

Agenda

Sacramento Suburban Water District
Special Board Meeting – Rate Study Public Hearing

3701 Marconi Avenue
Sacramento, California 95821

October 14, 2024
6:00 p.m.

This meeting will be conducted both in-person in the District’s Boardroom at the address above, and by videoconference and teleconference using the information provided below. The public is invited to listen, observe, and provide comments during the meeting by any method provided. The President will call for public comment on each agenda item at the appropriate time.

For members of the public interested in viewing and having the ability to comment at the public meeting via Zoom, an internet-enabled computer equipped with a microphone and speaker or a mobile device with a data plan is required. Use of a webcam is optional. You also may call in to the meeting using teleconference without video. Please use the following login information for videoconferencing or teleconferencing:

Join the meeting from a computer, tablet or smartphone:

<https://us02web.zoom.us/j/87807965802?pwd=F71QCUQnLsa1azsftiaaLJba922aGl.1>

Meeting ID: 878 0796 5802

Password: 148781

You can also dial in using your phone: 1 (669) 900-6833

New to Zoom? Get the app now and be ready when your first meeting starts: <https://zoom.us/>
Zoom uses encryption of data during Zoom meetings. The District uses a secure password to restrict access to scheduled meetings. The meeting host has control of content sharing, recording, and chat.

Please mute your line.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District’s Administrative Office at the address listed above.

The public may address the Board concerning an agenda item after the staff presentation but before Board’s consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible and at least one full business day before the start of the meeting.

Call to Order

Pledge of Allegiance

Roll Call

Announcements

Public Comment

This is the opportunity for the public to comment on non-agenda items within the Board’s jurisdiction. Comments are limited to 3 minutes.

Public Hearing on Proposed Adjustments to Water Service Rates and Charges

1. **Public Hearing on Proposed Adjustments to Water Service Rates and Charges and Tabulation of Protests**

Recommendation: Conduct Public Hearing on proposed adjustments to water service rates and charges required by Proposition 218.

Items for Discussion and Action

2. **2024 Comprehensive Water Rate Study Report**

Recommendation: Adopt the attached 2024 Comprehensive Water Rate Study Report as the basis for the approved water rate increases for the years 2025 to 2029 discussed at the Public Hearing held on October 14, 2024.

3. **Resolution No. 24-10 Amending Regulation No. 3 of the Regulations Governing Water Service to Adjust Water Rates for 2025 Through 2029**

Recommendation: Assuming a non-majority protest to the District’s proposed adjustments to rates and charges, adopt Resolution No. 24-10 Amending Regulation No. 3 of the Regulations Governing Water Service.

Adjournment

Upcoming Meetings

Monday, October 21, 2024, at 6:00 p.m., Regular Board Meeting

Wednesday, October 23, 2024, at 6:00 p.m., DPMWD/SSWD Joint Special Board Meeting

Monday, November 11, 2024, at 6:00 p.m., Special Board Meeting – Budget Workshop

Wednesday, November 13, 2024, at 6: 00 p.m., DPMWD/SSWD Joint Special Board Meeting

I certify that the foregoing agenda for the October 14, 2024, meeting of the Sacramento Suburban Water District Board of Directors was posted by October 11, 2024, in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Sacramento, California 95821, and was made available to the public during normal business hours.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 1

Date: October 14, 2024

Subject: Public Hearing on Proposed Adjustments to Water Service Rates and Charges and Tabulation of Protests

Staff Contact: Jeffery S. Ott, Director of Finance and Administration

Recommended Board Action:

Conduct Public Hearing on proposed adjustments to water service rates and charges required by Proposition 218.

Discussion:

The Board approved holding a Public Hearing on the proposed adjustments to District water rates and charges provided in the 2024 Comprehensive Water Rate Study at the July 15, 2024, regular Board Meeting, and the mailing of the Notice of Hearing required by Proposition 218. The format of the Public Hearing will be as follows:

1. Opening of Public Hearing by the President of the Board of Directors and the General Manager (Attachment 1 – Outline of Public Hearing, Attachment 2 - Notifications.)
2. Presentation of the proposed changes in water rates and privately owned fire service rates (Attachment 3)
 - a. Director of Finance and Administration
 - b. District’s Rate Consultant – Hildebrand Consulting, LLC.
3. Comments from the General Manager on input received from the public by mail, email and telephone (Attachment 4.)
4. Public comment and final call to submit written protests to the General Manager.
5. Final Tabulation and Announcement of Total Protests Received.
6. Adjourn Public Hearing

After the Public Hearing is closed and, assuming that the proposed rate adjustments are not successfully protested, there will be a separate item on the agenda for the Board to consider approving the adjustments to water service rates and charges as outlined in the 2024 Comprehensive Water Rate Study.

Fiscal Impact:

If adopted as proposed, water rate revenues will increase by approximately \$2.7 million in 2025, \$2.8 million in 2026, \$2.3 million in 2027, \$2.4 million in 2028 and \$2.5 million in 2029 (e.g., in 2029 total revenues will be roughly \$12.7 million more than in 2024.)

Strategic Plan Alignment:

Goal C – Ensure fiscal responsibility and affordable rates.

Attachments:

1. Opening of Public Hearing by the President of the Board of Directors and the General Manager.
2. Notifications.
3. Presentation.
4. Comments from the General Manager on input received from the public by mail, email and telephone.

Script for Public Hearing
of the Board of Directors of the Sacramento Suburban Water District
on Adopting Proposed Adjustments to Water Service Rates and Charges Provided
in Sections A, D and E of Regulation No. 3 of the District's
Regulations Governing Water Service

October 14, 2024

President

“I hereby open the Public Hearing on proposed adjustments of water service rates and charges. This Public Hearing is being held under the applicable provisions of Proposition 218 and the California Government and Water Codes. Under these laws, members of the public are invited to oppose or support the proposed adjustments in water service rates and charges by addressing their comments to the Board of Directors at this hearing. Please be advised, however, if you wish to register a formal protest of the proposed new water service rates and charges, you must submit a written protest in the form described in the rate notice that you received by the close of this Public Hearing. Please file any written protests before the hearing is closed with Dan York, General Manager of the District.

I now would like to call on Mr. York to give a short summary of what will be occurring and the actions that have led to this hearing.

GM

“At the July 15, 2024, regular Board meeting, the Sacramento Suburban Water District Board authorized a Public Hearing to consider changes to Sections A, D and E of Regulation Number 3, of its Regulations Governing Water Service. Sections A, D and E of Regulation Number 3 set water service rates and charges, which the District is proposing to adjust over the next five years. On August 28, 2024, District staff mailed a corrected notice of the October 14, 2024, Public Hearing to all District customers and landowners. Notices also were posted on the District's website on July 23, 2024. Reminders of the Public Hearing were also provided in the September and October 2024 bill inserts, in the Fall Newsletter, and at the Open House on September 26, 2024.

The procedures to be followed during this hearing will be as follows:

Before taking public comment, District staff will present its findings and recommendations relative to the proposed adjustments to water rates and charges for 2025 through 2029 under consideration. Staff will also summarize verbal and written comments and the number of protests on these proposals received to date by the District. The Board President will

then open the hearing to take public comment.

After receiving all public comment, the Public Hearing will be closed. If anyone present tonight has not yet submitted a written protest to the rate adjustments being considered, you may submit a written protest to me by the close of this hearing. The information that you must include in a valid written protest is described in the mailed notice you received. A copy of that notice is on the public information table at the back of the room.

After the Public Hearing is closed, I will provide a final tabulation of written protests to the Board. The Board will then discuss and consider the proposed adjustments in water service rates and charges as stated in Sections A, D and E of Regulation Number 3 and consider whether to approve them with or without changes. It should be noted that the rate adjustments published in the hearing notice and materials provided for this meeting are the maximum amounts by which the Board can change rates.”

President

“Director of Finance and Administration, Jeff Ott, and the District’s rate consultant, Mark Hildebrand of Hildebrand Consulting, will now make a presentation.”

Jeff

(Introduce changes to Regulation 3, Sections A, D and E.)

Jeff/Mark

(Discuss rate changes: 1) revenue increase, 2) water shortage surcharge and 3) primary rate drivers.

President

“Will the General Manager please summarize the verbal and written comments received regarding the proposed adjustments in water service rates and charges that would be included in Sections A, D and E of Regulation Number 3 of the District’s Regulations Governing Water Service.”

Jeff

(Reads summary of written and verbal communication(s) received.)

President

“The Board will now receive comments from the public on the proposed rate adjustments. I would ask that those who wish to speak to please fill out a speaker card and give the card to the General Manager. You will be called in turn to speak at the podium. Although it is not required, the Board requests that you give your name and address for the record. If your

comments are similar to those made by a previous individual, please briefly mention that your comments echo the previous speaker's. If there are many speakers, I reserve the right to limit comments to a reasonable time (3 minutes)."

(Public comment is received from the public.)

(When there appears to be no further comment.)

"Are there any further comments from the public? Before I formally close the hearing, are there any property owners or water users who still wish to file a written protest? If so, they must be filed with the General Manager, now. For the purpose of determining if a majority protest exists, only valid written protests filed by this time will be counted."

[The President waits a few moments to permit any members of the audience to file any final written protests. Then --]

I now declare the Public Hearing closed. On behalf of the entire Board, I want to thank the public for its willingness to take time from their evening to participate in this hearing."

President

"At this time, I direct the General Manager to tabulate the written protests that have been submitted, to announce the number of valid protests that were submitted and to advise if the protests were sufficient to comprise a majority protest of the proposed new water service rates and charges. A protest is only valid if 50 percent plus one of all parcels in the District receiving water service protest against the proposed rates and charges."

(Pause for tabulation of the protests.)

Jeff

"I have tabulated all of the valid protests and have determined that a total of **{Provide Number}** valid protests were filed. A total of 50% plus 1 protests must be filed to constitute a valid protest vote. For the public's information, the number of valid protests that would be required to constitute a successful protest is 18,042. Because the number of protests is less than the 50% plus 1 required, the protest fails."

President

(Move to Agenda Items 2 and 3, which are the items for the Board's consideration of the proposed rate increases and related approvals.)



3701 Marconi Ave
Sacramento, CA 95821



PROPOSITION 218 NOTIFICATION (CORRECTED) Proposed Rate Increase for Water Services

Public Hearing on Proposed Rate Increase

Monday, October 14, 2024, at 6:00 pm

SSWD Boardroom at 3701 Marconi Avenue, Sacramento, CA 95821

Sacramento Suburban Water District (SSWD) is proposing a water rate adjustment to help meet the ongoing operational costs and inflationary pressures of providing potable water to SSWD customers. You are receiving this notice in compliance with Proposition 218, which requires SSWD to inform property owners and tenants that a proposed rate increase is being considered; the amount of the proposed rate adjustment; the basis on which the rates are calculated; and the reasons for the adjustment.

About Sacramento Suburban Water District

SSWD serves treated drinking water to a population of approximately 194,000, comprised of residential, commercial, and industrial customers, through approximately 47,800 connections. SSWD's main water supply is pumped groundwater, but the District also serves purchased treated surface water from Folsom Lake and the lower American River when available. SSWD's service area includes portions of Citrus Heights, Carmichael, North Highlands, the City of Sacramento, Antelope, Arbors at Antelope, and McClellan Park. SSWD is governed by a five-member Board of Directors. Each Director lives in and is elected by the voters within the division they represent to serve four-year staggered terms.

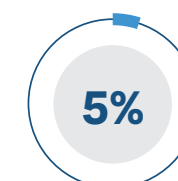
Proposed Rate Adjustment: Reason and Amount

SSWD commissioned a 2024 Comprehensive Water Rate Study (Rate Study), which provides a detailed review of SSWD's costs to serve its customers and the rates needed to support providing safe, high-quality, and reliable water service. The Rate Study, prepared by a qualified, independent rate consulting firm, Hildebrand Consulting, includes an in-depth look at current and projected revenues, operation and maintenance costs, capital spending, and reserves.

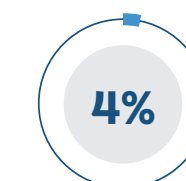
The Rate Study found that SSWD's current income and expenses are currently well-balanced and managed. However, the Rate Study recommends that SSWD apply annual rate increases over the next five years to address inflation, rising construction and operational costs, and expanded investments in capital infrastructure, and to avoid a shortfall in revenues by keeping pace with rising costs over the five-year period.

The rate increase recommended in the study is:

If approved by the SSWD Board of Directors, the proposed rate adjustments would take effect on January 1 of each year, beginning January 1, 2025.



each year in
2025 & 2026



each year in
2027, 2028 & 2029

How Proposed Adjustments Were Calculated

The Rate Study includes an in-depth look at:

- Projected costs for operation and maintenance and capital improvement projects under various scenarios that consider inflation.
- A revenue requirement and financial plan that includes funding prudent reserves for capital and emergency purposes.
- Fair and equitable allocation of costs among single-family and multifamily residential and non-residential customers.

The Rate Study includes a detailed description of the methodology for adjusting rates and is available for review at sswd.org/departments/finance/water-rate-study or SSWD's main office at 3701 Marconi Avenue, Sacramento, CA 95821.



Instructions for Written Protests

An owner or tenant of property receiving water service from SSWD may protest the proposed water rates by submitting a written protest by mail or in person to SSWD, 3701 Marconi Avenue, Sacramento, CA 95821. To be deemed valid, written protests must include:

- The owner's or tenant's name
- Address of the property receiving water service
- The assessor's parcel number (unless the protest is from a tenant, in which case the assessor's parcel number is not required)
- Customer's SSWD account number for the parcel served
- A statement that the proposed rate adjustment is being protested
- A signature by the property owner or tenant

Note that protests submitted by email or other means do not count as formal written protests. Only one written protest per identified parcel will be counted for purposes of determining whether there is a majority protest. SSWD's Secretary, or their designee, will tabulate the protests, and any member of the public may observe the tabulation. All protests are public records and will be retained for a minimum of two years.

Please be advised that pursuant to Government Code Section 53759(d) there is a 120-day statute of limitation for any challenge to the new, increased, or extended fee or charge.

CORRECTED DAY OF MEETING TO MONDAY, OCTOBER 14, 2024

CUSTOMER NOTIFICATION OF PROPOSED RATE INCREASE FOR WATER SERVICES

Public Hearing Date (CORRECTED)

The SSWD Board of Directors will hold a Public Hearing to receive input from customers and consider the Rate Study's recommendation to adjust water service rates in the calendar years 2025 through 2029. All owners and tenants of property and users receiving SSWD water service and all interested persons are invited to attend the Public Hearing to make comments regarding the proposed water rate adjustments.



The Public Hearing will take place on Monday, October 14, 2024, at 6:00 p.m. in the SSWD Boardroom at 3701 Marconi Avenue, Sacramento, CA 95821.

Instructions for submitting a written protest are included in this document.

Written protests must be received by SSWD prior to the close of the Public Hearing on October 14, 2024, in order to be considered valid and to be counted in the protest tabulation.

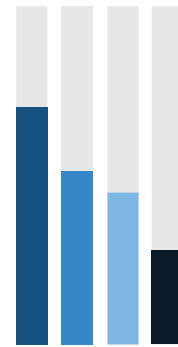


For more information about the Rate Study, its recommendations, or how to provide input, please visit sswd.org, call the SSWD office at 916.972.7171, or send an email to feedback@sswd.org.

Changes in Construction Costs (2019 to 2023)

Over the past five years, rising construction costs have made it harder to keep up with needed improvements. Operational costs are also expected to rise by 3 to 5% per year during the next five years.

- Drilled Wells: ↑ 203%
- Fire Hydrant Assembly: ↑ 146%
- Short-Side Service: ↑ 142% (connecting water mains to homes)
- 1 Mile of Water Main: ↑ 75%



Investing in Your Water System

SSWD is increasing its yearly capital spending from \$21.1 million to \$31.7 million to proactively upgrade and replace aging infrastructure, such as pipes, pump stations, and water tanks. To help offset ratepayer costs, SSWD has recently **secured over \$19 million in grants** for new replacement wells and is actively seeking more funding for other projects as a way to control costs.

