Table V-8

LAGUNA MADRE WATER DISTRICT
Strength Rate Recommendations

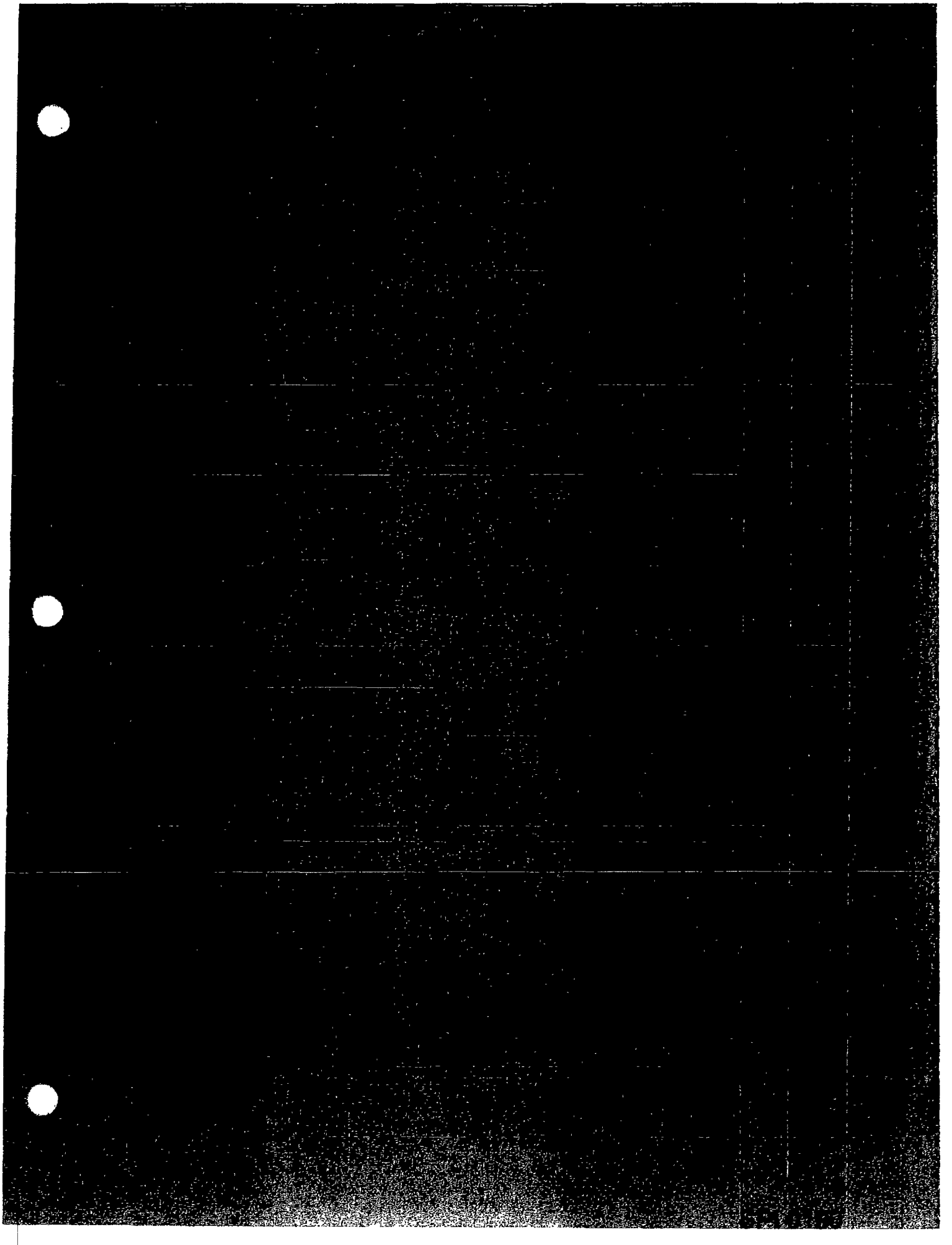
	Total Cost per lb.	
	BOD	TSS
Jan-15	$ 0.84	$ 1.08
Jan-16	0.87	1.13
Jan-17	0.89	1.15
Jan-18	0.91	1.17
Jan-19	0.92	1.19

SPI 0188

Notes on Rate Recommendations

The forecast and recommendations presented in this study represent a combination of the best information available from the District and the project team's expertise. However, this forecast relies in part on assumptions about future events and events beyond the control of the project team (such as account growth rates within the District). The forecast and recommendations contained in this study may be subject to revision if any of the following events occurs:

- Actual growth in accounts and consumed volumes is less than (or significantly greater than) forecast
- Capital improvement plan funding costs increase significantly due to the rising cost of materials or other factors
- An unforeseen event impacts the District, such as a recession, natural catastrophe or terrorist attack
- Increases or decreases in interest rates, coverage requirements or reserve requirements for long-term debt.
- District budget levels or priorities change significantly from those forecast in this study It should be noted that none of these events are foreseen by the project team or District staff at this time.



LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

10 Year Rate Schedule
Scenario: 2015 02 27 -- Alternative 1 -- PI Reclamation

Water Rates

5/8" Meter													
Base Charge		4,000	$ 11.90	$ 11.90	$ 11.90	$ 11.90	$ 12.26	$ 12.62	$ 13.00	$ 13.39	$ 13.80	$ 14.21	$ 14.64
Usage Charge	4,001	10,000	2.40	2.40	2.40	2.40	2.47	2.55	2.62	2.70	2.78	2.87	2.95
Usage Charge	10,001	20,000	3.78	3.78	3.78	3.78	3.89	4.01	4.13	4.25	4.38	4.51	4.65
Usage Charge	20,001	Above	5.39	5.39	5.39	5.39	5.55	5.72	5.89	6.07	6.25	6.44	6.63
1" Meter													
Base Charge		6,000	16.48	23.07	23.07	23.07	23.76	24.47	25.21	25.97	26.74	27.55	28.37
Usage Charge	6,001	20,000	2.52	2.52	2.52	2.52	2.60	2.67	2.75	2.84	2.92	3.01	3.10
Usage Charge	20,001	40,000	3.78	3.78	3.78	3.78	3.89	4.01	4.13	4.25	4.38	4.51	4.65
Usage Charge	40,001	Above	5.32	5.32	5.32	5.32	5.48	5.64	5.81	5.99	6.17	6.35	6.54
2" Meter													
Base Charge		26,000	79.33	111.06	111.06	111.06	114.39	117.82	121.36	125.00	128.75	132.61	136.59
Usage Charge	26,001	100,000	2.63	2.63	2.63	2.63	2.71	2.79	2.87	2.96	3.05	3.14	3.23
Usage Charge	100,001	200,000	3.95	3.95	3.95	3.95	4.07	4.19	4.32	4.45	4.58	4.72	4.86
Usage Charge	200,001	Above	5.90	5.90	5.90	5.90	6.08	6.26	6.45	6.64	6.84	7.04	7.26
4" Meter													
Base Charge		101,000	299.03	418.64	418.64	418.64	431.20	444.14	457.46	471.18	485.32	499.88	514.87
Usage Charge	101,001	500,000	2.76	2.76	2.76	2.76	2.84	2.93	3.02	3.11	3.20	3.30	3.39
Usage Charge	500,001	1,000,000	4.14	4.14	4.14	4.14	4.26	4.39	4.52	4.66	4.80	4.94	5.09
Usage Charge	1,000,001	Above	5.69	5.69	5.69	5.69	5.86	6.04	6.22	6.40	6.60	6.79	7.00
6" Meter													
Base Charge		101,000	560.00	784.00	784.00	784.00	807.52	831.75	856.70	882.40	908.87	936.14	964.22
Usage Charge	101,001	500,000	2.60	2.60	2.60	2.60	2.68	2.76	2.84	2.93	3.01	3.10	3.20
Usage Charge	500,001	1,000,000	3.90	3.90	3.90	3.90	4.02	4.14	4.26	4.39	4.52	4.66	4.80
Usage Charge	1,000,001	Above	5.25	5.25	5.25	5.25	5.41	5.57	5.74	5.91	6.09	6.27	6.46

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LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

10 Year Rate Schedule
Scenario: ***2015 02 27 -- Alternative 1 -- PI Reclamation***

			Prior	Effective Jan-15	Effective Jan-16	Effective Jan-17	Effective Jan-18	Effective Jan-19	Effective Jan-20	Effective Jan-21	Effective Jan-22	Effective Jan-23	Effective Jan-24
8" Meter													
Base Charge		101,000	560.00	840.00	840.00	840.00	865.20	891.16	917.89	945.43	973.79	1,003.00	1,033.09
Usage Charge	101,001	500,000	2.60	2.60	2 84	2.84	2.93	3.01	3.10	3.20	3.29	3.39	3.49
Usage Charge	500,001	1,000,000	3.90	3.90	4.20	4 20	4.33	4.46	4.59	4.73	4.87	5.02	5.17
Usage Charge	1,000,001	Above	5.25	5.25	5.69	5.69	5.86	6 04	6.22	6.40	6.60	6.79	7.00
Other													
Base Charge		101,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
Other													
Base Charge		101,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
Other													
Base Charge		101,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
Other													
Base Charge		101,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-

SPI 0192

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

10 Year Rate Schedule
Scenario: 2015 02 27 -- Alternative 1 -- PI Reclamation

Wastewater Rates

5/8" Meter													
Base Charge		4,000	12.35	12.35	12.35	13.46	14.67	15.99	16.47	16.97	17.48	18.00	18.54
Usage Charge	4,001	10,000	2.50	2.50	2.50	2.73	2.97	3.24	3.33	3.43	3.54	3.64	3.75
Usage Charge	10,001	20,000	3.88	3.88	3.88	4.23	4.61	5.02	5.18	5.33	5.49	5.66	5.83
Usage Charge	20,001	Above	5.50	5.50	5.50	6.00	6.53	7.12	7.34	7.56	7.78	8.02	8.26
1" Meter													
Base Charge		6,000	15.59	21.83	21.83	23.79	25.94	28.27	29.12	29.99	30.89	31.82	32.77
Usage Charge	6,001	20,000	2.73	2.73	2.73	2.98	3.24	3.54	3.64	3.75	3.86	3.98	4.10
Usage Charge	20,001	40,000	4.10	4.10	4.10	4.47	4.87	5.31	5.47	5.63	5.80	5.98	6.16
Usage Charge	40,001	Above	6.12	6.12	6.12	6.67	7.27	7.93	8.16	8.41	8.66	8.92	9.19
2" Meter													
Base Charge		26,000	106.04	148.46	148.46	161.82	176.39	192.26	198.03	203.97	210.09	216.39	222.88
Usage Charge	26,001	100,000	2.97	2.97	2.97	3.24	3.53	3.85	3.96	4.08	4.20	4.33	4.46
Usage Charge	100,001	200,000	4.46	4.46	4.46	4.86	5.30	5.78	5.95	6.13	6.31	6.50	6.70
Usage Charge	200,001	Above	6.18	6.18	6.18	6.74	7.34	8.00	8.24	8.49	8.75	9.01	9.28
4" Meter													
Base Charge		101,000	243.26	340.56	340.56	371.21	404.62	441.04	454.27	467.89	481.93	496.39	511.28
Usage Charge	101,001	500,000	3.09	3.09	3.09	3.37	3.67	4.00	4.12	4.25	4.37	4.50	4.64
Usage Charge	500,001	1,000,000	4.63	4.63	4.63	5.05	5.50	6.00	6.18	6.36	6.55	6.75	6.95
Usage Charge	1,000,001	Above	6.30	6.30	6.30	6.87	7.49	8.16	8.40	8.66	8.92	9.18	9.46
6" Meter													
Base Charge		101,000	400.00	560.00	560.00	610.40	665.34	725.22	746.97	769.38	792.46	816.24	840.72
Usage Charge	101,001	500,000	2.70	2.70	2.70	2.94	3.21	3.50	3.60	3.71	3.82	3.94	4.05
Usage Charge	500,001	1,000,000	4.05	4.05	4.05	4.41	4.81	5.24	5.40	5.56	5.73	5.90	6.08
Usage Charge	1,000,001	Above	5.40	5.40	5.40	5.89	6.42	6.99	7.20	7.42	7.64	7.87	8.11

SPI 0193

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

10 Year Rate Schedule
Scenario: ***2015 02 27 -- Alternative 1 -- PI Reclamation***

			Prior	Effective [illegible]	Effective [illegible]	Effective [illegible]	Effective [illegible]	Effective [illegible]	Effective [illegible]	Effective [illegible]	Effective [illegible]	Effective [illegible]	Effective [illegible]
8" Meter													
Base Charge		101,000	-	896 00	896.00	976.64	1,064.54	1,160.35	1,195.16	1,231.01	1,267.94	1,305.98	1,345.16
Usage Charge	101,001	500,000	-	2.93	2.93	3.19	3.48	3.79	3.91	4.03	4.15	4.27	4.40
Usage Charge	500,001	1,000,000	-	4.42	4.42	4.82	5.25	5.72	5.90	6.07	6.25	6.44	6.64
Usage Charge	1,000,001	Above	-	5.89	5.89	6.42	7.00	7.63	7.86	8.09	8.34	8.59	8.84
Other													
Base Charge		101,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
Other													
Base Charge		101,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
Other													
Base Charge		101,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
Other													
Base Charge		101,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Usage Charge	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
BOD/TSS Rate per Lb.													
BOD Rate per Lb.				0.84	0.87	0.89	0.91	0.92	0.94	0.96	0.98	1.00	1.01
TSS Rate per Lb.				1 08	1.13	1.15	1.17	1.19	1.21	1.23	1.26	[illegible]	1.31

SPI 0194

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Model Summary
Scenario: *2015 02 27 – Alternative 1 – PI Reclamation*

1 Water and Wastewater Rates – Residential

Water Rates – 5/8"

			Current	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Base Chg		4,000	$ 11.90	$ 11.90	$ 11.90	$ 11.90	$ 12.26	$ 12.62	$ 13.00	$ 13.39	$ 13.80	$ 14.21	$ 14.64
Usage Chg	4,001	10,000	2.40	2.40	2.40	2.40	2.47	2.55	2.62	2.70	2.78	2.87	2.95
Usage Chg	10,001	20,000	3.78	3.78	3.78	3.78	3.89	4.01	4.13	4.25	4.38	4.51	4.65
Usage Chg	20,001	Above	5.39	5.39	5.39	5.39	5.55	5.72	5.89	6.07	6.25	6.44	6.63

Wastewater Rates – Residential

Base Chg		4,000	$ 12.35	$ 12.35	$ 12.35	$ 12.35	$ 13.46	$ 14.67	$ 15.99	$ 16.47	$ 16.97	$ 17.48	$ 18.00	$ 18.54
Usage Chg	4,001	10,000	2.50	2.50	2.50	2.50	2.73	2.97	3.24	3.33	3.43	3.54	3.64	3.75
Usage Chg	10,001	20,000	3.88	3.88	3.88	3.88	4.23	4.61	5.02	5.18	5.33	5.49	5.66	5.83
Usage Chg	20,001	Above	5.50	5.50	5.50	5.50	6.00	6.53	7.12	7.34	7.56	7.78	8.02	8.26

2 Residential Monthly Bill Comparison

5,000 Gal	Total	$ 28.53	$ 28.53	$ 28.53	$ 29.81	$ 31.63	$ 33.59	$ 34.60	$ 35.64	$ 36.71	$ 37.81	$ 38.94
	Increase		-	-	1.28	1.82	1.96	1.01	1.04	1.07	1.10	1.13
	Percent Inc		0.0%	0.0%	4.5%	6.1%	6.2%	3.0%	3.0%	3.0%	3.0%	3.0%
10,000 Gal	Total	49.90	49.90	49.90	52.02	55.13	58.46	60.22	62.02	63.89	65.80	67.78
	Increase		-	-	2.12	3.10	3.34	1.75	1.81	1.86	1.92	1.97
	Percent Inc		0.0%	0.0%	4.3%	6.0%	6.1%	3.0%	3.0%	3.0%	3.0%	3.0%
20,000 Gal	Total	116.80	116.80	116.80	121.54	128.64	136.25	140.34	144.55	148.89	153.35	157.95
	Increase		-	-	4.74	7.09	7.62	4.09	4.21	4.34	4.47	4.60
	Percent Inc		-	0.0%	4.1%	5.8%	5.9%	3.0%	3.0%	3.0%	3.0%	3.0%
30,000 Gal	Total	211.95	211.95	211.95	220.41	233.16	246.85	254.26	261.89	269.74	277.84	286.17
	Increase		-	-	8.46	12.76	13.69	7.41	7.63	7.86	8.09	8.34
	Percent Inc		0.0%	0.0%	4.0%	5.8%	5.9%	3.0%	3.0%	3.0%	3.0%	3.0%

SPI 0195

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Model Summary

Scenario: ***2015 02 27 -- Alternative 1 -- PI Reclamation***

	Current	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
3	**TOTAL Revenues and Expenses**										
	Water Rate Revenues	$ 4,698,182	$ 4,878,521	$ 4,945,986	$ 5,113,262	$ 5,336,623	$ 5,568,352	$ 5,808,762	$ 6,058,175	$ 6,316,923	$ 6,585,350
	WW Rate Revenues	3,254,687	3,437,268	3,720,056	4,138,303	4,601,702	4,921,974	5,167,892	5,424,135	5,691,101	5,969,203
	Non-Rate Revenues	546,606	352,263	357,181	362,186	367,281	372,470	377,756	383,143	388,635	394,234
	Total Revenues	8,499,475	8,668,053	9,023,223	9,613,751	10,305,606	10,862,797	11,354,411	11,865,453	12,396,659	12,948,787
	Operating Expenses	6,510,295	6,775,565	7,336,253	7,635,967	7,948,455	8,274,299	8,614,107	8,968,517	9,338,196	9,723,842
	Net Revenues after Operating Expenses	1,989,180	1,892,488	1,686,970	1,977,783	2,357,151	2,588,498	2,740,304	2,896,937	3,058,463	3,224,945
	Capital Outlays	776,500	799,795	823,789	848,503	873,958	900,176	927,182	954,997	983,647	1,013,156
	Debt Service -- Current	672,280	671,880	670,880	669,280	672,080	667,956	667,612	672,000	670,324	646,474
	Debt Service -- Future	-	-	-	-	470,585	470,585	470,585	470,585	470,585	941,169
	Total	1,448,780	1,471,675	1,494,669	1,517,783	2,016,622	2,038,717	2,065,378	2,097,582	2,124,556	2,600,800
	Total Cost of Service	7,959,075	8,247,240	8,830,922	9,153,750	9,965,077	10,313,016	10,679,485	11,066,098	11,462,751	12,324,642
	Net Revenues for Contingency	540,400	420,813	192,301	460,001	340,528	549,781	674,926	799,355	933,908	624,146
	Percent of COS	6.4%	4.9%	2.1%	4.8%	3.3%	5.1%	5.9%	6.7%	7.5%	4.8%
	Net Revenues -- Draft Report	276,920	212,834	90,948	365,457	250,721	453,531	565,928	676,930	797,349	472,715
	Debt Coverage	2.96	2.82	2.51	2.96	2.06	2.27	2.41	2.54	2.68	2.03
4	**Capital Project Funds Balance**										
	Beginning Balance	$ 9,382,431	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
	Sources of Funds										
	Interest	187,649	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
	Long-Term Debt -- Tax Bonds	-	19,500,000	-	-	-	12,500,000	-	-	-	-
	Long-Term Debt -- Revenue Bonds	-	-	-	5,700,000	-	-	-	-	5,700,000	-
	Capacity Fees	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
	Total Sources	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
	Less Uses of Funds:										
	Capital Improvement Plan	2,264,840	4,465,800	8,532,200	3,765,800	16,769,000	3,525,000	3,525,000	3,525,000	3,525,000	3,525,000
	Total Uses of Funds	2,264,840	4,465,800	8,532,200	3,765,800	16,769,000	3,525,000	3,525,000	3,525,000	3,525,000	3,525,000
	Ending Balance	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

