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**Pro-Forma Cash Flow Update**  
**Amherst County Service Authority**

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**July 3, 2012**

# Goals & Objectives

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- Outline appropriate alternatives for the Board's consideration which will allow the Authority to meet its annual operating & maintenance and debt service obligations.
- **The alternatives include potential adjustments to rates and charges of the Authority, which are by definition user fees for the provision and delivery of water and sewer services.**
- Project adjustments to rates and charges so that the Authority has sufficient annual revenues available to pay annual operating expenses and provide the **VRA Financing Agreement Requirement of \$1.15 for Every \$1.00 of Debt Service (1.15x Debt Service Coverage).**
- This is a Requirement both of the Authority's current and prior Financing Agreements to keep from a default and is a common requirement of Utility Revenue Bonds.
- Maintain adequate level of Non-Designated Cash Reserves. **For a Utility the size of ACSA, Non-Designated Cash Reserve levels in keeping with Best Practices approximate 50% of the total budget.**
- Such reserves are necessary for a utility to be able to respond to essential emergency capital expenditures or to undertake capital improvement projects when desirable opportunities arise.
- This position is consistent with the Board's Financial Policies adopted on March 6, 2012.

## Goals & Objectives (cont.)

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- Minimize any “Rate Shock” from future Water & Sewer Rate increases such as the double digit adjustments the Authority experienced in the late 1980’s/Early 1990’s.
  - With the issuance of the 2000 Bonds, the Authority began considering and implementing rate increases every two years.
  - In 2006, the Authority began an annual review and implementation of adjusting rates and charges so as to further “smooth out” the impact to the customer. Annual adjustments were continued through CY 2010.

# Background

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- In 2009 the Authority borrowed approximately \$8.04 million for the Lanum Filtration Plant Technological Upgrades (the “Project”) to meet requirements of new Federal Water Quality Regulation mandates that were beyond the control of the Authority:
- The Plan of Finance provided for the following:
  1. Taking advantage of the low interest rate environment;
  2. Avoiding potential limited availability of qualified contractors to perform the required work at a competitive cost as both the new water quality regulations and requirements of the Chesapeake Bay Clean Water initiatives were emerging on the same timeline; and
  3. Completing the construction of the project at favorable pricing as a result of the bids received.
- The project provided for the ability to meet both current and future residential, commercial and industrial community needs, until the next treatment plant hydraulic expansion (projected for approximately 2025).
- As a part of the planning process for the 2009 Bonds, a five year plan with annual rate adjustments (consistent with the 2006 annual rate adjustment decision) was presented to the Board to meet projected debt service needs and was adopted.

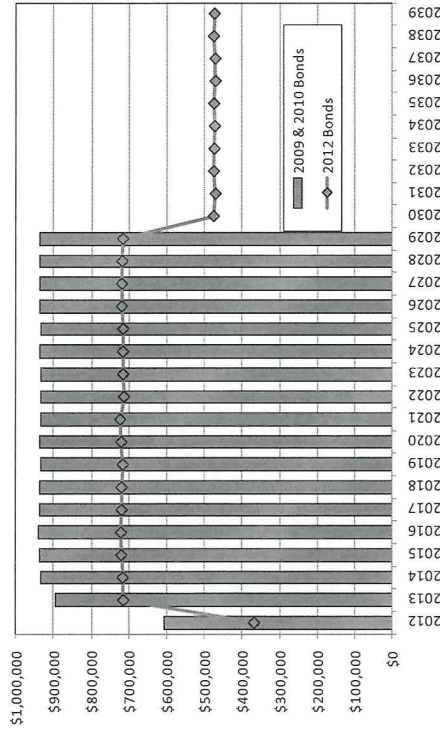
## Background (cont.)

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- In 2010 the Authority refinanced its 2000 Bonds for interest rate savings which reduced its debt service expense.
- As a result of the continued recessionary environment during the CY 2011 budget cycle, the Authority Board reconsidered annual adjustments to its rates, which had been a practice since 2006.
  - Rates were effectively held flat with no increase from February 2010 through CY 2012.
  - In CY 2012, the Authority also held rates constant and incorporated approximately \$405,000 of reserves as a revenue source.
  - **The Authority's discretionary budget appropriations have been further cut by 27.5% over the last three years in an attempt to accommodate escalating debt service costs related to the 2009 Bonds, and recessionary revenue levels.**
- In the Spring of CY 2012, the Authority participated in VRA's pooled loan financing program for a restructuring of its 2009 Bonds and refinancing of its 2010 Bonds for interest rate savings in order to mitigate the potential rate increases necessary to cover its annual debt service costs.
  - The Authority was able to complete this transaction in the lowest interest rate environment in 50 years, which resulted in cash flow reduction of \$190,000 on the 2009 Bonds and average annual savings of \$27,000 on the 2010 Bonds.
  - The VRA transaction has reduced the Authority's annual cash flow outlay for debt service by approximately \$217,000 on an ongoing basis when compared to prior bond debt service.

# Combined Restructuring/Refinancing – Final Cash Flows

**Debt Service Comparison - 2009 & 2010 Refinancing**



**Debt Service Comparison  
2009 &**

Year	2010 Bonds	2012 Bonds	Difference
2012	\$605,905	\$368,519	\$237,386
2013	896,160	714,813	181,347
2014	935,048	716,564	218,484
2015	937,380	720,151	217,229
2016	940,700	721,569	219,131
2017	936,918	719,470	217,448
2018	938,288	719,608	218,680
2019	934,553	716,527	218,026
2020	935,883	720,382	215,501
2021	935,018	723,214	211,804
2022	935,000	713,170	221,830
2023	933,743	715,720	218,023
2024	937,243	716,245	220,998
2025	934,243	715,745	218,498
2026	935,953	719,220	216,733
2027	936,118	719,113	217,005
2028	937,733	718,083	219,650
2029	935,665	716,126	219,539
2030	0	475,243	(475,243)
2031	0	470,381	(470,381)
2032	0	475,006	(475,006)
2033	0	473,606	(473,606)
2034	0	472,487	(472,487)
2035	0	474,550	(474,550)
2036	0	470,587	(470,587)
2037	0	470,856	(470,856)
2038	0	475,100	(475,100)
2039	0	473,062	(473,062)
Total	\$16,481,545	\$17,305,111	(\$823,566)

Bond Proceeds (Including Premium)	\$11,583,089
Bond Fund	<u>72,165</u>
Total Sources of Funds	\$11,655,254
Bond Payoff	\$11,453,069
Pro-rata VRA Costs	116,472
Pro-rata Local Costs	<u>85,713</u>
Total Uses of Funds	\$11,655,254
Estimated Cost of Funds	3.53%
Preliminary Savings	
Debt Service Savings 2012-2029	\$3,907,312
Additional Debt Service 2030-2039	<u>(4,730,878)</u>
Net Cash Flow Cost	(\$823,566)
Present Value Savings	\$787,277
% of Refunded Bonds	6.94%

# Pro-Forma Update Expense Assumptions

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- The pro-forma model has been updated to include actual CY 2010 and CY 2011 results and the most current CY 2012 budget. CY 2012 Budget Expenditures used as the base line for pro-forma purposes.
- From July 1, 2013 Wage Compensation adjustments are projected to be 5% per year as the Authority re-implements its merit based compensation program, to better attract and retain qualified employees.
- Fill the vacant plant operator at \$36,000 beginning in CY 2015.
- 4.5% growth for wholesale water purchases; 3.0% growth rate for all other expenses beginning in CY 2013, except debt service and fees to the Regional Wastewater Treatment Facility. Regional plant expenses are rising more rapidly due primarily to the requirements of the Chesapeake Bay Clean Water initiatives and higher sludge disposal cost caused by the closure of the Lynchburg landfill. Annual costs are expected to rise from the current \$179,000 to \$190,000 for CY 2013.
- \$294,000 of Necessary James River Sewer Line Erosion Stabilization expense funded from cash reserves in CY 2013 – matched with Corps of Engineers grant.
- Due to the necessary treatment plant overhauls and upgrades, Lynchburg landfill closure and Chesapeake Bay Clean Water initiatives, the Lynchburg Note Payments are estimated to increase from the current \$268,000 to the following:

-	CY 2013 =	\$268,000
-	CY 2014 & CY2015 =	\$285,000
-	CY 2016 =	\$290,000
-	CY 2017 =	\$294,000
- Debt service is based on the 2012 Restructuring and Refinancing as shown on Page 5.

