

Financial Plan



Little Rock
Wastewater

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Financial Plan

Budget Trends in FY 2011

Little Rock Wastewater continues to evolve in addressing and meeting the needs of its customers, both large and small, as well as preparing for the challenges in serving 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 and a Consent Administrative Order addressing the non-capacity and capacity related overflows.

During the Fiscal Year 2011, management of Little Rock Wastewater implemented strict spending limitations by placing a mandatory hiring freeze on all non-vital positions, reorganized the force structure in certain areas of Finance, Maintenance, Operations, and Engineering Departments, placed a freeze on salaries, and limited travel and training in order to conserve cash. Little Rock Wastewater staff have been in constant communication with Sanitary Sewer Committee (LRSSC) members, Little Rock City Officials, and City of Little Rock Board of Directors on proposed rate increases for 2012 and beyond for operations and maintenance, cash-funded capital, and debt service.

In accordance with the LRSSC's guiding plans, LRW continued its partnership with the City of Little Rock Residents, its investment in its employees, and its savings to customers.

With 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 by twenty-two 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. These meetings also laid the foundation for the 2012 budget process in that each month could be budgeted based on prior years expenses versus a 12-month average.

Meeting Future Demands FY 2012

The FY 2012 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, 2011. The budget was adjusted based on direction from the LRSSC, and is consistent with the LRSSC's Strategic Plan.

LRW was able to get the Consent Administrative Order and Sierra Club Lawsuit changed to extend the deadline by three years, Dec 31, 2018, for meeting the requirement set forth in the lawsuit.

Assumptions

The FY 2012 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	0.5%
Revenue growth rate	0.5%
Operations and Maintenance growth rate	3.0% of operating budget
Interest earnings rate	0.25% of average fund balance
Future debt financing for Revenue Bonds	5.00% on 30 year bonds
Future debt financing for Revolving State Loans	3.75% on 20 year loans
Escalation for capital projects	5.0% for years 2013 thru 2018

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 & Administration, and Insurance.

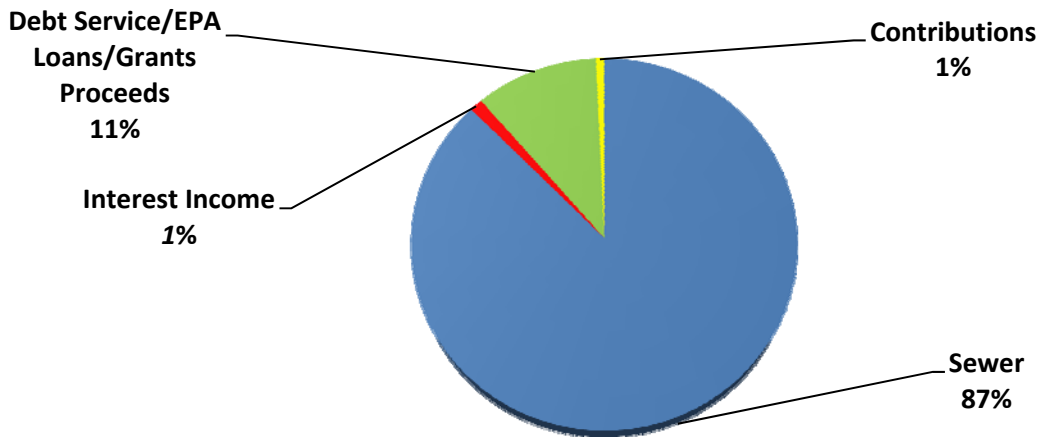
LRW’s funds are not appropriated; rather the budget is an approved plan that can facilitate budgetary control and operational evaluations. LRW defines fund equity as net assets, which equals assets minus liabilities. Fund equity is divided into four categories: invested in capital assets net of related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

FY 2012 Detail Budget

The Fiscal Year 2012 budget reflects the LRSSC’s updated Strategic Plan goals and objectives. The budget shows an eight-month rate increase of 20% or \$5.4 million in 2012. Along with the 2012 increase, LRW is requesting a 4% in 2013, 3% in 2014, 13.5% in 2015, and 12.0% in 2016. FY 2012 will reflect an increase in O&M spending compared to projected 2011. The FY 2012 combined operating and capital budget addresses several pressing issues that LRW will continue to strive in meeting those demands. If the rate proposal is not passed for 2012, strict operating controls will be implemented in an effort to conserve cash until a rate adjustment is acquired.

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 revenue source. As of December 31, 2010, the total number of sewer customers was 67,622 with a vast majority, 60,862, of them being domestic customers.



Sewer – Sewer revenues are proceeds from providing wastewater treatment services, industrial surcharges, and other sewer fees to customers. Wastewater revenue for FY 2012 is estimated to be \$45.9 million, based on a proposed rate adjustment starting in April 2012. Little Rock Wastewater staff is working diligently with Little Rock Sanitary Sewer Committee, Little Rock City officials, and Little Rock Board of Directors on passing rate adjustments for operations, capital, and debt for the years 2012 through 2016. LRW expects the economy will continue to remain the same as 2011 with slow to no growth for business/residential revenue.

The following chart represents the breakdown in Assessments Levied revenue as if projected rates were enacted on January 1st of each year. LRW uses a comprehensive rate model designed in 2008 by Raftelis Financial Consultants, Inc. which takes a five-year historical average usage to compute the required revenues against operation and maintenance expenses, debt service requirements, and capital expenditures. If additional revenues are needed, the rate model allows for adjustments to the rate structures based on Cost of Service allocations.

Little Rock Wastewater
Financial Plan

2012 Budget

		Forecasted					
		2012 Enacted Rates	2012 Projected Rates	2013 Projected Rates	2014 Projected Rates	2015 Projected Rates	
Inside City							
Service Charge							
5/8"	Domestic	\$ 11,106,608	\$ 6,418,304	\$ 6,808,606	\$ 7,148,314	\$ 7,502,477	\$ 7,726,539
5/8"	ND	542,682	389,535	412,844	433,327	455,223	468,643
3/4"	Domestic	36,475	23,176	24,552	25,787	27,082	27,892
3/4"	ND	123,261	96,649	102,395	107,525	112,928	116,280
1"	Domestic	25,118	18,053	19,137	20,096	21,097	21,733
1"	ND	417,560	370,646	392,826	412,580	433,200	446,196
1.5"	Domestic	-	-	-	-	-	-
1.5"	ND	361,331	363,859	385,651	404,970	425,205	437,931
2"	Domestic	-	-	-	-	-	-
2"	ND	628,075	669,736	709,918	745,430	782,680	806,138
3"	Domestic	-	-	-	-	-	-
3"	ND	144,836	162,302	172,037	180,648	189,677	195,365
4"	Domestic	-	-	-	-	-	-
4"	ND	64,087	73,593	78,008	81,909	86,007	88,585
6"	Domestic	-	-	-	-	-	-
6"	ND	49,120	57,497	60,946	63,993	67,194	69,209
Subtotal		\$ 13,499,156	\$ 8,643,351	\$ 9,166,920	\$ 9,624,579	\$ 10,102,771	\$ 10,404,512
Volumetric Charge							
per hundred cu. Ft.							
	Domestic Strength	\$ 9,685,634	\$ 15,140,440	\$ 15,622,198	\$ 16,063,372	\$ 18,685,617	\$ 21,471,104
	Non-Domestic Strength	\$ 15,782,370	\$ 23,612,051	\$ 24,410,803	\$ 25,054,492	\$ 28,834,251	\$ 32,739,221
Surcharge							
	BOD>250mg/L	\$ 560,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000
	TSS>250mg/L	549,287	392,000	392,000	392,000	392,000	392,000
	O&G>50mg/L	47,194	57,800	61,200	64,600	68,000	71,400
	COD>400mg/L	385,000	547,400	579,600	611,800	644,000	676,200
	Outside pH Range	-	-	-	-	-	-
Subtotal		\$ 1,541,481	\$ 1,177,200	\$ 1,212,800	\$ 1,248,400	\$ 1,284,000	\$ 1,319,600
Inside City Total		40,508,642	48,573,042	50,412,721	51,990,843	58,906,639	65,934,437
Outside City							
Service Charge							
5/8"	Domestic	\$ 177,577	\$ 102,617	\$ 108,858	\$ 114,327	\$ 119,951	\$ 123,572
5/8"	ND	2,766	1,985	2,105	2,209	2,321	2,389
3/4"	Domestic	1,951	1,237	1,310	1,376	1,445	1,488
3/4"	ND	650	509	539	566	594	612
1"	Domestic	4,767	3,429	3,635	3,817	4,008	4,129
1"	ND	1,733	1,540	1,632	1,715	1,800	1,854
1.5"	Domestic	711	-	-	-	-	-
1.5"	ND	711	715	758	796	836	861
2"	Domestic	4,248	-	-	-	-	-
2"	ND	4,248	4,440	4,707	4,942	5,189	5,345
3"	Domestic	1,810	-	-	-	-	-
3"	ND	1,810	2,029	2,151	2,258	2,371	2,442
4"	Domestic	-	-	-	-	-	-
4"	ND	-	-	-	-	-	-
6"	Domestic	-	-	-	-	-	-
6"	ND	-	-	-	-	-	-
Subtotal		\$ 202,983	\$ 118,502	\$ 125,695	\$ 132,007	\$ 138,515	\$ 142,693
Volumetric Charge							
per hundred cu. Ft.							
	Domestic Strength	\$ 216,962	\$ 319,440	\$ 328,554	\$ 336,098	\$ 388,874	\$ 444,166
	Non-Domestic Strength	\$ 89,707	\$ 133,749	\$ 138,281	\$ 141,626	\$ 162,752	\$ 184,525
Surcharge							
	BOD>250mg/L						
	TSS>250mg/L						
	O&G>50mg/L						
	COD>400mg/L						
	Outside pH Range						
Outside City Total		509,651	571,690	592,530	609,731	690,142	771,383
Total		\$ 41,018,293	\$ 49,144,732	\$ 51,005,251	\$ 52,600,573	\$ 59,596,781	\$ 66,705,820

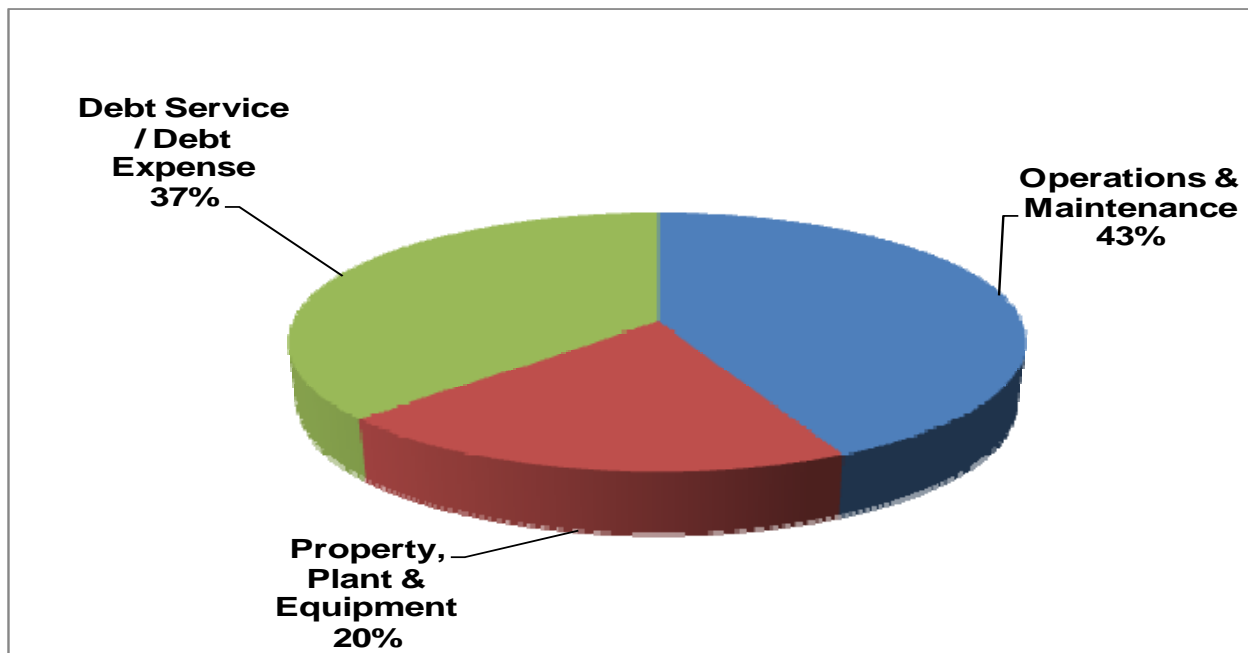
Debt Service/EPA Loans/Grants Proceeds – These are restricted funds available from previously issued and/or new bond issues/EPA Loans/Grants for a specific use. Proceeds for FY 2012 are estimated to be \$39.2 million. The Utility is proposing a 2012 Sewer Revenue Bond issue in the amount of \$35.9 million. LRW refunded the 2001 bond series in 2011 saving the Utility about \$2 million in interest over the remaining 10 years of bond payments.

