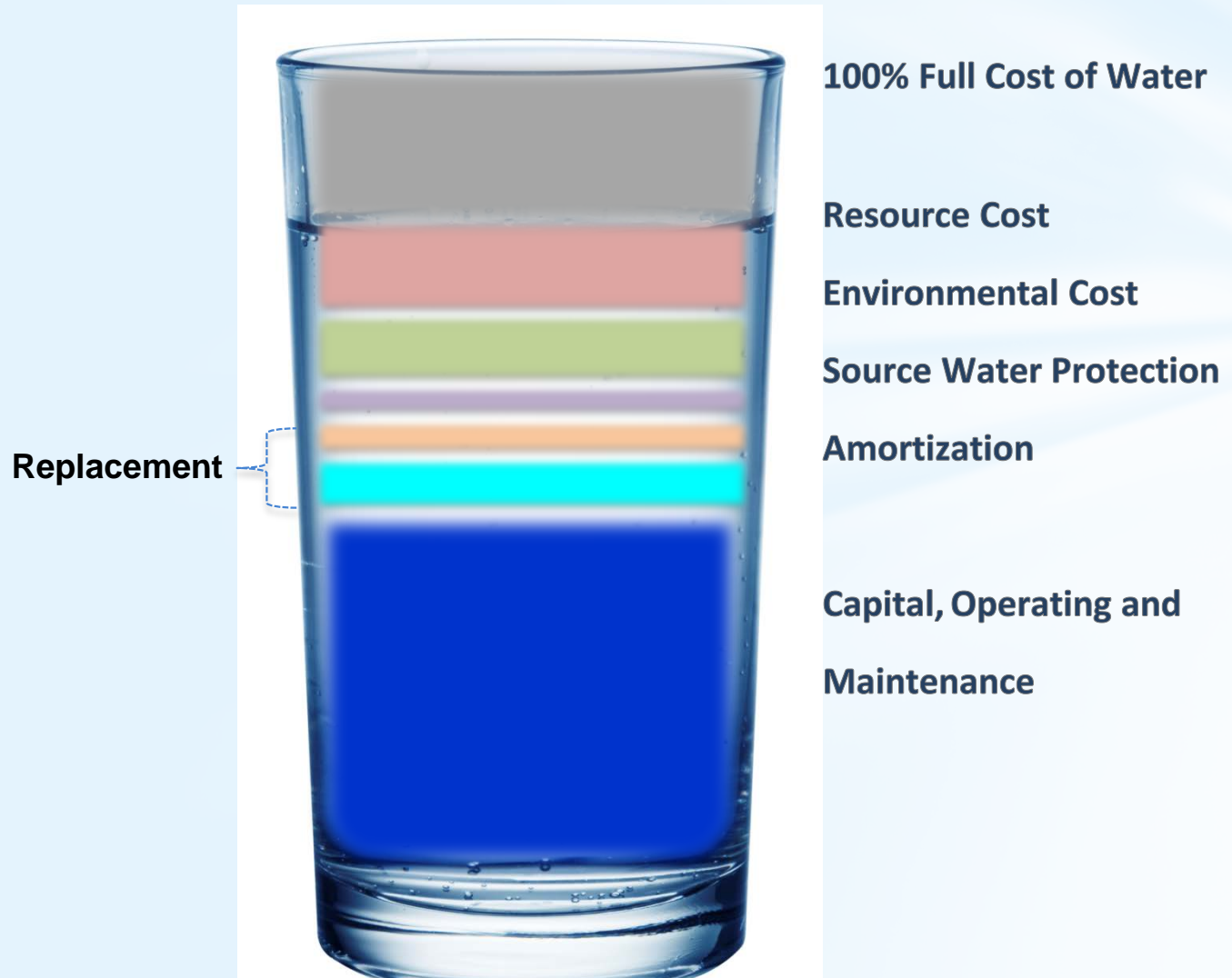


Progressive Planning for financially robust water systems



Full Cost of Water?



Understanding your...

