

Financial Plan



Little Rock
Wastewater

Financial Plan

Budget Trends in FY 2009

Little Rock Wastewater continues to evolve in addressing and meeting the needs of its customers, both large and small. It is well prepared to meet the challenges to serve a large metropolitan region in the Mid-South. LRW's budget reflects the commitment on reaching higher treatment levels, rate affordability, minimizing operational costs as much as possible, and building future capacity all while facing an economic downturn. LRW is focused on meeting the supply and demand needs of its current and future customers, while minimizing costs and maximizing service.

The Fiscal Year 2009 saw continued improvements in all areas of LRW. In accordance with the Little Rock Sanitary Sewer Committee's guiding plans, LRW continued its partnership with the City of Little Rock Residents, its investment in its employees, and its savings to customers.

In accordance with the LRSSC's Strategic Plan, LRW focused on becoming a more efficient and better trained workforce through the use of technology, automation and cross training. In doing so, LRW was able to reduce salary positions by four full time positions throughout the year.

Each month the CEO held a budget meeting with department managers to discuss Operation and Maintenance transactions and bottom line totals. Each manager had to prepare a response on budget line items that were above 5% on budget from forecast. This meeting also laid the foundation for the 2010 budget process so that each month could be projected based on actual usage compared to a formula based on yearly totals.

Meeting Future Demands FY 2010

The FY 2010 operating and capital budget was presented to the Little Rock Sanitary Sewer Committee (LRSSC) for review, input and guidance through a series of budget workshops held in October, 2009. The budget was adjusted based on direction from the LRSSC, and is consistent with the LRSSC's Strategic Plan.

Assumptions

The FY 2010 budget is based on certain assumptions and specific operating and capital budget costs. Financial projections for future years require additional assumptions related to revenue growth, expenditures and necessary rate adjustments. Basic assumptions to this year's five year financial plan include the following:

Basic Assumptions

Customer growth rate	1.0%
Revenue growth rate	0.5%

Operations and Maintenance growth rate	6.5% of operating budget
Interest earnings rate	0.25% of average fund balance
Future debt financing costs for Revenue Bonds	4.75% on 30 year bonds
Escalation for capital projects	5.0% for years 2011 thru 2014

Basis of Budgeting

The budget and comprehensive annual financial report is prepared using the accrual basis of accounting. Revenue is recognized as it is earned and expenses are recognized as goods or services are delivered. The LRSSC has elected to follow adopted Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions, issued on or before November 30, 1989, unless those pronouncements conflict with, or contradict GASB pronouncements. The operating budget is prepared at the **object** level. The object of expenditure is the good or service for which the expenditure was made. Each department within LRW has the same expense categories; Salaries, Benefits, Supplies, Contract Services, Vehicle Expense, Utilities, Training and Administration, and Insurance.

LRW's funds are not appropriated; rather the budget is an approved plan that can facilitate budgetary control and operational evaluations. LRW defines fund equity as net assets, which equals assets minus liabilities. Fund equity is divided into four categories: invested in capital assets net of related debt, restricted for construction and improvements, restricted for debt service, restricted for Workers Compensation (Self-Funded) and unrestricted.

FY 2010 Detail Budget

The Fiscal Year 2010 budget reflects the LRSSC's updated Strategic Plan goals and objectives and is a balanced budget, with the revenue and other financing sources equal to the expenditures and other financing uses. The FY 2010 combined operating and capital budget addresses several pressing issues, initiates, new programs and facilities that have or will come online in 2010:

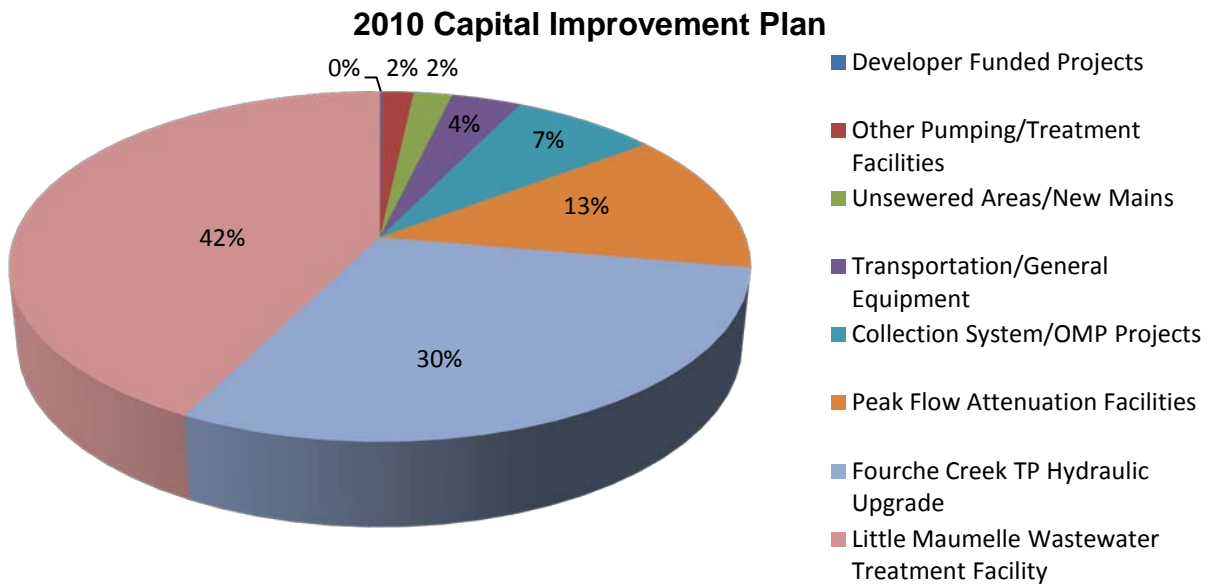
- The operating budget increased by \$904,766 or 3.87% over the 2009 forecast as of **October 31**. The following changes to the operating budget are the reason for the increase:
 - Salaries increased by \$83,379 in 2010. LRW has planned an annual 2% raise for all personnel in 2010. Additionally, five full-time positions and one part-time position were eliminated. The following table identifies adjustments to the staffing levels. A chart detailing the 2010 salary ranges by grade can be found on page 54.

SECTION	BUDGET 2009 JOB POSITIONS		BUDGET 2010 JOB POSITIONS	
	Full-Time	Part-Time	Full-Time	Part-Time
402 – Administration	12	0	11	0
403 - Finance	16	1	15	0
404 - Engineering	31	0	30	0
405 - Information Services	15	0	13	0
406 - Maintenance	133	1	132	1
407 - Operations	23	0	24	0
408 - Environmental Assessment	20	2	20	2
Total Positions	250	4	245	3

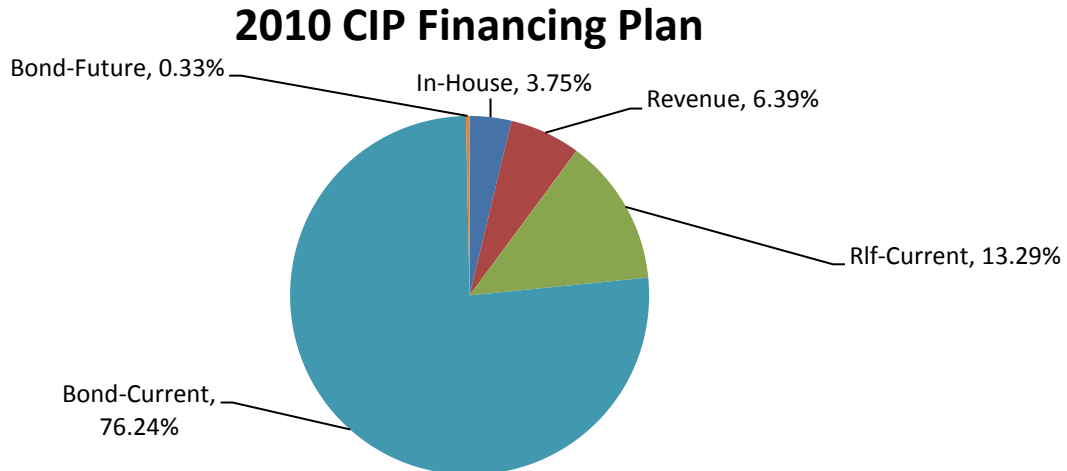
- Benefits increased by \$218,146 or 5.86% for 2010. Arkansas Public Employees Retirement System increased the required contribution amount from 11.01% to 12.46% of salaries which will become effective July 1, 2010. Additionally, the current health care coverage benefit has increased slightly over the 2009 forecast.
- Supplies increased by \$329,159 from the 2009 forecast. The Peak Flow Attenuation Facility went on line during the summer of 2009. The 2010 budget reflects a full year of operating cost for this facility. The Maintenance Division was unable to complete the tasks they had forecasted for 2009 because of the unusual wet weather conditions but are budgeting 2010 to complete all tasks and goals.
- Contract Services decreased by \$23,996; most departments reduced their projects in this category for 2010.
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- \$194,365 reflects an increase in vehicle expense from the 2009 forecast. This increase is due to a forecasted increase in fuel prices for the latter part of 2009 and into 2010.
- Utilities show a 2.15% or \$39,735 increase from forecast to budget. The Peak Flow Attenuation Facility went on line during the summer of 2009 so the 2010 budget reflects a complete year of utility costs for this facility. The new engine generator at the Fourche Creek Wastewater Treatment Facility is forecasted to be in service early 2010 so the budget reflects a 25% decrease in utility cost at that plant.
- Training and Administration reflects an increase of \$61,866 for 2010. Each division limited training expenses in 2009 but are projecting normal training requirements for 2010.

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- Capital Work in Progress (CWIP) is subtracted from O&M expense each budget year because work completed by in-house staff for engineering services and line work construction. In-house staff also works on major projects such as the Fourche Creek Treatment Facility Hydraulic Upgrade, collection system rehabilitation, and the Little Maumelle Wastewater Treatment Facility. If there were no construction projects forecasted for 2010, the amount of \$3,392,351 would be added back to O&M expense through salaries, benefits, and vehicle expenses. The 2010 CWIP reflects a decrease of \$136,539 or 3.9% from 2009.

Capital projects carried over into 2010 have planned net expenditures of \$51,476,100. Carry-over expenditures are dominated by wastewater collection, transmission, and treatment improvements driven by the SECAP, which was completed in 2002 and adopted as part of the Sierra Club Settlement Agreement dated September 12, 2001. These projects, along with work in the unsewered areas and community services, represent almost 96.0% of the carry-over amount. Collection system work by in-house crews, in-house engineering services, Woodland Ridge Pump Station Improvements, and general and transportation equipment make up the bulk of the remainder. In addition to the carryover projects, net expenditures of \$3,343,900 are proposed for new capital projects and purchases. Collection system maintenance contracts, minor treatment facility projects, vehicles, and equipment make up the proposed capital budget for 2010. Total net expenditures of \$54,819,900 is planned for 2010.

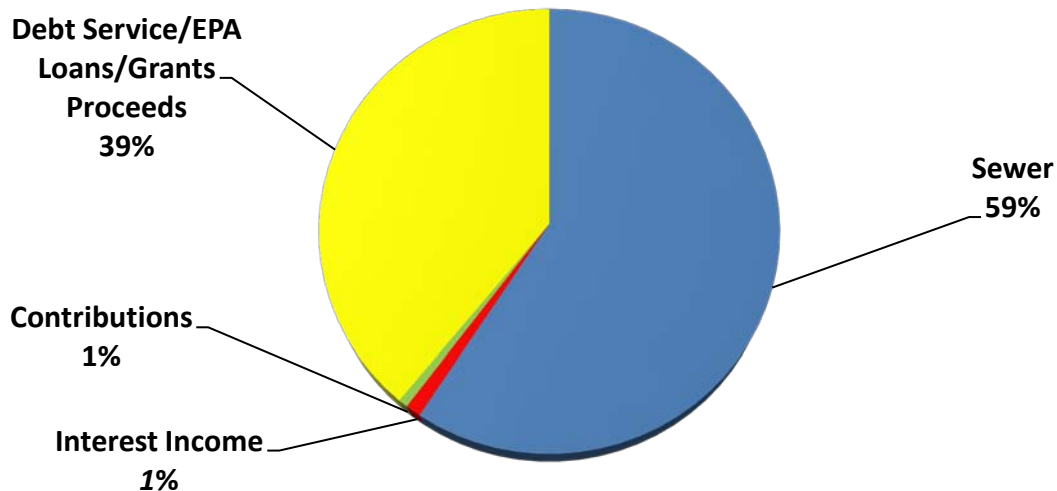


Funding for planned 2010 expenditures is composed of existing revolving loans, existing and proposed revenue bond funds, and revenues. The .33% for Bond-Future reflects planned expenditures from revenues for 2010 to be reimbursed from a future bond issue. These expenditures are preliminary project costs for SSES and design.



