

City Council Meeting, May 7, 2012

# **City of Newport, OR**

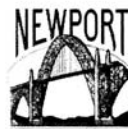
## **Proposed Utility Rate Adjustment**

TIMOTHY GROSS, DIRECTOR OF PUBLIC WORKS/CITY ENGINEER  
CITY OF NEWPORT



City of Newport  
169 S.W. Coast Hwy  
NEWPORT OR 97365  
Phone: (541) 574-0611  
Fax: (541) 574-3355

**Cycle 2 Utilities Invoice**



Account #: 270 013081 114  
Service Address: 111 SE BENTON ST

Billing Date: 26-Mar-2012 Bill From: 01-Mar-2012  
Invoice #: 0000065156 Bill To: 31-Mar-2012

**Due Date : 16-Apr-12**



Make Check Payable to  
City of Newport

Enter Amount Enclosed



Account Balance \$ 67.70

Amount Due \$ 67.70

Please detach and return top portion with payment. Retain bottom portion for your records.

Account #: 270 013081 114  
Service Address: 111 SE BENTON ST

Billing Date: 26-Mar-2012 Bill From: 01-Mar-2012  
Invoice #: 0000065156 Bill To: 31-Mar-2012

**Account Details From: 26-Mar-2012**

| Code                             | Description   | Date     | Units                            | Amount |
|----------------------------------|---|----------|----------------------------------|--------|
| Last Payment Made on 12-Mar-2012 |   |          |                                  | -74.70 |
| IFI IF10                         | INFRASTRUCTURE FEE 3/4" METER                                   | 03/26/12 | 1.00                             | 5.65   |
| WA R110                          | Water Single Family Res. Inside 3/4                             | 03/26/12 | 1.00                             | 24.70  |
| 82579339                         | 03/06/12 Current Reading: 119.00 02/10/12 Prev. Reading: 114.00 |          | Consumption: 5.00 Thousands of G |        |
| SE SR11                          | Sewer Single Family Res. Inside                                 | 03/26/12 | 1.00                             | 22.00  |
| SE SER1                          | BASE RATE RESIDENTIAL INSIDE CITY                               | 03/26/12 | 1.00                             | 15.35  |
| Charges Due                      |   |          |                                  | 67.70  |

**IMPORTANT NOTES**

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----- CONTACT INFORMATION-----  
IF YOU QUESTION THIS BILL BALANCE PLEASE CALL KATHY AT 541-574-0617.  
FOR ALL OTHER ACCOUNT INQUIRIES CALL KAY AT 541-574-0611.  
FOR EMERGENCY AFTER HOUR WATER PROBLEMS CALL 541-265-4231.

Account Balance \$ 67.70

Amount Due \$ 67.70

**Due Date : 16-Apr-12**  
Account #: 270 013081 114

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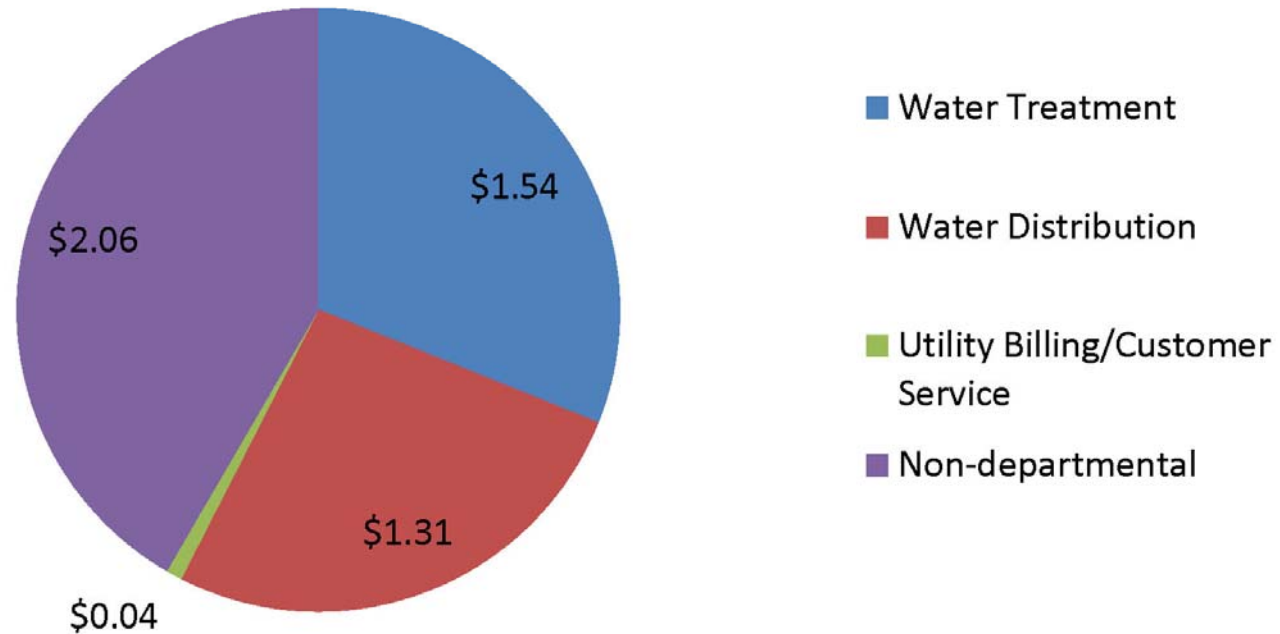
GROSS, TIM & JANA  
111 SE BENTON ST  
NEWPORT OR 97365

## Typical Single Family Home Water Bill (3/4" meter):

2 adults, 2 children (ages 11 & 9), 1 dog, 1 cat.

- Infrastructure Fee: **\$5.65**
- Standard Water Charge including 1<sup>st</sup> 1000 gallons of water: **\$14.30**
- Water cost per each additional 1000 gallons: \$2.60/gallon x 4000 gallons = **\$10.40**
- Standard Sewer Charge: **\$15.35**
- Sewer cost per 1000 gallons of water used: \$4.40 x 5000 gallons = **\$22.00**
- Total Utility Bill = **\$67.70**
- User cost per 1000 gallons water = **\$4.94**
- User cost per 1000 gallons sewer = **\$7.47**

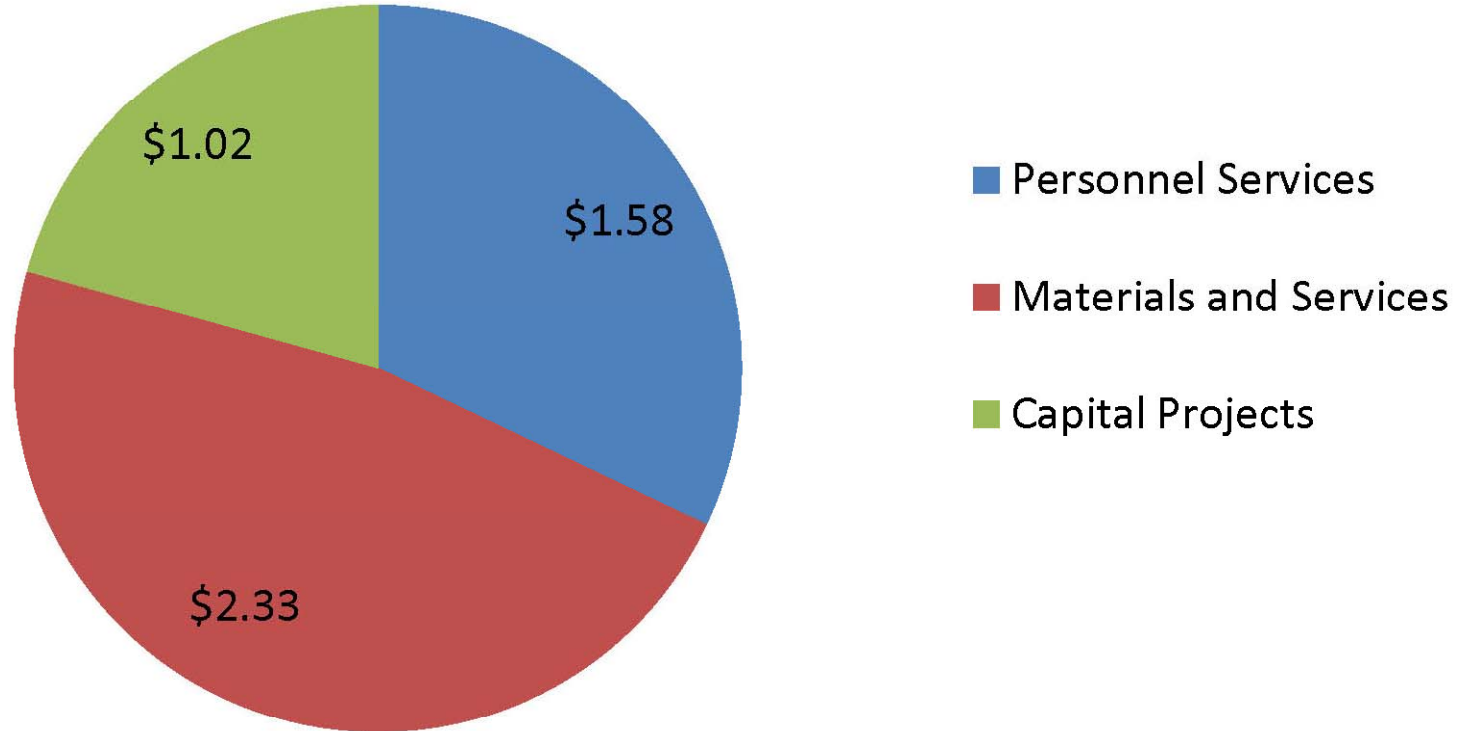
## Cost Center Expenditures per unit (1000 gal) of Water (\$4.94)