SPI 0196

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Model Summary

Scenario: ***2015 02 27 – Alternative 1 – PI Reclamation***

Current	2015	2016	2017	2018	2019	2020	2021	2022	2023	2021
5 Total Accounts										
Water Accounts										
Total Accounts	6,138	6,178	6,218	6,258	6,298	6,338	6,378	6,418	6,458	6,498
New Accounts	-	40	40	40	40	40	40	40	40	40
Avg Annual Growth Rate		0.65%	0.65%	0.64%	0.64%	0.64%	0.63%	0.63%	0.62%	0.62%
Wastewater Accounts										
Total Accounts	5,408	5,448	5,488	5,528	5,568	5,608	5,648	5,688	5,728	5,768
New Accounts	-	40	40	40	40	40	40	40	40	40
Avg. Annual Growth Rate		0.74%	0.73%	0.73%	0.72%	0.72%	0.71%	0.71%	0.70%	0.70%
6 Net Volumes after Minimums										
Water Volume										
5/8" Meter	333,844,205	334,743,182	335,639,751	336,533,932	337,425,744	338,315,204	339,202,332	340,087,146	340,969,664	341,849,904
1" Meter	157,070,181	157,430,434	157,789,864	158,148,477	158,506,279	158,863,275	159,219,471	159,574,872	159,929,482	160,283,309
2" Meter	80,318,106	81,003,414	81,682,973	82,356,925	83,025,406	83,688,548	84,346,477	84,999,314	85,647,174	86,290,171
4" Meter	198,944,438	202,721,864	206,430,190	210,073,076	213,653,867	217,175,634	220,641,203	224,053,180	227,413,978	230,725,832
6" Meter	53,958,400	55,593,503	57,181,889	58,727,345	60,233,175	61,702,276	63,137,213	64,540,262	65,913,459	67,258,632
8" Meter	100	100	100	100	100	100	100	100	100	100
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total System	824,135,429	831,492,496	838,724,767	845,839,855	852,844,571	859,745,038	866,546,796	873,254,874	879,873,858	886,407,948
Wastewater Billing Units										
5/8" Meter	218,846,028	220,126,429	221,406,829	222,687,230	223,967,630	225,248,030	226,528,431	227,808,831	229,089,231	230,369,632
1" Meter	76,531,277	77,004,862	77,478,447	77,952,031	78,425,616	78,899,200	79,372,785	79,846,370	80,319,954	80,793,539
2" Meter	28,364,251	29,008,893	29,653,535	30,298,177	30,942,819	31,587,461	32,232,103	32,876,745	33,521,387	34,166,029
4" Meter	137,477,232	143,050,633	148,624,034	154,197,435	159,770,837	165,344,238	170,917,639	176,491,040	182,064,442	187,637,843
6" Meter	28,714,603	30,509,265	32,303,928	34,098,590	35,893,253	37,687,916	39,482,578	41,277,241	43,071,904	44,866,566
8" Meter	75	75	75	75	75	75	75	75	75	75
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total System	489,933,466	499,700,157	509,466,848	519,233,539	529,000,230	538,766,921	548,533,612	558,300,303	568,066,994	577,833,685

SPI 0197

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

WATER Model Summary

Scenario: 2015 02 27 – Alternative 1 – PI Reclamation

1 **WATER Revenues and Expenses**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUES										
Water Rate Revenues										
5/8" Meter	$ 1,848,025	$ 1,854,786	$ 1,861,539	$ 1,905,649	$ 1,969,895	$ 2,036,272	$ 2,104,849	$ 2,175,699	$ 2,248,896	$ 2,324,517
1" Meter	835,963	857,370	870,043	890,167	919,673	950,146	981,516	1,014,116	1,047,679	1,082,339
2" Meter	609,474	655,511	664,342	686,618	716,458	747,451	779,540	813,070	847,785	883,832
4" Meter	896,333	936,340	960,299	1,003,693	1,058,473	1,115,396	1,174,547	1,236,013	1,299,882	1,366,248
6" Meter	499,428	554,434	579,683	616,853	661,534	708,179	756,874	807,705	860,761	916,136
8" Meter	8,961	10,081	10,081	10,282	10,591	10,908	11,236	11,573	11,920	12,277
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Rate Revenue	4,698,182	4,878,521	4,945,986	5,113,262	5,336,623	5,568,352	5,808,762	6,058,175	6,316,923	6,585,350
Water Non-Rate Revenues	349,477	252,835	255,818	258,839	261,900	265,003	268,150	271,343	274,583	277,872
Total Revenues	5,047,659	5,131,357	5,201,804	5,372,101	5,598,523	5,833,356	6,076,913	6,329,518	6,591,506	6,863,222
COST OF SERVICE										
Operating Expenses										
01 – Water Plant	1,302,431	1,362,000	1,424,354	1,489,631	1,557,975	1,629,538	1,704,479	1,782,964	1,865,170	1,951,279
02 – Lift Station	-	-	-	-	-	-	-	-	-	-
03 – Construction/Maintenance	543,862	564,667	587,256	610,804	635,353	660,947	687,634	715,463	744,486	774,755
04 – Collections	-	-	-	-	-	-	-	-	-	-
05 – Maintenance	161,985	168,243	174,748	181,508	188,536	195,842	203,439	211,339	219,553	228,097
06 – Laboratory	-	-	-	-	-	-	-	-	-	-
07 – Administration	430,961	445,520	460,596	476,206	492,372	509,114	526,455	544,417	563,023	582,299
08 – Wastewater Plant	-	-	-	-	-	-	-	-	-	-
10 – Finance	429,879	445,200	461,094	477,584	494,695	512,451	530,878	550,003	569,854	590,461
11 – Electrical	115,737	119,970	124,367	128,935	133,680	138,610	143,733	149,057	154,589	160,340
Water Source Alternatives	-	-	283,209	293,582	304,322	315,442	326,956	338,877	351,218	363,996
Total Operating Expenses	2,984,854	3,105,600	3,515,624	3,658,250	3,806,933	3,961,945	4,123,574	4,292,119	4,467,894	4,651,228
Net Revenues Available for Debt Service and Capital Outlays	2,062,806	2,025,757	1,686,180	1,713,851	1,791,590	1,871,411	1,953,339	2,037,399	2,123,612	2,211,994
Debt Service										
Debt Service – Current	232,609	232,470	232,124	231,571	232,540	231,113	230,994	232,512	231,932	223,680
Debt Service – Future	-	-	-	-	379,770	379,770	379,770	379,770	379,770	759,540
Total Debt Service	232,609	232,470	232,124	231,571	612,310	610,883	610,764	612,282	611,702	983,220
Net Revenues Available for Capital Outlays	1,830,197	1,793,286	1,454,056	1,482,280	1,179,281	1,260,528	1,342,575	1,425,117	1,511,910	1,228,774

SPI 0198

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

WATER Model Summary

Scenario: 2015 02 27 -- Alternative 1 -- PI Reclamation

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capital Outlays										
Total Capital Outlays	322,250	331,918	341,875	352,131	362,695	373,576	384,783	396,327	408,217	420,463
Total Cost of Service	3,539,712	3,669,988	4,089,623	4,241,952	4,781,938	4,946,404	5,119,121	5,300,728	5,487,813	6,054,911
Net Revenues for Contingency	1,507,947	1,461,369	1,112,181	1,130,149	816,585	886,952	957,792	1,028,790	1,103,693	808,310
	29.9%	28.5%	21.4%	21.0%	14.6%	15.2%	15.8%	16.3%	16.7%	11.8%
Net Revenues -- Draft Report	1,283,154	1,113,633	753,900	753,945	418,016	465,014	511,441	556,942	605,220	282,039
Beginning of Year Fund Balance	2,686,734	4,194,681	5,656,049	6,768,230	7,898,379	8,714,964	9,601,916	10,559,708	11,588,498	12,692,191
End of Year Fund Balance	4,194,681	5,656,049	6,768,230	7,898,379	8,714,964	9,601,916	10,559,708	11,588,498	12,692,191	13,500,501
Financial Ratios										
One Day Op Expenditure (incl debt svc)	$ 8,815	$ 9,145	$ 10,268	$ 10,657	$ 12,108	$ 12,526	$ 12,971	$ 13,437	$ 13,917	$ 15,437
Days of Operating Expenditures	476	618	659	741	720	766	814	862	912	875
Debt Coverage	8.87	8.71	7.26	7.40	2.93	3.06	3.20	3.33	3.47	-
Rec.Annual Rate Adjustment										
5/8" Meter	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

SPI 0199

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

WASTEWATER Model Summary

Scenario: 2015 02 27 – Alternative 1 – PI Reclamation

1 WASTEWATER Revenues and Expenses

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUES										
WW Rate Revenues										
5/8" Meter	$ 1,318,903	$ 1,326,620	$ 1,414,396	$ 1,550,608	$ 1,699,880	$ 1,793,143	$ 1,857,436	$ 1,923,973	$ 1,992,830	$ 2,064,087
1" Meter	444,853	467,898	499,022	547,259	600,136	633,265	656,178	679,896	704,446	729,858
2" Meter	449,738	496,138	539,760	601,128	669,171	716,494	753,050	791,154	830,867	872,251
4" Meter	752,243	812,708	895,035	1,012,172	1,143,145	1,240,834	1,321,139	1,405,147	1,493,005	1,584,871
6" Meter	281,781	321,152	360,446	414,713	475,828	524,035	565,459	608,897	654,431	702,150
8" Meter	7,168	10,752	11,398	12,423	13,541	14,203	14,629	15,068	15,520	15,986
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total WW Rate Revenues	3,254,687	3,437,268	3,720,056	4,138,303	4,601,702	4,921,974	5,167,892	5,424,135	5,691,101	5,969,203
WW Non-Rate Revenues	197,129	99,426	101,363	103,346	105,381	107,467	109,606	111,801	114,052	116,362
Total Revenues	**3,451,816**	**3,536,696**	**3,821,419**	**4,241,650**	**4,707,083**	**5,029,441**	**5,277,498**	**5,535,935**	**5,805,153**	**6,085,565**
COST OF SERVICE										
Operating Expenses										
01 – Water Plant	-	-	-	-	-	-	-	-	-	-
02 – Lift Station	435,595	453,496	472,156	491,611	511,897	533,052	555,116	578,131	602,140	627,189
03 – Construction/Maintenance	-	-	-	-	-	-	-	-	-	-
04 – Collections	405,818	421,988	438,823	456,353	474,610	493,625	513,432	534,066	555,565	577,966
05 – Maintenance	161,985	168,243	174,748	181,508	188,536	195,842	203,439	211,339	219,553	228,097
06 – Laboratory	224,920	233,256	241,916	250,914	260,265	269,982	280,082	290,581	301,494	312,841
07 – Administration	430,961	445,520	460,596	476,206	492,372	509,114	526,455	544,417	563,023	582,299
08 – Wastewater Plant	1,320,548	1,382,292	1,446,930	1,514,605	1,585,467	1,659,677	1,737,398	1,818,806	1,904,082	1,993,419
10 – Finance	429,879	445,200	461,094	477,584	494,695	512,451	530,878	550,003	569,854	590,461
11 – Electrical	115,737	119,970	124,367	128,935	133,680	138,610	143,733	149,057	154,589	160,340
Water Source Alternatives	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	**3,525,442**	**3,669,965**	**3,820,629**	**3,977,717**	**4,141,523**	**4,312,354**	**4,490,533**	**4,676,398**	**4,870,302**	**5,072,614**
Net Revenues Available for Debt Service and Capital Outlays	**(73,626)**	**(133,269)**	**790**	**263,933**	**565,560**	**717,087**	**786,965**	**859,538**	**934,851**	**1,012,952**
Debt Service										
Debt Service – Current	439,671	439,410	438,756	437,709	439,540	436,843	436,618	439,488	438,392	422,794
Debt Service – Future	-	-	-	-	90,815	90,815	90,815	90,815	90,815	181,629
Total Debt Service	**439,671**	**439,410**	**438,756**	**437,709**	**530,355**	**527,658**	**527,433**	**530,303**	**529,206**	**604,423**
Net Revenues Available for Capital Outlays	**(513,297)**	**(572,678)**	**(437,966)**	**(173,777)**	**35,205**	**189,429**	**259,532**	**329,235**	**405,645**	**408,528**

SPI 0200

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

WASTEWATER Model Summary
Scenario: 2015 02 27 -- Alternative 1 -- PI Reclamation

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capital Outlays										
Total Capital Outlays	454,250	467,878	481,914	496,371	511,262	526,600	542,398	558,670	575,430	592,693
Total Cost of Service	4,419,363	4,577,252	4,741,299	4,911,798	5,183,140	5,366,612	5,560,364	5,765,371	5,974,938	6,269,730
Net Revenues for Contingency	(967,547)	(1,040,556)	(919,880)	(670,148)	(476,057)	(337,171)	(282,866)	(229,435)	(169,785)	(184,165)
	-28.0%	-29.4%	-24.1%	-15.8%	-10.1%	-6.7%	-5.4%	-4.1%	-2.9%	-3.0%
Net Revenues -- Draft Report	(1,006,233)	(900,799)	(662,952)	(388,488)	(167,295)	(11,483)	54,486	119,988	192,129	190,676
Beginning of Year Fund Balance	2,686,734	1,719,187	678,631	(241,248)	(911,396)	(1,387,453)	(1,724,624)	(2,007,490)	(2,236,925)	(2,406,711)
End of Year Fund Balance	1,719,187	678,631	(241,248)	(911,396)	(1,387,453)	(1,724,624)	(2,007,490)	(2,236,925)	(2,406,711)	(2,590,875)
Financial Ratios										
One Day Op Expenditure (incl debt svc)	$ 10,863	$ 11,259	$ 11,670	$ 12,097	$ 12,800	$ 13,260	$ 13,748	$ 14,265	$ 14,793	$ 15,554
Days of Operating Expenditures	158	60	(21)	(75)	(108)	(130)	(146)	(157)	(163)	(167)
Debt Coverage	(0.17)	(0.30)	0.00	0.60	1.07	1.36	1.49	1.62	1.77	1.68
Rec. Annual Rate Adjustment										
5/8" Meter	0.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%

SPI 0201

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Forecast Summary
Scenario: 2015 02 27 -- Alternative 1 -- PI Reclamation

1 WATER Revenues and Expenses

	Current	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues											
Water Rate Revenues	$ 4,698,182	$ 4,878,521	$ 4,945,986	$ 5,113,262	$ 5,336,623	$ 5,568,352	$ 5,808,762	$ 6,058,175	$ 6,316,923	$ 6,585,350	
Water Non-Rate Revenues	349,477	252,835	255,818	258,839	261,900	265,003	268,150	271,343	274,583	277,872	
Total Revenues	**5,047,659**	**5,131,357**	**5,201,804**	**5,372,101**	**5,598,523**	**5,833,356**	**6,076,913**	**6,329,518**	**6,591,506**	**6,863,222**	
Operating Expenses											
01 -- Water Plant	1,302,431	1,362,000	1,424,354	1,489,631	1,557,975	1,629,538	1,704,479	1,782,964	1,865,170	1,951,279	
02 -- Lift Station	-	-	-	-	-	-	-	-	-	-	
03 -- Construction/Maintenance	543,862	564,667	587,256	610,804	635,353	660,947	687,634	715,463	744,486	774,755	
04 -- Collections	-	-	-	-	-	-	-	-	-	-	
05 -- Maintenance	161,985	168,243	174,748	181,508	188,536	195,842	203,439	211,339	219,553	228,097	
06 -- Laboratory	-	-	-	-	-	-	-	-	-	-	
07 -- Administration	430,961	445,520	460,596	476,206	492,372	509,114	526,455	544,417	563,023	582,299	
08 -- Wastewater Plant	-	-	-	-	-	-	-	-	-	-	
10 -- Finance	429,879	445,200	461,094	477,584	494,695	512,451	530,878	550,003	569,854	590,461	
11 -- Electrical	115,737	119,970	124,367	128,935	133,680	138,610	143,733	149,057	154,589	160,340	
Water Source Alternatives	-	-	283,209	293,582	304,322	315,442	326,956	338,877	351,218	363,996	
Total	2,984,854	3,105,600	3,515,624	3,658,250	3,806,933	3,961,945	4,123,574	4,292,119	4,467,894	4,651,228	
Revenues Less Operating Expenses	2,062,806	2,025,757	1,686,180	1,713,851	1,791,590	1,871,411	1,953,339	2,037,399	2,123,612	2,211,994	
Capital Expenses											
Capital Outlays	322,250	331,918	341,875	352,131	362,695	373,576	384,783	396,327	408,217	420,463	
Debt Service -- Current	232,609	232,470	232,124	231,571	232,540	231,113	230,994	232,512	231,932	223,680	
Debt Service -- Future	-	-	-	-	379,770	379,770	379,770	379,770	379,770	759,540	
Total	554,859	564,388	574,000	583,702	975,005	984,459	995,547	1,008,609	1,019,919	1,403,683	
Total Cost of Service	**3,539,712**	**3,669,988**	**4,089,623**	**4,241,952**	**4,781,938**	**4,946,404**	**5,119,121**	**5,300,728**	**5,487,813**	**6,054,911**	
Net Revenues for Contingency	**1,507,947**	**1,461,369**	**1,112,181**	**1,130,149**	**816,585**	**886,952**	**957,792**	**1,028,790**	**1,103,693**	**808,310**	
	29.9%	28.5%	21.4%	21.0%	14.6%	15.2%	15.8%	16.3%	16.7%	11.8%	
Debt Coverage	8 67	8 71	7.26	7.40	2.93	3.06	3.20	3 33	3 47	2.25	

SPI 0202

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Forecast Summary
Scenario: 2015 02 27 -- Alternative 1 -- PI Reclamation

2 WASTEWATER Revenues and Expenses

	Current	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues											
WW Rate Revenues	$ 3,254,687	$ 3,437,268	$ 3,720,056	$ 4,138,303	$ 4,601,702	$ 4,921,974	$ 5,167,892	$ 5,424,135	$ 5,691,101	$ 5,969,203	
WW Non-Rate Revenues	197,129	99,428	101,363	103,346	105,381	107,467	109,606	111,801	114,052	116,362	
Total Revenues	3,451,816	3,536,696	3,821,419	4,241,650	4,707,083	5,029,441	5,277,498	5,535,935	5,805,153	6,085,565	
Operating Expenses											
01 -- Water Plant	-	-	-	-	-	-	-	-	-	-	
02 -- Lift Station	435,595	453,496	472,156	491,611	511,897	533,052	555,116	578,131	602,140	627,189	
03 -- Construction/Maintenance	-	-	-	-	-	-	-	-	-	-	
04 -- Collections	405,818	421,988	438,823	456,353	474,610	493,625	513,432	534,066	555,565	577,966	
05 -- Maintenance	161,985	168,243	174,748	181,508	188,536	195,842	203,439	211,339	219,553	228,097	
06 -- Laboratory	224,920	233,256	241,916	250,914	260,265	269,982	280,082	290,581	301,494	312,841	
07 -- Administration	430,961	445,520	460,596	476,206	492,372	509,114	526,455	544,417	563,023	582,299	
08 -- Wastewater Plant	1,320,548	1,382,292	1,446,930	1,514,605	1,585,467	1,659,677	1,737,398	1,818,806	1,904,082	1,993,419	
10 -- Finance	429,879	445,200	461,094	477,584	494,695	512,451	530,878	550,003	569,854	590,461	
11 -- Electrical	115,737	119,970	124,367	128,935	133,680	138,610	143,733	149,057	154,589	160,340	
Water Source Alternatives	-	-	-	-	-	-	-	-	-	-	
Total	3,525,442	3,669,965	3,820,629	3,977,717	4,141,523	4,312,354	4,490,533	4,676,398	4,870,302	5,072,614	
Revenues Less Operating Expenses	(73,626)	(133,269)	790	263,933	565,560	717,087	786,965	859,538	934,851	1,012,952	
Capital Expenses											
Capital Outlays	454,250	467,878	481,914	496,371	511,262	526,600	542,398	558,670	575,430	592,693	
Debt Service -- Current	439,671	439,410	438,756	437,709	439,540	436,843	436,618	439,488	438,392	422,794	
Debt Service -- Future	-	-	-	-	90,815	90,815	90,815	90,815	90,815	181,629	
Total	893,921	907,287	920,669	934,080	1,041,617	1,054,258	1,069,831	1,088,973	1,104,637	1,197,116	
Total Cost of Service	4,419,363	4,577,252	4,741,299	4,911,798	5,183,140	5,366,612	5,560,364	5,765,371	5,974,938	6,269,730	
Net Revenues for Contingency	(967,547)	(1,040,556)	(919,880)	(670,148)	(476,057)	(337,171)	(282,866)	(229,435)	(169,785)	(184,165)	
	-28.0%	-29.4%	-24.1%	-15.8%	-10.1%	-6.7%	-5.4%	-4.1%	-2.9%	-3.0%	
Debt Coverage	(0.17)	(0.30)	0.00	0.60	1.07	1.36	1.49	1.62	1.77	1.68	

