El Dorado Irrigation District

AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS

District Board Room, 2890 Mosquito Road, Placerville, California
Tuesday, November 14, 2023 — 9:00 A.M.

Board of Directors

Brian K. Veerkamp—Division 3
President

Alan Day—Division 5
Vice President

George Osborne—Division 1
Director

Pat Dwyer—Division 2
Director

Lori Anzini—Division 4
Director

Executive Staff

Jim Abercrombie
General Manager

Brian D. Poulsen
General Counsel

Jennifer Sullivan
Clerk to the Board

Jesse Saich
Communications

Brian Mueller
Engineering

Jamie Bandy
Finance

Jose Perez
Human Resources

Aaron Kennedy
Information Technology

Dan Corcoran
Operations

PUBLIC COMMENT: Anyone wishing to comment about items not on the Agenda may do so during the public comment period. Those wishing to comment about items on the Agenda may do so when that item is heard and when the Board calls for public comment. Public comments are limited to five minutes per person.

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AMERICANS WITH DISABILITIES ACT: In accordance with the Americans with Disabilities Act (ADA) and California law, it is the policy of El Dorado Irrigation District to offer its public programs, services, and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format, or if you require any other accommodation for this meeting, please contact the EID ADA coordinator at 530-642-4045 or email at adacoordinator@eid.org at least 72 hours prior to the meeting. Advance notification within this guideline will enable the District to make reasonable accommodations to ensure accessibility.

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Pursuant to Government Code section 54953, subdivision (b), Director Dwyer will participate via teleconference from Sunset Beach Golf & Spa Resort Pueblo Bonito, Paraíso Escondido S/N, Paraiso Escondido, Centro, 23450 Cabo San Lucas, B.C.S., Mexico. Members of the public wishing to address the Board of Directors directly pursuant to Government Code section 54954.3 may also do so at the teleconference location.

CALL TO ORDER

Roll Call
Pledge of Allegiance
Moment of Silence

ADOPT AGENDA

COMMUNICATIONS

General Manager's Employee Recognition

PUBLIC COMMENT

COMMUNICATIONS

General Manager

Brief reports on District activities or items of interest to the public, including activities or developments that occur after the agenda is posted.

Clerk to the Board

Board of Directors

Brief reports on community activities, meetings, conferences and seminars attended by the Directors of interest to the District and the public.

APPROVE CONSENT CALENDAR

Action on items pulled from the Consent Calendar

CONSENT CALENDAR

1. **Clerk to the Board (Sullivan)**
   Consider approving the minutes of the October 23, 2023 regular meeting of the Board of Directors.

   Option 1: Approve as submitted.
   Option 2: Take other action as directed by the Board.
   Option 3: Take no action.

   Recommended Action: Option 1.

2. Engineering (Mackay)

Consider authorizing additional funding of $25,000 for construction services, $5,000 for crane services, $10,000 for materials, and $10,000 for capitalized labor for a total funding request of $50,000 for the Swansboro Pump Station Upgrade Project, Project No. 21015.01.

Option 1: Authorize additional funding of $25,000 for construction services, $5,000 for crane services, $10,000 for material, and $10,000 for capitalized labor for a total funding request of $50,000 for the Swansboro Pump Station Upgrade Project, Project No. 21015.01.
Option 2: Take other action as directed by the Board.
Option 3: Take no action.

Recommended Action: Option 1.

3. Engineering (Carrington)

Consider approving a contract amendment to Teichert Construction in the not-to-exceed amount of $138,652.50 for an extension of hard rock quantity for the Motherlode Force Main Phase 3 Project, Project No. 21081.01.

Option 1: Approve a contract amendment to Teichert Construction in the not-to-exceed amount of $138,652.50 for an extension of hard rock quantity for the Motherlode Force Main Phase 3 Project, Project No. 21081.01.
Option 2: Take other action as directed by the Board.
Option 3: Take no action.

Recommended Action: Option 1.

4. Engineering (Eden-Bishop)

Consider approving a contract amendment to Carollo Engineers in the not-to-exceed amount of $85,648 for the Phase 2 Water Treatment Plant Condition Assessments and authorize additional funding of $35,000 for professional services and $15,000 for capitalized labor for a total funding request of $50,000 for the Water Treatment Plant Assessments, Project No. STUDY 03.01 – 03.04.

Option 1: Approve a contract amendment to Carollo Engineers in the not-to-exceed amount of $85,648 for the Phase 2 Water Treatment Plant Condition Assessments and authorize additional funding of $35,000 for professional services and $15,000 for capitalized labor for a total funding request of $50,000 for the Water Treatment Plant Assessments, Project No. STUDY 03.01 – 03.04.
Option 2: Take other action as directed by the Board.
Option 3: Take no action.

Recommended Action: Option 1.

5. **Finance (Deakyne)**
   Consider awarding a contract to Cintas Corporation in the not-to-exceed amount of $240,000 for uniform services and facility products and services for a term of three years beginning March 8, 2024.

   Option 1: Award a contract to Cintas Corporation in the not-to-exceed amount of $240,000 for uniform services and facility products and services for a term of three years beginning March 8, 2024.
   Option 2: Take other action as directed by the Board.
   Option 3: Take no action.

   Recommended Action: Option 1.

END OF CONSENT CALENDAR

WORKSHOP ITEMS

6. **Finance (Bandy)**
   Presentation of the Draft Cost-of-Service Study Report.

   Recommended Action: None – Information only.

7. **Finance (Bandy)**
   2023–2024 Mid-Cycle Operating Budget and 2024–2028 Financial Plan Workshop.

   Recommended Action: None – Information only.

INFORMATION ITEMS

8. **Operations (Humbird)**
   Vegetation Right-of-Way Reinforcement Program implementation update.

   Recommended Action: None – Information only.

ACTION ITEMS

9. **Finance (Lane)**
   Consider ratifying EID General Warrant Registers for the periods ending October 17, October 24, and October 31, 2023, and Employee Expense Reimbursements for these periods.

   Option 1: Ratify the EID General Warrant Register and Employee Expense Reimbursements as submitted.
   Option 2: Take other action as directed by the Board.
   Option 3: Take no action.

   Recommended Action: Option 1.

CLOSED SESSION

A. Public Employee Employment/Performance Evaluation
Government Code Section 54957(b)(1)
Position Title: General Manager. Annual performance review.

B. Public Employee Employment/Performance Evaluation
Government Code Section 54957(b)(1)
Position Title: General Counsel. Annual performance review.

REVIEW OF ASSIGNMENTS

ADJOURNMENT

TENTATIVELY SCHEDULED ITEMS FOR FUTURE MEETINGS

Engineering
- Emergency Backup Generator Upgrades Project construction contract, Action, December 11 (Kelsch)
- Silver Lake Well construction contract, Action, December 11 (Kelsch)
- Funding requests for Flume 48 pre-design report, Echo Conduit Emergency Replacement and Texas Hill Rezone Environmental Impact Report Capital Improvement Plan, Consent, December 11 (Carrington/Deason)
- Federal Energy Regulatory Commission (FERC) Part 12 Independent Consultant Inspection of Project 184 Dams contract, Action, December 11 (Kessler)

Clerk to the Board
- 2024 Board meeting schedule, Consent, December 11 (Sullivan)

Finance
- 2023–2024 Mid-Cycle Operating Budget and 2024–2028 Financial Plan adoption, Action, December 11 (Bandy)
- Accept the Cost-of-Service Study and adopt a resolution approving the increases and changes to rates reflected in the 2023 Proposition 218 Notice, Action, December 11 (Bandy)
- Bond Issues prepayment, Consent, December 11 (Bandy)
- Fiscal Year 2024 Appropriations Limit, Action, December 11 (Lane)
- Cardlock and bulk fueling services for 2024, Consent, December 11 (Royal)
- Inventory purchase of meters and associated parts, Consent, December 11 (Royal)
- 3rd quarter Investment report, Consent, December 11 (Lane)
- 2022 Annual Audit, Action, December 11 (Lane)

Information Technology
- Cyber security services, Consent, December 11 (Kennedy)

Operations / Engineering
- Laboratory testing services for drinking water and source water monitoring for 2024, Consent, December 11 (Graham/Wilson)

Operations
- Laboratory testing services for wastewater monitoring for 2024, Consent, December 11 (Peterson)
- Reservoir A Water Treatment Plant Skid steer purchase, Consent, December 11 (Wilson)

El Dorado Irrigation District

MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS

District Board Room, 2890 Mosquito Road, Placerville, California
October 23, 2023 — 9:00 A.M.

Board of Directors

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President

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Vice President

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Director

Pat Dwyer—Division 2
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CALL TO ORDER

President Veerkamp called the meeting to order at 9:00 A.M.

Roll Call
Board

Present: Directors Osborne, Dwyer, Veerkamp, Anzini and Day

Staff

Present: General Manager Abercrombie, General Counsel Poulsen and Board Clerk Sullivan

Pledge of Allegiance and Moment of Silence

Director Veerkamp led the Pledge of Allegiance and Moment of Silence.

ADOPT AGENDA

ACTION: Agenda was adopted.

MOTION PASSED

Ayes: Directors Osborne, Dwyer, Veerkamp, Anzini and Day

COMMUNICATIONS

Awards and Recognitions

None

PUBLIC COMMENT

Paul Raveling, Former EID customer

COMMUNICATIONS

General Manager

None

Clerk to the Board

None

Board of Directors

Director Veerkamp commented on the upcoming El Dorado Local Agency Formation Commission meeting.

APPROVE CONSENT CALENDAR

ACTION: Consent Calendar was approved.

MOTION PASSED

Ayes: Directors Dwyer, Anzini, Osborne, Veerkamp and Day

CONSENT CALENDAR

1. **Clerk to the Board (Sullivan)**
   Consider approving the minutes of the October 10, 2023 regular meeting of the Board of Directors.

   ACTION: Option 1: Approved as submitted.

   MOTION PASSED
   Ayes: Directors Dwyer, Anzini, Osborne, Veerkamp and Day

2. **Engineering (Venable)**
   Consider adopting a resolution affirming the General Manager's authority to execute a grant agreement for $787,500 from the California Department of Forestry and Fire Protection's California Climate Investments Wildfire Prevention Program for the El Dorado Canal Fuel Break Project.

   ACTION: Option 1: Adopted Resolution No. 2023-024 affirming the General Manager's authority to execute a grant agreement for $787,500 from the California Department of Forestry and Fire Protection's California Climate Investments Wildfire Prevention Program for the El Dorado Canal Fuel Break Project.

   MOTION PASSED
   Ayes: Directors Dwyer, Anzini, Osborne, Veerkamp and Day

3. **Operations (Russell)**
   Consider awarding a contract to B&M Builders, Inc. in the not-to-exceed amount of $910,900 for concrete restoration work for a one-year period and authorize the General Manager to extend the contract for two additional, single-year periods, not to exceed $1,000,000 per year, if in the District's best interests.

   ACTION: Option 1: Awarded a contract to B&M Builders, Inc. in the not-to-exceed amount of $910,900 for concrete restoration work for a one-year period and authorized the General Manager to extend the contract for two additional, single-year periods, not to exceed $1,000,000 per year, if in the District's best interests.

   MOTION PASSED
   Ayes: Directors Dwyer, Anzini, Osborne, Veerkamp and Day

4. **Engineering (Delongchamp/Eden-Bishop)**
   Consider awarding a contract to Peterson Brustad, Inc. in the not-to-exceed amount of $208,862 for design of the Bridlewood, Reservoir 4, and Reservoir 7A Tank Recoating projects and authorize additional funding of $42,124 for capitalized labor, and $25,100 for project contingency for a total funding request of $276,086 for the Bridlewood, Reservoir 4, and Reservoir 7A Tank Recoating Projects, Project No. 23038, 23039, and 23040, respectively.

   ACTION: Option 1: Awarded a contract to Peterson Brustad, Inc. in the not-to-exceed amount of $208,862 for design of the Bridlewood, Reservoir 4, and Reservoir 7A Tank Recoating Projects, and authorized additional funding of $42,124 for capitalized labor and $25,100 in project contingency for a total funding request of $276,086 for the Bridlewood, Reservoir 4, and Reservoir 7A Tank Recoating Projects, Project No. 23038, 23039, and 23040, respectively.

   MOTION PASSED
   Ayes: Directors Dwyer, Anzini, Osborne, Veerkamp and Day

5. **Operations (Wilson)**
   Consider awarding a contract to Holt of California in the not-to-exceed amount of $142,697 for the purchase of a replacement generator and authorize additional funding of $5,000 in capitalized labor for a total funding request of $147,697 for the Reservoir 1 Water Treatment Plant Generator Replacement Project, Project No. 23010.01.

   ACTION: Option 1: Awarded a contract to Holt of California in the not-to-exceed amount of $142,697 for the purchase of a replacement generator and authorized additional funding of $5,000 in capitalized labor for a total funding request of $147,697 for the Reservoir 1 Water Treatment Plant Generator Replacement Project, Project No. 23010.01.

   MOTION PASSED
   Ayes: Directors Dwyer, Anzini, Osborne, Veerkamp and Day

6. **Human Resources (Newsom)**
   Consider executing the Commitment to Excellence Agreement between the El Dorado Irrigation District and the Association of California Water Agencies Joint Powers Insurance Authority, making the District eligible for annual grant funding.

   ACTION: Option 1: Executed the Commitment to Excellence Agreement between the El Dorado Irrigation District and the Association of California Water Agencies Joint Powers Insurance Authority, making the District eligible for annual grant funding.

   MOTION PASSED
   Ayes: Directors Dwyer, Anzini, Osborne, Veerkamp and Day

END OF CONSENT CALENDAR

INFORMATION ITEMS

7. **Office of the General Counsel (Leeper)**
   Annual Legislative Report for 2023 by Reeb Government Relations, LLC.