Interest Income – Interest earned on money market accounts and 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 the specific use on construction costs for the projects that bond issue was made. Proceeds for FY 2012 are estimated to be \$614,000. This is an increase of \$370,000 from the previous year due to the investment of the proposed 2012 bond proceeds.

Contributions – Contributions are funds generated from capacity fees, zero capacity fees, review fees, and the annual Backhoe Buy Back Program. Proceeds for FY 2012 are estimated to be \$400,000.

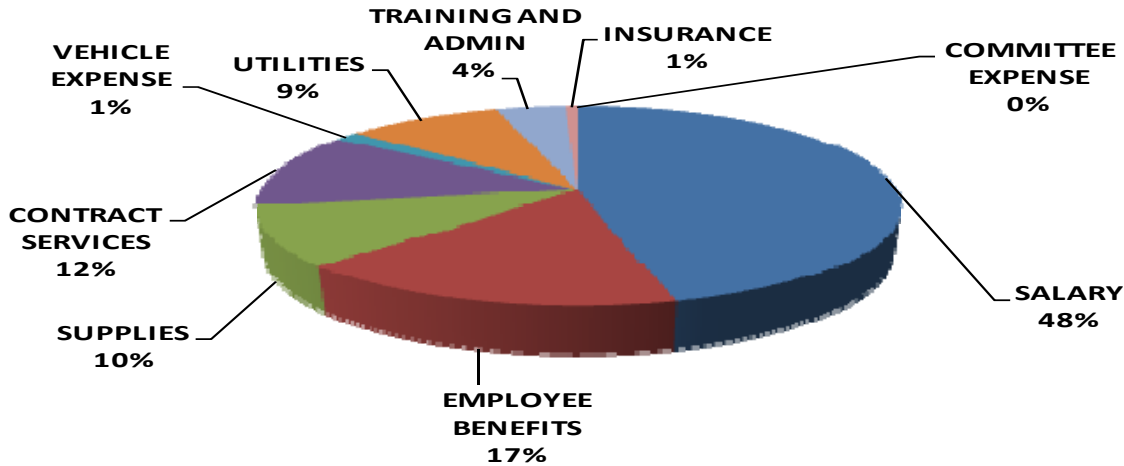
Expenditures and Other Financing Uses

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 2012 are estimated to be \$23.7 million or 10.8% above the 2011 projected amount. The

O&M Expense Budget Comparative can be found beginning on page 65. The following chart shows the major budget levels for the LRW 2012 O&M budget.



- The 2012 operating budget is compared to the 2011 forecast and the following major changes are listed for the reason(s) of either an increase or decrease from the forecast:
 - Salaries increased by \$507,584 in 2012. This reflects LRW budgeting for a 3% merit increase plus filling three positions that are currently vacant. A chart detailing the 2012 salary ranges by grade can be found on page 61. Additionally, twenty-one full-time positions were eliminated, reducing staff by 8.7%. The following table identifies adjustments to the staffing levels.

Division	2010		2011		2012		Eliminated/Transferred Positions
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	
402 Administration	11	0	11	0	11	0	
403 Finance	15	0	13	0	11	0	Manager of Finance, Buyer I
404 Engineering Services	30	0	28	0	23	0	Contract Inspector; Transfer 4 Positions to 408
405 Information Services	13	0	13	0	13	0	
406 Maintenance	132	1	130	1	93	1	16 Eliminations and 21 Transferred to 409
407 Operations	24	0	24	0	22	0	Utility Worker, Operator
408 Environmental Assessment	20	2	18	0	22	0	4 Positions from 404
409 Facilities and Equipment	0	0	0	0	21	0	21 Positions from 409
Total Positions	245	3	237	1	216	1	21

- Benefits increased by \$594,161 or 17.37% over 2011 Projected and decreased \$478,890 or 10.66% from the 2011 Budget. The efforts made by LRW to reduce employee benefit costs also reduced the benefit overhead calculation for in-house capital projects. The benefit overhead rate, a percentage of direct labor on capital projects, decreased by 9.2% from 2010. The reduced rate went into effect mid-year 2011, therefore transferring less cost from operations to construction work in progress (CWIP). The projected amount of in-house labor for capital projects has

also decreased for 2012 reducing the amount of labor and overhead expenses transferred from operations to CWIP. Additionally, Arkansas Public Employees Retirement System (APERS) increased the required contribution from 13.47% to 14.24% of salaries effective July 1, 2012 and health insurance is projected to increase by 5% or \$75,000 for 2012.

- Supplies increased by \$107,370 from the 2011 forecast.
 - Each division limited supply expenses in 2011 but projected normal requirements for 2012.
- Contract Services increased by \$355,755 or 14.29% from 2011 Projected. A portion of the increase, \$150,000, is related to the renewed funding of Root Control program. Sludge handling was limited in 2011 but will revert back to normal disposal totals in 2012 increasing expenses by \$180,000.
- \$85,262 reflects a decrease in vehicle expense from the 2011 forecast. This decrease is due to transferring the Backhoe Buyback program from a lease program back to Capital as an asset purchase.
- Utilities show a 36.28% or \$578,649 increase from forecast to budget. The increase reflects a full year of operating Little Maumelle Treatment Facility plus a 6% rate increase on power bills from Entergy.
 - In Sep 2011, LRW implemented Entergy's OIS rate at several facilities that projected a cost saving of \$75,000 annually.
- Training and Administration reflects an increase of \$210,735 or 27.16% for 2012. Each division limited training expenses in 2011 but projected normal training requirements for 2012.
- Construction for Work in Progress (CWIP) is subtracted from O&M expense each budget year for work completed by in-house staff on engineering services and line work construction. In-house staff also works on major projects such as the Fourche Creek Treatment Facility Hydraulic Upgrade and collection system rehabilitation. If there were no construction projects forecasted for 2011, the amount of \$2,977,566 would be added back to O&M expense through salaries, benefits, and vehicle expenses. The 2012 CWIP reflects a decrease of \$301,401 or 9.2% from 2011.

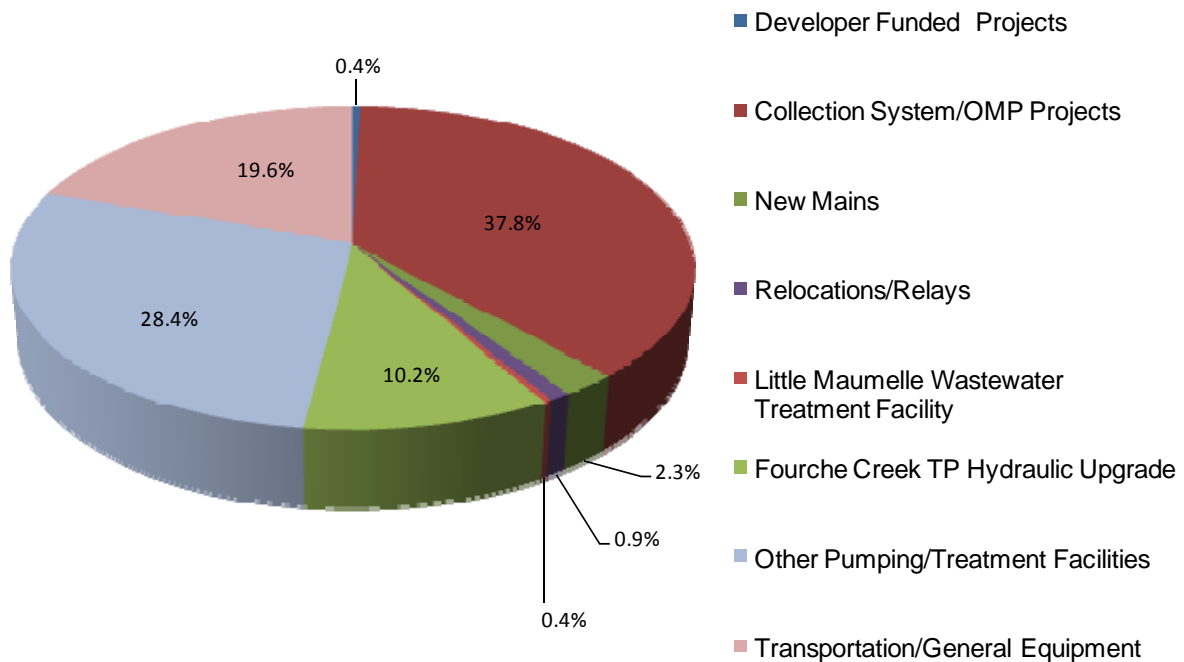
Property, Plant & Equipment - Capital expenses include all expenditures for the planning, design, construction, rehabilitation or purchase of assets.

The 2012 Capital Improvement Plan is composed of carry-over projects from 2011, planned capital projects for 2012, and the capital forecast through 2018. The year 2012

represents year ten of a 15-year implementation plan outlined in the System Evaluation and Capacity Assurance Plan (SECAP) which was completed in 2002 and adopted as part of the Sierra Club Settlement Agreement dated September 12, 2001. In 2006, ADEQ and LRW signed a Consent Administrative Order (CAO) to address sanitary sewer overflows. The deadline to complete all the requirements of the CAO was set at January 1, 2016. In 2010, RJN Group was selected to provide LRW with an update to the SECAP report. The scope of services provided by RJN Group included flow monitoring, a hydraulic model update, an evaluation of pumping and treatment facilities, an evaluation of alternatives, and developing an updated CIP plan as a result of the analysis. In 2011, the deadline to complete the requirements of the CAO was extended three years to December 31, 2018. The seven-year plan contained in the 2012 budget represents the capital expenditures required to meet the goals of the SECAP plan from both the study completed in 2002 and the updated study performed in 2010 by December 31, 2018.

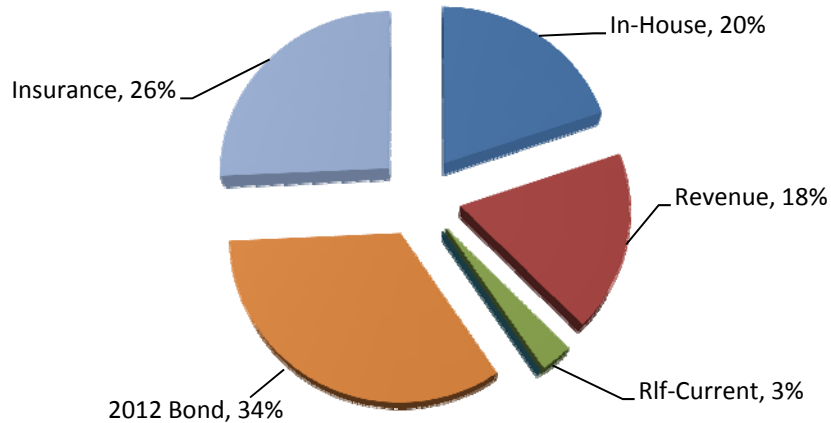
Capital projects carried over into 2012 have planned net expenditures of \$8,133,300. Carry-over expenditures are dominated by wastewater collection, transmission, and treatment improvements driven by the SECAP. These projects, along with the remodel of the laboratory and the repair of the digester at the Fourche Creek Wastewater Treatment Facility, represent 94.2% of the carry-over amount. Collection system work by in-house crews, in-house engineering services, and equipment make up the remainder. In addition to the carryover projects, net expenditures of \$3,438,300 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 2012. Total net expenditures of \$11,571,600 are planned for 2012. The 2012 Capital Operating Plan begins on page 85.

