

Enterprise Funds

Sewerage and Drainage Operating Fund

2010 Cash Balance Statement

The fund will begin 2010 with a cash balance of \$134.3 million, including the \$69 million in the reserve fund.

2010 SEWERAGE AND DRAINAGE OPERATING FUND BALANCE SUMMARY	
Cash Balance (January 1, 2010)	\$ 134,282,865
Plus Estimated 2010 Receipts	242,864,776
Total Estimated Available Resources	\$ 377,147,641
Less 2010 Recommended Operating Budget (Sewers/Drains)	(226,245,950)
Less 2010 Recommended Operating Budget (Administration)	(4,709,814)
Projected Available Balance (December 31, 2010)	\$ 146,191,877
Note: Cash Balance at January 1, 2010 does not include "bond debt service" reserve fund balance of \$10 million	

2010 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 fully meet the needs of the system. 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 in this section relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances.

2010 Revenue Summary

SEWERAGE AND DRAINAGE				
REVENUE BY SOURCE AND YEAR				
HISTORICAL AND PROJECTED				
2007-2010				
REVENUE SUMMARY	2007 Actual	2008 Actual	2009 Estimated	2010 Proposed
Service Charges:				
Standard Strength	\$ 151,274,377	\$ 163,757,972	\$ 178,219,395	\$ 183,001,615
Extra Strength	8,053,248	8,325,278	8,627,443	8,858,946
Wet Weather Charges	19,049,462	23,500,435	26,939,862	27,715,272
System Capacity Charges	6,627,111	5,713,215	3,173,006	3,204,736
Investment Income	8,838,225	19,040,662	8,410,119	8,494,220
Storm Maintenance Reimbursement	11,030,259	9,479,351	8,000,000	8,000,000
Other	2,375,298	3,544,042	3,358,896	3,426,074
Assessment Revenue	-	-	-	163,913
Beginning Year Cash Balance	65,305,417	90,062,717	115,595,315	134,282,865
TOTAL RESOURCES	\$ 272,553,397	\$ 323,423,672	\$ 352,324,036	\$ 377,147,641
PERCENT CHANGE		18.66%	8.94%	7.05%

Figures do not include debt refinancing premiums

Revenue Notes:

- The Sewer and Water Advisory Board is recommending a two percent increase in revenues in 2010. With this increase, revenues, excluding the beginning balance, will total \$242.86 million in 2010, over \$6.1 million more than the 2009 projection.
- 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 20 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 2008 through 2019, the assumptions for which are 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 two percent more revenue for 2010.
- Sanitary sales growth is projected at one percent per year from 2010 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.
- Equipment costs in 2008 and beyond include an annual allotment to the EPA-mandated capital replacement fund.
- Included in the operations and maintenance 2010 budget is \$10.93 million to pay pro rata (payment to the general fund for services provided to the utility divisions by general fund agencies).
- In 2010, new debt will be issued in the form of general obligation 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 2008 - 2019
IN DOLLARS - 000'S OMITTED