   ACTION: None – Information only.

ACTION ITEMS

8. **Finance (Bandy)**
   Consider accepting the Cost of Service Analysis and direct staff to issue a Proposition 218 Notice.

   Public Comment: Bob Akin, Gold Hill
   Mike Ranalli, President, El Dorado County Farm Bureau

   ACTION: Option 1: Accepted the Cost of Service Analysis and issue a Proposition 218 Notice.

   MOTION PASSED
   Ayes: Directors Dwyer, Anzini and Veerkamp
   Noes: Directors Osborne and Day

9. **Engineering (Mueller)**
   Consider adopting the 2024–2028 Capital Improvement Plan.

   ACTION: Option 1: Adopted the 2024–2028 Capital Improvement Plan, subject to available funding.

   MOTION PASSED
   Ayes: Directors Dwyer, Anzini, Osborne and Veerkamp
   Noes: Director Day

10. **Engineering (Eden-Bishop)**
    Consider awarding a contract to Big Valley Electric, Inc. in the not-to-exceed amount of $1,707,500 for construction of the Reservoir A Valve Replacement Project and authorize additional funding of $94,719 for construction engineering services, $34,685 for construction management, $24,960 inspection services, $26,000 for capitalized labor, and $192,786 in project contingency for a total funding request of $2,080,650 for the Reservoir A Filter Valve Replacement Project, Project No. 22038.01.

    ACTION: Option 1: Awarded a contract to Big Valley Electric in the not-to-exceed amount of $1,707,500 for the construction of the Reservoir A Valve Replacement Project and authorized additional funding of $94,719 for construction engineering services, $34,685 for construction management, $24,960 for inspection services, $26,000 for capitalized labor, and $192,786 in project contingency for a total funding request of $2,080,650 for the Reservoir A Filter Valve Replacement Project, Project No. 22038.01.

    MOTION PASSED
    Ayes: Directors Anzini, Dwyer, Osborne, Veerkamp and Day

11. Finance (Royal)

Consider awarding contracts to Riverview International in the not-to-exceed amount of $257,923 for the purchase of one replacement water truck and Imperial Industries Inc. in the not-to-exceed amount of $229,163 for the purchase of one replacement vacuum pumper truck and authorize funding of $20,633.84 in contingency for a total funding request of $507,719.84 for the 2024 Vehicle Replacement Program, Project No. 24003.

ACTION: Option 1: Awarded contracts to Riverview International in the not-to-exceed amount of $257,923 for the purchase of one replacement water truck and Imperial Industries Inc. in the not-to-exceed amount of $229,163 for the purchase of one replacement vacuum pumper truck and authorized funding of $20,633.84 in contingency for a total funding request of $507,719.84 for the 2024 Vehicle Replacement Program, Project No. 24003.

MOTION PASSED

Ayes: Directors Dwyer, Day, Osborne, Veerkamp and Anzini

12. Office of the General Counsel/Engineering (Leeper/Deason)

Consider awarding contract change orders to Zanjero, Inc. in the not-to-exceed amount of $76,044 for hydrologic modeling services and AECOM in the not-to-exceed amount of $93,265 for environmental services and authorize additional funding of $25,000 for capitalized labor for a total funding request of $194,309 for the Permit 21112 Change in Point of Diversion, Project No. 16003.

ACTION: Option 1: Awarded contract change orders to Zanjero, Inc. in the not-to-exceed amount of $76,044 for hydrologic modeling services and AECOM in the not-to-exceed amount of $93,265 for environmental services and authorized additional funding of $25,000 for capitalized labor for a total funding request of $194,309 for the Permit 21112 Change in Point of Diversion, Project No. 16003.

MOTION PASSED

Ayes: Directors Osborne, Day, Dwyer, Veerkamp and Anzini

13. Finance (Lane)

Consider ratifying EID General Warrant Registers for the periods ending October 3 and October 10, 2023, and Board and Employee Expense Reimbursements for these periods.

ACTION: Option 1: Ratified the EID General Warrant Register and Board and Employee Expense Reimbursements as submitted.

MOTION PASSED

Ayes: Directors Osborne, Dwyer, Veerkamp, Anzini and Day

CLOSED SESSION

A. Public Employee Discipline
Government Code Section 54957

ACTION: On a motion by Director Anzini and second by Director Dwyer, the Board unanimously voted to uphold the discipline proposed by District management and directed counsel to prepare a final decision of discipline for signature by the Board President.

B. Conference with General Counsel – Anticipated Litigation
Government Code Sections 54956.9(d)(2)
(one potential case: developer challenge to Facility Capacity Charges)

ACTION: The Board met and provided direction to counsel but took no reportable action.

REVIEW OF ASSIGNMENTS

None

ADJOURNMENT

President Veerkamp adjourned the meeting at 11:52 A.M.

Brian K. Veerkamp
Board President
EL DORADO IRRIGATION DISTRICT

ATTEST

Jennifer Sullivan
Clerk to the Board
EL DORADO IRRIGATION DISTRICT

Approved: _____

EL DORADO IRRIGATION DISTRICT

SUBJECT: Consider authorizing additional funding of $25,000 for construction services, $5,000 for crane services, $10,000 for materials, and $10,000 for capitalized labor for a total funding request of $50,000 for the Swansboro Pump Station Upgrade Project, Project No. 21015.01.

PREVIOUS BOARD ACTION

November 14, 2022 – Board adopted the 2023-2027 Capital Improvement Plan (CIP), subject to available funding.

BOARD POLICIES (BP), ADMINISTRATIVE REGULATIONS (AR) AND BOARD AUTHORITY

BP 3010 Budget

SUMMARY OF ISSUE

Board approval is required to authorize CIP funding prior to staff proceeding with work on the projects.

BACKGROUND/DISCUSSION

Staff requests funding for the CIP projects identified in Table 1. The expenditures to date, the amount of new funding requested, and the funding source are listed.

Table 1
CIP Funding Request

	Project Name and Number	2023-2027 CIP Plan[1]	Funded to Date	Actual Costs to date[2]	Amount Requested	Funding Source
1.	**Swansboro Pump Station Upgrade Project, Project No. 21015.01**	**$220,000**	**$91,000**	**$85,976**	**$50,000**	**100% Water rates**

[1] Includes all existing costs plus any expected costs in the 5-year CIP.
[2] Actual costs include encumbrances.

The following section contains a brief breakdown and description of the project in Table 1.

CIP Funding Request

Project No.	21015.01	**Board Date**	11/14/2023
Project Name	Swansboro Pump Station Replacement Project		
Project Manager	Mackay		

Budget Status	**$**	**%**
Funded to date	$ 91,000	--
Spent to date	$ 85,975.61	95%
Current Remaining	$ 5,024.39	5.5%

Funding Request Breakdown	**$**
Construction Services	$ 25,000
Crane Services	$ 5,000
Material	$ 10,000
Capitalized Labor	$ 10,000
Total	$ 50,000

Funding Source
100% Water rates

Description

The District has numerous distribution pump stations throughout the water service area that operate to increase pressure to customers at higher elevations. The District has an annual program to replace, rehabilitate, or upgrade pump stations that have reached the end of their service lives. Engineering and Operations and Maintenance staff identify and prioritize pump stations needing upgrades to ensure the reliable supply of the necessary pressure and flow to their respective service areas, comply with fire flow requirements, and incorporate emergency standby power where needed. Replacement components include pumps, hydropneumatic tanks, electrical control, valves, yard piping, SCADA equipment, and buildings to accommodate equipment. The current Swansboro Pump Station is beyond its useful life as the pumps are approximately 45 years old, and parts are no longer available. Currently, pump number 2 is nearing a complete bearing failure and must be replaced. Pump number 2 is making distinct audible signs indicative of imminent failure. The pneumatic tank for the station has also reached the end of its useful life and has welded patches from previous repairs. The existing yard piping has developed leaks, and the existing building needs repairs due to weather damage.

This funding request is specifically for removing the existing pumps, yard piping, hydropneumatic tank, and building. This funding request is also for upgrading the pump station building to be adequately sized for the new pumps and the capitalized labor to install the new pumps and yard piping already procured. At a later date, a separate funding request will be required for the installation of a new fire pump and associated electrical upgrades.

BOARD OPTIONS

Option 1: Authorize additional funding of $25,000 for construction services, $5,000 for crane services, $10,000 for material, and $10,000 for capitalized labor for a total funding request of $50,000 for the Swansboro Pump Station Upgrade Project, Project No. 21015.01.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

RECOMMENDATION

Option 1

ATTACHMENTS

Attachment A: CIP summary

Marc Mackay
Associate Engineer

Mike Brink
Supervising Civil Engineer

Carla Coale
Accountant

Brian Mueller
Engineering Director

Jamie Bandy
Finance Director

Brian Poulsen
General Counsel

Jim Abercrombie
General Manager

2023 CAPITAL IMPROVEMENT PLAN **Program:** **Water**

Project Number: 21015

Project Name: Swansboro Pump Station Replacement Project

Project Category: Reliability & Service Level Improvements

Priority: 2 **PM:** Money **Board Approval:** 11/14/22

Project Description:

The District has numerous distribution pump stations throughout the water service area that operate to increase pressures to customers at higher elevations. The District has an annual program to replace, rehabilitate or upgrade pump stations that have reached the end of their service life. Engineering and O&M staff identify and prioritize pump stations in need of upgrades to ensure reliable supply of the necessary pressure and flow to their respective service areas, and to comply with fire flow requirements and incorporate emergency standby power where needed. Replacement components include pumps, hydropneumatic tanks, electrical control, valves, yard piping, SCADA equipment, and buildings to accommodate equipment.

The current Swansboro Pump Station is at the end of its useful life as the pumps are approximately 45 years old and parts are no longer available. Currently pump number 2 is nearing a complete bearing failure and must be replaced. The pneumatic tank for the station has also reached the end of its useful life and has welded patches from previous repairs. This work would include removing the existing tank and install new pumps, above and below ground plumbing upgrade, and upgrade the SCADA panel.

Basis for Priority:

Replacement of assets to improve reliability and avoid interruption to service throughout the District in the event of failures.

Project Financial Summary:			
Funded to Date:	**$ 91,000**	**Expenditures through end of year:**	**$ 75,164**
Spent to Date:	**$ 67,164**	**2023 - 2027 Planned Expenditures:**	**$ 220,000**
Cash flow through end of year:	**$ 8,000**	**Total Project Estimate:**	**$ 295,164**
Project Balance	**$ 15,836**	**Additional Funding Required**	**$ 204,164**

Description of Work	**Estimated Annual Expenditures**					
	2023	**2024**	**2025**	**2026**	**2027**	**Total**
Design				**$ 15,000**		**$ 15,000**
Environmental					**$ 20,000**	**$ 20,000**
Construction					**$ 185,000**	**$ 185,000**
TOTAL	**$ -**	**$ -**	**$ -**	**$ 15,000**	**$ 205,000**	**$ 220,000**

Estimated Funding Sources	**Percentage**	**2023 Amount**
Water Rates	100%	$0
Total	**100%**	**$0**

Funding Comments:

EL DORADO IRRIGATION DISTRICT

SUBJECT: Consider approving a contract amendment to Teichert Construction in the not-to-exceed amount of $138,652.50 for an extension of hard rock quantity for the Motherlode Force Main Phase 3 Project, Project No. 21081.01.

PREVIOUS BOARD ACTION

January 10, 2022 – Board authorized additional funding in the amount of $75,000 for design services and $50,000 for capitalized labor for a total funding request of $125,000 for the Motherlode Force Main Phase 3 Replacement Project, Project No. 21081.01.

August 22, 2022 – Board approved a contract change order to Domenichelli and Associates, Inc. in the not-to-exceed amount of $22,010 for design of the Motherlode Force Main Phase 3 and authorized additional funding of $22,010 for the Motherlode Force Main Phase 3 Project, Project No. 21081.01.

November 14, 2022 – Board adopted the 2023–2027 Capital Improvement Plan (CIP), subject to available funding.

March 27, 2023 – Board awarded contracts to Teichert Construction in the not-to-exceed amount of $12,768,539 for construction and ICM Group, Inc. in the not-to-exceed amount of $351,500 for construction management and inspection services for the Motherlode Force Main Phase 3 Project; and authorized additional funding of $88,980 for construction engineering services, $15,400 for stormwater pollution prevention plan monitoring, $61,787 for geotechnical services, $100,000 for El Dorado County Department of Transportation inspection fees, $350,000 for capitalized labor, and $1,373,620 in contingencies for a total funding request of $15,109,826 for the Motherlode Force Main Phase 3 Project, Project No. 21081.01.

BOARD POLICIES (BP), ADMINISTRATIVE REGULATIONS (AR) AND BOARD AUTHORITY

BP 3060 Contracts and Procurement
BP 6010 Wastewater System Management

SUMMARY OF ISSUE

Construction of the Motherlode Force Main Phase 3 Project (Project) began in June 2023 and is expected to be completed in August 2024. During construction, the contractor incurred additional hard rock excavation costs beyond what was included in the original contract documents.

BACKGROUND/DISCUSSION

A construction contract for Motherlode Force Main Phase 3 project was awarded to Teichert Construction on March 27, 2023, and the contractor mobilized to the site in June 2023. The Project includes replacing approximately 17,270 linear feet of failing sewer force main that had experienced several breaks in recent years. As of October 31, 2023, construction was approximately 60% complete.

