OFFICE OF THE
TOWN MANAGER

Richard D. Carney
Municipal Office Building
100 Maple Avenue
Voice: 508-841-8508
Fax: 508-842-0587
dmorgado@th.ci.shrewsbury.ma.us

Town of Shrewsbury

MASSACHUSETTS 01545-5398

April 21, 2006

To: Board of Selectmen

From: Daniel J. Morgado

Re: Proposed Water Rates

Reference is made to my memos to you dated March 15, 2006, March 31, 2006 and April 5, 2006.

Pursuant to your instructions, I have prepared revised forecasts based upon action taken at your last meeting involving a new connection fee and inserting rate scenario #4. I have also inserted an increase of a flat 15% for non-residential rates for modeling purposes.

Attached are the following:

1. Forecast #5 showing the impact of no increase in rates but the establishment of the water connection fee. Cash flow goes negative in FY 2010.
2. Forecast #6 showing new rates of Scenario #4 with a 15% increase in non-residential rates. Positive cash flow is maintained with an cumulative surplus of $2.8 Million in FY 2011.
3. Forecast #7 showing that positive cash flow is maintained through 2011 without the $3 Million bond issue.
4. Is a summary of the other non-residential rates. Please not that we have a hodgepodge of lawn watering rates. Some are currently flat rate some on the residential rate scale.
5. Compares the current and proposed residential and non-residential rates. I have also included an new proposed lawn rate to be applied to:

Rate	Title	# of Customers	Current Rate	Proposed Rate
WATLAW	Residential Lawns	27	Residential Sliding	Flat $4.50/1,000 Gals
WATERS	Residential Summer	16	Flat $3.00/1,000 Gals	Flat $4.50/1,000 Gals
WATALN	Apartment Lawns	13	Flat $3.00/1,000 Gals	Flat $4.50/1,000 Gals

Rate	Title	# of Customers	Current Rate	Proposed Rate
WATCML	Commercial Lawns	6	Flat $3.00/1,000 Gals	Flat $4.50/1,000 Gals
WATCNL	Condominium Lawns	11	Flat $3.00/1,000 Gals	Flat $4.50/1,000 Gals
WATSCL	School & Municipal Lawns	7	Flat $3.00/1,000 Gals	Flat $4.50/1,000 Gals

The Board may wish to consider not increasing the WATSCL rate.

The balance of the non-residential rates would be treated as follows:

Rate	Title	# of Customers	Current Rate	Proposed Rate
WATERA	Apartments	132	Flat $3.00/1,000 Gals	Flat $3.45/1,000 Gals
WATCM	Commercial	488	Residential Sliding*	Residential Sliding**
WATCNL	Condominiums	621	Residential Sliding*	Residential Sliding**
WATSCH	School & Municipal	31	Residential Sliding*	Residential Sliding**
			***$15.00 Minimum**	****$16.50 Minimum**
			$2.50/1,000 to 25k	**$2.85/1,000 to 25k**
			$4.50/1,000 25k-50k	**$5.20/1,000 25k-50k**
			$5.50/1000 50k+	**$6.35/1000 50k+**

The Board may wish to consider not increasing the WATSCH rate.

6. A comparison of the 1991, 2003 and proposed 2006 residential rates.

I request that the Board take the following actions:

1. Adopt a new residential (WATER) rate of $16.50 minimum and a sliding scale of $2.85/$5.20 and $6.35.
2. Adopt a $4.50/1,000 gallon flat rate for WATLAW, WATERS, WATALN, WATCML AND WATCNL (no change for WATSCL) rates.
3. Adopt a $3.45/1,000 gallon flat rate for the WATERA rate.
4. Adopt the rate of $16.50 minimum and a sliding scale of $2.85/$5.20 and $6.35 for the WATCM and WATCNL (no change for WATSCH) rates

Please advise with any questions.

