

FINAL

**SAN LORENZO VALLEY
WATER DISTRICT**

**WATER AND SEWER
LONG TERM
FINANCIAL PLAN**

January 2007

Prepared by:

Municipal Financial Services
311 Bryant Avenue
Alameda, California 94501-3531

311 Bryant Avenue
Alameda, California 94501-3531

Tel: (510) 522-5251
Fax: (510) 522-5251

**Municipal
Financial
Services**

January 22, 2007

Mr. James Mueller
General Manager
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006-9119

Subject: Water and Sewer Long Term Financial Evaluation Draft Report

Dear Mr. Mueller:

In accordance with our June 2006 proposal, we have prepared a Water and Sewer Long Term Financial Evaluation report.

In the report we have developed recommendations for water and sewer rate increases that will enable the District to pay operations expenditures and capital replacement expenditures while maintaining a prudent level of reserves.

If you have any questions, please call Tom Pavletic at (925) 210-2385 (Brown and Caldwell office) or (510) 522-5251 (Alameda office).

Very truly yours,

MUNICIPAL FINANCIAL SERVICES

A handwritten signature in black ink, appearing to read "Tom Pavletic", with a stylized flourish at the end.

Tom Pavletic

TABLE OF CONTENTS

EXECUTIVE SUMMARY

CHAPTER 1. INTRODUCTION

CHAPTER 2. WATER FUND FINANCIAL PLAN

CHAPTER 3. WASTEWATER FUND FINANCIAL PLAN

APPENDICES

APPENDIX A. FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION JUNE 30, 2005 AND 2004

APPENDIX B. SUMMARY OF REVENUE AND EXPENDITURES BY FUND 2005-2006

APPENDIX C. RATES AND CHARGES EFFECTIVE JANUARY 15, 2006 RATES AND CHARGES EFFECTIVE JANUARY 15, 2005

APPENDIX D. DETAILED WATER USE DATA

LIST OF TABLES

Table 2.1	2006 Water Accounts by Customer Code and Meter Size
Table 2.2	Projected Water Accounts
Table 2.3	FY 05/06 Water Sales and Revenue
Table 2.4	Projected Water Sales
Table 2.5	Projected Water Rates
Table 2.6	Basic Rates Revenue
Table 2.7	Usage Rates Revenue
Table 2.8	Average SF 2-Month Bill
Table 2.9	Water System 2005 Income and Expenses
Table 2.10	Projected Income and Expenses
Table 2.11	Debt Service
Table 2.12	List of Water Assets and Replacement Costs, 2006
Table 2.13	Target Operating Reserves
Table 2.14	Projected Water Fund Balance
Table 2.15	Water Revenues and Expenditures Summary
Table 3.1	Wastewater Accounts and Revenue
Table 3.2	Wastewater System 2005 Income and Expenses
Table 3.3	Projected Wastewater Expenses
Table 3.4	List of Wastewater Assets and Replacement Costs, 2006
Table 3.5	Target Operating Reserves
Table 3.6	Wastewater Fund Balance
Table 3.7	Wastewater Revenues and Expenditures Summary

LIST OF FIGURES

Figure 1.1	Financial Planning Methodology
Figure 2.1	Water Meters by Size, 2006
Figure 2.2	Water Meters by Class, 2006
Figure 2.3	All Users Water Sales by Tier, FY 2006, Ccf
Figure 2.4	Residential Water Sales by Tier, May 2005 - April 2006, Ccf
Figure 2.5	Total and Average Water Sales 1992 - 2055, Ccf
Figure 2.6	Accounts, Water Sales and Average Use 2007 - 2055
Figure 2.7	Water System Revenues, FY 2006
Figure 2.8	Water System Expenditures, FY 2006
Figure 2.9	2006 Water System Replacement Cost
Figure 2.10	Annual Water System Replacement Capital Cost
Figure 2.11	Water System Capital Replacement Transfers 2005 - 2055
Figure 2.12	Water System Fund Balance Target 2005 - 2055
Figure 2.13	Water System Fund Balance 2005 - 2055
Figure 2.14	Average Annual Single Family Water Bills 2005 - 2055
Figure 3.1	Wastewater System Replacement Cost
Figure 3.2	Wastewater System Replacement Annuity
Figure 3.3	Wastewater System Capital Replacement Transfers 2005 - 2055
Figure 3.4	Wastewater System Fund Balance Target 2005 - 2055
Figure 3.5	Wastewater System Fund Balance 2005 - 2055
Figure 3.6	Average Annual Single Family Wastewater Bills 2005 - 2055

ACKNOWLEDGEMENTS

The consulting team acknowledges the assistance of the following District Board of Directors and staff:

Board of Directors

Larry Prather, President
Fred McPherson, Vice President
James Rapoza, Director
Terry Vierra, Director
James Nelson, Director

Staff

Karen Alvarez, Finance Manager
Jim Mueller, General Manager

The consulting team comprised the following participants:

Tom Pavletic
Marv Winer **

* *Services provided through Merit Resource Group*

ABBREVIATIONS AND TERMS

CIP	Capital improvement program
DISTRICT	San Lorenzo Valley Water District
FY	Fiscal year (July 1 to June 30)
FY 2007	July 1, 2006 through June 30, 2007
GPM	Gallons per minute
HCF	Hundred cubic feet; equal to 748 gallons (also CCF)
O&M	Operation and maintenance
PUD	Planned Unit Development
SFR	Single family residential
STUDY PERIOD	FY 2006 through FY 2055

PLEASE TAKE NOTE

This report is intended to provide general discussion of the subject matter covered. To the extent it addresses laws, regulations or court decisions of any jurisdiction, it is not intended as a precise, detailed or thorough summary of the pertinent legal authorities. The reader should note that this report was not prepared or reviewed by an attorney, and it is not intended, and should not be relied upon, as legal advice. Its purpose is to assist in the recognition and analysis of public policy issues. Questions concerning the interpretation or applicability of the legal authorities referenced herein should be referred to an attorney qualified in the specific subject matter.

EXECUTIVE SUMMARY

This report documents the development of a long term financial plan for the San Lorenzo Valley Water District (District). The purpose of the plan is to help ensure the fiscal vitality of the District's Water Fund and Sewer Fund.¹ A separate financial plan is developed for each fund. This chapter describes the District's organization and operations, the objectives of the long term financial planning effort, the methodology used to develop the financial plans, and the spreadsheet created for financial calculations.

Organization and Operations

The District was established in 1941 pursuant to provisions in the California Water Code. It was created to develop a water supply for domestic requirements as well as for fire protection and recreational facilities in the San Lorenzo Valley (except the Felton area). The District contains approximately 58 square miles and serves approximately 5,750 water customers and 55 sewer customers. The District is governed by a five person Board of Directors elected to four year terms by registered voters throughout the District's boundaries.

The District has two proprietary funds – the Water Enterprise Fund and the Sewer Enterprise Fund. In this study, the development of a long-term financial plan for the District provides separate calculations and findings for each enterprise.

Long Term Financial Plan Objectives

The primary objective of long term financial planning is to project annual water and sewer rates that will allow the District to pay operations expenditures and capital replacement expenditures while maintaining a prudent level of reserves.

The long term financial plan unifies the many separate planning efforts typically conducted by a water enterprise or sewer enterprise. Other types of planning or study efforts typically conducted include the following:

- Periodic master planning for replacement of assets (capital spending)
- Water resource planning (water supply and water use)
- Annual budgeting of expenditures and revenues (operational and other non-capital costs)
- Cost allocation studies (rate equity and rate structure)

The long term financial plan is not intended to supplant these other planning efforts. The long term financial plan is intended to be a rough approximation of the projected, cumulative impact of the other plans.

The study period for these financial plans is from Fiscal Years (FY) 2006 through 2055 (50 years). The length of the study period is appropriate given the nature of the water enterprise and sewer enterprise. The nature of these enterprises requires replacement of assets with useful lives that range from 10 – 70 years. Many of the assets must be replaced in their entirety and cannot be

¹ Ensuring fiscal vitality is part of the District's Mission which states, "Our mission is to provide our customers and all future generations with safe, reliable and high quality drinking water at an equitable price; to create and maintain outstanding customer service; to manage and protect the environmental health of the aquifers and watersheds; and, to ensure the fiscal vitality of the San Lorenzo Valley Water District."

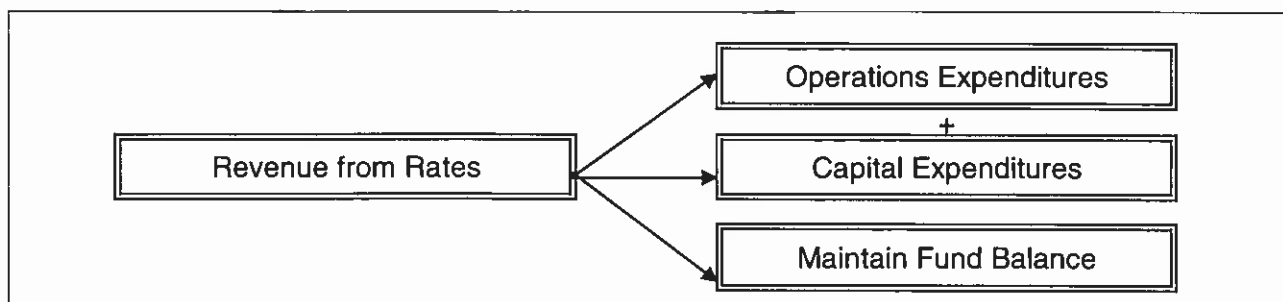
replaced piece by piece over time. The construction costs for replacement of assets are very high (for example, a 500,000 gallon water storage tank might cost \$1,000,000).

The key parameters in a long term financial plan for water and sewer enterprises are listed below:

- Projected revenues from rates
- Projected operating expenditures
- Projected capital expenditures
- Projected reserves

The role of revenue from rates in the development of the long term financial plan is shown in Figure ES.1.

Figure ES.1 Financial Planning Methodology



Water Fund Summary

Revenue from water rates is projected to account for over 90 percent of revenue for the water system through FY 2055. The projected water rate increases recommended as part of this financial evaluation are shown in Table ES.1.

Table ES.1 Recommended Water Rate Increases

<u>Rate Increase Recommendations</u>	<u>Increase</u>	<u>Year Start</u>	<u>Year End</u>	<u>Years</u>
Increase 1	3.5%	2007	- 2034	28
Increase 2	3.0%	2035	- 2055	21

Revenues from water rates and capital replacement costs were adjusted so that the fund balance would approach the target balance. The main categories of revenues (from water rates, interest, and other operating) and expenditures (operations and maintenance costs, capital replacement and debt service) are shown in Table ES.2.

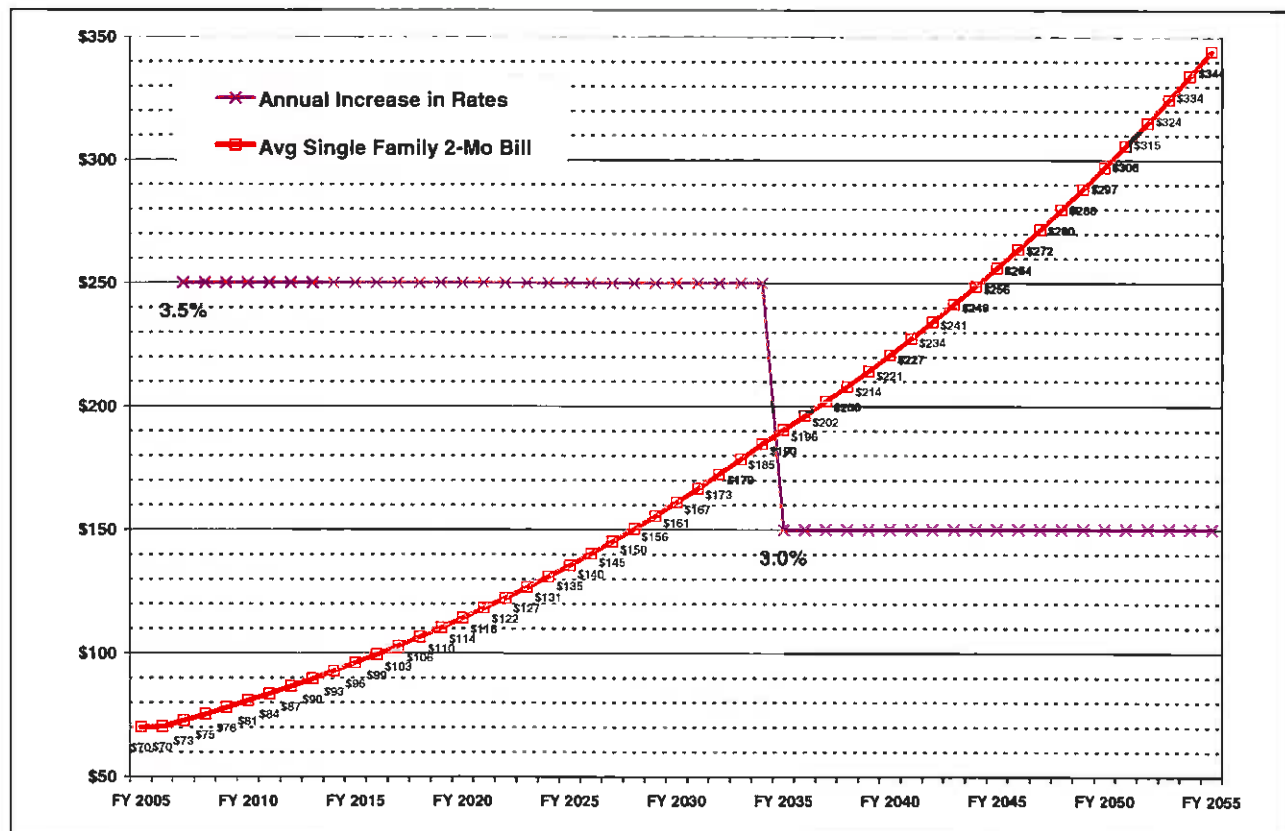
The impact of the projected water rate increases on an average bimonthly water bill for a single family customer, with a 5/8-inch water meter and 19 Ccf/two months of water use, is shown in Figure ES.2. Trends in the bimonthly water bill mimic trends in expenditures. That is, the annual increase in operating expenditures and the annual increase in capital replacement costs will

produce increases in water bills of a proportional magnitude. The average bimonthly water bill for a single family customer, approximately \$70 in FY 2006, would double about every 20 years.

Table ES.2 Water System Fund Balance Summary 2006 - 2055

Balance July 1, 2006	\$14,650,976	
Expenditures		<u>Percent of Total</u>
O&M	\$323,733,000	71%
Debt Service	\$13,312,025	3%
Capital Replacement	\$119,957,526	26%
Total Expenditures	\$457,002,551	100%
Revenues		<u>Percent of Total</u>
Water Rates	\$413,563,761	93%
Interest	\$18,976,650	4%
Other Revenue	\$13,983,186	3%
Total Revenue	\$446,523,597	100%
Net Income	-\$10,478,954	
Balance June 30, 2055	\$4,172,022	

Figure ES.2 Average Annual Single Family Water Bills 2005 - 2055



Wastewater Fund Summary

Revenue from wastewater rates is projected to account for approximately 99 percent of revenue for the wastewater system through FY 2055. The only other source of revenue will be interest earnings. The projected wastewater rate increases recommended as part of this financial evaluation are shown in Table ES.3.

Table ES.3 Recommended Wastewater Rate Increases

Rate Increase Recommendations	Increase	Year Start	Year End	Years
Increase 1	20.0%	2007	- 2008	2
Increase 2	7.0%	2009	- 2012	4
Increase 3	3.0%	2013	- 2055	43

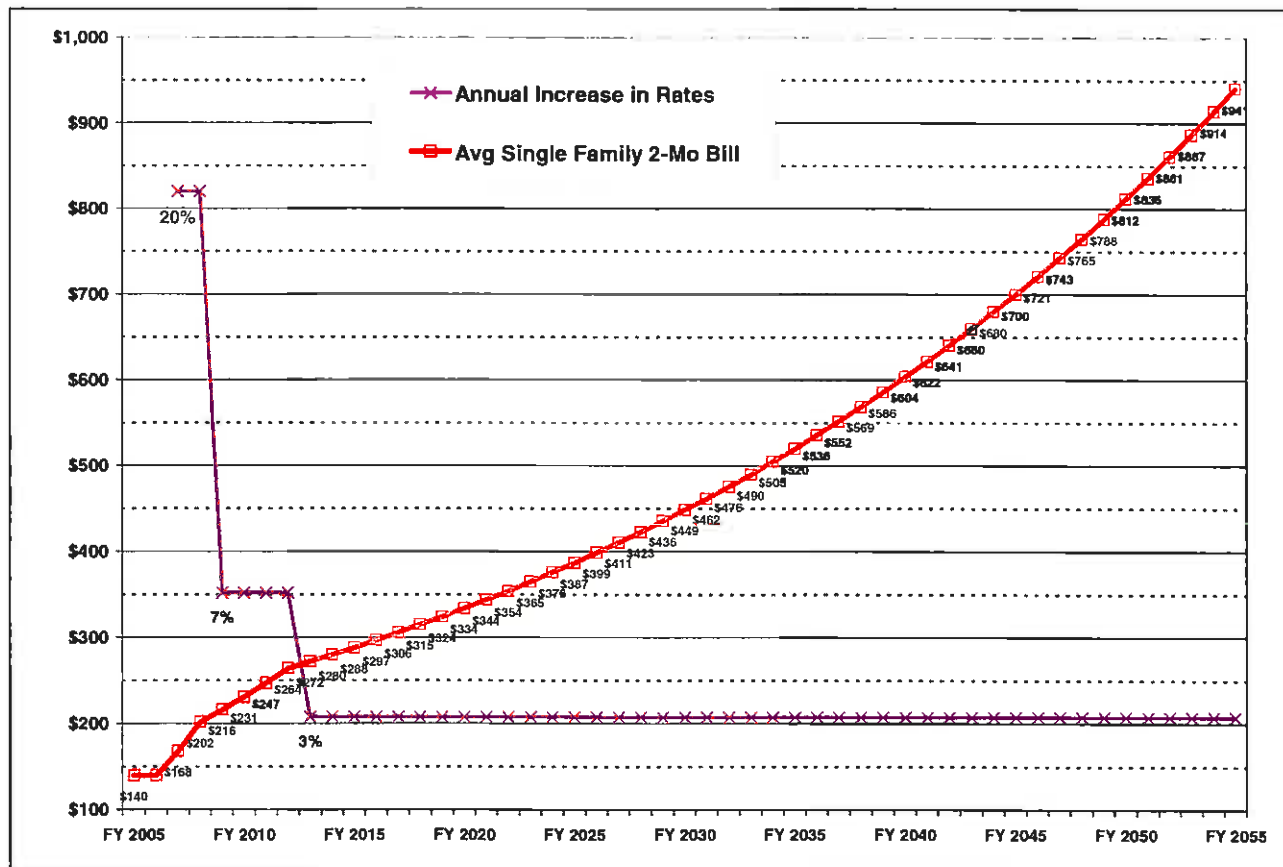
Revenues from wastewater rates and capital replacement costs were adjusted so that the fund balance would approach the target balance. The main categories of revenues (from wastewater rates and interest) and expenditures (operations and maintenance costs and capital replacement) are shown in Table ES.4.

The impact of the projected wastewater rate increases on wastewater bills is shown in Figure ES.3. Trends in the bimonthly wastewater bill are driven by the need to immediately begin incorporating capital replacement costs into the wastewater bill. If the large increases in wastewater bills for FY 2007 and FY 2008, and the series of high rate increases in FY 2009 – FY 2012, are decreased or postponed even greater increases will be necessary at a later time.

Table ES.4 Wastewater System Fund Balance Summary 2006 - 2055

Balance July 1, 2006	\$7,861	
Expenditures		<u>Percent of Total</u>
O&M	\$5,033,734	61%
Debt Service	\$0	0%
Capital Replacement	\$3,164,003	39%
Total Expenditures	\$8,197,738	100%
Revenues		<u>Percent of Total</u>
Wastewater Rates	\$8,196,030	99%
Interest	\$57,857	1%
Other Revenue	\$0	0%
Total Revenue	\$8,253,887	100%
Revenues - Expenditures	\$56,149	
Balance June 30, 2055	\$64,010	

Figure ES.3 Average Annual Single Family Wastewater Bills 2005 - 2055



CHAPTER 1

INTRODUCTION

This report documents the development of a long term financial plan for the San Lorenzo Valley Water District (District). The purpose of the plan is to help ensure the fiscal vitality of the District's Water Fund and Sewer Fund.¹ A separate financial plan is developed for each fund. This chapter describes the District's organization and operations, the objectives of the long term financial planning effort, the methodology used to develop the financial plans, and the spreadsheet created for financial calculations.

Organization and Operations

The District was established in 1941 pursuant to provisions in the California Water Code. It was created to develop a water supply for domestic requirements as well as for fire protection and recreational facilities in the San Lorenzo Valley (except the Felton area). The District contains approximately 58 square miles and serves approximately 5,750 water customers and 55 sewer customers. The District is governed by a five person Board of Directors elected to four year terms by registered voters throughout the District's boundaries.

Financial Statements²

The District produces financial statements that report information about the District using full accrual accounting methods as utilized by similar business activities in the private sector. However, rate-regulated accounting principles applicable to private sector utilities [enforced by the California Public Utilities Commission] are not used by government utilities. The financial statements include a statement of net assets; a statement of activities and changes in net assets; a statement of cash flows; and notes to financial statements. The financial statements were referenced in this study to provide a background into the District's cash and investments, long-term debt obligations, retained earnings, and enterprise funds income and expenses. Financial Statements as of June 30, 2005 and 2004 are included in Appendix A.

Since the activities of the District are, at this time, totally dedicated to providing services to the general public on a continuing basis, and its cost are to be financed or recovered primarily through user charges, its accounting records are required to be on a proprietary fund type basis. The District has two proprietary funds called enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

¹ Ensuring fiscal vitality is part of the District's Mission which states, "Our mission is to provide our customers and all future generations with safe, reliable and high quality drinking water at an equitable price; to create and maintain outstanding customer service; to manage and protect the environmental health of the aquifers and watersheds; and, to ensure the fiscal vitality of the San Lorenzo Valley Water District."

² Text for this section was quoted or paraphrased from the District's Independent Auditor's Report dated October 3, 2005, prepared by Berger/Lewis Accountancy Corporation.

The District has two proprietary funds – the Water Enterprise Fund and the Sewer Enterprise Fund. In this study, the development of a long-term financial plan for the District provides separate calculations, findings and recommendations for each enterprise.

Long Term Financial Plan Objectives

The primary objective of long term financial planning is to project annual water and sewer rates that will allow the District to pay operations expenditures and capital replacement expenditures while maintaining a prudent level of reserves.

The long term financial plan unifies the many separate planning efforts typically conducted by a water enterprise or sewer enterprise. Other types of planning or study efforts typically conducted include the following:

- Periodic master planning for replacement of assets (capital spending)
- Water resource planning (water supply and water use)
- Annual budgeting of expenditures and revenues (operational and other non-capital costs)
- Cost allocation studies (rate equity and rate structure)

The long term financial plan is not intended to supplant these other planning efforts. The long term financial plan is intended to be a rough approximation of the projected, cumulative impact of the other plans.

The study period for these financial plans is from Fiscal Years (FY) 2006 through 2055 (50 years). The length of the study period is appropriate given the nature of the water enterprise and sewer enterprise. The nature of these enterprises requires replacement of assets with useful lives that range from 10 – 70 years. Many of the assets must be replaced in their entirety and cannot be replaced piece by piece over time. The construction costs for replacement of assets are very high (for example, a 500,000 gallon water storage tank might cost \$1,000,000).

The key parameters in a long term financial plan for water and sewer enterprises are listed below:

- Projected revenues from rates
- Projected operating expenditures
- Projected capital expenditures
- Projected reserves

Reserve Requirements

The water enterprise and sewer enterprise both should maintain a prudent level of operating and capital replacement reserves. These reserve requirements may be quantified by evaluating the cash flow requirements and the level of exposure to cash flow changes for each enterprise.

Capital Replacement Reserves. Every asset will eventually reach the end of its useful life, but waiting for an asset to fail before replacing the asset is not possible for most water and sewer system assets. Therefore, the timing of asset replacement (capital) expenditures is driven by the level of risk managers are willing to tolerate and the ability to finance each expenditure. Because the primary source of funds for all expenditures (capital and operating) is rates, and because capital expenditures are sporadic and expensive, the need for capital reserves as a mechanism for mitigating large rate increases is evident. In this study, an annual transfer to a capital replacement

fund is developed and funded by revenue from rates. All capital replacements are presumed to be funded on a pay-as-you-go basis with no issuance of debt.

Operating Reserves. In addition to asset replacement issues, other enterprise operating uncertainties exist and create significant financial uncertainties. Examples are:

- Loss of revenue from rates due to unplanned decreases in water sales (that are not offset by decreased operating costs) due to extremely wet winters or extremely cool summers
- Unplanned increases in operating costs (energy costs, chemical costs, labor costs, etc)
- Unplanned changes in cash flow (natural disasters that interrupt customer or vendor payments)

Given a reasonable assumption about the magnitude of each financial uncertainty, each event may be substantially mitigated through the maintenance of an appropriate amount of reserves. On top of all this are the operational issues for which an enterprise may plan – steady increases in operating costs, replacement of items with short useful lives (cars, computers, etc.), and growth.³

Methodology

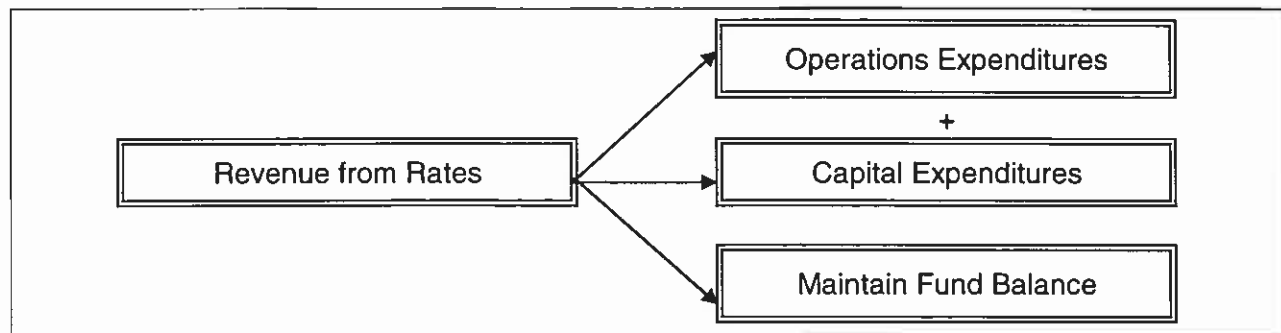
The long term financial plan for each enterprise enables managers to determine the impact of combinations of changes in the key parameters noted above. Because there are many key parameters, many settings for each parameter and many years over which to vary the settings, the basis for setting parameters is to be prudent and reasonable and use past as prologue where appropriate.

In general, the long term financial plan for each enterprise involved the following tasks:

- Selection of annual growth rates in the number, type and usage level of customers
- Selection of annual growth rates in operating expenditures
- Selection of annual capital replacement expenditures
- Selection of annual target reserve levels
- Adjust annual rates increases to enable reserves to meet target levels

Based on the selections for each item, the goal was to project annual water and sewer rates that would allow the District to pay operations expenditures and capital replacement expenditures while maintaining a prudent level of reserves. The role of revenue from rates in the development of the long term financial plan is shown in Figure 1.1.

³ In many enterprises growth is uncertain, but in the District's case growth is known to be very limited.

Figure 1.1 Financial Planning Methodology**Source Data**

The District provided all data used by the consultant in development of the long term financial plan. The data included the following:

- Current number of customers
- Current amount of water sales
- Current operational expenditures
- Current long-term debt obligations
- Current non-operating revenue
- Current revenue from rates
- Current replacement cost of assets
- Current fund balances

Current expenditure and revenue data is from revenue and expenditure summaries for FY 2006 and are shown in Appendix B. Water and sewer rates and charges currently in effect and previously in effect are shown in Appendix C.

Spreadsheet Calculations

A spreadsheet was developed for each long term financial plan that would accept the data for current conditions and allow the projection of future conditions. The spreadsheet was also used to produce all tables and figures used in this report.

The spreadsheet was developed using Microsoft Office Excel 2003 (Service Pack 2) software.

CHAPTER 2

WATER ENTERPRISE LONG TERM FINANCIAL PLAN

This chapter describes the long term financial plan for the water system. The long term financial plan description includes a summary of revenues and expenditures over the time period FY 2006 – FY 2055 and projected annual rate increases that produce revenues sufficient to meet expenditures.

Current and Projected Water Accounts

The current number of water accounts and annual water sales were used to develop annual projections for the time period ending in FY 2055. The number of accounts by customer class and meter size are shown in Table 2.1. Figure 2.1 shows accounts by customer class and Figure 2.2 shows accounts by meter size. For the purpose of projecting revenue from service charges, only the meter size is relevant so projections of the number of meters shows only meter sizes. The projected number of meters for FY 2006 – FY 2055 is shown in Table 2.2.

Current and Projected Water Sales

The amount of water sales for FY 2006 by tier for each customer class are shown in Table 2.3. Detailed water use data used to produce Table 2.3 is shown in Appendix D. Figure 2.3 shows water sales by tier summarized for all users. Figure 2.4 shows water sales by tier for only residential customers for the six, two-month periods ending in April 2006. For the purpose of projecting rate revenue from water sales, the water sales in each tier must be projected. The projected amount of water sales by tier for each customer class is shown in Table 2.4.

Summary of Projected Accounts and Sales

The projected annual number of water meters by meter size shown in Table 2.3 and the projected annual amount of water sales by tier for each customer class shown in Table 2.4 are summarized in Figure 2.5 and Figure 2.6. These figures and the table below make evident the impact of changes in the annual increases in accounts and water sales. Projections used in this study reflect a low, steady growth in water sales and a gradual decline in average water use.

Variable Values and Results Categories	Estimated Average Use		
	Lower	Projected	Higher
Variables			
Value in FY 2008-2055			
Annual Increase in Single Family Accounts	0.5%	0.5%	0.5%
Annual Increase in All Water Sales	0.0%	0.3%	0.4%
Results			
Average Water Sales, Ccf/Acct/2-Months			
Value in FY 2007	22.4	22.4	22.4
Value in FY 2055	18.1	20.9	22.4
Percent Change	-19%	-7%	0%
Change in Total Water Sales			
Value in FY 2007	772,059	772,059	772,059
Value in FY 2055	772,059	891,447	954,998
Percent Change	0%	15%	24%