Extension of Rock Quantity

Phase 3C of the Project is a one-mile length of force main that is located along Buckeye Road adjacent to Buckeye Elementary School and California Montessori Project – Shingle Springs Campus. Due to the potential impacts of construction on school traffic, Teichert constructed a portion of Phase 3C work in the summer of 2023 and will construct the remaining portion of 3C in the summer of 2024. During excavation along this segment, Teichert encountered extensive hard rock, which slowed pipe installation. Per the construction contract, Teichert is entitled to additional compensation if hard rock is encountered. The original bid form included 50 cubic yards of hard rock for this phase and was bid at $750 per cubic yard. Inspection staff witnessed and documented all hard rock encountered for the completed portion of Phase 3C, totaling 234.87 cubic yards, or 184.87 cubic yards, beyond the original contract amount of 50 cubic yards. The additional rock excavation will be paid at the bid price of $750 per cubic yard, equating to $138,652.50.

FUNDING

This change amendment amount is within Board approved funding, including contingencies. No additional funding is needed.

BOARD OPTIONS

Option 1: Approve a contract amendment to Teichert Construction in the not-to-exceed amount of $138,652.50 for an extension of hard rock quantity for the Motherlode Force Main Phase 3 Project, Project No. 21081.01.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

RECOMMENDATION

Option 1

ATTACHMENTS

Attachment A: Teichert Construction Proposal

Liz Carrington
Senior Civil Engineer

for
Jon Money
Engineering Manager

Brian Mueller
Engineering Director

Tracy Crane
Wastewater and Recycled Water Operations Manager

for
Dan Corcoran
Operations Director

Jamie Bandy
Finance Director

Brian Poulsen
General Counsel

Jim Abercrombie
General Manager

ICM

Change Proposal Request 26

Project Name: Mother Load Force Main
Project Owner: El Dorado Irrigation District Contractor: Teichert

Date: October 16, 2023
CPR Title: Phase 3C Excess Rock Excavation – Part 1
References: Bid Item 3C-7

Contractor excavated through additional rock along the phase 3C alignment, as follows:

7/25/23 – 14.81 CY
7/26/23 – 13.33 CY
7/27/23 – 11.11 CY
7/28/23 – 10.75 CY (Exceeded bid item allotment of 50 CY this day)

7/28/23 – 15.17 CY
7/31/23 – 23.33 CY
8/1/23 – 15.55 CY
8/2/23 – 11.84 CY
8/3/23 – 4.44 CY
8/24/23 – 12.30 CY
8/25/23 – 13.30 CY
8/28/23 – 11.53 CY
8/29/23 – 25.84 CY
8/30/23 – 29.50 CY
9/6/23 – 8.07 CY
9/12/23 – 14 CY

Total = 184.87 CY

Compensation per the unit price for rock excavation as shown on the Schedule of Bid Prices (Section 00400 Bid Form) at $750/CY.

Attachments: Field Work Sheets

Note: The cost of this Change Proposal includes the cost of all financial impact of this work to the project. Unless specifically stated on this form, there is no residual impact on the contractor's schedule due to this work. All work shall be in accordance with the terms, stipulations, and conditions of the original Contract Document.

If the work herein provided for is approved by Change Order, the time of completion will be:

☐ Increased ☐ Decreased ☒ Unchanged **by 0 calendar days**.

This change will: ☒ Add ☐ Deduct ☐ No Change **$ 138,652.50**

Teichert Signatory 10/16/2023 Date

ICM

ICM Recommendation: ☒ Recommend Acceptance ☐ Do Not Recommend Acceptance

Kyle Dawg _____ 10/16/23

ICM Construction Manager Date

Owner Disposition: ☐ Recommend Acceptance ☐ Do Not Recommend Acceptance

_____ _____

El Dorado Irrigation District Signatory Date

Daily Time and Materials (T&M) Report

Date: 7/25/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation

Quantity: 1 LSU

Notes:
Encounter Blue Rock on Excavation on 3C. From Station#46+00 to 46+21 With (14.81 CY)…..

Daily Time and Materials (T&M) Report

Date: 7/26/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation **Quantity: 1 LSU**

Notes:
Encounter Blue Rock on Excavation on 3C. From Station#46+21 to 46+36…..With (13.33 CY)…….6’X4’X15’=13.33 CY…..

Daily Time and Materials (T&M) Report

Date: 7/27/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation — Quantity: 1 LSU

Notes:
Excavate,Lay and Backfill 20” on 3C. By Station#46+35. Encounter Blue Rock and Existing Water Line Station#46+60. With 11.11 CY. (15’X5’X4’)…….

90000.9009 - 9009 - Phase 3C - Slurry at 8in Water Crossing — Quantity: 1 LSU

Notes:
Existing 12” Water Line at Station# 46+60 Aprox Encase in Sand Slurry this Creates Espousing Water Line By Hand with Small Tools and Everybody Else on Stand By ……..

Labor	Hours
200175 - Scott Juergens	3
201056 - Salvador Guzman Garcia	3
201308 - Juan Gutierrez	3
227894 - Jamal Cherry	3
310216 - Ulises Gutierrez	3
900393 - Alfonso Reynoso	3
902436 - Sergio Alvarado	3

Total Labor Hours: 21

Equipment	Hours
ACF02109 - FRD, F350, 22	3
ACF04050 - FRD, F350, 19	3
ACH01903 - FRD, F550, 18	3

HYD6040 - CAT H140ES, BREAKER, DRT RENTA	3
LBP6143 - LTR. VOLVO L150H LOADER, VOLVO	3
SGF0262 - CAT, 335, 21, W/ RUB. TRACKS	3
SGF6097 - CAT 335F EXCAVATOR, DRT RENTAL	3

Total Equipment Hours: 21

Daily Time and Materials (T&M) Report

Date: 7/28/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation

Quantity: 1 LSU

Notes:
Encounter Blue Rock on 3C From Station #21+25 to 21+40 and from21+85 to 22+05 We only Hammer Today 35'X4'X5'=25.92 CY……

90000.9010 - Extra Work

Quantity: 1 LSU

Notes:
Dig a Soft Spot on Pavement Like 24" and Fill with AB. And Compact on Street by Day Care on 3C At Station#40+50 Aprox ……

Labor	Hours	Overtime Hours	Total Hours
201308 - Juan Gutierrez	0	1	1
291303 - Sean Carney	2	0	2

Total Labor Hours: 3

Equipment	Hours
ACB02067 - FRD, F350, 20 (AUX0230)	2
SGF0198 - CAT, 328, 13, W/ RUB. TRACK	2

Total Equipment Hours: 4

Daily Time and Materials (T&M) Report

Date: 7/31/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation **Quantity: 1 LSU**

Notes:
Break ,Rip Blue Rock From Station# 21+40 to 21+85 (45’X3.5’X4’=23.33 CY)……

Daily Time and Materials (T&M) Report

Date: 8/1/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation

Quantity: 1 LSU

Notes:
Break ,Rip Blue Rock From Station# 21+40 to 21+70…..(30’X3.5’X4’=15.55 CY…)……

Daily Time and Materials (T&M) Report

Date: 8/2/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation **Quantity: 1 LSU**

Notes:
Break ,Rip Blue Rock From Station# 21+70 To 21+90. (2.5'X20'X4'=7.40 CY…….and Station#26+39. To 26+45. (5'X6'X4'=4.44 CY). Total Today 11.84 CY……..

Daily Time and Materials (T&M) Report

Date: 8/3/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation — Quantity: 1 LSU

Notes:
Rip and Hammer Blue Rock From Station# 30+30. (3'X10'X4'=4.44CY……..

90000.9009 - 9009 - Phase 3C - Slurry at 8in Water Crossing — Quantity: 1 LSU

Notes:
On 7-27-2023 We Try to Cross Existing 12" Water Line at Station# 46+60 Aprox Encase in Sand Slurry Also Encounter Blue Rock and Rip and Hammer with Smaller Excavator with Hammer to be Closer on Water Line we Also Use the Big Hammer and Another One Clean Trench After Hammer we are About 11.5 '. Deep…

Labor	Hours	Overtime Hours	Total Hours
200175 - Scott Juergens	2	1	3
201308 - Juan Gutierrez	4	2	6
225522 - Jorge Reynoso	8	4	12
291303 - Sean Carney	8	4	12
302907 - Jesus Morales Barajas	4	1	5

Total Labor Hours: 38

Equipment	Hours
ACD04012 - FRD, F350, 19 (AUX0190)	4
ACF01591 - FRD, F350, 15	8
ACF04050 - FRD, F350, 19	4
HYD6040 - CAT H140ES, BREAKER, DRT RENTA	4
HYD6573 - STRIKER V100, BREAKER, NOR-CAL	8

LBP6143 - LTR. VOLVO L150H LOADER, VOLVO	2
SGC6716 - TAKEUCHI SV100 2A, EXCAVATOR,	8
SGF0198 - CAT, 328, 13, W/ RUB. TRACK	4
SGF6097 - CAT 335F EXCAVATOR, DRT RENTAL	4

Total Equipment Hours: 46

Daily Time and Materials (T&M) Report

Date: 8/24/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation

Quantity: 1 LSU

Notes:
Encounter Blue Rock on Phase 3C. Starting at Station #20+00 to 19+80. (4'X4'X20=12.30 CY).....

Daily Time and Materials (T&M) Report

Date: 8/25/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation **Quantity: 1 LSU**

Notes:
Encounter Blue Rock on Phase 3C. Starting at Station #20+00 to 19+80. (15’X6’X4’=13.3 CY). This Location is 7.5’ Solid Blue Rock….

Daily Time and Materials (T&M) Report

Date: 8/28/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation **Quantity: 1 LSU**

Notes:
Encounter Blue Rock on Phase 3C. Starting at Station #19+80. To. 19+60. (15’X4’X5’=11.53 CY)….This Location is 7.5’ Solid Blue Rock….

Daily Time and Materials (T&M) Report

Date: 8/29/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation **Quantity: 1 LSU**

Notes:
Encounter Blue Rock on Phase 3C. Starting at Station #8+57 to 8+36. (21’X4’X8’=25.84 CY) This Location is 8’ Solid Blue Rock….

Daily Time and Materials (T&M) Report

Date: 8/30/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation **Quantity: 1 LSU**

Notes:
Encounter Blue Rock on Phase 3C. Starting at Station #8+36 to 8+26. (10’X2’X4’=2.9 CY). And From Station#8+26 to 7+96 (30’X6’X4’=26.6 CY). With a Total of 29.5 Cy……..

Daily Time and Materials (T&M) Report

Date: 9/6/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation **Quantity: 1 LSU**

Notes:
On 3C. Encounter Blue Rock From Station # 12+00 to 12+15. (15’X3.5’X4’=8.07 CY)….. .

Daily Time and Materials (T&M) Report

Date: 9/12/2023
Foreman: Juan Gutierrez (201308)
A. Teichert & Son, Inc.

12042-00 (E23-02; Motherlode Force Main Phase 3)

90000.9004 - Rock Excavation **Quantity: 1 LSU**

Notes:
Encounter Blue Rock Trench with a Rock Trencher it Was Down Twice Today I Think Only Run for 4 Hrs….on 3C. At Station # 17+47 (13’X7’X4’=14 CY)…….

EL DORADO IRRIGATION DISTRICT

SUBJECT: Consider approving a contract amendment to Carollo Engineers in the not-to-exceed amount of $85,648 for the Phase 2 Water Treatment Plant Condition Assessments and authorize additional funding of $35,000 for professional services and $15,000 for capitalized labor for a total funding request of $50,000 for the Water Treatment Plant Assessments, Project No. STUDY 03.01 – 03.04.

PREVIOUS BOARD ACTION

June 24, 2019 – Board awarded a contract to Carollo Engineers in the amount of $299,863 for Phase 1 condition assessment of El Dorado Hills Water Treatment Plant, Reservoir 1 Water Treatment Plant, Reservoir A Water Treatment Plant, and Strawberry Water Treatment Plant, and authorized funding of $424,863 for the Water Treatment Plant Assessments, Project Nos. STUDY 03.01 – 3.04.

April 26, 2021 – Board awarded a contract to Carollo Engineers in the amount of $566,629 for Phase 2 Water Treatment Plant Conditions Assessment and authorized additional funding of $50,000 for capitalized labor, for a total funding request of $616,629 for the Water Treatment Plant Assessments, Project Nos. STUDY 03.01 – 3.04.

November 14, 2022 – Board adopted the 2023-2027 Capital Improvement Plan (CIP), subject to available funding.

BOARD POLICIES (BP), ADMINISTRATIVE REGULATIONS (AR) AND BOARD AUTHORITY

BP 3010 Budget
BP 3060 Contracts and Procurement

SUMMARY OF ISSUE

The District has completed a Draft Water Treatment Plant Asset Management Plan (WTP AMP). The Draft WTP AMP implementation plan was developed based on initial condition assessments, process evaluations, remaining useful life analysis, and overlying master plans, recognizing the final WTP AMP implementation plan would need to be refined to conform to current fiscal constraints and the financial plan developed as part of the Cost of Service Analysis. Additional work is required to modify the phasing and timing of plant upgrades within the plan to conform to the recently adopted 2024-2028 Capital Improvement Plan (CIP) and accommodate an extended implementation schedule that meets long-term District funding strategies.

BACKGROUND/DISCUSSION

Staff reviewed the Draft WTP AMP with the Board during the August 8, 2023 Board Meeting. The plan identified approximately $371 million of needed investments in water treatment plant upgrades over the next 20 years. Staff acknowledged that with fiscal constraints, the implementation plan would need to be pared down prior to finalization. The following steps were identified to finalize the WTP AMP:

1. Complete system-wide Water Master Plan reconciliation with Draft WTP AMP preliminary 20-Year CIP;
2. Explore strategies and minimum funding needs to address the El Dorado Hills and Reservoir 1 WTP aging infrastructure and long-term master planning needs within current fiscal constraints; and
3. Incorporate capital and rehabilitation/replacement needs into the 2024-2028 CIP and financial plans.