Sources of Revenue for Little Rock Wastewater

Little Rock Wastewater is solely dependent on the rate payers of the City of Little Rock for the majority of revenue. As of December 31, 2008, the total number of sewer customers was 67,628 with a vast majority of them being residential customers, 60,773.



Sewer – Sewer revenues are proceeds from providing wastewater treatment services, industrial surcharges, and other sewer fees to customers. Wastewater revenue for FY

2010 is estimated to be \$41.8 million. This estimate is an increase of 5.25% or \$2.0 million over the previous year and includes a 5.0% sewer rate adjustment as of January 1, 2010 as well as an anticipated growth of 1% in the customer base.

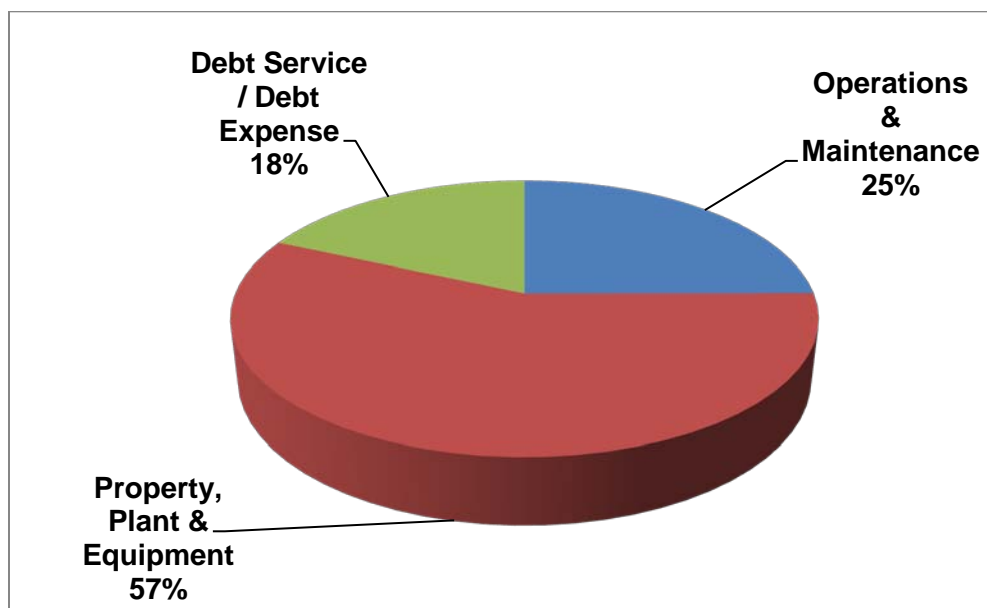
Debt Service/EPA Loans/Grants Proceeds – These are restricted funds available from previously issued and/or new bond issues/EPA Loans/Grants for a specific use. Proceeds for FY 2010 are estimated to be \$7.3 million. This is a decrease of \$11.2 million from the previous year due to the bond issues that have been included in the FY 2010 budget and the draws on current Revolving Loan Funds from Arkansas Natural Resources Commission.

Interest Income – Interest earned on money market accounts on general funds or eligible investments on previous/new bond issues. Interest earned on bond issue moneys are restricted funds for one of two things; monthly interest payments for that bond issue or to the specific use on construction costs for what bond issue was made. Proceeds for FY 2010 are estimated to be \$781,900. This is a decrease of \$694 thousand from the previous year due to the bond issues being drawn down, meaning less to invest, and interest rates are 1% or less on current investments versus 3% and 4% for FY 2009.

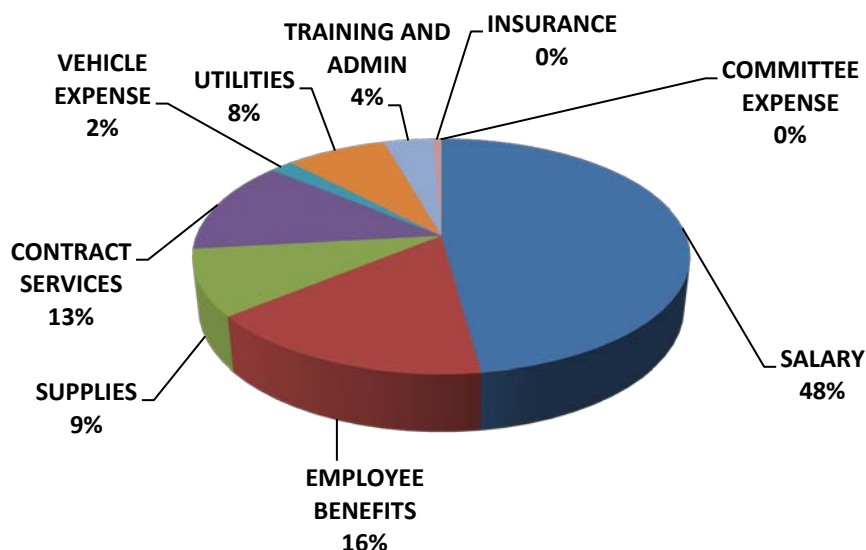
Contributions – Contributions are funds generated from capacity fees, zero capacity fees, review fees and the backhoe buyback program. Proceeds for FY 2010 are estimated to be \$460,000. This is an increase of \$20,000 from the previous year.

Expenditures and Other Financing Uses

The three main cash outflows for Little Rock Wastewater include Operations and Maintenance, Property, Plant and Equipment, and Debt Service/Debt Expense.



Operating & Maintenance (O&M) – This category includes expenditures for operations and maintenance costs of LRW. It includes salaries, employee benefits, materials and supplies, utilities, and all other expenses. Operating and maintenance expenses for FY 2010 are estimated to be \$24.3 million or about 3.87% above the 2009 projected. The O&M Expense Budget Comparative can be seen beginning on page 58 and the O&M can be seen in greater detail for each division in the operating budget detail section beginning on page 115. The following chart shows the major budget levels for the LRW 2010 O&M budget.



Property, Plant & Equipment - Capital expenses include all expenditures for the planning, design, construction, rehabilitation or purchase of assets. Total net capital expenses for FY 2010 are estimated to be \$54.8 million. The capital expenses can be seen in greater detail in the Capital Improvement Plan beginning on page 76.

Debt Service / Debt Expense – This category includes expenditures for the payment of principal and interest on bonds and other debt instruments along with any expense related to issuing that debt (i.e. bond underwriter, bond counsel). Debt service for FY 2010 is estimated to be \$17.8 million. This is \$1.7 million or 10.8% increase over the prior year. Little Rock Wastewater is anticipating a new bond issue in the amount of \$6,580,000 in 2009 and the 2007B Revolving Loan completed 10/15/09.

Debt Service

The following chart shows, as of January 1, 2010, all outstanding principal and interest owed by Little Rock Wastewater. The debt has been issued through either a Sewer Construction Revenue Bond or a State Revolving Loan Fund (RLF) by the Arkansas Natural Resource Commission (ANRC). For RLF's, LRW has either three years or six months after completion of the project before payback of the loan will start. The debt service coverage as of December 31, 2008 was 159%, exceeding the 120% required by the Bond Covenant. LRW has been rated by agencies such as Moodys (A1) and S & P (Aa) on its most recent debt issues. The net result of low interest rates on debt

financing means lower overall cost to LRW customers. The combined result of these efforts allows LRW to continue to be able to provide the most competitive service in the region. There are two spreadsheets that reflect debt service for LRW; the first one represents current obligations on principal and interest listed by year (including the bond issue in December 2009) and the second represents current along with projected bond issues in total for FY 2010 through FY 2014 as of January 1 of each year.

Current Outstanding Debt Service by Year on January 1			
<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$6,609,887	\$11,262,694	\$17,872,581
2011	\$6,845,610	\$11,038,016	\$17,883,625
2012	\$7,245,023	\$10,876,184	\$18,121,207
2013	\$7,669,603	\$10,693,479	\$18,363,082
2014	\$7,947,476	\$10,408,419	\$18,355,895
2015	\$8,252,397	\$10,110,030	\$18,362,427
2016	\$8,562,625	\$9,792,660	\$18,355,285
2017	\$8,892,413	\$9,458,250	\$18,350,663
2018	\$9,246,898	\$9,116,979	\$18,363,877
2019	\$9,586,383	\$8,762,214	\$18,348,597
2020	\$9,969,858	\$8,382,469	\$18,352,327
2021	\$10,359,194	\$7,982,485	\$18,341,679
2022	\$10,783,333	\$7,564,221	\$18,347,554
2023	\$7,586,217	\$7,166,945	\$14,753,162
2024	\$8,317,701	\$6,878,297	\$15,195,998
2025	\$8,638,253	\$6,559,049	\$15,197,301
2026	\$8,922,996	\$6,225,595	\$15,148,590
2027	\$9,237,171	\$5,872,323	\$15,109,494
2028	\$9,501,884	\$5,522,361	\$15,024,245
2029	\$9,864,031	\$5,111,011	\$14,975,042
2030	\$10,250,958	\$4,670,564	\$14,921,522
2031	\$10,765,324	\$4,164,735	\$14,930,059
2032	\$11,041,223	\$3,640,516	\$14,681,739
2033	\$11,325,000	\$3,107,677	\$14,432,677
2034	\$11,855,000	\$2,580,442	\$14,435,442
2035	\$12,455,000	\$1,984,739	\$14,439,739
2036	\$13,080,000	\$1,358,419	\$14,438,419
2037	\$13,735,000	\$700,670	\$14,435,670
2038	\$1,430,000	\$103,800	\$1,533,800
2039	\$410,000	\$22,550	\$432,550
TOTALS	\$270,386,455	\$191,117,793	\$461,504,248

The future debt funding also contains debt reserve account and any expense related to the debt issues via bond counsel and bond underwriter. The debt expense would also push out the calendar year to FY 2043 for LRW to have paid off all debt. The following chart shows what LRW would owe for the combined outstanding principal and interest at the first of each year. The maximum yearly P&I would be in 2015 for \$27,169,512.

There are six projected bond issues included in the five-year capital outlook:

1. A revenue bond issue in 2011 to cover the cost of Collection System Rehabilitation – Phase Seven. The cost of this improvement is estimated at \$21,250,000 for construction costs, debt service requirements, and bond expense.
2. A revenue bond issue in 2011 to cover the construction cost for the Cantrell Road Pump Station. The estimated construction improvements are estimated at \$21,500,000 that also includes debt service requirements, and bond expense.
3. A Revenue bond issue in 2011 to cover the construction cost for the Isolated Capacity Overflow Projects/Fourche Creek Treatment Plant Contract III. The estimated construction improvements are estimated at \$14,300,000, that also includes debt service requirements, and bond expense.
4. A Revenue bond issue in 2012 to cover the construction cost for the Collection System Rehabilitation – Phase Eight. The estimated construction improvements are estimated at \$19,425,000 that also includes debt service requirements, and bond expense.
5. A Revenue bond issue in 2012 to cover the construction cost for the Fourche Creek Upgrade – Phase Two. The construction improvements are estimated to be \$16,454,876 and that also includes debt service requirements, and bond expense.
6. A Revenue bond issue in 2013 to cover the construction cost for the Collection System Improvements – Phase Nine. The estimated construction improvements are estimated at \$47,250,000 that also includes debt service requirements, and bond expense.

Current and Projected Outstanding Debt Service in Total on January 1			
<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$284,391,846	\$197,774,354	\$443,631,667
2012	\$ 312,209,200	\$216,178,447	\$530,686,248
2013	\$340,021,986	\$233,949,947	\$576,236,895
2014	\$377,738,440	\$259,738,440	\$639,679,353

Customer Impacts

Going back to Little Rock Wastewater's Mission Statement - providing low cost, safe, high quality sanitary sewer service to the residents of Little Rock, and, through planning, support the orderly growth of the city with the overall objective of preserving the health and well-being of the residents and the environment - Little Rock Wastewater strives on improving its processes and planning to ensure that its customers continue to receive the highest quality sewer services at affordable rates. Proactive planning, visionary management, fiduciary responsibility, and constant communication with the customer will ensure that this will always be the case.

