

Revenue & Rate Summary

Revenue (In Millions)	Amended 2013	Forecast 2014	Variance \$	Variance %
Water Service	\$ 260.3	\$ 276.5	\$ 16.2	6.2%
Wastewater Service	231.8	241.6	9.8	4.2%
Reclaimed Service	1.4	0.9	(0.5)	-35.7%
Reserve Fund Surcharge	3.8	6.8	3.0	78.9%
Misc. and Interest Income	9.6	9.2	(0.4)	-4.2%
Transfers In	7.0	9.3	2.3	32.9%
Total Revenue	\$513.9	\$544.3	\$30.4	5.9%

Projected Systemwide Rate Increase	2014
Water	5.1%
Wastewater	1.9%
Reclaimed	16.5%
Combined	3.6%

- Cost of Service Transition
 - Commercial & Large Volume customers at 6% above cost
 - 1% transition to cost planned in 2014

- Reserve Fund Surcharge
 - Increase from \$0.12 to \$0.15 per 1,000 gallons in 2014
 - \$1.5 million transfer from operating fund in 2014

Average Residential Customer Estimated 2014 Bill Impact

	<u>Current 2013</u>	<u>Forecast 2014</u>
Water	\$ 40.54	\$ 43.88
Wastewater	42.70	43.51
Total	<u>\$ 83.24</u>	<u>\$ 87.39</u>
\$ Variance	-	\$ 4.15
% Variance	-	5.0%

1. Bills based on 8,000 gallons water usage and 4,700 gallons wastewater discharge
2. Water Service bill impact includes a 1% transition to cost of service and the Reserve Fund Surcharge
3. Actual bill impact to be determined based on cost of service calculations

Low-Income Customer Assistance Program (CAP)

- In effect since 2009; serves approximately 6,800 AWU customers
- Waives Water and Wastewater Customer Account Charges, Tiered Minimum Water Charge
- New CAP volumetric rates implemented February 2013