



DuPage Water Commission

MEMORANDUM

TO: Chairman Rathje and Commissioners

FROM: Robert L. Martin, P.E.
General Manager

DATE: September 12, 2006

SUBJECT: Supplemental Board Package Material

Attached is the following supplemental information for the September 14, 2006 Commission meeting:

1. Information requested by Commissioner Chaplin per e-mail dated September 9, 2006 regarding Bensenville Park District

Robert Martin

From: bchaplin03@comcast.net
Sent: Saturday, September 09, 2006 12:03 PM
To: Robert Martin
Cc: Lou Rathje
Subject: Bensenville Park District

Bob,

Could you please provide a copy of the letter written November 5, 2003.

Thank you.

Liz Chaplin



Village of Woodridge



November 5, 2003

Mr. Michael P. Vondra, Chairman
DuPage County Water Commission
600 East Butterfield Road
Elmhurst, Illinois 60126

Re: Section 12 of the Water Purchase and Sale Contract

Dear Chairman Vondra:

Please be advised that the undersigned, on behalf of the DuPage Municipal Water Customers, as well as on behalf of their municipalities as Charter Customers, hereby assert enforcement of applicable provisions of Section 12 "Subsequent and Other Contracts" of the Water Purchase and Sales Contract ("Contract") between the DuPage Water Commission and its Charter Customers for all Subsequent Customers including Highland Hills. In this regard, your attention is drawn to Sections 12(a) and (c) of the Contract. Based upon the current information available to the undersigned, there is a significant question as to whether the proposed Highland Hills formula to provide rates, charges and terms to Highland Hills is lower or more favorable than those provided for the Charter Customers, and the Subsequent Customers who have entered into contracts with the Commission prior to the generation of this correspondence.

Secondly, Section 12 (c) of the Contract mandates that the Commission not enter into a subsequent contract with any unit of local government unless the subsequent contract provides for an equitable and lawful differential rate or charge in the formula for aggregate costs which may take into account any pertinent factor and shall take into account each of the following factors: (i) the utility rate which would be chargeable by a regulated utility for the proposed service, (ii) replacement cost of water works less depreciation and net outstanding bonds, and (iii) the amount and time of payment of Fixed Costs which would have been payable by the proposed Customer had such Customer become a Charter Customer, plus interest on such costs from the time when they would have been paid, compounded semi-annually, at not less than 10% per annum.

We recognize that Subsection 12 (c) has been amended as a result of Public Act 93-0226 which provides in pertinent part:

"all parties to a water supply contract with a water commission, irrespective of whether such party is a "Charter Customer or subsequent entrant," shall pay rates equal to the rates paid by other parties to such water supply contract and shall not pay any additional fees, costs, or differentials as a condition of becoming a party to such water supply contract. Subsequent entrants to water supply contract shall pay their "prorata portion" of the original capital costs, less any rebates, and the actual costs of connection to the water commission system."

Obviously, under the amendment, the water rates to be charged to a Subsequent Customer will be the same as charged to the Charter Customers and other subsequent entrants. The subsequent entrant, however, is obligated to pay their "prorata portion" of the original capital costs, less any rebates, and "actual cost" of the connection to the water commission system. The legislation does not define original capital costs and we dispute that the proposed formula for Highland Hills is accurate in this regard.

Within the context of the concepts of the pro rata portion of the original costs, the provisions of 12 (c) regarding "any pertinent factors" as it is defined within the context of pro rata portion as well as the replacement cost of the water works less depreciation and net outstanding bonds and the amount of time and payment of fixed costs which would have been payable by the proposed Customer remain applicable to the analysis. This is due to the fact that what is appropriate in ascertaining the "pro rata portion" of the original capital costs may involve all of these factors. It is for the independent consulting engineer, independent financial consultant and competent attorney working together to recommend to the Commission under this section to determine what pertinent factors are appropriate in determining the pro rata portion of the original capital costs less any rebates, and actual costs of connection to the Water Commission system. One example of what may constitute "any pertinent factor" would be the system's capacity as it relates to the C Factor. If the system is physically incapable of providing sufficient water pressure for all Customers based upon the adding of additional subsequent Customers, the costs associated with bringing on a subsequent may be substantially higher in light of the fact that the system would require substantial improvements to maintain proper pressure. We provide this only as an example. There are countless other applicable "pertinent factors" which relate to this issue.

