



Preliminary Rate Calculations Water Delivery and Water Supply

Rates Advisory Committee

July 9, 2009

Presented by:
Harold J. Smith



Overview of Presentation

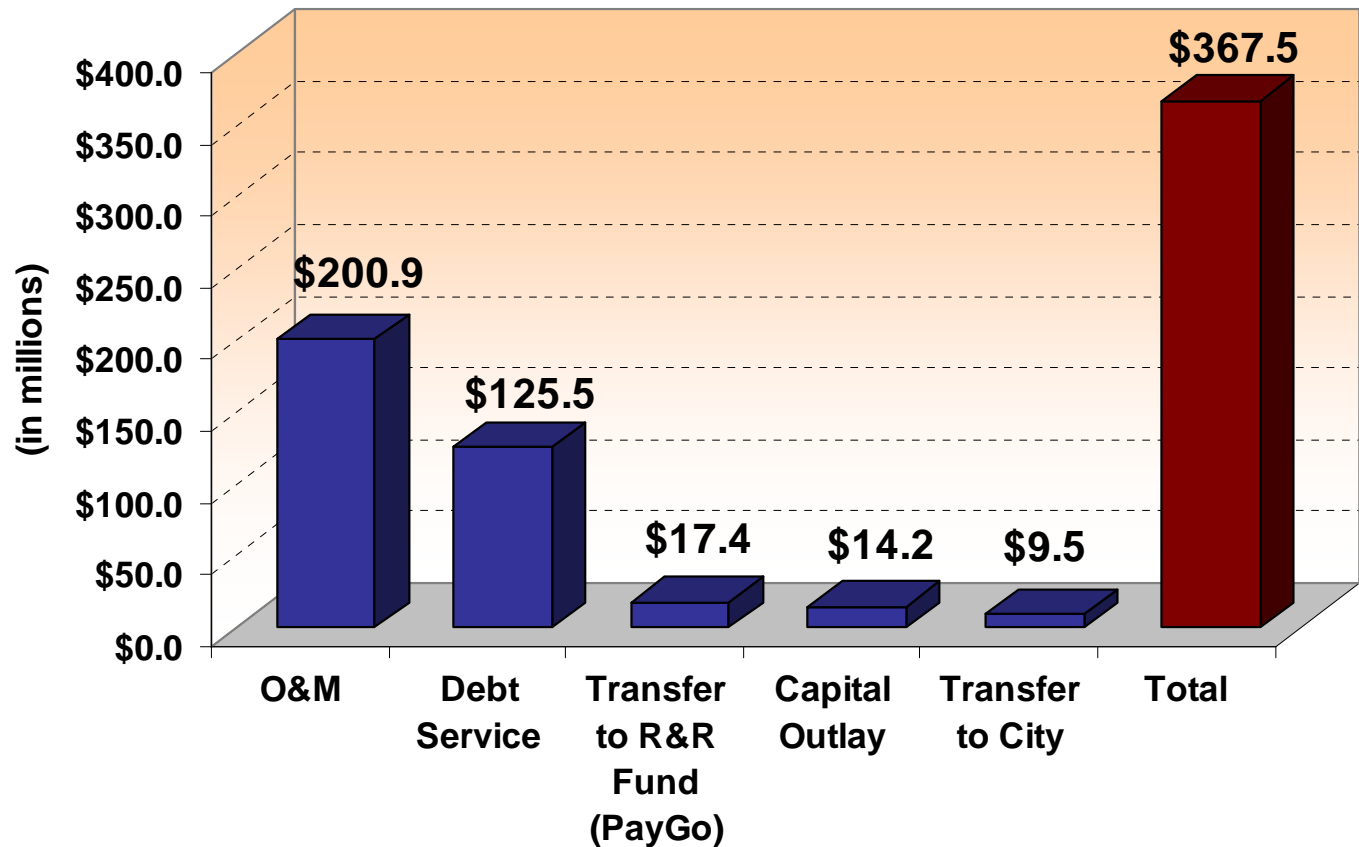
- Review Assumptions
- Explanation of Cost Allocations
- Review Water Delivery Options
- Review Water Supply Options
- Review Customer Impacts



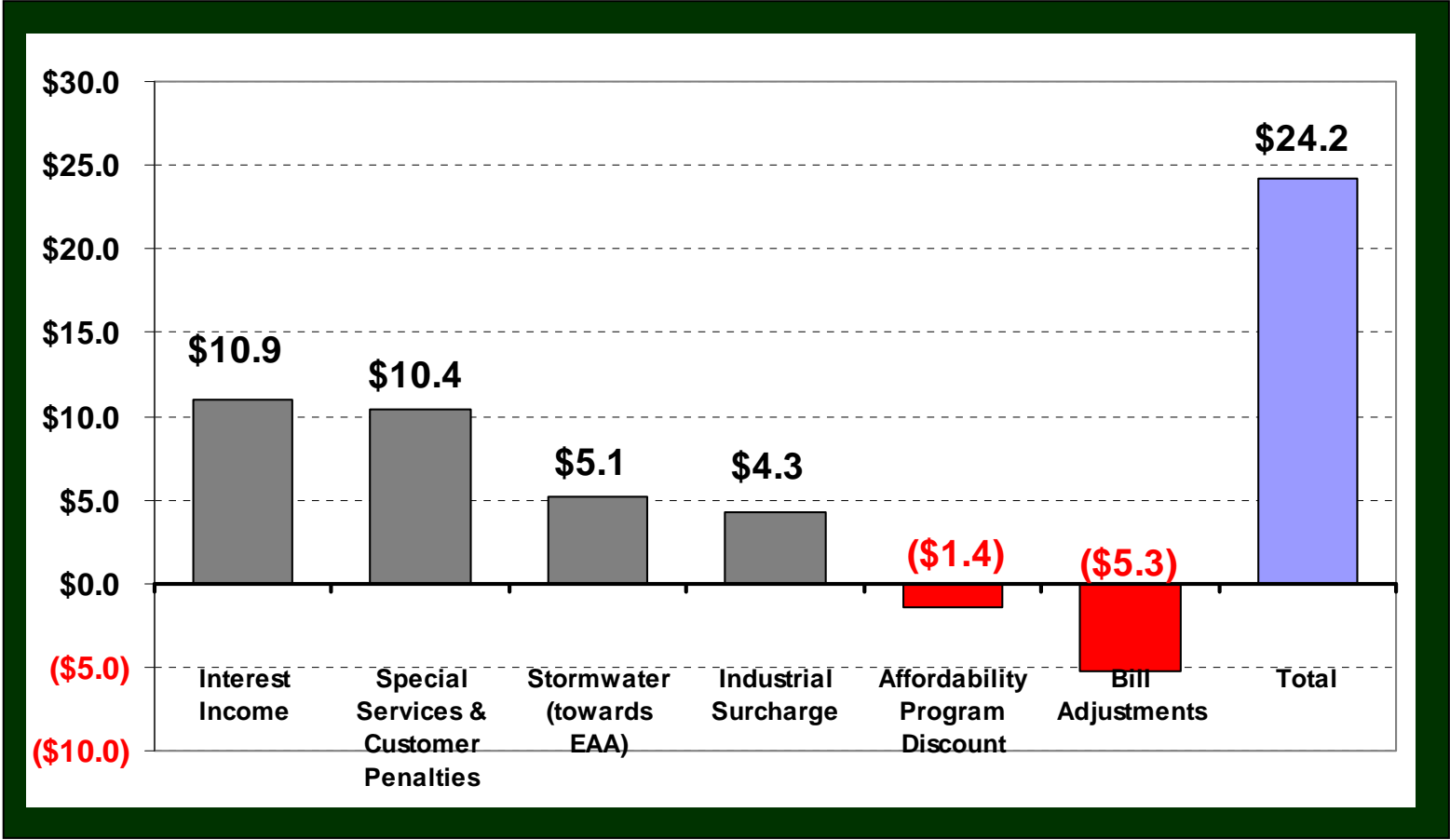
Preliminary Assumptions

- Rates reflect cost of service
- Rates reflect CY 2009 costs and revenue neutrality
- Conservation costs continue to be recovered from the 4th block for Residential customers and from the meter charges for General and Irrigation customers

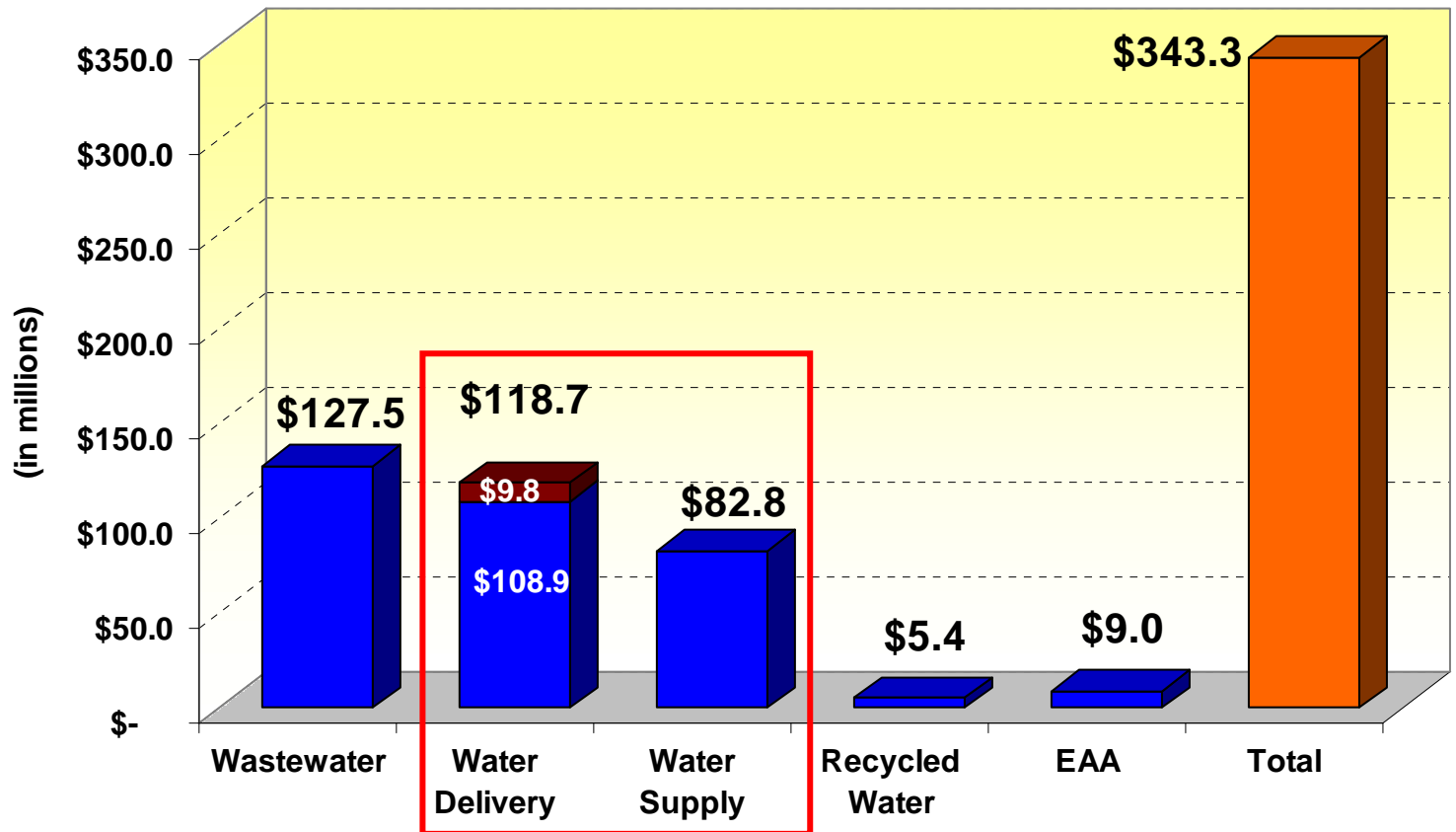
Allocation of Total Revenue Requirements



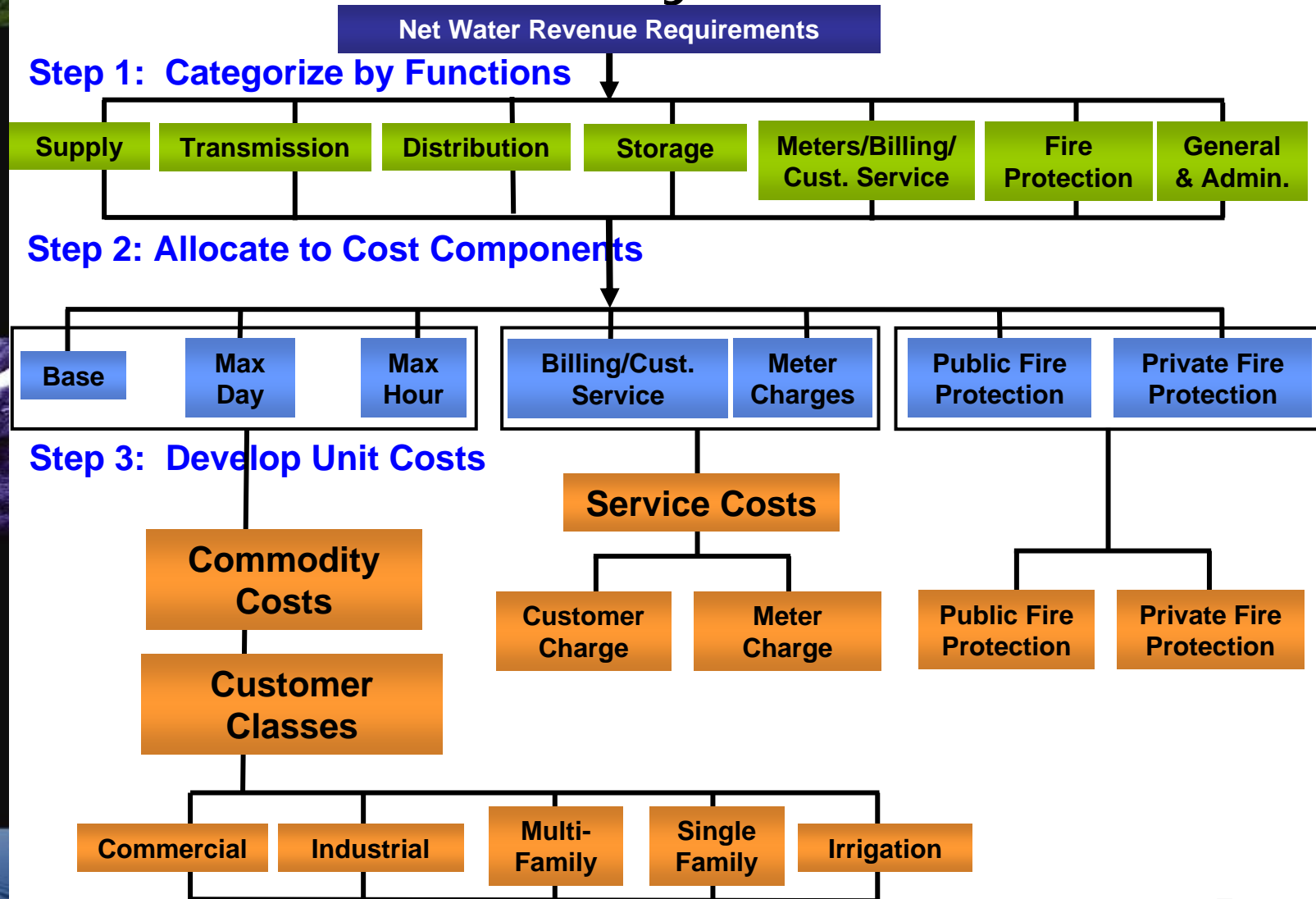
Revenue Offsets



Revenue Neutral Requirements from Rates



Sample Allocation of Water Delivery Costs



Comprehensive Cost of Service and Rate Design Study

Preliminary Cost of Service Rate Calculations



Allocation Factors

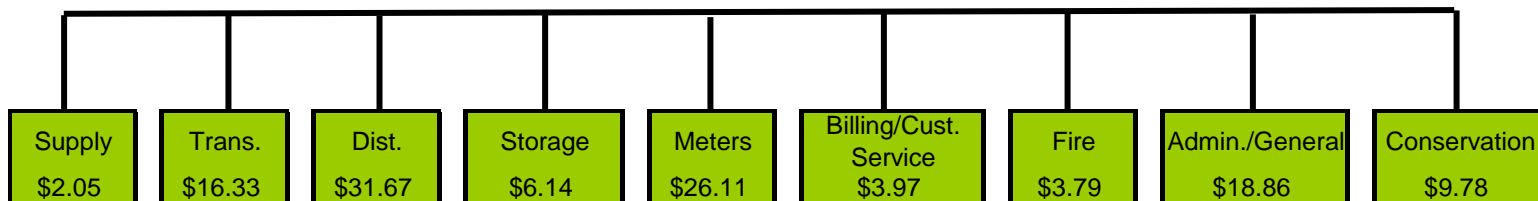
- **Base**: costs associated with meeting average day demands
- **Max Day**: costs associated with meeting the extra capacity demands above average daily use
- **Max Hour**: costs associated with meeting the extra capacity demands above average hourly use
- **Billing/Customer Service**: costs associated with administering customer accounts, preparing bills, and processing funds
- **Meter Charges**: costs associated with providing customer water meters and associated testing and replacements
- **Conservation Per Bill**: costs associated with conservation efforts
- **Fire Protection**: costs directly related to providing public fire protection

Note: Allocation factor definitions are from *Water and Wastewater Finance and Pricing: A Comprehensive Guide*, Third Edition.

Step 1: Categorize Costs to Functions

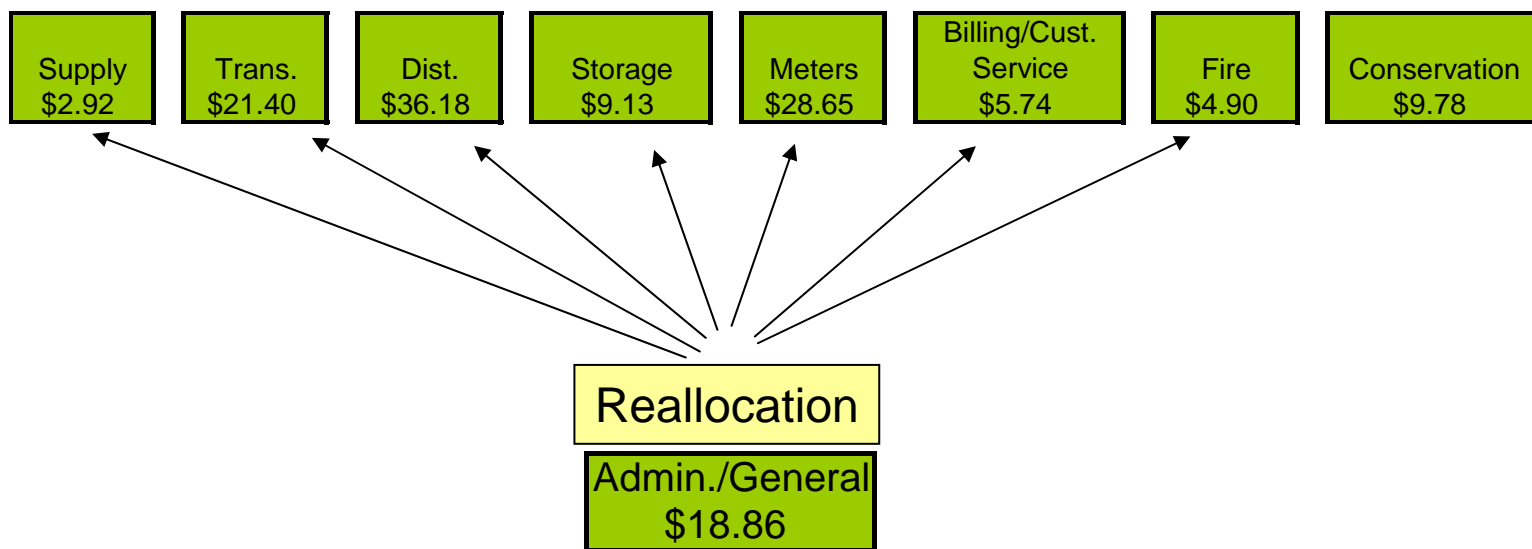
In Millions

Total Water Delivery Revenue Requirements: \$118.70



Step 1: Categorize Costs to Functions (continued)

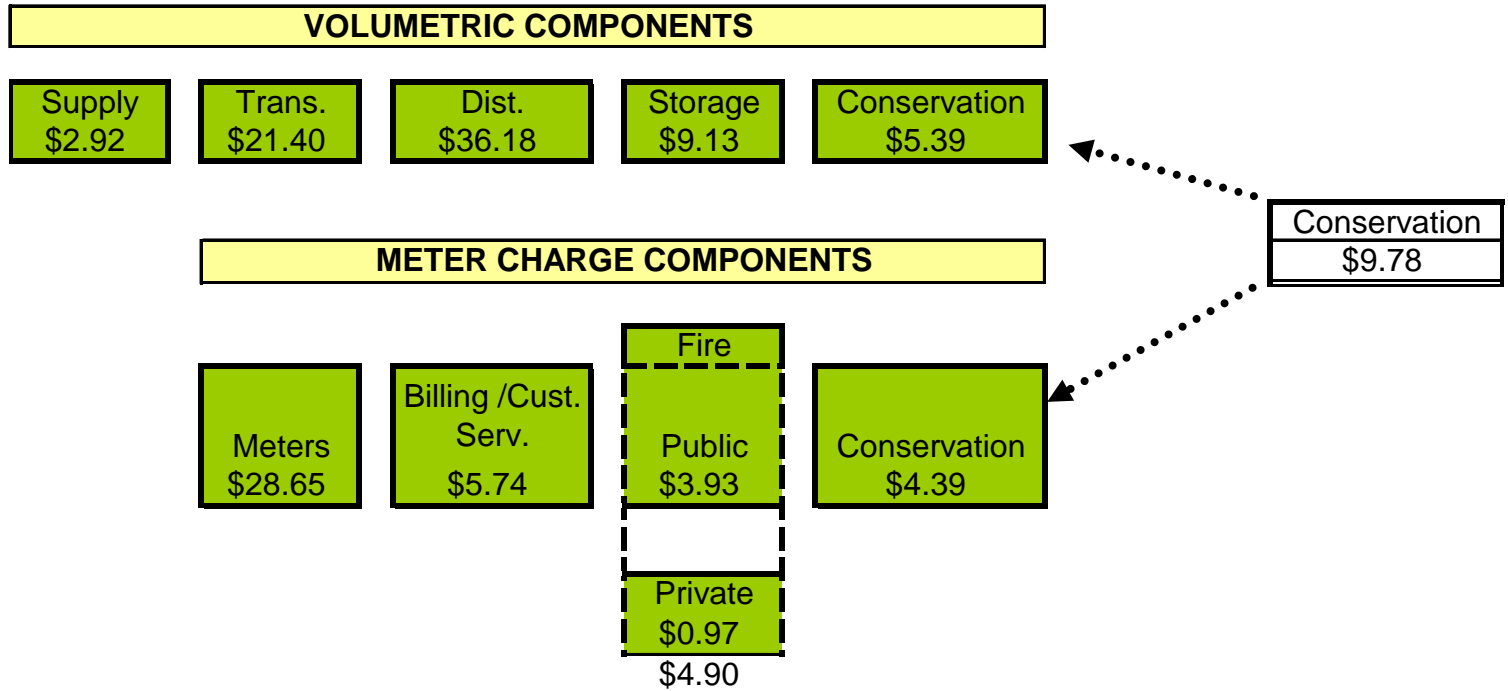
In Millions



*General & Administrative costs are prorated to the remaining functions, excluding Conservation.

