

DRAFT

**SAN LORENZO VALLEY
WATER DISTRICT**

Water Rates Update

December 2008

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Board of Directors

Fred McPherson, President
James Nelson, Vice President
Larry Prather, Director
James Rapoza, Director
Terry Vierra, Director

Staff

Karen Alvarez, Finance Manager
Jim Mueller, General Manager

The consulting team comprised the following participants:

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* *Services provided through Merit Resource Group*

ABBREVIATIONS AND TERMS

CIP	Capital improvement program
DISTRICT	San Lorenzo Valley Water District
FY	Fiscal year (July 1 to June 30)
FY 2010	July 1, 2009 through June 30, 2010
GPM	Gallons per minute
HCF	Hundred cubic feet; equal to 748 gallons (also CCF)
O&M	Operation and maintenance
SFR	Single family residential

PLEASE TAKE NOTE

This report is intended to provide general discussion of the subject matter covered. To the extent it addresses laws, regulations or court decisions of any jurisdiction, it is not intended as a precise, detailed or thorough summary of the pertinent legal authorities. The reader should note that this report was not prepared or reviewed by an attorney, and it is not intended, and should not be relied upon, as legal advice. Its purpose is to assist in the recognition and analysis of public policy issues. Questions concerning the interpretation or applicability of the legal authorities referenced herein should be referred to an attorney qualified in the specific subject matter.

CHAPTER 1

CHAPTER 1

INTRODUCTION

This report documents the development and evaluation of water rates that would meet multi-faceted rate-setting objectives. The rate-setting objectives are to adequately fund water utility operations and maintenance expenditures, transfers to the capital replacement fund, and long term debt obligations (including coverage requirements) while keeping rates as competitive as possible and maintaining a prudent level of reserves.

A *Long Term Financial Plan* for the water system and wastewater system was completed for the District in January 2007. The plan looked at water system water sales, number of meters, expenditures and revenues for a 50 year period through 2055. The District's Board, informed by the plan, increased water rates effective July 1, 2007. The approximate level of increases was 11% for the Basic charges for the various water meter sizes and 10% - 11% for the Usage charges for each of the five tiers.

Organization and Operations

The District was established in 1941 pursuant to provisions in the California Water Code. It was created to develop a water supply for domestic requirements as well as for fire protection and recreational facilities in the San Lorenzo Valley. The District is governed by a five person Board of Directors elected to four year terms by registered voters throughout the District's boundaries.

At the time of its establishment, the District contained approximately 58 square miles and served approximately 5,750 water customers and 55 sewer customers. On September 5th 2008, the District has assumed ownership and operation of the Felton water system. The District now serves more than 7,300 metered water connections to the communities of Boulder Creek, Brookdale, Ben Lomond, Zayante, Scotts Valley, Manana Woods and Felton.

Water Rates

The specific water rates to be developed in this study are listed below (along with the accounting revenue code):

- Usage Charges – rates for 5 levels of water use (in units of hundred cubic feet, Ccf):
 - First 10 units
 - 11 – 40 units
 - 41 – 100 units
 - 101 – 200 units
 - Over 200 units
- Basic Charges – rates for 21 categories of water meters based on size and type of use

Based on the findings and recommendations provided in this study, the District plans to adopt updated Usage charges and Basic charges for multiple years included in the FY 08-09 through FY 12-13 time period.

Conceptual Approach

In developing rates, we considered industry standard rate development concepts. These concepts are the basis upon which rates were developed:

- **Revenue Sufficient.** Effective in recovering the costs of providing services.
- **Practical.** Easy to understand, publicly acceptable, and feasible to implement and administer.
- **Equitable.** Fair in apportioning the total cost of service among the different customer classes.
- **Proposition 218 Compliant.** Meets the substantive requirements of Articles XIII C and XIII D of the California Constitution pertaining to property related fees.

This study does not evaluate or update the allocation of costs among customer classes. As such, this study is an evaluation of revenue required from rates; it is not a cost of service study designed to establish an allocation-based conservation water pricing rate structure.

The primary consideration was to retain the current water rate structure. This study proposes to retain the current rate structures albeit with increases in the Usage charges and Basic charges.

Report Organization

The report is organized into four chapters and multiple appendices. Following the introduction, Chapter 2 describes water use characteristics. Chapter 3 describes the development of revenue required from water rates. Chapter 4 describes the development of water rates and the rates recommended for adoption.

CHAPTER 2

CHAPTER 2

WATER METERS AND USE

This chapter describes the development of projections of water use and the number of water meters for the 10-year study period 2009 through 2018.

Current and Projected Water Meters

The current number of water meters and annual water sales were used to develop annual projections for the time period ending in 2018. The current number of meters is from a report entitled *Meters in Ground by User Code* and is included as Table A-1 in Appendix A. The report is for Fiscal Year (FY) 2007-2008 and has monthly values. The total number of meters by customer class and meter size for the fiscal year is summarized as shown in Table 2-1. Figure 2-1 shows meters by customer class and Figure 2-2 shows meters by meter size. For the purpose of projecting revenue from basic charges, only the meter size is relevant so projections of the number of meters shows only meter sizes.

The projected number of meters for 2009 – 2018 is shown in Table 2-2. The annual increase in the number of meters is projected to be about 20 (0.3% per year).

Current and Projected Water Sales

The current level of water use is from a report entitled *Meters in Ground by User Code* and is included as Table A-1 in Appendix A. The report lists monthly water sales for FY 2007-2008 for each customer class. The total water use for the fiscal year is summarized in Table 2-3. Total water use for the fiscal year was sorted into tiers using past allocations of water use. Water use for 2008 was developed based on average use per meter for FY 2007-2008 for each customer class times the number of meters projected for 2008. The last 3 months of 2008 include the new Felton customers.

Water use for 2009 is developed in the same manner as water use for 2008 except that new Felton customers are included for the entire year and water use for single family customers is projected to decrease by two percent. Figure 2-3 shows projected 2009 water sales by tier summarized for all users.

The projected amount of water sales for 2009 – 2018 by tier for each customer class is shown in Table 2-4. Water sales are projected to remain flat for the 10-year period. As a result of flat water sales and a slight growth in accounts, average water use is expected to gradually decline from 21.2 Ccf/month to 20.7 Ccf/month (about a 2.3 percent decline over the 10-year period).

Figure 2-4 shows annual water sales and average water use for the past 17 years (1992 – 2008) and the next 10 years 2009 – 2018. Historical data for this table is included in Table A-2 in Appendix A.

Table 2-1 Meters by Meter Size

Meter Size	Customer Class (a)										Total Less "FS" & Less "V"
	Single Res R	Multi Res MR	Comm C	Inst/ Govt I	Ldscp L	Private Mutuals PM	Surplus S	Fire Service FS	Other O	Vacant V	
5/8-Inch	6,085	8	181	25	8	1		28	3	57	6,412
5/8A-Inch	4	318	10	1							333
5/8B-Inch		8	1			1					8
5/8C-Inch		1									1
3/4-Inch			1						1	2	4
3/4A-Inch	200	4									204
1-Inch	87	43	25	7	3					1	166
1A-Inch		1				1					1
1B-Inch		1									1
1F/K-Inch	100	1		1						2	104
1-1/2-Inch	1	5	10	5	1			2			24
1-1/2A-Inch		1									1
1-1/2C-Inch											0
1-1/2F-Inch	1										1
1-1/2G-Inch	1										1
1-1/2S-Inch						1					1
2-Inch	3	6	11	9	1	1		1	3		36
2A-Inch		1									1
2G/L-Inch				1							1
3-Inch		1		1							2
4-Inch				2							2
Total	6,492	398	249	52	11	5	0	29	7	62	7,303
Percent of Total	88.8%	5.4%	3.4%	0.7%	0.2%	0.1%	0.0%	0.4%	0.1%	0.8%	100.0%
Avg FY 2007/08	5,342	397	108	29	11	4	0	1	4	58	5,952
Felton Accounts	1,150	-1	143	23	0	1	0	28	3	4	1,351

Source: "Meters In Ground by User Code" report dated October 13, 2008.

Notes:

a. The number of 5/8-inch Surplus meters is net of all 27 meters (leaving 0 meters).
Surplus water for each account is from a master meter at the water distribution site.

Table 2-2 Projected Meters by Meter Size

Meter Size	Est (a) 2008	Projected (b)									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
5/8-Inch	6,329	6,348	6,367	6,386	6,405	6,424	6,443	6,462	6,481	6,500	6,520
5/8A-Inch	333	333	333	333	333	333	333	333	333	333	333
5/8B-Inch	8	8	8	8	8	8	8	8	8	8	8
5/8C-Inch	1	1	1	1	1	1	1	1	1	1	1
3/4-Inch	2	2	2	2	2	2	2	2	2	2	2
3/4A-Inch	204	204	204	204	204	204	204	204	204	204	204
1-Inch	185	185	185	185	185	185	185	185	185	185	185
1A-Inch	1	1	1	1	1	1	1	1	1	1	1
1B-Inch	1	1	1	1	1	1	1	1	1	1	1
1F-Inch	102	102	102	102	102	102	102	102	102	102	102
1-1/2-Inch	22	22	22	22	22	22	22	22	22	22	22
1-1/2A-Inch	1	1	1	1	1	1	1	1	1	1	1
1-1/2C-Inch	0	0	0	0	0	0	0	0	0	0	0
1-1/2F-Inch	1	1	1	1	1	1	1	1	1	1	1
1-1/2G-Inch	1	1	1	1	1	1	1	1	1	1	1
1-1/2S-Inch	1	1	1	1	1	1	1	1	1	1	1
2-Inch	34	34	34	34	34	34	34	34	34	34	34
2A-Inch	1	1	1	1	1	1	1	1	1	1	1
2G-Inch	1	1	1	1	1	1	1	1	1	1	1
3-Inch	2	2	2	2	2	2	2	2	2	2	2
4-Inch	2	2	2	2	2	2	2	2	2	2	2
Total	7,212	7,231	7,250	7,269	7,288	7,307	7,326	7,345	7,364	7,383	7,403
Annual Increase		19	19	19	19	19	19	19	19	19	20

Notes:

a. The 2008 meter count is from Table 2-1 and includes customers in the Felton area.
Meters for the "Other" and "Vacant" categories are excluded.

b. Annual percent increase estimates:

5/8-Inch	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
3/4-Inch	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
1-Inch	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
All Others	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

This is a draft and is not intended to be a final representation of the work done or recommendations made by Municipal Financial Services. It should not be relied upon; consult the final report.

