

Indian Wells Valley Water District



Water Rate Cost of Service Study

Community Outreach Workshop

January 28, 2010



BARTLE WELLS ASSOCIATES
Independent Public Finance Advisors



Presentation Overview

- **Bartle Wells Associates**
- **Study Objectives**
- **Overview of Water Rates**
- **Ready to Serve (Basic) Charge**
- **Quantity Rates**
- **Zone Charges**
- **Capacity Fee and Distribution Facility Fees**
- **Questions/Comments**





Bartle Wells Associates

- **Independent public finance advisory firm founded 1964**
- **Services: financial plans, rate & fee studies, project financing**
- **Consulted for over 470 California water & wastewater agencies, including many regional agencies**
- **Developed over 2,000 financing plans & 1,000 utility rate studies**
- **Secured over \$4 billion in project financing**
- **Charter Member: National Association of Independent Public Finance Advisors**

BWA specializes in water & wastewater rates & finance



Study Objectives

- Independent review of the District's water rates & finances
- Develop 10-year cash flow projections & long-term financial plan
- Determine future annual revenue requirements
- Meet debt service ratio requirements and maintain good credit rating
- Recommend rate adjustments needed to fund the District's long-term operating & capital needs while promoting conservation
- Assist with Proposition 218 compliance
- Update the District's capital facility fee and distribution facility fee

Goal: Minimal increases for customers who use water efficiently



Overview of Water Rates

- **Last cost of service rate study was in 2007**
- **District policy to implement small incremental annual rate increases to minimize impact on customers**
- **In August, the District sold \$20M in COPs to fund capital projects for arsenic treatment and expansion of system**
- **District provides water service to approximately 11,400 accounts (Residential accounts = 92%)**
- **Total water use in 2008/09 = 3,442,000 hcf**
 - **SFR water use = 2,667,000 hcf**
 - **Master-Metered, Commercial, and Public = 775,000 hcf**
- **Median SFR monthly water consumption = 14 hcf**



Water Accounts – 2008/09

Meter Size	Residential	Multi-Family	Commercial	Public	Total	Equivalent Meters (1)
NUMBER OF METERS						
5/8-inch	3,214	56	144	18	3,432	3,432
3/4-inch	7,037	102	144	15	7,298	10,947
1-inch	276	119	74	15	484	1,210
1 1/2-inch	1	11	36	5	53	265
2-inch	0	34	62	30	126	1,008
3-inch	0	2	3	3	8	128
4-inch	0	2	2	4	8	200
6-inch	0	6	0	1	7	350
8-inch	1	0	0	3	4	320
10-inch	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	10,529	332	465	94	11,420	17,860

1 Equivalent meters determined using AWWA recommended meter ratios





Revenue Needs

- **Operating Expenses = \$5,153,215 (Budget 2009/10)**

- **10-Year Capital Improvement Program**

- Total One-Time Projects = \$31M
- Ongoing Projects = \$1M/ year



- **Arsenic Treatment Capital and Operating Costs**

- Capital Projects = \$13.2M
- Operating Costs = \$533,000/year (beg. 2010/11)



Revenue Needs (continued)

■ Alternate Water Supply

- Budget 2009/10 = \$527,000
- Proposed Annual Transfer = \$250,000/year (beg. 2009/10)

■ Debt Service

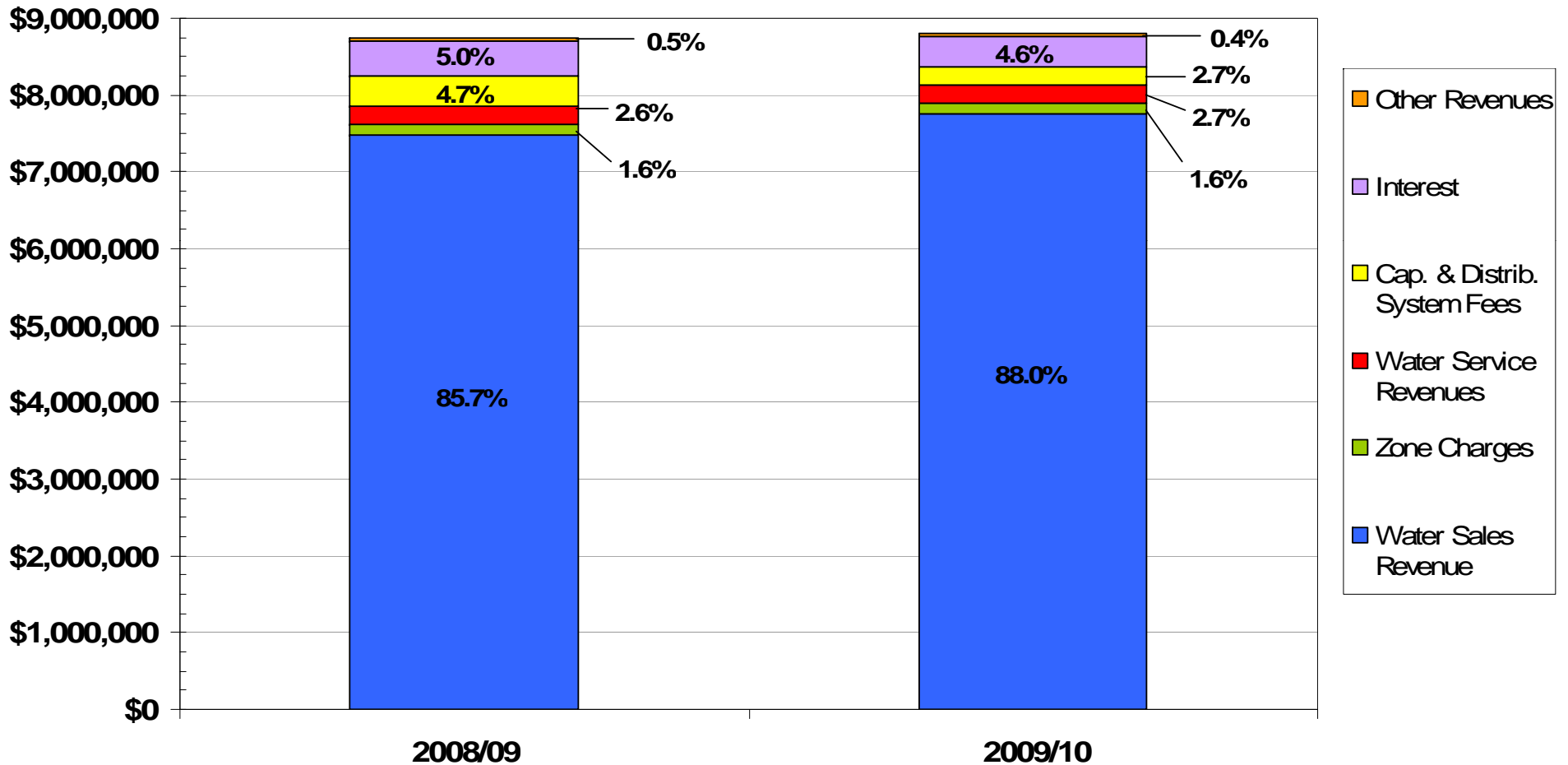
Issue	Annual Payments				
	2009/10	2010/11	2011/12	2012/13	2013/14
CSCDA Series 1999A Bonds	\$324,268	0	0	0	0
Prop 55 Loan	279,514	279,514	279,514	279,514	279,514
Prop 44 Loan	44,584	44,584	44,584	22,292	0
Series 2003 Refunding Bonds	504,708	504,058	507,564	504,733	505,995
Series 2009 COPs	564,655	1,318,838	1,315,138	1,314,488	1,313,538
Future Debt (1)	<u>0</u>	<u>0</u>	<u>0</u>	<u>311,500</u>	<u>623,000</u>
Total Debt Service	\$1,717,729	\$2,146,994	\$2,146,800	\$2,432,527	\$2,722,047

