819
UTILITY EXPENSE													
OPERATIONS & MAINTENANCE													
Personnel	28,889	30,771	36,666	37,766	38,899	40,066	41,268	42,506	43,781	45,094	46,447	47,840	49,276
27th Pay Period	-	-	1,260	-	-	-	-	-	-	-	-	-	-
Insurances	4,267	4,730	6,243	6,681	7,148	7,649	8,184	8,757	9,370	10,026	10,727	11,478	12,282
Supplies & Materials	5,377	6,756	6,845	7,050	7,261	7,479	7,704	7,935	8,173	8,418	8,670	8,931	9,198
Pro Rata	7,124	8,529	10,063	10,309	11,971	13,270	14,006	15,896	17,570	18,407	19,559	19,885	20,502
Contractual Services	28,900	34,517	37,845	38,980	40,150	41,354	42,595	43,873	45,189	46,545	47,941	49,379	50,861
Other	1,238	656	377	388	400	412	424	437	450	464	478	492	507
Equipment	2,078	3,463	6,598	6,796	7,000	7,210	7,427	7,649	7,879	8,115	8,359	8,609	8,868
Division of Operational Support Allocation	3,190	10,839	-	-	-	-	-	-	-	-	-	-	-
P/U Director's Allocation	3,804	3,851	3,779	3,892	4,009	4,129	4,253	4,380	4,512	4,647	4,787	4,930	5,078
TOTAL OPERATIONS & MAINTENANCE	\$ 84,868	\$ 104,112	\$ 109,676	\$ 111,863	\$ 116,838	\$ 121,569	\$ 125,860	\$ 131,433	\$ 136,923	\$ 141,716	\$ 146,968	\$ 151,545	\$ 156,571
DEBT SERVICE													
Revenue Bond	\$ 15,437	\$ 15,603	\$ 15,845	\$ 17,779	\$ 18,442	\$ 19,000	\$ 133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Obligation	30,139	38,289	34,100	35,762	31,647	28,071	27,089	25,181	24,368	22,233	21,460	20,733	20,043
Debt Refinancing	(1,564)	(140)	-	-	-	-	-	-	-	-	-	-	-
Proposed New Debt	-	-	20,453	26,149	33,218	41,463	61,845	81,175	83,310	84,550	88,238	91,835	95,562
Proposed New Debt (Wet Weather)	-	-	-	20,180	23,573	37,894	51,340	54,377	56,373	67,691	78,573	77,954	76,751
Less Debt Issuance Premium	-	-	-	-	-	-	-	-	-	-	-	-	-
O.W.D.A. Debt	27,902	31,929	51,366	61,851	62,079	62,087	62,078	62,078	59,665	59,665	58,992	58,319	55,868
Assessments	-	424	137	90	87	84	51	49	48	46	44	42	-
TOTAL DEBT SERVICE	71,913	86,104	121,902	161,812	169,045	188,598	202,536	222,860	223,764	234,185	247,307	248,883	248,223
TOTAL EXPENSE	\$ 156,782	\$ 190,216	\$ 231,578	\$ 273,674	\$ 285,882	\$ 310,167	\$ 328,396	\$ 354,293	\$ 360,687	\$ 375,901	\$ 394,274	\$ 400,428	\$ 404,794
ENDING FUND BALANCE	\$ 58,172	\$ 87,593	\$ 75,847	\$ 41,971	\$ 33,118	\$ 29,179	\$ 23,675	\$ 34,624	\$ 76,729	\$ 53,697	\$ 105,557	\$ 154,082	\$ 217,025

