### **RESOLUTION 01-24**

RESOLUTION 01-24 OF THE BOARD OF DIRECTORS OF THE RIO ALTO WATER DISTRICT AMENDING ARTICLE 13 OF RESOLUTION 8-73 (AND ALL ASSOCIATED RESOLUTIONS ESTABLISHING RULES AND REGULATIONS FOR THE DISTRIBUTION OF WATER) TO CHANGE WATER RATES.

WHEREAS, the Rio Alto Water District did provide on November 22<sup>nd</sup> of 2023, a written notice by mail to all affected water customers in accordance with the requirements of State Law; and

WHEREAS, the Rio Alto Water District did properly notice a public hearing to be held on January 17, 2024, at 6:30 p.m.; and

WHEREAS, the Rio Alto Water District did conduct the above scheduled hearing at the specified time and date; and

WHEREAS, the Rio Alto Water District opened the Public Hearing at 6:30 p.m., and closed the Public Hearing at 7:05 p.m. after receiving verbal comments, now therefore

**BE IT RESOLVED**, that in the absence of a majority written protest, Article 13 of Resolution 8-73, a resolution establishing the rules and regulations for the distribution of water shall be amended in accordance with Exhibit A (Water and Wastewater Rate Study 2023 prepared by Bartle Wells Associates, Page 2, Table 1 with Amended Implementation Dates) attached and incorporated herein to:

- 1. Increase Water Rates over a 5-year period to better reflect revenue requirements and the cost of service, including operational, capital cost and debt funding needs as proposed in Page 2, Table 1 of Water and Wastewater Rate Study 2023 prepared by Bartle Wells Associates with Amended Implementation Dates.
- 2. New rates are proportionate, fair, and equitable to all customers;
- 3. New rates comply with the substantive requirements of the California Constitution, Article 13D, Section 6 (which was adopted by the voters as Proposition 218 in 1996 and general mandate of Article 10, Section 2) that prohibits the wasteful use of water;
- 4. New rates support the long-term operational and financial stability of the District.

**RESOLVED FURTHER**, that Resolution 01-24 and Exhibit A (Water and Wastewater Rate Study 2023 prepared by Bartle Wells Associates, Page 2, Table 1 with Amended Implementation dates) shall replace any previous resolutions and schedules amending Article 13 of Resolution 8-73 and shall become effective March 3, 2024.

**PASSED AND ADOPTED** by the Rio Alto Water District Board of Directors at its regular meeting on January 17, 2024, by the following vote:

AYES: 4 NOES: 0

ABSTAINING: 0

ABSENT: 1

Signed and approved by me after its passage this 17<sup>th</sup> day of January 2024.

Richard Brubaker

President, Board of Directors

Attest

Martha Slack, General Manager

# RIO ALTO WATER DISTRICT



# WATER AND WASTEWATER RATE STUDY FINAL REPORT

November 21, 2023





2625 Alcatraz Ave, #602 Berkeley, CA 94705 Tel 510 653 3399 www.bartlewells.com

November 22, 2023

Martha Slack, General Manager Rio Alto Water District 22099 River View Drive Cottonwood, CA 96022

Re:

Water and Wastewater Rate Study

Bartle Wells Associates is pleased to submit to the Rio Alto Water District (District) the attached Final Water and Wastewater Rate Study. The study presents BWA's analysis of the operating and non-operating expenses of the District's water and wastewater funds and provides five-year cash flow projections and rates. The primary purpose of this study was to analyze the District's water & wastewater enterprise funds and make recommendations that would achieve their financial sustainability.

BWA finds that the rates and charges proposed in our report reflect the cost-of-service for each customer, follow generally accepted rate design criteria, and adhere to the substantive requirements of Proposition 218. BWA believes the proposed rates are fair and reasonable to the District's customers.

We have enjoyed working with the District on this rate study and appreciate the assistance of District staff members throughout the project. Please contact us with any future questions about this study and the rate recommendations.

Sincerely,

Douglas Dove, PE, CIPMA

Principal/ President

Erik Helgeson, MBA

Vice President

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### **EXECUTIVE SUMMARY** 1

### 1.1 Introduction

The District retained Bartle Wells Associates to develop a long-term financial plan and 5-year rate recommendations for the water and wastewater enterprises.

The revenues from the District's water and wastewater enterprises are primarily derived from charges for services. The District must establish rates and charges adequate to fund the cost of providing services, which includes costs for operations and maintenance, as well as capital improvements needed to keep the District's utility infrastructure in a safe and reliable operating condition.

The District has provided proactive financial stewardship by raising rates to keep revenues in line with the costs of providing water service. Those rate increases have enabled the District to maintain its financial health. The prior water rate increases strengthened the financial condition of the water enterprise. However, current rates are not adequate to fund the needed improvements and meet regulatory water quality and supply requirements.

### 1.2 Rate Study Objectives

Key goals and objectives of this study include developing rates that:

- Recover the costs of providing service, including operating, capital, and debt funding needs;
- Are proportionate, fair, and equitable to all customers;
- Are easy to understand and implement;
- Comply with the substantive requirements of the California Constitution, Article 13D, Section 6 (which was adopted by the voters as Proposition 218 in 1996) and the general mandate of Article 10, Section 2 that prohibits the wasteful use of water;
- Support the long-term operational and financial stability of the District.

BWA worked closely with District staff to incorporate information and input, evaluate alternatives, and develop recommendations. This report summarizes key findings and recommendations for water and wastewater rates over the next five years.

### 1.3 Current and Proposed Water Rates

BWA recommends the District consider transitioning to a uniform water rate structure. The following table shows the current and proposed water rates.

# Table 1 - Current and Proposed Water Rates

Current and Proposed	Existing	Proposed	Proposed Jul 1, 2024	Proposed	Proposed	Proposed
Water Rates	FY 22-23	Jan I, ZVZ4	JUI L, &UZA	101 L, 2023	TALTI EACO	ALL A. A. V.
Volumetric Rates (\$/CCF)	•					
Base Use (0-15 CCF)	\$0.00					
Volumetric (>15 CCF)	\$1.30					
Uniform Rate (All CCF)		\$1.21	\$1.35	\$1.50	\$1.65	\$1.82
Bi-Monthly Fixed Charge						
Meter Size	;					
3/4"	\$42.87	\$37.03	\$41.10	\$45.62	\$50.18	\$55.20
1"	\$58.45	\$50,46	\$56.01	\$62.17	\$68.39	\$75.23
2"	\$144.15	\$123.81	\$137.43	\$152.55	\$167.81	\$184.59

# 1.4 Current and Proposed Wastewater Rates

The following table shows the current and proposed wastewater rates.

Table 2 - Current and Proposed Wastewater Rates

Existing and Proposed	Existing	Proposed	Proposed	Proposed	Proposed	Proposed
Sewer Rates	FY 22-23	Jan 1, 2024	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027
BI-Monthly Fixed Charges	Carlo 200 April 200 April 200 Marie Carlo 200 April					
Single Family Resid.	\$89.18	\$102.68	\$115.52	\$127.07	\$139.78	\$153.76
1/2 single Fam Resid.	\$44.59	\$51.34	\$57.76	\$63.54	\$69.89	\$76.88
TriPlex sewer	\$267.56	\$308.08	\$346,59	\$381.25	\$419.38	\$461.32
Duplex Sewer	\$178.37	\$205.38	\$231.05	\$254.16	\$279.58	\$307.54
Sewer Extention	\$105.26	\$102.68	\$115.52	\$127.07	\$139.78	\$153.76
Low Pressure	\$105.26	\$130.14	\$146.41	\$161.05	\$177.16	\$194.88
Low Pressure Duplex	\$210.52	\$260.28	\$292.82	\$322.10	\$354.31	\$389.74
Commercial	\$202.46	\$233.06	\$262.19	\$288,41	\$317.25	\$348.98
	.:					
Volumetric Charges				•		
Commercial _	\$0.55	\$0.65	\$0.73	\$0.80	\$0.88	\$0.97

# 2 BACKGROUND, OBJECTIVES, AND LEGAL REQUIREMENTS

The Rio Alto Water District (District) is located east of I-5 about 20 miles south of the City of Redding in a community known as Lake California. The District provides water and wastewater services to over 1,400 customers in an area that encompasses more than 9 square miles.

The revenues from the District's water and wastewater utilities are primarily derived from charges for services. The District must establish rates and charges adequate to fund the cost of providing water and wastewater services, including costs for operations and capital improvements needed to keep District's utility infrastructure in safe and reliable operating condition.

The previous sewer rate study was performed in 2011 and the previous water rate study was last performed in 2016. Based on a survey of regional water and wastewater agencies, the District's rates are close to the regional average.

The District's water and wastewater utilities are financially self-supporting enterprises. Revenues are derived primarily from rates. As such, the District's water and wastewater rates must be set at adequate levels to fund the costs of providing service and:

- Fund ongoing operating and maintenance expenses
- Address regulatory requirements
- Fund the capital improvement projects, related debt service and associated increased operating costs
- Provide funding for system maintenance and upgrades

The prior water and wastewater rate increases strengthened the financial condition of the enterprises. However, current rates are not adequate to fund the needed improvements and operating costs and meet debt coverage requirements.

# 2.1 Rate Study Objectives

in 2023, the District retained BWA to develop a cost-of-service based rate study. The District has historically adopted rate increases in order to keep revenues in line with the escalating costs of providing service. Key goals and objectives of this study include developing rates that:

- Recover the costs of providing service, including operating, capital, and debt funding needs;
- Are proportionate, fair and equitable to all customers;
- Are easy to understand and implement;
- Comply with the substantive requirements of the California Constitution, Article 13D, Section 6 (which
  was adopted by the voters as Proposition 218 in 1996) and the general mandate of Article 10, Section 2
  that prohibits the wasteful use of water;
- Support the long-term operational and financial stability of the District.

### 2.2 Rate Study Process

The general process used for this cost-of-service rate study is summarized in the following diagram.

Project Long-Rate Prop. 218 Cost Demand Initiation Range Process Allocation Design Financial end Data Analysis Plan Collection

Figure 1 - Cost-of-Service Rate Study Process

Key elements of the study include:

- 1) Project Initiation and Data Collection Review financial policies; collect financial and other relevant data; and review rate structures;
- 2) Demand Analysis Analyze past customer demands and customer characteristics to forecast future demands;
- Long Range Financial Plans Develop financial projections to evaluate annual revenue requirements from rates and the overall level of rate increases needed to fund the costs of providing service and support longterm financial stability;
- 4) Cost Allocation Group the District's costs in terms of the function they serve as a basis to proportionally allocate the revenue requirement from rates;
- 5) Cost-of-Service Rate Design Develop rates that proportionately recover costs; and
- 6) Prop 218 Process Ensure compliance with the substantive and procedural requirements of Proposition 218.

# 2.3 Constitutional Requirements for Rates

The water rates proposed in this report are designed to comply with two key articles of the California Constitution: Article 13D and Article 10, as explained below.

# 2.3.1 Article 13D, Section 6

Proposition 218 was adopted by California voters in 1996 and added Articles 13C and 13D to the California Constitution. Article 13D, Section 6 governs property-related charges, which the California Supreme Court has ruled, includes rates imposed for water delivered through pipes connected to property. Article 13D, Section 6 establishes both a) procedural requirements for imposing or increasing property-related charges, and b)

substantive requirements for those charges. Article 13D requires voter approval for new or increased property-related charges but exempts rates for water, wastewater, and garbage service from this voting requirement if rates are adopted by the appropriate procedure and meet the substantive requirements. This report recommends water rates designed to comply with the substantive requirements of Proposition 218.

The substantive requirements of Article 13D, section 6 requires property-related charges, such as the District's water and wastewater rates, to meet the following conditions:

- 1) Revenues derived from the fee or charge shall not exceed the costs required to provide the propertyrelated service.
- 2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- 3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- 4) No fee or charge may be imposed for a service unless that service is used by, or immediately available to the property in question.
- 5) No fee or charge may be imposed for general governmental services, such as police or fire services, where the service is available to the public at large in substantially the same manner as it is to property owners.

### 2.3.2 Article 10, Section 2

Article 10, Section 2 of the California Constitution states that:

It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.

### 2.4 Statute of Limitations

Pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fees. This statute of limitations applies to the water rates proposed in this rate study and is included in the Proposition 218 Notice.

# 3.1 Projected Water Demand

BWA uses a conservative approach when forecasting water use and growth projections in order to ensure the District is not dependent on population growth and water demand recovering from the recent drought. Projected FY 23/24 water demand is conservatively based on the lowest actual metered demand for the last five fully recorded years.

Table 3 - Historic and Projected Metered Demand

Customer Data	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
\$	Actual	Actual	Actual	Actual	Actual	Projected	Projected
Total Water Production (CCF)	254,283	248,214	268,254	271,507	246,452	227,070	226,614
Billed, Metered Consumption (CCF)	231,695	225,599	250,999	247,510	232,326	210,642	210,642
Water Loss (%)	8.9%	9.1%	6.4%	8.8%	5.7%	. 8%	8%
Total Accounts (#)	1,322	1,340	1,365	1,389	1,412	1,412	1,412
Growth (%)		1.36%	1,87%	1.76%	1.66%	0.00%	0.00%
Annual Metered Use (CCF) per Accoun	175	168	184	178	165	165	165

### 3.2 Water Services and Equivalent Capacity

The size of a customer's meter reflects the demand they require of the water system's capacity. A significant percentage of the costs of any water system is related to its requirement to deliver water to any customer instantaneously at any time, up to the maximum safe flow capacity of a customer's meter. Simply put, as the size of a customer's water meter increases, the instantaneous demand it can place on the District's water system increases. A meter equivalent unit (MEU) is the ratio of any meter's safe maximum flow to that of a 3/4" meter's. The safe maximum flow is based on the American Water Works Association's meter service equivalent standards. The proposed fixed rates by meter size are determined based on the number of MEU's. The following Table shows the current number of water accounts by meter size and the corresponding meter equivalent units.

Table 4 - Water Customers and Equivalent Demand Units

	Me	ter Equivalent	Meter Equivalent
Meter Size	Services	Ratio**	Units (MEUs)
3/4"	1,226	1.0	1,226.0
1"	180	1.7	300.6
2"	6	5.3	32.0
Total	1,412.0		1,558.6

<sup>\*</sup> Customer data as of June 2023 provided by staff

<sup>\*\*</sup> Capacity factors based on AWWA operating capacity standards by meter size

### 4 WATER FINANCIAL PLAN

### 4.1 Water Financial Overview

BWA conducted an independent evaluation of water enterprise finances and concluded the previous rate increases have put the water enterprise in a sound financial position. Continual, gradual increases are projected to maintain its strong financial position.

The District relies almost solely on revenues from water rates to fund the costs of providing service. As such, water rates must be set at levels adequate to fund the costs of operating and maintaining the water system, and fund necessary capital improvements to keep the water system in good operating condition.

# 4.2 Key Drivers of Rate Increases

The District is facing several manageable financial challenges that will drive the need for rate increases in upcoming years. Key drivers of future rate increases are summarized below.

### Capital Improvement Funding Needs

The District's water system requires a steady stream of repair and improvement projects. Accounting for construction cost inflation, the District anticipates funding approximately \$1.7 million of capital improvement projects over the next 5 years.

### Ongoing Operating Cost Inflation

The District faces annual cost inflation due to annual increases in a range of expenses including staffing, utilities, insurance, supplies, etc. On top of rate increases needed for capital improvements, annual rate increases are needed to keep revenues aligned with cost inflation and prevent rates from falling behind the cost of providing service. Water cost inflation has historically been higher than the Consumer Price Index (CPI) for consumer goods and services. Historically inflation has typically remained consistently around 3%, but recently inflation has reached forty-year highs with the CPI and ENR CCI exceeding 7% in 2022. It is not expected that inflation will remain at such high levels in the future, so for the purposes of this rate study, average annual inflation is projected to be 4.5%.

### Water Reserve Funds

Maintaining a prudent minimal level of fund reserves provides a financial cushion for dealing with unanticipated expenses, revenue shortfalls, and emergency capital repairs. BWA developed a financial plan designed to maintain prudent reserve levels that are in-line with water utility industry standards.