1 Assumes \$9 million bond in 2012/13. Terms: 30-year bond at 5.50%



Total Revenue Breakdown

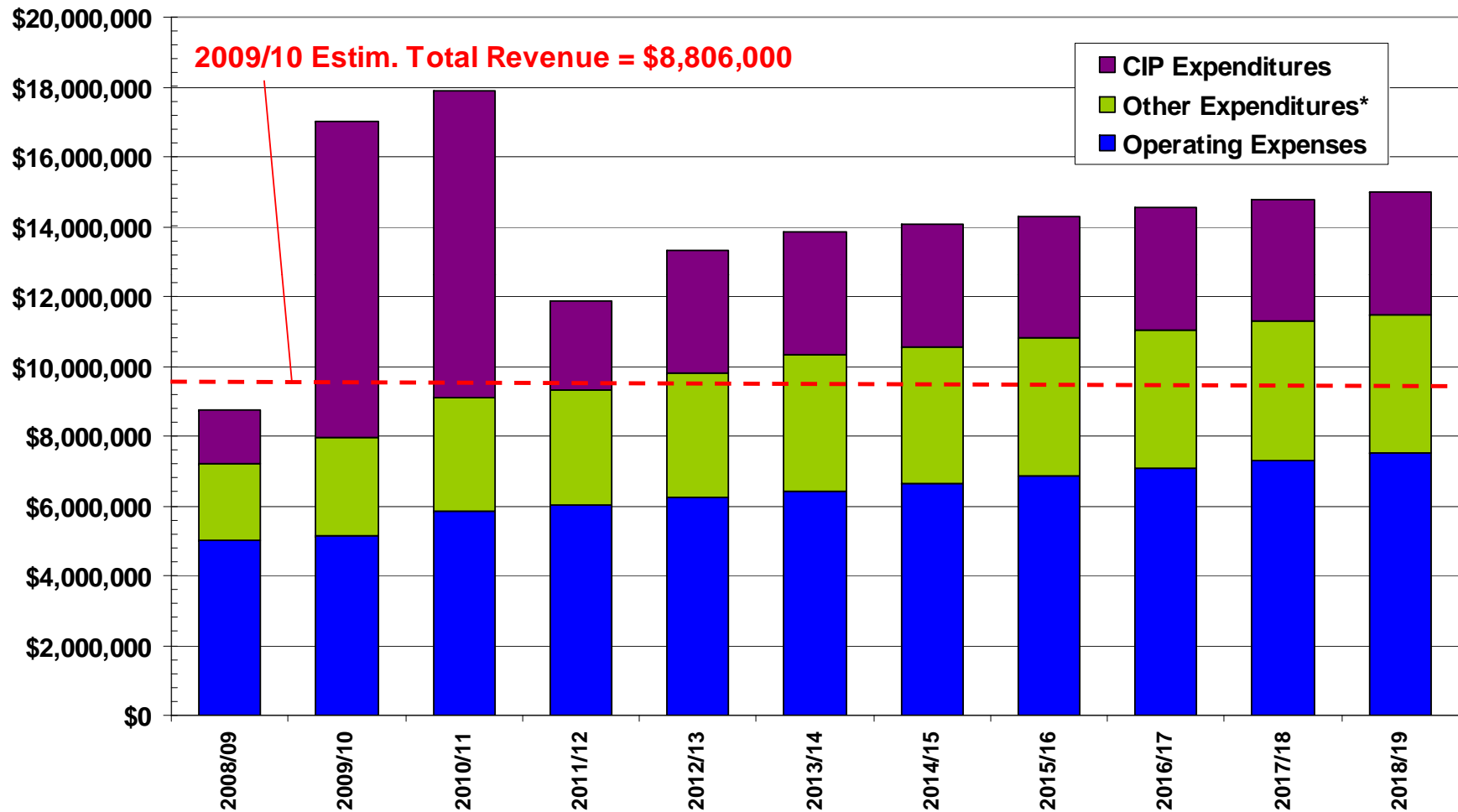
% Breakdown of Total Annual Revenue (Based on Budget)





Revenues vs. Expenses

Estimated Annual Expenses



* Other Expenditures include debt service, alternative water supply, and conservation expenditures.



Water Financial Projections

- **BWA developed 10-year cash flow projections for each of the scenarios to determine impact on revenues and fund balances**

- **Based on best information currently available & reasonable assumptions:**
 - **Rate increases effective March 1, 2010; for each following year, rate increase will be effective February 1 of each year**
 - **All operating expenses except for Water Treatment and Analysis escalated 3% annually**
 - **Arsenic costs escalated 4.5% each year**
 - **Assumes 0.5% annual growth**
 - **Includes \$250,000 annual transfer to Alternate Water Supply Reserve**
 - **Includes \$9M bond in 2012/13**
 - **CIP expenses projected at \$3.5M/year beginning in 2012/13**



Cash Flow Projection

	Budget	Projected			
	2009/10	2010/11	2011/12	2012/13	2013/14
Beginning Reserve Fund Balances					
Operating/Capital/Replacements	\$5,439,721	\$12,555,878	\$3,906,884	\$1,658,085	\$7,564,558
Alternate Water Supply Reserve	\$46,702	\$296,702	\$546,702	\$796,702	\$1,046,702
New Source of Supply Reserve	\$0	\$0	\$120,000	\$370,000	\$570,000
Total Reserves	5,486,423	12,852,580	4,573,586	2,824,787	9,181,260
REVENUES (1)					
Operating Revenues	8,128,600	8,721,000	9,357,000	10,041,000	10,824,000
Non-Operating Revenues	677,800	676,000	446,000	400,000	599,000
Debt Proceeds	15,500,000	0	0	9,000,000	0
TOTAL REVENUES	24,306,400	9,397,000	9,803,000	19,441,000	11,423,000
EXPENSES (2)					
Operating Expenses	5,153,215	5,855,000	6,040,000	6,232,000	6,429,000
Non-Operating Expenses	11,837,029	12,040,994	5,819,800	7,081,527	7,397,047
TOTAL EXPENSES	16,990,244	17,895,994	11,859,800	13,313,527	13,826,047
Net Income	7,316,157	(8,498,994)	(2,056,800)	6,127,474	(2,403,047)
Ending Reserve Fund Balances					
Operating/Capital/Replacements	12,555,878	3,906,884	1,658,085	7,564,558	4,933,512
Alternate Water Supply Reserve	296,702	546,702	796,702	1,046,702	1,296,702
New Source of Supply Reserve	0	120,000	370,000	570,000	720,000
Total Reserves	12,852,580	4,573,586	2,824,787	9,181,260	6,950,214
Debt Service Coverage (Min. 1.20x)	2.13	1.65	1.75	1.73	1.83
Fund Reserve Target - 6 months of O&M	2,541,312	2,887,397	2,978,630	3,073,315	3,170,466
<i>Reserve Fund Target Met</i>	<i>yes</i>	<i>yes</i>	<i>yes</i>	<i>yes</i>	<i>yes</i>

- Operating Revenues include Water Sales, Zone Charges, and Water Service Revenues.
Non-Operating Revenues include capacity facility fees, distribution fees, interest and miscellaneous revenues.
- Operating Expenses include pumping plant, water treatment and analysis, transmission and distribution, engineering, customer accounts, field services, administration, general, and legislative.
Non-Operating Expenses include CIP, conservation, debt service, and transfer to alternative water supply.