Figure 2.1 Meters by Meter Size

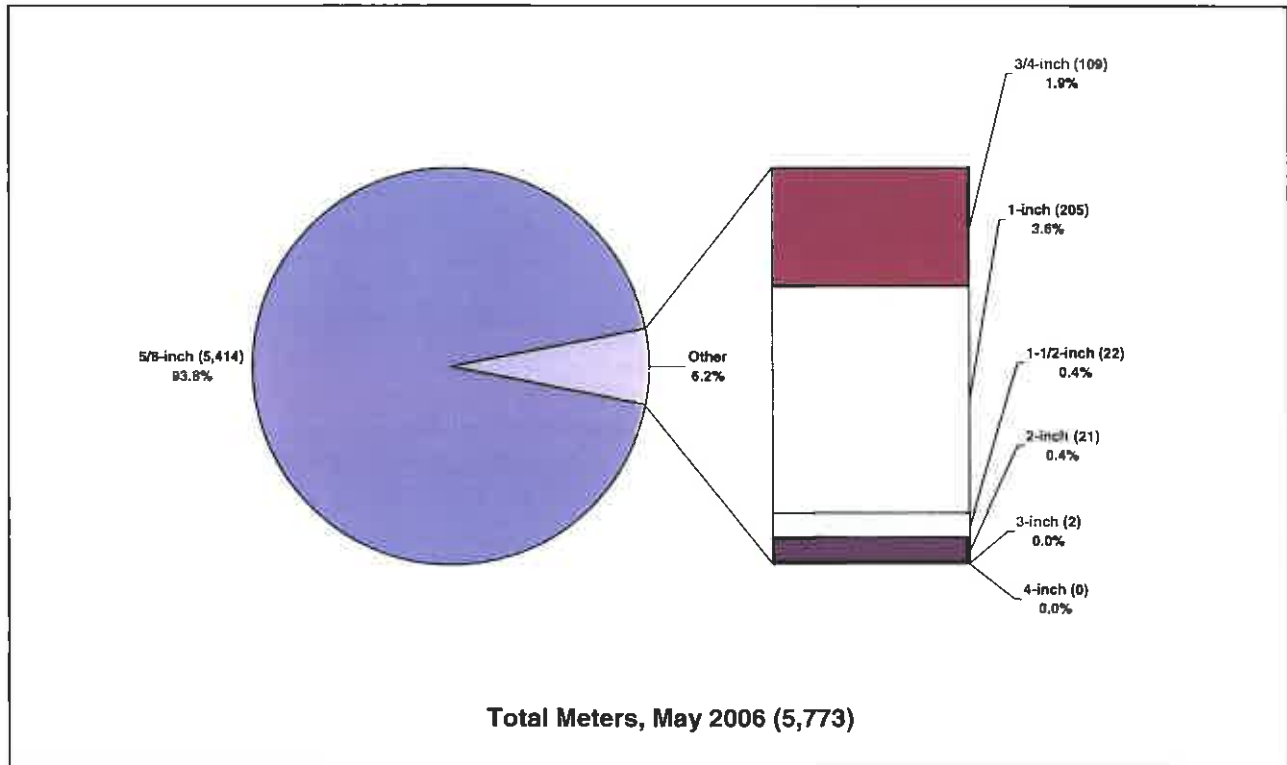


Figure 2.2 Meters by Customer Class

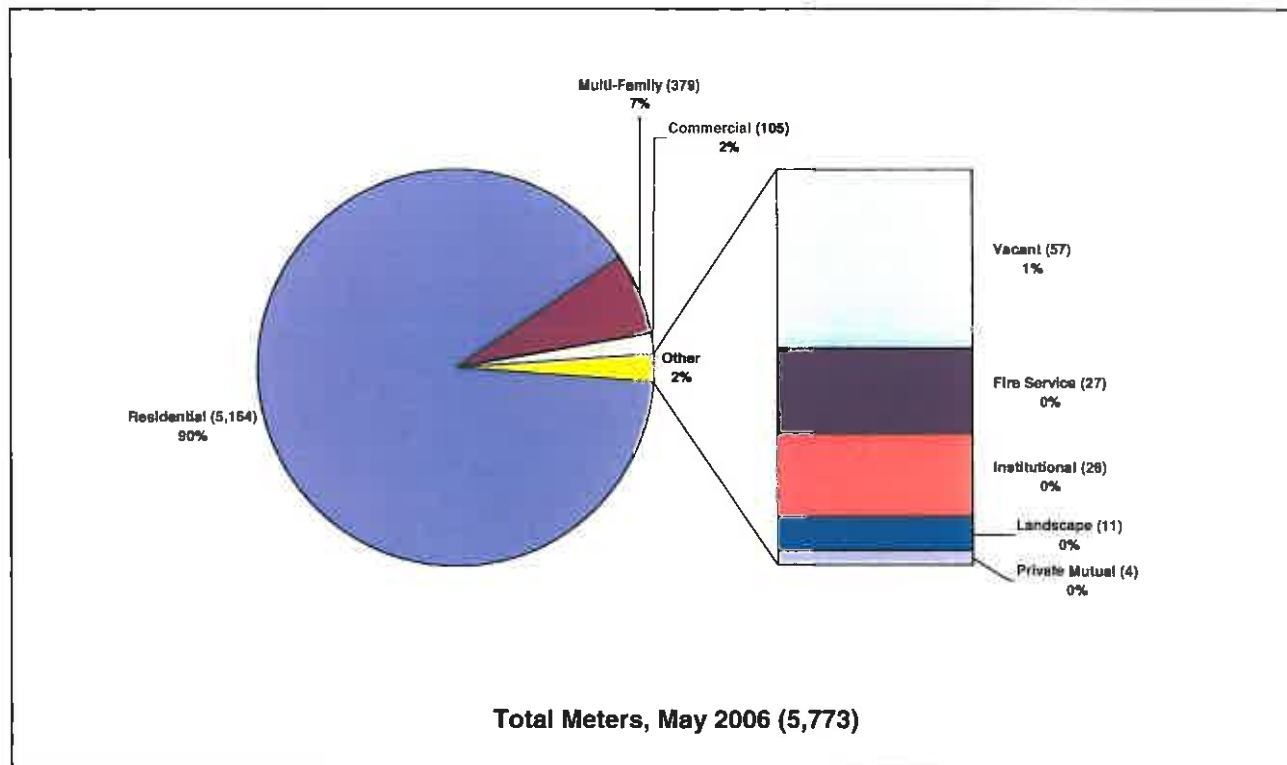


Figure 2.3 All Users Water Sales by Tier, FY 2006, Ccf

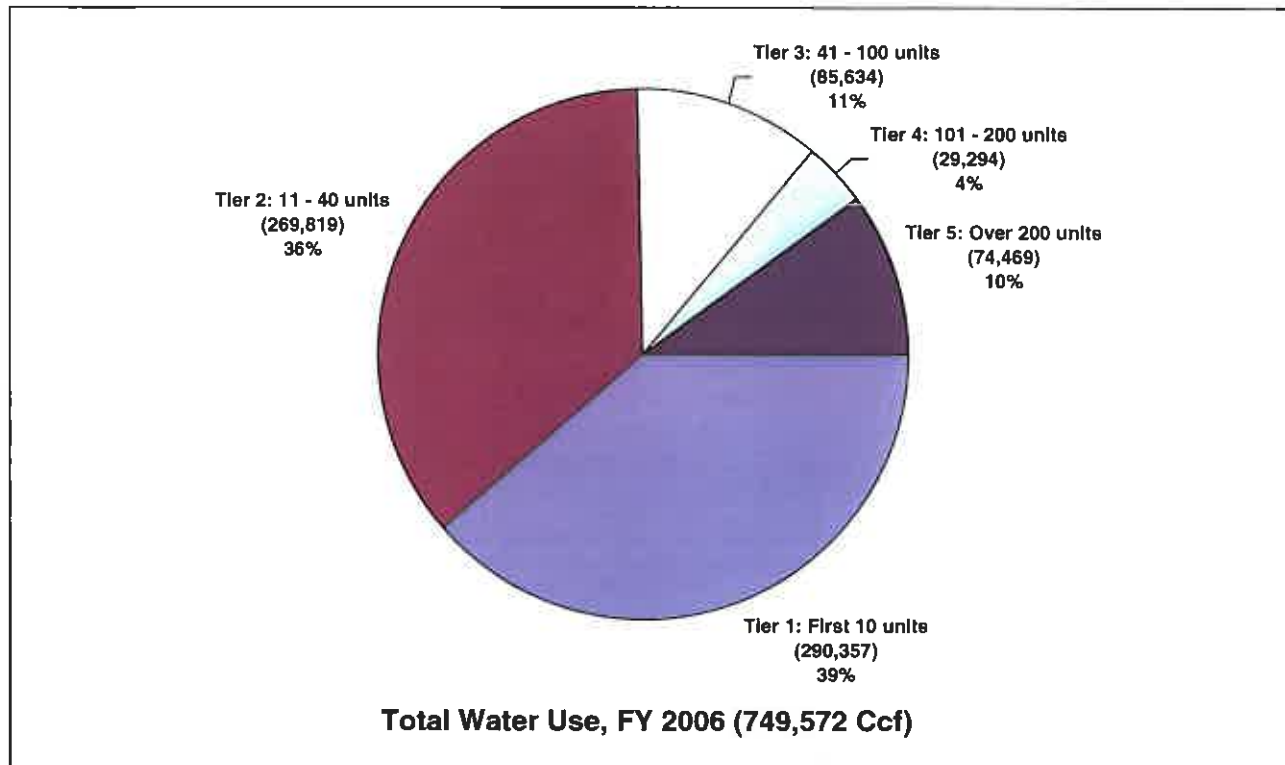


Figure 2.4 Residential Water Use by Tier, May 2005 - April 2006, Ccf

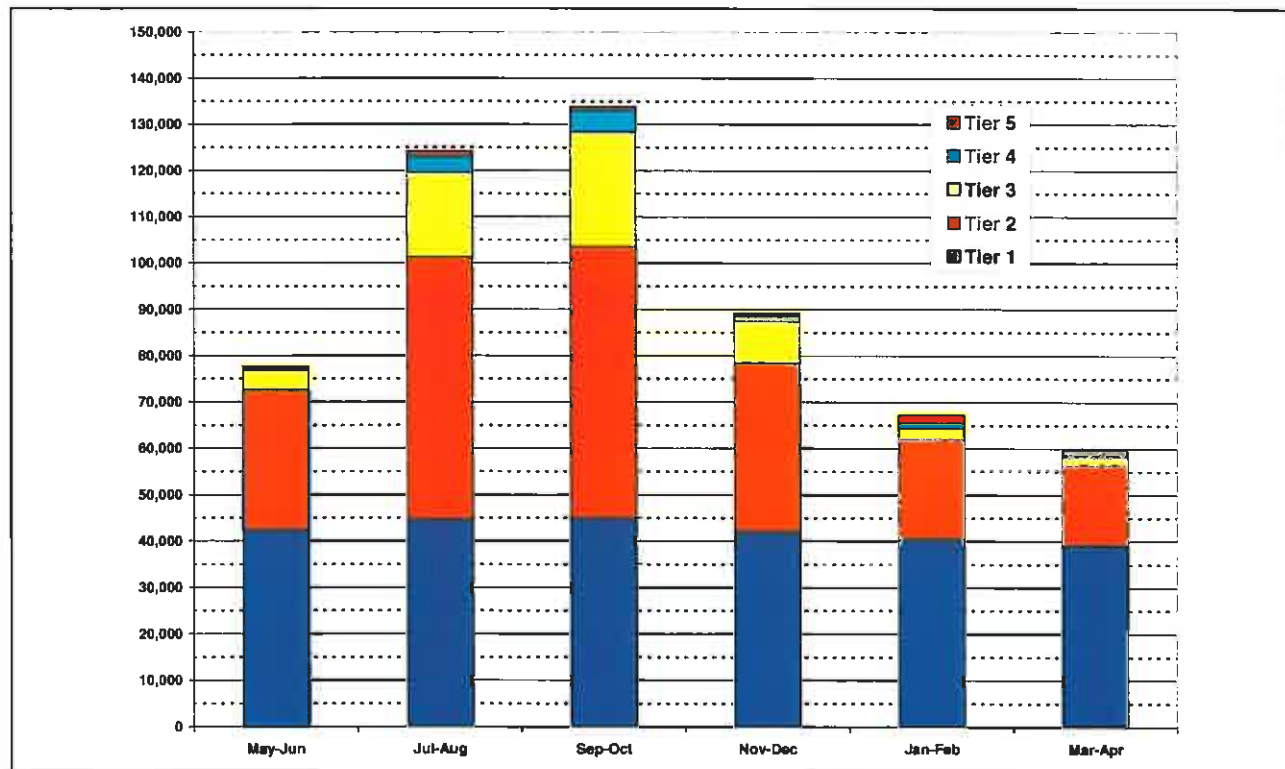


Figure 2.5 Total and Average Water Sales 1992 – 2055

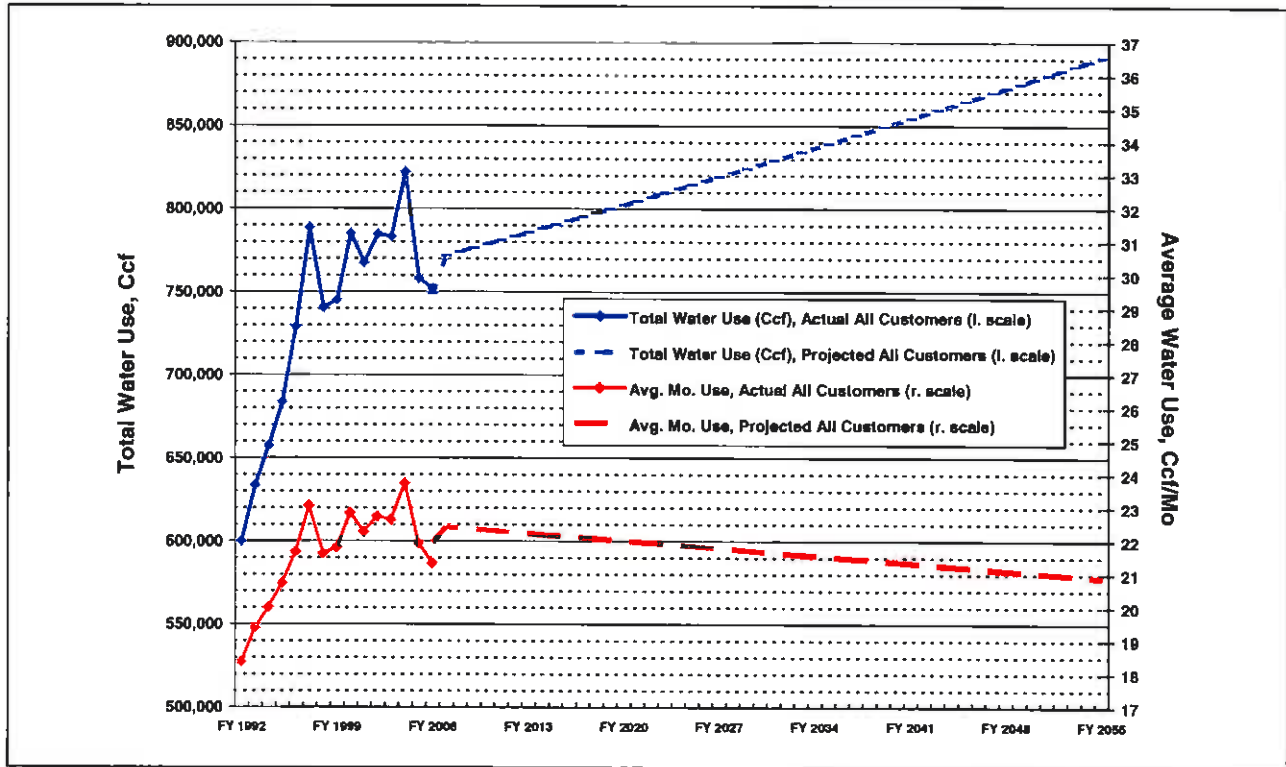
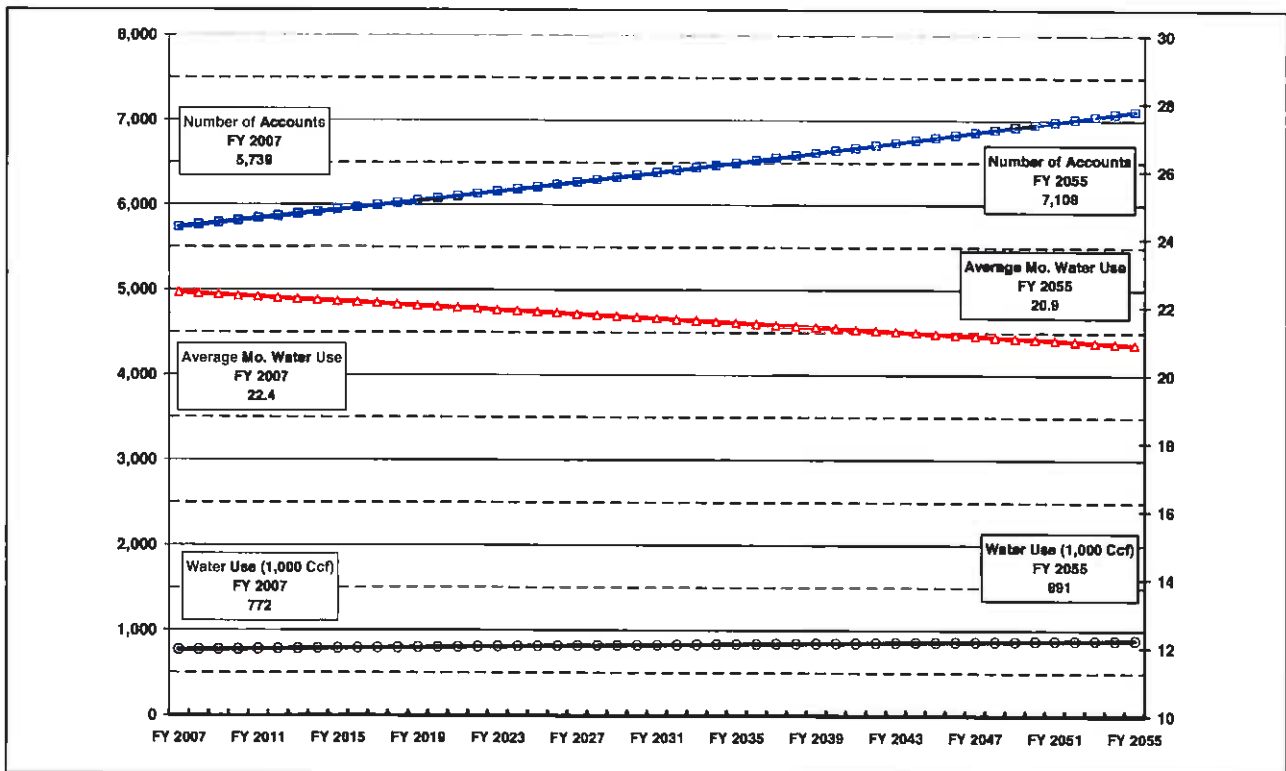


Figure 2.6 Accounts, Water Sales and Average Use 2007 - 2055



Water Rates and Revenue from Water Rates

Revenue from water rates is projected to account for over 90 percent of revenue for the water system through FY 2055. The projected rate increases recommended as part of this financial evaluation are explained in more detail later in this chapter. The projected rate increases and the commensurate basic (meter) service charges and usage charges are shown in Table 2.5 and summarized in the table below.

Rate Increase Recommendations	Increase	Year Start	Year End	Years
Increase 1	3.5%	2007	- 2034	28
Increase 2	3.0%	2035	- 2055	21

The amount of revenue from the projected rate increases is shown in Table 2.6 for basic (meter) service charges and Table 2.7 for usage charges. The average monthly water bill for a single family customer, with a 5/8-inch water meter and 19 Ccf/month of water use, based on the projected rates, is shown in Table 2.8.

Water System Revenues

In addition to revenue from water rates discussed in the previous paragraph the water fund has revenues from interest earnings, assessments, property taxes and other miscellaneous sources that currently make up about 26 percent of total water fund revenue. A list of the revenue sources for FY 2005 (including revenue from water rates but excluding interest earnings) is shown in Table 2.9.

The sources of revenue shown in Table 2.9, except for revenue from water fees and interest earnings, were projected to remain at current levels through FY 2055. This projection is only moderately conservative. While revenue from some of these sources could likely increase (for example, assessments), the chance that revenue from property taxes could decrease is even more likely (but still unpredictable).

Revenue from interest earnings is projected to decrease steadily over the study period as the water fund balance gradually decreases.

Water system revenue projections for FY 2006 – FY 2055, except for revenues from interest earnings which are shown in a table along with projected fund balances, are shown in Table 2.10. Water system revenues projected for FY 2006 are shown in Figure 2.7.

Water System Expenditures

Water system expenditures include operations and maintenance expenses, debt service and capital replacement costs. Water system expenditures projected for FY 2006 are shown in Figure 2.8. Operations and maintenance expenses for FY 2006 were based on actual values from FY 2005 which are shown in Table 2.9. Projections for FY 2006 – FY 2055 are shown in Table 2.10. The projected values reflect an annual three percent increase, except for FY 2006 salaries and expenses, and professional services, which reflect higher expected increases.

Figure 2.7 Water System Revenues, FY 2006

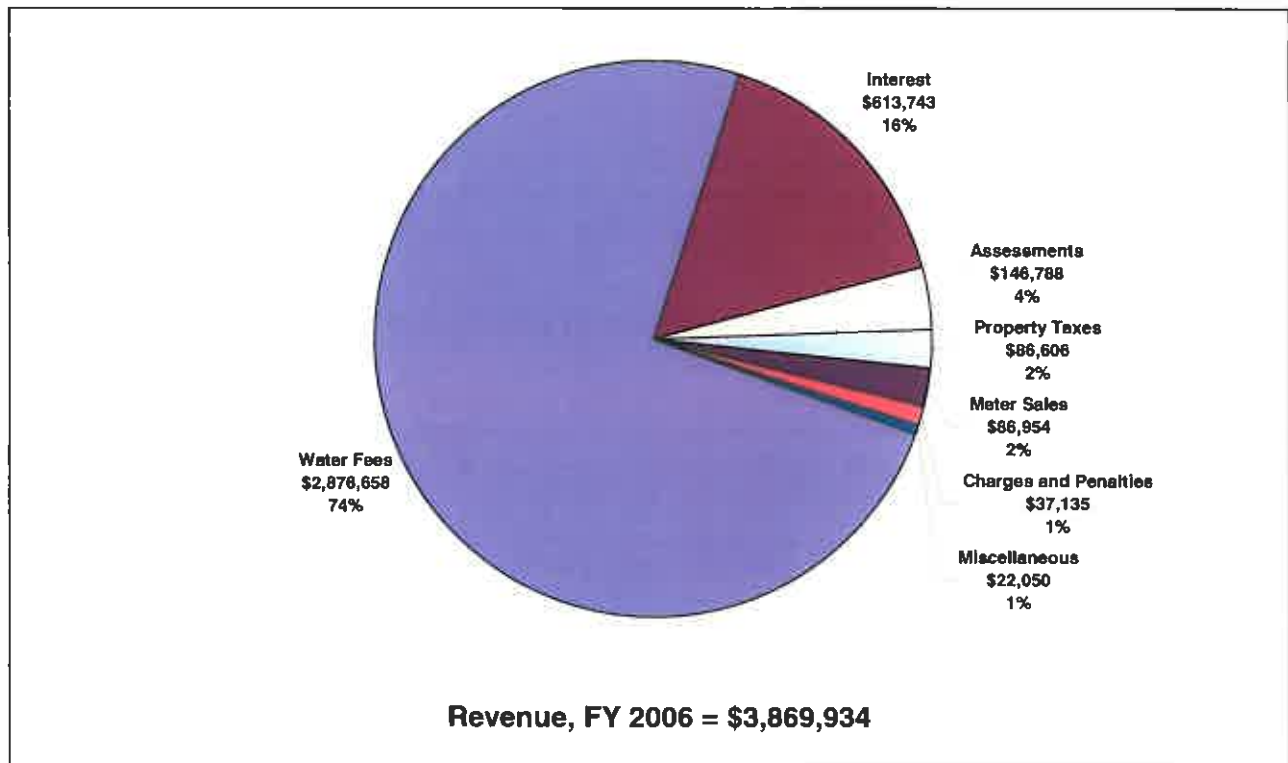
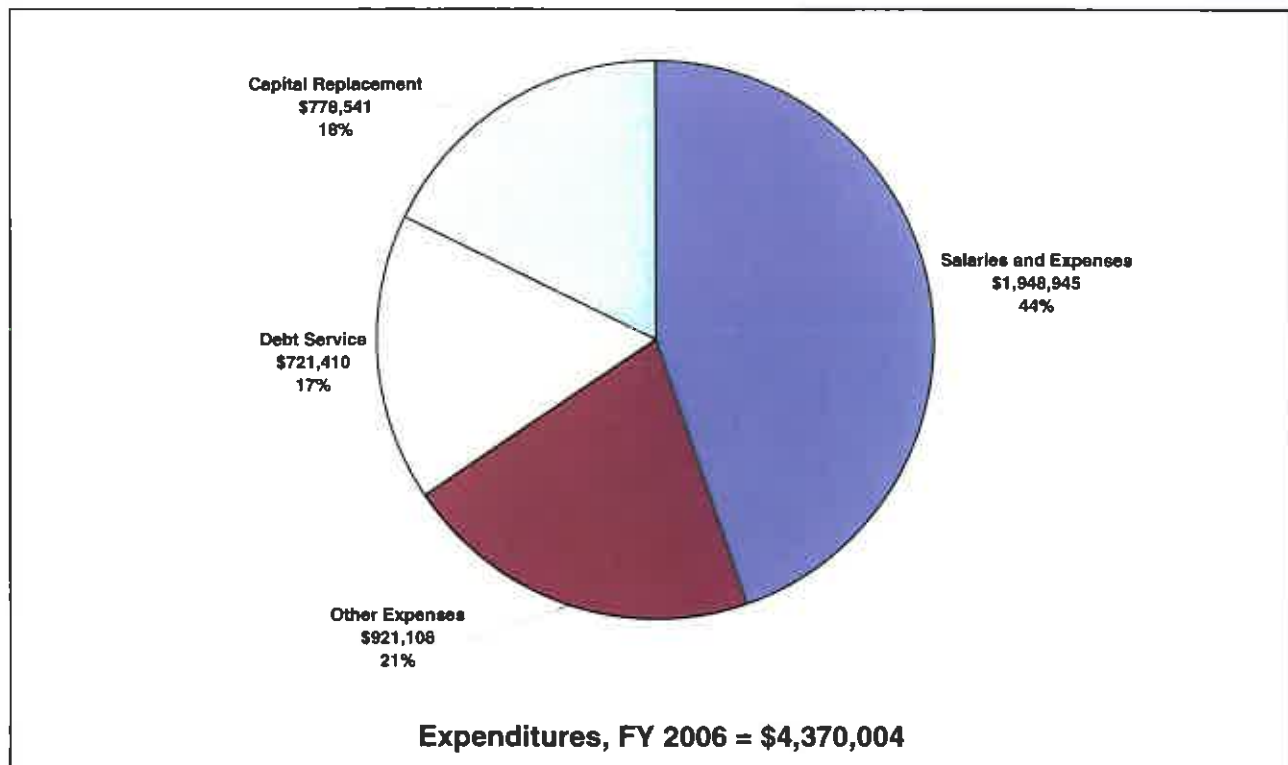


Figure 2.8 Water System Expenditures, FY 2006



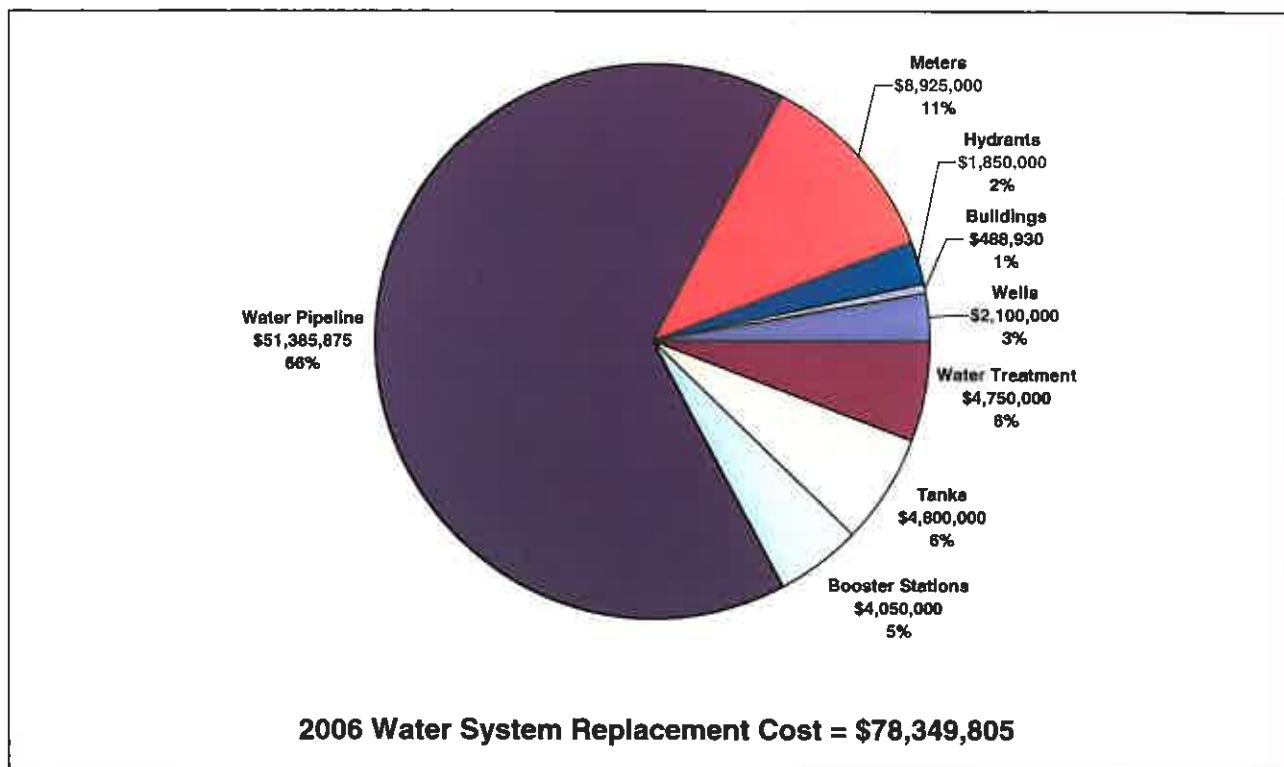
Debt Service

As of the beginning of FY 2006, the District had approximately \$13,300,000 of debt service payments remaining with seven issuers. The last payment is scheduled for FY 2021. Between FY 2007 and FY 2016 (ten years) annual principal and interest payments are approximately \$950,000. Annual debt service is shown in Table 2.11. No new debt service is projected as part of the long term financial plan.

Capital Replacement Costs

Capital replacement costs are those costs related to replacement of assets as the assets fail, wear out or become obsolete. The District spent about \$780,000 for capital replacement in FY 2006.¹ For the purpose of projecting annual expenditures for capital replacement, an approach which approximates the cost to replace assets over the duration of the study period was developed. The approach is based on developing the current replacement cost for the water system and recovering that cost incrementally over the useful life of the water system while accounting for inflation. Table 2.12 shows the development of the FY 2006 replacement cost for the water system. Figure 2.9 shows the FY 2006 replacement cost of the water system for each major system component.

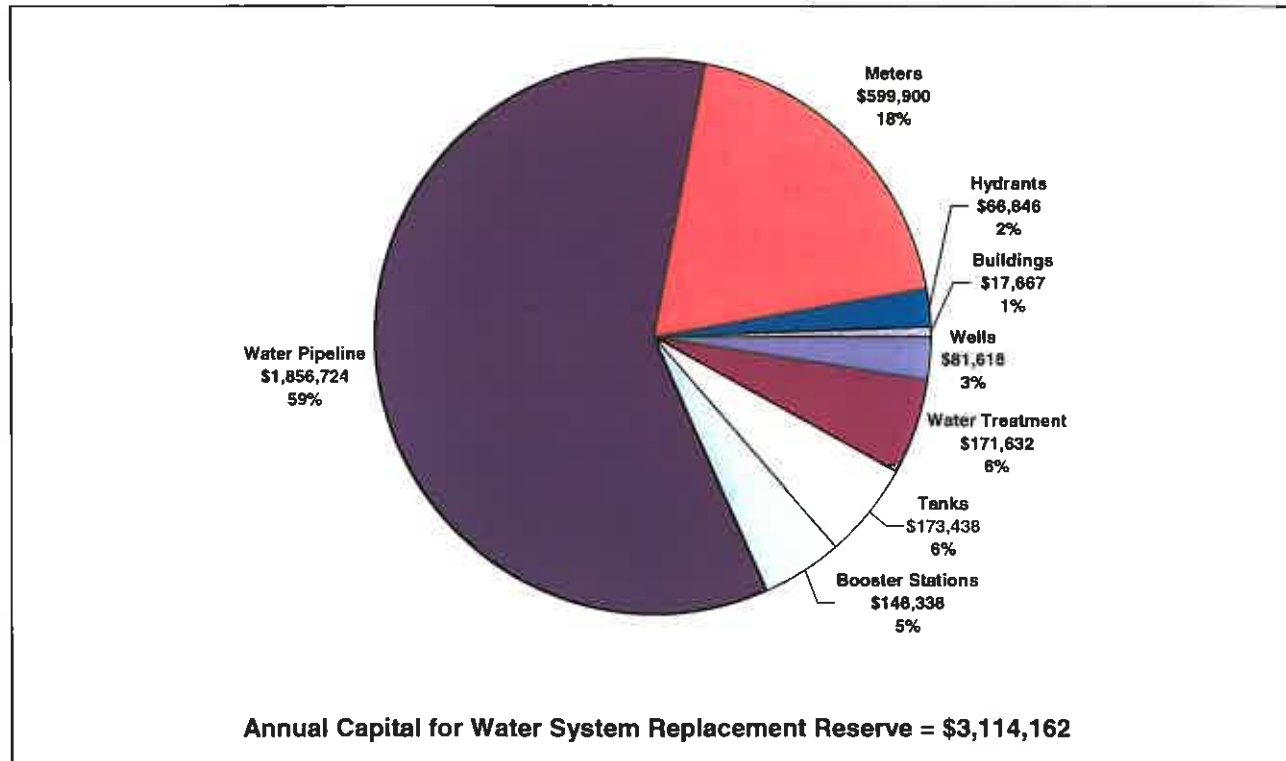
Figure 2.9 2006 Water System Replacement Cost



¹ Depreciation is sometimes (mistakenly) equated with the attempt to capture the cost of capital asset replacement. Depreciation is not used in this study because it is based upon the original cost of assets. The best method of estimating asset replacement costs is to project the cost to replace each asset in the year in which it is expected to be replaced. For the purposes of this study an approach which approximates the replacement cost method is used.

The annual cost to replace capital assets is shown in Table 2.12 to be approximately \$3,100,000. Based on an approach which approximates the cost to replace assets over the duration of the study period, the annual replacement cost would be spent on capital replacement projects as they occur or, if not totally spent in a given year, transferred to a reserve and accumulated for capital replacement projects of assets with longer useful lives or that are replaced all at once and not gradually over time. Figure 2.10 shows the annual replacement capital cost of the water system for each major system component.

Figure 2.10 Annual Water System Replacement Capital Cost

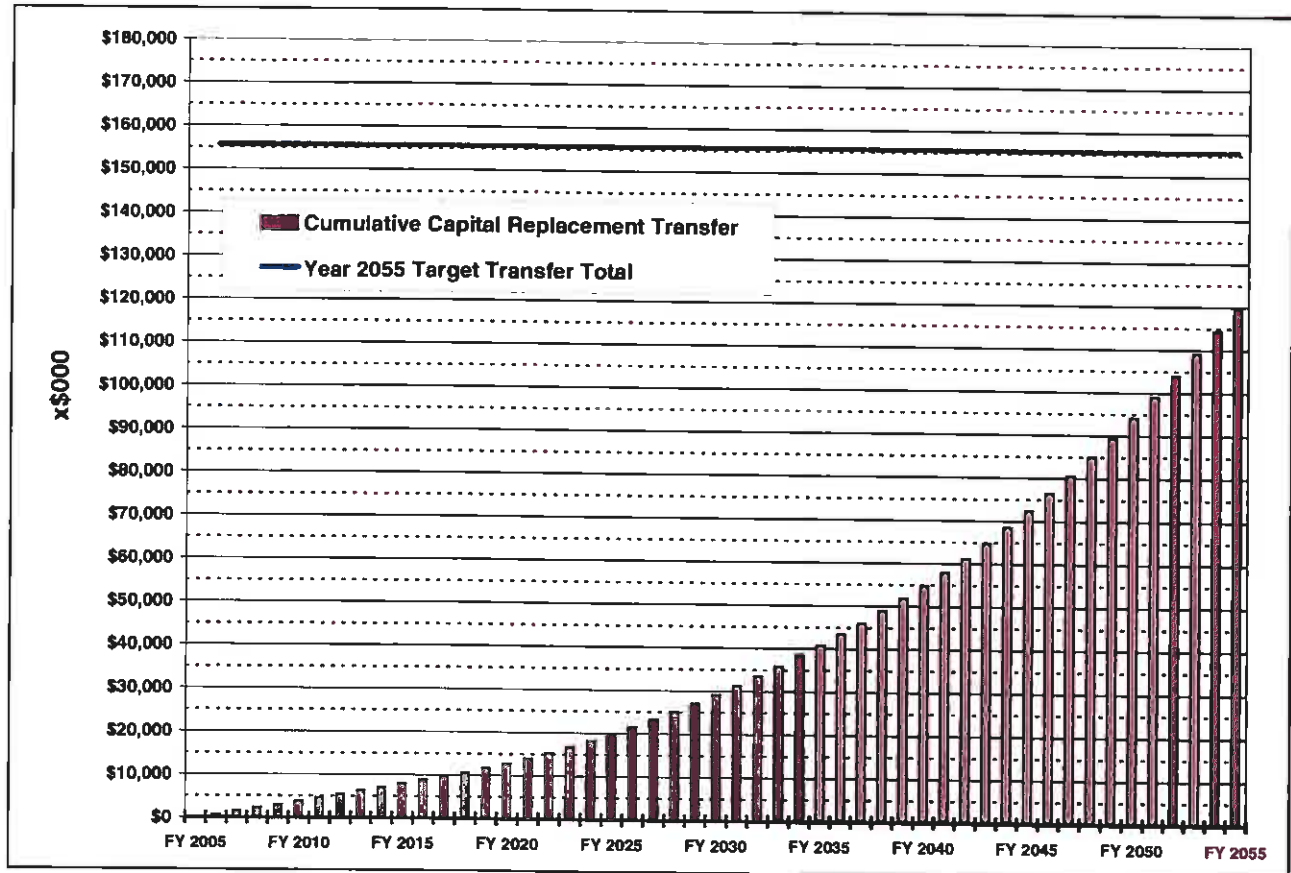


The replacement cost of the water system, approximately \$78,000,000 in FY 2006, would double about every 24 years if construction costs increase at three percent per year between FY 2006 and FY 2055. In other words, the replacement cost of the water system would be approximately \$159,000,000 in FY 2030 and approximately \$324,000,000 in FY 2054. These projections may be on the low side, that is the three percent annual increase in construction costs may be exceeded by the actual increases in constructions costs. The projected replacement cost of the water system puts the annual \$3,100,000 budget for replacement costs in perspective.

The annual capital replacement costs used in the long term financial plan are not \$3,100,000. The impact on water rates was deemed to be too extreme to immediately shift from the current capital replacement expenditure level, \$780,000 in FY 2006, to \$3,100,000. Instead, the annual capital replacement costs to be recovered from rates are increased gradually from the current level.

The cumulative amount of capital replacement costs to be recovered from rates and transferred to a separate fund (or spent on capital replacement projects) is shown in Figure 2.11. Also shown in the figure is the total target amount of transfers. The total target amount of transfers, approximately \$155,000,000, is the annual amount (approximately \$3,100,000) times 50 years. The difference between cumulative amount of capital replacement costs to be recovered from rates and the total target amount of transfers reflects a need to either increase capital replacement costs to be recovered from rates in later years, fund some capital projects through issuance of debt, or postpone some capital replacement projects.

Figure 2.11 Water System Fund Balance 2005 - 2055

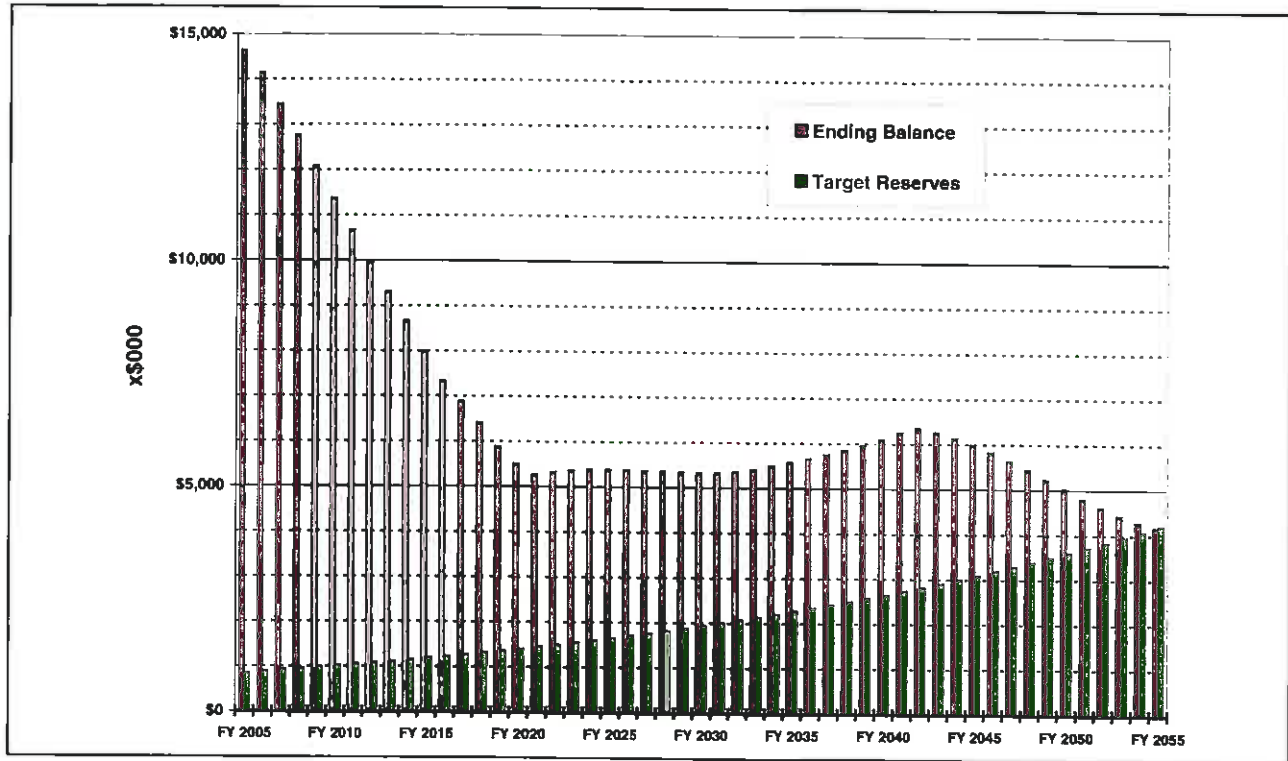


Target Fund Balance

An annual target fund balance was developed (exclusive of those amounts to be transferred to a reserve for capital replacements or spent on capital replacements). The target fund balance has three components – working capital, rate stabilization and emergency. Development of the target fund balance for each year is shown in Table 2.13. The working capital component is for fluctuations in day to day cash received from accounts receivable versus cash paid to accounts payable. The rate stabilization component enables the District to meet cash requirements in times when revenue from water sales is less than planned. The emergency component enables the District to better meet cash requirements during emergencies.

Each component of the target fund balance is additive and reflects the chance that all three situations for which the components are developed may occur simultaneously. The target fund balance and the projected fund balance are shown in Figure 2.12. The projected fund balance is discussed in the next section.

Figure 2.12 Water System Fund Balance Target 2005 - 2055



Projected Fund Balance

The annual amounts of revenues and expenditures described in the previous sections were used in Table 2.14 to develop an annual fund balance. Revenues from water rates and capital replacement costs were adjusted so that the fund balance would approach the target balance. The main categories of revenues (from water rates, interest, and other operating) and expenditures (salaries and labor costs, other operating costs, capital replacement and debt service) are shown in Figure 2.13 along with the ensuing fund balance.

The annual amounts of revenues and expenditures from FY 2006 through FY 2055 for each main category were added and are summarized in Table 2.15. The significant points to be derived from the summary are:

- O&M expenditures (salaries, labor and other operating costs) are 71% of all expenditures
- Capital replacement expenditures (about \$120,000,000) are 26% of all expenditures
- Revenue from water rates is 93% of all revenue

Figure 2.13 Water System Fund Balance 2005 - 2055

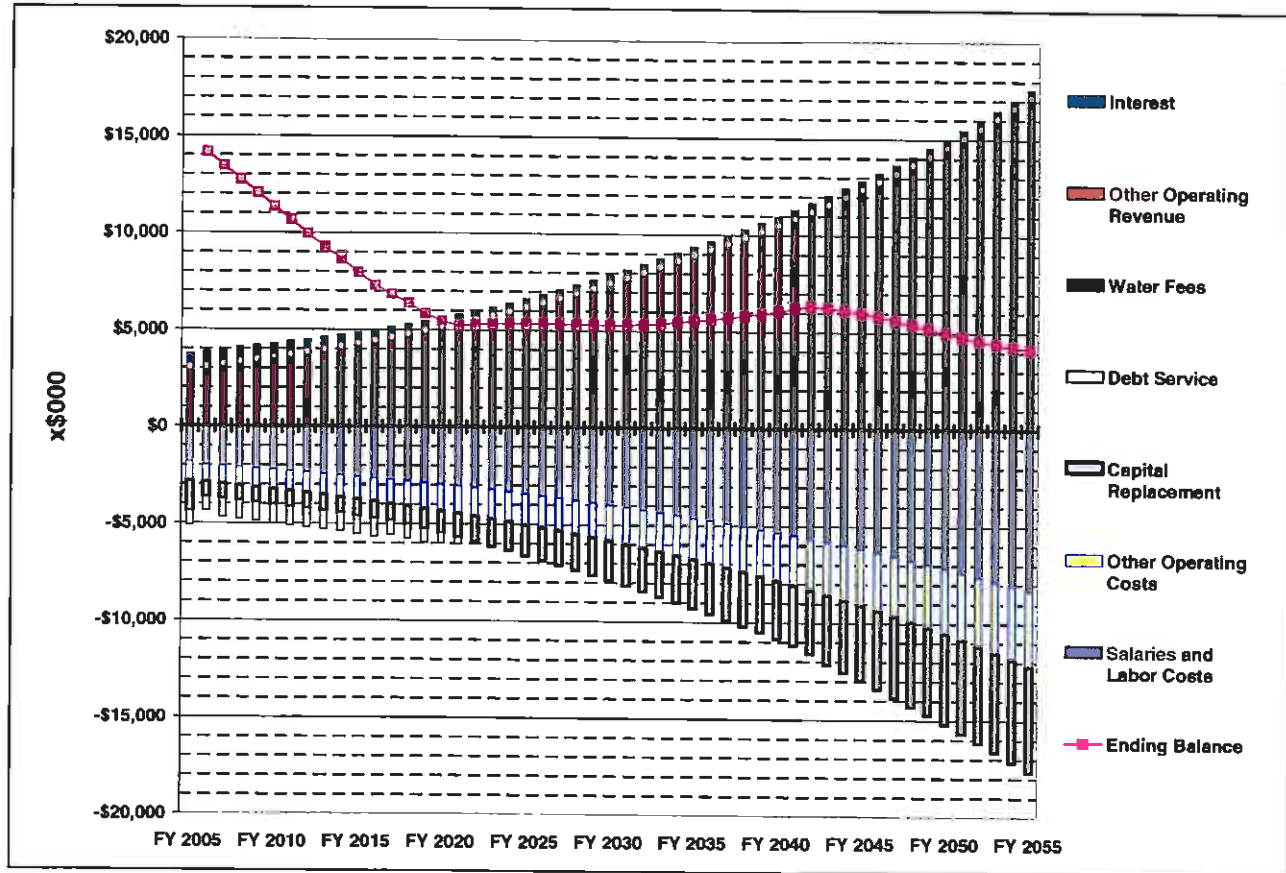


Table 2.15 Water System Fund Balance Summary 2006 - 2055

Balance July 1, 2006	\$14,650,976	
Expenditures		<u>Percent of Total</u>
O&M	\$323,733,000	71%
Debt Service	\$13,312,025	3%
Capital Replacement	\$119,957,526	26%
Total Expenditures	\$457,002,551	100%
Revenues		<u>Percent of Total</u>
Water Rates	\$413,563,761	93%
Interest	\$18,976,650	4%
Other Revenue	\$13,983,186	3%
Total Revenue	\$446,523,597	100%
Net Income	-\$10,478,954	
Balance June 30, 2055	\$4,172,022	

Single Family Water Bills

The impact of the projected water rate increases on the single family customer class were evaluated in Table 2.8. In that table the average bimonthly water bill for a single family customer, with a 5/8-inch water meter and 19 Ccf/two months of water use, is shown. Figure 2.14 shows the annual average bimonthly water bill for a single family customer and the annual percentage increase in water rates.