	Actual	Projection		Proposed								
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
BEGINNING CASH BALANCE	\$ 90,063	\$ 115,595	\$ 134,283	\$ 146,192	\$ 151,648	\$ 152,790	\$ 156,488	\$ 167,140	\$ 172,711	\$ 171,743	\$ 182,415	\$ 197,758
UTILITY REVENUES												
Sewer Sales	\$ 172,083	\$ 186,847	\$ 188,715	\$ 194,268	\$ 206,593	\$ 222,735	\$ 240,168	\$ 258,996	\$ 279,331	\$ 298,557	\$ 316,198	\$ 325,576
Sewer Sales Increase		-	3,145	8,904	12,051	12,993	14,010	15,108	13,967	12,440	5,270	2,713
Wet Weather	23,500	26,940	27,266	28,051	29,656	31,671	33,806	36,085	38,518	40,811	42,930	44,139
Wet Weather Increase		-	449	1,250	1,636	1,730	1,847	1,972	1,804	1,605	680	358
Interest Income	19,041	8,410	8,494	8,579	8,665	8,752	8,839	8,928	9,017	9,107	9,198	9,290
System Capacity Charge	5,713	3,173	3,205	3,237	3,269	3,302	3,335	3,368	3,402	3,436	3,470	3,505
Other	3,544	3,359	3,590	3,653	3,688	3,755	3,823	3,893	3,965	4,038	4,049	4,094
Reimbursement from Stormwater Fund	9,479	8,000	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438
Transfer	-	-	-	-	-	-	-	-	-	-	-	-
Debt Refinancing	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	233,361	236,729	242,865	256,181	274,046	293,679	314,833	337,625	359,556	379,832	391,930	400,113
TOTAL RESOURCES	\$ 323,424	\$ 352,324	\$ 377,148	\$ 402,373	\$ 425,694	\$ 446,470	\$ 471,321	\$ 504,764	\$ 532,268	\$ 551,576	\$ 574,345	\$ 597,871
UTILITY EXPENSE												
OPERATIONS & MAINTENANCE												
Personnel	35,774	34,283	37,919	39,057	40,228	41,435	42,678	43,959	45,277	46,636	48,035	49,476
27th Pay Period	-	-	-	-	-	-	-	-	-	-	-	-
Insurances	5,628	5,775	6,607	7,069	7,564	8,093	8,660	9,266	9,915	10,609	11,351	12,146
Supplies & Materials	6,004	7,999	7,783	8,016	8,257	8,504	8,760	9,022	9,293	9,572	9,859	10,155
Pro Rata	9,712	10,653	10,929	11,150	11,945	12,817	13,757	14,771	15,745	16,645	17,179	17,535
Contractual Services	35,769	38,729	37,860	38,996	40,166	41,371	42,612	43,890	45,207	46,563	47,960	49,399
Other	112	130	377	388	400	412	424	437	450	464	478	492
Equipment	2,301	1,585	2,929	3,016	3,107	3,200	3,296	3,395	3,497	3,602	3,710	3,821
Division of Operational Support Allocation	-	-	-	-	-	-	-	-	-	-	-	-
P/U Director's Allocation	3,530	4,187	4,710	4,851	4,997	5,147	5,301	5,460	5,624	5,792	5,966	6,145
TOTAL OPERATIONS & MAINTENANCE	\$ 98,830	\$ 103,342	\$ 109,113	\$ 112,544	\$ 116,663	\$ 120,979	\$ 125,488	\$ 130,200	\$ 135,008	\$ 139,883	\$ 144,538	\$ 149,169
DEBT SERVICE												
Revenue Bond	\$ 23,477	\$ 19,814	\$ 20,727	\$ 20,727	\$ 20,727	\$ 20,727	\$ 20,727	\$ 20,727	\$ 20,727	\$ 20,727	\$ 20,727	\$ 20,727
General Obligation	35,841	33,241	31,987	28,391	27,389	25,461	24,628	22,473	21,680	20,933	20,223	16,896
Debt Refinancing	-	-	-	-	-	-	-	-	-	-	-	-
Proposed New Debt	-	-	4,907	22,282	41,380	56,073	69,015	94,334	119,468	124,654	130,654	136,430
Less Debt Issuance Premium	-	-	-	-	-	-	-	-	-	-	-	-
O.W.D.A. Debt	47,169	61,474	64,059	66,623	66,622	66,622	64,208	64,208	63,535	62,862	60,411	57,960
Assessments	-	169	164	158	123	119	115	111	106	102	34	-
Transfer from Op to Reserve Fund & Adj	27,599	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE	134,086	114,699	121,843	138,181	156,241	169,002	178,693	201,853	225,516	229,278	232,049	232,012
TOTAL EXPENSE	\$ 232,916	\$ 218,041	\$ 230,956	\$ 250,725	\$ 272,904	\$ 289,981	\$ 304,182	\$ 332,053	\$ 360,524	\$ 369,160	\$ 376,587	\$ 381,182
ENDING FUND BALANCE	\$ 90,507	\$ 134,283	\$ 146,192	\$ 151,648	\$ 152,790	\$ 156,488	\$ 167,140	\$ 172,711	\$ 171,743	\$ 182,415	\$ 197,758	\$ 216,689

