

# Utility Rate & Fee Study

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## St. Mary's Metropolitan Commission

**Water & Sewer Rate Study Stakeholder Presentation  
February 2, 2015**

Presented By:  
Andrew Burnham, Senior Vice President

# Introduction of Burton & Associates

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- ▶ Multi-year financial planning and rate services to local governments since 1988 (Nearly 1,000 studies)
- ▶ Dynamic interactive models & decision support process
- ▶ National stature & recognized as experts in utility rates
  - ▶ AWWA Manual M-54 Developing Rates for Small Systems
  - ▶ Provided testimony in various state and federal proceedings
- ▶ Serve clients in various parts of the country
  - ▶ Alabama, Arizona, Florida, Georgia, Maryland, Michigan, Mississippi, Missouri, North Carolina, Texas, Virginia
- ▶ Andrew Burnham – Project Manager
  - ▶ 13+ years of experience, 500+ similar studies
  - ▶ Supported the issuance of \$1 Billion in public utility debt
  - ▶ Member of the Rates & Charges Committee of the AWWA

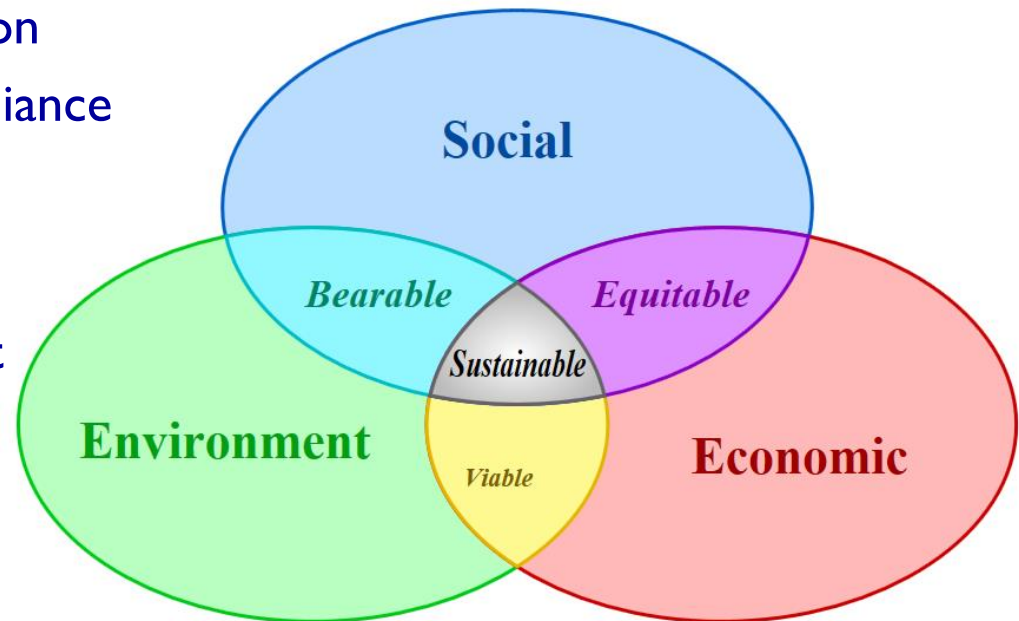
# Overview of the Study Components

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- ▶ Perform a comprehensive analysis of the rates/fees for:
  - ▶ Water and Sewer Operations (General Fund)
    - ▶ *Excludes System Improvement & Capital Contribution Charges*
  - ▶ Develop multi-year projection model for future use by staff
- ▶ Core components of the study:
  - ▶ Revenue Sufficiency Analysis
  - ▶ Rate Structure Analysis
- ▶ Additional study components:
  - ▶ Rate Survey/Benchmarking
  - ▶ Assistance with the update of miscellaneous service charges

# Objective of the Study: Sustainability

- ▶ Rates need to balance all aspects of sustainability:
- ▶ Social
  - ▶ Fair & equitable distribution of costs to customers
  - ▶ Promote public policy & quality of life objectives
- ▶ Environmental
  - ▶ Promote resource conservation
  - ▶ Fund cost of regulatory compliance
- ▶ Economical
  - ▶ Satisfy operating costs
  - ▶ Fund minor asset replacement
  - ▶ Meet financial policies
  - ▶ Provide fiscal stability





# **Revenue Sufficiency Analysis:** Multi-Year Financial Management Plan

# Key Data & Assumptions

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- ▶ Expected Operating Cost Inflation (Annual average of 3.7%)
  - ▶ Hospitalization & Life Insurance: 8.0% per year
  - ▶ Insurance: 6.0% per year
  - ▶ Chemicals, Fuel, Electricity, Sludge Removal, Utilities: 5.0% per year
  - ▶ Salaries: 4.5%
  - ▶ Computer Services: 4%
  - ▶ All Others: 2.5% per year
- ▶ Funding of minor asset replacement (depreciation)
  - ▶ Approximately \$700k per year on average (3-year rolling average)
- ▶ Assumed customer growth of 1% per year
  - ▶ Approximately 150 water and 180 sewer customers per year
- ▶ **Assumptions are used for projection purposes only, and rates will be developed annually per the budget process**
- ▶ Establishment of appropriate reserve policy (see next slide)

