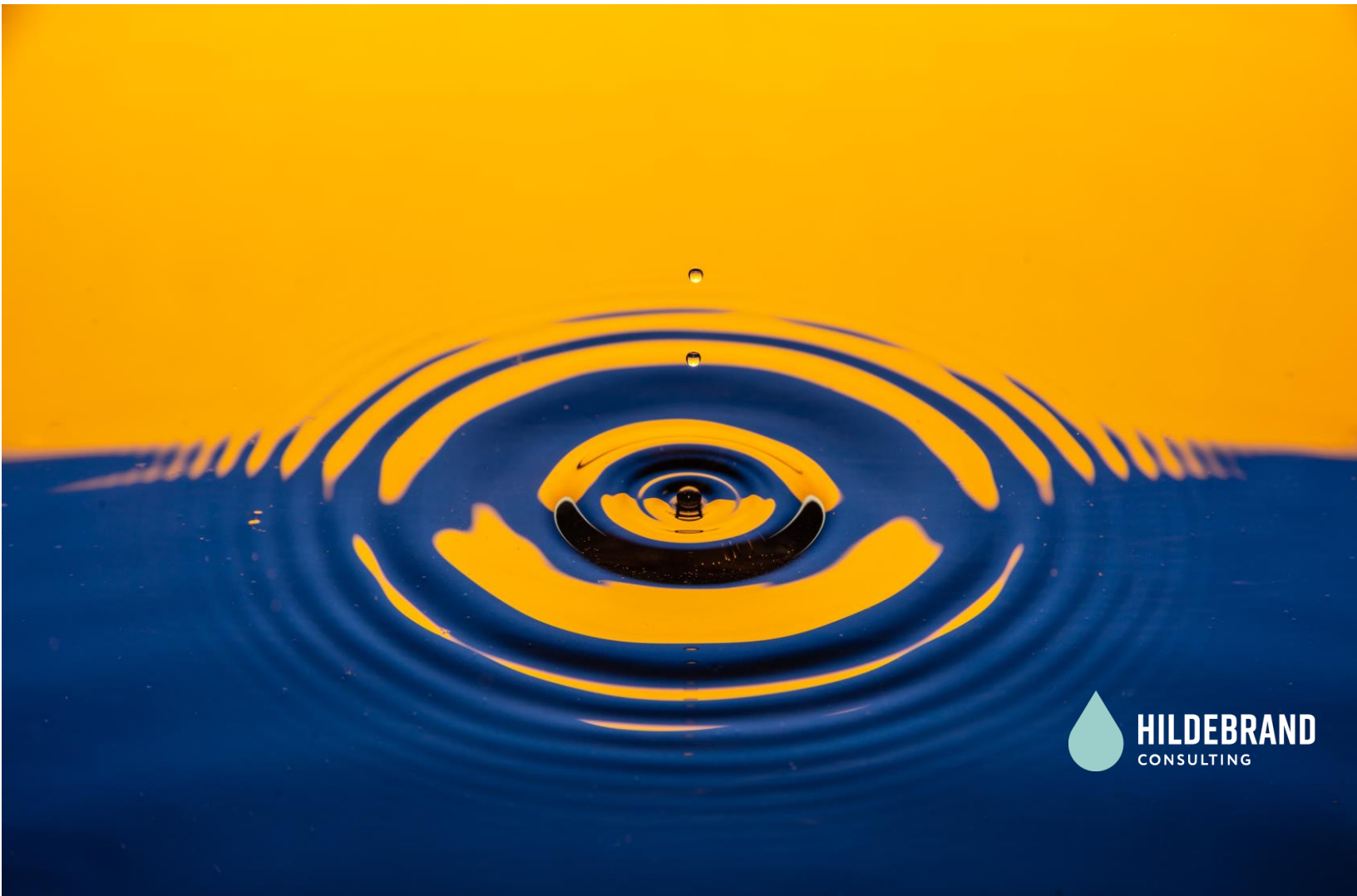




## 2024 Comprehensive Water Rate Study

July 16, 2024



July 16, 2024



Mr. Jeff Ott  
Director of Finance and Administration  
Sacramento Suburban Water District  
3701 Marconi Ave. Suite 100  
Sacramento, CA 95821-5346

Re: 2024 Comprehensive Water Rate Study

Dear Mr. Ott,

Hildebrand Consulting is pleased to present this 2024 Comprehensive Water Rate Study (Study) for the Sacramento Suburban Water District (District). We appreciate the fine assistance provided by you and all of the members of the District staff who participated in the Study.

If you or others at the District have any questions, please do not hesitate to contact me at:

[mhildebrand@hildco.com](mailto:mhildebrand@hildco.com)  
(510) 316-0621

We appreciate the opportunity to be of service to the District and look forward to the possibility of doing so again in the near future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Hildebrand', is located below the 'Sincerely,' text.

Mark Hildebrand  
Hildebrand Consulting, LLC

Enclosure

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## List of Acronyms

AWWA	American Water Works Association
CCI	Construction Cost Index
CIP	capital improvement program
CCI	hundred cubic feet (748 gallons)
COS	cost of service
CY	calendar year
DCR	debt service coverage ratio
ENR	Engineering News Record
HCF	hundred cubic feet (748 gallons)
O&M	operations and maintenance
PCWA	Placer County Water Agency
RCNLD	replacement cost new less depreciation
SGA	Sacramento Groundwater Authority
SJWD	San Juan Water District
SSWD	Sacramento Suburban Water District
WSCP	Water Shortage Contingency Plan

## **Section 1. INTRODUCTION**

Hildebrand Consulting, LLC has been retained by Sacramento Suburban Water District (District or SSWD) to conduct a comprehensive water rate study (Study). This report describes in detail the assumptions, procedures, and results of the Study, including conclusions and recommendations.

### **1.1 UTILITY BACKGROUND**

The District is located in northern Sacramento County and includes portions of the unincorporated area of Sacramento County, Antelope, Carmichael, Citrus Heights, Foothill Farms, and North Highlands; small portions of the cities of Sacramento and Citrus Heights; and all of McClellan Business Park. The District was formed in 2002 when the Northridge Water District and the Arcade Water District were consolidated.

With a service area of approximately 36 square miles and population of 194,000, the District pumps its groundwater from approximately 70 operational wells, which have been capable of meeting annual District water demands. The wells are located in the North American Sub-basin which is part of the Sacramento Valley Groundwater Basin. Groundwater levels declined prior to 2000 but have since stabilized because of (1) increased surface water acquisitions by the District and (2) customer conservation practices. The District's annual average pumping allotment for groundwater is 35,035 acre-feet. Amounts pumped in excess of this target are subtracted from the District's "Exchangeable Water Balance" (banked groundwater). Amounts of groundwater pumped below this target that are replaced with purchased surface water are added to the District's "Exchangeable Water Balance" with the District credited for the in-lieu groundwater banked.

In addition to groundwater, the District currently imports surface water from two supply sources when available: Folsom Reservoir and the Lower American River. The

District purchases surface water from Placer County Water Agency, the City of Sacramento, San Juan Water District, and the U.S. Bureau of Reclamation, when available. The District generally plans to increase surface water deliveries and reduce groundwater deliveries during wet hydrological years and to rely on groundwater deliveries and reduce surface water deliveries during dry hydrological years in a conjunctively managed fashion.

## **1.2 SCOPE & OBJECTIVES OF STUDY**

The District last conducted a comprehensive water rate study in 2019, which resulted in the adoption of a 5-year rate schedule beginning in calendar year (CY) 2020 and running through CY 2024. The scope of this Study is to prepare a multi-year financial plan, update the water rate structure, propose a 5-year rate schedule, update private fire service charges, evaluate a water shortage surcharge policy, and update the District's capacity charges. The primary objectives of this Study are to:

- i. Integrate operational and capital project funding needs in the financial management plan
- ii. Identify future rate adjustments to water rates to help ensure adequate revenues to meet ongoing financial obligations
- iii. Determine the cost of providing water service using industry-accepted methodologies
- iv. Update the District's existing rate structures in order to ensure that the District continues to equitably recover the cost of service and comporting with industry standards and California's legal requirements

## **1.3 STUDY METHODOLOGY**

This Study applied methodologies that are aligned with industry standard practices for rate setting as laid out in the American Water Works Association (AWWA) M1 Manual, and all applicable law, including California Constitution Article XIII D, Section 6(b), commonly known as Proposition 218.

The Study began with a review of the District’s current financial dynamics and latest available data for the utility’s operations. The multi-year financial management plan was then developed to determine the level of annual rate revenue required to cover projected annual operating expenses, debt service (including coverage targets), and capital cost requirements while maintaining adequate reserves. This portion of the Study was conducted using an MS Excel®-based financial planning model which was customized to reflect the financial dynamics and latest available data for the utility’s operations in order to develop a long-term financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments.

Revenue requirements calculated for the year ending December 2025 (CY 2025) were then used to perform a detailed cost-of-service (COS) analysis. The COS analysis and rate structure design were conducted based upon principles outlined by the AWWA, legal requirements (Proposition 218) and other generally accepted industry practices to develop rates that reflect the cost of providing service.



## Section 2. FINANCIAL PLAN

This section presents the 10-year financial plan including a description of the source data, assumptions, and the District’s financial policies. The District provided historical and budgeted financial information, including historical and budgeted operating costs, a multi-year capital improvement program (CIP), and outstanding debt service obligations. District staff also assisted in providing other assumptions and policies, such as reserve targets and escalation rates for operating costs (all of which are described in the following subsections).

The 10-year financial plan was developed through several interactive work sessions with District staff. As a result of this process, the Study has produced robust financial plans that will allow the District to meet the revenue requirements and achieve financial performance objectives throughout the projection period while striving to minimize rate increases.

### 2.1 BEGINNING FUND BALANCE

The ending cash balances for CY 2022 were used to establish the CY 2023 beginning balances, as outlined in **Table 1**.

**Table 1: CY 2023 Beginning Cash Balance**

General Fund	\$4,750,000
Westamerica Payable Checking Account	\$2,808,000
Investments	\$36,662,000
Cash Equivalents, LAIF - SSWD	\$2,699,000
<b>Total :</b>	<b>\$46,919,000</b>

While the District’s cash is held in the above accounts, the reserves are organized by policy as described in Section 2.2.

## 2.2 DISTRICT RESERVE POLICIES

Target reserves for utilities are cash balances retained for specific cash flow needs. The target for reserves is an important component when developing a multi-year financial plan. Utilities rely on reserves for financial stability; credit rating agencies evaluate utilities in part on their adherence to formally adopted reserve targets; and lending agencies require utilities to maintain specific debt reserves for outstanding loans.

The District has formal reserve policies (PL Fin – 004) which were last revised on November 15, 2021. This financial plan incorporates five (5) of the District’s nine (9) formal reserves, as well as an additional reserve practice employed by District staff, all of which are summarized below. The target levels of the policies below are robust and consistent with 1) the findings of reserve studies conducted by the AWWA; 2) a healthy level of reserves for a utility per the evaluation criteria published by rating agencies (e.g., Fitch, Moody’s, and Standard & Poor’s); and 3) Hildebrand Consulting’s industry experience for similar systems.

The following reserve targets are listed by funding priority, starting with the highest priority.

- A) Cash-on-Hand Balance** – Prior to funding the District’s formal reserves, staff has historically made it a practice to keep three million dollars (\$3 million) in operating cash in the District’s commercial bank.
- B) Capacity Reimbursement Fund** – The District retains twenty percent (20%) of capacity fee revenue collected each fiscal year for the purpose of repaying individuals or businesses who were required to install up-sized lines or extension facilities at the request of the District. In CY 2024 the Capacity Reserve Fund target is \$84 thousand.
- C) Operating Reserve** – While the District’s written Operating Reserve policy is described as 180 days of budgeted operating expenditures and debt service, this financial plan uses 120 days in order to moderate the accumulated total reserve target. The Operating Reserve serves to ensure adequate working capital for

unexpected expenditures of a non-recurring nature or to meet unexpected increases in operating costs. In CY 2024 the Operating Reserve target is \$11.5 million.

- D) Emergency/Contingency Fund** – This fund is designed to allow for continued operations during times of severe financial distress due to events that require unexpected use of cash, such as the catastrophic failure of a major asset. The District targets a balance of three percent (3%) of its prior year-end total assets in this fund. In CY 2024 the target for this fund is \$11.8 million.
- E) Rate Stabilization Fund** – The Rate Stabilization Fund is focused on managing revenue fluctuations related to changes in customer demand and changes in surface water purchases. This fund targets a balance of forty percent (40%) of its expected upcoming year consumption revenues. In CY 2024 the target for this fund is \$6.4 million.
- F) Capital Asset Fund** – The Capital Asset Fund is used for funding the District’s CIP. The need for this fund is driven by the inherent volatility of capital spending. This fund provides a “buffer” which allows the District to draw down on the reserve during years of higher capital spending and requires the District to replenish the fund during years of lower capital spending. The District’s written policy targets a fund balance equal to the annualized average of the future five years of CIP expenditures, however this financial plan targets the 50 percent of the annualized average of the future five years in order to moderate the accumulated total reserve target. In CY 2024 the target for this fund is \$12.9 million based on the projected capital spending over the next 5 years.

The total reserve target by year is shown in **Schedule 3** (10-Year Cash Flow Proforma), which shows that the Target Reserve level is typically fully funded.

Additional reserves described in the District’s reserve policy but not included in this financial plan include the Interest Rate Risk Management Fund, the Grant Fund, the Capacity Fee Fund, and the Well Property Acquisition Fund. These reserves policies either do not have specific reserve targets defined or are only used in special circumstances.

### 2.3 CUSTOMER GROWTH AND WATER USAGE

The District’s territory is substantially built out and does not anticipate significant future growth. Over the past 10 years the District has collected an average of approximately \$421 thousand per year in Capacity Charge revenue from new customers connecting to the system (after removing two outlier years). This level of revenue is equivalent to about 94 new single-family homes per year, or a growth rate of approximately 0.10 percent. This Study assumes that this rate of growth will continue over the 10-year planning period.

Although the District’s conservation efforts have yielded a long-term trend of lowering per capita water usage, this study assumes that per capita water usage will remain flat over the next 10 years.

### 2.4 REVENUES

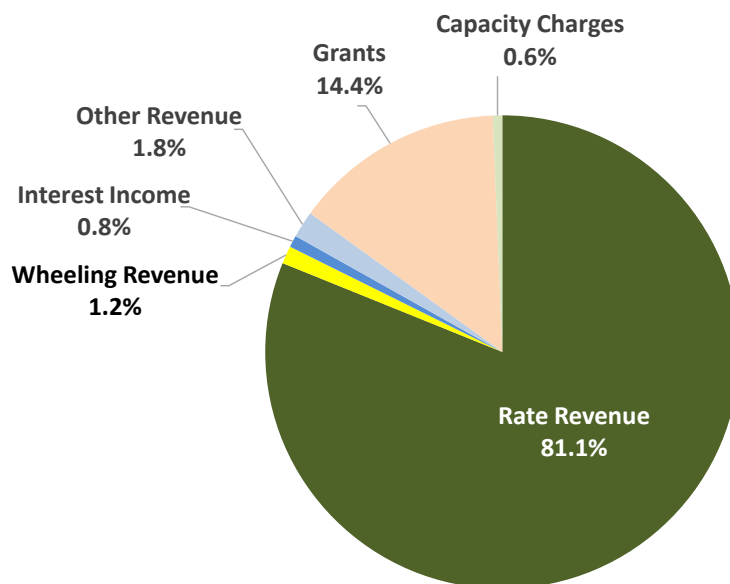
Rate revenue is the revenue generated from customers for water service. The District collects rate revenue through a fixed monthly “Service Charge” (assessed based on meter sizes) and a “Usage Rate” based on water consumption. The financial plan starts with the CY 2024 budgeted rate revenues (the District implemented a 3 percent increase on January 1, 2024). Future rate revenue projections account for assumed customer growth (see Section 2.2) as well as the annual rate revenue adjustments proposed by this Study. Budgeted and projected rate revenues (including proposed rate adjustments) are listed in **Schedule 3**.

In addition to rate revenue, the District receives “non-rate revenue” from sources such as miscellaneous service fees and penalties (“operating revenue”), rents/leases on District property (“non-operating revenue”), capacity charge revenue, interest revenue on investments, and occasionally grants. Projections of interest income was calculated based upon projected fund balances and an assumed interest rate of 1.5 percent on invested funds, which is lower than recent interest earnings (~2.4 percent) but higher than long-term historical interest earnings (~1.0 percent). Projected Capacity Charge

revenue was based on the projected growth rate (see Section 2.3) and the proposed increase in Capacity Charges (11.4 percent, see Section 6). The District has been awarded an \$18.8 million grant from the Department of Water Resources (DWR) that has been assumed to be received CY2024 and CY2025. No additional grant revenue is included in this financial plan. Projections for all other non-rate revenue were based on CY 2024 budgeted revenues.

The District also occasionally receives revenue through a wheeling service provided to Cal-Am Water. This source of revenue is intermittent because the wheeling is only possible when surface water is available from Placer County Water Agency (PCWA), which depends from year-to-year on runoff volumes. Due to the unpredictability of this revenue this financial plan assumes no revenue beyond CY 2024 for the purposes of planning.

Budgeted revenues are depicted in Figure 2 below and detailed in Schedule 3.



