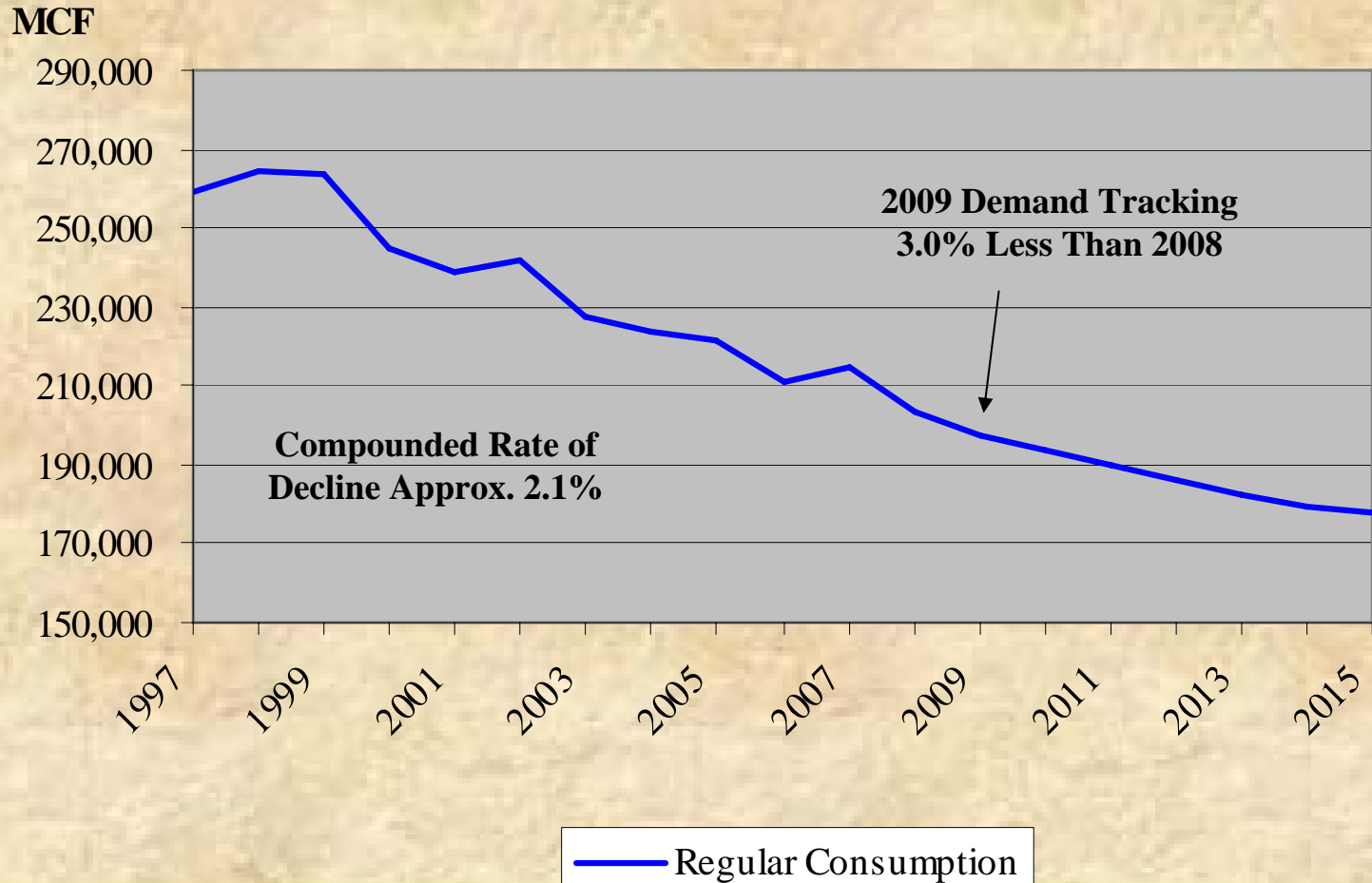