Trends in the bimonthly water bill mimic trends in expenditures. That is, the annual increase in operating expenditures plus the annual increase in capital replacement costs will produce increases in water bills of a proportional magnitude. The average bimonthly water bill for a single family customer, approximately \$70 in FY 2006, would double about every 20 years.

Figure 2.14 Average Annual Single Family Water Bills 2005 - 2055

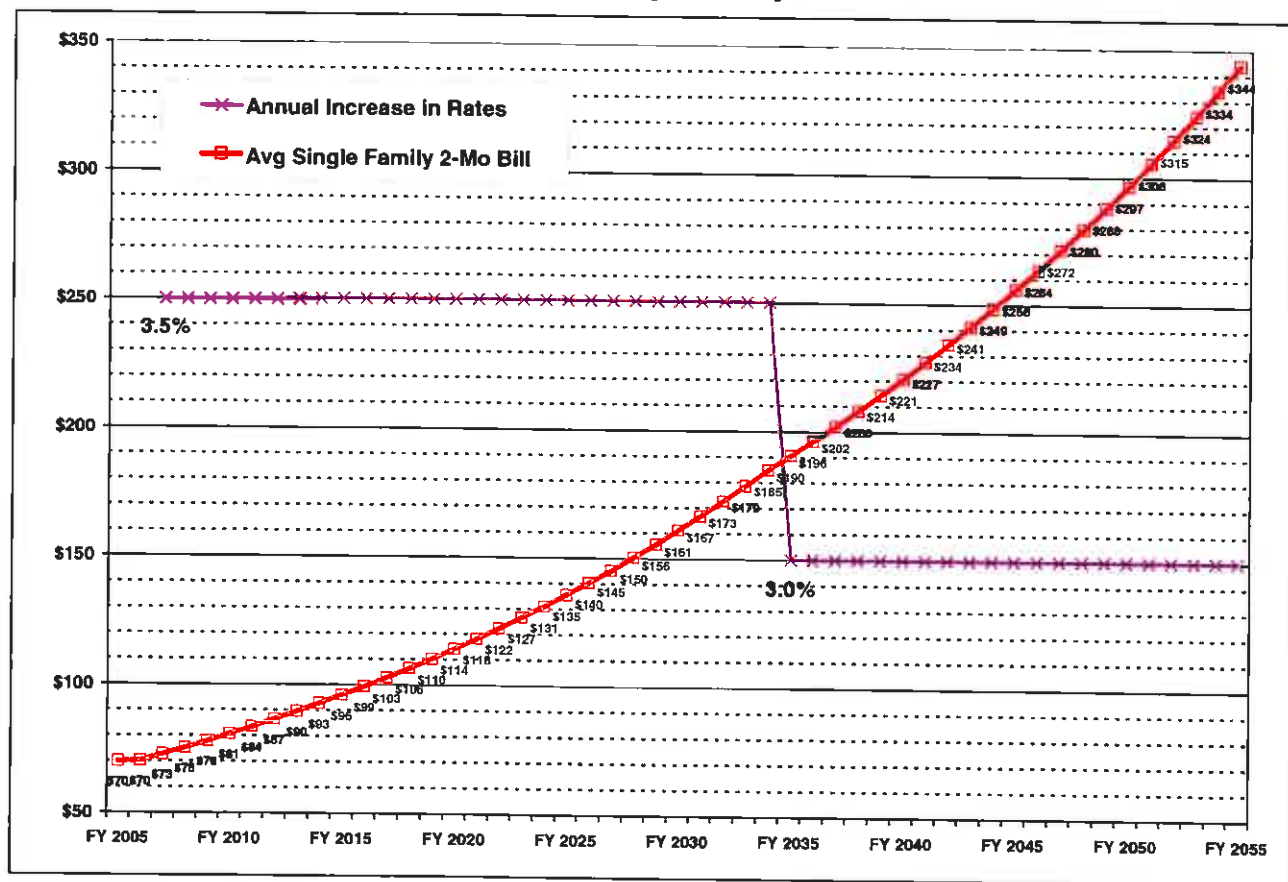


Table 2.1

2006 Water Accounts by Customer Code and Meter Size

Meter Size	Customer Class (a)(b)(c)										Total	Total Less "FS" & Less "V"
	Residential R	Multi-Family Residential MR	Commercial C	Institutional Government I	Landscape L	Private Mutuals PM	Surplus S	Fire Service FS	Other O	Vacant V		
5/8-inch	4,909	9	75	8	6		0	24	0	53	5,084	5,007
5/8A-inch	2	308	10	1							321	321
5/8B-inch		6	1			1					8	8
5/8C-inch		1									1	1
3/4-inch	104	1	1								106	106
3/4A-inch		3									3	3
1-inch	57	35	11	4	3					1	111	110
1A-inch						1					1	1
1B-inch		1									1	1
1F-inch	90	1		1							92	92
1-1/2-inch		5	4	3	1			2			15	13
1-1/2A-inch		1									1	1
1-1/2C-inch											0	0
1-1/2F-inch	1									3	4	1
1-1/2G-inch	1										1	1
1-1/2S-inch						1					1	1
2-inch		6	3	7	1	1		1	0		19	18
2A-inch		1									1	1
2G-inch				1							1	1
3-inch		1		1							2	2
4-inch											0	0
Total	5,164	379	105	26	11	4	0	27	0	57	5,773	5,689
Percent of Total	89.5%	6.6%	1.8%	0.5%	0.2%	0.1%	0.0%	0.5%	0.0%	1.0%	100.0%	98.5%

Source: "Meters In Ground by User Code" report dated May 24, 2006.

Notes:

a. The number of accounts does not include fire service meters that are not coded "FS"; meters that serve District property; or meters for interties. These meters are listed below.

	Multi-Family Residential	Residential	Commercial	Institutional Government	Landscape	Private Mutuals	Surplus	Fire Service	Other	Vacant
<u>Fire Service</u>										
5/8-inch	1			5						
<u>District Property</u>										
5/8-inch									5	
<u>Interties</u>										
2-inch									5	

b. The number of 5/8-inch Residential meters is net of 41 future meters for Manana Woods.

c. The number of 5/8-inch Surplus meters is net of all 37 meters (leaving 0 meters). Surplus water for each account is from a master meter at the water distribution site.

Table 2.2
Projected Water Accounts
by Meter Category

Meter Size	Est		Projected (a)																								
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
5/8-inch	5,007	5,057	5,082	5,107	5,133	5,159	5,185	5,211	5,237	5,263	5,289	5,315	5,342	5,369	5,396	5,423	5,450	5,477	5,504	5,532	5,560	5,588	5,616	5,644	5,672		
5/8A-inch	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321		
5/8B-inch	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8		
5/8C-inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
3/4-inch	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106		
3/4A-inch	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3		
1-inch	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110		
1A-inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
1B-inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
1F-inch	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92		
1-1/2-inch	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13		
1-1/2A-inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
1-1/2C-inch	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
1-1/2F-inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
1-1/2G-inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
1-1/2S-inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
2-inch	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18		
2A-inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
2G-inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
3-inch	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		
4-inch	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total	5,689	5,739	5,764	5,789	5,815	5,841	5,867	5,893	5,919	5,945	5,971	5,997	6,024	6,051	6,078	6,105	6,132	6,159	6,186	6,214	6,242	6,270	6,298	6,326	6,354		
Annual Increase		50	25	25	26	26	26	26	26	26	26	26	27	27	27	27	27	27	27	28	28	28	28	28	28		
Notes:																											
a. Annual percent																											
Increase estimates:																											
5/8-inch	1.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%		
3/4-inch	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%		
1-inch	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%		
All Others	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%		

Table 2.2
Projected Water Account
by Meter Category

Meter Size	Projected (a)																									
	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	
5/8-Inch	5,700	5,729	5,758	5,787	5,816	5,845	5,874	5,903	5,933	5,963	5,993	6,023	6,053	6,083	6,113	6,144	6,175	6,206	6,237	6,268	6,299	6,330	6,362	6,394	6,426	
5/8A-Inch	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	321	
5/8B-Inch	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
5/8C-Inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
3/4-Inch	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	
3/4A-Inch	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	
1-Inch	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	
1A-Inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
1B-Inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
1F-Inch	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	
1-1/2-Inch	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	
1-1/2A-Inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
1-1/2C-Inch	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1-1/2F-Inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
1-1/2G-Inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
1-1/2S-Inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
2-Inch	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	
2A-Inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
2G-Inch	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
3-Inch	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
4-Inch	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	6,382	6,411	6,440	6,469	6,498	6,527	6,556	6,585	6,615	6,645	6,675	6,705	6,735	6,765	6,795	6,826	6,857	6,888	6,919	6,950	6,981	7,012	7,044	7,076	7,108	
Annual Increase	28	29	29	29	29	29	29	29	30	30	30	30	30	30	30	31	31	31	31	31	31	31	32	32	32	
Notes:																										
a. Annual percent																										
Increase estimates:																										
5/8-Inch	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
3/4-Inch	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
1-inch	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
All Others	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	

Table 2.3

FY 05/06 Water Sales and Revenue

	Water Sales, Ccf		Rate	Estimated	
	Percent (a)	Sales (b)	\$/Ccf	Revenue	
Residential					
First 10 units	45.9%	262,854	1.75	\$459,995	0.378822642
11 - 40 units	40.0%	229,217	2.30	\$527,199	0.434167332
41 - 100 units	10.9%	62,670	2.75	\$172,343	0.141930287
101 - 200 units	2.2%	12,515	3.00	\$37,544	0.030918926
Over 200 units	<u>0.9%</u>	<u>5,291</u>	3.25	<u>\$17,195</u>	0.014160813
	100.0%	572,547		\$1,214,276	< Usage Rates Revenue
				<u>\$999,257</u>	< Basic Rates Revenue
				\$2,213,534	< Basic + Usage Rates Revenue
	Water Sales, Ccf		Rate	Estimated	
	Percent (a)	Sales (b)	\$/Ccf	Revenue	
Multi-Residential					
First 10 units	19.0%	20,764	1.75	\$36,337	
11 - 40 units	27.0%	29,459	2.30	\$67,756	
41 - 100 units	11.2%	12,234	2.75	\$33,643	
101 - 200 units	6.1%	6,675	3.00	\$20,025	
Over 200 units	<u>36.7%</u>	<u>40,167</u>	3.25	<u>\$130,543</u>	
	100.0%	109,299		\$288,304	< Usage Rates Revenue
				<u>\$133,267</u>	< Basic Rates Revenue
				\$421,571	< Basic + Usage Rates Revenue
	Water Sales, Ccf		Rate	Estimated	
	Percent (a)	Sales (b)	\$/Ccf	Revenue	
Commercial					
First 10 units	18.0%	4,437	1.75	\$7,765	
11 - 40 units	26.7%	6,585	2.30	\$15,146	
41 - 100 units	17.0%	4,195	2.75	\$11,536	
101 - 200 units	10.5%	2,592	3.00	\$7,776	
Over 200 units	<u>27.8%</u>	<u>6,873</u>	3.25	<u>\$22,338</u>	
	100.0%	24,682		\$64,560	< Usage Rates Revenue
				<u>\$27,694</u>	< Basic Rates Revenue
				\$92,254	< Basic + Usage Rates Revenue
	Water Sales, Ccf		Rate	Estimated	
	Percent (a)	Sales (b)	\$/Ccf	Revenue	
Inst-Government					
First 10 units	5.8%	1,509	1.75	\$2,641	
11 - 40 units	11.7%	3,046	2.30	\$7,005	
41 - 100 units	17.0%	4,431	2.75	\$12,186	
101 - 200 units	20.1%	5,260	3.00	\$15,780	
Over 200 units	<u>45.5%</u>	<u>11,883</u>	3.25	<u>\$38,620</u>	
	100.0%	26,129		\$76,232	< Usage Rates Revenue
				<u>\$14,726</u>	< Basic Rates Revenue
				\$90,957	< Basic + Usage Rates Revenue
	Water Sales, Ccf		Rate	Estimated	
	Percent (a)	Sales (b)	\$/Ccf	Revenue	
Landscape					
First 10 units	6.6%	493	1.75	\$863	
11 - 40 units	12.0%	896	2.30	\$2,060	
41 - 100 units	13.0%	965	2.75	\$2,654	
101 - 200 units	11.6%	864	3.00	\$2,591	
Over 200 units	<u>56.8%</u>	<u>4,233</u>	3.25	<u>\$13,758</u>	
	100.0%	7,451		\$21,927	< Usage Rates Revenue
				<u>\$3,795</u>	< Basic Rates Revenue
				\$25,721	< Basic + Usage Rates Revenue

Table 2.3

FY 05/06 Water Sales and Revenue

	Water Sales, Ccf		Rate	Estimated	
	Percent (a)	Sales (b)	\$/Ccf	Revenue	
Private Mutuals					
First 10 units	2.0%	190	1.75	\$332	
11 - 40 units	6.1%	569	2.30	\$1,309	
41 - 100 units	12.2%	1,138	2.75	\$3,130	
101 - 200 units	14.9%	1,389	3.00	\$4,166	
Over 200 units	<u>64.7%</u>	<u>6,021</u>	3.25	<u>\$19,569</u>	
	100.0%	9,307		\$28,506	< Usage Rates Revenue
				<u>\$4,377</u>	< Basic Rates Revenue
				\$32,883	< Basic + Usage Rates Revenue
Surplus					
	Water Sales, Ccf		Rate	Estimated	
	Percent (a)	Sales (b)	\$/Ccf	Revenue	
First 10 units	69.9%	110	1.75	\$192	
11 - 40 units	30.1%	47	2.30	\$109	
41 - 100 units	0.0%	0	2.75	\$0	
101 - 200 units	0.0%	0	3.00	\$0	
Over 200 units	<u>0.0%</u>	<u>0</u>	3.25	<u>\$0</u>	
	100.0%	157		\$301	< Usage Rates Revenue
				<u>\$0</u>	< Basic Rates Revenue
				\$301	< Basic + Usage Rates Revenue
TOTAL					
	Water Sales, Ccf		Rate	Estimated	
	Percent (a)	Sales (b)	\$/Ccf	Revenue	
First 10 units	38.7%	290,357	1.75	\$508,125	
11 - 40 units	36.0%	269,819	2.30	\$620,584	
41 - 100 units	11.4%	85,634	2.75	\$235,492	
101 - 200 units	3.9%	29,294	3.00	\$87,882	
Over 200 units	<u>9.9%</u>	<u>74,469</u>	3.25	<u>\$242,023</u>	
	100.0%	749,572		\$1,694,105	< Usage Rates Revenue
				<u>\$1,183,115</u>	< Basic Rates Revenue
				\$2,877,220	< Basic + Usage Rates Revenue

Notes:

a. Percentages were based on water sales data for the time period May 2005 - April 2006. Detailed data is included in Appendix D.

b. Water sales totals for each customer class were provided by the District from the monthly "control report by user code".

The totals amounts were then distributed among tiers based on the percentages for each tier.

Source:

Metered Sales was provided by the District

Usage in each tier was estimated for each customer class and Salesd to develop estimated revenue.

Table 2.4
Projected Water Sales
(Ccf)

[illegible]

Notes:

a. Annual percent increase >

Table 2.4
Projected Water Sales
(Ccf)

Customer Class	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Residential																									
First 10 units	291	292	293	294	294	295	296	297	298	299	300	301	302	302	303	304	305	306	307	308	309	310	311	312	313
11 - 40 units	254	254	255	256	257	258	258	259	260	261	261	262	263	264	265	265	266	267	268	269	269	270	271	272	273
41 - 100 units	69	70	70	70	70	70	71	71	71	71	71	72	72	72	72	73	73	73	73	74	74	74	74	75	
101 - 200 units	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	15	15	15	15	15	15	15	15	15
Over 200 units	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Multi-Residential																									
First 10 units	23.0	23.1	23.1	23.2	23.3	23.3	23.4	23.5	23.5	23.6	23.7	23.8	23.8	23.9	24.0	24.0	24.1	24.2	24.3	24.3	24.4	24.5	24.5	24.6	24.7
11 - 40 units	32.8	32.7	32.8	32.9	33.0	33.1	33.2	33.3	33.4	33.5	33.6	33.7	33.8	33.9	34.0	34.1	34.2	34.3	34.4	34.5	34.6	34.7	34.8	34.9	35.0
41 - 100 units	13.5	13.6	13.6	13.7	13.7	13.7	13.8	13.8	13.9	13.9	14.0	14.0	14.0	14.1	14.1	14.2	14.2	14.3	14.3	14.4	14.4	14.5	14.5	14.5	14.5
101 - 200 units	7.4	7.4	7.4	7.5	7.5	7.5	7.5	7.5	7.6	7.6	7.6	7.6	7.7	7.7	7.7	7.7	7.8	7.8	7.8	7.8	7.9	7.9	7.9	7.9	7.9
Over 200 units	44.5	44.6	44.7	44.9	45.0	45.1	45.3	45.4	45.5	45.7	45.8	45.9	46.1	46.2	46.4	46.5	46.6	46.8	46.9	47.1	47.2	47.3	47.5	47.6	47.8
Commercial																									
First 10 units	4.9	4.9	4.9	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.1	5.1	5.1	5.1	5.1	5.1	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.3	5.3
11 - 40 units	7.3	7.3	7.3	7.4	7.4	7.4	7.4	7.4	7.5	7.5	7.5	7.6	7.6	7.6	7.6	7.6	7.6	7.7	7.7	7.7	7.7	7.8	7.8	7.8	7.8
41 - 100 units	4.6	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.9	4.9	4.9	4.9	4.9	5.0	5.0	5.0	5.0
101 - 200 units	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.1
Over 200 units	7.6	7.6	7.7	7.7	7.7	7.7	7.7	7.8	7.8	7.8	7.8	7.9	7.9	7.9	7.9	8.0	8.0	8.0	8.0	8.1	8.1	8.1	8.1	8.1	8.2
Inst-Government																									
First 10 units	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
11 - 40 units	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.6	3.6	3.6	3.6	3.6	3.6	3.6
41 - 100 units	4.9	4.9	4.9	4.9	5.0	5.0	5.0	5.0	5.0	5.0	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.2	5.2	5.2	5.2	5.2	5.2	5.3	5.3
101 - 200 units	5.8	5.8	5.9	5.9	5.9	5.9	5.9	5.9	6.0	6.0	6.0	6.0	6.0	6.1	6.1	6.1	6.1	6.1	6.1	6.2	6.2	6.2	6.2	6.2	6.3
Over 200 units	13.2	13.2	13.2	13.3	13.3	13.4	13.4	13.4	13.5	13.5	13.6	13.6	13.6	13.7	13.7	13.8	13.8	13.8	13.9	13.9	14.0	14.0	14.0	14.1	14.1
Landscape																									
First 10 units	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
11 - 40 units	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1
41 - 100 units	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
101 - 200 units	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Over 200 units	4.7	4.7	4.7	4.7	4.7	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.9	4.9	4.9	4.9	4.9	4.9	4.9	5.0	5.0	5.0	5.0	5.0	5.0
Private Mutuals																									
First 10 units	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
11 - 40 units	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
41 - 100 units	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4
101 - 200 units	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7
Over 200 units	6.7	6.7	6.7	6.7	6.7	6.8	6.8	6.8	6.8	6.8	6.9	6.9	6.9	6.9	6.9	7.0	7.0	7.0	7.0	7.1	7.1	7.1	7.1	7.1	7.2
Surplus																									
First 10 units	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
11 - 40 units	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
41 - 100 units	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
101 - 200 units	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Over 200 units	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL																									
First 10 units	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345
11 - 40 units	299	300	300	301	302	303	304	305	306	307	308	309	310	310	311	312	313	314	315	316	317	318	319	320	321
41 - 100 units	95	95	95	96	96	96	96	97	97	97	98	98	98	99	99	99	99	100	100	100	101	101	101	102	102
101 - 200 units	32	33	33	33	33	33	33	33	33	33	33	34	34	34	34	34	34	34	34	34	34	35	35	35	35
Over 200 units	82	83	83	83	83	84	84	84	84	85	85	85	85	86	86	86	86	87	87	87	88	88	88	88	89
All units	830	832	835	837	840	842	845	847	850	852	855	857	860	863	865	868	870	873	876	878	881	883	886	889	891
AVG/ACCT/2-MO	21.7	21.6	21.6	21.6	21.5	21.5	21.5	21.4	21.4	21.4	21.3	21.3	21.3	21.3	21.2	21.2	21.2	21.1	21.1	21.1	21.0	21.0	21.0	20.9	20.9
Notes:																									
a. Annual percent Increase >	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%

Table 2.5
Projected Water Rates

Meter Size	Act 2005	Act 2006	Projected 2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Basic, \$/2-mo. (a)																	
5/8-inch	\$31.90	\$32.20	\$33.33	\$34.50	\$35.71	\$36.96	\$38.25	\$39.59	\$40.98	\$42.41	\$43.89	\$45.43	\$47.02	\$48.67	\$50.37	\$52.13	\$53.95
5/8A-inch	53.05	53.60	55.48	57.42	59.43	61.51	63.66	65.89	68.20	70.59	73.06	75.62	78.27	81.01	83.85	86.78	89.82
5/8B-inch	106.90	108.00	111.78	115.69	119.74	123.93	128.27	132.76	137.41	142.22	147.20	152.35	157.68	163.20	168.91	174.82	180.94
5/8C-inch	170.25	171.95	177.97	184.20	190.65	197.32	204.23	211.38	218.78	226.44	234.37	242.57	251.08	259.85	268.94	278.35	288.09
3/4-inch	31.90	32.20	33.33	34.50	35.71	36.96	38.25	39.59	40.98	42.41	43.89	45.43	47.02	48.67	50.37	52.13	53.95
3/4A-inch	53.05	53.60	55.48	57.42	59.43	61.51	63.66	65.89	68.20	70.59	73.06	75.62	78.27	81.01	83.85	86.78	89.82
1-Inch	53.60	53.60	55.48	57.42	59.43	61.51	63.66	65.89	68.20	70.59	73.06	75.62	78.27	81.01	83.85	86.78	89.82
1A-inch	106.90	108.00	111.78	115.69	119.74	123.93	128.27	132.76	137.41	142.22	147.20	152.35	157.68	163.20	168.91	174.82	180.94
1B-inch	170.25	171.95	177.97	184.20	190.65	197.32	204.23	211.38	218.78	226.44	234.37	242.57	251.06	259.85	268.94	278.35	288.09
1F-inch	31.90	32.20	33.33	34.50	35.71	36.96	38.25	39.59	40.98	42.41	43.89	45.43	47.02	48.67	50.37	52.13	53.95
1-1/2-inch	106.90	108.00	111.78	115.69	119.74	123.93	128.27	132.76	137.41	142.22	147.20	152.35	157.68	163.20	168.91	174.82	180.94
1-1/2A-inch	170.25	171.95	177.97	184.20	190.65	197.32	204.23	211.38	218.78	226.44	234.37	242.57	251.06	259.85	268.94	278.35	288.09
1-1/2C-inch	531.60	536.90	555.69	575.14	595.27	616.10	637.66	659.98	683.08	706.99	731.73	757.34	783.85	811.28	839.67	869.06	899.48
1-1/2F-inch	53.05	53.60	55.48	57.42	59.43	61.51	63.66	65.89	68.20	70.59	73.06	75.62	78.27	81.01	83.85	86.78	89.82
1-1/2G-inch	31.90	32.20	33.33	34.50	35.71	36.96	38.25	39.59	40.98	42.41	43.89	45.43	47.02	48.67	50.37	52.13	53.95
1-1/2S-inch	340.50	343.90	355.94	368.40	381.29	394.64	408.45	422.75	437.55	452.86	468.71	485.11	502.09	519.66	537.85	556.67	576.15
2-inch	170.25	171.95	177.97	184.20	190.65	197.32	204.23	211.38	218.78	226.44	234.37	242.57	251.06	259.85	268.94	278.35	288.09
2A-inch	319.40	322.60	333.89	345.58	357.68	370.20	383.16	396.57	410.45	424.82	439.69	455.08	471.01	487.50	504.56	522.22	540.50
2G-inch	53.05	53.60	55.48	57.42	59.43	61.51	63.66	65.89	68.20	70.59	73.06	75.62	78.27	81.01	83.85	86.78	89.82
3-inch	319.40	322.60	333.89	345.58	357.68	370.20	383.16	396.57	410.45	424.82	439.69	455.08	471.01	487.50	504.56	522.22	540.50
4-Inch	531.60	536.90	555.69	575.14	595.27	616.10	637.66	659.98	683.08	706.99	731.73	757.34	783.85	811.28	839.67	869.06	899.48
Usage \$/Ccf, (b)																	
First 10 units	1.75	1.75	1.81	1.87	1.94	2.01	2.08	2.15	2.23	2.31	2.39	2.47	2.56	2.65	2.74	2.84	2.94
11 - 40 units	2.30	2.30	2.38	2.46	2.55	2.64	2.73	2.83	2.93	3.03	3.14	3.25	3.36	3.48	3.60	3.73	3.86
41 - 100 units	2.75	2.75	2.85	2.95	3.05	3.16	3.27	3.38	3.50	3.62	3.75	3.88	4.02	4.16	4.31	4.46	4.62
101 - 200 units	3.00	3.00	3.11	3.22	3.33	3.45	3.57	3.69	3.82	3.95	4.09	4.23	4.38	4.53	4.69	4.85	5.02
Over 200 units	3.25	3.25	3.36	3.48	3.60	3.73	3.86	4.00	4.14	4.28	4.43	4.59	4.75	4.92	5.09	5.27	5.45
Notes:																	
a. Annual percent Increase estimates for Basic rates:			3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
b. Annual percent Increase estimates for Usage rates:																	
First 10 units			3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
11 - 40 units			3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
41 - 100 units			3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
101 - 200 units			3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Over 200 units			3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

Table 2.5
Projected Water Rates

Meter Size	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Basic, \$/2-mo. (a)																	
5/8-Inch	\$55.84	\$57.79	\$59.81	\$61.90	\$64.07	\$66.31	\$68.63	\$71.03	\$73.52	\$76.09	\$78.75	\$81.51	\$84.38	\$86.89	\$89.50	\$92.19	\$94.96
5/8A-Inch	92.96	96.21	99.58	103.07	106.68	110.41	114.27	118.27	122.41	126.69	131.12	135.71	140.46	144.67	149.01	153.48	158.08
5/8B-Inch	187.27	193.82	200.60	207.62	214.89	222.41	230.19	238.25	246.59	255.22	264.15	273.40	282.97	291.46	300.20	309.21	318.49
5/8C-Inch	298.17	308.61	319.41	330.59	342.16	354.14	366.53	379.36	392.64	406.38	420.60	435.32	450.56	464.08	478.00	492.34	507.11
3/4-Inch	55.84	57.79	59.81	61.90	64.07	66.31	68.63	71.03	73.52	76.09	78.75	81.51	84.38	86.89	89.50	92.19	94.96
3/4A-Inch	92.96	96.21	99.58	103.07	106.68	110.41	114.27	118.27	122.41	126.69	131.12	135.71	140.46	144.67	149.01	153.48	158.08
1-Inch	92.96	96.21	99.58	103.07	106.68	110.41	114.27	118.27	122.41	126.69	131.12	135.71	140.46	144.67	149.01	153.48	158.08
1A-Inch	187.27	193.82	200.60	207.62	214.89	222.41	230.19	238.25	246.59	255.22	264.15	273.40	282.97	291.46	300.20	309.21	318.49
1B-Inch	298.17	308.61	319.41	330.59	342.16	354.14	366.53	379.36	392.64	406.38	420.60	435.32	450.56	464.08	478.00	492.34	507.11
1F-Inch	55.84	57.79	59.81	61.90	64.07	66.31	68.63	71.03	73.52	76.09	78.75	81.51	84.38	86.89	89.50	92.19	94.96
1-1/2-Inch	187.27	193.82	200.60	207.62	214.89	222.41	230.19	238.25	246.59	255.22	264.15	273.40	282.97	291.46	300.20	309.21	318.49
1-1/2A-Inch	298.17	308.61	319.41	330.59	342.16	354.14	366.53	379.36	392.64	406.38	420.60	435.32	450.56	464.08	478.00	492.34	507.11
1-1/2C-Inch	930.96	963.54	997.26	1,032.16	1,068.29	1,105.68	1,144.38	1,184.43	1,225.89	1,268.80	1,313.21	1,359.17	1,406.74	1,448.94	1,492.41	1,537.18	1,583.30
1-1/2F-Inch	92.96	96.21	99.58	103.07	106.68	110.41	114.27	118.27	122.41	126.69	131.12	135.71	140.46	144.67	149.01	153.48	158.08
1-1/2G-Inch	55.84	57.79	59.81	61.90	64.07	66.31	68.63	71.03	73.52	76.09	78.75	81.51	84.38	86.89	89.50	92.19	94.96
1-1/2S-Inch	596.32	617.19	638.79	661.15	684.29	708.24	733.03	758.69	785.24	812.72	841.17	870.61	901.08	928.11	955.95	984.63	1,014.17
2-Inch	298.17	308.61	319.41	330.59	342.16	354.14	366.53	379.36	392.64	406.38	420.60	435.32	450.56	464.08	478.00	492.34	507.11
2A-Inch	559.42	579.00	599.27	620.24	641.95	664.42	687.67	711.74	736.65	762.43	789.12	816.74	845.33	870.69	896.81	923.71	951.42
2G-Inch	92.96	96.21	99.58	103.07	106.68	110.41	114.27	118.27	122.41	126.69	131.12	135.71	140.46	144.67	149.01	153.48	158.08
3-Inch	559.42	579.00	599.27	620.24	641.95	664.42	687.67	711.74	736.65	762.43	789.12	816.74	845.33	870.69	896.81	923.71	951.42
4-Inch	930.96	963.54	997.26	1,032.16	1,068.29	1,105.68	1,144.38	1,184.43	1,225.89	1,268.80	1,313.21	1,359.17	1,406.74	1,448.94	1,492.41	1,537.18	1,583.30
Usage \$/Ccf, (b)																	
First 10 units	3.04	3.15	3.26	3.37	3.49	3.61	3.74	3.87	4.01	4.15	4.30	4.45	4.61	4.75	4.89	5.04	5.19
11 - 40 units	4.00	4.14	4.28	4.43	4.59	4.75	4.92	5.09	5.27	5.45	5.64	5.84	6.04	6.22	6.41	6.60	6.80
41 - 100 units	4.78	4.95	5.12	5.30	5.49	5.68	5.88	6.09	6.30	6.52	6.75	6.99	7.23	7.45	7.67	7.90	8.14
101 - 200 units	5.20	5.38	5.57	5.76	5.96	6.17	6.39	6.61	6.84	7.08	7.33	7.59	7.86	8.10	8.34	8.59	8.85
Over 200 units	5.64	5.84	6.04	6.25	6.47	6.70	6.93	7.17	7.42	7.68	7.95	8.23	8.52	8.78	9.04	9.31	9.59
Notes:																	
a. Annual percent increase estimates																	
for Basic rates:	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%
b. Annual percent increase estimates																	
for Usage rates:	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%
First 10 units	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%
11 - 40 units	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%
41 - 100 units	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%
101 - 200 units	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%
Over 200 units	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%

Table 2.5
Projected Water Rates

Meter Size	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Basic, \$/2-mo. (a)																	
5/8-Inch	\$97.81	\$100.74	\$103.76	\$106.87	\$110.08	\$113.38	\$116.78	\$120.28	\$123.89	\$127.61	\$131.44	\$135.38	\$139.44	\$143.62	\$147.93	\$152.37	\$156.94
5/8A-Inch	162.82	167.70	172.73	177.91	183.25	188.75	194.41	200.24	206.25	212.44	218.81	225.37	232.13	239.09	246.26	253.65	261.26
5/8B-Inch	328.04	337.88	348.02	358.46	369.21	380.29	391.70	403.45	415.55	428.02	440.86	454.09	467.71	481.74	496.19	511.08	526.41
5/8C-Inch	522.32	537.99	554.13	570.75	587.87	605.51	623.68	642.39	661.66	681.51	701.96	723.02	744.71	767.05	790.06	813.76	838.17
3/4-Inch	97.81	100.74	103.76	106.87	110.08	113.38	116.78	120.28	123.89	127.61	131.44	135.38	139.44	143.62	147.93	152.37	156.94
3/4A-Inch	162.82	167.70	172.73	177.91	183.25	188.75	194.41	200.24	206.25	212.44	218.81	225.37	232.13	239.09	246.26	253.65	261.26
1-Inch	162.82	167.70	172.73	177.91	183.25	188.75	194.41	200.24	206.25	212.44	218.81	225.37	232.13	239.09	246.26	253.65	261.26
1A-Inch	328.04	337.88	348.02	358.46	369.21	380.29	391.70	403.45	415.55	428.02	440.86	454.09	467.71	481.74	496.19	511.08	526.41
1B-Inch	522.32	537.99	554.13	570.75	587.87	605.51	623.68	642.39	661.66	681.51	701.96	723.02	744.71	767.05	790.06	813.76	838.17
1F-Inch	97.81	100.74	103.76	106.87	110.08	113.38	116.78	120.28	123.89	127.61	131.44	135.38	139.44	143.62	147.93	152.37	156.94
1-1/2-Inch	328.04	337.88	348.02	358.46	369.21	380.29	391.70	403.45	415.55	428.02	440.86	454.09	467.71	481.74	496.19	511.08	526.41
1-1/2A-Inch	522.32	537.99	554.13	570.75	587.87	605.51	623.68	642.39	661.66	681.51	701.96	723.02	744.71	767.05	790.06	813.76	838.17
1-1/2C-Inch	1,630.80	1,679.72	1,730.11	1,782.01	1,835.47	1,890.53	1,947.25	2,005.67	2,065.84	2,127.82	2,191.65	2,257.40	2,325.12	2,394.87	2,466.72	2,540.72	2,616.94
1-1/2F-Inch	162.82	167.70	172.73	177.91	183.25	188.75	194.41	200.24	206.25	212.44	218.81	225.37	232.13	239.09	246.26	253.65	261.26
1-1/2G-Inch	97.81	100.74	103.76	106.87	110.08	113.38	116.78	120.28	123.89	127.61	131.44	135.38	139.44	143.62	147.93	152.37	156.94
1-1/2S-Inch	1,044.60	1,075.94	1,108.22	1,141.47	1,175.71	1,210.98	1,247.31	1,284.73	1,323.27	1,362.97	1,403.86	1,445.98	1,489.36	1,534.04	1,580.06	1,627.46	1,676.28
2-Inch	522.32	537.99	554.13	570.75	587.87	605.51	623.68	642.39	661.66	681.51	701.96	723.02	744.71	767.05	790.06	813.76	838.17
2A-Inch	979.96	1,009.36	1,039.64	1,070.83	1,102.95	1,136.04	1,170.12	1,205.22	1,241.38	1,278.62	1,316.98	1,356.49	1,397.18	1,439.10	1,482.27	1,526.74	1,572.54
2G-Inch	162.82	167.70	172.73	177.91	183.25	188.75	194.41	200.24	206.25	212.44	218.81	225.37	232.13	239.09	246.26	253.65	261.26
3-Inch	979.96	1,009.36	1,039.64	1,070.83	1,102.95	1,136.04	1,170.12	1,205.22	1,241.38	1,278.62	1,316.98	1,356.49	1,397.18	1,439.10	1,482.27	1,526.74	1,572.54
4-Inch	1,630.80	1,679.72	1,730.11	1,782.01	1,835.47	1,890.53	1,947.25	2,005.67	2,065.84	2,127.82	2,191.65	2,257.40	2,325.12	2,394.87	2,466.72	2,540.72	2,616.94
Usage \$/Ccf, (b)																	
First 10 units	5.35	5.51	5.68	5.85	6.03	6.21	6.40	6.59	6.79	6.99	7.20	7.42	7.64	7.87	8.11	8.35	8.60
11 - 40 units	7.00	7.21	7.43	7.65	7.88	8.12	8.36	8.61	8.87	9.14	9.41	9.69	9.98	10.28	10.59	10.91	11.24
41 - 100 units	8.38	8.63	8.89	9.16	9.43	9.71	10.00	10.30	10.61	10.93	11.26	11.60	11.95	12.31	12.68	13.06	13.45
101 - 200 units	9.12	9.39	9.67	9.96	10.26	10.57	10.89	11.22	11.56	11.91	12.27	12.64	13.02	13.41	13.81	14.22	14.65
Over 200 units	9.88	10.18	10.49	10.80	11.12	11.45	11.79	12.14	12.50	12.88	13.27	13.67	14.08	14.50	14.94	15.39	15.85
Notes:																	
a. Annual percent increase estimates for Basic rates:	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
b. Annual percent increase estimates for Usage rates:																	
First 10 units	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
11 - 40 units	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
41 - 100 units	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
101 - 200 units	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Over 200 units	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Table 2.6
Basic Rates Revenue
(\$1,000s)

Meter Size	Est 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
5/8-inch	\$961	\$1,011	\$1,052	\$1,094	\$1,138	\$1,184	\$1,232	\$1,281	\$1,333	\$1,386	\$1,442	\$1,499	\$1,560	\$1,623	\$1,688	\$1,755	\$1,826	\$1,899	\$1,975	\$2,055	\$2,137	\$2,223	\$2,313	\$2,405	\$2,502
5/8A-inch	\$103	\$107	\$111	\$114	\$118	\$123	\$127	\$131	\$136	\$141	\$146	\$151	\$156	\$161	\$167	\$173	\$179	\$185	\$192	\$199	\$205	\$213	\$220	\$228	\$236
5/8B-inch	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$11	\$12
5/8C-inch	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2
3/4-inch	\$20	\$21	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$34	\$36	\$37	\$38	\$39	\$41	\$42	\$44	\$45	\$47
3/4A-inch	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2
1-inch	\$35	\$37	\$38	\$39	\$41	\$42	\$43	\$45	\$47	\$48	\$50	\$52	\$53	\$55	\$57	\$59	\$61	\$63	\$66	\$68	\$70	\$73	\$75	\$78	\$81
1A-inch	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
1B-inch	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2
1F-inch	\$18	\$18	\$19	\$20	\$20	\$21	\$22	\$23	\$23	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$34	\$35	\$37	\$38	\$39	\$41
1-1/2-inch	\$8	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$11	\$12	\$12	\$13	\$13	\$14	\$14	\$15	\$15	\$16	\$16	\$17	\$17	\$18	\$19	\$19
1-1/2A-inch	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2
1-1/2C-inch	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1-1/2F-inch	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
1-1/2G-inch	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1-1/2S-inch	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5
2-inch	\$18	\$19	\$20	\$21	\$21	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$34	\$36	\$37	\$38	\$40	\$41	\$42
2A-inch	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4
2G-inch	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
3-inch	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$9	\$9
4-inch	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$1,183	\$1,242	\$1,290	\$1,341	\$1,394	\$1,448	\$1,505	\$1,564	\$1,626	\$1,689	\$1,756	\$1,824	\$1,896	\$1,971	\$2,048	\$2,128	\$2,212	\$2,298	\$2,388	\$2,482	\$2,580	\$2,681	\$2,787	\$2,896	\$3,010