The largest impact affecting the rates are the large capital projects and the cost of borrowing to build those projects in order for LRW to meet the Arkansas Department of Environmental Quality Consent Administrative Order (CAO) and the Sierra Club Lawsuit Settlement for violations of the Clean Water Act and the Resource Conservation and Recovery Act for sanitary sewer overflows (SSO's) back in 2001. The building of the rate structure takes into consideration the operation and maintenance costs, capital, and current and future debt repayment or in other words what is the total Cost of Service to provide for the sanitary sewer processes.

The rate structure for each residential customer is determined by his or her **average winter consumption (AWC)**. AWC is the per-month average based on total consumption during the winter months of October through March. One can think of AWC as your own personal yardstick, against which your sewer use is measured. Up to two hundred cubic feet (ccf), or about 1,496 gallons, of water is included in the minimum monthly charge for all sewer accounts. The minimum monthly sewer charge for a 5/8" inside-city meter is \$14.63 and the rate increases depend on the size of the meter based on approved rates in 2009. There are also two types of rate structures for Little Rock Wastewater based on meter size: Inside-City and Outside-City. The current rate ordinance (#19,647) can be found at Little Rock Wastewater's website, www.lrwu.com.

The current rate ordinance has a sewer rate adjustment of 5% effective on January 1, 2010 and is included in the 2010 budget. The following are suggested changes by the Rate Advisory Committee and Raftelis Financial Consultant but are **not included** in the budget:

- a. **General Rate Increases:** 3.5% in 2010 in addition to the currently approved 5.0% in 2010, 5.0% in 2011, 5.0% in 2012, and 5.0% in 2013. The average sewer bill of 7 ccf will go from \$29.33 in 2009 to \$36.87 in 2013.
- b. **Differential Rates for Commercial Customers:** Implement a differential rate for commercial customers. This rate would recognize the greater pollutant load typically contributed by commercial customers. The estimated increase in annual revenues is \$750,000.
- c. **New Non-Connected Customer Charges:** All properties within 300 feet of a sewer main, but not currently connected, be assessed the minimum monthly

charge to recover the cost of providing this service. The estimated increase in annual revenues is \$100,000.

- d. **New System Development Fees:** Fees for new structures connecting to sewer system. The \$274 fee per new single dwelling is designed to recover a proportional share of the capital costs related to services provided to new construction in a service area. A schedule of fees for other users, such as office, commercial, and industrial, will be developed by LRW staff.

The inside-city structure for 2010 would be:

Residential rate

Minimum bill: \$15.37 (which includes 2CCF)

Volumetric Charge of: \$3.09 per CCF after the minimum bill

Non-Residential rate

Minimum bill: \$15.37 (which includes 2CCF)

Volumetric Charge of: \$3.09 per CCF after the minimum bill

The outside-city structure for 2010 would be:

Residential rate

Minimum bill: \$23.05 (which includes 2CCF)

Volumetric Charge of: \$4.63 per CCF after the minimum bill

Non-Residential rate

Minimum bill: \$23.05 (which includes 2CCF)

Volumetric Charge of: \$4.63 per CCF after the minimum bill

Monthly Wastewater Charges (on 5/8 inch meter)*

City	Residential 0 cf (0 gal)	Residential 500 cf (3,740 gal)	Residential 1,000 cf (7,480 gal)	Residential 3,000 cf (22,440 gal)
Wichita, KS	\$ 4.11	\$ 4.11	\$ 5.85	\$ 35.48
Tulsa, OK	4.08	13.23	25.43	37.63
Arlington, TX	3.75	17.11	27.02	66.67
Mobile, AL	10.65	15.93	31.86	95.59
Augusta, GA	16.39	16.39	37.76	69.41
Baton Rouge, LA	14.71	17.37	30.67	83.87
Little Rock, AR	14.07	22.56	36.71	93.31
St. Petersburg, FL	9.29	22.60	35.92	89.18
Plano, TX	10.20	23.48	36.75	89.86
Gary, IN	0.00	24.31	48.62	145.86

*Based on 2008 Water and Wastewater Rate Survey by American Water Works Association and Raftelis Financial Consultants, Inc. For benchmarking purposes, this study grouped utilities according to common operating characteristics. Those listed above are from Group B.

**Median Household Affordability Index
(As a Percentage of Median Household Income)***

City	Residential 500 cf (3,740 gal)	Residential 1,000 cf (7,480 gal)	Residential 3,000 cf (22,440 gal)
Wichita, KS	0.10%	0.14%	0.84%
Tulsa, OK	0.35%	0.68%	1.91%
Arlington, TX	0.34%	0.54%	1.33%
Mobile, AL	0.49%	0.98%	2.94%
Augusta, GA	0.39%	0.89%	1.65%
Baton Rouge, LA	0.54%	0.96%	2.62%
Little Rock, AR	0.57%	0.93%	2.35%
St. Petersburg, FL	0.62%	0.98%	2.44%
Plano, TX	0.28%	0.44%	1.08%
Gary, IN	0.85%	1.69%	5.08%

*Based on 2008 Water and Wastewater Rate Survey by American Water Works Association and Raftelis Financial Consultants, Inc.

The Median Household Affordability Index is tracked by municipalities, loaning agencies and federal government agencies such as the Environmental Protection Agency (EPA). The standard measurement in considering rate structures and project affordability is based on the average charge being less than 2% of Median Household Income. The annual Median Household Income for the City of Little Rock is \$37,572 and 2% of the median is \$751.44. The average monthly usage for a domestic account inside the city limits of Little Rock is 700 cf (or 5,236 gallons) or \$25.39, which equates to an annual amount of \$304.68 or 0.81% based on the 2008 sewer rates for a 5/8 inch sewer meter, well below the 2% measurement.

Little Rock Wastewater maintains a separate Consolidated Fee Schedule from the rate ordinance which is approved in the budget process each year. This schedule contains connection fees, permit fees, capital recovery fees, and domestic/industrial wastewater discharge fees. The schedule can be found on page 49.

Five Year Financial Plan

A five-year financial plan is also prepared which incorporates best estimates of operating and capital expenditures over the near term and projected revenue sources and future revenue requirements. This plan is a guide for management and the Little Rock Sanitary Sewer Committee to assess and review as it addresses current budget

proposals and in considering Little Rock Wastewater initiatives and the short and long term impact such initiatives will have on the financial condition of LRW.

Cash Flow Statement

The Cash Flow Statement can be found on page 55. This statement is the “check book” for LRW. The cash receipts from operations will continue to grow over the next year with the rate increase approval from the City of Little Rock Board of Directors in November 2006. The five-step rate increase consists of the following: 15% on January 1, 2007; 8% on July 1, 2007; 3% on January 1, 2008; 4% on January 1, 2009; and 5% on January 1, 2010. It is LRW’s intent to present to the City of Little Rock Board of Directors a proposed rate change that the Little Rock Wastewater Rate Advisory Committee has formulated over the past year, in conjunction with Raftelis Financial Consultants, Inc., in the first quarter of 2010.

LRW charges a franchise fee of 10.0% for the City of Little Rock. This is a pass-through fee that is deducted under cash disbursements. Interest income shows a decline starting in 2009. This decline is a result of reducing the 2007A and 2007C Revenue Bond Proceeds thus less cash available for investments. LRW is also anticipating six sewer revenue bond issues over this five year forecasted period with approval from the City of Little Rock Board of Directors. This will fund the Collection System Rehabilitation Phases 7, 8, and 9, Fourche Creek WWTF Hydraulic Upgrade Phases 1 and 2, Cantrell Road Pump Station Improvements, and Isolated Capacity Overflows.

The cash disbursements from operation and maintenance (O&M) costs (salaries, benefits, supplies, contract services, vehicle expense, utilities, training and administration, insurance, and committee expense) shows a steady increase over the next five years. A portion of that increase is associated with the completion of the Little Maumelle Wastewater Treatment Facility in late 2010. The purchase of property, plant, and equipment will continue to be the largest cash user with several construction projects that have started in previous years or will start in the next few years. The total budget on the purchase of property, plant and equipment from the 2009 forecast to the 2014 projected year is \$273,063,434. Along with those construction projects, LRW will have increased principal and interest payments for the new debt issued. The principal and interest payments will go from \$16,117,502 in the 2009 forecast to \$26,973,572 in 2014. The projected bond/loan outstanding debt at December 31, 2014 will be \$639,679,363.

The Restricted Balance represents balances in all bond construction funds, debt service requirements, depreciation fund, and workers compensation funds, either required by law or ordinance to maintain separately. The Appropriated Balance represents a 90-day cash flow expenditure on O&M expenses. The Unrestricted Balance represents all other non-designated monies.

Income Statement

The Income Statement is located on page 56. This statement summarizes the amount of revenues earned and expenses incurred by a business over a period of time. The operating revenues and expense follow the same statements in the cash flow overview. Depreciation will increase based on the numerous construction projects that will be completed during the next five budget years. Non-operating revenue shows a decrease in interest income because of less cash to invest with LRW using most of the proceeds from the 2007A and 2007C bond issues. Non-operating interest expense on long-term debt will increase with new debt being issued. The interest expense is projected to go from \$10.6 million in the 2009 forecast to \$16.7 million in projected 2014.

Debt/Bond Coverage Ratio Report

This report is located on page 57. It was added to the budgeting process this year to give management a better understanding of bond issuing requirements and whether LRW can issue new debt. The bond ordinance stipulates what can and cannot be used in the calculating "Net Revenues/Funds Available for Debt." LRW's bond ordinance states that "Net Revenues" means gross System revenues less operating and maintenance expenses other than depreciation, interest and amortization of deferred bond discount expenses, determined in accordance with generally accepted accounting principles. Also LRW may treat any increase in rates for the System enacted as having been in effect (look-forward) at the time rates are approved. The big assumption being made by LRW on the debt service coverage is that the City of Little Rock Board of Directors will approve the Rate Advisory Committee's suggested rate increases for 2010. The minimum coverage for parity bonds (Sewer Construction Revenue Bonds) is 1.2 and for subordinate bonds (ADFA Loans) is a 1.0.

Budget Comparative Overview

The Budget Overview can be found on pages 58 through 75. The overview breaks down the O&M expenses by department and type. It also compares those numbers against the current year budget and forecast. The O&M budget for 2010 shows an increase of 3.87% from the 2009 projected expenses. Projected expenses are actual expenses through October 31, 2009 and forecasted expenses for November 2009 through December 2009. The goal set by LRW is to keep Salaries within a 2% growth factor and Benefits within 35% of total salaries, Supplies and Training and Development to a 2% growth. In addition, any line item that has a 5% or greater increase should include a justification for that increase.

Conclusion

LRW will face many challenges, such as rate increases, debt issues, and rising costs/expenses, to meet required goals set forth in the Settlement Agreement dated September 12, 2001 between the LRSSC and the Sierra Club. In doing this, LRW's budget for 2010 continues to focus on improved customer service, environmental responsibility, and forward thinking, while containing costs.

1. FINANCE DIVISION

- 1.1 Billing Fee\$5.00**
Bills sent to customers by Little Rock Wastewater Utility
- 1.2 Insufficient Check Return Fee\$25.00**
Customer bad-checks returned on Little Rock Wastewater Utility bank accounts
- 1.3 Illegal Sewer Connection Fee\$150.00**
Illegal sewer connections to Little Rock Wastewater collection system
- 1.4 Late-Payment Fee 10% (Two days past due date)**
Late-payment on bills sent to customers by Little Rock Wastewater Utility

2. ENGINEERING SERVICES DIVISION

Connection of any facility (Single Family Residential, Commercial, Industrial, and other Non-residential) to the city sewer shall be preceded by payment of all applicable fees.

- 2.1 +Connection Fee (per building).....\$70.00**
The fees are applicable to all new facilities for all meter size connecting a building sewer to the Little Rock sewer system.
- 2.2 +Building Sewer Inspection Fee\$125.00**
Building sewer inspection fees for residential, commercial, industrial, all other connections shall be \$125.00. The above mentioned fees shall pay for one field inspection. All additional field inspections as required shall cost \$50.00 each.
- 2.3 Building Sewer Seal Fee (each)\$150.00**
Before any dwelling or other building being served by public sewer is moved or demolished, the building sewer serving must be disconnected from the public sewer at the property line to prevent the entrance of stormwater, groundwater, and debris into the public sewer.
- 2.4 Plan Review Fee.....\$50.00 Minimum to \$750.00 Maximum**
Accompanying the final construction plans and preliminary cost estimate shall be a review fee of 1.0% of the estimated construction cost of the project with a maximum of \$750.00 and a minimum of \$50.00. Approval will not be given for construction plans submitted until the above review fee is paid.
- 2.5 Capacity Contribution Fee**
In addition to standard connection fees, new commercial or industrial users will be assessed Capacity Contribution Fees if their estimated discharge rate exceeds a per acre allowance. These fees are calculated specifically for each project. The procedure for determining the amount of the capacity contribution generally is as follows:

- 2.5.1 For the basin, the collection system's maximum flow capacity is determined.
- 2.5.2 Given a location in the basin and the proposed area served, a design capacity (GPM/acre) is determined.
- 2.5.3 The proposed development is evaluated on the basis of its flow contribution. Capacity needed in excess of the design capacity is charged to the development based on the current cost to restore that capacity.

