

**PINE STRAWBERRY WATER IMPROVEMENT DISTRICT
WATER COST OF SERVICE MODEL**

Current	9 Mths 10/09-6/10	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
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Forecast Summary

Scenario: Closing Analysis -- 091909

1 Accounts and Consumption

1A	Total Accounts	3,251	3,265	3,279	3,293	3,307	3,321	3,335	3,349	3,363	3,377
1B	New Accounts		14	14	14	14	14	14	14	14	14
1C	Avg. Annual Growth Rate			0.43%	0.43%	0.43%	0.42%	0.42%	0.42%	0.42%	0.42%
1D	WATER Consumed Volume	75,522,987	75,856,198	76,189,409	76,522,620	76,855,831	77,189,042	77,522,253	77,855,464	78,188,675	78,521,886

2 Water Rates -- Residential -- Pine

2A	Monthly	5/8"	\$ 18.45	\$ 18.45	\$ 18.45	\$ 22.14	\$ 24.35	\$ 26.18	\$ 27.49	\$ 28.86	\$ 31.03	\$ 31.80
2B	-	2,000	3.95	3.95	6.00	7.20	7.92	8.51	8.94	9.39	10.09	10.34
2C	2,001	4,000	4.96	4.96	7.00	8.40	9.24	9.93	10.43	10.95	11.77	12.07
2D	4,001	6,000	4.96	4.96	7.00	8.40	9.24	9.93	10.43	10.95	11.77	12.07
2E	6,001	Above	6.00	6.00	8.00	9.60	10.56	11.35	11.92	12.52	13.45	13.79

Water Rates -- Residential -- Strawberry

E&R System

2F	Monthly	5/8"	\$ 20.35	\$ 20.35	\$ 20.35	\$ 18.45	\$ 22.14	\$ 24.35	\$ 26.18	\$ 27.49	\$ 28.86	\$ 31.03	\$ 31.80
2G	-	2,000	3.40	3.40	3.40	6.00	7.20	7.92	8.51	8.94	9.39	10.09	10.34
2H	2,001	4,000	3.40	3.40	3.40	7.00	8.40	9.24	9.93	10.43	10.95	11.77	12.07
2I	4,001	6,000	5.95	5.95	5.95	7.00	8.40	9.24	9.93	10.43	10.95	11.77	12.07
2J	6,001	Above	5.95	5.95	5.95	8.00	9.60	10.56	11.35	11.92	12.52	13.45	13.79

United System

2K	Monthly	5/8"	\$ 16.00	\$ 16.00	\$ 16.00	\$ 18.45	\$ 22.14	\$ 24.35	\$ 26.18	\$ 27.49	\$ 28.86	\$ 31.03	\$ 31.80
2L	-	2,000	2.20	2.20	2.20	6.00	7.20	7.92	8.51	8.94	9.39	10.09	10.34
2M	2,001	4,000	2.20	2.20	2.20	7.00	8.40	9.24	9.93	10.43	10.95	11.77	12.07
2N	4,001	6,000	3.85	3.85	3.85	7.00	8.40	9.24	9.93	10.43	10.95	11.77	12.07
2O	6,001	Above	3.85	3.85	3.85	8.00	9.60	10.56	11.35	11.92	12.52	13.45	13.79

Williamson System

2P	Monthly	5/8"	\$ 20.35	\$ 20.35	\$ 20.35	\$ 18.45	\$ 22.14	\$ 24.35	\$ 26.18	\$ 27.49	\$ 28.86	\$ 31.03	\$ 31.80
2Q	-	2,000	3.50	3.50	3.50	6.00	7.20	7.92	8.51	8.94	9.39	10.09	10.34
2R	2,001	4,000	3.50	3.50	3.50	7.00	8.40	9.24	9.93	10.43	10.95	11.77	12.07
2S	4,001	6,000	3.50	3.50	3.50	7.00	8.40	9.24	9.93	10.43	10.95	11.77	12.07
2T	6,001	Above	3.50	3.50	3.50	8.00	9.60	10.56	11.35	11.92	12.52	13.45	13.79

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Forecast Summary**Scenario:****Closing Analysis -- 091909**

		Residential Monthly Bill -- 3/4" Meter											
3A	3,000 Gal	Pine	\$ 31.31	\$ 31.31	\$ 31.31	\$ 37.45	\$ 44.94	\$ 49.43	\$ 53.14	\$ 55.80	\$ 58.59	\$ 62.98	\$ 64.56
3B		Increase		-	-	6.14	7.49	4.49	3.71	2.66	2.79	4.39	1.57
3C	3,000 Gal	Strawberry -- E&R	30.55	30.55	30.55	37.45	44.94	49.43	53.14	55.80	58.59	62.98	64.56
3D		Increase		-	-	6.90	7.49	4.49	3.71	2.66	2.79	4.39	1.57
3E	3,000 Gal	Strawberry -- United	22.60	22.60	22.60	37.45	44.94	49.43	53.14	55.80	58.59	62.98	64.56
3F		Increase		-	-	14.85	7.49	4.49	3.71	2.66	2.79	4.39	1.57
3G	3,000 Gal	Strawberry -- Williamson	30.85	30.85	30.85	37.45	44.94	49.43	53.14	55.80	58.59	62.98	64.56
3H		Increase		-	-	6.60	7.49	4.49	3.71	2.66	2.79	4.39	1.57
3I	10,000 Gal	Pine	70.19	70.19	70.19	90.45	108.54	119.39	128.35	134.77	141.50	152.12	155.92
3J		Increase		-	-	20.26	18.09	10.85	8.95	6.42	6.74	10.61	3.80
3K	10,000 Gal	Strawberry -- E&R	69.65	69.65	69.65	90.45	108.54	119.39	128.35	134.77	141.50	152.12	155.92
3L		Increase		-	-	20.80	18.09	10.85	8.95	6.42	6.74	10.61	3.80
3M	10,000 Gal	Strawberry -- United	47.90	47.90	47.90	90.45	108.54	119.39	128.35	134.77	141.50	152.12	155.92
3N		Increase		-	-	42.55	18.09	10.85	8.95	6.42	6.74	10.61	3.80
3O	10,000 Gal	Strawberry -- Williamson	55.35	55.35	55.35	90.45	108.54	119.39	128.35	134.77	141.50	152.12	155.92
3P		Increase		-	-	35.10	18.09	10.85	8.95	6.42	6.74	10.61	3.80

