

EXHIBIT B

Proposed New Water Fee Structure

The new proposed water fee structure is comprised of two components, a “base water service fee” and a “water usage fee”. The proposed “base water service fee” is calculated by averaging annual costs to 1.) operate, maintain and administer the water distribution facilities and services for CSA 47 over three years, 2.) adjust to account for inflation, and 3.) includes up to 5,000 gallons of water per connection per month. The proposed “water usage fee” is applied to water usage in excess of 5,000 gallons per connection per month, and billed on a bi-monthly basis for water services.

The following tables detail the two components of the water service fee:

Table 1 - Base Water Service Fee

The first component is a “base water service fee”, which includes 5,000 gallons of water per month. The “base water service fee” accounts for all operations, maintenance and administrative costs needed to maintain the water system over a five year period starting, November 1, 2016.

TABLE 1 - PROPOSED NEW BASE WATER FEE (include 5,000 gal of water) - YEAR ONE THROUGH YEAR FIVE					
All Service Connection Types	Proposed MONTHLY Fee Effective 11/1/2016	Proposed MONTHLY Fee Effective 11/1/2017	Proposed MONTHLY Fee Effective 11/1/2018	Proposed MONTHLY Fee Effective 11/1/2019	Proposed MONTHLY Fee Effective 11/1/2020
New Base Water Fee	\$17.35	\$17.87	\$18.41	\$18.96	\$19.53

Table 2 - Monthly Water Usage Fee

The second component is the water usage fee, to be charged based on actual monthly water usage for each 1,000 gallons used in excess of 5,000 gallons.

TABLE 2 - PROPOSED NEW WATER USAGE FEE - YEAR ONE THROUGH YEAR FIVE					
All Service Connection Types	Proposed Fee Effective 11/1/2016	Proposed Fee Effective 11/1/2017	Proposed Fee Effective 11/1/2018	Proposed Fee Effective 11/1/2019	Proposed Fee Effective 11/1/2020
New Water Usage Fee	\$2.35 per 1,000 gal exceeding 5,000 gal	\$2.42 per 1,000 gal exceeding 5,000 gal	\$2.50 per 1,000 gal exceeding 5,000 gal	\$2.58 per 1,000 gal exceeding 5,000 gal	\$2.66 per 1,000 gal exceeding 5,000 gal

The proposed water fees also include inflation adjustments of 3.0% annually over a five-year period (effective November 1st of each year beginning on November 1, 2017, with the last adjustment to occur on November 1, 2020).

EXHIBIT B

Explanation of the Proposed Increased Sewer Fee

The proposed increased sewer fee is comprised of a monthly flat fee that will be billed on a bi-monthly basis for sewer services.

Table 1 - Monthly Flat Sewer Fee For Sewer Services

The engineer analyzed the average cost of the sewer system operations and maintenance, and administration over three years to develop a flat fee for sewer services. The sewer service fee includes the cost to deliver sewer services, operation and maintenance of the sewer system and for sewage collection services.

Table 1 - MONTHLY SEWER FLAT FEE					
Service Connection Type	Effective 11/1/2016	Effective 11/1/2017	Effective 11/1/2018	Effective 11/1/2019	Effective 11/1/2020
Residential	\$75.55	\$77.82	\$80.15	\$82.56	\$85.03
Service Connection Type	Effective 11/1/2016	Effective 11/1/2017	Effective 11/1/2018	Effective 11/1/2019	Effective 11/1/2020
Quail Lake Elementary School	\$34.75 per Student, Faculty or Staff	\$35.79 per Student, Faculty or Staff	\$36.87 per Student, Faculty or Staff	\$37.97 per Student, Faculty or Staff	\$39.11 per Student, Faculty or Staff

Billing to Quail Lake Elementary School is based on a census which the School shall provide to County staff at the beginning of each school year. If County staff do not receive a census by September 30 of each year, Quail Lake Elementary School shall be billed for a total population of 598 students, faculty, and staff.

The proposed increased sewer fee also include inflation adjustments of 3.0% annually over a five-year period (effective November 1st of each year beginning on November 1, 2017, with the last adjustment to occur on November 1, 2020).