Step 1 has been completed. As part of steps 2 and 3, Carollo Engineers provided preliminary El Dorado Hills and Reservoir 1 WTP upgrade cost estimates for 2024-2028 CIP development based on a constraint of $93 million over the 5-year planning horizon. To complete steps 2 and 3, additional effort is required to identify the most urgent treatment process improvements, reconsider plant upgrade phasing over a longer timeframe, and prepare new cost estimates for the modified implementation plan. Carollo will also address the potential to increase the capacity of the El Dorado Hills WTP within the 2024-2028 CIP planning horizon to meet growing demand in the El Dorado Hills area. Carollo's proposed fee is 85,648 to complete this scope of work, described in more detail in Attachment A.

This is the second amendment to the original $566,629 Phase 2 Water Treatment Plant Conditions Assessment Professional Services Agreement. The General Manager authorized the first amendment of $70,000 pursuant to Board Policy 3060, which provides the General Manager authority up to and including $100,000 for CIP projects. Since this amendment combined with the first amendment exceeds $100,000, staff requests Board approval of the amendment and the additional funding required to execute the work.

FUNDING

There is currently $57,700 remaining in the project budget, which is inadequate for the proposed contract amendment of $85,648. Therefore, additional funding of $50,000 is needed to fully fund the professional services amendment and staff time required to modify the implementation plan and finalize the WTP AMP. Project funding will come from water rates.

BOARD OPTIONS

Option 1: Approve a contract amendment to Carollo Engineers in the not-to-exceed amount of $85,648 for the Phase 2 Water Treatment Plant Condition Assessments and authorize additional funding of $35,000 for professional services and $15,000 for capitalized labor for a total funding request of $50,000 for the Water Treatment Plant Assessments, Project No. STUDY 03.01 – 03.04.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

RECOMMENDATION

Option 1

ATTACHMENTS

Attachment A: Carollo Engineers Proposal

Tracey Eden-Bishop
Senior Civil Engineer

Jon Money
Engineering Manager

_____ for
Patrick Wilson
Drinking Water Operations Manager

Brian Mueller
Engineering Director

_____ for
Dan Corcoran
Operations Director

Jamie Bandy
Finance Director

Brian Poulsen
General Counsel

Jim Abercrombie
General Manager

Attachment A

2880 Gateway Oaks Drive, Suite 300
Sacramento, California 95833
P 916-565-4888
carollo.com

October 25, 2023

Ms. Tracey Eden-Bishop, Project Manager
El Dorado Irrigation District
2890 Mosquito Road
Placerville, CA 95667

Subject: WTP Condition Assessment Phase 2 – Additional Evaluations

Dear Ms. Eden-Bishop:

As part of the Water Treatment Plant (WTP) Condition Assessment Phase 2 Project, the El Dorado Irrigation District (District) has identified the need to further evaluate improvements that would occur at its WTPs within the current 5-year CIP (with identification of projects and asset replacement needs that are to be deferred beyond the 5-year CIP). Therefore, we are pleased to submit this proposal for this additional evaluation, with scope of services as follows:

- Develop an executive summary document that combines the findings and recommendations of the asset management plan and WTP master plans to be presented to the District Board of Directors. This summary would include updated tables for master plan, age-based, and condition-based replacement projects associated with each WTP within a 20-year CIP planning period.
- Develop an implementation plan for improvements at the El Dorado Hills WTP (EDHWTP), Reservoir 1 WTP (R1WTP), and Strawberry WTP (SWTP), based on an overall Capital Improvements Program (CIP) budget of $95 Million, and through completion of initial capacity improvements at EDHWTP. The implementation plan would include:
  - *EDHWTP*
    - Develop short-term demand projections for the EDHWTP based on peak day demand data to be provided by the District.
    - Evaluate the raw water pumping capacity to the EDHWTP based on the hydraulic grade line established by the EDHWTP Master Plan. This includes development of a hydraulic model for the intake pump station and raw water piping at an ultimate capacity of 30 mgd, based on pump curves and other record information to be provided by the District.
    - Determine improvements and associated costs required at the EDHWTP to achieve a capacity of approximately 20 million gallons per day (mgd).
    - Develop an estimate of operations and maintenance costs based on 24/7 operation at capacity for one month (assumed to be the peak month).
  - *R1WTP*
    - Evaluate Phase 1 improvements at R1WTP per the master plan document, and as modified in the September 14, 2023, meeting with the District, including new filter waste washwater equalization tank, chemical storage and feed facility, sludge storage basin, and new flocculation basin. Identify and determine cost of improvements to be included within the current 5-year CIP.

- *SWTP*
  - Evaluate and determine cost of improvements at the SWTP to provide enhanced solids collection and separation, and addition of GAC contactor vessel. These improvements are to be included within the current 5-year CIP.
- Conduct one workshop with the District to discuss and review the 5-year CIP implementation plan.

The schedule for this effort is proposed as follows, based on a Notice to Proceed by 11/1/23:

- Submit Asset Management Plan and Master Plan Executive Summary – December 2023.
- Submit Draft Implementation Plan TM – January 2024
- Draft TM Review Workshop – February 2024
- Submit Final Implementation Plan TM – March 2024

The expected budget for this effort is $85,648 and is detailed in the attached fee estimate.

We look forward to working with you and your team to complete this important work. Please do not hesitate to call with any questions you may have regarding the approach proposed herein.

Sincerely,
CAROLLO ENGINEERS, INC.

Chris Cleveland, PE
Senior Vice President

Beverly Hann, PE
Vice President

JR:jr

Enclosures: Fee Estimate

Budget
El Dorado Irrigation District
Condition Assessment Phase 2 - Additional Services
10/25/23

TASK / DESCRIPTION	CAROLLO LABOR HOURS								DIRECT EXPENSE			TOTAL COST
	PM	PE	Assistant PE	O&M	QM	DP	Carollo Hours	Carollo Labor Cost	Other Direct Charges	PECE*	Total Direct Charges	
	Senior Professional	Project Professional	Assistant Professional		Lead Project Professional					$14/hr		
Task 100. Project Management and Quality Control	**12**	**12**	**0**	**0**	**8**	**0**	**32**	**$ 10,560**	**$ -**	**$ 448**	**$ 448**	**$ 11,008**
101 Progress Status Reports	6	6					12	$ 3,960		$ 168	$ 168	$ 4,128
102 Monthly Coordination Calls	6	6					12	$ 3,960		$ 168	$ 168	$ 4,128
103 Quality Control					8		8	$ 2,640		$ 112	$ 112	$ 2,752
Task 200. AMP/MP Executive Summary	**2**	**2**	**8**	**0**	**0**	**2**	**14**	**$ 3,318**	**$ -**	**$ 196**	**$ 196**	**$ 3,514**
201 Executive Summary	2	2	8			2	14	$ 3,318		$ 196	$ 196	$ 3,514
Task 300. 5-Year Implementation Plan	**16**	**82**	**112**	**8**	**8**	**44**	**270**	**$ 65,346**	**$ 2,000**	**$ 3,780**	**$ 5,780**	**$ 71,126**
301 Data Collection and Review		4	4			8	16	$ 3,244		$ 224	$ 224	$ 3,468
302 EDHWTP Demand Projections		4	8			8	20	$ 4,100		$ 280	$ 280	$ 4,380
303 EDHWTP Hydraulic Evaluation		8	16			8	32	$ 7,056		$ 448	$ 448	$ 7,504
304 Develop Cost Estimates		10	20	8		4	42	$ 9,322		$ 588	$ 588	$ 9,910
305 Draft Implementation Plan	4	40	44		8	8	104	$ 27,036		$ 1,456	$ 1,456	$ 28,492
306 Review Workshop	8	8	12			4	32	$ 8,420	$ 1,000	$ 448	$ 1,448	$ 9,868
307 Final Implementation Plan	4	8	8			4	24	$ 6,168	$ 1,000	$ 336	$ 1,336	$ 7,504
TOTAL	**30**	**96**	**120**	**8**	**16**	**46**	**316**	**$79,224**	**$2,000**	**$4,424**	**$6,424**	**$85,648**

* Project Equipment Communication Expense

EL DORADO IRRIGATION DISTRICT

SUBJECT: Consider awarding a contract to Cintas Corporation in the not-to-exceed amount of $240,000 for uniform services and facility products and services for a term of three years beginning March 8, 2024.

PREVIOUS BOARD ACTION

March 8, 2021 – Board awarded a contract to Cintas Corporation in the not-to-exceed amount of $225,000 for uniform services and facility products for a term of three years from March 8, 2021 through March 7, 2024.

BOARD POLICIES (BP), ADMINISTRATIVE REGULATIONS (AR) AND BOARD AUTHORITY

BP 3060 Contracts and Procurement
AR 3061.08 Cooperative Procurements

SUMMARY OF ISSUE

Several District facilities require facility products and services and uniform services to support the health and safety of staff. Multiple class specifications (e.g., electrical staff, fleet staff, wastewater facility staff) require specialized uniform laundering services due to the nature of their work. The District provides these services as part of our ongoing commitment to provide all employees with a safe and hygienic workplace. The District's current agreement with Cintas Corporation (Cintas) for uniform services and facility products and services expires on March 7, 2024. Staff proposes to enter into a new agreement with Cintas for three years to continue these services.

BACKGROUND/DISCUSSION

The District currently receives uniform services and facility products and services from Cintas through the Omnia Partners Public Sector Cooperative agreement. Under the agreement, District staff receive uniform cleaning and repair services and facility products like soap, gloves, and other consumable items. Additionally, Cintas provides mats strategically placed in high-traffic areas to protect the floor and enhance traction in transition areas. The mats are cleaned on a schedule to ensure cleanliness within the facility.

Contracts available through Omnia Partners are competitively solicited and awarded by a lead agency, usually a government entity or educational institution. By utilizing these agreements, the District benefits by receiving pricing through volume discounts, which would otherwise be unattainable through traditional competitive bidding. Our current agreement with Cintas expires on March 7, 2024, and was solicited and awarded in 2021 by Prince William County Public Schools as the lead agency. District purchasing staff has conducted market research over the past several months by contacting other service providers such as Aramark and Uni-first. Based on the quotes and information obtained, staff determined that switching vendors would not be in the District's best interest. There are logistical challenges that staff would encounter to change vendors, such as startup costs to fit and deliver uniforms with emblems to all District staff participating in the program. The County of El Dorado also recently awarded a three-year contract to Cintas through Omnia Partners. The timing of this award by the County supports our best value determination.

Staff recommends that the District award a contract to Cintas for continued uniform services and facility products and services. This contract will utilize a cooperative agreement solicited and awarded by the lead agency, the University of Nebraska, through Omnia Partners Public Sector. The contract term is three years, beginning March 8, 2024, in the not-to-exceed amount of $240,000.

FUNDING
The operating budget will fund products and services acquired through this agreement.

BOARD OPTIONS

Option 1: Award a contract to Cintas Corporation in the not-to-exceed amount of $240,000 for uniform services and facility products and services for a term of three years beginning March 8, 2024.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

RECOMMENDATION
Option 1.

ATTACHMENTS
Attachment A: Cintas Workplace Solutions Cooperative Acceptance Agreement

Ryan Deakyne
Senior Buyer

Rebecca Lane
Finance Manager

Jamie Bandy
Finance Director

for
Brian Poulsen
General Counsel

Jim Abercrombie
General Manager

Attachment A

Workplace Solutions
Cooperative Acceptance Agreement

CINTAS® READY FOR THE WORKDAY®

Location #: 39K
Contract #: 210727161
Customer #: 13368706
Main Corporate Code → **13897 GPO# 211011196 MLA# 211011348** Date:
Customer/Participating Agency: El Dorado Irrigation District ("Customer") Phone: (530) 642-4405
Address: 2890 Mosquito Road City: Placerville State: CA Zip: 95667

UNIFORM PRODUCT RENTAL PRICING:

ITEM #	DESCRIPTION	STANDARD ITEM	UNIT PRICE	LOSS/DAMAGE REPLACE. VALUE
330	100% Cotton Work Shirt	☑ Yes ☐ No	$0.260	$17.690
384	Carhartt Work Shirt	☑ Yes ☐ No	$0.378	$24.300
294	Carhartt FR Work Shirt	☑ Yes ☐ No	$0.390	$58.500
60694	FR Work Shirt	☑ Yes ☐ No	$0.422	$52.000
374	Oxford Dress Shirt	☑ Yes ☐ No	$0.280	$22.950
383	Carhartt Dungaree Pant	☑ Yes ☐ No	$0.302	$29.700

Space for additional entries provided on page 5

This Workplace Solutions Cooperative Acceptance Agreement (this "Acceptance Agreement") is effective as of the date of execution for a term of 60 months from the date of installation or renewal (the "Term").				
Standard Name Emblem	$ 1.95 ea	Standard Agency Emblem	$ 3.10	ea
Custom Agency Emblem	$ 3.95 ea	Embroidery	$ 6.00	ea
Uniform Advantage	Item: All Applicable		$ 0.10	ea per week
Premium Uniform Advantage	Item: All Applicable		$ 0.18	ea per week
Emblem Advantage	Item: All Applicable		$ 0.075	ea per week
Prep Advantage	Item: All Applicable		$ 0.05	ea per week
Minimum Charge	$35 per delivery or 50% of initial invoice (the greater of the two).			
Make-up Charge	$ 1.35 per garment			
Non-Standard/Special Cut Garment (i.e., non-standard, non-stocked unusually small or large sizes, unusually short or long sleeve or length, etc.) premium			$ .15	per garment
Seasonal Sleeve Change	$ 10.00 per garment			
Under no circumstances will Cintas accept textiles bearing free liquid. Shop towels may not be used to clean up oil or solvent spills.				
Artwork Charge for Logo Mat	$ 175.00			
Payment Terms: Net 30				
Size Change	Customer agrees to have employees measured by a Cintas representative using garment "size samples" or Cintas TruFit. A charge of $ 8.00 per garment will be assessed for employee's size changed within 4 weeks of installation.			
Other	Uniform Locker (8004) - $1.50/week			

WORKPLACE SERVICES PRODUCTS PRICING:

ITEM #	DESCRIPTION	RENTAL FREQ.	INVENTORY	UNIT PRICE
840XX	3x10 Carpeted Mat	W / M		$3.290 / $7.403
843XX	3x5 Carpeted Mat	W / M		$2.240 / $5.040
844XX	4x6 Carpeted Mat	W / M		$2.130 / $4.793
10202	3x10 Xtraction Mat Onyx	W		$7.029
10189	3x5 Xtraction Mat Onyx	W		$4.464
10192	4x6 Xtraction Mat Onyx	W		$5.600
5477	Photo Safety Mat	W / M		$4.215 / $9.482
10184	3x5 Active Scraper Mat	W / M		$3.459 / $7.988

Space for additional entries provided on page 5

Automatic Lost Replacement Charge	Item:2700	% of inventory	$ 1.980	ea
Automatic Lost Replacement Charge	Item:2160	% of inventory	$ .432	ea

	CHECKBOX	INITIALS	DATE
Initial and check box if Unilease. All Garments will be cleaned by customer.	☐		
Initial and check box if receiving Linen Service. Company will take periodic physical inventories of items in possession or under control.	☑		
Initial and check box if receiving direct embroidery. If service is discontinued for any employee or Customer deletes any of the garments direct embroidery for any reason, or terminates this Acceptance Agreement for any reason or fails to renew this Acceptance Agreement, Customer will purchase all direct embroidered garments at the time they are removed from service at the then current replacement values. (See Section 6 of Cintas General Service Terms Section).	☐		

Cintas Representative Initials: Customer Initials:

PLEASE READ THESE TERMS CAREFULLY. BY SIGNING THIS ACCEPTANCE AGREEMENT, YOU ACKNOWLEDGE THAT YOU HAVE READ, AND THAT YOU UNDERSTAND AND AGREE TO BE BOUND BY, THESE TERMS.

