

General Assumptions 2006 Rate Forecast

	2004	2005	2006	2007	2008
Sewer Rate					
Rate	\$23.40	\$25.60	\$25.60	\$26.92	\$31.04
Rate Stability Reserve	-	(14,500,000)	7,250,000	7,250,000	-
Total RCEs	687,909	691,893	676,353	679,735	686,532
RCE Growth Rates	0.4%	0.6%	-2.2%	0.5%	1.0%

Capacity Charge Rate					
Rate	\$18.00	\$34.05	\$34.05	\$34.05	\$43.25
New Connections	11,136	9,000	9,000	9,000	9,000

Expenses (000's)					
Operating Expense	83,539	86,860	91,541	94,287	97,116
CIP Expenditures	189,441	244,973	190,667	263,557	422,180
CIP Accomplishment Rate	66%	85%	85%	85%	85%

Inflation & Interest					
Bond Interest Rate	4.60%	4.74%	5.50%	5.50%	5.50%
Variable Debt Interest Rate	1.24%	2.50%	3.00%	3.00%	3.00%
Investment Interest Rate	2.10%	3.00%	3.50%	3.50%	3.50%

Borrowings (000's)					
New SRF & Public Trust Loans	12,865	15,918	12,695	5,878	0
New Variable Debt	0	0	50,000	0	34,777
New Sewer Bonds	185,000	200,000	82,000	233,150	386,168

Reserve Balances (000's)					
Liquidity Reserve (15% operating)	12,599	13,029	13,731	14,143	14,567
Asset Management Reserve	9,019	12,000	15,000	15,000	15,000
Bond Reserve	67,122	66,848	66,848	66,848	91,939