Figure 2-1 Meters by Meter Size

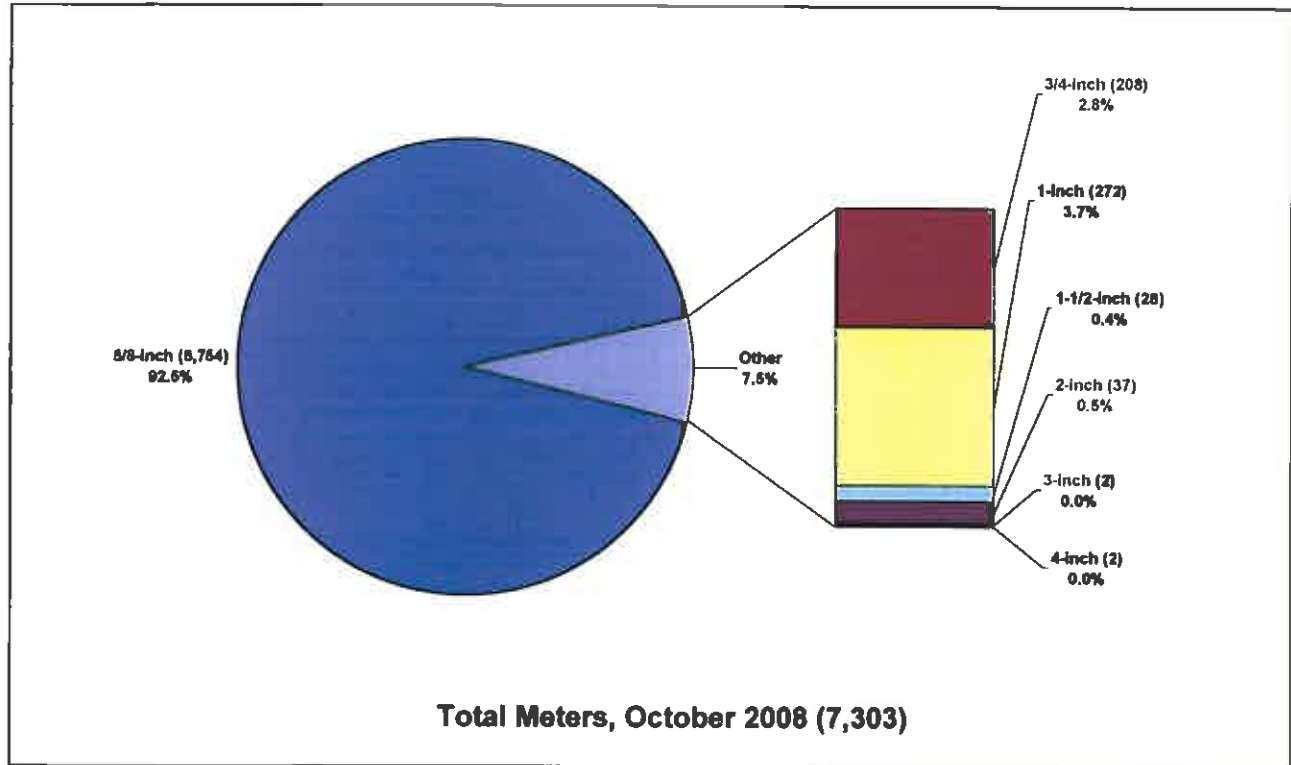
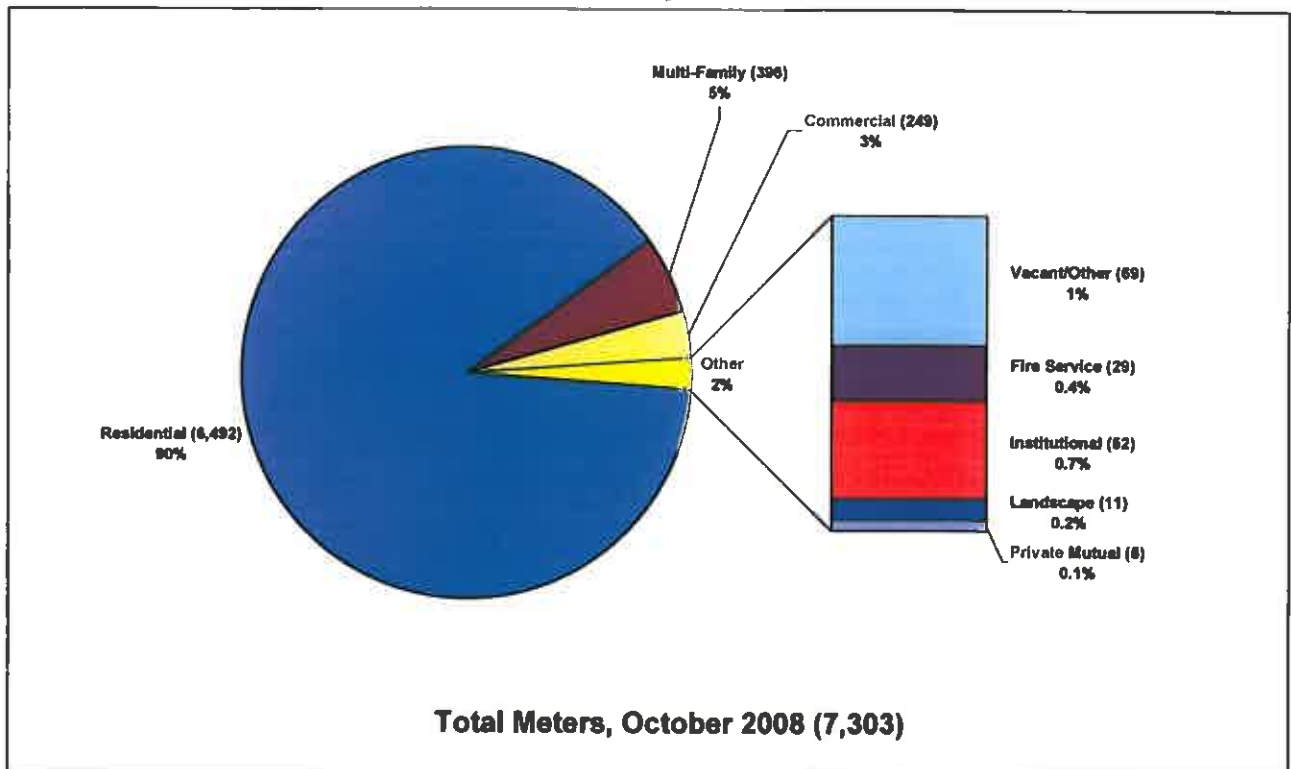


Figure 2-2 Meters by Customer Class



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Table 2-3 FY 07/08 Actual Water Sales and Projected Water Sales for 2008 and 2009

	R	MR	C	I	L	PM	S	Total
FY 2007/08 (a)								
Water Sales, Ccf								
First 10 units	283,232	20,679	4,435	1,847	583	187	180	290,903
11 - 40 units	229,546	29,338	6,583	3,324	1,059	500	89	270,420
41 - 100 units	62,760	12,184	4,193	4,837	1,141	1,000	0	88,115
101 - 200 units	12,533	6,848	2,591	5,741	1,022	1,220	0	29,754
Over 200 units	<u>5,298</u>	<u>40,002</u>	<u>8,871</u>	<u>12,970</u>	<u>5,007</u>	<u>5,288</u>	<u>0</u>	<u>75,437</u>
Total	573,369	108,851	24,873	28,520	8,812	8,174	229	752,628
Water Sales, %								
First 10 units	45.9%	19.0%	18.0%	5.8%	8.8%	2.0%	89.9%	
11 - 40 units	40.0%	27.0%	26.7%	11.7%	12.0%	6.1%	30.1%	
41 - 100 units	10.9%	11.2%	17.0%	17.0%	13.0%	12.2%	0.0%	
101 - 200 units	2.2%	6.1%	10.5%	20.1%	11.6%	14.9%	0.0%	
Over 200 units	<u>0.9%</u>	<u>36.7%</u>	<u>27.8%</u>	<u>45.5%</u>	<u>56.8%</u>	<u>64.7%</u>	<u>0.0%</u>	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Average FY 2007/08								
Meters	5,342	397	108	29	11	4	27	5,918
Monthly Use, Ccf	8.94	22.8	19.4	81.5	66.8	170.3	0.7	
CY 2008 (b)								
January 1 - September 30								
Months	9	9	9	9	9	9	9	
New Connections	14							14
Meters	5,358	397	108	29	11	4	27	5,931
Monthly Use, Ccf	8.9	22.8	19.4	81.5	66.8	170.3	0.7	
Use, Ccf	431,174	81,638	18,505	21,390	6,609	6,131	172	565,618
October 1 - December 31								
Months	3	3	3	3	3	3	3	
New Connections	5							5
Meters	6,497	396	249	52	11	5	0	7,210
Monthly Use, Ccf	8.94	22.8	19.4	81.5	66.8	170.3	0.7	
Use, Ccf	174,333	27,133	14,467	12,712	2,203	2,554	0	233,402
Water Sales, Ccf								
First 10 units	277,986	20,664	5,927	1,970	583	177	120	307,427
11 - 40 units	242,412	29,317	6,797	3,975	1,059	531	52	288,143
41 - 100 units	68,278	12,175	5,804	5,784	1,141	1,082	0	92,043
101 - 200 units	13,235	6,843	3,462	6,885	1,022	1,296	0	32,523
Over 200 units	<u>5,595</u>	<u>39,973</u>	<u>9,182</u>	<u>15,509</u>	<u>5,007</u>	<u>5,619</u>	<u>0</u>	<u>80,884</u>
Total	605,507	108,771	32,872	34,102	8,812	8,685	172	799,020
CY 2009 (b)								
January 1 - December 31								
Months	12	12	12	12	12	12	12	
New Connections	19							19
Meters	6,516	396	249	52	11	5	0	7,229
Monthly Use, Ccf	8.77	22.8	19.4	81.5	66.8	170.3	0.7	
Use, Ccf	685,385	108,531	57,867	50,847	8,812	10,218	0	921,660
Water Sales, Ccf								
First 10 units	314,858	20,618	10,402	2,937	583	208	0	349,406
11 - 40 units	274,391	29,252	15,439	5,927	1,059	625	0	328,693
41 - 100 units	75,021	12,148	9,835	8,623	1,141	1,250	0	108,019
101 - 200 units	14,981	6,828	6,077	10,236	1,022	1,525	0	40,468
Over 200 units	<u>6,334</u>	<u>39,885</u>	<u>18,114</u>	<u>23,124</u>	<u>5,007</u>	<u>6,610</u>	<u>0</u>	<u>97,074</u>
Total	685,385	108,531	57,867	50,847	8,812	10,218	0	921,660
Notes:								
a. FY 07/08 water use totals for each customer class were provided by the District. Total use was allocated to each tier using percentage use in each tier that was based on data during the time period May 2005 - April 2006.								
b. CY 2008 and CY 2009 total use is based on average use for each customer class for FY 07/08; except for Residential average use for CY 2009 which is decreased by > 2.0%								

Table 2-4 Projected Water Sales (Ccf)

Customer Class	Est 2008	Projected (a)									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential											
First 10 units	278	315	315	315	315	315	315	315	315	315	315
11 - 40 units	242	274	274	274	274	274	274	274	274	274	274
41 - 100 units	68	75	75	75	75	75	75	75	75	75	75
101 - 200 units	13	15	15	15	15	15	15	15	15	15	15
Over 200 units	6	6	6	6	6	6	6	6	6	6	6
Multi-Residential											
First 10 units	21	21	21	21	21	21	21	21	21	21	21
11 - 40 units	29	29	29	29	29	29	29	29	29	29	29
41 - 100 units	12	12	12	12	12	12	12	12	12	12	12
101 - 200 units	7	7	7	7	7	7	7	7	7	7	7
Over 200 units	40	40	40	40	40	40	40	40	40	40	40
Commercial											
First 10 units	6	10	10	10	10	10	10	10	10	10	10
11 - 40 units	9	15	15	15	15	15	15	15	15	15	15
41 - 100 units	8	10	10	10	10	10	10	10	10	10	10
101 - 200 units	3	6	6	6	6	6	6	6	6	6	6
Over 200 units	9	16	16	16	16	16	16	16	16	16	16
Inst-Government											
First 10 units	2	3	3	3	3	3	3	3	3	3	3
11 - 40 units	4	6	6	6	6	6	6	6	6	6	6
41 - 100 units	6	9	9	9	9	9	9	9	9	9	9
101 - 200 units	7	10	10	10	10	10	10	10	10	10	10
Over 200 units	16	23	23	23	23	23	23	23	23	23	23
Landscape											
First 10 units	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
11 - 40 units	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
41 - 100 units	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
101 - 200 units	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Over 200 units	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Private Mutuals											
First 10 units	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
11 - 40 units	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
41 - 100 units	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
101 - 200 units	1.3	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Over 200 units	5.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
Surplus											
First 10 units	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11 - 40 units	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
41 - 100 units	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
101 - 200 units	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Over 200 units	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL											
First 10 units	307	349	349	349	349	349	349	349	349	349	349
11 - 40 units	286	327	327	327	327	327	327	327	327	327	327
41 - 100 units	92	108	108	108	108	108	108	108	108	108	108
101 - 200 units	33	40	40	40	40	40	40	40	40	40	40
Over 200 units	81	97	97	97	97	97	97	97	97	97	97
All units	799	922	922	922	922	922	922	922	922	922	922
AVG/ACCT/2-MO		21.2	21.2	21.1	21.1	21.0	21.0	20.9	20.9	20.8	20.7
Notes:											
a. Annual percent increase >											
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Figure 2-3 Projected Water Sales by Tier, 2009, Ccf