2012 Capital Improvement Plan



Funding for planned 2012 expenditures is composed of existing revolving loans, revenues, and a planned bond issue totaling \$35,886,000. At the end of 2011, all current bond funds are expected to be expended and all current RLF loans will be expended in 2012.

2012 CIP Financing Plan



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 2012 is estimated to be \$20.26 million. This amount reflects one new bond issue in the amount of \$35.9 million for 2012.

Debt Service

The following chart shows, as of January 1, 2012, 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 capitalizes the interest on the three years given for project completion; thereafter, principal and interest payments of the loan will start. The debt service coverage as of December 31, 2010 was 124%, exceeding the 120% required by the Bond Covenant for issuing new debt. LRW has been rated by Moodys (Aa3 with negative outlook) 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 tables that reflect debt service for LRW; the chart on page 48 represents current obligations on principal and interest listed by year and the chart on page 49 represents current along with projected bond issues in total for FY 2013 through FY 2016 as of January 1 of each year.

Current Outstanding Debt Service by Year on January 1			
Calendar Year	Principal	Interest	Total
2012	\$7,285,023	\$10,570,448	\$17,855,471
2013	\$7,759,603	\$10,348,742	\$18,108,345
2014	\$8,017,476	\$10,071,604	\$18,089,080
2015	\$8,297,397	\$9,798,911	\$18,096,307
2016	\$8,567,625	\$9,521,380	\$18,089,005
2017	\$8,857,413	\$9,225,207	\$18,082,619
2018	\$9,181,899	\$8,913,986	\$18,095,884
2019	\$9,491,383	\$8,591,558	\$18,082,940
2020	\$9,849,857	\$8,240,972	\$18,090,828
2021	\$10,219,194	\$7,856,653	\$18,075,847
2022	\$10,593,333	\$7,485,990	\$18,079,323
2023	\$7,596,219	\$7,123,486	\$14,719,705
2024	\$8,327,702	\$6,834,653	\$15,162,355
2025	\$8,643,253	\$6,515,169	\$15,158,421
2026	\$8,927,996	\$6,198,144	\$15,126,140
2027	\$9,242,183	\$5,845,471	\$15,087,654
2028	\$9,506,886	\$5,496,399	\$15,003,285
2029	\$9,869,031	\$5,085,785	\$14,954,816
2030	\$10,255,958	\$4,646,257	\$14,902,215
2031	\$10,765,324	\$4,141,341	\$14,906,665
2032	\$11,046,223	\$3,618,472	\$14,664,695
2033	\$11,325,000	\$3,086,936	\$14,411,936
2034	\$11,850,000	\$2,561,469	\$14,411,469
2035	\$12,450,000	\$1,968,050	\$14,418,050
2036	\$13,070,000	\$1,344,443	\$14,414,443
2037	\$13,725,000	\$689,792	\$14,414,792
2038	\$1,415,000	\$96,138	\$1,511,138
2039	\$390,000	\$18,525	\$408,525
TOTALS	\$256,525,978	\$165,895,980	\$422,421,953

The future debt also contains debt reserve account funding and any expense related to the debt issues via bond counsel and bond underwriter. The debt issues would also extend the payoff of all debt to the calendar year to FY 2045. The following chart shows what LRW would owe for the combined outstanding principal and interest at the first of each year. The maximum yearly principal and interest would be in FY 2020 for \$38,012,874.

Current and Projected Outstanding Debt Service in Total on January 1			
Calendar Year	Principal	Interest	Total
2013	\$321,803,587	\$203,328,182	\$525,131,769
2014	\$313,482,567	\$191,218,790	\$504,701,356
2015	\$419,467,251	\$269,802,783	\$689,270,034
2016	\$516,096,249	\$325,970,928	\$842,067,177

There are six projected state revolving loans or bond issues included in the five-year capital outlook:

1. A Revenue bond issue in 2012 to cover the construction cost for the Cantrell Road Pump Station, Cantrell Road Force Main and Land Purchase/Design of Rock Creek, Adams Field, and Mabelvale Pike Storage Structures, Fourche Plant Upgrades, and Pipe Maintenance. The estimated construction improvements are estimated at \$35,886,000, that also includes debt service requirements, and bond expense.
2. A State Revolving Loan Fund issue in 2013 to cover the cost of Collection System Rehabilitation – Phase Seven. The cost of this improvement is estimated at \$37,211,000 for construction costs, debt service requirements, and bond expense.
3. A Revenue bond issue in 2015 to cover the construction cost for the Adams Field and Mabelvale Pike Inline Storage Facilities. The estimated construction improvements are estimated at \$80,400,000, that also includes debt service requirements, and bond expense.
4. A State Revolving Loan Fund issue in 2015 to cover the cost of Collection System Rehabilitation – Phase Eight. The estimated construction improvements are estimated at \$34,192,000 that also includes debt service requirements, and bond expense.
5. A Revenue bond issue in 2016 to cover the construction cost for the Jamison Road Pump Station Upgrade, Fourche Creek Upgrade, Phase III, and Cantrell Road Inline Storage Structure. The estimated construction improvements are estimated at \$50,380,000, that also includes debt service requirements, and bond expense.
6. A State Revolving Loan Fund issue in 2016 to cover the cost of Collection System Rehabilitation – Phase Nine. The estimated construction improvements are estimated at \$56,363,300 that also includes debt service requirements, and bond expense.

Consolidated Fee Schedule

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 revenue generated from this fee schedule is shown on the Income

Statement under the line called Other Fees and Income. The schedule can be found on page 56.

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. It is also a guide 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 62. This statement is the “check book” for LRW. The cash receipts from operations are projected to increase by 20% based on a proposed rate adjustment. LRW is in the process of presenting to the City of Little Rock Board of Directors a proposed rate change that Little Rock Wastewater Rate Advisory Committee, in conjunction with Raftelis Financial Consultants, Inc., has formulated and adjusted over the past few years. Within the rate structure, there will be a differential rate proposal between domestic and non-domestic with the non-domestic rates increasing around 42% compared to domestic increasing 3.5%. Based on LRW’s current rate structure, it is projected that the Utility will need a rate increase of 20% in 2012 for operations and maintenance, cash-funded capital and debt service. Also projected is 4% in 2013, 3% in 2014, 13.5% in 2015, and 12% in 2016 to complete the five-year plan. LRW cannot issue sewer revenue bonds or revolving loans to complete required capital improvements without a rate increase. In the future, LRW will ask for rate adjustments on debt service fees at the same time new debt is requested.

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 large increases in 2012 as well as 2015 and 2016 due to investment proceeds from three projected sewer revenue bond issues. LRW is also anticipating two State Revolving Loan issues over the five year forecast period with approval from the City of Little Rock Board of Directors. This will fund the Collection System Rehabilitation Phases 7, 8 and 9, Cantrell Road Pump Station Improvements, Cantrell Road Force Main, Jamison Road Pump Station Improvements, Fourche Creek Upgrade (Phase III), Inline Storage Facilities at Rock Creek, Adams Field, and Mabelvale Pike.

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 2011. The purchase of property, plant, and equipment will continue to be the largest cash user with several major projects currently under construction or scheduled to start in the next few years. The total budget on the purchase of property, plant and equipment from the 2012 forecast to the 2016 projected

year is \$215,055,157. 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 \$20,258,455 in 2012 to \$31,532,492 in 2016. The projected bond/loan outstanding debt at December 31, 2016 will be \$810,532,483 providing LRW has debt coverage and rate adjustments to support the projected loans/bonds.

The Restricted Balance represents balances in all bond construction funds, debt service/debt reserve requirements, depreciation fund, and workers compensation funds, either required by law or ordinance to maintain separately. The Available Balance for Operations represents all other non-designated monies. The Minimum Balance for Appropriated Balance represents a 30-day cash flow expenditure on O&M expenses that LRW must maintain in order to meet its daily obligations.

Income Statement

The Income Statement is located on page 63. 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. Annual depreciation expense is estimated to double from 2011 to 2016 based on the numerous large construction projects that will be completed during the next five budget years. The impact of depreciation expense for each year can be found in the Capital Improvement Plan on page 107. Non-operating revenue shows an increase in interest income because of the investment of proceeds from a proposed 2012 Sewer Revenue Bond. Years 2015 and 2016 will also show an increase with the investment of proceeds from projected sewer revenue 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 \$12.2 million in the 2012 forecast to \$18.9 million in projected 2016. LRW will have a positive net income for 2012 through 2016 based on proposed rate adjustments for the five-year period.

Debt/Bond Coverage Ratio Report

This report is located on page 64. This budgeting process gives management a better understanding of bond issuance requirements and whether LRW can issue new debt based on current/projected revenue and expenses. The bond ordinance stipulates what can and cannot be used when 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. Until the City of Little Rock Board of Directors approves the rates proposed by the Rate Advisory Committee, LRW will not have the needed debt coverage to pass the six bonds/loans in 2012 through 2016. The minimum coverage for parity bonds (Sewer Construction Revenue Bonds) is 1.2 and for subordinate bonds (ADFA Loans) is a 1.0. ADFA now requires that adequate rates to support the principal and interest payments three years after the debt issuance be in place in order to close on the loans.

Budget Comparative Overview

The Budget Overview can be found on pages 65 through 84. 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 2012 shows an increase of 10.8% or \$2.31 million from the 2011 projected expenses. Projected expenses are actual expenses through October 31, 2011 and forecasted expenses for November, and December 2011. 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.

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 domestic 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 \$15.37 and the rate increases depend on the size of the meter based on approved rates from 2010. 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 inside-city structure for 2011 is:

Domestic rate

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

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

Non-Domestic rate

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

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

The outside-city structure for 2011 is:

Domestic rate

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

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

Non-Domestic 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	Domestic 0 cf (0 gal)	Domestic 500 cf (3,740 gal)	Domestic 1,000 cf (7,480 gal)	Domestic 3,000 cf (22,440 gal)
Wichita, KS	\$ 4.32	\$ 12.10	\$ 16.80	\$ 16.80
Tulsa, OK	4.50	15.18	29.42	82.82
Arlington, TX	4.05	16.91	28.99	74.29
Augusta, GA	17.39	17.39	40.07	73.67
Baton Rouge, LA	15.91	18.79	33.19	90.79
Mobile, AL	15.80	22.64	43.29	125.87
St. Petersburg, FL	9.76	23.75	37.74	93.69
Gary, IN	0.00	24.31	48.62	145.86
Little Rock, AR	15.67	24.64	40.09	101.89
Richmond, VA	26.49	39.29	52.08	103.26

*Based on 2010 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	Domestic 500 cf (3,740 gal)	Domestic 1,000 cf (7,480 gal)	Domestic 3,000 cf (22,440 gal)
Wichita, KS	0.28%	0.39%	0.39%
Arlington, TX	0.33%	0.56%	1.43%
Tulsa, OK	0.39%	0.76%	2.15%
Augusta, GA	0.40%	0.92%	1.69%
Baton Rouge, LA	0.57%	1.00%	2.74%
Little Rock, AR	0.60%	0.98%	2.49%
St. Petersburg, FL	0.63%	1.00%	2.48%
Mobile, AL	0.66%	1.26%	3.67%
Richmond, VA	0.81%	1.43%	3.90%
Gary, IN	0.82%	1.64%	4.92%

*Based on 2010 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 Pulaski County from the 2010 US Census is \$44,370 and 2% of the median is \$887.40. The monthly average usage for a domestic account inside the city limits of Little Rock is 600 cf (or 4,488 gallons) or \$27.73, which equates to an annual amount of \$332.76 or 0.75% based on the 2010 sewer rates for a 5/8 inch sewer meter, well below the 2% measurement.

With the differential rate proposal between domestic and non-domestic accounts and if sewer rates were to increase based on LRW's projected needs of operations & maintenance, cash-funded capital, and debt service then the following would show what the average monthly inside-city domestic bill would be at 600 cf and 1000 cf and the change to the percent of Median Household Income.