Step 1: Categorize Costs to Functions (continued)

In Millions



*Conservation costs are allocated to both the volumetric and meter charge component.

**Fire Protection costs are allocated between public and private fire service.

(Private fire service is assessed separate rates)



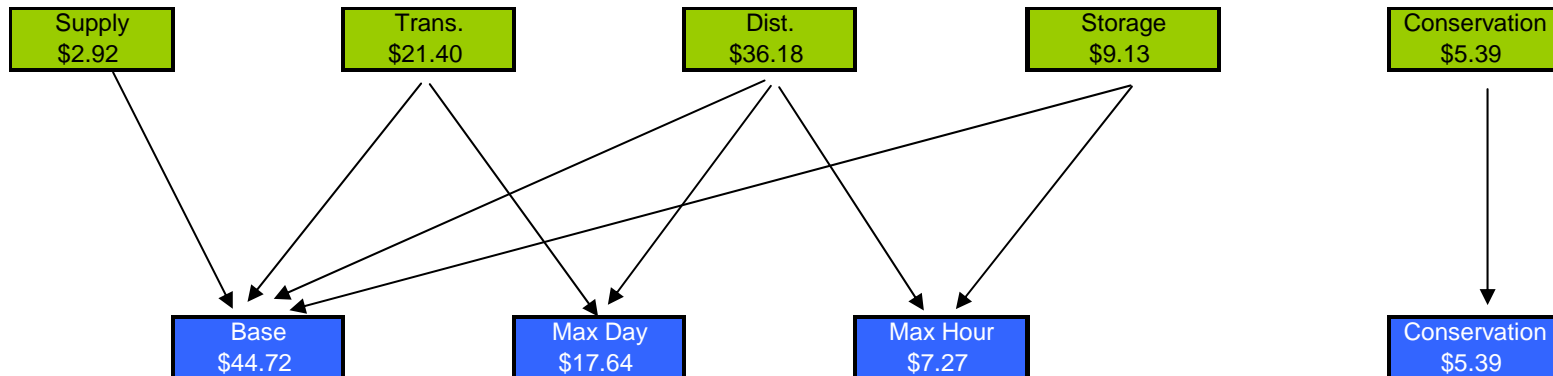
Step 2: Allocation of Functions (Volumetric) to Cost Components

Function	Cost Component		
	Base	Max Day	Max Hour
Source of Supply	X		
Transmission	X	X	
Distribution	X	X	X
Storage	X		X
Conservation	conservation		


Step 2: Allocation of Functions (Volumetric) to Cost Components

In Millions

VOLUMETRIC COMPONENT

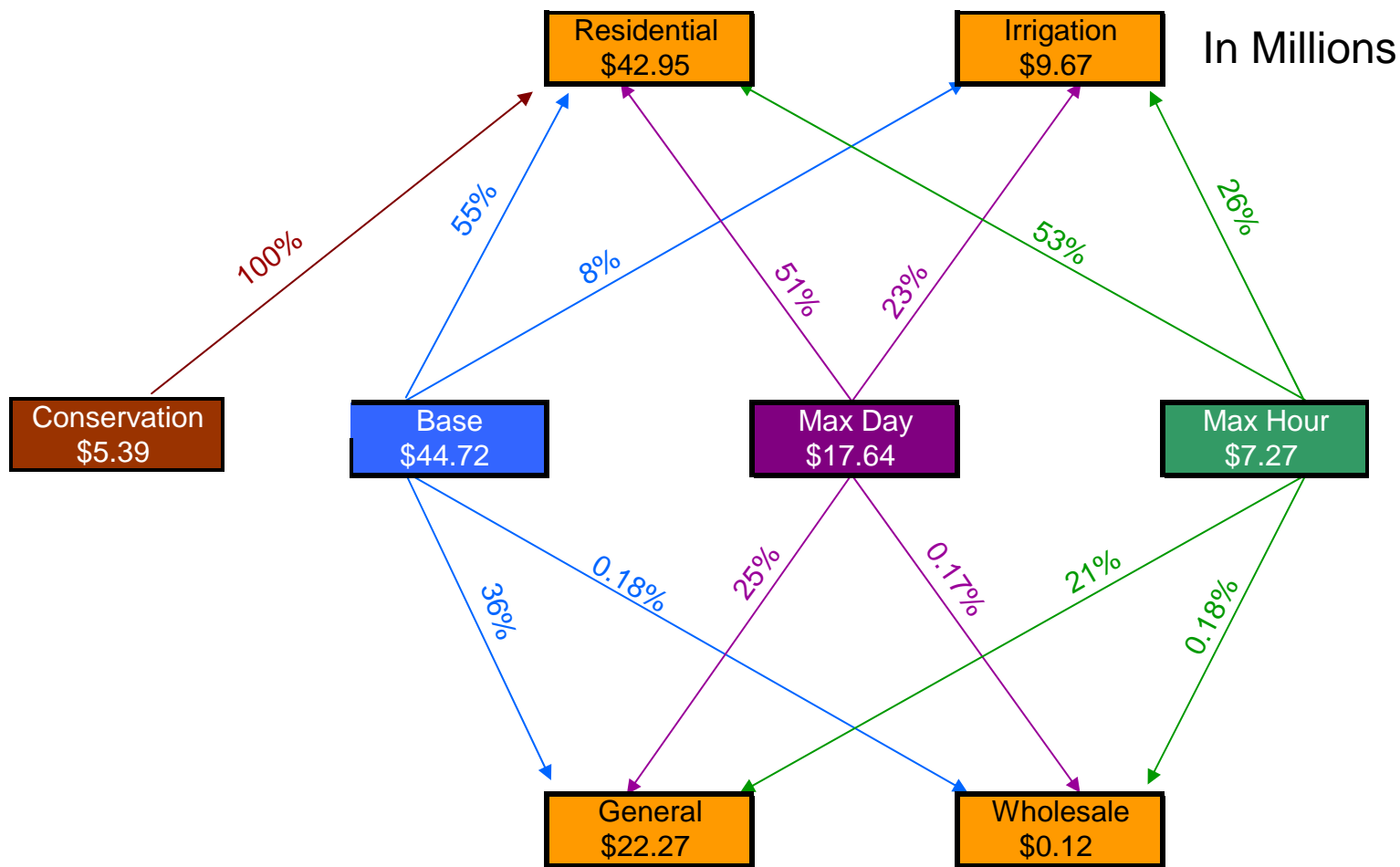


Step 3: Factors Used to Allocate Volumetric Costs to Customer Classes



	Base	Max Day	Max Hour	Conservation
	Percentage of Usage	Max Day Peaking Factors	Max Hour Peaking Factors	4th Tier
Residential	55.12%	2.00	3.25	100%
General	36.38%	1.75	2.50	-
Wholesale	0.18%	2.00	3.25	-
Irrigation	8.32%	4.00	8.00	-

Step 3: Volumetric Costs Allocated to Customer Classes



Step 3: Meter Costs Allocated to Customer Classes

In Millions

METER CHARGE COMPONENT

Billing /Cust.
Serv.
\$5.74

Meters \$28.65	Public Fire \$3.93	Conservation \$4.39
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(General and Irrigation only)



Allocated based on number of customers

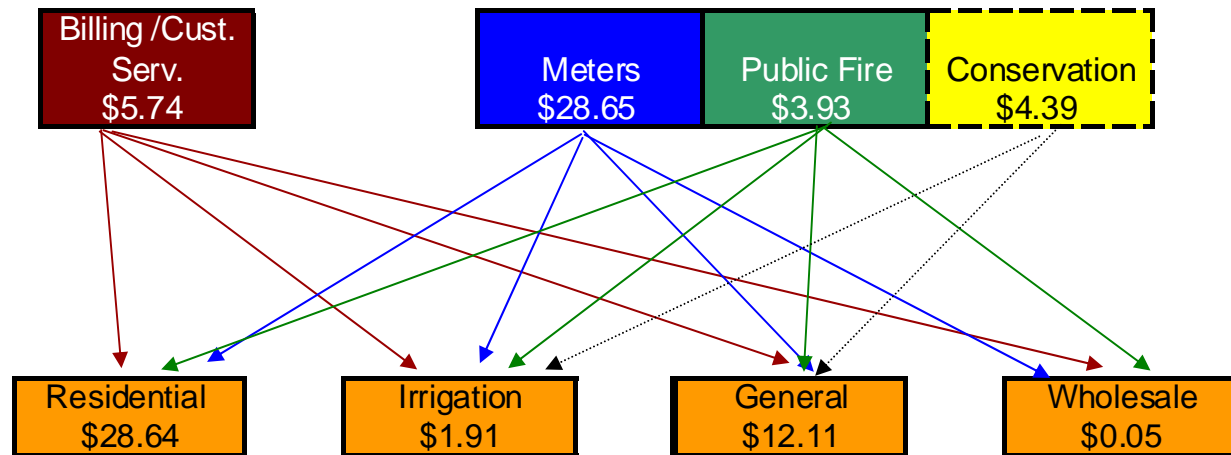


Allocated based on equivalent units (using AWWA ratios)

Meter Size	AWWA Ratios
5/8"	1.00
3/4"	1.50
1"	2.50
1 1/2"	5.00
2"	8.00
3"	15.00
4"	25.00
6"	50.00
8"	80.00
10"	115.00
12"	215.00

Step 3: Meter Costs Allocated to Customer Classes

In Millions



Allocation of Water Delivery Revenue Requirements

	Net Revenue Requirements	Percent of Net Revenue Requirements	Percent of Current Revenues Collected	Percent Consumption
Residential	\$ 71,588,174	60.8%	57.0%	55.1%
General Service	\$ 34,379,157	29.2%	30.4%	36.4%
Wholesale	\$ 174,373	0.1%	0.1%	0.2%
Irrigation	\$ 11,585,799	9.8%	12.5%	8.3%
TOTALS	\$ 117,727,503	100.0%	100.0%	100.0%

*Excludes Private Fire Protection



Allocated Water Delivery revenue requirements for each customer class are used to calculate rates

Pricing Objectives

Classification	Rank	Objective
Essential	1	Conservation/Demand Management
	2	Financial Sufficiency
	3	Rate Stability
Very Important	4	Revenue Stability
	5	Equitable Contributions from New Customers
	5	Affordability to Disadvantaged Customers
Important	7	Cost of Service Based Allocations
	8	Minimization of Customer Impacts
	9	Simple to Understand and Update
Least Important	10	Legality
	10	Ease of Implementation
	12	Economic Development

Note: All objectives are important



Water Delivery Rate Structures Modeled

1. Cost of Service Rates Under Existing Rate Structure
2. Cost of Service Rates Under Conceptual Design Rate Structure
3. Rates Under RFC Recommended Rate Structure



Under Existing Rate Structure

- Residential:
 - Cut-offs and seasonal period remain the same
- General and Wholesale
 - Base remains at 90% of average annual usage, as well as 5 tiers
- Irrigation
 - Cut-offs remain the same with no seasonal period



Under Conceptual Design Rate Structure

- Residential:
 - Cut-offs change and seasonal period is increased from 4 to 6 months
- General and Wholesale
 - Base becomes 100% of average annual usage and tiers are reduced from 5 to 4
- Irrigation
 - Cut-offs are changed and seasonal period (6 months) is added



Under RFC Recommended Rate Structure

- Residential:
 - Cut-offs change and seasonal period is increased from 4 to 6 months
 - Portion of Conservation allocated to Tier 3
- General and Wholesale
 - Base becomes 100% of average annual usage and tiers are reduced from 5 to 4
 - Policy decision is made to set the General Tier 1 rate equal to the existing Tier 1 rate



Under RFC Recommended Rate Structure (continued)

- Irrigation
 - Cut-offs are changed and seasonal period (6 months) is added
 - Policy decision is recommended to tie irrigation rates to 2nd, 3rd, and 4th tier residential rates. Excess revenues could be used to reduce other rates
 - Irrigation customers will have same meter charges as residential customers
- Overall
 - Excess revenues generated from Irrigation customer will be used to mitigate effects of price elasticity

Calculated Residential Meter Charges – Water Delivery

Residential Inside-City Meter Charge						
Meter Size	Existing Rates	Existing COS	Conceptual Design	RFC Recommended		
5/8"	\$ 6.77	\$ 6.76	\$ 6.76	\$ 6.76		
3/4"	\$ 8.59	\$ 9.48	\$ 9.48	\$ 9.48		
1"	\$ 12.49	\$ 14.91	\$ 14.91	\$ 14.91		
1.5"	\$ 22.25	\$ 28.50	\$ 28.50	\$ 28.50		
2"	\$ 33.95	\$ 44.81	\$ 44.81	\$ 44.81		
3"	\$ 61.27	\$ 82.85	\$ 82.85	\$ 82.85		
4"	\$ 100.30	\$ 137.20	\$ 137.20	\$ 137.20		
6"	\$ 197.89	\$ 273.08	\$ 273.08	\$ 273.08		
8"	\$ 314.96	\$ 436.13	\$ 436.13	\$ 436.13		
10"	\$ 451.57	\$ 626.35	\$ 626.35	\$ 626.35		
12"	\$ 841.86	\$ 1,169.86	\$ 1,169.86	\$ 1,169.86		

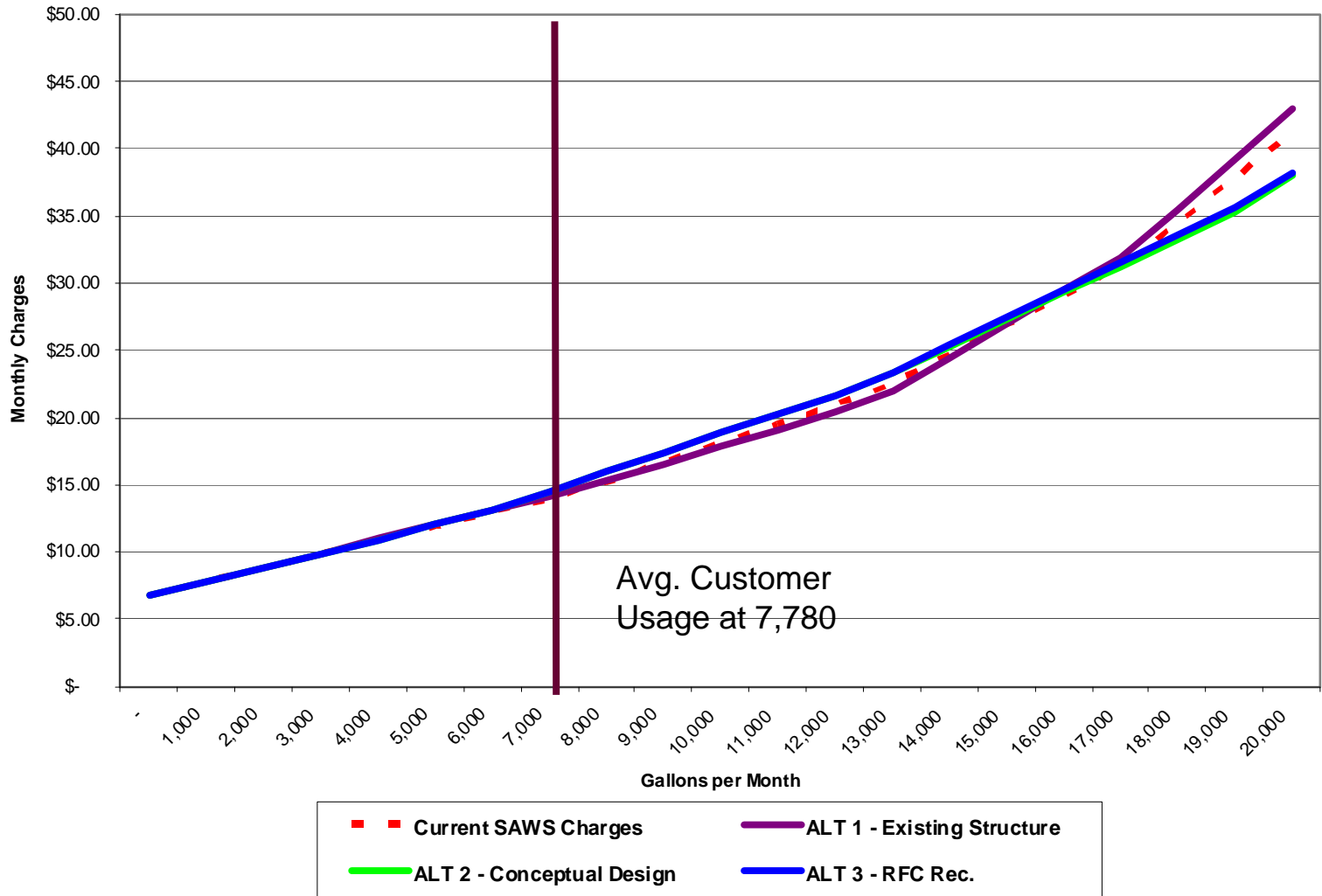
Recommended Rates would apply to Residential and Irrigation customers.

Calculated Residential Rates – Water Delivery

Residential Inside-City Charges									
	Existing Rates		Existing COS		Conceptual Design		RFC Recommended Rate Structure		
Block	Usage Range		Usage Range		Usage Range		Usage Range		
1	0 - 7,481		0 - 7,481		0 - 5,985		0 - 5,985		
2	7,481 - 12,717		7,481 - 12,717		5,985 - 12,718		5,985 - 12,718		
3	12,717 - 17,205		12,717 - 17,205		12,718 - 19,451		12,718 - 19,451		
4	> 17,205		> 17,205		> 19,451		> 19,451		
5									
Block	Standard	Seasonal	Standard	Seasonal	Standard	Seasonal	Standard	Seasonal	
1	\$ 0.0906	\$ 0.0906	\$ 0.0933	\$ 0.0933	\$ 0.0923	\$ 0.0923	\$ 0.0923	\$ 0.0923	
2	\$ 0.1309	\$ 0.1423	\$ 0.1139	\$ 0.1239	\$ 0.1325	\$ 0.1441	\$ 0.1325	\$ 0.1441	
3	\$ 0.2058	\$ 0.2217	\$ 0.2361	\$ 0.2546	\$ 0.1866	\$ 0.2012	\$ 0.1929	\$ 0.2080	
4	\$ 0.3288	\$ 0.4246	\$ 0.3677	\$ 0.4749	\$ 0.3499	\$ 0.4519	\$ 0.3028	\$ 0.3911	
5									

Residential Non-Seasonal Charges

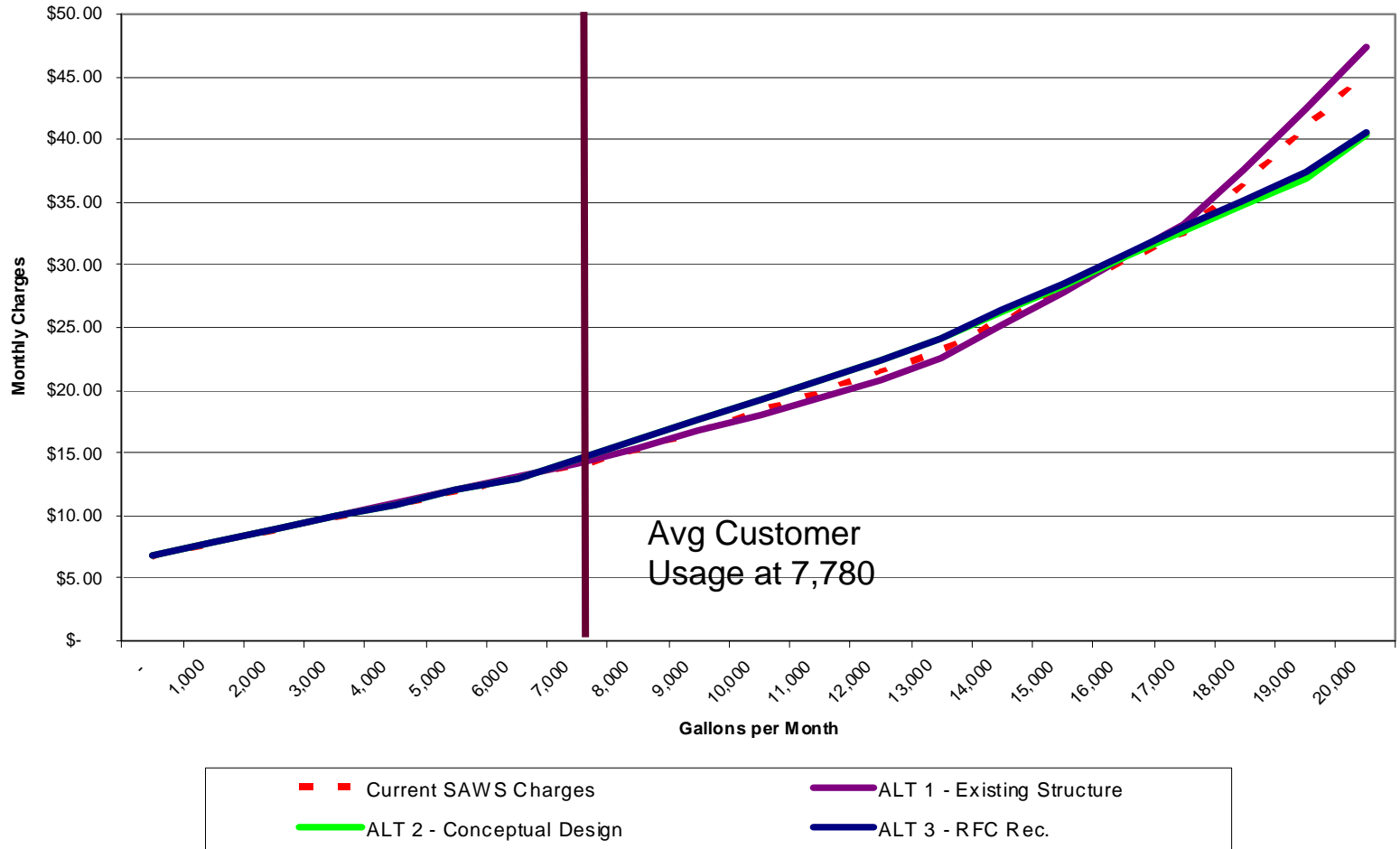
Water Delivery



5/8" Meter, ICL

Residential Seasonal Charges

Water Delivery



5/8" Meter, ICL

Calculated General Class Meter Charges – Water Delivery

General Inside-City Meter Charge						
Meter Size	Existing Rates	Existing COS	Conceptual Design	RFC Recommended		
5/8"	\$ 9.81	\$ 9.35	\$ 9.35	\$ 9.35	\$	9.35
3/4"	\$ 13.16	\$ 13.36	\$ 13.36	\$ 13.36	\$	13.36
1"	\$ 19.21	\$ 21.38	\$ 21.38	\$ 21.38	\$	21.38
1.5"	\$ 35.03	\$ 41.44	\$ 41.44	\$ 41.44	\$	41.44
2"	\$ 52.83	\$ 65.51	\$ 65.51	\$ 65.51	\$	65.51
3"	\$ 106.92	\$ 121.66	\$ 121.66	\$ 121.66	\$	121.66
4"	\$ 176.40	\$ 201.89	\$ 201.89	\$ 201.89	\$	201.89
6"	\$ 350.03	\$ 402.45	\$ 402.45	\$ 402.45	\$	402.45
8"	\$ 543.20	\$ 643.12	\$ 643.12	\$ 643.12	\$	643.12
10"	\$ 755.89	\$ 923.91	\$ 923.91	\$ 923.91	\$	923.91
12"	\$ 1,191.85	\$ 1,726.16	\$ 1,726.16	\$ 1,726.16	\$	1,726.16