Cc Jack Perreault
Robert Tozeski
Michael Hale
Andre Belliveau

Water Department - Five Year Fiscal Forecast
New Connection Fee of $4,000

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenue					
Water Revenue	$ 2,900,000	$ 2,900,000	$ 2,900,000	$ 2,900,000	$ 2,900,000
Water Conservation Revenue ($1,000 per)	$ 100,000	$ 100,000	$ 75,000	$ 75,000	$ 75,000
Water Connection Fee ($4,000 per)	$ 400,000	$ 400,000	$ 300,000	$ 300,000	$ 300,000
Bond Proceeds	$ 3,000,000	$ -	$ -	$ -	$ -
Total Revenue	$ 6,400,000	$ 3,400,000	$ 3,275,000	$ 3,275,000	$ 3,275,000
Operating Expenditure					
Water Operation(assumes 10% annual increase)	$ 2,004,296	$ 2,204,726	$ 2,425,198	$ 2,667,718	$ 2,934,490
Debt Service		$ 450,000	$ 435,000	$ 420,000	$ 405,000
	$ 2,004,296	$ 2,654,726	$ 2,860,198	$ 3,087,718	$ 3,339,490
Capital Expenditure					
Route 9 - Dewey to Maple	$ 1,200,000				
Harrington to Old Mill	$ 450,000				
Centech Extension	$ 172,000				
Paint and Repair Hillside Tank	$ 500,000				
Tank Replacement at Masonic	$ 1,250,000				
W. Main to Harrington		$ 500,000			
Blackstone Rd to Worcester line		$ 475,000			
Route 20 - Yellow Freight to Cherry		$ 350,000			
Crescent Street			$ 485,000		
Maple Ave and Gage Lane			$ 700,000		
Paint and Repair Masonic Tank #3			$ 400,000		
Oak Street - Maple to Gale				$ 150,000	
Lake Street from Grafton Street to Route 9				$ 325,000	
Paint and Repair Oak Street Tank				$ 200,000	
Edgemere Area Replacement					$ 950,000
Equipment Replacement	$ 40,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Water Services on Grafton Street					
Treatment Plant Upgrade ????					
	$ 3,612,000	$ 1,425,000	$ 1,685,000	$ 775,000	$ 1,050,000
Total Expenditures	$ 5,616,296	$ 4,079,726	$ 4,545,198	$ 3,862,718	$ 4,389,490
Available Funds					
Balance in Various Accounts	$ 881,055				
Balance in Water Conservation Fund	$ 486,958				
Surplus/Deficit	$ 2,151,717	$ (679,726)	$ (1,270,198)	$ (587,718)	$ (1,114,490)
	Cumulative	$ 1,471,991	$ 201,793	$ (385,925)	$ (1,500,415)

4/21/2006 Forecast #5

Water Department - Five Year Fiscal Forecast

New Connection Fee of $4,000; Increases in Rates Per Scenario Four and 15% Non Residential

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenue					
Water Revenue - Base	$ 2,900,000	$ 2,900,000	$ 2,900,000	$ 2,900,000	$ 2,900,000
Increase in Residential Rates Scenario #4	$ 435,000	$ 435,000	$ 435,000	$ 435,000	$ 435,000
Increase in Non Residential Rates 15%*	$ 430,000	$ 430,000	$ 430,000	$ 430,000	$ 430,000
Water Conservation Revenue ($1,000 per)	$ 100,000	$ 100,000	$ 75,000	$ 75,000	$ 75,000
Water Connection Fee ($4,000 per)	$ 400,000	$ 400,000	$ 300,000	$ 300,000	$ 300,000
Bond Proceeds	$ 3,000,000	$ -	$ -	$ -	$ -
Total Revenue	$ 7,265,000	$ 4,265,000	$ 4,140,000	$ 4,140,000	$ 4,140,000
Operating Expenditure					
Water Operation(assumes 10% annual increase)	$ 2,004,296	$ 2,204,726	$ 2,425,198	$ 2,667,718	$ 2,934,490
Debt Service		$ 450,000	$ 435,000	$ 420,000	$ 405,000
	$ 2,004,296	$ 2,654,726	$ 2,860,198	$ 3,087,718	$ 3,339,490
Capital Expenditure					
Route 9 - Dewey to Maple	$ 1,200,000				
Harrington to Old Mill	$ 450,000				
Centech Extension	$ 172,000				
Paint and Repair Hillside Tank	$ 500,000				
Tank Replacement at Masonic	$ 1,250,000				
W. Main to Harrington		$ 500,000			
Blackstone Rd to Worcester line		$ 475,000			
Route 20 - Yellow Freight to Cherry		$ 350,000			
Crescent Street			$ 485,000		
Maple Ave and Gage Lane			$ 700,000		
Paint and Repair Masonic Tank #3			$ 400,000		
Oak Street - Maple to Gale				$ 150,000	
Lake Street from Grafton Street to Route 9				$ 325,000	
Paint and Repair Oak Street Tank				$ 200,000	
Edgemere Area Replacement					$ 950,000
Equipment Replacement	$ 40,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Water Services on Grafton Street					
Treatment Plant Upgrade ????					
	$ 3,612,000	$ 1,425,000	$ 1,685,000	$ 775,000	$ 1,050,000
Total Expenditures	$ 5,616,296	$ 4,079,726	$ 4,545,198	$ 3,862,718	$ 4,389,490
Available Funds					
Balance in Various Accounts	$ 881,055				
Balance in Water Conservation Fund	$ 486,958				
Surplus/Deficit	$ 3,016,717	$ 185,274	$ (405,198)	$ 277,282	$ (249,490)
	Cumulative	$ 3,201,991	$ 2,796,793	$ 3,074,075	$ 2,824,585

4/21/2006 Forecast #6

2

Water Department - Five Year Fiscal Forecast

New Connection Fee of $4,000; Increases in Rates Per Scenario Four and 15% Non Residential

