

Attachment A

| <b>PROJECTED TRANSFERS FROM 9% ROR &amp; 2% IN-LIEU FEES</b> |                 |                           |                     |                  |                       |
|--|-----------------|---------------------------|---------------------|------------------|-----------------------|
| <b>BASED ON 1961-2002 WATER SALES REVENUES</b>               |                 |                           |                     |                  |                       |
| <b>Year</b>  | <b>Combined</b> | <b>Water Utility Fund</b> | <b>Alviso Water</b> | <b>Evergreen</b> | <b>North San Jose</b> |
| 1961   |                 | 106                       |                     |                  |                       |
| 1962   |                 | 41,614                    |                     |                  |                       |
| 1963   |                 | 48,545                    |                     |                  |                       |
| 1964   |                 | 58,322                    |                     |                  |                       |
| 1965   |                 | 82,027                    |                     |                  |                       |
| 1966   |                 | 107,999                   |                     |                  |                       |
| 1967   |                 | 130,212                   |                     |                  |                       |
| 1968   |                 | 236,350                   |                     |                  |                       |
| 1969   |                 | 303,435                   | 26,637              |                  |                       |
| 1970   |                 | 413,600                   | 29,292              |                  |                       |
| 1971   |                 | 442,720                   | 30,859              |                  |                       |
| 1972   |                 | 577,497                   | 34,579              |                  |                       |
| 1973   |                 | 598,316                   | 33,095              |                  |                       |
| 1974   |                 |                           | 34,277              | 645,135          | 12,905                |
| 1975   | 792,254         |                           |                     |                  |                       |
| 1976   | 906,323         |                           |                     |                  |                       |
| 1977   | 980,758         |                           |                     |                  |                       |
| 1978   | 1,100,450       |                           |                     |                  |                       |
| 1979   | 1,503,658       |                           |                     |                  |                       |
| 1980   | 1,754,205       |                           |                     |                  |                       |
| 1981   | 2,166,319       |                           |                     |                  |                       |
| 1982   | 2,576,714       |                           |                     |                  |                       |
| 1983   | 2,738,710       |                           |                     |                  |                       |
| 1984   | 3,715,354       |                           |                     |                  |                       |
| 1985   | 4,610,039       |                           |                     |                  |                       |
| 1986   | 5,256,099       |                           |                     |                  |                       |
| 1987   | 6,279,423       |                           |                     |                  |                       |
| 1988   | 6,359,292       |                           |                     |                  |                       |
| 1989   | 6,720,139       |                           |                     |                  |                       |
| 1990   | 6,312,688       |                           |                     |                  |                       |
| 1991   | 6,505,485       |                           |                     |                  |                       |
| 1992   | 8,230,399       |                           |                     |                  |                       |
| 1993   | 9,799,311       |                           |                     |                  |                       |
| 1994   | 10,265,166      |                           |                     |                  |                       |
| 1995   | 10,121,488      |                           |                     |                  |                       |
| 1996   | 11,614,310      |                           |                     |                  |                       |
| 1997   | 12,923,240      |                           |                     |                  |                       |
| 1998   | 12,560,323      |                           |                     |                  |                       |
| 1999   | 13,752,988      |                           |                     |                  |                       |
| 2000   | 14,972,244      |                           |                     |                  |                       |
| 2001   | 15,583,344      |                           |                     |                  |                       |
| 2002   | 16,743,330      |                           |                     |                  |                       |
| 2003   | 17,400,000      |                           |                     |                  |                       |
| Totals   | 214,244,053     | 3,040,743                 | 188,739             | 645,135          | 12,905                |
|  |                 |                           |                     |                  |                       |
|  |                 |                           |                     |                  |                       |

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| <b>Total Water Sales</b>  | 218,131,575 | <b>Total interest revenue</b> | 9,776,418 | <b>Totals</b>       |  |
|---|-------------|-------------------------------|-----------|---------------------|--|
| If 8 % ROR was applied to life of system  | 17,450,526  |                               | 879,878   | <b>\$18,330,404</b> |  |
| If 2% In lieu fees had been applied for life of the system  | 4,362,632   |                               | 195,528   | <b>\$4,558,160</b>  |  |
| Total ROR & In lieu fees  | 21,813,158  |                               | 1,075,406 | <b>\$22,888,563</b> |  |
|   |             |                               |           |                     |  |
| <b>Total amount General Fund has experienced in Rate of Return and in lieu fees during the life of Muni Water</b> |             |                               |           | <b>\$17,515,200</b> |  |
|   |             |                               |           |                     |  |
| <b>Amount below the 8% that the General Fund has experienced through 2002-2003</b>                                |             |                               |           | <b>\$5,373,363</b>  |  |
|   |             |                               |           |                     |  |
|   |             |                               |           |                     |  |
| <b>2003-2004 projected revenues (assuming no rate increase)</b>   | 17,995,000  |                               |           |                     |  |
| <b>Projected Rate of Return</b>   | 2,244,000   |                               |           |                     |  |
| <b>% of total revenues</b>  | 12.47%      |                               |           |                     |  |
| <b>If 8% was applied</b>  | 1,439,600   |                               |           |                     |  |
| <b>amount potentially over 8%</b>   | 804,400     |                               |           |                     |  |
|   |             |                               |           |                     |  |
| <b>2003-2004 projected revenues (assuming rate increase to cover increased cost of wholesale water and power)</b> | 19,435,000  |                               |           |                     |  |
| <b>Projected Rate of Return</b>   | 2,244,000   |                               |           |                     |  |
| <b>% of total revenues</b>  | 11.55%      |                               |           |                     |  |
| <b>If 8% was applied</b>  | 1,554,800   |                               |           |                     |  |
| <b>amount potentially over 8%</b>   | 689,200     |                               |           |                     |  |