**Figure 1: Revenue Categories (Budget CY 2024)**

It should be noted that California law (specifically Government Code Section 66013) requires that Capacity Charge revenue be spent “solely for the purposes for which the charges were collected” (i.e., expansion-related capital projects). In the case of the District, Capacity Charges have been and are proposed to be (see Section 6) based on the “Buy-In Approach” which means that the charge is designed to reimburse the District for past investment in infrastructure capacity. For this reason, the District’s Capacity Charge revenue is not considered restricted.

## **2.5 OPERATING AND DEBT EXPENSES**

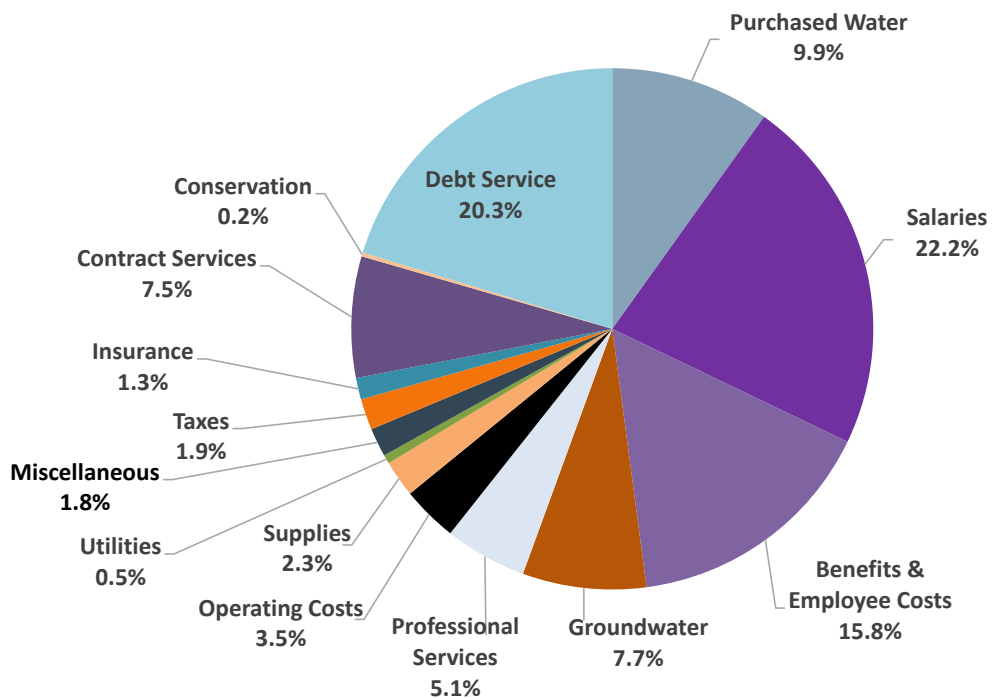
This section addresses the District’s operating expenses, including maintenance expenses, water purchases, and debt service. Capital spending is addressed in Section 2.7. This financial plan assumes that the District will add two new employees at a cost of \$150 thousand per year per employee starting in CY 2025. Aside from employee-related costs, the District’s largest operating expense category is purchased water. The cost of purchased water is highly variable from year-to-year due to the District’s conjunctive use strategy whereby groundwater is the District’s primary (and only reliable) source of water, but surface water is purchased whenever available. The District has a number of potential options for purchasing water including a “take or pay” contract with PCWA, treated surface water from San Juan Water District (SJWD) and treated water from the City of Sacramento. The availability of these purchase water sources depends on runoff into Folsom Lake and water released into the lower American River and as a result, the District’s annual water portfolio can be as high as 65 percent surface water but more often 0 percent. This financial plan assumes that the District will purchase an average of 8,000 acre-feet (AF) per year (or 26 percent of its water needs) at a cost of \$350 per AF in CY 2024 (to be escalated, see Section 2.6).

The District’s current outstanding debt includes a 2018 revenue bond (with annual payments of about \$1.5 million through CY 2027) and a 2022 revenue bond (with annual payments ranging from \$3.4 million to \$7.0 million through CY 2031). The total annual

debt service through CY 2030 is \$7.0 million with a final debt service payment of \$3.4 million in CY 2031.

The District’s existing bonds have a debt service coverage ratio (DCR) requirement of 1.15 (which can also be expressed as 115 percent). Based on recently published guidance from Fitch Ratings, utility systems with *midrange* financial profiles should maintain a DCR greater than 1.50 times annual debt service. The District does not have significant debt service relative to its annual revenues, therefore the above DCR targets are easily met throughout the financial planning period (see Row 50 of Schedule 3).

Current operating expenses are based on the budgeted expenditures for CY 2024 and future expenses are projected based on inflationary assumptions (see Section 2.6). Budgeted expense categories for CY 2024 are depicted in **Figure 2**. Projected operating and debt service expenses are detailed in **Schedule 1**.



**Figure 2: Operating and Debt Service Expense Categories (Budget CY 2024)**

## 2.6 COST ESCALATION

Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflationary forecasts, industry experience, and discussions with District staff. The assumed annual inflation rates by cost category are summarized in Table 2.

**Table 2: Annual Inflation Assumptions**

<b>Category</b>	<b>Annual Inflation</b>
Salaries	3.6%
Benefits	4.0%
Professional Services	3.0%
Utilities & Fuel	5.0%
Supplies/Materials	3.0%
Chemicals	3.0%
Insurance	5.0%
Purchased Water	5.0%
Consumer Price Index	3.0%
Construction Cost Index	3.0%*

\* This rate is forecasted to drop to 2.5% by 2030

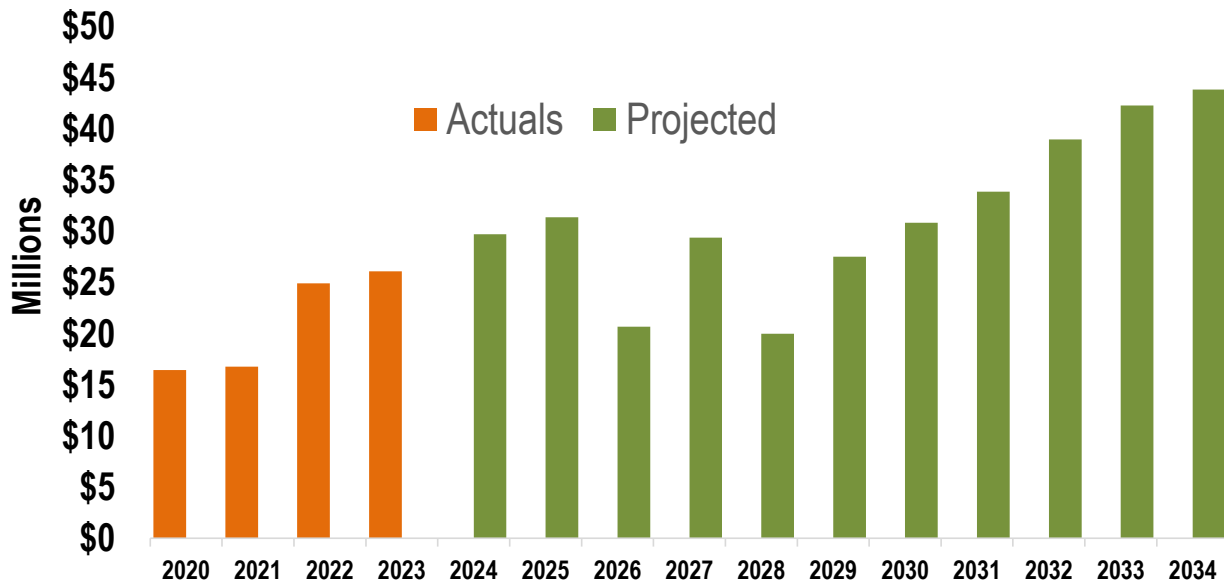
## 2.7 CAPITAL IMPROVEMENT PROGRAM

With an aging infrastructure, the District has dedicated significant resources to develop a comprehensive infrastructure assessment and has established specific asset management plans for the ultimate needs of its facilities (typically to the end of each asset’s useful service life). These asset plans are intended to allow the District to better plan and budget for future capital facility needs, consisting primarily of capital replacements, which is one of the most significant challenges facing the District. As the future capital needs of the District are primarily repair and replacement projects, the District intends to fund such projects through pay-as-you-go financing rather than the issuance of additional debt.

Figure 3 shows that cash-funded capital spending from 2020 to 2023 averaged \$21.1 million per year. Going forward the average annual capital spending is expected to



increase to \$31.7 million. The District is increasing its capital spending in order to pro-actively address aging pipes, pump stations, water tanks, and other system deficiencies. The capital spending forecast is based on the District’s 5-year capital improvement plan (CIP). A detailed list of budgeted capital projects and associated costs is provided in **Schedule 2**.



**Figure 3: Historic and Projected Capital Spending**

**2.8 PROPOSED RATE REVENUE INCREASES**

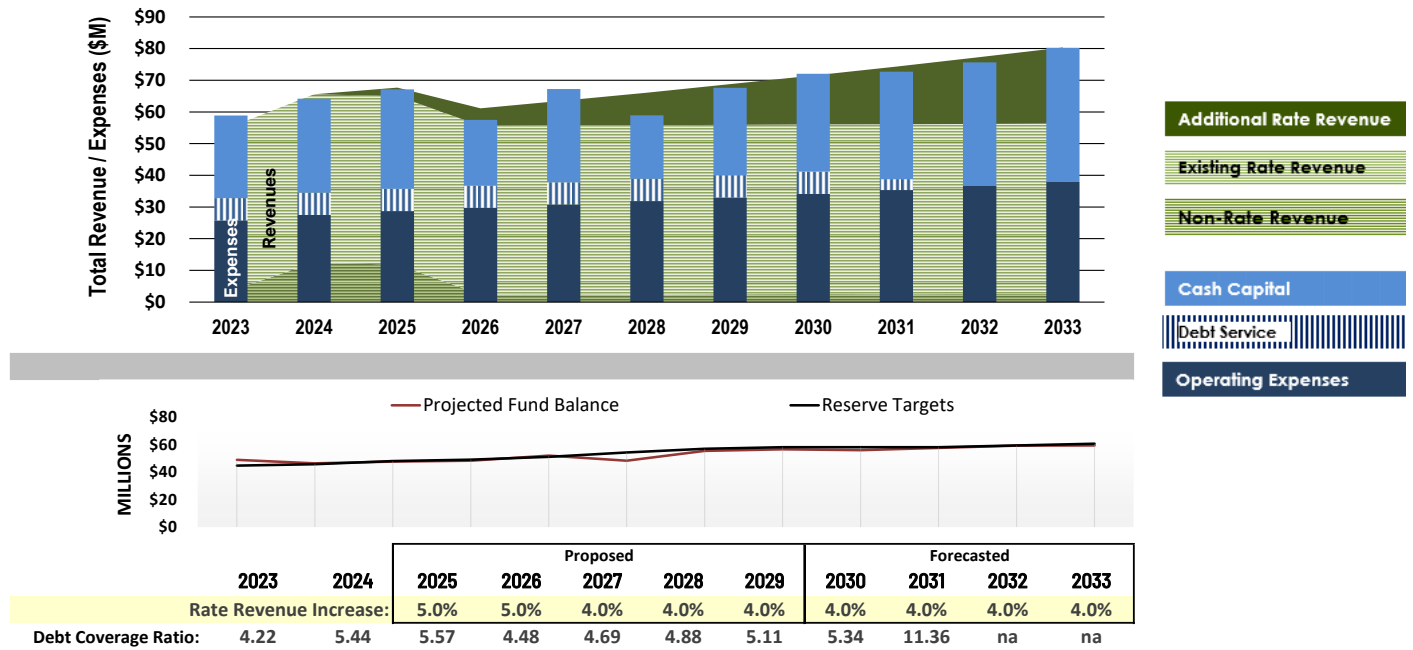
All of the above information was entered into the financial planning model to produce a 10-year projection of the sufficiency of revenues to meet current and projected financial requirements and determine the level of rate revenue increases necessary in each year of the projection period.

Based upon the previously discussed financial data, assumptions, and policies, this Study proposes a 5-year schedule of rate adjustments as detailed in **Table 3**.

**Table 3: Recommended Rate Revenue Increase**

Date	Rate Revenue Increase
January 1, 2025	5.0%
January 1, 2026	5.0%
January 1, 2027	4.0%
January 1, 2028	4.0%
January 1, 2029	4.0%

The numbers provided in **Schedule 3** (cash flow proforma) are summarized graphically in **Figure 4**, which shows that cash reserves and DCR targets are maintained over the course of the planning period.



**Figure 4: Cash-Flow Projection with Recommended Rate Revenue Increases**

After the final recommended increase in CY 2029, it is projected that similar annual increases will be necessary going forward, barring unforeseen emergencies or changes in infrastructure/operational needs.

## Section 3. COST OF SERVICE & RATE STRUCTURE

The cost-of-service (COS) analysis evaluates the cost of providing service and to allocate those costs to rate structure components to ensure the proposed rates are aligned with costs to provide service. The COS analysis is done in order to ensure equity between customer classes and to comply with Proposition 218, which requires water rates to be proportional to the cost of providing water service.

Upon completion of the COS analysis, a rate structure analysis was performed to evaluate rate structure modifications and calculate specific rate schedules for implementation beginning in CY 2025. The complete schedule of proposed rates for CY 2025 through CY 2029 is detailed in **Schedule 4**.

The rate structure proposed by this Study is designed to:

- ▶ Fairly and equitably recover costs through rates
- ▶ Conform to accepted industry practice and legal requirements
- ▶ Provide fiscal stability and recovery of system fixed costs

This Study employed a COS methodology that is consistent with the “commodity-demand” COSA methodology promulgated in AWWA’s *Manual M1: Principles of Water Rates, Fees, and Charges (M1)*. This is a well-established methodology as recognized by the AWWA and other accepted industry standards.

### 3.1 CURRENT RATES

The structure for the District’s current water rates follows a common industry practice with a two-part structure that is comprised of a fixed Service Charge and a consumption-based Usage Charge. The Service Charge is assessed based on meter size and currently recovers approximately 69 percent of rate revenue.

The Usage Charge is assessed based on actual water usage (measured in hundreds of cubic feet “HCF or CCF,” which is 748 gallons) and the rate varies by customer class. Single family accounts and small multifamily accounts<sup>1</sup> pay inclining block rates (two tiers). The Tier 2 rate is applied to accounts that use more than 15 HCF of water per month (which equates to about 374 gallons per day). Non-residential and large multifamily accounts<sup>2</sup> currently pay a (separate) uniform (single tier) usage rate.

### 3.2 PROPOSED CHANGES TO RATE STRUCTURE

While the District’s current rate structure is aligned with common industry standards, this study proposed to make modest changes by charging the same uniform rate to both non-residential and large multifamily customers and updating the basis for the tiered water rates.

### 3.3 COST OF SERVICE AND RATE DESIGN METHODOLOGY

The rate calculations presented herein are based on the rate revenue requirements for CY 2025 as identified by the financial plan. Once the rate revenue requirements have been identified, the costs are allocated to one of four cost recovery components:

- The Account Charge recovers costs associated with activities such as meter reading, customer service, and billing. These are fixed costs that are driven by the number of customers being served. The same Account Charge is assigned to each account regardless of size. That is, every customer pays an equal share of account-related costs. These costs are summarized in the “Account Charge” column of Table 4.
- The Meter Charge is also designed to recover fixed costs. These costs tend to vary in relation to the capacity of the water supply and distribution system and the ability to serve the demands of active customers. Customers that place greater or lesser burdens on the capacity of the water system should bear greater or lesser shares of

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<sup>1</sup> Small multifamily accounts are those with three (3) dwelling units or fewer.

<sup>2</sup> Large multifamily accounts are those with more than three (3) dwelling units.

these costs. The sizing of the water system is based on the potential demand that each customer could place on the water system. Capacity costs are allocated to customers based on the hydraulic capacity of their respective water meter. The hydraulic capacity reflects the potential demand that a customer could place on the water system at any given time and is a general indicator of each customer's capacity requirement. A customer with a large meter size will be assigned a larger share of fixed capacity-related costs than one with a smaller meter. The relative capacity associated with different meter sizes is summarized in Table 5.

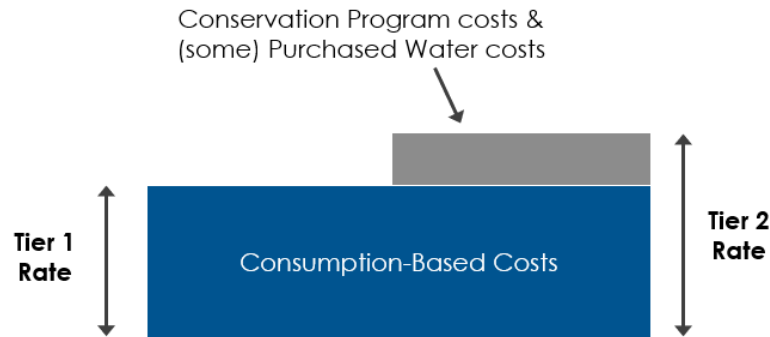
Capacity costs include costs associated with the water system's capacity including contributions to the capital program, debt service, maintenance, and certain fixed operating costs. These costs are summarized in the "Meter Charge" column of Table 4.

The Account Charge is combined with the Meter Charge to create the fixed Service Charge.