The applicability of the Contract under the Act is clear. As the Act states in Section 70 ILCS 3720/2J:

"all other terms and conditions of such contracts and intergovernmental agreements shall be binding to the extent they are not inconsistent with this amendatory Act of the 93rd General Assembly"

The very fact that you have directed Mr. Holzward to retain an outside independent contractor to perform a portion of this analysis illustrates that Section 12 (c) of the Charter Agreement remains an effective provision and is not "inconsistent" with the Amendatory Act except in so far as it eliminates the imposition of the penalty interest rate and takes "rebates" out of the prorata portion of original capital costs analysis.

Consequently, the undersigned assert their right to have the Commission call a meeting of the Charter Customers by giving notice to the Charter Customers as provided in this contract not less than 30 days prior to the proposed meeting date, convene the meeting, permit the Charter Customers to elect a presiding officer among their numbers, and to recommend to the Commission three (3) independent consulting engineers, three (3) independent financial consultants, and three (3) competent attorneys from whom the Commission shall select a final panel of three to recommend a differential consistent with the current State Statute and Section 12 of the Water Purchase and Sales Contract.

If Highland Hills is not a subsequent Customer, the question arises as to whether you are attempting to establish a "hypothetical formula". If this is the case, the following should be noted. The Charter Agreement does not provide for a hypothetical formula. Adoption of a "hypothetical formula" in no way limits the Customer's rights under paragraph 12(c). A hypothetical formula is a legal nullity because you cannot eliminate the 12(c) requirements by a hypothetical formula. This is because the law will not permit you to do indirectly what you can't do directly. Let's work together in conformance with the law instead of creating a situation that will require implementation of Section 14 of the Contract. We thank you for your anticipated cooperation in this regard.

Respectfully submitted,

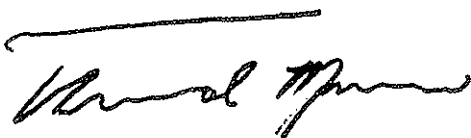
Sincerely,



William J. Mueller, President
Village of Lombard



William F. Murphy, Mayor
Village of Woodridge



Thomas D. Marcucci, Mayor
City of Elmhurst

cc: DuPage Water Commissioners

DuPage Water Commission

Financial Plan Workshop

September 14, 2006

Background Information

General Obligation Bonds

- **Series: 1986**
 - **\$150,000,000**
 - **6.0% to 7 7/8%**
 - **Due 1990 to 2011**
 - **For construction of DuPage Pumping Station, 90" Transmission Main, Lexington Pumping Station and 12' diameter tunnel**
 - **County wide referendum**
 - **1/4 of 1% sales tax**
 - **Can collect property taxes (never done)**
 - **\$128,855,000 defeased in 1992**

Background Information

General Obligation Bonds

- **Series: 1992**
 - **\$142,075,000**
 - 4.4% to 6.25%
 - Due 1994 to 2011
 - \$97,390,000 defeased in 2001
- **Series: 2001**
 - **\$107,000,000**
 - 5.0% to 5.25%
 - Due 2002 to 2011
 - Paid with sales tax revenues

Background Information

Revenue Bonds

- **Series: 1987**
 - **\$200,000,000**
 - **5.5% to 6.8%**
 - **Due 1994 to 2014**
 - **For construction of facilities west of the DuPage Pumping Station**
 - **\$159,995,000 defeased in 1993**

Background Information

Revenue Bonds

- Series: 1993
 - \$182,755,000
 - 2.5% to 5.5%
 - Due 1994 to 2014
 - \$145,665,000 called at 102% of par in 2003
- Series: 2003
 - \$135,995,000
 - 3.0% to 5.25%
 - Paid for with fixed cost revenues
 - Presently pay 50% of principal and interest with sales tax monies
 - Due 1994 to 2017

Background Information - Reserves

- Two types of reserves
 - Restricted = By bond covenants
 - Non restricted = Designated by the Commission

Background Information

General Obligation Required Accounts

(Ordinance No. O-12-01)

Debt Service Account Section 12B (O-12-01)

- This account is restricted
 - Annually, the Commission purchases Treasury Notes, maturing prior to September 1 and March 1, which are deposited in this account for the total amount of General Obligation Bond payments for interest and principal. The Treasury Notes mature for the September 1 interest payment and the March 1 principal and interest payment. The Trustee makes payments on September 1 and March 1 from this account.
 - August balance: \$13,499,000.