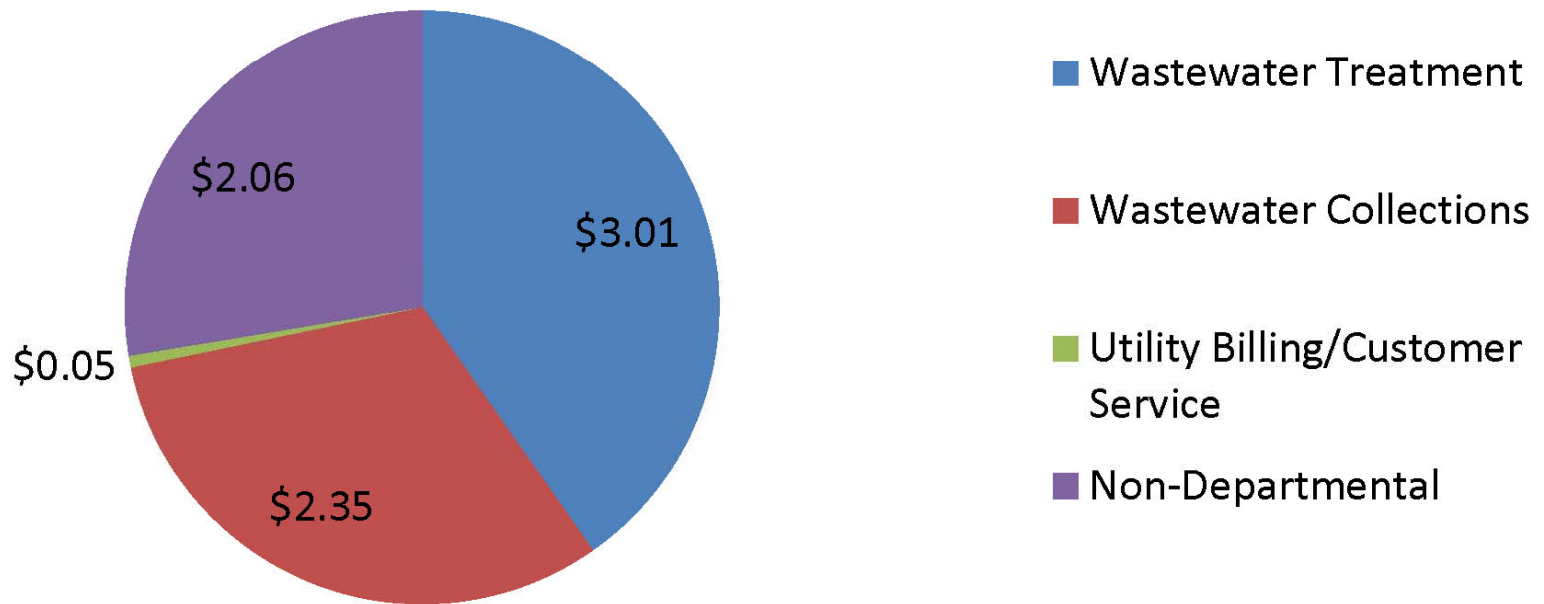
Non-departmental includes:

- costs for debt service (Seal Rock Water District acquisition),
- services provided to General Fund (PW Admin, Engineering & other),
- Taxes, Fees, Purchased Water, Etc.

## Cost Center Expenditure Detail per unit (1000 gal) of Water (\$4.94)



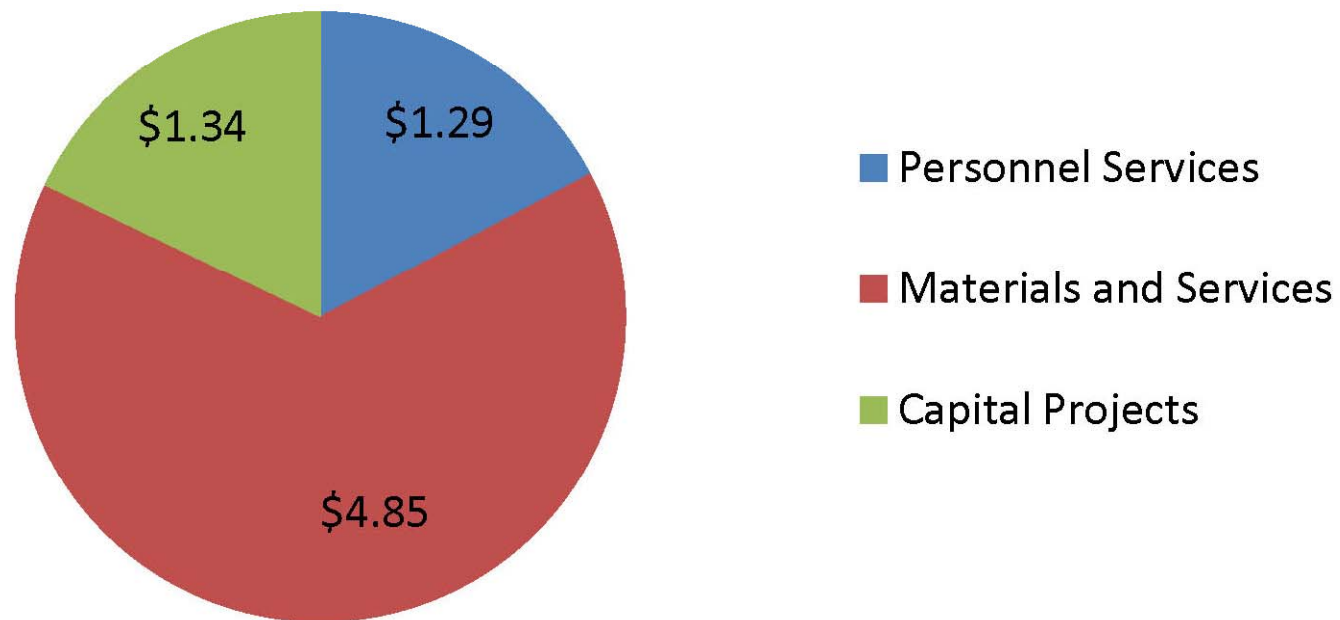
## Cost Center Expenditures per unit (1000 gal) of Wastewater (\$7.47)



Non-departmental includes:

- costs for debt service (Wastewater Treatment Plant),
- services provided to General Fund (PW Admin, Engineering & other), Airport (Solids Disposal), Streets & Water
- Taxes, Fees, Purchased Water, Etc.

## Cost Center Expenditure Detail per unit (1000 gal) of Wastewater (\$7.47)



### Infrastructure Fee: \$5.65

- Revenue Collected from the Infrastructure Fee yield approx. \$410,000/year
- This fee has been deposited into the Wastewater Fund since its inception.
- In fiscal year 2011/2012, \$540,000 was transferred to the Capital Projects Fund from the Wastewater Fund for wastewater projects
- The last project to be funded through the Infrastructure Fee was the Elizabeth Street Sewer Project in 2009.
- There is a Infrastructure Fee balance within the Wastewater Fund that will be transferred to the Water Fund as part of this years CIP to pay for the Agate Beach Water Tank

**On a yearly basis outside of this fee, there is only a very narrow operating margin between utility revenues and expenditures available for Capital Improvements: approx. \$330-350K.**