SEWERAGE SYSTEM ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT FOR YEARS 2006 - 2016
 IN DOLLARS - 000'S OMITTED

	ACTUAL													
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
TOTAL PROJECTED REVENUE INCREASE		0.00%	0.00%	9.94%	3.42%	13.79%	10.16%	4.31%	11.76%	6.87%	4.04%	4.79%	0.06%	1.98%
Growth in ERU's														
Units Inside	579,876	581,691	588,975	596,346	603,807	611,358	619,001	626,736	634,565	642,489	650,509	658,626	666,841	
Units Outside	295,888	296,745	300,341	303,980	307,663	311,391	315,163	318,982	322,847	326,759	330,718	334,725	338,781	
Total ERU Units	875,764	878,436	889,315	900,326	911,470	922,748	934,164	945,718	957,412	969,247	981,226	993,351	1,005,622	
Unit Cost per Yr per ERU Inside	\$15.72	\$28.11	\$50.16	\$54.48	\$96.96	\$96.96	\$67.67	\$68.51	\$85.38	\$86.94	\$95.38	\$96.00	\$107.94	
Unit Cost per Yr Per ERU Outside	\$4.08	\$16.68	\$36.24	\$37.44	\$38.16	\$37.92	\$38.52	\$38.05	\$37.59	\$37.56	\$37.10	\$36.65	\$38.36	
RESERVE REQUIREMENT:														
10% of Operations/Maintenance Costs	\$ 8,487	\$ 10,411	\$ 10,968	\$ 11,186	\$ 11,684	\$ 12,157	\$ 12,586	\$ 13,143	\$ 13,692	\$ 14,172	\$ 14,697	\$ 15,154	\$ 15,657	
CASH BASIS COVERAGE														
REVENUE	\$ 172,796	\$ 212,503	\$ 229,832	\$ 239,798	\$ 277,030	\$ 306,227	\$ 322,892	\$ 365,243	\$ 402,792	\$ 421,759	\$ 447,732	\$ 455,366	\$ 469,440	
GROSS O & M EXPENSES	(84,868)	(104,112)	(109,676)	(111,863)	(116,838)	(121,569)	(125,860)	(131,433)	(136,923)	(141,716)	(146,968)	(151,545)	(156,571)	
NET REVENUE	\$ 87,928	\$ 108,391	\$ 120,156	\$ 127,935	\$ 160,192	\$ 184,659	\$ 197,032	\$ 233,810	\$ 265,869	\$ 280,044	\$ 300,765	\$ 303,821	\$ 312,869	
ACTUAL/EST. BEG. SYSTEM RESERVE FUND	\$ 42,158	\$ 38,290	\$ 38,290	\$ 38,290	\$ 38,290	\$ 38,290	\$ 38,290	\$ 38,290	\$ 38,290	\$ 38,290	\$ 38,290	\$ 38,290	\$ 38,290	
O&M EXPENSE RESERVE REQUIREMENT	(8,487)	(10,411)	(10,968)	(11,186)	(11,684)	(12,157)	(12,586)	(13,143)	(13,692)	(14,172)	(14,697)	(15,154)	(15,657)	
SYSTEM RESERVE FUND AVAILABLE	33,671	27,879	27,323	27,104	26,607	26,134	25,705	25,147	24,598	24,119	23,594	23,136	22,633	
ADJUSTED NET REVENUE	\$ 121,599	\$ 136,271	\$ 147,479	\$ 155,039	\$ 186,799	\$ 210,792	\$ 222,736	\$ 258,957	\$ 290,467	\$ 304,162	\$ 324,359	\$ 326,957	\$ 335,502	
REVENUE BOND DEBT SERVICE	15,437	15,603	15,845	17,779	18,442	19,000	133	-	-	-	-	-	-	
G.O. DEBT SERVICE (including proposed new debt)	30,139	38,289	54,553	61,911	64,864	69,534	88,934	106,356	107,678	106,783	109,698	112,568	115,604	
OWDA DEBT SERVICE	27,902	31,929	51,366	61,851	62,079	62,087	62,078	62,078	59,665	59,665	58,992	58,319	55,868	
TOTAL DEBT SERVICE	\$ 73,478	\$ 85,820	\$ 121,764	\$ 141,542	\$ 145,385	\$ 150,620	\$ 151,145	\$ 168,434	\$ 167,343	\$ 166,448	\$ 168,690	\$ 170,887	\$ 171,472	
Rate covenant tests:														
COVERAGE RATIO (1.00 REQUIRED)														
ADJ. NET REVENUE vs. TOTAL DEBT SERVICE	1.65	1.59	1.21	1.10	1.28	1.40	1.47	1.54	1.74	1.83	1.92			
COVERAGE RATIO (1.25 REQUIRED)														
ADJ. NET REVENUE vs. REV. BOND DEBT SERVICE	7.88	8.73	9.31	8.72	10.13	11.09	n/a	n/a	n/a	n/a	n/a			
Bond reserve requirement test:														
COVERAGE RATIO (1.50 REQUIRED)														
ADJ. NET REVENUE vs. REV. BOND DEBT SERVICE	7.88	8.73	9.31	8.72	10.13	11.09	n/a	n/a	n/a	n/a	n/a			
Assumes 35% availability of OWDA Funding														

Electricity Enterprise Fund

2008 Cash Balance Statement

Parallel to the rapidly growing costs of purchase power, revenues into the electricity enterprise fund are projected to grow as the division attempts to recover these cost increases. Since there are no planned transfers from the special income tax (SIT) fund to the electricity enterprise fund to cover the purchase power cost increases, the division must continue to recover these costs through rate increases or fuel cost adjustments to its customers.

2008 ELECTRICITY ENTERPRISE FUND BALANCE SUMMARY		
Cash Balance (January 1, 2008)	\$	1,677,642
Plus Estimated 2008 Receipts		82,618,000
Plus Kilowatt Hour Tax Revenues		-
Plus Special Income Tax Transfer		-
Total Estimated Available Resources	\$	84,295,642
Less 2008 Recommended Operating Budget (Electricity)		(84,259,600)
Less 2008 Recommended Operating Budget (Administration)		(209,930)
Less 2008 Recommended Operating Budget (Operational Support)		-
Projected Available Balance (December 31, 2008)	\$	(173,888)

2008 Revenue Summary

Electricity operating fund revenues fall into two basic categories: revenues from the retail sale of electricity and miscellaneous revenues for specific services (e.g., operation and maintenance of expressway lighting) and investments.

Statements relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances. For that reason, relative percentage change calculations for this fund are based on current year receipts only.

2008 Revenue Summary

ELECTRICITY ENTERPRISE FUND				
REVENUE BY SOURCE AND YEAR				
HISTORICAL AND PROJECTED				
2005-2008				
REVENUE SUMMARY	2005 Actual	2006 Actual	2007 Estimated	2008 Proposed
Charges for Electric Service	\$ 56,477,000	\$ 58,939,000	\$ 73,919,000	\$ 75,747,000
Construction Charges	343,000	598,000	547,000	563,000
Expressway Lighting/Maintenance/Energy	956,000	1,382,000	848,000	848,000
New Customer Installation Revenue	502,000	504,000	504,000	519,000
Investment Income	282,000	403,000	549,000	549,000
Other Revenue	431,000	169,000	726,000	748,000
Street Lighting Charges	311,000	407,000	410,000	342,000
Transportation Street Lighting Revenue	2,833,000	3,253,000	3,206,000	3,302,000
Special Income Tax Transfer	350,000	-	-	-
Beginning Year Cash Balance	495,000	2,081,000	4,944,000	1,677,642
TOTAL RESOURCES	\$ 62,980,000	\$ 67,736,000	\$ 85,653,000	\$ 84,295,642
PERCENT CHANGE		7.55%	26.45%	-1.58%