Background Information

General Obligation Required Accounts

(Ordinance No. O-12-01)

Sales Tax Sub-account Restricted by Ordinance (O-4-06)

- **This account is restricted**
 - **This account is restricted annually because the fixed cost requirement is reduced by ordinance.**
 - **Annually, the Commission designates funds from the existing sales tax to fund $\frac{1}{2}$ of the Water Revenue Bond's annual debt service. Monthly, $\frac{1}{12}$ of the required annual subsidy is moved from this sub-account to the Water Revenue Bond interest account and principal accounts. Maximum balance for the current year is \$7,144,469.**
 - **August balance: \$5,359,000**

Background Information

Water Revenue Bond Required Accounts

(Ordinance No. O-1-87 and O-8-93)

Operation and Maintenance Account – Section 8.04 (O-1-87)

- This account is restricted
- The targeted balance of this account is the actual operation and maintenance expense for the current month plus the expected/budgeted operation and maintenance expenses for the following month.
- August balance: \$11,427,000

Background Information

Water Revenue Bond Required Accounts

(Ordinance No. O-1-87 and O-8-93)

Operation and Maintenance Reserve Account - Section 6.08E and 8.08 (O-1-87)

- This account is restricted.
- Targeted balance is two months of the annual budgeted operations and maintenance costs.
- Required amount varies from year to year based upon the current year's budget. For the fiscal year 2006-2007, the required amount is \$11,761,971. The Commission is allowed six months to achieve the targeted balance.
- August balance: \$11,706,000

Depreciation Account - Section 6.08H and Section 8.09 (O-1-87)

- This account is restricted.
- The full requirement shall not be less than \$5,000,000. Monthly contribution is \$175,000. Semi-annually, this account is reduced to \$5,000,000.
- August balance: \$5,633,000

Background Information

Water Revenue Bond Required Accounts

(Ordinance No. O-1-87 and O-8-93)

Interest Account - Section 8.05 (O-1-87)

- This account is restricted.
- Monthly, 1/12 of current year's Water Revenue Bond interest requirement is credited to this account and deposited with the Trustee who is directed to purchase Treasury Notes to mature before May 1 and November 1. The Trustee makes payments to the Water Revenue Bond Holders on May 1 and November 1 of every year. Maximum balance for the current year will be \$2,582,843.
- August balance: \$1,946,000

Background Information

Water Revenue Bond Required Accounts

(Ordinance No. O-1-87 and O-8-93)

Principal Account - Section 8.06 (O-1-87)

- This account is restricted.
- Monthly 1/12 of current year's Water Revenue Bond principal requirement is credited to this account and deposited with the Trustee who is directed to purchase Treasury Note to mature before May 1. The Trustee makes payments to the Water Revenue Bond Holders on May 1 of every year. Maximum balance in this account for the current year will be \$8,690,000.
- August balance: \$3,080,000

Background Information

Other Reserves Not Restricted

Emergency Repairs & Other Contingencies

- Resolution R-14-02
- Originally 5% of original construction costs, this reserve was adjusted to 2% of original construction costs as of July 31, 2003. It is adjusted annually based upon “Engineering Index”. Targeted balance for 2007 fiscal year ended is \$13,500,000.
- August balance: \$12,900,000

Water Quality Loan Reserve

- Resolution R-32-02
- Used to make low interest loans to Charter Customers
- Commission designated \$10,000,000
- August balance: \$3,790,300

Background Information

Other Reserves Not Restricted

Rate Stabilization

- Reduce fluctuations in rates charged to customers
- August balance: \$31,995,000

Construction Reserve

- To be used for future construction
- August balance: \$30,979,000

REVENUE SOURCES

- **Water Revenues**

- **Sales Tax**

COMMISSION WATER RATES

■ Current:

- Fixed Rate – Collects the principal and interest for the Revenue Bond
 - Subsidized by Sales Tax

- Operation & Maintenance Rate
 - Based upon fund balances

COMMISSION WATER RATE ISSUES

- What should the rate be?
- Options
 - Inflation adjusted
 - Cost based

COMMISSION WATER RATE ISSUES

Operation & Maintenance Rate

Would be developed based upon the revenue requirements of the Commission

The revenue requirement is composed of

Operating Expenditures

less: Miscellaneous Income

**Revenue Requirement divided by Budgeted
Water Sales (1,000 gallons)**

Reserve issues

- How large do they need to be?
 - New Orleans example:
 - Large enough to get back into operation after a disaster
 - 3 months (\$18M), 6 months (\$36M) or 1 year (\$72M)
 - Rather than reserves have an established line of credit
- Smaller reserves reduces criticism for large reserves
- Smaller reserves could influence the water rate
- Water rate will be influenced more by changes in Chicago water rate

Defeasance of Bonds

- Do we defease both General Obligation and Revenue Bonds
- Defeasing General Obligation Bonds will reduce investment income by \$6 million over four years
- Defeasing Revenue Bonds will reduce investment income by \$7 million over eight years
- Defeasing Revenue Bonds eliminates the reserve accounts required under the bond ordinances
- Defeasing Revenue Bonds will eliminate the Fixed Rate

