

**SAMA
RATE ADVISORY COMMITTEE
QUESTIONS TO SAWS STAFF**

1. In order that we might learn the true cost of 100 gallons of water in the SAWS service area, that is the average revenue amount that SAWS must collect per 100 gallons of potable water sold by SAWS in order for SAWS to realize the amount of revenue budgeted in the 2009 budget for the sale of potable water (exclusive of revenue from the water supply fee, meter fees, and the EAA fee), tell us (a) the number of gallons of potable water that SAWS anticipates selling under normal conditions and (b) the total revenue budgeted in the 2009 budget for the sale of that volume of water (excluding revenue from the water supply fee, the EAA fee, and meter fees). It is my understanding that the true cost of 100 gallons of potable water, that is the amount of revenue SAWS must average per 100 gallons of potable water sold in order to achieve the amount of revenue budgeted in 2009 budgeted for the sale of potable water is around 14.1 cents (\$0.141) per 100 gallons.

**FOR EACH OF THE BUDGET YEARS 2007 AND 2008
PROVIDE THE FOLLOWING INFORMATION**

2. What was the total volume of water sold at the residential block 1 rate, and what percentage of the total volume of potable water sold did this volume represent? What was the total water delivery revenue (exclusive of water supply fee, meter fees, EAA fees) from the sale of this volume of water and what percentage of the total potable water delivery revenue did this sum represent?
3. What was the total volume of water sold at the residential block 2 rate, and what percentage of the total volume of potable water sold did this volume represent? What was the total water delivery revenue (exclusive of water supply fee, meter fees, EAA fees) from the sale of this volume of water and what percentage of the total potable water delivery revenue did this sum represent?
4. What was the total volume of water sold at the residential block 3 rate, and what percentage of the total volume of potable water sold did this volume represent? What was the total water delivery revenue (exclusive of water supply fee, meter fees, EAA fees) from the sale of this volume of water and what percentage of the total potable water delivery revenue did this sum represent?
5. What was the total volume of water sold at the residential block 4 rate, and what percentage of the total volume of potable water sold did this volume represent? What was the total water delivery revenue (exclusive of water supply fee, meter fees, EAA fees) from the sale of this volume of water and what percentage of the total potable water delivery revenue did this sum represent?

6. With respect to Irrigation Class customers, what was the total volume of water sold at the irrigation block 1 rate, and what percentage of the total volume of potable water sold did this volume represent? What was the total water delivery revenue (exclusive of water supply fee, meter fees, EAA fees) from the sale of this volume of water and what percentage of the total potable water delivery revenue did this sum represent?
7. With respect to Irrigation Class customers, what was the total volume of water sold at the irrigation block 2 rate, and what percentage of the total volume of potable water sold did this volume represent? What was the total water delivery revenue (exclusive of water supply fee, meter fees, EAA fees) from the sale of this volume of water and what percentage of the total potable water delivery revenue did this sum represent?
8. With respect to Irrigation Class customers, what was the total volume of water sold at the irrigation block 3 rate, and what percentage of the total volume of potable water sold did this volume represent? What was the total water delivery revenue (exclusive of water supply fee, meter fees, EAA fees) from the sale of this volume of water and what percentage of the total potable water delivery revenue did this sum represent?
9. With respect to General Class customers, what was the total volume of water sold at the base rate, and what percentage of the total volume of potable water sold did this volume represent? What was the total water delivery revenue (exclusive of water supply fee, meter fees, EAA fees) from the sale of this volume of water and what percentage of the total potable water delivery revenue did this sum represent?
10. With respect to General Class customers, what was the total volume of water sold at the 125% - 150% of base rate, and what percentage of the total volume of potable water sold did this volume represent? What was the total water delivery revenue (exclusive of water supply fee, meter fees, EAA fees) from the sale of this volume of water and what percentage of the total potable water delivery revenue did this sum represent?
11. With respect to General Class customers, what was the total volume of water sold at the 150% - 200% of base rate, and what percentage of the total volume of potable water sold did this volume represent? What was the total water delivery revenue (exclusive of water supply fee, meter fees, EAA fees) from the sale of this volume of water and what percentage of the total potable water delivery revenue did this sum represent?
12. With respect to General Class customers, what was the total volume of water sold at the 200% of base rate, and what percentage of the total volume of potable water sold did this volume represent? What was the total water delivery revenue (exclusive of water supply fee, meter fees, EAA fees) from the sale of this volume

of water and what percentage of the total potable water delivery revenue did this sum represent?

13. With respect to Wholesale Class customers, what was the total volume of potable water sold, and what percentage of the total volume of potable water sold did this volume represent? What was the total water delivery revenue (exclusive of water supply fee, meter fees, EAA fees) from the sale of this volume of water and what percentage of the total potable water delivery revenue did this sum represent?

RECYCLED WATER

1. What was the volume of recycled water sold, and what was the total revenue collected from the sale of that volume of recycled water, exclusive of meter fees?
2. What was the maintenance and operations cost and overhead for the recycled water system?
3. What was the debt service for the infrastructure of the recycled water system?
4. What was the infrastructure cost of installing the recycled water system?

WATER SUPPLY FEE

1. From the time the water supply fee was initiated, please provide the total water supply revenue collected by SAWS per year.
2. Provide an accounting per year regarding how or where the water supply revenue collected by SAWS has been spent and the provide the amount spent for each area of expenditure.

SAWS RECOMMENDED RATE STRUCTURE

1. It is requested that SAWS staff provide us at the next meeting with a written outline of the recommendations SAWS staff is going to make regarding the new rate structure in order that we may begin our individual reviews of the rate structure proposal at this time and thereby have an opportunity to consider the proposed rate structure in light of the information that we will be receiving over the remaining weeks of our meetings.

QUESTIONS FROM SAMA WATER RESOURCE COMMITTEE

1. Who is doing the Bill Frequency Analysis and when is it going to be ready.

A Bill Frequency Analysis is usually done before a rate design review so that the current rate design can be evaluated and various alternatives can be modeled. **If a Bill Frequency Analysis is not available, everyone is wasting their time.**

2. Who will be doing the Value Chain Analysis and when will that be ready?

The Value Chain Analysis is part of SAWS Strategic Planning adopted by the board in 2006. The Value Chain Analysis addresses the question:

Is there a mismatch of customer's needs and SAWS resources?

The analysis is broken down into the following categories:

- Reliability of Supply
- Water Quality
- Environmental Stewardship
- Customer Service
- Billing
- R& R Fund

Each of these points constitutes the allocation of resources.

The Value Chain Analysis is a SAWS management concept to determine the cost of producing a product (In this case water) at each step of the process from the Edwards supply wellhead to the customer bill. This approach results in assigning costs where they are incurred and figuring out which are fixed and which are variable, as well as which are unique to a given class of customers. It is a great help in rate design.