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CITY OF GREENFIELD

WASTEWATER RATE STUDY

December 2011

Draft Edition: Subject to Revision

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SECTION 1. SUMMARY OF FINDINGS

NBS Government Finance Group (NBS or Consultants) has prepared a study of the wastewater rates imposed by the City of Greenfield (City or Utility). This study finds:

THE UTILITY CURRENTLY OPERATES IN A STRUCTURAL DEFICIT.

Under its adopted budget and implicit levels of service, annual operating expenditures for the Utility total $645,000 and annual debt service payments are over $124,000, for Fiscal Year 2011/12. Projected annual revenues that may be applied toward these expenditures are currently estimated at $763,937, including the Utility's primary revenue source: $761,100 from the prevailing schedule of wastewater rates. Under current conditions, the Utility is projected to run a recurring deficit of approximately $5,500 per year. A correction to this deficit should be identified

THE UTILITY IS NOT MEETING ITS DEBT COVERAGE REQUIREMENT.

The Wastewater Utility is currently obligated to one outstanding debt issue, for which it is required to generate revenues sufficient to meet operating expenses, annual debt service, plus 10% above the annual principal and interest payments due on the bond. This is a requirement of the bondholders that the utility will be able to make the annual debt service payments. When considering that the current fiscal year's annual operating expenditures for the Utility total $645,000, annual debt service payments are over $124,000 and the debt coverage requirement is $12,444, total obligations for the current Fiscal Year are approximately $782,000. Compared to projected annual revenues, this leaves a deficit of approximately $12,000. In order to comply with bondholder covenants, a correction to this deficit must be identified.

THE UTILITY SHOULD ESTABLISH AN OPERATING RESERVE.

The City should maintain an Operating Reserve for the Utility. An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures. Such fluctuations might be caused by the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (e.g., variable charges), and – particularly in periods of economic distress – changes or trends in age of receivables. This study has recommended an Operating Reserve equal to 16.4% of the Utility's budgeted annual operating expenses. This reserve target is equal to a two-month (or 60 day) cash cushion for normal operations.

LONGER-TERM FUNDING FOR FUTURE CAPITAL INVESTMENT MUST BE PLANNED.

The minimum step of correcting the prevailing structural deficit, meeting the existing debt coverage requirement and establishing an Operating Reserve does not provide any additional revenue source for the Utility to invest in the improvement or replacement of infrastructure, equipment, and other fixed assets, which is essential to the ongoing delivery of safe, reliable sewer collection and wastewater treatment service. Simply attaining an industry-recognized best management practice of funding a Capital Replacement Reserve on pace with the rehabilitation/replacement needs of the Utility should be a long-term goal of the City. Doing so ensures that each generation of customers contributes an equitable share toward the long-term replacement of assets used to receive sewer collection and wastewater treatment service today. The minimum level of annual funding should target an amount equal to the Utility's annual depreciation expense, which is approximately $315,000. This figure represents the minimum target amount to be generated by user rates, today.

In addition, the City has planned approximately $740,000 in capital improvement projects for the Utility between Fiscal Years 2011/12 and 2015/16. With cash reserves held by the Utility and considering the level of spending that is expected to occur in the five year period, this capital program can be funded without additional rate revenue above and beyond the recommended annual contributions to a Capital Replacement Reserve. Attaining this funding level over a period of five years would add approximately $10 - $12 every month to the current monthly sewer use fee, in the rate scenarios presented as follows.

Scenario 3 presents an immediate solution to correct the structural deficit, meet the debt coverage requirement, fund an Operating Reserve of 60 days and provide rates with the capacity to fund an annual contribution to the Capital Replacement Reserve that will be phased-in to equal to the existing depreciation expense. Rate outcomes are as follows:

SCENARIO 3: PHASE-IN OF A CAPITAL REPLACEMENT RESERVE, RATE LEVELS

Fiscal Year Ending	Revenue from Rates	Annual Change Needed	Monthly Sewer Use Fee
Prevailing, 2012	$761,100	-	$16.94
Projected Need, 2012	$837,204	10.00%	$18.63
Projected Need, 2013	$920,924	10.00%	$20.50
Projected Need, 2014	$1,013,025	10.00%	$22.55
Projected Need, 2015	$1,114,328	10.00%	$24.80
Projected Need, 2016	$1,225,760	10.00%	$27.28

An alternative rate scenario was prepared through this study that utilizes lease-purchase financing for the two vehicles that are planned to be replaced in Fiscal Year 2012/13. If the City chooses to pursue financing of these vehicles, a slightly higher level of funding is required, in order to meet the projected annual payments. Rate outcomes under this alternative scenario are as follows:

SCENARIO 4: PHASE-IN OF A CAPITAL REPLACEMENT RESERVE AND USE OF DEBT FINANCING, RATE LEVELS

Fiscal Year Ending	Revenue from Rates	Annual Change Needed	Monthly Sewer Use Fee
Prevailing, 2012	$761,100	-	$16.94
Projected Need, 2012	$846,724	11.25%	$18.85
Projected Need, 2013	$941,980	11.25%	$20.97
Projected Need, 2014	$1,047,953	11.25%	$23.32
Projected Need, 2015	$1,165,848	11.25%	$25.95
Projected Need, 2016	$1,297,006	11.25%	$28.87

Please turn to the next section for full discussion of these findings.

SECTION 2. INTRODUCTION TO THE STUDY

A. PROJECT ORIGIN AND PURPOSE

In 2011, NBS Government Finance Group performed a Wastewater Rate Study for the City of Greenfield.

The chief purposes in conducting this study were to provide an assessment of the financial condition of the Utility, with particular emphasis on necessary funding levels for day to day operating expenses and the near and long - term capital improvement and replacement needs of the Utility. As the primary source of revenue for the Utility, wastewater rates are to be relied upon to meet the City's obligations pertaining to the ongoing provision of safe and reliable sewer collection and wastewater treatment services to its community of customers.

B. APPROACH

The financial ~~and rate~~ assessments conducted during this study follow a "revenue requirements" methodology, substantially derived from the recommended approach directed by the American Water Works Association in its Manual of Water Supply Practices, M1: *Principles of Water Rates, Fees, and Charges*. A revenue requirements analysis forms the basis for a long-range financial plan and multi-year rate adjustment strategy for the Utility. It also enables the City to set utility rate structures that fully recover the total costs of operating the Utility: capital improvement and replacement, operations, maintenance, management, fiscal policy achievement, cash reserve management, and debt repayment. Linking utility rate levels to a financial plan such as this helps to enable sound financial performance for the Utility.

The following elements of the revenue requirements analysis together form a complete portrayal of the Utility's financial obligations and yield a long-term financial plan for its future financial management:

- *Operating Forecast* – Identifies future annual non-capital costs associated with the operation, maintenance, and management of the system.

- *Capital Financing Analysis* – Defines a strategy for funding the Utility's capital improvement program, including an analysis of available resources from rate revenues, debt financing, and any special resources that may be readily available (e.g., grants, developer participation, etc.). Includes any planned or recommended accumulation and use of dedicated reserves for capital projects, such as those which are intentionally designed to fund system rehabilitation and replacement.

- *Cash Flow and Reserve Analysis* – Forecasts cash flow and fund balance activity in the Utility's reserves: both existing and recommended as part of the study's framework of guiding policies. Tests for satisfaction of actual or recommended minimum fund balance policies, including operating, capital, and debt reserves where appropriate.

- *Sufficiency Testing* – Evaluates the sufficiency of Utility revenues in meeting all obligations, including cash uses such as operating expenses, debt service, capital outlays, and reserve contributions, as well as any coverage requirements associated with long-term debt.

- *Strategy Development* – Designs a forward-looking strategy for adjusting Utility resources to fully fund all utility obligations on a periodic or annual basis over the selected planning horizon.

From this foundation, wastewater rates can be adjusted to meet the defined annual funding targets within the planning horizon. It is important to note that this analysis considers the Utility's revenue requirements from a "needs-driven" perspective. Consultants have compiled financial data for the Utility, forecasted near- and long-term needs, incorporated financial management policies, and established the full annual cost of service for the Utility, which must be recovered primarily from wastewater rates paid by the users of the system. This analysis has not presumed the City could forego any of the costs identified, in order to influence the rate outcomes. Instead, the rates presented here are driven by identified needs; rates do not define the needs that can be met.

C. DATA SOURCES AND ASSUMPTIONS

This study has relied upon current and, where applicable, historical information substantively provided by the City, such as audited financial statements and up-to-date budget performance. Consultants have also tapped industry sources and our industry experience for certain assumptions. All data sources and assumptions are described in the annotations shown in the technical analysis included as Appendices A and B to this report.

Please note that all figures in this report and its supportive analysis are stated in forecasted, future values: Various economic factors have been applied to revenue and cost estimates derived from City data to account for natural or expected levels of inflation. This enables the projection of corresponding revenue streams in the amount necessary in those future years. All projection assumptions are clearly labeled and visible in Appendices A and B.

D. GUIDING POLICIES

In the analysis of revenue requirements and development of a long-term financial plan for the Utility, NBS assumed and/or recommended certain financial management policies. These policies are intended to promote financial integrity and resource stability for the Utility, which in turn helps to foster the sustainability of service to the Utility's customers. Most of the assumed and/or recommended policies focus on the management of cash: the dedication of reserves for specific purposes essential to the long-term provision of on-demand service, including the accumulation and expenditure of those resources and the monitoring of minimum thresholds in certain reserves. The following sub-sections describe the policies guiding the financial analysis.

Revenue Sufficiency

The Utility will target a financial strategy that provides revenues sufficient to the meet the current and forecasted requirements and obligations of the Utility. The requirements and obligations of the Utility can include: annual expenses to operate, maintain, and manage the Utility; capital expenditures related to Utility infrastructure, facilities, and equipment; repayment of outstanding debt; satisfaction of legal covenants; and attainment of targeted financial performance metrics set by law and/or policy.

The Utility is managed as an enterprise fund, which means that the entirety of its obligations are met wholly by resources generated from its operations. The Utility is not to be funded by resources external to its operations (e.g., general City revenues, revenues from another utility, et al.), unless attained via promissory note or like mechanism. In this manner, only those users of the Utility fund its ongoing operations, and no subsidy from non-users is relied upon.

To enable prudent segregation of cash collected and accumulated for intended purposes, the City currently accounts for the Utility across two funds:

- Sewer Operations Fund
- Sewer Developer Impact Fee Fund

A recommendation of this study is to establish a separate Capital Reserve Fund in order to segregate operating funds from funds available for capital needs. This fund should be held entirely separate from the Developer Impact Fee Fund.

Operating Reserve

The City should maintain for the Utility an Operating Reserve. An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures. Such fluctuations might be caused by the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (e.g., variable charges), and – particularly in periods of economic distress – changes or trends in age of receivables.

This study has recommended an Operating Reserve equal to 16.4% of the Utility's budgeted annual operating expenses. This reserve target is equal to a two-month (or 60 day) cash cushion for normal operations. The Operating Reserve requirement that is programmed into this analysis is approximately $106,000 for Fiscal Year 2011/12. The minimum threshold for the Operating Reserve should be targeted as of the start of each fiscal year. The balance of the Operating Reserve should be expected to fluctuate throughout the year due to the natural variability of revenues and expenditures, but outside of extreme circumstances, it should be evaluated and reestablished annually. Once the Reserve is established, this analysis has assumed financial performance without the use of the Reserve to artificially suppress rates below the projected annual requirements of the Utility.

Annual Funding of a Capital Replacement Reserve

It is a best management practice in the utility industry to set aside funds annually in a Capital Replacement Reserve for ongoing and future system repair, rehabilitation, and replacement. At a minimum, such annual funding should target a level equal to the Utility's annual depreciation expense. Depreciation measures the financial erosion of a given asset over its useful life, using its original, historical cost. Currently, the annual depreciation expense is $315,000 for the Utility; it is reflected in the formal financial reporting for the Utility and can be referenced simply from those records (e.g., Statement of Revenues, Expenses, and Changes in Net Assets). By the end of Fiscal Year 2015/16, the annual depreciation expense is projected to be approximately $375,000, which includes estimated depreciation from projects in the Capital Improvement Program.

It is important to note that depreciation is not equal to the future replacement cost of the system, but serves simply as a starting point for addressing long-term needs. If ratepayers can generate revenues at this level and pace, they will have reserved a partial cash resource that can be applied toward the future replacement cost of the asset. By reserving some cash resource for ongoing system reinvestment, the City avoids burdening any single generation of users with the cost of asset replacement and causing unnecessary spikes in rate levels.

A Capital Replacement Reserve is not a "minimum" reserve threshold akin to the Operating Reserve discussed previously. Instead, it is an active pool of cash, with regular contributions from rate revenues and, ideally, regular outlays in line with an adopted Capital Improvement Program. The Reserve is a cash resource: funds may be used immediately for replacement-related projects or reserved for expenditures anticipated in future years. A regularly-funded Capital Replacement Reserve can be viewed as one means by which a utility finances its capital program on a "pay-as-you-go" cash basis, minimizing or eliminating reliance on debt financing.

The Capital Replacement Reserve would most appropriately be held in a separate fund for the Utility, as described in this section of the report in the "Revenue Sufficiency" subsection.

E. PREVAILING WASTEWATER RATES

By the end of Fiscal Year 2011/12, the Utility expects to generate approximately $761,100 in annual revenue from rates paid by customers of the wastewater system. Exhibit 1 lists the City's prevailing monthly wastewater rate, which is a flat fee per unit.

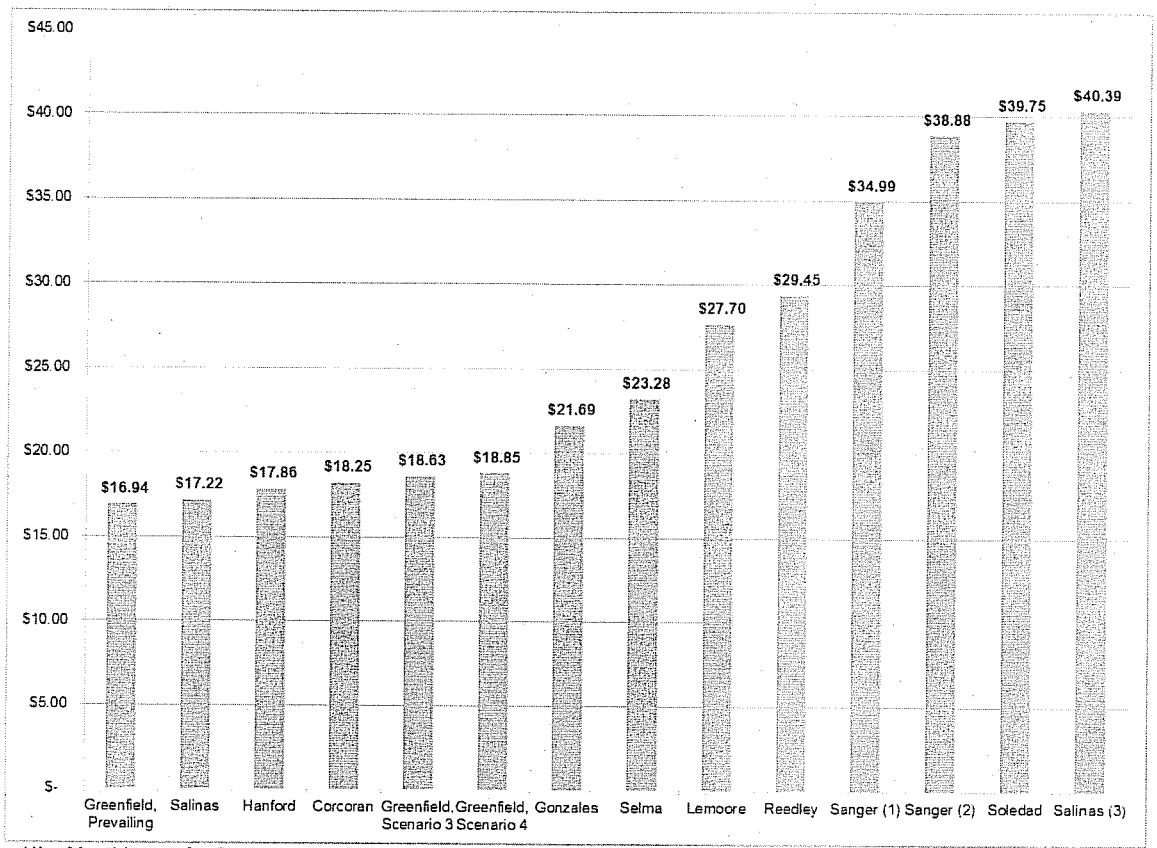
Exhibit 1. Prevailing Wastewater Rate

Monthly Sewer Use Fee	$16.94

The most common user type served by the City of Greenfield is the single family residence. Exhibit 2 compares this user type to rate structures imposed by other wastewater utilities in the region. Of the agencies surveyed, the rate structure applied by the City of Greenfield yields the lowest cost to a home. If either of the proposed rate adjustments is adopted, Greenfield's rate will remain well below a majority of the agencies surveyed, and approximately 50% of the cost of wastewater service provided by the three agencies that have the highest cost to a home in the region.

(continued on the following page)

Exhibit 2. Regional Comparison of Wastewater Rates
For Single-Family Residential Customers in Fiscal Year 2011/12



(1) Monthly rate for Sanger with water consumption of 6,000 gallons or less.
(2) Monthly rate for Sanger with water consumption of 6,001 gallons or more.
(3) Monthly rate for Salinas, if in the Baronda County Sanitation District.

SECTION 3. WASTEWATER RATE STUDY

A. OPERATING REQUIREMENTS

Operating requirements relate to the typically recurring, annual expenses associated with activities which manage/administer, maintain, and operate the wastewater system and meet the City's regulatory and other programmatic obligations. Examples of operating expenses include personnel, services, supplies, and minor equipment. In a self-sufficient program, annual operating requirements should be fully satisfied by the annual, recurring revenue sources of the Utility to avoid a "structural deficit." Running a structural deficit means that the program's cash reserves – which are typically held as a resource for capital investments or emergency – must be drawn upon to meet annual expenses. A short-term draw upon reserves to meet operating requirements may be acceptable, if not planned – typically through periods of unstable or unforeseen conditions – but it is not a sustainable condition. Thus, this analysis has presumed that all projected operating requirements of the Utility will be met by a recurring revenue stream: rates paid by the customers of the wastewater system.

Exhibit 3 illustrates the current operating expenditures for the Utility and projected expenditures from that starting point. In Fiscal Year 2011/12, corresponding to the City's existing adopted budget and service level at the time of this writing, operating expenses are projected at approximately $645,000. A detailed list and projection of operating costs can be viewed on Page 2 of Appendices A and B to this report.

Exhibit 3. Annual Operating Expenditures

Fiscal Year	Operating Expenditures
2012	$645,000
2013	$698,776
2014	$693,464
2015	$719,201
2016	$745,623

For the items listed in the Utility's budget, the level of expenditure (and thus, implied levels of service) observed at the start of the planning horizon – Fiscal Year 2011/12 – are assumed to continue through the forecast period. This means that spending is assumed to follow a linear progression, varying only by applied economic factors estimating cost inflation. No deviation – discrete reductions or expansions caused by efficiency findings or changes to levels of service – have been assumed at this time. It should be emphasized that future projections for operating costs stemming from Fiscal Year 2011/12 estimated ending performance may be understating the level of expenditure necessary to run the system under historically-expected, "normal" conditions.

Future cost escalation assumptions include no near-term growth in customers, due to the fact that there has been no recent growth and actually a reduction in customers. General cost inflation is assumed at 3.00% per year, and labor cost inflation is assumed at a flat rate of 4.0% per year in all years of the forecast. These inflation factors were developed drawing upon historical, industry trends in long-term cost

escalation, but also in consultation with City staff, factoring in recent and/or expected local conditions from other planning efforts.

B. DEBT SERVICE

The Wastewater Utility is currently obligated to one outstanding debt issue, an Enterprise Fund Installment Sale Agreement issued by the California Infrastructure and Economic Development Bank. The bond proceeds were used to fund an expansion project at the Wastewater Treatment Plant. The City will continue making annual principal and interest payments on this debt issue until it is paid off, which is scheduled to occur in Fiscal Year 2036/37. Exhibit 4 shows the scheduled debt service payments that are due until the debt issue is paid in full.

Exhibit 4. Annual Debt Service Payments

Fiscal Year	Principal	Interest	Annual Fee	Total
2012	$55,954	$68,488	$6,607	$131,048
2013	$57,716	$66,697	$6,439	$130,852
2014	$59,534	$64,851	$6,266	$130,650
2015	$61,410	$62,946	$6,087	$130,442
2016	$63,344	$60,981	$5,903	$130,228
2017	$65,339	$58,954	$5,713	$130,006
2018	$67,398	$56,863	$5,517	$129,778
2019	$69,521	$54,707	$5,314	$129,542
2020	$71,711	$52,483	$5,106	$129,299
2021	$73,969	$50,188	$4,891	$129,048
2022	$76,299	$47,821	$4,669	$128,790
2023	$78,703	$45,380	$4,440	$128,523
2024	$81,182	$42,862	$4,204	$128,248
2025	$83,739	$40,264	$3,960	$127,964
2026	$86,377	$37,585	$3,709	$127,671
2027	$89,098	$34,821	$3,450	$127,369
2028	$91,905	$31,971	$3,183	$127,058
2029	$94,800	$29,030	$2,907	$126,736
2030	$97,786	$25,997	$2,623	$126,405
2031	$100,866	$22,868	$2,329	$126,063
2032	$104,043	$19,641	$2,027	$125,710
2033	$107,321	$16,312	$1,714	$125,347
2034	$110,701	$12,878	$1,393	$124,972
2035	$114,188	$9,336	$1,060	$124,584
2036	$117,785	$5,682	$718	$124,185
2037	$121,495	$1,914	$364	$123,773

Pursuant to bondholder covenants, the Wastewater Utility is also required to generate revenues sufficient to meet operating expenses, annual debt service, plus 10% above the annual principal and interest payments due on the bond. This is a requirement of the bondholders that the utility will be able to make the annual debt service payments and is known as a Debt Coverage Requirement. Annual debt service payments (principal and interest, exclusively) are approximately $124,400 throughout the life of the bond issue. With the debt coverage requirement set to 10% of annual principal and interest payments, the

utility is required to generate approximately $12,400 above the annual debt service payment in addition to meeting all operating expenses, to fulfill this requirement on an annual basis. Under projected revenues and expenditures, the Utility is projected to fall $12,000 short of that goal in the current fiscal year.

C. CAPITAL REQUIREMENTS AND PROJECTED FINANCING

The Utility has an adopted Capital Improvement Program (CIP) that consists of rehabilitation and replacement projects and expansion projects that will be needed to serve future development. Between Fiscal Years 2011/12 and 2015/16, the City of Greenfield has identified numerous capital projects totaling nearly $740,000 (in future values), that seek to rehabilitate or replace system infrastructure equipment, and/or fixed assets, which should be funded from cash held in the Utility's capital reserves and contributions made from user rates. Rehabilitation and replacement projects represent burdens solely attributable to existing connections to the wastewater system, a cost ultimately to be borne in wastewater rates, either through direct, "pay-as-you-go" funding or when possible, by using accumulated cash reserves originally funded by rates in prior years. Exhibit 5 presents the list of projects that are planned to be completed within the five year period that will be funded by existing connections to the system.

Exhibit 5. Adopted Five-Year Capital Improvement Program
Projects Needed to Serve Existing Connections

Project Description	2012	2013	2014	2015	2016
Soledad Sewer Trunk Line Study	$ 36,239	$ -	$ -	$ -	$ -
Replace WWTP Perimeter Fencing	$ 11,700	$ -	$ -	$ -	$ -
Install CL Gates	$ 9,319	$ -	$ -	$ -	$ -
Purchase Video Truck	$ -	$ 139,367	$ -	$ -	$ -
Purchase Router Truck	$ -	$ 214,411	$ -	$ -	$ -
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ 6,523	$ -	$ -	$ -	$ -
Control Building - Roof Replacement	$ -	$ 160,808	$ -	$ -	$ -
Control Building - Door Replacement	$ -	$ 9,648	$ -	$ -	$ -
Control Building - Paint Exterior	$ -	$ -	$ 16,650	$ -	$ -
Control Building - Paint Interior	$ -	$ -	$ 16,650	$ -	$ -
Clarifier #3 Repaint Bridge Beams	$ -	$ -	$ -	$ 28,732	$ -
Remove & Replace Sludge Pump #2	$ -	$ -	$ -	$ -	$ 35,699
Additional Equipment	$ -	$ 26,801	$ -	$ -	$ -
Additional Equipment	$ -	$ 26,801	$ -	$ -	$ -
Total: Cost Estimate Per Year (Future Values)	**$ 63,781**	**$ 577,837**	**$ 33,300**	**$ 28,732**	**$ 35,699**

The cost of expansions and improvements to the system, at this time are planned to be recovered future connections. When eventually recovered from future connections, upfront connection fees and/or financing through developer agreements – not rates – can be used to fund the project(s). Exhibit 6 shows the list of projects and the associated cost (in current values) that are documented in the 2008 Update of the City's Wastewater System Capital Improvement Plan. These projects will eventually be needed in order to serve future development because there is not sufficient capacity within the existing system today. It is assumed in the supporting analysis to this report that these projects will be completed, but will be funded by contributions made by developers; therefore, there is no impact to the monthly service rate to fund these projects.

