HIGHLANDS RANCH METROPOLITAN DISTRICT
STUDY SESSION ADDENDA

January 25, 2017

Addendum documents can also be viewed at
http://highlandsranch.org
or
http://intranet.highlandsranch.org/default.aspx

- Street Media Group
- Douglas County Youth Initiative (DCYI)
- Property Tax – Residential/Commercial Assessment Ratio
- Mansion Windmill Restoration Update
- 2017 Water & Wastewater Rates
Benefits of Transit Amenities Program

- Provides Needed Services to RTD Bus Stops
- Protection from the Elements
- Creates Strong Visual Awareness of Transit Services
- Studies Show Amenities Increase Ridership
- Needed Service for Area Amenities
- No Cost to Highlands Ranch Metro District
Our management team has vast experience developing the following markets:

- Aspen, CO
- Beaver Creek, CO
- Boulder, CO
- Breckenridge, CO
- Canmore, AB
- Colorado Springs, CO
- Durango, CO
- Estes Park, CO
- Fort Collins, CO
- Glenwood Springs, CO
- Grand Junction, CO
- Highlands, CO
- Henderson, NV
- Las Vegas, NV
- Salt Lake City, NV
- Denver, CO
- Loveland, CO
- Mesa City, CO
- Murray City, UT
- West Salt Lake City, UT
- Provo, UT
- Midvale, UT
- Taylorsville, UT
- Northglenn, CO
- Parker, CO
- Pueblo, CO
- Regional Transportation Commission, NV
- Regional Transportation District, Denver, CO
- Sheridan, CO
- Thornton, CO
- Westminster, CO

*StreetMedia Group*
Municipal Considerations

- Further Satisfies ADA Mandates
- Engineered to Meet Douglas County Wind Load Requirements
- Advertising Restrictions and Control of Content
- Additional Ad-Free Bench and Shelter Units Installed at Stoops or Walking Paths
Smart Shelter Features

- Pedestrian Counters
- Digital Screens Allow Public Messaging
- Next Bus Arrival
- RTD Prefers Privately-Provided Shelters to Keep Costs Down
- Structure Serves as a Platform for Small Cell Towers, Creating Potential for Additional Revenue

IKE
Future Possibilities
State-of-the-Art Technology to improve communication with residents
Benefits to Highlands Ranch

- Zero Expense to Maintain Shelters
- Regular Trash Pickup and Cleaning
- State-of-the-Art Technology to Improve Communication with Residents
- Announce Highlands Ranch Metro District Activities and Events
- Interactive Screen Offering Wayfinding, Local Business Directory, and Events Calendar
- Additional Ad-Free Benches and Shelters to be Installed with Ongoing Maintenance at No Cost to the District

THANK YOU
The Youth Initiative is a project funded and overseen by the members of the Partnership of Douglas County Governments. Each contributes $19,800, exceptions are DCSD and DC Govt. who each give $75,500. In addition, DCYI receives various grants.

- Douglas County School District – Director, Wendy Vogel, Staci McCormack
- Douglas County Government – Commissioner David Weaver, Barbara Drake, Maureen Waller
- City of Lone Tree – Jay Carpenter, Kristen Knoll
- Town of Castle Rock – Councilwoman Renee Valentine, Karla McCrimmon
- Town of Parker – Councilman Josh Rivero
- Library District – Tiffany Curtin
- Highlands Ranch Metro District – Director, Rene Anderson
- Larkspur – Matt Krimmer, Town Manager
Following are the specific programs of the DCYI:

WrapAround:

How we engage families and help

- WRAP is facilitating, mediating, and coordinating family involvement with various systems, to include schools and other partners
- Work with entire family
- WRAP works towards preventing children from entering various systems or leaving them
- WRAP works towards cost savings and healthier families, as shown on the next few slides
## Ten Life Domains for a WRAP Family:

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</tr>
</thead>
<tbody>
<tr>
<td>TRUANT</td>
<td>HOSPITALIZED</td>
<td>OUT OF HOME</td>
<td>LOW, MED, HIGH</td>
<td>CHANGES</td>
<td>GENERAL INVOLVEMENT</td>
<td>DV</td>
<td>SUBSTANCE ABUSE</td>
<td>REASONS</td>
<td>LACK OF PARENTING SKILLS</td>
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<tr>
<td>DISRUPTIVE/REPEAT INCIDENTS</td>
<td>MH DIAGNOSIS</td>
<td>EHS INVOLVEMENT</td>
<td>PROBATION</td>
<td>REPEAT VISITS</td>
<td>TRAUMA</td>
<td>DISABLED</td>
<td>TRANSPORTATION</td>
<td>BEYOND CONTROL OF PARENT</td>
<td>UNDER INSURED/UNINSURED</td>
</tr>
<tr>
<td>EXPELLED</td>
<td>BIPOLAR</td>
<td>Voluntary case open</td>
<td>DIV</td>
<td>KNOWN TO PATROL AS HIGH RISK</td>
<td>ADOPTED</td>
<td>ILLNESS</td>
<td>FOOD</td>
<td>FAMILY CONFLICT</td>
<td>UNEMPLOYED</td>
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<tr>
<td>SUBSTANCE ABUSE</td>
<td>SUICIDE/SUICIDAL INTENT</td>
<td>Referrals</td>
<td>PT TRIAL</td>
<td>FOSTER CHILD</td>
<td>DISEASE</td>
<td>NO HEALTH INSURANCE</td>
<td>LACK OF RESOURCES</td>
<td>TRAININGS, EDUCATION</td>
<td>CAN'T AFFORD SUPPORTS</td>
</tr>
<tr>
<td>BULLIED</td>
<td>CUTTING</td>
<td>Screen outs</td>
<td>OPEN INJURY</td>
<td>INJURED PARENT</td>
<td>TRIED MURDER</td>
<td>HIGH MED R<strong>E</strong>D</td>
<td>LACK OF SUPPORTS</td>
<td>LACK OF RESpite</td>
<td>CAN'T AFFORD SUPPORTS</td>
</tr>
<tr>
<td>EPISOS/RENT PLAN</td>
<td>PTSD</td>
<td>DIVERSION</td>
<td>HI CONFLICT DIVORCE</td>
<td>MS</td>
<td>LACK OF RESpite</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

## Family #1 summary: mom, dad, and one son

- 7th Grade male
- Autism
- Refl. came from school and DHS
- School conflict between parents and school
- From his teacher: “one of the toughest kids I’ve ever worked with”
- Picked up charges for attacking his mom; beats up mom
- Runs away
- Need for on-going parenting skills
- Chaos in the home
- Lack of natural supports
- High deductible

![Image of child with sign: WRAP AROUND THE WORLD]
DOMAINS IDENTIFIED: SPECIFICALLY:

1. School: BEHAVIORS, OFTEN REMOVED; PRESENTED AS A DANGER TO STAFF
2. Mental Health: MOC; TRAUMA, PTSD; CHILD, MOOD DISORDER AND ODD
3. DHS: YES; OPEN CASE WHEN WE RECEIVED THE REF
4. Courts: YES; OPEN CASE
5. Law Enforcement: YES; REPEAT VISITS
6. Resources: YES; NEEDED HELP WITH ID/HIC RESOURCES; ID NATURAL SUPPORTS, RESpite,
   MEDIATION WITH SCHOOL AND PARENTS
7. General Health: DO
8. Parenting: YES; BEYOND CONTROL; LACK OF STRUCTURE
9. Financial: YES; CANNOT AFFORD IN-HOME SERVICES
10. General: NO

Quadrants:
- 1st Quadrant/1-25%: $0-5,000
- 2nd Quadrant/26-50%: $5,000-10,000
- 3rd Quadrant/51-75%: $11,000-15,000
- 4th Quadrant/76-100%: $16,000-20,000

Projected Only Cost Savings: 16-20%

WRAP WAS ABLE TO HELP CLOSE THE DHS CASE AND THE COURT CASE. HELPED GET CHILD SERVICES VIA DP; HELPED IDENTIFY SUPPORT FOR THE FAMILY; HELPED MOM WITH RESpite; OBTAINED IN-HOME SERVICES SO PARENTS COULD LEARN EFFECTIVE PARENTING STRATEGIES.