# General Fund Reserve Recommendation

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- ▶ Recommendation considers guidance from industry associations, observed practices, and criteria of rating agencies
- ▶ **Two Part Reserve Target:**
- ▶ Operating Reserve
  - ▶ Purpose: Cash flow, emergencies, and revenue/expenditure variances
  - ▶ Recommended Level: 6 months of O&M Expenses (\$6.8M in FY 15)
- ▶ Capital Reserve
  - ▶ Purpose: Provide liquidity/interim funding for capital projects
  - ▶ Recommended Level: \$3.5 Million
- ▶ Total General Fund Reserve
  - ▶ Recommended Level: \$10.3M in FY 2015
  - ▶ Current balance per staff: \$9.4M

# Revenue Sufficiency Analysis: Results

- ▶ Identified Plans of Rate Revenue Increases That:
  - ▶ Fund annual operating requirements of each system
  - ▶ Achieve/maintain recommended reserve levels
  - ▶ That are very comparable to national industry trends (see next slide)

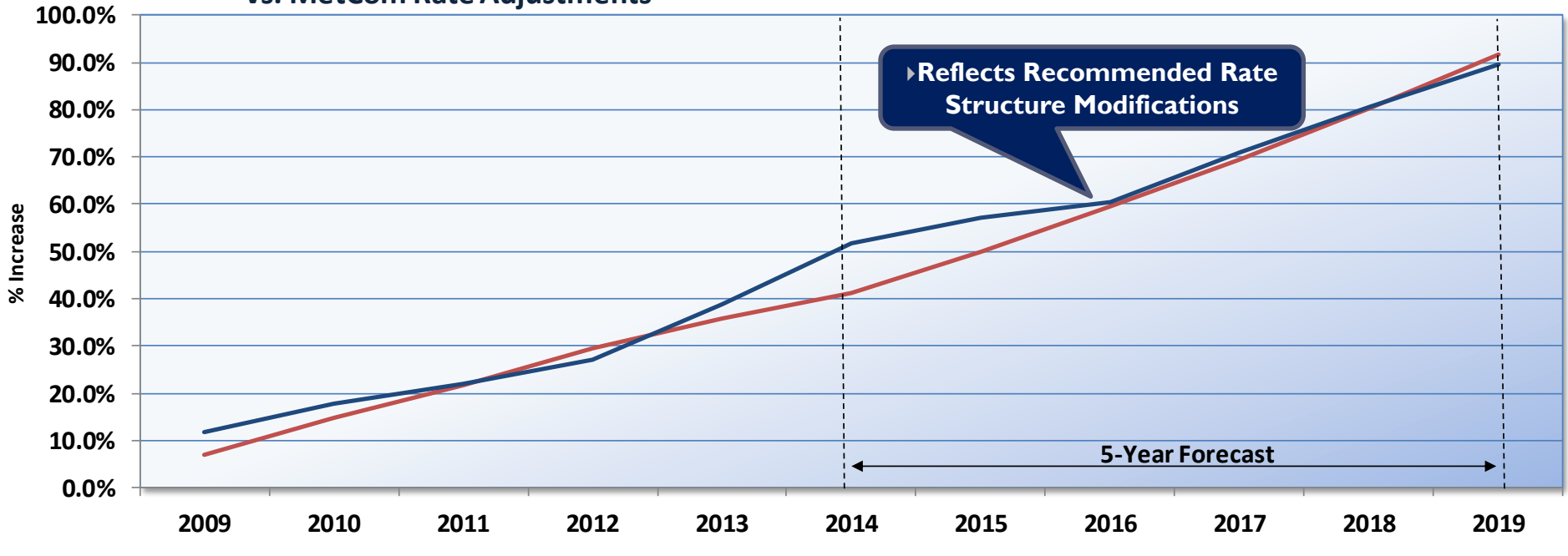
| Service        | FY 15  | FY 16* | FY 17  | FY 18  | FY 19  |
|----------------|--------|--------|--------|--------|--------|
| Effective Date | 7/1/14 | 7/1/15 | 7/1/16 | 7/1/17 | 7/1/18 |
| Water          | 0.00%  | 3.00%* | 3.00%  | 3.00%  | 3.00%  |
| Sewer          | 3.67%  | 3.75%* | 3.75%  | 3.75%  | 3.75%  |

- ▶ \*Recommended rate structure will recover the amount of additional revenue, but would result in changes to rates that would affect customers differently depending upon their meter size and water use



