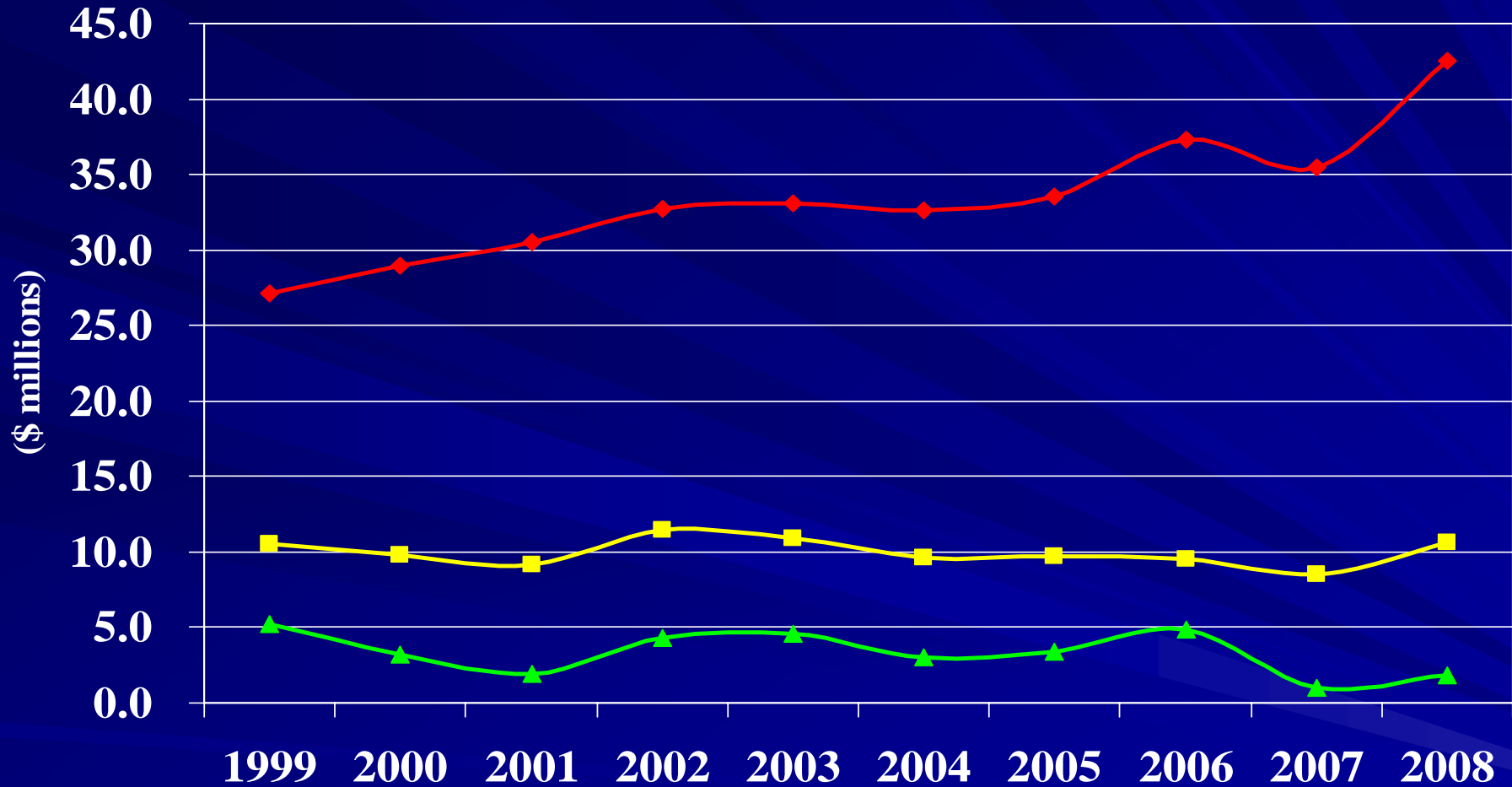


# Water Fund – Financial Condition



◆ Operating Revenues  
■ Operating Income  
▲ Income after Debt / Transfers



# Water Fund

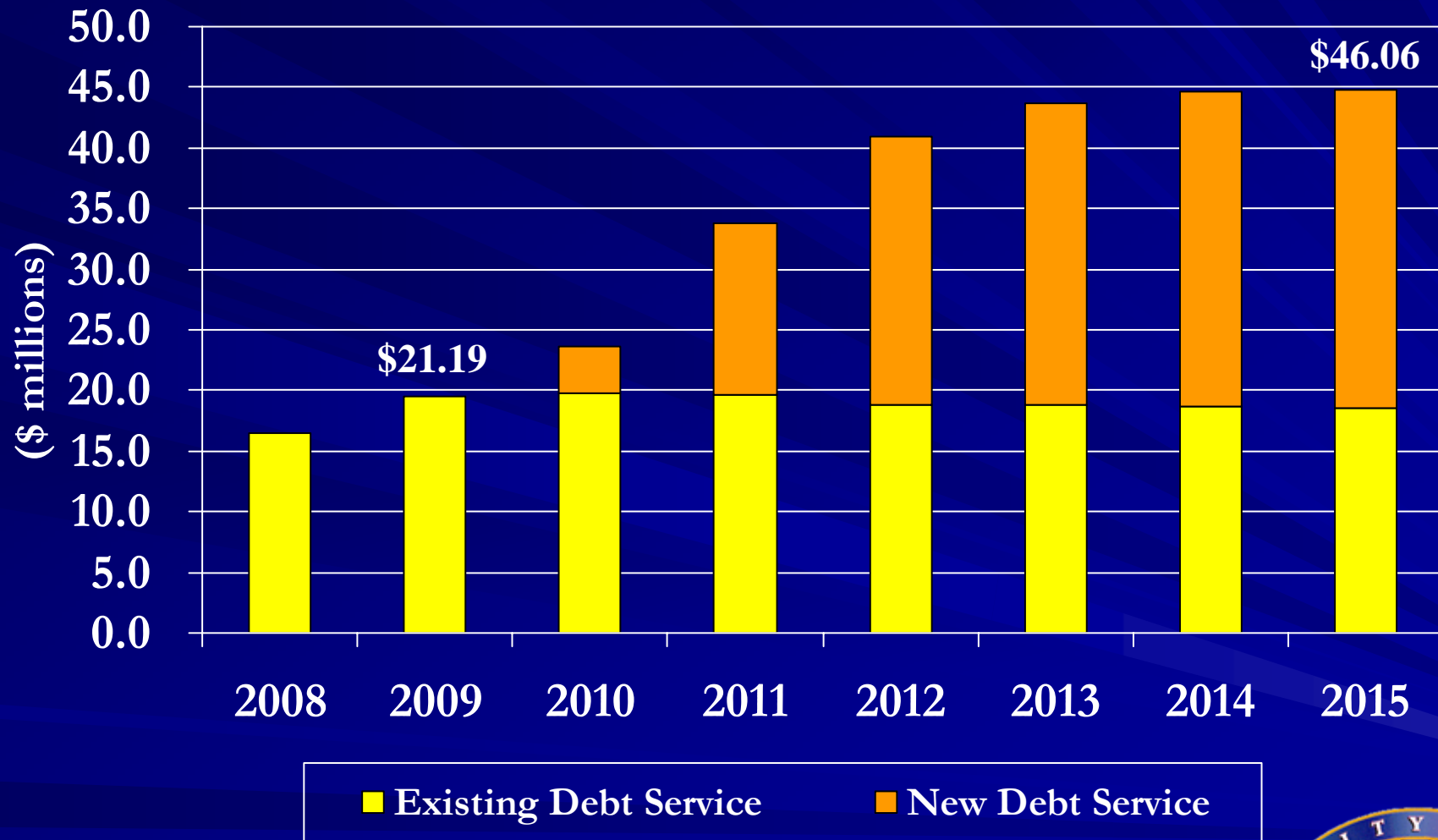
## Current + Five-Year Capital Program

■ Lake Alan Henry	\$259.0 million
■ Water Line Replacements	26.0 million
■ Lines Ahead of Paving	21.3 million
■ Water Treatment Plant Upgrade	18.0 million
■ South Lubbock Water Extensions	11.1 million
■ Pumping System Replacement	8.8 million
■ 30 Additional Capital Projects	<u>50.1 million</u>
Total	\$394.3 million