Elimination of Sales Tax

- **To eliminate the sales tax will require an amendment to the Charter Customer Water Purchase Agreement**
- **Sales Tax currently generates \$37 million per year**
- **Sales tax was implemented by a County wide referendum**

Elimination of Sales Tax

- If sales taxes are eliminated will result in increased rates
 - How much???
 - Could be a politically charged issue
 - Water rates have been relatively stable since DWC went into operation
 - Under the present system people shopping and working in DuPage County supplement the water system which is available for their use.
 - Some municipal customers are rehabilitating their water systems so they will increase water rates

Other Uses of Funds

- Increase water quality loan account
 - Presently allocated \$10M (not required to increase above this amount)
 - June balance: \$3,790,300
 - It can be speculated that more areas of County will have tainted or contaminated wells
- Low interest loans to governmental customers to extend their water systems into unincorporated areas
 - Challenge: The issue of annexation

Other Uses of Funds

- Low interest loans to customer municipalities to use treated wastewater for irrigation purposes
 - Reduces the use of Lake Michigan water for non-potable purposes
 - Makes well water available to counties that do not have access to Lake Michigan water
 - Challenge: Is this a proper use of Commission funds

- Resolution of phosphate corrosion inhibitors on distribution system.
 - Treatment options
 - Water system modifications
 - Pump replacement
 - Pipeline additions

Questions & Answers

RATE PROJECTIONS

- A. Existing Rate at \$1.45**
- B. No Sales Tax Subsidy**
- C. Defease General Obligation Bond**
- D. Defease General Obligation Bonds &
Revenue Bonds**
- E. Reducing Rate to \$1.30**
- F. Reduce Rate to \$1.30 in FY 12-13**
- G. Defease G.O.; Rate at \$1.45 until FY 12-13
Eliminate Sales Tax in FY 12-13**

**DuPAGE WATER COMMISSION
SUMMARY OF ESTIMATED NEW CONSTRUCTION COSTS**

DESCRIPTION (BASED ON FY 05-06 COSTS)	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	TOTAL
DuPAGE PUMP STATION IMPROVEMENTS							
8 MW Electrical Generator Facility - Engineering	680,000	425,000	425,000	200,000			1,730,000
8 MW Electrical Generator Facility - Construction		6,000,000	4,500,000	1,000,000			11,500,000
Garage/Office Building- Engineering	50,000	25,000	25,000				100,000
Garage/Office Building- Construction		700,000	700,000				1,400,000
Cadwell Avenue Realignment- Engineering	26,500						26,500
Cadwell Avenue Realignment- Construction	385,000						385,000
30 MG Reservoir Engineering			250,000	350,000	300,000	300,000	1,200,000
30 MG Reservoir Construction				7,760,000	15,250,000	7,750,000	30,760,000
Material and Equipment Storage Facilities- Engineering			60,000				60,000
Material and Equipment Storage Facilities- Construction			640,000				640,000
Pump #10-Engineering					40,000		40,000
Pump #10-Installation					438,000		438,000
LEXINGTON PUMP STATION IMPROVEMENTS							
Generator Facility - Engineering	760,000	475,000	475,000	224,000			1,934,000
Generator Facility - Construction		6,726,000	5,044,000	1,121,000			12,891,000
STANDPIPE IMPROVEMENTS							
Standpipe Riser Pipe Modifications- Engineering		13,000	13,000	13,000	13,000		52,000
Standpipe Riser Pipe Modifications- Construction		98,000	98,000	98,000	98,000		392,000
	<u>1,901,500</u>	<u>14,462,000</u>	<u>12,230,000</u>	<u>10,766,000</u>	<u>16,139,000</u>	<u>8,050,000</u>	<u>63,548,500</u>
INFLATION FACTOR 2% PER YEAR	100.0%	102.0%	104.0%	106.1%	108.2%	110.4%	
	<u>1,902,000</u>	<u>14,751,000</u>	<u>12,724,000</u>	<u>11,425,000</u>	<u>17,469,000</u>	<u>8,888,000</u>	<u>67,159,000</u>