### Debt Service Coverage

Most municipal debt requires that the issuer generate net operating revenues of 1.25 times the total annual debt service payment or greater. This is referred to as "debt service coverage". To support a strong credit rating and good financial health, the current BWA recommends the District maintain a minimum debt coverage ratio of 1.3 times the annual payment or greater.

### 4.3 Financial Plan Assumptions

The financial projections incorporate the latest information available and a number of reasonable and slightly conservative assumptions for planning purposes. Key assumptions include:

### Revenue Assumptions

- Water rate revenues are based on estimated revenues for the current fiscal year.
- Rates proposed to be adopted in December 2023 will be effective on January 1, 2024, with rate adjustments planned to become effective on July 1 of each of the subsequent four fiscal years beginning July 1, 2024.
- To be conservative and ensure revenues will be sufficient, BWA assumed growth to be two new single family connections added per year.
- Interest earnings are projected based on the annual beginning fund balance multiplied by the projected interest rate. The interest rate projections are conservatively based on recent and anticipated interest rates.

### **Expense Assumptions**

- Operating and maintenance costs are primarily based on the 2023/24 budget.
- Operating costs are projected to escalate at 4.5% per year to account for cost inflation.
- Debt service projections are based on outstanding debt schedules and projected issuances of new debt.
- Capital improvement costs are based on the most recent engineering cost estimates. Capital costs include a 4.5% annual construction cost inflation factor for the next five years.

### 4.4 Cash Flow Projections

Long-term cash-flow projections were developed based on assumptions and key drivers of future rate increases described above. The projections were used to determine the water utility's annual revenue requirements and project required water rate revenue increases. The long-term cash-flow projections incorporate the latest information available from the District's budget, annual reports, capital spending projections, and metered water demand data, as well as a number of reasonable assumptions developed with input from the District. The overall rate revenue increases shown for each of the following scenarios are designed to fund the District's cost of providing service and maintain roughly balanced budgets, healthy debt service coverage, and prudent reserves. The projections indicate the need for increases for water rate revenues for each of the next five fiscal years. Actual impacts to customers' water bills will vary based on meter size and water use, due to the outcome of the updated cost-of-service analysis.

In future years, the District can re-evaluate its finances and revenue requirements and adjust rates as needed based on updated projections. However, while the District always has the flexibility to implement rate adjustments that are lower than adopted pursuant to Proposition 218, future rates cannot exceed adopted increases without going through the Proposition 218 process again. Rates adopted pursuant to Proposition 218 are essentially future rate caps.

The following figure visually depicts the cash-flow projections with the proposed rate increases for the next five years. Projected expenses are summarized into key categories. The figure also shows the projected fund reserves at the end of each fiscal year.

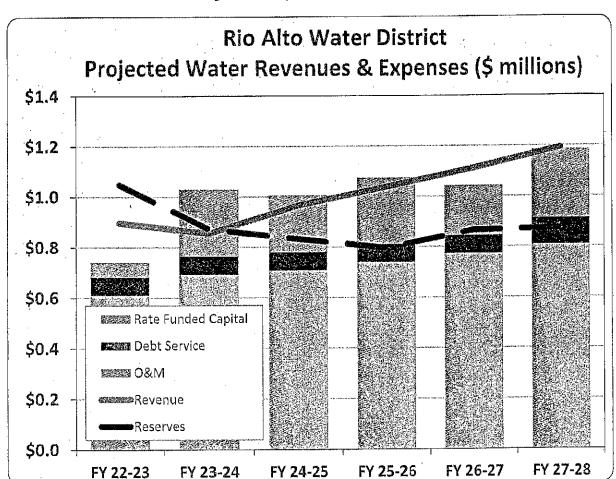


Figure 2 - Projected Cashflow Graph

Detailed, long-term, cash-flow projections for this scenario are shown in the following table.

Table 5 - Detailed Cash Flow Projections

Water Fund	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Rate Revenue Increase		11.0%	11.0%	11.0%	10.0%	10,0%
<b>Beginning Reserves</b>	\$891,721	\$1,048,042	\$872,974	\$832,601	\$796,570	\$865,417
Revenues	document recognists and a state of the state	adoreni in dicionen arkiteks gorikka attaban		Nazone i u sekan kale bermilik kapaten i sekan 1800.	The state of the s	interessormer grape where we have
Rate Revenue	\$528,471	\$528,487	\$587,442	\$652,973	\$725,815	\$799,515
Rate Increase Revenue	0	58,134	64,619	71,827	72,582	79,951
Timing Adjustment*		-29,067	,			
Other Revenue	368,441	297,463	319,101	313,251	813,460	314,736
Total Revenue	\$896,912	\$855,017	\$965,161	\$1,038,051	\$1,111,857	\$1,194,202
Expenses		no Pungananakan Nasa Al-Arabik (Milian Mar	harrof solution and in the solution of	Diang pang panggan ang ang ang ang ang ang ang ang a	and the beneficial of the control of	\$P\$ \$
Operating Expenses	\$609,837	\$692,408	\$708,151	\$739,254	\$778,319	\$807,283
Existing Debt Service	71,954	71,954	71,954	71,954	71,954	71,954
New Debt Service	0	0	0	0	0	34,000
Rate Funded Capital	\$58,800	\$265,722	\$225,429	\$262,874	\$197,737	\$272,295
Total Expenses	\$740,591	\$1,030,084	\$1,005,534	\$1,074,082	\$1,043,010	\$1,185,532
Net Revenues	\$156,321	\$175,067	\$40,578	/ <sub>-</sub> 836/031	\$68.847	\$8,670
Ending Reserves	\$1,048,042	\$872,974	\$832,601	\$796,570	\$865,417	\$874,087
Debt Coverage	3.99	2.25	3.57	4.15	4.70	3.65

<sup>\*</sup>Reflects January rate implementation

### 5 COST-OF-SERVICE RATE DERIVATION

Article XIII D, Section 6 of the California Constitution (which was adopted by the voters in 1996 as a part of Proposition 218) requires that the District adopt only rates that meet a number of substantive requirements.

### Specifically:

- (1) Revenues derived from the water rates cannot exceed the funds required to provide water service.
- (2) Revenues derived from the water rates cannot be used for any purpose other than providing water service.
- (3) The amount of the water rates imposed upon any parcel or person as an incident of property ownership cannot exceed the proportional cost of the service attributable to the parcel.
- (4) Water rates may not be imposed unless the water service is used by, or immediately available to, the owner of the property in question.

Each water customer in the District is charged both a bi-monthly fixed rate and a volumetric rate based on the quantity of water delivered by the District to the customer. This reflects that (i) some system costs are based entirely on the actual quantity of water consumed, (ii) other system costs are fixed from the point of view of the District, but are a result of design decisions that were made to accommodate all users, including high-demand users, and (lii) some costs, particularly the cost of administering the water system, would be largely the same regardless of the volume of water consumed.

Water utilities have employed a wide range of approaches or perspectives for allocating and recovering their costs for providing service, often through a combination of fixed and variable charges. The percentage of revenues derived from the fixed and variable charges should be proportional to each system's expenditures and must not exceed the cost of providing service.

Many of the District's costs are fixed costs that do not vary by the level of service provided, such as operational and staff costs, as well as costs for building and maintaining infrastructure. Some of these costs are related to the number of customers, but most of the fixed costs are related to the total capacity of the water system. Fixed costs related to system capacity can reasonably be apportioned by meter size or variable, usage-based rate recovery in recognition that both units of measure reasonably reflect customer usage driving the District to incur capacity-related costs. For example, a share of the fixed cost of salaries related to water production can reasonably be recovered from usage-based charges as these costs are incurred to provide water supply to meet customer demand or from a fixed charge based on a customer's meter size which reflects the magnitude of water a customer can pull from the water system. Likewise, debt service payments may be fixed annual costs, but it is reasonable to recover some of these costs from usage-based rates as the costs are incurred to fund infrastructure that will improve the water delivery system.

While there is no single correct approach, BWA believes that costs should be allocated within a reasonable range that reflects both a) underlying cost causation, to the extent such causation can reasonably be determined or estimated, and b) the policy preferences of the agency in cases where a range of reasonable approaches can be justified.

# 5.1 Rate Structure Scenarios

BWA developed and presented the following three rate structure scenarios to the Board:

- Scenario 1, 15 CCF Base Continue to include base use of 15 CCF with the meter charge
- Scenario 2, 10 CCF Base Include base use of 10 CCF with the meter charge
- Scenario 3 Uniform Rate include no base use with the meter charge

BWA recommended the District consider transitioning to a uniform rate structure and the Board agreed and chose to move forward with Scenario 3.

### 5.2 Functional Allocation

There must be a cost-based nexus between the revenue requirement from the cash flow and the proposed rates. The nexus is created by allocating the expenses and offsetting non-rate revenues to functional components and then dividing each functional component's revenue requirements by the allocations units most reasonably related to each function. A functional component reflects a grouping of the utility's expenses whose magnitude is driven by the quantity of a specific unit-of-measure. For example, costs allocated to the customer functional component are driven by the number of customers served by the water enterprise.

The functional components used in this study are as follows:

- Customer Fixed costs are recovered per customer. Fixed costs or costs related to serving each customer were allocated to this category.
- Capacity Fixed costs are recovered per Meter Equivalent Unit (MEU). Fixed costs or costs related to system capacity were allocated to this category.
- All Volume Costs reasonably recovered volumetrically were allocated to this category. Volumetric costs are recovered per unit of volume (100 cubic feet (CCF)) based on all projected demand.

Related expenses and non-rate revenues were grouped into the following allocation categories before being allocated to each functional category:

- Transmission and Distribution expenses include the operating costs related to the District's potable water distribution systems. These costs are recovered from the All Volume functional component because they are sized to meet peak water demands.
- Administration Expenses and non-rate revenues were allocated to reflect that some administrative costs are
  driven by the number of customers (Customer) and some are driven by the size of the system (Capacity).
- Source of Supply expenses include the operating costs related to the wells. These costs are recovered
  partially from the Capacity and All Volume functional components because the wells must meet peak capacity
  but also provide redundancy.
- Debt Service and Capital expenses and non-rate revenues are allocated 60% to Capacity and 40% to All Volume because these costs are fixed or one-time expenses but are related to the overall capacity of the system which is driven by the projected volume of water sold.

The following tables show a breakdown of the water utility's expenses and offsetting revenues and how they are allocated by function. The proportional allocation is then applied to the rate revenue requirement so that the

rates are proportional to the cost of service provided. To recover the allocated revenue requirements proportionally to the service provided, a unit cost must be derived. Critical to this step is using the unit which relates to the function. The allocation amounts are based on an average of the expenses over the next five years.

Table 6 - Functional Allocation

### Projected 5-Year Average

		Offsetting	Allocation			,	
Functional Allocation	Amount	Revenue	Amount	Customer	Capacity	All Volume	Total
Administration	\$531.066	\$83,997	\$447,069	55%	25%	20%	100%
Source of Supply	<b>\$107,7</b> 49	S0	\$107,749		30%	70%	100%
Transmission & Distributio	\$141,933	i i	\$141,933			100%	100%
Debt Service	\$71,954		\$71,954		50%	50%	100%
Capital	\$244,812		\$233,493		60%	40%	100%
Functional Allocation \$	\$1,097,514	\$95,315	\$1,002,199	\$245,888	\$320,165	\$436,146	\$1,002,199
Functional Allocation %	, -,,			24.53%	31.95%	43.52%	100%
FY 23/24 Revenue Requiremen	)t			\$1 <b>43,</b> 898	\$187,425	\$255,297	\$586,621

### 5.3 Water Rate Derivation

### Bi-Monthly Fixed Service Charges

This charge applies to all active services. It recovers the Capacity functional component revenue requirement on a per MEU basis. The MEU varies by meter size. MEU ratios are based on the AWWA meter equivalent ratio for each meter size.

### Bi-Monthly Water Use Charges

These charges apply to every unit of water sold. It recovers the All Volume functional component revenue requirement on a unit (CCF) basis. Non-residential have a uniform volumetric rate while residential customers have a two-tier rate structure.

The following table shows the water rate allocation units and total revenue requirement by functional component and the derivation of rates. Volumetric rates for each class and tier are calculated based on the actual volumes of average and peak use water billed in the previous year.

### Table 7 - Water Rate Derivation

A CALLINICAL IS	Charge Calcula	B L 2 % F 7 K. «Manuscramman resonance de la company de Company de la company de la	·····································	
Allocation U	nits			All Volume
Unit of Meas	ure			CCF
Total Water	Use CCF			210,64
Revenue Rec	uirement			\$255,29
Unit Cost (\$	/Unit)			\$1.25
Allocation U Unit of Meas		Customer Customers	Capacity MEUs	
Allocation L		8,472	9,351	
Revenue Rec		<u>\$143,898</u>	<u>\$187,425</u>	
Unit Cost (\$/Unit)		\$16.99	\$20.04	•
	Capacity	Bi-Monthly Capacity	Bi-Monthly Capacity	
Meter	Factor**	Component	Component	Bi-Monthly Fixed Charg
~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	1.00	\$16.99	\$20.04	\$37.0
<i>∆</i> /4"				An and an an
3/4° 1°	1.67	\$16.99	\$33.47	\$50.4

# 5.4 Proposed Water Rates

The following table shows a 5-year schedule of proposed water rates.

### Table 8 - Proposed Water Rates

Current and Proposed	Existing	Proposed	Proposed	Proposed	Proposed	Proposed
Water Rates	FY 22-23	Jan 1, 2024	Jul 1, 2024	Julia, Zuzo	Jui 1, 2020	201 1, 202/
Volumetric Rates (\$/CCF)						
Base Use (0-15 CCF)	\$0.00					
Volumetric (>15 CCF)	\$1.30					
Uniform Rate (All CCF)		\$1.21	\$1.35	\$1.50	\$1.65	\$1.82.
Bi-Monthly Fixed Charge						
Meter Size						
3/4"	\$42.87	\$37.03	\$41.10	\$45.62	\$50.18	\$55.20
1"	\$58.45	\$50.46	\$56.01	\$62.17	\$68.39	\$75.23
2"	\$144.15	\$123.81	\$137.43	\$152.55	\$167.81	\$184.59

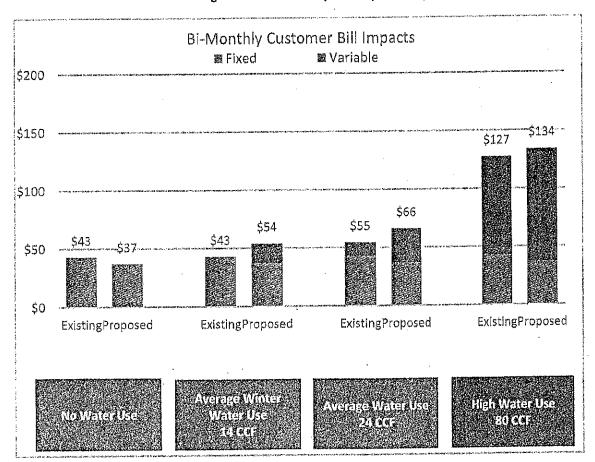
# 5.5 Residential Bill Comparison (%" Meter)

The following chart compares the water bills for a typical single-family home to those of other regional agencies. Rates can vary widely from agency to agency due to a wide range of factors. The survey shown is for comparative purposes only.

Table 9 - Bill Impacts

Water Rate Scenarios	Existing 2023	Proposed			
Bi-Monthly Fixed					
Charge (3/4" meter)	\$42.87	\$37.03			
Volumetric Rate	\$1.30	\$1.21			
CCF Included in Base	15	0			
	•				
Bi-Monthly Use (CCF)	Total Bi-Monthly B	BILI			
0	\$42.87	\$37.03			
14	\$42.87	\$54.00			
24	\$54.57	\$66.12			
80	\$127,37	\$133,99			
	Change in Bi-Monthly Bill (\$)				
0	\$0.00	-\$5,84			
14	\$0,00	\$11.13			
24 .	\$0,00	\$11.55			
80	\$0.00	\$6.62			
	Change in Bi-Monthly Bill (%)				
0	0.00%	-13.62%			
14	0.00%	25.96%			
24	0.00%	21.16%			
80	0.00%	5.20%			

Figure 3 - Bi-Monthly Bill Impacts



# 5.6 Regional Residential Bill Comparison

The following chart compares the water bills for a typical single-family home to those of other regional agencies. Rates can vary widely from agency to agency due to a wide range of factors. The survey shown is for comparative purposes only.

