



October 16, 2015

Mr. Brad Hill
Utilities Director
City of Flagstaff
211 West Aspen Ave.
Flagstaff, AZ 86001

RE: Responses to Council Questions at Our Oct 13th Presentation

Mr. Hill:

During our October 13th presentation, Willdan Financial Services (“Willdan”) was asked to address several concerns of various City Councilmembers. We have endeavored to address those concerns in the responses below. Please note that we have paraphrased the questions posed by the various Councilmembers below and have listed them in no particular order.

Question 1:

Can you elaborate on the inability to validate the reclaimed water billing data?

Response to Question 1:

Through the normal course of a rate study we validate billing data in order to design alternative rate structures. This is a key foundational step in the analysis necessary to develop rates. While we were successful with the validation of the water and sewer billing databases to within less than a 1% variance, we were not able to successfully validate the reclaimed water billing data – though we attempted several times. It is important to note that we were able to validate the total reclaimed dataset to within approximately 5% of our target. However, for rate making purposes we must be able to validate within approximately 1-2% in order to offer substantive rate design alternatives. Without validation within this confidence interval, any rates that are developed and implemented using this data are likely to be inaccurate, resulting in either under- or over-collection of revenue when customers are billed.

The inability to validate billing data happens occasionally and, when it does, it is normal policy to apply overall rate increases uniformly to the rates and charges of the subject rate study, which we did for the reclaimed water rate options presented in the Final Draft Report and to the Council. This approach allows the utility to generate sufficient revenue to satisfy the updated revenue requirement developed as part of this study. Since this approach was consistent with that of the previous rate study conducted by Willdan, which resulted in the City's approval of the existing reclaimed water rate structure, we believed this issue was communicated and settled well before the report was issued.

However, as noted during the discussion at the Council meeting, it is apparent that the level of agreement and understanding of this question was not as uniform as we assumed. City staff has noted that they weren't clear on this question. In this regard, the requirement to sufficiently communicate falls on Willdan and, in hindsight, we should have raised the issue with more urgency than we did and initiated a more detailed discussion with the City. This miscommunication triggered misunderstanding as to the basis for the reclaimed water rates presented, and doubt about the validity of the study, which we certainly regret.

It is worth noting that we were within approximately 5% of our overall target which, while not sufficient for rate-making purposes (for the reason described previously), is not in itself indicative of any particular problem with the billing of reclaimed water customers.

Since this came to light in our October 13th presentation to Council, we have worked with City staff to further investigate the cause of our inability to reconcile the reclaimed water billing data to the revenue that was actually billed/collected for reclaimed water. With the help of City staff, we can now state that we have been able to successfully validate the reclaimed water billing data to within acceptable tolerances and could, should the Council request, offer alternative reclaimed water rate designs for future consideration.

Question 2:

Can you provide a water rate schedule which shows the percent change for each water rate in each year of the forecast period?

Response to Question 2:

Rate schedules for each water rate scenario are presented below.

Per Council request, we have separated the energy surcharge from the % change calculation presented in the water rate tables below.

Please note that the true calculation of the increase in the volumetric rate for each customer class/and or usage tier should include the addition of the energy surcharge, which is applicable to all usage.

Rates for Rate Options 1A, 1B, 1C

Water		Rate Options 1A, 1B, 1C										
Water Rate Structure - Fixed Charges												
Monthly Fixed Charge - Inside City												
Meter Size	FY 15		FY 16		FY 17		FY 18		FY 19		FY 20	
			% Change from Prior Year		% Change from Prior Year		% Change from Prior Year		% Change from Prior Year		% Change from Prior Year	
0.75	\$ 13.42	\$ 13.83	3.1%	\$ 14.25	3.0%	\$ 14.68	3.0%	\$ 15.13	3.0%	\$ 15.59	3.0%	
1	15.80	16.28	3.0%	16.77	3.0%	17.28	3.0%	17.80	3.0%	18.34	3.0%	
1.5	21.75	22.41	3.0%	23.09	3.0%	23.79	3.0%	24.51	3.0%	25.25	3.0%	
2	28.90	29.77	3.0%	30.67	3.0%	31.60	3.0%	32.55	3.0%	33.53	3.0%	
3	45.57	46.94	3.0%	48.35	3.0%	49.81	3.0%	51.31	3.0%	52.85	3.0%	
4	69.38	71.47	3.0%	73.62	3.0%	75.83	3.0%	78.11	3.0%	80.46	3.0%	
6	128.91	132.78	3.0%	136.77	3.0%	140.88	3.0%	145.11	3.0%	149.47	3.0%	
8	200.34	206.36	3.0%	212.56	3.0%	218.94	3.0%	225.51	3.0%	232.28	3.0%	
10	283.68	292.20	3.0%	300.97	3.0%	310.00	3.0%	319.30	3.0%	328.88	3.0%	

*Outside City rates 1.10x higher
 **Slight percentage differences in rates above from year to year may occur due to rounding.