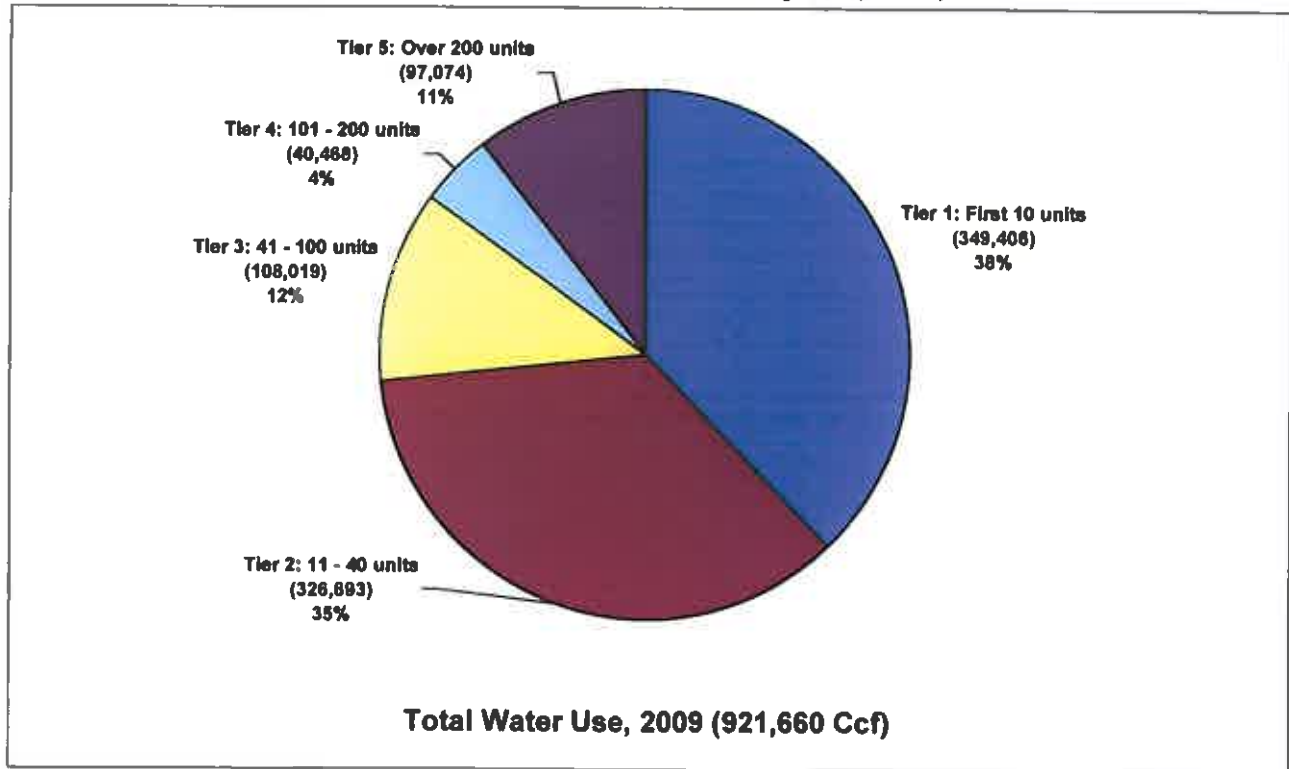
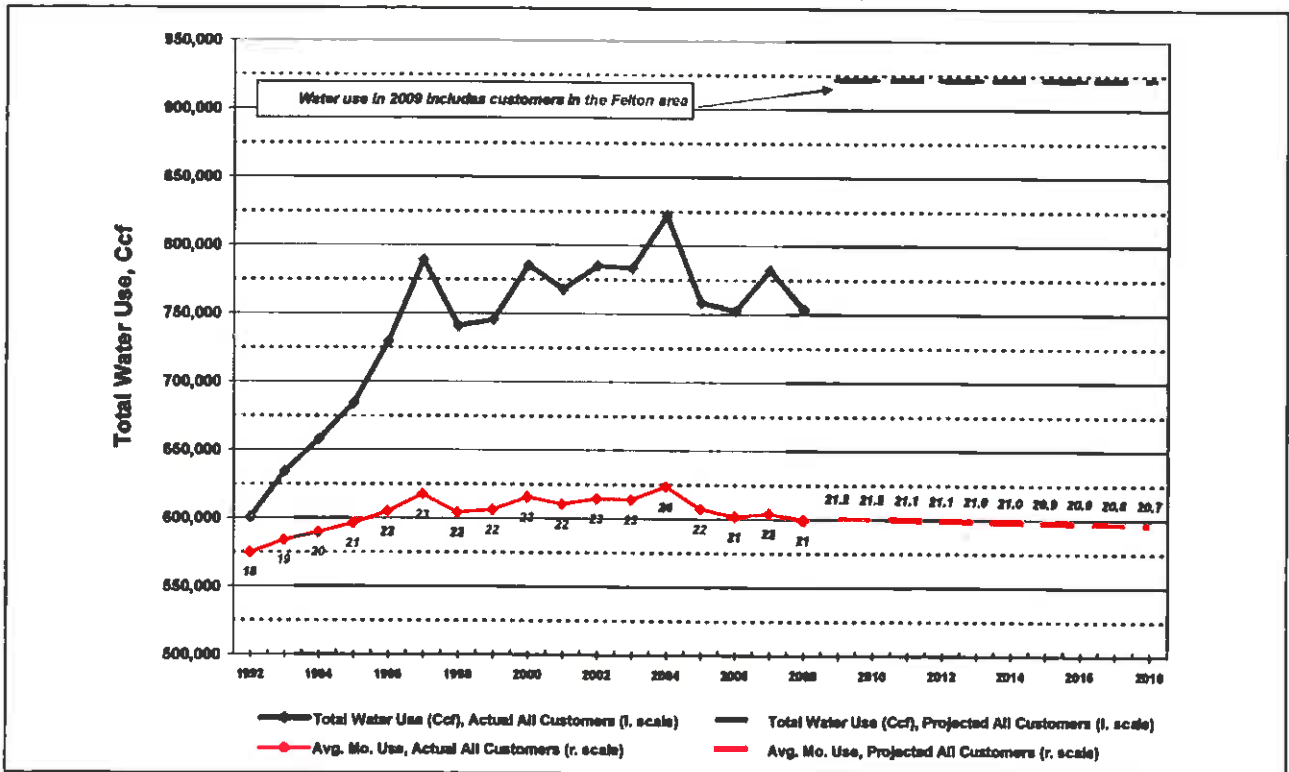


Figure 2-4 Water Sales, 1992 - 2018, Ccf



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CHAPTER 3

CHAPTER 3

EXPENDITURES AND NON-OPERATING REVENUES

This chapter describes projected expenditures, non-operating revenues and target fund balances. Expenditures include those for operating, capital, debt service and maintenance of the fund balance. Non-operating are all revenues except those from rates. The revenue from rates is predicated on rate increases described in the next chapter.

Water System Expenditures and Non-operating Revenues

Water system expenditures and non-operating revenues for FY 2007/08 and FY 2008/09 were used to develop projections for the next nine years. Expenditures and non-operating revenues for FY 2007/08 and FY 2008/09 reflect the addition of the Felton service area. Revenue from water rates are described in subsequent sections of this chapter. Expenditures and non-operating revenues for FY 2007/08 and FY 2008/09 are shown in Table 3.1.

Table 3.1 Expenditures, FY 2007/08 and FY 2008/09

Item	FY 2007/08	FY 2008/09
Non-operating Income		
Assessments	\$125,322	\$120,000
Property Taxes	\$505,233	\$500,000
Meter Sales	\$52,332	\$60,000
Charges and Penalties	\$37,649	\$35,000
Miscellaneous	\$23,185	\$73,000
Interest Earnings	\$707,197	\$452,000
Total Non-operating Income	\$1,450,918	\$1,240,000
Operating Expenses		
Salaries and Expenses	\$2,296,317	\$2,370,850
Professional Services	\$380,820	\$298,000
Material and Supplies	\$149,012	\$163,000
Utilities and Telephone	\$375,827	\$410,700
Insurance	\$51,816	\$60,000
Election Fees	\$0	\$0
LAFCO Fees	\$4,938	\$5,700
Vehicle & Equip. Maintenance	\$105,828	\$99,500
Building Maintenance	\$26,647	\$28,500
Collection Charges	\$1,572	\$2,200
Miscellaneous	\$1,115	\$7,500
Travel, Meals, Conf	\$8,074	\$17,000
Auto Allowance	\$4,200	\$4,200
Office Expenses	\$40,083	\$64,750
Rentals and Permits	\$36,881	\$39,500
Repairs	\$0	\$0
Water Conservation & Education	\$41,385	\$47,500
Total Operating Expenditures	\$3,524,515	\$3,618,900

Projected expenditures and non-operating revenues are shown in Table 3-2. Projected non-operating revenues are held level for the next nine years (a conservative assumption for purposes of rate development). Annual interest earnings are based on an assumed interest rate times the projected average fund balance. Projected operating expenses are based on an annual escalation rate of three percent except for 2010 salaries and expenses which were escalated at four percent.

Table 3-2 Projected Expenditures and Non-operating Revenues

Item	Est	Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Non-operating Revenues											
Assessments	\$125	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120
Property Taxes	\$505	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Meter Sales	\$52	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Charges and Penalties	\$38	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35
Miscellaneous	\$23	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73
Interest Earnings	\$707	\$452	\$391	\$602	\$694	\$676	\$662	\$649	\$639	\$631	\$629
Total Non-operating Income	\$1,451	\$1,240	\$1,179	\$1,390	\$1,482	\$1,464	\$1,450	\$1,437	\$1,427	\$1,419	\$1,417
Operating Expenses											
Salaries and Expenses	\$2,296	\$2,371	\$2,466	\$2,540	\$2,616	\$2,694	\$2,775	\$2,858	\$2,944	\$3,032	\$3,123
Professional Services	\$381	\$298	\$307	\$316	\$326	\$335	\$345	\$356	\$367	\$377	\$389
Materials and Supplies	\$149	\$163	\$168	\$173	\$178	\$183	\$189	\$195	\$200	\$206	\$213
Utilities and Telephone	\$376	\$411	\$423	\$436	\$449	\$462	\$476	\$490	\$505	\$520	\$536
Insurance	\$52	\$60	\$62	\$64	\$66	\$68	\$70	\$72	\$74	\$76	\$78
Election Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LAFCO Fees	\$5	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$7
Vehicle & Equip Mtc	\$106	\$100	\$102	\$106	\$109	\$112	\$115	\$119	\$122	\$126	\$130
Building Mtc	\$27	\$29	\$29	\$30	\$31	\$32	\$33	\$34	\$35	\$36	\$37
Collection Charges	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3
Miscellaneous	\$1	\$8	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$10	\$10
Travel, Meals & Conf	\$8	\$17	\$18	\$18	\$19	\$19	\$20	\$20	\$21	\$22	\$22
Auto Allowance	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$5	\$5
Office Expenses	\$40	\$65	\$67	\$69	\$71	\$73	\$75	\$77	\$80	\$82	\$84
Rentals and Permits	\$37	\$40	\$41	\$42	\$43	\$44	\$46	\$47	\$49	\$50	\$52
Repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Cons & Educ	\$41	\$48	\$49	\$50	\$52	\$53	\$55	\$57	\$58	\$60	\$62
Total Operating Expenditures	\$3,525	\$3,619	\$3,751	\$3,864	\$3,980	\$4,099	\$4,222	\$4,349	\$4,479	\$4,613	\$4,752

Debt Service

As of the beginning of 2008, the District had approximately \$9,500,000 of debt service payments remaining with eight issuers. Between 2009 and 2018 annual principal and interest payments are approximately \$1,000,000. Annual debt service is shown in Table 3-3. No new debt service is projected as part of the long term financial plan.