# Capital Projects Identified within the 2008 Water System Masterplan and identified by PW personnel as immediate needs

| Masterplan<br>Project Number | Water Project   | Estimated Cost (2008) | Estimated Cost (2012) | Estimated Cost (2013) | Estimated Cost (2014) | Estimated Cost (2015) | Estimated Cost (2016) | Estimated Cost (2017) |
|------------------------------|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| D14                          | Fixed Base Meter System                                   | \$1,461,240           | \$1,676,807           | \$1,735,495           | \$1,796,237           | \$1,859,105           | \$1,924,174           | \$1,991,520           |
| T3                           | Upper Reservoir Intake Siphon                             | \$612,540             | \$702,904             | \$727,505             | \$752,968             | \$779,322             | \$806,598             | \$834,829             |
| P2                           | Lakewood Hills Pump Station, replace w/energy efficient   | \$187,450             | \$215,103             | \$222,632             | \$230,424             | \$238,489             | \$246,836             | \$255,475             |
| P1                           | Candletree Pump Sta. resize for demand and efficiency     | \$206,640             | \$237,124             | \$245,423             | \$254,013             | \$262,904             | \$272,105             | \$281,629             |
| T2                           | Siletz River Pump Station Upgrade                         | \$642,060             | \$736,779             | \$762,566             | \$789,256             | \$816,880             | \$845,470             | \$875,062             |
| D2                           | 12" Redundant Bay Crossing - Idaho Point                  | \$2,333,560           | \$2,677,814           | \$2,771,537           | \$2,868,541           | \$2,968,940           | \$3,072,853           | \$3,180,403           |
| D12                          | Idaho Pt. waterline replacement and looping               | \$574,315             | \$659,040             | \$682,106             | \$705,980             | \$730,689             | \$756,263             | \$782,732             |
| D3                           | Hwy 101 NE 36th-NE 40th 12" transmission line             | \$228,780             | \$262,530             | \$271,719             | \$281,229             | \$291,072             | \$301,260             | \$311,804             |
| D5                           | NE 40th/Golf Course Dr, waterline replacement             | \$389,670             | \$447,155             | \$462,806             | \$479,004             | \$495,769             | \$513,121             | \$531,080             |
| D6                           | NE Crestview Place to 17th Ct. Loop                       | \$132,840             | \$152,437             | \$157,772             | \$163,294             | \$169,010             | \$174,925             | \$181,047             |
| D8                           | NW 19th (Nye to 101)-NW Nye: upsize for better fire flows | \$153,510             | \$176,156             | \$182,322             | \$188,703             | \$195,308             | \$202,143             | \$209,218             |
| D9                           | NW Oceanview (12th to 14th) waterline replacement         | \$196,160             | \$225,098             | \$232,977             | \$241,131             | \$249,570             | \$258,305             | \$267,346             |
| D11                          | SW Coho Street (27th to 29th) Waterline Replacement       | \$106,270             | \$121,947             | \$126,215             | \$130,633             | \$135,205             | \$139,937             | \$144,835             |
| D15                          | NE 5th/Benton to Eads: Upsize and for better looping      | \$107,600             | \$123,473             | \$127,795             | \$132,268             | \$136,897             | \$141,689             | \$146,648             |
| D13                          | East Newport Waterline Extensions                         | \$2,096,510           | \$2,405,793           | \$2,489,996           | \$2,577,146           | \$2,667,346           | \$2,760,703           | \$2,857,328           |
| D4                           | Hwy 101 NE 40th-NE 54th, 12" transmission line            | \$509,220             | \$584,342             | \$604,794             | \$625,961             | \$647,870             | \$670,545             | \$694,015             |
| S2                           | Agate Beach Upper Storage Tank (1.0 MG)                   | \$1,740,470           | \$1,997,229           | \$2,067,132           | \$2,139,482           | \$2,214,364           | \$2,291,867           | \$2,372,082           |
| S3                           | City Shops Tank Replacement (1.0 MG)                      | \$1,657,090           | \$1,901,549           | \$1,968,103           | \$2,036,987           | \$2,108,281           | \$2,182,071           | \$2,258,444           |
| S4                           | Kings Ridge Storage Tank (1.0MG)                          | \$2,533,740           | \$2,907,525           | \$3,009,288           | \$3,114,613           | \$3,223,625           | \$3,336,452           | \$3,453,228           |
|                              | SE 62nd to airport, 12" waterline                         |                       | \$2,500,000           | \$2,587,500           | \$2,678,063           | \$2,771,795           | \$2,868,808           | \$2,969,216           |
|                              | Yaquina Hts Tank interior recoating & handrails           |                       | \$350,000             | \$362,250             | \$374,929             | \$388,051             | \$401,633             | \$415,690             |
|                              | Additional GAC Tank at WTF                                |                       | \$200,000             | \$207,000             | \$214,245             | \$221,744             | \$229,505             | \$237,537             |
|                              | Old WTF Demolition/Construction of Storage Garage         |                       | \$110,000             | \$113,850             | \$117,835             | \$121,959             | \$126,228             | \$130,645             |
|                              | Emergency Generator at WTF                                |                       | \$300,000             | \$310,500             | \$321,368             | \$332,615             | \$344,257             | \$356,306             |
|                              | Pave Parking Lot at WTF                                   |                       | \$60,000              | \$62,100              | \$64,274              | \$66,523              | \$68,851              | \$71,261              |
|                              | GAC and Floc Tank Automatic Flushing System at WTF        |                       | \$100,000             | \$103,500             | \$107,123             | \$110,872             | \$114,752             | \$118,769             |
|                              | Raw Water Storage Improvements                            |                       | \$3,500,000           | \$3,622,500           | \$3,749,288           | \$3,880,513           | \$4,016,331           | \$4,156,902           |
|                              | Underbay Flowmeters                                       |                       | \$100,000             | \$103,500             | \$107,123             | \$110,872             | \$114,752             | \$118,769             |
|                              |   |                       | <b>\$25,430,806</b>   | <b>\$26,320,884</b>   | <b>\$27,242,115</b>   | <b>\$28,195,589</b>   | <b>\$29,182,434</b>   | <b>\$30,203,820</b>   |



## Capital Projects identified within the 2011 Water System SCADA Masterplan (Supervisory Control And Data Acquisition)

| Water SCADA Project                                      | Estimated<br>Cost<br>(2012) | Estimated<br>Cost<br>(2013) | Estimated<br>Cost<br>(2014) | Estimated<br>Cost<br>(2015) | Estimated<br>Cost<br>(2016) | Estimated<br>Cost<br>(2017) |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Lakewood Pump Station & Pressure Tank                    | \$17,160                    | \$17,761                    | \$18,382                    | \$19,026                    | \$19,691                    | \$20,381                    |
| Northwest 54th St. Pump Station & PRV                    | \$20,240                    | \$20,948                    | \$21,682                    | \$22,440                    | \$23,226                    | \$24,039                    |
| Southeast 40th St. Pump Station                          | \$23,594                    | \$24,420                    | \$25,274                    | \$26,159                    | \$27,075                    | \$28,022                    |
| Salmon Run Pump Station                                  | \$17,160                    | \$17,761                    | \$18,382                    | \$19,026                    | \$19,691                    | \$20,381                    |
| Yaquina Heights Pump Station & Storage Tank              | \$28,910                    | \$29,922                    | \$30,969                    | \$32,053                    | \$33,175                    | \$34,336                    |
| Candletree Pump Station (Fiber Option)                   | \$26,362                    | \$27,285                    | \$28,240                    | \$29,228                    | \$30,251                    | \$31,310                    |
| Siletz River Pump Station (Intake Site)                  | \$21,270                    | \$22,014                    | \$22,785                    | \$23,582                    | \$24,408                    | \$25,262                    |
| Smith Storage Tank                                       | \$15,740                    | \$16,291                    | \$16,861                    | \$17,451                    | \$18,062                    | \$18,694                    |
| South Beach Storage Tank/Wastewater Treatment Plant Site | \$10,820                    | \$11,199                    | \$11,591                    | \$11,996                    | \$12,416                    | \$12,851                    |
| Main Reservoir Storage Tanks                             | \$32,280                    | \$33,410                    | \$34,579                    | \$35,789                    | \$37,042                    | \$38,339                    |
| Big Creek Treatment Plant                                | \$0                         | \$0                         | \$0                         | \$0                         | \$0                         | \$0                         |
| OSU Drive PRV Station                                    | \$26,190                    | \$27,107                    | \$28,055                    | \$29,037                    | \$30,054                    | \$31,106                    |
| Upper & Lower Raw Water Reservoirs (Big Creek)           | \$0                         | \$0                         | \$0                         | \$0                         | \$0                         | \$0                         |
| City Hall/Historian                                      | \$0                         | \$0                         | \$0                         | \$0                         | \$0                         | \$0                         |
| City Shops/Communication                                 | \$9,840                     | \$10,184                    | \$10,541                    | \$10,910                    | \$11,292                    | \$11,687                    |
| Lower Agate Beach Storage Tank                           | \$96,920                    | \$100,312                   | \$103,823                   | \$107,457                   | \$111,218                   | \$115,111                   |
|  | <b>\$346,486</b>            | <b>\$358,613</b>            | <b>\$371,164</b>            | <b>\$384,155</b>            | <b>\$397,601</b>            | <b>\$411,517</b>            |

## Capital Projects identified within the 2011 Agate Beach Wastewater System Plan to address sanitary sewer overflows (SSO)

| Wastewater Project   | Estimated<br>Cost (2012) | Estimated<br>Cost (2013) | Estimated<br>Cost (2014) | Estimated<br>Cost (2015) | Estimated<br>Cost (2016) |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Big Creek Wastewater Lift Station Force Main Replacement     | \$730,000                | \$755,550                | \$781,994                | \$809,364                | \$837,692                |
| Gravity Sanitary Sewer Upgrade - Big Creek LS to Hwy 101     | \$210,000                | \$217,350                | \$224,957                | \$232,831                | \$240,980                |
| Schooner Creek Wastewater Lift Station Forcemain Replacement | \$610,000                | \$631,350                | \$653,447                | \$676,318                | \$699,989                |
| Big Creek Wastewater Lift Station Replacement                | \$1,210,000              | \$1,252,350              | \$1,296,182              | \$1,341,549              | \$1,388,503              |
| Gravity Sanitary Sewer Upgrade - NW 48th to NE 31st Street   | \$500,000                | \$517,500                | \$535,613                | \$554,359                | \$573,762                |
| NW 48th Wastewater Lift Station Replacement                  | \$550,000                | \$569,250                | \$589,174                | \$609,795                | \$631,138                |
| Schooner Creek Wastewater Lift Station Replacement           | \$770,000                | \$796,950                | \$824,843                | \$853,713                | \$883,593                |
|  | <b>\$4,580,000</b>       | <b>\$4,740,300</b>       | <b>\$4,906,211</b>       | <b>\$5,077,928</b>       | <b>\$5,255,655</b>       |

