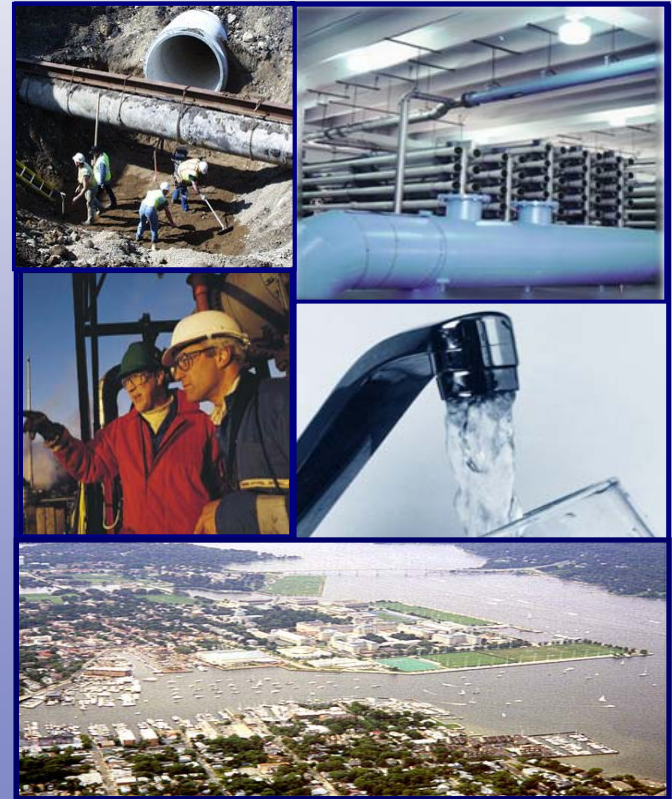


Department of Public Works

*Utility Enterprise Fund
January 1, 2007 Rate Increase*



Water and Wastewater Rate Increase

5% Effective January 1, 2007

Anne Arundel County Code Article 13, title 5, section 805 provides that the County Executive sets the rates and may increase them by no more than 5% per year without an ordinance approved by Council.