		6.00%	2.00%	5.50%	7.00%	7.00%	7.00%	7.00%	6.00%	5.00%	2.00%	1.00%
ACROSS THE BOARD INCREASE												
RESERVE REQUIREMENT:												
10% of Operations/Maintenance Costs	\$ 9,883	\$ 10,334	\$ 10,911	\$ 11,254	\$ 11,666	\$ 12,098	\$ 12,549	\$ 13,020	\$ 13,501	\$ 13,988	\$ 14,454	\$ 14,917
CASH BASIS COVERAGE												
REVENUE	\$ 233,361	\$ 236,729	\$ 242,865	\$ 256,181	\$ 274,046	\$ 293,679	\$ 314,833	\$ 337,625	\$ 359,556	\$ 379,832	\$ 391,930	\$ 400,113
GROSS O & M EXPENSES	(98,830)	(103,342)	(109,113)	(112,544)	(116,663)	(120,979)	(125,488)	(130,200)	(135,008)	(139,883)	(144,538)	(149,169)
NET REVENUE	<u>\$ 134,531</u>	<u>\$ 133,387</u>	<u>\$ 133,752</u>	<u>\$ 143,637</u>	<u>\$ 157,383</u>	<u>\$ 172,700</u>	<u>\$ 189,344</u>	<u>\$ 207,424</u>	<u>\$ 224,548</u>	<u>\$ 239,950</u>	<u>\$ 247,392</u>	<u>\$ 250,944</u>
ACTUAL/EST. BEG. SYSTEM RESERVE FUND	\$ 37,912	\$ 63,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000
O&M EXPENSE RESERVE REQUIREMENT	(9,883)	(10,334)	(10,911)	(11,254)	(11,666)	(12,098)	(12,549)	(13,020)	(13,501)	(13,988)	(14,454)	(14,917)
SYSTEM RESERVE FUND AVAILABLE	28,029	52,666	58,089	57,746	57,334	56,902	56,451	55,980	55,499	55,012	54,546	54,083
ADJUSTED NET REVENUE	<u>\$ 162,560</u>	<u>\$ 186,053</u>	<u>\$ 191,841</u>	<u>\$ 201,383</u>	<u>\$ 214,717</u>	<u>\$ 229,602</u>	<u>\$ 245,796</u>	<u>\$ 263,404</u>	<u>\$ 280,047</u>	<u>\$ 294,961</u>	<u>\$ 301,938</u>	<u>\$ 305,027</u>
REVENUE BOND DEBT SERVICE	23,477	19,814	20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727
G.O. DEBT SERVICE (including proposed new debt)	35,841	33,241	36,893	50,673	68,769	81,535	93,644	116,807	141,148	145,587	150,877	153,326
OWDA DEBT SERVICE	47,169	61,474	64,059	66,623	66,622	66,622	64,208	64,208	63,535	62,862	60,411	57,960
TOTAL DEBT SERVICE	<u>\$ 106,487</u>	<u>\$ 114,530</u>	<u>\$ 121,679</u>	<u>\$ 138,023</u>	<u>\$ 156,118</u>	<u>\$ 168,883</u>	<u>\$ 178,578</u>	<u>\$ 201,742</u>	<u>\$ 225,409</u>	<u>\$ 229,176</u>	<u>\$ 232,015</u>	<u>\$ 232,012</u>
Rate covenant tests:												
COVERAGE RATIO (1.00 REQUIRED)												
ADJ. NET REVENUE vs. TOTAL DEBT SERVICE	1.53	1.62	1.58	1.46	1.38	1.36	1.38	1.31	1.24	1.29	1.30	1.31
COVERAGE RATIO (1.25 REQUIRED)												
ADJ. NET REVENUE vs. REV. BOND DEBT SERVICE	6.92	9.39	9.26	9.72	10.36	11.08	11.86	12.71	13.51	14.23	14.57	14.72
Bond reserve requirement test:												
COVERAGE RATIO (1.50 REQUIRED)												
ADJ. NET REVENUE vs. REV. BOND DEBT SERVICE	6.92	9.39	9.26	9.72	10.36	11.08	11.86	12.71	13.51	14.23	14.57	14.72

Electricity Enterprise Fund

2010 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.

The fund will begin 2010 with a cash balance of nearly \$4.2 million, including the three million in the reserve fund.

2010 ELECTRICITY ENTERPRISE FUND BALANCE SUMMARY		
Cash Balance (January 1, 2010)	\$	4,131,384
Plus Estimated 2010 Receipts		89,064,732
Total Estimated Available Resources	\$	93,196,116
Less 2010 Recommended Operating Budget (Electricity)		(94,973,303)
Less 2010 Recommended Operating Budget (Administration)		(660,484)
Projected Available Balance (December 31, 2010)	\$	(2,437,671)

2010 Revenue Summary

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

Statements in this section 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.

2010 Revenue Summary

ELECTRICITY ENTERPRISE FUND				
REVENUE BY SOURCE AND YEAR				
HISTORICAL AND PROJECTED				
2007-2010				
REVENUE SUMMARY	2007	2008	2009	2010
	Actual	Actual	Estimated	Proposed
Charges for Electric Service	\$ 75,014,000	\$ 75,881,000	\$ 76,549,386	\$ 85,361,732
Construction Charges	576,000	510,000	423,000	436,000
Expressway Lighting/Maintenance/Energy	887,000	754,000	886,000	914,000
New Customer Installation Revenue	670,000	729,000	245,000	252,000
Investment Income	761,000	686,000	257,000	625,000
Other Revenue	803,483	623,381	989,000	1,019,000
Street Lighting Charges	390,000	425,000	466,000	457,000
Transportation Street Lighting Revenue	3,214,000	3,248,000	-	-
Beginning Year Cash Balance	5,944,378	10,029,757	11,869,139	4,131,384
TOTAL RESOURCES	\$ 88,259,861	\$ 92,886,138	\$ 91,684,525	\$ 93,196,116
PERCENT CHANGE		5.24%	-1.29%	1.65%

Does not include debt refinancing premiums

Revenue Notes:

- Revenues, excluding the beginning year cash balance are expected to be \$89.1 million in 2010, a ten percent increase over 2009 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, through 2008, the division received a portion of the costs associated with operation of the street light system from the street construction, maintenance and repair fund (SCMR fund). Starting in 2009, however, this intra-fund transfer was not made. This will continue in 2010, though if needed, monies from the SCMR fund may be used to offset cash shortages in the electricity operating 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. These contracts expired at the end of 2006. 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. Contractual increases in purchase power costs in 2010 will again require that fuel cost adjustments be passed on to customers.