# Pro-Forma Update Revenue Assumptions

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- Decreased activities resulting from CVTC's projected closure over the next 8 years is a bigger impact than in prior projections.
  - Beginning in CY 2013 water and sewer volume related to CVTC is decreased by 12.5% per year resulting in a decreasing revenue base.
  - The resulting reduced revenues are somewhat offset by decreases in wholesale purchases each year as CVTC uses less water.
  
- All other residential and commercial average volumes are held constant.
  
- Active Account Growth:
  - Water – 25 per Year.
  - Sewer – 6 Per Year.
  
- New Connection Growth:
  - Water – 48 per Year.
  - Sewer – 8 Per Year.



# Pro-Forma Cases Analyzed

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- Case 1: Annual adjustments to rates and charges (excluding Basic Service Fee) beginning in CY 2013, while maintaining designated reserves at current levels and the non-designated reserves at 50% of the operating budget.
  
- Case 2: Use of designated reserves while maintaining the Rate Stabilization Fund at the minimum \$1 million level and the non-designated reserves at 50% of the operating budget. Projected rate increases are deferred to CY 2014.

# Case 1 Preliminary Results – Estimated Water Rate Impact

Annual adjustments to rates and charges (excluding Basic Service Fee) beginning in CY 2013, while maintaining designated reserves at current levels and the non-designated reserves at 50% of the operating budget.

## Projected Water Rate Increase

<u>Year</u>	<u>Average Monthly Residential Cost Impact</u>	<u>7/3/2012 Pro-Forma Projection</u>	
2010	\$1.10	7.50%	(Adopted)
2011	\$0.00	0.00%	(Adopted)
2012	\$0.00	0.00%	(Adopted)
2013	\$1.65	10.25%	(Projected)
2014	\$1.15	6.50%	(Projected)
2015	\$1.20	6.50%	(Projected)
2016	\$1.30	6.50%	(Projected)
2017	\$1.30	6.00%	(Projected)

**\$31.55**  
**Projected 2017 Average Monthly Residential Customer Cost**

- Basic Service Fee is held constant at \$18.00 per bill and excluded from rate adjustments.
- With the annual rate adjustments the projected 2017 Average Monthly Residential Customer Cost increases approximately \$6.60 per month from CY 2012 Levels (\$24.95).

# Case 1 Preliminary Results – Estimated Sewer Rate Impact

Annual adjustments to rates and charges (excluding Basic Service Fee) beginning in CY 2013, while maintaining designated reserves at current levels and the non-designated reserves at 50% of the operating budget.

## Projected Sewer Rate Increase

<u>Year</u>	<u>Average Monthly Residential Cost Impact</u>	<u>7/3/2012 Pro-Forma Projection</u>	
2010	\$1.50	7.50%	(Adopted)
2011	\$0.00	0.00%	(Adopted)
2012	\$0.00	0.00%	(Adopted)
2013	\$2.20	10.25%	(Projected)
2014	\$1.55	6.50%	(Projected)
2015	\$1.65	6.50%	(Projected)
2016	\$1.75	6.50%	(Projected)
2017	\$1.70	6.00%	(Projected)

**\$30.35**  
**Projected 2017 Average Monthly Residential Customer Cost**

- With the annual rate adjustments the projected 2017 Average Monthly Residential Customer Cost increases approximately \$8.85 per Month from CY 2012 Levels (\$21.50).

# Case 1 Preliminary Results

- It is important to note that because the Board has instructed staff to freeze the Basic Service Fee at \$18.00 for each bill, the percentage increase related to water charges for the average monthly residential customer is lower. **However, it is an increasing trend with other Authorities in Central Virginia to adjust the Basic Service Fees periodically as fixed costs of the providing services change over time.**

	Largest Projected Increase - 2013		
	<u>2012</u>	<u>2013</u>	<u>% Change</u>
Basic Service Fee	\$18.00	\$18.00	0.00%
Water Rate	\$3.19	\$3.52	10.25%

Translated to:

Avg.Monthly Residential Cost      \$24.95      \$26.60      6.61%  
 (4.9hcf/month)

- The table below shows the separate impact of Case 1 rate increases for O&M, Debt Service and maintaining Non-Designated reserves based on the updated assumptions herein and the new 2012 Bond debt service.

<u>Year</u>	<u>Projected Rate Increases for</u>			<u>Total</u>
	<u>O&amp;M Only</u>	<u>Debt Service Only</u>	<u>Maintain Reserves</u>	
2013	3.00%	7.25%	0.00%	10.25%
2014	3.75%	1.25%	1.50%	6.50%
2015	4.25%	0.50%	1.75%	6.50%
2016	4.00%	0.50%	2.00%	6.50%
2017	4.00%	0.25%	1.75%	6.00%

# Case 2 Preliminary Results – Estimated Water Rate Impact

Use of designated reserves while maintaining the Rate Stabilization Fund at the minimum \$1 million level and the non-designated reserves at 50% of the operating budget. Projected rate increases are deferred to CY 2014.

## Projected Water Rate Increase

<u>Year</u>	<u>Average Monthly Residential Cost Impact</u>	<u>7/3/2012 Pro-Forma Projection</u>
2010	\$1.10	7.50% (Adopted)
2011	\$0.00	0.00% (Adopted)
2012	\$0.00	0.00% (Adopted)
2013	\$0.00	0.00% (Projected)
2014	\$1.20	7.50% (Projected)
2015	\$2.90	17.00% (Projected)
2016	\$1.30	6.50% (Projected)
2017	\$1.30	6.00% (Projected)

**\$31.65**  
**Projected 2017 Average Monthly Residential Customer Cost**

- Basic Service Fee is held constant at \$18.00 per bill and excluded from rate adjustments.
- With the annual rate adjustments the projected 2017 Average Monthly Residential Customer Cost increases approximately \$6.70 per month from CY 2012 Levels (\$24.95).

# Case 2 Preliminary Results – Estimated Sewer Rate Impact

Use of designated reserves while maintaining the Rate Stabilization Fund at the minimum \$1 million level and the non-designated reserves at 50% of the operating budget. Projected rate increases are deferred to CY 2014.

## Projected Sewer Rate Increase

<u>Year</u>	<u>Average Monthly Residential Cost Impact</u>	<u>7/3/2012 Pro-Forma Projection</u>
2010	\$1.50	7.50% (Adopted)
2011	\$0.00	0.00% (Adopted)
2012	\$0.00	0.00% (Adopted)
2013	\$0.00	0.00% (Projected)
2014	\$1.60	7.50% (Projected)
2015	\$3.95	17.00% (Projected)
2016	\$1.75	6.50% (Projected)
2017	\$1.75	6.00% (Projected)

**\$30.55**  
**Projected 2017 Average Monthly Residential Customer Cost**

- With the annual rate adjustments the projected 2017 Average Monthly Residential Customer Cost increases approximately \$9.05 per Month from CY 2012 Levels (\$21.50).

# Case 2 Preliminary Results

- It is important to note that because the Board has instructed staff to freeze the Basic Service Fee at \$18.00 for each bill, the percentage increase related to water charges for the average monthly residential customer is lower. **However, it is an increasing trend with other Authorities in Central Virginia to adjust the Basic Service Fees periodically as fixed costs of the providing services change over time.**

Largest Projected Increase - 2015			
	<u>2014</u>	<u>2015</u>	<u>Change</u> %
Basic Service Fee	\$18.00	\$18.00	0.00%
Water Rate	\$3.43	\$4.01	17.00%

Translated to:

**Avg. Monthly Residential Cost \$26.15 \$29.05 11.09%**  
**(4.9hcf/month)**

- The table below shows the separate impact of Case 1 rate increases for O&M, Debt Service and maintaining Non-Designated reserves based on the updated assumptions herein and the new 2012 Bond debt service.

<u>Year</u>	<u>Projected Rate Increases for</u>			<u>Total</u>
	<u>O&amp;M</u>	<u>Debt Service</u>	<u>Maintain Reserves</u>	
2013	0.00%	0.00%	0.00%	0.00%
2014	6.50%	0.00%	1.00%	7.50%
2015	5.25%	9.00%	2.75%	17.00%
2016	3.50%	1.00%	2.00%	6.50%
2017	4.00%	0.00%	2.00%	6.00%

# General Observations

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- Although expenses have been moderated in the near term due to economic circumstances, general operating requirements of the system related to providing services and ongoing maintenance necessitate some levels of increases.
- Rate increases shown herein are based on the revised revenue and expense assumptions. Reduced revenues due to the CVTC closure, increased sewer treatment expenses and **Holding rates constant in CY 2011 and CY 2012 has put greater pressure on the CY 2013 (and beyond) rate projections.**
- **Rate pressure has been somewhat mitigated by the \$217,000 annual debt service reduction due to the 2012 Restructuring and Refinancing.**

✓ ***Davenport Recommendation 1:*** the Authority should plan to generate sufficient ongoing revenues by adjusting rates and charges on an annual basis to pay for operational expenses and cover its Debt Service Obligations by 1.15x , which is a VRA Financing Agreement requirement.