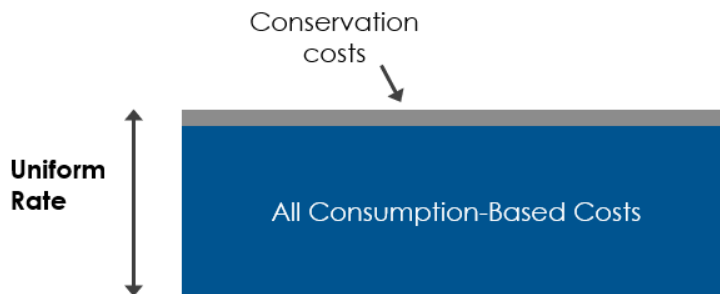
- The Usage Rates recover all costs that vary in response to water consumption (such as electricity and water purchase costs), as well as some fixed costs associated with water supply. In order to derive the tiered rates, the Usage Rate costs are further broken down into two categories: the Basic Use Charge and the Additional Usage Charge. Both of these charges recover consumption-related costs; however, the Additional Usage Charge recovers a larger proportion of water purchase costs and also recovers all costs associated with the District's conservation program. The costs allocated to the Basic Usage Charge and the Additional Usage Charge are summarized in Table 4.

In summary, the Tier 2 rate is designed to recover a larger portion of purchased water costs and the cost of the conservation program, while the uniform rate blends all costs into a single rate. The weighted average rate paid by all tiered-rate customers is equal to the uniform rate, thus meeting the proportionality requirements of Proposition 218.

**Figure 5** and **Figure 6** provide a graphical representation of the cost basis for the tiered rates and uniform rates, respectively.



**Figure 5: Basis for Tiered Rate Costs**



**Figure 6: Basis for Uniform Rate**

**Table 4: CY 2025 Cost Allocation**

Budget Expense	TY Budget	Cost Category Allocation				Cost Category Value			
		Account Charge	Meter Charge	Basic Usage Charge	Additional Usage Charge	Account Charge	Meter Charge	Basic Usage Charge	Additional Usage Charge
1 Board	\$155,600	100%				\$155,600			
2 Administration	\$2,912,300	75%	25%			\$2,184,225	\$728,075		
3 Finance	\$1,409,800	50%	50%			\$704,900	\$704,900		
4 Customer Service	\$1,769,200	100%				\$1,769,200			
5 Operations	\$628,700		100%				\$628,700		
6 Production	\$6,197,000		30%	44.0%	26.0%		\$1,859,100	\$2,726,680	\$1,611,220
7 Purchased Water	\$2,992,000			35%	65%			\$1,047,200	\$1,944,800
8 Distribution	\$3,069,900	0%	100%				\$3,069,900		
9 Field Services	\$1,744,700	0%	100%				\$1,744,700		
10 Maintenance Expenses	\$812,300		100%				\$812,300		
11 Conservation	\$888,300				100.0%				\$888,300
12 Environmental Compliance	\$1,146,700		70%	18.8%	11.2%		\$802,690	\$215,580	\$128,430
13 Engineering	\$1,835,100		100%				\$1,835,100		
14 GIS Expenses	\$518,200		100%				\$518,200		
15 Human Resources	\$497,000		100%				\$497,000		
16 Information Technology	\$1,564,100		100%				\$1,564,100		
17 Community Outreach	\$284,700			63.0%	37.0%			\$179,361	\$105,339
18 Additional Staff	\$300,000		100%				\$300,000		
19 Existing Debt	\$6,993,000		70.0%	18.8%	11.2%		\$4,895,100	\$1,314,684	\$783,216
20 Capital Spending	\$31,395,000		70.0%	18.8%	11.2%		\$21,976,500	\$5,902,260	\$3,516,240
21 Use of Reserves	\$584,000	7.2%	62.5%	17.0%	13.4%	\$41,889	\$364,916	\$99,075	\$78,120
22 Private Fire	(\$1,241,000)	7.2%	62.5%	17.0%	13.4%	(\$89,014)	(\$775,447)	(\$210,535)	(\$166,004)
23 Non Rate Revenue	(\$11,811,000)	7.2%	62.5%	17.0%	13.4%	(\$847,180)	(\$7,380,179)	(\$2,003,726)	(\$1,579,915)
24 <b>Total:</b>	<b>\$54,645,600</b>					<b>\$3,919,620</b>	<b>\$34,145,655</b>	<b>\$9,270,579</b>	<b>\$7,309,746</b>



### 3.4 WATER UNIT RATE CALCULATION

Once the revenue requirements have been allocated to the respective cost recovery components (see Row 24 of Table 4), those costs are divided by an appropriate metric in order to calculate the unit rates for each component.

- The Account Charge costs are divided by the number of active accounts.
- The Meter Charge costs are divided by the number of active “equivalent meters.” The concept of equivalent meters compares the relative capacity demands between different meter sizes, since larger meters have the capacity to place higher demands on the water system than smaller meters. To relate the potential demands on the water system from customers with different size water meters, hydraulic capacity factors are assigned to each meter size based on their respective flow rate capacity. The smallest meter (5/8” meter) is assigned a hydraulic capacity factor of 1.0. As shown in **Table 5**, the rated flow capacities of the various meter sizes are compared to the capacity of a 5/8” meter to determine the capacity factors for other meter sizes. This capacity relationship across meter sizes is used to allocate capacity-related costs to various customers; this is a common rate-setting practice used in the water industry.

**Table 5: Meter Equivalencies**

Meter Size	Flow Rate Capacity (gpm) <sup>1</sup>	Hydraulic Capacity Factor
5/8" meter	20	1.00
3/4" meter	30	1.5
1" meter	50	2.5
1 1/2" meter	100	5.0
2" meter	160	8.0
3" meter	320	16.0
4" meter	500	25.0
6" meter	1,000	50.0
8" meter	1,800	90.0
10" meter	2,400	120.0
12" meter	3,375	168.8

<sup>1</sup> AWWA M1 Manual, 7th Edition, Table B-2

- The Usage Charge costs are divided by the amount of water sold within each category. Billing data from 2023 was used to determine the amount of water currently being sold at Tier 1 and 2 rates and uniform rates.

**Table 6** summarizes customer account and water usage data used in water rate calculations. Account information is based on the utility billing data from CY 2023.

**Table 6: Accounts, Equivalent Meters, and Water Usage**

	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	Total	Water Use (hcf)
<b>Number of Accounts</b>											
1	Single Family Residential	2,637	35,363	1,632	118	8				<b>39,758</b>	6,844,000
2	Small Multi-Family	2	1,499	802	9	1				<b>2,313</b>	534,000
3	Multi Family		162	398	293	577	137	38	10	<b>1,615</b>	2,540,000
4	Commercial		581	838	516	632	92	28	2	<b>2,689</b>	1,630,000
5	Industrial		9	20	10	9	7	4		<b>59</b>	78,000
6	Institutional		69	80	75	183	77	31	15	<b>533</b>	1,105,000
7	<b>Total Accounts</b>	<b>2,639</b>	<b>37,683</b>	<b>3,770</b>	<b>1,021</b>	<b>1,410</b>	<b>313</b>	<b>101</b>	<b>27</b>	<b>46,967</b>	<b>12,731,000</b>
8	Meter Rating (gpm)	20	30	50	100	160	320	500	1,000	1,800	
9	Hydraulic Capacity Factor	1.0	1.5	2.5	5.0	8.0	16.0	25.0	50.0	90.0	
10	5/8" Equivalent Meters	2,639	56,525	9,425	5,105	11,280	5,008	2,525	1,350	270	<b>94,127</b>

**Table 7** shows how the cost allocated to each component are divided by the number of relevant units of service in order to derive unit costs, which become the building blocks for the proposed rates.

**Table 7: CY 2025 Units Cost of Service**

	Account Charge	Meter Charge	Uniform Rate	Tier 1 Rate	Tier 2 Rate
<b>Units:</b>	46,967 Accounts	94,127 Equivalent Meters	5,353,000 hcf	4,633,700 hcf	2,744,300 hcf
<b>Revenue Requirement:</b>	\$3,919,620	\$34,145,655	\$6,971,525	\$5,372,581	\$4,236,219
<b>Units Costs:</b>	<b>\$83.45</b> per account per year or <b>\$6.95</b> per account per month	<b>\$362.76</b> Per equivalent meter per year or <b>\$30.23</b> per equivalent meter per month	<b>\$1.30</b> Per hcf for Uniform Rates	<b>\$1.16</b> Per hcf for Tier 1	<b>\$1.54</b> Per hcf for Tier 2

The fixed monthly service charge is made up of the Account charge and the Meter Charge. The Account Charge is the same for all accounts, regardless of the size of the account and the Meter Charge is based on the meter size. As shown in Table 8, the Meter Charge increases in proportion to the meter equivalency, while the Account Charge remains the same for all meter sizes.

**Table 8: Proposed Monthly Service Charges (CY 2025)**

Meter Size	Account Charge	Meter Charge	Fixed Monthly Charge
5/8" meter	\$6.95	\$30.23	\$37.18
3/4" meter	\$6.95	\$45.35	\$52.30
1" meter	\$6.95	\$75.58	\$82.53
1.5" meter	\$6.95	\$151.15	\$158.10
2" meter	\$6.95	\$241.84	\$248.79
3" meter	\$6.95	\$483.68	\$490.63
4" meter	\$6.95	\$755.75	\$762.70
6" meter	\$6.95	\$1,511.51	\$1,518.46
8" meter	\$6.95	\$2,720.71	\$2,727.66
10" meter	\$6.95	\$3,627.62	\$3,634.57
12" meter	\$6.95	\$5,101.33	\$5,108.28

The proposed 5-year rate schedule for is detailed in **Schedule 4**.

## **Section 4. WATER SHORTAGE SURCHARGE POLICY**

A Water Shortage Surcharge policy is a tool for mitigating the financial impacts associated with reduced water sales and increases in operating costs during a water shortage event (whether a drought or otherwise). During a water shortage event the District is impacted by a number of financial changes including:

- 1) Rate revenue decreases due to the decrease in water sales.
- 2) Decreases in the cost of purchasing water.
- 3) Decreases in the cost of electricity and chemicals due to the decrease in water deliveries (less pumping and treating).
- 4) Increases in the cost of the District's conservation program.

Since the reduction in water sales revenue is more significant than the reduction in operating costs, the net impact results in a financial deficit for the District. Water Shortage Surcharges are designed to reduce, not eliminate, that financial deficit.

### **4.1 WATER SHORTAGE SURCHARGE ANALYSIS**

The Water Shortage Surcharge policy is designed to temporarily modify the then-current water usage charges during water shortage events. The Water Shortage Surcharge does not affect the fixed monthly Service Charge. The proposed Water Shortage Surcharges are designed to be aligned with the District's Water Shortage Contingency Plans (WSCP), which define water usage reduction targets by various stages. The analysis defines:

- 1) The water usage reduction goals by water shortage stage
- 2) The estimated water use reduction during each respective stage
- 3) The estimated changes in rate revenue for each respective stage
- 4) The estimated changes in expenditures for each respective stage

- 5) The proposed Water Shortage Surcharge by stage (expressed as a percent increase to the water usage charges)
- 6) The anticipated financial deficit that will occur by stage (after accounting for the mitigating measures)

Each of the above steps are detailed in the respective subsections below.

## **4.2 CALCULATIONS OF WATER SHORTAGE SURCHARGES**

The following details the analysis behind the proposed Water Shortage Surcharge policy.

### **4.2.1 Shortage Stages and Assumed Water Reduction**

The District's WSCP (which is part of the District's 2020 Urban Water Management Plan) aligns with the requirements of Senate Bill 606, which requires water utilities to develop an action plan based on various stages of drought. The water usage reduction goals are shown in Row 1 of **Schedule 5**. This analysis assumes that the actual water usage reductions during each defined stage will be short of the water reduction goals (see Row 2 of Schedule 5).

### **4.2.2 Forecasted Changes in Rate Revenue**

The forecasted reduction in water consumption charge revenue for each stage was modeled by applying the assumed water usage reduction evenly across all customers. This was done by applying a uniform reduction in water usage across all customers using CY 2023 customer billing data. It is important to note, however, that the consumption charge revenue is complicated by the tiered rates that are charged to some residential customers. As a result, a reduction in Tier 2 water usage will have a larger financial impact than the same reduction in Tier 1 water usage. Modeling which customers (the "water savers" that stay in Tier 1 or the larger water consumers that use substantial Tier 2 water) will reduce their water usage during a water shortage emergency or drought is not easily accomplished. It is beyond the scope of this analysis to model the uneven distribution of water reductions across different types of

customers. We acknowledge that this assumption may underestimate the revenue shortfall, thereby yielding lower recommended Water Shortage Surcharges than might actually be needed to cover the shortfall.

The fixed monthly Service Charge revenue and non-rate revenues are not expected to change as a result of a drought (see Rows 3 and 5 of Schedule 5). Row 6 of Schedule 5 shows the amount of total revenue expected during each stage.

### **4.3 FORECASTED CHANGES IN EXPENDITURES**

Some of the District's expenses are fixed and not expected to change during a drought event (see Rows 12 - 30 of Schedule 5). The following expenses are expected to change during sustained water shortage events:

#### **4.3.1 Water Purchases**

The District is only able to purchase surface water when it is available. Typically, surface water is not available for purchase during water shortage events. As such, this analysis assumes that reduced water usage will first reduce the amount of surface water purchased. Consistent with the financial plan (see Section 2), it is assumed that purchased surface water currently makes up 26 percent of the District's water usage (on average). As such the assumed reduction of 26 percent of water usage in Stage 2 (see Row 2 of Schedule 5) means that no surface water is purchased during a Stage 2 water shortage.

#### **4.3.2 Electricity and Chemicals**

Row 9 of Schedule 5 shows the cost of water pumping, which equates to the cost of electricity. This analysis assumes that 88 percent of pumping electricity is used for groundwater extraction and the remaining 12 percent is for water transmission. As such, 12 percent of the costs on Row 9 are reduced during all stages of water reduction and 88 percent of the costs are reduced only after the surface water supply has been exhausted (starting in Stage 3). It is also assumed that 25 percent of electricity costs are fixed.

Row 10 of Schedule 5 shows the cost of chemicals for groundwater treatment. It is assumed that these are variable costs that decrease in proportion to reduced groundwater usage.

#### **4.3.3 Water Conservation**

The District's water conservation program gets ramped up during water shortage emergencies and drought events. Increases in costs are driven by intensified outreach and bolstered rebate programs. Based on past trends, it is assumed that the conservation program budget will increase in proportion to the decrease in water usage (see Row 11 of Schedule 5).

#### **4.4 PROPOSED WATER SHORTAGE SURCHARGE BY STAGE**

Upon completion of the above analysis, we assessed the total financial deficit that would occur in each stage if no mitigating measures were taken. Row 34 of Schedule 5 shows a financial deficit of \$3.93 million during a Stage 4 event. The proposed application of a Water Shortage Surcharge does not propose to eliminate the financial deficit entirely; instead, the strategy also involves the sustainable use of some reserves.

The financial deficit in Stage 1 is expected to be approximately \$951 thousand and \$1.07 million in Stage 2. Given that the financial impact of both Stage 1 and Stage 2 water shortages are relatively modest (due to the reduction in purchased water which is expensive), it is assumed that neither Stage 1 nor Stage 2 will trigger a Water Shortage Surcharge. This is financially viable because the District has robust reserve policies that maintain sufficient reserves to withstand modest financial deficits for multiple years.

The proposed Water Shortage Surcharges for Stage 3 and 4 (see Table 9 below and Row 2 of Schedule 5) have been calibrated to yield an overall deficit that is similar to a Stage 1 or Stage 2 deficit (around \$1.0 million), as shown in Row 37 of Schedule 5.

### Table 9 - Proposed Water Shortage Surcharge by Stage

(applied to Consumption Charges only)

Stage 1	Stage 2	Stage 3	Stage 4
NA	0%	13%	32%

It is proposed that the Water Shortage Surcharge policy would give the District’s Board of Directors discretion over when to implement the surcharges. In other words, a Stage 3 water shortage in itself would not be sufficient to trigger the surcharge, the Board would also need to vote for the implementation of the surcharge on the then-current usage rates.



## Section 5. PRIVATE FIRE SERVICE RATES

The District assesses a charge for separate service connections that provide fire suppression capabilities to structures and property (e.g., serving automatic internal sprinkler systems). These connections extend the public fire suppression capabilities of the water distribution systems to private property. The costs of maintaining the fire flow capacity within the general system are inextricably embedded in the costs of maintaining the water system.

The private fire service charge is a type of stand-by capacity charge which is charged as a fixed monthly charge based on the connection size. The charge is composed of an account charge (the same account charge shown in Table 8) and a private fire capacity charge. District staff estimated that fire protection services require the water system to be “upsized” by approximately 15 – 20 percent in order to meet the potential peak demands of a fire event. This percentage is consistent with the findings of the District’s 2013 Water Rate Study (HDR) which found that fire protection constitutes 18.6 percent of the water system’s capacity. Multiplying this 18.6 percent against the system’s total capacity costs (\$34.1 million, as shown in Table 4) yields a sum of \$7.8 million, which is the approximate annual cost of the fire protection capacity.

Table 10 provides a summary of current fire system connections and shows that the private fire services have 1,228.7 equivalent 6” connections, which is 15.9 percent of the total fire protection capacity. Multiplying the \$7.8 million by the 15.9 percent yields \$1.24 million, which is the target revenue for the private fire service charge. The 941 private fire service connections will yield account charge revenue of \$78.5 thousand (941 accounts times \$6.95 per month times 12 months) therefore the capacity charge portion must recover the remaining \$1.16 million. Dividing the \$1.16 million by the 1,228.7 equivalent 6” connections yields an annual charge of \$946.57 for 6” connections. Table 11 show the capacity charge for other private fire service connection sizes.

The proposed monthly Private Fire Service Rate is summarized in Table 12. These rates will be increased with the rate increases proposed by the financial plan (see Section 2.8). The proposed 5-year schedule of private fire service charges is included in Schedule 4.

