

Option #4
Fixed Revenue at 80% of Total Revenue

Option Results Summary

Minimum Charge: All Retail Classes	
Meter Size	Minimum Charge
5/8"	\$ 28.60
3/4"	\$ 15.00
1"	\$ 20.00
1 1/2"	\$ 25.00
2"	\$ 40.00
3"	\$ 65.00
4"	\$ 129.00
6"	\$ 260.00
8"	\$ 927.00
10"	\$ 1,107.00
12"	\$ 1,317.00

Residential Water Rates			
Tiered Fixed Fee: Total Water Use Ending in Tier			
Tier 1	0 - 2,000	\$	12.00
Tier 2	2,001 - 6,000	\$	17.00
Tier 3	6,001 - 11,000	\$	20.00
Tier 4	11,001 - 20,000	\$	28.00
Tier 5	Over 20,000	\$	28.00

Volumetric Rates Rates Non CAP Per 1,000 Gallons			
Block 1	0 - 2,000	\$	0.50
Block 2	2,001 - 6,000	\$	1.10
Block 3	6,001 - 11,000	\$	1.70
Block 4	11,001 - 20,000	\$	3.03
Block 5	Over 20,000	\$	4.00

Volumetric Rates Rates CAP Per 1,000 Gallons			
Block 1	0 - 2,000	\$	0.50
Block 2	2,001 - 6,000	\$	1.10
Block 3	6,001 - 11,000	\$	1.70
Block 4	11,001 - 20,000	\$	3.03
Block 5	Over 20,000	\$	4.00

Volatility Measure	
Revenue Losses at 2010 Consumption Levels	
Approved Rates	\$ (38.22) Million
Option Rates	\$ (10.17) Million
Volatility Measure	\$ 28.05 Million
Positive equals less volatility and lower potential revenue losses	
Negative equals more volatility and higher potential revenue losses	

Residential Bill Comparisons

Monthly Usage Gallons 5/8" Meter	2014 Approved Rates				
	Minimum Charge	Tiered Fixed Fee	Volume Revenue	Reserve Fund Surcharge	Total Bill
0	\$ 7.10	\$ 2.00	\$ -	\$ -	\$ 9.10
1,000	\$ 7.10	\$ 2.00	\$ 1.84	\$ 0.15	\$ 11.09
2,000	\$ 7.10	\$ 2.00	\$ 3.68	\$ 0.30	\$ 13.08
5,000	\$ 7.10	\$ 4.50	\$ 13.85	\$ 0.75	\$ 26.20
6,000	\$ 7.10	\$ 4.50	\$ 17.24	\$ 0.90	\$ 29.74
7,000 Annualized	\$ 7.10	\$ 6.22	\$ 23.98	\$ 1.05	\$ 38.35
9,000	\$ 7.10	\$ 7.45	\$ 35.84	\$ 1.35	\$ 51.74
15,000	\$ 7.10	\$ 12.55	\$ 88.04	\$ 2.25	\$ 109.94
25,000	\$ 7.10	\$ 12.55	\$ 201.99	\$ 3.75	\$ 225.39
30,000	\$ 7.10	\$ 12.55	\$ 266.19	\$ 4.50	\$ 290.34
60,000	\$ 7.10	\$ 12.55	\$ 651.39	\$ 9.00	\$ 680.04

Projected Water Rates				
Minimum Charge	Tiered Fixed Fee	Volume Revenue	Reserve Fund Surcharge	Total Bill
\$ 28.60	\$ 12.00	\$ -	\$ -	\$ 40.60
\$ 28.60	\$ 12.00	\$ 0.50	\$ 0.19	\$ 41.29
\$ 28.60	\$ 12.00	\$ 1.00	\$ 0.38	\$ 41.98
\$ 28.60	\$ 17.00	\$ 4.30	\$ 0.95	\$ 50.85
\$ 28.60	\$ 17.00	\$ 5.40	\$ 1.14	\$ 52.14
\$ 28.60	\$ 18.75	\$ 7.22	\$ 1.33	\$ 55.90
\$ 28.60	\$ 20.00	\$ 10.50	\$ 1.71	\$ 60.81
\$ 28.60	\$ 28.00	\$ 26.02	\$ 2.85	\$ 85.47
\$ 28.60	\$ 28.00	\$ 61.17	\$ 4.75	\$ 122.52
\$ 28.60	\$ 28.00	\$ 81.17	\$ 5.70	\$ 143.47
\$ 28.60	\$ 28.00	\$ 201.17	\$ 11.40	\$ 269.17