# National Industry Trends

US CPI - Water & Sewerage Maintenance Series vs. MetCom Rate Adjustments



- ▶ US CPI – W&S Series effectively measures the national average increase in water/sewer rates
- ▶ Average annual increase of 6% per year over the past 5 and 10 years; 5% over the past 20 years
- ▶ MetCom’s annual increases (service fees & system improvement charges combined) are very comparable
  - ▶ Annual increases based upon cost to typical residential user (5,000 gallons of monthly water use)



# **Rate Structure Analysis:**

## Recommended Rate Structure for FY 2016

# Process & Approach

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- ▶ The revenue sufficiency analysis determines the revenue requirements that are used for the rate structure analysis
- ▶ Identified and evaluated alternative rate structures that:
  - ▶ Reflect a fair and equitable distribution of the current cost of service,
  - ▶ Conform to industry practice and legal precedent
  - ▶ Are technically sound and easy to administer
  - ▶ Are consistent with your policies & objectives (affordability, conservation, etc.)
- ▶ Our approach is to provide a complete understanding of:
  - ▶ Advantages and disadvantages of various rate structures, and
  - ▶ The customer impacts of any potential changes
- ▶ Developed recommended rates for implementation in FY 2016
  - ▶ Includes level of identified revenue increases from revenue sufficiency analysis
  - ▶ Allows for completion of meter program & stakeholder outreach in FY 2015

# Recommended Modifications

- ▶ **Establish monthly readiness-to-serve charge**
  - ▶ Recover portion of fixed costs of system from users based upon potential demand
  - ▶ Scale fee based upon size of meter using AWWA maximum flow rates
  - ▶ Very common industry practice; provides fiscal stability (see next slide)
- ▶ **Remove minimum monthly billed usage amount**
  - ▶ Bill actual consumption based upon recommended usage rates
  - ▶ Avoids low volume users paying for something they don't use
- ▶ **Establish an inclining block water usage rate structure**
  - ▶ Provides affordability for low/average users and promotes water conservation
  - ▶ First tier: Essential domestic requirements for typical residence (lowest rate)
  - ▶ Second tier: Reasonable amount of irrigation for typical residence (higher rate)
  - ▶ Third tier: All remaining usage (highest rate)
  - ▶ Amount of usage in each tier scaled by meter size
- ▶ **Updated non-metered service rates**
  - ▶ Equal to readiness-to-serve charge plus usage charges for typical user (5,000 gal.)
  - ▶ Bill residential sewer accounts metered rates (currently billed non-metered rates)

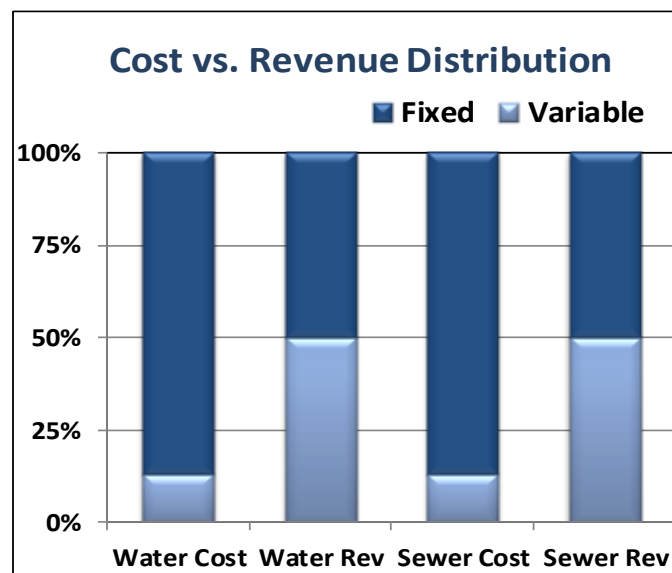
# Key Issue: Fixed Cost Recovery

- ▶ Industry practice is a two-part rate structure; fixed & variable charges
  - ▶ Utilities incur substantial fixed costs to maintain a state of readiness-to-serve
- ▶ Rating Agencies/Industry Practice: More than 30% of revenue from fixed charges

| Components of FY 2015 Utility Costs | Water Cost         |               | Sewer Cost         |               |   |
|-------------------------------------|--------------------|---------------|--------------------|---------------|---|
|                                     | Amount             | % of Total    | Amount             | % of Total    |   |
| Personnel Costs                     | \$1,044,517        | 21.7%         | \$2,348,249        | 26.7%         |   |
| Variable Operating Costs            | \$638,000          | 13.3%         | \$1,153,650        | 13.1%         | <i>Variable Operating Costs generally increase or decrease as system demand increases/decreases, and include power, chemicals, and sludge removal expenses. All other costs are generally fixed and independent of system demand.</i> |
| Fixed Operating Costs               | \$807,488          | 16.8%         | \$1,240,033        | 14.1%         |   |
| Capital Outlay/Depreciation         | \$230,000          | 4.8%          | \$240,000          | 2.7%          |   |
| Administrative & General Expenses   | \$1,685,520        | 35.0%         | \$3,209,881        | 36.5%         |   |
| Engineering Expenses                | \$408,812          | 8.5%          | \$613,218          | 7.0%          |   |
| <b>Total Annual Costs</b>           | <b>\$4,814,337</b> | <b>100.0%</b> | <b>\$8,805,031</b> | <b>100.0%</b> |   |

