

## 2007 Rate Structure with Proposed 4th Tier

### 2007 Utility Rate Structure:

Base Water Monthly Rate of \$5.36 for each connected user  
 Base Sewer Monthly Rate of \$8.42 for each connected user

#### Water Usage Per Gallon Breakdown

\$2.03 For Usage 0-6,000  
 \$2.24 For Usage 7,000-12,000  
 \$2.41 For Usage 13,000 and higher  
 \$4.25 Per 1,000 gallon if user exceeds 25,000 gallon  
 irrigation limit plus average winter usage

#### Sewer Usage Per Gallon Breakdown

\$3.52 For Usage 0-2,000 gallons  
 \$3.93 For Usage 2,000-7,000 gallons  
 \$4.34 For Usage 8,000 gallons and over

By industry standards, 1 inch of water per week is enough to keep a green, vibrant lawn.

The average lot size in Waconia is 10,000 square feet.  
 Formula used to calculate customers effected by the 4th tier watering rate:

10,000	Square Feet (average lot size)
x	<b>Times</b>
1/12	per foot per week (=1 inch per week)
x	<b>Times</b>
7.48	gallons per cubic foot
x	<b>Times</b>
4.3	weeks per month

**approx. 25,000 gallons of water per month (actual calculation = 26,803.33)**

For Example: If the average family uses 7,000 gallons on average in the winter months (November to April), they would be allowed a total usage amount of 32,000 gallons for their summer months (May to October).

If this family uses a total of 42,000 gallons of water in July, they would be charged the 4th tier watering rate for ALL of their water usage. (42 x \$4.75 = \$199.50)



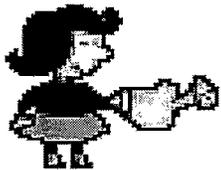
**Customer #1**

Average Winter Usage is: 5,000 gallons  
 Average Winter Monthly Bill (for water alone): \$15.20

Average Summer Usage is: 35,000 gallons  
 Monthly Bill (for water alone) Current Rates: \$84.67

With 1 inch per week allowance for watering, customer #1 can use a total of 30,000 gallons of water per month in the summer months. Because he has gone over the allowed amount of water for irrigating, all of his usage is subject to the 4th tier water rate.

<b>Monthly Bill (for water alone) 4th Tier Rates:</b>	<b>\$166.25</b>
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**Customer #2**

Average Winter Usage is: 9,000 gallons  
 Average Winter Monthly Bill (for water alone): \$23.79

Average Summer Usage is: 42,000  
 Monthly Bill (for water alone) Current Rates: \$101.19

With 1 inch per week allowance for watering, customer #2 can use a total of 34,000 gallons of water per month in the summer months. Because she has gone over the allowed amount of water for irrigating, all of her usage is subject to the 4th tier water rate.

<b>Monthly Bill (for water alone) 4th Tier Rates:</b>	<b>\$199.50</b>
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**Customer #3**

Average Winter Usage is: 3,000 gallons  
 Average Winter Bill (for water alone): \$11.22

Average Summer Usage is: 15,000 gallons  
 Monthly Bill (for water alone) Current Rates: \$37.47

With 1 inch per week allowance for watering, Customer #3 can use a total of 28,000 gallons of water per month in the summer months. Because he has not gone over the allowed amount of water for irrigating, his rate per 1,000 gallon will not be affected by the 4th tier rate structure, but will be calculated under the main rate structure.

<b>Monthly Bill (for water alone) :</b>	
Base Rate	\$5.25
0-6,000 gallons at \$1.99	\$11.94
6,001 to 12,000 gallons at \$2.20	\$13.20
Gallons over 12,001 at \$2.36	\$7.08
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	<b>\$37.47</b>