- This approach best minimizes the “Rate Shock” from future Water & Sewer Rate increases such as the double digit adjustments the Authority experienced in the late 1980’s/Early 1990’s.

✓ ***Davenport Recommendation 2:*** the Authority should maintain a Non-Designated Cash Reserve balance approximating a minimum of 50% of its annual operating budget before dedicating funds to discretionary capital expenditures or other purposes. This is also an adopted Authority Policy which is consistent with “Best Practices”.



# General Observations

➤ The Authority Board may wish to redirect funds from one or both of the \$412,324 Designated Reserves for Watershed Real Estate and Swimming Pool/Water Rights to temporarily offset anticipated rate increases or the Board may use monies from Non-Designated Cash Reserves. **However, the Non-Designated Cash Reserves must be replenished if the Board wishes to comply with its policies.**

✓ ***Davenport Recommendation 3: This approach is not recommended for four primary reasons.***

- (1) Using one-time revenues is not consistent with “Best Practices” of self supporting Authorities which charge fees for providing water and sewer services.**
- (2) Second, temporarily offsetting anticipated rate increases in the short term, will lead to potentially larger double-digit rate increases in future years.**
- (3) Once the cash reserves are depleted, it is more difficult to replenish them from future budgets.**
- (4) Reduced reserves are directly correlated to reduced financial flexibility which impairs the overall credit standing of the Authority.**

➤ The Rate Stabilization Fund may be used to avoid major rate increases or for unforeseen financial circumstances. **However, the required minimum balance is \$1 million and to the extent funds are withdrawn, they must be replenished.**

✓ ***Davenport Recommendation 4: This Fund should always be viewed as a resource of last resort and only be used under the most severe emergency circumstances.***

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# Case 1

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- Annual adjustments to rates and charges (excluding Basic Service Fee) beginning in CY 2013, while maintaining designated reserves at current levels and the non-designated reserves at 50% of the operating budget.

# Operating Pro-forma

## Amherst County Service Authority

### CASE 1: Annual Rate Adjustments

Fiscal Year Ended December 31,	Audited			Actual			Budget			Projected		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
<b>Operating Revenue from Services</b>												
1 Water Service Charges	1,953,328	2,123,953	2,218,137	2,471,369	2,284,602	2,300,000	2,460,827	2,568,383	2,679,386	2,798,757	2,916,304	
3 Sewer Service Charges	590,935	600,744	525,671	624,629	568,529	552,000	588,789	606,314	623,580	640,340	653,115	
4 Other Services	107,993	52,783	90,099	100,440	85,569	77,200	77,537	77,876	78,216	78,558	78,902	
5 Subtotal Services	2,652,256	2,777,480	2,833,907	3,196,438	2,938,699	2,929,200	3,127,153	3,252,572	3,381,182	3,517,655	3,648,320	
6 Conn./Avail./Line Extension Fees	702,283	448,135	1,119,947	958,062	178,670	227,500	246,073	259,058	272,888	287,616	302,095	
7 Use of Designated Reserves(Water Shed/Rights)						405,451						
8 Other Non-operating Revenue (Antenna Lease:	39,004	36,503	37,734	45,035	47,753	45,230	45,230	45,230	49,330	49,330	56,330	
9 Interest Income on Authority Funds	177,613	116,567	26,586	21,673	12,351	9,000	9,227	8,495	8,607	8,783	8,855	
10 Subtotal Other Income	216,617	153,070	64,320	66,708	60,104	459,681	54,457	53,725	57,937	58,113	65,185	
11												
12 <b>Total Revenues</b>	<b>3,571,156</b>	<b>3,378,685</b>	<b>4,018,174</b>	<b>4,221,208</b>	<b>3,177,473</b>	<b>3,616,381</b>	<b>3,427,683</b>	<b>3,565,356</b>	<b>3,712,007</b>	<b>3,863,384</b>	<b>4,015,600</b>	
13	8.62%	-5.39%	18.93%	5.05%	-24.73%	13.81%	-5.22%	4.02%	4.11%	4.08%	3.94%	
14 <b>Operating Expenses</b>												
15 Supply	169,703	324,023	313,372	339,480	177,761	241,000	238,534	236,437	234,206	231,834	229,313	
16 Water Treatment	369,006	439,777	423,181	419,260	398,051	465,806	478,603	497,786	553,786	576,439	600,073	
17 Transfer & Distribution	211,485	234,066	254,872	276,413	279,997	289,100	296,788	309,732	323,266	337,419	352,219	
18 Sewer Line	21,457	19,983	39,485	27,980	21,849	28,100	28,822	30,183	31,609	33,104	34,672	
19 Sewer Pumping	58,520	47,175	66,722	84,994	35,739	48,800	50,154	52,110	54,146	56,268	58,478	
20 Sewer Treatment	152,523	168,914	230,412	206,784	236,435	235,950	242,043	240,774	242,597	244,484	246,649	
21 Customer Accounts & Collections	208,194	207,387	228,716	231,026	239,013	241,013	247,387	258,319	269,754	281,716	294,231	
22 Administration & General	645,728	655,922	660,761	650,715	670,920	692,852	712,222	739,394	767,671	797,102	827,735	
23 NON-CIP Line Extension	143,575	197,596	41,693	0	17,396	17,200	17,802	18,425	19,070	19,737	20,428	
24 NON-CIP Line Replacement	31,100	77,635	41,693	0	0	12,000	12,360	12,731	13,113	13,506	13,911	
25 Lynchburg Note Payments (Anticipated)	201,355	261,995	212,304	216,213	212,978	268,000	268,000	285,000	285,000	290,000	294,000	
26												
27 <b>Total Expenses</b>	<b>2,212,646</b>	<b>2,634,473</b>	<b>2,513,211</b>	<b>2,452,865</b>	<b>2,290,139</b>	<b>2,539,821</b>	<b>2,592,714</b>	<b>2,680,890</b>	<b>2,794,219</b>	<b>2,881,609</b>	<b>2,971,709</b>	
28	1.85%	19.06%	-4.60%	-2.40%	-6.63%	10.90%	2.08%	3.40%	4.23%	3.13%	3.13%	
29												
30 <b>Revenues Available for Debt Service</b>	<b>1,358,510</b>	<b>744,212</b>	<b>1,504,963</b>	<b>1,768,343</b>	<b>887,334</b>	<b>1,076,560</b>	<b>834,969</b>	<b>884,465</b>	<b>917,789</b>	<b>981,774</b>	<b>1,043,890</b>	
31												
32 <b>Parity Debt Service Obligations</b>												
33 Series 2000 Bonds	314,125	315,045	315,668	157,993	0	0	0	0	0	0	0	
34 Series 2009 Bonds/2012 Refunding	0	0	0	396,656	466,480	364,536	475,950	476,487	475,368	478,193	476,709	
35 Series 2010 Bonds/2012 Refunding	0	0	0	132,734	276,060	296,722	247,862	249,075	253,781	252,375	251,763	
36 <b>Total Parity Debt Service</b>	<b>314,125</b>	<b>315,045</b>	<b>315,668</b>	<b>687,383</b>	<b>742,540</b>	<b>661,258</b>	<b>723,812</b>	<b>725,562</b>	<b>729,149</b>	<b>730,568</b>	<b>728,472</b>	
37												
38 <b>Cash Flow After Parity Debt Service</b>	<b>1,044,385</b>	<b>429,167</b>	<b>1,189,295</b>	<b>1,080,960</b>	<b>144,794</b>	<b>415,302</b>	<b>111,157</b>	<b>158,903</b>	<b>188,640</b>	<b>251,206</b>	<b>315,418</b>	
39												
40 <b>Parity Debt Service Coverage</b>	4.32	2.36	4.77	2.57	1.19	1.63	1.15	1.22	1.26	1.34	1.43	
41												
42 <b>Fund Balance (Non-Designated Funds)</b>	<b>1,567,002</b>	<b>1,568,692</b>	<b>1,568,692</b>	<b>1,568,692</b>	<b>1,644,580</b>	<b>1,953,082</b>	<b>1,954,307</b>	<b>1,999,186</b>	<b>2,069,548</b>	<b>2,098,057</b>	<b>2,186,183</b>	
43 <b>Fund Balance (Designated Funds)</b>	<b>2,663,204</b>	<b>2,729,870</b>	<b>2,466,536</b>	<b>2,143,202</b>	<b>2,143,202</b>	<b>1,737,751</b>	<b>1,443,751</b>	<b>1,443,751</b>	<b>1,443,751</b>	<b>1,443,751</b>	<b>1,443,751</b>	
44 <b>_____ = 2012 Refinancing bond debt service</b>												