Table 2.6
Basic Rates Revenue
(\$1,000s)

Meter Size	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
5/8-inch	\$2,602	\$2,707	\$2,816	\$2,929	\$3,032	\$3,139	\$3,249	\$3,363	\$3,482	\$3,604	\$3,731	\$3,862	\$3,998	\$4,138	\$4,283	\$4,434	\$4,590	\$4,752	\$4,919	\$5,091	\$5,270	\$5,455	\$5,647	\$5,846	\$6,051
5/8A-inch	\$244	\$253	\$261	\$271	\$279	\$287	\$296	\$304	\$314	\$323	\$333	\$343	\$353	\$364	\$374	\$386	\$397	\$409	\$421	\$434	\$447	\$460	\$474	\$489	\$503
5/8B-inch	\$12	\$13	\$13	\$14	\$14	\$14	\$15	\$15	\$16	\$16	\$17	\$17	\$18	\$18	\$19	\$19	\$20	\$21	\$21	\$22	\$22	\$23	\$24	\$25	\$25
5/8C-inch	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5
3/4-inch	\$48	\$50	\$52	\$54	\$55	\$57	\$59	\$60	\$62	\$64	\$66	\$68	\$70	\$72	\$74	\$76	\$79	\$81	\$84	\$86	\$89	\$91	\$94	\$97	\$100
3/4A-Inch	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5
1-inch	\$84	\$87	\$90	\$93	\$95	\$98	\$101	\$104	\$107	\$111	\$114	\$117	\$121	\$125	\$128	\$132	\$136	\$140	\$144	\$149	\$153	\$158	\$163	\$167	\$172
1A-inch	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3
1B-Inch	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5
1F-Inch	\$42	\$43	\$45	\$47	\$48	\$49	\$51	\$52	\$54	\$56	\$57	\$59	\$61	\$63	\$64	\$66	\$68	\$70	\$73	\$75	\$77	\$79	\$82	\$84	\$87
1-1/2-inch	\$20	\$21	\$21	\$22	\$23	\$23	\$24	\$25	\$26	\$26	\$27	\$28	\$29	\$30	\$31	\$31	\$32	\$33	\$34	\$35	\$36	\$38	\$39	\$40	\$41
1-1/2A-inch	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5
1-1/2C-inch	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1-1/2F-Inch	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2
1-1/2G-Inch	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
1-1/2S-Inch	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$9	\$10	\$10
2-inch	\$44	\$45	\$47	\$49	\$50	\$52	\$53	\$55	\$56	\$58	\$60	\$62	\$63	\$65	\$67	\$69	\$71	\$74	\$76	\$78	\$80	\$83	\$85	\$88	\$91
2A-inch	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$9
2G-Inch	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2
3-inch	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$11	\$12	\$12	\$12	\$13	\$13	\$14	\$14	\$14	\$15	\$15	\$16	\$16	\$17	\$17	\$18	\$18	\$19
4-inch	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$3,128	\$3,251	\$3,379	\$3,512	\$3,633	\$3,757	\$3,886	\$4,019	\$4,158	\$4,300	\$4,448	\$4,600	\$4,758	\$4,921	\$5,090	\$5,265	\$5,446	\$5,633	\$5,827	\$6,027	\$6,233	\$6,447	\$6,669	\$6,898	\$7,135

Table 2.7
Usage Rates Revenue
(\$1,000s)

Customer Class	Est 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Residential																									
First 10 units	\$460	\$490	\$508	\$528	\$549	\$570	\$591	\$615	\$639	\$663	\$687	\$714	\$741	\$769	\$799	\$830	\$861	\$895	\$929	\$963	\$1,000	\$1,038	\$1,078	\$1,119	\$1,163
11 - 40 units	\$527	\$562	\$583	\$606	\$629	\$652	\$678	\$704	\$731	\$759	\$788	\$817	\$849	\$881	\$916	\$950	\$988	\$1,025	\$1,063	\$1,104	\$1,147	\$1,191	\$1,237	\$1,284	\$1,333
41 - 100 units	\$172	\$184	\$191	\$198	\$206	\$214	\$221	\$230	\$239	\$248	\$257	\$267	\$278	\$288	\$299	\$311	\$323	\$335	\$348	\$361	\$375	\$389	\$404	\$420	\$436
101 - 200 units	\$38	\$40	\$42	\$43	\$45	\$47	\$48	\$50	\$52	\$54	\$56	\$58	\$60	\$63	\$65	\$67	\$70	\$73	\$76	\$78	\$81	\$84	\$88	\$91	\$94
Over 200 units	\$17	\$18	\$19	\$20	\$21	\$21	\$22	\$23	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$35	\$36	\$37	\$39	\$40	\$42	\$43
Multi-Residential																									
First 10 units	\$36	\$39	\$40	\$42	\$43	\$45	\$47	\$49	\$50	\$52	\$54	\$56	\$59	\$61	\$63	\$66	\$68	\$71	\$73	\$76	\$79	\$82	\$85	\$88	\$92
11 - 40 units	\$68	\$72	\$75	\$78	\$81	\$84	\$87	\$91	\$94	\$98	\$101	\$105	\$109	\$113	\$118	\$122	\$127	\$132	\$137	\$142	\$147	\$153	\$159	\$165	\$171
41 - 100 units	\$34	\$36	\$37	\$39	\$40	\$42	\$43	\$45	\$47	\$48	\$50	\$52	\$54	\$56	\$58	\$61	\$63	\$65	\$68	\$70	\$73	\$76	\$79	\$82	\$85
101 - 200 units	\$20	\$21	\$22	\$23	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$35	\$36	\$37	\$39	\$40	\$42	\$43	\$45	\$47	\$49	\$50
Over 200 units	\$131	\$139	\$144	\$150	\$156	\$162	\$168	\$174	\$181	\$188	\$195	\$202	\$210	\$218	\$227	\$235	\$244	\$253	\$263	\$273	\$283	\$294	\$305	\$317	\$329
Commercial																									
First 10 units	\$8	\$8	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$12	\$12	\$13	\$13	\$13	\$14	\$15	\$15	\$16	\$16	\$17	\$18	\$18	\$19	\$20
11 - 40 units	\$15	\$16	\$17	\$17	\$18	\$19	\$19	\$20	\$21	\$22	\$23	\$23	\$24	\$25	\$26	\$27	\$28	\$29	\$31	\$32	\$33	\$34	\$36	\$37	\$38
41 - 100 units	\$12	\$12	\$13	\$13	\$14	\$14	\$15	\$15	\$16	\$17	\$17	\$18	\$19	\$19	\$20	\$21	\$22	\$22	\$23	\$24	\$25	\$26	\$27	\$28	\$29
101 - 200 units	\$8	\$8	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$12	\$12	\$12	\$13	\$13	\$14	\$15	\$15	\$16	\$16	\$17	\$17	\$18	\$19	\$20
Over 200 units	\$22	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$35	\$36	\$37	\$39	\$40	\$42	\$43	\$45	\$47	\$48	\$50	\$52	\$54	\$56
Inst-Government																									
First 10 units	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$7
11 - 40 units	\$7	\$7	\$8	\$8	\$8	\$9	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$12	\$12	\$13	\$13	\$14	\$14	\$15	\$15	\$16	\$16	\$17
41 - 100 units	\$12	\$13	\$14	\$14	\$15	\$15	\$16	\$16	\$17	\$18	\$18	\$19	\$20	\$20	\$21	\$22	\$23	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$31
101 - 200 units	\$16	\$17	\$17	\$18	\$19	\$20	\$20	\$21	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$28	\$29	\$31	\$32	\$33	\$34	\$35	\$37	\$38	\$40
Over 200 units	\$39	\$41	\$43	\$44	\$46	\$48	\$50	\$52	\$53	\$56	\$58	\$60	\$62	\$65	\$67	\$70	\$72	\$75	\$78	\$81	\$84	\$87	\$90	\$94	\$97
Landscape																									
First 10 units	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2
11 - 40 units	\$2	\$2	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5
41 - 100 units	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$7
101 - 200 units	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$7
Over 200 units	\$14	\$15	\$15	\$16	\$16	\$17	\$18	\$18	\$19	\$20	\$21	\$21	\$22	\$23	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$35
Private Mutuals																									
First 10 units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
11 - 40 units	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3
41 - 100 units	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$8	\$8
101 - 200 units	\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$9	\$9	\$9	\$10	\$10	\$10
Over 200 units	\$20	\$21	\$22	\$22	\$23	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$32	\$33	\$34	\$35	\$37	\$38	\$39	\$41	\$42	\$44	\$46	\$47	\$49
Surplus																									
First 10 units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 - 40 units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41 - 100 units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
101 - 200 units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Over 200 units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL																									
First 10 units	\$508	\$541	\$581	\$584	\$607	\$630	\$653	\$679	\$705	\$732	\$759	\$789	\$819	\$849	\$883	\$917	\$951	\$988	\$1,026	\$1,064	\$1,105	\$1,146	\$1,191	\$1,236	\$1,285
11 - 40 units	\$621	\$661	\$686	\$713	\$740	\$768	\$798	\$829	\$860	\$894	\$928	\$962	\$1,000	\$1,037	\$1,078	\$1,119	\$1,163	\$1,207	\$1,252	\$1,299	\$1,350	\$1,402	\$1,456	\$1,511	\$1,569
41 - 100 units	\$235	\$251	\$261	\$271	\$281	\$292	\$303	\$314	\$326	\$339	\$352	\$365	\$379	\$394	\$409	\$425	\$441	\$458	\$475	\$493	\$513	\$532	\$552	\$574	\$595
101 - 200 units	\$88	\$94	\$97	\$101	\$105	\$109	\$113	\$117	\$122	\$128	\$131	\$136	\$141	\$147	\$152	\$158	\$164	\$170	\$177	\$183	\$190	\$198	\$205	\$213	\$221
Over 200 units	\$242	\$258	\$268	\$278	\$289	\$300	\$311	\$323	\$335	\$348	\$362	\$375	\$390	\$405	\$420	\$436	\$452	\$470	\$487	\$506	\$525	\$546	\$566	\$587	\$610
All units	\$1,694	\$1,806	\$1,873	\$1,946	\$2,022	\$2,098	\$2,178	\$2,263	\$2,348	\$2,439	\$2,531	\$2,628	\$2,729	\$2,832	\$2,942	\$3,054	\$3,171	\$3,294	\$3,417	\$3,546	\$3,683	\$3,823	\$3,971	\$4,121	\$4,280

Table 2.7
Usage Rates Revenue
(\$1,000s)

Customer Class	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Residential																									
First 10 units	\$1,207	\$1,255	\$1,302	\$1,353	\$1,399	\$1,444	\$1,493	\$1,542	\$1,594	\$1,647	\$1,703	\$1,759	\$1,818	\$1,878	\$1,942	\$2,005	\$2,072	\$2,140	\$2,211	\$2,285	\$2,360	\$2,438	\$2,520	\$2,602	\$2,688
11 - 40 units	\$1,383	\$1,435	\$1,490	\$1,546	\$1,597	\$1,651	\$1,705	\$1,762	\$1,819	\$1,879	\$1,942	\$2,006	\$2,072	\$2,142	\$2,212	\$2,285	\$2,361	\$2,440	\$2,519	\$2,602	\$2,688	\$2,777	\$2,870	\$2,965	\$3,064
41 - 100 units	\$452	\$470	\$488	\$506	\$523	\$540	\$558	\$577	\$595	\$615	\$635	\$657	\$678	\$700	\$723	\$747	\$772	\$798	\$824	\$852	\$880	\$909	\$939	\$970	\$1,002
101 - 200 units	\$98	\$102	\$106	\$110	\$114	\$117	\$121	\$125	\$129	\$134	\$138	\$143	\$147	\$152	\$157	\$163	\$168	\$174	\$179	\$185	\$191	\$198	\$204	\$211	\$218
Over 200 units	\$45	\$47	\$48	\$50	\$52	\$54	\$56	\$57	\$59	\$61	\$63	\$65	\$67	\$70	\$72	\$74	\$77	\$79	\$82	\$85	\$88	\$90	\$93	\$97	\$100
Multi-Residential																									
First 10 units	\$95	\$99	\$103	\$107	\$110	\$114	\$118	\$122	\$126	\$130	\$135	\$139	\$144	\$148	\$153	\$158	\$164	\$169	\$175	\$181	\$186	\$193	\$199	\$206	\$212
11 - 40 units	\$178	\$184	\$192	\$199	\$205	\$212	\$219	\$226	\$234	\$242	\$250	\$258	\$266	\$275	\$284	\$294	\$303	\$314	\$324	\$334	\$345	\$357	\$369	\$381	\$394
41 - 100 units	\$88	\$92	\$95	\$99	\$102	\$105	\$109	\$113	\$116	\$120	\$124	\$128	\$132	\$137	\$141	\$146	\$151	\$156	\$161	\$166	\$172	\$178	\$183	\$189	\$196
101 - 200 units	\$52	\$54	\$56	\$59	\$61	\$63	\$65	\$67	\$69	\$71	\$74	\$76	\$79	\$81	\$84	\$87	\$90	\$93	\$96	\$99	\$102	\$105	\$109	\$113	\$116
Over 200 units	\$341	\$354	\$368	\$382	\$395	\$408	\$421	\$435	\$450	\$465	\$481	\$496	\$512	\$529	\$547	\$564	\$583	\$603	\$623	\$643	\$665	\$686	\$709	\$733	\$757
Commercial																									
First 10 units	\$20	\$21	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$34	\$35	\$36	\$37	\$39	\$40	\$41	\$43	\$44	\$45
11 - 40 units	\$40	\$41	\$43	\$44	\$46	\$47	\$49	\$51	\$52	\$54	\$56	\$58	\$60	\$62	\$64	\$66	\$68	\$70	\$72	\$75	\$77	\$80	\$82	\$85	\$88
41 - 100 units	\$30	\$31	\$33	\$34	\$35	\$36	\$37	\$39	\$40	\$41	\$43	\$44	\$45	\$47	\$48	\$50	\$52	\$53	\$55	\$57	\$59	\$61	\$63	\$65	\$67
101 - 200 units	\$20	\$21	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$34	\$35	\$36	\$37	\$38	\$40	\$41	\$42	\$44	\$45
Over 200 units	\$58	\$61	\$63	\$65	\$68	\$70	\$72	\$74	\$77	\$80	\$82	\$85	\$88	\$91	\$94	\$97	\$100	\$103	\$107	\$110	\$114	\$117	\$121	\$125	\$130
Inst-Government																									
First 10 units	\$7	\$7	\$7	\$8	\$8	\$8	\$9	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$12	\$12	\$12	\$13	\$13	\$14	\$14	\$14	\$15	\$15
11 - 40 units	\$18	\$19	\$20	\$21	\$21	\$22	\$23	\$23	\$24	\$25	\$26	\$27	\$28	\$28	\$29	\$30	\$31	\$32	\$33	\$35	\$36	\$37	\$38	\$39	\$41
41 - 100 units	\$32	\$33	\$34	\$36	\$37	\$38	\$39	\$41	\$42	\$43	\$45	\$46	\$48	\$50	\$51	\$53	\$55	\$56	\$58	\$60	\$62	\$64	\$66	\$69	\$71
101 - 200 units	\$41	\$43	\$44	\$46	\$48	\$49	\$51	\$53	\$54	\$56	\$58	\$60	\$62	\$64	\$66	\$68	\$71	\$73	\$75	\$78	\$80	\$83	\$86	\$89	\$92
Over 200 units	\$101	\$105	\$109	\$113	\$117	\$121	\$125	\$129	\$133	\$138	\$142	\$147	\$152	\$157	\$162	\$167	\$172	\$178	\$184	\$190	\$197	\$203	\$210	\$217	\$224
Landscape																									
First 10 units	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5
11 - 40 units	\$5	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$11	\$12	\$12
41 - 100 units	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$12	\$12	\$12	\$13	\$13	\$14	\$14	\$14	\$15	\$15
101 - 200 units	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$11	\$12	\$12	\$13	\$13	\$14	\$14	\$14	\$15	\$15
Over 200 units	\$36	\$37	\$39	\$40	\$42	\$43	\$44	\$46	\$47	\$49	\$51	\$52	\$54	\$56	\$58	\$59	\$61	\$64	\$66	\$68	\$70	\$72	\$75	\$77	\$80
Private Mutuals																									
First 10 units	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2
11 - 40 units	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$8
41 - 100 units	\$8	\$9	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$12	\$12	\$12	\$13	\$13	\$14	\$14	\$14	\$15	\$15	\$16	\$17	\$17	\$18	\$18
101 - 200 units	\$11	\$11	\$12	\$12	\$13	\$13	\$13	\$14	\$14	\$15	\$15	\$16	\$16	\$17	\$17	\$18	\$19	\$19	\$20	\$21	\$22	\$23	\$23	\$24	\$24
Over 200 units	\$51	\$53	\$55	\$57	\$59	\$61	\$63	\$65	\$67	\$70	\$72	\$74	\$77	\$79	\$82	\$85	\$87	\$90	\$93	\$96	\$100	\$103	\$106	\$110	\$114
Surplus																									
First 10 units	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
11 - 40 units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
41 - 100 units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
101 - 200 units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Over 200 units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL																									
First 10 units	\$1,334	\$1,386	\$1,439	\$1,495	\$1,545	\$1,595	\$1,649	\$1,703	\$1,761	\$1,819	\$1,881	\$1,943	\$2,009	\$2,075	\$2,145	\$2,215	\$2,289	\$2,364	\$2,442	\$2,524	\$2,607	\$2,693	\$2,784	\$2,875	\$2,970
11 - 40 units	\$1,628	\$1,689	\$1,754	\$1,820	\$1,880	\$1,943	\$2,007	\$2,074	\$2,141	\$2,212	\$2,286	\$2,361	\$2,439	\$2,521	\$2,603	\$2,689	\$2,779	\$2,872	\$2,966	\$3,063	\$3,164	\$3,269	\$3,378	\$3,490	\$3,607
41 - 100 units	\$618	\$642	\$666	\$691	\$715	\$738	\$762	\$788	\$813	\$840	\$868	\$897	\$926	\$957	\$988	\$1,021	\$1,055	\$1,090	\$1,126	\$1,164	\$1,203	\$1,242	\$1,284	\$1,326	\$1,370
101 - 200 units	\$230	\$238	\$248	\$257	\$266	\$274	\$284	\$293	\$303	\$313	\$323	\$334	\$345	\$356	\$368	\$380	\$393	\$406	\$420	\$434	\$448	\$463	\$478	\$494	\$510
Over 200 units	\$633	\$657	\$682	\$709	\$732	\$756	\$781	\$807	\$834	\$862	\$891	\$920	\$950	\$981	\$1,013	\$1,047	\$1,081	\$1,117	\$1,154	\$1,193	\$1,232	\$1,273	\$1,315	\$1,359	\$1,404
All units	\$4,442	\$4,613	\$4,790	\$4,972	\$5,137	\$5,307	\$5,483	\$5,665	\$5,852	\$6,046	\$6,249	\$6,455	\$6,669	\$6,890	\$7,118	\$7,353	\$7,597	\$7,849	\$8,108	\$8,378	\$8,654	\$8,941	\$9,239	\$9,544	\$9,860

Table 2.8
Single Family 2-Month Bill

Meter Size	Act 2005	Act 2006	Est 2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Rates																										
Basic Rate	\$31.90	\$32.20	\$33.33	\$34.50	\$35.71	\$36.96	\$38.25	\$39.59	\$40.98	\$42.41	\$43.89	\$45.43	\$47.02	\$48.67	\$50.37	\$52.13	\$53.95	\$55.84	\$57.79	\$59.81	\$61.90	\$64.07	\$66.31	\$68.63	\$71.03	\$73.52
Quantity Rates																										
First 10 units	\$1.75	\$1.75	\$1.81	\$1.87	\$1.94	\$2.01	\$2.08	\$2.15	\$2.23	\$2.31	\$2.39	\$2.47	\$2.56	\$2.65	\$2.74	\$2.84	\$2.94	\$3.04	\$3.15	\$3.26	\$3.37	\$3.49	\$3.61	\$3.74	\$3.87	\$4.01
11 - 40 units	\$2.30	\$2.30	\$2.38	\$2.46	\$2.55	\$2.64	\$2.73	\$2.83	\$2.93	\$3.03	\$3.14	\$3.25	\$3.36	\$3.48	\$3.60	\$3.73	\$3.86	\$4.00	\$4.14	\$4.28	\$4.43	\$4.59	\$4.75	\$4.92	\$5.09	\$5.27
41 - 100 units	\$2.75	\$2.75	\$2.85	\$2.95	\$3.05	\$3.16	\$3.27	\$3.38	\$3.50	\$3.62	\$3.75	\$3.88	\$4.02	\$4.16	\$4.31	\$4.46	\$4.62	\$4.78	\$4.95	\$5.12	\$5.30	\$5.49	\$5.68	\$5.88	\$6.09	\$6.30
101 - 200 units	\$3.00	\$3.00	\$3.11	\$3.22	\$3.33	\$3.45	\$3.57	\$3.69	\$3.82	\$3.95	\$4.09	\$4.23	\$4.38	\$4.53	\$4.69	\$4.85	\$5.02	\$5.20	\$5.38	\$5.57	\$5.76	\$5.96	\$6.17	\$6.39	\$6.61	\$6.84
Over 200 units	\$3.25	\$3.25	\$3.36	\$3.48	\$3.60	\$3.73	\$3.86	\$4.00	\$4.14	\$4.28	\$4.43	\$4.59	\$4.75	\$4.92	\$5.09	\$5.27	\$5.45	\$5.64	\$5.84	\$6.04	\$6.25	\$6.47	\$6.70	\$6.93	\$7.17	\$7.42
Use																										
5/8-inch meter	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Ccf																										
First 10 units	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
11 - 40 units	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
41 - 100 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
101 - 200 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Over 200 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Charges																										
5/8-inch meter	\$31.90	\$32.20	\$33.33	\$34.50	\$35.71	\$36.96	\$38.25	\$39.59	\$40.98	\$42.41	\$43.89	\$45.43	\$47.02	\$48.67	\$50.37	\$52.13	\$53.95	\$55.84	\$57.79	\$59.81	\$61.90	\$64.07	\$66.31	\$68.63	\$71.03	\$73.52
Ccf																										
First 10 units	\$17.50	\$17.50	\$18.10	\$18.70	\$19.40	\$20.10	\$20.80	\$21.50	\$22.30	\$23.10	\$23.90	\$24.70	\$25.60	\$26.50	\$27.40	\$28.40	\$29.40	\$30.40	\$31.50	\$32.60	\$33.70	\$34.90	\$36.10	\$37.40	\$38.70	\$40.10
11 - 40 units	\$20.70	\$20.70	\$21.42	\$22.14	\$22.95	\$23.76	\$24.57	\$25.47	\$26.37	\$27.27	\$28.26	\$29.25	\$30.24	\$31.32	\$32.40	\$33.57	\$34.74	\$36.00	\$37.26	\$38.52	\$39.87	\$41.31	\$42.75	\$44.28	\$45.81	\$47.43
41 - 100 units	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
101 - 200 units	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Over 200 units	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total 2-Month Bill	\$70	\$70	\$73	\$75	\$78	\$81	\$84	\$87	\$90	\$93	\$96	\$99	\$103	\$106	\$110	\$114	\$118	\$122	\$127	\$131	\$135	\$140	\$145	\$150	\$156	\$161

Table 2.5
Single Family 2-Month Bill

Meter Size	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Rates																									
Basic Rate	\$76.09	\$78.75	\$81.51	\$84.36	\$86.89	\$89.50	\$92.19	\$94.96	\$97.81	\$100.74	\$103.76	\$106.87	\$110.08	\$113.38	\$116.78	\$120.28	\$123.89	\$127.61	\$131.44	\$135.38	\$139.44	\$143.62	\$147.93	\$152.37	\$156.94
Quantity Rates																									
First 10 units	\$4.15	\$4.30	\$4.45	\$4.61	\$4.75	\$4.89	\$5.04	\$5.19	\$5.35	\$5.51	\$5.68	\$5.85	\$6.03	\$6.21	\$6.40	\$6.59	\$6.79	\$6.99	\$7.20	\$7.42	\$7.64	\$7.87	\$8.11	\$8.35	\$8.60
11 - 40 units	\$5.45	\$5.64	\$5.84	\$6.04	\$6.22	\$6.41	\$6.60	\$6.80	\$7.00	\$7.21	\$7.43	\$7.65	\$7.88	\$8.12	\$8.36	\$8.61	\$8.87	\$9.14	\$9.41	\$9.69	\$9.98	\$10.28	\$10.59	\$10.91	\$11.24
41 - 100 units	\$6.52	\$6.75	\$6.99	\$7.23	\$7.45	\$7.67	\$7.90	\$8.14	\$8.38	\$8.63	\$8.89	\$9.16	\$9.43	\$9.71	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26	\$11.60	\$11.95	\$12.31	\$12.68	\$13.06	\$13.45
101 - 200 units	\$7.08	\$7.33	\$7.59	\$7.86	\$8.10	\$8.34	\$8.59	\$8.85	\$9.12	\$9.39	\$9.67	\$9.96	\$10.26	\$10.57	\$10.89	\$11.22	\$11.56	\$11.91	\$12.27	\$12.64	\$13.02	\$13.41	\$13.81	\$14.22	\$14.65
Over 200 units	\$7.68	\$7.95	\$8.23	\$8.52	\$8.78	\$9.04	\$9.31	\$9.59	\$9.88	\$10.18	\$10.49	\$10.80	\$11.12	\$11.45	\$11.79	\$12.14	\$12.50	\$12.88	\$13.27	\$13.67	\$14.08	\$14.50	\$14.94	\$15.39	\$15.85
Use																									
5/8-inch meter	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Ccf																									
First 10 units	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
11 - 40 units	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
41 - 100 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
101 - 200 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Over 200 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Charges																									
5/8-inch meter	\$76.09	\$78.75	\$81.51	\$84.36	\$86.89	\$89.50	\$92.19	\$94.96	\$97.81	\$100.74	\$103.76	\$106.87	\$110.08	\$113.38	\$116.78	\$120.28	\$123.89	\$127.61	\$131.44	\$135.38	\$139.44	\$143.62	\$147.93	\$152.37	\$156.94
Ccf																									
First 10 units	\$41.50	\$43.00	\$44.50	\$46.10	\$47.50	\$48.90	\$50.40	\$51.90	\$53.50	\$55.10	\$56.80	\$58.50	\$60.30	\$62.10	\$64.00	\$65.90	\$67.90	\$69.90	\$72.00	\$74.20	\$76.40	\$78.70	\$81.10	\$83.50	\$86.00
11 - 40 units	\$49.05	\$50.76	\$52.56	\$54.36	\$55.98	\$57.69	\$59.40	\$61.20	\$63.00	\$64.89	\$66.87	\$68.85	\$70.92	\$73.08	\$75.24	\$77.49	\$79.83	\$82.26	\$84.69	\$87.21	\$89.82	\$92.52	\$95.31	\$98.19	\$101.16
41 - 100 units	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
101 - 200 units	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Over 200 units	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total 2-Month Bill	\$167	\$173	\$179	\$185	\$190	\$196	\$202	\$208	\$214	\$221	\$227	\$234	\$241	\$249	\$256	\$264	\$272	\$280	\$288	\$297	\$306	\$315	\$324	\$334	\$344

Table 2.9
Water System 2005 Income and Expenses
Water Fund Fiscal Year Ending June 30, 2005

Item	Amount
Operating Income	
Water Fees	\$2,877,769
Assessments	\$146,788
Property Taxes	\$86,606
Meter Sales	\$86,954
Charges and Penalties	\$37,135
Miscellaneous	\$22,050
Total Operating Income	\$3,257,302
Operating Expenses	
Salaries and Expenses	\$1,804,579
Professional Services	\$171,722
Materials and Supplies	\$103,211
Utilities and Telephone	\$282,266
Insurance	\$45,759
Election Fees	\$24,989
LAFCO Fees	\$22,876
Vehicle & Equip Mtc	\$61,583
Building Mtc	\$15,605
Collection Charges	\$2,540
Miscellaneous	\$42,444
Travel, Meals & Conf	\$8,428
Auto Allowance	\$4,200
Office Expenses	\$36,594
Rentals and Permits	\$13,749
Repairs	\$54,979
Total Operating Expenditures	\$2,695,524

Source: Audited 2005 General Purpose Financial Statements
Supplementary Information, p. 24.

Notes:

- a. Amortization and depreciation are non-cash expenditures
and are excluded.

FY 2005 amount > \$886,132

Item	Notes	Act		Est																									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
Operating Income																													
Water Fees	a.	\$2,878	\$2,877	\$3,047	\$3,163	\$3,287	\$3,415	\$3,546	\$3,683	\$3,827	\$3,974	\$4,128	\$4,287	\$4,452	\$4,625	\$4,803	\$4,990	\$5,183	\$5,383	\$5,592	\$5,805	\$6,028	\$6,264	\$6,505	\$6,758	\$7,018	\$7,290		
Assessments	b.	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147		
Property Taxes	c.	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87		
Meter Sales	d.	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87		
Charges and Penalties	e.	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37		
Miscellaneous	f.	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22		
Total Operating Income		\$3,257	\$3,256	\$3,427	\$3,543	\$3,667	\$3,795	\$3,926	\$4,063	\$4,207	\$4,354	\$4,508	\$4,666	\$4,832	\$5,005	\$5,182	\$5,370	\$5,562	\$5,763	\$5,972	\$6,185	\$6,408	\$6,643	\$6,884	\$7,137	\$7,397	\$7,670		
Operating Expenses																													
Salaries and Expenses	g.	\$1,805	\$1,949	\$2,007	\$2,068	\$2,130	\$2,194	\$2,259	\$2,327	\$2,397	\$2,469	\$2,543	\$2,619	\$2,698	\$2,779	\$2,862	\$2,948	\$3,036	\$3,127	\$3,221	\$3,318	\$3,417	\$3,520	\$3,626	\$3,734	\$3,846	\$3,962		
Professional Services	h.	\$172	\$180	\$186	\$191	\$197	\$203	\$209	\$215	\$222	\$228	\$235	\$242	\$250	\$257	\$265	\$273	\$281	\$289	\$298	\$307	\$316	\$326	\$335	\$345	\$356	\$367		
Materials and Supplies	i.	\$103	\$106	\$109	\$113	\$116	\$120	\$123	\$127	\$131	\$135	\$139	\$143	\$147	\$152	\$156	\$161	\$166	\$171	\$178	\$181	\$186	\$192	\$198	\$204	\$210	\$216		
Utilities and Telephone	j.	\$282	\$291	\$299	\$308	\$318	\$327	\$337	\$347	\$358	\$368	\$379	\$391	\$402	\$415	\$427	\$440	\$453	\$467	\$481	\$495	\$510	\$525	\$541	\$557	\$574	\$591		
Insurance	k.	\$46	\$47	\$49	\$50	\$52	\$53	\$55	\$56	\$58	\$60	\$61	\$63	\$65	\$67	\$69	\$71	\$73	\$76	\$78	\$80	\$83	\$85	\$88	\$90	\$93	\$96		
Election Fees	l.	\$25	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$34	\$35	\$36	\$37	\$38	\$39	\$40	\$41	\$43	\$44	\$45	\$46	\$48	\$49	\$51	\$52		
LAFCO Fees	m.	\$23	\$24	\$24	\$25	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$34	\$35	\$36	\$37	\$38	\$39	\$40	\$41	\$43	\$44	\$45	\$47	\$48		
Vehicle & Equip Mtc	n.	\$62	\$63	\$65	\$67	\$69	\$71	\$74	\$76	\$78	\$80	\$83	\$85	\$88	\$90	\$93	\$96	\$99	\$102	\$105	\$108	\$111	\$115	\$118	\$122	\$125	\$129		
Building Mtc	o.	\$16	\$16	\$17	\$17	\$18	\$18	\$19	\$19	\$20	\$20	\$21	\$22	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$32	\$33		
Collection Charges	p.	\$3	\$3	\$3	\$3	\$3</																							

Table 2.10
Projected Income and Expense
(\$1,000s)

Item	Notes	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Operating Income																										
Water Fees	a.	\$7,570	\$7,864	\$8,169	\$8,484	\$8,770	\$9,064	\$9,369	\$9,684	*****	*****	*****	*****	\$11,428	\$11,812	\$12,208	\$12,618	\$13,043	\$13,482	\$13,935	\$14,404	\$14,887	\$15,388	\$15,908	\$16,442	\$16,996
Assessments	b.	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147
Property Taxes	c.	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87
Meter Sales	d.	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87
Charges and Penalties	e.	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37
Miscellaneous	f.	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22
Total Operating Income		\$7,949	\$8,243	\$8,548	\$8,864	\$9,150	\$9,444	\$9,748	*****	*****	*****	*****	*****	\$11,807	\$12,191	\$12,588	\$12,997	\$13,423	\$13,862	\$14,315	\$14,784	\$15,267	\$15,767	\$16,287	\$16,822	\$17,375
Operating Expenses																										
Salaries and Expenses	g.	\$4,081	\$4,203	\$4,329	\$4,459	\$4,593	\$4,731	\$4,873	\$5,019	\$5,169	\$5,324	\$5,484	\$5,649	\$5,818	\$5,993	\$6,172	\$6,358	\$6,548	\$6,745	\$6,947	\$7,155	\$7,370	\$7,591	\$7,819	\$8,054	\$8,295
Professional Services	h.	\$378	\$389	\$401	\$413	\$425	\$438	\$451	\$464	\$478	\$493	\$507	\$523	\$538	\$554	\$571	\$588	\$606	\$624	\$643	\$662	\$682	\$702	\$723	\$745	\$767
Materials and Supplies	i.	\$223	\$229	\$236	\$243	\$251	\$258	\$266	\$274	\$282	\$290	\$299	\$308	\$317	\$327	\$337	\$347	\$357	\$368	\$379	\$390	\$402	\$414	\$426	\$439	\$452
Utilities and Telephone	j.	\$609	\$627	\$646	\$665	\$685	\$706	\$727	\$749	\$771	\$794	\$818	\$843	\$868	\$894	\$921	\$948	\$977	\$1,006	\$1,036	\$1,067	\$1,099	\$1,132	\$1,166	\$1,201	\$1,237
Insurance	k.	\$99	\$102	\$105	\$108	\$111	\$114	\$118	\$121	\$125	\$129	\$133	\$137	\$141	\$145	\$149	\$154	\$158	\$163	\$168	\$173	\$178	\$184	\$189	\$195	\$201
Election Fees	l.	\$54	\$56	\$57	\$59	\$61	\$62	\$64	\$66	\$68	\$70	\$72	\$75	\$77	\$79	\$82	\$84	\$86	\$89	\$92	\$94	\$97	\$100	\$103	\$106	\$110
LAFCO Fees	m.	\$49	\$51	\$52	\$54	\$56	\$57	\$59	\$61	\$62	\$64	\$66	\$68	\$70	\$72	\$75	\$77	\$79	\$82	\$84	\$87	\$89	\$92	\$95	\$97	\$100
Vehicle & Equip Mtc	n.	\$133	\$137	\$141	\$145	\$149	\$154	\$159	\$163	\$168	\$173	\$178	\$184	\$189	\$195	\$201	\$207	\$213	\$220	\$226	\$233	\$240	\$247	\$254	\$262	\$270
Building Mtc	o.	\$34	\$35	\$36	\$37	\$38	\$39	\$40	\$41	\$43	\$44	\$45	\$47	\$48	\$49	\$51	\$52	\$54	\$56	\$57	\$59	\$61	\$63	\$64	\$66	\$68
Collection Charges	p.	\$5	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$11
Miscellaneous	q.	\$92	\$94	\$97	\$100	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$131	\$134	\$138	\$143	\$147	\$151	\$156	\$161	\$165	\$170	\$175	\$181	\$186
Travel, Meals & Conf	r.	\$18	\$19	\$19	\$20	\$20	\$21	\$22	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$34	\$35	\$36	\$37
Auto Allowance	s.	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$11	\$11	\$12	\$12	\$13	\$13	\$13	\$14	\$14	\$15	\$15	\$16	\$16	\$17	\$17	\$18	\$18	\$18
Office Expenses	t.	\$79	\$81	\$84	\$86	\$89	\$91	\$94	\$97	\$100	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134	\$138	\$143	\$147	\$151	\$156	\$160
Rentals and Permits	u.	\$30	\$31	\$31	\$32	\$33	\$34	\$35	\$36	\$38	\$39	\$40	\$41	\$42	\$44	\$45	\$46	\$48	\$49	\$50	\$52	\$54	\$55	\$57	\$59	\$60
Repairs	v.	\$119	\$122	\$126	\$130	\$133	\$137	\$142	\$146	\$150	\$155	\$159	\$164	\$169	\$174	\$179	\$185	\$190	\$196	\$202	\$208	\$214	\$221	\$227	\$234	\$241
Total Operating Exp.		\$6,009	\$6,190	\$6,375	\$6,566	\$6,763	\$6,968	\$7,175	\$7,391	\$7,612	\$7,841	\$8,076	\$8,318	\$8,568	\$8,825	\$9,090	\$9,362	\$9,643	\$9,932	\$10,230	\$10,537	\$10,853	\$11,179	\$11,514	\$11,860	\$12,216
Notes:																										
a. Water Fees		3.8%	3.9%	3.9%	3.9%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.3%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
b. Assessments		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
c. Property Taxes		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
d. Meter Sales		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
e. Charges and Penalties		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
f. Miscellaneous		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
g. Salaries and Expenses		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
h. Professional Services		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
i. Materials and Supplies		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
j. Utilities and Telephone		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
k. Insurance		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
l. Election Fees		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
m. LAFCO Fees		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
n. Vehicle & Equip Mtc		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
o. Building Mtc		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
p. Collection Charges		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
q. Miscellaneous		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
r. Travel, Meals & Conf		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
s. Auto Allowance		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
t. Office Expenses		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
u. Rentals and Permits		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
v. Repairs		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Table 2.11
Debt Service