**Table 10 – Fire System Connections**

	Number of Services	Demand Factor <sup>1</sup>	6" Equivalency	Equivalent 6" Connections	% of Total
<b>Public Fire Hydrants (6" mains)</b>	6,490	111.31	1	6,490	<b>84.1%</b>
<b>Private Fire Services</b>					
2" Service	16	6.19	0.06	0.96	0.0%
3" Service	7	17.98	0.16	1.12	0.0%
4" Service	233	38.32	0.34	79.22	1.0%
6" Service	362	111.31	1	362.00	4.7%
8" Service	281	237.21	2.13	598.53	7.8%
10" Service	31	426.58	3.83	118.73	1.5%
12" Service	11	689.04	6.19	68.09	0.9%
	<b>7,431</b>			<b>7,718.7</b>	<b>15.9%</b>

<sup>1</sup> Based on nominal size of connection raised to the 2.63 power per Table IV 8-2 M-1 Manual 7th Edition

**Table 11 – Private Fire Service Capacity Charge**

	Number of Connections	System Equivalency	Annual Private Fire Capacity Charge	Annual Revenue
2" Service	16	1.0	\$56.79	\$900
3" Service	7	1.1	\$151.45	\$1,100
4" Service	233	79.2	\$321.83	\$75,000
6" Service	362	362.0	\$946.57	\$342,700
8" Service	281	598.5	\$2,016.19	\$566,500
10" Service	31	118.7	\$3,625.36	\$112,400
12" Service	11	68.1	\$5,859.27	\$64,500
	<b>941</b>	<b>1,228.7</b>		<b>\$1,163,100</b>

**Table 12 – Proposed Private Fire Service Charge**

	Number of Connections	Monthly Account Charge	Monthly Private Fire Capacity Charge	Total Monthly Private Fire Charge	Annual Revenue
2" Service	16	\$6.95	\$4.73	\$11.68	\$2,200
3" Service	7	\$6.95	\$12.62	\$19.57	\$1,600
4" Service	233	\$6.95	\$26.82	\$33.77	\$94,400
6" Service	362	\$6.95	\$78.88	\$85.83	\$372,800
8" Service	281	\$6.95	\$168.02	\$174.97	\$590,000
10" Service	31	\$6.95	\$302.11	\$309.06	\$115,000
12" Service	11	\$6.95	\$488.27	\$495.22	\$65,400
<b>Totals</b>	<b>941</b>				<b>\$1,241,400</b>

## **Section 6. CAPACITY CHARGES**

Capacity Charges (also known as system development charges, capital facility charges and impact fees) are the one-time charges paid by new development for capacity in the District’s water system. The purpose of capacity charges is to ensure that development pays its fair share of the costs associated with providing system capacity in capital facilities. This section describes the proposed update to the District’s Capacity Charges using methodologies informed by the AWWA M1 Manual that reflect the current costs of infrastructure and establish a full cost recovery fee.

California state law (under the authority of California Government Code Section 66000 et seq., a.k.a. the Mitigation Fee Act) gives the District broad authority to charge for capital facilities. The limitations of that authority are encompassed by the requirement that charges on new development “shall not exceed the estimated reasonable cost of providing the service.” In other words, the capacity charges must demonstrate a reasonable relationship to the needs created by, and the benefits accrued to, the developer. Because the Mitigation Fee Act does not prescribe a formula or procedure for determining “the estimated reasonable cost,” it is the responsibility of the analyst to employ a method that yields a reasonable result. The purpose of this section is to document that the conditions have been met to establish that the District’s Capacity Charges are reasonable.

### **6.1 AVAILABLE METHODOLOGIES**

The two general methodologies for calculating capacity charges described by AWWA’s M1 Manual include the Buy-In Approach and the Incremental Approach.

The Buy-In Approach is used to calculate the value of existing (and therefore partially depreciated) infrastructure that is currently available to serve new connections. The Buy-In Approach reflects the value of existing capacity. The Buy-In Approach is

appropriate in cases where there is sufficient capacity in the system to accommodate new customers and no new capacity expansion projects are planned.

The Incremental Approach is used to calculate the planned costs of future capital projects to increase the capacity of the system. The Incremental Approach is used in situations where there is insufficient capacity in the existing system to serve new growth and therefore new capacity must be built in order to accommodate new customers.

## **6.2 BUY-IN APPROACH CALCULATION**

Consistent with past District practices, this study uses the Buy-In Approach because the District's collection system has sufficient capacity to accommodate the limited growth that is anticipated in the near future. Advantages of using the Buy-In Approach include:

1. The Buy-In Approach is the methodology that was used to calculate the existing capacity charges and is therefore familiar to the District and its customers; and
2. Capacity charges that are based on the Buy-In Approach are, by definition, a reimbursement for past capital costs (i.e., the existing capacity in the system). Therefore, the District is using those revenues to reimburse itself for past investments, which means that detailed accounting of the use of new capacity charge revenue (as described by Government Code §66013) is not required.

The following describes the specific steps that were followed in applying the Buy-In Approach.

### **6.2.1 Utility Valuation**

The first step in calculating the capacity charge under the Buy-In Approach is to determine the value of the system. This accounts for the value of existing physical assets, construction in progress, cash reserves, as well as any outstanding debt. The debt is subtracted from the utility value because new customers will be responsible for paying that debt through their water rates (so they should not have to pay for the debt twice). Cash reserves are added to the utility value because those are reserves that were built by existing customers and have equal value to physical assets. In other words, it is

more valuable for a customer to join a utility that has large reserves than to join a utility that has no reserves.

There are four generally accepted methods for evaluating the value of assets: (1) original cost; (2) net book value (original cost less depreciation); (3) replacement cost; and (4) replacement cost new less depreciation (RCNLD).

Of the four valuation methods, the replacement cost will show the highest value for the assets and net book value shows the lowest value. For purposes of this study, the RCNLD method was used to value the physical assets of the water system because the value of the existing assets is more than their original cost (due to value escalation), but less than their full replacement cost (due to aging).

The RCNLD values were developed from detailed asset records that were last updated at the end of CY 2023 (December 2023). The replacement cost of the existing water utility assets was determined by trending the original cost of the assets from their acquisition date through 2023 using the Engineering News Record's (ENR, a periodical) San Francisco Construction Cost Index (CCI). The calculated replacement cost was then depreciated based on the expected service life of each individual asset or asset class<sup>3</sup> as summarized in Table 13. The values associated with the five major components of the water utility system are summarized in Table 14.

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<sup>3</sup> These expected useful life values are partially based on the District's accounting practices as well as the Consultant's experience with similar studies.

**Table 13 – Expected Useful Life by Asset Type**

Description	Estimated Useful Life (years)
Building Improvements	10
Buildings	40
Capacity Entitlement	25
Computer	5
Fleet	7
Land Improvements	30
Machinery & Equipment	5
Meter Endpoints	10
Meters	10
Office equipment	7
Reservoirs	40
Software	4
Transmission & Distributic	30
Transmission & Distributic	80
Wells & Infrastructure	40
Well Equipment	30
Wells	25

**Table 14 – Value of Water Utility by Asset Component**

Asset Class	Original Cost	Book Value	Replacement Cost	RCNLD	
1 BUILDINGS	\$7,749,000	\$2,590,000	\$15,257,000	\$3,610,000	
2 CAPACITY ENTITLEMENT	\$20,692,000	\$5,234,000	\$38,124,000	\$8,851,000	
3 EASEMENTS	\$424,000	\$5,884,000	\$701,000	\$701,000	
4 FLEET	\$2,286,000	\$874,000	\$2,911,000	\$958,000	
5 LAND	\$2,880,000	\$2,926,000	\$4,178,000	\$4,178,000	
6 LAND IMPROVEMENTS	\$2,522,000	\$1,729,000	\$3,724,000	\$2,011,000	
7 COMPUTERS AND EQUIPMENT	\$6,127,000	\$787,000	\$8,801,000	\$847,000	
8 METERS	\$45,090,000	\$13,757,000	\$62,632,000	\$16,368,000	
9 OFFICE	\$138,000	\$16,000	\$211,000	\$18,000	
10 RESERVOIRS	\$14,603,000	\$8,156,000	\$27,291,000	\$14,219,000	
11 TRANSMISSION AND DISTRIBUTION	\$330,836,000	\$206,751,000	\$688,971,000	\$334,152,000	
12 WELLS	\$76,133,000	\$34,840,000	\$146,669,000	\$45,243,000	
13	<b>Subtotals:</b>	<b>\$509,480,000</b>	<b>\$283,544,000</b>	<b>\$999,470,000</b>	<b>\$431,156,000</b>

As shown in Table 15, the District’s RCNLD value (see Table 14) is reduced by the outstanding principal on all existing debt as of December 2023. At that time, the District

had outstanding principal on the 2018 Revenue Bond (\$5.6 million), 2022A Revenue Bond (\$34.5 million), and 2022B Revenue Bond (\$3.0 million).

In December 2023, the District had \$33.6 million in construction-in-progress (i.e., paid for but not yet included in the asset register). The District’s December 2023 cash reserves (\$46.4 million) are also added to the utility system valuation. The net water utility valuation is shown in Table 15.

**Table 15 – Net Value of Water Utility**

RCNLD of all assets	\$431,156,000
Less Outstanding Debt Principal as of December 31, 2023	-\$43,045,000
Construction In Progress	\$33,625,000
Plus Total Cash Reserves	\$46,377,000

**Net Utility Valuation: \$468,113,000**

### 6.2.2 System Capacity & Charge Calculation

The Buy-In Approach calculates the capacity charge based on the value of capacity in the existing system. For the purpose of quantifying the system’s capacity to serve customers, this Study uses the current number of customers to estimate the current capacity. The District currently serves 94,127 equivalent meters (see Table 6).

The final step of the Buy-In Approach is to calculate the cost of capacity per equivalent meter. This is done by dividing the net value of the system (see Table 15) by the system capacity, which yield the rate per equivalent meter:

$$\frac{\text{Net System Value } (\$468.1 \text{ million})}{\text{Total Equivalent Meters } (94,127)} = \$4,973 / \text{EDU}$$

Table 16 summarizes the proposed capacity charges by meter size, which have been scaled based on the meter equivalency table presented in Table 5.



**Table 16 – Proposed Capacity Charges by Meter Size**

	<b>Current</b>	<b>Proposed</b>
5/8" Meter	\$4,463	\$4,973
3/4" Meter	\$6,695	\$7,460
1" Meter	\$11,158	\$12,433
1 1/2" Meter	\$22,315	\$24,865
2" Meter	\$35,704	\$39,784
3" Meter	\$71,409	\$79,568
4" Meter	\$111,576	\$124,325
6" Meter	\$223,152	\$248,650
8" Meter	\$401,674	\$447,570
10" Meter	\$535,565	\$596,760
12" Meter	\$753,138	\$839,194

It is recommended that the District annually renew the capacity charges for the effects of inflation. It has been District practice to update most recent Capacity Charge model for the annual renewal of the fees.

## **Section 7. CONCLUSION**

This Study has calculated, and is proposing, a 5-year schedule of water rates as summarized in Schedule 4. The first year of rates are proposed to be effective as of January 1, 2025.

This Study used methodologies that are aligned with industry standard practices for rate setting as promulgated by AWWA and all applicable laws, including California's Proposition 218. The proposed annual adjustments to the rates will allow the District to continue to provide reliable service to customers while meeting the state's mandates.

The water rates will need to be adopted in accordance with Proposition 218, which will require a detailed notice describing the proposed charges to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates.

## **SCHEDULES**

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**Schedule 1 – Projected Cash Outflows**

**Schedule 2 – 10-Year Capital Spending Plan**

**Schedule 3 – 10-Year Cash Flow Pro Forma**

**Schedule 4 – Schedule of Proposed Rates**

**Schedule 5 – Water Shortage Surcharge Calculation**

# Budgeted and Projected Cash Outflows

# Schedule 1

(1 of 4)