SPI 0203

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Forecast Summary

Scenario: ***2015 02 27 – Alternative 1 – PI Reclamation***

3 TOTAL Revenues and Expenses

	Current	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues											
Water Rate Revenues	$ 4,698,182	$ 4,878,521	$ 4,945,986	$ 5,113,262	$ 5,336,623	$ 5,568,352	$ 5,808,762	$ 6,058,175	$ 6,316,923	$ 6,585,350	
Wastewater Rate Revenues	3,254,687	3,437,268	3,720,056	4,138,303	4,601,702	4,921,974	5,167,892	5,424,135	5,691,101	5,969,203	
Non-Rate Revenues	546,606	352,263	357,181	362,186	367,281	372,470	377,756	383,143	388,635	394,234	
Total Revenues	8,499,475	8,668,053	9,023,223	9,613,751	10,305,606	10,862,797	11,354,411	11,865,453	12,396,659	12,948,787	
Operating Expenses											
01 – Water Plant	1,302,431	1,362,000	1,424,354	1,489,631	1,557,975	1,629,538	1,704,479	1,782,964	1,865,170	1,951,279	
02 – Lift Station	435,595	453,496	472,156	491,611	511,897	533,052	555,116	578,131	602,140	627,189	
03 – Construction/Maintenance	543,862	564,667	587,256	610,804	635,353	660,947	687,634	715,463	744,486	774,755	
04 – Collections	405,818	421,988	438,823	456,353	474,610	493,625	513,432	534,066	555,565	577,966	
05 – Maintenance	323,970	336,487	349,495	363,017	377,072	391,685	406,878	422,677	439,107	456,195	
06 – Laboratory	224,920	233,256	241,916	250,914	260,265	269,982	280,082	290,581	301,494	312,841	
07 – Administration	861,921	891,041	921,192	952,413	984,744	1,018,229	1,052,910	1,088,833	1,126,047	1,164,599	
08 – Wastewater Plant	1,320,548	1,382,292	1,446,930	1,514,605	1,585,467	1,659,677	1,737,398	1,818,806	1,904,082	1,993,419	
10 – Finance	859,757	890,399	922,188	955,169	989,390	1,024,902	1,061,755	1,100,005	1,139,708	1,180,922	
11 – Electrical	231,473	239,940	248,734	257,869	267,360	277,220	287,466	298,113	309,179	320,680	
Water Source Alternatives	-	-	283,209	293,582	304,322	315,442	326,956	338,877	351,218	363,996	
Total	6,510,295	6,775,565	7,336,253	7,635,967	7,948,455	8,274,299	8,614,107	8,968,517	9,338,196	9,723,842	
Revenues Less Operating Expenses	1,989,180	1,892,488	1,686,970	1,977,783	2,357,151	2,588,498	2,740,304	2,896,937	3,058,463	3,224,945	
Capital Expenses											
Capital Outlays	776,500	799,795	823,789	848,503	873,958	900,176	927,182	954,997	983,647	1,013,156	
Debt Service – Current	672,280	671,880	670,880	669,280	672,080	667,956	667,612	672,000	670,324	646,474	
Debt Service – Future	-	-	-	-	470,585	470,585	470,585	470,585	470,585	941,169	
Total	1,448,780	1,471,675	1,494,669	1,517,783	2,016,622	2,038,717	2,065,378	2,097,582	2,124,556	2,600,800	
Total Cost of Service	7,959,075	8,247,240	8,830,922	9,153,750	9,965,077	10,313,016	10,679,485	11,066,098	11,462,751	12,324,642	
Net Revenues for Contingency	**540,400**	**420,813**	**192,301**	**460,001**	**340,528**	**549,781**	**674,926**	**799,355**	**933,908**	**624,146**	
	6.4%	4.9%	2.1%	4.8%	3.3%	5.1%	5.9%	6.7%	7.5%	4.8%	
Debt Coverage	2.96	2.82	2.51	2.96	2.06	2.27	2.41	2.54	2.68	2.03	

SPI 0204

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Current 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

Input Area -- Rate Recommendations

Scenario: 2015 02 27 – Alternative 1 – PI Reclamation

Water Rates			Draft Report	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Month of Adjustment (Oct = 1)				4	4	4	4	4	4	4	4	4	4
Annual Adjustment				0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5/8" Meter				0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
1" Meter				0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2" Meter				0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
4" Meter				0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
6" Meter				0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
8" Meter				0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other				0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other				0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other				0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other				0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5/8" Meter													
Base Charge		4,000	$ 11.90	$ 11.90	$ 11.90	$ 11.90	$ 12.26	$ 12.62	$ 13.00	$ 13.39	$ 13.80	$ 14.21	$ 14.64
Usage Charge	4,001	10,000	2.40	2.40	2.40	2.40	2.47	2.55	2.62	2.70	2.78	2.87	2.95
	10,001	20,000	3.78	3.78	3.78	3.78	3.89	4.01	4.13	4.25	4.38	4.51	4.65
	20,001	Above	5.39	5.39	5.39	5.39	5.55	5.72	5.89	6.07	6.25	6.44	6.63
1" Meter													
Base Charge		6,000	$ 16.48	$ 23.07	$ 23.07	$ 23.07	$ 23.76	$ 24.47	$ 25.21	$ 25.97	$ 26.74	$ 27.55	$ 28.37
Usage Charge	6,001	20,000	2.52	2.52	2.52	2.52	2.60	2.67	2.75	2.84	2.92	3.01	3.10
	20,001	40,000	3.78	3.78	3.78	3.78	3.89	4.01	4.13	4.25	4.38	4.51	4.65
	40,001	Above	5.32	5.32	5.32	5.32	5.48	5.64	5.81	5.98	6.17	6.35	6.54
2" Meter													
Base Charge		26,000	$ 79.33	$ 111.06	$ 111.06	$ 111.06	$ 114.39	$ 117.82	$ 121.36	$ 125.00	$ 128.75	$ 132.61	$ 136.59
Usage Charge	26,001	100,000	2.63	2.63	2.63	2.63	2.71	2.79	2.87	2.96	3.05	3.14	3.23
	100,001	200,000	3.95	3.95	3.95	3.95	4.07	4.19	4.32	4.45	4.58	4.72	4.86
	200,001	Above	5.90	5.90	5.90	5.90	6.08	6.26	6.45	6.64	6.84	7.04	7.26
4" Meter													
Base Charge		101,000	$ 299.03	$ 418.64	$ 418.64	$ 418.64	$ 431.20	$ 444.14	$ 457.46	$ 471.18	$ 485.32	$ 499.88	$ 514.87
Usage Charge	101,001	500,000	2.76	2.76	2.76	2.76	2.84	2.93	3.02	3.11	3.20	3.30	3.39
	500,001	1,000,000	4.14	4.14	4.14	4.14	4.26	4.39	4.52	4.66	4.80	4.94	5.09
	1,000,001	Above	5.69	5.69	5.69	5.69	5.86	6.04	6.22	6.40	6.60	6.79	7.00
6" Meter													
Base Charge		101,000	$ 560.00	$ 784.00	$ 784.00	$ 784.00	$ 807.52	$ 831.75	$ 856.70	$ 882.40	$ 908.87	$ 936.14	$ 964.22
Usage Charge	101,001	500,000	2.60	2.60	2.60	2.60	2.68	2.76	2.84	2.93	3.01	3.10	3.20
	500,001	1,000,000	3.90	3.90	3.90	3.90	4.02	4.14	4.26	4.39	4.52	4.66	4.80
	1,000,001	Above	5.25	5.25	5.25	5.25	5.41	5.57	5.74	5.91	6.09	6.27	6.46

SPI 0205

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Input Area – Rate Recommendations

Scenario: 2015 02 27 -- Alternative 1 – PI Reclamation

			Current	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
8" Meter													
Base Charge		101,000	$ 560.00	$ 840.00	$ 840.00	$ 840.00	$ 865.20	$ 891.16	$ 917.89	$ 945.43	$ 973.79	$ 1,003.00	$ 1,033.09
Usage Charge	101,001	500,000	2.60	2.60	2.84	2.84	2.93	3.01	3.10	3.20	3.29	3.39	3.49
	500,001	1,000,000	3.90	3.90	4.20	4.20	4.33	4.46	4.59	4.73	4.87	5.02	5.17
	1,000,001	Above	5.25	5.25	5.69	5.69	5.86	6.04	6.22	6.40	6.60	6.79	7.00
Other													
Base Charge		101,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
Other													
Base Charge		101,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
Other													
Base Charge		101,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
Other													
Base Charge		101,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-

SPI 0206

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Input Area – Rate Recommendations

Scenario: 2015 02 27 – Alternative 1 – PI Reclamation

Wastewater Rates			Current	Draft Rpt	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
					9.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Month of Adjustment (Oct = 1)					4	4	4	4	4	4	4	4	4	4
Annual Adjustment					0.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5/8" Meter					0.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
1" Meter					0.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2" Meter					0.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
4" Meter					0.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
6" Meter					0.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
8" Meter					0.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other					0.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other					0.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other					0.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other					0.00%	9.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5/8" Meter														
Base Charge		4,000	$ 12.35	$ 12.35	$ 12.35	$ 12.35	$ 13.46	$ 14.67	$ 15.99	$ 16.47	$ 16.97	$ 17.48	$ 18.00	$ 18.54
Usage Charge	4,001	10,000	2.50	2.50	2.50	2.50	2.73	2.97	3.24	3.33	3.43	3.54	3.64	3.75
	10,001	20,000	3.88	3.88	3.88	3.88	4.23	4.61	5.02	5.18	5.33	5.49	5.66	5.83
	20,001	Above	5.50	5.50	5.50	5.50	6.00	6.53	7.12	7.34	7.56	7.78	8.02	8.26
1" Meter														
Base Charge		6,000	$ 15.59	$ 21.83	$ 21.83	$ 21.83	$ 23.79	$ 25.94	$ 28.27	$ 29.12	$ 29.99	$ 30.89	$ 31.82	$ 32.77
Usage Charge	6,001	20,000	2.73	2.73	2.73	2.73	2.98	3.24	3.54	3.64	3.75	3.86	3.98	4.10
	20,001	40,000	4.10	4.10	4.10	4.10	4.47	4.87	5.31	5.47	5.63	5.80	5.98	6.16
	40,001	Above	6.12	6.12	6.12	6.12	6.67	7.27	7.93	8.16	8.41	8.66	8.92	9.19
2" Meter														
Base Charge		26,000	$ 106.04	$ 148.46	$ 148.46	$ 148.46	$ 161.82	$ 176.39	$ 192.26	$ 198.03	$ 203.97	$ 210.09	$ 216.39	$ 222.88
Usage Charge	26,001	100,000	2.97	2.97	2.97	2.97	3.24	3.53	3.85	3.96	4.08	4.20	4.33	4.46
	100,001	200,000	4.46	4.46	4.46	4.46	4.86	5.30	5.78	5.95	6.13	6.31	6.50	6.70
	200,001	Above	6.18	6.18	6.18	6.18	6.74	7.34	8.00	8.24	8.49	8.75	9.01	9.28
4" Meter														
Base Charge		101,000	$ 243.26	$ 340.56	$ 340.56	$ 340.56	$ 371.21	$ 404.62	$ 441.04	$ 454.27	$ 467.89	$ 481.93	$ 496.39	$ 511.28
Usage Charge	101,001	500,000	3.09	3.09	3.09	3.09	3.37	3.67	4.00	4.12	4.25	4.37	4.50	4.64
	500,001	1,000,000	4.63	4.63	4.63	4.63	5.05	5.50	6.00	6.18	6.36	6.55	6.75	6.95
	1,000,001	Above	6.30	6.30	6.30	6.30	6.87	7.49	8.16	8.40	8.66	8.92	9.18	9.46
6" Meter														
Base Charge		101,000	$ 400.00	$ 560.00	$ 560.00	$ 560.00	$ 610.40	$ 665.34	$ 725.22	$ 746.97	$ 769.38	$ 792.46	$ 816.24	$ 840.72
Usage Charge	101,001	500,000	2.70	2.70	2.70	2.70	2.94	3.21	3.50	3.60	3.71	3.82	3.94	4.05
	500,001	1,000,000	4.05	4.05	4.05	4.05	4.41	4.81	5.24	5.40	5.56	5.73	5.90	6.08
	1,000,001	Above	5.40	5.40	5.40	5.40	5.89	6.42	6.99	7.20	7.42	7.64	7.87	8.11

SPI 0207

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Input Area – Rate Recommendations

Scenario: ***2015 02 27 – Alternative 1 – PI Reclamation***

			Current	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
8" Meter													
Base Charge		101,000	$ -	$ 896.00	$ 896.00	$ 976.64	$ 1,064.54	$ 1,160.35	$ 1,195.16	$ 1,231.01	$ 1,267.94	$ 1,305.98	$ 1,345.16
Usage Charge	101,001	500,000	-	2.93	2.93	3.19	3.48	3.79	3.91	4.03	4.15	4.27	4.40
	500,001	1,000,000	-	4.42	4.42	4.82	5.25	5.72	5.90	6.07	6.25	6.44	6.64
	1,000,001	Above	-	5.89	5.89	6.42	7.00	7.63	7.86	8.09	8.34	8.59	8.84
Other													
Base Charge		101,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
Other													
Base Charge		101,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
Other													
Base Charge		101,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-
Other													
Base Charge		101,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Usage Charge	101,001	500,000	-	-	-	-	-	-	-	-	-	-	-
	500,001	1,000,000	-	-	-	-	-	-	-	-	-	-	-
	1,000,001	Above	-	-	-	-	-	-	-	-	-	-	-

Summary of Results – Rate Calculator

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contingency – Revenues Less Revenue Requirement										
Water	1,507,947	1,461,369	1,112,181	1,130,149	816,585	886,952	957,792	1,028,790	1,103,693	808,310
Wastewater	(967,547)	(1,040,556)	(919,860)	(670,148)	(476,057)	(337,171)	(282,866)	(229,435)	(169,785)	(184,165)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	6.8%	5.1%	2.2%	5.0%	3.4%	5.2%	6.1%	7.0%	7.8%	5.0%
Debt Coverage	2.96	2.82	2.51	2.96	2.06	2.27	2.41	2.54	2.68	2.03

SPI 0208

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Input Area – Rate Recommendations
Scenario: 2015 02 27 – Alternative 1 – PI Reclamation

	Current	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
WATER Rate Revenues:											
5/8" Meter	$ 1,848,025	$ 1,854,786	$ 1,861,539	$ 1,905,649	$ 1,969,895	$ 2,036,272	$ 2,104,849	$ 2,175,699	$ 2,248,896	$ 2,324,517	
1" Meter	835,963	867,370	870,043	890,167	919,673	950,146	981,616	1,014,116	1,047,679	1,082,339	
2" Meter	609,474	655,511	664,342	686,618	716,455	747,451	779,640	813,070	847,785	883,832	
4" Meter	896,333	936,340	960,299	1,003,693	1,058,473	1,115,396	1,174,547	1,236,013	1,299,882	1,366,248	
6" Meter	499,428	554,434	579,683	616,853	661,534	708,179	756,874	807,705	860,761	916,136	
8" Meter	8,961	10,081	10,081	10,262	10,591	10,908	11,236	11,573	11,920	12,277	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Total Water Revenue	$ 4,698,182	$ 4,878,521	$ 4,945,986	$ 5,113,262	$ 5,336,623	$ 5,568,352	$ 5,808,762	$ 6,058,175	$ 6,316,923	$ 6,585,350	
Less Revenues to be Raised from Rates:											
5/8" Meter	$ 1,162,185	$ 1,236,990	$ 1,379,374	$ 1,424,686	$ 1,607,574	$ 1,655,843	$ 1,706,725	$ 1,760,409	$ 1,815,672	$ 2,002,313	
1" Meter	545,288	579,676	645,632	666,070	750,729	772,424	795,310	819,472	844,338	930,206	
2" Meter	355,379	379,890	425,426	441,250	499,960	517,079	535,116	554,140	573,773	635,193	
4" Meter	836,115	902,729	1,020,511	1,067,973	1,220,382	1,272,389	1,326,926	1,384,194	1,443,281	1,608,476	
6" Meter	291,219	317,816	362,805	383,073	441,325	463,596	486,823	511,097	536,091	600,767	
8" Meter	49	52	58	60	67	69	71	73	76	83	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Sub-Total	3,190,235	3,417,153	3,833,805	3,983,113	4,520,037	4,681,400	4,850,971	5,029,385	5,213,230	5,777,039	
Rate Revenue Less RRRR:											
5/8" Meter	685,839	617,796	482,164	480,962	362,321	380,429	398,125	415,291	433,224	322,203	
1" Meter	290,675	287,695	224,411	224,096	168,944	177,721	186,306	194,644	203,341	152,133	
2" Meter	254,095	275,621	238,916	245,368	216,497	230,372	244,524	258,930	274,012	248,639	
4" Meter	60,218	33,610	(60,212)	(64,280)	(161,909)	(156,993)	(152,378)	(148,181)	(143,398)	(242,228)	
6" Meter	208,209	236,618	216,879	233,780	220,209	244,584	270,051	296,608	324,670	315,369	
8" Meter	8,912	10,029	10,023	10,222	10,523	10,839	11,164	11,499	11,844	12,184	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Total	$ 1,507,947	$ 1,461,369	$ 1,112,181	$ 1,130,149	$ 816,585	$ 887,952	$ 957,792	$ 1,029,791	$ 1,103,693	$ 808,310	

SPI 0209

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Input Area -- Rate Recommendations

Scenario: 2015 02 27 -- Alternative 1 -- PI Reclamation

WW Rate Revenues

	Current	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
WW Rate Revenue											
5/8" Meter	$ 1,318,903	$ 1,326,620	$ 1,414,396	$ 1,550,608	$ 1,699,880	$ 1,793,143	$ 1,857,436	$ 1,923,973	$ 1,992,830	$ 2,064,087	
1" Meter	444,853	467,898	499,022	547,259	600,136	633,265	656,178	679,896	704,446	729,858	
2" Meter	449,738	498,138	539,760	601,128	669,171	716,494	753,050	791,154	830,867	872,251	
4" Meter	752,243	812,708	895,035	1,012,172	1,143,145	1,240,834	1,321,139	1,405,147	1,493,005	1,584,871	
6" Meter	281,781	321,152	360,446	414,713	475,828	524,035	565,459	608,897	654,431	702,150	
8" Meter	7,168	10,752	11,398	12,423	13,541	14,203	14,629	15,068	15,520	15,986	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Total WW Rate Revenues	3,254,687	3,437,268	3,720,056	4,138,303	4,601,702	4,921,974	5,167,892	5,424,135	5,691,101	5,969,203	
Less Revenues to be Raised from Rates											
5/8" Meter	$ 1,974,043	$ 2,067,131	$ 2,115,629	$ 2,166,171	$ 2,258,354	$ 2,312,360	$ 2,369,856	$ 2,431,139	$ 2,493,428	$ 2,588,608	
1" Meter	657,802	688,719	704,780	721,525	752,927	770,820	789,903	810,280	830,968	863,237	
2" Meter	240,030	255,402	265,491	275,978	292,399	303,703	315,634	328,252	341,165	359,151	
4" Meter	1,116,356	1,208,007	1,275,744	1,346,035	1,447,683	1,523,698	1,603,581	1,687,728	1,774,072	1,889,026	
6" Meter	233,955	258,515	276,240	298,689	326,342	348,507	371,726	396,111	421,191	453,282	
8" Meter	48	50	52	53	55	56	58	59	61	62	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Sub-Total	4,222,234	4,477,824	4,639,936	4,808,451	5,077,759	5,259,145	5,450,758	5,653,570	5,860,886	6,153,368	
Rate Revenue Less RRRR:											
5/8" Meter	(655,139)	(740,512)	(701,233)	(615,563)	(558,473)	(519,217)	(512,420)	(507,166)	(500,598)	(524,521)	
1" Meter	(212,949)	(220,821)	(205,758)	(174,266)	(152,791)	(137,555)	(133,725)	(130,385)	(126,522)	(133,379)	
2" Meter	209,708	242,736	274,269	325,150	376,772	412,791	437,416	462,902	489,702	513,100	
4" Meter	(364,113)	(395,298)	(380,710)	(333,863)	(304,538)	(282,864)	(282,441)	(282,582)	(281,067)	(304,156)	
6" Meter	47,825	62,637	82,206	116,024	149,486	175,528	193,733	212,786	233,240	248,868	
8" Meter	7,120	10,702	11,346	12,370	13,487	14,147	14,572	15,009	15,459	15,924	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Rate Rev. Less RRRR	(967,547)	(1,040,556)	(919,880)	(670,148)	(476,057)	(337,171)	(282,866)	(229,435)	(169,785)	(184,165)	

SPI 0210

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Input Area – Rate Recommendations
Scenario: 2015 02 27 – Alternative 1 – PI Reclamation

