

City of Camas,  
Washington

Final Report for  
UTILITIES  
RATE  
STUDY

January 2010

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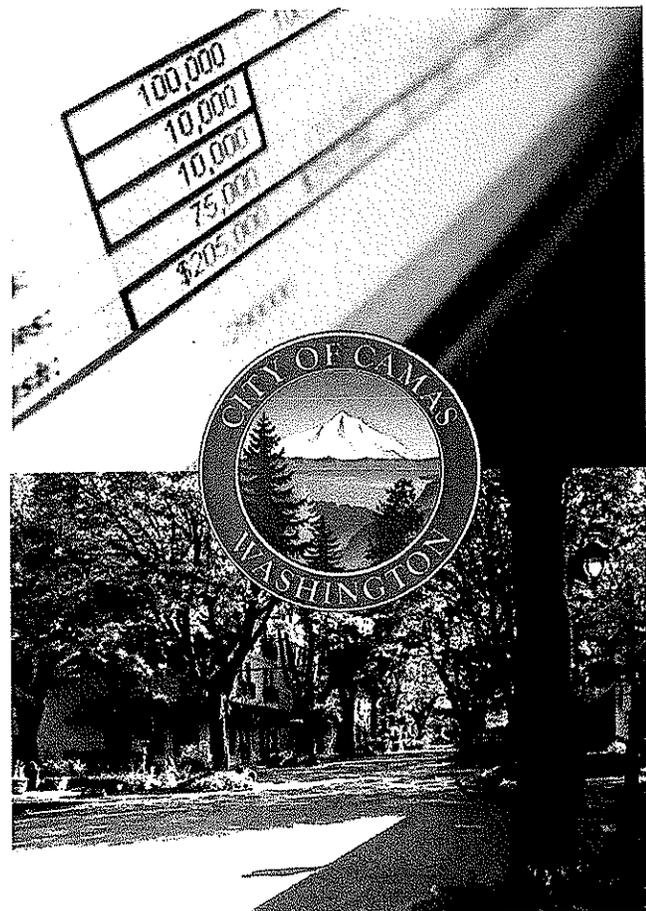
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# SECTION 1: INTRODUCTION

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## INTRODUCTION

In 2008, the City of Camas authorized FCS GROUP to complete a utilities rate study for the water, sewer, storm and sanitation utilities. Included as part of the rate study was an update of the System Development Charges (SDC) for water and sewer and establishing a new SDC for the storm utility. The results of the study aim to establishing a blueprint for achieving strong financial performance in the future and sustaining efficient and effective services to the City's customers. The scope of the project included the following elements:

- ◆ Assess revenue needs for a multi-year period that include adequate funding for operations and maintenance, capital projects, debt service, and other program activities.
- ◆ Project long-term capital needs and incorporate these needs into a long-term funding forecast that includes rates, debt, system development charges and existing reserves.
- ◆ Develop and recommend rate structures that:
  - ✓ Generate sufficient revenue to meet each utility's financial obligations on a stand along basis;
  - ✓ Promote water conservation;
- ◆ Update system development charges imposed on new development to mitigate the impact of such development on the capital facilities of the water, sewer and storm systems.

The methodology, key factors, conclusions and recommendations for each of the key task areas of the study are summarized in this executive level report.

## A. NORTH ANNEXATION AREA

In 2008, the City annexed 1,100 acres of land located in the North Urban Growth Area (NUGA) located north of Lacamas Lake. This area is mostly undeveloped with minimal utility infrastructure. The City is in discussions with major land owners on development agreements and is preparing facility plans to address future growth.

The revenue requirement portion of this study does not address the additional operating and maintenance or capital costs associated with this area since that these costs are assumed to go into effect after the study period. The system development charge section takes a look at capital expenditures for a 20-year period, and therefore, does incorporate capital costs associated to the annexed area. The proposed charges in the following sections have developed system development charges for both the existing and annexed area.

# SECTION 2: RATE STUDY METHODOLOGY

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## A. UTILITY RATE SETTING PRINCIPLES AND METHODOLOGY

The methods used to establish utility rates are based on principles that are generally accepted and widely followed throughout the industry. These principles are designed to produce rates that equitably recover costs from each class of customer by setting the appropriate level of revenue to be collected from ratepayers, and establishing a rate structure to equitably collect those revenues.

The primary tasks of the rate study are listed below:

- ◆ Revenue Requirements Analysis. This analysis identified the total revenue requirement to fully fund each utility on a standalone basis, considering operating and maintenance expenditures, capital funding needs, debt requirements and policy objectives.
- ◆ Rate Design Analysis. This analysis includes the development of rates that generate sufficient revenue to meet each system's revenue requirement forecast and continue to address the City's pricing objectives (e.g. conservation).

## B. REVENUE REQUIREMENT ANALYSIS

A revenue requirement analysis forms the basis for a long-range financial plan and multi-year rate management strategy for each utility. It also enables the City to set utility rate structures, which fully recover the total costs of operating each utility: capital improvement and replacement, operations, maintenance, general administration, fiscal policy attainment, cash reserve management, and debt repayment. Linking utility rate levels to a financial plan such as this helps to enable not only sound financial performance for the City's utility enterprise funds, but also a clear and reasonable relationship between the costs imposed on utility customers and the costs incurred to provide them the service.

When FCS GROUP conducts a revenue requirements analysis, it includes the following core elements to form a complete portrayal of the utility's financial obligations:

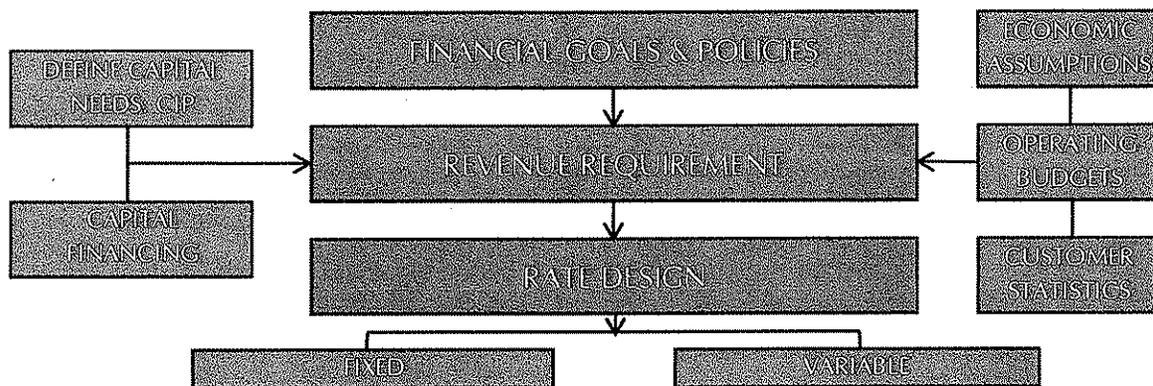
- ◆ **Fiscal Policy Analysis** – Identifies formal and informal fiscal policies of the City to ensure that current policies are maintained, including reserve levels, capital/system replacement funding and debt service coverage targets.
- ◆ **Capital Funding Plan** – Defines a strategy for funding the City's capital improvement/equipment program, including an analysis of available resources from rate revenues, system development charges, debt financing, and any special resources that may be readily available (e.g., grants, developer participation, etc.).
- ◆ **Operating Forecast** – Identifies future annual non-capital costs associated with the operation, maintenance, and administration of the utility systems.
- ◆ **Reserve Analysis** – Forecasts cash flow and fund balance activity in the City's utility reserves. Tests for satisfaction of actual or recommended minimum fund balance policies, including working capital/operating reserves and capital contingency/emergency reserves.
- ◆ **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 projection period.

From this foundation, utility rate structures can be adjusted to meet the defined annual and long-term funding targets as well the City’s pricing objectives.

### C. RATE DESIGN

The focus of rate design is the design of the pricing structures and is largely dictated by the objectives of the utility. The principal consideration is for the rate structure to generate sufficient revenues for the system which are reasonably commensurate with the cost of providing service. Most rate designs consist of fixed and variable charges. Fixed costs typically attempt to cover costs of the system that do not vary while variable costs vary with a change in user demand. Although majority of costs are fixed in nature, in general customers prefer more costs tied to the variable charge since changes in behavior have a direct correlation with a change in their bill. **Exhibit 2.1** provides an overview of the rate study process.

**Exhibit 2.1: Overview of Rate Study Process**



# SECTION 3: WATER UTILITY

## INTRODUCTION

The Camas Water Utility provides water to its customers for domestic, irrigation, commercial, industrial process and fire protection use. The Camas water utility has approximately 6,500 customers both within and outside the current City Limits. The system has 9,330 acre/feet of annual water rights from both surface and groundwater sources. The Jones/Boulder surface source is limited to winter time use to help protect stream flows for endangered fish. The infrastructure includes 9 wells, water filtration plant, 6 reservoir sites, 8 booster stations and over 110 miles of water main. In 2008 the average daily consumption was 3.7 million gallons per day (MGD) with a peak day of 7.8 MGD. In 2009 the Utility will complete the Water Facility Plan update that will provide guidance for system improvements needed for the next twenty years. The main capital focus of the next 6 years will be improving distribution and planning for the annexed area north of the lake.

## A. REVENUE REQUIREMENT

A revenue requirement analysis forms the basis for a long-range financial plan and multi-year rate management strategy. The analysis is developed by completion of an operating forecast that identifies future annual non-operating costs and a capital funding plan that defines a strategy for funding the capital improvement needs of the City.

### A.1 REVENUE REQUIREMENTS ANALYSIS

The purpose of the operating forecast is to determine whether the existing rates and charges are sufficient to recover the costs the City incurs to operate and maintain the water system. A combination of 2008 budget revenues and expenses and 2008 actual information formed the baseline for this forecast. The operating income forecast was developed for the 2009 through 2013 time period. The following list highlights some of the key assumptions used in the development of the water utility revenue requirement:

#### **Reserves**

- ◊ Operating Reserves: minimum 90 days of O&M expenses (per discussion with City staff).
- ◊ Capital Contingency Reserves: \$200 thousand (per discussion with City staff).

#### **Operating Revenue**

- ◊ Customer Growth Rate Revenue: 1.5 percent (per discussion with City staff).
- ◊ Interest Earnings Rate: 3.13 percent per year (per discussion with City staff using the five-year average for the Washington State Local Government Investment Pool).

#### **Operating & Maintenance (O&M) Expenses**

- ◊ General Cost Inflation: 3.15 percent per year (based on analysis of historical Consumer Price Index data and discussion with City staff).
- ◊ Construction Cost Inflation: 6.0 percent per year (to date of anticipated construction, based on the discussion with City staff).
- ◊ Labor Cost Inflation: 5.0 percent per year (based on discussion with City staff).
- ◊ Local/State Excise Taxes: Public utility excise tax rate is 5.029 percent on all water rate revenues.
- ◊ State B&O Tax: 1.50 percent on all non-rate revenues.

## Debt Service

- ◆ Three (3) existing debt obligations totaling \$401 to \$403 thousand: a revenue bond loan, a community economic revitalization board loan (CERB) and a public works trust fund loan (PWTF) starting in 2009.
  - ✓ The revenue bond loan is a Water and Sewer loan with 74 percent of it allocated to the water utility.
  - ✓ The CERB loan is paid off in 2016, outside the time frame covered in this study.
  - ✓ The PWTF loan is a five year loan, which starts in 2009 and is paid off in 2013.
- ◆ Two (2) new debt service obligations totaling \$23 - \$172 thousand per year: The first debt issue is anticipated in 2009 for an amount \$240 thousand and the second in 2010 for an amount of \$1.6 million. Both issues assume a 20-year term and a 5.6 percent interest rate. These debt issues will help fund numerous main installation/replacement projects.

## System Reinvestment

- ◆ System reinvestment funding is to ensure system integrity through reinvestment in the system. Ideally, the minimum funding would be an amount equal to or greater than depreciation expense. If the annual depreciation expense is not available, it can be estimated based on the current water utility asset listing. The City's water utility depreciation expense is currently approximately \$839 thousand (water's portion of the combined water and sewer plant).
- ◆ Historically, this rate funded component has had minimal dedicated funding; instead it depends on the availability of funds.
- ◆ This study assumes no annual funding in 2009. To avoid adding additional pressure on the rate payers, system reinvestment will not be funded through 2010 and will be incorporated at \$200 thousand per year starting in 2011 through 2013.

## A.2 CAPITAL FUNDING PLAN

The water utility is anticipating \$7.6 million in capital costs in 2009 through 2013 (2008 dollars), \$8.9 million inflated at 6 percent per year to date of construction. The annual average capital funding need is approximately \$1.8 million inflated, with 2010 being the highest capital outlay year at \$4.0 million inflated. Exhibit 3.1 provides a summary of the water utility capital funding.

**Exhibit 3.1: Water Utility Capital Funding Summary**

| Summary of Expenditures           | 2009                | 2010                | 2011              | 2012             | 2013                | Total               |
|-----------------------------------|---------------------|---------------------|-------------------|------------------|---------------------|---------------------|
| <b>CAPITAL PROJECTS</b>           |                     |                     |                   |                  |                     |                     |
| Improvement Upgrade & Expansions  | \$ 1,433,650        | \$ 3,957,881        | \$ 467,871        | \$ 28,406        | \$ 2,706,561        | \$ 8,594,369        |
| Repairs and Replacements          | 55,650              | 58,989              | 62,528            | 66,280           | 70,257              | 313,704             |
| <b>TOTAL CAPITAL EXPENDITURES</b> | <b>\$ 1,489,300</b> | <b>\$ 4,016,870</b> | <b>\$ 530,399</b> | <b>\$ 94,686</b> | <b>\$ 2,776,818</b> | <b>\$ 8,908,073</b> |
| <b>FUNDING SOURCES</b>            |                     |                     |                   |                  |                     |                     |
| Grants / Developer Donations      | \$ 1,249,300        | \$ 2,232,968        | \$ 363,657        | \$ -             | \$ 2,676,451        | \$ 6,522,376        |
| System Reinvestment               | -                   | -                   | 166,742           | 94,686           | 100,367             | 361,795             |
| System Development Charge Revenue | -                   | 189,104             | -                 | -                | -                   | 189,104             |
| New Debt Proceeds                 | 240,000             | 1,581,200           | -                 | -                | -                   | 1,821,200           |
| Capital Fund Balance              | -                   | 13,598              | -                 | -                | -                   | 13,598              |
| <b>TOTAL CAPITAL RESOURCES</b>    | <b>\$ 1,489,300</b> | <b>\$ 4,016,870</b> | <b>\$ 530,399</b> | <b>\$ 94,686</b> | <b>\$ 2,776,818</b> | <b>\$ 8,908,073</b> |

Notes: Does not include Capital Fund reserve funding.

Approximately 75 percent of the capital projects will be funded through grants or developer donations and the remaining 25 percent will be funded through a combination of system development charges, annual rate funded system reinvestment, existing capital fund balances and new revenue bond debt issues.

### A.3 SUMMARY OF REVENUE REQUIREMENT

The operating forecast components of O&M expenses, debt service and system reinvestment funding come together to form the multi-year revenue requirement. The revenue requirement compares the overall revenue available to the water utility to the expenses to evaluate the sufficiency of rates. Exhibit 3.2 provides a summary of the water utility revenue requirement findings.

**Exhibit 3.2: Water Utility Revenue Requirement Summary**

| Revenue Requirement                      | 2009                | 2010                | 2011                | 2012                | 2013                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                          |                     |                     |                     |                     |                     |
| Rate Revenues Under Existing Rates       | \$ 2,751,397        | \$ 2,792,668        | \$ 2,834,558        | \$ 2,877,076        | \$ 2,920,233        |
| Non-Rate Revenue                         | 222,103             | 238,466             | 254,297             | 264,885             | 280,629             |
| <b>Total Revenue</b>                     | <b>\$ 2,973,500</b> | <b>\$ 3,031,134</b> | <b>\$ 3,088,855</b> | <b>\$ 3,141,961</b> | <b>\$ 3,200,861</b> |
| <b>Expenses</b>                          |                     |                     |                     |                     |                     |
| Cash O&M Expenses                        | \$ 2,502,332        | \$ 2,600,866        | \$ 2,703,549        | \$ 2,810,491        | \$ 2,922,049        |
| Existing Debt Service                    | 402,641             | 403,908             | 401,061             | 401,757             | 400,917             |
| New Debt Service                         | 22,610              | 171,571             | 171,571             | 171,571             | 171,571             |
| Rate Funded System Reinvestment          | -                   | -                   | 200,000             | 200,000             | 200,000             |
| <b>Total Expenses</b>                    | <b>\$ 2,927,583</b> | <b>\$ 3,176,346</b> | <b>\$ 3,476,181</b> | <b>\$ 3,583,819</b> | <b>\$ 3,694,538</b> |
| <b>Surplus (Deficiency)</b>              | <b>\$ 45,917</b>    | <b>\$ (145,211)</b> | <b>\$ (387,326)</b> | <b>\$ (441,858)</b> | <b>\$ (493,676)</b> |
| <b>Additions to Meet Coverage</b>        | <b>\$ (80,813)</b>  | <b>\$ (111,885)</b> | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>Total Surplus (Deficiency)</b>        | <b>\$ (34,896)</b>  | <b>\$ (257,097)</b> | <b>\$ (387,326)</b> | <b>\$ (441,858)</b> | <b>\$ (493,676)</b> |
| % of Rate Revenue                        | 1.27%               | 9.21%               | 13.66%              | 15.36%              | 16.91%              |
| <b>Annual Rate Adjustment</b>            | <b>5.00%</b>        | <b>5.00%</b>        | <b>4.25%</b>        | <b>4.00%</b>        | <b>4.00%</b>        |
| Rate Revenues After Rate Increase        | \$ 2,854,574        | \$ 3,078,916        | \$ 3,257,917        | \$ 3,439,057        | \$ 3,630,269        |
| <b>Net Cash Flow After Rate Increase</b> | <b>\$ 143,906</b>   | <b>\$ 126,642</b>   | <b>\$ 14,742</b>    | <b>\$ 91,861</b>    | <b>\$ 180,652</b>   |
| Coverage After Rate Increase             | 1.41                | 1.28                | 1.44                | 1.59                | 1.77                |

Notes: 2009 Rate increase assumes partial year implementation.

#### Summary of Revenue Requirements:

- ◊ The revenue requirement analysis indicates a rate deficiency in each year of the study ranging from 1.27 percent in 2009 increasing to 16.91 percent by 2013.
- ◊ In order to fund the upcoming capital projects and to meet annual operating and maintenance requirements we recommend a 5.00 percent rate increase in 2009 and 2010 followed by a 4.25 percent increase in 2011 and 4.00 percent increases in 2012 and 2013.
- ◊ Operating fund target of 90 days is met by the end of the study period.

- ◆ Emergency construction fund of \$200 thousand is met or exceeded every year of the study period.
- ◆ Debt service coverage of 1.25 minimum requirements is met after increases.
- ◆ Implementation of the new rate increases took effect March 30, 2009.

Since the City decided to adopt rates on an annual basis, we recommend that the City revisit and update economic and capital assumptions on an annual basis to make sure assumptions used have not changed significantly.

## B. RATE DESIGN

The principal objective of the rate design stage of this rate study was to implement water rate structures that collect the appropriate level of revenue.

Establishing rates is a blend of “Art” and “Science” and especially so when it comes to the rate levels and structures. Several variables must be balanced to arrive at optimal rates. A cost-of-service analysis, which evaluates the rate equity by customer class, was not performed during the current study. The new rate increases were passed through to each class with a uniform across the board approach as requested by the City. In essence, each rate component (fixed and variable charge) will be increased by the same percentage. There was no greater weight put on either charge.

### B.1 EXISTING WATER RATES

The existing water rates are composed of a fixed monthly charge by meter size and a variable charge per hundred cubic feet (ccf) for all water use. There are currently two separate fixed charge structures (including fire and cemetery classes) and five variable charge structures. The monthly fixed charges increase by meter size for all classes. There is a 1.5 multiplier on both the fixed and variable charges for all customers outside the City limits. Exhibit 3.3 provides a summary of the current water utility rate structure.

**Exhibit 3.3 – Current Water Rates**

| Existing Rates        |               |                         |
|-----------------------|---------------|-------------------------|
| Meter                 | Monthly Fixed | Fire Line Monthly Fixed |
| 5/8"                  | \$ 6.43       |                         |
| 3/4"                  | 6.97          |                         |
| 1"                    | 8.60          |                         |
| 1.25"                 | 9.68          |                         |
| 1.5"                  | 10.77         |                         |
| 2"                    | 16.73         |                         |
| 3"                    | 60.65         |                         |
| 4"                    | 76.92         | \$ 16.76                |
| 6"                    | 114.88        | 23.53                   |
| 8"                    |               | 30.27                   |
| 10"                   |               | 44.00                   |
| Variable Charge (ccf) |               |                         |
| Residential           | Commercial    | City                    |
| \$ 1.24               | \$ 1.50       | \$ 1.50                 |
| Industrial            | Irrigation    | Cemetery                |
| \$ 1.25               | \$ 1.40       | \$ 0.56                 |

**Notes:** Outside City customers have a 1.5 multiplier on the fixed and variable charges.

## B.2 PROPOSED WATER RATES

As previously mentioned the rate increases were passed along across-the-board to each individual class. Exhibit 3.4 provides a summary of the proposed rates for 2009.

**Exhibit 3.4: 2009 Proposed Water Rates**

| Proposed Rates        |               |                         |
|-----------------------|---------------|-------------------------|
| Meter                 | Monthly Fixed | Fire Line Monthly Fixed |
| 5/8"                  | \$ 6.75       |                         |
| 3/4"                  | 7.32          |                         |
| 1"                    | 9.03          |                         |
| 1.25"                 | 10.16         |                         |
| 1.5"                  | 11.31         |                         |
| 2"                    | 17.57         |                         |
| 3"                    | 63.68         |                         |
| 4"                    | 80.77         | \$ 17.60                |
| 6"                    | 120.62        | 24.71                   |
| 8"                    |               | 31.79                   |
| 10"                   |               | 46.20                   |
| Variable Charge (ccf) |               |                         |
| Residential           | Commercial    | City                    |
| \$ 1.30               | \$ 1.58       | \$ 1.58                 |
| Industrial            | Irrigation    | Cemetery                |
| \$ 1.31               | \$ 1.47       | \$ 0.59                 |

**Notes:** Outside City customers have a 1.5 multiplier on the fixed and variable charges.

## C. CONSERVATION RATE STRUCTURE

### C.1 INTRODUCTION TO CONSERVATION

Part of the rate study scope of services was the development of a conservation based inverted block rate structure.

The conservation rate structure was developed in part based on the regulatory requirements of the 2003 Municipal Water Supply Efficiency Requirement Act (Municipal Water Law), which applies to municipal water suppliers to use water more efficiently in exchange for certainty and flexibility in exercising in water rights. House Bill 1338 Section 7 outlines several requirements pertaining to financials and rates. The requirements outlined are as follows:

- ◆ Ensure the efficient use of water while maintaining water system financial viability;
- ◆ Improve affordability of supplies;
- ◆ Evaluate the feasibility of adopting and implementing water delivery rate structures that encourage water conservation; and
- ◆ Identify water use patterns among utility customer classes.

An inverted block water rate structure for the residential customer class can help the City meet regulatory requirements, and achieve its conservation goals, all intended to save its precious water resources.

## C.2 CONSERVATION RATE

When developing a conservation rate structure a detailed customer statistics analysis is completed separating customer usage by class and month. Understanding the class' usage profile provides useful information regarding at what level to establish usage block sizes.

The residential class was chosen for the conservation rate structure since this class is generally the largest class on the system. In addition, it tends to have the most discretionary use with the greatest peak usage during the most constrained time of the year when water supply is at the lowest.

Since the City has not had a conservation rate structure for the residential class before, a basic 3-block inverted block structure was developed. The block sizes and charges were based on residential annual, winter, summer and peak statistics. Block one was based on an expanded winter average month usage, block two was based on double the winter usage, and block three was based on any usage above block two threshold. The block two price was based on the summer to winter average month ratio and block three was based on peak to winter average month ratio; total revenue generated from the blocks had to meet the annual revenue requirement. To account for the fact that the inverted block structure would induce water conservation and to preserve revenue stability, a 5 percent consumption reduction factor was applied to the third block. Exhibit 3.5 provides a summary of the proposed conservation rates for 2009 for the residential class.

**Exhibit 3.5: 2009 Proposed Residential Conservation Water Rates**

| Proposed Conservation Rates |               |
|-----------------------------|---------------|
| Meter                       | Monthly Fixed |
| 5/8"                        | \$ 6.75       |
| 3/4"                        | 7.32          |
| 1"                          | 9.03          |
| 1.25"                       | 10.16         |
| 1.5"                        | 11.31         |
| 2"                          | 17.57         |
| Variable Charge (ccf)       |               |
| <b>Block 1 (0-10)</b>       | \$1.04        |
| <b>Block 2 (11-20)</b>      | \$1.66        |
| <b>Block 3 (21+)</b>        | \$2.43        |

**Notes:** Outside City customers have a 1.5 multiplier on the fixed and variable charges.

Under the proposed block structure approximately 65 percent of customers fall into block one, 22 percent into block two and the remaining 13 percent into block three. Approximately 62 percent of the usage is in block one, 20 percent is in block two and 18 percent is in block three.

The City did not implement the proposed rate provided for the residential class.

## D. FIRE COST ALLOCATION

In *Lane v. Seattle*, 164 Wn.2d 875 (2008), the Washington Supreme Court ruled that municipalities may not charge utility customers a monthly fire hydrant fee, and that the cost of fire hydrants must be borne by the general fund. Camas should consult with its attorney to insure that it is in compliance with *Lane v. Seattle*.

## E. SUMMARY

The analysis described above concludes the rate study for the water utility. After performing a rate revenue analysis, it was shown that the revenues at current level are not sufficient to fund ongoing water system obligations. As a result a 5.0 percent increase is proposed in 2009 effective March 30th, 2009. Although the rate study has provided a financial forecast and rate transition plan through 2013, the City is not proposing a multi-year rate increase at this time. Staff will review rates annually and bring recommendations back for council consideration.

Furthermore, we recommend that the City update the cost-of-service rate study (last performed in 2003) to update the rate structure for changes in utility customer class demands. A cost-of-service analysis will also identify the fire related costs and help the City comply with the requirements stemming from the *Lane versus Seattle* court case.

The detailed technical exhibits developed as part of the water rate study can be found at the end of this report in the Technical Appendices.

# SECTION 4: SEWER UTILITY

## INTRODUCTION

The Camas Sewer system provides sewer service for 6,300 residential, commercial and industrial customers in areas within the Urban Growth Boundary (UGB). The system is comprised of a main sewer treatment plant rated at 6.1 MGD average daily flow, and a collection system that includes gravity main lines, pump stations, force mains and a large number of Septic Tank Effluent Systems (STE). The utility has submitted a General Sewer Wastewater Facility Plan in 2009 to the Department of Ecology (DOE) for approval that will guide system improvements for the next twenty years. The Utility has also submitted to DOE an amendment to the above mentioned plan that will specifically address the annexation area north of the lake. The main capital focus over the next six years is a major improvement to the Waste Water Treatment Plant that will convert to anaerobic digestion and produce class A solids, and planning for the annexed area north of the lake.

## A. REVENUE REQUIREMENTS

Similar to the water utility a revenue requirement was completed for the sewer utility and forms the basis for a long-range financial plan and multi-year rate management strategy.

### A.1 OPERATING FORECAST

The purpose of the operating forecast is to determine whether the currently adopted rates and charges are sufficient to recover the costs the City incurs to operate and maintain the sewer system. A combination of 2008 budget revenues and expenses and 2008 actual figures form the baseline for this forecast. The operating income forecast was developed for the 2009 through 2013 time period. The following list highlights some of the key assumptions used in the development of the sewer utility revenue requirement:

#### **Reserves**

- ◊ Operating Reserves: minimum 60 days of O&M expenses (per discussion with City staff).
- ◊ Capital Contingency Reserves: \$200 thousand (per discussion with City staff).

#### **Operating Revenue**

- ◊ Customer Growth Rate Revenue: 1.50 percent per year (per discussion with City staff).
- ◊ Interest Earnings Rate: 3.13 percent per year (per discussion with City staff using the five-year average for the Washington State Local Government Investment Pool).

#### **Operating & Maintenance (O&M) Expenses**

- ◊ General Cost Inflation: 3.15 percent per year (based on analysis of historical Consumer Price Index data and discussion with City staff).
- ◊ Construction Cost Inflation: 6.00 percent per year (to year of anticipated construction, based on the discussion with City staff).
- ◊ Labor Cost Inflation: 5.00 percent per year (based on discussion with City staff).
- ◊ Local/State Excise Taxes: Public utility excise tax rate is 3.852 percent on collection revenue and 1.50 percent on the treatment revenue. According to City's tax records, collection makes up 29 percent of rate revenue and treatment makes up 71 percent of rate revenue.
- ◊ State B&O Tax: 1.50 percent on all non-rate revenues.

## ***Debt Service***

- ◊ Seven (7) existing debt service obligations totaling approximately \$1.57 million: two (2) revenue bond loans, three (3) public works trust fund loans (PWTF) and two (2) Department of Ecology loans (DOE).
  - ✓ One of the revenue bond loans is a Water and Sewer loan with 26 percent of it allocated to the sewer utility. The other revenue bond loan is a refunding of the 1998 bonds.
  - ✓ The PWTF loans consist of; a five year loan, which starts in 2009 and gets paid off in 2013, a 5-year pre construction loan for the WWF Improvements Phase II which is going to be converted into a 20-year loan starting in 2009 and a Sewer Treatment Plant Upgrade loan.
  - ✓ Two DOE loans one of which is related to the Sewer Treatment Plant (STP) Clarifier.
- ◊ Four (4) new debt service obligations totaling \$10,000 to \$1.7 million per year: the City has acquired \$10 million in PWTF money to help pay for upcoming (STP) Upgrade related projects, which will be completed between 2009 and 2012. The PWTF money will be used for projects in 2009 and 2010. The second debt issue is anticipated in 2011 for an amount of \$7.55 million, which will also be used to help pay for the STP Upgrade projects. The third debt issues is anticipated in 2012 for an amount of \$4.72 million and will also be used to help finish the STP related projects and a main improvement/replacement project. The last debt issues is anticipated in 2013 for an amount of \$520 thousand to help pay for pump station upgrades and STP update.

## ***System Reinvestment***

- ◊ The purpose of system reinvestment funding is to ensure system integrity through reinvestment in the system. Ideally, the minimum funding would be an amount equal to or greater than depreciation expense. If the annual depreciation expense is not available, it can be estimated based on the current sewer system asset listing. The City's sewer utility depreciation expense is currently approximately \$970 thousand (sewer's portion of the combined water and sewer plant).
- ◊ Historically, this rate funded component has had minimal dedicated funding, instead funding depends on availability.
- ◊ Currently, the City is not assuming any funding for system reinvestment due to the significant level of capital which the City is undertaking during the planning period. This will avoid adding additional pressure on rate payers.

## **A.2 CAPITAL FUNDING PLAN**

The sewer utility is anticipating \$23.2 million in capital costs in 2009 through 2013 (2008 dollars) and \$24.2 million inflated (6 percent per year to date of construction). The annual average capital funding need is approximately \$4.84 million inflated, with 2010 being the highest capital outlay year at \$8.12 million inflated. Exhibit 4.1 below provides a summary of the sewer utility capital funding.

### Exhibit 4.1: Sewer Utility Capital Fund Summary

| Summary of Expenditures           | 2009                | 2010                | 2011                | 2012                | 2013              | Total                |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|----------------------|
| <b>CAPITAL PROJECTS</b>           |                     |                     |                     |                     |                   |                      |
| Improvement Upgrade & Expansions  | \$ 421,200          | \$ 4,370,790        | \$ 3,029,775        | \$ 2,464,048        | \$ 301,101        | \$ 10,586,914        |
| Repairs and Replacements          | 1,790,800           | 3,752,810           | 5,054,503           | 2,464,048           | 568,746           | 13,630,907           |
| <b>TOTAL CAPITAL EXPENDITURES</b> | <b>\$ 2,212,000</b> | <b>\$ 8,123,600</b> | <b>\$ 8,084,278</b> | <b>\$ 4,928,096</b> | <b>\$ 869,847</b> | <b>\$ 24,217,821</b> |
| <b>FUNDING SOURCES</b>            |                     |                     |                     |                     |                   |                      |
| Public Works Trust Fund Loans     | \$ 2,020,000        | \$ 7,980,000        |                     |                     |                   | \$ 10,000,000        |
| System Development Charge Revenue | 186,163             | 143,600             | 186,163             | 186,163             | 186,163           | 888,253              |
| New Debt Proceeds                 | -                   | -                   | 7,550,000           | 4,720,000           | 520,000           | 12,790,000           |
| Capital Fund Balance              | 5,837               | -                   | 348,115             | 21,933              | 163,683           | 539,568              |
| <b>TOTAL CAPITAL RESOURCES</b>    | <b>\$ 2,212,000</b> | <b>\$ 8,123,600</b> | <b>\$ 8,084,278</b> | <b>\$ 4,928,096</b> | <b>\$ 869,847</b> | <b>\$ 24,217,821</b> |

Notes: Does not include Capital Fund reserve funding.

The projects will be funded through a combination of system development charges 4 percent, PWTF loans 41 percent, revenue bond loans 53 percent and the remainder from existing fund balances 2 percent.

### A.3 SUMMARY OF REVENUE REQUIREMENT

The operating forecast components of O&M expenses, debt service and system reinvestment funding come together to form the multi-year revenue requirement. The revenue requirement compares the overall revenue available to the utility to the expenses to evaluate the sufficiency of rates. Exhibit 4.2 below provides a summary of the sewer utility revenue requirement findings.

### Exhibit 4.2: Sewer Utility Revenue Requirement Summary

| Revenue Requirement                      | 2009                | 2010                  | 2011                  | 2012                  | 2013                  |
|--|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenues</b>                          |                     |                       |                       |                       |                       |
| Rate Revenues Under Existing Rates       | \$ 3,431,364        | \$ 3,482,834          | \$ 3,535,077          | \$ 3,588,103          | \$ 3,641,924          |
| Non-Rate Revenue                         | 136,992             | 141,419               | 154,924               | 180,689               | 199,286               |
| <b>Total Revenue</b>                     | <b>\$ 3,568,356</b> | <b>\$ 3,624,253</b>   | <b>\$ 3,690,001</b>   | <b>\$ 3,768,792</b>   | <b>\$ 3,841,211</b>   |
| <b>Expenses</b>                          |                     |                       |                       |                       |                       |
| Cash O&M Expenses                        | \$ 2,808,285        | \$ 2,914,495          | \$ 3,025,097          | \$ 3,140,399          | \$ 3,260,227          |
| Existing Debt Service                    | 1,582,175           | 1,581,721             | 1,579,057             | 1,576,928             | 1,573,447             |
| New Debt Service                         | 10,100              | 156,316               | 1,249,112             | 1,667,422             | 1,711,165             |
| <b>Total Expenses</b>                    | <b>\$ 4,400,561</b> | <b>\$ 4,652,532</b>   | <b>\$ 5,853,266</b>   | <b>\$ 6,384,749</b>   | <b>\$ 6,544,840</b>   |
| <b>Surplus (Deficiency)</b>              | <b>\$ (832,204)</b> | <b>\$ (1,028,279)</b> | <b>\$ (2,163,265)</b> | <b>\$ (2,615,957)</b> | <b>\$ (2,703,629)</b> |
| % of Rate Revenue                        | 24.25%              | 29.52%                | 61.19%                | 72.91%                | 74.24%                |
| <b>Annual Rate Adjustment</b>            | <b>34.00%</b>       | <b>10.60%</b>         | <b>10.60%</b>         | <b>8.00%</b>          | <b>3.00%</b>          |
| Rate Revenues After Rate Increase        | \$ 4,306,362        | \$ 5,161,700          | \$ 5,794,472          | \$ 6,351,901          | \$ 6,640,595          |
| <b>Net Cash Flow After Rate Increase</b> | <b>\$ 9,088</b>     | <b>\$ 585,917</b>     | <b>\$ 9,099</b>       | <b>\$ 41,379</b>      | <b>\$ 179,532</b>     |
| Coverage After Rate Increase             | 2.80                | 4.05                  | 2.29                  | 1.97                  | 2.02                  |

Notes: 2009 Rate increase assumes partial year implementation.

Summary of Revenue Requirement:

- ◆ The revenue requirement analysis indicates a rate deficiency starting in 2009 and ranging from 24.25 percent in 2009 increasing to 74.24 percent by 2013.
- ◆ In order to fund the ongoing operating needs we recommend a 34 percent rate increases in 2009 followed by two 10.60 percent increases in 2010 and 2011, an 8.00 percent increase in 2012 and a 3.00 percent in 2013.
- ◆ Operating fund target of 60 days is met every year except 2009 and 2011 with 2011 being off only by 1 day. In order to meet operating targets of 60 days in 2009 a higher increase would be required.
- ◆ Emergency construction fund of \$200 thousand is met every year.
- ◆ Implementation of the new rate increases took effect March 30<sup>th</sup>, 2009.
- ◆ Debt service coverage is above the 1.25 minimum requirement after rate increases.
- ◆ No system reinvestment funding due to debt burden.

Similar to the water utility, the City Council decided to adopt rate increases on an annual basis. The City should revisit economic and capital assumptions used in the study and make sure these assumptions have not changed significantly to ensure rates remain sufficient and the fund level is adequate to meet cash flow needs and target fund balances.

## B. RATE DESIGN

As discussed in the water utility section, the principal objective of the rate design stage is to implement sewer rate structures that collect the appropriate level of revenue as outlined by the revenue requirement. Since a cost-of-service analysis was not performed, the increase is passed through to each class with an across the board approach as requested by the City.

### B.1 EXISTING SEWER RATES

The existing sewer rates are composed of two separate structures. The residential structure consists of a fixed monthly charge, while the commercial/industrial structure consists of a fixed monthly charge and an additional volume charge per 100 cubic feet of use. There is a 1.5 multiplier on both the fixed and variable charges for all customers outside the City limits.

Exhibit 4.3 below provides a summary of the current sewer rate structure.

Exhibit 4.3: Existing Sewer Rates

| Existing Rates          |               |                       |
|-------------------------|---------------|-----------------------|
| Class                   | Monthly Fixed | Variable Charge (ccf) |
| Residential             | \$ 24.05      |                       |
| Commercial / Industrial | 5.75          | \$ 2.45               |

Notes: Outside City customers have a 1.5 multiplier on the fixed and variable charges.

## B.2 PROPOSED SEWER RATES

The proposed Sewer rate schedule contains no structural changes and applies the rate increase across the board (or equally to each rate component). Exhibit 4.4 on the following page provides a summary of the proposed 2009 sewer rate schedule.

Exhibit 4.4: Proposed Sewer

| Proposed Rates          |               |                       |
|-------------------------|---------------|-----------------------|
| Class                   | Monthly Fixed | Variable Charge (ccf) |
| Residential             | \$ 32.23      |                       |
| Commercial / Industrial | 7.71          | \$ 3.28               |

Notes: Outside City customers have a 1.5 multiplier on the fixed and variable charges.

## C. SUMMARY

The analysis described above concludes the rate study for the sewer utility. After performing a rate revenue analysis, it was shown that the revenues at current level are not sufficient to fund ongoing sewer system obligations. As a result a 34.00 percent increase is proposed in 2009 for sewer rates effective March 30<sup>th</sup>, 2009. Although the rate study has provided a financial forecast and rate transition plan through 2013, the City is not proposing a multi-year rate increase at this time. Staff will review rates annually and bring recommendations back for council consideration.

Similar with the water analysis, we recommend that the City update the cost-of-service rate study (last performed in 2003) to update the rate structure for changes in customer class demands.

The detailed technical exhibits developed as part of the sewer rate study can be found at the end of this report in the Technical Appendices.

# SECTION 5: STORM WATER UTILITY

## INTRODUCTION

The Camas Storm utility was formed to provide a funding source to comply with the National Pollution Discharge Elimination System (NPDES) Phase 2 permit issued by the Department of Ecology on January 17<sup>th</sup>, 2007. The utility maintains the public storm system that includes gravity main lines, manholes, catch basins and storm treatment/detention ponds. The utility is also responsible for street sweeping to reduce sediment entering streams. Some treatment facilities and private storm collection systems are the responsibility of private business and homeowner associations (HOAs).

## A. REVENUE REQUIREMENT

The stormwater utility revenue requirement was established similar to the other utilities; it is developed by completion of an operating forecast that identifies future annual operating costs and a capital funding plan that defines a strategy for funding capital improvement needs of the stormwater system on a standalone basis.

### A.1 OPERATING FORECAST

The purpose of the operating forecast is to determine whether the currently adopted rates and charges are sufficient to recover the costs the City incurs to operate and maintain the stormwater utility. The City provided a 6-year stormwater plan that was used as the basis for this forecast. The forecast was developed for the 2009 through 2013 time period. The following list highlights some of the key assumptions used in the development of the stormwater utility revenue requirement:

#### ***Key Assumptions***

- ◊ Operating Reserves: minimum 30 days of O&M expenses (per discussion with City staff).
- ◊ Capital Contingency Reserves: currently not funded.
- ◊ Fisher Basin Reserve/Cash Balance: Used for Fisher Basin capital projects only until it is depleted.

#### ***Operating Revenue***

- ◊ Customer Growth Rate Revenue: 2.00 percent per year (per discussion with City staff and stormwater 6-year plan).
- ◊ Interest Earnings Rate: 3.13 percent per year (per discussion with City staff using the five-year average for the Washington State Local Government Investment Pool).

#### ***Operating & Maintenance (O&M) Expenses***

- ◊ All expenses were provided by the City from the stormwater 6-year plan.
- ◊ State B&O Tax: 1.50 percent.

#### ***Debt Service***

- ◊ The stormwater utility currently does not hold any debt.
- ◊ New Debt Service: There are no new debt issues assumed for the study period.

#### ***System Reinvestment***

- ◊ As with the water and sewer utilities it is important to fund annual system reinvestment to ensure system integrity. Ideally, the minimum funding would be an amount equal to or greater than depreciation expense. If the annual depreciation expense is not available, it can be estimated based on the current

stormwater system asset listing. The City's stormwater utility depreciation expense is currently approximately \$397 thousand.

- ◊ Historically, the City has been funding all of its capital expenses through reserves and direct rate funding, thereby capturing depreciation funding through rates. The City's current annual average CIP for the storm utility is \$327,000 inflated.

## A.2 CAPITAL FUNDING PLAN

The stormwater utility is anticipating \$1.32 million (2008 dollars) in total capital costs in 2009 through 2013, \$1.64 million inflated (6 percent per year to year of construction). Approximately \$996 thousand inflated of the total costs are related to Fisher Basin projects and the remaining \$640 thousand inflated are for the Non Fisher Basin projects. The annual average total capital funding need is approximately \$327 thousand inflated, with 2013 being the highest capital outlay year at \$596 thousand inflated. Exhibit 5.1 below provides a summary of the stormwater utility capital funding.

**Exhibit 5.1: Stormwater Utility Capital Funding Summary**

| Summary of Expenditures               | 2009             | 2010              | 2011              | 2012              | 2013              | Total               |
|---------------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| <b>CAPITAL PROJECTS</b>               |                  |                   |                   |                   |                   |                     |
| Improvement Upgrade & Expansions      | \$ 37,100        | \$ 103,933        | \$ 199,495        | \$ 211,465        | \$ 297,755        | \$ 849,748          |
| Repairs and Replacements              | 37,100           | 103,933           | 199,495           | 148,341           | 297,755           | 786,624             |
| <b>TOTAL CAPITAL EXPENDITURES</b>     | <b>\$ 74,200</b> | <b>\$ 207,866</b> | <b>\$ 398,990</b> | <b>\$ 359,806</b> | <b>\$ 595,510</b> | <b>\$ 1,636,373</b> |
| <b>FUNDING SOURCES</b>                |                  |                   |                   |                   |                   |                     |
| Fisher Basin Capital Fund Transfers   | \$ 68,900        | \$ 95,506         | \$ 279,889        | \$ 170,434        | \$ 247,961        | \$ 862,690          |
| Non Fisher Basin Capital Fund Balance | 5,300            | 112,360           | 119,102           | 189,372           | 347,550           | 773,683             |
| <b>TOTAL CAPITAL RESOURCES</b>        | <b>\$ 74,200</b> | <b>\$ 207,866</b> | <b>\$ 398,990</b> | <b>\$ 359,806</b> | <b>\$ 595,510</b> | <b>\$ 1,636,373</b> |

Notes: Does not include Capital Fund reserve funding.