Water		Rate Option 1A											
Water Rate Structure - Flow Charges													
Flow Charge per 1,000 Gallons - Inside City													
Customer Class	Tier Range	FY 15		FY 16		FY 17		FY 18		FY 19		FY 20	
			% Change from Prior Year		% Change from Prior Year		% Change from Prior Year		% Change from Prior Year		% Change from Prior Year		% Change from Prior Year
Single Family Residential	0 - 3,700 Gal/Mo	\$ 2.77	5.4%	\$ 2.92	4.7%	\$ 3.03	3.8%	\$ 3.14	3.6%	\$ 3.25	3.5%	\$ 3.36	3.4%
	3,701 - 6,400 Gal/Mo	3.59	4.7%	3.76	4.2%	3.90	3.7%	4.04	3.6%	4.17	3.2%	4.31	3.4%
	6,401 - 11,700 Gal/Mo	5.53	4.2%	5.76	3.6%	5.96	3.5%	6.16	3.4%	6.36	3.2%	6.56	3.1%
	11,701 and above	11.06	3.6%	11.46	3.6%	11.83	3.2%	12.21	3.2%	12.59	3.1%	12.98	3.1%
Multi-Family Residential	All Usage	3.56	4.8%	3.73	4.8%	3.86	3.5%	4.00	3.6%	4.13	3.3%	4.27	3.4%
Commercial	All Usage	3.78	4.8%	3.96	4.9%	4.10	3.5%	4.25	3.7%	4.39	3.3%	4.54	3.4%
Northern Arizona University	All Usage	3.47	4.9%	3.64	4.9%	3.77	3.6%	3.91	3.7%	4.04	3.3%	4.18	3.5%
Lawn Meters	All Usage	3.78	4.8%	3.96	4.8%	4.10	3.5%	4.25	3.7%	4.39	3.3%	4.54	3.4%
Manufacturing	All Usage	3.73	4.8%	3.91	4.8%	4.05	3.6%	4.19	3.5%	4.33	3.3%	4.47	3.2%
Standpipes	All Usage	5.78	4.2%	6.02	4.2%	6.22	3.3%	6.43	3.4%	6.64	3.3%	6.85	3.2%

Rates above EXCLUDE
 Projected Energy Charge per 1,000 Gal - Applicable to All Flow (Subject to Change Based on Future Energy Costs)
 \$ 0.96 \$ 0.93 \$ 0.94 \$ 0.95 \$ 0.97 \$ 0.99
 *Outside City rates 1.10x higher
 **Slight percentage differences in rates above from year to year may occur due to rounding.

Water Rate Option 1B												
Water Rate Structure - Flow Charges												
Flow Charge per 1,000 Gallons - Inside City												
Customer Class	Tier Range	FY 15	FY 16	% Change from Prior Year	FY 17	% Change from Prior Year	FY 18	% Change from Prior Year	FY 19	% Change from Prior Year	FY 20	% Change from Prior Year
Single Family Residential	0 - 4,000 Gal/Mo	\$ 2.77	\$2.95	6.5%	\$3.06	3.7%	\$3.17	3.6%	\$3.28	3.5%	\$3.39	3.4%
	4,001 - 7,000 Gal/Mo	3.59	3.80	5.8%	3.94	3.7%	4.08	3.6%	4.22	3.4%	4.36	3.3%
	7,001 - 12,000 Gal/Mo	5.53	5.82	5.2%	6.02	3.4%	6.22	3.3%	6.42	3.2%	6.63	3.3%
	12,001 and above	11.06	11.57	4.6%	11.94	3.2%	12.32	3.2%	12.70	3.1%	13.10	3.1%
Multi-Family Residential	All Usage	3.56	3.71	4.2%	3.85	3.8%	3.99	3.6%	4.12	3.3%	4.26	3.4%
Commercial	All Usage	3.78	3.93	4.0%	4.07	3.6%	4.22	3.7%	4.36	3.3%	4.50	3.2%
Northern Arizona University	All Usage	3.47	3.59	3.5%	3.72	3.6%	3.85	3.5%	3.98	3.4%	4.11	3.3%
Lawn Meters	All Usage	3.78	3.92	3.7%	4.06	3.6%	4.20	3.4%	4.34	3.3%	4.48	3.2%
Manufacturing	All Usage	3.73	3.86	3.5%	4.00	3.6%	4.14	3.5%	4.28	3.4%	4.42	3.3%
Standpipes	All Usage	5.78	6.05	4.7%	6.26	3.5%	6.47	3.4%	6.68	3.2%	6.89	3.1%
Rates above EXCLUDE												
Projected Energy Charge per 1,000 Gal - Applicable to All Flow (Subject to Change Based on Future Energy Costs)												
		\$ 0.96	\$ 0.93		\$ 0.94		\$ 0.95		\$ 0.97		\$ 0.99	
*Outside City rates 1.10x higher												
**Slight percentage differences in rates above from year to year may occur due to rounding.												