WATER – Customer and Usage Data

				Current	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Annual Volume after Minimum:													
5/8" Meter	4,001	10,000	40.0%	133,537,682	133,897,273	134,255,901	134,613,573	134,970,297	135,326,082	135,680,933	136,034,859	136,387,866	136,739,962
5,993	10,001	20,000	40.0%	133,537,682	133,897,273	134,255,901	134,613,573	134,970,297	135,326,082	135,680,933	136,034,859	136,387,866	136,739,962
4,000	20,001	Above	20.0%	66,768,841	66,948,636	67,127,950	67,306,786	67,485,149	67,663,041	67,840,466	68,017,429	68,193,933	68,369,981
			100.0%	333,844,205	334,743,182	335,639,751	336,533,932	337,425,744	338,315,204	339,202,332	340,087,146	340,969,664	341,849,904
1" Meter	6,001	20,000	40.0%	62,828,072	62,972,173	63,115,946	63,259,391	63,402,512	63,545,310	63,687,788	63,829,949	63,971,793	64,113,323
12,008	20,001	40,000	40.0%	62,828,072	62,972,173	63,115,946	63,259,391	63,402,512	63,545,310	63,687,788	63,829,949	63,971,793	64,113,323
6,000	40,001	Above	20.0%	31,414,036	31,486,087	31,557,973	31,629,695	31,701,256	31,772,655	31,843,894	31,914,974	31,985,896	32,056,662
			100.0%	157,070,181	157,430,434	157,789,864	158,148,477	158,506,279	158,863,275	159,219,471	159,574,872	159,929,482	160,283,309
2" Meter	26,001	100,000	65.0%	52,206,769	52,652,219	53,093,932	53,532,001	53,966,514	54,397,556	54,825,210	55,249,554	55,670,663	56,088,611
22,844	100,001	200,000	30.0%	24,095,432	24,301,024	24,504,892	24,707,077	24,907,622	25,106,564	25,303,943	25,499,794	25,694,152	25,887,051
26,000	200,001	Above	5.0%	4,015,905	4,050,171	4,084,149	4,117,846	4,151,270	4,184,427	4,217,324	4,249,966	4,282,359	4,314,509
			100.0%	80,318,106	81,003,414	81,682,973	82,356,925	83,025,406	83,688,548	84,346,477	84,999,314	85,647,174	86,290,171
4" Meter	101,001	500,000	45.0%	89,524,997	91,224,839	92,893,586	94,532,884	96,144,240	97,729,035	99,288,541	100,823,931	102,336,290	103,826,624
209,857	500,001	1,000,000	40.0%	79,577,775	81,088,745	82,572,076	84,029,230	85,461,547	86,870,254	88,256,481	89,621,272	90,965,591	92,290,333
101,000	1,000,001	Above	15.0%	29,841,666	30,408,280	30,964,529	31,510,961	32,048,080	32,576,345	33,096,180	33,607,977	34,112,097	34,608,875
			100.0%	198,944,438	202,721,864	206,430,190	210,073,076	213,653,867	217,175,634	220,641,203	224,053,180	227,413,978	230,725,832
6" Meter	101,001	500,000	30.0%	16,187,520	16,678,051	17,154,567	17,618,204	18,069,952	18,510,683	18,941,164	19,362,079	19,774,038	20,177,590
136,259	500,001	1,000,000	30.0%	16,187,520	16,678,051	17,154,567	17,618,204	18,069,952	18,510,683	18,941,164	19,362,079	19,774,038	20,177,590
101,000	1,000,001	Above	40.0%	21,583,360	22,237,401	22,872,756	23,490,938	24,093,270	24,680,911	25,254,885	25,816,105	26,365,384	26,903,453
			100.0%	53,958,400	55,593,503	57,181,889	58,727,345	60,233,175	61,702,276	63,137,213	64,540,262	65,913,459	67,258,632
8" Meter	101,001	500,000	0.0%	-	-	-	-	-	-	-	-	-	-
8	500,001	1,000,000	0.0%	-	-	-	-	-	-	-	-	-	-
101,000	1,000,001	Above	100.0%	100	100	100	100	100	100	100	100	100	100
			100.0%	100	100	100	100	100	100	100	100	100	100
Other	101,001	500,000	0.0%	-	-	-	-	-	-	-	-	-	-
-	500,001	1,000,000	0.0%	-	-	-	-	-	-	-	-	-	-
	1,000,001	Above	100.0%	-	-	-	-	-	-	-	-	-	-
			100.0%	-	-	-	-	-	-	-	-	-	-

SPI 0211

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Input Area – Rate Recommendations

Scenario: *2015 02 27 – Alternative 1 – PI Reclamation*

			Current	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other	101,001	500,000	0.0%	-	-	-	-	-	-	-	-	-	-
	500,001	1,000,000	0.0%	-	-	-	-	-	-	-	-	-	-
	1,000,001	Above	100.0%	-	-	-	-	-	-	-	-	-	-
			100.0%	-	-	-	-	-	-	-	-	-	-
Other	101,001	500,000	0.0%	-	-	-	-	-	-	-	-	-	-
	500,001	1,000,000	0.0%	-	-	-	-	-	-	-	-	-	-
	1,000,001	Above	100.0%	-	-	-	-	-	-	-	-	-	-
			100.0%	-	-	-	-	-	-	-	-	-	-
Other	101,001	500,000	0.0%	-	-	-	-	-	-	-	-	-	-
	500,001	1,000,000	0.0%	-	-	-	-	-	-	-	-	-	-
	1,000,001	Above	100.0%	-	-	-	-	-	-	-	-	-	-
			100.0%	-	-	-	-	-	-	-	-	-	-
Total				824,135,429	831,492,496	838,724,767	845,839,855	852,844,571	859,745,038	866,546,796	873,254,874	879,873,858	886,407,948
				824,135,429	831,492,496	838,724,767	845,839,855	852,844,571	859,745,038	866,546,796	873,254,874	879,873,858	886,407,948
				824,135,429	831,492,496	838,724,767	845,839,855	852,844,571	859,745,038	866,546,796	873,254,874	879,873,858	886,407,948
Customer Class Units – Total Bills													
5/8" Meter				55,704	56,004	56,304	56,604	56,904	57,204	57,504	57,804	58,104	58,404
1" Meter				13,080	13,140	13,200	13,260	13,320	13,380	13,440	13,500	13,560	13,620
2" Meter				3,516	3,576	3,636	3,696	3,756	3,816	3,876	3,936	3,996	4,056
4" Meter				948	984	1,020	1,056	1,092	1,128	1,164	1,200	1,236	1,272
6" Meter				396	420	444	468	492	516	540	564	588	612
8" Meter				12	12	12	12	12	12	12	12	12	12
Other				-	-	-	-	-	-	-	-	-	-
Other				-	-	-	-	-	-	-	-	-	-
Other				-	-	-	-	-	-	-	-	-	-
Other				-	-	-	-	-	-	-	-	-	-
Total System				73,656	74,136	74,616	75,096	75,576	76,056	76,536	77,016	77,496	77,976

SPI 0212

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Current 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

Input Area -- Rate Recommendations

Scenario: *2015 02 27 -- Alternative 1 -- PI Reclamation*

WASTEWATER – [illegible] 1

Customer Class Units -- Base Annual Usage	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
5/8" Meter	218,846,028	220,126,429	221,406,829	222,687,230	223,967,630	225,248,030	226,528,431	227,808,831	229,089,231	230,369,632
1" Meter	76,531,277	77,004,862	77,478,447	77,952,031	78,425,616	78,899,200	79,372,785	79,846,370	80,319,954	80,793,539
2" Meter	28,364,251	29,008,893	29,653,535	30,298,177	30,942,819	31,587,461	32,232,103	32,876,745	33,521,387	34,166,029
4" Meter	137,477,232	143,050,633	148,624,034	154,197,435	159,770,837	165,344,238	170,917,639	176,491,040	182,064,442	187,637,843
6" Meter	28,714,603	30,509,265	32,303,928	34,098,590	35,893,253	37,687,916	39,482,578	41,277,241	43,071,904	44,866,566
8" Meter	75	75	75	75	75	75	75	75	75	75
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Wastewater	489,933,466	499,700,157	509,466,848	519,233,539	529,000,230	538,766,921	548,533,612	558,300,303	568,066,994	577,833,685

Net Annual Volume after Minimum:

				2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
5/8" Meter	4,001	10,000	60.0%	131,307,617	132,075,857	132,844,098	133,612,338	134,380,578	135,148,818	135,917,058	136,685,299	137,453,539	138,221,779
4,268	10,001	20,000	35.0%	76,596,110	77,044,250	77,492,390	77,940,530	78,388,670	78,836,811	79,284,951	79,733,091	80,181,231	80,629,371
4,000	20,001	Above	5.0%	10,942,301	11,006,321	11,070,341	11,134,361	11,198,381	11,262,402	11,326,422	11,390,442	11,454,462	11,518,482
	Total		100.0%	218,846,028	220,126,429	221,406,829	222,687,230	223,967,630	225,248,030	226,528,431	227,808,831	229,089,231	230,369,632
1" Meter	6,001	20,000	65.0%	49,745,330	50,053,160	50,360,990	50,668,820	50,976,650	51,284,480	51,592,310	51,900,140	52,207,970	52,515,800
7,893	20,001	40,000	30.0%	22,959,383	23,101,459	23,243,534	23,385,609	23,527,685	23,669,760	23,811,836	23,953,911	24,095,986	24,238,062
6,000	40,001	Above	5.0%	3,826,564	3,850,243	3,873,922	3,897,602	3,921,281	3,944,980	3,968,639	3,992,318	4,015,998	4,039,677
	Total		100.0%	76,531,277	77,004,862	77,478,447	77,952,031	78,425,616	78,899,200	79,372,785	79,846,370	80,319,954	80,793,539
2" Meter	26,001	100,000	80.0%	22,691,401	23,207,114	23,722,828	24,238,542	24,754,255	25,269,969	25,785,683	26,301,396	26,817,110	27,332,824
10,744	100,001	200,000	15.0%	4,254,638	4,351,334	4,448,030	4,544,727	4,641,423	4,738,119	4,834,815	4,931,512	5,028,208	5,124,904
26,000	200,001	Above	5.0%	1,418,213	1,450,445	1,482,677	1,514,909	1,547,141	1,579,373	1,611,605	1,643,837	1,676,069	1,708,301
	Total		100.0%	28,364,251	29,008,893	29,653,535	30,298,177	30,942,819	31,587,461	32,232,103	32,876,745	33,521,387	34,166,029
4" Meter	101,001	500,000	80.0%	109,981,785	114,440,506	118,899,227	123,357,948	127,816,669	132,275,390	136,734,111	141,192,832	145,651,553	150,110,274
154,817	500,001	1,000,000	15.0%	20,621,585	21,457,595	22,293,605	23,129,615	23,965,625	24,801,636	25,637,646	26,473,656	27,309,666	28,145,676
101,000	1,000,001	Above	5.0%	6,873,862	7,152,532	7,431,202	7,709,872	7,988,542	8,267,212	8,545,882	8,824,552	9,103,222	9,381,892
	Total		100.0%	137,477,232	143,050,633	148,624,034	154,197,435	159,770,837	165,344,238	170,917,639	176,491,040	182,064,442	187,637,843
6" Meter	101,001	500,000	80.0%	22,971,682	24,407,412	25,843,142	27,278,872	28,714,603	30,150,333	31,586,063	33,021,793	34,457,523	35,893,253
74,778	500,001	1,000,000	15.0%	4,307,190	4,576,390	4,845,589	5,114,789	5,383,988	5,653,187	5,922,387	6,191,586	6,460,786	6,729,985
101,000	1,000,001	Above	5.0%	1,435,730	1,525,463	1,615,196	1,704,930	1,794,663	1,884,396	1,974,129	2,063,862	2,153,595	2,243,328
	Total		100.0%	28,714,603	30,509,265	32,303,928	34,098,590	35,893,253	37,687,916	39,482,578	41,277,241	43,071,904	44,866,566
8" Meter	101,001	500,000	0.0%	-	-	-	-	-	-	-	-	-	-
75	500,001	1,000,000	0.0%	-	-	-	-	-	-	-	-	-	-
101,000	1,000,001	Above	100.0%	75	75	75	75	75	75	75	75	75	75
	Total		100.0%	75	75	75	75	75	75	75	75	75	75

SPI 0213

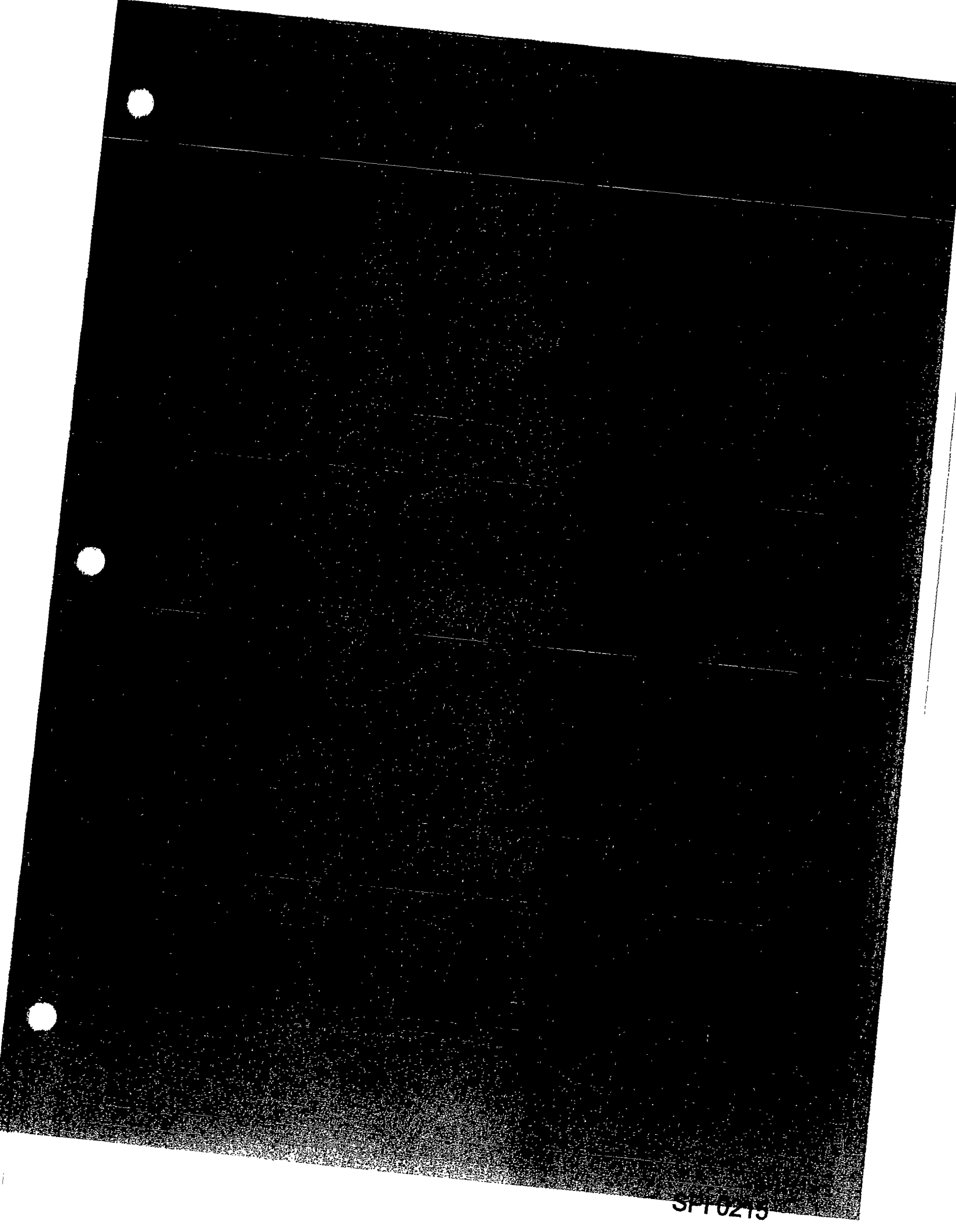
LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Input Area – Rate Recommendations

Scenario: *2015 02 27 -- Alternative 1 -- PI Reclamation*

			Current	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other	101,001	500,000	0.0%	-	-	-	-	-	-	-	-	-	-
-	500,001	1,000,000	0.0%	-	-	-	-	-	-	-	-	-	-
-	1,000,001	Above	100.0%	-	-	-	-	-	-	-	-	-	-
	Total		100.0%	-	-	-	-	-	-	-	-	-	-
Other	101,001	500,000	0.0%	-	-	-	-	-	-	-	-	-	-
-	500,001	1,000,000	0.0%	-	-	-	-	-	-	-	-	-	-
-	1,000,001	Above	100.0%	-	-	-	-	-	-	-	-	-	-
	Total		100.0%	-	-	-	-	-	-	-	-	-	-
Other	101,001	500,000	0.0%	-	-	-	-	-	-	-	-	-	-
-	500,001	1,000,000	0.0%	-	-	-	-	-	-	-	-	-	-
-	1,000,001	Above	100.0%	-	-	-	-	-	-	-	-	-	-
	Total		100.0%	-	-	-	-	-	-	-	-	-	-
Other	101,001	500,000	0.0%	-	-	-	-	-	-	-	-	-	-
-	500,001	1,000,000	0.0%	-	-	-	-	-	-	-	-	-	-
-	1,000,001	Above	100.0%	-	-	-	-	-	-	-	-	-	-
	Total		100 0%	-	-	-	-	-	-	-	-	-	-
Total Wastewater				489,933,466	499,700,157	509,466,848	519,233,539	529,000,230	538,766,921	548,533,612	558,300,303	568,066,994	577,833,685
				489,933,466	499,700,157	509,466,848	519,233,539	529,000,230	538,766,921	548,533,612	558,300,303	568,066,994	577,833,685
				489,933,466	499,700,157	509,466,848	519,233,539	529,000,230	538,766,921	548,533,612	558,300,303	568,066,994	577,833,685
Customer Class Units – Total Bills				-									
5/8" Meter				51,276	51,576	51,876	52,176	52,476	52,776	53,076	53,376	53,676	53,976
1" Meter				9,696	9,756	9,816	9,876	9,936	9,996	10,056	10,116	10,176	10,236
2" Meter				2,640	2,700	2,760	2,820	2,880	2,940	3,000	3,060	3,120	3,180
4" Meter				888	924	960	996	1,032	1,068	1,104	1,140	1,176	1,212
6" Meter				384	408	432	456	480	504	528	552	576	600
8" Meter				12	12	12	12	12	12	12	12	12	12
Other				-	-	-	-	-	-	-	-	-	-
Other				-	-	-	-	-	-	-	-	-	-
Other				-	-	-	-	-	-	-	-	-	-
Other				-	-	-	-	-	-	-	-	-	-
Total Wastewater				64,896	65,376	65,856	66,336	66,816	67,296	67,776	68,256	68,736	69,216

SPI 0214



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5/8" Meters	3/4" Meters	1" Meters	1 1/2" Meters	2" Meters	3" Meters	Monthly Total
Total	Total	Total	Total	Total	Total	
WATER ACCOUNTS (ADDRESSES)						
4,622	1,027	463	73	30	-	6,215
4,625	1,026	464	72	30	-	6,217
4,626	1,026	468	72	30	-	6,222
4,637	1,030	468	72	30	-	6,237
4,642	1,031	471	72	30	-	6,246
4,645	1,035	472	72	30	-	6,254
4,644	1,041	474	72	30	-	6,261
4,634	1,045	474	72	30	-	6,255
4,615	1,049	475	72	30	-	6,241
4,597	1,051	476	72	30	-	6,226
4,598	1,055	478	72	30	-	6,233
4,592	1,057	480	73	30	-	6,232
4,598	1,057	229	74	30	-	5,988
4,602	1,057	230	74	30	-	5,993
4,588	1,057	230	74	30	-	5,979
4,594	1,056	229	74	30	-	5,983
4,592	1,059	230	74	30	-	5,985
4,588	1,062	232	73	30	-	5,985
4,592	1,062	233	73	30	-	5,990
4,579	1,064	233	73	30	-	5,979
4,571	1,064	232	74	30	-	5,971
4,562	1,065	232	74	30	1	5,964
4,565	1,068	232	75	30	1	5,971
4,566	1,070	231	75	30	1	5,973
4,574	1,072	231	75	30	1	5,983
4,581	1,073	231	75	30	1	5,991
4,591	1,073	231	75	30	1	6,001
4,597	1,071	230	75	30	1	6,004
4,613	1,070	229	75	30	1	6,018
4,620	1,071	231	74	30	1	6,027
4,623	1,072	231	74	30	1	6,031
4,605	1,071	231	75	30	1	6,013
4,577	1,069	231	75	30	1	5,983
4,583	1,069	232	74	30	1	5,989
4,586	1,066	232	74	30	1	5,989
4,588	1,069	231	74	30	1	5,993
4,599	1,073	285	74	31	1	6,063
4,608	1,073	285	74	31	1	6,072
4,622	1,072	286	74	31	1	6,086
4,630	1,072	287	75	31	1	6,096
4,638	824	288	75	31	1	5,857
4,639	1,079	289	75	31	1	6,114
4,646	1,082	289	75	31	1	6,124
4,627	1,085	289	75	31	1	6,108