2.6 Street (R-O-W) Excavation Fee

LRWU has a program through which customers can have building sewers, or portions thereof, located under pavement in the right-of-way of public roadways and alleys repaired or replaced at a reasonable cost. No building sewer larger than four (4) inches in diameter is eligible for this program. Fees are as follows and must be paid in advance.

- 2.6.1 Single Family Residential Units\$400.00
(Includes owner occupied and rental dwellings)
- 2.6.2 Commercial Units\$600.00
(Includes duplexes and larger rentals)

2.7 Reimbursement Fee

LRWU collects reimbursement fees to offset private and public investment in larger diameter collector lines that are required to provide capacity for future development. The fees are specific to certain areas that are typically defined by natural drainage boundaries. Fees are collected on per acre basis and vary depending on the specific area in question. Specific areas where reimbursement fees are being collected and the corresponding per acre charge. This fee schedule can be obtained by contacting LRW Engineering Department. Reimbursement fees are adjusted annually.

2.8 Capital Recovery Fee

LRWU collects Capital Recovery Fees on mains constructed with Utility funds. It is the policy of LRWU to not extend sewers to new customers through the construction of new mains. In cases where the construction of new mains has been mandated for this purpose by an outside agency, the Utility collects an acreage based recovery fee. Areas subject to Capital Recovery Fees and corresponding per acre charges can be obtained by contacting LRW Engineering Department.

3. ENVIRONMENTAL ASSESSMENT DIVISION

3.1 Permitted Industrial Wastewater Discharge Fees

- 3.1.1 +New Permit Application Fee (each facility)**\$975.00**
- 3.1.2 +Permit Modification or Permit Transfer Fee (each action)
 - Name Change:\$150.00
 - +Modification:**\$490.00**

3.1.3	+Categorical Discharger (CIU) - Annual Permit Fee (each outfall)	\$2,550.00
3.1.4	Non-Significant CIU (1-100 GPD)-Annual Permit Fee*	\$1,100.00
3.1.5	Significant "CIU Zero" Discharger -Annual Permit Fee*	\$650.00
3.1.6	Non-Significant "CIU Zero" Discharger Annual Permit Fee*	\$650.00
3.1.7	+Categorical "Zero" Discharger (Domestic Only) Permit Fee*	\$620.00
3.1.8	+Significant Industrial User - Annual Permit Fee*	\$1,625.00
3.1.9	Other Regulated Industrial Users - Annual Permit Fee*	\$750.00
3.1.10	Other Regulated Ind. Users "Zero" Discharge-Annual Permit Fee*	\$400.00
3.1.11	Noncompliance Inspection, Sampling, and/or Testing (each occurrence)..	\$Cost
3.1.12	Late Reporting Fee (each occurrence)	\$50.00

* each outfall

3.2 Trap/Interceptor (T/I) Control Program - Landowner/Lessee/Tenant Fees

3.2.1	+Review Fee - Redevelopment to Determine Adequacy of Existing T/I	\$320.00
3.2.2	+T/I Variance Request from Approved Specifications (each)	\$770.00
3.2.3	+T/I Follow-up Noncompliance Inspection (1 st occurrence).....	\$305.00
3.2.4	+T/I Noncompliance Past LRWU Requirement(each past 1 st occurrence)	\$340.00
3.2.5	T/I Overflow Investigation (Active Overflow of Interceptor)	\$450.00
3.2.6	T/I Noncompliance Sampling and/or Testing (each occurrence)	\$Cost

3.3 Domestic Septage Disposal Fees (Accepted Only From Approved Sources)

3.3.1	+HLW Disposal Fee (each load).....	\$80.00
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3.4 Permitted Domestic Septage Waste Hauler/Owner/Operator Fees

3.4.1	New Permit Application Fee (each facility).....	\$400.00
3.4.2	+Permit Modification or Permit Transfer Fee (each action)	
	Name Change:	\$150.00
	+Modification:	\$490.00
3.4.3	Domestic Septage Waste Haulers - Annual Permit Fee.....	\$800.00
3.4.4	Domestic Septage Waste Hauler Tanker Fee - (each truck or tanker).....	\$35.00
3.4.5	Noncompliance Inspection, Sampling, and/or Testing (each occurrence)..	\$Cost
3.4.6	Late Reporting Fee (each occurrence)	\$50.00

3.5 Permitted Landfill Owner/Operator Fees

3.5.1	New Permit Application Fee (each facility).....	\$850.00
3.5.2	+Permit Modification or Permit Transfer Fee (each action)	
	Name Change:	\$150.00
	+Modification:	\$490.00
3.5.3	+Landfill Operator - Annual Permit Fee.....	\$490.00
3.5.4	Noncompliance Inspection, Sampling, and/or Testing (each occurrence)..	\$Cost
3.5.5	Late Reporting Fee (each occurrence)	\$50.00

3.6 Permitted Landfill Leachate Hauler Fees

3.6.1	+New Permit Application Fee (each facility)	\$910.00
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- 3.6.2 +Permit Modification or Permit Transfer Fee (each action)
 - Name Change:\$150.00
 - +Modification:**\$490.00**
- 3.6.3 +Landfill Leachate Hauler - Annual Permit Fee.....**\$1,175.00**
- 3.6.4 Landfill Leachate Tanker Fee - (each truck or tanker)\$35.00
- 3.6.5 Noncompliance Inspection, Sampling, and/or Testing (each occurrence).. \$Cost
- 3.6.6 Late Reporting Fee (each occurrence)\$50.00

3.7 Permitted Mobile Pressure Wash Owner/Operator Fees

- 3.7.1 +Mobile Pressure Wash Operator New Permit Application.....**\$320.00**
- 3.7.2 +Mobile Pressure Wash Operator - Annual Permit Fee**\$320.00**
- 3.7.3 Mobile Pressure Wash Operator Tanker Fee - (each truck or tanker)\$35.00
- 3.7.4 +Disposal Fee (each load).....**\$80.00**
- 3.7.5 Noncompliance Inspection, Sampling, and/or Testing (each occurrence).. \$Cost
- 3.7.6 Late Reporting Fee (each occurrence)\$50.00

3.8 Diversion and Sewer Meter Inspection, and Other EAD Fees

- 3.8.1 New Meter Installation - Review, Inspection, and Approval (each)... \$175.00
- 3.8.2 Annual Inspection (each meter and meter type)\$125.00
- 3.8.3 +Replacement Meter Installation Fee (Active Account Only)**\$128.00**
- 3.8.4 +Meter Re-Activation Fee (Applies to Lapsed Accounts ≥180 days)**\$238.00**
- 3.8.5 Variance Request - Pretreatment Ordinance Requirement (each)\$500.00

3.9 Fees for Other Approved Wastewater Sources

When a customer requests approval to discharge a wastewater source which has not been classified above in Section 3, the Director shall have the authority to set discharge fees within the guidelines set forth below.

The Director shall assess whether the wastewater discharge request is compatible with the treatment works. Also, the Director shall assess the complexity of the discharge request and adjust the disposal fee accordingly. When the Director establishes a new wastewater source classification under this Section, the same discharge fee shall be uniformly applied to future customer requests under this fee schedule.

Wastewater sources approved for discharge will be issued a "Restricted Short Term Authorization to Discharge Wastewater" or a "Special Discharge Permit." These shall apply regardless of whether the approved discharge is delivered to the Adams Field Treatment Plant for disposal or discharged directly into the sanitary sewer collection system.

- 3.9.1 +New Restricted Short Term Authorization - Application Fee**\$420.00**
(Duration of the Short Term Authorization must be less than one year.)
- 3.9.2 +New Special Discharge Permit - Application Fee\$400.00
- 3.9.3 +New Special Discharge Permit - Annual Permit Fee (each outfall)\$400.00
- 3.9.4 +Special Discharge Wastewater Disposal Fee per Gallon **\$0.005 - \$0.20**

3.9.5	Compliance Inspection, Monitoring, and Testing (each).....	\$Cost
3.9.6	Noncompliance Inspection, Sampling, and/or Testing (each occurrence)..	\$Cost
3.9.7	Special Discharge Late Reporting Fee (each occurrence)	\$50.00

+ “signifies added/changed fee amounts from 2009” and “**bolded items**” indicate fees where a **phased increase over three years was necessary and this being the 2nd year of the phase increase recommended by Raftelis Financial Consultants, Inc.. Therefore, similar upward adjustments will be required for next year to bring the current fee in line with cost of service.**

2009			
GRADE	MINIMUM	MIDPOINT	MAXIMUM

E - Gr 1	\$151,465	\$192,739	\$234,012
E - Gr 2	118,189	158,550	198,911
E - Gr 3	80,000	117,250	154,500
E - Gr 4	66,439	87,537	108,636
E - Gr 5	55,890	74,882	93,874
E - Gr 6	39,949	60,345	80,742
NE - Gr 14	51,812	66,165	80,519
NE - Gr 13	48,393	61,814	75,234
NE - Gr 12	45,270	59,520	73,770
NE - Gr 11	42,193	55,479	68,766
NE - Gr 10	39,321	51,727	64,133
NE - Gr 9	36,699	48,211	59,923
NE - Gr 8	34,717	45,645	56,573
NE - Gr 7	32,574	42,842	53,110
NE - Gr 6	30,977	39,553	48,128
NE - Gr 5	29,268	38,488	47,709
NE - Gr 4	27,468	35,061	42,654
NE - Gr 3	26,032	34,245	42,459
NE - Gr 2	24,459	31,221	37,983
NE - Gr 1	\$10.00/hr	\$10.00/hr	\$10.00/hr

2010			
GRADE	MINIMUM	MIDPOINT	MAXIMUM

E - Gr 1	\$151,465	\$192,739	\$234,012
E - Gr 2	118,189	158,550	198,911
E - Gr 3	80,000	117,250	154,500
E - Gr 4	66,439	87,537	108,636
E - Gr 5	55,890	74,882	93,874
E - Gr 6	39,949	60,345	80,742
NE - Gr 14	51,812	66,165	80,519
NE - Gr 13	48,393	61,814	75,234
NE - Gr 12	45,270	59,520	73,770
NE - Gr 11	42,193	55,479	70,141 *
NE - Gr 10	39,321	51,727	64,133
NE - Gr 9	36,699	48,211	61,121 *
NE - Gr 8	34,717	45,645	56,573
NE - Gr 7	32,574	42,842	54,376 *
NE - Gr 6	30,977	39,553	49,090 *
NE - Gr 5	29,268	38,488	48,663 *
NE - Gr 4	27,468	35,061	42,654
NE - Gr 3	26,032	34,245	43,308 *
NE - Gr 2	24,459	31,221	37,983
NE - Gr 1	\$10.00/hr	\$10.00/hr	\$10.00/hr