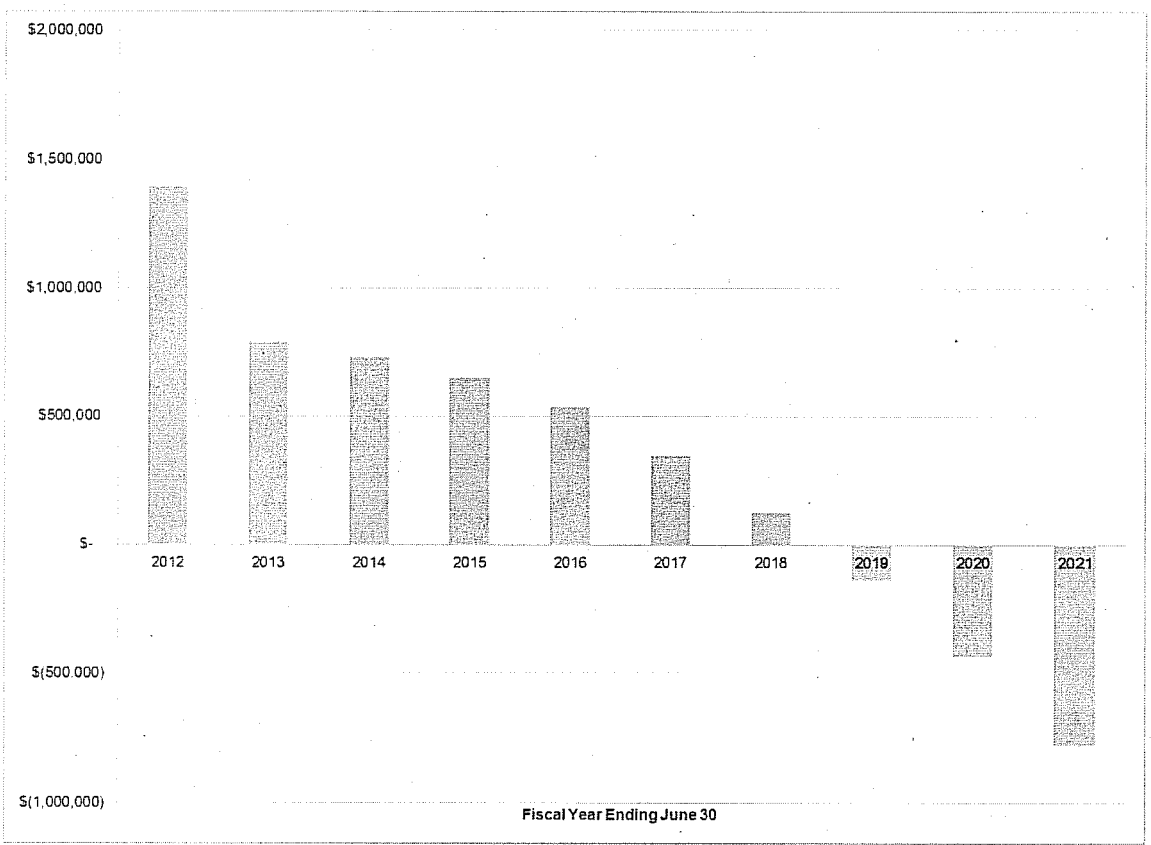
Exhibit 6. Adopted Capital Improvement Program
Projects Needed to Serve Future Connections

Project Description	Cost Estimate (Current Values)
Pipelines	
8" Pine Avenue -101 West to El Camino Real	$66,000
8" Pine Avenue -101 East to Third Street	$120,000
8" Pine Avenue -Third Street East to Second Street	$158,400
8" Third Street - Pine Avenue South to Cherry Avenue	$81,000
8" Second Street - Pine Avenue South to Cherry Avenue	$108,000
8" Cherry Avenue - Third Street East to Second Street	$158,400
8" Second Street - Cherry Avenue South to Walnut Avenue	$105,600
8" Elm Avenue - Third Street East to Second Street	$158,400
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$240,000
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$79,200
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$79,200
8" Cherry Avenue - Twelfth Street East to El Camino Real	$216,000
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$79,200
8" Pine Avenue - Twelfth Street East to El Camino Real	$158,400
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$158,400
8" Cypress Avenue - Freeway East to Second Avenue	$282,000
8" Third Street - Cypress Avenue to Pine Avenue	$79,200
8" Second Street - Cypress Avenue to Pine Avenue	$79,200
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$432,000
12" Apple Avenue - El Camino Real to Freeway	$175,000
8" Elm Avenue Southerly to SOI	$282,000
8" Westerly SOI to Easterly SOI	$456,000
6" Pump Station to Pipeline 24	$375,000
12" Pipeline 31 to 2nd Street	$510,000
6" 2nd Street - Elm Avenue to SOI Pump Station	$330,000
Total: Cost Estimate for Pipeline Projects	**$4,966,600**
Pump Stations	
New Pump Station at end of Pipeline 22	$350,000
New Pump Station at end of Pipeline 24	$300,000
New Pump Station at Elm and Second Street	$250,000
Total: Cost of Pump Station Projects (Current Value)	**$900,000**
Wastewater Treatment Plant Expansion	
Property Acquisition	$3,750,000
1 MGD Primary Clarifiers and Appurtenances	$800,000
30 Foot Diameter Digester	$400,000
Sludge and Scum Pump Building, including pumps	$300,000
Secondary Lagoons	$1,500,000
Floating Aeration System	$200,000
Site Piping and Appurtenances	$200,000
Spray Irrigation Pump Station	$200,000
Spray Irrigation Distribution System	$600,000
1,000 AMP Electrical Service	$150,000
Electrical and Control	$250,000
Sludge Drying Beds	$200,000
Wastewater Reclamation Treatment Facility	$5,000,000
Total: Cost Estimate for WWTP Expansion Projects	**$13,550,000**
Additional Capital Expenses for Projects	
Administration, Engineering and Contingencies	$6,795,810
Total: Cost Estimate for Administration, Engineering & Contingencies	**$6,795,810**
Grand Total: Cost Estimate for Projects to Serve Future Connections	**$26,212,410**

D. CASH FLOW PERFORMANCE UNDER PREVAILING REVENUE AND EXPENDITURES

The Utility began Fiscal Year 2011/12 with a total cash balance across all funds of over $1.6 million. This amount represents the total cash available to fund the Utility if revenues received during the Fiscal Year are insufficient in meeting actual expenditures when they occur. Once depleted, this cash reserve cannot be accumulated but through incoming revenues in excess of immediate outgoing needs. With no change to revenues and/or expenditures, the total cash balance of the Utility across all funds will begin to decline and the Utility will begin to spend funds that should be otherwise reserved for capital needs in order, to cover operating expenses. Exhibit 7 graphs this cash flow projection, identifying the total cash balance across all funds in each fiscal year.

Exhibit 7. Cash Flow Performance at Prevailing Revenue and Expenditure Levels



E. TOTAL REVENUE REQUIREMENT

After compiling and forecasting the complete array of obligations facing the Utility, outlays were compared to forecasted resources, comprised primarily of rate revenues at their current levels. When comparing Utility obligations with available resources, this study has examined rate revenue sufficiency from two perspectives: cash sufficiency and debt coverage sufficiency. The latter refers to the ability of a utility to meet bond covenants which might require its revenue steam to produce a cushion above annual debt service.

The Utility is currently obligated to one outstanding debt issue, for which it is required to generate revenues sufficient to meet operating expenses, annual debt service, plus 10% above the annual principal and interest payments due on the bond, as described in Section 3.B. However, because the cash flow deficit that exists within the utility is greater than the debt coverage deficit, cash sufficiency alone drives rate revenue requirements: cash resources against cash obligations. Cash resources in this test include rate revenue, miscellaneous operating revenue, and interest earnings in the Operating Fund. Cash obligations include operating expenses, debt service, specific contributions toward a Capital Replacement Reserve, pay-as-you-go cash funding of a capital improvement program, and additions to the Operating Reserve required to the achieve minimum reserve balance described in Section 2.D. If these cash obligations exceed resources available and cannot be reduced to eliminate the deficiency, a rate increase is required to fully fund the needs of the Utility.

From this point on, this report will present outcomes across two scenarios:

- Scenario 3: Strategic Outcome – Phased in Funding of a Capital Replacement Reserve
- Scenario 4: Strategic Outcome – Phased in Funding of a Capital Replacement Reserve and Lease-Purchase Financing for Vehicles

Scenario 3: Strategic Outcome – Phased in Funding of a Capital Replacement Reserve

In Fiscal Year 2011/12, the Utility is faced with $769,441 in total obligations, comprised of approximately $645,000 in operating expenses and $124,441 in debt service payments. (These amounts exclude contributions to reserves recommended in this study.) Rate revenues and other available resources are projected at just over $763,937, yielding a deficit of approximately $5,500. This deficit represents an equivalent draw on available cash reserves held in the Operating Fund. This can be described as a "structural deficit" wherein recurring expenses from operations are not satisfied by the recurring revenue stream of the Utility, predominantly, wastewater rates.

It is recommended in this study that the Utility maintain an Operating Reserve of 60-days worth of operating, programmed by this analysis to be roughly $106,000. In addition, as introduced in Section 2.D, the establishment and ongoing funding of a Capital Replacement Reserve should be a long-term goal of the Utility. To communicate the magnitude of implementing this policy over a period of five years (as an example), the revenue requirement scenarios that have been prepared by this study, both phase-in funding of the Capital Replacement Reserve. This funding level is equivalent to the annual depreciation expense, which is estimated to be fully funded by the end of Fiscal Year 2016/17. Compared against projected rate revenues and other available resources, a cash deficit of over $76,000 is evident, for the current fiscal year.

Exhibit 8 compares total revenue from current sources against total cash obligations including the phased funding of a Capital Replacement Reserve. These outcomes can also be viewed in summary on Page 22 of Appendix A to this report.

(continued on following page)

Exhibit 8. Total Revenue Requirement Compared to Prevailing Revenues
Scenario 3: Phase-In of a Capital Replacement Reserve

Fiscal Year Ending	Total Revenue Requirement, All Obligations					Current Resources Including Prevailing Rates	Cash Flow Surplus (Deficit)
	Operating Expenditures	Existing Debt Service	Operating Reserve Funding	Capital Replacement Reserve Funding	Total Obligations		
2012	$645,000	$124,441	$0	$70,600	$840,041	$763,937	($76,104)
2013	$698,776	$124,414	$8,840	$90,925	$922,954	$763,130	($159,824)
2014	$693,464	$124,385	$0	$197,250	$1,015,099	$763,174	($251,925)
2015	$719,201	$124,355	$4,231	$268,896	$1,116,682	$763,455	($353,228)
2016	$745,623	$124,325	$4,343	$354,151	$1,228,443	$763,782	($464,660)

Scenario 4: Strategic Outcome – Phased in Funding of a Capital Replacement Reserve and Lease-Purchase Financing for Vehicles

As introduced in Section 3.C, the City has identified a series of projects that seek to rehabilitate or replace system infrastructure, equipment, and/or fixed assets, which total approximately $740,000 in projected future value that can be funded with a combination of sources which include existing capital reserves. There are two vehicle purchases that are listed in the Capital Improvement Program that are scheduled to take place in Fiscal Year 2012/13, which comprise approximately 47% of total capital costs over the next five years. The total cost of the two vehicles is estimated at approximately $354,000. An alternative revenue requirements scenario has been prepared by this study, which factors in lease-purchase financing for these two vehicles. The term of the financing factored into the analysis is seven years, with an annual interest cost of 4.0%, which equates to an annual payment of approximately $59,000.

Exhibit 9 compares total revenue from current sources against total cash obligations under these conditions. Under this scenario, rates will also correct the structural deficit, fund an Operating Reserve equal to 60-days of operating expenses and make an annual contribution to a Capital Replacement Reserve that is phased in to equal to the current level of depreciation. These outcomes can also be viewed in summary on Page 22 of Appendix B to this report.

Exhibit 9. Total Revenue Requirement Compared to Prevailing Revenues
Scenario 4: Phase-In of a Capital Replacement Reserve and Use of Debt Financing

Fiscal Year Ending	Total Revenue Requirement, All Obligations					Current Resources Including Prevailing Rates	Cash Flow Surplus (Deficit)
	Operating Expenditures	Existing & New Debt Service	Operating Reserve Funding	Capital Replacement Reserve Funding	Total Obligations		
2012	$645,000	$124,441	$0	$80,120	$849,561	$763,937	($85,624)
2013	$698,776	$183,356	$8,840	$53,038	$944,010	$763,130	($180,880)
2014	$693,464	$183,328	$0	$173,235	$1,050,027	$763,174	($286,853)
2015	$719,201	$183,298	$4,231	$261,473	$1,168,203	$763,455	($404,748)
2016	$745,623	$183,268	$4,343	$366,453	$1,299,688	$763,782	($535,906)

F. PROJECTED WASTEWATER RATE REVENUE

Without a reduction or deferral to the underlying expenditures and recommendations introduced in prior sections, the total revenue requirement presented in Section 3.E must be satisfied by an increase to the Utility's primary revenue source: rates paid by the customers of the wastewater system. The City's existing wastewater rate is a flat charge per month, per customer. The proposed rates sustain the prevailing rate structure as justified in the City's previous Wastewater Financial Plan simply escalates the charge consistent with the overall increase in revenue collection targeted for the implementation period.

Exhibit 10 identifies the level of rates necessary to generate the annual rate revenue required to correct the structural deficit of the Utility, fund the 60-day Operating Reserve, and phase in full funding of a Capital Replacement Reserve. Under this rate scenario, all capital projects are projected to be cash funded. Existing capital reserves coupled with the projected annual contributions, this analysis forecasts that sufficient funds will be available to fund the capital projects, without the need for debt financing, or increased contributions from user rates. In Year 1 of this forecast, the monthly sewer use fee would increase from $16.94 currently to $18.63, an increase of $1.69. By Year 5, the monthly fee would be $27.28, which results in a cumulative change over the five year period, of $10.34.

Exhibit 10. Projected Wastewater Rates and Revenue
Scenario 3: Phase-In of a Capital Replacement Reserve

Rate Revenue and Rates	Prevailing	Proposed Adjustments to Rates				
		2011/12	2012/13	2013/14	2014/15	2015/16
Projected Revenue from Rates	$761,100	$837,204	$920,924	$1,013,025	$1,114,328	$1,225,760
Annual Change	-	10.00%	10.00%	10.00%	10.00%	10.00%
Monthly Sewer Use Fee	$16.94	$18.63	$20.50	$22.55	$24.80	$27.28

Scenario 4: Strategic Outcome – Phased in Funding of a Capital Replacement Reserve and Lease-Purchase Financing for Vehicles

Exhibit 11 identifies the level of rates necessary to generate the annual rate revenue required to correct the structural deficit of the Utility, fund the 60-day Operating Reserve, phase in full funding of a Capital Replacement Reserve and finance the purchase of the two vehicles listed in the Capital Improvement Program, as presented in Section 3.C of this report. It is estimated that approximately $354,000 in vehicles will be purchased using a lease-purchase financing mechanism during Fiscal Year 2012/13, for a term of seven years, with an annual interest cost of 4.0%. The terms of the financing and projected annual payments can be viewed in detail on page 19 of Appendix B. All other capital projects in the City's Capital Improvement Program would be cash-funded under this rate scenario.

In Year 1 of this forecast, the monthly sewer use fee would increase from $16.94 currently to $18.85, an increase of $1.91. By Year 5, the monthly fee would be $28.87, which results in a cumulative change over the five year period, of $11.93. In the fifth year of the forecast, the monthly sewer use fee would be just $1.59 higher in this rate scenario, than in Scenario 3.

Exhibit 11. Projected Wastewater Rates and Revenue
Scenario 4: Phase-In of a Capital Replacement Reserve and Use of Debt Financing

Rate Revenue and Rates	Prevailing	Proposed Adjustments to Rates				
		2011/12	2012/13	2013/14	2014/15	2015/16
Projected Revenue from Rates	$761,100	$846,724	$941,980	$1,047,953	$1,165,848	$1,297,006
Annual Change	-	11.25%	11.25%	11.25%	11.25%	11.25%
Monthly Sewer Use Fee	$16.94	$18.85	$20.97	$23.32	$25.95	$28.87

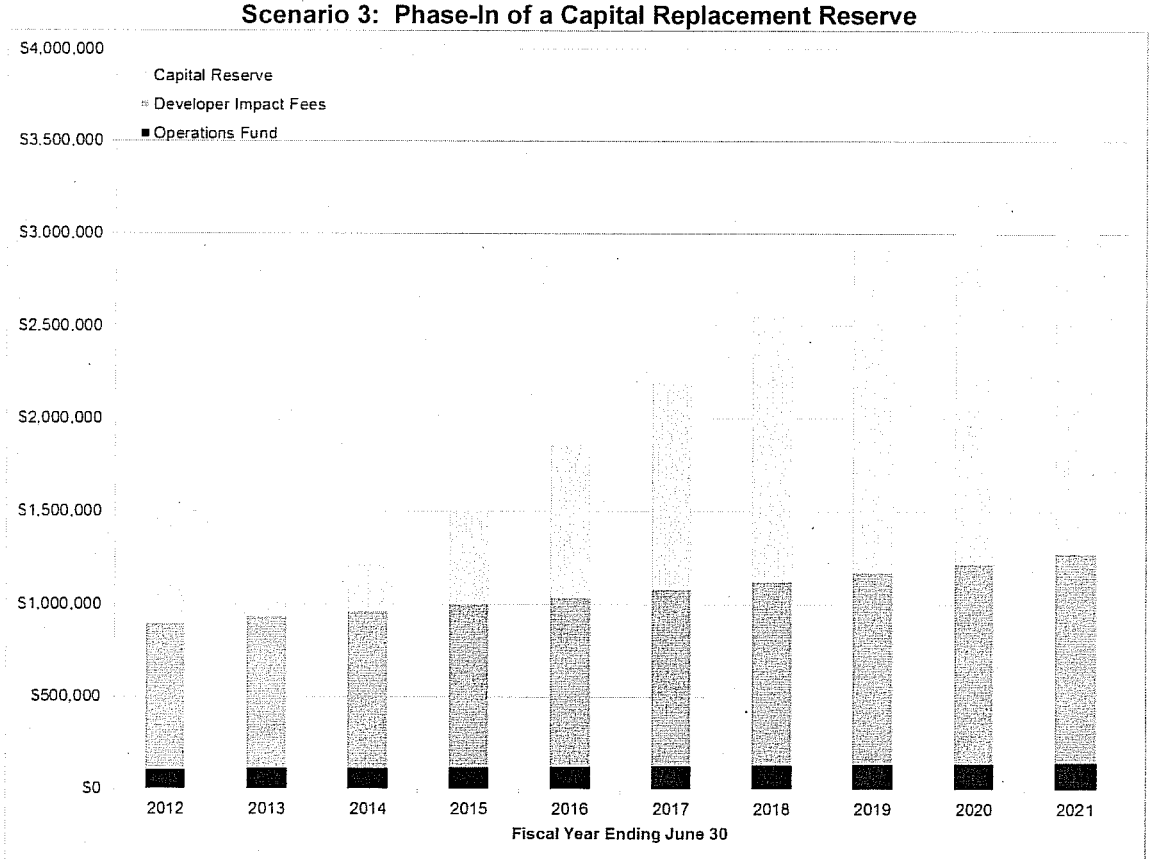
G. CASH FLOW PERFORMANCE AFTER PROJECTED RATE REVENUE

Under the projected wastewater rates introduced above in Section 3.F, increased revenue has a positive effect on the cash flow projection for the Utility.

Scenario 3: Phase-In of a Capital Replacement Reserve

Exhibit 12 illustrates the total cash balance across all funds by fiscal year assuming a phase-in of full funding for a Capital Replacement Reserve. In addition to eliminating the structural deficit and meeting the 60-day Operating Reserve described in Section 2.D; a cash resource is accumulated and available for future investments in the infrastructure and fixed assets of the wastewater system that will be phased in to equal the current level of depreciation.

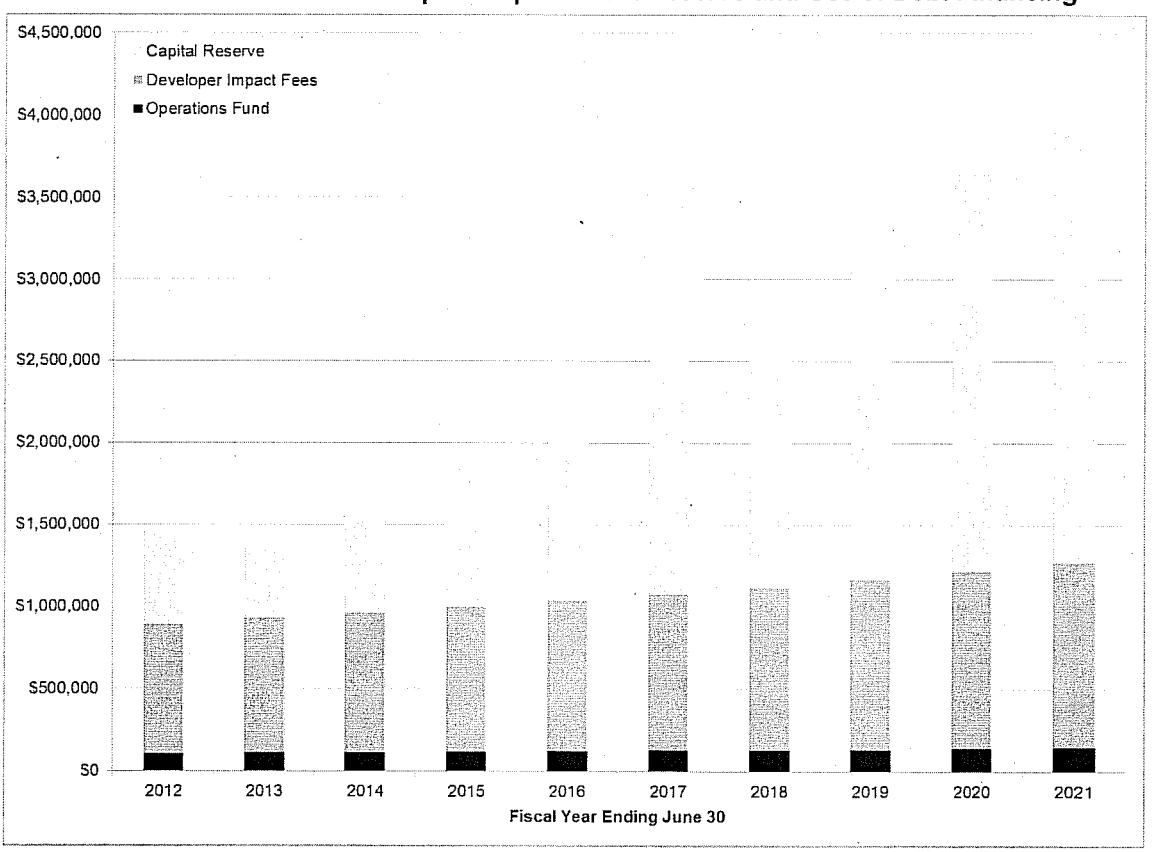
Exhibit 12. Cash Flow Performance After Projected Rates
Scenario 3: Phase-In of a Capital Replacement Reserve



Scenario 4: Strategic Outcome – Phased in Funding of a Capital Replacement Reserve and Lease-Purchase Financing for Vehicles

Exhibit 13 illustrates the total cash balance across all funds by fiscal year assuming a phase-in of full funding for a Capital Replacement Reserve and that the two vehicles listed in the Capital Improvement Program will be financed, as described in Section 3.E. The structural deficit will also be eliminated, the 60-day Operating Reserve will be funded and as described in Section 2.D; a cash resource will be accumulated and available for future investments in the infrastructure and fixed assets of the wastewater system that will be phased in to equal the current level of depreciation, once full funding is achieved in Fiscal Year 2016/17.

Exhibit 13. Cash Flow Performance After Projected Rates
Scenario 4: Phase-In of a Capital Replacement Reserve and Use of Debt Financing



SECTION 4. RECOMMENDATIONS AND IMPLEMENTATION

A. CONSULTANT RECOMMENDATIONS

NBS recommends that the City of Greenfield pursue implementation of wastewater rates consistent with Scenario 3 or 4 wherein:

- The current structural deficit of the Utility is resolved fully.
- The 60-day Operating Reserve requirement is fulfilled by the end of the first year.
- Annual funding of a Capital Replacement Reserve will be phased in to equal the annual depreciation expense.
- All capital projects listed in the Capital Improvement Program for the Utility are fully funded, whether it is strictly from cash reserves (Scenario 3) or from a combination of cash reserves and debt financing (Scenario 4).

This yields the rates listed in Exhibits 10 and 11, with the monthly sewer use rising steadily over five years to $27.28 under Scenario 3, or to $28.87 under Scenario 4, compared to $16.94 currently. This level of rates not only seeks to immediately eliminate the structural deficit for the Utility, but also, minimum and *equitable* funding of infrastructure rehabilitation and replacement by each generation of customers.

B. IMPLEMENTATION ACTIONS

At this juncture, NBS recommends proceeding with efforts to implement the projected wastewater rates by approving one of the Financial Plans (rate scenarios) for the Utility and proceed with the legal requirements to put new rates in place, by initiating California's Proposition 218 Procedures, which consists of the following steps:

1. Schedule a Public Hearing for no earlier than February 14th, 2012 *(45-day noticing period required).*

2. Direct City Staff to mail a public notice that describes the proposed changes to wastewater rates.

3. Receive any written protests form utility customers and/or property owners.

4. After the Public Hearing, conduct a vote of the City Council to adopt the new rates.

5. New rates will become effective 30 days after the Public Hearing.

TECHNICAL APPENDICES

The following Appendices show the detail of the Revenue Requirements analysis, for the two scenarios presented in this report for the Wastewater Utility.

APPENDIX A

Wastewater Revenue Requirements Analysis, Scenario 3
Phase-In of a Capital Replacement Reserve

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Operating Income and Expenses
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute
General Note: All year labels should be read as "the fiscal year ending June 30, [year label]. For example, "2012" refers to the 2011/2012 fiscal year.

