

**CARSON CITY CONSOLIDATED MUNICIPALITY**  
**NOTICE OF MEETING OF THE**  
**CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE**

**Day:** Tuesday  
**Date:** February 18, 2014  
**Time:** Beginning at 3:30 p.m.  
**Location:** Community Center, Sierra Room  
851 East William Street  
Carson City, Nevada

**Agenda**

**1. Call to Order**

*(District Attorney's Office will conduct the meeting until the election of a Chair)*

**2. Roll Call**

**3. Public Comment:**

The public is invited at this time to comment on and discuss any topic that is relevant to, or within the authority of this public body. In order for members of the public to participate in the Committee's consideration of an agenda item, the Committee strongly encourages members of the public to comment on an agenda item during the item itself. No action may be taken on a matter raised under public comment unless the item has been specifically included on the agenda as an item upon which action may be taken.

**4. For Possible Action: Adoption of Agenda**

**5. For Possible Action:**

To elect a Chair and Vice-Chair for the Committee.

Staff Summary: This is the first meeting of the Utility Financial Oversight Committee and the members will select a Chair and Vice Chair.

**6. For Possible Action:**

Review and discussion of the mission of the Committee and formation Resolution and possible direction to staff.

Staff Summary: Review and discussion on the mission of the Committee and its role in the City budget process.

**7. For Possible Action:**

Review of Financial Policies adopted by the Board of Supervisors and possible direction to staff.

Staff Summary: Staff will review the financial policies adopted by the Board, which apply to the Committee.

**8. For Possible Action:**

Review of Financial Model and Budgets as the basis of adopted Utility Rates and possible direction to staff.

Staff Summary: Staff and the City's consultant will review the financial model and budgets which served as the basis for the adopted utility rates.

**9. Items for next meeting.**

**10. Public Comment:**

The public is invited at this time to comment on any matter that is not specifically included on the Agenda as an action item. No action may be taken on a matter raised under this item of the agenda.

**11. For Possible Action: To Adjourn**

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**\*\*PUBLIC COMMENT LIMITATIONS** - *It is Carson City's aspirational goal to provide for item-specific public comment as follows: In order for members of the public to participate in the public body's consideration of an agenda item, the public is strongly encouraged to comment on an agenda item when called for by the Chair during the item itself. No action may be taken on a matter raised under public comment unless the item has been specifically included on the agenda as an item upon which action may be taken. The Chair also retains discretion to only provide for the Open Meeting Law's minimum public comment and not call for or allow additional individual-item public comment at the time of the body's consideration of the item when: 1) it is deemed necessary by the Chair to the orderly conduct of the meeting; 2) it involves an off-site non-action facility tour agenda item; or 3) it involves any person's or entity's due process appeal or hearing rights provided by statute or the Carson City Municipal Code.*

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*Agenda Management Notice - Items on the agenda may be taken out of order; the public body may combine two or more agenda items for consideration; and the public body may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.*

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*Titles of agenda items are intended to identify specific matters. If you desire detailed information concerning any subject matter itemized within this agenda, you are encouraged to call the*

responsible agency or the District Attorney's Office. You are encouraged to attend this meeting and participate by commenting on any agenda item.

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*Notice to persons with disabilities: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify the District Attorney's Office in writing at 885 E. Musser Street, Suite 2030, Carson City, NV 89701, or by calling (775) 887-2070 at least 24 hours in advance.*

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To request a copy of the supporting materials for this meeting contact Karen Leet at [kleet@carson.org](mailto:kleet@carson.org) or call (775) 887-2355.

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This agenda and backup information are available on the City's website at [www.carson.org/agendas](http://www.carson.org/agendas) and at the Carson City Public Works Office, 3505 Butti Way, Carson City, Nevada (775) 887-2355.

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This notice has been posted at the following locations:

Community Center, 851 East William Street  
Public Safety Complex, 885 East Musser Street  
City Hall, 201 North Carson Street  
Carson City Library, 900 North Roop Street  
Business Resource & Innovation Center (BRIC) 108 East Proctor Street

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Date: February 18, 2014

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**CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE  
REQUEST FOR COMMITTEE ACTION**

**Date Submitted:** February 12, 2014

**Meeting Date:** February 18, 2014

**To:** Utility Financial Oversight Committee

**From:** Andrew Burnham, Public Works Director

**Subject Title:** For Possible Action: Review and discussion of the Mission of the committee and the formation resolution for the committee and possible direction to staff.

**Staff Summary:** The Board of Supervisors in forming the Utility Financial Oversight Committee adopted a resolution providing direction to the committee which will be reviewed.

**Type of Action Requested:** (check one)

(  ) None – Information Only

(  ) Formal Action/Motion

**Recommended Commission Action:** No action required- informational only.

**Explanation for Recommended Commission Action:** In December 2013 the Board of Supervisors adopted the resolution forming the committee which is attached. The main focus of the committee is to insure compliance with the adopted financial policies. Basically it is to insure that budgets for the city utilities including water, sewer, and stormwater are structured to provide on-going capital investment for infrastructure replacements.

**Applicable Statue, Code, Rule or Policy:** N/A

**Fiscal Impact:** NA.

**Explanation of Impact:** NA.

**Funding Source:** NA.

**Alternatives:** N/A

**Supporting Material:** Resolution

**Prepared By:** Andrew Burnham, Public Works Director

**Reviewed By:**

\_\_\_\_\_

(Public Works Director)

Date: \_\_\_\_\_

\_\_\_\_\_

(Finance Director)

Date: \_\_\_\_\_

\_\_\_\_\_

(District Attorney's Office)

Date: \_\_\_\_\_

**Committee Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_ Aye/Nay

2) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (Vote Recorded By)

## RESOLUTION NO. 2013-R-XX

### A RESOLUTION FORMALLY ESTABLISHING THE CARSON CITY UTILITY FINANCE OVERSIGHT COMMITTEE

WHEREAS, Section 2.320 of the Carson City Charter authorizes the Board of Supervisors (Board) to create advisory boards to advise the Board in specific areas of local government, including, without limitation, public safety, public employees, finance, human resources, public property and facilities; and

WHEREAS, the Board, at its meeting of August 15, 2013 with the introduction of new water, sewer, and stormwater utility rates requested that an oversight committee be formed to monitor compliance with utility financial policies; and

WHEREAS, the Board desires impartial review and recommendations from qualified persons regarding compliance with Carson City utility financial policies; and

WHEREAS, the Board desires to set forth guidelines regarding membership of the committee, purpose of the committee, length of term of the members of the committee, frequency of meetings, and other matters properly relating to thereto.

NOW, THEREFORE, the Board hereby resolves:

1. The Carson City Utility Finance Oversight Committee (Utility Committee) is hereby formally established consisting of five (5) members, with one committee member appointed by each Board member.
2. The Utility Committee shall be composed of people with knowledge and expertise relevant to finance, accounting, or related fields.
3. The purpose of the Utility Committee shall be to provide the Board with recommendations regarding continuing compliance with Board adopted utility financial policies in preparation of annual budgets
4. Each member of the Utility Committee shall serve concurrent with the term of the Board member who made his or her appointment. Any vacancies shall be filled by the Board and once filled the Utility Committee member shall serve two years. All members shall serve without compensation. The Utility Committee shall terminate June 30, 2018, unless extended by Board action.
5. The meetings of the Utility Committee shall be held in February and March of each calendar year to review draft utility budgets or at the call of the chair. A report from the Utility Committee to the Board will be provided by April each year, prior to Board adoption of annual city budgets. The Public Works and Finance Departments shall be staff liaison and shall provide support to the Utility Committee.
6. The Utility Committee shall operate in accordance and be subject to the Policies and Procedures for Boards, Committees, and Commissions as adopted by the Board.

Upon motion by Supervisor \_\_\_\_\_, seconded by \_\_\_\_\_, the  
forgoing Resolution was passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
ROBERT L. CROWELL, Mayor  
Carson City, Nevada

ATTEST:

\_\_\_\_\_  
ALAN GLOVER, Clerk-Recorder  
Carson City, Nevada

Item 7

**CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE  
REQUEST FOR COMMITTEE ACTION**

**Date Submitted:** February 12, 2014

**Meeting Date:** February 18, 2014

**To:** Utility Financial Oversight Committee

**From:** Andrew Burnham, Public Works Director

**Subject Title:** For Possible Action: Review and discussion of the financial policies adopted by the Board of Supervisors which apply to the committee and possible direction to staff.

**Staff Summary:** The Board of Supervisors adopted financial policies which guide development of budgets and will be reviewed by the committee.

**Type of Action Requested:** (check one)

- (  ) None – Information Only  
(  ) Formal Action/Motion

**Recommended Commission Action:** No action required- informational only.

**Explanation for Recommended Commission Action:** In December 2013 the Board of Supervisors adopted financial policies which are attached. The financial policies which are germane to this committee are mainly the Enterprise Fund Financial Stabilization Policy (second page).

**Applicable Statue, Code, Rule or Policy:** N/A

**Fiscal Impact:** NA.

**Explanation of Impact:** NA.

**Funding Source:** NA.

**Alternatives:** N/A

**Supporting Material:** Financial & Budget Policies

**Prepared By:** Andrew Burnham, Public Works Director

**Reviewed By:**

\_\_\_\_\_

(Public Works Director)

Date: \_\_\_\_\_

\_\_\_\_\_

(Finance Director)

Date: \_\_\_\_\_

\_\_\_\_\_

(District Attorney's Office)

Date: \_\_\_\_\_

**Committee Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_ Aye/Nay

2) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (Vote Recorded By)



## TITLE: FINANCIAL & BUDGET POLICIES

### **Purpose and Objective:**

- To deliver quality services in an affordable, efficient and cost-effective manner providing full value for each tax dollar.
- To maintain an adequate financial base to sustain a sufficient level of municipal services, thereby preserving the quality of life in Carson City.
- To have the ability to withstand local and regional economic fluctuations, to adjust to changes in the service requirements of the community and to respond to changes in federal and state priorities and funding as they affect the City's residents.
- To maintain high bond credit ratings in the financial community and assure the City's taxpayers that the City is well managed and financially sound.

### **GENERAL GOVERNMENT FINANCIAL STABILIZATION POLICY**

To designate any excess unrestricted general fund balance, at the end of a given year, to be used in the following priority order:

1. Reserve Funds – maintain an Ending Fund Balance at a minimum of 5% of annual expenditures with a goal of 8.3% of expenditures.
2. Contingency – \$500,000 annually.
3. Infrastructure Repair – minimum of \$600,000 or 1% of annual expenditures. The amounts may differ annually based upon need
4. Fleet/Equipment Replacement – up to 2.5% of operation expenditures.
5. Stabilization Fund – as allowed by NRS 354.6115 at a level equal to 10% of expenditures from the general fund for the previous fiscal year, excluding any federal funds expended.
6. Operating Expenses – justifications for new expenses must be related to actual service performance.

## ENTERPRISE FUND FINANCIAL STABILIZATION POLICY

To establish financial policies and goals to fund and manage enterprise funds within Carson City consistent with the objective of having the full cost (direct and indirect) of providing services supported by each fund.

1. Reserve Levels - Cash reserves are a necessary and appropriate part of prudent financial management practices. The City maintains separate accounting for operating, capital, and other cash reserves, as described below. Reserve levels are established for each type of reserve.
  - a. Operating reserves – Operating reserves provide a cushion to ensure sufficient working capital to meet daily and periodic expenditures. Reserve levels are generally expressed in number of days of cash operating expenses, with the minimum requirement varying with the expected risk of unanticipated needs. The funding level shall be a minimum of 45 days with a goal of 90 days (25%) of annual O&M expenses.
  - b. Capital Project reserves – Capital reserves hold loan and bond proceeds, other capital-related revenues (such as connection charge revenue), and transfers from the operating fund designated for capital construction projects. The capital reserve is intended to mitigate the impact of unanticipated capital costs on rates. The City's goal is to fund the capital reserve at 2.0% of the total (original) cost of utility fixed assets.
  - c. Emergency reserves - Emergency reserves provide funding for minor equipment failures. These reserves are not intended to cover the costs of system-wide failures resulting from catastrophic events which are ordinarily covered through the purchase of insurance. The minimum emergency reserve balance is \$50,000 with a goal of \$75,000.
  - d. Debt proceeds reserves – Debt proceed reserves provide for the unspent proceeds of the debt, including related interest earnings. Debt proceeds and the interest earned on these proceeds will be maintained in restricted accounts until expended.
  - e. System Replacement reserves – System replacement reserves (annual depreciation) provide for the replacement of aging and failing infrastructure to ensure sustainability of the system for ongoing operations. Collecting the amount of annual depreciation expense through user rates helps to ensure that existing ratepayers pay for the use of the assets serving them (rate equity) with cash flow funding a portion or all of the eventual replacement of those assets.

2. Rate making procedures – Each year during the budget process, the Finance Director and the appropriate director responsible for their enterprise fund, shall present a report to the Board of Supervisors detailing the prior fiscal year's actual revenues and expenses in each of the enterprise funds. This report must address the fiscal condition of the fund and make recommendations to the Board for changes in rates to achieve the stated financial policies.
3. The Utility Financial Oversight Committee will provide a report to the Board of Supervisors regarding compliance with these financial policies annually as part of the City budget process.

### **BUDGET AUGMENTATION POLICY**

1. Board of Supervisors approval is required in advance of expending resources in excess of a department or budget unit's final approved budget. A Budget Action Request must be approved before the Board of Supervisors requesting the transfer of contingency funds to augment the requesting department's final approved budget.
2. Before requesting additional resources from the Board of Supervisors, departments must make the case, before the City's Internal Finance Committee, that the need results from unforeseen and uncontrollable circumstances and that every effort has been made to meet service demands using existing budgetary resources, **e.g. departmental savings.**

### **LITIGATION CLAIMS SETTLEMENT POLICY**

The Board of Supervisors approval is required for claims settlements in excess of \$25,000. The City Manager possesses the authority to approve settlements in the amount of \$25,000 or less.

### **DEBT MANAGEMENT POLICY**

Debt is the current commitment of future revenues. As a result, the decision to incur debt limits the City's capacity to respond to changing service priorities, revenue streams or cost structures. Decisions regarding the use of debt will be based in part on the long-term needs of the City and the amount of funding dedicated in a given fiscal year to capital outlay.

#### **Debt Issuance Considerations:**

1. All borrowing requests shall be evaluated by the Carson City Finance Department during the annual budget process which begins in January. Requests for additional debt must be identified as part of a Capital Improvement Program (CIP) request. Justification, amount and timing of borrowing, and proposed method of repayment must be provided.
2. The Internal Finance Committee will evaluate each debt proposal to determine need and priority. The Finance Department will coordinate the issuance of debt.
3. Debt should only be used after considering alternative funding sources, such as: state, federal and private grants, current revenue and fund balances, state "matching" programs, private sector contributions, public/private partnerships, etc.
4. Debt should be used to finance or refinance only capital improvements or long-term assets that have a useful life of at least five years. The borrowing term of the debt should always be less than the useful life of the asset being financed.
5. Debt should not be issued unless a primary and secondary source of repayment is identified.
6. When contemplating debt, the City should consider all forms of financing including bonds, traditional bank financing and State programs (Bond Bank, State Revolving Fund, etc.).
7. In order to reduce transaction costs and staff time commitment, the City should strive to issue bonds no more frequently than once every two fiscal years. The City should try to group as many projects as possible into a single bond issue.
8. The City will not issue tax or revenue anticipation notes.
9. The City will not issue bond anticipation notes with maturities in excess of two years.
10. The City will strive to maintain a high reliance on pay-as-you-go financing for its capital improvements.
11. A five-year projection of revenues and expenditures for the general and enterprise funds will be prepared to provide strategic perspective to each annual budget process
12. Annually, a five-year capital improvements program will be developed analyzing capital expenditures by year and identifying associated funding sources.
13. Temporary Interfund Loans will be allowed as long as the provisions of NRS 354.6118 are followed.

#### **Debt Service Coverage:**

The coverage test is based on a commitment made by the City when it issues bonds to investors. Annual coverage equal to or above the debt service payment is a requirement of bond issues and some other long-term debt. Failure to comply with the

minimum annual coverage requirement can lower the City's bond rating and jeopardize its ability to sell revenue bonds in the future. Higher coverage levels can result in more favorable bond terms.

The minimum required coverage factor assuming debt financing through the Nevada State Bond Bank is 1.0 – meaning no additional cushion above the level of annual debt service is required. However, the City's goal is to set rates sufficient to maintain a coverage factor of at least 1.25. This practice enhances the City's creditworthiness and improves its financial position if the City decides to raise revenue by selling its own revenue bonds, which typically require a factor around 1.25 to 1.35. Excess revenues generated to meet the internal policy can be used to fund capital projects or to help build other under-funded reserves.

## **CAPITAL IMPROVEMENT PROGRAM POLICY**

The Capital Improvement Program (CIP) is the process used to facilitate the planning and acquisition of capital assets. The goals of the program are as follows:

1. To assess capital needs of the City's departments and functions.
2. To identify funding sources for those capital projects/programs which will provide the greatest return on investment in meeting the demand for public facilities, equipment and services.
3. To establish priorities among projects in order to maximize the utility of the City's resources.
4. To facilitate financial planning with respect to funding the long-term capital needs of the City.

## **The Capital Budget Process**

As part of the annual budget process, all departments and funds are required to identify and submit a five-year capital improvement program to accomplish the City's goals and objectives.

The Capital Budget Process formally begins with the distribution of the multi-year CIP instructions to departments in October/November. Departments submit capital expenditure requests to the Internal Finance Committee for review by the end of November.

These capital requests are then presented to the CIP committee comprised of department heads throughout the City. The committee reviews each request and interviews each department regarding their request. The role of this committee is to

prioritize the CIP requests into a recommendation for the City Manager to consider. The committee members consider the Board of Supervisor's goals and objectives in determining the capital spending priorities of the City. The City Manager will then review, modify and forward the recommendations to the Board of Supervisors.

### **Capital Project Selection Criteria**

The Capital Improvement Program Committee selects projects based upon the following criteria:

#### Essential Projects:

- Critical to remedying or preventing a major health or safety concern.
- Legally mandated (such as compliance with the Americans with Disabilities Act).
- Essential to completing a project.
- Positive fiscal impact such as when a project creates revenues or identifiable savings.
- Facilities/Equipment Maintenance or Replacement Program which is essential to avoid predicted equipment failures.
- Conformance with Plans or Policies.

#### Discretionary Projects (if funding is available):

- Optional remodeling or construction designed to improve productivity.
- Capital expenditures to increase levels of service to the public.

### **Major and Minor Capital Expenditures**

CIP requests under \$15,000 are classified as minor CIP expenditures and considered to be operational in nature. The IFC will allocate an amount of money annually toward funding minor CIP requests based on funding available. The CIP committee prioritizes and selects the minor capital requests to be funded, if any and presents a recommendation to the City Manager for consideration.

CIP requests of \$15,000 and above are classified as major CIP expenditures and considered to be capital in nature. The CIP committee prioritizes and selects major capital projects, given the level of funding determined by the Internal Finance Committee, and presents a recommendation to the City Manager for consideration.

The City Manager will review, modify and forward the recommendations to the Board of Supervisors. The Board accepts, rejects or modifies the recommendation of major and minor capital project spending by the City Manager.

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## **GENERAL AUTHORITY**

Nothing contained within this policy prohibits the Carson City Board of Supervisors from deviating from the City's financial policies and funding goals, as they find reasonably necessary, to address economic conditions, provided any change does not violate state law, existing bond or loan covenants, or generally accepted accounting principles.

**Item 8**

**CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE  
REQUEST FOR COMMITTEE ACTION**

**Date Submitted:** February 12, 2014

**Meeting Date:** February 18, 2014

**To:** Utility Financial Oversight Committee

**From:** Andrew Burnham, Public Works Director

**Subject Title:** For Possible Action: Review and discussion of the financial model and existing utility budgets and possible direction to staff.

**Staff Summary:** As part of the rate making process a financial model was developed to support the rate review and budget development for the city and will be reviewed by the committee.

**Type of Action Requested:** (check one)

- (  ) None – Information Only  
(  ) Formal Action/Motion

**Recommended Commission Action:** No action required- informational only.

**Explanation for Recommended Commission Action:** Attached is a copy of the final report for the water and sewer utilities which served as the basis for developing the new water and sewer rates. Staff will review the report and model with the committee and how the financial policies were derived. In addition, copies of the current utility budgets are provided for information. At the next meeting staff will provide a five year working capital analysis and budgets which will address the committee's mission of maintaining budget compliance with the adopted financial policies.

**Applicable Statue, Code, Rule or Policy:** N/A

**Fiscal Impact:** NA.

**Explanation of Impact:** NA.

**Funding Source:** NA.

**Alternatives:** N/A

**Supporting Material:** Financial & Budget Policies

**Prepared By:** Andrew Burnham, Public Works Director

**Reviewed By:**

\_\_\_\_\_  
(Public Works Director)

Date: \_\_\_\_\_

\_\_\_\_\_  
(Finance Director)

Date: \_\_\_\_\_

\_\_\_\_\_  
(District Attorney's Office)

Date: \_\_\_\_\_

**Committee Action Taken:**

Motion: \_\_\_\_\_

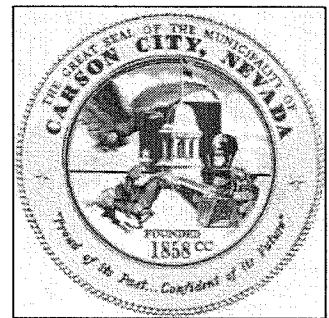
1) \_\_\_\_\_ Aye/Nay

2) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ (Vote Recorded By)

Carson City, Nevada



FINAL REPORT FOR  
WATER & SEWER RATE STUDY

October 2013

FCS GROUP  
7525 166th Avenue NE, Suite D-215  
Redmond, WA 98052  
T: 425.867.1802 | F: 425.867.1937

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October 21, 2013

Andrew Burnham, Public Works Director  
Carson City  
Public Works Department  
3505 Butti Way  
Carson City, Nevada 89701

**Subject: Water & Sewer Rate Study**

Dear Mr. Burnham:

FCS GROUP is pleased to submit our report describing our assumptions, findings and recommendations of the Water and Sewer Rate Study prepared for The Consolidated Municipality of Carson City ("City"). This report summarizes our methodology, findings, and recommendations for each of the following core study elements: financial policies; revenue requirements; cost of service; and rate structure design.

Preliminary study results were presented to the Board of Supervisors for consideration on April 18, 2013 with final results presented June 20, 2013 for policy direction. At the September 19 meeting, the Board of Supervisors adopted the proposed rates as presented in this report.

Please distribute copies of this document to other City staff and management, as you deem appropriate. A CD-ROM accompanies this document containing electronic versions of the spreadsheet models and a PDF version of the study report.

We greatly appreciate the efforts and support of City staff throughout the study process. It has been a pleasure working with you as well as with the Board of Supervisors. We look forward to assisting you with your future financial / management needs. Any questions or commentary regarding this report can be directed to me at 425-867-1802, ext. 241, or [karynj@fcsgroup.com](mailto:karynj@fcsgroup.com).

Yours very truly,

Karyn Johnson  
Principal

Krista Shirley  
Senior Analyst

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# SECTION 1: STUDY FRAMEWORK

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## A. INTRODUCTION

Carson City authorized FCS GROUP to complete a rate study for its water and sewer utilities. The purpose of this comprehensive study was to assist the City in maintaining financially stable utilities and to promote a fair and equitable allocation of water and sewer system costs to its customers.

The scope of this study included the following major elements:

- ◆ Financial policies development
- ◆ Connection charges calculation
- ◆ Revenue requirements forecast
- ◆ Cost of service analyses
- ◆ Rate structure evaluation

These scope elements are addressed throughout each section described in this report.

## B. METHODOLOGY

The methods used to complete our work are based on analytical principals that are generally accepted and widely followed throughout the industry – rates and charges should generate enough revenue to maintain self-supporting and financially viable utilities without undue discrimination toward or against any customer.

Throughout this study, we worked closely with the City to establish financial policies and arrive at rate and charge conclusions that meet forecasted utility financial obligations, achieve near term City goals, comply with legal requirements, and adhere to industry best practices. This report documents our assumptions, findings and recommendations for the water and sewer rate study.

The study process involved several iterations of data analyses and the development of scenarios for rate and charge increase strategies and customer class rate structures. Meetings were held with City staff to validate input parameters, review interim findings, and receive policy direction. From these meetings, four scenarios were developed for presentation to the Board of Supervisors:

- ◆ Base scenario – no capital program; no rate-funded system reinvestment
- ◆ Scenario A – no rate-funded system reinvestment
- ◆ Scenario B – rate-funded system reinvestment phased in over 10 years
- ◆ Scenario C – rate-funded system reinvestment phased in over 5 years

These scenario results were presented to the Board of Supervisors for consideration on April 18, 2013, where the Board requested additional detail on scenarios B and C. Final results for those two scenarios were presented June 20, 2013 for policy direction. Scenario C was adopted September 19, 2013.

## C. REPORT ORGANIZATION

The remainder of this report provides separate sections for Financial Policies (Section 2), Connection Charges (Section 3); Revenue Requirements (Section 4); Cost of Service (Section 5); Rate Design (Section 6); and City Implementation (Section 7). The Technical Appendices contain the analytical detail supporting study conclusions for each utility and additional sample customer bills:

- Appendix A – Water Spreadsheet Model
- Appendix B – Water Customer Bills
- Appendix C – Sewer Spreadsheet Model
- Appendix D – Sewer Customer Bills

## SECTION 2: FINANCIAL POLICIES

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The purpose of establishing financial policies for the City's utilities is to promote the financial integrity and stability of the utilities and to provide for the sustainability of essential utility services. These policies form the foundation of utility management and, with routine application, can act as overarching guidelines for consistent decision making.

Some financial policies are imposed by outside sources (minimum debt service coverage, bond reserves, and regulatory compliance) while other policies are specific to the agency and its utility (discretionary reserve levels, reinvestment protocols, use of debt). We have presented policies in this section that should help the City achieve financial and rate stability from year-to-year. In developing the water and sewer revenue requirement forecasts presented in Section 4, we have incorporated the fiscal policies discussed below.

### A. FUND ACCOUNTING

From an industry and financial management perspective, cash balances are a necessary and appropriate part of prudent utility management practices. Within each utility enterprise, appropriate segregation of monies should be established and maintained to provide adequate controls as to the sources and uses of funds. This practice helps to ensure that funds raised through each utility are applied to the appropriate purposes, and that equity attained through rate and charge structures is maintained in application. Above all, the City should establish and maintain a financial structure that provides for adequate and predictable revenues to meet the forecasted needs and operational, legal, and policy objectives of its utility systems.

The City maintains separate funds for the water and sewer utilities, each with a combined account balance for the operating and capital reserves.

The rate management strategy presented in this study presumes that each utility will continue to operate as a self-supporting enterprise fund. This means utility-specific rates and charges have been designed to recover the forecasted costs and financial obligations of each system— without subsidy from other City utilities or City general fund revenue sources, such as property taxes.

#### 1. Operating Reserves

An operating reserve is designed to provide a liquidity cushion to provide for financial viability of the utilities despite short-term variability in revenues and expenses, primarily caused by seasonal fluctuations in billings and receipts, unanticipated cash operating expenses, or lower than expected revenue collections. Target funding levels are generally expressed in number of days' operating and maintenance (O&M) expenses, with the minimum requirement varying with the expected risk of unanticipated needs or revenue volatility. Industry practice ranges from 30 days to 120 days of O&M, with the lower end more appropriate for utilities with very stable revenue streams and the higher end more appropriate for utilities with significant seasonal variations. Consistent with general

industry guidelines, this study established utility reserves at 60 to 90 days for the water utility and 30 to 45 days of O&M for the sewer utility. The higher target for the water utility is to safeguard against the increased variability in revenue collections resulting from discretionary water use in the summer period. Conservation-based rate structures can increase revenue instability due to a greater reliance on revenues from the volume charge component – which is more susceptible to changes in customer use and weather patterns. Revenue stability will be addressed further in the Rate Design section of this report.

The operating reserve target should be as of the end of each fiscal year (June 30), with the balance expected to vary during the course of the year. Generally, in any year where operating reserves exceed the maximum target, we recommend using the excess cash to help pay for capital projects. This can be accomplished by calculating the target balance at year end (e.g.  $90/365 \times \text{actual O\&M expense for the year}$ ) and comparing it against the actual ending cash balance. If the actual balance is greater than the target, the difference is transferred to the respective utility capital account. The rate management strategy presented herein complies with the above established target balance threshold for each utility.

Based on the City's financial records, the beginning FY 2012/13 combined water reserves were about \$1.9 million and combined sewer reserves were about \$2.3 million. In the water utility, the entire reserve was initially assigned to the capital account, as FY 2012/13 resources were sufficient to meet target balances. In the sewer utility, about \$1.3 million was initially assigned to the operating account to meet the maximum target throughout the study period, with the remaining \$900,000 assigned to the capital account. Both utilities met operating reserve targets throughout the study period, and any excess reserves above the established thresholds were transferred to the respective capital accounts by the end of the study period.

## 2. Capital Contingency Reserves

A capital contingency reserve is an amount of cash set aside in case of an emergency, should a major piece of equipment or a portion of the utility's infrastructure fail unexpectedly. Additionally, the reserve could be used for other unanticipated capital needs or capital cost overruns. These reserves are not intended to cover the cost of system-wide failures resulting from catastrophic events; a more common practice is to carry property and casualty insurance for such purposes. The capital account holds debt proceeds, connection charge revenues, system reinvestment funding from rates, and any transfers of cash reserves from the operating account.