No Bond Issue

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenue					
Water Revenue - Base	$ 2,900,000	$ 2,900,000	$ 2,900,000	$ 2,900,000	$ 2,900,000
Increase in Residential Rates Scenario #4	$ 435,000	$ 435,000	$ 435,000	$ 435,000	$ 435,000
Increase in Non Residential Rates 15%*	$ 430,000	$ 430,000	$ 430,000	$ 430,000	$ 430,000
Water Conservation Revenue ($1,000 per)	$ 100,000	$ 100,000	$ 75,000	$ 75,000	$ 75,000
Water Connection Fee ($4,000 per)	$ 400,000	$ 400,000	$ 300,000	$ 300,000	$ 300,000
Bond Proceeds	$ -	$ -	$ -	$ -	$ -
Total Revenue	$ 4,265,000	$ 4,265,000	$ 4,140,000	$ 4,140,000	$ 4,140,000
Operating Expenditure					
Water Operation(assumes 10% annual increase)	$ 2,004,296	$ 2,204,726	$ 2,425,198	$ 2,667,718	$ 2,934,490
Debt Service		$ -	$ -	$ -	$ -
	$ 2,004,296	$ 2,204,726	$ 2,425,198	$ 2,667,718	$ 2,934,490
Capital Expenditure					
Route 9 - Dewey to Maple	$ 1,200,000				
Harrington to Old Mill	$ 450,000				
Centech Extension	$ 172,000				
Paint and Repair Hillside Tank	$ 500,000				
Tank Replacement at Masonic	$ 1,250,000				
W. Main to Harrington		$ 500,000			
Blackstone Rd to Worcester line		$ 475,000			
Route 20 - Yellow Freight to Cherry		$ 350,000			
Crescent Street			$ 485,000		
Maple Ave and Gage Lane			$ 700,000		
Paint and Repair Masonic Tank #3			$ 400,000		
Oak Street - Maple to Gale				$ 150,000	
Lake Street from Grafton Street to Route 9				$ 325,000	
Paint and Repair Oak Street Tank				$ 200,000	
Edgemere Area Replacement					$ 950,000
Equipment Replacement	$ 40,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Water Services on Grafton Street					
Treatment Plant Upgrade ????					
	$ 3,612,000	$ 1,425,000	$ 1,685,000	$ 775,000	$ 1,050,000
Total Expenditures	$ 5,616,296	$ 3,629,726	$ 4,110,198	$ 3,442,718	$ 3,984,490
Available Funds					
Balance in Various Accounts	$ 881,055				
Balance in Water Conservation Fund	$ 486,958				
Surplus/Deficit	$ 16,717	$ 635,274	$ 29,802	$ 697,282	$ 155,510
	Cumulative	$ 651,991	$ 681,793	$ 1,379,075	$ 1,534,585

4/2 1/2006 Forecast #7

3

Table Four
Summary of Non-Residential Water Billing
Bill Cycles 2003-12 to 2005-11