4 Sample Projects Funded by Rates



New Replacement Well Construction

Building new replacement groundwater wells to maintain water supply reliability.



Reservoir/Tank Improvements

Upgrading water storage facilities to maintain a safe, clean, and reliable water supply system.



Valve/Hydrant/Service Replacement

Replacing old valves, hydrants, and service lines to improve water flow and emergency services.



Transmission & Distribution Improvements

Enhancing the water distribution network to deliver water more efficiently and reliably.

Current Rates and Proposed 5-Year Rate Schedule

Implementation Date

	Current	January 2025	January 2026	January 2027	January 2028	January 2029
Residential Tiered Rates (\$/hcf *)¹						
Tier 1 ²	\$1.01	\$1.16	\$1.22	\$1.27	\$1.32	\$1.37
Tier 2	\$1.32	\$1.54	\$1.62	\$1.68	\$1.75	\$1.82
Uniform Rates (\$/hcf)³						
Uniform Rate	(varies)	\$1.30	\$1.37	\$1.42	\$1.48	\$1.54
Fixed Monthly Service Charges						
5/8" meter	\$36.38	\$37.18	\$39.04	\$40.60	\$42.22	\$43.91
3/4" meter	\$50.46	\$52.30	\$54.92	\$57.11	\$59.40	\$61.77
1" meter	\$78.63	\$82.53	\$86.66	\$90.12	\$93.73	\$97.48
1.5" meter	\$149.07	\$158.10	\$166.01	\$172.65	\$179.55	\$186.73
2" meter	\$233.57	\$248.79	\$261.23	\$271.68	\$282.55	\$293.85
3" meter	\$458.95	\$490.63	\$515.16	\$535.77	\$557.20	\$579.49
4" meter	\$712.49	\$762.70	\$800.84	\$832.87	\$866.18	\$900.83
6" meter	\$1,416.77	\$1,518.46	\$1,594.38	\$1,658.16	\$1,724.48	\$1,793.46
8" meter	\$2,543.63	\$2,727.66	\$2,864.04	\$2,978.60	\$3,097.75	\$3,221.66
10" meter	\$3,388.77	\$3,634.57	\$3,816.30	\$3,968.95	\$4,127.71	\$4,292.82
12" meter	\$4,762.12	\$5,108.28	\$5,363.69	\$5,578.24	\$5,801.37	\$6,033.43

* hcf = hundred cubic feet
¹ Applies to single family accounts and small multi-family accounts (three units or fewer)
² For the first 15 hcf per month
³ Applies to non-residential accounts and multifamily accounts with more than three units

Proposed Rate Structure Update

The Rate Study recommends updating the rate structure for single-family, multifamily, and commercial accounts to ensure fair cost distribution among customer classes in compliance with Proposition 218. It proposes charging a uniform rate to non-residential and large multifamily customers and updating the justification for the difference in water rate tiers.

Proposed Water Shortage Surcharge Policy

Water Shortage Surcharges are a tool for reducing the financial impacts associated with reduced water sales and increases in operating costs during a drought or water shortage event. The SSWD Board of Directors must vote to trigger the surcharge. It does not automatically take effect during a shortage, is intended to be used only in sustained, severe conditions, and can be reduced or terminated as needed.

The proposed Water Shortage Surcharges by stage are shown in the table below (expressed as a percentage surcharge to the Usage Rates). If imposed, the Surcharge would be applied to the then-current Usage Rates, and not applied to the fixed monthly Service Charge. The water shortage stages for the surcharge policy are consistent with SSWD's Water Shortage Contingency Plan as required by law.

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

Proposed Monthly Private Fire Service Charge

SSWD's Private Fire Service Charge covers the costs for accounts with dedicated fire protection lines. These lines are used for internal sprinkler systems and other forms of fire suppression on private property. SSWD does not measure or charge for water that passes through a fire service.

Starting in CY 2026, the Private Fire Service Charges will increase by the same percentage as the recommended water rate increases.

Monthly Private Fire Charge

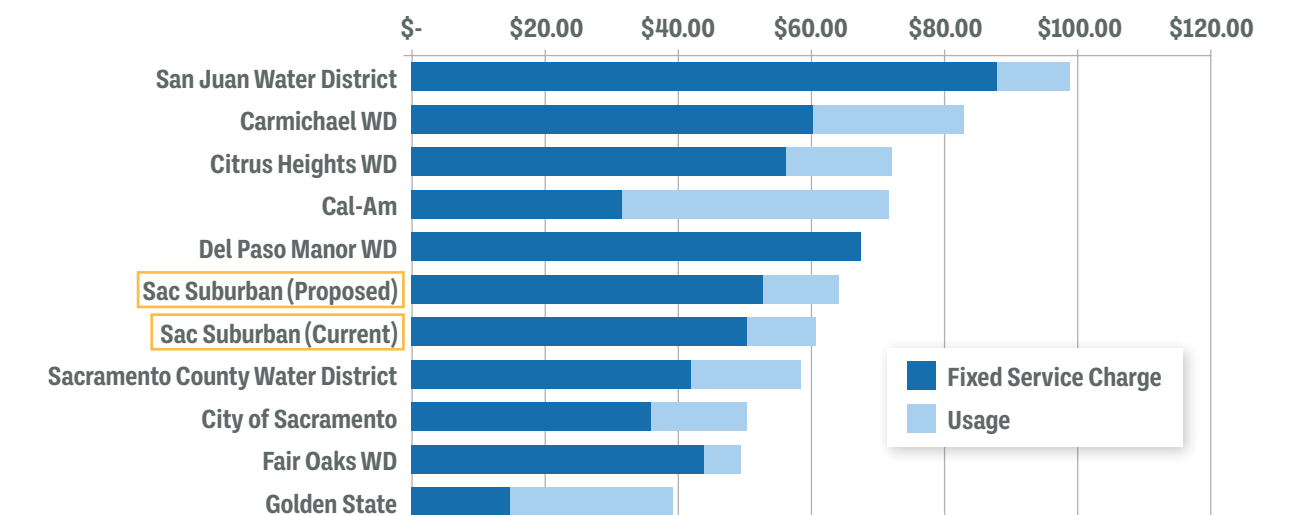
	January 1, 2025	January 1, 2026	January 1, 2027	January 1, 2028	January 1, 2029
2" Meter	\$11.68	\$12.26	\$12.75	\$13.26	\$13.80
3" Meter	\$19.57	\$20.55	\$21.37	\$22.23	\$23.11
4" Meter	\$33.77	\$35.46	\$36.88	\$38.35	\$39.89
6" Meter	\$85.83	\$90.12	\$93.73	\$97.48	\$101.37
8" Meter	\$174.97	\$183.72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

As the Board considers the Rate Study's recommendations, SSWD continues to work diligently to make sure expenses are kept at the lowest responsible level while still delivering safe, reliable, high-quality water to its customers in compliance with all regulatory requirements.

SSWD Rate Comparison

SURVEY - SINGLE FAMILY HOMES

Monthly Bill for typical water usage (10 HCF per month and 3/4" meter*)



* Some utilities have a minimum meter size of 1"



H₂O on the GO

September 2024



SSWD Proposes Adjusting Water Rates for Future Reliability

SSWD is proposing a series of rate adjustments based on findings from the 2024 Comprehensive Water Rate Study (Study). This Study, conducted by an independent firm, reviewed SSWD's finances including current revenues, costs, and future investments in infrastructure.

The Study indicates SSWD's current income and expenses are currently well-balanced and managed. However, the Study recommends SSWD apply annual rate increases over the next five years to address inflation, rising construction and operational costs, and expanded investments in infrastructure.

The proposed rate increases are:

- 5% in 2025 and 2026
- 4% annually from 2027 to 2029

The SSWD Board of Directors will consider this proposal at a Public

[Water Rates | page 2](#)

Working Behind the Scenes | Water Supply Stages

Each spring, the Sacramento Suburban Water District (SSWD) Board of Directors reviews and approves a Water Conservation Stage Declaration. In 2024, the Board of Directors declared SSWD's water supply to be adequate to meet customer demands.

The various water supply stages are described in SSWD's Urban Water Management Plan, a detailed review of water supply sources, historical and projected water use, and a comparison of water supply demands during normal, single-dry, and multiple-dry years. SSWD is required by law to produce the plan every five years.

The Board of Directors can declare a stage that ranges from adequate, where voluntary conservation is encouraged, to Stage 4, where water supply conditions are significantly impacted and conservation measures

[Behind the Scenes | page 2](#)

Save the Date SSWD 5th Annual Open House

On Thursday, September 26th, SSWD will hold its 5th Annual Open House from 5:00 to 7:00 p.m. at the District office at 3701 Marconi Avenue. You'll have a chance to:

- Meet SSWD staff and talk with team members from each department
- Learn about careers in the water industry
- Talk with Board Members
- Hear about upcoming capital improvement and infrastructure projects
- Enter a raffle for a weather-based sprinkler timer



sswd.org

Phone: 916.972.7171

Fax: 916.972.7639

3701 Marconi Avenue, Suite 100

Sacramento, CA 95821-5346

Hours: M-F, 8:00 a.m. to 4:30 p.m.





for reducing water use by 50 percent are required.

In the early part of each year, SSWD staff assesses both the availability of its groundwater sources and surface water available through various agreements with its fellow water providers, including Placer County Water Agency, the City of Sacramento, and the U.S. Bureau of Reclamation. Staff then reviews historical customer demand to determine if projected supplies will be sufficient to meet the estimated customer demand for the coming year.

Thanks to the record amount of rain that California received over the past two years, SSWD has been able to provide its customers with nearly 40 percent surface water. Serving surface water in wet years banks water in the groundwater aquifer so that more of it will be available in dry years.

Water Rates | from page 1

Hearing on Monday, October 14, 2024, at 6:00 p.m. at the SSWD Boardroom at 3701 Marconi Avenue, Sacramento, CA 95821. If approved, these adjustments would start on January 1, 2025.

Visit [sswd.org](https://www.sswd.org) to review the Study and learn more about current rates, comparisons with neighboring providers, updates to rate structures, proposed water shortage policies, monthly fire service charges, how adjustments were calculated, and instructions for submitting protests.

Investing in Your Water System

SSWD is increasing its yearly capital spending from \$21.1 million to \$31.7 million to proactively upgrade aging infrastructure, such as pipes, pump stations, and water tanks. To help offset ratepayer costs, SSWD has recently secured over \$19 million in grants for replacement wells and is actively seeking more funding for other projects as a way to control costs.

4 Sample Projects Funded by Rates

- ▶ **New Well Construction**
Building replacement groundwater wells to maintain water supply reliability.
- ▶ **Reservoir/Tank Improvements**
Upgrading water storage facilities to maintain a safe, clean, and reliable water supply system.
- ▶ **Valve/Hydrant/Service Replacement**
Replacing old valves, hydrants, and service lines to improve water flow and emergency services.
- ▶ **Transmission & Distribution Improvements**
Enhancing the water distribution network to deliver water more efficiently and reliably.

Spring Groundwater Tour

This past April, SSWD hosted participants in the Water Education Foundation's Water 101 class on the Sustainable Groundwater Management Act. Over 40 water industry staff, engineers, environmentalists, government officials, and others toured one of SSWD's groundwater wells, learned about the region's conjunctive use program, and how SSWD contributes to sustainably managing the groundwater supply.

Inquiring Minds | How Do I Report Water Waste or a Water Emergency?

Customers can notify SSWD of a water-related emergency or water waste 24 hours a day, seven days a week through the following methods.

During Business Hours: Call 916.972.7171 and choose option 5 or go online to <https://www.sswd.org/about/report-an-emergency> and fill out the form.

After Business Hours: Call 916.972.7171 and choose option 4 to be connected to the on-call technician.



H₂O on the GO

October 2024

October 14th Public Hearing on Rate Study

On Monday, October 14th, SSWD will hold a public hearing to consider the findings from the 2024 Comprehensive Rate Study (Study). The Study, conducted by an independent consulting firm, reviewed SSWD's finances, including current revenues, costs, and future investments in infrastructure.

The Study found that SSWD's current income and expenses are well managed and balanced, but recommends a series of annual rate increases over the next five years to address inflation, rising construction and operational costs, and investments in infrastructure improvements to ensure our water supplies remain safe and reliable.

See Rate Study | page 2



Working Behind the Scenes | How SSWD Plans It's Infrastructure Improvements

Sacramento Suburban Water District operates a vast water distribution system consisting of 694 miles of pipeline, 11,357 valves, 6,500 fire hydrants, 72 groundwater wells, and 48 interties with neighboring water systems. SSWD invests millions of dollars each year to update and enhance the water system's reliability.

In 2024, SSWD allocated \$29,710,000 for Capital Improvement Projects, including:

- 💰 \$1,650,000 for distribution main replacement
- 💰 \$16,502,000 for groundwater well replacement
- 💰 \$4,723,000 for well rehabilitation

See Behind the Scenes | page 2

SSWD-DPMWD Combination Talks

This past September, SSWD and Del Paso Manor Water District (DPMWD) held a public workshop at Mission Avenue Elementary to update customers from both water providers on their exploration of combining.

A combination could offer DPMWD financial stability and access to grant funding for infrastructure upgrades. SSWD is well-positioned to integrate DPMWD customers and staff without exposing existing SSWD customers to financial risk.

If you're interested in learning more, please visit <https://www.sswd.org/about/dpmwd-sswd-2x2-committee>.

You are also invited to attend the SSWD and DPMWD Joint Board meetings. Agendas and schedules are at: <https://www.sswd.org/about/meeting-agendas-packets-minutes>.

[sswd.org](https://www.sswd.org)

Phone: 916.972.7171

Fax: 916.972.7639

3701 Marconi Avenue, Suite 100

Sacramento, CA 95821-5346

Hours: M-F, 8:00 a.m. to 4:30 p.m.



CALIFORNIA WATER PROFESSIONALS APPRECIATION WEEK

October 5-13, 2024

Water Professionals Appreciation Week

In 2017, the California Legislature designated the first week in October as California Water Professionals Appreciation Week as a way to highlight the critical role water industry professionals and local public water agencies play in providing safe and reliable water service in California.

We are honored and proud of our remarkable team at SSWD, from the customer service department to engineering, field operations, conservation, accounting, environmental compliance, and inventory control; all our employees are dedicated to ensuring that high-quality water is always available whenever you need it.

Inquiring Minds | Why Doesn't the Grass to Garden Cover Replacing All of My Lawn With Gravel or Artificial Turf?

SSWD's Grass to Garden rebate, funded by the Department of Water Resources through the Urban Drought Relief Grant, is designed to help you reduce outdoor water use and encourage the planting of native and low-water use plants. To qualify for the rebate, a minimum of 25 percent of the area converted must include these types of plants.

An ideal water-wise yard features native and low-water-use plants, with mulch applied around the new plantings. Mulch helps regulate the soil temperature so that it doesn't get too hot or cold, reduces evaporation, and adds nutrients to the soil as it breaks down.

Conversely, rocks and gravel capture the sun's heat, raising the soil's temperature, and continue to radiate heat long after the sun sets.

A 2021 study found that artificial turf is hotter than asphalt during the summertime. Research showed that synthetic turf in Palm Springs and Redlands was over 40 degrees warmer than the air temperature, reaching over 150 degrees. Artificial turf also sheds microplastics, cannot be recycled, breeds bacteria from animal waste, and damages the soil underneath it. Consequently, the Grass to Garden rebate does not cover artificial turf installation.

Visit [sswd.org/rebates](https://www.sswd.org/rebates) to find out how to apply and other rebate program requirements.



Water Rates | from EXHIBIT 2.2 page 1

The proposed rate increases are:

- ▶ 5% in 2025 and 2026
- ▶ 4% annually from 2027 to 2029

If approved, these adjustments would start on January 1, 2025.

The Public Hearing will take place at 6:00 p.m. in the SSWD Boardroom at 3701 Marconi Avenue, Sacramento, CA 95821.

Visit [sswd.org](https://www.sswd.org) to review the Study and learn more.

Behind the Scenes | from page 1

Working with a consultant, SSWD's Engineering Department developed a series of Asset Management Plans (Plans), which help guide annual discussions with the Board about capital improvement budgets and priorities.

