

Western Municipal Water District

Financial Justification for Proposed Water Rates
Effective Date: May 11, 2009

Riverside Service Area

Treated Water
Full Service and Agricultural

Uses of Revenue ("Revenue Requirement")

Purchased Water	\$ 16,446,000
Transmission & Distribution	3,694,000
Water Pumping - Booster	1,729,000
Customer Accounts	430,000
Source of Supply	338,000
Major Maintenance / Asset Replacement Reserve	2,490,000
General & Administrative Expenses	4,074,000
Other Expense	588,000
Total Uses of Revenue	<u>29,789,000</u>

Sources of Revenue

Water Sales and Service Revenue using Current Rates	19,757,000
Interest Revenue	1,200,000
Total Sources of Revenue	<u>20,957,000</u>

Shortfall of Revenue

\$ (8,832,000)

Shortfall Covered By:

Additional Revenue from Proposed Rates	3,922,000
Property Tax Revenue	4,910,000
Total	<u>\$ 8,832,000</u>

Note: total Riverside Treated Water cost center property tax revenue is projected to be \$7.6 million.
The balance of property tax revenue not used to cover the shortfall presented above is earmarked for capital projects.