Rate:	WATLAW		WATERS		WATERA		WATAI N		WATCM		WATCML		WATCN		WATCNL		WATSCH		WATSCL	
Applied to:	Residential Lawns		Residential Summer		Apartments		Apartments Lawns		Commercial		Commercial Lawns		Condominiums		Condominiums Lawns		School & Municipal		School & Municipal Lawns	
# of Accounts	27		16		132		13		488		6		621		11		31		7	
2003-12	1	$ 25	3	$ 182	30	$ 11,891	0	$ -	165	$ 23,265	0	$ -	97	$ 2,221	0	$ -	15	$ 2,403	7	$ 4,572
2004-01	23	$ 471	2	$ 1,293	23	$ 6,892	0	$ -	62	$ 32,078	2	$ 310	101	$ 2,911	0	$ -	10	$ 3,061	0	$ -
2004-02	2	$ 30	2	$ 34	79	$ 55,207	0	$ -	248	$ 34,917	1	$ 296	360	$ 10,854	0	$ -	5	$ 347	0	$ -
2004-03	1	$ 15	0	$ -	31	$ 12,599	0	$ -	162	$ 22,242	0	$ -	93	$ 2,297	0	$ -	16	$ 1,603	0	$ -
2004-04	23	$ 345	1	$ 156	22	$ 5,398	0	$ -	60	$ 23,833	0	$ -	105	$ 2,653	0	$ -	10	$ 2,620	0	$ -
2004-05	2	$ 39	7	$ 527	79	$ 50,060	13	$ 494	248	$ 30,529	3	$ 241	365	$ 10,590	5	$ 179	5	$ 377	0	$ -
2004-06	1	$ 15	4	$ 107	30	$ 11,093	0	$ -	164	$ 21,104	0	$ -	104	$ 2,199	0	$ -	16	$ 1,959	7	$ 1,337
2004-07	23	$ 895	4	$ 294	23	$ 5,559	0	$ -	62	$ 26,546	3	$ 969	119	$ 3,220	2	$ 478	10	$ 2,886	0	$ -
2004-08	3	$ 263	8	$ 2,646	79	$ 54,145	13	$ 2,970	249	$ 36,616	3	$ 422	368	$ 11,377	9	$ 2,483	5	$ 410	0	$ -
2004-09	1	$ 325	4	$ 136	30	$ 12,303	0	$ -	175	$ 26,726	0	$ -	96	$ 2,543	0	$ -	16	$ 4,713	7	$ 14,101
2004-10	22	$ 5,940	4	$ 224	24	$ 6,684	0	$ -	65	$ 36,605	3	$ 3,469	127	$ 5,092	2	$ 1,332	10	$ 3,137	0	$ -
2004-11	3	$ 203	8	$ 2,986	79	$ 59,832	13	$ 2,938	247	$ 41,116	3	$ 629	369	$ 12,587	9	$ 2,376	5	$ 350	0	$ -
2004-12	1	$ 175	2	$ 97	30	$ 12,896	0	$ -	171	$ 26,995	0	$ -	90	$ 2,458	0	$ -	16	$ 2,494	7	$ 3,353
2005-01	23	$ 588	2	$ 21	24	$ 5,885	0	$ -	66	$ 28,237	2	$ 471	129	$ 3,580	2	$ 3	10	$ 2,536	0	$ -
2005-02	3	$ 45	5	$ 72	79	$ 52,841	0	$ -	248	$ 32,498	2	$ 285	371	$ 11,905	0	$ -	5	$ 347	0	$ -
2005-03	1	$ 15	2	$ 15	30	$ 11,690	0	$ -	170	$ 20,384	0	$ -	91	$ 2,101	0	$ -	16	$ 2,159	2	$ -
2005-04	23	$ 345	0	$ -	24	$ 6,446	0	$ -	67	$ 24,457	1	$ 24	137	$ 3,753	0	$ -	10	$ 2,668	0	$ -
2005-05	4	$ 60	8	$ 488	79	$ 49,317	13	$ 464	249	$ 30,572	3	$ 237	142	$ 10,505	9	$ 313	5	$ 374	0	$ -
2005-06	2	$ 43	3	$ 17	30	$ 11,068	0	$ -	133	$ 23,288	0	$ -	93	$ 2,045	0	$ -	16	$ 2,302	7	$ 1,416
2005-07	22	$ 1,330	4	$ 259	24	$ 5,846	0	$ -	65	$ 26,810	3	$ 888	145	$ 3,641	2	$ 76	10	$ 2,768	0	$ -
2005-08	3	$ 87	9	$ 4,298	79	$ 53,474	13	$ 3,577	249	$ 35,581	3	$ 253	371	$ 11,331	9	$ 2,409	5	$ 457	0	$ -
2005-09	1	$ 50	3	$ 266	30	$ 12,648	0	$ -	172	$ 28,435	0	$ -	98	$ 2,553	0	$ -	16	$ 1,853	7	$ 12,563
2005-10	23	$ 8,630	4	$ 463	24	$ 6,640	0	$ -	67	$ 35,695	3	$ 2,321	156	$ 5,323	2	$ 978	10	$ 2,537	0	$ -
2005-11	3	$ 324	9	$ 3,557	78	$ 57,692	13	$ 3,077	249	$ 33,303	3	$ 398	367	$ 11,772	9	$ 2,736	5	$ 333	0	$ -
Total:	214	$ 20,258	98	$ 18,138	1,060	$ 578,106	78	$ 13,520	3813	$ 701,832	38	$ 11,213	4,494	$ 139,511	60	$ 13,363	247	$ 44,694	44	$ 37,342
Rates:	Minimum	$ 15.00	Flat Rate	$ 3.00	Flat Rate	$ 3.00	Flat Rate	$ 3.00	Minimum	$ 15.00	Flat Rate	$ 3.00	Minimum	$ 15.00	Flat Rate	$ 3.00	Minimum	$ 15.00	Flat Rate	$ 3.00
	0 to 5k	$ -							0 to 5k	$ -			0 to 5k	$ -			0 to 5k	$ -		
	5k to 50k	$ 2.50							5k to 50k	$ 2.50			5k to 50k	$ 2.50			5k to 50k	$ 2.50		
	25k to 50k	$ 4.50							25k to 50k	$ 4.50			25k to 50k	$ 4.50			25k to 50k	$ 4.50		
	50k +	$ 5.50							50k +	$ 5.50			50k +	$ 5.50			50k +	$ 5.50		

Total Bills: 10,146
Total Revenue: $ 1,577,977

Current Residential Rate		
	Minimum	$ 15.00
	0 to 5k	$ -
	5k to 25k	$ 2.50
	25k to 50k	$ 4.50
	50k +	$ 5.50

Total Bills Flat Rate 1,334 (Excludes Municipal)
Total Revenue Flat Rate $ 634,349

	New Rate	Total	Increase
10% Incr	$ 3.30	$ 697,774	$ 63,434
15% Incr	$ 3.45	$ 729,491	$ 95,151

Total Bills Stepped Rate 8,521 (Excludes Municipal)
Total Revenue Steped Rate $861,601

	Total	Increase
10% Incr	$947,761	$ 86,160
15% Incr	$990,841	$ 129,240

4/21/2006

4

Comparison of Residential Rate to "Lawn" Watering Rate (Commercial Rate)