Common industry practice is to maintain a minimum balance in the capital account equal to 1% to 2% of system fixed assets. For this study, the minimum target balance is based upon 2% of system fixed assets. We assume that cash from rates for system reinvestment funding and cash balances in excess of target thresholds from the operating account will be transferred to the capital account at year's end and become available for capital use in subsequent years. The capital reserve does not have a direct impact on rates. It is essentially "nested" with connection charge revenues and the policy to fund annual system reinvestment from rates.

For the water utility, beginning FYE 2013 cash was about \$1.9 million (allocated from the combined reserve as previously described), increasing to \$5.9 million by the end of the study period. For the sewer utility, beginning FYE 2013 cash was about \$0.9 million, increasing to about \$6.8 million by the end of the study period. The capital account balance for each utility is forecasted to remain within the recommended target throughout the study period.

## B. SYSTEM REINVESTMENT FUNDING

Utilities generally require high levels of capital investment in infrastructure. By providing municipal utility service, the City establishes an ongoing duty to provide service. In order to fulfill this continuing obligation, the City will need to provide for replacement of its water and sewer system facilities. The cost of such replacements is quite high in comparison to the original facilities due to inflation, construction conditions, and the absence of grant or developer support. Given the integrated nature of system assets, it is likely that multiple assets will have to be replaced concurrently. This further exacerbates the issue of capital investment “spikes”. It is prudent to develop a long-term replacement funding strategy for each system to mitigate the impacts to ratepayers during these periods of substantial system investment.

System reinvestment funding specifically addresses the concept of funding repair and replacements (R&R) through a regular and predictable rate provision. By establishing a steady funding mechanism, a system reinvestment funding program can then be structured, which takes into account the defined funding source, accumulation of funds when funding exceeds near term needs, and augmentation of funds (for example through debt) when R&R needs exceed available cash resources. A common approach of municipal utilities is to establish a policy of system reinvestment funding through rates using depreciation expense as the benchmark for the appropriate level of funding. Depreciation is a commonly used accounting measure of the decline in asset value attributable to the wear and tear associated with routine use. Depreciation expense is recorded as a system expense for purposes of financial reporting. However, because depreciation expense is a non-cash expense, it generally does not appear in cash-based budgets, thus potentially disguising a very real and accumulating cost of the systems.

Depreciation expense is calculated as the original cost of each asset divided by its estimated useful life, usually derived from published accounting tables by type of asset. Fully funding depreciation expense avoids the decline in system asset value (financial integrity) by replacing physical assets with cash assets. Collecting the amount of annual depreciation expense through rates provides a stable funding source for capital expenditures, especially those related to repair and replacement of existing system plant. Further, funding depreciation through rates promotes rate equity by providing the mechanism for existing ratepayers to pay for the use of the assets serving them, with the cash flow funding at least a portion of the eventual replacement of those assets. It is important to note that depreciation is not equal to the future replacement cost of the water and sewer systems, but serves simply as a starting point for addressing long-term replacement needs. As noted previously, actual system replacement costs will be significantly higher than the cost originally incurred to build the systems.

The City has not historically set water and sewer rates at a level sufficient to provide funding for system reinvestment. Many federal and state grant and loan programs are now requiring utilities to fund some level of system reinvestment as a requirement for eligibility. Furthermore, bond underwriters consider an agency’s policy for system reinvestment funding as part of their assessment of a utility’s ability to sustain operations, provide reasonable rates to customers, and repay the bonds.

The rate management strategy developed for this study incorporates system reinvestment funding from rates using depreciation expense as the benchmark. The selected scenario developed for each utility phases in to full depreciation over five years. Annual funding is assumed to be transferred from the respective operating accounts to the capital accounts at year-end, and available to help pay for capital expenditures in the following year. The results for each utility are summarized below:

- **Water** – Water system annual depreciation expense starts at about \$3.1 million, reaching \$3.5 million by the end of this study period. Depreciation funding increases from about \$0.6 million to \$3.5 million per year.
- **Sewer** – Sewer system annual depreciation expense starts at about \$3.1 million, reaching \$4.1 million by the end of the study period. Depreciation funding is set to begin one year later than in the water utility to mitigate rate impacts. It increases from about \$0.7 million to \$3.3 million per year during the study period.

## C. DEBT SERVICE COVERAGE REQUIREMENTS

When a municipality issues revenue bonds (and other types of debt instruments), it agrees to certain terms and conditions related to the repayment of those bonds. One of those terms is referred to as bond coverage. Simply put, the agency agrees to collect enough in annual system revenues to meet all operating expenses and not only pay debt service, but actually collect an additional multiple of that debt service. Bond coverage ratios typically range from 1.10 to 1.50, meaning that the agency would collect expenses plus 1.10 to 1.50 times revenue bond debt service as a minimum legal level of revenues. The stated coverage factor is a minimum requirement – meaning anything less than this level would be a technical default of the bond covenant.

Consistent with current bond covenants on outstanding revenue bonds, the rate management strategy presented for this rate study applies a minimum coverage factor of 1.00 times annual debt service. A higher internal goal is established at 1.25 times annual debt service to provide additional safeguards in meeting covenants. Revenue generated above cash needs to comply with coverage requirements may be used for capital purposes, and thus reduce future borrowing needs. Note that the cash needs of each utility drive the indicated rate increases. No incremental funding for debt coverage is required for the study period.

## D. CAPITAL PROGRAM FUNDING / DEBT MANAGEMENT

In conjunction with establishing or planning its water and sewer capital programs, the City should develop corresponding capital-financing plans that support execution of those programs. The programs should incorporate system replacement and rehabilitation, system upgrade and improvement, and system expansion. The policy intent is to establish an integrated capital funding strategy that considers best management practices for debt management.

### 1. Capital Funding

Utilities can typically draw funds for capital projects from a variety of sources:

- ◆ Grants
- ◆ Developer contributions
- ◆ Connection charges
- ◆ System reinvestment funding
- ◆ Direct funding from rates
- ◆ Other capital revenues
- ◆ Debt

Given these potential funding sources, utilities often find themselves choosing between funding sources when establishing a capital financing plan. While available grants and developer contributions would logically be applied to project costs first, the next choice in the funding “hierarchy” is not necessarily apparent.

The specific decision regarding whether to fund projects by cash or debt is an important policy decision that will likely be driven by a number of considerations. Cash funding might be cheaper in the long-run because there is no interest, but debt funding could be the more practical option since it allows for the payment of project costs over an extended period of time. In addition, using debt to spread the cost over time will help ensure that future customers pay for their fair share of system costs.

Finding the appropriate balance of cash and debt financing requires an evaluation of debt management policies discussed below.

## 2. Debt Management

Historically, the City has funded water and sewer capital projects through a combination of “pay-as-you-go” cash funding (cash reserves, connection charge revenue, rates) and debt issuance. Excessive use of debt is unfavorable for a utility, and can damage the utility’s credit rating, reducing its ability to acquire low-cost debt in the future. On the other hand, “pay-as-you-go” funding might create excessive burdens for existing customers, raising questions of practicality and equity between current and future customers.

Industry best practices (and bond underwriter’s preference) suggest that municipalities should maintain a debt-to-equity ratio (total debt divided by the sum of total debt and equity) of no greater than 50% debt and 50% equity (cash). The current debt-to-equity ratio is about 59% debt to 41% equity for the water utility and 24% debt to 76% equity for the sewer utility. In total, the combined utilities are at about 45% debt to 55% equity. The water utility issued a large amount of debt in the last few years to fund capital expenses and refund prior debt issues. The capital program for this study period is lower than in those previous years. Coupled with the final payments on other debt issues during this study period, adequate capacity remains for debt issue in the water utility. Sewer has a larger capital program during this study period, but remains well within the guidelines with capacity for additional debt.

The rate management strategy presented for this study presumes the City will fund its capital programs first with available capital cash resources (generated from system reinvestment funding and transfers from the operating accounts in excess of the targeted balance threshold) and next with the use of debt. As a point of reference, capital programs are forecasted to be funded over the study period as follows:

- **Water:** 65% debt-financed
- **Sewer:** 95% debt financed

Both utilities are expected to be within industry guidelines by the end of the study period.

## E. CUMULATIVE IMPACT OF FISCAL POLICIES

Satisfying all of these policy objectives might seem daunting at first, but the outcome is that multiple benchmarks overlap, resulting in the simultaneous achievement of multiple objectives within the same level of rates. For example, the policy for system reinvestment funding through rates serves several beneficial purposes: it provides a cash resource to the capital accounts that helps maintain the recommended capital contingency reserve; it contributes to the cash funding of capital, helping to maintain healthy debt-to-equity ratios; and it may help to provide the additional level of rate revenues necessary to meet the incremental debt service coverage requirement, if any.

Each criterion provides a different perspective on how much revenue is appropriate, and satisfying them all generally results in higher rates than if only a single standard is considered. However, this approach reduces financial risk and increases financial stability – any near term increases that result will help to promote more stable, and lower, long-term rates.

## SECTION 3: CONNECTION CHARGES

The City imposes capital connection charges on new development (or redevelopment) as a condition of connection to the water and sewer systems, or when increasing the capacity of an existing connection. In general, the purpose of a connection charge is to mitigate the impact of growth on the utility systems, or to compensate for investments already made to provide available capacity to service future growth.

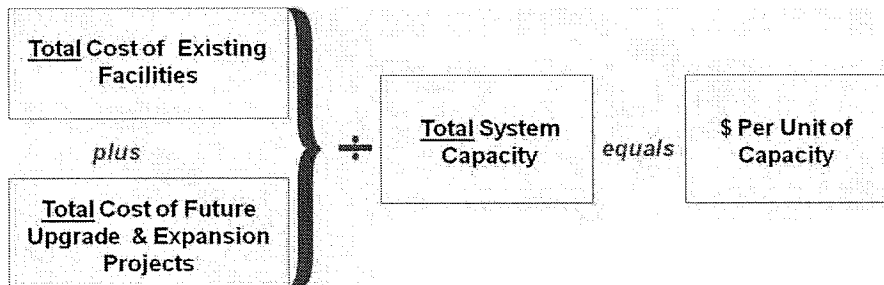
There are no specific statutory guidelines in Nevada for the calculation of connection charges; thus, the proposed approach draws on industry practice employing “conservative” approaches.

### A. METHODOLOGY

There are several documented approaches used in the industry to establish connection charges. Within the range of legally defensible approaches, the choice of costs the City targets is a matter of policy. It is important, however, that the City follow a methodical and rational approach to consistently determine and implement cost-based charges. To that end, this study used the approach that combines elements of the “equity” method and “incremental” method for calculating the charge (described in the American Water Works Association Rates and Charges, M1 Manual). In short, this approach is based on the original cost of non-contributed plant investment, plus planned capital improvement projects (excluding replacements), spread over the total customer base (existing and future).

A description of the components included in the calculation of the charge follows. The graphic below presents the overall approach to calculate the connection charges.

#### Connection Charge Approach



Revenues generated from connection charges can be used to directly fund capital projects or to pay debt service incurred to finance capital projects - but cannot be used to pay operating and maintenance costs.

## 1. Existing Cost Basis

Utilities most often design and build infrastructure with the capacity to serve more customers than are currently connected to the system. The existing cost basis component of the connection charge is intended to recover an equitable share of the current system(s). While no specific guidelines have been established in Nevada for the calculation of connection charges, numerous west coast legal interpretations of connection charge statutes have provided guidelines for connection charges, which suggest that such charges should reflect the actual original cost of the utility system and can include interest on that cost at the rate of interest applicable at the time of construction (up to a 10-year period, not to exceed 100 percent of the construction costs). This cost is net of donated facilities and non-utility cash payments, from grants or developer donations. This method most accurately reflects what utility customers paid for the system. Until future customers connect to the system, existing customers will have to cover the costs of “excess capacity” available to serve growth. This obligation essentially represents a loan from existing customers to future customers. Given this, it is reasonable to expect that future customers will pay for their share of costs when they connect to the system, plus interest. Other jurisdictions we have worked with in northern Nevada have followed this general approach with most jurisdictions setting a limit of up to 10 years from the date of construction for inclusion of interest. This is a conservative approach and practice, as no limitations exist on interest in Nevada.

Though not required, some municipalities deduct outstanding debt principal from plant-in-service in recognition that some assets were debt financed. Cash should be netted against the outstanding debt liability for this calculation since cash is an asset generated by existing customers that could be used to buy down existing debt on the system, and thereby reduce debt service payments for all customers. This “net debt” deduction serves to reduce the connection charge to better reflect “equity” in the system, and to avoid double charging if new customers will pay their share of debt service through user rates.

Plant assets are based on the City’s current water and sewer system fixed assets listings and contributed capital records. Outstanding debt and cash balances were provided by City staff through debt service schedules and other financial documentation.

## 2. Future Cost Basis

In some cases, growth drives the need for capital projects – for example, a utility might have to expand a treatment plant to serve new customers, and / or existing mains might need to be upsized to serve new customers. The future cost basis component of the connection charge is intended to recover a fair share of the costs of planned future capital facilities that will serve new customers. As noted above, no specific guidelines have been established in Nevada for the calculation of connection charges. Legal interpretations from jurisdictions outside of Nevada also suggest that the “cost of the system” can include a component for future improvement costs to serve growth, as well as regulatory system improvements (planned for construction and identified in comprehensive system planning documents). Projects directly funded by grants, developer contributions or assessments are not included in the calculation. Repair and replacement projects are most often excluded from the calculation unless needed to upgrade or increase the size of the system, including upsizing of existing mains. The original costs of those assets are already included in the existing cost basis. Further, as a new customer connects and becomes an existing customer, they will pay for their share of repair and replacement project costs through user rates. Double charging would occur if those costs were also recovered in the future cost basis.

Utilities generally develop a capital improvement program (CIP) to more formally estimate their planned capital expenditures over a certain planning horizon. In the absence of specific regulation, the planning horizon is debatable. The key consideration in determining an appropriate planning horizon is to maintain consistency between the capital construction (and related costs) that will be incurred and the system capacity that will be available to serve growth commensurate with that capital construction. For calculation of the City's connection charges, the current CIPs (FY 2013-2018) and related system capacities were used.

### 3. Customer Base / System Capacity

The customer base used in the calculation of the charge is typically expressed in terms of equivalent residential units that can be supported by the system capacity. This concept charges customers based on the potential demand that they will place on the systems. System capacity water equivalent residential customers (WERC) and sewer equivalent residential customers (SERC) were provided by City staff.

### 4. Calculation of Charges

The sum of the existing cost basis and the future cost basis is divided by the total customer base to determine the maximum allowable connection charge. The calculated charge represents the maximum allowable charge - the City may choose to implement a charge at any level up to the calculated charge.

It is important to note that the calculated connection charges are expressed in terms of current dollars. In other words, the calculated charges will only recover an equitable share of costs from new customers connecting to the system in the first year of implementation. A customer connecting in the following year should pay a charge that reflects the cumulative system investment at the time they connect. This would include:

- Assets added to the system during the current year
- An extra year of interest accrued
- Updated costs for the capital improvement program

Given these considerations, the calculated charges would not recover a fair share of costs from customers connecting in subsequent years. The City could potentially address this concern in several ways:

- Recalculate the charges annually,
- Build a provision for inflation into the connection charges, or
- Compute the charges in current dollars and adjust annually for inflation (recommended).

Calculating the connection charges annually is the most accurate method, but might not be practical given the amount of effort required. FCS GROUP recommends that the City update its charges commensurate with updates to its comprehensive system plans. In between updates, we suggest adopting a policy for annual inflationary adjustments to the charges, based on established sources, such as the *Engineering News Record's* "Construction Cost Index". This practice facilitates both appropriate cost recovery and increased equity.

## B. RESULTS

Results of the connection charge analyses for the water and sewer systems are summarized in this section. Additional detail identifying specific assets and eligible capital projects is provided in the technical appendices.

### 1. Water Utility

The current water connection charge is \$454 per WERC, where one WERC is equal to 550 gallons per day. In October 2009, the City reduced the charge from \$4,543 in order to promote economic development. Thus, the current charge is artificially low. This is shown in **Exhibit 3-1**.

**Exhibit 3-1: Schedule of Existing Water Connection Charges**

| Water Equivalent Residential Customer (WERC) | WERC [a] | Previous Charge | Existing Charge [b] |
|--|----------|-----------------|---------------------|
| Single Family Residence                      | 1.00     | \$ 4,543        | \$ 454              |
| Duplex (each living unit)                    | 1.00     | 4,543           | 454                 |
| Apartment (each living unit)                 | 0.50     | 2,272           | 227                 |
| Mobile Home Individual lot                   | 1.00     | 4,543           | 454                 |
| Mobile Home Park (each pad)                  | 0.50     | 2,272           | 227                 |
| All others, per WERC                         | 1.00     | 4,543           | 454                 |

[a] Each WERC is equal to 550 gallons, per 12.02.030

[b] Policy direction as of 10/1/09 to reduce charge to promote economic development

Current water system assets equal \$86.0 million, net of contributed assets. Interest accumulation totaling about \$35.8 million was added to the cost basis. Outstanding debt principal, net of existing cash reserves of \$62.8 million was deducted. The resulting existing cost basis totals \$59.0 million.

The City has planned for about \$17.6 million (current day dollars) in its current capital program (FYE 2013-2018). About \$7.3 million is for repair and replacement projects and \$10.3 million for future upgrade/expansion projects, of which \$125,000 is contributed from grants. R&R projects and contributed capital are excluded from the future cost basis, resulting in a total cost basis (existing plus future) of \$69.1 million for the connection charge.

The water system currently serves about 22,290 equivalent residential customers. Total water system capacity after construction of the capital program is estimated to serve 31,454 residential equivalents. The calculated connection charge of \$2,198 per equivalent residential unit is derived by dividing the total cost basis by the total customer base.

Currently, connection charges are based on number of WERC, as displayed in **Exhibit 3-1** above. For the water utility, industry practice is to charge by meter size, which represents potential demand on the system. The calculated charge of \$2,198 is applied to the smallest meter size of 5/8-inch, with larger sizes multiplied by the AWWA meter capacity equivalency factors. The resulting schedule of charges is displayed in **Exhibit 3-2** below:

**Exhibit 3-2: Schedule of Proposed Water Connection Charges**

| Meter Size                | Meter Equivalency Factors [a] | Proposed Charge |
|---------------------------|-------------------------------|-----------------|
| 5/8-inch                  | 1.00                          | \$ 2,198        |
| 1-inch                    | 2.50                          | 5,494           |
| 1 1/2-inch                | 5.00                          | 10,988          |
| 2-inch                    | 8.00                          | 17,580          |
| 3-inch                    | 16.00                         | 35,161          |
| 4-inch                    | 25.00                         | 54,938          |
| 8-inch                    | 50.00                         | 109,877         |
| 10-inch                   | 115.00                        | 252,717         |
| Multifamily per unit [b]: |                               | \$ 1,538        |

[a] AWWA meter capacity equivalent ratios

[b] Alt. multifamily option: 70% of 5/8" meter charge per unit

An alternate method of calculating connection charges for multifamily developments is displayed in **Exhibit 3-2** as well. By comparing winter water averages, multifamily units use approximately 70% of the water usage of a single family unit. Therefore, an appropriate alternate charge for a multifamily development would be 70% of the 5/8-inch meter charge per dwelling unit.

## 2. Sewer Utility

The current sewer connection charge is \$577 per sewer equivalent residential customer (SERC), where one SERC is equal to 250 gallons per day of flow. In October 2009, the City reduced the charge from \$5,770 in order to promote economic development. Similar to water, the current charge is artificially low. This is shown in **Exhibit 3-3**.

Sewer system assets equal \$100.0 million, net of contributed assets. Interest accumulation totaling \$58.3 million was added to the cost basis. Outstanding debt principal, net of existing cash reserves, of \$14.7 million was deducted. The resulting existing cost basis totals \$143.6 million.

The City has planned for about \$47.2 million (current day dollars) in its current capital program (FYE 2013-2018). Nearly all (\$46.2 million) is for repair and replacement projects, with \$1.0 million for future upgrade/expansion projects, of which \$347,000 is contributed. R&R projects and contributed capital are excluded from the future cost basis, resulting in a total cost basis (existing plus future) of \$144.3 million for the connection charge.

The sewer system currently serves about 18,735 equivalent residential customers. Total sewer system capacity after construction of the capital program is estimated to serve 33,999 equivalent residential

customers. The calculated connection charge of \$4,244 per SERC is derived by dividing the total cost basis by the total customer base.

**Exhibit 3-3: Schedule of Existing and Proposed Sewer Connection Charges**

| Sewer Equivalent Residential Customer (SERC) | SERC [a] | Previous Charge | Existing Charge [b] | Proposed Charge |
|--|----------|-----------------|---------------------|-----------------|
| Single Family Residence                      | 1.00     | \$ 5,770        | \$ 577              | \$ 4,244        |
| Duplex (each living unit)                    | 1.00     | 5,770           | 577                 | 4,244           |
| Apartment (each living unit)                 | 0.50     | 2,885           | 289                 | 2,122           |
| Mobile Home Individual lot                   | 1.00     | 5,770           | 577                 | 4,244           |
| Mobile Home Park (each pad)                  | 0.50     | 2,885           | 289                 | 2,122           |
| All others, per WERC                         | 1.00     | 5,770           | 577                 | 4,244           |

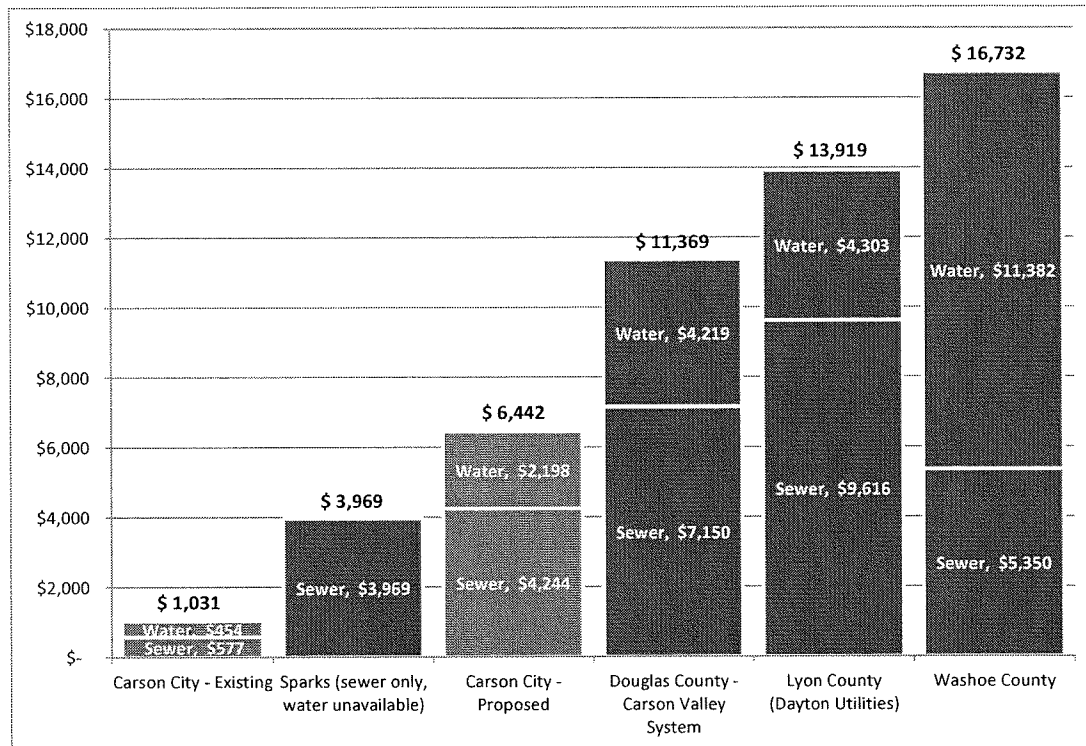
[a] Each SERC is equal to 250 gallons per day, per 12.03.030

[b] Policy direction as of 10/1/09 to reduce charge to promote economic development

3. Comparables

Various jurisdictions were surveyed for current residential connection charges. Exhibit 3-4 provides a comparison of a sample single family water and sewer connection charge:

**Exhibit 3-4: Single Family Water and Sewer Connection Charge Comparisons**



## C. CITY IMPLEMENTATION

The Board of Supervisors elected to maintain the existing schedule of water and sewer connection charges to continue the promotion of economic development.

## SECTION 4: REVENUE REQUIREMENTS

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The revenue requirement analysis forms the basis for a long-range financial plan and multi-year rate management strategy for each utility. It also forms the basis for the City to set utility rate structures that are rooted in the “costs-of-service” and which fully recover the total costs of operating each system: capital improvement and replacement, operations, maintenance, general administration, and fiscal policy attainment. Linking utility rate levels to a financial plan such as this helps to enable not only sound financial performance for the City’s utility enterprises, but also, a clear and reasonable relationship between the costs imposed on utility customers and the costs incurred to provide them the service.

### A. METHODOLOGY

The financial plan includes the following core elements, which together, form a complete portrayal of each system’s financial obligations:

- ◆ *Capital Funding Analysis* – Defines a strategy for funding each system’s capital improvement program including an analysis of available resources from rate revenues, debt financing, and any special resources (e.g., grants, developer participation, etc.).
- ◆ *Operating Forecast* – Identifies future annual non-capital costs associated with the operation, maintenance, and administration of the systems.
- ◆ *Sufficiency Testing* – Evaluates the sufficiency of utility revenues in meeting all obligations, including cash uses such as operating expenses, debt service, capital outlays, and reserve contributions, as well as any coverage requirements associated with long-term debt.
- ◆ *Rate Strategy Development* – Designs a forward-looking strategy for adjusting utility resources to fully fund all utility obligations on an annual or periodic basis over the forecast period.
- ◆ *Reserve Analysis* – Forecasts cash flow and fund balance activity in utility reserves. Tests for satisfaction of recommended minimum fund balance policies (as discussed in Section 2 – Policy Development).

From this foundation, utility rate structures can be adjusted to meet the defined annual and long-term funding targets, as well as the City’s pricing objectives.

Four scenarios were developed and presented to the Board of Supervisors on April 18, 2013. Based on direction from that meeting, two scenarios were brought forward to the June 20 meeting:

- **Scenario B** – Rate-funded system reinvestment phased in over 10 years
- **Scenario C** – Rate-funded system reinvestment phased in over 5 years

The Board of Supervisors adopted Scenario C to become effective October 1, 2013.

The financial plans were developed for the planning horizon FY 2013/14 through FY 2017/2018. The approach used for each core element of the financial plan is described below.

## 1. Capital Projects and Funding

The capital funding analysis aims to identify the costs of capital projects and summarizes funding sources available to help meet those costs. In other words, total sources of funds must at least equal capital expenditures and provide for the targeted level of capital reserve funding.

The first step is to estimate current day costs of capital improvements and replacement needs over the study period. The City provided a capital improvement plan for each of the utilities, and project costs were escalated to future years' dollars depending upon the assumed year of construction.

With the system's capital needs defined, the next step is to identify the sources of funding available to help the City meet those needs. Potential sources include grants, developer contributions, and capital reserves (including system reinvestment funding). Debt can be issued to cover any costs not met by these other funding sources.

The capital financing strategy developed for this study utilizes the following hierarchy of funding sources:

- ◆ Capital projects are first funded with available grants, developer contributions and/or other outside sources.
- ◆ Capital needs are next funded with available capital cash resources generated from system reinvestment funding from rates, transfers from the operating account, and interest earnings on capital account balances.
- ◆ Capital needs not met from the above cash resources are assumed to be funded with debt. The City will regularly pursue low-cost state loans, but unless loan approval is reasonably expected, the financing strategy assumes the issuance of revenue bonds.

Debt service payments are assumed to begin in the year debt is issued. Current financing terms for revenue bonds assume a 20-year repayment period, 3.5% rate of interest, and debt service coverage of 1.00, with an internal target of 1.25. Debt issuance costs are projected as part of O&M expenses, based on City staff direction.

## 2. Operating Forecast

The operating forecast focuses on annual expenses incurred to operate, maintain, and manage the utility systems and annual revenue collections to meet those expenses. The baseline for this forecast is the FYE 2013 operating budget, adjusted for future years to incorporate cost escalation, growth, and known or anticipated future expenditures. Operating and maintenance (O&M) costs generally go up over time due to inflation. For this study, a general inflation rate of 2.5% was used. Labor cost escalation is assumed to be 2.5% per year (based upon general cost inflation), and benefits cost escalation is assumed to be 3.0% per year.

Operating revenues are forecasted based on a combination of interest earnings rates and general inflation. We conservatively forecasted the customer base to remain at current levels throughout the

study period. Cash balances are assumed to earn interest at a rate of 0.5% per year throughout the study period.

### 3. Revenue Needs Assessment

After forecasting the complete array of obligations facing the utilities, those costs are compared to forecasted revenues – comprised primarily by rate revenues – at their current levels.

When comparing utility obligations with available resources, we have examined sufficiency from two perspectives: cash sufficiency and debt coverage sufficiency.

- ◆ The “*Cash Test*” focuses on cash resources compared to cash obligations. Cash resources in this test include rate revenue, miscellaneous operating revenue, and interest earnings in the operating account. Cash obligations include operating expenses, debt service, system reinvestment funding from rates, and any contributions to the operating account to achieve minimum balance thresholds. If these cash obligations exceed resources available, a rate increase is required to fully fund the needs of the utilities.
- ◆ The “*Coverage Test*” refers to the ability of the utilities to meet debt covenants (or established internal policies) which require utility revenue streams to satisfy a specific margin. The coverage test evaluates revenues and expenses somewhat differently than under the cash test. For the coverage test, obligations include operating expenses, revenue bond debt service, and incremental debt service coverage (internal target of 1.25 would be 25% of annual revenue bond debt service). In addition to the revenues included in the cash test, the coverage test allows for the inclusion of interest earnings from all utility accounts (operating account, capital account, and any restricted reserve accounts). This test does not allow for the use of cash reserves in meeting annual coverage obligations.