Table 3-3 Current Debt Issues and Debt Service

Issuer	Purpose	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
BNY Western \$255,000.00	Principal Dec 15 >	\$20,000	\$20,000	\$20,000	\$25,000	\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$0
1997 CSDA Lease Finance Purchase & renovation OPS building	Principal Jun 15 >	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Interest Dec 15 >	\$3,948	\$3,388	\$2,818	\$2,238	\$1,500	\$750	\$0	\$0	\$0	\$0	\$0
	Interest Jun 15 >	\$3,388	\$2,818	\$2,238	\$1,500	\$750	\$0	\$0	\$0	\$0	\$0	\$0
	Total Principal + Interest >	\$27,335	\$26,205	\$25,055	\$28,738	\$27,250	\$25,750	\$0	\$0	\$0	\$0	\$0
West America \$429,000.00	Principal Dec 15 >	\$28,670	\$29,902	\$31,186	\$32,525	\$33,822	\$35,379	\$36,899	\$38,484	\$40,137	\$0	\$0
1998 Limited Obligation Improvement Refinance 1993 Safe Drinking Loan	Principal Jun 15 >	\$29,279	\$30,537	\$31,849	\$33,216	\$34,643	\$36,131	\$37,683	\$39,302	\$40,990	\$0	\$0
	Interest Dec 15 >	\$13,191	\$11,859	\$10,875	\$9,335	\$7,838	\$6,481	\$4,962	\$3,377	\$1,724	\$0	\$0
	Interest Jun 15 >	\$12,581	\$11,324	\$10,012	\$8,644	\$7,218	\$5,730	\$4,178	\$2,559	\$871	\$0	\$0
	Total Principal + Interest >	\$83,721	\$83,721	\$83,721	\$83,721	\$83,721	\$83,721	\$83,721	\$83,721	\$83,721	\$0	\$0
State of California \$3,501,485.33	Principal Dec 15 >	\$69,604	\$72,194	\$74,682	\$77,327	\$80,087	\$83,021	\$85,904	\$88,969	\$92,143	\$95,472	\$98,832
1988 Safe Drinking Loan Installation of NBC Distribution System	Principal Jun 15 >	\$70,689	\$73,824	\$76,177	\$78,874	\$81,543	\$84,598	\$87,555	\$90,657	\$93,795	\$97,215	\$100,639
	Interest Dec 15 >	\$42,122	\$39,531	\$37,063	\$34,398	\$31,638	\$28,704	\$25,821	\$22,756	\$19,582	\$16,253	\$12,893
	Interest Jun 15 >	\$40,838	\$38,101	\$35,549	\$32,851	\$30,182	\$27,129	\$23,821	\$20,088	\$17,930	\$14,511	\$11,086
	Total Principal + Interest >	\$223,450	\$223,450	\$223,450	\$223,450	\$223,450	\$223,450	\$223,450	\$223,450	\$223,450	\$223,450	\$223,450
Union Bank \$1,189,000.00	Principal Dec 15 >	\$75,000	\$75,000	\$80,000	\$85,000	\$90,000	\$90,000	\$100,000	\$100,000	\$100,000	\$0	\$0
N.B.C. Ref Assmt Bonds (Consol. NBC Dist. System)	Principal Jun 15 >	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Interest Dec 15 >	\$20,105	\$18,305	\$16,468	\$14,468	\$12,343	\$10,070	\$7,775	\$5,200	\$2,600	\$0	\$0
	Interest Jun 15 >	\$18,305	\$16,468	\$14,468	\$12,343	\$10,070	\$7,775	\$5,200	\$2,600	\$0	\$0	\$0
	Total Principal + Interest >	\$113,410	\$109,773	\$110,935	\$111,810	\$112,413	\$107,845	\$112,975	\$107,800	\$102,600	\$0	\$0
West America \$2,255,000.00	Principal Dec 15 >	\$63,425	\$68,150	\$68,991	\$71,854	\$75,045	\$78,268	\$81,830	\$85,138	\$88,793	\$92,808	\$96,584
1988 C.O.P. Issue Bond Misc. Improvements (Prop. Tax)	Principal Jun 15 >	\$64,773	\$67,555	\$70,457	\$73,483	\$76,639	\$79,831	\$83,364	\$86,945	\$90,678	\$94,574	\$98,636
	Interest Dec 15 >	\$41,834	\$38,909	\$36,068	\$33,105	\$30,014	\$26,791	\$23,429	\$19,823	\$16,266	\$12,453	\$8,475
	Interest Jun 15 >	\$40,286	\$37,504	\$34,602	\$31,576	\$28,420	\$25,128	\$21,695	\$18,114	\$14,380	\$10,485	\$6,423
	Total Principal + Interest >	\$210,118	\$210,118	\$210,118	\$210,118	\$210,118	\$210,118	\$210,118	\$210,118	\$210,118	\$210,118	\$210,118
City Nat'l Bank \$1,500,000.00	Principal Dec 15 >	\$37,637	\$38,406	\$41,262	\$43,203	\$45,235	\$47,363	\$49,591	\$51,924	\$54,368	\$56,824	\$59,601
Loan # 05-094 Johnson Bldg. Purchase	Principal Jun 15 >	\$38,513	\$40,324	\$42,221	\$44,207	\$46,287	\$48,464	\$50,744	\$53,131	\$55,630	\$58,247	\$60,987
	Interest Dec 15 >	\$32,367	\$30,597	\$28,743	\$26,802	\$24,770	\$22,642	\$20,414	\$18,081	\$15,639	\$13,081	\$10,404
	Interest Jun 15 >	\$31,492	\$29,681	\$27,784	\$25,798	\$23,718	\$21,541	\$19,281	\$16,874	\$14,375	\$11,758	\$9,018
	Total Principal + Interest >	\$140,009	\$140,009	\$140,009	\$140,009	\$140,009	\$140,009	\$140,009	\$140,009	\$140,009	\$140,009	\$140,009
CSDA \$1,750,000.00	Principal Dec 15 >	\$42,815	\$44,694	\$46,810	\$49,080	\$51,418	\$53,890	\$56,480	\$59,195	\$62,040	\$65,022	\$68,147
Loan # Melosky Creek Land Purchase	Principal Jun 15 >	\$43,628	\$45,724	\$47,822	\$50,229	\$52,840	\$55,170	\$57,821	\$60,600	\$63,513	\$66,568	\$69,765
	Interest Dec 15 >	\$38,608	\$37,580	\$35,413	\$33,163	\$30,805	\$28,334	\$25,744	\$23,029	\$20,184	\$17,202	\$14,077
	Interest Jun 15 >	\$38,598	\$36,499	\$34,301	\$31,998	\$29,584	\$27,054	\$24,402	\$21,623	\$18,710	\$15,658	\$12,458
	Total Principal + Interest >	\$164,447	\$164,447	\$164,447	\$164,447	\$164,447	\$164,447	\$164,447	\$164,447	\$164,447	\$164,447	\$164,447
State of California \$2,532,214.81	Principal Dec 15 >	\$0	\$0	\$80,153	\$81,587	\$83,077	\$84,512	\$86,144	\$87,735	\$89,363	\$90,770	\$92,741
Loan #ES1085A5 Safe Drinking Water Loan - Fulton	Principal Jun 15 >	\$0	\$59,877	\$60,335	\$61,821	\$63,343	\$64,979	\$66,499	\$68,135	\$69,810	\$71,588	\$73,285
	Interest Dec 15 >	\$0	\$0	\$33,246	\$31,802	\$30,322	\$28,887	\$27,254	\$25,684	\$24,035	\$22,428	\$20,856
	Interest Jun 15 >	\$0	\$34,421	\$33,064	\$31,578	\$30,056	\$28,420	\$26,900	\$25,284	\$23,588	\$21,813	\$20,114
	Total Principal + Interest >	\$0	\$93,399	\$166,797	\$166,797	\$166,797	\$166,797	\$166,797	\$166,797	\$166,797	\$166,797	\$166,797
Total All Issues		\$862,461	\$1,051,122	\$1,144,533	\$1,148,091	\$1,148,208	\$1,142,138	\$1,121,518	\$1,116,343	\$1,111,143	\$924,822	\$924,822

The District is considering issuing additional debt. The amount of new debt and the impact on rates, fund balances and coverage are described in the next chapter.

Capital Replacement Costs

Capital replacement costs are those costs related to replacement of assets as the assets fail, wear out or become obsolete. For the purpose of projecting annual expenditures for capital replacement, an approach which approximates the cost to replace assets over the useful life of each major component of the water system. The approach is based on developing the current replacement cost for the water system and recovering that cost incrementally over the useful life of the water system while accounting for inflation. Table 3-4 shows the development of the 2008 replacement cost for the water system.

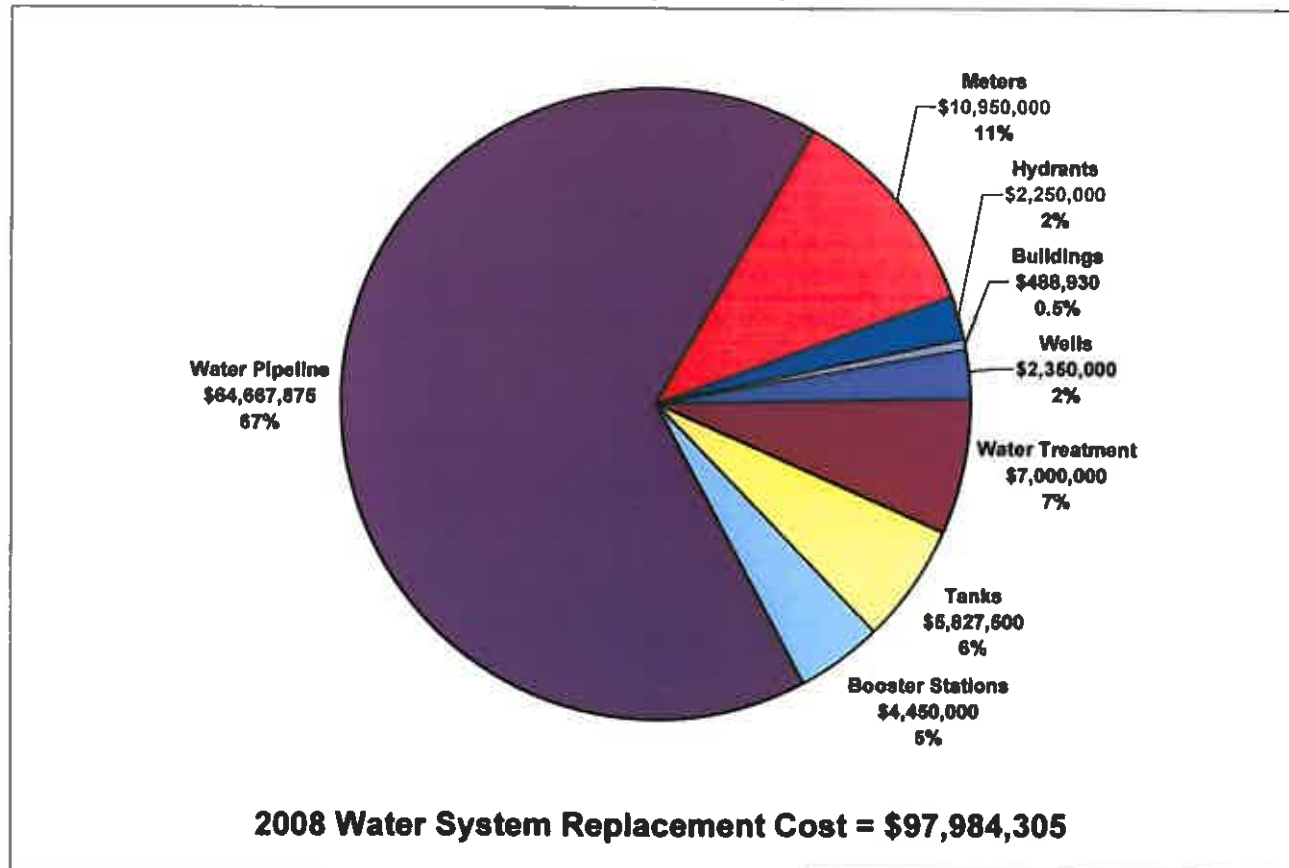
Table 3-4 2008 Water System Replacement Cost

Asset Classification	Asset Name	Notes	Number or Size	Units	Unit Repl. Cost	Total Repl. Cost	Useful Life Years	Estimated Inflation Rate	Capital Recovery Factor (a)	Annual Capital Recovery
WATER PIPELINE	1.00-inch diameter	(b)	29,345	Lineal Foot	\$12.50/LF-Dia-In	\$2,200,875	60	3.0%	0.0361	\$79,524
WATER PIPELINE	1.50-inch diameter	(b)	38,815	Lineal Foot	\$12.50/LF-Dia-In	\$2,781,125	60	3.0%	0.0361	\$99,768
WATER PIPELINE	2.00-inch diameter	(b)	244,165	Lineal Foot	\$12.50/LF-Dia-In	\$18,311,625	60	3.0%	0.0361	\$681,653
WATER PIPELINE	3.00-inch diameter	(b)	2,790	Lineal Foot	\$12.50/LF-Dia-In	\$209,250	60	3.0%	0.0361	\$7,561
WATER PIPELINE	4.00-inch diameter	(b)	88,910	Lineal Foot	\$12.50/LF-Dia-In	\$8,668,250	60	3.0%	0.0361	\$240,844
WATER PIPELINE	6.00-inch diameter		253,685	Lineal Foot	\$12.50/LF-Dia-In	\$19,028,375	60	3.0%	0.0361	\$687,479
WATER PIPELINE	8.00-inch diameter		95,360	Lineal Foot	\$12.50/LF-Dia-In	\$9,538,000	60	3.0%	0.0361	\$344,564
WATER PIPELINE	10.00-inch diameter		31,175	Lineal Foot	\$12.50/LF-Dia-In	\$3,898,875	60	3.0%	0.0361	\$140,806
WATER PIPELINE	12.00-inch diameter		13,425	Lineal Foot	\$12.50/LF-Dia-In	\$2,013,750	60	3.0%	0.0361	\$72,763
WATER PIPELINE	14.00-inch diameter		250	Lineal Foot	\$12.50/LF-Dia-In	\$43,750	60	3.0%	0.0361	\$1,561
WELLS	Olympia 2		300	depth	\$350,000	\$350,000	50	3.0%	0.0389	\$13,603
WELLS	Olympia 3		310	depth	\$350,000	\$350,000	50	3.0%	0.0389	\$13,603
WELLS	Paso 6		600	depth	\$500,000	\$500,000	50	3.0%	0.0389	\$19,433
WELLS	Paso 7		540	depth	\$400,000	\$400,000	50	3.0%	0.0389	\$15,546
WELLS	Quail 4		175	depth	\$250,000	\$250,000	50	3.0%	0.0389	\$9,716
WELLS	Quail 5		175	depth	\$250,000	\$250,000	50	3.0%	0.0389	\$9,716
WELLS	Felton Acres		200	depth	\$250,000	\$250,000	50	3.0%	0.0389	\$9,716
WATER TREATMENT	Lyon Water Treatment Plant		1	each	\$3,250,000	\$3,250,000	60	3.0%	0.0361	\$117,432
WATER TREATMENT	Marana Woods Treatment Plant		1	each	\$1,500,000	\$1,500,000	60	3.0%	0.0361	\$54,189
WATER TREATMENT	Kirby Street		1	each	\$2,250,000	\$2,250,000	60	3.0%	0.0361	\$81,299
HYDRANTS	Hydrant & appurtenances		450	each	\$5,000	\$2,250,000	60	3.0%	0.0361	\$81,299
TANKS	Capacity Less Than 250 Kgal		2,785	million gallons	\$1.50 / gallon	\$4,177,500	60	3.0%	0.0361	\$150,845
TANKS	Big Steel		1,400	million gallons	\$650,000	\$850,000	60	3.0%	0.0361	\$30,713
TANKS	Brookdale		0,750	million gallons	\$500,000	\$500,000	60	3.0%	0.0361	\$18,068
TANKS	Lyon		3,000	million gallons	\$300,000	\$300,000	60	3.0%	0.0361	\$10,640
BOOSTER STATIONS	Capacity Less Than 150 gpm		25	each	\$100,000	\$2,500,000	60	3.0%	0.0361	\$90,332
BOOSTER STATIONS	Big Steel		1	each	\$350,000	\$350,000	60	3.0%	0.0361	\$12,647
BOOSTER STATIONS	Firehouse		1	each	\$350,000	\$350,000	60	3.0%	0.0361	\$12,647
BOOSTER STATIONS	Irwin		1	each	\$350,000	\$350,000	60	3.0%	0.0361	\$12,647
BOOSTER STATIONS	Olympia		1	each	\$275,000	\$275,000	60	3.0%	0.0361	\$9,937
BOOSTER STATIONS	Quail		1	each	\$350,000	\$350,000	60	3.0%	0.0361	\$12,647
BOOSTER STATIONS	Riverside Grove		1	each	\$275,000	\$275,000	60	3.0%	0.0361	\$9,937
METERS	Meters and Service Laterals		7,300	each	\$1,500	\$10,950,000	20	3.0%	0.0872	\$738,012
BUILDINGS		(c)	2	each	\$500,000	\$488,930	60	3.0%	0.0361	\$17,687
Summary										
WATER PIPELINE			795,910	Lineal Foot		\$84,687,875				\$2,336,842
WELLS			7	Count		\$2,350,000				\$91,334
WATER TREATMENT			3	Count		\$7,000,000				\$252,931
HYDRANTS			450	Count		\$2,250,000				\$81,299
TANKS			7,935	million gallons		\$5,827,500				\$210,666
BOOSTER STATIONS			31	Count		\$4,450,000				\$160,792
METERS			7,300	Count		\$10,950,000				\$738,012
BUILDINGS			2	Count		\$488,930				\$17,687
TOTAL						\$97,884,306				\$3,887,240
Notes:										
a. The capacity factor is the fraction of the replacement cost that must be recovered annually over the useful life of the asset.										
For example, if the inflation rate were 0%, an asset with a useful life of 20 years would have a capital recovery factor of 0.05 (1 divided by 20).										
Increasing the inflation rate increases the capital recovery factor.										
b. Water lines between 1-inch and 4-inch diameter will be replaced with 8-inch diameter pipe.										
c. The unit replacement cost for buildings is allocated between the water and sewer funds based on the relative replacement costs for the other assets in each system.										
				Water	Sewer	Total				
				\$78,135,000	\$1,769,000	\$79,904,000				
				87.6%	2.2%					

This is a draft and is not intended to be a final representation of the work done or recommendations made by Municipal Financial Services. It should not be relied upon; consult the final report.