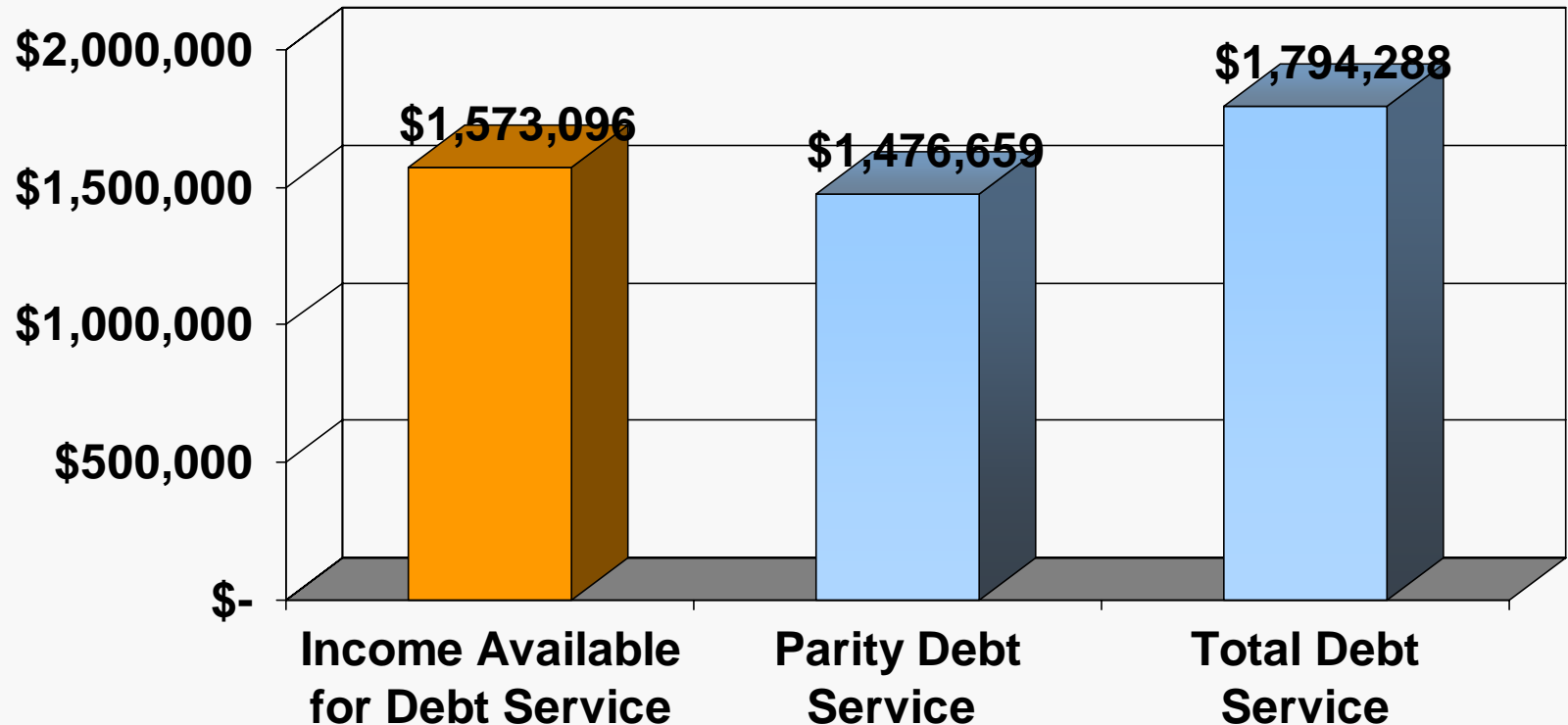


