

**Defined Level of Service Rate Option A: Initial Rate \$6.50 per Month, Annual Increases 5%**  
**Southeast Metro Stormwater Authority**  
 (Refer to Attached "Proposed Level of Service Increases" for Assumptions)  
 (1,000s)

Water Quality Permit Terms:	First Term- 2003 to 2007		Second Term					Third Term					Fourth Term					Fifth Term				
	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016	11 2017	12 2018	13 2019	14 2020	15 2021	16 2022	17 2023	18 2024	19 2025	20 2026	21 2027	
<b>CURRENT YEAR USES OF FUNDS</b>																						
<b>Program Costs</b>																						
Total Employee and Related for Programs (less maintenance)	5%	\$1,803	\$1,893	\$1,988	\$2,401	\$2,521	\$2,647	\$2,779	\$2,918	\$3,523	\$3,700	\$3,885	\$4,079	\$4,283	\$5,171	\$5,430	\$5,702	\$5,987	\$6,286	\$7,590	\$7,970	\$8,368
Total Building and Related (10% in years 2014, 2021 & 2027)	0%	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$268	\$268	\$268	\$268	\$268	\$268	\$322	\$322	\$322	\$322	\$322	\$322	\$322	\$387
Total Services and Administration (5% every 5th year)	5%	\$356	\$374	\$392	\$432	\$454	\$477	\$501	\$526	\$579	\$608	\$639	\$671	\$704	\$776	\$815	\$856	\$899	\$944	\$1,041	\$1,093	\$1,147
Total Loan Repayment		\$1,499	\$799	\$799	\$799	\$799																
<b>Subtotal Program Costs</b>		\$3,882	\$3,290	\$3,403	\$3,856	\$3,997	\$3,347	\$3,503	\$3,712	\$4,371	\$4,576	\$4,792	\$5,018	\$5,256	\$6,216	\$6,567	\$6,880	\$7,208	\$7,552	\$8,953	\$9,384	\$9,902
<b>Maintenance Costs</b>																						
Employee Related Maintenance Costs	4%	\$267	\$416	\$506	\$600	\$698	\$800	\$906	\$1,016	\$1,056	\$1,098	\$1,142	\$1,188	\$1,236	\$1,413	\$1,470	\$1,529	\$1,590	\$1,654	\$1,892	\$1,967	\$2,046
Total Field Operations for Routine Ongoing Remedial and Backlog Remedial Maintenance	4%	\$494	\$770	\$938	\$1,112	\$1,293	\$1,481	\$1,677	\$1,881	\$1,956	\$2,034	\$2,116	\$2,200	\$2,288	\$2,618	\$2,723	\$2,832	\$2,945	\$3,063	\$3,504	\$3,644	\$3,790
<b>Subtotal Maintenance Costs</b>		\$761	\$1,186	\$1,444	\$1,712	\$1,991	\$2,281	\$2,583	\$2,896	\$3,012	\$3,133	\$3,258	\$3,388	\$3,524	\$4,031	\$4,193	\$4,360	\$4,535	\$4,716	\$5,395	\$5,611	\$5,836
<b>CIP Costs</b>																						
First year High Priority Capital Project List (\$4,676,000)		\$4,676																				
High Priority Capital Project list (\$30M less first year CIP)	3%		\$2,850	\$2,936	\$3,024	\$3,115	\$3,208	\$3,304	\$3,403	\$3,505	\$3,611	\$3,719	\$3,825	\$3,931	\$4,039	\$4,147	\$4,256	\$4,365	\$4,475	\$4,585	\$4,695	\$4,805
Medium Priority Capital Project List (\$20M)	3%																					
New Projects Identified by emergency needs, inventory and master planning studies	3%		\$750	\$773	\$796	\$820	\$844	\$869	\$896	\$922	\$950	\$979	\$1,008	\$1,038	\$1,069	\$1,101	\$1,134	\$1,168	\$1,204	\$1,240	\$1,277	\$1,315