*maximum increased by 2%

CONSOLIDATED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

	2008 ACTUAL	2009 FORECAST	2010 BUDGET	2011 PROJECTED	2012 PROJECTED	2013 PROJECTED	2014 PROJECTED
BEGINNING FUND BALANCE	145,928,822	130,763,656	73,181,838	26,237,312	41,976,161	36,878,955	39,820,933
CASH RECEIPTS FROM:							
OPERATIONS	39,569,491	39,790,044	41,792,760	42,001,724	42,211,732	42,422,791	42,634,905
CITY OF LITTLE ROCK FRANCHISE FEE	3,690,294	3,979,004	4,179,276	4,200,172	4,221,173	4,242,279	4,263,491
CONTRIBUTIONS	61,295	440,000	460,000	483,000	507,150	532,508	559,133
INTEREST INCOME	5,084,153	2,050,000	781,900	475,400	604,400	1,366,400	2,643,400
OTHER INCOME	-	-	-	-	-	-	-
CO-GENERATION	0	0	0	0	0	0	0
BOND ISSUES/EPA LOAN AND GRANTS	25,796,523	18,527,141	7,334,284	\$57,113,000	\$36,312,000	\$47,250,000	\$0
EXTRAORDINARY GAINS	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS	74,201,756	64,786,190	54,548,220	104,273,296	83,856,456	95,813,978	50,100,928
CASH DISBURSEMENTS FROM:							
SALARIES	13,247,480	11,534,669	11,618,048	12,112,588	12,475,966	12,895,245	13,317,102
BENEFITS	5,764,520	3,724,008	3,942,254	4,204,208	4,330,335	4,470,245	4,614,352
SUPPLIES	2,830,329	1,889,845	2,219,004	2,861,167	2,918,389	2,976,756	3,036,292
CONTRACT SERVICES	3,171,535	3,133,295	3,109,299	3,401,655	3,495,878	3,592,771	3,692,412
VEHICLE EXPENSE	877,349	237,041	431,406	461,348	475,188	489,444	504,127
UTILITIES	1,656,284	1,844,576	1,884,311	2,512,414	2,587,785	2,665,417	2,745,379
TRAINING AND ADMINISTRATION	3,602,335	871,066	932,932	960,191	979,395	998,983	1,018,962
INSURANCE	677,637	127,250	129,262	134,140	138,162	142,308	146,577
COMMITTEE EXPENSE	143,400	15,000	15,000	15,450	15,914	16,391	16,883
CITY OF LITTLE ROCK FRANCHISE FEE	4,647	3,979,004	4,179,276	4,200,172	4,221,173	4,242,279	4,263,491
PURCH. OF PROP., PLANT & EQUIP.	42,477,694	78,756,752	55,170,371	36,860,822	33,681,755	33,738,347	34,855,387
REDEMPTION OF BONDS/LOANS	4,784,073	5,591,753	6,625,373	7,296,606	8,497,628	9,572,994	10,152,429
INTEREST PAID ON BONDS/LOANS	9,604,659	10,525,749	11,236,211	12,348,053	14,382,198	16,088,019	16,821,143
BOND ISSUE/RETIRE EXPENSE	524,980	138,000	-	1,165,632	753,896	982,800	-
TOTAL ALLOCATION OF FUNDS	89,366,922	122,368,008	101,492,747	88,534,447	88,953,662	92,871,999	95,184,536
INCREASE/DECREASE IN FUNDS	(15,165,166)	(57,581,818)	(46,944,527)	15,738,850	(5,097,206)	2,941,978	(45,083,608)
ENDING FUNDS BALANCE	130,763,656	73,181,838	26,237,312	41,976,161	36,878,955	39,820,933	(5,262,674)
RESTRICTED BALANCE	116,646,594	62,145,923	15,907,027	40,199,653	50,936,650	73,355,971	40,095,034
APPROPRIATED BALANCE (90 Days O&M Expense)	4,172,364	5,762,369	5,985,394	6,548,472	6,733,618	6,937,601	7,171,199
UNRESTRICTED BALANCE	9,944,698	5,273,546	4,344,891	(4,771,965)	(20,791,313)	(40,472,638)	(52,528,907)
TOTAL	130,763,656	73,181,838	26,237,312	41,976,161	36,878,955	39,820,933	(5,262,674)

INCOME STATEMENT

	2008 ACTUAL	2009 FORECAST	2010 BUDGET	2011 PROJECTED	2012 PROJECTED	2013 PROJECTED	2014 PROJECTED
OPERATING REVENUE:							
ASSESSMENTS LEVIED	37,658,159	38,308,269	40,064,220	40,264,541	40,465,864	40,668,193	40,871,534
INDUSTRIAL SURCHARGE	691,625	696,807	1,123,800	1,129,419	1,135,066	1,140,741	1,146,445
OTHER FEES AND INCOME	534,124	784,968	604,740	607,764	610,803	613,857	616,926
TOTAL OPERATING INCOME	38,883,908	39,790,044	41,792,760	42,001,724	42,211,732	42,422,791	42,634,905
OPERATING EXPENSE:							
SUPPORT SERVICES	9,628,354	9,330,586	9,414,100	9,837,883	8,269,505	8,496,348	8,729,570
OPERATIONS	4,552,799	4,641,963	4,812,774	6,038,722	8,054,803	8,343,525	8,585,752
MAINTENANCE	9,549,956	9,404,200	10,054,641	10,786,556	11,092,704	11,407,687	11,776,764
TOTAL OPERATING EXPENSE	23,731,109	23,376,749	24,281,515	26,663,161	27,417,012	28,247,560	29,092,086
NET INCOME BEFORE DEPRECIATION	15,152,799	16,413,295	17,511,245	15,338,563	14,794,720	14,175,231	13,542,819
FUNDED DEPRECIATION	0	0	0	0	0	0	0
NON-FUNDED DEPRECIATION	6,378,990	6,915,193	6,908,517	7,393,323	7,363,743	7,547,489	7,656,539
NET INCOME AFTER DEPRECIATION	8,773,809	9,498,102	10,602,728	7,945,240	7,430,977	6,627,742	5,886,280
NON-OPERATING REVENUE:							
INTEREST INCOME	5,421,585	1,475,788	781,900	475,400	604,400	1,366,400	2,643,400
GAIN ON DISPOSAL OF PROPERTY	5,332	1,110	3,600	3,600	3,600	3,600	3,600
UNREALIZED GAIN ON INVESTMENT	(382,174)	-	-	-	-	-	-
MISCELLANEOUS	18,148	16,634	10,000	10,000	10,000	10,000	10,000
INCOME BEFORE NON-OPERATING EXPEI	13,836,700	10,991,634	11,398,228	8,434,240	8,048,977	8,007,742	8,543,280
NON-OPERATING EXPENSES:							
AMORTIZATION - BOND DISC & EXP	206,391	218,686	223,740	237,831	257,371	283,597	292,104
INTEREST ON LONG-TERM DEBT	9,340,837	10,608,620	11,134,893	12,249,559	14,285,220	15,997,117	16,726,656
LOSS ON DISPOSAL OF PROPERTY	160,836	-	-	-	-	-	-
EXTRAORDINARY LOSS - LITIGATION	-	-	-	-	-	-	-
NET INCOME	4,128,636	164,328	39,595	(4,053,150)	(6,493,613)	(8,272,972)	(8,475,481)

Debt / Bond Coverage Ratio

	2008 ACTUAL	2009 FORECAST	2010 BUDGET	2011 PROJECTED	2012 PROJECTED	2013 PROJECTED	2014 PROJECTED
Operating Revenue	38,883,908	39,790,044	41,792,760	42,001,724	42,211,732	42,422,791	42,634,905
Less Operating Exp and Depreciation	(30,110,099)	(30,291,942)	(31,190,032)	(34,056,484)	(34,780,755)	(35,795,049)	(36,748,625)
Operating Revenue	(4,107,495)	(9,334,884)	(10,566,733)	(12,001,990)	(13,928,190)	(14,904,314)	(14,365,361)
Total Non-operating Revenue/(Exp)	4,666,314	163,218	35,995	(4,056,750)	(6,497,213)	(8,276,572)	(8,479,081)
Net Income	0	0	0	0	0	0	0
Plus: Revenue from Rate Increase	0	1,989,502	-	0	0	0	0
1/1/2009 (Full Year) @ 4.00%							
1/1/2010 (Full Year) @ 5.00%							
1/1/2011 (Full Year) @ 0.00%							
1/1/2012 (Full Year) @ 0.00%							
1/1/2013 (Full Year) @ 0.00%							
Plus:							
Depreciation	6,378,990	6,915,193	6,908,517	7,393,323	7,363,743	7,547,489	7,656,539
Interest & Amortization Expense	9,547,228	10,827,306	11,358,633	12,487,390	14,542,590	16,280,714	17,018,761
(Gain)/Loss on disposal of Assets		-	-	-	-	-	-
Unrealized (Gain)/Loss on Investment	382,174	0	0	0	0	0	0
Funds Available for Debt	20,592,532	19,895,219	18,303,145	15,823,963	15,409,120	15,551,631	16,196,219
Debt Service Coverage							
After Issuance of Collection - Phase 7			15,574,817				
Average Annual Debt Service**			1.18				
After Issuance of Cantrell Rd PS			16,883,050				
Average Annual Debt Service**			1.08				
After Issuance of RLF Capacity Overflow			17,753,177				
Average Annual Debt Service**			1.03				
After Issuance of Collection - Phase 8			18,300,884				
Average Annual Debt Service**			0.86				
After Issuance of Fourche Creek Upgrades			19,324,349				
Average Annual Debt Service**			0.82				
After Issuance of Collection - Phase 9			21,463,357				
Average Annual Debt Service**			0.72				

O&M EXPENSE BUDGET COMPARATIVE
TOTAL UTILITY

DESCRIPTION	2009 BUDGET	2009 PROJECTED	2010 BUDGET	2010 PROJECTED	2011 PROJECTED	2012 PROJECTED	2013 PROJECTED	2014 PROJECTED	2010 RATE MODEL
SALARY	11,562,036	11,534,669	11,618,048	12,112,588	12,475,966	12,895,245	13,317,102	11,859,824	
EMPLOYEE BENEFITS	3,380,842	3,724,008	3,942,254	4,204,208	4,330,335	4,470,245	4,614,352	3,908,596	
SUPPLIES	2,202,900	1,889,845	2,219,004	2,861,167	2,918,389	2,976,756	3,036,292	2,280,770	
CONTRACT SERVICES	3,243,901	3,133,295	3,109,299	3,401,655	3,495,878	3,592,771	3,692,412	3,274,930	
VEHICLE EXPENSE	488,418	237,041	431,406	461,348	475,188	489,444	504,127	231,602	
UTILITIES	1,672,489	1,844,576	1,884,311	2,512,414	2,587,785	2,665,417	2,745,379	1,607,171	
TRAINING AND ADMIN	974,618	871,066	932,932	960,191	979,395	998,983	1,018,962	1,006,756	
INSURANCE	163,323	127,250	129,262	134,140	138,162	142,308	146,577	164,660	
COMMITTEE EXPENSE	15,000	15,000	15,000	15,450	15,914	16,391	16,883	18,000	
C.W.I.P.	-	-	-	-	-	-	-	-	
	23,703,527	23,376,749	24,281,515	26,663,161	27,417,012	28,247,560	29,092,086	24,352,309	
COMMITTEE	71,500	73,494	73,500	75,220	76,982	78,786	80,635	75,705	
ADMINISTRATION	1,718,034	1,655,834	1,749,029	1,805,468	1,856,793	1,909,603	1,963,939	1,817,672	
FINANCE	2,361,345	2,433,242	2,387,011	2,506,063	2,569,112	2,633,811	2,700,202	2,582,042	
ENGINEERING	1,499,078	1,484,419	1,568,000	1,628,839	1,676,479	1,725,524	1,776,016	1,934,887	
INFORMATION SERVICES	1,993,840	2,039,853	1,968,673	2,033,277	2,090,139	2,148,624	2,208,778	2,018,085	
MAINTENANCE	9,801,147	9,404,200	10,054,641	10,786,556	11,092,704	11,407,687	11,776,764	9,368,895	
OPERATIONS	4,617,633	4,641,963	4,812,774	6,038,722	6,214,156	6,394,738	6,580,623	4,869,528	
EAD	1,640,950	1,643,744	1,667,888	1,789,016	1,840,647	1,948,787	2,005,129	1,685,495	
C.W.I.P.	-	-	-	-	-	-	-	-	
	23,703,527	23,376,749	24,281,515	26,663,161	27,417,012	28,247,560	29,092,086	24,352,309	
SUPPORT SERVICES	7,643,797	7,686,842	7,746,213	8,048,867	8,269,505	8,496,348	8,729,570	8,428,391	
OPERATIONS	6,258,584	6,285,707	6,480,662	7,827,738	8,054,803	8,343,525	8,585,752	6,555,023	
MAINTENANCE	9,801,147	9,404,200	10,054,641	10,786,556	11,092,704	11,407,687	11,776,764	9,368,895	
C.W.I.P.	-	-	-	-	-	-	-	-	
	23,703,527	23,376,749	24,281,515	26,663,161	27,417,012	28,247,560	29,092,086	24,352,309	

BUDGET COMPARISON
TOTAL UTILITY

DESCRIPTION	-----2009 PROJECTED TO 2009 BUDGET -----			-----2010 BUDGET TO 2009 BUDGET-----		
	2009 PROJECTED	\$ OVR/(UND)	OVR/(UND)	2009 BUDGET	\$ OVR/(UND)	2010 BUDGET
Salaries	11,534,669	(27,367)	(0.24%)	11,562,036	56,012	11,618,048
Emp Benefits	3,724,008	343,166	9.21%	3,380,842	561,412	3,942,254
Supplies	1,889,845	(313,055)	(16.57%)	2,202,900	16,104	2,219,004
Contract Services	3,133,295	(110,606)	(3.53%)	3,243,901	(134,602)	3,109,299
Vehicle Expense	237,041	(251,377)	(106.05%)	488,418	(57,013)	431,406
Utilities	1,844,576	172,087	9.33%	1,672,489	211,822	1,884,311
Training and Admin	871,066	(103,552)	(11.89%)	974,618	(41,686)	932,932
Insurance	127,250	(36,073)	(28.35%)	163,323	(34,061)	129,262
Committee Exp	15,000	-	0.00%	15,000	-	15,000
Total	23,376,749	(326,778)	(1.40%)	23,703,527	577,989	24,281,515

