

Western Municipal Water District

Financial Justification for Proposed Water Rates

Effective Date: May 11, 2009

Murrieta Service Area

Treated Water

Uses of Revenue ("Revenue Requirement")

Purchased Water	\$ 1,396,000
Transmission & Distribution	715,000
Source of Supply	380,000
Water Pumping - Booster	56,000
Customer Accounts	76,000
Major Maintenance / Asset Replacement Reserve	325,000
General & Administrative Expenses	493,000
Total Uses of Revenue	<u>3,441,000</u>

Sources of Revenue

Water Sales and Service Revenue using Current Rates	3,012,000
Water Standby Charges	138,300
Total Sources of Revenue	<u>3,150,300</u>

Shortfall of Revenue

\$ (290,700)

Shortfall Covered By:

Additional Revenue from Proposed Rates	448,000
Property Tax Revenue	3,800
Total Transferred to Operating Reserve ⁽¹⁾	<u>\$ 161,100</u>

(1) Surplus revenue will be applied toward future capital expenditures.