Quarterly Usage	Current Rate $15.00 Minimum(5k); 5k to 25k $2.50/1000 gals; 25k to 50k $4.50/1000 gals; Over 50k $5.50/1000 gals	Cost Per Thousand	Current Non Residential Rate - $3.00/1,000 Gallons	Variance to Residential Rate	Proposed Rate #4 $16.50 Minimum(5k); 5k to 25k $2.85/1000 gals; 25k to 35k $5.20/1000 gals; 35k to 50k $5.20/1000 gals;Over 50k $6.35/1000 gals	Increase over Current	Percent	Cost Per Thousand	Proposed Non Residential Rate - $3.45/1,000 Gallons	Variance to Residential Rate	Proposed Lawn Rate - $4.50/1,000 Gallons	Variance to Residential Rate
1,000			$3.00						$3.45		$4.50	
2,000			$6.00						$6.90		$9.00	
3,000			$9.00						$10.35		$13.50	
4,000			$12.00						$13.80		$18.00	
5,000	$15.00		$15.00	$0.00	$16.50	$1.50	10.00%		$17.25	$0.75	$22.50	$6.00
6,000	$17.50	$2.92	$18.00	$0.50	$19.35	$1.85	10.57%	$3.23	$20.70	$1.35	$27.00	$7.65
7,000	$20.00	$2.86	$21.00	$1.00	$22.20	$2.20	11.00%	$3.17	$24.15	$1.95	$31.50	$9.30
8,000	$22.50	$2.81	$24.00	$1.50	$25.05	$2.55	11.33%	$3.13	$27.60	$2.55	$36.00	$10.95
9,000	$25.00	$2.78	$27.00	$2.00	$27.90	$2.90	11.60%	$3.10	$31.05	$3.15	$40.50	$12.60
10,000	$27.50	$2.75	$30.00	$2.50	$30.75	$3.25	11.82%	$3.08	$34.50	$3.75	$45.00	$14.25
11,000	$30.00	$2.73	$33.00	$3.00	$33.60	$3.60	12.00%	$3.05	$37.95	$4.35	$49.50	$15.90
12,000	$32.50	$2.71	$36.00	$3.50	$36.45	$3.95	12.15%	$3.04	$41.40	$4.95	$54.00	$17.55
13,000	$35.00	$2.69	$39.00	$4.00	$39.30	$4.30	12.29%	$3.02	$44.85	$5.55	$58.50	$19.20
14,000	$37.50	$2.68	$42.00	$4.50	$42.15	$4.65	12.40%	$3.01	$48.30	$6.15	$63.00	$20.85
15,000	$40.00	$2.67	$45.00	$5.00	$45.00	$5.00	12.50%	$3.00	$51.75	$6.75	$67.50	$22.50
16,000	$42.50	$2.66	$48.00	$5.50	$47.85	$5.35	12.59%	$2.99	$55.20	$7.35	$72.00	$24.15
17,000	$45.00	$2.65	$51.00	$6.00	$50.70	$5.70	12.67%	$2.98	$58.65	$7.95	$76.50	$25.80
18,000	$47.50	$2.64	$54.00	$6.50	$53.55	$6.05	12.74%	$2.98	$62.10	$8.55	$81.00	$27.45
19,000	$50.00	$2.63	$57.00	$7.00	$56.40	$6.40	12.80%	$2.97	$65.55	$9.15	$85.50	$29.10
20,000	$52.50	$2.63	$60.00	$7.50	$59.25	$6.75	12.86%	$2.96	$69.00	$9.75	$90.00	$30.75
21,000	$55.00	$2.62	$63.00	$8.00	$62.10	$7.10	12.91%	$2.96	$72.45	$10.35	$94.50	$32.40
22,000	$57.50	$2.61	$66.00	$8.50	$64.95	$7.45	12.96%	$2.95	$75.90	$10.95	$99.00	$34.05
23,000	$60.00	$2.61	$69.00	$9.00	$67.80	$7.80	13.00%	$2.95	$79.35	$11.55	$103.50	$35.70
24,000	$62.50	$2.60	$72.00	$9.50	$70.65	$8.15	13.04%	$2.94	$82.80	$12.15	$108.00	$37.35
25,000	$67.00	$2.68	$75.00	$8.00	$75.85	$8.85	13.21%	$3.03	$86.25	$10.40	$112.50	$36.65
26,000	$71.50	$2.75	$78.00	$6.50	$81.05	$9.55	13.36%	$3.12	$89.70	$8.65	$117.00	$35.95
27,000	$76.00	$2.81	$81.00	$5.00	$86.25	$10.25	13.49%	$3.19	$93.15	$6.90	$121.50	$35.25
28,000	$80.50	$2.88	$84.00	$3.50	$91.45	$10.95	13.60%	$3.27	$96.60	$5.15	$126.00	$34.55
29,000	$85.00	$2.93	$87.00	$2.00	$96.65	$11.65	13.71%	$3.33	$100.05	$3.40	$130.50	$33.85
30,000	$89.50	$2.98	$90.00	$0.50	$101.85	$12.35	13.80%	$3.40	$103.50	$1.65	$135.00	$33.15
31,000	$94.00	$3.03	$93.00	-$1.00	$107.05	$13.05	13.88%	$3.45	$106.95	-$0.10	$139.50	$32.45
32,000	$98.50	$3.08	$96.00	-$2.50	$112.25	$13.75	13.96%	$3.51	$110.40	-$1.85	$144.00	$31.75
33,000	$103.00	$3.12	$99.00	-$4.00	$117.45	$14.45	14.03%	$3.56	$113.85	-$3.60	$148.50	$31.05
34,000	$107.50	$3.16	$102.00	-$5.50	$122.65	$15.15	14.09%	$3.61	$117.30	-$5.35	$153.00	$30.35
35,000	$112.00	$3.20	$105.00	-$7.00	$127.85	$15.85	14.15%	$3.65	$120.75	-$7.10	$157.50	$29.65
36,000	$116.50	$3.24	$108.00	-$8.50	$133.05	$16.55	14.21%	$3.70	$124.20	-$8.85	$162.00	$28.95
37,000	$121.00	$3.27	$111.00	-$10.00	$138.25	$17.25	14.26%	$3.74	$127.65	-$10.60	$166.50	$28.25
38,000	$125.50	$3.30	$114.00	-$11.50	$143.45	$17.95	14.30%	$3.78	$131.10	-$12.35	$171.00	$27.55
39,000	$130.00	$3.33	$117.00	-$13.00	$148.65	$18.65	14.35%	$3.81	$134.55	-$14.10	$175.50	$26.85
40,000	$134.50	$3.36	$120.00	-$14.50	$153.85	$19.35	14.39%	$3.85	$138.00	-$15.85	$180.00	$26.15
41,000	$139.00	$3.39	$123.00	-$16.00	$159.05	$20.05	14.42%	$3.88	$141.45	-$17.60	$184.50	$25.45
42,000	$143.50	$3.42	$126.00	-$17.50	$164.25	$20.75	14.46%	$3.91	$144.90	-$19.35	$189.00	$24.75