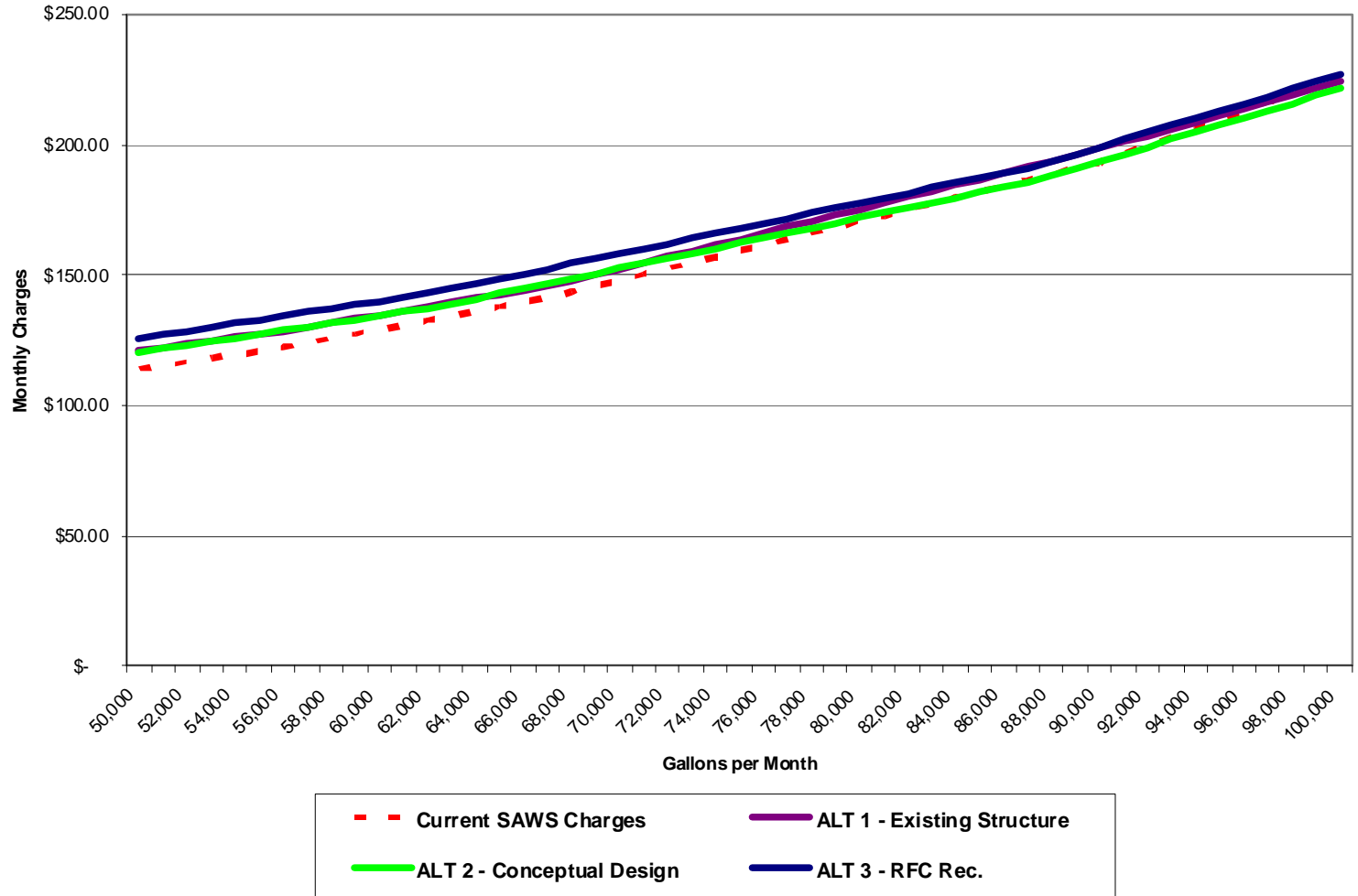
Recommended Rates would apply to General and Wholesale customers.

Calculated General Class Rates – Water Delivery

General Inside-City Charges				
	Existing Rates	Existing COS	Conceptual Design	RFC Recommended Rate Structure
Block	Usage Range	Usage Range	Usage Range	Usage Range
1	Base	Base	Base	Base
2	100% - 125%	100% - 125%	100% - 125%	100% - 125%
3	125% - 150%	125% - 150%	125% - 175%	125% - 175%
4	150% - 200%	150% - 200%	> 175%	> 175%
5	> 200%	> 200%		
Block	Standard Rates	Standard Rates	Standard Rates	Standard Rates
1	\$ 0.1086	\$ 0.0975	\$ 0.0975	\$ 0.1086
2	\$ 0.1257	\$ 0.1126	\$ 0.1298	\$ 0.1298
3	\$ 0.1633	\$ 0.1455	\$ 0.1821	\$ 0.1821
4	\$ 0.2138	\$ 0.2180	\$ 0.2666	\$ 0.2666
5	\$ 0.3160	\$ 0.2498		

General Class, Commercial Charges

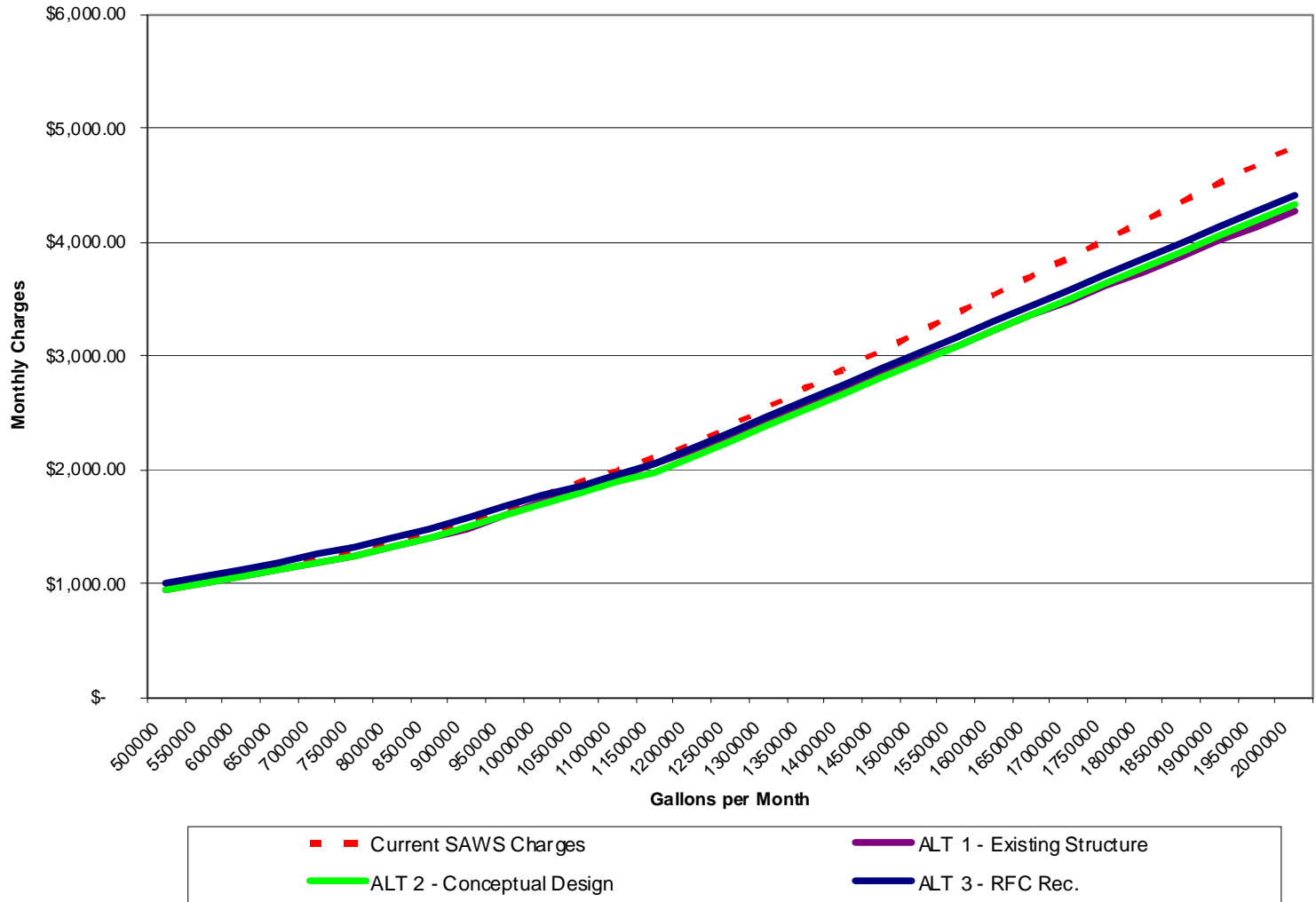
Water Delivery



2" Meter, 50,000 gallons base, ICL

General Class, Industrial Charges

Water Delivery



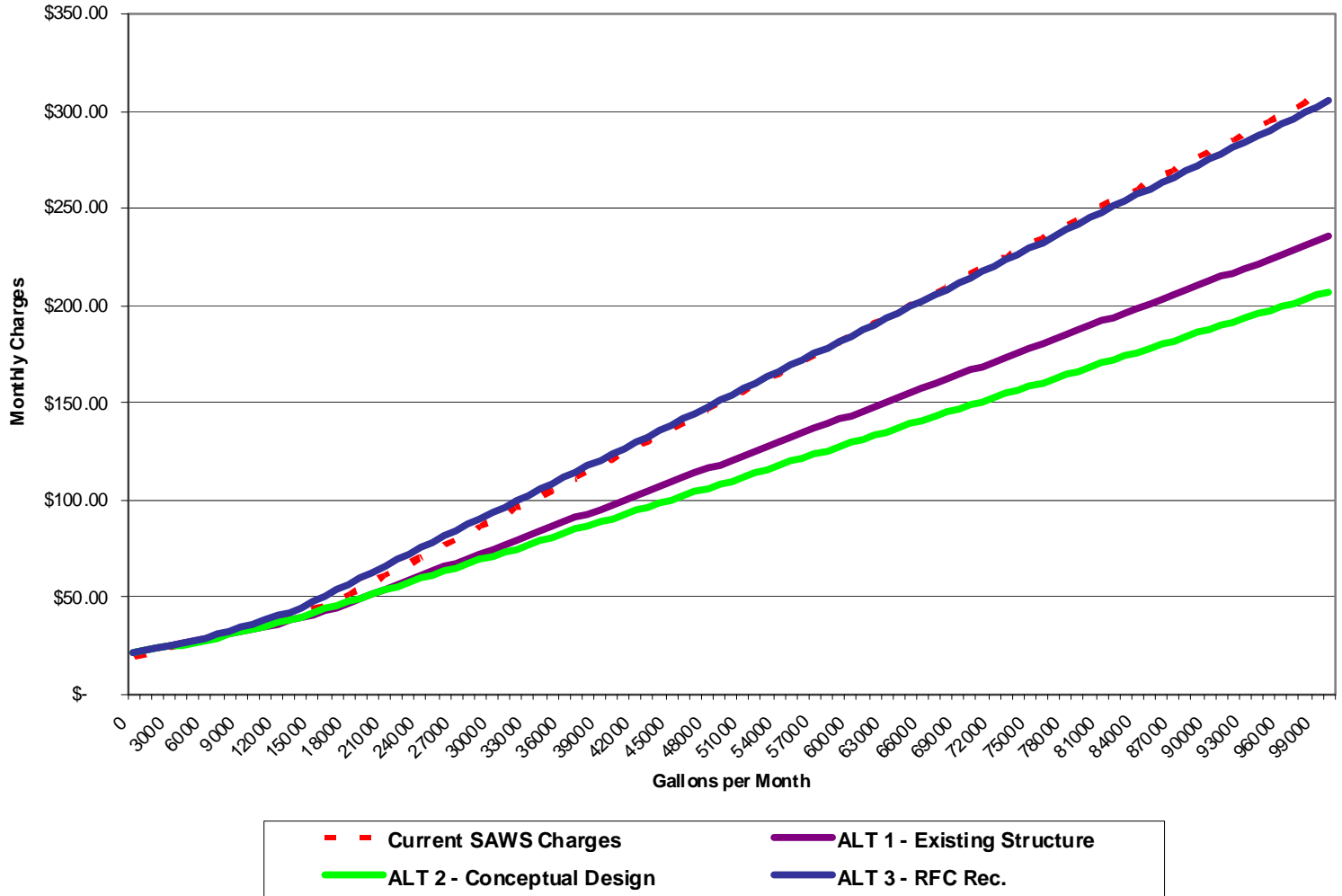
6" Meter, 665,809 gallons base, ICL

Calculated Irrigation Rates – Water Delivery

Irrigation Inside-City Charges									
	Existing Rates		Existing COS		Conceptual Design		RFC Recommended Rate Structure		
Block	Usage Range		Usage Range		Usage Range		Usage Range		
1	0 - 12,717		0 - 12,717		0 - 6,733		0 - 6,733		
2	12,717 - 17,205		12,717 - 17,205		6,733 - 13,466		6,733 - 13,466		
3	> 17,205		> 17,205		> 13,466		> 13,466		
4									
5									
Block	Standard	Seasonal	Standard	Seasonal	Standard	Seasonal	Standard	Seasonal	
1	\$ 0.1526	\$ 0.1526	\$ 0.1259	\$ 0.1259	\$ 0.1099	\$ 0.1195	\$ 0.1325	\$ 0.1441	
2	\$ 0.2290	\$ 0.2290	\$ 0.1788	\$ 0.1788	\$ 0.1525	\$ 0.1644	\$ 0.1929	\$ 0.2080	
3	\$ 0.3160	\$ 0.3160	\$ 0.2294	\$ 0.2294	\$ 0.1942	\$ 0.2508	\$ 0.3028	\$ 0.3911	
4									
5									

Irrigation Non-Seasonal Charges

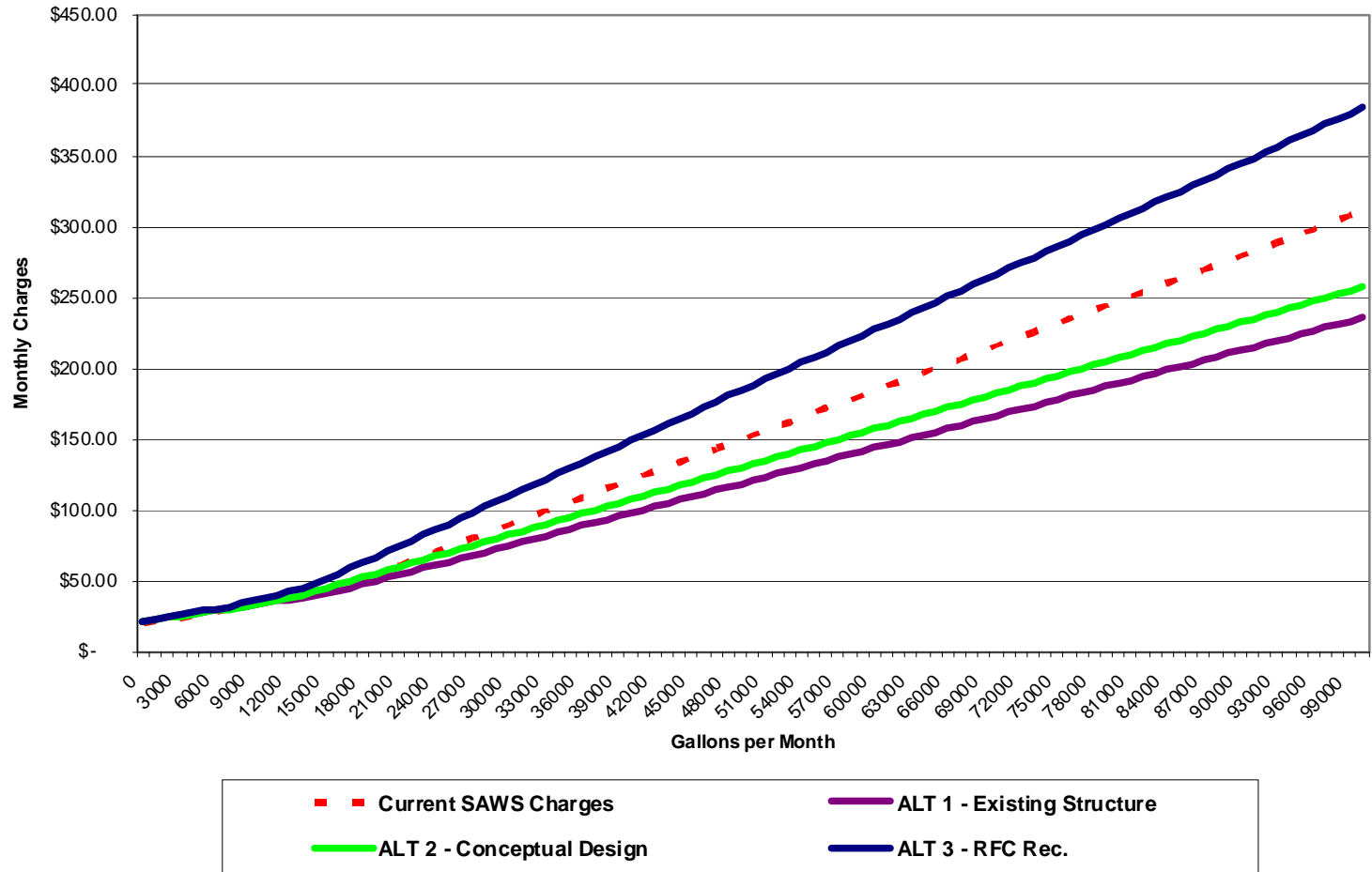
Water Delivery



1" Meter, ICL

Irrigation Seasonal Charges

Water Delivery



1" Meter, ICL

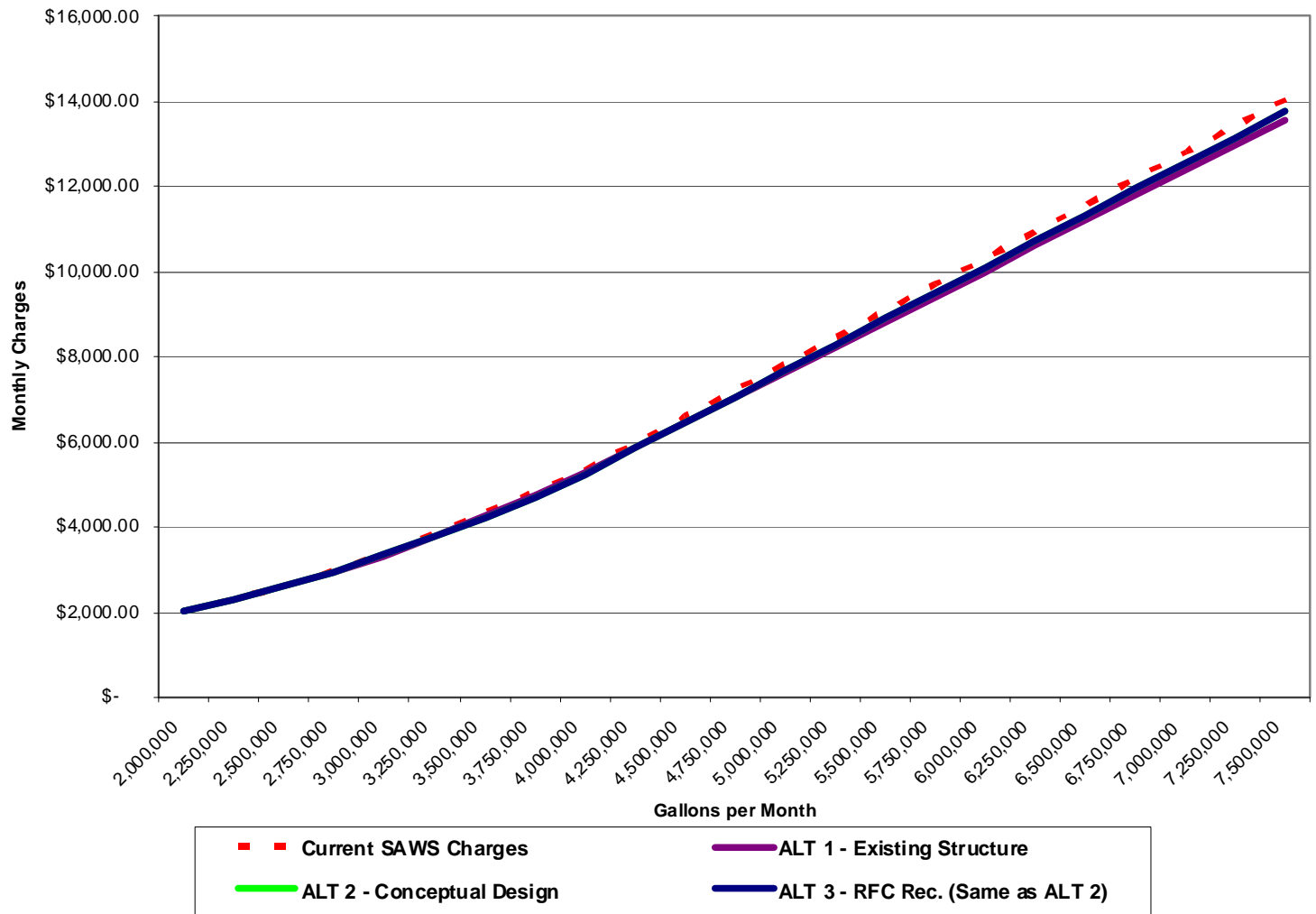
Calculated Wholesale Rates – Water Delivery

Wholesale Inside-City Charges				
	Existing Rates	Existing COS	Conceptual Design	RFC Recommended Rate Structure
Block	Usage Range	Usage Range	Usage Range	Usage Range
1	Base	Base	Base	Base
2	100% - 125%	100% - 125%	100% - 125%	100% - 125%
3	125% - 150%	125% - 150%	125% - 175%	125% - 175%
4	150% - 200%	150% - 200%	> 175%	> 175%
5	> 200%	> 200%		
Block	Standard Rates	Standard Rates	Standard Rates	Standard Rates
1	\$ 0.0788	\$ 0.0753	\$ 0.0753	\$ 0.0753
2	\$ 0.0983	\$ 0.0969	\$ 0.1132	\$ 0.1132
3	\$ 0.1353	\$ 0.1282	\$ 0.1634	\$ 0.1634
4	\$ 0.1804	\$ 0.1772	\$ 0.2311	\$ 0.2311
5	\$ 0.2365	\$ 0.2246		



Wholesale Charges

Water Delivery



6" Meter, 2,274,054 gallons base, ICL



Water Supply Rate Structures Modeled

1. 4 tiers tied to Water Delivery differentials (Conceptual Design rate structure)
2. 4 tiers tied to future water supply cost differentials
3. 4 tiers using uniform differentials
4. 2 tiers tied to **water supply costs** (RFC Recommended rate structure)

Block Differentials for Water Supply

Block Differentials			
Alternative 1	Alternative 2	Alternative 3	Alternative 4
Equal to Water Delivery	Based on Future Water Supply Costs	Modified	RFC Recommended

RESIDENTIAL

Block 1	1.00	1.00	1.00	1.00
Block 2	1.44	2.10	1.10	1.44
Block 3	2.02	4.14	1.25	1.44
Block 4	3.79	5.41	1.50	1.44

GENERAL CLASS

Block 1	1.00	1.00	1.00	1.00
Block 2	1.33	2.10	1.10	1.44
Block 3	1.87	4.14	1.25	1.44
Block 4	2.73	5.41	1.50	1.44

IRRIGATION

Block 1	1.00	2.10	1.10	1.44
Block 2	1.39	4.14	1.25	1.44
Block 3	1.77	5.41	1.50	1.44

Wholesale

Base	1.00	1.00	1.00	1.00
Block 2	1.50	2.10	1.10	1.44
Block 3	2.17	4.14	1.25	1.44
Block 4	3.07	5.41	1.50	1.44

Alt 1-3: Tier cut-offs are equal to those established in Conceptual Design/RFC Recommendation for Water Delivery.