Water Rate Option 1C												
Water Rate Structure - Flow Charges												
Flow Charge per 1,000 Gallons - Inside City												
Customer Class	Tier Range	FY 15	FY 16	% Change from Prior Year	FY 17	% Change from Prior Year	FY 18	% Change from Prior Year	FY 19	% Change from Prior Year	FY 20	% Change from Prior Year
Single Family Residential	0 - 3,700 Gal/Mo	\$ 2.77	\$ 2.92	5.4%	\$ 3.03	3.8%	\$ 3.14	3.6%	\$ 3.25	3.5%	\$ 3.36	3.4%
	3,701 - 6,400 Gal/Mo	3.59	3.76	4.7%	3.90	3.7%	4.04	3.6%	4.17	3.2%	4.31	3.4%
	6,401 - 11,700 Gal/Mo	5.53	5.76	4.2%	5.96	3.5%	6.16	3.4%	6.36	3.2%	6.56	3.1%
	11,701 and above	11.06	11.46	3.6%	11.83	3.2%	12.21	3.2%	12.59	3.1%	12.98	3.1%
Multi-Family Residential	All Usage	3.56	3.73	4.8%	3.86	3.5%	4.00	3.6%	4.13	3.3%	4.27	3.4%
Commercial	Tier 1**	3.78	1.10	-70.9%	1.14	3.7%	1.18	3.5%	1.22	3.4%	1.26	3.3%
	Tier 2**	3.78	1.55	-59.1%	1.60	3.5%	1.65	3.1%	1.70	3.0%	1.76	3.5%
	Tier 3**	3.78	2.60	-31.2%	2.68	3.0%	2.77	3.4%	2.86	3.2%	2.95	3.1%
	Tier 4**	3.78	5.61	48.4%	5.78	3.0%	5.96	3.1%	6.14	3.0%	6.33	3.1%
Northern Arizona University	Tier 1**	3.47	0.66	-80.9%	0.69	4.2%	0.72	4.3%	0.75	4.2%	0.78	4.0%
	Tier 2**	3.47	1.01	-70.8%	1.05	3.8%	1.09	3.8%	1.13	3.7%	1.17	3.5%
	Tier 3**	3.47	1.84	-47.0%	1.90	3.3%	1.96	3.2%	2.02	3.1%	2.09	3.5%
	Tier 4**	3.47	4.20	21.0%	4.33	3.1%	4.46	3.0%	4.60	3.1%	4.74	3.0%
Lawn Meters	Tier 1**	3.78	0.91	-75.9%	0.94	3.3%	0.97	3.2%	1.00	3.1%	1.03	3.0%
	Tier 2**	3.78	1.31	-65.2%	1.36	3.5%	1.41	3.7%	1.46	3.5%	1.51	3.4%
	Tier 3**	3.78	2.27	-39.9%	2.34	3.0%	2.42	3.4%	2.50	3.3%	2.58	3.2%
	Tier 4**	3.78	5.00	32.2%	5.15	3.0%	5.31	3.1%	5.47	3.0%	5.64	3.1%
Manufacturing	Tier 1**	3.73	0.71	-80.9%	0.74	3.9%	0.77	4.1%	0.80	3.9%	0.83	3.7%
	Tier 2**	3.73	1.07	-71.2%	1.11	3.4%	1.15	3.6%	1.19	3.5%	1.23	3.4%
	Tier 3**	3.73	1.93	-48.3%	1.99	3.2%	2.05	3.0%	2.12	3.4%	2.19	3.3%
	Tier 4**	3.73	4.36	17.0%	4.50	3.2%	4.64	3.1%	4.78	3.0%	4.93	3.1%
Standpipes	All Usage	5.78	6.01	4.0%	6.20	3.1%	6.39	3.1%	6.59	3.1%	6.79	3.0%
Rates above EXCLUDE Projected Energy Charge per 1,000 Gal - Applicable to All Flow (Subject to Change Based on Future Energy Costs)												
		\$ 0.96	\$ 0.93		\$ 0.94		\$ 0.95		\$ 0.97		\$ 0.99	
*Outside City rates 1.10x higher												
** Non Residential tiers to be expanded by AWWA Meter Equivalency Factors based on Non Residential Customer's Meter Size (See Below)												
Meter Size	AWWA Meter Equivalency Factors											
0.75	1.00											
1.00	1.67											
1.50	3.33											
2.00	5.33											
3.00	10.00											
4.00	16.67											
6.00	33.33											
8.00	53.33											
10.00	76.67											

