

WWA Rate Increase Discussion

24 June 2012

Havarat

Summary

- WWA has not raised rates in over a decade
- WWA faces several major capital projects over the next 6 years that cannot be paid for through the current rate structure
- Assumption: WWA needs to maintain a minimum reserve of \$50K during the 6 year capital spending period and end at a reserve level of \$90K+
- The proposed rate increase for each WWA share equates to an average of \$9/billing period (\$4.50/month)

Proposed Capital Projects

Project	2012	2013	2014	2015	2016	2017	Total
Cyn Well/As Ph 1	\$27K						\$27K
Olympic View Dr	\$27K	\$22.2K					\$49.2K
As Blending	\$7K						\$7K
Cove Rd 4"			\$29.1K				\$29.1K
Cyn to 115 th 4"				\$32.8K			\$32.8K
Audit		\$14K					\$14K
Miscellaneous	\$2.8K	\$3.1K			\$13.6K	\$13.6K	\$47.1K
Total	\$63.8K	\$39.3K	\$29.1K	\$32.9K	\$13.6K	\$13.6K	\$192.3K

6 Year Cash Flow

	2012	2013	2014	2015	2016	2017
Beg Cash	\$96,000	\$64,350	\$57,000	\$59,350	\$57,400	\$74,250
Revenues	\$108,450	\$108,450	\$108,450	\$108,450	\$108,450	\$108,450
O&M	\$76,300	\$76,500	\$77,000	\$77,500	\$78,000	\$78,500
CIP	\$63,800	\$39,300	\$29,100	\$32,900	\$13,600	\$13,600
End Cash	\$64,350	\$57,000	\$59,350	\$57,400	\$74,250	\$90,600

Comparison of Current vs. Proposed Rates

		Per cubic foot					
	Base	>600	>1000	>2000	>5000	>10000	>19000
Current	\$50	0.015	0.017	0.025	0.045	0.09	0.09
Proposed	\$57	0.017	0.019	0.029	0.056	0.11	0.12

Follow-up

- Alan Hurtado has indicated that he believes that the media will still be usable. Doug is working to verify that as true.
- Todd has recommended that Ca may increase the effectiveness of our FeCl treatment and potentially deliver the full well potential from the existing plant.
- State Engineer provided us with 22 contacts involved in As remediation.
 - Doug has contacted 12 districts; no negative FeCl stories at various scales from 30 to 1000 gpm
 - Only cautionary info is regarding proprietary media (ion) system (expense)