<b>Subtotal CIP Costs</b>		\$4,676	\$3,600	\$3,708	\$3,819	\$3,934	\$4,052	\$4,174	\$4,299	\$4,428	\$4,561	\$4,697	\$4,833	\$4,974	\$5,119	\$5,267	\$5,418	\$5,572	\$5,729	\$5,889	\$6,051	\$6,215
<b>TOTAL USES OF FUNDS</b>		\$9,318	\$8,077	\$8,556	\$9,388	\$9,923	\$9,680	\$10,260	\$10,907	\$11,811	\$12,270	\$12,747	\$12,440	\$12,934	\$14,527	\$15,167	\$15,779	\$16,418	\$17,084	\$19,309	\$20,105	\$21,000
<b>CURRENT YEAR SOURCES OF FUNDS</b>																						
User Fees * (Assume \$6.50 Per Month, 1.75% Annual Growth in Rate Base)		\$7,000	\$7,123	\$7,610	\$8,130	\$8,686	\$9,280	\$9,914	\$10,592	\$11,316	\$12,090	\$12,917	\$13,800	\$14,743	\$15,751	\$16,828	\$17,979	\$19,208	\$20,522	\$21,925	\$23,424	\$25,026
User Fee Automatic Annual Inflation Adjustments	3%		\$214	\$228	\$244	\$261	\$278	\$297	\$318	\$339	\$363	\$387	\$414	\$442	\$473	\$505	\$539	\$576	\$616	\$658	\$703	\$751
Additional User Fee Annual Increases to Improve Level of Service (2%)			\$142	\$152	\$163	\$174	\$186	\$198	\$212	\$226	\$242	\$258	\$276	\$295	\$315	\$337	\$360	\$384	\$410	\$438	\$468	\$501
Less Credits Against User Fees (3%)		\$210	\$214	\$228	\$244	\$261	\$278	\$297	\$318	\$339	\$363	\$387	\$414	\$442	\$473	\$505	\$539	\$576	\$616	\$658	\$703	\$751
Less Delinquent Accounts (1%)		\$70	\$71	\$76	\$81	\$87	\$93	\$99	\$106	\$113	\$121	\$129	\$138	\$147	\$158	\$168	\$180	\$192	\$205	\$219	\$234	\$250
<b>Subtotal User Fees</b>		\$7,280	\$7,764	\$8,294	\$8,861	\$9,467	\$10,115	\$10,806	\$11,545	\$12,335	\$13,178	\$14,079	\$15,042	\$16,070	\$17,169	\$18,343	\$19,597	\$20,937	\$22,369	\$23,898	\$25,532	\$27,278
Urban Drainage District Matching Funds (1.75% Annual Growth in Rate Base)	3%	\$500	\$524	\$549	\$576	\$603	\$632	\$663	\$694	\$728	\$763	\$799	\$838	\$878	\$920	\$964	\$1,011	\$1,059	\$1,110	\$1,163	\$1,219	\$1,278
<b>TOTAL SOURCES OF FUNDS</b>		\$7,780	\$8,288	\$8,844	\$9,437	\$10,071	\$10,747	\$11,469	\$12,240	\$13,062	\$13,941	\$14,878	\$15,879	\$16,948	\$18,089	\$19,307	\$20,608	\$21,996	\$23,478	\$25,061	\$26,751	\$28,555
<b>SOURCES LESS USES</b>		\$1,538	\$211	\$288	\$49	\$148	\$1,066	\$1,209	\$1,332	\$1,251	\$1,671	\$2,131	\$3,440	\$4,014	\$3,562	\$4,140	\$4,828	\$5,578	\$6,395	\$5,753	\$6,646	\$7,555
BALANCE FROM PREVIOUS YEAR		\$7,183	\$4,644	\$3,855	\$3,143	\$2,192	\$1,340	\$1,407	\$1,616	\$1,948	\$2,199	\$2,869	\$4,000	\$6,440	\$9,454	\$12,017	\$15,156	\$18,985	\$23,563	\$28,957	\$33,710	\$39,356
CUMULATIVE RESERVE		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<b>BALANCE AT END OF YEAR</b>		\$4,644	\$3,855	\$3,143	\$2,192	\$1,340	\$1,407	\$1,616	\$1,948	\$2,199	\$2,869	\$4,000	\$6,440	\$9,454	\$12,017	\$15,156	\$18,985	\$23,563	\$28,957	\$33,710	\$39,356	\$45,912