# Draft 5 year Capital Improvement Plan (CIP) – Page 1 of 2

| Project No. | Project Name  | D | e | s | i | g | n | C | o | n | s | t | r | u | c | t | i | o | n | Estimated Project Cost | 2011-2012 Beginning Fund Balance | 2012-13     | WATER CAPITAL PROJECTS 3330 | WASTEWATER CAPITAL PROJECTS 3330 | STORMWATER CAPITAL PROJECTS |           |
|-------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|------------------------|----------------------------------|-------------|-----------------------------|----------------------------------|-----------------------------|-----------|
|             |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  |             |                             |                                  |                             |           |
| 2012-13     | Storm Sewer Collection System Replacement Program             | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$100,000   |                             |                                  | \$100,000                   |           |
|             | SE Fogarty to John Moore Drive Outfall (Embarcadero)          | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$600,000   |                             |                                  | \$600,000                   |           |
|             | NE 8th to Hwy 101 Storm Sewer Realignment                     | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$100,000   |                             |                                  | \$100,000                   |           |
|             | Fiber Build to ONP and South Beach Fire Station (SCADA)       | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$64,000    | \$16,000                    | \$16,000                         |                             |           |
|             | Fiber build from NFD to WTP (SCADA)                           | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$84,000    | \$42,000                    | \$42,000                         |                             |           |
|             | OSU Drive and South Beach Storage Tank (Water System SCADA)   | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$37,010    | \$37,010                    |                                  |                             |           |
|             | Big Creek Wastewater Lift Station Force Main Replacement      | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$730,000   | \$108,553                   |                                  | \$621,447                   |           |
|             | Gravity Sanitary Sewer Upgrade- Big Creek LS to Hwy 101       | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$42,000    |                             |                                  | \$42,000                    |           |
|             | Schooner Creek Wastewater Lift Station Force Main Replacement | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$122,000   |                             |                                  | \$122,000                   |           |
|             | Sanitary Sewer Flow Monitoring                                | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$100,000   |                             |                                  | \$100,000                   |           |
|             | Sanitary Sewer Collection System Replacement Program          | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$100,000   |                             |                                  | \$100,000                   |           |
|             | Biosolids Process Evaluation                                  | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$125,000   |                             |                                  | \$100,000                   |           |
|             | Welded Steel Raw Sewage Line Bay Crossing                     | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$125,000   |                             |                                  | \$125,000                   |           |
|             | 2011-018 Lower Agate Beach Tank & Salmon Run PS Reloc.        |   | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$2,384,000 |                             |                                  | \$2,384,000                 |           |
|             | 2011-008 Hwy 101 SE 40th -SE 50th sewer & water upgrade       |   | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$1,390,130 | \$490,000                   |                                  | \$652,854                   |           |
|             | Water Dist System Replacement Program                         | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$100,000   |                             |                                  |                             |           |
|             | Fixed-base Metering System                                    | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$300,000   |                             |                                  | \$300,000                   |           |
|             | Yaquina Hts Tank interior recoating & handrails               | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$145,438   |                             |                                  | \$145,438                   |           |
|             | Lower Big Creek Reservoir Drawdown Pipe Repair                | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$160,000   |                             |                                  | \$160,000                   |           |
|             | La kewood Hills Pump Station Replacement                      | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$43,021    |                             |                                  | \$43,021                    |           |
|             | Old WTF Demolition/Construction of Storage Garage             |   | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$110,000   |                             |                                  | \$110,000                   |           |
|             |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$598,553   | \$5,691,023                 | \$3,400,023                      | \$1,268,447                 | \$800,000 |
| 2013-14     | Gravity Sanitary Sewer Upgrade- Big Creek LS to Hwy 101       |   | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$173,880   |                             |                                  | \$173,880                   |           |
|             | Schooner Creek Wastewater Lift Station Force Main Replacement |   | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$505,080   |                             |                                  | \$505,080                   |           |
|             | Big Creek Wastewater Lift Station Replacement                 | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$250,470   |                             |                                  | \$250,470                   |           |
|             | Wastewater System Master Plan                                 | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$350,000   |                             |                                  | \$350,000                   |           |
|             | Sanitary Sewer Replacement Program                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$100,000   |                             |                                  | \$100,000                   |           |
|             | Biosolids Process Expansion                                   |   | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$125,000   |                             |                                  | \$125,000                   |           |
|             | Welded Steel Raw Sewage Line Bay Crossing                     |   | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  |             |                             |                                  |                             |           |
|             | Storm Sewer Replacement Program                               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$100,000   |                             |                                  | \$100,000                   |           |
|             | Storm Sewer System Master Plan                                | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$350,000   |                             |                                  | \$350,000                   |           |
|             | NE 8th to Hwy 101 Storm Sewer Realignment                     |   | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$500,000   |                             |                                  | \$500,000                   |           |
|             | Water SCADA system Implementation Project                     | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$94,000    |                             |                                  | \$94,000                    |           |
|             | Fixed-base Metering System                                    |   | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$300,000   |                             |                                  | \$300,000                   |           |
|             | Upper Big Creek Reservoir Syphon Intake                       | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$127,795   |                             |                                  | \$127,795                   |           |
|             | La kewood Hills Pump Station Replacement                      |   | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$178,105   |                             |                                  | \$178,105                   |           |
|             | Candletree Pump Station Replacement                           | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$49,085    |                             |                                  | \$49,085                    |           |
|             | Siletz River Pump Station Upgrade                             | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$152,513   |                             |                                  | \$152,513                   |           |
|             | Pave Parking Lot at WTF                                       |   | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$60,000    |                             |                                  | \$60,000                    |           |
|             | Emergency Generator at WTF                                    | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  | \$310,500   |                             |                                  | \$310,500                   |           |
|             | Water Dist System Replacement Program                         |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  |             |                             |                                  |                             |           |
|             |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |                        |                                  |             | \$3,291,428                 | \$1,271,998                      | \$1,504,430                 | \$950,000 |

## Draft 5 year Capital Improvement Plan (CIP) – Page 2 of 2

| Project No. | Project Name  | Design | Construction | Estimated Project Cost | 2011-2012 Beginning Fund Balance | 2012-13     | WATER CAPITAL PROJECTS<br>33.30 | WASTEWATER CAPITAL PROJECTS<br>33.30 | STORMWATER CAPITAL PROJECTS |
|-------------|---|--------|--------------|------------------------|----------------------------------|-------------|---------------------------------|--------------------------------------|-----------------------------|
|             |   |        |              |                        |                                  |             |                                 |                                      |                             |
| 2014-15     | Big Creek Wastewater Lift Station Replacement             |        | X            | \$1,036,946            |                                  | \$1,036,946 |                                 | \$1,036,946                          |                             |
|             | Gravity Sanitary Sewer Upgrade- NW 48th to NE 31st Street | X      |              | \$107,123              |                                  | \$107,123   |                                 | \$107,123                            |                             |
|             | NW 48th Wastewater Lift Station Replacement               | X      |              | \$117,835              |                                  | \$117,835   |                                 | \$117,835                            |                             |
|             | Sanitary Sewer Replacement Program                        |        |              |                        |                                  | \$100,000   |                                 | \$100,000                            |                             |
|             | Storm Sewer Replacement Program                           |        |              |                        |                                  | \$100,000   |                                 |                                      | \$100,000                   |
|             | Water SCADA system Implementation Project                 | X      | X            | \$94,000               |                                  | \$94,000    | \$94,000                        |                                      |                             |
|             | Fixed-base Metering System                                |        | X            | \$300,000              |                                  | \$300,000   | \$300,000                       |                                      |                             |
|             | Candletree Pump Station Replacement                       |        | X            | \$196,339              |                                  | \$196,339   | \$196,339                       |                                      |                             |
|             | Siletz River Pump Station Upgrade                         |        | X            | \$610,053              |                                  | \$610,053   | \$610,053                       |                                      |                             |
|             | Water Dist System Replacement Program                     |        |              |                        |                                  |             |                                 |                                      |                             |
|             |   |        |              |                        |                                  | \$2,727,296 | \$1,200,392                     | \$1,361,904                          | \$100,000                   |
| 2015-16     | Gravity Sanitary Sewer Upgrade- NW 48th to NE 31st Street |        | X            | \$443,487              |                                  | \$443,487   |                                 | \$443,487                            |                             |
|             | NW 48th Wastewater Lift Station Replacement               |        | X            | \$487,836              |                                  | \$487,836   |                                 | \$487,836                            |                             |
|             | Schooner Creek Wastewater Lift Station Replacement        | X      |              | \$170,743              |                                  | \$170,743   |                                 | \$170,743                            |                             |
|             | Sanitary Sewer Replacement Program                        |        |              |                        |                                  | \$100,000   |                                 | \$100,000                            |                             |
|             | Storm Sewer Replacement Program                           |        |              |                        |                                  | \$100,000   |                                 |                                      | \$100,000                   |
|             | Water SCADA system Implementation Project                 | X      | X            | \$94,000               |                                  | \$94,000    | \$94,000                        |                                      |                             |
|             | Fixed-base Metering System                                |        | X            | \$300,000              |                                  | \$300,000   | \$300,000                       |                                      |                             |
|             | 12" Redundant Bay Crossing - Idaho Point                  | X      |              | \$593,788              |                                  |             | \$593,788                       |                                      |                             |
|             | Idaho Pt. waterline replacement and looping               | X      |              | \$146,138              |                                  |             | \$146,138                       |                                      |                             |
|             | Water Dist System Replacement Program                     |        |              |                        |                                  |             |                                 |                                      |                             |
|             |   |        |              |                        |                                  | \$1,761,066 | \$1,133,926                     | \$1,202,066                          | \$100,000                   |
| 2016-17     | Schooner Creek Wastewater Lift Station Replacement        |        | X            | \$706,874              |                                  | \$706,874   |                                 | \$706,874                            |                             |
|             | Sanitary Sewer Replacement Program                        |        |              |                        |                                  | \$100,000   |                                 | \$100,000                            |                             |
|             | Storm Sewer Replacement Program                           |        |              |                        |                                  | \$100,000   |                                 |                                      | \$100,000                   |
|             | Water SCADA system Implementation Project                 | X      | X            | \$94,000               |                                  | \$94,000    | \$94,000                        |                                      |                             |
|             | Fixed-base Metering System                                |        | X            | \$300,000              |                                  | \$300,000   | \$300,000                       |                                      |                             |
|             | 12" Redundant Bay Crossing - Idaho Point                  | X      |              | \$2,375,152            |                                  |             | \$2,375,152                     |                                      |                             |
|             | Idaho Pt. waterline replacement and looping               | X      |              | \$584,551              |                                  |             | \$584,551                       |                                      |                             |
|             | Water Dist System Replacement Program                     |        |              |                        |                                  |             |                                 |                                      |                             |
|             |   |        |              |                        |                                  | \$1,365,874 | \$3,353,703                     | \$806,874                            | \$100,000                   |