Alt 4: Tier cut-offs are equal to those established in Conceptual Design/RFC Recommendation for Water Delivery, except all Irrigation usage will be assessed at the 2nd Tier.

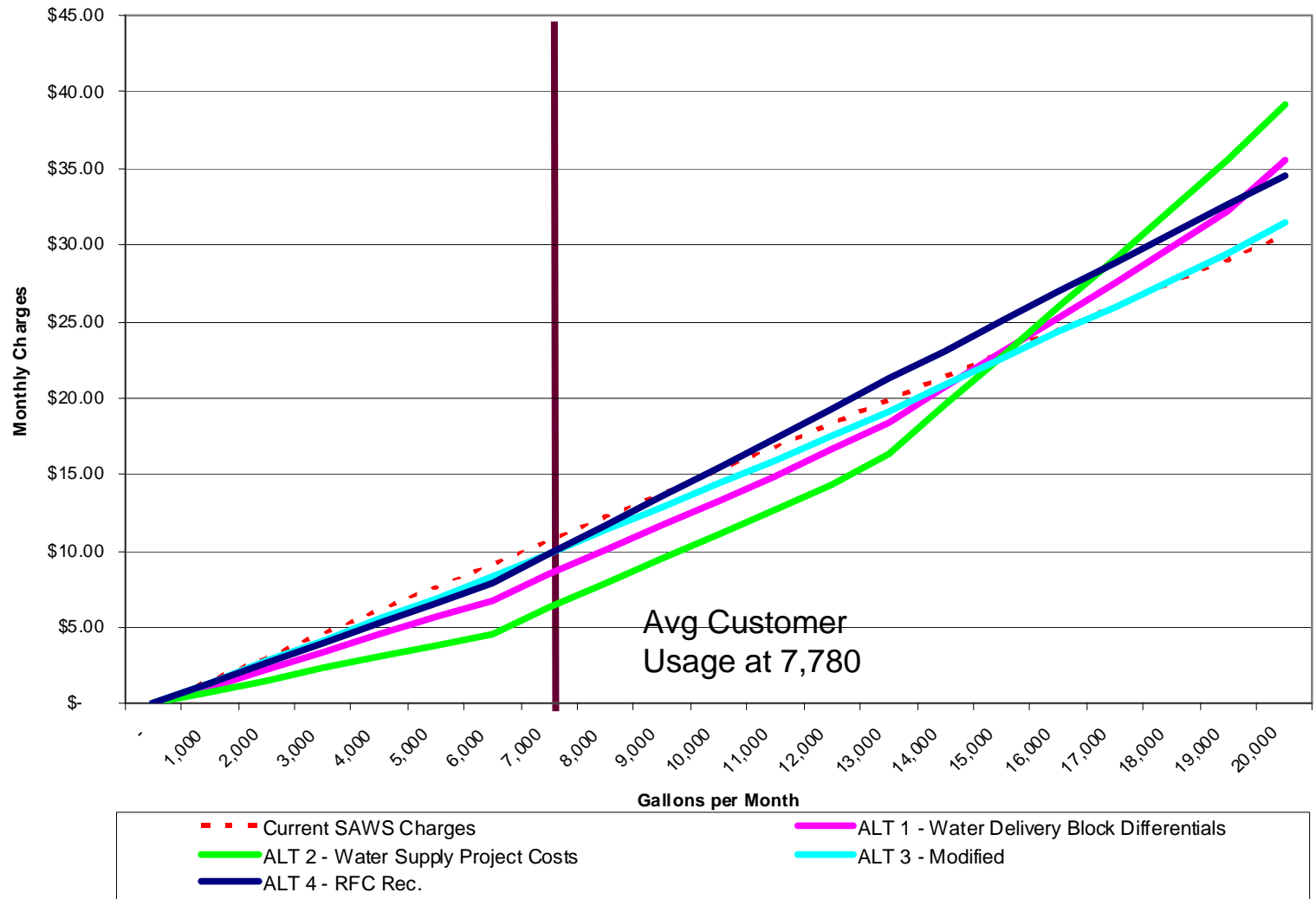
Calculated Rates for Water Supply

		Calculated Water Supply Rates					
		Alternative 1	Alternative 2	Alternative 3	Alternative 4	Existing	
		Equal to Water Delivery	Based on Future Water Supply Costs	Modified	RFC Recommended	Rates	
RESIDENTIAL							
Block 1	\$	0.1134	\$ 0.0770	\$ 0.1389	\$ 0.1319	\$	0.1529
Block 2	\$	0.1628	\$ 0.1615	\$ 0.1528	\$ 0.1899	\$	0.1529
Block 3	\$	0.2292	\$ 0.3186	\$ 0.1736	\$ 0.1899	\$	0.1529
Block 4	\$	0.4298	\$ 0.4165	\$ 0.2083	\$ 0.1899	\$	0.1529
GENERAL CLASS							
Block 1	\$	0.1134	\$ 0.0770	\$ 0.1389	\$ 0.1319	\$	0.1529
Block 2	\$	0.1510	\$ 0.1615	\$ 0.1528	\$ 0.1899	\$	0.1529
Block 3	\$	0.2118	\$ 0.3186	\$ 0.1736	\$ 0.1899	\$	0.1529
Block 4	\$	0.3100	\$ 0.4165	\$ 0.2083	\$ 0.1899	\$	0.1529
IRRIGATION							
Block 1	\$	0.1134	\$ 0.1615	\$ 0.1528	\$ 0.1899	\$	0.1529
Block 2	\$	0.1573	\$ 0.3186	\$ 0.1736	\$ 0.1899	\$	0.1529
Block 3	\$	0.2004	\$ 0.4165	\$ 0.2083	\$ 0.1899	\$	0.1529
Wholesale							
Base	\$	0.1134	\$ 0.0770	\$ 0.1388	\$ 0.1319	\$	0.1529
Block 2	\$	0.1705	\$ 0.1615	\$ 0.1527	\$ 0.1899	\$	0.1529
Block 3	\$	0.2460	\$ 0.3186	\$ 0.1735	\$ 0.1899	\$	0.1529
Block 4	\$	0.3480	\$ 0.4165	\$ 0.2082	\$ 0.1899	\$	0.1529



Residential Charges

Water Supply



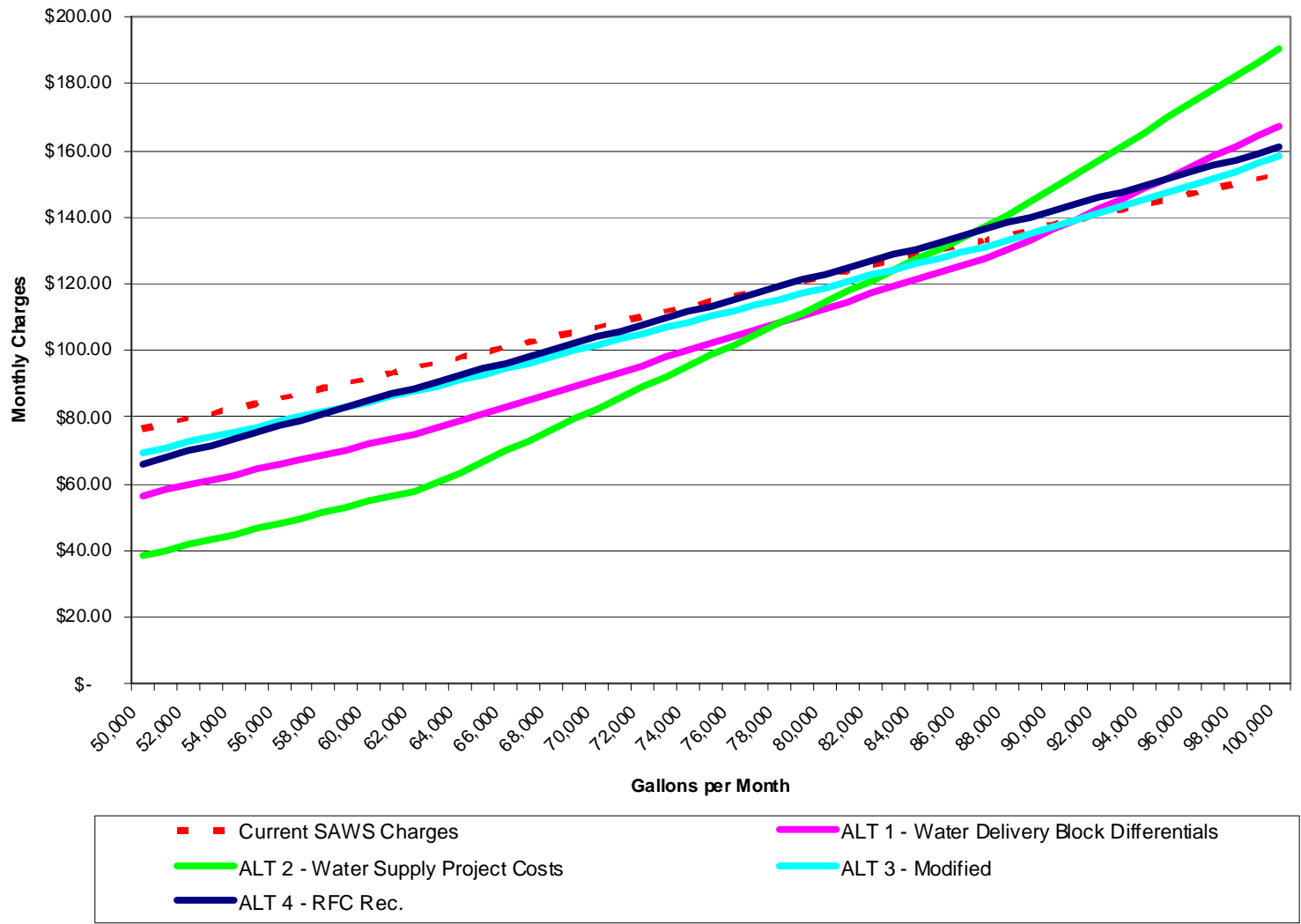
5/8" Meter, ICL

Comprehensive Cost of Service and Rate Design Study

Preliminary Cost of Service Rate Calculations

General Class, Commercial Charges

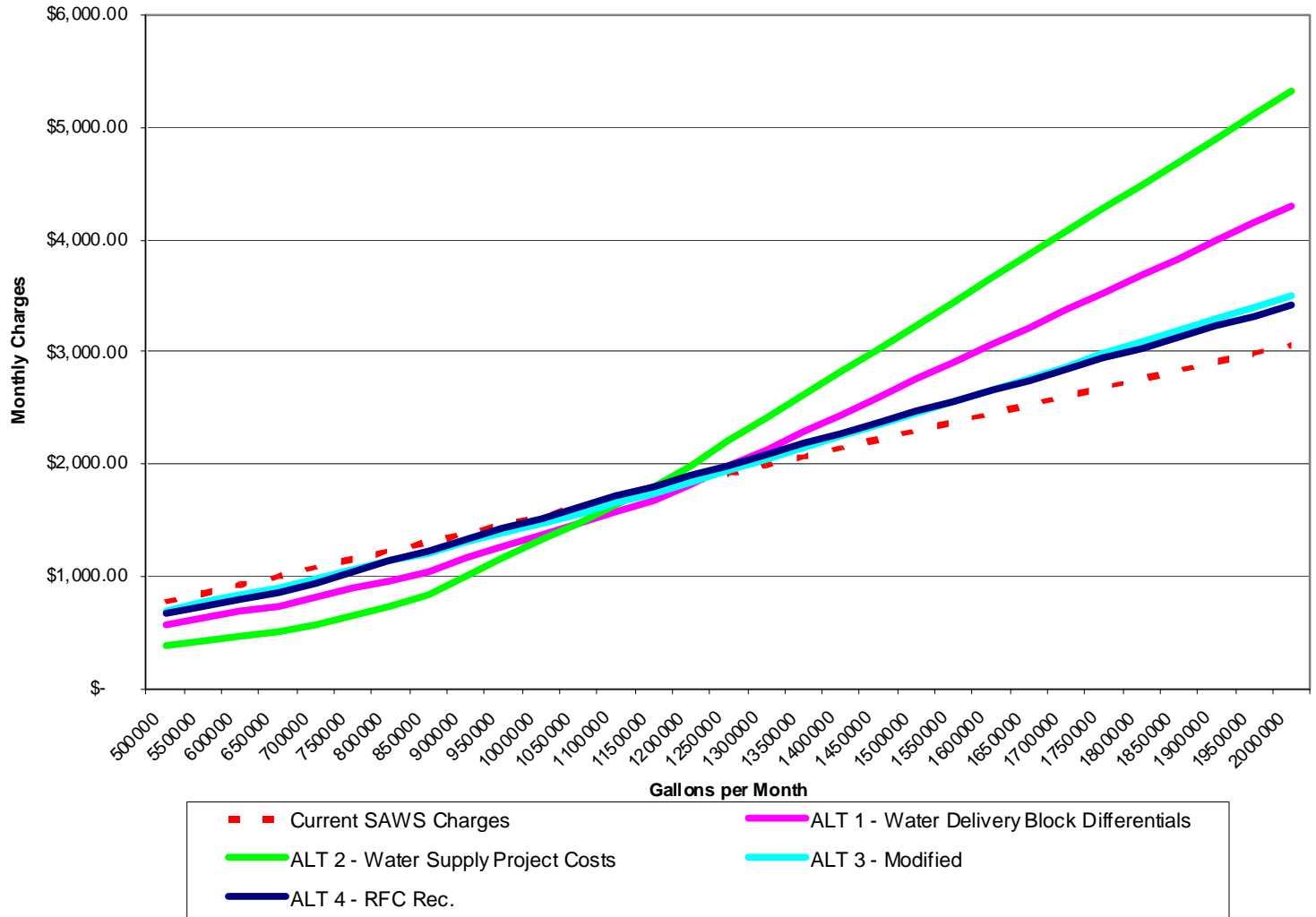
Water Supply



2" Meter, 50,000 gallons base, ICL

General Class, Industrial Charges

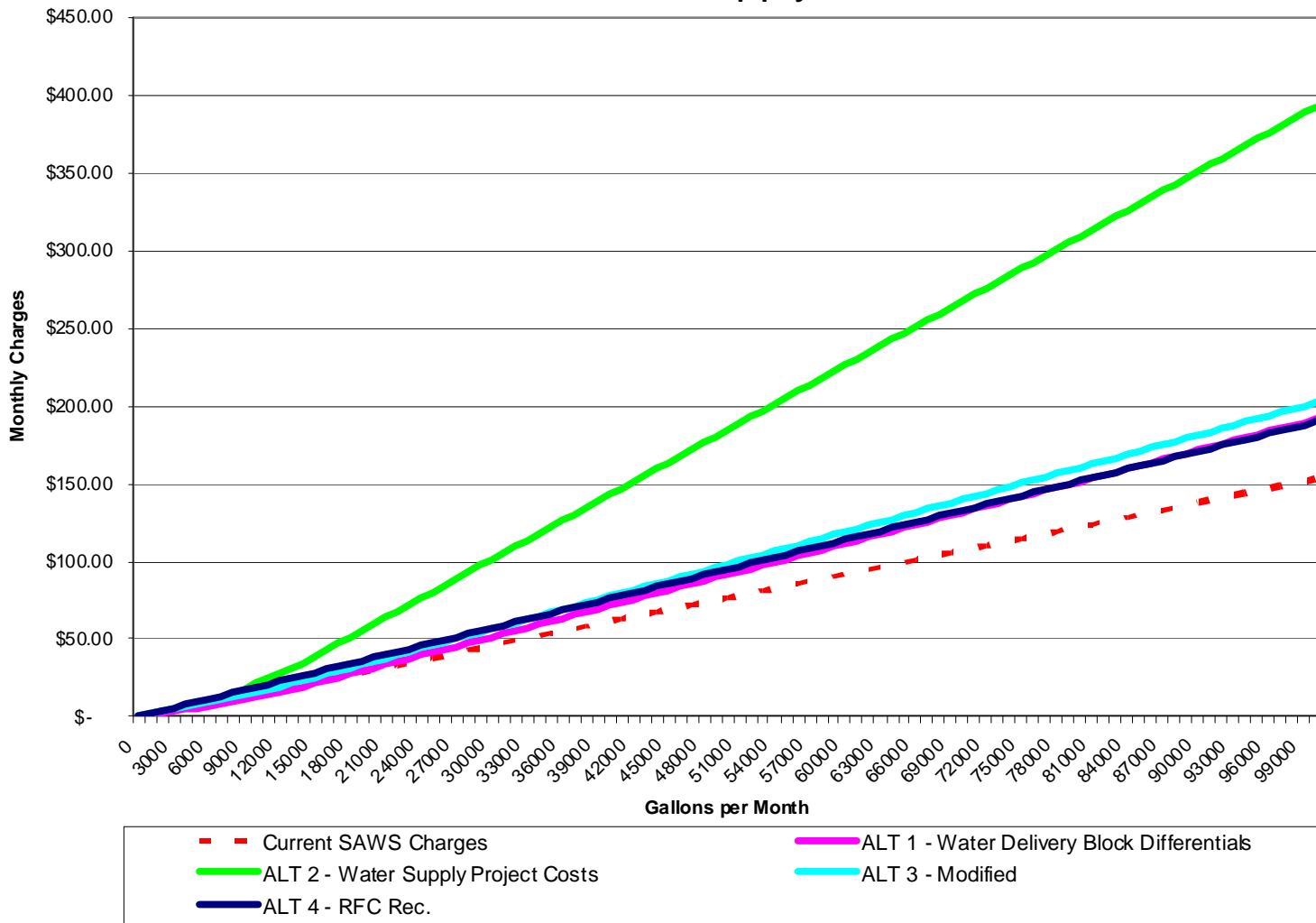
Water Supply



6" Meter, 665,809 gallons base, ICL

Irrigation Charges

Water Supply

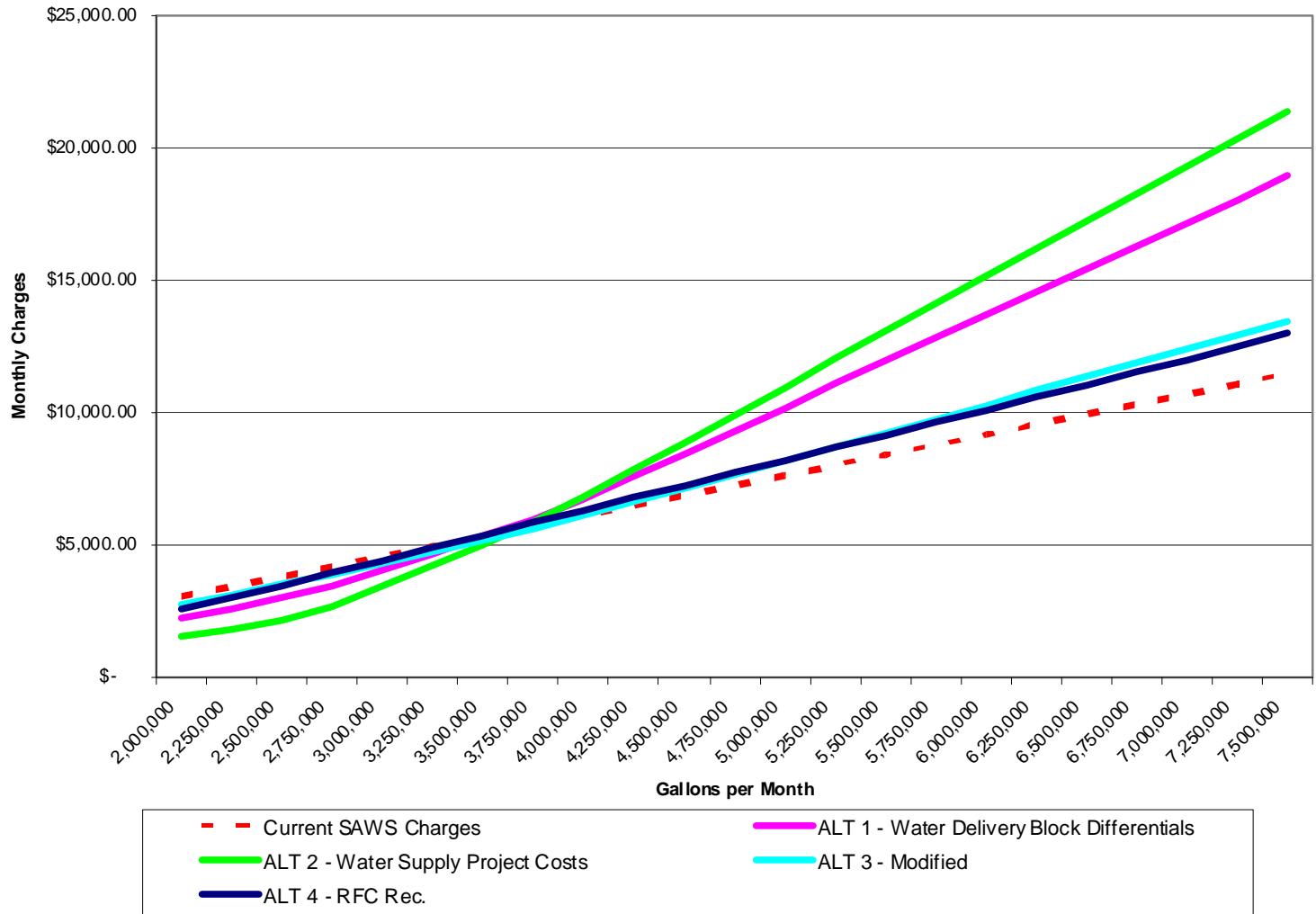


1" Meter, ICL



Wholesale Charges

Water Supply



6" Meter, 2,274,054 gallons base, ICL

Comparison of Revenues – Water Delivery



	Percent of Revenues			
	Existing Rate Structure	COS - Existing Rate Structure	Conceptual Design	RFC Recommended
Meter Charges	34.0%	36.3%	36.3%	34.3%
Volume Charges	66.0%	63.7%	63.7%	65.7%
	100.0%	100.0%	100.0%	100.0%
Residential	57.0%	60.8%	60.8%	57.2%
General	30.4%	29.2%	29.2%	29.5%
Irrigation	12.5%	9.8%	9.8%	13.1%
Wholesale	0.1%	0.1%	0.1%	0.1%
	100.0%	100.0%	100.0%	100.0%