\* Balance from 2006  
 Loan Proceeds \$3,750  
 Developer Contributions \$1,200  
 City/County Capital Funds \$2,233  
**Total \$7,183**

\*\* User fees are plus or minus 10%

\*\*\* Average Inflation for 2005 per the Consumer Price Index, Bureau of Labor Statistics

**Defined Level of Service Rate Option B: Initial Rate \$7.00 per Month, Annual Increases None**

**Southeast Metro Stormwater Authority**

(Refer to Attached "Proposed Level of Service Increases" for Assumptions)

(1,000s)

Water Quality Permit Terms:	First Term- 2003 to 2007	Second Term					Third Term					Fourth Term					Fifth Term					
		1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016	11 2017	12 2018	13 2019	14 2020	15 2021	16 2022	17 2023	18 2024	19 2025	20 2026	21 2027
		ANNUAL INFLATION ASSUMPTION	INITIAL BUDGET																			
<b>CURRENT YEAR USES OF FUNDS</b>																						
<b>Program Costs</b>																						
Total Employee and Related for Programs (less maintenance)	5%	\$1,803	\$1,893	\$1,988	\$2,401	\$2,521	\$2,647	\$2,779	\$2,918	\$3,523	\$3,700	\$3,885	\$4,079	\$4,283	\$5,171	\$5,430	\$5,702	\$5,987	\$6,286	\$7,590	\$7,970	\$8,368
Total Building and Related (10% in years 2014, 2021 & 2027)	0%	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$268	\$268	\$268	\$268	\$268	\$268	\$268	\$322	\$322	\$322	\$322	\$322	\$322	\$387
Total Services and Administration (5% every 5th year)	5%	\$356	\$374	\$392	\$432	\$454	\$477	\$501	\$526	\$579	\$608	\$639	\$671	\$704	\$776	\$815	\$856	\$899	\$944	\$1,041	\$1,093	\$1,147
Total Loan Repayment		\$1,499	\$799	\$799	\$799	\$799																
<b>Subtotal Program Costs</b>		<b>\$3,882</b>	<b>\$3,290</b>	<b>\$3,403</b>	<b>\$3,856</b>	<b>\$3,997</b>	<b>\$3,347</b>	<b>\$3,503</b>	<b>\$3,712</b>	<b>\$4,371</b>	<b>\$4,576</b>	<b>\$4,792</b>	<b>\$5,018</b>	<b>\$5,256</b>	<b>\$6,216</b>	<b>\$6,567</b>	<b>\$6,880</b>	<b>\$7,208</b>	<b>\$7,552</b>	<b>\$8,953</b>	<b>\$9,384</b>	<b>\$9,902</b>
<b>Maintenance Costs</b>																						
Employee Related Maintenance Costs	4%	\$267	\$416	\$506	\$600	\$698	\$800	\$906	\$1,016	\$1,056	\$1,098	\$1,142	\$1,188	\$1,236	\$1,413	\$1,470	\$1,529	\$1,590	\$1,654	\$1,892	\$1,967	\$2,046
Total Field Operations for Routine Ongoing Remedial and Backlog Remedial Maintenance	4%	\$494	\$770	\$938	\$1,112	\$1,293	\$1,481	\$1,677	\$1,881	\$1,956	\$2,034	\$2,116	\$2,200	\$2,288	\$2,618	\$2,723	\$2,832	\$2,945	\$3,063	\$3,504	\$3,644	\$3,790
<b>Subtotal Maintenance Costs</b>		<b>\$761</b>	<b>\$1,186</b>	<b>\$1,444</b>	<b>\$1,712</b>	<b>\$1,991</b>	<b>\$2,281</b>	<b>\$2,583</b>	<b>\$2,896</b>	<b>\$3,012</b>	<b>\$3,133</b>	<b>\$3,258</b>	<b>\$3,388</b>	<b>\$3,524</b>	<b>\$4,031</b>	<b>\$4,193</b>	<b>\$4,360</b>	<b>\$4,535</b>	<b>\$4,716</b>	<b>\$5,395</b>	<b>\$5,611</b>	<b>\$5,836</b>
<b>CIP Costs</b>																						
First year High Priority Capital Project List (\$4,676,000)		\$4,676																				
High Priority Capital Project list (\$30M less first year CIP)	3%		\$2,850	\$2,936	\$3,024	\$3,115	\$3,208	\$3,304	\$3,403	\$3,505	\$3,611	\$3,719	\$3,825	\$3,931	\$4,039	\$4,147	\$4,255	\$4,363	\$4,471	\$4,580	\$4,688	\$4,797
Medium Priority Capital Project List (\$20M)	3%																					