Rates for Rate Options 2A, 2B, 2C

Water			Rate Options 2A, 2B, 2C									
Water Rate Structure - Fixed Charges												
Monthly Fixed Charge - Inside City												
Meter			% Change from Prior			% Change from Prior			% Change from Prior			% Change from Prior
Size	FY 15	FY 16	Year	FY 17	Year	FY 18	Year	FY 19	Year	FY 20	Year	
0.75	\$ 13.42	\$ 14.36	7.0%	\$ 15.37	7.0%	\$ 16.45	7.0%	\$ 17.61	7.1%	\$ 18.85	7.0%	
1	15.80	16.91	7.0%	18.10	7.0%	19.37	7.0%	20.73	7.0%	22.19	7.0%	
1.5	21.75	23.28	7.0%	24.91	7.0%	26.66	7.0%	28.53	7.0%	30.53	7.0%	
2	28.90	30.93	7.0%	33.10	7.0%	35.42	7.0%	37.90	7.0%	40.56	7.0%	
3	45.57	48.76	7.0%	52.18	7.0%	55.84	7.0%	59.75	7.0%	63.94	7.0%	
4	69.38	74.24	7.0%	79.44	7.0%	85.01	7.0%	90.97	7.0%	97.34	7.0%	
6	128.91	137.94	7.0%	147.60	7.0%	157.94	7.0%	169.00	7.0%	180.83	7.0%	
8	200.34	214.37	7.0%	229.38	7.0%	245.44	7.0%	262.63	7.0%	281.02	7.0%	
10	283.68	303.54	7.0%	324.79	7.0%	347.53	7.0%	371.86	7.0%	397.90	7.0%	

*Outside City rates 1.10x higher
 **Slight percentage differences in rates above from year to year may occur due to rounding.

Water			Rate Option 2A									
Water Rate Structure - Flow Charges												
Flow Charge per 1,000 Gallons - Inside City												
Customer Class	Tier Range	FY 15	FY 16	% Change from Prior	FY 17	% Change from Prior	FY 18	% Change from Prior	FY 19	% Change from Prior	FY 20	% Change from Prior
Single Family Residential	0 - 3,700 Gal/Mo	\$ 2.77	\$ 3.07	10.8%	\$ 3.34	8.8%	\$ 3.63	8.7%	\$ 3.94	8.5%	\$ 4.27	8.4%
	3,701 - 6,400 Gal/Mo	3.59	3.94	9.7%	4.28	8.6%	4.64	8.4%	5.02	8.2%	5.42	8.0%
	6,401 - 11,700 Gal/Mo	5.53	6.02	8.9%	6.50	8.0%	7.02	8.0%	7.56	7.7%	8.14	7.7%
	11,701 and above	11.06	11.94	8.0%	12.84	7.5%	13.80	7.5%	14.82	7.4%	15.91	7.4%
Multi-Family Residential	All Usage	3.56	3.91	9.8%	4.24	8.4%	4.60	8.5%	4.97	8.0%	5.37	8.0%
Commercial	All Usage	3.78	4.15	9.8%	4.50	8.4%	4.88	8.4%	5.27	8.0%	5.69	8.0%
Northern Arizona University	All Usage	3.47	3.82	10.1%	4.15	8.6%	4.50	8.4%	4.87	8.2%	5.26	8.0%
Lawn Meters	All Usage	3.78	4.15	9.8%	4.50	8.4%	4.88	8.4%	5.27	8.0%	5.69	8.0%
Manufacturing	All Usage	3.73	4.09	9.7%	4.44	8.6%	4.81	8.3%	5.20	8.1%	5.62	8.1%
Standpipes	All Usage	5.78	6.29	8.8%	6.79	7.9%	7.33	8.0%	7.89	7.6%	8.50	7.7%

