RESOLUTION NO. 02-24

RESOLUTION 02-24 OF THE BOARD OF DIRECTORS OF THE RIO ALTO WATER DISTRICT AMENDING ARTICLE 9 OF RESOLUTION 9-73 (AND ALL ASSOCIATED RESOLUTIONS ESTABLISHING RULES AND REGULATIONS FOR THE COLLECTION AND TREATMENT OF SEWAGE) TO CHANGE SEWER RATES.

WHEREAS, the Rio Alto Water District did provide, on November 22, 2023, a written notice by mail to all affected sewer 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 7:05 p.m. after receiving verbal comments, now therefore

BE IT RESOLVED, that in lieu of a majority written protest, Article 9 of Resolution 9-73, a resolution establishing the rules and regulations for the collection and treatment of sewage shall be amended in accordance with Exhibit A, (Water and Wastewater Rate Study 2023 prepared by Bartle Wells Associates, Page 2, Table 2 with Amended Implementation Dates) attached and incorporated herein to:

- 1. Increase Sewer 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 Page2, Table 2 with Amended Implementation Dates of Water and Wastewater Rate Study 2023 prepared by Bartle Wells Associates;
- 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 02-24 and Exhibit A (Water and Wastewater Rate Study 2023, prepared by Bartle Wells Associates Page 2, Table 2 with Amended Implementation Dates) shall replace any previous resolutions and schedules amending Article of Resolution 9-73 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

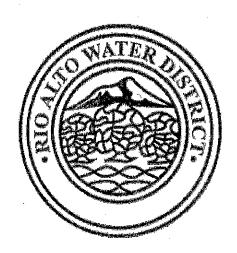
Signed and approved by me after its passage this 17th day of January, 2024.

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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1 EXECUTIVE SUMMARY

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
Water Rates	FY 22-23	Jan I, Zuza	JUI L, ZUZG	JULL, ZUZD	JUI I, ZUZU	SHI A, COA
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						
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
	. 2"					
Volumetric Charges						
Commercial .	\$0.55	\$0.65	\$0.73	\$0.80	\$0.88	\$0.97

BACKGROUND, OBJECTIVES, AND LEGAL REQUIREMENTS 2

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 Design Process Allocation and Data Analysis Financial 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;
- 3) 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 long-term 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 propertyrelated 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
美国民族的人民族的人民族的人民族的人民族的人民族的人民族的人民族的人民族的人民族的人	Actual	Actual	Actua/	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)	2 31,695	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

	1	Meter 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 ¹⁸	6	5.3	32.0
Total	1,412.0		1,558.6

^{*} Customer data as of June 2023 provided by staff

^{**} 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.

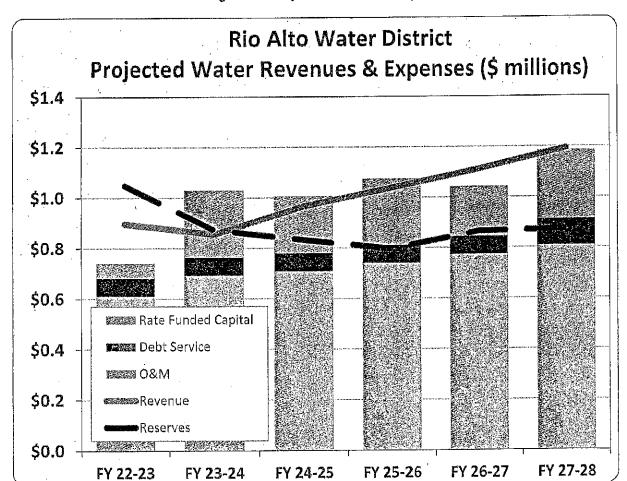


Figure 2 - Projected Cashflow Graph

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%	\$0.0%
Beginning Reserves	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	\$1,048,042	\$872,974	\$832,601	\$796,570	\$865,417
Revenues	nun austrukkanskala valuskanskala valuskanskala valuskanskala valuskanskala valuskanskala valuskanskala valusk	was constructed through and other state of the state of t		<u>naprojes nografije projekt je kraill</u> 4 jûnd t 40	internatival construction and a second secon	korvenne soojes some skirjekar omirne shakipa stellamatak
: 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	٠			:
Other Revenue	368,441	297,463	313,101	313,251	313,460	314,736
Total Revenue	\$896,912	\$855,017	\$965,161	\$1,038,051	\$1,111,857	\$1,194,202
Expenses	illem ded lancardo billo establo establo esta en la establo e n la lanca de la establo establo establo establo es	nous account and defining to that who had been defined to the second	andronousconductive since	and the second second	电影性 医克勒勒氏 医克勒勒氏 医克勒勒氏 医克勒勒氏 电电影	Moreoniconessessis consecuentes estatutos.
Operating Expenses	\$609,837	\$692,408	\$708,151	\$739,254	\$773,319	\$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	\$40,378	-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	2.26	3.57	4.15	4.70	3.65

^{*}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

Prolected 5-Year Average

,		Offsetting	Allocation				197 - 4 - E
Functional Allocation	Amount	Revenue	Amount	Customer	Capacity	All Volume	Total
Administration	\$531.066	\$83,997	\$447,069	55%	25%	20%	100%
Source of Supply	\$107,749		\$107,749		30%	70%	100%
	\$141,933		\$141,933			100%	100%
Transmission & Distributio Debt Service	\$71.954		\$71,954		50%	50%	100%
Capital	\$244,812		\$233,493		60%	40%	100%
Functional Allocation \$	\$1.097.514		\$1,002,199	\$245,888	\$320,165	\$436,146	\$1,002,199
Functional Allocation %	7-,007,18-1	+/	• • •	24.53%	31.95%	43,52%	100%
FY 23/24 Revenue Requiremen	nt.			\$143,898	\$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

Volumetric Charge Calculation				
Allocation Units	All Volume			
Unit of Measure	CCF			
Total Water Use CCF	210,642			
Revenue Requirement	\$255,297			
Unit Cost (\$/Unit)	\$1.21			

Bi-Monthly Fixed Charge Calculation

Allocation Units	Customer	Capacity
Unit of Measure	Customers	MEUs
Allocation Units	8,472	9,551
Revenue Requirement	\$143.898	<u>\$187,425</u>
Unit Cost (\$/Unit)	\$16.99	\$20.04

•	Capacity	Bi-Monthly Capacity	Bi-Monthly Capacity	
Meter	Factor**	Component		Bi-Monthly Fixed Charge
3/4"	1.00	\$16.99	\$20.04	\$37.03
111	1,67	\$16.99	\$33.47	\$50.46
211	5,33	\$16.99	\$106.83	\$123.81

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
Water Rates	FY 22-23	Jan 1, 2024	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027
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

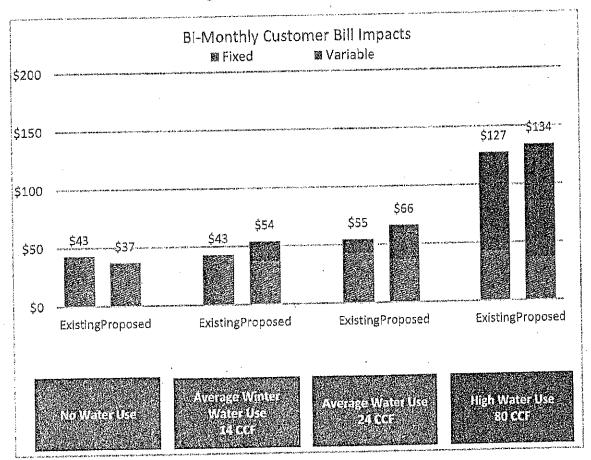
5.5 Residential Bill Comparison (¾" Meter)

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			
1	•				
Bi-Monthly Use (CCF)	Total Bi-Monthly B	111			
0	\$42.87	\$37.03			
14	\$42.87	\$54.00			
24	\$54.57	\$65.12			
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%			





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.

\$300 Monthly Residential Water Rate Survey Average use of 12 ccf ☐ Fixed Charge ■ Variable Charge \$246.00 \$250 \$174,5-\$182.14 \$200 \$159.42 \$150 \$121.2 \$122.1 \$126.70 \$81.76 \$88.00 \$93.87 \$95.69 \$100 \$64.78 \$66.07 \$49.04 \$54.57 \$50 \$35,61 Ric Alto Water Chierlit (Cirverti) ato Michigate District Proposed Containated Water Device. Belle Vikta Water Crty of Redding WedverilleCED streets lake tity Fall River wills

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.

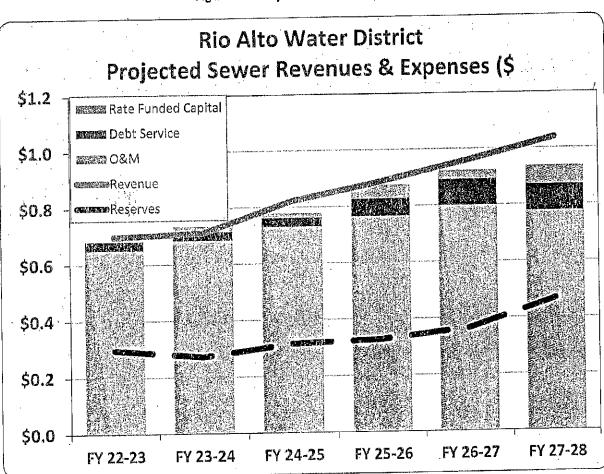


Figure 5 – Projected Cashflow Graph

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		·	iais: hoktossomikparensparperproparpro	nydpaylooksi araksi modellaan gollaan oo aanaan araksi marksi soon	Saucondor (1465) (1655) (1657) (1657) (1657) (1657)	National Agriculture Commission of the Commissio
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	DENISORATOR ON CONTRACTOR OF THE PROPERTY OF T	nakan manakan manakan kanakan manakan	E-rene and process process reconstruction of the least of	zacznikowane, je wola led tradicion deletere toe protes	kethiet/Macrobiol/solohietastatuses	en alektroko er kontrantzantzan en entrantza
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	r\$0	\$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	\$36,430	\$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

^{*}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, waterefficient 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 CONTRACT .	ik Dib berakanen ili	O 110 MI.	~				
			1			Projected				
Wastewater		Had Carren	Est. Mo Flow	Projected	Flow	Flow	Strength	$(mg/l)^9$	Loadin	gs (lbs)
Flows and	# of Sewer	# of Sewer			Factor ⁴		BOD	TSS ⁸	вор	TSS
Loadings	Customers	EDUs ¹	CCF Per EDU*	Water Use CCF'	Pactor Lanconstantino	CCF		WASSESSON TO SERVICE		ANGERSTEIN CONTRACTOR
	011	927	7,00	N/A		77,825	220	220	106,906	106,906
Residential	911	327	7.00	IV A		• • • • • • • • • • • • • • • • • • • •		2.5.2		644
Commercial	2	9	35.00	3,782	20%	<u>756</u>	200	200	944	<u>944</u>
Total						78,582			107,850	107,850
iveai										

¹ "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.

