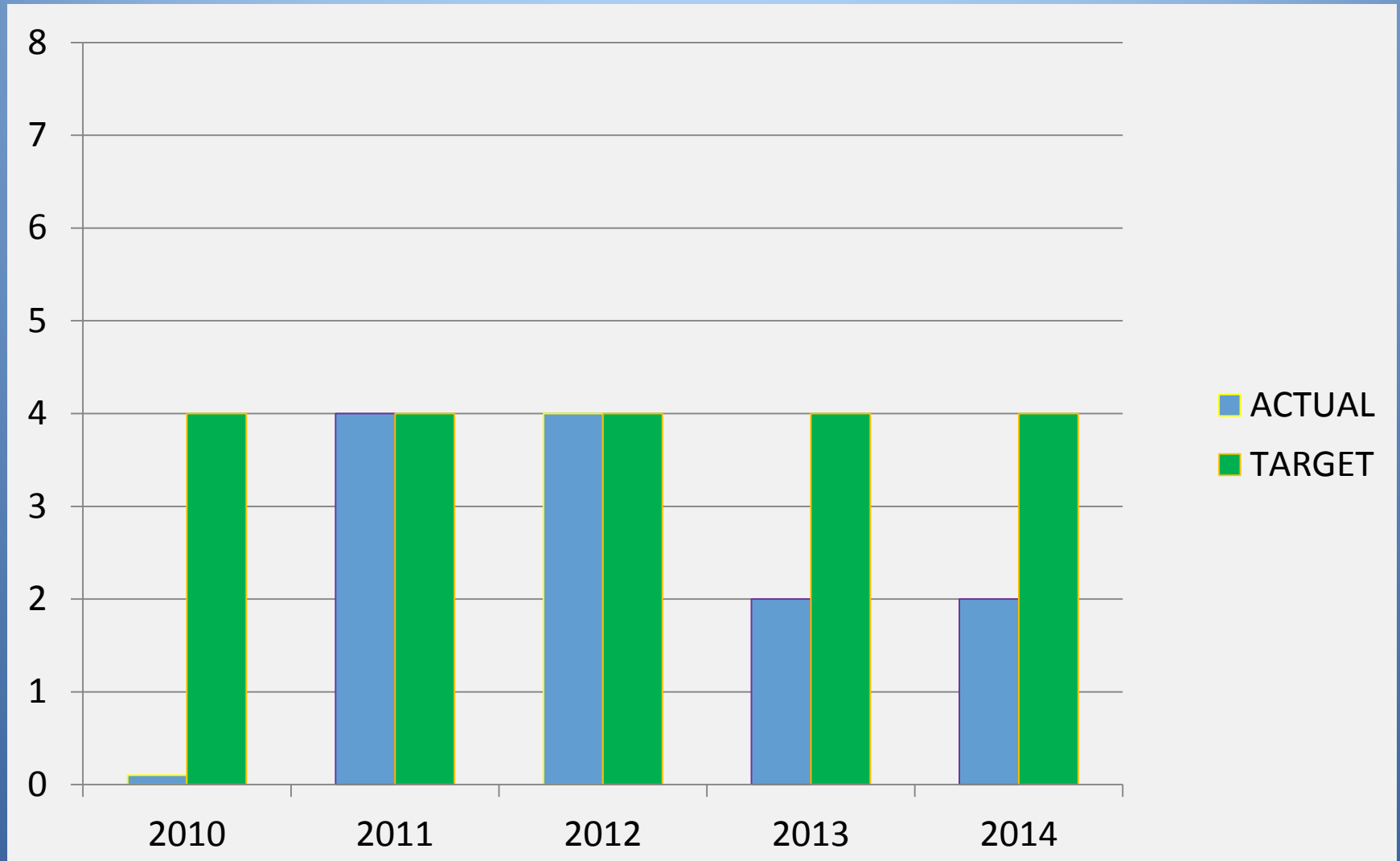


SAN MIGUELITO

MUTUAL WATER COMPANY

2016 BUDGET PRESENTATION

5 YEAR RATE PLAN VS ACTUAL RATE INCREASE



2015 SEWER RATE COMPARISON (for 5000 gal)

RESIDENTIAL SEWER



2015 WATER RATE COMPARISON