4/21/2006

5

Comparison of Residential Rate to "Lawn" Watering Rate (Commercial Rate)

Quarterly Usage	Current Rate $15.00 Minimum(5k); 5k to 25k $2.50/1000 gals; 25k to 50k $4.50/1000 gals; Over 50k $5.50/1000 gals	Cost Per Thousand	Current Non Residential Rate - $3.00/1,000 Gallons	Variance to Residential Rate	Proposed Rate #4 $16.50 Minimum(5k); 5k to 25k $2.85/1000 gals; 25k to 35k $5.20/1000 gals; 35k to 50k $5.20/1000 gals;Over 50k $6.35/1000 gals	Increase over Current	Percent	Cost Per Thousand	Proposed Non Residential Rate - $3.45/1,000 Gallons	Variance to Residential Rate	Proposed Lawn Rate - $4.50/1,000 Gallons	Variance to Residential Rate
43,000	$148.00	$3.44	$129.00	-$19.00	$169.45	$21.45	14.49%	$3.94	$148.35	-$21.10	$193.50	$24.05
44,000	$152.50	$3.47	$132.00	-$20.50	$174.65	$22.15	14.52%	$3.97	$151.80	-$22.85	$198.00	$23.35
45,000	$157.00	$3.49	$135.00	-$22.00	$179.85	$22.85	14.55%	$4.00	$155.25	-$24.60	$202.50	$22.65
46,000	$161.50	$3.51	$138.00	-$23.50	$185.05	$23.55	14.58%	$4.02	$158.70	-$26.35	$207.00	$21.95
47,000	$166.00	$3.53	$141.00	-$25.00	$190.25	$24.25	14.61%	$4.05	$162.15	-$28.10	$211.50	$21.25
48,000	$170.50	$3.55	$144.00	-$26.50	$195.45	$24.95	14.63%	$4.07	$165.60	-$29.85	$216.00	$20.55
49,000	$175.00	$3.57	$147.00	-$28.00	$200.65	$25.65	14.66%	$4.09	$169.05	-$31.60	$220.50	$19.85
50,000	$180.50	$3.61	$150.00	-$30.50	$207.00	$26.50	14.68%	$4.14	$172.50	-$34.50	$225.00	$18.00
51,000	$186.00	$3.65	$153.00	-$33.00	$213.35	$27.35	14.70%	$4.18	$175.95	-$37.40	$229.50	$16.15
52,000	$191.50	$3.68	$156.00	-$35.50	$219.70	$28.20	14.73%	$4.23	$179.40	-$40.30	$234.00	$14.30
53,000	$197.00	$3.72	$159.00	-$38.00	$226.05	$29.05	14.75%	$4.27	$182.85	-$43.20	$238.50	$12.45
54,000	$202.50	$3.75	$162.00	-$40.50	$232.40	$29.90	14.77%	$4.30	$186.30	-$46.10	$243.00	$10.60
55,000	$208.00	$3.78	$165.00	-$43.00	$238.75	$30.75	14.78%	$4.34	$189.75	-$49.00	$247.50	$8.75
56,000	$213.50	$3.81	$168.00	-$45.50	$245.10	$31.60	14.80%	$4.38	$193.20	-$51.90	$252.00	$6.90
57,000	$219.00	$3.84	$171.00	-$48.00	$251.45	$32.45	14.82%	$4.41	$196.65	-$54.80	$256.50	$5.05
58,000	$224.50	$3.87	$174.00	-$50.50	$257.80	$33.30	14.83%	$4.44	$200.10	-$57.70	$261.00	$3.20
59,000	$230.00	$3.90	$177.00	-$53.00	$264.15	$34.15	14.85%	$4.48	$203.55	-$60.60	$265.50	$1.35
60,000	$235.50	$3.93	$180.00	-$55.50	$270.50	$35.00	14.86%	$4.51	$207.00	-$63.50	$270.00	-$0.50
