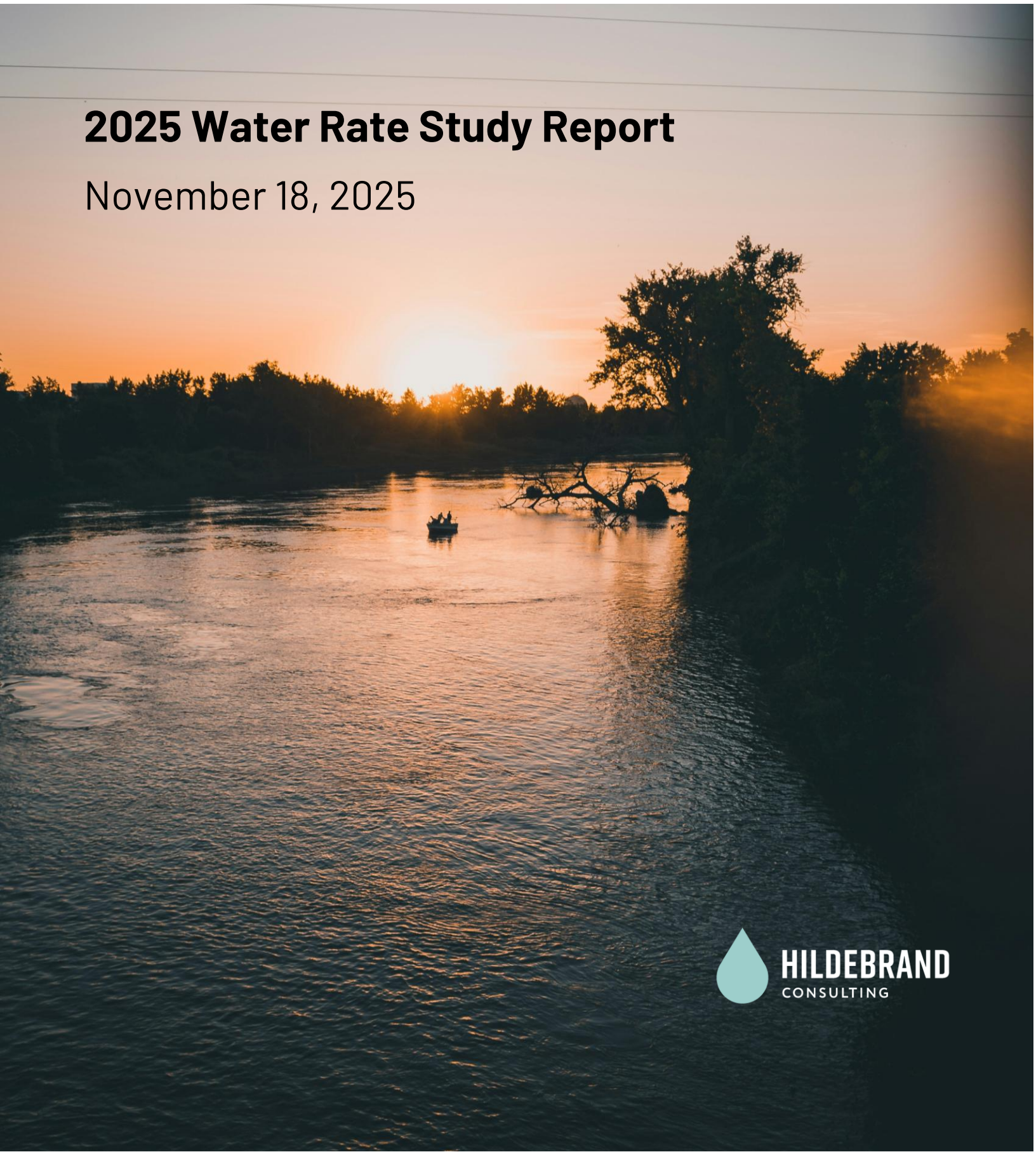
CARMICHAEL WATER DISTRICT

2025 Water Rate Study Report

November 18, 2025



HILDEBRAND CONSULTING

Cathy Lee, General Manager
Carmichael Water District
7837 Fair Oak Blvd.
Carmichael, CA 95608

Re: 2025 Water Rate Study

Dear Ms. Lee,

Hildebrand Consulting is pleased to present this 2025 Water Rate Study (Study) for the Carmichael Water District (District). The contents of this report are consistent with the rates that will be considered by the District Board during the November 17th Public Hearing.

We appreciate the assistance provided by you and all of the members of the District staff who participated in the Study, as well as the input and guidance provided by the Finance Committee.

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

mhildebrand@hildco.com
(510) 316-0621

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

Sincerely,

Mark Hildebrand
Hildebrand Consulting, LLC

Enclosure

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List of Acronyms

AB	Assembly Bill
AF	acre-feet (measure of water volume)
AWWA	American Water Works Association
CCF	hundreds of cubic feet (measure of water volume)
CIP	capital improvement program
COP	Certificate of Participation
COS	cost of service
CY	calendar year
DCR	debt service coverage ratio
FY	fiscal year (which ends on June 30 for the District)
GSWC	Golden State Water Company
O&M	operations and maintenance
OPEB	Other Post-Employment Benefits
pay-go	“pay as you go” (i.e. cash financing for capital projects)
SB	Senate Bill

Section 1. INTRODUCTION

Hildebrand Consulting, LLC has been retained by Carmichael Water District (District) to conduct a water rate study (2025 Rate Study) for the District's water system. This report describes in detail the assumptions, procedures, and results of the Study, including conclusions and recommendations.

1.1 UTILITY BACKGROUND

The Carmichael Water District (District) is located in unincorporated Sacramento County and serves primarily residential and commercial customers in the community of Carmichael. The District is located about ten miles east of downtown Sacramento along the north side of the American River and has a long history of providing water for irrigation, municipal, and commercial purposes. It was originally formed in 1916 to supply irrigation water for farming, but as the community of Carmichael became more urbanized, the District became predominantly an urban water supplier. The District covers an area of approximately eight square miles and serves approximately 11,256 residential and 507 non-residential connections.

The District's primary water supply comes from direct water diversions off of the American River. These water diversions are conveyed to the Bajamont Water Treatment Plant for treatment and delivery throughout the District's potable water system. The District also maintains groundwater wells as part of its supply reliability. Groundwater is used to manage surface supply shortfalls and handle system peaking needs.

In 2013 the District completed the metering of all water service connections. Residential metering has resulted in District-wide water conservation by providing customers with greater water-use awareness and tangible measurements showing results from individual demand management efforts. In June 2015 Kennedy/Jenks Consultants

completed a Water Master Plan for the District that informed the development of rate studies in 2016 (The Reed Group, Inc,) and 2020 (Hildebrand Consulting).

1.2 SCOPE & OBJECTIVES OF STUDY

The scope of this Study is to prepare a multi-year financial plan, review the water rate structure, and propose a 5-year water rate schedule.

The primary objectives of this Study are to:

i. Develop a multi-year business plan that integrates operational and capital project funding needs with a funding strategy.

ii. Identify future annual adjustments to water rates to help ensure adequate revenues to meet the District's ongoing financial obligations.

iii. Update the cost of providing water service using industry-accepted methodologies.

iv. Recommend specific updates to the District's existing rate structures in order to ensure that the District is equitably recovering the cost of service and comporting with industry standards[1] and California's legal requirements.

1.3 STUDY METHODOLOGY

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

The Study began with a review of the District's current financial dynamics and latest available data for the District's operations. A multi-year financial management plan was then developed to determine the level of annual rate revenue required to cover

[1] As promulgated the American Water Work Association (AWWA) M1 Manual: Principles of Water Rates, Fees and Charges: Manual of Water Supply Practices M1, (7th edition), which documents many of the standards used by professionals in the utility rate-setting industry.

projected annual operating expenses, debt service (including coverage targets), and capital cost requirements while maintaining adequate reserves. This portion of the Study was conducted using an MS Excel©-based financial planning model which was customized to reflect financial dynamics and latest available data for the District's operations in order to develop a long-term financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments.

Revenue requirements calculated for fiscal year ending June 2026 (FY 2025/26[2]) were then used to perform a detailed cost-of-service (COS) analysis. The COS analysis and rate structure design were conducted based upon principles outlined by the AWWA, legal requirements (namely California Constitution Article XIII D, also known as Proposition 218) and other generally accepted industry practices to develop rates that reflect the cost of providing service.

The rate setting process was primarily guided based on the principles of the California Constitution and relevant case law that water rates not exceed the cost of providing service, and that rates reflect a proportionate share of costs attributable to each parcel.

In addition to legal requirements, additional objectives included:

- **Financial sufficiency and sustainability** - Water rates should generate sufficient revenues to meet the District's service and financial obligations including covering operating and maintenance costs, meeting debt service obligations, and rehabilitating and upgrading the water system to provide high quality reliable water to customers.
- **Fiduciary Responsibility** – The District seeks to minimize rate increases and avoid debt when possible.

[2] Fiscal years are sometimes indicated by their ending years. For example, FY 2025/26, starts on July 1, 2025 and ends on June 30, 2026, can also be expressed as FY 2026.

- **Rate Structure** - Water rates should strike an appropriate balance between fixed and usage-based charges, with consideration of:
    - Revenue stability
    - Conservation incentive
    - Affordability for basic usage
    - Customer bill impacts of rate structure changes

Section 2. BUSINESS PLAN

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

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

The analysis finds that the District is prepared for a historically large volume of capital spending over the next ten years, including a $30 million rehabilitation of the laterals for the Ranney Collectors and a $8 million filter skid replacement. The District will be able to deliver an average of $13.1 million in annual capital spending over the next ten years with only modest rate increases due to its strong reserve policies (see Section 2.4.5). The schedules attached to this report include detailed data supporting the Business Plan discussed herein.

The Business Plan reflects assumptions and estimates believed reasonable at the present time. However, conditions change. It is recommended that the District review its financial condition and reaffirm annual rate adjustments as part of the annual budget process, as well as perform a more comprehensive business plan and water rate update every 3 to 5 years, as conditions dictate.

2.1 BEGINNING FUND BALANCES

The ending cash balance for FY 2024/25 was used to establish the FY 2025/26 beginning balance, as outlined in **Table 1**. The amount of cash that the District keeps in reserves is a product of its reserve policies (see Section 2.4.5) and the large current balance will allow the District to meet its (large) capital spending needs over the next 10 years without issuing debt.

Table 1: District FY 2025/26 Beginning Cash Balance

Operating cash	$7,442,000
Operating reserve fund	$5,982,000
Rate stabilization fund	$500,000
Capital replacement reserve	$9,797,000
Capital assets	$8,309,000
Filter skid reserve	$1,974,000
Membrane replacement fund	$84,000
Facility fees	$238,000
Total Reserves:	**$34,326,000**

The target reserve levels for the District's funds are detailed in Section 2.4.5.