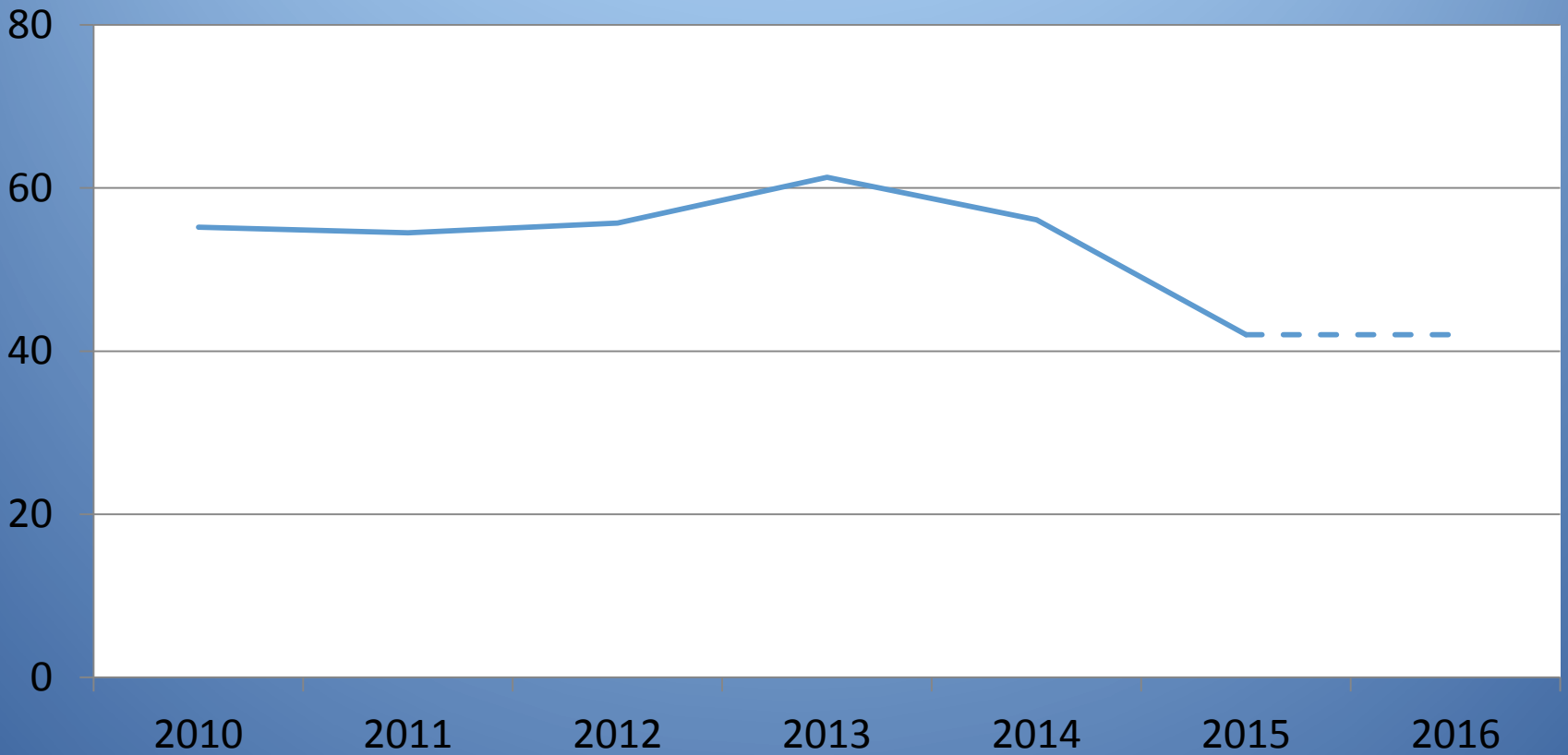
(for 5000 gal)

RESIDENTIAL WATER



YEARLY WATER USE

USAGE Mgal



San Miguelito Mutual Water Company
Operating Earnings Report
SUMMARY RESULTS (seasonally adjusted)
2016 Operational Budget Draft