A

		FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	
FIXED RATE																	
	REV BOND P & I	14,290,188	14,290,688	14,289,438	14,290,438	14,292,438	14,289,188	14,289,688	14,288,325	14,289,938	14,287,688	-	-	-	-	-	
	SALES TAX SUBSIDY	7,145,094	7,145,344	7,144,719	7,145,219	7,146,219	7,144,594	7,144,844	7,144,163	7,144,969	7,143,844	-	-	-	-	-	
	COLLECTED VIA RATE	7,145,094	7,145,344	7,144,719	7,145,219	7,146,219	7,144,594	7,144,844	7,144,163	7,144,969	7,143,844	-	-	-	-	-	
	SUBSIDIZED RATE	0.21	0.21	0.21	0.21	0.21	0.21	0.20	0.20	0.20	0.20	-	-	-	-	-	
O & M RATE																	
EXPENDITURES																	
	WATER PURCHASES	1	45,187,726	46,920,176	48,706,282	50,580,904	52,505,924	54,484,220	56,558,486	58,694,265	60,892,006	63,199,341	65,579,480	68,061,374	70,611,376	73,268,742	75,478,616
	CREDIT FROM CHICAGO	2	(868,166)	(380,000)	(3,600,500)	(2,759,500)	(672,500)	-	-	-	-	-	-	-	-	-	-
	OPERATING EXPENSES	3	9,813,508	10,304,183	10,819,392	11,360,362	11,928,380	12,524,799	13,151,039	13,808,591	14,499,021	15,223,972	15,985,171	16,784,430	17,623,652	18,504,835	19,430,077
	MINOR CAPITAL	3	200,000	210,000	220,500	231,525	243,101	255,256	268,019	281,420	295,491	310,266	325,779	342,068	359,171	377,130	395,986
	MAJOR REPAIRS	4	2,938,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTOTAL		57,271,068	57,054,359	56,145,674	59,413,291	64,004,905	67,264,275	69,977,544	72,784,276	75,686,518	78,733,579	81,890,430	85,187,872	88,594,199	92,150,707	95,304,679
REVENUE																	
	INVESTMENT INCOME		5,237,712	5,050,378	4,446,791	4,211,295	4,181,984	3,821,108	4,118,876	4,380,301	4,602,347	4,781,816	4,916,823	6,152,140	6,602,183	6,412,669	6,412,669
	SUBSEQUENT CUSTOMER	5	714,437	721,581	728,797	736,085	743,446	750,880	758,389	765,973	773,633	781,369	789,183	797,075	805,046	813,096	821,227
	EMERGENCY SUPPLY	6	10,051	10,252	10,457	10,666	10,879	11,097	11,319	11,545	11,776	12,012	12,252	12,497	12,747	13,002	13,262
	OTHER INCOME		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
	SUBTOTAL		5,964,700	5,784,711	5,188,545	4,960,546	4,938,809	4,585,585	4,891,084	5,160,319	5,390,256	5,577,697	5,720,758	6,964,212	7,422,476	7,241,267	7,249,658
	RATE STABILIZATION		9,713,291	9,456,381	8,852,691	3,972,637											
	SALES TAX SUBSIDY				8,039,886	16,256,532	19,516,693	21,068,398	23,348,732	25,660,530	28,367,222	23,879,128	25,516,446	27,910,215	31,446,883	34,406,590	
	TOTAL REV REQUIREMENT	7	41,593,077	41,813,267	42,104,438	42,440,222	42,809,564	43,161,997	44,018,062	44,275,225	44,635,732	44,788,660	52,290,544	52,707,214	53,261,508	53,462,557	53,648,431
	O&M RATE		1.24	1.24	1.24	1.24	1.24	1.25	1.25	1.25	1.25	1.45	1.45	1.45	1.45	1.45	1.45
	TOTAL WATER RATE		1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
SALES TAX																	
	SALES TAX COLLECTION	6	35,677,396	36,390,944	37,118,763	37,861,138	38,618,361	39,390,728	40,178,543	40,982,114	41,801,756	42,637,791	43,490,547	44,360,358	45,247,565	46,152,516	47,075,566
	G.O. BOND P & I		(13,117,900)	(13,117,650)	(13,116,900)	(13,121,275)	(13,119,413)	0	0	0	0	0	0	0	0	0	0
	REV BOND SUBSIDY		(7,145,094)	(7,145,344)	(7,144,719)	(7,145,219)	(7,146,219)	(7,144,594)	(7,144,844)	(7,144,163)	(7,144,969)	(7,143,844)	-	-	-	-	-
	CONSTRUCTION	8	(1,902,000)	(14,751,000)	(12,724,000)	(11,425,000)	(17,469,000)	(8,888,000)	(2,500,000)	(2,550,000)	(2,601,000)	(2,653,020)	(2,706,080)	(2,760,202)	(2,815,406)	(2,871,714)	(2,929,148)
	RATE SUBSIDY		-	-	-	(8,039,886)	(16,256,532)	(19,516,693)	(21,068,398)	(23,348,732)	(25,660,530)	(28,367,222)	(23,879,128)	(25,516,446)	(27,910,215)	(31,446,883)	(34,406,590)
	EXCESS TAX COLLECTION		13,512,402	1,376,950	4,133,144	(1,870,242)	(15,372,803)	3,841,441	9,465,301	7,939,220	6,395,257	4,473,705	16,905,339	16,083,710	14,521,944	11,833,919	9,739,828
	CUMULATIVE AMOUNT		40,091,402	41,468,352	45,601,496	43,731,254	28,358,452	32,199,893	41,665,194	49,604,413	55,999,670	60,473,375	77,378,714	93,462,424	107,984,368	119,818,287	129,558,115
ASSUMPTIONS																	
1	3% ANNUAL RATE INCREASE ON JANUARY 1 BEGINNING 1/01/07				4	BOV-2 CONTRACT											
2	CREDIT IN FY 06 - 07 FOR INITIAL CONSTRUCTION				5	1.0% ANNUAL INCREASE											
	CREDIT IN FY 07 - 08 THROUGH FY 09 -10 FOR LPS BACK-UP GENERATION				6	2.0% ANNUAL INCREASE											
3	5.0 % ANNUAL INCREASE				7	REVENUE GENERATED FROM WATER SALES											
					8	FROM 2007-2008 CIP											
						\$2.5 MILLION IN FY 11 - 12; 2.0% ANNUAL INCREASE AFTER											