The Plans provide a detailed summary and inventory of each system component, including Buildings and Structures, Distribution Mains, Groundwater Wells, Transmission Systems, and Water Meters. The Plans list important factors like quantity, age, estimated replacement rate, and recommended upgrades.

For example, the Groundwater Well Asset Management Plan lists drilling dates, current conditions, performance levels, essential components, and expected lifespan. The Distribution Main Asset Management Plan describes the material used to create the various mains, its percentage of the system, and the rate for replacement.

The Plans enable SSWD to prioritize the system's components based on risk, condition assessments, and alignment with the budget and strategic goals, helping to ensure efficient use of the District's resources.

2024 Water Rate Study

Public Hearing

Sacramento Suburban Water District

October 14, 2024



Agenda

1. Proposed Financial Plan
2. Summary of Cost of Service Report
3. Water Shortage Surcharges
4. Proposed Rate Schedule

Financial Plan

2020 – 2024 Economic Impacts

- COVID-19: Changed everything. . .

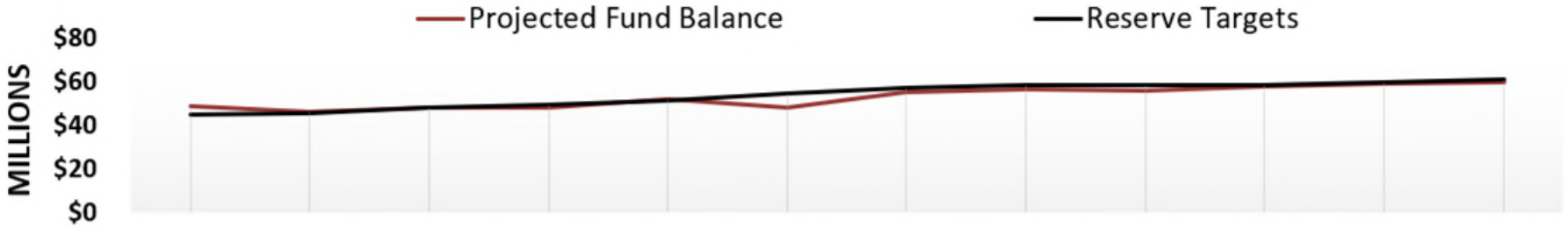
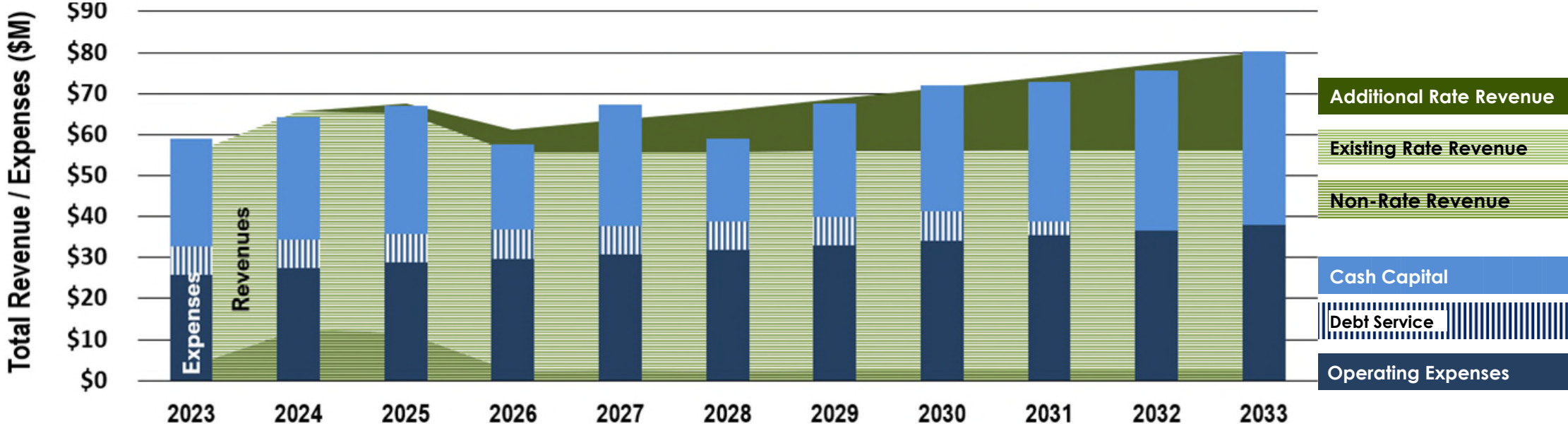
Inflation	2020	2021	2022	2023	2024*	Total
CPI-U West Class B/C	1.7%	4.9%	8.2%	3.3%	3.2%	21.3%

* Estimated US CPI

Rate Increases	2020	2021	2022	2023	2024	Total
	5%	4%	3%	3%	3%	18%

- Changes in Local Construction Costs between 2019 and 2023
 - Fire Hydrant Assembly costs increased by **146%**
 - Short side service costs increased by **142%**
 - 1 mile of water main increased by **75%**
 - Drilled Wells increased by **203%**

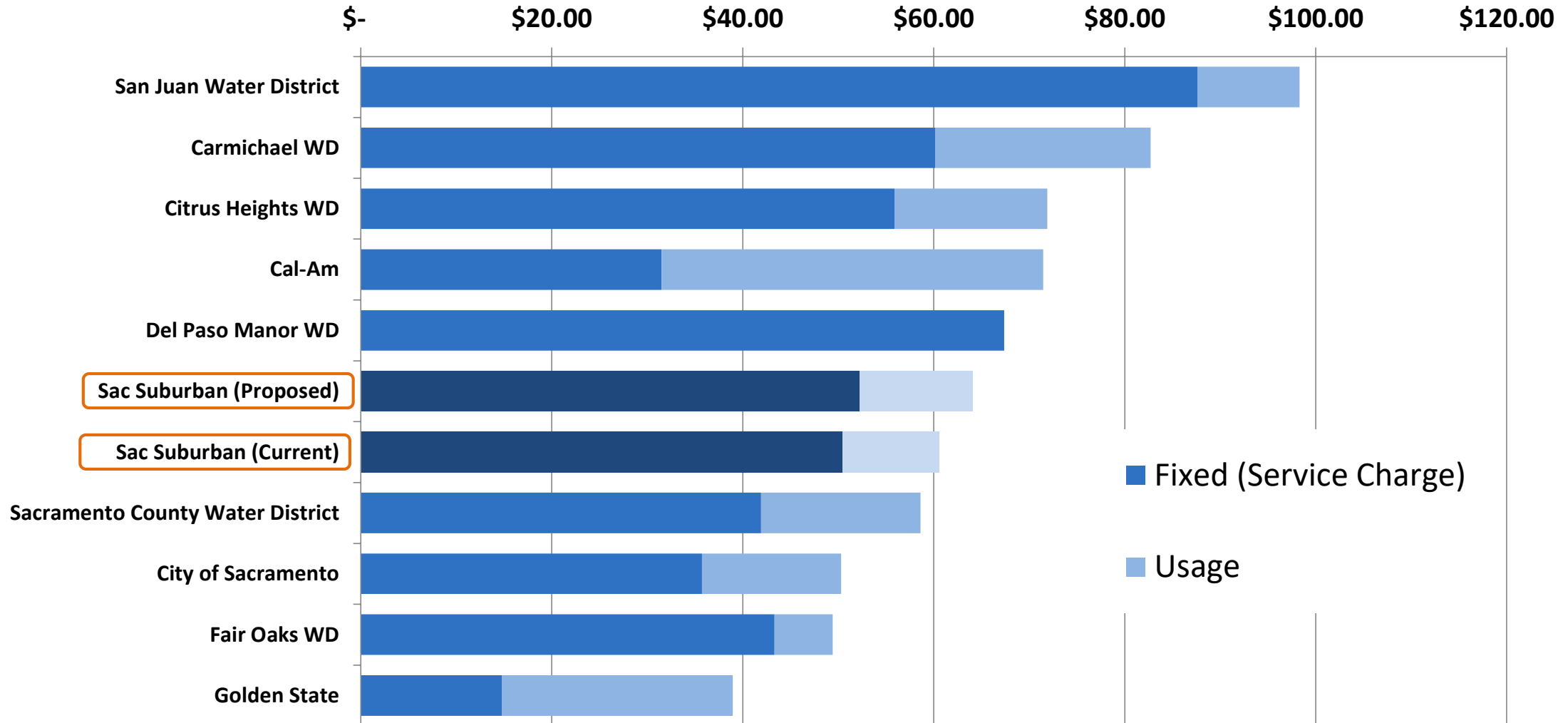
10-Year Cash Flow Forecast



	2023	2024	Proposed				Forecasted				
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Rate Revenue Increase:			5.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Debt Coverage Ratio:	4.22	5.44	5.57	4.48	4.69	4.88	5.11	5.34	11.36	na	na

Survey – Single Family Homes

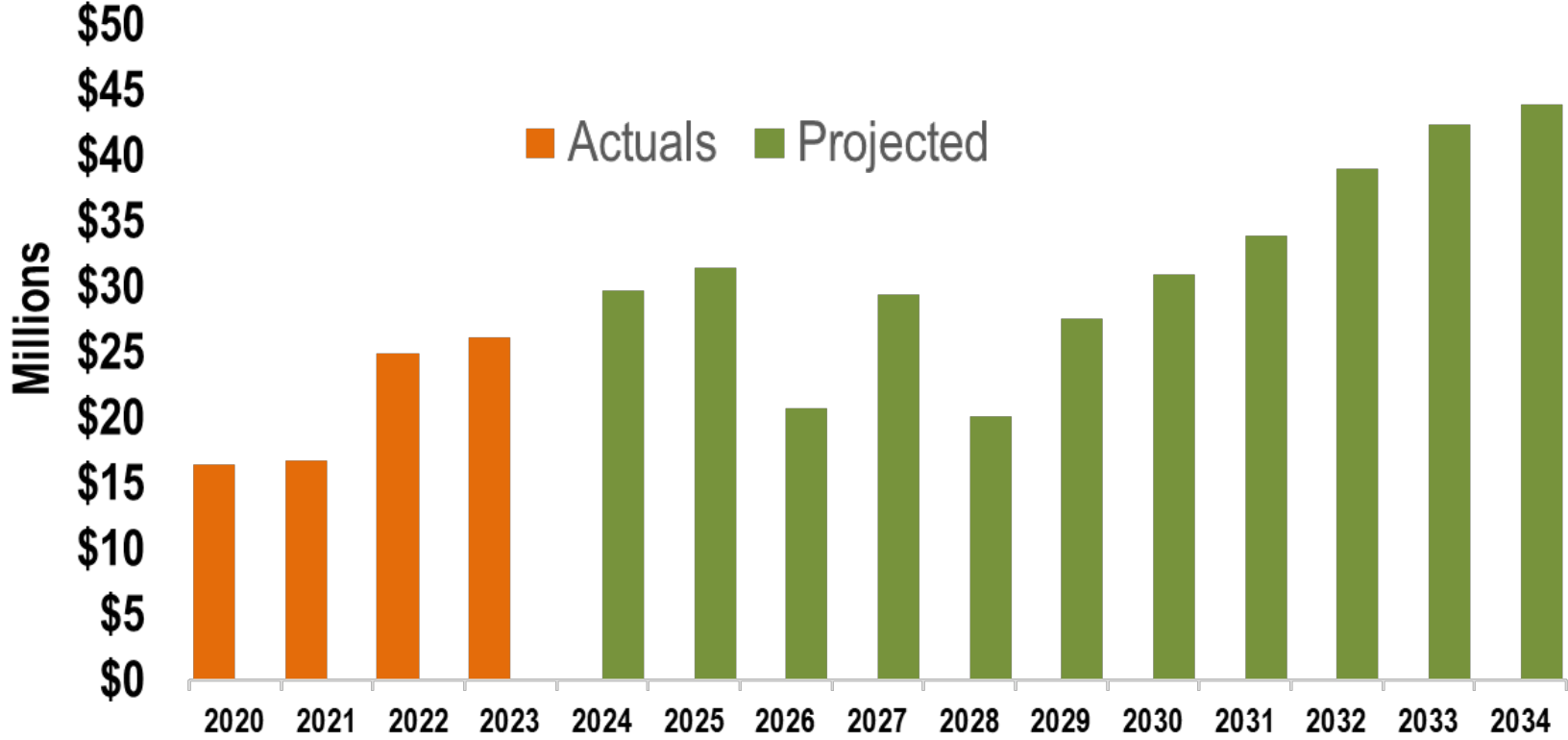
Monthly Bill for typical water usage (10 HCF per month and ¾" meter *)



* Some utilities have a minimum meter size of 1"