Special Events

- **Youth Congress** – in 2015, 130 students attended; September 16th in 2016
- **Outstanding Youth Awards** – Ten local teens were honored in 2016
- **Lunch-n-Learn Series/community education** – Trauma Informed Care, Appropriate Screen Time for Young Children, Substance Use, and Mitigating Negative Behaviors. Other topics: The ACES Study and Preventing school violence and teen suicide, and "Drugs in Your Community You Need to Know About"
Communication/Coordination and Resources

- DCYI provides rapid family response and rapid community support for families and professionals

Juvenile Justice System – kids with juvenile charges

FACES (Family and Child Engagement Services)
- DCYI helps coordinate services for juveniles in detention/court, via a program called FACES

TEEN COURT
- DCYI is helping Lone Tree implement Teen Court and also unincorporated Douglas County; currently Parker and Castle Rock have teen court programs with outstanding results
For more information, please check out the following informational videos showcasing Youth Congress and the DCYI:

https://vimeo.com/135083402
https://vimeo.com/123226792

For questions please call or email:
Marsha Alston, 303-688-4825, 5327
malston@douglas.co.us
What is the Assessment Rate?

- Actual value of property is not the taxable value
- The taxable value is a percentage of the actual value.
- The percentage is called an "assessment rate," and the resulting value is called the "assessed value."
- The assessment rate is 29 percent for all properties except residential.
- The residential assessment rate is established by the legislature every odd numbered year.

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Actual Value</th>
<th>Assessment Rate</th>
<th>Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$400,000</td>
<td>7.96%</td>
<td>$31,840</td>
</tr>
<tr>
<td>Commercial</td>
<td>$400,000</td>
<td>29%</td>
<td>$116,000</td>
</tr>
</tbody>
</table>
History

• Prior to 1982, the assessment rates were:
  - Residential: 30 percent
  - Non-residential: 30 percent

• In 1982, the Gallagher Amendment established to balance tax burden by:
  - Creating a floating assessment rate for residential property while fixing the assessment rate for most other classes at 29 percent.
  - Defining the tax burden at 45% of the state wide total amount from residential property, and 55% of from commercial property.

Residential Assessment Rate Over Time

<table>
<thead>
<tr>
<th>Years</th>
<th>Rate enacted into law</th>
<th>Rate calculated by Preliminary RAR Study</th>
<th>Rate calculated by Final RAR Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983-1986</td>
<td>21.00%</td>
<td>16.74%</td>
<td></td>
</tr>
<tr>
<td>1987</td>
<td>18.00%</td>
<td>15.62%</td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td>16.00%</td>
<td>15.04%</td>
<td></td>
</tr>
<tr>
<td>1989-90</td>
<td>15.00%</td>
<td>14.34%</td>
<td></td>
</tr>
<tr>
<td>1991-92</td>
<td>14.34%</td>
<td>14.34%</td>
<td></td>
</tr>
<tr>
<td>1993-94</td>
<td>12.86%</td>
<td>12.86%</td>
<td>12.16%</td>
</tr>
<tr>
<td>1995-96</td>
<td>10.36%</td>
<td>10.50%</td>
<td>10.02%</td>
</tr>
<tr>
<td>1997-98</td>
<td>9.74%</td>
<td>9.71%</td>
<td>10.06%</td>
</tr>
<tr>
<td>1999-2000</td>
<td>9.74%</td>
<td>9.81%</td>
<td>9.83%</td>
</tr>
<tr>
<td>2001-02</td>
<td>9.15%</td>
<td>9.35%</td>
<td>9.15%</td>
</tr>
<tr>
<td>2003-04</td>
<td>7.96%</td>
<td>8.18%</td>
<td>8.04% (rev. 4/23/2003 to 7.96%)</td>
</tr>
<tr>
<td>2005-06</td>
<td>7.96%</td>
<td>8.15%</td>
<td>8.17%</td>
</tr>
<tr>
<td>2007-08</td>
<td>7.96%</td>
<td>8.00%</td>
<td>8.19%</td>
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<td>2009-10</td>
<td>7.96%</td>
<td>8.91%</td>
<td>8.85%</td>
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<td>2011-12</td>
<td>7.96%</td>
<td>8.59%</td>
<td>8.77%</td>
</tr>
<tr>
<td>2013-14</td>
<td>7.96%</td>
<td>9.09%</td>
<td>9.13%</td>
</tr>
<tr>
<td>2015-16</td>
<td>7.96%</td>
<td>8.30%</td>
<td>8.24%</td>
</tr>
</tbody>
</table>
### Projections for Metro District