B

		FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
FIXED RATE																
REV BOND P & I		14,290,188	14,290,688	14,289,438	14,290,438	14,292,438	14,289,188	14,289,688	14,288,325	14,289,938	14,287,688	-	-	-	-	-
CONTRACTUAL RATE		0.43	0.42	0.42	0.42	0.41	0.41	0.41	0.40	0.40	0.40	0	0	0	0	0
O & M RATE																
EXPENDITURES																
WATER PURCHASES	1	45,187,726	46,920,176	48,706,282	50,580,904	52,505,924	54,484,220	56,558,486	58,694,265	60,892,006	63,199,341	65,579,480	68,061,374	70,611,376	73,268,742	75,478,616
CREDIT FROM CHICAGO	2	(868,166)	(330,000)	(3,600,500)	(2,759,500)	(672,500)	-	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES	3	9,813,508	10,304,183	10,819,392	11,360,362	11,928,380	12,524,799	13,151,039	13,808,591	14,499,021	15,223,972	15,985,171	16,784,430	17,623,652	18,504,835	19,430,077
MINOR CAPITAL	3	200,000	210,000	220,500	231,525	243,101	255,256	268,019	281,420	295,491	310,266	325,779	342,068	359,171	377,130	395,986
MAJOR REPAIRS	4	2,938,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL		57,271,068	57,054,359	56,145,674	59,413,291	64,004,905	67,264,275	69,977,544	72,784,276	75,686,518	78,733,579	81,890,430	85,187,872	88,594,199	92,150,707	95,304,679
REVENUE																
INVESTMENT INCOME		5,237,712	5,050,378	4,446,791	4,211,295	4,181,984	3,821,108	4,118,876	4,380,301	4,602,347	4,781,816	4,916,823	6,152,140	6,602,183	6,412,669	6,412,669
SUBSEQUENT CUSTOMER	5	714,437	721,581	728,797	736,085	743,446	750,880	758,389	765,973	773,633	781,369	789,183	797,075	805,046	813,096	821,227
EMERGENCY SUPPLY	6	10,051	10,252	10,457	10,666	10,879	11,097	11,319	11,545	11,776	12,012	12,252	12,497	12,747	13,002	13,262
OTHER INCOME		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
SUBTOTAL		5,964,700	5,784,711	5,188,545	4,960,546	4,938,809	4,585,585	4,891,084	5,160,319	5,390,256	5,577,697	5,720,758	6,964,212	7,422,476	7,241,267	7,249,658
TOTAL REV REQUIREMENT	7	51,306,368	51,269,648	50,957,129	54,452,745	59,066,096	62,678,690	65,086,460	67,623,957	70,296,262	73,155,882	76,169,672	78,223,660	81,171,723	84,909,440	88,055,021
O&M RATE		1.53	1.52	1.50	1.59	1.71	1.80	1.85	1.91	1.97	2.04	2.11	2.15	2.21	2.30	2.38
TOTAL WATER RATE		1.96	1.94	1.92	2.01	2.12	2.21	2.26	2.31	2.37	2.44	2.11	2.15	2.21	2.30	2.38
SALES TAX																
SALES TAX COLLECTION	6	35,677,396	36,390,944	37,118,763	37,861,138	38,618,361	39,390,728	40,178,543	40,982,114	41,801,756	42,637,791	43,490,547	44,360,358	45,247,565	46,152,516	47,075,566
G.O. BOND P & I		(13,117,900)	(13,117,650)	(13,116,900)	(13,121,275)	(13,119,413)	0	0	0	0	0	0	0	0	0	0
CONSTRUCTION	8	(1,902,000)	(14,751,000)	(12,724,000)	(11,425,000)	(17,469,000)	(8,888,000)	(2,500,000)	(2,550,000)	(2,601,000)	(2,653,020)	(2,706,080)	(2,760,202)	(2,815,406)	(2,871,714)	(2,929,148)
EXCESS TAX COLLECTION		20,657,496	8,522,294	11,277,863	13,314,863	8,029,949	30,502,728	37,678,543	38,432,114	39,200,756	39,984,771	40,784,467	41,600,156	42,432,159	43,280,802	44,146,418
CUMULATIVE AMOUNT		47,236,496	55,758,790	67,036,653	80,351,516	88,381,465	118,884,193	156,562,736	194,994,850	234,195,606	274,180,377	314,964,844	356,565,000	398,997,159	442,277,961	486,424,379
ASSUMPTIONS																
1	3% ANNUAL RATE INCREASE ON JANUARY 1 BEGINNING 1/01/07				4	BOV-2 CONTRACT										
2	CREDIT IN FY 06 - 07 FOR INITIAL CONSTRUCTION				5	1.0% ANNUAL INCREASE										
	CREDIT IN FY 07 - 08 THROUGH FY 09 -10 FOR LPS BACK-UP GENERATION				6	2.0% ANNUAL INCREASE										
3	5.0 % ANNUAL INCREASE				7	REVENUE GENERATED FROM WATER SALES										
					8	FROM 2007-2008 CIP										
						\$2.5 MILLION IN FY 11 - 12; 2.0% ANNUAL INCREASE AFTER										