2.2 CUSTOMER GROWTH

In recent times the District has collected approximately $51 thousand per year in Capital Facilities Fee revenue from new customers connecting to the system, which equates to a growth rate of approximately 0.03 percent per year. This rate of growth is consistent with a utility that is largely "built out". This Study assumes that this trend will continue for the duration of the next 10 years.

2.3 RATE REVENUE

Rate revenue is the revenue generated from customers for water service. The District collects monthly rate revenue from water customers based on a fixed "Service Charge" assessed based on meter sizes and a water "Usage Rate" applied to each CCF of water

use. The Business Plan starts with FY 2025/26 budgeted rate revenues. Estimated future water demand and rate revenues include the small amount of customer growth (see Section 2.2) as well as the annual rate revenue adjustments proposed by this Study. Other than demand increases associated with customer growth, water demand is anticipated to remain constant. Budgeted and projected rate revenues (including proposed rate adjustments) are listed in **Schedule 3**.

2.4 NON-RATE REVENUES

In addition to rate revenue, the District receives additional "non-rate revenue" from sources such as miscellaneous service fees, wheeling charges[3], Capital Facilities Fee[4] revenue, interest revenue on investments and occasionally regional water transfers. Projections of all non-rate revenues were based on FY 2025/26 budgeted revenues with the exception of interest income which was calculated annually based upon projected fund balances and assumed interest rate of 2.33 percent, which is consistent with the District's recent historical effective interest earnings (interest earnings relative to total reserve levels). Budgeted non-rate revenues are depicted in Figure 1 below and listed in detail in **Schedule 3**.

[3] The District wheels (treats and delivers) water to Golden State Water Company (GSWC). The terms of this arrangement include an "O&M charge" based on actual water deliveries and a "capital replacement charge" based on 20.5 percent cost sharing of all applicable District's capital spending on the water treatment plant and membranes.

[4] The District's "Capital Facilities Fees" are known as "Capacity Charges" per Government Code Section 66013.

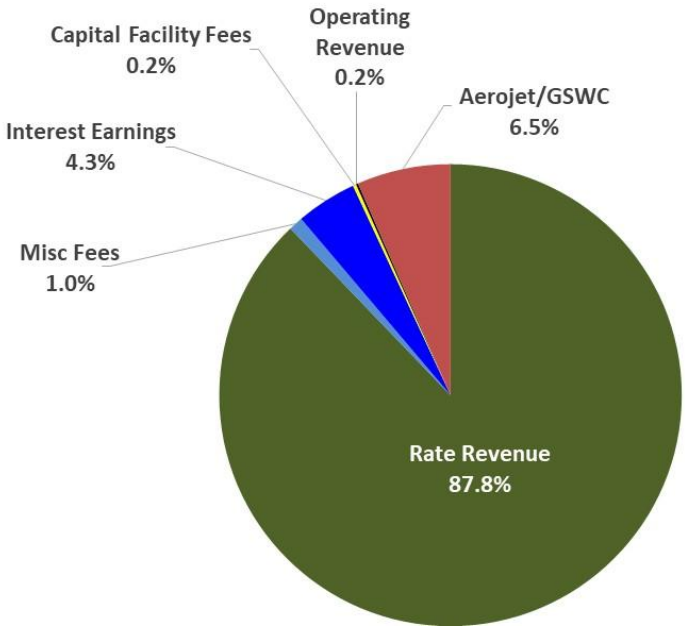


Figure 1: Budgeted Revenue Categories (FY 2025/26)

2.4.1 Operating and Debt Expenses

The District's expenses include operating and maintenance expenses, debt service, and capital spending. Capital spending is addressed separately in Section 2.4.4.

Future operating and maintenance expenses were projected based upon the budgeted expenditures from FY 2025/26 and adjusted for inflation (see Section 2.4.2).

Major budgeted expense categories for FY 2025/26 are depicted in **Figure 2**. Budgeted and projected operating and maintenance costs as well as debt service expenses are listed in detail in **Schedule 1**.

The District has a policy which mandates annual "discretionary" funding of the District's CalPERS liability. Currently the Board is approving an annual $300 thousand beyond the mandated payment. Similarly, the District plans to remit $200 thousand in discretionary funding for its retiree medical liability.

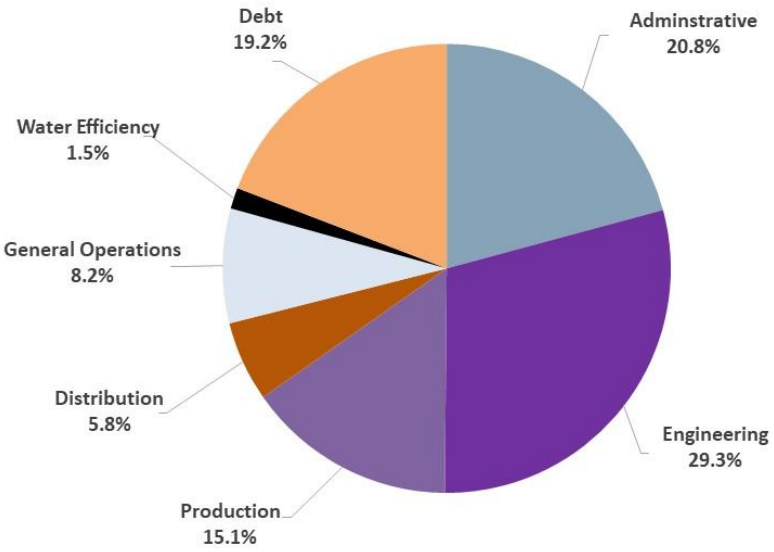


Figure 2: Operating and Debt Expense Categories (FY 2025/26)

In December 2019, the District issued two Certificates of Participations (COP) with a par amount of $32.285 million. The Series B COP refunded 2010 COPs and the Series A COP provided $20.0 million for the 3 million-gallon La Vista Tank water storage facility and related water system improvements[5]. Annual debt service on the 2019 COPs is about $2.5 million through FY 2034/35.

2.4.2 Debt Service Coverage

The District's 2019 COPs require the District to maintain a debt service coverage ratio (DCR) of at least 1.2. Based on recently published guidance from Fitch Ratings[6], utility systems with *midrange* financial profiles should maintain a DCR greater than 1.5 times

[5] Official Statement for Carmichael Water District $16,510,000 2019 Water Revenue Certificates of Participation, Series A and $15,775,000 Water Revenue Refunding Certificates of Participation, Series B, dated December 12, 2019.

[6] As published on July 31, 2013.

annual debt service. This Business Plan demonstrates that a DCR of at least 4.8 will be maintained throughout the planning period.

2.4.3 Cost Escalation

Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with District staff. The following assumptions were used for the projection period:

- Salaries and benefits will increase by 5 percent every three years and by 3 percent during the other years
- Insurance will increase by 5 percent for the next two years, and then 4 percent thereafter
- Utilities and chemicals will increase by 4 percent every year
- All other costs will increase by 3 percent per year

2.4.4 Capital Improvement Program

Figure 3 shows that from FY 2020/21 to FY 2024/25 the District averaged $4.0 million in cash financed ("pay-go") capital spending. Over the next ten years, the District is planning to increase its annual pay-go spending to an average of $13.2 million. This increase in spending is due to both (1) the District's long-term strategy of proactively address water system rehabilitation needs associated with aging pipes, pump stations, water tanks, and other system deficiencies, and (2) two unusually large capital projects: a $30 million rehabilitation of the laterals for the Ranney Collectors (of which 20.5 percent will be paid for by Golden State Water Company (GSWC)) and a $8 million filter skid replacement. This financial plan assumes grant-funding for 93 percent of the La Sierra Well- ASR Well #1, Ladera Well Replacement- ASR Well #2 and Winding Way Well Replacement- ASR Well #3 costs.

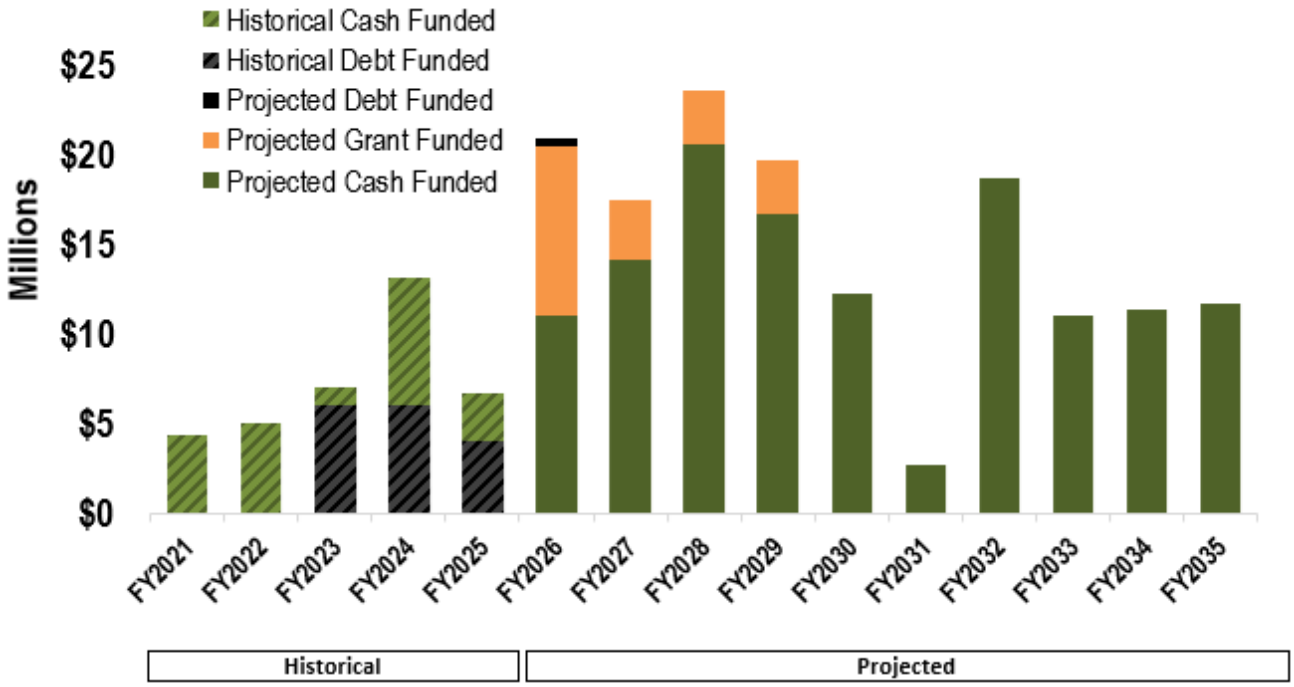


Figure 3: Historic and projected capital spending

This level of capital spending is consistent with the District's 2015 Master Plan. Due to the financial strategy put into place as part of the 2020 Business Plan this historical level of capital spending can be delivered without issuing debt. The District has built up robust cash reserves which will get "drawn down" over the course of the next ten years.