| Year | Actual Value (Vacant) | Assessed Value (Vacant) | Total Revenue (Vacant) | Increase | Actual Value (Residential) | Assessed Value (Residential) | Total Revenue (Residential) | Increase | Actual Value (Commercial) | Assessed Value (Commercial) | Total Revenue (Commercial) | Increase | Actual Value (Commerical Personal Property) | Assessed Value (Commerical Personal Property) | Total Revenue (Commerical Personal Property) | Increase | Actual Value (Industrial) | Assessed Value (Industrial) | Total Revenue (Industrial) | Increase | Actual Value (Industrial Personal Property) | Assessed Value (Industrial Personal Property) | Total Revenue (Industrial Personal Property) | Increase | Actual Value (Agricultural) | Assessed Value (Agricultural) | Total Revenue (Agricultural) | Increase | Actual Value (Natural Resources) | Assessed Value (Natural Resources) | Total Revenue (Natural Resources) | Increase | Actual Value (State Assessed) | Assessed Value (State Assessed) | Total Revenue (State Assessed) | Increase | Actual Value (State Assessed Personal Property) | Assessed Value (State Assessed Personal Property) | Total Revenue (State Assessed Personal Property) | Increase |
|------|----------------------|------------------------|------------------------|----------|-----------------------------|-----------------------------|-----------------------------|----------|-----------------------------|-----------------------------|-----------------------------|----------|-----------------------------|-----------------------------|-----------------------------|----------|-----------------------------|-----------------------------|-----------------------------|----------|-----------------------------|-----------------------------|-----------------------------|----------|-----------------------------|-----------------------------|-----------------------------|----------|-----------------------------|-----------------------------|-----------------------------|----------|-----------------------------|-----------------------------|-----------------------------|----------|
| 2017 | 43,966,564           | 12,750,676             | 56,717,240             | 0%       | 12,750,676                  | 3,108,756                   | 15,859,432                 | 25%      | 15,798,594                  | 4,120,417                   | 19,919,011                 | 5%       | 356,954,595                 | 759,532,857                 | 1,116,487,452               | 7%       | 94,198,874                  | 22,542,379                 | 116,741,253               | 5%       | 2,261,630                   | 989,421,653                 | 101,683,284               | 5%       | 38,438                       | 11,147                       | 49,585                     | 5%       |
| 2018  | 43,966,564          | 12,750,676             | 56,717,240             | 0%       | 12,750,676                  | 3,108,756                   | 15,859,432                 | 25%      | 15,798,594                  | 4,120,417                   | 19,919,011                 | 5%       | 356,954,595                 | 759,532,857                 | 1,116,487,452               | 7%       | 94,198,874                  | 22,542,379                 | 116,741,253               | 5%       | 2,261,630                   | 989,421,653                 | 101,683,284               | 5%       | 38,438                       | 11,147                       | 49,585                     | 5%       |

