

### Flat-Rate Pricing Policy:

Effective July 1, 2010, NWRDC changed to a flat-rate billing model, as approved by the Policy Board on May 20, 2010. Flat-rate billing allows us to charge each customer for its share of the mainframe based on the previous fiscal year's usage, determined by the usage during the period of May 1st – April 30<sup>th</sup>. Each customer's percentage of usage is calculated and used to determine the amount of mainframe expenses each customer will pay. This is a fair and equitable model for our customers and is inclusive of all CPU, tape and DASD usage. Per the new flat-rate model, each customer's monthly invoice amount will not change for the duration of the fiscal year.

Each customer's annual flat-rate is determined in May, prior to the following fiscal year. Each customer will be notified of their new rate in June for the following fiscal year. For example, we will calculate the annual FY 2013-14 flat-rates, by customer, based on each customer's usage during the period of May 1, 2012 – April 30, 2013. The annual billings will be calculated in May 2013, effective July 1, 2013 and a notice will be included with each customer's June 2013 invoice. NWRDC monitors all mainframe usage daily to insure any individual customer does not use excessive mainframe resources which may affect others customers throughput. We urge our customer's to monitor their usage throughout the fiscal year.

This change in billing methodology necessitated changes to each customer's monthly invoice. Each invoice has two sections: 1) the current month's usage; and 2) the fiscal year-to-date's usage. These sections are for tracking and monitoring purposes.