OMNIA PARTICIPATING PUBLIC AGENCIES TERMS

1. **Participating Public Agencies.** Cintas Corporation No. 2 ("Cintas") agrees to extend the same terms, conditions, and covenants agreed to under the OMNIA Vendor Agreement executed between Cintas and University of Nebraska (the "Master Agreement") to other government agencies ("Participating Public Agencies") that, in their discretion, desire to access the Master Agreement in accordance with all terms and conditions contained herein or attached hereto. Each Participating Public Agency will be exclusively responsible and deal directly with Cintas on matters relating to length of agreement, ordering, delivery, inspection, acceptance, invoicing, and payment for products and services in accordance with the terms and conditions of the Master Agreement. By executing this Acceptance Agreement, the Customer identified on Page 1 herein agrees to be bound by the terms and conditions set forth in the Master Agreement as a Participating Public Agency and the terms and conditions set forth in this Acceptance Agreement. Master Agreement available at https://www.omniapartners.com/publicsector.
2. **Dispute Resolution – Arbitration and Class Waiver.** This provision shall take precedence over and supersede any contrary or conflicting provision in the Master Agreement.
   a. **Arbitration Notice.** Customer agrees to the maximum extent permitted by law that any dispute, controversy, or claim arising out of or relating to this Acceptance Agreement (including its enforcement, performance, breach, arbitrability, or interpretation) or to the products or services provided hereunder will be submitted to and resolved by final and binding individual arbitration. ARBITRATION MEANS THAT AN ARBITRATOR, AND NOT A JUDGE OR A JURY, WILL DECIDE THE DISPUTE, CONTROVERSY, OR CLAIM. BY ACCEPTING THESE TERMS, YOU AND CINTAS ARE EACH EXPRESSLY WAIVING THE RIGHT TO A TRIAL BY JURY AND TO PURSUE OR PARTICIPATE IN ANY CLASS ACTION, COLLECTIVE ACTION, OR REPRESENTATIVE CLAIMS OR PROCEEDINGS EITHER IN ARBITRATION OR IN ANY COURT. To the extent a class or collective action or representative claim or proceeding may not be waived, you agree to stay any such actions, claims, and proceedings until after all actions, claims, and proceedings subject to arbitration are fully resolved.
   b. **Arbitration Procedures.** Any arbitration between Customer and Cintas will be governed by the Commercial Dispute Resolution Procedures and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules") of the American Arbitration Association ("AAA"), as modified by this Acceptance Agreement, and will be administered by the AAA. The AAA Rules and filing forms are available online at www.adr.org, by calling the AAA at 1-800-778-7879, or by contacting Cintas. Any arbitration hearings will take place in the state in which Customer is located; provided, however, that if the claim is for $10,000 or less, Customer may choose for the arbitration instead to conducted: (i) solely on the basis of documents submitted to the arbitrator; or (ii) through a telephonic hearing. The arbitrator must issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the decision and award, if any, are based.
   c. **Fees.** Arbitration fees will be assessed consistent with the AAA Rules.
   d. **No Class Actions in Arbitration or in Any Court, No Jury Trial.** CUSTOMER AND CINTAS AGREE THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN THEIR INDIVIDUAL CAPACITIES AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING, WHETHER IN ARBITRATION OR IN ANY COURT. FURTHER, UNLESS BOTH CUSTOMER AND CINTAS AGREE OTHERWISE, AN ARBITRATOR OR JUDGE MAY NOT CONSOLIDATE MORE THAN ONE PARTICIPATING PUBLIC AGENCY'S CLAIMS AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING.

      FOR THE AVOIDANCE OF DOUBT, CUSTOMER AND CINTAS AGREE TO RESOLVE ANY DISPUTE ON AN INDIVIDUAL, NON-REPRESENTATIVE, NON-CLASS BASIS IN ARBITRATION, BUT IF FOR ANY REASON SUCH DISPUTE PROCEEDS IN COURT, CUSTOMER AND CINTAS AGREE TO WAIVE ANY RIGHT TO HAVE THE DISPUTE PROCEED AS A CLASS ACTION OR IN ANY REPRESENTATIVE CAPACITY WHATSOEVER. IF THE DISPUTE PROCEEDS IN COURT, CUSTOMER AND CINTAS AGREE TO WAIVE ANY RIGHT TO A TRIAL BY JURY.
   e. **Enforceability.** If the requirement to submit any and all disputes, controversies, and claims to binding arbitration is found to be unenforceable or contrary to applicable law, the dispute, controversy or claim will be resolved in accordance with, and governed by, the laws of the State in which the Participating Public Agency exists.
   f. **Severability.** If any section or provision of this ¶ 2, Dispute Resolution – Arbitration and Class Waiver, is found to be unenforceable or invalid, the parties will substitute an enforceable provision that, to the maximum extent possible under applicable law, preserves the original intentions of the parties, and the remainder will be given full force and effect.
3. **Dispute Resolution – Timing of invoice challenges:** Requests for an invoice adjustment or challenges to invoice amounts must be received by Cintas within 60 days of Customer's receipt of the contested invoice, or any billing dispute is waived. Notification to Cintas of a request for an invoice adjustment must be made in writing and must include the invoice number, disputed amount, and the reason for the disputed charge.
4. In the event of any conflict between this Acceptance Agreement and the Master Agreement, the Master Agreement shall prevail, except to the extent this Acceptance Agreement specifically provides that it is superseding a provision in the Master Agreement.

CINTAS GENERAL SERVICE TERMS SECTION

1. **Prices** Customer agrees to rent from Cintas, and Cintas agrees to provide to Customer, the merchandise, inventory and services at the prices listed in the Master Agreement and / or outlined above. There will be a minimum charge of thirty-five dollars ($35.00) or 50% of initial invoice (whichever is greater) per delivery for each Customer location required to purchase its rental services from Cintas as set forth in this Acceptance Agreement.
2. **Buyback of Non-Standard Garments** Customer has ordered from Company a garment rental service requiring garments that may not be standard to Company's normal rental product line or include direct embroidery or an unusual emblem placement. Non-standard items will also include standard garments that have been embroidered. Those non-standard products will be designated as such under Garment Description in the Uniform Product Rental Pricing Chart(s). In the event the Customer deletes a non-standard product, alters the design of the non-standard product, fails to renew the Agreement, or terminates the Agreement in whole or in part for any reason, the Customer agrees to buy back all remaining non-standard products allocated to Customer that the Company has in service and out of service at the then current Loss/Damage Replacement Values.
3. **Garments' Lack of Flame Retardant or Acid Resistant Features** Unless specified otherwise in writing by Cintas, the garments supplied under this Acceptance Agreement are not flame retardant or acid resistant and contain no special flame retardant or acid resistant features. They are not designed for use in areas of flammability risk or where contact with hazardous materials is possible. Flame resistant and acid resistant garments are available from Cintas upon request. Customer warrants that none of the employees for whom garments are supplied pursuant to this Acceptance Agreement require flame retardant or acid resistant clothing.
4. **Logo Mats** In the event that Customer decides to delete any mat bearing the Customer's logo (Logo Mat) from the rental program, changes the design of the Logo Mats, terminates this Acceptance Agreement for any reason or fails to renew this Acceptance Agreement, the Customer will purchase at the time of deletion, design change or termination, all remaining Logo mats that Cintas has in service and out of service held in inventory at the then current Loss/Damage Replacement Value.
5. **Adding Employees** Additional employees and merchandise may be added to this Acceptance Agreement at any time upon written or oral request by the Customer to Cintas. Any such additional employees or merchandise shall automatically become a part of and subject to the terms of this Acceptance Agreement. If such employees are employed at a Customer location that is then participating under this Acceptance Agreement, the Customer shall pay Cintas the one-time preparation fee indicated on the Master Agreement and / or outlined above. Customer shall not pay Cintas any one-time preparation fee for garments for employees included in the initial installation of a Customer location. There will be a one-time charge for name and/or company emblems when employees are added to the program in garments requiring emblems.
6. **Emblem Guarantee** If Customer has requested that Cintas supply emblems designed exclusively for Customer featuring Customer's logo or other specific identification (hereinafter "Customer Emblems"), Cintas will maintain a sufficient quantity of Customer Emblems in inventory to provide for Customer's needs and maintain a low cost per emblem through quantity purchases.

   In the event Customer decides to discontinue the use of Customer Emblems, changes the design of the Customer Emblems, terminates this Acceptance Agreement for any reason or fails to renew this Acceptance Agreement, the Customer will purchase at the time of deletion, design change, termination or expiration, all remaining Customer Emblems that Cintas allocated to Customer at the price indicated on the Master Agreement and / or outlined above of this Acceptance Agreement. In no event shall the number of Customer Emblems allocated to Customer exceed the greater of (a) twelve (12) months' volume for each unique Customer Emblem or (b) a quantity agreed to by Cintas and Customer and noted on the Master Agreement and / or outlined above.
7. **Terminating Employees** Subject to the provisions of this Acceptance Agreement, the weekly rental charge attributable to any individual leaving the employ of the Customer, or on a temporary leave of absence of three (3) weeks or more, shall be terminated upon oral or written notice by the Customer to Cintas but only after all garments issued to that individual, or value of same at the then current Loss/Damage Replacement Values, are returned to Cintas.
8. **Replacement** In the event any merchandise is lost, stolen or is not returned to Cintas, or is destroyed or damaged by fire, welding damage, acid, paint, ink, chemicals, neglect or otherwise, the Customer agrees to pay for said merchandise at the then current Loss/Damage Replacement Values.
9. **Additional Customer Locations.** Notwithstanding anything to the contrary contained herein, there will be a minimum term equal to the greater of thirty-six (36) months or the remainder of the Term for any individual Customer location added after the date of this Acceptance Agreement.

Cintas Representative Initials: _____ Customer Initials: _____

10. **Additional Items:** Additional Customer employees, products and services may be added to this Acceptance Agreement and shall automatically become a part of and subject to the terms hereof and all of its provisions. If this Acceptance Agreement is terminated early for convenience, the parties agree that the damages sustained by Cintas will be substantial and difficult to ascertain. Therefore, if this Acceptance Agreement is terminated by Customer prior to the applicable expiration date for any reason other than documented quality of service reasons which are not cured, or terminated by Cintas for non-payment by Customer at any time Customer will pay to Cintas, as termination charges and not as a penalty based upon the following schedule:
    - If this Acceptance Agreement is cancelled for convenience in the first twelve months of the term, Customer shall pay as termination charges equal to 52 weeks of rental service.
    - If this Acceptance Agreement is cancelled for convenience in months thirteen (13) through twenty-four (24) of the term, Customer shall pay as termination charges equal to thirty-nine (39) weeks of rental service.
    - If this Acceptance Agreement is cancelled for convenience in months twenty-five (25) through thirty-six (36) of the term, Customer shall pay as termination charges equal to twenty-six (26) weeks of rental service.
    - If this Acceptance Agreement is cancelled for convenience after forty-eight (48) months of service, Customer shall pay as termination charges of thirteen (13) weeks of rental service.
    - Customer shall also be responsible to return all of the merchandise allocated to such Customer locations terminating this Acceptance Agreement at the then current Loss/Damage Replacement Values and for any unpaid charges on Customer's account prior to termination.
11. **Federal Funds.** In no event will Cintas act as a subcontractor under a U.S. federal prime contractor or a subrecipient under a U.S. federal grant or cooperative agreement.
12. **Customer Funding Source.** Customer must select the appropriate response below:
    Is Customer a United States federal government agency or instrumentality, or will Customer pay for the goods and services ordered under this Acceptance Agreement with any United States government funds?
    ☐ Yes ☑ No
    (If Yes, Customer must provide any applicable U.S. government flowdown terms and conditions, which will only be binding on Cintas if attached hereto and agreed to by Cintas prior to execution of this Acceptance Agreement).
13. **Additional Terms.** Customer must select the appropriate response below:
    Does Customer require any additional terms and conditions to be incorporated into this Acceptance Agreement, or is Customer accepting this Acceptance Agreement without additional terms?
    ☐ Yes, additional terms required ☑ No additional terms needed
    (If yes, Customer must provide any applicable additional terms and conditions, which will only be binding on Cintas if attached hereto and agreed to by Cintas prior to execution of this Acceptance Agreement).
14. I authorize Cintas to verify my credit on Credit.net and/or by contacting the parties provided. I am authorized to sign on behalf of this company. In addition, I authorize Cintas to open a new account on behalf of the company and deliver the products or services listed above at the agreed upon pricing and delivery terms.