The projects related to Fisher Basin will be funded through Fisher Basin funds only until the fund is depleted; once the fund is depleted (in 2013) the projects will be funded through rate revenue. The Non Fisher Basin projects are currently funded through rates.

## A.3 SUMMARY OF REVENUE REQUIREMENT

The operating forecast components of O&M expenses and capital funded through rates join together to form the multi-year revenue requirement. The revenue requirement compares the overall available utility revenue to the expenses to evaluate the sufficiency of rates. Exhibit 5.2 below provides a summary of the stormwater utility revenue requirement findings.

## Exhibit 5.2: Stormwater Utility Revenue Requirement Summary

| Revenue Requirement                      | 2009                | 2010                | 2011                | 2012                | 2013                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                          |                     |                     |                     |                     |                     |
| Rate Revenues Under Existing Rates       | \$ 527,485          | \$ 538,034          | \$ 548,795          | \$ 559,771          | \$ 570,966          |
| Non-Rate Revenue                         | -                   | -                   | -                   | 1,057               | 2,237               |
| <b>Total Revenue</b>                     | <b>\$ 527,485</b>   | <b>\$ 538,034</b>   | <b>\$ 548,795</b>   | <b>\$ 560,828</b>   | <b>\$ 573,203</b>   |
| <b>Expenses</b>                          |                     |                     |                     |                     |                     |
| Cash Operating Expenses                  | \$ 473,761          | \$ 571,805          | \$ 586,028          | \$ 600,678          | \$ 615,767          |
| Street Cleaning                          | 138,831             | 138,391             | 142,338             | 146,405             | 150,593             |
| Administration / Taxes                   | 97,754              | 136,407             | 119,519             | 122,583             | 125,739             |
| Rate Funded System Reinvestment          | 30,300              | 112,360             | 119,102             | 189,372             | 347,550             |
| <b>Total Expenses</b>                    | <b>\$ 740,646</b>   | <b>\$ 958,963</b>   | <b>\$ 966,987</b>   | <b>\$ 1,059,038</b> | <b>\$ 1,239,649</b> |
| <b>Surplus (Deficiency)</b>              | <b>\$ (213,161)</b> | <b>\$ (420,928)</b> | <b>\$ (418,192)</b> | <b>\$ (498,209)</b> | <b>\$ (666,446)</b> |
| % of Rate Revenue                        | 40.41%              | 78.23%              | 76.20%              | 89.00%              | 116.72%             |
| <b>Annual Rate Adjustment</b>            | <b>55.00%</b>       | <b>20.00%</b>       | <b>20.00%</b>       | <b>3.00%</b>        | <b>3.00%</b>        |
| Rate Revenues After Rate Increase        | \$ 745,072          | \$ 1,000,744        | \$ 1,224,911        | \$ 1,286,891        | \$ 1,352,008        |
| <b>Net Cash Flow After Rate Increase</b> | <b>\$ 1,162</b>     | <b>\$ 34,841</b>    | <b>\$ 247,782</b>   | <b>\$ 218,004</b>   | <b>\$ 102,880</b>   |

Notes: 2009 Rate increase assumes partial year implementation.

### Summary of Revenue Requirement:

- ◆ The revenue requirement analysis indicates a rate deficiency starting in 2009 and ranging from 40.41 percent in 2009 increasing to 116.72 percent by 2013.
- ◆ In order to fund the ongoing operating needs and upcoming capital projects we recommend a 55.00 percent increase in 2009 followed by two 20.00 percent increases in 2010 and 2011 and 3.00 percent increases in 2012 and 2013.
- ◆ Operating fund target of 30 days is not met until 2012 with the current rate increases. In order to reach the 30 day reserve target larger rate increases are required.
- ◆ From an independent utility stand point, the stormwater utility had negative fund balances in the beginning of the study (not taking into account Fisher Basin funds). With the proposed increase the stormwater utility starts to carry positive balances in 2011.
- ◆ Implementation of the new rate increases took effect March 30, 2009.

Similar to the recommended approach for the water and sewer utilities, the City should revisit economic and capital assumptions on an annual basis to make sure significant changes have not occurred and that rates remain sufficient to meet cash flow needs and target fund balances.

## B. RATE DESIGN

As discussed in the previous sections, the principal objective of the rate design stage is to implement stormwater rate structures that collect the appropriate level of revenue as outlined by the revenue requirement.

### B.1 EXISTING STORMWATER RATES

The existing stormwater rate is made up of two components an O&M component and a capital component. The current residential O&M component is \$3.76 per month and the capital component is \$0.95 per month.

Existing Fisher Basin customers are paying for the O&M component only since Fisher Basin related capital is being paid for from the Fisher Basin fund, while the Non Fisher Basin customers are paying both the O&M and Capital components of the charge for a total of \$4.71 per month. The charges are based on equivalent dwelling unit (EDU) which is defined as 3,218 square feet per dwelling unit. Each residential customer is considered to have one EDU, while all other classes are calculated based on their impervious surface area and are charged for each EDU. Exhibit 5.3 below provides a summary of the current stormwater rate structure.

**Exhibit 5.3: Existing Stormwater Rates**

| Existing Rates         |         |        |
|------------------------|---------|--------|
| Monthly Charge per EDU |         |        |
| O&M                    | Capital | Total  |
| \$3.76                 | \$0.95  | \$4.71 |

Notes: Fisher Basin pays the O&M fee only

## B.2 PROPOSED STORMWATER RATES

Under the existing rate structure Fisher Basin customers only pay the O&M component of the total charge due to the fact that Fisher Basin capital gets paid out of the Fisher Basin fund balance. Once the fund balance is depleted, Fisher Basin customers will have to pay for capital out of rates. Since there are significantly less Fisher Basin customers than Non Fisher Basin customers the Fisher Basin capital portion of the charge could be substantial. We propose changing the existing charge into a uniform charge, which covers the entire rate revenue requirement for Fisher Basin and Non Fisher Basin customers. The proposed charge contains no other structural changes and applies the rate increases across the board. Exhibit 5.4 provides a summary of the proposed 2009 stormwater rate schedule.

**Exhibit 5.4: Proposed Stormwater Rates**

| Proposed Rates               |
|------------------------------|
| Total Monthly Charge per EDU |
| \$6.89                       |

Notes: Includes both O&M and Capital

## C. SUMMARY

The analysis described above concludes the rate study for the stormwater utility. After performing a rate revenue analysis, it was shown that the revenues at current level are not sufficient to fund ongoing stormwater obligation. As a result a 55.00 percent increase is proposed in 2009 for stormwater rates effective March 30<sup>th</sup>, 2009. Although the rate study has provided a financial forecast and rate transition plan through 2013, the City is not proposing a multi-year rate increase at this time. Staff will review rates annually and bring recommendations back for council consideration.

The detailed technical exhibits developed as part of the stormwater rate study can be found at the end of this report in the Technical Appendices.

# SECTION 6: SANITATION UTILITY

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## INTRODUCTION

The Sanitation Utility collects solid waste from all residential, commercial, and industrial accounts using containers 2 yards and smaller. The City has entered into a non-exclusive franchise agreement with Waste Connects Inc. for solid waste collection for containers larger than 2 yards. Solid waste collection is mandatory in Camas. The utility owns four refuse trucks and has four FTE. The utility also collects mandatory recycle fees from the residential customers and has entered into a contract with Waste Connections Inc. to collect and dispose of residential recycle material. Commercial recycling is provided by a variety of purveyors. The City begins servicing newly annexed areas seven years after the annexation occurs in accordance with State law.

## A. REVENUE REQUIREMENTS

The sanitation utility revenue requirement was established similar to the other utilities; it is developed by completion of an operating forecast that identifies future annual operating costs and a capital funding plan that defines a strategy for funding capital improvement needs of the sanitation system on a standalone basis.

### A.1 OPERATING FORECAST

The purpose of the operating forecast is to determine whether the currently adopted rates and charges are sufficient to recover the costs the City incurs to operate and maintain the sanitation utility. The City provided a 6-year sanitation plan that was used as the basis for this forecast. The forecast was developed for the 2009 through 2013 time period. The following list highlights some of the key assumptions used in the development of the sanitation utility revenue requirement:

#### *Key Assumptions*

- ◆ Operating Reserve: minimum 30 days of O&M expenses (per discussion with City staff).

#### *Operating Revenue*

- ◆ Customer Growth Rate Revenue: 2.00 percent per year (per discussion with City staff and sanitation 6-year plan).
- ◆ Interest Earnings Rate: 3.13 percent per year (per discussion with City staff using the five-year average for the Washington State Local Government Investment Pool).

#### *Operating & Maintenance (O&M) Expenses*

- ◆ All expenses were provided by the City from the sanitation 6-year plan,

#### *Equipment Reinvestment*

- ◆ The City currently funds equipment replacement (consisting of truck rental and operations center lease) in the amount of approximately \$320-\$380 thousand annually.

### A.2 SUMMARY OF REVENUE REQUIREMENT

The detailed operating forecast joins the anticipated O&M expenses with any equipment replacement costs to form the multi-year revenue requirement. The revenue requirement compares the overall available utility revenue to the expenses to evaluate the sufficiency of rates. **Exhibit 6.1** below provides a summary of the sanitation utility revenue requirement findings.

## Exhibit 6.1: Sanitation Revenue Requirement Summary

| Revenue Requirement                      | 2009                | 2010                | 2011                | 2012                | 2013                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                          |                     |                     |                     |                     |                     |
| Rate Revenues Under Existing Rates       | \$ 1,851,300        | \$ 1,888,326        | \$ 1,926,093        | \$ 2,014,174        | \$ 2,054,457        |
| Non-Rate Revenue                         | 35,401              | 26,492              | 27,390              | 28,402              | 29,301              |
| <b>Total Revenue</b>                     | <b>\$ 1,886,701</b> | <b>\$ 1,914,818</b> | <b>\$ 1,953,483</b> | <b>\$ 2,042,576</b> | <b>\$ 2,083,758</b> |
| <b>Expenses</b>                          |                     |                     |                     |                     |                     |
| Disposal                                 | \$ 565,020          | \$ 595,219          | \$ 643,205          | \$ 677,621          | \$ 713,836          |
| Recycling                                | 314,647             | 345,329             | 372,799             | 389,727             | 407,583             |
| Collection                               | 701,461             | 721,536             | 757,213             | 763,510             | 785,447             |
| Customer Accounts / A&G / Taxes          | 238,217             | 239,574             | 246,268             | 253,902             | 261,006             |
| <b>Total Expenses</b>                    | <b>\$ 1,819,345</b> | <b>\$ 1,901,657</b> | <b>\$ 2,019,486</b> | <b>\$ 2,084,760</b> | <b>\$ 2,167,872</b> |
| <b>Surplus (Deficiency)</b>              | <b>\$ 67,356</b>    | <b>\$ 13,160</b>    | <b>\$ (66,003)</b>  | <b>\$ (42,185)</b>  | <b>\$ (84,114)</b>  |
| % of Rate Revenue                        | 0.00%               | 0.00%               | 3.43%               | 2.09%               | 4.09%               |
| <b>Annual Rate Adjustment</b>            | <b>0.00%</b>        | <b>2.00%</b>        | <b>2.00%</b>        | <b>2.00%</b>        | <b>2.00%</b>        |
| Rate Revenues After Rate Increase        | \$ 1,851,300        | \$ 1,926,093        | \$ 2,003,907        | \$ 2,135,415        | \$ 2,221,686        |
| <b>Net Cash Flow After Rate Increase</b> | <b>\$ 67,356</b>    | <b>\$ 50,360</b>    | <b>\$ 10,644</b>    | <b>\$ 77,238</b>    | <b>\$ 80,606</b>    |

Notes: Includes revenue assumptions for additional connections at Lacamas Heights in 2012.

### Summary of Revenue Requirement:

- ◆ The analysis assumes that there will be new connections coming online at Lacamas Heights starting in 2011/2012 generating additional rate revenue starting in 2012 (approximately \$50 thousand). New connections are made up of 268 residential customers, ranging in sizes of can pickup, and 6 commercial customers.
- ◆ The revenue requirement analysis indicates a rate deficiency of 3.43 percent beginning in 2011 increasing to 4.09 percent by 2013.
- ◆ In order to fund the ongoing operating needs we recommend a 2.00 percent rate increase beginning in 2010 through 2013. The increases begin in 2010 instead of 2011 in order to minimize customer impacts by phasing in the adjustments over time.
- ◆ Operating fund target of 30 days of working capital met throughout the 2009 – 2013 time period. Revenue in excess of 30 days of working capital is assumed to be transferred to the equipment fund.

## B. RATE DESIGN

The sanitation rate design is fairly straightforward. Unlike other operations that charge a combination of fixed and variable charges, all charges are recovered by container size and frequency of pickup.

### B.1 EXISTING SANITATION RATES

As previously mentioned the existing sanitation rate structure is composed of a charge by container size and frequency of pickup. Exhibit 6.2 provides a summary of the existing sanitation rates.

### Exhibit 6.2: Existing Sanitation Rates

| Existing Rates          |                |
|-------------------------|----------------|
| Regular Monthly Service |                |
| Service                 | Monthly Charge |
| 35 gallon (EOW)         | \$ 9.25        |
| 35 gallon weekly        | 14.12          |
| 65 gallon weekly        | 18.95          |
| 95 gallon weekly        | 25.70          |

| Existing Rates  |                  |          |           |           |
|-----------------|------------------|----------|-----------|-----------|
| # of<br>Empties | Regular Dumpster |          | Compacted |           |
|                 | 1.5 Yards        | 2 Yards  | 1.5 Yards | 2 Yards   |
| 1               | \$ 64.35         | \$ 89.27 | \$ 135.31 | \$ 178.54 |
| 2               | 135.31           | 178.54   | 282.89    | 357.08    |
| 3               | 209.10           | 267.81   | 430.46    | 535.62    |
| 4               | 282.89           | 357.08   | 578.04    | 714.16    |
| 5               | 356.67           | 446.35   | 725.62    | 892.70    |

## B.2 PROPOSED SANITATION RATES

The proposed sanitation rate schedule contains no structural changes and applies the rate increase across the board (or equal to each rate component). Since the first rate increase is proposed for 2010 for the sanitation utility, Exhibit 6.3 below provides a summary of the proposed 2010 sanitation rate schedule.

### Exhibit 6.3: Proposed 2010 Sanitation Rates

| Proposed Rates 2010     |                |
|-------------------------|----------------|
| Regular Monthly Service |                |
| Service                 | Monthly Charge |
| 35 gallon (EOW)         | \$ 9.44        |
| 35 gallon weekly        | 14.40          |
| 65 gallon weekly        | 19.33          |
| 95 gallon weekly        | 26.21          |

| Proposed Rates 2010 |                  |          |           |           |
|---------------------|------------------|----------|-----------|-----------|
| # of<br>Empties     | Regular Dumpster |          | Compacted |           |
|                     | 1.5 Yards        | 2 Yards  | 1.5 Yards | 2 Yards   |
| 1                   | \$ 65.64         | \$ 91.06 | \$ 138.02 | \$ 182.11 |
| 2                   | 138.02           | 182.11   | 288.55    | 364.22    |
| 3                   | 213.28           | 273.17   | 439.07    | 546.33    |
| 4                   | 288.55           | 364.22   | 589.60    | 728.44    |
| 5                   | 363.80           | 455.28   | 740.13    | 910.55    |

## C. SUMMARY

The analysis described above concludes the rate study for the sanitation utility. After performing a rate revenue analysis, it was shown that the revenues at current level are not sufficient to fund ongoing sanitation system obligations starting in 2011. As a result a 2.00 percent increase is proposed in 2010 for sanitation rates effective January 1<sup>st</sup>, 2010. Although the rate study has provided a financial forecast and rate transition plan through 2013, the City is not proposing a multi-year rate increase at this time. Staff will review rates annually and bring recommendations back for council consideration.

We recommend that the City update the cost-of-service rate study (last performed in 2003) to update the rate structure for changes in utility costs and customer class demands.

The detailed technical exhibits developed as part of the sanitation rate study can be found at the end of this report in the Technical Appendix.

# SECTION 7: SYSTEM DEVELOPMENT CHARGES

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## INTRODUCTION

As part of the utility rate study the City of Camas requested the study include an update to the water and sewer system development charges (SDCs) and to create a new SDC for the storm drainage utility. This section will provide a general overview of SDCs, summarize the methodology used, outline key factors and present the recommended charges.

### A. OVERVIEW

“System Development Charge (or connection) charge” is a generic term referring to charges imposed as a condition of connecting to the utility system. SDCs differ from installation fees in that they are intended as a means of ensuring that new customers bear their equitable share of the cost of the system assets that serve all customers, and are not direct reimbursement for out-of-pocket costs to physically connect the new customer to the system. It is assumed that SDCs are imposed in addition to meter charges, labor and material charges, tap fees, inspection fees, or other non-capital charges related to the immediate expense of connecting a new service.

### B. METHODOLOGY

The purpose of the SDC is two-fold: 1) to provide a source for capital financing and 2) to equitably recover the proportionate share of utility plant-in-service from new customers. In the absence of SDCs, growth-related costs would be borne in large part by existing customers. The cost of the system to be recovered by SDCs can be defined in two parts: an existing cost basis portion, which recover existing costs, and a future cost basis portion, which recover future costs.

Revenues generated from the SDCs can be used to fund capital projects or to pay debt service incurred to finance capital projects, but cannot be used to pay operating and maintenance costs.

There are several documented approaches used in the industry to establish a SDC that is legally defensible if designed properly. Within the range of legally defensible approaches, the choice of the costs the City targets is a matter of policy. It is important that the City follow a methodical and rational approach to consistently determine and implement cost-based SDCs.

Since the calculated charges represent the maximum allowable charge, the City may choose to implement a charge at any level up to the calculated charge. Revenues generated from the charge will vary depending upon whether or not the full charge is implemented (e.g., phase-in strategies). The lower the charge and longer the phase-in period, the less revenue will be collected and available to help pay the cost of these facilities. This loss in revenue could result in delays in completing the capital improvement program and/or result in increased costs to the City’s existing ratepayers through rates for service.

#### B.1 EXISTING COST BASIS

The existing cost basis portion of the charge developed in this study is based on facilities of general benefit, such as storage reservoirs, transmission mains, interceptor trunk lines, etc. It is intended to recognize the current ratepayers’ net investment in estimated original cost of the non-donated system assets and the accumulated interest on that investment. For Washington cities and towns, State statute (RCW 35.92.025) and subsequent legal interpretations provide a guideline for connection charges which suggest that such charges should reflect the actual original cost of the utility system, and can include interest on that cost at the rate applicable at the time of construction. Interest can be accumulate for a maximum of ten years from the

date of construction, and cannot exceed the original cost of the asset. In addition, outstanding debt principal (less any cash available to buy down debt) is deducted from plant-in-service because new customers will pay their share of debt service through user rates. For this study, the existing cost basis for each utility is based on the City's record of system assets as of December 31, 2007, incorporating the adjustments noted above.

## B.2 FUTURE COST BASIS

The statute enabling connection charges for cities and towns does not specifically address a charge based on planned future improvements. Common practice and legal opinion suggest that future facilities needed to serve growth, as well as to provide for regulatory system improvement, can be included in the connection charge. It is common practice for Cities and Towns to include up to twenty (20) years of future costs consistent with the planning period used in the City's comprehensive planning process. The future cost basis can include utility capital projects planned for construction and identified in comprehensive system planning documents.

It is important to note that current-year dollars are used when calculating the SDC and not inflated dollars. This approach assumes that the SDC will be updated annually to track construction cost inflation. Projects directly funded by developers, grants, or special property assessments are not included in the calculation. Replacement projects are most often excluded from the calculation unless they are needed to increase the size of the system. The capital improvement program has been allocated between existing and future customers based on engineering and planning criteria.

A separate future cost basis charge is calculated for the non-NUGAE customers and NUGAE customers. The NUGAE customers require an extensive amount of capital to allow the City to incorporate them into the water, sewer and stormwater utilities. The analysis has developed separate SDC rates for both NUGAE and non-NUGAE areas. The resulting rate differential of the NUGAE only costs being spread over a much smaller customer base.

## C. WATER SYSTEM DEVELOPMENT CHARGE

The City currently uses a cost of service allocation basis approach when calculating the SDC and establishes an individual charge for each customer class based on the results of the cost-of-service functional allocation which includes assignment of costs based on individual customer flow statistics, meter equivalents and number of accounts.

After assessing the current structure and individual class charges it seemed that most class specific SDCs resulted in similar charges with the exception of the industrial class, which demonstrated a significantly higher disproportionate demand on the system based on its size and usage.

From these observations a "general" approach is proposed, which changes the class specific SDC and instead calculates the value of one meter customer equivalent (MCE) and assesses all new system connections based on this equivalent unit buy-in value. This recommended approach is applicable to all customer classes with the exception of the industrial class due to the disproportionate demand placed on the system by these customers. A separate charge is recommended specifically for the industrial class.

## DETERMINATION OF THE WATER SYSTEM DEVELOPMENT CHARGE

### C.1 EXISTING COST BASIS

As of 2007, water utility total fixed assets equal \$37.75 million. Of this amount, approximately \$4.83 million was contributed and, therefore, excluded from the cost basis. Calculating 10 years of interest on each allocable asset adds \$15.62 million to the total asset value. The water utility's existing cash reserves were less than outstanding debt, and thus a reduction of \$5.72 million was made to account for principal outstanding. After

adjusting the utility's total assets for capital contributions and principal outstanding, the total existing cost basis is approximately \$42.82 million.

## C.2 FUTURE COST BASIS

According to the 2008 Draft Water System Plan the City has planned for approximately \$69.80 million of capital projects in the water utility between 2008 and 2027. Recognizing the fact that some of the projects will provide capacity beyond the 20-year period, with the help of the City and the consulting engineer working on the Water System Plan, the project costs were reduced based on the capacity they will provide by the end of the 20-year period (this reduction in costs only applies to the non-NUGAE customers since NUGAE customers build out by 2025). The resulting 20-year project capital total was \$66.12 million.

From the \$66.12 million, \$34.12 million are considered to be contributed/donated, reducing the future cost basis portion for NUGAE and non-NUGAE customers. In addition to the contributions/donations any project or portion of the project designated as repair and replacement (R&R) (\$1.10 million) was also deducted. The resulting allocable future cost basis was \$30.90 million, which was made up of \$20.72 million project costs related to NUGAE, \$6.10 million of project costs related to non-NUGAE and \$4.08 million of project costs related to both customer bases.

## C.3 CUSTOMER BASE

Using the detailed customer statistics provided by the City, the water utility had approximately 9,446 Non NUGAE meter customer equivalents (MCEs) in 2008 – MCEs relate to flow factor assumptions that vary by meter size and are established by the American Water Works Association. The consulting engineer working on the Water System Plan provided a growth forecast, by class, for the 20-year study period using flow based equivalent residential units (ERUs). Since a different unit of measure was used in estimating the future demand ERUs than in the calculation of the charge (MCEs), a growth rate was calculated from the demand projection ERUs (percentage growth from current ERUs to 20-year future ERUs) and applied to the MCEs to calculate the 20-year MCEs. Using this approach the City will add 6,780 non-NUGAE MCEs over the next twenty-year period – reaching a total non-NUGAE customer base of 16,226 MCEs.

NUGAE customers are new and in addition to the current customer base. The method used to estimate the 20-year NUGAE customer base in MCEs consisted of using the flow based demand ERUs provided by class and developing a ratio between the 20-year non-NUGAE ERUs and MCEs. These ratios were then applied to the NUGAE flow based demand ERUs and converted to MCEs for the 20-year period; 5,581 MCEs. The total customer base, NUGAE and non-NUGAE, for the 20-year period is calculated to be 21,807 MCEs.

## C.4 CALCULATION OF THE GENERAL WATER SYSTEM DEVELOPMENT CHARGE

**Exhibit 6.1** shows the calculation of the water system development charge by calculating the existing and the future cost bases.

### Exhibit 6.1: Calculation of Water System Development Charge

| Water System Development Charge Calculation |                 |                 |   |
|---|-----------------|-----------------|---|
|   | Non-NUGAE       | NUGAE           | Notes                                   |
| Existing Allocable Cost                     | \$ 42,818,181   | \$ 42,818,181   |   |
| Allocable Customer Base                     | 21,807          | 21,807          | Total customer base (existing & future) |
| <b>Existing Portion</b>                     | <b>\$ 1,964</b> | <b>\$ 1,964</b> |   |
| Future Cumulative Cost*                     | \$ 4,082,100    | \$ 4,082,100    | Capital allocable to NUGAE & non-NUGAE  |
| Allocable Customer Base                     | 12,361          | 12,361          | Total future customers                  |
| <b>Future Cumulative Portion</b>            | <b>\$ 330</b>   | <b>\$ 330</b>   |   |
| Future Cost                                 | \$ 6,095,575    | \$ 20,720,667   | Capital allocable to NUGAE & non-NUGAE  |
| Allocable Customer Base                     | 6,780           | 5,581           | Total future customers                  |
| <b>Future Portion</b>                       | <b>\$ 899</b>   | <b>\$ 3,713</b> |   |
| <b>TOTAL SDC</b>                            | <b>\$ 3,193</b> | <b>\$ 6,007</b> | per MCE                                 |

\*Notes: Cumulative costs apply to both NUGAE & non-NUGAE, the remaining future costs apply to each area on an individual basis.

Exhibit 6.2 shows the proposed non-NUGAE and the NUGAE system development charges by meter size using the MCEs to differentiate the demands each meter size place on the system.

### Exhibit 6.2: Proposed Non-NUGAE and NUGAE System Development Charges

| Meter | MCEs | Proposed  |          |
|-------|------|-----------|----------|
|       |      | Non-NUGAE | NUGAE    |
| 5/8"  | 1    | \$ 3,193  | \$ 6,007 |
| 3/4"  | 1.5  | 4,790     | 9,011    |
| 1"    | 2.5  | 7,983     | 15,018   |
| 1.5"  | 5    | 15,965    | 30,035   |
| 2"    | 8    | 25,544    | 48,056   |
| 3"    | 16   | 51,088    | 96,112   |
| 4"    | 25   | 79,825    | 150,175  |
| 6"    | 50   | 159,650   | 300,350  |
| 8"    | 80   | 255,440   | 480,560  |

As previously mentioned the proposed charges are a calculated ceiling, the City can implement a charge of any level up to the indicated amount.

## D. SEPARATE INDUSTRIAL WATER SYSTEM DEVELOPMENT CHARGE ALTERNATIVES

As previously mentioned the industrial class exhibited high disproportionate demands on the system based on its size and usage compared to other classes. To avoid the remaining classes subsidizing the industrial class a separate industrial system development charge is proposed.

A charge based on MCEs represents the peaking (maximum instantaneous) requirements placed on the system by a customer. The increase in the charge from one meter to the next represents the maximum peaking requirement for that meter size and the relationship between each different size meter to the base 5/8" meter. If every customer class uses water on an equitable basis (usage per MCE) the peaking approach is appropriate.

If there are customers who use disproportionate amounts of water on an average daily basis whereby the average usage exceeds the standard MCE factor, the peaking methodology alone may not be appropriate. This is because the system is sized not only based on peak demand of the individual customer, but is sized based on the total system requirements of “all” individual customer demands. A large user places a disproportionate demand on other parts of the system such as storage requirements and source of supply and should be charged commensurate with these increased demands. The SDC options proposed address this issue.

Two options are proposed to the City for the Industrial SDC. The first option keeps the City’s current methodology and simply updates the industrial charge based on the functional allocation of updated costs. The second approach uses a similar functional allocation approach as the existing methodology, but spreads the “base” costs by ERUs instead of MCEs.

### D.1 INDUSTRIAL OPTION 1 – CURRENT METHODOLOGY

The water system costs were spread based on a functional allocation (base, peak, fire, etc.). The previous study was used since a cost-of-service analysis was not performed during the 2008 update. Similar to the general approach existing and future infrastructure costs were calculated, however instead of dividing through by the applicable total customer base, the costs were spread through by the industrial customer class statistics representing accounts, meter customer equivalents (MCEs) and meter service equivalents (MSEs – related to actual cost of the meter/hardware) depending on the function.

Exhibit 6.3 summarizes the Industrial charge for the base 5/8” meter.

**Exhibit 6.3: Industrial Charge for 5/8” Base Meter**

| Industrial Option 1 |                    |                       |           |          |              |           |
|---------------------|--------------------|-----------------------|-----------|----------|--------------|-----------|
| Industrial          | Customer / Account | Meters & Services/MSE | Base/MCE  | Peak/MCE | Fire/Account | SDC       |
| Non-NUGAE           | \$ -               | \$ 393                | \$ 14,725 | \$ 2,134 | \$ 2,567     | \$ 19,819 |
| NUGAE               | \$ -               | \$ 393                | \$ 29,551 | \$ 4,326 | \$ 4,206     | \$ 38,476 |

Exhibit 6.4 escalates the SDC based on each function and an appropriate factor by meter size.

**Exhibit 6.4: SDC Escalation Based on Function and Meter Size**

| Meter | MCEs | MSEs | Proposed  |           |
|-------|------|------|-----------|-----------|
|       |      |      | Non-NUGAE | NUGAE     |
| 5/8"  | 1    | 1    | \$ 19,819 | \$ 38,476 |
| 3/4"  | 1.5  | 1.1  | 28,288    | 55,454    |
| 1"    | 2.5  | 1.4  | 45,265    | 89,449    |
| 1.5"  | 5    | 1.8  | 87,569    | 174,298   |
| 2"    | 8    | 2.9  | 138,579   | 276,362   |
| 3"    | 16   | 11   | 276,634   | 550,561   |
| 4"    | 25   | 14   | 429,544   | 856,633   |
| 6"    | 50   | 21   | 853,770   | 1,706,309 |
| 8"    | 80   | 29   | 1,362,684 | 2,725,763 |

## D.2 INDUSTRIAL OPTION 2 – SYSTEM UNIT COST

Similar to the first option the costs were spread based on a functional allocation. In this scenario the costs were based on the customer statistics for the system as a whole to determine unit costs instead of allocating costs based on individual customer statistics first. This approach also spreads “base” costs or total average water flow based on the ERU for the system (283.6 gpd/ERU) instead of MCEs.

Exhibit 6.5 summarizes the Industrial charge for the base 5/8” meter and one (1) ERU. When comparing the two options it is important to remember that each industrial class will be multiple ERUs.

Exhibit 6.5: Industrial Charge for 5/8” Base Meter

| Industrial Option 2 |                    |                       |          |          |              |          |
|---------------------|--------------------|-----------------------|----------|----------|--------------|----------|
| Industrial          | Customer / Account | Meters & Services/MSE | Base/ERU | Peak/MCE | Fire/Account | SDC      |
| Non-NUGAE           | \$ -               | \$ 393                | \$ 988   | \$ 1,147 | \$ 518       | \$ 3,046 |
| NUGAE               | \$ -               | \$ 393                | \$ 2,704 | \$ 2,324 | \$ 845       | \$ 6,266 |

The calculation of system development charges by meter size will depend on the size of meter factors associated with that meters size (as with option 1). In addition, the projected demand will be needed to estimate the number of ERUs.

As an example, two existing accounts are used to calculate an SDC using both options and compare the outcomes:

- ◆ The first account (6346) is on a two inch meter and its usage for 2008 was 2,076 ccf.
- ◆ The second account (6344) is on a six inch meter and its usage for 2008 was 296,967 ccf

### OPTION 1 CALCULATION: 2” METER, NON-NUGAE CUSTOMER

**Step 1:** \$0 is added for the customer/account portion of the charge.

**Step 2:** \$393 per MSE representing the Meters & Services portion is multiplied by 2.9 to represent the fact that the meter size is two inches = [ $\$393 \times 2.9 = \$1,139.70$ ].

**Step 3:** \$14,725/MCE representing the “Base” portion is escalated by 8 to represent the meter size = [ $8 * \$14,725 = \$117,800$ ]

**Step 4:** \$2,134/MCE representing the “Peak” portion is escalated by 8 to represent the meter size = [ $8 * \$2,134 = \$17,072$ ]

**Step 5:** \$2,567/account is added representing the Fire portion

Total charge = \$138,579 [ $\$0 + \$1,139.70 + \$117,800 + \$17,072 + 2,567$ ]

Similarly, the calculation for the six inch meter would be as follows: Customer (\$0) + Meters & Services ( $\$393 \times 21 = \$8,253$ ) + Base ( $\$14,725 \times 50 = \$736,250$ ) + Peak ( $\$2,134 \times 50 = \$106,700$ ) + Fire (\$2,567) for a combined charge of \$853,770.

### OPTION 2 CALCULATION: 2” METER, NON-NUGAE CUSTOMER

**Step 1:** \$0 is added for the customer/account portion of the charge.

Step 2: \$393 per MSE representing the Meters & Services portion is multiplied by 2.9 to represent the fact that the meter size is two inches = [ $\$393 \times 2.9 = \$1,139.70$ ].

Step 3: \$988/ERU (this is the change between the options). Determine the number of ERUs for the customer by dividing the projected annual use of 2,076 ccf by 283.6 gpd (represents 1 ERU). First you must convert ccf to gallons per day ( $2,076 \text{ ccf} \times 748(\text{g/ccf})/365(\text{days/year}) = 4,254 \text{ gpd}$ ). Calculate ERUs =  $4,254 \text{ gpd}/283.6(\text{gpd/ERU}) = 15$ . Calculate base allocation  $\$988 \times 15 = \$14,821$

Step 4: \$1,147/MCE representing the "Peak" portion is escalated by 8 to represent the meter size = [ $8 \times \$1,147 = \$9,176$ ]

Step 5: \$518/account is added representing the Fire portion

Total charge = \$25,655 [ $\$0 + \$1,139.70 + \$14,821 + \$9,176 + 518$ ]

Similarly, the calculation for the six inch meter would be as follows: Customer (\$0) + Meters & Services ( $\$393 \times 21 = \$8,253$ ) + Base ( $296,967 \text{ ccf} \times 748(\text{g/ccf})/365(\text{days/year}) = 608,579 \text{ gpd}$ ,  $608,579 \text{ gpd}/283.6(\text{gpd/ERU}) = 2,146 \text{ ERUs}$ ),  $2,146 \text{ ERUs} \times \$988 = \$2,120,248$ ) + Peak ( $\$1,147 \times 50 = \$57,350$ ) + Fire (\$518), results in a charge of \$2,186,369.

Comparing the resulting charges for the two and six inch meters side by side shows that option two results in lower charges if consumption is lower (two inch meter option one: \$138,579; two inch meter option two: \$25,655), while the opposite is true if the customers consumption is on the higher side (six inch meter option one: \$853,770; six inch meter option two: \$2,186,369).

## E. SEWER SYSTEM DEVELOPMENT CHARGE

The sewer utility follows the same methodology currently in place where Residential and Commercial I customers are charged a fixed system development charge for the base meter size of 5/8" (Commercial I customers charge increases based on meter size by AWWA flow factors). Commercial II charge is calculated based on functionally allocated costs and established unit costs for flow and strength (Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS)).

## DETERMINATION OF THE SEWER SYSTEM DEVELOPMENT CHARGE

### E.1 EXISTING COST BASIS

As of 2007, sewer utility total fixed assets equal \$43.60 million. Of this amount approximately \$6.24 million was contributed and, therefore, excluded from the cost basis. Calculating 10 years of interest on each allocable asset adds \$15.62 million. The sewer utility's existing cash reserves were less than outstanding debt, and thus a reduction of \$16.48 million was made to account for principal outstanding. After adjusting the utility's total assets for capital contributions and principal outstanding, the total existing cost basis is approximately \$39.77 million.

### E.2 FUTURE COST BASIS

According to the 2008 Draft Sewer System Plan the City has planned for approximately \$102.62 million of capital projects in the sewer utility between 2008 and 2027. Similar to the water utility, recognizing the fact that some of the projects will provide capacity beyond the 20-year period, with the help of the City and the consulting Engineer working on the Sewer System Plan, the project costs were reduced based on the capacity they will provide by the end of the 20-year period (this reduction in costs only applies to the non-NUGAE customers since NUGAE customers build out by 2025). The resulting 20-year project capital total was \$79.31 million.

From the \$79.31 million \$13.70 million are considered to be contributed/donated, reducing the future cost basis portion for NUGAE and non-NUGAE customers. In addition to the contributions/donations any project or portion of the project designated as repair and replacement (R&R) was deducted as well; total R&R deduction was \$24.37 million. The resulting allocable future cost basis was \$41.27 million, which was made up of \$22.06 million project costs related to NUGAE, \$18.36 million of project costs related to non-NUGAE and \$850 thousand of project costs related to both customer bases.

### E.3 CUSTOMER BASE

The consulting Engineer working on the Sewer System Plan provided a growth forecast, which listed 2005 actual ERUs and estimates for 2015 and 2025. An annual compounding interest rate was calculated based on the 2005 and 2015 ERUs and applied to the 2005 ERU counts for three years to estimate the number of existing ERUs in 2008, which is 15,086. Since the non-NUGAE city build out is outside the 20-year study period an annual compounding growth rate was calculated from 2015 to 2025 and applied to the 2025 year for two years to estimate the total ERUs in the 20-year study period. The total non-NUGAE ERUs assumed in 2027 was 24,959. From the information provided by the consulting Engineer NUGAE customers reached build out by 2025 at 5,228 ERUs.

### E.4 CALCULATION OF THE SEWER SYSTEM DEVELOPMENT CHARGE RESIDENTIAL/COMMERCIAL I

Exhibit 6.6 shows the calculation of the sewer system development charge by calculating the existing and future cost bases.

Exhibit 6.6: Sewer System Development Charge Calculation – Existing and Future Cost Bases

| Sewer System Development Charge Calculation |                 |                 |  |
|---|-----------------|-----------------|--|
|   | Non-NUGAE       | NUGAE           | Notes  |
| Existing Allocable Cost                     | \$ 39,767,590   | \$ 39,767,590   |  |
| Allocable Customer Base                     | 30,187          | 30,187          | Total customer base (existing & future)          |
| <b>Existing Portion</b>                     | <b>\$ 1,317</b> | <b>\$ 1,317</b> |  |
| Future Cumulative Cost*                     | \$ 850,000      | \$ 850,000      | Capital allocable to NUGAE & non-NUGAE           |
| Allocable Customer Base                     | 15,101          | 15,101          | Total future customers                           |
| <b>Future Cumulative Portion</b>            | <b>\$ 56</b>    | <b>\$ 56</b>    |  |
| Future Cost                                 | \$ 7,724,178    | \$ 22,060,325   | Capital allocable to NUGAE & non-NUGAE           |
| Allocable Customer Base                     | 9,873           | 5,228           | Total future customers                           |
| <b>Future Portion</b>                       | <b>\$ 782</b>   | <b>\$ 4,220</b> |  |
| Future Cost - non NUGAE**                   | \$ 10,634,955   |                 | Capital allocable to non-NUGAE Phase III portion |
| Allocable Customer Base                     | 9,026           |                 | Future through 2025 (Phase III capacity)         |
| <b>Future Portion</b>                       | <b>\$ 1,178</b> |                 |  |
| <b>TOTAL SDC</b>                            | <b>\$ 3,334</b> | <b>\$ 5,593</b> | <b>per ERU</b>                                   |

Notes:

\*Cumulative costs apply to both NUGAE & non-NUGAE, the remaining future costs apply to each area on an individual basis.

\*\*Phase III treatment plant upgrade will only provide enough capacity for ERUs through 2025

NUGAEs portion is included in the NUGAE Future Cost section since all NUGAE builds out in 2025.

Exhibit 6.7 shows the non-NUGAE and the NUGAE system development charges and how they vary by meter size for Commercial I customers.

Exhibit 6.7: Non-NUGAE and NUGAE System Development Charges for Commercial I Customers

| Flow Factors | Meter | Proposed  |          |
|--------------|-------|-----------|----------|
|              |       | Non-NUGAE | NUGAE    |
| 1            | 5/8"  | \$ 3,334  | \$ 5,593 |
| 1.5          | 3/4"  | 5,001     | 8,390    |
| 2.5          | 1"    | 8,335     | 13,983   |
| 5            | 1.5"  | 16,670    | 27,965   |
| 8            | 2"    | 26,672    | 44,744   |
| 16           | 3"    | 53,344    | 89,488   |
| 25           | 4"    | 83,350    | 139,825  |
| 50           | 6"    | 166,700   | 279,650  |
| 80           | 8"    | 266,720   | 447,440  |

## COMMERCIAL II

For Commercial II customers the costs were spread based on a functional allocation from the previous study since a cost-of-service analysis was not performed during the 2008 update. Once the costs were functionalized, unit costs were developed for each function for each portion of the charge (existing and future). Exhibit 6.8 summarizes the Commercial II charge.

Exhibit 6.8: Non-NUGAE and NUGAE System Development Charges for Commercial II Customers

| Commercial II   | Proposed  |          |
|-----------------|-----------|----------|
|                 | Non-NUGAE | NUGAE    |
| Flow (gallons)  | \$ 16.94  | \$ 28.78 |
| BOD (lbs / day) | \$ 3,149  | \$ 5,071 |
| TSS (lbs / day) | \$ 1,192  | \$ 1,921 |

As with the water system development charge, the proposed charges are a calculated ceiling, the City can implement a charge of any level up to the indicated amount.

## F. STORM SYSTEM DEVELOPMENT CHARGE

Currently the City does not have a system development charge for its storm water utility. To stay consistent with the water and sewer utilities the same methodology was used in the development of the stormwater utility's system development charges.

### DETERMINATION OF THE STORM SYSTEM DEVELOPMENT CHARGE

#### F.1 EXISTING COST BASIS

As of 2007, storm water utility total fixed assets equal \$10.77 million. Of this amount approximately \$8.08 million was contributed and, therefore, excluded from the cost basis. Calculating 10 years of interest on each allocable asset adds \$489 thousand. Currently the storm water utility holds no debt. After adjusting the utility's total assets for capital contributions the total existing cost basis is approximately \$3.18 million.

## F.2 FUTURE COST BASIS

According to the City's six year Capital Improvement Program (CIP) the City has planned for approximately \$1.89 million in projects. In addition to the six year CIP 20 percent of all street fund 20-year projects are assumed to be allocated to the storm water utility with 15 percent of the storm water utility's portion being contributed/donated. The total combined 20-year plan is \$41.03 million. The City split projects between non-NUGAE, NUGAE and projects which benefit both customer groups. The NUGAE portion of total projects was \$30.67 million, non-NUGAE portion was \$10.25 million and the cumulative portion was \$104 thousand.

From the \$41.03 million \$5.78 million are considered to be contributed/donated, reducing the future cost basis portion for NUGAE and non-NUGAE customers. In addition to the contributions/donations any project or portion of the project designated as repair and replacement was also deducted. The resulting allocable future cost basis was \$34.36 million, which is made up of \$26.07 million related to NUGAE, \$8.18 million related to non-NUGAE and \$104 thousand of project costs related to both customer bases.

## F.3 CUSTOMER BASE

According to the City's billing records, in 2008 there were approximately 9,692 non-NUGAE Equivalent Domestic Units (EDUs). After a discussion with City staff the same growth rate was assumed for the storm water utility 20-year period as for the sewer utility. Using the appropriate growth rate the total non-NUGAE 20-year period EDUs are 16,023. The NUGAE EDUs assume to tie sewer utility's ERUs directly at 5,225.

## F.4 CALCULATION OF THE STORM SYSTEM DEVELOPMENT CHARGE

Exhibit 6.9 shows the calculation of the sewer system development charge by calculating the existing and future cost bases.