Variances	
Total Bill \$ Variance	Total Bill % Variance
\$ 31.50	346.2%
\$ 30.20	272.3%
\$ 28.90	220.9%
\$ 24.65	94.1%
\$ 22.40	75.3%
\$ 17.55	45.8%
\$ 9.07	17.5%
\$ (24.47)	-22.3%
\$ (102.87)	-45.6%
\$ (146.87)	-50.6%
\$ (410.87)	-60.4%

Residential Bill Comparisons - Customer Assistance Program Customers

Monthly Usage Gallons 5/8" Meter	2014 Approved Rates				
	Minimum Charge	Tiered Fixed Fee	Volume Revenue	Reserve Fund Surcharge	Total Bill
0	\$ -	\$ -	\$ -	\$ -	\$ -
1,000	\$ -	\$ -	\$ 1.45	\$ 0.15	\$ 1.45
2,000	\$ -	\$ -	\$ 2.90	\$ 0.30	\$ 2.90
5,000	\$ -	\$ -	\$ 11.00	\$ 0.75	\$ 11.00
6,000	\$ -	\$ -	\$ 13.70	\$ 0.90	\$ 13.70
7,000 Annualized	\$ -	\$ -	\$ 17.32	\$ 1.05	\$ 18.37
9,000	\$ -	\$ -	\$ 26.75	\$ 1.35	\$ 26.75
15,000	\$ -	\$ -	\$ 67.25	\$ 2.25	\$ 67.25
25,000	\$ -	\$ -	\$ 171.95	\$ 3.75	\$ 171.95
30,000	\$ -	\$ -	\$ 236.90	\$ 4.50	\$ 236.90
60,000	\$ -	\$ -	\$ 626.60	\$ 9.00	\$ 626.60

Projected Water Rates				
Minimum Charge	New Tiered Fixed Fee	Volume Revenue	Reserve Fund Surcharge	Total Bill w/o RSF
\$ -	\$ -	\$ -	\$ 0.00	\$ -
\$ -	\$ -	\$ 0.69	\$ 0.19	\$ 0.69
\$ -	\$ -	\$ 1.38	\$ 0.38	\$ 1.38
\$ -	\$ -	\$ 5.25	\$ 0.95	\$ 5.25
\$ -	\$ -	\$ 6.54	\$ 1.14	\$ 6.54
\$ -	\$ -	\$ 7.22	\$ 1.33	\$ 8.55
\$ -	\$ -	\$ 12.21	\$ 1.71	\$ 12.21
\$ -	\$ -	\$ 28.87	\$ 2.85	\$ 28.87
\$ -	\$ -	\$ 65.92	\$ 4.75	\$ 65.92
\$ -	\$ -	\$ 86.87	\$ 5.70	\$ 86.87
\$ -	\$ -	\$ 212.57	\$ 11.40	\$ 212.57

Variances	
Total Bill \$ Variance	Total Bill % Variance
\$ -	0.0%
\$ (0.76)	-52.4%
\$ (1.52)	-52.4%
\$ (5.75)	-52.3%
\$ (7.16)	-52.3%
\$ (9.82)	-53.5%
\$ (14.54)	-54.4%
\$ (38.38)	-57.1%
\$ (106.03)	-61.7%
\$ (150.03)	-63.3%
\$ (414.03)	-66.1%

Assumptions
 2014 Approved Water Revenue with Fixed Revenue at ~80% of Total Revenue.
 - Fixed revenue goal of ~80% of total revenue with goals by class based on cost of service allocation
 - \$39.3M revenue from Tiered Fixed Fee to meet ~80% fixed revenue goal

Fixed & Volume Revenue % by Class		
	% Fixed Revenue	% Volumetric Revenue
Residential	79.7%	20.3%
Multifamily	80.0%	20.0%
Commercial	80.0%	20.0%
Large Volume	80.0%	20.0%
Wholesale	11.0%	89.0%
Total	76.4%	23.6%

Revenue Reserve Fund Surcharge	
Rate Per	
1,000 Gallons	\$ 0.19
Volumetric Revenue	
Residential	\$ 2,735,491
Multifamily	1,622,487
Commercial	2,047,518
Large Volume	565,775
Wholesale	513,764
Total	\$ 7,485,035