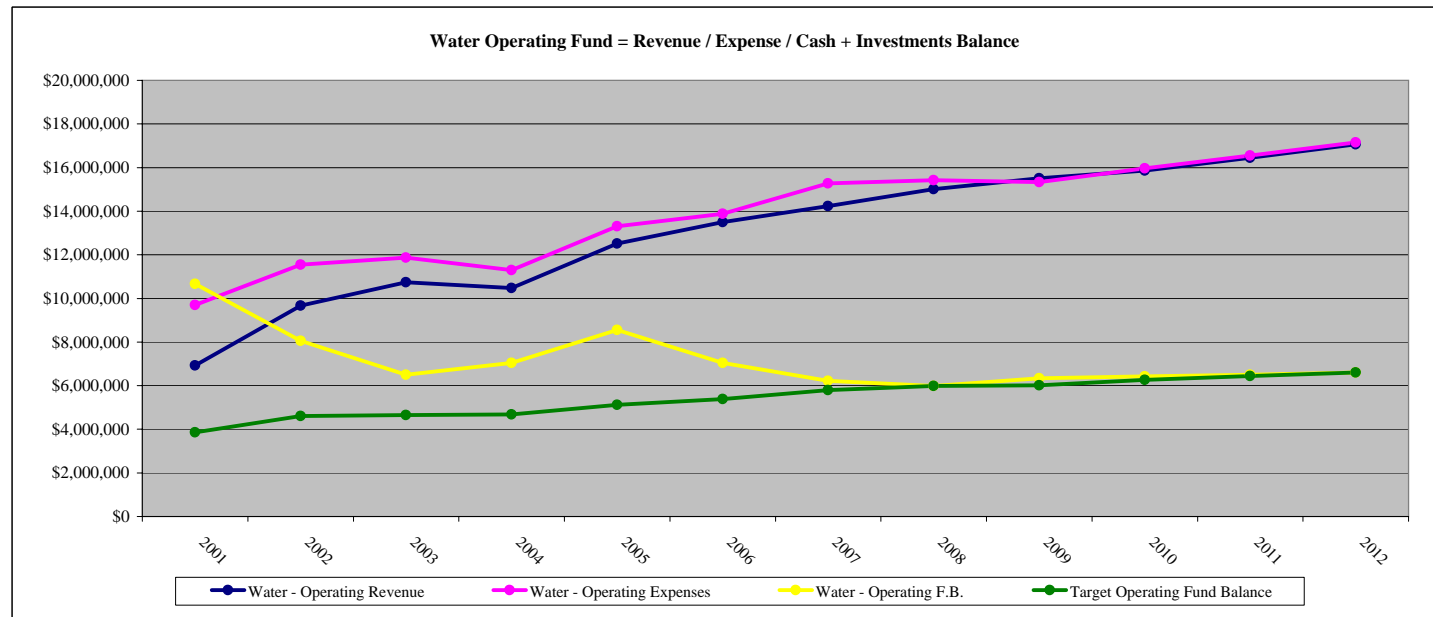


Preliminary 2006-2007 Water Rates

A

Water Rate - Model	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Projected 2006	Forecasted 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012
Rochester Hills Rate Increase %	10.74%	7.46%	9.72%	104.43%	1.87%	1.23%	-0.57%	-42.67%	2.60%	2.63%	2.65%
Customer - (per bill)	\$ 1.34	\$ 1.44	\$ 3.16	\$ 6.46	\$ 6.58	\$ 6.66	\$ 6.62	\$ 3.80	\$ 3.90	\$ 4.00	\$ 4.10
Rochester Hills Rate Increase %	0.00%	7.63%	9.93%	5.16%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Capacity - (per ERU)	\$ 1.31	\$ 1.41	\$ 3.10	\$ 3.26	\$ 3.36	\$ 3.46	\$ 3.56	\$ 3.67	\$ 3.78	\$ 3.89	\$ 4.01
Rochester Hills Rate Increase %	45.04%	9.47%	4.81%	12.39%	6.46%	6.46%	6.46%	4.00%	4.00%	4.00%	4.00%
Commodity - (per Ccf)	\$ 1.90	\$ 2.08	\$ 2.18	\$ 2.45	\$ 2.61	\$ 2.78	\$ 2.96	\$ 3.07	\$ 3.20	\$ 3.33	\$ 3.46
Rochester Hills Rate Increase \$\$'s	\$ 0.59	\$ 0.18	\$ 0.10	\$ 0.27	\$ 0.16	\$ 0.17	\$ 0.18	\$ 0.12	\$ 0.12	\$ 0.13	\$ 0.13
DWSD Rate Increase %	14.97%	5.01%	5.05%	6.79%	3.12%	6.00%	-11.40%	6.00%	6.00%	6.00%	6.00%
Anticipated DWSD Water Rates	\$ 1.414	\$ 1.485	\$ 1.560	\$ 1.666	\$ 1.718	\$ 1.821	\$ 1.613	\$ 1.710	\$ 1.813	\$ 1.922	\$ 2.037
Amount Over / (Under) DSWD Rate	\$ 0.49	\$ 0.60	\$ 0.62	\$ 0.78	\$ 0.89	\$ 0.96	\$ 1.34	\$ 1.36	\$ 1.38	\$ 1.40	\$ 1.42
	actual	actual	actual	actual	est.	est.	est.	est.	est.	est.	est.
Water Purchased/Sold (Ccf)	437,539,500	418,592,250	383,740,150	425,474,750	425,474,750	425,474,750	425,474,750	425,474,750	425,474,750	425,474,750	425,474,750
%-age Change in Water Consumed	0.3%	-4.3%	-8.3%	10.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue by Increasing Rates 1 Cent	\$ 43,754	\$ 41,859	\$ 38,374	\$ 42,547	\$ 42,547	\$ 42,547	\$ 42,547	\$ 42,547	\$ 42,547	\$ 42,547	\$ 42,547