EXHIBIT 1

Scenario 3: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve

FORECASTING ASSUMPTIONS:

Economic Variables	2012	2013	2014	2015	2016	2017	2018	2019	2020
1 Customer Growth (1)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 General Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 Labor Cost Inflation	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
4 General Cost Inflation plus Customer Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5 Energy Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
6 No Escalation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7 Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Rate Revenue Policy	2012	2013	2014	2015	2016	2017	2018	2019	2020
8 Adopted Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Rate Increase plus Customer Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

OPERATING REVENUE FORECAST (2):

Operating Revenue	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
40100 Interest Income (3)	Ref Ex 5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
40200 Market Rate Adjustment	6	-	-	-	-	-	-	-	-	-
40800 Rental Income	6	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
42100 Sewer User Fees	6	761,100	761,100	761,100	761,100	761,100	761,100	761,100	761,100	761,100
47200 Other Revenue	6	-	-	-	-	-	-	-	-	-
Total: Operating Revenue		**$ 762,600**	**$ 762,600**	**$ 762,600**	**$ 762,600**	**$ 762,600**	**$ 762,600**	**$ 762,600**	**$ 762,600**	**$ 762,600**

Sewer Impact Fee Fund Revenues	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
40100 Interest Income (3)	Ref Ex 5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
33600 Grant	6	-	-	-	-	-	-	-	-	-
47500 Loan Proceeds	6	-	-	-	-	-	-	-	-	-
42000 Impact Fees	6	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total: Impact Fee Fund Revenue		**$ -**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**

Rate Revenue	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**
Impact Fees	**$ -**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**
Other Operating Revenue	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**

CITY OF GREENFIED
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EXHIBIT 1

Scenario 3: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve

OPERATING EXPENSE FORECAST (2):

Employee Services	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
50100 Full Time Regular	3	$ 115,200	$ 119,808	$ 124,600	$ 129,584	$ 134,768	$ 140,158	$ 145,765	$ 151,595	$ 157,659
50110 Part Time	3	-	-	-	-	-	-	-	-	-
50150 Overtime	3	7,100	7,384	7,679	7,987	8,306	8,638	8,984	9,343	9,717
Employee Benefits	3	53,700	55,848	58,082	60,405	62,821	65,334	67,948	70,666	73,492
N/A Additional Staffing Needs (4)	3	62,100	64,584	67,167	69,854	72,648	75,554	78,576	81,719	84,988
Total: Employee Services		**$ 238,100**	**$ 247,624**	**$ 257,529**	**$ 267,830**	**$ 278,543**	**$ 289,685**	**$ 301,272**	**$ 313,323**	**$ 325,856**

Maintenance & Operations	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
60100 Contractual Services	2	$ 35,600	$ 36,668	$ 37,768	$ 38,901	$ 40,068	$ 41,270	$ 42,508	$ 43,784	$ 45,097
60200 Financial Consultant	2	-	-	-	-	-	-	-	-	-
55600 Uniform Allowances	2	1,900	1,957	2,016	2,076	2,138	2,203	2,269	2,337	2,407
60600 Insurance	2	900	927	955	983	1,013	1,043	1,075	1,107	1,140
65100 Office Supplies	2	500	515	530	546	563	580	597	615	633
65120 Postage	2	100	103	106	109	113	116	119	123	127
65200 Special Supplies/Services	2	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800
65210 Advertising	2	500	515	530	546	563	580	597	615	633
65220 Maintenance & Operations - Equipment	2	13,100	13,493	13,898	14,315	14,744	15,186	15,642	16,111	16,595
65230 Memberships & Dues	2	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267
65235 Education	2	3,100	3,193	3,289	3,387	3,489	3,594	3,702	3,813	3,927
65240 Travel, Meetings & Conferences	2	400	412	424	437	450	464	478	492	507
65300 Publications	2	100	103	106	109	113	116	119	123	127
65310 Small Tools	2	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520
Maintenances - Storm Drain	2	-	-	-	-	-	-	-	-	-
65330 Maintenance - Alleys & Streets	2	-	-	-	-	-	-	-	-	-
70100 Gas & Oil	5	16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268
70200 Maintenance & Operations - Vehicles	2	6,500	6,695	6,896	7,103	7,316	7,535	7,761	7,994	8,234
75100 Utilities	5	51,600	53,148	54,742	56,385	58,076	59,819	61,613	63,461	65,365
75200 Communications	2	3,300	3,399	3,501	3,606	3,714	3,826	3,940	4,059	4,180
75500 Maintenance & Operations - Bldgs/Grounds	2	4,600	4,738	4,880	5,027	5,177	5,333	5,493	5,657	5,827
75900 Depreciation	See Below	-	-	-	-	-	-	-	-	-
75700 Property Taxes	2	4,700	4,841	4,986	5,136	5,290	5,449	5,612	5,780	5,954
90360 Federal Stimulus	2	-	-	-	-	-	-	-	-	-
95300 County Collection Fees	2	7,100	7,313	7,532	7,758	7,991	8,231	8,478	8,732	8,994
99500 Community Promotion	2	-	-	-	-	-	-	-	-	-
99800 Allocated Overhead (5)	3	244,900	254,696	264,884	275,479	286,498	297,958	309,877	322,272	335,163
Total: Maintenance & Operations		**$ 400,100**	**$ 414,552**	**$ 429,536**	**$ 445,070**	**$ 461,177**	**$ 477,878**	**$ 495,194**	**$ 513,148**	**$ 531,765**

Debt Service	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
95100 Principal Retirement	Ref Ex 4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
95200 Interest Expense	Ref Ex 4	-	-	-	-	-	-	-	-	-
95300 Paying Agent Fees (6)	6	6,800	6,600	6,400	6,300	5,903	5,713	5,517	5,314	5,106
Total: Debt Service		**$ 6,800**	**$ 6,600**	**$ 6,400**	**$ 6,300**	**$ 5,903**	**$ 5,713**	**$ 5,517**	**$ 5,314**	**$ 5,106**

Capital Outlay	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
90100 Operating Equipment	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total: Maintenance & Operations		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

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EXHIBIT 1

Scenario 3: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve

Additional Expenditure from CIP Projects	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Operations and Maintenance Expenditure	Ref Ex 2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Expenditures to Implement FOG Program:										
Education Program	6	-	20,000	-	-	-	-	-	-	-
Legal Fees to Implement Ordinance	6	-	10,000	-	-	-	-	-	-	-
Total: Additional Expenditure from CIP Projects		$ -	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Grand Total: Operating Expenses	$ 645,000	$ 698,776	$ 693,464	$ 719,201	$ 745,623	$ 773,275	$ 801,983	$ 831,786	$ 862,727

DEPRECIATION EXPENSE FORECAST:

Depreciation Expense	2012	2013	2014	2015	2016	2017	2018	2019	2020
Existing Depreciation Expense (7):	$ 315,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000
Forecasted Additions to the Depreciation Expense:									
Depreciation Exp. for Projects in Current CIP Budget	3,189	52,450	55,780	58,653	59,843	62,764	65,788	68,920	72,162
Depreciation Exp. for Projects to Serve Future Development	22,603	58,039	84,518	118,313	154,869	190,932	228,559	255,631	780,115
Grand Total: Annual Depreciation Expense	$ 340,792	$ 425,489	$ 455,298	$ 491,966	$ 529,712	$ 568,696	$ 609,348	$ 639,550	$ 1,167,277

REPLACEMENT RESERVE FUNDING ASSUMPTIONS:

Policy Choice	Input	2012	2013	2014	2015	2016	2017	2018	2019	2020
1 No Depreciation Funding	N/A	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2 Total Annual Depreciation Expense	N/A	340,792	425,489	455,298	491,966	529,712	568,696	609,348	639,550	1,167,277
3 Annual Depreciation Expense + Current CIP	N/A	318,189	367,450	370,780	373,653	374,843	377,764	380,788	383,920	387,162
4 Current Level of Depreciation	N/A	315,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000
5 Amount at Right	N/A	70,600	88,867	197,250	268,896	354,151	377,764	380,788	383,920	387,162

Replacement Reserve Funding Choice	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
Effective Annual Funding Amount (8)	5	$ 70,600	$ 88,867	$ 197,250	$ 268,896	$ 354,151	$ 377,764	$ 380,788	$ 383,920	$ 387,162

(1) Per consultation with City Staff, the Customer Growth Rate is set to 0%.
(2) The source of the Fiscal Year 2011/12 estimated Operating Revenue and Expenses is the City's Four Year Financial Plan. Inflationary factors are applied to costs in FY 2012/13 and beyond.
(3) Budgeted Interest Earnings were zeroed out here because they are calculated in Exhibit 5 (Reserves) of this model.
(4) Per direction from City Staff, the additional personnel services are to meet deferred maintenance needs and SWRCB requirements. The value provided by City Staff was entered for the first four years of the analysis and escalated by labor cost inflation beginning in FY 2012/13.
(5) Allocated Overhead includes the Utility Billing Expense. For Fiscal Year 2011/12, the total cost is $244,900, which is the budgeted amount of $174,400, plus the amount allocated to the Sewer Utility, of $70,500.
(6) Paying Agent Fees for Fiscal Years 2011/12 to 2014/15 are from City's Four Year Financial Plan, however it appears that the 2014/15 fees are erroneously reported as $63,000 instead of $6,300. Paying Agent fees for all future years are from the loan amortization schedule.
(7) The existing depreciation expense is reported in the Four Year Financial Plan for Fiscal Year 2011/12 to 2014/15.
(8) In this iteration of the analysis, the Capital Replacement Reserve funding is being phased in to equal the current level of depreciation for the utility, plus the expense that would be added for projects in the current CIP. Full funding of this level of depreciation is achieved in Fiscal Year 2016/17.

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Capital Improvement Plan Expenditures
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute

EXHIBIT 2

Scenario 3: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve

FORECASTING ASSUMPTIONS:

Economic Variables	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Construction Cost Inflation (1)	3.54%	3.54%	3.54%	3.54%	3.54%	3.54%	3.54%	3.54%	3.54%
Cumulative Construction Cost Multiplier from 2012	1.04	1.07	1.11	1.15	1.19	1.23	1.28	1.32	1.37
Annual General Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

CAPITAL IMPROVEMENT PROGRAM:

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Soledad Sewer Trunk Line Study	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replace WWTP Perimeter Fencing	$ 11,300	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Install CL Gates	$ 9,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Video Truck	$ -	$ 130,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Router Truck	$ -	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ 6,300	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Roof Replacement (2)	$ -	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Door Replacement (2)	$ -	$ 9,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Exterior (2)	$ -	$ -	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Interior (2)	$ -	$ -	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -
Clarifier #3 Repaint Bridge Beams (2)	$ -	$ -	$ -	$ 25,000	$ -	$ -	$ -	$ -	$ -
Remove & Replace Sludge Pump #2 (2)	$ -	$ -	$ -	$ -	$ 30,000	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Placeholder Projects for 2013-2031 (4)	$ -	$ -	$ -	$ -	$ -	$ 71,120	$ 71,120	$ 71,120	$ 71,120
Total: Current Cost Estimate Per Year	**$ 61,600**	**$ 539,000**	**$ 30,000**	**$ 25,000**	**$ 30,000**	**$ 71,120**	**$ 71,120**	**$ 71,120**	**$ 71,120**

CAPITAL IMPROVEMENT PROGRAM, CONTINUED:

Projects to Serve and Be Funded by Future Development (5)

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pipelines									
8" Pine Avenue -101 West to El Camino Real	$ 66,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -101 East to Third Street	$ 120,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -Third Street East to Second Street	$ 158,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Pine Avenue South to Cherry Avenue	$ 81,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Pine Avenue South to Cherry Avenue	$ 108,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Third Street East to Second Street	$ -	$ 158,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cherry Avenue South to Walnut Avenue	$ -	$ 105,600	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue - Third Street East to Second Street	$ -	$ 158,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ -	$ -	$ 240,000	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ 79,200	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ 79,200	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ 216,000	$ -	$ -	$ -	$ -	$ -	$ -
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ 79,200	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ 158,400	$ -	$ -	$ -	$ -	$ -
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ -	$ -	$ -	$ 158,400	$ -	$ -	$ -	$ -	$ -
8" Cypress Avenue - Freeway East to Second Avenue	$ -	$ -	$ -	$ 282,000	$ -	$ -	$ -	$ -	$ -
8" Third Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 79,200	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 79,200	$ -	$ -	$ -	$ -	$ -
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ -	$ -	$ -	$ -	$ 432,000	$ -	$ -	$ -	$ -
12" Apple Avenue - El Camino Real to Freeway	$ -	$ -	$ -	$ -	$ 175,000	$ -	$ -	$ -	$ -
8" Elm Avenue Southerly to SOI	$ -	$ -	$ -	$ -	$ 282,000	$ -	$ -	$ -	$ -
8" Westerly SOI to Easterly SOI	$ -	$ -	$ -	$ -	$ -	$ 456,000	$ -	$ -	$ -
6" Pump Station to Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ 375,000	$ -	$ -	$ -
12" Pipeline 31 to 2nd Street	$ -	$ -	$ -	$ -	$ -	$ -	$ 510,000	$ -	$ -
6" 2nd Street - Elm Avenue to SOI Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ 330,000	$ -	$ -
Pump Stations									
New Pump Station at end of Pipeline 22	$ -	$ 350,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at end of Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 300,000	$ -
New Pump Station at Elm and Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Expansion									
Property Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,750,000
1 MGD Primary Clarifiers and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30 Foot Diameter Digester	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge and Scum Pump Building, including pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Secondary Lagoons	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Floating Aeration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Piping and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Distribution System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,000 AMP Electrical Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electrical and Control	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge Drying Beds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Reclamation Treatment Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Capital Expenses for Projects									
Administration, Engineering and Contingencies (6)	$ 339,791	$ 339,791	$ 339,791	$ 339,791	$ 339,791	$ 339,791	$ 339,791	$ 339,791	$ 339,791
Total: Current Cost Estimate Per Year	**$ 873,191**	**$ 1,112,191**	**$ 954,191**	**$ 1,176,191**	**$ 1,228,791**	**$ 1,170,791**	**$ 1,179,791**	**$ 639,791**	**$ 4,089,791**
Grand Total: Current Cost Estimate Per Year	**$ 934,791**	**$ 1,651,191**	**$ 984,191**	**$ 1,201,191**	**$ 1,258,791**	**$ 1,241,911**	**$ 1,250,911**	**$ 710,911**	**$ 4,160,911**

FORECASTED CAPITAL IMPROVEMENT PROGRAM COSTS:

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Soledad Sewer Trunk Line Study	$ 36,239	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replace WWTP Perimeter Fencing	$ 11,700	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Install CL Gates	$ 9,319	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Video Truck	$ -	$ 139,367	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Router Truck	$ -	$ 214,411	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ 6,523	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Roof Replacement (2)	$ -	$ 160,808	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Door Replacement (2)	$ -	$ 9,648	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Exterior (2)	$ -	$ -	$ 16,650	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Interior (2)	$ -	$ -	$ 16,650	$ -	$ -	$ -	$ -	$ -	$ -
Clarifier #3 Repaint Bridge Beams (2)	$ -	$ -	$ -	$ 28,732	$ -	$ -	$ -	$ -	$ -
Remove & Replace Sludge Pump #2 (2)	$ -	$ -	$ -	$ -	$ 35,699	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ 26,801	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ 26,801	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Placeholder Projects for 2013-2031 (4)	$ -	$ -	$ -	$ -	$ -	$ 87,628	$ 90,730	$ 93,941	$ 97,267
Total: Future Cost Estimate Per Year	**$ 63,781**	**$ 577,837**	**$ 33,300**	**$ 28,732**	**$ 35,699**	**$ 87,628**	**$ 90,730**	**$ 93,941**	**$ 97,267**

FORECASTED CAPITAL IMPROVEMENT PROGRAM COSTS, CONTINUED:

Projects to Serve and Be Funded by Future Development (3)

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pipelines									
8" Pine Avenue -101 West to El Camino Real	$ 68,336	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -101 East to Third Street	$ 124,248	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -Third Street East to Second Street	$ 164,007	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Pine Avenue South to Cherry Avenue	$ 83,867	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Pine Avenue South to Cherry Avenue	$ 111,823	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Third Street East to Second Street	$ -	$ 169,813	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cherry Avenue South to Walnut Avenue	$ -	$ 113,209	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue - Third Street East to Second Street	$ -	$ 169,813	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ -	$ -	$ 266,401	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ 87,912	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ 87,912	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ 239,761	$ -	$ -	$ -	$ -	$ -	$ -
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ 91,024	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ 182,049	$ -	$ -	$ -	$ -	$ -
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ -	$ -	$ -	$ 182,049	$ -	$ -	$ -	$ -	$ -
8" Cypress Avenue - Freeway East to Second Avenue	$ -	$ -	$ -	$ 324,102	$ -	$ -	$ -	$ -	$ -
8" Third Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 91,024	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 91,024	$ -	$ -	$ -	$ -	$ -
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ -	$ -	$ -	$ -	$ 514,073	$ -	$ -	$ -	$ -
12" Apple Avenue - El Camino Real to Freeway	$ -	$ -	$ -	$ -	$ 208,247	$ -	$ -	$ -	$ -
8" Elm Avenue Southerly to SOI	$ -	$ -	$ -	$ -	$ 335,575	$ -	$ -	$ -	$ -
8" Westerly SOI to Easterly SOI	$ -	$ -	$ -	$ -	$ -	$ 561,841	$ -	$ -	$ -
6" Pump Station to Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ 462,041	$ -	$ -	$ -
12" Pipeline 31 to 2nd Street	$ -	$ -	$ -	$ -	$ -	$ -	$ 650,620	$ -	$ -
6" 2nd Street - Elm Avenue to SOI Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ 420,989	$ -	$ -
Pump Stations									
New Pump Station at end of Pipeline 22	$ -	$ 375,219	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at end of Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 396,266	$ -
New Pump Station at Elm and Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Expansion									
Property Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,128,670
1 MGD Primary Clarifiers and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30 Foot Diameter Digester	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge and Scum Pump Building, including pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Secondary Lagoons	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Floating Aeration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Piping and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Distribution System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,000 AMP Electrical Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electrical and Control	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge Drying Beds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Reclamation Treatment Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Capital Expenses for Projects									
Administration, Engineering and Contingencies (6)	$ 351,819	$ 364,273	$ 377,169	$ 390,521	$ 404,345	$ 418,659	$ 433,479	$ 448,824	$ 464,713
Total: Future Cost Estimate Per Year	**$ 904,101**	**$ 1,192,327**	**$ 1,059,155**	**$ 1,351,793**	**$ 1,462,240**	**$ 1,442,541**	**$ 1,505,088**	**$ 845,090**	**$ 5,593,382**
Grand Total: Future Cost Estimate Per Year	**$ 967,882**	**$ 1,770,164**	**$ 1,092,455**	**$ 1,380,526**	**$ 1,497,939**	**$ 1,530,169**	**$ 1,595,818**	**$ 939,032**	**$ 5,690,649**

CAPITAL PROJECT DATA:

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget

Project Description	Future Cost Estimate	Completion Year	Annual O&M Impact ($)	Useful Life (Years)	For Capacity Fee/Impact Fee Calculation and Reserve Segregation Only: For Existing Needs (%)	For Future Needs (%)	Basis / Note
Soledad Sewer Trunk Line Study	$ 36,239	2012	$ -	20	100%	0%	N/A
Replace WWTP Perimeter Fencing	$ 11,700	2012	$ -	20	100%	0%	N/A
Install CL Gates	$ 9,319	2012	$ -	20	100%	0%	N/A
Purchase Video Truck	$ 139,367	2013	$ -	10	100%	0%	N/A
Purchase Router Truck	$ 214,411	2013	$ -	10	100%	0%	N/A
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ 6,523	2012	$ -	20	100%	0%	N/A
Control Building - Roof Replacement (2)	$ 160,808	2013	$ -	20	100%	0%	N/A
Control Building - Door Replacement (2)	$ 9,648	2013	$ -	20	100%	0%	N/A
Control Building - Paint Exterior (2)	$ 16,650	2014	$ -	10	100%	0%	N/A
Control Building - Paint Interior (2)	$ 16,650	2014	$ -	10	100%	0%	N/A
Clarifier #3 Repaint Bridge Beams (2)	$ 28,732	2015	$ -	10	100%	0%	N/A
Remove & Replace Sludge Pump #2 (2)	$ 35,699	2016	$ -	30	100%	0%	N/A
Additional Equipment (3)	$ 26,801	2013	$ -	10	100%	0%	N/A
Additional Equipment (3)	$ 26,801	2013	$ -	10	100%	0%	N/A
Placeholder Projects for 2013-2031 (4)	$ 1,695,834	Recurring	$ -	30	100%	0%	N/A
Grand Total: Project Costs	**$ 2,435,184**						

CAPITAL PROJECT DATA, CONTINUED:

Projects to Serve and Be Funded by Future Development (3)

Project Description	Future Cost Estimate	Completion Year	Annual O&M Impact ($)	Useful Life (Years)	For Capacity Fee/Impact Fee Calculation and Reserve Segregation Only: For Existing Needs (%)	For Future Needs (%)	Basis / Note
Pipelines							
8" Pine Avenue -101 West to El Camino Real	$ 68,336	2012	$ -	40	0%	100%	Project will be funded by future development
8" Pine Avenue -101 East to Third Street	$ 124,248	2012	$ -	40	0%	100%	Project will be funded by future development
8" Pine Avenue -Third Street East to Second Street	$ 164,007	2012	$ -	40	0%	100%	Project will be funded by future development
8" Third Street - Pine Avenue South to Cherry Avenue	$ 83,867	2012	$ -	40	0%	100%	Project will be funded by future development
8" Second Street - Pine Avenue South to Cherry Avenue	$ 111,823	2012	$ -	40	0%	100%	Project will be funded by future development
8" Cherry Avenue - Third Street East to Second Street	$ 169,813	2013	$ -	40	0%	100%	Project will be funded by future development
8" Second Street - Cherry Avenue South to Walnut Avenue	$ 113,209	2013	$ -	40	0%	100%	Project will be funded by future development
8" Elm Avenue - Third Street East to Second Street	$ 169,813	2013	$ -	40	0%	100%	Project will be funded by future development
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ 266,401	2014	$ -	40	0%	100%	Project will be funded by future development
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ 87,912	2014	$ -	40	0%	100%	Project will be funded by future development
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ 87,912	2014	$ -	40	0%	100%	Project will be funded by future development
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ 239,761	2014	$ -	40	0%	100%	Project will be funded by future development
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ 91,024	2015	$ -	40	0%	100%	Project will be funded by future development
8" Pine Avenue - Twelfth Street East to El Camino Real	$ 182,049	2015	$ -	40	0%	100%	Project will be funded by future development
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ 182,049	2015	$ -	40	0%	100%	Project will be funded by future development
8" Cypress Avenue - Freeway East to Second Avenue	$ 324,102	2015	$ -	40	0%	100%	Project will be funded by future development
8" Third Street - Cypress Avenue to Pine Avenue	$ 91,024	2015	$ -	40	0%	100%	Project will be funded by future development
8" Second Street - Cypress Avenue to Pine Avenue	$ 91,024	2015	$ -	40	0%	100%	Project will be funded by future development
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ 514,073	2016	$ -	40	0%	100%	Project will be funded by future development
12" Apple Avenue - El Camino Real to Freeway	$ 208,247	2016	$ -	40	0%	100%	Project will be funded by future development
8" Elm Avenue Southerly to SOI	$ 335,575	2016	$ -	40	0%	100%	Project will be funded by future development
8" Westerly SOI to Easterly SOI	$ 561,841	2017	$ -	40	0%	100%	Project will be funded by future development
6" Pump Station to Pipeline 24	$ 462,041	2017	$ -	40	0%	100%	Project will be funded by future development
12" Pipeline 31 to 2nd Street	$ 650,620	2018	$ -	40	0%	100%	Project will be funded by future development
6" 2nd Street - Elm Avenue to SOI Pump Station	$ 420,989	2018	$ -	40	0%	100%	Project will be funded by future development
Pump Stations							
New Pump Station at end of Pipeline 22	$ 375,219	2013	$ -	25	0%	100%	Project will be funded by future development
New Pump Station at end of Pipeline 24	$ 396,266	2019	$ -	25	0%	100%	Project will be funded by future development
New Pump Station at Elm and Second Street	$ 392,958	2024	$ -	25	0%	100%	Project will be funded by future development
Wastewater Treatment Plant Expansion							
Property Acquisition	$ 5,128,670	2020	$ -	10	0%	100%	Project will be funded by future development
1 MGD Primary Clarifiers and Appurtenances	$ 1,132,848	2021	$ -	30	0%	100%	Project will be funded by future development
30 Foot Diameter Digester	$ 586,475	2022	$ -	40	0%	100%	Project will be funded by future development
Sludge and Scum Pump Building, including pumps	$ 455,427	2023	$ -	30	0%	100%	Project will be funded by future development
Secondary Lagoons	$ 2,527,631	2026	$ -	40	0%	100%	Project will be funded by future development
Floating Aeration System	$ 293,238	2022	$ -	30	0%	100%	Project will be funded by future development
Site Piping and Appurtenances	$ 293,238	2022	$ -	40	0%	100%	Project will be funded by future development
Spray Irrigation Pump Station	$ 303,618	2023	$ -	30	0%	100%	Project will be funded by future development
Spray Irrigation Distribution System	$ 943,099	2024	$ -	30	0%	100%	Project will be funded by future development
1,000 AMP Electrical Service	$ 219,928	2022	$ -	25	0%	100%	Project will be funded by future development
Electrical and Control	$ 379,523	2023	$ -	25	0%	100%	Project will be funded by future development
Sludge Drying Beds	$ 303,618	2023	$ -	40	0%	100%	Project will be funded by future development
Wastewater Reclamation Treatment Facility	$ 9,352,267	2029	$ -	40	0%	100%	Project will be funded by future development
Additional Capital Expenses for Projects							
Administration, Engineering and Contingencies (6)	$ 9,990,325	Recurring	$ -	40	0%	100%	Project will be funded by future development
Grand Total: Project Costs	**$ 38,876,111**						

FORECASTED O&M IMPACTS FROM CAPITAL PROJECTS:

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Soledad Sewer Trunk Line Study									
Replace WWTP Perimeter Fencing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Install CL Gates	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Video Truck	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Router Truck	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Roof Replacement (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Door Replacement (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Exterior (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Interior (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Clarifier #3 Repaint Bridge Beams (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remove & Replace Sludge Pump #2 (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Placeholder Projects for 2013-2031 (4)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total: Additional Annual O&M Expense	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

FORECASTED O&M IMPACTS FROM CAPITAL PROJECTS, CONTINUED:

Projects to Serve and Be Funded by Future Development (3)

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pipelines									
8" Pine Avenue -101 West to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -101 East to Third Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -Third Street East to Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Third Street East to Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cherry Avenue South to Walnut Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue - Third Street East to Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cypress Avenue - Freeway East to Second Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12" Apple Avenue - El Camino Real to Freeway	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue Southerly to SOI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Westerly SOI to Easterly SOI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Pump Station to Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12" Pipeline 31 to 2nd Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" 2nd Street - Elm Avenue to SOI Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pump Stations									
New Pump Station at end of Pipeline 22	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at end of Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at Elm and Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Expansion									
Property Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1 MGD Primary Clarifiers and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30 Foot Diameter Digester	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge and Scum Pump Building, including pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Secondary Lagoons	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Floating Aeration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Piping and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Distribution System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,000 AMP Electrical Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electrical and Control	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge Drying Beds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Reclamation Treatment Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Capital Expenses for Projects									
Administration, Engineering and Contingencies (6)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total: Additional Annual O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total: Additional Annual O&M Expense, all projects	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