New Projects Identified by emergency needs, inventory and master planning studies	3%		\$750	\$773	\$796	\$820	\$844	\$869	\$896	\$922	\$950	\$979	\$1,008	\$1,038	\$1,069	\$1,101	\$1,134	\$1,168	\$1,204	\$1,240	\$1,277	\$1,315
<b>Subtotal CIP Costs</b>		<b>\$4,676</b>	<b>\$3,600</b>	<b>\$3,708</b>	<b>\$3,819</b>	<b>\$3,934</b>	<b>\$4,052</b>	<b>\$4,174</b>	<b>\$4,299</b>	<b>\$4,428</b>	<b>\$4,561</b>	<b>\$4,697</b>	<b>\$4,833</b>	<b>\$4,971</b>	<b>\$5,109</b>	<b>\$5,247</b>	<b>\$5,385</b>	<b>\$5,523</b>	<b>\$5,661</b>	<b>\$5,800</b>	<b>\$5,938</b>	<b>\$6,077</b>
<b>TOTAL USES OF FUNDS</b>		<b>\$9,318</b>	<b>\$8,077</b>	<b>\$8,556</b>	<b>\$9,388</b>	<b>\$9,923</b>	<b>\$9,680</b>	<b>\$10,260</b>	<b>\$10,907</b>	<b>\$11,811</b>	<b>\$12,270</b>	<b>\$12,747</b>	<b>\$13,440</b>	<b>\$14,234</b>	<b>\$15,167</b>	<b>\$15,779</b>	<b>\$16,418</b>	<b>\$17,084</b>	<b>\$19,309</b>	<b>\$20,105</b>	<b>\$21,000</b>	
<b>CURRENT YEAR SOURCES OF FUNDS</b>																						
User Fees * (Assume \$6.50 Per Month, 1.75% Annual Growth in Rate Base)		\$7,538	\$7,670	\$7,805	\$7,941	\$8,080	\$8,222	\$8,365	\$8,512	\$8,661	\$8,812	\$8,967	\$9,123	\$9,283	\$9,446	\$9,611	\$9,779	\$9,950	\$10,124	\$10,302	\$10,482	\$10,665
User Fee Automatic Annual Inflation Adjustments	0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional User Fee Annual Increases to Improve Level of Service (0%)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Credits Against User Fees (3%)		\$226	\$230	\$234	\$238	\$242	\$247	\$251	\$255	\$260	\$264	\$269	\$274	\$278	\$283	\$288	\$293	\$299	\$304	\$309	\$314	\$320
Less Delinquent Accounts (1%)		\$75	\$77	\$78	\$79	\$81	\$82	\$84	\$85	\$87	\$88	\$90	\$91	\$93	\$94	\$96	\$98	\$100	\$101	\$103	\$105	\$107
<b>Subtotal User Fees</b>		<b>\$7,840</b>	<b>\$7,977</b>	<b>\$8,117</b>	<b>\$8,259</b>	<b>\$8,403</b>	<b>\$8,550</b>	<b>\$8,700</b>	<b>\$8,852</b>	<b>\$9,007</b>	<b>\$9,165</b>	<b>\$9,325</b>	<b>\$9,488</b>	<b>\$9,654</b>	<b>\$9,823</b>	<b>\$9,995</b>	<b>\$10,170</b>	<b>\$10,348</b>	<b>\$10,529</b>	<b>\$10,714</b>	<b>\$10,901</b>	<b>\$11,092</b>
Urban Drainage District Matching Funds (1.75% Annual Growth in Rate Base)	3%	\$500	\$524	\$549	\$576	\$603	\$632	\$663	\$694	\$728	\$763	\$799	\$838	\$878	\$920	\$964	\$1,011	\$1,059	\$1,110	\$1,163	\$1,219	\$1,278
<b>TOTAL SOURCES OF FUNDS @ \$7.00</b>		<b>\$8,340</b>	<b>\$8,501</b>	<b>\$8,666</b>	<b>\$8,834</b>	<b>\$9,007</b>	<b>\$9,183</b>	<b>\$9,363</b>	<b>\$9,547</b>	<b>\$9,735</b>	<b>\$9,927</b>	<b>\$10,125</b>	<b>\$10,326</b>	<b>\$10,532</b>	<b>\$10,743</b>	<b>\$10,960</b>	<b>\$11,181</b>	<b>\$11,407</b>	<b>\$11,639</b>	<b>\$11,877</b>	<b>\$12,120</b>	<b>\$12,369</b>
<b>SOURCES LESS USES</b>																						
BALANCE FROM PREVIOUS YEAR		\$7,183	\$5,204	\$4,629	\$3,739	\$2,186	\$270	-\$1,228	-\$3,125	-\$5,486	-\$8,563	-\$11,905	-\$15,528	-\$18,642	-\$22,043	-\$26,826	-\$32,034	-\$37,632	-\$43,643	-\$50,088	-\$58,519	-\$67,504
CUMULATIVE RESERVE		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<b>BALANCE AT END OF YEAR</b>		<b>\$5,204</b>	<b>\$4,629</b>	<b>\$3,739</b>	<b>\$2,186</b>	<b>\$270</b>	<b>-\$1,228</b>	<b>-\$3,125</b>	<b>-\$5,486</b>	<b>-\$8,563</b>	<b>-\$11,905</b>	<b>-\$15,528</b>	<b>-\$18,642</b>	<b>-\$22,043</b>	<b>-\$26,826</b>	<b>-\$32,034</b>	<b>-\$37,632</b>	<b>-\$43,643</b>	<b>-\$50,088</b>	<b>-\$58,519</b>	<b>-\$67,504</b>	<b>-\$77,134</b>