Year	Domestic 600 cf	Domestic 600 cf % of Median Income	Domestic 1,000 cf	Domestic 1,000 cf % of Median Income
2012	\$ 29.22	0.79%	\$ 42.78	1.16%
2013	30.30	0.82%	44.22	1.20%
2014	31.25	0.85%	45.49	1.23%
2015	35.10	0.95%	51.58	1.39%
2016	38.95	1.05%	57.79	1.56%

Conclusion

LRW will face many challenges, such as rate increases, debt issues, and rising costs/expenses, to meet required goals/deadlines set forth in the Settlement Agreement dated September 12, 2001 between the LRSSC and the Sierra Club. In doing this, LRW's budget for 2012 continues to focus on improved customer service, environmental responsibility, and forward thinking, while containing costs. The budget includes a proposed rate increase for 2012 through 2016. If the rate increases are delayed or reduced, LRW will have to revise both the operating and capital 2012 budget to reflect what can be accomplished with available revenues.

Consolidated Fee Schedule

1. FINANCE DEPARTMENT

- 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 DEPARTMENT

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

LRW 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

LRW 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

LRW collects Capital Recovery Fees on mains constructed with Utility funds. It is the policy of LRW 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 DEPARTMENT

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*	\$1,625.00
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 over 5 days).....	\$50.00
	* each outfall	

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

3.2.1	T/I Follow-up Noncompliance Inspection (1 st occurrence)	\$305.00
3.2.2	T/I Noncompliance Past Requirement (each past 1 st occurrence)	\$340.00
3.2.3	T/I Overflow Investigation (Active Overflow of Interceptor)	\$450.00
3.2.4	T/I Noncompliance Sampling and/or Testing (each occurrence)	\$Cost

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

3.3.1	Domestic Septage Waste Hauler Disposal Fee (each load)	\$80.00
3.3.2	Mobile Food/RV Disposal Fee (≤ 100 gal. capacity & each load)	\$15.00

3.4 Permitted Domestic Septage Waste Hauler/Owner/Operator Fees

3.4.1	New Permit Application Fee (each facility).....	\$800.00
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 over 5 days).....	\$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	\$850.00
3.5.4	Disposal Fee - Cost per Gallon Based on Tanker Capacity (each load)	\$0.10
3.5.5	Noncompliance Inspection, Sampling, and/or Testing (each occurrence)..	\$Cost
3.5.6	Late Reporting Fee (each occurrence over 5 days).....	\$50.00

3.6 Permitted Landfill Leachate Hauler Fees

3.6.1	New Permit Application Fee (each facility).....	\$1,175.00
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 over 5 days).....	\$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 over 5 days).....	\$50.00

3.8 Diversion and Sewer Meter Inspection, and Other EAD Fees

3.8.1	New Meter Installation - Review, Inspection, and Approval (each).....	\$238.00
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

3.9 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	\$0.05 - \$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 over 5 days).....	\$50.00

For 2011, the third and final phased increase recommended by Raftelis Financial Consultants, Inc. will be implemented in 2012.

2011			
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

2012			
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	88,719	111,000
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	56,597	71,000
NE - Gr 10	39,321	52,660	66,000
NE - Gr 9	36,699	48,211	59,923
NE - Gr 8	34,717	45,645	56,573
NE - Gr 7	32,574	44,287	56,000
NE - Gr 6	30,977	40,588	50,200
NE - Gr 5	29,268	38,488	47,709
NE - Gr 4	27,468	35,061	42,654
NE - Gr 3	26,032	43,459	43,308
NE - Gr 2	24,459	31,221	37,983
NE - Gr 1	\$10.00/hr	\$10.00/hr	\$10.00/hr

Consolidated Statement Of Cash Receipts And Disbursements

	2010 ACTUAL	2011 FORECAST	2012 BUDGET	2013 PROJECTED	2014 PROJECTED	2015 PROJECTED	2016 PROJECTED
BEGINNING FUND BALANCE	76,909,807	32,015,258	19,137,582	49,884,962	45,934,303	33,160,066	83,847,698
CASH RECEIPTS FROM:							
OPERATIONS	41,073,314	41,583,216	45,951,095	50,637,389	52,350,156	59,386,255	66,534,482
CITY OF LITTLE ROCK FRANCHISE FEE	4,043,299	4,056,890	4,595,110	5,063,739	5,235,016	5,938,625	6,653,448
CONTRIBUTIONS	438,037	540,000	400,000	600,000	600,000	600,000	600,000
INTEREST INCOME	565,233	240,000	614,131	575,804	481,024	1,254,279	1,491,340
OTHER INCOME	-	-	-	-	-	-	-
CO-GENERATION	18,691	3,000	1,000	0	0	0	0
BOND ISSUES/EPA LOAN AND GRANTS	7,437,729	20,440,273	39,168,032	10,698,636	18,999,517	113,442,477	67,017,476
EXTRAORDINARY GAINS	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS	53,576,303	66,863,379	90,729,368	67,575,568	77,665,712	180,621,636	142,296,746
CASH DISBURSEMENTS FROM:							
SALARIES	11,530,893	11,014,356	10,884,990	11,211,541	11,547,887	11,894,324	12,251,154
BENEFITS	4,776,954	3,876,643	4,014,900	4,135,347	4,259,407	4,387,190	4,518,805
SUPPLIES	1,548,895	2,999,460	2,279,404	2,324,993	2,371,495	2,418,924	2,467,303
CONTRACT SERVICES	2,278,637	2,552,525	2,844,595	3,422,123	4,216,821	4,376,784	4,609,629
VEHICLE EXPENSE	588,412	541,820	357,657	368,386	379,437	390,820	402,544
UTILITIES	1,551,441	1,637,115	2,173,799	2,280,855	2,390,046	2,461,748	2,535,600
TRAINING AND ADMINISTRATION	450,036	465,751	986,495	1,006,225	1,026,350	1,046,878	1,067,815
INSURANCE	131,803	233,913	177,870	183,207	188,704	194,365	200,196
COMMITTEE EXPENSE	2,396	2,300	1,000	1,030	1,093	1,093	1,126
CITY OF LITTLE ROCK FRANCHISE FEE	4,024,724	4,056,890	4,595,110	5,063,739	5,235,016	5,938,625	6,653,448
PURCH. OF PROP., PLANT & EQUIP.	53,838,430	15,970,709	11,171,760	21,058,466	38,572,984	70,232,552	73,619,395
REDEMPTION OF BONDS/LOANS	6,614,888	25,150,519	7,712,967	8,339,335	8,464,694	10,127,289	12,517,732
INTEREST PAID ON BONDS/LOANS	11,133,343	11,006,739	12,367,361	12,090,778	11,786,048	15,491,412	19,014,760
BOND ISSUE/RETIRE EXPENSE	-	232,315	414,082	40,202	-	972,000	556,000
PAYABLES DUE FROM PRIOR YEAR	-	-	-	-	-	-	-
TOTAL ALLOCATION OF FUNDS	98,470,852	79,741,055	59,981,989	71,526,227	90,439,949	129,934,004	140,415,508
INCREASE/DECREASE IN FUNDS	(44,894,549)	(12,877,676)	30,747,379	(3,950,658)	(12,774,237)	50,687,631	1,881,239
ENDING FUNDS BALANCE	32,015,258	19,137,582	49,884,962	45,934,303	33,160,066	83,847,698	85,728,936
RESTRICTED BALANCE	25,639,080	15,733,336	46,609,906	43,136,830	30,359,196	80,074,203	80,943,520
AVAILABLE BALANCE FOR OPERATIONS**	6,376,198	3,404,246	3,275,056	2,797,473	2,800,870	3,773,495	4,785,416
TOTAL	32,015,258	19,137,582	49,884,962	45,934,303	33,160,066	83,847,698	85,728,936
**MINIMUM BALANCE FOR 30 DAY APPROPRIATED FUNDING		2,873,502	2,922,391	3,071,833	3,250,165	3,347,606	3,456,274

Little Rock Wastewater
Financial Plan

Income Statement

	2010 ACTUAL	2011 FORECAST	2012 BUDGET	2013 PROJECTED	2014 PROJECTED	2015 PROJECTED	2016 PROJECTED
OPERATING REVENUE:							
ASSESSMENTS LEVIED	39,788,224	39,870,296	44,751,295	49,410,240	51,101,011	58,045,918	65,102,155
INDUSTRIAL SURCHARGE	1,702,263	1,157,448	610,000	634,400	653,432	741,645	830,643
OTHER FEES AND INCOME	524,353	555,472	589,800	592,749	595,713	598,691	601,684
TOTAL OPERATING INCOME	42,014,840	41,583,216	45,951,095	50,637,389	52,350,156	59,386,255	66,534,482
OPERATING EXPENSE:							
SUPPORT SERVICES	7,330,432	8,152,044	9,006,038	9,254,908	9,510,817	9,773,971	10,044,572
OPERATIONS	5,862,127	4,482,008	8,222,909	8,497,967	8,779,930	9,029,310	9,285,894
MAINTENANCE	10,117,918	8,776,279	6,491,763	7,180,832	8,090,461	8,368,845	8,723,706
TOTAL OPERATING EXPENSE	23,310,477	21,410,331	23,720,710	24,933,707	26,381,208	27,172,126	28,054,172
NET INCOME BEFORE DEPRECIATION	18,704,363	20,172,885	22,230,385	25,703,682	25,968,948	32,214,129	38,480,310
FUNDED DEPRECIATION	0	0	0	0	0	0	0
NON-FUNDED DEPRECIATION	7,737,659	7,771,506	9,207,464	12,421,118	12,933,794	13,790,075	15,356,120
NET INCOME AFTER DEPRECIATION	10,966,704	12,401,379	13,022,921	13,282,564	13,035,154	18,424,054	23,124,190
NON-OPERATING REVENUE:							
INTEREST INCOME	147,124	120,000	614,131	575,804	481,024	1,254,279	1,491,340
GAIN ON DISPOSAL OF PROPERTY	0	16,335	3,600	3,600	3,600	3,600	3,600
UNREALIZED GAIN ON INVESTMENT	353,193	235,955	-	-	-	-	-
REPURCHASE PROGRAM / MISC	62,246	365,890	10,000	10,000	10,000	10,000	10,000
INCOME BEFORE NON-OPERATING EXPEI	11,529,267	12,903,604	13,650,652	13,871,968	13,529,778	19,691,933	24,629,130
NON-OPERATING EXPENSES:							
AMORTIZATION - BOND DISC & EXP	210,609	313,831	225,678	225,345	217,360	253,667	246,947
INTEREST ON LONG-TERM DEBT	10,770,853	10,673,532	12,223,164	11,984,751	11,676,835	15,383,354	18,906,929
LOSS ON DISPOSAL OF PROPERTY	30,932	-	-	-	-	-	-
EXTRAORDINARY LOSS - LITIGATION	-	-	-	-	-	-	-
NET INCOME	516,873	1,916,241	1,201,811	1,661,873	1,635,582	4,054,911	5,475,253

