

**ESTIMATED RATE INCREASES \* (for discussion purposes only)**

Dated 11/14/2012

\* **Important Note:** Rate increase estimates based on current assumptions of customer growth, project costs, O&M & debt costs and reserve requirements. These assumptions may change which causes changes in estimates. Actual rate increases could also differ from these estimates.

If City proceeded with \$175 million in interceptor and treatment expansion projects						
	Estimated Sewer Rates % Incr *	Estimated Sewer Charge	with 3% Franchise Fee	DSC	O/S Debt per Customer	Capital Reserves
						\$ 11,500,000
2013	14.0%	\$ 47.72	\$ 49.15	1.97	2,095	(3,100,000)
2014	14.0%	\$ 54.40	\$ 56.03	1.98	2,617	(1,400,000)
2015	14.0%	\$ 62.02	\$ 63.88	2.07	3,130	(2,200,000)
2016	3.0%	\$ 63.88	\$ 65.79	1.91	3,214	1,700,000
2017	3.0%	\$ 65.79	\$ 67.77	1.89	3,318	(940,000)
2018	6.0%	\$ 69.74	\$ 71.83	2.03	3,372	(2,700,000)
						<u>\$ 2,860,000</u>
						reserves at end of FY2018/19
<b>Assumptions</b>						
1. Customer account growth from 0.5% to 1% per year						
2. Metered volume growth from 0% to 0.5% per year						
3. Additional \$59 million in revenue bonds at 4% - 4.8%						
4. Capital expenditure assumptions:						
		Treatment	Collection Sys	Other	Total	
2011/12		1,996,755	804,162	494,094	3,295,011	
2012/13		5,038,945	13,994,167	2,582,730	21,615,842	
2013/14		11,000,000	13,658,333	950,000	25,608,333	
2014/15		11,000,000	13,158,333	750,000	24,908,333	
2015/16		8,140,000	19,084,888	750,000	27,974,888	
2016/17		1,459,320	11,516,242	750,000	13,725,562	
2017/18		-	16,000,000	1,750,000	17,750,000	
2018/19		-	14,500,000	5,750,000	20,250,000	
2019/20			5,000,000	6,750,000	11,750,000	
2020/21				7,750,000	7,750,000	
		<u>38,635,020</u>	<u>107,716,125</u>	<u>28,276,824</u>	<u>174,627,969</u>	

If City completes treatment expansion and immediate fixes only						
	Estimated Sewer Rates % Incr *	Estimated Sewer Charge	with 3% Franchise Fee	DSC	O/S Debt per Customer	Capital Reserves
						\$ 16,900,000
2013	0.0%	\$ 41.86	\$ 43.12	1.91	1,580	1,900,000
2014	0.0%	\$ 41.86	\$ 43.12	1.56	1,867	1,100,000
2015	0.0%	\$ 41.86	\$ 43.12	1.33	2,030	800,000
2016	2.5%	\$ 42.91	\$ 44.19	1.31	1,941	1,200,000
2017	2.5%	\$ 43.98	\$ 45.30	1.33	1,797	1,500,000
2018	0.0%	\$ 43.98	\$ 45.30	1.37	1,662	1,600,000
						<u>\$ 25,000,000</u>
						reserves at end of FY2018/19
<b>Assumptions</b>						
1. Customer account growth from 0.5% to 1% per year						
2. Metered volume growth from 0% to 0.5% per year						
3. No new debt						
4. Capital expenditure assumptions:						
		Treatment	Collection Sys	Other	Total	
2011/12		1,996,755	804,162	494,094	3,295,011	-
2012/13		5,038,945	1,896,220	2,579,908	9,515,073	
2013/14		11,000,000	500,000	1,050,000	12,550,000	
2014/15		11,000,000	500,000	850,000	12,350,000	
2015/16		8,140,000		850,000	8,990,000	
2016/17		1,459,320		850,000	2,309,320	
2017/18		-		850,000	850,000	
2018/19		-		850,000	850,000	
2019/20				850,000	850,000	
		<u>38,635,020</u>	<u>3,700,382</u>	<u>10,074,002</u>	<u>52,409,404</u>	