	Budget 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Forecast 2032	Forecast 2033	Forecast 2034
<b>BOARD</b>											
1 Salaries & Wages	\$66,000	\$68,400	\$70,900	\$73,400	\$76,100	\$78,800	\$81,600	\$84,600	\$87,600	\$90,800	\$94,000
2 Employer's FICA/Medicare Expense	\$5,100	\$5,300	\$5,500	\$5,700	\$5,900	\$6,100	\$6,400	\$6,600	\$6,900	\$7,200	\$7,500
3 Employee Benefit - WC Insurance	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400	\$400	\$400
4 Training	\$1,000	\$1,000	\$1,100	\$1,100	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,500
5 Office Supplies	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
6 Postage/Shipping/UPS/Fed Ex	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
7 Election	\$24,000	\$25,000	\$26,000	\$27,000	\$28,100	\$29,200	\$30,400	\$31,600	\$32,800	\$34,200	\$35,500
8 Travel Conferences	\$51,500	\$53,000	\$54,600	\$56,300	\$58,000	\$59,700	\$61,500	\$63,300	\$65,200	\$67,200	\$69,200
9 Local Travel Cost	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000
<b>ADMINISTRATION</b>											
10 Miscellaneous	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
11 Salaries & Wages	\$587,500	\$608,700	\$630,600	\$653,300	\$676,800	\$701,200	\$726,400	\$752,600	\$779,700	\$807,800	\$836,800
12 Employer's FICA/Medicare Expense	\$52,900	\$55,000	\$57,200	\$59,500	\$61,900	\$64,400	\$66,900	\$69,600	\$72,400	\$75,300	\$78,300
13 Employee Benefit - Medical Insurance	\$89,000	\$92,500	\$96,200	\$100,100	\$104,100	\$108,200	\$112,600	\$117,100	\$121,800	\$126,600	\$131,700
14 Employee Benefit - Dental Insurance	\$8,600	\$9,000	\$9,400	\$9,700	\$10,100	\$10,500	\$10,900	\$11,400	\$11,800	\$12,300	\$12,800
15 Employee Benefit - Vision Insurance	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400
16 Employee Benefit - Life Insurance	\$1,900	\$2,000	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600	\$2,700	\$2,800
17 Employee Benefit - LTD Insurance	\$3,500	\$3,700	\$3,800	\$4,000	\$4,100	\$4,300	\$4,400	\$4,600	\$4,800	\$5,000	\$5,200
18 Employee Benefit - WC Insurance	\$6,000	\$6,300	\$6,500	\$6,800	\$7,100	\$7,400	\$7,600	\$8,000	\$8,300	\$8,600	\$8,900
19 Employee Benefit - PERS Retirement	\$43,800	\$45,600	\$47,400	\$49,300	\$51,200	\$53,300	\$55,400	\$57,600	\$59,900	\$62,300	\$64,800
20 Vacation/Sick Leave Expense	\$103,900	\$108,100	\$112,400	\$116,900	\$121,500	\$126,400	\$131,500	\$136,700	\$142,200	\$147,900	\$153,800
21 Employee Benefit - PERS Retirement--ER SHARE	\$322,700	\$335,600	\$349,100	\$363,000	\$377,500	\$392,600	\$408,400	\$424,700	\$441,700	\$459,300	\$477,700
22 Employee Retention/Morale	\$16,400	\$17,000	\$17,700	\$18,400	\$19,100	\$19,900	\$20,700	\$21,500	\$22,400	\$23,300	\$24,200
23 Required Training	\$1,800	\$1,900	\$1,900	\$2,000	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,600
24 Postemployment Cost	\$55,300	\$57,500	\$59,900	\$62,200	\$64,700	\$67,300	\$70,000	\$72,800	\$75,700	\$78,800	\$81,900
25 OPEB - Retiree Benefits Premium	\$518,900	\$539,600	\$561,200	\$583,700	\$607,000	\$631,300	\$656,500	\$682,800	\$710,100	\$738,500	\$768,100
26 Operating Supplies	\$5,800	\$6,000	\$6,200	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100	\$7,300	\$7,600	\$7,800
27 Membership & Dues	\$170,600	\$175,700	\$181,000	\$186,400	\$192,000	\$197,800	\$203,700	\$209,800	\$216,100	\$222,600	\$229,300
28 Insurance Services	\$460,000	\$483,000	\$507,200	\$532,500	\$559,100	\$587,100	\$616,400	\$647,300	\$679,600	\$713,600	\$749,300
29 Legal Services	\$140,000	\$144,200	\$148,500	\$153,000	\$157,600	\$162,300	\$167,200	\$172,200	\$177,300	\$182,700	\$188,100
30 Consulting Services	\$186,000	\$191,600	\$197,300	\$203,200	\$209,300	\$215,600	\$222,100	\$228,800	\$235,600	\$242,700	\$250,000
31 Licenses, Permits & Fees	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,100
32 Travel Conferences	\$16,800	\$17,300	\$17,800	\$18,400	\$19,000	\$19,500	\$20,100	\$20,700	\$21,300	\$21,900	\$22,600
33 Local Travel Cost	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
34 Property Taxes	\$4,000	\$4,100	\$4,200	\$4,400	\$4,500	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400
<b>FINANCE</b>											
35 Miscellaneous	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
36 Salaries & Wages	\$611,200	\$633,200	\$656,000	\$679,600	\$704,100	\$729,500	\$755,700	\$782,900	\$811,100	\$840,300	\$870,600
37 Overtime Pay	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700
38 Employer's FICA/Medicare Expense	\$52,600	\$54,700	\$56,900	\$59,200	\$61,500	\$64,000	\$66,600	\$69,200	\$72,000	\$74,900	\$77,900
39 Employee Benefit - Medical Insurance	\$110,400	\$114,800	\$119,400	\$124,100	\$129,100	\$134,300	\$139,600	\$145,200	\$151,000	\$157,100	\$163,400
40 Employee Benefit - Dental Insurance	\$11,700	\$12,200	\$12,700	\$13,200	\$13,700	\$14,200	\$14,800	\$15,400	\$16,000	\$16,700	\$17,300
41 Employee Benefit - Vision Insurance	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,800
42 Employee Benefit - Life Insurance	\$2,300	\$2,400	\$2,500	\$2,600	\$2,700	\$2,800	\$3,000	\$3,100	\$3,200	\$3,300	\$3,500
43 Employee Benefit - LTD Insurance	\$3,500	\$3,600	\$3,700	\$3,900	\$4,000	\$4,200	\$4,400	\$4,600	\$4,700	\$4,900	\$5,100
44 Employee Benefit - WC Insurance	\$4,200	\$4,400	\$4,500	\$4,700	\$4,900	\$5,100	\$5,300	\$5,500	\$5,700	\$6,000	\$6,200
45 Employee Benefit - PERS Retirement	\$11,800	\$12,300	\$12,800	\$13,300	\$13,800	\$14,400	\$15,000	\$15,600	\$16,200	\$16,800	\$17,500
46 Vacation/Sick Leave Expense	\$75,200	\$78,200	\$81,300	\$84,500	\$87,900	\$91,400	\$95,100	\$98,900	\$102,900	\$107,000	\$111,300
47 Employee Benefit - PERS Retirement--ER SHARE	\$129,400	\$134,600	\$140,000	\$145,600	\$151,400	\$157,500	\$163,800	\$170,300	\$177,200	\$184,200	\$191,600
48 Required Training	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000
49 Other Training	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700
50 Office Supplies	\$18,000	\$18,600	\$19,300	\$20,000	\$20,700	\$21,500	\$22,300	\$23,100	\$23,900	\$24,700	\$25,600
51 Membership & Dues	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
52 Publication	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300
53 Printing	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000
54 Financial Services	\$116,500	\$120,000	\$123,600	\$127,300	\$131,100	\$135,100	\$139,100	\$143,300	\$147,600	\$152,000	\$156,600
55 Audit Services	\$42,000	\$43,300	\$44,600	\$45,900	\$47,300	\$48,700	\$50,200	\$51,700	\$53,200	\$54,800	\$56,400
56 Consulting Services	\$145,500	\$149,900	\$154,400	\$159,000	\$163,800	\$168,700	\$173,700	\$178,900	\$184,300	\$189,800	\$195,500
57 Travel Conferences	\$9,000	\$9,300	\$9,500	\$9,800	\$10,100	\$10,400	\$10,700	\$11,100	\$11,400	\$11,700	\$12,100
58 Local Travel Cost	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
59 Property Taxes	\$5,000	\$5,200	\$5,300	\$5,500	\$5,600	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700
<b>CUSTOMER SERVICE</b>											
60 Miscellaneous	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
61 Salaries & Wages	\$438,200	\$454,000	\$470,400	\$487,300	\$504,800	\$523,000	\$541,800	\$561,300	\$581,600	\$602,500	\$624,200
62 Overtime Pay	\$3,000	\$3,100	\$3,200	\$3,300	\$3,500	\$3,600	\$3,700	\$3,800	\$4,000	\$4,100	\$4,300
63 Employer's FICA/Medicare Expense	\$37,700	\$39,200	\$40,700	\$42,400	\$44,100	\$45,800	\$47,700	\$49,600	\$51,500	\$53,600	\$55,700
64 Employee Benefit - Medical Insurance	\$114,500	\$119,000	\$123,800	\$128,700	\$133,900	\$139,300	\$144,800	\$150,600	\$156,600	\$162,900	\$169,400
65 Employee Benefit - Dental Insurance	\$8,700	\$9,000	\$9,400	\$9,800	\$10,200	\$10,600	\$11,000	\$11,400	\$11,900	\$12,400	\$12,900
66 Employee Benefit - Vision Insurance	\$1,400	\$1,500	\$1,600	\$1,600	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000	\$2,100
67 Employee Benefit - Life Insurance	\$1,900	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800
68 Employee Benefit - LTD Insurance	\$2,800	\$2,900	\$3,000	\$3,200	\$3,300	\$3,400	\$3,500	\$3,700	\$3,800	\$4,000	\$4,200
69 Employee Benefit - PERS Retirement	\$5,400	\$5,600	\$5,900	\$6,100	\$6,300	\$6,600	\$6,800	\$7,100	\$7,400	\$7,700	\$8,000
70 Vacation/Sick Leave Expense	\$51,000	\$52,900	\$54,800	\$56,700	\$58,800	\$60,900	\$63,100	\$65,400	\$67,700	\$70,200	\$72,700
71 Employee Benefit - PERS Retirement--ER SHARE	\$44,700	\$46,500	\$48,300	\$50,200	\$52,300	\$54,300	\$56,500	\$58,800	\$61,100	\$63,600	\$66,100
72 Other Training	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,000	\$3,100	\$3,200
73 Printing	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700	\$5,900	\$6,100	\$6,200	\$6,400	\$6,600	\$6,800
74 Postage/Shipping/UPS/Fed Ex	\$234,600	\$241,600	\$248,900	\$256,400	\$264,000	\$272,000	\$280,100	\$288,500	\$297,200	\$306,100	\$315,300
75 Equipment Rental/Lease	\$5,900	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100	\$7,300	\$7,500	\$7,800	\$8,000
76 Financial Services	\$614,400	\$632,800	\$651,800	\$671,400	\$691,500	\$712,300	\$733,600	\$755,600	\$778,300	\$801,700	\$825,700
77 Contract Services	\$134,500	\$138,500	\$142,700	\$147,000	\$151,400	\$155,900	\$160,600	\$165,400	\$170,400	\$175,500	\$180,800
78 Licenses, Permits & Fees	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,100
<b>OPERATIONS</b>											
79 Salaries & Wages	\$143,900	\$149,100	\$154,500	\$160,100	\$165,800	\$171,800	\$178,000	\$184,400	\$191,000	\$197,900	\$205,000
80 Employer's FICA/Medicare Expense	\$12,900	\$13,400	\$13,900	\$14,500	\$15,100	\$15,700	\$16,300	\$17,000	\$17,600	\$18,300	\$19,100
81 Employee Benefit - Medical Insurance	\$9,700	\$10,100	\$10,500	\$10,900	\$11,300	\$11,800	\$12,300	\$12,700	\$13,300	\$13,800	

# Budgeted and Projected Cash Outflows

# Schedule 1

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<b>PRODUCTION</b>											
101 Miscellaneous	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400	\$400	\$400	\$400
102 Purchased Water-SJ	\$1,087,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
103 Purchased Water-PCWA	\$242,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
104 Purchased Water-Bureau	\$93,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
105 Purchased Water-City of Sacramento	\$563,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
106 Purchased Water-SJWD Water	\$1,422,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
107 Salaries & Wages	\$1,125,600	\$1,166,100	\$1,208,100	\$1,251,600	\$1,296,700	\$1,343,300	\$1,391,700	\$1,441,800	\$1,493,700	\$1,547,500	\$1,603,200
108 Standby Pay	\$40,300	\$41,800	\$43,300	\$44,800	\$46,400	\$48,100	\$49,900	\$51,600	\$53,500	\$55,400	\$57,400
109 Overtime Pay	\$76,000	\$78,700	\$81,600	\$84,500	\$87,500	\$90,700	\$94,000	\$97,300	\$100,900	\$104,500	\$108,200
110 Employer's FICA/Medicare Expense	\$104,200	\$108,400	\$112,700	\$117,200	\$121,900	\$126,800	\$131,900	\$137,100	\$142,600	\$148,300	\$154,200
111 Employee Benefit - Medical Insurance	\$205,800	\$214,000	\$222,600	\$231,500	\$240,800	\$250,400	\$260,400	\$270,800	\$281,700	\$292,900	\$304,600
112 Employee Benefit - Dental Insurance	\$25,900	\$26,900	\$28,000	\$29,100	\$30,300	\$31,500	\$32,700	\$34,000	\$35,400	\$36,800	\$38,300
113 Employee Benefit - Vision Insurance	\$3,100	\$3,200	\$3,400	\$3,500	\$3,600	\$3,800	\$3,900	\$4,100	\$4,300	\$4,400	\$4,600
114 Employee Benefit - Life Insurance	\$4,700	\$4,800	\$5,000	\$5,200	\$5,500	\$5,700	\$5,900	\$6,100	\$6,400	\$6,600	\$6,900
115 Employee Benefit - LTD Insurance	\$6,700	\$7,000	\$7,300	\$7,600	\$7,900	\$8,200	\$8,500	\$8,900	\$9,200	\$9,600	\$10,000
116 Employee Benefit - WC Insurance	\$27,500	\$28,600	\$29,800	\$31,000	\$32,200	\$33,500	\$34,800	\$36,200	\$37,700	\$39,200	\$40,800
117 Employee Benefit - PERS Retirement	\$14,900	\$15,500	\$16,100	\$16,800	\$17,400	\$18,100	\$18,800	\$19,600	\$20,400	\$21,200	\$22,000
118 Vacation/Sick Leave Expense	\$120,200	\$125,000	\$130,000	\$135,200	\$140,700	\$146,300	\$152,100	\$158,200	\$164,500	\$171,100	\$178,000
119 Employee Benefit - PERS Retirement--ER SHARE	\$115,000	\$119,600	\$124,400	\$129,400	\$134,500	\$139,900	\$145,500	\$151,300	\$157,400	\$163,700	\$170,200
120 Required Training	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600
121 Other Training	\$15,100	\$15,600	\$16,000	\$16,500	\$17,000	\$17,500	\$18,000	\$18,600	\$19,100	\$19,700	\$20,300
122 Overtime Meal	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000
123 Operating Supplies	\$123,500	\$127,200	\$131,000	\$135,000	\$139,000	\$143,200	\$147,500	\$151,900	\$156,400	\$161,100	\$166,000
124 HFA, Chemical & Delivery	\$135,200	\$139,200	\$143,400	\$147,700	\$152,200	\$156,700	\$161,400	\$166,300	\$171,200	\$176,400	\$181,700
125 HYPO, Chemical & Delivery	\$221,900	\$228,600	\$235,400	\$242,500	\$249,800	\$257,300	\$265,000	\$272,900	\$281,100	\$289,600	\$298,300
126 Inventory Issues	\$60,000	\$61,800	\$63,700	\$65,600	\$67,500	\$69,600	\$71,600	\$73,800	\$76,000	\$78,300	\$80,600
127 Membership & Dues	\$244,000	\$251,300	\$258,900	\$266,600	\$274,600	\$282,900	\$291,400	\$300,100	\$309,100	\$318,400	\$327,900
128 Publication	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
129 Postage/Shipping/UPS/Fed Ex	\$800	\$800	\$800	\$800	\$800	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000
130 Electrical Charges	\$2,041,800	\$2,143,900	\$2,251,100	\$2,363,600	\$2,481,800	\$2,605,900	\$2,736,200	\$2,873,000	\$3,016,700	\$3,167,500	\$3,325,900
131 Utilities	\$32,200	\$33,800	\$35,500	\$37,300	\$39,100	\$41,100	\$43,200	\$45,300	\$47,600	\$50,000	\$52,500
132 NE Treatment Plant Lease	\$34,700	\$35,700	\$36,800	\$37,900	\$39,000	\$40,200	\$41,400	\$42,600	\$43,900	\$45,200	\$46,600
133 Miscellaneous Repairs & Maintenance	\$26,000	\$26,800	\$27,600	\$28,400	\$29,300	\$30,100	\$31,000	\$32,000	\$32,900	\$33,900	\$34,900
134 Hazardous Waste Disposal	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,100
135 Consulting Services	\$96,000	\$98,900	\$101,800	\$104,900	\$108,000	\$111,300	\$114,600	\$118,100	\$121,600	\$125,300	\$129,000
136 Construction Services	\$119,600	\$123,200	\$126,900	\$130,700	\$134,600	\$138,600	\$142,800	\$147,100	\$151,500	\$156,100	\$160,700
137 Contract Services	\$467,800	\$481,900	\$496,300	\$511,200	\$526,500	\$542,300	\$558,600	\$575,400	\$592,600	\$610,400	\$628,700
138 Licenses, Permits & Fees	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,300	\$9,600	\$9,800	\$10,100	\$10,400	\$10,800
139 Local Travel Cost	\$200	\$200	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
<b>DISTRIBUTION</b>											
140 Salaries & Wages	\$1,040,400	\$1,077,900	\$1,116,700	\$1,156,900	\$1,198,500	\$1,241,700	\$1,286,400	\$1,332,700	\$1,380,700	\$1,430,400	\$1,481,900
141 Standby Pay	\$38,400	\$39,800	\$41,200	\$42,700	\$44,200	\$45,800	\$47,500	\$49,200	\$51,000	\$52,800	\$54,700
142 Overtime Pay	\$70,000	\$72,500	\$75,100	\$77,800	\$80,600	\$83,500	\$86,500	\$89,700	\$92,900	\$96,200	\$99,700
143 Employer's FICA/Medicare Expense	\$97,400	\$101,300	\$105,400	\$109,600	\$114,000	\$118,500	\$123,300	\$128,200	\$133,300	\$138,700	\$144,200
144 Employee Benefit - Medical Insurance	\$215,300	\$223,900	\$232,900	\$242,200	\$251,900	\$262,000	\$272,500	\$283,300	\$294,700	\$306,500	\$318,700
145 Employee Benefit - Dental Insurance	\$19,100	\$19,900	\$20,700	\$21,500	\$22,400	\$23,200	\$24,200	\$25,100	\$26,100	\$27,200	\$28,300
146 Employee Benefit - Vision Insurance	\$3,100	\$3,200	\$3,400	\$3,500	\$3,600	\$3,800	\$3,900	\$4,100	\$4,300	\$4,400	\$4,600
147 Employee Benefit - Life Insurance	\$4,300	\$4,500	\$4,700	\$4,900	\$5,100	\$5,300	\$5,500	\$5,700	\$5,900	\$6,200	\$6,400
148 Employee Benefit - LTD Insurance	\$6,600	\$6,800	\$7,100	\$7,400	\$7,700	\$8,000	\$8,300	\$8,600	\$9,000	\$9,400	\$9,700
149 Employee Benefit - WC Insurance	\$25,800	\$26,800	\$27,900	\$29,000	\$30,100	\$31,300	\$32,600	\$33,900	\$35,200	\$36,700	\$38,100
150 Employee Benefit - PERS Retirement	\$40,500	\$42,100	\$43,800	\$45,600	\$47,400	\$49,300	\$51,300	\$53,300	\$55,400	\$57,700	\$60,000
151 Vacation/Sick Leave Expense	\$124,800	\$129,800	\$135,000	\$140,400	\$146,000	\$151,800	\$157,900	\$164,200	\$170,800	\$177,600	\$184,700
152 Employee Benefit - PERS Retirement--ER SHARE	\$237,000	\$246,500	\$256,300	\$266,600	\$277,200	\$288,300	\$299,900	\$311,900	\$324,300	\$337,300	\$350,800
153 Required Training	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400
154 Other Training	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,900	\$4,000	\$4,100
155 Overtime Meal	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000
156 Operating Supplies	\$27,500	\$28,300	\$29,100	\$30,000	\$30,900	\$31,800	\$32,800	\$33,800	\$34,800	\$35,800	\$36,900
157 Inventory Issues	\$110,000	\$113,300	\$116,700	\$120,200	\$123,800	\$127,500	\$131,300	\$135,300	\$139,300	\$143,500	\$147,800
158 Membership & Dues	\$26,000	\$26,800	\$27,600	\$28,400	\$29,200	\$30,100	\$31,000	\$31,900	\$32,900	\$33,900	\$34,900
159 Communication	\$9,800	\$10,000	\$10,300	\$10,700	\$11,000	\$11,300	\$11,600	\$12,000	\$12,400	\$12,700	\$13,100
160 Construction Services	\$416,000	\$428,500	\$441,300	\$454,600	\$468,200	\$482,300	\$496,700	\$511,600	\$527,000	\$542,800	\$559,100
161 Licenses, Permits & Fees	\$17,000	\$17,500	\$18,000	\$18,600	\$19,100	\$19,700	\$20,300	\$20,900	\$21,500	\$22,200	\$22,800
162 Misc. Repairs	\$443,100	\$443,100	\$443,100	\$443,100	\$443,100	\$443,100	\$443,100	\$443,100	\$443,100	\$443,100	\$443,100
163 Local Travel Cost	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
<b>FIELD SERVICES</b>											
164 Salaries & Wages	\$699,700	\$724,900	\$751,000	\$778,000	\$806,000	\$835,000	\$865,100	\$896,200	\$928,500	\$961,900	\$996,500
165 Standby Pay	\$12,000	\$12,400	\$12,900	\$13,300	\$13,800	\$14,300	\$14,800	\$15,400	\$15,900	\$16,500	\$17,100
166 Overtime Pay	\$41,900	\$43,400	\$45,000	\$46,600	\$48,300	\$50,000	\$51,800	\$53,700	\$55,600	\$57,600	\$59,700
167 Employer's FICA/Medicare Expense	\$65,600	\$68,200	\$71,000	\$73,800	\$76,800	\$79,800	\$83,000	\$86,300	\$89,800	\$93,400	\$97,100
168 Employee Benefit - Medical Insurance	\$187,500	\$195,000	\$202,800	\$210,900	\$219,400	\$228,200	\$237,300	\$246,800	\$256,700	\$266,900	\$277,600
169 Employee Benefit - Dental Insurance	\$18,000	\$18,700	\$19,500	\$20,300	\$21,100	\$21,900	\$22,800	\$23,700	\$24,600	\$25,600	\$26,700
170 Employee Benefit - Vision Insurance	\$1,900	\$2,000	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600	\$2,700	\$2,800
171 Employee Benefit - Life Insurance	\$3,100	\$3,300	\$3,400	\$3,500	\$3,700	\$3,800	\$4,000	\$4,100	\$4,300	\$4,500	\$4,700
172 Employee Benefit - LTD Insurance	\$4,500	\$4,700	\$4,900	\$5,100	\$5,300	\$5,500	\$5,700	\$6,000	\$6,200	\$6,400	\$6,700
173 Employee Benefit - WC Insurance	\$15,700	\$16,300	\$17,000	\$17,700	\$18,400	\$19,100	\$19,900	\$20,700	\$21,500	\$22,300	\$23,200
174 Employee Benefit - PERS Retirement	\$48,800	\$50,700	\$52,700	\$54,900	\$57,100	\$59,300	\$61,700	\$64,200	\$66,700	\$69,400	\$72,200
175 Vacation/Sick Leave Expense	\$104,000	\$108,200	\$112,500	\$117,000	\$121,700	\$126,600	\$131,600	\$136,900	\$142,400	\$148,100	\$154,000
176 Employee Benefit - PERS Retirement--ER SHARE	\$294,900	\$306,700	\$319,000	\$331,800	\$345,000	\$358,800	\$373,200	\$388,100	\$403,600	\$419,800	\$436,600
177 Required Training	\$400	\$400	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$500
178 Other Training	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,500	\$7,700	\$7,900	\$8,100	\$8,400
179 Overtime Meal	\$300	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$500	\$500
180 Operating Supplies	\$11,000	\$11,300	\$11,700	\$12,000	\$12,400	\$12,800	\$13,100	\$13,500	\$13,900	\$14,400	\$14,800
181 Inventory Issues	\$80,000	\$82,400	\$84,900	\$87,400	\$90,000	\$92,700	\$95,500	\$98,400	\$101,300	\$104,400	\$107,500
182 Equipment Maintenance Services	\$5,000	\$5,200	\$5,300	\$5,500	\$5,600	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700
183 Hazardous Waste Disposal	\$11,000	\$11,300	\$11,700	\$12,000	\$12,400	\$12,800	\$13,100	\$13,500	\$13,900	\$14,400	\$14,800
184 Construction Services	\$70,400	\$72,500	\$74,700	\$76,900	\$79,200	\$81,600	\$84,100	\$86,600	\$89,200	\$91,900	\$94,600
185 Local Travel Cost	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$200	\$200	\$200	\$200