STORM  
Exhibit 6.9: Sewer System Development Charge by Existing and Future Cost Bases

| Storm Water System Development Charge Calculation |                 |                 |   |
|---|-----------------|-----------------|---|
|   | Non-NUGAE       | NUGAE           | Notes                                   |
| Existing Allocable Cost                           | \$ 3,178,410    | \$ 3,178,410    |   |
| Allocable Customer Base                           | <u>21,251</u>   | <u>21,251</u>   | Total customer base (existing & future) |
| <b>Existing Portion</b>                           | <b>\$ 150</b>   | <b>\$ 150</b>   |   |
| Future Cumulative Cost*                           | \$ 104,375      | \$ 104,375      | Capital allocable to NUGAE & non-NUGAE  |
| Allocable Customer Base                           | <u>11,559</u>   | <u>11,559</u>   | Total future customers                  |
| <b>Future Cumulative Portion</b>                  | <b>\$ 9</b>     | <b>\$ 9</b>     |   |
| Future Cost                                       | \$ 8,181,558    | \$ 26,071,200   | Capital allocable to NUGAE & non-NUGAE  |
| Allocable Customer Base                           | <u>6,331</u>    | <u>5,228</u>    | Total future customers                  |
| <b>Future Portion</b>                             | <b>\$ 1,292</b> | <b>\$ 4,987</b> |   |
| <b>TOTAL SDC</b>                                  | <b>\$ 1,451</b> | <b>\$ 5,145</b> | per EDU                                 |

\*Notes: Cumulative costs apply to both NUGAE & non-NUGAE, the remaining future costs apply to each area on an individual basis

As with water and sewer system development charges, the proposed charges are a calculated maximum, the City can implement a charge of any level up to the indicated amount.

# TECHNICAL APPENDICES

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# WATER SYSTEM

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# City of Camas

## Water Utility Rate Study

### Summary

| Revenue Requirements                     | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                          |                     |                     |                     |                     |                     |                     |
| Rate Revenues Under Existing Rates       | \$ 2,710,736        | \$ 2,751,397        | \$ 2,792,668        | \$ 2,834,558        | \$ 2,877,076        | \$ 2,920,233        |
| Non-Rate Revenues                        | 330,300             | 222,103             | 238,466             | 254,297             | 264,885             | 280,629             |
| <b>Total Revenues</b>                    | <b>\$ 3,041,036</b> | <b>\$ 2,973,500</b> | <b>\$ 3,031,134</b> | <b>\$ 3,088,855</b> | <b>\$ 3,141,961</b> | <b>\$ 3,200,861</b> |
| <b>Expenses</b>                          |                     |                     |                     |                     |                     |                     |
| Cash Operating Expenses                  | \$ 2,405,137        | \$ 2,502,332        | \$ 2,600,866        | \$ 2,703,549        | \$ 2,810,491        | \$ 2,922,049        |
| Existing Debt Service                    | 380,659             | 402,641             | 403,908             | 401,061             | 401,757             | 400,917             |
| New Debt Service                         | -                   | 22,610              | 171,571             | 171,571             | 171,571             | 171,571             |
| Rate Funded System Reinvestment          | -                   | -                   | -                   | 200,000             | 200,000             | 200,000             |
| <b>Total Expenses</b>                    | <b>\$ 2,785,796</b> | <b>\$ 2,927,583</b> | <b>\$ 3,176,346</b> | <b>\$ 3,476,181</b> | <b>\$ 3,583,819</b> | <b>\$ 3,694,538</b> |
| <b>Net Surplus (Deficiency)</b>          | <b>\$ 255,240</b>   | <b>\$ 45,917</b>    | <b>\$ (145,211)</b> | <b>\$ (387,326)</b> | <b>\$ (441,858)</b> | <b>\$ (493,676)</b> |
| % of Rate Revenue                        | 0.00%               | 0.00%               | 5.20%               | 13.66%              | 15.36%              | 16.91%              |
| <b>Additions To Meet Coverage</b>        | <b>\$ (95,165)</b>  | <b>\$ (80,813)</b>  | <b>\$ (111,885)</b> | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>Total Surplus (Deficiency)</b>        | <b>\$ 160,075</b>   | <b>\$ (34,896)</b>  | <b>\$ (257,097)</b> | <b>\$ (387,326)</b> | <b>\$ (441,858)</b> | <b>\$ (493,676)</b> |
| % of Rate Revenue                        | 0.00%               | 1.27%               | 9.21%               | 13.66%              | 15.36%              | 16.91%              |
| <b>Annual Rate Adjustment</b>            | <b>0.00%</b>        | <b>5.00%</b>        | <b>5.00%</b>        | <b>4.25%</b>        | <b>4.00%</b>        | <b>4.00%</b>        |
| Rate Revenues After Rate Increase        | \$ 2,710,736        | \$ 2,854,574        | \$ 3,078,916        | \$ 3,257,917        | \$ 3,439,057        | \$ 3,630,269        |
| Additional Taxes from Rate Increase      | \$ -                | \$ 5,189            | \$ 14,395           | \$ 21,291           | \$ 28,262           | \$ 35,708           |
| <b>Net Cash Flow After Rate Increase</b> | <b>255,240</b>      | <b>143,906</b>      | <b>126,642</b>      | <b>14,742</b>       | <b>91,861</b>       | <b>180,652</b>      |
| Coverage After Rate Increases            | 1.67                | 1.41                | 1.28                | 1.44                | 1.59                | 1.77                |
| Sample Monthly Bill (5/8" 11ccf)         | \$ 20.07            | \$ 21.07            | \$ 22.13            | \$ 23.07            | \$ 23.99            | \$ 24.95            |
| Monthly Increase                         | \$ -                | \$ 1.00             | \$ 1.05             | \$ 0.94             | \$ 0.92             | \$ 0.96             |

**Notes:**

If growth accelerates in NUGAE than need to revisit study. Current study assumes that NUGAE growth begins after 2013  
 2009 increase is in effect for 9 month (effective April)

# City of Camas

## Water Utility Rate Study

### Summary

| <b>Fund Balance</b>  | <b>2008</b>   | <b>2009</b>    | <b>2010</b>    | <b>2011</b>    | <b>2012</b>    | <b>2013</b>      |
|--|---------------|----------------|----------------|----------------|----------------|------------------|
| <b>Operating:</b>  |               |                |                |                |                |                  |
| <b>Beginning Balance</b>                                   | \$ 479,154    | \$ 175,000     | \$ 318,906     | \$ 445,547     | \$ 460,290     | \$ 552,151       |
| Net Cash Flow after Rate Increase                          | 255,240       | 143,906        | 126,642        | 14,742         | 91,861         | 180,652          |
| Transfer of Surplus to Capital Fund                        | (141,346)     | -              | -              | -              | -              | (12,297)         |
| <b>Ending Balance</b>                                      | \$ 593,047    | \$ 318,906     | \$ 445,547     | \$ 460,290     | \$ 552,151     | \$ 720,505       |
| <i>Minimum Target Balance</i>                              | \$ 593,047    | \$ 617,013     | \$ 641,309     | \$ 666,628     | \$ 692,998     | \$ 720,505       |
| <i>90 Day Target</i>                                       | 90            | 47             | 63             | 62             | 72             | 90               |
| <b>Capital</b>   |               |                |                |                |                |                  |
| <b>Beginning Balance</b>                                   | \$ 181,256    | \$ (100,000)   | \$ 207,204     | \$ 200,090     | \$ 428,714     | \$ 736,549       |
| plus: Rate Funded System Reinvestment                      | -             | -              | -              | 200,000        | 200,000        | 200,000          |
| plus: Grants / Developer Donations / Other Outside Sources | -             | 1,367,400      | 2,232,968      | 363,657        | -              | 2,676,451        |
| plus: Transfer from REET                                   | 500,000       | -              | -              | -              | -              | -                |
| plus: Existing Bond Proceeds                               | 4,084,800     | -              | -              | -              | -              | -                |
| plus: System Development Charges                           | 189,104       | 189,104        | 189,104        | 189,104        | 189,104        | 189,104          |
| plus: Net Debt Proceeds Available for Projects             | -             | 240,000        | 1,581,200      | -              | -              | -                |
| plus: Interest Earnings                                    | 5,673         | -              | 6,485          | 6,262          | 13,417         | 23,051           |
| plus: Transfer of Surplus from Operating Fund              | 141,346       | -              | -              | -              | -              | 12,297           |
| plus: Direct Rate Funding                                  | -             | -              | -              | -              | -              | -                |
| Total Capital Funding Sources                              | 5,102,178     | 1,696,504      | 4,216,960      | 959,113        | 831,235        | 3,837,453        |
| less: Capital Expenditures (inflated)                      | (5,030,000)   | (1,489,300)    | (4,016,870)    | (530,399)      | (94,686)       | (2,776,818)      |
| <b>Ending Balance</b>                                      | <b>72,178</b> | <b>207,204</b> | <b>200,090</b> | <b>428,714</b> | <b>736,549</b> | <b>1,060,635</b> |
| <i>Minimum Capital Contingency Target</i>                  | \$ 200,000    | \$ 200,000     | \$ 200,000     | \$ 200,000     | \$ 200,000     | \$ 200,000       |

# City of Camas

## Water Utility Rate Study

### Assumptions

#### Economic & Financial Factors

|  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  |
|--|-------|-------|-------|-------|-------|-------|
| 1 General Cost Inflation                     | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% |
| 2 Construction Cost Inflation                | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| 3 Labor Cost Inflation                       | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| 4 Customer Growth                            | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 5 General Inflation plus Growth              | 4.70% | 4.70% | 4.70% | 4.70% | 4.70% | 4.70% |
| 6 Taxes on Connection Charges                | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 8 No Escalation                              | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Fund Earnings (5-year average of the LWGSIP) | 3.13% | 3.13% | 3.13% | 3.13% | 3.13% | 3.13% |
| Local / State Excise Tax                     | 5.03% | 5.03% | 5.03% | 5.03% | 5.03% | 5.03% |
| State B&O Tax                                | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |

#### Accounting Assumptions

|  | 2008          | 2009       | 2010       | 2011       | 2012       | 2013       |
|--|---------------|------------|------------|------------|------------|------------|
| <b>FISCAL POLICY RESTRICTIONS</b>                  |               |            |            |            |            |            |
| Min. Op. Fund Balance Target (days of O&M expense) | 90            | 90         | 90         | 60         | 60         | 60         |
| Max. Op. Fund Balance (days of O&M expense)        | 90            | 90         | 90         | 90         | 90         | 90         |
| Minimum Capital Fund Balance Target                |               |            |            |            |            |            |
| Select Minimum Capital Fund Balance Target         | 2             |            | User Input |            |            |            |
| 1 - Defined as % of Plant                          |               |            |            |            |            |            |
| Plant-in-Service in 2008                           | \$ 37,749,068 |            |            |            |            |            |
| Minimum Capital Fund Balance - % of plant assets   | 2.00%         | 2.00%      | 2.00%      | 2.00%      | 2.00%      | 2.00%      |
| 2 - Amount at Right ==>                            | \$ 200,000    | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 200,000 |

#### RATE FUNDED SYSTEM REINVESTMENT

|  |      |      |            |            |            |            |
|--|------|------|------------|------------|------------|------------|
| Select Reinvestment Funding Strategy   | 3    |      | User Input |            |            |            |
| <b>Amount of Annual Cash Funding from Rates</b>                              |      |      |            |            |            |            |
| 1 - Equal to Annual Depreciation Expense                                     |      |      |            |            |            |            |
| 2 - Equal to Annual Depreciation Expense less Annual Debt Principal Payments |      |      |            |            |            |            |
| 3 - Equal to Amount at Right ==>   | \$ - | \$ - | \$ -       | \$ 200,000 | \$ 200,000 | \$ 200,000 |
| 4 - Do Not Fund System Reinvestment  |      |      |            |            |            |            |

# City of Camas

## Water Utility Rate Study

### Assumptions

#### Capital Financing Assumptions

2008      2009      2010      2011      2012      2013

#### System Development Charges

| Select SDC Alternative          | 1    |
|---------------------------------|------|
| 1 - User Input (Current Charge) | \$ - |
| 2 - Calculated Charge           | \$ - |

Current Charge is in use

Total Customer Equivalents (Estimate)

|             |            |            |            |            |            |            |
|-------------|------------|------------|------------|------------|------------|------------|
| SDC Revenue | \$ 189,104 | \$ 189,104 | \$ 189,104 | \$ 189,104 | \$ 189,104 | \$ 189,104 |
|-------------|------------|------------|------------|------------|------------|------------|

#### REVENUE BONDS

|               |       |       |       |       |       |       |
|---------------|-------|-------|-------|-------|-------|-------|
| Term (years)  | 20    | 20    | 20    | 20    | 20    | 20    |
| Interest Cost | 5.00% | 5.60% | 5.60% | 5.00% | 5.00% | 5.00% |
| Issuance Cost | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

Revenue Bond Coverage Requirement      1.25

#### PWTF LOAN

|   |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|
| Term (years; 10 year minimum and no more than 20 years) | 20    | 20    | 20    | 20    | 20    | 20    |
| Interest Cost   | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

#### OTHER LOANS & REVENUE-SUPPORTED GENERAL OBLIGATION BONDS [a]

|               |       |       |       |       |       |       |
|---------------|-------|-------|-------|-------|-------|-------|
| Term (years)  | 20    | 20    | 20    | 20    | 20    | 20    |
| Interest Cost | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| Issuance Cost | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

[a] Tax-supported general obligation bonds are assumed to be accounted for in the General Fund; terms and annual obligations of such bonds are not factors in this analysis.

**City of Camas**  
**Water Utility Rate Study**  
**Operating Revenue and Expenditure Forecast**

|                                       |   |                        | Budget              | Projection          | Projection          | Projection          | Projection          | Projection          |
|---------------------------------------|---|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                       |   |                        | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                |
| <b>Revenues</b>                       |   |                        | FORECAST BASIS      |                     |                     |                     |                     |                     |
| <b>Rate revenues</b>                  |   |                        |                     |                     |                     |                     |                     |                     |
| Residential                           | 4 | Customer Growth        | \$ 1,662,561        | \$ 1,687,499        | \$ 1,712,811        | \$ 1,738,504        | \$ 1,764,581        | \$ 1,791,050        |
| Commercial                            | 4 | Customer Growth        | 178,585             | 181,264             | 183,983             | 186,743             | 189,544             | 192,387             |
| Industrial                            | 4 | Customer Growth        | 706,592             | 717,191             | 727,949             | 738,868             | 749,951             | 761,200             |
| Irrigation                            | 4 | Customer Growth        | 162,998             | 165,443             | 167,925             | 170,444             | 173,001             | 175,596             |
| <b>Total Rate revenue</b>             |   |                        | <b>\$ 2,710,736</b> | <b>\$ 2,751,397</b> | <b>\$ 2,792,668</b> | <b>\$ 2,834,558</b> | <b>\$ 2,877,076</b> | <b>\$ 2,920,233</b> |
| <b>Non-rate revenues [a]</b>          |   |                        |                     |                     |                     |                     |                     |                     |
| Public Fire Protection                | 1 | General Cost Inflation | \$ 2,000            | \$ 2,063            | \$ 2,128            | \$ 2,195            | \$ 2,264            | \$ 2,335            |
| Private Fire Protection               | 1 | General Cost Inflation | 14,000              | 14,441              | 14,896              | 15,365              | 15,849              | 16,348              |
| Other - Public Author/Hydrants        | 1 | General Cost Inflation | 10,800              | 11,140              | 11,491              | 11,853              | 12,226              | 12,611              |
| Water Hook-up Fees (physical connect) | 4 | Customer Growth        | 70,000              | 71,050              | 72,116              | 73,197              | 74,295              | 75,410              |
| Interest Income                       | 1 | Calculated             | 125,000             | 5,477               | 10,688              | 19,314              | 19,775              | 22,650              |
| Water Turn off Fees (100% Water)      | 1 | General Cost Inflation | 1,000               | 1,031               | 1,064               | 1,097               | 1,132               | 1,168               |
| Penalties (50% Water)                 | 1 | General Cost Inflation | 60,000              | 61,890              | 63,839              | 65,849              | 67,923              | 70,063              |
| Space & Facilities Leases (50% Water) | 1 | General Cost Inflation | 10,000              | 10,315              | 10,640              | 10,975              | 11,321              | 11,677              |
| Other Rents & Use Charges (50% Water) | 1 | General Cost Inflation | 37,500              | 38,681              | 39,899              | 41,156              | 42,452              | 43,789              |
|                                       | 1 | General Cost Inflation | -                   | -                   | -                   | -                   | -                   | -                   |
|                                       | 1 | General Cost Inflation | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Non-rate revenues</b>        |   |                        | <b>\$ 339,494</b>   | <b>\$ 222,103</b>   | <b>\$ 238,466</b>   | <b>\$ 254,297</b>   | <b>\$ 264,885</b>   | <b>\$ 280,629</b>   |
| <b>TOTAL REVENUES</b>                 |   |                        | <b>\$ 3,050,230</b> | <b>\$ 2,973,500</b> | <b>\$ 3,031,134</b> | <b>\$ 3,088,855</b> | <b>\$ 3,141,961</b> | <b>\$ 3,200,861</b> |

# City of Camas

## Water Utility Rate Study

### Operating Revenue and Expenditure Forecast

|                     |                                 |   | Budget                  | Projection        | Projection        | Projection        | Projection        | Projection        |                   |
|---------------------|---------------------------------|---|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                     |                                 |   | 2008                    | 2009              | 2010              | 2011              | 2012              | 2013              |                   |
| <b>Expenditures</b> |                                 |   | FORECAST BASIS          |                   |                   |                   |                   |                   |                   |
| 100                 | Excise Tax State Tax            |   | Excise and B&O Tax Rate | \$ 116,000        | \$ 136,216        | \$ 138,412        | \$ 140,629        | \$ 142,798        | \$ 145,074        |
| 810                 | <b>WTR S.O.S</b>                |   |                         |                   |                   |                   |                   |                   |                   |
|                     | Regular Salaries                | 3 | Labor Cost Inflation    | \$ 39,955         | \$ 41,953         | \$ 44,050         | \$ 46,253         | \$ 48,566         | \$ 50,994         |
|                     | Overtime                        | 3 | Labor Cost Inflation    | 1,000             | 1,050             | 1,103             | 1,158             | 1,216             | 1,276             |
|                     | Personnel Benefits              | 3 | Labor Cost Inflation    | 14,474            | 15,198            | 15,958            | 16,755            | 17,593            | 18,473            |
|                     | Uniforms & Clothing             | 1 | General Cost Inflation  | -                 | -                 | -                 | -                 | -                 | -                 |
|                     | Office and Operating Supplies   | 1 | General Cost Inflation  | 8,000             | 8,252             | 8,512             | 8,780             | 9,056             | 9,342             |
|                     | Fuel Consumed                   | 1 | General Cost Inflation  | 400               | 413               | 426               | 439               | 453               | 467               |
|                     | Small Tools and Minor Equip     | 1 | General Cost Inflation  | 5,000             | 5,157             | 5,320             | 5,487             | 5,660             | 5,839             |
|                     | Professional Ser                | 3 | Labor Cost Inflation    | 75,000            | 78,750            | 82,688            | 86,822            | 91,163            | 95,721            |
|                     | Communication                   | 1 | General Cost Inflation  | 2,000             | 2,063             | 2,128             | 2,195             | 2,264             | 2,335             |
|                     | Advertising                     | 1 | General Cost Inflation  | -                 | -                 | -                 | -                 | -                 | -                 |
|                     | Operating Rentals and Leases    | 1 | General Cost Inflation  | 5,000             | 5,157             | 5,320             | 5,487             | 5,660             | 5,839             |
|                     | Public Utility                  | 1 | General Cost Inflation  | 200               | 206               | 213               | 219               | 226               | 234               |
|                     | Repairs & Maintenance           | 3 | Labor Cost Inflation    | 50,000            | 52,500            | 55,125            | 57,881            | 60,775            | 63,814            |
|                     | Miscellaneous                   | 1 | General Cost Inflation  | 8,000             | 8,252             | 8,512             | 8,780             | 9,056             | 9,342             |
|                     | Interfund Oper. Rentals & Lease | 1 | General Cost Inflation  | 5,000             | 5,157             | 5,320             | 5,487             | 5,660             | 5,839             |
|                     | <b>Total WTR S.O.S</b>          |   |                         | <b>\$ 214,029</b> | <b>\$ 224,109</b> | <b>\$ 234,673</b> | <b>\$ 245,745</b> | <b>\$ 257,350</b> | <b>\$ 269,513</b> |
| 820                 | <b>WTR Pumping</b>              |   |                         |                   |                   |                   |                   |                   |                   |
|                     | Reg Salaries                    | 3 | Labor Cost Inflation    | \$ 39,955         | \$ 41,953         | \$ 44,050         | \$ 46,253         | \$ 48,566         | \$ 50,994         |
|                     | Overtime                        | 3 | Labor Cost Inflation    | 3,000             | 3,150             | 3,308             | 3,473             | 3,647             | 3,829             |
|                     | Personnel Benefits              | 3 | Labor Cost Inflation    | 14,654            | 15,387            | 16,156            | 16,964            | 17,812            | 18,703            |
|                     | Office and Operating Supplies   | 1 | General Cost Inflation  | 10,000            | 10,315            | 10,640            | 10,975            | 11,321            | 11,677            |
|                     | Fuel Consumed                   | 1 | General Cost Inflation  | -                 | -                 | -                 | -                 | -                 | -                 |
|                     | Small Tools and Minor Equipment | 1 | General Cost Inflation  | 3,000             | 3,094             | 3,192             | 3,292             | 3,396             | 3,503             |
|                     | Professional Ser                | 3 | Labor Cost Inflation    | 22,000            | 23,100            | 24,255            | 25,468            | 26,741            | 28,078            |
|                     | Communication                   | 1 | General Cost Inflation  | -                 | -                 | -                 | -                 | -                 | -                 |
|                     | Travel                          | 1 | General Cost Inflation  | -                 | -                 | -                 | -                 | -                 | -                 |
|                     | Operating Rentals               | 1 | General Cost Inflation  | -                 | -                 | -                 | -                 | -                 | -                 |
|                     | Public Utility                  | 1 | General Cost Inflation  | 195,000           | 201,141           | 207,476           | 214,011           | 220,751           | 227,703           |
|                     | Repairs & Maintenance           | 3 | Labor Cost Inflation    | 58,000            | 60,900            | 63,945            | 67,142            | 70,499            | 74,024            |
|                     | Miscellaneous                   | 1 | General Cost Inflation  | -                 | -                 | -                 | -                 | -                 | -                 |
|                     | Infund Oper. Rentals & Lease    | 1 | General Cost Inflation  | 5,000             | 5,157             | 5,320             | 5,487             | 5,660             | 5,839             |
|                     | <b>Total WTR Pumping</b>        |   |                         | <b>\$ 350,609</b> | <b>\$ 364,198</b> | <b>\$ 378,342</b> | <b>\$ 393,065</b> | <b>\$ 408,393</b> | <b>\$ 424,350</b> |

**City of Camas**  
**Water Utility Rate Study**  
**Operating Revenue and Expenditure Forecast**

|                                 |   |                        | Budget            | Projection        | Projection        | Projection        | Projection        | Projection        |
|---------------------------------|---|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                 |   |                        | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              |
| <b>830 WTR Treatment</b>        |   |                        |                   |                   |                   |                   |                   |                   |
| Reg Salaries                    | 3 | Labor Cost Inflation   | \$ 41,166         | \$ 43,224         | \$ 45,386         | \$ 47,655         | \$ 50,038         | \$ 52,539         |
| Overtime                        | 3 | Labor Cost Inflation   | 6,000             | 6,300             | 6,615             | 6,946             | 7,293             | 7,658             |
| Personnel Benefits              | 3 | Labor Cost Inflation   | 15,360            | 16,128            | 16,934            | 17,781            | 18,670            | 19,604            |
| Office and Operating Supplies   | 1 | General Cost Inflation | 7,500             | 7,736             | 7,980             | 8,231             | 8,490             | 8,758             |
| Fuel Consumed                   | 1 | General Cost Inflation | -                 | -                 | -                 | -                 | -                 | -                 |
| Supplies - Chemicals            | 1 | General Cost Inflation | 10,000            | 180,000           | 185,669           | 191,517           | 197,548           | 203,770           |
| Small Tools and Minor Equipment | 1 | General Cost Inflation | 120,000           | 123,779           | 127,678           | 131,699           | 135,847           | 140,125           |
| Professional Ser                | 3 | Labor Cost Inflation   | 8,000             | 8,400             | 8,820             | 9,261             | 9,724             | 10,210            |
| Communication                   | 1 | General Cost Inflation | 2,000             | 2,063             | 2,128             | 2,195             | 2,264             | 2,335             |
| Travel                          | 1 | General Cost Inflation | -                 | -                 | -                 | -                 | -                 | -                 |
| Operating Rentals and Leases    | 1 | General Cost Inflation | 500               | 516               | 532               | 549               | 566               | 584               |
| Insurance                       | 3 | Labor Cost Inflation   | 42,000            | 44,100            | 46,305            | 48,620            | 51,051            | 53,604            |
| Public Utility                  | 1 | General Cost Inflation | 15,000            | 15,472            | 15,960            | 16,462            | 16,981            | 17,516            |
| Repairs & Maintenance           | 3 | Labor Cost Inflation   | 10,000            | 10,500            | 11,025            | 11,576            | 12,155            | 12,763            |
| Miscellaneous                   | 1 | General Cost Inflation | 8,000             | 8,252             | 8,512             | 8,780             | 9,056             | 9,342             |
| Intgovt Profess Services        | 1 | General Cost Inflation | -                 | -                 | -                 | -                 | -                 | -                 |
| Interfund Oper. Rentals & Lease | 1 | General Cost Inflation | 5,000             | 5,157             | 5,320             | 5,487             | 5,660             | 5,839             |
| <b>Total WTR Treatment</b>      |   |                        | <b>\$ 290,526</b> | <b>\$ 471,628</b> | <b>\$ 488,863</b> | <b>\$ 506,759</b> | <b>\$ 525,344</b> | <b>\$ 544,646</b> |

**City of Camas**  
**Water Utility Rate Study**  
**Operating Revenue and Expenditure Forecast**

|                                    |   |                        | Budget<br>2008    | Projection<br>2009 | Projection<br>2010 | Projection<br>2011 | Projection<br>2012 | Projection<br>2013 |
|------------------------------------|---|------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>850 WTR Trans/Distr</b>         |   |                        |                   |                    |                    |                    |                    |                    |
| Reg Salaries                       | 3 | Labor Cost Inflation   | \$ 131,854        | 138,447            | 145,369            | 152,637            | 160,269            | 168,283            |
| Overtime                           | 3 | Labor Cost Inflation   | 15,000            | 15,750             | 16,538             | 17,364             | 18,233             | 19,144             |
| Personnel Benefits                 | 3 | Labor Cost Inflation   | 47,652            | 50,035             | 52,536             | 55,163             | 57,921             | 60,817             |
| Uniforms and Clothing              | 1 | General Cost Inflation | -                 | -                  | -                  | -                  | -                  | -                  |
| Office and Operating Supplies      | 1 | General Cost Inflation | 16,000            | 16,504             | 17,024             | 17,560             | 18,113             | 18,683             |
| Fuel Consumed                      | 1 | General Cost Inflation | -                 | -                  | -                  | -                  | -                  | -                  |
| Small Tools and Minor Equip        | 1 | General Cost Inflation | 6,000             | 6,189              | 6,384              | 6,585              | 6,792              | 7,006              |
| Professional Ser                   | 3 | Labor Cost Inflation   | 18,000            | 18,900             | 19,845             | 20,837             | 21,879             | 22,973             |
| Communication                      | 1 | General Cost Inflation | 1,000             | 1,031              | 1,064              | 1,097              | 1,132              | 1,168              |
| Travel                             | 1 | General Cost Inflation | -                 | -                  | -                  | -                  | -                  | -                  |
| Operating Rentals and Leases       | 1 | General Cost Inflation | 1,000             | 1,031              | 1,064              | 1,097              | 1,132              | 1,168              |
| Public Utility                     | 1 | General Cost Inflation | -                 | -                  | -                  | -                  | -                  | -                  |
| Repairs & Maintenance              | 3 | Labor Cost Inflation   | 37,500            | 7,875              | 8,269              | 8,682              | 9,116              | 9,572              |
| Miscellaneous                      | 1 | General Cost Inflation | 1,000             | 1,031              | 1,064              | 1,097              | 1,132              | 1,168              |
| Intfund Oper. Rentals & Lease      | 1 | General Cost Inflation | 60,000            | 61,890             | 63,839             | 65,849             | 67,923             | 70,063             |
| Intfund Repairs & Maint            | 1 | General Cost Inflation | -                 | -                  | -                  | -                  | -                  | -                  |
| <b>Total WTR Trans/Distr</b>       |   |                        | <b>\$ 335,006</b> | <b>\$ 318,683</b>  | <b>\$ 332,995</b>  | <b>\$ 347,971</b>  | <b>\$ 363,643</b>  | <b>\$ 380,045</b>  |
| <b>860 WTR Services</b>            |   |                        |                   |                    |                    |                    |                    |                    |
| Reg Salaries                       | 3 | Labor Cost Inflation   | 43,082            | 45,236             | 47,498             | 49,873             | 52,366             | 54,985             |
| Overtime                           | 3 | Labor Cost Inflation   | -                 | -                  | -                  | -                  | -                  | -                  |
| Personnel Benefits                 | 3 | Labor Cost Inflation   | 15,509            | 16,284             | 17,099             | 17,954             | 18,851             | 19,794             |
| Office and Operating Supplies      | 1 | General Cost Inflation | 7,000             | 7,220              | 7,448              | 7,682              | 7,924              | 8,174              |
| Professional Ser                   | 1 | General Cost Inflation | -                 | -                  | -                  | -                  | -                  | -                  |
| Operating Rentals and Leases       | 1 | General Cost Inflation | 1,500             | 1,547              | 1,596              | 1,646              | 1,698              | 1,752              |
| Repairs & Maintenance              | 3 | Labor Cost Inflation   | 1,000             | 1,050              | 1,103              | 1,158              | 1,216              | 1,276              |
| Miscellaneous                      | 1 | General Cost Inflation | 200               | 206                | 213                | 219                | 226                | 234                |
| Intfund Oper. Rentals & Leases     | 1 | General Cost Inflation | 10,000            | 10,315             | 10,640             | 10,975             | 11,321             | 11,677             |
| <b>Total Total WTR Trans/Distr</b> |   |                        | <b>78,291</b>     | <b>81,860</b>      | <b>85,596</b>      | <b>89,507</b>      | <b>93,603</b>      | <b>97,891</b>      |

# City of Camas

## Water Utility Rate Study

### Operating Revenue and Expenditure Forecast

|                                  |   |                           | Budget         | Projection     | Projection     | Projection     | Projection     | Projection     |
|----------------------------------|---|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                  |   |                           | 2008           | 2009           | 2010           | 2011           | 2012           | 2013           |
| <b>870 WTR Meters</b>            |   |                           |                |                |                |                |                |                |
| Regular Salaries                 | 3 | Labor Cost Inflation      | 126,299        | 132,614        | 139,245        | 146,207        | 153,517        | 161,193        |
| Overtime                         | 3 | Labor Cost Inflation      | 500            | 525            | 551            | 579            | 608            | 638            |
| Personnel Benefits               | 3 | Labor Cost Inflation      | 45,513         | 47,789         | 50,178         | 52,687         | 55,321         | 58,087         |
| Uniforms & Clothing              | 1 | General Cost Inflation    | -              | -              | -              | -              | -              | -              |
| Office and Operating Supplies    | 1 | General Cost Inflation    | 2,500          | 2,579          | 2,660          | 2,744          | 2,830          | 2,919          |
| Small Tools and Minor Equip      | 1 | General Cost Inflation    | 190,000        | 41,260         | 42,559         | 43,900         | 45,282         | 46,708         |
| Professional Services            | 3 | Labor Cost Inflation      | -              | -              | -              | -              | -              | -              |
| Operating Rentals and Leases     | 1 | General Cost Inflation    | -              | -              | -              | -              | -              | -              |
| Repairs & Maintenance            | 3 | Labor Cost Inflation      | 1,000          | 1,050          | 1,103          | 1,158          | 1,216          | 1,276          |
| Miscellaneous                    | 1 | General Cost Inflation    | -              | -              | -              | -              | -              | -              |
| Intfund Oper. Rentals and Leases | 1 | General Cost Inflation    | 10,000         | 10,315         | 10,640         | 10,975         | 11,321         | 11,677         |
| <b>Total WTR Meters</b>          |   |                           | <b>375,812</b> | <b>236,131</b> | <b>246,936</b> | <b>258,249</b> | <b>270,095</b> | <b>282,500</b> |
| <b>100 Admin/Gen</b>             |   |                           |                |                |                |                |                |                |
|                                  |   | 50% to water 50% to Sewer |                |                |                |                |                |                |
| Regular Salaries                 | 3 | Labor Cost Inflation      | 78,369         | 82,287         | 86,402         | 90,722         | 95,258         | 100,021        |
| Overtime                         | 3 | Labor Cost Inflation      | -              | -              | -              | -              | -              | -              |
| Personnel Benefits               | 3 | Labor Cost Inflation      | 27,284         | 28,648         | 30,080         | 31,584         | 33,163         | 34,821         |
| Uniforms & Clothing              | 1 | General Cost Inflation    | -              | -              | -              | -              | -              | -              |
| OPEB Expense                     | 1 | General Cost Inflation    | -              | -              | -              | -              | -              | -              |
| Office and Operating Supplies    | 1 | General Cost Inflation    | 2,500          | 2,579          | 2,660          | 2,744          | 2,830          | 2,919          |
| Fuel Consumed                    | 1 | General Cost Inflation    | -              | -              | -              | -              | -              | -              |
| Small Tools and Minor Equip      | 1 | General Cost Inflation    | 4,750          | 4,900          | 5,054          | 5,213          | 5,377          | 5,547          |
| Professional Ser                 | 3 | Labor Cost Inflation      | 76,500         | 80,325         | 84,341         | 88,558         | 92,986         | 97,636         |
| Communication                    | 1 | General Cost Inflation    | 4,500          | 4,642          | 4,788          | 4,939          | 5,094          | 5,255          |
| Travel                           | 1 | General Cost Inflation    | 250            | 258            | 266            | 274            | 283            | 292            |
| Operating Rentals and Leases     | 1 | General Cost Inflation    | -              | -              | -              | -              | -              | -              |
| Insurance                        | 3 | Labor Cost Inflation      | -              | -              | -              | -              | -              | -              |
| Public Utility                   | 1 | General Cost Inflation    | -              | -              | -              | -              | -              | -              |
| Repairs & Maintenance            | 3 | Labor Cost Inflation      | -              | -              | -              | -              | -              | -              |
| Miscellaneous                    | 1 | General Cost Inflation    | 10,750         | 11,089         | 11,438         | 11,798         | 12,170         | 12,553         |
| Interfund Profess. Serv.         | 1 | General Cost Inflation    | 274,981        | 283,641        | 292,574        | 301,789        | 311,293        | 321,098        |
| Intfund Oper. Rentals & Lease    | 1 | General Cost Inflation    | 43,165         | 44,524         | 45,927         | 47,373         | 48,865         | 50,404         |
| <b>Total Admin/Gen</b>           |   |                           | <b>523,048</b> | <b>542,892</b> | <b>563,530</b> | <b>584,994</b> | <b>607,320</b> | <b>630,545</b> |

# City of Camas

## Water Utility Rate Study

### Operating Revenue and Expenditure Forecast

|  |      |   | Budget<br>2008  | Projection<br>2009  | Projection<br>2010  | Projection<br>2011  | Projection<br>2012  | Projection<br>2013  |
|--|------|---|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>170 Customer Services</b>           |      |   |   |                     |                     |                     |                     |                     |
| Regular Salaries                       | 3    | Labor Cost Inflation                              | -   | -                   | -                   | -                   | -                   | -                   |
| Overtime                               | 3    | Labor Cost Inflation                              | -   | -                   | -                   | -                   | -                   | -                   |
| Personnel Benefits                     | 3    | Labor Cost Inflation                              | -   | -                   | -                   | -                   | -                   | -                   |
| Office and Operating Supplies          | 1    | General Cost Inflation                            | 3,000   | 3,094               | 3,192               | 3,292               | 3,396               | 3,503               |
| Small Tools and Minor Equip            | 1    | General Cost Inflation                            | -   | -                   | -                   | -                   | -                   | -                   |
| Professional Ser                       | 3    | Labor Cost Inflation                              | 12,500  | 13,125              | 13,781              | 14,470              | 15,194              | 15,954              |
| Communication                          | 1    | General Cost Inflation                            | 375   | 387                 | 399                 | 412                 | 425                 | 438                 |
| Travel                                 | 1    | General Cost Inflation                            | -   | -                   | -                   | -                   | -                   | -                   |
| Operating Rentals and Leases           | 1    | General Cost Inflation                            | -   | -                   | -                   | -                   | -                   | -                   |
| Repairs & Maintenance                  | 3    | Labor Cost Inflation                              | 1,000   | 1,050               | 1,103               | 1,158               | 1,216               | 1,276               |
| Miscellaneous                          | 1    | General Cost Inflation                            | -   | -                   | -                   | -                   | -                   | -                   |
| Interfund Profess. Serv.               | 1    | General Cost Inflation                            | -   | -                   | -                   | -                   | -                   | -                   |
| Intfund Oper. Rentals & Lease          | 1    | General Cost Inflation                            | -   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Customer Services</b>         |      |   | <b>16,875</b>   | <b>17,656</b>       | <b>18,475</b>       | <b>19,332</b>       | <b>20,230</b>       | <b>21,171</b>       |
| <b>Additional Expenses</b>             |      |   |   |                     |                     |                     |                     |                     |
| Conservation Program (C:1-6)           | 1    | General Cost Inflation                            | 25,000  | 25,787              | 26,600              | 27,437              | 28,301              | 29,193              |
| <b>Total Additional Expenses</b>       |      |   | <b>25,000</b>   | <b>25,787</b>       | <b>26,600</b>       | <b>27,437</b>       | <b>28,301</b>       | <b>29,193</b>       |
| Add'l O&M from CIP                     |      | From CIP  | -   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Cash O&amp;M Expenditures</b> |      |   | <b>\$ 2,405,137</b>   | <b>\$ 2,502,332</b> | <b>\$ 2,600,866</b> | <b>\$ 2,703,549</b> | <b>\$ 2,810,491</b> | <b>\$ 2,922,049</b> |
| Depreciation Expense in                | 2007 | \$ 839,932  | Water and Sewer Annual Depreciation Allocated Based on Fixed Assets |                     |                     |                     |                     |                     |
| Depreciation Expense [b]               |      | <i>Last year's plus annual additions from CIP</i> | \$ 959,598  | \$ 990,020          | \$ 1,070,358        | \$ 1,080,966        | \$ 1,082,859        | \$ 1,138,396        |
| <b>TOTAL EXPENSES</b>                  |      |   | <b>\$ 3,364,735</b>   | <b>\$ 3,492,352</b> | <b>\$ 3,671,224</b> | <b>\$ 3,784,514</b> | <b>\$ 3,893,351</b> | <b>\$ 4,060,445</b> |

**City of Camas**  
**Water Utility Rate Study**  
**Existing Debt Input**

**Existing Debt Service - Revenue Bonds**

|  | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Water &amp; Sewer Revenue Bonds</b>               | 74%        |            |            |            |            |            |            |            |            |            |
| Annual Interest Payment                              | \$ 184,998 | \$ 179,180 | \$ 173,047 | \$ 166,600 | \$ 159,995 | \$ 151,855 | \$ 143,345 | \$ 134,465 | \$ 125,030 | \$ 115,225 |
| Annual Principal Payment                             | 136,900    | 144,300    | 151,700    | 155,400    | 162,800    | 170,200    | 177,600    | 188,700    | 196,100    | 207,200    |
| Total Annual Payment                                 | \$ 321,898 | \$ 323,480 | \$ 324,747 | \$ 322,000 | \$ 322,795 | \$ 322,055 | \$ 320,945 | \$ 323,165 | \$ 321,130 | \$ 322,425 |
| Use of Debt reserve for Debt Service                 | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>CERB Loan</b>                                     |            |            |            |            |            |            |            |            |            |            |
| Annual Interest Payment                              | \$ 23,534  | \$ 21,474  | \$ 19,292  | \$ 16,983  | \$ 14,539  | \$ 11,952  | \$ 9,214   | \$ 6,316   | \$ 3,248   | \$ -       |
| Annual Principal Payment                             | 35,227     | 37,288     | 39,469     | 41,778     | 44,222     | 46,809     | 49,547     | 52,446     | 55,514     | -          |
| Total Annual Payment                                 | \$ 58,761  | \$ 58,761  | \$ 58,761  | \$ 58,761  | \$ 58,761  | \$ 58,761  | \$ 58,761  | \$ 58,761  | \$ 58,761  | \$ -       |
| Use of Debt reserve for Debt Service                 | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>REVENUE BOND 3</b>                                |            |            |            |            |            |            |            |            |            |            |
| Annual Interest Payment                              | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Annual Principal Payment                             | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Total Annual Payment                                 | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Use of Debt reserve for Debt Service                 | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>REVENUE BOND 4</b>                                |            |            |            |            |            |            |            |            |            |            |
| Annual Interest Payment                              | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Annual Principal Payment                             | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Total Annual Payment                                 | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Use of Debt reserve for Debt Service                 | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>REVENUE BOND 5</b>                                |            |            |            |            |            |            |            |            |            |            |
| Annual Interest Payment                              | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Annual Principal Payment                             | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Total Annual Payment                                 | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Use of Debt Reserve for Debt Service                 | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>TOTAL REVENUE BONDS</b>                           |            |            |            |            |            |            |            |            |            |            |
| Annual Interest Payment                              | \$ 208,533 | \$ 200,654 | \$ 192,339 | \$ 183,583 | \$ 174,535 | \$ 163,808 | \$ 152,560 | \$ 140,781 | \$ 128,278 | \$ 115,225 |
| Annual Principal Payment                             | 172,127    | 181,588    | 191,169    | 197,178    | 207,022    | 217,009    | 227,147    | 241,146    | 251,614    | 207,200    |
| Total Annual Payment                                 | \$ 380,659 | \$ 382,241 | \$ 383,508 | \$ 380,761 | \$ 381,557 | \$ 380,817 | \$ 379,707 | \$ 381,927 | \$ 379,892 | \$ 322,425 |
| Use of Debt reserve for Debt Service                 | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Annual Debt Reserve Target on Existing Revenue Bonds | 383,508    | 383,508    | 383,508    | 381,927    | 381,927    | 381,927    | 381,927    | 381,927    | 379,892    | 323,350    |