# Fund Balances

## Amherst County Service Authority

### Preliminary Pro-forma

Fiscal Year Ended December 31,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Undesignated Funds</b>											
301 Beginning Balance	1,567,002	1,567,002	1,568,692	1,568,692	1,568,692	1,644,580	1,953,082	1,954,307	1,999,186	2,069,548	2,098,057
302 Plus: Deposits from Operations	0	1,690	897,636	176,053	75,887	308,502	1,225	44,879	70,363	28,509	88,126
303 Plus: Interest Income	47,010	47,010	15,687	15,687	1,569	1,645	4,883	4,886	4,998	5,174	5,245
304 Plus: Deposits from Reimbursement	0	0	0	0	0	0	0	0	0	0	0
305 Less: Expenditures	0	0	(897,636)	(176,053)	0	0	0	0	0	0	0
306 Less: Transfers	(47,010)	(47,010)	(15,687)	(15,687)	(1,569)	(1,645)	(4,883)	(4,886)	(4,998)	(5,174)	(5,245)
307 Ending Balance(1)	1,567,002	1,568,692	1,568,692	1,568,692	1,644,580	1,953,082	1,954,307	1,999,186	2,069,548	2,098,057	2,186,183
50% Reserve Target Balance:											
308 (1) Includes reimbursement from bond proceeds				1,861,102	1,899,860	54,446	34,712	22,031	(13,497)	8,607	0.25%
309 Over (Under)				(294,000)	(251,178)	(294,000)	(294,000)	(294,000)	(294,000)	(294,000)	0.25%
310 Investment Rate:	<b>3.00%</b>	<b>3.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>0.10%</b>	<b>0.10%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>
<b>Designated Funds</b>											
311 Beginning Balance	3,188,119	2,663,204	2,729,870	2,466,536	2,143,202	2,143,202	1,737,751	1,443,751	1,443,751	1,443,751	1,443,751
312 Plus: Deposits from Operations	66,666	66,666	66,666	66,666	0	0	0	0	0	0	0
313 Plus: Interest Income	95,644	79,896	27,299	24,665	2,143	2,143	4,344	3,609	3,609	3,609	3,609
314 Less: Expenditures	(591,581)	0	(330,000)	(390,000)	0	0	(294,000)	0	0	0	0
315 Less: Completion of Reservoir	0	0	0	0	0	0	0	0	0	0	0
316 Less: One Time Use (Rates & Charges)	0	0	0	0	(405,451)	0	0	0	0	0	0
317 Less: Transfers to Operations	(95,644)	(79,896)	(27,299)	(24,665)	(2,143)	(2,143)	(4,344)	(3,609)	(3,609)	(3,609)	(3,609)
318 Ending Balance	2,663,204	2,729,870	2,466,536	2,143,202	1,737,751	1,737,751	1,443,751	1,443,751	1,443,751	1,443,751	1,443,751
320 Investment Rate:	<b>3.00%</b>	<b>3.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>0.10%</b>	<b>0.10%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>
<b>Debt Service Reserve Fund</b>											
322 Beginning Balance	317,700	317,700	317,700	317,700	0	0	0	0	0	0	0
323 Plus: Interest Income	6,354	6,354	6,354	0	0	0	0	0	0	0	0
324 Less: Transfers	(6,354)	(6,354)	(6,354)	(317,700)	0	0	0	0	0	0	0
325 Ending Balance	317,700	317,700	317,700	0	0	0	0	0	0	0	0
327 Investment Rate:	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>1.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Operating Fund</b>											
330 Beginning Balance	1,044,385	429,167	1,189,295	1,080,960	144,794	415,302	111,157	158,903	188,640	251,206	315,418
331 Plus: Deposits from Operations	0	0	0	0	0	0	0	0	0	0	0
332 Plus: General Fund Transfers	0	0	0	0	0	0	0	0	0	0	0
333 Plus: Restricted Cash	0	0	0	0	0	0	0	0	0	0	0
334 Plus: Bond Funds	0	0	0	3,066,303	3,593,598	160,000	0	0	0	0	0
335 Less: Capital Expenditures	(1,294,000)	(72,522)	0	(3,850,065)	(3,568,896)	(160,000)	0	0	0	0	0
336 Less: Plant & Equipment in Service; Inv.; S/L Rese	(341,966)	(354,955)	(291,659)	(121,145)	(93,609)	(106,800)	(109,933)	(114,024)	(118,277)	(122,697)	(127,292)
337 Less: Capital Payment	0	0	0	0	0	0	0	0	0	0	0
338 Less: Transfers (to) from Reserves	591,581	(1,690)	(897,636)	(176,053)	(75,887)	(308,502)	(1,225)	(44,879)	(70,363)	(28,509)	(88,126)
339 Ending Balance	0	0	0	0	0	0	0	0	0	0	0
340 Investment Rate:	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>1.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

# Capital Improvement Budget

Amherst County Service Authority

Preliminary Pro-forma

Fiscal Year Ended December 31,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>201 Sources of Funds</b>											
202 Operating Cashflow	1,044,385	429,167	1,189,295	1,080,960	144,794	415,302	111,157	158,903	188,640	251,206	315,418
203 Cash from Reserves	<b>591,581</b>	0	0	0	0	0	<b>292,775</b>	0	0	0	0
204 Bond Proceeds	0	0	0	3,066,303	3,593,598	160,000	0	0	0	0	0
205 General Fund Transfer	0	0	0	0	0	0	0	0	0	0	0
206 Designated Cash	0	0	0	0	0	0	0	0	0	0	0
207 Subtotal Sources of Funds	1,635,966	429,167	1,189,295	4,147,263	3,738,392	575,302	403,933	158,903	188,640	251,206	315,418
208											
<b>209 Uses of Funds</b>											
210 Other Capital Expenditure	<b>1,294,000</b>	72,522	0	<b>3,850,065</b>	<b>3,568,896</b>	<b>160,000</b>	<b>294,000</b>	0	0	<b>100,000</b>	<b>100,000</b>
211 Plant & Equipment in Service	258,300	267,703	206,429	50,095	67,535	87,300	89,750	93,135	96,657	100,321	104,132
214 Watershed Property/Rights Reserve	66,666	66,666	66,666	66,666	0	0	0	0	0	0	0
215 Inventory	17,000	20,586	18,564	4,384	26,074	19,500	20,183	20,889	21,620	22,377	23,160
216 Subtotal Uses of Funds	1,635,966	427,477	291,659	3,971,210	3,662,505	266,800	403,933	114,024	118,277	222,697	227,292
217 Surplus to Reserves	0	1,690	897,636	176,053	75,887	308,502	0	44,879	70,363	28,509	88,126
218											
<b>219 Long-term Capital Needs</b>											
223 Reservoir Mitigation	<b>914,000</b>	0	0	0	0	0	0	0	0	0	0
224 Graham Creek	<b>380,000</b>	72,522	0	0	0	0	0	0	0	0	0
225 Lanum Filtration Plant Upgrade	0	0	0	<b>3,066,303</b>	<b>3,568,896</b>	<b>160,000</b>	0	0	0	0	0
226 J.R. Sewer Line Restoration	0	0	0	0	0	0	<b>294,000</b>	0	0	0	0
227 Sewer Line Ext. to Previously Developed Areas	0	0	0	0	0	0	0	0	0	<b>100,000</b>	<b>100,000</b>
228 Other Line Extension	0	0	0	<b>783,762</b>	0	0	0	0	0	0	0
229											
230 Subtotal Capital Needs	1,294,000	72,522	0	3,850,065	3,568,896	160,000	294,000	0	0	100,000	100,000
231											
<b>232 Capital Funding</b>											
233 Capital Needs (FY 2001-2007)	0	0	0	0	0	0	0	0	0	0	0
234 Reimbursement	0	0	0	0	0	0	0	0	0	0	0
235 Reserves/Costs of Issuance	0	0	0	0	0	0	0	0	0	0	0
236 Approximate Debt Issued	0	0	0	<b>3,066,303</b>	<b>3,593,598</b>	<b>160,000</b>	0	0	0	0	0
237 Cash Used From Reserves	<b>591,581</b>	0	0	0	0	0	<b>292,775</b>	0	0	0	0
238											
239											
240											
241											
242											