	2015 Budget	2015 Est. Actuals	2016 Budget
Total Operating Revenues	\$1,393,471	\$1,308,400	\$1,462,850
Water Revenue	\$813,829	\$744,000	\$835,330
Waste Water Revenue	\$539,442	\$508,100	\$580,828
Other General Revenue	\$40,200	\$56,300	\$46,692
Total Expenses	(\$831,750)	(\$793,563)	(\$867,400)
Total Operating Expenses	(\$516,150)	(\$488,130)	(\$501,100)
Total General & Admin Expenses	(\$315,600)	(\$305,433)	(\$366,300)
Gross Operational Earnings	\$561,721	\$514,837	\$595,450
Other Income and Expenses			
Operational Earnings Transferred to State Water Reserve	(\$283,081)	(\$277,364)	(\$287,876)
Operational Earnings Transferred to Capital Reserves	(\$299,055)	(\$295,171)	(\$303,177)
Operational Funds Interest and Expenses	(\$450)	(\$943)	(\$1,210)
Net Operational Earnings	(\$20,865)	(\$58,641)	\$3,187

Projected Operational Earnings

Notes

Operating Cash Operational Contingency Reserves

YE 2015	\$70,800	\$354,854
YE 2016	\$66,487	\$354,854
Min Target	\$70,000	\$350,000

SMMWC 2016 EXPENSES

- FIXED vs VARIABLE EXPENSES
- CAPITAL (PROJECTS & RESERVES)
 - \$ 303,177
- STATE WATER
 - \$ 287,876
- TOTAL EXPENSES
 - \$ 867,400

2016 RATE STRUCTURE - PROPOSED

RESIDENTIAL – SHAREHOLDERS

- WATER RATES (15% increase)
 - MONTHLY AVAILABILITY CHARGE \$ 45.90
(includes capital reserve)

- MONTHLY USAGE (per 100 gallons)
 - 0 to 1500 gal \$ 0.000
 - 1501 to 10,000 gal \$ 1.100
 - 10,001 to 50,000 gal \$ 1.350
 - 50,000 gal & over \$ 1.450

- SEWER RATES (15% increase)
 - MONTHLY AVAILABILITY CHARGE \$ 54.50
(includes capital reserve)

UNDEVELOPED SHARES

- CAPITAL RESERVE FEE (5% increase)
 - MONTHLY CHARGE (per share) \$ 30.00

2016 RATE STRUCTURE - PROPOSED

COMMERCIAL, IRRIGATION, CONSTRUCTION – SHAREHOLDERS

- **WATER RATES (15% increase)**
 - **MONTHLY AVAILABILITY CHARGE (includes capital reserve)**

	\$ 45.90
¾" meter or smaller	\$ 68.85
1" meter	\$ 114.75
1 ½" meter	\$ 229.50
2" meter	\$ 367.20
3" meter	\$ 668.50
4" meter	\$1,009.80
6" meter	\$2,295.00
8" meter	\$3,672.00
 - **MONTHLY USAGE (per 100 gallons)**

0 to 1500 gal	\$ 0.000
1501 to 10,000 gal	\$ 1.100
10,001 to 50,000 gal	\$ 1.350
50,000 gal & over	\$ 1.450
- **SEWER RATES (15% increase)**
 - **PER 3000 gal WATER USAGE (minimum charge \$54.50)**

	\$ 54.50
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(includes capital reserve)

WATER RATE COMPONENTS

- AVAILABILITY CHARGE
 - FIXED EXPENSES
 - CAPITAL FEES
- USAGE CHARGES
 - VARIABLE EXPENSES
 - STATE WATER
- USAGE TIERS
 - “NATURAL BREAKS”
 - REBALANCING

WATER COMPARISON BY GROUPS

2015

2016

WATER		REVENUE		GROUP	WATER		REVENUE	
USAGE	%	\$\$	%		USAGE	%	\$\$	%
21.6 MG	57.3	\$ 421,764	61.3	RESIDENTIAL	24.9 MG	58.1	\$ 483,151	58.5
8.50 MG	22.6	\$ 132,288	19.3	COMMERCIAL	9.53 MG	22.3	\$ 181,859	22.0
7.60 MG	20.1	\$ 133,043	19.4	IRRIGATION	8.37 MG	19.6	\$ 160,702	19.5
37.7 MG	100	\$ 687,095	100	TOTAL	42.8 MG	100	\$ 825,712	100

SUMMARY PROPOSED RATE INCREASES

WATER BILL (on average 15%)

Base Charge 10%

Usage Tiers 25%

Capital Fees 5%

WASTEWATER BILL (on average 15%)

Base Charge 19%

Capital Fee 5%