The total value of the water system is shown in Figure 3-1.

Figure 3-1 2008 Water System Replacement Cost



Based on the total value of the water system, the annual cost to replace capital assets is approximately \$3,900,000 on a pay-as-you-go basis. The annual capital replacement costs used in the development of rates is not \$3,900,000. The impact on water rates was deemed to be too extreme to immediately shift from the current capital replacement expenditure level. Instead, the annual capital replacement costs to be recovered from rates are based on the capacity for the District to manage capital construction expenditures.

Target Fund Balance

An annual target fund balance was developed (exclusive of those amounts to be transferred to a reserve for capital replacements or spent on capital replacements). The target fund balance has three components – working capital, rate stabilization and emergency. Development of the target fund balance for each year is shown in Table 3-5. The working capital component is for fluctuations in day to day cash received from accounts receivable versus cash paid to accounts payable. The rate stabilization component enables the District to meet cash requirements in times when revenue from water sales is less than planned. The emergency component enables the District to better meet cash requirements during emergencies.

Each component of the target fund balance is additive and reflects the chance that all three situations for which the components are developed may occur simultaneously. The projected fund balance is discussed in the next chapter.

Table 3-5 Target Fund Balances

Item	Notes	Est	Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Reserve Components												
Working Capital	a.											
Target Percent		12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
Operating Expenditures		\$3,525	\$3,619	\$3,751	\$3,864	\$3,980	\$4,099	\$4,222	\$4,349	\$4,479	\$4,613	\$4,752
Target Dollars		\$435	\$446	\$462	\$475	\$491	\$505	\$521	\$535	\$552	\$569	\$586
Rate Stabilization	b.											
Target Percent		15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Water Use Revenue		\$3,188	\$4,296	\$5,077	\$5,375	\$5,650	\$5,941	\$6,244	\$6,564	\$6,902	\$7,258	\$7,628
Target Dollars		\$478	\$644	\$762	\$806	\$848	\$891	\$937	\$985	\$1,035	\$1,089	\$1,144
Emergency	c.											
Target Percent		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Water Use Revenue		\$3,188	\$4,296	\$5,077	\$5,375	\$5,650	\$5,941	\$6,244	\$6,564	\$6,902	\$7,258	\$7,628
Target Dollars		\$319	\$430	\$508	\$538	\$565	\$594	\$624	\$656	\$690	\$726	\$763
Total Operating Reserve Target		\$1,232	\$1,520	\$1,732	\$1,819	\$1,903	\$1,991	\$2,081	\$2,176	\$2,278	\$2,383	\$2,493
Notes:												
a. The working capital target is a percent of operating expenditures based on days of coverage:												
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
days of working capital >		45	45	45	45	45	45	45	45	45	45	45
calendar days in year >		365	365	365	366	365	365	365	366	365	365	365
% working capital days >		12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
b. The rate stabilization target is the percent of water use revenue that may decrease due to adverse weather conditions.												
c. The emergency target is a percent of operating expenditures based on financial cash flow risk due to natural disasters.												

CHAPTER 4

CHAPTER 4

RATES, FUND BALANCES AND DEBT SERVICE COVERAGE

This chapter describes projected rates, fund balances and debt service coverage for two scenarios. The basic differences between the two scenarios is the issuance of \$6 million of new debt in 2010 (or not) and the level of rate increases. Both scenarios are the same in the projected amount of expenditures for capital improvements (approximately \$23.7 million) and other expenditures and non-operating revenues (except interest earnings). The debt service coverage for each scenario is compared.

Description of Scenarios

Two rate scenarios are summarized in Table 3.1 in terms of expenditures, revenues and fund balances over the 10-year period from 2009 – 2018. The scenarios are titled "No New Debt" and "\$6 Million New Debt." The first three years of annual rate increases are shown in the column headings for each scenario. Both scenarios are the same in the projected amount of expenditures for capital improvements (approximately \$23.7 million).

Table 4.1 Description of Rate Scenarios, 2009, 2010 and 2011

<i>New Debt Status > Annual Rate Increases ></i>	No New Debt 15% / 10% / 5%		\$6 Million New Debt 10% / 10% / 5%	
Balance July 1, 2009	\$13,525,000		\$13,525,000	
Expenditures				
O&M	\$41,727,490	55%	\$41,727,490	52%
Debt Service	\$10,833,741	14%	\$14,343,741	18%
Capital Replacement	<u>\$23,712,167</u>	<u>31%</u>	<u>\$23,712,167</u>	<u>30%</u>
Total Expenditures	\$76,273,397	100%	\$79,783,397	100%
Revenues				
Water Rates	\$60,934,053	84%	\$57,479,762	75%
Bond Disbursement	\$0	0%	\$6,000,000	8%
Other Revenue	\$7,880,000	11%	\$7,880,000	10%
Loan Repay from Wastewater	\$240,000	0.3%	\$240,000	0.3%
Interest	<u>\$3,581,581</u>	<u>5%</u>	<u>\$4,663,479</u>	<u>6%</u>
Total Revenue	\$72,635,634	100%	\$76,263,241	100%
Revenues - Expenditures	-\$3,637,763		-\$3,520,156	
Balance June 30, 2018	\$9,887,237		\$10,004,844	

The projected rates, fund balances and debt service coverage for the two scenarios over the entire 10-year time period are shown in Figure 4-1 (No New Debt) and Figure 4-2 (\$6 Million New Debt). Both have the approximate same ending balance (\$10 million) and provide coverage ratios over 1.20.

Figure 4-1 Rate Increases, Fund Balances and Coverage – No New Debt

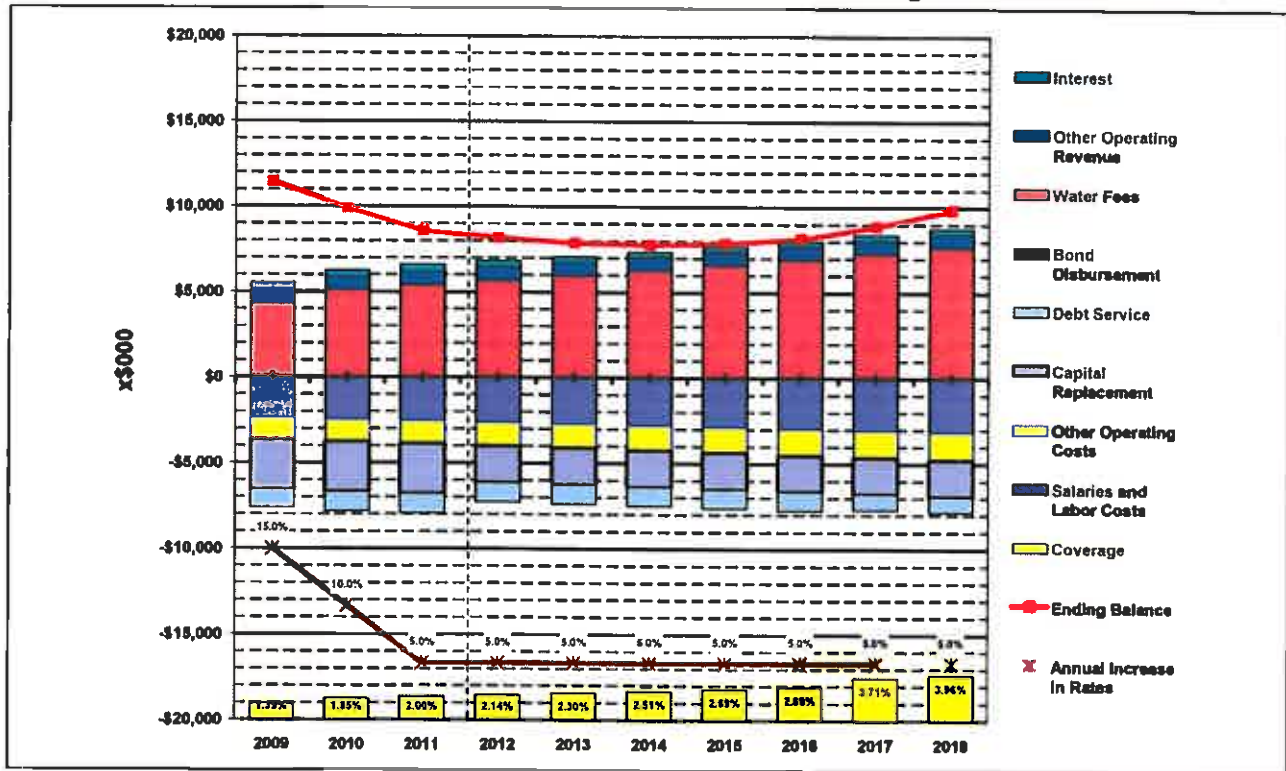
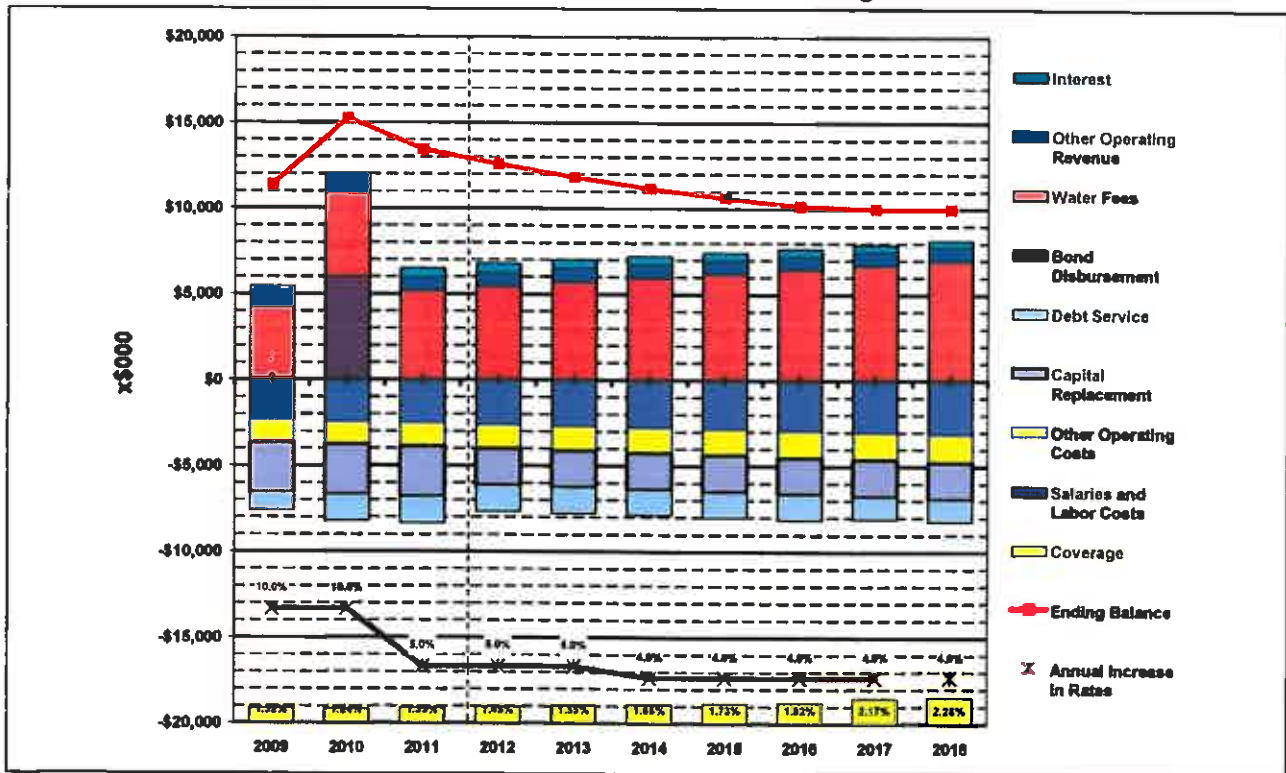


Figure 4-2 Rate Increases, Fund Balances and Coverage – \$6 Million New Debt



This is a draft and is not intended to be a final representation of the work done or recommendations made by Municipal Financial Services. It should not be relied upon; consult the final report.