READY TO SERVE CHARGE





Ready to Serve (Basic) Charge

- Covers the District's fixed expenses and arsenic treatment
- Charge based on meter size
- Same charge for residential and non-residential customers

- Proposed Rates: 7% annual increases

		Current	Mar 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
Meter Size	Meter Ratios					
5/8-inch	1.0	\$15.28	\$16.35	\$17.49	\$18.71	\$20.02
3/4-inch	1.5	\$22.92	\$24.52	\$26.24	\$28.08	\$30.05
1-inch	2.5	\$38.20	\$40.87	\$43.73	\$46.79	\$50.07
1 1/2-inch	5	\$76.40	\$81.75	\$87.47	\$93.59	\$100.14
2-inch	8	\$122.25	\$130.81	\$139.97	\$149.77	\$160.25
3-inch	15	\$244.49	\$261.60	\$279.91	\$299.50	\$320.47
4-inch	25	\$382.02	\$408.76	\$437.37	\$467.99	\$500.75
6-inch	50	\$764.03	\$817.51	\$874.74	\$935.97	\$1,001.49
8-inch	80	\$1,222.45	\$1,308.02	\$1,399.58	\$1,497.55	\$1,602.38
10-inch (1)	115	n/a	\$1,880.20	\$2,011.81	\$2,152.64	\$2,303.32

1 The District currently does not have any 10" meter customers but may in the future. Therefore, a 10" meter rate has been added.



Arsenic Treatment Costs

- **Operating and capital costs for arsenic treatment are collected in the RTS Charge**
- **Operating expenses for arsenic account for roughly 10% of total operating expenditures**

	2009/10	2010/11	2011/12	2012/13	2013/14
Arsenic O&M Costs (1)	\$0	\$533,000	\$556,985	\$582,049	\$608,242
Arsenic Capital Costs (2)	<u>373,000</u>	<u>870,000</u>	<u>868,000</u>	<u>868,000</u>	<u>867,000</u>
Total Arsenic Costs	\$373,000	\$1,403,000	\$1,424,985	\$1,450,049	\$1,475,242

1 - Arsenic costs increased by 4.5% annually beginning in 2011/12.

2 - Arsenic projects costs account for 66% of the Series 2009 COPs debt service.



Arsenic Cost Breakdown

	2009/10	2010/11	2011/12	2012/13	2013/14
5/8-inch	\$1.74	\$6.53	\$6.63	\$6.74	\$6.84
3/4-inch	\$2.61	\$9.80	\$9.95	\$10.11	\$10.26
1-inch	\$4.35	\$16.33	\$16.58	\$16.85	\$17.10
1 1/2-inch	\$8.70	\$32.65	\$33.15	\$33.70	\$34.20
2-inch	\$13.92	\$52.24	\$53.04	\$53.92	\$54.72
3-inch	\$27.84	\$104.48	\$106.08	\$107.84	\$109.44
4-inch	\$43.50	\$163.25	\$165.75	\$168.50	\$171.00
6-inch	\$87.00	\$326.50	\$331.50	\$337.00	\$342.00
8-inch	\$139.20	\$522.40	\$530.40	\$539.20	\$547.20
10-inch (1)	\$200.10	\$750.95	\$762.45	\$775.10	\$786.60
<i>% of RTS Charge</i>	<i>11.4%</i>	<i>39.9%</i>	<i>37.9%</i>	<i>36.0%</i>	<i>34.2%</i>

QUANTITY RATES





SFR Quantity Rates – Tier Structure

- One rate structure for all single family residential customers
- Tier 1 allotment based on domestic water use for 2 people based on 60 gallons/day/person
- Tier 2 allotment based on domestic water use for 5 people based on 60 gallons/day/person
- Tier 3 based on typical usage for xeriscaping landscaping for a 6,300 square foot yard
- Proposed Tiers:

Tier	HCF
Tier 1	0 - 5
Tier 2	5.01 - 12
Tier 3	12.01 - 24
Tier 4	24.01 - 31
Tier 5	31.01 - 38
Tier 6	38.01 - 45
Tier 7	45.01 & over



Non-SFR Quantity Rates – Tier Structure

- No change in rate structure for multi-family, commercial, and public customers

Tier	HCF	Tier	HCF	Tier	HCF
5/8" Meter		3/4" Meter		1" Meter	
Tier 1	0 - 5	Tier 1	0 - 8	Tier 1	0 - 13
Tier 2	5.01 - 10	Tier 2	8.01 - 15	Tier 2	13.01 - 25
Tier 3	10.01 - 15	Tier 3	15.01 - 23	Tier 3	25.01 - 38
Tier 4	15.01 - 20	Tier 4	23.01 - 30	Tier 4	38.01 - 50
Tier 5	20.01 - 25	Tier 5	30.01 - 38	Tier 5	50.01 - 63
Tier 6	25.01 - 30	Tier 6	38.01.01 - 45	Tier 6	63.01 - 75
Tier 7	30.01 & over	Tier 7	45.01 & over	Tier 7	75.01 & over
1-1/2" Meter		2" Meter		3" Meter	
Tier 1	0 - 25	Tier 1	0 - 40	Tier 1	0 - 80
Tier 2	25.01 - 50	Tier 2	40.01 - 80	Tier 2	80.01 - 160
Tier 3	50.01 - 75	Tier 3	80.01 -120	Tier 3	160.01 -240
Tier 4	75.01 - 100	Tier 4	120.01 - 160	Tier 4	240.01 - 320
Tier 5	100.01 - 125	Tier 5	160.01 - 200	Tier 5	320.01 - 400
Tier 6	125.01. - 150	Tier 6	200.01. - 240	Tier 6	400.01. - 480
Tier 7	150.01 & over	Tier 7	240.01 & over	Tier 7	480.01 & over



Non-SFR Quantity Rates – Tier Structure

cont'd

Tier	HCF	Tier	HCF	Tier	HCF
4" Meter		6" Meter		8" Meter	
Tier 1	0 - 125	Tier 1	0 - 250	Tier 1	0 - 400
Tier 2	125.01 - 250	Tier 2	250.01 - 500	Tier 2	400.01 - 800
Tier 3	250.01 - 375	Tier 3	500.01 - 750	Tier 3	800.01 - 1200
Tier 4	375.01 - 500	Tier 4	750.01 - 1000	Tier 4	1200.01 - 1600
Tier 5	500.01 - 625	Tier 5	1000.01 - 1250	Tier 5	1600.01 - 2000
Tier 6	625.01 - 750	Tier 6	1250.01 - 1500	Tier 6	2000.01 - 2400
Tier 7	750.01 & over	Tier 7	1500.01 & over	Tier 7	2400.01 & over
10" Meter					
Tier 1	0 - 575				
Tier 2	575.01 - 1150				
Tier 3	1150.01 - 1725				
Tier 4	1725.01 - 2300				
Tier 5	2300.01 - 2875				
Tier 6	2875.01 - 3450				
Tier 7	3450.01 & over				