** Changed Consumption to 1.0% from 05-06 Rates

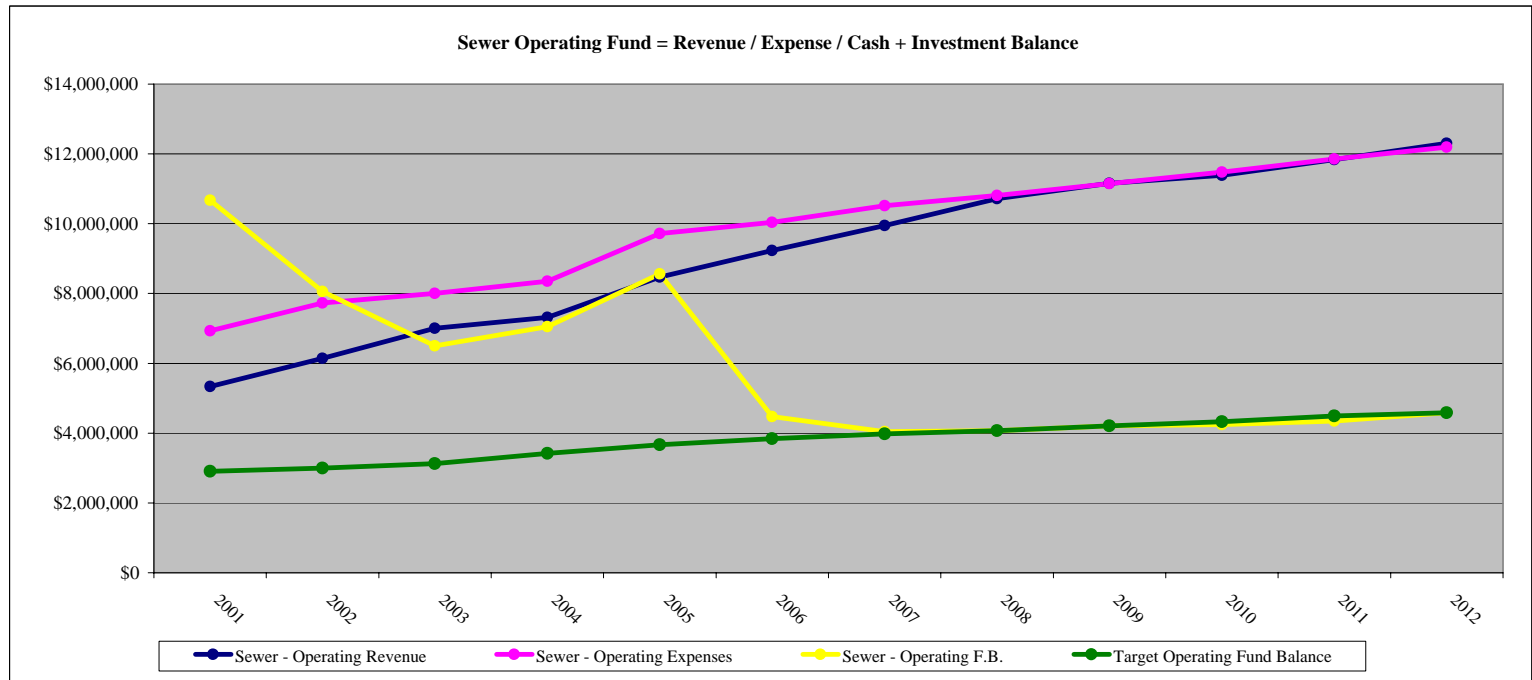


Preliminary 2006-2007 Sewer Rates

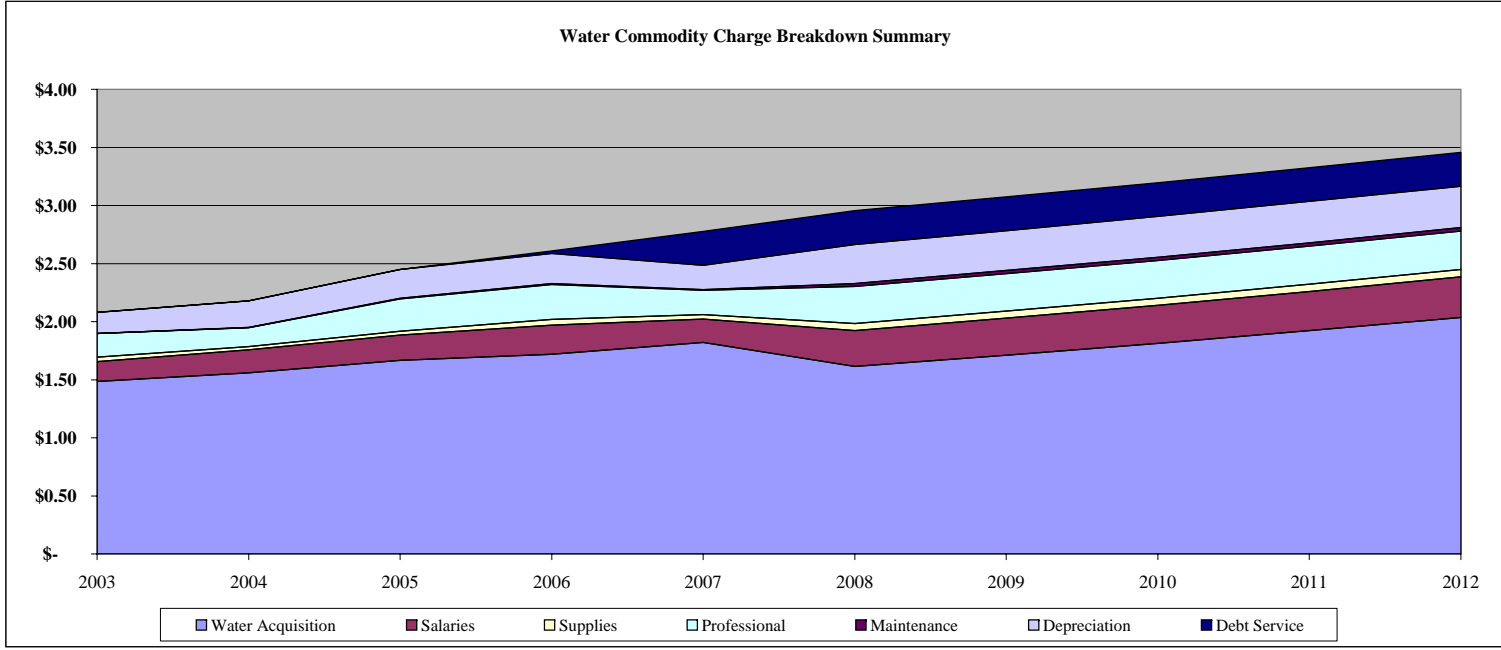
B

Sewer Rate - Model	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Projected 2006	Forecasted 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012
Rochester Hills Rate Increase %	9.52%	0.00%	10.43%	153.54%	2.18%	1.23%	-0.57%	-42.67%	2.60%	2.63%	2.65%
Customer - (per bill)	\$ 1.15	\$ 1.15	\$ 2.54	\$ 6.44	\$ 6.58	\$ 6.66	\$ 6.62	\$ 3.80	\$ 3.90	\$ 4.00	\$ 4.10
Rochester Hills Rate Increase %	0.00%	0.00%	10.11%	5.10%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Capacity - (per ERU)	\$ 0.89	\$ 0.89	\$ 1.96	\$ 2.06	\$ 2.12	\$ 2.19	\$ 2.25	\$ 2.32	\$ 2.39	\$ 2.46	\$ 2.53
Rochester Hills Rate Increase %	20.14%	19.76%	5.00%	7.62%	9.14%	9.14%	9.14%	4.00%	4.00%	4.00%	4.00%
Commodity - (per Ccf)	\$ 1.67	\$ 2.00	\$ 2.10	\$ 2.26	\$ 2.47	\$ 2.69	\$ 2.94	\$ 3.06	\$ 3.18	\$ 3.30	\$ 3.44
