

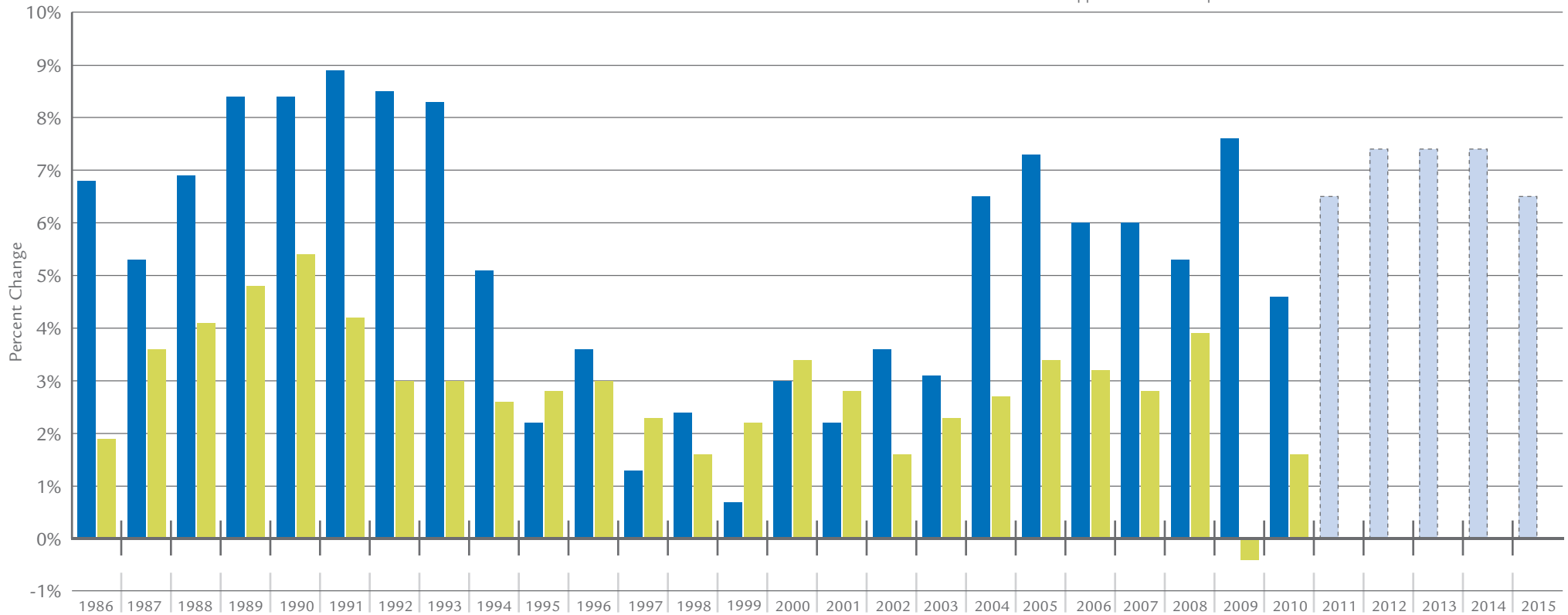


Service Charge Index vs. Inflation

■ = NACWA Index

■ = Consumer Price Index

■ = 2011 to 2015 Projected Service Charge Changes Based on Approved and Anticipated Rate Increases