| Water System   | Fixed | Variable |
|--|-------|----------|
| Operating Expenses   | 86.7% | 13.3%    |
| Operating Revenue  | 50.0% | 50.0%    |
| <i>Avg. Fixed/Usage Fee Split of Other Local Entities<br/>(Based on 6,000 Gall/Month Residential Bill)</i> | 35.7% | 64.3%    |

| Sewer System   | Fixed | Variable |
|--|-------|----------|
| Operating Expenses   | 86.9% | 13.1%    |
| Operating Revenue  | 50.0% | 50.0%    |
| <i>Avg. Fixed/Usage Fee Split of Other Local Entities<br/>(Based on 6,000 Gall/Month Residential Bill)</i> | 34.9% | 65.1%    |



# Single-Family Residential Customer Impact Analysis

| Single Family 5/8" Meter Monthly Water & Sewer Bill Calculations |                        |               |                 |                 |                  |  |
|--|------------------------|---------------|-----------------|-----------------|------------------|--|
| <u>Monthly Use (Gal)</u>   | <u>Est. % of Bills</u> | <u>Agg. %</u> | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>\$ Chg</u>    |  |
| 0  | 1.4%                   | 1.4%          | \$ 54.25        | \$ 23.90        | \$ (30.35)       |  |
| 1,000  | 5.2%                   | 6.6%          | \$ 54.25        | \$ 29.61        | \$ (24.64)       |  |
| 2,000  | 10.5%                  | 17.0%         | \$ 54.25        | \$ 35.32        | \$ (18.93)       |  |
| 3,000  | 13.9%                  | 30.9%         | \$ 54.25        | \$ 41.03        | \$ (13.22)       |  |
| 4,000  | 15.6%                  | 46.5%         | \$ 54.25        | \$ 46.74        | \$ (7.51)        |  |
| <b>5,000</b>   | <b>13.8%</b>           | <b>60.3%</b>  | <b>\$ 54.25</b> | <b>\$ 52.45</b> | <b>\$ (1.80)</b> |  |
| 6,000  | 12.4%                  | 72.7%         | \$ 54.25        | \$ 59.69        | \$ 5.44          |  |
| 7,000  | 7.7%                   | 80.3%         | \$ 57.32        | \$ 66.93        | \$ 9.61          |  |
| 8,000  | 5.3%                   | 85.6%         | \$ 60.39        | \$ 74.17        | \$ 13.78         |  |
| 9,000  | 3.5%                   | 89.2%         | \$ 63.46        | \$ 81.41        | \$ 17.95         |  |
| 10,000   | 2.5%                   | 91.7%         | \$ 66.53        | \$ 88.65        | \$ 22.12         |  |
| 15,000   | 0.6%                   | 97.0%         | \$ 81.88        | \$ 124.85       | \$ 42.97         |  |
| 20,000   | 0.3%                   | 98.7%         | \$ 97.23        | \$ 161.05       | \$ 63.82         |  |

- *Bill calculations do not include system improvement charges*
- *Residential accounts (single & multi-family) represent 94% of MetCom's customer base*

# Non-Residential Customer Impact Analysis

| Select Non-Residential Monthly Water & Sewer Bill Calculations |                   |            |              |              |             |  |
|--|-------------------|------------|--------------|--------------|-------------|--|
| User   | Monthly Use (Gal) | Meter Size | FY 14/15     | FY 15/16     | \$ Chg      |  |
| Texas Roadhouse Restaurant                                     | 30,000            | 5/8" & 2"  | \$ 153.04    | \$ 310.36    | \$ 157.32   |  |
| Lenny's Restaurant   | 20,000            | 1"         | \$ 163.28    | \$ 185.43    | \$ 22.15    |  |
| McDonald's   | 30,000            | 1.5"       | \$ 251.58    | \$ 298.45    | \$ 46.87    |  |
| Great Mills High School  | 580,000           | 4"         | \$ 4,765.12  | \$ 4,850.25  | \$ 85.13    |  |
| Lundeberg MD Seamanship School                                 | 2,580,000         | 2" & 8"    | \$ 21,143.11 | \$ 22,618.40 | \$ 1,475.29 |  |
| Extended Stay America  | 120,000           | 8"         | \$ 1,049.68  | \$ 2,597.20  | \$ 1,547.52 |  |
| Car Wash   | 60,000            | 5/8"       | \$ 489.84    | \$ 573.05    | \$ 83.21    |  |
| Executive Salons Suites  | 20,000            | 1"         | \$ 163.28    | \$ 185.43    | \$ 22.15    |  |
| 5th Exploration Corporate Office                               | 30,000            | 4"         | \$ 274.92    | \$ 768.80    | \$ 493.88   |  |
| Food Lion  | 30,000            | 6"         | \$ 294.92    | \$ 1,366.30  | \$ 1,071.38 |  |
| Target   | 110,000           | 8"         | \$ 968.04    | \$ 2,540.10  | \$ 1,572.06 |  |
| BH's Wholesale Club  | 80,000            | 2"         | \$ 663.12    | \$ 709.20    | \$ 46.08    |  |
| Bank Of America  | 10,000            | 5/8"       | \$ 81.64     | \$ 88.65     | \$ 7.01     |  |