Rochester Hills Rate Increase \$\$'s	\$ 0.28	\$ 0.33	\$ 0.10	\$ 0.16	\$ 0.21	\$ 0.23	\$ 0.25	\$ 0.12	\$ 0.12	\$ 0.13	\$ 0.13
Sewer Charge Rate Increase %	6.24%	0.00%	4.23%	3.81%	3.59%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Anticipated Sewer Rates	\$ 1,158	\$ 1,158	\$ 1,207	\$ 1,253	\$ 1,298	\$ 1,350	\$ 1,404	\$ 1,460	\$ 1,518	\$ 1,579	\$ 1,642
Amount Over / (Under) DSWD Rate	\$ 0.51	\$ 0.84	\$ 0.89	\$ 1.01	\$ 1.17	\$ 1.34	\$ 1.53	\$ 1.60	\$ 1.66	\$ 1.73	\$ 1.79

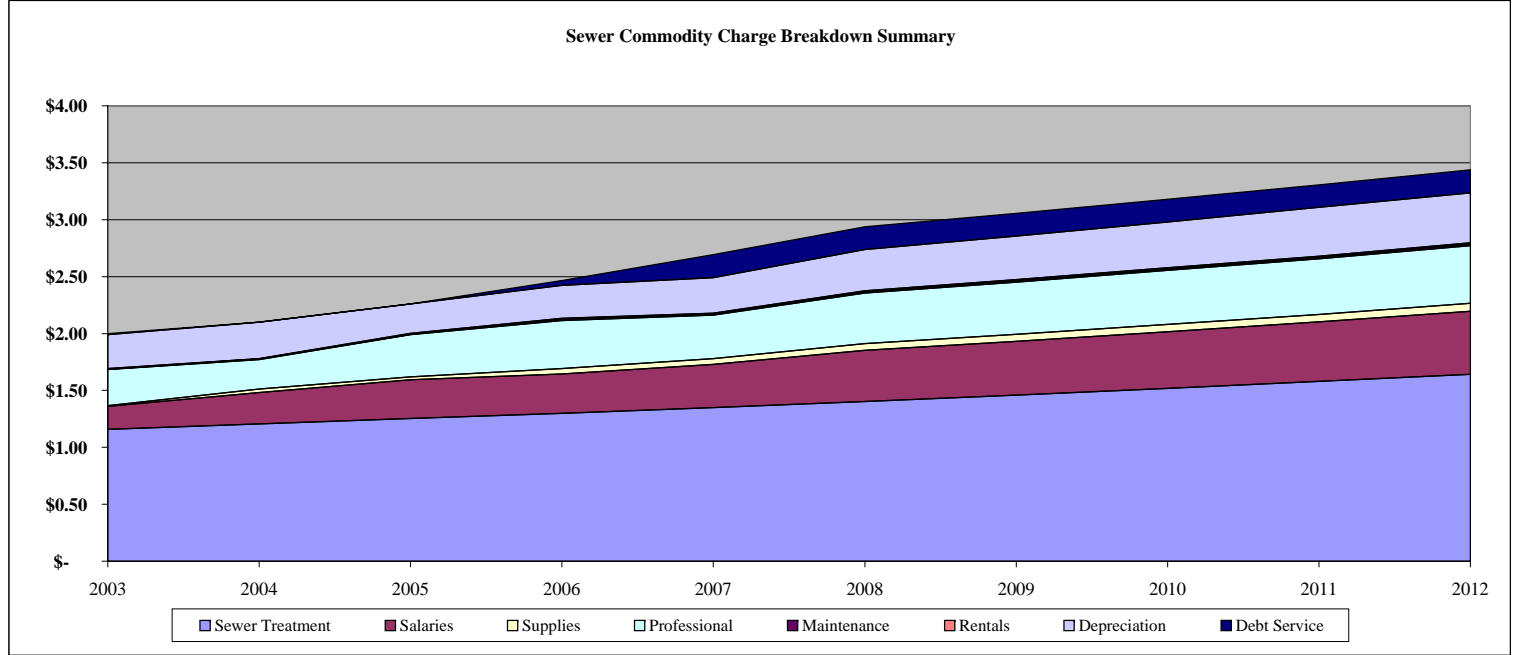
	actual	actual	actual	actual	est.	est.	est.	est.	est.	est.	est.
Wastewater Treated (Ccf)	337,723,800	333,232,800	318,524,950	328,794,400	328,794,400	328,794,400	328,794,400	328,794,400	328,794,400	328,794,400	328,794,400
%-age Change in Wastewater	-0.8%	-1.3%	-4.4%	3.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue by Increasing Rates 1 Cent	\$ 33,772	\$ 33,323	\$ 31,852	\$ 32,879	\$ 32,879	\$ 32,879	\$ 32,879	\$ 32,879	\$ 32,879	\$ 32,879	\$ 32,879