# Water Fund

## Long-Term Capital Financing



# LWAC Recommendation

## Water Rates

	<b>Actual</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Total Funding Sources	\$ 44,714,547	52,926,054	63,051,886
Total Expenditures	45,317,559	54,564,660	58,452,686
Total Expenditures	(603,012)	(1,638,606)	4,599,200
Appropriable Net Assets:	10,264,007	8,625,401	13,224,601
Less: Appropriable Net Asset Policy	(11,178,637)	(13,231,513)	(15,762,972)
Total Appropriable Net Assets	(914,630)	(4,606,113)	(2,538,371)
Coverage	1.29	1.30	1.50
<b>Rate Analysis</b>	<b>March '08</b>	<b>April '09</b>	<b>December '09</b>
Base Rate	\$ 8.89	22.40	22.40
Tier 1	16.00%	0.00%	0.00%
Tier 2	16.00%	16.00%	0.00%
Tier 3	16.00%	16.00%	0.00%

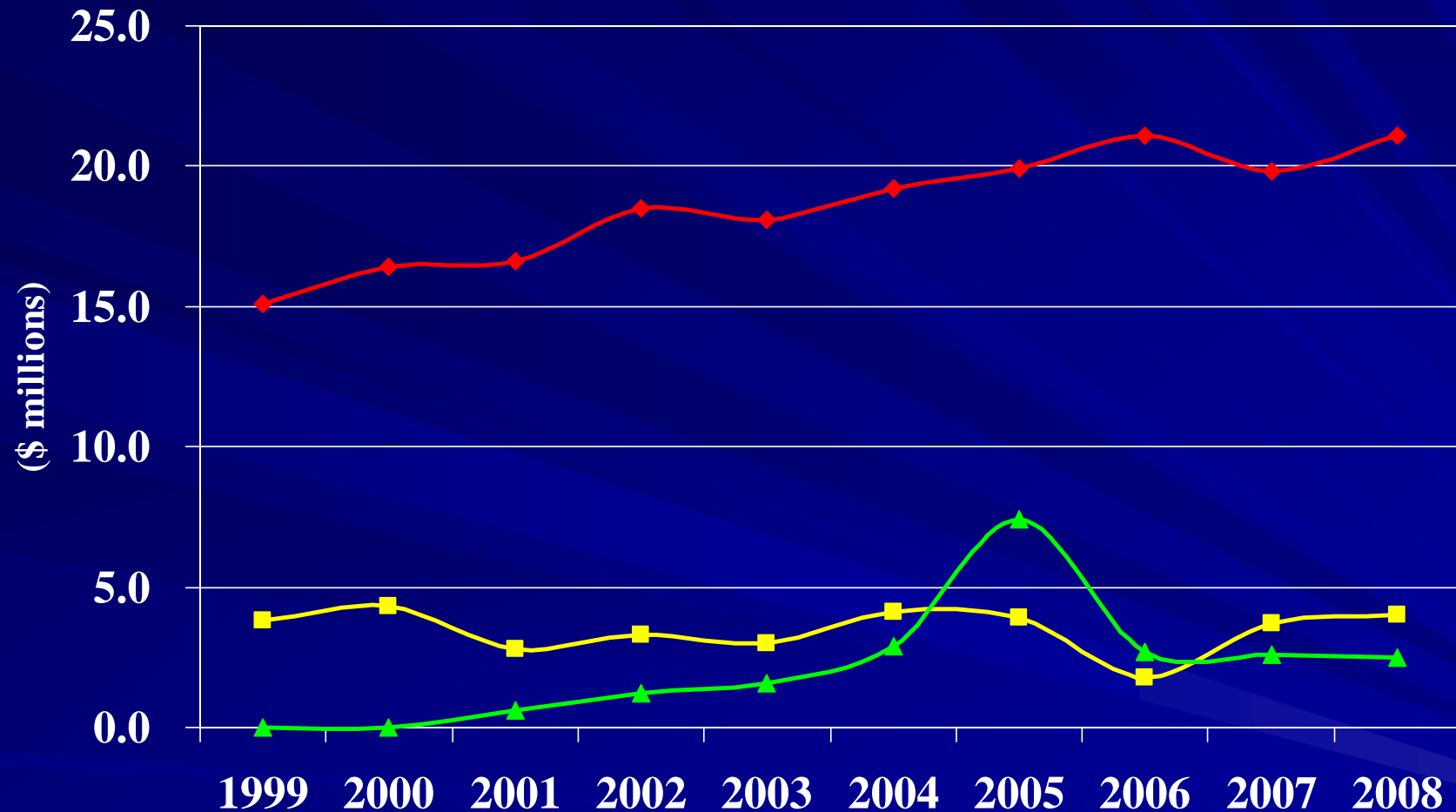
# LWAC Recommendation

## Water Rates

	Forecast				
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Total Funding Sources	\$ 73,714,995	76,652,616	80,701,494	85,115,367	90,023,492
Total Expenditures	68,957,524	76,963,906	81,294,185	84,061,304	85,606,112
Total Expenditures	4,757,471	(311,290)	(592,690)	1,054,064	4,417,380
Appropriable Net Assets:	17,982,072	17,670,782	17,078,092	18,132,156	22,549,535
Less: Appropriable Net Asset Policy	(18,428,749)	(19,163,154)	(20,175,374)	(21,278,842)	(22,505,873)
Total Appropriable Net Assets	(446,677)	(1,492,372)	(3,097,282)	(3,146,686)	43,663
Coverage	1.36	1.18	1.17	1.21	1.29
<b>Rate Analysis</b>	<b>December '10</b>	<b>December '11</b>	<b>December '12</b>	<b>December '13</b>	<b>December '14</b>
Base Rate	\$ 30.53	30.53	30.53	30.53	30.53
Tier 1	0.00%	10.00%	10.00%	10.00%	10.00%
Tier 2	16.00%	10.00%	10.00%	10.00%	10.00%
Tier 3	16.00%	10.00%	10.00%	10.00%	10.00%

These projections will change and are dependent on many variables. Some of these variables may include: water consumption volumes, conservation practices, interest rates, inflation rates, annual rainfall patterns, future CRMWA projects, the operational impact of new facilities, and changes in the cost or priority of capital projects.

# Wastewater Fund Financial Condition



- ◆ Operating Revenues