Issuer	Purpose	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
BNY Western										
\$255,000.00	Principal Dec 15 >	\$15,000.00	\$15,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$0.00
1997 CSDA Lease Finance	Principal Jun 15 >	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Purchase & renovation OPS building	Interest Dec 15 >	\$4,765.00	\$4,360.00	\$3,947.50	\$3,387.50	\$2,817.50	\$2,237.50	\$1,500.00	\$750.00	\$0.00
	Interest Jun 15 >	\$4,360.00	\$3,947.50	\$3,387.50	\$2,817.50	\$2,237.50	\$1,500.00	\$750.00	\$0.00	\$0.00
	Total Principal + Interest >	\$24,125.00	\$23,307.50	\$27,335.00	\$26,205.00	\$25,055.00	\$28,737.50	\$27,250.00	\$25,750.00	\$0.00
West America										
\$826,000.00	Principal Dec 15 >	\$26,357.29	\$27,489.38	\$28,670.09	\$29,901.51	\$31,185.83	\$32,525.31	\$33,922.32	\$35,379.34	\$36,898.94
1999 Limited Obligation Improvement	Principal Jun 15 >	\$26,917.38	\$28,073.53	\$29,279.33	\$30,536.92	\$31,848.53	\$33,216.47	\$34,643.17	\$36,131.15	\$37,683.04
Refinance 1993 Safe Drinking Loan	Interest Dec 15 >	\$15,503.39	\$14,371.30	\$13,190.59	\$11,959.17	\$10,674.85	\$9,335.37	\$7,938.36	\$6,481.34	\$4,961.74
	Interest Jun 15 >	\$14,943.30	\$13,787.15	\$12,581.35	\$11,323.76	\$10,012.15	\$8,644.21	\$7,217.51	\$5,729.53	\$4,177.64
	Total Principal + Interest >	\$83,721.36	\$83,721.36	\$83,721.36	\$83,721.36	\$83,721.36	\$83,721.36	\$83,721.36	\$83,721.36	\$83,721.36
State of California										
\$3,501,485.33	Principal Dec 15 >	\$65,011.22	\$67,322.34	\$69,715.68	\$72,194.11	\$74,760.64	\$77,418.42	\$80,170.68	\$83,020.78	\$85,972.21
1988 Safe Drinking Loan	Principal Jun 15 >	\$66,156.66	\$68,508.56	\$70,944.07	\$73,466.17	\$76,077.92	\$78,782.63	\$81,583.29	\$84,483.61	\$87,487.04
Installation of NBC Distribution System	Interest Dec 15 >	\$46,711.88	\$44,400.76	\$42,007.42	\$39,528.99	\$36,962.46	\$34,304.68	\$31,552.42	\$28,702.32	\$25,750.89
	Interest Jun 15 >	\$45,566.44	\$43,214.54	\$40,779.03	\$38,256.93	\$35,645.18	\$32,940.57	\$30,139.81	\$27,239.49	\$24,236.06
	Total Principal + Interest >	\$223,446.20	\$223,446.20	\$223,446.20	\$223,446.20	\$223,446.20	\$223,446.20	\$223,446.20	\$223,446.20	\$223,446.20
Union Bank										
\$1,199,000.00	Principal Dec 15 >	\$65,000.00	\$70,000.00	\$75,000.00	\$75,000.00	\$80,000.00	\$85,000.00	\$90,000.00	\$90,000.00	\$100,000.00
N.B.C. Ref Assmt Bonds	Principal Jun 15 >	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(Const. NBC Dist. System)	Interest Dec 15 >	\$23,245.00	\$21,750.00	\$20,105.00	\$18,305.00	\$16,467.50	\$14,467.50	\$12,342.50	\$10,070.00	\$7,775.00
	Interest Jun 15 >	\$21,750.00	\$20,105.00	\$18,305.00	\$16,467.50	\$14,467.50	\$12,342.50	\$10,070.00	\$7,775.00	\$5,200.00
	Total Principal + Interest >	\$109,995.00	\$111,855.00	\$113,410.00	\$109,772.50	\$110,935.00	\$111,810.00	\$112,412.50	\$107,845.00	\$112,975.00
West America										
\$2,255,000.00	Principal Dec 15 >	\$58,308.92	\$60,813.38	\$63,425.41	\$66,149.63	\$68,990.86	\$71,954.12	\$75,044.67	\$78,267.95	\$81,629.68
1998 C.O.P. Issue Bond	Principal Jun 15 >	\$59,547.98	\$62,105.66	\$64,773.20	\$67,555.31	\$70,456.91	\$73,483.15	\$76,639.37	\$79,931.15	\$83,364.31
Misc. Improvements (Prop. Tax)	Interest Dec 15 >	\$46,750.00	\$44,245.54	\$41,633.51	\$38,909.29	\$36,068.06	\$33,104.80	\$30,014.25	\$26,790.97	\$23,429.24
	Interest Jun 15 >	\$45,510.84	\$42,953.26	\$40,285.72	\$37,503.61	\$34,602.01	\$31,575.77	\$28,419.55	\$25,127.77	\$21,694.61
	Total Principal + Interest >	\$210,117.84	\$210,117.84	\$210,117.84	\$210,117.84	\$210,117.84	\$210,117.84	\$210,117.84	\$210,117.84	\$210,117.84
City Nat'l Bank										
\$1,500,000.00	Principal Dec 15 >	\$0.00	\$35,946.50	\$37,637.44	\$39,407.93	\$41,261.70	\$43,202.67	\$45,234.95	\$47,362.83	\$49,590.80
Loan # 05-094	Principal Jun 15 >	\$35,129.73	\$36,782.25	\$38,512.51	\$40,324.16	\$42,221.03	\$44,207.13	\$46,286.66	\$48,464.01	\$50,743.79
Johnson Bldg. Purchase	Interest Dec 15 >	\$0.00	\$34,058.23	\$32,367.29	\$30,596.80	\$28,743.03	\$26,802.06	\$24,769.78	\$22,641.90	\$20,413.93
	Interest Jun 15 >	\$34,875.00	\$33,222.48	\$31,492.22	\$29,680.57	\$27,783.70	\$25,797.60	\$23,718.07	\$21,540.72	\$19,260.94
	Total Principal + Interest >	\$70,004.73	\$140,009.46	\$140,009.46	\$140,009.46	\$140,009.46	\$140,009.46	\$140,009.46	\$140,009.46	\$140,009.46
CSDA										
\$1,750,000.00	Principal Dec 15 >	\$0.00	\$40,661.09	\$42,615.43	\$44,663.70	\$46,810.42	\$49,060.32	\$51,418.35	\$53,889.73	\$56,479.89
Loan #	Principal Jun 15 >	\$0.00	\$41,626.79	\$43,627.54	\$45,724.46	\$47,922.18	\$50,225.50	\$52,639.54	\$55,169.61	\$57,821.29
Malosky Creek Land Purchase	Interest Dec 15 >	\$0.00	\$41,562.50	\$39,608.16	\$37,559.89	\$35,413.17	\$33,163.27	\$30,805.24	\$28,333.86	\$25,743.70
	Interest Jun 15 >	\$0.00	\$40,596.80	\$38,596.05	\$36,499.13	\$34,301.43	\$31,998.09	\$29,584.05	\$27,053.98	\$24,402.30
	Total Principal + Interest >	\$0.00	\$164,447.18	\$164,447.18	\$164,447.18	\$164,447.18	\$164,447.18	\$164,447.18	\$164,447.18	\$164,447.18
Total All Issues		\$721,410.13	\$956,904.54	\$962,487.04	\$957,719.54	\$957,732.04	\$962,289.54	\$961,404.54	\$955,337.04	\$934,717.04

Table 2.11
Debt Service

Issuer	Purpose	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
BNY Western									
\$255,000.00	Principal Dec 15 >	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$165,000.00
1997 CSDA Lease Finance	Principal Jun 15 >	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Purchase & renovation OPS building	Interest Dec 15 >	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23,765.00
	Interest Jun 15 >	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,000.00
	Total Principal + Interest >	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$207,765.00
West America									
\$826,000.00	Principal Dec 15 >	\$38,483.80	\$40,136.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$360,950.55
1999 Limited Obligation Improvement	Principal Jun 15 >	\$39,301.59	\$40,989.65	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$368,620.76
Refinance 1993 Safe Drinking Loan	Interest Dec 15 >	\$3,376.88	\$1,723.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,516.93
	Interest Jun 15 >	\$2,559.09	\$871.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91,846.72
	Total Principal + Interest >	\$83,721.36	\$83,721.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$920,934.96
State of California									
\$3,501,485.33	Principal Dec 15 >	\$89,028.56	\$92,193.57	\$95,471.09	\$98,865.14	\$102,379.84	\$106,019.49	\$109,790.59	\$1,369,334.36
1988 Safe Drinking Loan	Principal Jun 15 >	\$90,597.25	\$93,818.02	\$97,153.29	\$100,607.14	\$104,183.77	\$107,887.55	\$0.00	\$1,281,736.87
Installation of NBC Distribution System	Interest Dec 15 >	\$22,694.54	\$19,529.53	\$16,252.01	\$12,857.96	\$9,343.26	\$5,703.61	\$1,932.51	\$418,235.24
	Interest Jun 15 >	\$21,125.85	\$17,905.08	\$14,569.81	\$11,115.96	\$7,539.33	\$3,835.55	\$0.00	\$394,109.63
	Total Principal + Interest >	\$223,446.20	\$223,446.20	\$223,446.20	\$223,446.20	\$223,446.20	\$223,446.20	\$111,723.10	\$3,463,416.10
Union Bank									
\$1,199,000.00	Principal Dec 15 >	\$100,000.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$930,000.00
N.B.C. Ref Assmt Bonds	Principal Jun 15 >	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(Const. NBC Dist. System)	Interest Dec 15 >	\$5,200.00	\$2,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$152,327.50
	Interest Jun 15 >	\$2,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$129,082.50
	Total Principal + Interest >	\$107,800.00	\$102,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,211,410.00
West America									
\$2,255,000.00	Principal Dec 15 >	\$85,135.81	\$88,792.52	\$92,606.30	\$96,583.88	\$100,732.27	\$0.00	\$0.00	\$1,088,435.38
1998 C.O.P. Issue Bond	Principal Jun 15 >	\$86,944.94	\$90,679.36	\$94,574.18	\$98,636.27	\$102,872.82	\$0.00	\$0.00	\$1,111,564.61
Misc. Improvements (Prop. Tax)	Interest Dec 15 >	\$19,923.11	\$16,266.40	\$12,452.62	\$8,475.06	\$4,326.65	\$0.00	\$0.00	\$382,389.50
	Interest Jun 15 >	\$18,113.98	\$14,379.56	\$10,484.74	\$6,422.65	\$2,188.10	\$0.00	\$0.00	\$359,260.27
	Total Principal + Interest >	\$210,117.84	\$210,117.84	\$210,117.84	\$210,117.84	\$210,117.84	\$0.00	\$0.00	\$2,941,649.76
City Nat'l Bank									
\$1,500,000.00	Principal Dec 15 >	\$51,923.58	\$54,366.09	\$56,923.51	\$59,601.22	\$62,404.89	\$65,340.46	\$68,413.89	\$758,618.46
Loan # 05-094	Principal Jun 15 >	\$53,130.80	\$55,630.11	\$58,246.98	\$60,986.95	\$63,855.81	\$66,859.62	\$0.00	\$741,381.54
Johnson Bldg. Purchase	Interest Dec 15 >	\$18,081.15	\$15,638.64	\$13,081.22	\$10,403.51	\$7,599.84	\$4,664.27	\$1,590.84	\$291,452.49
	Interest Jun 15 >	\$16,873.93	\$14,374.62	\$11,757.75	\$9,017.78	\$6,148.92	\$3,145.11	\$0.00	\$308,689.41
	Total Principal + Interest >	\$140,009.46	\$140,009.46	\$140,009.46	\$140,009.46	\$140,009.46	\$140,009.46	\$70,004.73	\$2,100,141.90
CSDA									
\$1,750,000.00	Principal Dec 15 >	\$59,194.54	\$62,039.67	\$65,021.55	\$68,146.75	\$71,422.16	\$74,855.00	\$78,452.83	\$864,731.43
Loan #	Principal Jun 15 >	\$60,600.41	\$63,513.11	\$66,565.81	\$69,765.23	\$73,118.43	\$76,632.80	\$80,315.89	\$885,268.57
Malosky Creek Land Purchase	Interest Dec 15 >	\$23,029.05	\$20,183.92	\$17,202.04	\$14,076.84	\$10,801.43	\$7,368.59	\$3,770.76	\$368,622.42
	Interest Jun 15 >	\$21,623.18	\$18,710.48	\$15,657.78	\$12,458.36	\$9,105.16	\$5,590.79	\$1,907.70	\$348,085.28
	Total Principal + Interest >	\$164,447.18	\$164,447.18	\$164,447.18	\$164,447.18	\$164,447.18	\$164,447.18	\$164,447.18	\$2,466,707.70
Total All Issues		\$929,542.04	\$924,342.04	\$738,020.68	\$738,020.68	\$738,020.68	\$527,902.84	\$346,175.01	\$13,312,025.42

Table 2.12
List of Water Assets and Replacement Costs, 2006

Asset Classification	Asset Name	Notes	Number or Size	Units	Unit Replacement Cost	Total Replacement Cost	Useful Life Years	Estimated Inflation Rate	Capital Recovery Factor (a)	Annual Capital Recovery
WATER PIPELINE	1.00-inch diameter	(b)	29,345	Lineal Foot	\$12.50/LF-Dia-In	\$2,200,875	60	3.0%	0.0361	\$79,524
WATER PIPELINE	1.50-inch diameter	(b)	36,815	Lineal Foot	\$12.50/LF-Dia-In	\$2,761,125	60	3.0%	0.0361	\$99,768
WATER PIPELINE	2.00-inch diameter	(b)	186,505	Lineal Foot	\$12.50/LF-Dia-In	\$13,987,875	60	3.0%	0.0361	\$505,423
WATER PIPELINE	3.00-inch diameter	(b)	2,790	Lineal Foot	\$12.50/LF-Dia-In	\$209,250	60	3.0%	0.0361	\$7,561
WATER PIPELINE	4.00-inch diameter	(b)	64,660	Lineal Foot	\$12.50/LF-Dia-In	\$4,849,500	60	3.0%	0.0361	\$175,227
WATER PIPELINE	6.00-inch diameter		211,325	Lineal Foot	\$12.50/LF-Dia-In	\$15,849,375	60	3.0%	0.0361	\$572,685
WATER PIPELINE	8.00-inch diameter		73,960	Lineal Foot	\$12.50/LF-Dia-In	\$7,396,000	60	3.0%	0.0361	\$267,239
WATER PIPELINE	10.00-inch diameter		17,675	Lineal Foot	\$12.50/LF-Dia-In	\$2,209,375	60	3.0%	0.0361	\$79,831
WATER PIPELINE	12.00-inch diameter		12,525	Lineal Foot	\$12.50/LF-Dia-In	\$1,878,750	60	3.0%	0.0361	\$67,885
WATER PIPELINE	14.00-inch diameter		250	Lineal Foot	\$12.50/LF-Dia-In	\$43,750	60	3.0%	0.0361	\$1,581
WELLS	Olympia 2		300	depth	\$350,000	\$350,000	50	3.0%	0.0389	\$13,603
WELLS	Olympia 3		310	depth	\$350,000	\$350,000	50	3.0%	0.0389	\$13,603
WELLS	Paso 6		800	depth	\$500,000	\$500,000	50	3.0%	0.0389	\$19,433
WELLS	Paso 7		540	depth	\$400,000	\$400,000	50	3.0%	0.0389	\$15,546
WELLS	Quail 4		175	depth	\$250,000	\$250,000	50	3.0%	0.0389	\$9,716
WELLS	Quail 5		175	depth	\$250,000	\$250,000	50	3.0%	0.0389	\$9,716
WATER TREATMENT	Lyon Water Treatment Plant		1	each	\$3,250,000	\$3,250,000	60	3.0%	0.0361	\$117,432
WATER TREATMENT	Manana Woods Water Treatment Plant		1	each	\$1,500,000	\$1,500,000	60	3.0%	0.0361	\$54,199
HYDRANTS	Hydrant & appurtenances		370	each	\$5,000	\$1,850,000	60	3.0%	0.0361	\$66,846
TANKS	Capacity Less Than 250 Kgal		2.100	million gallons	\$1.50 / gallon	\$3,150,000	60	3.0%	0.0361	\$113,819
TANKS	Big Steel		1.400	million gallons	\$850,000	\$850,000	60	3.0%	0.0361	\$30,713
TANKS	Brookdale		0.750	million gallons	\$500,000	\$500,000	60	3.0%	0.0361	\$18,066
TANKS	Lyon		3.000	million gallons	\$300,000	\$300,000	60	3.0%	0.0361	\$10,840
BOOSTER STATIONS	Capacity Less Than 150 gpm		21	each	\$100,000	\$2,100,000	60	3.0%	0.0361	\$75,879
BOOSTER STATIONS	Big Steel		1	each	\$350,000	\$350,000	60	3.0%	0.0361	\$12,647
BOOSTER STATIONS	Firehouse		1	each	\$350,000	\$350,000	60	3.0%	0.0361	\$12,647
BOOSTER STATIONS	Irwin		1	each	\$350,000	\$350,000	60	3.0%	0.0361	\$12,647
BOOSTER STATIONS	Olympia		1	each	\$275,000	\$275,000	60	3.0%	0.0361	\$9,937
BOOSTER STATIONS	Quail		1	each	\$350,000	\$350,000	60	3.0%	0.0361	\$12,647
BOOSTER STATIONS	Riverside Grove		1	each	\$275,000	\$275,000	60	3.0%	0.0361	\$9,937
METERS	Meters and Service Laterals		5,950	each	\$1,500	\$8,925,000	20	3.0%	0.0672	\$599,900
BUILDINGS		(c)	2	each	\$500,000	\$488,930	60	3.0%	0.0361	\$17,667

Table 2.12

List of Water Assets and Replacement Costs, 2006

Asset Classification	Asset Name	Notes	Number or Size	Units	Unit Replacement Cost	Total Replacement Cost	Useful Life Years	Estimated Inflation Rate	Capital Recovery Factor (a)	Annual Capital Recovery
Summary										
WATER PIPELINE				635,850	Lineal Foot	\$51,385,875				\$1,856,724
WELLS				6	Count	\$2,100,000				\$81,618
WATER TREATMENT				2	Count	\$4,750,000				\$171,632
HYDRANTS				370	Count	\$1,850,000				\$66,846
TANKS				7.250	million gallons	\$4,800,000				\$173,438
BOOSTER STATIONS				27	Count	\$4,050,000				\$146,338
METERS				5,950	Count	\$8,925,000				\$599,900
BUILDINGS				2	Count	\$488,930				\$17,667
TOTAL						\$78,349,805				\$3,114,162

Notes:

- a. The capacity factor is the fraction of the replacement cost that must be recovered annually over the useful life of the asset.
For example, if the inflation rate were 0%, an asset with a useful life of 20 years would have a capital recovery factor of 0.05 (1 divided by 20).
Increasing the inflation rate increases the capital recovery factor.
- b. Water lines between 1-inch and 4-inch diameter will be replaced with 6-inch diameter pipe.
- c. The unit replacement cost for buildings is allocated between the water and sewer funds based on the relative replacement costs for the other assets in each system.

<u>Water</u>	<u>Sewer</u>	<u>Total</u>
\$78,135,000	\$1,769,000	\$79,904,000
97.8%	2.2%	

Table 2.13
Target Operating Reserves
(\$1,000s)

Item	Notes	Act FY 2005	Est FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Reserve Components																		
Working Capital	a.																	
Target Percent		12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
Operating Expenditures		\$2,696	\$2,870	\$2,956	\$3,045	\$3,136	\$3,230	\$3,327	\$3,427	\$3,530	\$3,636	\$3,745	\$3,857	\$3,973	\$4,092	\$4,215	\$4,341	\$4,471
Target Dollars		\$332	\$354	\$364	\$374	\$387	\$398	\$410	\$421	\$435	\$448	\$462	\$474	\$490	\$504	\$520	\$534	\$551
Rate Stabilization	b.																	
Target Percent		15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Water Use Revenue		\$1,694	\$1,694	\$1,806	\$1,873	\$1,946	\$2,022	\$2,098	\$2,178	\$2,263	\$2,348	\$2,439	\$2,531	\$2,628	\$2,729	\$2,832	\$2,942	\$3,054
Target Dollars		\$254	\$254	\$271	\$281	\$292	\$303	\$315	\$327	\$339	\$352	\$366	\$380	\$394	\$409	\$425	\$441	\$458
Emergency	c.																	
Target Percent		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Water Use Revenue		\$2,696	\$2,870	\$2,956	\$3,045	\$3,136	\$3,230	\$3,327	\$3,427	\$3,530	\$3,636	\$3,745	\$3,857	\$3,973	\$4,092	\$4,215	\$4,341	\$4,471
Target Dollars		\$270	\$287	\$296	\$304	\$314	\$323	\$333	\$343	\$353	\$364	\$374	\$386	\$397	\$409	\$421	\$434	\$447
Total Operating Reserve Target		\$856	\$895	\$931	\$960	\$992	\$1,025	\$1,058	\$1,091	\$1,128	\$1,164	\$1,202	\$1,240	\$1,281	\$1,323	\$1,366	\$1,409	\$1,457

Notes:

a. The working capital target
is a percent of operating
expenditures based on
days of coverage:

<i>days of working capital ></i>	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
<i>calendar days in year ></i>	365	365	365	366	365	365	365	365	366	365	365	365	366	365	365	365	366	365
<i>% working capital days ></i>	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%

b. The rate stabilization target
is the percent of water use
revenue that may decrease
due to adverse weather
conditions.

c. The emergency target
is a percent of operating
expenditures based on
financial cash flow risk
due to natural disasters.

Table 2.13
Target Operating Reserves
(\$1,000s)

Item	Notes	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038
Reserve Components																		
Working Capital	a.																	
Target Percent		12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
Operating Expenditures		\$4,606	\$4,744	\$4,886	\$5,033	\$5,184	\$5,339	\$5,499	\$5,664	\$5,834	\$6,009	\$6,190	\$6,375	\$6,566	\$6,763	\$6,966	\$7,175	\$7,391
Target Dollars		\$568	\$585	\$601	\$620	\$639	\$658	\$676	\$698	\$719	\$741	\$761	\$786	\$810	\$834	\$857	\$885	\$911
Rate Stabilization	b.																	
Target Percent		15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Water Use Revenue		\$3,171	\$3,294	\$3,417	\$3,546	\$3,683	\$3,823	\$3,971	\$4,121	\$4,280	\$4,442	\$4,613	\$4,790	\$4,972	\$5,137	\$5,307	\$5,483	\$5,665
Target Dollars		\$476	\$494	\$513	\$532	\$553	\$573	\$596	\$618	\$642	\$666	\$692	\$718	\$746	\$771	\$796	\$822	\$850
Emergency	c.																	
Target Percent		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Water Use Revenue		\$4,606	\$4,744	\$4,886	\$5,033	\$5,184	\$5,339	\$5,499	\$5,664	\$5,834	\$6,009	\$6,190	\$6,375	\$6,566	\$6,763	\$6,966	\$7,175	\$7,391
Target Dollars		\$461	\$474	\$489	\$503	\$518	\$534	\$550	\$566	\$583	\$601	\$619	\$638	\$657	\$676	\$697	\$718	\$739
Total Operating Reserve Target		\$1,504	\$1,553	\$1,602	\$1,656	\$1,710	\$1,766	\$1,822	\$1,883	\$1,945	\$2,008	\$2,072	\$2,142	\$2,212	\$2,281	\$2,349	\$2,425	\$2,500

Notes:

a. The working capital target
is a percent of operating
expenditures based on
days of coverage:

days of working capital >	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
calendar days in year >	365	365	366	365	365	365	365	366	365	365	365	366	365	365	365	366	365	365
% working capital days >	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%

b. The rate stabilization target
is the percent of water use
revenue that may decrease
due to adverse weather
conditions.

c. The emergency target
is a percent of operating
expenditures based on
financial cash flow risk
due to natural disasters.

Table 2.13
Target Operating Reserves
(\$1,000s)

Item	Notes	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	FY 2046	FY 2047	FY 2048	FY 2049	FY 2050	FY 2051	FY 2052	FY 2053	FY 2054	FY 2055
Reserve Components																		
Working Capital	a.																	
Target Percent		12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
Operating Expenditures		\$7,612	\$7,841	\$8,076	\$8,318	\$8,568	\$8,825	\$9,090	\$9,362	\$9,643	\$9,932	\$10,230	\$10,537	\$10,853	\$11,179	\$11,514	\$11,860	\$12,216
Target Dollars		\$939	\$964	\$996	\$1,026	\$1,056	\$1,085	\$1,121	\$1,154	\$1,189	\$1,221	\$1,261	\$1,299	\$1,338	\$1,374	\$1,420	\$1,462	\$1,506
Rate Stabilization	b.																	
Target Percent		15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Water Use Revenue		\$5,852	\$6,046	\$6,249	\$6,455	\$6,669	\$6,890	\$7,118	\$7,353	\$7,597	\$7,849	\$8,108	\$8,378	\$8,654	\$8,941	\$9,239	\$9,544	\$9,860
Target Dollars		\$878	\$907	\$937	\$968	\$1,000	\$1,034	\$1,068	\$1,103	\$1,140	\$1,177	\$1,216	\$1,257	\$1,298	\$1,341	\$1,386	\$1,432	\$1,479
Emergency	c.																	
Target Percent		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Water Use Revenue		\$7,612	\$7,841	\$8,076	\$8,318	\$8,568	\$8,825	\$9,090	\$9,362	\$9,643	\$9,932	\$10,230	\$10,537	\$10,853	\$11,179	\$11,514	\$11,860	\$12,216
Target Dollars		\$761	\$784	\$808	\$832	\$857	\$882	\$909	\$936	\$964	\$993	\$1,023	\$1,054	\$1,085	\$1,118	\$1,151	\$1,186	\$1,222
Total Operating Reserve Target		\$2,578	\$2,655	\$2,741	\$2,826	\$2,913	\$3,001	\$3,097	\$3,193	\$3,293	\$3,392	\$3,501	\$3,609	\$3,722	\$3,833	\$3,957	\$4,080	\$4,207

Notes:

a. The working capital target
is a percent of operating
expenditures based on
days of coverage:

<i>days of working capital ></i>	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
<i>calendar days in year ></i>	365	366	365	365	365	366	365	365	365	365	366	365	365	365	366	365	365	365
<i>% working capital days ></i>	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%

b. The rate stabilization target
is the percent of water use
revenue that may decrease
due to adverse weather
conditions.

c. The emergency target
is a percent of operating
expenditures based on
financial cash flow risk
due to natural disasters.

Table 2.14
Projected Water Fund Balance
(\$1,000s)

Item	Notes	Act 2005	Est 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Beginning Balance	a.	\$16,036	\$14,651	\$14,151	\$13,462	\$12,771	\$12,090	\$11,384	\$10,680	\$9,986	\$9,312	\$8,671	\$7,992	\$7,339	\$6,894	\$6,419	\$5,887	\$5,513
Operating Income																		
Water Fees		\$2,878	\$2,877	\$3,047	\$3,163	\$3,287	\$3,415	\$3,546	\$3,683	\$3,827	\$3,974	\$4,128	\$4,287	\$4,452	\$4,625	\$4,803	\$4,990	\$5,183
Assessments		\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147
Property Taxes		\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87
Meter Sales		\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87
Charges and Penalties		\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37
Miscellaneous		\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22
Total Operating Income		\$3,257	\$3,256	\$3,427	\$3,543	\$3,667	\$3,795	\$3,926	\$4,063	\$4,207	\$4,354	\$4,508	\$4,666	\$4,832	\$5,005	\$5,182	\$5,370	\$5,562
Operating Expenses																		
Salaries and Expenses		\$1,805	\$1,949	\$2,007	\$2,068	\$2,130	\$2,194	\$2,259	\$2,327	\$2,397	\$2,469	\$2,543	\$2,619	\$2,698	\$2,779	\$2,862	\$2,948	\$3,036
Other Expenses		\$891	\$921	\$949	\$977	\$1,007	\$1,037	\$1,068	\$1,100	\$1,133	\$1,167	\$1,202	\$1,238	\$1,275	\$1,313	\$1,353	\$1,393	\$1,435
Total Operating Expenditures		\$2,696	\$2,870	\$2,956	\$3,045	\$3,136	\$3,230	\$3,327	\$3,427	\$3,530	\$3,636	\$3,745	\$3,857	\$3,973	\$4,092	\$4,215	\$4,341	\$4,471
Net Operating Income		\$562	\$386	\$471	\$498	\$530	\$565	\$599	\$636	\$677	\$718	\$763	\$809	\$859	\$913	\$967	\$1,029	\$1,091
Payment of Deferred Chg		\$120																
Interest	b.	\$480	\$614	\$576	\$552	\$525	\$497	\$469	\$441	\$413	\$386	\$360	\$333	\$307	\$285	\$266	\$246	\$228
Debt Service		\$730	\$721	\$957	\$962	\$958	\$958	\$962	\$961	\$955	\$935	\$930	\$924	\$738	\$738	\$738	\$528	\$346
Transfer to Reserve for Capital Replacement	c.	\$1,577	\$779	\$779	\$779	\$779	\$810	\$810	\$810	\$810	\$810	\$872	\$872	\$872	\$934	\$1,028	\$1,121	\$1,215
Ending Balance		\$14,651	\$14,151	\$13,462	\$12,771	\$12,090	\$11,384	\$10,680	\$9,986	\$9,312	\$8,671	\$7,992	\$7,339	\$6,894	\$6,419	\$5,887	\$5,513	\$5,271

Notes:

a. The FY 2005 beginning balance is from the Audited 2005 General Purpose Financial Statements, Note 3. Cash and Investing, p. 14.

a. Interest rates

4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0%

b. Capital replacement costs should be transferred to a separate fund.

Annual capital replacement funding amount is phased in:

Total Annual Target (\$000) >	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114
Percent of Target in Rates >	25%	25%	25%	25%	26%	26%	26%	26%	26%	26%	28%	28%	28%	30%	33%	36%	39%	
\$ Amount in Rates (\$000) >	\$779	\$779	\$779	\$779	\$810	\$810	\$810	\$810	\$810	\$810	\$872	\$872	\$872	\$934	\$1,028	\$1,121	\$1,215	
\$ Amount Cumulative (\$000) >	\$779	\$1,557	\$2,336	\$3,114	\$3,924	\$4,734	\$5,543	\$6,353	\$7,163	\$8,035	\$8,907	\$9,778	\$10,713	\$11,740	\$12,861	\$14,076		

Table 2.14
Projected Water Fund Balance
(\$1,000s)

Item	Notes	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Beginning Balance	a.	\$5,271	\$5,336	\$5,374	\$5,393	\$5,395	\$5,388	\$5,374	\$5,358	\$5,344	\$5,338	\$5,343	\$5,368	\$5,420	\$5,503	\$5,585	\$5,669	\$5,757
Operating Income																		
Water Fees		\$5,383	\$5,592	\$5,805	\$6,028	\$6,264	\$6,505	\$6,758	\$7,018	\$7,290	\$7,570	\$7,864	\$8,169	\$8,484	\$8,770	\$9,064	\$9,369	\$9,684
Assessments		\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147
Property Taxes		\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87
Meter Sales		\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87
Charges and Penalties		\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37
Miscellaneous		\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22
Total Operating Income		\$5,763	\$5,972	\$6,185	\$6,408	\$6,643	\$6,884	\$7,137	\$7,397	\$7,670	\$7,949	\$8,243	\$8,548	\$8,864	\$9,150	\$9,444	\$9,748	\$10,064
Operating Expenses																		
Salaries and Expenses		\$3,127	\$3,221	\$3,318	\$3,417	\$3,520	\$3,626	\$3,734	\$3,846	\$3,962	\$4,081	\$4,203	\$4,329	\$4,459	\$4,593	\$4,731	\$4,873	\$5,019
Other Expenses		\$1,478	\$1,522	\$1,568	\$1,615	\$1,664	\$1,714	\$1,765	\$1,818	\$1,872	\$1,929	\$1,986	\$2,046	\$2,107	\$2,171	\$2,236	\$2,303	\$2,372
Total Operating Expenditures		\$4,606	\$4,744	\$4,886	\$5,033	\$5,184	\$5,339	\$5,499	\$5,664	\$5,834	\$6,009	\$6,190	\$6,375	\$6,566	\$6,763	\$6,966	\$7,175	\$7,391
Net Operating Income		\$1,157	\$1,228	\$1,299	\$1,375	\$1,459	\$1,545	\$1,638	\$1,733	\$1,835	\$1,940	\$2,054	\$2,173	\$2,297	\$2,386	\$2,477	\$2,573	\$2,673
Payment of Deferred Chg																		
Interest	b.	\$216	\$212	\$214	\$215	\$216	\$216	\$215	\$215	\$214	\$214	\$214	\$214	\$216	\$218	\$222	\$225	\$229
Debt Service																		
Transfer to Reserve for Capital Replacement	c.	\$1,308	\$1,401	\$1,495	\$1,588	\$1,682	\$1,775	\$1,868	\$1,962	\$2,055	\$2,149	\$2,242	\$2,336	\$2,429	\$2,522	\$2,616	\$2,709	\$2,803
Ending Balance		\$5,336	\$5,374	\$5,393	\$5,395	\$5,388	\$5,374	\$5,358	\$5,344	\$5,338	\$5,343	\$5,368	\$5,420	\$5,503	\$5,585	\$5,669	\$5,757	\$5,856
Notes:																		
a. The FY 2005 beginning balance is from the Audited 2005 General Purpose Financial Statements, Note 3. Cash and Investing, p. 14.																		
a. Interest rates		4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
b. Capital replacement costs should be transferred to a separate fund.																		
Annual capital replacement funding amount is phased in:																		
Total Annual Target (\$000) >		\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114
Percent of Target In Rates >		42%	45%	48%	51%	54%	57%	60%	63%	66%	69%	72%	75%	78%	81%	84%	87%	90%
\$ Amount In Rates (\$000) >		\$1,308	\$1,401	\$1,495	\$1,588	\$1,682	\$1,775	\$1,868	\$1,962	\$2,055	\$2,149	\$2,242	\$2,336	\$2,429	\$2,522	\$2,616	\$2,709	\$2,803
\$ Amount Cumulative (\$000) >		\$15,384	\$16,785	\$18,280	\$19,868	\$21,550	\$23,325	\$25,194	\$27,155	\$29,211	\$31,360	\$33,602	\$35,937	\$38,366	\$40,889	\$43,505	\$46,214	\$49,017

Table 2.14
Projected Water Fund Balance
(\$1,000s)

Item	Notes	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Beginning Balance	a.	\$5,856	\$5,970	\$6,102	\$6,261	\$6,355	\$6,266	\$6,148	\$6,002	\$5,831	\$5,643	\$5,442	\$5,233	\$5,022	\$4,813	\$4,616	\$4,439	\$4,288
Operating Income																		
Water Fees		\$10,010	\$10,346	\$10,697	\$11,055	\$11,428	\$11,812	\$12,208	\$12,618	\$13,043	\$13,482	\$13,935	\$14,404	\$14,887	\$15,388	\$15,908	\$16,442	\$16,996
Assessments		\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147	\$147
Property Taxes		\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87
Meter Sales		\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87
Charges and Penalties		\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37	\$37
Miscellaneous		\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22	\$22
Total Operating Income		\$10,390	\$10,726	\$11,077	\$11,435	\$11,807	\$12,191	\$12,588	\$12,997	\$13,423	\$13,862	\$14,315	\$14,784	\$15,267	\$15,767	\$16,287	\$16,822	\$17,375
Operating Expenses																		
Salaries and Expenses		\$5,169	\$5,324	\$5,484	\$5,649	\$5,818	\$5,993	\$6,172	\$6,358	\$6,548	\$6,745	\$6,947	\$7,155	\$7,370	\$7,591	\$7,819	\$8,054	\$8,295
Other Expenses		\$2,443	\$2,516	\$2,592	\$2,670	\$2,750	\$2,832	\$2,917	\$3,005	\$3,095	\$3,188	\$3,283	\$3,382	\$3,483	\$3,588	\$3,695	\$3,806	\$3,920
Total Operating Expenditures		\$7,612	\$7,841	\$8,076	\$8,318	\$8,568	\$8,825	\$9,090	\$9,362	\$9,643	\$9,932	\$10,230	\$10,537	\$10,853	\$11,179	\$11,514	\$11,860	\$12,216
Net Operating Income		\$2,777	\$2,885	\$3,001	\$3,117	\$3,240	\$3,367	\$3,498	\$3,635	\$3,780	\$3,930	\$4,084	\$4,247	\$4,413	\$4,588	\$4,773	\$4,962	\$5,160
Payment of Deferred Chg																		
Interest	b.	\$232	\$237	\$241	\$247	\$252	\$252	\$248	\$243	\$237	\$229	\$222	\$214	\$205	\$197	\$189	\$181	\$175
Debt Service																		
Transfer to Reserve for Capital Replacement	c.	\$2,896	\$2,990	\$3,083	\$3,270	\$3,581	\$3,737	\$3,893	\$4,048	\$4,204	\$4,360	\$4,516	\$4,671	\$4,827	\$4,983	\$5,138	\$5,294	\$5,450
Ending Balance		\$5,970	\$6,102	\$6,261	\$6,355	\$6,266	\$6,148	\$6,002	\$5,831	\$5,643	\$5,442	\$5,233	\$5,022	\$4,813	\$4,616	\$4,439	\$4,288	\$4,172
Notes:																		
a. The FY 2005 beginning balance is from the Audited 2005 General Purpose Financial Statements, Note 3. Cash and Investing, p. 14.																		
a. Interest rates		4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
b. Capital replacement costs should be transferred to a separate fund.																		
Annual capital replacement funding amount is phased in:																		
Total Annual Target (\$000) >		\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114	\$3,114
Percent of Target in Rates >		93%	96%	99%	105%	115%	120%	125%	130%	135%	140%	145%	150%	155%	160%	165%	170%	175%
\$ Amount in Rates (\$000) >		\$2,896	\$2,990	\$3,083	\$3,270	\$3,581	\$3,737	\$3,893	\$4,048	\$4,204	\$4,360	\$4,516	\$4,671	\$4,827	\$4,983	\$5,138	\$5,294	\$5,450
\$ Amount Cumulative (\$000) >		\$51,913	\$54,903	\$57,986	\$61,256	\$64,837	\$68,574	\$72,467	\$76,515	\$80,719	\$85,079	\$89,594	\$94,266	\$99,093	\$104,075	\$109,214	\$114,508	\$119,958

Table 2.15
Water Revenues and Expenditures Summary

Balance July 1, 2006	\$14,650,976	
Expenditures		<u>Percent of Total</u>
O&M	\$323,733,000	71%
Debt Service	\$13,312,025	3%
Capital Replacement	<u>\$119,957,526</u>	<u>26%</u>
Total Expenditures	\$457,002,551	100%
Revenues		<u>Percent of Total</u>
Water Rates	\$413,563,761	93%
Interest	\$18,976,650	4%
Other Revenue	<u>\$13,983,186</u>	<u>3%</u>
Total Revenue	\$446,523,597	100%
Revenues - Expenditures	-\$10,478,954	
Balance June 30, 2055	\$4,172,022	

CHAPTER 3

WASTEWATER ENTERPRISE LONG TERM FINANCIAL PLAN

This chapter describes the long term financial plan for the wastewater system. The long term financial plan description includes a summary of revenues and expenditures over the time period FY 2006 – FY 2055 and projected annual rate increases that produce revenues sufficient to meet expenditures.

Current and Projected Wastewater Accounts

The current number of wastewater accounts is 55. All accounts are residential accounts and are charged the same rate. The projected number of accounts for FY 2007 – FY 2055 is projected to remain at the current level.

Wastewater Rates and Revenues

Revenue from wastewater rates is projected to account for approximately 99 percent of revenue for the wastewater system through FY 2055. The only other source of revenue will be interest earnings. The projected rate increases recommended as part of this financial evaluation are explained in more detail later in this chapter. The projected rate increases and the commensurate sewer charges are shown in Table 3.1 and summarized in the table below.