\* Balance from 2006  
 Loan Proceeds \$3,750  
 Developer Contributions \$1,200  
 City/County Capital Funds \$2,233  
**Total \$7,183**

\*\* User fees are plus or minus 10%

\*\*\* Average Inflation for 2005 per the Consumer Price Index, Bureau of Labor Statistics

**Defined Level of Service Rate Option C: Initial Rate \$7.00 per Month, Increases 15% Every 3 Years**

**Southeast Metro Stormwater Authority**

(Refer to Attached "Proposed Level of Service Increases" for Assumptions)

(1,000s)

Water Quality Permit Terms:	First Term- 2003 to 2007		Second Term					Third Term					Fourth Term					Fifth Term				
	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016	11 2017	12 2018	13 2019	14 2020	15 2021	16 2022	17 2023	18 2024	19 2025	20 2026	21 2027	
	ANNUAL INFLATION ASSUMPTION ***	INITIAL BUDGET																				
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<b>Program Costs</b>																						
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Total Building and Related (10% in years 2014, 2021 & 2027)	0%	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$268	\$268	\$268	\$268	\$268	\$268	\$268	\$322	\$322	\$322	\$322	\$322	\$322	\$387
Total Services and Administration (5% every 5th year)	5%	\$356	\$374	\$392	\$432	\$454	\$477	\$501	\$526	\$579	\$608	\$639	\$671	\$704	\$776	\$815	\$856	\$899	\$944	\$1,041	\$1,093	\$1,147
Total Loan Repayment		\$1,499	\$799	\$799	\$799	\$799																
<b>Subtotal Program Costs</b>		<b>\$3,882</b>	<b>\$3,290</b>	<b>\$3,403</b>	<b>\$3,856</b>	<b>\$3,997</b>	<b>\$3,347</b>	<b>\$3,503</b>	<b>\$3,712</b>	<b>\$4,371</b>	<b>\$4,576</b>	<b>\$4,792</b>	<b>\$5,018</b>	<b>\$5,256</b>	<b>\$6,216</b>	<b>\$6,567</b>	<b>\$6,880</b>	<b>\$7,208</b>	<b>\$7,552</b>	<b>\$8,953</b>	<b>\$9,384</b>	<b>\$9,902</b>
<b>Maintenance Costs</b>																						
Employee Related Maintenance Costs	4%	\$267	\$416	\$506	\$600	\$698	\$800	\$906	\$1,016	\$1,056	\$1,098	\$1,142	\$1,188	\$1,236	\$1,413	\$1,470	\$1,529	\$1,590	\$1,654	\$1,892	\$1,967	\$2,046
Total Field Operations for Routine Ongoing Remedial and Backlog Remedial Maintenance	4%	\$494	\$770	\$938	\$1,112	\$1,293	\$1,481	\$1,677	\$1,881	\$1,956	\$2,034	\$2,116	\$2,200	\$2,288	\$2,618	\$2,723	\$2,832	\$2,945	\$3,063	\$3,504	\$3,644	\$3,790
<b>Subtotal Maintenance Costs</b>		<b>\$761</b>	<b>\$1,186</b>	<b>\$1,444</b>	<b>\$1,712</b>	<b>\$1,991</b>	<b>\$2,281</b>	<b>\$2,583</b>	<b>\$2,896</b>	<b>\$3,012</b>	<b>\$3,133</b>	<b>\$3,258</b>	<b>\$3,388</b>	<b>\$3,524</b>	<b>\$4,031</b>	<b>\$4,193</b>	<b>\$4,360</b>	<b>\$4,535</b>	<b>\$4,716</b>	<b>\$5,395</b>	<b>\$5,611</b>	<b>\$5,836</b>
<b>CIP Costs</b>																						
First year High Priority Capital Project List (\$4,676,000)		\$4,676																				
High Priority Capital Project list (\$30M less first year CIP)	3%		\$2,850	\$2,936	\$3,024	\$3,115	\$3,208	\$3,304	\$3,403	\$3,505	\$3,611	\$3,719										
Medium Priority Capital Project List (\$20M)	3%												\$3,025	\$3,116	\$3,209	\$3,306	\$3,405	\$3,507	\$3,612	\$3,721	\$3,832	\$3,947
New Projects Identified by emergency needs, inventory and master planning studies	3%		\$750	\$773	\$796	\$820	\$844	\$869	\$896	\$922	\$950	\$979	\$1,008	\$1,038	\$1,069	\$1,101	\$1,134	\$1,168	\$1,204	\$1,240	\$1,277	\$1,315