**City of Camas**  
**Water Utility Rate Study**  
**Existing Debt Input**

| <b>Existing Debt Service - PWTF Loans</b> |     | 2008 | 2009      | 2010      | 2011      | 2012      | 2013      | 2014 | 2015 | 2016 | 2017 |
|---|-----|------|-----------|-----------|-----------|-----------|-----------|------|------|------|------|
| <b>Public Works Trust Fund Loan</b>       |     |      |           |           |           |           |           |      |      |      |      |
| Annual Interest Payment                   | 50% | \$ - | \$ 400    | \$ 400    | \$ 300    | \$ 200    | \$ 100    | \$ - | \$ - | \$ - | \$ - |
| Annual Principal Payment                  |     | -    | 20,000    | 20,000    | 20,000    | 20,000    | 20,000    | -    | -    | -    | -    |
| Total Annual Payment                      |     | \$ - | \$ 20,400 | \$ 20,400 | \$ 20,300 | \$ 20,200 | \$ 20,100 | \$ - | \$ - | \$ - | \$ - |
| <b>Loan 2</b>                             |     |      |           |           |           |           |           |      |      |      |      |
| Annual Interest Payment                   |     | \$ - | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ - | \$ - | \$ - | \$ - |
| Annual Principal Payment                  |     | -    | -         | -         | -         | -         | -         | -    | -    | -    | -    |
| Total Annual Payment                      |     | \$ - | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ - | \$ - | \$ - | \$ - |
| <b>Loan 3</b>                             |     |      |           |           |           |           |           |      |      |      |      |
| Annual Interest Payment                   |     | \$ - | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ - | \$ - | \$ - | \$ - |
| Annual Principal Payment                  |     | -    | -         | -         | -         | -         | -         | -    | -    | -    | -    |
| Total Annual Payment                      |     | \$ - | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ - | \$ - | \$ - | \$ - |
| <b>Loan 4</b>                             |     |      |           |           |           |           |           |      |      |      |      |
| Annual Interest Payment                   |     | \$ - | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ - | \$ - | \$ - | \$ - |
| Annual Principal Payment                  |     | -    | -         | -         | -         | -         | -         | -    | -    | -    | -    |
| Total Annual Payment                      |     | \$ - | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ - | \$ - | \$ - | \$ - |
| <b>TOTAL PWTF LOANS</b>                   |     |      |           |           |           |           |           |      |      |      |      |
| Annual Interest Payment                   |     | \$ - | \$ 400    | \$ 400    | \$ 300    | \$ 200    | \$ 100    | \$ - | \$ - | \$ - | \$ - |
| Annual Principal Payment                  |     | -    | 20,000    | 20,000    | 20,000    | 20,000    | 20,000    | -    | -    | -    | -    |
| Total Annual Payment                      |     | \$ - | \$ 20,400 | \$ 20,400 | \$ 20,300 | \$ 20,200 | \$ 20,100 | \$ - | \$ - | \$ - | \$ - |

**City of Camas  
Water Utility Rate Study  
Capital Improvement Program**

|  |             |
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| Project Costs and O&M Impacts in Year: | <b>2008</b> |
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(Project costs are escalated using Construction Cost Inflation assumptions)

| No | Description                                     | Current Cost | Year | Life in Years | For CFC Calculation   |       | Specific Funding Source<br>Enterprise Fund, 2-Grants &<br>Developer Donations | Upgrade / Expansion | R&R    | TOTAL ESCALATED COSTS |
|----|---|--------------|------|---------------|-----------------------|-------|---|---------------------|--------|-----------------------|
|    |   |              |      |               | % Upgrade / Expansion | % R&R |   |                     |        |                       |
| 1  |   |              |      |               |                       |       | 1 Enterprise Fund   | \$ -                | \$ -   | \$ -                  |
| 2  | SR-12 WELL 13 (WELL 4 GWI)                      | 1,200,000    | 2008 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 1,200,000           | -      | 1,200,000             |
| 3  | SR-11 WATER RIGHT PURCHASE                      | 165,000      | 2021 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 165,000             | -      | 274,737               |
| 4  | "   | 300,000      | 2022 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 300,000             | -      | 519,503               |
| 5  |   |              |      |               |                       |       | 1 Enterprise Fund   | -                   | -      | -                     |
| 6  | D-5 8" MAIN ON 8TH FOR FIRE FLOW                | 50,000       | 2014 | 50            | 0%                    | 100%  | 1 Enterprise Fund   | -                   | 50,000 | 70,926                |
| 7  | D-9 OSTENSON CANYON MAIN                        | 800,000      | 2008 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 800,000             | -      | 800,000               |
| 8  | D-10 FIRE FLOW ON SIERRA ST                     | 50,000       | 2014 | 50            | 50%                   | 50%   | 1 Enterprise Fund   | 25,000              | 25,000 | 70,926                |
| 9  | S-1 WEST PRUNE HILL RES ACQUISITION (FEASIBIL   | 50,000       | 2014 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 50,000              | -      | 70,926                |
| 10 | T-7 WASHOUGAL RIVER TRANS CROSS                 | 2,500,000    | 2008 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 2,500,000           | -      | 2,500,000             |
| 11 | WATER FACILITY PLAN UPDATE                      | 130,000      | 2008 | 6             | 50%                   | 50%   | 1 Enterprise Fund   | 65,000              | 65,000 | 130,000               |
| 12 | BOULDER CREEK FISH SCREEN PROJ                  | 25,000       | 2014 | 50            | 0%                    | 100%  | 1 Enterprise Fund   | -                   | 25,000 | 35,463                |
| 13 | LOWER PRUNE HILL PUMP #4                        | 20,000       | 2009 | 20            | 100%                  | 0%    | 1 Enterprise Fund   | 20,000              | -      | 21,200                |
|    | "   | 50,000       | 2014 | 21            | 100%                  | 0%    | 1 Enterprise Fund   | 50,000              | -      | 70,926                |
| 14 | Source Development                              | 20,000       | 2009 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 20,000              | -      | 21,200                |
| 15 | CROWN RD PS /MAIN LINE INSTALLATION 60% TD      | 1,064,400    | 2010 | 50            | 100%                  | 0%    | 2 Grants/Developer Donation   | 1,064,400           | -      | 1,195,960             |
| 16 | CROWN RD PS /MAIN LINE INSTALLATION 40% P       | 709,600      | 2010 | 50            | 100%                  | 0%    | 2 Grants/Developer Donation   | 709,600             | -      | 797,307               |
| 17 | CROWN RD PS /MAIN LINE INSTALLATION 60% TD      | 393,600      | 2010 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 393,600             | -      | 442,249               |
| 18 | CROWN RD PS /MAIN LINE INSTALLATION 40% P       | 262,400      | 2010 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | -                   | -      | 294,833               |
| 19 | WELL 14   | 900,000      | 2009 | 50            | 100%                  | 0%    | 2 Grants/Developer Donation   | 900,000             | -      | 954,000               |
| 20 | WELL 14   | 390,000      | 2009 | 50            | 100%                  | 0%    | 2 Grants/Developer Donation   | 390,000             | -      | 413,400               |
| 21 | D-6 12" LINE FOR AIRPORT FIRE FLOW (2/3 Develop | 305,333      | 2011 | 50            | 100%                  | 0%    | 2 Grants/Developer Donation   | 305,333             | -      | 363,657               |
| 22 | D-6 12" LINE FOR AIRPORT FIRE FLOW (1/3 City)   | 152,667      | 2014 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 152,667             | -      | 216,561               |
| 23 | D-7 BOOSTER STATION ON COUCH FIRE FL            | 53,800       | 2014 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 53,800              | -      | 76,316                |
| 24 | T-2 SUCTION SIDE MAIN ON LAKE RD                | 1,260,000    | 2015 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 1,260,000           | -      | 1,894,574             |
| 25 | T-3 ADDITIONAL PUMP ON LACAMAS BS               | 65,000       | 2011 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 65,000              | -      | 77,416                |
| 26 | T-6 FOREST HOME BOOSTER UPGRADE                 | 100,000      | 2014 | 50            | 100%                  | 0%    | 1 Enterprise Fund   | 100,000             | -      | 141,852               |

**City of Camas  
Water Utility Rate Study  
Capital Improvement Program**

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| Project Costs and O&M Impacts in Year: | <b>2008</b> |
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(Project costs are escalated using Construction Cost Inflation assumptions)

| No | Description                                 | Current Cost | Year | Life in Years | For CFC Calculation      |       | Specific Funding Source<br>Enterprise Fund, 2-Grants &<br>Developer Donations | 1-                        | Upgrade /<br>Expansion | R&R     | TOTAL<br>ESCALATED<br>COSTS |
|----|---|--------------|------|---------------|--------------------------|-------|---|---------------------------|------------------------|---------|-----------------------------|
|    |   |              |      |               | % Upgrade<br>/ Expansion | % R&R |   |                           |                        |         |                             |
| 27 | NW 38th AVENUE WATER LINE                   | 750,000      | 2010 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 750,000                | -       | 842,700                     |
| 28 | PAC RIM/38TH WATER INTERTIE (2/3) Developer | 213,333      | 2010 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 213,333                | -       | 239,701                     |
| 29 | PAC RIM/38TH WATER INTERTIE (1/3) City      | 106,667      | 2010 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 106,667                | -       | 119,851                     |
| 30 | D-8.8" MAIN ON KLIKITAT FIRE FLOW           | 62,000       | 2014 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 62,000                 | -       | 87,948                      |
| 31 | Reservoir                                   | 2,500,000    | 2014 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 2,500,000              | -       | 3,546,298                   |
| 32 | Reservoir Transmission Line                 | 350,000      | 2014 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 350,000                | -       | 496,482                     |
| 33 | UGA RESERVOIR                               | 1,000,000    | 2014 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,000,000              | -       | 1,418,519                   |
| 34 | "   | 1,600,000    | 2018 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,600,000              | -       | 2,368,391                   |
| 35 | UGA PRV (2/3) Developer                     | 74,667       | 2014 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 74,667                 | -       | 105,916                     |
| 36 | UGA PRV (1/3) City                          | 37,333       | 2014 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 37,333                 | -       | 52,958                      |
| 37 | UGA PRV (2/3) Developer                     | 74,667       | 2015 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 74,667                 | -       | 112,271                     |
| 38 | UGA PRV (1/3) City                          | 37,333       | 2015 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 37,333                 | -       | 56,136                      |
| 39 | UGA PRV (2/3) Developer                     | 74,667       | 2016 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 74,667                 | -       | 119,007                     |
| 40 | UGA PRV (1/3) City                          | 37,333       | 2016 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 37,333                 | -       | 59,504                      |
| 41 | UGA PRV (2/3) Developer                     | 74,667       | 2017 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 74,667                 | -       | 126,148                     |
| 42 | UGA PRV (1/3) City                          | 37,333       | 2017 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 37,333                 | -       | 63,074                      |
| 43 | D-15 12" MAIN LAKE TO 38TH                  | 815,000      | 2020 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 815,000                | -       | 1,304,841                   |
| 44 | T-4 TRANSMN MAIN EVERETT SOUTH              | 1,130,000    | 2014 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,130,000              | -       | 1,602,927                   |
| 45 | T-5 TRANSMN MAIN EVERETT NORTH              | 1,130,000    | 2015 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,130,000              | -       | 1,699,102                   |
| 46 | UGA BOOSTER STATION                         | 400,000      | 2014 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 400,000                | -       | 567,408                     |
| 47 | WATER FACILITY PLAN UPDATE                  | 150,000      | 2014 | 6             | 50%                      | 50%   | 1   | Enterprise Fund           | 75,000                 | 75,000  | 212,778                     |
| 48 | "   | 150,000      | 2020 | 6             | 50%                      | 50%   | 1   | Enterprise Fund           | 75,000                 | 75,000  | 240,155                     |
| 49 | "   | 150,000      | 2026 | 6             | 50%                      | 50%   | 1   | Enterprise Fund           | 75,000                 | 75,000  | 303,872                     |
| 50 | STIEGERWALD SOURCE DEVELOPMENT              | 1,000,000    | 2020 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,000,000              | -       | 1,601,032                   |
| 51 | MISC WATER MAIN REPLACEMENT                 | 400,000      | 2008 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 120,000                | 280,000 | 400,000                     |
| 52 | "   | 75,000       | 2009 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500  | 79,500                      |
| 53 | "   | 75,000       | 2010 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500  | 84,270                      |
| 54 | "   | 75,000       | 2011 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500  | 89,326                      |
| 55 | "   | 75,000       | 2012 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500  | 94,686                      |
| 56 | "   | 75,000       | 2013 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500  | 100,367                     |
| 57 | "   | 75,000       | 2014 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500  | 106,389                     |
| 58 | "   | 75,000       | 2015 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500  | 112,772                     |
| 59 | "   | 75,000       | 2016 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500  | 119,539                     |

**City of Camas  
Water Utility Rate Study  
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| Project Costs and O&M Impacts in Year: | <b>2008</b> |
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(Project costs are escalated using Construction Cost Inflation assumptions)

| No | Description                   | Current Cost | Year | Life in Years | For CFC Calculation      |       | Specific Funding Source<br>Enterprise Fund, 2-Grants &<br>Developer Donations | 1-                        | Upgrade /<br>Expansion | R&R    | TOTAL<br>ESCALATED<br>COSTS |
|----|-------------------------------|--------------|------|---------------|--------------------------|-------|---|---------------------------|------------------------|--------|-----------------------------|
|    |                               |              |      |               | % Upgrade<br>/ Expansion | % R&R |   |                           |                        |        |                             |
| 60 | "                             | 75,000       | 2017 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500 | 126,711                     |
| 61 | "                             | 75,000       | 2018 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500 | 111,018                     |
| 62 | "                             | 75,000       | 2019 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500 | 115,459                     |
| 63 | "                             | 75,000       | 2020 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500 | 120,077                     |
| 64 | "                             | 75,000       | 2021 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500 | 124,881                     |
| 65 | "                             | 75,000       | 2022 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500 | 129,876                     |
| 66 | "                             | 75,000       | 2023 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500 | 135,071                     |
| 67 | "                             | 75,000       | 2024 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500 | 140,474                     |
| 68 | "                             | 75,000       | 2025 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500 | 146,093                     |
| 69 | "                             | 75,000       | 2026 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500 | 151,936                     |
| 70 | "                             | 75,000       | 2027 | 50            | 30%                      | 70%   | 1   | Enterprise Fund           | 22,500                 | 52,500 | 158,014                     |
| 71 | UGA MAIN LINE (2/3) Developer | 2,000,000    | 2013 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 2,000,000              | -      | 2,676,451                   |
| 72 | UGA MAIN LINE (1/3) City      | 1,000,000    | 2014 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,000,000              | -      | 1,418,519                   |
| 73 | UGA MAIN LINE (2/3) Developer | 2,000,000    | 2014 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 2,000,000              | -      | 2,837,038                   |
| 74 | UGA MAIN LINE (1/3) City      | 1,000,000    | 2014 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,000,000              | -      | 1,418,519                   |
| 75 | UGA MAIN LINE (2/3) Developer | 2,000,000    | 2015 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 2,000,000              | -      | 3,007,261                   |
| 76 | UGA MAIN LINE (1/3) City      | 1,000,000    | 2015 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,000,000              | -      | 1,503,630                   |
| 77 | UGA MAIN LINE (2/3) Developer | 2,000,000    | 2016 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 2,000,000              | -      | 3,187,696                   |
| 78 | UGA MAIN LINE (1/3) City      | 1,000,000    | 2016 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,000,000              | -      | 1,593,848                   |
| 79 | UGA MAIN LINE (2/3) Developer | 2,000,000    | 2017 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 2,000,000              | -      | 3,378,958                   |
| 80 | UGA MAIN LINE (1/3) City      | 1,000,000    | 2017 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,000,000              | -      | 1,689,479                   |
| 81 | UGA MAIN LINE (2/3) Developer | 2,000,000    | 2018 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 2,000,000              | -      | 2,960,489                   |
| 82 | UGA MAIN LINE (1/3) City      | 1,000,000    | 2018 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,000,000              | -      | 1,480,244                   |
| 83 | UGA MAIN LINE (2/3) Developer | 2,000,000    | 2019 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 2,000,000              | -      | 3,078,908                   |
| 84 | UGA MAIN LINE (1/3) City      | 1,000,000    | 2019 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,000,000              | -      | 1,539,454                   |
| 85 | UGA MAIN LINE (2/3) Developer | 2,000,000    | 2020 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 2,000,000              | -      | 3,202,064                   |
| 86 | UGA MAIN LINE (1/3) City      | 1,000,000    | 2020 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,000,000              | -      | 1,601,032                   |
| 87 | UGA MAIN LINE (2/3) Developer | 2,000,000    | 2021 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation | 2,000,000              | -      | 3,330,147                   |
| 88 | UGA MAIN LINE (1/3) City      | 1,000,000    | 2021 | 50            | 100%                     | 0%    | 1   | Enterprise Fund           | 1,000,000              | -      | 1,665,074                   |

**City of Camas  
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| Project Costs and O&M Impacts in Year: | <b>2008</b> |
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(Project costs are escalated using Construction Cost Inflation assumptions)

| No                                       | Description                   | Current Cost         | Year | Life In Years | For CFC Calculation   |           | Specific Funding Source<br>Enterprise Fund, 2-Grants &<br>Developer Donations | Upgrade / Expansion       | R&R                  | TOTAL ESCALATED COSTS |                       |
|--|-------------------------------|----------------------|------|---------------|-----------------------|-----------|---|---------------------------|----------------------|-----------------------|-----------------------|
|  |                               |                      |      |               | % Upgrade / Expansion | % R&R     |   |                           |                      |                       |                       |
| 89                                       | UGA MAIN LINE (2/3) Developer | 2,000,000            | 2022 | 50            | 100%                  | 0%        | 2   | Grants/Developer Donation | 2,000,000            | -                     | 3,463,353             |
| 90                                       | UGA MAIN LINE (1/3) City      | 1,000,000            | 2022 | 50            | 100%                  | 0%        | 1   | Enterprise Fund           | 1,000,000            | -                     | 1,731,676             |
| 91                                       | UGA MAIN LINE (2/3) Developer | 2,000,000            | 2023 | 50            | 100%                  | 0%        | 2   | Grants/Developer Donation | 2,000,000            | -                     | 3,601,887             |
| 92                                       | UGA MAIN LINE (1/3) City      | 1,000,000            | 2023 | 50            | 100%                  | 0%        | 1   | Enterprise Fund           | 1,000,000            | -                     | 1,800,944             |
| 93                                       | UGA MAIN LINE (2/3) Developer | 2,000,000            | 2024 | 50            | 100%                  | 0%        | 2   | Grants/Developer Donation | 2,000,000            | -                     | 3,745,962             |
| 94                                       | UGA MAIN LINE (1/3) City      | 1,000,000            | 2024 | 50            | 100%                  | 0%        | 1   | Enterprise Fund           | 1,000,000            | -                     | 1,872,981             |
| 95                                       | UGA MAIN LINE (2/3) Developer | 2,000,000            | 2025 | 50            | 100%                  | 0%        | 2   | Grants/Developer Donation | 2,000,000            | -                     | 3,895,801             |
| 96                                       | UGA MAIN LINE (1/3) City      | 1,000,000            | 2025 | 50            | 100%                  | 0%        | 1   | Enterprise Fund           | 1,000,000            | -                     | 1,947,900             |
| 97                                       | UGA MAIN LINE (2/3) Developer | 2,000,000            | 2026 | 50            | 100%                  | 0%        | 2   | Grants/Developer Donation | 2,000,000            | -                     | 4,051,633             |
| 98                                       | UGA MAIN LINE (1/3) City      | 1,000,000            | 2026 | 50            | 100%                  | 0%        | 1   | Enterprise Fund           | 1,000,000            | -                     | 2,025,817             |
| 99                                       | UGA MAIN LINE (2/3) Developer | 2,000,000            | 2027 | 50            | 100%                  | 0%        | 2   | Grants/Developer Donation | 2,000,000            | -                     | 4,213,698             |
| 100                                      | UGA MAIN LINE (1/3) City      | 1,000,000            | 2027 | 50            | 100%                  | 0%        | 1   | Enterprise Fund           | 1,000,000            | -                     | 2,106,849             |
| 101                                      |                               |                      |      |               | 100%                  | 0%        | 1   | Enterprise Fund           | -                    | -                     | -                     |
| 102                                      |                               |                      |      |               | 100%                  | 0%        | 1   | Enterprise Fund           | -                    | -                     | -                     |
| <b>Total Capital Projects</b>            |                               | <b>\$ 69,796,800</b> |      |               | <b>98%</b>            | <b>2%</b> |   |                           | <b>\$ 67,866,900</b> | <b>\$ 1,667,500</b>   | <b>\$ 108,674,720</b> |
| Total Upgrade/Expansion Projects         |                               |                      |      |               |                       |           |   |                           |                      |                       | 106,236,945           |
| Total R&R Projects                       |                               |                      |      |               |                       |           |   |                           |                      |                       | 2,437,775             |
| Projects by Grants / Developer Donations |                               |                      |      |               |                       |           |   |                           | 34,696,333           | -                     | 56,363,555            |
| Projects by Enterprise Fund              |                               |                      |      |               |                       |           |   |                           | 33,170,567           | 1,667,500             | 52,311,165            |

| Year         | 2008\$            | Inflated          | 2008\$ Grants    | Inflated Grants  | 2008\$ No Grants | Inflated No Grants |
|--------------|-------------------|-------------------|------------------|------------------|------------------|--------------------|
| 2008         | 5,030,000         | 5,030,000         | -                | -                | 5,030,000        | 5,030,000          |
| 2009         | 1,405,000         | 1,489,300         | 1,290,000        | 1,367,400        | 115,000          | 121,900            |
| 2010         | 3,575,000         | 4,016,870         | 1,987,333        | 2,232,968        | 1,587,667        | 1,783,902          |
| 2011         | 445,333           | 530,399           | 305,333          | 363,657          | 140,000          | 166,742            |
| 2012         | 75,000            | 94,686            | -                | -                | 75,000           | 94,686             |
| 2013         | 2,075,000         | 2,776,818         | 2,000,000        | 2,676,451        | 75,000           | 100,367            |
| <b>Total</b> | <b>12,605,333</b> | <b>13,938,073</b> | <b>5,582,667</b> | <b>6,640,476</b> | <b>7,022,667</b> | <b>7,297,597</b>   |

# City of Camas

## Water Utility Rate Study

### Capital Funding Analysis

|   | 2008                | 2009                | 2010                | 2011              | 2012             | 2013                | 2008 - 2013<br>TOTAL |
|---|---------------------|---------------------|---------------------|-------------------|------------------|---------------------|----------------------|
| <b>Summary of Expenditures</b>                |                     |                     |                     |                   |                  |                     |                      |
| <b>CAPITAL PROJECTS</b>                       |                     |                     |                     |                   |                  |                     |                      |
| Improvement Upgrades & Expansions             | \$ 4,685,000        | \$ 1,433,650        | \$ 3,957,881        | \$ 467,871        | \$ 28,406        | \$ 2,706,561        | \$ 13,279,369        |
| Repairs and Replacements                      | 345,000             | 55,650              | 58,989              | 62,528            | 66,280           | 70,257              | 658,704              |
| <b>TOTAL CAPITAL EXPENDITURES</b>             | <b>\$ 5,030,000</b> | <b>\$ 1,489,300</b> | <b>\$ 4,016,870</b> | <b>\$ 530,399</b> | <b>\$ 94,686</b> | <b>\$ 2,776,818</b> | <b>\$ 13,938,073</b> |
| <b>Capital Financing Plan</b>                 |                     |                     |                     |                   |                  |                     |                      |
| Existing PWTF/ Bond Proceeds                  | 4,084,800           | -                   | -                   | -                 | -                | -                   | 4,084,800            |
| Transfer from REET Fund                       | 500,000             | -                   | -                   | -                 | -                | -                   | 500,000              |
| Project Specific Grants / Developer Donations | \$ -                | \$ 1,367,400        | \$ 2,232,968        | \$ 363,657        | \$ -             | \$ 2,676,451        | \$ 6,640,476         |
| Project to be Funded                          | 945,200             | 121,900             | 1,783,902           | 166,742           | 94,686           | 100,367             | 3,212,797            |
| <b>OTHER FUNDING SOURCES [NOTE A]</b>         |                     |                     |                     |                   |                  |                     |                      |
| Other Outside Sources                         |                     |                     |                     |                   |                  |                     | \$ -                 |
| PWTF Loan Proceeds                            |                     |                     |                     |                   |                  |                     | -                    |
| Other Loan Proceeds                           |                     |                     |                     |                   |                  |                     | -                    |
| System Development Charges                    | 189,104             | 189,104             | 189,104             | 189,104           | 189,104          | 189,104             | 1,134,623            |
| Rate Funded System Reinvestment               | -                   | -                   | -                   | 200,000           | 200,000          | 200,000             | 600,000              |
| Capital Fund Balance Deficiency               | (756,096)           | -                   | (1,594,798)         | -                 | -                | -                   | (2,350,895)          |
| Capital Fund Balance                          | 756,096             | -                   | 207,204             | -                 | -                | -                   | 963,300              |
| Capital Fund Balance Deficiency               | -                   | -                   | (1,387,595)         | -                 | -                | -                   | (1,387,595)          |
| Revenue Bond Proceeds [Note B]                | -                   | 240,000             | 1,581,200           | -                 | -                | -                   | 1,821,200            |
| Rates   |                     |                     |                     |                   |                  |                     |                      |
| Total   |                     |                     |                     |                   |                  |                     |                      |

# City of Camas

## Water Utility Rate Study

### Revenue Requirements Analysis

| <b>Cash Flow Sufficiency Test</b>                    | <b>2008</b>         | <b>2009</b>         | <b>2010</b>         | <b>2011</b>         | <b>2012</b>         | <b>2013</b>         |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>EXPENSES</b>                                      |                     |                     |                     |                     |                     |                     |
| Cash Operating Expenses                              | \$ 2,405,137        | \$ 2,502,332        | \$ 2,600,866        | \$ 2,703,549        | \$ 2,810,491        | \$ 2,922,049        |
| Existing Debt Service                                | 380,659             | 402,641             | 403,908             | 401,061             | 401,757             | 400,917             |
| New Debt Service                                     | -                   | 22,610              | 171,571             | 171,571             | 171,571             | 171,571             |
| Rate-Funded CIP                                      | -                   | -                   | -                   | -                   | -                   | -                   |
| Rate Funded System Reinvestment                      | -                   | -                   | -                   | 200,000             | 200,000             | 200,000             |
| Additions Required to Meet Minimum Op. Fund Balance  | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Expenses</b>                                | <b>\$ 2,785,796</b> | <b>\$ 2,927,583</b> | <b>\$ 3,176,346</b> | <b>\$ 3,476,181</b> | <b>\$ 3,583,819</b> | <b>\$ 3,694,538</b> |
| <b>REVENUES</b>                                      |                     |                     |                     |                     |                     |                     |
| Rate Revenue   | \$ 2,710,736        | \$ 2,751,397        | \$ 2,792,668        | \$ 2,834,558        | \$ 2,877,076        | \$ 2,920,233        |
| Other Revenue  | 205,300             | 216,626             | 227,778             | 234,983             | 245,110             | 257,979             |
| Operating Fund & Debt Reserve Fund Interest Earnings | 125,000             | 5,477               | 10,688              | 19,314              | 19,775              | 22,650              |
| <b>Total Revenue</b>                                 | <b>\$ 3,041,036</b> | <b>\$ 2,973,500</b> | <b>\$ 3,031,134</b> | <b>\$ 3,088,855</b> | <b>\$ 3,141,961</b> | <b>\$ 3,200,861</b> |
| <b>NET CASH FLOW (DEFICIENCY)</b>                    | <b>\$ 255,240</b>   | <b>\$ 45,917</b>    | <b>\$ (145,211)</b> | <b>\$ (387,326)</b> | <b>\$ (441,858)</b> | <b>\$ (493,676)</b> |

| <b>Coverage Sufficiency Test</b>          | <b>2008</b>         | <b>2009</b>         | <b>2010</b>         | <b>2011</b>         | <b>2012</b>         | <b>2013</b>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>EXPENSES</b>                           |                     |                     |                     |                     |                     |                     |
| Cash Operating Expenses                   | \$ 2,405,137        | \$ 2,502,332        | \$ 2,600,866        | \$ 2,703,549        | \$ 2,810,491        | \$ 2,922,049        |
| Revenue Bond Debt Service                 | 380,659             | 404,851             | 555,080             | 552,333             | 553,128             | 552,388             |
| Revenue Bond Coverage Requirement at 1.25 | 95,165              | 101,213             | 138,770             | 138,083             | 138,282             | 138,097             |
| <b>Total Expenses</b>                     | <b>\$ 2,880,961</b> | <b>\$ 3,008,396</b> | <b>\$ 3,294,716</b> | <b>\$ 3,393,964</b> | <b>\$ 3,501,901</b> | <b>\$ 3,612,535</b> |
| <b>ALLOWABLE REVENUES</b>                 |                     |                     |                     |                     |                     |                     |
| Rate Revenue                              | \$ 2,710,736        | \$ 2,751,397        | \$ 2,792,668        | \$ 2,834,558        | \$ 2,877,076        | \$ 2,920,233        |
| Other Revenue                             | 205,300             | 216,626             | 227,778             | 234,983             | 245,110             | 257,979             |
| Interest Earnings - All Funds             | 125,000             | 5,477               | 17,173              | 25,576              | 33,192              | 45,702              |
| <b>Total Revenue</b>                      | <b>\$ 3,041,036</b> | <b>\$ 2,973,500</b> | <b>\$ 3,037,619</b> | <b>\$ 3,095,117</b> | <b>\$ 3,155,379</b> | <b>\$ 3,223,913</b> |
| Coverage Realized                         | 1.67                | 1.16                | 0.79                | 0.71                | 0.62                | 0.55                |
| <b>COVERAGE SURPLUS (DEFICIENCY)</b>      | <b>\$ 160,075</b>   | <b>\$ (34,896)</b>  | <b>\$ (257,097)</b> | <b>\$ (298,847)</b> | <b>\$ (346,523)</b> | <b>\$ (388,622)</b> |

# City of Camas

## Water Utility Rate Study

### Revenue Requirements Analysis

| <b>Maximum Revenue Deficiency</b>           | <b>2008</b> | <b>2009</b>      | <b>2010</b>       | <b>2011</b>       | <b>2012</b>      | <b>2013</b> |
|---|-------------|------------------|-------------------|-------------------|------------------|-------------|
| Sufficiency Test Driving the Deficiency     | <i>None</i> | <i>Coverage</i>  | <i>Coverage</i>   | <i>Cash</i>       | <i>Cash</i>      | <i>Cash</i> |
| Maximum Deficiency From Tests               | \$ -        | \$ 34,896        | \$ 257,097        | \$ 387,326        | \$ 441,858       | \$ 493,676  |
| less: Net Revenue From Prior Rate Increases |             | -                | (132,611)         | (275,931)         | (408,099)        | (541,725)   |
| Revenue Deficiency                          | \$ -        | \$ 34,896        | \$ 124,485        | \$ 111,395        | \$ 33,759        | \$ -        |
| Plus: Adjustment for State Excise Tax       | -           | 1,848            | 6,592             | 5,899             | 1,788            | -           |
| <b>Total Revenue Deficiency</b>             | <b>\$ -</b> | <b>\$ 36,743</b> | <b>\$ 131,077</b> | <b>\$ 117,294</b> | <b>\$ 35,546</b> | <b>\$ -</b> |

| <b>Rate Increases</b>   | <b>2008</b>  | <b>2009</b>  | <b>2010</b>   | <b>2011</b>   | <b>2012</b>   | <b>2013</b>   |
|---|--------------|--------------|---------------|---------------|---------------|---------------|
| Rate Revenue with no Increase                                 | \$ 2,710,736 | \$ 2,751,397 | \$ 2,792,668  | \$ 2,834,558  | \$ 2,877,076  | \$ 2,920,233  |
| Revenues from Prior Rate Increases                            | -            | -            | 139,633       | 290,542       | 429,709       | 570,410       |
| Rate Revenue Before Rate Increase (Incl. previous increases)  | 2,710,736    | 2,751,397    | 2,932,301     | 3,125,100     | 3,306,786     | 3,490,643     |
| Required Annual Rate Increase                                 | 0.00%        | 1.34%        | 4.47%         | 3.75%         | 1.07%         | 0.00%         |
| Number of Months New Rates Will Be In Effect                  | 12           | 9            | 12            | 12            | 12            | 12            |
| <i>Info: Percentage Increase to Generate Required Revenue</i> | <i>0.00%</i> | <i>1.78%</i> | <i>4.47%</i>  | <i>3.75%</i>  | <i>1.07%</i>  | <i>0.00%</i>  |
| <b>Policy Induced Rate Increases</b>                          | <b>0.00%</b> | <b>5.00%</b> | <b>5.00%</b>  | <b>4.25%</b>  | <b>4.00%</b>  | <b>4.00%</b>  |
| <b>ANNUAL RATE INCREASE</b>                                   | <b>0.00%</b> | <b>5.00%</b> | <b>5.00%</b>  | <b>4.25%</b>  | <b>4.00%</b>  | <b>4.00%</b>  |
| <b>CUMULATIVE RATE INCREASE</b>                               | <b>0.00%</b> | <b>5.00%</b> | <b>10.25%</b> | <b>14.94%</b> | <b>19.53%</b> | <b>24.31%</b> |

| <b>Impacts of Rate Increases</b>                   | <b>2008</b>      | <b>2009</b>      | <b>2010</b>      | <b>2011</b>      | <b>2012</b>      | <b>2013</b>      |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Rate Revenues After Rate Increase                  | \$ 2,710,736     | \$ 2,854,574     | \$ 3,078,916     | \$ 3,257,917     | \$ 3,439,057     | \$ 3,630,269     |
| <i>Full Year Rate Revenues After Rate Increase</i> | <i>2,710,736</i> | <i>2,888,967</i> | <i>3,078,916</i> | <i>3,257,917</i> | <i>3,439,057</i> | <i>3,630,269</i> |
| Additional State Taxes Due to Rate Increases       | -                | 5,189            | 14,395           | 21,291           | 28,262           | 35,708           |
| Net Cash Flow After Rate Increase                  | 255,240          | 143,906          | 126,642          | 14,742           | 91,861           | 180,652          |
| Coverage After Rate Increase                       | 1.67             | 1.41             | 1.28             | 1.44             | 1.59             | 1.77             |

**City of Camas**  
**Water Utility Rate Study**  
**Fund Activity**

| <b>Funds</b>   | <b>2008</b>      | <b>2009</b>      | <b>2010</b>      | <b>2011</b>    | <b>2012</b>    | <b>2013</b>      |
|--|------------------|------------------|------------------|----------------|----------------|------------------|
| <b>OPERATING FUND</b>                                      |                  |                  |                  |                |                |                  |
| Beginning Balance  | \$ 479,154       | \$ 175,000       | \$ 318,906       | \$ 445,547     | \$ 460,290     | \$ 552,151       |
| plus: Net Cash Flow after Rate Increase                    | 255,240          | 143,906          | 126,642          | 14,742         | 91,861         | 180,652          |
| less: Transfer of Surplus to Capital Fund                  | (141,346)        | -                | -                | -              | -              | (12,297)         |
| Ending Balance   | \$ 593,047       | \$ 318,906       | \$ 445,547       | \$ 460,290     | \$ 552,151     | \$ 720,505       |
| <i>Minimum Target Balance</i>                              | 593,047          | 617,013          | 641,309          | 444,419        | 461,999        | 480,337          |
| <i>Maximum Funds to be Kept as Operating Reserves</i>      | 593,047          | 617,013          | 641,309          | 666,628        | 692,998        | 720,505          |
| <i>Info: No of Days of Cash Operating Expenses</i>         | 90               | 47               | 63               | 62             | 72             | 90               |
| <b>CAPITAL FUND</b>  |                  |                  |                  |                |                |                  |
| Beginning Balance  | \$ 181,256       | \$ (100,000)     | \$ 207,204       | \$ 200,090     | \$ 428,714     | \$ 736,549       |
| plus: Rate Funded System Reinvestment                      | -                | -                | -                | 200,000        | 200,000        | 200,000          |
| plus: Grants / Developer Donations / Other Outside Sources | -                | 1,367,400        | 2,232,968        | 363,657        | -              | 2,676,451        |
| plus: Transfer from REET                                   | 500,000          | -                | -                | -              | -              | -                |
| plus: Existing PWTF / Bond Proceeds                        | 4,084,800        | -                | -                | -              | -              | -                |
| plus: System Development Charges                           | 189,104          | 189,104          | 189,104          | 189,104        | 189,104        | 189,104          |
| plus: Net Debt Proceeds Available for Projects             | -                | 240,000          | 1,581,200        | -              | -              | -                |
| plus: Interest Earnings                                    | 5,673            | -                | 6,485            | 6,262          | 13,417         | 23,051           |
| plus: Transfer of Surplus from Operating Fund              | 141,346          | -                | -                | -              | -              | 12,297           |
| plus: Direct Rate Funding                                  | -                | -                | -                | -              | -              | -                |
| Total Capital Funding Sources                              | <b>5,102,178</b> | <b>1,696,504</b> | <b>4,216,960</b> | <b>959,113</b> | <b>831,235</b> | <b>3,837,453</b> |
| less: Capital Expenditures                                 | (5,030,000)      | (1,489,300)      | (4,016,870)      | (530,399)      | (94,686)       | (2,776,818)      |
| Ending Balance   | \$ 72,178        | \$ 207,204       | \$ 200,090       | \$ 428,714     | \$ 736,549     | \$ 1,060,635     |
| <i>Minimum Target Balance</i>                              | \$ 200,000       | \$ 200,000       | \$ 200,000       | \$ 200,000     | \$ 200,000     | \$ 200,000       |
| <b>DEBT RESERVE</b>  |                  |                  |                  |                |                |                  |
| Beginning Balance  | \$ -             | \$ -             | \$ 22,610        | \$ 171,571     | \$ 171,571     | \$ 171,571       |
| plus: Reserve Funding from New Debt                        | -                | 22,610           | 148,962          | -              | -              | -                |
| less: Use of Reserves for Debt Service                     | -                | -                | -                | -              | -              | -                |
| Ending Balance   | \$ -             | \$ 22,610        | \$ 171,571       | \$ 171,571     | \$ 171,571     | \$ 171,571       |
| <i>Minimum Target Balance</i>                              | 383,508          | 406,118          | 555,080          | 553,498        | 553,498        | 553,498          |

# SEWER SYSTEM

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# City of Camas

## Sewer Utility Rate Study

### Summary

| Revenue Requirements                     | 2008                | 2009                | 2010                  | 2011                  | 2012                  | 2013                  |
|--|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenues</b>                          |                     |                     |                       |                       |                       |                       |
| Rate Revenues Under Existing Rates       | \$ 3,380,654        | \$ 3,431,364        | \$ 3,482,834          | \$ 3,535,077          | \$ 3,588,103          | \$ 3,641,924          |
| Non-Rate Revenues                        | 252,500             | 136,992             | 141,419               | 154,924               | 180,689               | 199,286               |
| <b>Total Revenues</b>                    | <b>\$ 3,633,154</b> | <b>\$ 3,568,356</b> | <b>\$ 3,624,253</b>   | <b>\$ 3,690,001</b>   | <b>\$ 3,768,792</b>   | <b>\$ 3,841,211</b>   |
| <b>Expenses</b>                          |                     |                     |                       |                       |                       |                       |
| Cash Operating Expenses                  | \$ 2,685,081        | \$ 2,808,285        | \$ 2,914,495          | \$ 3,025,097          | \$ 3,140,399          | \$ 3,260,227          |
| Existing Debt Service                    | 1,453,353           | 1,582,175           | 1,581,721             | 1,579,057             | 1,576,928             | 1,573,447             |
| New Debt Service                         | -                   | 10,100              | 156,316               | 1,249,112             | 1,667,422             | 1,711,165             |
| Rate Funded System Reinvestment          | -                   | -                   | -                     | -                     | -                     | -                     |
| <b>Total Expenses</b>                    | <b>\$ 4,138,434</b> | <b>\$ 4,400,561</b> | <b>\$ 4,652,532</b>   | <b>\$ 5,853,266</b>   | <b>\$ 6,384,749</b>   | <b>\$ 6,544,840</b>   |
| <b>Net Surplus (Deficiency)</b>          | <b>\$ (505,280)</b> | <b>\$ (832,204)</b> | <b>\$ (1,028,279)</b> | <b>\$ (2,163,265)</b> | <b>\$ (2,615,957)</b> | <b>\$ (2,703,629)</b> |
| % of Rate Revenue                        | 14.95%              | 24.25%              | 29.52%                | 61.19%                | 72.91%                | 74.24%                |
| <b>Additions to Meet Coverage</b>        | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           |
| <b>Total Surplus (Deficit)</b>           | <b>\$ (505,280)</b> | <b>\$ (832,204)</b> | <b>\$ (1,028,279)</b> | <b>\$ (2,163,265)</b> | <b>\$ (2,615,957)</b> | <b>\$ (2,703,629)</b> |
| % of Rate Revenue                        | 14.95%              | 24.25%              | 29.52%                | 61.19%                | 72.91%                | 74.24%                |
| <b>Annual Rate Adjustment</b>            | <b>0.00%</b>        | <b>34.00%</b>       | <b>10.60%</b>         | <b>10.60%</b>         | <b>8.00%</b>          | <b>3.00%</b>          |
| Rate Revenues After Rate Increase        | \$ 3,380,654        | \$ 4,306,362        | \$ 5,161,700          | \$ 5,794,472          | \$ 6,351,901          | \$ 6,640,595          |
| Additional Taxes from Rate Increase      | \$ -                | \$ 33,705           | \$ 64,670             | \$ 87,032             | \$ 106,461            | \$ 115,509            |
| <b>Net Cash Flow After Rate Increase</b> | <b>(505,280)</b>    | <b>9,088</b>        | <b>585,917</b>        | <b>9,099</b>          | <b>41,379</b>         | <b>179,532</b>        |
| Coverage After Rate Increases            | 1.84                | 2.80                | 4.05                  | 2.29                  | 1.97                  | 2.02                  |
| Sample Monthly Bill (SF Fixed)           | \$ 24.05            | \$ 32.23            | \$ 35.64              | \$ 39.42              | \$ 42.57              | \$ 43.85              |
| Monthly Increase                         | \$ -                | \$ 8.18             | \$ 3.42               | \$ 3.78               | \$ 3.15               | \$ 1.28               |

**Notes:**

No revenue from NUGAE growth is assumed in the study period  
 2009 increase is in effect for 9 month (effective April)

# City of Camas

## Sewer Utility Rate Study

### Summary

| Fund Balance   | 2008         | 2009        | 2010        | 2011        | 2012        | 2013       |
|--|--------------|-------------|-------------|-------------|-------------|------------|
| <b>Operating:</b>  |              |             |             |             |             |            |
| Beginning Balance  | \$ 479,154   | \$ 175,000  | \$ 184,088  | \$ 479,095  | \$ 488,194  | \$ 516,230 |
| Net Cash Flow after Rate Increase                          | (505,280)    | 9,088       | 585,917     | 9,099       | 41,379      | 179,532    |
| Transfer of Surplus to Capital Fund                        | -            | -           | (290,910)   | -           | (13,343)    | (159,835)  |
| Ending Balance   | \$ (26,127)  | \$ 184,088  | \$ 479,095  | \$ 488,194  | \$ 516,230  | \$ 535,928 |
| 60 Day Target  | \$ 441,383   | \$ 461,636  | \$ 479,095  | \$ 497,276  | \$ 516,230  | \$ 535,928 |
|  | (4)          | 24          | 60          | 59          | 60          | 60         |
| <b>Capital</b>   |              |             |             |             |             |            |
| Beginning Balance  | \$ 1,052,178 | \$ 200,000  | \$ 200,423  | \$ 540,169  | \$ 208,959  | \$ 206,909 |
| plus: Rate Funded System Reinvestment                      | -            | -           | -           | -           | -           | -          |
| plus: Grants / Developer Donations / Other Outside Sources | 250,000      | -           | -           | -           | -           | -          |
| plus: Existing PWTF / Bond Proceeds                        | 1,435,200    | 2,020,000   | 7,980,000   | -           | -           | -          |
| plus: System Development Charges                           | 186,163      | 186,163     | 186,163     | 186,163     | 186,163     | 186,163    |
| plus: Net Debt Proceeds Available for Projects             | -            | -           | -           | 7,550,000   | 4,720,000   | 520,000    |
| plus: Interest Earnings                                    | 32,930       | 6,259       | 6,273       | 16,905      | 6,540       | 6,476      |
| plus: Transfer of Surplus from Operating Fund              | -            | -           | 290,910     | -           | 13,343      | 159,835    |
| Total Capital Funding Sources                              | 2,956,471    | 2,412,423   | 8,663,769   | 8,293,237   | 5,135,006   | 1,079,383  |
| less: Capital Expenditures                                 | (1,950,000)  | (2,212,000) | (8,123,600) | (8,084,278) | (4,928,096) | (869,847)  |
| Ending Balance   | 1,006,471    | 200,423     | 540,169     | 208,959     | 206,909     | 209,536    |
| Minimum Capital Contingency Target                         | \$ 200,000   | \$ 200,000  | \$ 200,000  | \$ 200,000  | \$ 200,000  | \$ 200,000 |

# City of Camas

## Sewer Utility Rate Study

### Assumptions

#### Economic & Financial Factors

|  | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   |
|--|--------|--------|--------|--------|--------|--------|
| 1 General Cost Inflation                       | 3.15%  | 3.15%  | 3.15%  | 3.15%  | 3.15%  | 3.15%  |
| 2 Construction Cost Inflation                  | 6.00%  | 6.00%  | 6.00%  | 6.00%  | 6.00%  | 6.00%  |
| 3 Labor Cost Inflation                         | 5.00%  | 5.00%  | 5.00%  | 5.00%  | 5.00%  | 5.00%  |
| 4 Customer Growth (Historical Ann.from Budget) | 1.50%  | 1.50%  | 1.50%  | 1.50%  | 1.50%  | 1.50%  |
| 5 General Inflation plus Growth                | 4.70%  | 4.70%  | 4.70%  | 4.70%  | 4.70%  | 4.70%  |
| 6 Connection Charge Tax                        | 1.50%  | 1.50%  | 1.50%  | 1.50%  | 1.50%  | 1.50%  |
| 8 No Escalation                                | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |
| Fund Earnings (5-year average of the LWGSIP)   | 3.13%  | 3.13%  | 3.13%  | 3.13%  | 3.13%  | 3.13%  |
| Local / State Excise Tax                       | 3.85%  | 3.85%  | 3.85%  | 3.85%  | 3.85%  | 3.85%  |
| State B&O Tax                                  | 1.50%  | 1.50%  | 1.50%  | 1.50%  | 1.50%  | 1.50%  |
| Collection                                     | 29.00% | 29.00% | 29.00% | 29.00% | 29.00% | 29.00% |
| Treatment                                      | 71.00% | 71.00% | 71.00% | 71.00% | 71.00% | 71.00% |

#### Accounting Assumptions

##### FISCAL POLICY RESTRICTIONS

|  | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|------|------|------|------|------|------|
| Min. Op. Fund Balance Target (days of O&M expense) | 60   | 60   | 60   | 60   | 60   | 60   |
| Max. Op. Fund Balance (days of O&M expense)        | 60   | 60   | 60   | 60   | 60   | 60   |

##### Minimum Capital Fund Balance Target

Select Minimum Capital Fund Balance Target  User Input

1 - Defined as % of Plant

Plant-in-Service in 2007

Minimum Capital Fund Balance - % of plant assets 

|  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  |
|--|-------|-------|-------|-------|-------|-------|
|  | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

2 - Amount at Right ==>

|            |            |            |            |            |            |
|------------|------------|------------|------------|------------|------------|
| \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 200,000 |
|------------|------------|------------|------------|------------|------------|

##### RATE FUNDED SYSTEM REINVESTMENT

Select Reinvestment Funding Strategy  User Input

##### Amount of Annual Cash Funding from Rates

1 - Equal to Annual Depreciation Expense

2 - Equal to Annual Depreciation Expense less Annual Debt Principal Payments

3 - Equal to Amount at Right ==>

|      |      |      |      |      |      |
|------|------|------|------|------|------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
|------|------|------|------|------|------|

4 - Do Not Fund System Reinvestment

# City of Camas

## Sewer Utility Rate Study

### Assumptions

#### Capital Financing Assumptions

2008      2009      2010      2011      2012      2013

#### System Development Charges

| Select SDC Alternative          | 1    |
|---------------------------------|------|
| 1 - User Input (Current Charge) | \$ - |
| 2 - Calculated Charge           | \$ - |

Current Charge is in use

Total Customer Equivalents

|             |            |            |            |            |            |            |
|-------------|------------|------------|------------|------------|------------|------------|
| SDC Revenue | \$ 186,163 | \$ 186,163 | \$ 186,163 | \$ 186,163 | \$ 186,163 | \$ 186,163 |
|-------------|------------|------------|------------|------------|------------|------------|

#### REVENUE BONDS

|               |       |       |       |       |       |       |
|---------------|-------|-------|-------|-------|-------|-------|
| Term (years)  | 20    | 20    | 20    | 20    | 20    | 20    |
| Interest Cost | 5.00% | 5.60% | 5.60% | 5.00% | 5.00% | 5.00% |
| Issuance Cost | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

Revenue Bond Coverage Requirement **1.25**

#### PWTF LOAN

|   |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|
| Term (years; 10 year minimum and no more than 20 years) | 20    | 20    | 20    | 20    | 20    | 20    |
| Interest Cost   | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |

#### OTHER LOANS & REVENUE-SUPPORTED GENERAL OBLIGATION BONDS [a]

|               |       |       |       |       |       |       |
|---------------|-------|-------|-------|-------|-------|-------|
| Term (years)  | 20    | 20    | 20    | 20    | 20    | 20    |
| Interest Cost | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Issuance Cost | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

[a] Tax-supported general obligation bonds are assumed to be accounted for in the General Fund; terms and annual obligations of such bonds are not factors in this analysis.