² Flow estimate based on average winter use

^{3 &}quot;CCF" stands for hundred cubic feet

⁴ Flow factor based on estimated flow returning to sewer

^{5 &}quot;MG" stands for 1,000 gallons

^{6 &}quot;GPD" stands for gallons per day

⁷ "BOD" stands for biochemical oxygen demand

^{8 &}quot;TSS" stands for total suspended sollds

⁹ 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

		A Market and the Committee of the Commit					
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%
	\$35,837	\$9,984	\$25,853	33%	33%	33%	100%
Capital Functional Allocation \$	\$878,005	\$23,184	\$854,821	\$179,279	\$110,101	\$110,101	\$399,480
Functional Allocation %	φο, σ, σσσ	4-2/	, ,	44.88%	27.56%_	27.56%	100%
FY 22/23 Revenue Require	nent			\$226,120	\$138,856	\$138,856	\$503,832
•				-\$2,880			
LPSS Allocation					6400 OFC	\$138,856	\$503,832
Final Revenue Requiremen	rt.			\$223,240	\$138,856	\$120,030	3000,002

Flow and Strength Revenue Requirement by Class 7.3

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	22T	
Unit of Measure	The Court of the C	EDU	CCF	
Allocation Units	78,582	107,850	107,850	
Revenue Requirement Unit Cost (\$/Unit)	\$223,240 \$2.84	<u>\$138,856</u> \$1,29	<u>\$138.856</u> \$1.29	
Revenue Requirement	Flav	BOD	TES	Total
Units	and the second s		and the second s	4255//Names - Names (00)
Residential	77,825	106,906	106,906	
Commercial	756	. 944	944	
Revenue Requirement			9954894446666866666666666666666666666666	
Residential	\$221,091	\$137,640	\$137,640	\$496,871
Commercial	\$2,149	\$1,216	\$1,216	\$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

	I CHARA	anne e Ren - como i para esse e concerno perillo de la sesenza
The state of the second of the second	Sewer	Low
Unit Cost Calculation	System	Pressure
Total EDUs	926.50	22.00
Revenue Requirement	<u>\$496,370.98</u>	<u>\$3,151.22</u>
\$ per EDU	\$535.75	\$143.24
RI-Monthly S per EDU	\$89.29	\$23.87

Bi-Monthly Residential Rate Derivation	EDUs	Sawer System	Low Pressure	At FY 22-23 Revenue	At FY 23-24 Revenue
集中日本本大学の大学の日本学生をおける時からで、大学を可能を与いかがから同じ、日本できた。これでは、日本では、日本では、中央できた。	1.00	\$89.29	espirate to the constitute and a second second second and a second secon	\$89.29	\$102.68
Single Family Resid.	0.50	\$44.65		\$44.65	\$51.34
1/2 single Fam Resid.	3,00	\$267.89		\$267.89	\$308.08
TriPlex sewer	2.00	\$178.59		\$178.59	\$205.38
Duplex Sewer	1.00	\$89,29		\$89.29	\$102.68
Sewer Extention	1.00	\$89.29	\$23.87	\$113.16	\$130.14
Low Pressure 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

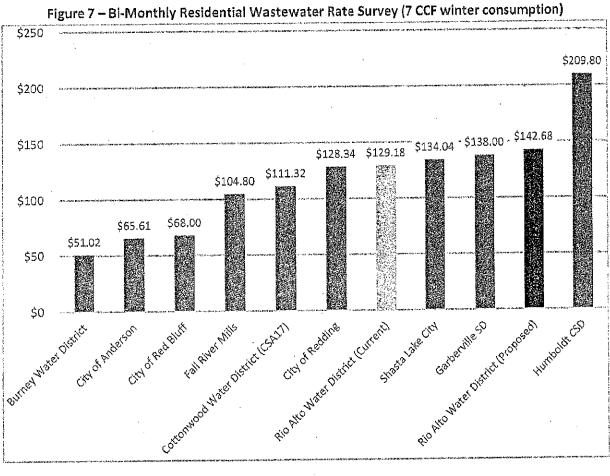
The following table shows a 5-year schedule of proposed wastewater rates. The rates are designed to recover the District's costs of providing wastewater service while achieving roughly balanced budgets in upcoming years.

Table 16 - I	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						
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

Regional Wastewater Rate Survey

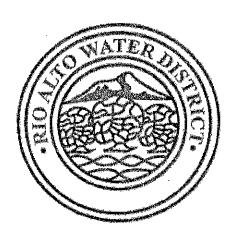
The following charts compare the wastewater and wastewater bills for a typical single-family home to those of other regional agencies.



APPENDIX A

Water Rate Study Tables

Rio Alto Water District Draft Water Rate Study Tables



November 21, 2023



BARTLE WELLS ASSOCIATES
Independent Public Finance Advisors

Table 1 Rio Alto WD Water Rate Study Projected Operating Expenses

Regulatory Officer Source of Supply Systems Operator 11 Source 01 Supply Systems Operator 11 Supply Systems		のでは、これのでは、これでは、これでは、これでは、これでは、これでは、これでは、これでは、これ	THE PROPERTY OF THE PROPERTY O	BANK THE CONTRACTOR OF THE PROPERTY OF THE PRO		THE RESERVE THE PARTY OF THE PA	CONTRACTOR OF COLUMN STREET, S	Andrew Company of the Company of the Company	THE RESERVE THE PROPERTY OF THE PERSON NAMED IN	ALCOHOL: CONTROL OF STREET, SOURCE OF	Control of the last of the las
Regulatory Officer Systems Operator II Systems Operator III		paradong	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projecteo	Projected
Regulatory Officer Systems Operator II Systems Operator III			10.5%							200	
Systems Operator II Systems Operator III	Source of Stooly	20,639	\$21,568	522,538	\$23,553	\$24,612	\$25,720	\$26,877	\$28,087	\$29,351	\$30,672
Systems Operator III	Source of Supply	32,469	\$33,930	\$35,457	\$37,053	\$38,720	\$40,462	\$42,283	\$44,185	\$46,174	\$48,252
	Source of Supply	20,950	521,893	\$22,878	\$23,907	\$24,983	\$26,108	\$27,282	\$28,510	\$29,793	\$31,134
Part Hiller Children ee	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	9,290	\$9,614	\$10,047	\$10,499	1/6'01\$	\$11,465	\$11,981	\$12,520	\$13,083	\$13,672
Well #5 Utility PG&E	Source of Supply	1,000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Well #3 Utility PG&E	Saurce of Supply	059	\$679	\$710	\$742	\$775	\$830	\$846	\$885	\$924	\$366
Tools	Source of Supply	150	\$157	\$164	\$171	\$179	\$187	\$195	\$204	\$213	\$223
General Supplies	Source of Supply	2007	\$209	\$2.18	\$228	\$239	\$249	\$260	\$272	\$284	<i>167\$</i>
Well #6 Utility PGRE	Source of Supply	2,000	\$2,090	\$2,184	\$2,282	\$2,385	\$2,492	\$2,605	\$2,722	\$2,844	\$2,972
Contracted Services	Source of Supply	2005	\$523	\$546	\$571	\$296	\$623	\$651	\$680	5711	\$743
Auto Fuel	Source of Supply	2,150	\$2,247	\$2,348	\$2,454	\$2,564	\$2,679	\$2,800	\$2,926	\$3,058	\$3,195
Auto Maintenance	Source of Supply	800	\$836	\$874	\$913	\$954	\$397	\$1,042	\$1,089	\$1,138	\$1,189
Auto Repair	Source of Supply	920	\$366	\$382	\$339	\$417	\$436	\$456	\$476	\$498	\$520
Well#3 Repair	Source of Supply	6	80	\$0	\$0	\$	뫘	8	Ş	\$0	\$0
Well #4 Repair	Source of Supply	8	\$52	\$55	\$57	\$60	295	\$65	898	\$71	574
Well #4 Maintenance	Source of Supply	200	\$203	\$218	\$228	\$239	5249	\$260	\$272	\$284	1625
Weil#5 Maintenance	Source of Supply	700	\$209	\$24.8	\$228	\$239	\$249	\$260	\$2,72	\$284	\$297
Well #6 Repair	Source of Supply	12.	\$52	\$55	\$57	\$60	\$62	\$65	\$28	\$71	\$74
Well #5 Renair	Source of Supply	Q.	\$52	\$55	\$57	\$60	\$62	\$65	\$9\$	\$71	\$74
Well #6 Maintenance	Source of Supply	7007	\$209	\$218	\$228	\$22\$	\$249	\$260	2225	\$284	\$297
Telemetry System	Source of Supply	750	\$784	\$819	\$856	\$894	\$932	\$377	\$1,021	\$1,067	\$1,115
Deloking Water Samples	Source of Supply	3,220	\$3,365	\$3,516	\$3,675	\$3,840	\$4,013	\$4,193	\$4,382	\$4,579	\$4,785
Regulatory Officer	Transmission & Distribution	20,638	521,567	\$22,537	\$23,551	\$24,611	67.525	\$26,876	\$28,085	\$29,349	\$30,670
Systems Operator	Transmission & Distribution	39.263	\$41,030	\$42,876	\$44,806	\$46,822	\$48,929	\$51,131	\$53,432	\$55,836	\$58,349
Systems Operator II)	Transmission & Cistribution	25,690	\$26,846	\$28,054	\$29,317	\$30,636	\$32,014	\$33,455	\$34,961	\$36,534	\$38,178
Artho Busi	Transmission & Distribution	2,050	\$2,142	\$2,239	\$2,339	\$2,445	\$2,555	\$2,670	\$2,790	\$2,915	\$3,046
Anto Maintenance	Transmission & Distribution	900	\$835	\$874	\$913.	\$954	466\$	\$1,042	\$1,089	\$1,138	\$1,189
Auto Benair	Transmission & Distribution	DSC	\$366	\$382	\$339	\$417	\$436	\$456	-5476	\$498	\$520
Part Time Employee	Transmission & Distribution	2,709	\$2,822	\$2,948	\$3,081	\$3,220	\$3,365	\$3,516	\$3,674	\$3,840	\$4,012
Rooster Station Utility	Transmission & Distribution	15 A 16 A	\$439	\$459	\$479	\$501	\$523	\$547	\$212	5597	\$624
Meters/Backflows	Transmission & Distribution	7,000	\$7,315	\$7,644	\$7,988	\$8,348	\$8,723	\$9,116	\$9,526	\$9,955	\$10,403
Tools	Transmission & Distribution	2000	\$5,225	\$5,460	\$5,706	\$5,963	\$6,233	\$6,511	\$6,804	\$7,111	\$7,430
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	099	\$585	\$612	\$639	\$658	\$69\$	\$729	\$762	\$796	\$832
Equipment Maintenance/Repair	Transmission & Distribution	1,000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$3,302	\$1,361	\$1,422	\$1,486
Rooster Station Maintenance/Repair	Transmission & Distribution	DOG CONTRACT	\$523	\$546	\$571	\$596	\$623	\$651	\$680	\$711	\$743
Tanks #1.2.3 Maintenance/Repair	Transmission & Distribution	200	\$523	\$546	\$571	\$596	\$623	\$651	\$680	\$7.11	\$743
Line Maintenance/Repair	Transmission & Distribution	7 20,000	\$20,900	\$21,841	\$22,823	\$23,850	\$24,924	\$26,045	527,227	528,442	\$29,722
Valve Maintenance/Repair	Transmission & Distribution	000T	\$1,045	\$1,092	51,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Hydrant Maintenance/Repair	Transmission & Distribution	200	\$523	\$546	\$571	965\$	\$623	\$651	\$680	\$711	\$743
Telemetry System	Transmission & Distribution	250	\$784	\$819	\$856	\$894	\$935	\$977	\$3,021	\$1,067	\$1,115
Hydrant Replacement Fund	Transmission & Distribution	AND THE STATE OF T	\$0	\$0	òζ	\$	ŞÇ	95	OŞ.	S ,	3
General Manager	Administration	59,716	\$62,403	\$65,211	\$68,146	\$71,212	\$74,417	\$77,766	\$81,265	\$84,922	588,744

