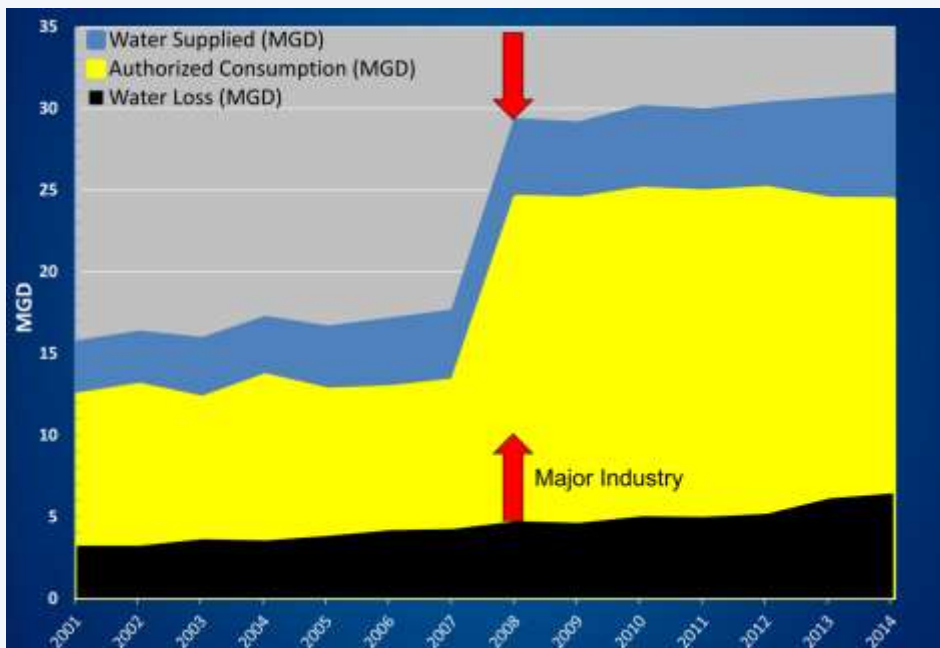




Simulated example I (1 of 6)

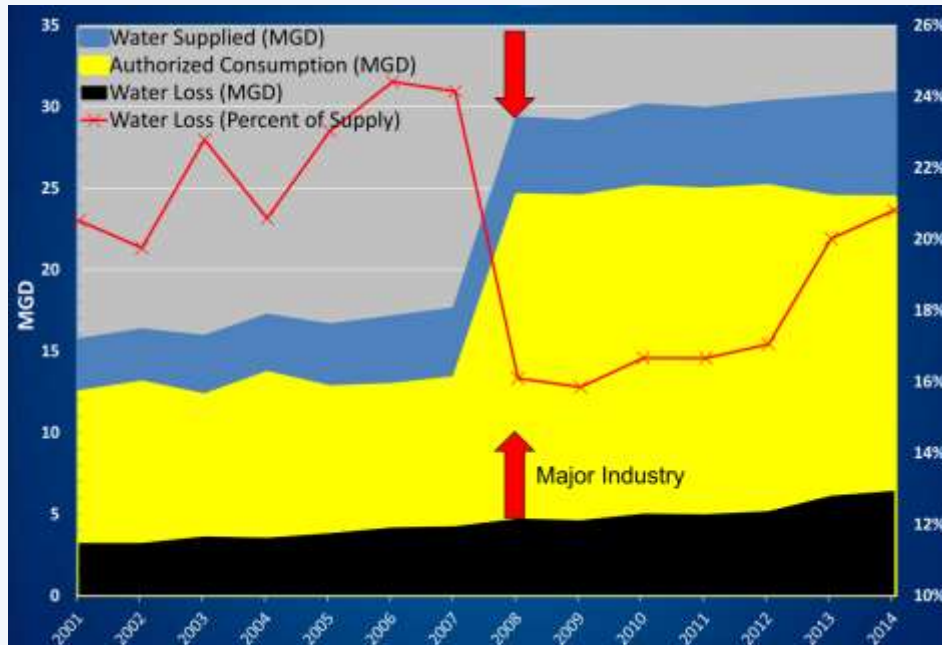


Water Supplied, Authorized Consumption and Water Loss in Million Gallons per Day:

- Utility has no Water Loss Control program in place
- Steadily rising Water Losses over 13 years; doubled from 3 MGD to 6 MGD
- A Major Industry moved to the City so Authorized Consumption has increased



Simulated example I (2 of 6)