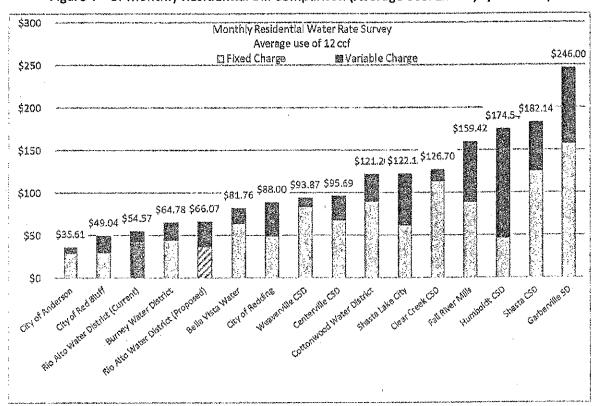


Figure 4 - Bi-Monthly Residential Bill Comparison (Average Use: 12 CCF, 3/4" Meter)

### 6 WASTEWATER FINANCIAL PLAN

### 6.1 Wastewater Financial Overview

BWA conducted an independent evaluation of wastewater enterprise finances and concluded the previous rate increases have put the wastewater enterprise in a sound financial position.

The District relies almost solely on revenues from wastewater rates to fund the costs of providing service. As such, wastewater rates must be set at levels adequate to fund the costs of operating and maintaining the wastewater system, fund necessary capital improvements to keep the wastewater system in good operating condition.

# 6.2 Key Drivers of Rate Increases

The District is facing several manageable financial challenges that will drive the need for rate increases in upcoming years. Key drivers of future rate increases are summarized below.

### Capital improvement Funding Needs

The District takes a proactive approach to maintaining its wastewater system, which requires ongoing repair and improvement projects. Accounting for construction cost inflation, the District anticipates funding approximately \$1.2 million of capital improvement projects over the next 5 years.

### Ongoing Operating Cost Inflation

The District faces annual cost inflation due to annual increases in a range of expenses including staffing, utilities, insurance, supplies, etc. On top of rate increases needed for capital improvements, annual rate increases are needed to keep revenues aligned with cost inflation and prevent rates from falling behind the cost of providing service. Wastewater cost inflation has historically been higher than the Consumer Price Index (CPI) for consumer goods and services. Historically inflation has typically remained consistently around 3%, but recently inflation has reached forty-year highs with the CPI and ENR CCI exceeding 7% in 2022. It is not expected that inflation will remain at such high levels in the future and for the purposes of this rate study average annual inflation is projected to be 4.5%; in-line with the District's budget inflationary projections.

### Wastewater Reserve Funds

Maintaining a prudent minimal level of fund reserves provides a financial cushion for dealing with unanticipated expenses, revenue shortfalls, and non-catastrophic emergency capital repairs. BWA developed a financial plan designed to maintain prudent reserve levels that are in-line with industry standards.

### Debt Service Coverage

Most municipal debt requires that the issuer generate net operating revenues of 1.25 times the total annual debt service payment or greater. This is referred to as "debt service coverage". To support a strong credit rating and good financial health, the current BWA recommends the District maintain a minimum debt coverage ratio of 1.3 times the annual payment or greater.

# 6.3 Financial Plan Assumptions

The financial projections incorporate the latest information available and a number of reasonable and slightly conservative assumptions for planning purposes. Key assumptions include:

### **Revenue Assumptions**

- Wastewater rate revenues are based on estimated revenues for the current fiscal year.
- Rates proposed to be adopted in December 2023 will be effective on January 1, 2024, with rate adjustments planned to become effective on July 1 of each of the subsequent four fiscal years beginning July 1, 2024.
- To be conservative and ensure revenues will be sufficient, BWA assumed growth to be two new single family connections added per year.
- Interest earnings are projected based on the annual beginning fund balance multiplied by the projected interest rate. The interest rate projections are conservatively based on recent and anticipated interest rates.

### Expense Assumptions

- Operating and maintenance costs are primarily based on the 2023/24 budget.
- Operating costs are projected to escalate at 4.5% per year to account for cost inflation.
- Debt service projections are based on outstanding debt schedules and projected issuances of new debt.
- The District is projected to need to finance \$1,000,000 of capital spending. BWA assumed the District will get SRF financing but included a conservative interest rate of 5%.
- Capital improvement costs are based on the most recent engineering cost estimates. Capital costs include a
   4.5% annual construction cost inflation factor for the next five years.
- Upon the completion of the Onsite Hypo Generation at WWTP project the District should not need to continue purchasing chlorine. This is reflected in the expenses projections.

# 6.4 Cash Flow Projections

Long-term cash-flow projections were developed based on assumptions and key drivers of future rate increases described above. The projections were used to determine the wastewater utility's annual revenue requirements and project required wastewater rate revenue increases. The long-term cash-flow projections incorporate the latest information available from the District's budget, annual reports, capital spending projections, and metered water demand data, as well as a number of reasonable assumptions developed with input from the District. The overall rate revenue increases shown for each of the following scenarios are designed to fund the District's cost of providing service, maintain roughly balanced budgets, maintain healthy debt service coverage, and maintain prudent reserves. The projections indicate the need for increases for wastewater rate revenues for each of the next five fiscal years. Actual impacts to customers' wastewater bills will vary based on strength category and water use, due to the outcome of the updated cost-of-service analysis.

In future years, the District can re-evaluate its finances and revenue requirements and adjust rates as needed based on updated projections. However, while the District always has the flexibility to implement rate adjustments that are lower than adopted pursuant to Proposition 218, future rates cannot exceed adopted increases without going through the Proposition 218 process again. Rates adopted pursuant to Proposition 218 are essentially future rate caps.

The following figure visually depicts the cash-flow projections with the proposed rate increases for the next five years. Projected expenses are summarized into key categories. The figure also shows the projected fund reserves at the end of each fiscal year.

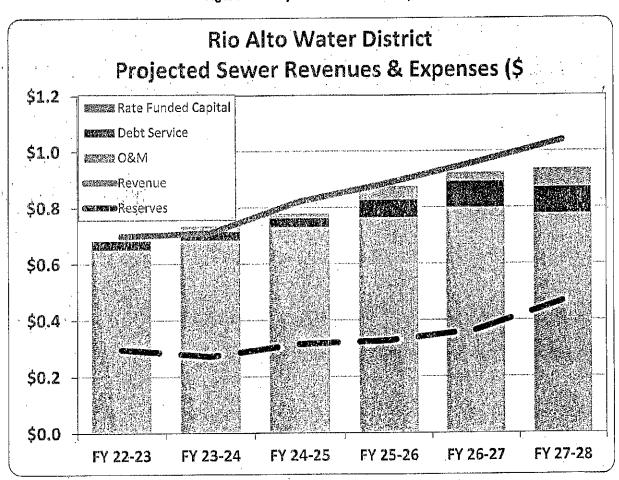


Figure 5 - Projected Cashflow Graph

Detailed, long-term, cash-flow projections for this scenario are shown in the following table.

Table 10 - Detailed Cash Flow Projections

Sewer Fund	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Rate Revenue Increase		15.0%	12.5%	10.0%	10.0%	10.0%
Beginning Reserves	\$280,267	\$295,964	\$272,016	\$314,918	\$327,019	\$363,450
Revenues					STANDENSKADONENSKATEREN SENSKADONEN AND	inners of desiring the relative through the contract of the co
Rate Revenue	\$504,391	\$503,832	\$579,406	\$651,832	\$717,015	\$788,717
Rate Increase Revenue	0	75,575	72,426	. 65,183	71,702	78,872
Timing Adjustment*		-37,787				•
Other Revenue	193,968	169,276	168,858	169,841	170,532	171,483
Total Revenue	\$698,359	\$710,895	\$820,690	\$886,856	\$959,249	\$1,039,072
Expenses	nomen (inclusive nomen in natural free followski) (inclinicial free followski)	NAMES SOUTH OF THE OWNERS SOUTH STATES OF THE OWNERS OF TH	TO A STATE OF THE PROPERTY OF	and the second statement of the second s	Designation of the second section of the second second second	alle 2007 po de Lopologo en en secono composições de la composiçõe de la c
Operating Expenses	\$651,041	\$684,265	\$730,737	\$764,647	\$798,451	\$777,321
Existing Debt Service	31,621	31,377	31,377	31,377	31,377	31,377
New Debt Service	0	. 0	0	31,000	62,000	62,000
Rate Funded Capital	~\$Q	\$19,200	\$15,675	\$47,730	\$30,990	\$65,589
Total Expenses	\$682,662	\$734,842	\$777,789	\$874,754	\$922,818	\$936,287
Net Revenues	\$15,697	\$23,947	\$42,901	\$12,102	\$36,480	\$102,785
Ending Reserves	\$295,964	\$272,016	\$3,14,918	\$327,019	\$363,450	\$466,235
Debt Coverage	1.50	0.85	2.87	1,96	1.72	2,80

<sup>\*</sup>Reflects January rate implementation

# 7 WASTEWATER COST OF SERVICE ANALYSIS AND RATE DERIVATION

BWA derived updated wastewater rates that account for both a) the overall rate increases identified in the financial projections, and b) proposed rate structure modifications. The proposed rates are designed to equitably apportion and recover costs from the District's customer base. The basic methodology used to develop new rates includes the following steps:

Figure 6 – WW Cost of Service Analysis and Rate Derivation Process

### **Estimate Wastewater Flow & Strength Loadings**

The wastewater flow, BOD, and TSS concentrations for each class were multiplied by the billing units and balanced to fall within the range of recent WRF inflows and loadings.

### Allocate Cost to Functional Component

Each cost was allocated to function: fixed capacity (EDU), flow, BOD, and TSS.

# Derive Unit Rates for Wastewater Capacity, Flow & Strength

Divide costs allocated for recovery from fixed capacity, flow and strength by total loadings for each functional component to derive unit rates for wastewater EDU, flow, BOD, and TSS. The unit rate per EDU is paid by all customers as a bi-monthly fixed service charge.

### Allocate Flow & Strength Costs to Customer Classes

Multiply unit rates by the wastewater flow and loadings of each customer class to determine the revenue requirement of each class.

### Residential Rate Derivation

Allocate the revenue requirement for cost recovery based on EDU. Divide costs allocated each category by their respective billing units.

### Non-Residential Rate Derivation

Divide the revenue requirements for each rate (fixed and volumetric) by the projected billable units (number of customers and water use) for each rate.



### 7.1 Flows and Loadings

The following table estimates the flows and loadings of each customer class based on analysis of recent winter and annual water consumption data and wastewater strength assignments for each customer class.

- Residential flows per unit are based on analysis of historical winter water use data. Residential wastewater strength concentrations are based on estimates previously published by the State Water Resources Control Board (SWRCB). Residential wastewater strength concentrations have increased over the past decade as the volume of wastewater flow has decreased due to transition to low-flow toilets, water-efficient appliances, and other water conservation and efficiency measures.
- Commercial estimated wastewater flows are adjusted to account for a 20% RTS factor. The RTS factor was based on an analysis of winter and summer water use.

The resulting flow and strength projections for each class are shown in the following table and provide the basis for allocating costs and deriving equitable wastewater rates for each customer class.

Table 11 - Wastewater Flows and Loading

		I (N ) A I (N ) Marie N	, n 4, th 4 ch 1 i a 1 a a						
		1			Projected				
4 6	# of Sewer	Est. Mo Flow	Projected	Flow	Flow	Strength	(mg/l) <sup>9</sup>	Loadin	gs (lbs)
				Factor4	CCF	BOD7	TSS <sup>8</sup>	BOD	TSS
	アンパンコ	addining and an area of the control	THE RESERVE AND PROPERTY OF THE PERSON NAMED AND POST OF THE PERSON NAMED	CANDONOUS CONSTRUCTORS NAMED	CHANNESS AND SECURITIONS	ENTER CONTRACTOR CONTRACTOR	(Heidelmone)	ancountries securitists	NICOTOTE CONTRACTOR
911	927	7.00	N/A		77,826	220	220	106,906	106,906
2	9	35,00	3,782	20%	<b>756</b>	200	200	944	<u>944</u>
					78,582			107,850	107,850
		Customers EDUs <sup>1</sup> 911 927	# of Sewer # of Sewer Customers EDUs CCF Per EDU 911 927 7.00	# of Sewer # of Sewer Est. Mo Flow Projected  Customers EDUs CCF Per EDU Water Use CCF 911 927 7.00 N/A	# of Sewer # of Sewer Customers EDUs <sup>1</sup> CCF Per EDU <sup>2</sup> Water Use CCF <sup>3</sup> Factor <sup>4</sup> 911 927 7.00 N/A	# of Sewer # of Sewer Customers EDUs CCF Per EDU Water Use CCF Factor 77.00 N/A 77.826  2 9 35.00 3.782 20% 75.6	# of Sewer # of Sewer   Est. Mo Flow   Projected   Flow   Flow   Strength   Customers   EDUs <sup>1</sup>   CCF   Per EDU <sup>2</sup>   Water Use   CCF   Factor <sup>4</sup>   CCF   BOD <sup>7</sup>	# of Sewer # of Sewer Customers EDUs <sup>1</sup> CCF Per EDU <sup>2</sup> Water Use CCF <sup>3</sup> Factor <sup>4</sup> CCF BOD <sup>7</sup> TSS <sup>8</sup> 911 927 7.00 N/A 77,826 220 220 2 9 35.00 3,782 20% 756 200 200	# of Sewer # of Sewer Customers EDUs <sup>1</sup> CCF Per EDU <sup>2</sup> Water Use CCF <sup>3</sup> Factor <sup>4</sup> CCF BOD <sup>7</sup> TSS <sup>8</sup> BOD  911 927 7.00 N/A 77,826 220 220 106,906 2 9 35.00 3,782 20% 756 200 200 944

<sup>&</sup>lt;sup>1</sup> "EDU" stands for equivalent dwelling unit

### 7.2 Functional Allocation

The next step in the cost-of-service analysis is to assign wastewater system costs in each allocation category for revenue recovery via the functional cost components of flow, BOD (biochemical oxygen demand), and TSS (total suspended solids). While there is no single correct approach for cost allocation, BWA believes that costs should be allocated within a reasonable range that reflects both a) underlying cost causation, to the extent such causation can reasonably be determined or estimated, and b) the policy preferences of the agency in cases where a range of reasonable approaches can be justified. This process is intended to proportionately allocate costs to each functional component to determine the revenue requirement for each component. The allocations to each functional component were based on input from District staff.

<sup>&</sup>lt;sup>2</sup> Flow estimate based on average winter use

<sup>3 &</sup>quot;CCF" stands for hundred cubic feet

<sup>&</sup>lt;sup>4</sup> Flow factor based on estimated flow returning to sewer

<sup>&</sup>lt;sup>5</sup> "MG" stands for 1,000 gallons

<sup>6 &</sup>quot;GPD" stands for gallons per day

<sup>7 &</sup>quot;BOD" stands for blochemical oxygen demand

<sup>8 &</sup>quot;TSS" stands for total suspended solids

<sup>&</sup>lt;sup>9</sup> State Water Resource Control Board (SWRCB) Guidelines for Wastewater Agencies

The functional cost components are described as follows:

- Flow reflects costs associated with the volume of wastewater collected and treated.
- BOD reflects costs associated with treating BOD.
- TSS reflects costs associated with treating TSS.

The following table shows a breakdown of the wastewater utility's expenses, how they are allocated and calculates the unit rates per unit of flow, BOD and TSS. The wastewater rate revenue requirements from the prior table for each functional component'are divided by the units related to each function.