5/8" Meters	3/4" Meters	1" Meters	1 1/2" Meters	2" Meters	3" Meters	Monthly Total
Total	Total	Total	Total	Total	Total	
WATER CONSUMPTION						
26,719,300	11,727,100	8,360,000	13,649,700	3,734,600	-	64,190,700
29,944,500	13,491,300	9,607,100	13,649,300	3,517,500	-	70,209,700
27,504,200	12,399,100	8,154,000	12,304,400	2,641,300	-	63,003,000
29,250,500	13,142,600	8,381,800	14,480,400	2,424,300	-	67,679,600
27,342,200	11,486,200	6,597,300	15,854,500	2,027,400	-	63,307,600
29,659,000	13,547,500	9,175,700	17,788,300	3,190,400	-	73,360,900
34,445,800	15,777,300	10,325,400	17,493,300	3,742,400	-	81,784,200
36,268,000	17,367,700	10,560,100	19,965,000	3,709,900	-	87,870,700
40,473,900	19,610,000	12,733,200	25,695,100	5,422,100	-	103,934,300
37,690,100	19,066,100	12,617,700	27,307,000	6,740,600	-	103,421,500
38,319,600	19,971,700	13,351,900	25,883,700	5,278,200	-	102,805,100
38,493,100	19,356,700	12,650,900	19,880,700	3,791,700	-	94,173,100
34,268,300	16,915,800	6,419,400	16,446,900	3,154,000	-	77,204,400
31,984,600	15,192,500	5,581,200	14,859,000	2,839,300	-	70,456,600
25,582,000	11,973,600	3,773,100	10,848,800	1,857,700	-	54,035,200
26,411,800	11,336,900	4,504,500	12,347,800	1,949,600	-	56,550,600
25,459,600	10,822,200	3,949,900	13,314,300	1,878,600	-	55,424,600
27,186,800	11,522,900	5,704,600	15,976,600	2,877,500	-	63,268,400
32,424,500	14,653,300	6,836,500	16,560,200	3,477,500	-	73,952,000
33,608,200	16,119,500	7,458,300	16,969,600	3,630,600	-	77,986,200
38,503,200	18,776,200	8,313,400	23,987,600	4,477,100	-	94,057,500
35,985,800	18,435,500	8,302,900	27,101,300	5,833,300	47,600	95,706,400
39,475,600	19,847,500	7,702,100	27,388,900	5,075,100	4,000	99,493,200
33,971,400	16,426,800	5,852,300	17,389,500	3,097,200	1,400	76,738,600
27,372,100	13,866,900	5,803,100	13,056,400	2,345,200	1,200	62,444,900
27,110,500	12,940,400	5,228,800	12,713,900	2,241,700	1,400	60,236,700
25,961,400	11,714,800	4,345,000	11,965,000	2,101,500	-	56,087,700
26,509,500	12,465,500	3,716,100	12,672,500	2,284,000	-	57,647,600
26,294,700	12,192,600	5,073,400	14,462,400	2,201,200	-	60,224,300
30,372,000	14,846,800	5,923,500	19,532,700	4,155,100	-	74,830,100
30,978,000	13,684,300	4,778,400	13,746,600	2,776,200	-	65,963,500
28,940,300	13,825,700	4,723,400	15,181,300	2,738,900	-	65,409,600
35,236,300	17,039,600	7,062,100	24,255,000	4,311,700	-	87,904,700
37,091,600	17,839,900	6,498,800	27,377,300	5,330,800	-	94,138,400
35,636,700	17,512,000	6,563,000	26,241,800	5,517,700	-	91,471,200
30,382,000	14,082,400	4,045,700	16,264,800	3,019,500	-	67,794,400
24,462,000	11,083,200	6,337,100	12,311,100	2,292,000	-	56,485,400
24,708,300	11,827,400	6,276,900	12,171,500	2,314,800	100	57,299,000
23,523,200	9,686,200	5,149,500	9,704,700	2,195,600	-	50,459,200
23,289,800	10,952,900	4,686,600	10,919,000	2,161,100	-	52,009,400
22,810,100	10,050,700	4,895,200	12,078,800	2,167,800	-	52,002,600
23,930,900	10,975,300	5,833,900	15,004,800	3,172,300	-	58,917,200
27,464,800	12,305,800	7,055,100	15,832,100	7,344,100	-	70,001,900
29,068,100	13,818,500	7,691,700	14,344,500	5,335,800	-	70,258,600

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Total	Total	Total	Total	Total	Total	Monthly Total
WATER ACCOUNTS (ADDRESSES)						
4,615	1,082	289	75	31	1	6,093
4,617	1,085	288	76	31	1	6,098
-	-	-	-	-	-	-
-	-	-	-	-	-	-
55,477	12,473	5,663	866	360	-	74,839
54,997	12,741	2,773	887	360	3	71,761
55,138	12,846	2,771	895	360	12	72,022
55,415	12,662	3,338	896	370	12	72,693
4,623	1,039	472	72	30	-	6,237
4,583	1,062	231	74	30	0	5,980
4,595	1,071	231	75	30	1	6,002
4,618	1,055	278	75	31	1	6,058
(40)	22	(241)	2	-	0	(257)
12	9	(0)	1	-	1	22
23	(15)	47	0	1	-	56

Total	Total	Total	Total	Total	Total	Monthly Total
WATER CONSUMPTION						
32,681,700	16,272,100	9,818,600	22,963,500	7,924,800	-	89,660,700
34,985,200	17,942,600	11,273,600	27,257,300	8,826,700	-	100,285,400
-	-	-	-	-	-	-
-	-	-	-	-	-	-
396,110,200	186,943,300	122,515,100	223,951,400	46,220,400	-	975,740,400
385,062,000	182,022,700	74,398,200	213,190,500	40,147,500	53,000	894,873,900
361,885,100	172,010,900	63,761,300	207,469,700	39,023,500	2,600	844,153,100
332,942,800	156,709,100	79,626,900	195,093,900	52,272,200	100	816,645,000
Monthly Usage Per Account (after Minimum)						
7,140	14,988	21,634	258,604	128,390	-	13,038
7,002	14,286	26,829	240,350	111,521	17,667	12,470
6,563	13,390	23,010	231,810	108,399	217	11,721
6,008	12,376	23,855	217,739	141,276	8	11,234

SPI 0217

LAGUNA MADRE WATER DISTRICT
VOLUMETRIC MODEL

	5/8" Meters	1" Meters	2" Meters	4" Meters	6" Meters	8" Meters	
	Total	Total	Total	Total	Total	Total	Monthly Total
	WASTEWATER ACCOUNTS (ADDRESSES)						
Oct-10	4,297	773	209	70	30	-	5,379
Nov-10	4,299	771	209	69	30	-	5,378
Dec-10	4,300	769	211	69	30	-	5,379
Jan-11	4,311	772	210	69	30	-	5,392
Feb-11	4,317	772	212	69	30	-	5,400
Mar-11	4,319	775	212	69	30	-	5,405
Apr-11	4,316	780	213	69	30	-	5,408
May-11	4,305	784	213	69	30	-	5,401
Jun-11	4,285	787	213	69	30	-	5,384
Jul-11	4,266	788	213	69	30	-	5,366
Aug-11	4,266	790	213	69	30	-	5,368
Sep-11	4,259	790	213	70	30	-	5,362
Oct-11	4,263	789	212	71	30	-	5,365
Nov-11	4,268	789	213	71	30	-	5,371
Dec-11	4,254	789	213	71	30	-	5,357
Jan-12	4,260	787	212	71	30	-	5,360
Feb-12	4,255	790	213	71	30	-	5,359
Mar-12	4,251	793	215	70	30	-	5,359
Apr-12	4,255	793	216	70	30	-	5,364
May-12	4,242	796	216	70	30	-	5,354
Jun-12	4,232	793	215	71	30	-	5,341
Jul-12	4,222	794	215	71	30	1	5,333
Aug-12	4,225	796	215	72	30	1	5,339
Sep-12	4,226	799	214	72	30	1	5,342
Oct-12	4,232	801	214	72	30	1	5,350
Nov-12	4,239	800	214	72	30	1	5,356
Dec-12	4,249	800	214	72	30	1	5,366
Jan-13	4,252	798	213	72	30	1	5,366
Feb-13	4,268	797	212	72	30	1	5,380
Mar-13	4,274	798	214	71	30	1	5,388
Apr-13	4,275	798	214	71	30	1	5,389
May-13	4,258	797	214	72	30	1	5,372
Jun-13	4,229	795	214	72	30	1	5,341
Jul-13	4,233	795	215	71	30	1	5,345
Aug-13	4,234	792	215	71	30	1	5,343
Sep-13	4,235	795	214	71	30	1	5,346
Oct-13	4,246	797	212	71	30	1	5,357
Nov-13	4,255	798	212	71	30	1	5,367
Dec-13	4,267	795	213	71	30	1	5,377
Jan-14	4,275	795	213	71	30	1	5,385
Feb-14	4,281	795	214	71	30	1	5,392
Mar-14	4,280	800	215	71	30	1	5,397
Apr-14	4,286	802	215	71	30	1	5,405
May-14	4,264	803	215	71	30	1	5,384
Jun-14	4,249	800	215	71	30	1	5,366

	5/8" Meters	1" Meters	2" Meters	4" Meters	6" Meters	8" Meters	
	Total	Total	Total	Total	Total	Total	Monthly Total
	WASTEWATER BILLING UNITS						
Oct-10	23,869,200	7,603,600	4,236,500	12,231,000	3,734,600	-	51,674,900
Nov-10	26,141,600	7,909,300	4,025,100	11,669,800	3,517,500	-	53,263,300
Dec-10	24,193,200	7,427,400	3,182,300	10,856,300	2,641,300	-	48,300,500
Jan-11	26,038,300	8,285,300	3,524,500	13,417,900	2,424,300	-	53,690,300
Feb-11	24,961,100	8,152,900	3,264,000	15,026,600	2,027,400	-	53,432,000
Mar-11	26,516,900	9,223,400	4,851,600	16,649,800	3,190,400	-	60,432,100
Apr-11	30,023,600	9,917,500	4,465,600	15,808,600	3,742,400	-	63,957,700
May-11	31,507,500	10,862,800	4,055,200	17,965,100	3,709,900	-	68,100,500
Jun-11	35,112,700	12,116,000	5,239,200	23,340,000	5,422,100	-	81,230,000
Jul-11	33,075,300	12,475,000	6,026,600	25,165,500	6,740,600	-	83,483,000
Aug-11	33,032,600	12,603,800	5,984,000	23,368,400	5,278,200	-	80,267,000
Sep-11	32,517,800	11,670,900	4,965,100	16,604,900	3,791,700	-	69,550,400
Oct-11	28,702,200	9,850,700	4,266,400	13,477,500	3,154,000	-	59,450,800
Nov-11	26,870,400	8,682,200	3,797,400	12,464,100	2,839,300	-	54,653,400
Dec-11	21,908,600	7,104,300	2,813,200	9,352,200	1,857,700	-	43,036,200
Jan-12	23,527,100	8,098,300	3,465,600	11,865,900	1,949,600	-	48,906,500
Feb-12	22,651,000	7,534,000	3,154,300	12,778,300	1,878,600	-	47,996,200
Mar-12	24,619,800	8,362,500	3,851,200	15,214,600	2,877,500	-	54,925,600
Apr-12	28,488,900	9,470,100	4,195,700	14,995,200	3,477,500	-	60,627,400
May-12	29,438,700	10,193,500	4,585,300	15,145,900	3,630,600	-	62,994,000
Jun-12	33,468,000	12,014,700	5,672,600	21,775,100	4,477,100	-	77,407,500
Jul-12	31,436,200	12,416,400	6,494,200	24,993,800	5,833,300	47,600	81,221,500
Aug-12	34,046,400	12,614,100	4,798,700	24,831,700	5,075,100	4,000	81,370,000
Sep-12	28,588,400	9,327,500	3,354,800	15,033,300	3,097,200	1,400	59,402,600
Oct-12	23,250,100	8,236,000	2,865,400	11,883,300	2,345,200	1,200	48,581,200
Nov-12	23,163,700	7,717,700	3,085,800	10,870,300	2,241,700	1,400	47,080,600
Dec-12	22,237,000	6,955,800	2,774,200	10,457,200	2,101,500	-	44,525,700
Jan-13	23,229,800	8,233,900	2,726,000	11,803,900	2,284,000	-	48,277,600
Feb-13	23,210,700	7,976,000	2,751,500	13,327,400	2,201,200	-	49,466,800
Mar-13	26,526,300	9,903,400	3,964,600	18,146,200	4,155,100	-	62,695,600
Apr-13	26,557,000	8,353,800	2,898,800	12,399,800	2,776,200	-	52,985,600
May-13	25,162,800	8,394,500	2,979,800	14,169,600	2,738,900	-	53,445,600
Jun-13	30,737,000	10,828,700	4,366,400	23,080,400	4,311,700	-	73,325,200
Jul-13	32,053,300	11,745,900	4,781,400	25,790,600	5,330,800	-	79,702,000
Aug-13	30,869,900	11,377,000	4,329,700	24,666,800	5,517,700	-	76,761,100
Sep-13	25,992,200	8,350,500	2,807,600	14,962,800	3,019,500	-	55,132,600
Oct-13	21,705,400	7,279,900	2,434,600	11,199,100	2,199,100	-	44,818,100
Nov-13	21,251,200	7,454,500	2,362,000	11,163,500	2,063,800	100	44,295,100
Dec-13	20,487,300	6,280,500	2,090,100	8,792,700	1,693,300	-	39,343,900
Jan-14	20,719,800	7,715,100	2,373,400	10,205,000	1,680,100	-	42,893,400
Feb-14	20,451,900	6,991,400	2,308,000	11,505,800	1,919,700	-	43,176,800
Mar-14	21,423,300	7,630,400	3,187,800	14,370,800	2,871,000	-	49,483,300
Apr-14	24,319,200	8,152,600	3,175,700	14,209,900	2,892,900	-	52,750,300
May-14	24,764,800	8,537,900	3,111,200	13,133,200	2,914,600	-	52,461,700
Jun-14	28,492,000	10,302,600	4,211,900	20,736,300	4,297,600	-	68,040,400

SPI 0218

LAGUNA MADRE WATER DISTRICT
VOLUMETRIC MODEL

	5/8" Meters Total	1" Meters Total	2" Meters Total	4" Meters Total	6" Meters Total	8" Meters Total	Monthly Total
WASTEWATER ACCOUNTS (ADDRESSES)							
Jul-14	4,248	803	215	71	30	1	5,368
Aug-14	-	-	-	-	-	-	-
Sep-14	-	-	-	-	-	-	-
FY 2011	51,540	9,351	2,541	830	360	-	64,622
FY 2012	50,953	9,508	2,569	851	360	3	64,244
FY 2013	50,978	9,566	2,567	859	360	12	64,342
Last 12 Months	51,120	9,575	2,568	852	360	12	64,487
Average Accts							
FY 2011	4,295	779	212	69	30	-	5,385
FY 2012	4,246	792	214	71	30	0	5,354
FY 2013	4,248	797	214	72	30	1	5,362
Last 12 Months	4,260	798	214	71	30	1	5,374
Annual New Accts							
FY 2012	(49)	13	2	2	-	0	(32)
FY 2013	2	5	(0)	1	-	1	8
Last 12 Months	12	1	0	(1)	-	-	12

	5/8" Meters Total	1" Meters Total	2" Meters Total	4" Meters Total	6" Meters Total	8" Meters Total	Monthly Total
WASTEWATER BILLING UNITS							
Jul-14	30,461,600	11,652,600	4,992,300	24,564,600	5,781,800	-	77,452,900
Aug-14	-	-	-	-	-	-	-
Sep-14	-	-	-	-	-	-	-
FY 2011	346,989,800	118,247,900	53,819,700	202,103,900	46,220,400	-	767,381,700
FY 2012	333,745,900	115,668,300	50,449,400	191,927,600	40,147,500	53,000	731,991,700
FY 2013	312,989,800	108,074,200	40,331,200	191,558,300	39,023,500	2,600	691,979,600
Last 12 Months	290,938,600	101,725,000	37,384,300	179,510,500	37,051,100	100	646,609,600

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Input Area -- CIP Funded through WUF, SUF and Debt

Scena 2014 10 02 -- Alternative 1 -- Status Quo -- PI Reclamation

WATER CIP

12	Pipeline Leak Detection & Repair	$ -	$ -	$ 200,000	$ 500,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 700,000	$ 700,000	$ -
13	River Pump Station Improvements	-	300,000	-	-	-	-	-	-	-	-	300,000	300,000	-
14	Transfer Pump Station to Res #1	-	-	120,000	30,000	-	-	-	-	-	-	150,000	150,000	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	100,000	100,000	100,000	100,000	100,000	500,000	-	500,000
		-	300,000	320,000	530,000	-	100,000	100,000	100,000	100,000	100,000	1,650,000	1,150,000	500,000

WASTEWATER CIP

1	PI -- 50,000 Gallon Clearwell Rehab	$ 39,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 39,000	$ 39,000	$ -
2	PI -- Clarifier A Replacement	-	-	-	90,000	700,000	-	-	-	-	-	790,000	790,000	-
3	PI -- WP1 Raw Water Pump Station Rehab	-	-	-	116,000	-	-	-	-	-	-	116,000	116,000	-
4	PI -- High Service Pump Station -- Pump Replacement	-	-	51,000	-	-	-	-	-	-	-	51,000	51,000	-
5	PI -- Clear Well Pump Replacement	-	-	45,000	-	-	-	-	-	-	-	45,000	45,000	-
6	PI -- WP1 Vacuum Regulators Replacement	-	12,000	-	-	-	-	-	-	-	-	12,000	12,000	-
7	LV -- Backwash Waste Discharge Pump Station	-	150,000	-	-	-	-	-	-	-	-	150,000	150,000	-
8	LV -- WP2 High Service Pump Station Replace Valves	-	160,000	24,000	-	-	-	-	-	-	-	184,000	184,000	-
9	LV -- New Sludge Lagoon	-	-	300,000	-	-	-	-	-	-	-	300,000	300,000	-
10	LV -- WP2 Raw Water Pump Station Rehabilitation	-	87,000	-	-	-	-	-	-	-	-	87,000	87,000	-
11	LV -- WP2 Vacuum Regulators Replacement	-	12,000	-	-	-	-	-	-	-	-	12,000	12,000	-
	Future Project	-	-	-	-	-	175,000	175,000	175,000	175,000	175,000	875,000	-	875,000
		39,000	421,000	420,000	206,000	700,000 357,200	175,000	175,000	175,000	175,000	175,000	2,661,000	1,786,000	875,000

WATER DISTRIBUTION

15	Hilsache EST Attiluda Valve	$ -	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,000	$ 30,000	$ -
16	Laguna Vista Elevated Storage Tank Replacement	-	-	-	-	2,500,000	-	-	-	-	-	2,500,000	2,500,000	-
17	16-inch waterline extension near Andy Bowie	-	50,000	-	-	-	-	-	-	-	-	50,000	50,000	-
18	Waterline Loop -- 4th Street from North Short to Illinios	-	-	-	-	246,000	-	-	-	-	-	246,000	246,000	-
19	Waterline Loop -- Channelview Road	-	-	-	-	97,000	-	-	-	-	-	97,000	97,000	-
20	Waterline Loop -- East side of Park Road 100	-	-	-	-	36,000	-	-	-	-	-	36,000	36,000	-
21	Mesquite Dr. Waterline Upgrade, Laguna Vista	124,000	-	-	-	-	-	-	-	-	-	124,000	124,000	-
22	N. Tarneva St. and E. Maxan St. Port Isabel	-	-	34,000	-	-	-	-	-	-	-	34,000	34,000	-
23	Fernandez St. -- FM 510 to Taylor St.	-	-	60,000	-	-	-	-	-	-	-	60,000	60,000	-
	LMWD Elevated Storage Tank	-	-	-	-	2,500,000	-	-	-	-	-	2,500,000	2,500,000	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	500,000	500,000	500,000	500,000	500,000	2,500,000	-	2,500,000
		124,000	80,000	94,000	-	5,379,000 1,135,400	500,000	500,000	500,000	500,000	500,000	8,177,000	5,677,000	2,500,000

Summary

Dollars													
Supply/Transmission	$ -	$ 300,000	$ 320,000	$ 530,000	$ -	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 1,650,000	$ 1,150,000	$ 500,000
Treatment	39,000	421,000	420,000	206,000	700,000	175,000	175,000	175,000	175,000	175,000	2,661,000	1,786,000	875,000
Distribution	124,000	80,000	94,000	-	5,379,000	500,000	500,000	500,000	500,000	500,000	8,177,000	5,677,000	2,500,000
Total	163,000	801,000	834,000	736,000	6,079,000	775,000	775,000	775,000	775,000	775,000	12,488,000	8,613,000	3,875,000
Percent													
Supply/Transmission	0.0%	37.5%	38.4%	72.0%	0.0%	12.9%	12.9%	12.9%	12.9%	12.9%	13.2%	13.4%	12.9%
Treatment	23.9%	52.6%	50.4%	28.0%	11.5%	22.6%	22.6%	22.6%	22.6%	22.6%	21.3%	20.7%	22.6%
Distribution	76.1%	10.0%	11.3%	0.0%	88.5%	64.5%	64.5%	64.5%	64.5%	64.5%	65.5%	65.9%	64.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SPI 0220

Table IV-3

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Input Area -- CIP Funded through WUF, SUF and Debt