A detailed list of capital projects and associated costs is provided in **Schedule 2**.

2.4.5 Cash Reserve Policies

Cash reserve policies are cash balances targets that are retained for specific cash flow needs. The target for reserves is an important component when developing a multi-year Business Plan and maintaining prudent reserves is an essential component of any sound financial management strategy. Utilities rely on reserves for financial stability; credit rating agencies evaluate utilities in part on their adherence to formally adopted

reserve targets; and lending agencies require utilities to maintain specific debt reserves for outstanding loans. The target levels of the policies below are consistent with: 1) the District's established policies and practices; 2) the findings of reserve studies conducted by the AWWA; 3) a healthy level of reserves for a utility per the evaluation criteria published by rating agencies (e.g. Fitch, Moody's, and Standard & Poor's); and, 4) Hildebrand Consulting and The Reed Group's industry experience for similar systems.

The following recommended reserve policies are based on Board-approved policies that were recommended in the 2015 rate study with some minor modifications. The policy recommendations are intended to help the District mitigate and manage financial risk while meeting service and financial obligations.

Minimum Reserves – These reserves are designed to be maintained at all times during the planning period and only drawn down due to an unforeseen event.

Operating Reserve – The target fiscal year-end Operating Reserve is 50 percent of annual operating and maintenance expenses, including debt service costs. The recommended level for this reserve was developed based on an analysis of monthly cash flow needs. At current operating and debt costs, this reserve target is about $6.5 million.

Rate Stabilization Reserve Fund – The Rate Stabilization Reserve Fund should be maintained at its current level ($500 thousand) and used only if needed to meet debt service coverage requirements, consistent with bond contract documents. The Rate Stabilization Reserve Fund should be used with Board approval, when necessary to meet debt service coverage requirements.

Target Reserves – Target reserves, as opposed to Minimum Reserves, are designed to be drawn down or built up, as appropriate, over the course of the planning period. In other words, these reserves function as a means to cushion the inherent volatility of the District's capital spending. The target values serve primarily as a benchmark or guide for financial and capital spending planning.

Capital Replacement Fund – This fund supports District's ability to support "Pay As You Go" (cash) funding of the capital program, which requires a "cushion" of cash reserves

due to the volatile nature of capital spending. The fund also serves as safety net in the event of the catastrophic failure of a major system asset (such as a pump station or a major water main). Consistent with previous recommendations, this Study proposes to target the 10-year average of annual capital budget spending (currently about $9 million when grant-funded projects are removed).

Major Asset Replacement Set-Asides – The District Board has established policies to set-aside reserves in anticipation of the replacement costs of three major assets, including the filter skid ($650 thousand per year), the Ranney Collector laterals ($500 thousand per year), and membranes at the treatment plant ($200 thousand per year).

2.4.6 Proposed Rate Revenue Increases

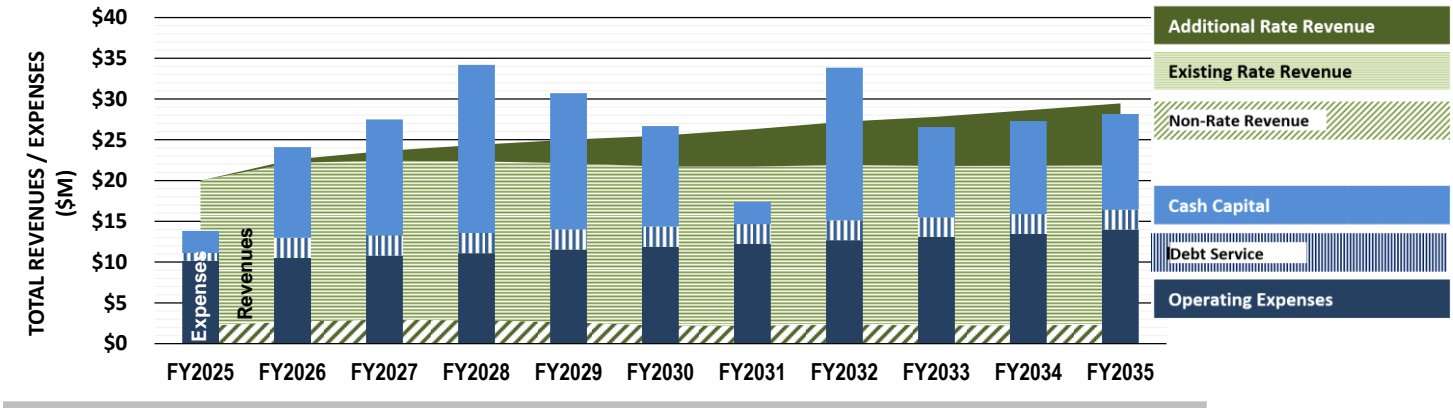
All of the above information was entered into a financial planning model to produce a 10-year projection of the sufficiency of current rate revenues to meet projected financial requirements and determine the level of rate revenue increases necessary in each year of the projection period.

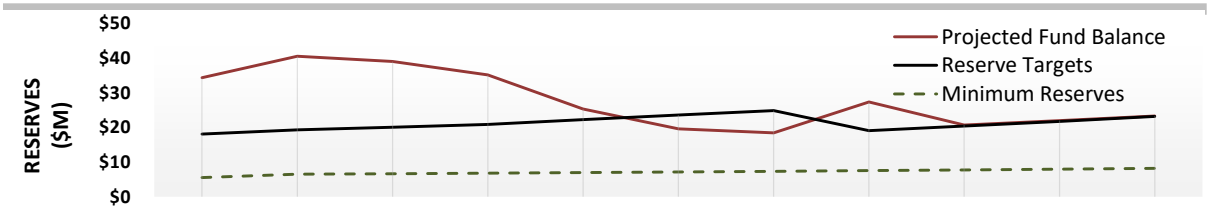
Based upon the previously discussed financial data, assumptions, and reserve policies, this Study proposes a 5-year schedule of annual rate adjustments as detailed in **Table 2**.

Table 2: Recommended Water Rate Revenue Increase

Rate Adjustment Date	Rate Revenue Increase
January 1, 2026	4.0%
January 1, 2027	4.0%
January 1, 2028	4.0%
January 1, 2029	4.0%
January 1, 2030	4.0%

The numbers provided in **Schedule 3** (cash flow proforma) are summarized graphically in **Figure 4**, which shows that the Minimum Reserves are maintained over the course of the planning period and the DCR remains above 4.8 at all times.





	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
		Proposed					Forecasted				
Rate Revenue Increase:		4.0%	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debt Coverage Ratio:		4.85	5.16	5.34	5.42	5.49	5.81	6.00	6.10	6.25	6.38

Figure 4: Financial Projection with Recommended Rate Increases

It is important to point out, despite the fact that the District is planning to deliver a historical level of capital projects over the next ten years, the proposed rate increases are *below* forecasted inflation rates. These modest rate increases are indicative of the District's financial health, which can be attributed to the District's strong reserve policies and the foresight of the 2020 Business Plan, which adopted rates that anticipated the current increase in capital spending.

Should the Board elect to adopt 3.5 percent increases per year instead of the propose 4 percent increases, the capital spending program would need to be reduced by $500 thousand per year.

Section 3. COST OF SERVICE & RATE STRUCTURE

The Cost-of-Service (COS) analysis evaluates the cost of providing water and allocates those costs to rate structure components to ensure the proposed rates are aligned with the costs to provide service. The COS analysis is performed in order to comply with Proposition 218, which requires water rates to be equitably apportioned and proportional to the cost of providing water service.

Upon completion of the COS analysis, a rate structure analysis was performed to evaluate rate structure modifications and calculate specific rate schedules for implementation in CY 2026. The complete schedule of proposed rates for CY 2026 through CY 2030 is detailed in **Schedule 4**.

The rate structure proposed by this Study is designed to:

- Fairly and equitably recover costs through rates
- Conform to accepted industry practice and legal requirements
- Provide fiscal stability and recovery of system fixed costs
- Meet other rate setting objectives, as described in Section 1.4

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

3.1 CURRENT RATES

The structure for the District's current water rates follows a common industry practice with a two-part structure that is comprised of a fixed Service Charge and a consumption-based Usage Charge. The Service Charge is scaled based on the individual account's meter size and currently recovers approximately 56 percent of rate revenue. The current Service Charge schedule is summarized in **Table 3**.

Table 3: Current Service Charge

Meters Size	Monthly Service Charge
3/4" meter	$42.03
1" meter	$65.83
1 1/2" meter	$125.33
2" meter	$196.73
3" meter	$363.33
4" meter	$601.33
6" meter	$1,196.32
8" meter	$1,910.32

The Usage Charge is assessed based on actual water usage (measured in hundreds of cubic feet or "CCF", which is equal to 748 gallons). The Usage Charge is a flat (or "uniform") rate of $2.47 per CCF.

The District also charges a monthly fee for private fire services at the rate of $32.91 per inch of service line diameter.

3.2 CUSTOMER STATISTICS

Water rate calculations are based on a number of factors related to the District's customer base. Factors include the number of customers, customer classes, meter size, and actual water usage. The District provides water service through 11,763 water service connections (customer accounts). Single family customers comprise about 84 percent of the customer accounts and about 65 percent of annual water usage. Multi-family customer accounts make up about 12 percent of the customer accounts and 17 percent of annual water usage. Non-residential customer accounts make up about 4 percent of the customers and 18 percent of annual water usage.

While there are extremes on both the low and high ends, average monthly single-family water usage is about 18.4 CCF (about 455 gallons per day). Water usage for condominium units and multi-family dwellings is lower than for single family residences for a variety of reasons including fewer people per household and limited landscape irrigation (or irrigation that is separately metered). Non-residential water

usage can vary dramatically, and non-residential customers are served by meters of varying sizes to accommodate the differences in water demands.

Service connections with different meter sizes can place different demands on the water system. For example, much more water can be delivered proportionally through a 4" water meter than through a 1" meter. The current rate structure is based on hydraulic capacity factors which relate the potential demands on the water system from customers with different sized water meters. These factors are used to determine the number of equivalent meters represented by the total customer base with variable meter sizes. **Table 4** presents the rated flow capacity of various meter sizes and how these are used to develop hydraulic capacity factors. For purposes of rate analysis, a 1" meter is assigned a hydraulic capacity factor of 1.0. The ratios of rated flow capacities of the various meter sizes compared to the capacity of a 1" meter are used to determine the capacity factors for other meter sizes. This capacity relationship across meter sizes is used to allocate capacity-related fixed costs to various customers. This is also a common rate-setting practice used in the water industry.