Debt / Bond Coverage Ratio

	2010 ACTUAL	2011 FORECAST	2012 BUDGET	2013 PROJECTED	2014 PROJECTED	2015 PROJECTED	2016 PROJECTED
Operating Revenue	42,014,840	41,583,216	45,951,095	50,637,389	52,350,156	59,386,255	66,534,482
Less Operating Exp and Depreciation	(31,048,136)	(29,181,837)	(32,928,174)	(37,354,825)	(39,315,002)	(40,962,201)	(43,410,292)
Operating Revenue							
Total Non-operating Revenue/(Exp)	(10,449,831)	(10,265,518)	(11,824,711)	(11,624,291)	(11,403,172)	(14,372,743)	(17,652,536)
Net Income	516,873	2,135,861	1,198,211	1,658,273	1,631,982	4,051,311	5,471,653
Plus: Revenue from Rate Increase							
1/1/2012 (Full Year) @ 20.00%	0	0	0	0	0	0	0
1/1/2013 (Full Year) @ 4.00%	0	0	1,860,518	0	0	0	0
1/1/2014 (Full Year) @ 3.00%	0	0	1,595,322	1,595,322	0	0	0
1/1/2015 (Full Year) @ 0.00%	0	0	5,403,163	5,403,163	5,403,163	0	0
1/1/2016 (Full Year) @ 6.75%	0	0	6,141,651	6,141,651	6,141,651	6,141,651	0
Plus:							
Depreciation	7,737,659	7,771,506	9,207,464	12,421,118	12,933,794	13,790,075	15,356,120
Interest & Amortization Expense	10,981,462	10,987,363	12,448,842	12,210,095	11,894,196	15,637,021	19,153,877
(Gain)/Loss on disposal of Assets	30,932	-	-	-	-	-	-
Unrealized (Gain)/Loss on Investment	(353,193)	(235,955)	0	0	0	0	0
Repurchase Program	(62,246)	(365,890)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Funds Available for Debt	18,851,487	20,292,885	37,845,171	39,419,622	37,994,786	39,610,058	39,971,650
Average Annual Debt Service	15,208,647	15,128,502	15,027,503	16,272,636	18,025,048	17,936,674	22,884,456
Projected Debt Service Coverage	1.24	1.34	2.52	2.42	2.11	2.21	1.75
After Issuance of 2012 Rev Bond			16,402,800				
Average Annual Debt Service**			2.31				
After Issuance of 2013 RLF				18,107,992			
Average Annual Debt Service**				2.18			
After Issuance of 2015 RLF						19,748,046	
Average Annual Debt Service**						2.01	
After Issuance of 2015 Rev Bond						22,975,667	
Average Annual Debt Service**						1.72	
After Issuance of 2016 RLF							25,664,459
Average Annual Debt Service**							1.56
After Issuance of 2016 Rev Bond							28,068,905
Average Annual Debt Service**							1.42

O&M Expense Budget Comparative

DESCRIPTION	2011	2011	2012	2013	2014	2015	2016	2012
	BUDGET	PROJECTED	BUDGET	PROJECTED	PROJECTED	PROJECTED	PROJECTED	RATE MODEL
TOTAL UTILITY								
SALARY	11,265,843	10,377,407	10,884,990	11,211,541	11,547,887	11,894,324	12,251,154	11,603,818
EMPLOYEE BENEFITS	4,493,790	3,420,738	4,014,900	4,135,347	4,259,407	4,387,190	4,518,805	4,192,603
SUPPLIES	2,341,537	2,172,034	2,279,404	2,324,993	2,371,495	2,418,924	2,467,303	2,426,328
CONTRACT SERVICES	2,746,332	2,488,840	2,844,595	3,422,123	4,216,821	4,376,784	4,609,629	3,220,958
VEHICLE EXPENSE	805,925	442,919	357,657	368,386	379,437	390,820	402,544	495,353
UTILITIES	2,112,657	1,595,150	2,173,799	2,280,855	2,390,046	2,461,748	2,535,600	1,856,037
TRAINING AND ADMIN	955,966	775,760	986,495	1,006,225	1,026,350	1,046,878	1,067,815	971,224
INSURANCE	126,346	135,126	177,870	183,207	188,704	194,365	200,196	130,043
COMMITTEE EXPENSE	1,500	2,357	1,000	1,030	1,061	1,093	1,126	5,500
C.W.I.P.	-	-	-	-	-	-	-	-
	24,849,895	21,410,331	23,720,710	24,933,707	26,381,208	27,172,126	28,054,172	24,901,864
COMMITTEE	60,300	59,821	59,800	61,104	62,438	63,802	65,196	61,619
ADMINISTRATION	1,594,713	1,592,326	1,616,832	1,662,869	1,710,239	1,758,980	1,809,131	1,614,088
FINANCE	2,463,057	2,187,887	2,269,410	2,324,768	2,381,531	2,439,738	2,499,426	2,499,710
ENGINEERING	1,472,217	1,091,323	1,125,795	1,158,624	1,192,419	1,227,210	1,263,022	1,487,502
INFORMATION SERVICES	2,043,143	1,765,559	1,970,990	2,026,859	2,084,339	2,143,476	2,204,322	2,075,356
MAINTENANCE	10,294,746	8,776,279	6,491,763	7,180,832	8,090,461	8,368,845	8,723,706	10,451,204
OPERATIONS	5,263,786	4,482,008	5,202,642	5,394,956	5,591,850	5,753,770	5,920,433	5,046,112
EAD	1,657,932	1,455,128	1,963,212	2,020,684	2,079,851	2,140,765	2,203,475	1,666,273
FACILITIES & EQUIPMENT	-	-	3,020,267	3,103,011	3,188,080	3,275,540	3,365,461	-
C.W.I.P.	-	-	-	-	-	-	-	-
	24,849,895	21,410,331	23,720,710	24,933,707	26,381,208	27,172,126	28,054,172	24,901,864
SUPPORT SERVICES	9,291,362	8,152,044	9,006,038	9,254,908	9,510,817	9,773,971	10,044,572	9,404,548
OPERATIONS	5,263,786	4,482,008	8,222,909	8,497,967	8,779,930	9,029,310	9,285,894	5,046,112
MAINTENANCE	10,294,746	8,776,279	6,491,763	7,180,832	8,090,461	8,368,845	8,723,706	10,451,204
C.W.I.P.	-	-	-	-	-	-	-	-
	24,849,895	21,410,331	23,720,710	24,933,707	26,381,208	27,172,126	28,054,172	24,901,864

O&M Expense Budget Comparative

-----2011 PROJECTED TO 2011 BUDGET ----- 2012 BUDGET TO 2011 BUDGET-----

TOTAL UTILITY

DESCRIPTION	2011		\$		2011		\$		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	BUDGET	OVR/(UND)	OVR/(UND)	BUDGET	BUDGET	OVR/(UND)
SALARY	10,377,407	(888,436)	(8.56%)	11,265,843	(380,852)	(3.38%)	10,884,990		10,884,990	
EMPLOYEE BENEFITS	3,420,738	(1,073,051)	(31.37%)	4,493,790	(478,890)	(10.66%)	4,014,900		4,014,900	
SUPPLIES	2,172,034	(169,503)	(7.80%)	2,341,537	(62,133)	(2.65%)	2,279,404		2,279,404	
CONTRACT SERVICES	2,488,840	(257,492)	(10.35%)	2,746,332	98,263	3.58%	2,844,595		2,844,595	
VEHICLE EXPENSE	442,919	(363,006)	(81.96%)	805,925	(448,268)	(55.62%)	357,657		357,657	
UTILITIES	1,595,150	(517,507)	(32.44%)	2,112,657	61,142	2.89%	2,173,799		2,173,799	
TRAINING & ADMIN	775,760	(180,206)	(23.23%)	955,966	30,529	3.19%	986,495		986,495	
INSURANCE	135,126	8,780	6.50%	126,346	51,524	40.78%	177,870		177,870	
COMMITTEE EXPENSE	2,357	857	36.35%	1,500	(500)	(33.33%)	1,000		1,000	
Total	21,410,331	(3,439,564)	(16.06%)	24,849,895	(1,129,185)	(4.54%)	23,720,710		23,720,710	

-----2012 BUDGET TO 2011 PROJECTED ----- 2012 RATE STUDY TO 2012 BUDGET-----

TOTAL UTILITY

DESCRIPTION	2011		\$		2012		\$		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	BUDGET	OVR/(UND)	OVR/(UND)	BUDGET	BUDGET	RATE MODEL
SALARY	10,377,407	507,584	4.89%	10,884,990	718,828	6.60%	11,603,818		11,603,818	
EMPLOYEE BENEFITS	3,420,738	594,161	17.37%	4,014,900	177,703	4.43%	4,192,603		4,192,603	
SUPPLIES	2,172,034	107,370	4.94%	2,279,404	146,924	6.45%	2,426,328		2,426,328	
CONTRACT SERVICES	2,488,840	355,755	14.29%	2,844,595	376,363	13.23%	3,220,958		3,220,958	
VEHICLE EXPENSE	442,919	(85,262)	(19.25%)	357,657	137,696	38.50%	495,353		495,353	
UTILITIES	1,595,150	578,649	36.28%	2,173,799	(317,762)	(14.62%)	1,856,037		1,856,037	
TRAINING & ADMIN	775,760	210,735	27.16%	986,495	(15,271)	(1.55%)	971,224		971,224	
INSURANCE	135,126	42,744	31.63%	177,870	(47,827)	(26.89%)	130,043		130,043	
COMMITTEE EXPENSE	2,357	(1,357)	(57.57%)	1,000	4,500	450.00%	5,500		5,500	
Total	21,410,331	2,310,379	10.79%	23,720,710	1,181,154	4.98%	24,901,864		24,901,864	

O&M Expense Budget Comparative

COMMITTEE

DESCRIPTION	2011 BUDGET	2011 PROJECTED	2012 BUDGET	2013 PROJECTED	2014 PROJECTED	2015 PROJECTED	2016 PROJECTED	2012 RATE MODEL
SALARY	-	-	-	-	-	-	-	-
EMPLOYEE BENEFITS	-	-	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-	-	-
CONTRACT SERVICES	-	-	-	-	-	-	-	-
VEHICLE EXPENSE	-	-	-	-	-	-	-	-
UTILITIES	-	-	-	-	-	-	-	-
TRAINING & ADMIN	49,000	48,494	49,000	49,980	50,980	52,000	53,040	46,119
INSURANCE	9,800	8,970	9,800	10,094	10,397	10,709	11,030	10,000
COMMITTEE EXPENSE	1,500	2,357	1,000	1,030	1,061	1,093	1,126	5,500
	60,300	59,821	59,800	61,104	62,438	63,802	65,196	61,619
⁹² COMMITTEE	60,300	59,821	59,800	61,104	62,438	63,802	65,196	61,619
ADMINISTRATION	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
ENGINEERING	-	-	-	-	-	-	-	-
INFORMATION SERVICES	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-
EAD	-	-	-	-	-	-	-	-
FACILITIES & EQUIPMENT	-	-	-	-	-	-	-	-
	60,300	59,821	59,800	61,104	62,438	63,802	65,196	61,619
SUPPORT SERVICES	60,300	59,821	59,800	61,104	62,438	63,802	65,196	61,619
OPERATIONS	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
	60,300	59,821	59,800	61,104	62,438	63,802	65,196	61,619

O&M Expense Budget Comparative

COMMITTEE	2011 PROJECTED TO 2011 BUDGET			2012 BUDGET TO 2011 BUDGET		
	2011 PROJECTED	\$ OVR/(UND)	OVR/(UND)	2011 BUDGET	OVR/(UND)	2012 BUDGET
DESCRIPTION						
SALARY	-	-	-	-	-	-
EMPLOYEE BENEFITS	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
CONTRACT SERVICES	-	-	-	-	-	-
VEHICLE EXPENSE	-	-	-	-	-	-
UTILITIES	-	-	-	-	-	-
TRAINING & ADMIN	48,494	(506)	(1.04%)	49,000	980	2.00%
INSURANCE	8,970	(830)	(9.25%)	9,800	294	3.00%
COMMITTEE EXPENSE	2,357	857	36.35%	1,500	(470)	(31.33%)
Total	59,821	(479)	0	60,300	804	(0)

COMMITTEE	2012 BUDGET TO 2011 PROJECTED			2012 RATE STUDY TO 2012 BUDGET		
	2011 PROJECTED	\$ OVR/(UND)	OVR/(UND)	2012 BUDGET	OVR/(UND)	2012 RATE MODEL
DESCRIPTION						
SALARY	-	-	-	-	-	-
EMPLOYEE BENEFITS	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
CONTRACT SERVICES	-	-	-	-	-	-
VEHICLE EXPENSE	-	-	-	-	-	-
UTILITIES	-	-	-	-	-	-
TRAINING & ADMIN	48,494	1,486	3.06%	49,980	(3,861)	(7.73%)
INSURANCE	8,970	1,124	12.53%	10,094	(94)	(0.93%)
COMMITTEE EXPENSE	2,357	(1,327)	(56.30%)	1,030	4,470	433.98%
Total	59,821	1,283	2.15%	61,104	515	4