Quantity Rates

- Rates based on estimated costs for alternative source of water (brackish water treatment)
- Same charge for residential and non-residential customers
- Proposed Rates per hcf:

Tier	Current	Mar 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
Tier 1	\$0.71	\$0.71	\$0.71	\$0.76	\$0.81
Tier 2	\$0.88	\$0.92	\$1.00	\$1.07	\$1.14
Tier 3	\$1.09	\$1.16	\$1.25	\$1.34	\$1.43
Tier 4	\$1.32	\$1.43	\$1.75	\$1.87	\$2.00
Tier 5	\$1.59	\$1.81	\$2.25	\$2.41	\$2.58
Tier 6	\$1.76	\$2.04	\$2.75	\$2.94	\$3.14
Tier 7	\$1.91	\$2.47	\$4.13	\$4.42	\$4.73



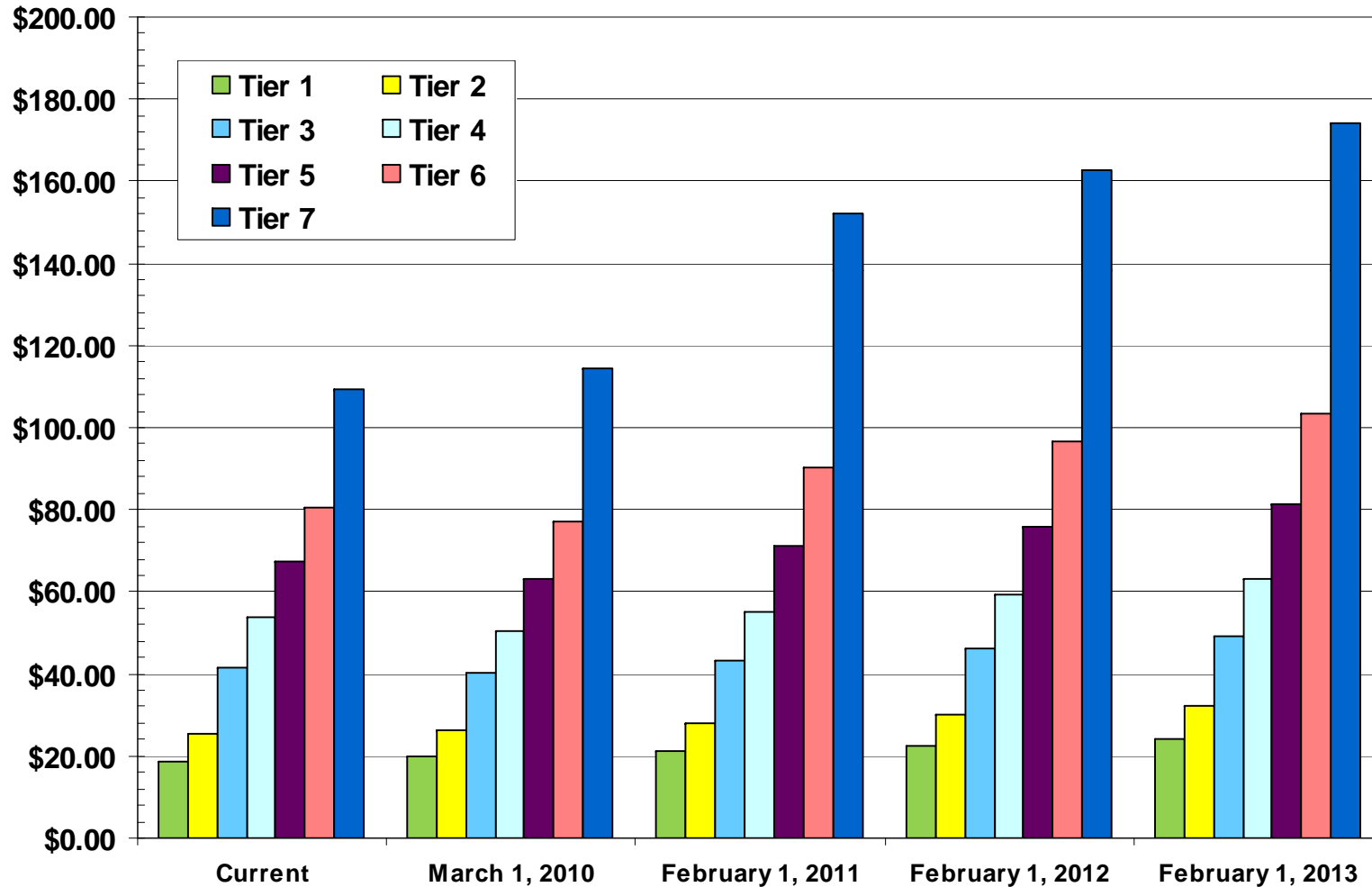
SFR Impacts – 5/8” Meter

Customer	Water Use (hcf)	Current	Projected Rates			
			Mar 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
5/8" Meter (3,214 Residential Accounts)						
Tier 1	5	\$18.83	\$19.90	\$21.04	\$22.51	\$24.07
<i>Dollar Change</i>			\$1.07	\$1.14	\$1.47	\$1.56
<i>% Change</i>			5.7%	5.7%	7.0%	6.9%
Tier 2	12	\$25.41	\$26.34	\$28.04	\$30.00	\$32.05
<i>Dollar Change</i>			\$0.93	\$1.70	\$1.96	\$2.05
<i>% Change</i>			3.7%	6.5%	7.0%	6.8%
Tier 3	24	\$41.64	\$40.26	\$43.04	\$46.08	\$49.21
<i>Dollar Change</i>			(\$1.38)	\$2.78	\$3.04	\$3.13
<i>% Change</i>			-3.3%	6.9%	7.1%	6.8%
Tier 4	31	\$53.94	\$50.27	\$55.29	\$59.17	\$63.21
<i>Dollar Change</i>			(\$3.67)	\$5.02	\$3.88	\$4.04
<i>% Change</i>			-6.8%	10.0%	7.0%	6.8%
Tier 5	38	\$67.31	\$62.94	\$71.04	\$76.04	\$81.27
<i>Dollar Change</i>			(\$4.37)	\$8.10	\$5.00	\$5.23
<i>% Change</i>			-6.5%	12.9%	7.0%	6.9%
Tier 6	45	\$80.68	\$77.22	\$90.29	\$96.62	\$103.25
<i>Dollar Change</i>			(\$3.46)	\$13.07	\$6.33	\$6.63
<i>% Change</i>			-4.3%	16.9%	7.0%	6.9%
Tier 7	60	\$109.33	\$114.27	\$152.24	\$162.92	\$174.20
<i>Dollar Change</i>			\$4.94	\$37.97	\$10.68	\$11.28
<i>% Change</i>			4.5%	33.2%	7.0%	6.9%