Scena 2014 10 02 -- Alternative 1 -- Status Quo -- PI Reclamation

	WASTEWATER CIP														
	Wastewater Treatment														
24	AB -- Add 1 Blower, Replace Existing Blowers	$ 210,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 210,000	$ 210,000	$ -
25	AB -- Repair Fence	-	30,000	-	-	-	-	-	-	-	-	-	30,000	30,000	-
26	AB -- Clarifier #1 and #2 Baffle Replacement	10,000	-	-	-	-	-	-	-	-	-	-	10,000	10,000	-
27	AB -- Clarifier #1 Scum Box Replacement	20,000	-	-	-	-	-	-	-	-	-	-	20,000	20,000	-
28	AB -- Grit Removal System	-	-	-	50,000	505,000	-	-	-	-	-	-	555,000	555,000	-
29	AB -- Plant Lift Station Rehabilitation	-	-	-	-	65,000	-	-	-	-	-	-	65,000	65,000	-
30	IB -- New Headworks for Grit Removal	30,000	-	75,000	725,000	-	-	-	-	-	-	-	830,000	830,000	-
31	IB -- Upgrade Existing Blowers and Repair Diffuser Pipir	300,000	-	-	-	-	-	-	-	-	-	-	300,000	300,000	-
32	IB -- Replace Gates -- Aeration Basin	44,000	10,000	-	-	-	-	-	-	-	-	-	54,000	54,000	-
33	IB -- Clarifier No. 3 Replacement	100,000	-	-	-	-	-	-	-	-	-	-	100,000	100,000	-
34	IB -- Plant Lift Station Rehab	-	13,000	-	-	-	-	-	-	-	-	-	13,000	13,000	-
35	IB -- Replace Belt Filter Press	-	-	-	-	345,000	-	-	-	-	-	-	345,000	345,000	-
	PI -- New Blowers, Electrical System, Diffusers	-	1,900,000	1,900,000	-	-	-	-	-	-	-	-	3,800,000	3,800,000	-
	PI -- New Headworks, Hydraulic Improvements	-	-	-	-	5,400,000	-	-	-	-	-	-	5,400,000	5,400,000	-
	PI -- Water Reclamation Facility	767,000	1,505,800	4,543,200	1,135,800	-	-	-	-	-	-	-	7,951,800	7,951,800	-
	LV -- Security Improvements	1,000	-	-	-	-	-	-	-	-	-	-	1,000	1,000	-
	LV -- Repair Wind Turbine	20,000	-	-	-	-	-	-	-	-	-	-	20,000	20,000	-
	LV -- Add Return Line to Cloth Media Filter	-	10,000	-	-	-	-	-	-	-	-	-	10,000	10,000	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	10,000,000	-	10,000,000
		1,502,000	3,468,800	6,518,200	1,910,800	6,315,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	29,714,800	19,714,800	10,000,000
						3,842,960									
	Wastewater Collection														
42	LS 14, 15 and 16 Rehab Wet Well with Cement Liner	$ 40,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 40,000	$ 40,000	$ -
43	Epoxy Line LS 19 Receiving Manhole	10,000	-	-	-	-	-	-	-	-	-	-	10,000	10,000	-
44	Lift Station 17 Relocation (New Wet Well)	-	-	600,000	-	-	-	-	-	-	-	-	600,000	600,000	-
45	Lift Station 12 Rehabilitation	20,000	-	-	-	-	-	-	-	-	-	-	20,000	20,000	-
46	Lift Station 10 Pump Replacement	-	-	30,000	-	-	-	-	-	-	-	-	30,000	30,000	-
47	Replace Portable Pump -- Various Locations	-	65,000	-	-	-	-	-	-	-	-	-	65,000	65,000	-
48	Lift Station 23 Pump Replacement	-	13,000	-	-	-	-	-	-	-	-	-	13,000	13,000	-
49	Lift Station 20 Wet Well Rehab	-	-	-	100,000	-	-	-	-	-	-	-	100,000	100,000	-
50	Lift Station 21 Expansion	-	118,000	500,000	-	-	-	-	-	-	-	-	618,000	618,000	-
51	Lift Station 1 Expansion	-	-	50,000	910,000	-	-	-	-	-	-	-	960,000	960,000	-
52	Lift Station 4 Replacement	-	-	-	30,000	534,000	-	-	-	-	-	-	564,000	564,000	-
53	Lift Station 16 Expansion	-	-	-	45,000	519,000	-	-	-	-	-	-	564,000	564,000	-
54	Lift Station 36 Expansion	-	-	-	-	546,000	-	-	-	-	-	-	546,000	546,000	-
55	Lift Station 37 Expansion	-	-	-	-	546,000	-	-	-	-	-	-	546,000	546,000	-
56	LS 11 Force Main Upgrade	-	-	-	-	500,000	-	-	-	-	-	-	500,000	500,000	-
57	SPI Manhole Rehabilitation	25,840	-	-	-	-	-	-	-	-	-	-	25,840	25,840	-
58	Decommission LS 30 Gravity Sewer Extension	-	-	-	34,000	200,000	-	-	-	-	-	-	234,000	234,000	-
59	Taylor Gravity Sewer Replacement (LV)	144,000	-	-	-	-	-	-	-	-	-	-	144,000	144,000	-
60	Ebony Gravity Sewer Replacement (LV)	250,000	-	-	-	-	-	-	-	-	-	-	250,000	250,000	-
61	Flow Monitoring	110,000	-	-	-	-	-	-	-	-	-	-	110,000	110,000	-
62	LS 21 Area Gravity Sewer Upgrade	-	-	-	-	1,272,000	-	-	-	-	-	-	1,272,000	1,272,000	-
63	Padre Blvd Gravity Sewer Upgrade AB WWTP	-	-	-	-	258,000	-	-	-	-	-	-	258,000	258,000	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Future Project	-	-	-	-	-	750,000	750,000	750,000	750,000	750,000	-	3,750,000	-	3,750,000
		599,840	196,000	1,180,000	1,119,000	4,375,000	750,000	750,000	750,000	750,000	750,000	-	11,219,840	7,469,840	3,750,000
						1,493,968									
	Summary														
	Dollars														
	Treatment	$ 1,502,000	$ 3,468,800	$ 6,518,200	$ 1,910,800	$ 6,315,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	-	$ 29,714,800	$ 19,714,800	$ 10,000,000
	Collection	599,840	196,000	1,180,000	1,119,000	4,375,000	750,000	750,000	750,000	750,000	750,000	-	11,219,840	7,469,840	3,750,000
	Total	2,101,840	3,664,800	7,698,200	3,029,800	10,690,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	-	40,934,640	27,184,640	13,750,000
	Percent														
	Treatment	71.5%	94.7%	84.7%	63.1%	59.1%	72.7%	72.7%	72.7%	72.7%	72.7%	-	72.6%	72.5%	72.7%
	Collection	28.5%	5.3%	15.3%	36.9%	40.9%	27.3%	27.3%	27.3%	27.3%	27.3%	-	27.4%	27.5%	27.3%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	100.0%	100.0%	100.0%

SPI 0221

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Input Area -- CIP Funding Scenario
Scenario: *2014 10 02 -- Alternative 1 -- Status Quo -- PI Reclamation*

1 Capital Project Funding Summary -- WATER

Series 2012 Bond Balance			$ 2,491,616									
Unissued Prop 1 Debt			1,290,000									
Beginning Balance			$ 3,781,616	$ 3,694,248	$ 2,967,133	$ 2,192,476	$ 6,100,325	$ 143,332	$ (628,801)	$ (1,416,377)	$ (2,219,705)	$ 1,560,901
Plus Sources of Funds:												
Interest	2.0%	323,503	75,632	73,885	59,343	43,850	122,007	2,867	(12,576)	(28,328)	(44,394)	31,218
Long-Term Debt -- Tax Bonds		-	-	-	-	-	-	-	-	-	-	-
Long-Term Debt -- Revenue Bonds		9,200,000	-	-	-	4,600,000	-	-	-	-	4,600,000	-
Capacity Fees		-	-	-	-	-	-	-	-	-	-	-
Total Sources		9,523,503	75,632	73,885	59,343	4,643,850	122,007	2,867	(12,576)	(28,328)	4,555,606	31,218
Less Uses of Funds:												
Capital Improvement Plan			163,000	801,000	834,000	736,000	6,079,000	775,000	775,000	775,000	775,000	775,000
Total Uses of Funds			163,000	801,000	834,000	736,000	6,079,000	775,000	775,000	775,000	775,000	775,000
Ending Balance			3,694,248	2,967,133	2,192,476	6,100,325	143,332	(628,801)	(1,416,377)	(2,219,705)	1,560,901	817,119

2 Capital Project Funding Summary -- WASTEWATER

Series 2012 Bond Balance			$ 4,310,815									
Unissued Prop 1 Debt			1,290,000									
Beginning Balance			$ 5,600,815	$ 3,610,991	$ 19,518,411	$ 12,210,579	$ 10,524,991	$ 45,491	$ 9,796,401	$ 7,242,329	$ 4,637,175	$ 3,079,919
Plus Sources of Funds:												
Interest	2.0%	1,525,342	112,016	72,220	390,368	244,212	210,500	910	195,928	144,847	92,744	61,598
Long-Term Debt -- Tax Bonds		32,000,000	-	19,500,000	-	-	-	12,500,000	-	-	-	-
Long-Term Debt -- Revenue Bonds		2,200,000	-	-	-	1,100,000	-	-	-	-	1,100,000	-
Capacity Fees		-	-	-	-	-	-	-	-	-	-	-
Total Sources		35,725,342	112,016	19,572,220	390,368	1,344,212	210,500	12,500,910	195,928	144,847	1,192,744	61,598
Less Uses of Funds:												
Capital Improvement Plan			2,101,840	3,664,800	7,698,200	3,029,800	10,690,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
Total Uses of Funds			2,101,840	3,664,800	7,698,200	3,029,800	10,690,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
Ending Balance			3,610,991	19,518,411	12,210,579	10,524,991	45,491	9,796,401	7,242,329	4,637,175	3,079,919	391,517

SPI 0222

Table IV-4

LAGUNA MADRE WATER DISTRICT
WATER/WASTEWATER COST OF SERVICE MODEL

Input Area -- CIP Funding Scenario
Scenario: *2014 10 02 -- Alternative 1 -- Status Quo -- PI Reclamation*

3 Capital Project Funding Summary -- TOTAL

Beginning Balance		$ 9,382,431	$ 7,305,240	$ 22,485,544	$ 14,403,055	$ 16,625,316	$ 188,823	$ 9,167,599	$ 5,825,951	$ 2,417,470	$ 4,640,820
Plus Sources of Funds:											
Interest	2.0%	187,649	146,105	449,711	288,061	332,506	3,776	183,352	116,519	48,349	92,816
Long-Term Debt -- Tax Bonds		-	19,500,000	-	-	-	12,500,000	-	-	-	-
Long-Term Debt -- Revenue Bonds		-	-	-	5,700,000	-	-	-	-	5,700,000	-
Capacity Fees		-	-	-	-	-	-	-	-	-	-
Total Sources		187,649	19,646,105	449,711	5,988,061	332,506	12,503,776	183,352	116,519	5,748,349	92,816
Less Uses of Funds:											
Capital Improvement Plan		2,264,840	4,465,800	8,532,200	3,765,800	16,769,000	3,525,000	3,525,000	3,525,000	3,525,000	3,525,000
Total Uses of Funds		-2,264,840	4,465,800	-8,532,200	3,765,800	16,769,000	3,525,000	3,525,000	3,525,000	3,525,000	3,525,000
Ending Balance		$ 7,305,240	$ 22,485,544	$ 14,403,055	$ 16,625,316	$ 188,823	$ 9,167,599	$ 5,825,951	$ 2,417,470	$ 4,640,820	$ 1,208,636

SPI 0223

DOCKET NO. 49154

RATEPAYERS' APPEAL OF THE DECISION BY LAGUNA MADRE WATER DISTRICT TO CHANGE RATES	* * *	PUBIC UTILITY COMMISSION OF TEXAS

****

ORAL DEPOSITION OF

DAN VINCENT JACKSON

NOVEMBER 21, 2019

****

ORAL DEPOSITION OF DAN VINCENT JACKSON, produced as a witness by agreement and duly sworn, was taken in the above-styled and numbered cause on the 21st day of November, 2019 from 8:58 a.m. to 12:31 p.m. before Katherine J. Brookbank, CSR in and for the State of Texas, reported by method of machine shorthand, at the office of Royston, Rayzor, Vickery & Williams, LLP, 55 Cove Circle, Brownsville, Texas, 78521, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record hereto.

APPEARANCES

FOR THE RATEPAYER(S)
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EXHIBITS

DAN VINCENT JACKSON,

having been duly sworn, testified as follows:

E X A M I N A T I O N

Q (BY MR. HUNTER) Would you state your name for the record?

A My name is Dan Vincent Jackson.

Q Mr. Jackson, my name is Jim Hunter and I represent the ratepayer in this appeal of the water rate to the Texas Public Utility Commission. I am going to ask you some questions today. And you understand you are under oath?

A Yes.

Q And I see from your resume your list of testimony history, you have given your deposition or testified in proceedings numerous times. Correct?

A Yes.

Q So I am going to kind of skip over the formalities, except to say if one of my questions is unclear, and might be today -- this is dense stuff for me -- if my question is unclear, ask me to repeat it, rephrase it, and I will be happy to do that. Okay?

A Okay.

Q All right. One thing I think what we -- I would like to do, just to -- I see that you brought your pre-filed testimony with you today?

A Yes, I did.

Q Okay. Did Mr. Houston ever contact you by phone?
A I don't recall.
Q Is it possible he did, you just don't have a recollection?
MR. HANSEN: Objection. Form. Go ahead and answer.
THE WITNESS: Again, I just simply don't recall.
Q (BY MR. HUNTER) Do you remember having conversations with Mr. Houston about the -- separate and apart from a board meeting about the 2018 rate study you were working on or prepared?
A I don't specifically recall any conversations of that nature.
Q Okay. You don't recall, but it's possible you could have had conversations with him?
MR. HANSEN: Objection. Form. Go ahead.
THE WITNESS: I would consider it unlikely.
Q (BY MR. HUNTER) Mr. Houston has never contacted you on your cell phone?
A Not that I recall.
Q As I understand it, there was an initial draft of the 2018 water study prepared, which was transmitted to the district. Correct?
A Yes.
Q Okay. And who reviewed -- who, to your knowledge,

reviewed that draft of the water rate study?

A It would have been reviewed by senior staff.

Q Okay. Do you know whether any of the board members or Herb Houston reviewed a draft of your 2018 water study?

A Of the written study itself, I don't know whether they did or not.

Q Okay. What other study would we be talking about? You specified written.

A There was a board presentation --

Q Okay.

A -- to present the draft results, a PowerPoint presentation.

Q Okay.

A And board meeting where we discussed the results.

Q All right. Did you have any e-mail communications with any board members concerning the 2018 rate study, whether in draft form or final?

A I recall having one conversation with one board member earlier this year, in the January, February time frame, a board member who I did not know personally, had never -- I don't believe I had ever met him. I think he was a new board member. Called me up and asked me a few questions about the rate study.

Q Do you recall which board member that was?

A I don't remember his name.

Q Okay. Was it Herb Houston?

A No. It was not Mr. Houston.

Q All right. Were there any board members who voiced to you any concerns about your draft report that the water -- the raw water rate that you had recommended should be higher than originally recommended by you?

A That topic came up during the presentation of the draft report.

Q Okay. And tell us about the -- tell about that -- tell us about that discussion.

A Yes. It was a board presentation in the June or July time frame of last year. Which is very typical. We complete a draft report and we give an initial presentation to the board. It's not intended to be a final presentation and is intended to get feedback from board members as well as senior staff regarding the draft results and to make any revisions as necessary.

Q Okay.

A In that meeting, I presented a PowerPoint presentation to go over the draft results. The primary focus of the meeting was the discussion as to whether or not to change the method by which the district charges condominiums on the Island.

Q Okay.

A That was what I would characterize as the

overwhelming focus of the study itself.

Q Which is treated water, right? Not --

A Treated water.

Q -- raw water.

A That's correct.

Q Okay.

A Towards the end of the presentation, there was one slide that dealt with the raw water rate.

Q Right.

A And I meant -- and I went through the raw water rate. And there were a couple of questions about the raw water rate.

Q Right.

A I would characterize it as maybe a three- to four-minute discussion. One question that was asked was: Does this represent the cost the district incurs? And I said it did. There was another question: Can we make a profit off of the raw water rate? And my response was: That's not generally how it works. The district is a nonprofit entity. There was a third question that dealt with why the rate wasn't higher than it was. It appeared to be little changed from the 2015 rate, even though the rate study recommended fairly significant increases on all the retail rates. So my recollection is that I told the board I would take another look at the raw water rate.

Q And so at the time of your presentation, what was

your recommendation as to the raw water rate for 2018?

A In the draft presentation the recommendation was somewhere between 80 and 85 cents.

Q Okay. And we know now that the final recommendation was $1.04.

A That's correct.

Q And so what did you do to go about arriving at increasing the rate by another 20 cents between the time of your draft report and the meeting and the time you issued your final report?

A There were two primary changes. The first is that the district gave me an amended budget that increased the total district budget by, I believe, almost a million dollars. So that increased the rates on raw water as well as everybody else. The second was that when I reviewed the raw water rate after the meeting, I noticed in our rate model it was not properly calculating the rate of return. And so I fixed that. And when it properly calculated the rate of return, that added about 15 cents to the rate.

Q Okay. Now, I will get into that in more detail. After you went about doing additional work and finalizing your -- and revising your draft report, did you present, then, a second draft to the board or to administration?

A Yes. I had one more board meeting where I presented the final report and final recommendations under both retail

rate scenarios.

Q Okay. And did you receive questions or comments regarding the increased -- the roughly 20-to-24-cent increase in your raw water rate recommendation?

A I don't remember any specific questions about it at the second meeting. The focus of the meeting was on the condominium rates. That's all virtually everybody wanted to talk about.

Q Okay. And was Mr. Lanning down there at either of those presentations?

A I don't believe so.

Q Okay. And would Mr. -- and I forgot to ask you this. Would Mr. Lanning have -- during the process of preparing the rate study including any revisions, would Mr. Lanning have any direct communications with either district administration or board members?

A He might have had some discussions with staff about getting data.

Q What about board members?

A I would see no reason why he would do that.

Q Okay. You have no personal knowledge as to whether Mr. Lanning had direct communications with district board members?

A I have no personal knowledge of that.

Q Okay. Between the time that you prepared your

initial draft and presented it to the board, did you have any e-mail communications with the district administration or board members?

A E-mail communication is common. I don't specifically recall any, but it wouldn't surprise me if I had.

Q Okay. It wouldn't surprise you if you received e-mail communications from board members?

A Once again, that would be unusual. In my status as a rate consultant, I don't generally get communications from council members or board members.

Q As you sit here today, though, it sounds like you can't recall one way or the other whether you received any e-mail communications --

A No.

Q -- from board members?

A I get a hundred e-mails a day, every day, so I certainly don't remember every e-mail I got.

Q All right. That's fair enough. Fair enough. So in terms of --

A Ninety of those e-mails are spam, by the way.

Q Yep. I get them too. Anyone other than Mr. Lanning assist you in preparing the pre-filed testimony?

A No.

Q Anyone other than Mr. Lanning assist you in preparing the 2018 water rate study?

separate raw water rate for a utility.

Q Numerous public entities and water districts in the Valley have separate rates for raw water, don't they?

A Yes.

Q You are familiar with --

A And many don't, also.

Q Okay. But Laguna Madre Water District does. Is that right?

A That's correct.

Q So are you familiar with the raw water rate -- raw water rates of other municipalities and water utility -- water districts in the Rio Grande Valley?

A I am vaguely familiar with some of them.

Q And based on your vague familiarity, do you know of any municipality or water district in the Rio Grande Valley that charges more than 50 cents per thousand gallon unit?

A I don't know one way or the other.

Q Okay. Would you -- as we sit here today, would you agree that a $1.04 per thousand gallon unit is very high in comparison to the water rates along the Texas border and the Rio Grande Valley?

A No, I wouldn't agree with that at all.

Q Okay. Tell me which municipalities or water districts charge a $1.04 or more for their raw water in the Rio Grande Valley or on the Texas border?

A I haven't researched the issue.

Q Then how can you say that a $1.04 is not an extremely high rate for raw water in the Rio Grande Valley or on the Texas border?

A Because I don't have a basis for comparison. I can't just make a blatant statement about something when I don't have the data sets.

Q Okay.

A There are many cities that border the Rio Grande. And there are 1,200 cities in the state of Texas. I don't know what the raw water rates are for any or all of them.

Q Right.

A So I can't make a blatant conclusion about the relationship of the rate that Laguna Madre charges, and it's not relevant anyway.

Q You talk a lot about comparables in your report. Isn't that correct?

A Comparables to what?

Q Comparables to the treated water rate.

A That tends to be a common question that is asked by board members.

Q But it's actually in your report. Correct?

A Yes.

Q You actually did studies of comparables in treated water rates in the Rio Grande Valley, didn't you?

A Of treated water, yes. That's correct.

