

BOARD OF WATER SUPPLY of the COUNTY OF KAUA'I

FINANCE COMMITTEE MEETING

Second Floor, Kaua'i County Department of Water
4398 Pua Loke Street, Lihu'e, Kaua'i, Hawai'i 96766
Lihu'e, Kaua'i, Hawai'i 96766

FRIDAY, MARCH 24, 2017

9:00 a.m.

AGENDA

- A. **CALL TO ORDER**
- B. **ROLL CALL**
- C. **ACCEPTANCE OF AGENDA**
- D. **NEW BUSINESS**
 - 1. *Manager's Report No. 17-29* - Discussion and Possible Action on the Financial Management Planning and Water Rate Analysis for the Department of Water for July 2017 to June 2021 and submit an Impact Statement to the Small Business Regulatory Review Board
- E. **ADJOURNMENT**

Page 1 of 1

NOTE: NOTE: If you need an ASL Interpreter, materials in an alternate format, or other auxiliary aid support, please contact Edie at 245-5406 or email: eineumiller@kauaiwater.org at least seven calendar days before the meeting.

New Business

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 17-29

March 24, 2017

Re: Discussion and Possible Action on the Financial Management Planning and Water Rate Analysis for the Department of Water for July 2017 to June 2021 and submit an Impact Statement to the Small Business Regulatory Review Board

RECOMMENDATION: It is recommended that the Board approve the proposed rates of the Department of Water (DOW) for FY 2017 – 2021 as presented.

FUNDING: N/A.

BACKGROUND: The Water Rate Study Report is submitted for your review and action. Together with the report, the consultants developed a financial planning/rate model that DOW can use to provide DOW the flexibility to conduct what-if scenarios to better meet challenges resulting from dynamic changes and future updates.

The Department of Water was approved by the Board to conduct another 5 year water rate study after the last water rate study ended on June 30, 2016. Raftelis Financial Consultants, Inc. was selected to conduct an analysis of the DOW's Financial Management Plan and perform the 5 year Water Rate Study.

The DOW staff and consultants worked together to address several issues such as:

- Adequate revenues to meet the ongoing operating and capital costs with emphasis on allocation between fixed and variable sources to ensure revenue stability and equity amongst customer classes.
- Funding of DOW capital outlay for ongoing replacement and rehabilitation capital projects.
- Development of a comprehensive financial plan that will provide for effective implementation of capital projects and recovery of operations and maintenance costs for the overall stability of DOW and reserves to meet DOW's risk management practices.
- Design of water rates that will meet DOW's objectives.

The water rate study was presented to the Board in two separate workshops and it is our hope that the Board were provided enough information to direct the department with recommendations if any and/or approve the water rate study report as presented.

OPTIONS:

Option 1: Refer to the Finance Committee if further discussion is required.

Pro: Finance Committee will have more time to review, analyze and discuss the impacts of the Department's financial plan as presented by the staff.

Con: Additional time, fees and costs to consultants.

Option 2: Incorporate recommendations from the workshop and re-submit the revised financial plan and rate model.

Pro: Board will have more time to review, analyze and discuss the results of the Water Rate Study Report before it goes out to Small Business Regulatory Review Board (SBRRB).

Con: Submission to SBRRB will be delayed for another month or so.

Option 3: Approve the Water Rate Study Report with the recommended change/s if any.

Pro: This option will allow the DOW to incorporate changes as discussed and recommended by the Board and to allow the department to move forward to SBRRB for the impact statement.

Con: The Board will have no additional time to discuss the Water Rate Study Report after the changes are incorporated before it goes out to SBRRB.

Respectfully submitted,



Marites Yano
Waterworks Controller

CONCURRED:



Kirk Saiki, P.E.
Manager and Chief Engineer

MY/ein

Attachment: County of Kaua'i, Department of Water Board Presentation 2-24-17

Mgrp/March 2017/17-29/ Discussion and Possible Action on the Financial Management Planning and Water Rate Analysis for the Department of Water for July 2017 to June 2021 and submit an Impact Statement to the Small Business Regulatory Review Board (2-24-17)(FCM 3-24-17):ein

COUNTY OF KAUAI DEPARTMENT OF WATER

Board Workshop

February 24, 2017

AGENDA

- » Study Objectives
- » Financial Plan
 - › Key Assumptions
 - › Revenue and Expenses
 - › Proposed Revenue Adjustments
- » Rate Design
 - › Scenarios Review
- » Next Steps
- » Q&A

STUDY OBJECTIVES

- » Adequate funding of the water utility's ongoing operation and capital needs
 - › Overall financial stability and adequate reserves
 - › Minimize overall impacts
- » Development of water rates that
 - › Provide revenue stability
 - › Are fair and equitable to customers

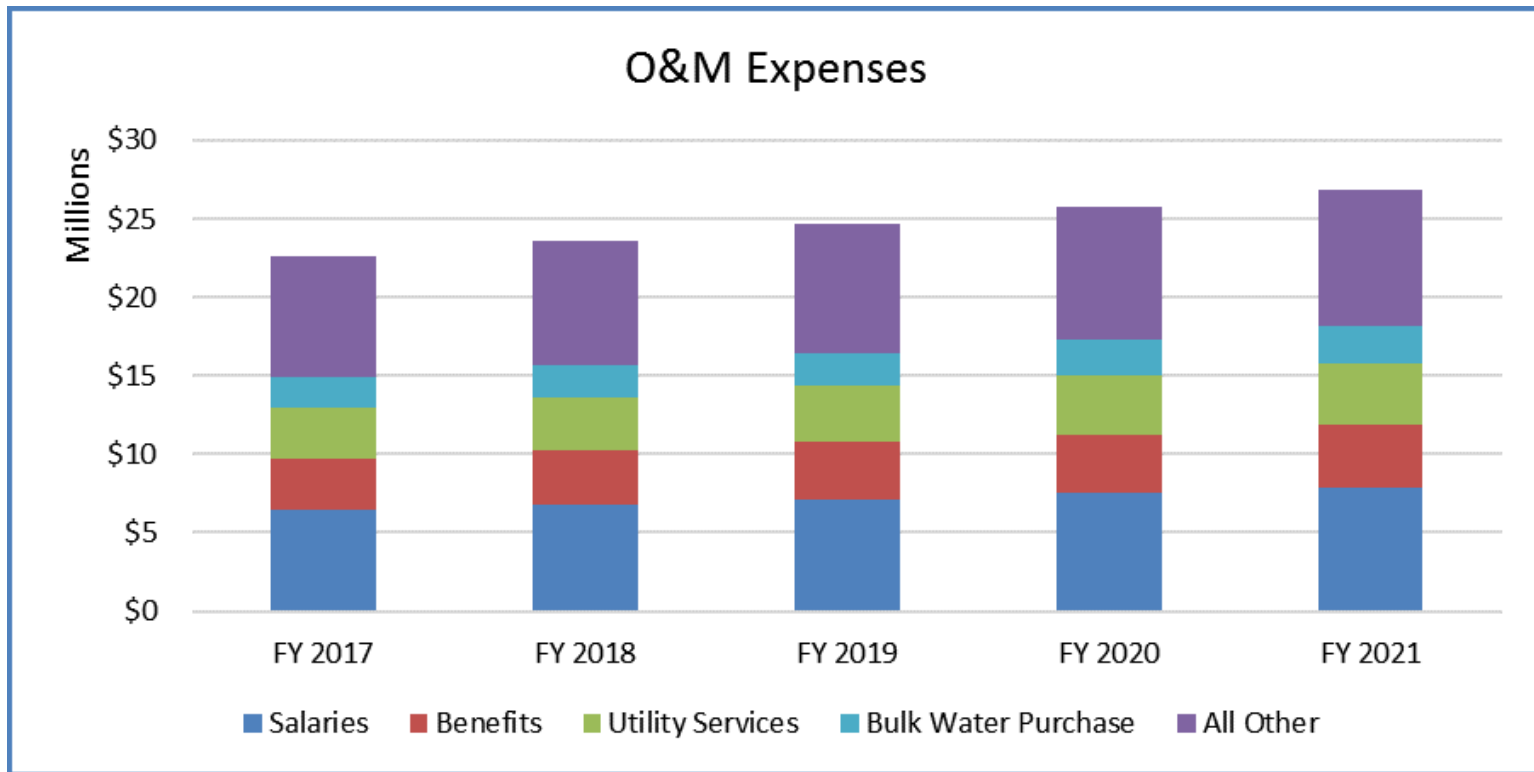
KEY ASSUMPTIONS

- » Inflation Factors:
 - › General (CPI) – 3% per year
 - › Salaries, benefits, and utilities – 5% per year
 - › Retirement benefits – 7.75% per year
 - › Chemicals and capital – 4% per year
- » Miscellaneous revenue growth rate – 1% per year
- » Customer growth rate – 0.05% per year (~10 new accounts per year)