Rates above EXCLUDE
 Projected Energy Charge per 1,000 Gal - Applicable to All Flow (Subject to Change Based on Future Energy Costs)
 \$ 0.96 \$ 0.93 \$ 0.94 \$ 0.95 \$ 0.97 \$ 0.99
 *Outside City rates 1.10x higher
 **Slight percentage differences in rates above from year to year may occur due to rounding.

Water			Rate Option 2B									
Water Rate Structure - Flow Charges												
Flow Charge per 1,000 Gallons - Inside City												
Customer Class	Tier Range	FY 15	FY 16	% Change from Prior	FY 17	% Change from Prior	FY 18	% Change from Prior	FY 19	% Change from Prior	FY 20	% Change from Prior
Single Family Residential	0 - 4,000 Gal/Mo	\$ 2.77	\$ 3.10	11.9%	\$3.38	9.0%	\$3.68	8.9%	\$3.99	8.4%	\$4.32	8.3%
	4,001 - 7,000 Gal/Mo	3.59	3.99	11.1%	4.33	8.5%	4.69	8.3%	5.07	8.1%	5.48	8.1%
	7,001 - 12,000 Gal/Mo	5.53	6.08	9.9%	6.57	8.1%	7.09	7.9%	7.64	7.8%	8.23	7.7%
	12,001 and above	11.06	12.05	9.0%	12.95	7.5%	13.92	7.5%	14.95	7.4%	16.05	7.4%
Multi-Family Residential	All Usage	3.56	3.89	9.3%	4.22	8.5%	4.58	8.5%	4.95	8.1%	5.35	8.1%
Commercial	All Usage	3.78	4.12	9.0%	4.47	8.5%	4.84	8.3%	5.23	8.1%	5.65	8.0%
Northern Arizona University	All Usage	3.47	3.77	8.6%	4.09	8.5%	4.44	8.6%	4.80	8.1%	5.19	8.1%
Lawn Meters	All Usage	3.78	4.11	8.7%	4.46	8.5%	4.83	8.3%	5.22	8.1%	5.64	8.0%
Manufacturing	All Usage	3.73	4.05	8.6%	4.39	8.4%	4.76	8.4%	5.14	8.0%	5.55	8.0%
Standpipes	All Usage	5.78	6.32	9.3%	6.82	7.9%	7.36	7.9%	7.93	7.7%	8.54	7.7%

Rates above EXCLUDE
 Projected Energy Charge per 1,000 Gal - Applicable to All Flow (Subject to Change Based on Future Energy Costs)
 \$ 0.96 \$ 0.93 \$ 0.94 \$ 0.95 \$ 0.97 \$ 0.99
 *Outside City rates 1.10x higher
 **Slight percentage differences in rates above from year to year may occur due to rounding.