Table 4: Rated Flow Capacity by Meter Size

Meter Size	Rated Flow Capacity (gpm) [1]	Hydraulic Capacity Factor
3/4"	30	0.60
1"	50	1.00
1 1/2"	100	2.00
2"	160	3.20
3"	300	6.00
4"	500	10.00
6"	1000	20.00
8"	1600	32.00

Notes:

[1] AWWA M1 Manual, 7th Edition, Table B-2

Table 5 summarizes customer account and water usage data used in water rate calculations for CY 2026. Account information is based on the utility billing data from FY 2023/24.

Table 5: Summary of Water Service Connections and Water Usage

Customer Class	Number of Connections by Meter Size [1] 3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	Total Accounts	Total Equivalent Meters	Annual Water Use (CCF) [2]
Account Type											
Single Family	207	9,477	123	28		1			9,836	9,947	2,169,000
Multi-Family and Condos [3]	210	907	109	119	6	53	13	3	1,420	2,554	577,900
Non-Residential [4]	10	282	82	93	8	21	9	1	507	1,376	614,700
Total Accounts	**427**	**10,666**	**314**	**240**	**14**	**75**	**22**	**4**	**11,763**	**13,876**	**3,361,600**
Hydraulic Capacity Factor	0.6	1.0	2.0	3.2	6.0	10.0	20.0	32.0			
No. of 1" Equivalent Meters	256	10,666	628	768	84	750	440	128	**13,876**		

Notes:
[1] Based on customer account data during June of 2024
[2] Based on FY 2023/24 usage data adjusted to reflect estimated usage in FY 2025/26, for rate calculation purposes.
[3] The 3/4" meter count includes 175 living units from four complexes have consolidated billing arrangements due to meters serving mul dwellings. Multi-Family and Condominium dwelling units are charged the same as 3/4" meters.
[4] Non-residential includes commercial, schools, parks, and dedicated irrigation services.

3.3 WATER RATE CALCULATIONS

There were two primary steps in calculating the proposed water rates. These are:

- Determine annual water rate revenue requirements
- Analyze the cost of providing service and proportionately allocate costs to be recovered from customers either through the Service Charge or the Usage Charge.

3.3.1 Water Rate Revenue Requirements

The ten-year Business Plan was used to identify the water rate revenue required to meet financial obligations for each fiscal year of the planning period. The water rate calculations presented herein are based on the revenue to be generated in CY 2026[7], and reflects the proposed 3.5 percent overall rate increase to be incorporated in the

[7] The proposed rate increases will occur on January 1, which is the mid-point of the fiscal year.

District's Business Plan. The annual water rate revenue requirement with this rate adjustment is $20,169,000.

3.3.2 Cost-of-Service Analysis

Once the annual water rate revenue requirement was determined using the financial planning model, the next step in the rate-setting process was to allocate costs to be recovered through the various rate elements. Water rate calculations contained herein are intended to generate water rate revenue equal to the revenue requirement from the District's water service customers. The manner in which each customer is responsible for the water utility's costs is the determining factor in the cost-of-service analysis.

The cost allocation approach presented by this Study is consistent with the methodology that was used in the 2020 rate study. Used herein the methodology is commensurate with the available data and the requirement to fairly and reasonably reflect the cost difference to provide services to different types of customers.

The cost allocation methodology begins by assigning all costs to one of three categories. The cost allocation process is performed with data available in the District's detailed budget and other documents. The three categories include:

- Customer costs, such as meter reading and billing, are fixed costs that tend to vary as a function of the number of customers being served. Customer costs are allocated to customers based on the number of accounts. That is, every customer will pay an equal share of customer-related costs.
- Capacity costs are also fixed costs; however, these tend to vary in relation to the capacity of the water system and the ability to serve the demands of active customers. Customers that place greater or lesser burdens on the capacity of the water system should bear greater or lesser shares of these costs. The sizing of the water system is based on the potential demand that each customer could place on the water system. Capacity costs are allocated to customers based on the hydraulic capacity of the water meter. The hydraulic capacity reflects the potential demand that a customer could place on the water system at any given time and is a general indicator of each customer's capacity requirement. A

customer with a large meter size will be assigned a large share of fixed capacity-related costs than one with a smaller meter. Capacity costs include costs associated with the water system's capacity including contributions to the capital program, debt service, maintenance, and certain fixed operating costs.

- Commodity costs include variable costs that vary entirely or substantially in response to the amount of actual water use or are reasonable allocated on the basis of water use. Water treatment costs and energy costs are two typical examples. Even though some commodity costs are fixed, rather than variable, it is reasonable to allocate a portion of fixed costs to customers on the basis of usage, rather than the capacity relationship expressed by meter size and hydraulic capacity in order to further certain rate setting objectives (e.g., water conservation).

Table 6 summarizes how the FY 2025/26 revenue requirement of $20,267,000 is comprised of various functional categories of operating and maintenance costs, debt service obligations, and capital program transfers with offsetting revenues and the application of available reserves. It also illustrates how the functional cost categories that make up the revenue requirement are each assigned to one or more of the three cost components, previously described.

The costs within each of the functional categories were derived from the line-item detailed budget for FY 2025/26, as prepared by staff and approved by the Board. Once functional cost categories are allocated to the components the total for each component is divided by the number of units to arrive at a total unit costs for each component. The units of demand include the number of customer accounts (service connections), number of 1" equivalent meters, and annual water sales for the customer, capacity, and commodity components, respectively.

The allocations result in 1.5 percent of costs assigned to the customer component, 51.7 percent to the capacity component, and 46.8 percent to the commodity component. These percentages are a slight shift towards more variable costs compared to the 2020 water rate study. Changes to the results are a natural by-product of changes to the District's cost profile.

Table 6: FY 2025/26 Units Cost of Service

		Cost Recovery Vehicle		
	Total Water Rate Revenue Requirement	**Customer Costs**	**Capacity Costs**	**Commodity Costs**
Units of Service -->		**11,763** Accounts	**13,876** 1" Equivalent Meters	**3,361,600** CCF
Administrative Services				
Total	**$2,055,500**	$0	$1,027,750	$1,027,750
Unit Cost		$0.00	$74.07	$0.31
Board Expenses				
Total	**$111,300**	$111,300	$0	$0
Unit Cost		$9.46	$0.00	$0.00
Water Efficiency				
Total	**$197,300**	$197,300	$0	$0
Unit Cost		$16.77	$0.00	$0.00
Billing/Customer Service				
Total	**$537,700**	$0	$0	$537,700
Unit Cost		$0.00	$0.00	$0.16
Production				
Total	**$2,193,300**	$0	$2,193,300	$0
Unit Cost		$0.00	$158.06	$0.00
Power/Chemicals				
Total	**$1,616,900**	$0	$0	$1,616,900
Unit Cost		$0.00	$0.00	$0.48
Distribution				
Total	**$1,966,800**	$0	$1,966,800	$0
Unit Cost		$0.00	$141.74	$0.00
General Operations				
Total	**$1,070,700**	$0	$1,070,700	$0
Unit Cost		$0.00	$77.16	$0.00
Engineering				
Total	**$751,900**	$0	$375,950	$375,950
Unit Cost		$0.00	$27.09	$0.11
Debt Service				
Total	**$2,492,000**	$0	$2,492,000	$0
Unit Cost		$0.00	$179.59	$0.00
Capital Program Transfer				
Total	**$11,831,600**	$0	$5,915,800	$5,915,800
Unit Cost		$0.00	$426.33	$1.76
Change in Fund Balance				
Total	**-$1,859,000**	$0.00	-$1,859,000.00	$0.00
Unit Cost		$0.00	-$133.97	$0.00
GSWC Revenue				
Total	**-$1,452,000**	$0	-$1,452,000	$0
Unit Cost		$0.00	-$104.64	$0.00
Other Revenue				
Total	**-$1,247,000**	$0	-$1,247,000	$0
Unit Cost		$0.00	-$89.87	$0.00
Total and Unit Costs of Service	**$20,267,000**	**$26.23** per Account	**$755.56** per Eq. Mtr.	**$2.82** per CCF

3.3.2.1 SERVICE CHARGES

Service charges are intended to recover the customer and capacity costs identified through the cost of service analysis. Service Charges apply to all customer water bills, regardless of the amount of water actually used. Customers that use no water during a month should still be required to pay the service charge, as service is immediately available to them. In calculating service charges customer costs are allocated equally to all customers and capacity costs are allocated based on meter size in relation to the hydraulic capacity associated with the various meter sizes.

The proposed monthly Service Charge in CY 2026 for a 1" meter (for all customer types) is $64.26, as shown in **Table 7**. This value was calculated by adding the Customer Cost of $26.23 and Capacity Cost of $755.56 (both at the bottom of **Table 6**) and spread over 12 billing cycles.

For larger meters, the Capacity Cost portion of the Service Charge increases in proportion to the meter equivalency, while the Customer Cost remains the same for all meter sizes. The variation of service charges through meter sizes reflects the fact that a small portion of water system costs are directly related to the number of customers served. A majority of fixed costs are allocated on a capacity basis as reflected by the meter size. The changes to the Service Charges across the range of meter sizes more objectively reflect a consistent proportioning of the cost of providing service to customers of varying meter sizes.

Table 7: Proposed Monthly Service Charges

Meter Size	Customer Cost	Hydraulic Capacity Factor	Capacity Cost	Monthly Service Charge
3/4" meter	$2.19	0.6	$37.24	$39.43
1" meter	$2.19	1.0	$62.07	$64.26
1 1/2" meter	$2.19	2.0	$124.15	$126.34
2" meter	$2.19	3.2	$198.64	$200.83
3" meter	$2.19	6.0	$372.44	$374.63
4" meter	$2.19	10.0	$620.74	$622.93
6" meter	$2.19	20.0	$1,241.48	$1,243.67
8" meter	$2.19	32.0	$1,986.37	$1,988.56

3.3.2.2 WATER USAGE RATES

Current water rates include a uniform usage rate for all customer classes of $2.47 per CCF. Under the proposed water rates for CY 2026, the uniform water rate would be $2.82 per CCF (see the bottom of Table 6) for all customer types.

3.3.2.3 FIRE SERVICE CHARGES

The District has established distinct fire service charges for separate private service connections that provide fire suppression capabilities to structures and property (e.g., serving automatic internal sprinkler systems)[8]. In effect, these connections extend the public fire suppression capabilities of the water distribution systems (i.e., provided through public fire hydrants) to private property. Fire flow capacity is built into the water distribution system (in pipelines, distribution storage, and pumping capabilities) as an essential public health and safety benefit to the entire community. The costs of maintaining this fire flow capacity are inextricably embedded in the costs of maintaining the water system and incorporated in the capacity cost component of water rates generally.