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 with revenues derived from electric retail sales.
- All personnel costs are inflated by three percent each year (with the exception of 2010 which is inflated by two percent). Other operations and maintenance expenses, excluding pro rata, are inflated by three percent per year. Pro rata in each year is 4.5 percent of each year's projected revenues. (Note: Since insurance 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 largest portion, by far, of the Division of Electricity's budget is for the purchase of electrical power. In 2010, \$66.9 million is budgeted for this wholesale power, which in turn, is sold to the division's customers. In 2011 through the end of the pro forma period, the projected purchase power amounts are discounted by 5 percent, reflecting a more realistic scenario of purchase power costs than those established by contract.
- The 2010 budget also includes \$4.25 million for payment of pro rata.
- Revenues will increase by 10 percent in 2010 and by 8 percent in 2011.
- Proposed new bonded debt is conservatively projected. It is assumed that such debt will be directly bonded at 4.25 percent in 2010 and 5.0 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 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

ELECTRICITY ENTERPRISE FUND
IN DOLLARS - 000'S OMITTED
DIVISION OF POWER AND WATER - POWER

	Actual	Projection	Proposed									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating Fund Beg Cash Bal 550	\$ 9,030	\$ 10,869	\$ 1,131	\$ (5,438)	\$ (3,862)	\$ (1,653)	\$ (36)	\$ 2,203	\$ 3,494	\$ 4,044	\$ 5,305	\$ 6,276
Reserve Fund Beg Cash Bal 551	\$ 1,000	\$ 1,000	\$ 3,000	\$ 3,000	\$ 5,000	\$ 6,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Available Cash Balance:	\$ 10,030	\$ 11,869	\$ 4,131	\$ (2,438)	\$ 1,138	\$ 4,347	\$ 6,964	\$ 9,203	\$ 10,494	\$ 11,044	\$ 12,305	\$ 13,276
REVENUE SUMMARY												
Electricity Sales												
Residential	\$ 6,549	\$ 6,897	\$ 7,641	\$ 8,316	\$ 8,399	\$ 8,483	\$ 8,568	\$ 8,654	\$ 8,740	\$ 8,828	\$ 8,916	\$ 9,005
Commercial	73,147	73,491	81,638	89,042	89,944	90,856	91,777	92,708	93,648	94,599	95,559	96,529
Kilowatt Hour Tax Reduction	(3,365)	(3,278)	(3,339)	(3,376)	(3,413)	(3,451)	(3,490)	(3,528)	(3,568)	(3,608)	(3,648)	(3,689)
Total Electric Sales	76,331	77,110	85,939	93,982	94,930	95,888	96,855	97,833	98,821	99,819	100,827	101,845
Other Revenues	2,591	2,448	2,500	2,536	2,573	2,550	2,587	2,536	2,588	2,527	2,605	2,685
Investment Earnings	686	257	625	625	625	625	625	625	625	625	625	625
SL Reimb from Transportation	3,248	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	\$ 82,856	\$ 79,815	\$ 89,065	\$ 97,143	\$ 98,128	\$ 99,063	\$ 100,068	\$ 100,994	\$ 102,034	\$ 102,971	\$ 104,057	\$ 105,155
Salaries	\$ 8,026	\$ 8,083	\$ 8,214	\$ 8,313	\$ 8,507	\$ 8,702	\$ 8,899	\$ 9,097	\$ 9,297	\$ 9,497	\$ 9,698	\$ 9,899
27TH PAY PERIOD		8,083										
HEALTH INSURANCE	\$ 1,049	\$ 1,062	\$ 1,309	\$ 1,400	\$ 1,498	\$ 1,603	\$ 1,715	\$ 1,835	\$ 1,964	\$ 2,101	\$ 2,248	\$ 2,406
Purchase Power	53,763	60,112	66,948	64,297	65,002	65,716	66,440	67,174	67,918	68,672	69,436	70,211
Materials and Supplies	987	1,622	1,466	1,510	1,555	1,602	1,650	1,699	1,750	1,803	1,857	1,913
Pro Rata	3,793	3,592	3,959	4,324	4,370	4,416	4,462	4,510	4,557	4,606	4,654	4,704
Services	3,730	4,492	5,525	5,685	5,851	6,021	6,197	6,377	6,564	6,755	6,953	7,156
Other Disbursements	214	222	222	222	222	222	222	222	222	222	222	222
Capital Equipment	2,562	1,173	1,465	1,509	1,554	1,600	1,648	1,698	1,749	1,801	1,855	1,911
Total Distribution Op Exp before Debt Svc	74,124	80,112	89,107	87,259	88,557	89,881	91,233	92,612	94,020	95,457	96,924	98,421
Distribution G.O. Debt	3,933	4,132	3,480	2,963	2,663	2,444	2,006	1,923	2,006	630	527	368
Street Lighting G.O. debt	2,345	2,313	1,819	1,434	1,142	898	851	918	540	462	110	0
Refinancing of Debt Issuance/Less Premium	-	-	-	-	-	-	-	-	-	-	-	-
Street Light Assessments	425	480	457	430	402	312	280	158	137	0	0	0
New Distribution Debt Service	0	0	84	586	1,034	1,533	1,821	2,155	2,479	2,573	2,661	2,742
New Street Lighting Debt Service	0	0	26	207	408	634	865	1,135	1,467	1,719	1,961	2,193
	6,703	6,925	5,867	5,621	5,649	5,822	5,823	6,288	6,629	5,384	5,258	5,302
TRANSFER TO ELE RESERVE 552-001												
PU&A Director's Allocation	190	517	660	686	714	742	772	803	835	869	903	939
DOS Allocation	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	\$ 81,017	\$ 87,553	\$ 95,634	\$ 93,566	\$ 94,920	\$ 96,446	\$ 97,828	\$ 99,703	\$ 101,484	\$ 101,709	\$ 103,085	\$ 104,663
	81,017	87,553	95,634	96,950								
Ending Year Cash 12/31 - Reserve & Op	\$ 11,869	\$ 4,131	\$ (2,438)	\$ 1,138	\$ 4,347	\$ 6,964	\$ 9,203	\$ 10,494	\$ 11,044	\$ 12,305	\$ 13,276	\$ 13,769
Projected Revenue Increase			10.0%	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Water Operating Fund