61,000	$241.00	$3.95	$183.00	-$58.00	$276.85	$35.85	14.88%	$4.54	$210.45	-$66.40	$274.50	-$2.35
62,000	$246.50	$3.98	$186.00	-$60.50	$283.20	$36.70	14.89%	$4.57	$213.90	-$69.30	$279.00	-$4.20
63,000	$252.00	$4.00	$189.00	-$63.00	$289.55	$37.55	14.90%	$4.60	$217.35	-$72.20	$283.50	-$6.05
64,000	$257.50	$4.02	$192.00	-$65.50	$295.90	$38.40	14.91%	$4.62	$220.80	-$75.10	$288.00	-$7.90
65,000	$263.00	$4.05	$195.00	-$68.00	$302.25	$39.25	14.92%	$4.65	$224.25	-$78.00	$292.50	-$9.75
66,000	$268.50	$4.07	$198.00	-$70.50	$308.60	$40.10	14.93%	$4.68	$227.70	-$80.90	$297.00	-$11.60
67,000	$274.00	$4.09	$201.00	-$73.00	$314.95	$40.95	14.95%	$4.70	$231.15	-$83.80	$301.50	-$13.45
68,000	$279.50	$4.11	$204.00	-$75.50	$321.30	$41.80	14.96%	$4.73	$234.60	-$86.70	$306.00	-$15.30
69,000	$285.00	$4.13	$207.00	-$78.00	$327.65	$42.65	14.96%	$4.75	$238.05	-$89.60	$310.50	-$17.15
70,000	$290.50	$4.15	$210.00	-$80.50	$334.00	$43.50	14.97%	$4.77	$241.50	-$92.50	$315.00	-$19.00
71,000	$296.00	$4.17	$213.00	-$83.00	$340.35	$44.35	14.98%	$4.79	$244.95	-$95.40	$319.50	-$20.85
72,000	$301.50	$4.19	$216.00	-$85.50	$346.70	$45.20	14.99%	$4.82	$248.40	-$98.30	$324.00	-$22.70
73,000	$307.00	$4.21	$219.00	-$88.00	$353.05	$46.05	15.00%	$4.84	$251.85	-$101.20	$328.50	-$24.55
74,000	$312.50	$4.22	$222.00	-$90.50	$359.40	$46.90	15.01%	$4.86	$255.30	-$104.10	$333.00	-$26.40
75,000	$318.00	$4.24	$225.00	-$93.00	$365.75	$47.75	15.02%	$4.88	$258.75	-$107.00	$337.50	-$28.25
76,000	$323.50	$4.26	$228.00	-$95.50	$372.10	$48.60	15.02%	$4.90	$262.20	-$109.90	$342.00	-$30.10
77,000	$329.00	$4.27	$231.00	-$98.00	$378.45	$49.45	15.03%	$4.91	$265.65	-$112.80	$346.50	-$31.95
78,000	$334.50	$4.29	$234.00	-$100.50	$384.80	$50.30	15.04%	$4.93	$269.10	-$115.70	$351.00	-$33.80
79,000	$340.00	$4.30	$237.00	-$103.00	$391.15	$51.15	15.04%	$4.95	$272.55	-$118.60	$355.50	-$35.65
80,000	$345.50	$4.32	$240.00	-$105.50	$397.50	$52.00	15.05%	$4.97	$276.00	-$121.50	$360.00	-$37.50
81,000	$351.00	$4.33	$243.00	-$108.00	$403.85	$52.85	15.06%	$4.99	$279.45	-$124.40	$364.50	-$39.35
82,000	$356.50	$4.35	$246.00	-$110.50	$410.20	$53.70	15.06%	$5.00	$282.90	-$127.30	$369.00	-$41.20
83,000	$362.00	$4.36	$249.00	-$113.00	$416.55	$54.55	15.07%	$5.02	$286.35	-$130.20	$373.50	-$43.05
84,000	$367.50	$4.38	$252.00	-$115.50	$422.90	$55.40	15.07%	$5.03	$289.80	-$133.10	$378.00	-$44.90

Comparison of Residential Rate to "Lawn" Watering Rate (Commercial Rate)

