

**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

Alternative:

The alternatives were narrowed down to one alternative: Customer Class = 2A. The 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						
<i>Bimonthly Adjustment</i>	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	

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						
<i>Bimonthly Service Charges</i>	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						
<i>Bimonthly Service Charges</i>	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	

Surcharges based on regulatory/drought impacts:

Due to the mandatory impacts of regulatory or drought requirements, the District may need to impose a surcharge to its customers during the five year budget period. If there is a significant impact to the District budget during FY 2009/10 thru 2013/14 the District reserves the right to make a surcharge on customer's bills to reflect those impacts.