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Forecast Summary

Scenario:

Closing Analysis -- 091909

4 Annual Cash Flow

4A	Beginning Cash Balance	\$ 250,000	\$ 537,074	\$ 673,573	\$ 758,045	\$ 870,016	\$ 986,067	\$ 1,198,786	\$ 1,359,332	\$ 1,586,871	\$ 1,780,751
Annual Revenues											
4B	Water Rate Revenues	829,544	1,110,759	1,238,232	1,484,775	1,650,746	1,785,251	1,886,003	1,988,746	2,142,923	2,214,092
4C	Rate Stabilization Fund	-	-	150,000	100,000	50,000	50,000	50,000	50,000	50,000	25,000
4D	Non-Rate Revenues	333,000	234,000	134,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000
4E	Total Revenues	1,162,544	1,344,759	1,522,232	1,618,775	1,734,746	1,869,251	1,970,003	2,072,746	2,226,923	2,273,092
4F	Operating Expenses	630,901	841,201	870,741	892,578	924,307	957,349	991,775	1,027,655	1,065,068	1,104,095
4G	Net Revenues Available for Capital Outlays/Debt	531,643	503,558	651,491	726,197	810,439	911,902	978,228	1,045,091	1,161,855	1,168,997
4H	Capital Outlays	-	-	-	-	-	-	-	-	-	-
4I	Total Operating Expense/Capital Outlays	630,901	841,201	870,741	892,578	924,307	957,349	991,775	1,027,655	1,065,068	1,104,095
4J	Net Revenues Available for Debt Service	531,643	503,558	651,491	726,197	810,439	911,902	978,228	1,045,091	1,161,855	1,168,997
4K	Debt Service:										
4L	Acquisition and CIP Debt -- Series 2009A	143,936	191,914	329,820	329,829	329,033	328,979	330,584	329,812	329,527	328,979
4M	Acquisition and CIP Debt -- Series 2009B	75,633	150,145	212,200	259,396	258,605	263,454	259,134	259,776	262,021	257,161
4N	Future Debt	-	-	-	-	81,750	81,750	202,964	202,964	351,427	351,427
4O	Total Debt	219,569	342,059	542,020	589,225	669,388	674,183	792,682	792,552	942,976	937,568
4P	Total Cost of Service	850,470	1,183,260	1,412,761	1,481,804	1,593,695	1,631,533	1,784,457	1,820,207	2,008,043	2,041,663
4Q	Net Annual Cash Flow -- Contingency	312,074	161,499	109,471	136,971	141,051	237,719	185,546	252,539	218,879	231,429
4R	Contribution to Rate Stabilization Fund	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
4S	Ending Cash Balance	537,074	673,573	758,045	870,016	986,067	1,198,786	1,359,332	1,586,871	1,780,751	1,987,180
4T	Days of Cash Balance										
4U	Operating Expenses	311	292	318	356	389	457	500	564	610	657
4V	Total	230	208	196	214	226	268	278	318	324	355

5 Debt Coverage

Rate Stabilization Fund

5A	Beginning Balance	251,835	281,872	312,509	193,759	122,635	100,087	77,089	53,631	29,703	5,297
5B	Interest	2.0%	5,037	5,637	6,250	3,875	2,453	2,002	1,542	1,073	594
5C	Annual Contribution from Net Cash Flow	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
5D	Sub-Total	281,872	312,509	343,759	222,635	150,087	127,089	103,631	79,703	55,297	30,403
5E	Less Rate Stabilization Fund Contribution to Rev	-	-	150,000	100,000	50,000	50,000	50,000	50,000	50,000	25,000
5F	Ending Balance	281,872	312,509	193,759	122,635	100,087	77,089	53,631	29,703	5,297	5,403

Debt Coverage Base

5G	Net Revenues Available for Capital Outlays/Debt	531,643	503,558	651,491	726,197	810,439	911,902	978,228	1,045,091	1,161,855	1,168,997
5H	Debt Service -- Principal and Interest	219,569	342,059	542,020	589,225	669,388	674,183	792,682	792,552	942,976	937,568
5I	Debt Coverage	2.42	1.47	1.20	1.23	1.21	1.35	1.23	1.32	1.23	1.25