Cintas Location #: 039K	Customer Signature:
By: Greg Casassa	Print Name:
Title: Service Manager	Print Title:
Accepted-GM:	Email:
Cintas Matrix Account ☐ Yes ☑ No	Customer Contact:
Cintas MAM Partners:	Customer Contact Email:

Cintas Representative Initials: Customer Initials:

Accounts Payable Contact Billing Information

How should the Business Name read on the invoice? El Dorado Irrigation District

Do you have other sites/locations within your company that are set up for billing with Cintas? ☑ YES ☐ NO ☐ UNSURE

Are you Tax Exempt? ☑ YES ☐ NO If Yes, where can I get a copy of your tax-exempt form?

PAYER INFORMATION: This section covers the address where the person who pays the bills is and their contact information.

Account Payable Contact Name:

Account Payable Contact Phone #:

Account Payable Email:

Payer Street Address:

City: ST/PROV: ZIP/PC:

We will use the Payer address above as the address that is used for credit reference/credit check if it is different from service address.

BILL-TO INFORMATION: This section covers **where the bill will be mailed/sent to.**

☑ **Same as Payer** OR ☐ **Same as Sold-To**

Bill-To Street Address:

City: ST/PROV: ZIP/PC:

WE CAN CUSTOMIZE HOW YOU RECEIVE YOUR BILL FOR PAYMENT PROCESSING

Invoice Delivery (choose one): ☐ **Leave at Site and Email** ☐ **Email Only** ☐ **Physically Mail** ☑ **Leave at site after service**

Do invoices require a purchase order? ☐ **YES** ☑ **NO** **If yes,** please provide PO#

Will the same PO need to appear on each invoice? ☐ **YES** ☑ **NO** Is there an expiration date?

PAYMENT TERMS: Net 30 Standard

PAYMENT OPTIONS

☑ **Check**

☐ **ACH/EFT -** We will have our ACH/EFT team contact the AP contact above with ACH/EFT payment details

☐ **Credit Card -** We will have our Payment Center contact the AP Contact above for credit card details

Unless noted below, your AP contact above will be automatically registered to manage your Cintas account online with myCintas Billing. myCintas allows you to conveniently access your account anytime using your computer, tablet, or mobile device!

Do not send information about Online Bill Pay (US Only)

Cintas Representative Initials: Customer Initials:

UNIFORM PRODUCT RENTAL PRICING (cont.):

Continued from page 1

ITEM #	DESCRIPTION	STANDARD ITEM	UNIT PRICE	LOSS/DAMAGE REPLACE. VALUE
381	Carhartt Jean	☑ Yes ☐ No	$0.433	$24.300
382	Carhartt Carpenter Jean	☑ Yes ☐ No	$0.433	$26.550
290	FR Carpenter Jean	☑ Yes ☐ No	$0.614	$49.500
270	Cargo Work Pant	☑ Yes ☐ No	$0.374	$26.100
970	Lined Work Jacket - Straight	☑ Yes ☐ No	$0.440	$31.950
677	Lineed Work Jacket	☑ Yes ☐ No	$0.494	$30.150
912	65/35 Blend Coverall	☑ Yes ☐ No	$0.270	$21.270
59925	Lab Coat	☑ Yes ☐ No	$0.260	$18.140
525	Women's Lab Coat	☑ Yes ☐ No	$0.506	$24.003
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		
		☐ Yes ☐ No		

WORKPLACE SERVICES PRODUCTS PRICING (cont.):

Continued from page 1

ITEM #	DESCRIPTION	RENTAL FREQ.	INVENTORY	UNIT PRICE
2477	3x5 Scraper Mat	W		$2.390
2478	4x6 Scraper Mat	W		$2.988
1810	3x5 Duralite Mat	W		$2.610
2700	White Terry Towel	W / E		$0.135 / $0.195
2719	Regular Bath Towel	W / E		$1.348 / $2.021
2160	Red Shop Towel	W		$0.112
9312	Moisturizing Soap Svc	W		$1.160
9314	HD Scrub Soap Svc	W		$2.230
9541	HD Scrub Cherry Bomb Svc	W		$3.090
9320	Hair and Body Wash Svc	W		$2.376
8072	Signature Series Hand Sanitizer Svc	W / M		$1.800 / $7.200
6116	Air Freshener Svc (Micromist)	W / M		$3.100 / $12.400
9207	Scent Clip Svc	W / M		$1.161 / $4.644
9210	Urinal Screen Svc	W		$1.175
6880	Urinal Mat Svc	W / M		$1.800 / $7.200
6789	Commode Mat Svc	W / M		$1.800 / $7.200
7190	Restroom Mat Svc	W / M		$1.800 / $7.200
9025	Center Pull Paper Towel Roll	ANY		$6.912
9110	Jumbo Roll Toilet Paper	ANY		$5.184
43923	Standard Toilet Paper Roll (case of 96)	ANY		$0.720
27012	Signature Series Z-Fold Paper Towel Case	ANY		$32.832
9148	Toilet Seat Cover Packet	ANY		$3.888
27153	Signature Series Trash Can Liner Roll	ANY		$3.150
5551	23 Gal Trash Can Liner Roll	ANY		$5.400
5554	55 Gal Trash Can Liner Roll	ANY		$10.800
1919	2x3 Wellness Mat	W		$2.475

Cintas Representative Initials: _____ Customer Initials: _____

LOCATION LISTING

Sold to 13368706
EID
2980 Mosquito Road
Placerville, CA 95667

Sold to 13366158
EID Collections Facility
4619 Latrobe Road
El Dorado Hills, CA 95762

Sold to 10039696
EID EDH WWTP
4625 Latrrobe Road
El Dorado Hills, CA 95762

Sold to 13366062
EID Deer Creek WWTP
1565 Deer Creek Road
Cameron Park, CA 95682

Sold to 13363903
El Dorado Irrigation - Fleet
2890 Mosquito Road
Placerville, CA 95667

Sold to 13366182
El Dorado Irrigation - Fleet
2890 Mosquito Road
Placerville, CA 95667

Addendum

The following is an Addendum to the Master Agreement # 210727161 between El Dorado Irrigation District and Cintas Corporation.

This Workplace Solutions Cooperative Acceptance Agreement (this "Acceptance Agreement"), dated November _____, 2023, is effective March 8, 2024 at the conclusion of the current and active 36 month agreement dated March 8, 2021, and will be effective for a term of 36 months, ending March 7, 2027 (the "Term).

Cintas Location 39K:

Cintas Rep (printed name) Greg Casassa, Service Manager

Signature_____

Date November 2, 2023_____

Customer:

Name (please print) _____

Title _____

Signature_____

Date_____

EL DORADO IRRIGATION DISTRICT

SUBJECT: Presentation of the Draft Cost-of-Service Study Report.

PREVIOUS BOARD ACTION

April 27, 2020 – Board adopted the results of the Cost-of-Service Rate Study Update and Resolution No. 2020-007, adopting the increases and changes to rates reflected in the 2020 Proposition 218 Notice.

November 14, 2022 – Board adopted the 2023-2027 Capital Improvement Plan (CIP), subject to available funding.

December 12, 2022 – Board adopted the 2023-2024 Operating Budget and 2023–2027 Financial Plan, subject to Board-approved Cost-of-Service Study in 2023.

January 23, 2023 – Board received an overview of the substantive requirements and process of the Cost-of-Service Analysis.

February 27, 2023 – Board awarded a contract to NBS Government Finance Group (NBS) in the not-to-exceed amount of $115,750 to conduct a Cost-of-Service Analysis.

June 12, August 14, and October 10, 2023 – Board participated in a Cost-of-Service Rate Study workshop.

October 23, 2023 – Board accepted the Cost-of-Service Analysis and issued a Proposition 218 Notice.

BOARD POLICIES (BP), ADMINISTRATIVE REGULATIONS (AR) AND BOARD AUTHORITY

BP 3010 Budget
AR 3012 Budget Management and Five-Year Financial Plan
AR 3014 Reserves
BP 11010 Fees and Charges
AR 11010 Adoption of Rates, Fees, and Charges

SUMMARY OF ISSUE

The District is preparing a comprehensive updated cost-of-service analysis (COSA). This workshop includes the draft Cost-of-Service report (Report).

BACKGROUND/DISCUSSION

Article XIII D of the California Constitution, otherwise known as Proposition 218, establishes both procedural and substantive requirements to which the District must adhere when considering whether to increase its water, wastewater, and recycled water rates (Cal. Const., art. XIII D, §6). To comply with these requirements, the District is currently conducting a COSA to develop proposed rates that meet, but do not exceed, the costs required to provide water, wastewater, and recycled water service.

The first COSA workshop in June 2023 elicited Board and public discussion regarding policy objectives, rate structures, reserve and coverage ratio policies, and priorities when developing proposed updated cost-based and equitable water, wastewater, and recycled water rates. Incorporating feedback from that workshop, staff and our consultant, NBS, developed the draft financial plans presented during the August 14 and October 10 meetings, which identified the need for 12 percent annual revenue increases for drinking and recycled water throughout the next five years and a three percent revenue increase for wastewater. The revenue increases are necessary to meet operating expenses and bond coverage requirements, fund financial reserves, and pay the annual debt service on outstanding bonds. The Board accepted the Cost-of-Service Analysis and directed staff to issue the Proposition 218 notice during its October 23, 2023, meeting. The purpose of this item is to share with the Board and public the draft Cost-of-Service Study Report prepared by NBS. The Report provides all of the detailed analysis that went into the COSA. Subject to Board and public feedback on the draft report, staff will finalize the Report and present it to the Board for approval at the rate hearing in December.

Cost-of-Service and Rate Design Analysis

The rate model used in the 2023 COSA allocates the District's revenue requirement, net of the District's non-rate revenues, to District utilities (water, wastewater, recycled water) and ultimately its rate classes (single-family residential, commercial, etc.), based upon principles of fairness and equity.

Impact of Proposed Residential Rate Increases

The following charts illustrate the proposed rate revenue requirement's impact on low, medium, and high-use customers. The charts include proposed rate changes for water-only customers, sewer-only customers, water and sewer combined customers, and water, sewer, and recycled water combined customers.

Low usage customers:

Bi-Monthly Bill Impacts	2024	% Change	2025	% Change	2026	% Change	2027	% Change	2028	% Change	Avg. %
Water (Only)	$ 13.02	13.0%	$ 13.54	12.0%	$ 15.16	12.0%	$ 16.99	12.0%	$ 19.02	12.0%	12.2%
Wastewater (Only)	$ 2.80	2.5%	$ 3.40	3.0%	$ 3.51	3.0%	$ 3.61	3.0%	$ 3.72	3.0%	2.9%
Combined Water & Wastewater	$ 15.82	7.5%	$ 16.94	7.5%	$ 18.67	7.7%	$ 20.60	7.9%	$ 22.74	8.0%	7.7%
Water, Wastewater & Recycled	$ 34.80	13.5%	$ 18.93	6.5%	$ 20.72	6.7%	$ 22.70	6.8%	$ 24.91	7.0%	8.1%

Medium usage customers:

Bi-Monthly Bill Impacts	2024	% Change	2025	% Change	2026	% Change	2027	% Change	2028	% Change	Avg. %
Water (Only)	$ 16.81	13.7%	$ 16.73	12.0%	$ 18.74	12.0%	$ 20.98	12.0%	$ 23.50	12.0%	12.3%
Wastewater (Only)	$ 2.80	2.5%	$ 3.40	3.0%	$ 3.51	3.0%	$ 3.61	3.0%	$ 3.72	3.0%	2.9%
Combined Water & Wastewater	$ 19.61	8.4%	$ 20.13	8.0%	$ 22.24	8.1%	$ 24.60	8.3%	$ 27.22	8.5%	8.3%
Water, Wastewater & Recycled	$ 28.11	9.7%	$ 20.29	6.4%	$ 22.20	6.6%	$ 24.31	6.8%	$ 26.66	6.9%	7.3%

High usage customers:

Bi-Monthly Bill Impacts	2024	% Change	2025	% Change	2026	% Change	2027	% Change	2028	% Change	Avg. %
Water (Only)	$ 21.18	14.2%	$ 20.42	12.0%	$ 22.88	12.0%	$ 25.62	12.0%	$ 28.69	12.0%	12.4%
Wastewater (Only)	$ 2.80	2.5%	$ 3.40	3.0%	$ 3.51	3.0%	$ 3.61	3.0%	$ 3.72	3.0%	2.9%
Combined Water & Wastewater	$ 23.98	9.2%	$ 23.82	8.4%	$ 26.39	8.6%	$ 29.23	8.8%	$ 32.41	8.9%	8.8%
Water, Wastewater & Recycled	$ 30.11	8.6%	$ 26.69	7.0%	$ 29.33	7.2%	$ 32.27	7.4%	$ 35.54	7.6%	7.6%

Public workshops are scheduled for November 13, 2023, at the Cameron Park Community Services District and November 16, 2023, at El Dorado Irrigation District Headquarters. The final public rate hearing will be conducted on December 11, 2023.

BOARD OPTIONS
None – Information only.

RECOMMENDATION
None – Information only.