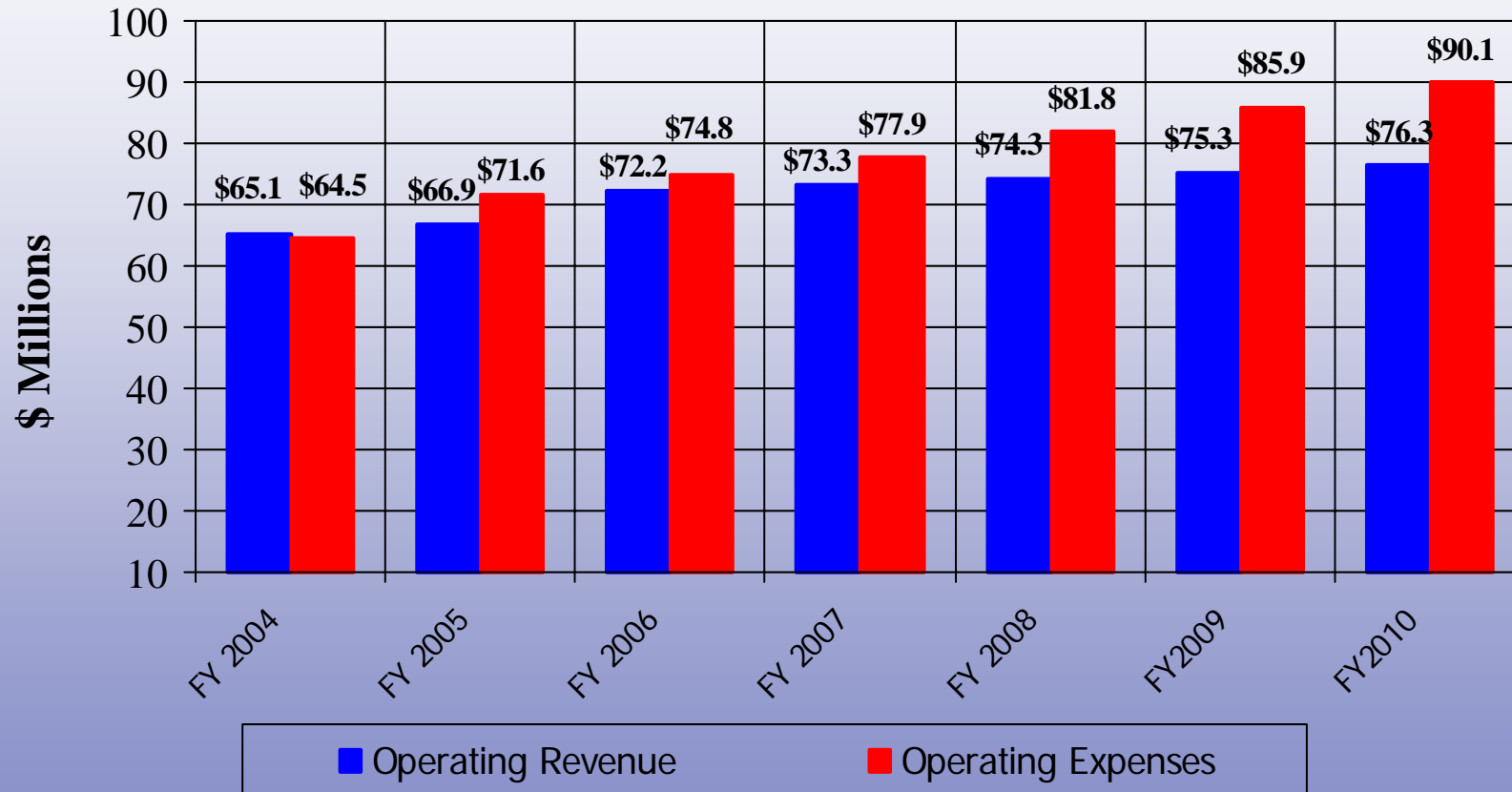
Expenses of the Bureau are increasing by 4.1%. Revenues including the rate increase are growing at 3.5%.

FY 2007 estimated revenues will not cover FY2007 estimated expenses. The shortfall will be covered by net assets (essentially receivables and cash)