# Water Rate Analysis - 3 Year Scenario

FY12 Revenues \$2,710,000  
 Operating Expense Annualized Increase/Decrease 5.5% (includes Payroll, Materials & Services, and Capital Procurement)  
 Loan Period, Year 20  
 Loan Interest Rate, % 3.5%

| USER FEE CHANGE:   |                                       | 20.0%         | 15.0%         | 10.0%         | 5.0%          | 5.0%          | 5.0%          | 5.0%          | 5.0%          | 5.0%          | 5.0%          |
|--|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  |                                       | FY13          | FY14          | FY15          | FY16          | FY17          | FY18          | FY19          | FY20          | FY21          | FY22          |
| FUND BALANCE   |                                       | \$1,340,000   | \$1,350,000   | \$40,000      | \$280,000     | \$550,000     | \$0           | \$0           | \$10,000      | \$80,000      | \$220,000     |
| Less:  | Contingency (2% of Operating Revenue) | (\$45,400)    | (\$74,800)    | (\$82,200)    | (\$86,400)    | (\$90,800)    | (\$95,400)    | (\$100,200)   | (\$105,200)   | (\$110,400)   | (\$116,000)   |
|  | UEFB (Increases 2.5% per year)        | (\$250,000)   | (\$500,000)   | (\$550,000)   | (\$580,000)   | (\$610,000)   | (\$640,000)   | (\$670,000)   | (\$700,000)   | (\$740,000)   | (\$780,000)   |
| OPERATING FUND BALANCE   |                                       | \$1,040,000   | \$780,000     | (\$590,000)   | (\$390,000)   | (\$150,000)   | (\$740,000)   | (\$770,000)   | (\$800,000)   | (\$770,000)   | (\$680,000)   |
| USER FEES  |                                       | \$3,250,000   | \$3,740,000   | \$4,110,000   | \$4,320,000   | \$4,540,000   | \$4,770,000   | \$5,010,000   | \$5,260,000   | \$5,520,000   | \$5,800,000   |
| AVAILABLE RESOURCES  |                                       | \$4,290,000   | \$4,520,000   | \$3,520,000   | \$3,930,000   | \$4,390,000   | \$4,030,000   | \$4,240,000   | \$4,460,000   | \$4,750,000   | \$5,120,000   |
| DEBT SERVICE   |                                       | \$0           | \$0           | \$0           | \$0           | \$0           | (\$87,248)    | (\$91,469)    | (\$91,469)    | (\$91,469)    | (\$91,469)    |
| OPERATING EXPENSES   |                                       | (\$1,910,000) | (\$2,020,000) | (\$2,130,000) | (\$2,250,000) | (\$2,370,000) | (\$2,500,000) | (\$2,640,000) | (\$2,790,000) | (\$2,940,000) | (\$3,100,000) |
| OPERATING MARGIN<br>(FEES-OP EXP-DEBT)                             |                                       | \$1,340,000   | \$1,720,000   | \$1,980,000   | \$2,070,000   | \$2,170,000   | \$2,182,752   | \$2,278,531   | \$2,378,531   | \$2,488,531   | \$2,608,531   |
| AVAILABLE FOR CAPITAL PROJECTS<br>(LOAN + OPER MARG + OP FUND BAL) |                                       | \$2,380,000   | \$2,500,000   | \$1,390,000   | \$1,680,000   | \$2,020,000   | \$1,440,000   | \$1,510,000   | \$1,580,000   | \$1,720,000   | \$1,930,000   |
| REQUIRED FOR CAPITAL PROJECTS                                      |                                       | \$1,950,000   | \$2,460,000   | \$1,110,000   | \$1,130,000   | \$3,260,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   |
| DIFFERENCE BETWEEN AVAILABLE AND REQ'D                             |                                       | \$430,000     | \$40,000      | \$280,000     | \$550,000     | (\$1,240,000) | (\$60,000)    | \$10,000      | \$80,000      | \$220,000     | \$430,000     |
| FY09/FY10 Xfer from Wastewater PWIIF                               |                                       | \$700,000     |               |               |               |               |               |               |               |               |               |
| PWIIF fees for FY13  |                                       | \$220,000     | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| Fund Balance   |                                       | \$1,350,000   | \$40,000      | \$280,000     | \$550,000     | (\$1,240,000) | (\$60,000)    | \$10,000      | \$80,000      | \$220,000     | \$430,000     |
| Loan for Capital Improvements                                      |                                       | \$0           | \$0           | \$0           | \$0           | \$1,240,000   | \$60,000      | \$0           | \$0           | \$0           | \$0           |
| Projected Ending Fund Balance                                      |                                       | \$1,350,000   | \$40,000      | \$280,000     | \$550,000     | \$0           | \$0           | \$10,000      | \$80,000      | \$220,000     | \$430,000     |
| Total Required Loans:  |                                       | \$1,300,000   |               |               |               |               |               |               |               |               |               |

# Water Rate Analysis - 5 Year Scenario

FY12 Revenues \$2,710,000  
 Operating Expense Annualized Increase/Decrease 5.5% (includes Payroll, Materials & Services, and Capital Procurement)  
 Loan Period, Year 20  
 Loan Interest Rate, % 3.5%

| USER FEE CHANGE:   |                                       | 15.0%         | 15.0%         | 10.0%         | 10.0%         | 8.0%          | 5.0%          | 5.0%          | 5.0%          | 5.0%          | 5.0%          |
|--|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  |                                       | FY13          | FY14          | FY15          | FY16          | FY17          | FY18          | FY19          | FY20          | FY21          | FY22          |
| FUND BALANCE   |                                       | \$1,340,000   | \$1,220,000   | \$0           | \$80,000      | \$360,000     | \$0           | \$70,000      | \$220,000     | \$430,000     | \$720,000     |
| Less:  | Contingency (2% of Operating Revenue) | (\$45,400)    | (\$71,800)    | (\$79,000)    | (\$87,000)    | (\$94,000)    | (\$98,800)    | (\$103,800)   | (\$109,000)   | (\$114,400)   | (\$120,200)   |
|  | UEFB (Increases 2.5% per year)        | (\$250,000)   | (\$480,000)   | (\$530,000)   | (\$580,000)   | (\$630,000)   | (\$660,000)   | (\$690,000)   | (\$730,000)   | (\$770,000)   | (\$800,000)   |
| OPERATING FUND BALANCE   |                                       | \$1,040,000   | \$670,000     | (\$610,000)   | (\$590,000)   | (\$360,000)   | (\$760,000)   | (\$720,000)   | (\$620,000)   | (\$450,000)   | (\$200,000)   |
| USER FEES  |                                       | \$3,120,000   | \$3,590,000   | \$3,950,000   | \$4,350,000   | \$4,700,000   | \$4,940,000   | \$5,190,000   | \$5,450,000   | \$5,720,000   | \$6,010,000   |
| AVAILABLE RESOURCES  |                                       | \$4,160,000   | \$4,260,000   | \$3,340,000   | \$3,760,000   | \$4,340,000   | \$4,180,000   | \$4,470,000   | \$4,830,000   | \$5,270,000   | \$5,810,000   |
| DEBT SERVICE   |                                       | \$0           | \$0           | (\$15,479)    | (\$15,479)    | (\$15,479)    | (\$107,652)   | (\$107,652)   | (\$107,652)   | (\$107,652)   | (\$107,652)   |
| OPERATING EXPENSES   |                                       | (\$1,910,000) | (\$2,020,000) | (\$2,130,000) | (\$2,250,000) | (\$2,370,000) | (\$2,500,000) | (\$2,640,000) | (\$2,790,000) | (\$2,940,000) | (\$3,100,000) |
| OPERATING MARGIN<br>(FEES-OP EXP-DEBT)                             |                                       | \$1,210,000   | \$1,570,000   | \$1,804,521   | \$2,084,521   | \$2,314,521   | \$2,332,348   | \$2,442,348   | \$2,552,348   | \$2,672,348   | \$2,802,348   |
| AVAILABLE FOR CAPITAL PROJECTS<br>(LOAN + OPER MARG + OP FUND BAL) |                                       | \$2,250,000   | \$2,240,000   | \$1,190,000   | \$1,490,000   | \$1,950,000   | \$1,570,000   | \$1,720,000   | \$1,930,000   | \$2,220,000   | \$2,600,000   |
| REQUIRED FOR CAPITAL PROJECTS                                      |                                       | \$1,950,000   | \$2,460,000   | \$1,110,000   | \$1,130,000   | \$3,260,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   |
| DIFFERENCE BETWEEN AVAILABLE AND REQ'D                             |                                       | \$300,000     | (\$220,000)   | \$80,000      | \$360,000     | (\$1,310,000) | \$70,000      | \$220,000     | \$430,000     | \$720,000     | \$1,100,000   |
| FY09/FY10 Xfer from Wastewater PWIF                                |                                       | \$700,000     |               |               |               |               |               |               |               |               |               |
| PWIF fees for FY13   |                                       | \$220,000     | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| Fund Balance   |                                       | \$1,220,000   | (\$220,000)   | \$80,000      | \$360,000     | (\$1,310,000) | \$70,000      | \$220,000     | \$430,000     | \$720,000     | \$1,100,000   |
| Loan for Capital Improvements                                      |                                       | \$0           | \$220,000     | \$0           | \$0           | \$1,310,000   | \$0           | \$0           | \$0           | \$0           | \$0           |
| Projected Ending Fund Balance                                      |                                       | \$1,220,000   | \$0           | \$80,000      | \$360,000     | \$0           | \$70,000      | \$220,000     | \$430,000     | \$720,000     | \$1,100,000   |
| Total Required Loans:  |                                       | \$1,530,000   |               |               |               |               |               |               |               |               |               |