**City of Camas**  
**Sewer Utility Rate Study**  
**Operating Revenue and Expenditure Forecast**

|   |   |  | Budget              | Projection          | Projection          | Projection          | Projection          | Projection          |
|---|---|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   |   |  | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                |
| <b>Revenues</b>                             |   |  | FORECAST BASIS      |                     |                     |                     |                     |                     |
| <b>Rate revenues</b>                        |   |  |                     |                     |                     |                     |                     |                     |
| Residential                                 | 4 | Customer Growth (Historical Ann.from Budget) | \$ 2,003,351        | 2,033,401           | 2,063,902           | 2,094,860           | 2,126,283           | 2,158,177           |
| Swr Comm/Industrial                         | 4 | Customer Growth (Historical Ann.from Budget) | 751,256             | 762,525             | 773,963             | 785,573             | 797,356             | 809,317             |
| Swr Ind/Wafer Tech                          | 4 | Customer Growth (Historical Ann.from Budget) | 626,047             | 635,438             | 644,969             | 654,644             | 664,464             | 674,430             |
| <b>Total Rate revenue</b>                   |   |  | <b>\$ 3,380,654</b> | <b>\$ 3,431,364</b> | <b>\$ 3,482,834</b> | <b>\$ 3,535,077</b> | <b>\$ 3,588,103</b> | <b>\$ 3,641,924</b> |
| <b>Non-rate revenues</b>                    |   |  |                     |                     |                     |                     |                     |                     |
| Sewer Hook-up Fees                          | 1 | General Cost Inflation                       | \$ 10,000           | \$ 10,315           | \$ 10,640           | \$ 10,975           | \$ 11,321           | \$ 11,677           |
| Inspection Fees-Step Syst (100% Sewer)      | 1 | General Cost Inflation                       | 10,000              | 10,315              | 10,640              | 10,975              | 11,321              | 11,677              |
| Space & Facilities Leases (50% Sewer)       | 1 | General Cost Inflation                       | 10,000              | 10,315              | 10,640              | 10,975              | 11,321              | 11,677              |
| Interest Income (50% sewer)                 |   | Calculated                                   | 125,000             | 5,477               | 5,761               | 14,994              | 36,352              | 50,403              |
| Wtr-Swr Turn off Fees By Owner (100% Water) | 1 | General Cost Inflation                       | -                   | -                   | -                   | -                   | -                   | -                   |
| Penalties                                   | 1 | General Cost Inflation                       | 60,000              | 61,890              | 63,839              | 65,849              | 67,923              | 70,063              |
| Other Rents & Use Charges                   | 1 | General Cost Inflation                       | 37,500              | 38,681              | 39,899              | 41,156              | 42,452              | 43,789              |
| <b>Total Non-rate revenues</b>              |   |  | <b>\$ 130,396</b>   | <b>\$ 70,746</b>    | <b>\$ 73,692</b>    | <b>\$ 79,770</b>    | <b>\$ 93,706</b>    | <b>\$ 103,473</b>   |
| <b>TOTAL REVENUES</b>                       |   |  | <b>\$ 3,511,050</b> | <b>\$ 3,502,109</b> | <b>\$ 3,556,426</b> | <b>\$ 3,614,847</b> | <b>\$ 3,681,809</b> | <b>\$ 3,745,398</b> |

**City of Camas  
Sewer Utility Rate Study  
Operating Revenue and Expenditure Forecast**

|                                 |   |                                    | Budget            | Projection        | Projection        | Projection        | Projection        | Projection        |
|---------------------------------|---|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                 |   |                                    | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              |
| <b>Expenditures</b>             |   |                                    | FORECAST BASIS    |                   |                   |                   |                   |                   |
| <b>Excise Tax State Tax</b>     |   | <i>Excise and B&amp;O Tax Rate</i> | \$ 66,000         | \$ 78,729         | \$ 79,895         | \$ 81,127         | \$ 82,493         | \$ 83,814         |
| <b>810 SWR Collection</b>       |   |                                    |                   |                   |                   |                   |                   |                   |
| Reg Salar                       | 3 | Labor Cost Inflation               | \$ 21,241         | \$ 22,303         | \$ 23,418         | \$ 24,589         | \$ 25,819         | \$ 27,109         |
| Overtime                        | 3 | Labor Cost Inflation               | 1,000             | 1,050             | 1,103             | 1,158             | 1,216             | 1,276             |
| Personnel Benefits              | 3 | Labor Cost Inflation               | 7,737             | 8,124             | 8,530             | 8,957             | 9,404             | 9,875             |
| Office and Operating Supplies   | 1 | General Cost Inflation             | 2,500             | 2,579             | 2,660             | 2,744             | 2,830             | 2,919             |
| Small Tools and Minor Equip     | 1 | General Cost Inflation             | 500               | 516               | 532               | 549               | 566               | 584               |
| Supplies - Chemicals            | 1 | General Cost Inflation             | -                 | -                 | -                 | -                 | -                 | -                 |
| Professional Ser                | 3 | Labor Cost Inflation               | -                 | -                 | -                 | -                 | -                 | -                 |
| Communication                   | 1 | General Cost Inflation             | -                 | -                 | -                 | -                 | -                 | -                 |
| Travel                          | 1 | General Cost Inflation             | -                 | -                 | -                 | -                 | -                 | -                 |
| Operating Rentals and Leases    | 1 | General Cost Inflation             | -                 | -                 | -                 | -                 | -                 | -                 |
| Repairs & Maintenance           | 3 | Labor Cost Inflation               | 40,000            | 42,000            | 44,100            | 46,305            | 48,620            | 51,051            |
| Miscellaneous                   | 1 | General Cost Inflation             | 500               | 516               | 532               | 549               | 566               | 584               |
| Intfund Oper. Rentals & Lease   | 1 | General Cost Inflation             | 5,000             | 5,157             | 5,320             | 5,487             | 5,660             | 5,839             |
| <b>Total SWR Collection</b>     |   |                                    | <b>\$ 78,478</b>  | <b>\$ 82,245</b>  | <b>\$ 86,195</b>  | <b>\$ 90,337</b>  | <b>\$ 94,681</b>  | <b>\$ 99,237</b>  |
| <b>811 Swr Pressurce Coll</b>   |   |                                    |                   |                   |                   |                   |                   |                   |
| Reg                             | 3 | Labor Cost Inflation               | \$ 96,305         | \$ 101,120        | \$ 106,176        | \$ 111,485        | \$ 117,059        | \$ 122,912        |
| Overtime                        | 3 | Labor Cost Inflation               | 10,000            | 10,500            | 11,025            | 11,576            | 12,155            | 12,763            |
| Personnel Benefits              | 3 | Labor Cost Inflation               | 35,570            | 37,349            | 39,216            | 41,177            | 43,236            | 45,397            |
| Office and Operating Supplies   | 1 | General Cost Inflation             | 30,000            | 30,945            | 31,919            | 32,925            | 33,962            | 35,031            |
| Fuel consumed                   | 1 | General Cost Inflation             | -                 | -                 | -                 | -                 | -                 | -                 |
| Small Tools and Minor Equip     | 1 | General Cost Inflation             | 3,000             | 3,094             | 3,192             | 3,292             | 3,396             | 3,503             |
| Chemicals                       | 1 | General Cost Inflation             | 128,000           | 132,031           | 136,190           | 140,479           | 144,903           | 149,467           |
| Professional Services           | 3 | Labor Cost Inflation               | 2,000             | 2,100             | 2,205             | 2,315             | 2,431             | 2,553             |
| Travel                          | 1 | General Cost Inflation             | -                 | -                 | -                 | -                 | -                 | -                 |
| Operating rentals and Leases    | 1 | General Cost Inflation             | 200               | 206               | 213               | 219               | 226               | 234               |
| Repairs & Maintenance           | 3 | Labor Cost Inflation               | 50,000            | 52,500            | 55,125            | 57,881            | 60,775            | 63,814            |
| Miscellaneous                   | 1 | General Cost Inflation             | -                 | -                 | -                 | -                 | -                 | -                 |
| Intfund Oper. Rentals & Lease   | 1 | General Cost Inflation             | 7,000             | 7,220             | 7,448             | 7,682             | 7,924             | 8,174             |
| Intfund Repairs & Maint         | 1 | General Cost Inflation             | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>Total Swr Pressurce Coll</b> |   |                                    | <b>\$ 362,075</b> | <b>\$ 377,066</b> | <b>\$ 392,709</b> | <b>\$ 409,033</b> | <b>\$ 426,068</b> | <b>\$ 443,848</b> |

**City of Camas**  
**Sewer Utility Rate Study**  
**Operating Revenue and Expenditure Forecast**

|                               |   |                        | Budget<br>2008    | Projection<br>2009  | Projection<br>2010  | Projection<br>2011  | Projection<br>2012  | Projection<br>2013  |
|-------------------------------|---|------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>830 SWR Pumping</b>        |   |                        |                   |                     |                     |                     |                     |                     |
| Reg Salaries                  | 3 | Labor Cost Inflation   | \$ 127,409        | \$ 133,779          | \$ 140,468          | \$ 147,492          | \$ 154,866          | \$ 162,610          |
| Overtime                      | 3 | Labor Cost Inflation   | 6,000             | 6,300               | 6,615               | 6,946               | 7,293               | 7,658               |
| Personnel Benefits            | 3 | Labor Cost Inflation   | 46,407            | 48,727              | 51,164              | 53,722              | 56,408              | 59,228              |
| Uniforms and Clothing         | 1 | General Cost Inflation | -                 | -                   | -                   | -                   | -                   | -                   |
| Office and Operating Supplies | 1 | General Cost Inflation | 10,000            | 10,315              | 10,640              | 10,975              | 11,321              | 11,677              |
| Fuel Consumed                 | 1 | General Cost Inflation | -                 | -                   | -                   | -                   | -                   | -                   |
| Small Tools and Minor Equip   | 1 | General Cost Inflation | 1,000             | 1,031               | 1,064               | 1,097               | 1,132               | 1,168               |
| Professional Ser              | 1 | General Cost Inflation | 7,500             | 7,736               | 7,980               | 8,231               | 8,490               | 8,758               |
| Communication                 | 1 | General Cost Inflation | 2,000             | 2,063               | 2,128               | 2,195               | 2,264               | 2,335               |
| Travel                        | 1 | General Cost Inflation | -                 | -                   | -                   | -                   | -                   | -                   |
| Operating Rentals and Leases  | 1 | General Cost Inflation | 3,000             | 3,094               | 3,192               | 3,292               | 3,396               | 3,503               |
| Public Utility                | 1 | General Cost Inflation | 90,000            | 92,835              | 95,758              | 98,774              | 101,885             | 105,094             |
| repairs & Maintenance         | 1 | General Cost Inflation | 30,000            | 30,945              | 31,919              | 32,925              | 33,962              | 35,031              |
| Miscellaneous                 | 1 | General Cost Inflation | 500               | 516                 | 532                 | 549                 | 566                 | 584                 |
| Intfund Oper. Rentals & Lease | 1 | General Cost Inflation | 15,000            | 15,472              | 15,960              | 16,462              | 16,981              | 17,516              |
| Public Utility                | 1 | General Cost Inflation | -                 | -                   | -                   | -                   | -                   | -                   |
| <b>Total SWR Pumping</b>      |   |                        | <b>\$ 338,816</b> | <b>\$ 352,814</b>   | <b>\$ 367,420</b>   | <b>\$ 382,661</b>   | <b>\$ 398,564</b>   | <b>\$ 415,162</b>   |
| <b>850 SWR Treatment</b>      |   |                        |                   |                     |                     |                     |                     |                     |
| Reg Salary                    | 3 | Labor Cost Inflation   | \$ 174,627        | 183,358             | 192,526             | 202,153             | 212,260             | 222,873             |
| Overtime                      | 3 | Labor Cost Inflation   | 5,000             | 5,250               | 5,513               | 5,788               | 6,078               | 6,381               |
| Personnel Benefits            | 3 | Labor Cost Inflation   | 60,984            | 64,033              | 67,235              | 70,597              | 74,126              | 77,833              |
| Uniforms & Clothing           | 1 | General Cost Inflation | -                 | -                   | -                   | -                   | -                   | -                   |
| Office and Operating Supplies | 1 | General Cost Inflation | 20,000            | 20,630              | 21,280              | 21,950              | 22,641              | 23,354              |
| Fuel Consumed                 | 1 | General Cost Inflation | -                 | -                   | -                   | -                   | -                   | -                   |
| Small Tools and Minor Equip   | 1 | General Cost Inflation | 20,000            | 20,630              | 21,280              | 21,950              | 22,641              | 23,354              |
| Supplies - Chemicals          | 1 | General Cost Inflation | 240,000           | 255,000             | 263,031             | 271,315             | 279,860             | 288,674             |
| Professional Ser              | 1 | General Cost Inflation | 147,500           | 152,145             | 156,937             | 161,880             | 166,978             | 172,237             |
| Communication                 | 1 | General Cost Inflation | 2,500             | 2,579               | 2,660               | 2,744               | 2,830               | 2,919               |
| Travel                        | 1 | General Cost Inflation | 1,000             | 1,031               | 1,064               | 1,097               | 1,132               | 1,168               |
| Operating rentals and leases  | 1 | General Cost Inflation | 12,000            | 12,378              | 12,768              | 13,170              | 13,585              | 14,013              |
| Insurance                     | 1 | General Cost Inflation | 80,000            | 82,520              | 85,119              | 87,799              | 90,565              | 93,417              |
| Public Utility                | 1 | General Cost Inflation | 130,000           | 134,094             | 138,318             | 142,674             | 147,167             | 151,802             |
| Repairs & Maintenance         | 3 | Labor Cost Inflation   | 36,600            | 38,430              | 40,352              | 42,369              | 44,488              | 46,712              |
| Miscellaneous                 | 1 | General Cost Inflation | 25,000            | 25,787              | 26,600              | 27,437              | 28,301              | 29,193              |
| Intfund Oper. Rentals & Lease | 1 | General Cost Inflation | 5,000             | 5,157               | 5,320               | 5,487               | 5,660               | 5,839               |
| <b>Total SWR Treatment</b>    |   |                        | <b>\$ 960,211</b> | <b>\$ 1,003,024</b> | <b>\$ 1,040,000</b> | <b>\$ 1,078,410</b> | <b>\$ 1,118,313</b> | <b>\$ 1,159,769</b> |

**City of Camas  
Sewer Utility Rate Study  
Operating Revenue and Expenditure Forecast**

|                               |   |                        | Budget                    | Projection     | Projection     | Projection     | Projection     | Projection     |
|-------------------------------|---|------------------------|---------------------------|----------------|----------------|----------------|----------------|----------------|
|                               |   |                        | 2008                      | 2009           | 2010           | 2011           | 2012           | 2013           |
| <b>860 SWR Services</b>       |   |                        |                           |                |                |                |                |                |
| Reg Salaries                  | 3 | Labor Cost Inflation   | -                         | -              | -              | -              | -              | -              |
| Overtime                      | 3 | Labor Cost Inflation   | 500                       | 525            | 551            | 579            | 608            | 638            |
| Personnel Benefits            | 3 | Labor Cost Inflation   | 45                        | 47             | 50             | 52             | 55             | 57             |
| Repairs & Maintenance         | 3 | Labor Cost Inflation   | 500                       | 525            | 551            | 579            | 608            | 638            |
| Miscellaneous                 | 1 | General Cost Inflation | 1,000                     | 1,031          | 1,064          | 1,097          | 1,132          | 1,168          |
| Intfund Oper. Rentals & Lease | 1 | General Cost Inflation | -                         | -              | -              | -              | -              | -              |
| <b>Total SWR Services</b>     |   |                        | <b>2,045</b>              | <b>2,129</b>   | <b>2,216</b>   | <b>2,307</b>   | <b>2,402</b>   | <b>2,501</b>   |
| <b>100 Admin/Gen</b>          |   |                        |                           |                |                |                |                |                |
|                               |   |                        | 50% to water 50% to Sewer |                |                |                |                |                |
| Regular Salaries              | 3 | Labor Cost Inflation   | 78,369                    | 82,287         | 86,402         | 90,722         | 95,258         | 100,021        |
| Overtime                      | 3 | Labor Cost Inflation   | -                         | -              | -              | -              | -              | -              |
| Personnel Benefits            | 3 | Labor Cost Inflation   | 27,284                    | 28,648         | 30,080         | 31,584         | 33,163         | 34,821         |
| Uniforms & Clothing           | 1 | General Cost Inflation | -                         | -              | -              | -              | -              | -              |
| OPEB Expense                  | 1 | General Cost Inflation | -                         | -              | -              | -              | -              | -              |
| Office and Operating Supplies | 1 | General Cost Inflation | 2,500                     | 2,579          | 2,660          | 2,744          | 2,830          | 2,919          |
| Fuel Consumed                 | 1 | General Cost Inflation | -                         | -              | -              | -              | -              | -              |
| Small Tools and Minor Equip   | 1 | General Cost Inflation | 4,750                     | 4,900          | 5,054          | 5,213          | 5,377          | 5,547          |
| Professional Ser              | 3 | Labor Cost Inflation   | 76,500                    | 80,325         | 84,341         | 88,558         | 92,986         | 97,636         |
| Communication                 | 1 | General Cost Inflation | 4,500                     | 4,642          | 4,788          | 4,939          | 5,094          | 5,255          |
| Travel                        | 1 | General Cost Inflation | 250                       | 258            | 266            | 274            | 283            | 292            |
| Operating Rentals and Leases  | 1 | General Cost Inflation | -                         | -              | -              | -              | -              | -              |
| Insurance                     | 3 | Labor Cost Inflation   | -                         | -              | -              | -              | -              | -              |
| Public Utility                | 1 | General Cost Inflation | -                         | -              | -              | -              | -              | -              |
| Repairs & Maintenance         | 3 | Labor Cost Inflation   | -                         | -              | -              | -              | -              | -              |
| Miscellaneous                 | 1 | General Cost Inflation | 10,750                    | 11,089         | 11,438         | 11,798         | 12,170         | 12,553         |
| Interfund Profess. Serv.      | 1 | General Cost Inflation | 274,981                   | 283,641        | 292,574        | 301,789        | 311,293        | 321,098        |
| Intfund Oper. Rentals & Lease | 1 | General Cost Inflation | 43,165                    | 44,524         | 45,927         | 47,373         | 48,865         | 50,404         |
| <b>Total Admin/Gen</b>        |   |                        | <b>523,048</b>            | <b>542,892</b> | <b>563,530</b> | <b>584,994</b> | <b>607,320</b> | <b>630,545</b> |

**City of Camas  
Sewer Utility Rate Study  
Operating Revenue and Expenditure Forecast**

|  |      |                        | Budget<br>2008      | Projection<br>2009                                | Projection<br>2010  | Projection<br>2011  | Projection<br>2012  | Projection<br>2013  |              |              |
|--|------|------------------------|---------------------|---|---------------------|---------------------|---------------------|---------------------|--------------|--------------|
| <b>170 Customer Services</b>           |      |                        |                     |   |                     |                     |                     |                     |              |              |
| Regular Salaries                       | 3    | Labor Cost Inflation   | -                   | -   | -                   | -                   | -                   | -                   |              |              |
| Overtime                               | 3    | Labor Cost Inflation   | -                   | -   | -                   | -                   | -                   | -                   |              |              |
| Personnel Benefits                     | 3    | Labor Cost Inflation   | -                   | -   | -                   | -                   | -                   | -                   |              |              |
| Office and Operating Supplies          | 1    | General Cost Inflation | 3,000               | 3,094   | 3,192               | 3,292               | 3,396               | 3,503               |              |              |
| Small Tools and Minor Equip            | 1    | General Cost Inflation | -                   | -   | -                   | -                   | -                   | -                   |              |              |
| Professional Ser                       | 3    | Labor Cost Inflation   | 12,500              | 13,125  | 13,781              | 14,470              | 15,194              | 15,954              |              |              |
| Communication                          | 1    | General Cost Inflation | 375                 | 387   | 399                 | 412                 | 425                 | 438                 |              |              |
| Travel                                 | 1    | General Cost Inflation | -                   | -   | -                   | -                   | -                   | -                   |              |              |
| Operating Rentals and Leases           | 1    | General Cost Inflation | -                   | -   | -                   | -                   | -                   | -                   |              |              |
| Repairs & Maintenance                  | 3    | Labor Cost Inflation   | 1,000               | 1,050   | 1,103               | 1,158               | 1,216               | 1,276               |              |              |
| Miscellaneous                          | 1    | General Cost Inflation | -                   | -   | -                   | -                   | -                   | -                   |              |              |
| Interfund Profess. Serv.               | 1    | General Cost Inflation | -                   | -   | -                   | -                   | -                   | -                   |              |              |
| Intfund Oper. Rentals & Lease          | 1    | General Cost Inflation | -                   | -   | -                   | -                   | -                   | -                   |              |              |
| <b>Total Customer Services</b>         |      |                        | <b>16,875</b>       | <b>17,656</b>                                     | <b>18,475</b>       | <b>19,332</b>       | <b>20,230</b>       | <b>21,171</b>       |              |              |
| <b>Other Additions</b>                 |      |                        |                     |   |                     |                     |                     |                     |              |              |
| Step Tank Pumping                      | 1    | General Cost Inflation | 150,000             | 154,724   | 159,597             | 164,624             | 169,808             | 175,157             |              |              |
| <b>Total Other Additions</b>           |      |                        | <b>150,000</b>      | <b>154,724</b>                                    | <b>159,597</b>      | <b>164,624</b>      | <b>169,808</b>      | <b>175,157</b>      |              |              |
| Add'l O&M from CIP                     |      | From CIP               | -                   | -   | -                   | -                   | -                   | -                   |              |              |
| <b>Total Cash O&amp;M Expenditures</b> |      |                        | <b>\$ 2,685,081</b> | <b>\$ 2,808,285</b>                               | <b>\$ 2,914,495</b> | <b>\$ 3,025,097</b> | <b>\$ 3,140,399</b> | <b>\$ 3,260,227</b> |              |              |
| Depreciation Expense in                | 2007 | \$                     |                     |   | 970,219             |                     |                     |                     |              |              |
| Depreciation Expense                   |      |                        |                     | <i>Last year's plus annual additions from CIP</i> | \$ 1,012,219        | \$ 1,056,459        | \$ 1,218,931        | \$ 1,380,617        | \$ 1,479,179 | \$ 1,496,576 |
| <b>TOTAL EXPENSES</b>                  |      |                        | <b>\$ 3,697,300</b> | <b>\$ 3,864,745</b>                               | <b>\$ 4,133,427</b> | <b>\$ 4,405,714</b> | <b>\$ 4,619,578</b> | <b>\$ 4,756,803</b> |              |              |

**City of Camas  
Sewer Utility Rate Study  
Capital Improvement Program**

|  |             |
|--|-------------|
| Project Costs and O&M Impacts in Year: | <b>2008</b> |
|--|-------------|

(Project costs are escalated using Construction Cost Inflation assumptions)

| No | Description  | Current Cost | Year | Life In Years | For CFC Calculation   |       | Specific Funding Source<br>Enterprise Fund, 2-Grants &<br>Developer Donations | 1-                        | Upgrade / Expansion | R&R       | TOTAL ESCALATED COSTS |
|----|--|--------------|------|---------------|-----------------------|-------|---|---------------------------|---------------------|-----------|-----------------------|
|    |  |              |      |               | % Upgrade / Expansion | % R&R |   |                           |                     |           |                       |
| 1  | BIOSOLIDS LAND APPLICATION                               | \$ 100,000   | 2008 | 20            | 2%                    | 98%   | 1   | Enterprise Fund           | \$ 2,000            | \$ 98,000 | \$ 100,000            |
| 2  | "  | -            | 2009 | 20            | 2%                    | 98%   | 1   | Enterprise Fund           | -                   | -         | -                     |
| 3  | "  | -            | 2010 | 20            | 2%                    | 98%   | 1   | Enterprise Fund           | -                   | -         | -                     |
| 4  | LACAMAS CREEK LAND ACQUISITION                           | 50,000       | 2014 | 50            | 100%                  | 0%    | 1   | Enterprise Fund           | 50,000              | -         | 70,926                |
| 5  | JOY TO MAIN STATION DESIGN                               | 150,000      | 2014 | 50            | 0%                    | 100%  | 1   | Enterprise Fund           | -                   | 150,000   | 212,778               |
| 6  | STP ROTARY SCREEN REPLACE                                | 150,000      | 2008 | 50            | 0%                    | 100%  | 1   | Enterprise Fund           | -                   | 150,000   | 150,000               |
| 7  | SEWER MAIN REPLACE (NW 6th, et. al.)                     | 1,400,000    | 2008 | 50            | 0%                    | 100%  | 1   | Enterprise Fund           | -                   | 1,400,000 | 1,400,000             |
| 8  | STP Upgrade  | 2,000,000    | 2009 | 50            | 20%                   | 80%   | 1   | Enterprise Fund           | 400,000             | 1,600,000 | 2,000,000             |
| 9  | SANITARY PS UPGRADES                                     | 200,000      | 2008 | 50            | 10%                   | 90%   | 1   | Enterprise Fund           | 20,000              | 180,000   | 200,000               |
| 10 | SEWER FACILITY PLAN UPDATE                               | 100,000      | 2008 | 50            | 50%                   | 50%   | 1   | Enterprise Fund           | 50,000              | 50,000    | 100,000               |
| 11 | STP UPGRADE START  | 7,000,000    | 2010 | 50            | 50%                   | 50%   | 1   | Enterprise Fund           | 3,500,000           | 3,500,000 | 7,000,000             |
| 12 | "  | 6,000,000    | 2011 | 50            | 50%                   | 50%   | 1   | Enterprise Fund           | 3,000,000           | 3,000,000 | 6,000,000             |
| 13 | " Dryer  | 2,500,000    | 2012 | 50            | 50%                   | 50%   | 1   | Enterprise Fund           | 1,250,000           | 1,250,000 | 2,500,000             |
| 14 | ANNUAL PS UPGRADES                                       | 200,000      | 2009 | 50            | 10%                   | 90%   | 1   | Enterprise Fund           | 20,000              | 180,000   | 212,000               |
| 15 | LACAMAS CREEK PS UPGRADE(FORCEMAIN)                      | 1,500,000    | 2015 | 50            | 100%                  | 0%    | 2   | Grants/Developer Donation | 1,500,000           | -         | 2,255,445             |
| 16 | JOY TO MAIN STATION CONSTRUCTION                         | 1,000,000    | 2015 | 50            | 100%                  | 0%    | 1   | Enterprise Fund           | 1,000,000           | -         | 1,503,630             |
| 17 | G&O NUEA SANITARY (total 18,300,000) 10% (2/3) Developer | 1,220,000    | 2014 | 50            | 100%                  | 0%    | 2   | Grants/Developer Donation | 1,220,000           | -         | 1,730,593             |
| 18 | G&O NUEA SANITARY (total 18,300,000) 10% (1/3) City      | 610,000      | 2014 | 50            | 100%                  | 0%    | 1   | Enterprise Fund           | -                   | -         | -                     |
| 19 | G&O NUEA SANITARY (total 18,300,000) 10% (2/3) Developer | 1,220,000    | 2015 | 50            | 100%                  | 0%    | 2   | Grants/Developer Donation | 1,220,000           | -         | 1,834,429             |

**City of Camas  
Sewer Utility Rate Study  
Capital Improvement Program**

|  |             |
|--|-------------|
| Project Costs and O&M Impacts in Year: | <b>2008</b> |
|--|-------------|

(Project costs are escalated using Construction Cost Inflation assumptions)

| No | Description  | Current Cost | Year | Life in Years | For CFC Calculation      |       | Specific Funding Source<br>Enterprise Fund, 2-Grants &<br>Developer Donations | 1-<br>Upgrade /<br>Expansion | R&R       | TOTAL<br>ESCALATED<br>COSTS |
|----|--|--------------|------|---------------|--------------------------|-------|---|------------------------------|-----------|-----------------------------|
|    |  |              |      |               | % Upgrade /<br>Expansion | % R&R |   |                              |           |                             |
| 20 | G&O NUEA SANITARY (total 18,300,000) 10% (1/3) City      | 610,000      | 2015 | 50            | 100%                     | 0%    | 1   | Enterprise Fund              |           |                             |
| 21 | G&O NUEA SANITARY (total 18,300,000) 10% (2/3) Developer | 1,220,000    | 2016 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation    | 1,220,000 | -                           |
| 22 | G&O NUEA SANITARY (total 18,300,000) 10% (1/3) City      | 610,000      | 2016 | 50            | 100%                     | 0%    | 1   | Enterprise Fund              |           |                             |
| 23 | G&O NUEA SANITARY (total 18,300,000) 10% (2/3) Developer | 1,220,000    | 2017 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation    | 1,220,000 | -                           |
| 24 | G&O NUEA SANITARY (total 18,300,000) 10% (1/3) City      | 610,000      | 2017 | 50            | 100%                     | 0%    | 1   | Enterprise Fund              |           |                             |
| 25 | G&O NUEA SANITARY (total 18,300,000) 10% (2/3) Developer | 1,220,000    | 2018 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation    | 1,220,000 | -                           |
| 26 | G&O NUEA SANITARY (total 18,300,000) 10% (1/3) City      | 610,000      | 2018 | 50            | 100%                     | 0%    | 1   | Enterprise Fund              |           |                             |
| 27 | G&O NUEA SANITARY (total 18,300,000) 10% (2/3) Developer | 1,220,000    | 2019 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation    | 1,220,000 | -                           |
| 28 | G&O NUEA SANITARY (total 18,300,000) 10% (1/3) City      | 610,000      | 2019 | 50            | 100%                     | 0%    | 1   | Enterprise Fund              |           |                             |
| 29 | G&O NUEA SANITARY (total 18,300,000) 10% (2/3) Developer | 1,220,000    | 2020 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation    | 1,220,000 | -                           |
| 30 | G&O NUEA SANITARY (total 18,300,000) 10% (1/3) City      | 610,000      | 2020 | 50            | 100%                     | 0%    | 1   | Enterprise Fund              |           |                             |
| 31 | G&O NUEA SANITARY (total 18,300,000) 10% (2/3) Developer | 1,220,000    | 2021 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation    | 1,220,000 | -                           |
| 32 | G&O NUEA SANITARY (total 18,300,000) 10% (1/3) City      | 610,000      | 2021 | 50            | 100%                     | 0%    | 1   | Enterprise Fund              |           |                             |
| 33 | G&O NUEA SANITARY (total 18,300,000) 10% (2/3) Developer | 1,220,000    | 2022 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation    | 1,220,000 | -                           |
| 34 | G&O NUEA SANITARY (total 18,300,000) 10% (1/3) City      | 610,000      | 2022 | 50            | 100%                     | 0%    | 1   | Enterprise Fund              |           |                             |
| 35 | G&O NUEA SANITARY (total 18,300,000) 10% (2/3) Developer | 1,220,000    | 2023 | 50            | 100%                     | 0%    | 2   | Grants/Developer Donation    | 1,220,000 | -                           |
| 36 | G&O NUEA SANITARY (total 18,300,000) 10% (1/3) City      | 610,000      | 2023 | 50            | 100%                     | 0%    | 1   | Enterprise Fund              |           |                             |
| 37 | WEST CAMAS FORCE MAIN-SOUTH PH                           | 1,000,000    | 2012 | 50            | 60%                      | 40%   | 1   | Enterprise Fund              | 600,000   | 400,000                     |
| 38 | COLLECTION SYSTEM UPGRADES                               | 1,500,000    | 2014 | 50            | 20%                      | 80%   | 1   | Enterprise Fund              | 300,000   | 1,200,000                   |
| 39 | "  | 2,000,000    | 2015 | 50            | 20%                      | 80%   | 1   | Enterprise Fund              | 400,000   | 1,600,000                   |
| 40 | "  | 2,000,000    | 2016 | 50            | 20%                      | 80%   | 1   | Enterprise Fund              | 400,000   | 1,600,000                   |
| 41 | "  | 2,500,000    | 2017 | 50            | 20%                      | 80%   | 1   | Enterprise Fund              | 500,000   | 2,000,000                   |
| 42 | "  | 1,428,571    | 2018 | 50            | 20%                      | 80%   | 1   | Enterprise Fund              | 285,714   | 1,142,857                   |
| 43 | "  | 1,428,571    | 2019 | 50            | 20%                      | 80%   | 1   | Enterprise Fund              | 285,714   | 1,142,857                   |
| 44 | "  | 1,428,571    | 2020 | 50            | 20%                      | 80%   | 1   | Enterprise Fund              | 285,714   | 1,142,857                   |
| 45 | "  | 1,428,571    | 2021 | 50            | 20%                      | 80%   | 1   | Enterprise Fund              | 285,714   | 1,142,857                   |

**City of Camas  
Sewer Utility Rate Study  
Capital Improvement Program**

Project Costs and O&M Impacts in Year: **2008**

(Project costs are escalated using Construction Cost Inflation assumptions)

| No | Description           | Current Cost | Year | Life in Years | For CFC Calculation   |       | Specific Funding Source<br>Enterprise Fund, 2-Grants &<br>Developer Donations | 1-              | Upgrade / Expansion | R&R       | TOTAL ESCALATED COSTS |
|----|-----------------------|--------------|------|---------------|-----------------------|-------|---|-----------------|---------------------|-----------|-----------------------|
|    |                       |              |      |               | % Upgrade / Expansion | % R&R |   |                 |                     |           |                       |
| 46 | "                     | 1,428,571    | 2022 | 50            | 20%                   | 80%   | 1   | Enterprise Fund | 285,714             | 1,142,857 | 2,473,823             |
| 47 | "                     | 1,428,571    | 2023 | 50            | 20%                   | 80%   | 1   | Enterprise Fund | 285,714             | 1,142,857 | 2,572,776             |
| 48 | "                     | 1,428,571    | 2024 | 50            | 20%                   | 80%   | 1   | Enterprise Fund | 285,714             | 1,142,857 | 2,675,687             |
| 49 | "                     | 1,714,286    | 2025 | 50            | 20%                   | 80%   | 1   | Enterprise Fund | 342,857             | 1,371,429 | 3,339,258             |
| 50 | "                     | 1,714,286    | 2026 | 50            | 20%                   | 80%   | 1   | Enterprise Fund | 342,857             | 1,371,429 | 3,472,828             |
| 51 | "                     | 1,714,286    | 2027 | 50            | 20%                   | 80%   | 1   | Enterprise Fund | 342,857             | 1,371,429 | 3,611,741             |
| 52 | "                     | 1,714,286    | 2028 | 50            | 20%                   | 80%   | 1   | Enterprise Fund | 342,857             | 1,371,429 | -                     |
| 53 | "                     | 1,714,286    | 2029 | 50            | 20%                   | 80%   | 1   | Enterprise Fund | 342,857             | 1,371,429 | -                     |
| 54 | "                     | 1,714,286    | 2030 | 50            | 20%                   | 80%   | 1   | Enterprise Fund | 342,857             | 1,371,429 | -                     |
| 55 | "                     | 1,714,286    | 2031 | 50            | 20%                   | 80%   | 1   | Enterprise Fund | 342,857             | 1,371,429 | -                     |
| 56 | PUMP STATION UPGRADES | 250,000      | 2010 | 50            | 10%                   | 90%   | 1   | Enterprise Fund | 25,000              | 225,000   | 280,900               |
| 57 | "                     | 250,000      | 2011 | 50            | 10%                   | 90%   | 1   | Enterprise Fund | 25,000              | 225,000   | 297,754               |
| 58 | "                     | 250,000      | 2012 | 50            | 10%                   | 90%   | 1   | Enterprise Fund | 25,000              | 225,000   | 315,619               |
| 59 | "                     | 250,000      | 2013 | 50            | 10%                   | 90%   | 1   | Enterprise Fund | 25,000              | 225,000   | 334,556               |
| 60 | "                     | 250,000      | 2014 | 50            | 10%                   | 90%   | 1   | Enterprise Fund | 25,000              | 225,000   | 354,630               |
| 61 | "                     | 250,000      | 2015 | 50            | 10%                   | 90%   | 1   | Enterprise Fund | 25,000              | 225,000   | 375,908               |
| 62 | "                     | 250,000      | 2016 | 50            | 10%                   | 90%   | 1   | Enterprise Fund | 25,000              | 225,000   | 398,462               |
| 63 | "                     | 250,000      | 2017 | 50            | 10%                   | 90%   | 1   | Enterprise Fund | 25,000              | 225,000   | 355,828               |
| 64 | "                     | 250,000      | 2018 | 50            | 10%                   | 90%   | 1   | Enterprise Fund | 25,000              | 225,000   | 370,061               |
| 65 | "                     | 250,000      | 2019 | 50            | 10%                   | 90%   | 1   | Enterprise Fund | 25,000              | 225,000   | 384,864               |
| 66 | "                     | 250,000      | 2020 | 50            | 10%                   | 90%   | 1   | Enterprise Fund | 25,000              | 225,000   | 400,258               |

**City of Camas  
Sewer Utility Rate Study  
Capital Improvement Program**

Project Costs and O&M Impacts in Year: **2008**

(Project costs are escalated using Construction Cost Inflation assumptions)

| No                                       | Description  | Current Cost          | Year | Life in Years | For CFC Calculation      |            | Specific Funding Source<br>Enterprise Fund, 2-Grants &<br>Developer Donations | 1-              | Upgrade /<br>Expansion | R&R                  | TOTAL<br>ESCALATED<br>COSTS |                       |
|--|--|-----------------------|------|---------------|--------------------------|------------|---|-----------------|------------------------|----------------------|-----------------------------|-----------------------|
|  |  |                       |      |               | % Upgrade /<br>Expansion | % R&R      |   |                 |                        |                      |                             |                       |
| 67                                       | STP UPGRADE CLOSE-OUT (15%)                          | 850,000               | 2012 | 50            | 50%                      | 50%        | 1   | Enterprise Fund |                        | 425,000              | 425,000                     | 850,000               |
| 68                                       | STEP BYPASS LINE, PH. I NUGAE                        | 1,500,000             | 2014 | 50            | 100%                     | 0%         | 1   | Enterprise Fund |                        | 1,500,000            | -                           | 2,127,779             |
| 69                                       | STEP BYPASS LINE, PH. II (SR-14?) NUGAE              | 1,700,000             | 2015 | 50            | 100%                     | 0%         | 1   | Enterprise Fund |                        | 1,700,000            | -                           | 2,556,171             |
| 70                                       | "  | 250,000               | 2016 | 50            | 100%                     | 0%         | 1   | Enterprise Fund |                        | 250,000              | -                           | 398,462               |
| 71                                       | TRANSMISSION TRUNK (WEST) TO MAIN STATION            | 1,500,000             | 2011 | 50            | 0%                       | 100%       | 1   | Enterprise Fund |                        | -                    | 1,500,000                   | 1,786,524             |
| 72                                       | PARKER PUMP STATION REPLACEMENT                      | 1,500,000             | 2014 | 50            | 30%                      | 70%        | 1   | Enterprise Fund |                        | 450,000              | 1,050,000                   | 2,127,779             |
| 73                                       | WWTF PLAN UPDATE                                     | 400,000               | 2013 | 50            | 50%                      | 50%        | 1   | Enterprise Fund |                        | 200,000              | 200,000                     | 535,290               |
| 74                                       | "  | 400,000               | 2021 | 50            | 50%                      | 50%        | 1   | Enterprise Fund |                        | 200,000              | 200,000                     | 666,029               |
| 75                                       | 38th AVENUE SEWER LINE                               | 750,000               | 2010 | 50            | 100%                     | 0%         | 1   | Enterprise Fund |                        | 750,000              | -                           | 842,700               |
| 76                                       | STP UPGRADE: EQUIPMENT REPLACE                       | 5,000,000             | 2015 | 50            | 0%                       | 100%       | 1   | Enterprise Fund |                        | -                    | 5,000,000                   | 7,518,151             |
| 77                                       | STP UPGRADE: DEMO G.P. CONNECTIONS RELAY ADAMS (UPS) | 1,000,000             | 2021 | 50            | 0%                       | 100%       | 1   | Enterprise Fund |                        | -                    | 1,000,000                   | 1,665,074             |
| 78                                       | TREATMENT PLAN EXPANSION (new plant)                 | 20,026,000            | 2021 | 50            | 100%                     | 0%         | 1   | Enterprise Fund |                        | 20,026,000           | -                           | 33,344,762            |
| 79                                       | "  |                       |      |               | 100%                     | 0%         | 1   | Enterprise Fund |                        | -                    | -                           | -                     |
| <b>Total Capital Projects</b>            |  | <b>\$ 109,276,000</b> |      |               | <b>56%</b>               | <b>44%</b> |   |                 |                        | <b>\$ 55,368,000</b> | <b>\$ 47,808,000</b>        | <b>\$ 141,488,102</b> |
| Total Upgrade/Expansion Projects         |  |                       |      |               |                          |            |   |                 |                        |                      |                             | 81,177,244            |
| Total R&R Projects                       |  |                       |      |               |                          |            |   |                 |                        |                      |                             | 60,308,858            |
| Projects by Grants / Developer Donations |  |                       |      |               |                          |            |   |                 |                        | 13,700,000           | -                           | 21,479,880            |
| Projects by Enterprise Fund              |  |                       |      |               |                          |            |   |                 |                        | 41,668,000           | 47,808,000                  | 120,006,222           |

| Year         | 2008 \$           | Inflated          |
|--------------|-------------------|-------------------|
| 2008         | 1,950,000         | 1,950,000         |
| 2009         | 2,200,000         | 2,212,000         |
| 2010         | 8,000,000         | 8,123,600         |
| 2011         | 7,750,000         | 8,084,278         |
| 2012         | 4,600,000         | 4,928,096         |
| 2013         | 650,000           | 869,847           |
| <b>Total</b> | <b>25,150,000</b> | <b>28,187,821</b> |