- *Bill calculations do not include system improvement charges*
- *Non-Residential (i.e. Commercial) accounts represent 6% of MetCom's customer base*

# Multi-Family Residential Customer Impact Analysis

Select Multi-Family Residential Monthly Water & Sewer Bill Calculations

| User                     | Monthly Use (Gal) | EDU's | USE Per EDU | Meter Size                | FY 14/15     | FY 15/16     | \$ Chg.       |
|--------------------------|-------------------|-------|-------------|---------------------------|--------------|--------------|---------------|
| Green's at Hilton Run    | 992,050           | 333   | 2,979       | 5/8 & 1.5" (23) & 2" (12) | \$ 15,262.47 | \$ 10,841.08 | \$ (4,421.40) |
| Hickory Hills Townhouses | 275,360           | 171   | 1,610       | 1.5" (13)                 | \$ 7,067.06  | \$ 3,152.08  | \$ (3,914.99) |
| Indian Bridge Apts       | 249,360           | 112   | 2,226       | 6" (2)                    | \$ 4,878.50  | \$ 3,813.85  | \$ (1,064.65) |
| Victory Woods            | 155,610           | 75    | 2,075       | 5/8" & 4"                 | \$ 3,194.97  | \$ 2,103.05  | \$ (1,091.92) |
| Lex Park Senior Apts     | 139,790           | 112   | 1,248       | 5/8" & 8"                 | \$ 4,521.54  | \$ 2,734.10  | \$ (1,787.44) |

- *Bill calculations do not include system improvement charges*
- *Residential accounts (single & multi-family) represent 94% of MetCom's customer base*





# **Other Study Components:**

## Rate Comparisons

# FY 2015 Residential Bill Comparisons

## Combined Water & Sewer Charges

### Combined Water & Sewer Bill Survey at 6,000 Gallons per Month



### Combined Water & Sewer Bill Survey at 10,000 Gallons per Month

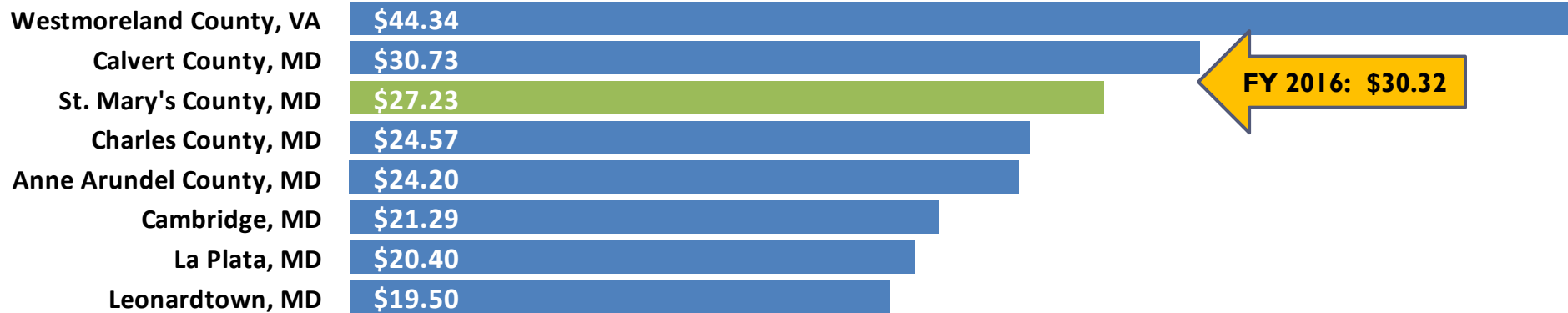


- ▶ 73% of residential bills were issued for 6,000 gallons per month or less
- ▶ 92% of residential bills were issued for 10,000 gallons per month or less