In determining the revenue requirements, both the cash and coverage sufficiency tests must be met. If a rate revenue deficiency exists under both tests, the analysis adds the greatest deficiency to the forecasted rate revenue. This yields the total rate revenue requirement for any given year. The analysis uses the revenue requirement to indicate system-wide annual rate revenue adjustments for each utility and to drive the cost of service analyses.

## B. RESULTS

Results of the water and sewer revenue requirement analyses are summarized in this section. Additional detail can be viewed in the technical appendices (e.g., detailed listings of capital projects, budgeted revenue and expense line items, inflows and outflows of fund balances, etc.).

### 1. Water Utility

The water utility financial plan includes a capital funding strategy, operating forecast, revenue needs assessment, and reserve analysis.

#### a) Capital Funding Strategy

Over the six-year forecast, the water system faces a total of \$19.2 million (adjusted for inflation) in capital program costs. Of this total, 41% is for replacement projects and 59% for system improvements and upgrades.

The capital funding plan presumes that the capital program will be funded through a combination of cash resources and debt issuance. Based on our analysis, 34.2% (\$6.6 million) of the total capital program can be funded with cash resources, 0.7% (\$0.1 million) in outside contributions, and the remaining 65.1% with revenue bonds (\$12.5 million). **Exhibit 4-1** summarizes annual planned capital expenditures, along with assumed funding sources:

**Exhibit 4-1: Water Capital Projects and Funding Sources**

| Capital Funding              | FYE       | 2013           | 2014                | 2015                | 2016                | 2017                | 2018                | Total                |
|------------------------------|-----------|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Capital Projects (inflated)  | \$        | 325,000        | \$ 3,772,643        | \$ 2,483,418        | \$ 4,171,485        | \$ 3,971,650        | \$ 4,501,299        | \$ 19,225,496        |
| Grants / Developer Donations | \$        | 125,000        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 125,000           |
| Loans                        |           | 200,000        | 3,772,643           | 1,740,533           | 2,841,512           | 2,055,557           | 1,914,873           | 12,525,118           |
| Capital Fund Balance         |           | -              | -                   | 742,885             | 1,329,973           | 1,916,094           | 2,586,426           | 6,575,378            |
| <b>Total Funding Sources</b> | <b>\$</b> | <b>325,000</b> | <b>\$ 3,772,643</b> | <b>\$ 2,483,418</b> | <b>\$ 4,171,485</b> | <b>\$ 3,971,650</b> | <b>\$ 4,501,299</b> | <b>\$ 19,225,496</b> |

It should be emphasized that this capital funding strategy presumes implementation of the system reinvestment funding policy described in Section 2 – Policy Development. Any changes from these sources or changes in the amount of planned annual capital expenditures could impact this capital funding strategy.

b) Operating Forecast

**Expenses**

Water utility total operating expenditures are forecasted at \$6.7 million in FYE 2013, increasing to \$7.3 million by the end of the study period. The annual forecast is provided in **Exhibit 4-2**.

In addition to O&M expenditures, capital outlay and debt service payments are forecasted over the planning horizon. Capital outlay is composed of cash-funded routine capital expenses and bond issuance costs. Costs are forecasted based on FY 2013/14 budgeted amounts, escalated by inflation. Existing debt service payment schedules were provided by City staff, and average \$4.9 million per year. Future years' debt service incorporates impacts of the capital funding strategy. Incremental debt service incurred to finance the capital program reaches \$0.9 million by the end of the study period.

Additional rate contributions for system reinvestment funding begin in FYE 2014, increasing from \$0.6 million to \$3.4 million over the study period.

**Revenues**

Water operating revenues are categorized as rate revenues and non-rate revenues. The revenue forecast relied on a combination of historical revenue collection and budgeted line items. The annual forecast is provided in **Exhibit 4-2**. In summary:

Rate Revenues Under Existing Rates

Rate revenues under the existing level of rates use FYE 2013 rates and consumption projected from actual billing data, adjusted to reconcile with reported rate revenues.

Other (Non-Rate) Revenues

Other (non-rate) revenues include payments from Lyon County, establishment fees, meter fees, late payment penalties, and interest.

c) Revenue Needs Assessment

The water utility faces \$85.0 million in total cash obligations over the study period. Revenues (excluding the use of cash reserves) are forecasted at \$74.5 million over the same time period – yielding a deficit of \$10.5 million over the study period. As shown in **Exhibit 4-2**, system-wide rate revenues need to increase 6.5% annually over the study period to meet forecasted utility obligations.

**Exhibit 4-2: Water Revenue Requirements**

| Revenue Requirements - FYE               | 2013                 | 2014                 | 2015                  | 2016                  | 2017                  | 2018                  |
|--|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenues</b>                          |                      |                      |                       |                       |                       |                       |
| Rate Revenues Under Existing Rates       | \$ 12,172,184        | \$ 12,172,184        | \$ 12,172,184         | \$ 12,172,184         | \$ 12,172,184         | \$ 12,172,184         |
| Other Revenues                           | 258,419              | 235,982              | 236,135               | 236,425               | 236,589               | 236,822               |
| <b>Total Revenues</b>                    | <b>\$ 12,430,603</b> | <b>\$ 12,408,166</b> | <b>\$ 12,408,320</b>  | <b>\$ 12,408,610</b>  | <b>\$ 12,408,773</b>  | <b>\$ 12,409,006</b>  |
| <b>Expenses</b>                          |                      |                      |                       |                       |                       |                       |
| Cash Operating Expenses                  | \$ 6,691,295         | \$ 6,487,584         | \$ 6,722,817          | \$ 6,873,950          | \$ 7,109,540          | \$ 7,291,809          |
| Capital Outlay                           | 60,000               | 339,740              | 344,803               | 349,992               | 355,310               | 360,762               |
| Existing Debt Service                    | 4,096,227            | 4,976,416            | 5,150,148             | 5,100,243             | 4,993,491             | 4,901,911             |
| New Debt Service                         | 14,072               | 279,519              | 401,985               | 601,917               | 746,548               | 914,048               |
| Rate Funded System Reinvestment          | -                    | 619,305              | 1,268,792             | 1,932,989             | 2,644,062             | 3,384,510             |
| <b>Total Expenses</b>                    | <b>\$ 10,861,594</b> | <b>\$ 12,702,565</b> | <b>\$ 13,888,544</b>  | <b>\$ 14,859,090</b>  | <b>\$ 15,848,951</b>  | <b>\$ 16,853,040</b>  |
| <b>Annual Surplus / (Deficiency)</b>     | <b>\$ 1,569,008</b>  | <b>\$ (294,399)</b>  | <b>\$ (1,480,225)</b> | <b>\$ (2,450,481)</b> | <b>\$ (3,440,178)</b> | <b>\$ (4,444,034)</b> |
| Net Revenue from Rate Increases          | -                    | 791,192              | 1,633,811             | 2,531,201             | 3,486,921             | 4,504,763             |
| <b>Net Surplus / (Deficiency)</b>        | <b>\$ 1,569,008</b>  | <b>\$ 496,793</b>    | <b>\$ 153,587</b>     | <b>\$ 80,720</b>      | <b>\$ 46,743</b>      | <b>\$ 60,729</b>      |
| <b>Annual Rate Adjustment</b>            | <b>0.00%</b>         | <b>6.50%</b>         | <b>6.50%</b>          | <b>6.50%</b>          | <b>6.50%</b>          | <b>6.50%</b>          |
| <b>Cumulative Annual Rate Adjustment</b> | <b>0.00%</b>         | <b>6.50%</b>         | <b>13.42%</b>         | <b>20.79%</b>         | <b>28.65%</b>         | <b>37.01%</b>         |

The proposed increase represents the system-wide increase necessary to recover total revenue requirements. The portion of costs to be recovered from each customer class and each customer will vary based on the cost-of-service analysis and rate design discussed in Sections 5 and 6.

d) Reserve Analysis

A presumed interest earning rate is applied to annual beginning cash balances in the operating and capital accounts. Operating interest is used to help pay annual operating expenditures, while capital interest is used to offset annual capital expenditures. The cash balance in the operating account is projected at \$1.8 million by the end of fiscal year 2018 (consistent with the recommended policy of 90 days of O&M expense). The capital account balance is projected at \$5.9 million by fiscal year end 2018 (well above the minimum capital reserve target of 2% of system fixed assets). **Exhibit 4-3** provides a summary of annual ending account balances over the study period.

### Exhibit 4-3: Water Reserves Analysis

| Ending Fund Balances            | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating Fund                  | \$ 1,569,008        | \$ 1,599,678        | \$ 1,657,681        | \$ 1,690,316        | \$ 1,737,058        | \$ 1,797,788        |
| Capital Fund                    | 1,948,030           | 3,053,150           | 3,689,906           | 4,359,456           | 5,109,221           | 5,932,852           |
| <b>Total</b>                    | <b>\$ 3,517,038</b> | <b>\$ 4,652,828</b> | <b>\$ 5,347,587</b> | <b>\$ 6,049,772</b> | <b>\$ 6,846,280</b> | <b>\$ 7,730,639</b> |
| Combined Minimum Target Balance | \$ 3,328,250        | \$ 3,301,264        | \$ 3,415,385        | \$ 3,486,810        | \$ 3,612,054        | \$ 3,721,449        |

## 2. Sewer Utility

The sewer utility financial plan includes a capital funding strategy, operating forecast, revenue needs assessment, and reserve analysis.

### a) Capital Funding Strategy

Over the six-year forecast, the sewer system faces a total of \$51.6 million (adjusted for inflation) in capital program costs. Of this total, 98% is for replacement projects and 2% for system improvements and upgrades.

The capital funding plan presumes that the capital program will be funded through a combination of cash resources and debt issuance. Based on our analysis, 4.5% (\$2.3 million) of the total capital program can be funded with cash resources, 0.7% (\$0.3 million) in outside contributions, and the remaining 94.8% with revenue bonds (\$48.9 million). **Exhibit 4-4** summarizes annual planned capital expenditures, along with assumed funding sources:

### Exhibit 4-4: Sewer Capital Projects and Funding Sources

| Capital Funding                    | FYE       | 2013           | 2014                | 2015                 | 2016                 | 2017                | 2018                | Total                |
|------------------------------------|-----------|----------------|---------------------|----------------------|----------------------|---------------------|---------------------|----------------------|
| <b>Capital Projects (inflated)</b> | \$        | 350,000        | \$ 6,692,213        | \$ 12,106,136        | \$ 13,943,354        | \$ 8,654,312        | \$ 9,864,465        | \$ 51,610,479        |
| Grants / Developer Donations       | \$        | 347,349        | \$ -                | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ 347,349           |
| Loans                              |           | 2,651          | 6,692,213           | 12,106,136           | 13,943,354           | 8,567,875           | 7,608,621           | 48,920,850           |
| Capital Fund Balance               |           | -              | -                   | -                    | -                    | 86,437              | 2,255,844           | 2,342,280            |
| <b>Total Funding Sources</b>       | <b>\$</b> | <b>350,000</b> | <b>\$ 6,692,213</b> | <b>\$ 12,106,136</b> | <b>\$ 13,943,354</b> | <b>\$ 8,654,312</b> | <b>\$ 9,864,465</b> | <b>\$ 51,610,479</b> |

It should be emphasized that this capital funding strategy presumes implementation of the system reinvestment funding policy described in Section 2 – Policy Development. Any changes from these sources or changes in the amount of planned annual capital expenditures could impact this capital funding strategy.

### b) Operating Forecast

#### *Expenses*

Sewer utility total operating expenditures are forecasted at \$4.9 million in FYE 2013, increasing to \$5.9 million by the end of the study period (inclusive of inflationary impacts). The annual forecast is provided in **Exhibit 4-5**.

In addition to O&M expenditures, capital outlay and debt service payments are forecasted over the planning horizon. Capital outlay is composed of cash-funded routine capital expenses and bond issuance costs. Costs are forecasted based on FY 2013/14 budgeted amounts, escalated by inflation.

Existing debt service payment schedules were provided by City staff, and average \$2.1 million per year. Future years' debt service incorporates impacts of the capital funding strategy. Incremental debt service incurred to finance the capital program reaches \$3.7 million by the end of the study period.

Additional rate contributions for system reinvestment funding begin in FYE 2015, increasing from \$0.6 million to \$3.1 million over the study period.

**Revenues**

Sewer operating revenues are categorized as rate revenues and non-rate revenues. The revenue forecast relied on a combination of historical revenue collection and budgeted line items. The annual forecast is provided in **Exhibit 4-5**. In summary:

Rate Revenues Under Existing Rates

Rate revenues under the existing level of rates use FYE 2013 rates and consumption projected from actual billing data, adjusted to reconcile with reported rate revenues.

Other (Non-Rate) Revenues

Other (non-rate) revenues include payments from Douglas County, effluent meter charges, late payment penalties and interest, and septic disposal.

c) Revenue Needs Assessment

The sewer utility faces \$65.4 million in total cash obligations over the study period. Revenues (excluding the use of cash reserves) are forecasted at \$45.2 million over the same time period – yielding a deficit of \$20.2 million over the study period. As shown in **Exhibit 4-5**, system-wide rate revenues need to increase 15.0% annually over the study period to meet forecasted utility obligations.

**Exhibit 4-5: Sewer Revenue Requirements**

| Revenue Requirements - FYE               | 2013                | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  |
|--|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenues</b>                          |                     |                       |                       |                       |                       |                       |
| Rate Revenues Under Existing Rates       | \$ 7,404,456        | \$ 7,404,456          | \$ 7,404,456          | \$ 7,404,456          | \$ 7,404,456          | \$ 7,404,456          |
| Other Revenues                           | 146,666             | 121,987               | 122,408               | 121,480               | 118,447               | 118,545               |
| <b>Total Revenues</b>                    | <b>\$ 7,551,122</b> | <b>\$ 7,526,443</b>   | <b>\$ 7,526,864</b>   | <b>\$ 7,525,936</b>   | <b>\$ 7,522,903</b>   | <b>\$ 7,523,002</b>   |
| <b>Expenses</b>                          |                     |                       |                       |                       |                       |                       |
| Cash Operating Expenses                  | \$ 4,913,389        | \$ 5,365,648          | \$ 5,503,011          | \$ 5,643,905          | \$ 5,788,420          | \$ 5,936,651          |
| Capital Outlay                           | 198,791             | 187,706               | 304,706               | 351,706               | 287,706               | 512,706               |
| Existing Debt Service                    | 2,388,266           | 2,528,540             | 2,329,123             | 2,155,657             | 1,653,078             | 1,354,034             |
| New Debt Service                         | 187                 | 471,058               | 1,322,859             | 2,303,928             | 2,906,773             | 3,666,127             |
| Rate Funded System Reinvestment          | -                   | -                     | 640,672               | 1,378,192             | 2,234,609             | 3,117,947             |
| <b>Total Expenses</b>                    | <b>\$ 7,500,632</b> | <b>\$ 8,552,952</b>   | <b>\$ 10,100,370</b>  | <b>\$ 11,833,388</b>  | <b>\$ 12,870,586</b>  | <b>\$ 14,587,465</b>  |
| <b>Annual Surplus / (Deficiency)</b>     | <b>\$ 50,490</b>    | <b>\$ (1,026,508)</b> | <b>\$ (2,573,506)</b> | <b>\$ (4,307,451)</b> | <b>\$ (5,347,683)</b> | <b>\$ (7,064,464)</b> |
| Net Revenue from Rate Increases          | -                   | 1,110,668             | 2,387,937             | 3,856,796             | 5,545,984             | 7,488,550             |
| <b>Net Surplus / (Deficiency)</b>        | <b>\$ 50,490</b>    | <b>\$ 84,160</b>      | <b>\$ (185,569)</b>   | <b>\$ (450,655)</b>   | <b>\$ 198,301</b>     | <b>\$ 424,086</b>     |
| <b>Annual Rate Adjustment</b>            | <b>0.00%</b>        | <b>15.00%</b>         | <b>15.00%</b>         | <b>15.00%</b>         | <b>15.00%</b>         | <b>15.00%</b>         |
| <b>Cumulative Annual Rate Adjustment</b> | <b>0.00%</b>        | <b>15.00%</b>         | <b>32.25%</b>         | <b>52.09%</b>         | <b>74.90%</b>         | <b>101.14%</b>        |

The proposed increase represents the system-wide increase necessary to recover total revenue requirements. The portion of costs to be recovered from each customer class and each customer will vary based on the cost-of-service analysis and rate design discussed in Sections 5 and 6.

d) Reserve Analysis

A presumed interest earning rate is applied to annual beginning cash balances in the operating and capital accounts. Operating interest is used to help pay annual operating expenditures, while capital interest is used to offset annual capital expenditures. The cash balance in the operating account is projected at \$0.7 million by the end of fiscal year 2018 (consistent with the recommended policy of 45 days of O&M expense). The capital account balance is projected at \$6.8 million by fiscal year end 2018 (well above the minimum capital reserve target of 2% of system fixed assets). **Exhibit 4-6** provides a summary of annual ending account balances over the study period.

**Exhibit 4-6: Sewer Reserves Analysis**

| Ending Fund Balances            | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating Fund                  | \$ 1,401,993        | \$ 1,486,153        | \$ 1,300,584        | \$ 693,923          | \$ 713,641          | \$ 731,916          |
| Capital Fund                    | 937,293             | 959,979             | 1,605,451           | 3,147,677           | 5,490,170           | 6,785,536           |
| <b>Total</b>                    | <b>\$ 2,339,286</b> | <b>\$ 2,446,133</b> | <b>\$ 2,906,035</b> | <b>\$ 3,841,600</b> | <b>\$ 6,203,811</b> | <b>\$ 7,517,452</b> |
| Combined Minimum Target Balance | \$ 2,803,246        | \$ 2,847,418        | \$ 2,992,553        | \$ 3,244,988        | \$ 3,537,001        | \$ 3,722,270        |

## SECTION 5: COST OF SERVICE ANALYSIS

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The purpose of a cost of service analysis is to provide a rational basis for distributing the full costs of utility service to each class of customer in proportion to the distinct demands they place on the systems. Detailed cost allocations, along with appropriate customer class designations, help to sharpen the degree of equity that can be achieved in the resulting rate structure designs.

### A. METHODOLOGY

The cost of service analysis was performed for a selected “test year” considered representative of the period in which new rates are expected to be in effect. For this study, we used FY 2013/2014, with proposed rates planned for implementation October 1, 2013. Consistent with industry practice, the cost of service analysis includes the following components:

#### 1. Functional Cost Allocation

The cost of service analysis begins with a functional allocation of utility costs for the water and sewer systems. The purpose of this allocation is to categorize the total annual rate revenue requirement of each utility into functions of service, which can then be examined for cost recovery from rates according to the manner in which different classes of customers use or place demands on the systems. For purposes of rate setting, water system functional categories include customer, meters & services, base demand, peak demand, and fire protection. For the sewer system, functional cost pools include those incurred to handle user flows, to treat the volume of user flows, to treat the strength of user flows, and to provide customer service.

##### a) Allocation of Capital Costs

Capital related costs include debt service payments, system reinvestment funding, and a portion of additions/uses of cash reserves. The most common methodology for assigning the capital portion of the revenue requirement to functional components is to allocate such costs on the basis of existing plant-in-service. The allocations for plant-in-service utilized documented planning criteria from both the City and industry standards. In allocating this utility plant-in-service, we used the City’s fixed assets listing as of June 30, 2012, organized into major categories for each system.

##### b) Allocation of Operating Costs

Operating costs include O&M expenses and a portion of additions/uses of cash reserves. These costs are allocated to the functions based on a detailed review of line item categories, generally following the cost causation process used in the allocation of plant. For example, printing & advertising costs are assigned to the “customer” category, equipment repair & maintenance costs are allocated in proportion to total plant-in-service, purchased water costs are allocated based on the peak to average day ratio, system wide improvement costs are allocated in proportion to all other costs, and so on.

## 2. Customer Class Allocations

Once the annual revenue requirement has been categorized into functional cost pools, each cost pool can be further apportioned to the classes of customers who use the utility system. First, existing customer classes need to be either affirmed or modified to more appropriately group like users. To accomplish this, the characteristics and historical demands of each class are studied. Then, using those characteristics and demands, each functional cost pool is allocated to each customer class in a manner that reflects each group's use of (or demand on) the utility system. These allocations draw upon account data, historical usage data, or system planning requirements. Ultimately, this element of the analysis defines the total annual revenue that should be generated from each customer class in order to achieve a reasonably equitable system of cost recovery from rates.

### a) Customer Billing System Statistics

A key component in the customer allocation process is testing the reliability and accuracy of customer billing statistics. This is accomplished through a review of historical billing system data and application of the rate schedules in effect for that year. City staff provided detailed historical billing system records for FY 2011/2012, including number of accounts and dwelling units, meter size, monthly water usage, and sewer strength. The total revenue generated from these customer statistics should approximate the actual revenue receipts shown in the financial records (with minor differences due to timing of new connections / disconnects, delinquencies, etc.). If the revenue estimates are within reasonable limits, statistics are determined valid and an adjustment factor is applied to the statistics if necessary to account for any minor discrepancies. The results of this analysis indicate that the customer statistics are valid and will serve as a reasonable basis for forecasting revenue and allocating system costs to the customer classes.

Customer usage statistics are also evaluated to determine if current customer class designations represent an appropriate grouping of customers, or if revisions are warranted to better reflect customer groupings that exhibit similar usage patterns.

### b) Distribution of Costs

The functionally allocated system-wide costs are distributed to the customer classes to determine "cost shares" based on the relative demands placed on the system by each class. This analysis identifies shifts in cost recovery by customer class from that experienced under the existing rate structures. Through this process, if one customer class places a higher or lower proportional average demand in one functional category, that customer class pays a higher or lower portion of that functional category's costs.

## B. RESULTS

Results of the cost of service analysis for each utility are summarized in this section. Additional detail can be viewed in the Technical Appendix (e.g., detailed cost allocations, customer statistics, etc.).

### 1. Water Utility

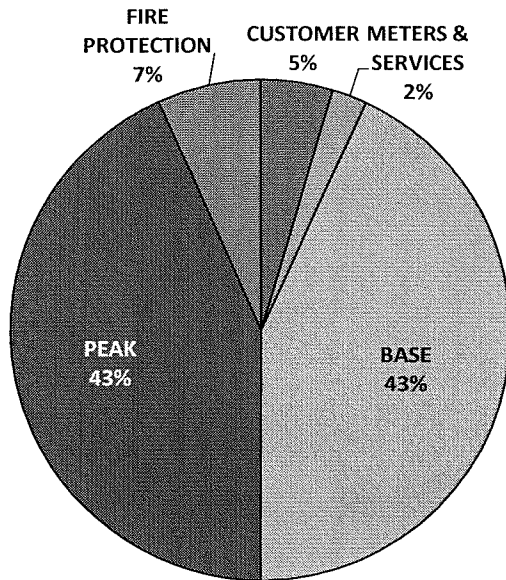
The water utility cost of service analysis includes a functional cost allocation and a customer class allocation.

a) Functional Cost Allocation

The FYE 2014 water revenue requirement totals \$13.0 million. This represents the revenue to be generated by water rates. Using the approach described previously, this revenue requirement was allocated to water system functional categories. **Exhibit 5-1** illustrates the breakdown of water utility costs among these functional categories:

- **Customer** – Costs associated with services that do not vary by water consumption, including printing/advertising and postage/shipping.
- **Meters & Services** – Costs associated with installation, maintenance, and repairs of meters and services.
- **Base Demand** – Costs associated with the utility’s ability to deliver water for average annual levels of demand. These costs tend to vary with the amount of water consumption, such as purchased water, chemicals, and laboratory expenses.
- **Peak Demand** – Costs associated with the utility’s ability to deliver water during periods of peak consumption, such as the summer period.
- **Fire Protection** – Costs associated with the water system’s delivery of direct fire protection, including the flow rate of water used for fire suppression.

**Exhibit 5-1: Functional Allocation of Water System Costs**



This distribution was developed using the following assumptions:

- ◆ Allocation of supply and treatment costs between base and peak demands. The water system’s ratio of peak day demand to average day demand is 2.0, based on 2011 calendar year peak day records.
- ◆ Allocation of pumping facilities is based on industry estimates of 10% to fire protection, with the remainder assigned to base and peak demands using the system ratio.

- ◆ Allocation of storage facilities is based on City estimates of 30% to fire protection, with the remainder assigned to base and peak demands using the system ratio.
- ◆ Allocation of transmission & distribution (T&D) facilities is first allocated 10% to customer costs, 15% to fire protection, and the remainder assigned to base and peak demands using the system ratio.
- ◆ Meters & services costs are directly assigned to the meters & services functional component. Hydrant costs are directly assigned to fire protection, and general plant is allocated in proportion to all other infrastructure costs.
- ◆ Allocation of operating & maintenance costs based on a detailed review of line items, such as salaries, repair & maintenance, purchased water, power, etc., and assigned to functions based on assumed cost causation.

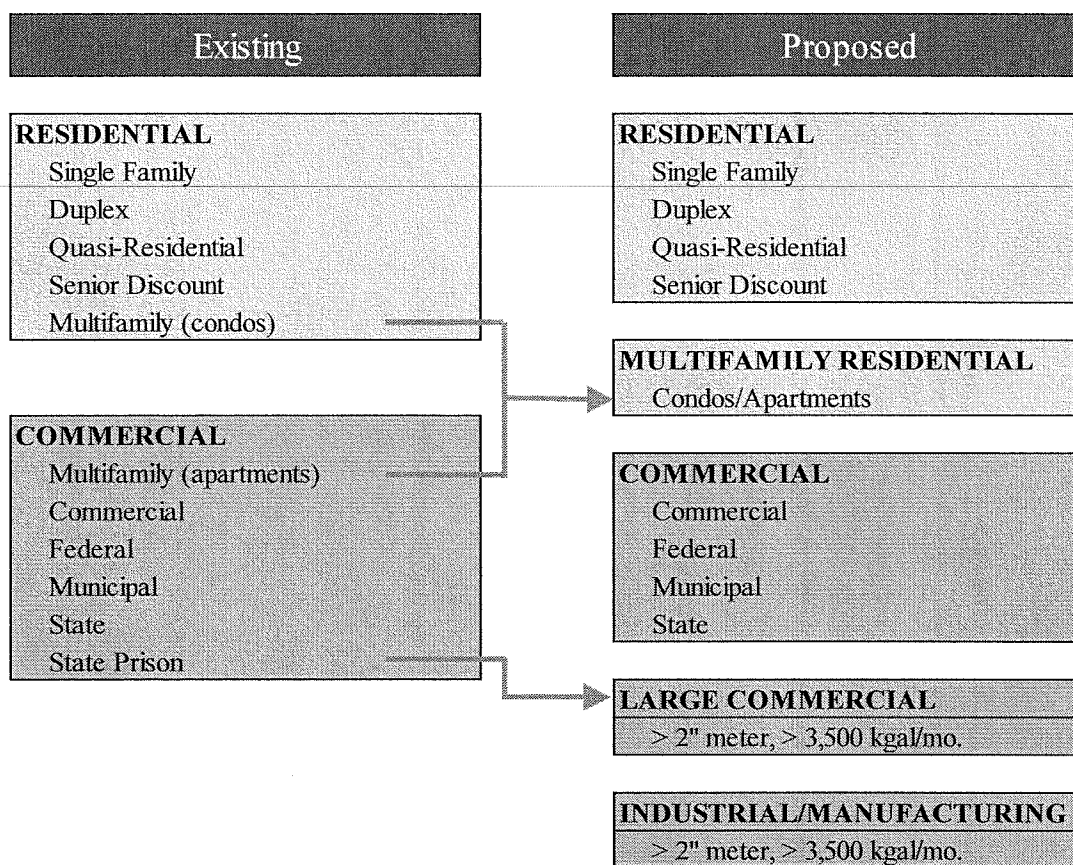
#### b) Customer Class Allocations

The City currently has two customer class rate schedules – residential and commercial. Multifamily customers are included in both classes. In analyzing the detailed water billing system data - comparing actual service requirements and demand patterns, we grouped customers into the following classes for purposes of assessing cost of service and establishing cost-based rates:

- **Single Family Residential** – Includes single family residential homes, duplexes, quasi-residential, and senior discount customers. These customers exhibit relatively low average usage per account (about 12,500 gallons per month), but relatively high peaking due to summer outdoor water usage. Based on FY 2011/12 customer data, the SFR peak to average use ratio is 1.56, meaning that customers use about 56 percent more water in the peak season than on an average annual basis.
- **Multifamily Residential** – Includes condominium customers in the current residential class and apartment customers in the current commercial class. On a per dwelling unit basis, these customers exhibit lower usage per account than a single family customer. Further, multifamily customers have lower peak demands. Based on FY 2011/12 customer data, the multifamily peak to average use ratio is 1.17. These differences are due to less outdoor watering (smaller or no lawns) and fewer persons per household compared to single family residential.
- **Commercial** – Includes regular commercial, federal, municipal, and state users. These customers exhibit higher average usage (with wide disparity amongst customers) but lower peaking demands than single family customers. Based on FY 2011/12 customer data, the commercial peak to average use ratio is 1.41.
- **Large Commercial** – Includes commercial customers with larger than a 2-inch meter, using more than an average of 3.5 million gallons per month. This class is designed for customers who exhibit very high average usage, but at a nearly constant level. The peak to average use ratio is 1.09. The state prison has been reclassified from commercial to large commercial.
- **Industrial / Manufacturing** – New customer class established for industrial and manufacturing customers with larger than a 2-inch meter, using more than an average of 3.5 million gallons per month. As with large commercial, this class is designed for customers who exhibit very high average usage, but at a nearly constant level.