# Budgeted and Projected Cash Outflows

# Schedule 1

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<b>MAINTENANCE</b>											
186 Salaries & Wages	\$85,600	\$88,700	\$91,900	\$95,200	\$98,600	\$102,200	\$105,900	\$109,700	\$113,600	\$117,700	\$122,000
187 Overtime Pay	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700
188 Employer's FICA/Medicare Expense	\$7,300	\$7,600	\$7,900	\$8,200	\$8,500	\$8,900	\$9,200	\$9,600	\$10,000	\$10,400	\$10,800
189 Employee Benefit - Medical Insurance	\$12,600	\$13,100	\$13,600	\$14,200	\$14,700	\$15,300	\$15,900	\$16,600	\$17,200	\$17,900	\$18,600
190 Employee Benefit - Dental Insurance	\$2,300	\$2,400	\$2,500	\$2,600	\$2,700	\$2,800	\$3,000	\$3,100	\$3,200	\$3,300	\$3,500
191 Employee Benefit - Vision Insurance	\$200	\$200	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
192 Employee Benefit - Life Insurance	\$400	\$400	\$400	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500
193 Employee Benefit - LTD Insurance	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$800	\$800
194 Employee Benefit - WC Insurance	\$1,900	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900
195 Vacation/Sick Leave Expense	\$8,500	\$8,900	\$9,200	\$9,600	\$10,000	\$10,400	\$10,800	\$11,200	\$11,700	\$12,200	\$12,600
196 Employee Benefit - PERS Retirement--ER SHARE	\$7,500	\$7,800	\$8,100	\$8,500	\$8,800	\$9,200	\$9,500	\$9,900	\$10,300	\$10,700	\$11,200
197 Uniforms	\$30,000	\$31,200	\$32,400	\$33,700	\$35,100	\$36,500	\$38,000	\$39,500	\$41,100	\$42,700	\$44,400
198 Operating Supplies	\$195,000	\$200,900	\$206,900	\$213,100	\$219,500	\$226,100	\$232,800	\$239,800	\$247,000	\$254,400	\$262,100
199 Office Supplies	\$10,000	\$10,400	\$10,700	\$11,100	\$11,500	\$11,900	\$12,400	\$12,800	\$13,300	\$13,800	\$14,300
200 Postage/Shipping/UPS/Fed Ex	\$400	\$400	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$500
201 Utilities	\$5,000	\$5,300	\$5,500	\$5,800	\$6,100	\$6,400	\$6,700	\$7,000	\$7,400	\$7,800	\$8,100
202 Communication	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600
203 Equipment Rental/Lease	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000
204 Equipment Maintenance Services	\$40,000	\$41,200	\$42,400	\$43,700	\$45,000	\$46,400	\$47,800	\$49,200	\$50,700	\$52,200	\$53,800
205 Equipment Maintenance Supplies	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000
206 Vehicle Maintenance Services	\$107,000	\$110,200	\$113,500	\$116,900	\$120,400	\$124,000	\$127,800	\$131,600	\$135,500	\$139,600	\$143,800
207 Vehicle Maintenance Supplies	\$2,000	\$2,100	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
208 Building Service Expense - Office & Yard	\$179,000	\$184,400	\$189,900	\$195,600	\$201,500	\$207,500	\$213,700	\$220,100	\$226,800	\$233,600	\$240,600
209 Building Maintenance - Office & Yard	\$70,000	\$72,100	\$74,300	\$76,500	\$78,800	\$81,100	\$83,600	\$86,100	\$88,700	\$91,300	\$94,100
210 Hazardous Waste Disposal	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
211 Contract Services	\$12,000	\$12,400	\$12,700	\$13,100	\$13,500	\$13,900	\$14,300	\$14,800	\$15,200	\$15,700	\$16,100
212 Licenses, Permits & Fees	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000
213 Inspection & Testing	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300
<b>CONSERVATION</b>											
214 Salaries & Wages	\$327,900	\$339,700	\$351,900	\$364,500	\$377,700	\$391,300	\$405,400	\$419,900	\$435,100	\$450,700	\$467,000
215 Overtime Pay	\$1,800	\$1,900	\$1,900	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600
216 Employer's FICA/Medicare Expense	\$27,700	\$28,800	\$30,000	\$31,200	\$32,400	\$33,700	\$35,000	\$36,400	\$37,900	\$39,400	\$41,000
217 Employee Benefit - Medical Insurance	\$68,600	\$71,300	\$74,200	\$77,100	\$80,200	\$83,400	\$86,800	\$90,200	\$93,900	\$97,600	\$101,500
218 Employee Benefit - Dental Insurance	\$5,500	\$5,700	\$6,000	\$6,200	\$6,400	\$6,700	\$7,000	\$7,200	\$7,500	\$7,800	\$8,200
219 Employee Benefit - Vision Insurance	\$700	\$700	\$800	\$800	\$800	\$900	\$900	\$900	\$1,000	\$1,000	\$1,100
220 Employee Benefit - Life Insurance	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,500	\$1,600	\$1,600	\$1,700	\$1,800	\$1,800
221 Employee Benefit - LTD Insurance	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600	\$2,700	\$2,800	\$3,000	\$3,100
222 Employee Benefit - WC Insurance	\$1,700	\$1,800	\$1,900	\$1,900	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600
223 Employee Benefit - PERS Retirement	\$16,100	\$16,700	\$17,400	\$18,100	\$18,800	\$19,600	\$20,400	\$21,200	\$22,000	\$22,900	\$23,800
224 Vacation/Sick Leave Expense	\$34,200	\$35,500	\$36,900	\$38,400	\$40,000	\$41,600	\$43,200	\$45,000	\$46,700	\$48,600	\$50,600
225 Employee Benefit - PERS Retirement--ER SHARE	\$41,200	\$42,800	\$44,500	\$46,300	\$48,200	\$50,100	\$52,100	\$54,200	\$56,300	\$58,600	\$60,900
226 Required Training	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400
227 Operating Supplies	\$16,800	\$17,300	\$17,800	\$18,300	\$18,900	\$19,400	\$20,000	\$20,600	\$21,200	\$21,900	\$22,500
228 Conservation Rebates	\$82,300	\$84,800	\$87,400	\$90,000	\$92,700	\$95,500	\$98,300	\$101,300	\$104,300	\$107,400	\$110,700
229 Membership & Dues	\$48,500	\$50,000	\$51,500	\$53,000	\$54,600	\$56,300	\$58,000	\$59,700	\$61,500	\$63,300	\$65,200
230 Public Relations	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,100
231 Contract Services	\$134,300	\$138,300	\$142,400	\$146,700	\$151,100	\$155,600	\$160,300	\$165,100	\$170,100	\$175,200	\$180,400
232 Licenses, Permits & Fees	\$36,000	\$37,100	\$38,200	\$39,300	\$40,500	\$41,700	\$43,000	\$44,300	\$45,600	\$47,000	\$48,400
233 Travel Conferences	\$5,000	\$5,200	\$5,300	\$5,500	\$5,600	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700
234 Local Travel Cost	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
<b>ENVIRONMENTAL COMPLIANCE</b>											
235 Miscellaneous	\$7,200	\$7,400	\$7,600	\$7,900	\$8,100	\$8,300	\$8,600	\$8,900	\$9,100	\$9,400	\$9,700
236 Salaries & Wages	\$433,900	\$449,600	\$465,800	\$482,500	\$499,900	\$517,900	\$536,500	\$555,800	\$575,900	\$596,600	\$618,100
237 Overtime Pay	\$9,000	\$9,300	\$9,700	\$10,000	\$10,400	\$10,700	\$11,100	\$11,500	\$11,900	\$12,400	\$12,800
238 Employer's FICA/Medicare Expense	\$37,600	\$39,100	\$40,700	\$42,300	\$44,000	\$45,700	\$47,600	\$49,500	\$51,400	\$53,500	\$55,600
239 Employee Benefit - Medical Insurance	\$82,900	\$86,200	\$89,600	\$93,200	\$96,900	\$100,800	\$104,800	\$109,000	\$113,400	\$117,900	\$122,600
240 Employee Benefit - Dental Insurance	\$7,200	\$7,400	\$7,700	\$8,000	\$8,400	\$8,700	\$9,100	\$9,400	\$9,800	\$10,200	\$10,600
241 Employee Benefit - Vision Insurance	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,800
242 Employee Benefit - Life Insurance	\$1,900	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600	\$2,700	\$2,800
243 Employee Benefit - LTD Insurance	\$3,100	\$3,200	\$3,300	\$3,400	\$3,600	\$3,700	\$3,900	\$4,000	\$4,200	\$4,400	\$4,500
244 Employee Benefit - WC Insurance	\$8,600	\$9,000	\$9,300	\$9,700	\$10,100	\$10,500	\$10,900	\$11,400	\$11,800	\$12,300	\$12,800
245 Vacation/Sick Leave Expense	\$48,400	\$50,300	\$52,300	\$54,400	\$56,600	\$58,900	\$61,200	\$63,700	\$66,200	\$68,800	\$71,600
246 Employee Benefit - PERS Retirement--ER SHARE	\$77,500	\$80,600	\$83,800	\$87,200	\$90,700	\$94,300	\$98,100	\$102,000	\$106,100	\$110,300	\$114,700
247 Temporary Help	\$6,000	\$6,200	\$6,500	\$6,700	\$7,000	\$7,300	\$7,600	\$7,900	\$8,200	\$8,500	\$8,900
248 Required Training	\$2,200	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600	\$2,700	\$2,800	\$3,000	\$3,100	\$3,200
249 Other Training	\$2,200	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600	\$2,700	\$2,800	\$3,000	\$3,100	\$3,200
250 Operating Supplies	\$9,500	\$9,800	\$10,100	\$10,400	\$10,700	\$11,000	\$11,300	\$11,700	\$12,000	\$12,400	\$12,700
251 Membership & Dues	\$1,300	\$1,400	\$1,400	\$1,500	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800
252 Publication	\$800	\$800	\$800	\$800	\$900	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000
253 Hazardous Waste Disposal	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,600	\$5,700	\$5,900	\$6,100	\$6,300	\$6,500
254 Licenses, Permits & Fees	\$103,800	\$106,900	\$110,100	\$113,400	\$116,800	\$120,300	\$123,900	\$127,700	\$131,500	\$135,400	\$139,500
255 Inspection & Testing	\$259,100	\$266,900	\$274,900	\$283,100	\$291,600	\$300,300	\$309,400	\$318,600	\$328,200	\$338,000	\$348,200
<b>ENGINEERING</b>											
256 Salaries & Wages	\$979,600	\$1,014,900	\$1,051,400	\$1,089,200	\$1,128,500	\$1,169,100	\$1,211,200	\$1,254,800	\$1,299,900	\$1,346,700	\$1,395,200
257 Employer's FICA/Medicare Expense	\$83,800	\$87,100	\$90,600	\$94,200	\$98,000	\$101,900	\$106,000	\$110,200	\$114,600	\$119,200	\$124,000
258 Employee Benefit - Medical Insurance	\$128,700	\$133,800	\$139,200	\$144,800	\$150,500	\$156,600	\$162,800	\$169,300	\$176,100	\$183,200	\$190,500
259 Employee Benefit - Dental Insurance	\$13,500	\$14,000	\$14,600	\$15,100	\$15,800	\$16,400	\$17,000	\$17,700	\$18,400	\$19,200	\$19,900
260 Employee Benefit - Vision Insurance	\$1,900	\$2,000	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600	\$2,700	\$2,800
261 Employee Benefit - Life Insurance	\$3,900	\$4,100	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,300	\$5,600	\$5,800
262 Employee Benefit - LTD Insurance	\$6,000	\$6,200	\$6,500	\$6,700	\$7,000	\$7,300	\$7,600	\$7,900	\$8,200	\$8,500	\$8,800
263 Employee Benefit - WC Insurance	\$20,200	\$21,000	\$21,800	\$22,700	\$23,600	\$24,600	\$25,500	\$26,600	\$27,600	\$28,700	\$29,900
264 Employee Benefit - PERS Retirement	\$9,000	\$9,400	\$9,700	\$10,100	\$10,500	\$11,000	\$11,400	\$11,900	\$12,300	\$12,800	\$13,300
265 Vacation/Sick Leave Expense	\$114,600	\$119,200	\$124,000	\$128,900	\$134,100	\$139,400	\$145,000	\$150,800	\$156,800	\$163,100	\$169,600
266 Employee Benefit - PERS Retirement--ER SHARE	\$138,400	\$144,000	\$149,700	\$155,700	\$161,900	\$168,400	\$175,200	\$182,200	\$189,500	\$197,000	\$204,900
267 Required Training	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300
268 Other Training	\$16,600	\$17,100	\$17,600	\$18,100	\$18,700	\$19,200	\$19,800	\$20,400	\$21,000	\$21,700	\$22,300
269 Operating Supplies	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
270 Office Supplies	\$400	\$400	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$500
271 Membership & Dues	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800
272 Publication	\$400	\$400	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$500
273 Printing	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300
274 Consulting Services	\$230,000	\$236,900	\$244,000	\$251,300	\$258,900	\$266,600	\$274,600	\$282,900	\$291,400	\$300,100	\$309,100
275 Construction Services	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300
276 Travel Conferences	\$14,900	\$15,300	\$15,800	\$16,300	\$16,800	\$1					

# Budgeted and Projected Cash Outflows

# Schedule 1

(4 of 4)