Table 1 Rio Alto WD Water Rate Study Projected Operating Expenses

Evaporent		FY 23.74	FY 34-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 36-31	FY 31-32	FY 32-33
K., A.L. J. C. I S. J. C., I.S. C., I.S. C. C., J.S. C. C. C., J.S. C.	WASHINGTON TO STREET THE CONTRACT STANDARD STREET	Antonio proposition and proposition and the control of the control	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Control (Marion Earling)				T. C. T. S.							
The first of the f	Administration	30 TO 10 10 10 10 10 10 10 10 10 10 10 10 10	\$9.745	\$10.184	\$10.643	\$11.121	\$11,622	\$12,145	\$12,691	\$13,263	\$13,859
Regulatory Officer	Administration	1242	\$1.298	\$1,356	\$1,417	\$1,481	\$1,548	\$1,617	\$1,690	\$1,766	\$1,846
Systems Operator III	Administration	730	\$826	\$863	\$302	\$942	\$984	\$1,029	\$1,075	\$1,123	\$1,174
Statement Operator at	Administration	35,840	\$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	10000000000000000000000000000000000000							,	;	
PERS Employer Unfunded Liability	Administration	47,585	\$49,831	\$52,073	\$54,417	\$56,865	\$59,424	\$62,098	\$64,893	\$67,813	\$70,864
Workers Compensation Insurance	Administration	\$100 St. 4,425	\$4,624	\$4,832	\$5,050	\$5,277	\$5,514	\$5,763	\$6,022	\$6,293	\$6,576
ACH.	Administration	23,000	\$24,035	\$25,117	\$26,247	\$27,428	\$28,662	\$29,952	531,300	\$32,708	\$34,180
PERS Berirement	Administration	77,369	\$28,601	\$29,888	\$31,233	\$32,638	\$34,107	\$35,642	\$37,245	\$38,921	\$40,673
Health Insurance ACWA	Administration	38,268	066'68\$	\$41,790	\$43,670	\$45,635	\$47,689	\$49,835	\$52,077	\$54,421	\$56,870
113	Administration	1,840	\$1,923	\$2,009	\$2,100	\$2,194	\$2,293	\$2,396	\$2,504	\$2,617	\$2,734
Retires Health Benefits	Administration	13,974	\$14,603	\$15,260	\$15,947	\$15,664	\$17,414	\$18,198	\$19,017	\$19,872	\$20,767
PEPRA Employer Contributions	Administration	1 7 2 3 7 11,159 ^t	\$11,657	\$12,182	\$12,730	\$13,303	\$13,901	\$14,527	\$15,180	\$15,864	\$16,577
PEPRA Employer Unfunded Liability	Administration	至 生活的 不能 温								,	,
Dental/Vision Insurance	Administration	3,502	\$3,660	\$3,824	\$3,996	\$4,176	\$4,364	\$4,561	\$4,766	\$4,980	\$5,204
Life formande	Administration	804	\$840	\$878	\$917	\$353	\$1,002	\$1,047	\$1,094	\$1,143	\$1,195
Seiner	Administration	0000	\$4,180	\$4,368	\$4,565	\$4,770	\$4,985	\$5,209	\$5,443	\$2,688	\$5,944
options of the control of the contro	Administration	2000	\$5,225	\$5,460	\$5,706	\$5,963	\$6,231	\$6,511	\$6,804	\$7,111	\$7,430
Cologo	Administration	1,200	\$3,254	\$1,310	\$1,369	\$1,431	\$1,495	\$1,563	\$1,633	\$1,707	\$1,783
Franchise Trade / Evoluties	Administration	2500	\$2,613	\$2,730	\$2,853	\$2,983	\$3,115	\$3,256	\$3,402	\$3,555	\$3,715
Employee Meetings/Conferences	Administration	1,500	\$1,568	\$1,638	\$1,712	\$1,789	\$1,869	\$1,953	\$2,041	\$2,133	\$2,229
Coloradio o	Administration	300	\$314	\$328	\$342	\$358	\$374	\$391	\$408	\$427	\$446
Contification Renewal	Administration	200	\$209	\$218	\$228	\$239	\$249	\$250	\$27.2	\$284	\$297
Dublic Relations	Administration	1,000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Pictor Informs	Administration	056	\$993	\$1,037	\$1,084	\$1,133	\$1,184	\$1,237	\$1,293	\$1,351	\$1,412
Alarm System Monitoring	Administration	504									
Membershin/Subscriptions	Administration	1,200	\$1,254	\$1,310	\$1,369	\$1,431	\$1,495	\$1,563	\$1,633	\$1,707	\$1,783
Banking/Court Costs	Administration	3,000	\$3,135	\$3,276	\$3,423	\$3,578	\$3,739	53,907	\$4,083	\$4,266	\$4,458
Website & Advertising	Administration	27 S S S S S S S S S S S S S S S S S S S	\$287	\$300	\$314	\$328	\$343	\$358	\$374	\$391	74 <u>13</u>
Insurance	Administration	017/82	\$30,002	\$31,352	\$32,763	534,237	\$35,778	537,388	\$39,070	\$40,829	\$42,656 \$752
Cell Phone Allowance	Administration	458	473	\$500	\$523	\$546	\$571	3653	\$295	2651	100
Propane - Fat Cat	Administration	300	\$314	\$328	\$342	\$358	5374	5391	N S	¥ 1	4 t
Equipment Lease	Administration	5304	\$5,543	\$5,792	\$6,053	\$6,325	\$6,610	56,907	\$7,718	\$7,543	57,882
Office Equipment Expense	Administration	006	\$941	\$983	\$1,027	\$1,073	\$1,122	\$1,172	51,225	\$1,280	(\$15.) (\$1.00)
Office Fourment Maintenance	Administration	081	\$188	\$197	\$202	\$215	\$224	\$234	5245	\$256	\$267
Office Building Maintenance	Administration	096	\$1,003	\$1,048	\$1,096	\$1,145	\$1,196	\$1,250	\$1,306	\$1,365	\$1,427
Contracted Services	Administration	3,770	\$3,940	\$4,117	\$4,302	\$4,496	\$4,698	\$4,910	\$5,130	\$5,361	\$5,603
Engineering Services	Administration	0001 3,000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	51,486
lot Selline Expense	Administration	100	\$105	\$109	\$114	\$119	\$125	\$130	\$136	\$147	\$149
Safety Supplies	Administration	005	\$941	\$983	\$1,027	\$1,073	\$1,122	\$1,172	\$1,225	\$1,280	\$1,337
Office Utility-PG&E	Administration	The state of the s						, .		,	1
Telephone	Administration	1,714	\$1,791	\$1,872	\$1,956	\$2,044	\$2,136	\$2,232	\$2,333	\$2,437	\$2,547
Service Fee - State	Administration	13,725	\$14,343	\$14,988	\$15,563	\$16,367	\$17,104	\$17,874	\$18,678	शर(शर	165'07¢