# Table 12 - Functional Cost Allocation

### Projected 5-Year Average

Offsetting Allocation

		4.4 4 4					
Functional Allocation	Amount	Revenue	Amount	Flow	BOD	TSS	Total
Administration	\$468,541	\$13,200	\$455,341	·			0%
Collection System	\$119,920	\$0	\$119,920	100%			100%
Treatment	\$191,330	\$0	\$191,330	20%	40%	40%	100%
Debt Service	\$62,377	\$0	\$62,377	20%	40%	40%	100%
Capital	\$35,837	\$9,984	\$25,853	33%	33%	33%	100%
Functional Allocation \$	\$878,005	\$23,184	\$854,821	\$179,279	\$110,101	\$110,101	\$399,480
Functional Allocation %	,,		,	44.88%	27.56%	27.56%	100%
FY 22/23 Revenue Requirer	nent			\$226,120	\$138,856	\$138,856	\$503,832
LPSS Allocation		-		-\$2,880	•		
Final Revenue Requiremen	t ·			\$223,240	\$138,856	\$138,856	\$503,832

# 7.3 Flow and Strength Revenue Requirement by Class

Revenue requirements for each customer class are calculated by multiplying the unit rates for flow, BOD and TSS from the volume of wastewater flow and loadings associated with each class.

Table 13 - Flow and Strength Revenue Requirement by Class

Allocation Units	Flow	BOD	755	
Unit of Measure	Www.	EDU	CCF	
Allocation Units	78,582	107,850	107,850	
Revenue Requirement Unit Cost (\$/Unit)	\$2 <u>23,240</u> \$2.84	\$138,856 \$1.29	\$138.656 \$1.29	
Revenue Requirement	Flaw	BOD	TSS	Total
Units				AND THE PROPERTY OF THE PROPER
Residential	77,826	106,906	106,906	
Commercial	756	944	944	
Revenue Requirement			nyy janghi 1820 da kababana ya mai kaya na maga na mada na	nencol (silva depo) (in galatino anno 140 (in anno 140)
Residential	\$221,091	\$137,640	\$137,540	\$496,971
Commercial	\$2,149	\$1,216	\$1,215	\$4,581

### **Domestic Rate Derivation** 7.4

Residential rates are derived by dividing the total amount of costs designated residential rate recovery by the total number of residential fixed billing units.

Table 14 - Residential Rate Derivation

1	Sewer	Low
Unit Cost Calculation	System	Pressure
Total EDUs	926.50	22.00
Revenue Requirement	\$496,370.98	\$3,151.22
\$ per EDU	\$535.75	\$143.24
Bi-Monthly \$ per EDU	<b>es, es</b>	\$23.87

Bi-Monthly Residential Rate		Sewer	Low	At FY 22-23	At FY 23-24
Derivation	<b>EDU</b> s	System	Pressure	Revenue	Revenue
Single Family Resid.	1.00	\$89.29	A STATE OF THE PERSON OF THE P	\$89.29	\$102.68
1/2 single Fam Resid.	0.50	\$44.65		\$44.65	\$51.34
TriPlex sewer	3.00	\$267.89		\$267.89	\$308.08
Duplex Sewer	2.00	\$178.59		\$178.59	\$205.38
Sewer Extention	1.00	\$89.29		\$89.29	\$102.68
l ow Pressure	1.00	\$89.29	\$23.87	\$113.16	\$130.14
Low Pressure Duplex	2.00	\$178.58	\$47,75	\$226.33	\$260.28

### Non-Residential Rate Derivation 7.5

The following table calculates rates for the commercial customer class by dividing the revenue requirements for fixed and variable rates by the billable units applicable to each rate.

Table 15 - Non-Residential Rate Derivation

Commercial Rate Derivation	Fixed	Volumetric
FY 22/23 Revenue Requirement	\$2,431.98	\$2,148.57
Units	2.00 `	3,781.58
\$ per Unit	\$1,215.99	\$0.57
Bi-Monthly \$ per Customer	\$202.66	
Bi-Monthly FY 23/24 Rates	\$233.06	\$0.65

# 7.6 Proposed Wastewater Rates

The following table shows a 5-year schedule of proposed wastewater rates. The rates are designed to recover the District's costs of providing wastewater service while achieving roughly balanced budgets in upcoming years.

	Table 1	ole 16 – Proposed Wastewater Rates					
Existing and Proposed	Existing	Proposed	Proposed	Proposed	Proposed	Proposed	
Sewer Rates	FY 22-23	Jan 1, 2024	Jul 1, 2024	Jul 1, 2025	Jul 1, 2025	Jul 1, 2027	
Bi-Monthly Fixed Charges							
Single Family Resid.	\$89.18	\$102.68	\$115.52	\$127.07	\$139.78	\$153.76	
1/2 single Fam Resid.	\$44.59	\$51.34	\$57.76	\$63.54	\$69.89	\$76.88	
TriPlex sevver	\$267.56	\$308.08	\$346.59	\$381.25	\$419.38	\$461.32	
Duplex Sewer	\$178.37	\$205.38	\$231.05	\$254.16	\$279.58	\$307.54	
Sewer Extention	\$105.26	\$102.68	\$115.52	\$127.07	\$139.78	\$153.76	
Low Pressure	\$105.26	\$130.14	\$146.41	\$161.05	\$177.16	\$194.88	
Low Pressure Duplex	\$210.52	\$260.28	\$292.82	\$322.10	\$354.31	\$389.74	
Commercial	\$202.46	\$233,06	\$262,19	\$288.41	\$317.25	\$348.98	
Volumetric Charges							
Commercial	\$0.55	\$0.65	\$0.73	\$0.80	\$0.88	\$0.97	

# 7.7 Regional Wastewater Rate Survey

The following charts compare the wastewater and wastewater bills for a typical single-family home to those of other regional agencies.

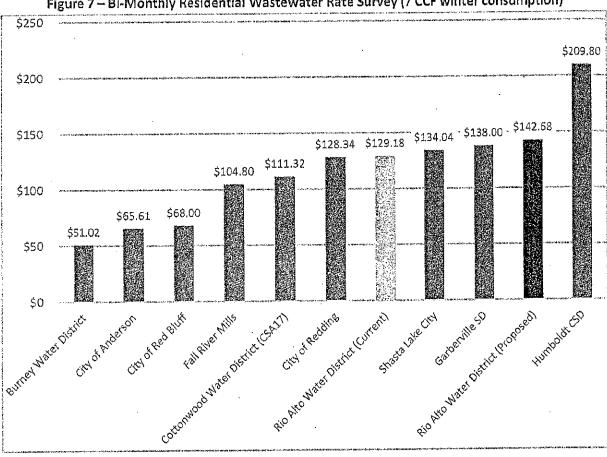
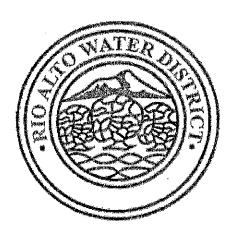


Figure 7 – Bi-Monthly Residential Wastewater Rate Survey (7 CCF winter consumption)

# **APPENDIX A**

Water Rate Study Tables

## Rio Alto Water District Draft Water Rate Study Tables



November 21, 2023

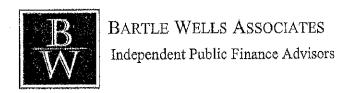


Table 1 Rio Alto WD Water Rate Study Projected Operating Expenses

Expenses		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
ŧ.	A THE THE PROPERTY OF THE PROP	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
General Inflation Factor Comments			1000						2/2	A 100 A	A 100 (4.5)
Resultation Officer	Source of Supply	20,639	\$21,568	\$22,538	\$23,553	524,612	\$25,720	\$26,877	\$28,087	\$29,351	\$30,672
Systems Operator 1	Source of Supply		\$33,930	\$35,457	\$37,053	\$38,720	\$40,462	\$42,283	\$44,185	\$46,174	\$48,252
Systems Operator III	Source of Supply	20,950	\$21,893	\$22,878	\$23,907	\$24,983	\$26,108	\$27,282	\$28,510	\$29,793	\$31,134
Part Time Employee	Source of Supply	2,700	\$2,822	\$2,948	\$3,081	\$3,220	\$3,365	\$3,516	\$3,674	\$3,840	\$4,012
Well #4 Utility PG&E	Source of Supply	9,200	\$9,614	\$19,047	\$10,499	\$10,971	\$11,465	\$11,981	\$12,520	\$13,083	\$13,672
Well #5 Utility PG&E	Saurce of Supply	3,000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Well #3 Utility PG&E	Source of Supply	959	\$679	\$710	\$742	\$775	018\$	\$846	\$885	\$924	\$356
Tools	Source of Supply	150	\$157	\$164	\$171	\$173	\$187	\$195	\$204	\$213	\$223
Salumina Sunniles	Source of Supply	200	\$209	\$12\$	\$228	\$239	\$248	\$260	22.22	\$284	\$297
West and Tailly Proper	Source of Supply	2,000	\$2,090	\$2,184	\$2,282	\$2,385	\$2,492	\$2,605	\$2,722	\$2,844	52,972
Contracted Services	Source of Supply	500	\$523	\$546	\$571	\$596	\$623	\$651	\$680	5711	\$743
douth Evel	Source of Supply	2,150	\$2,247	\$2,348	\$2,454	\$2,564	\$2,679	\$2,800	\$2,926	\$3,058	\$3,195
Auto Majorenance	Source of Supply	008	\$836	\$874	\$913	\$954	\$997	\$1,042	\$1,089	\$1,138	\$1,189
Attack Report	Source of Supply	350	\$366	\$382	\$399	\$417	\$436	\$456	\$476	\$498	\$520
Auto report	Source of Supply	6		Ş	\$0	\$0	₽	\$0	\$0	\$	\$0
Well and September 25 (4) A Dennish	Source of Supply	200	\$52	\$55	\$57	\$60	\$62	\$65	\$68	£\$	\$74
Well #4 Nebel	Source of Supply	200	\$209	\$218	\$228	\$239	\$249	\$260	\$272	\$284	1625
Well 25 Maioteophore	Source of Supply	200	\$209	\$2218	\$228	\$239	\$249	\$260	\$27.2	\$284	\$297
Section 45 Part air	Alams of Sumos		\$52	\$55	\$57	\$60	\$62	\$65	\$9\$	\$71	\$74
Well #5 Renair	Source of Supply	GR.	\$55	\$25	\$57	\$60	\$62	\$65	\$68	\$71	\$74
	Alacus to some	707	\$209	\$228	\$228	\$239	\$249	\$250	2225	\$284	\$297
Tolomator System	Source of Stooly	100	\$784	\$819	\$856	\$894	\$935	25077	\$1,021	\$1,067	\$1,115
Televited Japaness	Source of Supply	3,220	\$3,365	\$3,516	\$3,575	\$3,840	\$4,013	\$4,193	\$4,382	\$4,579	\$4,785
Drillianig matter Senightes	Transmission & Distribution	20.638	\$21,567	\$22,537	\$23,551	\$24,611	£17,252	\$26,876	\$28,085	529,349	\$30,670
Software Constant	Transmission & Distribution	39,263	\$41,030	\$42,876	- \$44,806	\$46,822	\$48,929	\$51,131	\$53,432	555,836	\$58,349
Curtoms Operator III	Transmission & Distribution	25,690	\$26,846	\$28,054	\$29,317	\$30,636	\$32,014	\$33,455	\$34,961	536,534	\$38,178
Systems Operator III	Transmission & Distribution	2,050	\$2,142	\$2,239	\$2,339	\$2,445	\$2,555	\$2,670	\$2,790	\$16,5\$	\$3,046
Action Maintenance	Transmission & Distribution	800	\$836	\$874	\$913.	\$954	<b>266</b> \$	\$1,042	\$3,089	\$1,138	\$1,189
Auto Renair	Transmission & Distribution	Dee	\$366	\$382	\$399	\$417	\$436	\$456	-\$47E	\$498	\$520
Part Time Employee	Transmission & Distribution	2,700	\$2,822	\$2,948	\$3,081	\$3,220	\$3,365	915,52	\$3,674	\$3,840	\$4,012
Booster Station Utility	Transmission & Distribution	420	\$439	\$459	\$479	\$501	\$233	\$547	\$572	\$597	\$624
Meters/Backflows	Transmission & Distribution	7,000	\$7,315	\$7,644	886'73	\$8,348	\$8,723	\$9,116	\$9,526	\$9,955	\$10,403
Tools	Transmission & Distribution	2006	\$5,225	\$5,460	\$5,706	\$5,963	\$6,231	\$6,511	\$6,804	\$7,111	57,430
General Supplies	Transmission & Distribution	1,000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Contracted Services	Transmission & Distribution	1995	\$585	\$612	\$639	\$668	\$69\$	\$729	\$762	\$736	\$832
Fourthern Maintenance/Repair	Transmission & Distribution	000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Booster Station Maintenance/Repair	Transmission & Distribution	005	\$523	\$546	\$571	\$596	\$623	\$651	\$680	\$711	\$743
Tanks #1.2.3 Maintenance/Repair	Transmission & Distribution	DOS NAMES	\$523	\$546	\$571	965\$	\$623	\$651	\$680	\$71.1	\$7.43
Line Maintenance/Repair	Transmission & Distribution	20,000	\$20,900	\$21,841	\$22,823	\$23,850	\$24,924	\$26,045	\$27,725	\$28,442	\$29,722
Valve Maintenance/Repair	Transmission & Distribution	1,000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,436
Hydrant Maintenance/Repair	Transmission & Distribution	200	\$25\$	\$546	\$571	\$536	\$623	\$651	\$680	\$711	\$743
Telemetry System	Transmission & Distribution	250	\$784	\$819	\$856	\$894	\$935	5977	\$1,021	\$1,067	\$1,115
Hydrant Replacement Fund	Transmission & Distribution		쟋	\$	\$0	\$	\$	<b>\$</b> 0	æ	20	0\$
General Manager	Administration	59,716	\$62,403	\$65,211	\$68,146	\$71,212	\$74,417	392,772	\$81,265	\$84,922	\$88,744
1											