Rate Increase Recommendations	Increase	Year Start	Year End	Years
Increase 1	20.0%	2007	- 2008	2
Increase 2	7.0%	2009	- 2012	4
Increase 3	3.0%	2013	- 2055	43

Wastewater System Expenditures

Wastewater system expenditures include operations and maintenance expenses and capital replacement costs. Wastewater system operations and maintenance expenses for FY 2006 were based on actual values from FY 2005 which are shown in Table 3.2. Projections for FY 2006 – FY 2055 are shown in Table 3.3. The projected values reflect an annual three percent increase, except for FY 2006 salaries and expenses, and professional services, which reflect higher expected increases.

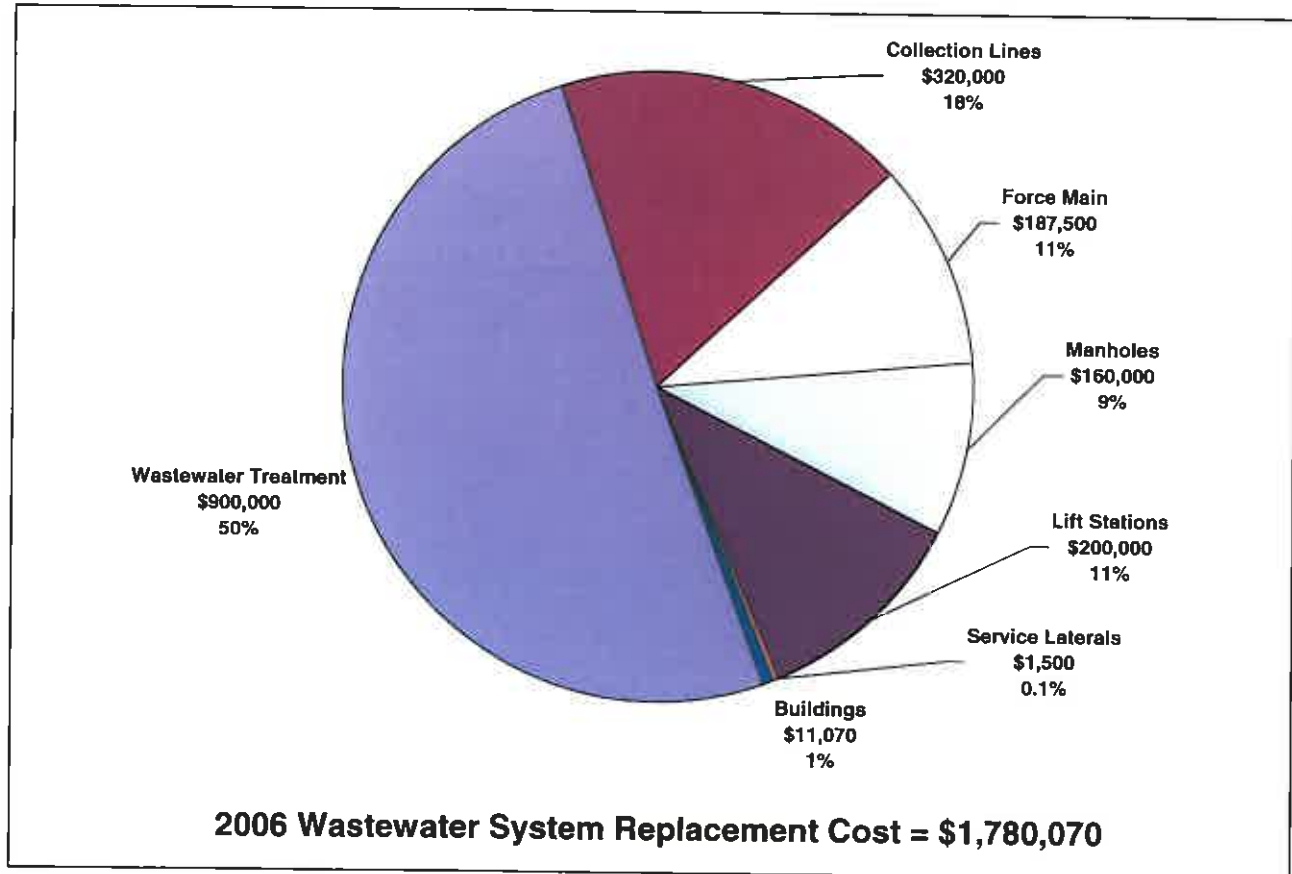
Capital Replacement Costs

Capital replacement costs are those costs related to replacement of assets as the assets fail, wear out or become obsolete. The District had no capital replacement expenditures in FY 2006.¹ For the purpose of projecting annual expenditures for capital replacement, an approach which

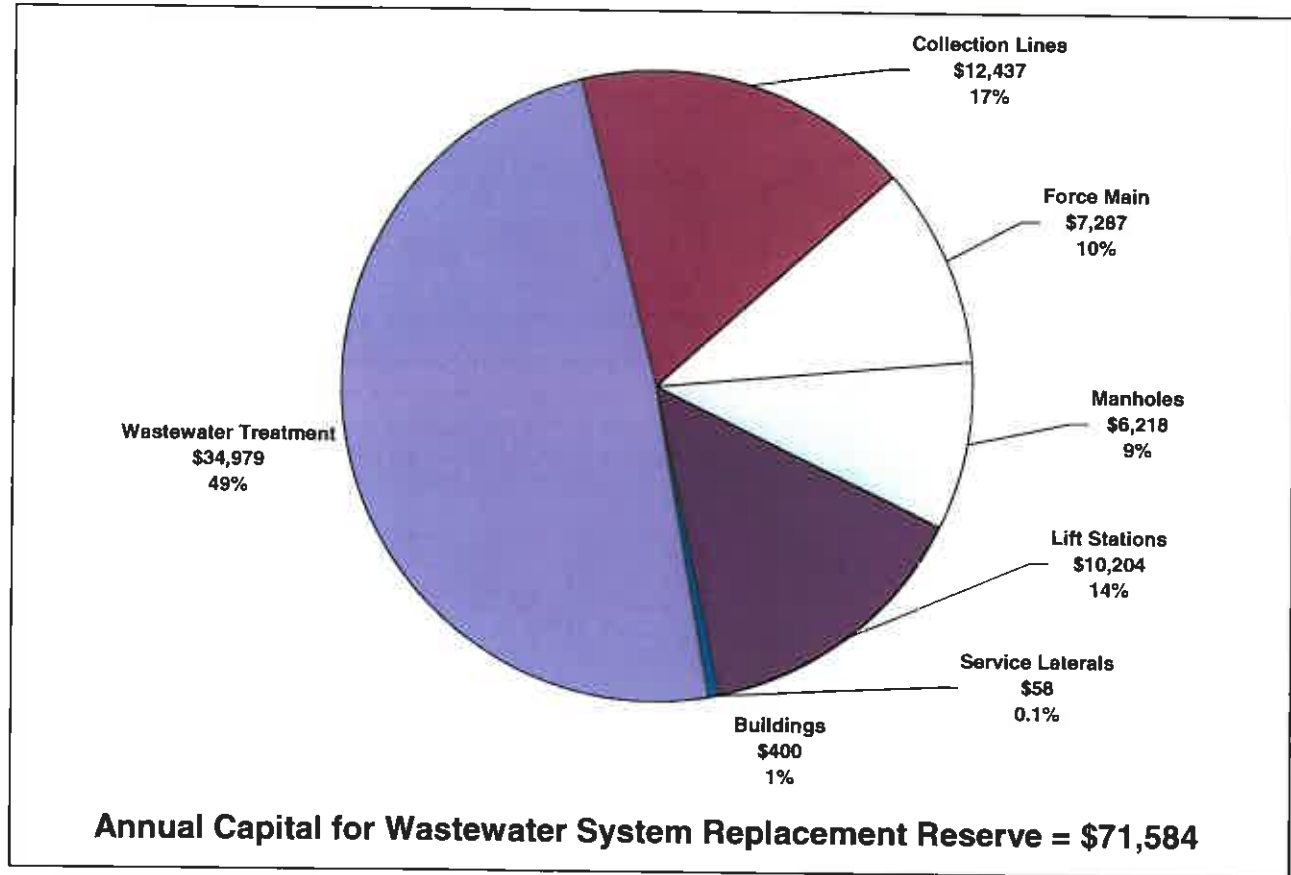
¹ Depreciation is sometimes (mistakenly) equated with the attempt to capture the cost of capital asset replacement. Depreciation is not used in this study because it is based upon the original cost of assets. The best method of estimating asset replacement costs is to project the cost to replace each asset in the year in which it is expected to be replaced. For the purposes of this study an approach which approximates the replacement cost method is used.

approximates the cost to replace assets over the duration of the study period was developed. The approach is based on developing the current replacement cost for the wastewater system and recovering that cost incrementally over the useful life of the wastewater system while accounting for inflation. Table 3.4 shows the development of the FY 2006 replacement cost for the wastewater system. Figure 3.1 shows the FY 2006 replacement cost of the wastewater system for each major system component.

Figure 3.1 2006 Wastewater System Replacement Cost



The annual cost to replace capital assets is shown in Table 3.4 to be approximately \$71,500. Based on an approach which approximates the cost to replace assets over the duration of the study period, the annual replacement cost would be spent on capital replacement projects as they occur, if not totally spent in a given year, transferred to a reserve and accumulated for capital replacement projects of assets with longer useful lives that are replaced all at once and not gradually over time. Figure 3.2 shows the annual replacement capital cost of the wastewater system for each major system component.

Figure 3.2 Annual Wastewater System Replacement Capital Cost

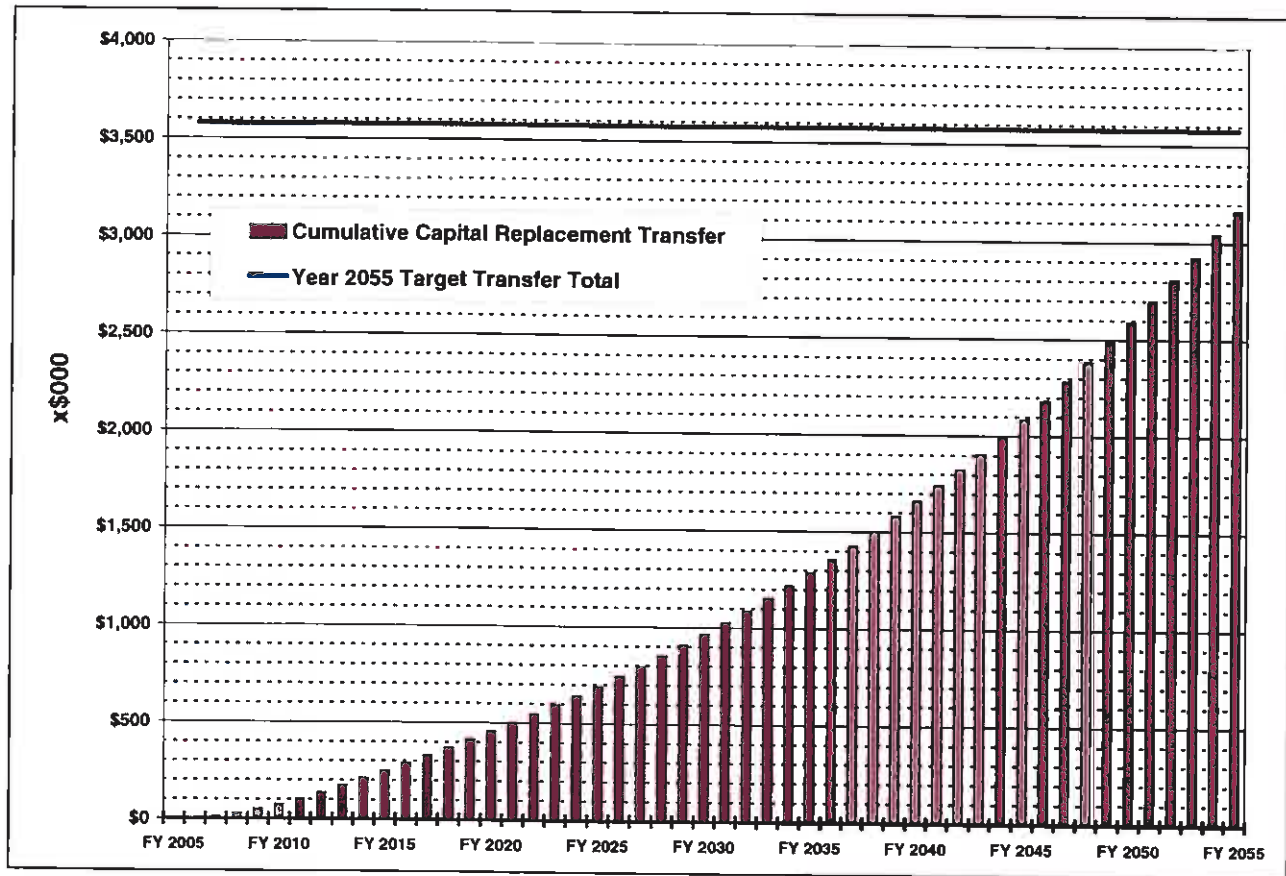
The replacement cost of the wastewater system, approximately \$1,800,000 in FY 2006, would double about every 24 years if construction costs increase at three percent per year between FY 2006 and FY 2055. In other words, the replacement cost of the wastewater system would be approximately \$3,600,000 in FY 2030 and approximately \$7,200,000 in FY 2054. These projections may be on the low side, that is the three percent annual increase in construction costs may be exceeded by the actual increases in constructions costs. The projected replacement cost of the wastewater system puts the annual \$71,500 budget for replacement costs in perspective.

The annual capital replacement costs used in the long term financial plan are not \$71,500. The impact on wastewater rates was deemed to be too extreme to immediately shift from the current capital replacement expenditure level, \$0 in FY 2006, to \$71,500. Instead, the annual capital replacement costs to be recovered from rates are increased gradually from the current level.

The cumulative amount of capital replacement costs to be recovered from rates and transferred to a separate fund (or spent on capital replacement projects) is shown in Figure 3.3. Also shown in the figure is the total target amount of transfers. The total target amount of transfers, approximately \$3,600,000, is the annual amount (approximately \$71,000) times 50 years. The difference between cumulative amount of capital replacement costs to be recovered from rates and the total target amount of transfers reflects a need to either increase capital replacement

costs to be recovered from rates in later years, fund some capital projects through issuance of debt, or postpone some capital replacement projects.

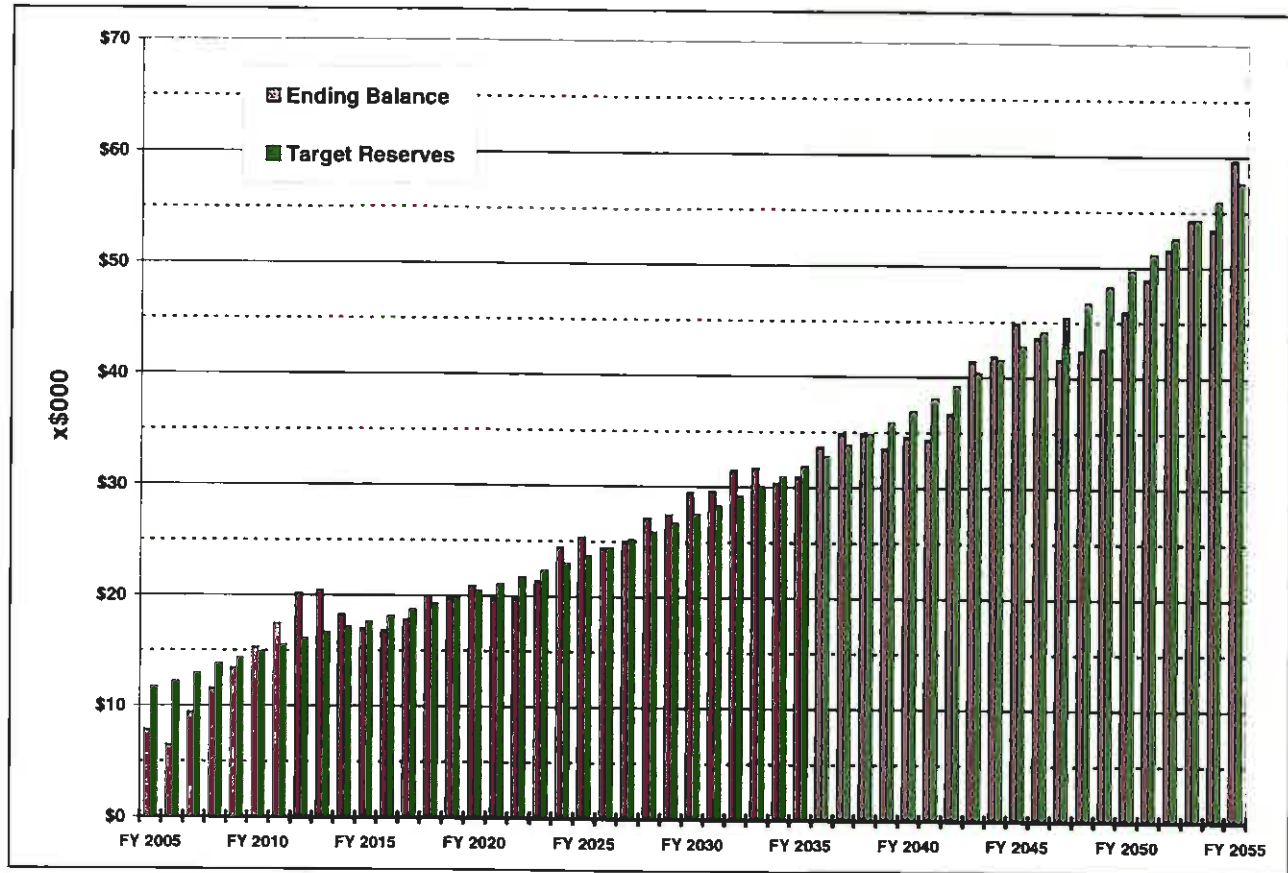
Figure 3.3 Wastewater System Fund Balance 2005 - 2055



Target Fund Balance

An annual target fund balance was developed (exclusive of those amounts to be transferred to a reserve for capital replacements or spent on capital replacements). The target fund balance has three components – working capital, rate stabilization and emergency. Development of the target fund balance for each year is shown in Table 3.5. The working capital component is for fluctuations in day to day cash received from accounts receivable versus cash paid to accounts payable. The rate stabilization component enables the District to meet cash requirements in times when revenue from wastewater rates is less than planned. The emergency component enables the District to better meet cash requirements during emergencies.

Each component of the target fund balance is additive and reflects the chance that all three situations for which the components are developed may occur simultaneously. The target fund balance and the projected fund balance are shown in Figure 3.5. The projected fund balance is discussed in the next section.

Figure 3.5 Wastewater System Fund Balance Target 2005 - 2055

Projected Fund Balance

The annual amounts of revenues and expenditures described in the previous sections were used in Table 3.5 to develop an annual fund balance. Revenues from wastewater rates and capital replacement costs were adjusted so that the fund balance would approach the target balance. The main categories of revenues (from wastewater fees and interest) and expenditures (salaries and labor costs, other operating costs and capital replacement) are shown in Figure 3.6 along with the ensuing fund balance.

The annual amounts of revenues and expenditures from FY 2006 through FY 2055 for each main category were added and summarized in Table 3.7. The significant points to be derived from the summary are:

- O&M expenditures (salaries, labor and other operating costs) are 61% of all expenditures
- Capital replacement expenditures (about \$3,164,000) are 39% of all expenditures
- Revenue from wastewater rates is 99% of all revenue

Figure 3.6 Wastewater System Fund Balance 2005 - 2055

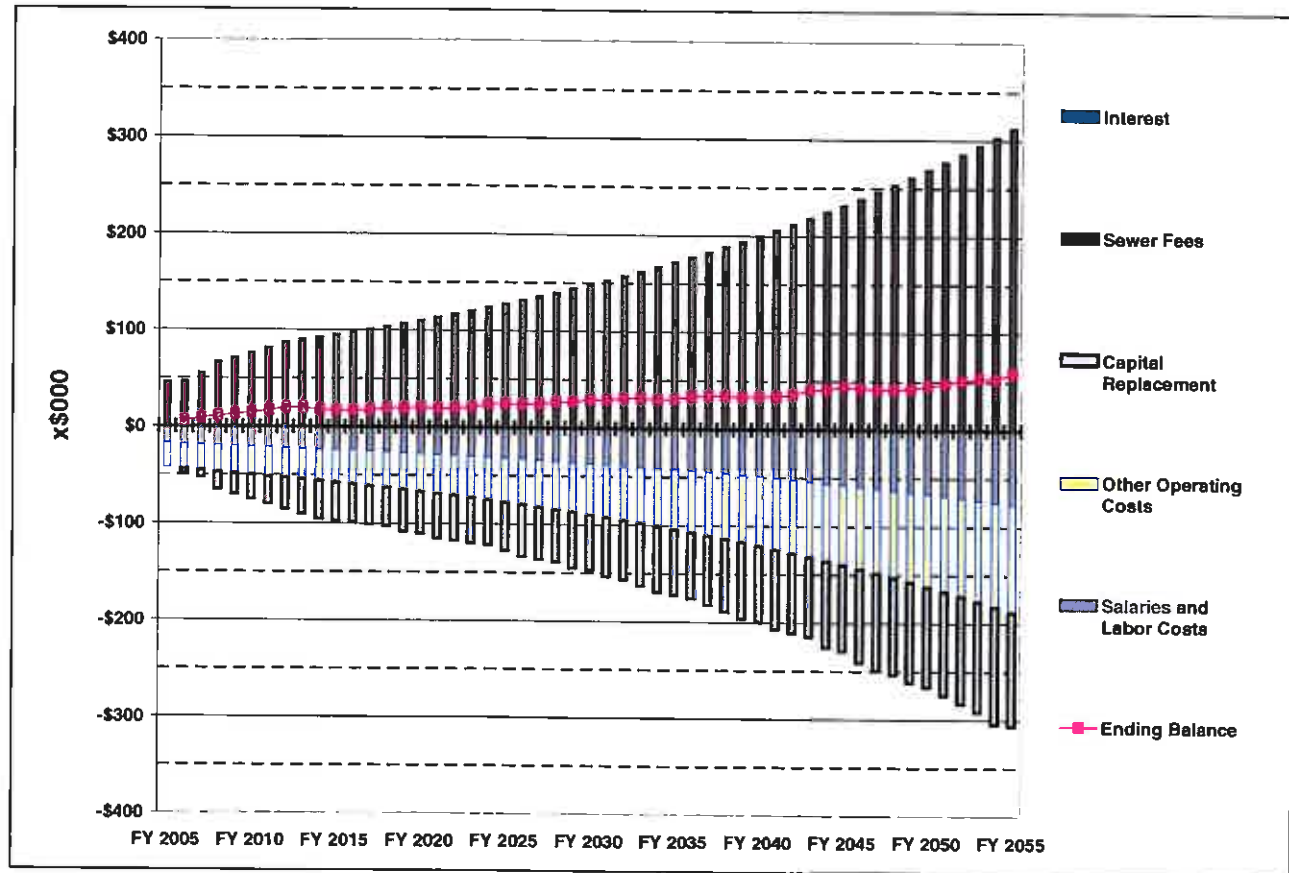


Table 3.7 Wastewater System Fund Balance Summary 2006 - 2055

Balance July 1, 2006	\$7,861	
Expenditures		<u>Percent of Total</u>
O&M	\$5,033,734	61%
Debt Service	\$0	0%
Capital Replacement	\$3,164,003	39%
Total Expenditures	\$8,197,738	100%
Revenues		<u>Percent of Total</u>
Wastewater Rates	\$8,196,030	99%
Interest	\$57,857	1%
Other Revenue	\$0	0%
Total Revenue	\$8,253,887	100%
Revenues - Expenditures	\$56,149	
Balance June 30, 2055	\$64,010	

Wastewater Bills

The impact of the projected wastewater rate increases on wastewater bills were evaluated in Table 3.1. In that table, the average bimonthly wastewater bill based on the projected rates was shown. Figure 3.7 shows the annual average bimonthly wastewater bill and the annual percentage increase in wastewater rates.

Trends in the bimonthly wastewater bill are driven by the need to immediately begin incorporating capital replacement costs into the wastewater bill. If the large increases in wastewater bills for FY 2007 and FY 2008, and the series of high rate increases in FY 2009 – FY 2012, are decreased or postponed even greater increases will be necessary at a later time.

Figure 3.7 Average Annual Single Family Wastewater Bills 2005 - 2055

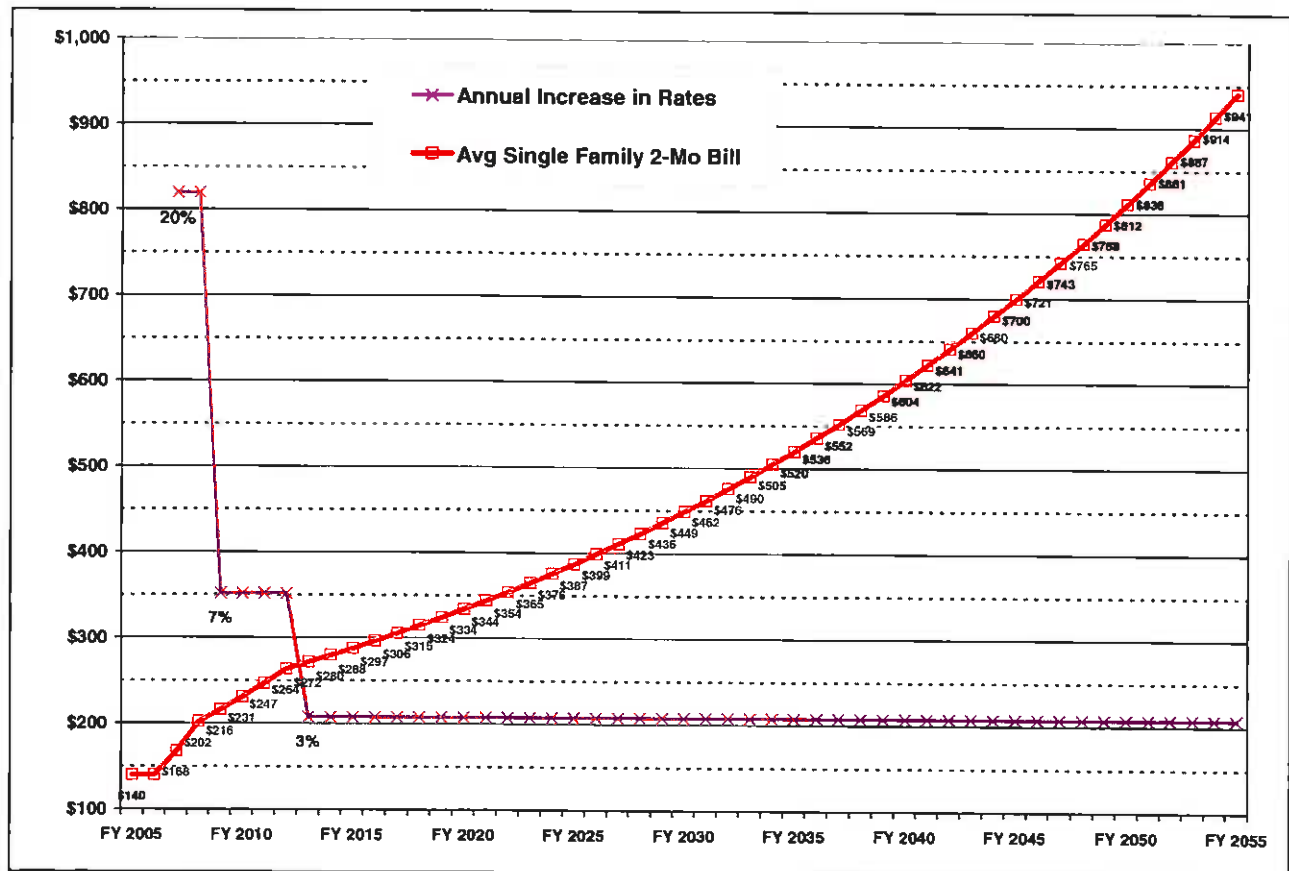


Table 3.1
Wastewater Accounts and Revenue

Item	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Accounts																	
Sewer	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55
Sewer Charge (\$)																	
Bi-monthly/Acct	\$140	\$140	\$168	\$202	\$216	\$231	\$247	\$264	\$272	\$280	\$288	\$297	\$306	\$315	\$324	\$334	\$344
Revenue (\$1,000s)																	
Annual	\$46	\$46	\$55	\$67	\$71	\$76	\$82	\$87	\$90	\$92	\$95	\$98	\$101	\$104	\$107	\$110	\$114
Total	\$46	\$46	\$55	\$67	\$71	\$76	\$82	\$87	\$90	\$92	\$95	\$98	\$101	\$104	\$107	\$110	\$114
Annual Increase			\$9	\$11	\$5	\$5	\$5	\$6	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3
Notes:																	
a. Accounts annual percent increase estimates:																	
Percent			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Annual Increase			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b. Charge annual percent increase estimates:																	
Percent			20.0%	20.0%	7.0%	7.0%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Bi-monthly Increase			\$28	\$34	\$14	\$15	\$16	\$17	\$8	\$8	\$8	\$9	\$9	\$9	\$9	\$10	\$10

Table 3.1
Wastewater Accounts and Revenue

Item	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Accounts																	
Sewer	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55
Sewer Charge (\$)																	
Bi-monthly/Acct	\$354	\$365	\$376	\$387	\$399	\$411	\$423	\$436	\$449	\$462	\$476	\$490	\$505	\$520	\$536	\$552	\$569
Revenue (\$1,000s)																	
Annual	\$117	\$120	\$124	\$128	\$132	\$136	\$140	\$144	\$148	\$152	\$157	\$162	\$167	\$172	\$177	\$182	\$188
Total	\$117	\$120	\$124	\$128	\$132	\$136	\$140	\$144	\$148	\$152	\$157	\$162	\$167	\$172	\$177	\$182	\$188
Annual Increase	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$5	\$6
Notes:																	
a. Accounts annual percent																	
Increase estimates:																	
Percent	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Annual Increase	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b. Charge annual percent																	
Increase estimates:																	
Percent	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Bi-monthly Increase	\$10	\$11	\$11	\$11	\$12	\$12	\$12	\$13	\$13	\$13	\$14	\$14	\$15	\$15	\$16	\$16	\$17

Table 3.1
Wastewater Accounts and Revenue

Item	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Accounts																	
Sewer	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55
Sewer Charge (\$)																	
Bi-monthly/Acct	\$586	\$604	\$622	\$641	\$660	\$680	\$700	\$721	\$743	\$765	\$788	\$812	\$836	\$861	\$887	\$914	\$941
Revenue (\$1,000s)																	
Annual	\$193	\$199	\$205	\$212	\$218	\$224	\$231	\$238	\$245	\$252	\$260	\$268	\$276	\$284	\$293	\$302	\$311
Total	\$193	\$199	\$205	\$212	\$218	\$224	\$231	\$238	\$245	\$252	\$260	\$268	\$276	\$284	\$293	\$302	\$311
Annual Increase	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9
Notes:																	
a. Accounts annual percent																	
Increase estimates:																	
Percent	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Annual Increase	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b. Charge annual percent																	
Increase estimates:																	
Percent	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Bi-monthly Increase	\$17	\$18	\$18	\$19	\$19	\$20	\$20	\$21	\$22	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$27

Table 3.2
Wastewater System 2005 Income and Expenses
Sewer Fund Fiscal Year Ending June 30, 2005

Item	Amount
Operating Income	
Sewer Charges	\$45,360
Assessments	\$0
Property Taxes	\$0
- Meter Sales	\$0
Charges and Penalties	\$0
Miscellaneous	\$825
Total Operating Income	\$46,185
Operating Expenses (a)	
Salaries and Expenses	\$16,735
Professional Services	\$7,924
Materials and Supplies	\$2,416
Utilities and Telephone	\$6,965
Insurance	\$429
Election Fees	\$0
LAFCO Fees	\$0
Vehicle & Equip Mtc	\$531
Building Mtc	\$0
Collection Charges	\$0
Miscellaneous	\$4,500
Travel, Meals & Conf	\$0
Auto Allowance	\$0
Office Expenses	\$161
Rentals and Permits	\$2,338
Repairs	\$0
Total Operating Expenditures	\$41,999

Source: Audited 2005 General Purpose Financial Statements
 Supplementary Information, p. 24.

Notes:

- a. Amortization and depreciation are non-cash expenditures
 and are excluded.

FY 2005 amount > \$30,494

Table 3.3
Projected Wastewater Expenses
(\$1,000s)

Item	Notes	Act 2005	Est 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Expenses																		
Salaries and Expenses	a.	\$17	\$18	\$19	\$19	\$20	\$20	\$21	\$22	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$27	\$28
Professional Services	b.	\$8	\$8	\$9	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$11	\$12	\$12	\$12	\$13	\$13
Materials and Supplies	c.	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4
Utilities and Telephone	d.	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$11
Insurance	e.	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Election Fees	f.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LAFCO Fees	g.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicle & Equip Mtc	h.	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Building Mtc	i.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Collection Charges	j.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	k.	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7
Travel, Meals & Conf	l.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Auto Allowance	m.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Expenses	n.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rentals and Permits	o.	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4
Repairs	p.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenditures		\$42	\$44	\$46	\$47	\$48	\$50	\$51	\$53	\$54	\$56	\$58	\$59	\$61	\$63	\$65	\$67	\$69

Notes:

[illegible]

Table 3.3
Projected Wastewater Expenses
(\$1,000s)

[illegible]

Table 3.3
Projected Wastewater Expenses
(\$1,000s)

[illegible]

Table 3.4
List of Wastewater Assets and Replacement Costs, 2006

Asset Classification	Asset Name	Notes	Number or Size	Units	Unit Replacement Cost	Total Replacement Cost	Useful Life Years	Estimated Inflation Rate	Capital Recovery Factor (a)	Annual Capital Recovery
COLLECTION LINES	6.00-Inch diameter		3,200	Lineal Foot	\$100.00/LF	\$320,000	50	3.0%	0.0389	\$12,437
FORCE MAIN	4.00-inch diameter		2,500	Lineal Foot	\$75.00/LF	\$187,500	50	3.0%	0.0389	\$7,287
WASTEWATER TREATMENT			1	each	\$900,000	\$900,000	50	3.0%	0.0389	\$34,979
MANHOLES			16	each	\$10,000	\$160,000	50	3.0%	0.0389	\$6,218
LIFT STATIONS			2	each	\$100,000	\$200,000	30	3.0%	0.0510	\$10,204
SERVICE LATERALS			60	each	\$25	\$1,500	50	3.0%	0.0389	\$58
BUILDINGS		(b)	2	each	\$500,000	\$11,070	60	3.0%	0.0361	\$400
Summary										
COLLECTION LINES			3,200	Lineal Foot		\$320,000				\$12,437
FORCE MAIN			1	Lineal Foot		\$187,500				\$7,287
WASTEWATER TREATMENT			1	Count		\$900,000				\$34,979
MANHOLES			16	Count		\$160,000				\$6,218
LIFT STATIONS			2	Count		\$200,000				\$10,204
SERVICE LATERALS			60	Count		\$1,500				\$58
BUILDINGS			2	Count		\$11,070				\$400
TOTAL						\$1,780,070				\$71,584

Notes:

- a. The capacity factor is the fraction of the replacement cost that must be recovered annually over the useful life of the asset.
For example, If the inflation rate were 0%, an asset with a useful life of 20 years would have a capacity factor of 0.05 (1 divided by 20).
Increasing the inflation rate increases the capacity factor.
- b. The unit replacement cost for buildings is allocated between the water and sewer funds based on the relative replacement costs for the other assets in each system.

<u>Water</u>	<u>Sewer</u>	<u>Total</u>
\$78,135,000	\$1,769,000	\$79,904,000
97.8%	2.2%	

Table 3.5
Target Operating Reserves
(\$1,000s)

Item	Notes	Act FY 2005	Est FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Reserve Components																		
Working Capital	a.																	
Target Percent		12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
Operating Expenditures		\$42	\$44	\$46	\$47	\$48	\$50	\$51	\$53	\$54	\$56	\$58	\$59	\$61	\$63	\$65	\$67	\$69
Target Dollars		\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9
Rate Stabilization	b.																	
Target Percent		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Sewer Use Revenue		\$46	\$46	\$55	\$67	\$71	\$76	\$82	\$87	\$90	\$92	\$95	\$98	\$101	\$104	\$107	\$110	\$114
Target Dollars		\$2	\$2	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6
Emergency	c.																	
Target Percent		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Sewer Use Revenue		\$42	\$44	\$46	\$47	\$48	\$50	\$51	\$53	\$54	\$56	\$58	\$59	\$61	\$63	\$65	\$67	\$69
Target Dollars		\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$6	\$7	\$7
Total Operating Reserve Target		\$12	\$12	\$13	\$14	\$14	\$15	\$16	\$16	\$17	\$17	\$18	\$18	\$19	\$19	\$20	\$20	\$21

Notes:

a. The working capital target
is a percent of operating
expenditures based on
days of coverage:

days of working capital >	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
calendar days in year >	365	365	365	366	365	365	365	365	366	365	365	365	366	365	365	365	366	365
% working capital days >	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%

b. The rate stabilization target
is the percent of water use
revenue that may decrease
due to adverse weather
conditions.

c. The emergency target
is a percent of operating
expenditures based on
financial cash flow risk
due to natural disasters.

Table 3.5
Target Operating Reserves
(\$1,000s)

Item	Notes	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038
Reserve Components																		
Working Capital	a.																	
Target Percent		12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
Operating Expenditures		\$71	\$73	\$75	\$78	\$80	\$82	\$85	\$87	\$90	\$93	\$95	\$98	\$101	\$104	\$107	\$111	\$114
Target Dollars		\$9	\$9	\$9	\$10	\$10	\$10	\$10	\$11	\$11	\$11	\$12	\$12	\$12	\$13	\$13	\$14	\$14
Rate Stabilization	b.																	
Target Percent		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Sewer Use Revenue		\$117	\$120	\$124	\$128	\$132	\$136	\$140	\$144	\$148	\$152	\$157	\$162	\$167	\$172	\$177	\$182	\$188
Target Dollars		\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$9
Emergency	c.																	
Target Percent		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Sewer Use Revenue		\$71	\$73	\$75	\$78	\$80	\$82	\$85	\$87	\$90	\$93	\$95	\$98	\$101	\$104	\$107	\$111	\$114
Target Dollars		\$7	\$7	\$8	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$10	\$10	\$10	\$10	\$11	\$11	\$11
Total Operating Reserve Target		\$22	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$34	\$35

Notes:

a. The working capital target is a percent of operating expenditures based on days of coverage:

days of working capital >	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
calendar days in year >	365	365	366	365	365	365	366	365	365	365	365	366	365	365	365	366	365	365
% working capital days >	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%

b. The rate stabilization target is the percent of water use revenue that may decrease due to adverse weather conditions.

c. The emergency target is a percent of operating expenditures based on financial cash flow risk due to natural disasters.