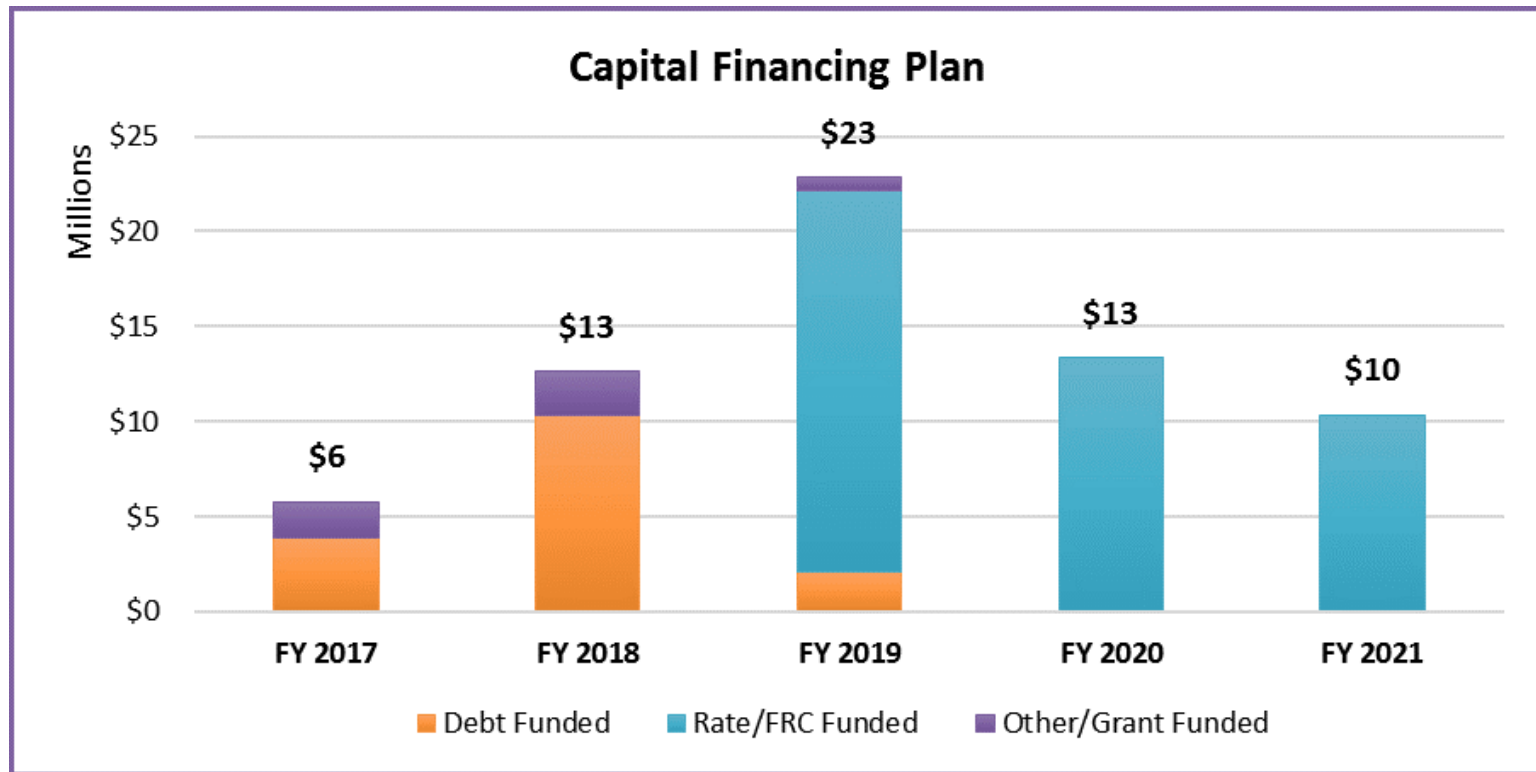
KEY ASSUMPTIONS (CONT'D)

- » Financing assumptions:
 - › Bonds – 5% interest, 30 year term, 2% issuance cost
 - › SRF Loan – 2% interest, 20 year term
- » Debt coverage – 150% of annual debt service
- » Reserve interest rate – 1% per year until FY 2018, 1.5% in FY 2019 and 2% per year

O&M EXPENSES

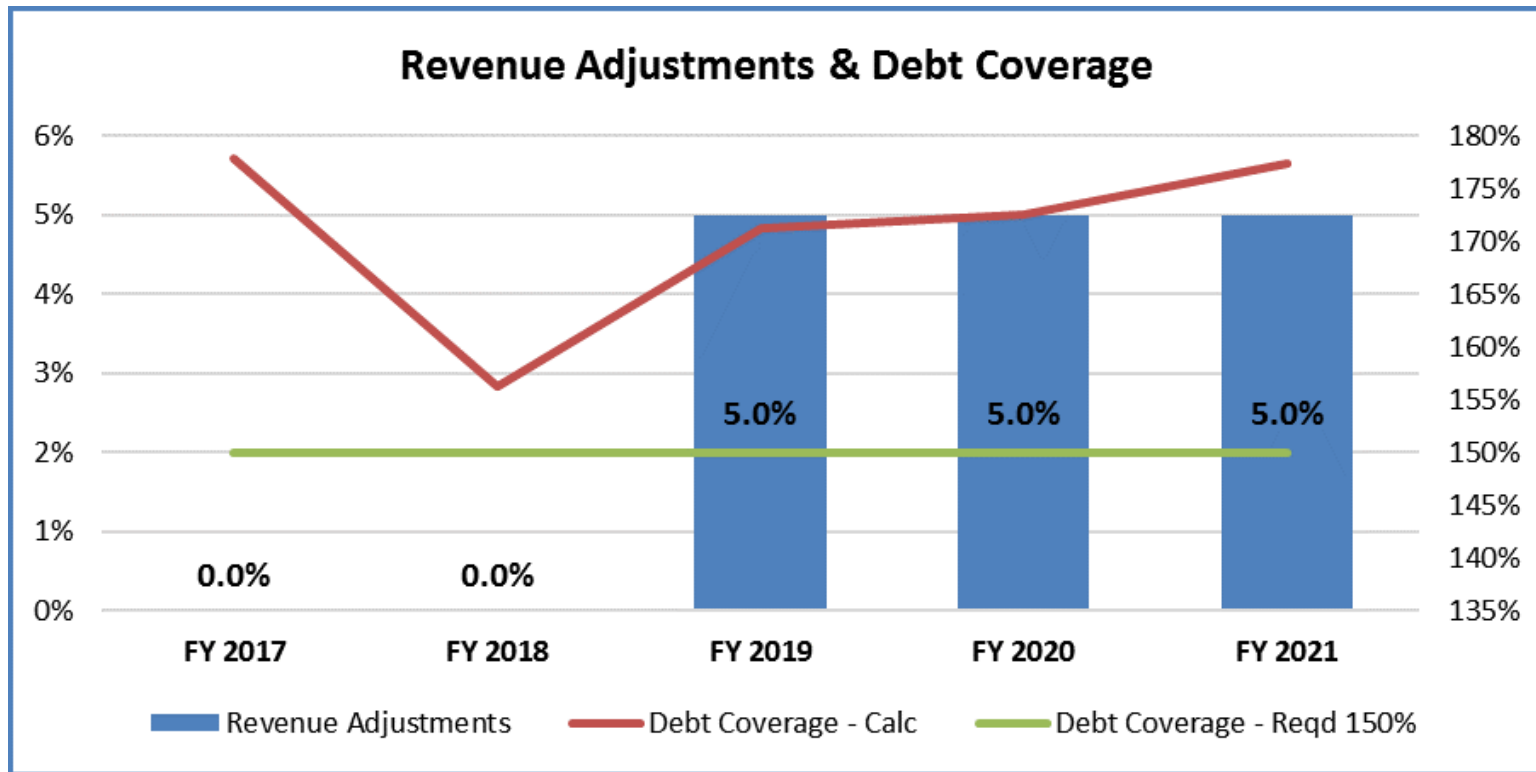


CIP FINANCING PLAN



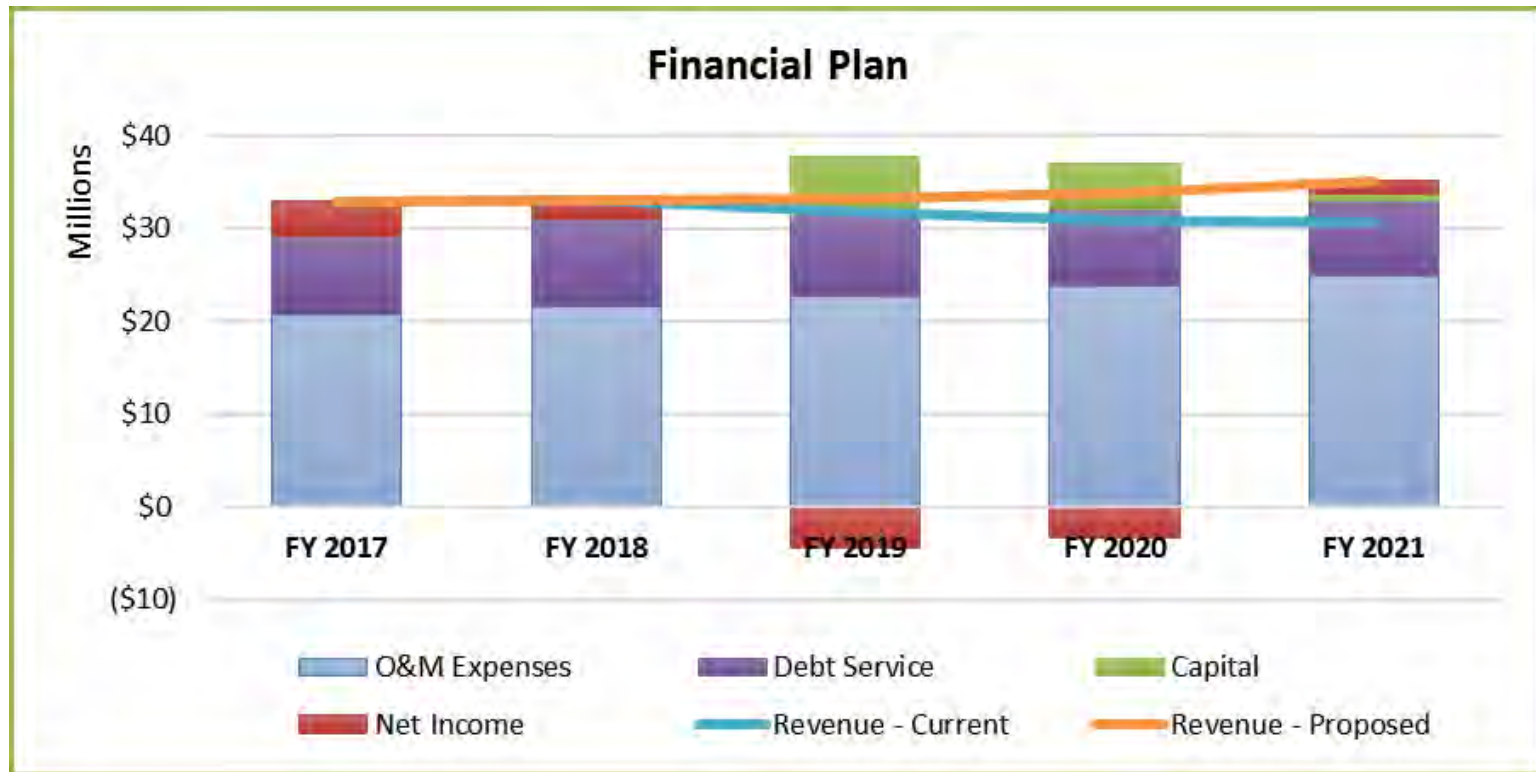
Assume \$4.9M in grant funding in FY 2017-2019