BUDGET COMPARISON
TOTAL UTILITY

DESCRIPTION	-----2010 BUDGET TO 2009 PROJECTED -----			-----2010 RATE STUDY TO 2010 BUDGET-----		
	2009 PROJECTED	\$ OVR/(UND)	OVR/(UND)	2010 BUDGET	\$ OVR/(UND)	2010 RATE MODEL
Salaries	11,534,669	83,379	0.72%	11,618,048	241,776	11,859,824
Emp Benefits	3,724,008	218,246	5.86%	3,942,254	(33,658)	3,908,596
Supplies	1,889,845	329,160	17.42%	2,219,004	61,766	2,280,770
Contract Services	3,133,295	(23,996)	(0.77%)	3,109,299	165,631	3,274,930
Vehicle Expense	237,041	194,365	82.00%	431,406	(199,804)	231,602
Utilities	1,844,576	39,736	2.15%	1,884,311	(277,140)	1,607,171
Training and Admin	871,066	61,866	7.10%	932,932	73,824	1,006,756
Insurance	127,250	2,012	1.58%	129,262	35,398	164,660
Committee Exp	15,000	-	0.00%	15,000	3,000	18,000
Total	23,376,749	904,766	3.87%	24,281,515	70,794	24,352,309

O&M EXPENSE BUDGET COMPARATIVE
COMMITTEE

DESCRIPTION	2009 BUDGET	2009 PROJECTED	2010 BUDGET	2011 PROJECTED	2012 PROJECTED	2013 PROJECTED	2014 PROJECTED	2010 RATE MODEL
SALARY	-	-	-	-	-	-	-	-
EMPLOYEE BENEFITS	-	-	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-	-	-
CONTRACT SERVICES	-	-	-	-	-	-	-	-
VEHICLE EXPENSE	-	-	-	-	-	-	-	-
UTILITIES	-	-	-	-	-	-	-	-
TRAINING & ADMIN	46,500	48,494	48,500	49,470	50,459	51,468	52,497	47,705
INSURANCE	10,000	10,000	10,000	10,300	10,609	10,927	11,255	10,000
COMMITTEE EXPENSE	15,000	15,000	15,000	15,450	15,914	16,391	16,883	18,000
	71,500	73,494	73,500	75,220	76,982	78,786	80,635	75,705
COMMITTEE	71,500	73,494	73,500	75,220	76,982	78,786	80,635	75,705
ADMINISTRATION	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
ENGINEERING	-	-	-	-	-	-	-	-
INFORMATION SERVICES	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-
EAD	-	-	-	-	-	-	-	-
	71,500	73,494	73,500	75,220	76,982	78,786	80,635	75,705
SUPPORT SERVICES	71,500	73,494	73,500	75,220	76,982	78,786	80,635	75,705
OPERATIONS	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
	71,500	73,494	73,500	75,220	76,982	78,786	80,635	75,705

BUDGET COMPARISON
COMMITTEE

'-----2009 PROJECTED TO 2009 BUDGET -----'-----2010 BUDGET TO 2009 BUDGET-----'

DESCRIPTION	2009 PROJECTED		OVR/(UND)		2009 BUDGET		OVR/(UND)		2010 BUDGET	
	\$		\$		\$		\$		\$	
Salaries	-	-	-	-	-	-	-	-	-	-
Emp Benefits	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
Contract Services	-	-	-	-	-	-	-	-	-	-
Vehicle Expense	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Training and Admin	48,494	1,994	4.11%	46,500	2,970	6.39%	49,470			
Insurance	10,000	-	0.00%	10,000	300	3.00%	10,300			
Committee Exp	15,000	-	0.00%	15,000	450	3.00%	15,450			
Total	73,494	1,994	0	71,500	3,720	0	75,220			

BUDGET COMPARISON
COMMITTEE

'-----2010 BUDGET TO 2009 PROJECTED -----'-----2010 RATE STUDY TO 2010 BUDGET-----'

DESCRIPTION	2009 PROJECTED		OVR/(UND)		2010 BUDGET		OVR/(UND)		2010 RATE MODEL	
	\$		\$		\$		\$			
Salaries	-	-	-	-	-	-	-	-	-	-
Emp Benefits	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
Contract Services	-	-	-	-	-	-	-	-	-	-
Vehicle Expense	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Training and Admin	48,494	976	2.01%	49,470	(1,765)	(3.57%)	47,705			
Insurance	10,000	300	3.00%	10,300	(300)	(2.91%)	10,000			
Committee Exp	15,000	450	3.00%	15,450	2,550	16.50%	18,000			
Total	73,494	1,726	2.35%	75,220	485	0	75,705			

O&M EXPENSE BUDGET COMPARATIVE
ADMINISTRATION

DESCRIPTION	2009 BUDGET	2009 PROJECTED	2010 BUDGET	2010 PROJECTED	2011 PROJECTED	2012 PROJECTED	2013 PROJECTED	2014 PROJECTED	2010 RATE MODEL
SALARY	928,453	907,840	927,232	955,049	983,700	1,013,211	1,043,607	970,427	
EMPLOYEE BENEFITS	297,881	320,832	323,472	339,926	350,124	360,628	371,447	364,404	
SUPPLIES	96,300	75,404	93,000	94,860	96,757	98,692	100,666	98,226	
CONTRACT SERVICES	149,950	134,072	184,325	189,855	195,551	201,418	207,461	133,849	
VEHICLE EXPENSE	20,500	17,273	18,000	18,540	19,096	19,669	20,259	21,115	
UTILITIES	12,000	11,468	10,000	10,300	10,609	10,927	11,255	12,360	
TRAINING & ADMIN	204,750	181,264	185,250	188,955	192,734	196,589	200,521	208,845	
INSURANCE	8,200	7,681	7,750	7,983	8,222	8,469	8,723	8,446	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-	
	1,718,034	1,655,834	1,749,029	1,805,468	1,856,793	1,909,603	1,963,939	1,817,672	

COMMITTEE	-	-	-	-	-	-	-	-	
ADMINISTRATION	1,718,034	1,655,834	1,749,029	1,805,468	1,856,793	1,909,603	1,963,939	1,817,672	
FINANCE	-	-	-	-	-	-	-	-	
ENGINEERING	-	-	-	-	-	-	-	-	
INFORMATION SERVICES	-	-	-	-	-	-	-	-	
MAINTENANCE	-	-	-	-	-	-	-	-	
OPERATIONS	-	-	-	-	-	-	-	-	
EAD	-	-	-	-	-	-	-	-	
	1,718,034	1,655,834	1,749,029	1,805,468	1,856,793	1,909,603	1,963,939	1,817,672	

SUPPORT SERVICES	1,718,034	1,655,834	1,749,029	1,805,468	1,856,793	1,909,603	1,963,939	1,817,672	
OPERATIONS	-	-	-	-	-	-	-	-	
MAINTENANCE	-	-	-	-	-	-	-	-	
C.W.I.P.	-	-	-	-	-	-	-	-	
	1,718,034	1,655,834	1,749,029	1,805,468	1,856,793	1,909,603	1,963,939	1,817,672	

BUDGET COMPARISON
ADMINISTRATION

DESCRIPTION	2009 PROJECTED TO 2009 BUDGET -----		2009 BUDGET		2010 BUDGET TO 2009 BUDGET -----	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET
		\$			\$	
Salaries	907,840	(20,613)	(2.27%)	928,453	(1,221)	(0.13%)
Emp Benefits	320,832	22,951	7.15%	297,881	25,592	8.59%
Supplies	75,404	(20,896)	(27.71%)	96,300	(3,300)	(3.43%)
Contract Services	134,072	(15,878)	(11.84%)	149,950	34,375	22.92%
Vehicle Expense	17,273	(3,227)	(18.68%)	20,500	(2,500)	(12.20%)
Utilities	11,468	(532)	(4.64%)	12,000	(2,000)	(16.67%)
Training and Admin	181,264	(23,486)	(12.96%)	204,750	(19,500)	(9.52%)
Insurance	7,681	(519)	(6.75%)	8,200	(450)	(5.49%)
Committee Exp	-	-	-	-	-	-
Total	1,655,834	(62,199)	(3.76%)	1,718,034	30,996	1.80%

BUDGET COMPARISON
ADMINISTRATION

DESCRIPTION	2009 PROJECTED TO 2009 PROJECTED -----		2010 BUDGET		2010 RATE STUDY TO 2010 BUDGET -----	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	RATE MODEL
		\$			\$	
Salaries	907,840	19,392	2.14%	927,232	43,195	4.66%
Emp Benefits	320,832	2,641	0.82%	323,472	40,932	12.65%
Supplies	75,404	17,596	23.34%	93,000	5,226	5.62%
Contract Services	134,072	50,253	37.48%	184,325	(50,476)	(27.38%)
Vehicle Expense	17,273	727	4.21%	18,000	3,115	17.31%
Utilities	11,468	(1,468)	(12.80%)	10,000	2,360	23.60%
Training and Admin	181,264	3,986	2.20%	185,250	23,595	12.74%
Insurance	7,681	69	0.90%	7,750	696	8.98%
Committee Exp	-	-	-	-	-	-
Total	1,655,834	93,195	5.63%	1,749,029	68,643	3.92%

O&M EXPENSE BUDGET COMPARATIVE
FINANCE

DESCRIPTION	2009 BUDGET	2009 PROJECTED	2010 BUDGET	2011 PROJECTED	2012 PROJECTED	2013 PROJECTED	2014 PROJECTED	2010 RATE MODEL
SALARY	905,995	937,903	852,876	920,462	948,076	976,518	1,005,814	1,034,827
EMPLOYEE BENEFITS	271,449	298,824	318,699	345,596	355,964	366,643	377,642	366,796
SUPPLIES	51,100	33,934	38,300	39,066	39,847	40,644	41,457	19,992
CONTRACT SERVICES	765,500	758,383	767,380	782,728	798,383	814,351	830,638	777,240
VEHICLE EXPENSE	7,900	9,383	8,700	8,961	9,230	9,507	9,792	8,137
UTILITIES	12,500	11,011	10,500	10,815	11,139	11,473	11,817	12,875
TRAINING & ADMIN	339,500	377,228	383,780	391,456	399,285	407,271	415,416	354,450
INSURANCE	7,400	6,575	6,776	6,979	7,188	7,404	7,626	7,725
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-
	2,361,345	2,433,242	2,387,011	2,506,063	2,569,112	2,633,811	2,700,202	2,582,042
COMMITTEE	-	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-	-
FINANCE	2,361,345	2,433,242	2,387,011	2,506,063	2,569,112	2,633,811	2,700,202	2,582,042
ENGINEERING	-	-	-	-	-	-	-	-
INFORMATION SERVICES	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-
EAD	-	-	-	-	-	-	-	-
	2,361,345	2,433,242	2,387,011	2,506,063	2,569,112	2,633,811	2,700,202	2,582,042
SUPPORT SERVICES	2,361,345	2,433,242	2,387,011	2,506,063	2,569,112	2,633,811	2,700,202	2,582,042
OPERATIONS	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
	2,361,345	2,433,242	2,387,011	2,506,063	2,569,112	2,633,811	2,700,202	2,582,042

BUDGET COMPARISON
FINANCE

DESCRIPTION	2009 PROJECTED TO 2009 BUDGET -----			-----2010 BUDGET TO 2009 BUDGET-----		
	2009 PROJECTED	\$ OVR/(UND)	OVR/(UND) BUDGET	2009 BUDGET	\$ OVR/(UND)	2010 BUDGET
Salaries	937,903	31,908	3.40%	905,995	(53,119)	852,876
Emp Benefits	298,824	27,375	9.16%	271,449	47,250	318,699
Supplies	33,934	(17,166)	(50.59%)	51,100	(12,800)	38,300
Contract Services	758,383	(7,117)	(0.94%)	765,500	1,880	767,380
Vehicle Expense	9,383	1,483	15.80%	7,900	800	8,700
Utilities	11,011	(1,489)	(13.52%)	12,500	(2,000)	10,500
Training and Admin	377,228	37,728	10.00%	339,500	44,280	383,780
Insurance	6,575	(825)	(12.55%)	7,400	(624)	6,776
Committee Exp	-	-	-	-	-	-
Total	2,433,242	71,897	2.95%	2,361,345	25,666	2,387,011