Revenue Notes:

- Revenues, excluding the beginning year cash balance are expected to be \$82.6 million in 2008, a 2.4 percent increase over 2007 estimates.
- Effective May 2001, changes in state law caused the Division of Electricity to pay the proceeds of a kilowatt hour tax to the general fund. At that time, to avoid a net reduction in revenue to the division, the general fund reimbursed the payments to the electricity operating fund. However, in 2004, legislation was passed that allowed the general fund to keep the kilowatt hour proceeds. In turn, the division receives a portion of the costs associated with operation of the street light system from the street construction, maintenance and repair fund.

Electricity Pro Forma Operating Statement

During the summers of 1998 and 1999, the Division of Electricity experienced sudden increases in purchase power expenses. During 1998, certain power sources in the Midwest were temporarily disrupted through untimely maintenance and tornado damage. In 1999, the situation was further exacerbated by a severe nationwide heat wave. During these years, the division passed on a portion of these costs to customers in the form of fuel adjustment charges. To hedge against a recurrence of these levels of purchase power costs, the division entered into contracts to cover most of the peak demand that could be anticipated during the summer months in 2000. During 2000, the division was successful in securing favorable, long-term contracts for its purchase power to meet its needs for several years. However, these contracts expired at the end of 2006. Projections for purchased power in 2007 exceeded that of 2006 by 40 percent, presenting a financial dilemma to the division. In 2007, the division recovered these costs by passing them on to their customers in the form of fuel cost adjustments and rate increases.

A pro forma operating statement for the electricity enterprise fund is presented on the following pages. The following assumptions were used:

- The pro forma assumes operating and maintenance and debt service costs for the division's street lighting program through the entire pro forma period. The objective of the program is to install street lighting throughout the city without general fund or special income tax support but rather, to the extent possible, funded with revenues derived from electric retail sales.
- Personnel costs are inflated by four percent each year, while other operations and maintenance expenses, excluding pro rata, are inflated at three percent per year. Pro rata in each year is 4.5 percent of each year's projected revenues. (Note: As personnel costs are inflated by only four percent annually, it is assumed that the division's employee strength will not increase over the pro forma period.)
- The pro-rated costs associated with the Division of Operational Support (DOS) will be eliminated in 2008 and beyond, because of the elimination of DOS.
- The largest portion, by far, of the Division of Electricity's budget is for the purchase of electrical power. In 2008, \$58 million is budgeted for this wholesale power, which in turn is sold to the division's customers. The 2008 budget also includes \$3.9 million for payment of pro rata.
- For purposes of this document, it is assumed that purchase electrical power costs will average \$85.65 per megawatt hour in 2008, a portion of which covers the transmission fees.
- Proposed new bonded debt is conservatively projected. It is assumed that such debt will be directly bonded at 5.0 percent in 2008 and 5.5 percent thereafter. Details regarding the proposed capital expenditures are available in the capital summary section of this document.
- The Division of Electricity's pro forma statement also assumes that all debt will be issued late in any given year, such that the interest expense is not due until the following year and the principal payment is due the year after that.

ELECTRICITY ENTERPRISE FUND									
IN DOLLARS - 000'S OMITTED									
	Actual 2005	Actual 2006	2007	2008	2009	2010	2011	2012	2013
REVENUE SUMMARY									
Electricity Sales									
Residential	\$ 5,802	\$ 5,941	\$ 6,880	\$ 7,242	\$ 7,431	\$ 7,624	\$ 7,848	\$ 8,052	\$ 8,261
Commercial	54,684	56,847	68,042	72,516	74,364	77,760	79,516	80,520	82,576
Kilowatt Hour Tax Reduction	(3,364)	(3,335)	(3,284)	(3,473)	(3,563)	(3,654)	(3,748)	(3,845)	(3,943)
Total Electric Sales	57,122	59,453	71,638	76,285	78,232	81,730	83,615	84,727	86,894
Other Revenues									
Investment Earnings	5,488	2,548	3,566	2,482	2,492	2,531	2,568	2,606	2,584
SL Reimb from Transportation	282	403	1,254	549	549	549	549	549	549
	2,833	3,253	3,236	3,302	3,401	3,503	3,608	3,716	3,827
TOTAL REVENUE	\$ 65,725	\$ 65,657	\$ 79,694	\$ 82,618	\$ 84,674	\$ 88,313	\$ 90,340	\$ 91,598	\$ 93,853
EXPENDITURE SUMMARY									
Salaries	\$ 8,810	\$ 7,761	\$ 8,005	\$ 9,419	\$ 9,796	\$ 10,188	\$ 10,595	\$ 11,019	\$ 11,460
Purchase Power	39,054	37,676	56,335	57,966	59,167	60,687	62,247	63,848	65,491
Materials and Supplies	450	557	771	240	247	255	262	270	278
Pro Rata	2,788	2,809	3,928	3,949	3,772	3,937	4,029	4,087	4,192
Services	2,536	2,431	3,462	3,618	3,461	3,562	3,667	3,775	3,885
Other Disbursements	116	204	207	214	212	219	225	232	239
Capital Equipment	1,283	1,312	2,742	2,290	2,359	2,429	2,502	2,577	2,655
Total Distribution Op Exp before Debt Svc	55,037	52,750	75,450	77,696	79,014	81,277	83,528	85,808	88,200
Distribution G.O. Debt	2,317	3,538	3,872	3,795	3,625	2,972	2,473	2,190	1,989
Street Lighting G.O. debt	1,858	2,836	2,383	2,234	2,155	1,661	1,281	994	756
Refinancing of Debt Issuance/Less Premium	3,590	-	-	-	-	-	-	-	-
Street Light Assessments	311	407	441	342	296	279	258	236	152
New Distribution Debt Service	-	-	0	117	464	726	990	1,218	1,387
New Street Lighting Debt Service	-	-	0	76	333	588	822	1,046	1,262
	8,076	6,781	6,696	6,564	6,873	6,227	5,824	5,684	5,545
PU&A Director's Allocation	554	1,287	214	210	213	222	231	240	249
DOS Allocation	471	1,977	600	(0)	(0)	(0)	(0)	(0)	(0)
TOTAL EXPENDITURES	\$ 64,138	\$ 62,794	\$ 82,960	\$ 84,470	\$ 86,100	\$ 87,725	\$ 89,583	\$ 91,731	\$ 93,994
Beginning Year Cash 1/1	494	2,081	4,944	1,678	(173)	(1,600)	(1,012)	(254)	(388)
Transfer from SIT	-	-	-	-	-	-	-	-	-
Ending Year Cash 12/31	\$ 2,081	\$ 4,944	\$ 1,678	\$ (173)	\$ (1,600)	\$ (1,012)	\$ (254)	\$ (388)	\$ (528)
Projected Revenue Increase					0.0%	1.8%	-0.2%	-1.1%	0.0%
Total Debt Svc. By Year		\$ 6,781	\$ 6,696	\$ 6,757	\$ 7,670	\$ 7,542	\$ 7,636	\$ 7,948	\$ 8,193