Actual 2003	Actual 2004	Actual 2005	Projected 2006	Forecasted 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012
-------------	-------------	-------------	----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------



Actual 2003	Actual 2004	Actual 2005	Projected 2006	Forecasted 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012
----------------	----------------	----------------	-------------------	--------------------	--------------------	--------------------	--------------------	--------------------	--------------------



Water & Sewer - Capital Improvement / Replacements

F

PROJECT NUMBER AND NAME		POTENTIAL FUNDING SOURCE(S)	PROJECT WATER / SEWER	ESTIMATED TOTAL PROJECT COST
Sewer - Capital Projects:				
FA-04	DPS Maintenance Facility (BOND ONLY)	BOND ISSUE	Sewer Portion	6,000,000
<i>FA-04</i>	<i>DPS Maintenance Facility (CASH ONLY)</i>	<i>Cash / Retained Earnings</i>	<i>Sewer Portion</i>	<i>-</i>
SS-02A	Sanitary Sewer Evaluation Study (SSES)	Retained Earnings	Sewer Only	2,100,000
SS-02B	Sanitary Sewer Rehabilitation Program (BOND ONLY)	BOND ISSUE	Sewer Only	-
<i>SS-02B</i>	<i>Sanitary Sewer Rehabilitation Program (CASH ONLY)</i>	<i>Cash / Retained Earnings</i>	<i>Sewer Only</i>	<i>14,000,000</i>
SS-10	Sheldon, Mead, Hillwood, Rochester Rd., Perrydale, Waverly Woods	Oakland County - Debt	Sewer Only	-
SS-14	Section 1 - Washington, Stoney Creek, Carter, Mill Race	BOND ISSUE	Sewer Only	-
<i>SS-14</i>	<i>Section 1 - Washington, Stoney Creek, Carter, Mill Race</i>	<i>Cash / Retained Earnings</i>	<i>Sewer Only</i>	<i>3,840,000</i>
SS-16B	Sanitary Sewer Improvements	Retained Earnings	Sewer Only	40,000
SS-21	York Road - Sanitary Sewer Extension	LDFA	Sewer Only	-
SS-22A	Grant Pump Station - Bypass Installation	Retained Earnings	Sewer Only	100,000
SS-22B	Grant Pump Station - Pump Replacement	Retained Earnings	Sewer Only	275,000
SS-23A	Michelson Pump Station - Rehabilitation (May do SS-23B instead)	Retained Earnings	Sewer Only	40,000
SS-23B	Michelson Pump Station - Reconstruction	Retained Earnings	Sewer Only	350,000
SS-24	Large Sewer Televising Camera	Retained Earnings	Sewer Only	35,000
SS-25	Sewer Televising Camera Software	Retained Earnings	Sewer Only	25,000
WS-30	Radio Meter Reading System (Sewer Share)	Customer Charge	Sewer Only	1,023,540
	Michelson - Emergency Generator	Retained Earnings	Sewer Only	-
	Gilbert Cost Agreement	Retained Earnings	Sewer Only	-
	DPS / Storage Building - Roof Repairs	Retained Earnings	Sewer Only	12,360
	Survey - Capital Equipment	Retained Earnings	Sewer Only	13,000
	Microfilm Machine	Retained Earnings	Sewer Only	2,500
	Sanitary Sewer - Reporting System	Retained Earnings	Sewer Only	15,000
***	Subdivision - Sewer Replacement Program (w\ 3% Annual Increase)	Retained Earnings	Sewer Only	-
Subtotal				27,871,400
Sewer - Capital Projects / BOND:		Bond Issue	Sewer Only	6,000,000
Sewer - Capital Projects / CASH:		Cash / Retained Earnings	Sewer Only	21,871,400
Sewer - Capital Improvement Projects: Subtotal				27,871,400