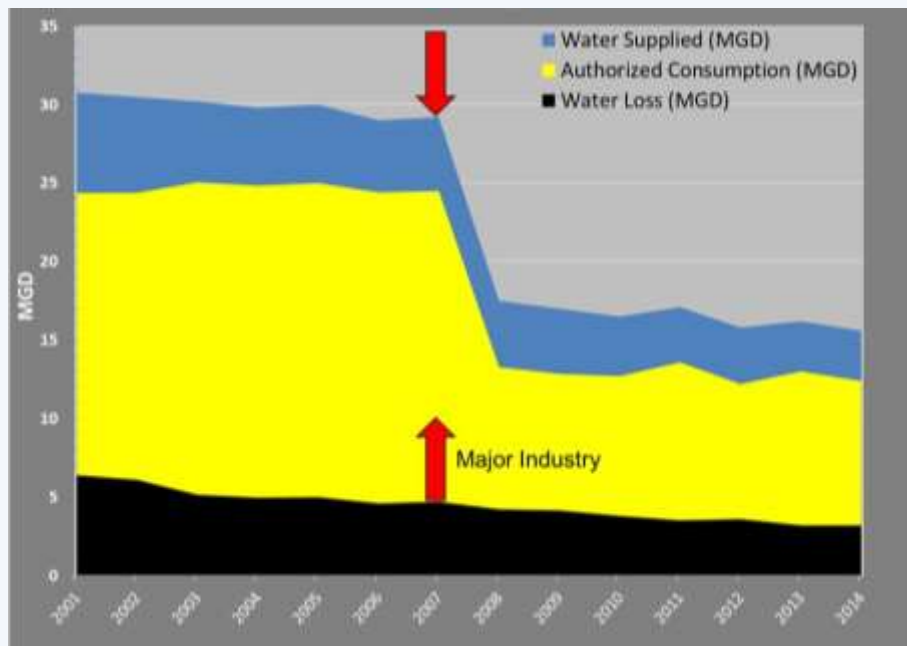


Water Supplied and Authorized Consumption in MGD; Water Loss in MGD and by % of Water Supplied:

- Water Loss as a % of Water Supplied is not an indicator of performance
- It seems our performance in volumetric % drastically improved when the Major Industry came to the City → misleading
- Performance 2014 seems similar as 2001 → misleading



Simulated example II (3 of 6)

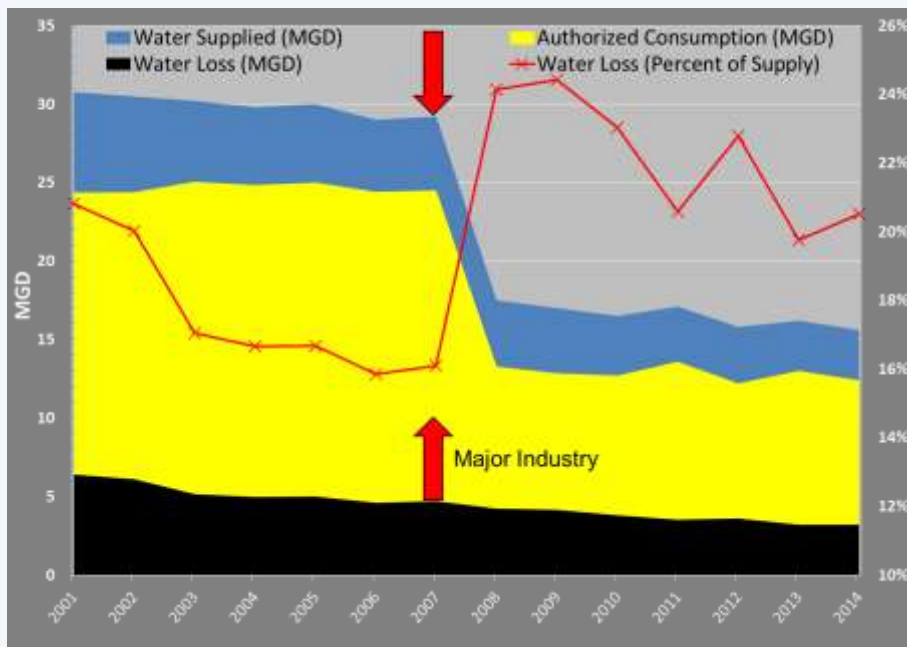


Water Supplied, Authorized Consumption and Water Loss in MGD:

- Comprehensive Water Loss Control program in place
- Steady reductions in total Water Loss over 13 years from 6 MGD to 3 MGD
- Our Major Industry stays in the City but changes to Treated Effluent



Simulated example II (4 of 6)

