

Board Meeting November 17, 2008

Rate Alternative #4.1:

Alternative # 4 is based on four components: 1) recovering the Debt Service payment and the sinking fund for membrane replacement spread proportionally across all connections based on usage – which is the debt service charge (DSC); 2) the meter charge - the cost of reading the meter, sending out the water bill, meter maintenance, and the cost of the meter and installation; 3) 50% of the required revenue for PSM spread proportionally across all connections based on usage; and 4) the usage charge per CCF.

Debt Service (DS) Calculations based on proportional usage:

Size	Connect.	AF	Gallons/yr/con	%EDU'S	EDU's**	Bi/mon/EDU
¾	282	99.08	114,478	.43	121	\$12.71
1.0	10,957	8,830.79	262,601	1.0	10,957	\$29.64
1.5	299	558.28	608,372	2.3	687	\$68.10
2.0	252	713.69	922,778	3.5	882	\$103.74
3.0	19	81.42	1,396,258	5.3	100	\$156.00
4.0	84	747.27	2,898,589	11.0	968	\$341.56
6.0	23	454.87	6,443,886	24.53	563	\$725.53
8.0*	4	24.50	1,995,696	54.7	218	\$1,615.38
12.0	1	452.10	147,307,290	568.0	568	\$16,835.52
Total	11,921	11,962.00			15,064	

*8.0 connections were normalized.

** Based on actual usage

DS equals \$177.84/EDU/Year

Meter Charge Calculation:

Size	Meter Cost	Parts	Labor	Total	Bimonthly*	Meter Read	Total Bi-mo
¾	142.00	53.25	20.83	216.08	5.14	1.88	7.02
1.0	159.00	125.58	20.83	305.41	7.27	1.88	9.15
1.5	334.87	227.56	83.32	645.75	15.37	1.88	17.25
2.0	447.06	460.00	83.32	990.38	23.58	1.88	25.46
3.0	760.00	325.00	499.92	1,584.92	37.73	1.88	39.61
4.0	1,234.00	475.00	499.92	2,208.92	52.59	1.88	54.47
6.0	2,334.00	555.00	999.84	2,988.84	71.16	1.88	73.04
8.0	3,500.00	672.00	999.84	5,171.84	123.13	1.88	125.01
12.0	8,677.00	795.00	1,333.12	10,795.12	257.02	1.88	258.90

* Based on a seven year meter life

PSM Charge Calculation/ based on 50% of PSM per EDU:

Size	Connect.	AF	Gallons/yr/con	%EDU'S	EDU's**	Bi/mon/EDU
¾	282	99.08	114,478	.43	121	\$3.48
1.0	10,957	8,830.79	262,601	1.0	10,957	\$8.12
1.5	299	558.28	608,372	2.3	687	\$18.65
2.0	252	713.69	922,778	3.5	882	\$28.41
3.0	19	81.42	1,396,258	5.3	100	\$42.72
4.0	84	747.27	2,898,589	11.0	968	\$93.55
6.0	23	454.87	6,443,886	24.53	563	\$198.72
8.0*	4	24.50	1,995,696	54.7	218	\$442.44
12.0	1	452.10	147,307,290	568.0	568	\$4,611.21
Total	11,921	11,962.00			15,064	

PSM equals \$48.71 EDU/Year

Consumption Charge:

Size	# of Connections	CCF	\$1.01/CCF	Bi/mon/Cost/Con
¾	282	43,162	\$43,593.62	\$25.76
1.0	10,957	3,846,684	\$3,885,150.84	\$59.09
1.5	299	242,753	\$245,180.53	\$136.66
2.0	252	310,014	\$313,114.14	\$207.10
3.0	19	35,377	\$35,690.37	\$313.07
4.0	84	325,070	\$328,320.70	\$651.42
6.0	23	198,126	\$200,107.26	\$1,450.05
8.0*	4	10,674	\$10,780.74	\$449.19
12.0	1	196,935	\$198,904.35	\$33,150.72
Total	11,921		\$5,258,842.22	

2009 Average Bimonthly Water Bill:

Size	DSC	MC	PSM	CCF	Bi/Mon/Cost	Current/Rate
¾	12.71	7.02	3.48	25.76	\$48.97	\$59.11
1.0	29.64	9.15	8.12	59.09	\$106.00	\$105.32
1.5	68.10	17.25	18.65	136.66	\$240.66	\$216.72
2.0	103.74	25.46	28.41	207.10	\$364.71	\$334.22
3.0	156.00	39.61	42.72	313.07	\$551.40	\$589.53
4.0	341.56	54.47	93.55	651.42	\$1,141.00	\$1,032.33
6.0	725.53	73.04	198.72	1,450.05	\$2,447.34	\$2,167.60
8.0	1,615.38	125.01	442.44	449.19	\$2,632.02	\$2,346.62
12.0	16,855.52	258.90	4,611.21	33,150.72	\$54,876.35	\$28,463.42

Summary of Alternatives 1- 4.1:

Comparison 2009 Alternatives 1A 2A average bi-monthly bill:

Class	2009/1A	2009/2A
Res	109.70	109.27
MF	93.06	92.69
Con	56.36	52.86
AP	417.36	416.28
Com	218.72	217.92
PK	3879.06	3863.45
Sch	977.49	974.97
Irr	268.08	267.51

Alternative 1A is based on the proportional usage by customer class is 100% consumption charge at \$1.78/CCF:

Alternative 2A is based on the usage by customer class with a 40% fixed cost and 60% consumptive charge at \$1.06/CCF

Comparison 2009 Alternatives 1B, 2B, 3, 4 and 4.1 average bi-monthly bill:

Size	# of Con	Curr/ Rate	1B	2B	3	4	4.1
¾	282	59.11	45.40	46.88	73.29	79.71	48.97
1.0	10,957	105.32	104.15	103.83	112.71	114.19	106.00
1.5	299	216.72	240.85	239.94	207.60	187.55	240.66
2.0	252	334.22	364.96	338.96	294.60	274.09	364.71
3.0	29	589.53	552.57	550.51	427.72	391.42	551.40
4.0	84	1,032.33	1,148.06	1,143.71	820.74	734.25	1,141.00
6.0	23	2,162.60	2,555.53	2,544.99	1,732.82	1,527.72	2,447.34
8.0	4	2,346.62	1,531.37	2,563.33	665.02	608.56	2,632.02
12.0	1	28,463.42	58,424.00	58,191.85	37,385.77	32,472.65	54,876.35

Current Rate based upon 55% Fixed cost and 45% consumptive cost

Alternative 1B is based on the proportional usage by service size connection 100% consumptive charge at \$1.78/CCF

Alternative 2B is based upon proportional based 40% fixed charge and 60% consumptive charge.

Alternative 3 is based on three components recovering debit service , membrane replacement (DS), meter charge (MC), and consumptive charge (CCF) of \$1.13 CCF.

Alternative 4 is based on four components recovering debit service, membrane replacement (DS), meter charge (MC), covering 50% of Planned System Maintenance (PSM) and a (CCF) charge of \$.98/CCF

Alternative 4.1 is based on four components recovering debit service, membrane replacement, (DS) based on actual proportional usage, meter charge (MC), covering 50% of Planned System Maintenance (PSM) based on actual proportional usage, and a (CCF) charge of \$1.01/CCF