Table 1 Rio Alto WD Water Rate Study Projected Operating Expenses

Expenses		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
The second second second visited by the second seco	TORTHROOM AND ABOVE MINDE EXCISES AND	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
General Inflation Factor, 2000 September 1900 Septe				Name of Section							250
Regulation Officer	Administration	9,326	\$9,746	\$10,184	\$10,643	\$11,121	\$11,622	\$12,145	\$12,691	\$13,263	\$13,859
Sustems Doerstor ?	Administration	5 1242	\$1,298	\$1,356	\$1,417	\$1,481	\$1,548	\$1,617	\$1,690	\$1,766	\$1,846
Systems Operator III	Administration	790	\$856	\$863	\$902	\$942	\$984	\$1,029	\$1,075	\$1,123	\$1,174
Secretary	Administration	35,846	\$37,453	\$39,138	\$40,899	\$42,740	\$44,663	\$46,673	\$48,773	\$50,968	\$53,262
Bookkeeper	Administration	33,903	\$35,429	\$37,023	\$38,689	\$40,430	\$42,249	\$44,151	\$46,137	\$48,213	\$50,383
Part Time Employee	Administration										,
PERS Employer Unfunded Liability	Administration	47,685	\$49,831	\$52,073	\$54,417	\$56,865	\$59,424	\$62,098	\$64,893	\$67,813	\$70,864
Workers Compensation Insurance	Administration	4,425	\$4,624	\$4,832	\$5,050	\$5,277	\$5,514	\$5,763	\$6,022	\$6,293	\$6,576
FICA	Administration	73,000	\$24,035	\$25,117	\$26,247	\$27,428	\$28,562	529,952	\$31,300	\$32,708	\$34,180
PFRS Retirement	Administration	27,369	\$28,601	\$29,888	\$31,233	\$32,638	\$34,107	\$35,642	\$37,245	\$38,921	\$40,673
Health fast cance ACWA	Administration	38,268	066'68\$	\$41,790	\$43,670	\$45,635	\$47,689	\$49,835	\$52,077	\$54,421	\$56,870
	Administration	1.840	\$1.923	\$2,009	\$2,100	\$2,194	\$2,293	\$2,396	\$2,504	\$2,617	\$2,734
Social Reports	Administration	13.974	\$14,603	\$15,260	\$15,947	\$15,664	\$17,414	\$18,198	710/61\$	\$19,872	\$20,767
BCDDA Employer Contributions	Administration	THE PROPERTY OF THE PERSON	\$11,657	\$12.182	S12,730	\$13,303	513,901	\$14,527	\$15,180	\$15,864	\$16,577
ocoso Employer Conscious of Definition	Administration										
Double Office Incompany	Administration	3,203	\$3.660	\$3,824	\$3,996	\$4,176	\$4,364	\$4,561	\$4,766	\$4,980	\$5,204
Life Languages	Administration	2008	\$840	\$878	\$917	\$959	\$1,002	\$1,047	\$3,094	\$1,143	\$1,195
	Administration	000	¢4.180	\$4.368	\$4.565	\$4.770	\$4,985	\$5,209	\$5,443	\$5,688	\$5,944
salidans	HOST PORTEIN HOSE	poor of the control o	366.33	\$5.460	25 2016 25 2016	\$5.963	\$6.731	\$6.511	\$6.804	\$7.111	\$7,430
Postage	Actrimistration	000	\$3,555 \$4,254	015.12 015.12	51.369	\$1.431	\$1.495	\$1.563	\$1.633	\$1.707	51,783
Panting	Administration	7,700	40.3444	Out to		100	40.44	3316	CO 2 OC	<b>C3</b> C5C	43.715
Employee Travel/Expenses	Administration.	2500	\$2,613	1,73 1,35 1,35 1,35 1,35 1,35 1,35 1,35 1,3	\$2,853 4. ===	18674	55,415	55,55 57,55	20,402	ביבור ביל	d to
Employee Meetings/Conferences	Administration	1,506	\$1,568	\$1,538	71/15	51,789	51,869	555,14	52,041	557,25	42.25
Education	Administration	00e	\$314	5328	\$342	5358	5374	5391	5408	747	4 t
Certification Renewal	Administration	200	<del>60</del> 2\$	\$218	\$228	\$239	\$249	\$260	27.73	5284	\$297
Public Relations	Administration	T,000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
District Uniforms	Administration	950	\$993	\$1,037	\$1,084	\$1,133	\$1,184	\$1,237	\$1,293	\$1,351	\$1,412
Alarm System Monitoring	Administration	504									
Membership/Subscriptions	Administration	1,200	\$1,254	\$1,310	\$1,369	\$1,431	\$1,495	\$1,563	\$1,63	\$1,707	\$1,783
Banking/Court Costs	Administration	3,000	\$3,135	\$17,62	\$3,423	\$3,578	\$3,739	\$3,907	<b>1</b> 4,083	\$4,266	\$4,458
Website & Advertising	Administration	275 No. 275	\$287	\$300	\$314	\$328	\$343	\$328	\$374	\$391	\$409
insurance	Administration	28,710	\$30,002	\$31,352	\$32,763	\$34,237	\$35,778	\$37,388	\$39,070	\$40,829	\$42,666
Cell Phone Alfowance	Administration	458	\$479	\$500	\$253	\$546	\$571	\$596	\$623	\$651	\$681
Propane - Fat Cat	Administration	308	\$314	\$328	\$342	\$358	\$374	\$391	\$408	\$427	X446
Equipment Lease	Administration	2304	\$5,543	\$5,792	\$6,053	\$6,325	\$6,610	56,967	\$7,218	57,543	57,882
Office Equipment Expense	Administration	006	\$941	2883	\$1,027	\$1,073	\$1,122	\$1,172	\$1,225	\$1,280	\$1,337
Office Equipment Maintenance	Administration	180	\$188	761\$	\$202	\$215	\$224	\$234	\$245	\$256	\$267
Office Building Maintenance	Administration	006	51,003	\$1,048	\$1,096	\$1,145	\$1,196	\$1,250	\$1,306	\$1,365	\$1,427
Contracted Services	Administration	87.8	\$3,940	\$4,117	\$4,302	\$4,496	\$4,698	\$4,910	\$5,130	\$5,361	\$5,603
Engineering Services	Administration	1000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Lot Caling Expanse	Administration	00T	\$105	\$109	\$114	\$113	\$125	\$130	\$136	\$142	\$149
Safety Supplies	Administration	006	\$941	\$36\$	\$1,027	\$1,073	\$1,122	\$1,172	\$1,225	\$1,280	\$1,337
Office Utility-PG&E	Administration									1	
Telephone	Administration	1,714	161,181	\$1,872	\$1,956	\$2,044	\$2,136	\$2,232	\$2,333	\$2,437	52,547
Service Fee - State	Administration	13,725	\$14,343	\$14,988	\$15,663	516,367	\$17,104	\$17,874	\$18,678	\$19,518	\$20,397

Table 1
Rio Alto WD
Water Rate Study
Projected Operating Expenses

Expenses <sup>1</sup>		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
COLUMN CO	AND THE PROPERTY OF THE PROPER	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
General Infotion Pactors (September 1988)					W. C. W. 475 K.					120	2.6
Contro Boo - Enfers   SSA	Administration	150	\$157	\$164	\$171	\$179	\$187	\$195	\$204	\$213	\$223
Septing Fee - Collabo	Administration	4,900	\$5,121	\$5,351	\$5,592	\$5,843	\$6,106	\$6,381	\$99'9\$	\$6,968	\$7,282
Andror	Administration	8,400	\$8,778	\$9,173	\$3,586	\$10,017	\$10,468	\$30,939	\$11,431	\$11,946	\$12,483
Legal Counsel	Administration	2,400	\$2,508	\$2,621	\$2,739	\$2,862	\$2,991	\$3,125	\$3,266	\$3,413	\$3,567
Roard Meeting Supplies	Administration	250	1975	\$7.73	\$282	\$298	\$312	\$326	\$340	\$356	228\$
Director Fees	Administration	4.046	\$4,222	\$4,412	\$4,610	\$4,818	\$5,035	\$5,261	\$5,498	\$5,745	\$6,004
Director Travel/Conferences	Administration	7,260	\$7,587	\$7,928	\$8,285	\$8,658	\$9,047	\$9,454	\$9,880	\$10,324	\$10,789
Disease Election (non-election or )	Administration	909		\$655		\$716		\$781		\$853	
Office of Clerkins (Martine of )	Administration		\$2,613	•	\$2,853		\$3,115		\$3,402		\$3,715
CACO ODER Evaluations (total exest)	Administration	1500		\$1,638		\$1,789		\$1,953		\$2,133	,
GACO OF ILL LYSIDER COMPANY CARD	Administration		5314		\$342		\$374		\$408		\$446
Computer (Indates & Substrictions	Administration	6,220	\$6,500	\$6,792	\$7,098	\$7,417	\$7,751	\$8,100	\$8,465	\$8,845	\$9,244
Water Rate Study	Administration	21,000					\$26,170				
OPE8 Contributions (CERST Trust)	Administration										
Asser Evaluation Consultant	Administration	15,000					\$18,693	٠			
OPERIJAbility	Administration		\$15,000	\$15,675	\$16,380	\$17,117	\$17,888	\$18,693	\$19,534	\$20,413	\$21,332
Computer Upgrades	Administration		\$7,000	\$7,315	\$7,644	\$7,988	\$8,348	\$8,723	\$9,116	\$9,526	\$9,955
Total Onerating Expenses		\$692,408	\$708,151	\$739,254	\$773,319	\$807,283	\$889,346	\$881,574	\$922,197	\$962,700	\$1,007,062

Total Operating Expenses

\* Proceed on District's FY 23-24 budget with minor modifications reflecting the updated capital spending projections.

Water Rate Study Projected Revenues Rio Alto WD Table 2

Revenue	Category	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
THE THE PROPERTY OF THE PROPER		Actual	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Rate Revenue Assumblibhs (Castomer Growth Page 1977)								100	P D			10.00
Rate Revenue		14,000	, oc. 34	¢609 447	¢667 072	2775 945	7700 515	105050	cer ocas	000000000000000000000000000000000000000	264 317 69	030 000 13
Revenue from Rate Increase			529,067	\$64,519	\$71,827	\$72,582	\$79,951	\$88,070	\$97,012	\$85,490	\$80,902	\$61,918
Total Rate Revenue		\$528,471	\$57,558	\$652,061	\$724,801	\$798,397	\$879,466	\$968,767	\$1,067,136	\$1,154,120	\$1,236,637	\$1,300,287
Other Revenue												
Avail Water Revenue	Administration	\$54,975	\$53,163	\$53,163	\$53,163	\$53,163	\$53,163	\$53,163	\$53,163	\$53,163	\$53,163	\$53,163
Hydrant Revenue	Administration	×:::- 520,228 ×	\$19,728	\$19,728	\$19,728	\$27,615	\$19,728	\$19,728	\$19,728	\$19,728	\$19,728	\$19,728
Avail Hydrant Revenue	Administration	\$11,514	S11,106	\$11,106	\$11,106	511,106	\$11,106	\$11,106	\$11,106	\$11,106	\$11,106	\$11,106
Connections Water Revenue	Capital	56. · · · \$23,304	\$18,864	\$9,432	\$9,432	\$9,432	\$9,432	\$9,432	\$9,432	\$9,432	\$9,432	\$9,432
Interest Revenue RAWD	As All Other	\$42,574	\$11,752	\$8,730	\$8,326	\$7,966	\$8,654	\$8,741	\$7,227	\$6,567	\$6,163	\$5,966
Cell Tower Lease Revenue	As All Other	\$10,200	\$13,950	\$18,450	\$19,004	519,574	\$20,161	\$20,766	\$21,389	\$22,030	\$22,691	\$23,372
Tax Revenue RAWD	As All Other	# \$174,309°	\$1,50,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
County Interest	As All Other	52,897	\$2,600	\$2,600	\$2,600	52,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600
County Penalty	As All Other	24.72 E. 57.14.0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Administrative Revenue	Other Revenues	\$26,165	515,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300
Capacity Expansion Interest RAWD	As All Other	\$15										
Capacity Expansion Revenue RAWD	As All Other	\$1,549										
Sewer Liability to Water Enterprise	As All Other			\$23,592	\$23,592	\$23,592	\$23,592	\$23,592	\$23,592	\$23,592	\$23,592	. \$23,592
Total Other Revenue		\$368,441	\$297,463	\$313,101	\$313,251	\$313,460	\$314,736	\$315,428	\$314,536	\$314,518	\$314,775	\$315,259
Total Revenue		\$896,912	\$855,017	\$965,161	\$1,038,051	\$1,111,857	\$1,194,202	\$1,284,194	\$1,381,672	\$1,468,638	\$1,551,413	\$1,615,546

Additional revenue based on recommended increase Adjusted if rates adopted in the middle of fiscal year

Table 3 Rio Alto WD Water Rate Study Capital Improvement Costs

Designat Processoria	FY 77-73	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
FIUJECL OCSU 12/15/01	- 5		Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
CIP (Current Dollars)					And the second section of the second	SOMOGEO POSSOPPI SE SE PERSONAL PERSONA					***************************************
Tanks (from Superior Tank): Tanks 14 & 2A		\$123,722	\$123,722	\$123,722	\$36,336	\$36,336	\$36,336	\$36,336	\$36,336	\$36,336	\$36,336
I ank 18 Tank 28							\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Wells (Pump, Motor & Controls): Well 5 - 1.50 HP Submersible Well 6 - 175 HP Submersible					\$207,287						
Other: Roof	\$21,000								•		
AC Repaír and Abandon 12" Line	000'08\$	\$120,000			000	1	200 000	000 555	\$33,000	\$22,000	
Fire Hydrants - 2 per year		\$22,000	\$22,000	\$22,000 \$20,000	\$22,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
verifies Line Replacement			\$50,000	\$75,000	\$100,000	\$1.00,000	\$100,000	\$100,000	\$300,000	\$100,000	\$100,000
Total CIP (Current Dollars)	\$58,800	\$265,722	\$215,722	\$240,722	\$611,425	\$228,336	\$353,336	\$353,336	\$353,336	\$353,336	\$321,836
CIP (Inflated Dollars)							STACOS CRESCASSION CONTRACTOR OF STACOS		POCOCIONAL PETER DE CAMPAGNA DE LA C	THE PERSON NAMED OF THE PE	
Total CiP (Inflated Dollars)	\$58,800	\$265,722	\$225,429	\$262,874	\$697,737	\$272,295	\$440,321	\$460,135	\$480,841	\$502,479	\$478,279
Annual Inflation Rate			4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4,5%	4.5%

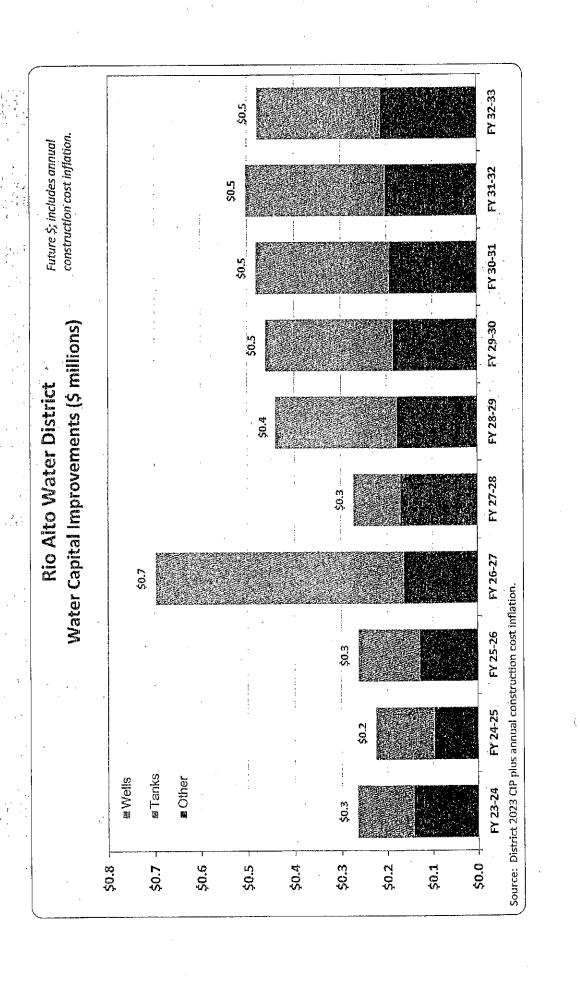


Table 4 Rio Alto WD Water Rate Study Debt

Deht	FY 22-23	3 FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
притистичествення притистичествення притистичествення притистичествення притистичествення притистичествення при	andersone comments and second		Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Existing Debt							i.				
CEC Loan Payment Well #5	\$25,37	8 - \$25,378	\$25,378	\$25,378	\$75,378	\$25,378	\$25,378	\$25,378	\$25,378	\$25,378	\$25,378
CEC Loan Payment Well #6	\$34,46	9 \$34,469	\$34,469	\$34,469	\$34,469	\$34,469	\$34,469	\$34,489		\$34,469	\$34,469
CEC Loan Interest Office	\$10,46	\$10,461 \$10,461	\$10,461	\$10,461	\$10,461	\$10,461	\$10,461	\$10,461	\$10,461	\$10,461	\$10,461
CEC Loan Payments Office	\$1,64	\$1,646\$1,646	\$1,646	\$1,646	51,646	\$1,646	51,646	\$1,646	\$1,646.	N. 51,546.	\$1,040
Total Current Debt Service	\$71,954	\$71,954	\$71,954	\$71,954	\$71,954	\$71,954	\$71,954	\$71,954	\$71,954	\$71,954	\$71,954
Decomposed Rosewine											ļ
Net Proceeds Needed						\$500,000					
Repayment Term (vrs)			•			30					
interest Rate						5.0%					
Month of Issue	A CONTRACTOR OF THE PROPERTY O	一年 一	The Control of the Co	A Market Company of the Company of t					Constant of the second		
Issuance Costs (% of Net Proceeds)	oceeds)									•	
Issuance Cost						\$30,000					
Debt Service Reserve											
Total Debt Issue Size				-		\$530,000					
Prorated Debt Service Payment - Current Yr. Only	ent - Current Yr.	July				\$34,000				`	
Annual Debt Service Payment (rounded)	t (rounded)					\$34,000					
Total Proposed Annual Water Del	Del	95	\$0	0\$	0\$	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000