Table 3.5
Target Operating Reserves
(\$1,000s)

Item	Notes	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	FY 2046	FY 2047	FY 2048	FY 2049	FY 2050	FY 2051	FY 2052	FY 2053	FY 2054	FY 2055
Reserve Components																		
Working Capital	a.																	
Target Percent		12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
Operating Expenditures		\$117	\$121	\$125	\$128	\$132	\$136	\$140	\$144	\$149	\$153	\$158	\$162	\$167	\$172	\$178	\$183	\$188
Target Dollars		\$14	\$15	\$15	\$16	\$16	\$17	\$17	\$18	\$18	\$19	\$19	\$20	\$21	\$21	\$22	\$23	\$23
Rate Stabilization	b.																	
Target Percent		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Sewer Use Revenue		\$193	\$199	\$205	\$212	\$218	\$224	\$231	\$238	\$245	\$252	\$260	\$268	\$276	\$284	\$293	\$302	\$311
Target Dollars		\$10	\$10	\$10	\$11	\$11	\$11	\$12	\$12	\$12	\$13	\$13	\$13	\$14	\$14	\$15	\$15	\$16
Emergency	c.																	
Target Percent		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Sewer Use Revenue		\$117	\$121	\$125	\$128	\$132	\$136	\$140	\$144	\$149	\$153	\$158	\$162	\$167	\$172	\$178	\$183	\$188
Target Dollars		\$12	\$12	\$12	\$13	\$13	\$14	\$14	\$14	\$15	\$15	\$16	\$16	\$17	\$17	\$18	\$18	\$19
Total Operating Reserve Target		\$36	\$37	\$38	\$39	\$40	\$42	\$43	\$44	\$45	\$47	\$48	\$50	\$51	\$53	\$54	\$56	\$58

Notes:

a. The working capital target
is a percent of operating
expenditures based on
days of coverage:

days of working capital >	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
calendar days in year >	365	366	365	365	365	366	365	365	365	365	366	365	365	365	366	365	365	365
% working capital days >	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%

b. The rate stabilization target
is the percent of water use
revenue that may decrease
due to adverse weather
conditions.

c. The emergency target
is a percent of operating
expenditures based on
financial cash flow risk
due to natural disasters.

Table 3.6
Wastewater Fund Balance
(\$1,000s)

Item	Notes	Act 2005	Est 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Beginning Balance	a.	\$4	\$8	\$6	\$9	\$12	\$13	\$15	\$17	\$20	\$20	\$18	\$17	\$17	\$18	\$20	\$20	\$21
Operating Income																		
Sewer Fees		\$45	\$46	\$55	\$67	\$71	\$76	\$82	\$87	\$90	\$92	\$95	\$98	\$101	\$104	\$107	\$110	\$114
Total Operating Income		\$45	\$46	\$55	\$67	\$71	\$76	\$82	\$87	\$90	\$92	\$95	\$98	\$101	\$104	\$107	\$110	\$114
Operating Expenses																		
Salaries and Expenses		\$17	\$18	\$19	\$19	\$20	\$20	\$21	\$22	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$27	\$28
Other Expenses		\$25	\$26	\$27	\$28	\$29	\$29	\$30	\$31	\$32	\$33	\$34	\$35	\$36	\$37	\$38	\$40	\$41
Total Operating Expenditures		\$42	\$44	\$46	\$47	\$48	\$50	\$51	\$53	\$54	\$56	\$58	\$59	\$61	\$63	\$65	\$67	\$69
Net Operating Income		\$3	\$2	\$10	\$20	\$23	\$26	\$30	\$34	\$35	\$36	\$37	\$39	\$40	\$41	\$42	\$43	\$45
Interest	b.	\$1	\$0	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Transfer to Reserve for Capital Replacement	c.	\$0	\$4	\$7	\$18	\$21	\$25	\$29	\$32	\$36	\$39	\$39	\$39	\$39	\$39	\$43	\$43	\$47
Ending Balance		\$8	\$8	\$9	\$12	\$13	\$15	\$17	\$20	\$20	\$18	\$17	\$17	\$18	\$20	\$20	\$21	\$20

Source: Audited 2005 General Purpose Financial Statements
Notes to Financial Statements, Note 3. Cash and Investing, p. 14.

Notes:

a. The FY 2005 beginning balance
is from the Audited 2005 General
Purpose Financial Statements,
Note 3. Cash and Investing, p. 14.

b. Interest rates 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0%

c. Capital replacement costs
should be transferred to a
separate fund.

Annual capital replacement
funding amount is phased in:

Total Annual Target (\$000) >	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72
Percent of Target In Rates >	5%	10%	25%	30%	35%	40%	45%	50%	55%	55%	55%	55%	55%	55%	60%	60%	65%	
\$ Amount In Rates (\$000) >	\$4	\$7	\$18	\$21	\$25	\$29	\$32	\$36	\$39	\$39	\$39	\$39	\$39	\$39	\$43	\$43	\$47	
\$ Amount Cumulative (\$000) >	\$4	\$11	\$29	\$50	\$75	\$104	\$136	\$172	\$211	\$251	\$290	\$329	\$369	\$412	\$455	\$501		

Table 3.6
Wastewater Fund Balance
(\$1,000s)

Item	Notes	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Beginning Balance	a.	\$20	\$20	\$21	\$24	\$25	\$24	\$25	\$27	\$27	\$29	\$30	\$32	\$32	\$30	\$31	\$34	\$35
Operating Income																		
Sewer Fees		\$117	\$120	\$124	\$128	\$132	\$136	\$140	\$144	\$148	\$152	\$157	\$162	\$167	\$172	\$177	\$182	\$188
Total Operating Income		\$117	\$120	\$124	\$128	\$132	\$136	\$140	\$144	\$148	\$152	\$157	\$162	\$167	\$172	\$177	\$182	\$188
Operating Expenses																		
Salaries and Expenses		\$29	\$30	\$31	\$32	\$33	\$34	\$35	\$36	\$37	\$38	\$39	\$40	\$41	\$43	\$44	\$45	\$47
Other Expenses		\$42	\$43	\$45	\$46	\$47	\$49	\$50	\$52	\$53	\$55	\$56	\$58	\$60	\$62	\$64	\$65	\$67
Total Operating Expenditures		\$71	\$73	\$75	\$78	\$80	\$82	\$85	\$87	\$90	\$93	\$95	\$98	\$101	\$104	\$107	\$111	\$114
Net Operating Income		\$46	\$47	\$49	\$50	\$52	\$53	\$55	\$57	\$58	\$60	\$62	\$63	\$65	\$67	\$69	\$72	\$74
Interest	b.	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Transfer to Reserve for Capital Replacement	c.	\$47	\$47	\$47	\$50	\$54	\$54	\$54	\$57	\$57	\$61	\$61	\$64	\$68	\$68	\$68	\$72	\$75
Ending Balance		\$20	\$21	\$24	\$25	\$24	\$25	\$27	\$27	\$29	\$30	\$32	\$32	\$30	\$31	\$34	\$35	\$35

Source: Audite
Notes

Notes:

a. The FY 2005 beginning balance is from the Audited 2005 General Purpose Financial Statements, Note 3. Cash and Investing, p. 14.

b. Interest rates 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0%

c. Capital replacement costs should be transferred to a separate fund.

Annual capital replacement funding amount is phased in:

Total Annual Target (\$000) >	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72
Percent of Target in Rates >	65%	65%	65%	70%	75%	75%	75%	80%	80%	85%	85%	90%	95%	95%	95%	100%	105%	
\$ Amount in Rates (\$000) >	\$47	\$47	\$47	\$50	\$54	\$54	\$54	\$57	\$57	\$61	\$61	\$64	\$68	\$68	\$68	\$72	\$75	
\$ Amount Cumulative (\$000) >	\$548	\$594	\$641	\$691	\$744	\$798	\$852	\$909	\$966	\$1,027	\$1,088	\$1,152	\$1,221	\$1,289	\$1,357	\$1,428	\$1,503	

Table 3.6
Wastewater Fund Balance
(\$1,000s)

Item	Notes	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Beginning Balance	a.	\$35	\$34	\$35	\$34	\$37	\$41	\$42	\$45	\$44	\$42	\$42	\$43	\$46	\$49	\$52	\$54	\$53
Operating Income																		
Sewer Fees		\$193	\$199	\$205	\$212	\$218	\$224	\$231	\$238	\$245	\$252	\$260	\$268	\$276	\$284	\$293	\$302	\$311
Total Operating Income		\$193	\$199	\$205	\$212	\$218	\$224	\$231	\$238	\$245	\$252	\$260	\$268	\$276	\$284	\$293	\$302	\$311
Operating Expenses																		
Salaries and Expenses		\$48	\$49	\$51	\$52	\$54	\$56	\$57	\$59	\$61	\$63	\$64	\$66	\$68	\$70	\$73	\$75	\$77
Other Expenses		\$69	\$72	\$74	\$76	\$78	\$80	\$83	\$85	\$88	\$91	\$93	\$96	\$99	\$102	\$105	\$108	\$111
Total Operating Expenditures		\$117	\$121	\$125	\$128	\$132	\$136	\$140	\$144	\$149	\$153	\$158	\$162	\$167	\$172	\$178	\$183	\$188
Net Operating Income		\$76	\$78	\$81	\$83	\$86	\$88	\$91	\$94	\$97	\$99	\$102	\$105	\$109	\$112	\$115	\$119	\$122
Interest	b.	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Transfer to Reserve for Capital Replacement	c.	\$79	\$79	\$82	\$82	\$82	\$89	\$89	\$97	\$100	\$100	\$104	\$104	\$107	\$111	\$115	\$122	\$118
Ending Balance		\$34	\$35	\$34	\$37	\$41	\$42	\$45	\$44	\$42	\$42	\$43	\$46	\$49	\$52	\$54	\$53	\$60

Source: Audite
Notes

Notes:

a. The FY 2005 beginning balance is from the Audited 2005 General Purpose Financial Statements, Note 3. Cash and Investing, p. 14.

b. Interest rates 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0% 4.0%

c. Capital replacement costs should be transferred to a separate fund.

Annual capital replacement funding amount is phased in:

Total Annual Target (\$000) >	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72
Percent of Target in Rates >	110%	110%	115%	115%	115%	125%	125%	135%	140%	140%	145%	145%	150%	155%	160%	170%	165%	
\$ Amount In Rates (\$000) >	\$79	\$79	\$82	\$82	\$82	\$89	\$89	\$97	\$100	\$100	\$104	\$104	\$107	\$111	\$115	\$122	\$118	
\$ Amount Cumulative (\$000) >	\$1,582	\$1,661	\$1,743	\$1,825	\$1,908	\$1,997	\$2,087	\$2,183	\$2,284	\$2,384	\$2,488	\$2,591	\$2,699	\$2,810	\$2,924	\$3,046	\$3,164	

Table 3.7
Wastewater Revenues and Expenditures Summary

Balance July 1, 2006	\$7,861	
Expenditures		<u>Percent of Total</u>
O&M	\$5,033,734	61%
Debt Service	\$0	0%
Capital Replacement	<u>\$3,164,003</u>	<u>39%</u>
Total Expenditures	\$8,197,738	100%
Revenues		<u>Percent of Total</u>
Wastewater Rates	\$8,196,030	99%
Interest	\$57,857	1%
Other Revenue	<u>\$0</u>	<u>0%</u>
Total Revenue	\$8,253,887	100%
Revenues - Expenditures	\$56,149	
Balance June 30, 2055	\$64,010	

APPENDIX A

SAN LORENZO VALLEY WATER DISTRICT

* * *

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

* * *

June 30, 2005 and 2004

SAN LORENZO VALLEY WATER DISTRICT

TABLE OF CONTENTS

June 30, 2005 and 2004

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-6
FINANCIAL STATEMENTS:	
Combined Statements of Net Assets - All Proprietary Funds	7-8
Combined Statements of Activities and Changes in Net Assets - All Proprietary Funds	9
Combined Statements of Cash Flows - All Proprietary Funds	10
Notes to Financial Statements	11-21
SUPPLEMENTARY INFORMATION:	
Combining Statement of Net Assets - Water and Sewer Funds	22-23
Combining Statement of Activities and Changes in Net Assets - Water and Sewer Funds	24
REQUIRED SUPPLEMENTARY INFORMATION:	
BUDGETARY COMPARISON SCHEDULES -	
Revenues and Expenditures - Budget and Actual - Water Fund	25
Revenues and Expenditures - Budget and Actual - Sewer Fund	26

Frank A. Minuti, Jr.
Robert W. Smiley
Thomas C. Bondi
Lawrence S. Kuechler
Roberto M. Maragoni
Daniel C. Moors
Martha A. Sanford
Suzanne M. Weber

EMERTUS
Alexander W. Berger
Griffith R. Lewis



740 Front Street, Suite 365
Santa Cruz, CA 95060-4550
PHONE (831) 423-6500
FAX (831) 423-5206
www.bergerlewis.com

Other office:
San Jose
(408) 494-1200

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Lorenzo Valley Water District
Boulder Creek, California

We have audited the accompanying general-purpose financial statements of San Lorenzo Valley Water District as of June 30, 2005 and 2004 as listed in the table of contents. The financial statements are the responsibility of San Lorenzo Valley Water District's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully described in Note 2 to the financial statements, the audit did not include tests of the historical costs of property and equipment acquired prior to July 1, 1986 because complete records are not available. Accordingly, we do not express an opinion as to the fairness of presentation of property and equipment, accumulated depreciation and equity in plant and equipment.

In our opinion, except for fixed assets, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of San Lorenzo Valley Water District as of June 30, 2005 and 2004, and results of its operations and cash flows in conformity with accounting principles generally accepted in the United States of America.

Our report was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information presented on pages 22 through 24 is presented for purposes of supplementary information, and is not a required part of the basic financial statements. Such information for the year ended June 30, 2005 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis information and budgetary comparison information as listed the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Berger/Lewis Accountancy Corporation

BERGER/LEWIS ACCOUNTANCY CORPORATION
Santa Cruz, California
October 3, 2005

SAN LORENZO VALLEY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2005

Mission

Our mission is to provide our customers and all future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding customer service; to manage and protect the environmental health of the aquifers and watersheds; and, to ensure the fiscal vitality of the San Lorenzo Valley Water District. This section of the District's financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2005.

Description of the Basic Financial Statements

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of the District's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Authority's strategic plan, budget, bond resolutions and other management tools were used for this analysis.

The financial statements report information about the District using full accrual accounting methods as utilized by similar business activities in the private sector. However, rate-regulated accounting principles applicable to private sector utilities are not used by government utilities.

The financial statements include a statement of net assets; a statement of activities and changes in net assets; a statement of cash flows; and notes to financial statements. The statement of net assets presents the financial position of the District on a full accrual historical cost basis. While the statement of net assets provides information about the nature and amount of resources and obligations at year-end, the statement of revenues, expenses, and changes in net assets presents the results of the business activities over the course of the fiscal year and information as to how the net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. They present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. In addition, supplementary information comparing the budget to actual expenses is presented.

The financial statements were prepared by the District's staff from the detailed books and records of the District. The financial statements were audited and adjusted, if material, during the independent external audit process.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2005

Condensed Government-Wide Financial Data

	2005	2004
Current Assets	\$ 13,857,303	\$ 14,649,078
Restricted Cash and Investments	1,468,326	1,974,517
Property, Plant and Equipment, net of accumulated depreciation	18,494,618	17,741,886
Other Assets	363,493	325,473
Total Assets	\$ 34,183,740	\$ 34,690,954
Current Liabilities	\$ 1,537,903	\$ 1,397,357
Long-term Liabilities	6,293,317	6,740,737
Total Liabilities	7,831,220	8,138,094
Invested in Capital Assets, Net of Related Debt	11,819,002	10,633,393
Restricted for Capital Activity and Debt Service	1,468,326	1,974,517
Unrestricted Net Assets	13,065,192	13,944,950
Total Net Assets	26,352,520	26,552,860
Total Liabilities and Net Assets	\$ 34,183,740	\$ 34,690,954
	2005	2004
Operating Income	\$ 3,303,487	\$ 3,800,295
Operating Expenses	(3,654,149)	(3,753,722)
Net Operating Income (Loss)	(350,662)	46,573
Non-Operating Income (Expenses)	150,322	105,782
Change in Net Assets	\$ (200,340)	\$ 152,355

Financial Analysis of the District as a Whole

For fiscal year 2004-2005 the District ended the year with Net Assets of \$26,352,520. Of this amount \$11,819,002 was invested in Capital Assets, net of related debt; \$1,468,326 was restricted for specific capital activity or debt service; \$13,065,192 was unrestricted. The Board of Directors has designated a portion of the unrestricted Net Assets as described in Note 10 to the financial statements.

For fiscal year 2004-2005 Net Operating Income (Loss) was (\$350,662), Non-Operating Income (Expense) was \$150,322, resulting in a net (\$200,340) loss for the year.

SAN LORENZO VALLEY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2005

Budgetary Highlights - Water Fund

For fiscal year 2004-2005 Water Fund Total Operating Income was less than approved budget projections by \$221,148 (6.36%). This variance was primarily due to property taxes being \$119,394 (57.96%) less than anticipated and water fees being \$157,231 (5.18%) less than anticipated.

For fiscal year 2004-2005 Water Fund Total Operating Expenses exceeded approved budget projections by \$812,386 (29.3%). Although some operating expense categories were less than expected, amortization and depreciation in the amount of \$886,132 were not originally budgeted, accounting for the majority of the overall variance. In addition, three (3) capital projects were classified as expense rather than fixed assets. The three (3) capital projects classified as expense were the Cal-Am Rate Case (\$4,311) the Aerial Photography Project (\$39,592), and the Camp Evers Groundwater Evaluation Project (\$11,076).

For fiscal year 2004-2005 Water Fund Total Non-Operating Income was \$150,322. This sum is approximately 17% less than approved projections due to a declining trend in investment market earnings.

Budgetary Highlights - Sewer Fund

For fiscal year 2004-2005 Sewer Fund Total Operating Income exceeded approved budget projections by \$85 (.18%).

For fiscal year 2004-2005 Sewer Fund Total Operating Expenses exceeded approved budget projections by \$30,913 (74.35%). This variance was primarily due to the fact that amortization and depreciation were not budgeted.

For fiscal year 2004-2005 Sewer Fund Total Non-Operating Income for the sewer fund had zero variance since there was zero budgeted and zero actual expenses.

Capital Assets

As of June 30, 2005 the District had invested \$27,948,098 in a broad range of capital assets including land, structures and improvements, machinery and equipment.

This year's major capital asset additions included:

Machinery and Equipment	\$ 39,569
Building & Building Improvements	\$ 753,696
Office Equipment and Furniture	\$ 24,332
Transportation Equipment	\$ 31,393
Wells	\$ -
Pumping Plant Improvements	\$ -
New Mains and Extensions	\$ -
Main Replacements	\$ 122,313
Water Meters and Registers	\$ 25,277

SAN LORENZO VALLEY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2005

District's Capitalization Policy

The San Lorenzo Valley Water District currently does not have a formal written Capitalization Policy for financial statement purposes. Current District policy provides that all capital assets in excess of \$500 are recorded as fixed assets. District staff is currently in the process of developing a revised Asset Management Program. The revised Asset Management Program will be in compliance with reporting requirements established by Government Accounting Standards Board (GASB) statements number 34 and number 35, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and Public Colleges and Universities. Included in the revised Asset Management Program will be specific written policies regarding asset category definitions, capitalization thresholds, depreciation methodologies and guidelines for financial statement purposes. Estimated completion date for the revised Asset Management Program is June 30, 2006.

Long-Term Liabilities

The District's long-term liabilities (net of current portion) was \$6,293,317 at the end of the fiscal year ending June 30, 2005. This amount consisted of the following debt:

Special Assessment Bonds	\$ 930,000
California Special District Lease Financing	165,000
Notes Payable	3,380,616
Certificates of Participation Refunding Payment Agreement	2,200,000
Less: Current Portion	(382,299)
Total	<u>\$ 6,293,317</u>

During the year ended June 30, 2005 the District refinanced the 1998 Certificates of Participation Issuance through a refunding agreement that dropped the associated interest rate from 5.43% to 4.25% as described in Note 5 to the financial statements.

The District's debt decreased by approximately \$447,420 during fiscal year 2004-2005 due primarily to regularly scheduled debt service payments.

Economic Factors and Next Year's Budget

For fiscal year 2004-2005 and fiscal year 2005-2006 the San Lorenzo Valley Water District will experience an annual reduction in ad valorem property tax revenue of approximately \$340,000 per year. This represents a reduction in property tax revenues from approximately \$380,000 per year to \$40,000 per year (90%). Property tax revenue generally represents approximately 10% of the District's total recurring revenue.

The loss of revenue is the direct result of a large deficit in the State of California budget for fiscal year 2004-2005. As a result of the State budget deficit, an agreement was approved to temporarily shift \$350 million annually for two years in property tax revenue that would normally go to special districts to the state. The San Lorenzo Valley Water District is an enterprise special district.

For fiscal year 2004-2005 and fiscal year 2005-2006, the District offset the loss of property tax revenue due to this revenue shift agreement (approximately \$340,000) with investment earnings from the prior sale of the District's Waterman Gap property.

Contacting the District's Financial Management

This financial statement is designed to provide a general overview of the District's finances. If you have any questions about this financial statement or need additional information, contact the District's office at 13060 Highway 9, Boulder Creek, California 95006, telephone number (831) 338-2153, facsimile (831) 338-7986.

SAN LORENZO VALLEY WATER DISTRICT

STATEMENT OF NET ASSETS

June 30, 2005 and 2004

ASSETS		2005	2004
CURRENT ASSETS:			
Cash and Investments (Note 3)		\$ 13,160,340	\$ 14,060,681
Receivables:			
Customer Accounts - Net of Allowance for Uncollectibles of \$3,252 as of June 30, 2005 and 2004		259,513	267,963
Interest Receivable		95,402	83,910
Due from Other Funds (Note 7)		188,169	37,831
Other Receivables		3,844	2,861
Inventory (Note 2)		140,583	186,380
Deposits		9,452	9,452
Total Current Assets		<u>13,857,303</u>	<u>14,649,078</u>
RESTRICTED CASH AND INVESTMENTS (Note 3):			
Proceeds Certificates of Participation		557,350	831,039
Cash and Investments with Fiscal Agent		57,403	57,403
Connection and Construction Deposits Investment (Note 9)		153,240	173,622
Customer Deposits (Note 8)		309,127	296,054
Reserve Fund - Certificates of Participation		0	239,125
North Boulder Creek Assessments		245,500	231,568
Reserve Fund - Improvement Refunding Bonds		145,706	145,706
Total Restricted Cash and Investments		<u>1,468,326</u>	<u>1,974,517</u>
PROPERTY, PLANT AND EQUIPMENT (Note 4):			
Land		1,113,057	1,113,057
Utility Plant		23,434,699	23,287,110
Buildings, Equipment and Other Assets		3,400,342	2,582,225
Total Property, Plant and Equipment		<u>27,948,098</u>	<u>26,982,392</u>
Less - Accumulated Depreciation		<u>(10,902,828)</u>	<u>(10,109,252)</u>
		17,045,270	16,873,140
Construction in Progress		1,449,348	868,746
Total Property, Plant and Equipment		<u>18,494,618</u>	<u>17,741,886</u>
OTHER ASSETS:			
Deferred Charges		363,493	325,473
Total Other Assets		<u>363,493</u>	<u>325,473</u>
TOTAL ASSETS		<u>\$ 34,183,740</u>	<u>\$ 34,690,954</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

SAN LORENZO VALLEY WATER DISTRICT

STATEMENT OF NET ASSETS
(Continued)

June 30, 2005 and 2004

LIABILITIES AND NET ASSETS

	2005	2004
CURRENT LIABILITIES:		
Accounts Payable	\$ 173,381	\$ 190,406
Due to Other Funds (Note 7)	188,169	37,831
Accrued Expenses	2,213	1,743
Accrued Interest	53,804	53,822
Refunds Payable	2,777	2,777
Current Portion of Long-Term Debt (Note 5)	382,299	367,756
Connection and Construction Deposits (Note 9)	153,240	173,622
Customer Deposits (Note 8)	309,127	296,054
Accrued Vacation and Sick Leave	272,893	273,346
Total Current Liabilities	<u>1,537,903</u>	<u>1,397,357</u>
LONG-TERM LIABILITIES - NET OF CURRENT PORTION (Note 5):		
Special Assessment Bonds	930,000	995,000
California Special District Lease Financing	165,000	180,000
Notes Payable	3,380,616	3,558,493
Certificates of Participation Refunding Payment Agreement	2,200,000	2,375,000
Less Current Portion	<u>(382,299)</u>	<u>(367,756)</u>
Total Long-Term Liabilities	<u>6,293,317</u>	<u>6,740,737</u>
Total Liabilities	<u>7,831,220</u>	<u>8,138,094</u>
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	11,819,002	10,633,393
Restricted for Capital Activity and Debt Service	1,468,326	1,974,517
Unrestricted	<u>13,065,192</u>	<u>13,944,950</u>
Total Net Assets	<u>26,352,520</u>	<u>26,552,860</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 34,183,740</u></u>	<u><u>\$ 34,690,954</u></u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

SAN LORENZO VALLEY WATER DISTRICT
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
ALL PROPRIETARY FUNDS

For the Years Ended June 30, 2005 and 2004

	2005	2004
OPERATING INCOME:		
Water Fees	\$ 2,877,769	\$ 3,059,000
Sewer Charges	45,360	46,139
Assessments	146,788	134,994
Property Taxes	86,606	363,868
Meter Sales	86,954	141,182
Charges and Penalties	37,135	35,200
Miscellaneous	22,875	19,912
Total Operating Income	<u>3,303,487</u>	<u>3,800,295</u>
OPERATING EXPENSES:		
Salaries and Benefits (Net of Capitalized)	1,821,314	1,851,365
Contractual and Professional Services	179,646	203,288
Amortization and Depreciation	916,626	828,436
Materials and Supplies	105,627	140,039
Utilities and Telephone	289,231	309,744
Insurance	46,188	43,982
Election Fees	24,989	
LAFCO Fees	22,876	8,199
Vehicle and Equipment Maintenance	62,114	62,318
Building Maintenance	15,605	23,656
Collection Fees and Charges	2,540	21,059
Miscellaneous	46,944	35,431
Travel, Meals and Conferences	8,428	7,885
Auto Allowance	4,200	4,900
Office Expenses	36,755	39,063
Rental and Permits	16,087	19,966
Repairs	54,979	154,391
Total Operating Expenses	<u>3,654,149</u>	<u>3,753,722</u>
NET OPERATING INCOME (LOSS)	<u>(350,662)</u>	<u>46,573</u>
NON-OPERATING INCOME (EXPENSES):		
Interest and Dividends Earned	491,901	557,271
Unrealized Gains (Losses) on Investments	(35,770)	(518,424)
Gain (Loss) on Disposition of Assets	(3,442)	(2,313)
Interest Expense	(302,367)	(337,809)
Government Storm Funds and Other Income	-	407,057
Total Non-Operating Income (Expenses)	<u>150,322</u>	<u>105,782</u>
CHANGE IN NET ASSETS	(200,340)	152,355
NET ASSETS, at Beginning of Year	<u>26,552,860</u>	<u>26,400,505</u>
NET ASSETS, at End of Year	<u>\$ 26,352,520</u>	<u>\$ 26,552,860</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

SAN LORENZO VALLEY WATER DISTRICT

COMBINED STATEMENTS OF CASH FLOWS - ALL PROPRIETARY FUNDS

For the Years Ended June 30, 2005 and 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Water Fees and Sewer Charges	\$ 2,923,162	\$ 3,070,030
Cash Received from Tax and Assessment Revenues	233,394	498,862
Cash Received from Sales	86,954	141,182
Cash Received from Charges and Penalties	37,135	35,200
Cash Received from Miscellaneous Operating Income	23,000	19,912
Cash Payments for Employee Wages and Benefits	(1,816,136)	(1,847,667)
Cash Payments for Goods and Services	(892,598)	(1,224,674)
Net Cash Provided by Operating Activities	<u>594,911</u>	<u>692,845</u>
CASH FLOWS FROM NON-OPERATING ACTIVITIES:		
Interest and Dividends on Investments	480,409	674,325
Receipt of Other Income		477,592
Payment of Principal on Notes Receivable		2,105,000
Net Cash Provided by Non-Operating Activities	<u>480,409</u>	<u>3,256,917</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCIAL ACTIVITIES:		
Acquisition and Construction of Capital Assets	(1,577,183)	(466,357)
Payment of Deferred Charges	(120,000)	
Payment of Principal	(432,877)	(342,412)
Payment of Interest	(302,385)	(343,424)
Net Cash Used for Capital and Related Financial Activities	<u>(2,432,445)</u>	<u>(1,152,193)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for Investments	(290,333)	(1,541,685)
Net Cash Used for Investing Activities	<u>(290,333)</u>	<u>(1,541,685)</u>
NET INCREASE (DECREASE) IN CASH	(1,647,458)	1,255,884
CASH, Beginning of Year	<u>5,142,065</u>	<u>3,886,181</u>
CASH, End of Year	<u><u>\$ 3,494,607</u></u>	<u><u>\$ 5,142,065</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (350,662)	\$ 46,573
Adjustments to Reconcile:		
Depreciation and Amortization	916,626	828,436
Change in Assets and Liabilities:		
(Increase) Decrease in Receivables	7,467	(43,649)
(Increase) Decrease in Inventory	45,797	(42,747)
Increase (Decrease) in Accounts Payable	(17,025)	(97,050)
Increase (Decrease) in Other Liabilities	(7,292)	1,282
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 594,911</u></u>	<u><u>\$ 692,845</u></u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

SAN LORENZO VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005 and 2004

1. ORGANIZATION:

The San Lorenzo Valley Water District was established April 3, 1941, pursuant to Chapter 592, Status of 1913, since codified into Section 30,000 et seq. of the California Water Code. The District contains approximately 58 square miles. It was created to develop a water supply for domestic requirements as well as for fire protection and recreational facilities in the San Lorenzo Valley (except the Felton area). Since 1969, the District has owned and operated some facilities in Bear Creek Estates. At June 30, 2005, the District owned approximately 2,030 acres of land and was servicing approximately 5,750 customers.

Board of Directors - The San Lorenzo Valley Water District is governed by a five person Board of Directors elected to four-year terms by registered voters throughout the District's boundaries. The Board is responsible for the establishment of policy on the District's mission, goals and operations.

The Board of Directors and expiration of their term, as of June 30, 2005, are as follows:

Terry Vierra, President	December, 2006
James Nelson, Vice-President	December, 2008
David Ross, Director	December, 2008
Larry Prather, Director	December, 2006
James Rapoza, Director	December, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Change in Accounting Principles - During the year ended June 30, 2004, the District adopted Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Statement No. 34 establishes certain reporting requirements that are designed to make governmental annual reports more comprehensive. For enterprise funds, while presentation has changed, the underlying financial information has not. Statement No. 34 also requires that Management's Discussion and Analysis, an overview to the Group's financial activities, be presented before the financial statements as required supplementary information.

Fund Accounting - Since the activities of the District are, at this time, totally dedicated to providing services to the general public on a continuing basis, and its costs are to be financed or recovered primarily through user charges, its accounting records are required to be on a proprietary fund type basis. In conformance with generally accepted accounting principles (GAAP), the appropriate fund type and category is defined as follows:

Proprietary Funds - Enterprise Funds - Enterprise funds are used to account for operations (a) That are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) Where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability or other purposes.

SAN LORENZO VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS
(Continued)

June 30, 2005 and 2004

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fixed Assets - The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity, are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

All fixed assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations, and the accumulated depreciation is reported on the balance sheets. Depreciation has been provided, using the straight-line method over the estimated useful lives, as follows:

Buildings	30-40 years
Improvements	20-30 years
Reservoirs and Tanks	50 years
Mains	40 years
Wells	30 years
Equipment	5-20 years

Basis of Accounting - Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of what measurement focus may be applied.

All proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Unbilled water and sewer fund utility service receivables are recorded at year-end. All proprietary funds, such as the District, have the option of consistently following or not following pronouncements issued by the Financial Accounting Standards Board (FASB) subsequent to November 30, 1989. The District has elected not to follow FASB standards issued after that date, unless such standards are specifically adopted by GASB.

Investments - Investments are accounted for under GASB 31, which requires that investments be reported at fair market value, except for certain investments, which include certificates of deposit, money market investments, and U.S. Treasury and agency obligations with an initial maturity of one year or less, which are reported at amortized cost.

Inventory - Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory consists of expendable supplies held for consumption.

SAN LORENZO VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS
(Continued)

June 30, 2005 and 2004

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Accumulated Vacation and Sick Leave - Accumulated vacation and sick leave is accrued when incurred to recognize the employees' rights to receive compensation for future absences. This amount is computed using current employee accumulated vacation hours and one-half accumulated sick leave hours at current pay rates.

Comparative Data - Comparative total data for the prior year have been present in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

Interfund Transactions - The District's interfund transactions during the year relate directly to services rendered or facilities provided. These are recorded as an expense in the receiving fund with a corresponding liability for the amount due to the disbursing fund.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. CASH AND INVESTMENTS:

As a public agency, the District's investment practices are prescribed by various provisions of the California Government Code and the Act, as well as by administrative policies. The District's statement of investment policy is approved by the Board and describes the investment authority, practices and limitations. The basic investment policy objectives, in order of importance, are safety of principal, liquidity and return on investment.

Restricted Cash and Investments - The District holds cash and investments to provide for specific activities in accordance with special regulations, bond covenants or trust arrangements. The accounts are classified as "restricted." Most restricted accounts have minimum cash and investment balance requirements and all are nondiscretionary in terms of the use of assets. Among other things, the restricted accounts provide for reserves for principal and interest on outstanding debt; payments for construction of capital assets; and refunding of customer deposits.

Deposits - The District's demand and time deposits are fully insured or collateralized by pooled securities held by the District's agent in the District's name. State law requires public agency deposits, including time deposits, in excess of insured levels to be collateralized by the depository institutions with pooled government securities having market values of at least 100 percent of the deposits. To ensure compliance with the 110 percent requirement, the collateral must be marked to market at least monthly by the bank.

Investments - The District is permitted by State law and Board policy to invest in a variety of instruments including U.S. Treasury, federal agencies, and other securities (including negotiable certificates of deposit, bankers' acceptances and prime commercial paper.) All instruments are subject to various limitations and restrictions. In the case of money market instruments issued by private entities, risk is controlled by strict eligibility requirements and duration limitations.

SAN LORENZO VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

June 30, 2005 and 2004

3. CASH AND INVESTMENTS (Continued):

Investments (Continued) - The District's asset backed securities are secured by triple A rated securities, primarily mortgages from FHLB, FNMA, and other federal agencies. At June 30, 2005, all investments, except deposits in the State Treasury Local Agency Investment Fund (LAIF), consist of investments that are insured or registered, or for which the securities are held, in the District's name. It is the District's intent to hold investments until maturity, unless earlier liquidation would result in an investment gain.

Investment in State Investment Fund (LAIF) - The LAIF, created by California statute, is a part of a pooled money investment account. The LAIF has oversight by the Local Investment Advisory Board, which consists of five members designated by statute. The Chairman is the State Treasurer, or his designated representative. The District's fair value of its position in the pool is the same as the value of the pool shares.

Cash on deposit as of June 30, 2005 and 2004 was reconciled to the balances reflected on the books.

These funds were on deposit in the following depositories:

	Fair Value	Cost Basis	Fair Value
	2005	2005	2004
Petty Cash	\$ 200	\$ 200	\$ 200
Wells Fargo Bank - Checking	7,956	7,956	45,507
Liberty Bank - Checking	1,022	1,022	2,933
Liberty Bank - Savings	54,226	54,226	123,825
Cash in County Treasury	31,903	31,903	31,903
Cash with Fiscal Agent	25,500	25,500	25,500
Certificates of Deposit	1,795,000	1,795,000	1,620,000
U.S. Treasury Notes	5,154,907	5,214,310	5,176,321
U.S. Guarantees - FHLMC, FHLB, FNMA	5,979,152	6,064,090	5,716,812
State Investment Fund (LAIF)	1,578,800	1,578,800	3,292,197
Total	14,628,666	<u>\$ 14,773,007</u>	16,035,198
Less: Restricted Cash and Investments	1,468,326		1,974,517
Unrestricted Cash and Investments	<u>\$ 13,160,340</u>		<u>\$ 14,060,681</u>

For purposes of the statement of cash flows, the District defines cash and cash equivalents as demand account balances, cash on hand, certificates of deposit and LAIF funds.

Reconciliation of Cash and Investments to Cash and Cash Equivalents:

	2005	2004
Cash and Investments	\$ 13,160,340	\$ 14,060,681
Restricted Cash and Investments	1,468,326	1,974,517
Total Cash and Investments	14,628,666	16,035,198
Less Investments:		
U.S. Treasury Notes	(5,154,907)	(5,176,321)
U.S. Guarantees	(5,979,152)	(5,716,812)
Cash and Cash Equivalents	<u>\$ 3,494,607</u>	<u>\$ 5,142,065</u>

SAN LORENZO VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

June 30, 2005 and 2004

4. CHANGES IN PROPERTY, PLANT AND EQUIPMENT:

A summary of the changes, by fund, in the fixed asset and depreciation accounts during the fiscal year ended June 30 is as follows:

	2005			
	Water Fund	Sewer Fund	Construction in Progress	Total
Balance, June 30, 2004	\$ 25,730,360	\$ 1,252,032	\$ 868,746	\$ 27,851,138
Additions and Transfers-In	996,580		580,602	1,577,182
Deletions and Transfers-Out	(30,874)			(30,874)
Balance, June 30, 2005	26,696,066	1,252,032	1,449,348	29,397,446
Accumulated Depreciation	(10,362,177)	(540,651)		(10,902,828)
Net Property, Plant and Equipment	<u>\$ 16,333,889</u>	<u>\$ 711,381</u>	<u>\$ 1,449,348</u>	<u>\$ 18,494,618</u>
	2004			
	Water Fund	Sewer Fund	Construction in Progress	Total
Balance, June 30, 2003	\$ 24,516,755	\$ 1,252,032	\$ 1,623,131	\$ 27,391,918
Additions and Transfers-In	1,220,742			1,220,742
Deletions and Transfers-Out	(7,137)		(754,385)	(761,522)
Balance, June 30, 2004	25,730,360	1,252,032	868,746	27,851,138
Accumulated Depreciation	(9,599,095)	(510,157)		(10,109,252)
Net Property, Plant and Equipment	<u>\$ 16,131,265</u>	<u>\$ 741,875</u>	<u>\$ 868,746</u>	<u>\$ 17,741,886</u>

SAN LORENZO VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS
(Continued)

June 30, 2005 and 2004

5. LONG-TERM DEBT:

At June 30 long-term debt consisted of:

	<u>2005</u>	<u>2004</u>
Special Assessment Bonds within the District's water system. Bonds are issued under the State of California's 1915 Bond Act/Refunding Act of 1984, which are payable by the County Tax Collector through assessments on the property tax rolls:		

1999 Limited Obligation Improvement Refunding Bonds - used to refund and redeem the North Boulder Creek Assessment District bonds	\$ 930,000	\$995,000
Total Special Assessment Bonds	<u>930,000</u>	<u>995,000</u>

California Special District Lease -

Financing bearing interest at 5.25 percent per annum with a maturity at March 1, 2012. Annual principal payments starting at \$10,000, increasing to \$15,000 at December 2002, \$20,000 at December 2008, \$25,000 at December 2011, plus semi-annual interest payments.

	<u>165,000</u>	<u>180,000</u>
--	----------------	----------------

Notes Payable:

California Safe Drinking Water Loan bearing interest at 3.524 percent per annum with a maturity at October 1, 2020. Semi-annual payments of \$11,723 including principal and interest.

	2,650,994	2,777,824
--	-----------	-----------

California Safe Drinking Refunding loan bearing interest at 7.125 percent per annum with a maturity at June 1, 2022. Semi-annual payments of \$37,788 including principal and interest. During the year ended June 30, 2003 the District refinanced through a refunding payment agreement bearing interest at 4.25 percent per annum. Semi-annual payments of \$41,860 including principal and interest; with a maturity date of June 1, 2016.