Q Right. Why didn't you take -- do a little bit more research and obtain the comparables for raw water rates in the Rio Grande Valley or the Texas border?

A Because the raw water rate is based on the district's cost, as opposed to a rate that is based on a variety of other factors, including cost, which is what typically retail rates are based on. What the district's cost is is what the rate is based on.

Q But the cost is a percentage, at least under your calculations, of the overall costs of the district. Correct?

A That -- it is a reflection of the significant financial and operational challenges the district has in transporting raw water 26 miles from the Rio Grande to the district's borders.

Q Okay.

A A challenge that many of these cities that you are referring to do not have.

Q And some do. Right?

A I don't know of any other cities in the Rio Grande that had a 26-mile transportation system.

Q Many of the communities and water districts in the United -- in the Rio Grande Valley and the Texas border have multiple-mile line transmissions to the -- to their reservoirs. Isn't that correct?

A Well, define multiple mile. Multiple mile can be anything from three miles to 50 miles.

Q Ten miles? Twenty miles?

MR. HANSEN: Objection. Form.

THE WITNESS: I don't know one way or the other.

Q (BY MR. HUNTER) Okay. So you can't really compare the length of the transmission to other water districts or municipalities in the Rio Grande Valley or the Texas border, can you?

A I certainly can look at a map and see where a city is in relation to the Rio Grande, as opposed to where the Laguna Madre Water District is.

Q Okay. But you didn't do that in this case. Right?

A No.

Q Okay.

A Not relevant or necessary.

Q Well, you just told me that the significant cost of a 26-mile line is important to your consideration. So why is it not relevant that other municipalities have a multiple-line (sic) transmission line?

A Because it doesn't matter what the other cities charge for their rates. Just because they have those costs doesn't mean that they are charging a cost-based rate. They can charge whatever they want for raw water. They may have made the managerial decision that they are going to charge 20

cents for raw water because they want to encourage the development of a campus-like environment. So they might have made the managerial decision they are going to charge their raw water rate at less than cost. So what another city charges for raw water rates is, in my opinion, irrelevant to what the district's rate is, and certainly is irrelevant to what the district's costs are.

Q That's your opinion. Right?

A Of course it's my opinion.

Q Okay. All right. Let's go to page 4 of your pre-filed testimony. You stated the purpose of your testimony is to address the reasonableness of the rate for raw water assessed by the Laguna Madre Water District to SPI homeowners, Gulf homeowners, and other raw water customers. You say that you will show that the rate is fair, just, reasonable, and in accordance with rate-making principles and the district's long-standing calculation methodology, which has essentially been unchanged for 23 years, until 2018. Right?

A That's not correct.

Q Why is that not correct?

A Because the methodology had not been changed. It was just not accurately applied in 2014 or early 2018.

Q Okay. But you -- you -- or your company have been -- either you, in the beginning, or your company have been preparing the rate studies for the Laguna Madre Water District

August 9, 2000

Mr. William W. Vaughan III
General Counsel
Landmark National
2817 Crain Highway
Upper Marlboro, Maryland 20774

Dear Mr. Vaughan:

Mr. Eduardo Hernandez asked that I review and respond to your letter dated July 28, 2000, because I calculated both the initial rate specified in the contract and the rate recently adopted by the District. Please allow me to take this opportunity to explain the basis for the recent rate change.

As you noted in your letter and further confirmed by legal counsel for the District, the March 1996 contract between Delos Partners and the District specified an initial rate that was to be in effect for forty-eight months. According to Section 3, after this initial period the rate "may be revised by the District from time to time *in accordance with rate-making policies acceptable to the Texas Natural Resource Conservation Commission* (emphasis added)." The section further states, "the rate ***methodology*** used to calculate the revised rates shall be the same ***methodology*** used to calculate the initial rate specified in Section 2 of this Agreement (emphasis added)".

The term ***methodology*** carries a specific meaning in the field of water ratemaking. The TNRCC and the American Water Works Association recognize two alternative methodologies for the setting of water rates. These methodologies are called the Cash Basis and the Utility Basis. Exhibit C to the contract shows that it was the Utility Basis ***methodology*** that was used to calculate the initial rate.

In order to calculate a rate using the Utility Basis methodology, the District must input five separate but intertwined factors. These factors are the Rate Base, the Rate of Return, Depreciation Expense, O&M expense, and Usage. AWWA and TNRCC precedents allow limited flexibility in calculating these factors under the Utility Basis. In other words, individual factors may be changed while keeping the calculation in accordance with an overall ***methodology***.

You will note that the recent recalculation of the raw water rate resulted in *four of these five factors being revised to the benefit of the raw water customer.* Let us discuss each:

1. **Rate Base** – in both the original and revised calculations, the District limited the rate base only to the actual raw water transportation line itself (and an affiliated pump station). AWWA and TNRCC precedents would allow for the inclusion of some treatment plant assets into the rate base, most notably the raw water reservoirs. Further, to date the District has not included the value of its water rights, which in drought-stricken Texas has skyrocketed in recent years. The exclusion of these elements from the rate base represents an extremely conservative application of the Utility Basis Methodology.

2. **Rate of Return** – utilities typically calculate this factor to include both the cost of debt and a return on equity to compensate current ratepayers for the investment risk of new assets. Thus far the District has included only its current cost of debt in this rate of return, which represents

another conservative interpretation of the Utility Basis methodology. We estimate that including an equity factor would at least double the District's allowable rate of return.

3. **Depreciation Expense** – this is calculated on a straight-line basis over a forty-year useful life. If additional raw-water related assets were included in the rate base, this expense would increase.

4. **Operation and Maintenance Expense** –the revised calculation was based on a cursory review that assumed approximately 10.0% of the District's distribution-related O&M expense was devoted to the transmission line. This is less than the initial 1996 estimate. Given that the line is now in its tenth year of operation, a detailed operations review and analysis would likely result in a finding that significantly more than 10.0% of O&M is devoted to this line, which is the largest and most complex transmission line owned by the District. Also, please note that under the Utility Basis methodology, the District's raw water cost of service does *not* include debt service and reserves.

5. **Usage Factor** – the use of total line capacity as a usage factor is ***not*** in accordance with either the Utility Basis methodology or with ratemaking policies acceptable to the TNRCC and the American Water Works Association. It was both a special set of circumstances, and a desire by the District to ensure that the raw water rate was not unfairly penalizing to raw water users, that led to the 1996 forecast that usage would eventually be equivalent to the line's total capacity.

   When the original rate was calculated, the District had no reliable estimate of the total amount of raw water that would be required by the golf course. While the contract included an estimate of a "maximum" usage level of 750 acre-feet per year, it is common for wholesale customers to exceed their limits (and the District was not prepared to limit the golf course's usage). The District was concerned that using actual 1996 volume for a four-year forecast period without a reliable estimate of golf course usage would result in a usage factor that was too low and consequently a unit rate that was too high. Therefore, to ensure that there was no chance that raw water customers would be inadvertently overcharged, the District initially estimated usage based on total line capacity.

   Since 1996, there have been many changes that have impacted the District's ability to forecast its raw water usage. First, we now have four years of reliable, consistent data on the golf course's usage. Second, proration of water rights due to the ongoing drought have limited the District's ability to pump raw water from the Rio Grande. Third, the District's imposition of an "inverted block" retail water rate has achieved its conservation goal of reducing per meter usage. Fourth, a large water customer has converted to the use of sewer effluent to water its medians, thus further reducing the flow of raw water pumped through the transmission line.

   In summary, while it was reasonable (although quite conservative and beneficial to raw water customers) in 1996 to forecast that usage would eventually approach the line's capacity, events since that time have not borne out that forecast. In maintaining consistency with "rate-making policies acceptable to the TNRCC", the usage factor is estimated based on actual previous year volume, the same standard used to calculate retail water rates.

As you can see, all five of the factors are interactive in the determination of a rate under the Utility Basis. If for any reason any factor is changed, all of the factors should be reconsidered to ensure that a just and reasonable rate is charged to raw water users. This will also ensure that retail ratepayers do not subsidize raw water users.

The result of this calculation is a raw water rate of $0.43 per 1,000 gallons. This rate is significantly less than many other utilities charge for the use of raw water, providing it is even available. The percentage increase is not substantially different from the retail rate increase recently absorbed by the (predominantly low income) retail ratepayers of the District. Additionally, the average water and sewer rate increase across the United States during the 1996-2000 timeframe has been 25%, reflecting the fact that water is becoming an increasingly valuable commodity.

I have been advising the District on it rates for the past ten years and during this time the District has always sought to charge user rates that reflect both its cost of service and TNRCC policies. The predominant rate-related guideline used by the TNRCC is known as "public interest". This rule states that the rates imposed must not be adverse to the "public interest". Given that a) the revised calculation is a conservative interpretation of the Utility Basis methodology; b) the District's raw water rate is lower than that of many other communities in Texas; and c) the recent adjustment was not out of proportion compared to either the national average or other District ratepayers, we are confident that our cost-of-service based raw water rate is in accordance with the "public interest" guideline.

It is our sincere hope that this letter addresses your concern regarding the District's revised raw water rate. If you have any questions regarding the rate methodology, please do not hesitate to call me.

Very Truly Yours,

Dan V. Jackson
Partner

Cc: Eduardo Hernandez
Patrick Lindner, Davidson & Troilo

TABLE III-1 LMWD -- RAW WATER RATE SUMMARY CALCULATION		FY 2001
I. **Invested Rate Base**		
Book Value of Raw Water Line	$	8,250,000
Less Accumulated Depreciation	$	(2,062,500)
Net Book Value of Raw Water Line	$	6,187,500
Other Capitalized Raw Water Assets	$	427,441
Less Accumulated Depreciation		(106,860)
Net Other Costs	$	320,581
Total Invested Rate Base	***$***	***6,508,081***
II **Return Component**		
District Rate of Return		4.96%
Invested Rate Base	$	6,508,081
Total Return Component	***$***	***322,810***
III. **Depreciation Expense**		
Year Placed into Service		1992
Book Value of Raw Water Line	$	8,250,000
Depreciable Lifespan of Raw Water Line		40
Sub-Total	$	206,250
Net Other Capitalized Raw Water Costs	$	427,441
Depreciable Lifespan (Weighted)		40
Sub-Total	$	10,686
Total Depreciation Expense	***$***	***216,936***
IV. **O&M Expense**		
Transmission Line O&M	***$***	***67,436***
Total Revenue Requirement	**$**	**607,183**
V. **Raw Water Pumpage (Ac-ft)**		
Total FY 2000 Raw Water Pumpage		4,330.921
VI. **Calculation of Raw Water Rate**		
Unit Rate per Acre-Foot	**$**	**140.20**
Unit Rate per 1,000 Gal	**$**	**0.43**

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TABLE III-3
LMWD -- RAW WATER RATE
O&M EXPENSE CALCULATION

	Budget FY 2001	Allocable to Raw Water	Raw Water O&M Exp
Allocation Factor			10.00%
Water Plants:			
Total Personnel	$ 404,364	$ 404,364	$ 40,436
Operating Expense:			
System Maintenance	23,000	23,000	2,300
Employee Uniforms	6,000	6,000	600
Vehicle Maintenance	6,000	6,000	600
Chemicals	100,000	-	-
Water Conservation	10,000	10,000	1,000
Safety Supplies	2,000	2,000	200
Supplies	20,000	20,000	2,000
Telephone	1,500	1,500	150
Electricity	185,000	185,000	18,500
Insurance	7,500	7,500	750
Travel & Training	7,000	7,000	700
Permits Tests & Inspections	20,000	-	-
Gas and Garbage	1,500	1,500	150
Misc.	500	500	50
Total Operating	390,000	270,000	27,000
Total Personnel & Operating	$ 794,364	$ 674,364	$ 67,436

10% allocation

TABLE III-2
LMWD -- RAW WATER RATE
RATE OF RETURN CALCULATION

Bond	Total Outstanding	FY 2001 Interest	Percent
Series 1992	$ 1,635,000	$ 83,385	5.10%
Series 1993	3,315,000	167,923	5.07%
Series 1994	1,210,000	56,980	4.71%
Series 1997	5,030,000	243,108	4.83%
Series 1999	2,600,000	132,608	5.10%
Weighted Cost of Capital	$ 13,790,000	$ 684,004	4.96%

2000
Weighted
cost of Cap

LAGUNA MADRE WATER DISTRICT
CALCULATION OF RAW WATER RATE
MAY 2000

	Acre-Feet Used
Jan-April 1999	1,225.819
Total 1999	4,175.084
Jan -- April 2000	1,381.656
Total FY 2000	**4,330.921**

Docket No. 49154
SOAH Docket No. 473-19-5677.WS

RATEPAYERS' APPEAL OF THE DECISION BY LAGUNA MADRE WATER DISTRICT TO CHANGE RATES	}	PUBLIC UTILITY COMMISSION OF TEXAS

****

ORAL DEPOSITION OF

CARLOS GALVAN

NOVEMBER 22, 2019

****

ORAL DEPOSITION OF CARLOS GALVAN, produced as a witness at the instance of the Ratepayer South Padre Island Golf Course, and duly sworn, was taken in the above-styled and numbered cause on the 22nd day of November, 2019, from 12:24 p.m. to 2:10 p.m., before Tracie L. Carbajal, CSR in and for the State of Texas, reported by machine shorthand, at the offices of Royston, Rayzor, Vickery & Williams, L.L.P., located at 55 Cove Circle, Brownsville, Texas, pursuant to the Administrative Procedure Act and the provisions attached hereto.

A P P E A R A N C E S

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ALSO PRESENT:

William J. Karr, Ratepayer

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EXHIBITS

NO. DESCRIPTION PAGE

(No exhibits marked.)

CARLOS GALVAN,

having been first duly sworn, testified as follows:

EXAMINATION

BY MR. HUNTER:

Q. Good afternoon. Can you state your name, please?

A. My name is Carlos Galvan.

Q. Mr. Galvan, my name is Jim Hunter, and I represent SPI Golf, the ratepayer that has appealed the raw water rate increases that the District has assessed over the last couple of years. Do you understand who I am and who I represent?

A. Yes, sir.

Q. Okay. And District counsel is here with you. Before we got started, you told me that you had given a deposition before, correct?

A. Correct.

Q. And so you probably remember what it was like, but let me just kind of go over a few basic ground rules with you. The first is we have a court reporter here typing down my questions and your answers, so try to avoid nods of the head or "uh-huh's" or "huh-uh's" because the court reporter can't take that down.

We had to remind Eddie a couple of times during his deposition when he would give us an "uh-huh" or "huh-uh," and so if I do that, it's -- I don't mean

Q. That's the only one?
A. The others have been appointed. Yes.
Q. Okay. As -- as the General Manager, you're often called upon to speak or address questions during board meetings, correct?
A. Correct.
Q. Okay. Are you also -- do you also go into executive session with the Board?
A. Yes.
Q. Okay. And just for today, has the water rate, in general -- the raw water rate, in general, been discussed in executive session -- any of the executive sessions?
A. Yes, it has.
Q. Okay. And can you recall which executive sessions; which dates?
A. No, I can't recall the dates, but, yes.
Q. Okay. Since you've been with the District -- well, let's just start with -- well, since you've been with the District, who -- how many -- who have been the raw water rate users since you've been with the District?
A. The golf course is one; the City of Port Isabel, and then we had a few other customers that had ranches way passed the golf course, like, on the west side of

the -- the whole area that they've been using raw water.

Q. Okay. So -- but, currently, there's only three users; the golf course, the City of Port Isabel and now -- Mr. Salazar told us about an agricultural use --

A. Yes.

Q. -- user that had just -- just signed up.

A. Just started.

Q. Just started, right?

A. Right. And -- and for that one, we're just transferring water for him because there was an agreement on that part.

Q. Oh, okay. So he won't actually be using the raw water?

A. No. He'll be using the raw water, but it's his own water rights that he has. Yeah. We kind of agreed on an easement where we have a waterline going through his property, and as long as we can convert his water from the Rio Grande and he can pump it out through our lines, we can have that easement there.

Q. Does he get --

A. So that's --

Q. Does this new agricultural use user -- what's his name, or the company's name?

A. I can't remember the name.

Q. Okay. Well, does the new user have to -- does he

pay a reduced rate?
A. I don't -- I don't think he pays anything because he -- we agreed on just transferring the water. He has his own water rights.
Q. So in exchange for the easement, he doesn't have to pay a rate?
A. I believe so.
Q. Okay. Do you know whether the District went about putting a value on the value -- putting a value on the easement that you received from him?
A. I believe the engineer might know that part, yes.
Q. Okay. You don't know off the top of your head?
A. Not that, not off the top of my head.
Q. Okay. You said you have reviewed the 2015 and 2018 water rate studies, right?
A. Yes.
Q. And would you agree with Mr. Jackson's rate study that less than one percent of the District's rate income is from raw water ratepayers?
A. If he said that, I believe it, yes.
Q. Okay. Would you -- do you have an estimate of the total dollar figure generated from raw water users in 2018?
A. No, I don't.
Q. Okay. I want to take you back to -- I want to

Q. Okay. In -- in the time that you've been General Manager, or in administration dealing with the Long Chilton firm or the Carr, Riggs firm, have you ever had any reason to trust their competency to prepare accurate independent audits?

A. No. No, sir.

Q. You trust Carr, Riggs; you trusted Long Chilton?

A. I do, yes.

Q. Okay. I want you to look at -- I'm going to have you look at a portion of Exhibit 1, which is the Carr, Riggs' independent audit of the the District's financial statement for the year ending on September 30, 2018. I see you grimacing.

A. I can't remember on that one.

Q. Well, I'm going to show you -- we're not -- we're not going to go into the detail that we went into with Mr. Salazar, but I do want to talk to you about a few things, okay?

A. (Witness nods head up and down.)

Q. While I'm looking here, is the line -- the 26-mile line from the Rio Grande to the District's reservoir on Highway 100, do you know what the size is? Is it a 42-inch or a 46-inch pipe?

A. From the river to reservoir four, it's a 42-inch waterline, and from reservoir four to the Los Cuates

Pump Station, it's a 36-inch waterline.

Q. Okay. So you're going -- you're going east to west, and I was thinking I was going -- okay. So let's go -- let's go east to west.

A. East to west, okay.

Q. East to west. So at the District's main reservoir -- I'm calling it the main reservoir, the one on Highway 100.

A. Okay.

Q. That -- at that point, it's 42 inches?

A. No, sir.

Q. Okay.

A. At that point, it's a 20-inch coming in, a brand-new 24-inch line coming in --

Q. Right. Let's stop there.

A. Okay.

Q. Let's start from -- let's start from the Rio Grande and let's work our way back west, okay?

A. Okay.

Q. So what's the size of the pipe at the mouth or at the Rio Grande -- the banks of the Rio Grande?

A. It's a 42-inch pipeline.

Q. Forty-two inch?

A. Right. Correct.

Q. And, then, at what point or what station or what

point does it turn into --

A. Okay. All the way from the river to reservoir four?

Q. Yes, which is the reservoir on Highway 100 near --

A. No, sir. That's -- that's a big reservoir that we have storage at --

Q. Olmito?

A. -- Tract Road -- Rice Tract Road. It's on -- they call it Christian City or Christian -- it's off of Highway 100 and 83. There's -- like, Highway 100 coming in from Los Fresnos --

Q. Right.

A. -- west and it hits 83. Well, you go under the overpass and keep going straight, and it turns to Rice Tract Road, and that's where we have the big, large reservoir.

Q. Okay. I think I know where it is. You can see it from the highway?

A. No, you can't. No, sir.

Q. Oh, you can't. So that would be in the vicinity of Olmito, right?

A. No. It's more, like -- no. It's -- Olmito would be more to the south --

Q. Okay.

A. -- south of that, but --
Q. Okay. Well, let's do it this way. For how many miles does the 42-inch pipe run from the river?
A. I believe it's, like, ten miles.
Q. Ten miles.
A. I'm not exactly -- but about ten miles.
Q. Okay. And at ten miles, which is reservoir number four?
A. Reservoir number four.
Q. What happens? What's the piping like there?
A. Okay. From there, the pump -- the pump station pumps through a 36-inch waterline all the way to Los Fresnos, which is the Los Cuates Pump Station, and it's just a transfer pump that we just -- a small reservoir that transfers that water coming from reservoir four to Water Plant No. 2.
Q. And that's the one on Highway 100 --
A. On Highway 100, correct.
Q. -- that you can see? Got'cha.
A. Yes.
Q. Okay. So then -- so it's 10 miles of 42-inch and then another 15 or 16 of 36 inches?
A. Yes. Correct.
Q. Okay. Do you know what -- do you know when that pipe was installed?