These proposed shifts are shown in **Exhibit 5-2**:

**Exhibit 5-2: Existing and Proposed Water Customer Classes**



The functionally allocated system-wide costs are distributed to the customer classes as described below. **Exhibit 5-3** illustrates the result of this process.

- ◆ Customer costs are allocated to the customer classes based on their proportional share of total number of accounts (meters).
- ◆ Meters & services costs are allocated based on proportional shares of total meter service equivalents. This statistic relates to the number and size of meters included in each customer class. The *American Water Works Association (AWWA)* has developed a meter service equivalency factor that reflects relative costs for different size meters, using the smallest meter as the baseline.
- ◆ Base demand costs are allocated to customer classes in proportion to the share of total annual water usage consumed by the classes within a 12-month period.
- ◆ Peak demand costs are allocated based on proportional peak season use. The peak season is defined as May through October billing records.
- ◆ Fire protection costs are allocated based on fire flow requirements by class, weighted by the number of meter capacity equivalents. The *AWWA* has a meter capacity equivalency factor that

reflects the potential capacity of water flow for different size meters, using the smallest meter as the baseline.

**Exhibit 5-3: Distribution of Water System Costs to Customer Classes**

| <b>Functional Categories:</b> | <b>Customer</b>      | <b>Meters &amp; Services</b>   | <b>Base Demand</b> | <b>Peak Demand</b>    | <b>Fire Protection</b>      | <b>Total</b>  |
|-------------------------------|----------------------|--------------------------------|--------------------|-----------------------|-----------------------------|---------------|
| <i>Allocation Basis:</i>      | <i>No. of Meters</i> | <i>No. of Meter Equiv. [a]</i> | <i>Annual Use</i>  | <i>Summer Use [b]</i> | <i>Wtd Meter Equiv. [c]</i> |               |
| Single Family Residential     | 86.1%                | 77.7%                          | 63.4%              | 67.2%                 | 54.5%                       | 65.8%         |
| Multifamily                   | 2.3%                 | 4.2%                           | 10.5%              | 8.3%                  | 7.4%                        | 8.8%          |
| Commercial                    | 11.5%                | 18.0%                          | 23.6%              | 22.6%                 | 37.9%                       | 23.5%         |
| Large Commercial              | 0.0%                 | 0.1%                           | 2.6%               | 1.9%                  | 0.3%                        | 1.9%          |
| <b>TOTAL</b>                  | <b>100.0%</b>        | <b>100.0%</b>                  | <b>100.0%</b>      | <b>100.0%</b>         | <b>100.0%</b>               | <b>100.0%</b> |

[a] Based on current meter ratios

[b] Summer period use [May-Oct]

[c] Current meter ratios weighted with fire flow requirements

The respective percentages are applied to the total costs allocated to each functional component to determine the share of total costs assigned to each class.

**Exhibit 5-4** summarizes the customer class distribution of the \$13.0 million in revenue required from water rates in FYE 2014. It also shows total customer class impacts by the end of the study period (FYE 2018). The cost of service analysis indicates that shifts in cost recovery amongst the customer classes are warranted.

**Exhibit 5-4: Comparison of Water Rate Revenue Distribution by Customer Class**

| <b>Customer Classes</b>   | <b>FYE 2014 Revenue under Existing Rates</b> | <b>FYE 2014 Cost of Service</b> | <b>Increase / (Decrease)</b> | <b>FYE 2018 Cost of Service</b> | <b>Increase / (Decrease)</b> |
|---------------------------|--|---------------------------------|------------------------------|---------------------------------|------------------------------|
| Single Family Residential | \$ 7,064,430                                 | \$ 8,525,128                    | 20.7%                        | \$ 10,948,720                   | 55.0%                        |
| Multifamily               | 1,426,132                                    | 1,143,522                       | -19.8%                       | 1,478,568                       | 3.7%                         |
| Commercial                | 3,340,273                                    | 3,042,422                       | -8.9%                        | 3,922,334                       | 17.4%                        |
| Large Commercial          | 341,348                                      | 252,304                         | -26.1%                       | 327,326                         | -4.1%                        |
| <b>TOTAL</b>              | <b>\$ 12,172,184</b>                         | <b>\$ 12,963,376</b>            | <b>6.5%</b>                  | <b>\$ 16,676,947</b>            | <b>37.0%</b>                 |

Referring to the exhibit, customer class percentage adjustments that are less than the system-wide FYE 2014 average increase of 6.5% indicates current over-recovery of customer class cost of service, while percentage adjustments greater than the system-wide average increase indicates a current under-recovery of customer class cost of service.

Single family residential customers require a 20.7% increase, while the remaining classes show a decrease. This indicates that commercial, large commercial, and multifamily are subsidizing single family residential.

**Phase-in Strategy**

To mitigate significant customer impacts, a phase-in strategy was developed to transition to indicated cost of service over the study period. The multifamily and commercial classes will continue to carry the rate subsidy over this transition period.

The multifamily, commercial, and large commercial classes are phased in to cost of service in equal annual increments over the study period. Due to its size, the single family class is given the remainder of the increase each year. **Exhibit 5-5** shows the full phase-in schedule over the study period.

**Exhibit 5-5: Phased-In Water Cost of Service**

| Customer Classes          | Phase-In Cost of Service Shift |             |             |             |             | Cumulative   |
|---------------------------|--------------------------------|-------------|-------------|-------------|-------------|--------------|
|                           | FYE 2014                       | FYE 2015    | FYE 2016    | FYE 2017    | FYE 2018    |              |
| Single Family Residential | 9.5%                           | 9.3%        | 9.1%        | 9.0%        | 8.8%        | 55.0%        |
| Multifamily               | 0.7%                           | 0.7%        | 0.7%        | 0.7%        | 0.7%        | 3.7%         |
| Commercial                | 3.3%                           | 3.3%        | 3.3%        | 3.3%        | 3.3%        | 17.4%        |
| Large Commercial          | -0.8%                          | -0.8%       | -0.8%       | -0.8%       | -0.8%       | -4.1%        |
| <b>TOTAL</b>              | <b>6.5%</b>                    | <b>6.5%</b> | <b>6.5%</b> | <b>6.5%</b> | <b>6.5%</b> | <b>37.0%</b> |

The resulting redistribution of costs serves as the revenue targets for the design of each customer class' water rates discussed in Section 6. The proposed increases represent the total costs to be recovered from each customer class. Impacts to each customer will vary based on the effects of the rate design discussed in Section 6.

**2. Sewer Utility**

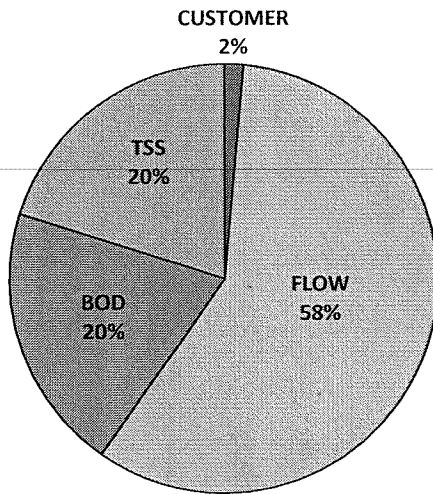
The sewer utility cost of service analysis includes a functional cost allocation and a customer class allocation.

**a) Functional Cost Allocation**

The FYE 2014 sewer revenue requirement totals \$8.5 million. This represents the revenue to be generated by sewer rates. Using the approach described previously, this revenue requirement was allocated to sewer system functional categories. **Exhibit 5-6** illustrates the breakdown of sewer utility costs among these functional categories:

- **Customer** – Costs associated with services that do not vary by sewer volume or strength, including data processing, printing/advertising, and so on.
- **Flow** – Costs associated with the utility's ability – through its collection and conveyance system – to manage and process total volume of sewer.
- **Strength** – Costs associated with the utility's ability to treat sewerage to required discharge standards. A portion of treatment-related costs is influenced by the total volume of sewage process, which is captured as "flow" costs, while other treatment costs can vary depending on sewage strength, measured by biochemical oxygen demand (BOD) and total suspended solids (TSS).

### Exhibit 5-6: Functional Allocation of Sewer System Costs



This distribution was developed using the following assumptions:

- ◆ Collection facilities are allocated 100% to the flow component.
- ◆ Treatment costs are allocated 40% to flow, 30% to BOD, and 30% to TSS, consistent with industry standards.
- ◆ Customer related facilities are directly assigned to the customer component, and general plant is allocated in proportion to all other infrastructure costs.
- ◆ Operating and maintenance costs are allocated based on a detailed review of line items, such as salaries and benefits, operating supplies and power, and are assigned to functions based on assumed cost causation.

#### b) Customer Class Allocations

The sewer utility has two customer classes – residential and commercial – with a variety of subcategories. The City currently charges all sewer customers the same base rate, plus volume rates based on user type. The volume charges for residential, quasi-residential, and commercial multifamily customers are charged based on the previous year's winter water average, while all other customers are charged based on total water use. City staff direction was to develop flat rates for residential customers, as opposed to the current volume based rate structure.

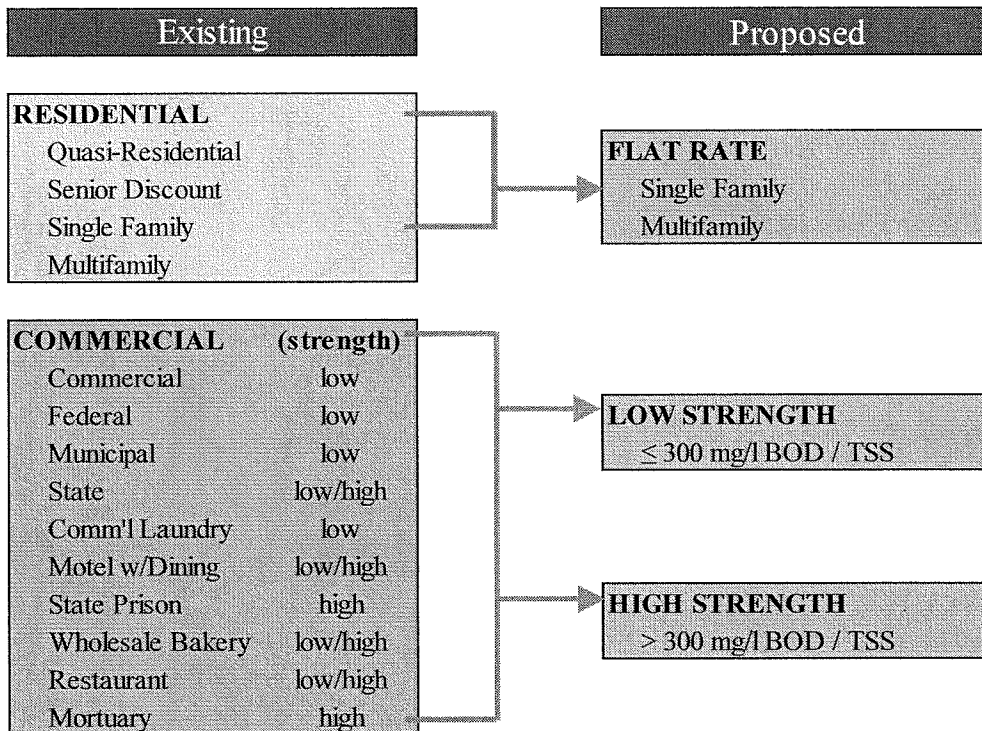
Within the commercial class, there are a variety of user types assigned additional strength charges. City staff evaluated all commercial customers to simplify the strength classes to “low strength” and “high strength”, defined on the following page. Some existing user types are reclassified to both low and high strength.

In analyzing the detailed sewer billing system data - comparing actual service requirements and strength concentrations, we grouped customers into the following classes for purposes of assessing cost of service and establishing cost-based rates:

- **Single Family Residential** – Includes single family residential and quasi-residential customers. This class exhibits a projected average sewage flow per account (about 5.3 kgal per month) and contributes domestic level strength - estimated at 200 mg/l of biochemical oxygen demand (BOD) and total suspended solids (TSS).
- **Multifamily Residential** – Includes all multifamily residential structures (3 or more units). This class exhibits lower projected average sewage flow per dwelling unit than single family customers (about 3.7 kgal per month). This difference is typically due to fewer persons per household in multi-family dwellings. Contributes domestic level strength.
- **Low-Strength Commercial** – Includes all non-residential establishments contributing less than or equal to 300 mg/l BOD and TSS, as assigned by the City.
- **High-Strength Commercial** – Includes all non-residential establishments contributing strength greater than 300 mg/l BOD and TSS, as assigned by the City.

The proposed customer shifts are shown in **Exhibit 5-7** below:

**Exhibit 5-7: Existing and Proposed Sewer Customer Classes**



The functionally allocated system-wide costs are distributed to the customer classes as described below. **Exhibit 5-8** illustrates the result of this process.

- ◆ Customer costs are allocated to the customer classes based on their proportional share of total number of accounts (meters).
- ◆ Flow costs are allocated to customer classes based on their proportional share of estimated sewage contribution. Since sewer flow is not measured for individual customers, water usage is

commonly used as a proxy for sewage volume. Annual volume for single family and multifamily residential customers is based on the winter water average usage calculated from November through April in the FY 2011/12 customer data. This annualized volume –as opposed to actual water usage – is used to recognize that increased water consumption observed in the summer season is primarily caused by outdoor usage, which never enters the sewer system. Annual volume for commercial customers represents the amount of total water usage actually recorded in the utility billing system.

- ◆ Strength costs are allocated to customer classes based on their proportional share of estimated sewage concentration, weighted by the established strength differentials for each class.

**Exhibit 5-8: Distribution of Sewer System Costs to Customer Classes**

| <b>Functional Categories:</b> | <b>Customer</b>      | <b>Flow</b>       | <b>BOD</b>             | <b>TSS</b>             | <b>Total</b>  |
|-------------------------------|----------------------|-------------------|------------------------|------------------------|---------------|
| <i>Allocation Basis:</i>      | <i>No. of Meters</i> | <i>Total Flow</i> | <i>Weighted Volume</i> | <i>Weighted Volume</i> |               |
| Single Family Residential     | 88.6%                | 50.6%             | 36.5%                  | 36.5%                  | 45.5%         |
| Multifamily Residential       | 2.6%                 | 17.8%             | 12.8%                  | 12.8%                  | 15.6%         |
| Low-Strength Commercial       | 7.5%                 | 16.6%             | 17.9%                  | 17.9%                  | 17.0%         |
| High-Strength Commercial      | 1.4%                 | 15.1%             | 32.7%                  | 32.7%                  | 22.0%         |
| <b>TOTAL</b>                  | <b>100.0%</b>        | <b>100.0%</b>     | <b>100.0%</b>          | <b>100.0%</b>          | <b>100.0%</b> |

The respective percentages are applied to the total costs allocated to each functional component to determine the share of total costs assigned to each class.

**Exhibit 5-9** summarizes the customer class distribution of the \$8.5 million in revenue required from sewer rates in FYE 2014. It also shows total customer class impacts by the end of the study period (FYE 2018). The cost of service analysis indicates that shifts in cost recovery amongst the customer classes are warranted.

**Exhibit 5-9: Comparison of Sewer Rate Revenue Distribution by Customer Class**

| <b>Customer Classes</b>   | <b>FYE 2014 Revenue under Existing Rates</b> | <b>FYE 2014 Cost of Service</b> | <b>Increase / (Decrease)</b> | <b>FYE 2018 Cost of Service</b> | <b>Increase / (Decrease)</b> |
|---------------------------|--|---------------------------------|------------------------------|---------------------------------|------------------------------|
| Single Family Residential | \$ 3,965,692                                 | \$ 3,872,631                    | -2.3%                        | \$ 6,741,728                    | 70.0%                        |
| Multifamily Residential   | 1,119,818                                    | 1,324,323                       | 18.3%                        | 2,325,177                       | 107.6%                       |
| Low-Strength Commercial   | 1,150,604                                    | 1,446,088                       | 25.7%                        | 2,536,058                       | 120.4%                       |
| High-Strength Commercial  | 1,168,343                                    | 1,872,083                       | 60.2%                        | 3,290,044                       | 181.6%                       |
| <b>TOTAL</b>              | <b>\$ 7,404,456</b>                          | <b>\$ 8,515,125</b>             | <b>15.0%</b>                 | <b>\$ 14,893,007</b>            | <b>101.1%</b>                |

Referring to the exhibit, customer class percentage adjustments that are less than the system-wide FYE 2014 average increase of 15% indicates current over-recovery of customer class cost of service, while percentage adjustments greater than the system-wide average increase indicates a current under-recovery of customer class cost of service.

Single family residential customers require a 2.3% decrease, while the remaining classes show increases greater than 15.0%. This indicates that single family residential is subsidizing the other classes.

***Phase-in Strategy***

To mitigate significant customer impacts, a phase-in strategy was developed to transition to indicated cost of service over the study period. The single family class will continue to carry the rate subsidy over this transition period.

The multifamily, low-strength commercial, and high-strength commercial classes are phased in to cost of service in equal annual increments over the study period. Due to its size, the single family class is given the remainder of the increase each year. **Exhibit 5-10** shows the full phase-in schedule over the study period.

**Exhibit 5-10: Phased-In Sewer Cost of Service**

| Customer Classes          | Phase-In Cost of Service Shift |              |              |              |              | Cumulative    |
|---------------------------|--------------------------------|--------------|--------------|--------------|--------------|---------------|
|                           | FYE 2014                       | FYE 2015     | FYE 2016     | FYE 2017     | FYE 2018     |               |
| Single Family Residential | 11.8%                          | 11.5%        | 11.2%        | 10.9%        | 10.5%        | 70.0%         |
| Multifamily Residential   | 15.7%                          | 15.7%        | 15.7%        | 15.7%        | 15.7%        | 107.6%        |
| Low-Strength Commercial   | 17.1%                          | 17.1%        | 17.1%        | 17.1%        | 17.1%        | 120.4%        |
| High-Strength Commercial  | 23.0%                          | 23.0%        | 23.0%        | 23.0%        | 23.0%        | 181.6%        |
| <b>TOTAL</b>              | <b>15.0%</b>                   | <b>15.0%</b> | <b>15.0%</b> | <b>15.0%</b> | <b>15.0%</b> | <b>101.1%</b> |

The resulting redistribution of costs serves as the revenue targets for the design of each customer class' sewer rates discussed in Section 6.

## SECTION 6: RATE STRUCTURE EVALUATION

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The principal considerations in designing utility rate structures is to establish rates for customers that generate sufficient revenues for the utility and that are reasonably commensurate with the cost of providing utility service. Other considerations in rate design should include pricing objectives, ease of implementation, and impact on customer bills.

### A. METHODOLOGY

Prior to this section, our findings rested on financial and technical analyses to derive the total annual revenue need for each utility and to determine the amount that should be collected from each customer class. In this section, we focus more on the art of a utility rate study, which is the design of the pricing structure itself. Much of this rate design focuses on intended outcomes that carry out desired public policy, such as affordability to the customer, equity considerations, conservation, and administrative practicality. The rate design begins with an evaluation of the City's current water and sewer rate structures. Alternative rate structures are evaluated, as warranted, to achieve the City's desired outcomes.

#### 1. Water Rate Structure Evaluation

The water rate structure evaluation reviews the existing rate structure and presents potential changes for the City's consideration.

##### a) Existing Rate Structure

The existing water rate structure has a class-specific minimum charge by meter size including a 5,000 gallon monthly usage allowance, and a class-specific three-tier increasing block volume charge applicable to water usage over the allowance. The minimum charges, block thresholds, and block rates differ between residential and commercial. Within the residential class, customers may qualify for a senior discount, based on income levels. Discounts are available at 10%, 25%, 50%, 80%, and 90% off of residential rates.

The existing schedule of water rates is shown in **Exhibit 6-1**.

**Exhibit 6-1: Existing Schedule of Water Rates**

| Meter Size             | Base Charge per meter |        |            |         |
|------------------------|-----------------------|--------|------------|---------|
|                        | Residential           |        | Commercial |         |
| 5/8"                   | \$                    | 22.05  | \$         | 24.15   |
| 1"                     | \$                    | 33.60  | \$         | 36.75   |
| 1 1/2"                 | \$                    | 49.88  | \$         | 54.86   |
| 2"                     | \$                    | 61.43  | \$         | 68.25   |
| 3"                     | \$                    | 89.25  | \$         | 99.75   |
| 4"                     | \$                    | 117.60 | \$         | 131.25  |
| 6"                     | \$                    | 173.25 | \$         | 194.25  |
| 10"                    | \$                    |        | \$         | 483.00  |
| Volume Charge per kgal |                       |        |            |         |
| 0 - 5                  | \$                    | -      | 0 - 5      | \$ -    |
| 6 - 30                 | \$                    | 1.84   | 6 - 19     | \$ 1.68 |
| 31 - 50                | \$                    | 3.15   | 20 - 49    | \$ 2.52 |
| Over 50                | \$                    | 4.99   | Over 49    | \$ 3.89 |

Based on the cost of service analysis, it appears that the existing rate structure recovers a disproportionately high share of costs from multi-family residential and commercial customers, and too low a share of costs from single family residential customers. This suggests that establishing a unique rate for each customer class would enhance customer equity. The three-tier increasing block volume rate structure is most appropriate to encourage water conservation for single family residential customers. Multifamily and commercial customers vary widely in usage per account, so larger users with low peaking may be unfairly penalized by the current structure. Further, imposing a minimum base charge including a portion of water usage limits a customer's ability to control their water bill by reducing water consumption.

b) Potential Rate Structure Adjustments

To address the findings of the cost of service analysis and existing rate structure evaluation an alternative water rate structure was designed for the City's consideration.

**Fixed (Base) Charges**

*Establish class-specific base charges by meter size and eliminate the usage allowance.*

Charging for all usage through the volume rate is more in line with industry trends for conservation and affordability. The existing senior discounts will continue to be applied to both the fixed charge and volume charge components for this alternative.

Current cost recovery is approximately 40% from base charges and 60% from volume charges, which is in line with recommended targets for revenue stability. To maintain this ratio, 40% of the revenue requirement for each year is recovered by meter size in proportion to existing ratios.

For the multifamily class, average water use per unit was compared to the single family average water use per unit, and the ratio was applied to the 5/8-inch meter charge. This charge would be applied to multifamily customers on a per unit basis.

### **Volume Charges**

*Revise single family three-tier blocks to better align with usage patterns, and revise multifamily, commercial and large commercial volume charges to a class-specific single block volume charge:*

#### Single Family Residential - Determination of Block Rate Thresholds

The recommended thresholds for each of the three blocks was determined based on an evaluation of the historical water usage patterns of single-family residential customers. The following “rule of thumb” was used in the analysis:

- Block 1 (0 – 5,000 gallons per month) is set roughly equal to average winter period usage per account for the single family class. This is assumed to approximate normal indoor usage and a nominal amount of outdoor winter use. This would replace the allowance currently in the base charge. On an average annual basis, about 40 percent of customer bills are expected to remain within this rate block threshold.
- Block 2 (5,000 – 30,000 gallons per month) is set to capture the majority of base demand use and a reasonable amount for normal summer use (peak use). About 50 percent of customer bills fall into the second block.
- Block 3 (over 30,000 gallons per month) is set to capture about the top 10 percent of customer water bills, designed to target excess summer water usage. This would consolidate the current top two blocks.

#### Multifamily Residential, Commercial, Large Commercial, and Industrial / Manufacturing

Revise the current three-tier increasing block charges to class-specific single block usage charges, where a single rate per unit of consumption is applied to all units of consumption.

## 2. Sewer Rate Structure Evaluation

The sewer rate structure evaluation reviews the existing rate structure and presents potential changes for the City’s consideration.

### a) Existing Rate Structure

The existing sewer rate structure has a monthly fixed capitalization charge, applied to all classes; and a class-specific single-block volume charge with two components: a variable capitalization charge and a strength-related user charge. The volume charge is currently applied to the previous year’s winter water average use for residential, quasi-residential, and commercial multifamily; and applied to total water use for all other classes. The existing schedule of sewer rates is shown in **Exhibit 6-2**.

**Exhibit 6-2: Existing Schedule of Sewer Rates**

| Customer Class         | Base Charge per meter | Volume Charge per kgal |
|------------------------|-----------------------|------------------------|
| Residential            | \$ 8.32               | \$ 3.34                |
| Quasi-Residential      | \$ 8.32               | \$ 3.34                |
| Commercial             | \$ 8.32               | \$ 3.34                |
| Commercial Multifamily | \$ 8.32               | \$ 3.34                |
| Wholesale Bakery       | \$ 8.32               | \$ 6.44                |
| Motel with Dining      | \$ 8.32               | \$ 4.31                |
| Commercial Laundry     | \$ 8.32               | \$ 3.17                |
| Mortuaries             | \$ 8.32               | \$ 6.57                |
| Restaurants            | \$ 8.32               | \$ 5.53                |

The City indicated a desire to revise the current residential volume-based rate to a flat rate, which is in line with other jurisdictions in the area.

b) Potential Rate Structure Adjustments

To address the findings of the cost of service analysis and existing rate structure evaluation an alternative sewer rate structure was designed for the City's consideration:

- A class-specific monthly flat rate per dwelling unit was developed for single family and multifamily residential.
- Commercial sewer base charges are aligned with single family residential flat rates. The remainder is recovered from the volume rates, which are applied to monthly water use.

**B. RESULTS**

Results of the rate design for each utility are summarized in this section. Additional detail can be viewed in the Technical Appendix.

**1. Water Utility**

The water utility rate design element includes the schedule of alternative water rates by customer class and a comparison of sample water bills under existing and alternative rates.

a) Rate Design

Significant changes are proposed for the customer classes, with the creation of additional rate classes, elimination of the usage allowance in the base charge, and revision of the multifamily and commercial classes to a single block volume rate. To mitigate these impacts, a phase-in strategy was created.

**Phase-In**

Single Family Residential

- Immediately revise blocks to better align with usage patterns (combining top two blocks).
- Reduce allowance over the 5-year study period, replacing with the low-use block.

Multifamily Residential & Commercial

- Immediately revise multifamily base charge structure.
- Reduce allowance over the 5-year study period.
- Condense three blocks to single block rate over the 5-year study period.

Large Commercial

- As there is currently only one customer in this class, it is proposed to immediately eliminate the usage allowance and move to the single block rate.

Industrial / Manufacturing

- A new class was designed without any usage allowance and with a single block rate.

Alternative water rate structures were designed, as shown in **Exhibits 6-3** through **6-7**. These structures were crafted to generate required utility revenues and address customer class cost of service findings based on the phase-in strategies for both cost of service and rate design.