Water Rates, No New Debt

The recommended water rates for the No New Debt scenario are shown in Table 4-2 along with four years of prior rates and seven years of projected rates. Note the effective date for recommended rates is February 1, 2009 for the first increase and January 1 for subsequent increases.

Table 4-2 Recommended Rates with No New Debt

Effective Date > Rates	Actual				Recommended Rates			Projected						
	Jan-15 2005	Jan-16 2006	Jul-1 2007	Jan-1 2008	Feb-1 2009	Jan-1 2010	Jan-1 2011	Jan-1 2012	Jan-1 2013	Jan-1 2014	Jan-1 2015	Jan-1 2016	Jan-1 2017	Jan-1 2018
Basic, \$/2-mo. (a)														
5/8-inch	\$31.90	\$32.20	\$35.75	\$35.75	\$41.11	\$45.22	\$47.48	\$49.85	\$52.34	\$54.98	\$57.71	\$60.60	\$63.63	\$66.81
5/8A-inch	53.05	53.80	59.60	59.60	68.54	75.39	79.16	83.12	87.28	91.64	96.22	101.03	106.06	111.38
5/8B-inch	108.90	108.00	120.00	120.00	138.00	151.80	159.39	167.36	175.73	184.52	193.75	203.44	213.61	224.29
5/8C-inch	170.25	171.95	191.00	191.00	219.65	241.62	253.70	266.39	279.71	293.70	308.39	323.81	340.00	357.00
3/4-inch	31.90	32.20	35.75	35.75	41.11	45.22	47.48	49.85	52.34	54.98	57.71	60.60	63.63	66.81
3/4A-inch	53.05	53.60	59.60	59.60	68.54	75.39	79.16	83.12	87.28	91.64	96.22	101.03	106.06	111.38
1-inch	53.80	53.60	59.60	59.60	68.54	75.39	79.16	83.12	87.28	91.64	96.22	101.03	106.06	111.38
1A-inch	108.90	108.00	120.00	120.00	138.00	151.80	159.39	167.36	175.73	184.52	193.75	203.44	213.61	224.29
1B-inch	170.25	171.95	191.00	191.00	219.65	241.62	253.70	266.39	279.71	293.70	308.39	323.81	340.00	357.00
1F-inch	31.90	32.20	35.75	35.75	41.11	45.22	47.48	49.85	52.34	54.98	57.71	60.60	63.63	66.81
1-1/2-inch	108.90	108.00	120.00	120.00	138.00	151.80	159.39	167.36	175.73	184.52	193.75	203.44	213.61	224.29
1-1/2A-inch	170.25	171.95	191.00	191.00	219.65	241.62	253.70	266.39	279.71	293.70	308.39	323.81	340.00	357.00
1-1/2C-inch	531.60	536.90	596.50	596.50	685.68	754.58	792.31	831.93	873.53	917.21	963.07	1,011.22	1,061.78	1,114.87
1-1/2F-inch	53.05	53.60	59.60	59.60	68.54	75.39	79.16	83.12	87.28	91.64	96.22	101.03	106.06	111.38
1-1/2G-inch	31.90	32.20	35.75	35.75	41.11	45.22	47.48	49.85	52.34	54.98	57.71	60.60	63.63	66.81
1-1/2S-inch	340.50	343.90	382.00	382.00	439.30	483.23	507.39	532.78	559.40	587.37	616.74	647.58	679.96	713.96
2-inch	170.25	171.95	191.00	191.00	219.65	241.62	253.70	266.39	279.71	293.70	308.39	323.81	340.00	357.00
2A-inch	319.40	322.60	358.45	358.45	412.22	453.44	478.11	499.92	524.82	551.17	578.73	607.67	638.05	669.95
2G-inch	53.05	53.60	59.60	59.60	68.54	75.39	79.16	83.12	87.28	91.64	96.22	101.03	106.06	111.38
3-inch	319.40	322.60	358.45	358.45	412.22	453.44	478.11	499.92	524.82	551.17	578.73	607.67	638.05	669.95
4-inch	531.60	536.90	596.50	596.50	685.68	754.58	792.31	831.93	873.53	917.21	963.07	1,011.22	1,061.78	1,114.87
Usage \$/Ccf, (b)														
First 10 units	\$1.75	\$1.75	\$1.95	\$1.95	\$2.24	\$2.46	\$2.58	\$2.71	\$2.85	\$2.99	\$3.14	\$3.30	\$3.47	\$3.64
11 - 40 units	2.30	2.30	2.55	2.55	2.93	3.22	3.38	3.55	3.73	3.92	4.12	4.33	4.55	4.78
41 - 100 units	2.75	2.75	3.05	3.05	3.51	3.86	4.05	4.25	4.46	4.68	4.91	5.16	5.42	5.69
101 - 200 units	3.00	3.00	3.30	3.30	3.80	4.18	4.39	4.61	4.84	5.08	5.33	5.60	5.88	6.17
Over 200 units	3.25	3.25	3.60	3.60	4.14	4.55	4.78	5.02	5.27	5.53	5.81	6.10	6.41	6.73
Notes:														
a. Annual percent increase estimates for Basic rates:					15.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
b. Annual percent increase estimates for Usage rates:														
First 10 units					15.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
11 - 40 units					15.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
41 - 100 units					15.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
101 - 200 units					15.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Over 200 units					15.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Rates and Average Single Family Charges

Rates and average 2-month single family charges for the No New Debt scenario are shown in Table 4-3 and Figure 4-3. Rates and average 2-month single family charges for the \$6 Million New Debt scenario are shown in Table 4-4 and Figure 4-4. The single family charges are based on a 5/8-inch meter connection and 18 Ccf of water use. The rates and charges shown cover the years 2005 - 2018.

Projected Fund Balances and Debt Service Coverage

Projected fund balances and debt service coverage calculations for the No New Debt scenario are shown in Table 4-5. Note that the calculated debt service coverage is for existing debt. The new debt shown in footnote "c" of Table 4-5 is only active when the table is used to model the \$6 Million New Debt scenario in which case the Bond Disbursement value in 2010 is \$6 million.

Table 4-3 Rates and Average Single Family Charges, No New Debt

Rates and Charges	Actual				Recommended			Projected							
	Jan-05	Jan-08	Jul-07	Jan-08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Rates															
Basic Rate	\$31.90	\$32.20	\$35.75	\$35.75	\$41.11	\$45.22	\$47.48	\$49.85	\$52.34	\$54.96	\$57.71	\$60.60	\$63.63	\$66.81	
Quantity Rates															
First 10 units	\$1.75	\$1.75	\$1.95	\$1.95	\$2.24	\$2.48	\$2.58	\$2.71	\$2.85	\$2.99	\$3.14	\$3.30	\$3.47	\$3.64	
11 - 40 units	\$2.30	\$2.30	\$2.55	\$2.55	\$2.93	\$3.22	\$3.38	\$3.55	\$3.73	\$3.82	\$4.12	\$4.33	\$4.55	\$4.78	
41 - 100 units	\$2.75	\$2.75	\$3.05	\$3.05	\$3.51	\$3.86	\$4.05	\$4.25	\$4.46	\$4.68	\$4.91	\$5.16	\$5.42	\$5.69	
101 - 200 units	\$3.00	\$3.00	\$3.30	\$3.30	\$3.80	\$4.18	\$4.39	\$4.61	\$4.84	\$5.08	\$5.33	\$5.60	\$5.88	\$6.17	
Over 200 units	\$3.25	\$3.25	\$3.60	\$3.60	\$4.14	\$4.55	\$4.78	\$5.02	\$5.27	\$5.53	\$5.81	\$6.10	\$6.41	\$6.73	
Average Single Family Use															
5/8-inch meter	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Ccf															
First 10 units	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
11 - 40 units	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
41 - 100 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
101 - 200 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Over 200 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Single Family Charges															
5/8-inch meter	\$31.90	\$32.20	\$35.75	\$35.75	\$41.11	\$45.22	\$47.48	\$49.85	\$52.34	\$54.96	\$57.71	\$60.60	\$63.63	\$66.81	
Water Use, Ccf															
First 10 units	\$17.50	\$17.50	\$19.50	\$19.50	\$22.40	\$24.60	\$25.80	\$27.10	\$28.50	\$29.90	\$31.40	\$33.00	\$34.70	\$36.40	
11 - 40 units	\$18.40	\$18.40	\$20.40	\$20.40	\$23.44	\$25.76	\$27.04	\$28.40	\$29.84	\$31.36	\$32.86	\$34.64	\$36.40	\$38.24	
41 - 100 units	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
101 - 200 units	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Over 200 units	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total 2-Month Bill															
Monthly Bill	\$67.80	\$68.10	\$75.65	\$75.65	\$86.95	\$95.58	\$100.32	\$105.35	\$110.68	\$116.22	\$122.07	\$128.24	\$134.73	\$141.45	
\$ Increase		\$0.30	\$7.55	\$0.00	\$11.30	\$8.63	\$4.74	\$5.03	\$5.33	\$5.54	\$5.85	\$6.17	\$6.49	\$6.72	
% Increase		0.4%	11.1%	0.0%	14.9%	8.9%	5.0%	5.0%	5.1%	5.0%	5.0%	5.1%	5.1%	5.0%	

Table 4-4 Rates and Average Single Family Charges, \$6 Million New Debt

Rates and Charges	Actual				Recommended			Projected							
	Jan-05	Jan-08	Jul-07	Jan-08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Rates															
Basic Rate	\$31.90	\$32.20	\$35.75	\$35.75	\$39.33	\$43.26	\$45.42	\$47.69	\$50.07	\$52.07	\$54.15	\$56.32	\$58.57	\$60.91	
Quantity Rates															
First 10 units	\$1.75	\$1.75	\$1.85	\$1.85	\$2.15	\$2.37	\$2.49	\$2.61	\$2.74	\$2.85	\$2.96	\$3.08	\$3.20	\$3.33	
11 - 40 units	\$2.30	\$2.30	\$2.55	\$2.55	\$2.81	\$3.09	\$3.24	\$3.40	\$3.57	\$3.71	\$3.86	\$4.01	\$4.17	\$4.34	
41 - 100 units	\$2.75	\$2.75	\$3.05	\$3.05	\$3.36	\$3.70	\$3.89	\$4.08	\$4.28	\$4.45	\$4.63	\$4.82	\$5.01	\$5.21	
101 - 200 units	\$3.00	\$3.00	\$3.30	\$3.30	\$3.63	\$3.99	\$4.19	\$4.40	\$4.62	\$4.80	\$4.99	\$5.19	\$5.40	\$5.62	
Over 200 units	\$3.25	\$3.25	\$3.60	\$3.60	\$3.96	\$4.36	\$4.58	\$4.81	\$5.05	\$5.25	\$5.46	\$5.68	\$5.91	\$6.15	
Average Single Family Use															
5/8-inch meter	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Ccf															
First 10 units	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
11 - 40 units	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
41 - 100 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
101 - 200 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Over 200 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Single Family Charges															
5/8-inch meter	\$31.90	\$32.20	\$35.75	\$35.75	\$39.33	\$43.26	\$45.42	\$47.69	\$50.07	\$52.07	\$54.15	\$56.32	\$58.57	\$60.91	
Water Use, Ccf															
First 10 units	\$17.50	\$17.50	\$19.50	\$19.50	\$21.50	\$23.70	\$24.80	\$26.10	\$27.40	\$28.50	\$29.60	\$30.80	\$32.00	\$33.30	
11 - 40 units	\$18.40	\$18.40	\$20.40	\$20.40	\$22.48	\$24.72	\$25.92	\$27.20	\$28.56	\$29.68	\$30.88	\$32.08	\$33.36	\$34.72	
41 - 100 units	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
101 - 200 units	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Over 200 units	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total 2-Month Bill															
Monthly Bill	\$67.80	\$68.10	\$75.65	\$75.65	\$83.31	\$91.68	\$96.24	\$100.89	\$106.03	\$110.25	\$114.63	\$119.20	\$123.93	\$128.93	
\$ Increase		\$0.30	\$7.55	\$0.00	\$7.66	\$8.37	\$4.56	\$4.75	\$5.04	\$4.22	\$4.38	\$4.57	\$4.73	\$5.00	
% Increase		0.4%	11.1%	0.0%	10.1%	10.0%	5.0%	4.8%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	

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Figure 4-3 Rate Increases and Average Single Family Bills – No New Debt

