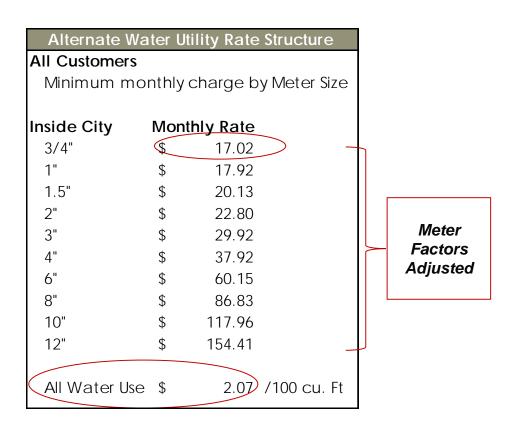


The water rate structure presented for your consideration does the following:

- Collects total system revenue needs
- Adjusts monthly meter charges to standard methodology using American Water Works Association (AWWA) meter capacity ratios
- Maintains existing one rate structure for all customers, charging based on meter size and volume used, rather than establishing separate charges for each customer class
- Eliminates 400 cubic foot allowance and bills for all water use
- Increases the amount charged for volume from \$1.68 to \$2.07 to incentivize conservation



30% of revenue from monthly charge; 70% from volume charge



The sewer rate structure presented for your consideration does the following:

- Collects total system revenue needs
- Maintains customer class designations
- Moves all customers to a monthly charge plus volume charge thereby removing the residential flat charge per month
 - o Bases sewer volume charge on winter quarter average water use
- Establishes unique monthly rate for Multi Family charged per unit
- Eliminates Non-residential 1,000 cubic foot allowance and bills for all volume
- Begins to incorporate extra strength charge (ESC) differential
 - o Increased volume charge to account for strength
 - Additional monthly fee to administer ESC program assessed on low, medium, high and super high strength customers

	Sewer Util	ity Rate Structure	- Slow ESC Phase In	
Inside City	Base Charge	ESC Charge	Total Mo. Charge	Volume Charge
Single Family Residentia	\$31.00	> n/a	\$31.00 /month	\$3.25 /100 cu. Ft
Multi Family Residential	\$12.25	n/a	\$12.25 /month/EDU	\$3.25 /100 cu. Ft
Non Residential Rates				
Standard	\$31.00	/ n/a	\$31.00 /month	\$3.25 /100 cu. Ft
Low	\$31.00	\$24.66	\$55.66 /month	\$3.45 /100 cu. Ft
Medium	\$31.00	\$24.66	\$55.66 /month	\$3.70 /100 cu. Ft
High	\$31.00	\$24.66	\$55.66 /month	\$3.85 /100 cu. Ft
Super High	\$31.00	\$24.66	\$55.66 /month	\$4.00 /100 cu. Ft

Volume charge for all; ESC monthly charge

54% of revenue from monthly fee; 46% from volume charge