Table 1 Rio Alto WD Water Rate Study Projected Operating Expenses

Evnanca		FY 23-24	FY 24-25	FY 25-26	£Y 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
EALD ELLOCO. Co. 16516-julio antico professional experiencia del partico del professional d	DATE TO THE STATE OF THE STATE		Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Season of a factor to a factor of the season					1.36			A 2004 5 2 2 3		4.5	0.5 E. 3.5
				4	Ç133	¢170	¢187	\$\$ 95	\$204	\$213	\$223
Sacrina Federal SSA	Administration	150	/cx	\$±04¢	7/14	C 1700					
	Administration	006 *	\$5,121	\$5,351	\$5,592	\$5,843	\$6,106	\$6,381	\$6,668	\$6,968	797'/\$
Service ref - County	Administration	8.400	\$8,778	\$9,173	59,586	\$10,017	\$10,468	\$10,939	\$11,431	\$11,946	\$12,483
Auditor	Administration	2.400	\$2.508	\$2,521	\$2,739	\$2,862	\$2,991	\$3,125	\$3,266	\$3,413	\$3,567
Legal Counsei	Administration	050	2761	\$7273	\$285	\$298	\$312	9ZE\$	\$340	\$356	\$372
Board Meeting Supplies	Administration	0.0	\$4.722	\$4,412	\$4,510	\$4,818	\$5,035	\$5,261	\$5,498	\$5,745	\$6,004
Director Fees	Administration	COL C	785 75	\$7.978	\$8.285	\$3,658	\$9,047	\$9,454	088'6\$	\$10,324	\$10,789
Director Travel/Conferences	Administration	3,770	100-110	\$5655		\$715		\$781		\$853	
Director Election (non-election yr.)	Administration	npo	Ş		52 853	:	\$3.115	•	\$3,402		\$3,715
Director Election (election yr.)	Administration		52,025	64 620		¢37 72		\$1.953		\$2,133	,
GASB OPEB Evaluations (total eval)	Administration	Tr)Onc	Š	and the	¢347		\$374		\$408		\$446
GASB OPEB Evaluations (disclosure)	Administration		#TCC	CG 703	23 008	\$7.417	\$7,751	\$8,100	\$8,465	\$8,845	\$9,244
Computer Updates & Subscriptions	Administration	077 a	nne oc	76 r'06	20012		826.170	•	•		
Water Rate Study	Administration	27,4000					216-4				
OPEB Contributions (CERBT Trust)	Administration						¢19 693				
Asset Evaluation Consultant	Administration	15,000	1	1	200	5117	C17 888	\$18.693	\$19 534	\$20,413	\$21,332
OPEB Liability	Administration		mo'sts	0/0/CTA	DOC'OT C	900	50 5 0 3	58 773	¢9116	\$9.576	\$9.955
Computer Ungrades	Administration		00075	CT5//\$	+60'/4		20,00	and the second			
		\$692,408	\$708,151	\$739,254	\$773,319	\$807,283	\$889,346	\$881,574	\$922,197	\$962,700	\$3,007,052
Total Operating Expenses											

¹Based on District's FY 23-24 budget with minor modifications reflecting the updated capital spending projections

Table 2 Rio Alto WD Water Rate Study Projected Revenues

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
Rate Revenue Assumptions (1)		Actual	Budgeted	Projected	Projected	Projected Telephone	Projected	Projected	Projected	Projected	Projected fif	Projected Projected
Rate Revenue												
Rate Revenue Before Increase		\$528,471	\$528,487	\$587,442	\$652,973	\$725,815	\$799,515	\$880,697	\$970,123	\$1,068,530	\$1,155,736	\$1,238,369
Revenue from Rate Increase			529,067	564,619	\$71,827	\$72,582	\$79,951	\$88,070	\$97,012	\$85,490	\$80,902	\$61,918
Total Rate Revenue		\$528,471	\$557,554	\$652,061	\$724,801	\$798,397	\$879,466	\$968,767	\$1,067,136	\$1,154,120	\$1,236,637	\$1,300,287
<u>Other Revenue</u>												
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	\$20,228×	877,615	\$19,728	\$19,728	\$19,728	\$19,728	\$19,728	\$19,728	\$19,728	\$19,728	\$19,728
Avail Hydrant Revenue	Administration	511,514	\$11,106	\$11,106	\$11,106	\$11,106	\$11,106	\$11,106	\$11,106	\$11,106	\$11,106	\$11,106
Connections Water Revenue	Capital	\$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	58,741	\$7,227	\$6,567	\$6,163	\$5,966
Cell Tower Lease Revenue	As All Other	\$10,200	056,618	\$18,450	\$19,004	\$19,574	\$20,161	\$20,766	\$21,389	\$22,030	\$22,691	\$23,372
Tax Revenue RAWD	As All Other	£ 5174,309 ×	\$150,000	\$150,000	\$350,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
County Interest	As All Other	52,897	\$2,600	\$2,500	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600
County Penalty	As All Other	\$714°	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Administrative Revenue	Other Revenues	y 1854	\$15,300	\$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	\$12										
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	\$297,468	\$313,101	\$313,251	\$313,460	\$314,736	\$315,428	\$314,536	\$314,518	\$314,775	\$315,259
Total Revenue		\$896,912	\$855,01,7	\$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

. ,	50 50 50	A7 55 V3	3C-7C V3	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
Project Descriptions	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
CIP (Current Dollars)					Self-to-mark of the self-th the self-th self-t	mention de la constitución de la			THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER.	A STANSON OF THE PROPERTY OF T	-
Tanks (from Superior Tank): Tanks 1A & 2A		\$123,722	\$123,722	\$123,722	\$36,336	\$36,336	\$36,336	\$36,336	\$36,336	\$36,336	\$36,336
Tank 2B							\$125,000	\$125,000	\$125,000	\$125,000	900,6714
Wells (Pump, Motor & Controls): Well 5 - 150 HP Submersible Well 6 - 175 HP Submersible					\$207,287						
Other									٠		
Roof	\$21,000										
AC	\$7,800										
Repair and Abandon 12" Line	\$30,000	\$120,000	000	. 423.000	572 000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,060
Fire Hydrants - 2 per year		\$22,000	522,000	\$22,000	\$20,525	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Vehídes			000,024	275 000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Line Replacement			nnn'ne¢	000/2/4							
				00000	\$534 A3E	325 8003	4353 336	\$353,336	\$353,336	\$353,336	\$321,836
Total CIP (Current Dollars)	\$58,800	\$265,722	\$215,722	\$240,724	75,1100	2000	1				
Contract to the second							CLASSIC PROPERTY OF THE PROPER	A STATE OF THE PROPERTY OF THE PARTY OF THE		A COLUMN TO THE PERSON OF THE	***************************************
CIP (Initated Donals)			OLE SECT	676.0 97A	\$697 737	\$272,295	\$440,321	\$460,135	\$480,841	\$502,479	\$478,279
Total CIP (Inflated Dollars)	\$58,800	\$205,722	574,623,423	T. 0.2.10.44	/O / V	763 V	45%	4.5%	4.5%	4.5%	4.5%
Annual Inflation Rate			4.5%	4.5%	4.0%	• 7					

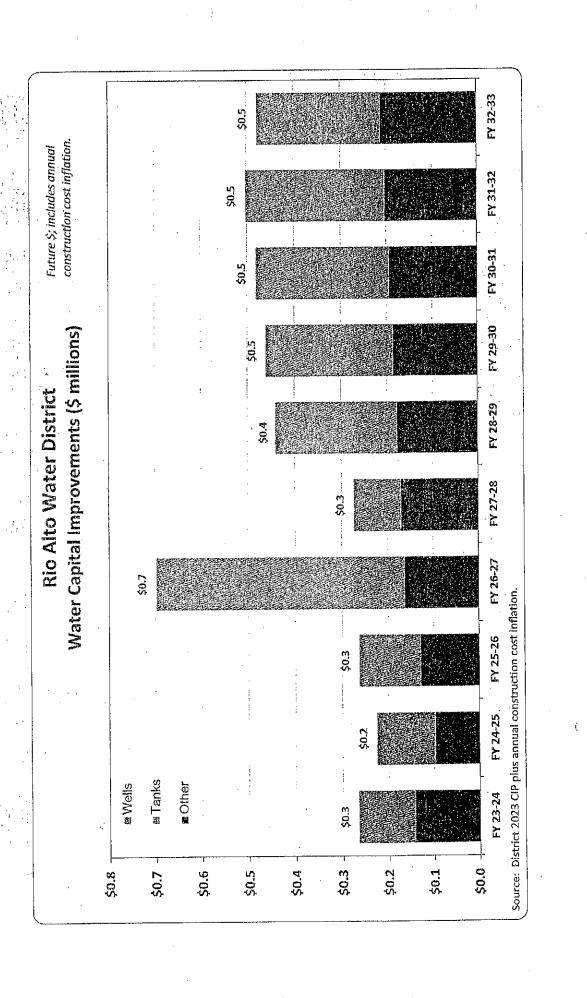


Table 4 Rio Alto WD Water Rate Study Debt

**************************************	50,50 V3	EV 72.74	5V 2A.75	96"56 A3	£4.36.73	FV 37.38	FY 78-79	FY 79-30	FY 30-31	FY 31-37	FY 32-33
UCUL 13.4.2.3. SONTAINMENTALEM	Actual	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Existing Debt				ļ							
CEC Loan Payment Well #5	\$25,378 \$25,378	\$25,378	\$25,378	\$25,378	\$25,378	\$25,378	\$25,378	\$25,378	\$25,378	\$25,378	\$25,378
CEC Loan Payment Well #5	\$34,469	534,469	>34,469	534,469	534,469	>34,469	234,459	74440	224,404	744,404	254,469
CEC Loan Interest Office	\$10,461	\$10,461	\$10,461	\$10,461	\$10,461	510,461	\$10,461	\$10,461	510.451	No Stuyeou	510,461
CEC Loan Payments Office	\$1,646	\$1,646	\$1,646	\$1,646	\$1,646	51,646	51,646	\$1,646	\$1,646	51,84b	31,645
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
Proposed Borrowing											
Net Proceeds Needed			•			\$500,000					
Repayment Term (vrs)						30					
Interest Rate				a management of the contract o	The second secon	5.0%	The second of the second second second	24 07 0000000000000000000000000000000000	1.1 3.1.16 Mil. 1984 198. A		
Month of Issue	The state of the s	TO THE PARTY OF TH				TARRE			Commence of the commence of th		
Issuance Costs (% of Net Proceeds)	ceeds)			•							
						\$30,000					