Water Rate Structure - Flow Charges											Rate Option 2C	
Flow Charge per 1,000 Gallons - Inside City												
Customer Class	Tier Range	FY 15	FY 16	% Change from Prior Year	FY 17	% Change from Prior Year	FY 18	% Change from Prior Year	FY 19	% Change from Prior Year	FY 20	% Change from Prior Year
Single Family Residential	0 - 3,700 Gal/Mo	\$ 2.77	\$ 3.07	10.8%	\$ 3.34	8.8%	\$ 3.63	8.7%	\$ 3.94	8.5%	\$ 4.27	8.4%
	3,701 - 6,400 Gal/Mo	3.59	3.94	9.7%	4.28	8.6%	4.64	8.4%	5.02	8.2%	5.42	8.0%
	6,401 - 11,700 Gal/Mo	5.53	6.02	8.9%	6.50	8.0%	7.02	8.0%	7.56	7.7%	8.14	7.7%
	11,701 and above	11.06	11.94	8.0%	12.84	7.5%	13.80	7.5%	14.82	7.4%	15.91	7.4%
Multi-Family Residential	All Usage	3.56	3.91	9.8%	4.24	8.4%	4.60	8.5%	4.97	8.0%	5.37	8.0%
Commercial	Tier 1**	3.78	1.18	-68.8%	1.32	11.9%	1.47	11.4%	1.62	10.2%	1.79	10.5%
	Tier 2**	3.78	1.65	-56.3%	1.83	10.9%	2.02	10.4%	2.21	9.4%	2.42	9.5%
	Tier 3**	3.78	2.74	-27.5%	2.99	9.1%	3.26	9.0%	3.54	8.6%	3.84	8.5%
	Tier 4**	3.78	5.87	55.3%	6.34	8.0%	6.84	7.9%	7.37	7.7%	7.94	7.7%
Northern Arizona University	Tier 1**	3.47	0.73	-79.0%	0.84	15.1%	0.96	14.3%	1.08	12.5%	1.21	12.0%
	Tier 2**	3.47	1.09	-68.6%	1.23	12.8%	1.38	12.2%	1.53	10.9%	1.69	10.5%
	Tier 3**	3.47	1.95	-43.8%	2.15	10.3%	2.36	9.8%	2.58	9.3%	2.81	8.9%
	Tier 4**	3.47	4.40	26.8%	4.77	8.4%	5.16	8.2%	5.57	7.9%	6.01	7.9%
Lawn Meters	Tier 1**	3.78	0.99	-73.8%	1.12	13.1%	1.26	12.5%	1.40	11.1%	1.55	10.7%
	Tier 2**	3.78	1.41	-62.7%	1.57	11.3%	1.74	10.8%	1.91	9.8%	2.10	9.9%
	Tier 3**	3.78	2.40	-36.5%	2.63	9.6%	2.87	9.1%	3.12	8.7%	3.39	8.7%
	Tier 4**	3.78	5.23	38.4%	5.66	8.2%	6.12	8.1%	6.60	7.8%	7.11	7.7%
Manufacturing	Tier 1**	3.73	0.78	-79.1%	0.89	14.1%	1.01	13.5%	1.13	11.9%	1.26	11.5%
	Tier 2**	3.73	1.16	-68.9%	1.30	12.1%	1.45	11.5%	1.60	10.3%	1.76	10.0%
	Tier 3**	3.73	2.04	-45.3%	2.24	9.8%	2.46	9.8%	2.68	8.9%	2.92	9.0%
	Tier 4**	3.73	4.57	22.5%	4.95	8.3%	5.36	8.3%	5.79	8.0%	6.25	7.9%
Standpipes	All Usage	5.78	6.28	8.7%	6.78	8.0%	7.32	8.0%	7.88	7.7%	8.48	7.6%
Rates above EXCLUDE Projected Energy Charge per 1,000 Gal -												
Applicable to All Flow (Subject to Change Based on Future Energy Costs)		\$ 0.96	\$ 0.93		\$ 0.94		\$ 0.95		\$ 0.97		\$ 0.99	
*Outside City rates 1.10x higher												
** Non Residential tiers to be expanded by AWWA Meter Equivalency Factors based on Non Residential Customer's Meter Size (See Below)												
Meter Size	AWWA Meter Equivalency Factors											
0.75	1.00											
1.00	1.67											
1.50	3.33											
2.00	5.33											
3.00	10.00											
4.00	16.67											
6.00	33.33											
8.00	53.33											
10.00	76.67											

Question 3:

Can you provide the breakdown of water reclaimed water rate revenue by customer class?

Response to Question 3:

Below please find the reclaimed water rate revenue distribution by customer class.

Reclaimed Water Rate Revenue Distribution			
Customer Class	Reclaimed Water Rate Revenue	% of Total	
Private Residential	\$ 4,000	0%	
Commercial (No Main Ext.)	192,000	19%	
Commercial (w/ Main Ext.)	-	0%	
Manufacturing (No Main Ext.)	131,000	13%	
Manufacturing (w/ Main Ext.)	-	0%	
NAU (Sinclair Wash - Intramural Fields)	83,000	8%	
NAU (All Other)	56,000	6%	
City Departmental	72,000	7%	
Hydrant Meter	-	0%	
Standpipe	82,000	8%	
Off Peak / Golf Course	372,000	38%	
Total Reclaimed Water Rate Revenue	\$ 992,000	100%	

*Source: FY 14 Billing Database - rounded to thousands.

We appreciate the opportunity to be of service to the City on this important project.

Very truly yours,



Jonathan Varnes

Willdan Financial Services