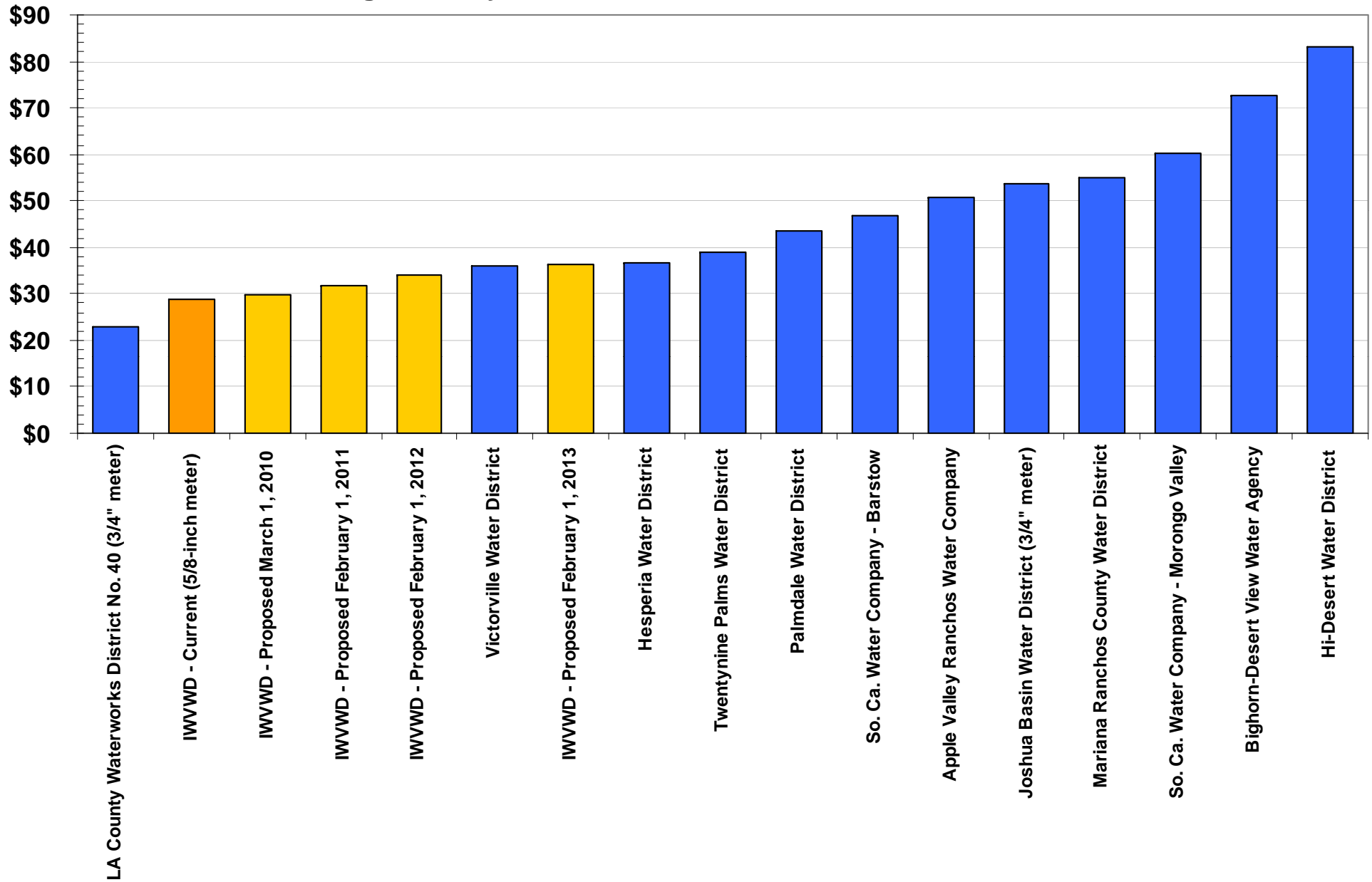
SFR Impacts - 5/8" Meter

Proposed Monthly Bill for SFR Customer - 5/8" meter



Regional Monthly Water Rate Survey - 2009/10

Single Family Residential - IWVWD 5/8" meter, 15 ccf





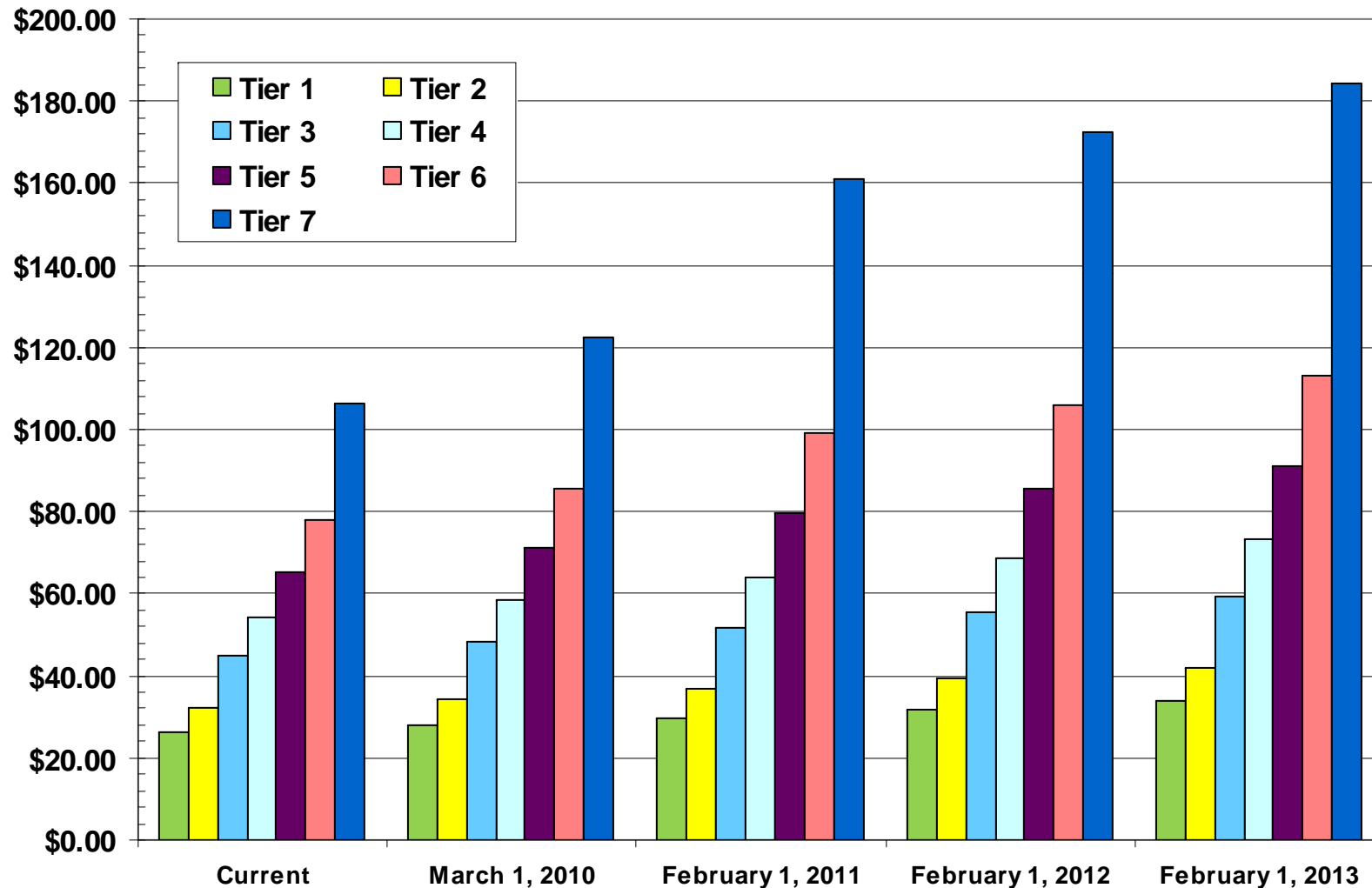
SFR Impacts – 3/4” Meter

Customer	Water Use (hcf)	Current	Projected Rates			
			Mar 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
3/4" Meter (7,037 Accounts)						
Tier 1	5	\$26.47	\$28.07	\$29.79	\$31.88	\$34.10
<i>Dollar Change</i>			\$1.60	\$1.72	\$2.09	\$2.22
<i>% Change</i>			6.0%	6.1%	7.0%	7.0%
Tier 2	12	\$32.12	\$34.51	\$36.79	\$39.37	\$42.08
<i>Dollar Change</i>			\$2.39	\$2.28	\$2.58	\$2.71
<i>% Change</i>			7.4%	6.6%	7.0%	6.9%
Tier 3	24	\$44.80	\$48.43	\$51.79	\$55.45	\$59.24
<i>Dollar Change</i>			\$3.63	\$3.36	\$3.66	\$3.79
<i>% Change</i>			8.1%	6.9%	7.1%	6.8%
Tier 4	31	\$54.31	\$58.44	\$64.04	\$68.54	\$73.24
<i>Dollar Change</i>			\$4.13	\$5.60	\$4.50	\$4.70
<i>% Change</i>			7.6%	9.6%	7.0%	6.9%
Tier 5	38	\$65.44	\$71.11	\$79.79	\$85.41	\$91.30
<i>Dollar Change</i>			\$5.67	\$8.68	\$5.62	\$5.89
<i>% Change</i>			8.7%	12.2%	7.0%	6.9%
Tier 6	45	\$77.76	\$85.39	\$99.04	\$105.99	\$113.28
<i>Dollar Change</i>			\$7.63	\$13.65	\$6.95	\$7.29
<i>% Change</i>			9.8%	16.0%	7.0%	6.9%
Tier 7	60	\$106.41	\$122.44	\$160.99	\$172.29	\$184.23
<i>Dollar Change</i>			\$16.03	\$38.55	\$11.30	\$11.94
<i>% Change</i>			15.1%	31.5%	7.0%	6.9%