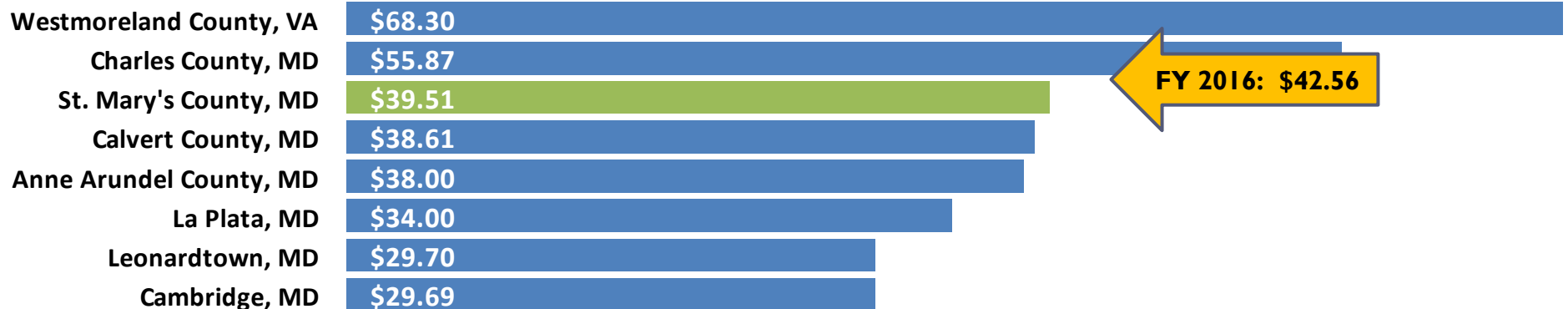
# FY 2015 Residential Bill Comparisons

## Water Charges

### Water Bill Survey at 6,000 Gallons per Month



### Water Bill Survey at 10,000 Gallons per Month

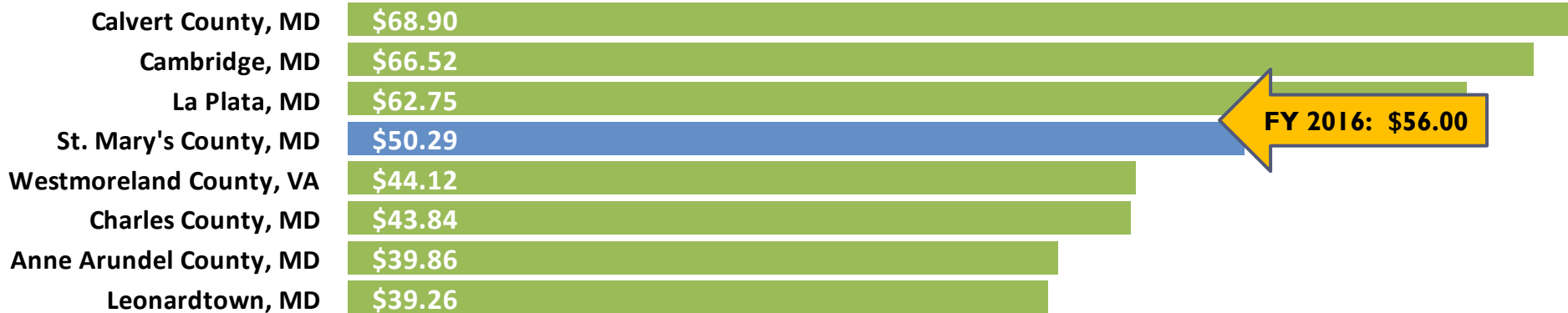


- ▶ 73% of residential bills were issued for 6,000 gallons per month or less
- ▶ 92% of residential bills were issued for 10,000 gallons per month or less