	<u>729,622</u>	<u>780,669</u>
Total Notes Payable	<u>3,380,616</u>	<u>3,558,493</u>

Certificates of Participation Water System Improvement Project 1998 - Special obligation of the District payable solely from tax revenues and if and to extent necessary net revenues. Fluctuating payments of principal and interest with annual payments of approximately \$239,125. During the year ended June 30, 2005 the District refinanced through a refunding agreement bearing interest at 4.25 percent per annum. Semi-annual payments of \$105,059 including principal and interest, with maturity date of June 1, 2019.

	<u>2,200,000</u>	<u>2,375,000</u>
Total Certificates of Participation Payable	<u>2,200,000</u>	<u>2,375,000</u>
Total Debt	6,675,616	7,108,493
Less: Current Portion	<u>382,299</u>	<u>367,756</u>
Total Long-Term Debt	<u>\$6,293,317</u>	<u>\$6,740,737</u>

SAN LORENZO VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS
(Continued)

June 30, 2005 and 2004

5. LONG-TERM DEBT (Continued):

The future scheduled maturities of long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>
June 30, 2006	\$ 382,299	\$ 269,105
June 30, 2007	399,313	253,136
June 30, 2008	421,808	236,222
June 30, 2009	434,803	218,460
June 30, 2010	453,321	199,956
June 30, 2011 - 2015	2,529,124	691,884
June 30, 2016 - 2020	1,945,235	198,841
June 30, 2021 - 2025	<u>109,713</u>	<u>1,933</u>
	<u>\$6,675,616</u>	<u>\$2,069,537</u>

6. EMPLOYEE BENEFITS:

Employees Retirement Plan (Defined Benefit Pension Plan)

Plan Description - The San Lorenzo Valley Water District's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The San Lorenzo Valley Water District's defined benefit pension plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), and agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The San Lorenzo Valley Water District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.

Funding Policy - Active plan members in the San Lorenzo Valley Water District defined pension plan are required to contribute 3.5% of their annual covered salary. The San Lorenzo Valley Water District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal 2004/2005 was 0.00%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

SAN LORENZO VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS
(Continued)

June 30, 2005 and 2004

6. EMPLOYEE BENEFITS (Continued):

Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Annual Pension Cost - For fiscal year 2004/2005, the San Lorenzo Valley Water District defined benefit pension plan's annual pension cost was \$0.00 and the San Lorenzo Valley Water District actually contributed \$0.00. The required contribution for fiscal year 2004/2005 was determined as part of the June 30, 2001 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.75% to 14.20%, and (c) 3.75% cost-of-living adjustment. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of San Lorenzo Valley Water District's defined benefit pension plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. San Lorenzo Valley Water District's defined benefit pension plan's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 1998 was 2 years.

Three-Year Trend Information for San Lorenzo Valley Water District's Defined Benefit Pension Plan:

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/97	-0-	100%	N/A
6/30/98	-0-	100%	N/A
6/30/99	-0-	100%	N/A

Required Supplementary Information Funded Status of Plan:

The table below displays a short history of the Entry Age Normal Accrued Liability, the Actuarial Value of Assets, the Unfunded Liability of (Excess Assets), Funded Status (i.e., the ratio of the Actuarial Value of Assets to Entry Age Normal Accrued Liability), the estimated annual covered payroll and the Unfunded Actuarial Accrued Liability (UAAL) as a percentage of that covered payroll. For those plans include 1st or 2nd level 1959 Survivor Benefit, the liabilities and assets below include the assets and liabilities for current beneficiaries of your 1959 Survivors Benefit program. For all other plans, the assets and liabilities below are without regard to the 1959 Survivor Benefit programs.

<u>Valuation</u> <u>Date</u>	<u>Funded Status of the Plan</u>					<u>UAAL</u> <u>As a</u> <u>% of</u> <u>Payroll</u>
	<u>Entry Age</u> <u>Normal</u> <u>Accrued</u> <u>Liability</u>	<u>Actuarial</u> <u>Value</u> <u>of</u> <u>Assets</u>	<u>Unfunded</u> <u>Liability/</u> <u>(Excess</u> <u>Assets)</u>	<u>Funded</u> <u>Status</u>	<u>Annual</u> <u>Covered</u> <u>Payroll</u>	
6/30/99	\$2,784,545	\$4,466,431	\$(1,681,886)	160.4%	\$ 984,309	(170.9%)
6/30/00	3,239,018	4,971,623	(1,732,605)	153.5%	935,465	(185.2%)
6/30/01	3,574,513	5,186,445	(1,611,932)	145.1%	1,078,394	(149.5%)

SAN LORENZO VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS
(Continued)

June 30, 2005 and 2004

7. INTERFUND RECEIVABLES AND PAYABLES:

At June 30, 2005 the Sewer Fund was indebted to the Water Fund in the amount of \$188,169.

At June 30, 2004 the Sewer Fund was indebted to the Water Fund in the amount of \$37,831.

8. CUSTOMER DEPOSITS:

In March, 1980, the District implemented a new policy with respect to customer deposits. As of July 1, 1980, all deposits are to be held until the account is closed out. Additionally, all accounts bear interest at the annual rate of 5.5%, up to the date of close out. The deposits plus interest earned are credited against final billings, and any credit balance refunded. The deposit monies are invested, and the total of invested deposits and accrued interest earned is shown in the restricted cash section of the financial statements. Pursuant to District Ordinance No. 88, adopted April 7, 1994, each applicant for water service is required to furnish a refundable account deposit of \$75. After one (1) year in continuous service in good standing with the District, upon request of the customer, the District will return an account deposit.

9. CONNECTION DEPOSITS:

District Ordinance No. 48, adopted December 5, 1983, provides for the handling of water service connection charge deposits. Upon proper documentation, such deposits can be refunded if water meters are not set. The deposits are accounted for separately to fulfill this obligation.

10. RETAINED EARNINGS - DESIGNATED:

An analysis of designated retained earnings at June 30 consists of the following:

	<u>2004</u>	<u>Additions</u>	<u>2005</u>
Designated for:			
Emergency Reserve	\$ 733,898		\$ 880,000
Vacation and Sick Leave	125,000		270,000
Capital Project Reserve	2,100,000		815,200
Equipment Replacement Reserve	90,000		135,000
Wastewater Reserve	850,000		0
Vehicle Reserve	100,000		0
Capital Improvement Project	<u>1,000,000</u>		<u>2,500,000</u>
Total	<u>\$4,998,898</u>		<u>\$4,600,200</u>

SAN LORENZO VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS
(Continued)

June 30, 2005 and 2004

11. RISK MANAGEMENT:

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

General Liability, Automotive Liability, Property Damage, and Errors and Omissions:

The San Lorenzo Valley Water District participates in a joint powers authority, the Special District Risk Management Authority (the Authority). The Authority was formed to provide member districts with general liability, automotive liability and property damage, and errors and omissions risk financing coverage.

The San Lorenzo Valley Water District participates in the liability and property program. The District has an auto and general liability self-insured retention level of \$1,500 and a \$2,000 property program deductible. A self-retention is similar to a deductible.

The Authority is governed by a board which controls the operations of the Authority independent of any influence by the San Lorenzo Valley Water District. The Authority is independently accountable for its fiscal matters. The insurance group maintains its own accounting records. The relationship between the District and the Authority is such that the Authority is not a component unit of the San Lorenzo Valley Water District for financial reporting purposes.

Workers Compensation: Statutory - through State Compensation Insurance Fund.

12. WATERMAN GAP TRANSACTION:

On September 21, 2000, the Board of Directors of the San Lorenzo Valley Water District unanimously approved District Ordinance 98 (00-01) which authorized the sale of approximately 1,340 acres of unimproved forestland generally known as Waterman Gap (Santa Cruz County Assessor's Parcel Nos. 87-0311-03, 04, 05, 06, 87-041-01 and 88-091-18) to Sempervirens Fund, Inc., a non-profit organization for the sum of ten million nine hundred thousand dollars (\$10,900,000). Covenants to the real estate purchase contract assigned from Sempervirens Fund, Inc. to San Lorenzo Valley Water District the exclusive right to purchase two (2) additional real properties APN 79-011-02 and -22 (generally known as Cook and Hulse properties). On October 30, 2000, the San Lorenzo Valley Water District purchased APN 79-011-02, a parcel of approximately 40 acres from Cook, for the sum of ninety five thousand dollars (\$95,000) and APN 79-011-22 a parcel of approximately 100 acres from Hulse, for a sum of four hundred fifty thousand dollars (\$450,000).

SAN LORENZO VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS
(Continued)

June 30, 2005 and 2004

12. WATERMAN GAP TRANSACTION (Continued):

The transaction was completed on October 18, 2000. As part of the transaction the District seller financed \$9,700,000 of the transaction. The terms of the promissory noted are as follows:

	<u>2005</u>	<u>2004</u>
Note Receivable – Sempervirens Fund, Inc. of \$9,700,000, secured by a first deed of trust, due in annual installments of \$970,000 plus interest at the rate of 8.0 percent per annum.		
Balance as of June 30:	<u>\$ -0-</u>	<u>\$ -0-</u>

13. NET ASSETS:

Net assets comprise the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three components: invested in capital assets, net of related debt; restricted for capital activity and debt service; and unrestricted net assets. Invested in capital assets, net of related debt, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted for capital activity and debt service consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted consists of all other net assets not included in the above categories.

14. PURCHASE OF PROPERTY:

On August 13, 2004, the District completed the purchase of APNs 81-204-04 and 06, generally located at 12804 Highway 9, Boulder Creek, CA. The purchase price for said property was \$722,000. This property, commonly known as the "Prosser Property" contains approximately 28,800 square feet and is improved with two (2) wood frame single story office/storage buildings. One building is approximately 1,900 square feet and the other building is approximately 1,500 square feet.

The District purchased the property for the expressed purpose of relocating a portion or all of the District's existing administration and/or operations facilities. Estimated date for relocation has not yet been established.

SAN LORENZO VALLEY WATER DISTRICT

* * *

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

* * *

June 30, 2005 and 2004

SUPPLEMENTARY INFORMATION

SAN LORENZO VALLEY WATER DISTRICT

COMBINING STATEMENT OF NET ASSETS - WATER AND SEWER FUNDS

June 30, 2005

ASSETS			
CURRENT ASSETS:	Enterprise Funds		Total
	Water Fund	Sewer Fund	
Cash and Investments	\$ 13,156,988	\$ 3,352	\$ 13,160,340
Receivables:			
Customer Accounts (Net of Allowance for Uncollectibles of \$3,252)	259,513		259,513
Interest Receivable	95,402		95,402
Other Receivables	3,707	137	3,844
Due From Other Funds	188,169		188,169
Inventory	140,583		140,583
Deposits	9,452		9,452
Total Current Assets	<u>13,853,814</u>	<u>3,489</u>	<u>13,857,303</u>
RESTRICTED CASH:			
Proceeds Certificates of Participation	557,350		557,350
Cash and Investments with Fiscal Agent	57,403		57,403
Connection and Construction Deposits	153,240		153,240
Customer Deposits	309,127		309,127
Reserve Fund - Certificates of Participation	0		0
North Boulder Creek Assessments	245,500		245,500
Reserve Fund - Improvement Refunding Bonds	145,706		145,706
Total Restricted Cash	<u>1,468,326</u>		<u>1,468,326</u>
PROPERTY, PLANT AND EQUIPMENT:			
Land	1,084,844	28,213	1,113,057
Utility Plant	22,215,022	1,219,677	23,434,699
Building, Equipment, and Other Assets	3,396,200	4,142	3,400,342
Total Property, Plant and Equipment	<u>26,696,066</u>	<u>1,252,032</u>	<u>27,948,098</u>
Less: Accumulated Depreciation	<u>(10,362,177)</u>	<u>(540,651)</u>	<u>(10,902,828)</u>
	16,333,889	711,381	17,045,270
Construction in Progress	1,238,005	211,343	1,449,348
Total Property, Plant and Equipment (Net)	<u>17,571,894</u>	<u>922,724</u>	<u>18,494,618</u>
OTHER ASSETS:			
Deferred Charges	363,493		363,493
Total Other Assets	<u>363,493</u>		<u>363,493</u>
TOTAL ASSETS	<u>\$ 33,257,527</u>	<u>\$ 926,213</u>	<u>\$ 34,183,740</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

SAN LORENZO VALLEY WATER DISTRICT

COMBINING STATEMENT OF NET ASSETS - WATER AND SEWER FUNDS
(Continued)

June 30, 2005

LIABILITIES AND NET ASSETS

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
CURRENT LIABILITIES:			
Accounts Payable	\$ 172,941	\$ 440	\$ 173,381
Due to Other Funds		188,169	188,169
Accrued Expenses	2,213		2,213
Accrued Interest	53,804		53,804
Refunds Payable		2,777	2,777
Current Portion of Long-Term Debt	382,299		382,299
Connection and Construction Deposits	153,240		153,240
Customer Deposits	309,127		309,127
Accrued Vacation and Sick Leave	270,114	2,779	272,893
Total Current Liabilities	1,343,738	194,165	1,537,903
LONG-TERM LIABILITIES (NET OF CURRENT PORTION):			
Special Assessment Bonds	930,000		930,000
California Special District Lease Financing	165,000		165,000
Notes Payable	3,380,616		3,380,616
C.O.P. Refunding Payment Agreement	2,200,000		2,200,000
Less Current Portion	(382,299)		(382,299)
Total Long-Term Liabilities	6,293,317		6,293,317
Total Liabilities	7,637,055	194,165	7,831,220
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	10,896,278	922,724	11,819,002
Restricted for Capital Activity and Debt Service	1,468,326		1,468,326
Unrestricted	13,255,868	(190,676)	13,065,192
Total Net Assets	25,620,472	732,048	26,352,520
Total Liabilities and Net Assets	\$ 33,257,527	\$ 926,213	\$ 34,183,740

See Independent Auditor's Report and Accompanying Notes to Financial Statements

SAN LORENZO VALLEY WATER DISTRICT

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
WATER AND SEWER FUNDS

For the Year Ended June 30, 2005

	Water Fund	Sewer Fund	Total
OPERATING INCOME:			
Water Fees	\$ 2,877,769		\$ 2,877,769
Sewer Charges		\$ 45,360	45,360
Assessments	146,788		146,788
Property Taxes	86,606		86,606
Meter Sales	86,954		86,954
Charges and Penalties	37,135		37,135
Miscellaneous	22,050	825	22,875
Total Operating Income	<u>3,257,302</u>	<u>46,185</u>	<u>3,303,487</u>
OPERATING EXPENSES:			
Salaries and Benefits (Net of Capitalized)	1,804,579	16,735	1,821,314
Contractual and Professional Services	171,722	7,924	179,646
Amortization and Depreciation	886,132	30,494	916,626
Material and Supplies	103,211	2,416	105,627
Utilities and Telephone	282,266	6,965	289,231
Insurance	45,759	429	46,188
Election Fees	24,989		24,989
LAFCO Fees	22,876		22,876
Vehicle and Equipment Maintenance	61,583	531	62,114
Building Maintenance	15,605		15,605
Collection Fees and Charges	2,540		2,540
Miscellaneous	42,444	4,500	46,944
Travel, Meals and Conferences	8,428		8,428
Auto Allowance	4,200		4,200
Office Expenses	36,594	161	36,755
Rentals and Permits	13,749	2,338	16,087
Repairs	54,979		54,979
Total Operating Expenses	<u>3,581,656</u>	<u>72,493</u>	<u>3,654,149</u>
OPERATING INCOME (LOSS)	<u>(324,354)</u>	<u>(26,308)</u>	<u>(350,662)</u>
NON-OPERATING INCOME (EXPENSES):			
Interest and Dividends Earned	491,901		491,901
Unrealized Gains (Losses) on Investments	(35,770)		(35,770)
Loss on Disposition of Assets	(3,442)		(3,442)
Interest Expense	(302,367)		(302,367)
Total Non-Operating Income (Expenses)	<u>150,322</u>		<u>150,322</u>
CHANGE IN NET ASSETS	(174,032)	(26,308)	(200,340)
NET ASSETS AT BEGINNING OF YEAR	<u>25,794,504</u>	<u>758,356</u>	<u>26,552,860</u>
NET ASSETS AT END OF YEAR	<u>\$ 25,620,472</u>	<u>\$ 732,048</u>	<u>\$ 26,352,520</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION

SAN LORENZO VALLEY WATER DISTRICT

BUDGETARY COMPARISON SCHEDULE
REVENUE AND EXPENDITURES - BUDGET AND ACTUAL
WATER FUND

For the Year Ended June 30, 2005

	2005		
	Final Budget	Amended Final Budget	Actual
OPERATING INCOME:			
Water Fees	\$ 3,035,000	\$ 3,035,000	\$ 2,877,769
Sewer Charges			
Assessments	118,050	118,050	146,788
Property Taxes	206,000	206,000	86,606
Meter Sales	70,000	70,000	86,954
Charges and Penalties	35,000	35,000	37,135
Miscellaneous	14,400	14,400	22,050
Total Operating Income	3,478,450	3,478,450	3,257,302
OPERATING EXPENSES:			
Salaries and Benefits (Net of Capitalized)	1,878,910	1,878,910	1,804,579
Contractual and Professional Services	142,600	142,600	171,722
Amortization and Depreciation			886,132
Material and Supplies	99,100	99,100	103,211
Utilities and Telephone	323,100	323,100	282,266
Insurance	46,500	46,500	45,759
Election Fees	17,500	17,500	24,989
LAFCO Fees	22,880	22,880	22,876
Vehicle and Equipment Maintenance	42,000	42,000	61,583
Building Maintenance	23,000	23,000	15,605
Collection Fees and Charges	4,750	4,750	2,540
Miscellaneous	89,680	94,680	42,444
Travel, Meals and Conferences	12,750	12,750	8,428
Auto Allowance	6,300	6,300	4,200
Office Expenses	40,700	40,700	36,594
Rentals and Permits	14,500	14,500	13,749
Repairs			54,979
Total Operating Expenses	2,764,270	2,769,270	3,581,656
OPERATING INCOME (LOSS)	714,180	709,180	(324,354)
NON-OPERATING INCOME (EXPENSES):			
Interest and Dividends Earned	488,500	488,500	491,901
Unrealized Gains (Losses) on Investments			(35,770)
Gain on Disposition of Assets			(3,442)
Interest Expense	(306,750)	(306,750)	(302,367)
Total Non-Operating Income (Expenses)	181,750	181,750	150,322
NET INCOME (LOSS)	\$ 895,930	\$ 890,930	\$ (174,032)

See Independent Auditor's Report and Accompanying Notes to Financial Statements

SAN LORENZO VALLEY WATER DISTRICT

BUDGETARY COMPARISON SCHEDULE
REVENUE AND EXPENDITURES - BUDGET AND ACTUAL
SEWER FUND

For the Year Ended June 30, 2005

	2005		
	Final Budget	Amended Final Budget	Actual
OPERATING INCOME:			
Water Fees			
Sewer Charges	\$ 46,100	\$ 46,100	\$ 45,360
Assessments			
Property Taxes			
Meter Sales			
Charges and Penalties			
Miscellaneous			825
Total Operating Income	<u>46,100</u>	<u>46,100</u>	<u>46,185</u>
OPERATING EXPENSES:			
Salaries and Benefits (Net of Capitalized)	10,810	10,810	16,735
Contractual and Professional Services	11,000	11,000	7,924
Amortization and Depreciation			30,494
Material and Supplies	1,200	1,200	2,416
Utilities and Telephone	7,000	7,000	6,965
Insurance			429
Election Fees			
LAFCO Fees			
Vehicle and Equipment Maintenance	500	500	531
Building Maintenance	750	750	
Collection Fees and Charges			
Miscellaneous	5,220	5,220	4,500
Travel, Meals and Conferences			
Auto Allowance			
Office Expenses	350	350	161
Rentals and Permits	4,750	4,750	2,338
Repairs			
Total Operating Expenses	<u>41,580</u>	<u>41,580</u>	<u>72,493</u>
OPERATING INCOME (LOSS)	<u>4,520</u>	<u>4,520</u>	<u>(26,308)</u>
NON-OPERATING INCOME (EXPENSES):			
Interest and Dividends Earned			
Unrealized Gains (Losses) on Investments			
Gain on Disposition of Assets			
Interest Expense			
Government Storm Funds and Other Income			
Total Non-Operating Income (Expenses)			
NET INCOME (LOSS)	<u>\$ 4,520</u>	<u>\$ 4,520</u>	<u>\$ (26,308)</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

APPENDIX B

SUMMARY OF REVENUE BY FUNDS

2005-2006

07/07/05

<u>WATER FUND REVENUE</u>	<u>2004-2005 ESTIMATED REVENUE</u>	<u>2004-2005 ADOPTED BUDGET</u>	<u>2005-2006 ADOPTED BUDGET</u>
NON-RESTRICTED REVENUE			
4101 Water Charges for Service	3,010,000	3,035,000	3,050,000
4209 Property Taxes	93,550	206,000	98,200
4308 Acct Establish Charges & Penalties	36,400	35,000	36,000
4314 Sale of Meters	86,000	70,000	708,000
4319 Mobile Service Lease Fees	8,100	8,050	8,300
4320 Miscellaneous	20,800	10,000	15,000
4817 Interest - Water Fund	11,900	9,000	5,000
<u>SUB TOTAL NON-RESTRICTED REVENUE</u>	<u>3,266,750</u>	<u>3,373,050</u>	<u>3,920,500</u>
RESTRICTED SPECIAL REVENUE			
4309 Assm't Bond - N.B.C.	122,800	110,000	110,000
4409 NBC Admin. Fee	3,360	3,400	3,400
4818 Interest - Emergency Reserve Fund	29,000	31,800	30,000
4819 Interest - 1998 COP Issue	15,000	22,700	15,000
4429 Sale of Surplus Property	1,000	1,000	1,000
4821 Interest - Waterman Gap Fund	430,000	425,000	460,000
4437 Transfer in from COP Funds	300,000	421,500	175,000
4438 Transfer in from Waterman Gap Fund	408,000	712,000	0
4510 Manana Woods Agreement	0	0	680,000
<u>SUB TOTAL RESTRICTED SPECIAL REVENUE</u>	<u>1,309,160</u>	<u>1,727,400</u>	<u>1,474,400</u>
<u>SUB TOTAL ALL WATER FUND REVENUE</u>	<u>4,575,910</u>	<u>5,100,450</u>	<u>5,394,900</u>
 <u>WASTEWATER FUND REVENUE</u>			
4102 Sewer Charges for Service	45,400	46,100	45,400
4410 Transfer Water Fund Loan	200,000	150,000	0
4511 Charges for Treatment Plant Loan	0	0	20,400
<u>SUB TOTAL WASTEWATER FUND REVENUE</u>	<u>245,400</u>	<u>196,100</u>	<u>65,800</u>
 <u>GRAND TOTAL REVENUE ALL FUNDS</u>	 <u>4,821,310</u>	 <u>5,296,550</u>	 <u>5,460,700</u>

SUMMARY OF EXPENDITURES BY FUND 2005-2006

07/07/05

<u>ESTIMATED 2004-2005</u>	<u>WATER FUND</u>	<u>WASTE WATER</u>	<u>GRAND TOTAL</u>
PERSONNEL	1,814,580	16,670	1,831,250
MATERIALS & SERVICES	828,070	23,000	851,070
DEBT SERVICE	684,000	0	684,000
CAPITAL OUTLAY	1,372,960	200,000	1,572,960
<u>GRAND TOTAL</u>	<u>4,699,610</u>	<u>239,670</u>	<u>4,939,280</u>
<u>TOTAL REVENUE</u>	<u>4,575,910</u>	<u>245,400</u>	<u>4,821,310</u>
<u>NET INCOME (SHORTFALL)</u>	<u>-123,700</u>	<u>5,730</u>	<u>-117,970</u>

ADOPTED 2004-2005

PERSONNEL	1,880,710	10,810	1,891,520
MATERIALS & SERVICES	883,560	30,770	914,330
DEBT SERVICE	679,350	0	679,350
CAPITAL OUTLAY	1,455,050	150,000	1,605,050
<u>GRAND TOTAL</u>	<u>4,898,670</u>	<u>191,580</u>	<u>5,090,250</u>
<u>TOTAL REVENUE</u>	<u>5,100,450</u>	<u>196,100</u>	<u>5,296,550</u>
<u>NET INCOME (SHORTFALL)</u>	<u>201,780</u>	<u>4,520</u>	<u>206,300</u>

ADOPTED 2005-2006

PERSONNEL	2,032,900	14,720	2,047,620
MATERIALS & SERVICES	856,525	31,900	888,425
DEBT SERVICE	651,900	20,400	672,300
CAPITAL OUTLAY	967,800	0	967,800
<u>GRAND TOTAL</u>	<u>4,509,125</u>	<u>67,020</u>	<u>4,576,145</u>
<u>TOTAL REVENUE</u>	<u>5,394,900</u>	<u>65,800</u>	<u>5,460,700</u>
<u>NET INCOME (SHORTFALL)</u>	<u>885,775</u>	<u>-1,220</u>	<u>884,555</u>

APPENDIX C

SAN LORENZO VALLEY WATER DISTRICT

RATES AND CHARGES

01/15/06

BI-MONTHLY BASIC	
Meter Size	Basic Charge
5/8	32.20
5/8A	53.60
5/8B	108.00
5/8C	171.95
3/4	32.20
3/4A	53.60
1	53.60
1A	108.00
1B	171.95
1F	32.20
1.5	108.00
1.5A	171.95
1.5C	536.90
1.5F	53.60
1.5G	32.20
1.5S	343.90
2	171.95
2A	322.60
2G	53.60
3	322.60
4	536.90
Surplus Water	32.20
Sewer	140.00
The above charges do not include any water usage.	

RATES	
1 unit of water = 100 Cubic Feet 100 Cubic Feet = 748 Gallons	
First 10 units	= 1.75 a unit
11 - 40 units	= 2.30
41 - 100 units	= 2.75
101 - 200 units	= 3.00
Over 200 units	= 3.25
METER CONNECTION FEES	
Meter Size	Charge
5/8	4966.00
3/4	4966.00
1	9932.00
1.5	19,864.00
2	39,728.00
INSTALLATION DEPOSIT	
5/8 or 3/4	2000.00
1	2000.00
Meter Drop In Charges	
5/8	90.00
3/4	110.00
1	155.00
Backflows	500.00
Deposit	75.00
Establishment Charge	20.00
Copies	.15
Special Bill (in advance)	20.00
Meter Test (in advance)	15.00
1"	17.50

San Lorenzo Valley Water District rates and charges are set by the SLVWD Board of Directors
The Board meets the first and third Thursday of the month at 7:30 P.M.
Water rate effective 03/01/02. Basic rate effective 01/15/06.

SAN LORENZO VALLEY WATER DISTRICT

RATES AND CHARGES

BI-MONTHLY BASIC	
Meter Size	Basic Charge
5/8	31.90
5/8A	53.05
5/8B	106.90
5/8C	170.25
3/4	31.90
3/4A	53.05
1	53.05
1A	106.90
1B	170.25
1F	31.90
1.5	106.90
1.5A	170.25
1.5C	531.60
1.5F	53.05
1.5G	31.90
1.5S	340.50
2	170.25
2A	319.40
2G	53.05
3	319.40
4	531.60
Surplus Water	31.90
Sewer	140.00
The above charges do not include any water usage.	

RATES	
1 unit of water = 100 Cubic Feet 100 Cubic Feet = 748 Gallons	
First 10 units	= 1.75 a unit
11 - 40 units	= 2.30
41 - 100 units	= 2.75
101 - 200 units	= 3.00
Over 200 units	= 3.25
METER CONNECTION FEES	
Meter Size	Charge
5/8	4966.00
3/4	4966.00
1	9932.00
1.5	19,864.00
2	39,728.00
INSTALLATION DEPOSIT	
5/8 or 3/4	1500.00
1	1500.00
Meter Drop In Charges	
5/8	90.00
3/4	110.00
1	155.00
Backflows	500.00
Deposit	75.00
Establishment Charge	20.00
Copies	.15
Special Bill (in advance)	20.00
Meter Test (in advance)	15.00
1"	17.50

San Lorenzo Valley Water District rates and charges are set by the SLVWD Board of Directors

The Board meets the first and third Thursday of the month at 7:30 P.M.

Water rate effective 03/01/02. Basic rate effective 01/15/05.

01/11/05

APPENDIX D

Appendix D.1
Water Sales May 2005 - April 2006, Ccf

<u>Residential</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>Total</u>	<u>% of Total</u>
Tier 1	21,389	20,914	22,829	21,779	23,352	21,550	22,070	19,909	21,185	19,189	20,493	18,686	253,325	45.9%
Tier 2	15,741	14,814	32,095	24,475	38,360	20,323	26,641	9,771	13,904	7,694	10,139	7,150	220,807	40.0%
Tier 3	2,068	2,015	10,725	7,691	18,491	5,200	7,557	1,470	1,791	619	1,078	693	60,396	10.9%
Tier 4	386	292	1,472	1,969	3,326	1,497	928	401	701	427	292	370	12,061	2.2%
Tier 5	175	148	227	879	285	476	79	450	832	887	23	636	5,099	0.9%
Total	39,759	37,983	67,348	56,793	84,814	49,048	57,275	32,001	38,413	28,816	32,025	27,515	551,790	100.0%
<u>Multi-Family</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>Total</u>	<u>% of Total</u>
Tier 1	1,045	2,376	1,076	2,426	1,159	2,427	1,096	2,345	1,084	2,383	1,089	2,319	20,805	19.0%
Tier 2	1,366	3,403	1,931	4,266	2,252	3,722	1,834	2,779	1,440	2,727	1,275	2,520	29,517	27.0%
Tier 3	476	1,308	857	2,020	1,567	1,467	792	1,006	400	1,110	426	829	12,258	11.2%
Tier 4	417	671	435	1,012	650	789	479	440	416	575	412	412	6,688	6.1%
Tier 5	5,526	150	7,571	462	8,434	247	8,427	345	3,211	333	4,458	82	40,246	36.7%
Total	8,830	7,908	11,870	10,189	15,062	8,632	12,626	6,915	6,551	7,108	7,660	6,162	109,514	100.0%
<u>Institutional</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>Total</u>	<u>% of Total</u>
Tier 1	115	133	115	135	113	126	114	135	118	130	111	134	1,479	5.8%
Tier 2	302	196	312	288	311	282	311	225	259	117	245	137	2,985	11.7%
Tier 3	452	248	597	343	589	379	564	294	295	146	264	172	4,343	17.0%
Tier 4	486	279	755	500	879	500	679	255	340	100	329	53	5,155	20.1%
Tier 5	646	136	3,136	1,011	3,370	649	1,290	57	694	33	622	0	11,646	45.5%
Total	2,001	992	4,917	2,277	5,262	1,936	2,958	866	1,708	526	1,571	496	25,608	100.0%
<u>Landscape</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>Total</u>	<u>% of Total</u>
Tier 1	40	52	40	48	40	52	40	39	35	38	21	32	477	6.6%
Tier 2	81	81	117	120	116	120	99	18	55	10	35	14	867	12.0%
Tier 3	69	60	114	168	148	146	120	0	60	0	49	0	934	13.0%
Tier 4	77	100	80	200	100	200	46	0	33	0	0	0	836	11.6%
Tier 5	0	723	0	2,343	9	1,022	0	0	0	0	0	0	4,097	56.8%
Total	267	1,016	351	2,879	413	1,540	305	58	183	48	105	46	7,211	100.0%
<u>Commercial</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>Total</u>	<u>% of Total</u>
Tier 1	96	692	97	718	105	700	87	485	89	628	88	645	4,420	18.0%
Tier 2	125	967	160	1,214	239	1,068	151	808	120	815	105	788	6,560	26.7%
Tier 3	62	680	60	913	130	755	60	489	30	530	16	454	4,179	17.0%
Tier 4	18	420	97	570	141	454	13	308	0	361	0	200	2,582	10.5%
Tier 5	0	1,100	0	1,738	0	1,872	0	802	0	907	0	628	6,847	27.8%
Total	301	3,859	414	5,153	615	4,649	321	2,872	239	3,241	209	2,715	24,588	100.0%
<u>Fire Service</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>Total</u>	<u>% of Total</u>
Tier 1	1	0	0	0	0	1	0	0	0	0	1	1	4	100.0%
Tier 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Tier 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Tier 4	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Tier 5	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Total	1	0	0	0	0	1	0	0	0	0	1	1	4	100.0%
<u>Hydrant</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>Total</u>	<u>% of Total</u>
Tier 1	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Tier 2	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Tier 3	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Tier 4	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Tier 5	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
<u>Other</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>Total</u>	<u>% of Total</u>
Tier 1	20	10	20	0	30	0	20	0	20	0	17	0	137	5.2%
Tier 2	20	30	60	0	80	0	35	0	8	0	4	0	247	9.4%
Tier 3	0	60	23	0	78	0	0	0	0	0	0	0	159	6.1%
Tier 4	0	3	0	0	100	0	0	0	0	0	0	0	103	3.9%
Tier 5	0	0	0	0	1,970	0	0	0	0	0	0	0	1,970	75.3%
Total	40	103	103	0	2,266	0	55	0	28	0	21	0	2,616	100.0%
<u>Private Mutual</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>Total</u>	<u>% of Total</u>
Tier 1	0	30	0	30	0	30	0	30	0	30	0	40	190	2.0%
Tier 2	0	90	0	90	0	90	0	90	0	90	0	120	570	6.1%
Tier 3	0	180	0	180	0	180	0	180	0	180	0	240	1,140	12.2%
Tier 4	0	200	0	208	0	238	0	224	0	226	0	295	1,391	14.6%
Tier 5	0	941	0	2,096	0	1,553	0	439	0	413	0	589	6,031	64.7%
Total	0	1,441	0	2,604	0	2,091	0	863	0	939	0	1,284	8,322	100.0%
<u>Surplus</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>Total</u>	<u>% of Total</u>
Tier 1	0	0	32	0	48	0	25	0	1	0	3	0	109	69.8%
Tier 2	0	0	34	0	13	0	0	0	0	0	0	0	47	30.1%
Tier 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Tier 4	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Tier 5	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Total	0	0	66	0	61	0	25	0	1	0	3	0	156	100.0%
<u>Vacant</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>Total</u>	<u>% of Total</u>
Tier 1	10	0	17	11	22	-17	18	8	13	0	4	0	84	35.6%
Tier 2	0	0	0	7	2	0	0	0	30	0	0	0	39	16.7%
Tier 3	0	0	0	0	0	0	0	0	60	0	0	0	60	25.6%
Tier 4	0	0	0	0	0	0	0	0	51	0	0	0	51	21.8%
Tier 5	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Total	10	0	17	18	24	-17	18	8	154	0	4	0	234	100.0%
<u>Total</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>Total</u>	<u>% of Total</u>
Tier 1	22,716	24,207	24,226	25,147	24,669	24,869	23,480	22,929	22,545	22,378	21,827	21,837	281,030	38.4%
Tier 2	17,635	19,381	34,709	30,462	41,383	25,605	29,071	13,692	15,816	11,453	11,803	10,729	261,739	35.8%
Tier 3	3,127	4,551	12,376	11,315	22,001	8,127	9,093	3,439	2,636	2,565	1,833	2,388	83,471	11.4%
Tier 4	1,384	1,965	2,839	4,459	5,196	3,658	2,145	1,628	1,541	1,689	1,033	1,330	28,667	3.9%
Tier 5	6,347	3,198	10,836	8,529	15,068	5,621	8,796	2,093	4,737	2,573	5,103	1,835	75,936	10.4%
Total	51,209	53,302	85,086	79,912	108,517	67,880	73,585	43,781	47,275	40,876	41,599	38,219	731,043	100.0%

Source: Data extract from the District's billing system performed by Datastream (the District's software company).

Appendix D.2
Historical Water Use and Accounts, Ccf

	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Residential															
Jul	56,614	68,092	71,316	75,922	71,677	84,161	92,743	71,248	96,057	87,514	98,983	90,499	87,309	82,906	85,101
Aug	55,901	53,738	56,563	60,319	51,789	67,203	68,148	67,743	68,912	75,699	74,989	78,132	68,535	56,503	56,809
Sep	63,581	72,610	79,095	85,141	95,421	91,574	90,178	93,232	87,318	92,095	86,687	90,543	90,004	85,788	84,476
Oct	46,649	49,158	49,543	52,238	52,960	57,942	57,989	66,302	57,698	59,653	65,526	67,025	59,932	60,765	49,134
Nov	50,622	53,910	51,754	54,347	66,793	66,644	70,230	63,607	67,364	60,038	67,416	72,646	68,681	55,903	57,496
Dec	35,192	36,234	38,258	39,266	40,340	40,048	40,542	40,257	43,355	39,496	40,662	43,335	37,155	29,910	31,858
Jan	37,259	36,980	40,878	41,065	45,650	43,887	44,721	46,936	45,272	42,278	40,170	44,133	37,681	37,672	38,382
Feb	34,257	30,892	32,870	33,715	38,246	39,131	37,304	38,877	37,618	40,413	39,354	39,883	28,012	26,087	28,697
Mar	33,371	34,609	37,102	36,539	36,721	41,886	39,971	39,172	39,158	36,199	37,082	38,331	32,671	32,649	31,140
Apr	34,069	34,904	37,752	33,612	35,945	42,574	37,931	39,175	43,502	40,020	39,176	38,813	32,303	28,340	27,505
May	50,729	46,374	50,436	41,761	52,116	68,875	42,827	51,661	64,264	54,539	57,313	46,005	60,466	40,179	37,782
Jun	46,766	45,190	46,759	45,669	50,584	60,284	42,741	55,640	57,507	64,472	59,355	53,631	51,879	37,365	44,167
Total Residential	545,010	562,691	592,326	599,594	638,242	704,209	665,325	673,850	708,025	692,416	706,713	702,976	654,628	574,067	572,547
All Accounts															
Jul	65,071	74,496	83,498	86,001	88,128	98,041	107,632	78,855	110,121	99,892	114,452	104,569	103,310	104,949	102,801
Aug	60,858	58,769	60,903	65,665	53,922	72,516	73,205	72,244	73,699	81,483	80,357	82,934	85,186	78,609	79,909
Sep	73,705	91,821	89,755	98,557	114,739	105,872	104,536	106,006	100,402	104,924	100,185	103,727	109,637	110,292	108,135
Oct	50,624	51,999	53,688	56,488	58,676	62,493	62,350	71,316	61,770	63,796	70,318	71,391	74,392	79,887	67,942
Nov	59,067	66,216	58,933	61,611	76,650	76,973	80,991	73,355	77,053	68,054	77,399	82,457	83,812	71,077	73,744
Dec	37,918	39,164	41,426	42,228	43,529	42,693	43,489	42,716	46,490	42,349	43,360	46,339	45,859	42,179	43,667
Jan	41,312	42,372	45,440	47,531	52,867	49,599	51,381	53,706	51,180	48,041	45,386	49,774	45,087	47,239	47,197
Feb	36,360	33,133	35,445	36,720	41,214	41,765	40,158	41,424	40,400	42,999	43,061	42,607	39,277	37,155	40,546
Mar	35,223	37,193	41,001	46,802	42,341	48,424	44,278	44,895	45,428	41,688	41,278	44,598	41,209	41,137	40,632
Apr	36,419	37,526	40,831	36,176	38,752	45,785	40,482	42,008	44,689	42,796	42,008	42,466	45,856	41,648	38,203
May	53,861	52,723	56,516	56,685	64,317	80,106	46,960	59,662	72,731	63,197	64,557	53,714	76,318	51,612	48,405
Jun	50,111	48,693	50,373	49,717	54,306	64,833	45,398	59,390	61,496	68,661	62,750	59,011	72,341	52,676	61,153
Total All Accounts	600,529	634,105	657,809	684,181	729,441	789,100	740,860	745,577	785,459	767,880	785,111	783,587	822,284	758,460	752,334