Table 5 Rio Alto WD Water Rate Study Cash Flow Projections

Water Fund.	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
Rate Revenue Increase	TO THE TAX PROPERTY OF THE	11.0%	11.0%	11,0%	10.0%	%0'01	10.0%	10.0%	8.0%	7.0%	5.0%
Beginning Reserves	\$891,721 \$1,048,04	\$1,048,042	\$872,974	\$832,601	\$796,570	\$865,417	\$874,087	\$722,660	\$656,669	\$616,314	\$596,593
Revenues				on enterine and the second second second	en e		Commence of the Commence of th		, Andreas de Conference de Constante de Cons		Trustra transfer de la Companya de l
Rate Revenue	\$528,471	\$528,487	\$587,442	\$652,973	\$725,815	\$799,515	\$880,697	\$970,123	\$1,068,630 \$1,155,736		\$1,238,369.
Rate Increase Revenue	0	58,134	64,619	71,827	72,582	79,951	88,070	97,012	85,490	80,902	61,918
Timing Adjustment*		-29,067						-		•	
Other Revenue	368,441	297,463	313,101	313,251	313,460	314,736	315,428	314,536	314,518	314,775	315,259
Total Revenue	\$896,912	\$855,017	\$965,161	\$1,038,051	\$1,111,857	\$1,194,202	\$1,284,194	\$1,381,672	\$1,468,638	\$1,551,413	\$1,615,546
Expenses		***************************************		PLANE CONTRACTOR OF THE PROPERTY OF THE PROPER	TO THE PARTY AND THE PARTY OF T	and the second s		Secretario de la composição de la compos	MATERIAL PROPERTY OF THE PROPE	(A) A CONTRACTOR OF CONTRACTOR	Manage Confession Annual Property Confession
Operating Expenses	\$609,837	\$692,408	\$708,151	\$739,254	\$773,319	\$807,283	\$889,346	\$881,574	\$922,197	\$962,700	\$1,007,062
Existing Debt Service	71,954	71,954	71,954	71,954	71,954	71,954	71,954	71,954	71,954	71,954	71,954
New Deht Service	0	0	0	0	0	34,000	34,000	34,000	34,000	34,000	34,000
Rate Funded Capital	\$58,800	\$265,722	\$225,429	\$262,874	\$197,737	\$272,295	\$440,321	\$460,135	\$480,841	\$502,479	\$478,279
Total Expenses	\$740,591	\$740,591 \$1,030,084	\$1,005,534	\$1,074,082	\$1,043,010	\$1,185,532	51,435,621	\$1,447,663 : \$1,508,992	\$1,508,992	\$1,571,133	\$1,591,295
Net Revenues 1777	WS1563214055175067	21750677	278/0/873	S36.031	W. S68/82/	88.670	\$1515456	F (55) 992 #	1855 OF S	16461	105 EV 25 EV
Finding Reserves	\$1,048,042	\$872,974	\$832,601	\$796,570	\$865,417	\$874,087	\$722,660	\$656,669	\$616,314	\$596,593	\$620,844
Debt Coverage	3,99	2.26	3.57	4.15	4.70	3.65	3.73	4.72	5.16	5.56	5.74
*Reflects January rate implementation	entation										
Capital Funding	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
Capital Revenues											
Use of Debt Proceeds					\$500,000	,	, , , ,	4	. 4	. 60	4470 770
Rate Funded Capital	\$58,800	\$265,722	\$225,429	\$262,874	\$197,737	\$272,295	\$440,321	5460,135	\$480,841	\$502,479	\$478,273
Total Capital Revenue	\$58,800	\$265,722	\$225,429	\$262,874	\$697,737	\$272,295.	\$440,321	\$460,135	\$480,841	\$502,479	\$478,279
Total Capital Expenditures	\$58,800	\$265,722	\$225,429	\$262,874	\$697,737	\$272,295	\$440,321	\$460,135	\$480,841	\$502,479	\$478,279

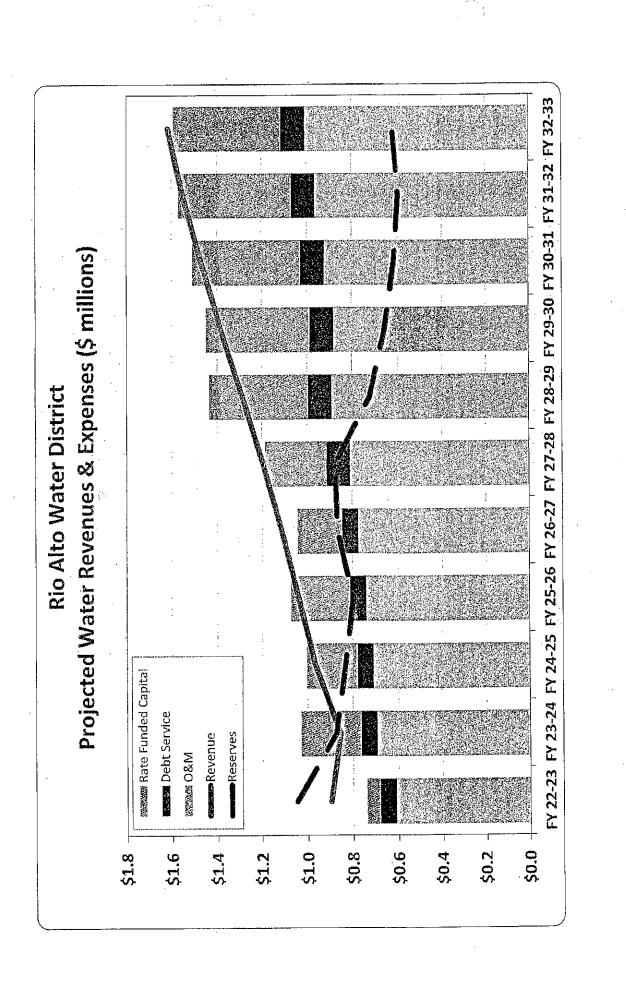


Table 6 Rio Alto WD Water Rate Study Customer Data

	0 e e e e e e e e e e e e e e e e e e e				56.16.70	£V 22,32	EV 72.38
Customer Data	FY 17-18	FY 16-19	LI IS-CO	FT ZU-Zi		9	
	Actual	Actual	Actual	Actual	Actual	Actual	Projected
Total Water Production (CCF)	254,283	248,214	268,254	271,507	246,452	227,070	070,722
Billed, Metered Consumption (CCF)	231,695	225,599	250,999	247,510	232,326	210,642	210,642
Water Loss (%)	8.9%	9.1%	6.4%	8.8%	5.7%	7.8%	7.8%
Total Accounts (#)	1,322	1,340	1,365		1,412	1,412	1,412
Growth (%)		.1.36%	1.87%	1.76%	1.66%	%00-0	0.00%
Annual Metered Use (CCF) per Account	175	168	184	178	165	165	165

Meter Equivalent Units Water Rate Study Rio Alto WD Table 7

Meter Equivalent	Units (MEUS)	1,226.0	300.6	32.0	1,558.6
Meter Equivalent	Ratio**	1.0	1.7	5.3	
	Services	1,226	180	9	1,412.0
	Meter Size	$3/4^{\rm tt}$	· <del>*</del> -1	2"	Total

<sup>\*</sup> Customer data as of June 2023 provided by staff

\*\* Capacity factors based on AWWA operating capacity standards by meter size

Table 8 Rio Alto WD Water Rate Study Functional Allocation Projected 5-Year Average

		Offsetting	Allocation				
Functional Aflocation	Amount	Revenue	Amount	Customer	Capacity	All Volume	Totai
Administration	\$531,066	\$83,997	\$447,069	55%	25%	70%	100%
Source of Supply	\$107,749	\$0	\$107,749		30%	70%	100%
Transmission & Distribution	\$141,933	\$0	\$141,933			100%	100%
Debt Service	\$71,954	\$0	\$71,954		20%	20%	100%
Capital	\$244,812	\$11,318	\$233,493		809	40%	100%
Functional Allocation \$	\$1,097,514	\$95,315	\$1,002,199	\$245,888	\$320,165	\$436,146	\$1,002,199
Functional Allocation %				24.53%	31.95%	43.52%	100%
FY 23/24 Revenue Requirement				\$143,898	\$187,425	\$255,297	\$586,621

Table 9 Rio Alto WD Water Rate Study

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Affocation Units	Ali Volume
Unit of Measure	tt tt
Total Water Use CCF	210,642
Revenue Requirement	\$255,297
Unit Cost (\$/Unit)	\$121

## Bi-Monthly Fixed Charge Calculation

Allocation Units	ž	Customer	Capacity	
Unit of Measure	ire	Customers	MEUS	
Allocation Units	žī	8,472	9,351	
Revenue Requirement	uirement	\$143,898	\$187,425	
Unit Cost (\$/Unit)	Unit)	\$16.99	\$20.04	
	Capacity	Bi-Monthly Capacity	Bi-Monthly Capacity	
Meter	Factor**	Component	Component	Bi-Monthly Fixed Charge
3/4"	1.00	\$16.99	\$20.04	\$37.03
1,	1.67	\$16.99	\$33.47	\$50.46
7.	5.33	\$16.99	\$106.83	\$123.81

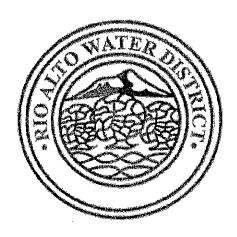
Table 10 Rio Alto WD Water Rate Study Water Rate Schedule

Current and Proposed Water Rates	Existing FY 22-23	Proposed Mar 1, 2024	Proposed Jul 1, 2024	Proposed , Jul 1, 2025	Proposed Jul 1, 2026	Proposed Jul 1, 2027
Volumetric Rates (\$/CCF)		1				
Base Use (0-15 CCF)	\$0.00					
Volumetric (>15 CCF)	\$1.30					
Uniform Rate (All CCF)		\$1.21	\$1,35	\$1.50	\$1.65	\$1.82
Bi-Monthly Fixed Charge					-	
Meter Size	* * * * * * * * * * * * * * * * * * * *					
3/4"	\$42.87	\$37.03	\$41.10	\$45.62	\$50.18	\$55.20
1"	\$58,45	\$50.46	\$56.01	\$62.17	\$68.39	\$75.23
2"	\$144.15	\$123.81	\$137.43	\$152.55	\$167.81	\$184.59

## **APPENDIX B**

Wastewater Rate Study Tables

## Rio Alto Water District Draft Sewer Rate Study Tables



November 21, 2023

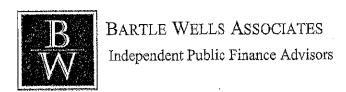


Table A
Rio Alto WD
Sewer Rate Study
Sewer Rate Schedule

Existing and Proposed	Existing	Proposed Mar 1, 2024	Proposed Jul 1, 2024	Proposed Jul 1, 2025	Proposed Jul 1, 2026	Proposed Jul 1, 2027
Sewer Rates	C3*23 17.	IVIGIT, ZUZM	JULA, EUZA	141 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		A 641 TO VICTORY
Bi-Monthly Fixed Charges						
Single Family Resid.	\$89.18	\$102.68	\$115.52	\$127.07	\$139.78	\$153.76
1/2 single Fam Resid.	\$44,59	\$51.34	\$57.76	\$63,54	\$69.89	\$76.88
TriPlex sewer	\$267.56	\$308.08	\$346,59	\$381.25	\$419.38	\$461.32
Duplex Sewer	\$178.37	\$205.38	\$231.05	\$254.16	\$279.58	\$307.54
Sewer Extention	\$105.26	\$102.68	\$115.52	\$127.07	\$139.78	\$153.76
Low Pressure .	\$105.26	\$130.14	\$146,41	\$161.05	\$177.16	\$194.88
Low Pressure Duplex	\$210.52	\$260.28	\$292.82	\$322.10	\$354.31	\$389.74
Commercial	\$202.46	\$233.06	\$262.19	\$288.41	\$317.25	\$348.98
Volumetric Charges	·.					
Commercial	\$0.55	\$0.65	\$0.73	\$0.80	\$0.88	\$0.97

Table 1 Rio Alto WD Sewer Rate Study Projected Operating Expenses

Expenses 1		FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
izanja se i naobanicaza e-i ir 4.500 i 1546 proj igalioperatojo od sejektori izabene di sejektori de i irabene		. Actual	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected"	Projected	Projected	Projected
General Inflation Factoring Committee and Committee Comm				30000000000000000000000000000000000000	10 Sept. 10	W. W. L. C. S. W.				10 TO	100	
Swtems (Denatur II	Treatment	42.294	30,318	\$31,682	\$33,108	\$34,598	\$36,155	\$37,782	\$39,482	\$41,259	\$43,115	\$45,055
Regulatory Officer	Treatment			\$21,567	\$22,537	\$73,551	\$24,611	\$25,719	\$26,876	\$28,085	\$29,349	\$30,670
Sys Operator III	Treatment	16,088	15,802	\$16,513	\$17,256	\$18,033	\$18,844	\$19,692	\$20,578	\$21,504	\$22,472	\$23,483
Part Time Employee	Treatment	3555 · S.		\$2,822	\$2,948	180,62	022,82	\$3,365	\$3,516	\$3,674	\$3,840	\$4,012
Auto Fuel	Treatment	3,874		\$2,247	\$2,348	\$2,454	\$2,564	\$2,679	\$2,800	\$2,926	\$3,058	\$3,195
Auto Maintenance	Treatment	1,525	800	\$836	\$874	\$913	\$954	266\$	\$1,042	\$1,089	\$1,138	\$1,189
Auto Receir	Treatment	438	350	\$365	\$382	\$399	\$417	\$436	\$456	5476	\$498	\$520
Wetlands Utility	Treatment	\$113	\$60	\$63	\$99	\$68	\$72	\$75	\$78	\$85	\$85	68 87 87
WWTP Uslifty	Treatment	9213	10,000	\$10,450	\$10,920	\$12,412	\$11,925	\$12,462	\$13,023	\$13,609	\$14,221	\$14,861
General Supplies	Treatment	W. Carlo 775	009	\$627	\$655	\$685	\$716	\$748	\$781	\$817	\$823	\$892
Tools	Treatment	695	100	\$105	\$109	\$114	\$119	\$125	\$130	\$136	\$142	\$149
Chlorine/Bisulfite	Treatment	46,212	50,000	\$55,000	\$60,000	\$62,700	\$10,000	\$10,450	\$10,920	\$11,412	\$11,925	\$12,462
Bacti Lab Svooljes/Eduloment	Treatment	2,026	6,400	\$6,588	\$6,989	\$7,303	\$7,632	\$7,976	\$8,334	\$8,710	\$9,101	115,6\$
Plant Lab Gundles	Treatment	303	. 500	\$523	\$546	\$571	\$596	\$623	\$651	\$680	\$711	\$743
Plant Lah Eminment Renair	Treatment	三丁 三京大学	2,000	52,090	\$2,184	\$2,282	\$2,385	\$2,492	\$2,605	\$2,722	\$2,844	\$2,972
Dlast (a) Eminment Maintenance	Treatment	158	100 Co. 100 Story	\$523	\$546	\$571	965\$	\$623	\$651	\$680	\$711	\$743
Contracted Sentices	Treatment	1.057	1,000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Chidge Disposal	Treatment	5,965		\$6,270	\$6,552	\$6,847	\$7,155	\$7,477	\$7,814	\$8,165	\$8,533	\$8,917
Continue and Advisor and Advis	Treatment	L District Control of the Control of	0001	\$1.045	\$1.092	\$1.141	\$1,193	\$1.246	\$1,302	\$1,361	\$1,422	\$1,486
Equipment symmetric manner of Equipment	Toestment	E8		\$1.045	\$1.092	\$1.141	\$1.193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
	Treatment	A 770	2005	\$5,725	\$5.460	55,706	\$5.963	\$6.231	\$6.511	\$6,804	57.113	\$7.430
Egulpinent negatil	Troubmont	322	2000	090 C\$	C) 184	\$2.787	\$385.05	52 492	\$2,605	\$7.77	\$7.844	\$2,972
Plant (Wallinghamer	Treatment	000	00000	\$2 674	\$9.064	CT 422	\$98.65	\$10.343	\$10.809	\$11.295	\$11.803	\$12,335
wedands warntenance	il catallelle	1000	000	8175	7EV->	\$45°	7Z.P.S	2605	1653	C544	\$569	\$594
Wetlands Security	Totalikin	TOOK TOOK TOOK TOOK TOOK TOOK TOOK TOOK	OUL &	421.52	27.7 E.S	\$2.473	% C3 C3	927.53	53 907	5	\$4.26F	<4.458
Plaist Repail	Tipen pair	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0000	0.10 0.10	440,000	544 443	100	57 653	cm cha	003 603	454 423	C14 0C1
Waste Water Permit Testing	Treatment	arth.	DOD OF	430,430 435	D26,011.6	\$11,414 \$012	\$11,923 \$954	\$000,5 \$000,5	\$ 190	200,616	¢1 138	C3 180
Telemetry System	reatment		000	acoc.	1700	1	4000	1000	717,17	12,000	200.000	The state of
Regulatory Officer	Collection System	7.637	20,639	\$21,568	\$22,538	523,553	>24,512	07/575	118,425	/20/275	155,455	530,672
Sys Operator II	Collection System	13,50Z	32,000	\$33,440	\$34,945	,36,51,	538,161	8/8/55	7/9/164	V43,048	,UC,CPC	٠ ٢ ٢
Sys Operator III	Collection System	15,586	18,963	\$19,816	\$20,708	\$21,640	\$22,614	\$23,631	\$24,695	\$25,806	\$26,967	\$28,181
Part Time Employee	Collection System	OF 1	2,700	\$2,822	\$2,948	53,081	\$3,220	\$3,365	\$3,516	\$3,674	53,840	\$4,012
Auto Fuel	Collection System	3,874	2150	\$2,247	\$2,348	\$2,454	\$2,564	\$2,679	\$2,800	\$2,926	83,058 84	\$3,195
Auto Maintenance	Collection System	1,486	800	\$836	\$874	\$913	\$954	\$997	\$1,042	\$1,089	\$1,138	\$1,189
Auto Repair	Collection System		350	\$366	\$382	\$399	\$417	\$436	\$456	\$476	\$498	\$520
The Startons #3 4 5.6.7 Utility	Collection System	3,444	3,500	\$3,658	\$3,822	\$3,994	\$4,174	\$4,362	\$4,558	\$4,763	54.977	\$5,201
Tip Station #3   [Edity	Collection System	3,672	3,500	\$3,658	\$3,822	53.994	\$4,174	\$4,362	\$4,558	\$4,763	\$4,977	\$5,201
- 10 Company of the C	Collection System	200 01	TO CONTRACT OF THE PARTY OF THE	\$10.450	\$10.920	\$11.412	\$13,925	\$12,462	\$13,023	\$13,609	\$14,221	\$14,861
Litt Starton #1 Utility	Collection System	163	1000	\$1.045	\$1.092	\$1.141	\$1.193	\$2,246	\$1,302	51,361	\$1,422	\$1,486
dericas propues	Coffection System	1.750	05C 5 (8 1 1 9 1 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$251	\$273	\$285	\$298	\$312	\$325	\$340	\$356	5372
2003	Collection System			5	Ş	Ş	55	. 55	S	\$0	\$0	\$
Salety Equip Repair	Charles of the control of the contro	A TOTAL STATE COLUMN TOTAL	the state of the state of the	<u>;</u>	,	,	•					