Fire service connections are a unique connection to the water system, and customers having these connections should bear a proportionate share of the cost of associated with serving and maintaining these connections. However, because system-wide fire flow capacity is provided as a community benefit and associated costs of this capacity are inextricably embedded in the general water rates, costs to be recovered through the fire service charges are appropriately limited to the costs associated with maintaining the connection, monitoring usage, and servicing the account. These services normally do not place demand on the water system, except in the event of a fire.

[8] Customers who have private fire service connections also have general water service connections for ongoing water use.

Current fire service charges were previously developed by the District to reflect the estimated costs associated with maintaining the connections and servicing the accounts. It is recommended that the District adjust the monthly fire service charges by the same amount as water rates (4.0 percent) in each year of the planning period so that these fees keep pace with changes in the overall cost of providing service. The current charge of $32.91 would be increased to $34.22 on January 1, 2026.

3.3.3 Bill Impacts of Proposed Water Rates

Table 8 summarizes how the proposed water rates for CY 2026, with the proposed rate structure changes, would affect a sampling of customers. In some cases, water bills will increase by more than the average 4.0 percent due to the structural changes, and in other cases the bills will increase by less than the average 4.0 percent.

Table 8: Bill Impacts for a Sampling of Customers

	Meter Size	Water Use (CCF)	Current Bill	Proposed Bill*	Change $	Change %
Single Family						
Low Use	1"	8	$85.59	$86.12	$0.53	0.6%
Median Use	1"	11	$93.00	$94.97	$1.97	2.1%
High Use	1"	42	$169.57	$186.42	$16.85	9.9%
Very High Use	1"	75	$251.08	$283.77	$32.69	13.0%
Condominium Unit	1"	8	$61.79	$61.99	$0.21	0.3%
Duplex	1"	17	$126.04	$126.93	$0.89	0.7%
Fourplex	1"	30	$242.20	$242.06	-$0.14	-0.1%
Apartment	1 1/2"	100	$372.33	$417.85	$45.52	12.2%
Apartment	2"	150	$495.83	$565.35	$69.52	14.0%
Apartment	4"	400	$1,113.33	$1,302.85	$189.52	17.0%
Retail Business	1"	17	$107.82	$112.67	$4.85	4.5%
Retail Business	2"	100	$443.73	$490.25	$46.52	10.5%
School	4"	250	$1,218.83	$1,343.02	$124.20	10.2%
Institutional	(multiple)**	250	$1,076.79	$1,190.52	$113.73	10.6%
Irrigation	2"	200	$690.73	$785.25	$94.52	13.7%

* For Year 1 @ 4percent rate revenue increases

** Assumes two 2" meters and one 1" meter

3.4 ADOPTION OF PROPOSED RATES

The 5-year schedule of proposed water rates are presented in **Schedule 4**). All rates are proposed to be effective as of January 1 (halfway through their respective fiscal year).

Section 4. CONCLUSION

This Study used methodologies that are aligned with applicable laws (including California's Proposition 218) and are consistent with industry standard practices for rate setting as promulgated by AWWA. The proposed annual adjustments to the water rates are expected to enable the District to continue to provide reliable water service and deliver an increase in capital reinvestment in critical infrastructure.

The water rates will need to be adopted in accordance with Proposition 218, which will require a detailed notice describing the proposed charges to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates. The District should consult with its legal counsel on the appropriate procedures for those fees.

As with past practice, the District should monitor financial conditions and needs on an ongoing (annual) basis and update the financial plan model if conditions or plans change sufficiently to warrant an update. Actual future conditions, such as water demand, water sales revenue, water purchase costs, operating and maintenance expenses, capital project costs/timing, project financing, etc., may differ from the financial plan assumptions reflected herein. Material differences affecting the overall financial condition of the water system may warrant closer review and/or an earlier update. The need for and magnitude of annual water rate increases may also be affected by differences between assumed and actual conditions.

SCHEDULES

Schedule 1 – Budgeted and Projected Operating and Debt Expenses

Schedule 2 - Capital Spending Plan

Schedule 3 - Cash Flow Pro Forma

Schedule 4 – 5-Year Schedule of Proposed Water Rates

Schedule 1 – Budgeted and Projected Operating and Debt Expense (1 of 6)

		FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	FY2034/35
	Board (Dept 20)										
1	Directors fees	$35,000	$36,100	$37,100	$39,000	$40,200	$41,400	$43,400	$44,700	$46,100	$48,400
2	Payroll taxes	$2,700	$2,800	$2,800	$3,000	$3,100	$3,200	$3,300	$3,400	$3,500	$3,700
3	Workers' compensation	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200
4	Directors travel/meetings	$27,500	$28,300	$29,200	$30,000	$31,000	$31,900	$32,800	$33,800	$34,800	$35,900
5	Advertising, meeting, legal notices	$500	$500	$500	$500	$600	$600	$600	$600	$600	$700
6	Board legal	$45,000	$46,400	$47,700	$49,200	$50,600	$52,200	$53,700	$55,300	$57,000	$58,700
7	Board room/supplies	$500	$500	$500	$500	$600	$600	$600	$600	$600	$700
8	Election expense	$0	$7,000	$0	$7,000	$0	$7,000	$0	$7,000	$0	$7,000
	Office of the GM (Dept 21)										
9	Wages (Recharacterized EPMC)	$250,100	$257,600	$265,300	$278,600	$286,900	$295,500	$310,300	$319,600	$329,200	$345,600
10	Benefits (Recharacterized EPMC)	$91,400	$94,100	$97,000	$101,800	$104,900	$108,000	$113,400	$116,800	$120,300	$126,300
11	Payroll taxes	$19,300	$19,800	$20,400	$21,400	$22,100	$22,800	$23,900	$24,600	$25,300	$26,600
12	Studies/Contracts	$130,000	$133,900	$137,900	$142,100	$146,300	$150,700	$155,200	$159,900	$164,700	$169,600
13	Water rights/mgmt	$50,000	$51,500	$53,000	$54,600	$56,300	$58,000	$59,700	$61,500	$63,300	$65,200
	GIS/Engineering (Dept 22)										
14	Wages	$614,600	$633,000	$652,000	$684,600	$705,200	$726,300	$762,600	$785,500	$809,100	$849,500
15	Benefits	$157,300	$162,100	$166,900	$175,300	$180,500	$185,900	$195,200	$201,100	$207,100	$217,500
16	Taxes	$47,600	$49,100	$50,500	$53,100	$54,700	$56,300	$59,100	$60,900	$62,700	$65,900
17	Departmental allocation to Production	($159,700)	($164,400)	($169,400)	($174,500)	($179,700)	($185,100)	($190,600)	($196,400)	($202,200)	($208,300)
18	Equipment maintenance	$1,500	$1,500	$1,600	$1,600	$1,700	$1,700	$1,800	$1,800	$1,900	$2,000
19	Professional services (GIS upgrade)	$50,000	$51,500	$53,000	$54,600	$56,300	$58,000	$59,700	$61,500	$63,300	$65,200
20	Software/Licensing	$38,000	$39,100	$40,300	$41,500	$42,800	$44,100	$45,400	$46,700	$48,100	$49,600
21	Supplies/Tools	$2,500	$2,600	$2,700	$2,700	$2,800	$2,900	$3,000	$3,100	$3,200	$3,300
	Finance/Accounting (Dept 23)										
22	Wages	$515,200	$530,700	$546,600	$573,900	$591,100	$608,900	$639,300	$658,500	$678,200	$712,100
23	Benefits	$203,200	$209,300	$215,600	$226,400	$233,200	$240,200	$252,200	$259,700	$267,500	$280,900
24	Taxes	$39,900	$41,100	$42,300	$44,500	$45,800	$47,200	$49,500	$51,000	$52,500	$55,200
25	Audit/Accounting services	$74,000	$76,200	$78,500	$80,900	$83,300	$85,800	$88,400	$91,000	$93,700	$96,600
26	Bank charges	$4,000	$4,100	$4,200	$4,400	$4,500	$4,600	$4,800	$4,900	$5,100	$5,200
27	Dues and memberships	$500	$500	$500	$500	$600	$600	$600	$600	$600	$700
28	Payroll processing fees	$25,000	$25,800	$26,500	$27,300	$28,100	$29,000	$29,900	$30,700	$31,700	$32,600

Schedule 1 – Budgeted and Projected Operating and Debt Expense (2 of 6)

		FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	FY2034/35
	Finance - Customer Service (Dept 24)										
29	Wages	$268,900	$277,000	$285,300	$299,500	$308,500	$317,800	$333,700	$343,700	$354,000	$371,700
30	Benefits	$130,300	$134,300	$138,300	$145,200	$149,600	$154,000	$161,700	$166,600	$171,600	$180,200
31	Taxes	$20,900	$21,600	$22,200	$23,300	$24,000	$24,800	$26,000	$26,800	$27,600	$29,000
32	Billing costs	$78,000	$80,300	$82,800	$85,200	$87,800	$90,400	$93,100	$95,900	$98,800	$101,800
33	Payment processing fees	$34,900	$35,900	$37,000	$38,100	$39,300	$40,500	$41,700	$42,900	$44,200	$45,500
34	Lien redemption fees	$600	$600	$600	$700	$700	$700	$700	$700	$800	$800
35	Contract services	$4,000	$4,100	$4,200	$4,400	$4,500	$4,600	$4,800	$4,900	$5,100	$5,200
	Human Resources (Dept 25)										
36	Wages	$100,700	$103,700	$106,900	$112,200	$115,600	$119,000	$125,000	$128,700	$132,600	$139,200
37	Benefits	$31,600	$32,500	$33,500	$35,200	$36,200	$37,300	$39,200	$40,400	$41,600	$43,600
38	Taxes	$7,800	$8,100	$8,300	$8,700	$9,000	$9,300	$9,700	$10,000	$10,300	$10,800
39	Advertising - employment ads	$3,000	$3,100	$3,200	$3,300	$3,400	$3,500	$3,600	$3,700	$3,800	$3,900
40	Exams/Screenings	$2,000	$2,100	$2,100	$2,200	$2,300	$2,300	$2,400	$2,500	$2,500	$2,600
41	HR Memberships/Books	$200	$200	$200	$200	$200	$200	$200	$200	$300	$300
42	Contract services	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300
43	Personnel legal services	$9,000	$9,300	$9,500	$9,800	$10,100	$10,400	$10,700	$11,100	$11,400	$11,700
44	Legal litigation	$50,000	$51,500	$53,000	$54,600	$56,300	$58,000	$59,700	$61,500	$63,300	$65,200
45	Employee recognition	$3,000	$3,100	$3,200	$3,300	$3,400	$3,500	$3,600	$3,700	$3,800	$3,900
46	Training/Certification/Travel/Meetings	$17,000	$17,500	$18,000	$18,600	$19,100	$19,700	$20,300	$20,900	$21,500	$22,200
	Information Technology (Dept 26)										
47	Hardware	$17,500	$18,000	$18,600	$19,100	$19,700	$20,300	$20,900	$21,500	$22,200	$22,800
48	Cybersecurity	$14,000	$14,400	$14,900	$15,300	$15,800	$16,200	$16,700	$17,200	$17,700	$18,300
49	Supplies/Tools	$500	$500	$500	$500	$600	$600	$600	$600	$600	$700
50	Contract services- IT	$52,400	$54,000	$55,600	$57,300	$59,000	$60,700	$62,600	$64,400	$66,400	$68,400
51	Equipment repairs and maint	$12,000	$12,400	$12,700	$13,100	$13,500	$13,900	$14,300	$14,800	$15,200	$15,700
52	General software/licensing	$135,000	$139,100	$143,200	$147,500	$151,900	$156,500	$161,200	$166,000	$171,000	$176,100
53	Network monitoring/risk	$18,200	$18,700	$19,300	$19,900	$20,500	$21,100	$21,700	$22,400	$23,100	$23,700
54	Telecommunications	$20,400	$21,000	$21,600	$22,300	$22,900	$23,600	$24,300	$25,100	$25,800	$26,600
55	Website maintenance	$8,500	$8,800	$9,000	$9,300	$9,600	$9,900	$10,100	$10,500	$10,800	$11,100
56	Allocation of IT expenses to WTP	($49,000)	($50,500)	($52,000)	($53,500)	($55,100)	($56,800)	($58,500)	($60,300)	($62,100)	($63,900)