PROPOSED REVENUE ADJUSTMENTS



Assume rates effective every July 1 starting July 1, 2018

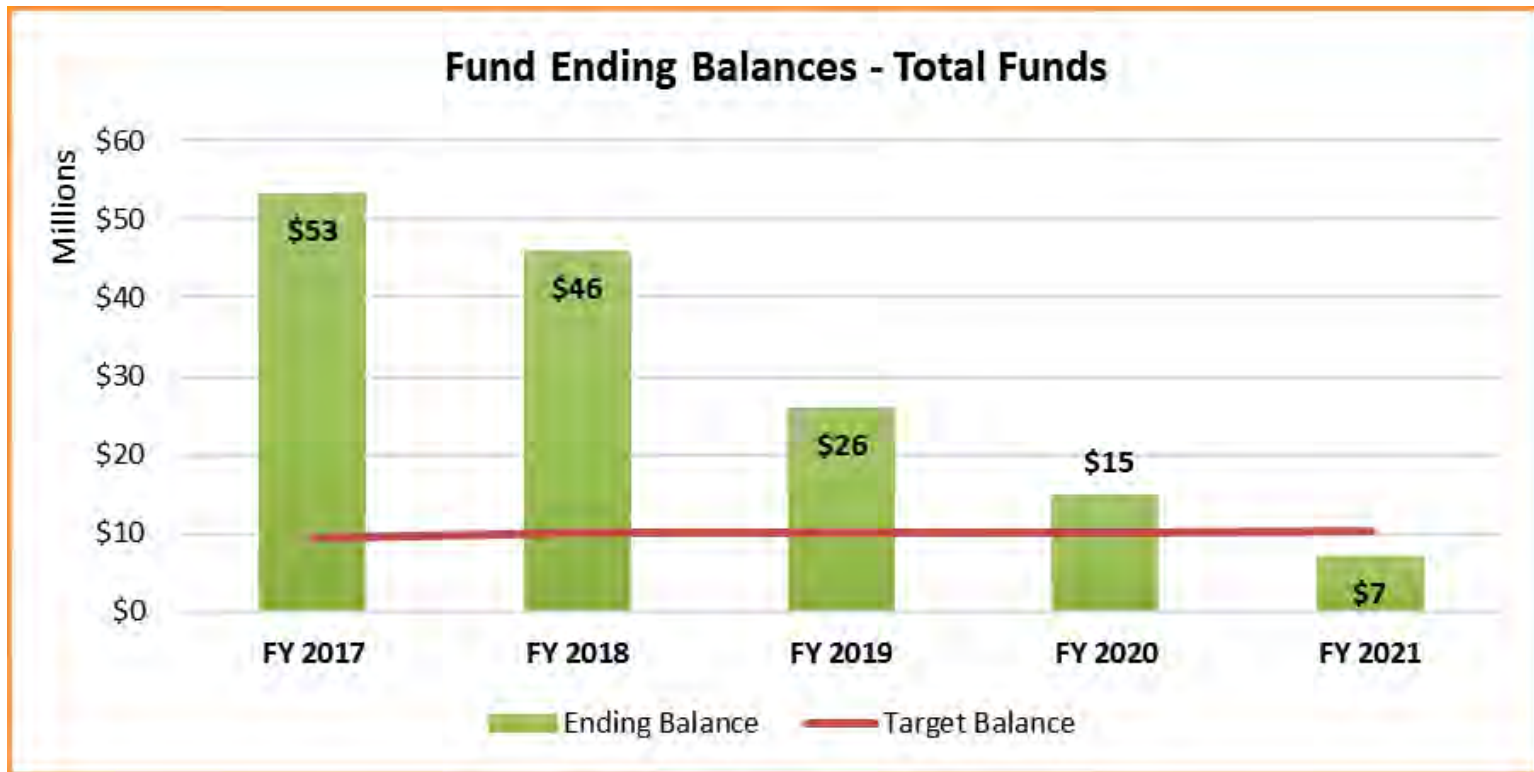
FINANCIAL PLAN



CURRENT TARGET RESERVE

- » Utility Fund
- » Emergency Reserve Fund
 - › 25% of operating expenses, net of depreciation
- » Debt Reserve Fund
 - › 50% of annual debt service budget

ENDING FUND BALANCE



RATE DESIGN

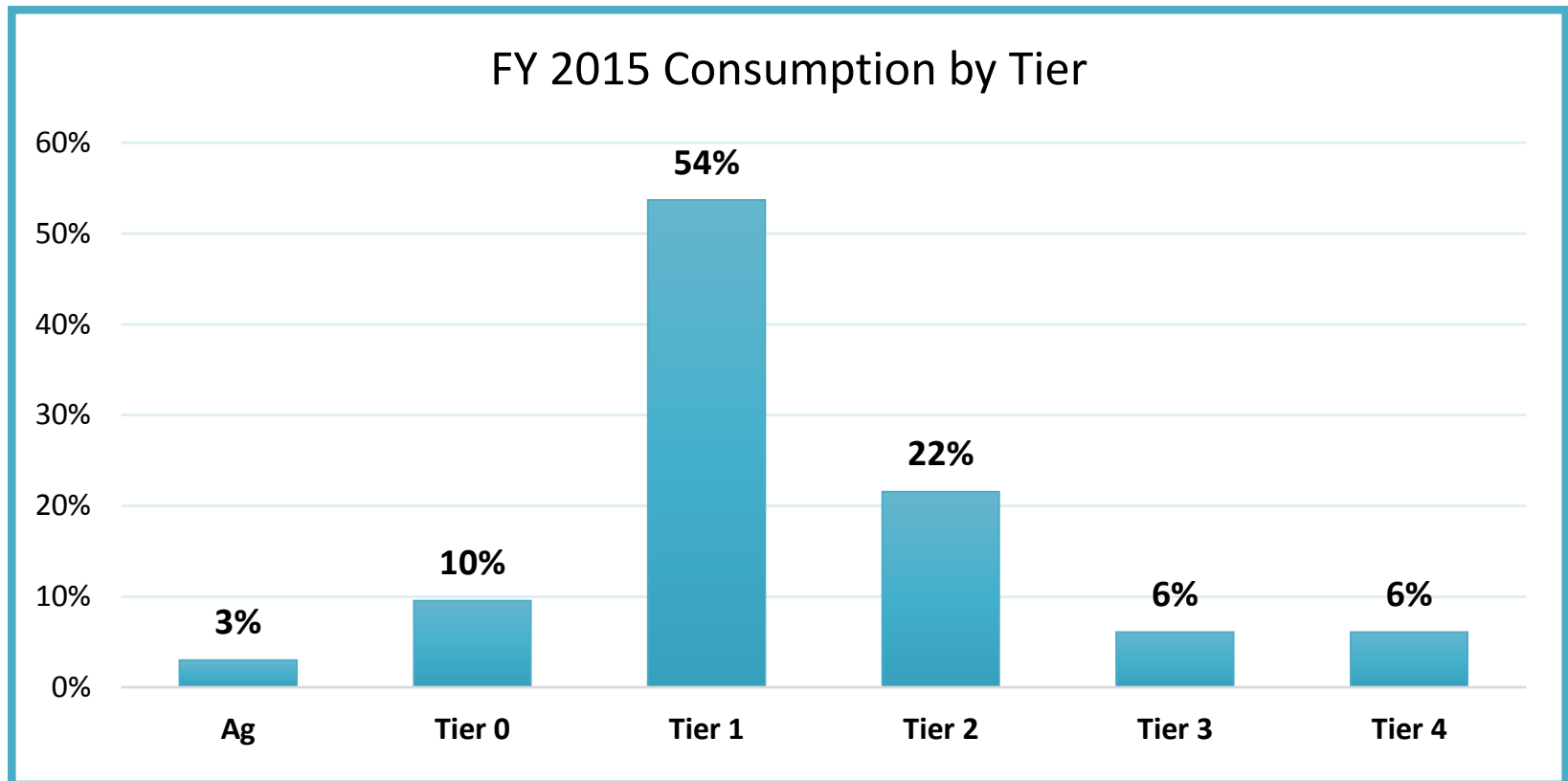
EXISTING WATER RATES

» Monthly service charge + 5-tier consumption rate

- › Tiers are based on meter size
- › Agriculture customers have uniform rate of \$2.20/kgal
- › Power adjustment rate of \$0.12/kgal for everyone

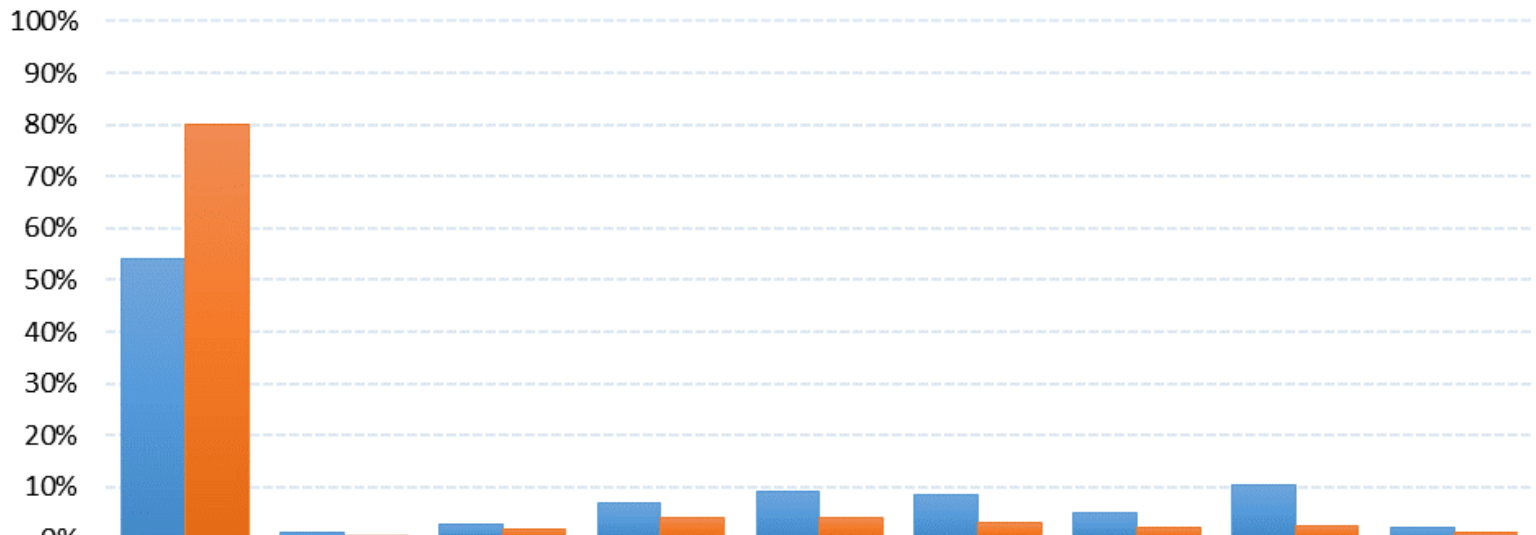
| Meter Size | No. of Meters | Meter Charge | Tier 0 Min | Tier 1 | Tier 2 | Tier 3 | Tier 4 |
|------------|---------------|--------------|------------|--------|--------|--------|----------|
| | | | \$3.80 | \$4.85 | \$5.65 | \$9.50 | \$10.00 |
| 5/8" | 20,784 | \$17.75 | 1 | 7 | 14 | 18 | 18 + |
| 3/4" | 108 | \$24.75 | 2 | 29 | 57 | 65 | 65 + |
| 1" | 211 | \$36.50 | 3 | 68 | 137 | 175 | 175 + |
| 1 1/2" | 209 | \$65.50 | 10 | 169 | 337 | 387 | 387 + |
| 2" | 199 | \$100.00 | 12 | 400 | 750 | 925 | 925 + |
| 3" | 53 | \$181.00 | 50 | 600 | 1,200 | 1,750 | 1,750 + |
| 4" | 40 | \$297.00 | 175 | 1,000 | 2,500 | 2,750 | 2,750 + |
| 6" | 59 | \$587.00 | 225 | 4,000 | 7,500 | 10,000 | 10,000 + |
| 8" | 56 | \$934.00 | 250 | 1,000 | 2,500 | 12,500 | 12,500 + |