# Demand

## Lakewood Consumption History and Projection



# 2009 Projected Water Debt Service Coverage

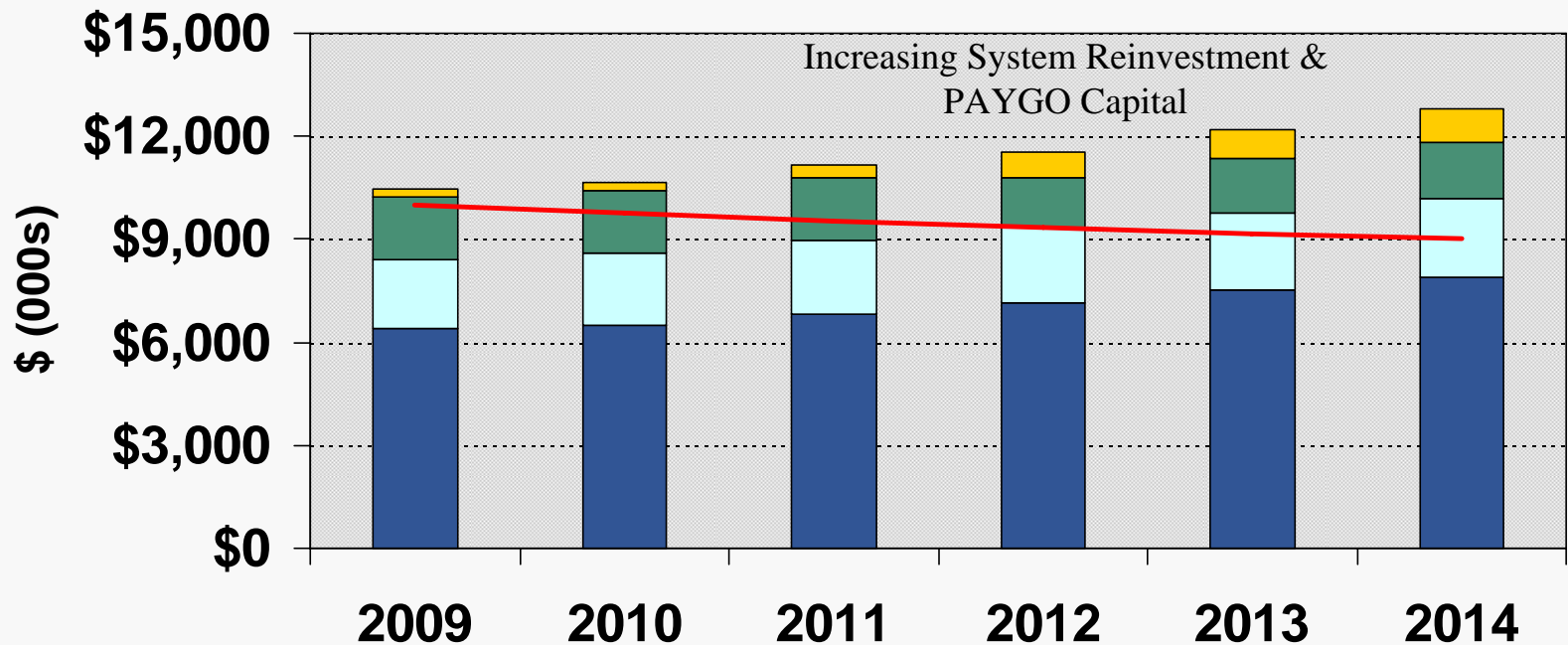


Parity Debt Covenant = 1.15x

Forecasted Parity Coverage = 1.07x

Forecasted Total Coverage = 0.88x

# Projection of Water Revenue Requirements



# Preliminary Water Rate Projections

<i>Actual</i>	<i>Projected</i>				
2009	2010	2011	2012	2013	2014

## Water Rates (per ccf)

Regular Customers	\$ 4.99	\$ 5.48	\$ 5.85	\$ 6.18	\$ 6.68	\$ 7.11
<i>% Change</i>		9.8%	6.8%	5.6%	8.1%	6.4%