Schedule 1 – Budgeted and Projected Operating and Debt Expense (3 of 6)

		FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	FY2034/35
	General Administration (Dept 27)										
57	ACWA	$24,000	$24,700	$25,500	$26,200	$27,000	$27,800	$28,700	$29,500	$30,400	$31,300
58	AWWA	$5,000	$5,200	$5,300	$5,500	$5,600	$5,800	$6,000	$6,100	$6,300	$6,500
59	RWA	$36,600	$37,700	$38,800	$40,000	$41,200	$42,400	$43,700	$45,000	$46,400	$47,800
60	RWA Regional Water Bank	$15,000	$15,500	$15,900	$16,400	$16,900	$17,400	$17,900	$18,400	$19,000	$19,600
61	SGA	$28,000	$28,800	$29,700	$30,600	$31,500	$32,500	$33,400	$34,400	$35,500	$36,500
62	Water Education Foundation	$16,600	$17,100	$17,600	$18,100	$18,700	$19,200	$19,800	$20,400	$21,000	$21,700
63	General: American River Foundation	$54,000	$55,600	$57,300	$59,000	$60,800	$62,600	$64,500	$66,400	$68,400	$70,500
64	General: Water Forum, 2.0	$1,400	$1,400	$1,500	$1,500	$1,600	$1,600	$1,700	$1,700	$1,800	$1,800
65	Kiwanis Club (Moved from Outreach)	$17,900	$18,400	$18,900	$19,500	$20,100	$20,700	$21,300	$22,000	$22,600	$23,300
66	SAWWA (Moved from Outreach)	$400	$400	$400	$400	$500	$500	$500	$500	$500	$500
	Facility expenses										
67	Facility maintenance	$116,500	$120,000	$123,600	$127,300	$131,100	$135,100	$139,100	$143,300	$147,600	$152,000
68	Licenses, fees and permits	$17,000	$17,500	$18,000	$18,600	$19,100	$19,700	$20,300	$20,900	$21,500	$22,200
	General expenses										
69	Advertising - Formal notices & bids	$1,000	$1,000	$1,100	$1,100	$1,100	$1,200	$1,200	$1,200	$1,300	$1,300
70	Office supplies and expense	$8,000	$8,200	$8,500	$8,700	$9,000	$9,300	$9,600	$9,800	$10,100	$10,400
71	Postage/Delivery services	$10,500	$10,800	$11,100	$11,500	$11,800	$12,200	$12,500	$12,900	$13,300	$13,700
72	Printing services	$6,500	$6,700	$6,900	$7,100	$7,300	$7,500	$7,800	$8,000	$8,200	$8,500
73	Equipment rental expense	$700	$700	$700	$800	$800	$800	$800	$900	$900	$900
74	Safety	$500	$500	$500	$500	$600	$600	$600	$600	$600	$700
75	Retiree medical	$290,000	$298,700	$307,700	$316,900	$326,400	$336,200	$346,300	$356,700	$367,400	$378,400
	Insurance										
76	Auto/General liability insurance	$64,000	$67,200	$69,900	$72,700	$75,600	$78,600	$81,800	$85,000	$88,400	$92,000
77	Property insurance	$56,000	$58,800	$61,200	$63,600	$66,100	$68,800	$71,500	$74,400	$77,400	$80,500
	Public Outreach and Water Efficiency (Dept 28)										
	Water Efficiency										
78	Wages	$70,800	$72,900	$75,100	$78,800	$81,200	$83,600	$87,800	$90,400	$93,100	$97,800
79	Benefits	$43,500	$44,800	$46,100	$48,400	$49,900	$51,400	$53,900	$55,500	$57,200	$60,100
80	Taxes	$5,500	$5,700	$5,900	$6,200	$6,400	$6,500	$6,900	$7,100	$7,300	$7,700
	Outreach events	$5,500	$5,700	$5,800	$6,000	$6,200	$6,400	$6,600	$6,800	$7,000	$7,200
81	Water efficiency/Conservation supplies	$10,000	$10,300	$10,600	$10,900	$11,300	$11,600	$11,900	$12,300	$12,700	$13,000
82	DWR Prop 1 Rachio Controller program	$12,000	$12,400	$12,700	$13,100	$13,500	$13,900	$14,300	$14,800	$15,200	$15,700
83	Turf replacement	$50,000	$51,500	$53,000	$54,600	$56,300	$58,000	$59,700	$61,500	$63,300	$65,200

Schedule 1 – Budgeted and Projected Operating and Debt Expense (4 of 6)

		FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	FY2034/35
	PRODUCTION										
84	Wages	$804,500	$828,600	$853,500	$896,200	$923,000	$950,700	$998,300	$1,028,200	$1,059,100	$1,112,000
85	Benefits	$336,300	$346,400	$356,800	$374,600	$385,900	$397,400	$417,300	$429,800	$442,700	$464,900
86	Taxes	$62,300	$64,200	$66,100	$69,400	$71,500	$73,600	$77,300	$79,600	$82,000	$86,100
87	Allocation of (1) Engineer to Production	$159,700	$164,400	$169,400	$174,500	$179,700	$185,100	$190,600	$196,400	$202,200	$208,300
	General										
88	Backflow supplies	$1,500	$1,500	$1,600	$1,600	$1,700	$1,700	$1,800	$1,800	$1,900	$2,000
89	Lab chemicals/Supplies	$15,000	$15,500	$15,900	$16,400	$16,900	$17,400	$17,900	$18,400	$19,000	$19,600
90	Equipment rental	$1,000	$1,000	$1,100	$1,100	$1,100	$1,200	$1,200	$1,200	$1,300	$1,300
91	Equipment repairs and maintenance	$5,500	$5,700	$5,800	$6,000	$6,200	$6,400	$6,600	$6,800	$7,000	$7,200
92	Safety equipment	$4,000	$4,100	$4,200	$4,400	$4,500	$4,600	$4,800	$4,900	$5,100	$5,200
93	Office supplies	$3,500	$3,600	$3,700	$3,800	$3,900	$4,100	$4,200	$4,300	$4,400	$4,600
94	General supplies	$2,200	$2,300	$2,300	$2,400	$2,500	$2,600	$2,600	$2,700	$2,800	$2,900
95	Tools	$1,500	$1,500	$1,600	$1,600	$1,700	$1,700	$1,800	$1,800	$1,900	$2,000
96	Uniforms	$4,500	$4,600	$4,800	$4,900	$5,100	$5,200	$5,400	$5,500	$5,700	$5,900
97	Vehicle repairs and maintenance	$4,000	$4,100	$4,200	$4,400	$4,500	$4,600	$4,800	$4,900	$5,100	$5,200
98	Telecommunications	$10,500	$10,800	$11,100	$11,500	$11,800	$12,200	$12,500	$12,900	$13,300	$13,700
99	Insurance	$120,000	$126,000	$131,000	$136,300	$141,700	$147,400	$153,300	$159,400	$165,800	$172,400
100	Information Technology	$49,000	$50,500	$52,000	$53,500	$55,100	$56,800	$58,500	$60,300	$62,100	$63,900
101	Training/Certification/Travel/Meetings	$7,000	$7,200	$7,400	$7,600	$7,900	$8,100	$8,400	$8,600	$8,900	$9,100
	Water Treatment Plant Operations Department (Dept 35)										
102	Facility maintenance	$34,300	$35,300	$36,400	$37,500	$38,600	$39,800	$41,000	$42,200	$43,500	$44,800
103	Security	$7,500	$7,700	$8,000	$8,200	$8,400	$8,700	$9,000	$9,200	$9,500	$9,800
104	Utilities	$7,000	$7,300	$7,600	$7,900	$8,200	$8,500	$8,900	$9,200	$9,600	$10,000
105	Water Quality	$27,900	$28,700	$29,600	$30,500	$31,400	$32,300	$33,300	$34,300	$35,300	$36,400
106	Chemicals	$247,000	$256,900	$267,200	$277,800	$289,000	$300,500	$312,500	$325,000	$338,000	$351,600
107	Power - WTP (SMUD, PG&E)	$1,051,600	$1,083,100	$1,115,600	$1,149,100	$1,183,600	$1,219,100	$1,255,700	$1,293,300	$1,332,100	$1,372,100
108	WTP Systems maintenance	$142,500	$146,800	$151,200	$155,700	$160,400	$165,200	$170,200	$175,300	$180,500	$185,900
109	Equipment repair and replacement	$200,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
110	Contract services	$24,000	$24,700	$25,500	$26,200	$27,000	$27,800	$28,700	$29,500	$30,400	$31,300
111	Licenses, fees, and permits	$83,700	$86,200	$88,800	$91,500	$94,200	$97,000	$99,900	$102,900	$106,000	$109,200
112	Barrett Rd Well	$500	$500	$500	$600	$600	$600	$600	$700	$700	$700
113	Barrett School Well	$60,000	$62,400	$64,900	$67,500	$70,200	$73,000	$75,900	$79,000	$82,100	$85,400

Schedule 1 – Budgeted and Projected Operating and Debt Expense (5 of 6)

		FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	FY2034/35
114	Garfield Well	$60,000	$62,400	$64,900	$67,500	$70,200	$73,000	$75,900	$79,000	$82,100	$85,400
115	Ladera Well	$1,500	$1,600	$1,600	$1,700	$1,800	$1,800	$1,900	$2,000	$2,100	$2,100
116	Ancil Hoffman	$20,000	$20,800	$21,600	$22,500	$23,400	$24,300	$25,300	$26,300	$27,400	$28,500
117	Willow Park Well	$50,000	$52,000	$54,100	$56,200	$58,500	$60,800	$63,300	$65,800	$68,400	$71,200
118	Winding Way Well	$1,500	$1,600	$1,600	$1,700	$1,800	$1,800	$1,900	$2,000	$2,100	$2,100
119	Dewey Tank/Pump Station	$27,000	$28,100	$29,200	$30,400	$31,600	$32,800	$34,200	$35,500	$37,000	$38,400
120	La Vista Tank/Pump Station	$90,000	$93,600	$97,300	$101,200	$105,300	$109,500	$113,900	$118,400	$123,200	$128,100
121	Manzanita Ave	$800	$800	$800	$800	$900	$900	$900	$1,000	$1,000	$1,100
122	Well site/Reservoir maintenance	$63,000	$64,900	$66,800	$68,800	$70,900	$73,000	$75,200	$77,500	$79,800	$82,200
123	Water quality	$14,500	$14,900	$15,400	$15,800	$16,300	$16,800	$17,300	$17,800	$18,400	$18,900
124	Licenses, fees, and permits	$4,000	$4,100	$4,200	$4,400	$4,500	$4,600	$4,800	$4,900	$5,100	$5,200
	DISTRIBUTION										
125	Claims	$1,000	$1,000	$1,100	$1,100	$1,100	$1,200	$1,200	$1,200	$1,300	$1,300
126	Equipment repairs and maintenance	$10,000	$10,300	$10,600	$10,900	$11,300	$11,600	$11,900	$12,300	$12,700	$13,000
127	Shop supplies	$4,000	$4,100	$4,200	$4,400	$4,500	$4,600	$4,800	$4,900	$5,100	$5,200
128	Office supplies and expense	$1,000	$1,000	$1,100	$1,100	$1,100	$1,200	$1,200	$1,200	$1,300	$1,300
129	Printing expense (Notifications)	$500	$500	$500	$500	$600	$600	$600	$600	$600	$700
130	Equipment rental	$4,000	$4,100	$4,200	$4,400	$4,500	$4,600	$4,800	$4,900	$5,100	$5,200
131	Safety	$5,000	$5,200	$5,300	$5,500	$5,600	$5,800	$6,000	$6,100	$6,300	$6,500
132	Tools	$10,000	$10,300	$10,600	$10,900	$11,300	$11,600	$11,900	$12,300	$12,700	$13,000
133	Uniforms	$9,200	$9,500	$9,800	$10,100	$10,400	$10,700	$11,000	$11,300	$11,700	$12,000
134	Facility maintenance	$15,000	$15,500	$15,900	$16,400	$16,900	$17,400	$17,900	$18,400	$19,000	$19,600
135	Contract services and inspections	$20,000	$20,600	$21,200	$21,900	$22,500	$23,200	$23,900	$24,600	$25,300	$26,100
136	Licenses, fees and permits	$2,800	$2,900	$3,000	$3,100	$3,200	$3,200	$3,300	$3,400	$3,500	$3,700
137	Training/Certification/Travel/Meetings	$12,000	$12,400	$12,700	$13,100	$13,500	$13,900	$14,300	$14,800	$15,200	$15,700
138	Vehicle repairs and maintenance	$40,000	$41,200	$42,400	$43,700	$45,000	$46,400	$47,800	$49,200	$50,700	$52,200
139	Fuel	$35,000	$36,100	$37,100	$38,200	$39,400	$40,600	$41,800	$43,000	$44,300	$45,700

Schedule 1 – Budgeted and Projected Operating and Debt Expense (6 of 6)

		FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	FY2034/35
	Transmission and Distribution Department (Dept 45)										
140	Wages	$892,200	$918,900	$946,500	$993,800	$1,023,600	$1,054,400	$1,107,100	$1,140,300	$1,174,500	$1,233,200
141	Capitalized labor	($356,900)	($367,600)	($378,600)	($397,500)	($409,500)	($421,700)	($442,800)	($456,100)	($469,800)	($493,300)
142	Benefits	$467,100	$481,100	$495,500	$520,300	$535,900	$552,000	$579,600	$596,900	$614,900	$645,600
143	Capitalized benefits	($186,800)	($192,400)	($198,200)	($208,100)	($214,400)	($220,800)	($231,800)	($238,800)	($245,900)	($258,200)
144	Taxes	$67,100	$69,100	$71,200	$74,700	$77,000	$79,300	$83,200	$85,700	$88,300	$92,700
145	Capitalized payroll taxes	($26,800)	($27,600)	($28,500)	($29,900)	($30,800)	($31,700)	($33,300)	($34,300)	($35,300)	($37,100)
146	Infrastructure repairs	$505,500	$520,700	$536,300	$552,400	$568,900	$586,000	$603,600	$621,700	$640,400	$659,600
147	Road restoration	$436,000	$449,100	$462,600	$476,400	$490,700	$505,400	$520,600	$536,200	$552,300	$568,900
	Retirement Expenses										
148	PERS Unfunded Actuarial Liability	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000
149	OPEB Liability Funding	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000
	Debt Expenses										
150	Series A (Project account)	$715,600	$715,600	$715,600	$715,600	$715,600	$2,421,900	$2,422,100	$2,417,900	$2,429,000	$2,426,200
151	Series B (Refunding)	$1,776,000	$1,772,200	$1,770,300	$1,770,700	$1,768,900	$0	$0	$0	$0	$0
152	**Total Operating Expenses**	**$12,993,200**	**$13,100,900**	**$13,402,400**	**$13,831,700**	**$14,158,300**	**$14,446,700**	**$14,906,700**	**$15,277,800**	**$15,664,500**	**$16,186,300**

Schedule 2 – 7-Year Capital Spending Plan

		FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32
	ADMIN							
1	LED Lighting replacement	$50,000	$0	$0	$0	$0	$0	$0
2	Master plan update	$0	$0	$250,000	$0	$0	$0	$0
3	HVAC Replacements at Admin (3 units:7.5 ton, 4.0 ton, 2.5 ton) Heat pump SMUD rebates, est'd $20,000)/ SWAMP COOLER	$0	$0	$0	$0	$60,000	$0	$0
4	Financial system/Customer service software replacement/Asset management software	$0	$200,000	$400,000	$400,000	$0	$0	$0
	Admin Subtotal:	**$50,000**	**$200,000**	**$650,000**	**$400,000**	**$60,000**	**$0**	**$0**
	DISTRIBUTION							
5	Service truck replacements (FY 2024-25 Veh #13:2001 Dodge 3500 and #33:2016 Ford F550)	$180,000	$90,000	$0	$90,000	$0	$90,000	$0
6	Other Distribution equipment (2025-26 Vac Trailer)	$90,000	$90,000	$90,000	$90,000	$90,000	$90,000	$90,000
7	Distribution infrastructure replacements (Service lines, Fire hydrants, Mainline valves, Meters)	$618,000	$636,540	$655,636	$675,305	$695,564	$716,431	$737,924
8	Sacramento County Project: Fair Oaks Boulevard MLRP	$1,200,000	$0	$0	$0	$0	$0	$0
9	WTP Transmission lines (west) - WTP to Marshal Phase 1 (1940's to 1950's Pipe replacement)	$250,000	$1,500,000	$0	$0	$0	$0	$0
10	WTP Transmission lines (west) - Marshall to California Phase 2 " "	$0	$0	$250,000	$1,800,000	$0	$0	$0
11	WTP Transmission lines (west) - Stanley to Duncan Phase 3 " "	$0	$0	$250,000	$950,000	$0	$0	$0
12	WTP Transmission lines (west) - Stanley to Sutter Phase 4 " "		$0	$0	$300,000	$3,400,000	$0	$0
13	WTP Transmission lines (west) - California FO to Stanley Phase 5 " "	$0	$0	$0	$300,000	$3,000,000	$0	$0
14	WTP Transmission lines (west) - California FO to Stanley Phase 6 " "	$0	$0	$0	$0	$0	$300,000	$3,000,000
15	WTP Transmission lines (west) - California FO to Stanley Phase 7 " "	$0	$0	$0	$0	$0	$300,000	$3,000,000
16	Homewood/Halsted/Calumet/DeJohn/Vonda/Home (~4300<10")	$0	$300,000	$3,000,000	$0	$0	$0	$0
17	Nesscliff/Barbara/Almond	$0	$300,000	$3,000,000	$0	$0	$0	$0
18	Melvin/Boyd	$0	$0	$300,000	$2,500,000	$0	$0	$0
19	Azell/Brookside/Lynnmar	$0	$0	$0	$300,000	$2,500,000	$0	$0
20	Claremont/Jeffrey/Coda (~4300<10")	$2,250,000	$0	$0	$0	$0	$0	$0
21	Garfield/Angelina (1900lnft)	$250,000	$2,000,000	$0	$0	$0	$0	$0
22	Kenneth from FOB East to CA	$0	$250,000	$2,000,000	$0	$0	$0	$0
23	Caminata (Lincoln/FOB/Caminata)	$200,000	$0	$0	$0	$0	$0	$0
	Distribution Subtotal:	**$5,038,000**	**$5,166,540**	**$9,545,636**	**$7,005,305**	**$9,685,564**	**$1,496,431**	**$6,827,924**
	PRODUCTION							
24	Vehicle replacement (Veh #38, 2018 F150)	$0	$90,000	$0	$0	$0	$90,000	$0
25	Equipment: Compressor replacement	$0	$50,000	$0	$0	$0	$0	$0
	Production Subtotal:	**$0**	**$140,000**	**$0**	**$0**	**$0**	**$90,000**	**$0**
	WATER TREATMENT PLANT							
26	SCADA Improvement w/PLC, instrumentation upgrades and new server	$250,000	$800,000	$650,000	$0	$0	$0	$0
27	WTP RAW Water Drives (4) (4 to 8 Yr rotation)	$0	$0	$0	$0	$75,000	$0	$75,000
28	WTP TREATED Water Drives (4)	$80,000	$0	$0	$0	$80,000	$80,000	$80,000
29	Chemical Tanks Replacement	$0	$0	$50,000	$0	$0	$0	$0
30	RANNEY COLLECTORS, 1, 2, 3 LATERAL REPLACEMENT	$100,000	$1,000,000	$7,000,000	$7,000,000	$0	$0	$0
31	Electrical Switchgear and Generator Replacement	$0	$0	$150,000	$3,000,000	$0	$0	$0
32	WTP Building rehab (Exterior and interior): Lab rehab, then exterior gutters, etc.	$150,000	$0	$0	$0	$0	$0	$0
33	6 Block skid replacement Tertiary	$0	$350,000	$0	$0	$0	$0	$0
34	Communication tower	$0	$83,000	$0	$0	$0	$0	$0
	Water Treatment Plant Subtotal:	**$580,000**	**$2,233,000**	**$7,850,000**	**$10,000,000**	**$155,000**	**$80,000**	**$155,000**
	WELLS:							
35	ASR Study Water Right Petition(all wells)	$250,000	$250,000	$0	$0	$0	$0	$0
36	Garfield Well - Generator and Surge protector	$1,400,000	$0	$0	$0	$0	$0	$0
37	Willow Park Well pump replacement and electrical rehab	$0	$0	$0	$0	$360,000	$0	$0
38	Dewey tank and booster pump station rehab (pump and motor)	$150,000	$0	$0	$0	$0	$0	$0
39	Dewey Tank Fence replacement	$75,000	$0	$0	$0	$0	$0	$0
40	Dewey Tank Paint	$0	$0	$1,000,000	$0	$0	$0	$0
41	Garfield Well Replacement- ASR Well #4 (>80 Years old)	$500,000	$2,000,000	$2,500,000	$0	$0	$0	$0
42	Filter Skid Replacement (Reserve Funds)	$0	$0	$0	$0	$0	$0	$8,000,000
	Water Treatment Plant Subtotal:	**$2,375,000**	**$2,250,000**	**$3,500,000**	**$0**	**$360,000**	**$0**	**$8,000,000**
	PRODUCTION GRANT FUNDED PROJECTS							
43	La Sierra Well- ASR Well #1 (Engle/Garfield) ($2.0M USBR - FEDERAL, $4.0 DWR)	$4,000,000	$0	$0	$0	$0	$0	$0
44	Ladera Well Replacement- ASR Well #2 (Fed grant $2.5M + Artesian VA $)	$3,000,000	$2,000,000	$0	$0	$0	$0	$0
45	Winding Way Well Replacement- ASR Well #3 (DWR grant $2.5M + Artesian VA $)	$3,000,000	$1,000,000	$0	$0	$0	$0	$0
46	**DISTRIBUTION GRANT FUNDED PROJECTS**							
47	Garfield/Engle Tran Pipeline - Fed Approp @ $970K	$250,000	$1,300,000	$0	$0	$0	$0	$0
48	Membrane replacement expense	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000
	Grant Funded Subtotal:	**$10,450,000**	**$4,500,000**	**$200,000**	**$200,000**	**$200,000**	**$200,000**	**$200,000**
	2019 COP BOND FUNDING							
49	La Vista Tank and booster pump station	$2,500,000	$2,000,000	$0	$0	$0	$0	$0
50	To be Determined based on Need	$0	$500,000	$500,000	$500,000	$500,000	$500,000	$500,000
51	**Total Capital Expenses**	**$20,993,000**	**$16,989,540**	**$22,245,636**	**$18,105,305**	**$10,960,564**	**$2,366,431**	**$15,682,924**

