

**District Rate Alternatives
Five Year Budgets FY 2009-2010 thru 2013-2014**

Revenue Requirement:

The majority of the District's revenue comes from the water sales which are billed bimonthly to the District customers. The total water sales revenue for the five year budgets FY 2009-2010 thru 2013-2014 will be based on the fixed (service charge) and consumption components.

The fixed component makes up 40% of the water sales revenue and the consumption component makes up 60%.

Below is a table showing the breakdown for each budget year:

Metered Water Rates - Structure					
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Water Sales Revenue	8,605,385	8,949,600	9,218,088	9,540,722	9,898,499
Fixed (40%)	3,442,154	3,579,840	3,687,235	3,816,289	3,959,400
Consumption (60%)	5,163,231	5,369,760	5,530,853	5,724,433	5,939,099

Alternatives:

The alternatives were narrowed down to two alternatives: Customer Class = 2A and Connection Size = 2B. Staff was going to move a third alternative forward which would have a tiered water used system; however, staff believes that switching from flat rate to metered rate is a large enough step for most of CWD's customers. Once everyone is fully metered the District at that time should explore this alternative. Each alternative is defined and shown with the proposed rates.

Alternative 2A

Alternative 2A is classified by customer class with a 40% fixed and 60% consumption split. Staff recommends an adjustment to the proposed fixed component based on the size of the connection to cover the costs associated with meter size cost differential using a 1 inch meter as the base. The proposed rates per alternative 2A would be the combination of the following 2 tables:

Metered Water Rates - Alternative 2A						
<i>Bimonthly Service Charges</i>						
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	
Residential	42.16	43.85	45.16	46.74	48.50	
Multi-Family	34.53	35.91	36.99	38.28	39.72	
Condo	20.89	21.73	22.38	23.16	24.03	
Apartment	155.07	161.27	166.11	171.92	178.37	
Commercial	81.22	84.47	87.00	90.05	93.42	
Park	717.12	745.80	768.18	795.07	824.88	
School	448.20	466.13	480.11	496.92	515.55	
Irrigation	99.93	103.93	107.05	110.79	114.95	
<i>Commodity Rate</i>	Per CCF	1.02	1.06	1.09	1.13	1.17

Metered Water Rates - Alternative 2A Adjustment due to size						
Bimonthly Adjustment	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	
3/4"	(2.13)	(2.22)	(2.28)	(2.36)	(2.45)	
1"	-	-	-	-	-	
1.5"	8.10	8.42	8.68	8.98	9.32	
2"	16.31	16.96	17.47	18.08	18.76	
3"	30.46	31.68	32.63	33.77	35.04	
4"	45.32	47.13	48.55	50.25	52.13	
6"	63.89	66.45	68.44	70.83	73.49	
8"	115.86	120.49	124.11	128.45	133.27	
10"	165.85	172.48	177.66	183.88	190.77	
12"	249.75	259.74	267.53	276.90	287.28	

Alternative 2B

Alternative 2B is classified by meter size with a 40% fixed and 60% consumption split. The proposed rates per alternative 2B are shown in the table below:

Metered Water Rates - Alternative 2B						
Bimonthly Service Charges	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	
3/4"	30.92	32.16	33.12	34.28	35.57	
1"	38.65	40.20	41.40	42.85	44.46	
1 1/2"	89.41	92.99	95.78	99.13	102.85	
2"	135.68	141.11	145.34	150.43	156.07	
3"	205.32	213.53	219.94	227.64	236.17	
4"	426.17	443.22	456.51	472.49	490.21	
6"	947.84	985.75	1,015.33	1,050.86	1,090.27	
8"	1,374.01	1,428.97	1,471.84	1,523.35	1,580.48	
10"	1,800.18	1,872.19	1,928.35	1,995.85	2,070.69	
12"	2,294.85	2,386.64	2,458.24	2,544.28	2,639.69	
Commodity Rate	Per CCF	1.02	1.06	1.09	1.13	1.17

Flat Rate Prior to Transitioning:

The District will continue to have flat rate accounts until the final phase 4 customers are transitioned. The proposed flat rates are shown in the table below:

Residential Flat Water Rates						
Bimonthly Service Charges	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	
SF11	107.82	112.13	115.49	119.53	124.02	
SF12	136.66	142.13	146.39	151.52	157.20	
SF13	191.27	198.92	204.89	212.06	220.01	
SF52	193.23	200.96	206.99	214.23	222.26	

Fire Service:

The private fire service protections are charged per diameter inch for fire protection. The proposed private fire service protection rates are shown in the table below:

Private Fire Service Protection						
Bimonthly Service Charges	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	
1"	25.03	26.03	26.81	27.75	28.79	