<b>Subtotal CIP Costs</b>		<b>\$4,676</b>	<b>\$3,600</b>	<b>\$3,708</b>	<b>\$3,819</b>	<b>\$3,934</b>	<b>\$4,052</b>	<b>\$4,174</b>	<b>\$4,299</b>	<b>\$4,428</b>	<b>\$4,561</b>	<b>\$4,697</b>	<b>\$4,033</b>	<b>\$4,154</b>	<b>\$4,279</b>	<b>\$4,407</b>	<b>\$4,539</b>	<b>\$4,675</b>	<b>\$4,816</b>	<b>\$4,960</b>	<b>\$5,109</b>	<b>\$5,262</b>
<b>TOTAL USES OF FUNDS</b>		<b>\$9,318</b>	<b>\$8,077</b>	<b>\$8,556</b>	<b>\$9,388</b>	<b>\$9,923</b>	<b>\$9,680</b>	<b>\$10,260</b>	<b>\$10,907</b>	<b>\$11,811</b>	<b>\$12,270</b>	<b>\$12,747</b>	<b>\$12,440</b>	<b>\$12,934</b>	<b>\$14,527</b>	<b>\$15,167</b>	<b>\$15,779</b>	<b>\$16,418</b>	<b>\$17,084</b>	<b>\$19,309</b>	<b>\$20,105</b>	<b>\$21,000</b>
<b>CURRENT YEAR SOURCES OF FUNDS</b>																						
User Fees * (Assume \$6.50 Per Month, 1.75% Annual Growth in Rate Base; 15% Rate Increase Every 3 Years)		\$7,538	\$7,670	\$7,805	\$9,132	\$9,292	\$9,455	\$10,875	\$11,065	\$11,259	\$12,778	\$13,002	\$13,229	\$14,853	\$15,113	\$15,377	\$17,113	\$17,413	\$17,718	\$19,573	\$19,915	\$20,264
User Fee Automatic Annual Inflation Adjustments	0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional User Fee Annual Increases to Improve Level of Service (0%)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Credits Against User Fees (3%)		\$226	\$230	\$234	\$274	\$279	\$284	\$326	\$332	\$338	\$383	\$390	\$397	\$446	\$453	\$461	\$513	\$522	\$532	\$587	\$597	\$608
Less Delinquent Accounts (1%)		\$75	\$77	\$78	\$91	\$93	\$95	\$109	\$111	\$113	\$128	\$130	\$132	\$149	\$151	\$154	\$171	\$174	\$177	\$196	\$199	\$203
<b>Subtotal User Fees</b>		<b>\$7,840</b>	<b>\$7,977</b>	<b>\$8,117</b>	<b>\$9,498</b>	<b>\$9,664</b>	<b>\$9,833</b>	<b>\$11,310</b>	<b>\$11,508</b>	<b>\$11,709</b>	<b>\$13,289</b>	<b>\$13,522</b>	<b>\$13,758</b>	<b>\$15,447</b>	<b>\$15,718</b>	<b>\$15,993</b>	<b>\$17,798</b>	<b>\$18,109</b>	<b>\$18,426</b>	<b>\$20,356</b>	<b>\$20,712</b>	<b>\$21,075</b>
Urban Drainage District Matching Funds (1.75% Annual Growth in Rate Base)	3%	\$500	\$524	\$549	\$576	\$603	\$632	\$663	\$694	\$728	\$763	\$799	\$838	\$878	\$920	\$964	\$1,011	\$1,059	\$1,110	\$1,163	\$1,219	\$1,278
<b>TOTAL SOURCES OF FUNDS @ \$7.00</b>		<b>\$8,340</b>	<b>\$8,501</b>	<b>\$8,666</b>	<b>\$10,073</b>	<b>\$10,267</b>	<b>\$10,465</b>	<b>\$11,973</b>	<b>\$12,202</b>	<b>\$12,437</b>	<b>\$14,052</b>	<b>\$14,321</b>	<b>\$14,596</b>	<b>\$16,325</b>	<b>\$16,638</b>	<b>\$16,957</b>	<b>\$18,808</b>	<b>\$19,168</b>	<b>\$19,536</b>	<b>\$21,519</b>	<b>\$21,931</b>	<b>\$22,352</b>
<b>SOURCES LESS USES</b>																						
BALANCE FROM PREVIOUS YEAR	*	\$7,183	\$5,204	\$4,629	\$3,739	\$3,425	\$2,769	\$2,554	\$3,267	\$3,562	\$3,187	\$3,969	\$4,542	\$5,699	\$8,090	\$9,201	\$9,990	\$12,019	\$13,770	\$15,222	\$16,433	\$17,259
CUMULATIVE RESERVE		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<b>BALANCE AT END OF YEAR</b>		<b>\$5,204</b>	<b>\$4,629</b>	<b>\$3,739</b>	<b>\$3,425</b>	<b>\$2,769</b>	<b>\$2,554</b>	<b>\$3,267</b>	<b>\$3,562</b>	<b>\$3,187</b>	<b>\$3,969</b>	<b>\$4,542</b>	<b>\$5,699</b>	<b>\$8,090</b>	<b>\$9,201</b>	<b>\$9,990</b>	<b>\$12,019</b>	<b>\$13,770</b>	<b>\$15,222</b>	<b>\$16,433</b>	<b>\$17,259</b>	<b>\$17,611</b>