BUDGET COMPARISON
FINANCE

DESCRIPTION	2009 PROJECTED TO 2009 PROJECTED -----			-----2010 RATE STUDY TO 2010 BUDGET-----		
	2009 PROJECTED	\$ OVR/(UND)	OVR/(UND) BUDGET	2010 BUDGET	\$ OVR/(UND)	2010 RATE MODEL
Salaries	937,903	(85,027)	(9.07%)	852,876	181,951	1,034,827
Emp Benefits	298,824	19,875	6.65%	318,699	48,097	366,796
Supplies	33,934	4,366	12.87%	38,300	(18,308)	19,992
Contract Services	758,383	8,997	1.19%	767,380	9,860	777,240
Vehicle Expense	9,383	(683)	(7.28%)	8,700	(563)	8,137
Utilities	11,011	(511)	(4.64%)	10,500	2,375	12,875
Training and Admin	377,228	6,552	1.74%	383,780	(29,330)	354,450
Insurance	6,575	201	3.06%	6,776	949	7,725
Committee Exp	-	-	-	-	-	-
Total	2,433,242	(46,231)	(1.90%)	2,387,011	195,031	2,582,042

O&M EXPENSE BUDGET COMPARATIVE
ENGINEERING SERVICES

DESCRIPTION	2009 BUDGET	2009 PROJECTED	2010 BUDGET	2011 PROJECTED	2012 PROJECTED	2013 PROJECTED	2014 PROJECTED	2010 RATE MODEL
SALARY	1,060,407	1,039,201	1,072,678	1,104,858	1,138,004	1,172,144	1,207,308	1,267,868
EMPLOYEE BENEFITS	82,021	145,981	198,539	219,495	226,080	232,862	239,848	280,169
SUPPLIES	73,000	76,162	75,413	76,921	78,459	80,028	81,629	70,040
CONTRACT SERVICES	135,650	140,150	131,470	135,414	139,476	143,660	147,970	148,990
VEHICLE EXPENSE	45,000	25,000	24,500	25,235	25,992	26,772	27,575	36,050
UTILITIES	20,000	16,000	16,000	16,480	16,974	17,483	18,007	29,870
TRAINING & ADMIN	76,200	37,500	44,600	45,492	46,402	47,330	48,277	94,970
INSURANCE	6,800	4,426	4,800	4,944	5,092	5,245	5,402	6,930
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-
	1,499,078	1,484,419	1,568,000	1,628,839	1,676,479	1,725,524	1,776,016	1,934,887
COMMITTEE	-	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
ENGINEERING	1,499,078	1,484,419	1,568,000	1,628,839	1,676,479	1,725,524	1,776,016	1,934,887
INFORMATION SERVICES	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-
EAD	-	-	-	-	-	-	-	-
	1,499,078	1,484,419	1,568,000	1,628,839	1,676,479	1,725,524	1,776,016	1,934,887
SUPPORT SERVICES	1,499,078	1,484,419	1,568,000	1,628,839	1,676,479	1,725,524	1,776,016	1,934,887
OPERATIONS	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
	1,499,078	1,484,419	1,568,000	1,628,839	1,676,479	1,725,524	1,776,016	1,934,887

BUDGET COMPARISON
ENGINEERING SERVICES

'-----2009 PROJECTED TO 2009 BUDGET -----'-----2010 BUDGET TO 2009 BUDGET-----'

DESCRIPTION	2009		2009		2009		2010	
	PROJECTED	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)
		\$		\$		\$		\$
Salaries	1,039,201	(21,206)	1,060,407	(2.04%)	12,271	1.16%	1,072,678	
Emp Benefits	145,981	63,959	82,021	43.81%	116,518	142.06%	198,539	
Supplies	76,162	3,162	73,000	4.15%	2,413	3.31%	75,413	
Contract Services	140,150	4,500	135,650	3.21%	(4,180)	(3.08%)	131,470	
Vehicle Expense	25,000	(20,000)	45,000	(80.00%)	(20,500)	(45.56%)	24,500	
Utilities	16,000	(4,000)	20,000	(25.00%)	(4,000)	(20.00%)	16,000	
Training and Admin	37,500	(38,700)	76,200	(103.20%)	(31,600)	(41.47%)	44,600	
Insurance	4,426	(2,374)	6,800	(53.65%)	(2,000)	(29.41%)	4,800	
Committee Exp	-	-	-	-	-	-	-	
Total	1,484,419	(14,659)	1,499,078	(0.99%)	68,922	4.60%	1,568,000	

BUDGET COMPARISON
ENGINEERING SERVICES

'-----2010 BUDGET TO 2009 PROJECTED -----'-----2010 RATE STUDY TO 2010 BUDGET-----'

DESCRIPTION	2009		2010		2010		2010	
	PROJECTED	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)	RATE MODEL	
		\$		\$		\$		
Salaries	1,039,201	33,477	1,072,678	3.22%	195,190	18.20%	1,267,868	
Emp Benefits	145,981	52,558	198,539	36.00%	81,630	41.12%	280,169	
Supplies	76,162	(749)	75,413	(0.98%)	(5,373)	(7.12%)	70,040	
Contract Services	140,150	(8,680)	131,470	(6.19%)	17,520	13.33%	148,990	
Vehicle Expense	25,000	(500)	24,500	(2.00%)	11,550	47.14%	36,050	
Utilities	16,000	-	16,000	0.00%	13,870	86.69%	29,870	
Training and Admin	37,500	7,100	44,600	18.93%	50,370	112.94%	94,970	
Insurance	4,426	374	4,800	8.46%	2,130	44.38%	6,930	
Committee Exp	-	-	-	-	-	-	-	
Total	1,484,419	83,581	1,568,000	5.63%	366,887	23.40%	1,934,887	

O&M EXPENSE BUDGET COMPARATIVE
INFORMATION SERVICES

DESCRIPTION	2009	2009	2010	2011	2012	2013	2014	2010
	BUDGET	PROJECTED	BUDGET	PROJECTED	PROJECTED	PROJECTED	PROJECTED	RATE MODEL
SALARY	889,270	959,023	831,999	856,959	882,668	909,148	936,422	755,245
EMPLOYEE BENEFITS	312,853	335,005	310,426	326,239	336,026	346,107	356,490	324,747
SUPPLIES	317,780	285,040	341,520	348,350	355,317	362,423	369,671	468,212
CONTRACT SERVICES	254,637	254,721	274,427	285,760	294,333	303,163	312,258	256,934
VEHICLE EXPENSE	17,000	17,764	13,200	13,596	14,004	14,424	14,857	14,420
UTILITIES	129,000	129,000	131,600	135,548	139,614	143,802	148,116	136,372
TRAINING & ADMIN	71,000	57,000	64,000	65,280	66,586	67,918	69,276	59,740
INSURANCE	2,300	2,300	1,500	1,545	1,591	1,639	1,688	2,415
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-
	1,993,840	2,039,853	1,968,673	2,033,277	2,090,139	2,148,624	2,208,778	2,018,085
COMMITTEE	-	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
ENGINEERING	-	-	-	-	-	-	-	-
INFORMATION SERVICES	1,993,840	2,039,853	1,968,673	2,033,277	2,090,139	2,148,624	2,208,778	2,018,085
MAINTENANCE	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-
EAD	-	-	-	-	-	-	-	-
	1,993,840	2,039,853	1,968,673	2,033,277	2,090,139	2,148,624	2,208,778	2,018,085
SUPPORT SERVICES	1,993,840	2,039,853	1,968,673	2,033,277	2,090,139	2,148,624	2,208,778	2,018,085
OPERATIONS	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
	1,993,840	2,039,853	1,968,673	2,033,277	2,090,139	2,148,624	2,208,778	2,018,085

BUDGET COMPARISON
INFORMATION SERVICES

DESCRIPTION	-----2009 PROJECTED TO 2009 BUDGET -----			-----2010 BUDGET TO 2009 BUDGET-----		
	2009 PROJECTED	\$ OVR/(UND)	OVR/(UND)	2009 BUDGET	\$ OVR/(UND)	2010 BUDGET
Salaries	959,023	69,753	7.27%	889,270	(57,271)	831,999
Emp Benefits	335,005	22,151	6.61%	312,853	(2,427)	310,426
Supplies	285,040	(32,740)	(11.49%)	317,780	23,740	341,520
Contract Services	254,721	84	0.03%	254,637	19,790	274,427
Vehicle Expense	17,764	764	4.30%	17,000	(3,800)	13,200
Utilities	129,000	-	0.00%	129,000	2,600	131,600
Training and Admin	57,000	(14,000)	14.00%	71,000	(7,000)	64,000
Insurance	2,300	-	-	2,300	(800)	1,500
Committee Exp	-	-	-	-	-	-
Total	2,039,853	46,012	2.26%	1,993,840	(25,168)	1,968,673

BUDGET COMPARISON
INFORMATION SERVICES

DESCRIPTION	-----2010 BUDGET TO 2009 PROJECTED -----			-----2010 RATE STUDY TO 2010 BUDGET-----		
	2009 PROJECTED	\$ OVR/(UND)	OVR/(UND)	2010 BUDGET	\$ OVR/(UND)	2010 RATE MODEL
Salaries	959,023	(127,024)	(13.25%)	831,999	(76,754)	755,245
Emp Benefits	335,005	(24,578)	(7.34%)	310,426	14,321	324,747
Supplies	285,040	56,480	19.81%	341,520	126,692	468,212
Contract Services	254,721	19,706	7.74%	274,427	(17,493)	256,934
Vehicle Expense	17,764	(4,564)	(25.69%)	13,200	1,220	14,420
Utilities	129,000	2,600	2.02%	131,600	4,772	136,372
Training and Admin	57,000	7,000	12.28%	64,000	(4,260)	59,740
Insurance	2,300	(800)	(34.78%)	1,500	915	2,415
Committee Exp	-	-	-	-	-	-
Total	2,039,853	(71,180)	(3.49%)	1,968,673	49,412	2,018,085

O&M EXPENSE BUDGET COMPARATIVE
MAINTENANCE

DESCRIPTION	2009	2009	2010	2011	2012	2013	2014	2010
	BUDGET	PROJECTED	BUDGET	PROJECTED	PROJECTED	PROJECTED	PROJECTED	RATE MODEL
SALARY	5,193,852	5,083,634	5,260,404	5,447,216	5,610,632	5,778,951	5,987,320	5,215,240
EMPLOYEE BENEFITS	1,545,208	1,672,000	1,836,950	1,952,559	2,011,136	2,071,470	2,143,614	1,561,190
SUPPLIES	1,266,834	1,158,461	1,291,017	1,671,245	1,704,670	1,738,763	1,773,538	1,251,185
CONTRACT SERVICES	1,082,564	1,068,173	1,035,301	1,066,360	1,098,351	1,131,302	1,165,241	876,921
VEHICLE EXPENSE	362,483	133,978	328,539	338,395	348,547	359,003	369,773	116,345
UTILITIES	160,682	164,234	166,680	171,680	176,830	182,135	187,599	163,451
TRAINING & ADMIN	100,800	61,906	72,150	73,593	75,065	76,566	78,097	103,088
INSURANCE	88,723	61,814	63,600	65,508	67,473	69,497	71,582	81,475
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-
	9,801,147	9,404,200	10,054,641	10,786,556	11,092,704	11,407,687	11,776,764	9,368,895
COMMITTEE	-	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
ENGINEERING	-	-	-	-	-	-	-	-
INFORMATION SERVICES	-	-	-	-	-	-	-	-
MAINTENANCE	9,801,147	9,404,200	10,054,641	10,786,556	11,092,704	11,407,687	11,776,764	9,368,895
OPERATIONS	-	-	-	-	-	-	-	-
EAD	-	-	-	-	-	-	-	-
	9,801,147	9,404,200	10,054,641	10,786,556	11,092,704	11,407,687	11,776,764	9,368,895
SUPPORT SERVICES	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-
MAINTENANCE	9,801,147	9,404,200	10,054,641	10,786,556	11,092,704	11,407,687	11,776,764	9,368,895
	9,801,147	9,404,200	10,054,641	10,786,556	11,092,704	11,407,687	11,776,764	9,368,895