**Exhibit 6-3: Proposed Single Family Residential Water Rate Structure**

| Meter Size                  | Existing Rates [a]    |         | FY 2014 [b]           |         | FY 2015 [c]           |         | FY 2016 [d]           |         | FY 2017 [e]           |         | FY 2018        |         |
|-----------------------------|-----------------------|---------|-----------------------|---------|-----------------------|---------|-----------------------|---------|-----------------------|---------|----------------|---------|
| 5/8"                        | \$                    | 22.05   | \$                    | 21.29   | \$                    | 22.68   | \$                    | 24.15   | \$                    | 25.72   | \$             | 27.39   |
| 1"                          |                       | 33.60   |                       | 32.40   |                       | 34.51   |                       | 36.75   |                       | 39.14   |                | 41.68   |
| 1 1/2"                      |                       | 49.88   |                       | 48.37   |                       | 51.51   |                       | 54.86   |                       | 58.43   |                | 62.22   |
| 2"                          |                       | 61.43   |                       | 60.17   |                       | 64.09   |                       | 68.25   |                       | 72.69   |                | 77.41   |
| 3"                          |                       | 89.25   |                       | 87.95   |                       | 93.66   |                       | 99.75   |                       | 106.24  |                | 113.14  |
| 4"                          |                       | 117.60  |                       | 115.72  |                       | 123.24  |                       | 131.25  |                       | 139.78  |                | 148.87  |
| 6"                          |                       | 173.25  |                       | 171.27  |                       | 182.40  |                       | 194.25  |                       | 206.88  |                | 220.33  |
| Volume Charge per kgal      | 0-5                   | \$ -    | 0-4                   | \$ -    | 0-3                   | \$ -    | 0-2                   | \$ -    | 0-1                   | \$ -    |                |         |
|                             | 6-30                  | \$ 1.84 | 5-5                   | \$ 1.05 | 4-5                   | \$ 1.26 | 3-5                   | \$ 1.44 | 2-5                   | \$ 1.61 | 0-5            | \$ 1.76 |
|                             | 31-50                 | \$ 3.15 | 6-30                  | \$ 2.36 | 6-30                  | \$ 2.57 | 6-30                  | \$ 2.75 | 6-30                  | \$ 2.92 | 6-30           | \$ 3.07 |
|                             | Over 50               | \$ 4.99 | Over 30               | \$ 4.20 | Over 30               | \$ 4.41 | Over 30               | \$ 4.59 | Over 30               | \$ 4.76 | Over 30        | \$ 4.91 |
| <b>Wtd Avg Volume Rate:</b> | <b>\$ 1.50</b>        |         | <b>\$ 1.81</b>        |         | <b>\$ 2.06</b>        |         | <b>\$ 2.33</b>        |         | <b>\$ 2.60</b>        |         | <b>\$ 2.88</b> |         |
|                             | [a] Base incl. 5 kgal |         | [b] Base incl. 4 kgal |         | [c] Base incl. 3 kgal |         | [d] Base incl. 2 kgal |         | [e] Base incl. 1 kgal |         |                |         |

**Exhibit 6-4: Proposed Multifamily Residential Water Rate Structure**

| Meter Size                    | Existing Rates [a]            |         |                            |                       | FY 2014 [b]    |                       | FY 2015 [c]    |                       | FY 2016 [d]    |                       | FY 2017 [e]    |                | FY 2018        |
|-------------------------------|-------------------------------|---------|----------------------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|----------------|----------------|
|                               | Condominiums<br>(Residential) |         | Apartments<br>(Commercial) |                       |                |                       |                |                       |                |                       |                |                |                |
| 5/8"                          | \$                            | 22.05   | \$                         | 24.15                 |                |                       |                |                       |                |                       |                |                |                |
| 1"                            |                               | 33.60   |                            | 36.75                 |                |                       |                |                       |                |                       |                |                |                |
| 1 1/2"                        |                               | 49.88   |                            | 54.86                 |                |                       |                |                       |                |                       |                |                |                |
| 2"                            |                               | 61.43   |                            | 68.25                 |                |                       |                |                       |                |                       |                |                |                |
| 3"                            |                               | 89.25   |                            | 99.75                 |                |                       |                |                       |                |                       |                |                |                |
| 4"                            |                               | 117.60  |                            | 131.25                |                |                       |                |                       |                |                       |                |                |                |
| 6"                            |                               | 173.25  |                            | 194.25                |                |                       |                |                       |                |                       |                |                |                |
| 10"                           |                               |         |                            | 483.00                |                |                       |                |                       |                |                       |                |                |                |
| <b>Per Unit</b>               |                               |         |                            |                       | <b>\$ 7.54</b> | <b>\$ 8.03</b>        | <b>\$ 8.55</b> | <b>\$ 9.11</b>        | <b>\$ 9.70</b> |                       |                |                |                |
| <b>Volume Charge per kgal</b> | 0-5                           | \$ -    | 0-5                        | \$ -                  | 0-4            | \$ -                  | 0-3            | \$ -                  | 0-2            | \$ -                  | 0-1            | \$ -           | <b>\$ 1.99</b> |
|                               | 6-30                          | \$ 1.84 | 6-19                       | \$ 1.68               | 5-19           | \$ 0.91               | 4-19           | \$ 1.20               | 3-19           | \$ 1.48               | 2-19           | \$ 1.74        |                |
|                               | 31-50                         | \$ 3.15 | 20-49                      | \$ 2.52               | 20-49          | \$ 1.77               | 20-49          | \$ 1.85               | 20-49          | \$ 1.91               | 20-49          | \$ 1.96        |                |
|                               | Over 50                       | \$ 4.99 | Over 49                    | \$ 3.89               | Over 49        | \$ 3.05               | Over 49        | \$ 2.81               | Over 49        | \$ 2.55               | Over 49        | \$ 2.28        |                |
| <b>Wtd Avg Volume Rate:</b>   |                               |         | <b>\$ 3.41</b>             |                       | <b>\$ 2.36</b> |                       | <b>\$ 2.28</b> |                       | <b>\$ 2.19</b> |                       | <b>\$ 2.09</b> | <b>\$ 1.99</b> |                |
| [a] Base incl. 5 kgal         |                               |         |                            | [b] Base incl. 4 kgal |                | [c] Base incl. 3 kgal |                | [d] Base incl. 2 kgal |                | [e] Base incl. 1 kgal |                |                |                |

**Exhibit 6-5: Proposed Commercial Water Rate Structure**

| Meter Size                    | Existing Rates [a] |                       | FY 2014 [b] |                       | FY 2015 [c] |                       | FY 2016 [d] |                       | FY 2017 [e] |                | FY 2018        |
|-------------------------------|--------------------|-----------------------|-------------|-----------------------|-------------|-----------------------|-------------|-----------------------|-------------|----------------|----------------|
| 5/8"                          | \$                 | 24.15                 | \$          | 21.29                 | \$          | 22.68                 | \$          | 24.15                 | \$          | 25.72          | \$ 27.39       |
| 1"                            |                    | 36.75                 |             | 32.40                 |             | 34.51                 |             | 36.75                 |             | 39.14          | 41.68          |
| 1 1/2"                        |                    | 54.86                 |             | 48.37                 |             | 51.51                 |             | 54.86                 |             | 58.43          | 62.22          |
| 2"                            |                    | 68.25                 |             | 60.17                 |             | 64.09                 |             | 68.25                 |             | 72.69          | 77.41          |
| 3"                            |                    | 99.75                 |             | 87.95                 |             | 93.66                 |             | 99.75                 |             | 106.24         | 113.14         |
| 4"                            |                    | 131.25                |             | 115.72                |             | 123.24                |             | 131.25                |             | 139.78         | 148.87         |
| 6"                            |                    | 194.25                |             | 171.27                |             | 182.40                |             | 194.25                |             | 206.88         | 220.33         |
| 10"                           |                    | 483.00                |             | 425.85                |             | 453.53                |             | 483.01                |             | 514.41         | 547.84         |
| <b>Volume Charge per kgal</b> | 0-5                | \$ -                  | 0-4         | \$ -                  | 0-3         | \$ -                  | 0-2         | \$ -                  | 0-1         | \$ -           | <b>\$ 3.53</b> |
|                               | 6-19               | \$ 1.68               | 5-19        | \$ 2.39               | 4-19        | \$ 2.71               | 3-19        | \$ 3.01               | 2-19        | \$ 3.28        |                |
|                               | 20-49              | \$ 2.52               | 20-49       | \$ 2.79               | 20-49       | \$ 3.00               | 20-49       | \$ 3.19               | 20-49       | \$ 3.37        |                |
|                               | Over 49            | \$ 3.89               | Over 49     | \$ 4.05               | Over 49     | \$ 3.94               | Over 49     | \$ 3.82               | Over 49     | \$ 3.69        |                |
| <b>Wtd Avg Volume Rate:</b>   |                    | <b>\$ 2.97</b>        |             | <b>\$ 3.14</b>        |             | <b>\$ 3.24</b>        |             | <b>\$ 3.34</b>        |             | <b>\$ 3.44</b> | <b>\$ 3.53</b> |
| [a] Base incl. 5 kgal         |                    | [b] Base incl. 4 kgal |             | [c] Base incl. 3 kgal |             | [d] Base incl. 2 kgal |             | [e] Base incl. 1 kgal |             |                |                |

**Exhibit 6-6: Proposed Large Commercial Water Rate Structure**

| Meter Size                    | Existing Rates [a] |         | FY 2014        | FY 2015        | FY 2016        | FY 2017        | FY 2018        |
|-------------------------------|--------------------|---------|----------------|----------------|----------------|----------------|----------------|
| 5/8"                          | \$                 | 24.15   |                |                |                |                |                |
| 1"                            |                    | 36.75   |                |                |                |                |                |
| 1 1/2"                        |                    | 54.86   |                |                |                |                |                |
| 2"                            |                    | 68.25   | 60.17          | 64.09          | 68.25          | 72.69          | 77.41          |
| 3"                            |                    | 99.75   | 87.95          | 93.66          | 99.75          | 106.24         | 113.14         |
| 4"                            |                    | 131.25  | 115.72         | 123.24         | 131.25         | 139.78         | 148.87         |
| 6"                            |                    | 194.25  | 171.27         | 182.40         | 194.25         | 206.88         | 220.33         |
| 10"                           |                    | 483.00  | 425.85         | 453.53         | 483.01         | 514.41         | 547.84         |
| <b>Volume Charge per kgal</b> | 0-5                | \$ -    | <b>\$ 3.85</b> | <b>\$ 3.82</b> | <b>\$ 3.78</b> | <b>\$ 3.74</b> | <b>\$ 3.71</b> |
|                               | 6-19               | \$ 1.68 |                |                |                |                |                |
|                               | 20-49              | \$ 2.52 |                |                |                |                |                |
|                               | Over 49            | \$ 3.89 |                |                |                |                |                |

[a] Base charge incl. 5 kgal

**Exhibit 6-7: Proposed Industrial / Manufacturing Water Rate Structure**

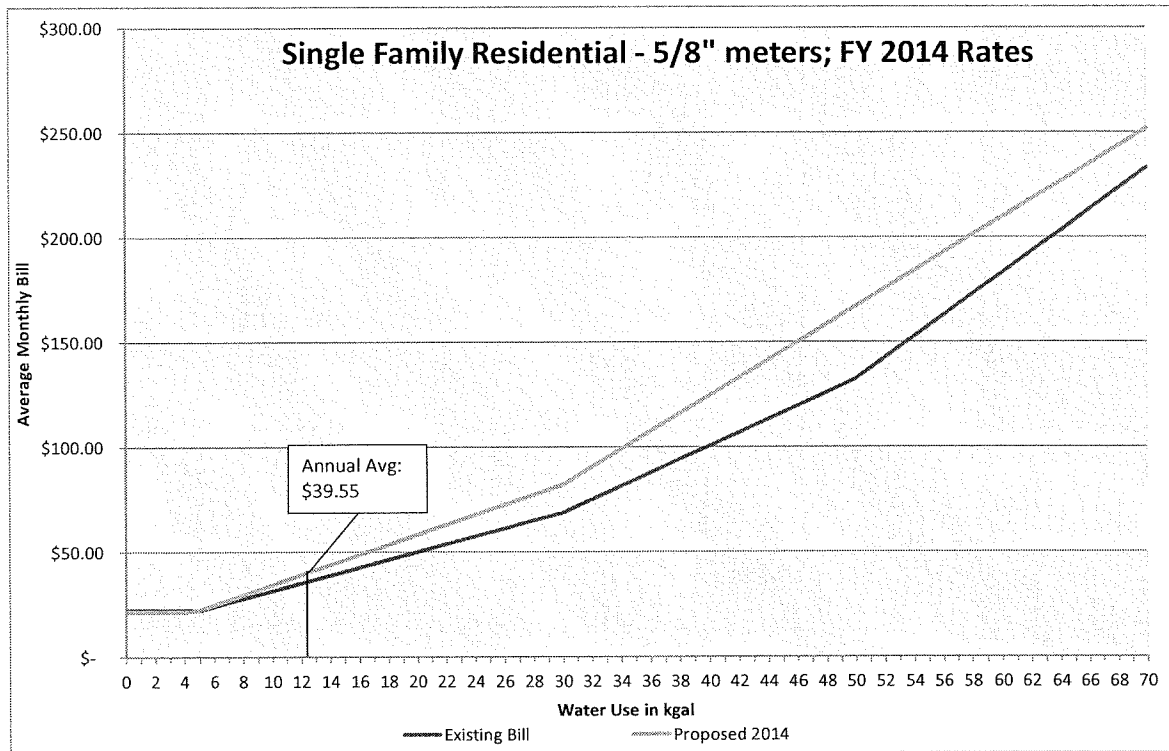
| Meter Size                    | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|-------------------------------|---------|---------|---------|---------|---------|
| 5/8"                          |         |         |         |         |         |
| 1"                            |         |         |         |         |         |
| 1 1/2"                        |         |         |         |         |         |
| 2"                            | 60.17   | 64.09   | 68.25   | 72.69   | 77.41   |
| 3"                            | 87.95   | 93.66   | 99.75   | 106.24  | 113.14  |
| 4"                            | 115.72  | 123.24  | 131.25  | 139.78  | 148.87  |
| 6"                            | 171.27  | 182.40  | 194.25  | 206.88  | 220.33  |
| 10"                           | 425.85  | 453.53  | 483.01  | 514.41  | 547.84  |
| <b>Volume Charge per kgal</b> | \$ 3.85 | \$ 3.82 | \$ 3.78 | \$ 3.74 | \$ 3.71 |

Note: This is a newly formed rate class

b) Customer Bill Impacts

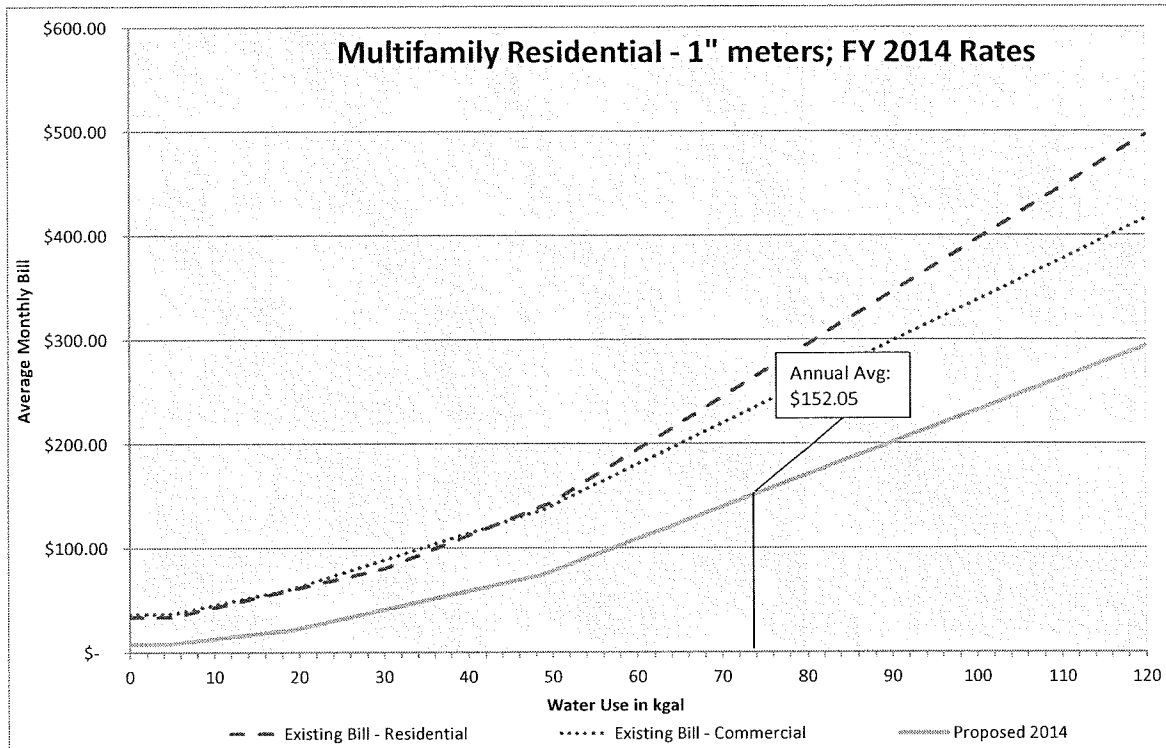
An illustration of monthly water bill impacts (including the right-of-way toll) in FY 2014 for the single family residential customer class is shown in **Exhibit 6-8**. As an example, a single family residential customer using 12,500 gallons of water per month (approximately the class average) is currently paying \$37.14. This customer would experience a \$2.41 increase to \$39.55.

**Exhibit 6-8: Single Family Residential Sample Bills**



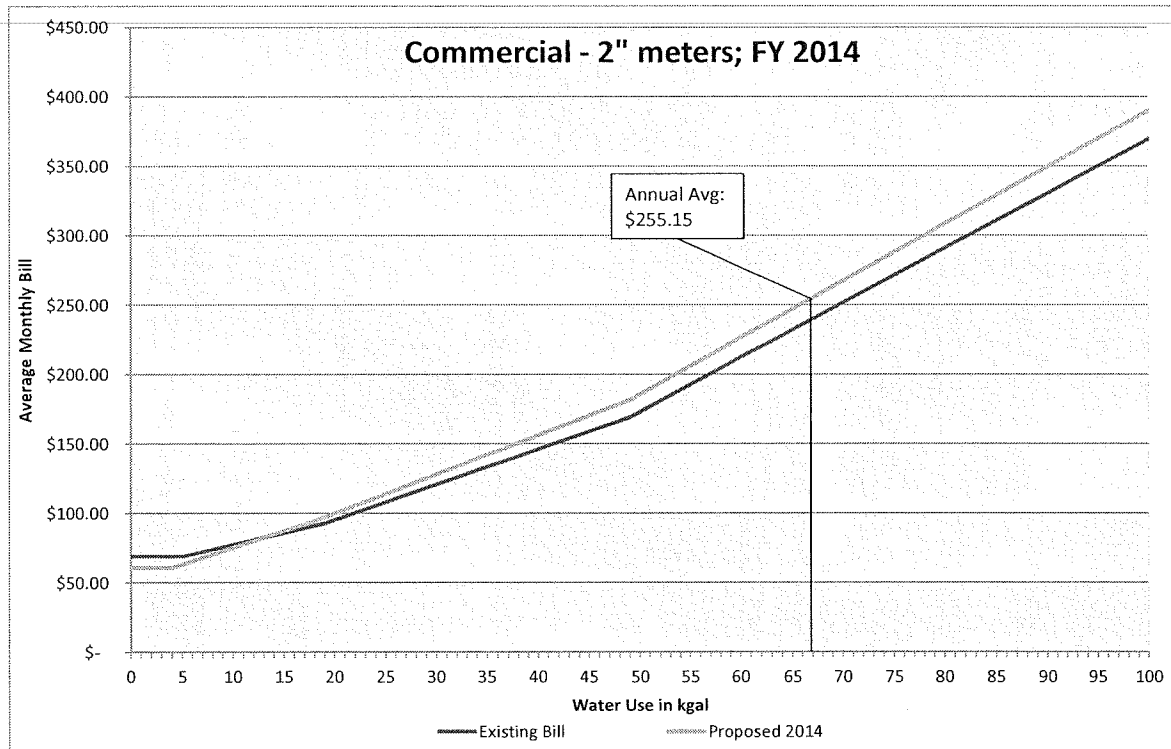
The multifamily residential class has customers currently part of the residential (condominiums) and commercial (apartments) classes. **Exhibit 6-9** displays sample bills for FY 2014, assuming one unit base charge. Additional units add additional base charges. As an example, a multifamily residential customer using 74,000 gallons of water per month (approximately the combined class average) is currently paying \$264.98 if residential or \$235.45 if commercial. This customer would experience a \$112.93 or \$83.40 decrease to \$152.05.

**Exhibit 6-9: Multifamily Residential Sample Bills**



Sample monthly water bill impacts in FY 2014 for the commercial customer class are shown in **Exhibit 6-10**, using 2-inch meter size customers. As an example, a commercial customer using 67,000 gallons of water per month (approximately the average for that meter size) is currently paying \$239.76. This customer would experience a \$15.39 increase to \$255.15.

**Exhibit 6-10: Commercial Residential Sample Bills**



Additional sample water bills including additional meter sizes for each customer class can be found in the Technical Appendix.

## 2. Sewer Utility

The sewer utility rate design element includes the schedule of alternative sewer rates by customer class and a comparison of sample sewer bills under existing and alternative rates.

### a) Rate Design

Significant changes are proposed for the customer classes: (1) residential classes are moving to a flat rate; and (2) commercial classes are consolidating by strength and aligning the base charge with the single family flat rate. To mitigate the impacts, a phase-in strategy was created for the commercial customers to transition from the current base charge to the single family flat rate over the study period.

Alternative sewer rate structures were designed, as shown in **Exhibit 6-11**. These structures were crafted to generate required utility revenues and address customer class cost of service findings based on the phase-in strategies for both cost of service and rate design.

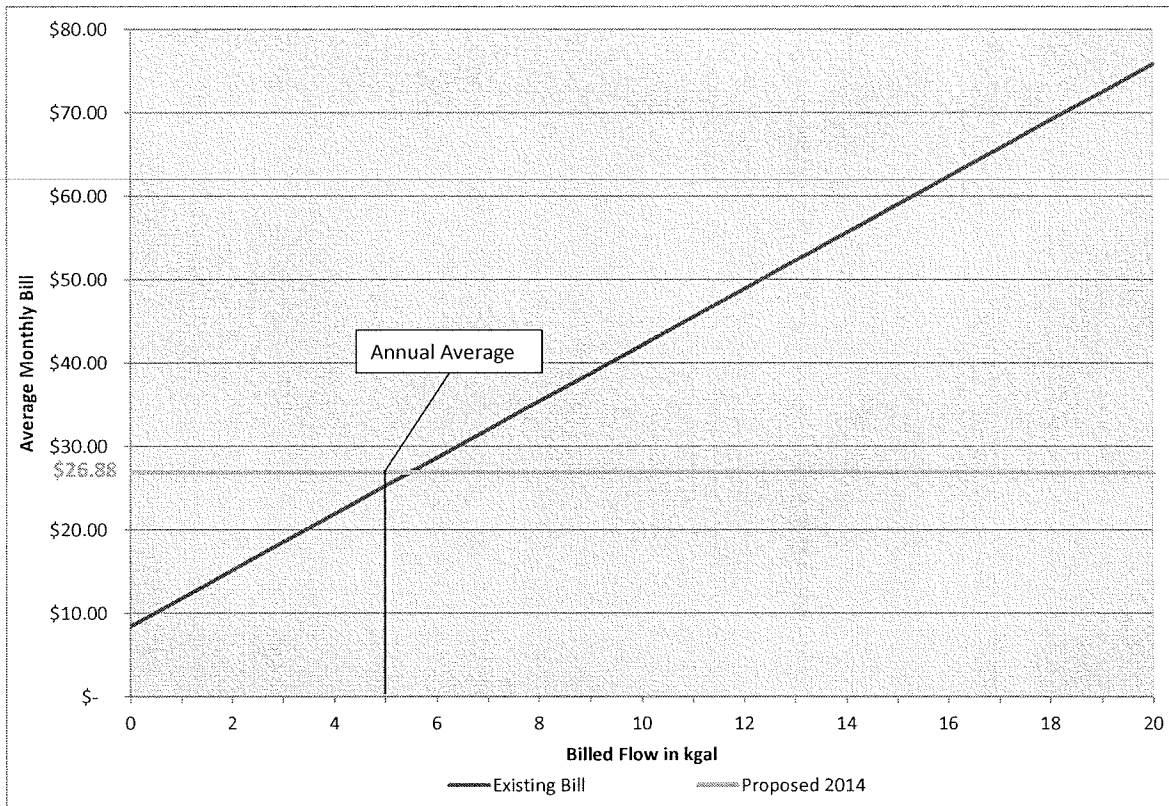
**Exhibit 6-11: Proposed Sewer Rate Structures**

| Customer Class            | FY 2014 Rates | FY 2015 Rates | FY 2016 Rates | FY 2017 Rates | FY 2018 Rates |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Flat Rates</b>         |               |               |               |               |               |
| Single Family Residential | \$ 26.61      | \$ 29.68      | \$ 33.01      | \$ 36.61      | \$ 40.45      |
| Multifamily Residential   | \$ 15.15      | \$ 17.53      | \$ 20.29      | \$ 23.48      | \$ 27.18      |
| <b>Metered Rates</b>      |               |               |               |               |               |
| Low-Strength Commercial   |               |               |               |               |               |
| Base Charge               | \$ 14.75      | \$ 21.17      | \$ 27.60      | \$ 34.03      | \$ 40.45      |
| Volume Charge             | \$ 3.92       | \$ 4.41       | \$ 5.03       | \$ 5.82       | \$ 6.78       |
| High-Strength Commercial  |               |               |               |               |               |
| Base Charge               | \$ 14.75      | \$ 21.17      | \$ 27.60      | \$ 34.03      | \$ 40.45      |
| Volume Charge             | \$ 5.26       | \$ 6.44       | \$ 7.91       | \$ 9.73       | \$ 11.98      |

b) Customer Bill Impacts

An illustration of monthly sewer bill impacts (including the right-of-way toll) in FY 2014 for the single family residential customer class is shown in **Exhibit 6-12**. As an example, a single family residential customer with a previous winter water average of 5,000 gallons of water per month (approximately the class average) is currently paying \$25.27. This customer would experience a \$1.61 increase to \$26.88. The “breakeven” point is about 5,500 gallons per month. All monthly bills with less than 5,500 gallons per month water use will see an increase in FY 2014, while all monthly bills with greater than 5,500 gallons per month water use will see a decrease in FY 2014.

**Exhibit 6-12: Single Family Residential Sample Bills**



Sample sewer bills for all other classes vary widely by number of units (multifamily) and strength category (commercial). These can be found in the Technical Appendix.

### 3. Combined Bill Impacts

The combined impact to the single family residential customer class is shown in **Exhibit 6-13** based on the phase-in strategies:

**Exhibit 6-13: Single Family Residential Combined Cost of Service**

| Customer Classes                 | Revenue Under Existing Rates | Revenue Under 2014 Phase-In | Cost of Service Shift |
|----------------------------------|------------------------------|-----------------------------|-----------------------|
| <b>Single Family Residential</b> |                              |                             |                       |
| Water                            | \$ 7,064,430                 | \$ 7,739,083                | 9.5%                  |
| Sewer                            | \$ 3,965,692                 | \$ 4,434,345                | 11.8%                 |
| <b>Combined</b>                  | <b>\$ 11,030,122</b>         | <b>\$ 12,173,428</b>        | <b>10.4%</b>          |

As an example, a sample combined single family bill is shown in **Exhibit 6-14**:

**Exhibit 6-14: Single Family Residential Combined Bill Impact**

| Average Monthly Bill | Existing Rates  | 2014 Rates      | \$ Bill Impact | % Bill Impact |
|----------------------|-----------------|-----------------|----------------|---------------|
| Water [a]            | \$ 35.28        | \$ 39.25        | \$ 3.97        | 11.3%         |
| Sewer [b]            | \$ 26.28        | \$ 26.88        | \$ 0.60        | 2.3%          |
| <b>Combined</b>      | <b>\$ 61.56</b> | <b>\$ 66.13</b> | <b>\$ 4.57</b> | <b>7.4%</b>   |

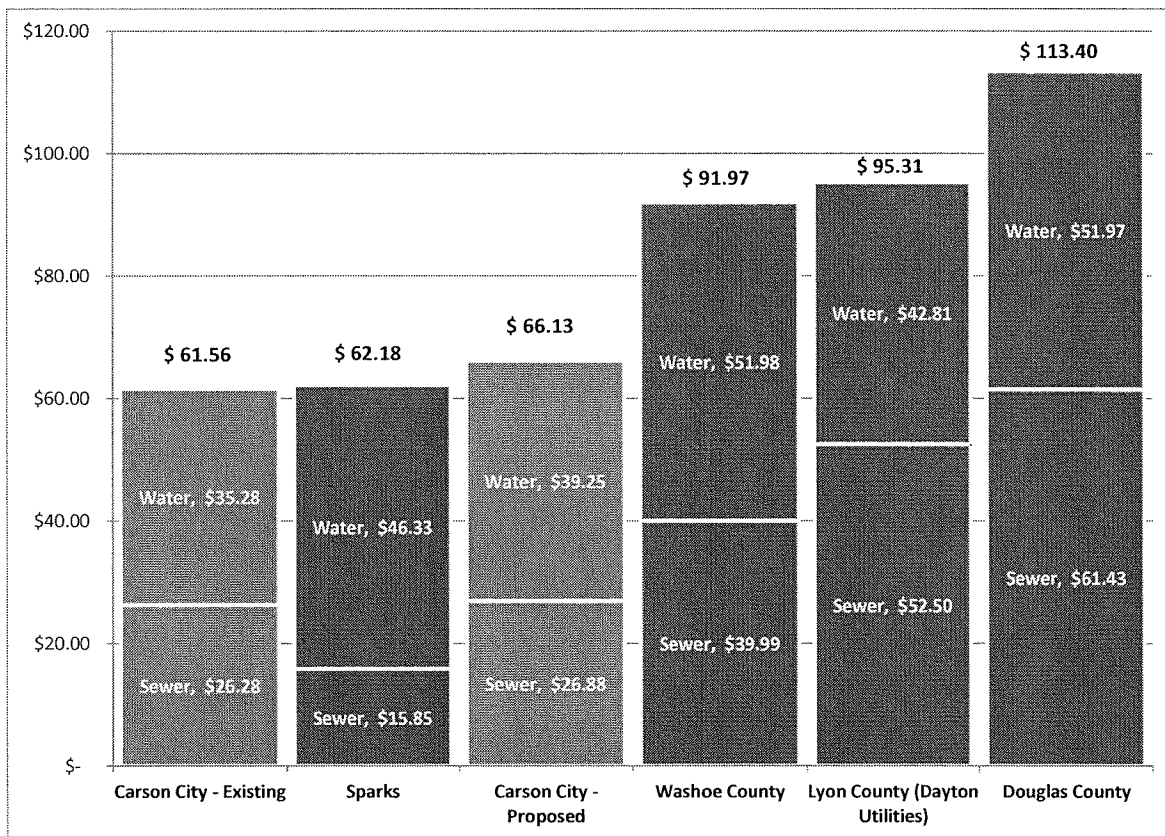
[a] Assumes 5/8" meter with average monthly use of 12,000 gallons; includes right-of-way toll

[b] Assumes winter monthly average of 5,300 gallons; includes right-of-way toll

#### 4. Rate Comparisons

Exhibit 6-15 provides a comparison of a combined sample single family residential bill based on existing rate structures from other jurisdictions, along with a sample combined bill using the City's existing and proposed rates:

**Exhibit 6-15: Single Family Residential Sample Bill Comparison**



## SECTION 7: IMPLEMENTATION SUMMARY

---

A recap of the Board of Supervisors' (Board) implementation of rate and charge study findings are summarized below:

- ◆ The Board elected to remain with the existing schedule of water and sewer connection charges (Section 3).
- ◆ The Board adopted the proposed five-year schedule of water rates as shown in Exhibits 6-3 through 6-7 to become effective October 1, 2013. These rates reflect phased-in cost of service by customer class, revisions to certain customer class designations, phase out of the usage allowance in the base charge, and phased-in consolidation of block rates where applicable.
- ◆ The Board adopted the proposed schedule of cost of service sewer rates as shown in Exhibit 6-11, to become effective October 1, 2013. These rates reflect phased-in cost of service by customer class, revisions to certain customer class designations, a transition to residential flat rates and phased-in commercial rate structures.