2006 PROJECT COST	2007 PROJECT COST	2008 PROJECT COST	2009 PROJECT COST	2010 PROJECT COST	2011 PROJECT COST	2012 PROJECT COST
3,000,000	3,000,000	-	-	-	-	-
<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>-</i>	<i>300,000</i>	<i>-</i>	<i>300,000</i>	<i>-</i>	<i>300,000</i>	<i>-</i>
<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>-</i>	<i>-</i>	<i>2,000,000</i>	<i>-</i>	<i>2,000,000</i>	<i>-</i>	<i>2,000,000</i>
<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>-</i>	<i>-</i>	<i>500,000</i>	<i>1,750,000</i>	<i>1,590,000</i>	<i>-</i>	<i>-</i>
<i>40,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>100,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>275,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>40,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>-</i>	<i>350,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>-</i>	<i>35,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>-</i>	<i>25,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>346,680</i>	<i>346,680</i>	<i>330,180</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>12,360</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>13,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>2,500</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>15,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
3,844,540	4,056,680	2,830,180	2,050,000	3,590,000	300,000	2,000,000
3,000,000	3,000,000	-	-	-	-	-
844,540	1,056,680	2,830,180	2,050,000	3,590,000	300,000	2,000,000
3,844,540	4,056,680	2,830,180	2,050,000	3,590,000	300,000	2,000,000

Water & Sewer - Capital Improvement / Replacements

F

PROJECT NUMBER AND NAME		POTENTIAL FUNDING SOURCE(S)	PROJECT WATER / SEWER	ESTIMATED TOTAL PROJECT COST
Water - Capital Projects:				
FA-04	DPS Maintenance Facility (BOND ONLY)	BOND ISSUE	Water Only	6,000,000
<i>FA-04</i>	<i>DPS Maintenance Facility (CASH ONLY)</i>	<i>Cash / Retained Earnings</i>	<i>Water Only</i>	<i>-</i>
WS-01B	Crooks Rd. Watermain (Auburn - M-59)	Retained Earnings	Water Only	575,000
WS-01C	Crooks Rd. Watermain (South Blvd. - Auburn)	Retained Earnings	Water Only	690,000
WS-01E	Crooks Rd. Watermain (M-59 - Hamlin) (UNDER REVIEW)	Retained Earnings	Water Only	288,000
WS-02A	Hamlin Rd. Watermain (Crooks - Livernois)	Retained Earnings	Water Only	750,000
WS-02B	Hamlin Rd. Watermain (Livernois - Rochester / Fieldcrest)	Retained Earnings	Water Only	750,000
WS-05B	Brewster Rd. - Watermain Replacement	Retained Earnings	Water Only	200,000
WS-10B	Austin Dr. - Watermain Extension	Retained Earnings	Water Only	132,500
WS-11	Sheldon, Mead, Hillwood, Rochester Rd., Perrydale, Waverly Woods	Oakland County - Debt	Water Only	-
WS-14	Section 1 - Washington, Stoney Creek, Carter, Mill Race	BOND ISSUE	Water Only	-
<i>WS-14</i>	<i>Section 1 - Washington, Stoney Creek, Carter, Mill Race</i>	<i>Cash / Retained Earnings</i>	<i>Water Only</i>	<i>5,570,000</i>
WS-21	Harding Rd. to City Limits	Retained Earnings	Water Only	-
WS-22	Water Storage - Water Tower / Reservoir (BOND ONLY)	BOND ISSUE	Water Only	8,000,000
<i>WS-22</i>	<i>Water Storage - Water Tower / Reservoir (CASH ONLY)</i>	<i>Cash / Retained Earnings</i>	<i>Water Only</i>	<i>-</i>
WS-23	University Hills #'s 2, 3, 4 - Watermain Replacement	Retained Earnings	Water Only	1,000,500
WS-24	Vardon Rd. Watermain Extension	Retained Earnings	Water Only	-
WS-25B	South Blvd. - Watermain Replacement (Livernois - Rochester)	Retained Earnings	Water Only	1,150,000
WS-30	Radio Meter Reading System	Customer Charge	Water Portion	1,023,540
WS-32	Water System Security Enhancements	Retained Earnings	Water Portion	106,380
	DPS / Storage Building - Roof Repairs	Retained Earnings	Water Only	12,360
	Survey - Capital Equipment	Retained Earnings	Water Only	13,000
	Microfilm Machine	Retained Earnings	Water Only	2,500
	Hole Hog	Retained Earnings	Water Only	6,000
	John R - Watermain Replacement	Retained Earnings	Water Only	100,000
***	Subdivision - Water Replacement Program (w\ 3% Annual Increase)	Retained Earnings	Sewer Only	-
		Subtotal		26,369,780
	Water - Capital Projects / BOND:	Bond Issue	Water Only	14,000,000
	Water - Capital Projects / CASH:	Cash / Retained Earnings	Water Only	12,369,780
	Water - Capital Improvement Projects:	Subtotal		26,369,780

2006 PROJECT COST	2007 PROJECT COST	2008 PROJECT COST	2009 PROJECT COST	2010 PROJECT COST	2011 PROJECT COST	2012 PROJECT COST
3,000,000	3,000,000	-	-	-	-	-
-	-	-	-	-	-	-
575,000	-	-	-	-	-	-
690,000	-	-	-	-	-	-
-	23,000	-	-	265,000	-	-
60,000	-	690,000	-	-	-	-
-	-	60,000	-	690,000	-	-
-	-	-	200,000	-	-	-
17,500	115,000	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	350,000	4,204,000	1,016,000	-	-
-	-	-	-	-	-	-
1,600,000	6,400,000	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,000,500	-	-	-	-
-	-	-	-	-	-	-
100,000	1,050,000	-	-	-	-	-
346,680	346,680	330,180	-	-	-	-
106,380	-	-	-	-	-	-
12,360	-	-	-	-	-	-
13,000	-	-	-	-	-	-
2,500	-	-	-	-	-	-
6,000	-	-	-	-	-	-
100,000	-	-	-	-	-	-
-	-	-	-	-	-	-
6,629,420	10,934,680	2,430,680	4,404,000	1,971,000	-	-
4,600,000	9,400,000	-	-	-	-	-
2,029,420	1,534,680	2,430,680	4,404,000	1,971,000	-	-
6,629,420	10,934,680	2,430,680	4,404,000	1,971,000	-	-