- Operating Income
- ▲ Income after Debt / Transfers



# Wastewater Fund

## Current + Five-Year Capital Program

■ Southeast Water Reclamation Plant	\$136.9 million
■ Sewer Lines Ahead of Paving	12.3 million
■ Sewer Line Replacements	11.6 million
■ South Sanitary System Extension	11.0 million
■ 17 Additional Capital Projects	<u>30.2 million</u>
Total	\$202.0 million



# Wastewater Fund Long-Term Capital Financing



# LWAC Recommendation

## Wastewater Rates

	Actual FY 2008	Estimated FY 2009	Proposed FY 2010
Total Funding Sources	\$22,394,895	25,648,324	28,918,062
Total Expenditures	23,547,867	28,363,641	29,581,690
Total Expenditures	(1,152,972)	(2,715,317)	(663,629)
Appropriable Net Assets:	10,619,164	7,903,847	7,240,219
Less: Appropriable Net Asset Policy	(5,598,724)	(6,412,081)	(7,229,515)
Total Appropriable Net Assets	5,020,440	1,491,766	10,703
Coverage	2.53	1.13	1.26
<b>Rate Analysis</b>	<b>March '08</b>	<b>April '09</b>	<b>December '09</b>
Base Rate	\$ 4.99	9.80	9.80
Volume Charge	13.00%	12.00%	0.00%

# LWAC Recommendation

## Wastewater Rates

	Forecast				
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Total Funding Sources	\$ 34,285,349	34,443,168	37,959,846	37,256,109	36,448,999
Total Expenditures	32,955,592	34,389,047	37,049,249	37,461,225	36,298,858
Total Expenditures	1,329,756	54,121	910,596	(205,116)	150,140
Appropriable Net Assets:	8,569,975	8,624,096	9,534,692	9,329,577	9,479,717
Less: Appropriable Net Asset Policy	(8,571,337)	(8,610,792)	(9,489,961)	(9,314,027)	(9,112,250)
Total Appropriable Net Assets	(1,362)	13,304	44,731	15,549	367,467
Coverage	1.33	1.24	1.27	1.20	1.23
<b>Rate Analysis</b>	<b>December '10</b>	<b>December '11</b>	<b>December '12</b>	<b>December '13</b>	<b>December '14</b>
Base Rate	\$ 13.75	9.90	11.25	6.25	2.00
Volume Charge	12.00%	12.00%	12.00%	12.00%	12.00%

These projections will change and are dependent on many variables. Some of these variables may include: wastewater volumes, interest rates, inflation rates, the operational impact of new facilities, and changes in the cost or priority of capital projects.