FCS GROUP recommends that the City regularly review and update water and sewer rates. Revenue requirements should be reviewed annually, with cost of service / rate design evaluated every 3 to 5 years.











| FUND                                 | BA ELE OBJ | SUB | DESCRIPTION                | BUDGET | ACTUAL   | %EXP | BUDGET | ACTUAL    | %EXP | ENCUMBR. | ANNUAL BUDGET | UNENCUMB. BALANCE | BDGT |
|--------------------------------------|------------|-----|----------------------------|--------|----------|------|--------|-----------|------|----------|---------------|-------------------|------|
| DEPT/DIV 3201 SEWER/WASTEWATER PLANT |            |     |                            | BUDGET | ACTUAL   | %EXP | BUDGET | ACTUAL    | %EXP | ENCUMBR. | ANNUAL BUDGET | UNENCUMB. BALANCE | BDGT |
| 43                                   |            |     | PUBLIC WORKS               |        |          |      |        |           |      |          |               |                   |      |
| 434                                  |            |     | SEWER UTILITY              |        |          |      |        |           |      |          |               |                   |      |
|                                      | 74         | 01  | LAND ACQUISITION           | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
|                                      | 76         | 10  | FUEL TANK REPLACEMENT      | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
|                                      | 77         | 05  | VEHICLE REPLACMENT PROGRAM | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
|                                      |            | 15  | COMPUTER EQUIPMENT         | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
|                                      |            | 75  | EQUIPMENT                  | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
| 00                                   | **         |     | *****                      | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
| 20                                   |            |     | SALARIES AND WAGES         |        |          |      |        |           |      |          |               |                   |      |
| 01                                   | 01         |     | SALARIES                   | 66362  | 58113.33 | 88   | 199086 | 166042.53 | 83   | .00      | 796349        | 630306.47         | 21   |
|                                      | 02         |     | HOURLY/SEASONAL            | 2916   | 2293.20  | 79   | 8748   | 4879.20   | 56   | 29915.00 | 35000         | 205.80            | 99   |
|                                      | 03         |     | ADMINISTRATIVE PAY         | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
|                                      | 04         |     | SHIFT DIFFERENTIAL         | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
|                                      | 06         |     | MANAGEMENT LEAVE PAY       | 0      | 390.06   | 0    | 0      | 2796.75   | 0    | .00      | 0             | 2796.75           | -    |
|                                      | 07         |     | ANNUAL LEAVE PAYOFF        | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
|                                      | 08         |     | SICK LEAVE PAYOFF          | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
|                                      | 09         |     | WORKERS' COMPENSATORY LV   | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
|                                      | 11         |     | OVERTIME                   | 2000   | 1495.66  | 75   | 6000   | 2987.77   | 50   | .00      | 24000         | 21012.23          | 12   |
|                                      | 12         |     | CALL BACK PAY              | 500    | 394.40   | 79   | 1500   | 3044.59   | 203  | .00      | 6000          | 2955.41           | 51   |
|                                      | 13         |     | STAND-BY PAY               | 3333   | 3284.84  | 99   | 9999   | 9104.46   | 91   | .00      | 40000         | 30895.54          | 23   |
|                                      | 14         |     | F L S A                    | 0      | 17.66    | 0    | 0      | 55.60     | 0    | .00      | 0             | 55.60             | 0    |
|                                      | 16         |     | HOLIDAY PAY                | 0      | .00      | 0    | 0      | 97.80     | 0    | .00      | 0             | 97.80             | 0    |
| 20                                   | **         |     | SALARIES AND WAGES         | 75111  | 65989.15 | 88   | 225333 | 189008.70 | 84   | 29915.00 | 901349        | 682425.30         | 24   |
| 21                                   |            |     | EMPLOYEE BENEFITS          |        |          |      |        |           |      |          |               |                   |      |
| 02                                   | 20         |     | SOCIAL SECURITY            | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
|                                      | 25         |     | MEDICARE                   | 1078   | 910.17   | 84   | 3234   | 2644.28   | 82   | .00      | 12943         | 10298.72          | 20   |
|                                      | 30         |     | RETIREMENT                 | 14283  | 12749.09 | 89   | 42849  | 36351.18  | 85   | .00      | 171407        | 135055.82         | 21   |
|                                      | 40         |     | GROUP INSURANCE            | 10721  | 9184.02  | 86   | 32163  | 22226.07  | 69   | .00      | 128656        | 106429.93         | 17   |
|                                      | 42         |     | DISABILITY INSURANCE       | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
|                                      | 50         |     | WORKERS' COMPENSATION      | 889    | 236.00   | 27   | 2667   | 1286.50   | 48   | .00      | 10670         | 9383.50           | 12   |
|                                      | 60         |     | EDUCATION INCENTIVE        | 68     | .00      | 0    | 204    | 350.00    | 172  | .00      | 825           | 475.00            | 42   |
|                                      | 65         |     | CLOTHING ALLOWANCE         | 333    | 608.02   | 183  | 999    | 1950.06   | 195  | .00      | 4000          | 2049.94           | 49   |
|                                      | 66         |     | FOUL WEATHER ALLOWANCE     | 123    | .00      | 0    | 369    | .00       | 0    | .00      | 1485          | 1485.00           | 0    |
|                                      | 68         |     | TOOL ALLOWANCE             | 90     | 75.00    | 83   | 270    | 150.00    | 56   | .00      | 1086          | 936.00            | 14   |
|                                      | 70         |     | CAR ALLOWANCE              | 293    | 270.00   | 92   | 879    | 796.50    | 91   | .00      | 3520          | 2723.50           | 23   |
|                                      | 71         |     | PHONE ALLOWANCE            | 109    | 241.00   | 221  | 327    | 482.00    | 147  | .00      | 1310          | 828.00            | 37   |
|                                      | 86         |     | OPEB COST                  | 4583   | .00      | 0    | 13749  | .00       | 0    | .00      | 55000         | 55000.00          | 0    |
| 21                                   | **         |     | EMPLOYEE BENEFITS          | 32570  | 24273.30 | 75   | 97710  | 66236.59  | 68   | .00      | 390902        | 324665.41         | 17   |
| 22                                   |            |     | SERVICE AND SUPPLIES       |        |          |      |        |           |      |          |               |                   |      |
| 03                                   | 09         |     | PROFESSIONAL SERVICES      | 10416  | 2167.91  | 21   | 31248  | 2167.91   | 7    | 45612.92 | 125000        | 77219.17          | 38   |
|                                      | 12         |     | AUDITING                   | 2000   | .00      | 0    | 6000   | .00       | 0    | .00      | 24000         | 24000.00          | 0    |
|                                      | 30         |     | TRAINING                   | 500    | 2170.00  | 434  | 1500   | 2276.00   | 152  | .00      | 6000          | 3724.00           | 38   |
|                                      | 45         |     | DATA PROCESSING            | 541    | 6720.46  | 1242 | 1623   | 6720.46   | 414  | .00      | 6500          | 220.46            | 103  |
|                                      | 49         |     | CONTRACTUAL SERVICES       | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |
|                                      | 56         |     | PHYSICALS (EMPLOYEE)       | 0      | .00      | 0    | 0      | .00       | 0    | .00      | 0             | .00               | 0    |

| FUND | BA | SUB | DESCRIPTION               | DEPT/DIV 3201 SEWER/WASTEWATER PLANT |           | *****CURRENT***** |        | *****YEAR-TO-DATE***** |           | ENCUMBR. | ANNUAL BUDGET | UNENCUMB. BALANCE | % BDTG |
|------|----|-----|---------------------------|--------------------------------------|-----------|-------------------|--------|------------------------|-----------|----------|---------------|-------------------|--------|
|      |    |     |                           | BUDGET                               | ACTUAL    | %EXP              | BUDGET | ACTUAL                 | %EXP      |          |               |                   |        |
| 43   |    |     | PUBLIC WORKS              |                                      |           |                   |        |                        |           |          |               |                   |        |
| 434  |    |     | SEWER UTILITY             |                                      |           |                   |        |                        |           |          |               |                   |        |
|      | 22 |     | SERVICE AND SUPPLIES      | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 62  | UNEMPLOYMENT COMPENSATION | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 75  | USGS STREAM MONITOR       | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 75  | SLUDGE HAULING            | 250                                  | .00       | 0                 | .00    | 0                      | .00       | .00      | 3000          | .00               | 0      |
|      | 04 | 24  | LAUNDRY SERVICE           | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 30  | EQUIPMENT REPAIR & MAINT. | 16666                                | 29436.40  | 177               | 7500   | 49998                  | 61203.27  | 122      | 200000        | 136895.93         | 32     |
|      |    | 33  | SOFTWARE MAINTENANCE      | 2500                                 | .00       | 0                 | .00    | 0                      | .00       | 7080.00  | 30000         | 22920.00          | 24     |
|      |    | 34  | BUILDING REPAIR & MAINT.  | 833                                  | .00       | 0                 | .00    | 2499                   | 210.85    | 8        | 10000         | 9789.15           | 2      |
|      |    | 35  | VEHICLE REPAIR & MAINT.   | 416                                  | 1843.55   | 443               | 1248   | 1248                   | 3150.17   | 252      | 5000          | 1849.83           | 63     |
|      |    | 36  | FACILITY REPAIR & MAINT.  | 3333                                 | 616.43    | 19                | 9999   | 9999                   | 1391.43   | 14       | 40000         | 38608.57          | 4      |
|      |    | 44  | OFFICE EQUIPMENT RENTAL   | 0                                    | 236.61    | 0                 | .00    | 0                      | 236.61    | 0        | 0             | 236.61            | 0      |
|      |    | 45  | EQUIPMENT RENTAL          | 500                                  | 55.62     | 11                | 1500   | 1500                   | 55.62     | 4        | 6000          | 5944.38           | 1      |
|      |    | 67  | TELEMETRY MAINTENANCE     | 2083                                 | 1555.68   | 75                | 6249   | 6249                   | 15031.37  | 241      | 25000         | 9368.63           | 60     |
|      |    | 72  | MOSQUITO CONTROL          | 6250                                 | 82.93     | 1                 | 18750  | 18750                  | 3041.67   | 16       | 75000         | 71958.33          | 4      |
|      |    | 88  | TANK REMOVAL              | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 90  | FEES AND PERMITS          | 2500                                 | 32068.00  | 1283              | 7500   | 7500                   | 34393.00  | 459      | 30000         | 4393.00           | 115    |
|      | 05 | 13  | CLAIM PAYMENTS            | 83                                   | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 45  | MEMBERSHIP / PUBLICATIONS | 80                                   | 142.00    | 171               | 249    | 249                    | 369.00    | 148      | 1000          | 631.00            | 37     |
|      |    | 80  | TRAVEL                    | 333                                  | 4120.42   | 1237              | 999    | 999                    | 4518.12   | 452      | 4000          | 518.12            | 113    |
|      |    | 82  | MILEAGE                   | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      | 06 | 01  | OFFICE SUPPLIES           | 125                                  | 56.19     | 45                | 375    | 375                    | 125.36    | 33       | 1500          | 1374.64           | 8      |
|      |    | 02  | POSTAGE / SHIPPING        | 83                                   | .00       | 0                 | .00    | 249                    | .00       | 0        | 1000          | 1000.00           | 0      |
|      |    | 25  | OPERATING SUPPLIES        | 5416                                 | 5541.81   | 102               | 16248  | 16248                  | 11450.56  | 71       | 65000         | 53549.44          | 18     |
|      |    | 36  | LABORATORY EXPENSE        | 2916                                 | 3263.51   | 112               | 8748   | 8748                   | 5586.94   | 64       | 35000         | 29413.06          | 16     |
|      |    | 37  | CHEMICALS                 | 20833                                | .00       | 0                 | 62499  | 62499                  | 20013.13  | 32       | 250000        | 207264.84         | 17     |
|      |    | 45  | BOOKS / PERIODICALS       | 25                                   | .00       | 0                 | 75     | 75                     | .00       | 0        | 300           | 300.00            | 0      |
|      |    | 60  | VEHICLE FUEL/OIL          | 1000                                 | 386.68    | 39                | 3000   | 3000                   | 2099.21   | 70       | 12000         | 9900.79           | 18     |
|      |    | 74  | SMALL TOOLS / INSTRUMENTS | 166                                  | 32.01     | 19                | 498    | 498                    | 487.54    | 98       | 2000          | 1512.46           | 24     |
|      |    | 75  | SMALL FURNISHINGS         | 416                                  | .00       | 0                 | 1248   | 1248                   | .00       | 0        | 5000          | 5000.00           | 0      |
|      | 07 | 10  | TELEPHONE                 | 708                                  | 718.21    | 101               | 2124   | 2124                   | 1741.21   | 82       | 8500          | 6525.09           | 23     |
|      |    | 12  | POWER                     | 50000                                | 4609.20   | 9                 | 150000 | 150000                 | 71254.69  | 48       | 600000        | 528745.31         | 12     |
|      |    | 13  | HEATING                   | 1833                                 | 141.37    | 8                 | 5499   | 5499                   | 3847.14   | 70       | 22000         | 18152.86          | 18     |
|      |    | 25  | SEWER CHARGES             | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 26  | WATER CHARGES             | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 27  | STORM DRAIN CHARGE        | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      | 09 | 01  | ISC: GENERAL FUND         | 80069                                | 80069.00  | 100               | 240207 | 240207                 | 240207.00 | 100      | 960833        | 720626.00         | 25     |
|      |    | 15  | ISC: INSURANCE FUND       | 17875                                | 107250.00 | 600               | 53625  | 53625                  | 107250.00 | 200      | 214500        | 107250.00         | 50     |
|      |    | 24  | ISC: WATER FUND           | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 40  | RTC                       | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 50  | FLEET MANAGEMENT          | 2190                                 | 13144.00  | 600               | 6570   | 6570                   | 13144.00  | 200      | 26288         | 13144.00          | 50     |
|      |    | 55  | RADIOS                    | 376                                  | 2261.00   | 601               | 1128   | 1128                   | 2261.00   | 200      | 4522          | 2261.00           | 50     |
|      | 12 | 99  | GRANT ALLOC/ DIRECT BILL  | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      | 15 | 41  | CLEAR CREEK SWR LINE      | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 42  | SILT REMOVAL SWR LINES    | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 43  | MORGAN MILL LIFT STATION  | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 44  | SOUTH LIFT STATION        | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |
|      |    | 45  | EJLUENT PUMP STATION      | 0                                    | .00       | 0                 | .00    | 0                      | .00       | .00      | 0             | .00               | 0      |

| BA  | ELE  | OBJ   | SUB   | DESCRIPTION               | BUDGET                               | ACTUAL                 | %EXP  | BUDGET  | ACTUAL    | %EXP | ENCUMBR.      | ANNUAL BUDGET     | UNENCUMB. BALANCE | % BDDGT           |         |
|-----|------|-------|-------|---------------------------|--------------------------------------|------------------------|-------|---------|-----------|------|---------------|-------------------|-------------------|-------------------|---------|
|     |      |       |       |                           | DEPT/DIV 3201 SEWER/WASTEWATER PLANT |                        |       |         |           |      | ANNUAL BUDGET | UNENCUMB. BALANCE | % BDDGT           |                   |         |
|     |      |       |       |                           | *****CURRENT*****                    | *****YEAR-TO-DATE***** | ***** |         |           |      |               |                   | ANNUAL BUDGET     | UNENCUMB. BALANCE | % BDDGT |
|     |      |       |       |                           | BUDGET                               | ACTUAL                 | %EXP  | BUDGET  | ACTUAL    | %EXP | ENCUMBR.      | ANNUAL BUDGET     | UNENCUMB. BALANCE | % BDDGT           |         |
| 43  |      |       |       | PUBLIC WORKS              |                                      |                        |       |         |           |      |               |                   |                   |                   |         |
| 434 |      |       |       | SEWER UTILITY             |                                      |                        |       |         |           |      |               |                   |                   |                   |         |
|     | 22   |       |       | SERVICE AND SUPPLIES      | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     |      | 46    |       | NORTH LIFT PUMP STATION   | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     |      | 47    |       | DRYING BED DIKE           | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     |      | 48    |       | CARSON RIVER RESER.LINE   | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     |      | 50    |       | EMERG.DRAIN STRUCTURE RD. | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     | 24   | 28    |       | ASH CYN RD MANHOLE CLEAN  | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     |      |       |       | UNEMP. COMP. REIMBURSEMNT | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     |      | 30    |       | REFUNDS & REIMBURSEMENTS  | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     |      | 51    |       | ENV FEES / PERMITS        | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     | 22   | **    | **    | SERVICE AND SUPPLIES      | 233235                               | 298215.77              | 128   | 699705  | 613760.04 | 88   | 77549.45      | 2798943           | 2107633.51        | 25                |         |
|     | 30   |       |       | CAPITAL OUTLAY            |                                      |                        |       |         |           |      |               |                   |                   |                   |         |
|     | 64   | 49    |       | BRUNSWICK RESER.ROAD      | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     | 30   | **    | **    | CAPITAL OUTLAY            | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
| 434 | **   | **    | **    | SEWER UTILITY             | 340916                               | 388478.22              | 114   | 1022748 | 869005.33 | 85   | 107464.45     | 4091194           | 3114724.22        | 24                |         |
| 43  | **   | **    | **    | PUBLIC WORKS              | 340916                               | 388478.22              | 114   | 1022748 | 869005.33 | 85   | 107464.45     | 4091194           | 3114724.22        | 24                |         |
| 50  |      |       |       | CAPITALIZED ASSETS        |                                      |                        |       |         |           |      |               |                   |                   |                   |         |
| 500 |      |       |       | CAPITALIZED ASSETS        |                                      |                        |       |         |           |      |               |                   |                   |                   |         |
|     | 22   |       |       | SERVICE AND SUPPLIES      | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     | 50   | 00    |       | CAPITALIZED ASSETS        | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     | 22   | **    | **    | SERVICE AND SUPPLIES      | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     | 500  | **    | **    | CAPITALIZED ASSETS        | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
|     | 50   | **    | **    | CAPITALIZED ASSETS        | 0                                    | .00                    | 0     | 0       | .00       | 0    | .00           | 0                 | .00               | 0                 |         |
| DIV | 3201 | TOTAL | ***** | WASTEWATER PLANT          | 340916                               | 388478.22              | 114   | 1022748 | 869005.33 | 85   | 107464.45     | 4091194           | 3114724.22        | 24                |         |

| FUND | BA | ELE | OBJ | SUB | DESCRIPTION               | BUDGET | CURRENT  | %EXP   | DEPT/DIV | 3202      | SEWER/MAINTENANCE | YEAR-TO-DATE | %EXP   | ENCUMBR.  | ANNUAL  | BUDGET    | UNENCUMBR. | % |
|------|----|-----|-----|-----|---------------------------|--------|----------|--------|----------|-----------|-------------------|--------------|--------|-----------|---------|-----------|------------|---|
|      |    |     |     |     |                           | ACTUAL | ACTUAL   | ACTUAL | BUDGET   | ACTUAL    | ACTUAL            | ACTUAL       | ACTUAL | ACTUAL    | BALANCE | BALANCE   | BALANCE    |   |
| 43   |    |     |     |     | PUBLIC WORKS              |        |          |        |          |           |                   |              |        |           |         |           |            |   |
| 434  |    |     |     |     | SEWER UTILITY             |        |          |        |          |           |                   |              |        |           |         |           |            |   |
| 76   | 10 |     |     |     | FUEL TANK REPLACEMENT     | 0      | .00      | 0      | 0        | 0         | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 77   | 05 |     |     |     | VEHICLE REPLACMNT PROGRAM | 0      | .00      | 0      | 0        | 0         | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 15   |    |     |     |     | COMPUTER EQUIPMENT        | 0      | .00      | 0      | 0        | 0         | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 25   |    |     |     |     | RADIO SYSTEM UPGRADE      | 2916   | .00      | 0      | 8748     | 0         | .00               | 0            | .00    | .00       | 35000   | 35000.00  | 0          |   |
| 26   |    |     |     |     | SOFTWARE                  | 0      | .00      | 0      | 0        | 0         | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 43   |    |     |     |     | FURNITURE AND FIXTURES    | 0      | .00      | 0      | 0        | 0         | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 75   |    |     |     |     | EQUIPMENT                 | 22916  | .00      | 0      | 68748    | 0         | .00               | 0            | .00    | 148557.50 | 275000  | 126442.50 | 54         |   |
| 78   | 09 |     |     |     | FACILITY ADDITION         | 0      | .00      | 0      | 0        | 0         | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 10   |    |     |     |     | FACILITY UPGRADE          | 16666  | .00      | 0      | 49998    | 0         | .00               | 0            | .00    | .00       | 200000  | 200000.00 | 0          |   |
| 11   |    |     |     |     | WWTP SOLAR PROJECT        | 0      | .00      | 0      | 0        | 0         | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 00   | ** |     |     |     | *****                     | 42498  | .00      | 0      | 127494   | 0         | .00               | 0            | .00    | 148557.50 | 510000  | 361442.50 | 29         |   |
| 20   |    |     |     |     | SALARIES AND WAGES        |        |          |        |          |           |                   |              |        |           |         |           |            |   |
| 01   | 01 |     |     |     | SALARIES                  | 37968  | 31464.04 | 83     | 113904   | 95706.46  | .00               | 84           | .00    | .00       | 455626  | 359919.54 | 21         |   |
| 02   |    |     |     |     | HOURLY/SEASONAL           | 3750   | .00      | 0      | 11250    | .00       | .00               | 0            | .00    | 45000.00  | 45000   | .00       | 100        |   |
| 03   |    |     |     |     | ADMINISTRATIVE PAY        | 0      | .00      | 0      | 0        | .00       | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 04   |    |     |     |     | SHIFT DIFFERENTIAL        | 0      | .00      | 0      | 0        | .00       | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 06   |    |     |     |     | MANAGEMENT LEAVE PAY      | 0      | .00      | 0      | 0        | 173.82    | .00               | 0            | .00    | .00       | 0       | 173.82    | 0          |   |
| 07   |    |     |     |     | ANNUAL LEAVE PAYOFF       | 0      | .00      | 0      | 0        | .00       | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 08   |    |     |     |     | SICK LEAVE PAYOFF         | 0      | .00      | 0      | 0        | .00       | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 09   |    |     |     |     | WORKERS' COMPENSATORY LV  | 0      | .00      | 0      | 0        | .00       | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 11   |    |     |     |     | OVERTIME                  | 583    | 2459.35  | 422    | 1749     | 4395.74   | .00               | 0            | .00    | .00       | 7000    | 2604.26   | 63         |   |
| 12   |    |     |     |     | CALL BACK PAY             | 250    | 138.39   | 55     | 750      | 1045.71   | .00               | 139          | .00    | .00       | 3000    | 1954.29   | 35         |   |
| 13   |    |     |     |     | STAND-BY PAY              | 1000   | 1092.44  | 109    | 3000     | 3355.94   | .00               | 112          | .00    | .00       | 12000   | 8644.06   | 28         |   |
| 14   |    |     |     |     | L S A                     | 0      | 4.19     | 0      | 0        | 7.70      | .00               | 0            | .00    | .00       | 0       | 7.70      | 0          |   |
| 16   |    |     |     |     | HOLIDAY PAY               | 0      | .00      | 0      | 0        | .00       | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 20   | ** |     |     |     | SALARIES AND WAGES        | 43551  | 35158.41 | 81     | 130653   | 104685.37 | .00               | 80           | .00    | 45000.00  | 522626  | 372940.63 | 29         |   |
| 21   |    |     |     |     | EMPLOYEE BENEFITS         |        |          |        |          |           |                   |              |        |           |         |           |            |   |
| 02   | 20 |     |     |     | SOCIAL SECURITY           | 0      | .00      | 0      | 0        | .00       | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 25   |    |     |     |     | MEDICARE                  | 573    | 460.39   | 80     | 1719     | 1382.47   | .00               | 80           | .00    | .00       | 6877    | 5494.53   | 20         |   |
| 30   |    |     |     |     | RETIREMENT                | 8117   | 6945.49  | 86     | 24351    | 20899.91  | .00               | 86           | .00    | .00       | 97406   | 76506.09  | 22         |   |
| 40   |    |     |     |     | GROUP INSURANCE           | 9990   | 8682.63  | 87     | 29970    | 20455.67  | .00               | 68           | .00    | .00       | 119890  | 99434.33  | 17         |   |
| 42   |    |     |     |     | DISABILITY INSURANCE      | 0      | .00      | 0      | 0        | .00       | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 50   |    |     |     |     | WORKERS' COMPENSATION     | 805    | 556.05   | 69     | 2415     | 1777.08   | .00               | 74           | .00    | .00       | 9666    | 7888.92   | 18         |   |
| 60   |    |     |     |     | EDUCATION INCENTIVE       | 4      | .00      | 0      | 12       | 45.00     | .00               | 375          | .00    | .00       | 50      | 5.00      | 90         |   |
| 65   |    |     |     |     | CLOTHING ALLOWANCE        | 416    | 416.98   | 100    | 1248     | 1195.97   | .00               | 96           | .00    | .00       | 5000    | 3804.03   | 24         |   |
| 66   |    |     |     |     | FOUL WEATHER ALLOWANCE    | 102    | .00      | 0      | 306      | .00       | .00               | 0            | .00    | .00       | 1230    | 1230.00   | 0          |   |
| 70   |    |     |     |     | CAR ALLOWANCE             | 0      | .00      | 0      | 0        | .00       | .00               | 0            | .00    | .00       | 0       | .00       | 0          |   |
| 71   |    |     |     |     | PHONE ALLOWANCE           | 20     | 20.00    | 100    | 60       | 40.00     | .00               | 67           | .00    | .00       | 241     | 201.00    | 17         |   |
| 21   | ** |     |     |     | EMPLOYEE BENEFITS         | 20027  | 17081.54 | 85     | 60081    | 45796.10  | .00               | 76           | .00    | .00       | 240360  | 194563.90 | 19         |   |
| 22   |    |     |     |     | SERVICE AND SUPPLIES      |        |          |        |          |           |                   |              |        |           |         |           |            |   |
| 03   | 09 |     |     |     | PROFESSIONAL SERVICES     | 3750   | 2230.77  | 60     | 11250    | 3230.77   | .00               | 29           | .00    | 44203.99  | 45000   | 2434.76   | 105        |   |
| 30   |    |     |     |     | TRAINING                  | 416    | .00      | 0      | 1248     | .00       | .00               | 0            | .00    | .00       | 5000    | 5000.00   | 0          |   |
| 45   |    |     |     |     | DATA PROCESSING           | 166    | .00      | 0      | 498      | .00       | .00               | 0            | .00    | .00       | 2000    | 2000.00   | 0          |   |