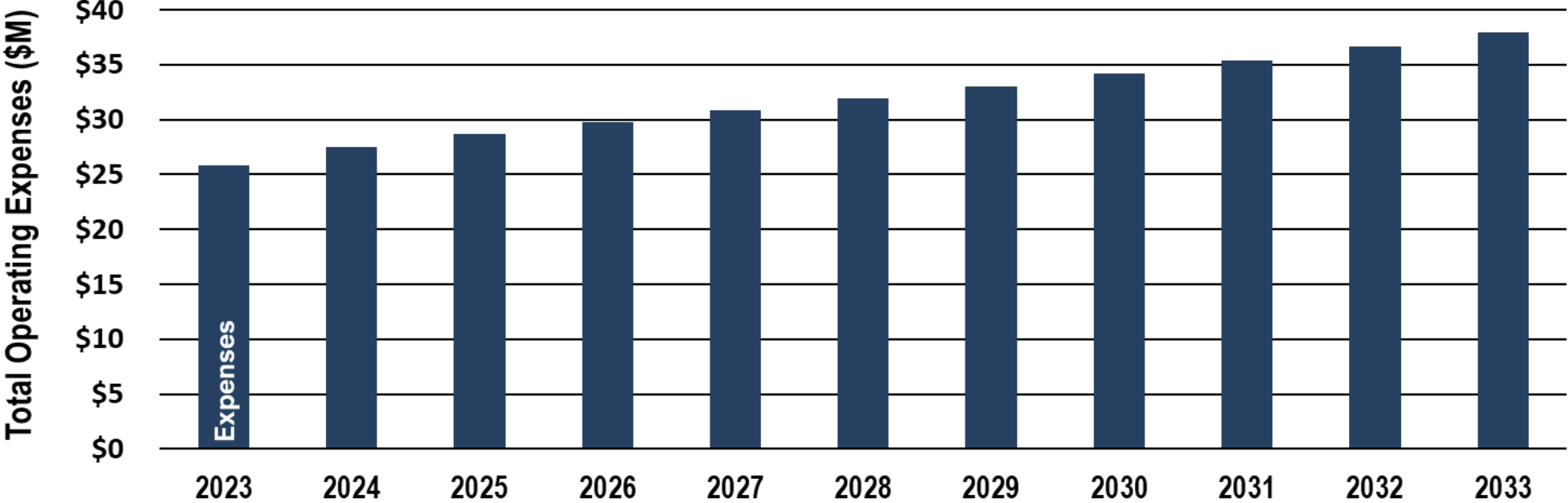
SUMMARY OF COST OF SERVICE REPORT

Capital Spending Forecast



Average 3.9% over Rate Horizon
\$129 million forecast over Rate Horizon

Operating Budget Forecast

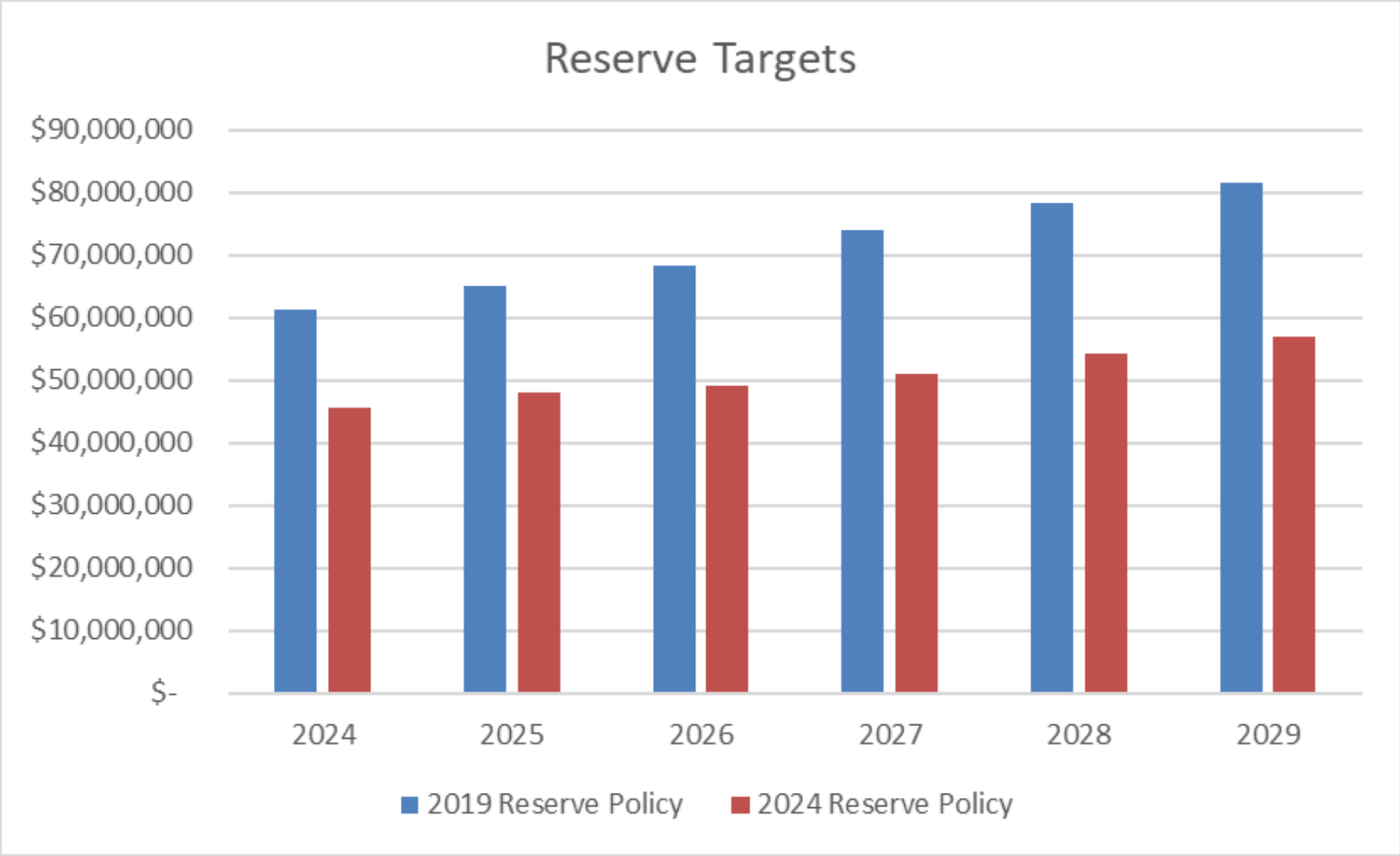


3.7% average over rate horizon

6.6% 2023-2024

4.4% 2024-2025

2024 Reserve Policy Change



Cost Allocation Results

	Account Charge	Meter Charge	Uniform Rate	Tier 1 Rate	Tier 2 Rate
Units:	46,967 Accounts	94,127 Equivalent Meters	5,353,000 hcf	4,633,700 hcf	2,744,300 hcf
Revenue Requirement:	\$3,919,620	\$34,145,655	\$6,971,525	\$5,372,581	\$4,236,219
Units Costs:	\$83.45 per account per year or \$6.95 per account per month	\$362.76 Per equivalent meter per year or \$30.23 per equivalent meter per month	\$1.30 Per hcf for Uniform Rates	\$1.16 Per hcf for Tier 1	\$1.54 Per hcf for Tier 2
Fixed Revenue 69.7%			Variable Revenue 30.3%		

WATER SHORTAGE SURCHARGE

Water Shortage Surcharge Analysis

	Use Reduction Goal -->	Up to 20%	Up to 30%	Up to 40%	Up to > 50%
Assumed Water Use Reduction -->		16%	26%	35%	45%
Water Shortage Surcharge -->		0%	0%	13%	32%

	Normal Supply	Stage 1	Stage 2	Stage 3	Stage 4
<i>Estimated Financial Impact from Water Shortage</i>					
Reduced Water Sales Revenue	(na)	-\$2,653,000	-\$4,311,000	-\$5,803,000	-\$7,461,000
Reduced Water Purchase Costs	(na)	\$1,841,231	\$2,992,000	\$2,992,000	\$2,992,000
Reduced Pumping & Chemical Costs	(na)	\$38,000	\$511,000	\$733,000	\$979,000
Increase in Conservation Program Costs	(na)	-\$177,700	-\$266,700	-\$355,700	-\$443,700
Estimated Financial Deficit:	\$0	-\$951,469	-\$1,074,700	-\$2,433,700	-\$3,933,700
Increase in Revenue from Surcharges	(na)	\$0	\$0	\$1,401,000	\$2,918,000
Strategic Use of Reserves	\$0	-\$951,469	-\$1,074,700	-\$1,032,700	-\$1,015,700

Sample Single Family Residential Charges

Based on Proposed CY 2025 Rates

Shortage Stage	Single Family Use Reduction Goal	Monthly Water Use (Gallons) ¹	Monthly Service Charge	Water Usage Charge	Water Shortage Charge	Total Monthly Water Bill	Change from Normal Bill ³
<i>Average Single Family Customer Meeting Reduction Goals ²</i>							
Normal Conditions	0%	10,500	\$52.30	\$16.28	n/a	\$68.58	n/a
Stage 1 Voluntary	20%	8,400	\$52.30	\$13.03	n/a	\$65.33	-\$3.25
Stage 2 Mandatory	30%	7,400	\$52.30	\$11.48	n/a	\$63.78	-\$4.80
Stage 3 Mandatory	40%	6,300	\$52.30	\$9.77	\$1.27	\$63.34	-\$5.24
Stage 4 Mandatory	50%	5,300	\$52.30	\$8.22	\$2.63	\$63.15	-\$5.43
<i>Average Single Family Customer With No Water Use Reduction ²</i>							
Normal Conditions	0%	10,500	\$52.30	\$16.28	n/a	\$68.58	n/a
Stage 1 Voluntary	20%	10,500	\$52.30	\$16.28	n/a	\$68.58	\$0.00
Stage 2 Mandatory	30%	10,500	\$52.30	\$16.28	n/a	\$68.58	\$0.00
Stage 3 Mandatory	40%	10,500	\$52.30	\$16.28	\$2.12	\$70.70	\$2.12
Stage 4 Mandatory	50%	10,500	\$52.30	\$16.28	\$5.21	\$73.79	\$5.21

Notes:

¹ Water usage is rounded the nearest 100 gallons.

² Assumes single family customer with 3/4" meter and average water usage during "normal conditions" (i.e., Stage 0).

³ Comparison is with water bill based on normal water usage and standard water rates.

PROPOSED RATE SCHEDULE

Proposed Rates (Year 1)

Tier Allocations (per month)

Current & Proposed:

Tier 1: 0 to 15 HCF

Tier 2: 15 HCF+

	Current	Proposed Year 1	Change	
Residential* Tiered Usage Rate (per HCF)				
Tier 1	\$1.01	\$1.16	\$0.15	14.9%
Tier 2	\$1.32	\$1.54	\$0.22	16.7%
Uniform Usage Rate (per HCF)				
Multifamily	\$1.43	\$1.30	-\$0.13	-9.1%
Commercial	\$1.52	\$1.30	-\$0.22	-14.5%
Fixed Monthly Service Charges (per month)				
5/8" meter	\$36.38	\$37.18	\$0.80	2.2%
3/4" meter	\$50.46	\$52.30	\$1.84	3.6%
1" meter	\$78.63	\$82.53	\$3.90	5.0%
1.5" meter	\$149.07	\$158.10	\$9.03	6.1%
2" meter	\$233.57	\$248.79	\$15.22	6.5%
3" meter	\$458.95	\$490.63	\$31.68	6.9%
4" meter	\$712.49	\$762.70	\$50.21	7.0%
6" meter	\$1,416.77	\$1,518.46	\$101.69	7.2%
8" meter	\$2,543.63	\$2,727.66	\$184.03	7.2%
10" meter	\$3,388.77	\$3,634.57	\$245.80	7.3%
12" meter	\$4,762.12	\$5,108.28	\$346.16	7.3%

* Includes single family and small multifamily accounts (3 units or fewer)

Proposed Fixed Charges

	Proposed				
	January 1, 2025	January 1, 2026	January 1, 2027	January 1, 2028	January 1, 2029
Fixed Monthly Service Charges					
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

Proposed Usage Charges

Proposed				
January 1, 2025	January 1, 2026	January 1, 2027	January 1, 2028	January 1, 2029

Residential Tiered Rates (\$/hcf)¹

Tier 1 ²	\$1.16	\$1.22	\$1.27	\$1.32	\$1.37
Tier 2	\$1.54	\$1.62	\$1.68	\$1.75	\$1.82

Uniform Rates (\$/hcf)³

Uniform Rate	\$1.30	\$1.37	\$1.42	\$1.48	\$1.54
--------------	--------	--------	--------	--------	--------

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

² For the first 15 hcf per month

³ Applies to non-residential accounts and multifamily accounts with more than three units

Bill Impact Analysis

	Meter Size	Monthly Water Use (hcf)	Current Bill	Proposed Bill	Change \$	%
Single Family						
Low Use	3/4"	7.0	\$57.53	\$60.42	\$2.89	5.0%
Median Use	3/4"	9.0	\$59.55	\$62.74	\$3.19	5.4%
Average Use	3/4"	14.0	\$64.60	\$68.54	\$3.94	6.1%
Above Average Use	3/4"	20.0	\$71.90	\$77.40	\$5.50	7.6%
High Use	3/4"	42.0	\$100.94	\$111.28	\$10.34	10.2%
Multifamily						
Small Complex	1"	35.0	\$128.68	\$128.03	-\$0.65	-0.5%
Average Complex	1.5"	92.0	\$280.63	\$277.70	-\$2.93	-1.0%
Large Complex	2"	153.0	\$452.36	\$447.69	-\$4.67	-1.0%
Very Large Comple	6"	835.0	\$2,610.82	\$2,603.96	-\$6.86	-0.3%
Commercial						
Average Water Use	1"	15.0	\$101.43	\$102.03	\$0.60	0.6%
High Water Use	1"	45.0	\$147.03	\$141.03	-\$6.00	-4.1%
Average Water Use	2"	91.0	\$371.89	\$367.09	-\$4.80	-1.3%
High Water Use	2"	273.0	\$648.53	\$603.69	-\$44.84	-6.9%
Average Water Use	4"	390.0	\$1,305.29	\$1,269.70	-\$35.59	-2.7%
High Water Use	4"	1170.0	\$2,490.89	\$2,283.70	-\$207.19	-8.3%

* Results include the 5 percent Year 1 rate increases



Memorandum

Date: October 14, 2024

Subject: Correspondence Regarding Proposed Rate Adjustment

Staff Contact: Jeffery S. Ott, Director of Finance and Administration

Attached for the Board's review is a summary of the correspondence received from customers regarding the proposed rate adjustments. Following this memo are copies of the correspondence received up to 4:30 p.m. on October 10, 2024.

Emails Received	1	Opposed Rate Increase
Letters Received	18	Opposed Rate Increase
Verbal/Voicemail Responses	1	Opposed Rate Increase

Barbara Ray

Citrus Heights CA 95621

POST MARKED: 08/23/2024

SSWD

3701 Marconi Av

Sacramento CA 95621

I am writing to protest the proposed rate increase .

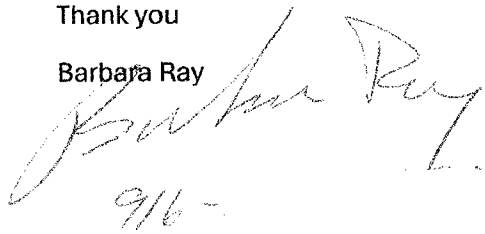
I am 81 years old and live on a fixed income. I cannot afford a service increase by SSWD every year. I live on a fixed income and so should SSWD! I must budget for a mortgage payment, but also face a SMUD increase, a garbage increase , a property tax increase but my SS payment does not increase except for COL increases. My Parcel number is _____ my SSWD account number is _____

SSWD must be reasonable and stop the squeeze on people that are being forced to decide between meds and food while trying to pay these never-ending increases.

(By the way you have great customer service !)

Thank you

Barbara Ray



9/16-

August 22, 2024

POST MARKED: 08/23/2024

Proposed Billing Rate Adjustment Years 2025 through 2029 PROTEST

This letter is in protest of the proposed water services rate increase for years 2025 through 2029.

Suburban Water's increase proposal that averages out to 4.4 percent a year is in excess by 1.25 percent for each averaged year when compared to the cost of living and the current inflation rates for this region.

In addition, inflation is expected to fall by 2.0 percent by the year 2027 according to Statista.

Inflation is expected to decline in 2024 by 2.4 percent according to Morningstar. (as of July 2024)

My name:

Nancy Bernard

Owner of Carmichael, 95608 Parcel No

Suburban Water account No


Nancy Bernard

Rosemarie Dias

RECEIVED:08/26/2024

Carmichael, CA 95608

Parcel Number: .

SSWD Account:

August 21, 2024

SSWD

3701 Marconi Ave.

Sacramento, CA 95821

To Whom it May Concern,

I am notifying you that I officially object and do not support the absurd rate increase of 9% over the next 2 years! Too much, too fast! Perhaps the General Manager salary can be trimmed a bit to help.

By the way, why is the GM yearly salary not posted on your website? You are a Public Agency and financial transparency is required. Where is language in rate increase proposal that monies WON'T be used to increase management salaries?

The disparity of water rates across Sacramento County is also very concerning since every agency gets their water from the same source(s). It's very difficult to trust what is being told to consumers!

Regards,


Rosemarie Dias

RECEIVED:08/26/2024

August 26, 2024

SSWD
3701 Marconi Avenue
Sacramento, CA 95821

RE:
Sacramento 95864
Parcel No.

Gentlemen:

This is to indicate I protest your proposed water rates. Your rates are the highest in the northern Sacramento Valley.

I have many friends that do not get a bill as high as mine. I am a single person living in this house and my bill is extremely high. I wish I was served by another water company.



LAURIE ANDREWS. OWNER

Sacramento, CA 95864

Protest Letter

EXHIBIT 5

8/27/2024

RECEIVED: 09/04/2024

To: SAC Suburban Water District
From: Denise Kincaid, Property Owner
Address: Carmichael, CA 95608

Acct #:

Parcel #:

Note: I am protesting the water rate increases!! Please do not raise our rates.

— Denise Kincaid
Property Owner

September 5, 2024

Sacramento Suburban Water District,

I am writing today to
PROTEST the proposed raised
water rate for the next
5 years.

I am on a fixed income
and have lived in my home
for 58 years. When I first
bought my home ^(in 1966), the rate
was \$5.00 a month. Now, I
pay over \$60.00+ for my water.

Please do not increase the
price of my water bill!!

Ariana G. Calvert

Ave

Sacramento, CA 95821

916-

acct#

Post worked 9/17/24
EXHIBIT 5

Ana Ramirez

Address

SACRAMENTO, CA 95841

Parcel #:

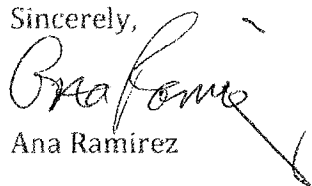
SSWD #:

To SSWD Secretary or Designee,

I am writing today to indicate my concern and/or protest to the proposed rate adjustment being considered. I am on fixed income and continued rate hikes places a financial burden not only on me... but many others living on fixed incomes. As you may know, many living in my zip code are mom and pop owners and in addition to water hikes there are also hikes in our Consolidated Utilities as well as taxes. These combined increases in rates create anxiety and sleepless nights, especially through this inflationary period. I urge you to please, reconsider any increase and take the owners/tenants into consideration before moving forward with your decision.