O&M Expense Budget Comparative

ADMINISTRATION

DESCRIPTION	2011 BUDGET	2011 PROJECTED	2012 BUDGET	2013 PROJECTED	2014 PROJECTED	2015 PROJECTED	2016 PROJECTED	2012 RATE MODEL
SALARY	822,603	813,018	826,395	851,186	876,722	903,024	930,115	847,281
EMPLOYEE BENEFITS	301,640	300,542	311,467	320,811	330,435	340,348	350,558	284,690
SUPPLIES	79,100	59,257	79,100	80,682	82,296	83,942	85,621	80,682
CONTRACT SERVICES	188,900	271,375	197,400	203,322	209,422	215,705	222,176	194,567
VEHICLE EXPENSE	18,000	14,876	18,000	18,540	19,096	19,669	20,259	18,540
UTILITIES	10,000	10,175	10,500	10,815	11,139	11,473	11,817	10,300
TRAINING & ADMIN	167,600	117,545	167,600	170,952	174,371	177,858	181,415	170,952
INSURANCE	6,870	5,537	6,370	6,561	6,758	6,961	7,170	7,076
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-
	1,594,713	1,592,326	1,616,832	1,662,869	1,710,239	1,758,980	1,809,131	1,614,088
⊗ COMMITTEE	-	-	-	-	-	-	-	-
ADMINISTRATION	1,594,713	1,592,326	1,616,832	1,662,869	1,710,239	1,758,980	1,809,131	1,614,088
FINANCE	-	-	-	-	-	-	-	-
ENGINEERING	-	-	-	-	-	-	-	-
INFORMATION SERVICES	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-
EAD	-	-	-	-	-	-	-	-
FACILITIES & EQUIPMENT	-	-	-	-	-	-	-	-
	1,594,713	1,592,326	1,616,832	1,662,869	1,710,239	1,758,980	1,809,131	1,614,088
SUPPORT SERVICES	1,594,713	1,592,326	1,616,832	1,662,869	1,710,239	1,758,980	1,809,131	1,614,088
OPERATIONS	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
C.W.I.P.	-	-	-	-	-	-	-	-
	1,594,713	1,592,326	1,616,832	1,662,869	1,710,239	1,758,980	1,809,131	1,614,088

O&M Expense Budget Comparative

ADMINISTRATION -----2011 PROJECTED TO 2011 BUDGET ----- **ADMINISTRATION** -----2012 BUDGET TO 2011 BUDGET-----

DESCRIPTION	2011		2011		2011		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET
		\$			\$			
SALARY	813,018	(9,584)	(1.18%)	822,603	3,792	0.46%	826,395	
EMPLOYEE BENEFITS	300,542	(1,098)	(0.37%)	301,640	9,827	3.26%	311,467	
SUPPLIES	59,257	(19,843)	(33.49%)	79,100	-	0.00%	79,100	
CONTRACT SERVICES	271,375	82,475	30.39%	188,900	8,500	4.50%	197,400	
VEHICLE EXPENSE	14,876	(3,124)	(21.00%)	18,000	-	0.00%	18,000	
UTILITIES	10,175	175	1.72%	10,000	500	5.00%	10,500	
TRAINING & ADMIN	117,545	(50,055)	(42.58%)	167,600	-	0.00%	167,600	
INSURANCE	5,537	(1,333)	(24.08%)	6,870	(500)	(7.28%)	6,370	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	
Total	1,592,326	(2,387)	(0.15%)	1,594,713	22,119	1.39%	1,616,832	

ADMINISTRATION -----2012 BUDGET TO 2011 PROJECTED ----- **ADMINISTRATION** -----2012 RATE STUDY TO 2012 BUDGET-----

DESCRIPTION	2011		2012		2012		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)	RATE MODEL
		\$			\$			
SALARY	813,018	13,376	1.65%	826,395	20,886	2.53%	847,281	
EMPLOYEE BENEFITS	300,542	10,925	3.64%	311,467	(26,777)	(8.60%)	284,690	
SUPPLIES	59,257	19,843	33.49%	79,100	1,582	2.00%	80,682	
CONTRACT SERVICES	271,375	(73,975)	(27.26%)	197,400	(2,833)	(1.44%)	194,567	
VEHICLE EXPENSE	14,876	3,124	21.00%	18,000	540	3.00%	18,540	
UTILITIES	10,175	325	3.20%	10,500	(200)	(1.90%)	10,300	
TRAINING & ADMIN	117,545	50,055	42.58%	167,600	3,352	2.00%	170,952	
INSURANCE	5,537	833	15.05%	6,370	706	11.08%	7,076	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	
Total	1,592,326	24,506	1.54%	1,616,832	(2,744)	(0.17%)	1,614,088	

O&M Expense Budget Comparative

FINANCE

DESCRIPTION	2011		2012		2013		2014		2015		2016		2012	
	BUDGET	PROJECTED	BUDGET	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	RATE MODEL
SALARY	870,514	681,884	691,950	712,709	734,090	756,113	778,796	896,630						
EMPLOYEE BENEFITS	341,347	268,678	288,637	297,297	306,216	315,402	324,864	326,588						
SUPPLIES	27,500	20,430	20,200	20,604	21,016	21,436	21,865	28,050						
CONTRACT SERVICES	776,420	774,912	780,980	796,600	812,532	828,783	845,359	791,948						
VEHICLE EXPENSE	8,700	3,944	4,000	4,120	4,244	4,371	4,502	8,961						
UTILITIES	12,000	7,367	7,000	7,210	7,426	7,649	7,878	12,360						
TRAINING & ADMIN	420,000	425,605	471,342	480,769	490,384	500,192	510,196	428,400						
INSURANCE	6,576	5,066	5,300	5,459	5,623	5,792	5,966	6,773						
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-						
	2,463,057	2,187,887	2,269,410	2,324,768	2,381,531	2,439,738	2,499,426	2,499,710						
COMMITTEE	-	-	-	-	-	-	-	-						
ADMINISTRATION	-	-	-	-	-	-	-	-						
FINANCE	2,463,057	2,187,887	2,269,410	2,324,768	2,381,531	2,439,738	2,499,426	2,499,710						
ENGINEERING	-	-	-	-	-	-	-	-						
INFORMATION SERVICES	-	-	-	-	-	-	-	-						
MAINTENANCE	-	-	-	-	-	-	-	-						
OPERATIONS	-	-	-	-	-	-	-	-						
EAD	-	-	-	-	-	-	-	-						
FACILITIES & EQUIPMENT	-	-	-	-	-	-	-	-						
	2,463,057	2,187,887	2,269,410	2,324,768	2,381,531	2,439,738	2,499,426	2,499,710						
SUPPORT SERVICES	2,463,057	2,187,887	2,269,410	2,324,768	2,381,531	2,439,738	2,499,426	2,499,710						
OPERATIONS	-	-	-	-	-	-	-	-						
MAINTENANCE	-	-	-	-	-	-	-	-						
	2,463,057	2,187,887	2,269,410	2,324,768	2,381,531	2,439,738	2,499,426	2,499,710						

O&M Expense Budget Comparative

FINANCE -----2011 PROJECTED TO 2011 BUDGET ----- **FINANCE** -----2012 BUDGET TO 2011 BUDGET-----

DESCRIPTION	2011		2011		2012		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET
		\$			\$			
SALARY	681,884	(188,630)	(27.66%)	870,514	(178,564)	(20.51%)	691,950	
EMPLOYEE BENEFITS	268,678	(72,669)	(27.05%)	341,347	(52,710)	(15.44%)	288,637	
SUPPLIES	20,430	(7,070)	(34.61%)	27,500	(7,300)	(26.55%)	20,200	
CONTRACT SERVICES	774,912	(1,508)	(0.19%)	776,420	4,560	0.59%	780,980	
VEHICLE EXPENSE	3,944	(4,756)	(120.57%)	8,700	(4,700)	(54.02%)	4,000	
UTILITIES	7,367	(4,633)	(62.89%)	12,000	(5,000)	(41.67%)	7,000	
TRAINING & ADMIN	425,605	5,605	1.32%	420,000	51,342	12.22%	471,342	
INSURANCE	5,066	(1,510)	(29.80%)	6,576	(1,276)	(19.40%)	5,300	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	
Total	2,187,887	(275,170)	(12.58%)	2,463,057	(193,648)	(7.86%)	2,269,410	

FINANCE -----2012 BUDGET TO 2011 PROJECTED ----- **FINANCE** -----2012 RATE STUDY TO 2012 BUDGET-----

DESCRIPTION	2011		2012		2012		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)	RATE MODEL
		\$			\$			
SALARY	681,884	10,066	1.48%	691,950	204,680	29.58%	896,630	
EMPLOYEE BENEFITS	268,678	19,960	7.43%	288,637	37,951	13.15%	326,588	
SUPPLIES	20,430	(230)	(1.12%)	20,200	7,850	38.86%	28,050	
CONTRACT SERVICES	774,912	6,068	0.78%	780,980	10,968	1.40%	791,948	
VEHICLE EXPENSE	3,944	56	1.41%	4,000	4,961	124.03%	8,961	
UTILITIES	7,367	(367)	(4.98%)	7,000	5,360	76.57%	12,360	
TRAINING & ADMIN	425,605	45,737	10.75%	471,342	(42,942)	(9.11%)	428,400	
INSURANCE	5,066	234	4.61%	5,300	1,473	27.79%	6,773	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	
Total	2,187,887	81,522	3.73%	2,269,410	230,300	10.15%	2,499,710	

O&M Expense Budget Comparative

ENGINEERING

DESCRIPTION	2011 BUDGET	2011 PROJECTED	2012 BUDGET	2013 PROJECTED	2014 PROJECTED	2015 PROJECTED	2016 PROJECTED	2012 RATE MODEL
SALARY	976,600	800,119	715,926	737,404	759,526	782,312	805,781	1,005,898
EMPLOYEE BENEFITS	196,147	18,008	131,699	135,650	139,720	143,912	148,229	174,031
SUPPLIES	51,800	55,993	59,000	60,180	61,384	62,612	63,864	52,836
CONTRACT SERVICES	155,070	139,689	127,070	130,882	134,808	138,852	143,018	159,722
VEHICLE EXPENSE	35,000	34,736	36,000	37,080	38,192	39,338	40,518	36,050
UTILITIES	15,000	14,677	13,100	13,493	13,898	14,315	14,744	15,450
TRAINING & ADMIN	36,300	20,650	35,500	36,210	36,934	37,673	38,426	37,026
INSURANCE	6,300	7,450	7,500	7,725	7,957	8,196	8,442	6,489
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-
	1,472,217	1,091,323	1,125,795	1,158,624	1,192,419	1,227,210	1,263,022	1,487,502
COMMITTEE	-	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
ENGINEERING	1,472,217	1,091,323	1,125,795	1,158,624	1,192,419	1,227,210	1,263,022	1,487,502
INFORMATION SERVICES	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-
EAD	-	-	-	-	-	-	-	-
FACILITIES & EQUIPMENT	-	-	-	-	-	-	-	-
	1,472,217	1,091,323	1,125,795	1,158,624	1,192,419	1,227,210	1,263,022	1,487,502
SUPPORT SERVICES	1,472,217	1,091,323	1,125,795	1,158,624	1,192,419	1,227,210	1,263,022	1,487,502
OPERATIONS	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
	1,472,217	1,091,323	1,125,795	1,158,624	1,192,419	1,227,210	1,263,022	1,487,502

O&M Expense Budget Comparative

ENGINEERING -----2011 PROJECTED TO 2011 BUDGET ----- **ENGINEERING** -----2012 BUDGET TO 2011 BUDGET-----

DESCRIPTION	2011		2011		2012		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET
		\$		\$		\$		\$
SALARY	800,119	(176,481)	(22.06%)	976,600	(260,674)	(26.69%)	715,926	
EMPLOYEE BENEFITS	18,008	(178,138)	(989.19%)	196,147	(64,448)	(32.86%)	131,699	
SUPPLIES	55,993	4,193	7.49%	51,800	7,200	13.90%	59,000	
CONTRACT SERVICES	139,689	(15,381)	(11.01%)	155,070	(28,000)	(18.06%)	127,070	
VEHICLE EXPENSE	34,736	(264)	(0.76%)	35,000	1,000	2.86%	36,000	
UTILITIES	14,677	(323)	(2.20%)	15,000	(1,900)	(12.67%)	13,100	
TRAINING & ADMIN	20,650	(15,650)	(75.79%)	36,300	(800)	(2.20%)	35,500	
INSURANCE	7,450	1,150	15.43%	6,300	1,200	19.05%	7,500	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	
Total	1,091,323	(380,894)	(34.90%)	1,472,217	(346,422)	(23.53%)	1,125,795	