ADDITIONAL DEPRECIATION LIABILITY FROM PROJECTS:

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Soledad Sewer Trunk Line Study	$ 1,812	$ 1,812	$ 1,812	$ 1,812	$ 1,812	$ 1,812	$ 1,812	$ 1,812	$ 1,812
Replace WWTP Perimeter Fencing	$ 585	$ 585	$ 585	$ 585	$ 585	$ 585	$ 585	$ 585	$ 585
Install CL Gates	$ 466	$ 466	$ 466	$ 466	$ 466	$ 466	$ 466	$ 466	$ 466
Purchase Video Truck	$ -	$ 13,937	$ 13,937	$ 13,937	$ 13,937	$ 13,937	$ 13,937	$ 13,937	$ 13,937
Purchase Router Truck	$ -	$ 21,441	$ 21,441	$ 21,441	$ 21,441	$ 21,441	$ 21,441	$ 21,441	$ 21,441
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ 326	$ 326	$ 326	$ 326	$ 326	$ 326	$ 326	$ 326	$ 326
Control Building - Roof Replacement (2)	$ -	$ 8,040	$ 8,040	$ 8,040	$ 8,040	$ 8,040	$ 8,040	$ 8,040	$ 8,040
Control Building - Door Replacement (2)	$ -	$ 482	$ 482	$ 482	$ 482	$ 482	$ 482	$ 482	$ 482
Control Building - Paint Exterior (2)	$ -	$ -	$ 1,665	$ 1,665	$ 1,665	$ 1,665	$ 1,665	$ 1,665	$ 1,665
Control Building - Paint Interior (2)	$ -	$ -	$ 1,665	$ 1,665	$ 1,665	$ 1,665	$ 1,665	$ 1,665	$ 1,665
Clarifier #3 Repaint Bridge Beams (2)	$ -	$ -	$ -	$ 2,873	$ 2,873	$ 2,873	$ 2,873	$ 2,873	$ 2,873
Remove & Replace Sludge Pump #2 (2)	$ -	$ -	$ -	$ -	$ 1,190	$ 1,190	$ 1,190	$ 1,190	$ 1,190
Additional Equipment (3)	$ -	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680
Additional Equipment (3)	$ -	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680
Placeholder Projects for 2013-2031 (4)	$ -	$ -	$ -	$ -	$ -	$ 2,921	$ 5,945	$ 9,077	$ 12,319
Total: Additional Annual Depreciation Liability	**$ 3,189**	**$ 52,450**	**$ 55,780**	**$ 58,653**	**$ 59,843**	**$ 62,764**	**$ 65,788**	**$ 68,920**	**$ 72,162**

ADDITIONAL DEPRECIATION LIABILITY FROM PROJECTS, CONTINUED:

Projects to Serve and Be Funded by Future Development (3)

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pipelines									
8" Pine Avenue -101 West to El Camino Real	$ 1,708	$ 1,708	$ 1,708	$ 1,708	$ 1,708	$ 1,708	$ 1,708	$ 1,708	$ 1,708
8" Pine Avenue -101 East to Third Street	$ 3,106	$ 3,106	$ 3,106	$ 3,106	$ 3,106	$ 3,106	$ 3,106	$ 3,106	$ 3,106
8" Pine Avenue -Third Street East to Second Street	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100
8" Third Street - Pine Avenue South to Cherry Avenue	$ 2,097	$ 2,097	$ 2,097	$ 2,097	$ 2,097	$ 2,097	$ 2,097	$ 2,097	$ 2,097
8" Second Street - Pine Avenue South to Cherry Avenue	$ 2,796	$ 2,796	$ 2,796	$ 2,796	$ 2,796	$ 2,796	$ 2,796	$ 2,796	$ 2,796
8" Cherry Avenue - Third Street East to Second Street	$ -	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245
8" Second Street - Cherry Avenue South to Walnut Avenue	$ -	$ 2,830	$ 2,830	$ 2,830	$ 2,830	$ 2,830	$ 2,830	$ 2,830	$ 2,830
8" Elm Avenue - Third Street East to Second Street	$ -	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ -	$ -	$ 6,660	$ 6,660	$ 6,660	$ 6,660	$ 6,660	$ 6,660	$ 6,660
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ 2,198	$ 2,198	$ 2,198	$ 2,198	$ 2,198	$ 2,198	$ 2,198
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ 2,198	$ 2,198	$ 2,198	$ 2,198	$ 2,198	$ 2,198	$ 2,198
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ 5,994	$ 5,994	$ 5,994	$ 5,994	$ 5,994	$ 5,994	$ 5,994
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ 2,276	$ 2,276	$ 2,276	$ 2,276	$ 2,276	$ 2,276
8" Pine Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ 4,551	$ 4,551	$ 4,551	$ 4,551	$ 4,551	$ 4,551
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ -	$ -	$ -	$ 4,551	$ 4,551	$ 4,551	$ 4,551	$ 4,551	$ 4,551
8" Cypress Avenue - Freeway East to Second Avenue	$ -	$ -	$ -	$ 8,103	$ 8,103	$ 8,103	$ 8,103	$ 8,103	$ 8,103
8" Third Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 2,276	$ 2,276	$ 2,276	$ 2,276	$ 2,276	$ 2,276
8" Second Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 2,276	$ 2,276	$ 2,276	$ 2,276	$ 2,276	$ 2,276
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ -	$ -	$ -	$ -	$ 12,852	$ 12,852	$ 12,852	$ 12,852	$ 12,852
12" Apple Avenue - El Camino Real to Freeway	$ -	$ -	$ -	$ -	$ 5,206	$ 5,206	$ 5,206	$ 5,206	$ 5,206
8" Elm Avenue Southerly to SOI	$ -	$ -	$ -	$ -	$ 8,389	$ 8,389	$ 8,389	$ 8,389	$ 8,389
8" Westerly SOI to Easterly SOI	$ -	$ -	$ -	$ -	$ -	$ 14,046	$ 14,046	$ 14,046	$ 14,046
6" Pump Station to Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ 11,551	$ 11,551	$ 11,551	$ 11,551
12" Pipeline 31 to 2nd Street	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,265	$ 16,265	$ 16,265
6" 2nd Street - Elm Avenue to SOI Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,525	$ 10,525	$ 10,525
Pump Stations									
New Pump Station at end of Pipeline 22	$ -	$ 15,009	$ 15,009	$ 15,009	$ 15,009	$ 15,009	$ 15,009	$ 15,009	$ 15,009
New Pump Station at end of Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,851	$ 15,851
New Pump Station at Elm and Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Expansion									
Property Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 512,867
1 MGD Primary Clarifiers and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30 Foot Diameter Digester	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge and Scum Pump Building, including pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Secondary Lagoons	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Floating Aeration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Piping and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Distribution System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,000 AMP Electrical Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electrical and Control	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge Drying Beds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Reclamation Treatment Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Capital Expenses for Projects									
Administration, Engineering and Contingencies (6)	$ 8,795	$ 17,902	$ 27,332	$ 37,095	$ 47,203	$ 57,670	$ 68,507	$ 79,727	$ 91,345
Total: Additional Annual Depreciation Liability	**$ 22,603**	**$ 58,039**	**$ 84,518**	**$ 118,313**	**$ 154,869**	**$ 190,932**	**$ 228,559**	**$ 255,631**	**$ 780,115**
Grand Total: Additional Annual Liability, all projects	**$ 25,792**	**$ 110,489**	**$ 140,298**	**$ 176,966**	**$ 214,712**	**$ 253,696**	**$ 294,348**	**$ 324,550**	**$ 852,277**

(1) Annual Construction Cost Inflation % is calculated by averaging the annual change in the Construction Cost Index for 2000-2010, from the Engineering News Record website.
(2) Per direction from City Staff, this project was listed in the 2009 Financial Plan prepared by Bartle Wells Associates and should be added to CIP costs.
(3) Added to CIP, per direction from City Staff.
(4) In consultation with City Staff, the cost of the placeholder projects for Fiscal Year 2016/17 and beyond is equal to the level of capital spending set for Fiscal Year 2011/12, net of vehicle expenditures, or $71,120.
In 2012-2016, the costs are set to $0 since there were additional projects added, per the 2009 Bartle Wells Financial Plan and City Staff.
(5) The capital projects that are listed here are from the 2008 Update of the Wastewater System Capital Improvement Plan and to be funded by future development.
(6) For purposes of this analysis, the Administration, Engineering and Contingency costs will be spread evenly over the 20 year period.

SUMMARY OF CAPITAL EXPENDITURES

Expenditures to Meet Existing Needs (Repair/Replace):

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget	2012	2013	2014	2015	2016	2017	2018	2019	2020
Soledad Sewer Trunk Line Study	$ 36,239	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replace WWTP Perimeter Fencing	$ 11,700	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Install CL Gates	$ 9,319	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Video Truck	$ -	$ 139,367	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Router Truck	$ -	$ 214,411	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ 6,523	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Roof Replacement (2)	$ -	$ 160,808	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Door Replacement (2)	$ -	$ 9,648	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Exterior (2)	$ -	$ -	$ 16,650	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Interior (2)	$ -	$ -	$ 16,650	$ -	$ -	$ -	$ -	$ -	$ -
Clarifier #3 Repaint Bridge Beams (2)	$ -	$ -	$ -	$ 28,732	$ -	$ -	$ -	$ -	$ -
Remove & Replace Sludge Pump #2 (2)	$ -	$ -	$ -	$ -	$ 35,699	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ 26,801	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ 26,801	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Placeholder Projects for 2013-2031 (4)	$ -	$ -	$ -	$ -	$ -	$ 87,628	$ 90,730	$ 93,941	$ 97,267
Subtotal: Expenditures for Existing Needs	**$ 63,781**	**$ 577,837**	**$ 33,300**	**$ 28,732**	**$ 35,699**	**$ 87,628**	**$ 90,730**	**$ 93,941**	**$ 97,267**

Expenditures to Meet Existing Needs (Repair/Replace):

Projects to Serve and Be Funded by Future Development (3)	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pipelines									
8" Pine Avenue -101 West to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -101 East to Third Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -Third Street East to Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Third Street East to Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cherry Avenue South to Walnut Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue - Third Street East to Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cypress Avenue - Freeway East to Second Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12" Apple Avenue - El Camino Real to Freeway	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue Southerly to SOI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Westerly SOI to Easterly SOI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Pump Station to Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12" Pipeline 31 to 2nd Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" 2nd Street - Elm Avenue to SOI Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pump Stations									
New Pump Station at end of Pipeline 22	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at end of Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at Elm and Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Expansion									
Property Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1 MGD Primary Clarifiers and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30 Foot Diameter Digester	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge and Scum Pump Building, including pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Secondary Lagoons	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Floating Aeration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Piping and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Distribution System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,000 AMP Electrical Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electrical and Control	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge Drying Beds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Reclamation Treatment Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Capital Expenses for Projects									
Administration, Engineering and Contingencies (6)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal: Expenditures for Existing Needs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total: Expenditures for Existing Needs	$ 63,781	$ 577,837	$ 33,300	$ 28,732	$ 35,699	$ 87,628	$ 90,730	$ 93,941	$ 97,267

SUMMARY OF CAPITAL EXPENDITURES, CONTINUED

Expenditures to Meet Future Needs (For Growth):

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget	2012	2013	2014	2015	2016	2017	2018	2019	2020
Soledad Sewer Trunk Line Study	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replace WWTP Perimeter Fencing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Install CL Gates	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Video Truck	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Router Truck	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Roof Replacement (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Door Replacement (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Exterior (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Interior (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Clarifier #3 Repaint Bridge Beams (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remove & Replace Sludge Pump #2 (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Placeholder Projects for 2013-2031 (4)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal: Expenditures for Future Needs	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Expenditures to Meet Future Needs (For Growth):

Projects to Serve and Be Funded by Future Development (3)	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pipelines									
8" Pine Avenue -101 West to El Camino Real	$ 68,336	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -101 East to Third Street	$ 124,248	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -Third Street East to Second Street	$ 164,007	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Pine Avenue South to Cherry Avenue	$ 83,867	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Pine Avenue South to Cherry Avenue	$ 111,823	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Third Street East to Second Street	$ -	$ 169,813	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cherry Avenue South to Walnut Avenue	$ -	$ 113,209	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue - Third Street East to Second Street	$ -	$ 169,813	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ -	$ -	$ 266,401	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ 87,912	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ 87,912	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ 239,761	$ -	$ -	$ -	$ -	$ -	$ -
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ 91,024	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ 182,049	$ -	$ -	$ -	$ -	$ -
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ -	$ -	$ -	$ 182,049	$ -	$ -	$ -	$ -	$ -
8" Cypress Avenue - Freeway East to Second Avenue	$ -	$ -	$ -	$ 324,102	$ -	$ -	$ -	$ -	$ -
8" Third Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 91,024	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 91,024	$ -	$ -	$ -	$ -	$ -
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ -	$ -	$ -	$ -	$ 514,073	$ -	$ -	$ -	$ -
12" Apple Avenue - El Camino Real to Freeway	$ -	$ -	$ -	$ -	$ 208,247	$ -	$ -	$ -	$ -
8" Elm Avenue Southerly to SOI	$ -	$ -	$ -	$ -	$ 335,575	$ -	$ -	$ -	$ -
8" Westerly SOI to Easterly SOI	$ -	$ -	$ -	$ -	$ -	$ 561,841	$ -	$ -	$ -
6" Pump Station to Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ 462,041	$ -	$ -	$ -
12" Pipeline 31 to 2nd Street	$ -	$ -	$ -	$ -	$ -	$ -	$ 650,620	$ -	$ -
6" 2nd Street - Elm Avenue to SOI Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ 420,989	$ -	$ -
Pump Stations									
New Pump Station at end of Pipeline 22	$ -	$ 375,219	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at end of Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 396,266	$ -
New Pump Station at Elm and Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Expansion									
Property Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,128,670
1 MGD Primary Clarifiers and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30 Foot Diameter Digester	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge and Scum Pump Building, including pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Secondary Lagoons	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Floating Aeration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Piping and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Distribution System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,000 AMP Electrical Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electrical and Control	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge Drying Beds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Reclamation Treatment Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Capital Expenses for Projects									
Administration, Engineering and Contingencies (6)	$ 351,819	$ 364,273	$ 377,169	$ 390,521	$ 404,345	$ 418,659	$ 433,479	$ 448,824	$ 464,713
Subtotal: Expenditures for Future Needs	$ 904,101	$ 1,192,327	$ 1,059,155	$ 1,351,793	$ 1,462,240	$ 1,442,541	$ 1,505,088	$ 845,090	$ 5,593,382
Grand Total: Expenditures for Future Needs	$ 904,101	$ 1,192,327	$ 1,059,155	$ 1,351,793	$ 1,462,240	$ 1,442,541	$ 1,505,088	$ 845,090	$ 5,593,382
Grand Total: Capital Expenditures for Existing and Future Needs	$ 967,882	$ 1,770,164	$ 1,092,455	$ 1,380,526	$ 1,497,939	$ 1,530,169	$ 1,595,818	$ 939,032	$ 5,690,649

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Capital Improvement Plan Resources and Expenditures
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute

EXHIBIT 3

Scenario 3: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve

CAPITAL IMPROVEMENT PROGRAM FUNDING OPTIONS

Policy Choice		2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Full Funding of Capital Improvement Program, at actual cost & timing	$ 967,882	$ 1,770,164	$ 1,092,455	$ 1,380,526	$ 1,497,939	$ 1,530,169	$ 1,595,818	$ 939,032	$ 5,690,649
2	Full Funding of Capital Improvement Program, at average cost & timing	2,065,565	2,065,565	2,065,565	2,065,565	2,065,565	2,065,565	2,065,565	2,065,565	2,065,565
3	50% Funding of Capital Improvement Program, at average cost & timing	1,032,782	1,032,782	1,032,782	1,032,782	1,032,782	1,032,782	1,032,782	1,032,782	1,032,782
4	No Funding of Capital Improvement Program	-	-	-	-	-	-	-	-	-
5	Funding of Only Projects Listed in Current CIP	63,781	577,837	33,300	28,732	35,699	87,628	90,730	93,941	97,267
6	Funding of Only Projects for Future Development	904,101	1,192,327	1,059,155	1,351,793	1,462,240	1,442,541	1,505,088	845,090	5,593,382
7	Other Amount at Right	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

Insert choice in box to right, based on options listed above	1

Capital Improvement Program Funding Choice	2012	2013	2014	2015	2016	2017	2018	2019	2020
Effective Annual Funding Amount	$ 967,882	$ 1,770,164	$ 1,092,455	$ 1,380,526	$ 1,497,939	$ 1,530,169	$ 1,595,818	$ 939,032	$ 5,690,649

CAPITAL FUNDING FORECAST

Funding Sources	2012	2013	2014	2015	2016	2017	2018	2019	2020
Grant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Developer Agreement Contribution	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Surplus Impact Fee Fund Balance	-	-	-	-	-	-	-	-	-
Lease-Purchase Financing	-	-	-	-	-	-	-	-	-
Revenue Bond	-	-	-	-	-	-	-	-	-
Surplus Capital Reserve	63,781	575,779	33,300	28,732	35,699	87,628	90,730	93,941	97,267
Rate Revenue	-	2,058	-	-	-	-	-	-	-
Grand Total: Funding Sources	**$ 967,882**	**$ 1,770,164**	**$ 1,092,455**	**$ 1,380,526**	**$ 1,497,939**	**$ 1,530,169**	**$ 1,595,818**	**$ 939,032**	**$ 5,690,649**

CAPITAL FUNDING SURPLUS (DEFICIENCY)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

EXISTING DEBT OBLIGATIONS:

Annual Repayment Schedules	2012	2013	2014	2015	2016	2017	2018	2019	2020
Loan Agreement No. CIEDB-B05-073:									
Principal Payment	$ 55,954	$ 57,716	$ 59,534	$ 61,410	$ 63,344	$ 65,339	$ 67,398	$ 69,521	$ 71,711
Interest Payment	68,488	66,697	64,851	62,946	60,981	58,954	56,863	54,707	52,483
Subtotal: Annual Debt Service	**$ 124,441**	**$ 124,414**	**$ 124,385**	**$ 124,355**	**$ 124,325**	**$ 124,293**	**$ 124,261**	**$ 124,228**	**$ 124,193**
Coverage Requirement (% above annual payment) (1)	10%	10%	10%	10%	10%	10%	10%	10%	10%
Reserve Requirement (total fund balance) (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bond Issue No. 2:									
Principal Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Payment	-	-	-	-	-	-	-	-	-
Subtotal: Annual Debt Service	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Coverage Requirement (% above annual payment)	0%	0%	0%	0%	0%	0%	0%	0%	0%
Reserve Requirement (total fund balance)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total: Existing Annual Debt Service	**$ 124,441**	**$ 124,414**	**$ 124,385**	**$ 124,355**	**$ 124,325**	**$ 124,293**	**$ 124,261**	**$ 124,228**	**$ 124,193**
Grand Total: Existing Annual Coverage Req.	**$ 12,444**	**$ 12,441**	**$ 12,438**	**$ 12,436**	**$ 12,432**	**$ 12,429**	**$ 12,426**	**$ 12,423**	**$ 12,419**
Grand Total: Existing Debt Reserve Target	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

NEW DEBT FINANCING ASSUMPTIONS:

Long-Term Debt Terms	Lease-Purchase Financing (3)	Revenue Bonds
Issuance Cost	0.00%	2.00%
Annual Interest Cost (%)	4.00%	5.50%
Term	7	30
Debt Reserve Funded?	No	Yes
Coverage Requirement (% above annual pmt)	0%	25%

NEW DEBT OBLIGATIONS:

Annual Repayment Schedules	2012	2013	2014	2015	2016	2017	2018	2019	2020
Lease-Purchase Financing (for vehicles)									
Principal Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Payment	-	-	-	-	-	-	-	-	-
Subtotal: Annual Debt Service	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Revenue Bonds									
Principal Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Payment	-	-	-	-	-	-	-	-	-
Subtotal: Annual Debt Service	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Grand Total: New Annual Debt Service	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Grand Total: New Annual Coverage Requirement	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Grand Total: New Debt Reserve Target	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

TOTAL DEBT SERVICE:

Annual Obligations	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Debt Service	$ 124,441	$ 124,414	$ 124,385	$ 124,355	$ 124,325	$ 124,293	$ 124,261	$ 124,228	$ 124,193
Annual Coverage Requirement	$ 12,444	$ 12,441	$ 12,438	$ 12,436	$ 12,432	$ 12,429	$ 12,426	$ 12,423	$ 12,419
Total Debt Reserve Target	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(1) The Coverage Requirement for this loan is 110%, or 10% above the annual debt service payment.
(2) Per the loan documents, there is no Debt Reserve Target for this debt issue.
(3) Terms of Lease-Purchase Financing developed in consultation with City Staff.

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
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EXHIBIT 5

Scenario 3: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve

FORECASTING ASSUMPTIONS:

Minimum Reserve Targets	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Reserve Days	60	60	60	60	60	60	60	60	60
Operating Reserve (% of Annual Operating Expenses)	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%
Capital Improvement Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Reserve	-	-	-	-	-	-	-	-	-

Economic Variables	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Interest Earnings Rate (1)	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%

CASH FLOW FORECAST BY TYPE OF RESERVE:

Operations Fund	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Balance (2)	$ 267,495	$ 106,027	$ 114,867	$ 113,994	$ 118,225	$ 122,568	$ 127,114	$ 131,833	$ 136,732
Plus: Net Cash Flow (After Rate Increases)	70,600	97,707	197,250	273,127	358,494	382,310	385,507	388,819	392,248
Less: Transfer of Surplus Cash to the Capital Reserve	(232,068)	(88,867)	(198,123)	(268,896)	(354,151)	(377,764)	(380,788)	(383,920)	(387,162)
Subtotal: Ending Cash Balance	**106,027**	**114,867**	**113,994**	**118,225**	**122,568**	**127,114**	**131,833**	**136,732**	**141,818**
Less: Minimum Operating Reserve Target	(106,027)	(114,867)	(113,994)	(118,225)	(122,568)	(127,114)	(131,833)	(136,732)	(141,818)
Cash Surplus (Deficiency)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Capital Replacement Reserve Fund	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Balance (2)	$ 405,464	$ 575,779	$ 91,746	$ 257,027	$ 499,119	$ 822,561	$ 1,122,980	$ 1,429,883	$ 1,744,884
Plus: Grant Proceeds	-	-	-	-	-	-	-	-	-
Plus: Net Debt Proceeds	-	-	-	-	-	-	-	-	-
Plus: New Development Contributions	901,101	1,092,927	1,089,155	1,351,793	1,482,220	1,[illegible]	1,505,085	1,5[illegible]	1,[illegible]
Plus: Transfer of Operating Reserve Surplus	232,068	88,867	198,123	268,896	354,151	377,764	380,788	383,920	387,162
Plus: Interest Earnings	2,027	2,879	459	1,928	4,991	10,282	16,845	25,023	34,898
Plus: Transfer of Debt Reserve Surplus	-	-	-	-	-	-	-	-	-
Less: Capital Projects Funded by Capital Reserve Balance	(967,882)	(1,768,106)	(1,092,455)	(1,380,526)	(1,497,939)	(1,530,169)	(1,595,818)	(939,032)	(5,690,649)
Subtotal: Ending Cash Balance	**$ 575,779**	**$ 91,746**	**$ 257,027**	**$ 499,119**	**$ 822,561**	**$ 1,122,980**	**$ 1,429,883**	**$ 1,744,884**	**$ 2,069,677**
Less: Minimum Capital Improvement Fund Reserve Target	-	-	-	-	-	-	-	-	-
Cash Surplus (Deficiency)	**$ 575,779**	**$ 91,746**	**$ 257,027**	**$ 499,119**	**$ 822,561**	**$ 1,122,980**	**$ 1,429,883**	**$ 1,744,884**	**$ 2,069,677**

Developer Impact Fee Fund	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Balance (3)	$ 786,500	$ 790,433	$ 819,385	$ 848,482	$ 879,845	$ 913,644	$ 950,064	$ 989,315	$ 1,031,628
Plus: Interest Earnings	3,933	3,952	4,097	6,364	8,798	11,421	14,251	17,313	20,633
Plus: Developer Impact Fees/Connection Fees Revenue	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Less: Capital Projects Funded	-	-	-	-	-	-	-	-	-
Subtotal: Ending Cash Balance	**$ 790,433**	**$ 819,385**	**$ 848,482**	**$ 879,845**	**$ 913,644**	**$ 950,064**	**$ 989,315**	**$ 1,031,628**	**$ 1,077,261**
Cash Surplus (Deficiency)	**$ 790,433**	**$ 819,385**	**$ 848,482**	**$ 879,845**	**$ 913,644**	**$ 950,064**	**$ 989,315**	**$ 1,031,628**	**$ 1,077,261**

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Wastewater Revenue Requirement Analysis
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EXHIBIT 5

Scenario 3: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve

Debt Reserves	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Balance (4)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plus: Reserve Funding from New Debt Obligations	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	-	-	-	-	-	-	-	-	-
Less: Transfer of Surplus Cash to Capital Reserve	-	-	-	-	-	-	-	-	-
Subtotal: Ending Cash Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Minimum Debt Reserve Target	-	-	-	-	-	-	-	-	-
Cash Surplus (Deficiency)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TOTAL CASH RESERVES:

All Reserves	2012	2013	2014	2015	2016	2017	2018	2019	2020
Ending Cash Balance in All Reserves	$ 1,472,238	$ 1,025,998	$ 1,219,503	$ 1,497,189	$ 1,858,773	$ 2,200,158	$ 2,551,031	$ 2,913,245	$ 3,288,756
Less: Minimum Reserve Targets	(106,027)	(114,867)	(113,994)	(118,225)	(122,568)	(127,114)	(131,833)	(136,732)	(141,818)
Total Cash Surplus (Deficiency)	**$ 1,366,211**	**$ 911,130**	**$ 1,105,509**	**$ 1,378,964**	**$ 1,736,205**	**$ 2,073,044**	**$ 2,419,198**	**$ 2,776,513**	**$ 3,146,938**

(1) Historical interest earning rates were referenced on the California Treasurer's Office website for funds invested in LAIF. Future years earnings were conservatively estimated through FY 2016/17 and phase into the historical 10 year average interest earnings rate.

(2) For purposes of this analysis, it is assumed that available cash can be deposited into distinct Operating and Capital Reserve Funds. Accordingly, the total beginning cash balance of $672,959 has been segregated as follows: $267,495 has been assigned as the beginning cash balance in the Operating Fund and $405,464 has been assigned as the beginning cash balance in the Capital Reserve, so that funds are available for CIP expenditures. The total cash balance of $672,959 is reported in the in the Trial Balance report as of 6/30/2011.