I thank you in advance for your attention to this matter.

Sincerely,


Ana Ramirez

September 1, 2024

Sacramento Suburban Water District
3701 Marconi Avenue
Sacramento, CA 95821

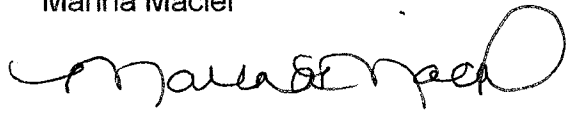
Attn: City Clerk

Re: Proposed Increase in Sacramento Suburban Water District

I am writing to protest the proposed increase in water and sewer rates outlined in the letter sent on September 1st, 2024 titled Proposition 218 Notification (CORRECTED), Proposed Rate Increase for Water Services. I feel the increase amount is far too high and that it will create hardship for myself and my fellow community residents. Please revoke this proposed rate increase.

Thank you for your consideration,

Marina Maciel

A handwritten signature in black ink, appearing to read 'Marina Maciel', written in a cursive style.

Water Service Account Number

RECEIVED: 09/11/2024

September 6, 2024

Sacramento Suburban Water District
Board of Directors
3701 Marconi Ave., Suite 100
Sacramento, CA 95821

Re: Protest of Proposed Rate Increase
APN
SSWD Act

We'll keep this short, as our more lengthy letter of protest for price increases dated 10/14/19 was ignored, as we assume this one will be as well. Nonetheless, we think this increase is just another insult to consumers who try to manage their water intake by removing our lawn and planting natives and other low water plants, follow all guidelines for reducing water consumption, and yet our bills continue to rise because of these non stop capital investments. The monthly base charge far exceeds our usage fees.

Now that the last round of annual fee increases has tapped out, we are in for another five years of increases. And, we assume, once those are complete, another round will begin.

Sac Suburban's inability to influence construction costs 2019-2023 (drilled wells, fire hydrant assembly, short-side service, one mile of water main) instills lack of authority oversight in the minds of customers, who assume costs passively passed on to us, year over year.

Karin Richardson
Eric Richardson

RECEIVED: 09/11/2024

September 9, 2024

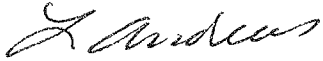
Sacramento Suburban Water District

RE:

A/C
Parcel

Gentlemen:

This is to indicate we protest your proposed water rate increase. You are higher now than any of our other water companies.



Laurie Andrews
Secretary
Inter-State Oil Co.

RECEIVED: 09/11/2024

Daniel S. E. Cascaddan, MPA
Melissa M. Lloyd, MSW

Carmichael, CA 95608-3524
Assessor's Parcel #

September 7, 2024

SSWD Boardroom – Rate Increase Protest
3701 Marconi Avenue
Sacramento, CA 95821

SSWD Board & concerned citizens,

I would like this read aloud, into the record, at the hearing please:

I do not have any problem with the proposed rate increase, as long as all commercial customers (including agriculture) are already paying the same rate as residential customers. If not, then I suggest that their rates should be increased until they are the same as ours. And THEN, you can raise our rates at the same rate and time as theirs. Not before. I do not mind a necessary rate increase, as long as it does not amount to an increase in corporate welfare. If we are paying part of their cost for doing business, then we should be receiving that portion of their profits.

Sincerely,



Daniel Cascaddan (

Social Scientist/Pilot
Professor of Political Science
former US Navy PACE Professor (NAG combat pay)
Faculty Advisor, Campus Science Fiction Club
Parent-child Model Rocketry Instructor
FCC amateur radio license KN6---

RECEIVED: 09/11/2024

Hai Ho

Sacramento, CA 95842

08/28/2024

Dear SSWD representative,

My name is Hai Ho and I am writing to submit a formal protest against the proposed water rate increases for the calendar years 2025 through 2029. I am the tenant of the address located on Savant Dr, Sacramento, CA 95842. Assessor parcel # : . My SSWD account number is

Please accept this letter as my official statement that I am protesting the proposed rate adjustment.

Regards,

A handwritten signature in black ink, appearing to read 'Hai Ho', written in a cursive style.

Hai Ho

RECEIVED: 09/11/2024

Chi Ho

Antelope, CA 95843

08/27/2024

Dear SSWD representative,

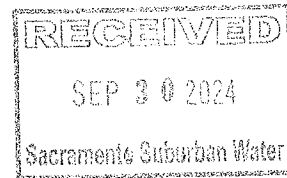
My name is Chi Ho and I am writing to submit a formal protest against the proposed water rate increases for the calendar years 2025-2029. I am the owner of the address located on Sacramento, CA 95843. Assessor parcel # _____ My SSWD account number is _____

Please accept this letter as my official statement that I am protesting the proposed rate adjustment.

Regards,

A handwritten signature in black ink, appearing to read 'Chi Ho', written in a cursive style.

Chi Ho



Melissa Atocha

Sacramento, CA 95821

Parcel #:

SSWD #:

September 25, 2024

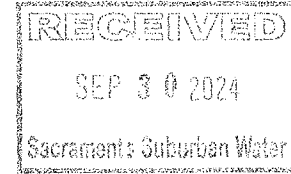
To Whom it May Concern,

I am the owner and resident of the property _____, Sacramento, CA 95821 which receives water service from SSWD. I am protesting the proposed rate increase. As a new owner, the proposed rate increases are too drastic and pose additional burdens. The needed upgrades to the aging infrastructure need to occur without posing extra fees on owners/residents.

Thank you,

A handwritten signature in black ink, appearing to be "Melissa Atocha", written over the "Thank you," text.

Melissa Atocha



SSWD,

I oppose the proposed price rate increase.

- The owner or tenant's name: Sarah Swager
- Address of the property receiving water service: ... North Highlands, CA 95660
- The assessor's parcel number:
<https://assessorparcelviewer.saccounty.gov/jsviewer/assessor.html>
- Customer's SSWD account number for the parcel served:
- A statement that the proposed rate adjustment is being protested: I oppose the rate increase of "5 percent each year in 2025 and 2026, 4 percent each year in 2027, 2028 and 2029" I do not support any rate increases. It's already hard enough to pay bills.

With concern,

A handwritten signature in black ink, appearing to read "Sarah Swager". The signature is fluid and cursive, with a long horizontal stroke at the end.

Sarah Swager

Proposition 218 Protest Vote

POST MARKED: 09/10/2024

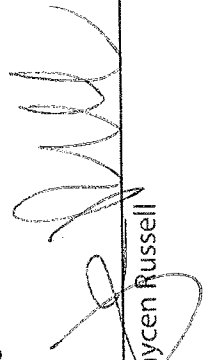
I, Jaycen Russell, submit this protest vote to oppose the proposed rate increase by Sacramento Suburban Water District on behalf of the following property:

Address: _____, Sacramento, CA 95821

APN: _____

Further, I take issue with the misrepresentation of recent mailings and online posts focused on the flat rate cost increase of 4% to 5% over the next 5 years while ignoring the 15% usage increase proposed for this January.

Signed,



Jaycen Russell

9/10/24

September 10, 2024

RECEIVED: 09/11/2024

SSWD:

I am Do Ann White, owner of the house at _____, No. Highlands, CA. 95660.

I will say yes to the 5% raise in 2025. I will say No to the 5% raise in 2026.

I also will say No to each of the 4% raises in 2027, 2028, & 2029.

I will say you only need one raise at a time. We get a raise one year at a time. We do not know if it will be a 1/2, or a 5%. I do not feel right that you will need that raise you are asking for each year. you might only need a 2% or 3%. Why should you have to know so far ahead when nobody else knows.

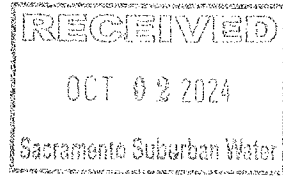
ok to raise 2025, 5%

No to raises 2026, 2027, 2028, & 2029

I protest the 4.

Do Ann White

No. Highlands, CA 95660



Sacramento Suburban Water District

September 27, 2024

William V Eubanks

This letter represents a protest of the proposed rate adjustment set to go into effect on January 1, 2025.

My SSWD billing account number is

My parcel number is

William V. Eubanks

Jeff Ott

From: Heather Hernandez
Sent: Friday, August 30, 2024 12:23 PM
To: Jeff Ott; Dan York
Subject: FW: Public hearing rate increase

Jeff,

The below opposition letter came in.

Regards,
Heather

-----Original Message-----

From: Geneva Dowl <gdowl@sswd.org>
Sent: Friday, August 30, 2024 11:32 AM
To: Heather Hernandez <HHernandez@sswd.org>
Subject: FW: Public hearing rate increase

Rate increase comments...

-----Original Message-----

From: danielle jones
Sent: Friday, August 30, 2024 10:43 AM
To: help <help@sswd.org>
Subject: Public hearing rate increase

[You don't often get email from . Learn why this is important at
<https://aka.ms/LearnAboutSenderIdentification>]

I personally am against it. As a solo income home, where I have no where near a 5-10% increase in income yearly amongst everything else that has went up, it goes against my wishes. I'm well aware it will go up due to corporate greed, but please count this email in your "protest tabulation" lol



Agenda Item: 2

Date: October 14, 2024

Subject: 2024 Comprehensive Water Rate Study Report

Staff Contact: Jeffery S. Ott, Director of Finance and Administration

Recommended Board Action:

Adopt the attached 2024 Comprehensive Water Rate Study Report as the basis for the approved water rate increases for the years 2025 to 2029 discussed at the Public Hearing held on October 14, 2024.

Discussion:

At the July 15, 2024, Regular Board Meeting, the Board accepted the attached 2024 Comprehensive Water Rate Study Report (Report) as the basis for the proposed water rate increases for the years 2025 to 2029 to be discussed at a Public Hearing (Hearing) scheduled for October 14, 2024. Presuming the Hearing approved the recommendations of the Report, staff requests the Board approve the Report as the basis for the newly adopted rates.

Fiscal Impact:

The contracted amount for the Study is \$85,000.

Strategic Plan Alignment:

Goal C – Ensure fiscal responsibility and affordable rates.

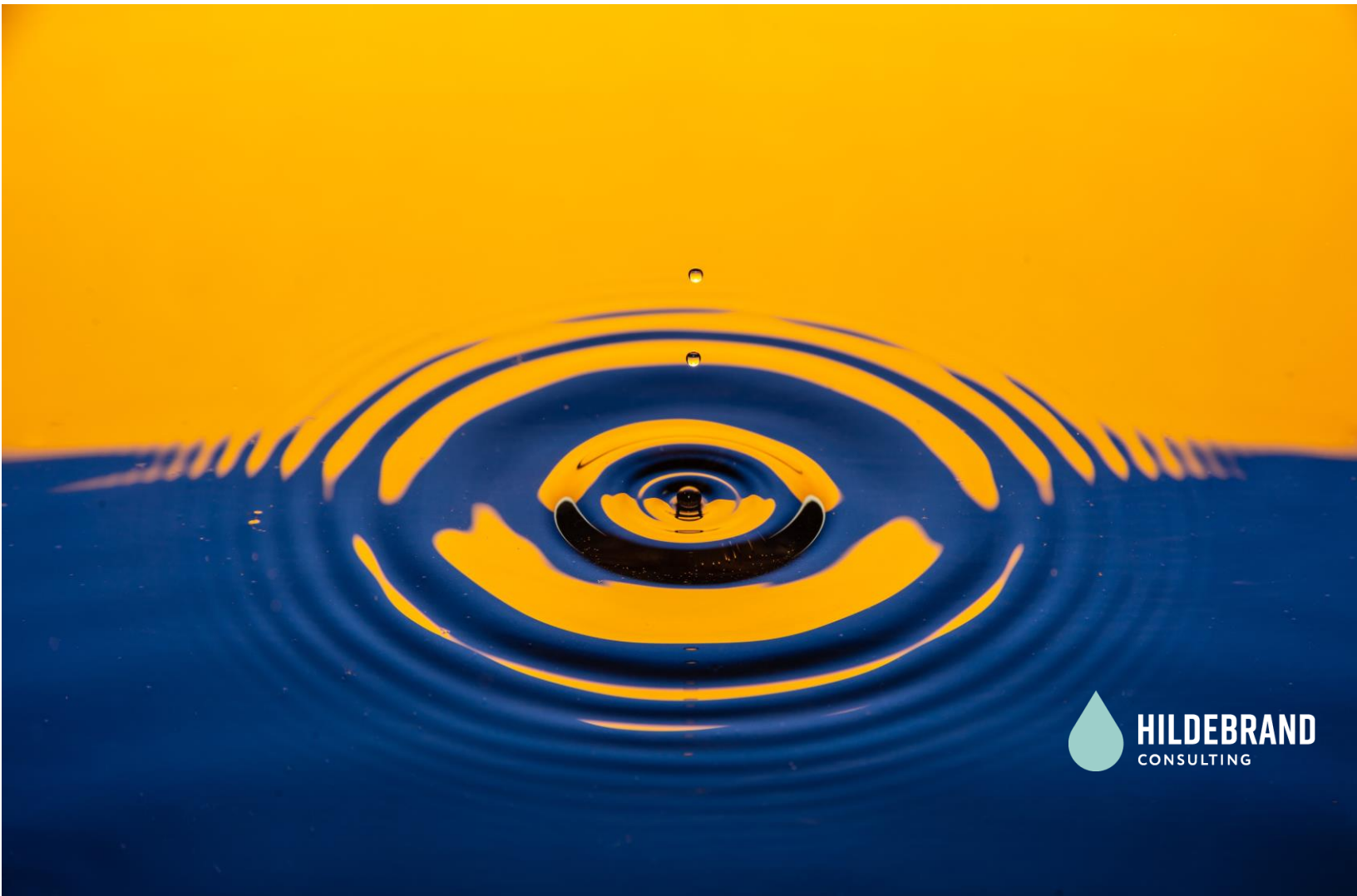
Attachments:

1. 2024 Comprehensive Water Rate Study Report



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
(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
Total :	\$46,919,000

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.

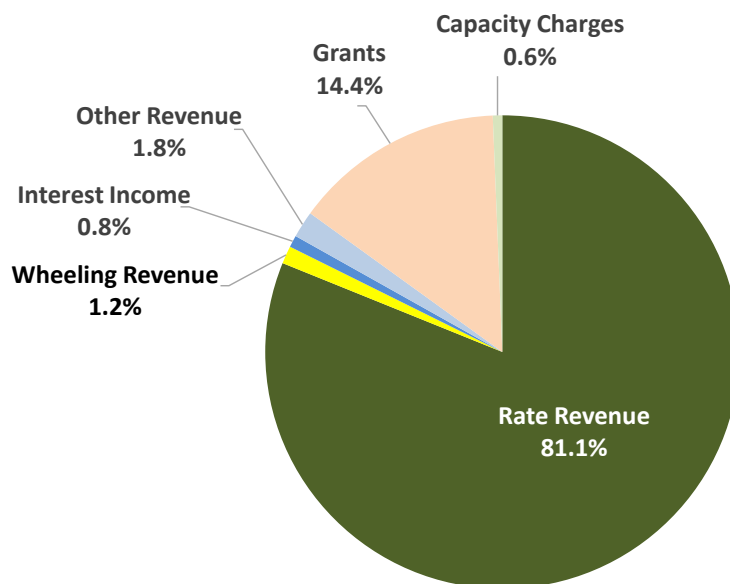


Figure 1: Revenue Categories (Budget CY 2024)

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**.