\$34,000

\$34,000

\$34,000

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Prorated Debt Service Payment - Current Yr. Only

Issuance Cost Debt Service Reserve Total Debt Issue Size Annual Debt Service Payment (rounded)
Total Proposed Annual Water Del

\$34,000 \$34,000 \$34,000

\$530,000

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
Date Reviewing Introduce Commence Comme	ACCOUNTS AND ACCOUNTS OF THE PARTY OF THE PA	11.0%	11.0%	11,0%	10.0%	10.0%	20.00	10.0%	8.0%	7.0%	5.0%
Beginning Reserves	\$891,721 \$1,048,042	\$1,048,042	\$872,974	5	\$796,570	\$865,417	\$874,087	\$722,660	\$656,669	\$616,314	\$596,593
Revenues					and department (School Control	Charles and the state of the st	ringsOspacoumic pandada	- 1		1	top op a dead ath the or not the bill
Rafe 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	-		515,239
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			Company of California and Canada and Calaborate and	AND DESCRIPTION OF THE PROPERTY OF THE PROPERT	eyenisterasınındek deliğindi.	najo acompanya najoman venana ben	- Deliver of the Particular State of the Particular St	The same in the same of the sa			
Oneration Fynerske	\$609,837	\$692,408	\$708,151	\$739,254	\$773,319	\$807,283	\$889,346	\$881,574	\$922,197	\$962,700	51,007,062
Chicating Daht Service	71.954	71,954	71,954	71,954	71,954	71,954	71,954	71,954	71,954	71,954	71,954
Mour Dobt Comice	C	0	0	0	O	34,000	34,000	34,000	34,000	34,000	34,000
New Debt Selvice Rate Flinded 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		\$1,030,084	\$1,005,534	\$1,074,082	\$1,043,010	\$1,185,532	\$1,435,621	\$1,447,663	\$1,508,992	\$1,571,133	\$1,591,295
Net Revenues.	M	\$17.5067.4	F18/10/973	10.53E2	568 827	\$8670	\$151.426	565,992	\$40.55	10/6US	F. 25.27.59
2					1	1,00	0000000	0000	6616311	4506 503	\$620 844
Ending Reserves	\$1,048,042	\$872,974	\$832,601	\$796,570	5865,417	58/4,08/	77.77	confocat	5010,314 5 16	ביהנטכיר ק	5 74
Debt Coverage	3.99	2.26	3.57	4.15	4.70	5.65	3.73	4.12	27.7	200	
*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					000						
Use of Debt Praceeds		,		1	5500,000		1000000	5150 425	\$480 841	\$502 479	\$478.779
Rate Funded Capital	\$58,800	\$265,722	\$225,429	\$262,874	\$13/1/3/	567,7176	175,044	2000	7100010	61000	
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 Canital Exnonditures	\$58,800	\$265,722	\$225,429	\$262,874	\$697,737	\$272,295	\$440,321	\$460,135	\$480,841	\$502,479	\$478,279
וחומו בשהיומי בעהבייתיים											

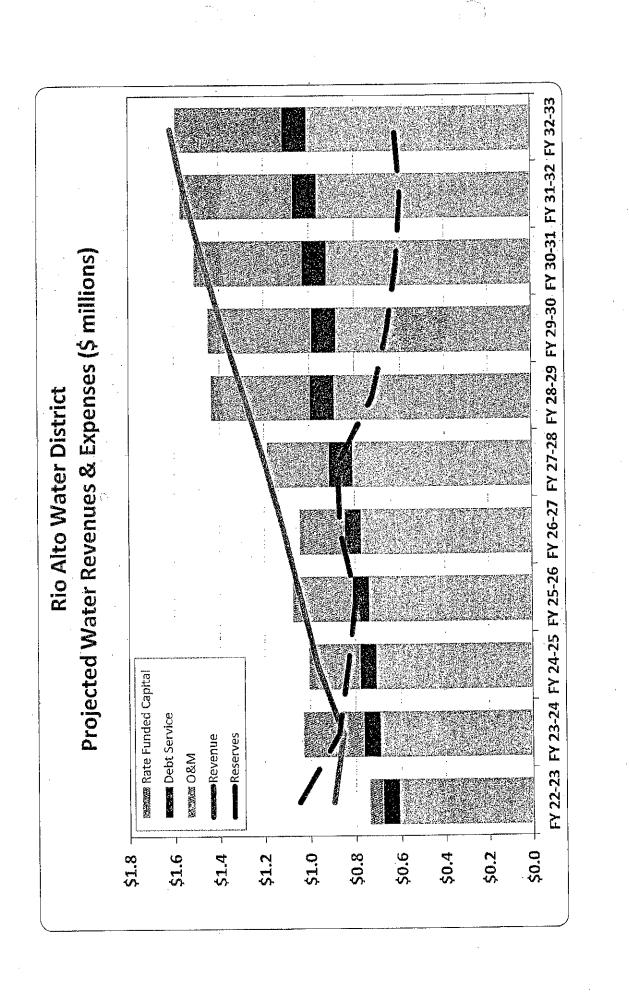


Table 6 Rio Alto WD Water Rate Study Customer Data

FY 17-18	FY 18-19		FY 20-21	FY 21-22	FY 21-22 FY 22-23	FY 23-24
Actual	Actual	Actual	Actual	Actual	Actual	Projected
254,283	248,214	268,254	271,507	246,452	227,070	070,722
31,695	225,599	250,999	247,510	232,326	210,642	210,642
8.9%	9.1%	6.4%	8.8%	5.7%	7.8%	7.8%
1,322	1,340	1,365		1,412	1,412	1,412
	1.36%	1.87%	1.76%	1.66%	0.00%	0.00%
175	168	184	178	165	165	165
24,7 31,4 31,4 1,1	.18 283 295 395 372 175		1,340 1,340 1,36% 1,36%	1,340 1,340 1,36% 1,36%	17 15-15 17 13-20 17 202. Actual Actual Actual 248,214 268,254 271,507 225,599 247,510 9.1% 6.4% 8.8% 1.340 1,365 1.36% 1.87% 1.76% 1.6% 1.87% 1.76% 1.6% 1.87% 1.76% 1.88	17 15-15 17 13-20 17 202. Actual Actual Actual 248,214 268,254 271,507 225,599 247,510 9.1% 6.4% 8.8% 1.340 1,365 1.36% 1.87% 1.76% 1.6% 1.87% 1.76% 1.6% 1.87% 1.76% 1.88

Meter Equivalent Units Water Rate Study Rio Alto WD Table 7

	26.	The Court of the C	
Meter Size	i	Ratio**	Units (MEUs)
3/4"	1,225	1.0	1.0
1 "	180	1.7	300.6
2"	9	5.3	32.0
Total	1,412.0		1,558.6
* Customer data as of June 2023 provided by staff	ie 2023 provided by sta	<u> </u>	
** Capacity factors based on AWWA operating capacity standards by meter size	on AWWA operating G	spacity standards by	meter sîze

Table 8 Rio Alto WD Water Rate Study 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%	X0Z	100%
Source of Supply	\$107.749	\$0	\$107,749		30%	70%	100%
Transmission & Distribution	\$141.933	\$0	\$141,933			100%	100%
Deht Service	\$71,954	\$0	\$71,954		20%	20%	100%
Capital	\$244,812	\$11,318	\$233,493		%09	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 Volumetric Charge Calculation

Allocation linits	All Volume
Unit of Mansure	CCF
Total Water He CFF	210,642
Beyenne Requirement	\$255,297
Unit Cost (\$/Unit)	\$1.21

Bi-Monthly Fixed Charge Calculation

	, d	Curtomore	Canacity	
Allocation Units	uffS	CESTOINE	Capacity.	
Unit of Measure	ıre	Customers	MEUS	
Allocation Units	its	8,472	9,351	
Revenue Reguirement	uirement	\$143,898	\$187,425	
Unit Cost (\$/Unit)	Unit)	\$16.99	\$20.04	
			İ	
	Capacity	Bi-Monthly Capacity	Bi-Monthly Capacity	
Weter	Factor**	Component	Сопронер	Bi-Monthly Fixe
3/4"	1.00	\$16.99	\$20.04	\$37.03
	1.67	\$16.99	\$33.47	\$50.46
1. th	5.33	\$16.99	\$106.83	\$123.81

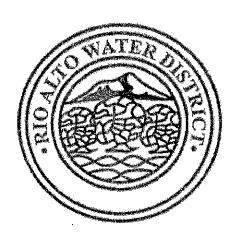
Table 10 Rio Alto WD Water Rate Study Water Rate Schedule

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)			•			
Base Use (0-15 CCF) Volumetric (>15 CCF) Uniform Rate (All CCF)	\$0.00 \$1.30	\$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	\$ 12 3.81	\$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