Water & Sewer - Capital Improvement / Replacements

F

PROJECT NUMBER AND NAME	POTENTIAL FUNDING SOURCE(S)	PROJECT WATER / SEWER	ESTIMATED TOTAL PROJECT COST
Sewer - Capital Improvement Projects / BOND:	Bond Issue	Sewer Only	6,000,000
Sewer - Capital Improvement Projects / CASH:	Cash / Retained Earnings	Sewer Only	21,871,400
Water - Capital Improvement Projects / BOND:	Bond Issue	Water Only	14,000,000
Water - Capital Improvement Projects / CASH:	Cash / Retained Earnings	Water Only	12,369,780
GRAND TOTA L - ALL WATER & SEWER CAPITAL PROJECTS:	TOTAL		54,241,180

2006 PROJECT COST	2007 PROJECT COST	2008 PROJECT COST	2009 PROJECT COST	2010 PROJECT COST	2011 PROJECT COST	2012 PROJECT COST
3,000,000	3,000,000	-	-	-	-	-
844,540	1,056,680	2,830,180	2,050,000	3,590,000	300,000	2,000,000
4,600,000	9,400,000	-	-	-	-	-
2,029,420	1,534,680	2,430,680	4,404,000	1,971,000	-	-
10,473,960	14,991,360	5,260,860	6,454,000	5,561,000	300,000	2,000,000

Sewer - Capital Improvement Projects / BOND:	Bond Issue	Sewer Only	6,000,000
Water - Capital Improvement Projects / BOND:	Bond Issue	Water Only	14,000,000
GRAND TOTA L - ALL WATER & SEWER BONDED PROJECTS:	TOTAL		20,000,000
Sewer - Capital Improvement Projects / CASH:	Cash / Retained Earnings	Sewer Only	21,871,400
Water - Capital Improvement Projects / CASH:	Cash / Retained Earnings	Water Only	12,369,780
GRAND TOTA L - ALL WATER & SEWER CASH PROJECTS:	TOTAL		34,241,180
GRAND TOTA L - ALL WATER & SEWER CAPITAL PROJECTS:	TOTAL		54,241,180

3,000,000	3,000,000	-	-	-	-	-
4,600,000	9,400,000	-	-	-	-	-
7,600,000	12,400,000	-	-	-	-	-
844,540	1,056,680	2,830,180	2,050,000	3,590,000	300,000	2,000,000
2,029,420	1,534,680	2,430,680	4,404,000	1,971,000	-	-
2,873,960	2,591,360	5,260,860	6,454,000	5,561,000	300,000	2,000,000
10,473,960	14,991,360	5,260,860	6,454,000	5,561,000	300,000	2,000,000

NOTE: THIS SCHEDULE DOES NOT INCLUDE ANY REPLACEMENT COSTS NOT INCLUDED IN THE CIP

	Actual 2002	Actual 2003	Actual 2004	Adopted 2005	Projected 2006	Forecasted 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012
Adopted 2005-2006 Water Rates											
Rochester Hills Rate Increase %	45.0%	9.5%	4.8%	12.5%	12.5%	12.5%	4.0%	4.0%	4.0%	4.0%	4.0%
Commodity - (per Ccf)	\$ 1.90	\$ 2.08	\$ 2.18	\$ 2.45	\$ 2.76	\$ 3.10	\$ 3.23	\$ 3.36	\$ 3.49	\$ 3.63	\$ 3.78
1. Estimated 2006-2007 Water Rates [DPS Facility = \$12mm Bond / Reservoir = \$8mm Bond / Reservoir Rate Benefit Included]											
Rochester Hills Rate Increase %	45.0%	9.5%	4.8%	12.4%	6.5%	6.5%	6.5%	4.0%	4.0%	4.0%	4.0%
Commodity - (per Ccf)	\$ 1.90	\$ 2.08	\$ 2.18	\$ 2.45	\$ 2.61	\$ 2.78	\$ 2.96	\$ 3.07	\$ 3.20	\$ 3.33	\$ 3.46
2. Estimated 2006-2007 Water Rates [DPS Facility = \$12mm Bond / Reservoir = \$8mm Bond / NO Reservoir Rate Benefit Included]											
Rochester Hills Rate Increase %	45.0%	9.5%	4.8%	12.4%	10.4%	10.4%	10.4%	4.0%	4.0%	4.0%	4.0%
Commodity - (per Ccf)	\$ 1.90	\$ 2.08	\$ 2.18	\$ 2.45	\$ 2.71	\$ 2.99	\$ 3.30	\$ 3.43	\$ 3.57	\$ 3.71	\$ 3.86
3. Estimated 2006-2007 Water Rates [DPS Facility = \$12mm Bond / NO Reservoir]											
Rochester Hills Rate Increase %	45.0%	9.5%	4.8%	12.4%	8.1%	8.1%	8.1%	4.0%	4.0%	4.0%	4.0%
Commodity - (per Ccf)	\$ 1.90	\$ 2.08	\$ 2.18	\$ 2.45	\$ 2.65	\$ 2.87	\$ 3.10	\$ 3.22	\$ 3.35	\$ 3.49	\$ 3.62
4. Estimated 2006-2007 Water Rates [DPS Facility = \$12mm CASH / NO Reservoir] *Capital Fund negative \$750,000 for one year											
Rochester Hills Rate Increase %	45.0%	9.5%	4.8%	12.4%	6.9%	6.9%	6.9%	4.0%	4.0%	4.0%	4.0%
Commodity - (per Ccf)	\$ 1.90	\$ 2.08	\$ 2.18	\$ 2.45	\$ 2.62	\$ 2.80	\$ 2.99	\$ 3.11	\$ 3.24	\$ 3.37	\$ 3.50
5. Estimated 2006-2007 Water Rates [NO DPS Facility / NO Reservoir]											
Rochester Hills Rate Increase %	45.0%	9.5%	4.8%	12.4%	6.9%	6.9%	6.9%	4.0%	4.0%	4.0%	4.0%
Commodity - (per Ccf)	\$ 1.90	\$ 2.08	\$ 2.18	\$ 2.45	\$ 2.62	\$ 2.80	\$ 2.99	\$ 3.11	\$ 3.24	\$ 3.37	\$ 3.50

IMPORTANT NOTE: DWSD water rate methodology* is currently under review by a Technical Advisory Committee, any changes could significantly effect this forecast.