ENGINEERING -----2012 BUDGET TO 2011 PROJECTED ----- **ENGINEERING** -----2012 RATE STUDY TO 2012 BUDGET-----

DESCRIPTION	2011		2012		2012		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)	RATE MODEL
		\$		\$		\$		\$
SALARY	800,119	(84,193)	(10.52%)	715,926	289,972	40.50%	1,005,898	
EMPLOYEE BENEFITS	18,008	113,690	631.32%	131,699	42,332	32.14%	174,031	
SUPPLIES	55,993	3,007	5.37%	59,000	(6,164)	(10.45%)	52,836	
CONTRACT SERVICES	139,689	(12,619)	(9.03%)	127,070	32,652	25.70%	159,722	
VEHICLE EXPENSE	34,736	1,264	3.64%	36,000	50	0.14%	36,050	
UTILITIES	14,677	(1,577)	(10.75%)	13,100	2,350	17.94%	15,450	
TRAINING & ADMIN	20,650	14,850	71.92%	35,500	1,526	4.30%	37,026	
INSURANCE	7,450	50	0.68%	7,500	(1,011)	(13.48%)	6,489	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	
Total	1,091,323	34,472	3.16%	1,125,795	361,707	32.13%	1,487,502	

O&M Expense Budget Comparative

INFORMATION SERVICES

DESCRIPTION	2011 BUDGET	2011 PROJECTED	2012 BUDGET	2013 PROJECTED	2014 PROJECTED	2015 PROJECTED	2016 PROJECTED	2012 RATE MODEL
SALARY	821,415	843,585	864,218	890,144	916,848	944,353	972,684	846,057
EMPLOYEE BENEFITS	340,143	264,409	283,898	292,414	301,186	310,222	319,529	327,347
SUPPLIES	324,743	161,876	239,780	244,576	249,468	254,457	259,546	329,198
CONTRACT SERVICES	325,192	318,380	334,445	344,478	354,812	365,456	376,420	334,948
VEHICLE EXPENSE	13,200	9,778	13,200	13,596	14,004	14,424	14,857	13,596
UTILITIES	137,600	140,438	147,600	152,028	156,589	161,287	166,126	141,728
TRAINING & ADMIN	79,350	26,101	86,300	88,026	89,787	91,583	93,415	80,937
INSURANCE	1,500	991	1,550	1,597	1,645	1,694	1,745	1,545
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-
	2,043,143	1,765,559	1,970,990	2,026,859	2,084,339	2,143,476	2,204,322	2,075,356
COMMITTEE	-	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
ENGINEERING	-	-	-	-	-	-	-	-
INFORMATION SERVICES	2,043,143	1,765,559	1,970,990	2,026,859	2,084,339	2,143,476	2,204,322	2,075,356
MAINTENANCE	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-
EAD	-	-	-	-	-	-	-	-
FACILITIES & EQUIPMENT	-	-	-	-	-	-	-	-
	2,043,143	1,765,559	1,970,990	2,026,859	2,084,339	2,143,476	2,204,322	2,075,356
SUPPORT SERVICES	2,043,143	1,765,559	1,970,990	2,026,859	2,084,339	2,143,476	2,204,322	2,075,356
OPERATIONS	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
	2,043,143	1,765,559	1,970,990	2,026,859	2,084,339	2,143,476	2,204,322	2,075,356

O&M Expense Budget Comparative

INFORMATION SERVICES

-----2011 PROJECTED TO 2011 BUDGET ----- -----2012 BUDGET TO 2011 BUDGET-----

DESCRIPTION	2011		2011		2012		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET
		\$			\$			
SALARY	843,585	22,170	2.63%	821,415	42,803	5.21%	864,218	
EMPLOYEE BENEFITS	264,409	(75,734)	(28.64%)	340,143	(56,246)	(16.54%)	283,898	
SUPPLIES	161,876	(162,867)	(100.61%)	324,743	(84,963)	(26.16%)	239,780	
CONTRACT SERVICES	318,380	(6,812)	(2.14%)	325,192	9,253	2.85%	334,445	
VEHICLE EXPENSE	9,778	(3,422)	(35.00%)	13,200	-	0.00%	13,200	
UTILITIES	140,438	2,838	2.02%	137,600	10,000	7.27%	147,600	
TRAINING & ADMIN	26,101	(53,249)	53.249	79,350	6,950	8.76%	86,300	
INSURANCE	991	(509)	509	1,500	50	3.33%	1,550	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	
Total	1,765,559	(277,584)	(15.72%)	2,043,143	(72,153)	(3.53%)	1,970,990	

INFORMATION SERVICES

-----2012 BUDGET TO 2011 PROJECTED ----- -----2012 RATE STUDY TO 2012 BUDGET-----

DESCRIPTION	2011		2012		2012		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)	RATE MODEL
		\$			\$			
SALARY	843,585	20,633	2.45%	864,218	(18,161)	(2.10%)	846,057	
EMPLOYEE BENEFITS	264,409	19,488	7.37%	283,898	43,449	15.30%	327,347	
SUPPLIES	161,876	77,904	48.13%	239,780	89,418	37.29%	329,198	
CONTRACT SERVICES	318,380	16,065	5.05%	334,445	503	0.15%	334,948	
VEHICLE EXPENSE	9,778	3,422	35.00%	13,200	396	3.00%	13,596	
UTILITIES	140,438	7,162	5.10%	147,600	(5,872)	(3.98%)	141,728	
TRAINING & ADMIN	26,101	60,199	230.64%	86,300	(5,363)	(6.21%)	80,937	
INSURANCE	991	559	56.38%	1,550	(5)	(0.32%)	1,545	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	
Total	1,765,559	205,431	11.64%	1,970,990	104,366	5.30%	2,075,356	

O&M Expense Budget Comparative

DESCRIPTION	2011	2011	2012	2013	2014	2015	2016	2012
	BUDGET	PROJECTED	BUDGET	PROJECTED	PROJECTED	PROJECTED	PROJECTED	RATE MODEL
MAINTENANCE								
SALARY	5,183,709	4,796,978	3,679,384	3,789,766	3,903,459	4,020,563	4,141,180	5,339,221
EMPLOYEE BENEFITS	2,201,733	1,692,794	1,472,322	1,516,492	1,561,987	1,608,847	1,657,112	2,023,785
SUPPLIES	1,291,276	1,123,684	513,900	524,178	534,662	545,355	556,262	1,357,102
CONTRACT SERVICES	629,430	539,474	446,500	959,895	1,688,692	1,780,936	1,944,192	1,048,313
VEHICLE EXPENSE	689,228	340,841	218,457	225,010	231,760	238,713	245,874	375,155
UTILITIES	163,120	146,208	55,000	56,650	58,350	60,101	61,904	168,014
TRAINING & ADMIN	72,350	57,188	54,500	55,590	56,702	57,836	58,993	73,797
INSURANCE	63,900	79,112	51,700	53,251	54,849	56,494	58,189	65,817
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-
	10,294,746	8,776,279	6,491,763	7,180,832	8,090,461	8,368,845	8,723,706	10,451,204
COMMITTEE	-	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
ENGINEERING	-	-	-	-	-	-	-	-
INFORMATION SERVICES	-	-	-	-	-	-	-	-
MAINTENANCE	10,294,746	8,776,279	6,491,763	7,180,832	8,090,461	8,368,845	8,723,706	10,451,204
OPERATIONS	-	-	-	-	-	-	-	-
EAD	-	-	-	-	-	-	-	-
FACILITIES & EQUIPMENT	-	-	-	-	-	-	-	-
	10,294,746	8,776,279	6,491,763	7,180,832	8,090,461	8,368,845	8,723,706	10,451,204
SUPPORT SERVICES	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-
MAINTENANCE	10,294,746	8,776,279	6,491,763	7,180,832	8,090,461	8,368,845	8,723,706	10,451,204
	10,294,746	8,776,279	6,491,763	7,180,832	8,090,461	8,368,845	8,723,706	10,451,204

O&M Expense Budget Comparative

MAINTENANCE -----2011 PROJECTED TO 2011 BUDGET ----- **MAINTENANCE** -----2012 BUDGET TO 2011 BUDGET-----

DESCRIPTION	2011		2011		2011		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)
		\$		\$			\$	
SALARY	4,796,978	(386,731)	(8.06%)	5,183,709	(1,504,325)	(29.02%)	3,679,384	
EMPLOYEE BENEFITS	1,692,794	(508,940)	(30.07%)	2,201,733	(729,411)	(33.13%)	1,472,322	
SUPPLIES	1,123,684	(167,592)	(14.91%)	1,291,276	(777,376)	(60.20%)	513,900	
CONTRACT SERVICES	539,474	(89,956)	(16.67%)	629,430	(182,930)	(29.06%)	446,500	
VEHICLE EXPENSE	340,841	(348,387)	(102.21%)	689,228	(470,771)	(68.30%)	218,457	
UTILITIES	146,208	(16,912)	(11.57%)	163,120	(108,120)	(66.28%)	55,000	
TRAINING & ADMIN	57,188	(15,162)	(26.51%)	72,350	(17,850)	(24.67%)	54,500	
INSURANCE	79,112	15,212	19.23%	63,900	(12,200)	(19.09%)	51,700	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	
Total	8,776,279	(1,518,467)	(17.30%)	10,294,746	(3,802,983)	(36.94%)	6,491,763	

MAINTENANCE -----2012 BUDGET TO 2011 PROJECTED ----- **MAINTENANCE** -----2012 RATE STUDY TO 2012 BUDGET-----

DESCRIPTION	2011		2012		2012		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	OVR/(UND)	BUDGET	RATE MODEL
		\$		\$			\$	
SALARY	4,796,978	(1,117,594)	(23.30%)	3,679,384	1,659,837	45.11%	5,339,221	
EMPLOYEE BENEFITS	1,692,794	(220,472)	(13.02%)	1,472,322	551,463	37.46%	2,023,785	
SUPPLIES	1,123,684	(609,784)	(54.27%)	513,900	843,202	164.08%	1,357,102	
CONTRACT SERVICES	539,474	(92,974)	(17.23%)	446,500	601,813	134.78%	1,048,313	
VEHICLE EXPENSE	340,841	(122,384)	(35.91%)	218,457	156,698	71.73%	375,155	
UTILITIES	146,208	(91,208)	(62.38%)	55,000	113,014	205.48%	168,014	
TRAINING & ADMIN	57,188	(2,688)	(4.70%)	54,500	19,297	35.41%	73,797	
INSURANCE	79,112	(27,412)	(34.65%)	51,700	14,117	27.31%	65,817	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	
Total	8,776,279	(2,284,516)	(26.03%)	6,491,763	3,959,441	60.99%	10,451,204	

O&M Expense Budget Comparative

OPERATIONS

DESCRIPTION	2011 BUDGET	2011 PROJECTED	2012 BUDGET	2013 PROJECTED	2014 PROJECTED	2015 PROJECTED	2016 PROJECTED	2012 RATE MODEL
SALARY	1,606,671	1,505,596	1,611,780	1,660,134	1,709,938	1,761,236	1,814,073	1,654,871
EMPLOYEE BENEFITS	655,157	514,572	552,168	568,733	585,795	603,369	621,470	624,812
SUPPLIES	448,021	668,588	481,550	491,181	501,005	511,025	521,246	456,981
CONTRACT SERVICES	619,500	403,678	599,500	617,485	636,010	655,090	674,743	638,085
VEHICLE EXPENSE	22,600	20,296	22,600	23,278	23,976	24,695	25,436	23,278
UTILITIES	1,770,937	1,270,691	1,823,644	1,920,195	2,018,566	2,079,123	2,141,497	1,504,065
TRAINING & ADMIN	110,750	71,778	79,250	80,835	82,452	84,101	85,783	112,965
INSURANCE	30,150	26,810	32,150	33,115	34,108	35,131	36,185	31,055
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-
	5,263,786	4,482,008	5,202,642	5,394,956	5,591,850	5,753,770	5,920,433	5,046,112
COMMITTEE	-	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
ENGINEERING	-	-	-	-	-	-	-	-
INFORMATION SERVICES	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
OPERATIONS	5,263,786	4,482,008	5,202,642	5,394,956	5,591,850	5,753,770	5,920,433	5,046,112
EAD	-	-	-	-	-	-	-	-
FACILITIES & EQUIPMENT	-	-	-	-	-	-	-	-
	5,263,786	4,482,008	5,202,642	5,394,956	5,591,850	5,753,770	5,920,433	5,046,112
SUPPORT SERVICES	-	-	-	-	-	-	-	-
OPERATIONS	5,263,786	4,482,008	5,202,642	5,394,956	5,591,850	5,753,770	5,920,433	5,046,112
MAINTENANCE	-	-	-	-	-	-	-	-
	5,263,786	4,482,008	5,202,642	5,394,956	5,591,850	5,753,770	5,920,433	5,046,112