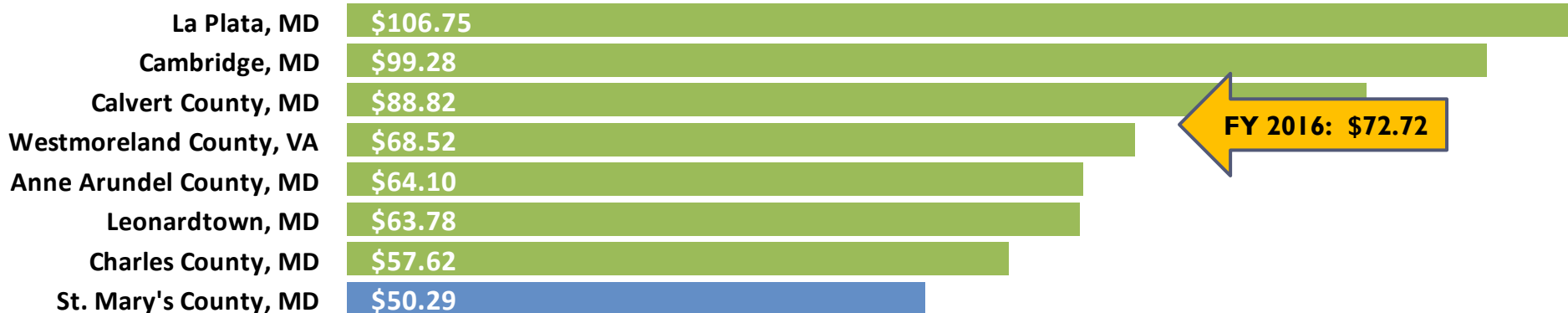
# FY 2015 Residential Bill Comparisons

## Sewer Charges

### Sewer Bill Survey at 6,000 Gallons per Month



### Sewer Bill Survey at 10,000 Gallons per Month



- ▶ 73% of residential bills were issued for 6,000 gallons per month or less
- ▶ 92% of residential bills were issued for 10,000 gallons per month or less

# Summary of Results

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- ▶ **Multi-year Plan of Rate Revenue Adjustments is Required**
  - ▶ To address annual operating cost inflation and reserve target
  - ▶ Levels of increases and resulting rates are very comparable to national & local trends
- ▶ **Consider Rate Structure Modifications for FY 2016**
  - ▶ Conform to accepted industry practice
  - ▶ Provide a greater cost allocation & price incentive for conservation to large users
  - ▶ Enhance affordability for low volume and average users
- ▶ **Complete Cost of Service Templates for Miscellaneous Services**
  - ▶ Identify cost of service and then determine appropriate adjustments to fees/charges
- ▶ **Update Financial Management Plan Portion of Study Annually**
  - ▶ Account for changes in costs, demands, growth rates, regulatory requirements, etc.
  - ▶ Calculate rate for the Navy on an annual basis to reflect the current cost of service

# Questions & Discussion

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# Flow Capacities By Meter Size

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| <u>Meter Size</u> | <u>Max Flow Rate</u> | <u>Equivalency Factor</u> |
|-------------------|----------------------|---------------------------|
| 5/8               | 20                   | 1                         |
| 3/4               | 30                   | 1.5                       |
| 1                 | 50                   | 2.5                       |
| 1.5               | 100                  | 5                         |
| 2                 | 160                  | 8                         |
| 3                 | 320                  | 16                        |
| 4                 | 500                  | 25                        |
| 6                 | 1,000                | 50                        |
| 8                 | 1,600                | 80                        |
| 10                | 2,300                | 115                       |
| 12                | 4,300                | 215                       |