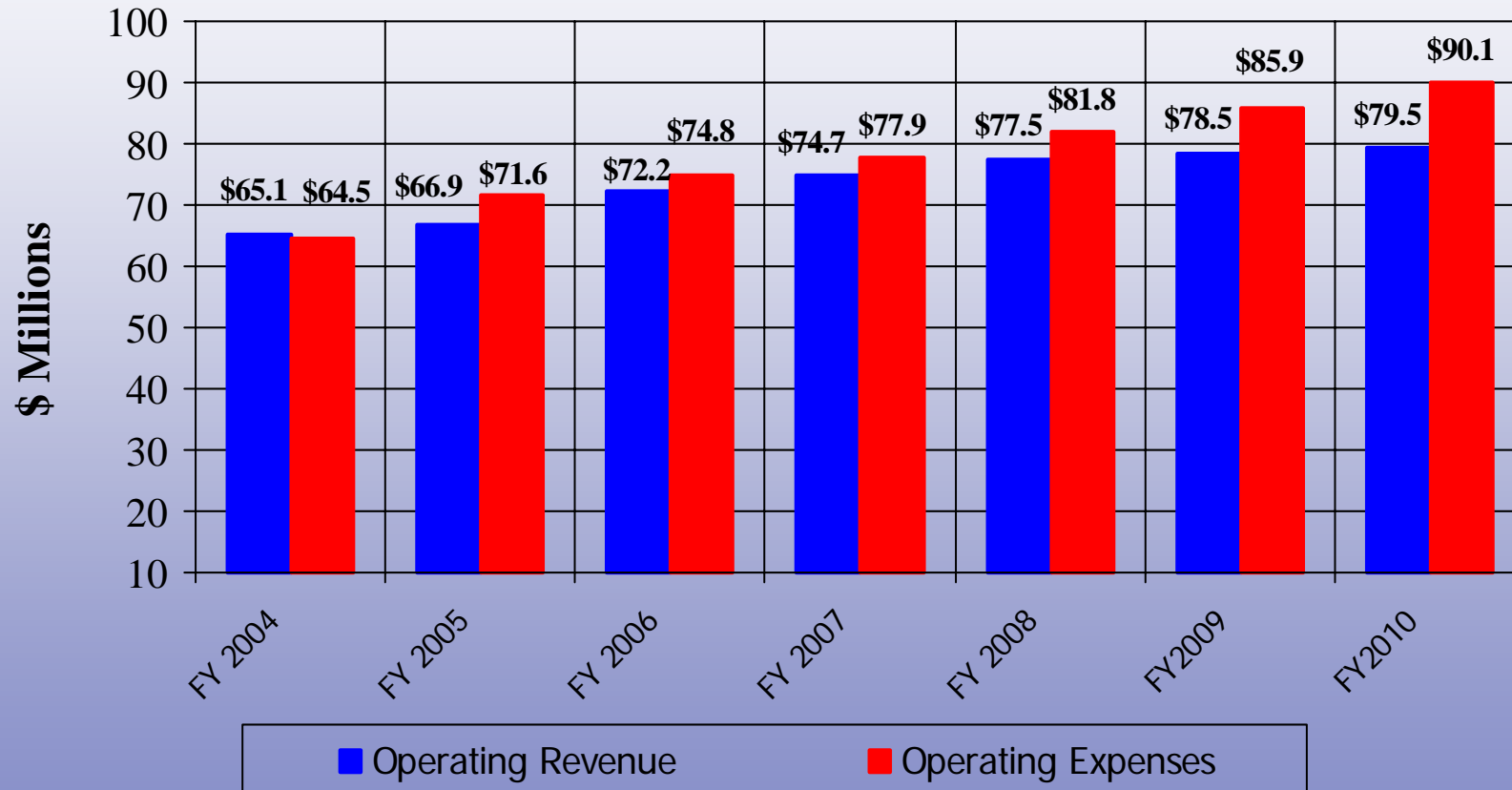
Baltimore City has increased their water and wastewater rates 9% for each of the last three years and plans to do this indefinitely to cover the costs of rehabilitation and maintenance.

Customers using 24,000 per quarter will see an increase of \$ 6.24 per quarter in the last half of the year.

Utility Enterprise Fund Current Rates Revenues vs. Expenses



Utility Enterprise Fund January 1, 2007 Rate Increase Revenues vs. Expenses



Utility Enterprise Fund Rates

| | <u>Water Only</u> | <u>Wastewater Only</u> | <u>Combined Services</u> |
|--------------------------------------|-------------------|------------------------|--------------------------|
| Current Rate (per 1,000 gallons) | \$2.00 | \$3.52 | \$5.52 |
| Rate Increase (per 1,000 gallons) | <u>0.10</u> | <u>0.18</u> | <u>0.28</u> |
| New Rate (per 1,000 gallons) | \$2.10 | \$3.70 | \$5.80 |
| Percent Increase | 5.0% | 5.0% | 5.0% |

Utility Enterprise Fund Effective January 1, 2007 Residential Quarterly Bills

Residential User – 24,000 gallons

| | <u>Water Only</u> | <u>Wastewater Only</u> | <u>Combined Services</u> |
|--------------------|-------------------|------------------------|--------------------------|
| Previous Rates | \$58.80 | \$ 95.93 | \$151.73 |
| New Rates | \$61.44 | \$100.68 | \$159.12 |
| Quarterly Increase | \$ 2.64 | \$ 4.75 | \$ 7.39 |