Comparison of Revenues – Water Delivery

Revenues Generated					
	Existing Rate Structure	COS - Existing Rate Structure	Conceptual Design	RFC Recommended	
Meter Charges					
Residential	\$ 28,144,604	\$ 28,641,983	\$ 28,641,983	\$ 28,641,983	\$ 28,641,983
General	\$ 10,518,037	\$ 12,106,999	\$ 12,106,999	\$ 12,106,999	\$ 12,106,999
Irrigation	\$ 1,653,643	\$ 1,911,274	\$ 1,911,274	\$ 1,323,238	\$ 1,323,238
Wholesale	\$ 24,549	\$ 50,008	\$ 50,008	\$ 50,008	\$ 50,008
	\$ 40,340,833	\$ 42,710,264	\$ 42,710,264	\$ 42,122,229	\$ 42,122,229
Volume Charges					
Residential	\$ 39,562,766	\$ 42,958,836	\$ 42,965,025	\$ 41,557,483	\$ 41,557,483
General	\$ 25,507,952	\$ 22,286,562	\$ 22,287,331	\$ 24,119,202	\$ 24,119,202
Irrigation	\$ 13,155,317	\$ 9,674,525	\$ 9,674,525	\$ 14,765,999	\$ 14,765,999
Wholesale	\$ 129,932	\$ 124,475	\$ 124,484	\$ 124,484	\$ 124,484
	\$ 78,355,967	\$ 75,044,399	\$ 75,051,365	\$ 80,567,169	\$ 80,567,169
Total Revenues:	\$ 118,696,800	\$ 117,754,662	\$ 117,761,629	\$ 122,689,397	\$ 122,689,397

Revenues Generated					
	Existing Rate Structure	COS - Existing Rate Structure	Conceptual Design	RFC Recommended	
Total Meter and Volume Charges					
Residential	\$ 67,707,370	\$ 71,600,819	\$ 71,607,008	\$ 70,199,466	\$ 70,199,466
General	\$ 36,025,989	\$ 34,393,561	\$ 34,394,330	\$ 36,226,202	\$ 36,226,202
Irrigation	\$ 14,808,960	\$ 11,585,799	\$ 11,585,799	\$ 16,089,238	\$ 16,089,238
Wholesale	\$ 154,481	\$ 174,483	\$ 174,492	\$ 174,492	\$ 174,492
Total	\$ 118,696,800	\$ 117,754,662	\$ 117,761,629	\$ 122,689,397	\$ 122,689,397

Comparison of Revenues – Water Supply

	Calculated Water Supply Revenues				
	Alternative 1 Equal to Water Delivery	Alternative 2 Based on Future Water Supply Costs	Alternative 3 Modified	Alternative 4 RFC Recommended	Existing Rates
Residential	\$ 48,330,358	\$ 43,281,197	\$ 45,040,962	\$ 46,257,807	\$ 45,622,282
General Class	\$ 25,792,338	\$ 22,010,187	\$ 28,581,411	\$ 27,861,090	\$ 30,107,952
Irrigation	\$ 8,521,689	\$ 17,376,023	\$ 9,034,876	\$ 8,547,291	\$ 6,881,942
Wholesale	\$ 144,201	\$ 125,547	\$ 146,281	\$ 141,891	\$ 151,084
TOTAL	\$ 82,788,586	\$ 82,792,954	\$ 82,803,529	\$ 82,808,079	\$ 82,763,259

	Percentage of Revenues				
	Alternative 1 Equal to Water Delivery	Alternative 2 Based on Future Water Supply Costs	Alternative 3 Modified	Alternative 4 RFC Recommended	Existing Rates
Residential	58.38%	52.28%	54.39%	55.86%	55.12%
General Class	31.15%	26.58%	34.52%	33.65%	36.38%
Irrigation	10.29%	20.99%	10.91%	10.32%	8.32%
Wholesale	0.17%	0.15%	0.18%	0.17%	0.18%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Pricing Objectives Scorecard

Classif.	Objective	Existing Rates	PRELIMINARY GRADE		
			Existing Structure	Conceptual Design	RFC Recommended
Essential	Conservation/Demand Management	B+	A-	A	A-
	Financial Sufficiency	A-	A-	A-	A
	Rate Stability	A	B-	C	B+
Very Important	Revenue Stability	C	B	B	B
	Equitable Contribution from New Customers	B	N/A	N/A	N/A
	Affordability to Disadvantaged Customers	A-	A-	A-	A-
Important	Cost of Service Based Allocations	B	A	A-	B+
	Minimization of Customer Impacts	N/A	B-	C	A-
	Simple to Understand and Update	B	B	B	B
Least Important	Legality	B	A-	B+	B+
	Ease of Implementation	A	A-	B+	B+
	Economic Development	B-	B+	B+	B

*Scores based on RFC Analysis

Note: All objectives are important

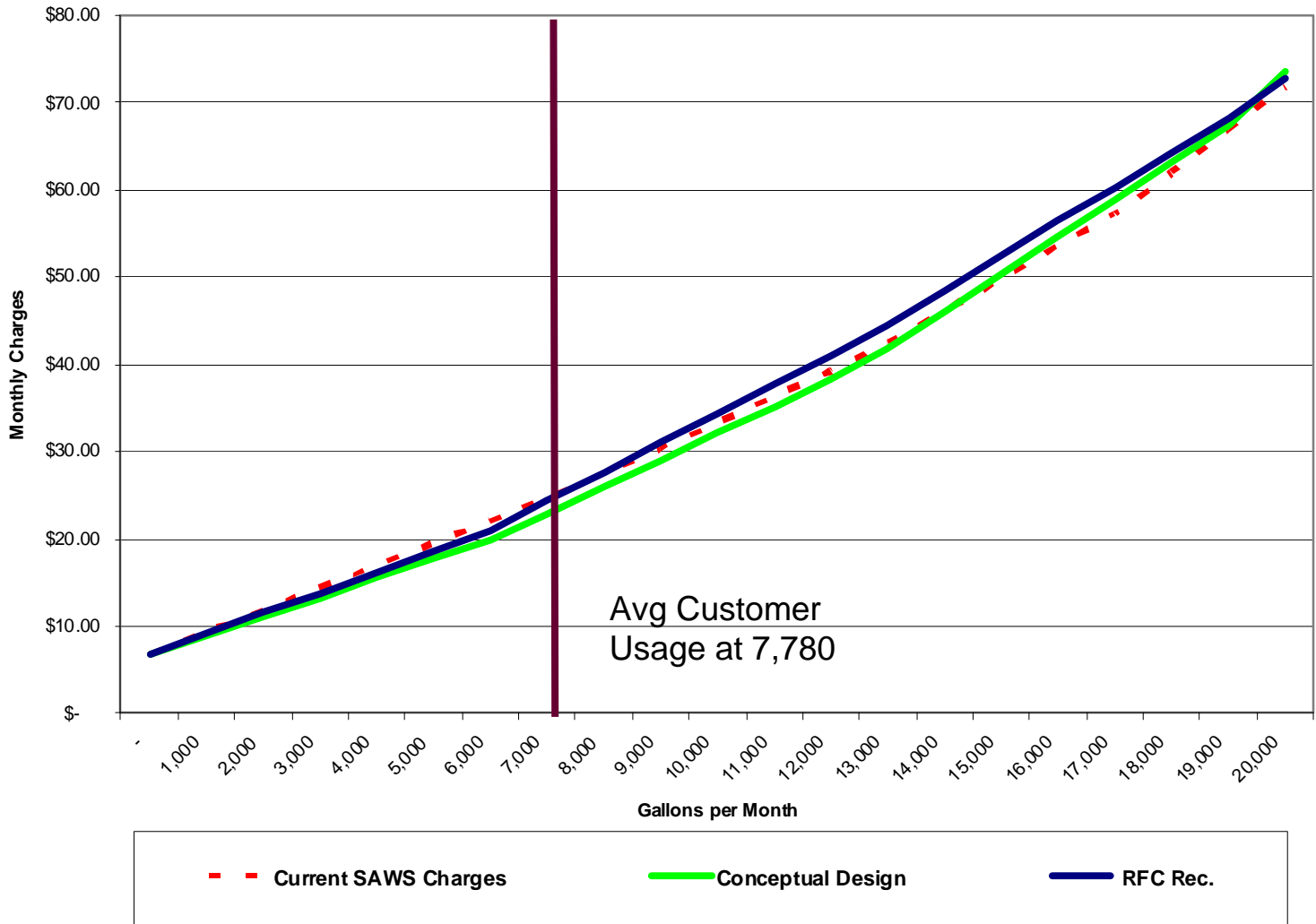


Residential Customer Impacts

(5/8" Meter)

Residential Non-Seasonal Charges

Water Delivery & Water Supply Combined



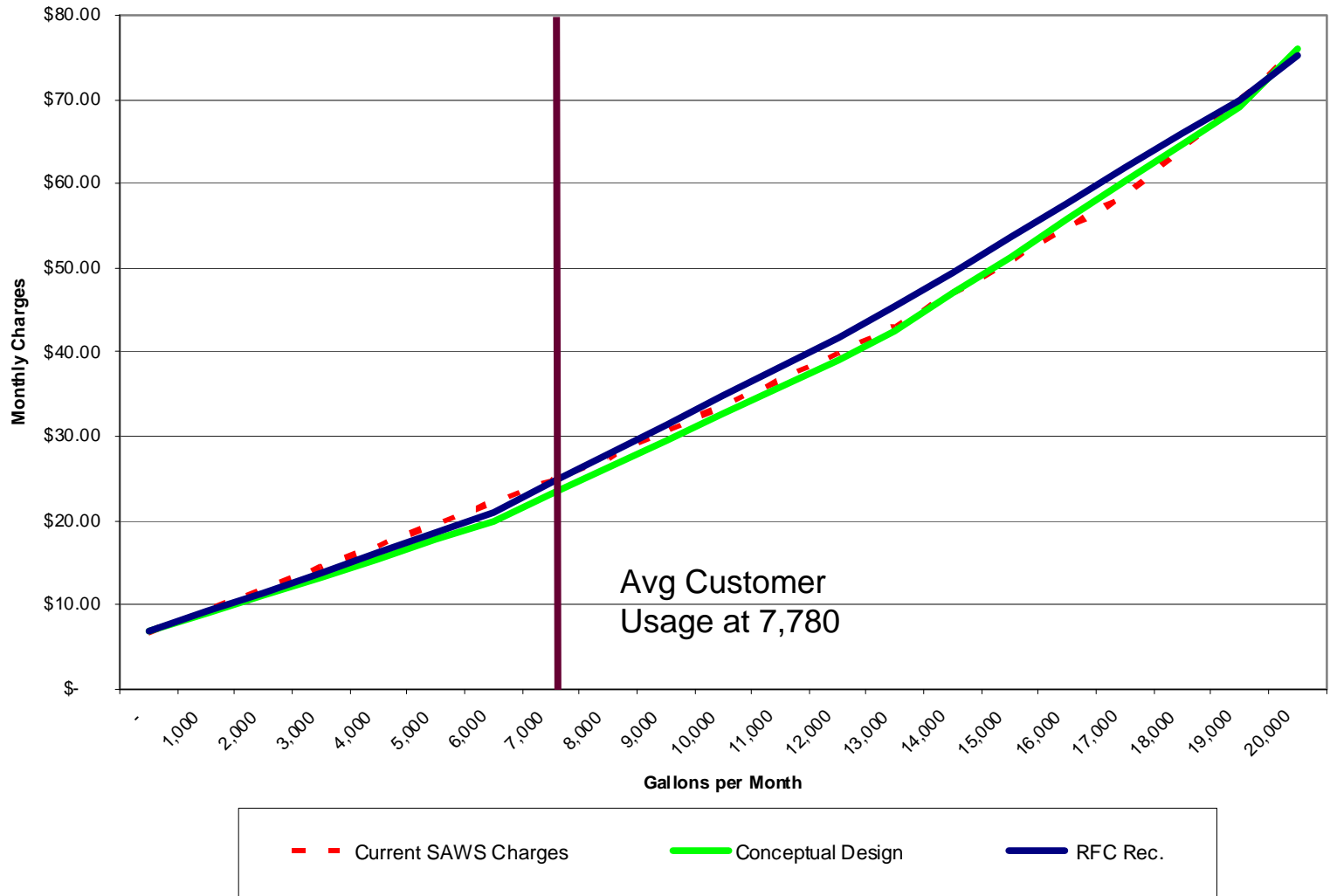
5/8" Meter, ICL

Comprehensive Cost of Service and Rate Design Study

Preliminary Cost of Service Rate Calculations

Residential Seasonal Charges

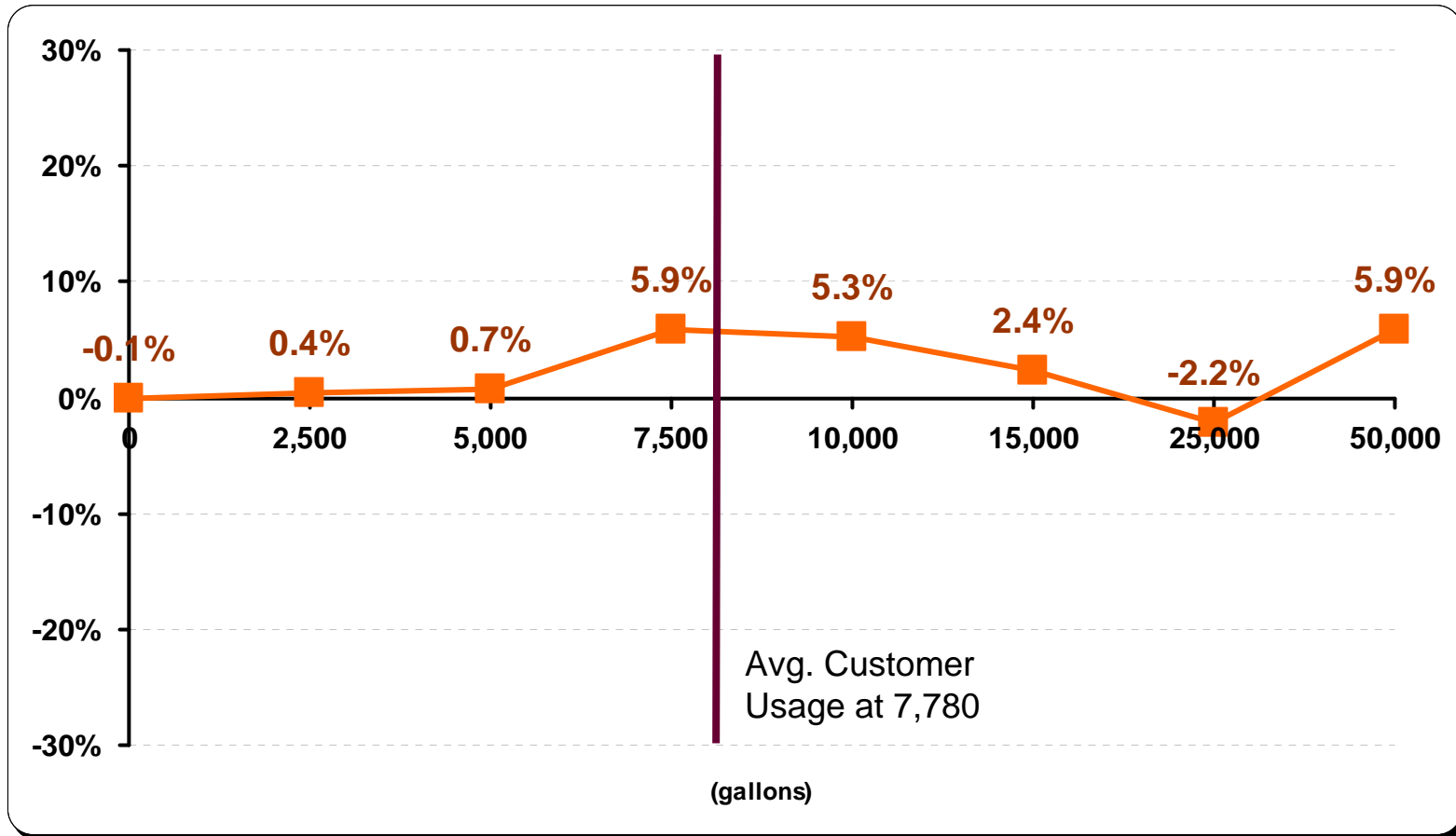
Water Delivery & Water Supply Combined



5/8" Meter, ICL

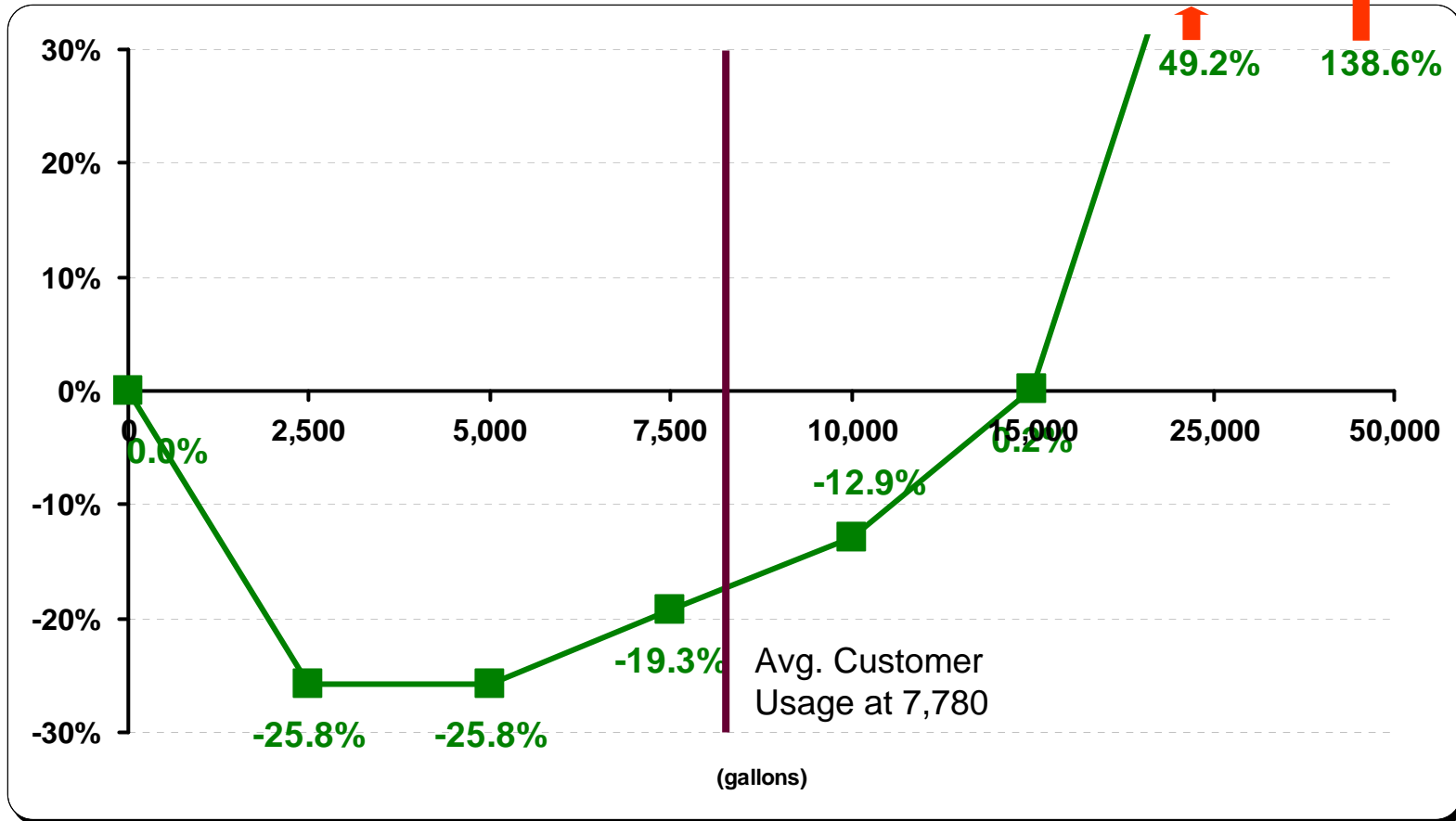
Residential Water Delivery – Conceptual Design

Percent Change of Monthly Charges between
Proposed and Existing Rates at Various Usage Levels



Residential Water Supply – Conceptual Design

Percent Change of Monthly Charges between
Proposed and Existing Rates at Various Usage Levels