FY 2015 CUSTOMER DATA



FY 2015 CUSTOMER DATA

FY 2015 Meter Equivalents v. Use



| | 5/8 inch | 3/4 inch | 1 inch | 1-1/2 inch | 2 inch | 3 inch | 4 inch | 6 inch | 8 inch |
|---------------|----------|----------|--------|------------|--------|--------|--------|--------|--------|
| ■ Use | 54% | 1% | 3% | 7% | 9% | 9% | 5% | 10% | 2% |
| ■ Meter Equiv | 80.1% | 0.6% | 2.0% | 4.0% | 4.1% | 3.2% | 2.1% | 2.5% | 1.4% |

■ Use ■ Meter Equiv

SCENARIO A DESCRIPTION

- » Scenario A:
 - › Meter charges based on AWWA capacity factors ratios
 - › Tier design:
 - Tier 1 – 25th percentile for 5/8" meter (4 kgal/mo)
 - Tier 2 – 60th percentile for 5/8" meter (8 kgal/mo)
 - Tier 3 – 85th percentile for 5/8" meter (14 kgal/mo)
 - Tier 4 – over 14 kgal/mo
 - › Tiers for larger meter sizes would be based on AWWA capacity factors

SCENARIO B DESCRIPTION

- » Scenario B:
 - › Meter charges based on average water use ratio for each meter size
 - › Tier design:
 - Tier 1 – up to 60% of usage for each meter size
 - Tier 2 – up to 80% of usage for each meter size
 - Tier 3 – over Tier 2
 - › Tiers would be based on percentage of water usage for each meter size

CURRENT TIERS

| Meter Size | Current Monthly Tier (kgal/month) | | | | | Current Tier Usage Distribution | | | | |
|------------|-----------------------------------|--------|--------|--------|----------|---------------------------------|--------|--------|--------|--------|
| | Tier 0 | Tier 1 | Tier 2 | Tier 3 | Tier 4 | Tier 0 | Tier 1 | Tier 2 | Tier 3 | Tier 4 |
| 5/8" | 1 | 7 | 14 | 18 | 18 + | 10% | 47% | 20% | 5% | 18% |
| 3/4" | 2 | 29 | 57 | 65 | 65 + | 5% | 41% | 22% | 4% | 28% |
| 1" | 3 | 68 | 137 | 175 | 175 + | 6% | 58% | 19% | 6% | 12% |
| 1 1/2" | 10 | 169 | 337 | 387 | 387 + | 8% | 61% | 18% | 3% | 10% |
| 2" | 12 | 400 | 750 | 925 | 925 + | 5% | 68% | 16% | 3% | 8% |
| 3" | 50 | 600 | 1,200 | 1,750 | 1,750 + | 8% | 61% | 22% | 7% | 3% |
| 4" | 175 | 1,000 | 2,500 | 2,750 | 2,750 + | 15% | 50% | 24% | 2% | 10% |
| 6" | 225 | 4,000 | 7,500 | 10,000 | 10,000 + | 6% | 51% | 7% | 0% | 35% |
| 8" | 250 | 1,000 | 2,500 | 12,500 | 12,500 + | 9% | 22% | 43% | 26% | 0% |

SCENARIO A TIERS

| Meter Size | Proposed Monthly Tier (kgal/month) | | | | Proposed Tier Usage Distribution | | | |
|------------|------------------------------------|--------|--------|--------|----------------------------------|--------|--------|--------|
| | Tier 1 | Tier 2 | Tier 3 | Tier 4 | Tier 1 | Tier 2 | Tier 3 | Tier 4 |
| 5/8" | 4 | 8 | 14 | 14+ | 38% | 24% | 16% | 23% |
| 3/4" | 6 | 12 | 21 | 21+ | 14% | 11% | 12% | 63% |
| 1" | 10 | 20 | 35 | 35+ | 18% | 13% | 14% | 55% |
| 1 1/2" | 20 | 40 | 70 | 70+ | 15% | 13% | 14% | 58% |
| 2" | 32 | 64 | 112 | 112+ | 11% | 10% | 12% | 67% |
| 3" | 70 | 140 | 245 | 245+ | 11% | 10% | 14% | 65% |
| 4" | 126 | 252 | 441 | 441+ | 11% | 10% | 14% | 65% |
| 6" | 260 | 520 | 910 | 910+ | 7% | 7% | 9% | 77% |
| 8" | 480 | 960 | 1,680 | 1680+ | 15% | 14% | 21% | 50% |

SCENARIO B TIERS

| Meter Size | Proposed Monthly Tier (kgal/month) | | | Proposed Tier Usage Distribution | | |
|------------|------------------------------------|--------|--------|----------------------------------|--------|--------|
| | Tier 1 | Tier 2 | Tier 3 | Tier 1 | Tier 2 | Tier 3 |
| 5/8" | 7 | 16 | 16+ | 57% | 23% | 20% |
| 3/4" | 45 | 85 | 85+ | 59% | 20% | 20% |
| 1" | 59 | 124 | 124+ | 60% | 20% | 20% |
| 1 1/2" | 127 | 259 | 259+ | 60% | 20% | 20% |
| 2" | 275 | 512 | 512+ | 60% | 20% | 20% |
| 3" | 488 | 813 | 813+ | 60% | 20% | 20% |
| 4" | 875 | 1,734 | 1734+ | 60% | 20% | 20% |
| 6" | 4,304 | 4,992 | 4992+ | 60% | 5% | 35% |
| 8" | 2,019 | 2,727 | 2727+ | 60% | 20% | 20% |

COMPARISON

SCENARIO A

- » Advantages
 - › Consistent with AWWA meter capacities
 - › Greater conservation signals for larger meter sizes
- » Disadvantages
 - › Significant customer impacts for larger meter sizes

SCENARIO B

- » Advantages
 - › Minimizes customer impacts
 - › Ties in with actual usage consumption per meter size
- » Disadvantages
 - › Lesser conservation signals

SCENARIO A PROPOSED MONTHLY METER CHARGES – FY 2018

- » Current fixed charge revenue is ~19% without Tier 0 revenue, ~25% with Tier 0 revenue
- » Proposed fixed charge revenue is retained at ~25%

| Meter Size | Meter Ratio | Meter Component | Billing Component | Total Monthly Charges | Current Tier 0 | Difference |
|------------|-------------|-----------------|-------------------|-----------------------|----------------|------------|
| 5/8" | 1.00 | \$16.01 | \$5.89 | \$21.90 | \$21.55 | \$0.35 |
| 3/4" | 1.50 | \$24.01 | \$5.89 | \$29.91 | \$32.35 | (\$2.44) |
| 1" | 2.50 | \$40.01 | \$5.89 | \$45.91 | \$47.90 | (\$1.99) |
| 1 1/2" | 5.00 | \$80.03 | \$5.89 | \$85.93 | \$103.50 | (\$17.57) |
| 2" | 8.00 | \$128.05 | \$5.89 | \$133.94 | \$145.60 | (\$11.66) |
| 3" | 17.50 | \$280.10 | \$5.89 | \$286.00 | \$371.00 | (\$85.00) |
| 4" | 31.50 | \$504.18 | \$5.89 | \$510.08 | \$962.00 | (\$451.92) |
| 6" | 65.00 | \$1,040.38 | \$5.89 | \$1,046.28 | \$1,442.00 | (\$395.72) |
| 8" | 120.00 | \$1,920.70 | \$5.89 | \$1,926.60 | \$1,884.00 | \$42.60 |

SCENARIO B PROPOSED MONTHLY METER CHARGES – FY 2018

- » Current fixed charge revenue is ~19% without Tier 0 revenue, ~25% with Tier 0 revenue
- » Proposed fixed charge revenue is retained at ~25%

| Meter Size | Meter Ratio | Meter Component | Billing Component | Total Monthly Charges | Current Tier 0 | Difference |
|------------|-------------|-----------------|-------------------|-----------------------|----------------|------------|
| 5/8" | 1.00 | \$11.55 | \$5.89 | \$17.45 | \$21.55 | (\$4.10) |
| 3/4" | 4.25 | \$49.09 | \$5.89 | \$54.99 | \$32.35 | \$22.64 |
| 1" | 5.29 | \$61.10 | \$5.89 | \$67.00 | \$47.90 | \$19.10 |
| 1 1/2" | 12.16 | \$140.42 | \$5.89 | \$146.32 | \$103.50 | \$42.82 |
| 2" | 24.58 | \$283.81 | \$5.89 | \$289.71 | \$145.60 | \$144.11 |
| 3" | 61.95 | \$715.38 | \$5.89 | \$721.28 | \$371.00 | \$350.28 |
| 4" | 112.14 | \$1,295.03 | \$5.89 | \$1,300.93 | \$962.00 | \$338.93 |
| 6" | 272.88 | \$3,151.26 | \$5.89 | \$3,157.15 | \$1,442.00 | \$1,715.15 |
| 8" | 90.69 | \$1,047.27 | \$5.89 | \$1,053.17 | \$1,884.00 | (\$830.83) |