2010 Cash Balance Statement

The fund will begin 2010 with a cash balance of \$30.75 million.

2010 WATER OPERATING FUND BALANCE SUMMARY	
Cash Balance (January 1, 2010)	\$ 30,747,246
Plus Estimated 2010 Receipts	<u>159,271,442</u>
Total Estimated Available Resources	\$ 190,018,688
Less 2010 Recommended Operating Budget (Water)	(153,558,568)
Less 2010 Recommended Operating Budget (Administration)	(4,200,907)
Projected Available Balance (December 31, 2010)	<u><u>\$ 32,259,213</u></u>
Note: Cash Balance at January 1, 2010 does not include reserve fund balance of \$10 million	

2010 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 fully meet the needs of the system. 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 in this section relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances.

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2010 Revenue Summary

WATER OPERATING FUND				
REVENUE BY SOURCE AND YEAR				
HISTORICAL AND PROJECTED				
2007-2010				
REVENUE SUMMARY	2007 Actual	2008 Actual	2009 Estimated	2010 Proposed
Water Sales	\$ 105,139,605	\$ 115,658,355	\$ 130,975,200	\$ 141,655,136
Water Penalty Fees	1,272,688	1,561,608	1,830,426	1,848,730
System Capacity Charges	5,517,125	4,939,564	2,807,713	2,835,790
Sewer Billings	-	8,462,673	6,000,000	6,180,000
Meter Service Fee	472,323	424,567	270,958	273,668
Investment Income	6,716,784	6,568,651	2,386,466	3,910,331
Other Revenue	1,432,959	5,198,456	2,542,363	2,567,787
Beginning Year Cash Balance	40,683,819	33,259,857	34,746,265	30,747,246
TOTAL RESOURCES	\$ 161,235,303	\$ 176,073,731	\$ 181,559,391	\$ 190,018,688
PERCENT CHANGE		9.20%	3.12%	4.66%

Revenue Notes:

- The Sewer and Water Advisory Board recommends an 8.5 percent increase in revenues in 2010, largely funded by rate increases to the various customer classes. With this increase, revenues, excluding the beginning balance, will total over \$159.27 million in 2010, an increase of nearly 8.49 percent over the 2009 projection.
- Sewer billing charges are projected to total \$6.18 million in 2010.
- 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 20 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 10-year period beginning 2010 is presented on the following pages. The statement is designed to project the utility's revenues and expenditures for that period, given certain assumptions. The pro forma 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 8.5 percent more revenue in 2010.
- Water sales growth is projected at one percent per year, based on a recent history of water sales growth.
- 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 seven 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.)
- Included in the operations and maintenance budget for 2010 is \$7.2 million for payment of pro rata, \$19.9 million for the purchase of chemicals and \$8.1 million for payment of electricity.
- Proposed new debt is issued in the form of bonds at an assumed interest rate 4.25 percent in 2010 and 5.0 percent 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 2007 - 2018
IN DOLLARS - 000'S OMITTED