Table 1 Rio Alto WD Sewer Rate Study Projected Operating Expenses

Expenses <sup>1</sup>		FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
	page of the second seco	Actual	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected pettersystemsian	Projected	Projected	Projected
General Inflation Factor Comment of The Comment of Comm				100 A 200 A	4 2 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5		4.2		10.55 V 25.0 N		10 Telephone 10 10 10 10 10 10 10 10 10 10 10 10 10	4 5%
Telemetry System	Collection System	760	750	\$784	\$819	\$856	\$894	\$935	726\$	\$1,021	\$1,067	\$1,115
Equipment Maintenance	Collection System	263	1,000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Equipment Repair	Collection System	619	1,500	\$1,568	\$1,638	\$1,712	\$1,789	\$1,869	\$1,953	\$2,041	\$2,133	\$2,229
Contracted Services	Collection System	11,600	005	\$523	\$546	\$221	\$596	\$623	\$651	\$680	\$713	\$743
Lift Station Maintenance	Collection System	391		\$1,045	\$1,092	\$1,141	\$1,193	\$1,245	\$1,302	\$1,361	\$1,422	\$1,486
Lift Station Repair	Collection System	4,997		\$5,225	\$5,460	\$5,706	\$5,963	\$6,231	\$6,511	\$6,804	\$7,111	\$7,430
Sewer Line Maintenance	Collection System	. 489		\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Sewer Line Repair	Collection System	1,880	3,000	\$3,135	\$3,276	\$3,423	\$3,578	\$3,739	53,907	\$4,083	\$4,266	\$4,458
General Manager	Administration	49,412	49,576	\$51,807	\$54,138	\$56,574	\$59,120	\$61,781	\$64,561	\$67,456	\$70,502	\$73,675
Regulatory Officer	Administration	7,245	9,326	59,746	\$10,184	\$10,643	\$11,121	\$11,622	\$12,145	\$12,691	\$13,263	\$13,859
Operations Supervisor	Administration		6	\$0	\$0	\$0	界	\$	S	\$0	\$0	\$
Systems Operator II	Administration	88	1,899	\$1,984	\$2,074	\$2,167	\$2,265	\$2,366	\$2,473	\$2,584	\$2,701	\$2,822
Sys Operator III	Administration	H	790	\$826	\$363	\$902	\$942	\$984	\$1,029	\$1,075	\$1,123	\$1,174
Secretary	Administration	20,528	19.656	\$20,541	\$21,465	\$22,431	\$23,440	\$24,495	\$25,597	\$26,749	\$27,953	\$29,211
Bookkeeper	Administration	21,428	25,113	\$26,243	\$27,424	\$28,658	\$29,948	\$31,295	\$32,704	\$34,175	\$35,713	\$37,320
PERS Employer Unfunded Liability	Administration	46,585		\$44,188	\$46,176	\$48,254	\$50,426	\$52,695	\$55,066	\$57,544	\$60,134	\$62,840
Workers Comp Insurance	Administration	3,759	3,924	\$4,101	\$4,285	\$4,478	\$4,679	\$4,890	\$5,110	\$5,340	\$5,580	55,831
HCA .	Administration	901/61	20,399	\$21,317	\$72,276	\$23,279	\$24,326	\$25,421	\$26,565	\$27,760	\$29,009	\$30,315
PERS Retirement	Administration	20,622	23,460	\$24,516	\$25,619	\$26,772	9 <i>16'17\$</i>	\$29,235	\$30,551	\$31,926	\$33,362	\$34,864
Health Insurance ACWA	Administration	37,295	33,612	\$35,125	\$36,705	538,357	\$40,083	\$41,887	\$43,772	\$45,741	\$47,800	\$49,951
ins	Administration	2,013	1,632	\$1,705	\$1,782	\$1,862	\$1,946	\$2,034	\$2,125	\$2,221	\$2,321	\$2,425
Dental Misjon Insurance.	Administration	3,523	3,108	\$3,248	\$3,394	\$3,547	\$3,706	\$3,873	\$4,047	\$4,230	\$4,420	\$4,619
Life Insurance	Administration	817	77	\$744	\$778	\$813	\$849	\$887	\$927	\$969	\$1,013	\$1,058
Retiree Health Benefits	Administration	10,391	12,396	\$12,954	\$13,537	\$14,146	\$14,782	\$15,448	\$16,143	\$16,869	\$17,628	\$18,422
Cell Phone Allowance	Administration	388	346	\$362	\$378	\$395	\$413	\$431	\$451	\$471	\$492	\$514
PEPRA Employer Contributions	Administration	8,330		\$10,337	\$10,802	\$11,288	\$11,796	\$12,327	\$12,882	\$13,462	\$14,067	\$14,700
PEPRA Employer Unfunded Liability	Administration	5,500 852.	0.4.40.74.4.4	55	0\$	\$0	<b>Q\$</b>	8	\$	Ĉ.	\$0	\$0
Alarm System Monitoring	Administration	740	386	\$351	\$367	\$383	\$401	\$419	\$438	\$457	\$478	\$499
Supplies	Administration	3,044	3,000	\$3,135	\$3,276	\$3,423	\$3,578	\$3,739	\$3,907	<b>1</b> 4,083	\$4,266	\$4,458
Postage	Administration	3,233	3,114	\$3,254	\$3,401	\$3,554	\$3,714	\$3,881	\$4,055	\$4,238	\$4,428	\$4,628
Printing	Administration	159	265	\$624	759\$	\$681	\$773	\$744	<i>1115</i>	\$812	\$28.	\$887
Employee Travel/Expenses	Administration	1,832	2,000	\$2,090	\$2,184	\$2,282	\$2,385	\$2,492	\$2,605	52,772	\$2,844	\$2,972
Employee Meeting/Conferences	Administration	578		\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Education	Administration	908	14	\$418	\$437	\$456	\$477	\$498	\$521	\$544	\$269	\$594
Certificate Renewal	Administration	390		\$408	\$426	\$445	\$465	\$486	\$508	\$531	\$555	\$580
Public Relations	Administration	\$ 515.	009	\$627	\$655	\$685	\$716	. \$748	\$781	\$817	\$853	\$892
District Uniforms	Administration	169		\$669	669\$	\$730	5763	\$798	\$833	\$871	\$910	\$951
Membership/Subscription	Administration	F 720	525	\$549	\$573	665\$	\$626	\$654	\$684	5714	\$747	\$780
Banking/Court Costs	Administration	1,146	1,800	\$1,881	\$1,966	\$2,054	\$2,147	\$2,243	52,344	\$2,450	\$2,560	\$2,675
Advertising & Website	Administration	182	2007	\$209	\$218	\$228	622\$	\$249	\$260	\$272	\$284	£67\$

Table 1 Rio Alto WD Sewer Rate Study Projected Operating Expenses

Expenses <sup>3</sup>		FY 22-23	FY Z3-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32.	FY 32-33
And described the control of the con	TO THE PERSON AND ADDRESS OF THE PERSON ADDRESS OF THE PERSON AND ADDRESS OF THE PERSON ADDRES	Actual	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
General Infigtion Earlor and Market Languages				THE STATE OF	18 18 18 18 18 18 18 18 18 18 18 18 18 1			100 E 100 E 100 E		10 St. 12 St.		<b>新疆村里</b>
insurance	Administration	16,789	19,140	\$20,001	\$20,901	\$21,842	\$22,825	\$23,852	\$24,925	\$26,047	\$27,219	\$28,444
Propane - Fat Cat	Administration			\$131	\$137	\$143	\$149	\$156	\$163	\$170	\$178	\$185
Equipment Lease	Administration	2,558	3,538	\$3,697	\$3,864	\$4,037	\$4,219	\$4,409	\$4,607	\$4,815	\$5,031	\$5,258
Misc. Office Equip. Expense	Administration	7761	.009	\$627	\$655	\$685	\$776	\$748	\$781	\$817	\$823	\$892
Office Equipment Maintenance	Administration		200	\$209	\$27.8	\$228	\$239	\$249	\$260	\$272	\$284	\$297
Office Building Maintenance	Administration	520	970	\$669	669\$	\$730	\$763	\$798	\$833	\$871	\$910	\$951
Safety Supplies	Administration	290	<b>200</b>	\$523	5546	\$571.	965\$	\$623	\$651	\$680	\$711	\$743
Contracted Services	Administration	2,275	2514	\$2,627	\$2,745	\$2,869	\$2,998	\$3,133	\$3,274	\$3,421	\$3,575	. \$3,736
Engineering	Administration		2,000	\$5,225	\$5,460	\$5,706	\$5,963	\$6,231	\$6,511	\$6,804	\$7,111	\$7,430
Lot Selling Expense	Administration		100	\$105	\$109	\$114	\$119	\$125	\$130	\$136	\$142	\$149
Office Utility	Administration	THE STATE OF THE S	( <b>9</b> )	\$63	\$66	\$68	225	\$75	\$78	\$82	\$85	68\$
Telephone	Administration	813	821	\$828	7685	\$937	\$979	\$1,023	\$1,069	\$1,117	\$1,168	\$1,220
Service Fee - State	Administration	36,201.	39,821	\$41,613	\$43,486	\$45,442	\$47,487	\$49,624	\$51,857	\$54,191	\$56,629	\$59,178
Service Fee - County	Administration	2,489	2,600	\$2,717	\$2,839	\$2,967	\$3,101	\$3,240	\$3,386	\$3,538	\$3,697	\$3,864
Service Fee - Federal SSA	Administration		100	\$105	\$109	\$114	\$119	\$125	\$130	\$136	\$142	\$149
Auditor	Administration	068,3	5,500	\$5,852	\$5,115	\$6,391	\$6,678	\$6,979	\$7,293	\$7,621	\$7,964	\$8,322
Legal Counsel	Administration	- B.Z.E 1.75B	1,600	\$1,672	\$1,747	\$1,826	\$1,908	\$1,994	\$2,084	\$2,177	\$2,275	\$2,378
Board Meeting Supplies	Administration	249	150	\$157	\$164	\$171	\$179	\$187	\$195	\$204	\$213	\$223
Director Fees	Administration	2,640	3,360	\$3,511	\$3,669	\$3,834	\$4,007	\$4,187	\$4,376	\$4,572	\$4,778	\$4,993
Directors Travel/Conferences	Administration	3,297	4,500	\$4,703	\$4,914	\$5,135	\$5,366	\$5,608	\$5,860	\$6,124	\$6,399	\$6,687
Sewer Rate Study	Administration		14,000					\$17,447				
Asset Evaluation Consultant	Administration		10,000	,				\$12,462				
Director Election (non-election yr.)	Administration	1,53	400		\$437		7,72%		\$521		\$569	
Director Election (election yr.)	Administration			\$1,672		\$1,826		\$1,994		\$2,177		\$2,378
Computer/Software Upgrades & Su	Administration	3,767	4,148	\$4,335	\$4,530	\$4,734	\$4.947	\$5,169	\$5,402	\$5,645	\$5,899	\$6,154
Computer Software Update	Administration		0	\$0	\$0	\$	\$0	\$0	St.	\$0	\$	\$0
Hability to Water Enterprise	Administration			\$23,592	\$23,592	\$23,592	\$23,592	\$23,592	\$23,592	\$23,592	\$23,592	\$23,592
OPEB Liability	Administration			\$10,000	\$10,450	\$10,920	\$11,412	\$11,925	\$12,462	\$13,023	\$13,609	\$14,221
Computer Upgrades	Administration			\$4,000	\$4,180	\$4,368	\$4,565	\$4,770	\$4,985	\$5,209	\$5,443	\$5,688
GASB OPEB Evaluations (total eval)	Administration		7,000		\$1,092		\$1,193		\$1,302		\$1,422	
GASB OPEB Evaluations (disclosure)	Administration			\$209		\$228		\$249		\$272		\$297
OPEB Contributions (CERBT Trust)	Administration	200		\$0	95	\$0	\$0	<b>₽</b>	\$	8	8	\$
Total Operating Expenses		\$651,041	\$684,265	\$730,737	\$764,647	\$798,451	\$777,321	\$841,645	\$846,683	\$884,266	\$922,423	\$963,470
0												

<sup>&</sup>lt;sup>1</sup> Based on District's FY 23-24 budget with minor modifications reflecting the updated capital spending projections