Schedule 3 - Cash Flow Pro Forma

		Budget FY2025	Budget FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033	Forecast FY2034	Forecast FY2035
1	**Rate Revenue Increase:**		**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**	**3.00%**	**3.00%**	**3.00%**	**3.00%**	**3.00%**
	Rate Revenue											
2	**Service Charge Revenue**	$17,820,000	$19,480,000	$20,267,000	$21,084,000	$21,935,000	$22,821,000	$23,741,000	$24,461,000	$25,203,000	$25,968,000	$26,757,000
3	Change due to growth & use		$7,000	$7,000	$7,000	$8,000	$8,000	$8,000	$8,000	$9,000	$9,000	$9,000
4	Increase due to rate adjustments		$390,000	$405,000	$422,000	$439,000	$456,000	$356,000	$367,000	$378,000	$390,000	$401,000
	Non-Rate Revenues											
5	Misc Fees	$214,000	$219,000	$219,000	$219,000	$219,000	$219,000	$219,000	$219,000	$219,000	$219,000	$219,000
6	Interest Earnings	$399,000	$943,000	$908,000	$818,000	$589,000	$456,000	$429,000	$636,000	$482,000	$511,000	$542,000
7	Capital Facility Fees	$51,000	$51,000	$331,000	$331,000	$331,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
8	Operating Revenue	$62,000	$34,000	$34,000	$34,000	$34,000	$34,000	$34,000	$34,000	$34,000	$34,000	$34,000
9	Aerojet/GSWC	$1,452,000	$1,452,000	$1,452,000	$1,452,000	$1,452,000	$1,452,000	$1,452,000	$1,452,000	$1,452,000	$1,452,000	$1,452,000
10	**Total Revenue**	**$19,998,000**	**$22,576,000**	**$23,623,000**	**$24,367,000**	**$25,007,000**	**$25,496,000**	**$26,289,000**	**$27,227,000**	**$27,827,000**	**$28,633,000**	**$29,464,000**
	O&M Costs											
11	Adminstrative	$2,457,000	$2,704,000	$2,793,000	$2,869,000	$2,999,000	$3,081,000	$3,181,000	$3,310,000	$3,416,000	$3,511,000	$3,669,000
12	Production	$3,493,000	$3,810,000	$3,727,000	$3,845,000	$3,994,000	$4,121,000	$4,253,000	$4,417,000	$4,559,000	$4,704,000	$4,887,000
13	Distribution	$2,142,000	$1,967,000	$2,026,000	$2,087,000	$2,167,000	$2,232,000	$2,299,000	$2,389,000	$2,460,000	$2,534,000	$2,633,000
14	Engineering	$684,000	$752,000	$948,000	$977,000	$1,027,000	$1,058,000	$1,090,000	$1,146,000	$1,180,000	$1,216,000	$1,278,000
15	General Operations	$1,103,000	$1,071,000	$1,090,000	$1,109,000	$1,129,000	$1,149,000	$1,170,000	$1,191,000	$1,214,000	$1,237,000	$1,261,000
16	Water Efficiency	$285,000	$197,000	$203,000	$209,000	$218,000	$225,000	$231,000	$241,000	$248,000	$256,000	$267,000
17	***Total Operating Expenses***	**$10,164,000**	**$10,501,000**	**$10,787,000**	**$11,096,000**	**$11,534,000**	**$11,866,000**	**$12,224,000**	**$12,694,000**	**$13,077,000**	**$13,458,000**	**$13,995,000**
	Capital Costs											
18	Existing Debt Service	$947,000	$2,492,000	$2,488,000	$2,486,000	$2,486,000	$2,484,000	$2,422,000	$2,422,000	$2,418,000	$2,429,000	$2,426,000
19	Capital Spending funded with cash	$2,698,000	$11,103,000	$14,217,000	$20,602,000	$16,696,000	$12,336,000	$2,743,000	$18,726,000	$11,070,000	$11,402,000	$11,744,000
20	Capital funded with existing bond proceeds	$4,000,000	$500,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
21	Capital funded with grants	$5,566,667	$9,390,370	$3,282,644	$2,997,997	$3,087,937	$0	$0	$0	$0	$0	$0
22	***Total Capital Expenses***	**$3,645,000**	**$13,595,000**	**$16,705,000**	**$23,088,000**	**$19,182,000**	**$14,820,000**	**$5,165,000**	**$21,148,000**	**$13,488,000**	**$13,831,000**	**$14,170,000**
23	**Total Revenue Requirement**	**$13,809,000**	**$24,096,000**	**$27,492,000**	**$34,184,000**	**$30,716,000**	**$26,686,000**	**$17,389,000**	**$33,842,000**	**$26,565,000**	**$27,289,000**	**$28,165,000**
24	**Beginning Year Balance**	**$34,326,000**	**$40,515,000**	**$38,995,000**	**$35,126,000**	**$25,309,000**	**$19,600,000**	**$18,410,000**	**$27,310,000**	**$20,695,000**	**$21,957,000**	**$23,301,000**
25	**Surplus/(Shortfall)**	**$6,189,000**	**($1,520,000)**	**($3,869,000)**	**($9,817,000)**	**($5,709,000)**	**($1,190,000)**	**$8,900,000**	**($6,615,000)**	**$1,262,000**	**$1,344,000**	**$1,299,000**
26	**End of Year Balance**	**$40,515,000**	**$38,995,000**	**$35,126,000**	**$25,309,000**	**$19,600,000**	**$18,410,000**	**$27,310,000**	**$20,695,000**	**$21,957,000**	**$23,301,000**	**$24,600,000**
27	*Reserve Target*	$18,081,000	$19,272,000	$20,063,000	$20,866,000	$22,235,000	$23,550,000	$24,848,000	$19,059,000	$20,399,000	$21,745,000	$23,162,000
28	**Debt Coverage Ratio**	**10.38**	**4.85**	**5.16**	**5.34**	**5.42**	**5.49**	**5.81**	**6.00**	**6.10**	**6.25**	**6.38**

Schedule 4 – 5-Year Schedule of Proposed Water Rates

		Proposed Implementation Dates				
Water Usage Rates	**Current Rates**	**Jan 1, 2026**	**Jan 1, 2027**	**Jan 1, 2028**	**Jan 1, 2029**	**Jan 1, 2030**
	Overall Revenue Increases:	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
All Customer Types (per CCF)	$2.47	$2.82	$2.93	$3.05	$3.17	$3.30
Monthly Service Charge						
3/4" meter	$42.03	$39.96	$41.56	$43.22	$44.95	$46.75
1" meter	$65.83	$65.15	$67.76	$70.47	$73.29	$76.22
1 1/2" meter	$125.33	$128.11	$133.23	$138.56	$144.10	$149.86
2" meter	$196.73	$203.67	$211.82	$220.29	$229.10	$238.26
3" meter	$363.33	$379.97	$395.17	$410.98	$427.42	$444.52
4" meter	$601.33	$631.82	$657.09	$683.37	$710.70	$739.13
6" meter	$1,196.32	$1,261.45	$1,311.91	$1,364.39	$1,418.97	$1,475.73
8" meter	$1,910.32	$2,017.01	$2,097.69	$2,181.60	$2,268.86	$2,359.61
Condominium Living Units	$42.03	$39.96	$41.56	$43.22	$44.95	$46.75
Multi-Family Living Units w/ Separate Meter	$42.03	$39.96	$41.56	$43.22	$44.95	$46.75
Monthly Private Fire Service Charges (per inch of diameter)	$32.91	$34.22	$35.59	$37.01	$38.49	$40.03