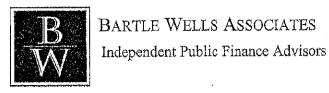


Table A
Rio Alto WD
Sewer Rate Study
Sewer Rate Schedule

Existing and Proposed Sewer 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
Bi-Monthly Fixed Charges		And the state of t				
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
	12.0	1				
Volumetric Charges						40.00
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		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
Construction of the Constr	- The state of the	Actual	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected:	Projected	Projected	Projected
General Infation Pactors (Control of the Control of	d lease and the lease of the le									100 ST 100 S	34 SP SP SP	24.00 A 5.00
									1	1	1	100
Systems Operator II	Treatment	E4 294	30,318	\$31,682	\$33,108	534,598	536,155	\$37,782	539,482	541,759	\$43,115	545,055
Regulatory Officer	Treatment	73,158	. 20,638	\$21,567	\$22,537	\$23,551	\$24,611	\$25,719	\$26,876	528,085	5.7,343	530,670
Svs Operator III	Treatment	16,088	(15,802)	\$16,513	\$17,256	\$18,033	\$18,844	\$19,692	\$20,578	521,504	57777	525,483
Part Time Employee	Treatment	- 525 · 522 ·		\$2,822	\$2,948	\$3,081	\$3,220	\$3,365	\$3,516	53,674	\$3,840	54,012
2 C T C T C T C T C T C T C T C T C T C	Treatment	3,874		\$2,247	\$2,348	\$2,454	\$2,564	\$2,679	\$2,800	\$2,926	\$3,058	\$3,195
Arth Maintenance	Treatment	1,525	a ,	\$836	\$874	\$913	\$954	\$997	\$1,042	€80,Ľ\$	\$1,138	\$1,189
And Reposit	Treatment	438	350	\$366	\$382	\$399	\$417	\$236	\$456	\$476	\$498	\$250
Mostlande Heifth	Treatment	\$ 113	\$60	\$63	\$66	\$68	\$72	\$75	\$78	\$85	\$8\$	£
WOMED THE PARTY	Treatment	9213	10,000	\$10,450	\$10,920	\$11,412	\$11,925	\$12,462	\$13,023	\$13,609	\$14,221	\$14,861
Conord Stranges	Treatment	75		\$627	\$655	\$685	\$716	\$748	\$781	\$817	\$853	\$892
Tools	Treatment	695	100	\$105	\$309	\$114	\$119	\$125	\$130	\$136	\$142	\$149
Objection (Brown)	Treatment.	46 212	50,000	\$55,000	\$60,000	\$62,700	\$10,000	\$10,450	\$10,920	\$11,412	\$11,925	\$12,462
Canada Indo Suscelland Condenses	Treatment	.056 5	6,400	\$6,688	\$6,989	\$7,303	\$7,632	\$7,976	\$8,334	\$8,710	59,101	\$9,511
Data tab Supplies typines.	Trestment	100	2005	\$523	\$546	\$571	\$556	\$623	\$651	\$680	\$711	\$743
Figure Law Supplies	Troopment	· · · · · · · · · · · · · · · · · · ·	2,000	\$2,090	\$2,184	\$2,282	\$2,385	\$2,492	\$2,605	\$2,722	\$2,844	\$2,972
Piant Lab Aquipment Nepal	Treatment	0. T	Sold Sold	\$523	\$546	\$571	985\$	\$623	\$651	0895	\$711	\$743
Flant Lab Equipment Maintetrance	Transferrent	105	00.	\$1.045	\$1.092	\$1.141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Contracted Services	Treatment	100 h	9000	\$6.270	\$6,552	\$6.847	\$7,155	57,477	\$7,814	\$8,165	\$8,533	\$8,917
Studge Disposal				\$1.005	\$1.097	\$1.141	\$1.193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Equipment Maintenance	Theatment -			C+ 0,45	\$1.097	\$1.141	\$1.193	\$1.246	\$1.302	\$1.361	\$1.422	\$1,486
Safety Supplies & Equipment	regunear	3		10010	\$ 450 \$ 450	לכ זעכ	ÇE 063	\$6.731	\$5.511	\$6.804	\$7.11.1	\$7,430
Equipment Repair	Treatment	1	non's	577'55	23,490	מטייניל בפר כי	2000	C1 402	103.0	50.7.12 50.7.12	\$2 84A	C7 9 C2
Plant Maintenance	Treatment	236	2,000	52,090	27,184	797.74	\$2,383	26,425	\$2,000	127,24	44,04	TOTAL CLO
Wetlends Maintenance	Treatment	669'8	8,300	\$8,574	59,064	\$9,472	59,898	510,343	SUS,UIC	C67/11¢	511,805	\$12,535
Wieelands Secretiv	Treatment	7,609	400	\$418	\$437	\$456	\$477	\$498	\$521	\$544	\$569	5594
Ofact Repair	Treatment	2.286	3,000	\$3,135	\$3,276	\$3,423	\$3,578	\$3,739	53,907	\$4,083	\$4,266	\$4,458
White Matter Dormit Testing	Treatment	9.116	000.01	\$10,450	\$10,920	\$11,412	\$11,925	\$12,462	\$13,023	\$13,609	\$14,223	\$14,861
Telemoter Surtem	Treatment	734		\$836	\$874	\$913	\$954	266\$	\$1,042	\$1,089	\$1,138	51,189
	Follection Statem	7.637		\$21.568	\$22,538	\$23,553	\$24,612	\$25,720	\$26,877	\$28,087	\$29,351	\$30,672
Regulatory Onices	Collection System	713 502		\$33,440	534,945	\$36,517	\$38,161	\$39,878	\$41,672	\$43,548	\$45,507	\$47,555
Sys Operator in	Collection system	10000		419 R16	\$20.708	\$21.640	\$22,614	\$23,631	\$24,695	\$25,806	\$26,967	\$28,181
Sys Operator III	Collection system			508 03	876 65	\$3.08	53.220	\$3.365	\$3,516	\$3,674	\$3,840	\$4,012
Part Time Employee	Collection system	1000		420,024	2000	1 1	7 5 5 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	\$2.5.70	(C) 878	¢2 436	\$3.058	43 195
Auto Fuel	Collection System	1878 6 1974	語が後	24,247	477748	4C474	\$2,24 \$004	1007	2007	¢1 080	41.128	¢1 189
Auto Maintenance	Collection System	1,486	800	\$836	\$8/4	2913	\$!	(SEC	77,042	tout t	0044) i
Auto Repair	Collection System	029	350	\$366	\$387	\$399	\$417	95. X.	\$45g	4/4/5	25.4	0255 0255
11ft Stations #3.4.5.6.7 Utility	Callection System	3,444	3,500	\$3,558	\$3,822	\$3,994	\$4,174	\$4,362	\$4,558	54,763	24.97	107'55
The State of Tables	Collection System	3,872	3,500	\$3,658	\$3,822	\$3,994	\$4,174	\$4,362	\$4,558	\$4,763	\$4,977	\$5,201
Company and Mallace	Collection System	12.528	00000	\$10,450	\$10,920	\$11,412	\$11,925	\$12,462	\$13,023	\$13,609	514,221	\$14,861
Aning T# uoness 197	Calculation System	1 C 1 C 1 C 1	1000	\$1,045	51.092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422.	\$1,486
General Supplies	Collection System	Out-	050	\$251	\$273	\$285	\$238	\$312	\$326	\$340	\$356	\$372
Tools	Collection System	OC 14 CONTRACTOR		100	UŞ	, C.S	5	€.	8	ŞOŞ	¢\$	\$0
Safety Equip Repair	Collection System	With the second		7.	ŝ	\$	}		ļ	!		

Table 1 Rio Alto WD Sewer Rate Study Projected Operating Expenses

Expenses		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
		Actual	Budgeted	Projected	Projected	Projected	Projected	Projected	Frojected	Projected	Projected	Projected
Service Infigure Actor and				11111111111111111111111111111111111111	1000 4596 W		4 5%	2.5.2		100 A 200 A	25.5	24.5%
Telemetry System	Collection System	260	750	5784	\$819	\$856	\$894	\$935	116S	\$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	\$571	\$596	\$623	\$651	\$680	\$713	\$743
Lift Station Maintenance	Collection System	391	1,000	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Lift Station Repair	Collection System	E 1997	5,000	\$5,225	\$5,460	\$5,706	\$5,963	\$6,231	\$6,511	\$6,804	\$7,111	\$7,430
Sewer Line Maintenance	Collection System		1,900	\$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	\$3,907	\$4,083	\$4,266	\$4,458
General Manager	Administration	49,412	49,576	\$51,807	\$54,138	\$56,574	\$59,120	\$61,781	\$64,563	\$67,466	\$70,502	\$73,675
Regulatory Officer	Administration	7,245	9,326	\$9,746	\$10,184	\$10,643	\$11,121	\$11,622	\$12,145	\$12,691	\$13,263	\$13,859
Operations Supervisor	Administration		0	\$	O\$	\$	8	g.	\$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	71	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
Bookkeener	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	S. Nov. 3,759	3,924	\$4,101	\$4,285	\$4,478	\$4,679	\$4,890	\$5,110	\$5,340	\$5,580	\$5,831
FICA	Administration	301,01	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	\$76,772	372,976	\$29,235	\$30,551	\$31,926	\$33,362	\$34,864
Health Insurance ACWA	Administration	37,295	33,612	\$35,125	\$36,705	\$38,357	\$40,083	\$41,887	\$43,772	\$45,741	\$47,800	\$49,951
SU.S.	Administration	2,013	1,632	\$1,705	\$1,782	\$1,862	\$1,946	\$2,034	\$2,125	\$2,221	\$2,321	\$2,425
Deptal Misjon Insurance	Administration	3,523	3,108	\$3,248	\$3,394	\$3,547	\$3,706	\$3,873	\$4,047	\$4,230	54,420	\$4,619
Tife fostingnee	Administration	817	7.0	\$744	\$778	\$813	\$849	. \$887	£357	\$969	\$1,013	\$1,058
Seriese 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	688		\$362	\$378	\$395	\$413	\$431	\$451	\$471	\$492	\$514
DCDDA Employer Contributions	Ariministration	8330	9.892	\$10,337	\$10,802	\$11,288	\$11,796	\$12,327	\$12,882	\$13,462	\$14,067	\$14,700
PEPRA Employer Unfinded Liability	Adrainistration	852	0	55	0\$		\$	8	25	\$	\$0	\$0
Alarm System Monitoring	Administration	140	336	\$351	\$367	\$383	\$401	X 13	\$438	\$457	\$478	\$499
Supplies	Administration	3,044	3,000	\$3,135	\$3,276	\$3,423	\$3,578	53,739	\$3,907	\$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	. 651	597	\$624	\$652	\$681	\$7.12	\$7.44	2117	\$812	\$849	\$887
Employee Travel/Expenses	Administration	1.832	2,000	\$2,090	\$2,184	\$2,282	\$2,385	\$2,492	\$2,605	52,722	\$2,844	\$2,972
Employee Meeting/Conferences	Administration	578	900 T	\$1,045	\$1,092	\$1,141	\$1,193	\$1,246	\$1,302	\$1,361	\$1,422	\$1,486
Education	Administration	008	007 NOW 10	\$418	\$437	\$456	5477	\$498	\$521	\$544	695\$	\$594
Certificate Renewal	Administration	390	2002	\$408	\$426	\$445	\$465	\$486	\$508	\$531	\$555	\$580
Public Relations	Administration	S15 7 12 215	009	\$627	\$652	\$685	\$716	\$748	\$781	\$817	\$853	\$892
District Uniforms	Administration	634	. 640	\$669	669\$	\$730	\$763	\$798	\$833	\$871	\$930	\$951
Membership/Subscription	Administration	720	525	\$549	\$573	665\$	\$626	\$654	\$684	\$714	\$747	\$780
Sanking/Court Costs	Administration	1.146	1,800	\$1,881	\$1,966	\$2,054	52,147	\$2,243	\$2,344	\$2,450	\$2,560	\$2,675
Advertising & Website	Administration	182	200	\$209	\$218	\$228	6625	\$249	\$260	27.25	\$284	7653