# Water Rate Analysis - 10 Year Scenario

FY12 Revenues \$2,710,000  
 Operating Expense Annualized Increase/Decrease 5.5% (includes Payroll, Materials & Services, and Capital Procurement)  
 Loan Period, Year 20  
 Loan Interest Rate, % 3.5%

| USER FEE CHANGE:   |                                       | 8.2%          | 8.2%          | 8.2%          | 8.2%          | 8.2%          | 8.2%          | 8.2%          | 8.2%          | 8.2%          | 8.2%          |
|--|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  |                                       | FY13          | FY14          | FY15          | FY16          | FY17          | FY18          | FY19          | FY20          | FY21          | FY22          |
| FUND BALANCE   |                                       | \$1,340,000   | \$1,030,000   | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| Less:  | Contingency (2% of Operating Revenue) | (\$45,400)    | (\$63,400)    | (\$68,600)    | (\$74,200)    | (\$80,200)    | (\$86,800)    | (\$94,000)    | (\$101,800)   | (\$110,200)   | (\$119,200)   |
|  | UEFB (Increases 2.5% per year)        | (\$250,000)   | (\$420,000)   | (\$460,000)   | (\$500,000)   | (\$540,000)   | (\$580,000)   | (\$630,000)   | (\$680,000)   | (\$740,000)   | (\$800,000)   |
| OPERATING FUND BALANCE   |                                       | \$1,040,000   | \$550,000     | (\$530,000)   | (\$570,000)   | (\$620,000)   | (\$670,000)   | (\$720,000)   | (\$780,000)   | (\$850,000)   | (\$920,000)   |
| USER FEES  |                                       | \$2,930,000   | \$3,170,000   | \$3,430,000   | \$3,710,000   | \$4,010,000   | \$4,340,000   | \$4,700,000   | \$5,090,000   | \$5,510,000   | \$5,960,000   |
| AVAILABLE RESOURCES  |                                       | \$3,970,000   | \$3,720,000   | \$2,900,000   | \$3,140,000   | \$3,390,000   | \$3,670,000   | \$3,980,000   | \$4,310,000   | \$4,660,000   | \$5,040,000   |
| DEBT SERVICE   |                                       | \$0           | \$0           | (\$53,474)    | (\$80,915)    | (\$103,431)   | (\$268,076)   | (\$310,292)   | (\$343,362)   | (\$365,878)   | (\$376,432)   |
| OPERATING EXPENSES   |                                       | (\$1,910,000) | (\$2,020,000) | (\$2,130,000) | (\$2,250,000) | (\$2,370,000) | (\$2,500,000) | (\$2,640,000) | (\$2,790,000) | (\$2,940,000) | (\$3,100,000) |
| OPERATING MARGIN<br>(FEES-OP EXP-DEBT)                             |                                       | \$1,020,000   | \$1,150,000   | \$1,246,526   | \$1,379,085   | \$1,536,569   | \$1,571,924   | \$1,749,708   | \$1,956,638   | \$2,204,122   | \$2,483,568   |
| AVAILABLE FOR CAPITAL PROJECTS<br>(LOAN + OPER MARG + OP FUND BAL) |                                       | \$2,060,000   | \$1,700,000   | \$720,000     | \$810,000     | \$920,000     | \$900,000     | \$1,030,000   | \$1,180,000   | \$1,350,000   | \$1,560,000   |
| REQUIRED FOR CAPITAL PROJECTS                                      |                                       | \$1,950,000   | \$2,460,000   | \$1,110,000   | \$1,130,000   | \$3,260,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   |
| DIFFERENCE BETWEEN AVAILABLE AND REQ'D                             |                                       | \$110,000     | (\$760,000)   | (\$390,000)   | (\$320,000)   | (\$2,340,000) | (\$600,000)   | (\$470,000)   | (\$320,000)   | (\$150,000)   | \$60,000      |
| FY09/FY10 Xfer from Wastewater PWIF                                |                                       | \$700,000     |               |               |               |               |               |               |               |               |               |
| PWIF fees for FY13   |                                       | \$220,000     | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| Fund Balance   |                                       | \$1,030,000   | (\$760,000)   | (\$390,000)   | (\$320,000)   | (\$2,340,000) | (\$600,000)   | (\$470,000)   | (\$320,000)   | (\$150,000)   | \$60,000      |
| Loan for Capital Improvements                                      |                                       | \$0           | \$760,000     | \$390,000     | \$320,000     | \$2,340,000   | \$600,000     | \$470,000     | \$320,000     | \$150,000     | \$0           |
| Projected Ending Fund Balance                                      |                                       | \$1,030,000   | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$60,000      |
| Total Required Loans:  |                                       | \$5,350,000   |               |               |               |               |               |               |               |               |               |

### Wastewater Rate Analysis - 3 Year Scenario

FY12 Revenues \$2,600,000  
 Operating Expense Annualized Increase/Decrease 5.5% (includes Payroll, Materials & Services, and Capital Procurement)  
 Loan Period, Year 20  
 Loan Interest Rate, % 3.5%

|                     |  | USER FEE CHANGE: |               |               |               |               |               |               |               |               |               |
|---------------------|--|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                     |  | 20.0%            | 20.0%         | 17.0%         | 5.0%          | 5.0%          | 5.0%          | 5.0%          | 5.0%          | 5.0%          | 5.0%          |
|                     |  | FY13             | FY14          | FY15          | FY16          | FY17          | FY18          | FY19          | FY20          | FY21          | FY22          |
| Less:               | FUND BALANCE   | \$620,000        | \$470,000     | \$0           | \$110,000     | \$40,000      | \$0           | \$0           | \$0           | \$50,000      | \$160,000     |
|                     | Contingency (2% of Operating Revenue)                              | (\$62,400)       | (\$74,800)    | (\$87,600)    | (\$92,000)    | (\$96,600)    | (\$101,400)   | (\$106,400)   | (\$111,800)   | (\$117,400)   | (\$123,200)   |
|                     | UEFB (Increases 2.5% per year)                                     | (\$340,000)      | (\$500,000)   | (\$700,000)   | (\$850,000)   | (\$1,010,000) | (\$1,060,000) | (\$1,110,000) | (\$1,170,000) | (\$1,230,000) | (\$1,290,000) |
|                     | OPERATING FUND BALANCE   | \$220,000        | (\$100,000)   | (\$790,000)   | (\$830,000)   | (\$1,070,000) | (\$1,160,000) | (\$1,220,000) | (\$1,280,000) | (\$1,300,000) | (\$1,250,000) |
|                     | USER FEES  | \$3,120,000      | \$3,740,000   | \$4,380,000   | \$4,600,000   | \$4,830,000   | \$5,070,000   | \$5,320,000   | \$5,590,000   | \$5,870,000   | \$6,160,000   |
| AVAILABLE RESOURCES |  | \$3,340,000      | \$3,640,000   | \$3,590,000   | \$3,770,000   | \$3,760,000   | \$3,910,000   | \$4,100,000   | \$4,310,000   | \$4,570,000   | \$4,910,000   |
|                     | DEBT SERVICE   | \$0              | \$0           | (\$26,737)    | (\$26,737)    | (\$26,737)    | (\$33,070)    | (\$37,995)    | (\$39,402)    | (\$39,402)    | (\$39,402)    |
|                     | OPERATING EXPENSES   | (\$2,150,000)    | (\$2,270,000) | (\$2,390,000) | (\$2,520,000) | (\$2,660,000) | (\$2,810,000) | (\$2,960,000) | (\$3,120,000) | (\$3,290,000) | (\$3,470,000) |
|                     | OPERATING MARGIN<br>(FEES-OP EXP-DEBT)                             | \$970,000        | \$1,470,000   | \$1,963,263   | \$2,053,263   | \$2,143,263   | \$2,226,930   | \$2,322,005   | \$2,430,598   | \$2,540,598   | \$2,660,598   |
|                     | AVAILABLE FOR CAPITAL PROJECTS<br>(LOAN + OPER MARG + OP FUND BAL) | \$1,190,000      | \$1,370,000   | \$1,170,000   | \$1,220,000   | \$1,070,000   | \$1,070,000   | \$1,100,000   | \$1,150,000   | \$1,240,000   | \$1,400,000   |
|                     | REQUIRED FOR CAPITAL PROJECTS                                      | \$1,040,000      | \$2,010,000   | \$1,360,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   |
|                     | DIFFERENCE BETWEEN AVAILABLE AND REQ'D                             | \$150,000        | (\$640,000)   | (\$190,000)   | (\$280,000)   | (\$430,000)   | (\$430,000)   | (\$400,000)   | (\$350,000)   | (\$260,000)   | (\$100,000)   |
|                     | FY09/FY10 Xfer from Wastewater PWIF                                | \$100,000        |               |               |               |               |               |               |               |               |               |
|                     | PWIF fees for FY13   | \$220,000        | \$260,000     | \$300,000     | \$320,000     | \$340,000     | \$360,000     | \$380,000     | \$400,000     | \$420,000     | \$440,000     |
|                     | Fund Balance   | \$470,000        | (\$380,000)   | \$110,000     | \$40,000      | (\$90,000)    | (\$70,000)    | (\$20,000)    | \$50,000      | \$160,000     | \$340,000     |
|                     | Loan for Capital Improvements                                      | \$0              | \$380,000     | \$0           | \$0           | \$90,000      | \$70,000      | \$20,000      | \$0           | \$0           | \$0           |
|                     | Projected Ending Fund Balance                                      | \$470,000        | \$0           | \$110,000     | \$40,000      | \$0           | \$0           | \$0           | \$50,000      | \$160,000     | \$340,000     |
|                     | Total Required Loans   | \$560,000        |               |               |               |               |               |               |               |               |               |



