

# Western Municipal Water District

Financial Justification for Proposed Water Rates

Effective Date: May 11, 2009

# Rainbow/Rock Mtn Service Area

Treated Water

## Uses of Revenue ("Revenue Requirement")

Purchased Water	\$	22,000
Transmission & Distribution		26,000
Source of Supply		23,000
Water Pumping - Booster		23,000
Customer Accounts		2,000
Major Maintenance / Asset Replacement Reserve		13,500
General & Administrative Expenses		7,000
<b>Total Uses of Revenue</b>		<b>116,500</b>

## Sources of Revenue

Water Sales and Service Revenue using Current Rates		32,200
<b>Total Sources of Revenue</b>		<b>32,200</b>

## Shortfall of Revenue

**\$ (84,300)**

## Shortfall Covered By:

Additional Revenue from Proposed Rates		7,800
Reduction in Funding of the Major Maintenance / Asset Replacement Reserve <sup>(1)</sup>		13,500
Property Tax Revenue		25,000
Transfer from Prior Years' Operating Reserve <sup>(2)</sup>		38,000
<b>Total</b>	<b>\$</b>	<b>84,300</b>

(1) Proposed rates are insufficient to fully fund the Major Maintenance / Asset Replacement Reserve.

(2) Prior years' operating reserves are being used since proposed rates are insufficient to meet the revenue requirement presented above.