	Actual		Projection		Proposed							
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
BEGINNING CASH BALANCE	\$ 33,260	\$ 34,746	\$ 30,747	\$ 32,259	\$ 41,448	\$ 48,628	\$ 42,997	\$ 34,312	\$ 33,345	\$ 34,758	\$ 36,897	\$ 38,559
UTILITY REVENUES												
Water Sales	\$ 115,658	\$ 130,975	\$ 132,285	\$ 144,964	\$ 157,395	\$ 170,892	\$ 185,546	\$ 200,519	\$ 214,676	\$ 223,327	\$ 225,561	\$ 227,816
Water Sales Increase	-	-	9,370	9,060	9,837	10,681	10,824	10,026	5,367	-	-	-
Interest Income	6,569	2,386	3,910	3,949	3,989	4,029	4,069	4,110	4,151	4,192	4,234	4,277
System Capacity Charges	4,940	2,808	2,836	2,864	2,893	2,922	2,951	2,980	3,010	3,040	3,071	3,101
Sewer Billing Charges	8,463	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063
Penalties	1,562	1,830	1,849	1,867	1,886	1,905	1,924	1,943	1,962	1,982	2,002	2,022
Meter Service Fees	425	271	274	276	279	282	285	288	291	293	296	299
Other	5,198	2,542	2,568	2,593	2,619	2,646	2,672	2,699	2,726	2,753	2,781	2,808
Debt Refinancing												
TOTAL REVENUE	142,814	146,813	159,271	171,941	185,455	200,108	215,226	229,729	239,562	243,189	245,773	248,388
Actual transfer to Water fund*	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RESOURCES	\$ 176,074	\$ 181,559	\$ 190,019	\$ 204,200	\$ 226,903	\$ 248,737	\$ 258,222	\$ 264,041	\$ 272,907	\$ 277,948	\$ 282,671	\$ 286,947
UTILITY EXPENSE												
OPERATIONS & MAINTENANCE												
PERSONNEL SERVICES	\$ 37,341	\$ 36,397	\$ 38,842	\$ 40,007	\$ 41,208	\$ 42,444	\$ 43,717	\$ 45,029	\$ 46,379	\$ 47,771	\$ 49,204	\$ 50,680
27th Pay Period	-	-	-	-	-	-	-	-	-	-	-	-
HEALTH INSURANCE	5,788	6,163	6,992	7,481	8,005	8,565	9,165	9,806	10,493	11,227	12,013	12,854
SUPPLIES & MATERIALS	18,625	25,014	24,599	25,337	26,097	26,880	27,686	28,517	29,372	30,254	31,161	32,096
PRO RATA	5,855	6,607	7,167	7,737	8,345	9,005	9,685	10,338	10,780	10,944	11,060	11,177
CONTRACTUAL SERVICES	21,492	20,896	22,202	22,868	23,554	24,261	24,988	25,738	26,510	27,306	28,125	28,968
OTHER	105	69	104	107	110	114	117	121	124	128	132	136
EQUIPMENT	2,202	545	644	663	683	704	725	746	769	792	816	840
DIVISION OF OPERATIONAL SUPPORT	-	-	-	-	-	-	-	-	-	-	-	-
PU/A DIRECTOR'S ALLOCATION	3,296	3,754	4,201	4,327	4,457	4,590	4,728	4,870	5,016	5,167	5,322	5,481
TOTAL OPERATIONS & MAINTENANCE	\$ 94,702	\$ 99,446	\$ 104,751	\$ 108,528	\$ 112,459	\$ 116,562	\$ 120,812	\$ 125,165	\$ 129,444	\$ 133,587	\$ 137,832	\$ 142,233
DEBT SERVICE												
REVENUE BOND	7,728	8,026	6,925	-	-	-	-	-	-	-	-	-
GENERAL OBLIGATION	38,897	43,340	42,164	40,184	37,126	35,409	34,152	30,744	29,632	26,015	22,565	17,298
DEBT REFINANCING	-	-	-	-	-	-	-	-	-	-	-	-
PROPOSED NEW DEBT	-	-	3,920	14,040	28,689	53,769	68,946	74,788	79,072	81,449	83,715	85,871
TOTAL DEBT SERVICE	46,625	51,366	53,009	54,224	65,815	89,178	103,099	105,532	108,704	107,463	106,279	103,169
TOTAL EXPENSE	\$ 141,327	\$ 150,812	\$ 157,759	\$ 162,752	\$ 178,274	\$ 205,740	\$ 223,910	\$ 230,697	\$ 238,148	\$ 241,050	\$ 244,111	\$ 245,402
ENDING FUND BALANCE	\$ 34,746	\$ 30,747	\$ 32,259	\$ 41,448	\$ 48,628	\$ 42,997	\$ 34,312	\$ 33,345	\$ 34,758	\$ 36,897	\$ 38,559	\$ 41,545

