

Option #10
Fixed Revenue at 20% of Total Revenue
Reduced Consumption to 38 BG, Eliminate Transfers to GF, SF, EIRF, and EDF

Option Results Summary

Minimum Charge: All Retail Classes	
Meter Size	Minimum Charge
5/8"	\$ 7.90
3/4"	\$ 13.00
1"	\$ 16.00
1 1/2"	\$ 28.00
2"	\$ 44.00
3"	\$ 72.00
4"	\$ 142.00
6"	\$ 287.00
8"	\$ 1,038.00
10"	\$ 1,228.00
12"	\$ 1,458.00

Residential Water Rates

Tiered Fixed Fee: Total Water Use Ending in Tier		
Tier 1	0 - 2,000	\$ 2.50
Tier 2	2,001 - 6,000	\$ 5.50
Tier 3	6,001 - 11,000	\$ 8.90
Tier 4	11,001 - 20,000	\$ 13.00
Tier 5	Over 20,000	\$ 13.00

Volumetric Rates Non CAP Per 1,000 Gallons		
Block 1	0 - 2,000	\$ 3.66
Block 2	2,001 - 6,000	\$ 5.25
Block 3	6,001 - 11,000	\$ 8.02
Block 4	11,001 - 20,000	\$ 11.77
Block 5	Over 20,000	\$ 14.66

Volumetric Rates CAP Per 1,000 Gallons		
Block 1	0 - 2,000	\$ 3.00
Block 2	2,001 - 6,000	\$ 4.25
Block 3	6,001 - 11,000	\$ 5.90
Block 4	11,001 - 20,000	\$ 9.50
Block 5	Over 20,000	\$ 14.66

Volatility Measure

Revenue Losses at 2010 Consumption Levels	
Approved Rates	\$ (38.22) Million
Option Rates	\$ (37.19) Million
Volatility Measure	\$ 1.03 Million

Positive equals less volatility and lower potential revenue losses
Negative equals more volatility and higher potential revenue losses

Break Even Volume
10,500 Gallons

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
\$ 7.90	\$ 2.50	\$ -	\$ -	\$ 10.40
\$ 7.90	\$ 2.50	\$ 3.66	\$ 0.19	\$ 14.25
\$ 7.90	\$ 2.50	\$ 7.32	\$ 0.38	\$ 18.10
\$ 7.90	\$ 5.50	\$ 23.07	\$ 0.95	\$ 37.42
\$ 7.90	\$ 5.50	\$ 28.32	\$ 1.14	\$ 42.86
\$ 7.90	\$ 7.48	\$ 36.87	\$ 1.33	\$ 53.59
\$ 7.90	\$ 8.90	\$ 52.38	\$ 1.71	\$ 70.89
\$ 7.90	\$ 13.00	\$ 115.50	\$ 2.85	\$ 139.25
\$ 7.90	\$ 13.00	\$ 247.65	\$ 4.75	\$ 273.30
\$ 7.90	\$ 13.00	\$ 320.95	\$ 5.70	\$ 347.55
\$ 7.90	\$ 13.00	\$ 760.75	\$ 11.40	\$ 793.05

Variances		Subsidy Percent of COS Rate
Total Bill \$ Variance	Total Bill % Variance	
\$ 1.30	14.3%	
\$ 3.16	28.5%	-14.7%
\$ 5.02	38.4%	-21.4%
\$ 11.22	42.8%	-16.7%
\$ 13.12	44.1%	-16.4%
\$ 15.24	39.7%	-12.1%
\$ 19.15	37.0%	-3.7%
\$ 29.31	26.7%	20.5%
\$ 47.91	21.3%	53.0%
\$ 57.21	19.7%	65.4%
\$ 113.01	16.6%	98.6%

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	\$ 1.60
2,000	\$ -	\$ -	\$ 2.90	\$ 0.30	\$ 3.20
5,000	\$ -	\$ -	\$ 11.00	\$ 0.75	\$ 11.75
6,000	\$ -	\$ -	\$ 13.70	\$ 0.90	\$ 14.60
7,000 Annualized	\$ -	\$ -	\$ 17.32	\$ 1.05	\$ 18.37
9,000	\$ -	\$ -	\$ 26.75	\$ 1.35	\$ 28.10
15,000	\$ -	\$ -	\$ 67.25	\$ 2.25	\$ 69.50
25,000	\$ -	\$ -	\$ 171.95	\$ 3.75	\$ 175.70
30,000	\$ -	\$ -	\$ 236.90	\$ 4.50	\$ 241.40
60,000	\$ -	\$ -	\$ 626.60	\$ 9.00	\$ 635.60

Projected Water Rates				
Minimum Charge	Tiered Fixed Fee	Volume Revenue	Reserve Fund Surcharge	Total Bill
\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 3.19	\$ 0.19	\$ 3.38
\$ -	\$ -	\$ 6.38	\$ 0.38	\$ 6.76
\$ -	\$ -	\$ 19.70	\$ 0.95	\$ 20.65
\$ -	\$ -	\$ 24.14	\$ 1.14	\$ 25.28
\$ -	\$ -	\$ 29.22	\$ 1.33	\$ 30.55
\$ -	\$ -	\$ 42.41	\$ 1.71	\$ 44.12
\$ -	\$ -	\$ 93.35	\$ 2.85	\$ 96.20
\$ -	\$ -	\$ 216.05	\$ 4.75	\$ 220.80
\$ -	\$ -	\$ 290.30	\$ 5.70	\$ 296.00
\$ -	\$ -	\$ 735.80	\$ 11.40	\$ 747.20

Variances		Subsidy % Variance
Total Bill \$ Variance	Total Bill % Variance	
\$ -	0.0%	-100.0%
\$ 1.78	111.3%	-76.3%
\$ 3.56	111.3%	-62.7%
\$ 8.90	75.7%	-44.8%
\$ 10.68	73.2%	-41.0%
\$ 12.18	66.3%	-43.0%
\$ 16.02	57.0%	-37.8%
\$ 26.70	38.4%	-30.9%
\$ 45.10	25.7%	-19.2%
\$ 54.60	22.6%	-14.8%
\$ 111.60	17.6%	-5.8%

Assumptions

- 2014 Approved Water Revenue with Fixed Revenue at 20% of Total Revenue.
- Residential volume rates maintain approximate \$11.00 spread between blocks 1 and 5
- Fixed revenue goal of 20% of total revenue with goals by class based on cost of service allocation
- \$13.7 M revenue from Tiered Fixed Fee to meet 20% fixed revenue goal
- Customer class fixed revenue goals based on cost of service based allocation
- Eliminate Transfers Out to General Fund, Sustainability Fund, Economic Incentives Reserve Fund, and Economic Development Fund.

Fixed & Volume Revenue % by Class

	% Revenue	
	Fixed Revenue	Volumetric Revenue
Residential	27.1%	72.9%
Multifamily	17.3%	82.7%
Commercial	15.9%	84.1%
Large Volume	11.5%	88.5%
Wholesale	11.0%	89.0%
Total	20.0%	80.0%

Revenue Reserve Fund Surcharge

Rate Per 1,000 Gallons	\$
	0.19

Volumetric Revenue	
Residential	\$ 2,621,322
Multifamily	1,532,545
Commercial	1,846,508
Large Volume	562,008
Wholesale	505,879
Total	\$ 7,068,262