**City of Camas  
Sewer Utility Rate Study  
Existing Debt Input**

**Existing Debt Service - Revenue Bonds**

|   | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Water &amp; Sewer Revenue Bonds</b>                  | 26.00%     |            |            |            |            |            |            |            |            |            |
| Annual Interest Payment                                 | \$ 64,999  | \$ 62,955  | \$ 60,800  | \$ 58,535  | \$ 56,215  | \$ 53,355  | \$ 50,365  | \$ 47,245  | \$ 43,930  | \$ 40,485  |
| Annual Principal Payment                                | 48,100     | 50,700     | 53,300     | 54,600     | 57,200     | 59,800     | 62,400     | 66,300     | 68,900     | 72,800     |
| Total Annual Payment                                    | \$ 113,099 | \$ 113,655 | \$ 114,100 | \$ 113,135 | \$ 113,415 | \$ 113,155 | \$ 112,765 | \$ 113,545 | \$ 112,830 | \$ 113,285 |
| Use of Debt reserve for Debt Service                    | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>Water and Sewer Revenue and Refunding Bonds 1998</b> | 100% Sewer |            |            |            |            |            |            |            |            |            |
| Annual Interest Payment                                 | \$ 137,514 | \$ 125,456 | \$ 111,498 | \$ 96,840  | \$ 81,473  | \$ 65,293  | \$ 47,971  | \$ 29,485  | \$ 10,013  | \$ -       |
| Annual Principal Payment                                | 265,000    | 335,000    | 350,000    | 365,000    | 380,000    | 395,000    | 415,000    | 430,000    | 450,000    | -          |
| Total Annual Payment                                    | \$ 402,514 | \$ 460,456 | \$ 461,498 | \$ 461,840 | \$ 461,473 | \$ 460,293 | \$ 462,971 | \$ 459,485 | \$ 460,013 | \$ -       |
| Use of Debt reserve for Debt Service                    | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>REVENUE BOND 3</b>                                   |            |            |            |            |            |            |            |            |            |            |
| Annual Interest Payment                                 | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Annual Principal Payment                                | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Total Annual Payment                                    | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Use of Debt reserve for Debt Service                    | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>REVENUE BOND 4</b>                                   |            |            |            |            |            |            |            |            |            |            |
| Annual Interest Payment                                 | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Annual Principal Payment                                | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Total Annual Payment                                    | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Use of Debt reserve for Debt Service                    | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>REVENUE BOND 5</b>                                   |            |            |            |            |            |            |            |            |            |            |
| Annual Interest Payment                                 | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Annual Principal Payment                                | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Total Annual Payment                                    | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Use of Debt Reserve for Debt Service                    | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>TOTAL REVENUE BONDS</b>                              |            |            |            |            |            |            |            |            |            |            |
| Annual Interest Payment                                 | \$ 202,513 | \$ 188,411 | \$ 172,298 | \$ 155,375 | \$ 137,687 | \$ 118,647 | \$ 98,336  | \$ 76,730  | \$ 53,942  | \$ 40,485  |
| Annual Principal Payment                                | 313,100    | 385,700    | 403,300    | 419,600    | 437,200    | 454,800    | 477,400    | 496,300    | 518,900    | 72,800     |
| Total Annual Payment                                    | \$ 515,613 | \$ 574,111 | \$ 575,598 | \$ 574,975 | \$ 574,887 | \$ 573,447 | \$ 575,736 | \$ 573,030 | \$ 572,842 | \$ 113,285 |
| Use of Debt reserve for Debt Service                    | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Annual Debt Reserve Target on Existing Revenue Bonds    | 575,736    | 575,736    | 575,736    | 575,736    | 575,736    | 575,736    | 575,736    | 573,030    | 572,842    | 113,610    |

**City of Camas**  
**Sewer Utility Rate Study**  
**Existing Debt Input**

**Existing Debt Service - PWTF Loans**

|   | 2008                                     | 2009         | 2010         | 2011         | 2012         | 2013         | 2014       | 2015       | 2016       | 2017       |
|---|--|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|
| <b>PW-07-962-PRE-104</b>                                    | 5-Year Loan was converted into a 20 Year |              |              |              |              |              |            |            |            |            |
| Annual Interest Payment                                     | \$ 3,385                                 | \$ 5,000     | \$ 4,750     | \$ 4,500     | \$ 4,250     | \$ 4,000     | \$ 3,750   | \$ 3,500   | \$ 3,250   | \$ 3,000   |
| Annual Principal Payment                                    |  | 50,000       | 50,000       | 50,000       | 50,000       | 50,000       | 50,000     | 50,000     | 50,000     | 50,000     |
| Total Annual Payment  | \$ 3,385                                 | \$ 55,000    | \$ 54,750    | \$ 54,500    | \$ 54,250    | \$ 54,000    | \$ 53,750  | \$ 53,500  | \$ 53,250  | \$ 53,000  |
|   |  | \$1,000,000  | \$950,000    | \$900,000    | \$850,000    | \$800,000    | \$750,000  | \$700,000  | \$650,000  | \$600,000  |
| <b>PW-99-791-006</b>  |  |              |              |              |              |              |            |            |            |            |
| Annual Interest Payment                                     | \$ 20,291                                | \$ 18,600    | \$ 16,909    | \$ 15,218    | \$ 13,527    | \$ 11,836    | \$ 10,146  | \$ 8,455   | \$ 6,764   | \$ 5,073   |
| Annual Principal Payment                                    | 169,092                                  | 169,092      | 169,092      | 169,092      | 169,092      | 169,092      | 169,092    | 169,092    | 169,092    | 169,092    |
| Total Annual Payment  | \$ 189,383                               | \$ 187,692   | \$ 186,001   | \$ 184,310   | \$ 182,619   | \$ 180,929   | \$ 179,238 | \$ 177,547 | \$ 175,856 | \$ 174,165 |
| <b>DOE Loan</b>   |  |              |              |              |              |              |            |            |            |            |
| Annual Interest Payment                                     | \$ 265,088                               | \$ 248,886   | \$ 232,012   | \$ 214,440   | \$ 196,140   | \$ 177,082   | \$ 157,234 | \$ 136,564 | \$ 115,039 | \$ 92,621  |
| Annual Principal Payment                                    | 391,170                                  | 407,372      | 424,245      | 441,818      | 460,118      | 479,176      | 499,024    | 519,693    | 541,219    | 563,637    |
| Total Annual Payment  | \$ 656,258                               | \$ 656,258   | \$ 656,258   | \$ 656,258   | \$ 656,258   | \$ 656,258   | \$ 656,258 | \$ 656,258 | \$ 656,258 | \$ 656,258 |
| <b>STP Clarifier (DOE Loan)</b>                             |  |              |              |              |              |              |            |            |            |            |
| Annual Interest Payment                                     | \$ 28,858                                | \$ 26,257    | \$ 23,542    | \$ 20,710    | \$ 17,754    | \$ 14,670    | \$ 11,452  | \$ 8,094   | \$ 4,590   | \$ 934     |
| Annual Principal Payment                                    | 59,856                                   | 62,457       | 65,172       | 68,004       | 70,960       | 74,044       | 77,262     | 80,620     | 84,124     | 87,823     |
| Total Annual Payment  | \$ 88,714                                | \$ 88,714    | \$ 88,714    | \$ 88,714    | \$ 88,714    | \$ 88,714    | \$ 88,714  | \$ 88,714  | \$ 88,714  | \$ 88,714  |
| <b>Public Works Trust Fund Loan</b>                         |  |              |              |              |              |              |            |            |            |            |
| Annual Interest Payment                                     | 50%                                      | \$ 400       | \$ 400       | \$ 300       | \$ 200       | \$ 100       | \$ -       | \$ -       | \$ -       | \$ -       |
| Annual Principal Payment                                    |  | 20,000       | 20,000       | 20,000       | 20,000       | 20,000       | -          | -          | -          | -          |
| Total Annual Payment  | \$ -                                     | \$ 20,400    | \$ 20,400    | \$ 20,300    | \$ 20,200    | \$ 20,100    | \$ -       | \$ -       | \$ -       | \$ -       |
| <b>Public Works Trust Fund Loan - WWTP Pre-Construction</b> |  |              |              |              |              |              |            |            |            |            |
| Annual Interest Payment                                     | \$ -                                     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -       | \$ -       | \$ -       | \$ -       |
| Annual Principal Payment                                    | -  | -            | -            | -            | -            | -            | -          | -          | -          | -          |
| Total Annual Payment  | \$ -                                     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -       | \$ -       | \$ -       | \$ -       |
| <b>Public Works Trust Fund Loan - WWTP Construction</b>     |  |              |              |              |              |              |            |            |            |            |
| Annual Interest Payment                                     | \$ -                                     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -       | \$ -       | \$ -       | \$ -       |
| Annual Principal Payment                                    | -  | -            | -            | -            | -            | -            | -          | -          | -          | -          |
| Total Annual Payment  | \$ -                                     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -       | \$ -       | \$ -       | \$ -       |
| <b>TOTAL PWTF LOANS</b>                                     |  |              |              |              |              |              |            |            |            |            |
| Annual Interest Payment                                     | \$ 317,623                               | \$ 299,143   | \$ 277,614   | \$ 255,168   | \$ 231,871   | \$ 207,688   | \$ 182,581 | \$ 156,613 | \$ 129,642 | \$ 101,627 |
| Annual Principal Payment                                    | 620,118                                  | 708,921      | 728,509      | 748,914      | 770,170      | 792,312      | 795,378    | 819,406    | 844,436    | 826,152    |
| Total Annual Payment  | \$ 937,740                               | \$ 1,008,064 | \$ 1,006,123 | \$ 1,004,082 | \$ 1,002,041 | \$ 1,000,000 | \$ 977,959 | \$ 976,018 | \$ 974,078 | \$ 927,780 |

# City of Camas

## Sewer Utility Rate Study

### Capital Funding Analysis

| <b>Summary of Expenditures</b>    | <b>2008</b>         | <b>2009</b>         | <b>2010</b>         | <b>2011</b>         | <b>2012</b>         | <b>2013</b>       | <b>2008 - 2015<br/>TOTAL</b> |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|------------------------------|
| <b>CAPITAL PROJECTS</b>           |                     |                     |                     |                     |                     |                   |                              |
| Improvement Upgrades & Expansions | \$ 72,000           | \$ 421,200          | \$ 4,370,790        | \$ 3,029,775        | \$ 2,464,048        | \$ 301,101        | \$ 10,658,914                |
| Repairs and Replacements          | 1,878,000           | 1,790,800           | 3,752,810           | 5,054,503           | 2,464,048           | 568,746           | 15,508,907                   |
| <b>TOTAL CAPITAL EXPENDITURES</b> | <b>\$ 1,950,000</b> | <b>\$ 2,212,000</b> | <b>\$ 8,123,600</b> | <b>\$ 8,084,278</b> | <b>\$ 4,928,096</b> | <b>\$ 869,847</b> | <b>\$ 26,167,821</b>         |

| <b>Capital Financing Plan</b>                 | <b>2008</b>  | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>TOTAL</b> |
|---|--------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Existing PWTF/ Bond Proceeds                  | \$ 1,435,200 | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 1,435,200 |
| Project Specific Grants / Developer Donations | 250,000      | -           | -           | -           | -           | -           | 250,000      |
| Project to be Funded                          | 264,800      | 2,212,000   | 8,123,600   | 8,084,278   | 4,928,096   | 869,847     | 24,482,621   |

#### **OTHER FUNDING SOURCES [NOTE A]**

|                                 |          |           |           |             |             |           |              |
|---------------------------------|----------|-----------|-----------|-------------|-------------|-----------|--------------|
| Other Outside Sources           |          |           |           |             |             |           | \$ -         |
| PWTF Loan Proceeds              |          | 2,020,000 | 7,980,000 |             |             |           | 10,000,000   |
| Other Loan Proceeds             |          |           |           |             |             |           | -            |
| Connection Charges              | 186,163  | 186,163   | 186,163   | 186,163     | 186,163     | 186,163   | 1,116,979    |
| Rate Funded System Reinvestment | -        | -         | -         | -           | -           | -         | -            |
| Capital Fund Balance Deficiency | (78,637) | (5,837)   | -         | (7,898,115) | (4,741,933) | (683,683) | (13,408,205) |
| Capital Fund Balance            | 78,637   | 5,837     | -         | 540,169     | 222,303     | 366,744   | 1,213,689    |
| Capital Fund Balance Deficiency | -        | -         | -         | (7,357,946) | (4,519,630) | (316,940) | (12,194,516) |
| Revenue Bond Proceeds [Note B]  | -        | -         | -         | 7,550,000   | 4,720,000   | 520,000   | 12,790,000   |
| Rates                           |          |           |           |             |             |           |              |
| Total                           |          |           |           |             |             |           |              |

# City of Camas

## Sewer Utility Rate Study

### Revenue Requirements Analysis

| <b>Cash Flow Sufficiency Test</b>                    | <b>2008</b>         | <b>2009</b>         | <b>2010</b>           | <b>2011</b>           | <b>2012</b>           | <b>2013</b>           |
|--|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>EXPENSES</b>                                      |                     |                     |                       |                       |                       |                       |
| Cash Operating Expenses                              | \$ 2,685,081        | \$ 2,808,285        | \$ 2,914,495          | \$ 3,025,097          | \$ 3,140,399          | \$ 3,260,227          |
| Existing Debt Service                                | 1,453,353           | 1,582,175           | 1,581,721             | 1,579,057             | 1,576,928             | 1,573,447             |
| New Debt Service                                     | -                   | 10,100              | 156,316               | 1,249,112             | 1,667,422             | 1,711,165             |
| Rate-Funded CIP                                      | -                   | -                   | -                     | -                     | -                     | -                     |
| Rate Funded System Reinvestment                      | -                   | -                   | -                     | -                     | -                     | -                     |
| Additions Required to Meet Minimum Op. Fund Balance  | -                   | -                   | -                     | -                     | -                     | -                     |
| <b>Total Expenses</b>                                | <b>\$ 4,138,434</b> | <b>\$ 4,400,561</b> | <b>\$ 4,652,532</b>   | <b>\$ 5,853,266</b>   | <b>\$ 6,384,749</b>   | <b>\$ 6,544,840</b>   |
| <b>REVENUES</b>                                      |                     |                     |                       |                       |                       |                       |
| Rate Revenue   | \$ 3,380,654        | \$ 3,431,364        | \$ 3,482,834          | \$ 3,535,077          | \$ 3,588,103          | \$ 3,641,924          |
| Other Revenue  | 127,500             | 131,516             | 135,658               | 139,930               | 144,337               | 148,883               |
| Operating Fund & Debt Reserve Fund Interest Earnings | 125,000             | 5,477               | 5,761                 | 14,994                | 36,352                | 50,403                |
| <b>Total Revenue</b>                                 | <b>\$ 3,633,154</b> | <b>\$ 3,568,356</b> | <b>\$ 3,624,253</b>   | <b>\$ 3,690,001</b>   | <b>\$ 3,768,792</b>   | <b>\$ 3,841,211</b>   |
| <b>NET CASH FLOW (DEFICIENCY)</b>                    | <b>\$ (505,280)</b> | <b>\$ (832,204)</b> | <b>\$ (1,028,279)</b> | <b>\$ (2,163,265)</b> | <b>\$ (2,615,957)</b> | <b>\$ (2,703,629)</b> |

80,243

| <b>Coverage Sufficiency Test</b>          | <b>2008</b>         | <b>2009</b>         | <b>2010</b>         | <b>2011</b>         | <b>2012</b>           | <b>2013</b>           |
|---|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|
| <b>EXPENSES</b>                           |                     |                     |                     |                     |                       |                       |
| Cash Operating Expenses                   | \$ 2,685,081        | \$ 2,808,285        | \$ 2,914,495        | \$ 3,025,097        | \$ 3,140,399          | \$ 3,260,227          |
| Revenue Bond Debt Service                 | 515,613             | 574,111             | 575,598             | 1,248,303           | 1,669,156             | 1,714,091             |
| Revenue Bond Coverage Requirement at 1.25 | 128,903             | 143,528             | 143,899             | 312,076             | 417,289               | 428,523               |
| <b>Total Expenses</b>                     | <b>\$ 3,329,597</b> | <b>\$ 3,525,925</b> | <b>\$ 3,633,992</b> | <b>\$ 4,585,475</b> | <b>\$ 5,226,844</b>   | <b>\$ 5,402,841</b>   |
| <b>ALLOWABLE REVENUES</b>                 |                     |                     |                     |                     |                       |                       |
| Rate Revenue                              | \$ 3,380,654        | \$ 3,431,364        | \$ 3,482,834        | \$ 3,535,077        | \$ 3,588,103          | \$ 3,641,924          |
| Other Revenue                             | 127,500             | 131,516             | 135,658             | 139,930             | 144,337               | 148,883               |
| Interest Earnings - All Funds             | 125,000             | 11,736              | 12,034              | 31,899              | 42,891                | 56,879                |
| <b>Total Revenue</b>                      | <b>\$ 3,633,154</b> | <b>\$ 3,574,616</b> | <b>\$ 3,630,526</b> | <b>\$ 3,706,906</b> | <b>\$ 3,775,332</b>   | <b>\$ 3,847,686</b>   |
| Coverage Realized                         | 1.84                | 1.33                | 1.24                | 0.55                | 0.38                  | 0.34                  |
| <b>COVERAGE SURPLUS (DEFICIENCY)</b>      | <b>\$ 303,557</b>   | <b>\$ 48,691</b>    | <b>\$ (3,467)</b>   | <b>\$ (878,569)</b> | <b>\$ (1,451,513)</b> | <b>\$ (1,555,155)</b> |

# City of Camas

## Sewer Utility Rate Study

### Revenue Requirements Analysis

| <b>Maximum Revenue Deficiency</b>           | <b>2008</b>       | <b>2009</b>       | <b>2010</b>  | <b>2011</b>       | <b>2012</b>       | <b>2013</b>     |
|---|-------------------|-------------------|--------------|-------------------|-------------------|-----------------|
| Sufficiency Test Driving the Deficiency     | <i>Cash</i>       | <i>Cash</i>       | <i>Cash</i>  | <i>Cash</i>       | <i>Cash</i>       | <i>Cash</i>     |
| Maximum Deficiency From Tests               | \$ 505,280        | \$ 832,204        | \$ 1,028,279 | \$ 2,163,265      | \$ 2,615,957      | \$ 2,703,629    |
| less: Net Revenue From Prior Rate Increases |                   | -                 | (1,138,550)  | (1,638,408)       | (2,204,949)       | (2,697,196)     |
| Revenue Deficiency                          | \$ 505,280        | \$ 832,204        | \$ -         | \$ 524,856        | \$ 411,008        | \$ 6,433        |
| Plus: Adjustment for State Excise Tax       | 20,243            | 33,341            | -            | 21,027            | 16,466            | 258             |
| <b>Total Revenue Deficiency</b>             | <b>\$ 525,523</b> | <b>\$ 865,545</b> | <b>\$ -</b>  | <b>\$ 545,884</b> | <b>\$ 427,474</b> | <b>\$ 6,690</b> |

| <b>Rate Increases</b>   | <b>2008</b>  | <b>2009</b>   | <b>2010</b>   | <b>2011</b>   | <b>2012</b>   | <b>2013</b>   |
|---|--------------|---------------|---------------|---------------|---------------|---------------|
| Rate Revenue with no Increase                                 | \$ 3,380,654 | \$ 3,431,364  | \$ 3,482,834  | \$ 3,535,077  | \$ 3,588,103  | \$ 3,641,924  |
| Revenues from Prior Rate Increases                            | -            | -             | 1,184,164     | 1,704,048     | 2,293,287     | 2,805,255     |
| Rate Revenue Before Rate Increase (Incl. previous increases)  | 3,380,654    | 3,431,364     | 4,666,998     | 5,239,125     | 5,881,390     | 6,447,179     |
| Required Annual Rate Increase                                 | 15.55%       | 25.22%        | 0.00%         | 10.42%        | 7.27%         | 0.10%         |
| Number of Months New Rates Will Be In Effect                  | 12           | 9             | 12            | 12            | 12            | 12            |
| <i>Info: Percentage Increase to Generate Required Revenue</i> | 15.55%       | 33.63%        | 0.00%         | 10.42%        | 7.27%         | 0.10%         |
| <b>Policy Induced Rate Increases</b>                          | 0.00%        | 34.00%        | 10.60%        | 10.60%        | 8.00%         | 3.00%         |
| <b>ANNUAL RATE INCREASE</b>                                   | <b>0.00%</b> | <b>34.00%</b> | <b>10.60%</b> | <b>10.60%</b> | <b>8.00%</b>  | <b>3.00%</b>  |
| <b>CUMULATIVE RATE INCREASE</b>                               | <b>0.00%</b> | <b>34.00%</b> | <b>48.20%</b> | <b>63.91%</b> | <b>77.03%</b> | <b>82.34%</b> |

4.78%

| <b>Impacts of Rate Increases</b>                   | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Rate Revenues After Rate Increase                  | \$ 3,380,654 | \$ 4,306,362 | \$ 5,161,700 | \$ 5,794,472 | \$ 6,351,901 | \$ 6,640,595 |
| <i>Full Year Rate Revenues After Rate Increase</i> | 3,380,654    | 4,598,028    | 5,161,700    | 5,794,472    | 6,351,901    | 6,640,595    |
| Additional State Taxes Due to Rate Increases       | -            | 33,705       | 64,670       | 87,032       | 106,461      | 115,509      |
| Net Cash Flow After Rate Increase                  | (505,280)    | 9,088        | 585,917      | 9,099        | 41,379       | 179,532      |
| Coverage After Rate Increase                       | 1.84         | 2.80         | 4.05         | 2.29         | 1.97         | 2.02         |

# City of Camas

## Sewer Utility Rate Study

### Fund Activity

| <b>Funds</b>   | <b>2008</b>         | <b>2009</b>       | <b>2010</b>       | <b>2011</b>       | <b>2012</b>       | <b>2013</b>       |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>OPERATING FUND</b>                                      |                     |                   |                   |                   |                   |                   |
| Beginning Balance  | \$ 479,154          | \$ 175,000        | \$ 184,088        | \$ 479,095        | \$ 488,194        | \$ 516,230        |
| plus: Net Cash Flow after Rate Increase                    | (505,280)           | 9,088             | 585,917           | 9,099             | 41,379            | 179,532           |
| less: Transfer of Surplus to Capital Fund                  | -                   | -                 | (290,910)         | -                 | (13,343)          | (159,835)         |
| Ending Balance   | \$ (26,127)         | \$ 184,088        | \$ 479,095        | \$ 488,194        | \$ 516,230        | \$ 535,928        |
| <i>Minimum Target Balance</i>                              | 441,383             | 461,636           | 479,095           | 497,276           | 516,230           | 535,928           |
| <i>Maximum Funds to be Kept as Operating Reserves</i>      | 441,383             | 461,636           | 479,095           | 497,276           | 516,230           | 535,928           |
| <i>Info: No of Days of Cash Operating Expenses</i>         | (4)                 | 24                | 60                | 59                | 60                | 60                |
| <b>CAPITAL FUND</b>  |                     |                   |                   |                   |                   |                   |
| Beginning Balance  | \$ 1,052,178        | \$ 200,000        | \$ 200,423        | \$ 540,169        | \$ 208,959        | \$ 206,909        |
| plus: Rate Funded System Reinvestment                      | -                   | -                 | -                 | -                 | -                 | -                 |
| plus: Grants / Developer Donations / Other Outside Sources | 250,000             | -                 | -                 | -                 | -                 | -                 |
| plus: Existing / New PWTF / Existing Bond Proceeds         | 1,435,200           | 2,020,000         | 7,980,000         | -                 | -                 | -                 |
| plus: System Development Charges                           | 186,163             | 186,163           | 186,163           | 186,163           | 186,163           | 186,163           |
| plus: Net Debt Proceeds Available for Projects             | -                   | -                 | -                 | 7,550,000         | 4,720,000         | 520,000           |
| plus: Interest Earnings                                    | 32,930              | 6,259             | 6,273             | 16,905            | 6,540             | 6,476             |
| plus: Transfer of Surplus from Operating Fund              | -                   | -                 | 290,910           | -                 | 13,343            | 159,835           |
| plus: Direct Rate Funding                                  | -                   | -                 | -                 | -                 | -                 | -                 |
| Total Capital Funding Sources                              | <b>2,956,471</b>    | <b>2,412,423</b>  | <b>8,663,769</b>  | <b>8,293,237</b>  | <b>5,135,006</b>  | <b>1,079,383</b>  |
| less: Capital Expenditures                                 | (1,950,000)         | (2,212,000)       | (8,123,600)       | (8,084,278)       | (4,928,096)       | (869,847)         |
| Ending Balance   | \$ <b>1,006,471</b> | \$ <b>200,423</b> | \$ <b>540,169</b> | \$ <b>208,959</b> | \$ <b>206,909</b> | \$ <b>209,536</b> |
| <i>Minimum Target Balance</i>                              | \$ 200,000          | \$ 200,000        | \$ 200,000        | \$ 200,000        | \$ 200,000        | \$ 200,000        |
| <b>DEBT RESERVE</b>  |                     |                   |                   |                   |                   |                   |
| Beginning Balance  | \$ -                | \$ -              | \$ -              | \$ -              | \$ 673,328        | \$ 1,094,269      |
| plus: Reserve Funding from New Debt                        | -                   | -                 | -                 | 673,328           | 420,941           | 46,375            |
| less: Use of Reserves for Debt Service                     | -                   | -                 | -                 | -                 | -                 | -                 |
| Ending Balance   | \$ -                | \$ -              | \$ -              | \$ 673,328        | \$ 1,094,269      | \$ 1,140,644      |
| <i>Minimum Target Balance</i>                              | 575,736             | 575,736           | 575,736           | 1,249,063         | 1,670,005         | 1,716,380         |

# STORM WATER SYSTEM

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# City of Camas Storm Utility Rate Study Summary

| Revenue Requirements                     | 2008               | 2009                | 2010                | 2011                | 2012                | 2013                |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                          |                    |                     |                     |                     |                     |                     |
| Rate Revenues Under Existing Rates       | \$ 517,142         | \$ 527,485          | \$ 538,034          | \$ 548,795          | \$ 559,771          | \$ 570,966          |
| Non-Rate Revenues                        | 35,000             | -                   | -                   | -                   | 1,057               | 2,237               |
| <b>Total Revenues</b>                    | <b>\$ 552,142</b>  | <b>\$ 527,485</b>   | <b>\$ 538,034</b>   | <b>\$ 548,795</b>   | <b>\$ 560,828</b>   | <b>\$ 573,203</b>   |
| <b>Expenses</b>                          |                    |                     |                     |                     |                     |                     |
| Cash Operating Expenses                  | \$ 322,726         | \$ 473,761          | \$ 571,805          | \$ 586,028          | \$ 600,678          | \$ 615,767          |
| Street Cleaning                          | 132,421            | 138,831             | 138,391             | 142,338             | 146,405             | 150,593             |
| Administration / Taxes                   | 57,300             | 97,754              | 136,407             | 119,519             | 122,583             | 125,739             |
| Existing Debt Service                    | -                  | -                   | -                   | -                   | -                   | -                   |
| New Debt Service                         | -                  | -                   | -                   | -                   | -                   | -                   |
| Rate Funded CIP                          | 56,000             | 30,300              | 112,360             | 119,102             | 189,372             | 347,550             |
| <b>Total Expenses</b>                    | <b>\$ 568,447</b>  | <b>\$ 740,646</b>   | <b>\$ 958,963</b>   | <b>\$ 966,987</b>   | <b>\$ 1,059,038</b> | <b>\$ 1,239,649</b> |
| <b>Net Surplus (Deficiency)</b>          | <b>\$ (16,305)</b> | <b>\$ (213,161)</b> | <b>\$ (420,928)</b> | <b>\$ (418,192)</b> | <b>\$ (498,209)</b> | <b>\$ (666,446)</b> |
| % of Rate Revenue                        | 3.15%              | 40.41%              | 78.23%              | 76.20%              | 89.00%              | 116.72%             |
| <b>Annual Rate Adjustment</b>            | <b>0.00%</b>       | <b>55.00%</b>       | <b>20.00%</b>       | <b>20.00%</b>       | <b>3.00%</b>        | <b>3.00%</b>        |
| Rate Revenues After Rate Increase        | \$ 517,142         | \$ 745,072          | \$ 1,000,744        | \$ 1,224,911        | \$ 1,286,891        | \$ 1,352,008        |
| Additional Taxes from Rate Increase      | \$ -               | \$ 3,264            | \$ 6,941            | \$ 10,142           | \$ 10,907           | \$ 11,716           |
| <b>Net Cash Flow After Rate Increase</b> | <b>(16,305)</b>    | <b>1,162</b>        | <b>34,841</b>       | <b>247,782</b>      | <b>218,004</b>      | <b>102,880</b>      |
| Coverage After Rate Increases            | n/a                | n/a                 | n/a                 | n/a                 | n/a                 | n/a                 |
| Sample Monthly Residential Bill (1 EDU)  | \$ 4.45            | \$ 6.89             | \$ 8.27             | \$ 9.92             | \$ 10.22            | \$ 10.53            |
| Monthly Increase                         | \$ -               | \$ 2.45             | \$ 1.38             | \$ 1.65             | \$ 0.30             | \$ 0.31             |

**Notes:**

No revenue from NUGAE growth is assumed in the study period  
2009 increase is in effect for 9 month (effective April)

# City of Camas

## Storm Utility Rate Study

### Summary

| Fund Balance   | 2008        | 2009         | 2010         | 2011         | 2012       | 2013       |
|--|-------------|--------------|--------------|--------------|------------|------------|
| <b>Operating:</b>  |             |              |              |              |            |            |
| Beginning Balance  | \$ (58,653) | \$ (250,000) | \$ (248,838) | \$ (213,997) | \$ 33,785  | \$ 71,479  |
| Net Cash Flow after Rate Increase                              | (16,305)    | 1,162        | 34,841       | 247,782      | 218,004    | 102,880    |
| Transfer of Surplus to Capital Fund                            | -           | -            | -            | -            | (180,309)  | (101,036)  |
| Ending Balance   | \$ (74,958) | \$ (248,838) | \$ (213,997) | \$ 33,785    | \$ 71,479  | \$ 73,323  |
| 30 Day Target  | \$ 42,119   | \$ 58,385    | \$ 69,584    | \$ 69,689    | \$ 71,479  | \$ 73,323  |
|  | (53)        | (128)        | (92)         | 15           | 30         | 30         |
| <b>Capital - Non FB</b>  |             |              |              |              |            |            |
| Beginning Balance  | \$ (36,000) | \$ (25,000)  | \$ -         | \$ -         | \$ 0       | \$ 180,310 |
| plus: Rate Funded System Reinvestment                          | -           | -            | -            | -            | -          | -          |
| plus: Grants / Developer Donations / Other Outside Sources     | 75,000      | -            | -            | -            | -          | -          |
| plus: Existing Revenue Bond and PWTF and Proceeds              | -           | -            | -            | -            | -          | -          |
| plus: System Development Charges                               | -           | -            | -            | -            | -          | -          |
| plus: Net Debt Proceeds Available for Projects                 | -           | -            | -            | -            | -          | -          |
| plus: Transfers from FB Capital Fund for FB Projects           | 220,000     | 68,900       | 95,506       | 279,889      | 170,434    | 247,961    |
| plus: Rate Funded CIP  | 56,000      | 30,300       | 112,360      | 119,102      | 189,372    | 347,550    |
| plus: Interest Earnings  | -           | -            | -            | -            | 0          | 5,643      |
| plus: Transfer of Surplus from Operating Fund                  | -           | -            | -            | -            | 180,309    | 101,036    |
| Total Capital Funding Sources                                  | 315,000     | 74,200       | 207,866      | 398,991      | 540,116    | 882,500    |
| less: Capital Expenditures                                     | (315,000)   | (74,200)     | (207,866)    | (398,990)    | (359,806)  | (595,510)  |
| Ending Balance   | -           | -            | -            | 0            | 180,310    | 286,990    |
| <b>Capital - FB</b>  |             |              |              |              |            |            |
| Beginning Balance  | \$ 853,937  | \$ 775,000   | \$ 730,355   | \$ 657,706   | \$ 398,402 | \$ 240,436 |
| plus: Reserve Funding from New Debt                            | 26,725      | 24,255       | 22,858       | 20,584       | 12,469     | 7,525      |
| less: Transfer to Non-Fisher Basin Capital Fund for FB Capital | (220,000)   | (68,900)     | (95,506)     | (279,889)    | (170,434)  | (247,961)  |
| Ending Balance   | \$ 660,662  | \$ 730,355   | \$ 657,706   | \$ 398,402   | \$ 240,436 | \$ -       |

# City of Camas

## Storm Utility Rate Study

### Assumptions

#### Economic & Financial Factors

|  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  |
|--|-------|-------|-------|-------|-------|-------|-------|
| 1 General Cost Inflation                     | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% |
| 2 Construction Cost Inflation                | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| 3 Labor Cost Inflation                       | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| 4 Customer Growth                            | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| 5 General Inflation plus Growth              | 5.21% | 5.21% | 5.21% | 5.21% | 5.21% | 5.21% | 5.21% |
| 6 Connection Charge Tax                      | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 8 No Escalation                              | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Fund Earnings (5-year average of the LWGSIP) | 3.13% | 3.13% | 3.13% | 3.13% | 3.13% | 3.13% | 3.13% |
| Local / State Excise Tax                     | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| State B&O Tax                                | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |

#### Accounting Assumptions

##### FISCAL POLICY RESTRICTIONS

|  | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|------|------|------|------|------|------|------|
| Min. Op. Fund Balance Target (days of O&M expense) | 30   | 30   | 30   | 30   | 30   | 30   | 30   |
| Max. Op. Fund Balance (days of O&M expense)        | 30   | 30   | 30   | 30   | 30   | 30   | 30   |

##### Minimum Capital Fund Balance Target

|  |   |
|--|---|
| Select Minimum Capital Fund Balance Target | 1 |
|--|---|

Defined as % of Plant

1 - Defined as % of Plant

Plant-in-Service in 2007 \$ 10,770,683

Minimum Capital Fund Balance - % of plant assets

|  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  |
|--|-------|-------|-------|-------|-------|-------|-------|
| Minimum Capital Fund Balance - % of plant assets | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

2 - Amount at Right ==>

|                         |      |      |      |      |      |      |      |
|-------------------------|------|------|------|------|------|------|------|
| 2 - Amount at Right ==> | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
|-------------------------|------|------|------|------|------|------|------|

##### RATE FUNDED SYSTEM REINVESTMENT

|                                      |   |
|--------------------------------------|---|
| Select Reinvestment Funding Strategy | 3 |
|--------------------------------------|---|

User Input

##### Amount of Annual Cash Funding from Rates

1 - Equal to Annual Depreciation Expense

2 - Equal to Annual Depreciation Expense less Annual Debt Principal Payments

3 - Equal to Amount at Right ==>

|                                  |      |      |      |      |      |      |      |
|----------------------------------|------|------|------|------|------|------|------|
| 3 - Equal to Amount at Right ==> | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
|----------------------------------|------|------|------|------|------|------|------|

4 - Do Not Fund System Reinvestment

# City of Camas

## Storm Utility Rate Study

### Assumptions

#### Capital Financing Assumptions

|                                   | 2008     | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------------------|----------|------|------|------|------|------|------|
| <b>System Development Charges</b> |          |      |      |      |      |      |      |
| <b>Select SDC Alternative</b>     | <b>1</b> |      |      |      |      |      |      |
| 1 - User Input (Current Charge)   | \$ -     |      |      |      |      |      |      |
| 2 - Calculated Charge             | \$ -     |      |      |      |      |      |      |
| Total Customer Equivalents        | -        | -    | -    | -    | -    | -    | -    |
| Connection Charge                 | \$ -     | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Current Charge is in use

#### REVENUE BONDS

|                                   |             |       |       |       |       |       |       |
|-----------------------------------|-------------|-------|-------|-------|-------|-------|-------|
| Term (years)                      | 20          | 20    | 20    | 20    | 20    | 20    | 20    |
| Interest Cost                     | 5.00%       | 5.60% | 5.60% | 5.00% | 5.00% | 5.00% | 5.00% |
| Issuance Cost                     | 2.00%       | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Revenue Bond Coverage Requirement | <b>1.25</b> |       |       |       |       |       |       |

#### PWTF LOAN

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Term (years; 10 year minimum and no more than 20 years) | 20    | 20    | 20    | 20    | 20    | 20    | 20    |
| Interest Cost   | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

#### OTHER LOANS & REVENUE-SUPPORTED GENERAL OBLIGATION BONDS [a]

|               |       |       |       |       |       |       |       |
|---------------|-------|-------|-------|-------|-------|-------|-------|
| Term (years)  | 20    | 20    | 20    | 20    | 20    | 20    | 20    |
| Interest Cost | 4.00% | 4.00% | 4.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Issuance Cost | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

[a] Tax-supported general obligation bonds are assumed to be accounted for in the General Fund; terms and annual obligations of such bonds are not factors in this analysis.