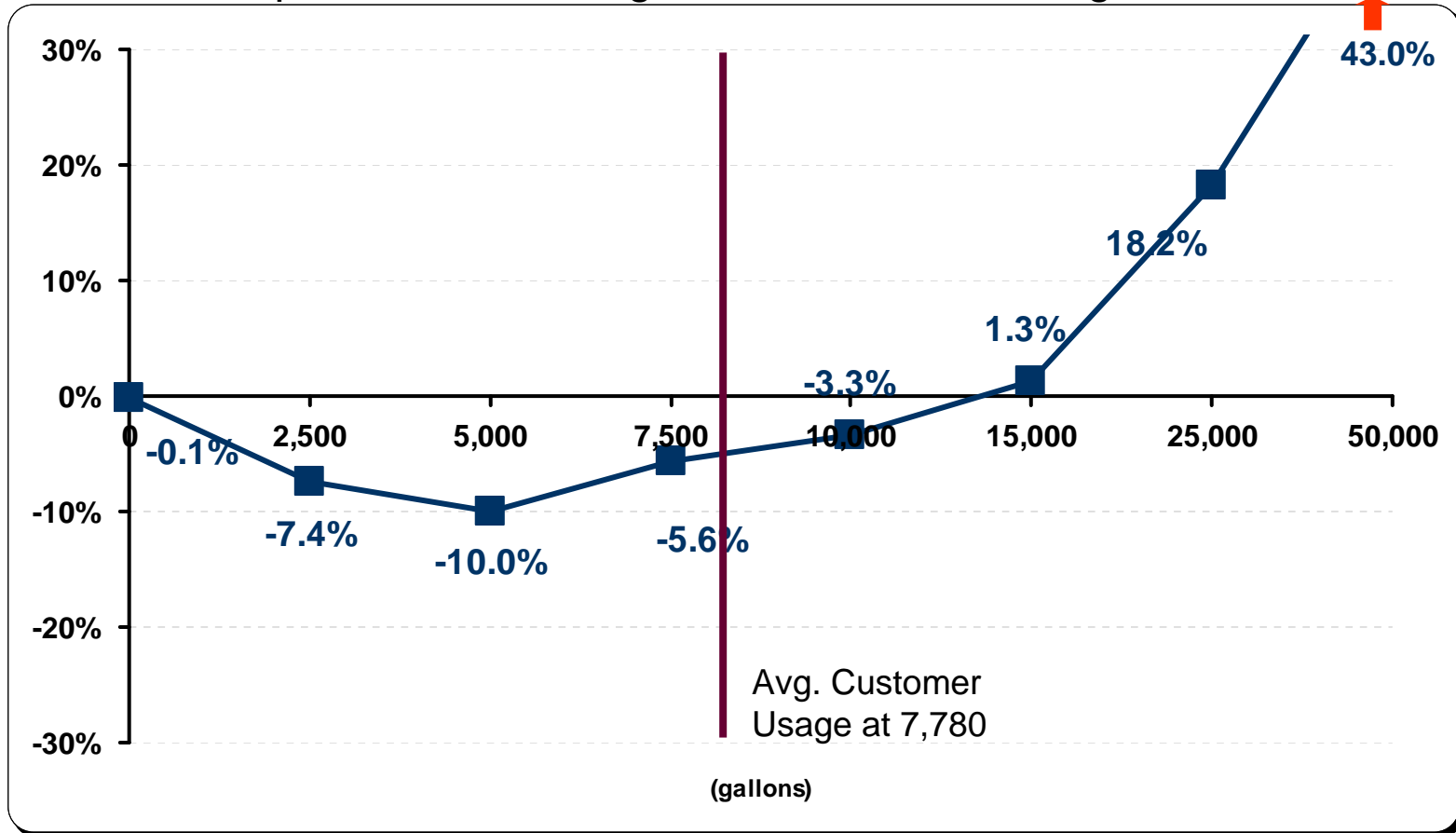
Includes Water Supply (Alt 1) charges

Comprehensive Cost of Service and Rate Design Study

Preliminary Cost of Service Rate Calculations

Combined Residential Impacts – Conceptual Design

Percent Change of Monthly Charges between
Proposed and Existing Rates at Various Usage Levels



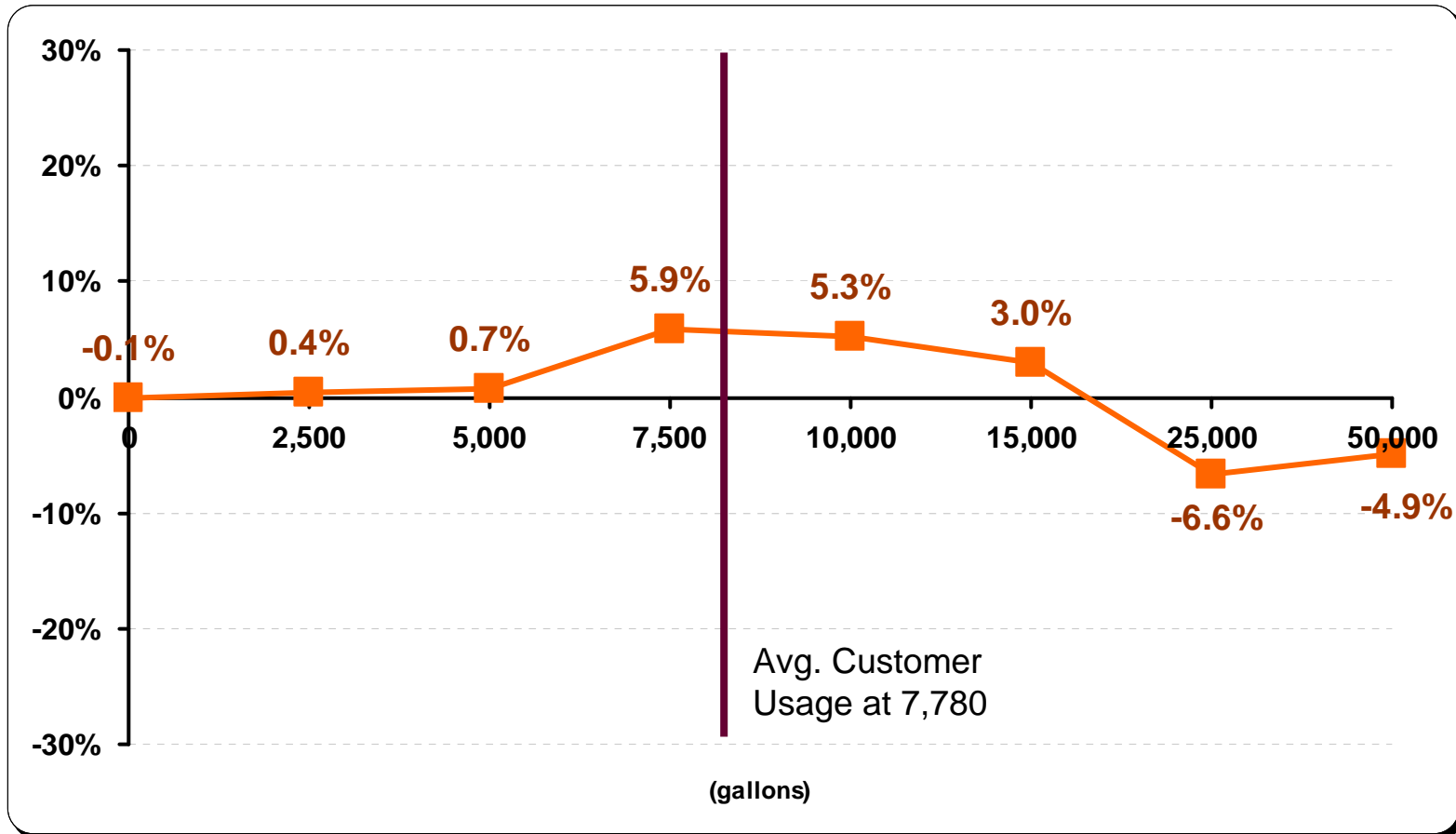
Includes Water Delivery, Water Supply (Alt 1) charges

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Preliminary Cost of Service Rate Calculations

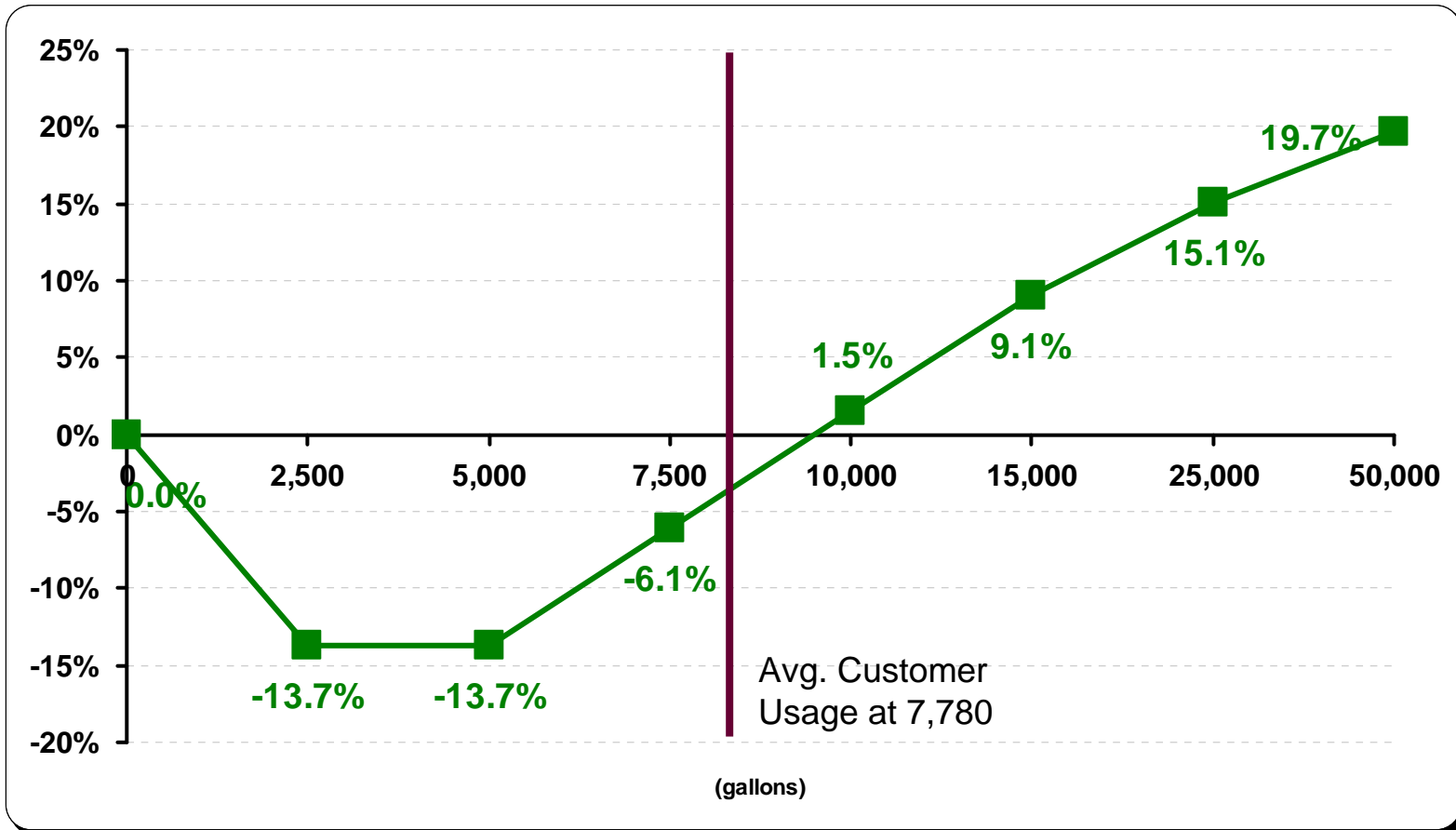
Residential Water Delivery – RFC Recommendation

Percent Change of Monthly Charges between Proposed and Existing Rates at Various Usage Levels



Residential Water Supply – RFC Recommendation

Percent Change of Monthly Charges between Proposed and Existing Rates at Various Usage Levels



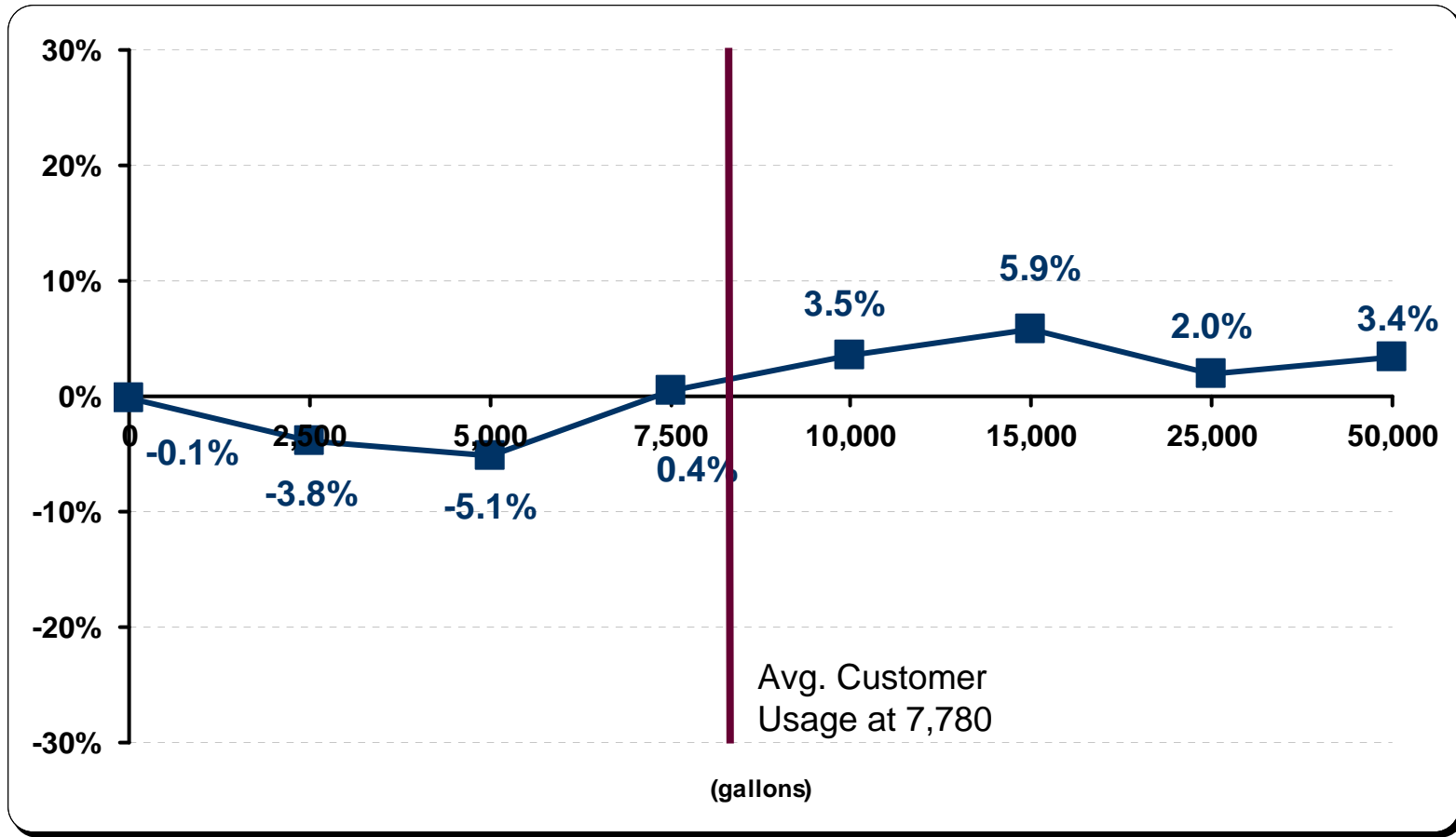
Includes Water Supply (Alt 4) charges

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Preliminary Cost of Service Rate Calculations

Combined Residential Impacts – RFC Recommendation

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Proposed and Existing Rates at Various Usage Levels



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Comprehensive Cost of Service and Rate Design Study

Preliminary Cost of Service Rate Calculations

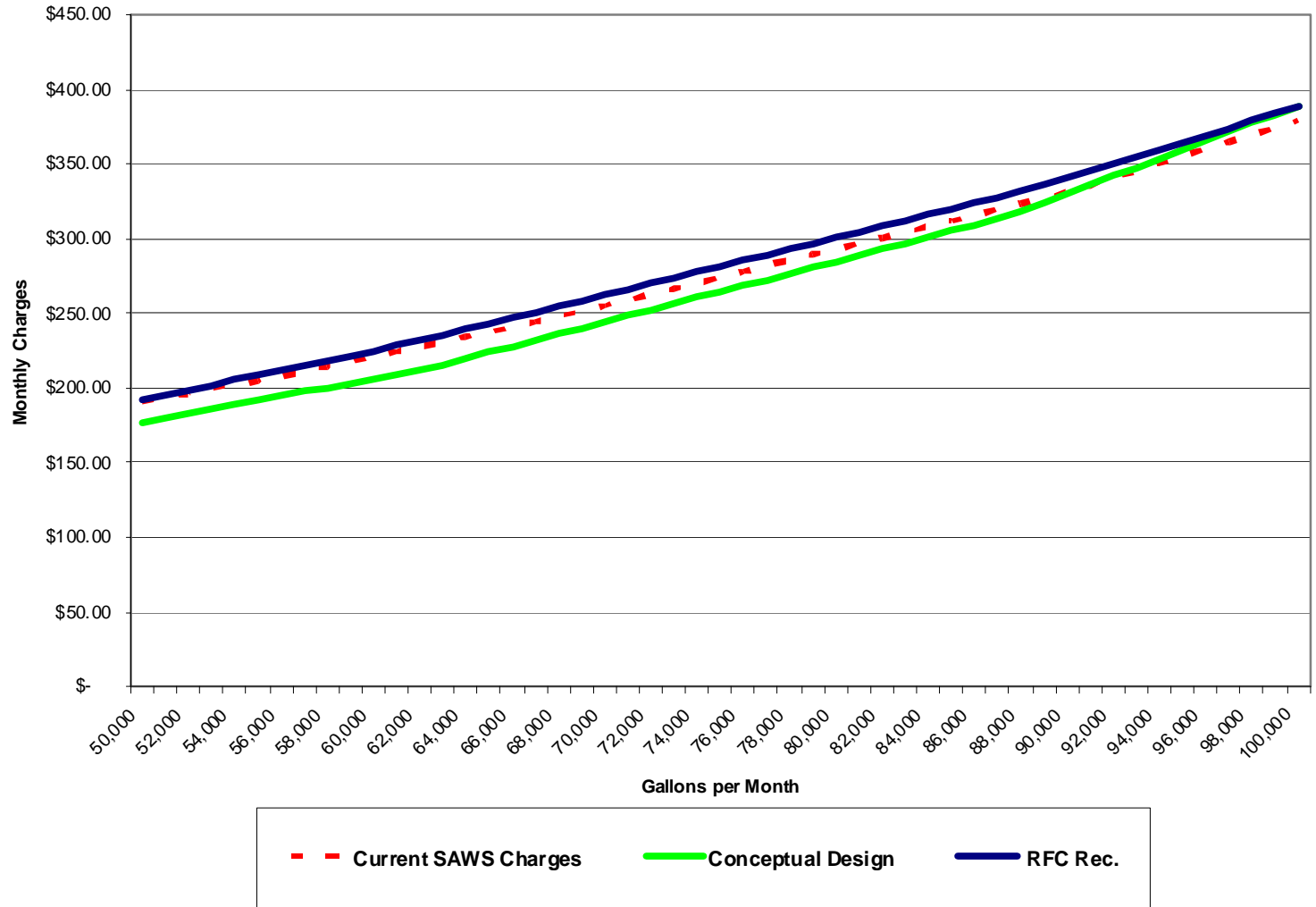


General Class Customer Impacts

2" meter
50,000 gal avg monthly usage

General Class, Commercial Charges

Water Delivery & Water Supply Combined



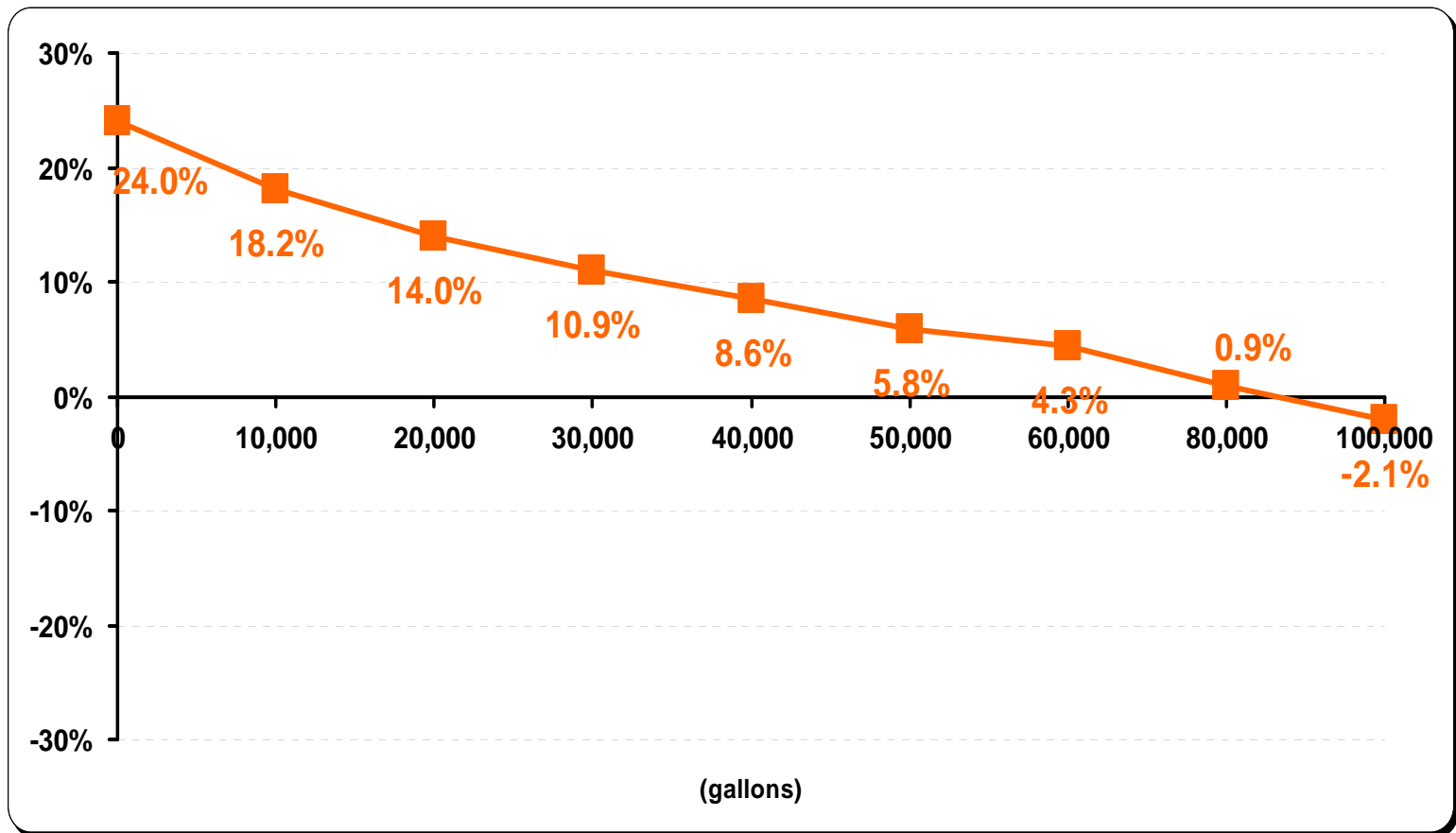
2" Meter, 50,000 gallons base, ICL

Comprehensive Cost of Service and Rate Design Study

Preliminary Cost of Service Rate Calculations

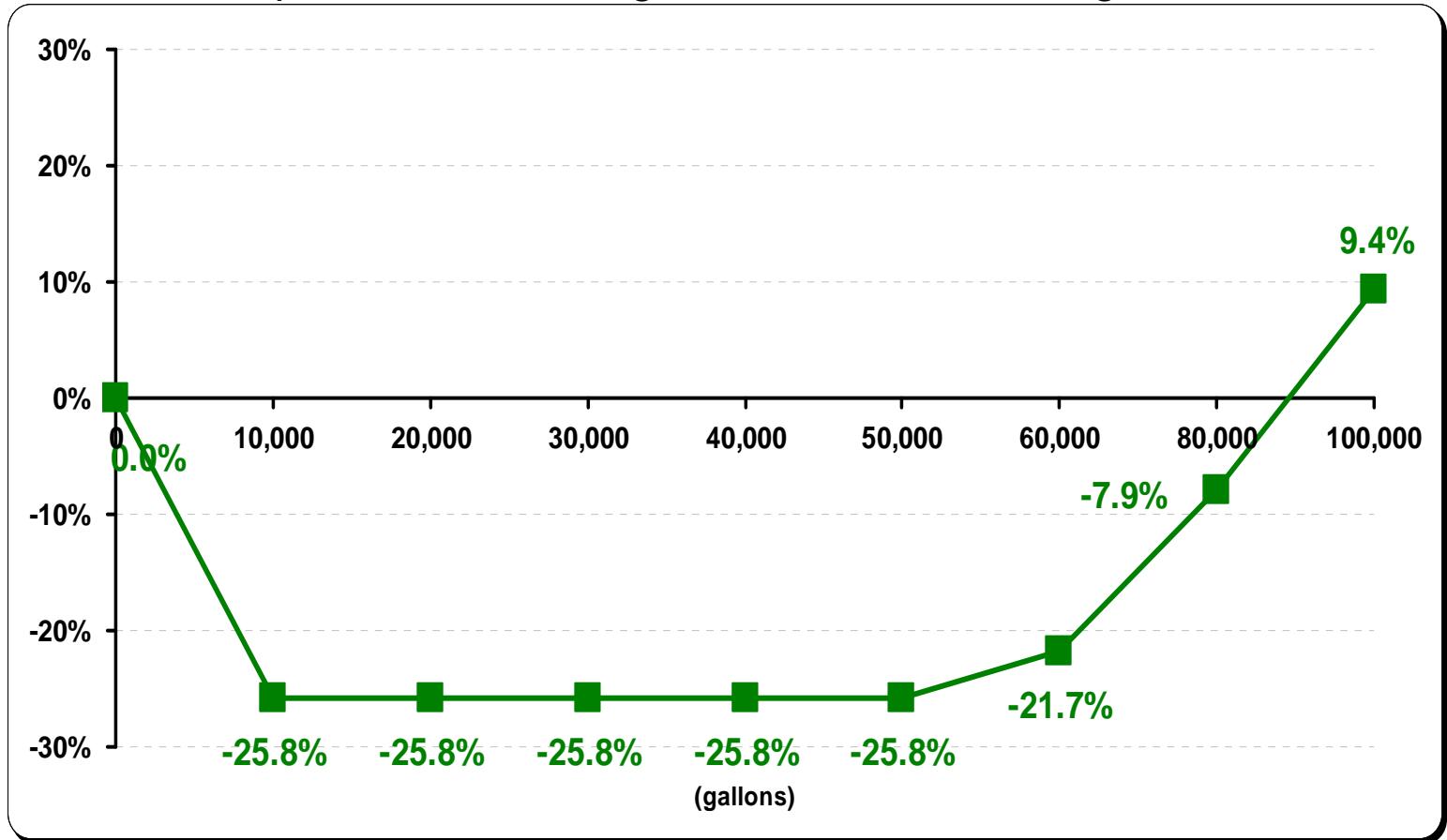
General Class, Commercial Water Delivery – Conceptual Design