Water Operating Fund

2008 Cash Balance Statement

The fund will begin 2008 with a cash balance of \$30.5 million.

2008 WATER OPERATING FUND BALANCE SUMMARY		
Cash Balance (January 1, 2008)	\$	30,477,348
Plus Estimated 2008 Receipts		<u>141,200,481</u>
Total Estimated Available Resources	\$	171,677,829
Less 2008 Recommended Operating Budget (Water)		(143,444,096)
Less 2008 Recommended Operating Budget (Administration)		(3,528,467)
Less 2008 Recommended Operating Budget (Operational Support)		-
Projected Available Balance (December 31, 2008)	<u>\$</u>	<u>24,705,266</u>

Note: Cash Balance at January 1, 2008 does not include reserve fund balance of \$10 million

2008 Revenue Summary

User fees completely support the operations of the Water Division. Section 118 of the Columbus City Charter empowers the City Council to establish separate sewer and water rates to fully cover the cost of service. Rates are set to recover the cost of operations; maintenance and debt service, and are reviewed annually by the Sewer and Water Advisory Board. City Council must approve all rate increases before they are effective.

One of the city's goals in the rate setting process is to avoid steep increases and at the same time to fully meet the needs of the system. In order to achieve this goal, a pro forma operating statement was developed. This document is updated annually to reflect current appropriation levels and adjusted for actual revenues and expenditures.

Statements relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances.

2008 Revenue Summary

WATER OPERATING FUND REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2005-2008				
REVENUE SUMMARY	2005 Actual	2006 Actual	2007 Estimated	2008 Proposed
Water Sales	\$ 87,737,331	\$ 91,456,128	\$ 104,351,610	\$ 121,204,395
Water Penalty Fees	934,627	1,123,439	1,247,325	1,259,799
System Capacity Charges	12,434,215	8,253,814	5,423,352	5,477,586
Sewer Billings	6,886,000	6,972,197	-	8,500,000
Meter Service Fee	495,193	455,317	316,543	319,708
Investment Income	2,055,713	4,988,246	5,973,341	2,567,011
Other Revenue	1,875,362	1,321,234	1,853,448	1,871,982
Beginning Year Cash Balance	28,687,814	31,198,491	40,683,819	30,477,348
TOTAL RESOURCES	\$ 141,106,255	\$ 145,768,866	\$ 159,849,438	\$ 171,677,829
PERCENT CHANGE		3.30%	9.66%	7.40%

Revenue Notes:

- The Sewer and Water Advisory Board is recommending an 18 percent increase in revenues in 2008, largely funded by rate increases to the various customer classes. With this increase, revenues, excluding the beginning balance, will total over \$141.2 million in 2008, an increase of nearly 18.5 percent over the 2007 projection.
- Sewer billing charges are projected to total \$8.5 million in 2008.
- System capacity fees are assumed to grow by a modest one percent, reflecting overall growth of the system.
- A low income discount program is proposed to reduce the commodity portion of the bill by at least 15 percent for qualified customers.
- The interest income projection is based on the amount of cash assumed to be available in each year for capital projects. For the purposes of projection, an interest rate of two percent is assumed.