Quarterly Usage	Current Rate $15.00 Minimum(5k); 5k to 25k $2.50/1000 gals; 25k to 50k $4.50/1000 gals; Over 50k $5.50/1000 gals	Cost Per Thousand	Current Non Residential Rate - $3.00/1,000 Gallons	Variance to Residential Rate	Proposed Rate #4 $16.50 Minimum(5k); 5k to 25k $2.85/1000 gals; 25k to 35k $5.20/1000 gals; 35k to 50k $5.20/1000 gals;Over 50k $6.35/1000 gals	Increase over Current	Percent	Cost Per Thousand	Proposed Non Residential Rate - $3.45/1,000 Gallons	Variance to Residential Rate	Proposed Lawn Rate - $4.50/1,000 Gallons	Variance to Residential Rate
85,000	$373.00	$4.39	$255.00	-$118.00	$429.25	$56.25	15.08%	$5.05	$293.25	-$136.00	$382.50	-$46.75
86,000	$378.50	$4.40	$258.00	-$120.50	$435.60	$57.10	15.09%	$5.07	$296.70	-$138.90	$387.00	-$48.60
87,000	$384.00	$4.41	$261.00	-$123.00	$441.95	$57.95	15.09%	$5.08	$300.15	-$141.80	$391.50	-$50.45
88,000	$389.50	$4.43	$264.00	-$125.50	$448.30	$58.80	15.10%	$5.09	$303.60	-$144.70	$396.00	-$52.30
89,000	$395.00	$4.44	$267.00	-$128.00	$454.65	$59.65	15.10%	$5.11	$307.05	-$147.60	$400.50	-$54.15
90,000	$400.50	$4.45	$270.00	-$130.50	$461.00	$60.50	15.11%	$5.12	$310.50	-$150.50	$405.00	-$56.00
91,000	$406.00	$4.46	$273.00	-$133.00	$467.35	$61.35	15.11%	$5.14	$313.95	-$153.40	$409.50	-$57.85
92,000	$411.50	$4.47	$276.00	-$135.50	$473.70	$62.20	15.12%	$5.15	$317.40	-$156.30	$414.00	-$59.70
93,000	$417.00	$4.48	$279.00	-$138.00	$480.05	$63.05	15.12%	$5.16	$320.85	-$159.20	$418.50	-$61.55
94,000	$422.50	$4.49	$282.00	-$140.50	$486.40	$63.90	15.12%	$5.17	$324.30	-$162.10	$423.00	-$63.40
95,000	$428.00	$4.51	$285.00	-$143.00	$492.75	$64.75	15.13%	$5.19	$327.75	-$165.00	$427.50	-$65.25
96,000	$433.50	$4.52	$288.00	-$145.50	$499.10	$65.60	15.13%	$5.20	$331.20	-$167.90	$432.00	-$67.10
97,000	$439.00	$4.53	$291.00	-$148.00	$505.45	$66.45	15.14%	$5.21	$334.65	-$170.80	$436.50	-$68.95
98,000	$444.50	$4.54	$294.00	-$150.50	$511.80	$67.30	15.14%	$5.22	$338.10	-$173.70	$441.00	-$70.80
99,000	$450.00	$4.55	$297.00	-$153.00	$518.15	$68.15	15.14%	$5.23	$341.55	-$176.60	$445.50	-$72.65
100,000	$455.50	$4.56	$300.00	-$155.50	$524.50	$69.00	15.15%	$5.25	$345.00	-$179.50	$450.00	-$74.50

Comparison of 1991, 2003 and 2006 Water Rate Proposals

Quarterly Usage	1991 Water Rate	2003 Water Rate	Scenario #1	Compared to 1991	Compared to 2003	Scenario #2	Compared to 1991	Compared to 2003	Scenario #3	Compared to 1991	Compared to 2003	Scenario #4	Compared to 1991	Compared to 2003
5,000	$ 24.00	$ 15.00	$ 16.50	-31%	10%	$ 16.50	-31%	10%	$ 16.50	-31%	10%	$ 16.50	-31%	10%
10,000	$ 33.00	$ 27.50	$ 30.25	-8%	10%	$ 30.75	-7%	12%	$ 30.25	-8%	10%	$ 30.75	-7%	12%
15,000	$ 42.00	$ 40.00	$ 44.00	5%	10%	$ 45.00	7%	13%	$ 44.00	5%	10%	$ 45.00	7%	13%
20,000	$ 51.00	$ 52.50	$ 57.75	13%	10%	$ 59.25	16%	13%	$ 57.75	13%	10%	$ 59.25	16%	13%
25,000	$ 60.00	$ 67.00	$ 73.75	23%	10%	$ 75.75	26%	13%	$ 73.50	23%	10%	$ 75.85	26%	13%
30,000	$ 69.00	$ 89.50	$ 98.75	43%	10%	$ 101.25	47%	13%	$ 97.25	41%	9%	$ 101.85	48%	14%
35,000	$ 78.00	$ 112.00	$ 123.75	59%	10%	$ 126.75	63%	13%	$ 122.25	57%	9%	$ 127.85	64%	14%
40,000	$ 87.00	$ 134.50	$ 148.75	71%	11%	$ 152.25	75%	13%	$ 152.25	75%	13%	$ 153.85	77%	14%
45,000	$ 96.00	$ 157.00	$ 173.75	81%	11%	$ 177.75	85%	13%	$ 182.25	90%	16%	$ 179.85	87%	15%
50,000	$ 105.00	$ 180.50	$ 199.75	90%	11%	$ 204.25	95%	13%	$ 213.75	104%	18%	$ 207.00	97%	15%
75,000	$ 165.00	$ 318.00	$ 349.75	112%	10%	$ 356.75	116%	12%	$ 401.25	143%	26%	$ 365.75	122%	15%