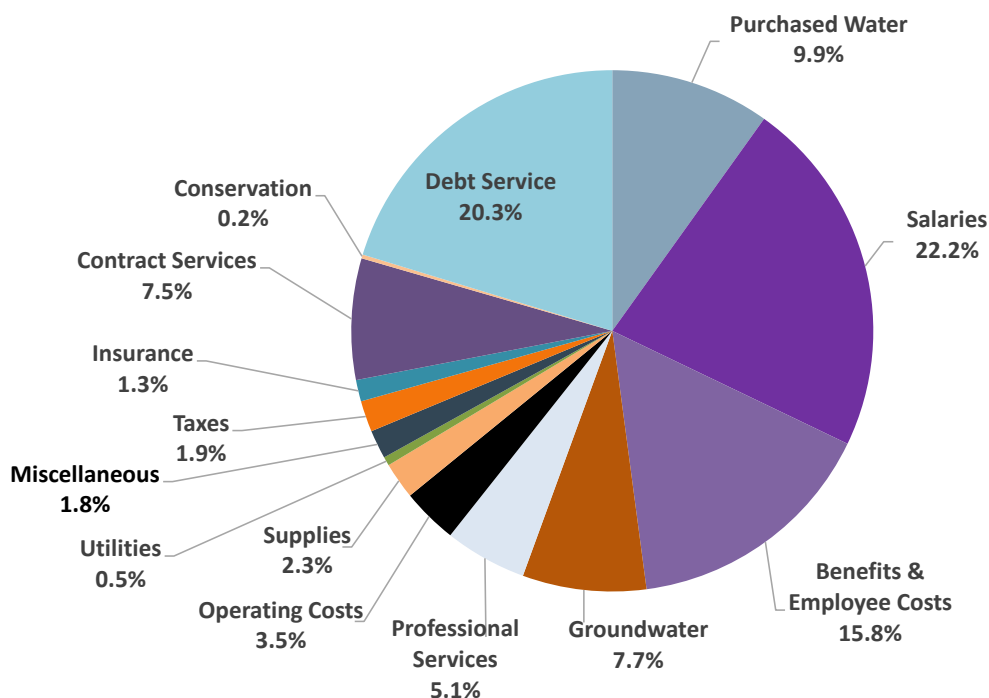


Figure 2: Operating and Debt Service Expense Categories (Budget CY 2024)

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

Category	Annual Inflation
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**.

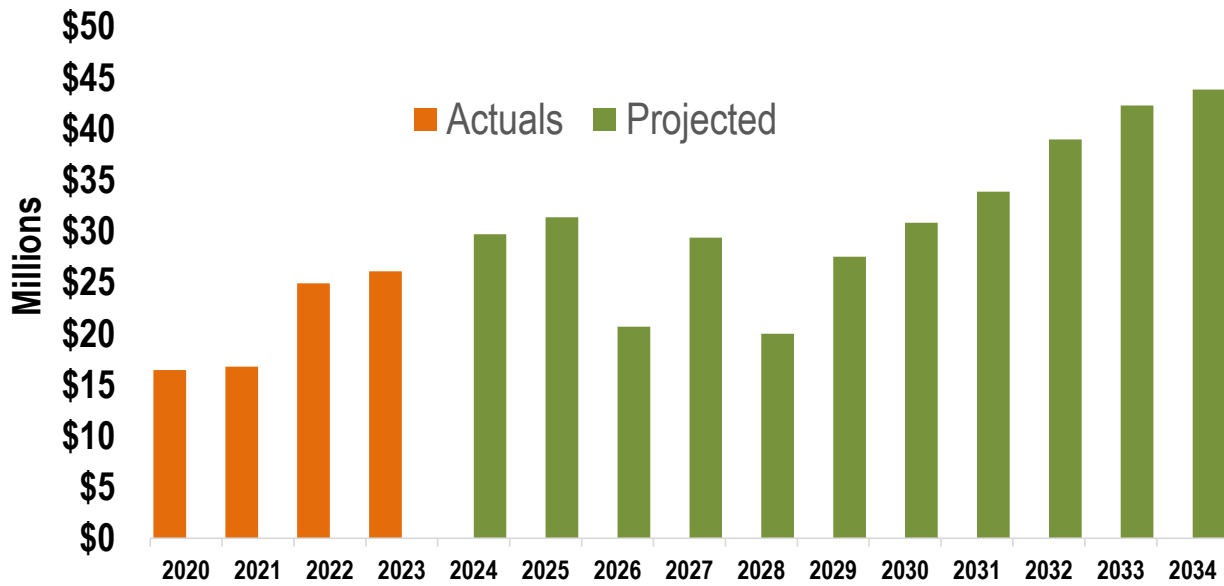


Figure 3: Historic and Projected Capital Spending

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.

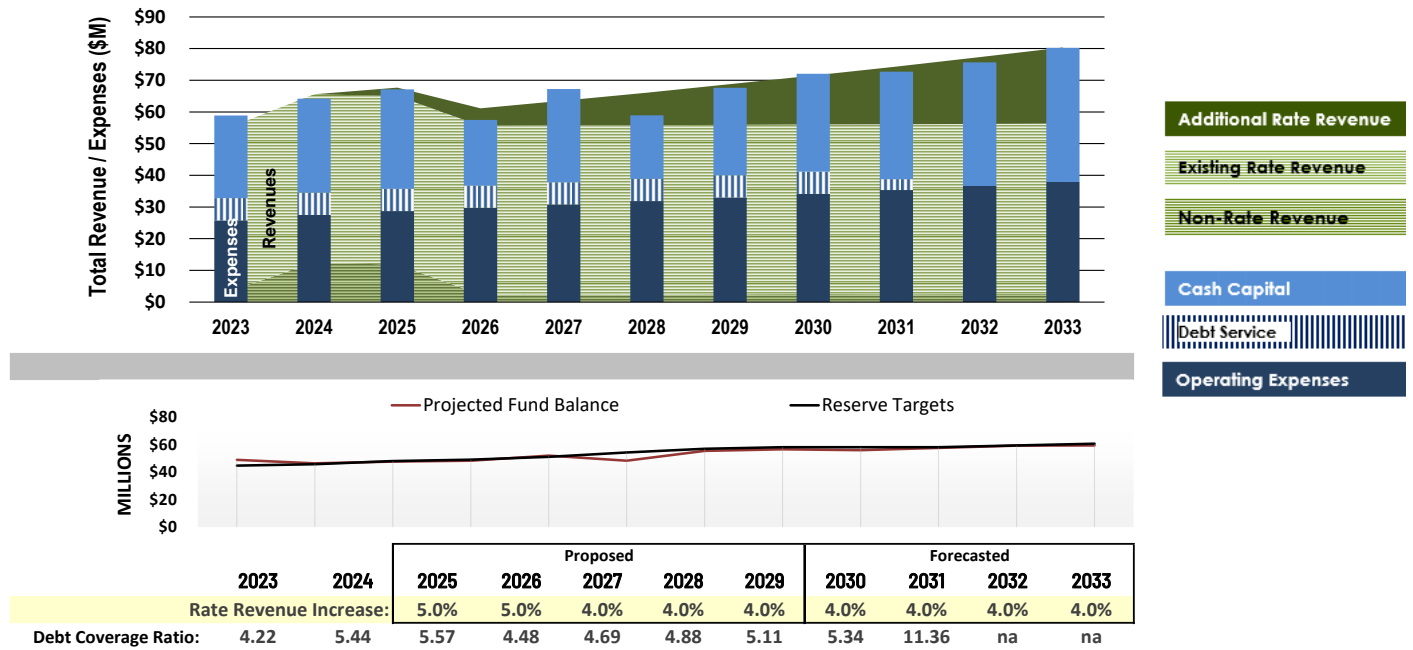


Figure 4: Cash-Flow Projection with Recommended Rate Revenue Increases

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 accounts¹ 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 accounts² 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

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

² 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.

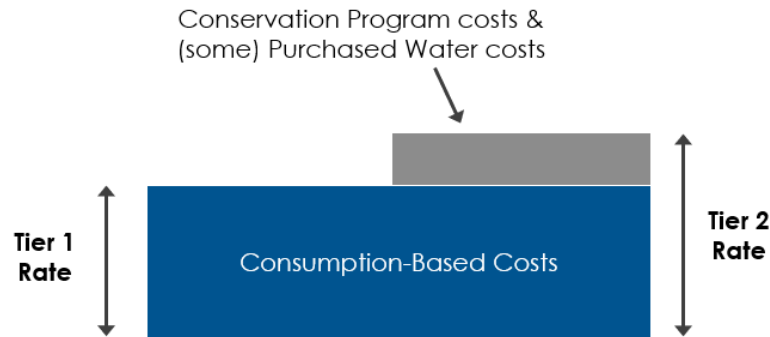


Figure 5: Basis for Tiered Rate Costs

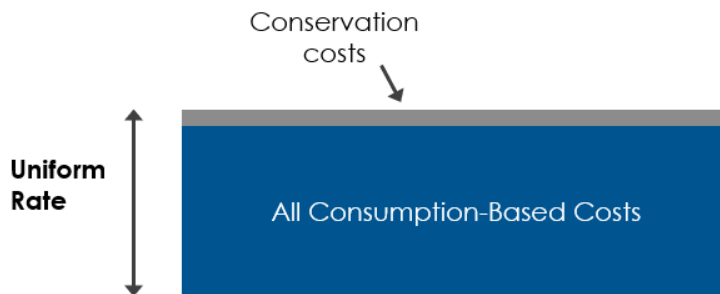


Figure 6: Basis for Uniform Rate

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 Total:	\$54,645,600					\$3,919,620	\$34,145,655	\$9,270,579	\$7,309,746

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) ¹	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

¹ 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)	
Number of Accounts												
1	Single Family Residential	2,637	35,363	1,632	118	8					39,758	6,844,000
2	Small Multi-Family	2	1,499	802	9	1					2,313	534,000
3	Multi Family		162	398	293	577	137	38	10		1,615	2,540,000
4	Commercial		581	838	516	632	92	28	2		2,689	1,630,000
5	Industrial		9	20	10	9	7	4			59	78,000
6	Institutional		69	80	75	183	77	31	15	3	533	1,105,000
7	Total Accounts	2,639	37,683	3,770	1,021	1,410	313	101	27	3	46,967	12,731,000
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	94,127	

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
Units:	46,967 Accounts	94,127 Equivalent Meters	5,353,000 hcf	4,633,700 hcf	2,744,300 hcf
Revenue Requirement:	\$3,919,620	\$34,145,655	\$6,971,525	\$5,372,581	\$4,236,219
Units Costs:	\$83.45 per account per year or \$6.95 per account per month	\$362.76 Per equivalent meter per year or \$30.23 per equivalent meter per month	\$1.30 Per hcf for Uniform Rates	\$1.16 Per hcf for Tier 1	\$1.54 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 ¹	6" Equivalency	Equivalent 6" Connections	% of Total
Public Fire Hydrants (6" mains)	6,490	111.31	1	6,490	84.1%
Private Fire Services					
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%
	7,431			7,718.7	15.9%

¹ 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
	941	1,228.7		\$1,163,100

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
Totals	941				\$1,241,400

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 class³ as summarized in Table 13. The values associated with the five major components of the water utility system are summarized in Table 14.

³ 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 Subtotals:	\$509,480,000	\$283,544,000	\$999,470,000	\$431,156,000

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

	Current	Proposed
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

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
BOARD											
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
ADMINISTRATION											
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	\$18,900	\$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
FINANCE											
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
CUSTOMER SERVICE											
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
OPERATIONS											
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

(2 of 4)

PRODUCTION											
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
DISTRIBUTION											
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
FIELD SERVICES											
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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MAINTENANCE											
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
CONSERVATION											
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
ENVIRONMENTAL COMPLIANCE											
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
ENGINEERING											
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)

GIS											
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
HUMAN RESOURCES											
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
INFORMATION TECHNOLOGY											
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
COMMUNITY OUTREACH											
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
OTHER											
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
339 TOTALS	\$34,500,000	\$32,255,200	\$33,168,100	\$34,108,900	\$35,090,400	\$36,111,600	\$37,160,900	\$34,688,700	\$32,396,700	\$33,576,500	\$34,799,300

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
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	SUBTOTAL CIP	\$26,655,000	\$28,281,000	\$17,497,000	\$26,862,000	\$16,788,000	\$24,947,000	\$28,444,000	\$32,103,000	\$37,274,000	\$41,188,000	\$42,217,000
	OCB											
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	SUBTOTAL OCB	\$3,055,000	\$3,117,000	\$3,214,000	\$2,562,000	\$3,276,000	\$2,648,000	\$2,449,000	\$1,821,000	\$1,741,000	\$1,146,000	\$1,666,000
24	TOTAL CAPITAL	\$29,710,000	\$31,398,000	\$20,711,000	\$29,424,000	\$20,064,000	\$27,595,000	\$30,893,000	\$33,924,000	\$39,015,000	\$42,334,000	\$43,883,000

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	Rate Revenue Increase: 5.00% 5.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00%											
Rate Revenue												
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
Non-Rate Revenues												
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	Total Revenue	\$65,545,000	\$67,697,000	\$61,123,000	\$63,586,000	\$66,039,000	\$68,755,000	\$71,488,000	\$74,308,000	\$77,276,000	\$80,366,000	\$83,558,000
O&M Costs												
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	Total Operating Expenses	\$27,506,000	\$28,725,000	\$29,766,000	\$30,810,000	\$31,887,000	\$33,001,000	\$34,153,000	\$35,364,000	\$36,619,000	\$37,916,000	\$39,260,000
Capital Costs												
27	Total Capital Spending	\$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
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	Total Capital Expenses	\$36,704,000	\$38,388,000	\$27,706,000	\$36,417,000	\$27,056,000	\$34,596,000	\$37,887,000	\$37,351,000	\$39,016,000	\$42,333,000	\$43,883,000
31	Total Revenue Requirement	\$64,210,000	\$67,113,000	\$57,472,000	\$67,227,000	\$58,943,000	\$67,597,000	\$72,040,000	\$72,715,000	\$75,635,000	\$80,249,000	\$83,143,000
32	Beginning Year Balance	\$46,377,000	\$47,712,000	\$48,296,000	\$51,947,000	\$48,306,000	\$55,402,000	\$56,560,000	\$56,008,000	\$57,601,000	\$59,242,000	\$59,359,000
33	Surplus/(Shortfall)	\$1,335,000	\$584,000	\$3,651,000	(\$3,641,000)	\$7,096,000	\$1,158,000	(\$552,000)	\$1,593,000	\$1,641,000	\$1,170,000	\$415,000
34	End of Year Balance	\$47,712,000	\$48,296,000	\$51,947,000	\$48,306,000	\$55,402,000	\$56,560,000	\$56,008,000	\$57,601,000	\$59,242,000	\$59,359,000	\$59,774,000
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	Cash-on-Hand Balance	\$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
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	Capacity Reimbursement Fund Balance	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000
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	Operating Fund Balance	\$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
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	Emergency/Contingency Fund Balance	\$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
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	Rate Stabilization Balance	\$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
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	Capital Asset Fund Balance	\$12,919,000	\$14,190,000	\$14,190,000	\$12,393,000	\$17,376,000	\$18,532,000	\$16,869,000	\$18,495,000	\$19,005,000	\$18,961,000	\$18,096,000
47	Sum of Reserve Targets	\$45,689,000	\$48,050,000	\$49,098,000	\$51,062,000	\$54,328,000	\$57,033,000	\$58,144,000	\$58,111,000	\$58,164,000	\$59,403,000	\$60,683,000
Debt Coverage Calculations												
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	Debt Coverage Ratio	5.44	5.57	4.48	4.69	4.88	5.11	5.34	11.36	na	na	na



Schedule of Proposed Rates

Schedule 4

Water Rates

	January 1, 2025	January 1, 2026	January 1, 2027	January 1, 2028	January 1, 2029
Residential Tiered Rates (\$/hcf) ¹					
Tier 1 ²	\$1.16	\$1.22	\$1.27	\$1.32	\$1.37
Tier 2	\$1.54	\$1.62	\$1.68	\$1.75	\$1.82
Uniform Rates (\$/hcf) ³					
Uniform Rate	\$1.30	\$1.37	\$1.42	\$1.48	\$1.54
Fixed Monthly Service Charges					
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

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

² For the first 15 hcf per month

³ 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 ¹	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%
Revenues					
3 Service Charge Revenue	\$39,306,000	\$39,306,000	\$39,306,000	\$39,306,000	\$39,306,000
4 Consumption Charge Revenue ²	\$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 Total Revenues:	\$67,227,000	\$64,574,000	\$62,916,000	\$61,424,000	\$59,766,000
7 (% of normal)		96%	94%	91%	89%
Expenditures and Transfers					
8 Purchased Water ³	-\$2,992,000	-\$1,150,769	\$0	\$0	\$0
9 Water Pumping ⁴	-\$2,622,000	-\$2,584,000	-\$2,111,000	-\$1,934,000	-\$1,737,000
10 Water Treatment ⁵	-\$368,000	-\$368,000	-\$368,000	-\$323,000	-\$274,000
11 Conservation ⁶	-\$888,300	-\$1,066,000	-\$1,155,000	-\$1,244,000	-\$1,332,000
12 SGA Dues ⁷	-\$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 ⁸	-\$5,248,400	-\$5,248,400	-\$5,248,400	-\$5,248,400	-\$5,248,400
32 Revenue Requirement:	-\$67,227,000	-\$65,525,469	-\$63,990,700	-\$63,857,700	-\$63,699,700
33 (% of normal)		97%	95%	95%	95%
34 Surplus/(Deficit) Due to Shortage	\$0	-\$951,469	-\$1,074,700	-\$2,433,700	-\$3,933,700
35 Water Shortage Surcharge ⁹		0%	0%	13%	32%
36 Water Shortage Surcharge Revenue		\$0	\$0	\$1,401,000	\$2,918,000
37 Strategic Use of Reserves		-\$951,469	-\$1,074,700	-\$1,032,700	-\$1,015,700

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

² Assumes that water sales reductions will occur evenly across all customers.