DEFENSE G.O. BONDS

4 BOV-2 CONTRACT
5 1.0% ANNUAL INCREASE
6 2.0% ANNUAL INCREASE
7 REVENUE GENERATED FROM WATER SALES
8 FROM 2007-2008 CIP
\$2.5 MILLION IN FY 11 - 12; 2.0% ANNUAL INCREASE AFTER

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4 BOV-2 CONTRACT
5 1.0% ANNUAL INCREASE
6 2.0% ANNUAL INCREASE
7 REVENUE GENERATED FROM WATER SALES
8 FROM 2007-2008 CIP
\$2.5 MILLION IN FY 11 - 12; 2.0% ANNUAL INCREASE AFTER

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		FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	
FIXED RATE																	
	REV BOND P & I	14,290,188	14,290,688	14,289,438	14,290,438	14,292,438	14,289,188	14,289,688	14,288,325	14,289,938	14,287,688	-	-	-	-	-	
	SALES TAX SUBSIDY	7,145,094	7,145,344	7,144,719	7,145,219	7,146,219	7,144,594	7,144,844	7,144,163	7,144,969	7,143,844	-	-	-	-	-	
	COLLECTED VIA RATE	7,145,094	7,145,344	7,144,719	7,145,219	7,146,219	7,144,594	7,144,844	7,144,163	7,144,969	7,143,844	-	-	-	-	-	
	SUBSIDIZED RATE	0.21	0.21	0.21	0.21	0.21	0.21	0.20	0.20	0.20	0.20	-	-	-	-	-	
O & M RATE																	
EXPENDITURES																	
	WATER PURCHASES	1	45,187,726	46,920,176	48,706,282	50,580,904	52,505,924	54,484,220	56,558,486	58,694,265	60,892,006	63,199,341	65,579,480	68,061,374	70,611,376	73,268,742	75,478,616
	CREDIT FROM CHICAGO	2	(868,166)	(380,000)	(3,600,500)	(2,759,500)	(672,500)	-	-	-	-	-	-	-	-	-	-
	OPERATING EXPENSES	3	9,813,508	10,304,183	10,819,392	11,360,362	11,928,380	12,524,799	13,151,039	13,808,591	14,499,021	15,223,972	15,985,171	16,784,430	17,623,652	18,504,835	19,430,077
	MINOR CAPITAL	3	200,000	210,000	220,500	231,525	243,101	255,256	268,019	281,420	295,491	310,266	325,779	342,068	359,171	377,130	395,986
	MAJOR REPAIRS	4	2,938,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTOTAL		57,271,068	57,054,359	56,145,674	59,413,291	64,004,905	67,264,275	69,977,544	72,784,276	75,686,518	78,733,579	81,890,430	85,187,872	88,594,199	92,150,707	95,304,679
REVENUE																	
	INVESTMENT INCOME		5,237,712	5,050,378	4,446,791	4,211,295	4,181,984	3,821,108	4,118,876	4,380,301	4,602,347	4,781,816	4,916,823	6,152,140	6,602,183	6,412,669	6,412,669
	SUBSEQUENT CUSTOMER	5	714,437	721,581	728,797	736,085	743,446	750,880	758,389	765,973	773,633	781,369	789,183	797,075	805,046	813,096	821,227
	EMERGENCY SUPPLY	6	10,051	10,252	10,457	10,666	10,879	11,097	11,319	11,545	11,776	12,012	12,252	12,497	12,747	13,002	13,262
	OTHER INCOME		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