### Comparison to City of Englewood

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual Value (Vacant)</th>
<th>Assessed Value (Vacant)</th>
<th>Total Revenue (Vacant)</th>
<th>Increase</th>
<th>Actual Value (Residential)</th>
<th>Assessed Value (Residential)</th>
<th>Total Revenue (Residential)</th>
<th>Increase</th>
<th>Actual Value (Commercial)</th>
<th>Assessed Value (Commercial)</th>
<th>Total Revenue (Commercial)</th>
<th>Increase</th>
<th>Actual Value (Commerical Personal Property)</th>
<th>Assessed Value (Commerical Personal Property)</th>
<th>Total Revenue (Commerical Personal Property)</th>
<th>Increase</th>
<th>Actual Value (Industrial)</th>
<th>Assessed Value (Industrial)</th>
<th>Total Revenue (Industrial)</th>
<th>Increase</th>
<th>Actual Value (Industrial Personal Property)</th>
<th>Assessed Value (Industrial Personal Property)</th>
<th>Total Revenue (Industrial Personal Property)</th>
<th>Increase</th>
<th>Actual Value (Agricultural)</th>
<th>Assessed Value (Agricultural)</th>
<th>Total Revenue (Agricultural)</th>
<th>Increase</th>
<th>Actual Value (Natural Resources)</th>
<th>Assessed Value (Natural Resources)</th>
<th>Total Revenue (Natural Resources)</th>
<th>Increase</th>
<th>Actual Value (State Assessed)</th>
<th>Assessed Value (State Assessed)</th>
<th>Total Revenue (State Assessed)</th>
<th>Increase</th>
<th>Actual Value (State Assessed Personal Property)</th>
<th>Assessed Value (State Assessed Personal Property)</th>
<th>Total Revenue (State Assessed Personal Property)</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>16,937,022</td>
<td>4,911,736</td>
<td>21,848,758</td>
<td>-10%</td>
<td>16,937,022</td>
<td>4,911,654</td>
<td>21,848,676</td>
<td>-2%</td>
<td>15,798,594</td>
<td>4,120,417</td>
<td>19,919,011</td>
<td>5%</td>
<td>94,198,874</td>
<td>22,542,379</td>
<td>116,741,253</td>
<td>5%</td>
<td>2,261,630</td>
<td>989,421,653</td>
<td>101,683,284</td>
<td>5%</td>
<td>38,438</td>
<td>11,147</td>
<td>49,585</td>
<td>5%</td>
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<td>2018</td>
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<td>-2%</td>
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<td>4,120,417</td>
<td>19,919,011</td>
<td>5%</td>
<td>94,198,874</td>
<td>22,542,379</td>
<td>116,741,253</td>
<td>5%</td>
<td>2,261,630</td>
<td>989,421,653</td>
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<td>5%</td>
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<td>49,585</td>
<td>5%</td>
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</table>
Case Shiller Index

- The index measures changes in the prices of single-family, detached residences

Homeowner Example

<table>
<thead>
<tr>
<th>Current Homevalue</th>
<th>Tax to HRMD 4%</th>
<th>Tax to HRMD 8%</th>
<th>Tax to HRMD 22.54%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$400,000</td>
<td>$580</td>
<td>$416,000</td>
<td>$432,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$492</td>
<td>$511</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$490,144</td>
<td>$580</td>
</tr>
</tbody>
</table>
Mansion Windmill Restoration Update

January 2017

Structure and Equipment Evaluation
Structural Analysis & Replacement Plans Completed

Demolition of Rotted Wood and New Structural Supports
In Progress
- Structural Analysis & Design Complete
- Funding Request Resubmitted to Douglas County
- HRMD Will Purchase Replacement Windmill
- Coordination with Shea
- Bid Process Underway
- Bid Award in February
- Construction in March
2017 Water & Wastewater Rates
January 25, 2017

Service Availability
- Debt Service - Water
- Customer Service (billing)
- Meter Replacement
- Reserve - Water portion

Water Rate
- Water Operations
- Technical Management / Administration

Wastewater Fixed
- Debt Service - Wastewater
- Reserve - Wastewater portion
- Customer Service (billing)

Wastewater Rate
- Wastewater Operations
- Technical Management / Administration
Water & Wastewater Rates

<table>
<thead>
<tr>
<th></th>
<th>2016 Rate</th>
<th>2017 Rate</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Water / 1,000 gallons</td>
<td>$3.21</td>
<td>$3.41</td>
<td>6.2%</td>
</tr>
<tr>
<td>Service Availability Charge (bi-monthly)</td>
<td>$27.00</td>
<td>$27.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Average Wastewater Charge (includes 8,000 gallons)</td>
<td>$38.14</td>
<td>$38.54</td>
<td>1.0%</td>
</tr>
<tr>
<td>Streetlight (bi-monthly)</td>
<td>$7.75</td>
<td>$7.75</td>
<td>0.0%</td>
</tr>
<tr>
<td>Stormwater (bi-monthly)</td>
<td>$2.28</td>
<td>$2.39</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