Percent Change of Monthly Charges between Proposed and Existing Rates at Various Usage Levels



General Class, Commercial Water Supply – Conceptual Design

Percent Change of Monthly Charges between Proposed and Existing Rates at Various Usage Levels



Includes Water Supply (Alt 1) charges

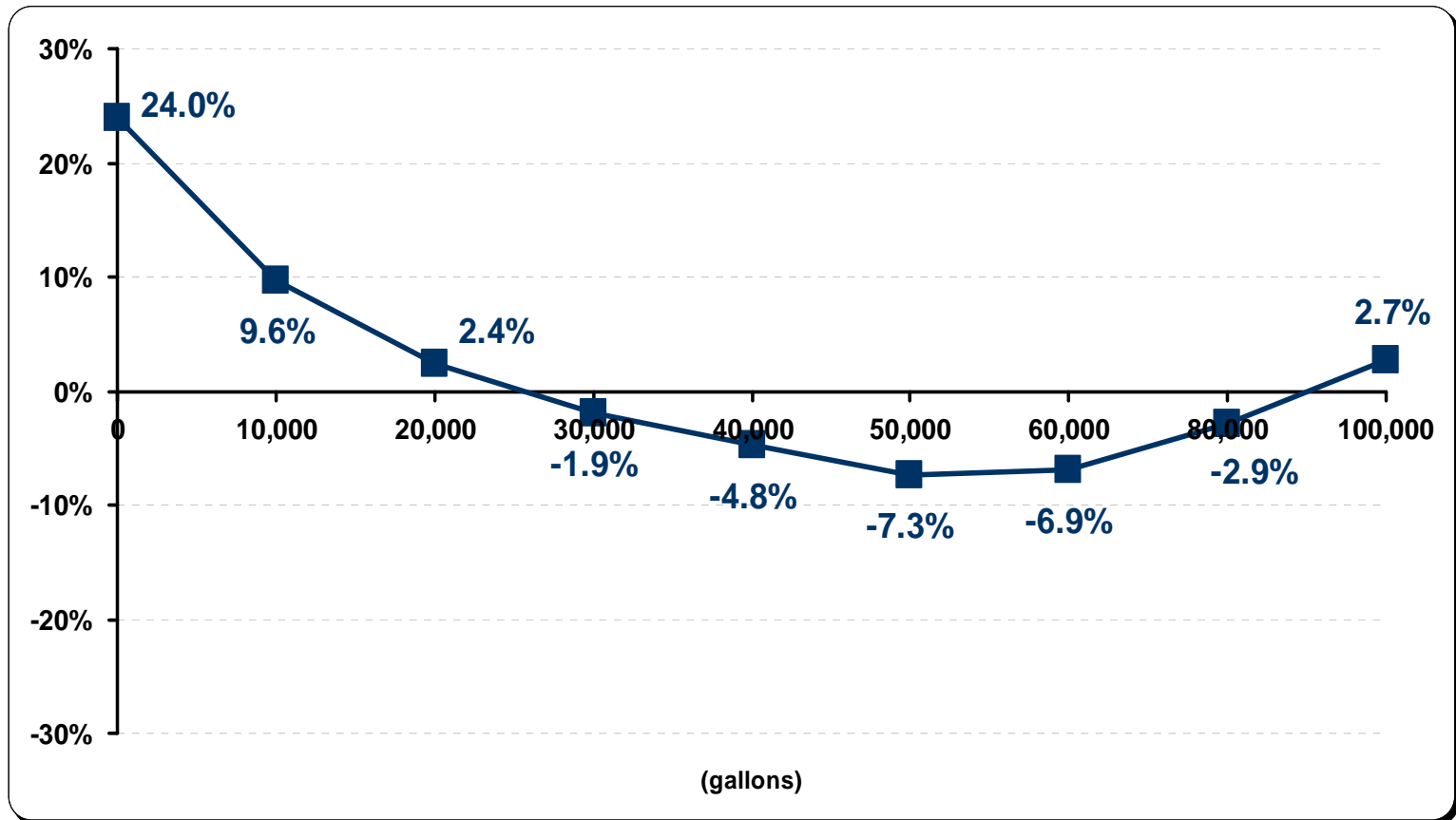
Comprehensive Cost of Service and Rate Design Study

Preliminary Cost of Service Rate Calculations



Combined General Class, Commercial Impacts – Conceptual Design

Percent Change of Monthly Charges between Proposed and Existing Rates at Various Usage Levels



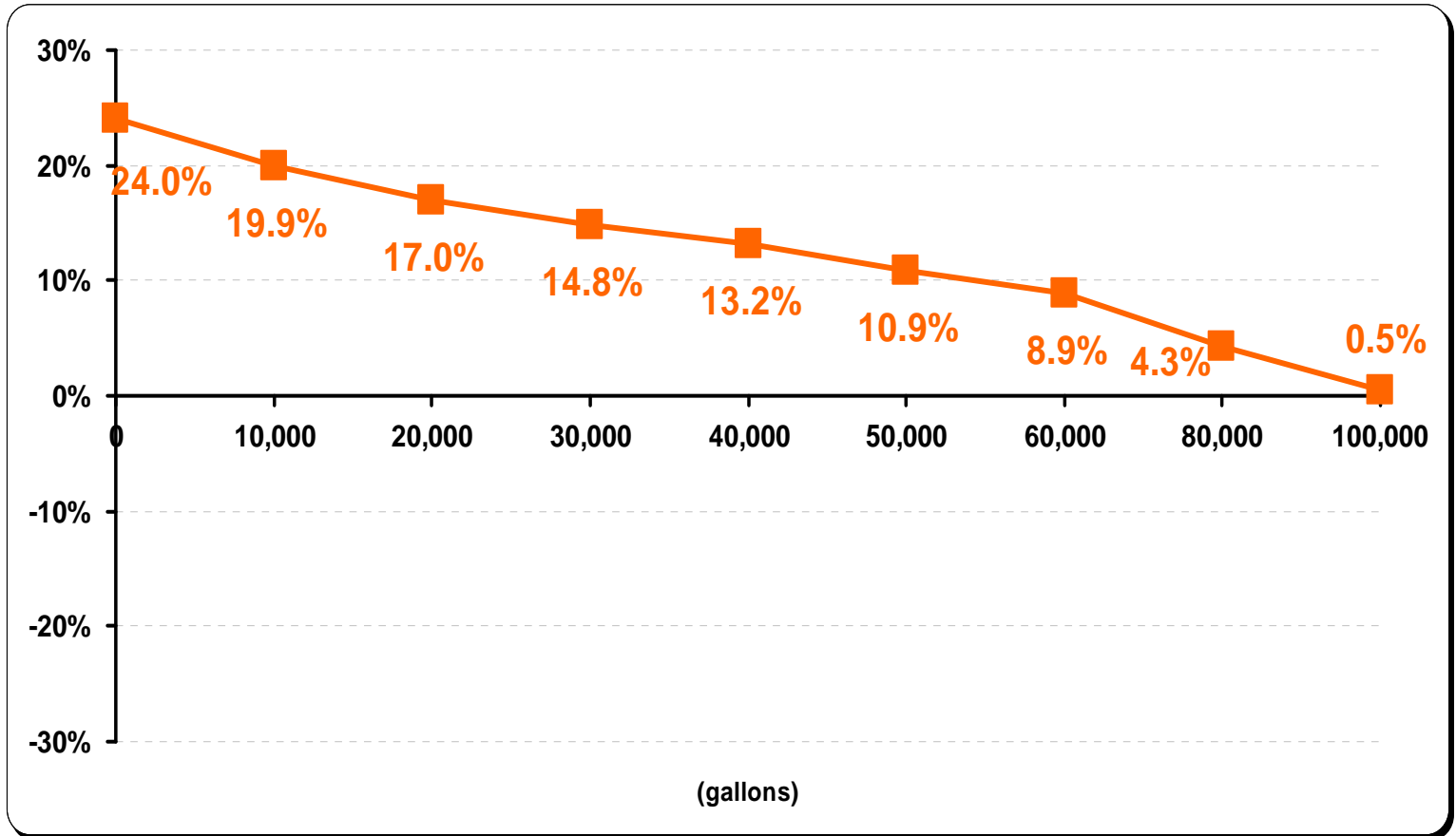
Includes Water Delivery, Water Supply (Alt 1) charges

Comprehensive Cost of Service and Rate Design Study

Preliminary Cost of Service Rate Calculations

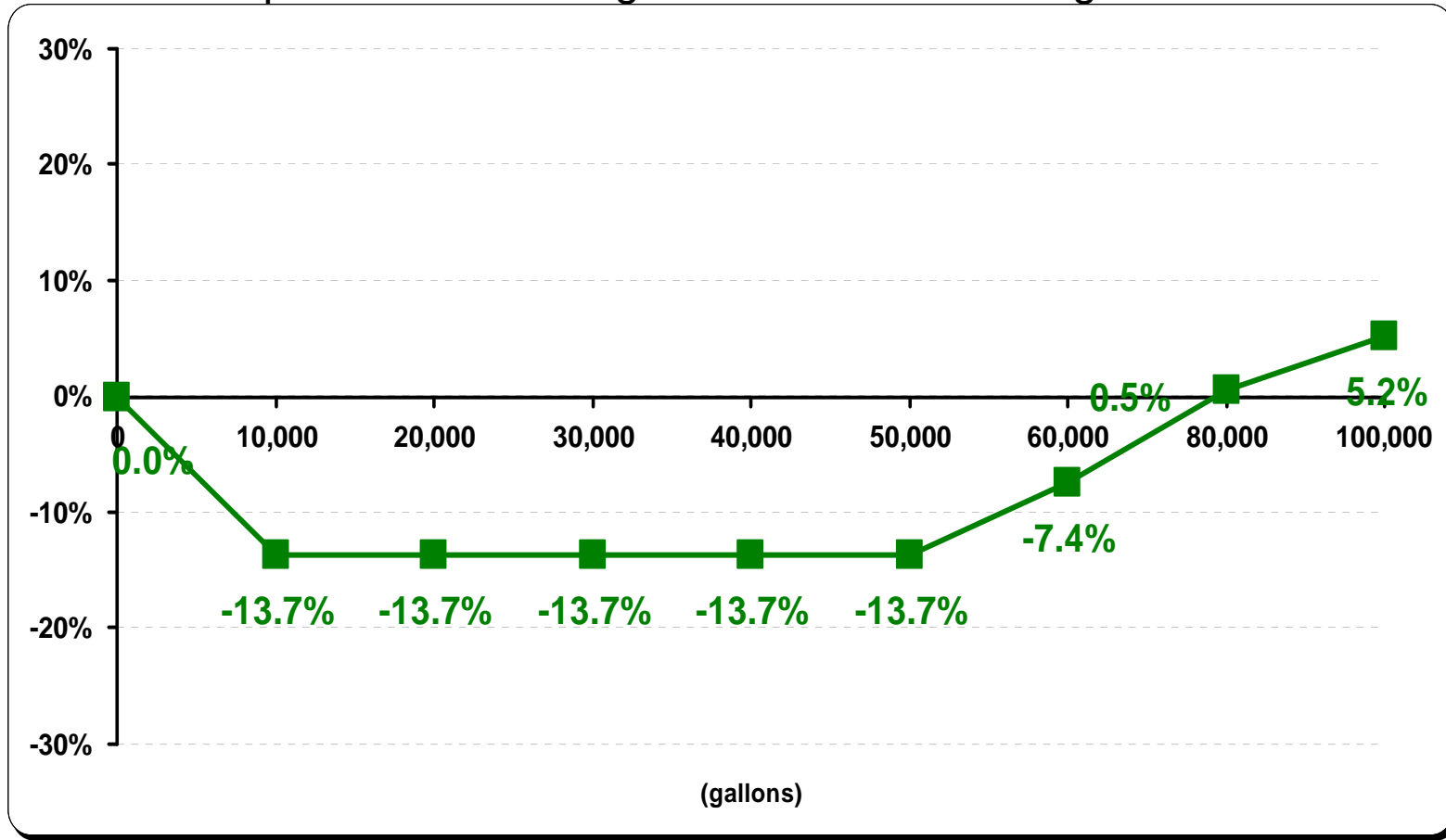
General Class, Commercial Water Delivery – RFC Recommendation

Percent Change of Monthly Charges between Proposed and Existing Rates at Various Usage Levels



General Class, Commercial Water Supply – RFC Recommendation

Percent Change of Monthly Charges between Proposed and Existing Rates at Various Usage Levels



Includes Water Supply (Alt 4) charges

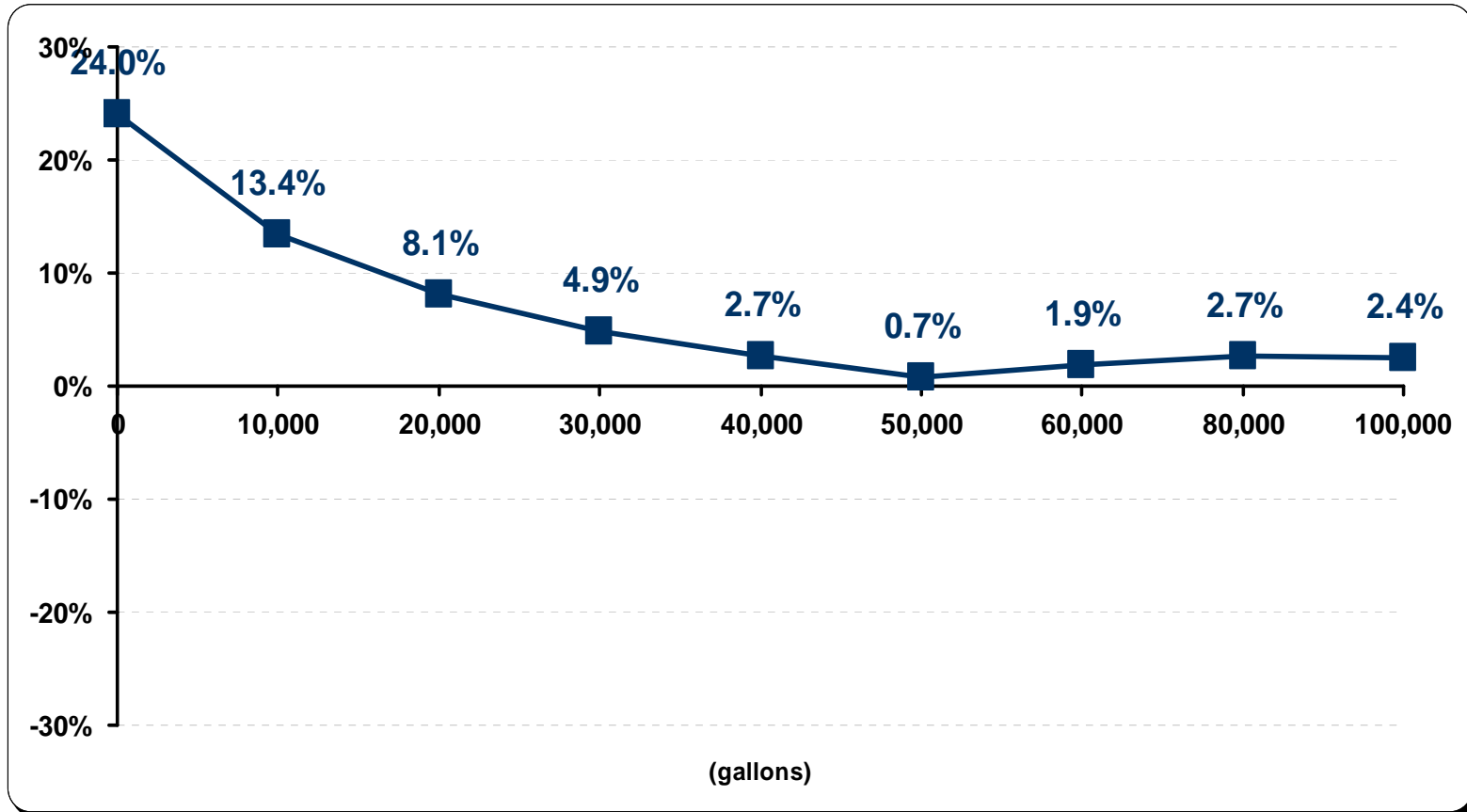
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Preliminary Cost of Service Rate Calculations



Combined General Class, Commercial Impacts – RFC Recommendation

Percent Change of Monthly Charges between Proposed and Existing Rates at Various Usage Levels



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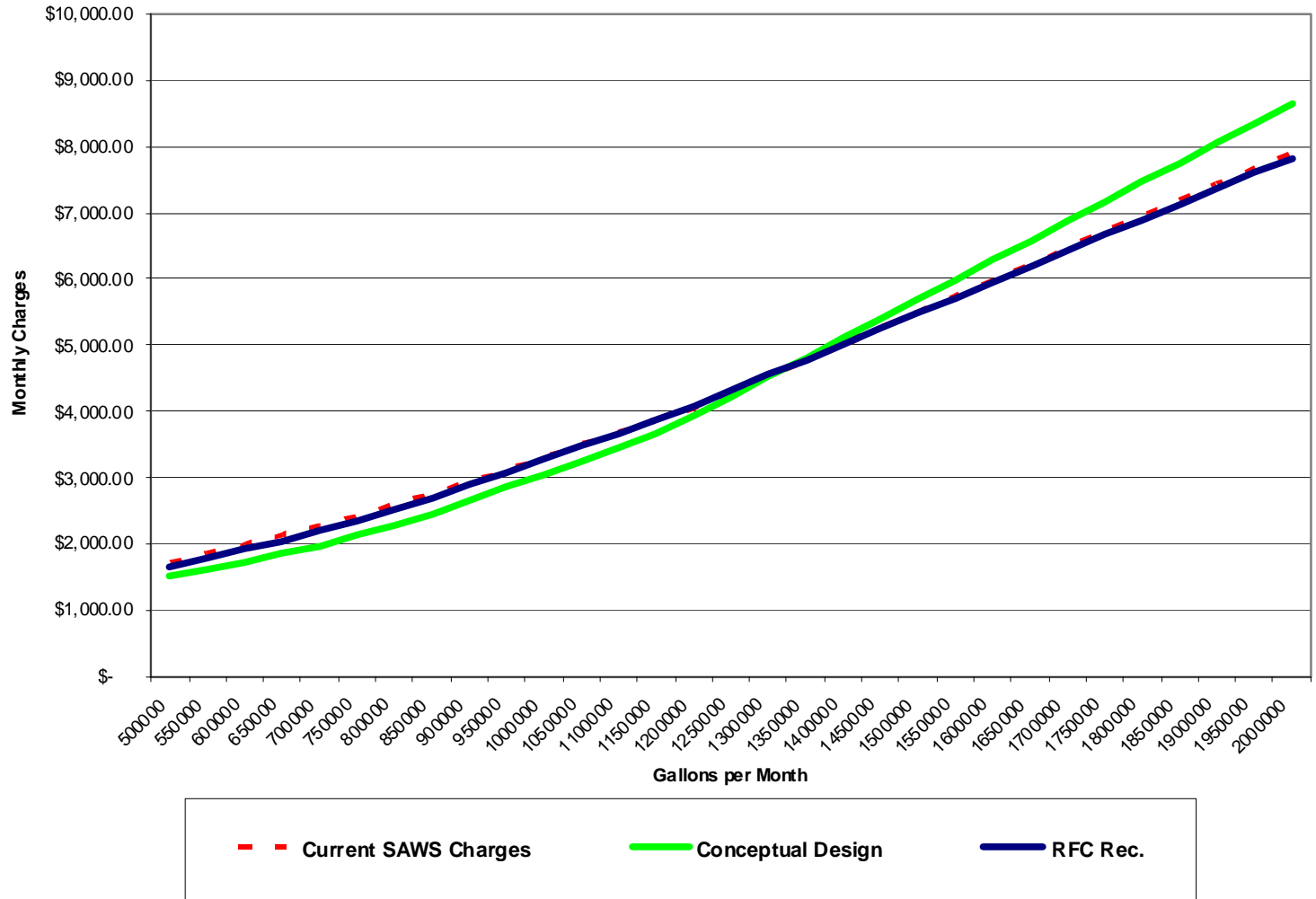