Water Pro Forma Operating Statement

A pro forma operating statement for the 12-year period beginning 2006 is presented on the following pages. The statement is designed to project the utility's revenues and expenditures for that period, given certain assumptions and is essential to the planning and rate setting processes. The major assumptions upon which the pro forma's numbers are based are as follows:

- The sewer and water advisory board has recommended rate increases to produce 18 percent more revenue in 2008.
- Water sales growth is projected at one percent per year, based on a recent history of water sales growth.
- The system capacity charge revenue is projected at one percent growth, reflecting growth in the system.
- Interest rates on investments of revenues and reserves are projected to be two percent.
- Operations and maintenance expenses, excluding health insurance and pro rata are inflated at three percent per year. Insurance costs are inflated by 7 percent annually, while the projected pro rata in each year is 4.5 percent of each year's projected revenues. (Note: As non-insurance personnel costs are inflated by only three percent annually, it is assumed that the division's employee strength will not increase over the pro forma period.)
- The pro-rated costs associated with the Division of Operational Support (DOS) will be eliminated in 2008 and beyond, because of the elimination of DOS.
- Included in the operations and maintenance budget is \$6.4 million for payment of pro rata; \$12 million for the purchase of chemicals; and \$2.3 million for payment of electricity.
- Proposed new debt is issued in the form of bonds at an assumed interest rate 4.5 percent in 2008 and 5.0 thereafter.
- The Division of Water's capital improvements budget (CIB) has been discounted by 20 percent. This reduction recognizes the probability that debt issued in any given year will not reach the levels outlined in the division's capital improvements budget due to unavoidable lags in the project planning and implementation process.

**WATER ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT FOR YEARS 2006 - 2018
IN DOLLARS - 000'S OMITTED**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
BEGINNING CASH BALANCE	\$ 31,198	\$ 40,684	\$ 30,477	\$ 24,705	\$ 33,180	\$ 37,094	\$ 43,312	\$ 43,053	\$ 37,858	\$ 33,163	\$ 31,275	\$ 27,107	\$ 25,075
UTILITY REVENUES													
Water Sales	\$ 91,456	\$ 104,352	\$ 105,395	\$ 125,610	\$ 148,433	\$ 157,413	\$ 162,167	\$ 167,065	\$ 172,110	\$ 177,308	\$ 182,663	\$ 184,489	\$ 186,334
Water Sales Increase	-	-	15,809	17,795	6,185	2,624	2,703	2,784	2,869	2,955	-	-	-
Interest Income	4,988	5,973	2,567	3,190	1,484	2,771	1,137	1,126	1,126	1,126	1,126	1,126	1,126
System Capacity Charges	8,254	5,423	5,478	5,532	5,588	5,644	5,700	5,757	5,815	5,873	5,931	5,991	6,051
Sewer Billing Charges	6,972	-	8,500	8,755	9,018	9,288	9,567	9,854	10,149	10,454	10,768	11,091	11,423
Penalties	1,123	1,247	1,260	1,272	1,285	1,298	1,311	1,324	1,337	1,351	1,364	1,378	1,392
Meter Service Fees	455	317	320	323	326	329	333	336	339	343	346	350	353
Other	1,321	1,853	1,872	1,891	1,910	1,929	1,948	1,967	1,987	2,007	2,027	2,047	2,068
Debt Refinancing													
TOTAL REVENUE	114,570	123,881	141,200	164,368	174,229	181,296	184,866	190,213	195,732	201,416	204,225	206,471	208,746
Actual transfer from/to reserve fund*													
TOTAL RESOURCES	\$ 145,769	\$ 164,565	\$ 171,678	\$ 189,073	\$ 207,409	\$ 218,390	\$ 228,177	\$ 233,266	\$ 233,590	\$ 234,578	\$ 235,499	\$ 233,578	\$ 233,821
UTILITY EXPENSE													
OPERATIONS & MAINTENANCE													
PERSONNEL SERVICES	\$ 23,352	\$ 23,154	\$ 38,031	\$ 39,172	\$ 40,847	\$ 42,072	\$ 43,335	\$ 44,635	\$ 45,974	\$ 47,353	\$ 48,773	\$ 50,237	\$ 51,744
27th Pay Period	-	-	1,295	-	-	-	-	-	-	-	-	-	-
HEALTH INSURANCE	4,875	3,300	6,601	7,063	7,558	8,087	8,653	9,258	9,906	10,600	11,342	12,136	12,985
SUPPLIES & MATERIALS	13,070	18,742	17,039	17,550	18,077	18,619	19,178	19,753	20,346	20,956	21,585	22,232	22,899
PRO RATA	4,928	5,362	6,354	7,397	7,840	8,158	8,319	8,560	8,808	9,064	9,190	9,291	9,394
CONTRACTURAL SERVICES	15,584	15,929	19,849	20,444	21,057	21,689	22,340	23,010	23,700	24,411	25,144	25,898	26,675
OTHER	228	61	100	103	106	109	113	116	119	123	127	130	134
EQUIPMENT	825	2,034	2,840	2,425	2,498	2,573	2,650	2,729	2,811	2,896	2,982	3,072	3,164
DIVISION OF OPERATIONAL SUPPORT	9,443	10,839	-	-	-	-	-	-	-	-	-	-	-
PU/A DIRECTOR'S ALLOCATION	2,716	8,567	3,528	3,634	3,743	3,856	3,971	4,090	4,213	4,340	4,470	4,604	4,742
TOTAL OPERATIONS & MAINTENANCE	\$ 75,020	\$ 87,987	\$ 95,637	\$ 97,788	\$ 101,726	\$ 105,163	\$ 108,557	\$ 112,151	\$ 115,878	\$ 119,742	\$ 123,612	\$ 127,600	\$ 131,737
DEBT SERVICE													
REVENUE BOND	7,278	7,662	7,799	7,989	8,232	-	-	-	-	-	-	-	-
GENERAL OBLIGATION	34,114	41,090	39,556	38,168	35,985	34,239	31,415	29,936	28,913	25,737	24,858	18,974	15,109
DEBT REFINANCING	(3,306)	(2,652)	-	-	-	-	-	-	-	-	-	-	-
PROPOSED NEW DEBT	-	-	3,980	11,948	24,372	35,677	45,152	53,320	55,637	57,825	59,922	61,929	63,846
TOTAL DEBT SERVICE	38,086	46,101	51,336	58,105	68,589	69,916	76,567	83,256	84,550	83,562	84,780	80,903	78,955
TOTAL EXPENSE	\$ 113,106	\$ 134,088	\$ 146,973	\$ 155,893	\$ 170,315	\$ 175,079	\$ 185,125	\$ 195,408	\$ 200,428	\$ 203,304	\$ 208,393	\$ 208,503	\$ 210,692
ENDING FUND BALANCE	\$ 32,663	\$ 30,477	\$ 24,705	\$ 33,180	\$ 37,094	\$ 43,312	\$ 43,053	\$ 37,858	\$ 33,163	\$ 31,275	\$ 27,107	\$ 25,075	\$ 23,130