# Wastewater Rate Analysis - 5 Year Scenario

FY12 Revenues \$2,600,000  
 Operating Expense Annualized Increase/Decrease 5.5% (includes Payroll, Materials & Services, and Capital Procurement)  
 Loan Period, Year 20  
 Loan Interest Rate, % 3.5%

| USER FEE CHANGE:   |  | 20.0%         | 15.0%         | 15.0%         | 10.0%         | 10.0%         | 5.0%          | 5.0%          | 5.0%          | 5.0%          | 5.0%          |
|--|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  |  | FY13          | FY14          | FY15          | FY16          | FY17          | FY18          | FY19          | FY20          | FY21          | FY22          |
| FUND BALANCE   |  | \$620,000     | \$470,000     | \$0           | \$0           | \$0           | \$0           | \$60,000      | \$180,000     | \$370,000     | \$640,000     |
| Less:  |  |               |               |               |               |               |               |               |               |               |               |
| Contingency (2% of Operating Revenue)                              |  | (\$62,400)    | (\$71,800)    | (\$82,600)    | (\$90,800)    | (\$99,800)    | (\$104,800)   | (\$110,000)   | (\$115,600)   | (\$121,400)   | (\$127,400)   |
| UEFB (Increases 2.5% per year)                                     |  | (\$340,000)   | (\$480,000)   | (\$660,000)   | (\$830,000)   | (\$1,040,000) | (\$1,090,000) | (\$1,150,000) | (\$1,210,000) | (\$1,270,000) | (\$1,330,000) |
| OPERATING FUND BALANCE   |  | \$220,000     | (\$80,000)    | (\$740,000)   | (\$920,000)   | (\$1,140,000) | (\$1,190,000) | (\$1,200,000) | (\$1,150,000) | (\$1,020,000) | (\$820,000)   |
| USER FEES  |  | \$3,120,000   | \$3,590,000   | \$4,130,000   | \$4,540,000   | \$4,990,000   | \$5,240,000   | \$5,500,000   | \$5,780,000   | \$6,070,000   | \$6,370,000   |
| AVAILABLE RESOURCES  |  | \$3,340,000   | \$3,510,000   | \$3,390,000   | \$3,620,000   | \$3,850,000   | \$4,050,000   | \$4,300,000   | \$4,630,000   | \$5,050,000   | \$5,550,000   |
| DEBT SERVICE   |  | \$0           | \$0           | (\$36,588)    | (\$44,327)    | (\$52,771)    | (\$53,474)    | (\$53,474)    | (\$53,474)    | (\$53,474)    | (\$53,474)    |
| OPERATING EXPENSES   |  | (\$2,150,000) | (\$2,270,000) | (\$2,390,000) | (\$2,520,000) | (\$2,660,000) | (\$2,810,000) | (\$2,960,000) | (\$3,120,000) | (\$3,290,000) | (\$3,470,000) |
| OPERATING MARGIN<br>(FEES-OP EXP-DEBT)                             |  | \$970,000     | \$1,320,000   | \$1,703,412   | \$1,975,673   | \$2,277,229   | \$2,376,526   | \$2,486,526   | \$2,606,526   | \$2,726,526   | \$2,846,526   |
| AVAILABLE FOR CAPITAL PROJECTS<br>(LOAN + OPER MARG + OP FUND BAL) |  | \$1,190,000   | \$1,240,000   | \$960,000     | \$1,060,000   | \$1,140,000   | \$1,190,000   | \$1,290,000   | \$1,460,000   | \$1,710,000   | \$2,030,000   |
| REQUIRED FOR CAPITAL PROJECTS                                      |  | \$1,040,000   | \$2,010,000   | \$1,360,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   |
| DIFFERENCE BETWEEN AVAILABLE AND REQ'D                             |  | \$150,000     | (\$770,000)   | (\$400,000)   | (\$440,000)   | (\$360,000)   | (\$310,000)   | (\$210,000)   | (\$40,000)    | \$210,000     | \$530,000     |
| FY09/FY10 Xfer from Wastewater PWIF                                |  | \$100,000     |               |               |               |               |               |               |               |               |               |
| PWIF fees for FY13   |  | \$220,000     | \$250,000     | \$290,000     | \$320,000     | \$350,000     | \$370,000     | \$390,000     | \$410,000     | \$430,000     | \$450,000     |
| Fund Balance   |  | \$470,000     | (\$520,000)   | (\$110,000)   | (\$120,000)   | (\$10,000)    | \$60,000      | \$180,000     | \$370,000     | \$640,000     | \$980,000     |
| Loan for Capital Improvements                                      |  | \$0           | \$520,000     | \$110,000     | \$120,000     | \$10,000      | \$0           | \$0           | \$0           | \$0           | \$0           |
| Projected Ending Fund Balance                                      |  | \$470,000     | \$0           | \$0           | \$0           | \$0           | \$60,000      | \$180,000     | \$370,000     | \$640,000     | \$980,000     |
| Total Required Loans   |  | \$760,000     |               |               |               |               |               |               |               |               |               |

# Wastewater Rate Analysis - 10 Year Scenario

FY12 Revenues \$2,600,000  
Operating Expense Annualized Increase/Decrease 5.5% (includes Payroll, Materials & Services, and Capital Procurement)  
Loan Period, Year 20  
Loan Interest Rate, % 3.5%

| USER FEE CHANGE:   |                                       | 9.5%          | 9.5%          | 9.5%          | 9.5%          | 9.5%          | 9.5%          | 9.5%          | 9.5%          | 9.5%          | 9.5%          |
|--|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  |                                       | FY13          | FY14          | FY15          | FY16          | FY17          | FY18          | FY19          | FY20          | FY21          | FY22          |
| FUND BALANCE   |                                       | \$620,000     | \$230,000     | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| Less:  |                                       |               |               |               |               |               |               |               |               |               |               |
|  | Contingency (2% of Operating Revenue) | (\$57,000)    | (\$62,400)    | (\$68,400)    | (\$74,800)    | (\$82,000)    | (\$89,800)    | (\$98,400)    | (\$107,800)   | (\$118,000)   | (\$129,200)   |
|  | UEFB (Increases 2.5% per year)        | (\$310,000)   | (\$420,000)   | (\$540,000)   | (\$690,000)   | (\$860,000)   | (\$940,000)   | (\$1,030,000) | (\$1,130,000) | (\$1,230,000) | (\$1,350,000) |
| OPERATING FUND BALANCE   |                                       | \$250,000     | (\$250,000)   | (\$610,000)   | (\$760,000)   | (\$940,000)   | (\$1,030,000) | (\$1,130,000) | (\$1,240,000) | (\$1,350,000) | (\$1,480,000) |
| USER FEES  |                                       | \$2,850,000   | \$3,120,000   | \$3,420,000   | \$3,740,000   | \$4,100,000   | \$4,490,000   | \$4,920,000   | \$5,390,000   | \$5,900,000   | \$6,460,000   |
| AVAILABLE RESOURCES  |                                       | \$3,100,000   | \$2,870,000   | \$2,810,000   | \$2,980,000   | \$3,160,000   | \$3,460,000   | \$3,790,000   | \$4,160,000   | \$4,550,000   | \$4,980,000   |
| DEBT SERVICE   |                                       | \$0           | \$0           | (\$82,322)    | (\$135,797)   | (\$199,122)   | (\$261,743)   | (\$315,921)   | (\$359,545)   | (\$389,097)   | (\$401,762)   |
| OPERATING EXPENSES   |                                       | (\$2,150,000) | (\$2,270,000) | (\$2,390,000) | (\$2,520,000) | (\$2,660,000) | (\$2,810,000) | (\$2,960,000) | (\$3,120,000) | (\$3,290,000) | (\$3,470,000) |
| OPERATING MARGIN<br>(FEES-OP EXP-DEBT)                             |                                       | \$700,000     | \$850,000     | \$947,678     | \$1,084,203   | \$1,240,878   | \$1,418,287   | \$1,644,079   | \$1,910,455   | \$2,220,903   | \$2,588,238   |
| AVAILABLE FOR CAPITAL PROJECTS<br>(LOAN + OPER MARG + OP FUND BAL) |                                       | \$950,000     | \$600,000     | \$340,000     | \$320,000     | \$300,000     | \$390,000     | \$510,000     | \$670,000     | \$870,000     | \$1,110,000   |
| REQUIRED FOR CAPITAL PROJECTS                                      |                                       | \$1,040,000   | \$2,010,000   | \$1,360,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   | \$1,500,000   |
| DIFFERENCE BETWEEN AVAILABLE AND REQ'D                             |                                       | (\$90,000)    | (\$1,410,000) | (\$1,020,000) | (\$1,180,000) | (\$1,200,000) | (\$1,110,000) | (\$990,000)   | (\$830,000)   | (\$630,000)   | (\$390,000)   |
| FY09/FY10 Xfer from Wastewater PWIF                                |                                       | \$100,000     |               |               |               |               |               |               |               |               |               |
| PWIF fees for FY13   |                                       | \$220,000     |               |               |               |               |               |               |               |               |               |
| Fund Balance   |                                       | \$230,000     | (\$1,170,000) | (\$760,000)   | (\$900,000)   | (\$890,000)   | (\$770,000)   | (\$620,000)   | (\$420,000)   | (\$180,000)   | \$100,000     |
| Loan for Capital Improvements                                      |                                       | \$0           | \$1,170,000   | \$760,000     | \$900,000     | \$890,000     | \$770,000     | \$620,000     | \$420,000     | \$180,000     | \$0           |
| Projected Ending Fund Balance                                      |                                       | \$230,000     | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$100,000     |
| Total Required Loans   |                                       | \$5,710,000   |               |               |               |               |               |               |               |               |               |

3 Year Scenario

| Period  | Example Monthly Bills* |         |         |                 |                                 | Annual Rate Revenue Increases |            |                                   |                       |                            |
|---------|------------------------|---------|---------|-----------------|---------------------------------|-------------------------------|------------|-----------------------------------|-----------------------|----------------------------|
|         | Infrastructure Fee     | Water   | Sewer   | Storm Water Fee | Total Projected Utility Billing | Water                         | Wastewater | Stormwater and Infrastructure Fee | Cost per gallon Water | Cost per gallon Wastewater |
| Current | \$5.65                 | \$24.70 | \$37.35 | \$0.00          | <b>\$67.70</b>                  |                               |            |                                   | \$0.004               | \$0.006                    |
| FY2013  | \$5.93                 | \$29.64 | \$44.82 | \$6.80          | <b>\$87.19</b>                  | 20%                           | 20%        | 5%                                | \$0.005               | \$0.007                    |
| FY2014  | \$6.23                 | \$34.09 | \$53.78 | \$7.14          | <b>\$101.24</b>                 | 15%                           | 20%        | 5%                                | \$0.006               | \$0.009                    |
| FY2015  | \$6.54                 | \$37.49 | \$62.93 | \$7.50          | <b>\$114.46</b>                 | 10%                           | 17%        | 5%                                | \$0.006               | \$0.010                    |
| FY2016  | \$6.87                 | \$39.37 | \$66.07 | \$7.87          | <b>\$120.18</b>                 | 5%                            | 5%         | 5%                                | \$0.007               | \$0.011                    |
| FY2017  | \$7.21                 | \$41.34 | \$69.38 | \$8.27          | <b>\$126.19</b>                 | 5%                            | 5%         | 5%                                | \$0.007               | \$0.012                    |
| FY2018  | \$7.57                 | \$43.40 | \$72.85 | \$8.68          | <b>\$132.50</b>                 | 5%                            | 5%         | 5%                                | \$0.007               | \$0.012                    |
| FY2019  | \$7.95                 | \$45.57 | \$76.49 | \$9.11          | <b>\$139.13</b>                 | 5%                            | 5%         | 5%                                | \$0.008               | \$0.013                    |
| FY2020  | \$8.35                 | \$47.85 | \$80.31 | \$9.57          | <b>\$146.08</b>                 | 5%                            | 5%         | 5%                                | \$0.008               | \$0.013                    |
| FY2021  | \$8.77                 | \$50.25 | \$84.33 | \$10.05         | <b>\$153.39</b>                 | 5%                            | 5%         | 5%                                | \$0.008               | \$0.014                    |
| FY2022  | \$9.20                 | \$52.76 | \$88.55 | \$10.55         | <b>\$161.06</b>                 | 5%                            | 5%         | 5%                                | \$0.009               | \$0.015                    |