# Breakdown of Water Charges

## Amherst County Service Authority

Preliminary Pro-forma

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fiscal Year Ended December 31,											
401											
402	Active Residential and Commercial Accounts	5,902	5,912	5,937	5,962	6,012	6,037	6,062	6,087	6,112	6,137
403	Additional Active Accounts (Net)	10	25	25	25	25	25	25	25	25	25
404	Subtotal	5,912	5,937	5,962	5,987	6,037	6,062	6,087	6,112	6,137	6,162
404	CVTC Account	1	1	1	1	1	1	1	1	1	1
405	<b>Total Active Accounts</b>	<b>5,913</b>	<b>5,938</b>	<b>5,963</b>	<b>5,988</b>	<b>6,038</b>	<b>6,063</b>	<b>6,088</b>	<b>6,113</b>	<b>6,138</b>	<b>6,163</b>
406											
407	<b>Average Gallons/Day</b>										
408	Residential and Commercial Avg. Volume	165.4	172.6	164.5	179.7	160.5	160.5	160.5	160.5	160.5	160.5
409	CVTC Volume	124,000	111,000	105,450	103,165	89,600	78,400	67,200	56,000	44,800	33,600
410											
411	Residential and Commercial Volume	-3.41%	4.33%	-4.68%	9.24%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%
412	CVTC Volume	0.00%	-10.48%	-5.00%	-2.17%	0.00%	-12.50%	-12.50%	-12.50%	-12.50%	-12.50%
413											
414	<b>Annual Volume</b>										
415	Residential and Commercial Volume	356,945,905	373,963,539	357,959,061	392,670,284	350,721,675	355,163,914	356,628,629	358,093,343	359,558,057	361,022,771
416	CVTC Volume	45,260,000	40,515,000	38,489,250	37,655,334	32,704,000	28,616,000	24,528,000	20,440,000	16,352,000	12,264,000
417	Total Volume	402,205,905	414,478,539	396,448,311	430,325,618	383,425,675	383,779,914	381,156,629	378,533,343	375,910,057	373,286,771
418											
419	<b>Billable Units (100hcf)</b>										
420	Residential and Commercial Volume	477,200	499,951	478,555	524,960	468,879	474,818	476,776	478,734	480,693	482,651
421	CVTC Volume	60,508	54,164	51,456	50,341	43,722	38,257	32,791	27,326	21,861	16,396
422	Total Billable Units	537,708	554,116	530,011	575,302	512,601	513,075	509,568	506,061	502,554	499,046
423											
424	<b>Projected Revenue</b>										
425	Residential and Commercial Revenue	1,245,493	1,369,866	1,421,308	1,664,999	1,495,725	1,671,360	1,787,911	1,910,150	2,042,944	2,176,755
426	CVTC Revenue	157,926	148,411	152,825	159,666	139,473	134,664	122,968	109,032	92,909	73,945
427	Billing	549,909	605,676	644,004	646,704	649,404	654,804	657,504	660,204	662,904	665,604
428	<b>Total Projected Revenue</b>	<b>1,953,328</b>	<b>2,123,953</b>	<b>2,218,137</b>	<b>2,471,369</b>	<b>2,284,602</b>	<b>2,460,827</b>	<b>2,568,383</b>	<b>2,679,386</b>	<b>2,798,757</b>	<b>2,916,304</b>
429											
430	Billing Charge	\$15.50	\$17.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
431	Water Rate	\$2.61	\$2.74	\$2.97	\$3.19	\$3.19	\$3.52	\$3.75	\$3.99	\$4.25	\$4.51
432											
433	<b>Average Monthly Residential Cost (4.9hcf/month)</b>	<b>\$20.80</b>	<b>\$22.20</b>	<b>\$23.85</b>	<b>\$24.95</b>	<b>\$24.95</b>	<b>\$26.60</b>	<b>\$27.75</b>	<b>\$28.95</b>	<b>\$30.25</b>	<b>\$31.55</b>
434											
435	<b>Rate Increase</b>	<b>\$0.12</b>	<b>\$0.13</b>	<b>\$0.23</b>	<b>\$0.22</b>	<b>\$0.00</b>	<b>\$0.33</b>	<b>\$0.23</b>	<b>\$0.24</b>	<b>\$0.26</b>	<b>\$0.26</b>
436	<b>% Increase (User Rate ONLY)</b>	<b>4.85%</b>	<b>4.92%</b>	<b>8.39%</b>	<b>7.50%</b>	<b>0.00%</b>	<b>10.25%</b>	<b>6.50%</b>	<b>6.50%</b>	<b>6.50%</b>	<b>6.00%</b>
437	<b>Increase in Average Monthly Residential</b>	<b>\$1.35</b>	<b>\$1.40</b>	<b>\$1.65</b>	<b>\$1.10</b>	<b>\$0.00</b>	<b>\$1.65</b>	<b>\$1.15</b>	<b>\$1.20</b>	<b>\$1.30</b>	<b>\$1.30</b>
438											
439	<b>Effective Months</b>	12	12	12	11	12	12	12	12	12	12
440											
441											

# Breakdown of Sewer Fees

## Amherst County Service Authority

### Preliminary Pro-forma

Fiscal Year Ended December 31,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
501											
502	Active Residential and Commercial Accounts	889	899	909	919	929	939	955	961	967	973
503	Additional Active Accounts (Net)	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
504	Subtotal	899	909	919	929	939	955	961	967	973	979
504	CVTC Account	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
505	<b>Total Accounts</b>	<b>900</b>	<b>910</b>	<b>920</b>	<b>930</b>	<b>940</b>	<b>956</b>	<b>962</b>	<b>968</b>	<b>974</b>	<b>980</b>
506											
507	<b>Average Gallons/Day</b>										
508	Residential and Commercial Avg. Volume	257	259	189	202	206	196	196	196	196	196
509	CVTC Volume	120,000	101,000	95,950	112,219	77,505	67,817	58,129	48,441	38,753	29,064
510											
511	Residential and Commercial Volume	<b>-13.55%</b>	<b>0.76%</b>	<b>-27.14%</b>	<b>6.82%</b>	<b>2.23%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
512	CVTC Volume	<b>0.00%</b>	<b>-15.83%</b>	<b>-5.00%</b>	<b>16.96%</b>	<b>-30.93%</b>	<b>-12.50%</b>	<b>-12.50%</b>	<b>-12.50%</b>	<b>-12.50%</b>	<b>-12.50%</b>
513											
514	<b>Annual Volume</b>										
515	Residential and Commercial Volume	84,321,559	85,910,003	63,278,727	68,332,031	70,608,234	68,161,239	68,589,477	69,017,715	69,445,953	69,874,191
516	CVTC Volume	<u>43,800,000</u>	<u>36,865,000</u>	<u>35,021,750</u>	<u>40,959,780</u>	<u>28,289,325</u>	<u>24,753,159</u>	<u>21,216,994</u>	<u>17,680,828</u>	<u>14,144,663</u>	<u>10,608,497</u>
517	Total Volume	128,121,559	122,775,003	98,300,477	109,291,811	98,897,559	92,914,398	89,806,471	86,698,543	83,590,616	80,482,688
518											
519	<b>Billable Units (100 cu. ft.)</b>										
520	Residential and Commercial Volume	112,729	114,853	84,597	91,353	94,396	91,125	91,697	92,270	92,842	93,415
521	CVTC Volume	<u>58,556</u>	<u>49,285</u>	<u>46,821</u>	<u>54,759</u>	<u>37,820</u>	<u>33,092</u>	<u>28,365</u>	<u>23,637</u>	<u>18,910</u>	<u>14,182</u>
522	Total Billable Units	171,286	164,138	131,418	146,112	132,216	124,217	120,062	115,907	111,752	107,597
523											
524	<b>Projected Revenue</b>										
525	Residential and Commercial Revenue	388,916	420,362	338,389	390,534	405,903	431,931	463,071	496,411	531,986	567,027
526	CVTC Revenue	<u>202,019</u>	<u>180,382</u>	<u>187,282</u>	<u>234,095</u>	<u>162,626</u>	<u>156,858</u>	<u>143,243</u>	<u>127,170</u>	<u>108,354</u>	<u>86,088</u>
527	<b>Total Projected Revenue</b>	<b>590,935</b>	<b>600,744</b>	<b>525,671</b>	<b>624,629</b>	<b>568,529</b>	<b>588,789</b>	<b>606,314</b>	<b>623,580</b>	<b>640,340</b>	<b>653,115</b>
528											
529	<b>Sewer Rate</b>	<b>\$3.45</b>	<b>\$3.66</b>	<b>\$4.00</b>	<b>\$4.30</b>	<b>\$4.30</b>	<b>\$4.74</b>	<b>\$5.05</b>	<b>\$5.38</b>	<b>\$5.73</b>	<b>\$6.07</b>
530											
531	<b>Average Monthly Residential Cost (4.9hcf/month)</b>	<b>\$17.25</b>	<b>\$18.30</b>	<b>\$20.00</b>	<b>\$21.50</b>	<b>\$21.50</b>	<b>\$23.70</b>	<b>\$25.25</b>	<b>\$26.90</b>	<b>\$28.65</b>	<b>\$30.35</b>
532											
533	<b>Rate Increase</b>	<b>\$0.17</b>	<b>\$0.21</b>	<b>\$0.34</b>	<b>\$0.30</b>	<b>\$0.00</b>	<b>\$0.44</b>	<b>\$0.31</b>	<b>\$0.33</b>	<b>\$0.35</b>	<b>\$0.34</b>
534	<b>% Increase (User Rate ONLY)</b>	<b>5.31%</b>	<b>6.14%</b>	<b>9.29%</b>	<b>7.50%</b>	<b>0.00%</b>	<b>10.25%</b>	<b>6.50%</b>	<b>6.50%</b>	<b>6.50%</b>	<b>6.00%</b>
535	<b>Increase in Average Monthly Residential C</b>	<b>\$0.85</b>	<b>\$1.05</b>	<b>\$1.70</b>	<b>\$1.50</b>	<b>\$0.00</b>	<b>\$2.20</b>	<b>\$1.55</b>	<b>\$1.65</b>	<b>\$1.75</b>	<b>\$1.70</b>
536											
537	<b>Effective Months</b>	12	12	12	11	12	12	12	12	12	12
538											
539											
540											
541											