PROPOSED MONTHLY PRIVATE FIRE METER CHARGES – FY 2018

| Meter Size | Meter Ratio | Meter Component | Billing Component | Total Monthly Charges | Current Charges | Difference |
|------------|-------------|-----------------|-------------------|-----------------------|-----------------|------------|
| 2" | 0.06 | \$10.84 | \$5.89 | \$16.74 | \$28.25 | (\$11.51) |
| 3" | 0.16 | \$31.49 | \$5.89 | \$37.39 | \$49.00 | (\$11.61) |
| 4" | 0.34 | \$67.10 | \$5.89 | \$73.00 | \$80.00 | (\$7.00) |
| 6" | 1.00 | \$194.91 | \$5.89 | \$200.81 | \$166.00 | \$34.81 |
| 8" | 2.13 | \$415.37 | \$5.89 | \$421.27 | \$283.00 | \$138.27 |

PROPOSED RATES

- » Water rates are comprised on 3 components:
 - › Water supply cost – lower cost water would be allocated to Ag and lower tiers
 - Groundwater (~80% of total water)
 - Purchased water (~20% of total water)
 - › Base delivery cost – all system costs to provide water at average rate of use
 - › Peaking cost – costs to provide extra capacity in the water system

PROPOSED RATES

| Scenario A | Supply Unit Cost | Base Delivery Unit Cost | Peaking Unit Cost | Total Rate (\$/kgal) | Current Rate (\$/kgal) | Difference |
|--------------|------------------|-------------------------|-------------------|----------------------|------------------------|------------|
| Tier 1 | \$1.45 | \$1.54 | \$0.55 | \$3.54 | \$4.97 | (\$1.43) |
| Tier 2 | \$1.45 | \$1.54 | \$1.10 | \$4.09 | \$5.77 | (\$1.68) |
| Tier 3 | \$1.45 | \$1.54 | \$2.19 | \$5.19 | \$9.62 | (\$4.43) |
| Tier 4 | \$1.93 | \$1.54 | \$3.29 | \$6.76 | \$10.12 | (\$3.36) |
| Agricultural | \$1.45 | \$1.54 | \$0.00 | \$2.99 | \$2.32 | \$0.67 |

| Scenario B | Supply Unit Cost | Base Delivery Unit Cost | Peaking Unit Cost | Total Rate (\$/kgal) | Current Rate (\$/kgal) | Difference |
|--------------|------------------|-------------------------|-------------------|----------------------|------------------------|------------|
| Tier 1 | \$1.45 | \$1.54 | \$1.15 | \$4.15 | \$4.97 | (\$0.82) |
| Tier 2 | \$1.49 | \$1.54 | \$2.30 | \$5.34 | \$5.77 | (\$0.43) |
| Tier 3 | \$2.45 | \$1.54 | \$4.61 | \$8.60 | \$9.62 | (\$1.02) |
| Tier 4 | \$2.45 | \$1.54 | \$4.61 | \$8.60 | \$10.12 | (\$1.52) |
| Agricultural | \$1.45 | \$1.54 | \$0.00 | \$2.99 | \$2.32 | \$0.67 |

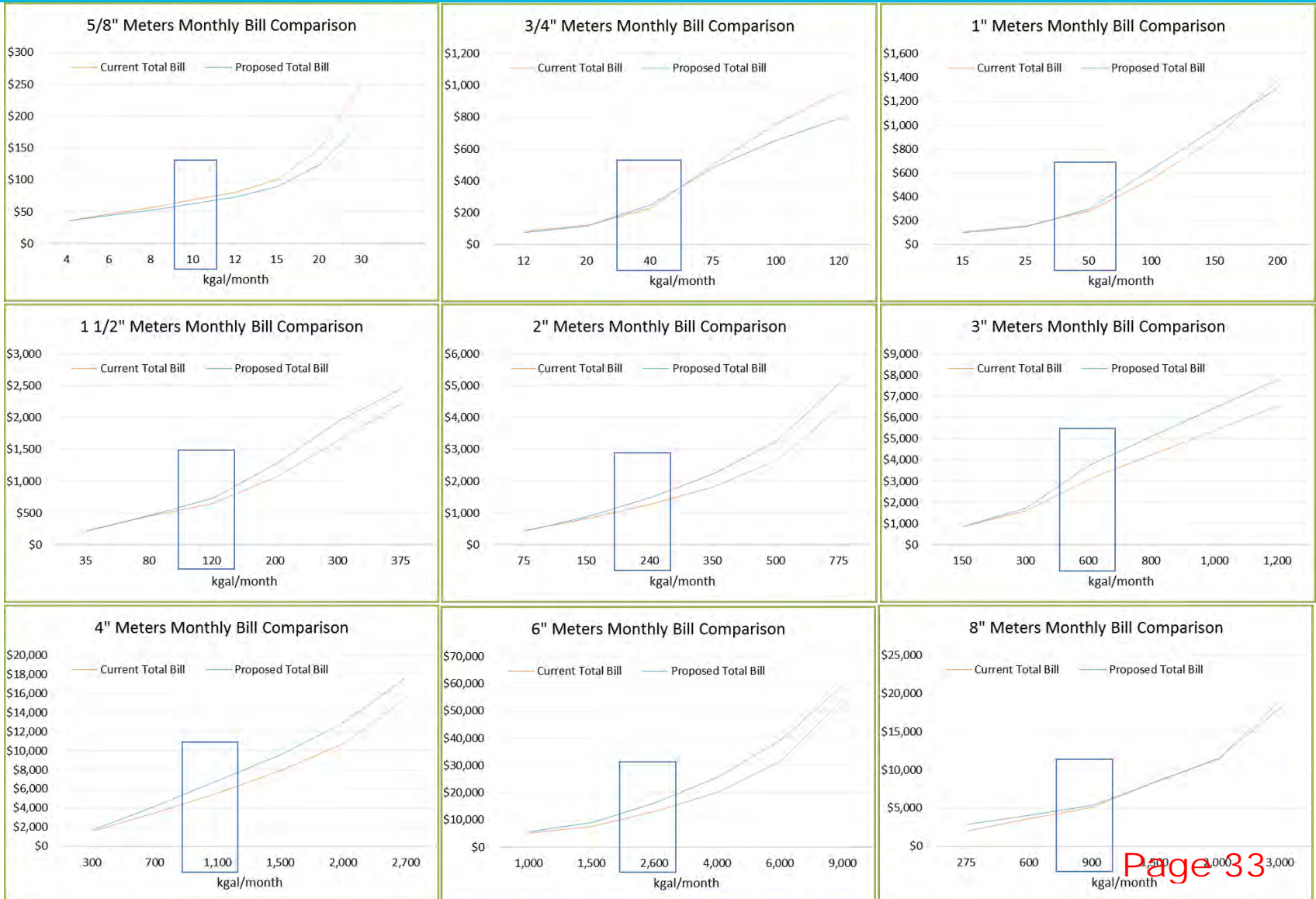
COMPARISON OF RATES

| | Current | Scenario A | Scenario B |
|----------------------------------|---------|------------|------------|
| Commodity Rates (\$/kgal) | | | |
| Tier 1 | \$4.97 | \$3.54 | \$4.15 |
| Tier 2 | \$5.77 | \$4.09 | \$5.34 |
| Tier 3 | \$9.62 | \$5.19 | \$8.60 |
| Tier 4 | \$10.12 | \$6.76 | N/A |
| Agricultural | \$2.32 | \$2.99 | \$2.99 |

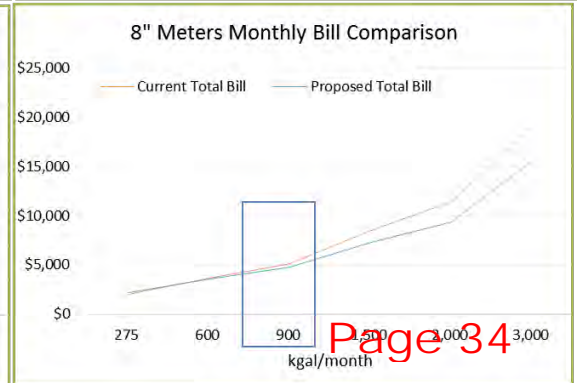
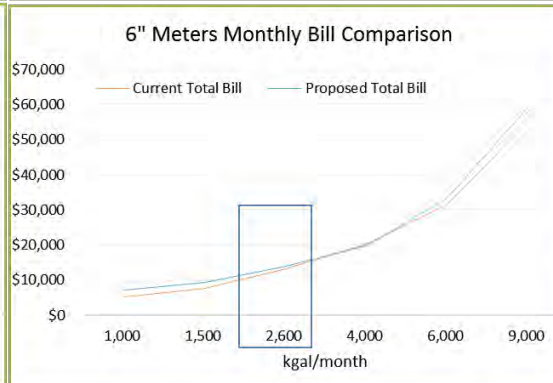
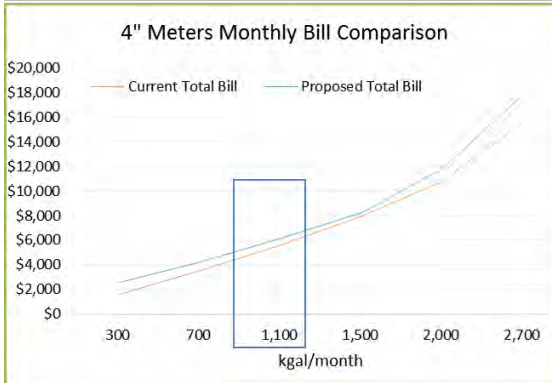
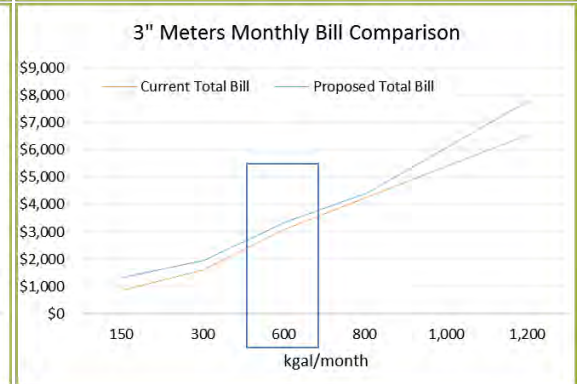
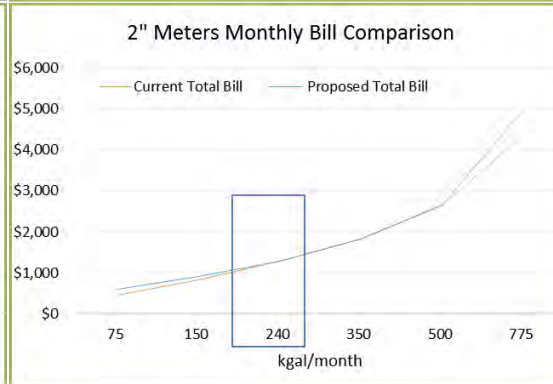
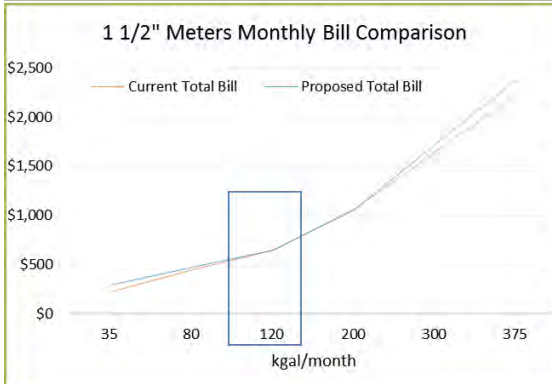
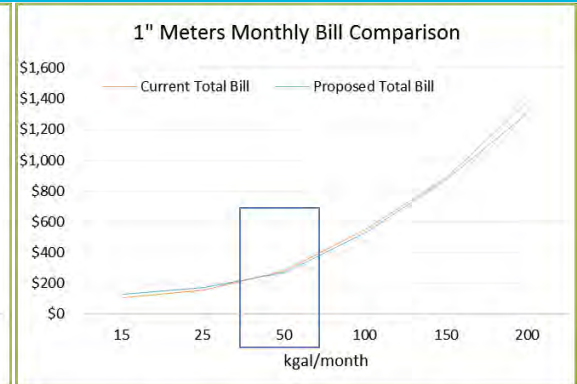
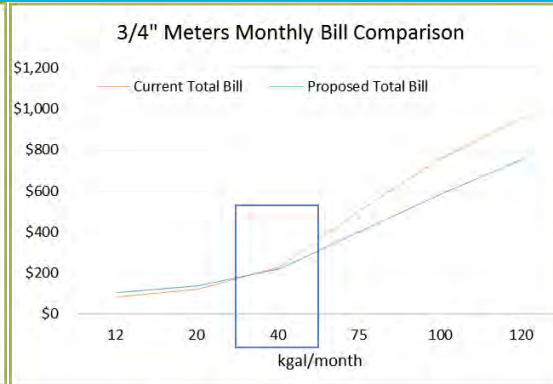
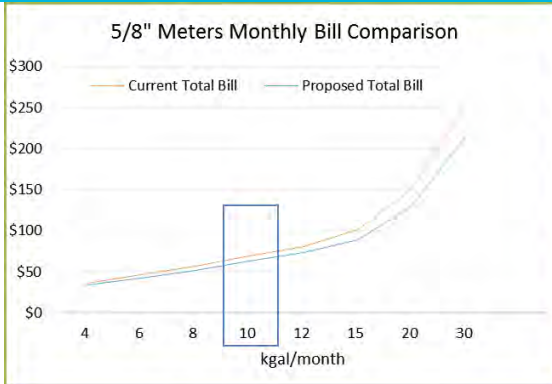
SUMMARY