A. I believe in 1985; somewhere around that time.
Q. Does '88 sound about right?
A. '88, that sounds right.
Q. Okay. And do you know what the composition of that pipe is? Is it iron? Is it --
A. Concrete.
Q. Concrete. Oh, it is concrete?
A. Yes.
Q. Okay. Do you know how thick it is?
A. The thickness?
Q. Yes.
A. About a couple of inches thick.
Q. Okay. How frequent do repairs need to be made to that pipe?
A. I would say we've repaired it only -- within the timeframe that I'm been there, maybe, like, five or six times.
Q. So you've been there since 1990- --
A. And that would be the river pump station to reservoir four.
Q. Right.
A. But then from reservoir four to the Los Cuates Pump Station, we've had to repair at least 10 times or more because that pipeline wasn't installed correctly.
Q. So four or five -- since -- you've been there

since 19-what?

A. '87.

Q. You've been there since 1987. You recall four or five repairs to the 42-inch line --

A. Yes.

Q. -- and maybe 10 or so repairs to the 36-inch line?

A. Yes.

Q. Okay. Do you know what the -- you may not know the answer. Do you know what the estimated useful life of that line is?

A. No, I don't.

Q. Okay. Who signs the checks over at the District? Vendors --

A. The invoices get paid, and we have stamps, like, for myself and Eddie, the Director of Finance.

Q. Is there -- is there a minimum beyond which requires your stamp or approval; $500, $2,000?

A. I think all the checks get stamped.

Q. Oh, really?

A. Yes, sir. And it's only been for as long as Eddie has been there. Because before that, the board members had to sign them or stamp it.

Q. Okay. Quick question. Have you ever researched or been -- been in any discussions where the estimated

reservoir number three. It's for the golf course, and then reservoir number one for the City of Port Isabel.

Q. Okay. So if we're just talking about the -- if we're talking about those three raw water users, they draw their water before the water goes into the -- is pumped to the treatment facility, right?

A. For the golf course?

Q. The golf course, right.

A. Yes; yes.

Q. And then the golf course receives its water from that particular reservoir through gravity feed. There's no pump; is there?

A. Correct.

Q. Okay. In fact, the golf course has its own pump, right?

A. Correct.

Q. Okay. And would it be your testimony that the water that is distributed -- if we're using these definitions in Jackson's report, which you agree with, the water that's categorized as distribution is the water that's treated water going to various customers throughout the District?

A. Yes.

Q. Okay. I think I asked you this in the beginning, but let's look --

water?

A. Yes; yes,

MR. HANSEN: Okay. Thank you.

EXAMINATION

BY MR. HUNTER:

Q. One follow-up. How long is the line from the reservoir to the golf course pump station?

A. If I'm just estimating, I believe maybe 250 feet.

Q. A pretty short -- a pretty short line; isn't it?

A. (Witness nods head up and down.)

Q. And -- a pretty short line; isn't it?

A. Pretty short.

Q. One of the shortest -- is it the shortest in the District?

A. Yes.

Q. It is the shortest in the District. And -- and, again, that is the reservoir that flows -- the water that flows through that 250-line pipe is gravity fed, right? There's no pumping required to get to the District pump station?

A. Right, right, right. I thought you were done.

Q. What does gravity cost?

A. Can we go eat?

Q. What does gravity cost?

A. Well --

Q. That's all right. Thank you. Thank you for your time.

(Proceedings concluded at 2:10 p.m.)

Laguna Madre Water District

FINANCIAL STATEMENTS
And
SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended September 30, 2018

Laguna Madre Water District
Table of Contents
September 30, 2018

(Continued)

INTRODUCTORY SECTION

Laguna Madre Water District
Organizational Chart

Board Members

Scott D. Friedman	Chairman
Herb Houston	Vice Chairman
Alex Avalos	Secretary
Jason Starkey	Director
Adam Lalonde	Director

Administration

Carlos J. Galvan, Jr.	General Manager
Robert Gomez	Director of Operations
Eduardo Salazar	Director of Finance
Charles Ortiz, P.E.	District Engineer

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS

COUNTY OF CAMERON

I, SCOTT FRIEDMAN of the

(Name of Duty Authorized District Representative)

LAGUNA MADRE WATER DISTRICT hereby

(Name of District)

Swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 13TH day of FEBRUARY, 2019, its annual audit report for the Twelve-Month Period ended SEPTEMBER 30, 2018 and that copies of the annual audit report have been filed in the district office, located at:

105 PORT RD., PORT ISABEL, TX 78578

(Address of District)

The filing affidavit and the attached copy of the annual audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements Texas Water Code Section 49.194.

Date: FEBRUARY 13, 2019 By: _____

SCOTT FRIEDMAN, CHAIRMAN

(Typed Name & Title of above District Representative)

Sworn to and subscribed to before me this 13TH day of FEBRUARY, 2019.

NOTARY PUBLIC STATE OF TEXAS
DAISY BODDEN
My Commission Expires
March 08, 2019

Daisy Bodden

(Signature of Notary)

My Commission Expires on: MARCH 08, 2019, Notary Public in the State of Texas.

SPI 0049

FINANCIAL SECTION

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
3125 Central Blvd.
Brownsville, TX 78520

(956) 546-1655
(956) 546-0377 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Laguna Madre Water District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Laguna Madre Water District ("District"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2018, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the employer's net pension liability and related ratios, and schedule of employer contributions on pages 6-17 and 47 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, Texas Supplementary Information section, and other information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and Texas supplementary information sections are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and Texas supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and other information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Brownsville, Texas
February 6, 2019

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MANAGEMENT'S DISCUSSION & ANALYSIS

This section of the Laguna Madre Water District's (District) annual financial report presents our discussion and analysis of the District's financial performance for the fiscal year ended September 30, 2018. The MD&A should be read in conjunction with the District's financial statements which follow this section.

Financial Highlights

- In the Government-Wide Statement of Net Position, the total assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources for the fiscal year ended September 30, 2018, by $68,498,763. Of this amount $9,492,416 (considered unrestricted) may be used to meet the District's ongoing obligations to citizens and creditors. The net investment in capital assets of the District is $55,806,128.
- The restricted portion of the Government-Wide net position includes the debt service payment amounts of $3,200,219 due fiscal year 2018-19.
- The fund balance in the General Fund increased by $726,837. The ending fund balance for the fiscal year ended September 30, 2018, was $7,044,205. The combined General Fund and Emergency fund balances are $9,110,793.
- For the fiscal year ended September 30, 2018, the District's fund balances reported a combined ending fund balance of $13,375,673.

Overview of the Financial Statements

This annual report consists of the management's discussion and analysis (this section), the basic financial statements, notes to the basic financial statements, required supplementary information, supplementary information, Texas supplementary information (TSI) section and other information section.

The basic financial statements are comprised of three components:

- The *government-wide financial statements* provide both long-term and short-term information about the District's overall financial status. These statements are presented for governmental activities, the only activity of the District. They are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.
- The *statement of net position* presents information on all of the District's assets and liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

- The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The fund financial statements focus on individual parts of the District, reporting the District's operation in greater detail than the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

- The governmental funds statements show how general government services were financed in the short-term as well as what remains for future spending. The District considers these funds as major: General Fund, Debt Service Fund, Emergency Services Fund, and Capital Projects fund.

Additional Information Regarding the District's Fund Financial Statements:

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The District adopts an annual appropriated budget for its general fund and debt service fund. Budgetary comparison statements have been provided for the general and debt service fund.

The District's basic financial statements can be found on pages 18-21.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-50 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's general fund budgetary schedule, schedule of changes in employer's net pension liability and related ratios, as well as the schedule of employer contributions. Required supplementary information can be found on pages 51-54 of this report.

Other Supplementary Information, Texas Supplementary Information (TSI) Section and Other Information Section

The District also provides other supplementary information concerning the District's debt service fund budgetary schedule, Texas Supplementary Information schedules as required by the Texas Commission on Environmental Quality, and other information deemed appropriate. The other supplementary information, the TSI, and other information can be found on pages 55-73 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of the District's financial position. At September 30, 2018, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $68,498,763. By far, the largest portion of the District's net position (81.5%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment), less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide services to its citizens and therefore these assets are not available for future spending. Although the District's investment in these capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Districts net position, $3,200,219 (4.7%), represents resources that are subject to external restriction on how they may be used. The remaining balances of unrestricted net position, totaling $9,492,416 may be used to meet the District's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balance in all reported categories of net position, both for the government as a whole, as well as for its separate governmental activities. The same situation held true for the prior fiscal year.

Exhibit 1
Laguna Madre Water District
Governmental Activities – Net Position
September 30,

	2018	2017
Current and other assets	$ **15,001,957**	$ 20,559,648
Capital assets	**81,069,844**	76,697,405
Total assets	**96,071,801**	97,257,053
Total deferred outflows of resources	**520,126**	1,126,246
Long-term liabilities outstanding	**26,091,737**	28,401,947
Other liabilities	**1,685,955**	1,666,331
Total liabilities	**27,777,692**	30,068,278
Total deferred inflows of resources	**315,472**	220,754
Net position		
Net Investment in capital assets	**55,806,128**	56,218,039
Restricted	**3,200,219**	3,084,681
Unrestricted	**9,492,416**	8,791,547
Total net position	$ **68,498,763**	$ 68,094,267

Governmental Activities

During the current fiscal year, net position for governmental activities increased by $404,496. As indicated in Exhibit 2 charges for services comprised 83.9% and property taxes comprised 13.2% of all revenues. Service operations comprised 67.6% of all expenses; interest on long-term debt, 6.9%; and depreciation expense, 25.4%.

Exhibit 2
Laguna Madre Water District
Governmental Activities – Changes in Net Position
For the Fiscal Year Ended September 30,

	2018	2017
Revenues:		
Program Revenues		
Charges for services	$ **9,391,158**	$ 9,550,739
General Revenues		
Property taxes	**1,475,769**	1,486,069
Investment earnings	**213,196**	132,361
Other	**104,843**	154,452
Total revenue	**11,184,966**	11,323,621
Expenses		
Service operations	**7,189,786**	7,025,455
Interest on long-term debt and fiscal expense	**738,687**	945,387
Depreciation expense	**2,705,723**	2,630,994
Total expenses	**10,634,196**	10,601,836
Other Income/Expenses		
Gain/loss on sale of assets	**(146,274)**	-
Increase in net position	**404,496**	721,785
Net Position, Beginning	**68,094,267**	67,372,482
Net Position, Ending	$ **68,498,763**	$ 68,094,267

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the District itself.

At September 30, 2018, the District's governmental funds reported combined ending fund balances of $13,375,673, a decrease of $5,578,643 in comparison with the prior year. Approximately 41.9% of this amount ($5,599,329) constitutes *unassigned fund balance*, which is available for spending at the District's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form ($593,554), 2) restricted for particular purposes ($4,138,220), 3) committed for particular purposes ($2,138,543), 4) assigned for particular purposes ($906,027).

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was $5,599,329, while total fund balance increased to $7,044,205. The fund balance of the District's general fund increased by $726,837 primarily due to a decrease in expenditures.

As shown in Exhibit 3 below the District has maintained healthy fund balances in its general fund for several consecutive fiscal years.

Exhibit 3
Fund Balance of the General Fund

Fiscal Year	Revenues	Expenditures Plus Transfers Out	Fund Balance	Percentage of Fund Balance In Relation to Revenues	Percentage of Fund Balance In Relation to Expenditures Plus Transfer Out
April					
2008	$ 8,237,727	$ 6,632,006	$ 6,273,270	76.2%	94.6%
2009	$ 7,174,800	$ 8,474,029	$ 5,239,329	73.0%	61.8%
2010	$ 7,443,217	$ 7,387,754	$ 4,511,569	60.6%	61.1%
2011	$ 8,100,426	$ 7,466,198	$ 5,087,406	62.8%	68.1%
2012	$ 8,268,463	$ 7,151,218	$ 6,284,270	76.0%	87.9%
2013	$ 8,738,728	$ 10,335,855	$ 4,697,639	53.8%	45.4%
September					
2013*	$ 3,813,789	$ 3,137,960	$ 5,373,468	140.9%	171.2%
2014	$ 7,459,276	$ 7,345,323	$ 5,487,421	73.6%	74.7%
2015	$ 8,022,892	$ 7,743,486	$ 5,771,327	71.9%	74.5%
2016	$ 9,259,450	$ 8,864,410	$ 6,267,812	67.7%	70.7%
2017	$ 9,738,484	$ 9,695,592	$ 6,317,365	64.9%	65.2%
2018	$ 9,585,386	$ 8,858,549	$ 7,044,205	73.5%	79.5%

*Results are based on a 5-month period. During 2013 the District changed to a September 30 fiscal year end.

Exhibit 4
Laguna Madre Water District
General Fund
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended September 30,

	2018	2017
Revenues		
Water services	$ **5,321,051**	$ 5,481,245
Wastewater services	**3,650,725**	3,713,416
Other water sales	**119,597**	134,503
Late fees	**62,631**	58,683
Tap fees	**237,154**	162,892
Investment earnings	**89,446**	33,305
Miscellaneous	**104,782**	154,440
Total revenues	**9,585,386**	9,738,484
Expenditures		
Service operation	**6,833,457**	6,687,027
Lease principal	**11,831**	11,480
Lease interest	**2,343**	2,694
Capital outlay	**139,642**	206,388
Total expenditures	**6,987,273**	6,907,589
Excess (Deficiency) of Revenues Over (under) Expenditures	**2,598,113**	2,830,895
Other Financing Sources (Uses)		
Transfer from other funds	**-**	6,661
Transfer to other funds	**(1,871,276)**	(2,788,003)
Total other financing sources	**(1,871,276)**	(2,781,342)
Net Change in Fund Balances	**726,837**	49,553
Fund Balance Beginning,	**6,317,368**	6,267,815
Fund Balance Ending	$ **7,044,205**	$ 6,317,368

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Exhibit 5
Laguna Madre Water District
Debt Service Fund
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended September 30,

	2018	2017
Revenues		
Property taxes and penalties/interest	$ **1,480,077**	$ 1,503,967
Investment earnings	**39,839**	19,365
Miscellaneous	**61**	12
Total revenues	**1,519,977**	1,523,344
Expenditures		
Bond principal	**1,590,000**	1,565,000
Bond interest and fiscal agent fees	**688,266**	714,584
Contracted services	**54,014**	54,432
Total expenditures	**2,332,280**	2,334,016
Excess (Deficiency) of Revenues Over (under) Expenditures	**(812,303)**	(810,672)
Other Financing Sources (Uses)		
Transfer from other funds	**932,150**	925,965
Total other financing sources	**932,150**	925,965
Net Change in Fund Balances	**119,847**	115,293
Fund Balance Beginning,	**3,011,861**	2,896,568
Fund Balance Ending	$ **3,131,708**	$ 3,011,861

As shown in Exhibit 5 above, the debt service fund for the fiscal year ended September 30, 2018, had a fund balance of $3,131,708; this amount represented an increase of $119,847 compared to prior year. The total debt service fund balance is restricted for payment of debt service. The District's ad valorem tax rate during fiscal year 2018 was $0.04386 per $100 valuation.

Exhibit 6
Laguna Madre Water District
Capital Projects Fund
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended September 30,

	2018	2017
Revenues		
Investment earnings	$ **48,793**	$ 62,009
Total revenues	**48,793**	62,009
Expenditures		
Capital outlay	**7,448,364**	6,702,033
Bond issuance costs	-	228,145
Total expenditures	**7,448,364**	6,930,178
Excess (Deficiency) of Revenues Over (under) Expenditures	**(7,399,571)**	(6,868,169)
Other Financing Sources (Uses)		
Issuance of debt	-	5,815,000
Transfer from other funds	**939,126**	1,855,377
Total other financing sources	**939,126**	7,670,377
Net Change in Fund Balances	**(6,460,445)**	802,208
Fund Balance Beginning,	**7,593,617**	6,791,409
Fund Balance Ending	$ **1,133,172**	$ 7,593,617

General Fund Budgetary Highlights

For the fiscal year ended September 30, 2018, total actual revenues exceeded budgeted revenues by $319,545. Total actual expenditures were under budget by $435,291. The general fund budget indicates that actual expenses exceeded budgeted expenses in the "materials and supplies" and "other" categories. These variances are not considered significant. Variances between budgeted and actual amounts are not expected to have a significant effect on future services or liquidity of the District. The budget remains in effect the entire year and is revised only if necessary through a budget amendment.

Capital Asset and Debt Administration

The District's investment in capital assets for its governmental activities as shown in Exhibit 7 as of September 30, 2018, amounts to $81,069,844. The net increase in capital assets for the fiscal year ended September 30, 2018 was $4,372,439.

Major Projects ---General Fund

The District approved an upgrade to Advanced Metering Infrastructure (AMI), which is an integrated system of smart meters, communications networks, and data management systems that enables two-way communication between the District and its customers.

Major Projects---Capital Projects Fund

Port Isabel Wastewater Treatment Plant modifications were made at a cumulative cost of $6,196,327. Additional improvements at the other Wastewater Treatment Plants were made at a cost of $150,311. Wastewater collection system modifications and repairs totaled $126,947. Raw water system maintenance in the amount of $46,500. The District purchased water rights for $356,935.

The depreciation expense for the year ended September 30, 2018 for the governmental activities totaled $2,705,723.

Exhibit 7
Laguna Madre Water District
Capital Assets
(Net of depreciation)
For the Fiscal Year Ended September 30,

	2018	2017
Land	$ **1,411,177**	$ 1,411,177
Construction in progress	**11,883,329**	7,290,292
Buildings and improvements	**3,256,494**	3,389,103
Improvements other than buildings	**7,696,865**	7,880,992
Machinery and equipment	**715,379**	732,139
Infrastructure	**56,106,600**	55,993,702
Total	$ **81,069,844**	$ 76,697,405

Additional information on the District's capital assets can be found in Note 6 on page 38 of this report.

Long-Term Debt

At September 30, 2018, the District's total bonded debt was $24,728,006. Of this amount, $14,355,000 is considered to be tax supported debt and $10,140,000 are considered revenue notes. The revenue bonds did not require a bond rating.

Exhibit 8 shows the District's outstanding long-term debt as of September 30, 2018.

Additional information on the District's long-term debt can be found in Note 7 on pages 38-40 of this report.

Exhibit 8
Laguna Madre Water District
Long-Term Liabilities
For the Fiscal Year Ended September 30,

	2018	2017
General obligation tax bonds	$ **14,355,000**	$ 15,190,000
Revenue bonds	**10,140,000**	10,895,000
Plus: Unamortized premium	**233,006**	249,650
Total bonds payable	**24,728,006**	26,334,650
Compensated absences	**72,104**	74,915
Lease payable	**64,805**	76,636
Net pension liabilities	**1,226,822**	1,915,746
Total long-term liabilities	$ **26,091,737**	$ 28,401,947

Bond Ratings

The District maintains the following general obligation and revenue bond credit ratings:

	Moody's Investors Service	Standard & Poor's
General obligation bonds	Aa2	A+
Revenue bonds	N/A	N/A

Request for Information

This financial report is to provide the District directors, citizens, taxpayers, customers, bondholders, creditors, and other governmental sectors with a general overview of the District's financial condition and to demonstrate the District's accountability for the funds it receives.

If you have any questions regarding this report or need additional information, please contact:

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BASIC FINANCIAL STATEMENTS

Laguna Madre Water District
Statement of Net Position and Governmental Funds Balance Sheet

September 30, 2018	General Fund	Emergency Preparation and Recovery Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 2)	Statement of Net Position
Assets							
Cash and cash equivalents	$ 4,099,910	$ -	$ -	580,538	$ 4,680,448	$ -	$ 4,680,448
Certificates of deposit	2,019,367	-	-	402,301	2,421,668	-	2,421,668
Receivables, (net):						-	
Taxes	-	-	113,845	-	113,845	-	113,845
Accounts	701,324	-	-	570,938	1,272,262	-	1,272,262
Miscellaneous	38,102				38,102	-	38,102
Internal receivables	326,053	-	5,117	609,359	940,529	(940,529)	-
Inventories	520,778	-	-	-	520,778	-	520,778
Prepaid expenses	72,776	-	-	-	72,776	-	72,776
Restricted assets:							
Cash and cash equivalents	122,946	1,054,433	1,820,846	160,733	3,158,958	-	3,158,958
Certificates of deposit	402,886	1,012,155	1,260,411	-	2,675,452	-	2,675,452
Capital assets not being depreciated:							
Land	-	-	-	-	-	1,411,177	1,411,177
Construction in progress	-	-	-	-	-	11,883,329	11,883,329
Capital assets net of accumulated depreciation:							
Buildings and improvements	-	-	-	-	-	3,256,494	3,256,494
Improvements other than buildings	-	-	-	-	-	7,696,865	7,696,865
Machinery and equipment	-	-	-	-	-	715,379	715,379
Infrastructure	-	-	-	-	-	56,106,600	56,106,600
Bond insurance	-	-	-	-	-	47,668	47,668
Total Assets	8,304,142	2,066,588	3,200,219	2,323,869	15,894,818	80,176,983	96,071,801
Deferred Outflows of Resources							
Deferred charge on refunding	-	-	-	-	-	138,921	138,921
Deferred outflows related to pension	-	-	-	-	-	381,205	381,205
Total Deferred Outflows of Resources	-	-	-	-	-	520,126	520,126