**WATER ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT FOR YEARS 2006 - 2018
IN DOLLARS - 000'S OMITTED**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PROJECTED REVENUE INCREASE	9.00%	10.00%	18.00%	17.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%
RESERVE REQUIREMENT:													
10% of Operations/Maintenance Costs	\$ 7,502	\$ 8,799	\$ 9,564	\$ 9,779	\$ 10,173	\$ 10,516	\$ 10,856	\$ 11,215	\$ 11,588	\$ 11,974	\$ 12,361	\$ 12,760	\$ 13,174
CASH BASIS COVERAGE													
REVENUES	\$ 114,570,375	\$ 123,881	\$ 141,200	\$ 164,368	\$ 174,229	\$ 181,296	\$ 184,866	\$ 190,213	\$ 195,732	\$ 201,416	\$ 204,225	\$ 206,471	\$ 208,746
CONSTRUCTION FUNDS INTEREST	-	-	-	-	-	-	-	-	-	-	-	-	-
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GROSS O & M EXPENSES	75,019,695	87,987	95,637	97,788	101,726	105,163	108,557	112,151	115,878	119,742	123,612	127,600	131,737
PAYMENT TO/FOR OHIO WATER RIGHTS	-	-	-	-	-	-	-	-	-	-	-	-	-
O & M EXPENSES	75,019,695	87,987	95,637	97,788	101,726	105,163	108,557	112,151	115,878	119,742	123,612	127,600	131,737
NET REVENUES	\$ 39,156,732	\$ 33,982	\$ 43,796	\$ 63,390	\$ 71,018	\$ 73,362	\$ 75,171	\$ 76,936	\$ 78,729	\$ 80,548	\$ 79,487	\$ 77,745	\$ 75,884
ACTUAL/ESTIMATED SYSTEM RESERVE FUND	\$ 26,263,227	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000
O&M EXPENSE RESERVE REQUIREMENT	(7,501,970)	(8,799)	(9,564)	(9,779)	(10,173)	(10,516)	(10,856)	(11,215)	(11,588)	(11,974)	(12,361)	(12,760)	(13,174)
SYSTEM RESERVE FUND AVAILABLE	18,761,257	30,201	29,436	29,221	28,827	28,484	28,144	27,785	27,412	27,026	26,639	26,240	25,826
ADJUSTED NET REVENUES	\$ 57,917,988	\$ 64,184	\$ 73,233	\$ 92,611	\$ 99,845	\$ 101,845	\$ 103,316	\$ 104,721	\$ 106,141	\$ 107,574	\$ 106,125	\$ 103,985	\$ 101,710
REVENUE BOND DEBT SERVICE	\$ 7,278,285	\$ 7,662	\$ 7,799	\$ 7,989	\$ 8,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G.O. DEBT SERVICE (including proposed new d	34,113,800	41,090	43,536	50,116	60,357	69,916	76,567	83,256	84,550	83,562	84,780	80,903	78,955
PAYMENT TO/FOR OHIO WATER RIGHTS	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE REQUIREMENTS	\$ 41,392,085	\$ 48,752	\$ 51,336	\$ 58,105	\$ 68,589	\$ 69,916	\$ 76,567	\$ 83,256	\$ 84,550	\$ 83,562	\$ 84,780	\$ 80,903	\$ 78,955
Rate covenant tests:													
COVERAGE RATIO (1.00 REQUIRED)													
ADJ. NET REVENUE vs. TOTAL DEBT SERVICE (G/O)	1.40	1.32	1.43	1.59	1.46	1.46	1.35	1.26	1.26	1.29	1.25	1.29	1.29
COVERAGE RATIO (1.25 REQUIRED)													
ADJ. NET REVENUES vs. REV. BOND DEBT SERVICE (L/I)	7.96	8.38	9.39	11.59	12.13	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
COVERAGE RATIO (1.50 REQUIRED)													
ADJ. NET REVENUES vs. REV. BOND DEBT SERVICE (L/I)	7.96	8.38	9.39	11.59	12.13	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Storm Sewer Maintenance Fund

2008 Cash Balance Statement

Prior to 1993, the storm sewer maintenance special revenue fund was used only to reimburse the sanitary operating fund for stormwater management expenses. No expenditures were made directly out of this fund. This arrangement changed in 1993, when the storm sewer maintenance fund became the operating fund for stormwater management engineering and design, although the sanitary fund is still reimbursed for some storm sewer maintenance expenses. More recently, this fund's designation changed from that of special revenue to enterprise fund. This change allowed the division to set aside monies in a reserve fund against which contracts could be certified in the absence of bond cash.