\* Balance from 2006  
 Loan Proceeds \$3,750  
 Developer Contributions \$1,200  
 City/County Capital Funds \$2,233  
**Total \$7,183**

\*\* User fees are plus or minus 10%

\*\*\* Average Inflation for 2005 per the Consumer Price Index, Bureau of Labor Statistics

**Defined Level of Service Rate Option D: Initial Rate \$7.00 per Month, Increases 25% Every 5 Years**  
**Southeast Metro Stormwater Authority**  
(Refer to Attached "Proposed Level of Service Increases" for Assumptions)  
(1,000s)

Water Quality Permit Terms:	First Term- 2003 to 2007						Second Term					Third Term					Fourth Term					Fifth Term				
	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016	11 2017	12 2018	13 2019	14 2020	15 2021	16 2022	17 2023	18 2024	19 2025	20 2026	21 2027					
	ANNUAL INFLATION ASSUMPTION ***	INITIAL BUDGET																								
<b>CURRENT YEAR USES OF FUNDS</b>																										
<b>Program Costs</b>																										
Total Employee and Related for Programs (less maintenance)	5%	\$1,803	\$1,893	\$1,988	\$2,401	\$2,521	\$2,647	\$2,779	\$2,918	\$3,523	\$3,700	\$3,885	\$4,079	\$4,283	\$5,171	\$5,430	\$5,702	\$5,987	\$6,286	\$7,590	\$7,970	\$8,368				
Total Building and Related (10% in years 2014, 2021 & 2027)	0%	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$268	\$268	\$268	\$268	\$268	\$268	\$268	\$322	\$322	\$322	\$322	\$322	\$322	\$387				
Total Services and Administration (5% every 5th year)	5%	\$356	\$374	\$392	\$432	\$454	\$477	\$501	\$526	\$579	\$608	\$639	\$671	\$704	\$776	\$815	\$856	\$899	\$944	\$1,041	\$1,093	\$1,147				
Total Loan Repayment		\$1,499	\$799	\$799	\$799	\$799																				
<b>Subtotal Program Costs</b>		<b>\$3,882</b>	<b>\$3,290</b>	<b>\$3,403</b>	<b>\$3,856</b>	<b>\$3,997</b>	<b>\$3,347</b>	<b>\$3,503</b>	<b>\$3,712</b>	<b>\$4,371</b>	<b>\$4,576</b>	<b>\$4,792</b>	<b>\$5,018</b>	<b>\$5,256</b>	<b>\$6,216</b>	<b>\$6,567</b>	<b>\$6,880</b>	<b>\$7,208</b>	<b>\$7,552</b>	<b>\$8,953</b>	<b>\$9,384</b>	<b>\$9,902</b>				
<b>Maintenance Costs</b>																										
Employee Related Maintenance Costs	4%	\$267	\$416	\$506	\$600	\$698	\$800	\$906	\$1,016	\$1,056	\$1,098	\$1,142	\$1,188	\$1,236	\$1,413	\$1,470	\$1,529	\$1,590	\$1,654	\$1,892	\$1,967	\$2,046				
Total Field Operations for Routine Ongoing Remedial and Backlog Remedial Maintenance	4%	\$494	\$770	\$938	\$1,112	\$1,293	\$1,481	\$1,677	\$1,881	\$1,956	\$2,034	\$2,116	\$2,200	\$2,288	\$2,618	\$2,723	\$2,832	\$2,945	\$3,063	\$3,504	\$3,644	\$3,790				
<b>Subtotal Maintenance Costs</b>		<b>\$761</b>	<b>\$1,186</b>	<b>\$1,444</b>	<b>\$1,712</b>	<b>\$1,991</b>	<b>\$2,281</b>	<b>\$2,583</b>	<b>\$2,896</b>	<b>\$3,012</b>	<b>\$3,133</b>	<b>\$3,258</b>	<b>\$3,388</b>	<b>\$3,524</b>	<b>\$4,031</b>	<b>\$4,193</b>	<b>\$4,360</b>	<b>\$4,535</b>	<b>\$4,716</b>	<b>\$5,395</b>	<b>\$5,611</b>	<b>\$5,836</b>				
<b>CIP Costs</b>																										
First year High Priority Capital Project List (\$4,676,000)		\$4,676																								
High Priority Capital Project list (\$30M less first year CIP)	3%		\$2,850	\$2,936	\$3,024	\$3,115	\$3,208	\$3,304	\$3,403	\$3,505	\$3,611	\$3,719														
Medium Priority Capital Project List (\$20M)	3%												\$3,025	\$3,116	\$3,209	\$3,306	\$3,405	\$3,507	\$3,612	\$3,721	\$3,832	\$3,947				
New Projects Identified by emergency needs, inventory and master planning studies	3%		\$750	\$773	\$796	\$820	\$844	\$869	\$896	\$922	\$950	\$979	\$1,008	\$1,038	\$1,069	\$1,101	\$1,134	\$1,168	\$1,204	\$1,240	\$1,277	\$1,315				