Enterprise Funds

PROJECTED REVENUE INCREASE	18.00%	8.50%	8.50%	7.50%	7.50%	7.50%	7.00%	6.00%	3.00%	0.00%	0.00%	0.00%
RESERVE REQUIREMENT:												
10% of Operations/Maintenance Costs	\$ 9,470	\$ 9,945	\$ 10,475	\$ 10,853	\$ 11,246	\$ 11,656	\$ 12,081	\$ 12,516	\$ 12,944	\$ 13,359	\$ 13,783	\$ 14,223
CASH BASIS COVERAGE												
REVENUES	\$ 142,814	\$ 146,813	\$ 159,271	\$ 171,941	\$ 185,455	\$ 200,108	\$ 215,226	\$ 229,729	\$ 239,562	\$ 243,189	\$ 245,773	\$ 248,388
CONSTRUCTION FUNDS INTEREST	-	-	-	-	-	-	-	-	-	-	-	-
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GROSS O & M EXPENSES	94,702	99,446	104,751	108,528	112,459	116,562	120,812	125,165	129,444	133,587	137,832	142,233
PAYMENT TO/FOR OHIO WATER RIGHTS	-	-	-	-	-	-	-	-	-	-	-	-
O & M EXPENSES	94,702	99,446	104,751	108,528	112,459	116,562	120,812	125,165	129,444	133,587	137,832	142,233
NET REVENUES	\$ 47,676	\$ 45,528	\$ 53,461	\$ 59,126	\$ 68,776	\$ 82,038	\$ 92,805	\$ 103,470	\$ 109,023	\$ 108,507	\$ 106,846	\$ 105,059
ACTUAL/ESTIMATED SYSTEM RESERVE FUND ON 1/1	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000
O&M EXPENSE RESERVE REQUIREMENT	(9,470)	(9,945)	(10,475)	(10,853)	(11,246)	(11,656)	(12,081)	(12,516)	(12,944)	(13,359)	(13,783)	(14,223)
SYSTEM RESERVE FUND AVAILABLE	19,530	19,055	18,525	18,147	17,754	17,344	16,919	16,484	16,056	15,641	15,217	14,777
ADJUSTED NET REVENUES	\$ 67,206	\$ 64,583	\$ 71,986	\$ 77,273	\$ 86,530	\$ 99,381	\$ 109,724	\$ 119,953	\$ 125,078	\$ 124,148	\$ 122,063	\$ 119,836
REVENUE BOND DEBT SERVICE	\$ 7,728	\$ 8,026	\$ 6,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G.O. DEBT SERVICE (including proposed new debt)	38,897	42,773	43,601	49,905	61,564	84,995	98,985	101,486	104,726	103,553	102,437	99,394
PAYMENT TO/FOR OHIO WATER RIGHTS	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE REQUIREMENTS	\$ 46,625	\$ 50,799	\$ 50,526	\$ 49,905	\$ 61,564	\$ 84,995	\$ 98,985	\$ 101,486	\$ 104,726	\$ 103,553	\$ 102,437	\$ 99,394
Rate covenant tests:												
COVERAGE RATIO (1.00 REQUIRED)												
ADJ. NET REVENUE vs. TOTAL DEBT SERVICE (G/O)	1.44	1.27	1.42	1.55	1.41	1.17	1.11	1.18	1.19	1.20	1.19	1.21
COVERAGE RATIO (1.25 REQUIRED)												
ADJ. NET REVENUES vs. REV. BOND DEBT SERVICE (L/(M+N))	8.70	8.05	10.39	n/a	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/(M+N))	8.70	8.05	10.39	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Storm Sewer Maintenance Fund

2010 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 2010 with a cash balance of \$9.2 million, including the nine 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.

2010 STORM SEWER MAINTENANCE FUND BALANCE SUMMARY	
Unencumbered Cash Balance (January 1, 2010)	\$ 9,237,955
Plus Estimated 2010 Receipts	<u>37,930,499</u>
Total Estimated Available Resources	\$ 47,168,454
Less 2010 Recommended Operating Budget	(33,670,100)
Less 2010 Recommended Operating Budget (Administration)	(1,255,930)
Projected Available Balance (December 31, 2010)	<u><u>\$ 12,242,424</u></u>
Note: Balance at January 1, 2010 includes reserve fund balance	

2010 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, by 5 percent in 2003, by 5 percent in 2008 and by 9 percent in 2009.

The Sewer and Water Advisory Board has recommended an increase of nine percent to the storm sewer maintenance fee in 2010.

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

2010 Revenue Summary

STORM SEWER MAINTENANCE FUND				
REVENUE BY SOURCE AND YEAR				
HISTORICAL AND PROJECTED				
2007-2010				
REVENUE SUMMARY	2007	2008	2009	2010
	Actual	Actual	Estimated	Proposed
Storm Maintenance Fees	\$ 27,996,158	\$ 29,919,595	\$ 34,663,614	\$ 36,924,426
Investment Earnings	3,937,693	1,773,864	619,970	638,569
Other Revenues	322,076	8,562,253	365,119	367,504
Beginning Year Cash Balance	26,351,723	18,477,371	9,229,496	9,237,955
TOTAL RESOURCES	\$ 58,607,650	\$ 58,733,083	\$ 44,878,199	\$ 47,168,454
PERCENT CHANGE		0.21%	-23.59%	5.10%

Revenue Notes:

- 2010 revenues are based on a charge of \$4.57 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 nine percent to \$4.57/ERU in 2010.
- Operations and maintenance expenses, excluding health insurance and pro rata are inflated at three percent per year. Insurance costs are inflated by seven 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 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 2010, street cleaning and snow removal costs totaling \$6.3 million are included in the storm sewer budget.