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
General Infaton Factor (1978)		Actual	Budgeted	Projected								
	Adovioistration	16.789	19.140	\$20,001	\$20,901	\$21,842	\$22,825	\$23,852	\$24,925	\$26,047	\$27,239	\$28,444
Propose - Est Cat	Administration	87	125	\$131	\$137	\$143	\$149	\$156	\$163	\$170	\$178	\$186
Fourthment 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 Forsin Expense	Administration	776T . 3.21	600	\$627	\$655	\$685	\$716	\$748	1872	\$817	\$823	\$892
Office Fourment Maintenance	Administration	14	200	\$209	\$218	\$228	\$239	\$249	\$260	\$272	\$284	\$297
Office Building Maintenance	Administration	529	079	\$99\$	\$69\$	\$730	\$763	\$798	\$833	\$871	\$910	\$951
Safety Supplies	Administration	. 290	005	\$523	\$546	\$571	965\$	\$623	\$651	\$680	\$711	\$743
Contracted Services	Administration	2,275	2,514	52,627	\$2,745	\$2,869	\$2,998	\$3,133	\$3,274	\$3,421	\$3,575	. \$3,736
Engineerine	Administration		5,000	\$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	\$135	\$142	\$149
Office Utility	Administration	E	8	\$63	\$66	\$68	\$72	\$7\$	\$78	\$82	\$85	68\$
Tolonhone	Administration	819	821	\$358	\$897	\$937	\$979	\$1,023	\$1,069	\$1,117	\$1,168	\$1,220
Congression Chate	Administration	36.201	39,821	\$41,613	\$43,485	\$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	53,386	\$3,538	23,697	\$3,864
Service Fee - Federal SSA	Administration	No.	100	\$105	\$109	\$114	\$119	\$125	\$130	\$136	\$142	\$149
Auditor	Administration	068.3	5,600	\$5,852	\$6,115	\$6,391	\$6,678	\$5,979	\$7,293	\$7,621	\$7,964	\$8,322
lesonOjeael	Administration	7,753	1,600	\$1,672	\$1,747	\$1,826	\$1,308	\$1,994	\$2,084	\$2,177	\$2,275	\$2,378
Board Meeting Supplies	Administration	3.49	150	\$157	\$164	\$171	\$179	\$187	\$295	\$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	ı.				\$12,462				
Director Election (non-election yr.)	Administration	1,558	400		\$437		\$477		\$521		\$269	
Director Election (election yr.)	Administration		1	\$1,672		\$1,826		\$1,994	,	\$2,177		\$2,378
Computer/Software Upgrades & Su	Administration	797,8	4,148	\$4,335	\$4,530	\$4,734	\$4,947	\$5,169	\$5,402	\$5,645	\$5,899	56,164
Computer Software Update	Administration		0.	\$	Ş	\$0	ος.	Ď.	St St	SO	S.	20
Hability to Water Enterorise	Administration			\$23,592	\$23,592	\$23,592	\$23,592	\$23,592	\$23,592	\$23,592	\$23,592	\$23,592
OPFS Liability	Administration			\$10,000	\$10,450	\$10,920	\$11,412	\$11,925	\$12,462	\$13,023	\$13,609	\$14,221
Computer Upgrades	Administration	The state of the s		\$4,000	\$4,180	\$4,368	\$4,565	\$4,770	\$4,985	\$5,209	\$5,443	\$5,688
GASB OPEB Evaluations (total eval)	Administration		3,000		\$1,092		\$1,193		\$1,302		\$1,422	;
GASB OPEB Evaluations (disclosure,	Administration		では、は、	\$209		\$22\$		\$249		27.72	•	7672
OPEB Contributions (CERBT Trust)	Administration	500		Ş	\$0	\$0	\$0	\$	%	D\$	8.	8
Total Operating Expenses		\$651,041	\$684,265	\$730,737	\$764,647	\$798,451	\$777,320	\$841,645	\$845,683	\$884,266	\$922,427	\$963,470
0												

¹ Based on District's FY 23-24 budget with minor modifications reflecting the updated capital spending projections

Table 2 Río Alto WD Sewer Rate Study Projected Revenues

Revenue	Category Escalation	Escalation	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 25-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
Revenue Assumptions (Fifth Castumer Growth)		Upop (Actival	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected (C)	Projected Projected	Projected Fig. 10.20
interest Rate on Reserves		n interest			0.0	7.00	1.00		¥00.		707		8
Rate Revenue													
Rate Revenue Before Increase		Growth	\$504,391	- \$503 832 ·	\$580,581	\$654,544	\$721,310	\$794,756	\$875,550	\$955,731	\$1,043,131	\$1,091,914	\$1,142,895
Revenue from Rate Increase ^{1,2}				\$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	\$719,727	\$793,012	\$873,628	\$953,633	\$1,040,842	\$3,089,517	\$1,149,386	\$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	\$47,712
Cell Tower Lease Revenue	As All Other	Cell	\$10,200	\$13,950	\$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	53,100	\$2,720	\$3,149	\$3,270	\$3,634	\$4,662	\$4,693	\$4,690	\$4,540	\$4,676
Connections Sewer Revenue	Capital	None	\$18,152	\$13,614	\$9,076	\$3,075	\$9,076	59,076	35,075	\$9,076	\$9,076	\$9,076	59,076
Tax Revenue RAID	As All Other	None	901,785	875,000	\$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	21,932		æ	Đ,	S	D\$	8	R	\$	\$	0\$
County Penalty/Interest	As All Other	None	\$476	\$700	\$200	\$700	\$300	\$200	\$700	\$700	\$700	\$700	\$700
Administrative Revenue	Administration	None	514,382	513,200	\$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		意思が、	8,	0¢	St.	S	\$0	8	3.	SO \$0	St
LAIF Capacity Expansion Interest	Other Revenues	None	52,839	52,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,500	\$2,000
Capacity Expansion Revenue RAID	As All Other	None	\$1,943	4000 C. C. C.				*			ļ	!	
Total Other Revenue			\$193,958	\$169,276	\$158,858	\$169,841	\$170,532	\$171,483	. \$173,116	\$173,770	\$174,488	\$174,919	\$175,735
Total Revenue			\$698,359	\$710,895	\$821,965	\$889,567	\$963,544	. \$1,045,311	\$1,126,749	\$1,214,611	\$1,263,925	\$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 239-30	FY 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 WWTP Replace Oxidation Ditch Aeration System Replace Muffin Monster w/ Multi-rake Bar Screen Lift Station 1 Lift Station 2 Lift Station 3 Lift Station 3 Lift Station 5 Lift Station 5 Lift Station 6 Lift Station 6 Lift Station 7	Screen			995,000	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	15,008	15,000	15,000	40,008 15,006	50,000 80,000 15,000	50,000 80,000 15,000	59,000 80,000 15,000	50,000 80,000 15,000	50,000 80,000 15,000
Total GP (Current Dollars)	\$0	\$19,200	\$15,000	\$410,000	\$465,305	\$55,000	\$145,090	\$677,500	\$385,000	\$145,000	\$145,000
CIP (inflated Dollars)		TO THE RESERVE THE PROPERTY OF	TOWARD DESIGNATION OF THE PROPERTY.			The second secon		reader a Challette attales at the control	Diberro, i.e.		
00-uet	\$0	\$0	\$0	8	\$0\$	\$0	\$	\$0	\$	ς,	\$0
Onsite Hypo Generation at WWTP	\$0	\$0	\$0	\$	\$272,516	\$	8.	Ĉ\$	8	쫎	8
Replace Oxidation Ditch Aeration Syster	\$	\$o	eg.≎	\$0	\$0	S.	R	\$693,454	&	₽,	\$
Replace Muffin Monster w/ Multi-rake I	0\$	₽.	\$0	\$431,350	\$0	Q ₹	S	S	8 .	8	\$
Lift Station 1	S.	\$0	\$0	\$0	\$104,417	S.	\$	\$	₽.	8	8.
Lift Station 2	8	\$0	\$0	\$0	\$68,470	₽	Şo	\$	S,	\$	ŝ
Lift Station 3	8	8	\$0	R	\$68,470	SS	\$0	\$0	8	\$	\$
Lift Station 4	D\$	\$	\$0	50\$	S.	8	\$0	₽ \$	\$81,652	\$0	\$0
Lift Station 5	\$	0%	\$0	DŞ.	\$	\$	\$0	80	\$81,652	80	Ş
Lift Station 6	\$.	8	0%	οŞ	Ş.	\$	80	\$0	\$81,652	<u>\$</u>	\$0
Lift Station 7	85.	0\$	S	S.	<i>\$</i> 1.	ŝ	80	\$	\$81,652	55	\$0
1	Sp	\$0	\$0	\$	9\$	\$0	\$0	\$0	\$	8	8,
Office AC	0\$	\$5,200	\$0	\$0	\$	\$0	Q\$	83	8	8	\$
Office Roof	.05	\$14,000	8	\$	8.	0\$	8	망	\$	5	\$
Annual Allowance for Wastewater Treat	\$0	\$0	8	\$0	65	8	\$62,309	\$65,113	\$68,043	\$71,105	\$74,305
Pipeline Replacement	8	SB.	0\$	S.	89	\$47,701	\$69,66\$	\$104,181	\$108,869	\$113,768	\$118,888
Vehicle Replacement	\$	D\$	\$15,675	\$16,380	\$17,117	\$17,888	\$18,693	\$19,534	\$20,413	\$21,332	\$22,291
Jan-00	\$\$	\$	\$0	03	\$0\$	\$	S	\$\$	\$0	\$0	\$
Total CiP (Inflated Dollars)	\$0	\$19,200	\$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%	45%	4.5%	4.5%	4.5%	4.5%	45%	4.5%