<b>Subtotal CIP Costs</b>		<b>\$4,676</b>	<b>\$3,600</b>	<b>\$3,708</b>	<b>\$3,819</b>	<b>\$3,934</b>	<b>\$4,052</b>	<b>\$4,174</b>	<b>\$4,299</b>	<b>\$4,428</b>	<b>\$4,561</b>	<b>\$4,697</b>	<b>\$4,033</b>	<b>\$4,154</b>	<b>\$4,279</b>	<b>\$4,407</b>	<b>\$4,539</b>	<b>\$4,675</b>	<b>\$4,816</b>	<b>\$4,960</b>	<b>\$5,109</b>	<b>\$5,262</b>				
<b>TOTAL USES OF FUNDS</b>		<b>\$9,318</b>	<b>\$8,077</b>	<b>\$8,556</b>	<b>\$9,388</b>	<b>\$9,923</b>	<b>\$9,680</b>	<b>\$10,260</b>	<b>\$10,907</b>	<b>\$11,811</b>	<b>\$12,270</b>	<b>\$12,747</b>	<b>\$12,440</b>	<b>\$12,934</b>	<b>\$14,527</b>	<b>\$15,167</b>	<b>\$15,779</b>	<b>\$16,418</b>	<b>\$17,084</b>	<b>\$19,309</b>	<b>\$20,105</b>	<b>\$21,000</b>				
<b>CURRENT YEAR SOURCES OF FUNDS</b>																										
User Fees * (Assume \$6.50 Per Month, 1.75% Annual Growth in Rate Base; 25% Rate Increase Every 5 Years)		\$7,538	\$7,670	\$7,805	\$7,941	\$8,080	\$10,277	\$10,457	\$10,640	\$10,826	\$11,015	\$13,450	\$13,685	\$13,925	\$14,168	\$14,416	\$17,113	\$17,413	\$17,718	\$18,028	\$18,343	\$21,331				
User Fee Automatic Annual Inflation Adjustments	0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Additional User Fee Annual Increases to Improve Level of Service (0%)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Less Credits Against User Fees (3%)		\$226	\$230	\$234	\$238	\$242	\$308	\$314	\$319	\$325	\$330	\$403	\$411	\$418	\$425	\$432	\$513	\$522	\$532	\$541	\$550	\$640				
Less Delinquent Accounts (1%)		\$75	\$77	\$78	\$79	\$81	\$103	\$105	\$106	\$108	\$110	\$134	\$137	\$139	\$142	\$144	\$171	\$174	\$177	\$180	\$183	\$213				
<b>Subtotal User Fees</b>		<b>\$7,840</b>	<b>\$7,977</b>	<b>\$8,117</b>	<b>\$8,259</b>	<b>\$8,403</b>	<b>\$10,688</b>	<b>\$10,875</b>	<b>\$11,065</b>	<b>\$11,259</b>	<b>\$11,456</b>	<b>\$13,988</b>	<b>\$14,233</b>	<b>\$14,482</b>	<b>\$14,735</b>	<b>\$14,993</b>	<b>\$17,798</b>	<b>\$18,109</b>	<b>\$18,426</b>	<b>\$18,749</b>	<b>\$19,077</b>	<b>\$22,184</b>				
Urban Drainage District Matching Funds (1.75% Annual Growth in Rate Base)	3%	\$500	\$524	\$549	\$576	\$603	\$632	\$663	\$694	\$728	\$763	\$799	\$838	\$878	\$920	\$964	\$1,011	\$1,059	\$1,110	\$1,163	\$1,219	\$1,278				
<b>TOTAL SOURCES OF FUNDS @ \$7.00</b>		<b>\$8,340</b>	<b>\$8,501</b>	<b>\$8,666</b>	<b>\$8,834</b>	<b>\$9,007</b>	<b>\$11,320</b>	<b>\$11,538</b>	<b>\$11,760</b>	<b>\$11,987</b>	<b>\$12,219</b>	<b>\$14,787</b>	<b>\$15,070</b>	<b>\$15,360</b>	<b>\$15,655</b>	<b>\$15,957</b>	<b>\$18,808</b>	<b>\$19,168</b>	<b>\$19,536</b>	<b>\$19,912</b>	<b>\$20,296</b>	<b>\$23,461</b>				
<b>SOURCES LESS USES</b>																										
BALANCE FROM PREVIOUS YEAR	*	\$7,183	\$5,204	\$4,629	\$3,739	\$2,186	\$270	\$909	\$1,187	\$1,040	\$215	-\$836	\$203	\$1,834	\$3,260	\$3,389	\$3,179	\$5,208	\$6,958	\$8,410	\$8,014	\$7,205				
CUMULATIVE RESERVE		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000				
<b>BALANCE AT END OF YEAR</b>		<b>\$5,204</b>	<b>\$4,629</b>	<b>\$3,739</b>	<b>\$2,186</b>	<b>\$270</b>	<b>\$909</b>	<b>\$1,187</b>	<b>\$1,040</b>	<b>\$215</b>	<b>-\$836</b>	<b>\$203</b>	<b>\$1,834</b>	<b>\$3,260</b>	<b>\$3,389</b>	<b>\$3,179</b>	<b>\$5,208</b>	<b>\$6,958</b>	<b>\$8,410</b>	<b>\$8,014</b>	<b>\$7,205</b>	<b>\$8,666</b>				

\* Balance from 2006  
Loan Proceeds \$3,750  
Developer Contributions \$1,200  
City/County Capital Funds \$2,233  
**Total \$7,183**

\*\* User fees are plus or minus 10%

\*\*\* Average Inflation for 2005 per the Consumer Price Index, Bureau of Labor Statistics