# Case 2

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- Use of designated reserves while maintaining the Rate Stabilization Fund at the minimum \$1 million level and the non-designated reserves at 50% of the operating budget. Projected rate increases are deferred to CY 2014.

# Operating Pro-forma

## CASE 2: Annual Rate Adjustments

Amherst County Service Authority		Audited		Actual		Budget		Projected				
Fiscal Year Ended December 31,		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	<b>Operating Revenue from Services</b>											
2	Water Service Charges	1,953,328	2,123,953	2,218,137	2,471,369	2,284,602	2,300,000	2,291,512	2,405,321	2,689,507	2,808,808	2,926,285
3	Sewer Service Charges	590,935	600,744	525,671	624,629	568,529	552,000	534,134	554,687	627,058	643,692	657,419
4	Other Services	107,993	52,783	90,099	100,440	85,569	77,200	77,537	77,876	78,216	78,558	78,902
5	Subtotal Services	2,652,256	2,777,480	2,833,907	3,196,438	2,938,699	2,929,200	2,903,183	3,037,884	3,394,781	3,531,058	3,662,605
6	Conn./Avail./Line Extension Fees	702,283	448,135	1,119,947	958,062	178,670	227,500	227,500	241,090	274,204	289,018	303,581
7	Use of Designated Reserves(Water Shed/Rights)						405,451	239,958	203,794			
8	Other Non-operating Revenue (Antenna Lease)	39,004	36,503	37,734	45,035	47,753	45,230	45,230	45,230	49,330	49,330	56,330
9	Interest Income on Authority Funds	177,613	116,567	26,586	21,673	12,351	9,000	9,227	7,889	7,418	7,628	7,733
10	Subtotal Other Income	216,617	153,070	64,320	66,708	60,104	459,681	294,415	256,913	56,748	56,958	64,063
11												
12	<b>Total Revenues</b>	<b>3,571,156</b>	<b>3,378,685</b>	<b>4,018,174</b>	<b>4,221,208</b>	<b>3,177,473</b>	<b>3,616,381</b>	<b>3,425,098</b>	<b>3,535,887</b>	<b>3,725,733</b>	<b>3,877,034</b>	<b>4,030,250</b>
13		8.62%	-5.39%	18.93%	5.05%	-24.73%	13.81%	-5.29%	3.23%	5.37%	4.06%	3.95%
14	<b>Operating Expenses</b>											
15	Supply	169,703	324,023	313,372	339,480	177,761	241,000	238,534	236,437	234,206	231,834	229,313
16	Water Treatment	369,006	439,777	423,181	419,260	398,051	465,806	478,603	497,786	553,786	576,439	600,073
17	Transfer & Distribution	211,485	234,066	254,872	276,413	279,997	289,100	296,788	309,732	323,266	337,419	352,219
18	Sewer Line	21,457	19,983	39,485	27,980	21,849	28,100	28,822	30,183	31,609	33,104	34,672
19	Sewer Pumping	58,520	47,175	66,722	84,994	35,739	48,800	50,154	52,110	54,146	56,268	58,478
20	Sewer Treatment	152,523	168,914	230,412	206,784	236,435	235,950	242,043	240,774	242,597	244,484	246,649
21	Customer Accounts & Collections	208,194	207,387	228,716	231,026	239,013	241,013	247,387	258,319	269,754	281,716	294,231
22	Administration & General	645,728	655,922	660,761	650,715	670,920	692,852	712,222	739,394	767,671	797,102	827,735
23	NON-CIP Line Extension	143,575	197,596	41,693	0	17,396	17,200	17,802	18,425	19,070	19,737	20,428
24	NON-CIP Line Replacement	31,100	77,635	41,693	0	0	12,000	12,360	12,731	13,113	13,506	13,911
25	Lynchburg Note Payments (Anticipated)	201,355	261,995	212,304	216,213	212,978	268,000	268,000	285,000	285,000	290,000	294,000
26												
27	<b>Total Expenses</b>	<b>2,212,646</b>	<b>2,634,473</b>	<b>2,513,211</b>	<b>2,452,865</b>	<b>2,290,139</b>	<b>2,539,821</b>	<b>2,592,714</b>	<b>2,680,890</b>	<b>2,794,219</b>	<b>2,881,609</b>	<b>2,971,709</b>
28		1.85%	19.06%	-4.60%	-2.40%	-6.63%	10.90%	2.08%	3.40%	4.23%	3.13%	3.13%
29												
30	<b>Revenues Available for Debt Service</b>	<b>1,358,510</b>	<b>744,212</b>	<b>1,504,963</b>	<b>1,768,343</b>	<b>887,334</b>	<b>1,076,560</b>	<b>832,384</b>	<b>854,996</b>	<b>931,514</b>	<b>995,425</b>	<b>1,058,541</b>
31												
32	<b>Parity Debt Service Obligations</b>											
33	Series 2000 Bonds	314,125	315,045	315,668	157,993	0	0	0	0	0	0	0
34	Series 2009 Bonds/2012 Refunding	0	0	0	396,656	466,480	364,536	475,950	476,487	475,368	478,193	476,709
35	Series 2010 Bonds/2012 Refunding	0	0	0	132,734	276,060	296,722	247,862	249,075	253,781	252,375	251,763
36	Total Parity Debt Service	314,125	315,045	315,668	687,383	742,540	661,258	723,812	725,562	729,149	730,568	728,472
37												
38	<b>Cash Flow After Parity Debt Service</b>	<b>1,044,385</b>	<b>429,167</b>	<b>1,189,295</b>	<b>1,080,960</b>	<b>144,794</b>	<b>415,302</b>	<b>108,572</b>	<b>129,434</b>	<b>202,365</b>	<b>264,857</b>	<b>330,069</b>
39												
40	<b>Parity Debt Service Coverage</b>	4.32	2.36	4.77	2.57	1.19	1.63	1.15	1.18	1.28	1.36	1.45
41												
42	<b>Fund Balance (Non-Designated Funds)</b>	<b>1,567,002</b>	<b>1,568,692</b>	<b>1,568,692</b>	<b>1,568,692</b>	<b>1,644,580</b>	<b>1,953,082</b>	<b>1,951,721</b>	<b>1,967,131</b>	<b>2,051,219</b>	<b>2,093,379</b>	<b>2,196,155</b>
43	<b>Fund Balance (Designated Funds)</b>	<b>2,663,204</b>	<b>2,729,870</b>	<b>2,466,536</b>	<b>2,143,202</b>	<b>2,143,202</b>	<b>1,737,751</b>	<b>1,203,794</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
44	□ = 2012 Refinancing bond debt service											