	SUBTOTAL		5,964,700	5,784,711	5,188,545	4,960,546	4,938,809	4,585,585	4,891,084	5,160,319	5,390,256	5,577,697	5,720,758	6,964,212	7,422,476	7,241,267	7,249,658
	RATE STABILIZATION SALES TAX SUBSIDY		9,713,291	9,456,381	8,852,691	3,972,637 8,039,886	16,256,532	19,516,693	26,335,497	28,655,261	31,006,474	33,753,403	29,306,203	30,984,255	33,418,810	36,996,333	39,956,040
	TOTAL REV REQUIREMENT	7	41,593,077	41,813,267	42,104,438	42,440,222	42,809,564	43,161,997	38,750,963	38,968,696	39,289,788	39,402,479	46,863,469	47,239,405	47,752,913	47,913,107	48,098,981
	O&M RATE		1.24	1.24	1.24	1.24	1.24	1.24	1.10	1.10	1.10	1.10	1.30	1.30	1.30	1.30	1.30
	TOTAL WATER RATE		1.45	1.45	1.45	1.45	1.45	1.45	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
SALES TAX																	
	SALES TAX COLLECTION	6	35,677,396	36,390,944	37,118,763	37,861,138	38,618,361	39,390,728	40,178,543	40,982,114	41,801,756	42,637,791	43,490,547	44,360,358	45,247,565	46,152,516	47,075,566
	G.O. BOND P & I		(13,117,900)	(13,117,650)	(13,116,900)	(13,121,275)	(13,119,413)	0	0	0	0	0	0	0	0	0	0
	REV BOND SUBSIDY		(7,145,094)	(7,145,344)	(7,144,719)	(7,145,219)	(7,146,219)	(7,144,594)	(7,144,844)	(7,144,163)	(7,144,969)	(7,143,844)	-	-	-	-	-
	CONSTRUCTION	8	(1,902,000)	(14,751,000)	(12,724,000)	(11,425,000)	(17,469,000)	(8,888,000)	(2,500,000)	(2,550,000)	(2,601,000)	(2,653,020)	(2,706,080)	(2,760,202)	(2,815,406)	(2,871,714)	(2,929,148)
	RATE SUBSIDY		-	-	-	(8,039,886)	(16,256,532)	(19,516,693)	(26,335,497)	(28,655,261)	(31,006,474)	(33,753,403)	(29,306,203)	(30,984,255)	(33,418,810)	(36,996,333)	(39,956,040)
	EXCESS TAX COLLECTION		13,512,402	1,376,950	4,133,144	(1,870,242)	(15,372,803)	3,841,441	4,198,202	2,632,691	1,049,313	(912,476)	11,478,264	10,615,901	9,013,349	6,284,469	4,190,378
	CUMULATIVE AMOUNT		40,091,402	41,468,352	45,601,496	43,731,254	28,358,452	32,199,893	36,398,095	39,030,785	40,080,098	39,167,622	50,645,886	61,261,787	70,275,136	76,559,605	80,749,983
ASSUMPTIONS																	
1	3% ANNUAL RATE INCREASE ON JANUARY 1 BEGINNING 1/01/07				4	BOV-2 CONTRACT											
2	CREDIT IN FY 06 - 07 FOR INITIAL CONSTRUCTION				5	1.0% ANNUAL INCREASE											
	CREDIT IN FY 07 - 08 THROUGH FY 09 - 10 FOR LPS BACK-UP GENERATION				6	2.0% ANNUAL INCREASE											
3	5.0 % ANNUAL INCREASE				7	REVENUE GENERATED FROM WATER SALES											
					8	FROM 2007-2008 CIP											
						\$2.5 MILLION IN FY 11 - 12; 2.0% ANNUAL INCREASE AFTER											

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