

Five Year Forecast Option Summary (In Millions)

Option #18

Forecast Assumptions

Revenue:

- Water Revenue Forecast updated for more aggressive (conservative) Stage 2 (@ 40.0 BG annual sales in FY 2015)
- Wastewater Revenue Forecast updated for extremely low (new) winter averages, and more conservative due to Aggressive Stage 2 water

Requirements

- Debt Service adjusted slightly due to most recent PFM estimates for \$200M CP Refunding
- Updated Equity financing formulas by eliminating avoided CIP backcharges

Rates:

- W&WW Rates increased due to less water sales in (more conservative) forecasts
- Reserve Fund rates updated to reflect lower volumes from aggressive Stage 2

Other

- CIP transfers decreased

Option #18 Forecast (\$ 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	\$35.9	\$68.5	\$82.3	\$98.4	\$110.5	
Revenue:								
Water	270.7	239.7	292.2	305.7	317.1	329.1	341.7	\$1,585.8
Wastewater	244.5	231.7	244.4	259.0	269.3	280.2	290.7	1,343.6
Reclaimed	0.9	1.0	1.2	1.4	1.6	2.0	2.4	8.6
Reserve Fund Surcharge	6.6	5.8	7.5	9.5	10.1	10.6	2.9	40.6
Miscellaneous and Interest Income	8.6	9.5	9.1	9.1	9.6	10.1	10.3	48.2
Transfers In	13.7	13.7	12.5	15.7	16.6	15.0	16.7	76.5
Total Revenue:	\$545.0	\$501.4	\$566.9	\$600.4	\$624.3	\$647.0	\$664.7	\$3,103.3
			4.0%	5.9%	4.0%	3.6%	2.7%	
Operating Requirements:	\$207.4	\$203.9	\$207.7	\$219.6	\$229.8	\$239.3	\$253.4	\$1,149.8
			0.1%	5.7%	4.6%	4.1%	5.9%	
Debt Service Requirements:	\$214.3	\$213.9	\$216.5	\$222.2	\$230.3	\$241.2	\$233.6	\$1,143.8
			1.0%	2.8%	3.6%	4.7%	-3.2%	
Transfers Out:								
CIP Transfers	\$42.2	\$33.2	\$32.7	\$57.4	\$54.2	\$56.4	\$58.1	\$258.8
GF Transfers	37.9	37.9	38.8	41.6	44.5	47.7	49.9	222.5
Other Transfers	37.0	34.7	38.6	45.8	49.6	50.4	46.5	230.9
Total Requirements:	\$538.8	\$523.6	\$534.3	\$586.6	\$608.4	\$635.0	\$641.5	\$3,005.8
			-0.8%	9.8%	3.7%	4.4%	1.0%	
Excess / (Deficit) of Total Available Fund Over Total Requirements:	\$6.2	(\$22.2)	\$32.6	\$13.8	\$15.9	\$12.0	\$23.2	\$97.5
Ending Balance:	\$58.2	\$36.0	\$68.5	\$82.3	\$98.2	\$110.4	\$133.7	
Debt Coverage Ratios:	1.53	1.28	1.55	1.58	1.57	1.55	1.60	
Rate Increases:								
Water	7.4%	7.4%	19.9%	2.6%	2.6%	2.6%	2.6%	30.4%
Wastewater	2.3%	2.3%	5.3%	2.8%	2.8%	2.8%	2.5%	16.4%
Reclaimed	10.8%	10.8%	13.9%	17.4%	18.0%	20.2%	18.6%	88.0%
Combined	4.9%	4.9%	12.8%	2.8%	2.8%	2.8%	2.6%	23.7%
Revenue Stability Reserve Fund								
Rate (\$/1,000 Gals.)	\$0.15	\$0.15	\$0.19	\$0.24	\$0.25	\$0.26	\$0.07	
Transfer From Operating	\$1.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Reserve Fund Balance	\$13.6	\$11.4	\$18.8	\$28.3	\$38.5	\$49.1	\$52.0	
Number of Days of O&M	39	33	54	76	98	120	120	
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		8	60	76	95	107	130	
Equity Financing %s	23.1%	21.3%	20.0%	38.1%	38.3%	38.1%	38.2%	

AWU 2018-19 Forecast (April 2013)

	Forecast 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
Rate Increases:							
Water	5.1%	5.1%	5.1%	2.5%	2.5%	2.0%	17.2%
Wastewater	1.9%	2.3%	2.3%	2.0%	2.0%	2.0%	10.6%
Reclaimed	16.5%	11.1%	12.7%	13.6%	14.4%	13.9%	65.7%
Combined	3.6%	3.8%	3.8%	2.3%	2.3%	2.0%	14.3%