# Fund Balances

## Preliminary Pro-forma

### Amherst County Service Authority

Fiscal Year Ended December 31,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Undesignated Funds</b>											
301 Beginning Balance	1,567,002	1,567,002	1,568,692	1,568,692	1,568,692	1,644,580	1,953,082	1,951,721	1,967,131	2,051,219	2,093,379
302 Plus: Deposits from Operations	0	1,690	897,636	176,053	75,887	308,502	0	15,410	84,088	42,160	102,776
303 Plus: Interest Income	47,010	47,010	15,687	15,687	1,569	1,645	4,883	4,879	4,918	5,128	5,233
304 Plus: Deposits from Reimbursement	0	0	0	0	0	0	0	0	0	0	0
305 Less: Expenditures	0	0	(897,636)	(176,053)	0	0	(1,361)	0	0	0	0
306 Less: Transfers	(47,010)	(47,010)	(15,687)	(15,687)	(1,569)	(1,645)	(4,883)	(4,879)	(4,918)	(5,128)	(5,233)
307 Ending Balance(1)	1,567,002	1,568,692	1,568,692	1,568,692	1,644,580	1,953,082	1,951,721	1,967,131	2,051,219	2,093,379	2,196,155
308 (1) Includes reimbursement from bond proceeds							1,899,860	1,964,473	2,047,517	2,111,554	2,177,576
309			Over (Under)	91,980	51,861	2,658	3,703	(18,175)	18,579		
310 Investment Rate:	<b>3.00%</b>	<b>3.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>0.10%</b>	<b>0.10%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>
<b>Designated Funds</b>											
311 Beginning Balance	3,188,119	2,663,204	2,729,870	2,466,536	2,143,202	2,143,202	1,737,751	1,203,794	1,000,000	1,000,000	1,000,000
312 Plus: Deposits from Operations	66,666	66,666	66,666	66,666	0	0	0	0	0	0	0
313 Plus: Interest Income	95,644	79,896	27,299	24,665	2,143	2,143	4,344	3,009	2,500	2,500	2,500
314 Less: Expenditures	(591,581)	0	(330,000)	(390,000)	0	0	(294,000)	0	0	0	0
315 Less: Completion of Reservoir	0	0	0	0	0	0	0	0	0	0	0
316 Less: One Time Use (Rates & Charges)	0	0	0	0	0	(405,451)	(239,958)	(203,794)	0	0	0
317 Less: Transfers to Operations	(95,644)	(79,896)	(27,299)	(24,665)	(2,143)	(2,143)	(4,344)	(3,009)	(2,500)	(2,500)	(2,500)
318 Ending Balance	2,663,204	2,729,870	2,466,536	2,143,202	1,737,751	1,737,751	1,203,794	1,000,000	1,000,000	1,000,000	1,000,000
319											
320 Investment Rate:	<b>3.00%</b>	<b>3.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>0.10%</b>	<b>0.10%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>
<b>Debt Service Reserve Fund</b>											
321 Beginning Balance	317,700	317,700	317,700	317,700	0	0	0	0	0	0	0
322 Plus: Interest Income	6,354	6,354	6,354	0	0	0	0	0	0	0	0
323 Less: Transfers	(6,354)	(6,354)	(6,354)	(317,700)	0	0	0	0	0	0	0
324 Ending Balance	317,700	317,700	317,700	0	0	0	0	0	0	0	0
325											
326 Investment Rate:	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Operating Fund</b>											
327 Beginning Balance	0	0	0	0	0	0	0	0	0	0	0
328 Plus: Deposits from Operations	1,044,385	429,167	1,189,295	1,080,960	144,794	415,302	108,572	129,434	202,365	264,857	330,069
329 Plus: General Fund Transfers	0	0	0	0	0	0	0	0	0	0	0
330 Plus: Restricted Cash	0	0	0	0	0	0	0	0	0	0	0
331 Plus: Bond Funds	0	0	0	3,066,303	3,593,598	160,000	0	0	0	0	0
332 Less: Capital Expenditures	(1,294,000)	(72,522)	0	(3,850,065)	(3,568,896)	(160,000)	0	0	0	(100,000)	(100,000)
333 Less: Plant & Equipment in Service; Inv.; S/L Rese	(341,966)	(354,955)	(291,659)	(121,145)	(93,609)	(106,800)	(109,933)	(114,024)	(118,277)	(122,697)	(127,292)
334 Less: Capital Payment	0	0	0	0	0	0	0	0	0	0	0
335 Less: Transfers (to) from Reserves	591,581	(1,690)	(897,636)	(176,053)	(75,887)	(308,502)	1,361	(15,410)	(84,088)	(42,160)	(102,776)
336	0	0	0	0	0	0	0	0	0	0	0
337											
338											
339											
340											
341											

# Capital Improvement Budget

Amherst County Service Authority

Preliminary Pro-forma

Fiscal Year Ended December 31,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Sources of Funds</b>											
201 Operating Cashflow	1,044,385	429,167	1,189,295	1,080,960	144,794	415,302	108,572	129,434	202,365	264,857	330,069
203 Cash from Reserves	591,581	0	0	0	0	0	295,361	0	0	0	0
204 Bond Proceeds	0	0	0	3,066,303	3,593,598	160,000	0	0	0	0	0
205 General Fund Transfer	0	0	0	0	0	0	0	0	0	0	0
206 Designated Cash	0	0	0	0	0	0	0	0	0	0	0
207 Subtotal Sources of Funds	1,635,966	429,167	1,189,295	4,147,263	3,738,392	575,302	403,933	129,434	202,365	264,857	330,069
208											
<b>Uses of Funds</b>											
209 Other Capital Expenditure	1,294,000	72,522	0	3,850,065	3,568,896	160,000	294,000	0	0	100,000	100,000
210 Plant & Equipment in Service	258,300	267,703	206,429	50,095	67,535	87,300	89,750	93,135	96,657	100,321	104,132
214 Watershed Property/Rights Reserve	66,666	66,666	66,666	66,666	0	0	0	0	0	0	0
215 Inventory	17,000	20,586	18,564	4,384	26,074	19,500	20,183	20,889	21,620	22,377	23,160
216 Subtotal Uses of Funds	1,635,966	427,477	291,659	3,971,210	3,662,505	266,800	403,933	114,024	118,277	222,697	227,292
217 Surplus to Reserves	0	1,690	897,636	176,053	75,887	308,502	0	15,410	84,088	42,160	102,776
218											
<b>Long-term Capital Needs</b>											
219 Reservoir Mitigation	914,000	0	0	0	0	0	0	0	0	0	0
223 Reservoir Mitigation	380,000	72,522	0	0	0	0	0	0	0	0	0
224 Graham Creek	0	0	0	3,066,303	3,568,896	160,000	0	0	0	0	0
225 Lanum Filtration Plant Upgrade	0	0	0	0	0	0	294,000	0	0	0	0
226 J.R. Sewer Line Restoration	0	0	0	0	0	0	0	0	0	100,000	100,000
227 Sewer Line Ext. to Previously Developed Areas	0	0	0	783,762	0	0	0	0	0	0	0
228 Other Line Extension	0	0	0	0	0	0	0	0	0	0	0
229											
230 Subtotal Capital Needs	1,294,000	72,522	0	3,850,065	3,568,896	160,000	294,000	0	0	100,000	100,000
231											
<b>Capital Funding</b>											
232 Capital Needs (FY 2001-2007)	0	0	0	0	0	0	0	0	0	0	0
233 Reimbursement	0	0	0	0	0	0	0	0	0	0	0
234 Reserves/Costs of Issuance	0	0	0	0	0	0	0	0	0	0	0
235 Approximate Debt Issued	0	0	0	3,066,303	3,593,598	160,000	0	0	0	0	0
236 Cash Used From Reserves	591,581	0	0	0	0	0	295,361	0	0	0	0
237											
238											
239											
240											
241											
242											