(3) The beginning Developer Impact Fee Balance was provided by City Staff via email on 10/27/2011.

(4) There are no funds in the bond fund, per email from City Staff on 10/27/2011.

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Rate Revenue Requirements Tests
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute

EXHIBIT 6

Scenario 3: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve

CASH FLOW SUFFICIENCY TEST:

Cash Resources and Uses	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cash Resources:									
Rate Revenue	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100
Other Miscellaneous Operating Revenues	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Operating Reserve Interest Earnings	1,337	530	574	855	1,182	1,532	1,907	2,307	2,735
Policy: Use of Operating Fund Balance to Meet Expenditures	-	-	-	-	-	-	-	-	-
Subtotal: Cash Resources	**$ 763,937**	**$ 763,130**	**$ 763,174**	**$ 763,455**	**$ 763,782**	**$ 764,132**	**$ 764,507**	**$ 764,907**	**$ 765,335**
Cash Uses:									
Operating Expenses	$ 645,000	$ 698,776	$ 693,464	$ 719,201	$ 745,623	$ 773,275	$ 801,983	$ 831,786	$ 862,727
Existing Debt Repayment	124,441	124,414	124,385	124,355	124,325	124,293	124,261	124,228	124,193
New Debt Repayment	-	-	-	-	-	-	-	-	-
Rate-Funded Capital Expenses	-	2,058	-	-	-	-	-	-	-
Capital Replacement Reserve Funding	70,600	88,867	197,250	268,896	354,151	377,764	380,788	383,920	387,162
Additions to Meet Minimum Operating Reserve Balance	-	8,840	-	4,231	4,343	4,546	4,719	4,899	5,086
Subtotal: Cash Uses	**$ 840,041**	**$ 922,954**	**$ 1,015,099**	**$ 1,116,682**	**$ 1,228,443**	**$ 1,279,878**	**$ 1,311,751**	**$ 1,344,832**	**$ 1,379,169**
Cash Surplus (Deficit)	**$ (76,104)**	**$ (159,824)**	**$ (251,925)**	**$ (353,228)**	**$ (464,660)**	**$ (515,746)**	**$ (547,244)**	**$ (579,925)**	**$ (613,834)**

DEBT COVERAGE SUFFICIENCY TEST:

Option to Include or Exclude Debt Coverage Sufficiency Test in the Rate Forecast:

Allowable Resources and Required Uses	2012	2013	2014	2015	2016	2017	2018	2019	2020
Allowable Resources:									
Rate Revenue	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100
Non-Rate Revenues	2,837	2,030	2,074	2,355	2,682	3,032	3,407	3,807	4,235
Interest Earnings in Capital Funds and Debt Reserve	5,960	6,831	4,556	8,291	13,790	21,703	31,096	42,336	55,530
Subtotal: Allowable Resources	**$ 769,897**	**$ 769,961**	**$ 767,730**	**$ 771,746**	**$ 777,572**	**$ 785,835**	**$ 795,602**	**$ 807,243**	**$ 820,865**
Required Uses:									
Operating Expenses	$ 645,000	$ 698,776	$ 693,464	$ 719,201	$ 745,623	$ 773,275	$ 801,983	$ 831,786	$ 862,727
Debt Repayment (Only Issues Requiring Coverage)	124,441	124,414	124,385	124,355	124,325	124,293	124,261	124,228	124,193
Coverage Requirement	12,444	12,441	12,438	12,436	12,432	12,429	12,426	12,423	12,419
Subtotal: Required Uses	**$ 781,885**	**$ 835,631**	**$ 830,288**	**$ 855,991**	**$ 882,381**	**$ 909,998**	**$ 938,670**	**$ 968,436**	**$ 999,340**
Debt Coverage Surplus (Deficit)	**$ (11,988)**	**$ (65,670)**	**$ (62,558)**	**$ (84,245)**	**$ (104,809)**	**$ (124,163)**	**$ (143,067)**	**$ (161,193)**	**$ (178,475)**

MAXIMUM REVENUE DEFICIENCY FROM TESTS:

Identification of Revenue Deficiency	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sufficiency Test Driving Any Deficiency	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow
Maximum Sufficiency Test Deficiency	$ 76,104	$ 159,824	$ 251,925	$ 353,228	$ 464,660	$ 515,746	$ 547,244	$ 579,925	$ 613,834
plus: Adjustment to Levelize	-	-	-	-	-	-	-	-	-
less: Net Revenue from Prior Rate Increases	-	(76,104)	(159,824)	(251,925)	(353,228)	(464,660)	(515,746)	(547,244)	(579,925)
Total Revenue Deficiency	**$ 76,104**	**$ 83,720**	**$ 92,101**	**$ 101,303**	**$ 111,433**	**$ 51,086**	**$ 31,498**	**$ 32,681**	**$ 33,909**

RATE INCREASES FORECASTED:

Calculation of Required Rate Increases	2012	2013	2014	2015	2016	2017	2018	2019	2020
Rate Revenue with No Rate Increase	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100
plus: Revenue from Prior Rate Increases	-	76,104	159,824	251,925	353,228	464,660	515,746	547,244	579,925
Total Rate Revenue Before Rate Increase	$ 761,100	$ 837,204	$ 920,924	$ 1,013,025	$ 1,114,328	$ 1,225,760	$ 1,276,846	$ 1,308,344	$ 1,341,025
Calculated Required Annual Rate Increase	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**4.17%**	**2.47%**	**2.50%**	**2.53%**
Cumulative Increase from Annual Rate Increases	*10.00%*	*21.00%*	*33.10%*	*46.41%*	*61.05%*	*67.76%*	*71.90%*	*76.20%*	*80.65%*

IMPACTS OF RATE INCREASES:

Revenue Statistics	2012	2013	2014	2015	2016	2017	2018	2019	2020
Rate Revenues After Rate Increase	$ 837,204	$ 920,924	$ 1,013,025	$ 1,114,328	$ 1,225,760	$ 1,276,846	$ 1,308,344	$ 1,341,025	$ 1,374,934
Net Cash Flow After Rate Increase	70,600	97,707	197,250	273,127	358,494	382,310	385,507	388,819	392,248
Net Cash Flow After Rate Increase [Contribution to All Reserves]	-	-	-	0	-	-	-	-	-
Coverage After Rate Increase	1.62	1.86	2.62	3.26	3.99	4.25	4.35	4.47	4.61

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Financial Forecast Summary
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute

EXHIBIT 7

Scenario 3: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve

CAPITAL EXPENDITURE FUNDING SUMMARY	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019	FY 2019 2020
Effective Annual Funding of Capital Expenditures	$ 967,882	$ 1,770,164	$ 1,092,455	$ 1,380,526	$ 1,497,939	$ 1,530,169	$ 1,595,818	$ 939,032	$ 5,690,649
Capital Expenditure Funding Sources:									
Grant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Development Agreement Contribution	904,101	1,192,327	1,059,155	1,351,793	1,462,240	1,442,541	1,505,088	845,090	5,593,382
Surplus Impact Fee Fund Balance	-	-	-	-	-	-	-	-	-
Lease-Purchase Financing	-	-	-	-	-	-	-	-	-
Revenue Bond	-	-	-	-	-	-	-	-	-
Surplus Capital Reserve	63,781	575,779	33,300	28,732	35,699	87,628	90,730	93,941	97,267
Rate Revenue	-	2,058	-	-	-	-	-	-	-
Subtotal: Sources	**$ 967,882**	**$ 1,770,164**	**$ 1,092,455**	**$ 1,380,526**	**$ 1,497,939**	**$ 1,530,169**	**$ 1,595,818**	**$ 939,032**	**$ 5,690,649**
Capital Funding Surplus (Deficiency)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

RATE REVENUE REQUIREMENTS SUMMARY	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019	FY 2019 2020
Sources:									
Rate Revenue using Current Rates	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100
Non-Rate Revenues	2,837	2,030	2,074	2,355	2,682	3,032	3,407	3,807	4,235
Policy: Use of Operating Reserve Balance to Meet Expenses	-	-	-	-	-	-	-	-	-
Subtotal: Revenue	**$ 763,937**	**$ 763,130**	**$ 763,174**	**$ 763,455**	**$ 763,782**	**$ 764,132**	**$ 764,507**	**$ 764,907**	**$ 765,335**
Uses:									
Operating, Maintenance, & Administration Expenses	$ 645,000	$ 707,616	$ 693,464	$ 723,431	$ 749,967	$ 777,821	$ 806,702	$ 836,685	$ 867,814
Existing Debt Service	124,441	124,414	124,385	124,355	124,325	124,293	124,261	124,228	124,193
New Debt Service	-	-	-	-	-	-	-	-	-
Policy: Capital Replacement Reserve Funding	70,600	88,867	197,250	268,896	354,151	377,764	380,788	383,920	387,162
Rate-Funded Capital Expenses	-	2,058	-	-	-	-	-	-	-
Incremental Debt Coverage Obligation	-	-	-	-	-	-	-	-	-
Subtotal: Expenses	**$ 840,041**	**$ 922,954**	**$ 1,015,099**	**$ 1,116,682**	**$ 1,228,443**	**$ 1,279,878**	**$ 1,311,751**	**$ 1,344,832**	**$ 1,379,169**
Adjustment to Levelize Rate Increases	-	-	-	-	-	-	-	-	-
Forecasted Surplus (Deficiency) before Rate Increase	**$ (76,104)**	**$ (159,824)**	**$ (251,925)**	**$ (353,228)**	**$ (464,660)**	**$ (515,746)**	**$ (547,244)**	**$ (579,925)**	**$ (613,834)**
Rate Increases Required	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**4.17%**	**2.47%**	**2.50%**	**2.53%**
Rate Revenue using Increased Rates	**$ 837,204**	**$ 920,924**	**$ 1,013,025**	**$ 1,114,328**	**$ 1,225,760**	**$ 1,276,846**	**$ 1,308,344**	**$ 1,341,025**	**$ 1,374,934**

Sample Residential Monthly Bill	2012	2013	2014	2015	2016	2017	2018	2019	2020
Current Rate	$ 16.94	$ 18.63	$ 20.50	$ 22.55	$ 24.80	$ 27.28	$ 28.42	$ 29.12	$ 29.85
Increased Rate	18.63	20.50	22.55	24.80	27.28	28.42	29.12	29.85	30.60
Difference between Current and Increased Rate	**$ 1.69**	**$ 1.86**	**$ 2.05**	**$ 2.25**	**$ 2.48**	**$ 1.14**	**$ 0.70**	**$ 0.73**	**$ 0.75**

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Cash Flow Summary (After Rate Increases)
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute

EXHIBIT 8

Scenario 3: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve

CASH POSITION AFTER RATE INCREASES	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019	FY 2019 2020
Annual Rate Increase	10.00%	10.00%	10.00%	10.00%	10.00%	4.17%	2.47%	2.50%	2.53%
Available Resources									
Beginning Cash Balance:									
Operations & Maintenance Fund	$ 267,495	$ 106,027	$ 114,867	$ 113,994	$ 118,225	$ 122,568	$ 127,114	$ 131,833	$ 136,732
Capital Replacement Reserve Fund	405,464	575,779	91,746	257,027	499,119	822,561	1,122,980	1,429,883	1,744,884
Developer Impact Fee Fund	786,500	790,433	819,385	848,482	879,845	913,644	950,064	989,315	1,031,628
Debt Reserve	-	-	-	-	-	-	-	-	-
Subtotal: Beginning Cash Balance	$ 1,459,459	$ 1,472,238	$ 1,025,998	$ 1,219,503	$ 1,497,189	$ 1,858,773	$ 2,200,158	$ 2,551,031	$ 2,913,245
Operating Revenues									
Rate Revenues under Existing Rates	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100
Additional Rate Revenues from Rate Increases	76,104	159,824	251,925	353,228	464,660	515,746	547,244	579,925	613,834
Other Operating Revenues	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Operating Reserve Interest Earnings	1,337	530	574	855	1,182	1,532	1,907	2,307	2,735
Subtotal: Operating Revenues	$ 840,041	$ 922,954	$ 1,015,099	$ 1,116,682	$ 1,228,443	$ 1,279,878	$ 1,311,751	$ 1,344,832	$ 1,379,169
Capital Revenues									
Proceeds from Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from Lease-Purchase Financing	-	-	-	-	-	-	-	-	-
Proceeds from New Debt Issues	-	-	-	-	-	-	-	-	-
Connection Fees	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Development Agreement Contributions	904,101	1,192,327	1,059,155	1,351,793	1,462,240	1,442,541	1,505,088	845,090	5,593,382
Interest Earnings	5,960	6,831	4,556	8,291	13,790	21,703	31,096	42,336	55,530
Subtotal: Capital Revenues	$ 910,061	$ 1,224,158	$ 1,088,711	$ 1,385,085	$ 1,501,030	$ 1,489,244	$ 1,561,184	$ 912,426	$ 5,673,913
Total: Available Resources	$ 3,209,562	$ 3,619,351	$ 3,129,808	$ 3,721,270	$ 4,226,661	$ 4,627,895	$ 5,073,093	$ 4,808,290	$ 9,966,326
Anticipated Uses									
Operating Expenses:									
Employee Services	$ 238,100	$ 247,624	$ 257,529	$ 267,830	$ 278,543	$ 289,685	$ 301,272	$ 313,323	$ 325,856
Maintenance and Operations	400,100	414,552	429,536	445,070	461,177	477,878	495,194	513,148	531,765
Fiscal Agent Fees	6,800	6,600	6,400	6,300	5,903	5,713	5,517	5,314	5,106
Capital Outlay	-	-	-	-	-	-	-	-	-
Additional O&M Expenses from CIP Expenditures	$ -	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal: Operating Expenses	$ 645,000	$ 698,776	$ 693,464	$ 719,201	$ 745,623	$ 773,275	$ 801,983	$ 831,786	$ 862,727
Debt Service:									
Principal and Interest, Existing Obligations	$ 124,441	$ 124,414	$ 124,385	$ 124,355	$ 124,325	$ 124,293	$ 124,261	$ 124,228	$ 124,193
Principal and Interest, New Obligations	-	-	-	-	-	-	-	-	-
Subtotal: Debt Service	$ 124,441	$ 124,414	$ 124,385	$ 124,355	$ 124,325	$ 124,293	$ 124,261	$ 124,228	$ 124,193
Capital Improvement Plan Expenditures	$ 967,882	$ 1,770,164	$ 1,092,455	$ 1,380,526	$ 1,497,939	$ 1,530,169	$ 1,595,818	$ 939,032	$ 5,690,649
Total: Anticipated Uses	$ 1,737,323	$ 2,593,353	$ 1,910,305	$ 2,224,082	$ 2,367,888	$ 2,427,737	$ 2,522,062	$ 1,895,045	$ 6,677,570
Ending Cash Balance	$ 1,472,238	$ 1,025,998	$ 1,219,503	$ 1,497,189	$ 1,858,773	$ 2,200,158	$ 2,551,031	$ 2,913,245	$ 3,288,756
Restricted Cash Balance									
Operating Reserve Minimum Balance	$ 106,027	$ 114,867	$ 113,994	$ 118,225	$ 122,568	$ 127,114	$ 131,833	$ 136,732	$ 141,818
Debt Reserve Requirement	-	-	-	-	-	-	-	-	-
Subtotal: Restricted Cash Balance	$ 106,027	$ 114,867	$ 113,994	$ 118,225	$ 122,568	$ 127,114	$ 131,833	$ 136,732	$ 141,818
Unrestricted Cash Balance	$ 1,366,211	$ 911,130	$ 1,105,509	$ 1,378,964	$ 1,736,205	$ 2,073,044	$ 2,419,198	$ 2,776,513	$ 3,146,938

Exhibit 9.A - Wastewater Revenue Requirements Under Existing Rates

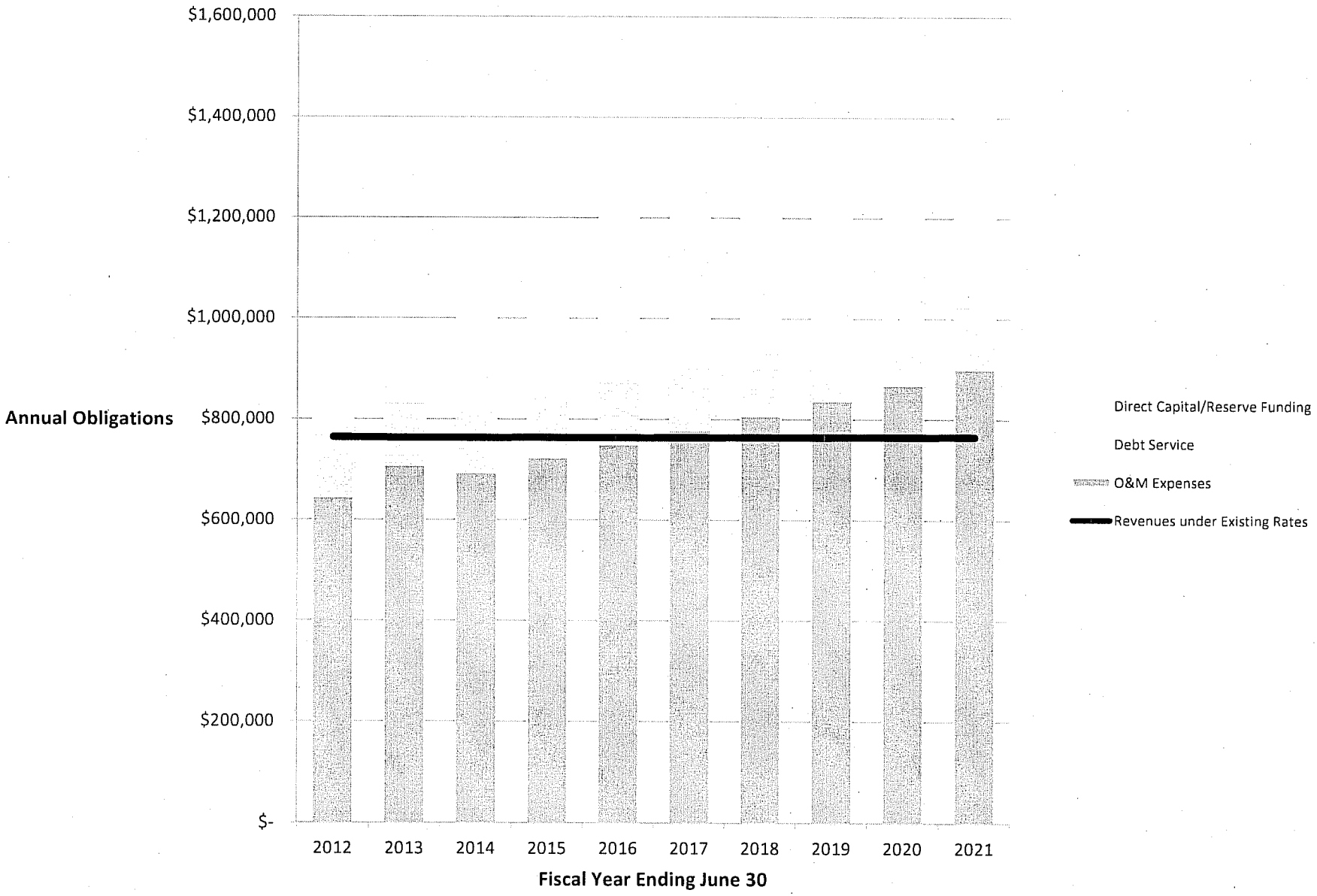
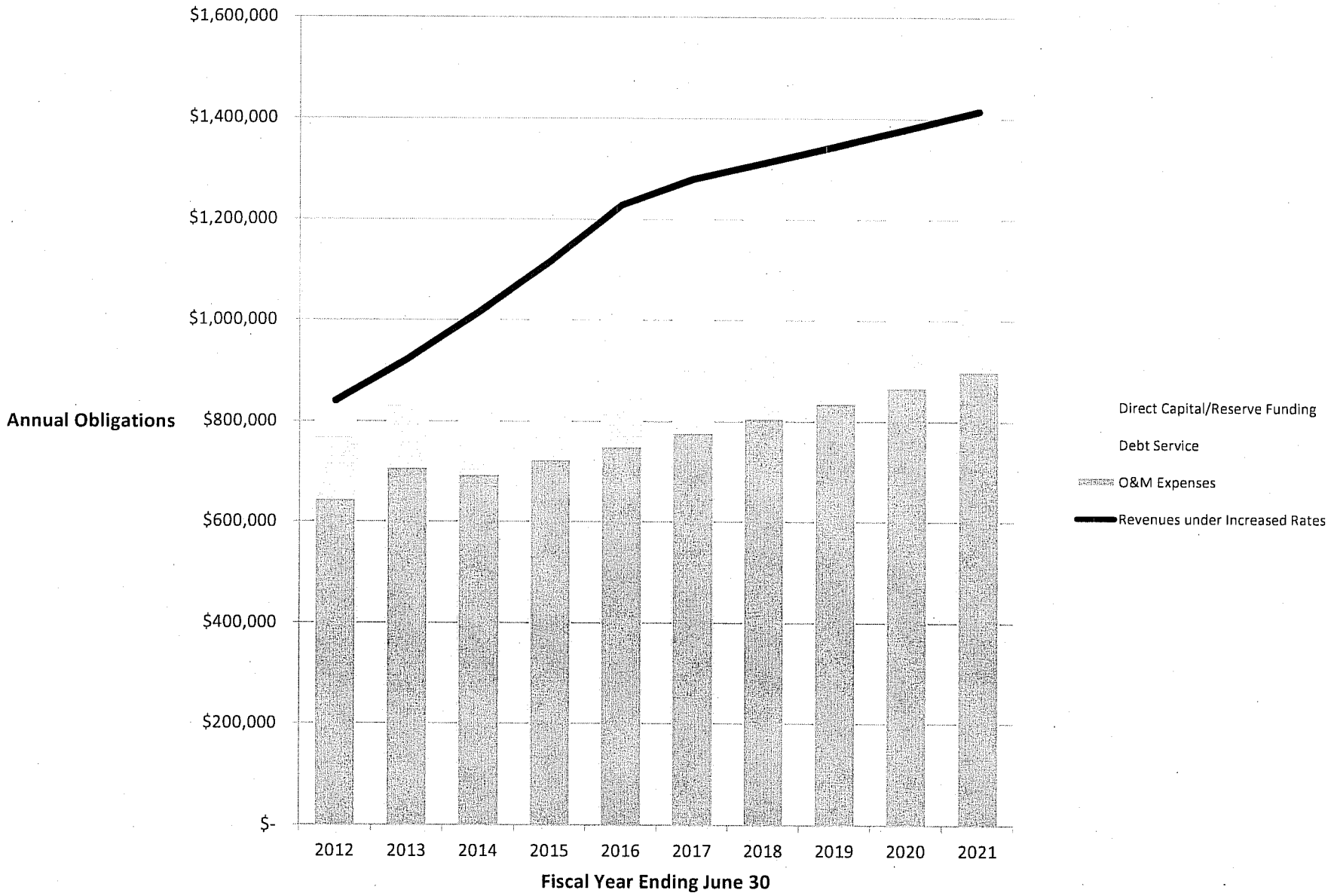


Exhibit 9.B - Wastewater Revenue Requirements Under Increased Rates



RATE STRUCTURE FORECAST (NO EQUITY / STRUCTURAL CHANGES APPLIED)	Prevailing Rates	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019	FY 2019 2020
Calculated Annual Rate Increases		**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**4.17%**	**2.47%**	**2.50%**	**2.53%**
Monthly Sewer Use Fee	$ 16.94	$ 18.63	$ 20.50	$ 22.55	$ 24.80	$ 27.28	$ 28.42	$ 29.12	$ 29.85	$ 30.60

APPENDIX B

Wastewater Revenue Requirements Analysis, Scenario 4 Phase-In of a Capital Replacement Reserve and Considers Debt Financing

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Operating Income and Expenses
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute
General Note: All year labels should be read as "the fiscal year ending June 30, [year label]. For example, "2012" refers to the 2011/2012 fiscal year.

EXHIBIT 1

Scenario 4: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve and Debt Financing

FORECASTING ASSUMPTIONS:

Economic Variables	2012	2013	2014	2015	2016	2017	2018	2019	2020
1 Customer Growth (1)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 General Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 Labor Cost Inflation	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
4 General Cost Inflation plus Customer Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5 Energy Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
6 No Escalation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7 Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Rate Revenue Policy	2012	2013	2014	2015	2016	2017	2018	2019	2020
8 Adopted Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Rate Increase plus Customer Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

OPERATING REVENUE FORECAST (2):

Operating Revenue	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
40100 Interest Income (3)	Ref Ex 5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
40200 Market Rate Adjustment	6	-	-	-	-	-	-	-	-	-
40800 Rental Income	6	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
42100 Sewer User Fees	6	761,100	761,100	761,100	761,100	761,100	761,100	761,100	761,100	761,100
47200 Other Revenue	6	-	-	-	-	-	-	-	-	-
Total: Operating Revenue		**$ 762,600**	**$ 762,600**	**$ 762,600**	**$ 762,600**	**$ 762,600**	**$ 762,600**	**$ 762,600**	**$ 762,600**	**$ 762,600**

Sewer Impact Fee Fund Revenues	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
40100 Interest Income (3)	Ref Ex 5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
33600 Grant	6	-	-	-	-	-	-	-	-	-
47500 Loan Proceeds	6	-	-	-	-	-	-	-	-	-
42000 Impact Fees	6	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total: Impact Fee Fund Revenue		**$ -**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**

Rate Revenue	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**	**$ 761,100**
Impact Fees	**$ -**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**
Other Operating Revenue	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Operating Income and Expenses
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute

EXHIBIT 1

Scenario 4: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve and Debt Financing

General Note: All year labels should be read as "the fiscal year ending June 30, [year label]. For example, "2012" refers to the 2011/2012 fiscal year.