<b>GIS</b>											
278 Salaries & Wages	\$243,400	\$252,200	\$261,300	\$270,700	\$280,400	\$290,500	\$301,000	\$311,800	\$323,000	\$334,600	\$346,700
279 Employer's FICA/Medicare Expense	\$20,900	\$21,700	\$22,600	\$23,500	\$24,400	\$25,400	\$26,400	\$27,500	\$28,600	\$29,700	\$30,900
280 Employee Benefit - Medical Insurance	\$37,000	\$38,500	\$40,000	\$41,600	\$43,300	\$45,000	\$46,800	\$48,700	\$50,600	\$52,600	\$54,700
281 Employee Benefit - Dental Insurance	\$3,200	\$3,300	\$3,400	\$3,600	\$3,700	\$3,900	\$4,000	\$4,200	\$4,300	\$4,500	\$4,700
282 Employee Benefit - Vision Insurance	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$700	\$700	\$700
283 Employee Benefit - Life Insurance	\$800	\$800	\$800	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,200
284 Employee Benefit - LTD Insurance	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,500	\$1,600	\$1,600	\$1,700	\$1,800
285 Employee Benefit - WC Insurance	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,500	\$1,500	\$1,600
286 Employee Benefit - PERS Retirement	\$16,900	\$17,600	\$18,300	\$19,000	\$19,800	\$20,600	\$21,400	\$22,200	\$23,100	\$24,100	\$25,000
287 Vacation/Sick Leave Expense	\$29,600	\$30,800	\$32,100	\$33,300	\$34,700	\$36,100	\$37,500	\$39,000	\$40,600	\$42,200	\$43,900
288 Employee Benefit - PERS Retirement--ER SHARE	\$120,100	\$124,900	\$129,900	\$135,100	\$140,500	\$146,200	\$152,000	\$158,100	\$164,400	\$171,000	\$177,800
289 Other Training	\$9,900	\$10,200	\$10,500	\$10,800	\$11,200	\$11,500	\$11,800	\$12,200	\$12,600	\$12,900	\$13,300
290 Office Supplies	\$9,900	\$10,200	\$10,500	\$10,800	\$11,100	\$11,400	\$11,800	\$12,100	\$12,500	\$12,900	\$13,300
291 Printing	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
292 Contract Services	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000
<b>HUMAN RESOURCES</b>											
293 Miscellaneous	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
294 Salaries & Wages	\$199,600	\$206,700	\$214,200	\$221,900	\$229,900	\$238,200	\$246,700	\$255,600	\$264,800	\$274,400	\$284,200
295 Employer's FICA/Medicare Expense	\$17,200	\$17,900	\$18,600	\$19,300	\$20,100	\$20,900	\$21,700	\$22,600	\$23,500	\$24,400	\$25,400
296 Employee Benefit - Medical Insurance	\$39,400	\$40,900	\$42,600	\$44,300	\$46,100	\$47,900	\$49,800	\$51,800	\$53,900	\$56,000	\$58,300
297 Employee Benefit - Dental Insurance	\$3,200	\$3,300	\$3,400	\$3,600	\$3,700	\$3,900	\$4,000	\$4,200	\$4,300	\$4,500	\$4,700
298 Employee Benefit - Vision Insurance	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$700	\$700	\$700
299 Employee Benefit - Life Insurance	\$800	\$800	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,200	\$1,200
300 Employee Benefit - LTD Insurance	\$1,200	\$1,300	\$1,300	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,800	\$1,800
301 Employee Benefit - WC Insurance	\$900	\$900	\$900	\$1,000	\$1,000	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300
302 Vacation/Sick Leave Expense	\$25,000	\$26,000	\$27,000	\$28,100	\$29,200	\$30,400	\$31,600	\$32,900	\$34,200	\$35,500	\$37,000
303 Miscellaneous Employee Benefits	\$33,100	\$34,500	\$35,800	\$37,300	\$38,800	\$40,300	\$41,900	\$43,600	\$45,300	\$47,200	\$49,000
304 Employee Benefit - PERS Retirement--ER SHARE	\$27,800	\$29,000	\$30,100	\$31,300	\$32,600	\$33,900	\$35,200	\$36,600	\$38,100	\$39,600	\$41,200
305 Employment Cost	\$20,900	\$21,700	\$22,600	\$23,500	\$24,400	\$25,400	\$26,400	\$27,500	\$28,600	\$29,700	\$30,900
306 Employment Ads	\$27,500	\$28,300	\$29,200	\$30,100	\$31,000	\$31,900	\$32,800	\$33,800	\$34,800	\$35,900	\$37,000
307 Other Training	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000
308 Office Supplies	\$400	\$400	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$500
309 Membership & Dues	\$5,800	\$5,900	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100	\$7,300	\$7,500	\$7,800
310 Publication	\$400	\$400	\$400	\$400	\$400	\$400	\$500	\$500	\$500	\$500	\$500
311 Consulting Services	\$72,000	\$74,200	\$76,400	\$78,700	\$81,000	\$83,500	\$86,000	\$88,600	\$91,200	\$93,900	\$96,800
312 Local Travel Cost	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300
<b>INFORMATION TECHNOLOGY</b>											
313 Salaries & Wages	\$397,200	\$411,500	\$426,300	\$441,700	\$457,600	\$474,000	\$491,100	\$508,800	\$527,100	\$546,100	\$565,700
314 Overtime Pay	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700
315 Employer's FICA/Medicare Expense	\$34,300	\$35,700	\$37,100	\$38,600	\$40,100	\$41,700	\$43,400	\$45,200	\$47,000	\$48,800	\$50,800
316 Employee Benefit - Medical Insurance	\$80,400	\$83,600	\$86,900	\$90,400	\$94,000	\$97,800	\$101,700	\$105,800	\$110,000	\$114,400	\$119,000
317 Employee Benefit - Dental Insurance	\$6,300	\$6,600	\$6,800	\$7,100	\$7,400	\$7,700	\$8,000	\$8,300	\$8,700	\$9,000	\$9,400
318 Employee Benefit - Vision Insurance	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400
319 Employee Benefit - Life Insurance	\$1,700	\$1,700	\$1,800	\$1,900	\$1,900	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$2,400
320 Employee Benefit - LTD Insurance	\$2,500	\$2,600	\$2,700	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,500	\$3,600	\$3,800
321 Employee Benefit - WC Insurance	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600
322 Vacation/Sick Leave Expense	\$50,100	\$52,100	\$54,200	\$56,300	\$58,600	\$60,900	\$63,400	\$65,900	\$68,600	\$71,300	\$74,100
323 Employee Benefit - PERS Retirement--ER SHARE	\$97,500	\$101,400	\$105,500	\$109,700	\$114,100	\$118,700	\$123,400	\$128,400	\$133,500	\$138,800	\$144,400
324 Required Training	\$14,000	\$14,400	\$14,900	\$15,300	\$15,800	\$16,200	\$16,700	\$17,200	\$17,700	\$18,300	\$18,800
325 Operating Supplies	\$13,800	\$14,200	\$14,600	\$15,100	\$15,500	\$16,000	\$16,500	\$17,000	\$17,500	\$18,000	\$18,500
326 Membership & Dues	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300
327 Communication	\$140,400	\$144,600	\$149,000	\$153,400	\$158,000	\$162,800	\$167,600	\$172,700	\$177,900	\$183,200	\$188,700
328 Equipment Maintenance Services	\$31,200	\$32,100	\$33,100	\$34,100	\$35,100	\$36,200	\$37,300	\$38,400	\$39,500	\$40,700	\$41,900
329 Consulting Services	\$100,000	\$103,000	\$106,100	\$109,300	\$112,600	\$115,900	\$119,400	\$123,000	\$126,700	\$130,500	\$134,400
330 Licenses, Permits & Fees	\$514,500	\$529,900	\$545,800	\$562,200	\$579,100	\$596,400	\$614,300	\$632,800	\$651,800	\$671,300	\$691,400
331 Travel Conferences	\$24,500	\$25,200	\$26,000	\$26,800	\$27,600	\$28,400	\$29,300	\$30,100	\$31,000	\$32,000	\$32,900
332 Local Travel Cost	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300
<b>COMMUNITY OUTREACH</b>											
333 Public Relations	\$9,100	\$9,300	\$9,600	\$9,900	\$10,200	\$10,500	\$10,800	\$11,100	\$11,500	\$11,800	\$12,200
334 Printing	\$119,400	\$123,000	\$126,700	\$130,500	\$134,400	\$138,400	\$142,600	\$146,800	\$151,300	\$155,800	\$160,500
335 Postage/Shipping/UPS/Fed Ex	\$59,000	\$60,800	\$62,600	\$64,500	\$66,400	\$68,400	\$70,400	\$72,600	\$74,700	\$77,000	\$79,300
336 Contract Services	\$89,000	\$91,700	\$94,400	\$97,300	\$100,200	\$103,200	\$106,300	\$109,500	\$112,700	\$116,100	\$119,600
<b>OTHER</b>											
337 Additional Staff Costs	\$0	\$300,000	\$310,800	\$322,000	\$333,600	\$345,600	\$358,000	\$370,900	\$384,300	\$398,100	\$412,400
338 Debt	\$6,994,000	\$6,993,000	\$6,995,000	\$6,993,000	\$6,994,000	\$6,999,000	\$6,994,000	\$3,428,000	\$0	\$0	\$0
<b>339 TOTALS</b>	<b>\$34,500,000</b>	<b>\$32,255,200</b>	<b>\$33,168,100</b>	<b>\$34,108,900</b>	<b>\$35,090,400</b>	<b>\$36,111,600</b>	<b>\$37,160,900</b>	<b>\$34,688,700</b>	<b>\$32,396,700</b>	<b>\$33,576,500</b>	<b>\$34,799,300</b>

Capital Spending Plan

Schedule 2

CLASS	DESCRIPTION	Budget 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Forecast 2032	Forecast 2033	Forecast 2034
	<b>CIP</b>											
1	CIP-009 Well Rehabilitation / Pump Station Improvements	\$4,723,000	\$4,275,000	\$4,403,000	\$4,535,000	\$4,671,000	\$4,811,000	\$4,931,000	\$5,055,000	\$5,181,000	\$5,310,000	\$5,443,000
2	CIP-010 SCADA/Communication Improvements											
3	CIP-011 Well Destruction				\$109,000	\$113,000	\$116,000	\$119,000	\$122,000	\$125,000	\$128,000	\$131,000
4	CIP-012 Well New Construction	\$16,502,000	\$11,588,000	\$4,774,000	\$4,917,000	\$5,065,000	\$2,608,000	\$5,347,000	\$5,481,000	\$5,618,000	\$2,879,000	\$2,951,000
5	CIP-013 Well Treatment		\$1,000,000			\$1,001,000	\$1,000,000	\$1,025,000	\$1,218,000	\$1,248,000	\$1,280,000	\$1,312,000
6	CIP-018 Transmission & Distribution Improvements	\$1,650,000	\$6,054,000	\$3,432,000	\$12,676,000	\$1,174,000	\$13,448,000	\$13,784,000	\$17,112,000	\$21,910,000	\$26,936,000	\$27,609,000
7	CIP-024 Meter Retrofit Program											
8	CIP-034 Reservoir/Tank Improvements	\$980,000	\$1,597,000	\$2,493,000	\$2,158,000	\$2,223,000	\$348,000	\$356,000	\$365,000	\$375,000	\$384,000	\$393,000
9	CIP-035 Corrosion Control	\$120,000										
10	CIP-037 Valve/Hydrant/Service Replacement	\$700,000	\$721,000	\$743,000	\$765,000	\$788,000	\$811,000	\$832,000	\$853,000	\$874,000	\$896,000	\$918,000
11	CIP-038 Large Meter Replacement	\$85,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$59,000	\$61,000	\$62,000	\$64,000	\$66,000
12	CIP-039 Meter Replacement PM	\$300,000	\$419,000	\$432,000	\$445,000	\$458,000	\$472,000	\$484,000	\$496,000	\$508,000	\$521,000	\$534,000
13	CIP-040 AMI Endpoints							\$200,000			\$1,382,000	\$1,417,000
14	CIP-048 Special Projects	\$1,595,000	\$1,030,000	\$106,000	\$109,000	\$113,000	\$116,000	\$119,000	\$122,000	\$125,000	\$128,000	\$131,000
15	CIP-049 Water Related Street Improvements		\$1,545,000	\$1,061,000	\$1,093,000	\$1,126,000	\$1,159,000	\$1,188,000	\$1,218,000	\$1,248,000	\$1,280,000	\$1,312,000
16	<b>SUBTOTAL CIP</b>	<b>\$26,655,000</b>	<b>\$28,281,000</b>	<b>\$17,497,000</b>	<b>\$26,862,000</b>	<b>\$16,788,000</b>	<b>\$24,947,000</b>	<b>\$28,444,000</b>	<b>\$32,103,000</b>	<b>\$37,274,000</b>	<b>\$41,188,000</b>	<b>\$42,217,000</b>
	<b>OCB</b>											
16	OCB-EQUIP Equipment		\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$24,000	\$25,000	\$26,000	\$26,000
17	OCB-FLTFAC Fleet & Facilities	\$60,000	\$134,000	\$138,000	\$213,000	\$293,000	\$301,000	\$309,000	\$238,000	\$243,000	\$250,000	\$256,000
18	OCB-FURNFIXT Furniture & Fixtures		\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000
19	OCB-IT Information Technology	\$1,487,000	\$824,000	\$849,000	\$874,000	\$900,000	\$927,000	\$951,000	\$974,000	\$250,000	\$256,000	\$262,000
20	OCB-MAINT Maintenance	\$606,000	\$979,000	\$1,008,000	\$1,038,000	\$1,069,000	\$1,101,000	\$119,000	\$122,000	\$125,000	\$128,000	\$131,000
21	OCB-OPS Operations	\$902,000	\$644,000	\$663,000	\$410,000	\$422,000	\$290,000	\$446,000	\$457,000	\$468,000	\$480,000	\$328,000
22	OCB-PROPERTY Property Acquisition		\$515,000	\$530,000		\$563,000		\$594,000		\$624,000		\$656,000
23	<b>SUBTOTAL OCB</b>	<b>\$3,055,000</b>	<b>\$3,117,000</b>	<b>\$3,214,000</b>	<b>\$2,562,000</b>	<b>\$3,276,000</b>	<b>\$2,648,000</b>	<b>\$2,449,000</b>	<b>\$1,821,000</b>	<b>\$1,741,000</b>	<b>\$1,146,000</b>	<b>\$1,666,000</b>
24	<b>TOTAL CAPITAL</b>	<b>\$29,710,000</b>	<b>\$31,398,000</b>	<b>\$20,711,000</b>	<b>\$29,424,000</b>	<b>\$20,064,000</b>	<b>\$27,595,000</b>	<b>\$30,893,000</b>	<b>\$33,924,000</b>	<b>\$39,015,000</b>	<b>\$42,334,000</b>	<b>\$43,883,000</b>