* Components under review: allocation of charges, contract pricing, peak, elevation, and distance factors

	Actual 2002	Actual 2003	Actual 2004	Adopted 2005	Projected 2006	Forecasted 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012
Adopted 2005-2006 Sewer Rates											
<i>Rochester Hills Rate Increase %</i>	20.1%	19.8%	5.0%	7.8%	7.8%	7.8%	3.4%	3.4%	3.4%	3.4%	3.4%
Commodity - (per Ccf)	\$ 1.67	\$ 2.00	\$ 2.10	\$ 2.26	\$ 2.44	\$ 2.63	\$ 2.72	\$ 2.81	\$ 2.91	\$ 3.01	\$ 3.11
1. Estimated 2006-2007 Sewer Rates [DPS Facility = \$12mm Bond / Reservoir = \$8mm Bond / Reservoir Rate Benefit Included]											
<i>Rochester Hills Rate Increase %</i>	20.1%	19.8%	5.0%	7.6%	9.1%	9.1%	9.1%	4.0%	4.0%	4.0%	4.0%
Commodity - (per Ccf)	\$ 1.67	\$ 2.00	\$ 2.10	\$ 2.26	\$ 2.47	\$ 2.69	\$ 2.94	\$ 3.06	\$ 3.18	\$ 3.30	\$ 3.44
2. Estimated 2006-2007 Sewer Rates [DPS Facility = \$12mm Bond / Reservoir = \$8mm Bond / NO Reservoir Rate Benefit Included]											
<i>Rochester Hills Rate Increase %</i>	20.1%	19.8%	5.0%	7.6%	9.1%	9.1%	9.1%	4.0%	4.0%	4.0%	4.0%
Commodity - (per Ccf)	\$ 1.67	\$ 2.00	\$ 2.10	\$ 2.26	\$ 2.47	\$ 2.69	\$ 2.94	\$ 3.06	\$ 3.18	\$ 3.30	\$ 3.44
3. Estimated 2006-2007 Sewer Rates [DPS Facility = \$12mm Bond / NO Reservoir]											
<i>Rochester Hills Rate Increase %</i>	20.1%	19.8%	5.0%	7.6%	9.1%	9.1%	9.1%	4.0%	4.0%	4.0%	4.0%
Commodity - (per Ccf)	\$ 1.67	\$ 2.00	\$ 2.10	\$ 2.26	\$ 2.47	\$ 2.69	\$ 2.94	\$ 3.06	\$ 3.18	\$ 3.30	\$ 3.44
4. Estimated 2006-2007 Sewer Rates [DPS Facility = \$12mm CASH / NO Reservoir] * Capital Fund negative \$750,000 for one year											
<i>Rochester Hills Rate Increase %</i>	20.1%	19.8%	5.0%	7.6%	7.3%	7.3%	7.3%	4.0%	4.0%	4.0%	4.0%
Commodity - (per Ccf)	\$ 1.67	\$ 2.00	\$ 2.10	\$ 2.26	\$ 2.42	\$ 2.60	\$ 2.79	\$ 2.90	\$ 3.02	\$ 3.14	\$ 3.27
5. Estimated 2006-2007 Sewer Rates [NO DPS Facility / NO Reservoir]											
<i>Rochester Hills Rate Increase %</i>	20.1%	19.8%	5.0%	7.6%	7.3%	7.3%	7.3%	4.0%	4.0%	4.0%	4.0%
Commodity - (per Ccf)	\$ 1.67	\$ 2.00	\$ 2.10	\$ 2.26	\$ 2.42	\$ 2.60	\$ 2.79	\$ 2.90	\$ 3.02	\$ 3.14	\$ 3.27