OPERATING EXPENSE FORECAST (2):

Employee Services	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
50100 Full Time Regular	3	$ 115,200	$ 119,808	$ 124,600	$ 129,584	$ 134,768	$ 140,158	$ 145,765	$ 151,595	$ 157,659
50110 Part Time	3	-	-	-	-	-	-	-	-	-
50150 Overtime	3	7,100	7,384	7,679	7,987	8,306	8,638	8,984	9,343	9,717
Employee Benefits	3	53,700	55,848	58,082	60,405	62,821	65,334	67,948	70,666	73,492
N/A Additional Staffing Needs (4)	3	62,100	64,584	67,167	69,854	72,648	75,554	78,576	81,719	84,988
Total: Employee Services		**$ 238,100**	**$ 247,624**	**$ 257,529**	**$ 267,830**	**$ 278,543**	**$ 289,685**	**$ 301,272**	**$ 313,323**	**$ 325,856**

Maintenance & Operations	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
60100 Contractual Services	2	$ 35,600	$ 36,668	$ 37,768	$ 38,901	$ 40,068	$ 41,270	$ 42,508	$ 43,784	$ 45,097
60200 Financial Consultant	2	-	-	-	-	-	-	-	-	-
55600 Uniform Allowances	2	1,900	1,957	2,016	2,076	2,138	2,203	2,269	2,337	2,407
60600 Insurance	2	900	927	955	983	1,013	1,043	1,075	1,107	1,140
65100 Office Supplies	2	500	515	530	546	563	580	597	615	633
65120 Postage	2	100	103	106	109	113	116	119	123	127
65200 Special Supplies/Services	2	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800
65210 Advertising	2	500	515	530	546	563	580	597	615	633
65220 Maintenance & Operations - Equipment	2	13,100	13,493	13,898	14,315	14,744	15,186	15,642	16,111	16,595
65230 Memberships & Dues	2	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267
65235 Education	2	3,100	3,193	3,289	3,387	3,489	3,594	3,702	3,813	3,927
65240 Travel, Meetings & Conferences	2	400	412	424	437	450	464	478	492	507
65300 Publications	2	100	103	106	109	113	116	119	123	127
65310 Small Tools	2	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520
Maintenances - Storm Drain	2	-	-	-	-	-	-	-	-	-
65330 Maintenance - Alleys & Streets	2	-	-	-	-	-	-	-	-	-
70100 Gas & Oil	5	16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268
70200 Maintenance & Operations - Vehicles	2	6,500	6,695	6,896	7,103	7,316	7,535	7,761	7,994	8,234
75100 Utilities	5	51,600	53,148	54,742	56,385	58,076	59,819	61,613	63,461	65,365
75200 Communications	2	3,300	3,399	3,501	3,606	3,714	3,826	3,940	4,059	4,180
75500 Maintenance & Operations - Bldgs/Grounds	2	4,600	4,738	4,880	5,027	5,177	5,333	5,493	5,657	5,827
75900 Depreciation	See Below	-	-	-	-	-	-	-	-	-
75700 Property Taxes	2	4,700	4,841	4,986	5,136	5,290	5,449	5,612	5,780	5,954
90360 Federal Stimulus	2	-	-	-	-	-	-	-	-	-
95300 County Collection Fees	2	7,100	7,313	7,532	7,758	7,991	8,231	8,478	8,732	8,994
99500 Community Promotion	2	-	-	-	-	-	-	-	-	-
99800 Allocated Overhead (5)	3	244,900	254,696	264,884	275,479	286,498	297,958	309,877	322,272	335,163
Total: Maintenance & Operations		**$ 400,100**	**$ 414,552**	**$ 429,536**	**$ 445,070**	**$ 461,177**	**$ 477,878**	**$ 495,194**	**$ 513,148**	**$ 531,765**

Debt Service	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
95100 Principal Retirement	Ref Ex 4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
95200 Interest Expense	Ref Ex 4	-	-	-	-	-	-	-	-	-
95300 Paying Agent Fees (6)	6	6,800	6,600	6,400	6,300	5,903	5,713	5,517	5,314	5,106
Total: Debt Service		**$ 6,800**	**$ 6,600**	**$ 6,400**	**$ 6,300**	**$ 5,903**	**$ 5,713**	**$ 5,517**	**$ 5,314**	**$ 5,106**

Capital Outlay	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
90100 Operating Equipment	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total: Maintenance & Operations		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Operating Income and Expenses
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EXHIBIT 1

Scenario 4: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve and Debt Financing

General Note: All year labels should be read as "the fiscal year ending June 30, [year label]. For example, "2012" refers to the 2011/2012 fiscal year.

Additional Expenditure from CIP Projects	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Operations and Maintenance Expenditure	Ref Ex 2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Expenditures to Implement FOG Program:										
Education Program	6	-	20,000	-	-	-	-	-	-	-
Legal Fees to Implement Ordinance	6	-	10,000	-	-	-	-	-	-	-
Total: Additional Expenditure from CIP Projects		**$ -**	**$ 30,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Grand Total: Operating Expenses	**$ 645,000**	**$ 698,776**	**$ 693,464**	**$ 719,201**	**$ 745,623**	**$ 773,275**	**$ 801,983**	**$ 831,786**	**$ 862,727**

DEPRECIATION EXPENSE FORECAST:

Depreciation Expense	2012	2013	2014	2015	2016	2017	2018	2019	2020
Existing Depreciation Expense (7):	$ 315,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000
Forecasted Additions to the Depreciation Expense:									
Depreciation Exp. for Projects in Current CIP Budget	3,189	52,450	55,780	58,653	59,843	62,764	65,788	68,920	72,162
Depreciation Exp. for Projects to Serve Future Development	22,603	58,039	84,518	118,313	154,869	190,932	228,559	255,631	780,115
Grand Total: Annual Depreciation Expense	**$ 340,792**	**$ 425,489**	**$ 455,298**	**$ 491,966**	**$ 529,712**	**$ 568,696**	**$ 609,348**	**$ 639,550**	**$ 1,167,277**

REPLACEMENT RESERVE FUNDING ASSUMPTIONS:

Policy Choice	Input	2012	2013	2014	2015	2016	2017	2018	2019	2020
1 No Depreciation Funding	N/A	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2 Total Annual Depreciation Expense	N/A	340,792	425,489	455,298	491,966	529,712	568,696	609,348	639,550	1,167,277
3 Annual Depreciation Expense + Current CIP	N/A	318,189	367,450	370,780	373,653	374,843	377,764	380,788	383,920	387,162
4 Current Level of Depreciation	N/A	315,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000
5 Amount at Right	N/A	80,120	53,038	173,235	261,473	366,453	377,764	380,788	383,920	387,162

Replacement Reserve Funding Choice	Basis	2012	2013	2014	2015	2016	2017	2018	2019	2020
Effective Annual Funding Amount (8)	5	$ 80,120	$ 53,038	$ 173,235	$ 261,473	$ 366,453	$ 377,764	$ 380,788	$ 383,920	$ 387,162

(1) Per consultation with City Staff, the Customer Growth Rate is set to 0%.
(2) The source of the Fiscal Year 2011/12 estimated Operating Revenue and Expenses is the City's Four Year Financial Plan. Inflationary factors are applied to costs in FY 2012/13 and beyond.
(3) Budgeted Interest Earnings were zeroed out here because they are calculated in Exhibit 5 (Reserves) of this model.
(4) Per direction from City Staff, the additional personnel services are to meet deferred maintenance needs and SWRCB requirements. The value provided by City Staff was entered for the first four years of the analysis and escalated by labor cost inflation beginning in FY 2012/13.
(5) Allocated Overhead includes the Utility Billing Expense. For Fiscal Year 2011/12, the total cost is $244,900, which is the budgeted amount of $174,400, plus the amount allocated to the Sewer Utility, of $70,500.
(6) Paying Agent Fees for Fiscal Years 2011/12 to 2014/15 are from City's Four Year Financial Plan, however it appears that the 2014/15 fees are erroneously reported as $63,000 instead of $6,300. Paying Agent fees for all future years are from the loan amortization schedule.
(7) The existing depreciation expense is reported in the Four Year Financial Plan for Fiscal Year 2011/12 to 2014/15.
(8) In this iteration of the analysis, the Capital Replacement Reserve funding is being phased in to equal the current level of depreciation for the utility, plus the expense that would be added for projects in the current CIP. Full funding of this level of depreciation is achieved in Fiscal Year 2016/17.

FORECASTING ASSUMPTIONS:

Economic Variables	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Construction Cost Inflation (1)	3.54%	3.54%	3.54%	3.54%	3.54%	3.54%	3.54%	3.54%	3.54%
Cumulative Construction Cost Multiplier from 2012	1.04	1.07	1.11	1.15	1.19	1.23	1.28	1.32	1.37
Annual General Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

CAPITAL IMPROVEMENT PROGRAM:

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Soledad Sewer Trunk Line Study	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replace WWTP Perimeter Fencing	$ 11,300	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Install CL Gates	$ 9,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Video Truck	$ -	$ 130,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Router Truck	$ -	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ 6,300	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Roof Replacement (2)	$ -	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Door Replacement (2)	$ -	$ 9,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Exterior (2)	$ -	$ -	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Interior (2)	$ -	$ -	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -
Clarifier #3 Repaint Bridge Beams (2)	$ -	$ -	$ -	$ 25,000	$ -	$ -	$ -	$ -	$ -
Remove & Replace Sludge Pump #2 (2)	$ -	$ -	$ -	$ -	$ 30,000	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Placeholder Projects for 2013-2031 (4)	$ -	$ -	$ -	$ -	$ -	$ 71,120	$ 71,120	$ 71,120	$ 71,120
Total: Current Cost Estimate Per Year	**$ 61,600**	**$ 539,000**	**$ 30,000**	**$ 25,000**	**$ 30,000**	**$ 71,120**	**$ 71,120**	**$ 71,120**	**$ 71,120**

CAPITAL IMPROVEMENT PROGRAM, CONTINUED:

Projects to Serve and Be Funded by Future Development (5)

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pipelines									
8" Pine Avenue -101 West to El Camino Real	$ 66,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -101 East to Third Street	$ 120,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -Third Street East to Second Street	$ 158,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Pine Avenue South to Cherry Avenue	$ 81,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Pine Avenue South to Cherry Avenue	$ 108,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Third Street East to Second Street	$ -	$ 158,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cherry Avenue South to Walnut Avenue	$ -	$ 105,600	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue - Third Street East to Second Street	$ -	$ 158,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ -	$ -	$ 240,000	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ 79,200	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ 79,200	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ 216,000	$ -	$ -	$ -	$ -	$ -	$ -
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ 79,200	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ 158,400	$ -	$ -	$ -	$ -	$ -
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ -	$ -	$ -	$ 158,400	$ -	$ -	$ -	$ -	$ -
8" Cypress Avenue - Freeway East to Second Avenue	$ -	$ -	$ -	$ 282,000	$ -	$ -	$ -	$ -	$ -
8" Third Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 79,200	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 79,200	$ -	$ -	$ -	$ -	$ -
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ -	$ -	$ -	$ -	$ 432,000	$ -	$ -	$ -	$ -
12" Apple Avenue - El Camino Real to Freeway	$ -	$ -	$ -	$ -	$ 175,000	$ -	$ -	$ -	$ -
8" Elm Avenue Southerly to SOI	$ -	$ -	$ -	$ -	$ 282,000	$ -	$ -	$ -	$ -
8" Westerly SOI to Easterly SOI	$ -	$ -	$ -	$ -	$ -	$ 456,000	$ -	$ -	$ -
6" Pump Station to Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ 375,000	$ -	$ -	$ -
12" Pipeline 31 to 2nd Street	$ -	$ -	$ -	$ -	$ -	$ -	$ 510,000	$ -	$ -
6" 2nd Street - Elm Avenue to SOI Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ 330,000	$ -	$ -
Pump Stations									
New Pump Station at end of Pipeline 22	$ -	$ 350,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at end of Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 300,000	$ -
New Pump Station at Elm and Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Expansion									
Property Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,750,000
1 MGD Primary Clarifiers and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30 Foot Diameter Digester	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge and Scum Pump Building, including pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Secondary Lagoons	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Floating Aeration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Piping and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Distribution System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,000 AMP Electrical Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electrical and Control	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge Drying Beds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Reclamation Treatment Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Capital Expenses for Projects									
Administration, Engineering and Contingencies (6)	$ 339,791	$ 339,791	$ 339,791	$ 339,791	$ 339,791	$ 339,791	$ 339,791	$ 339,791	$ 339,791
Total: Current Cost Estimate Per Year	**$ 873,191**	**$ 1,112,191**	**$ 954,191**	**$ 1,176,191**	**$ 1,228,791**	**$ 1,170,791**	**$ 1,179,791**	**$ 639,791**	**$ 4,089,791**
Grand Total: Current Cost Estimate Per Year	**$ 934,791**	**$ 1,651,191**	**$ 984,191**	**$ 1,201,191**	**$ 1,258,791**	**$ 1,241,911**	**$ 1,250,911**	**$ 710,911**	**$ 4,160,911**

FORECASTED CAPITAL IMPROVEMENT PROGRAM COSTS:

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Soledad Sewer Trunk Line Study	$ 36,239	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replace WWTP Perimeter Fencing	$ 11,700	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Install CL Gates	$ 9,319	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Video Truck	$ -	$ 139,367	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Router Truck	$ -	$ 214,411	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ 6,523	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Roof Replacement (2)	$ -	$ 160,808	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Door Replacement (2)	$ -	$ 9,648	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Exterior (2)	$ -	$ -	$ 16,650	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Interior (2)	$ -	$ -	$ 16,650	$ -	$ -	$ -	$ -	$ -	$ -
Clarifier #3 Repaint Bridge Beams (2)	$ -	$ -	$ -	$ 28,732	$ -	$ -	$ -	$ -	$ -
Remove & Replace Sludge Pump #2 (2)	$ -	$ -	$ -	$ -	$ 35,699	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ 26,801	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ 26,801	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Placeholder Projects for 2013-2031 (4)	$ -	$ -	$ -	$ -	$ -	$ 87,628	$ 90,730	$ 93,941	$ 97,267
Total: Future Cost Estimate Per Year	**$ 63,781**	**$ 577,837**	**$ 33,300**	**$ 28,732**	**$ 35,699**	**$ 87,628**	**$ 90,730**	**$ 93,941**	**$ 97,267**

FORECASTED CAPITAL IMPROVEMENT PROGRAM COSTS, CONTINUED:

Projects to Serve and Be Funded by Future Development (3)

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pipelines									
8" Pine Avenue -101 West to El Camino Real	$ 68,336	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -101 East to Third Street	$ 124,248	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -Third Street East to Second Street	$ 164,007	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Pine Avenue South to Cherry Avenue	$ 83,867	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Pine Avenue South to Cherry Avenue	$ 111,823	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Third Street East to Second Street	$ -	$ 169,813	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cherry Avenue South to Walnut Avenue	$ -	$ 113,209	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue - Third Street East to Second Street	$ -	$ 169,813	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ -	$ -	$ 266,401	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ 87,912	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ 87,912	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ 239,761	$ -	$ -	$ -	$ -	$ -	$ -
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ 91,024	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ 182,049	$ -	$ -	$ -	$ -	$ -
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ -	$ -	$ -	$ 182,049	$ -	$ -	$ -	$ -	$ -
8" Cypress Avenue - Freeway East to Second Avenue	$ -	$ -	$ -	$ 324,102	$ -	$ -	$ -	$ -	$ -
8" Third Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 91,024	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 91,024	$ -	$ -	$ -	$ -	$ -
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ -	$ -	$ -	$ -	$ 514,073	$ -	$ -	$ -	$ -
12" Apple Avenue - El Camino Real to Freeway	$ -	$ -	$ -	$ -	$ 208,247	$ -	$ -	$ -	$ -
8" Elm Avenue Southerly to SOI	$ -	$ -	$ -	$ -	$ 335,575	$ -	$ -	$ -	$ -
8" Westerly SOI to Easterly SOI	$ -	$ -	$ -	$ -	$ -	$ 561,841	$ -	$ -	$ -
6" Pump Station to Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ 462,041	$ -	$ -	$ -
12" Pipeline 31 to 2nd Street	$ -	$ -	$ -	$ -	$ -	$ -	$ 650,620	$ -	$ -
6" 2nd Street - Elm Avenue to SOI Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ 420,989	$ -	$ -
Pump Stations									
New Pump Station at end of Pipeline 22	$ -	$ 375,219	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at end of Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 396,266	$ -
New Pump Station at Elm and Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Expansion									
Property Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,128,670
1 MGD Primary Clarifiers and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30 Foot Diameter Digester	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge and Scum Pump Building, including pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Secondary Lagoons	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Floating Aeration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Piping and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Distribution System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,000 AMP Electrical Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electrical and Control	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge Drying Beds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Reclamation Treatment Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Capital Expenses for Projects									
Administration, Engineering and Contingencies (6)	$ 351,819	$ 364,273	$ 377,169	$ 390,521	$ 404,345	$ 418,659	$ 433,479	$ 448,824	$ 464,713
Total: Future Cost Estimate Per Year	**$ 904,101**	**$ 1,192,327**	**$ 1,059,155**	**$ 1,351,793**	**$ 1,462,240**	**$ 1,442,541**	**$ 1,505,088**	**$ 845,090**	**$ 5,593,382**
Grand Total: Future Cost Estimate Per Year	**$ 967,882**	**$ 1,770,164**	**$ 1,092,455**	**$ 1,380,526**	**$ 1,497,939**	**$ 1,530,169**	**$ 1,595,818**	**$ 939,032**	**$ 5,690,649**

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Capital Improvement Plan Expenditures
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute

EXHIBIT 2

Scenario 4: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve and Debt Financing

CAPITAL PROJECT DATA:

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget

Project Description	Future Cost Estimate	Completion Year	Annual O&M Impact ($)	Useful Life (Years)	For Capacity Fee/Impact Fee Calculation and Reserve Segregation Only: For Existing Needs (%)	For Future Needs (%)	Basis / Note
Soledad Sewer Trunk Line Study	$ 36,239	2012	$ -	20	100%	0%	N/A
Replace WWTP Perimeter Fencing	$ 11,700	2012	$ -	20	100%	0%	N/A
Install CL Gates	$ 9,319	2012	$ -	20	100%	0%	N/A
Purchase Video Truck	$ 139,367	2013	$ -	10	100%	0%	N/A
Purchase Router Truck	$ 214,411	2013	$ -	10	100%	0%	N/A
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ 6,523	2012	$ -	20	100%	0%	N/A
Control Building - Roof Replacement (2)	$ 160,808	2013	$ -	20	100%	0%	N/A
Control Building - Door Replacement (2)	$ 9,648	2013	$ -	20	100%	0%	N/A
Control Building - Paint Exterior (2)	$ 16,650	2014	$ -	10	100%	0%	N/A
Control Building - Paint Interior (2)	$ 16,650	2014	$ -	10	100%	0%	N/A
Clarifier #3 Repaint Bridge Beams (2)	$ 28,732	2015	$ -	10	100%	0%	N/A
Remove & Replace Sludge Pump #2 (2)	$ 35,699	2016	$ -	30	100%	0%	N/A
Additional Equipment (3)	$ 26,801	2013	$ -	10	100%	0%	N/A
Additional Equipment (3)	$ 26,801	2013	$ -	10	100%	0%	N/A
Placeholder Projects for 2013-2031 (4)	$ 1,695,834	Recurring	$ -	30	100%	0%	N/A
Grand Total: Project Costs	**$ 2,435,184**						

CAPITAL PROJECT DATA, CONTINUED:

Projects to Serve and Be Funded by Future Development (3)

Project Description	Future Cost Estimate	Completion Year	Annual O&M Impact ($)	Useful Life (Years)	For Capacity Fee/Impact Fee Calculation and Reserve Segregation Only: For Existing Needs (%)	For Future Needs (%)	Basis / Note
Pipelines							
8" Pine Avenue -101 West to El Camino Real	$ 68,336	2012	$ -	40	0%	100%	Project will be funded by future development
8" Pine Avenue -101 East to Third Street	$ 124,248	2012	$ -	40	0%	100%	Project will be funded by future development
8" Pine Avenue -Third Street East to Second Street	$ 164,007	2012	$ -	40	0%	100%	Project will be funded by future development
8" Third Street - Pine Avenue South to Cherry Avenue	$ 83,867	2012	$ -	40	0%	100%	Project will be funded by future development
8" Second Street - Pine Avenue South to Cherry Avenue	$ 111,823	2012	$ -	40	0%	100%	Project will be funded by future development
8" Cherry Avenue - Third Street East to Second Street	$ 169,813	2013	$ -	40	0%	100%	Project will be funded by future development
8" Second Street - Cherry Avenue South to Walnut Avenue	$ 113,209	2013	$ -	40	0%	100%	Project will be funded by future development
8" Elm Avenue - Third Street East to Second Street	$ 169,813	2013	$ -	40	0%	100%	Project will be funded by future development
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ 266,401	2014	$ -	40	0%	100%	Project will be funded by future development
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ 87,912	2014	$ -	40	0%	100%	Project will be funded by future development
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ 87,912	2014	$ -	40	0%	100%	Project will be funded by future development
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ 239,761	2014	$ -	40	0%	100%	Project will be funded by future development
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ 91,024	2015	$ -	40	0%	100%	Project will be funded by future development
8" Pine Avenue - Twelfth Street East to El Camino Real	$ 182,049	2015	$ -	40	0%	100%	Project will be funded by future development
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ 182,049	2015	$ -	40	0%	100%	Project will be funded by future development
8" Cypress Avenue - Freeway East to Second Avenue	$ 324,102	2015	$ -	40	0%	100%	Project will be funded by future development
8" Third Street - Cypress Avenue to Pine Avenue	$ 91,024	2015	$ -	40	0%	100%	Project will be funded by future development
8" Second Street - Cypress Avenue to Pine Avenue	$ 91,024	2015	$ -	40	0%	100%	Project will be funded by future development
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ 514,073	2016	$ -	40	0%	100%	Project will be funded by future development
12" Apple Avenue - El Camino Real to Freeway	$ 208,247	2016	$ -	40	0%	100%	Project will be funded by future development
8" Elm Avenue Southerly to SOI	$ 335,575	2016	$ -	40	0%	100%	Project will be funded by future development
8" Westerly SOI to Easterly SOI	$ 561,841	2017	$ -	40	0%	100%	Project will be funded by future development
6" Pump Station to Pipeline 24	$ 462,041	2017	$ -	40	0%	100%	Project will be funded by future development
12" Pipeline 31 to 2nd Street	$ 650,620	2018	$ -	40	0%	100%	Project will be funded by future development
6" 2nd Street - Elm Avenue to SOI Pump Station	$ 420,989	2018	$ -	40	0%	100%	Project will be funded by future development
Pump Stations							
New Pump Station at end of Pipeline 22	$ 375,219	2013	$ -	25	0%	100%	Project will be funded by future development
New Pump Station at end of Pipeline 24	$ 396,266	2019	$ -	25	0%	100%	Project will be funded by future development
New Pump Station at Elm and Second Street	$ 392,958	2024	$ -	25	0%	100%	Project will be funded by future development
Wastewater Treatment Plant Expansion							
Property Acquisition	$ 5,128,670	2020	$ -	10	0%	100%	Project will be funded by future development
1 MGD Primary Clarifiers and Appurtenances	$ 1,132,848	2021	$ -	30	0%	100%	Project will be funded by future development
30 Foot Diameter Digester	$ 586,475	2022	$ -	40	0%	100%	Project will be funded by future development
Sludge and Scum Pump Building, including pumps	$ 455,427	2023	$ -	30	0%	100%	Project will be funded by future development
Secondary Lagoons	$ 2,527,631	2026	$ -	40	0%	100%	Project will be funded by future development
Floating Aeration System	$ 293,238	2022	$ -	30	0%	100%	Project will be funded by future development
Site Piping and Appurtenances	$ 293,238	2022	$ -	40	0%	100%	Project will be funded by future development
Spray Irrigation Pump Station	$ 303,618	2023	$ -	30	0%	100%	Project will be funded by future development
Spray Irrigation Distribution System	$ 943,099	2024	$ -	30	0%	100%	Project will be funded by future development
1,000 AMP Electrical Service	$ 219,928	2022	$ -	25	0%	100%	Project will be funded by future development
Electrical and Control	$ 379,523	2023	$ -	25	0%	100%	Project will be funded by future development
Sludge Drying Beds	$ 303,618	2023	$ -	40	0%	100%	Project will be funded by future development
Wastewater Reclamation Treatment Facility	$ 9,352,267	2029	$ -	40	0%	100%	Project will be funded by future development
Additional Capital Expenses for Projects							
Administration, Engineering and Contingencies (6)	$ 9,990,325	Recurring	$ -	40	0%	100%	Project will be funded by future development
Grand Total: Project Costs	**$ 38,876,111**						

FORECASTED O&M IMPACTS FROM CAPITAL PROJECTS:

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Soledad Sewer Trunk Line Study									
Replace WWTP Perimeter Fencing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Install CL Gates	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Video Truck	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Router Truck	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Roof Replacement (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Door Replacement (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Exterior (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Interior (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Clarifier #3 Repaint Bridge Beams (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remove & Replace Sludge Pump #2 (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Placeholder Projects for 2013-2031 (4)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total: Additional Annual O&M Expense	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

FORECASTED O&M IMPACTS FROM CAPITAL PROJECTS, CONTINUED:

Projects to Serve and Be Funded by Future Development (3)

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pipelines									
8" Pine Avenue -101 West to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -101 East to Third Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -Third Street East to Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Third Street East to Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cherry Avenue South to Walnut Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue - Third Street East to Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cypress Avenue - Freeway East to Second Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12" Apple Avenue - El Camino Real to Freeway	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue Southerly to SOI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Westerly SOI to Easterly SOI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Pump Station to Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12" Pipeline 31 to 2nd Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" 2nd Street - Elm Avenue to SOI Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pump Stations									
New Pump Station at end of Pipeline 22	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at end of Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at Elm and Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Expansion									
Property Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1 MGD Primary Clarifiers and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30 Foot Diameter Digester	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge and Scum Pump Building, including pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Secondary Lagoons	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Floating Aeration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Piping and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Distribution System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,000 AMP Electrical Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electrical and Control	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge Drying Beds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Reclamation Treatment Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Capital Expenses for Projects									
Administration, Engineering and Contingencies (6)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total: Additional Annual O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total: Additional Annual O&M Expense, all projects	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

ADDITIONAL DEPRECIATION LIABILITY FROM PROJECTS:

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Soledad Sewer Trunk Line Study	$ 1,812	$ 1,812	$ 1,812	$ 1,812	$ 1,812	$ 1,812	$ 1,812	$ 1,812	$ 1,812
Replace WWTP Perimeter Fencing	$ 585	$ 585	$ 585	$ 585	$ 585	$ 585	$ 585	$ 585	$ 585
Install CL Gates	$ 466	$ 466	$ 466	$ 466	$ 466	$ 466	$ 466	$ 466	$ 466
Purchase Video Truck	$ -	$ 13,937	$ 13,937	$ 13,937	$ 13,937	$ 13,937	$ 13,937	$ 13,937	$ 13,937
Purchase Router Truck	$ -	$ 21,441	$ 21,441	$ 21,441	$ 21,441	$ 21,441	$ 21,441	$ 21,441	$ 21,441
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ 326	$ 326	$ 326	$ 326	$ 326	$ 326	$ 326	$ 326	$ 326
Control Building - Roof Replacement (2)	$ -	$ 8,040	$ 8,040	$ 8,040	$ 8,040	$ 8,040	$ 8,040	$ 8,040	$ 8,040
Control Building - Door Replacement (2)	$ -	$ 482	$ 482	$ 482	$ 482	$ 482	$ 482	$ 482	$ 482
Control Building - Paint Exterior (2)	$ -	$ -	$ 1,665	$ 1,665	$ 1,665	$ 1,665	$ 1,665	$ 1,665	$ 1,665
Control Building - Paint Interior (2)	$ -	$ -	$ 1,665	$ 1,665	$ 1,665	$ 1,665	$ 1,665	$ 1,665	$ 1,665
Clarifier #3 Repaint Bridge Beams (2)	$ -	$ -	$ -	$ 2,873	$ 2,873	$ 2,873	$ 2,873	$ 2,873	$ 2,873
Remove & Replace Sludge Pump #2 (2)	$ -	$ -	$ -	$ -	$ 1,190	$ 1,190	$ 1,190	$ 1,190	$ 1,190
Additional Equipment (3)	$ -	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680
Additional Equipment (3)	$ -	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680	$ 2,680
Placeholder Projects for 2013-2031 (4)	$ -	$ -	$ -	$ -	$ -	$ 2,921	$ 5,945	$ 9,077	$ 12,319
Total: Additional Annual Depreciation Liability	**$ 3,189**	**$ 52,450**	**$ 55,780**	**$ 58,653**	**$ 59,843**	**$ 62,764**	**$ 65,788**	**$ 68,920**	**$ 72,162**

ADDITIONAL DEPRECIATION LIABILITY FROM PROJECTS, CONTINUED:

Projects to Serve and Be Funded by Future Development (3)

Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pipelines									
8" Pine Avenue -101 West to El Camino Real	$ 1,708	$ 1,708	$ 1,708	$ 1,708	$ 1,708	$ 1,708	$ 1,708	$ 1,708	$ 1,708
8" Pine Avenue -101 East to Third Street	$ 3,106	$ 3,106	$ 3,106	$ 3,106	$ 3,106	$ 3,106	$ 3,106	$ 3,106	$ 3,106
8" Pine Avenue -Third Street East to Second Street	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100
8" Third Street - Pine Avenue South to Cherry Avenue	$ 2,097	$ 2,097	$ 2,097	$ 2,097	$ 2,097	$ 2,097	$ 2,097	$ 2,097	$ 2,097
8" Second Street - Pine Avenue South to Cherry Avenue	$ 2,796	$ 2,796	$ 2,796	$ 2,796	$ 2,796	$ 2,796	$ 2,796	$ 2,796	$ 2,796
8" Cherry Avenue - Third Street East to Second Street	$ -	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245
8" Second Street - Cherry Avenue South to Walnut Avenue	$ -	$ 2,830	$ 2,830	$ 2,830	$ 2,830	$ 2,830	$ 2,830	$ 2,830	$ 2,830
8" Elm Avenue - Third Street East to Second Street	$ -	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245	$ 4,245
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ -	$ -	$ 6,660	$ 6,660	$ 6,660	$ 6,660	$ 6,660	$ 6,660	$ 6,660
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ 2,198	$ 2,198	$ 2,198	$ 2,198	$ 2,198	$ 2,198	$ 2,198
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ 2,198	$ 2,198	$ 2,198	$ 2,198	$ 2,198	$ 2,198	$ 2,198
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ 5,994	$ 5,994	$ 5,994	$ 5,994	$ 5,994	$ 5,994	$ 5,994
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ 2,276	$ 2,276	$ 2,276	$ 2,276	$ 2,276	$ 2,276
8" Pine Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ 4,551	$ 4,551	$ 4,551	$ 4,551	$ 4,551	$ 4,551
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ -	$ -	$ -	$ 4,551	$ 4,551	$ 4,551	$ 4,551	$ 4,551	$ 4,551
8" Cypress Avenue - Freeway East to Second Avenue	$ -	$ -	$ -	$ 8,103	$ 8,103	$ 8,103	$ 8,103	$ 8,103	$ 8,103
8" Third Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 2,276	$ 2,276	$ 2,276	$ 2,276	$ 2,276	$ 2,276
8" Second Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 2,276	$ 2,276	$ 2,276	$ 2,276	$ 2,276	$ 2,276
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ -	$ -	$ -	$ -	$ 12,852	$ 12,852	$ 12,852	$ 12,852	$ 12,852
12" Apple Avenue - El Camino Real to Freeway	$ -	$ -	$ -	$ -	$ 5,206	$ 5,206	$ 5,206	$ 5,206	$ 5,206
8" Elm Avenue Southerly to SOI	$ -	$ -	$ -	$ -	$ 8,389	$ 8,389	$ 8,389	$ 8,389	$ 8,389
8" Westerly SOI to Easterly SOI	$ -	$ -	$ -	$ -	$ -	$ 14,046	$ 14,046	$ 14,046	$ 14,046
6" Pump Station to Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ 11,551	$ 11,551	$ 11,551	$ 11,551
12" Pipeline 31 to 2nd Street	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,265	$ 16,265	$ 16,265
6" 2nd Street - Elm Avenue to SOI Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,525	$ 10,525	$ 10,525
Pump Stations									
New Pump Station at end of Pipeline 22	$ -	$ 15,009	$ 15,009	$ 15,009	$ 15,009	$ 15,009	$ 15,009	$ 15,009	$ 15,009
New Pump Station at end of Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,851	$ 15,851
New Pump Station at Elm and Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Expansion									
Property Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 512,867
1 MGD Primary Clarifiers and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30 Foot Diameter Digester	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge and Scum Pump Building, including pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Secondary Lagoons	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Floating Aeration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Piping and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Distribution System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,000 AMP Electrical Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electrical and Control	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge Drying Beds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Reclamation Treatment Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Capital Expenses for Projects									
Administration, Engineering and Contingencies (6)	$ 8,795	$ 17,902	$ 27,332	$ 37,095	$ 47,203	$ 57,670	$ 68,507	$ 79,727	$ 91,345
Total: Additional Annual Depreciation Liability	**$ 22,603**	**$ 58,039**	**$ 84,518**	**$ 118,313**	**$ 154,869**	**$ 190,932**	**$ 228,559**	**$ 255,631**	**$ 780,115**
Grand Total: Additional Annual Liability, all projects	**$ 25,792**	**$ 110,489**	**$ 140,298**	**$ 176,966**	**$ 214,712**	**$ 253,696**	**$ 294,348**	**$ 324,550**	**$ 852,277**

(1) Annual Construction Cost Inflation % is calculated by averaging the annual change in the Construction Cost Index for 2000-2010, from the Engineering News Record website.
(2) Per direction from City Staff, this project was listed in the 2009 Financial Plan prepared by Bartle Wells Associates and should be added to CIP costs.
(3) Added to CIP, per direction from City Staff.
(4) In consultation with City Staff, the cost of the placeholder projects for Fiscal Year 2016/17 and beyond is equal to the level of capital spending set for Fiscal Year 2011/12, net of vehicle expenditures, or $71,120.
In 2012-2016, the costs are set to $0 since there were additional projects added, per the 2009 Bartle Wells Financial Plan and City Staff.
(5) The capital projects that are listed here are from the 2008 Update of the Wastewater System Capital Improvement Plan and to be funded by future development.
(6) For purposes of this analysis, the Administration, Engineering and Contingency costs will be spread evenly over the 20 year period.

SUMMARY OF CAPITAL EXPENDITURES

Expenditures to Meet Existing Needs (Repair/Replace):

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget	2012	2013	2014	2015	2016	2017	2018	2019	2020
Soledad Sewer Trunk Line Study	$ 36,239	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replace WWTP Perimeter Fencing	$ 11,700	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Install CL Gates	$ 9,319	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Video Truck	$ -	$ 139,367	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Router Truck	$ -	$ 214,411	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ 6,523	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Roof Replacement (2)	$ -	$ 160,808	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Door Replacement (2)	$ -	$ 9,648	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Exterior (2)	$ -	$ -	$ 16,650	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Interior (2)	$ -	$ -	$ 16,650	$ -	$ -	$ -	$ -	$ -	$ -
Clarifier #3 Repaint Bridge Beams (2)	$ -	$ -	$ -	$ 28,732	$ -	$ -	$ -	$ -	$ -
Remove & Replace Sludge Pump #2 (2)	$ -	$ -	$ -	$ -	$ 35,699	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ 26,801	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ 26,801	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Placeholder Projects for 2013-2031 (4)	$ -	$ -	$ -	$ -	$ -	$ 87,628	$ 90,730	$ 93,941	$ 97,267
Subtotal: Expenditures for Existing Needs	**$ 63,781**	**$ 577,837**	**$ 33,300**	**$ 28,732**	**$ 35,699**	**$ 87,628**	**$ 90,730**	**$ 93,941**	**$ 97,267**

Expenditures to Meet Existing Needs (Repair/Replace):

Projects to Serve and Be Funded by Future Development (3)	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pipelines									
8" Pine Avenue -101 West to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -101 East to Third Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -Third Street East to Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Third Street East to Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cherry Avenue South to Walnut Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue - Third Street East to Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cypress Avenue - Freeway East to Second Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12" Apple Avenue - El Camino Real to Freeway	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue Southerly to SOI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Westerly SOI to Easterly SOI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Pump Station to Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12" Pipeline 31 to 2nd Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" 2nd Street - Elm Avenue to SOI Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pump Stations									
New Pump Station at end of Pipeline 22	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at end of Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at Elm and Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Expansion									
Property Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1 MGD Primary Clarifiers and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30 Foot Diameter Digester	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge and Scum Pump Building, including pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Secondary Lagoons	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Floating Aeration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Piping and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Distribution System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,000 AMP Electrical Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electrical and Control	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge Drying Beds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Reclamation Treatment Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Capital Expenses for Projects									
Administration, Engineering and Contingencies (6)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal: Expenditures for Existing Needs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total: Expenditures for Existing Needs	$ 63,781	$ 577,837	$ 33,300	$ 28,732	$ 35,699	$ 87,628	$ 90,730	$ 93,941	$ 97,267

SUMMARY OF CAPITAL EXPENDITURES, CONTINUED

Expenditures to Meet Future Needs (For Growth):

Projects in the Fiscal Year 2011/12 Capital Improvement Projects Budget	2012	2013	2014	2015	2016	2017	2018	2019	2020
Soledad Sewer Trunk Line Study	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replace WWTP Perimeter Fencing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Install CL Gates	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Video Truck	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase Router Truck	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remodel Breakroom/Restrooms/Showers/Locker Rooms	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Roof Replacement (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Door Replacement (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Exterior (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Control Building - Paint Interior (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Clarifier #3 Repaint Bridge Beams (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remove & Replace Sludge Pump #2 (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Equipment (3)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Placeholder Projects for 2013-2031 (4)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal: Expenditures for Future Needs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Expenditures to Meet Future Needs (For Growth):

Projects to Serve and Be Funded by Future Development (3)	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pipelines									
8" Pine Avenue -101 West to El Camino Real	$ 68,336	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -101 East to Third Street	$ 124,248	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue -Third Street East to Second Street	$ 164,007	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Third Street - Pine Avenue South to Cherry Avenue	$ 83,867	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Pine Avenue South to Cherry Avenue	$ 111,823	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Third Street East to Second Street	$ -	$ 169,813	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cherry Avenue South to Walnut Avenue	$ -	$ 113,209	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8" Elm Avenue - Third Street East to Second Street	$ -	$ 169,813	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6" Second Street - Elm Avenue Lift Station to Walnut Avenue	$ -	$ -	$ 266,401	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ 87,912	$ -	$ -	$ -	$ -	$ -	$ -
8" Twelfth Street - Pine Avenue South to Cherry Avenue	$ -	$ -	$ 87,912	$ -	$ -	$ -	$ -	$ -	$ -
8" Cherry Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ 239,761	$ -	$ -	$ -	$ -	$ -	$ -
8" Tenth Street - Walnut Avenue North to Cherry Avenue	$ -	$ -	$ -	$ 91,024	$ -	$ -	$ -	$ -	$ -
8" Pine Avenue - Twelfth Street East to El Camino Real	$ -	$ -	$ -	$ 182,049	$ -	$ -	$ -	$ -	$ -
8" Cherry Street - Amaral Easterly to Twelfth Avenue	$ -	$ -	$ -	$ 182,049	$ -	$ -	$ -	$ -	$ -
8" Cypress Avenue - Freeway East to Second Avenue	$ -	$ -	$ -	$ 324,102	$ -	$ -	$ -	$ -	$ -
8" Third Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 91,024	$ -	$ -	$ -	$ -	$ -
8" Second Street - Cypress Avenue to Pine Avenue	$ -	$ -	$ -	$ 91,024	$ -	$ -	$ -	$ -	$ -
10" Apple Avenue - Thirteenth Avenue to El Camino Real	$ -	$ -	$ -	$ -	$ 514,073	$ -	$ -	$ -	$ -
12" Apple Avenue - El Camino Real to Freeway	$ -	$ -	$ -	$ -	$ 208,247	$ -	$ -	$ -	$ -
8" Elm Avenue Southerly to SOI	$ -	$ -	$ -	$ -	$ 335,575	$ -	$ -	$ -	$ -
8" Westerly SOI to Easterly SOI	$ -	$ -	$ -	$ -	$ -	$ 561,841	$ -	$ -	$ -
6" Pump Station to Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ 462,041	$ -	$ -	$ -
12" Pipeline 31 to 2nd Street	$ -	$ -	$ -	$ -	$ -	$ -	$ 650,620	$ -	$ -
6" 2nd Street - Elm Avenue to SOI Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ 420,989	$ -	$ -
Pump Stations									
New Pump Station at end of Pipeline 22	$ -	$ 375,219	$ -	$ -	$ -	$ -	$ -	$ -	$ -
New Pump Station at end of Pipeline 24	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 396,266	$ -
New Pump Station at Elm and Second Street	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Expansion									
Property Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,128,670
1 MGD Primary Clarifiers and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30 Foot Diameter Digester	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge and Scum Pump Building, including pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Secondary Lagoons	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Floating Aeration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Piping and Appurtenances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Pump Station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Spray Irrigation Distribution System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,000 AMP Electrical Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electrical and Control	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sludge Drying Beds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wastewater Reclamation Treatment Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Capital Expenses for Projects									
Administration, Engineering and Contingencies (6)	$ 351,819	$ 364,273	$ 377,169	$ 390,521	$ 404,345	$ 418,659	$ 433,479	$ 448,824	$ 464,713
Subtotal: Expenditures for Future Needs	**$ 904,101**	**$ 1,192,327**	**$ 1,059,155**	**$ 1,351,793**	**$ 1,462,240**	**$ 1,442,541**	**$ 1,505,088**	**$ 845,090**	**$ 5,593,382**
Grand Total: Expenditures for Future Needs	**$ 904,101**	**$ 1,192,327**	**$ 1,059,155**	**$ 1,351,793**	**$ 1,462,240**	**$ 1,442,541**	**$ 1,505,088**	**$ 845,090**	**$ 5,593,382**
Grand Total: Capital Expenditures for Existing and Future Needs	**$ 967,882**	**$ 1,770,164**	**$ 1,092,455**	**$ 1,380,526**	**$ 1,497,939**	**$ 1,530,169**	**$ 1,595,818**	**$ 939,032**	**$ 5,690,649**

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Capital Improvement Plan Resources and Expenditures
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute

EXHIBIT 3

Scenario 4: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve and Debt Financing

CAPITAL IMPROVEMENT PROGRAM FUNDING OPTIONS

Policy Choice		2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Full Funding of Capital Improvement Program, at actual cost & timing	$ 967,882	$ 1,770,164	$ 1,092,455	$ 1,380,526	$ 1,497,939	$ 1,530,169	$ 1,595,818	$ 939,032	$ 5,690,649
2	Full Funding of Capital Improvement Program, at average cost & timing	2,065,565	2,065,565	2,065,565	2,065,565	2,065,565	2,065,565	2,065,565	2,065,565	2,065,565
3	50% Funding of Capital Improvement Program, at average cost & timing	1,032,782	1,032,782	1,032,782	1,032,782	1,032,782	1,032,782	1,032,782	1,032,782	1,032,782
4	No Funding of Capital Improvement Program	-	-	-	-	-	-	-	-	-
5	Funding of Only Projects Listed in Current CIP	63,781	577,837	33,300	28,732	35,699	87,628	90,730	93,941	97,267
6	Funding of Only Projects for Future Development	904,101	1,192,327	1,059,155	1,351,793	1,462,240	1,442,541	1,505,088	845,090	5,593,382
7	Other Amount at Right	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

Insert choice in box to right, based on options listed above	1

Capital Improvement Program Funding Choice	2012	2013	2014	2015	2016	2017	2018	2019	2020
Effective Annual Funding Amount	$ 967,882	$ 1,770,164	$ 1,092,455	$ 1,380,526	$ 1,497,939	$ 1,530,169	$ 1,595,818	$ 939,032	$ 5,690,649

CAPITAL FUNDING FORECAST

Funding Sources	2012	2013	2014	2015	2016	2017	2018	2019	2020
Grant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Development Agreement Contribution	904,101	1,192,327	1,059,155	1,351,793	1,462,240	1,442,541	1,505,088	845,090	5,593,382
Surplus Impact Fee Fund Balance	-	-	-	-	-	-	-	-	-
Lease Purchase Financing		383,778							
Revenue Bond	-	-	-	-	-	-	-	-	-
Surplus Capital Reserve	63,781	224,059	33,300	28,732	35,699	87,628	90,730	93,941	97,267
Rate Revenue	-	-	-	-	-	-	-	-	-
Grand Total: Funding Sources	**$ 967,882**	**$ 1,770,164**	**$ 1,092,455**	**$ 1,380,526**	**$ 1,497,939**	**$ 1,530,169**	**$ 1,595,818**	**$ 939,032**	**$ 5,690,649**

CAPITAL FUNDING SURPLUS (DEFICIENCY)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

EXISTING DEBT OBLIGATIONS:

Annual Repayment Schedules	2012	2013	2014	2015	2016	2017	2018	2019	2020
Loan Agreement No. CIEDB-B05-073:									
Principal Payment	$ 55,954	$ 57,716	$ 59,534	$ 61,410	$ 63,344	$ 65,339	$ 67,398	$ 69,521	$ 71,711
Interest Payment	68,488	66,697	64,851	62,946	60,981	58,954	56,863	54,707	52,483
Subtotal: Annual Debt Service	**$ 124,441**	**$ 124,414**	**$ 124,385**	**$ 124,355**	**$ 124,325**	**$ 124,293**	**$ 124,261**	**$ 124,228**	**$ 124,193**
Coverage Requirement (% above annual payment) (1)	10%	10%	10%	10%	10%	10%	10%	10%	10%
Reserve Requirement (total fund balance) (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bond Issue No. 2:									
Principal Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Payment	-	-	-	-	-	-	-	-	-
Subtotal: Annual Debt Service	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Coverage Requirement (% above annual payment)	0%	0%	0%	0%	0%	0%	0%	0%	0%
Reserve Requirement (total fund balance)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total: Existing Annual Debt Service	**$ 124,441**	**$ 124,414**	**$ 124,385**	**$ 124,355**	**$ 124,325**	**$ 124,293**	**$ 124,261**	**$ 124,228**	**$ 124,193**
Grand Total: Existing Annual Coverage Req.	**$ 12,444**	**$ 12,441**	**$ 12,438**	**$ 12,436**	**$ 12,432**	**$ 12,429**	**$ 12,426**	**$ 12,423**	**$ 12,419**
Grand Total: Existing Debt Reserve Target	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

NEW DEBT FINANCING ASSUMPTIONS:

Long-Term Debt Terms	Lease-Purchase Financing (3)	Revenue Bonds
Issuance Cost	0.00%	2.00%
Annual Interest Cost (%)	4.00%	5.50%
Term	7	30
Debt Reserve Funded?	No	Yes
Coverage Requirement (% above annual pmt)	0%	25%

NEW DEBT OBLIGATIONS:

Annual Repayment Schedules	2012	2013	2014	2015	2016	2017	2018	2019	2020
Lease-Purchase Financing (for vehicles)									
Principal Payment	$ -	$ 44,792	$ 46,583	$ 48,447	$ 50,385	$ 52,400	$ 54,496	$ 56,676	$ -
Interest Payment	-	14,151	12,359	10,496	8,558	6,543	4,447	2,267	-
Subtotal: Annual Debt Service	**$ -**	**$ 58,943**	**$ 58,943**	**$ 58,943**	**$ 58,943**	**$ 58,943**	**$ 58,943**	**$ 58,943**	**$ -**
Revenue Bonds									
Principal Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Payment	-	-	-	-	-	-	-	-	-
Subtotal: Annual Debt Service	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Grand Total: New Annual Debt Service	**$ -**	**$ 58,943**	**$ 58,943**	**$ 58,943**	**$ 58,943**	**$ 58,943**	**$ 58,943**	**$ 58,943**	**$ -**
Grand Total: New Annual Coverage Requirement	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Grand Total: New Debt Reserve Target	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

TOTAL DEBT SERVICE:

Annual Obligations	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Debt Service	$ 124,441	$ 183,356	$ 183,328	$ 183,298	$ 183,268	$ 183,236	$ 183,204	$ 183,170	$ 124,193
Annual Coverage Requirement	$ 12,444	$ 12,441	$ 12,438	$ 12,436	$ 12,432	$ 12,429	$ 12,426	$ 12,423	$ 12,419
Total Debt Reserve Target	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(1) The Coverage Requirement for this loan is 110%, or 10% above the annual debt service payment.
(2) Per the loan documents, there is no Debt Reserve Target for this debt issue.
(3) Terms of Lease-Purchase Financing developed in consultation with City Staff.

FORECASTING ASSUMPTIONS:

Minimum Reserve Targets	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Reserve Days	60	60	60	60	60	60	60	60	60
Operating Reserve (% of Annual Operating Expenses)	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%
Capital Improvement Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Reserve	-	-	-	-	-	-	-	-	-

Economic Variables	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Interest Earnings Rate (1)	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%

CASH FLOW FORECAST BY TYPE OF RESERVE:

Operations Fund	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Balance (2)	$ 267,495	$ 106,027	$ 114,867	$ 113,994	$ 118,225	$ 122,568	$ 127,114	$ 131,833	$ 136,732
Plus: Net Cash Flow (After Rate Increases)	80,120	61,878	173,235	265,704	370,797	382,310	385,507	388,819	417,282
Less: Transfer of Surplus Cash to the Capital Reserve	(241,588)	(53,038)	(174,108)	(261,473)	(366,453)	(377,764)	(380,788)	(383,920)	(412,196)
Subtotal: Ending Cash Balance	**106,027**	**114,867**	**113,994**	**118,225**	**122,568**	**127,114**	**131,833**	**136,732**	**141,818**
Less: Minimum Operating Reserve Target	(106,027)	(114,867)	(113,994)	(118,225)	(122,568)	(127,114)	(131,833)	(136,732)	(141,818)
Cash Surplus (Deficiency)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Capital Replacement Reserve Fund	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Balance (2)	$ 405,464	$ 585,299	$ 417,204	$ 560,098	$ 797,040	$ 1,135,764	$ 1,440,098	$ 1,751,758	$ 2,072,392
Plus: Grant Proceeds	-	-	-	-	-	-	-	-	-
Plus: Net Debt Proceeds	-	353,778	-	-	-	-	-	-	-
Plus: New Development Contributions	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Plus: Transfer of Operating Reserve Surplus	241,588	53,038	174,108	261,473	366,453	377,764	380,788	383,920	412,196
Plus: Interest Earnings	2,027	2,926	2,086	4,201	7,970	14,197	21,601	30,656	41,448
Plus: Transfer of Debt Reserve Surplus	-	-	-	-	-	-	-	-	-
Less: Capital Projects Funded by Capital Reserve Balance	(967,882)	(1,770,164)	(1,092,455)	(1,380,526)	(1,497,939)	(1,530,169)	(1,595,818)	(939,032)	(5,690,649)
Subtotal: Ending Cash Balance	**$ 585,299**	**$ 417,204**	**$ 560,098**	**$ 797,040**	**$ 1,135,764**	**$ 1,440,098**	**$ 1,751,758**	**$ 2,072,392**	**$ 2,428,769**
Less: Minimum Capital Improvement Fund Reserve Target	-	-	-	-	-	-	-	-	-
Cash Surplus (Deficiency)	**$ 585,299**	**$ 417,204**	**$ 560,098**	**$ 797,040**	**$ 1,135,764**	**$ 1,440,098**	**$ 1,751,758**	**$ 2,072,392**	**$ 2,428,769**

Developer Impact Fee Fund	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Balance (3)	$ 786,500	$ 790,433	$ 819,385	$ 848,482	$ 879,845	$ 913,644	$ 950,064	$ 989,315	$ 1,031,628
Plus: Interest Earnings	3,933	3,952	4,097	6,364	8,798	11,421	14,251	17,313	20,633
Plus: Developer Impact Fees/Connection Fees Revenue	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Less: Capital Projects Funded	-	-	-	-	-	-	-	-	-
Subtotal: Ending Cash Balance	**$ 790,433**	**$ 819,385**	**$ 848,482**	**$ 879,845**	**$ 913,644**	**$ 950,064**	**$ 989,315**	**$ 1,031,628**	**$ 1,077,261**
Cash Surplus (Deficiency)	**$ 790,433**	**$ 819,385**	**$ 848,482**	**$ 879,845**	**$ 913,644**	**$ 950,064**	**$ 989,315**	**$ 1,031,628**	**$ 1,077,261**

Debt Reserves	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Balance (4)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plus: Reserve Funding from New Debt Obligations	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	-	-	-	-	-	-	-	-	-
Less: Transfer of Surplus Cash to Capital Reserve	-	-	-	-	-	-	-	-	-
Subtotal: Ending Cash Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Minimum Debt Reserve Target	-	-	-	-	-	-	-	-	-
Cash Surplus (Deficiency)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TOTAL CASH RESERVES:

All Reserves	2012	2013	2014	2015	2016	2017	2018	2019	2020
Ending Cash Balance in All Reserves	$ 1,481,758	$ 1,351,456	$ 1,522,574	$ 1,795,110	$ 2,171,976	$ 2,517,276	$ 2,872,906	$ 3,240,752	$ 3,647,848
Less: Minimum Reserve Targets	(106,027)	(114,867)	(113,994)	(118,225)	(122,568)	(127,114)	(131,833)	(136,732)	(141,818)
Total Cash Surplus (Deficiency)	**$ 1,375,731**	**$ 1,236,589**	**$ 1,408,580**	**$ 1,676,885**	**$ 2,049,408**	**$ 2,390,162**	**$ 2,741,073**	**$ 3,104,020**	**$ 3,506,030**

(1) Historical interest earning rates were referenced on the California Treasurer's Office website for funds invested in LAIF. Future years earnings were conservatively estimated through FY 2016/17 and phase into the historical 10 year average interest earnings rate.