| FUND | BA | ELE | SUB | DESCRIPTION                     | DEPT/DIV 3202 SEWER/MAINTENANCE |          | *****CURRENT***** |        | *****YEAR-TO-DATE***** |      | ENCUMBR. | ANNUAL BUDGET | UNENCUMB. BALANCE | % BDTG |  |
|------|----|-----|-----|---------------------------------|---------------------------------|----------|-------------------|--------|------------------------|------|----------|---------------|-------------------|--------|--|
|      |    |     |     |                                 | BUDGET                          | ACTUAL   | %EXP              | BUDGET | ACTUAL                 | %EXP |          |               |                   |        |  |
| 43   |    |     |     | PUBLIC WORKS                    |                                 |          |                   |        |                        |      |          |               |                   |        |  |
| 434  |    |     |     | SEWER UTILITY                   |                                 |          |                   |        |                        |      |          |               |                   |        |  |
| 22   |    |     |     | SERVICE AND SUPPLIES            | 250                             | 280.00   | 112               | 750    | 280.00                 | 37   | .00      | 3000          | 2720.00           | 9      |  |
|      |    |     |     | 49 CONTRACTUAL SERVICES         | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 56 PHYSICALS (EMPLOYEE)         | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 62 UNEMPLOYMENT COMPENSATION    | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 04 24 LAUNDRY SERVICE           | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 30 EQUIPMENT REPAIR & MAINT.    | 2083                            | 5769.55  | 277               | 6249   | 6766.00                | 108  | 17834.80 | 25000         | 399.20            | 98     |  |
|      |    |     |     | 33 SOFTWARE MAINTENANCE         | 1666                            | .00      | 0                 | 4998   | 13010.09               | 260  | 1112.93  | 20000         | 5876.98           | 71     |  |
|      |    |     |     | 208 BUILDING REPAIR & MAINT.    | 1666                            | .00      | 0                 | 624    | .00                    | 0    | .00      | 2500          | 2500.00           | 0      |  |
|      |    |     |     | 35 VEHICLE REPAIR & MAINT.      | 833                             | 395.40   | 24                | 4998   | 1533.85                | 31   | 6243.60  | 20000         | 12222.55          | 39     |  |
|      |    |     |     | 36 FACILITY REPAIR & MAINT.     | 833                             | 77.54    | 9                 | 2499   | 77.54                  | 3    | .00      | 10000         | 9922.46           | 1      |  |
|      |    |     |     | 37 EFFLUENT LINE REPAIRS        | 2500                            | 7595.00  | 304               | 7500   | 7595.00                | 101  | .00      | 30000         | 22405.00          | 25     |  |
|      |    |     |     | 44 OFFICE EQUIPMENT RENTAL      | 83                              | 142.96   | 172               | 249    | 304.50                 | 122  | .00      | 1000          | 695.50            | 31     |  |
|      |    |     |     | 45 EQUIPMENT RENTAL             | 416                             | .00      | 0                 | 1248   | .00                    | 0    | .00      | 5000          | 5000.00           | 0      |  |
|      |    |     |     | 70 S. SEWER REPAIR & MAINT.     | 4166                            | .00      | 0                 | 12498  | .00                    | 0    | .00      | 50000         | 50000.00          | 0      |  |
|      |    |     |     | 88 TANK REMOVAL                 | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 89 EFFULENT - GOLF COURSE       | 6250                            | 23472.24 | 376               | 18750  | 28203.68               | 150  | .00      | 75000         | 46796.32          | 38     |  |
|      |    |     |     | 05 42 PRINTING / ADVERTISING    | 416                             | 29.99    | 7                 | 1248   | 29.99                  | 2    | .00      | 5000          | 4970.01           | 1      |  |
|      |    |     |     | 45 MEMBERSHIP / PUBLICATIONS    | 125                             | 432.28   | 346               | 375    | 1000.12                | 267  | .00      | 1500          | 499.88            | 67     |  |
|      |    |     |     | 80 TRAVEL                       | 333                             | .00      | 0                 | 999    | 584.64                 | 59   | 189.00   | 4000          | 3226.36           | 19     |  |
|      |    |     |     | 06 01 OFFICE SUPPLIES           | 333                             | 333.69   | 100               | 999    | 333.69                 | 33   | .00      | 4000          | 3666.31           | 8      |  |
|      |    |     |     | 02 POSTAGE / SHIPPING           | 3333                            | 8775.72  | 263               | 9999   | 10498.21               | 105  | 22557.61 | 40000         | 6944.18           | 83     |  |
|      |    |     |     | 25 OPERATING SUPPLIES           | 3166                            | 1498.26  | 47                | 9498   | 2662.60                | 28   | .00      | 38000         | 35337.40          | 7      |  |
|      |    |     |     | 36 LABORATORY EXPENSE           | 250                             | .00      | 0                 | 750    | .00                    | 0    | .00      | 3000          | 3000.00           | 0      |  |
|      |    |     |     | 37 CHEMICALS                    | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 45 BOOKS / PERIODICALS          | 16                              | .00      | 0                 | 48     | .00                    | 0    | .00      | 200           | 200.00            | 0      |  |
|      |    |     |     | 60 VEHICLE FUEL/OIL             | 2000                            | 1463.54  | 73                | 6000   | 5815.86                | 97   | .00      | 24000         | 18184.14          | 24     |  |
|      |    |     |     | 74 SMALL TOOLS / INSTRUMENTS    | 41                              | .00      | 0                 | 123    | 1366.60                | 1111 | .00      | 500           | 866.60            | 273    |  |
|      |    |     |     | 75 SMALL FURNISHINGS            | 416                             | .00      | 0                 | 1248   | .00                    | 0    | .00      | 5000          | 5000.00           | 0      |  |
|      |    |     |     | 07 10 TELEPHONE                 | 416                             | 401.46   | 97                | 1248   | 970.80                 | 78   | 144.10   | 5000          | 3885.10           | 22     |  |
|      |    |     |     | 12 POWER                        | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 13 HEATING                      | 666                             | .00      | 0                 | 1998   | 298.09                 | 15   | .00      | 8000          | 7701.91           | 4      |  |
|      |    |     |     | 25 SEWER CHARGES                | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 26 WATER CHARGES                | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 09 01 ISC - GENERAL FUND        | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 30 ISC - DEV ENG SVCS           | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 35 ISC: BUILDING PERMITS        | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 50 FLEET MANAGEMENT             | 4381                            | 26288.00 | 600               | 13143  | 26288.00               | 200  | .00      | 52576         | 26288.00          | 50     |  |
|      |    |     |     | 55 RADIOS                       | 305                             | 1830.50  | 600               | 915    | 1830.50                | 200  | .00      | 3661          | 1830.50           | 50     |  |
|      |    |     |     | 24 26 CUSTOMER DEPOSIT INTEREST | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 28 UNEMP. COMP. REIMBURSEMT     | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 30 REFUNDS & REIMBURSEMENTS     | 833                             | .00      | 0                 | 2499   | .00                    | 0    | .00      | 10000         | 10000.00          | 0      |  |
|      |    |     |     | 37 CDBG-SECARSON SEWER GRANT    | 0                               | .00      | 0                 | 0      | .00                    | 0    | .00      | 0             | .00               | 0      |  |
|      |    |     |     | 49 BAD DEBT EXPENSE             | 33                              | .00      | 0                 | 99     | .00                    | 0    | .00      | 400           | 400.00            | 0      |  |
|      |    |     |     | 50 CASH SHORTAGE/OVERAGE        | 4                               | .00      | 0                 | 12     | .00                    | 0    | .00      | 50            | 50.00             | 0      |  |
|      |    |     |     | 22 ** SERVICE AND SUPPLIES      | 41520                           | 81016.90 | 195               | 124560 | 112680.53              | 91   | 92286.03 | 498387        | 293420.44         | 41     |  |



| FUND 510 SEWER OPERATION |                              | DEPT/DIV 3203 SEWER/BILLING/COLLECTION |        | *****CURRENT***** |        | *****YEAR-TO-DATE***** |        | *****EXP***** |      | *****UNENCUMB.***** |         |
|--------------------------|------------------------------|--|--------|-------------------|--------|------------------------|--------|---------------|------|---------------------|---------|
| BA ELE OBJ               | ACCOUNT                      | BUDGET                                 | ACTUAL | BUDGET            | ACTUAL | %EXP                   | BUDGET | ACTUAL        | %EXP | BUDGET              | BALANCE |
| SUB                      | DESCRIPTION                  |  |        |                   |        |                        |        |               |      |                     | BGDT    |
| 43                       | PUBLIC WORKS                 |  |        |                   |        |                        |        |               |      |                     |         |
| 434                      | SEWER UTILITY                |  |        |                   |        |                        |        |               |      |                     |         |
| 00                       | *****                        |  |        |                   |        |                        |        |               |      |                     |         |
| 77                       | 15 COMPUTER EQUIPMENT        | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 43 FURNITURE AND FIXTURES    | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 75 EQUIPMENT                 | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
| 00                       | ** 80 ALLOCATION FROM WATER  | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | *****                        |  |        |                   |        |                        |        |               |      |                     |         |
| 20                       | SALARIES AND WAGES           |  |        |                   |        |                        |        |               |      |                     |         |
| 01                       | 01 SALARIES                  | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 03 ADMINISTRATIVE PAY        | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 07 ANNUAL LEAVE PAYOFF       | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 08 SICK LEAVE PAYOFF         | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 09 WORKERS' COMPENSATORY LV  | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 11 OVERTIME                  | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
| 20                       | ** ALLOCATION FROM WATER     | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | *****                        |  |        |                   |        |                        |        |               |      |                     |         |
| 21                       | EMPLOYEE BENEFITS            |  |        |                   |        |                        |        |               |      |                     |         |
| 02                       | 25 MEDICARE                  | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 30 RETIREMENT                | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 40 GROUP INSURANCE           | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 50 WORKERS' COMPENSATION     | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
| 21                       | ** OPEB COST                 | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | *****                        |  |        |                   |        |                        |        |               |      |                     |         |
| 21                       | ** EMPLOYEE BENEFITS         | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | *****                        |  |        |                   |        |                        |        |               |      |                     |         |
| 22                       | SERVICE AND SUPPLIES         |  |        |                   |        |                        |        |               |      |                     |         |
| 03                       | 30 TRAINING                  | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 45 DATA PROCESSING           | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 49 CONTRACTUAL SERVICES      | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
| 04                       | 30 EQUIPMENT REPAIR & MAINT. | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 40 BUILDING RENTAL           | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 44 OFFICE EQUIPMENT RENTAL   | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
| 05                       | 80 TRAVEL                    | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
| 06                       | 01 OFFICE SUPPLIES           | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 02 POSTAGE / SHIPPING        | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 25 OPERATING SUPPLIES        | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 75 SMALL FURNISHINGS         | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
| 07                       | 10 TELEPHONE                 | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
| 09                       | 01 ISC: GENERAL FUND         | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 02 ALLOCATION FROM WATER     | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
| 24                       | 26 CUSTOMER DEPOSIT INTEREST | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 30 REFUNDS & REIMBURSEMENTS  | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | 49 BAD DEBT EXPENSE          | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
| 22                       | ** SERVICE AND SUPPLIES      | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |
|                          | *****                        |  |        |                   |        |                        |        |               |      |                     |         |
| 434                      | ** SEWER UTILITY             | 0                                      | .00    | 0                 | .00    | 0                      | 0      | .00           | 0    | 0                   | .00     |



| FUND 515 SEWER CAPITALIZATION |                              | DEPT/DIV 0000 |        | *****CURRENT***** |        | *****YEAR-TO-DATE***** |      | *****ENCUMBR***** |          | *****ANNUAL***** |         | *****UNENCUMB***** |      |
|-------------------------------|------------------------------|---------------|--------|-------------------|--------|------------------------|------|-------------------|----------|------------------|---------|--------------------|------|
| BA ELE OBJ                    | ACCOUNT                      | BUDGET        | ACTUAL | %EXP              | BUDGET | ACTUAL                 | %EXP | BUDGET            | ENCUMBR  | BUDGET           | BALANCE | %                  | BDGT |
| SUB                           | DESCRIPTION                  |               |        |                   |        |                        |      |                   |          |                  |         |                    |      |
| 43                            | PUBLIC WORKS                 |               |        |                   |        |                        |      |                   |          |                  |         |                    |      |
| 434                           | SEWER UTILITY                |               |        |                   |        |                        |      |                   |          |                  |         |                    |      |
| 76                            | *****                        | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 05 FACILITY ADDITION         | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 10 FUEL TANK REPLACEMENT     | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 99 SEWER LINES-CONTRIBUTED   | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
| 77                            | 43 FURNITURE AND FIXTURES    | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
| 78                            | 11 WWTP SOLAR PROJECT        | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
| 79                            | 03 5TH STREET SLIPLINING     | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 25 HWY 50 E. MAIN EXTENSION  | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 26 TERTIARY FILTER EXPANSION | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 27 CHLORINE CONTACT EXPAN    | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 28 PATRICK/SO.395 SWR CROSS  | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 29 AIRPORT RD SLIP LINING    | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 30 HWY 50 E SEWER EXTENSION  | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 31 LIFT STATION SOUTH DES.   | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 32 SAND FILTRATION           | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 37 INFLEUENT SCREENING       | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 38 HEADWORKS ODOR CONTROL    | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 39 RCW LINE EXTENSION        | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 40 RCW LINE REPLACEMENT      | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 43 CARSON ST MANHOLE RAISING | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 44 FAIRVIEW REPLACEMENT      | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 45 RCW DEER RUN RD TO EVGC   | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 46 SALIMAN ROAD RCW          | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 47 FREMONT SCHOOL RCW        | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 48 BRUNSWICK RES PLANNING    | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 49 BRUNSWICK RES SAMPLING PR | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 50 SEWER LINE REPLACEMENT    | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 51 STEWART ST EXT - NORTH    | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 52 PRIMARY ODOR CONTROL      | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 54 ACTIVATED SLUDGE EXP PHI  | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 56 POWER TRANSFORMER UPGRADE | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 58 MORGAN MILL LIFT UPGRADES | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 60 PARTICIPATION             | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 62 SEWER MAIN EXTENSION      | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 65 ROOP ST. SEWER LINE REPL  | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 66 SILVER SADDLE RCW         | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 67 NITRIFICATION             | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 68 CLEAR CRK SWR REPLACEMENT | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 70 REPLACEMENT PARTS/MOTORS  | 12500         | .00    | 0                 | 37500  | 38008.56               | 101  | 150000            | 17522.55 | 94468.89         | 37      | 0                  | 0    |
|                               | 72 BIOSOLIDS/COMPOSTING      | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 73 ALTERNATIVE FUEL          | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 74 ALTERNATIVE FUEL STUDY    | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 76 NORTH LIFT UPGRADE        | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 77 CURRY STREET PROJECT      | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 78 RE USE - MASTER PLAN      | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 79 SEWER MASTER PLAN         | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |
|                               | 80 ALARM-PRESSURE REG TLWT   | 0             | .00    | 0                 | 0      | .00                    | 0    | 0                 | .00      | 0                | .00     | 0                  | 0    |



| FUND 515 SEWER CAPITALIZATION |                           | DEPT/DIV 0000 |        | *****CURRENT***** |        | *****YEAR-TO-DATE***** |           | *****EXP***** |        | *****EXP***** |        | *****EXP***** |        | *****EXP***** |        |
|-------------------------------|---------------------------|---------------|--------|-------------------|--------|------------------------|-----------|---------------|--------|---------------|--------|---------------|--------|---------------|--------|
| BA ELE OBJ                    | ACCOUNT                   | BUDGET        | ACTUAL | BUDGET            | ACTUAL | BUDGET                 | ACTUAL    | BUDGET        | ACTUAL | BUDGET        | ACTUAL | BUDGET        | ACTUAL | BUDGET        | ACTUAL |
| SUB                           | DESCRIPTION               |               |        |                   |        |                        |           |               |        |               |        |               |        |               |        |
| 47                            | DEBT SERVICE              |               |        |                   |        |                        |           |               |        |               |        |               |        |               |        |
| 471                           | PRINCIPAL REDEMPTION      |               |        |                   |        |                        |           |               |        |               |        |               |        |               |        |
| 83                            | *****                     | 25416         | .00    | 0                 | 76248  | .00                    | .00       | 0             | .00    | 305000        | .00    | 305000        | .00    | 0             | 0      |
| 14                            | 2013 SEWER BONDS          | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 21                            | 2010 VARIOUS PURPOSE REF  | 6666          | .00    | 0                 | 19998  | .00                    | .00       | 0             | .00    | 80000         | .00    | 80000         | .00    | 0             | 0      |
| 22                            | 2012 SEWER BONDS          | 20833         | .00    | 0                 | 62499  | .00                    | .00       | 0             | .00    | 250000        | .00    | 250000        | .00    | 0             | 0      |
| 23                            | 2012 SEWER REFUNDING      | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 24                            | 82 SEWER REFINANCING      | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 25                            | SEWER ISSUE #15           | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 26                            | 84 SEWER REFINANCING      | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 27                            | 85 SEWER ISSUE            | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 32                            | 1994 ISSUE                | 16050         | .00    | 0                 | 48150  | .00                    | 96000.00  | 199           | .00    | 192600        | .00    | 96600.00      | .00    | 0             | 50     |
| 35                            | 2012 MI REFUNDING         | 10442         | .00    | 0                 | 31326  | .00                    | 62283.91  | 199           | .00    | 125312        | .00    | 63028.09      | .00    | 0             | 50     |
| 42                            | 2010F STATE WATER POLLUT  | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 60                            | 2009 MEDIUM TERM          | 15228         | .00    | 0                 | 45684  | .00                    | 90467.94  | 198           | .00    | 182745        | .00    | 92277.06      | .00    | 0             | 50     |
| 71                            | '94 STATE SEWER ISSUE     | 12315         | .00    | 0                 | 36945  | .00                    | 73193.15  | 198           | .00    | 147786        | .00    | 74592.85      | .00    | 0             | 50     |
| 73                            | 1995 SEWER                | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 74                            | 1996 STATE SEWER ISSUE    | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 77                            | 1997B REFUNDING           | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 78                            | 1997 ISSUE                | 31879         | .00    | 0                 | 95637  | .00                    | 189743.54 | 198           | .00    | 382551        | .00    | 192807.46     | .00    | 0             | 50     |
| 79                            | 1998 STATE SEWER ISSUE    | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 80                            | 1998 SEWER BONDS          | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 83                            | 1999 SEWER BONDS          | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 85                            | 00 STATE SEWER BONDS      | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 88                            | 2002 SEWER BONDS          | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 89                            | 2004 SEWER BONDS          | 12916         | .00    | 0                 | 38748  | .00                    | .00       | 0             | .00    | 155000        | .00    | 155000.00     | .00    | 0             | 0      |
| 90                            | 03 ST BD BANK SEWER REF   | 15833         | .00    | 0                 | 47499  | .00                    | .00       | 0             | .00    | 190000        | .00    | 190000.00     | .00    | 0             | 0      |
| 91                            | 03 STATE SEWER BONDS      | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 93                            | 03 BD WTR PROJ REF        | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 94                            | 03 STATE WATER BONDS      | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 95                            | 2007 WATER BONDS          | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 96                            | 2006 SEWER BONDS          | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 97                            | 2007 REFUNDING BONDS      | 32500         | .00    | 0                 | 97500  | .00                    | .00       | 0             | .00    | 390000        | .00    | 390000.00     | .00    | 0             | 0      |
| 98                            | 2010D SWR IMP & REFUNDING | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 86                            | 32 88 SEWER ISSUE         | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 33                            | 89A GENERAL PURPOSE       | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 89                            | 38 SEWER ASSESSMENT LOAN  | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 93                            | 92 2010 SEWER BONDS       | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 00                            | *****                     | 200078        | .00    | 0                 | 600234 | .00                    | 511688.54 | 85            | .00    | 2400994       | .00    | 1889305.46    | .00    | 21            | 21     |
| 471                           | PRINCIPAL REDEMPTION      | 200078        | .00    | 0                 | 600234 | .00                    | 511688.54 | 85            | .00    | 2400994       | .00    | 1889305.46    | .00    | 21            | 21     |
| 472                           | INTEREST REDEMPTION       |               |        |                   |        |                        |           |               |        |               |        |               |        |               |        |
| 93                            | *****                     | 19804         | .00    | 0                 | 59412  | .00                    | .00       | 0             | .00    | 237649        | .00    | 237649.00     | .00    | 0             | 0      |
| 14                            | 2013 SEWER BONDS          | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 21                            | 2010 VARIOUS PURPOSE REF  | 6252          | .00    | 0                 | 18756  | .00                    | 14108.33- | 75-           | .00    | 75025         | .00    | 89133.33      | .00    | 19-           | 19-    |
| 22                            | 2012 SEWER BONDS          | 9396          | .00    | 0                 | 28188  | .00                    | 21416.67- | 76-           | .00    | 112757        | .00    | 134173.67     | .00    | 19-           | 19-    |
| 23                            | 2012 SEWER REFUNDING      | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |
| 24                            | 82 SEWER REFINANCING      | 0             | .00    | 0                 | 0      | .00                    | .00       | 0             | .00    | 0             | .00    | 0             | .00    | 0             | 0      |

| FUND 515 SEWER CAPITALIZATION |         | DEPT/DIV 0000             |        | *****CURRENT***** |      | *****YEAR-TO-DATE***** |           | *****EXP***** |          | *****ENCUMBR.***** |            | *****UNENCUMB.***** |   |
|-------------------------------|---------|---------------------------|--------|-------------------|------|------------------------|-----------|---------------|----------|--------------------|------------|---------------------|---|
| BA                            | ELE OBJ | ACCOUNT                   | BUDGET | ACTUAL            | %EXP | BUDGET                 | ACTUAL    | %EXP          | ENCUMBR. | BUDGET             | BALANCE    | BUDGT               | % |
| SUB                           | SUB     | DESCRIPTION               |        |                   |      |                        |           |               |          |                    |            |                     |   |
| 47                            |         | DEBT SERVICE              |        |                   |      |                        |           |               |          |                    |            |                     |   |
| 472                           | 00      | INTEREST REDEMPTION       |        |                   |      |                        |           |               |          |                    |            |                     |   |
|                               | 25      | 84 SEWER ISSUE #15        | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 26      | 84 SEWER REFINANCING      | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 27      | 85 SEWER ISSUE            | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 32      | 1994 ISSUE                | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 35      | 2012 MI REFUNDING         | 1886   | .00               | 0    | 5658                   | 4124.72   | 73            | .00      | 22639              | 18514.28   | 18                  | 0 |
|                               | 42      | 2010F STATE WATER POLLUT  | 5164   | .00               | 0    | 15492                  | .00       | 0             | .00      | 61978              | 61978.00   | 0                   | 0 |
|                               | 60      | 2009 MEDIUM TERM          | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 71      | 94 STATE SEWER ISSUE      | 467    | .00               | 0    | 1401                   | .01       | 0             | .00      | 5610               | 5609.99    | 0                   | 0 |
|                               | 73      | 1995 Sewer                | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 74      | 1996 STATE SEWER ISSUE    | 859    | .00               | 0    | 2577                   | .00       | 0             | .00      | 10318              | 10318.00   | 0                   | 0 |
|                               | 77      | 1997B REFUNDING           | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 78      | 1997 ISSUE                | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 79      | 1998 STATE SEWER ISSUE    | 5324   | .00               | 0    | 15972                  | .02       | 0             | .00      | 63890              | 63889.98   | 0                   | 0 |
|                               | 80      | 1998 SEWER BONDS          | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 83      | 1999 SEWER BONDS          | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 85      | 00 STATE SEWER BONDS      | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 88      | 2002 SEWER BONDS          | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 89      | 2004 SEWER BONDS          | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 90      | 03 ST BK SEWER REF        | 1576   | .00               | 0    | 4728                   | 4041.67   | 86            | .00      | 18922              | 22963.67   | 21                  | - |
|                               | 91      | 03 STATE SEWER BONDS      | 263    | .00               | 0    | 789                    | 1583.33   | 201           | .00      | 3167               | 4750.33    | 50                  | - |
|                               | 96      | 2006 SEWER BONDS          | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 98      | 2010D SWR IMP & REFUNDING | 5005   | .00               | 0    | 15015                  | 11456.25  | 76            | .00      | 60066              | 71522.25   | 19                  | - |
|                               | 96      | 32 88 SEWER ISSUE         | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 33      | 89A GENERAL PURPOSE       | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 99      | 38 SEWER ASSESSMENT LOAN  | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 00      | *****                     | 55996  | .00               | 0    | 167988                 | 48481.50  | 29            | .00      | 672021             | 720502.50  | 7                   | - |
| 472                           | **      | INTEREST REDEMPTION       | 55996  | .00               | 0    | 167988                 | 48481.50  | 29            | .00      | 672021             | 720502.50  | 7                   | - |
| 475                           |         | FISCAL AGENT'S FEES       |        |                   |      |                        |           |               |          |                    |            |                     |   |
|                               | 26      | NON-OPERATING EXPENSE     | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 48      | 45 FISCAL CHARGES         | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 75      | LOSS ON DISPOSAL F.A.     | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
|                               | 85      | ARBITRAGE REBATE          | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
| 26                            | **      | NON-OPERATING EXPENSE     | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
| 475                           | **      | FISCAL AGENT'S FEES       | 0      | .00               | 0    | 0                      | .00       | 0             | .00      | 0                  | .00        | 0                   | 0 |
| 476                           |         | ISSUANCE COSTS            |        |                   |      |                        |           |               |          |                    |            |                     |   |
|                               | 26      | NON-OPERATING EXPENSE     | 15642  | .00               | 0    | 46926                  | .00       | 0             | .00      | 187706             | 187706.00  | 0                   | 0 |
|                               | 48      | 46 BOND ISSUANCE COSTS    | 15642  | .00               | 0    | 46926                  | .00       | 0             | .00      | 187706             | 187706.00  | 0                   | 0 |
| 26                            | **      | NON-OPERATING EXPENSE     | 15642  | .00               | 0    | 46926                  | .00       | 0             | .00      | 187706             | 187706.00  | 0                   | 0 |
| 476                           | **      | ISSUANCE COSTS            | 15642  | .00               | 0    | 46926                  | .00       | 0             | .00      | 187706             | 187706.00  | 0                   | 0 |
| 47                            | **      | DEBT SERVICE              | 271716 | .00               | 0    | 815148                 | 463207.04 | 57            | .00      | 3260721            | 2797513.96 | 14                  | - |





| FUND     | BA  | ELE | OBJ | SUB | ACCOUNT DESCRIPTION      | DEPT/DIV | CURRENT           | ACTUAL | %EXP   | BUDGET    | ACTUAL | %EXP | ENCUMBR. | ANNUAL BUDGET | UNENCUMB. BALANCE | % BDTG |
|----------|-----|-----|-----|-----|--------------------------|----------|-------------------|--------|--------|-----------|--------|------|----------|---------------|-------------------|--------|
| FUND 520 |     |     |     |     | WATER                    | 3502     | WATER/MAINTENANCE |        |        |           |        |      |          |               |                   |        |
| BA ELE   | OBJ |     |     |     | ACCOUNT DESCRIPTION      |          |                   |        |        |           |        |      |          |               |                   |        |
| 43       |     |     |     |     | PUBLIC WORKS             |          |                   |        |        |           |        |      |          |               |                   |        |
| 435      |     |     |     |     | WATER UTILITY            |          |                   |        |        |           |        |      |          |               |                   |        |
| 76       | 10  |     |     |     | FUEL TANK REPLACEMENT    | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | .00           | 0                 | 0      |
| 77       | 05  |     |     |     | VEHICLE REPLAC. PROGRAM  | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | .00           | 0                 | 0      |
| 15       |     |     |     |     | COMPUTER EQUIPMENT       | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | .00           | 0                 | 0      |
| 16       |     |     |     |     | UTILITY BILLING SYSTEM   | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | .00           | 0                 | 0      |
| 17       |     |     |     |     | RADIOS                   | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | .00           | 0                 | 0      |
| 25       |     |     |     |     | RADIO SYSTEM UPGRADE     | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | .00           | 0                 | 0      |
| 43       |     |     |     |     | FURNITURE AND FIXTURES   | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | .00           | 0                 | 0      |
| 2916     |     |     |     |     | RADIO REPLACEMENT        | 0        | .00               | 8748   | 0      | 0         | .00    | .00  | 0        | 35000         | 35000.00          | 0      |
| 13958    |     |     |     |     | EQUIPMENT                | 0        | .00               | 41874  | 0      | 0         | .00    | .00  | 39683.50 | 167500        | 127816.50         | 24     |
| 00       | **  |     |     |     |                          | 0        | .00               | 50622  | 0      | 0         | .00    | .00  | 39683.50 | 202500        | 162816.50         | 20     |
| 20       |     |     |     |     | SALARIES AND WAGES       |          |                   |        |        |           |        |      |          |               |                   |        |
| 01       | 02  |     |     |     | SALARIES                 | 105010   | 92085.83          | 88     | 315030 | 271421.49 | .00    | .00  | 86       | 1260131       | 988709.51         | 22     |
| 02       | 01  |     |     |     | HOURLY/SEASONAL          | 6250     | 15599.70          | 250    | 18750  | 16424.70  | .00    | .00  | 88       | 75000         | 1000.00           | 99     |
| 03       |     |     |     |     | ADMINISTRATIVE PAY       | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | 0             | .00               | 0      |
| 04       |     |     |     |     | SHIFT DIFFERENTIAL       | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | 0             | .00               | 0      |
| 06       |     |     |     |     | MANAGEMENT LEAVE PAY     | 0        | .00               | 0      | 0      | 503.81    | .00    | .00  | 0        | 503.81        | .00               | 0      |
| 07       |     |     |     |     | ANNUAL LEAVE PAYOFF      | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | 0             | .00               | 0      |
| 08       |     |     |     |     | SICK LEAVE PAYOFF        | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | 0             | .00               | 0      |
| 09       |     |     |     |     | WORKERS' COMPENSATORY LV | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | 0             | .00               | 0      |
| 11       |     |     |     |     | OVERTIME                 | 5278     | 2385.64           | 45     | 15834  | 6356.60   | .00    | .00  | 40       | 63342         | 56985.40          | 10     |
| 12       |     |     |     |     | CALL BACK PAY            | 2666     | 1451.88           | 55     | 7998   | 8040.60   | .00    | .00  | 101      | 32000         | 23959.40          | 25     |
| 13       |     |     |     |     | STAND-BY PAY             | 3500     | 3405.78           | 97     | 10500  | 9975.49   | .00    | .00  | 95       | 42000         | 32024.51          | 24     |
| 14       |     |     |     |     | F L S A                  | 0        | 25.07             | 0      | 0      | 124.10    | .00    | .00  | 0        | 0             | 124.10            | 0      |
| 16       |     |     |     |     | HOLIDAY PAY              | 85       | .00               | 0      | 255    | 226.43    | .00    | .00  | 89       | 1020          | 793.57            | 22     |
| 99       |     |     |     |     | GRANT ALLOCATION         | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | 0             | .00               | 0      |
| 20       | **  |     |     |     |                          | 122789   | 114953.90         | 94     | 368367 | 313073.22 | .00    | .00  | 85       | 1473493       | 1102844.48        | 25     |
| 21       |     |     |     |     | EMPLOYEE BENEFITS        |          |                   |        |        |           |        |      |          |               |                   |        |
| 02       | 20  |     |     |     | SOCIAL SECURITY          | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | 0             | .00               | 0      |
| 25       |     |     |     |     | MEDICARE                 | 1692     | 1353.95           | 80     | 5076   | 4074.31   | .00    | .00  | 80       | 20307         | 16232.69          | 20     |
| 30       |     |     |     |     | RETIREMENT               | 25995    | 21464.62          | 83     | 77985  | 63400.67  | .00    | .00  | 81       | 311949        | 248548.33         | 20     |
| 40       |     |     |     |     | GROUP INSURANCE          | 21411    | 21379.66          | 100    | 64233  | 52732.75  | .00    | .00  | 82       | 256932        | 204199.25         | 21     |
| 42       |     |     |     |     | DISABILITY INSURANCE     | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | 0             | .00               | 0      |
| 50       |     |     |     |     | WORKERS' COMPENSATION    | 1996     | 940.97            | 47     | 5988   | 3740.05   | .00    | .00  | 63       | 23963         | 20222.95          | 16     |
| 60       |     |     |     |     | EDUCATION INCENTIVE      | 41       | .00               | 0      | 123    | 485.00    | .00    | .00  | 394      | 500           | 15.00             | 97     |
| 65       |     |     |     |     | CLOTHING ALLOWANCE       | 666      | 1832.41           | 275    | 1998   | 3179.28   | .00    | .00  | 159      | 8000          | 4820.72           | 40     |
| 66       |     |     |     |     | FOOT WEATHER ALLOWANCE   | 246      | .00               | 0      | 738    | 150.00    | .00    | .00  | 0        | 2955          | 2955.00           | 0      |
| 68       |     |     |     |     | TOOL ALLOWANCE           | 95       | 75.00             | 79     | 285    | 1147      | .00    | .00  | 53       | 1147          | 997.00            | 13     |
| 70       |     |     |     |     | CAR ALLOWANCE            | 0        | .00               | 0      | 0      | 0         | .00    | .00  | 0        | 0             | .00               | 0      |
| 71       |     |     |     |     | PHONE ALLOWANCE          | 310      | 361.00            | 117    | 930    | 722.00    | .00    | .00  | 78       | 3724          | 3002.00           | 19     |
| 86       |     |     |     |     | OPEB COST                | 5416     | .00               | 0      | 16248  | 0         | .00    | .00  | 0        | 65000         | 65000.00          | 0      |
| 21       | **  |     |     |     |                          | 57868    | 47407.61          | 82     | 173604 | 128484.06 | .00    | .00  | 74       | 694477        | 565992.94         | 19     |
| 22       |     |     |     |     | SERVICE AND SUPPLIES     |          |                   |        |        |           |        |      |          |               |                   |        |
| 03       | 09  |     |     |     | PROFESSIONAL SERVICES    | 10416    | 3167.91           | 30     | 31248  | 6304.91   | .00    | .00  | 20       | 125000        | 84194.77          | 33     |