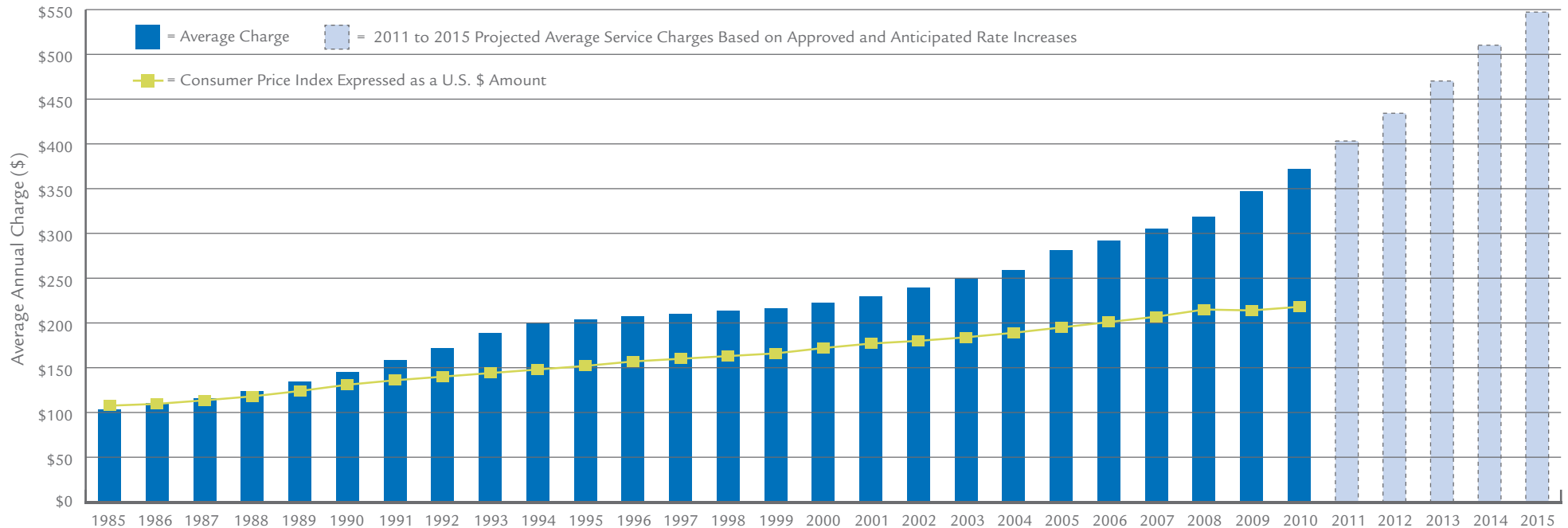
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
NACWA Index	106.8	112.4	119.9	130.1	141.0	153.7	166.7	183.1	193.4	197.8	201.7	203.9	207.8	209.8	216.4	223.5	232.6	242.8	254.5	276.3	286.9	299.4	315.2	340.4	364.3
Change from Previous Year	6.8%	5.3%	6.9%	8.4%	8.4%	8.9%	8.5%	8.3%	5.1%	2.2%	3.6%	1.3%	2.4%	0.7%	3.0%	2.2%	3.6%	3.1%	6.5%	7.3%	6.0%	6.0%	5.5%	7.6%	4.6%
Average Service Charge (Projected \$)	109.69	115.51	123.17	133.65	144.84	157.88	171.33	188.12	198.68	203.22	207.28	209.49	213.52	215.61	222.31	229.63	238.95	249.44	261.48	283.91	294.98	307.60	323.89	349.90	374.37
Change from Previous Year (\$)	6.95	5.82	7.99	10.35	11.25	12.84	13.84	13.78	10.32	4.23	6.44	2.88	4.89	1.90	6.41	4.47	8.45	7.69	16.10	18.79	17.23	16.47	17.53	23.57	17.13
Change to Consumer Price Index	1.9%	3.6%	4.1%	4.8%	5.4%	4.2%	3.0%	3.0%	2.6%	2.8%	3.0%	2.3%	1.6%	2.2%	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%	3.2%	2.8%	3.8%	-0.4%	1.6%
Total Responses	158	157	163	166	169	171	175	184	194	199	205	208	214	224	234	238	221	233	223	213	203	196	197	173	181
Total Responses in Both Previous and Current Year	155	157	157	163	166	169	171	170	182	189	195	202	204	210	218	227	215	198	200	188	177	173	164	160	143

Note 1: The value of the annual Service Charge Index is based on all responses received. The base year, 1985 has been indexed to the value of 100.

Note 2: The annual percent change in the Index and change from previous year in service charge are based on the responses of those agencies that responded in both the previous year and current year using the same calculation method. Index values and average service charges include all respondents.



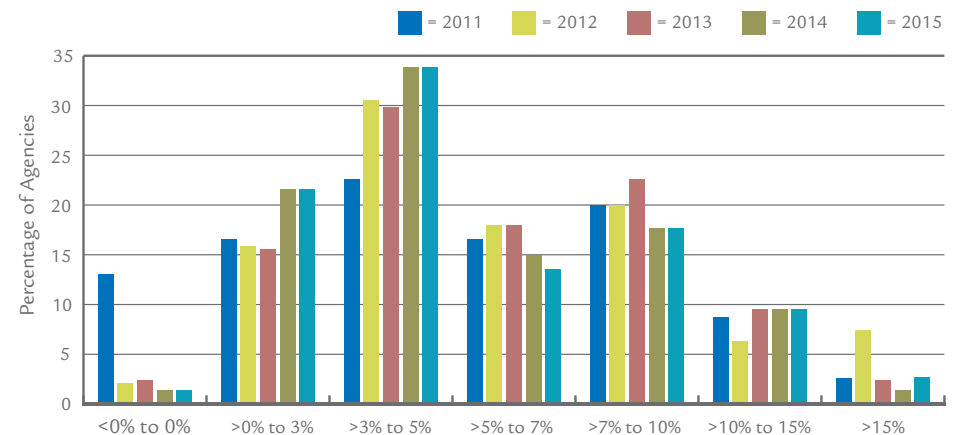
Average Annual Sewer Service Charge 1985-2010



Projected Rate Increases 2011-2015

	2011	2012	2013	2014	2015
Average Annual Increase (%)	6.5%	7.4%	7.4%	7.4%	6.5%
Average Service Charge (Projected \$)	401.81	434.19	470.91	510.13	547.44
Change from Previous Year (\$)	27.44	32.38	36.72	39.22	37.31
# of Total Responses	154	149	146	143	137
# of Responses with Numeric Estimates	105	95	83	73	64
Approved	59%	22%	17%	10%	5%
Planned	18%	43%	42%	42%	42%
No Change	14%	7%	3%	5%	7%
Uncertain	10%	28%	38%	43%	46%

Distribution of Projected 2011-2015 Rate Increases



Note 3: All agencies in the <0% to 0% category reported no change in rates (0%).

Note 4: Agencies indicating planned or expected future rate changes, but providing no numeric estimates, are not shown in distribution above.