The storm sewer maintenance fund will begin 2008 with a cash balance of nearly \$20.3 million, including the \$17 million in the reserve fund. No additional reserve fund transfers are projected at this time. However, the department will request that any surplus revenues, when available, be shifted to that fund.

2008 STORM SEWER MAINTENANCE FUND BALANCE SUMMARY		
Unencumbered Cash Balance (January 1, 2008)	\$	20,297,867
Plus Estimated 2008 Receipts		35,016,957
Total Estimated Available Resources	\$	55,314,824
Less 2008 Recommended Operating Budget		(35,099,855)
Less 2008 Recommended Operating Budget (Administration)		(2,729,052)
Less 2008 Recommended Operating Budget (Operational Support)		-
Projected Available Balance (December 31, 2008)	\$	<u>17,485,917</u>
Note: Balance at January 1, 2008 includes reserve fund balance		

2008 Revenue Summary

Storm sewer maintenance fees provide the vast majority of revenues to this fund. In August 1995, the Division of Sewerage and Drainage implemented a new fee structure based on the impervious area of a given property, which directly relates to stormwater runoff into the storm drainage system. The stormwater service fee is based upon an equitable and consistent rate system, defined in equivalent residential units (ERU), where one ERU equals 2,000 square feet of impervious area. The fee, as recommended by the Sewer and Water Advisory Board and approved by Columbus City Council, was \$2.44/ERU per month for 1995. During 1995, however, revenues exceeded original projections by nearly 50 percent; a result of higher than projected ERU's, and lower than projected credit applications. For that reason, the sewer and water advisory board recommended a rate decrease for 1996, to \$1.64/ERU per month. In 2000, the stormwater rate increased by 35 percent, after 5 years of remaining static. It was again increased in 2001 by 12.5 percent, by 9.5 percent in 2002, and by 5 percent in 2003.

The Sewer and Water Advisory Board has recommended an increase of 5 percent to the storm sewer maintenance fee in 2008.

Statements relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances.

2008 Revenue Summary

STORM SEWER MAINTENANCE FUND				
REVENUE BY SOURCE AND YEAR				
HISTORICAL AND PROJECTED				
2005-2008				
REVENUE SUMMARY	2005	2006	2007	2008
	Actual	Actual	Estimated	Proposed
Storm Maintenance Fees	\$ 24,340,770	\$ 26,169,001	\$ 27,942,311	\$ 30,541,239
Investment Earnings	1,278,154	3,649,565	4,058,259	4,180,006
Other Revenues	253,486	293,135	292,550	295,712
Beginning Year Cash Balance	17,356,459	22,313,868	26,351,723	20,297,867
TOTAL RESOURCES	\$ 43,228,869	\$ 52,425,569	\$ 58,644,842	\$ 55,314,824
PERCENT CHANGE		21.27%	11.86%	-5.68%

Revenue Notes:

- 2008 revenues are based on a charge of \$3.84 per ERU, per month.

Storm Sewer Maintenance Pro Forma Operating Statement

- The Storm Sewer Maintenance pro forma operating statement assumes that the storm sewer maintenance fee will increase by five percent to \$3.84/ERU in 2008.
- Operations and maintenance expenses, excluding health insurance and pro rata are inflated at three percent per year. Insurance costs are inflated by 7 percent annually, while the projected pro rata in each year is 4.5 percent of each year's projected revenues. (Note: As non-insurance personnel costs are inflated by only three percent annually, it is assumed that the division's employee strength will not increase over the pro forma period.)
- The pro-rated costs associated with the Division of Operational Support (DOS) will be eliminated in 2008 and beyond, because of the elimination of DOS.
- The division's capital improvements plan has been discounted by 15 percent throughout the pro forma period. This reduction recognizes the probability that debt issued in any given year will not reach the levels outlined in the division's capital improvements budget due to unavoidable lags in the project planning and implementation process.
- In 2005, for the first time, the storm sewer pro forma included costs associated with the street cleaning function. These costs were transferred from the Public Service Department. In 2008, snow removal costs totaling \$1,662,112, will be added to the storm sewer budget.