(2) For purposes of this analysis, it is assumed that available cash can be deposited into distinct Operating and Capital Reserve Funds. Accordingly, the total beginning cash balance of $672,959 has been segregated as follows: $267,495 has been assigned as the beginning cash balance in the Operating Fund and $405,464 has been assigned as the beginning cash balance in the Capital Reserve, so that funds are available for CIP expenditures. The total cash balance of $672,959 is reported in the in the Trial Balance report as of 6/30/2011.

(3) The beginning Developer Impact Fee Balance was provided by City Staff via email on 10/27/2011.

(4) There are no funds in the bond fund, per email from City Staff on 10/27/2011.

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Rate Revenue Requirements Tests
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute

EXHIBIT 6

Scenario 4: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve and Debt Financing

CASH FLOW SUFFICIENCY TEST:

Cash Resources and Uses	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cash Resources:									
Rate Revenue	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100
Other Miscellaneous Operating Revenues	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Operating Reserve Interest Earnings	1,337	530	574	855	1,182	1,532	1,907	2,307	2,735
Policy: Use of Operating Fund Balance to Meet Expenditures	-	-	-	-	-	-	-	-	-
Subtotal: Cash Resources	**$ 763,937**	**$ 763,130**	**$ 763,174**	**$ 763,455**	**$ 763,782**	**$ 764,132**	**$ 764,507**	**$ 764,907**	**$ 765,335**
Cash Uses:									
Operating Expenses	$ 645,000	$ 698,776	$ 693,464	$ 719,201	$ 745,623	$ 773,275	$ 801,983	$ 831,786	$ 862,727
Existing Debt Repayment	124,441	124,414	124,385	124,355	124,325	124,293	124,261	124,228	124,193
New Debt Repayment	-	58,943	58,943	58,943	58,943	58,943	58,943	58,943	-
Rate-Funded Capital Expenses	-	-	-	-	-	-	-	-	-
Capital Replacement Reserve Funding	80,120	53,038	173,235	261,473	366,453	377,764	380,788	383,920	387,162
Additions to Meet Minimum Operating Reserve Balance	-	8,840	-	4,231	4,343	4,546	4,719	4,899	5,086
Subtotal: Cash Uses	**$ 849,561**	**$ 944,010**	**$ 1,050,027**	**$ 1,168,203**	**$ 1,299,688**	**$ 1,338,821**	**$ 1,370,694**	**$ 1,403,775**	**$ 1,379,169**
Cash Surplus (Deficit)	**$ (85,624)**	**$ (180,880)**	**$ (286,853)**	**$ (404,748)**	**$ (535,906)**	**$ (574,689)**	**$ (606,187)**	**$ (638,868)**	**$ (613,834)**

DEBT COVERAGE SUFFICIENCY TEST:

Option to Include or Exclude Debt Coverage Sufficiency Test in the Rate Forecast:

Allowable Resources and Required Uses	2012	2013	2014	2015	2016	2017	2018	2019	2020
Allowable Resources:									
Rate Revenue	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100
Non-Rate Revenues	2,837	2,030	2,074	2,355	2,682	3,032	3,407	3,807	4,235
Interest Earnings in Capital Funds and Debt Reserve	5,960	6,879	6,183	10,564	16,769	25,618	35,852	47,969	62,080
Subtotal: Allowable Resources	**$ 769,897**	**$ 770,009**	**$ 769,357**	**$ 774,019**	**$ 780,551**	**$ 789,750**	**$ 800,359**	**$ 812,876**	**$ 827,415**
Required Uses:									
Operating Expenses	$ 645,000	$ 698,776	$ 693,464	$ 719,201	$ 745,623	$ 773,275	$ 801,983	$ 831,786	$ 862,727
Debt Repayment (Only Issues Requiring Coverage)	124,441	124,414	124,385	124,355	124,325	124,293	124,261	124,228	124,193
Coverage Requirement	12,444	12,441	12,438	12,436	12,432	12,429	12,426	12,423	12,419
Subtotal: Required Uses	**$ 781,885**	**$ 835,631**	**$ 830,288**	**$ 855,991**	**$ 882,381**	**$ 909,998**	**$ 938,670**	**$ 968,436**	**$ 999,340**
Debt Coverage Surplus (Deficit)	**$ (11,988)**	**$ (65,622)**	**$ (60,931)**	**$ (81,972)**	**$ (101,830)**	**$ (120,248)**	**$ (138,311)**	**$ (155,560)**	**$ (171,925)**

MAXIMUM REVENUE DEFICIENCY FROM TESTS:

Identification of Revenue Deficiency	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sufficiency Test Driving Any Deficiency	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow
Maximum Sufficiency Test Deficiency	$ 85,624	$ 180,880	$ 286,853	$ 404,748	$ 535,906	$ 574,689	$ 606,187	$ 638,868	$ 613,834
plus: Adjustment to Levelize	-	-	-	-	-	-	-	-	-
less: Net Revenue from Prior Rate Increases	-	(85,624)	(180,880)	(286,853)	(404,748)	(535,906)	(574,689)	(606,187)	(613,834)
Total Revenue Deficiency	**$ 85,624**	**$ 95,256**	**$ 105,973**	**$ 117,895**	**$ 131,158**	**$ 38,784**	**$ 31,498**	**$ 32,681**	**$ -**

RATE INCREASES FORECASTED:

Calculation of Required Rate Increases	2012	2013	2014	2015	2016	2017	2018	2019	2020
Rate Revenue with No Rate Increase	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100
plus: Revenue from Prior Rate Increases	-	85,624	180,880	286,853	404,748	535,906	574,689	606,187	638,868
Total Rate Revenue Before Rate Increase	$ 761,100	$ 846,724	$ 941,980	$ 1,047,953	$ 1,165,848	$ 1,297,006	$ 1,335,789	$ 1,367,287	$ 1,399,968
Calculated Required Annual Rate Increase	**11.25%**	**11.25%**	**11.25%**	**11.25%**	**11.25%**	**2.99%**	**2.36%**	**2.39%**	**0.00%**
Cumulative Increase from Annual Rate Increases	*11.25%*	*23.77%*	*37.69%*	*53.18%*	*70.41%*	*75.51%*	*79.65%*	*83.94%*	*83.94%*

IMPACTS OF RATE INCREASES:

Revenue Statistics	2012	2013	2014	2015	2016	2017	2018	2019	2020
Rate Revenues After Rate Increase	$ 846,724	$ 941,980	$ 1,047,953	$ 1,165,848	$ 1,297,006	$ 1,335,789	$ 1,367,287	$ 1,399,968	$ 1,399,968
Net Cash Flow After Rate Increase	80,120	61,878	173,235	265,704	370,797	382,310	385,507	388,819	417,282
Net Cash Flow After Rate Increase [Contribution to All Reserves]	-	-	-	-	-	-	-	-	25,034
Coverage After Rate Increase	1.69	2.03	2.92	3.70	4.59	4.76	4.87	4.99	4.86

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Financial Forecast Summary
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute

EXHIBIT 7

Scenario 4: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve and Debt Financing

CAPITAL EXPENDITURE FUNDING SUMMARY	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019	FY 2019 2020
Effective Annual Funding of Capital Expenditures	$ 967,882	$ 1,770,164	$ 1,092,455	$ 1,380,526	$ 1,497,939	$ 1,530,169	$ 1,595,818	$ 939,032	$ 5,690,649
Capital Expenditure Funding Sources:									
Grant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Development Agreement Contribution	904,101	1,192,327	1,059,155	1,351,793	1,462,240	1,442,541	1,505,088	845,090	5,593,382
Surplus Impact Fee Fund Balance	-	-	-	-	-	-	-	-	-
Lease-Purchase Financing	-	353,778	-	-	-	-	-	-	-
Revenue Bond	-	-	-	-	-	-	-	-	-
Surplus Capital Reserve	63,781	224,059	33,300	28,732	35,699	87,628	90,730	93,941	97,267
Rate Revenue	-	-	-	-	-	-	-	-	-
Subtotal: Sources	**$ 967,882**	**$ 1,770,164**	**$ 1,092,455**	**$ 1,380,526**	**$ 1,497,939**	**$ 1,530,169**	**$ 1,595,818**	**$ 939,032**	**$ 5,690,649**
Capital Funding Surplus (Deficiency)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

RATE REVENUE REQUIREMENTS SUMMARY	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019	FY 2019 2020
Sources:									
Rate Revenue using Current Rates	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100
Non-Rate Revenues	2,837	2,030	2,074	2,355	2,682	3,032	3,407	3,807	4,235
Policy: Use of Operating Reserve Balance to Meet Expenses	-	-	-	-	-	-	-	-	-
Subtotal: Revenue	**$ 763,937**	**$ 763,130**	**$ 763,174**	**$ 763,455**	**$ 763,782**	**$ 764,132**	**$ 764,507**	**$ 764,907**	**$ 765,335**
Uses:									
Operating, Maintenance, & Administration Expenses	$ 645,000	$ 707,616	$ 693,464	$ 723,431	$ 749,967	$ 777,821	$ 806,702	$ 836,685	$ 867,814
Existing Debt Service	124,441	124,414	124,385	124,355	124,325	124,293	124,261	124,228	124,193
New Debt Service	-	58,943	58,943	58,943	58,943	58,943	58,943	58,943	-
Policy: Capital Replacement Reserve Funding	80,120	53,038	173,235	261,473	366,453	377,764	380,788	383,920	387,162
Rate-Funded Capital Expenses	-	-	-	-	-	-	-	-	-
Incremental Debt Coverage Obligation	-	-	-	-	-	-	-	-	-
Subtotal: Expenses	**$ 849,561**	**$ 944,010**	**$ 1,050,027**	**$ 1,168,203**	**$ 1,299,688**	**$ 1,338,821**	**$ 1,370,694**	**$ 1,403,775**	**$ 1,379,169**
Adjustment to Levelize Rate Increases	-	-	-	-	-	-	-	-	-
Forecasted Surplus (Deficiency) before Rate Increase	**$ (85,624)**	**$ (180,880)**	**$ (286,853)**	**$ (404,748)**	**$ (535,906)**	**$ (574,689)**	**$ (606,187)**	**$ (638,868)**	**$ (613,834)**
Rate Increases Required	**11.25%**	**11.25%**	**11.25%**	**11.25%**	**11.25%**	**2.99%**	**2.36%**	**2.39%**	**0.00%**
Rate Revenue using Increased Rates	**$ 846,724**	**$ 941,980**	**$ 1,047,953**	**$ 1,165,848**	**$ 1,297,006**	**$ 1,335,789**	**$ 1,367,287**	**$ 1,399,968**	**$ 1,399,968**

Sample Residential Monthly Bill	2012	2013	2014	2015	2016	2017	2018	2019	2020
Current Rate	$ 16.94	$ 18.85	$ 20.97	$ 23.32	$ 25.95	$ 28.87	$ 29.73	$ 30.43	$ 31.16
Increased Rate	18.85	20.97	23.32	25.95	28.87	29.73	30.43	31.16	31.16
Difference between Current and Increased Rate	**$ 1.91**	**$ 2.12**	**$ 2.36**	**$ 2.62**	**$ 2.92**	**$ 0.86**	**$ 0.70**	**$ 0.73**	**$ -**

CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Cash Flow Summary (After Rate Increases)
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute

EXHIBIT 8

Scenario 4: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve and Debt Financing

CASH POSITION AFTER RATE INCREASES	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019	FY 2019 2020
Annual Rate Increase	**11.25%**	**11.25%**	**11.25%**	**11.25%**	**11.25%**	**2.99%**	**2.36%**	**2.39%**	**0.00%**
Available Resources									
Beginning Cash Balance:									
Operations & Maintenance Fund	$ 267,495	$ 106,027	$ 114,867	$ 113,994	$ 118,225	$ 122,568	$ 127,114	$ 131,833	$ 136,732
Capital Replacement Reserve Fund	405,464	585,299	417,204	560,098	797,040	1,135,764	1,440,098	1,751,758	2,072,392
Developer Impact Fee Fund	786,500	790,433	819,385	848,482	879,845	913,644	950,064	989,315	1,031,628
Debt Reserve	-	-	-	-	-	-	-	-	-
Subtotal: Beginning Cash Balance	**$ 1,459,459**	**$ 1,481,758**	**$ 1,351,456**	**$ 1,522,574**	**$ 1,795,110**	**$ 2,171,976**	**$ 2,517,276**	**$ 2,872,906**	**$ 3,240,752**
Operating Revenues									
Rate Revenues under Existing Rates	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100	$ 761,100
Additional Rate Revenues from Rate Increases	85,624	180,880	286,853	404,748	535,906	574,689	606,187	638,868	638,868
Other Operating Revenues	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Operating Reserve Interest Earnings	1,337	530	574	855	1,182	1,532	1,907	2,307	2,735
Subtotal: Operating Revenues	**$ 849,561**	**$ 944,010**	**$ 1,050,027**	**$ 1,168,203**	**$ 1,299,688**	**$ 1,338,821**	**$ 1,370,694**	**$ 1,403,775**	**$ 1,404,203**
Capital Revenues									
Proceeds from Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from Lease-Purchase Financing	-	353,778	-	-	-	-	-	-	-
Proceeds from New Debt Issues	-	-	-	-	-	-	-	-	-
Connection Fees	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Development Agreement Contributions	904,101	1,192,327	1,059,155	1,351,793	1,462,240	1,442,541	1,505,088	845,090	5,593,382
Interest Earnings	5,960	6,879	6,183	10,564	16,769	25,618	35,852	47,969	62,080
Subtotal: Capital Revenues	**$ 910,061**	**$ 1,577,984**	**$ 1,090,338**	**$ 1,387,358**	**$ 1,504,009**	**$ 1,493,159**	**$ 1,565,941**	**$ 918,059**	**$ 5,680,463**
Total: Available Resources	**$ 3,219,082**	**$ 4,003,752**	**$ 3,491,821**	**$ 4,078,134**	**$ 4,598,806**	**$ 5,003,956**	**$ 5,453,910**	**$ 5,194,740**	**$ 10,325,418**
Anticipated Uses									
Operating Expenses:									
Employee Services	$ 238,100	$ 247,624	$ 257,529	$ 267,830	$ 278,543	$ 289,685	$ 301,272	$ 313,323	$ 325,856
Maintenance and Operations	400,100	414,552	429,536	445,070	461,177	477,878	495,194	513,148	531,765
Fiscal Agent Fees	6,800	6,600	6,400	6,300	5,903	5,713	5,517	5,314	5,106
Capital Outlay	-	-	-	-	-	-	-	-	-
Additional O&M Expenses from CIP Expenditures	$ -	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal: Operating Expenses	**$ 645,000**	**$ 698,776**	**$ 693,464**	**$ 719,201**	**$ 745,623**	**$ 773,275**	**$ 801,983**	**$ 831,786**	**$ 862,727**
Debt Service:									
Principal and Interest, Existing Obligations	$ 124,441	$ 124,414	$ 124,385	$ 124,355	$ 124,325	$ 124,293	$ 124,261	$ 124,228	$ 124,193
Principal and Interest, New Obligations	-	58,943	58,943	58,943	58,943	58,943	58,943	58,943	-
Subtotal: Debt Service	**$ 124,441**	**$ 183,356**	**$ 183,328**	**$ 183,298**	**$ 183,268**	**$ 183,236**	**$ 183,204**	**$ 183,170**	**$ 124,193**
Capital Improvement Plan Expenditures	**$ 967,882**	**$ 1,770,164**	**$ 1,092,455**	**$ 1,380,526**	**$ 1,497,939**	**$ 1,530,169**	**$ 1,595,818**	**$ 939,032**	**$ 5,690,649**
Total: Anticipated Uses	**$ 1,737,323**	**$ 2,652,296**	**$ 1,969,247**	**$ 2,283,024**	**$ 2,426,830**	**$ 2,486,680**	**$ 2,581,004**	**$ 1,953,988**	**$ 6,677,570**
Ending Cash Balance	**$ 1,481,758**	**$ 1,351,456**	**$ 1,522,574**	**$ 1,795,110**	**$ 2,171,976**	**$ 2,517,276**	**$ 2,872,906**	**$ 3,240,752**	**$ 3,647,848**
Restricted Cash Balance									
Operating Reserve Minimum Balance	$ 106,027	$ 114,867	$ 113,994	$ 118,225	$ 122,568	$ 127,114	$ 131,833	$ 136,732	$ 141,818
Debt Reserve Requirement	-	-	-	-	-	-	-	-	-
Subtotal: Restricted Cash Balance	**$ 106,027**	**$ 114,867**	**$ 113,994**	**$ 118,225**	**$ 122,568**	**$ 127,114**	**$ 131,833**	**$ 136,732**	**$ 141,818**
Unrestricted Cash Balance	**$ 1,375,731**	**$ 1,236,589**	**$ 1,408,580**	**$ 1,676,885**	**$ 2,049,408**	**$ 2,390,162**	**$ 2,741,073**	**$ 3,104,020**	**$ 3,506,030**

Exhibit 9.A - Wastewater Revenue Requirements Under Existing Rates

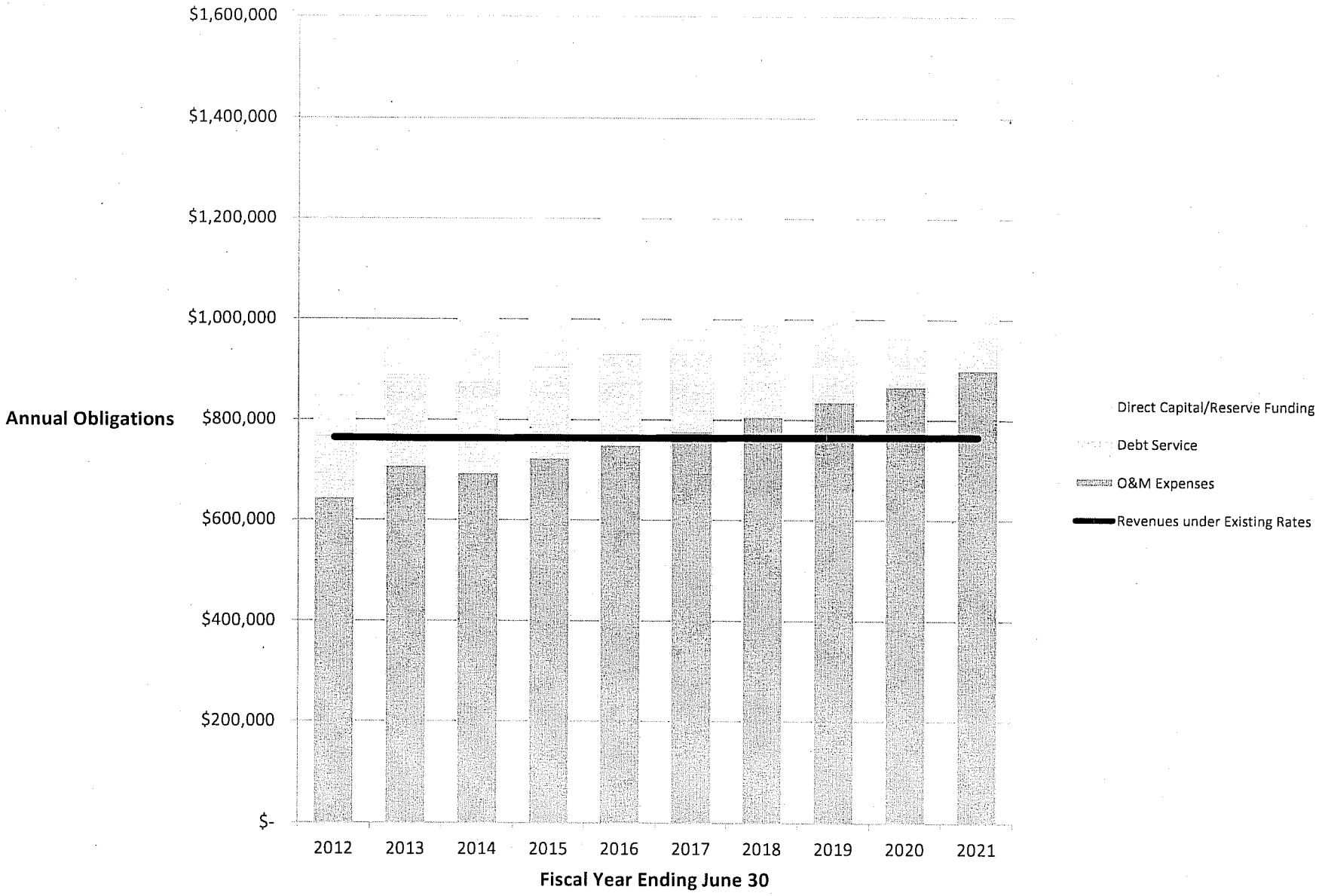
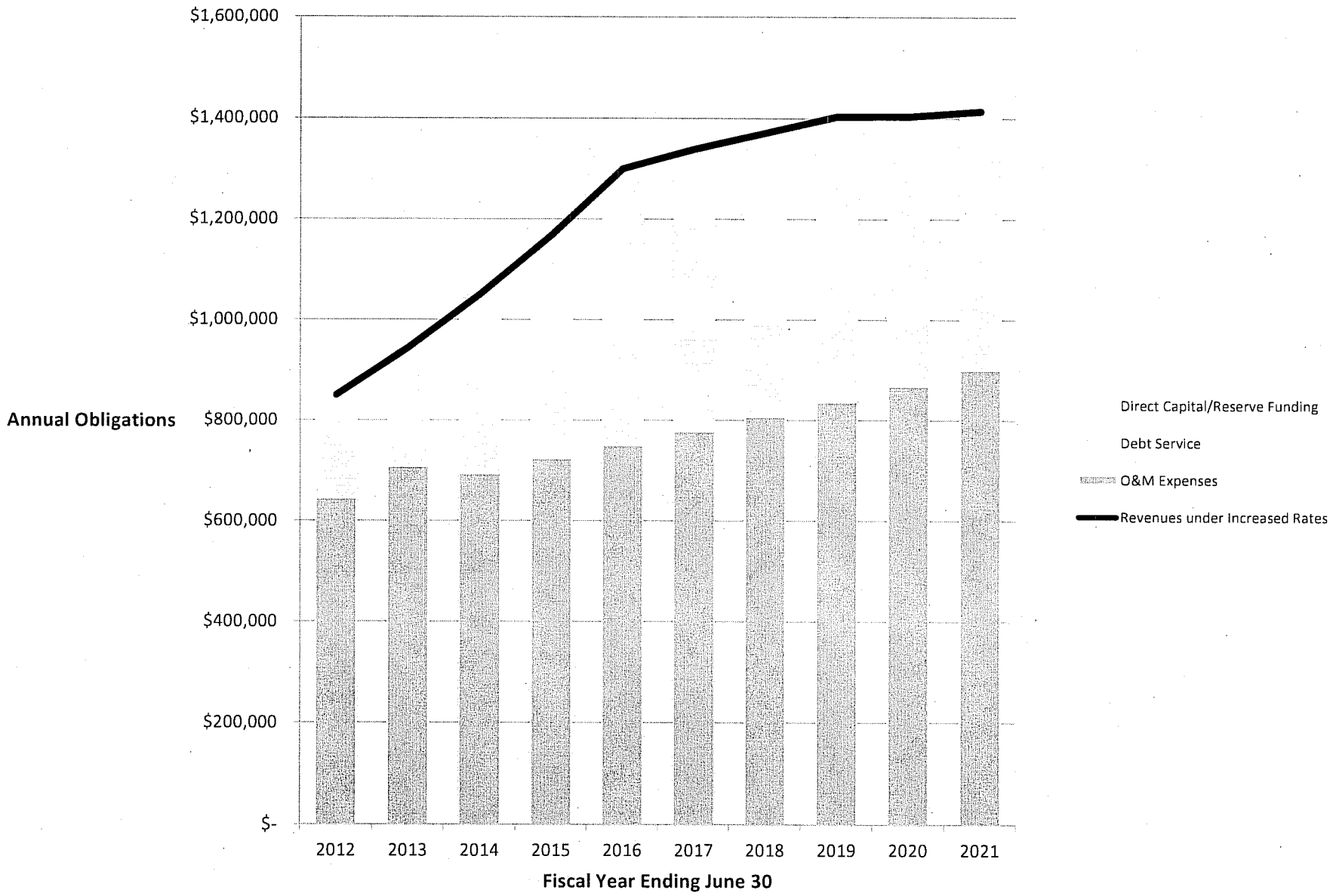


Exhibit 9.B - Wastewater Revenue Requirements Under Increased Rates



CITY OF GREENFIED
Wastewater Revenue Requirement Analysis
Existing Sewer Rate Schedule
Preliminary Draft Subject to Material Revision/Do Not Cite or Distribute

EXHIBIT 10

Scenario 4: Strategic Outcome / Includes Phased-In Funding of a Capital Replacement Reserve and Debt Financing

RATE STRUCTURE FORECAST (NO EQUITY / STRUCTURAL CHANGES APPLIED)	Prevailing Rates	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019	FY 2019 2020
Calculated Annual Rate Increases		**11.25%**	**11.25%**	**11.25%**	**11.25%**	**11.25%**	**2.99%**	**2.36%**	**2.39%**	**0.00%**
Monthly Sewer Use Fee	$ 16.94	$ 18.85	$ 20.97	$ 23.32	$ 25.95	$ 28.87	$ 29.73	$ 30.43	$ 31.16	$ 31.16