O&M Expense Budget Comparative

OPERATIONS -----2011 PROJECTED TO 2011 BUDGET ----- 2011 BUDGET TO 2011 BUDGET-----

DESCRIPTION	2011		2011		2012		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET
		\$		\$		\$		\$
SALARY	1,505,596	(101,075)	(6.71%)	1,606,671	5,109	0.32%	1,611,780	
EMPLOYEE BENEFITS	514,572	(140,586)	(27.32%)	655,157	(102,990)	(15.72%)	552,168	
SUPPLIES	668,588	220,567	32.99%	448,021	33,529	7.48%	481,550	
CONTRACT SERVICES	403,678	(215,822)	(53.46%)	619,500	(20,000)	(3.23%)	599,500	
VEHICLE EXPENSE	20,296	(2,304)	(11.35%)	22,600	-	0.00%	22,600	
UTILITIES	1,270,691	(500,246)	(39.37%)	1,770,937	52,707	2.98%	1,823,644	
TRAINING & ADMIN	71,778	(38,972)	(54.30%)	110,750	(31,500)	(28.44%)	79,250	
INSURANCE	26,810	(3,340)	(12.46%)	30,150	2,000	6.63%	32,150	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	
Total	4,482,008	(781,778)	(17.44%)	5,263,786	(61,144)	(1.16%)	5,202,642	

OPERATIONS -----2012 BUDGET TO 2011 PROJECTED ----- 2011 PROJECTED TO 2012 BUDGET-----

DESCRIPTION	2011		2012		2012		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET	OVR/(UND)	RATE MODEL
		\$		\$		\$		\$
SALARY	1,505,596	106,185	7.05%	1,611,780	43,091	2.67%	1,654,871	
EMPLOYEE BENEFITS	514,572	37,596	7.31%	552,168	72,644	13.16%	624,812	
SUPPLIES	668,588	(187,038)	(27.98%)	481,550	(24,569)	(5.10%)	456,981	
CONTRACT SERVICES	403,678	195,822	48.51%	599,500	38,585	6.44%	638,085	
VEHICLE EXPENSE	20,296	2,304	11.35%	22,600	678	3.00%	23,278	
UTILITIES	1,270,691	552,953	43.52%	1,823,644	(319,579)	(17.52%)	1,504,065	
TRAINING & ADMIN	71,778	7,472	10.41%	79,250	33,715	42.54%	112,965	
INSURANCE	26,810	5,340	19.92%	32,150	(1,095)	(3.41%)	31,055	
COMMITTEE EXPENSE	-	-	-	-	-	-	-	
Total	4,482,008	720,634	16.08%	5,202,642	(156,530)	(3.01%)	5,046,112	

O&M Expense Budget Comparative

ENVIRONMENTAL ASSESSMENT

DESCRIPTION	2011 BUDGET	2011 PROJECTED	2012 BUDGET	2013 PROJECTED	2014 PROJECTED	2015 PROJECTED	2016 PROJECTED	2012 RATE MODEL
SALARY	984,330	936,226	1,243,067	1,280,359	1,318,770	1,358,333	1,399,083	1,013,860
EMPLOYEE BENEFITS	457,622	361,736	488,126	502,770	517,853	533,389	549,391	431,350
SUPPLIES	119,097	82,206	129,081	131,663	134,296	136,982	139,722	121,479
CONTRACT SERVICES	51,820	41,332	56,200	57,886	59,623	61,412	63,254	53,375
VEHICLE EXPENSE	19,197	18,448	24,200	24,926	25,674	26,444	27,237	19,773
UTILITIES	4,000	5,593	7,635	7,864	8,100	8,343	8,593	4,120
TRAINING & ADMIN	20,616	8,399	13,403	13,671	13,944	14,223	14,507	21,028
INSURANCE	1,250	1,189	1,500	1,545	1,591	1,639	1,688	1,288
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-
	1,657,932	1,455,128	1,963,212	2,020,684	2,079,851	2,140,765	2,203,475	1,666,273
COMMITTEE	-	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
ENGINEERING	-	-	-	-	-	-	-	-
INFORMATION SERVICES	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-
EAD	1,657,932	1,455,128	1,963,212	2,020,684	2,079,851	2,140,765	2,203,475	1,666,273
FACILITIES & EQUIPMENT	-	-	-	-	-	-	-	-
	1,657,932	1,455,128	1,963,212	2,020,684	2,079,851	2,140,765	2,203,475	1,666,273
SUPPORT SERVICES	1,657,932	1,455,128	1,963,212	2,020,684	2,079,851	2,140,765	2,203,475	1,666,273
OPERATIONS	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
	1,657,932	1,455,128	1,963,212	2,020,684	2,079,851	2,140,765	2,203,475	1,666,273

O&M Expense Budget Comparative

EAD -----2011 PROJECTED TO 2011 BUDGET ----- O&M Expense Budget Comparative -----2012 BUDGET TO 2011 BUDGET-----

DESCRIPTION	2011		2011		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET
		\$		\$		\$
SALARY	936,226	(48,105)	(5.14%)	984,330	258,736	26.29%
EMPLOYEE BENEFITS	361,736	(95,886)	(26.51%)	457,622	30,505	6.67%
SUPPLIES	82,206	(36,891)	(44.88%)	119,097	9,984	8.38%
CONTRACT SERVICES	41,332	(10,488)	(25.38%)	51,820	4,380	8.45%
VEHICLE EXPENSE	18,448	(749)	(4.06%)	19,197	5,003	26.06%
UTILITIES	5,593	1,593	28.48%	4,000	3,635	90.88%
TRAINING & ADMIN	8,399	(12,217)	(145.46%)	20,616	(7,213)	(34.99%)
INSURANCE	1,189	(61)	(5.11%)	1,250	250	20.00%
COMMITTEE EXPENSE	-	-	-	-	-	-
Total	1,455,128	(202,804)	(13.94%)	1,657,932	305,280	18.41%

EAD -----2012 BUDGET TO 2011 PROJECTED ----- -----2012 RATE STUDY TO 2012 BUDGET-----

DESCRIPTION	2011		2012		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	RATE MODEL
		\$		\$		\$
SALARY	936,226	306,841	32.77%	1,243,067	(229,207)	(18.44%)
EMPLOYEE BENEFITS	361,736	126,391	34.94%	488,126	(56,776)	(11.63%)
SUPPLIES	82,206	46,875	57.02%	129,081	(7,602)	(5.89%)
CONTRACT SERVICES	41,332	14,868	35.97%	56,200	(2,825)	(5.03%)
VEHICLE EXPENSE	18,448	5,752	31.18%	24,200	(4,427)	(18.29%)
UTILITIES	5,593	2,042	36.51%	7,635	(3,515)	(46.04%)
TRAINING & ADMIN	8,399	5,004	59.58%	13,403	7,625	56.89%
INSURANCE	1,189	311	26.14%	1,500	(212)	(14.13%)
COMMITTEE EXPENSE	-	-	-	-	-	-
Total	1,455,128	508,084	34.92%	1,963,212	(296,939)	(15.13%)

O&M Expense Budget Comparative

FACILITIES & EQUIPMENT

DESCRIPTION	2011 BUDGET	2011 PROJECTED	2012 BUDGET	2013 PROJECTED	2014 PROJECTED	2015 PROJECTED	2016 PROJECTED	2012 RATE MODEL
SALARY	-	-	1,252,271	1,289,839	1,328,534	1,368,390	1,409,442	-
EMPLOYEE BENEFITS	-	-	486,583	501,180	516,215	531,701	547,652	-
SUPPLIES	-	-	756,793	771,929	787,368	803,115	819,177	-
CONTRACT SERVICES	-	-	302,500	311,575	320,922	330,550	340,467	-
VEHICLE EXPENSE	-	-	21,200	21,836	22,491	23,166	23,861	-
UTILITIES	-	-	109,320	112,600	115,978	119,457	123,041	-
TRAINING & ADMIN	-	-	29,600	30,192	30,796	31,412	32,040	-
INSURANCE	-	-	62,000	63,860	65,776	67,749	69,781	-
COMMITTEE EXPENSE	-	-	-	-	-	-	-	-
	-	-	3,020,267	3,103,011	3,188,080	3,275,540	3,365,461	-
COMMITTEE	-	-	-	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
ENGINEERING	-	-	-	-	-	-	-	-
INFORMATION SERVICES	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-
OPERATIONS	-	-	-	-	-	-	-	-
EAD	-	-	-	-	-	-	-	-
FACILITIES & EQUIPMENT	-	-	3,020,267	3,103,011	3,188,080	3,275,540	3,365,461	-
	-	-	-	-	-	-	-	-
SUPPORT SERVICES	-	-	-	-	-	-	-	-
OPERATIONS	-	-	3,020,267	3,103,011	3,188,080	3,275,540	3,365,461	-
MAINTENANCE	-	-	-	-	-	-	-	-
	-	-	3,020,267	3,103,011	3,188,080	3,275,540	3,365,461	-

O&M Expense Budget Comparative

FACILITIES & EQUIPMENT 1,-----2011 PROJECTED TO 2011 BUDGET ----- 2012 BUDGET TO 2011 BUDGET-----

DESCRIPTION	2011		2011		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	BUDGET
	\$		\$		\$	
SALARY	-	-	0.00%	-	1,252,271	0.00%
EMPLOYEE BENEFITS	-	-	0.00%	-	486,583	0.00%
SUPPLIES	-	-	0.00%	-	756,793	0.00%
CONTRACT SERVICES	-	-	0.00%	-	302,500	0.00%
VEHICLE EXPENSE	-	-	0.00%	-	21,200	0.00%
UTILITIES	-	-	0.00%	-	109,320	0.00%
TRAINING & ADMIN	-	-	0.00%	-	29,600	0.00%
INSURANCE	-	-	0.00%	-	62,000	0.00%
COMMITTEE EXPENSE	-	-	0.00%	-	-	-
Total	0	0	0.00%	0	3,020,267	0.00%

FACILITIES & EQUIPMENT 1,-----2012 BUDGET TO 2011 PROJECTED ----- 2012 RATE STUDY TO 2012 BUDGET-----

DESCRIPTION	2011		2012		2012	
	PROJECTED	OVR/(UND)	OVR/(UND)	BUDGET	OVR/(UND)	RATE MODEL
	\$		\$			
SALARY	-	1,252,271	0.00%	1,252,271	(1,252,271)	0.00%
EMPLOYEE BENEFITS	-	486,583	0.00%	486,583	(486,583)	0.00%
SUPPLIES	-	756,793	0.00%	756,793	(756,793)	0.00%
CONTRACT SERVICES	-	302,500	0.00%	302,500	(302,500)	0.00%
VEHICLE EXPENSE	-	21,200	0.00%	21,200	(21,200)	0.00%
UTILITIES	-	109,320	0.00%	109,320	(109,320)	0.00%
TRAINING & ADMIN	-	29,600	0.00%	29,600	(29,600)	0.00%
INSURANCE	-	62,000	0.00%	62,000	(62,000)	0.00%
COMMITTEE EXPENSE	-	-	0.00%	-	-	-
Total	-	3,020,267	0.00%	3,020,267	(3,020,267)	0.00%