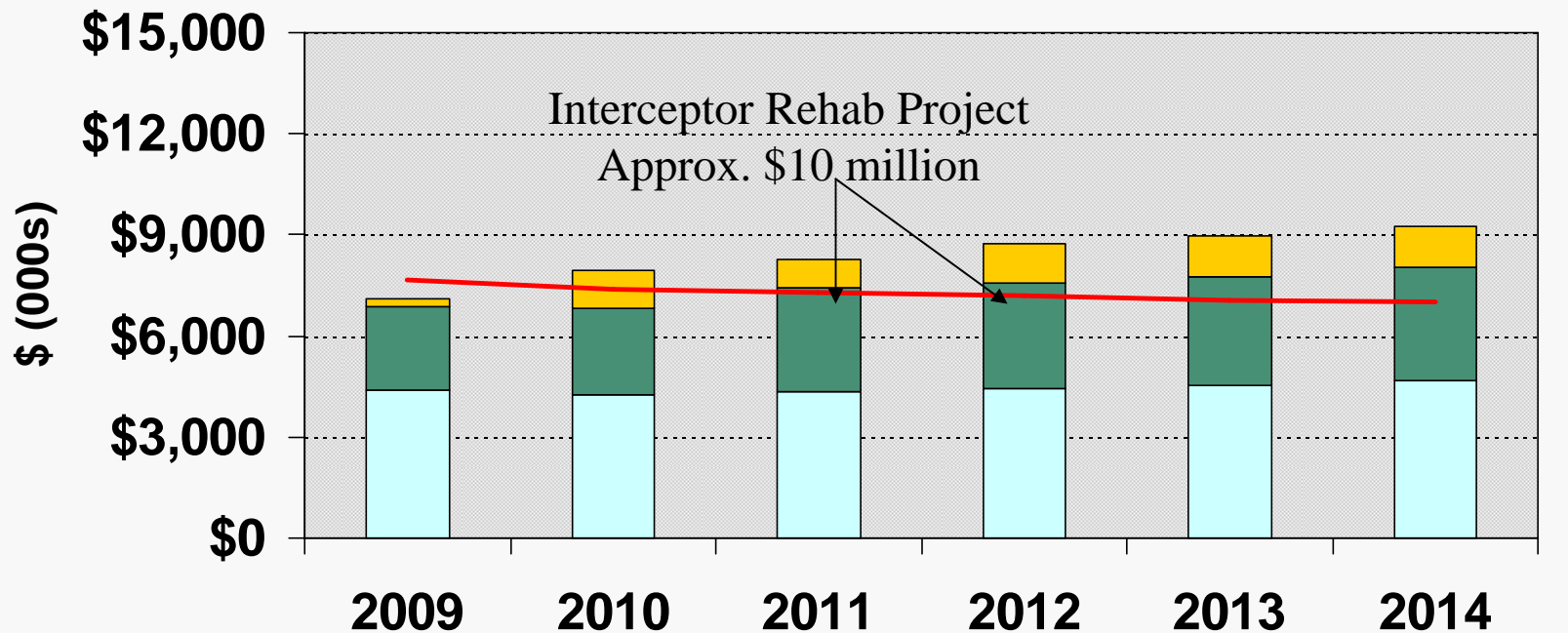
Homestead Customers	\$ 2.75	\$ 3.02	\$ 3.22	\$ 3.40	\$ 3.68	\$ 3.92
<i>% Change</i>		9.8%	6.6%	5.6%	8.2%	6.5%

## Typical Customer Impacts - Monthly Bill (8ccf Example)

Regular Customers	\$ 39.92	\$ 43.84	\$ 46.80	\$ 49.44	\$ 53.44	\$ 56.88
<i>% Change</i>		9.8%	6.8%	5.6%	8.1%	6.4%