ATTACHMENTS
Attachment A: Draft Cost-of-Service Study Report

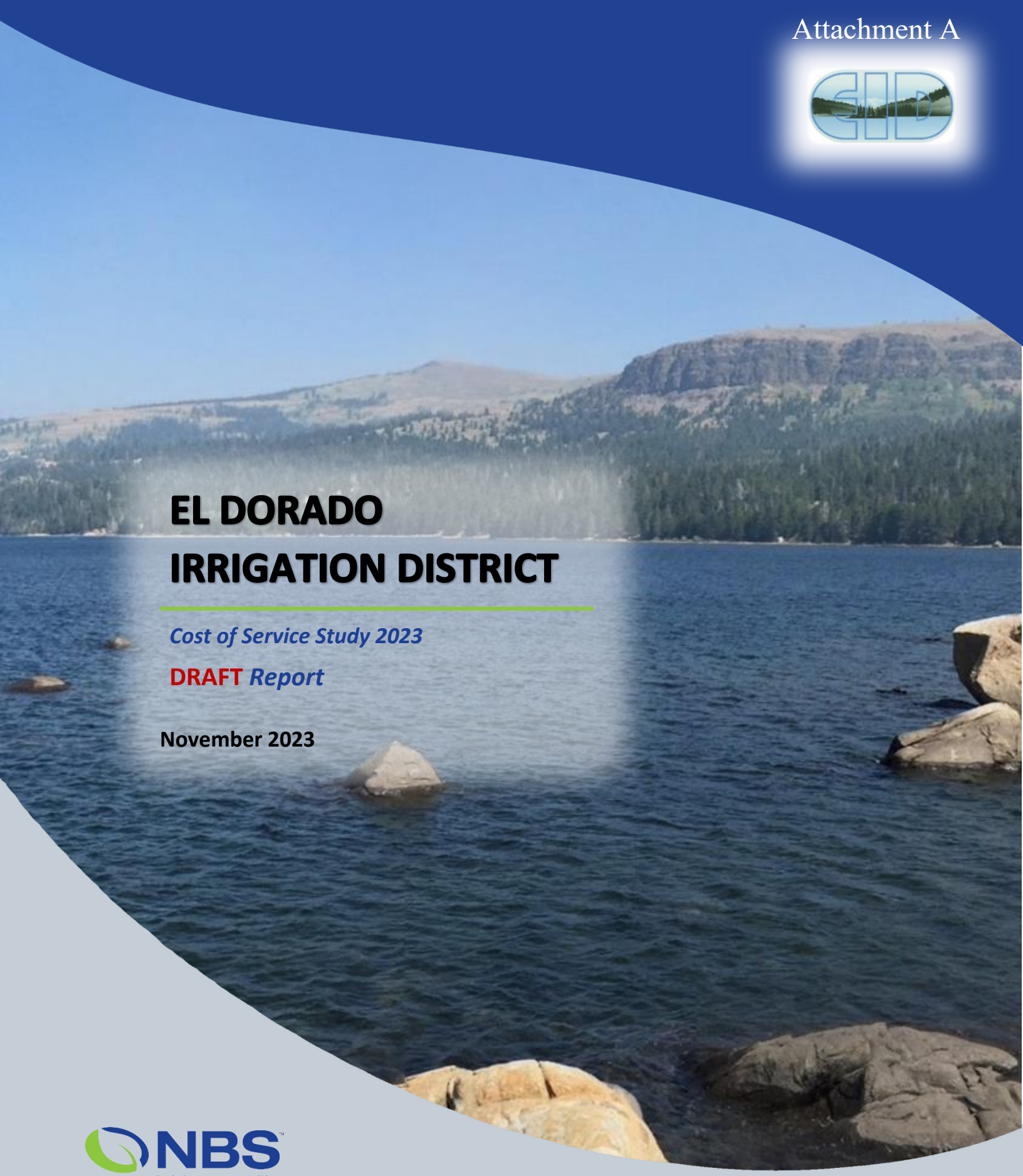
Jamie Bandy
Finance Director

Brian Mueller
Engineering Director

Brian Poulsen
General Counsel

Jim Abercrombie
General Manager

Attachment A



EL DORADO IRRIGATION DISTRICT

Cost of Service Study 2023

DRAFT *Report*

November 2023

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1. Executive Summary Purpose

1.1 Background

In 2012, the El Dorado Irrigation District (District) prepared a comprehensive Cost-of-Service (COS) study of the District's water, wastewater, recycled water, and agricultural/raw water rates. That study was partially updated in 2020 when new rates were adopted, although not all aspects of the cost-of-service analysis were reviewed in-depth. This report documents the District's efforts to provide a comprehensive update of the 2012 rate study, an effort that began in March of 2023.

As in the original 2012 rate study, this study is part of the District's overall commitment to: (1) provide reliable, high quality, and safe water, wastewater, recycled water, hydro-generation, and recreation services, (2) operate the District in a fiscally responsible manner, particularly in light of the challenges presented by the District's complex and unique infrastructure, and (3) comply with state and federal laws, most notably Proposition 218 (Prop 218).

One of several key factors addressed in this rate study was the development of new financial plans to best manage the District's $321 million of planned capital improvement projects over the next five years. This includes issuing new debt for large, long-lived capital replacement projects in the water system of approximately $60 million in 2024 and $120 million in 2027, and generating annual revenue from rates to fund other projects on pay-as-you-go basis.

Other key issues included: (1) the overall fairness and equity of rates, (2) whether improvements should be made to the District's rate structures, and (3) whether any customer classes should be adjusted.

Additionally, the Board discussed the principal objectives of the rate study as a part of its guidance to District staff and had general consent on important aspects of the study. In no particular order of priority, the key objectives included affordability, infrastructure reliability, and revenue stability. Other objectives discussed included the continuity of rate design and water conservation.[1]

This updated study and report are the result of a significant effort by District staff to review capital improvement plans and various operational components of the District's potable water, wastewater, recycled water, and agricultural/raw water systems. Additionally, the District Board provided key policy direction throughout the process, including five public workshops[2] during which District customers were also able to provide input.

1.2 Key Findings

During this rate study, the District Board expressed an interest in evaluating various changes to the District's rate structure that would simplify and/or improve the overall equity of the rates. Some of the potential changes included: (1) combining customer classes where that makes sense from a customer equity perspective, (2) eliminating base charges for meter sizes in which there are no customers, and (3) using the same base charges for the common meter sizes (e.g., all one-inch meters would have the same base charge regardless of customer class).

[1] *See documentation related to the June 12, 2023 Board's Cost of Service Analysis Workshop.*
[2] *Workshops conducted on June 12, August 14, October 10, November 13, and November 16, 2023.*

After review by District staff and NBS, the following modifications are recommended.

- Potable Water Base Charges – Recreational Turf customers are now combined with the Multi-Family Residential and Commercial/Industrial customer classes.
- Wastewater Commercial Customer Classes – The existing five classes (low, medium/low, medium, medium/high, and high strength) are now reduced to three classes (low, medium, and medium/high).
- Recycled Water Volumetric Rates – Recreational Turf, Commercial Landscape, and Dual-Plumbed customers now have the same uniform volumetric rate.[3]

Other than these changes, the District should continue using base charges that (1) increase by meter size, (2) differ by customer class, and (3) include base charges for all meter sizes, even those that currently have no accounts, for the purpose of accommodating new customers that may be added in the future.

Agricultural/Raw Water Rates – District engineering staff performed a detailed cost allocation analysis of system assets that are used for agricultural irrigation purposes vs. potable water system purposes. This was the same type of analysis performed in the 2012 rate study and evaluated the specific non-potable system costs that should be included in agricultural rates. This analysis reinforced the concepts that: (1) agricultural customers do not require potable water supply, and (2) other District customers benefit in cases where agricultural customers do receive potable water, such as increased water efficiency and greater water supply reliability when previously used raw water is transferred from agricultural areas to El Dorado Hills for treatment and sale.

In the 2012 rate study, this analysis concluded that approximately 2.1 percent of the value of system assets should be directly allocated to agricultural customers. The updated evaluation concluded that this direct allocation is now approximately 3.9 percent.

Summary of Average Bill Changes – The impacts of proposed rates on Single Family Residential customers with average consumption are shown in Figure 1:

Figure 1. Summary of Residential Bi-Monthly Bill Impacts

Bi-Monthly Bill Impacts ($/bi-mo.)	2024	2025	2026	2027	2028
Water (Only)	$16.81	$16.73	$18.74	$20.98	$23.50
Wastewater (Only)	$2.80	$3.40	$3.51	$3.61	$3.72
Combined Water & Wastewater	$19.61	$20.13	$22.24	$24.60	$27.22
Water, Wastewater & Recycled	$28.11	$20.29	$22.20	$24.31	$26.66
Bi-Monthly Bill Impacts (%/bi-mo.)					
Water (Only)	13.7%	12.0%	12.0%	12.0%	12.0%
Wastewater (Only)	2.5%	3.0%	3.0%	3.0%	3.0%
Combined Water & Wastewater	8.4%	8.0%	8.1%	8.3%	8.5%
Water, Wastewater & Recycled	9.7%	6.4%	6.6%	6.8%	6.9%

Please refer to Section 6, Figures 60-67 for more information on customer bill impacts and Figures 68-69 for regional bill comparisons.

[3] *Current commodity rates for Dual-Plumbed recycled water customers have three tiers.*

FREQUENTLY ASKED QUESTIONS ABOUT THE RATE STUDY

What is a Cost-of-Service (COS) study and why was it done? A COS study is a comprehensive analysis of the District's water, wastewater, and recycled water rates that addresses key factors such as fairness and equity in rates, revenue sufficiency, and adequate funding of reserves. This study updates a 2012 COS rate study and this report documents the results of this update.

How was the study conducted and who was involved? The District continues to follow the guiding principles established in the 2012 COS rate study but was also directed by the District Board to take a fresh look at several fairness and equity issues, such as rate design, customer classes as well as how to minimize rate impacts. District staff, along with NBS senior rate consultants[4], directed this study to its completion. The Board and the general public were briefed during five public workshops and the Board ultimately approved the proposed rates.

What are the benefits of conducting such a study? First and foremost, it evaluates the fairness and equity of rates among customer classes. Under the requirements of Prop 218, it is required that the District conduct such a study before it can increase rates, which is necessary to collect the appropriate revenues and cover operational costs. Water and wastewater rate models were developed as a part of the study; using and adjusting these models in the future will enable the District to maintain rates that are properly aligned to the COS methodology.

What were the results of the COS study? While there were a few modifications to the rate structure and customer classes, the study shows that the typical residential water and wastewater customer's bills would increase approximately 8.4 percent in 2024 and 8.0 to 8.5 percent in 2025 through 2028. Water-only customers will see higher increases (roughly 12 percent) while wastewater-only customers will see annual increases of approximately three percent. Customers who have water, wastewater, and recycled water services will see initial increases of about 10 percent, followed by increases of six to seven percent in 2025 through 2028. These results are for typical customers with average water consumption levels.

How and when will the recommended rate changes be implemented? The District will need to mail written notices of the proposed rate adjustments to all customers, as mandated by Prop 218, and then hold a public hearing not less than 45 days after notices are mailed. Assuming the proposed rates are not successfully challenged by a majority protest during this process, the Board may adopt and implement the new water, wastewater, and recycled water rate structures. If adopted, the new rates would be implemented January 1, 2024.

How can someone learn more about the COS study and the District's recommendations? The District's Cost-of-Services study page on the District's website (www.eid.org) provides useful information about the COS study process and the presentations and reports made to the Board on this topic.

The remainder of this report summarizes the existing rates, projected budgets, financial plans, recommended rate increases, customer bill impacts, and other actions the District should consider taking to maintain the financial health of the water, wastewater, and recycled water utilities.

[4] *Mr. Sanjay Gaur, a Principal Consultant with Water Resource Economics, also provided senior review.*

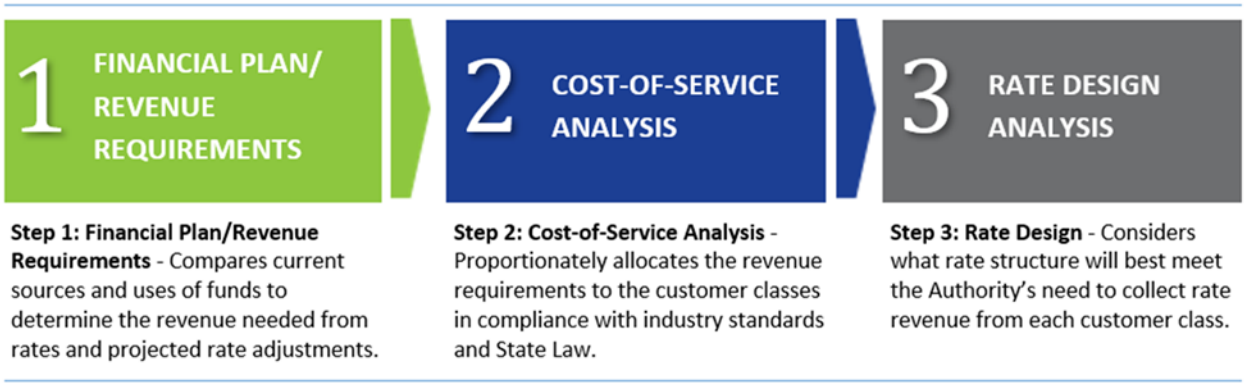
2. The Rate Study Methodology

This section provides an overview of the rate study components, the methodology used in the analysis, and the Proposition 218 requirements that must be adhered to.

2.1 Overview

The methodology in this rate study follows industry standards and reflects the fundamental principles of cost-of-service rate making embodied in the AWWA *Principles of Water Rates, Fees, and Charges*[5], also referred to as Manual M1. This publication is one of the most widely cited and referenced industry publications on rate studies. The principles presented in Manual M1 have provided the basic framework for this study and are summarized in Figure 2.