Table 2 Rio Alto WD Sewer Rate Study Projected Revenues

Revenue	Category	Escalation	FY	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FV 31-32	FY 32-33
STATE OF THE PROPERTY OF THE P	THE MALE STREET, ST. P. L. S.		Actual	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	. Projected	Projected
Ludonje Growth													
Cell Tower And Conference Confere		Second Second			60 L	300%		60 100 130		0	0.0		
Rate Revenue													And the second s
Rate Revenue Before increase		Growth	\$504,391	\$503,832	183,082\$	\$654,544	\$721,310	\$794,756	\$875,550	\$955,731	\$1,043,131	\$1,091,914	\$1,142,895
Revenue from Rate Increase <sup>1,2</sup>				\$37,787	\$72,426	\$65,183	\$71,702	\$78,872	\$78,083	\$85,110	\$46,385	\$48,473	\$50,654
Total Rate Revenue			\$504,391	\$541,619	\$653,107	127,2172	\$793,012	\$873,628	\$953,633	\$1,040,342	\$1,089,517	\$3,140,386	\$1,193,549
Other Revenue													
Avail Sewer Revenue	As All Other	None	\$49,672		\$47,712	\$47,712	\$47,712	\$47,712	\$47,712	\$47,712	\$47,712	\$47,712	\$47,712
Cell Tower Lease Revenue	As All Other	3	\$10,200	513,950	\$18,450	\$19,004	\$19,574	\$20,161	\$20,766	\$21,389	\$22,030	\$22,691	523,372
Sewer Interest Revenue	As All Other	Interest	57,249		\$2,720	\$3,149	\$3,270	53,634	\$4,562	\$4,693	\$4,690	25.20	\$4,676
Connections Sewer Revenue	Capital	None	\$18,152	٠,	59,076	\$9,075	\$9,076	59,076	59,076	\$9,076	920'6\$	\$9,076	59,076
Tax Revenue RAID	As All Other	None	\$87,106		\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Interest Revenue RAID	As All Other	None	\$1,932	زرید	55	₽.	\$	D.	8	R	\$0	ŝ	8
County Penalty/Interest	As All Other	None	\$476		\$700	3700	\$700	\$700	\$700	\$700	\$700	\$700	\$700
Administrative Revenue	Administration	None	\$14,382	1	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200
Capacity Expansion Interest RAID	As All Other	None	\$17	(v)	\$	\$0	Ş	S	\$0	S	\$	\$0	S
LAIF Capacity Expansion Interest	Other Revenues	None	\$2,839	9 4) 17	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Capacity Expansion Revenue RAID	As All Other	None	\$1,943	١,									
Total Other Revenue			\$193,968	\$169,276	\$168,858	\$169,841	\$170,532	\$171,483	\$173,116	5173,770	\$174,408	\$174,919	\$175,735
Total Revenue			\$698,359	\$710,895	\$821,965	5889,567	\$963,544	\$1,045,111	\$1,126,749	\$1,214,612	\$26,563,17\$	\$1,315,305	\$1,369,284

Additional revenue based on recommended increase Adjusted if rates adopted in the middle of fiscal year

Table 3 Rio Alto WD Sewer Rate Study Capital Improvement Costs

Project Description	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FV 30-31	FY 31-32	FY 32-33
Cip (Current Dollars)	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Onsite Hypo Generation at WMTP Replace Oxidation Ditch Aeration System Replace Muffin Monster w/ Multi-rake Bar Screen Lift Station 1 Lift Station 3 Lift Station 4 Lift Station 5 Lift Station 6 Lift Station 7	Screen			395,000	238,805 91,500 60,000 60,000			532,500	000'09 000'09 000'09		
Office AC Office Roof Annual Allowance for Wastewater Treatment Replacement Pipeline Replacement Vehicle Replacement	ent Replacement	5,200	45,060	15,000	15,000	40,000	50,000 80,000 15,000	59,000 80,000 15,000	50,000 80,800 15,600	50,003 80,000 15,000	58,080 80,080 15,080
Total CIP (Current Dollars)	æ	\$19,200	\$15,000	\$410,000	\$465,305	\$55,000	\$145,000	\$677,500	\$385,000	\$145,000	\$145,000
CIP (inflated Dollars)	A COLUMN	Under Kasson der	U.J	0.9	00	03	u.		V	ANGRICAN (C.)	152
Onsite Hyno Generation at WMTP	8, 5	, <del>S</del>	; S	\$ 58	\$272.516	\$ 0\$	3 5	2. 9	3 5	3.5	\$ F
Replace Oxidation Ditch Aeration Syster	. 55	\$	. S.	. ₽	\$3	0\$	. <i>S</i> .	\$693,454	. 8.	. S	; <b>S</b> .
Replace Muffin Monster w/ Multi-rake I	\$0	\$	0\$	\$431,350	S.	\$0	\$0	8	₽.	\$0	\$0
Lift Station 1	\$0	\$	ጽ	50	\$104,417	\$	\$0	8.	8	\$0\$	8
Lift Station 2	\$	\$0	\$	\$0	\$68,470	\$0	ος.	84	\$0	<b>%</b>	\$0
Lift Station 3	S. (	8 5	О, :	8 8	\$58,470	8.5	₽ {	8.4	es S	Ŗ {	8 1
Urt Station 4	7, 5	7 8	<b>3</b> 5	ŭ ₽	<del>3</del> 5	n 5	2.5	₹ \$	787,052 587,657	8 5	3. 5
Lift Starton 6	S. S.	;	05	2 0\$	8	\$ \$	8	3 8	581 652	S S	S. S.
Lift Station 7	\$	\$\$	R	\$0	8	\$	\$	\$	\$81,652	St.	\$
	0\$	So	8	\$0	Ş	\$0	æ	·8	95	8	- 83
Office AC	8	\$5,200	: D\$	\$0	\$0	\$0	20	85	8	8	\$
Office Roof	0.5	\$14,000	\$\$	\$	\$	Q\$	\$	S	8,	8	\$0
Annual Allowance for Wastewater Treat	\$	\$	\$\$	\$0	8.	\$	\$62,309	\$65,113	\$68,043	\$71,105	\$74,305
Pipeline Replacement	\$0\$	8	<b>3</b> 3,	\$0	8.	\$47,701	\$69'66\$	\$104,181	\$108,869	\$113,768	\$118,888
Vehide Replacement	8.	\$\$	\$15,675	\$16,380	\$17,117	\$17,888	\$18,693	\$19,534	\$20,413	\$21,332	\$22,291
Jan-00	\$0	я	\$0	\$0	3	95	\$	\$ <del>0</del>	\$\$	St.	\$0
Total CIP (Inflated Dollars)	\$6	\$19,260	\$15,675	\$447,730	\$530,990	\$65,589	\$180,696	\$882,281	\$523,932	\$206,205	\$215,484
Annual Inflation Rate			4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

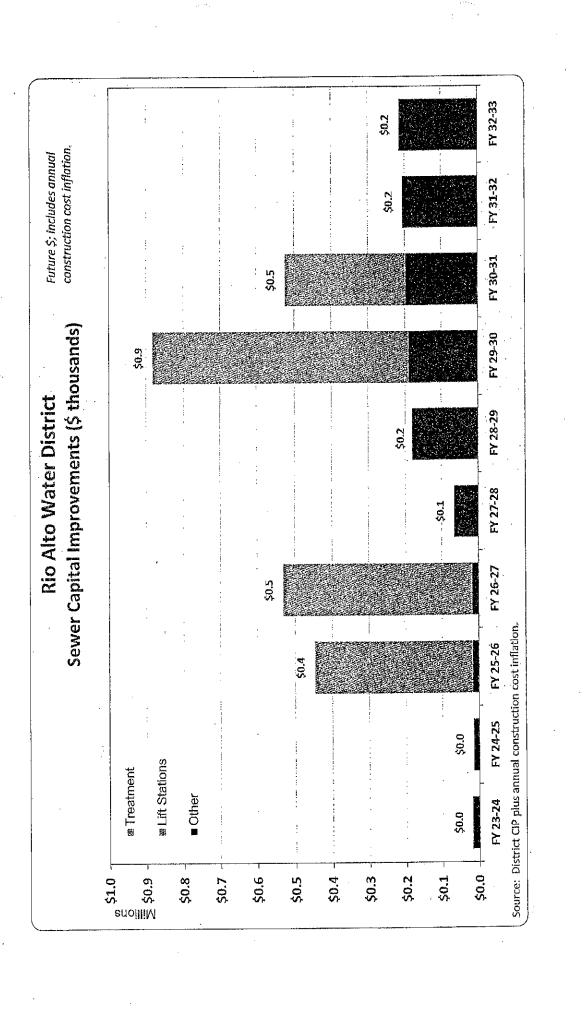


Table 4 Rio Alto WD Sewer Rate Study Debt

Dept	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28		FY 29-30	FY 30-31	FY 31-32	FY 32-33
CHARLES DE CALLACTURA DE LA CONTRACTOR D	Actual	Budgeted	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Existing Debt												
WWTP CEC Loan Payments	ST8,055	\$25.378	\$25,431	\$25,431	\$25,431	\$25,431	FE \$25,431	\$25,431	\$25,431	\$25,431	\$25,431	\$25,431
CEC Loan Payments	\$1,171	\$1,171 \$1,646	\$1,608	\$1,608	\$1,508	\$1,608	\$1,608	\$1,608	\$1,608		\$1,608	× \$1,608
CEC Interest Payments	\$4,773	\$4,773 \$4,597	\$4,338	\$4,338	\$4,338		\$4,338	\$4,338	\$4,338	yan.	54,338	\$4,338
Total Current Debt Service	\$23,999	\$31,621	\$31,377	\$31,377	\$31,377	\$31,377	\$31,377	\$31,377	\$31,377	\$31,377	\$31,377	\$31,377
Proposed Borrowing							-					
Net Proceeds Needed					\$300,000				\$950,000			
Repayment Term (yrs)					30				30			
Interest Rate					2.0%				5.0%			
Month of Issue					<b>-</b>				ęн			
Issuance Cost					\$50,000				\$50,000			
Total Debt Issue Size					\$950,000				\$1,000,000			
Prorated Debt Service Payment - Current Yr. Only	Current Yr. Only				\$31,000				\$32,500			
Annual Debt Service Payment (rounded)	unded)				\$62,000				\$65,000			
Total Proposed Annual Water Debt Sen	Ser \$0	05	\$	\$0	\$31,000	\$62,000	\$62,000	\$62,000	\$94,500	\$127,800	\$127,000	\$127,000

Table 5 Rio Alto WD Sewer Rate Study Cash Flow Projections

Sewer Fund	FY 22-23	FY 23-24	FY 24-25	FY 24-25 FY 25-26 FY 26-27 FY 27-28 FY 28-29	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
Rate Revenue Increase 15.0%		15.0%	12.5% 10.0%	70.07	10.0%	10.0%	%0.6	9.0%			4.5%
Beginning Reserves	\$280,267	\$295,964	\$272,016		\$327,019	\$363,450	\$466,235	\$469,304	\$469,014	\$454,015	\$467,566
Revenues					William Control						A STATE OF THE PARTY OF THE PAR
Rate Revenue	\$504,391	\$503,832	\$579,406	\$651,832	\$717,015	\$788,717	\$867,589	\$945,672	\$1,030,782	\$1,077,167	\$1,125,640
Rate Increase Revenue	0	75,575	72,426	65,183	71,702	78,872	78,083	85,110	46,385	48,473	50,654
Timing Adjustment*		-37,787				•					
. Other Revenue	193,968	169,276	168,858	169,841	170,532	171,483	173,116	173,770	174,408	174,919	175,735
Total Revenue	\$698,359	\$710,895	\$820,690	\$886,856	\$959,249	\$1,039,072	\$1,118,787	\$1,204,552	\$1,251,576	\$1,300,559	\$1,352,029
Expenses					CONTRACTOR OF THE PROPERTY OF						ALL CANADAS CANADAS AND
Operating Expenses	\$651,041	\$684,265	\$730,737	\$764,647	\$798,451	\$777,321	\$841,645	\$846,683	\$884,266	\$922,427	\$963,470
Existing Debt Service	31,621	31,377	31,377	31,377	31,377	31,377	31,377	31,377	31,377	31,377	31,377
New Debt Service	0	0	0	31,000	62,000	62,000	62,000	94,500	127,000	127,000	127,000
Rate Funded Capital	0\$	\$19,200	\$15,675	\$47,730	\$30,990	\$65,589	\$180,696	\$232,281	\$223,932	\$206,205	\$215,484
Total Expenses	\$682,662	\$734,842	\$77.77	\$874,754	\$922,818	\$936,287	\$1,115,718	\$1,204,841	\$1,266,575	\$1,287,009	\$1,337,331
Net Revenues	\$15,697 \$23,947	\$23,947	\$42,901	\$12,102	536,430	\$102,785	690'6\$	-\$290	\$14,999	\$13,550	\$14,698
Ending Reserves	\$295,964	\$272,016	\$314,918	\$327,019	\$363,450	\$466,235	\$469,304	\$469,014	\$454,015	\$467,566	\$482,264
Debt Coverage	1.50	0.85	2.87	1.96	1.72	2.80	2.97	2.84	2.32	2.39	2.45
*Reflects January rate implementation	mentation										
Capital Funding	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 36-31	FY 31-32	FY 32-33
Capital Revenues							,				•
Use of Debt Proceeds				\$400,000	\$500,000	•		\$650,000	\$300,000		
Rate Funded Capital	0\$	\$19,200	\$15,675	\$47,730	\$30,990	\$65,589	\$180,696	\$232,281	\$223,932	\$206,205	\$215,484
Total Capital Revenue	Ş	\$19,200	\$15,675	\$447,730	\$530,990	\$65,589	\$180,696	\$882,281	\$523,932	\$206,205	\$215,484
Total Capital Expenditu	\$0	\$19,200	\$15,675	\$447,730	\$530,990	\$65,589	\$180,696	\$882,281	\$523,932	\$206,205	\$215,484

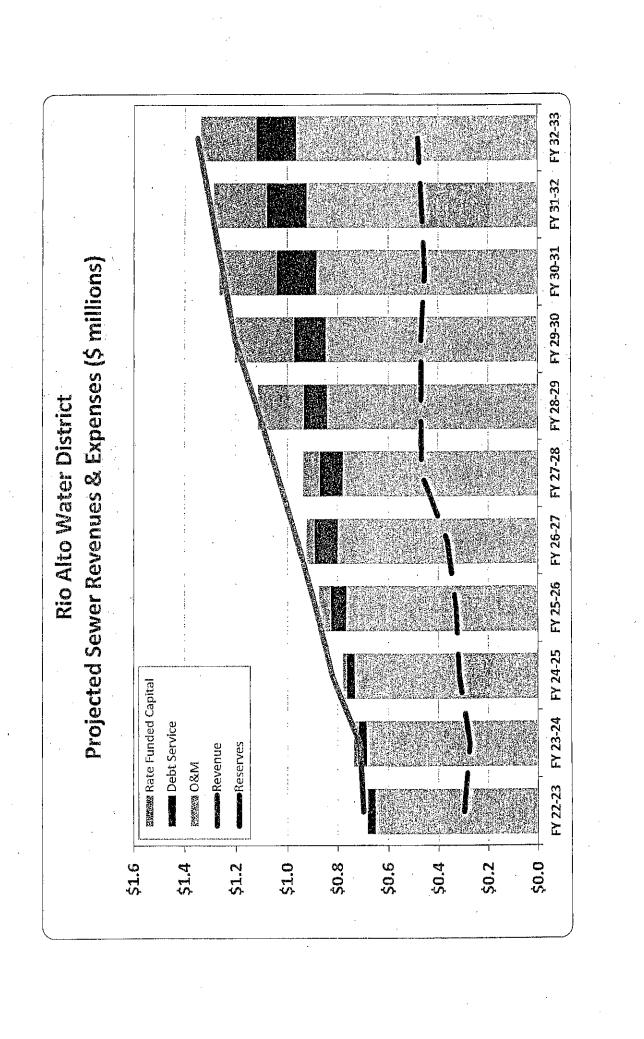


Table 6 Rio Alto WD Sewer Rate Study Meter Equivalent Units

Bill Code	1	Quantity	EDG	Total EDUS
Single Family Resid.	Customers 862	862	1.00	1.00 862.00
1/2 Single Fam Resid.	Customers	ᠳ	0.50	0.50
Triplex Sewer	Customers	Н	3.00	3.00
Duplex Sewer	Customers	12	2.00	24.00
Sewer Extension	Customers	15	1.00	15,00
Low Pressure	Customers	18	1.00	18.00
Low Pressure Duplex	Customers	7	2.00	4.00
Commercial	Customers	2	4.50	9.00
Commercial	CCF	3,782	n/a	
		ı		

Total

\* Customer data as of June 2023 provided by staff

935.5