

EXHIBIT A

WATER FEE PROPOSAL

The proposed increased water fee is broken down into four components as described below:

Table 1 - Flat Monthly Water Fee

The first component is a flat monthly water fee, which (includes zero gallons of water) includes all operations, maintenance and administrative costs to maintain the water system over a five year period starting on July 1, 2016.

TABLE 1 - PROPOSED MONTHLY FLAT FEE (Which Includes All of the Cost to Operate and Maintain the Water System) YEAR ONE THROUGH YEAR FIVE						
Service Connection Type	# of EWU Per Parcel	Proposed Effective 7/1/2016	Proposed Effective 7/1/2017	Proposed Effective 7/1/2018	Proposed Effective 7/1/2019	Proposed Effective 7/1/2020
Residential	1	\$41.70	\$40.25	\$40.75	\$41.25	\$42.14
Clubhouse	2	\$83.40	\$80.50	\$81.50	\$82.50	\$84.28
Guard Shack	1	\$41.70	\$40.25	\$40.75	\$41.25	\$42.14
Restroom	1	\$41.70	\$40.25	\$40.75	\$41.25	\$42.14
Golf Course	1	\$29,759	\$32,909	\$32,474	\$33,995	\$35,733

Table 2 - Base Tier Monthly Metered Water Fee

The second component is the Base Tier, a metered fee for water purchase, to be charged based on actual monthly water usage.

Table 2 - Tier I Water Fees

The third component is Tier I, a metered fee designated to build reserves to add 0.5 ac-ft. of water treatment capacity for delivery of finished water to each one of the existing lots of record in CSA 34A.

Table 2 - Tier II Water Fees

The forth component is Tier II, a metered fee designated to build reserves to purchase water on the open market for the total annual volume of projected water usage in excess of the approximately 1.05 ac-ft. annual usage per water service in CSA 34A.

TABLE 2 - TIERED WATER USAGE FEES - YEAR ONE THROUGH YEAR FIVE						
All Service Connection Types	Effective 7/1/2016	Effective 7/1/2017	Effective 7/1/2018	Effective 7/1/2019	Effective 7/1/2020	Allotted Usage
Base Tier	\$5.61 per 1,000 gal	\$5.75 per 1,000 gal	\$5.99 per 1,000 gal	\$6.26 per 1,000 gal	\$6.40 per 1,000 gal	13,500 gallons per month
Tier I	\$6.06 per 1,000 gal	\$6.21 per 1,000 gal	\$6.47 per 1,000 gal	\$6.76 per 1,000 gal	\$6.91 per 1,000 gal	13,501 to 27,000 gallons per month
Tier II	\$6.46 per 1,000 gal	\$6.62 per 1,000 gal	\$6.90 per 1,000 gal	\$7.21 per 1,000 gal	\$7.37 per 1,000 gal	27,001 + gallons per month
GOLF COURSE	\$3.03 per 1,000 gal	\$2.99 per 1,000 gal	\$3.13 per 1,000 gal	\$3.29 per 1,000 gal	\$3.36 per 1,000 gal	400 AF Raw Water

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Table 3 - Example Total Monthly Metered Water Fee

Examples of possible total monthly metered water fees in Table 3 includes the Flat Fee plus the Base Tier for up to 13,500 gallons of water (approximately 0.5 AF per parcel per year).

TABLE 3 - EXAMPLE TOTAL PROPOSED MONTHLY WATER FEE BASED ON 13,500 GALLONS OF WATER USAGE					
Service Connection Type	Proposed Effective 7/1/2016	Proposed Effective 7/1/2017	Proposed Effective 7/1/2018	Proposed Effective 7/1/2019	Proposed Effective 7/1/2020
Residential	\$117.44	\$117.88	\$121.62	\$125.76	\$128.54
Clubhouse	\$234.88	\$235.76	\$243.24	\$251.52	\$257.08
Guard Shack	\$117.44	\$117.88	\$121.62	\$125.76	\$128.54
Restroom	\$117.44	\$117.88	\$121.62	\$125.76	\$128.54
Golf Course (Based on 400 ac-ft. per year)	\$32,911	\$32,476	\$33,997	\$35,735	\$36,495

SEWER FEE PROPOSAL

The proposed new sewer fee is described below:

Table 4 - Monthly Flat Sewer Fee

The engineer also analyzed the average cost of the sewer system operations and maintenance, and administration over three years to develop and establish a flat fee for sewer services. The sewer service fee includes the cost to provide sewer services, operation and maintenance of the sewer system and for sewage collection services. Due to a base cost error in the calculations for FY13-14, the Sewer rate has been reduced from the amount shown in the Engineer's Report.

TABLE 4 - MONTHLY SEWER FLAT FEE					
Service Connection Type	Proposed Effective 7/1/2016	Proposed Effective 7/1/2017	Proposed Effective 7/1/2018	Proposed Effective 7/1/2019	Proposed Effective 7/1/2020
Residential	*\$107.12	*\$102.66	\$125.99	\$128.01	\$130.78
Guard Shack	*\$107.12	*\$102.66	\$125.99	\$128.01	\$130.78
Restroom	*\$107.12	*\$102.66	\$125.99	\$128.01	\$130.78
Clubhouse	*\$214.24	*\$205.32	\$251.98	\$256.02	\$261.56

***In the first two years of the fee increase the developers whose property is allocated the excess capacity in the sewer plant have agreed to subsidize \$21.53 per equivalent sewer connection, per month, reducing the fee to \$107.12 per month in the first year and reducing the fee to \$102.66 per month in the second year**

The proposed fees also include inflation increases of 1.026% annually over a five-year period (effective July 1st of each year beginning on July 1, 2017, with the last increase to occur on July 1, 2020).