**City of Camas**  
**Storm Utility Rate Study**  
**Operating Revenue and Expenditure Forecast**

|  |   |                        | Budget            | Projection        | Projection        | Projection        | Projection        | Projection        | Projection        |
|--|---|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  |   |                        | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              |
| <b>Revenues</b>                            |   |                        | FORECAST BASIS    |                   |                   |                   |                   |                   |                   |
| <b>Rate revenues</b>                       |   |                        |                   |                   |                   |                   |                   |                   |                   |
| Storm Drainage - O&M Fisher Basin          | 4 | Customer Growth        | \$ 121,274        | 123,699           | 126,173           | 128,696           | 131,270           | 133,896           | 136,574           |
| Storm Drainage Revenues - Capital          | 4 | Customer Growth        | 79,846            | 81,443            | 83,072            | 84,733            | 86,428            | 88,156            | 89,920            |
| Storm Drainage Revenues - O&M Non Fisher B | 4 | Customer Growth        | 316,022           | 322,343           | 328,790           | 335,365           | 342,073           | 348,914           | 355,892           |
| <b>Total Rate revenue</b>                  |   |                        | <b>\$ 517,142</b> | <b>\$ 527,485</b> | <b>\$ 538,034</b> | <b>\$ 548,795</b> | <b>\$ 559,771</b> | <b>\$ 570,966</b> | <b>\$ 582,386</b> |
| <b>Non-rate revenues [a]</b>               |   |                        |                   |                   |                   |                   |                   |                   |                   |
| Miscellaneous                              | 1 | General Cost Inflation | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Interest Income                            |   | Calculated             | 35,000            | -                 | -                 | -                 | 1,057             | 2,237             | 2,295             |
|  | 1 | General Cost Inflation | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>Total Non-rate revenues</b>             |   |                        | <b>\$ 35,000</b>  | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ 1,057</b>   | <b>\$ 2,237</b>   | <b>\$ 2,295</b>   |
| <b>TOTAL REVENUES</b>                      |   |                        | <b>\$ 552,142</b> | <b>\$ 527,485</b> | <b>\$ 538,034</b> | <b>\$ 548,795</b> | <b>\$ 560,828</b> | <b>\$ 573,203</b> | <b>\$ 584,681</b> |

# City of Camas

## Storm Utility Rate Study

### Operating Revenue and Expenditure Forecast

|   |  |                          | Budget            | Projection        | Projection        | Projection        | Projection        | Projection        | Projection        |
|---|--|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   |  |                          | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              |
| <b>Expenditures</b>                     |  |                          | FORECAST BASIS    |                   |                   |                   |                   |                   |                   |
| 53                                      | Excise Tax State Tax                   | Excise and B&O Tax Rate  | \$ 7,097          | \$ 7,097          | \$ 8,071          | \$ 8,382          | \$ 8,562          | \$ 8,748          | \$ 8,920          |
| 300                                     | <b>Operations and Maintenance</b>      |                          |                   |                   |                   |                   |                   |                   |                   |
| 11                                      | Salaries and Wages                     | 3 Labor Cost Inflation   | \$ 53,162         | \$ 69,240         | \$ 143,973        | \$ 148,292        | \$ 152,741        | \$ 157,323        | \$ 162,043        |
| 12                                      | Overtime                               | 3 Labor Cost Inflation   | 500               | 500               | 500               | 500               | 500               | 500               | 500               |
| 21                                      | Personnel Benefits                     | 3 Labor Cost Inflation   | 17,971            | 22,641            | 50,390            | 51,902            | 53,459            | 55,063            | 56,715            |
| 31                                      | Office and Operating Supplies          | 1 General Cost Inflation | 500               | 500               | -                 | -                 | -                 | -                 | -                 |
| 35                                      | Small Tools and Minor Equipment        | 1 General Cost Inflation | 4,000             | 4,000             | 4,000             | 4,000             | 4,000             | 4,000             | 4,000             |
| 41                                      | Professional Services                  | 3 Labor Cost Inflation   | 40,000            | 29,335            |                   |                   |                   |                   |                   |
| 45                                      | Operating Rentals                      | 1 General Cost Inflation | 1,000             | 1,000             | 1,000             | 1,000             | 1,000             | 1,000             | 1,000             |
| 46                                      | Insurance                              | 3 Labor Cost Inflation   | 3,396             | 3,396             | 3,498             | 3,603             | 3,711             | 3,822             | 3,937             |
| 48                                      | Repairs and Maintenance                | 1 General Cost Inflation | 65,000            | 62,750            |                   |                   |                   |                   |                   |
|   | TV and cleaning program                | 1 General Cost Inflation | -                 | -                 | 30,000            | 30,000            | 30,000            | 30,000            | 30,000            |
|   | ditch cleaning                         | 1 General Cost Inflation | -                 | -                 | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            |
|   | pond cleaning                          | 1 General Cost Inflation | -                 | -                 | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            |
|   | miscellaneous repairs                  | 1 General Cost Inflation | -                 | -                 | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            |
|   | stencil program                        | 1 General Cost Inflation | -                 | -                 | 5,000             | 5,000             | 5,000             | 5,000             | 5,000             |
| 49                                      | Miscellaneous                          | 1 General Cost Inflation | 6,200             | 6,200             | 6,200             | 6,200             | 6,200             | 6,200             | 6,200             |
| 51                                      | Intergovernmental services             | 1 General Cost Inflation | 6,000             | 6,000             | 6,000             | 6,000             | 6,000             | 6,000             | 6,000             |
| 95                                      | Interfund Operating Rentals and Leases | 1 General Cost Inflation | 25,333            | 58,847            | 60,612            | 62,431            | 64,304            | 66,233            | 68,220            |
| 91                                      | Intfund Profess Serv                   | 1 General Cost Inflation | 99,664            | 209,352           | 215,632           | 222,100           | 228,763           | 235,626           | 242,695           |
| <b>Total Operations and Maintenance</b> |  |                          | <b>\$ 322,726</b> | <b>\$ 473,761</b> | <b>\$ 571,805</b> | <b>\$ 586,028</b> | <b>\$ 600,678</b> | <b>\$ 615,767</b> | <b>\$ 631,309</b> |

# City of Camas

## Storm Utility Rate Study

### Operating Revenue and Expenditure Forecast

|  |   |   | Budget<br>2008    | Projection<br>2009                         | Projection<br>2010 | Projection<br>2011 | Projection<br>2012 | Projection<br>2013 | Projection<br>2014  |           |           |
|--|---|---|-------------------|--|--------------------|--------------------|--------------------|--------------------|---------------------|-----------|-----------|
| <b>315 Street Cleaning</b>             |   |   |                   |  |                    |                    |                    |                    |                     |           |           |
| 11                                     | Salaries and Wages                              | 3 | \$ 49,073         | \$ 50,058                                  | \$ 50,787          | \$ 52,311          | \$ 53,880          | \$ 55,497          | \$ 57,161           |           |           |
| 21                                     | Personnel Benefits                              | 3 | 16,548            | 20,023                                     | 16,995             | 17,505             | 18,030             | 18,571             | 19,128              |           |           |
| 31                                     | Supplies  | 5 | 100               | 100  | 100                | 100                | 100                | 100                | 100                 |           |           |
| 48                                     | Other Services and Charges (cath basin cleanin  | 1 | 6,700             | 6,700                                      | 6,700              | 6,700              | 6,700              | 6,700              | 6,700               |           |           |
| 95                                     | Interfund Payments for Services                 | 5 | 60,000            | 61,950                                     | 63,809             | 65,723             | 67,694             | 69,725             | 71,817              |           |           |
| <b>Total Street Cleaning</b>           |   |   | <b>\$ 132,421</b> | <b>\$ 138,831</b>                          | <b>\$ 138,391</b>  | <b>\$ 142,338</b>  | <b>\$ 146,405</b>  | <b>\$ 150,593</b>  | <b>\$ 154,907</b>   |           |           |
| <b>318 Administration</b>              |   |   |                   |  |                    |                    |                    |                    |                     |           |           |
| 11                                     | Salaries and Wages                              | 3 | \$ 22,208         | \$ 28,471                                  | \$ 44,572          | \$ 45,909          | \$ 47,287          | \$ 48,705          | \$ 50,166           |           |           |
| 21                                     | Personnel Benefits                              | 3 | 7,995             | 10,842                                     | 15,600             | 16,068             | 16,550             | 17,047             | 17,558              |           |           |
| 41                                     | Other Services and Charges (rate study and lice | 3 | 20,000            | 5,000                                      | -                  | -                  | -                  | -                  | -                   |           |           |
|  | Education program                               | 1 | -                 | -  | 10,000             | 10,000             | 10,000             | 10,000             | 10,000              |           |           |
|  | code rewrite                                    | 1 | -                 | -  | -                  | -                  | -                  | -                  | -                   |           |           |
|  | mapping consultant                              | 1 | -                 | -  | 20,000             | -                  | -                  | -                  | -                   |           |           |
|  | Inspection and maintenance procedure            | 1 | -                 | -  | -                  | -                  | -                  | -                  | -                   |           |           |
|  | rate study                                      | 1 | -                 | -  | -                  | -                  | -                  | -                  | 20,000              |           |           |
| 49                                     | Miscellaneous                                   | 1 | -                 | 2,500                                      | -                  | -                  | -                  | -                  | -                   |           |           |
| 49                                     | Training  | 1 | -                 | -  | 5,000              | 5,000              | 5,000              | 5,000              | 5,000               |           |           |
| 95                                     | Interfund Oper. Rentals & Leases                | 1 | -                 | 43,844                                     | 33,164             | 34,159             | 35,184             | 36,239             | 37,326              |           |           |
| <b>Total Administration</b>            |   |   | <b>\$ 50,203</b>  | <b>\$ 90,657</b>                           | <b>\$ 128,337</b>  | <b>\$ 111,137</b>  | <b>\$ 114,021</b>  | <b>\$ 116,991</b>  | <b>\$ 140,051</b>   |           |           |
| Add'l O&M from CIP                     |   |   |                   | From CIP                                   | -                  | -                  | -                  | -                  | -                   |           |           |
| <b>Total Cash O&amp;M Expenditures</b> |   |   | <b>\$ 512,447</b> | <b>\$ 710,346</b>                          | <b>\$ 846,603</b>  | <b>\$ 847,885</b>  | <b>\$ 869,666</b>  | <b>\$ 892,099</b>  | <b>\$ 935,187</b>   |           |           |
| Depreciation Expense in                |   |   | 2006              |  |                    |                    |                    |                    |                     |           |           |
| Depreciation Expense [b]               |   |   |                   | Last year's plus annual additions from CIP | \$ 6,300           | \$ 7,784           | \$ 11,941          | \$ 19,921          | \$ 45,634           | \$ 57,544 | \$ 67,899 |
| <b>TOTAL EXPENSES</b>                  |   |   | <b>\$ 518,747</b> | <b>\$ 718,130</b>                          | <b>\$ 858,544</b>  | <b>\$ 867,806</b>  | <b>\$ 915,299</b>  | <b>\$ 949,643</b>  | <b>\$ 1,003,086</b> |           |           |

**City of Camas  
Storm Utility Rate Study  
Capital Improvement Program**

Project Costs and O&M Impacts in Year:

**2008**

(Project costs are escalated using Construction Cost Inflation assumptions)

| No | Description  | Current Cost | Year | Life in Years | For CFC Calculation      |       | Specific Funding Source<br>1-Enterprise Fund, 2-Grants<br>& Developer Donations | Upgrade /<br>Expansion | R&R     | TOTAL<br>ESCALATE<br>D COSTS |
|----|--|--------------|------|---------------|--------------------------|-------|---|------------------------|---------|------------------------------|
|    |  |              |      |               | % Upgrade /<br>Expansion | % R&R |   |                        |         |                              |
| 1  | <b>Fisher Basin CIP</b>                                  |              |      |               |                          |       | Select Source   | \$ -                   | \$ -    | \$ -                         |
| 2  | Professional Services                                    | 50,000       | 2008 | 50            | 100%                     | 0%    | 1 Enterprise Fund   | 50,000                 | -       | 50,000                       |
| 3  | Wetland Mitigation Enhancement                           | 35,000       | 2009 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 17,500                 | 17,500  | 37,100                       |
| 4  | "  | 35,000       | 2010 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 17,500                 | 17,500  | 39,326                       |
| 5  | "  | 35,000       | 2011 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 17,500                 | 17,500  | 41,686                       |
| 6  | "  | 35,000       | 2012 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 17,500                 | 17,500  | 44,187                       |
| 7  | "  | 35,000       | 2013 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 17,500                 | 17,500  | 46,838                       |
| 8  | "  | 35,000       | 2014 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 17,500                 | 17,500  | 49,648                       |
| 9  | Develop Capital Plan                                     | 50,000       | 2012 | 6             | 50%                      | 50%   | 1 Enterprise Fund   | 25,000                 | 25,000  | 63,124                       |
| 10 | Other Improvements                                       | 170,000      | 2008 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 85,000                 | 85,000  | 170,000                      |
| 11 | 1/2 decant facility with Washougal                       | 5,000        | 2009 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 2,500                  | 2,500   | 5,300                        |
| 12 | misc. drainage improvements                              | 25,000       | 2009 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 12,500                 | 12,500  | 26,500                       |
| 13 | "  | 50,000       | 2010 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 25,000                 | 25,000  | 56,180                       |
| 14 | "  | 50,000       | 2011 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 25,000                 | 25,000  | 59,551                       |
| 15 | "  | 50,000       | 2012 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 25,000                 | 25,000  | 63,124                       |
| 16 | "  | 50,000       | 2013 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 25,000                 | 25,000  | 66,911                       |
| 17 | "  | 50,000       | 2014 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 25,000                 | 25,000  | 70,926                       |
| 18 | payments for major road improvements in grass valley     | 150,000      | 2011 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 75,000                 | 75,000  | 178,652                      |
| 19 | "  | 200,000      | 2013 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 100,000                | 100,000 | 267,645                      |
| 20 |  |              |      |               | 100%                     | 0%    | 1 Enterprise Fund   | -                      | -       | -                            |
| 21 | <b>Non-Fisher Basin CIP</b>                              |              |      |               | 100%                     | 0%    | 1 Enterprise Fund   | -                      | -       | -                            |
| 22 | develop capital plan                                     | 50,000       | 2012 | 6             | 100%                     | 0%    | 1 Enterprise Fund   | 50,000                 | -       | 63,124                       |
| 23 | Other Improvements                                       | 75,000       | 2008 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 37,500                 | 37,500  | 75,000                       |
| 24 | 1/2 Decant facility with Washougal                       | 5,000        | 2009 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 2,500                  | 2,500   | 5,300                        |
| 25 | capital reserve building for next permit cycle & payment | -            | 2009 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | -                      | -       | -                            |
| 26 | "  | 50,000       | 2010 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 25,000                 | 25,000  | 56,180                       |
| 27 | "  | 50,000       | 2011 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 25,000                 | 25,000  | 59,551                       |
| 28 | "  | 50,000       | 2012 | 50            | 50%                      | 50%   | 1 Enterprise Fund   | 25,000                 | 25,000  | 63,124                       |

**City of Camas**  
**Storm Utility Rate Study**  
**Capital Improvement Program**

|  |             |
|--|-------------|
| Project Costs and O&M Impacts in Year: | <b>2008</b> |
|--|-------------|

(Project costs are escalated using Construction Cost Inflation assumptions)

| No                                       | Description            | Current Cost        | Year | Life in Years | For CFC Calculation   |            | Specific Funding Source<br>1-Enterprise Fund, 2-Grants<br>& Developer Donations | Upgrade / Expansion | R&R               | TOTAL ESCALATED COSTS |
|--|------------------------|---------------------|------|---------------|-----------------------|------------|---|---------------------|-------------------|-----------------------|
|  |                        |                     |      |               | % Upgrade / Expansion | % R&R      |   |                     |                   |                       |
| 29                                       | "                      | 50,000              | 2013 | 50            | 50%                   | 50%        | 1 Enterprise Fund   | 25,000              | 25,000            | 66,911                |
| 30                                       | "                      | 50,000              | 2014 | 50            | 50%                   | 50%        | 1 Enterprise Fund   | 25,000              | 25,000            | 70,926                |
| 31                                       | Construction Projects  | 20,000              | 2008 | 50            | 50%                   | 50%        | 1 Enterprise Fund   | 10,000              | 10,000            | 20,000                |
| 32                                       | pipe replacement/rehab | -                   | 2009 | 50            | 50%                   | 50%        | 1 Enterprise Fund   | -                   | -                 | -                     |
| 33                                       | "                      | 50,000              | 2010 | 50            | 50%                   | 50%        | 1 Enterprise Fund   | 25,000              | 25,000            | 56,180                |
| 34                                       | "                      | 50,000              | 2011 | 50            | 50%                   | 50%        | 1 Enterprise Fund   | 25,000              | 25,000            | 59,551                |
| 35                                       | "                      | 50,000              | 2012 | 50            | 50%                   | 50%        | 1 Enterprise Fund   | 25,000              | 25,000            | 63,124                |
| 36                                       | "                      | 110,000             | 2013 | 50            | 50%                   | 50%        | 1 Enterprise Fund   | 55,000              | 55,000            | 147,205               |
| 37                                       | "                      | 115,000             | 2014 | 50            | 50%                   | 50%        | 1 Enterprise Fund   | 57,500              | 57,500            | 163,130               |
| <b>Total Capital Projects</b>            |                        | <b>\$ 1,885,000</b> |      |               | <b>53%</b>            | <b>47%</b> |   | <b>\$ 992,500</b>   | <b>\$ 892,500</b> | <b>\$ 2,306,002</b>   |
| Total Upgrade/Expansion Projects         |                        |                     |      |               |                       |            |   |                     |                   | 1,209,563             |
| Total R&R Projects                       |                        |                     |      |               |                       |            |   |                     |                   | 1,096,439             |
| Projects by Grants / Developer Donations |                        |                     |      |               |                       |            |   | -                   | -                 | -                     |
| Projects by Enterprise Fund              |                        |                     |      |               |                       |            |   | 992,500             | 892,500           | 2,306,002             |

| Year         | 2008 \$          | Inflated         |
|--------------|------------------|------------------|
| 2008         | 315,000          | 315,000          |
| 2009         | 70,000           | 74,200           |
| 2010         | 185,000          | 207,866          |
| 2011         | 335,000          | 398,990          |
| 2012         | 285,000          | 359,806          |
| 2013         | 445,000          | 595,510          |
| 2014         | 135,000          | 354,630          |
| 2015         | -                | -                |
| <b>Total</b> | <b>1,770,000</b> | <b>2,306,002</b> |

# City of Camas

## Storm Utility Rate Study

### Capital Funding Analysis

| <b>Summary of Expenditures</b>    | <b>2008</b>       | <b>2009</b>      | <b>2010</b>       | <b>2011</b>       | <b>2012</b>       | <b>2013</b>       | <b>2014</b>       | <b>2008 - 2015<br/>TOTAL</b> |
|-----------------------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------------------|
| <b>CAPITAL PROJECTS</b>           |                   |                  |                   |                   |                   |                   |                   |                              |
| Improvement Upgrades & Expansions | \$ 182,500        | \$ 37,100        | \$ 103,933        | \$ 199,495        | \$ 211,465        | \$ 297,755        | \$ 177,315        | \$ 1,209,563                 |
| Repairs and Replacements          | 132,500           | 37,100           | 103,933           | 199,495           | 148,341           | 297,755           | 177,315           | 1,096,439                    |
| <b>TOTAL CAPITAL EXPENDITURES</b> | <b>\$ 315,000</b> | <b>\$ 74,200</b> | <b>\$ 207,866</b> | <b>\$ 398,990</b> | <b>\$ 359,806</b> | <b>\$ 595,510</b> | <b>\$ 354,630</b> | <b>\$ 2,306,002</b>          |

| <b>Capital Financing Plan</b>                 | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>TOTAL</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Existing Revenue Bond and PWTF Proceeds       | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | -            |
| Project Specific Grants / Developer Donations | 75,000      | -           | -           | -           | -           | -           | -           | 75,000       |
| Project to be Funded                          | 240,000     | 74,200      | 207,866     | 398,990     | 359,806     | 595,510     | 354,630     | 2,231,002    |
| <b>OTHER FUNDING SOURCES [NOTE A]</b>         |             |             |             |             |             |             |             |              |
| Other Outside Sources                         |             |             |             |             |             |             |             | \$ -         |
| PWTF Loan Proceeds                            |             |             |             |             |             |             |             | -            |
| Other Loan Proceeds                           |             |             |             |             |             |             |             | -            |
| Connection Charges                            | -           | -           | -           | -           | -           | -           | -           | -            |
| Rate Funded System Reinvestment               | -           | -           | -           | -           | -           | -           | -           | -            |
| Capital Fund Balance Deficiency               | (240,000)   | (74,200)    | (207,866)   | (398,990)   | (359,806)   | (595,510)   | (354,630)   | (2,231,002)  |
| Capital Fund Balance                          | 184,000     | 43,900      | 95,506      | 279,889     | 350,744     | 529,307     | 354,630     | 1,837,975    |
| Capital Fund Balance Deficiency               | (56,000)    | (30,300)    | (112,360)   | (119,102)   | (9,062)     | (66,204)    | -           | (393,027)    |
| Revenue Bond Proceeds [Note B]                | -           | -           | -           | -           | -           | -           | -           | -            |
| Rates   | 56,000      | 30,300      | 112,360     | 119,102     | 189,372     | 347,550     | 354,630     | -            |
| Total   |             |             |             |             |             |             |             |              |

# City of Camas

## Storm Utility Rate Study

### Revenue Requirements Analysis

#### Cash Flow Sufficiency Test

|  | 2008               | 2009                | 2010                | 2011                | 2012                | 2013                | 2014                |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>EXPENSES</b>                                      |                    |                     |                     |                     |                     |                     |                     |
| Cash Operating Expenses                              | \$ 512,447         | \$ 710,346          | \$ 846,603          | \$ 847,885          | \$ 869,666          | \$ 892,099          | \$ 935,187          |
| Existing Debt Service                                | -                  | -                   | -                   | -                   | -                   | -                   | -                   |
| New Debt Service                                     | -                  | -                   | -                   | -                   | -                   | -                   | -                   |
| Rate-Funded CIP                                      | 56,000             | 30,300              | 112,360             | 119,102             | 189,372             | 347,550             | 354,630             |
| Rate Funded System Reinvestment                      | -                  | -                   | -                   | -                   | -                   | -                   | -                   |
| Additions Required to Meet Minimum Op. Fund Balance  | -                  | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Expenses</b>                                | <b>\$ 568,447</b>  | <b>\$ 740,646</b>   | <b>\$ 958,963</b>   | <b>\$ 966,987</b>   | <b>\$ 1,059,038</b> | <b>\$ 1,239,649</b> | <b>\$ 1,289,817</b> |
| <b>REVENUES</b>                                      |                    |                     |                     |                     |                     |                     |                     |
| Rate Revenue   | \$ 517,142         | \$ 527,485          | \$ 538,034          | \$ 548,795          | \$ 559,771          | \$ 570,966          | \$ 582,386          |
| Other Revenue  | -                  | -                   | -                   | -                   | -                   | -                   | -                   |
| Operating Fund & Debt Reserve Fund Interest Earnings | 35,000             | -                   | -                   | -                   | 1,057               | 2,237               | 2,295               |
| <b>Total Revenue</b>                                 | <b>\$ 552,142</b>  | <b>\$ 527,485</b>   | <b>\$ 538,034</b>   | <b>\$ 548,795</b>   | <b>\$ 560,828</b>   | <b>\$ 573,203</b>   | <b>\$ 584,681</b>   |
| <b>NET CASH FLOW (DEFICIENCY)</b>                    | <b>\$ (16,305)</b> | <b>\$ (213,161)</b> | <b>\$ (420,928)</b> | <b>\$ (418,192)</b> | <b>\$ (498,209)</b> | <b>\$ (666,446)</b> | <b>\$ (705,137)</b> |

#### Coverage Sufficiency Test

|   | 2008              | 2009                | 2010                | 2011                | 2012                | 2013                | 2014                |
|---|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>EXPENSES</b>                           |                   |                     |                     |                     |                     |                     |                     |
| Cash Operating Expenses                   | \$ 512,447        | \$ 710,346          | \$ 846,603          | \$ 847,885          | \$ 869,666          | \$ 892,099          | \$ 935,187          |
| Revenue Bond Debt Service                 | -                 | -                   | -                   | -                   | -                   | -                   | -                   |
| Revenue Bond Coverage Requirement at 1.25 | -                 | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Expenses</b>                     | <b>\$ 512,447</b> | <b>\$ 710,346</b>   | <b>\$ 846,603</b>   | <b>\$ 847,885</b>   | <b>\$ 869,666</b>   | <b>\$ 892,099</b>   | <b>\$ 935,187</b>   |
| <b>ALLOWABLE REVENUES</b>                 |                   |                     |                     |                     |                     |                     |                     |
| Rate Revenue                              | \$ 517,142        | \$ 527,485          | \$ 538,034          | \$ 548,795          | \$ 559,771          | \$ 570,966          | \$ 582,386          |
| Other Revenue                             | -                 | -                   | -                   | -                   | -                   | -                   | -                   |
| Interest Earnings - All Funds             | 35,000            | -                   | -                   | -                   | 1,057               | 7,880               | 11,277              |
| <b>Total Revenue</b>                      | <b>\$ 552,142</b> | <b>\$ 527,485</b>   | <b>\$ 538,034</b>   | <b>\$ 548,795</b>   | <b>\$ 560,828</b>   | <b>\$ 578,847</b>   | <b>\$ 593,662</b>   |
| Coverage Realized                         | n/a               | n/a                 | n/a                 | n/a                 | n/a                 | n/a                 | n/a                 |
| <b>COVERAGE SURPLUS (DEFICIENCY)</b>      | <b>\$ 39,695</b>  | <b>\$ (182,861)</b> | <b>\$ (308,568)</b> | <b>\$ (299,090)</b> | <b>\$ (308,837)</b> | <b>\$ (313,253)</b> | <b>\$ (341,525)</b> |

# City of Camas

## Storm Utility Rate Study

### Revenue Requirements Analysis

| <b>Maximum Revenue Deficiency</b>           | <b>2008</b>      | <b>2009</b>       | <b>2010</b>       | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
|---|------------------|-------------------|-------------------|-------------|-------------|-------------|-------------|
| Sufficiency Test Driving the Deficiency     | <i>Cash</i>      | <i>Cash</i>       | <i>Cash</i>       | <i>Cash</i> | <i>Cash</i> | <i>Cash</i> | <i>Cash</i> |
| Maximum Deficiency From Tests               | \$ 16,305        | \$ 213,161        | \$ 420,928        | \$ 418,192  | \$ 498,209  | \$ 666,446  | \$ 705,137  |
| less: Net Revenue From Prior Rate Increases | -                | -                 | (291,480)         | (464,884)   | (679,293)   | (730,538)   | (784,712)   |
| Revenue Deficiency                          | \$ 16,305        | \$ 213,161        | \$ 129,448        | \$ -        | \$ -        | \$ -        | \$ -        |
| Plus: Adjustment for State Excise Tax       | 248              | 3,246             | 1,971             | -           | -           | -           | -           |
| <b>Total Revenue Deficiency</b>             | <b>\$ 16,553</b> | <b>\$ 216,407</b> | <b>\$ 131,420</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> |

| <b>Rate Increases</b>   | <b>2008</b>  | <b>2009</b>   | <b>2010</b>   | <b>2011</b>    | <b>2012</b>    | <b>2013</b>    | <b>2014</b>    |
|---|--------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Rate Revenue with no Increase                                 | \$ 517,142   | \$ 527,485    | \$ 538,034    | \$ 548,795     | \$ 559,771     | \$ 570,966     | \$ 582,386     |
| Revenues from Prior Rate Increases                            | -            | -             | 295,919       | 471,964        | 689,638        | 741,663        | 796,662        |
| Rate Revenue Before Rate Increase (Incl. previous increases)  | 517,142      | 527,485       | 833,953       | 1,020,759      | 1,249,409      | 1,312,629      | 1,379,048      |
| Required Annual Rate Increase                                 | 3.20%        | 41.03%        | 15.76%        | 0.00%          | 0.00%          | 0.00%          | 0.00%          |
| Number of Months New Rates Will Be In Effect                  | 12           | 9             | 12            | 12             | 12             | 12             | 12             |
| <i>Info: Percentage Increase to Generate Required Revenue</i> | 3.20%        | 54.70%        | 15.76%        | 0.00%          | 0.00%          | 0.00%          | 0.00%          |
| <b>Policy Induced Rate Increases</b>                          | 0.00%        | 55.00%        | 20.00%        | 20.00%         | 3.00%          | 3.00%          | 3.00%          |
| <b>ANNUAL RATE INCREASE</b>                                   | <b>0.00%</b> | <b>55.00%</b> | <b>20.00%</b> | <b>20.00%</b>  | <b>3.00%</b>   | <b>3.00%</b>   | <b>3.00%</b>   |
| <b>CUMULATIVE RATE INCREASE</b>                               | <b>0.00%</b> | <b>55.00%</b> | <b>86.00%</b> | <b>123.20%</b> | <b>129.90%</b> | <b>136.79%</b> | <b>143.90%</b> |

| <b>Impacts of Rate Increases</b>                   | <b>2008</b> | <b>2009</b> | <b>2010</b>  | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  |
|--|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Rate Revenues After Rate Increase                  | \$ 517,142  | \$ 745,072  | \$ 1,000,744 | \$ 1,224,911 | \$ 1,286,891 | \$ 1,352,008 | \$ 1,420,419 |
| <i>Full Year Rate Revenues After Rate Increase</i> | 517,142     | 817,601     | 1,000,744    | 1,224,911    | 1,286,891    | 1,352,008    | 1,420,419    |
| Additional State Taxes Due to Rate Increases       | -           | 3,264       | 6,941        | 10,142       | 10,907       | 11,716       | 12,571       |
| Net Cash Flow After Rate Increase                  | (16,305)    | 1,162       | 34,841       | 247,782      | 218,004      | 102,880      | 120,327      |
| Coverage After Rate Increase                       | n/a         | n/a         | n/a          | n/a          | n/a          | n/a          | n/a          |

**City of Camas**  
**Storm Utility Rate Study**  
**Fund Activity**

| <b>Funds</b>   | <b>2008</b>    | <b>2009</b>   | <b>2010</b>    | <b>2011</b>    | <b>2012</b>    | <b>2013</b>    | <b>2014</b>    |
|--|----------------|---------------|----------------|----------------|----------------|----------------|----------------|
| <b>OPERATING FUND</b>                                      |                |               |                |                |                |                |                |
| Beginning Balance  | \$ (58,653)    | \$ (250,000)  | \$ (248,838)   | \$ (213,997)   | \$ 33,785      | \$ 71,479      | \$ 73,323      |
| plus: Net Cash Flow after Rate Increase                    | (16,305)       | 1,162         | 34,841         | 247,782        | 218,004        | 102,880        | 120,327        |
| less: Transfer of Surplus to Capital Fund                  | -              | -             | -              | -              | (180,309)      | (101,036)      | (116,785)      |
| Ending Balance   | \$ (74,958)    | \$ (248,838)  | \$ (213,997)   | \$ 33,785      | \$ 71,479      | \$ 73,323      | \$ 76,865      |
| <i>Minimum Target Balance</i>                              | 42,119         | 58,385        | 69,584         | 69,689         | 71,479         | 73,323         | 76,865         |
| <i>Maximum Funds to be Kept as Operating Reserves</i>      | 42,119         | 58,385        | 69,584         | 69,689         | 71,479         | 73,323         | 76,865         |
| <i>Info: No of Days of Cash Operating Expenses</i>         | (53)           | (128)         | (92)           | 15             | 30             | 30             | 30             |
| <b>CAPITAL FUND</b>  |                |               |                |                |                |                |                |
| Beginning Balance  | \$ (36,000)    | \$ (25,000)   | \$ -           | \$ -           | \$ 0           | \$ 180,310     | \$ 286,990     |
| plus: Rate Funded System Reinvestment                      | -              | -             | -              | -              | -              | -              | -              |
| plus: Grants / Developer Donations / Other Outside Sources | 75,000         | -             | -              | -              | -              | -              | -              |
| plus: Existing Revenue Bond and PWTF and Proceeds          | -              | -             | -              | -              | -              | -              | -              |
| plus: System Development Charges                           | -              | -             | -              | -              | -              | -              | -              |
| plus: Net Debt Proceeds Available for Projects             | -              | -             | -              | -              | -              | -              | -              |
| plus: Transfers from FB Capital Fund for FB Projects       | 220,000        | 68,900        | 95,506         | 279,889        | 170,434        | 247,961        | -              |
| plus: Interest Earnings                                    | -              | -             | -              | -              | 0              | 5,643          | 8,982          |
| plus: Transfer of Surplus from Operating Fund              | -              | -             | -              | -              | 180,309        | 101,036        | 116,785        |
| plus: Direct Rate Funding                                  | 56,000         | 30,300        | 112,360        | 119,102        | 189,372        | 347,550        | 354,630        |
| Total Capital Funding Sources                              | <b>315,000</b> | <b>74,200</b> | <b>207,866</b> | <b>398,991</b> | <b>540,116</b> | <b>882,500</b> | <b>767,386</b> |
| less: Capital Expenditures                                 | (315,000)      | (74,200)      | (207,866)      | (398,990)      | (359,806)      | (595,510)      | (354,630)      |
| Ending Balance   | \$ -           | \$ -          | \$ -           | \$ 0           | \$ 180,310     | \$ 286,990     | \$ 412,757     |
| <i>Minimum Target Balance</i>                              | \$ 221,714     | \$ 223,198    | \$ 227,355     | \$ 235,335     | \$ 242,531     | \$ 254,441     | \$ 261,534     |
| <b>DEBT RESERVE</b>  |                |               |                |                |                |                |                |
| Beginning Balance  | \$ -           | \$ (5,300)    | \$ (112,360)   | \$ (119,102)   | \$ (189,372)   | \$ (347,550)   | \$ (354,630)   |
| plus: Reserve Funding from New Debt                        | -              | -             | -              | -              | -              | -              | -              |
| less: Use of Reserves for Debt Service                     | -              | -             | -              | -              | -              | -              | -              |
| Ending Balance   | \$ -           | \$ -          | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           |
| <i>Minimum Target Balance</i>                              | -              | -             | -              | -              | -              | -              | -              |

**City of Camas**  
**Storm Utility Rate Study**  
**Fund Activity**

| <b>Funds</b>   | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>FISHER BASIN PROJECTS</b>                                   |             |             |             |             |             |             |             |
| Beginning Balance  | \$ 853,937  | \$ 775,000  | \$ 730,355  | \$ 657,706  | \$ 398,402  | \$ 240,436  | \$ -        |
| plus: Interest Earnings  | 26,725      | 24,255      | 22,858      | 20,584      | 12,469      | 7,525       | -           |
| less: Transfer to Non-Fisher Basin Capital Fund for FB Capital | (220,000)   | (68,900)    | (95,506)    | (279,889)   | (170,434)   | (247,961)   | -           |
| Ending Balance   | \$ 660,662  | \$ 730,355  | \$ 657,706  | \$ 398,402  | \$ 240,436  | \$ -        | \$ -        |
| Fisher Basin Projects  | 220,000     | 68,900      | 95,506      | 279,889     | 170,434     | 381,394     | 120,574     |
| Cumulative Ending Fund Balance                                 | \$ 585,704  | \$ 481,517  | \$ 443,709  | \$ 432,187  | \$ 492,225  | \$ 360,313  | \$ 489,621  |

# SANITATION SYSTEM

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# City of Camas

## Sanitation Utility Rate Study

### Summary

| Revenue Requirements                       | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                            |                     |                     |                     |                     |                     |                     |
| Rate Revenues Under Existing Rates         | \$ 1,815,000        | \$ 1,851,300        | \$ 1,888,326        | \$ 1,926,093        | \$ 2,014,174        | \$ 2,054,457        |
| Non-Rate Revenues                          | 55,500              | 35,401              | 26,492              | 27,390              | 28,402              | 29,301              |
| <b>Total Revenues</b>                      | <b>\$ 1,870,500</b> | <b>\$ 1,886,701</b> | <b>\$ 1,914,818</b> | <b>\$ 1,953,483</b> | <b>\$ 2,042,576</b> | <b>\$ 2,083,758</b> |
| <b>Expenses</b>                            |                     |                     |                     |                     |                     |                     |
| Cash Operating Expenses                    |                     |                     |                     |                     |                     |                     |
| Disposal                                   | \$ 560,000          | \$ 565,020          | \$ 595,219          | \$ 643,205          | \$ 677,621          | \$ 713,836          |
| Recycling                                  | 260,000             | 314,647             | 345,329             | 372,799             | 389,727             | 407,583             |
| Collection                                 | 717,698             | 701,461             | 721,536             | 757,213             | 763,510             | 785,447             |
| Customer Accounts / A&G / Taxes            | 285,561             | 238,217             | 239,574             | 246,268             | 253,902             | 261,006             |
| Existing Debt Service                      | -                   | -                   | -                   | -                   | -                   | -                   |
| New Debt Service                           | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Expenses</b>                      | <b>\$ 1,823,259</b> | <b>\$ 1,819,345</b> | <b>\$ 1,901,657</b> | <b>\$ 2,019,486</b> | <b>\$ 2,084,760</b> | <b>\$ 2,167,872</b> |
| <b>Net Surplus (Deficiency)</b>            | <b>\$ 47,241</b>    | <b>\$ 67,356</b>    | <b>\$ 13,160</b>    | <b>\$ (66,003)</b>  | <b>\$ (42,185)</b>  | <b>\$ (84,114)</b>  |
| % of Rate Revenue                          | 0.00%               | 0.00%               | 0.00%               | 3.43%               | 2.09%               | 4.09%               |
| <b>Annual Rate Adjustment</b>              | <b>0.00%</b>        | <b>0.00%</b>        | <b>2.00%</b>        | <b>2.00%</b>        | <b>2.00%</b>        | <b>2.00%</b>        |
| Rate Revenues After Rate Increase          | \$ 1,815,000        | \$ 1,851,300        | \$ 1,926,093        | \$ 2,003,907        | \$ 2,135,415        | \$ 2,221,686        |
| Additional Taxes from Rate Increase        | \$ -                | \$ -                | \$ 566              | \$ 1,167            | \$ 1,819            | \$ 2,508            |
| <b>Net Cash Flow After Rate Increase</b>   | <b>47,241</b>       | <b>67,356</b>       | <b>50,360</b>       | <b>10,644</b>       | <b>77,238</b>       | <b>80,606</b>       |
| Coverage After Rate Increases              | n/a                 | n/a                 | n/a                 | n/a                 | n/a                 | n/a                 |
| Sample Monthly Bill (35 gallon can weekly) | \$ 14.12            | \$ 14.12            | \$ 14.40            | \$ 14.69            | \$ 14.98            | \$ 15.28            |
| Monthly Increase                           | \$ -                | \$ -                | \$ 0.28             | \$ 0.29             | \$ 0.29             | \$ 0.30             |

**Notes:**

Starting 2012 Rate Revenue includes additional revenue from Lacams Heights  
 No revenue from NUGAE growth is assumed in the study period

# City of Camas

## Sanitation Utility Rate Study

### Summary

| <b>Fund Balance</b>                           | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Operating:</b>                             |             |             |             |             |             |             |
| <b>Beginning Balance</b>                      | \$ 618,000  | \$ 455,500  | \$ 149,535  | \$ 156,301  | \$ 165,985  | \$ 171,350  |
| Net Cash Flow after Rate Increase             | 47,241      | 67,356      | 50,360      | 10,644      | 77,238      | 80,606      |
| Transfer of Surplus to Capital Fund           | (515,384)   | (373,321)   | (43,595)    | (960)       | (71,873)    | (73,775)    |
| <b>Ending Balance</b>                         | \$ 149,857  | \$ 149,535  | \$ 156,301  | \$ 165,985  | \$ 171,350  | \$ 178,181  |
|   | \$ 149,857  | \$ 149,535  | \$ 156,301  | \$ 165,985  | \$ 171,350  | \$ 178,181  |
| 30 Day Target                                 | 30          | 30          | 30          | 30          | 30          | 30          |
| <b>Capital</b>                                |             |             |             |             |             |             |
| <b>Beginning Balance</b>                      | \$ 55,000   | \$ 344,500  | \$ 384,103  | \$ 439,719  | \$ 454,440  | \$ 540,536  |
| plus: Interest Earnings                       | 1,721       | 10,782      | 12,021      | 13,762      | 14,222      | 16,917      |
| plus: Transfer of Surplus from Operating Fund | 515,384     | 373,321     | 43,595      | 960         | 71,873      | 73,775      |
| less: Capital Expenditures                    | (55,000)    | (344,500)   | -           | -           | -           | -           |
| <b>Ending Balance</b>                         | \$ 517,105  | \$ 384,103  | \$ 439,719  | \$ 454,440  | \$ 540,536  | \$ 631,228  |

# City of Camas Sanitation Utility Rate Study Assumptions

## Economic & Financial Factors

|  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  |
|--|-------|-------|-------|-------|-------|-------|-------|
| 1 General Cost Inflation                     | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% |
| 2 Construction Cost Inflation                | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| 3 Labor Cost Inflation                       | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| 4 Customer Growth*                           | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| 5 General Inflation plus Growth              | 5.21% | 5.21% | 5.21% | 5.21% | 5.21% | 5.21% | 5.21% |
| 6 Connection Charge Tax                      | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 8 No Escalation                              | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Fund Earnings (5-year average of the LWGSIP) | 3.13% | 3.13% | 3.13% | 3.13% | 3.13% | 3.13% | 3.13% |
| State B&O Tax                                | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |

## Accounting Assumptions

### FISCAL POLICY RESTRICTIONS

|  | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|------|------|------|------|------|------|------|
| Min. Op. Fund Balance Target (days of O&M expense) | 30   | 30   | 30   | 30   | 30   | 30   | 30   |
| Max. Op. Fund Balance (days of O&M expense)        | 30   | 30   | 30   | 30   | 30   | 30   | 30   |

### Minimum Capital Fund Balance Target

Select Minimum Capital Fund Balance Target  Defined as % of Plant

1 - Defined as % of Plant

Plant-in-Service in 2007

\$

Minimum Capital Fund Balance - % of plant assets

2 - Amount at Right ==>

|       |       |       |       |       |       |       |
|-------|-------|-------|-------|-------|-------|-------|
| 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  |
| 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  |

### RATE FUNDED SYSTEM REINVESTMENT

Select Reinvestment Funding Strategy  User Input

#### Amount of Annual Cash Funding from Rates

1 - Equal to Annual Depreciation Expense

2 - Equal to Annual Depreciation Expense less Annual Debt Principal Payments

3 - Equal to Amount at Right ==>

4 - Do Not Fund System Reinvestment

|      |      |      |      |      |      |      |
|------|------|------|------|------|------|------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

**City of Camas  
Sanitation Utility Rate Study  
Assumptions**

**Capital Financing Assumptions**

|   | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  |
|---|-------|-------|-------|-------|-------|-------|-------|
| <b>REVENUE BONDS</b>  |       |       |       |       |       |       |       |
| Term (years)  | 20    | 20    | 20    | 20    | 20    | 20    | 20    |
| Interest Cost   | 5.00% | 5.60% | 5.60% | 5.00% | 5.00% | 5.00% | 5.00% |
| Issuance Cost   | 2.00% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Revenue Bond Coverage Requirement                                       | 1.25  |       |       |       |       |       |       |
| <b>PWTF LOAN</b>  |       |       |       |       |       |       |       |
| Term (years; 10 year minimum and no more than 20 years)                 | 20    | 20    | 20    | 20    | 20    | 20    | 20    |
| Interest Cost   | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| <b>OTHER LOANS &amp; REVENUE-SUPPORTED GENERAL OBLIGATION BONDS [a]</b> |       |       |       |       |       |       |       |
| Term (years)  | 20    | 20    | 20    | 20    | 20    | 20    | 20    |
| Interest Cost   | 4.00% | 4.00% | 4.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Issuance Cost   | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

[a] Tax-supported general obligation bonds are assumed to be accounted for in the General Fund; terms and annual obligations of such bonds are not factors in this analysis.