BUDGET COMPARISON
MAINTENANCE

DESCRIPTION	-----2009 PROJECTED TO 2009 BUDGET -----			-----2010 BUDGET TO 2009 BUDGET-----			
	2009 PROJECTED	\$ OVR/(UND)	OVR/(UND)	2009 BUDGET	OVR/(UND)	\$ OVR/(UND)	2010 BUDGET
Salaries	5,083,634	(110,218)	(2.17%)	5,193,852	66,552	1.28%	5,260,404
Emp Benefits	1,672,000	126,791	7.58%	1,545,208	291,742	18.88%	1,836,950
Supplies	1,158,461	(108,373)	(9.35%)	1,266,834	24,183	1.91%	1,291,017
Contract Services	1,068,173	(14,391)	(1.35%)	1,082,564	(47,263)	(4.37%)	1,035,301
Vehicle Expense	133,978	(228,505)	(170.55%)	362,483	(33,945)	(9.36%)	328,539
Utilities	164,234	3,552	2.16%	160,682	5,998	3.73%	166,680
Training and Admin	61,906	(38,894)	(62.83%)	100,800	(28,650)	(28.42%)	72,150
Insurance	61,814	(26,909)	(43.53%)	88,723	(25,123)	(28.32%)	63,600
Committee Exp	-	-	-	-	-	-	-
Total	9,404,200	(396,946)	(4.22%)	9,801,147	253,494	2.59%	10,054,641

BUDGET COMPARISON
MAINTENANCE

DESCRIPTION	-----2010 BUDGET TO 2009 PROJECTED -----			-----2010 RATE STUDY TO 2010 BUDGET-----			
	2009 PROJECTED	\$ OVR/(UND)	OVR/(UND)	2010 BUDGET	OVR/(UND)	\$ OVR/(UND)	2010 RATE MODEL
Salaries	5,083,634	176,770	3.48%	5,260,404	(45,164)	(0.86%)	5,215,240
Emp Benefits	1,672,000	164,951	9.87%	1,836,950	(275,760)	(15.01%)	1,561,190
Supplies	1,158,461	132,556	11.44%	1,291,017	(39,832)	(3.09%)	1,251,185
Contract Services	1,068,173	(32,872)	(3.08%)	1,035,301	(158,380)	(15.30%)	876,921
Vehicle Expense	133,978	194,560	145.22%	328,539	(212,194)	(64.59%)	116,345
Utilities	164,234	2,446	1.49%	166,680	(3,229)	(1.94%)	163,451
Training and Admin	61,906	10,244	16.55%	72,150	30,938	42.88%	103,088
Insurance	61,814	1,786	2.89%	63,600	17,875	28.11%	81,475
Committee Exp	-	-	-	-	-	-	-
Total	9,404,200	650,440	6.92%	10,054,641	(685,746)	(6.82%)	9,368,895

O&M EXPENSE BUDGET COMPARATIVE
OPERATIONS

DESCRIPTION	2009 BUDGET	2009 PROJECTED	2010 BUDGET	2010 PROJECTED	2011 PROJECTED	2012 PROJECTED	2013 PROJECTED	2014 PROJECTED	2010 RATE MODEL
SALARY	1,564,965	1,556,356	1,629,532	1,753,418	1,806,021	1,860,202	1,916,008	1,916,008	1,601,998
EMPLOYEE BENEFITS	518,844	553,398	545,994	591,374	609,115	627,388	646,210	646,210	613,071
SUPPLIES	229,667	147,401	251,305	449,707	458,701	467,875	477,233	477,233	202,212
CONTRACT SERVICES	807,000	738,545	673,000	896,840	923,745	951,457	980,001	980,001	1,032,380
VEHICLE EXPENSE	22,660	18,253	22,660	26,340	27,130	27,944	28,782	28,782	22,660
UTILITIES	1,331,097	1,508,058	1,544,776	2,162,693	2,227,574	2,294,401	2,363,233	2,363,233	1,245,033
TRAINING & ADMIN	105,500	86,616	112,171	123,014	125,474	127,983	130,543	130,543	106,605
INSURANCE	37,900	33,336	33,336	35,336	36,396	37,488	38,613	38,613	45,569
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-	-
	4,617,633	4,641,963	4,812,774	6,038,722	6,214,156	6,394,738	6,580,623	6,580,623	4,869,528
COMMITTEE	-	-	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-	-
ENGINEERING	-	-	-	-	-	-	-	-	-
INFORMATION SERVICES	-	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-	-
OPERATIONS	4,617,633	4,641,963	4,812,774	6,038,722	6,214,156	6,394,738	6,580,623	6,580,623	4,869,528
EAD	-	-	-	-	-	-	-	-	-
	4,617,633	4,641,963	4,812,774	6,038,722	6,214,156	6,394,738	6,580,623	6,580,623	4,869,528
SUPPORT SERVICES	-	-	-	-	-	-	-	-	-
OPERATIONS	4,617,633	4,641,963	4,812,774	6,038,722	6,214,156	6,394,738	6,580,623	6,580,623	4,869,528
MAINTENANCE	-	-	-	-	-	-	-	-	-
	4,617,633	4,641,963	4,812,774	6,038,722	6,214,156	6,394,738	6,580,623	6,580,623	4,869,528

BUDGET COMPARISON
OPERATIONS

DESCRIPTION	-----2009 PROJECTED TO 2009 BUDGET -----			-----2010 BUDGET TO 2009 BUDGET-----		
	2009 PROJECTED	\$ OVR/(UND)	OVR/(UND)	2009 BUDGET	\$ OVR/(UND)	2010 BUDGET
Salaries	1,556,356	(8,610)	(0.55%)	1,564,965	64,567	1,629,532
Emp Benefits	553,398	34,554	6.24%	518,844	27,150	545,994
Supplies	147,401	(82,266)	(55.81%)	229,667	21,638	251,305
Contract Services	738,545	(68,455)	(9.27%)	807,000	(134,000)	673,000
Vehicle Expense	18,253	(4,407)	(24.14%)	22,660	-	22,660
Utilities	1,508,058	176,961	11.73%	1,331,097	213,679	1,544,776
Training and Admin	86,616	(18,884)	(21.80%)	105,500	6,671	112,171
Insurance	33,336	(4,564)	(13.69%)	37,900	(4,564)	33,336
Committee Exp	-	-	-	-	-	-
Total	4,641,963	24,329	0.52%	4,617,633	195,141	4,812,774

BUDGET COMPARISON
OPERATIONS

DESCRIPTION	-----2010 BUDGET TO 2009 PROJECTED -----			-----2010 RATE STUDY TO 2010 BUDGET-----		
	2009 PROJECTED	\$ OVR/(UND)	OVR/(UND)	2010 BUDGET	\$ OVR/(UND)	2010 RATE MODEL
Salaries	1,556,356	73,176	4.70%	1,629,532	(27,534)	1,601,998
Emp Benefits	553,398	(7,404)	(1.34%)	545,994	67,077	613,071
Supplies	147,401	103,905	70.49%	251,305	(49,093)	202,212
Contract Services	738,545	(65,545)	(8.87%)	673,000	359,380	1,032,380
Vehicle Expense	18,253	4,407	24.14%	22,660	-	22,660
Utilities	1,508,058	36,718	2.43%	1,544,776	(299,743)	1,245,033
Training and Admin	86,616	25,555	29.50%	112,171	(5,566)	106,605
Insurance	33,336	0	0.00%	33,336	12,233	45,569
Committee Exp	-	-	-	-	-	-
Total	4,641,963	170,812	3.68%	4,812,774	56,754	4,869,528

O&M EXPENSE BUDGET COMPARATIVE
ENVIRONMENTAL ASSESSMENT DEPARTMENT

DESCRIPTION	2009 BUDGET	2009 PROJECTED	2010 BUDGET	2010 PROJECTED	2011 PROJECTED	2012 PROJECTED	2013 PROJECTED	2014 PROJECTED	2010 RATE MODEL
SALARY	1,019,093	1,050,712	1,043,326	1,074,626	1,106,865	1,185,071	1,220,623	1,014,219	1,014,219
EMPLOYEE BENEFITS	352,585	397,969	408,173	429,019	441,890	465,147	479,101	398,219	398,219
SUPPLIES	168,219	113,443	128,449	181,018	184,638	188,331	192,098	170,903	170,903
CONTRACT SERVICES	48,600	39,250	43,396	44,698	46,039	47,420	48,843	48,616	48,616
VEHICLE EXPENSE	12,875	15,390	15,807	30,281	31,189	32,125	33,089	12,875	12,875
UTILITIES	7,210	4,804	4,755	4,898	5,045	5,196	5,352	7,210	7,210
TRAINING & ADMIN	30,368	21,059	22,481	22,931	23,390	23,858	24,335	31,353	31,353
INSURANCE	2,000	1,118	1,500	1,545	1,591	1,639	1,688	2,100	2,100
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-	-
	1,640,950	1,643,744	1,667,888	1,789,016	1,840,647	1,948,787	2,005,129	1,685,495	1,685,495
COMMITTEE	-	-	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-	-
ENGINEERING	-	-	-	-	-	-	-	-	-
INFORMATION SERVICES	-	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-	-
EAD	1,640,950	1,643,744	1,667,888	1,789,016	1,840,647	1,948,787	2,005,129	1,685,495	1,685,495
	1,640,950	1,643,744	1,667,888	1,789,016	1,840,647	1,948,787	2,005,129	1,685,495	1,685,495
SUPPORT SERVICES	-	-	-	-	-	-	-	-	-
OPERATIONS	1,640,950	1,643,744	1,667,888	1,789,016	1,840,647	1,948,787	2,005,129	1,685,495	1,685,495
MAINTENANCE	-	-	-	-	-	-	-	-	-
	1,640,950	1,643,744	1,667,888	1,789,016	1,840,647	1,948,787	2,005,129	1,685,495	1,685,495

BUDGET COMPARISON
ENVIRONMENTAL ASSESSMENT

-----2009 PROJECTED TO 2009 BUDGET ----- -----2010 BUDGET TO 2009 BUDGET-----

DESCRIPTION	2009		2009		2009		2010	
	PROJECTED	OVR/(UND)	\$	OVR/(UND)	BUDGET	OVR/(UND)	\$	BUDGET
Salaries	1,050,712	31,618	31,618	3.01%	1,019,093	24,233	2.38%	1,043,326
Emp Benefits	397,969	45,384	45,384	11.40%	352,585	55,588	15.77%	408,173
Supplies	113,443	(54,776)	(54,776)	(48.29%)	168,219	(39,770)	(23.64%)	128,449
Contract Services	39,250	(9,350)	(9,350)	(23.82%)	48,600	(5,204)	(10.71%)	43,396
Vehicle Expense	15,390	2,515	2,515	16.34%	12,875	2,932	22.77%	15,807
Utilities	4,804	(2,406)	(2,406)	(50.10%)	7,210	(2,455)	(34.05%)	4,755
Training and Admin	21,059	(9,309)	(9,309)	(44.21%)	30,368	(7,887)	(25.97%)	22,481
Insurance	1,118	(882)	(882)	(78.83%)	2,000	(500)	(25.00%)	1,500
Committee Exp	-	-	-	-	-	-	-	-
Total	1,643,744	2,794	2,794	0.17%	1,640,950	26,937	1.64%	1,667,888

BUDGET COMPARISON
ENVIRONMENTAL ASSESSMENT

-----2010 BUDGET TO 2009 PROJECTED ----- -----2010 RATE STUDY TO 2010 BUDGET-----

DESCRIPTION	2009		2010		2010		2010	
	PROJECTED	OVR/(UND)	\$	OVR/(UND)	BUDGET	OVR/(UND)	\$	RATE MODEL
Salaries	1,050,712	(7,386)	(7,386)	(0.70%)	1,043,326	(29,107)	(2.79%)	1,014,219
Emp Benefits	397,969	10,204	10,204	2.56%	408,173	(9,954)	(2.44%)	398,219
Supplies	113,443	15,006	15,006	13.23%	128,449	42,454	33.05%	170,903
Contract Services	39,250	4,146	4,146	10.56%	43,396	5,220	12.03%	48,616
Vehicle Expense	15,390	417	417	2.71%	15,807	(2,932)	(18.55%)	12,875
Utilities	4,804	(49)	(49)	(1.01%)	4,755	2,455	51.63%	7,210
Training and Admin	21,059	1,422	1,422	6.75%	22,481	8,872	39.46%	31,353
Insurance	1,118	382	382	34.12%	1,500	600	40.00%	2,100
Committee Exp	-	-	-	-	-	-	-	-
Total	1,643,744	24,143	24,143	1.47%	1,667,888	17,607	1.06%	1,685,495