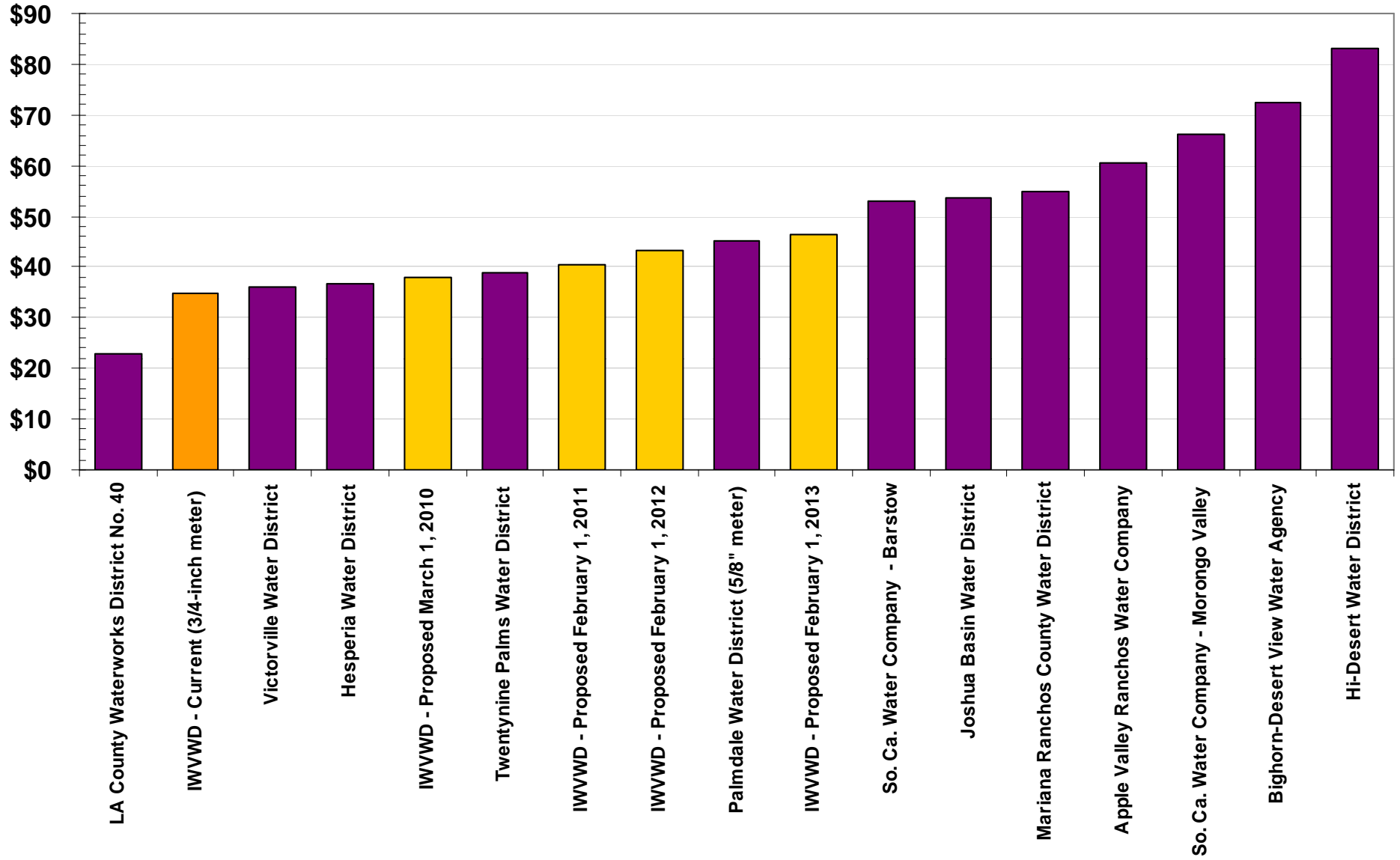
SFR Impacts - 3/4" Meter

Proposed Monthly Bill for SFR Customer - 3/4" meter



Regional Monthly Water Rate Survey - 2009/10

Single Family Residential - IWVWD 3/4" meter, 15 ccf





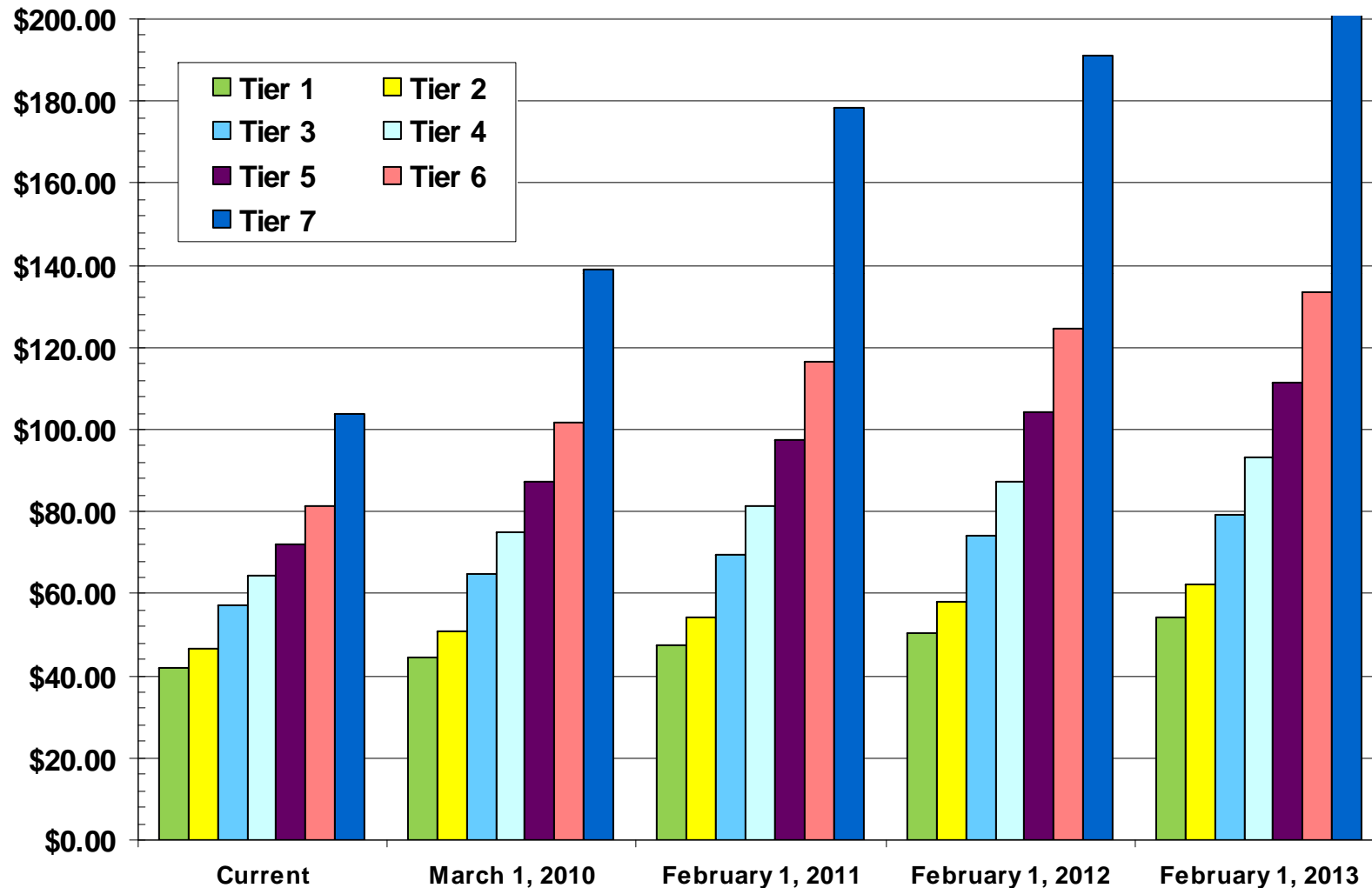
SFR Impacts – 1” Meter

Customer	Water Use (hcf)	Current	Projected Rates			
			Mar 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
1" Meter (276 Residential Accounts)						
Tier 1	5	\$41.75	\$44.42	\$47.28	\$50.59	\$54.12
<i>Dollar Change</i>			\$2.67	\$2.86	\$3.31	\$3.53
<i>% Change</i>			6.4%	6.4%	7.0%	7.0%
Tier 2	12	\$46.72	\$50.86	\$54.28	\$58.08	\$62.10
<i>Dollar Change</i>			\$4.14	\$3.42	\$3.80	\$4.02
<i>% Change</i>			8.9%	6.7%	7.0%	6.9%
Tier 3	24	\$57.11	\$64.78	\$69.28	\$74.16	\$79.26
<i>Dollar Change</i>			\$7.67	\$4.50	\$4.88	\$5.10
<i>% Change</i>			13.4%	6.9%	7.0%	6.9%
Tier 4	31	\$64.53	\$74.79	\$81.53	\$87.25	\$93.26
<i>Dollar Change</i>			\$10.26	\$6.74	\$5.72	\$6.01
<i>% Change</i>			15.9%	9.0%	7.0%	6.9%
Tier 5	38	\$72.16	\$87.46	\$97.28	\$104.12	\$111.32
<i>Dollar Change</i>			\$15.30	\$9.82	\$6.84	\$7.20
<i>% Change</i>			21.2%	11.2%	7.0%	6.9%
Tier 6	45	\$81.40	\$101.74	\$116.53	\$124.70	\$133.30
<i>Dollar Change</i>			\$20.34	\$14.79	\$8.17	\$8.60
<i>% Change</i>			25.0%	14.5%	7.0%	6.9%