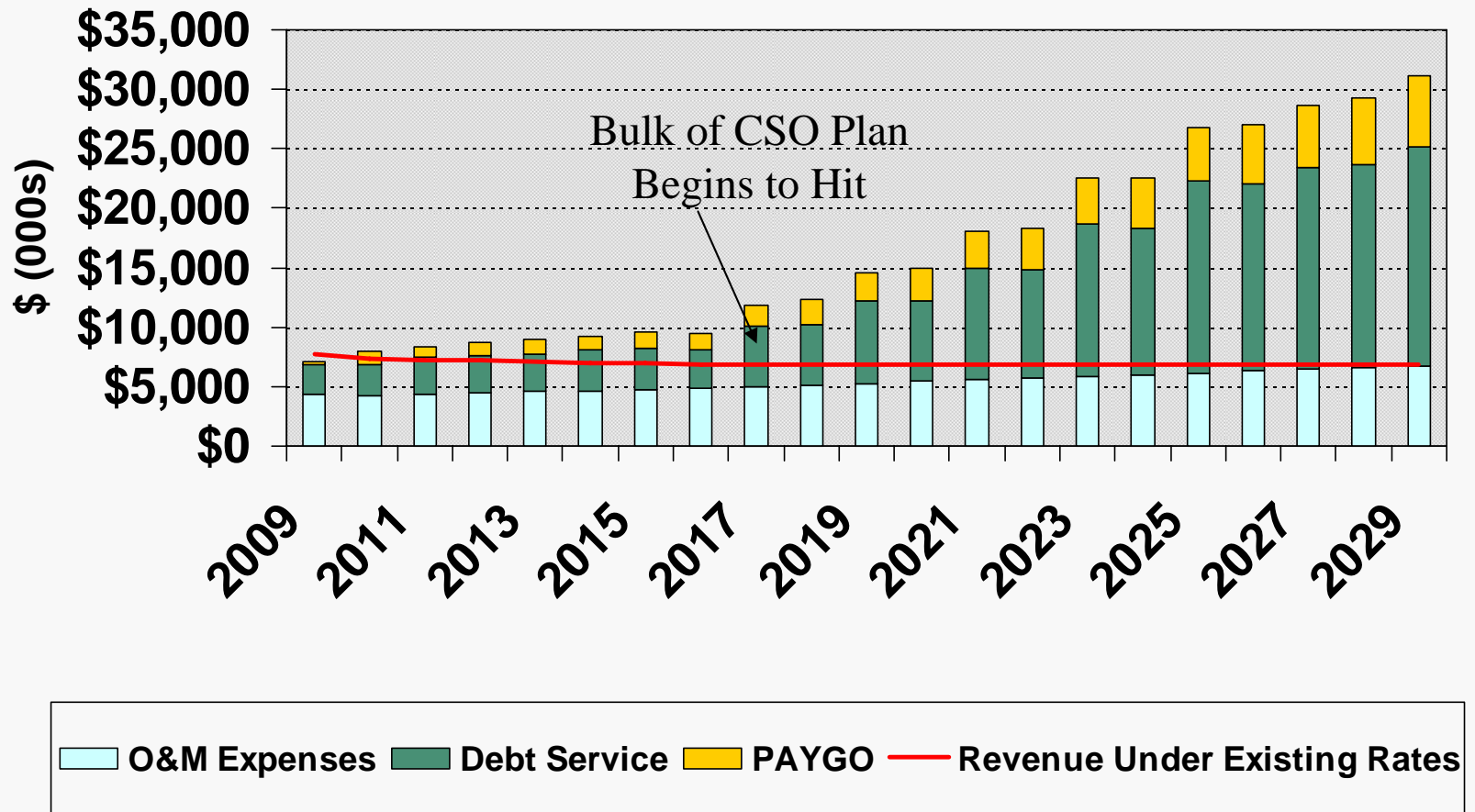
Homestead Customers	\$ 22.00	\$ 24.16	\$ 25.76	\$ 27.20	\$ 29.44	\$ 31.36
<i>% Change</i>		9.8%	6.6%	5.6%	8.2%	6.5%

# Projection of Wastewater Revenue Requirements



O&M Expenses Debt Service PAYGO Revenue Under Existing Rates

# Projection of Wastewater Revenue Requirements (Long-Term)



# Preliminary Wastewater Rate Projections

<i>Actual</i>	<i>Projected</i>				
2009	2010	2011	2012	2013	2014

## Sewer Rates (per ccf)

Regular Customers	2.97	3.26	3.58	3.93	4.04	4.26
<i>% Change</i>		9.8%	9.8%	9.8%	2.8%	5.4%
Homestead Customers	2.23	2.45	2.69	2.95	3.03	3.2
<i>% Change</i>		9.9%	9.8%	9.7%	2.7%	5.6%

## Typical Customer Impacts - Monthly Bill (8ccf Example)

Regular Customers	\$ 23.76	\$ 26.08	\$ 28.64	\$ 31.44	\$ 32.32	\$ 34.08
<i>% Change</i>		9.8%	9.8%	9.8%	2.8%	5.4%
Homestead Customers	\$ 17.84	\$ 19.60	\$ 21.52	\$ 23.60	\$ 24.24	\$ 25.60
<i>% Change</i>		9.9%	9.8%	9.7%	2.7%	5.6%