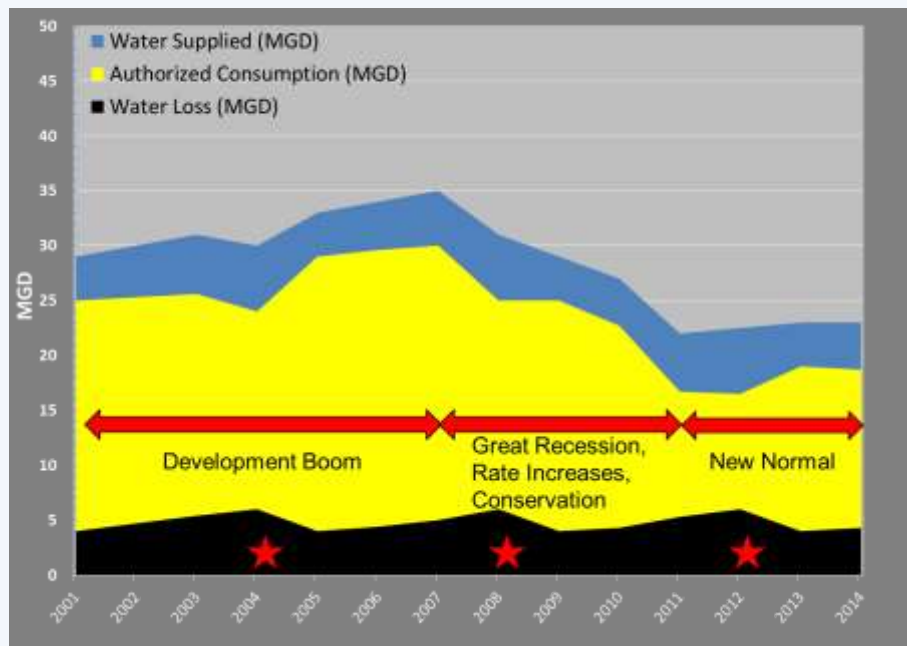


Water Supplied and Authorized Consumption in MGD; Water Loss in MGD and by % of Water Supplied:

- Water Loss as a % of Water Supplied is not an indicator of performance
- It seems like our performance in volumetric % today is the same as 13 years ago → misleading



Simulated example III (5 of 6)

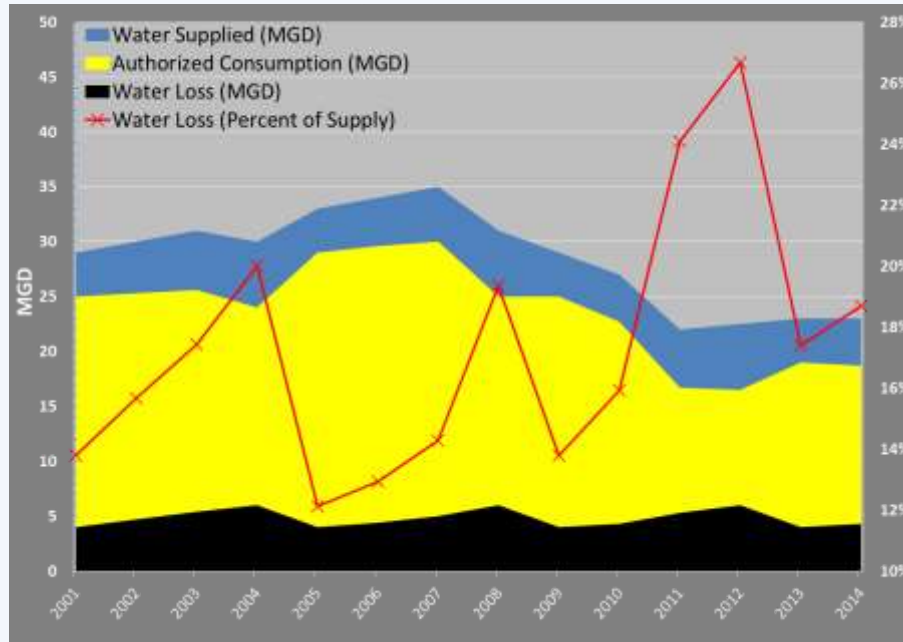


Water Supplied, Authorized Consumption and Water Loss in MGD:

- Our customers begin to conserve more and more → we are at a new normal
- Comprehensive Water Loss Control program in place
- Water Loss is kept at Economic Level of Loss i.e. by periodic leak surveys
- Good work undertaken in the field



Simulated example III (6 of 6)



The red line (% of Water Supplied) wants us to believe that our performance is trending worse, and that rather than having maintained at Economic Level of Loss, we have gotten substantially worse since 2001!