

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 <u>FLAT</u> WATER USAGE FEE - YEAR ONE THROUGH YEAR FIVE						
Service Connection Type	# of EBU Per Parcel	Proposed Fee Effective 7/1/2016	Proposed Fee Effective 7/1/2017	Proposed Fee Effective 7/1/2018	Proposed Fee Effective 7/1/2019	Proposed Fee Effective 7/1/2020
Residential	1	\$23.50	\$22.05	\$22.50	\$22.95	\$23.45

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 acrea feet (AF) of water treatment capacity for delivery of finished water to each one of the existing lots of record in CSA 34C, and to build reserves to purchase water on the open market for the total annual volume of projected water usage in excess of the approximately 0.5 AF annual usage per year per water service connection in CSA 34C (Tier I and Tier II are identical for CSA 34C because each parcel only has 0.5 AF of treatment capacity and water supply, but CSA 34A has 0.5 AF treatment capacity and 1.05 AF water supply so the tiers are appropriately gradual).

Table 2 - Tier II Water Fees

The fourth component is Tier II, a metered fee designated to build reserves to add 0.5 AF of water treatment capacity for delivery of finished water to each one of the existing lots of record in CSA 34C, and to build reserves to purchase water on the open market, if needed for the total annual volume of projected water usage in excess of the approximately 0.5 AF annual usage per year per water service connection in CSA 34C.

TABLE 2 - PROPOSED <u>TIERED</u> WATER USAGE FEES - YEAR ONE THROUGH YEAR FIVE						
Residential	Proposed Fee Effective 7/1/2016	Proposed Fee Effective 7/1/2017	Proposed Fee Effective 7/1/2018	Proposed Fee Effective 7/1/2019	Proposed Fee 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/month
Tier I	\$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	13,501-27,000 gallons/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/month

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 6,200 gallons of water (6,200 gallons per month is the current per parcel average water usage in 2015).

EXAMPLE OF TOTAL PROPOSED MONTHLY WATER FEE BASED ON AVG OF 6,200 GALLONS OF WATER USAGE					
Service Connection Type	Proposed Fee Effective 7/1/2016	Proposed Fee Effective 7/1/2017	Proposed Fee Effective 7/1/2018	Proposed Fee Effective 7/1/2019	Proposed Fee Effective 7/1/2020
Residential	\$58.28	\$57.70	\$59.64	\$61.76	\$63.13

SEWER FEE PROPOSAL

The proposed increased 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.

Table 4 - MONTHLY <u>SEWER FLAT FEE</u>					
Service Connection Type	Effective 7/1/2016	Effective 7/1/2017	Effective 7/1/2018	Effective 7/1/2019	Effective 7/1/2020
Residential	*\$75.00	*\$70.96	\$94.49	\$96.56	\$98.65

***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 residential connection, per month, reducing the fee to \$75.00 in the first year and reducing the fee to \$70.96 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).