# Breakdown of Water Charges

## Amherst County Service Authority

## Preliminary Pro-forma

Fiscal Year Ended December 31,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
401											
402	Active Residential and Commercial Accounts	5,902	5,912	5,937	5,962	5,987	6,012	6,037	6,062	6,087	6,112
403	Additional Active Accounts (Net)	<u>10</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>
404	Subtotal	5,912	5,937	5,962	5,987	6,012	6,037	6,062	6,087	6,112	6,137
404	CVTC Account	1	1	1	1	1	1	1	1	1	1
405	<b>Total Active Accounts</b>	<b>5,913</b>	<b>5,938</b>	<b>5,963</b>	<b>5,988</b>	<b>6,013</b>	<b>6,038</b>	<b>6,063</b>	<b>6,088</b>	<b>6,113</b>	<b>6,138</b>
406											
407	<b>Average Gallons/Day</b>										
408	Residential and Commercial Avg. Volume	165.4	172.6	164.5	179.7	159.8	160.5	160.5	160.5	160.5	160.5
409	CVTC Volume	124,000	111,000	105,450	103,165	89,600	78,400	67,200	56,000	44,800	33,600
410											
411	Residential and Commercial Volume	-3.41%	4.33%	-4.68%	9.24%	-11.05%	0.00%	0.00%	0.00%	0.00%	0.00%
412	CVTC Volume	0.00%	-10.48%	-5.00%	-2.17%	-13.15%	0.00%	-12.50%	-12.50%	-12.50%	-12.50%
413											
414	<b>Annual Volume</b>										
415	Residential and Commercial Volume	356,945,905	373,963,539	357,959,061	392,670,284	350,721,675	355,163,914	356,628,629	358,093,343	359,558,057	361,022,771
416	CVTC Volume	45,260,000	40,515,000	38,489,250	37,655,334	32,704,000	28,616,000	24,528,000	20,440,000	16,352,000	12,264,000
417	Total Volume	402,205,905	414,478,539	396,448,311	430,325,618	383,425,675	383,779,914	381,156,629	378,533,343	375,910,057	373,286,771
418											
419	<b>Billable Units (100hcf)</b>										
420	Residential and Commercial Volume	477,200	499,951	478,555	524,960	468,879	474,818	476,776	478,734	480,693	482,651
421	CVTC Volume	60,508	54,164	51,456	50,341	43,722	38,257	32,791	27,326	21,861	16,396
422	Total Billable Units	537,708	554,116	530,011	575,302	512,601	513,075	509,568	506,061	502,554	499,046
423											
424	<b>Projected Revenue</b>										
425	Residential and Commercial Revenue	1,245,493	1,369,866	1,421,308	1,664,999	1,495,725	1,514,670	1,635,343	1,919,725	2,052,557	2,186,408
426	CVTC Revenue	157,926	148,411	152,825	159,666	139,473	122,039	112,475	109,578	93,346	74,273
427	Billing	549,909	605,676	644,004	646,704	649,404	654,804	657,504	660,204	662,904	665,604
428	<b>Total Projected Revenue</b>	<b>1,953,328</b>	<b>2,123,953</b>	<b>2,218,137</b>	<b>2,471,369</b>	<b>2,284,602</b>	<b>2,291,512</b>	<b>2,405,321</b>	<b>2,689,507</b>	<b>2,808,808</b>	<b>2,926,285</b>
429											
430	<b>Billing Charge</b>	\$15.50	\$17.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
431	<b>Water Rate</b>	\$2.61	\$2.74	\$2.97	\$3.19	\$3.19	\$3.19	\$3.43	\$4.01	\$4.27	\$4.53
432											
433	<b>Average Monthly Residential Cost (4.9hcf/month)</b>	<b>\$20.80</b>	<b>\$22.20</b>	<b>\$23.85</b>	<b>\$24.95</b>	<b>\$24.95</b>	<b>\$24.95</b>	<b>\$26.15</b>	<b>\$29.05</b>	<b>\$30.35</b>	<b>\$31.65</b>
434											
435	<b>Rate Increase</b>	<b>\$0.12</b>	<b>\$0.13</b>	<b>\$0.23</b>	<b>\$0.22</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.24</b>	<b>\$0.58</b>	<b>\$0.26</b>	<b>\$0.26</b>
436	<b>% Increase (User Rate ONLY)</b>	<b>4.85%</b>	<b>4.92%</b>	<b>8.39%</b>	<b>7.50%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>7.50%</b>	<b>17.00%</b>	<b>6.50%</b>	<b>6.00%</b>
437	<b>Increase in Average Monthly Residential Cost</b>	<b>\$1.35</b>	<b>\$1.40</b>	<b>\$1.65</b>	<b>\$1.10</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1.20</b>	<b>\$2.90</b>	<b>\$1.30</b>	<b>\$1.30</b>
438											
439	<b>Effective Months</b>	12	12	12	11	12	12	12	12	12	12
440											
441											

**Breakdown of Sewer Fees**  
**Amherst County Service Authority**

Preliminary Pro-forma

Fiscal Year Ended	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
501											
502	Active Residential and Commercial Accounts	889	909	919	929	939	949	955	961	967	973
503	Additional Active Accounts (Net)	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
504	Subtotal	899	919	929	939	949	955	961	967	973	979
504	CVTC Account	1	1	1	1	1	1	1	1	1	1
505	<b>Total Accounts</b>	<b>900</b>	<b>920</b>	<b>930</b>	<b>940</b>	<b>950</b>	<b>956</b>	<b>962</b>	<b>968</b>	<b>974</b>	<b>980</b>
506											
507	<b>Average Gallons/Day</b>										
508	Residential and Commercial Avg. Volume	257	189	202	206	196	196	196	196	196	196
509	CVTC Volume	120,000	95,950	112,219	77,505	77,505	67,817	58,129	48,441	38,753	29,064
510											
511	Residential and Commercial Volume	-13.55%	-27.14%	6.82%	2.23%	-5.08%	0.00%	0.00%	0.00%	0.00%	0.00%
512	CVTC Volume	0.00%	-5.00%	16.96%	-30.93%	0.00%	-12.50%	-12.50%	-12.50%	-12.50%	-12.50%
513											
514	<b>Annual Volume</b>										
515	Residential and Commercial Volume	84,321,559	63,278,727	68,332,031	70,608,234	67,733,001	68,161,239	68,589,477	69,017,715	69,445,953	69,874,191
516	CVTC Volume	<u>43,800,000</u>	<u>35,021,750</u>	<u>40,959,780</u>	<u>28,289,325</u>	<u>28,289,325</u>	<u>24,753,159</u>	<u>21,216,994</u>	<u>17,680,828</u>	<u>14,144,663</u>	<u>10,608,497</u>
517	Total Volume	128,121,559	98,300,477	109,291,811	98,897,559	96,022,326	92,914,398	89,806,471	86,698,543	83,590,616	80,482,688
518											
519	<b>Billable Units (100 cu. ft.)</b>										
520	Residential and Commercial Volume	112,729	84,597	91,353	94,396	90,552	91,125	91,697	92,270	92,842	93,415
521	CVTC Volume	<u>58,556</u>	<u>46,821</u>	<u>54,759</u>	<u>37,820</u>	<u>37,820</u>	<u>33,092</u>	<u>28,365</u>	<u>23,637</u>	<u>18,910</u>	<u>14,182</u>
522	Total Billable Units	171,286	131,418	146,112	132,216	128,372	124,217	120,062	115,907	111,752	107,597
523											
524	<b>Projected Revenue</b>										
525	Residential and Commercial Revenue	388,916	338,389	390,534	405,903	389,374	391,836	423,641	499,179	534,771	570,764
526	CVTC Revenue	<u>202,019</u>	<u>187,282</u>	<u>234,095</u>	<u>162,626</u>	<u>162,626</u>	<u>142,298</u>	<u>131,046</u>	<u>127,879</u>	<u>108,921</u>	<u>86,655</u>
527	Total Projected Revenue	590,935	525,671	624,629	568,529	552,000	534,134	554,687	627,058	643,692	657,419
528											
529	<b>Sewer Rate</b>	<b>\$3.45</b>	<b>\$4.00</b>	<b>\$4.30</b>	<b>\$4.30</b>	<b>\$4.30</b>	<b>\$4.30</b>	<b>\$4.62</b>	<b>\$5.41</b>	<b>\$5.76</b>	<b>\$6.11</b>
530											
531	Average Monthly Residential Cost (4.9hcf/month)	\$17.25	\$20.00	\$21.50	\$21.50	\$21.50	\$21.50	\$23.10	\$27.05	\$28.80	\$30.55
532											
533	Rate Increase	\$0.17	\$0.34	\$0.30	\$0.00	\$0.00	\$0.00	\$0.32	\$0.79	\$0.35	\$0.35
534	% Increase (User Rate ONLY)	5.31%	9.29%	7.50%	0.00%	0.00%	0.00%	7.50%	17.00%	6.50%	6.00%
535	<b>Increase in Average Monthly Residential C</b>	<b>\$0.85</b>	<b>\$1.70</b>	<b>\$1.50</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1.60</b>	<b>\$3.95</b>	<b>\$1.75</b>	<b>\$1.75</b>
536											
537	Effective Months	12	12	11	12	12	12	12	12	12	12
538											
539											
540											
541											