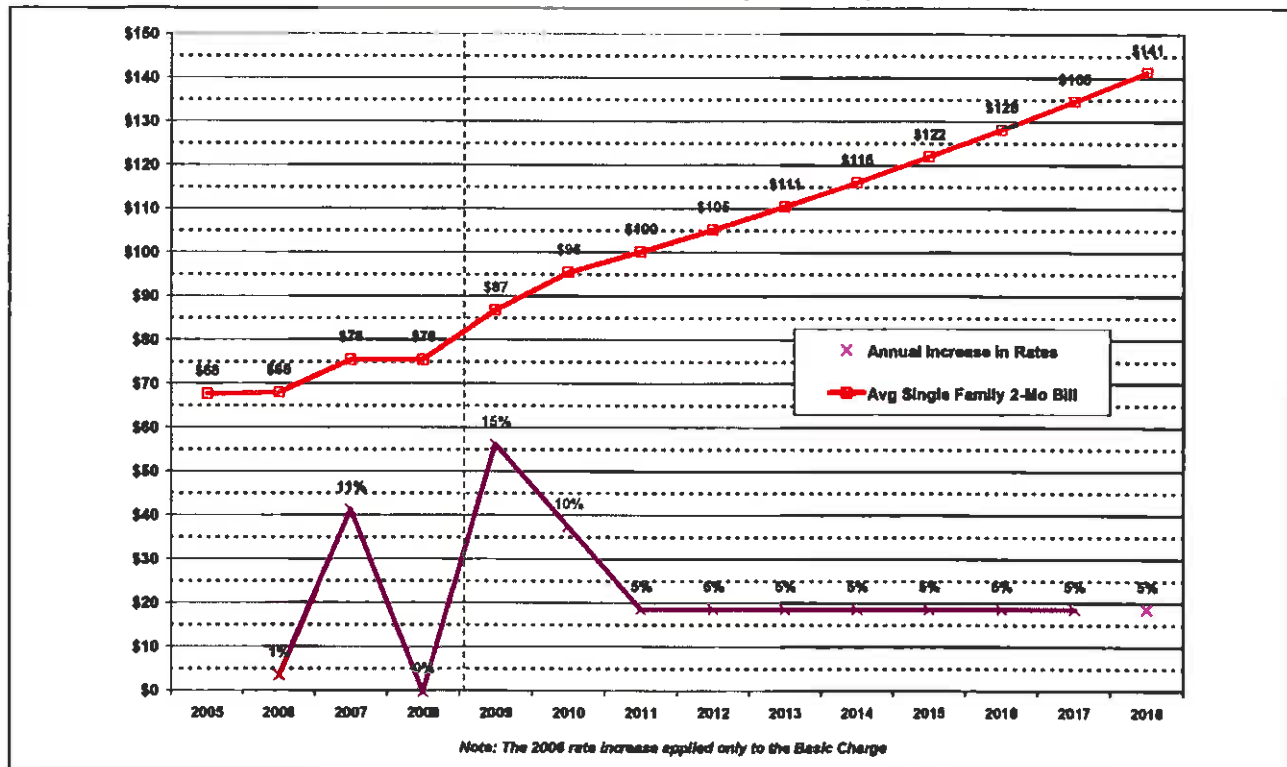
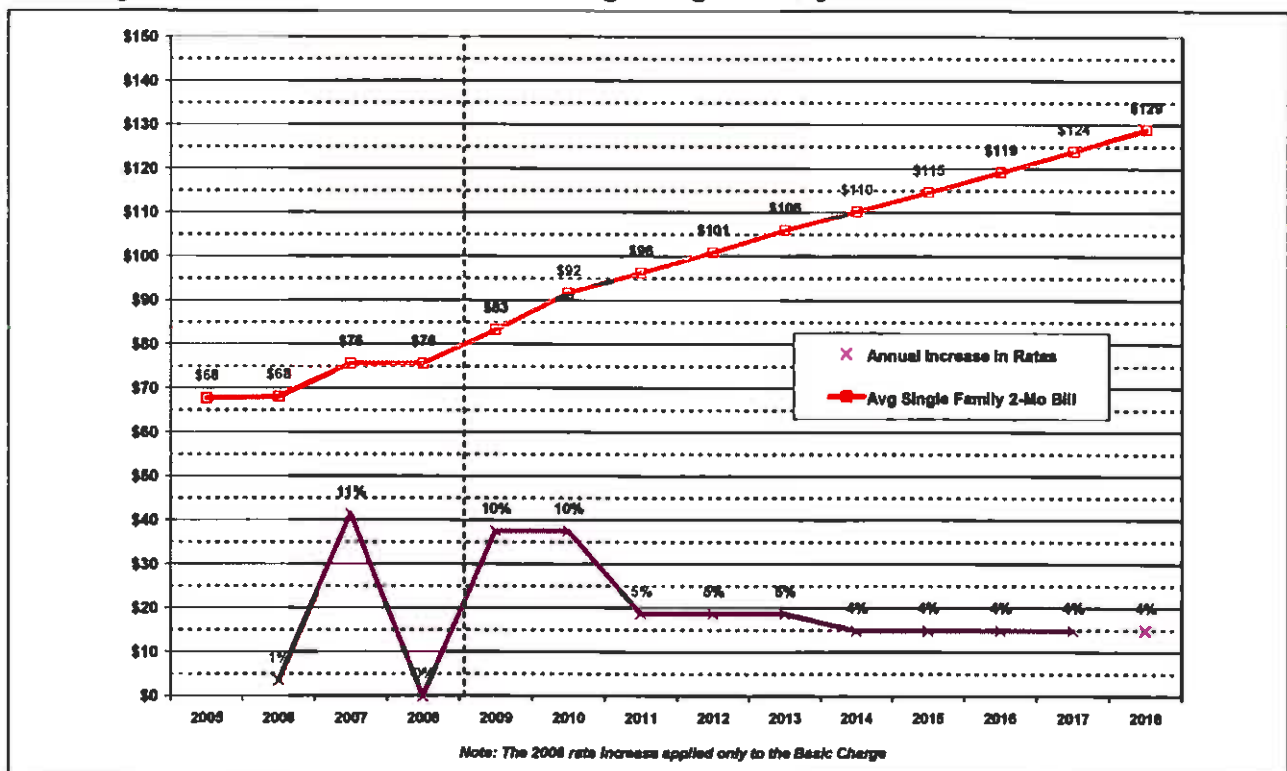


Figure 4-3 Rate Increases and Average Single Family Bills – \$6 Million New Debt



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Table 4-5 Projected Fund Balances, No New Debt

Item	Notes	Projected										2009 to 2018
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTALS
Beginning Balance	a.	\$13,525	\$11,499	\$9,953	\$8,841	\$8,209	\$7,920	\$7,816	\$7,904	\$8,204	\$8,920	
Operating Income												
Water Fees		\$4,296	\$5,077	\$5,375	\$5,850	\$5,941	\$8,244	\$6,564	\$6,902	\$7,258	\$7,628	\$60,934
Assessments		\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$1,200
Property Taxes		\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$5,000
Meter Sales		\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$800
Charges and Penalties		\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$350
Miscellaneous		\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$730
Total Operating Income		\$5,084	\$5,865	\$6,163	\$6,438	\$6,729	\$7,032	\$7,352	\$7,690	\$8,046	\$8,416	\$68,814
Operating Expenses												
Salaries and Expenses		\$2,371	\$2,466	\$2,540	\$2,616	\$2,694	\$2,775	\$2,858	\$2,944	\$3,032	\$3,123	\$27,420
Other Expenses		\$1,248	\$1,285	\$1,324	\$1,364	\$1,405	\$1,447	\$1,480	\$1,535	\$1,581	\$1,628	\$14,307
Total Operating Expenditures		\$3,619	\$3,751	\$3,864	\$3,980	\$4,099	\$4,222	\$4,349	\$4,479	\$4,613	\$4,752	\$41,727
Net Operating Income		\$1,465	\$2,114	\$2,300	\$2,459	\$2,630	\$2,810	\$3,003	\$3,211	\$3,432	\$3,664	\$27,087
Loan Repay from Wastewater		\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$240
Interest	b.	\$452	\$375	\$429	\$372	\$337	\$323	\$315	\$314	\$322	\$342	\$3,582
Bond Disbursement	c.		\$0									\$0
Debt Service	c, d.											
Existing		-\$1,051	-\$1,145	-\$1,149	-\$1,148	-\$1,142	-\$1,122	-\$1,116	-\$1,111	-\$925	-\$925	-\$10,834
Future		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		-\$1,051	-\$1,145	-\$1,149	-\$1,148	-\$1,142	-\$1,122	-\$1,116	-\$1,111	-\$925	-\$925	-\$10,834
Transfer to Reserve for Capital Replacement	e.	-\$2,915	-\$2,915	-\$2,915	-\$2,138	-\$2,138	-\$2,138	-\$2,138	-\$2,138	-\$2,138	-\$2,138	-\$23,712
Ending Balance		\$11,499	\$9,953	\$8,841	\$8,209	\$7,920	\$7,816	\$7,904	\$8,204	\$8,920	\$9,887	
Notes:												
a. The FY 2009 beginning balance is from the unaudited General Purpose Financial Statements.												
b. Interest on the fund balance is projected at the following rates:												
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
		3.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
c. New debt service data was provided by the District.												
Disbursement, \$ >		\$8,000										
Annual Debt Service, \$ >		\$390										
Loan Duration >		25 years										
d. Debt service coverage is estimated below:												
Coverage Required		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Annual Debt Service, \$ >		\$1,051	\$1,145	\$1,149	\$1,148	\$1,142	\$1,122	\$1,116	\$1,111	\$925	\$925	
Coverage Requirement, Ratio >		1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	
Coverage Requirement, \$ >		\$1,314	\$1,431	\$1,436	\$1,435	\$1,428	\$1,402	\$1,395	\$1,389	\$1,156	\$1,156	
Net Revenue												
Total Revenue, \$ >		\$5,084	\$5,865	\$6,163	\$6,438	\$6,729	\$7,032	\$7,352	\$7,690	\$8,046	\$8,416	
Net of Operating Expenditures, \$ >		-\$3,619	-\$3,751	-\$3,864	-\$3,980	-\$4,099	-\$4,222	-\$4,349	-\$4,479	-\$4,613	-\$4,752	
Net Revenue, \$ >		\$1,465	\$2,114	\$2,300	\$2,459	\$2,630	\$2,810	\$3,003	\$3,211	\$3,432	\$3,664	
Coverage Calculated												
Coverage Requirement, \$ >		\$1,051	\$1,145	\$1,149	\$1,148	\$1,142	\$1,122	\$1,116	\$1,111	\$925	\$925	
Net Revenue, \$ >		\$1,465	\$2,114	\$2,300	\$2,459	\$2,630	\$2,810	\$3,003	\$3,211	\$3,432	\$3,664	
Coverage Calculated, Ratio >		1.39	1.85	2.00	2.14	2.30	2.51	2.69	2.89	3.71	3.96	
e. Capital replacement costs should be transferred to a separate fund.												
The annual capital replacement funding amount, as a percent of the annual target amount, is shown below:												
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Totals
Total Annual Target (\$000) >		\$3,887	\$3,887	\$3,887	\$3,887	\$3,887	\$3,887	\$3,887	\$3,887	\$3,887	\$3,887	\$38,872
Percent of Target in Rates >		75%	75%	75%	55%	55%	55%	55%	55%	55%	55%	
\$ Amount in Rates (\$000) >		\$2,915	\$2,915	\$2,915	\$2,138	\$2,138	\$2,138	\$2,138	\$2,138	\$2,138	\$2,138	\$23,712
\$ Amount Cumulative (\$000) >		\$2,915	\$5,831	\$8,746	\$10,884	\$13,022	\$15,160	\$17,298	\$19,436	\$21,574	\$23,712	

This is a draft and is not intended to be a final representation of the work done or recommendations made by Municipal Financial Services. It should not be relied upon; consult the final report.

