

Five Year Forecast Option Summary (In Millions)

Option #8 Reduce DSC to 1.2x FY2015 through FY2019

Forecast Assumptions

- Zeroing out rate increases alone cannot reduce coverage down to 1.20 in years 1 or 2.
- Financial policies not met (DSC).
- Negative cash on hand

Option #2 Summary

(\$ in Millions)

	Budget FY 2014	Estimate FY 2014	Year 1 FY 2015	Year 2 FY 2016	Year 3 FY 2017	Year 4 FY 2018	Year 5 FY 2019	5-Year Total
Beginning Balance:	\$52.0	\$58.2	\$43.3	\$34.5	\$17.4	(\$12.1)	(\$39.1)	
Revenue:								
Water	270.7	244.1	250.6	252.9	257.7	284.0	294.2	\$1,339.4
Water Drought Surcharge	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wastewater	244.5	234.6	238.1	245.0	247.4	250.0	252.6	1,233.1
Reclaimed	0.9	1.0	1.0	1.0	1.0	1.4	1.8	6.2
Reserve Fund Surcharge	6.6	6.0	7.7	9.4	10.0	10.5	2.6	40.2
Miscellaneous and Interest Income	8.6	9.5	9.1	9.1	9.4	9.7	9.7	47.0
Transfers In	13.7	13.7	12.5	13.9	14.5	15.0	16.0	71.9
Total Revenue:	\$545.0	\$508.9	\$519.0	\$531.3	\$540.0	\$570.6	\$576.9	\$2,737.8
			-4.8%	2.4%	1.6%	5.7%	1.1%	
Operating Requirements:	\$207.4	\$203.9	\$208.5	\$219.7	\$229.6	\$238.9	\$252.5	\$1,149.2
			0.5%	5.4%	4.5%	4.1%	5.7%	
Debt Service Requirements:	\$214.3	\$213.9	\$216.7	\$222.8	\$231.6	\$245.7	\$237.3	\$1,154.1
			1.1%	2.8%	3.9%	6.1%	-3.4%	
Transfers Out:								
CIP Transfers	\$42.2	\$33.2	\$25.2	\$22.3	\$20.2	\$21.3	\$21.9	\$110.9
GF Transfers	37.9	37.9	39.0	40.4	41.5	42.4	43.7	207.0
Other Transfers	37.0	34.9	38.3	43.2	46.6	49.4	44.6	222.1
Total Requirements:	\$538.8	\$523.8	\$527.7	\$548.4	\$569.5	\$597.7	\$600.0	\$2,843.3
			-2.1%	3.9%	3.8%	5.0%	0.4%	
Excess / (Deficit) of Total Available Fund Over Total Requirements:	\$6.2	(\$14.9)	(\$8.7)	(\$17.1)	(\$29.5)	(\$27.1)	(\$23.1)	(\$105.5)
Ending Balance:	\$58.2	\$43.3	\$34.6	\$17.4	(\$12.1)	(\$39.2)	(\$62.2)	
Debt Coverage Ratios:	1.53	1.31	1.31	1.27	1.20	1.20	1.20	
Rate Increases:								
Water	7.4%	7.4%	0.0%	0.0%	0.9%	9.0%	2.1%	12.0%
Wastewater	2.3%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reclaimed	10.8%	10.8%	0.0%	0.0%	0.0%	31.6%	26.5%	58.1%
Combined	4.9%	4.9%	0.0%	0.0%	0.5%	4.7%	1.2%	6.3%
Revenue Stability Reserve Fund								
Rate (\$/1,000 Gals.)	\$0.15	\$0.15	\$0.19	\$0.23	\$0.24	\$0.25	\$0.06	
Transfer From Operating	\$1.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Reserve Fund Balance	\$13.6	\$11.5	\$19.1	\$28.5	\$38.5	\$49.0	\$51.6	
Number of Days of O&M	39	34	54	77	99	120	119	
CIP Spending Plan								
Water	\$169.3	\$169.3	\$91.4	\$79.3	\$56.9	\$66.8	\$71.4	\$365.8
Wastewater	65.0	65.0	83.2	79.5	90.9	93.6	91.7	438.9
Reclaimed	3.0	3.0	7.2	8.7	9.3	3.9	6.0	35.1
Combined	\$237.3	\$237.3	\$181.8	\$167.5	\$157.1	\$164.3	\$169.1	\$839.8
Operating Cash Days of O&M	61	20	5	(22)	(64)	(99)	(123)	
Equity Financing %s	23.7%	24.8%	20.0%	20.0%	20.0%	20.0%	20.0%	