General Class Customer Impacts

6" meter
665,808 gal avg monthly usage

General Class, Industrial Charges

Water Delivery & Water Supply Combined



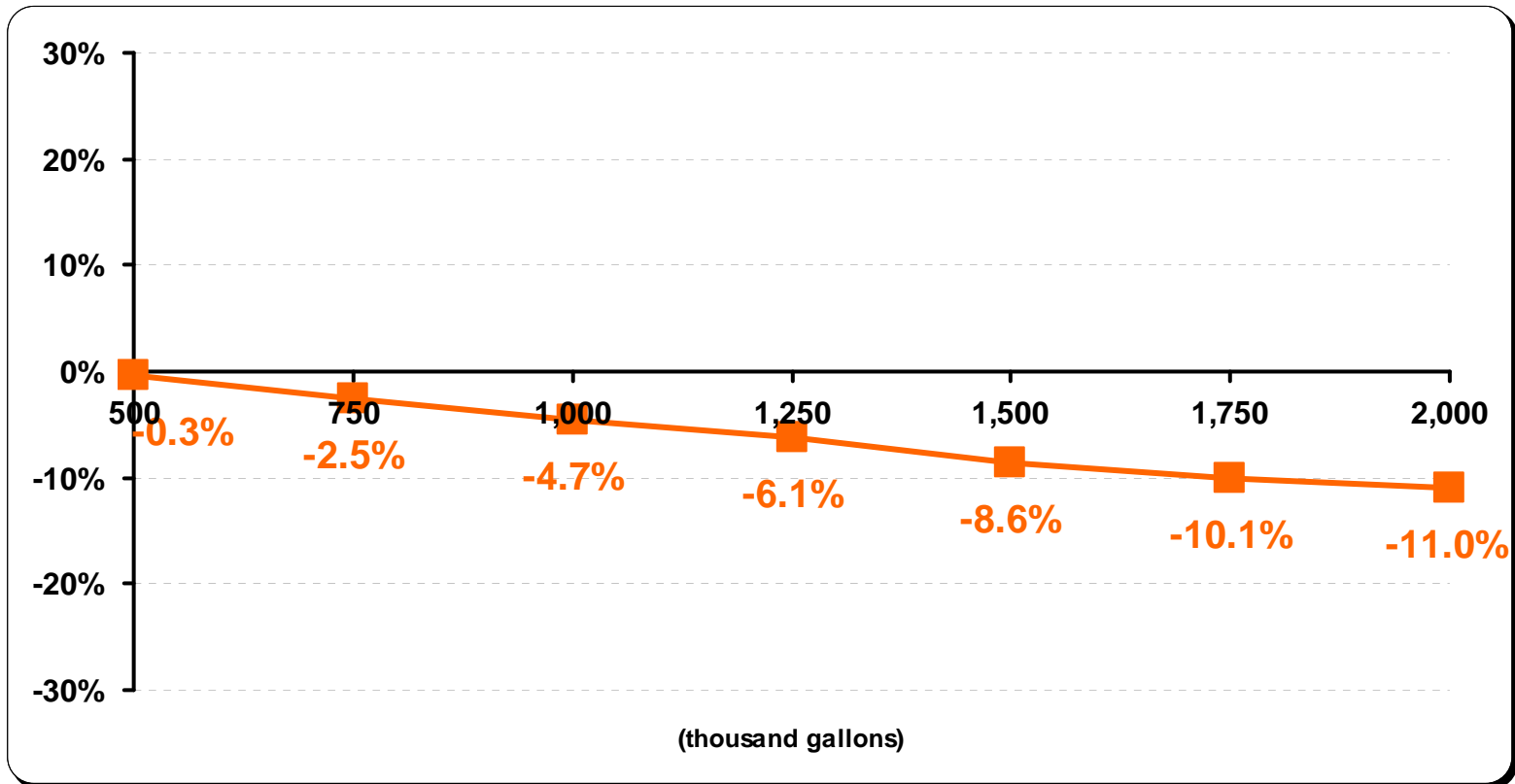
6" Meter, 665,809 gallons base, ICL

Comprehensive Cost of Service and Rate Design Study

Preliminary Cost of Service Rate Calculations

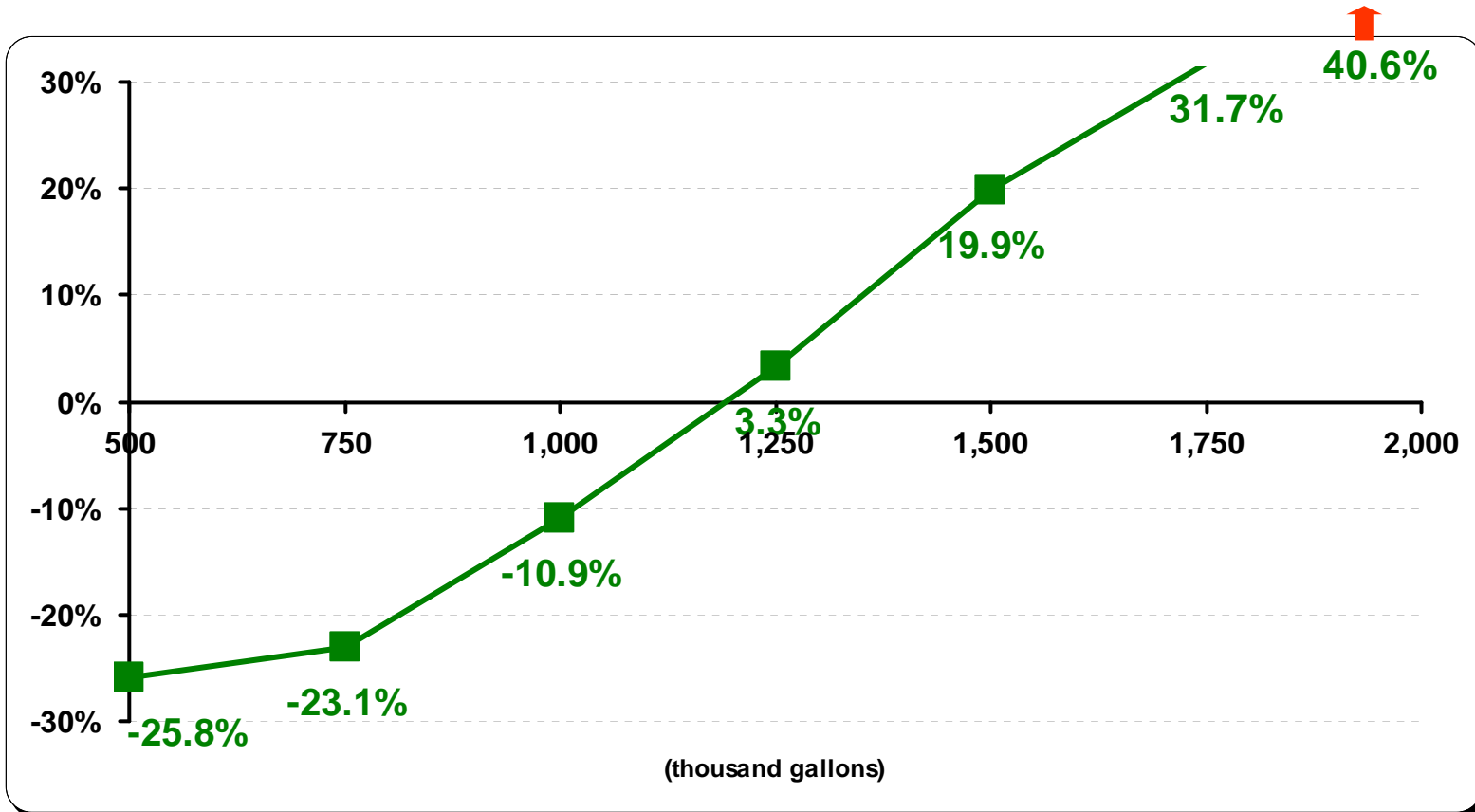
General Class, Industrial Water Delivery – Conceptual Design

Percent Change of Monthly Charges between Proposed and Existing Rates at Various Usage Levels



General Class, Industrial Water Supply – Conceptual Design

Percent Change of Monthly Charges between Proposed and Existing Rates at Various Usage Levels



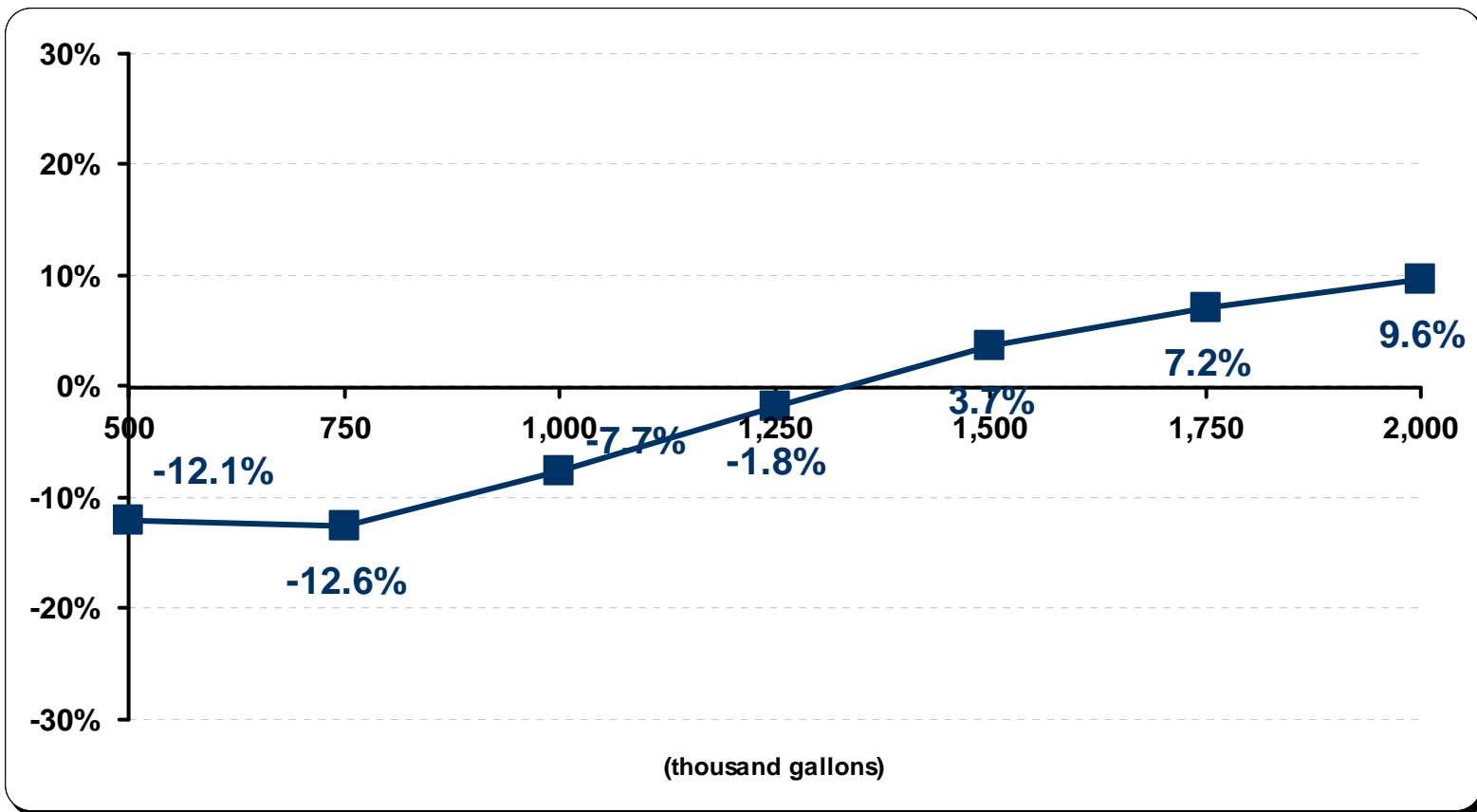
Includes Water Supply (Alt 1) charges

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Combined General Class, Industrial Impacts – Conceptual Design

Percent Change of Monthly Charges between Proposed and Existing Rates at Various Usage Levels



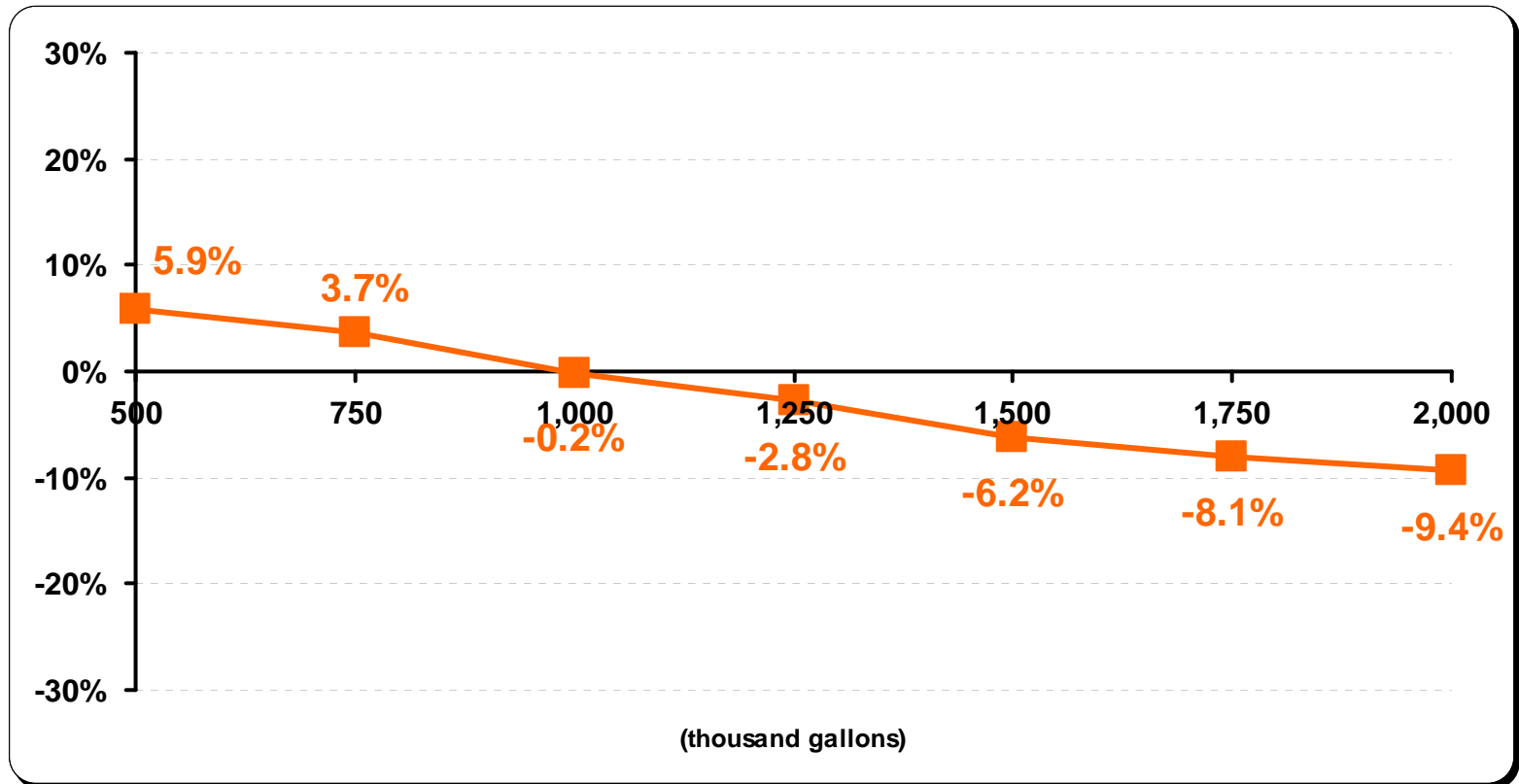
Includes Water Delivery, Water Supply (Alt 1) charges

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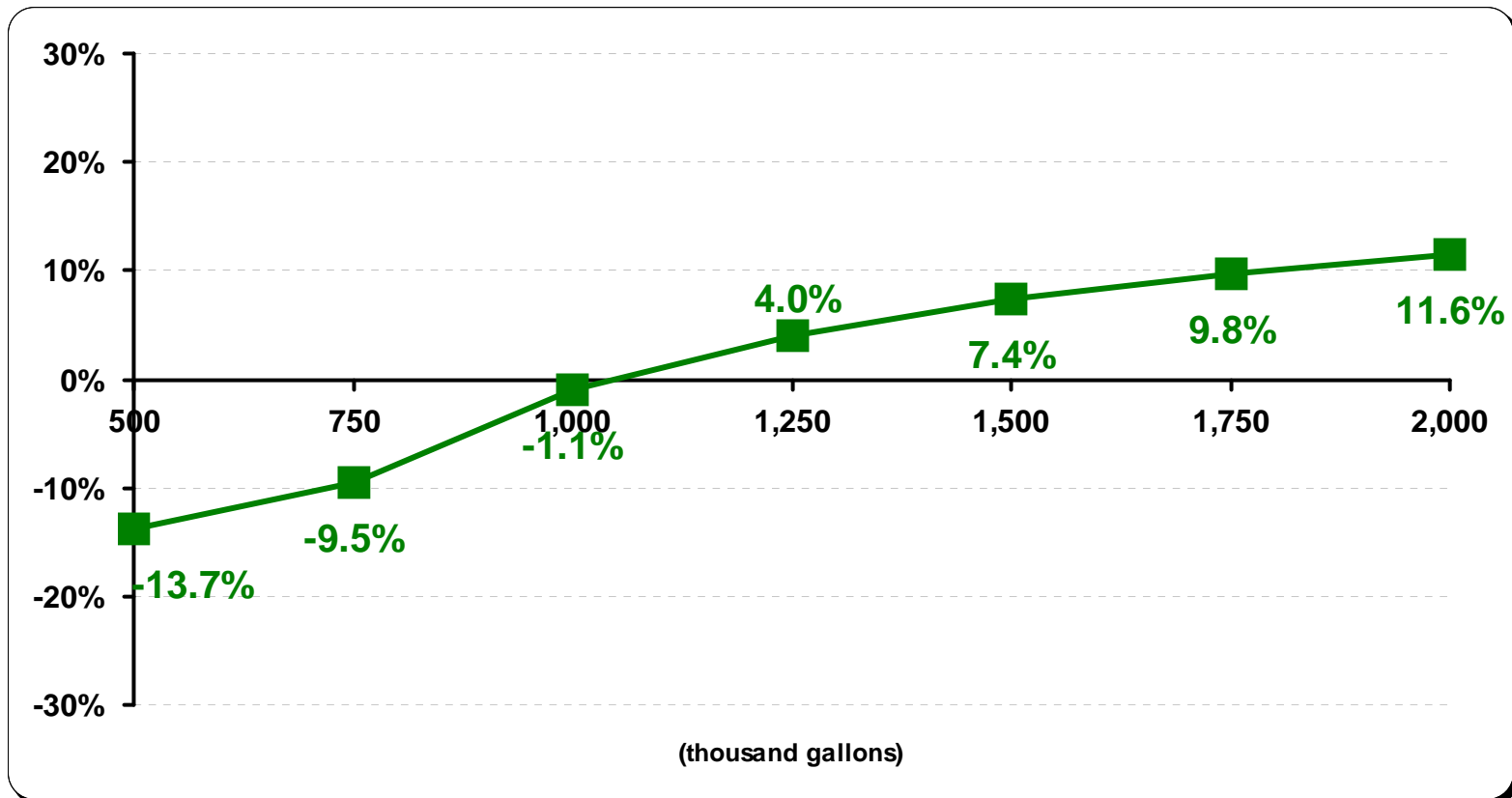
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Percent Change of Monthly Charges between Proposed and Existing Rates at Various Usage Levels



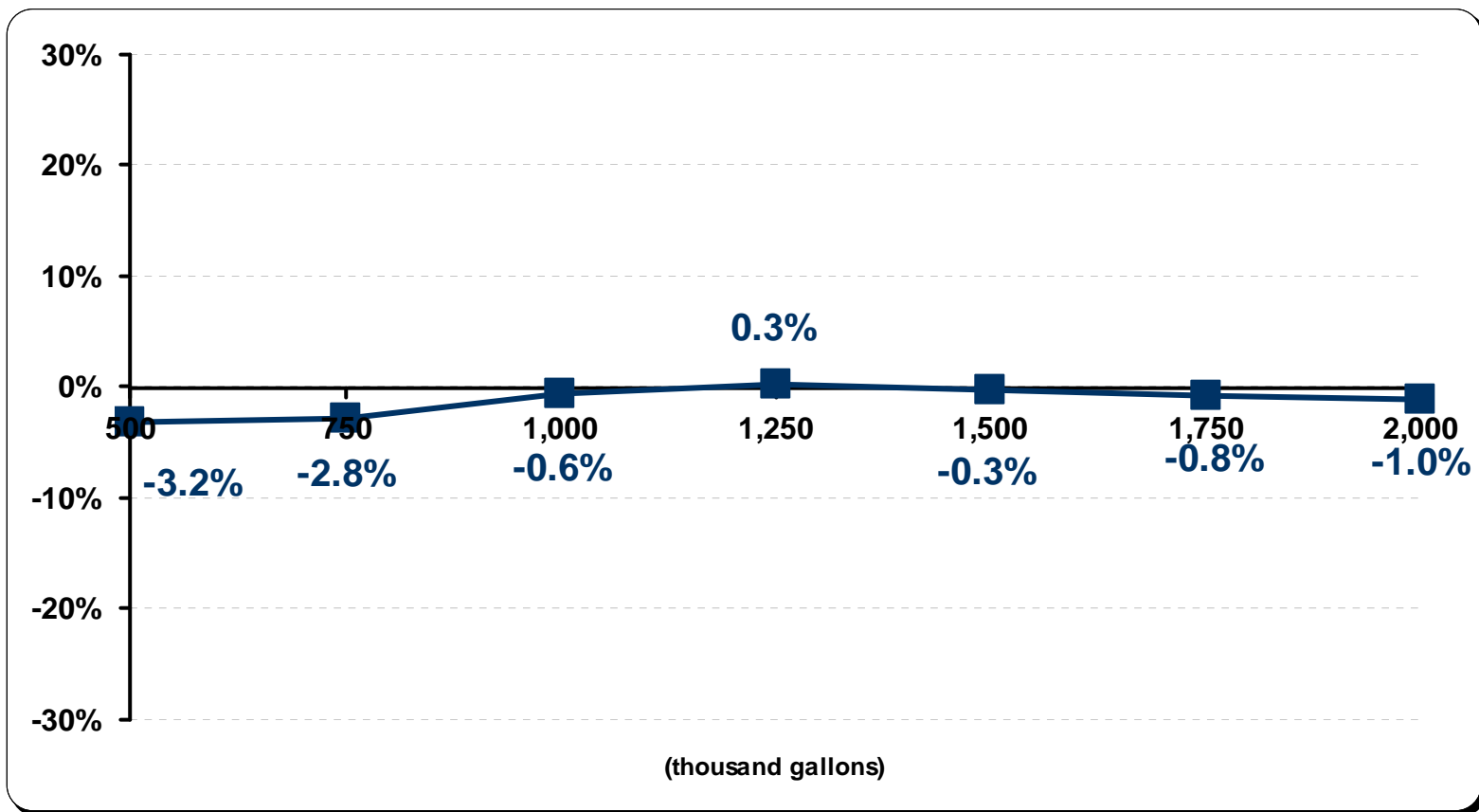
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Preliminary Cost of Service Rate Calculations



Next Steps

- Revise rates based on RAC and SAWS staff input
- Calculate recycled water rates
- Calculate wastewater rates