| Rates | \$4.97 | \$3.54 | \$4.15 | \$5.77 | \$4.09 | \$5.34 | \$9.62 | \$5.19 | \$8.60 | \$10.12 | \$6.73 | N/A |
|------------|---------|------------|------------|---------|------------|------------|---------|------------|------------|----------|------------|------------|
| | Tier 1 | | | Tier 2 | | | Tier 3 | | | Tier 4 | | |
| Meter Size | Current | Scenario A | Scenario B | Current | Scenario A | Scenario B | Current | Scenario A | Scenario B | Current | Scenario A | Scenario B |
| 5/8" | 7 | 4 | 7 | 14 | 8 | 16 | 18 | 14 | 16+ | 18 + | 14+ | N/A |
| 3/4" | 29 | 6 | 45 | 57 | 12 | 85 | 65 | 21 | 85+ | 65 + | 21+ | N/A |
| 1" | 68 | 10 | 59 | 137 | 20 | 124 | 175 | 35 | 124+ | 175 + | 35+ | N/A |
| 1 1/2" | 169 | 20 | 127 | 337 | 40 | 259 | 387 | 70 | 259+ | 387 + | 70+ | N/A |
| 2" | 400 | 32 | 275 | 750 | 64 | 512 | 925 | 112 | 512+ | 925 + | 112+ | N/A |
| 3" | 600 | 70 | 488 | 1,200 | 140 | 813 | 1,750 | 245 | 813+ | 1,750 + | 245+ | N/A |
| 4" | 1,000 | 126 | 875 | 2,500 | 252 | 1,734 | 2,750 | 441 | 1734+ | 2,750 + | 441+ | N/A |
| 6" | 4,000 | 260 | 4,304 | 7,500 | 520 | 4,992 | 10,000 | 910 | 4992+ | 10,000 + | 910+ | N/A |
| 8" | 1,000 | 480 | 2,019 | 2,500 | 960 | 2,727 | 12,500 | 1,680 | 2727+ | 12,500 + | 1680+ | N/A |

CUSTOMER IMPACTS – SCENARIO A



CUSTOMER IMPACTS – SCENARIO B



NEXT STEPS

- » Finalize financial plan
- » Finalize rate structure
- » Finalize water rates
- » Develop water rate report

Q & A

SCENARIO A: 5-YEAR RATES

| | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|--|------------|------------|------------|------------|------------|
| Monthly Service Charges | | | | | |
| 5/8" | \$21.90 | \$23.00 | \$24.15 | \$25.36 | \$26.63 |
| 3/4" | \$29.91 | \$31.41 | \$32.99 | \$34.64 | \$36.38 |
| 1" | \$45.91 | \$48.21 | \$50.63 | \$53.17 | \$55.83 |
| 1 1/2" | \$85.93 | \$90.23 | \$94.75 | \$99.49 | \$104.47 |
| 2" | \$133.94 | \$140.64 | \$147.68 | \$155.07 | \$162.83 |
| 3" | \$286.00 | \$300.30 | \$315.32 | \$331.09 | \$347.65 |
| 4" | \$510.08 | \$535.59 | \$562.37 | \$590.49 | \$620.02 |
| 6" | \$1,046.28 | \$1,098.60 | \$1,153.53 | \$1,211.21 | \$1,271.78 |
| 8" | \$1,926.60 | \$2,022.93 | \$2,124.08 | \$2,230.29 | \$2,341.81 |
| Monthly Private Fire Service Charge | | | | | |
| 2" | \$16.74 | \$17.58 | \$18.46 | \$19.39 | \$20.36 |
| 3" | \$37.39 | \$39.26 | \$41.23 | \$43.30 | \$45.47 |
| 4" | \$73.00 | \$76.65 | \$80.49 | \$84.52 | \$88.75 |
| 6" | \$200.81 | \$210.86 | \$221.41 | \$232.49 | \$244.12 |
| 8" | \$421.27 | \$442.34 | \$464.46 | \$487.69 | \$512.08 |
| Commodity Rates (\$/kgal) | | | | | |
| Tier 1 | \$3.54 | \$3.72 | \$3.91 | \$4.11 | \$4.32 |
| Tier 2 | \$4.09 | \$4.30 | \$4.52 | \$4.75 | \$4.99 |
| Tier 3 | \$5.19 | \$5.45 | \$5.73 | \$6.02 | \$6.33 |
| Tier 4 | \$6.76 | \$7.10 | \$7.46 | \$7.84 | \$8.24 |
| Agricultural | \$2.99 | \$3.14 | \$3.30 | \$3.47 | \$3.65 |

SCENARIO B: 5-YEAR RATES

| | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|--|------------|------------|------------|------------|------------|
| Monthly Service Charges | | | | | |
| 5/8" | \$17.45 | \$18.33 | \$19.25 | \$20.22 | \$21.24 |
| 3/4" | \$54.99 | \$57.74 | \$60.63 | \$63.67 | \$66.86 |
| 1" | \$67.00 | \$70.35 | \$73.87 | \$77.57 | \$81.45 |
| 1 1/2" | \$146.32 | \$153.64 | \$161.33 | \$169.40 | \$177.87 |
| 2" | \$289.71 | \$304.20 | \$319.41 | \$335.39 | \$352.16 |
| 3" | \$721.28 | \$757.35 | \$795.22 | \$834.99 | \$876.74 |
| 4" | \$1,300.93 | \$1,365.98 | \$1,434.28 | \$1,506.00 | \$1,581.30 |
| 6" | \$3,157.15 | \$3,315.01 | \$3,480.77 | \$3,654.81 | \$3,837.56 |
| 8" | \$1,053.17 | \$1,105.83 | \$1,161.13 | \$1,219.19 | \$1,280.15 |
| Monthly Private Fire Service Charge | | | | | |
| 2" | \$16.74 | \$17.58 | \$18.46 | \$19.39 | \$20.36 |
| 3" | \$37.39 | \$39.26 | \$41.23 | \$43.30 | \$45.47 |
| 4" | \$73.00 | \$76.65 | \$80.49 | \$84.52 | \$88.75 |
| 6" | \$200.81 | \$210.86 | \$221.41 | \$232.49 | \$244.12 |
| 8" | \$421.27 | \$442.34 | \$464.46 | \$487.69 | \$512.08 |
| Commodity Rates (\$/kgal) | | | | | |
| Tier 1 | \$4.15 | \$4.36 | \$4.58 | \$4.81 | \$5.06 |
| Tier 2 | \$5.34 | \$5.61 | \$5.90 | \$6.20 | \$6.51 |
| Tier 3 | \$8.60 | \$9.03 | \$9.49 | \$9.97 | \$10.47 |
| Tier 4 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Agricultural | \$2.99 | \$3.14 | \$3.30 | \$3.47 | \$3.65 |

CUSTOMER IMPACTS – 5/8” METER

SCENARIO A

| | Current | | | | | | |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| Monthly Usage (kgal) | Fixed + Tier 0 | Current Commodity | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
| 4 | \$21.55 | \$14.91 | \$36.46 | \$21.90 | \$14.16 | \$36.06 | (\$0.40) |
| 6 | \$21.55 | \$24.85 | \$46.40 | \$21.90 | \$22.34 | \$44.24 | (\$2.16) |
| 8 | \$21.55 | \$35.59 | \$57.14 | \$21.90 | \$30.52 | \$52.42 | (\$4.72) |
| 10 | \$21.55 | \$47.13 | \$68.68 | \$21.90 | \$40.90 | \$62.80 | (\$5.88) |
| 12 | \$21.55 | \$58.67 | \$80.22 | \$21.90 | \$51.28 | \$73.18 | (\$7.04) |
| 15 | \$21.55 | \$79.83 | \$101.38 | \$21.90 | \$68.42 | \$90.32 | (\$11.06) |
| 20 | \$21.55 | \$128.93 | \$150.48 | \$21.90 | \$102.22 | \$124.12 | (\$26.36) |
| 30 | \$21.55 | \$230.13 | \$251.68 | \$21.90 | \$169.82 | \$191.72 | (\$59.96) |