| FUND | BA | ELE | OBJ | SUB | DESCRIPTION                  | ACCOUNT | DEPT/DIV  |        | 3502 WATER/MAINTENANCE |           | *****CURRENT***** |      | *****YEAR-TO-DATE***** |        | ANNUAL BUDGET | ENCUMBR. | UNENCUMB. BALANCE | % BGD |  |  |
|------|----|-----|-----|-----|------------------------------|---------|-----------|--------|------------------------|-----------|-------------------|------|------------------------|--------|---------------|----------|-------------------|-------|--|--|
|      |    |     |     |     |                              |         | BUDGET    | ACTUAL | %EXP                   | BUDGET    | ACTUAL            | %EXP | BUDGET                 | ACTUAL |               |          |                   |       |  |  |
| 43   |    |     |     |     | PUBLIC WORKS                 |         |           |        |                        |           |                   |      |                        |        |               |          |                   |       |  |  |
| 435  |    |     |     |     | WATER UTILITY                |         |           |        |                        |           |                   |      |                        |        |               |          |                   |       |  |  |
|      |    |     |     |     | SERVICE AND SUPPLIES         |         |           |        |                        |           |                   |      |                        |        |               |          |                   |       |  |  |
|      |    |     |     |     | 12 AUDITING                  | 2000    | .00       | 0      | 6000                   | .00       | 0                 | .00  | .00                    | .00    | 24000         | .00      | 24000.00          | 0     |  |  |
|      |    |     |     |     | 30 TRAINING                  | 833     | 1420.00   | 171    | 2499                   | 1502.00   | 60                | .00  | .00                    | .00    | 10000         | .00      | 8498.00           | 15    |  |  |
|      |    |     |     |     | 45 DATA PROCESSING           | 666     | 6720.46   | 1009   | 1998                   | 6720.46   | 336               | .00  | .00                    | .00    | 8000          | .00      | 1279.54           | 84    |  |  |
|      |    |     |     |     | 49 CONTRACTUAL SERVICES      | 166     | .00       | 0      | 498                    | .00       | 0                 | .00  | .00                    | .00    | 2000          | .00      | 2000.00           | 0     |  |  |
|      |    |     |     |     | 56 PHYSICALS (EMPLOYEE)      | 0       | .00       | 0      | 0                      | .00       | 0                 | .00  | .00                    | .00    | 0             | .00      | .00               | 0     |  |  |
|      |    |     |     |     | 62 UNEMPLOYMENT COMPENSATION | 0       | .00       | 0      | 0                      | .00       | 0                 | .00  | .00                    | .00    | 0             | .00      | .00               | 0     |  |  |
|      |    |     |     |     | 72 U.S.G.S. STREAM MONITOR.  | 6250    | .00       | 0      | 18750                  | .00       | 0                 | .00  | .00                    | .00    | 75000         | .00      | 62987.50          | 16    |  |  |
|      |    |     |     |     | 04 24 LAUNDRY SERVICE        | 0       | .00       | 0      | 0                      | .00       | 0                 | .00  | .00                    | .00    | 0             | .00      | .00               | 0     |  |  |
|      |    |     |     |     | 30 EQUIPMENT REPAIR & MAINT. | 10000   | 13399.61  | 134    | 30000                  | 17178.50  | 57                | .00  | .00                    | .00    | 120000        | .00      | 40676.50          | 66    |  |  |
|      |    |     |     |     | 33 SOFTWARE MAINTENANCE      | 1000    | .00       | 0      | 3000                   | .00       | 0                 | .00  | .00                    | .00    | 12000         | .00      | 12000.00          | 0     |  |  |
|      |    |     |     |     | 34 BUILDING REPAIR & MAINT.  | 1000    | 811.08    | 81     | 3000                   | 938.43    | 31                | .00  | .00                    | .00    | 12000         | .00      | 11061.57          | 8     |  |  |
|      |    |     |     |     | 35 VEHICLE REPAIR & MAINT.   | 2083    | 10322.38  | 496    | 6249                   | 11754.06  | 188               | .00  | .00                    | .00    | 25000         | .00      | 13245.94          | 47    |  |  |
|      |    |     |     |     | 36 FACILITY REPAIR & MAINT.  | 6250    | 1726.63   | 28     | 18750                  | 1926.63   | 10                | .00  | .00                    | .00    | 75000         | .00      | 73073.37          | 3     |  |  |
|      |    |     |     |     | 44 OFFICE EQUIPMENT RENTAL   | 166     | 142.96    | 86     | 498                    | 304.50    | 61                | .00  | .00                    | .00    | 2000          | .00      | 1695.50           | 15    |  |  |
|      |    |     |     |     | 45 EQUIPMENT RENTAL          | 375     | .00       | 0      | 1125                   | .00       | 0                 | .00  | .00                    | .00    | 4500          | .00      | 4500.00           | 0     |  |  |
|      |    |     |     |     | 46 FIRE SUPPRESSION          | 3125    | .00       | 0      | 9375                   | .00       | 0                 | .00  | .00                    | .00    | 37500         | .00      | 7000.00           | 119   |  |  |
|      |    |     |     |     | 49 WATER METERS & SERVICES   | 14583   | 23706.19  | 163    | 43749                  | 23706.19  | 54                | .00  | .00                    | .00    | 175000        | .00      | 151293.81         | 14    |  |  |
|      |    |     |     |     | 50 WATER PURCHASE/LEASE PYMT | 0       | .00       | 0      | 0                      | .00       | 0                 | .00  | .00                    | .00    | 0             | .00      | .00               | 0     |  |  |
|      |    |     |     |     | 51 WATER PURCHASE - LYON CO  | 2083    | .00       | 0      | 6249                   | .00       | 0                 | .00  | .00                    | .00    | 25000         | .00      | 25000.00          | 0     |  |  |
|      |    |     |     |     | 52 WATER PURCH/ STATE- MTHLY | 12099   | 24198.00  | 200    | 36297                  | 24198.00  | 67                | .00  | .00                    | .00    | 145188        | .00      | 145188.00         | 100   |  |  |
|      |    |     |     |     | 53 WATER PURCH/STATE-USAGE   | 2083    | 59252.10  | 284    | 62499                  | 59252.10  | 95                | .00  | .00                    | .00    | 250000        | .00      | 190747.90         | 78    |  |  |
|      |    |     |     |     | 54 WATER PURCHASE DOUGLAS    | 25000   | .00       | 0      | 75000                  | .00       | 0                 | .00  | .00                    | .00    | 300000        | .00      | 300000.00         | 0     |  |  |
|      |    |     |     |     | 55 WATER- STATE PUMP SVC FEE | 35758   | 71517.30  | 200    | 107274                 | 71517.30  | 67                | .00  | .00                    | .00    | 429104        | .00      | 357586.70         | 84    |  |  |
|      |    |     |     |     | 56 WATER-STATE SYS WIDE IMPR | 15274   | 30547.92  | 200    | 45822                  | 30547.92  | 67                | .00  | .00                    | .00    | 183288        | .00      | 152740.08         | 84    |  |  |
|      |    |     |     |     | 65 WATER LINE REPAIR & MAINT | 18750   | 36019.99  | 192    | 56250                  | 43819.88  | 78                | .00  | .00                    | .00    | 225000        | .00      | 181142.49         | 82    |  |  |
|      |    |     |     |     | 66 TANK REPAIR & MAINTENANCE | 1666    | 223.54    | 13     | 4998                   | 223.54    | 5                 | .00  | .00                    | .00    | 20000         | .00      | 19776.46          | 1     |  |  |
|      |    |     |     |     | 67 TELEMETRY REPAIR & MAINT. | 4166    | 6785.02   | 163    | 12498                  | 23061.92  | 185               | .00  | .00                    | .00    | 50000         | .00      | 22690.08          | 55    |  |  |
|      |    |     |     |     | 88 TANK REMOVAL              | 0       | .00       | 0      | 0                      | .00       | 0                 | .00  | .00                    | .00    | 0             | .00      | .00               | 0     |  |  |
|      |    |     |     |     | 90 FEES AND PERMITS          | 4750    | 2360.00   | 50     | 14250                  | 4300.00   | 30                | .00  | .00                    | .00    | 57000         | .00      | 52700.00          | 8     |  |  |
|      |    |     |     |     | 05 13 CLAIM PAYMENTS         | 0       | .00       | 0      | 0                      | .00       | 0                 | .00  | .00                    | .00    | 0             | .00      | .00               | 0     |  |  |
|      |    |     |     |     | 42 PRINTING / ADVERTISING    | 1250    | 418.00    | 33     | 3750                   | 418.00    | 11                | .00  | .00                    | .00    | 15000         | .00      | 14582.00          | 3     |  |  |
|      |    |     |     |     | 45 MEMBERSHIP / PUBLICATIONS | 666     | 142.00    | 21     | 1998                   | 429.84    | 22                | .00  | .00                    | .00    | 8000          | .00      | 7570.16           | 5     |  |  |
|      |    |     |     |     | 80 TRAVEL                    | 833     | 501.50    | 60     | 2499                   | 1233.97   | 49                | .00  | .00                    | .00    | 10000         | .00      | 8766.03           | 12    |  |  |
|      |    |     |     |     | 82 MILEAGE                   | 0       | .00       | 0      | 0                      | .00       | 0                 | .00  | .00                    | .00    | 0             | .00      | .00               | 0     |  |  |
|      |    |     |     |     | 06 01 OFFICE SUPPLIES        | 250     | 688.41    | 275    | 750                    | 688.41    | 92                | .00  | .00                    | .00    | 3000          | .00      | 2311.59           | 23    |  |  |
|      |    |     |     |     | 02 POSTAGE / SHIPPING        | 4166    | 11004.81  | 264    | 12498                  | 12760.54  | 102               | .00  | .00                    | .00    | 50000         | .00      | 9181.85           | 82    |  |  |
|      |    |     |     |     | 25 OPERATING SUPPLIES        | 7500    | 9694.59   | 129    | 22500                  | 13840.76  | 62                | .00  | .00                    | .00    | 90000         | .00      | 74539.24          | 17    |  |  |
|      |    |     |     |     | 36 LABORATORY EXPENSE        | 10416   | 2965.00   | 29     | 31248                  | 5771.00   | 19                | .00  | .00                    | .00    | 125000        | .00      | 119204.00         | 5     |  |  |
|      |    |     |     |     | 37 CHEMICALS                 | 12500   | 21144.54  | 169    | 37500                  | 41553.47  | 111               | .00  | .00                    | .00    | 150000        | .00      | 8052.84           | 95    |  |  |
|      |    |     |     |     | 45 BOOKS / PERIODICALS       | 58      | .00       | 0      | 174                    | .00       | 0                 | .00  | .00                    | .00    | 700           | .00      | 700.00            | 0     |  |  |
|      |    |     |     |     | 60 VEHICLE FUEL/OIL          | 5833    | 5051.12   | 87     | 17499                  | 18774.94  | 107               | .00  | .00                    | .00    | 70000         | .00      | 51225.06          | 27    |  |  |
|      |    |     |     |     | 74 SMALL TOOLS / INSTRUMENTS | 166     | 246.13    | 148    | 498                    | 949.47    | 191               | .00  | .00                    | .00    | 2000          | .00      | 1050.53           | 48    |  |  |
|      |    |     |     |     | 75 SMALL FURNISHINGS         | 833     | .00       | 0      | 2499                   | 92.03     | 4                 | .00  | .00                    | .00    | 10000         | .00      | 9907.97           | 1     |  |  |
|      |    |     |     |     | 07 10 TELEPHONE              | 1250    | 1168.24   | 94     | 3750                   | 2905.50   | 78                | .00  | .00                    | .00    | 15000         | .00      | 11727.66          | 22    |  |  |
|      |    |     |     |     | 12 POWER                     | 8333    | 128396.21 | 154    | 249999                 | 153252.19 | 61                | .00  | .00                    | .00    | 1000000       | .00      | 846747.81         | 15    |  |  |
|      |    |     |     |     | 13 HEATING                   | 1083    | 114.56    | 11     | 3249                   | 242.10    | 8                 | .00  | .00                    | .00    | 13000         | .00      | 12757.90          | 2     |  |  |

| FUND | BA ELE OBJ | DESCRIPTION               | ACCOUNT | BUDGET                          | ACTUAL    | %EXP | BUDGET  | ACTUAL     | %EXP | ENCUMBR.   | ANNUAL BUDGET | UNENCUMB. BALANCE | % BGD |
|------|------------|---------------------------|---------|---------------------------------|-----------|------|---------|------------|------|------------|---------------|-------------------|-------|
|      |            |                           |         | DEPT/DIV 3502 WATER/MAINTENANCE |           |      |         |            |      |            |               |                   |       |
|      |            |                           |         | BUDGET                          | ACTUAL    | %EXP | BUDGET  | ACTUAL     | %EXP | ENCUMBR.   | ANNUAL BUDGET | UNENCUMB. BALANCE | % BGD |
| 43   |            | PUBLIC WORKS              |         |                                 |           |      |         |            |      |            |               |                   |       |
| 435  |            | WATER UTILITY             |         |                                 |           |      |         |            |      |            |               |                   |       |
|      | 22         | SERVICE AND SUPPLIES      |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      |            | 25 SEWER CHARGES          |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      |            | 26 WATER CHARGES          |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      |            | 27 STORM DRAIN CHARGE     |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 09         | ISC: GENERAL FUND         |         | 92950                           | 92950.00  | 100  | 278850  | 278850.00  | 100  | .00        | 1115404       | 836554.00         | 25    |
|      | 15         | ISC: INSURANCE            |         | 12375                           | 74250.00  | 600  | 37125   | 74250.00   | 200  | .00        | 148500        | 74250.00          | 50    |
|      | 20         | ISC: SEWER FUND(S)        |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 30         | DEV ENG SVCS              |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 40         | RIC                       |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 50         | FLEET MANAGEMENT          |         | 10457                           | 62744.00  | 600  | 31371   | 62744.00   | 200  | .00        | 125488        | 62744.00          | 50    |
|      | 55         | RADIOS                    |         | 1022                            | 6137.50   | 601  | 3066    | 6137.50    | 200  | .00        | 12275         | 6137.50           | 50    |
|      | 12         | 99 GRANT ALLOCATION       |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 14         | 38 MERIDIAN PROGRAM       |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 15         | 23 VOLTAIRE CANYON ROAD   |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 26         | QUILL RANCH ROAD          |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 28         | CITY LINE RD/HYDRANT      |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 31         | KINGS DIVERSION STRUCTURE |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 32         | VIGEE RECHARGE BASINS     |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 33         | SPRING COLL. SYSTEM       |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 34         | RIVER INFILTRATION WELL25 |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 35         | RIVER BANK STABILIZATION  |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 36         | foothill/Winnie 12" main  |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 37         | REPAIR AMBROSETTI POND    |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 38         | ASH CANYON CREEK ROAD     |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 39         | QUILL RNCH RES. RD/FENCE  |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 40         | METER/VALVE BOX CLEANING  |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 52         | RIVER WELL 25 ROAD        |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 24         | 05 LEAK DETECTION PROGRAM |         | 250                             | .00       | 0    | 750     | .00        | 0    | .00        | 3000          | 3000.00           | 0     |
|      | 06         | WATER MGMT PROGRAM DEV.   |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 07         | RECHARGE PROGRAM DEVELOP. |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 09         | MISC WATER CONTRACTS      |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 10         | WATER CONSORTIUM          |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 26         | CUSTOMER DEPOSIT INTEREST |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 28         | UNEMPLOY. COMP. REIMB.    |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 30         | REFUNDS & REIMBURSEMENTS  |         | 833                             | .00       | 0    | 2499    | .00        | 0    | .00        | 10000         | 10000.00          | 0     |
|      | 32         | INVESTMENT MANAGEMENT FEE |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 35         | AERIAL MAP COSTS          |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 36         | WELLHEAD PROT. PRG: TO 31 |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 49         | BAD DEBT EXPENSE          |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 50         | CASH SHORT/OVER           |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |
|      | 22         | ** SERVICE AND SUPPLIES   |         | 447316                          | 709937.70 | 159  | 1341948 | 1002150.06 | 75   | 1109971.27 | 5367947       | 3255825.67        | 39    |
|      | 24         | DEPRECIATION EXPENSE      |         | 250000                          | .00       | 0    | 750000  | .00        | 0    | .00        | 3000000       | 3000000.00        | 0     |
|      | 44         | DEPRECIATION EXPENSE      |         | 250000                          | .00       | 0    | 750000  | .00        | 0    | .00        | 3000000       | 3000000.00        | 0     |
|      | 24         | ** DEPRECIATION EXPENSE   |         | 250000                          | .00       | 0    | 750000  | .00        | 0    | .00        | 3000000       | 3000000.00        | 0     |
|      | 30         | CAPITAL OUTLAY            |         | 0                               | .00       | 0    | 0       | .00        | 0    | .00        | 0             | .00               | 0     |









| FUND                                 | BA | EL | ORJ | SUB | DESCRIPTION                 | BUDGET | ACTUAL  | %EXP | BUDGET | ACTUAL   | %EXP | ENCUMBR. | ANNUAL BUDGET | UNENCUMB. BALANCE | % BDGT |
|--------------------------------------|----|----|-----|-----|-----------------------------|--------|---------|------|--------|----------|------|----------|---------------|-------------------|--------|
| DEPT/DIV 3505 WATER/CAPITAL PROJECTS |    |    |     |     |                             |        |         |      |        |          |      |          |               |                   |        |
| 43                                   |    |    |     |     | PUBLIC WORKS                |        |         |      |        |          |      |          |               |                   |        |
| 435                                  |    |    |     |     | WATER UTILITY               |        |         |      |        |          |      |          |               |                   |        |
| 00                                   |    |    |     |     | *****CURRENT*****           |        |         |      |        |          |      |          |               |                   |        |
|                                      |    |    |     |     | *****YEAR-TO-DATE*****      |        |         |      |        |          |      |          |               |                   |        |
|                                      |    |    |     |     | *****EXP*****               |        |         |      |        |          |      |          |               |                   |        |
|                                      |    |    |     |     | *****EXP*****               |        |         |      |        |          |      |          |               |                   |        |
| 55                                   |    |    |     |     | DAYTON VALLEY WELL(S)       | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 56                                   |    |    |     |     | CARSON VALLEY WELL(S)       | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 57                                   |    |    |     |     | PRODUCTION WELLS            | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 58                                   |    |    |     |     | ROOF ST. WATERLINE REPL     | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 59                                   |    |    |     |     | MONITORING WELLS            | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 60                                   |    |    |     |     | HWY 50 E TANK & PIPELINE    | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 61                                   |    |    |     |     | PRISON HILL STORAGE TANK    | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 62                                   |    |    |     |     | QUILL TRANSFER ST. UPGRAD   | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 63                                   |    |    |     |     | CARSON OBSERVATION WELL     | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 64                                   |    |    |     |     | SELEGAR SCHOOL RCW          | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 65                                   |    |    |     |     | QUILL RESERVOIR             | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 66                                   |    |    |     |     | ROOF RECLAIMED WTR LINE     | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 67                                   |    |    |     |     | GOVNSR PARK PROJECT         | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 68                                   |    |    |     |     | LANDSCAPING WELLS           | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 69                                   |    |    |     |     | WELL #13 REPLACEMENT        | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 70                                   |    |    |     |     | SDWA REQ (ARSENIC)          | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 71                                   |    |    |     |     | WNCG INFRASTRUCTURE & IMP   | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 72                                   |    |    |     |     | FAIRVIEW WTR REPL.          | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 73                                   |    |    |     |     | NDOT 50W SD UTILITY RELOC   | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 74                                   |    |    |     |     | COSTCO CONNECTION           | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 75                                   |    |    |     |     | WATER MSTR. PLAN UPDATE     | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 76                                   |    |    |     |     | URANIUM REMEDIATION         | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 77                                   |    |    |     |     | PRISON HILL TANK POWER      | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 80                                   |    |    |     |     | ARRA / WELL # 4 PROJECT     | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 81                                   |    |    |     |     | ARRA / WELL # 24 UPGRADE    | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 82                                   |    |    |     |     | ARRA / E 5TH TRANS WTR MN   | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 83                                   |    |    |     |     | ARRA WELL #41 PROJECT       | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 84                                   |    |    |     |     | WELL #50-H20 LINE PROJECT   | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 90                                   |    |    |     |     | EAGLE VALLEY WELL SILOAK    | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 91                                   |    |    |     |     | GONI BOOSTER                | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 92                                   |    |    |     |     | VOLTAIRE ZONE               | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 93                                   |    |    |     |     | NDOT BYPASS NON-REIMBURSE   | 0      | 4277.34 | 0    | 0      | 4277.34  | 0    | .00      | 0             | 4277.34-          | 0      |
| 94                                   |    |    |     |     | NDOT BYPASS REIMBURSEIBLE   | 0      | 5139.96 | 0    | 0      | 5139.96  | 0    | .00      | 0             | 5139.96-          | 0      |
| 95                                   |    |    |     |     | CITY-STATE MAILLINE PROJ.   | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 96                                   |    |    |     |     | CENETERY PROJECT            | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 97                                   |    |    |     |     | STEWART ST EXT - NORTH      | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 98                                   |    |    |     |     | EAGLE VALLEY PROD. SOURCE   | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 99                                   |    |    |     |     | UPSTREAM MITIGATION         | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 79                                   |    |    |     |     | 04 ORMSBY WATER TANK PROJ   | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 00                                   |    |    |     |     | *****EXP*****               | 8333   | 9417.30 | 113  | 24999  | 33453.39 | 134  | 7833.60  | 100000        | 58713.01          | 41     |
| 22                                   |    |    |     |     | SERVICE AND SUPPLIES        |        |         |      |        |          |      |          |               |                   |        |
| 09                                   |    |    |     |     | 01 ISC: GENERAL FUND        | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 24                                   |    |    |     |     | 30 REFUNDS & REIMBURSEMENTS | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 51                                   |    |    |     |     | ENV FEES / PERMITS          | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |
| 22                                   |    |    |     |     | ** SERVICE AND SUPPLIES     | 0      | .00     | 0    | 0      | .00      | 0    | .00      | 0             | .00               | 0      |



| FUND 520 WATER |     | DEPT/DIV 3505 WATER/CAPITAL PROJECTS |                           | *****CURRENT***** |        | *****YEAR-TO-DATE***** |        | *****EXP***** |      | *****UNENCUMB.***** |               |                   |        |
|----------------|-----|--------------------------------------|---------------------------|-------------------|--------|------------------------|--------|---------------|------|---------------------|---------------|-------------------|--------|
| BA             | ELE | OBJ                                  | ACCOUNT                   | BUDGET            | ACTUAL | %EXP                   | BUDGET | ACTUAL        | %EXP | ENCUMBR.            | ANNUAL BUDGET | UNENCUMB. BALANCE | % BDTG |
| SUB            | SUB | SUB                                  | DESCRIPTION               | BUDGET            | ACTUAL | %EXP                   | BUDGET | ACTUAL        | %EXP | ENCUMBR.            | BUDGET        | BALANCE           | BDGT   |
| 47             |     |                                      | DEBT SERVICE              |                   |        |                        |        |               |      |                     |               |                   |        |
| 471            | 00  |                                      | PRINCIPAL REDEMPTION      |                   |        |                        |        |               |      |                     |               |                   |        |
|                |     | 92                                   | 03 ST BK WTR REF          | 12500             | 0      | 0                      | 37500  | .00           | 0    | .00                 | 150000        | 150000.00         | 0      |
|                |     | 93                                   | 03 WTR PROJ REF           | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 94                                   | 03 STATE WATER BONDS      | 23333             | 0      | 0                      | 69999  | .00           | 0    | .00                 | 280000        | 280000.00         | 0      |
|                |     | 95                                   | 2007 WATER BONDS          | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 97                                   | 2007 REFUNDING BONDS      | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 99                                   | 2009 WATER BONDS          | 15315             | 0      | 0                      | 45945  | .00           | 0    | .00                 | 183784        | 91892.10          | 50     |
|                |     | 86                                   | 33 89A GENERAL PURPOSE    | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | 91892.10          | 0      |
|                |     | 00                                   | *****                     | 254389            | 0      | 0                      | 763167 | .00           | 12   | .00                 | 3052684       | 2960792.10        | 3      |
| 471            | **  | **                                   | PRINCIPAL REDEMPTION      | 254389            | 0      | 0                      | 763167 | .00           | 12   | .00                 | 3052684       | 2960792.10        | 3      |
| 472            |     |                                      | INTEREST REDEMPTION       |                   |        |                        |        |               |      |                     |               |                   |        |
|                |     | 93                                   | 16 2013 WATER BONDS       | 12337             | 0      | 0                      | 37011  | .00           | 0    | .00                 | 148044        | 148044.00         | 0      |
|                |     | 39                                   | 2012 WATER REFUNDING      | 36674             | 0      | 0                      | 110022 | .00           | 67-  | .00                 | 440099        | 513532.33         | 17-    |
|                |     | 40                                   | 2010A WTR IMPROVEMENT     | 56071             | 0      | 0                      | 168213 | .00           | 67-  | .00                 | 672862        | 785005.67         | 17-    |
|                |     | 41                                   | 2010E SDWRF               | 44580             | 0      | 0                      | 133740 | .00           | 0    | .00                 | 534966        | 534966.00         | 0      |
|                |     | 44                                   | 2012 WATER BONDS          | 10480             | 0      | 0                      | 31440  | .00           | 75-  | .00                 | 125766        | 149416.00         | 19-    |
|                |     | 60                                   | 2009 MEDIUM TERM          | 16689             | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 61                                   | 2010B WTR IMP & REFUNDING | 0                 | 0      | 0                      | 50067  | .00           | 76-  | .00                 | 200274        | 238158.38         | 19-    |
|                |     | 62                                   | 2010 RTC BONDS            | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 63                                   | 2010 VARIOUS REF (1998B)  | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 64                                   | 2010 VARIOUS REF (1999A)  | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 65                                   | 2010 VARIOUS REF -SR CTR  | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 66                                   | 2010 PARK REFUNDING       | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 67                                   | 2013 CAPITAL PROJECTS MT  | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 68                                   | 90 WATER RIGHTS ISSUE     | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 69                                   | 91 WATER ISSUE            | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 70                                   | '95 WATER ISSUE           | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 71                                   | 94 STATE SEWER ISSUE      | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 72                                   | 93 REFUNDING INTEREST     | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 75                                   | 1997A REFUNDING           | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 76                                   | 1997 WATER BONDS          | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 81                                   | 1998 WATER BONDS          | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 82                                   | 1999 WATER BONDS          | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 84                                   | 2000 WATER BONDS          | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 86                                   | 2002 WATER BONDS          | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 87                                   | 2005 WATER BONDS          | 20618             | 0      | 0                      | 61854  | .00           | 34-  | .00                 | 247419        | 268256.92         | 8-     |
|                |     | 92                                   | 03 ST BK WTR REF          | 1528              | 0      | 0                      | 4584   | .00           | 85-  | .00                 | 18338         | 22254.67          | 21-    |
|                |     | 93                                   | 03 WTR PROJ REF           | 388               | 0      | 0                      | 1164   | .00           | 201- | .00                 | 4667          | 7000.33           | 50-    |
|                |     | 94                                   | 03 STATE WATER BONDS      | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 95                                   | 2007 WATER BONDS          | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 97                                   | 2007 REFUNDING BONDS      | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 99                                   | 2009 WATER BONDS          | 0                 | 0      | 0                      | 0      | .00           | 0    | .00                 | 0             | .00               | 0      |
|                |     | 86                                   | 33 89A GENERAL PURPOSE    | 199365            | 0      | 0                      | 598095 | .00           | 46-  | .00                 | 2392435       | 2666634.30        | 12-    |
| 00             | **  | **                                   | *****                     | 199365            | 0      | 0                      | 598095 | .00           | 46-  | .00                 | 2392435       | 2666634.30        | 12-    |