**City of Camas**  
**Sanitation Utility Rate Study**  
**Operating Revenue and Expenditure Forecast**

|                                 |   |                        | Budget              | Projection          | Projection          | Projection          | Projection          | Projection          | Projection          |
|---------------------------------|---|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                 |   |                        | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                | 2014                |
| <b>Revenues</b>                 |   |                        | FORECAST BASIS      |                     |                     |                     |                     |                     |                     |
| <b>Rate revenues</b>            |   |                        |                     |                     |                     |                     |                     |                     |                     |
| Residential Revenue             | 4 | Customer Growth*       | \$ 1,170,000        | 1,193,400           | 1,217,268           | 1,241,613           | 1,309,578           | 1,335,769           | 1,362,485           |
| Commercial Revenue              | 4 | Customer Growth*       | 360,000             | 367,200             | 374,544             | 382,035             | 396,103             | 404,025             | 412,106             |
| Public Authority / City Revenue | 4 | Customer Growth*       | 20,000              | 20,400              | 20,808              | 21,224              | 21,649              | 22,082              | 22,523              |
| Multifamily Dwelling Revenue    | 4 | Customer Growth*       | 45,000              | 45,900              | 46,818              | 47,754              | 48,709              | 49,684              | 50,677              |
| Residential Rev - Recycling     | 4 | Customer Growth*       | 220,000             | 224,400             | 228,888             | 233,466             | 238,135             | 242,898             | 247,756             |
| <b>Total Rate revenue</b>       |   |                        | <b>\$ 1,815,000</b> | <b>\$ 1,851,300</b> | <b>\$ 1,888,326</b> | <b>\$ 1,926,093</b> | <b>\$ 2,014,174</b> | <b>\$ 2,054,457</b> | <b>\$ 2,095,546</b> |
| <b>Non-rate revenues [a]</b>    |   |                        |                     |                     |                     |                     |                     |                     |                     |
| Other Rents & Use Charges       | 1 | General Cost Inflation | 15,000              | 15,472              | 15,960              | 16,462              | 16,981              | 17,516              | 18,067              |
| Interest Income                 |   | Calculated             | 35,000              | 14,256              | 4,680               | 4,892               | 5,195               | 5,363               | 5,576               |
| Rents Containers                | 1 | General Cost Inflation | 5,500               | 5,673               | 5,852               | 6,036               | 6,226               | 6,422               | 6,625               |
| <b>Total Non-rate revenues</b>  |   |                        | <b>\$ 55,500</b>    | <b>\$ 35,401</b>    | <b>\$ 26,492</b>    | <b>\$ 27,390</b>    | <b>\$ 28,402</b>    | <b>\$ 29,301</b>    | <b>\$ 30,268</b>    |
| <b>TOTAL REVENUES</b>           |   |                        | <b>\$ 1,870,500</b> | <b>\$ 1,886,701</b> | <b>\$ 1,914,818</b> | <b>\$ 1,953,483</b> | <b>\$ 2,042,576</b> | <b>\$ 2,083,758</b> | <b>\$ 2,125,815</b> |

**City of Camas**  
**Sanitation Utility Rate Study**  
**Operating Revenue and Expenditure Forecast**

Budget      Projection      Projection      Projection      Projection      Projection      Projection  
 2008          2009            2010            2011            2012            2013            2014

**Expenditures**

FORECAST BASIS

|                       |                      |                          | Budget            | Projection        | Projection        | Projection        | Projection        | Projection        | Projection        |
|-----------------------|----------------------|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                       |                      |                          | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              |
| 53                    | Excise Tax State Tax | Excise and B&O Tax Rate  | \$ 81,000         | \$ 28,301         | \$ 28,722         | \$ 29,302         | \$ 30,639         | \$ 31,256         | \$ 31,887         |
| 500                   | Disposal             | Rate                     | \$ 76.77          | \$ 79.29          | \$ 81.89          | \$ 84.57          | \$ 87.35          | \$ 90.21          | \$ 93.17          |
| 47                    | C-1 1/2              | 1 General Cost Inflation |                   | \$ 27,255         | \$ 28,712         | \$ 30,244         | \$ 31,863         | \$ 33,565         | \$ 35,361         |
|                       | C-2yd                | 1 General Cost Inflation |                   | 106,352           | 112,036           | 120,806           | 127,270           | 134,072           | 141,243           |
|                       | temp 2yd             | 1 General Cost Inflation |                   | 8,330             | 8,775             | 9,244             | 9,738             | 10,259            | 10,808            |
|                       | 35 gal               | 1 General Cost Inflation |                   | 251,208           | 264,634           | 286,730           | 302,072           | 318,217           | 335,236           |
|                       | 35 eow*              | 1 General Cost Inflation |                   | 12,352            | 13,012            | 14,099            | 14,853            | 15,647            | 16,484            |
|                       | 65 gal               | 1 General Cost Inflation |                   | 138,121           | 145,503           | 157,653           | 166,088           | 174,965           | 184,323           |
|                       | 95 gal               | 1 General Cost Inflation |                   | 21,402            | 22,546            | 24,428            | 25,735            | 27,111            | 28,561            |
| <b>Total Disposal</b> |                      |                          | <b>\$ 560,000</b> | <b>\$ 565,020</b> | <b>\$ 595,219</b> | <b>\$ 643,205</b> | <b>\$ 677,621</b> | <b>\$ 713,836</b> | <b>\$ 752,016</b> |

# City of Camas

## Sanitation Utility Rate Study

### Operating Revenue and Expenditure Forecast

|  |  |   | Budget<br>2008    | Projection<br>2009 | Projection<br>2010 | Projection<br>2011 | Projection<br>2012 | Projection<br>2013 | Projection<br>2014 |
|--|--|---|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>600 Recycling</b>                           |  |   |                   |                    |                    |                    |                    |                    |                    |
| 31   | Office and Operating Supplies                    | 1 | \$ 15,000         | \$ 15,000          | \$ 15,000          | \$ 15,000          | \$ 15,000          | \$ 15,000          | \$ 15,000          |
| 35   | Small Tools and Minor Equipment                  | 1 | 25,000            | 25,000             | 25,000             | 25,000             | 25,000             | 25,000             | 25,000             |
|  | recycle containers 5% replacement/new = \$160    | 1 | -                 | -                  | 16,000             | 16,000             | 16,000             | 16,000             | 16,000             |
| 41   | Professional Services                            | 1 | 220,000           | 274,647            | 289,329            | 316,799            | 333,727            | 351,583            | 370,382            |
|  | <b>Total Recycling</b>                           |   | <b>\$ 260,000</b> | <b>\$ 314,647</b>  | <b>\$ 345,329</b>  | <b>\$ 372,799</b>  | <b>\$ 389,727</b>  | <b>\$ 407,583</b>  | <b>\$ 426,382</b>  |
| <b>700 Customer Accounts</b>                   |  |   |                   |                    |                    |                    |                    |                    |                    |
| 31   | Office and Operating Supplies                    | 1 | \$ 2,000          | \$ 2,060           | \$ 2,122           | \$ 2,185           | \$ 2,251           | \$ 2,319           | \$ 2,388           |
| 41   | Professional Services                            | 1 | 10,000            | 12,000             | 12,360             | 12,731             | 13,113             | 13,506             | 13,911             |
| 42   | Communication                                    | 1 | 500               | 500                | 500                | 500                | 500                | 500                | 500                |
| 91   | Interfund Professional Services                  | 1 | 141,568           | 145,815            | 150,189            | 154,695            | 159,336            | 164,116            | 169,040            |
|  | <b>Total Customer Accounts</b>                   |   | <b>\$ 154,068</b> | <b>\$ 160,375</b>  | <b>\$ 165,171</b>  | <b>\$ 170,111</b>  | <b>\$ 175,200</b>  | <b>\$ 180,441</b>  | <b>\$ 185,839</b>  |
| <b>800 Administration and General Expenses</b> |  |   |                   |                    |                    |                    |                    |                    |                    |
| 11   | Regular Salaries and Wages                       | 3 | \$ 10,021         | \$ 10,322          | \$ 10,631          | \$ 10,950          | \$ 11,279          | \$ 11,617          | \$ 11,966          |
| 21   | Personnel Benefits                               | 3 | 3,006             | 3,096              | 3,189              | 3,285              | 3,383              | 3,485              | 3,589              |
| 22   | Uniforms and Clothing                            | 1 | 750               | 750                | 750                | 750                | 750                | 750                | 750                |
| 31   | Office and Operating Supplies                    | 1 | 1,500             | 1,500              | 1,500              | 1,500              | 1,500              | 1,500              | 1,500              |
| 41   | Professional Services                            | 1 | 5,000             |                    |                    |                    |                    |                    | 15,000             |
|  | 1. Rate study                                    | 1 |                   |                    |                    |                    |                    |                    |                    |
|  | 2. recycle contract review                       | 1 |                   | 5,000              |                    |                    |                    |                    |                    |
| 42   | Communication                                    | 1 | 2,500             | 2,500              | 2,500              | 2,500              | 2,500              | 2,500              | 2,500              |
| 46   | Insurance  | 1 | 5,942             | 4,000              | 4,120              | 4,244              | 4,371              | 4,502              | 4,637              |
| 48   | Repairs and Maintenance                          | 1 | 300               | 300                | 300                | 300                | 300                | 300                | 300                |
| 49   | Miscellaneous                                    | 1 | 1,500             | 1,500              | 1,500              | 1,500              | 1,500              | 1,500              | 1,500              |
| 91   | Interfund Professional Services                  | 1 | 19,974            | 20,573             | 21,190             | 21,826             | 22,481             | 23,155             | 23,850             |
|  | <b>Total Administration and General Expenses</b> |   | <b>\$ 50,493</b>  | <b>\$ 49,541</b>   | <b>\$ 45,681</b>   | <b>\$ 46,855</b>   | <b>\$ 48,064</b>   | <b>\$ 49,309</b>   | <b>\$ 65,592</b>   |

# City of Camas

## Sanitation Utility Rate Study

### Operating Revenue and Expenditure Forecast

|  |                                      |   | Budget<br>2008      | Projection<br>2009                         | Projection<br>2010  | Projection<br>2011  | Projection<br>2012  | Projection<br>2013  | Projection<br>2014  |
|--|--------------------------------------|---|---------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>900 Collection</b>                  |                                      |   |                     |  |                     |                     |                     |                     |                     |
| 11                                     | Regular Salaries and Wages           | 3 | \$ 223,356          | \$ 230,057                                 | \$ 236,958          | \$ 244,067          | \$ 251,389          | \$ 258,931          | \$ 266,699          |
| 12                                     | Overtime                             | 3 | 30,000              | 15,000                                     | 15,450              | 15,914              | 16,391              | 16,883              | 17,389              |
| 21                                     | Personnel Benefits                   | 1 | 92,043              | 94,804                                     | 97,648              | 100,578             | 103,595             | 106,703             | 109,904             |
| 31                                     | Office and Operating Supplies        | 1 | 47,000              | 30,000                                     | 30,000              | 45,000              | 30,000              | 30,000              | 30,000              |
| 35                                     | Small Tools and Minor Equipment      | 1 | 3,000               | 500  | 500                 | 500                 | 500                 | 500                 | 500                 |
| 42                                     | Communication                        | 1 | 500                 | 500  | 500                 | 500                 | 500                 | 500                 | 500                 |
| 48                                     | Repairs and Maintenance              | 1 | 1,000               | 1,000                                      | 1,000               | 1,000               | 1,000               | 1,000               | 1,000               |
| 49                                     | Miscellaneous                        | 1 | 300                 | 300  | 300                 | 300                 | 300                 | 300                 | 300                 |
| 95                                     | Interfund Operating Rentals & Leases | 1 | 320,499             | 329,300                                    | 339,179             | 349,354             | 359,835             | 370,630             | 381,749             |
| <b>Total Collection</b>                |                                      |   | <b>\$ 717,698</b>   | <b>\$ 701,461</b>                          | <b>\$ 721,536</b>   | <b>\$ 757,213</b>   | <b>\$ 763,510</b>   | <b>\$ 785,447</b>   | <b>\$ 808,041</b>   |
| Add'l O&M from CIP                     |                                      |   |                     | From CIP                                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Cash O&amp;M Expenditures</b> |                                      |   | <b>\$ 1,823,259</b> | <b>\$ 1,819,345</b>                        | <b>\$ 1,901,657</b> | <b>\$ 2,019,486</b> | <b>\$ 2,084,760</b> | <b>\$ 2,167,872</b> | <b>\$ 2,269,757</b> |
| Depreciation Expense in                |                                      |   | 2006                |  |                     |                     |                     |                     |                     |
| Depreciation Expense [b]               |                                      |   |                     | Last year's plus annual additions from CIP | \$ 1,100            | \$ 34,450           | \$ -                | \$ -                | \$ -                |
| <b>TOTAL EXPENSES</b>                  |                                      |   | <b>\$ 1,824,359</b> | <b>\$ 1,853,795</b>                        | <b>\$ 1,901,657</b> | <b>\$ 2,019,486</b> | <b>\$ 2,084,760</b> | <b>\$ 2,167,872</b> | <b>\$ 2,269,757</b> |

**City of Camas  
Sanitation Utility Rate Study  
Capital Improvement Program**

Project Costs and O&M Impacts in Year: **2008**

(Project costs are escalated using Construction Cost Inflation assumptions)

| No                                       | Description   | Current Cost      | Year | Annual O&M Impact | Life in Years | For CFC Calculation   |            | Specific Funding Source<br>1-Enterprise Fund, 2-Grants & Developer Donations | Upgrade / Expansion | R&R               | TOTAL ESCALATED COSTS |         |
|--|---|-------------------|------|-------------------|---------------|-----------------------|------------|--|---------------------|-------------------|-----------------------|---------|
|  |   |                   |      |                   |               | % Upgrade / Expansion | % R&R      |  |                     |                   |                       |         |
| 1  | Machinery & Equipment (6500 containers)<br>Other Financing Uses | 325,000           | 2009 |                   | 10            | 50%                   | 50%        | 1  | Enterprise Fund     | \$ -              | \$ -                  | \$ -    |
| 2  |   |                   |      |                   |               | 0%                    | 100%       | 1  | Enterprise Fund     | -                 | 325,000               | 344,500 |
| 3  |   |                   |      |                   |               | 50%                   | 50%        | 1  | Enterprise Fund     | 27,500            | 27,500                | 55,000  |
| 4  |   |                   |      |                   |               | 50%                   | 50%        | 1  | Enterprise Fund     | -                 | -                     | -       |
| 5  |   |                   |      |                   |               | 50%                   | 50%        | 1  | Enterprise Fund     | -                 | -                     | -       |
| <b>Total Capital Projects</b>            |   | <b>\$ 380,000</b> |      | <b>\$ -</b>       |               | <b>7%</b>             | <b>93%</b> |  | <b>\$ 27,500</b>    | <b>\$ 352,500</b> | <b>\$ 399,500</b>     |         |
| Total Upgrade/Expansion Projects         |   |                   |      |                   |               |                       |            |  |                     |                   | 27,500                |         |
| Total R&R Projects                       |   |                   |      |                   |               |                       |            |  |                     |                   | 372,000               |         |
| Projects by Grants / Developer Donations |   |                   |      | -                 |               |                       |            |  | -                   | -                 | -                     |         |
| Projects by Enterprise Fund              |   |                   |      | -                 |               |                       |            |  | 27,500              | 352,500           | 399,500               |         |

| Year         | 2008 \$        | Inflated       |
|--------------|----------------|----------------|
| 2008         | 55,000         | 55,000         |
| 2009         | 325,000        | 344,500        |
| 2010         | -              | -              |
| 2011         | -              | -              |
| 2012         | -              | -              |
| 2013         | -              | -              |
| 2014         | -              | -              |
| 2015         | -              | -              |
| <b>Total</b> | <b>380,000</b> | <b>399,500</b> |

# City of Camas

## Sanitation Utility Rate Study

### Capital Funding Analysis

| <b>Summary of Expenditures</b>    | <b>2008</b>      | <b>2009</b>       | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2008 - 2015<br/>TOTAL</b> |
|-----------------------------------|------------------|-------------------|-------------|-------------|-------------|-------------|-------------|------------------------------|
| <b>CAPITAL PROJECTS</b>           |                  |                   |             |             |             |             |             |                              |
| Improvement Upgrades & Expansions | \$ 27,500        | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 27,500                    |
| Repairs and Replacements          | 27,500           | 344,500           | -           | -           | -           | -           | -           | 372,000                      |
| <b>TOTAL CAPITAL EXPENDITURES</b> | <b>\$ 55,000</b> | <b>\$ 344,500</b> | <b>\$ -</b> | <b>\$ 399,500</b>            |

| <b>Capital Financing Plan</b>                 | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>TOTAL</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Existing Revenue Bond and PWTF Proceeds       | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | -            |
| Project Specific Grants / Developer Donations | -           | -           | -           | -           | -           | -           | -           | -            |
| Project to be Funded                          | 55,000      | 344,500     | -           | -           | -           | -           | -           | 399,500      |

#### **OTHER FUNDING SOURCES [NOTE A]**

|                                 |          |           |   |   |   |   |   |           |
|---------------------------------|----------|-----------|---|---|---|---|---|-----------|
| Other Outside Sources           |          |           |   |   |   |   |   | \$ -      |
| PWTF Loan Proceeds              |          |           |   |   |   |   |   | -         |
| Other Loan Proceeds             |          |           |   |   |   |   |   | -         |
| Connection Charge               | -        | -         | - | - | - | - | - | -         |
| Rate Funded System Reinvestment | -        | -         | - | - | - | - | - | -         |
| Capital Fund Balance Deficiency | (55,000) | (344,500) | - | - | - | - | - | (399,500) |
| Capital Fund Balance            | 55,000   | 344,500   | - | - | - | - | - | 399,500   |
| Capital Fund Balance Deficiency | -        | -         | - | - | - | - | - | -         |
| Revenue Bond Proceeds [Note B]  |          |           |   |   |   |   |   | -         |
| Rates                           |          |           |   |   |   |   |   | -         |
| Total                           |          |           |   |   |   |   |   |           |

# City of Camas

## Sanitation Utility Rate Study

### Revenue Requirements Analysis

| <b>Cash Flow Sufficiency Test</b>                    | <b>2008</b>         | <b>2009</b>         | <b>2010</b>         | <b>2011</b>         | <b>2012</b>         | <b>2013</b>         | <b>2014</b>         |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>EXPENSES</b>                                      |                     |                     |                     |                     |                     |                     |                     |
| Cash Operating Expenses                              | \$ 1,823,259        | \$ 1,819,345        | \$ 1,901,657        | \$ 2,019,486        | \$ 2,084,760        | \$ 2,167,872        | \$ 2,269,757        |
| Existing Debt Service                                | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| New Debt Service                                     | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Rate-Funded CIP                                      | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Rate Funded System Reinvestment                      | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Additions Required to Meet Minimum Op. Fund Balance  | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Expenses</b>                                | <b>\$ 1,823,259</b> | <b>\$ 1,819,345</b> | <b>\$ 1,901,657</b> | <b>\$ 2,019,486</b> | <b>\$ 2,084,760</b> | <b>\$ 2,167,872</b> | <b>\$ 2,269,757</b> |
| <b>REVENUES</b>                                      |                     |                     |                     |                     |                     |                     |                     |
| Rate Revenue   | \$ 1,815,000        | \$ 1,851,300        | \$ 1,888,326        | \$ 1,926,093        | \$ 2,014,174        | \$ 2,054,457        | \$ 2,095,546        |
| Other Revenue  | 20,500              | 21,146              | 21,812              | 22,499              | 23,207              | 23,938              | 24,692              |
| Operating Fund & Debt Reserve Fund Interest Earnings | 35,000              | 14,256              | 4,680               | 4,892               | 5,195               | 5,363               | 5,576               |
| <b>Total Revenue</b>                                 | <b>\$ 1,870,500</b> | <b>\$ 1,886,701</b> | <b>\$ 1,914,818</b> | <b>\$ 1,953,483</b> | <b>\$ 2,042,576</b> | <b>\$ 2,083,758</b> | <b>\$ 2,125,815</b> |
| <b>NET CASH FLOW (DEFICIENCY)</b>                    | <b>\$ 47,241</b>    | <b>\$ 67,356</b>    | <b>\$ 13,160</b>    | <b>\$ (66,003)</b>  | <b>\$ (42,185)</b>  | <b>\$ (84,114)</b>  | <b>\$ (143,942)</b> |

| <b>Coverage Sufficiency Test</b>          | <b>2008</b>         | <b>2009</b>         | <b>2010</b>         | <b>2011</b>         | <b>2012</b>         | <b>2013</b>         | <b>2014</b>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>EXPENSES</b>                           |                     |                     |                     |                     |                     |                     |                     |
| Cash Operating Expenses                   | \$ 1,823,259        | \$ 1,819,345        | \$ 1,901,657        | \$ 2,019,486        | \$ 2,084,760        | \$ 2,167,872        | \$ 2,269,757        |
| Revenue Bond Debt Service                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Revenue Bond Coverage Requirement at 1.25 | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Expenses</b>                     | <b>\$ 1,823,259</b> | <b>\$ 1,819,345</b> | <b>\$ 1,901,657</b> | <b>\$ 2,019,486</b> | <b>\$ 2,084,760</b> | <b>\$ 2,167,872</b> | <b>\$ 2,269,757</b> |
| <b>ALLOWABLE REVENUES</b>                 |                     |                     |                     |                     |                     |                     |                     |
| Rate Revenue                              | \$ 1,815,000        | \$ 1,851,300        | \$ 1,888,326        | \$ 1,926,093        | \$ 2,014,174        | \$ 2,054,457        | \$ 2,095,546        |
| Other Revenue                             | 20,500              | 21,146              | 21,812              | 22,499              | 23,207              | 23,938              | 24,692              |
| Interest Earnings - All Funds             | 35,000              | 25,037              | 16,701              | 18,653              | 19,417              | 22,280              | 25,332              |
| <b>Total Revenue</b>                      | <b>\$ 1,870,500</b> | <b>\$ 1,897,483</b> | <b>\$ 1,926,839</b> | <b>\$ 1,967,244</b> | <b>\$ 2,056,798</b> | <b>\$ 2,100,675</b> | <b>\$ 2,145,570</b> |
| Coverage Realized                         | n/a                 |
| <b>COVERAGE SURPLUS (DEFICIENCY)</b>      | <b>\$ 47,241</b>    | <b>\$ 78,138</b>    | <b>\$ 25,181</b>    | <b>\$ (52,241)</b>  | <b>\$ (27,962)</b>  | <b>\$ (67,197)</b>  | <b>\$ (124,187)</b> |

# City of Camas

## Sanitation Utility Rate Study

### Revenue Requirements Analysis

| <b>Maximum Revenue Deficiency</b>           | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b>      | <b>2012</b> | <b>2013</b> | <b>2014</b> |
|---|-------------|-------------|-------------|------------------|-------------|-------------|-------------|
| Sufficiency Test Driving the Deficiency     | None        | None        | None        | Cash             | Cash        | Cash        | Cash        |
| Maximum Deficiency From Tests               | \$ -        | \$ -        | \$ -        | \$ 66,003        | \$ 42,185   | \$ 84,114   | \$ 143,942  |
| less: Net Revenue From Prior Rate Increases |             |             |             | (37,944)         | (78,180)    | (121,811)   | (168,015)   |
| Revenue Deficiency                          | \$ -        | \$ -        | \$ -        | \$ 28,059        | \$ -        | \$ -        | \$ -        |
| Plus: Adjustment for State Excise Tax       |             |             |             | 427              |             |             |             |
| <b>Total Revenue Deficiency</b>             | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 28,486</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> |

| <b>Rate Increases</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  | <b>2014</b>   |
|--|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Rate Revenue with no Increase                                | \$ 1,815,000 | \$ 1,851,300 | \$ 1,888,326 | \$ 1,926,093 | \$ 2,014,174 | \$ 2,054,457 | \$ 2,095,546  |
| Revenues from Prior Rate Increases                           | -            | -            | -            | 38,522       | 79,370       | 123,666      | 170,573       |
| Rate Revenue Before Rate Increase (Incl. previous increases) | 1,815,000    | 1,851,300    | 1,888,326    | 1,964,614    | 2,093,544    | 2,178,123    | 2,266,120     |
| Required Annual Rate Increase                                | 0.00%        | 0.00%        | 0.00%        | 1.45%        | 0.00%        | 0.00%        | 0.00%         |
| Number of Months New Rates Will Be In Effect                 | 12           | 10           | 12           | 12           | 12           | 12           | 12            |
| Info: Percentage Increase to Generate Required Revenue       | 0.00%        | 0.00%        | 0.00%        | 1.45%        | 0.00%        | 0.00%        | 0.00%         |
| <b>Policy Induced Rate Increases</b>                         | 0.00%        | 0.00%        | 2.00%        | 2.00%        | 2.00%        | 2.00%        | 2.00%         |
| <b>ANNUAL RATE INCREASE</b>                                  | <b>0.00%</b> | <b>0.00%</b> | <b>2.00%</b> | <b>2.00%</b> | <b>2.00%</b> | <b>2.00%</b> | <b>2.00%</b>  |
| <b>CUMULATIVE RATE INCREASE</b>                              | <b>0.00%</b> | <b>0.00%</b> | <b>2.00%</b> | <b>4.04%</b> | <b>6.12%</b> | <b>8.24%</b> | <b>10.41%</b> |

| <b>Impacts of Rate Increases</b>             | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Rate Revenues After Rate Increase            | \$ 1,815,000 | \$ 1,851,300 | \$ 1,926,093 | \$ 2,003,907 | \$ 2,135,415 | \$ 2,221,686 | \$ 2,311,442 |
| Full Year Rate Revenues After Rate Increase  | 1,815,000    | 1,851,300    | 1,926,093    | 2,003,907    | 2,137,457    | 2,223,811    | 2,313,653    |
| Additional State Taxes Due to Rate Increases | -            | -            | 566          | 1,167        | 1,819        | 2,508        | 3,238        |
| Net Cash Flow After Rate Increase            | 47,241       | 67,356       | 50,360       | 10,644       | 77,238       | 80,606       | 68,715       |
| Coverage After Rate Increase                 | n/a          |

# City of Camas

## Sanitation Utility Rate Study

### Fund Activity

| <b>Funds</b>  | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>OPERATING FUND</b>                                 |             |             |             |             |             |             |             |
| Beginning Balance                                     | \$ 618,000  | \$ 455,500  | \$ 149,535  | \$ 156,301  | \$ 165,985  | \$ 171,350  | \$ 178,181  |
| plus: Net Cash Flow after Rate Increase               | 47,241      | 67,356      | 50,360      | 10,644      | 77,238      | 80,606      | 68,715      |
| less: Transfer of Surplus to Capital Fund             | (515,384)   | (373,321)   | (43,595)    | (960)       | (71,873)    | (73,775)    | (60,341)    |
| Ending Balance  | \$ 149,857  | \$ 149,535  | \$ 156,301  | \$ 165,985  | \$ 171,350  | \$ 178,181  | \$ 186,555  |
| <i>Minimum Target Balance</i>                         | 149,857     | 149,535     | 156,301     | 165,985     | 171,350     | 178,181     | 186,555     |
| <i>Maximum Funds to be Kept as Operating Reserves</i> | 149,857     | 149,535     | 156,301     | 165,985     | 171,350     | 178,181     | 186,555     |
| <i>Info: No of Days of Cash Operating Expenses</i>    | 30          | 30          | 30          | 30          | 30          | 30          | 30          |
| <b>EQUIPMENT REPLACEMENT FUND</b>                     |             |             |             |             |             |             |             |
| Beginning Balance                                     | \$ 55,000   | \$ 344,500  | \$ 384,103  | \$ 439,719  | \$ 454,440  | \$ 540,536  | \$ 631,228  |
| plus: Rate Funded System Reinvestment                 | -           | -           | -           | -           | -           | -           | -           |
| plus: Net Debt Proceeds Available for Projects        | -           | -           | -           | -           | -           | -           | -           |
| plus: Interest Earnings                               | 1,721       | 10,782      | 12,021      | 13,762      | 14,222      | 16,917      | 19,755      |
| plus: Transfer of Surplus from Operating Fund         | 515,384     | 373,321     | 43,595      | 960         | 71,873      | 73,775      | 60,341      |
| plus: Direct Rate Funding                             | -           | -           | -           | -           | -           | -           | -           |
| Total Capital Funding Sources                         | 572,105     | 728,603     | 439,719     | 454,440     | 540,536     | 631,228     | 711,324     |
| less: Capital Expenditures                            | (55,000)    | (344,500)   | -           | -           | -           | -           | -           |
| Ending Balance  | \$ 517,105  | \$ 384,103  | \$ 439,719  | \$ 454,440  | \$ 540,536  | \$ 631,228  | \$ 711,324  |
| <i>Minimum Target Balance</i>                         | \$ 1,100    | \$ 7,990    | \$ 7,990    | \$ 7,990    | \$ 7,990    | \$ 7,990    | \$ 7,990    |

# SYSTEM DEVELOPMENT CHARGES

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**City of Camas**  
**Water Utility Rate Study**  
System Development Charge

| EXISTING COST BASIS:                                       | 2008                 | NOTES:  |
|--|----------------------|---|
| <b>Plant in Service</b>                                    |                      |   |
| Utility Capital Assets                                     | \$ 37,749,068        | Original cost of plant-in-service as of 12/31/2007                |
| less: Contributed Capital                                  | (4,830,000)          | CIAC, Grants, and other contributed capital                       |
| plus: Interest on Non-Contributed Plant                    | 15,616,414           | Interest on assets up to a maximum 10-year period                 |
| Existing Cash Balances                                     | 665,226              | Available Construction Cash and Debt Fund Cash                    |
| less: Debt Principal Outstanding                           | (6,382,527)          | Total principal outstanding for the existing debt                 |
| less: Net Debt Principal Outstanding                       | (5,717,301)          | Debt principal outstanding, net of cash reserves                  |
| <b>TOTAL EXISTING COST BASIS</b>                           | <b>\$ 42,818,181</b> |   |
| <b>FUTURE COST BASIS:</b>                                  |                      |   |
| <b>Capital Improvement Plan</b>                            |                      |   |
| Total Future Projects (2008\$)                             |                      | Total projects identified in the 20-year CIP                      |
| Cumulative   | \$ 4,372,100         | Projects which apply to both Non NUGAE & NUGAE                    |
| Non NUGAE  | 7,621,300            | Projects which apply to only Non NUGAE                            |
| NUGAE  | 54,127,000           | Projects which apply to only NUGAE                                |
| less: Identified Repair & Replacement Projects             |                      | R&R projects are not eligible for GFC                             |
| Cumulative   | (290,000)            | R&R projects which apply to both Non NUGAE & NUGAE                |
| Non NUGAE  | (814,875)            | R&R projects which apply only to Non NUGAE                        |
| NUGAE  | -                    | R&R projects which apply only to NUGAE                            |
| less: Contributed Future Upgrade and Expansion Projects    |                      | Not eligible for recovery through GFC                             |
| Cumulative   | -                    | Contributions which apply to both Non NUGAE & NUGAE               |
| Non NUGAE  | (710,850)            | Contributions which apply only to Non NUGAE                       |
| NUGAE  | (33,406,333)         | Contributions which apply only to NUGAE                           |
| <b>TOTAL FUTURE COST BASIS</b>                             | <b>\$ 30,898,342</b> |   |
| <b>CUSTOMER BASE</b>                                       |                      |   |
| <b>NOTES:</b>  |                      |   |
| Existing Residential Equivalent Domestic Units             |                      | Existing residential customer equivalents 2008                    |
| Non NUGAE  | 9,446                | From G&O  |
| NUGAE  | -                    | From G&O  |
| Future Residential Equivalent Domestic Units (Incremental) |                      | Estimated growth in Customer Equivalents 20-year growth 2008-2027 |
| Non NUGAE  | 6,780                | From G&O  |
| NUGAE  | 5,581                | From G&O  |
| <b>TOTAL CUSTOMER BASE</b>                                 | <b>21,807</b>        | Estimated growth in Customer Equivalents 20-year growth 2008-2027 |
| <b>RESULTING CHARGE</b>                                    |                      |   |
| <b>Existing Cost Basin Portion</b>                         |                      |   |
|  | MCE                  |   |
| Allocable Existing Portion                                 | \$ 42,818,181        |   |
| Allocable Customer Base                                    | 21,807               |   |
| <b>Existing Cost Basis Charge Non NUGAE &amp; NUGAE</b>    | <b>\$ 1,964</b>      | Applies To Both Non NUGAE and NUGAE                               |
| <b>Future Cost Basin Portion - CUMULATIVE</b>              |                      |   |
| Allocable Future Portion to Both                           | \$ 4,082,100         |   |
| Allocable Customer Base                                    | 12,361               |   |
| <b>Future Cost Basis Charge Cumulative</b>                 | <b>\$ 330</b>        | Applies To Both Non NUGAE and NUGAE                               |
| Allocable Future Portion Non NUGAE                         | 6,095,575            |   |
| Allocable Customer Base                                    | 6,780                |   |
| <b>Future Cost Basis Charge Non NUGAE</b>                  | <b>\$ 899</b>        | Applies Only to Non NUGAE   |
| Allocable Future Portion NUGAE                             | \$ 20,720,667        |   |
| Allocable Customer Base                                    | 5,581                | Applies Only to NUGAE   |
| <b>NUGAE Future Cost Basis Charge</b>                      | <b>\$ 3,713</b>      | Applies Only to NUGAE   |
| Non NUGAE  | <b>3,193</b>         | Applies Only to Non NUGAE   |
| NUGAE  | <b>6,007</b>         | Applies Only to NUGAE   |

# City of Camas

## Water Utility Rate Study

### System Development Charge

#### SDC - All classes except Industrial

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| Meter | MCEs | Proposed  |          |
|-------|------|-----------|----------|
|       |      | Non-NUGAE | NUGAE    |
| 5/8"  | 1    | \$ 3,193  | \$ 6,007 |
| 3/4"  | 1.5  | 4,789     | 9,010    |
| 1"    | 2.5  | 7,982     | 15,016   |
| 1.5"  | 5    | 15,964    | 30,033   |
| 2"    | 8    | 25,542    | 48,053   |
| 3"    | 16   | 51,084    | 96,106   |
| 4"    | 25   | 79,819    | 150,165  |
| 6"    | 50   | 159,637   | 300,330  |
| 8"    | 80   | 255,420   | 480,528  |

# City of Camas

## Water Utility Rate Study

### System Development Charge

#### SDC - Industrial Option 1

| Meter | MCEs | MSEs | Proposed  |           |
|-------|------|------|-----------|-----------|
|       |      |      | Non-NUGAE | NUGAE     |
| 5/8"  | 1    | 1    | \$ 19,819 | \$ 38,476 |
| 3/4"  | 1.5  | 1.1  | 28,288    | 55,454    |
| 1"    | 2.5  | 1.4  | 45,265    | 89,449    |
| 1.5"  | 5    | 1.8  | 87,569    | 174,298   |
| 2"    | 8    | 2.9  | 138,579   | 276,362   |
| 3"    | 16   | 11   | 276,634   | 550,561   |
| 4"    | 25   | 14   | 429,544   | 856,633   |
| 6"    | 50   | 21   | 853,770   | 1,706,309 |
| 8"    | 80   | 29   | 1,362,684 | 2,725,763 |

# City of Camas

## Water Utility Rate Study

### System Development Charge

#### SDC - Industrial Option 2

| Industrial | Customer / Account | Meters & Services/MSE | Base/ERU | Peak/MCE | Fire/Account | SDC      |
|------------|--------------------|-----------------------|----------|----------|--------------|----------|
| Non-NUGAE  | \$ -               | \$ 393                | \$ 988   | \$ 1,147 | \$ 518       | \$ 3,046 |
| NUGAE      | \$ -               | \$ 393                | \$ 2,704 | \$ 2,324 | \$ 845       | \$ 6,266 |

| Meter | MCEs | MSEs |
|-------|------|------|
| 5/8"  | 1    | 1    |
| 3/4"  | 1.5  | 1.1  |
| 1"    | 2.5  | 1.4  |
| 1.5"  | 5    | 1.8  |
| 2"    | 8    | 2.9  |
| 3"    | 16   | 11   |
| 4"    | 25   | 14   |
| 6"    | 50   | 21   |
| 8"    | 80   | 29   |

#### Charge Calculation

##### Non-NUGAE

|                  |          |   |
|------------------|----------|---|
| Customer:        | \$ -     | zero for all customers.                                   |
| Meter & Service: | \$ 393   | multiplied by appropriate MSE index from the table above. |
| Base:            | \$ 988   | multiplied by (projected consumption divided by 283.6)    |
| Peak:            | \$ 1,147 | multiplied by appropriate MCE index from the table above. |
| Fire:            | \$ 518   | for all customers   |

Total SDC                      Sum of all parts

##### NUGAE

|                  |          |   |
|------------------|----------|---|
| Customer:        | \$ -     | zero for all customers.                                   |
| Meter & Service: | \$ 393   | multiplied by appropriate MSE index from the table above. |
| Base:            | \$ 2,704 | multiplied by (projected consumption divided by 283.6)    |
| Peak:            | \$ 2,324 | multiplied by appropriate MCE index from the table above. |
| Fire:            | \$ 845   | for all customers   |

Total SDC                      Sum of all parts

**City of Camas**  
**Sewer Utility Rate Study**  
System Development Charge

| <b>EXISTING COST BASIS:</b>                                |              | 2008                 | <b>NOTES:</b>  |
|--|--------------|----------------------|--|
| <b>Plant in Service</b>                                    |              |                      |  |
| Utility Capital Assets                                     |              | \$ 43,604,604        | Original cost of plant-in-service as of 12/31/2007                             |
| less: Contributed Capital                                  |              | (6,238,872)          | CIAC, Grants, and other contributed capital                                    |
| plus: Interest on Non-Contributed Plant                    |              | 18,879,806           | Interest on assets up to a maximum 10-year period                              |
| Existing Cash Balances                                     | 1,006,471    |                      | Available Construction Cash and Debt Fund Cash                                 |
| less: Debt Principal Outstanding                           | (17,484,419) |                      | Total principal outstanding for the existing debt                              |
| less: Net Debt Principal Outstanding                       |              | (16,477,948)         | Debt principal outstanding, net of cash reserves                               |
| <b>TOTAL EXISTING COST BASIS</b>                           |              | <b>\$ 39,767,590</b> |  |
| <b>FUTURE COST BASIS:</b>                                  |              |                      |  |
| <b>Capital Improvement Plan</b>                            |              |                      |  |
| Total Future Projects (2008\$)                             |              |                      | Total projects identified in the 20-year CIP                                   |
| Cumulative   |              | \$ 4,152,500         | Projects which apply to both Non NUGAE & NUGAE (cost reflect 20-year capacity) |
| Non NUGAE  |              | 25,260,622           | Projects which apply to only Non NUGAE   |
| Phase III  |              | 10,634,955           |  |
| NUGAE  |              | 39,259,124           | Projects which apply to only NUGAE (100% build out within 20-years)            |
| less: Identified Repair & Replacement Projects             |              |                      | R&R projects are not eligible for GFC  |
| Cumulative   |              | (3,302,500)          | R&R projects which apply to both Non NUGAE & NUGAE                             |
| Non NUGAE  |              | (17,536,444)         | R&R projects which apply only to Non NUGAE                                     |
| Phase III  |              | -                    |  |
| NUGAE  |              | (3,498,800)          | R&R projects which apply only to NUGAE   |
| less: Contributed Future Upgrade and Expansion Projects    |              |                      | Not eligible for recovery through GFC  |
| Cumulative   |              | -                    | Contributions which apply to both Non NUGAE & NUGAE                            |
| Non NUGAE  |              | -                    | Contributions which apply only to Non NUGAE                                    |
| Phase III  |              | -                    |  |
| NUGAE  |              | (13,700,000)         | Contributions which apply only to NUGAE  |
| <b>TOTAL FUTURE COST BASIS</b>                             |              | <b>\$ 41,269,458</b> |  |
| <b>CUSTOMER BASE</b>                                       |              |                      |  |
| Existing Residential Equivalent Domestic Units             |              |                      | Existing residential customer equivalents 2008                                 |
| Non NUGAE  |              | 15,086               | From G&O   |
| NUGAE  |              | -                    | From G&O   |
| Future Residential Equivalent Domestic Units (Incremental) |              |                      | Estimated growth in Customer Equivalents 20-year growth 2008-2027              |
| Non NUGAE  |              | 9,873                | From G&O   |
| NUGAE  |              | 5,228                | From G&O   |
| Phase III Capacity   | 9,026        |                      |  |
| <b>TOTAL CUSTOMER BASE</b>                                 |              | <b>30,187</b>        | Estimated growth in Customer Equivalents 20-year growth 2008-2027              |
| <b>RESULTING CHARGE</b>                                    |              |                      |  |
| <b>Existing Cost Basin Portion</b>                         |              |                      |  |
| Allocable Existing Portion                                 |              | \$ 39,767,590        |  |
| Allocable Customer Base                                    |              | 30,187               |  |
| <b>Existing Cost Basis Charge Non NUGAE</b>                |              | <b>\$ 1,317</b>      | Applies To Both Non NUGAE and NUGAE  |
| <b>Future Cost Basin Portion</b>                           |              |                      |  |
| Allocable Future Portion to Both                           |              | \$ 850,000           |  |
| Allocable Customer Base                                    |              | 15,101               |  |
| <b>Future Cost Basis Charge Cumulative</b>                 |              | <b>\$ 56</b>         | Applies To Both Non NUGAE and NUGAE  |
| Allocable Future Portion Non NUGAE                         |              | \$ 7,724,178         |  |
| Allocable Customer Base                                    |              | 9,873                |  |
| <b>Future Cost Basis Charge Non NUGAE</b>                  |              | <b>\$ 782</b>        | Applies Only to Non NUGAE  |
| Allocable Future Portion Non NUGAE Phase III               |              | \$ 10,634,955        |  |
| Allocable Customer Base                                    |              | 9,026                |  |
| <b>Future Cost Basis Charge Non NUGAE Phase III</b>        |              | <b>\$ 1,178</b>      |  |
| Allocable Future Portion NUGAE                             |              | \$ 22,060,325        |  |
| Allocable Customer Base                                    |              | 5,228                |  |
| <b>NUGAE Future Cost Basis Charge</b>                      |              | <b>\$ 4,220</b>      | Applies Only to NUGAE  |
| Non NUGAE  |              | <b>3,334</b>         | Applies Only to Non NUGAE  |
| NUGAE  |              | <b>5,593</b>         | Applies Only to NUGAE  |

# City of Camas

## Sewer Utility Rate Study

SDC

| Meter Size           | Existing Rates | Proposed Non NUGAE | Difference | Proposed NUGAE | Difference |
|----------------------|----------------|--------------------|------------|----------------|------------|
| <b>Residential</b>   | \$ 2,349       | \$ 3,334           | \$ 985     | \$ 5,593       | \$ 3,244   |
| <b>Commercial I</b>  |                |                    |            |                |            |
| 5/8"                 | \$ 2,349       | \$ 3,334           | \$ 985     | \$ 5,593       | \$ 3,244   |
| 3/4"                 | 3,523          | 5,001              | 1,478      | 8,390          | 4,867      |
| 1"                   | 5,872          | 8,336              | 2,463      | 13,983         | 8,111      |
| 1.5"                 | 11,745         | 16,671             | 4,926      | 27,967         | 16,222     |
| 2"                   | 18,792         | 26,674             | 7,882      | 44,747         | 25,955     |
| 3"                   | 37,584         | 53,348             | 15,764     | 89,493         | 51,909     |
| 4"                   | 58,725         | 83,357             | 24,632     | 139,833        | 81,108     |
| 6"                   | 117,449        | 166,713            | 49,264     | 279,666        | 162,217    |
| 8"                   | 187,919        | 266,741            | 78,822     | 447,466        | 259,547    |
| <b>Commercial II</b> |                |                    |            |                |            |
| Flow (gallons)       | \$ 8.55        | \$ 16.94           | \$ 8.39    | \$ 28.78       | \$ 20.23   |
| BOD (lbs / day)      | 1,364          | 3,149              | 1,785      | 5,071          | 3,708      |
| TSS (lbs / day)      | 1,006          | 1,192              | 186        | 1,921          | 914        |

**City of Camas**  
**Storm Utility Rate Study**  
System Development Charge

| EXISTING COST BASIS:                                       | 2008                 | NOTES:  |
|--|----------------------|---|
| <b>Plant in Service</b>                                    |                      |   |
| Utility Capital Assets                                     | \$ 10,770,683        | Original cost of plant-in-service as of 12/31/2007                        |
| less: Contributed Capital                                  | (8,081,647)          | CIAC, Grants, and other contributed capital                               |
| plus: Interest on Non-Contributed Plant                    | 489,374              | Interest on assets up to a maximum 10-year period                         |
| Existing Cash Balances                                     | -                    | Available Construction Cash and Debt Fund Cash                            |
| less: Debt Principal Outstanding                           | -                    | Total principal outstanding for the existing debt                         |
| less: Net Debt Principal Outstanding                       | -                    | Debt principal outstanding, net of cash reserves                          |
| <b>TOTAL EXISTING COST BASIS</b>                           | <b>\$ 3,178,410</b>  |   |
| <b>FUTURE COST BASIS:</b>                                  |                      |   |
| <b>Capital Improvement Plan</b>                            |                      |   |
| Total Future Projects (2008\$)                             |                      | Total projects identified in the 20-year CIP                              |
| Cumulative   | \$ 104,375           |   |
| Non NUGAE CIP  | 10,249,380           |   |
| NUGAE CIP  | 30,672,000           |   |
| less: Identified Repair & Replacement Projects             |                      | R&R projects are not eligible for GFC                                     |
| Cumulative   | -                    |   |
| Non NUGAE CIP  | (892,500)            |   |
| NUGAE CIP  | -                    |   |
| less: Contributed Future Upgrade and Expansion Projects    |                      | Not eligible for recovery through GFC                                     |
| Cumulative   | -                    |   |
| Non NUGAE CIP  | (1,175,322)          |   |
| NUGAE CIP  | (4,600,800)          |   |
| <b>TOTAL FUTURE COST BASIS</b>                             | <b>\$ 34,357,133</b> |   |
| <b>CUSTOMER BASE</b>                                       |                      |   |
| <b>NOTES:</b>  |                      |   |
| Existing Residential Equivalent Domestic Units             |                      | Existing residential customer equivalents 2008                            |
| Cumulative   | 9,692                |   |
| Non NUGAE  | 9,692                | Assumed annualized sewer growth rates                                     |
| NUGAE  | -                    | Assumed annualized sewer growth rates                                     |
| Future Residential Equivalent Domestic Units (Incremental) |                      | Estimated growth in Customer Equivalents 20-year growth 2008-2027         |
| Cumulative   | 11,559               |   |
| Non NUGAE  | 6,331                | Assumed annualized sewer growth rates                                     |
| NUGAE  | 5,228                | Assumed annualized sewer growth rates based on Sewer to Storm Proporti... |
| <b>TOTAL CUSTOMER BASE</b>                                 | <b>21,251</b>        | Estimated growth in Customer Equivalents 20-year growth 2008-2027         |
| <b>RESULTING GENERAL CHARGE</b>                            |                      |   |
| <b>Existing Cost Basin Portion</b>                         |                      |   |
| Allocable Existing Portion                                 | \$ 3,178,410         |   |
| Allocable Customer Base                                    | 21,251               |   |
| <b>Existing Cost Basis Charge</b>                          | <b>\$ 150</b>        |   |
| <b>Future Cost Basin Portion</b>                           |                      |   |
| <b>Cumulative</b>  |                      |   |
| Allocable Future Portion                                   | \$ 104,375           |   |
| Allocable Customer Base                                    | 11,559               | Growth portion is allocable to future customers only                      |
| <b>Future Cost Basis Cumulative Charge</b>                 | <b>\$ 9</b>          |   |
| <b>Non NUGAE Only</b>                                      |                      |   |
| Allocable Future Portion                                   | \$ 8,181,558         |   |
| Allocable Customer Base                                    | 6,331                | Growth portion is allocable to future customers only                      |
| <b>Future Cost Basis Non NUGAE Charge</b>                  | <b>\$ 1,292</b>      |   |
| <b>NUGAE Only</b>  |                      |   |
| Allocable Future Portion                                   | \$ 26,071,200        |   |
| Allocable Customer Base                                    | 5,228                | Growth portion is allocable to future customers only                      |
| <b>Future Cost Basis Charge</b>                            | <b>\$ 4,987</b>      |   |
| Non NUGAE  | \$ 1,461             |   |
| NUGAE  | \$ 5,145             |   |