SCENARIO B

| | Current | | | | | | |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| Monthly Usage (kgal) | Fixed + Tier 0 | Current Commodity | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
| 4 | \$21.55 | \$14.91 | \$36.46 | \$17.45 | \$16.60 | \$34.05 | (\$2.41) |
| 6 | \$21.55 | \$24.85 | \$46.40 | \$17.45 | \$24.90 | \$42.35 | (\$4.05) |
| 8 | \$21.55 | \$35.59 | \$57.14 | \$17.45 | \$34.39 | \$51.84 | (\$5.30) |
| 10 | \$21.55 | \$47.13 | \$68.68 | \$17.45 | \$45.07 | \$62.52 | (\$6.16) |
| 12 | \$21.55 | \$58.67 | \$80.22 | \$17.45 | \$55.75 | \$73.20 | (\$7.02) |
| 15 | \$21.55 | \$79.83 | \$101.38 | \$17.45 | \$71.77 | \$89.22 | (\$12.16) |
| 20 | \$21.55 | \$128.93 | \$150.48 | \$17.45 | \$111.51 | \$128.96 | (\$21.52) |
| 30 | \$21.55 | \$230.13 | \$251.68 | \$17.45 | \$197.51 | \$214.96 | (\$36.72) |

CUSTOMER IMPACTS – 3/4” METER

SCENARIO A

| Monthly Usage (kgal) | Current | | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| | Fixed + Tier 0 | Current Commodity | | | | | |
| 12 | \$32.35 | \$49.70 | \$82.05 | \$29.91 | \$45.78 | \$75.69 | (\$6.36) |
| 20 | \$32.35 | \$89.46 | \$121.81 | \$29.91 | \$87.30 | \$117.21 | (\$4.60) |
| 40 | \$32.35 | \$197.66 | \$230.01 | \$29.91 | \$220.93 | \$250.84 | \$20.83 |
| 75 | \$32.35 | \$473.91 | \$506.26 | \$29.91 | \$457.53 | \$487.44 | (\$18.82) |
| 100 | \$32.35 | \$726.91 | \$759.26 | \$29.91 | \$626.53 | \$656.44 | (\$102.82) |
| 120 | \$32.35 | \$929.31 | \$961.66 | \$29.91 | \$761.73 | \$791.64 | (\$170.02) |

SCENARIO B

| Monthly Usage (kgal) | Current | | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| | Fixed + Tier 0 | Current Commodity | | | | | |
| 12 | \$32.35 | \$49.70 | \$82.05 | \$54.99 | \$49.80 | \$104.79 | \$22.74 |
| 20 | \$32.35 | \$89.46 | \$121.81 | \$54.99 | \$83.00 | \$137.99 | \$16.18 |
| 40 | \$32.35 | \$197.66 | \$230.01 | \$54.99 | \$166.00 | \$220.99 | (\$9.02) |
| 75 | \$32.35 | \$473.91 | \$506.26 | \$54.99 | \$346.95 | \$401.94 | (\$104.32) |
| 100 | \$32.35 | \$726.91 | \$759.26 | \$54.99 | \$529.35 | \$584.34 | (\$174.92) |
| 120 | \$32.35 | \$929.31 | \$961.66 | \$54.99 | \$701.35 | \$756.34 | (\$205.32) |

CUSTOMER IMPACTS – 1” METER

SCENARIO A

| Monthly Usage (kgal) | Current | | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| | Fixed + Tier 0 | Current Commodity | | | | | |
| 15 | \$47.90 | \$59.64 | \$107.54 | \$45.91 | \$55.85 | \$101.76 | (\$5.78) |
| 25 | \$47.90 | \$109.34 | \$157.24 | \$45.91 | \$102.25 | \$148.16 | (\$9.08) |
| 50 | \$47.90 | \$233.59 | \$281.49 | \$45.91 | \$255.55 | \$301.46 | \$19.97 |
| 100 | \$47.90 | \$507.69 | \$555.59 | \$45.91 | \$593.55 | \$639.46 | \$83.87 |
| 150 | \$47.90 | \$846.24 | \$894.14 | \$45.91 | \$931.55 | \$977.46 | \$83.32 |
| 200 | \$47.90 | \$1,339.74 | \$1,387.64 | \$45.91 | \$1,269.55 | \$1,315.46 | (\$72.18) |

SCENARIO B

| Monthly Usage (kgal) | Current | | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| | Fixed + Tier 0 | Current Commodity | | | | | |
| 15 | \$47.90 | \$59.64 | \$107.54 | \$67.00 | \$62.25 | \$129.25 | \$21.71 |
| 25 | \$47.90 | \$109.34 | \$157.24 | \$67.00 | \$103.75 | \$170.75 | \$13.51 |
| 50 | \$47.90 | \$233.59 | \$281.49 | \$67.00 | \$207.50 | \$274.50 | (\$6.99) |
| 100 | \$47.90 | \$507.69 | \$555.59 | \$67.00 | \$463.79 | \$530.79 | (\$24.80) |
| 150 | \$47.90 | \$846.24 | \$894.14 | \$67.00 | \$815.55 | \$882.55 | (\$11.59) |
| 200 | \$47.90 | \$1,339.74 | \$1,387.64 | \$67.00 | \$1,245.55 | \$1,312.55 | (\$75.09) |

CUSTOMER IMPACTS – 1 1/2” METER

SCENARIO A

| | Current | | | | | | |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| Monthly Usage (kgal) | Fixed + Tier 0 | Current Commodity | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
| 35 | \$103.50 | \$124.25 | \$227.75 | \$85.93 | \$132.15 | \$218.08 | (\$9.67) |
| 80 | \$103.50 | \$347.90 | \$451.40 | \$85.93 | \$375.90 | \$461.83 | \$10.43 |
| 120 | \$103.50 | \$546.70 | \$650.20 | \$85.93 | \$646.30 | \$732.23 | \$82.03 |
| 200 | \$103.50 | \$969.10 | \$1,072.60 | \$85.93 | \$1,187.10 | \$1,273.03 | \$200.43 |
| 300 | \$103.50 | \$1,546.10 | \$1,649.60 | \$85.93 | \$1,863.10 | \$1,949.03 | \$299.43 |
| 375 | \$103.50 | \$2,125.15 | \$2,228.65 | \$85.93 | \$2,370.10 | \$2,456.03 | \$227.38 |

SCENARIO B

| | Current | | | | | | |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| Monthly Usage (kgal) | Fixed + Tier 0 | Current Commodity | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
| 35 | \$103.50 | \$124.25 | \$227.75 | \$146.32 | \$145.25 | \$291.57 | \$63.82 |
| 80 | \$103.50 | \$347.90 | \$451.40 | \$146.32 | \$332.00 | \$478.32 | \$26.92 |
| 120 | \$103.50 | \$546.70 | \$650.20 | \$146.32 | \$498.00 | \$644.32 | (\$5.88) |
| 200 | \$103.50 | \$969.10 | \$1,072.60 | \$146.32 | \$916.87 | \$1,063.19 | (\$9.41) |
| 300 | \$103.50 | \$1,546.10 | \$1,649.60 | \$146.32 | \$1,584.53 | \$1,730.85 | \$81.25 |
| 375 | \$103.50 | \$2,125.15 | \$2,228.65 | \$146.32 | \$2,229.53 | \$2,375.85 | \$147.20 |

CUSTOMER IMPACTS – 2” METER

SCENARIO A

| Monthly Usage (kgal) | Current | | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| | Fixed + Tier 0 | Current Commodity | | | | | |
| 75 | \$145.60 | \$313.11 | \$458.71 | \$133.94 | \$301.25 | \$435.19 | (\$23.52) |
| 150 | \$145.60 | \$685.86 | \$831.46 | \$133.94 | \$750.16 | \$884.10 | \$52.64 |
| 240 | \$145.60 | \$1,133.16 | \$1,278.76 | \$133.94 | \$1,358.56 | \$1,492.50 | \$213.74 |
| 350 | \$145.60 | \$1,679.86 | \$1,825.46 | \$133.94 | \$2,102.16 | \$2,236.10 | \$410.64 |
| 500 | \$145.60 | \$2,505.36 | \$2,650.96 | \$133.94 | \$3,116.16 | \$3,250.10 | \$599.14 |
| 775 | \$145.60 | \$4,188.36 | \$4,333.96 | \$133.94 | \$4,975.16 | \$5,109.10 | \$775.14 |

SCENARIO B

| Monthly Usage (kgal) | Current | | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| | Fixed + Tier 0 | Current Commodity | | | | | |
| 75 | \$145.60 | \$313.11 | \$458.71 | \$289.71 | \$311.25 | \$600.96 | \$142.25 |
| 150 | \$145.60 | \$685.86 | \$831.46 | \$289.71 | \$622.50 | \$912.21 | \$80.75 |
| 240 | \$145.60 | \$1,133.16 | \$1,278.76 | \$289.71 | \$996.00 | \$1,285.71 | \$6.95 |
| 350 | \$145.60 | \$1,679.86 | \$1,825.46 | \$289.71 | \$1,541.75 | \$1,831.46 | \$6.00 |
| 500 | \$145.60 | \$2,505.36 | \$2,650.96 | \$289.71 | \$2,342.75 | \$2,632.46 | (\$18.50) |
| 775 | \$145.60 | \$4,188.36 | \$4,333.96 | \$289.71 | \$4,668.63 | \$4,958.34 | \$624.38 |

CUSTOMER IMPACTS – 3” METER

SCENARIO A

| Monthly Usage (kgal) | Current | | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| | Fixed + Tier 0 | Current Commodity | | | | | |
| 150 | \$371.00 | \$497.00 | \$868.00 | \$286.00 | \$586.00 | \$872.00 | \$4.00 |
| 300 | \$371.00 | \$1,242.50 | \$1,613.50 | \$286.00 | \$1,450.85 | \$1,736.85 | \$123.35 |
| 600 | \$371.00 | \$2,733.50 | \$3,104.50 | \$286.00 | \$3,478.85 | \$3,764.85 | \$660.35 |
| 800 | \$371.00 | \$3,887.50 | \$4,258.50 | \$286.00 | \$4,830.85 | \$5,116.85 | \$858.35 |
| 1,000 | \$371.00 | \$5,041.50 | \$5,412.50 | \$286.00 | \$6,182.85 | \$6,468.85 | \$1,056.35 |
| 1,200 | \$371.00 | \$6,195.50 | \$6,566.50 | \$286.00 | \$7,534.85 | \$7,820.85 | \$1,254.35 |