**STORMWATER ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT FOR YEARS 2008 - 2019
IN DOLLARS - 000'S OMITTED**

	Actual	Projection	Proposed	2011	2012	2013	2014	2015	2016	2017	2018	2019
	2008	2009	2010									
Total Beginning Balance:	\$ 18,477	\$ 9,229	\$ 9,238	\$ 12,242	\$ 14,717	\$ 17,448	\$ 20,509	\$ 22,772	\$ 24,185	\$ 25,397	\$ 26,492	\$ 27,277
UTILITY REVENUE												
Storm Maintenance Service Charges	\$ 29,920	\$ 34,664	\$ 34,110	\$ 37,580	\$ 39,122	\$ 40,692	\$ 42,374	\$ 42,802	\$ 43,234	\$ 43,671	\$ 44,112	\$ 44,558
Rate Increase (Decrease)	-	-	2,814	1,033	1,076	1,119	-	-	-	-	-	-
Investment Earnings	1,774	620	639	658	677	698	719	740	762	785	809	833
Storm Sewer Maintenance Penalties	417	431	435	439	444	448	453	457	462	467	471	476
Other Revenues	8,145	(65)	(67)	(69)	(72)	(74)	(76)	(78)	(81)	(83)	(85)	(88)
Debt Refinancing												
TOTAL REVENUE	40,256	35,649	37,930	39,641	41,248	42,883	43,470	43,921	44,378	44,840	45,307	45,779
TOTAL RESOURCES	\$ 58,733	\$ 44,878	\$ 47,168	\$ 51,883	\$ 55,965	\$ 60,331	\$ 63,979	\$ 66,694	\$ 68,563	\$ 70,237	\$ 71,799	\$ 73,056
UTILITY EXPENSE												
Personnel	\$ 1,530	\$ 1,164	\$ 1,581	\$ 1,629	\$ 1,677	\$ 1,728	\$ 1,780	\$ 1,833	\$ 1,888	\$ 1,945	\$ 2,003	\$ 2,063
27th pay period	0	0	0	0	0	0	0	0	0	0	0	0
Insurances	225	179	295	316	338	362	387	414	443	474	507	543
Supplies and Materials	47	63	84	86	89	92	94	97	100	103	106	109
Contractual Services	2,831	1,706	1,288	1,326	1,366	1,407	1,449	1,493	1,537	1,584	1,631	1,680
Pro Rata	1,365	1,648	1,707	1,784	1,856	1,930	1,956	1,976	1,997	2,018	2,039	2,060
Equipment	55	33	0	0	0	0	0	0	0	0	0	0
Other	0	20	80	82	85	87	90	93	96	98	101	104
Reimbursement to Sanitary Enterprise	9,479	8,000	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438
Department of Public Utilities Allocation	2,317	1,223	1,256	1,294	1,332	1,372	1,414	1,456	1,500	1,545	1,591	1,639
Dept of Technology Allocation		1,286	1,029	1,060	1,092	1,125	1,158	1,193	1,229	1,266	1,304	1,343
Division of Operational Support Allocation	0	0	0	0	0	0	0	0	0	0	0	0
Street Cleaning (transferred from Public Service)	10,150	7,203	6,282	6,470	6,664	6,864	7,070	7,282	7,501	7,726	7,958	8,196
Subtotal O&M Expenses:	\$ 28,000	\$ 22,524	\$ 21,602	\$ 22,287	\$ 22,988	\$ 23,709	\$ 24,403	\$ 25,112	\$ 25,843	\$ 26,597	\$ 27,374	\$ 28,176
Debt Service:												
General Obligation Debt	\$ 13,504	\$ 13,116	\$ 12,722	\$ 12,233	\$ 11,751	\$ 11,363	\$ 10,982	\$ 10,610	\$ 10,237	\$ 9,865	\$ 9,865	\$ 9,865
Less Premium from '04 Issuance												
Debt Refinancing												
Cash Transfer to Bond Fund	8,000	0	0	0	0	0	0	0	0	0	0	0
Proposed New Debt	0	0	602	2,645	3,778	4,750	5,822	6,787	7,086	7,282	7,282	7,282
Total Debt Service:	\$ 21,504	\$ 13,116	\$ 13,324	\$ 14,878	\$ 15,529	\$ 16,113	\$ 16,804	\$ 17,397	\$ 17,323	\$ 17,147	\$ 17,147	\$ 17,147
Transfer to Reserve Fund	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSE	\$ 49,504	\$ 35,640	\$ 34,926	\$ 37,166	\$ 38,517	\$ 39,822	\$ 41,207	\$ 42,509	\$ 43,166	\$ 43,744	\$ 44,522	\$ 45,323
ENDING FUND BALANCE	\$ 9,229	\$ 9,238	\$ 12,242	\$ 14,717	\$ 17,448	\$ 20,509	\$ 22,772	\$ 24,185	\$ 25,397	\$ 26,492	\$ 27,277	\$ 27,733
RATE CHANGE	5.00%	9.00%	9.00%	3.00%	3.00%	3.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SWAB Estimate Sept 2008			9.00%	4.00%	3.00%	0.00%	0.00%	0.00%				
10% of Operations/Maintenance Costs	\$ 3,600	\$ 2,252	\$ 2,220	\$ 2,493	\$ 2,677	\$ 2,846	\$ 3,022	\$ 3,190	\$ 3,293	\$ 3,388	\$ 3,466	\$ 3,546
COST/MONTH/ERU	\$3.84	\$4.19	\$4.57	\$4.71	\$4.85	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
ASSUMES base of 555,500 ERU'S, with annual growth per year as follows:	1.01%	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	2,800	2,252	2,160	2,229	2,299	2,371	2,440	2,511	2,584	2,660	2,737	2,818
Fund balance less 10% requirement	6,429	6,986	10,082	12,489	15,149	18,139	20,332	21,674	22,812	23,833	24,540	24,915

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