Tier 7	60	\$103.90	\$138.79	\$178.48	\$191.00	\$204.25
<i>Dollar Change</i>			\$34.89	\$39.69	\$12.52	\$13.25
<i>% Change</i>			33.6%	28.6%	7.0%	6.9%



SFR Impacts - 1" Meter

Proposed Monthly Bill for SFR Customer - 1" meter





Non-Single Family Resid. Impacts

Customer	Water Use (hcf)	Current	Projected Monthly Bills			
			Mar 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
Non-Single Family Residential Customers						
5/8"	5	\$18.83	\$19.90	\$21.04	\$22.51	\$24.07
<i>Dollar Change</i>			\$1.07	\$1.14	\$1.47	\$1.56
<i>% Change</i>			5.7%	5.7%	7.0%	6.9%
5/8"	20	\$35.28	\$37.45	\$41.04	\$43.91	\$46.92
<i>Dollar Change</i>			\$2.17	\$3.59	\$2.87	\$3.01
<i>% Change</i>			6.2%	9.6%	7.0%	6.9%
5/8"	35	\$61.58	\$69.05	\$86.69	\$92.76	\$99.17
<i>Dollar Change</i>			\$7.47	\$17.64	\$6.07	\$6.41
<i>% Change</i>			12.1%	25.5%	7.0%	6.9%
3/4"	8	\$28.60	\$30.20	\$31.92	\$34.16	\$36.53
<i>Dollar Change</i>			\$1.60	\$1.72	\$2.24	\$2.37
<i>% Change</i>			5.6%	5.7%	7.0%	6.9%
3/4"	30	\$55.75	\$55.93	\$61.17	\$65.46	\$69.95
<i>Dollar Change</i>			\$0.18	\$5.24	\$4.29	\$4.49
<i>% Change</i>			0.3%	9.4%	7.0%	6.9%
3/4"	50	\$87.31	\$97.04	\$119.07	\$127.42	\$136.22
<i>Dollar Change</i>			\$9.73	\$22.03	\$8.35	\$8.80
<i>% Change</i>			11.1%	22.7%	7.0%	6.9%