Max Flow Rate Per AWWA Manual M-22, Table 6-1

# Comparative Water Rate Schedule

|                                 |                   | Current (FY 15)            | Proposed (FY 16)                 |  |  | Usage Charges (per 1,000 Gal.) | Current (FY 15)           | Proposed (FY 16)          |                     |               |  |
|---------------------------------|-------------------|----------------------------|----------------------------------|--|--|--------------------------------|---------------------------|---------------------------|---------------------|---------------|--|
| <b>Non-Metered Rate Per EDU</b> |                   | \$ 23.03                   | \$ 16.16                         |  |  | <b>Res. &amp; Com.</b>         |                           |                           |                     |               |  |
| <b>Metered Service Charges</b>  |                   | Current (FY 15)            | Proposed (FY 16)                 |  |  | <b>Meter Size</b>              | <b>Consumption Ranges</b> | <b>Tier 1</b>             | <b>Tier 2</b>       | <b>Tier 3</b> |  |
| <b>Fixed Charge</b>             | <b>Meter Size</b> | <b>Includes 6,000 Gal.</b> | <b>Readiness-To-Serve Charge</b> |  |  | 5/8"                           | All Use > 6,000 Gallons   | 0 - 5,000                 | 5,001 - 20,000      | 20,000 +      |  |
|                                 | 1"                | \$ 18.42                   | \$ 8.51                          |  |  | 1"                             | All Use > 6,000 Gallons   | 0 - 12,500                | 12,501 - 50,000     | 50,000 +      |  |
|                                 | 1.5"              | \$ 25.08                   | \$ 42.55                         |  |  | 1.5"                           | All Use > 6,000 Gallons   | 0 - 25,000                | 25,001 - 100,000    | 100,000 +     |  |
|                                 | 2"                | \$ 28.42                   | \$ 68.08                         |  |  | 2"                             | All Use > 6,000 Gallons   | 0 - 40,000                | 40,001 - 160,000    | 160,000 +     |  |
|                                 | 3"                | \$ 38.42                   | \$ 136.16                        |  |  | 3"                             | All Use > 6,000 Gallons   | 0 - 80,000                | 80,001 - 320,000    | 320,000 +     |  |
|                                 | 4"                | \$ 48.42                   | \$ 212.75                        |  |  | 4"                             | All Use > 6,000 Gallons   | 0 - 125,000               | 125,001 - 500,000   | 500,000 +     |  |
|                                 | 6"                | \$ 68.42                   | \$ 425.50                        |  |  | 6"                             | All Use > 6,000 Gallons   | 0 - 250,000               | 250,001 - 1,000,000 | 1,000,000 +   |  |
|                                 | 8"                | \$ 88.42                   | \$ 680.80                        |  |  | 8"                             | All Use > 6,000 Gallons   | 0 - 400,000               | 400,001 - 1,600,000 | 1,600,000 +   |  |
|                                 | 10"               | \$ 98.42                   | \$ 978.65                        |  |  | 10"                            | All Use > 6,000 Gallons   | 0 - 575,000               | 575,001 - 2,300,000 | 2,300,000 +   |  |
|                                 |                   |                            |                                  |  |  | <b>Rate</b>                    | \$3.14                    | \$1.53                    | \$3.06              | \$6.12        |  |
|                                 |                   |                            |                                  |  |  | <b>Hydrant (All Use)</b>       | <b>Rate</b>               | \$6.28                    | \$3.06              |               |  |
|                                 |                   |                            |                                  |  |  | <b>Irrigation Meters</b>       | <b>Meter Size</b>         | <b>Consumption Ranges</b> | <b>Tier 1</b>       | <b>Tier 3</b> |  |
|                                 |                   |                            |                                  |  |  |                                | 5/8"                      | All Use > 6,000 Gallons   | 0 - 15,000          | 15,000 +      |  |
|                                 |                   |                            |                                  |  |  |                                | 1"                        | All Use > 6,000 Gallons   | 0 - 37,500          | 37,500 +      |  |
|                                 |                   |                            |                                  |  |  |                                | 1.5"                      | All Use > 6,000 Gallons   | 0 - 75,000          | 75,000 +      |  |
|                                 |                   |                            |                                  |  |  |                                | 2"                        | All Use > 6,000 Gallons   | 0 - 120,000         | 120,000 +     |  |
|                                 |                   |                            |                                  |  |  |                                | 3"                        | All Use > 6,000 Gallons   | 0 - 240,000         | 240,000 +     |  |
|                                 |                   |                            |                                  |  |  |                                | 4"                        | All Use > 6,000 Gallons   | 0 - 375,000         | 375,000 +     |  |
|                                 |                   |                            |                                  |  |  |                                | 6"                        | All Use > 6,000 Gallons   | 0 - 750,000         | 750,000 +     |  |
|                                 |                   |                            |                                  |  |  |                                | 8"                        | All Use > 6,000 Gallons   | 0 - 1,200,000       | 1,200,000 +   |  |
|                                 |                   |                            |                                  |  |  |                                | 10"                       | All Use > 6,000 Gallons   | 0 - 1,725,000       | 1,725,000 +   |  |
|                                 |                   |                            |                                  |  |  | <b>Rate</b>                    | \$3.14                    | \$3.06                    | \$6.12              |               |  |



# Comparative Sewer Rate Schedule

|                                      |                   | Current (FY 15)             | Proposed (FY 16)                 |
|--------------------------------------|-------------------|-----------------------------|----------------------------------|
| <b>Non-Metered Rate Per EDU</b>      |                   | \$ 35.83                    | \$ 36.30                         |
| <b>Metered Service Charges</b>       |                   | <b>Current (FY 15)</b>      | <b>Proposed (FY 16)</b>          |
| <u>Fixed Charge</u>                  | <u>Meter Size</u> | <u>Includes 5,400 Gal.</u>  | <u>Readiness-To-Serve Charge</u> |
|                                      | 5/8"              | \$ 30.56                    | \$ 15.39                         |
|                                      | 1"                | \$ 30.56                    | \$ 38.48                         |
|                                      | 1.5"              | \$ 30.56                    | \$ 76.95                         |
|                                      | 2"                | \$ 30.56                    | \$ 123.12                        |
|                                      | 3"                | \$ 30.56                    | \$ 246.24                        |
|                                      | 4"                | \$ 30.56                    | \$ 384.75                        |
|                                      | 6"                | \$ 30.56                    | \$ 769.50                        |
|                                      | 8"                | \$ 30.56                    | \$ 1,231.20                      |
|                                      | 10"               | \$ 30.56                    | \$ 1,769.85                      |
|                                      |                   | <u>Use Above 5,400 Gal.</u> | <u>All Metered Use</u>           |
| <u>Usage Charge (per 1,000 Gal.)</u> |                   | \$ 5.66                     | \$ 4.18                          |
|                                      |                   | <u>All Metered Use</u>      | <u>All Metered Use</u>           |
| <b>Navy*</b>                         |                   | \$ 2.89                     | \$ 3.06                          |

\*Dependent upon FY 2016 Budget; FY 2016 rate may vary from amount presented