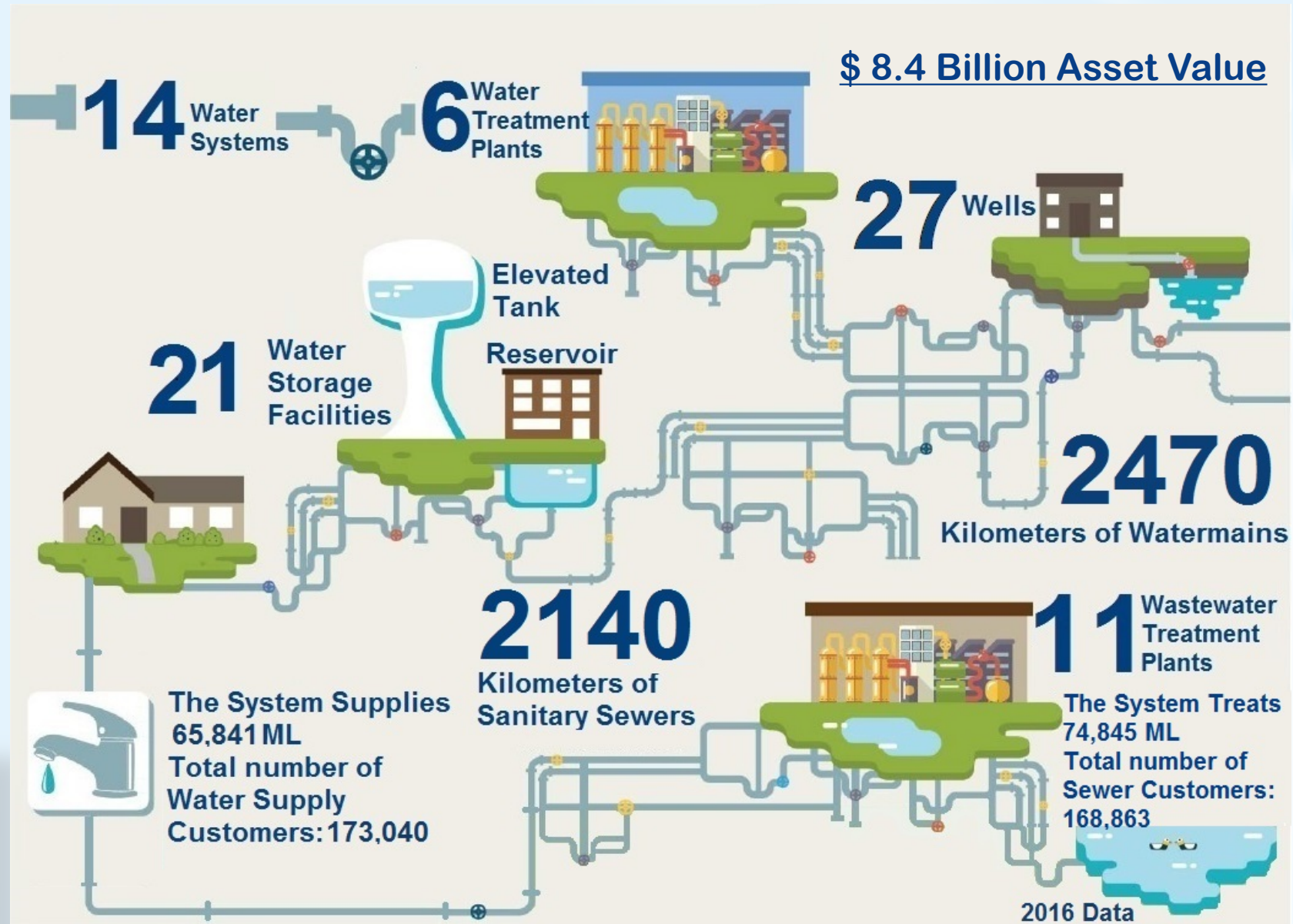
System

User Rate Structure

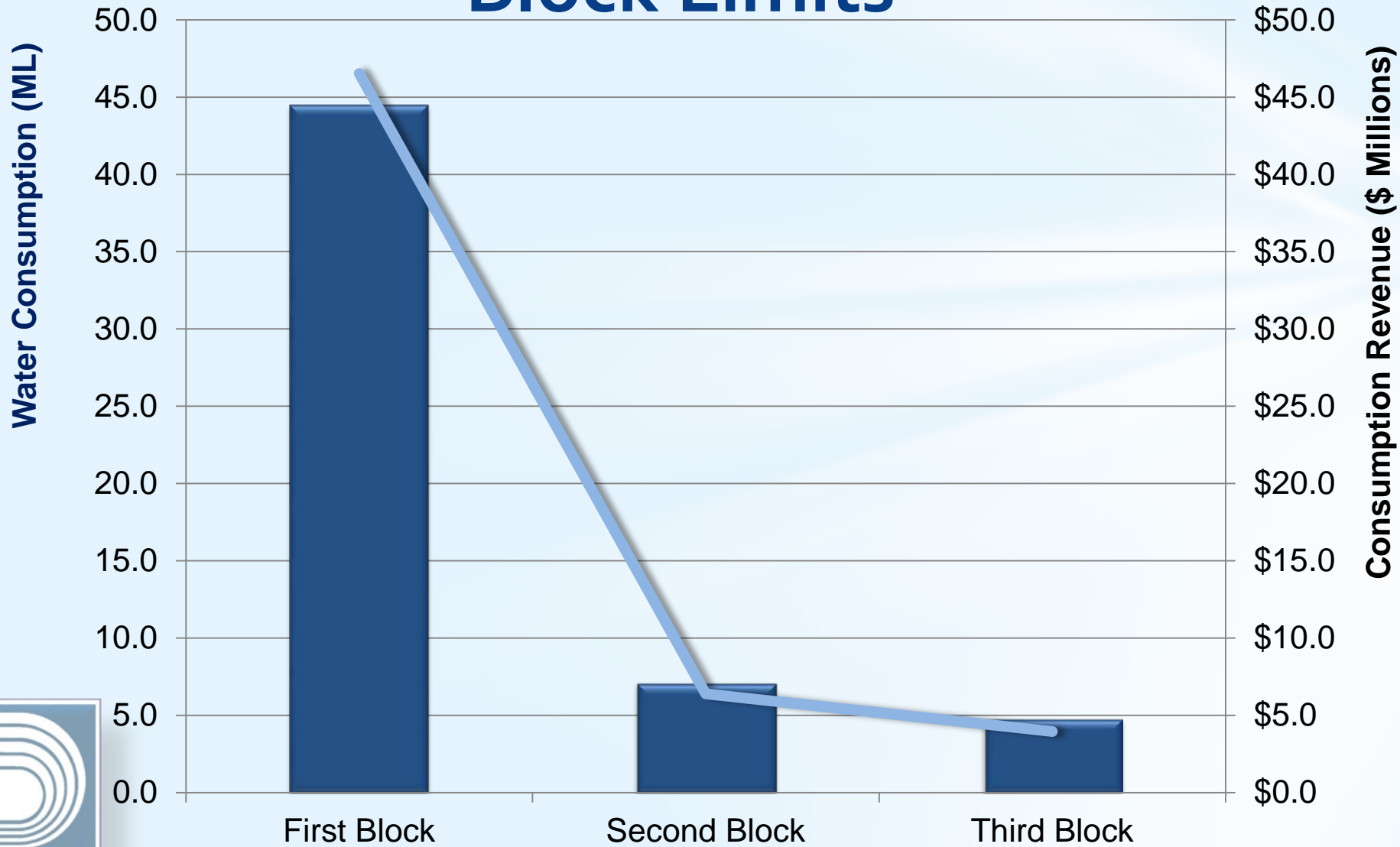
Risks



A Complex and Growing System



Water Consumption vs Revenue by Block Limits



Risks

Risk Component	Sensitivity Assumption	Water / Sewer Impact (\$)
Customer Growth	1% change	\$0.6 million
Customer Consumption	100 million gallons	\$1.3 million
Electricity	5% rate increase	\$0.8 million
Debt Charges	1% interest rate increase	\$2.3 million
Development Charges	100 single detached units	\$1.6 million

Risks include potential for economic decline which reduces usage, input price increases and implications from new and current legislation

Efficient Allocation may not induce water savings

Environmental Sustainability

Economic Sustainability

Policy Spectrum

Environmental Requirements Increase Costs

Priority Access To High Economic Users Vs. Basic Needs

Financial Sustainability

**Social Concerns/
Affordability**

Full Cost Pricing may negatively impact affordability





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