Cash Flow Proforma

Schedule 3

	Budget 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Forecast 2032	Forecast 2033	Forecast 2034	
1	<b>Rate Revenue Increase: 5.00% 5.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00%</b>											
<b>Rate Revenue</b>												
2	Service Charge Revenue	\$53,174,000	\$53,174,000	\$55,886,000	\$58,736,000	\$61,144,000	\$63,651,000	\$66,261,000	\$68,977,000	\$71,805,000	\$74,749,000	\$77,814,000
3	Change due to growth & use		\$53,000	\$56,000	\$59,000	\$61,000	\$64,000	\$66,000	\$69,000	\$72,000	\$75,000	\$78,000
4	Increase due to rate adjustments		\$2,659,000	\$2,794,000	\$2,349,000	\$2,446,000	\$2,546,000	\$2,650,000	\$2,759,000	\$2,872,000	\$2,990,000	\$3,113,000
<b>Non-Rate Revenues</b>												
5	Wheeling Revenue	\$794,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Interest Income	\$530,000	\$716,000	\$724,000	\$779,000	\$725,000	\$831,000	\$848,000	\$840,000	\$864,000	\$889,000	\$890,000
7	Non-Operating Revenue	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
8	Operating Revenue	\$993,000	\$993,000	\$993,000	\$993,000	\$993,000	\$993,000	\$993,000	\$993,000	\$993,000	\$993,000	\$993,000
9	Grants	\$9,432,000	\$9,432,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Capacity Charges	\$422,000	\$470,000	\$470,000	\$470,000	\$470,000	\$470,000	\$470,000	\$470,000	\$470,000	\$470,000	\$470,000
11	<b>Total Revenue</b>	<b>\$65,545,000</b>	<b>\$67,697,000</b>	<b>\$61,123,000</b>	<b>\$63,586,000</b>	<b>\$66,039,000</b>	<b>\$68,755,000</b>	<b>\$71,488,000</b>	<b>\$74,308,000</b>	<b>\$77,276,000</b>	<b>\$80,366,000</b>	<b>\$83,558,000</b>
<b>O&amp;M Costs</b>												
12	Cost of Purchased Water	\$3,409,000	\$2,992,000	\$3,144,000	\$3,272,000	\$3,400,000	\$3,536,000	\$3,680,000	\$3,824,000	\$3,976,000	\$4,136,000	\$4,304,000
13	Salaries	\$7,676,000	\$7,952,000	\$8,239,000	\$8,535,000	\$8,842,000	\$9,161,000	\$9,491,000	\$9,832,000	\$10,186,000	\$10,553,000	\$10,933,000
14	Benefits & Employee Costs	\$5,441,000	\$5,657,000	\$5,881,000	\$6,115,000	\$6,358,000	\$6,610,000	\$6,873,000	\$7,146,000	\$7,430,000	\$7,725,000	\$8,032,000
15	Groundwater	\$2,643,000	\$3,234,000	\$3,338,000	\$3,443,000	\$3,548,000	\$3,655,000	\$3,761,000	\$3,892,000	\$4,023,000	\$4,166,000	\$4,289,000
16	Professional Services	\$1,757,000	\$1,810,000	\$1,864,000	\$1,920,000	\$1,978,000	\$2,037,000	\$2,098,000	\$2,161,000	\$2,226,000	\$2,293,000	\$2,362,000
17	Operating Costs	\$1,193,000	\$1,229,000	\$1,266,000	\$1,304,000	\$1,343,000	\$1,384,000	\$1,425,000	\$1,468,000	\$1,512,000	\$1,557,000	\$1,604,000
18	Supplies	\$784,000	\$807,000	\$832,000	\$857,000	\$883,000	\$910,000	\$937,000	\$965,000	\$995,000	\$1,025,000	\$1,056,000
19	Utilities	\$189,000	\$195,000	\$202,000	\$208,000	\$216,000	\$223,000	\$231,000	\$238,000	\$247,000	\$255,000	\$264,000
20	Miscellaneous	\$613,000	\$631,000	\$651,000	\$670,000	\$691,000	\$712,000	\$733,000	\$756,000	\$779,000	\$802,000	\$827,000
21	Taxes	\$666,000	\$693,000	\$720,000	\$749,000	\$779,000	\$810,000	\$842,000	\$876,000	\$911,000	\$947,000	\$985,000
22	Insurance	\$460,000	\$483,000	\$507,000	\$533,000	\$559,000	\$587,000	\$616,000	\$647,000	\$680,000	\$714,000	\$749,000
23	Contract Services	\$2,593,000	\$2,657,000	\$2,724,000	\$2,792,000	\$2,863,000	\$2,935,000	\$3,010,000	\$3,087,000	\$3,166,000	\$3,248,000	\$3,332,000
24	Conservation	\$82,000	\$85,000	\$87,000	\$90,000	\$93,000	\$95,000	\$98,000	\$101,000	\$104,000	\$107,000	\$111,000
25	Additional Staff Costs	\$0	\$300,000	\$311,000	\$322,000	\$334,000	\$346,000	\$358,000	\$371,000	\$384,000	\$398,000	\$412,000
26	<b>Total Operating Expenses</b>	<b>\$27,506,000</b>	<b>\$28,725,000</b>	<b>\$29,766,000</b>	<b>\$30,810,000</b>	<b>\$31,887,000</b>	<b>\$33,001,000</b>	<b>\$34,153,000</b>	<b>\$35,364,000</b>	<b>\$36,619,000</b>	<b>\$37,916,000</b>	<b>\$39,260,000</b>
<b>Capital Costs</b>												
27	<b>Total Capital Spending</b>	<b>\$29,710,000</b>	<b>\$31,395,000</b>	<b>\$20,711,000</b>	<b>\$29,424,000</b>	<b>\$20,062,000</b>	<b>\$27,597,000</b>	<b>\$30,893,000</b>	<b>\$33,923,000</b>	<b>\$39,016,000</b>	<b>\$42,333,000</b>	<b>\$43,883,000</b>
28	Existing Debt Service	\$6,994,000	\$6,993,000	\$6,995,000	\$6,993,000	\$6,994,000	\$6,999,000	\$6,994,000	\$3,428,000	\$0	\$0	\$0
29	Cash Funded Capital Projects	\$29,710,000	\$31,395,000	\$20,711,000	\$29,424,000	\$20,062,000	\$27,597,000	\$30,893,000	\$33,923,000	\$39,016,000	\$42,333,000	\$43,883,000
30	<b>Total Capital Expenses</b>	<b>\$36,704,000</b>	<b>\$38,388,000</b>	<b>\$27,706,000</b>	<b>\$36,417,000</b>	<b>\$27,056,000</b>	<b>\$34,596,000</b>	<b>\$37,887,000</b>	<b>\$37,351,000</b>	<b>\$39,016,000</b>	<b>\$42,333,000</b>	<b>\$43,883,000</b>
31	<b>Total Revenue Requirement</b>	<b>\$64,210,000</b>	<b>\$67,113,000</b>	<b>\$57,472,000</b>	<b>\$67,227,000</b>	<b>\$58,943,000</b>	<b>\$67,597,000</b>	<b>\$72,040,000</b>	<b>\$72,715,000</b>	<b>\$75,635,000</b>	<b>\$80,249,000</b>	<b>\$83,143,000</b>
32	<b>Beginning Year Balance</b>	<b>\$46,377,000</b>	<b>\$47,712,000</b>	<b>\$48,296,000</b>	<b>\$51,947,000</b>	<b>\$48,306,000</b>	<b>\$55,402,000</b>	<b>\$56,560,000</b>	<b>\$56,008,000</b>	<b>\$57,601,000</b>	<b>\$59,242,000</b>	<b>\$59,359,000</b>
33	<b>Surplus/(Shortfall)</b>	<b>\$1,335,000</b>	<b>\$584,000</b>	<b>\$3,651,000</b>	<b>(\$3,641,000)</b>	<b>\$7,096,000</b>	<b>\$1,158,000</b>	<b>(\$552,000)</b>	<b>\$1,593,000</b>	<b>\$1,641,000</b>	<b>\$1,170,000</b>	<b>\$415,000</b>
34	<b>End of Year Balance</b>	<b>\$47,712,000</b>	<b>\$48,296,000</b>	<b>\$51,947,000</b>	<b>\$48,306,000</b>	<b>\$55,402,000</b>	<b>\$56,560,000</b>	<b>\$56,008,000</b>	<b>\$57,601,000</b>	<b>\$59,242,000</b>	<b>\$59,359,000</b>	<b>\$59,774,000</b>
35	Cash-on-Hand Minimum Level	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
36	<b>Cash-on-Hand Balance</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>
37	Capacity Reimbursement Fund Target	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000
38	<b>Capacity Reimbursement Fund Balance</b>	<b>\$94,000</b>	<b>\$94,000</b>	<b>\$94,000</b>	<b>\$94,000</b>	<b>\$94,000</b>	<b>\$94,000</b>	<b>\$94,000</b>	<b>\$94,000</b>	<b>\$94,000</b>	<b>\$94,000</b>	<b>\$94,000</b>
39	Operating Fund Target	\$11,500,000	\$11,906,000	\$12,254,000	\$12,601,000	\$12,960,000	\$13,333,000	\$13,716,000	\$14,109,000	\$14,502,000	\$14,905,000	\$15,308,000
40	<b>Operating Fund Balance</b>	<b>\$11,500,000</b>	<b>\$11,906,000</b>	<b>\$12,254,000</b>	<b>\$12,601,000</b>	<b>\$12,960,000</b>	<b>\$13,333,000</b>	<b>\$13,716,000</b>	<b>\$14,109,000</b>	<b>\$14,502,000</b>	<b>\$14,905,000</b>	<b>\$15,308,000</b>
41	Emergency/Contingency Fund Target	\$11,769,000	\$12,122,000	\$12,485,000	\$12,860,000	\$13,246,000	\$13,643,000	\$14,053,000	\$14,474,000	\$14,908,000	\$15,356,000	\$15,816,000
42	<b>Emergency/Contingency Fund Balance</b>	<b>\$11,769,000</b>	<b>\$12,122,000</b>	<b>\$12,485,000</b>	<b>\$12,860,000</b>	<b>\$13,246,000</b>	<b>\$13,643,000</b>	<b>\$14,053,000</b>	<b>\$14,474,000</b>	<b>\$14,908,000</b>	<b>\$15,356,000</b>	<b>\$15,816,000</b>
43	Rate Stabilization Target	\$6,417,000	\$6,738,000	\$7,075,000	\$7,358,000	\$7,652,000	\$7,958,000	\$8,276,000	\$8,607,000	\$8,951,000	\$9,309,000	\$9,681,000
44	<b>Rate Stabilization Balance</b>	<b>\$6,417,000</b>	<b>\$6,738,000</b>	<b>\$7,075,000</b>	<b>\$7,358,000</b>	<b>\$7,652,000</b>	<b>\$7,958,000</b>	<b>\$8,276,000</b>	<b>\$8,607,000</b>	<b>\$8,951,000</b>	<b>\$9,309,000</b>	<b>\$9,681,000</b>
45	Capital Asset Fund Target	\$12,919,000	\$14,190,000	\$14,190,000	\$15,149,000	\$17,376,000	\$19,005,000	\$19,005,000	\$19,005,000	\$19,005,000	\$19,005,000	\$19,005,000
46	<b>Capital Asset Fund Balance</b>	<b>\$12,919,000</b>	<b>\$14,190,000</b>	<b>\$14,190,000</b>	<b>\$12,393,000</b>	<b>\$17,376,000</b>	<b>\$18,532,000</b>	<b>\$16,869,000</b>	<b>\$18,495,000</b>	<b>\$19,005,000</b>	<b>\$18,961,000</b>	<b>\$18,096,000</b>
47	<b>Sum of Reserve Targets</b>	<b>\$45,689,000</b>	<b>\$48,050,000</b>	<b>\$49,098,000</b>	<b>\$51,062,000</b>	<b>\$54,328,000</b>	<b>\$57,033,000</b>	<b>\$58,144,000</b>	<b>\$58,111,000</b>	<b>\$58,164,000</b>	<b>\$59,403,000</b>	<b>\$60,683,000</b>
<b>Debt Coverage Calculations</b>												
48	Net Revenue Available for Debt Service	\$38,039,000	\$38,972,000	\$31,357,000	\$32,776,000	\$34,152,000	\$35,754,000	\$37,335,000	\$38,944,000	\$40,657,000	\$42,450,000	\$44,298,000
49	Total Yearly Parity Debt Payment	\$6,994,000	\$6,993,000	\$6,995,000	\$6,993,000	\$6,994,000	\$6,999,000	\$6,994,000	\$3,428,000	\$0	\$0	\$0
50	<b>Debt Coverage Ratio</b>	<b>5.44</b>	<b>5.57</b>	<b>4.48</b>	<b>4.69</b>	<b>4.88</b>	<b>5.11</b>	<b>5.34</b>	<b>11.36</b>	<b>na</b>	<b>na</b>	<b>na</b>



**Schedule of Proposed Rates**

**Schedule 4**

**Water Rates**

	January 1, 2025	January 1, 2026	January 1, 2027	January 1, 2028	January 1, 2029
<b>Residential Tiered Rates (\$/hcf)<sup>1</sup></b>					
Tier 1 <sup>2</sup>	\$1.16	\$1.22	\$1.27	\$1.32	\$1.37
Tier 2	\$1.54	\$1.62	\$1.68	\$1.75	\$1.82
<b>Uniform Rates (\$/hcf)<sup>3</sup></b>					
Uniform Rate	\$1.30	\$1.37	\$1.42	\$1.48	\$1.54
<b>Fixed Monthly Service Charges</b>					
5/8" meter	\$37.18	\$39.04	\$40.60	\$42.22	\$43.91
3/4" meter	\$52.30	\$54.92	\$57.11	\$59.40	\$61.77
1" meter	\$82.53	\$86.66	\$90.12	\$93.73	\$97.48
1.5" meter	\$158.10	\$166.01	\$172.65	\$179.55	\$186.73
2" meter	\$248.79	\$261.23	\$271.68	\$282.55	\$293.85
3" meter	\$490.63	\$515.16	\$535.77	\$557.20	\$579.49
4" meter	\$762.70	\$800.84	\$832.87	\$866.18	\$900.83
6" meter	\$1,518.46	\$1,594.38	\$1,658.16	\$1,724.48	\$1,793.46
8" meter	\$2,727.66	\$2,864.04	\$2,978.60	\$3,097.75	\$3,221.66
10" meter	\$3,634.57	\$3,816.30	\$3,968.95	\$4,127.71	\$4,292.82
12" meter	\$5,108.28	\$5,363.69	\$5,578.24	\$5,801.37	\$6,033.43

<sup>1</sup> Applies to single family accounts and small multi-family accounts (three units or fewer)

<sup>2</sup> For the first 15 hcf per month

<sup>3</sup> Applies to non-residential accounts and multifamily accounts with more than three units

**Private Fire Service Charges**

	January 1, 2025	January 1, 2026	January 1, 2027	January 1, 2028	January 1, 2029
2" Service	\$11.68	\$12.26	\$12.75	\$13.26	\$13.80
3" Service	\$19.57	\$20.55	\$21.37	\$22.23	\$23.11
4" Service	\$33.77	\$35.46	\$36.88	\$38.35	\$39.89
6" Service	\$85.83	\$90.12	\$93.73	\$97.48	\$101.37
8" Service	\$174.97	\$183.72	\$191.07	\$198.71	\$206.66
10" Service	\$309.06	\$324.51	\$337.49	\$350.99	\$365.03
12" Service	\$495.22	\$519.98	\$540.78	\$562.41	\$584.91

**Water Shortage Surcharge Calculation**

**Schedule 5**

	Normal Supply <sup>1</sup>	Stage 1	Stage 2	Stage 3	Stage 4
1 Use Reduction Goal -->	(na)	Up to 20%	Up to 30%	Up to 40%	Up to > 50%
2 Modeled Use Reduction -->	0%	16%	26%	35%	45%
<b>Revenues</b>					
3 Service Charge Revenue	\$39,306,000	\$39,306,000	\$39,306,000	\$39,306,000	\$39,306,000
4 Consumption Charge Revenue <sup>2</sup>	\$16,580,000	\$13,927,000	\$12,269,000	\$10,777,000	\$9,119,000
5 Non-Rate Revenue	\$11,341,000	\$11,341,000	\$ 11,341,000	\$ 11,341,000	\$ 11,341,000
6 <b>Total Revenues:</b>	<b>\$67,227,000</b>	<b>\$64,574,000</b>	<b>\$62,916,000</b>	<b>\$61,424,000</b>	<b>\$59,766,000</b>
7 (% of normal)		96%	94%	91%	89%
<b>Expenditures and Transfers</b>					
8 Purchased Water <sup>3</sup>	-\$2,992,000	-\$1,150,769	\$0	\$0	\$0
9 Water Pumping <sup>4</sup>	-\$2,622,000	-\$2,584,000	-\$2,111,000	-\$1,934,000	-\$1,737,000
10 Water Treatment <sup>5</sup>	-\$368,000	-\$368,000	-\$368,000	-\$323,000	-\$274,000
11 Conservation <sup>6</sup>	-\$888,300	-\$1,066,000	-\$1,155,000	-\$1,244,000	-\$1,332,000
12 SGA Dues <sup>7</sup>	-\$244,000	-\$244,000	-\$244,000	-\$244,000	-\$244,000
13 Board	-\$155,600	-\$155,600	-\$155,600	-\$155,600	-\$155,600
14 Administration	-\$2,912,300	-\$2,912,300	-\$2,912,300	-\$2,912,300	-\$2,912,300
15 Finance	-\$1,409,800	-\$1,409,800	-\$1,409,800	-\$1,409,800	-\$1,409,800
16 Customer Service	-\$1,769,200	-\$1,769,200	-\$1,769,200	-\$1,769,200	-\$1,769,200
17 Operations	-\$628,700	-\$628,700	-\$628,700	-\$628,700	-\$628,700
18 Other Production	-\$2,963,000	-\$2,963,000	-\$2,963,000	-\$2,963,000	-\$2,963,000
19 Distribution	-\$3,069,900	-\$3,069,900	-\$3,069,900	-\$3,069,900	-\$3,069,900
20 Field Services	-\$1,744,700	-\$1,744,700	-\$1,744,700	-\$1,744,700	-\$1,744,700
21 Maintenance Expenses	-\$812,300	-\$812,300	-\$812,300	-\$812,300	-\$812,300
22 Environmental Compliance	-\$1,146,700	-\$1,146,700	-\$1,146,700	-\$1,146,700	-\$1,146,700
23 Engineering	-\$1,835,100	-\$1,835,100	-\$1,835,100	-\$1,835,100	-\$1,835,100
24 GIS Expenses	-\$518,200	-\$518,200	-\$518,200	-\$518,200	-\$518,200
25 Human Resources	-\$497,000	-\$497,000	-\$497,000	-\$497,000	-\$497,000
26 Information Technology	-\$1,564,100	-\$1,564,100	-\$1,564,100	-\$1,564,100	-\$1,564,100
27 Community Outreach	-\$284,700	-\$284,700	-\$284,700	-\$284,700	-\$284,700
28 Additional Staff	-\$300,000	-\$300,000	-\$300,000	-\$300,000	-\$300,000
29 Average Cash Capital	-\$26,260,000	-\$26,260,000	-\$26,260,000	-\$26,260,000	-\$26,260,000
30 Debt	-\$6,993,000	-\$6,993,000	-\$6,993,000	-\$6,993,000	-\$6,993,000
31 Forecasted Change in Fund Balance <sup>8</sup>	-\$5,248,400	-\$5,248,400	-\$5,248,400	-\$5,248,400	-\$5,248,400
32 <b>Revenue Requirement:</b>	<b>-\$67,227,000</b>	<b>-\$65,525,469</b>	<b>-\$63,990,700</b>	<b>-\$63,857,700</b>	<b>-\$63,699,700</b>
33 (% of normal)		97%	95%	95%	95%
34 <b>Surplus/(Deficit) Due to Shortage</b>	<b>\$0</b>	<b>-\$951,469</b>	<b>-\$1,074,700</b>	<b>-\$2,433,700</b>	<b>-\$3,933,700</b>
35 Water Shortage Surcharge <sup>9</sup>		0%	0%	13%	32%
36 Water Shortage Surcharge Revenue		\$0	\$0	\$1,401,000	\$2,918,000
37 <b>Strategic Use of Reserves</b>		<b>-\$951,469</b>	<b>-\$1,074,700</b>	<b>-\$1,032,700</b>	<b>-\$1,015,700</b>

<sup>1</sup> The CY 2025 forecasted expenses and revenues are assumed to be a typical water supply year for purposes of this analysis.

<sup>2</sup> Assumes that water sales reductions will occur evenly across all customers.

<sup>3</sup> Assumes that purchased water consumption will be the first source to decrease during a water shortage.

<sup>4</sup> Assumes that (1) 88% of these variable costs apply to groundwater extraction only (and the remaining 12% for all water usage) (2) groundwater extraction will be reduced after the surface water supply is exhausted, and (3) 25% of these costs are fixed.

<sup>5</sup> It is assumed the the usage of water treatment chemicals will decrease in proportion to the assumed reduction in groundwater usage.

<sup>6</sup> Assumes that conservation department costs increase in inverse proportion to the reduction percentages goals associated with each each water shortage stage.

<sup>7</sup> These are fixed Sacramento Groundwater Authority (SGA) costs associated with groundwater extraction.

<sup>8</sup> Represents a hypothetical change in fund balance during the test year (may not match the change in fund balance forecasted for CY 2025 in the financial plan).

<sup>9</sup> Surcharge is applied to usage rates only and is applied to all water usage.