SCENARIO B

| Monthly Usage (kgal) | Current | | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| | Fixed + Tier 0 | Current Commodity | | | | | |
| 150 | \$371.00 | \$497.00 | \$868.00 | \$721.28 | \$622.50 | \$1,343.78 | \$475.78 |
| 300 | \$371.00 | \$1,242.50 | \$1,613.50 | \$721.28 | \$1,245.00 | \$1,966.28 | \$352.78 |
| 600 | \$371.00 | \$2,733.50 | \$3,104.50 | \$721.28 | \$2,623.28 | \$3,344.56 | \$240.06 |
| 800 | \$371.00 | \$3,887.50 | \$4,258.50 | \$721.28 | \$3,691.28 | \$4,412.56 | \$154.06 |
| 1,000 | \$371.00 | \$5,041.50 | \$5,412.50 | \$721.28 | \$5,368.90 | \$6,090.18 | \$677.68 |
| 1,200 | \$371.00 | \$6,195.50 | \$6,566.50 | \$721.28 | \$7,088.90 | \$7,810.18 | \$1,243.68 |

CUSTOMER IMPACTS – 4” METER

SCENARIO A

| Monthly Usage (kgal) | Current | | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| | Fixed + Tier 0 | Current Commodity | | | | | |
| 300 | \$962.00 | \$621.25 | \$1,583.25 | \$510.08 | \$1,210.50 | \$1,720.58 | \$137.33 |
| 700 | \$962.00 | \$2,609.25 | \$3,571.25 | \$510.08 | \$3,693.13 | \$4,203.21 | \$631.96 |
| 1,100 | \$962.00 | \$4,677.25 | \$5,639.25 | \$510.08 | \$6,397.13 | \$6,907.21 | \$1,267.96 |
| 1,500 | \$962.00 | \$6,985.25 | \$7,947.25 | \$510.08 | \$9,101.13 | \$9,611.21 | \$1,663.96 |
| 2,000 | \$962.00 | \$9,870.25 | \$10,832.25 | \$510.08 | \$12,481.13 | \$12,991.21 | \$2,158.96 |
| 2,700 | \$962.00 | \$14,679.25 | \$15,641.25 | \$510.08 | \$17,213.13 | \$17,723.21 | \$2,081.96 |

SCENARIO B

| Monthly Usage (kgal) | Current | | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| | Fixed + Tier 0 | Current Commodity | | | | | |
| 300 | \$962.00 | \$621.25 | \$1,583.25 | \$1,300.93 | \$1,245.00 | \$2,545.93 | \$962.68 |
| 700 | \$962.00 | \$2,609.25 | \$3,571.25 | \$1,300.93 | \$2,905.00 | \$4,205.93 | \$634.68 |
| 1,100 | \$962.00 | \$4,677.25 | \$5,639.25 | \$1,300.93 | \$4,832.75 | \$6,133.68 | \$494.43 |
| 1,500 | \$962.00 | \$6,985.25 | \$7,947.25 | \$1,300.93 | \$6,968.75 | \$8,269.68 | \$322.43 |
| 2,000 | \$962.00 | \$9,870.25 | \$10,832.25 | \$1,300.93 | \$10,505.91 | \$11,806.84 | \$974.59 |
| 2,700 | \$962.00 | \$14,679.25 | \$15,641.25 | \$1,300.93 | \$16,525.91 | \$17,826.84 | \$2,185.59 |

CUSTOMER IMPACTS – 6” METER

SCENARIO A

| Monthly Usage (kgal) | Current | | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| | Fixed + Tier 0 | Current Commodity | | | | | |
| 1,000 | \$1,442.00 | \$3,851.75 | \$5,293.75 | \$1,046.28 | \$4,616.30 | \$5,662.58 | \$368.83 |
| 1,500 | \$1,442.00 | \$6,336.75 | \$7,778.75 | \$1,046.28 | \$7,996.30 | \$9,042.58 | \$1,263.83 |
| 2,600 | \$1,442.00 | \$11,803.75 | \$13,245.75 | \$1,046.28 | \$15,432.30 | \$16,478.58 | \$3,232.83 |
| 4,000 | \$1,442.00 | \$18,761.75 | \$20,203.75 | \$1,046.28 | \$24,896.30 | \$25,942.58 | \$5,738.83 |
| 6,000 | \$1,442.00 | \$30,301.75 | \$31,743.75 | \$1,046.28 | \$38,416.30 | \$39,462.58 | \$7,718.83 |
| 9,000 | \$1,442.00 | \$53,386.75 | \$54,828.75 | \$1,046.28 | \$58,696.30 | \$59,742.58 | \$4,913.83 |

SCENARIO B

| Monthly Usage (kgal) | Current | | Current Total Bill | Proposed Fixed | Proposed Commodity | Proposed Total Bill | Difference Total Bill |
|----------------------|----------------|-------------------|--------------------|----------------|--------------------|---------------------|-----------------------|
| | Fixed + Tier 0 | Current Commodity | | | | | |
| 1,000 | \$1,442.00 | \$3,851.75 | \$5,293.75 | \$3,157.15 | \$4,150.00 | \$7,307.15 | \$2,013.40 |
| 1,500 | \$1,442.00 | \$6,336.75 | \$7,778.75 | \$3,157.15 | \$6,225.00 | \$9,382.15 | \$1,603.40 |
| 2,600 | \$1,442.00 | \$11,803.75 | \$13,245.75 | \$3,157.15 | \$10,790.00 | \$13,947.15 | \$701.40 |
| 4,000 | \$1,442.00 | \$18,761.75 | \$20,203.75 | \$3,157.15 | \$16,600.00 | \$19,757.15 | (\$446.60) |
| 6,000 | \$1,442.00 | \$30,301.75 | \$31,743.75 | \$3,157.15 | \$30,204.32 | \$33,361.47 | \$1,617.72 |
| 9,000 | \$1,442.00 | \$53,386.75 | \$54,828.75 | \$3,157.15 | \$56,004.32 | \$59,161.47 | \$4,332.72 |

CUSTOMER IMPACTS – 8” METER

SCENARIO A

| | Current | | | | Proposed | Proposed | Proposed | Difference |
|----------------------|----------------|-------------------|--------------------|--|------------|-------------|-------------|------------|
| Monthly Usage (kgal) | Fixed + Tier 0 | Current Commodity | Current Total Bill | | Fixed | Commodity | Total Bill | Total Bill |
| 275 | \$1,884.00 | \$124.25 | \$2,008.25 | | \$1,926.60 | \$973.50 | \$2,900.10 | \$891.85 |
| 600 | \$1,884.00 | \$1,739.50 | \$3,623.50 | | \$1,926.60 | \$2,190.00 | \$4,116.60 | \$493.10 |
| 900 | \$1,884.00 | \$3,230.50 | \$5,114.50 | | \$1,926.60 | \$3,417.00 | \$5,343.60 | \$229.10 |
| 1,500 | \$1,884.00 | \$6,612.50 | \$8,496.50 | | \$1,926.60 | \$6,465.00 | \$8,391.60 | (\$104.90) |
| 2,000 | \$1,884.00 | \$9,497.50 | \$11,381.50 | | \$1,926.60 | \$9,562.40 | \$11,489.00 | \$107.50 |
| 3,000 | \$1,884.00 | \$17,192.50 | \$19,076.50 | | \$1,926.60 | \$16,322.40 | \$18,249.00 | (\$827.50) |

SCENARIO B

| | Current | | | | Proposed | Proposed | Proposed | Difference |
|----------------------|----------------|-------------------|--------------------|--|------------|-------------|-------------|--------------|
| Monthly Usage (kgal) | Fixed + Tier 0 | Current Commodity | Current Total Bill | | Fixed | Commodity | Total Bill | Total Bill |
| 275 | \$1,884.00 | \$124.25 | \$2,008.25 | | \$1,053.17 | \$1,141.25 | \$2,194.42 | \$186.17 |
| 600 | \$1,884.00 | \$1,739.50 | \$3,623.50 | | \$1,053.17 | \$2,490.00 | \$3,543.17 | (\$80.33) |
| 900 | \$1,884.00 | \$3,230.50 | \$5,114.50 | | \$1,053.17 | \$3,735.00 | \$4,788.17 | (\$326.33) |
| 1,500 | \$1,884.00 | \$6,612.50 | \$8,496.50 | | \$1,053.17 | \$6,225.00 | \$7,278.17 | (\$1,218.33) |
| 2,000 | \$1,884.00 | \$9,497.50 | \$11,381.50 | | \$1,053.17 | \$8,300.00 | \$9,353.17 | (\$2,028.33) |
| 3,000 | \$1,884.00 | \$17,192.50 | \$19,076.50 | | \$1,053.17 | \$14,507.37 | \$15,560.54 | (\$3,515.96) |

METER CAPACITY FACTORS

| Meter Size | Capacity (gpm) | AWWA Ratio |
|------------|-------------------|---------------|
| 5/8" | 20 | 1.00 |
| 3/4" | 30 | 1.50 |
| 1" | 50 | 2.50 |
| 1 1/2" | 100 | 5.00 |
| 2" | 160 | 8.00 |
| 3" | 350 | 17.50 |
| 4" | 630 | 31.50 |
| 6" | 1,300 | 65.00 |
| 8" | 2,400 | 120.00 |

METER CAPACITY FACTORS COMPARISON

| Meter Size | AWWA Ratio | Current Rate Ratio | Tier 1 Ratio | Tier 2 Ratio | Tier 3 Ratio |
|------------|------------|--------------------|--------------|--------------|--------------|
| 5/8" | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 3/4" | 1.50 | 1.50 | 4.14 | 4.07 | 3.61 |
| 1" | 2.50 | 2.22 | 9.71 | 9.79 | 9.72 |
| 1 1/2" | 5.00 | 4.80 | 24.14 | 24.07 | 21.50 |
| 2" | 8.00 | 6.76 | 57.14 | 53.57 | 51.39 |
| 3" | 17.50 | 17.22 | 85.71 | 85.71 | 97.22 |
| 4" | 31.50 | 44.64 | 142.86 | 178.57 | 152.78 |
| 6" | 65.00 | 66.91 | 571.43 | 535.71 | 555.56 |
| 8" | 120.00 | 87.42 | 142.86 | 178.57 | 694.44 |