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

⁴ 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.

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

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

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

⁸ 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).

⁹ Surcharge is applied to usage rates only and is applied to all water usage.



Agenda Item: 3

Date: October 14, 2024

Subject: Resolution No. 24-10 Amending Regulation No. 3 of the Regulations Governing Water Service to Adjust Water Rates for 2025 Through 2029

Staff Contact: Jeffery S. Ott, Director of Finance and Administration

Recommended Board Action:

Assuming a non-majority protest to the District's proposed adjustments to rates and charges, adopt Resolution No. 24-10 Amending Regulation No. 3 of the Regulations Governing Water Service.

Discussion:

The Regulations Governing Water Service are a District Ordinance that provide direction for governance of District business functions necessary to serve water to our customers. To effectuate the five-year increases in water service rates and charges discussed at the Public Hearing, the Board must adopt the proposed changes to Regulation 3, Sections A, D and E as detailed in the Resolution attached as Exhibit 1. The Board may adopt the adjustments proposed in the Rate Study and Hearing Notice mailed to District customers, modify the proposed rate adjustments by approving less than the published amount of any specific rate or charge, or reject some or all adjustments. If a majority of all affected District customers and water users protest the proposed adjustments, then the Board is prohibited by Proposition 218 from adopting any adjustments.

If the Board accepts the staff recommendation and adopts the five-year schedule of rate adjustments beginning on January 1, 2025, the District will impose each subsequent increase on January 1, 2026, through 2029 without further Board action. However, each year that the adjustment is in effect, staff will provide advance notice of the adjustment to the Board through the annual Budget process. Staff also will provide advance notice of the next year's adjustment to District customers through bill inserts and notices posted on the District's website.

Fiscal Impact:

If adopted as proposed, water rate revenues will increase by approximately \$2.7 million in 2025, \$2.8 million in 2026, \$2.3 million in 2027, \$2.4 million in 2028 and \$2.5 million in 2029 (e.g., in 2029 total revenues will be roughly \$12.7 million more than in 2024.)

Strategic Plan Alignment:

Goal C – Ensure fiscal responsibility and affordable rates.

Attachments:

1. Resolution No. 24-10 Amending Regulation No. 3 of the Regulations Governing Water Service.

RESOLUTION NO. 24-10

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SACRAMENTO SUBURBAN WATER DISTRICT
AMENDING REGULATION NO. 3 OF THE
REGULATIONS GOVERNING WATER SERVICE**

WHEREAS, on July 19, 2004, the Board enacted Ordinance 2004-03, entitled “An Ordinance of the Board of Directors of Sacramento Suburban Water District Adopting Regulations Governing Water Service;”

WHEREAS, the Board now desires to amend Regulation No. 3 of the Regulations Governing Water Service as described in this Resolution; and

WHEREAS, the amendments to Regulation No. 3 to adjust certain District water rates and charges adopted by this Resolution are subject to Proposition 218’s notice and hearing requirements as provided in Article XIII D, Section 6 of the California Constitution; and

WHEREAS, Proposition 218 permits the District to impose a multi-year adjustment in water service rates and charges, not to exceed a total of five years in duration; and

WHEREAS, on the date of adoption of this Resolution, the Board: (1) held a duly-noticed Public Hearing to receive comments and protests of property owners and water users affected by the proposed adjustment in rates and charges; (2) determined that a majority protest to the proposed adjustments was not filed; and (3) accepted the water rate study prepared by the District’s rate consultant; and

WHEREAS, the Board hereby finds and determines that the proposed adjustments to rates and charges to be imposed on January 1, 2025 and each subsequent January 1 through 2029, with any modifications as may be directed by the Board, comply in all respects with Proposition 218 and properly reflect the District’s estimated costs of service and are necessary for the District to continue meeting its costs of operation, capital improvements, accrual of prudent reserves, and obligations to repay its bonded indebtedness.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sacramento Suburban Water District as follows:

1. Regulation No. 3 is hereby amended to show the proposed adjustments in water service rates and charges for 2025 through 2029 as shown in Exhibit A, which is attached to and made a part of this Resolution.
2. The Board authorizes and directs the General Manager and staff to take all actions necessary to amend Regulation No. 3 and to enforce such amended regulations in accordance with the authority granted by this Resolution.

3. Except as modified by the terms of this Resolution, the existing District Regulations Governing Water Service shall remain in full force and effect. Any provisions in the existing regulations that conflict with the amendments set forth in this Resolution are deemed superseded and of no further effect.

4. This Resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on the 14th day of October 2024, by the following vote:

AYES:

NOES:

ABSENT:

By: _____
Kevin Thomas
President, Board of Directors
Sacramento Suburban Water District

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of Sacramento Suburban Water District at a regular meeting hereof held on the 14th day of October 2024.

(SEAL)

By: _____
Dan York
General Manager/Secretary
Sacramento Suburban Water District

Regulation No. 3 Water Service Rates, Fees, and Charges

Adopted: March 15, 2004
Amended: October 14, 2024

A. Charges for Water Service

The District charges all Customers on a monthly basis. All charges are based on the District's costs of providing District Water Service. Therefore, the basis for charges and rates are categorized on the same basis as District costs. Explanations of each charge and the related District costs are as follows:

1. Metered Customers:

- a) **Usage Charge:** This charge is based on water usage. The charge is intended to cover District operations and maintenance variable costs attributable to Metered Rate Customers, including the cost of water and treatment and pumping and conveyance costs. The Usage Charge is based on 100 cubic feet (ccf) of water (748 gallons.).

Sacramento Suburban Water District Metered Rate Customers					
Meter Usage Charge (\$/CCF) – 1 CCF = 748 gallons	01/01/25	01/01/26	01/01/27	01/01/28	01/01/29
Residential - 1st Tier (0-15 CCF)	\$ 1.16	\$ 1.22	\$ 1.27	\$ 1.32	\$ 1.37
Residential - 2nd Tier (16+ CCF)	\$ 1.54	\$ 1.62	\$ 1.68	\$ 1.75	\$ 1.82
Multi-Family Residential - Uniform	\$ 1.30	\$ 1.37	\$ 1.42	\$ 1.48	\$ 1.54
Non-Residential - Uniform	\$ 1.30	\$ 1.37	\$ 1.42	\$ 1.48	\$ 1.54

- b) **Water Shortage Surcharge:** This charge is based on water usage. The charge is intended to mitigate the financial impacts associated with reduced water sales and increases in operating costs during a water shortage event. The surcharge only applies to the current water usage charge. The charge can only be imposed by action of the Board of Directors together with a water shortage event.

Water Shortage Surcharge by Stage			
Stage 1	Stage 2	Stage 3	Stage 4
0%	0%	13%	32%

- c) **Fixed Charge:** This charge is based on meter size. The charge is intended to cover District fixed operations and maintenance costs attributable to serving Metered Rate Customers. This charge also covers District capital improvement costs and periodic principal and interest payments due on District debt.

Sacramento Suburban Water District Metered Rate Customers					
Fixed Charge	01/01/25	01/01/26	01/01/27	01/01/28	01/01/29
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 1/2" 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	\$ 1,518.45	\$ 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

2. Mutual Aid and Emergency Wholesale Customers:

Usage Charge: This charge is solely based on water usage. The rate is for mutual aid, emergency, or other temporary water deliveries to neighboring agencies and is intended to cover District operations and maintenance variable costs attributable to water supply, including the cost of water and treatment and pumping and conveyance costs. The charge shall be the current Non-Residential usage rate and is based on 100 cubic feet of water (748 gallons.).

3. Wholesale Contract Customers:

Quantity Charge: This charge is solely based on the quantity of water provided in the contracted unit of measure. The rate is for contracted water deliveries of District source water to other water purveyors. The per unit charge shall be negotiated and shall not be less than the direct cost of producing water, including pumping and treatment costs, Sacramento Groundwater Authority (SGA) fees, and any other fixed and variable costs attributable to producing the water. The rate shall be based on the cost of each acre-foot of water supplied.

4. Wheeling Water Deliveries:

The Wheeling Water charge shall be set according to periodic rate studies conducted in accordance with Proposition 26 as required by the SDCWA v. Met cases. The charge shall be assessed per acre foot of water.

B. Service Fees and Charges

1. Account Establishment Fee: For each new account to be established, a \$14.00 service charge shall be assessed and added to the first or opening water bill.
2. Dispatching Fee: A dispatch fee of \$54.00 shall be assessed in accordance to Section K.2, Regulation No. 5 and Section C, Regulation No. 6:
3. After Hours Fee: Other than in an emergency, to locate a service or shut-off water service after regular business hours the District shall charge its actual cost of time and material, not to exceed \$150.00.
4. Tax Roll Processing Fee: When transferring delinquent water service charges to the Sacramento County secured property tax roll for collection, the District shall charge a fee of \$4.00 plus the current amount of the County's processing fees for collection services to the Customer's delinquent water billing charges transferred to the County secured property tax roll for collection.
5. Manual Meter Reading Fee:
In the event a customer declines to allow the District to install an electronic meter reading device at the customer's service connection, thereby requiring the District to read the meter manually, the customer shall comply with the following requirements as a condition of receiving water service:
 - a) Complete an application for manual meter reading and pay a \$16.00 application fee. The customer must complete the application agreeing to the charges.
 - b) On a periodic basis, pay a \$64.00 manual meter reading fee. The customer shall also be responsible for paying all other water service charges imposed as a condition of receiving District water service.

C. Temporary Turn-On Charges

Omitted

D. Cross-Connection Control Program

Monthly charges shall be paid to fund the District's Cross-Connection Control Program (CCCP). This charge shall be billed monthly per Backflow Prevention Assembly (Assembly) to each Account holder with one or more Assemblies. Each Assembly is the property of the Landowner. The services covered by this charge shall include, but are not limited to, administering/monitoring the program, notifying Customers, performing inspections, reviewing and recording test results and reporting to the State Water Resources Control Board Division of Drinking Water (DDW). The charge shall be determined each year based on program expenses and the number of Assemblies within the District. The monthly charge for the CCCP shall be \$2.88 per Assembly for all connection sizes.

If a Customer requests Assembly testing or the District determines it is necessary to test an Assembly, the District shall impose an Assembly test charge of \$107.00 per Assembly. The charge includes the fee for the required District tag. While the District does not routinely perform repairs or replacements, labor and materials shall be charged to the Account holder if the District is required to repair or replace an Assembly.

As part of the Assembly test, a District tag must be attached to the Assembly indicating whether it “passed” or “failed”. These tags are to be purchased by the tester at the District office. The cost of the tag shall be determined each year based on the cost of producing the tag and overseeing the tag distribution. The current cost shall be \$1.00 per tag.

E. Privately-Owned Fire Protection Systems

A monthly charge shall be paid for water service at un-metered connections to the District’s Water System which supplies water to privately-owned and maintained sprinklers used exclusively for firefighting, irrespective of the quantity of water used and based on the size of the fire service assembly as follows:

Private Fire Service					
Size	01/01/20	01/01/21	01/01/22	01/01/23	01/01/24
2-inch	\$ 11.68	\$ 12.26	\$ 12.75	\$ 13.26	\$ 13.80
3-inch	\$ 19.57	\$ 20.55	\$ 21.37	\$ 22.23	\$ 23.11
4-inch	\$ 33.77	\$ 35.46	\$ 36.88	\$ 38.35	\$ 39.89
6-inch	\$ 85.83	\$ 90.12	\$ 93.73	\$ 97.48	\$ 101.37
8-inch	\$ 174.97	\$ 183.72	\$ 191.07	\$ 198.71	\$ 206.66
10-inch	\$ 309.06	\$ 324.51	\$ 337.49	\$ 350.99	\$ 365.03
12-inch	\$ 495.22	\$ 519.98	\$ 540.78	\$ 562.41	\$ 584.91

F. Security Deposits

Whenever an Applicant’s or Customer’s credit rating or payment history is or becomes unacceptable to the District because of poor credit history, non-payment of water bills, or frequent delinquent bill payment, a cash deposit may be required in accordance with the schedule set below:

1. Residential Customers shall be required to pay the sum equal to two (2) months water charge, but not less than \$98.00 (cost of ¾” fixed charges).
2. Non-residential Customers shall be required to pay the sum equal to three (3) times the estimated water bill, but not less than \$230.00 (cost of 1” meter fixed charges).

The District may apply the security deposit to any account of a Customer that is delinquent for more than 30 days and shall notify the Customer of such application. Water service may be terminated if the account is not fully paid and the security deposit replenished, subject to the conditions and procedures described in Regulation No. 6, Section B.

The security deposit shall be returned to the Customer without interest upon termination of the service and payment of all rates and charges owed to the District by the Customer, or at such earlier time as the District may determine that the credit of the Customer is satisfactory. For the purpose of this Regulation No. 3, the District shall determine whether a Customer's credit is satisfactory. The credit of a Customer who has paid all rates and charges without delinquency for twelve months shall be deemed satisfactory and result in the return of a security deposit. Failure to maintain a clean payment history may result in the District retaining a security deposit for a longer period or, in cases where no security deposit is held, the District may require a security deposit be paid as a condition of maintaining service. Security deposits that remain unclaimed after five (5) years from the date the deposit became refundable shall become property of the District.

G. Application of Payments

Any monies received on an account shall be applied first to the oldest outstanding charges.

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The District shall levy a charge for each returned payment as defined in Regulation No. 5, Section C. The amount shall be the District's actual Bank Service Charge plus \$20.00.

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This charge shall be assessed to accounts that request a meter test with results within the range set by AWWA per Regulation No. 4, Section D. The fee shall be \$352.00 per meter test for large meters (3" and above), \$352.00 for intermediate meters (1-1/2" and 2"), and \$107.00 for small meters (1" and below).

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The District shall assess actual time and material costs but not less than a minimum charge of \$153.00 for each bacteriological test as defined in Regulation No. 7, Section H.8.

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The District shall charge annexation fees for each Parcel located outside of the District's legal boundaries that desires to be annexed into the District. The fee shall be charged on a time and materials basis and reflect all District costs to apply for and complete the annexation of a Parcel, including without limitation staff time, attorneys' and consultant fees, LAFCO application fees, and costs of studies and environmental review. Upon application for an annexation into the District, staff shall estimate the costs to process the annexation and the applicant shall deposit the estimated costs with the District. Upon conclusion of the annexation proceedings, if a portion of the deposit remains, it shall be refunded to the applicant. If the District has expended the entire deposit and advanced additional funds to pay costs of the annexation proceedings, the applicant shall repay the

entire amount of any funds advanced by the District as a condition of LAFCO's recording of the Certificate of Completion approving the annexation and of the District's approval of the applicant's Application for Water Service.