STORMWATER ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT FOR YEARS 2006 - 2017
 IN DOLLARS - 000'S OMITTED

	ACTUAL 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017
Total Beginning Balance:	\$ 22,314	\$ 26,352	\$ 20,298	\$ 17,486	\$ 16,290	\$ 16,817	\$ 19,776	\$ 25,667	\$ 34,921	\$ 44,746	\$ 54,844	\$ 65,211	\$ 75,844
UTILITY REVENUE													
Storm Maintenance Service Charges	\$ 26,169	\$ 27,942	\$ 29,203	\$ 30,948	\$ 33,459	\$ 37,168	\$ 40,949	\$ 45,055	\$ 49,154	\$ 49,650	\$ 50,152	\$ 50,658	\$ 51,170
Rate Increase (Decrease)	-	-	1,338	1,986	3,067	3,066	3,378	3,304	-	-	-	-	-
Investment Earnings	3,650	4,058	4,180	4,305	4,435	4,568	4,705	4,846	4,991	5,141	5,295	5,454	5,618
Storm Sewer Maintenance Penalties	279	282	285	288	291	294	297	300	303	306	309	312	315
Other Revenues	14	10	11	11	11	12	12	12	13	13	14	14	14
Debt Refinancing													
TOTAL REVENUE	30,112	32,293	35,017	37,539	41,263	45,108	49,341	53,516	54,460	55,110	55,769	56,438	57,117
TOTAL RESOURCES	\$ 52,426	\$ 58,645	\$ 55,315	\$ 55,025	\$ 57,553	\$ 61,925	\$ 69,117	\$ 79,184	\$ 89,381	\$ 99,857	\$ 110,614	\$ 121,650	\$ 132,961
UTILITY EXPENSE													
Personnel	\$ 1,491	\$ 1,274	\$ 1,481	\$ 1,525	\$ 1,571	\$ 1,618	\$ 1,667	\$ 1,717	\$ 1,768	\$ 1,821	\$ 1,876	\$ 1,932	\$ 1,990
27th pay period	0	0	59	0	0	0	0	0	0	0	0	0	0
Insurances	204	180	277	297	317	340	363	389	416	445	476	510	545
Supplies and Materials	7	39	110	113	117	120	124	127	131	135	139	143	148
Contractual Services	3,633	1,189	4,348	4,479	4,613	4,752	4,894	5,041	5,192	5,348	5,508	5,674	5,844
Pro Rata	1,218	1,347	1,576	1,689	1,857	2,030	2,220	2,408	2,451	2,480	2,510	2,540	2,570
Equipment	40	37	45	46	48	49	51	52	54	55	57	59	60
Other	75	137	110	113	117	120	124	128	131	135	139	144	148
Reimbursement to Sanitary Enterprise	7,283	7,575	7,651	7,727	7,804	7,882	7,961	8,041	8,121	8,202	8,284	8,367	8,451
Department of Public Utilities Allocation	0	2,775	2,729	2,811	2,895	2,982	3,072	3,164	3,259	3,356	3,457	3,561	3,668
Division of Operational Support Allocation	506	7,814	0	0	0	0	0	0	0	0	0	0	0
Street Cleaning (transferred from Public Servi	3,406	3,759	5,534	5,700	5,871	6,047	6,228	6,415	6,608	6,806	7,010	7,220	7,437
Subtotal Operations and Maintenance	\$ 17,864	\$ 26,125	\$ 23,920	\$ 24,501	\$ 25,210	\$ 25,940	\$ 26,704	\$ 27,482	\$ 28,131	\$ 28,785	\$ 29,457	\$ 30,149	\$ 30,861
Debt Service:													
General Obligation Debt	\$ 10,684	\$ 13,233	\$ 13,909	\$ 13,116	\$ 12,722	\$ 12,233	\$ 11,751	\$ 11,363	\$ 10,982	\$ 10,610	\$ 10,237	\$ 9,865	\$ 9,865
Less Premium from '04 Issuance													
Debt Refinancing	(2,475)	(1,011)	0	0	0	0	0	0	0	0	0	0	0
Cash Transfer to Bond Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Proposed New Debt	0	0	0	1,118	2,804	3,976	4,995	5,419	5,521	5,618	5,708	5,791	5,791
Total Debt Service:	\$ 8,209	\$ 12,222	\$ 13,909	\$ 14,234	\$ 15,526	\$ 16,209	\$ 16,746	\$ 16,781	\$ 16,504	\$ 16,227	\$ 15,945	\$ 15,656	\$ 15,656
Transfer to Reserve Fund	7,000	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSE	\$ 33,074	\$ 38,347	\$ 37,829	\$ 38,734	\$ 40,736	\$ 42,149	\$ 43,450	\$ 44,263	\$ 44,635	\$ 45,012	\$ 45,402	\$ 45,806	\$ 46,517
ENDING FUND BALANCE	\$ 26,352	\$ 20,298	\$ 17,486	\$ 16,290	\$ 16,817	\$ 19,776	\$ 25,667	\$ 34,921	\$ 44,746	\$ 54,844	\$ 65,211	\$ 75,844	\$ 86,444
RATE CHANGE	5.00%	8.50%	5.00%	7.00%	10.00%	9.00%	9.00%	8.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10% of Operations/Maintenance Costs	\$ 1,539	\$ 2,511	\$ 2,392	\$ 2,562	\$ 2,801	\$ 2,992	\$ 3,170	\$ 3,290	\$ 3,365	\$ 3,440	\$ 3,517	\$ 3,594	\$ 3,665
COST/MONTH/ERU	\$3.37	\$3.66	\$3.84	\$4.11	\$4.52	\$4.93	\$5.37	\$5.80	\$5.80	\$5.80	\$5.80	\$5.80	\$5.80
ASSUMES base of 555,500 ERU'S, with annual growth per year as follows:	1.01%												
	\$ 607,903	\$ 614,043	\$ 620,245	\$ 626,509	\$ 632,837	\$ 639,229	\$ 645,685	\$ 652,206	\$ 658,794	\$ 665,447	\$ 672,168	\$ 678,957	\$ 685,815
10% of O&M	\$ 1,786	\$ 2,612	\$ 2,392	\$ 2,450	\$ 2,521	\$ 2,594	\$ 2,670	\$ 2,748	\$ 2,813	\$ 2,878	\$ 2,946	\$ 3,015	\$ 3,086
Fund balance less 10% requirement	\$ 24,565	\$ 17,685	\$ 15,094	\$ 13,840	\$ 14,296	\$ 17,182	\$ 22,997	\$ 32,173	\$ 41,933	\$ 51,966	\$ 62,266	\$ 72,829	\$ 83,357