Preliminary 2006-2007 Water Rates

I

Water Rate - Model											
	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Projected 2006	Forecasted 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012
Water Rate / Unit	\$ 1.90	\$ 2.08	\$ 2.18	\$ 2.45	\$ 2.61	\$ 2.78	\$ 2.96	\$ 3.07	\$ 3.20	\$ 3.33	\$ 3.46
Sewer Rate / Unit	\$ 1.67	\$ 2.00	\$ 2.10	\$ 2.26	\$ 2.47	\$ 2.69	\$ 2.94	\$ 3.06	\$ 3.18	\$ 3.30	\$ 3.44
Average Water Use - Bill Projection											
Commodity Charge - Water	\$ 39.65	\$ 42.77	\$ 40.36	\$ 49.30	\$ 51.46	\$ 53.71	\$ 56.06	\$ 57.16	\$ 58.28	\$ 59.43	\$ 60.59
Capacity Charge (1" Meter) - Water	\$ 2.10	\$ 2.26	\$ 4.96	\$ 5.20	\$ 5.36	\$ 5.52	\$ 5.68	\$ 5.85	\$ 6.03	\$ 6.21	\$ 6.40
Customer Charge - Water	\$ 1.34	\$ 1.44	\$ 3.16	\$ 6.46	\$ 6.58	\$ 6.66	\$ 6.62	\$ 3.80	\$ 3.90	\$ 4.00	\$ 4.10
Average Bill - Water	\$ 43.09	\$ 46.47	\$ 48.48	\$ 60.96	\$ 63.40	\$ 65.89	\$ 68.37	\$ 66.81	\$ 68.21	\$ 69.63	\$ 71.09
Ave. Percentage Increase - Water	36.6%	7.9%	4.3%	25.8%	4.0%	3.9%	3.8%	-2.3%	2.1%	2.1%	2.1%
Average Sewer Use - Bill Projection											
Commodity Charge - Sewer	\$ 34.85	\$ 41.13	\$ 38.88	\$ 45.48	\$ 48.66	\$ 52.07	\$ 55.71	\$ 56.81	\$ 57.92	\$ 59.05	\$ 60.21
Capacity Charge (1" Meter) - Sewer	\$ 1.42	\$ 1.43	\$ 3.14	\$ 3.29	\$ 3.38	\$ 3.49	\$ 3.59	\$ 3.70	\$ 3.81	\$ 3.92	\$ 4.04
Customer Charge - Sewer	\$ 1.15	\$ 1.15	\$ 2.54	\$ 6.44	\$ 6.58	\$ 6.66	\$ 6.62	\$ 3.80	\$ 3.90	\$ 4.00	\$ 4.10
Average Bill - Sewer	\$ 37.42	\$ 43.70	\$ 44.55	\$ 55.20	\$ 58.63	\$ 62.22	\$ 65.93	\$ 64.30	\$ 65.62	\$ 66.98	\$ 68.36
Ave. Percentage Increase - Sewer	15.4%	16.8%	1.9%	23.9%	6.2%	6.1%	6.0%	-2.5%	2.1%	2.1%	2.1%
AVERAGE W&S Use - Bill Projection ** Average Water Use = Approx. 21 units / bill											
Commodity Charge - W&S	\$ 74.50	\$ 83.90	\$ 79.23	\$ 94.78	\$ 100.12	\$ 105.78	\$ 111.78	\$ 113.97	\$ 116.20	\$ 118.48	\$ 120.80
Capacity Charge (1" Meter) - W&S	\$ 3.52	\$ 3.69	\$ 8.10	\$ 8.49	\$ 8.74	\$ 9.00	\$ 9.27	\$ 9.55	\$ 9.84	\$ 10.13	\$ 10.44
Customer Charge - W&S	\$ 2.49	\$ 2.59	\$ 5.70	\$ 12.90	\$ 13.16	\$ 13.32	\$ 13.25	\$ 7.59	\$ 7.79	\$ 8.00	\$ 8.21
AVERAGE Water & Sewer Bill	\$ 80.51	\$ 90.17	\$ 93.03	\$ 116.16	\$ 122.02	\$ 128.10	\$ 134.29	\$ 131.11	\$ 133.83	\$ 136.61	\$ 139.45
Ave. W&S Bill - Percentage Increase	25.8%	12.0%	3.2%	24.9%	5.0%	5.0%	4.8%	-2.4%	2.1%	2.1%	2.1%
LIGHT W&S Use - Bill Projection ** Light Water Use = 1/2 of Normal Usage (approx. 11 units / bill)											
Commodity Charge - W&S (Light)	\$ 37.25	\$ 41.95	\$ 39.62	\$ 47.39	\$ 50.06	\$ 52.89	\$ 55.89	\$ 56.98	\$ 58.10	\$ 59.24	\$ 60.40
Capacity Charge (1") - W&S (Light)	\$ 3.52	\$ 3.69	\$ 8.10	\$ 8.49	\$ 8.74	\$ 9.00	\$ 9.27	\$ 9.55	\$ 9.84	\$ 10.13	\$ 10.44
Customer Charge - W&S (Light)	\$ 2.49	\$ 2.59	\$ 5.70	\$ 12.90	\$ 13.16	\$ 13.32	\$ 13.25	\$ 7.59	\$ 7.79	\$ 8.00	\$ 8.21
LIGHT W&S Bill	\$ 43.26	\$ 48.22	\$ 53.41	\$ 68.78	\$ 71.96	\$ 75.21	\$ 78.41	\$ 74.13	\$ 75.73	\$ 77.37	\$ 79.05
Ave. W&S Bill - % Change (Light)	24.0%	11.5%	10.8%	28.8%	4.6%	4.5%	4.2%	-5.5%	2.2%	2.2%	2.2%
HEAVY W&S Use - Bill Projection ** Heavy Water Use = 1.5x of Normal Usage (approx. 32 units / bill)											
Commodity Charge - W&S (Heavy)	\$ 111.75	\$ 125.84	\$ 118.85	\$ 142.17	\$ 150.18	\$ 158.67	\$ 167.66	\$ 170.95	\$ 174.30	\$ 177.72	\$ 181.20
Capacity Charge (1") - W&S (Heavy)	\$ 3.52	\$ 3.69	\$ 8.10	\$ 8.49	\$ 8.74	\$ 9.00	\$ 9.27	\$ 9.55	\$ 9.84	\$ 10.13	\$ 10.44
Customer Charge - W&S (Heavy)	\$ 2.49	\$ 2.59	\$ 5.70	\$ 12.90	\$ 13.16	\$ 13.32	\$ 13.25	\$ 7.59	\$ 7.79	\$ 8.00	\$ 8.21
HEAVY W&S Bill	\$ 117.76	\$ 132.12	\$ 132.64	\$ 163.55	\$ 172.08	\$ 180.99	\$ 190.18	\$ 188.10	\$ 191.93	\$ 195.85	\$ 199.85
Ave. W&S Bill - % Change (Heavy)	26.5%	12.2%	0.4%	23.3%	5.2%	5.2%	5.1%	-1.1%	2.0%	2.0%	2.0%