- Approved by Centennial Water & Sanitation District on December 13, 2016
- Rates effective with the first billing cycle that begins on or after January 1, 2017

Impact on Annual Typical Single Family

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018 Rate</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Water consumption</td>
<td>$375.57</td>
<td>$398.56</td>
<td>$414.24</td>
<td></td>
</tr>
<tr>
<td>Service Availability Charge (monthly)</td>
<td>$162.00</td>
<td>$162.00</td>
<td>$161.86</td>
<td></td>
</tr>
<tr>
<td>Wastewater Fixed (monthly)</td>
<td>$83.40</td>
<td>$83.40</td>
<td>$83.27</td>
<td></td>
</tr>
<tr>
<td>Wastewater usage</td>
<td>$145.44</td>
<td>$148.05</td>
<td>$152.96</td>
<td></td>
</tr>
<tr>
<td>Increase</td>
<td>$766.41</td>
<td>$822.12</td>
<td>$812.33</td>
<td></td>
</tr>
<tr>
<td>Increase</td>
<td>3.3%</td>
<td>2.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTES:
(1) Based on 7,500 square foot lot size
(2) 92% of outdoor budget
(3) 8,000 indoor per SFE bi-monthly
Comparison – rate impact on annual bill

Comparison - rate impact on annual bill

Annual Water & Wastewater for Typical Single Family

- CWSD Proposed 2017
- City of Parker 2016
- Stonegate 2016
- Castle Rock 2016
- Castle Pines 2016
- Roxborough 2016

$2,000
$1,800
$1,600
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0

Comparing CWSD 2017 proposed rates to 2016 rates of other providers
2017 Water Rate Structure

Residential

<table>
<thead>
<tr>
<th>2016</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 100%</td>
<td>$3.41</td>
</tr>
<tr>
<td>101% to 120%</td>
<td>$4.60</td>
</tr>
<tr>
<td>121% to 140%</td>
<td>$6.98</td>
</tr>
<tr>
<td>Over 140%</td>
<td>$10.56</td>
</tr>
</tbody>
</table>

Commercial - Indoor

<table>
<thead>
<tr>
<th>2016</th>
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<tbody>
<tr>
<td>Up to 100%</td>
<td>$3.17</td>
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<tr>
<td>101% to 120%</td>
<td>$4.28</td>
</tr>
<tr>
<td>121% to 140%</td>
<td>$4.28</td>
</tr>
<tr>
<td>Over 140%</td>
<td>$7.45</td>
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</table>

Commercial - Irrigation

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<th>2016</th>
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<tbody>
<tr>
<td>Up to 100%</td>
<td>$3.48</td>
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<tr>
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<td>$5.00</td>
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<td>121% to 140%</td>
<td>$9.00</td>
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<tr>
<td>Over 140%</td>
<td>$14.00</td>
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</tbody>
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Rate Methodology

Recover annual operating expenses net of predicted offsetting revenues

Predicted offsetting revenues include:

- Surcharge revenue - projected based on combination of
  - 5 year (2011-2015 actuals) average; and
  - 7 year (2009-2015) average without high and low
- Interest income (10 year treasury average)
- Intergovernmental revenue (HRMD, CPN, Roxborough)
- Penalty charges (HRMD customers)

Portion of base rate to fund water acquisition (shown in rate per 1,000 gallons)

<table>
<thead>
<tr>
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<tbody>
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<td>$0.15</td>
<td>$0.29</td>
<td>$0.41</td>
<td>$0.41</td>
<td>$0.47</td>
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<td>$0.59</td>
<td>$0.65</td>
<td>$0.73</td>
<td></td>
</tr>
</tbody>
</table>
Rate Methodology

➢ Fund annual contribution to Reserve (Major Repair)
  ▪ $2.1 million allocated between water and wastewater
➢ Fund following year’s debt service (principal and interest)
➢ Use of Financial Assurance Fund
  ▪ Significant one-time expenditures (i.e. studies, increased ground water use; ASR, spot sale opportunities)
  ▪ Ability to maintain certain rates due to market conditions