L. Water Conservation Violation

In accordance with Section B of Regulation No. 15, the following charges may be imposed for a Water User's violation of the District's water conservation regulations:

1. A charge of \$50.00 shall be added to the next billing for serving the second water conservation violation as defined in Regulation No. 15, Section C.
2. A charge of \$100.00 shall be added to the next billing for serving the third water conservation violation as defined in Regulation No. 15, Section C.

M. Variance Application Service Fees

1. District Variance: A service fee of \$333.00 shall be charged to any person or entity filing a variance application from District standards or regulations as provided in Regulation No. 17, Section B.
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District Facilities may be used only upon approval of the General Manager. Interested parties must apply for use of District Facilities by completing the District's "Facility Use Application." All charges for use of District Facilities, including insurance requirements, are as noted on the Application and are dependent on facility location, event duration and recovery of all District costs required for the event.

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Water provided by the District for construction, street cleaning or storm/sewer cleaning purposes shall be charged subject to conditions of the service or project and in conformance with Regulation No. 12. The following charges shall apply:

1. For construction water taken through a District Fire Hydrant Meter the contractor or owner who obtains the permit shall be required to pay the following:
 - a) A refundable \$3,000.00 deposit for the hydrant meter with backflow prevention assembly.
 - b) A one-time \$122.00 Application Fee.
 - c) On a monthly basis the following:
 - i) The current metered nonresidential usage rate per hundred cubic feet of water taken.
 - ii) The current 2" meter fixed charge.
 - iii) A \$5.00 Backflow Assembly test fee.
2. For water taken by other municipal agencies or their subcontractors through a District Fire Hydrant for street cleaning or storm/sewer cleaning, the agency is required to obtain a permit in accordance with Regulation No. 12 and to pay the following fees and charges:
 - a) A \$200.00 annual permit fee.
 - b) The current metered nonresidential usage rate per hundred cubic feet of water taken.
3. Use of District Fire Hydrants is authorized by a permit issued by the District only, as conditioned in Regulation No. 13, Section D. Illegal use of a Fire Hydrant may be subject to a \$1,000.00 fine and costs of repair or replacement incurred by District for any damage sustained to the Fire Hydrant.
4. The permit holder shall be responsible for paying the costs of repair or replacement incurred by the District for any damage sustained to the Fire Hydrant, Fire Hydrant Meter or Backflow Prevention Assembly. The District shall have the right to retain all or a portion of the deposit to pay any such costs incurred.

Q. Development Services

1. Plan Check Fee
The District shall assess the following fee for review of an Applicant's construction plans as provided in Regulation No. 7 under Part H.1. The fee shall be calculated as follows:
 - a) Base fee of \$621.00
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2. **Supervision and Inspection Fee**
The District shall assess the following fee for supervision and inspection of new or upgraded water facilities to be connected to the District system, as provided in Regulation No. 7, Section H.6. The fee shall be calculated as follows:
 - a) Base fee of \$440.00
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3. **Single Service Development Fee (without engineering plans)**
The District shall assess a fee of \$347.00 for a single service development constructed according to District standards.

R. Moved to Section Q.2

S. **Hydrant Flow Test and Analysis**

- 1) A completed application for hydrant flow test and \$519.00 fee shall be paid in advance to supervise and perform a fire hydrant flow test and to provide written results of the test to the person or entity requesting it.
- 2) The fee for performing a hydrant flow analysis shall be \$260.00.

T. **Abandonment of Service and Reinstallation of Abandoned Service**

The District charge for abandoning an existing water service from the existing water main as provided in Regulation No.7, Section K shall be calculated on a time and materials basis, with a minimum charge of \$3,000.00. The estimated charge shall be paid to the District prior to scheduling the abandonment. In addition, if requested by a Landowner, the District shall restore an abandoned service connection by charging on a time and materials basis, with a minimum charge of \$3,000.00.

U. **Administration Fee**

This fee shall be assessed to those accounts that participate in certain District programs, including, without limitation, the Large Irrigation Service, Wholesale Water, Wheeling Water, and Owner/Tenant Billing Agreement. Each fee is based on actual District costs for administering the individual program and is reviewed at least annually.

V. **Locking Device Replacement Fee**

If the District has installed a locking device on a water meter, curb stop or service valve and such a device is damaged or removed, then a \$35.00 charge shall be imposed on the Landowner.

If installed locking devices on the same service connection continue to be damaged or removed, the District reserves the right to abandon the service. Charges for service

abandonment and any subsequent reinstallation of service shall be on time and materials for the abandonment of the service as provided in Section T of this Regulation No. 3. The charges shall be added to the Customer's water bill and must be paid before service is restored.

Regulation No. 3 Water Service Rates, Fees, and Charges

Adopted: March 15, 2004
Amended: ~~April 22~~October 14, 2024

A. Charges for Water Service

The District charges all Customers on a monthly basis. All charges are based on the District’s costs of providing District Water Service. Therefore, the basis for charges and rates are categorized on the same basis as District costs. Explanations of each charge and the related District costs are as follows:

1. Metered Customers:

a) **Usage Charge:** This charge is based on water usage. The charge is intended to cover District operations and maintenance variable costs attributable to Metered Rate Customers, including the cost of water and treatment and pumping and conveyance costs. The Usage Charge is based on 100 cubic feet (ccf) of water (748 gallons.).

~~Fixed Charge: This charge is based on meter size. The charge is intended to cover District fixed operations and maintenance costs attributable to serving Metered Rate Customers. This charge also covers District capital improvement costs and periodic principal and interest payments due on District debt.~~

Sacramento Suburban Water District Metered Rate Customers					
Meter Usage Charge (\$/CCF) – 1 CCF = 748 gallons	<u>01/01/2025</u>	<u>01/01/2126</u>	<u>01/01/2227</u>	<u>01/01/2328</u>	<u>01/01/2429</u>
Residential - 1st Tier (0-15 CCF)	\$ 0.881.16	\$ 0.921.22	\$ 0.951.27	\$ 0.981.32	\$ 1.011.37
Residential - 2nd Tier (16+ CCF)	\$ 1.151.54	\$ 1.201.62	\$ 1.241.68	\$ 1.281.75	\$ 1.3282
Multi-Family Residential - Uniform	\$ 1.2630	\$ 1.3137	\$ 1.3542	\$ 1.3948	\$ 1.4354
Non-Residential - Uniform	\$ 1.3330	\$ 1.3837	\$ 1.42	\$ 1.4748	\$ 1.5254

b) Water Shortage Surcharge: This charge is based on water usage. The charge is intended to mitigate the financial impacts associated with reduced water sales and increases in operating costs during a water shortage event. The surcharge only applies to the current

water usage charge. The charge can only be imposed by action of the Board of Directors together with a water shortage event.

<u>Water Shortage Surcharge by Stage</u>			
<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Stage 4</u>
<u>0%</u>	<u>0%</u>	<u>13%</u>	<u>32%</u>

c) Fixed Charge: This charge is based on meter size. The charge is intended to cover District fixed operations and maintenance costs attributable to serving Metered Rate Customers. This charge also covers District capital improvement costs and periodic principal and interest payments due on District debt.

Sacramento Suburban Water District Metered Rate Customers					
Fixed Charge	<u>01/01/2025</u>	<u>01/01/2126</u>	<u>01/01/2227</u>	<u>01/01/2328</u>	<u>01/01/2429</u>
5/8" meter	\$ <u>32.0137.18</u>	\$ <u>33.2939.04</u>	\$ <u>34.2940.60</u>	\$ <u>35.3242.22</u>	\$ <u>36.3843.91</u>
3/4" meter	\$ <u>44.4052.30</u>	\$ <u>46.1854.92</u>	\$ <u>47.5657.11</u>	\$ <u>48.9959.40</u>	\$ <u>50.4661.77</u>
1" meter	\$ <u>69.1982.53</u>	\$ <u>71.9686.66</u>	\$ <u>74.1290.12</u>	\$ <u>76.3493.73</u>	\$ <u>78.6397.48</u>
1 1/2" meter	\$ <u>131.17158.10</u>	\$ <u>136.42166.01</u>	\$ <u>140.51172.65</u>	\$ <u>144.72179.55</u>	\$ <u>149.07186.73</u>
2" meter	\$ <u>205.53248.79</u>	\$ <u>213.75261.23</u>	\$ <u>220.16271.68</u>	\$ <u>226.77282.55</u>	\$ <u>233.57293.85</u>
3" meter	\$ <u>403.85490.63</u>	\$ <u>420.00515.16</u>	\$ <u>432.60535.77</u>	\$ <u>445.58557.20</u>	\$ <u>458.95579.49</u>
4" meter	\$ <u>626.95762.70</u>	\$ <u>652.03800.84</u>	\$ <u>671.59832.87</u>	\$ <u>691.74866.18</u>	\$ <u>712.49900.83</u>
6" meter	\$ <u>1,246.681,518.45</u>	\$ <u>1,296.55594.38</u>	\$ <u>1,335.44658.16</u>	\$ <u>1,375.51724.48</u>	\$ <u>1,416.77793.46</u>
8" meter	\$ <u>2,238.25727.66</u>	\$ <u>2,327.78864.04</u>	\$ <u>2,397.61978.60</u>	\$ <u>2,469.543,097.75</u>	\$ <u>2,543.633,221.66</u>
10" meter	\$ <u>2,981.933,634.57</u>	\$ <u>3,101.213,816.30</u>	\$ <u>3,194.24968.95</u>	\$ <u>3,290.074,127.71</u>	\$ <u>3,388.774,292.82</u>
12" meter	\$ <u>4,190.405,108.28</u>	\$ <u>4,358.025,363.69</u>	\$ <u>4,488.765,578.24</u>	\$ <u>4,623.425,801.37</u>	\$ <u>4,762.126,033.43</u>

2. Mutual Aid and Emergency Wholesale Customers:

Usage Charge: This charge is solely based on water usage. The rate is for mutual aid, emergency, or other temporary water deliveries to neighboring agencies and is intended to cover District operations and maintenance variable costs attributable to water supply, including the cost of water and treatment and pumping and conveyance costs. The charge shall be the current Non-Residential usage rate and is based on 100 cubic feet of water (748 gallons.).

3. Wholesale Contract Customers:

Quantity Charge: This charge is solely based on the quantity of water provided in the contracted unit of measure. The rate is for contracted water deliveries of District source water to other water purveyors. The per unit charge shall be negotiated and shall not be less than the direct cost of producing water, including pumping and treatment costs, Sacramento Groundwater Authority (SGA) fees, and any other fixed and variable costs attributable to producing the water. The rate shall be based on the cost of each acre-foot of water supplied.

4. Wheeling Water Deliveries:

The Wheeling Water charge shall be set according to periodic rate studies conducted in accordance with Proposition 26 as required by the SDCWA v. Met cases. The charge shall be assessed per acre foot of water.

B. Service Fees and Charges

1. Account Establishment Fee: For each new account to be established, a \$14.00 service charge shall be assessed and added to the first or opening water bill.

2. Dispatching Fee: A dispatch fee of \$54.00 shall be assessed in accordance to Section K.2, Regulation No. 5 and Section C, Regulation No. 6:

3. After Hours Fee: Other than in an emergency, to locate a service or shut-off water service after regular business hours the District shall charge its actual cost of time and material, not to exceed \$150.00.

4. Tax Roll Processing Fee: When transferring delinquent water service charges to the Sacramento County secured property tax roll for collection, the District shall charge a fee of \$4.00 plus the current amount of the County's processing fees for collection services to the Customer's delinquent water billing charges transferred to the County secured property tax roll for collection.

5. Manual Meter Reading Fee:

In the event a customer declines to allow the District to install an electronic meter reading device at the customer's service connection, thereby requiring the District to read the meter manually, the customer shall comply with the following requirements as a condition of receiving water service:

a) Complete an application for manual meter reading and pay a \$16.00 application fee. The customer must complete the application agreeing to the charges.

b) On a periodic basis, pay a \$64.00 manual meter reading fee. The customer shall also be responsible for paying all other water service charges imposed as a condition of receiving District water service.

C. Temporary Turn-On Charges

Omitted

D. Cross-Connection Control Program

Monthly charges shall be paid to fund the District’s Cross-Connection Control Program (CCCP). This charge shall be billed monthly per Backflow Prevention Assembly (Assembly) to each Account holder with one or more Assemblies. Each Assembly is the property of the Landowner. The services covered by this charge shall include, but are not limited to, administering/monitoring the program, notifying Customers, performing inspections, reviewing and recording test results and reporting to the State Water Resources Control Board Division of Drinking Water (DDW). The charge shall be determined each year based on program expenses and the number of Assemblies within the District. The monthly charge for the CCCP shall be ~~(see table below)~~ \$2.88 per Assembly for all connection sizes.

Monthly CCCP Charge					
	01/01/20	01/01/21	01/01/22	01/01/23	01/01/24
Per Unit Charge	\$ 2.31	\$ 2.41	\$ 2.49	\$ 2.57	<u>\$2.65</u>

If a Customer requests Assembly testing or the District determines it is necessary to test an Assembly, the District shall impose an Assembly test charge of \$107.00 per Assembly. The charge includes the fee for the required District tag. While the District does not routinely perform repairs or replacements, labor and materials shall be charged to the Account holder if the District is required to repair or replace an Assembly.

As part of the Assembly test, a District tag must be attached to the Assembly indicating whether it “passed” or “failed”. These tags are to be purchased by the tester at the District office. The cost of the tag shall be determined each year based on the cost of producing the tag and overseeing the tag distribution. The current cost shall be \$1.00 per tag.

E. Privately-Owned Fire Protection Systems

A monthly charge shall be paid for water service at un-metered connections to the District’s Water System which supplies water to privately-owned and maintained sprinklers used exclusively for firefighting, irrespective of the quantity of water used and based on the size of the fire service assembly as follows:

Private Fire Service					
Size	01/01/20	01/01/21	01/01/22	01/01/23	01/01/24
2-inch	\$ 13.95 <u>11.68</u>	\$ 14.51 <u>12.26</u>	\$ 14.95 <u>12.75</u>	\$ 15.40 <u>13.26</u>	\$ 15.87 <u>13.80</u>
3-inch	\$ 26.17 <u>19.57</u>	\$ 27.22 <u>20.55</u>	\$ 28.04 <u>21.37</u>	\$ 28.89 <u>22.23</u>	\$ 29.76 <u>23.11</u>
4-inch	\$ 42.62 <u>33.77</u>	\$ 44.33 <u>35.46</u>	\$ 45.66 <u>36.88</u>	\$ 47.03 <u>38.35</u>	\$ 48.45 <u>39.89</u>

Private Fire Service					
Size	01/01/20	01/01/21	01/01/22	01/01/23	01/01/24
6-inch	\$ <u>84.8285.83</u>	\$ <u>88.2290.12</u>	\$ <u>90.8793.73</u>	\$ <u>93.6097.48</u>	\$ <u>96.41101.37</u>
8-inch	\$ <u>150.05174.97</u>	\$ <u>156.06183.72</u>	\$ <u>160.75191.07</u>	\$ <u>165.58198.71</u>	\$ <u>170.55206.66</u>
10-inch	\$ <u>234.44309.06</u>	\$ <u>243.82324.51</u>	\$ <u>251.14337.49</u>	\$ <u>258.68350.99</u>	\$ <u>266.45365.03</u>
12-inch	\$ <u>261.28495.22</u>	\$ <u>271.74519.98</u>	\$ <u>279.90540.78</u>	\$ <u>288.30562.41</u>	\$ <u>296.95584.91</u>

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The District shall assess a fee of \$347.00 for a single service development constructed according to District standards.

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V. Locking Device Replacement Fee

If the District has installed a locking device on a water meter, curb stop or service valve and such a device is damaged or removed, then a \$35.00 charge shall be imposed on the Landowner.

If installed locking devices on the same service connection continue to be damaged or removed, the District reserves the right to abandon the service. Charges for service abandonment and any subsequent reinstallation of service shall be on time and materials for the abandonment of the service as provided in Section T of this Regulation No. 3. The charges shall be added to the Customer's water bill and must be paid before service is restored.