APPENDIX A

Table A-1
Meters In Ground by User Code, October 13, 2008

MONTH	RESIDENTIAL "R"			COMMERCIAL "C"			MULTI-FAMILY RES. "MF"			INSTITUTIONAL/GOVMT "I"			LANDSCAPE "L"			VACANT "V"		
	UNITS	BILLED	\$ AMT	UNITS	BILLED	\$ AMT	UNITS	BILLED	\$ AMT	UNITS	BILLED	\$ AMT	UNITS	BILLED	\$ AMT	UNITS	BILLED	\$ AMT
JULY	83,268	2,719	\$282,483	410	13	\$1,492	14,421	129	\$20,594	5,490	13	\$19,871	563	5	\$1,745	12	23	\$789
AUGUST	82,768	2,625	\$214,277	4,181	94	\$16,603	5,908	272	\$42,498	2,247	16	\$8,140	2,505	8	\$9,082	7	34	\$1,227
SEPTEMBER	80,180	2,711	\$298,606	374	12	\$1,467	12,981	128	\$23,008	5,380	13	\$19,855	647	5	\$2,293	22	23	\$866
OCTOBER	40,764	2,639	\$187,129	3,736	93	\$15,304	7,864	270	\$36,968	1,976	16	\$7,324	1,787	8	\$8,612	0	34	\$1,239
NOVEMBER	82,284	2,712	\$217,848	270	12	\$804	9,906	130	\$29,208	2,360	13	\$9,238	318	5	\$1,090	13	23	\$848
DECEMBER	26,963	2,625	\$150,582	2,726	93	\$12,341	5,540	269	\$30,961	826	17	\$3,367	235	8	\$1,923	34	34	\$1,318
JANUARY	36,300	2,714	\$178,349	303	14	\$1,292	7,827	127	\$32,537	964	13	\$4,403	211	5	\$708	8	23	\$836
FEBRUARY	28,042	2,630	\$157,025	3,663	94	\$15,075	6,181	288	\$22,444	754	16	\$3,181	128	8	\$846	27	34	\$1,302
MARCH	32,584	2,706	\$157,854	379	12	\$1,385	7,513	128	\$31,725	1,772	13	\$7,311	88	5	\$837	1	23	\$824
APRIL	30,332	2,625	\$162,411	3,607	94	\$15,305	8,368	264	\$22,928	963	16	\$3,302	395	8	\$1,809	1	35	\$1,241
MAY	55,094	2,713	\$228,234	603	12	\$2,285	10,650	127	\$42,058	3,689	13	\$13,908	205	8	\$725	32	24	\$934
JUNE	42,881	2,632	\$181,144	4,522	94	\$18,179	8,583	287	\$38,683	1,936	15	\$7,198	1,734	8	\$8,438	10	37	\$1,355
TOTAL	573,369	32,051	\$2,434,681	34,873	637	\$101,800	108,631	2,383	\$483,864	26,520	175	\$187,348	8,812	65	\$32,811	187	347	\$12,781

Table A-1
Meters In Ground by User Code, October 13, 2008

MONTH	FIRE SERVICE "FS"			HOLDING ACCOUNTS "HO"			PRIVATE MUTUALS "PM"			SURPLUS "S"			OTHER "O"			TOTAL UNITS	TOTAL REBILLED	TOTAL \$AMT	AVERAGE	
	UNITS	REBILLED	\$AMT	UNITS	REBILLED	\$AMT	UNITS	REBILLED	\$AMT	UNITS	REBILLED	\$AMT	UNITS	REBILLED	\$AMT				UNITS	\$AMT
JULY	0	0	\$0	0	0	\$0	0	0	\$0	18	3	\$80	157	3	\$474	104,653	2,906	\$357,334	35.99	##4444
AUGUST	0	0	\$0	0	0	\$0	2,407	4	\$8,821	0	0	\$0	0	1	\$36	74,023	3,052	\$300,852	24.25	\$89
SEPTEMBER	0	0	\$0	0	0	\$0	0	0	\$0	50	6	\$207	181	3	\$493	100,765	2,801	\$377,339	34.73	\$130
OCTOBER	0	0	\$0	0	0	\$0	1,537	4	\$5,230	0	0	\$0	0	1	\$36	57,720	3,086	\$280,922	18.83	\$85
NOVEMBER	0	0	\$0	0	0	\$0	0	0	\$0	107	4	\$397	298	4	\$142	75,534	2,903	\$288,945	25.02	\$93
DECEMBER	0	0	\$0	0	0	\$0	1,059	4	\$4,244	0	0	\$0	0	1	\$36	37,336	3,049	\$203,572	12.25	\$67
JANUARY	1	1	\$35	0	0	\$0	0	0	\$0	11	4	\$75	85	3	\$255	45,720	2,904	\$218,680	15.74	\$75
FEBRUARY	0	0	\$0	0	0	\$0	842	4	\$3,575	0	0	\$0	0	1	\$36	40,347	3,053	\$213,460	13.22	\$70
MARCH	1	1	\$37	0	0	\$0	0	0	\$0	17	23	\$90	54	3	\$227	42,510	2,914	\$209,973	14.69	\$72
APRIL	0	0	\$0	0	0	\$0	785	4	\$3,259	0	0	\$0	0	1	\$36	42,451	3,049	\$218,632	13.92	\$72
MAY	0	0	\$0	0	0	\$0	0	0	\$0	28	3	\$124	144	4	\$454	71,443	2,901	\$280,185	24.63	\$100
JUNE	0	0	\$0	0	0	\$0	1,434	4	\$5,825	0	0	\$0	0	1	\$36	61,180	3,057	\$268,920	20.01	\$88
TOTAL	7	5	\$72	0	0	\$0	6,174	24	\$32,215	229	43	\$1,011	669	28	\$2,450	753,971	35,757	\$1,168,874	21.06	\$85

Table A-2
Historical Water Use (Ccf) and Accounts

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
WATER USE																	
Residential																	
Jul	56,814	68,092	71,316	75,922	71,877	84,181	92,743	71,248	99,057	87,514	98,983	90,499	87,309	82,906	85,101	79,478	83,366
Aug	55,901	53,738	56,583	60,319	51,789	67,203	88,148	87,743	88,912	75,699	74,989	78,132	68,535	58,503	58,809	59,418	52,768
Sep	63,581	72,810	78,096	85,141	85,421	81,574	90,178	83,232	87,318	92,085	90,687	90,543	90,004	85,768	84,478	87,366	80,180
Oct	48,849	49,158	49,543	52,238	52,980	57,942	57,988	69,302	57,698	58,653	65,528	67,025	59,832	60,765	49,134	47,887	40,755
Nov	50,822	53,810	51,754	54,347	66,793	66,644	70,230	63,607	87,384	80,038	67,418	72,948	69,981	55,903	57,842	57,842	82,264
Dec	35,192	38,234	38,258	39,266	40,340	40,048	40,542	40,257	43,355	39,496	40,662	43,335	37,155	29,910	31,858	31,988	26,953
Jan	37,259	38,980	40,878	41,065	45,650	43,887	44,721	46,836	45,272	42,278	40,170	44,133	37,981	29,872	38,382	38,806	36,330
Feb	34,257	30,892	32,870	33,715	38,246	39,131	37,304	38,877	37,818	40,413	39,354	39,883	28,012	26,087	28,687	31,768	28,842
Mar	33,371	34,609	37,102	36,539	36,721	41,888	39,871	38,172	39,158	38,199	37,082	38,331	32,871	32,649	31,140	35,428	32,584
Apr	34,069	34,804	37,752	33,612	35,945	42,574	37,931	38,175	43,502	40,020	38,176	38,813	32,303	28,340	27,505	29,088	30,332
May	50,729	48,374	50,436	41,781	52,118	68,875	42,827	51,661	64,264	54,539	67,313	46,005	60,466	40,179	57,782	54,769	59,084
Jun	46,766	45,190	46,759	45,669	50,584	60,284	42,741	55,640	57,507	64,472	59,355	53,631	51,879	37,365	-44,167	45,312	42,881
Total Residential	545,010	562,891	592,326	599,594	638,242	704,209	685,325	673,850	708,025	692,416	706,713	702,976	664,628	574,067	572,547	599,257	573,369
All Accounts																	
Jul	65,071	74,498	83,498	88,001	88,128	98,041	107,832	78,855	110,121	99,892	114,452	104,569	103,310	104,949	102,801	100,854	104,853
Aug	60,858	58,769	60,903	65,865	53,922	72,516	73,205	72,244	73,699	81,483	80,357	82,934	85,188	78,609	79,908	83,726	74,023
Sep	73,705	81,821	89,755	98,557	114,739	105,872	104,536	106,006	100,402	104,924	100,185	103,727	108,637	110,282	108,135	109,712	100,765
Oct	50,824	51,968	53,868	56,488	58,878	62,493	62,350	71,318	61,770	63,798	70,318	71,391	74,392	78,887	67,942	66,511	57,720
Nov	59,067	66,216	58,833	61,611	78,650	78,973	80,991	73,355	77,053	68,054	77,399	82,457	83,812	71,077	73,744	69,471	75,534
Dec	37,918	38,164	41,428	42,228	43,528	42,893	43,488	42,716	48,490	42,349	43,380	46,339	45,859	42,179	43,667	43,085	37,338
Jan	41,312	42,372	45,440	47,531	52,887	49,599	51,381	53,708	51,180	48,041	45,386	49,774	45,087	47,239	47,187	49,607	45,720
Feb	36,360	33,133	35,445	36,720	41,214	41,765	40,158	41,424	40,400	42,899	43,061	42,607	39,277	37,155	40,548	43,679	40,347
Mar	35,223	37,193	41,001	46,902	42,341	48,424	44,278	44,895	45,428	41,688	41,278	44,598	41,209	41,137	40,832	44,171	42,619
Apr	36,419	37,528	40,831	38,176	38,752	45,785	40,482	42,008	44,899	42,796	42,008	42,488	45,856	41,648	38,203	40,344	42,451
May	53,881	52,723	50,518	56,685	64,317	80,108	48,980	59,682	72,731	63,197	64,557	53,714	78,318	51,612	48,405	68,609	71,443
Jun	50,111	48,693	50,373	49,717	54,306	64,833	45,398	59,390	61,496	68,661	62,750	59,011	72,341	52,676	61,153	62,613	61,160
Total All Accounts	600,529	634,105	657,809	684,181	729,441	789,100	740,860	745,577	785,459	767,880	785,111	783,587	822,284	758,460	752,334	782,382	753,671

Table A-2
Historical Water Use (Ccf) and Accounts

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
ACCOUNTS																	
Residential																	
Jul	2,269	2,648	2,657	2,683	2,672	2,764	2,877	2,886	2,895	2,710	2,718	2,716	2,692	2,577	2,783	2,870	2,719
Aug	3,066	2,669	2,688	2,690	2,367	2,782	2,694	2,690	2,693	2,876	2,882	2,888	2,834	2,595	2,857	2,837	2,825
Sep	2,659	2,646	2,655	2,667	2,690	2,666	2,678	2,691	2,695	2,705	2,720	2,720	2,692	2,595	2,857	2,837	2,825
Oct	2,710	2,548	2,683	2,699	2,682	2,685	2,686	2,671	2,685	2,885	2,886	2,891	2,829	2,604	2,857	2,832	2,839
Nov	2,844	2,761	2,658	2,668	2,677	2,671	2,683	2,691	2,698	2,711	2,720	2,722	2,683	2,579	2,605	2,831	2,712
Dec	2,708	2,875	2,682	2,687	2,681	2,684	2,681	2,570	2,679	2,885	2,882	2,892	2,816	2,608	2,641	2,831	2,825
Jan	2,648	2,857	2,657	2,678	2,670	2,676	2,681	3,008	2,888	2,708	2,711	2,723	2,674	2,538	2,599	2,738	2,714
Feb	2,703	2,591	2,683	2,553	2,760	2,683	2,680	2,550	2,683	2,684	2,683	2,691	2,645	2,609	2,632	2,631	2,630
Mar	2,645	2,654	2,659	2,678	2,685	2,675	2,682	2,686	2,699	2,707	2,714	2,720	2,582	2,590	2,608	2,712	2,706
Apr	2,708	2,692	2,699	2,684	2,680	2,690	2,677	2,682	2,688	2,680	2,682	2,692	2,603	2,607	2,635	2,633	2,625
May	2,652	2,659	2,661	2,675	2,684	2,673	2,679	2,682	2,698	2,812	2,716	2,721	2,594	2,579	2,608	2,708	2,713
Jun	2,726	2,693	2,698	2,699	2,685	2,684	2,677	2,684	2,684	2,680	2,681	2,689	2,608	2,471	2,643	2,626	2,632
Avg. Residential	5,356	5,316	5,343	5,359	5,466	5,554	5,561	5,549	5,581	5,607	5,599	5,611	5,351	5,155	5,281	5,423	5,342
All Accounts																	
Jul	2,295	2,691	2,688	2,692	2,703	2,796	2,908	2,917	2,927	2,742	2,750	2,748	2,752	2,754	2,972	2,850	2,808
Aug	3,130	2,769	2,763	2,799	2,432	2,897	2,801	2,797	2,800	2,993	3,004	3,010	3,012	3,016	3,072	3,055	3,052
Sep	2,687	2,679	2,684	2,696	3,088	2,898	2,809	2,722	2,827	2,737	2,752	2,752	2,758	2,754	2,789	2,804	2,801
Oct	2,770	2,633	2,788	2,798	2,794	2,800	2,803	2,988	2,801	3,002	3,008	3,013	3,009	3,019	3,074	3,052	3,068
Nov	2,675	2,633	2,667	2,688	2,708	2,693	2,694	2,922	2,830	2,743	2,752	2,764	2,783	2,759	2,783	3,448	2,903
Dec	2,768	2,782	2,787	2,796	2,763	2,799	2,798	2,668	2,796	3,002	3,004	3,014	3,017	3,024	3,058	3,049	3,049
Jan	2,679	2,687	2,686	2,639	2,902	2,908	2,912	3,060	2,830	2,738	2,743	2,755	2,757	2,780	2,774	2,922	2,904
Feb	2,763	2,682	2,760	2,662	2,870	2,799	2,797	2,667	2,799	3,001	3,005	3,013	3,019	3,026	3,046	3,051	3,053
Mar	2,675	2,684	2,688	2,705	2,897	2,807	2,913	2,917	2,931	2,799	2,746	2,752	2,749	2,789	2,787	2,898	2,914
Apr	2,788	2,786	2,786	2,793	2,760	2,796	2,794	2,799	2,804	3,002	3,004	3,014	3,020	3,024	3,051	3,082	3,049
May	2,682	2,689	2,690	2,708	2,898	2,905	2,910	2,927	2,930	2,750	2,748	2,753	2,751	2,758	2,788	2,893	2,901
Jun	2,787	2,787	2,798	2,798	2,795	2,800	2,794	2,801	2,801	3,002	3,003	3,011	3,022	2,899	3,059	3,050	3,057
Avg. All Accounts	5,447	5,449	5,479	5,497	5,608	5,701	5,709	5,697	5,729	5,742	5,753	5,765	5,772	5,759	5,875	6,039	5,960