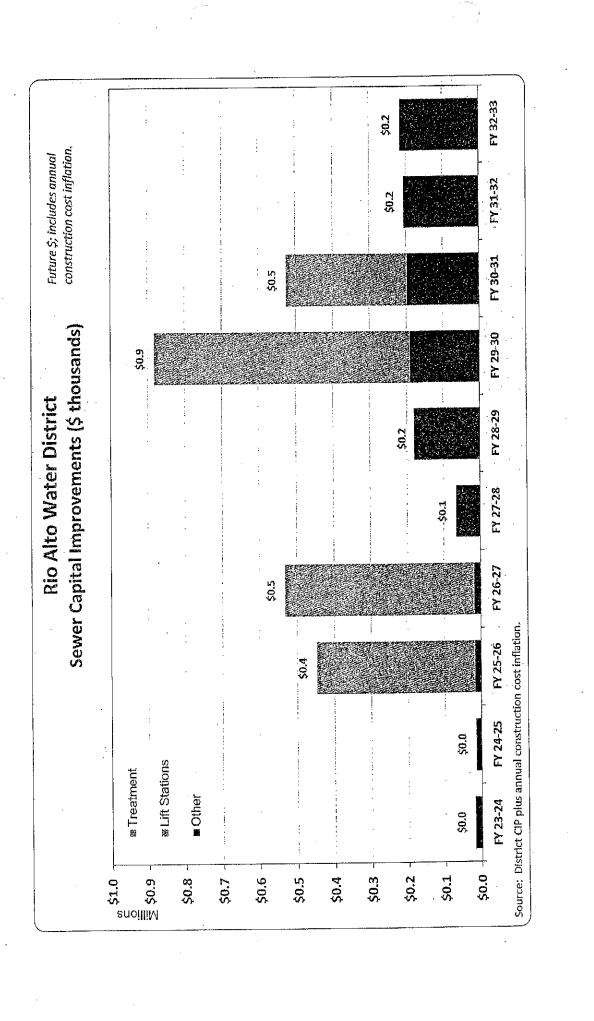


Table 4 Rio Alto WD Sewer Rate Study Debt

Debt	FY 21-22	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
AND THE PROPERTY OF THE PROPER	Actual	Budgeted	Budgeted	Projected	Prajected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Existing Debt							:					
WWTP CEC Loan Payments	\$18,055	\$25,378	\$25,431.	\$25,431	\$25,431	13		7	\$25,431	\$25,431	\$25,431	\$25,431
CEC Loan Payments	\$1,171 \$1,646	\$1.646	\$1,608	\$1,508	\$1,608	6 E.,	74	\$1,608	\$1,608	\$1,608	\$1,608	× \$1,608
CEC Interest Payments	\$4,773	\$4,597	\$4,338	\$4,338	.35 : \$4,338		\$4,338	\$4,338	54,338	\$4,338	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	531,377	\$31,377
Proposed Borrowing				٠								
Net Proceeds Needed					000'006\$				\$950,000			
Repayment Term (yrs)					30				30			
Interest Rate					2.0%			•	5.0%			
Month of Issue					Н				€			
Issuance Cost					\$50,000				\$50,000			
Total Debt Issue Size					\$950,000				\$1,000,000			
Prorated Debt Service Payment - Current Yr. Only	urrent Yr. Only				\$31,000				\$32,500			
Annual Debt Service Payment (rounded)	nded)				\$62,000				\$65,000			
Total Proposed Annual Water Debt Sen	Ser \$0	\$0	0\$	\$0	\$31,000	\$62,000	\$62,000	\$62,900	\$94,500	\$127,000	\$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 25-26	FY 26-27	FY 27-28	FV 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
яталомы муталски метаметальных переделения и пределения в пределения	25.0%	15.0%	12.5%	10.0%	16.0%	10.0%	%0.6	%0.6	4.5%	4.5%	4.5%
Beginning Reserves	\$280,267	\$295,964	\$272,016	\$314,918	\$327,019	\$363,450	\$466,235	\$469,304	\$469,014	\$454,015	\$467,566
Revenues	•						PROPERTY OF THE PROPERTY OF TH	ecologopous de proposition de la constante de	# Description Committee of the Commit	egerystegerramaegorodiaekoskoskoskoskoskosk	AND MICENTALS AND
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				٠					
. 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			ANN C. CONTRACTOR - CO. CO. C.		Games Control of the	(ODM STORES THE STORES OF THE STORES	Associates especial and an excession and the second			the specimens of the office of the School of	ena raevedka sven manhid devom
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	\$777,789	\$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 \$3.3947	\$15,697	\$23,947	\$42,901	\$12,102	\$36,430	\$102,785	690°6S	5290	\$14,999	\$13,550	\$14,698
Ending Reserves	\$295,964	\$272,016	\$314,918	\$327,019	\$363,450	\$456,235	\$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 23-2套	FY 24-25	FY 25-25	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FV 31-32 плиживания	FY 32-33
Capital Revenues					•				4.00		,
Use of Debt Proceeds				\$400,000	\$500,000	•		\$650,000	\$300,000		4
Rate Funded Capital	0\$	\$19,200	\$15,675	\$47,730	\$30,990	\$65,589	\$180,696	\$232,281	\$223,932	5206,205	\$215,484
Total Capital Revenue	\$0\$	\$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

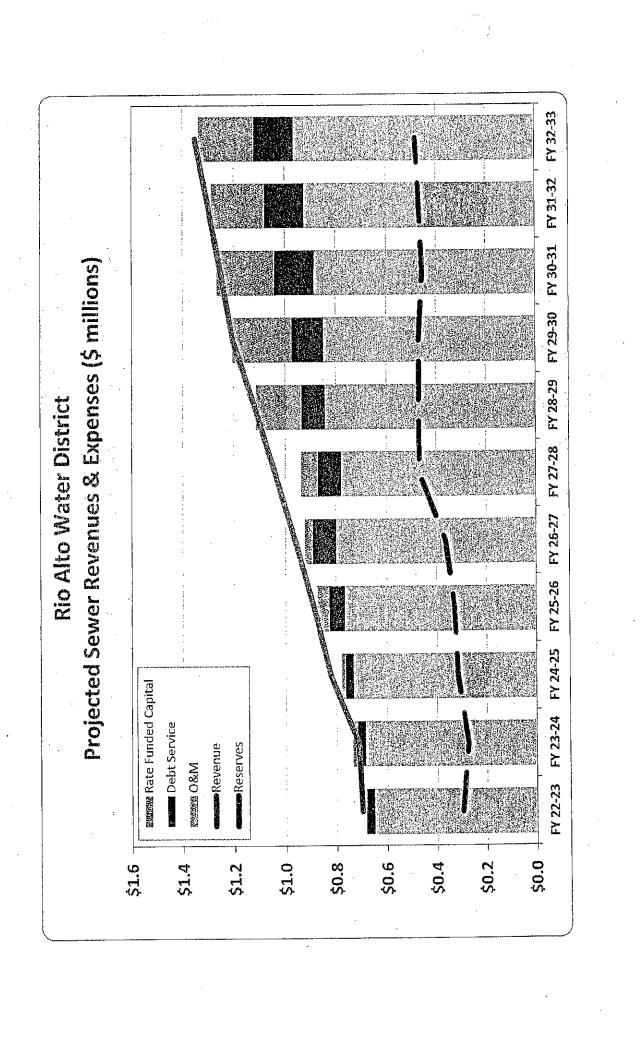


Table 6 Rio Alto WD Sewer Rate Study Meter Equivalent Units

	Quantity	Quantity	EDO	Total EDUS
Single Family Resid.	Customers	Customers 862 1.00 862.00	1.00	862.00
1/2 Single Fam Resid.	Customers	€=1	0.50	0.50
Triplex Sewer	Customers	1	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	2	2.00	4.00
Commercial	Customers	2	4.50	9.00
Commercial	CCF	3,782	n/a	
Total				935.5

Total
* Customer data as of June 2023 provided by staff