\* Residential Monthly Bill Example: 3/4" meter at 5000 GAL

5 Year Scenario

| Period  | Example Monthly Bills* |         |         |                 |                                 | Annual Rate Revenue Increases |            |                                   |                       |                            |
|---------|------------------------|---------|---------|-----------------|---------------------------------|-------------------------------|------------|-----------------------------------|-----------------------|----------------------------|
|         | Infrastructure Fee     | Water   | Sewer   | Storm Water Fee | Total Projected Utility Billing | Water                         | Wastewater | Stormwater and Infrastructure Fee | Cost per gallon Water | Cost per gallon Wastewater |
| Current | \$5.65                 | \$24.70 | \$37.35 | \$0.00          | <b>\$67.70</b>                  |                               |            |                                   | \$0.004               | \$0.006                    |
| FY2013  | \$5.93                 | \$28.41 | \$44.82 | \$6.80          | <b>\$85.96</b>                  | 15%                           | 20%        | 5%                                | \$0.005               | \$0.007                    |
| FY2014  | \$6.23                 | \$32.67 | \$51.54 | \$7.14          | <b>\$97.58</b>                  | 15%                           | 15%        | 5%                                | \$0.005               | \$0.009                    |
| FY2015  | \$6.54                 | \$35.93 | \$59.27 | \$7.50          | <b>\$109.24</b>                 | 10%                           | 15%        | 5%                                | \$0.006               | \$0.010                    |
| FY2016  | \$6.87                 | \$39.53 | \$65.20 | \$7.87          | <b>\$119.47</b>                 | 10%                           | 10%        | 5%                                | \$0.007               | \$0.011                    |
| FY2017  | \$7.21                 | \$42.69 | \$71.72 | \$8.27          | <b>\$129.89</b>                 | 8%                            | 10%        | 5%                                | \$0.007               | \$0.012                    |
| FY2018  | \$7.57                 | \$44.82 | \$75.31 | \$8.68          | <b>\$136.38</b>                 | 5%                            | 5%         | 5%                                | \$0.007               | \$0.013                    |
| FY2019  | \$7.95                 | \$47.06 | \$79.07 | \$9.11          | <b>\$143.20</b>                 | 5%                            | 5%         | 5%                                | \$0.008               | \$0.013                    |
| FY2020  | \$8.35                 | \$49.42 | \$83.03 | \$9.57          | <b>\$150.36</b>                 | 5%                            | 5%         | 5%                                | \$0.008               | \$0.014                    |
| FY2021  | \$8.77                 | \$51.89 | \$87.18 | \$10.05         | <b>\$157.88</b>                 | 5%                            | 5%         | 5%                                | \$0.009               | \$0.015                    |
| FY2022  | \$9.20                 | \$54.48 | \$91.54 | \$10.55         | <b>\$165.77</b>                 | 5%                            | 5%         | 5%                                | \$0.009               | \$0.015                    |

\* Residential Monthly Bill Example: 3/4" meter at 5000 GAL

10 Year Scenario

| Period  | Example Monthly Bills* |         |         |                 |                                 | Annual Rate Revenue Increases |            |                                   |                       |                            |
|---------|------------------------|---------|---------|-----------------|---------------------------------|-------------------------------|------------|-----------------------------------|-----------------------|----------------------------|
|         | Infrastructure Fee     | Water   | Sewer   | Storm Water Fee | Total Projected Utility Billing | Water                         | Wastewater | Stormwater and Infrastructure Fee | Cost per gallon Water | Cost per gallon Wastewater |
| Current | \$5.65                 | \$24.70 | \$37.35 | \$0.00          | <b>\$67.70</b>                  |                               |            |                                   | \$0.004               | \$0.006                    |
| FY2013  | \$5.93                 | \$26.73 | \$40.90 | \$6.80          | <b>\$80.36</b>                  | 8.2%                          | 9.5%       | 5%                                | \$0.004               | \$0.007                    |
| FY2014  | \$6.23                 | \$28.92 | \$44.78 | \$7.14          | <b>\$87.07</b>                  | 8.2%                          | 9.5%       | 5%                                | \$0.005               | \$0.007                    |
| FY2015  | \$6.54                 | \$31.29 | \$49.04 | \$7.50          | <b>\$94.36</b>                  | 8.2%                          | 9.5%       | 5%                                | \$0.005               | \$0.008                    |
| FY2016  | \$6.87                 | \$33.85 | \$53.70 | \$7.87          | <b>\$102.29</b>                 | 8.2%                          | 9.5%       | 5%                                | \$0.006               | \$0.009                    |
| FY2017  | \$7.21                 | \$36.63 | \$58.80 | \$8.27          | <b>\$110.90</b>                 | 8.2%                          | 9.5%       | 5%                                | \$0.006               | \$0.010                    |
| FY2018  | \$7.57                 | \$39.63 | \$64.38 | \$8.68          | <b>\$120.27</b>                 | 8.2%                          | 9.5%       | 5%                                | \$0.007               | \$0.011                    |
| FY2019  | \$7.95                 | \$42.88 | \$70.50 | \$9.11          | <b>\$130.45</b>                 | 8.2%                          | 9.5%       | 5%                                | \$0.007               | \$0.012                    |
| FY2020  | \$8.35                 | \$46.40 | \$77.20 | \$9.57          | <b>\$141.51</b>                 | 8.2%                          | 9.5%       | 5%                                | \$0.008               | \$0.013                    |
| FY2021  | \$8.77                 | \$50.20 | \$84.53 | \$10.05         | <b>\$153.55</b>                 | 8.2%                          | 9.5%       | 5%                                | \$0.008               | \$0.014                    |
| FY2022  | \$9.20                 | \$54.32 | \$92.56 | \$10.55         | <b>\$166.64</b>                 | 8.2%                          | 9.5%       | 5%                                | \$0.009               | \$0.015                    |

\* Residential Monthly Bill Example: 3/4" meter at 5000 GAL

Operational Costs Only

| Period  | Example Monthly Bills* |         |         |                 |                                 | Annual Rate Revenue Increases |            |                                   |                       |                            |
|---------|------------------------|---------|---------|-----------------|---------------------------------|-------------------------------|------------|-----------------------------------|-----------------------|----------------------------|
|         | Infrastructure Fee     | Water   | Sewer   | Storm Water Fee | Total Projected Utility Billing | Water                         | Wastewater | Stormwater and Infrastructure Fee | Cost per gallon Water | Cost per gallon Wastewater |
| Current | \$5.65                 | \$24.70 | \$37.35 | \$0.00          | <b>\$67.70</b>                  |                               |            |                                   | \$0.004               | \$0.006                    |
| FY2013  | \$5.93                 | \$25.94 | \$39.22 | \$0.00          | <b>\$71.09</b>                  | 5%                            | 5%         | 5%                                | \$0.004               | \$0.007                    |
| FY2014  | \$6.23                 | \$27.23 | \$41.18 | \$0.00          | <b>\$74.64</b>                  | 5%                            | 5%         | 5%                                | \$0.005               | \$0.007                    |
| FY2015  | \$6.54                 | \$28.59 | \$43.24 | \$0.00          | <b>\$78.37</b>                  | 5%                            | 5%         | 5%                                | \$0.005               | \$0.007                    |
| FY2016  | \$6.87                 | \$30.02 | \$45.40 | \$0.00          | <b>\$82.29</b>                  | 5%                            | 5%         | 5%                                | \$0.005               | \$0.008                    |
| FY2017  | \$7.21                 | \$31.52 | \$47.67 | \$0.00          | <b>\$86.40</b>                  | 5%                            | 5%         | 5%                                | \$0.005               | \$0.008                    |
| FY2018  | \$7.57                 | \$33.10 | \$50.05 | \$0.00          | <b>\$90.72</b>                  | 5%                            | 5%         | 5%                                | \$0.006               | \$0.008                    |
| FY2019  | \$7.95                 | \$34.76 | \$52.56 | \$0.00          | <b>\$95.26</b>                  | 5%                            | 5%         | 5%                                | \$0.006               | \$0.009                    |
| FY2020  | \$8.35                 | \$36.49 | \$55.18 | \$0.00          | <b>\$100.02</b>                 | 5%                            | 5%         | 5%                                | \$0.006               | \$0.009                    |
| FY2021  | \$8.77                 | \$38.32 | \$57.94 | \$0.00          | <b>\$105.02</b>                 | 5%                            | 5%         | 5%                                | \$0.006               | \$0.010                    |
| FY2022  | \$9.20                 | \$40.23 | \$60.84 | \$0.00          | <b>\$110.28</b>                 | 5%                            | 5%         | 5%                                | \$0.007               | \$0.010                    |

\* Residential Monthly Bill Example: 3/4" meter at 5000 GAL