Non-Single Family Resid. Impacts

Customer	Water Use (hcf)	Current	Projected Monthly Bills			
			Mar 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
Non-Single Family Residential Customers						
1"	13	\$47.43	\$50.10	\$52.96	\$56.67	\$60.60
<i>Dollar Change</i>			\$2.67	\$2.86	\$3.71	\$3.93
<i>% Change</i>			5.6%	5.7%	7.0%	6.9%
1"	50	\$88.00	\$93.38	\$102.21	\$109.37	\$116.87
<i>Dollar Change</i>			\$5.38	\$8.83	\$7.16	\$7.50
<i>% Change</i>			6.1%	9.5%	7.0%	6.9%
1"	100	\$177.54	\$203.14	\$267.71	\$286.48	\$306.34
<i>Dollar Change</i>			\$25.60	\$64.57	\$18.77	\$19.86
<i>% Change</i>			14.4%	31.8%	7.0%	6.9%
1 1/2"	30	\$98.55	\$104.10	\$110.22	\$117.94	\$126.09
<i>Dollar Change</i>			\$5.55	\$6.12	\$7.72	\$8.15
<i>% Change</i>			5.6%	5.9%	7.0%	6.9%
1 1/2"	100	\$176.40	\$187.25	\$205.22	\$219.59	\$234.64
<i>Dollar Change</i>			\$10.85	\$17.97	\$14.37	\$15.05
<i>% Change</i>			6.2%	9.6%	7.0%	6.9%
1 1/2"	200	\$355.65	\$407.00	\$536.72	\$574.34	\$614.14
<i>Dollar Change</i>			\$51.35	\$129.72	\$37.62	\$39.80
<i>% Change</i>			14.4%	31.9%	7.0%	6.9%
2"	85	\$191.30	\$201.81	\$214.62	\$229.67	\$245.40
<i>Dollar Change</i>			\$10.51	\$12.81	\$15.05	\$15.73
<i>% Change</i>			5.5%	6.3%	7.0%	6.8%
2"	140	\$255.85	\$271.01	\$293.37	\$313.97	\$335.45
<i>Dollar Change</i>			\$15.16	\$22.36	\$20.60	\$21.48
<i>% Change</i>			5.9%	8.3%	7.0%	6.8%
2"	300	\$530.85	\$601.81	\$776.17	\$830.57	\$888.05
<i>Dollar Change</i>			\$70.96	\$174.36	\$54.40	\$57.48
<i>% Change</i>			13.4%	29.0%	7.0%	6.9%



Non-Single Family Resid. Impacts

Customer	Water Use (hcf)	Current	Projected Monthly Bills			
			Mar 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
Non-Single Family Residential Customers						
3"	400	\$691.69	\$744.00	\$836.71	\$895.50	\$957.27
<i>Dollar Change</i>			\$52.31	\$92.71	\$58.79	\$61.77
<i>% Change</i>			7.6%	12.5%	7.0%	6.9%
3"	700	\$1,252.69	\$1,450.60	\$1,965.31	\$2,103.10	\$2,249.07
<i>Dollar Change</i>			\$197.91	\$514.71	\$137.79	\$145.97
<i>% Change</i>			15.8%	35.5%	7.0%	6.9%
4"	700	\$1,212.77	\$1,315.51	\$1,513.62	\$1,619.74	\$1,731.25
<i>Dollar Change</i>			\$102.74	\$198.11	\$106.12	\$111.51
<i>% Change</i>			8.5%	15.1%	7.0%	6.9%
4"	1,000	\$1,778.27	\$2,035.01	\$2,683.62	\$2,871.74	\$3,070.75
<i>Dollar Change</i>			\$256.74	\$648.61	\$188.12	\$199.01
<i>% Change</i>			14.4%	31.9%	7.0%	6.9%
6"	1,500	\$2,601.53	\$2,835.01	\$3,302.24	\$3,533.47	\$3,776.49
<i>Dollar Change</i>			\$233.48	\$467.23	\$231.23	\$243.02
<i>% Change</i>			9.0%	16.5%	7.0%	6.9%
6"	5,000	\$9,286.53	\$11,480.01	\$17,757.24	\$19,003.47	\$20,331.49
<i>Dollar Change</i>			\$2,193.48	\$6,277.23	\$1,246.23	\$1,328.02
<i>% Change</i>			23.6%	54.7%	7.0%	7.0%
8"	2,400	\$4,162.45	\$4,536.02	\$5,283.58	\$5,653.55	\$6,042.38
<i>Dollar Change</i>			\$373.57	\$747.56	\$369.97	\$388.83
<i>% Change</i>			9.0%	16.5%	7.0%	6.9%
8"	8,000	\$14,858.45	\$18,368.02	\$28,411.58	\$30,405.55	\$32,530.38
<i>Dollar Change</i>			\$3,509.57	\$10,043.56	\$1,993.97	\$2,124.83
<i>% Change</i>			23.6%	54.7%	7.0%	7.0%
10"	10,000	n/a	\$22,698.95	\$34,646.56	\$37,077.89	\$39,667.32
<i>Dollar Change</i>				\$11,947.61	\$2,431.33	\$2,589.43
<i>% Change</i>				52.6%	7.0%	7.0%

ZONE CHARGES





Zone Charges

- Calculated based on elevation zone and amount of water use
- Designed to recover the cost of pumping water to higher elevation zones
- Same rates for residential and non-residential customers
- Proposed Rates per hcf – increase rates 3% annually based on change in pumping plant expenditures

Zone	Current	Mar 1, 2010	Feb 1, 2011	Feb 1, 2012	Feb 1, 2013
A	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
B	\$0.101	\$0.104	\$0.107	\$0.110	\$0.114
C	\$0.204	\$0.208	\$0.214	\$0.220	\$0.227
D	\$0.305	\$0.312	\$0.321	\$0.331	\$0.341
E	\$0.408	\$0.416	\$0.428	\$0.441	\$0.454

CAPACITY FACILITY FEE AND DISTRIBUTION FACILITY FEE





Capital Facility Fee

- Fee recovers the cost of water supply, storage, major transmission and distribution pipelines, and related facilities needed to provide capacity to serve new development
- Fee based on meter size and meter capacity
- Calculated using the “average cost” methodology:
$$\frac{\text{Existing Fixed Assets (not incl. distribution lines) + Future Capital Projects}}{\text{Total No. of EDUs (existing + future)}}$$
- In 2007/08, District had 34 new $\frac{3}{4}$ ” connections and 7 new 1” connections



Proposed Capital Facility Fee

Meter Size	Current Fee	Proposed Fee
3/4"	\$3,786	\$4,818
1"	\$6,310	\$8,030
1 1/2"	\$12,619	\$16,060
2"	\$20,191	\$25,695
3"	\$40,381	\$51,390
4"	\$63,096	\$80,298
6"	\$126,192	\$160,595
8"	\$201,907	\$256,952
10"	n/a	\$369,369



Distribution System Fee

- Fee recovers the cost of water distribution system pipelines typically located between main transmission lines and service laterals.
- Customers whose water mains were privately funded are exempted.
- Fee based on meter size
- Calculated using the “average cost” methodology:
$$\frac{\text{Existing Distribution Assets} + \text{Annual CIP Costs for Replacements}}{\text{Total No. of EDUs (existing + future)}}$$



Proposed Distribution System Fee

Meter Size	Current Fee	Proposed Fee
3/4"	\$2,808	\$3,724
1"	\$4,681	\$6,206
1 1/2"	\$9,361	\$12,412
2"	\$14,978	\$19,860
3"	\$29,957	\$39,719
4"	\$46,807	\$62,061
6"	\$93,615	\$124,122
8"	\$149,784	\$198,595
10"	n/a	\$285,480

QUESTIONS/COMMENTS