Figure 2. Components of a Comprehensive Cost-of-Service Study



The second and third components have been tailored to better fit the District's current and historical rate practices and to account for the District's unique characteristics. This is consistent with Manual M1, which states:[6]

> *"…the costs of water rates and charges should be recovered costs from classes of customers in proportion to the cost of serving those customers. However, … other considerations may be equally or more important in determining rates and charges and may better reflect emerging objectives of the utility or the community it serves."*
>
> and
>
> *"…pricing policies may support a community's social, economic, political, and environmental concerns."*

During the 2012 rate study, the Board adopted 12 guiding principles that proactively address these kinds of policies and cost-of-service principles and consider the broader interests of the District's customers. These principles are presented in Appendix A. Common rate study terminologies and abbreviations are provided in Appendix B.

[5] *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, Seventh Edition, 2017.*
[6] *Ibid, pages xix and 79. Also see Financing and Charges for Wastewater Systems, Manual of Practice No. 27, Water Environment Federation, 2004, page 91.*

2.2 Water and Wastewater Rate Study Methodologies

The various steps used in conducting the three components shown in Figure 2 are outlined in more detail in Figure 3 for the water rate study and in Figure 4 for the wastewater rate study. The cost-of-service terminologies used in these figures, such as "functionalize costs," refer to specific steps in the analysis and are explained in more detail in Appendix C along with other cost-of-service terminology.

Figure 3. Details of the Water Rate Study Methodology

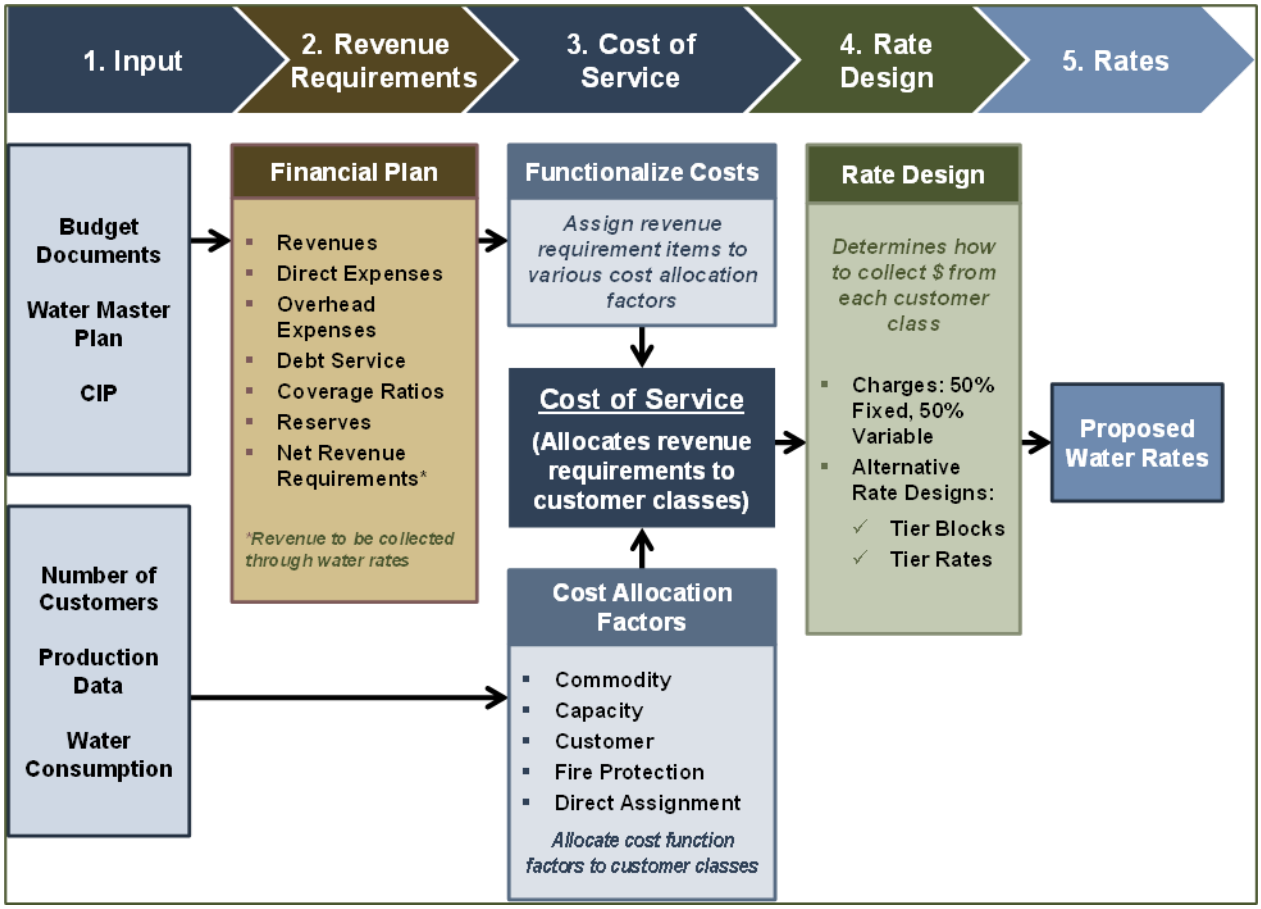
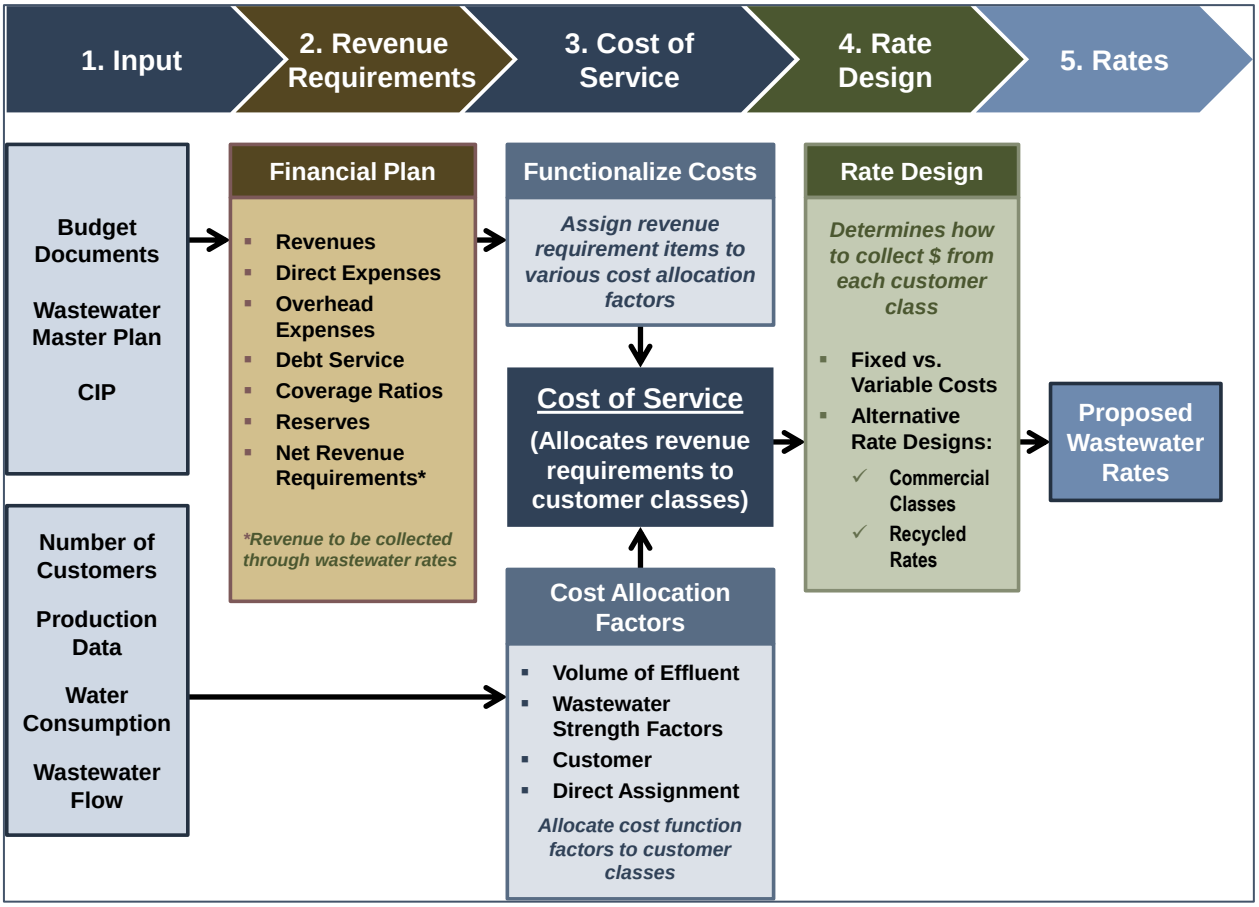


Figure 4. Details of the Wastewater Rate Study Methodology



These diagrams indicate basic procedures followed during the analysis and are embedded in the rate models, which were developed for the purpose of evaluating and calculating the water, wastewater, and recycled water rates recommended in this report.

The District staff provided the Board with an overview of this process in January 2023, at which time the Board directed staff to issue a request for proposals (RFP) to select a qualified rate consultant to assist the District in updating the previous 2012 and 2020 rate studies. In February 2023, the Board awarded a contract to NBS to fulfill this role, and the District subsequently issued a notice to proceed to NBS in March of 2023.

AGRICULTURAL AND RECYCLED WATER CLASSIFICATIONS

As noted in both Figures 3 and 4 there are costs that have a "direct assignment" cost allocation. These are costs related to customers that have certain characteristics that require special consideration in allocating costs.[7] Direct assignments (DA) of costs are particularly important if a customer class has unique service characteristics and/or uses the District's infrastructure in a unique way that should be reflected in the cost

[7] *AWWA, Ibid, p. 71, "Special Considerations".*

allocations. Industry practice is to consider charging special rates that are unique (typically less than) rates for standard service levels.

The District has two customer classes that have such DA costs: (1) agricultural and raw-water customers and (2) recycled water customers, with dual-plumbed residential homes having the largest number of accounts.

Because of the special considerations for each of these types of customers, the District has undertaken distinct measures to identify appropriate costs and rate designs. These specific measures were largely established and approved by the Board during the 2012 rate study, although the Board has recently reviewed and directed District staff to continue with these basic practices, which are specifically embedded in the *Principles for Guiding the Rate-Setting Process* included as Appendix A.

2.3 Rate Design

Basic rate design concepts largely focus on the relationship between fixed and variable costs and how those costs are collected from various types of customers. Most rate structures in California today contain a fixed or minimum charge (called Base Charges in the District's case), along with a volumetric charge (called Commodity Charges or Commodity Rates in the District's case).

FIXED CHARGES

Fixed charges are those that do not vary with the amount of water produced or the amount of wastewater handled by a wastewater system. Debt service payments are an example of a fixed cost. Collecting fixed costs from fixed charges helps ensure that a utility adequately covers its costs that cannot be deferred and do not change with the volume of water solid (i.e., fixed costs). Although fixed costs are typically a significant percentage of the utility's total costs, rarely is 100% of the fixed costs collected through fixed charges. This is primarily due to an emphasis on conservation and is reflective of State guidelines that strive to promote the efficient use of the State's water resources.

Fixed charges for water utilities typically increase by meter size. For example, a customer with a 2" meter may have a fixed meter charge that is eight times greater than the 3/4" fixed meter charge based on the meter's safe operating capacity.[8] Because a large portion of water utilities' costs are typically related to meeting capacity requirements, reflecting individual demands for capacity is an important aspect of establishing rates for customers.

The District's bi-monthly base charges for water are a combination of capacity-related costs that increase with meter size plus administrative costs (e.g., meter reading, billing, and customer service costs) that are charged on a per-account basis.

Similarly, wastewater bi-monthly fixed charges reflect costs that do not vary with the amount of wastewater customers generate and send to the treatment plant via the sanitary sewer collection system.

VARIABLE (OR VOLUMETRIC) CHARGES

In contrast to fixed costs, variable costs, by definition, change with the quantity of water produced (or wastewater collected). Examples of variable costs include the cost of purchased water supplies, electricity

[8] *American Water Works Association, Principles of Water Rates, Fees and Charges, M1 Manual, fifth edition, p. 202, and seventh edition, p. 338.*

for pumping and treatment, and chemicals. For the District's water utility, variable charges are based on metered water consumption and charged per cubic foot of consumption.

The District's variable charges for residential wastewater customers are based on their average winter water consumption, which primarily reflects indoor consumption for drinking, cooking, showers, toilets, laundry, etc., and is a reasonable proxy for the wastewater generated and discharged to the District's sanitary sewer collection system for treatment and disposal. Commercial and industrial wastewater volumetric charges are based on bi-monthly metered water consumption rather than average winter water consumption. Many commercial and industrial customers have separate water meters for outdoor irrigation; this metered irrigation usage is not included in their wastewater charges.

2.4 Proposition 218 (Prop 218) Requirements

Prop 218, which was adopted by the voters in 1996 and dubbed the "citizen's right to vote on new taxes," provides the opportunity for the public to protest changes to any new or increased "property-related fees." Following passage of Prop 218, the California Supreme Court ruled that usage-based water and wastewater rates were "property-related fees" subject to Prop 218's substantive requirements, and to its noticing and protest procedures. Even if proposed service charges are revenue-neutral (i.e., not intended to increase the overall amount of revenue collected), a change in the rate structure (e.g., from a uniform rate to a multi-tiered rate) is subject to Prop 218 mandates.

Of particular note, the San Juan Capistrano court decision[9] in 2015 established the need for water utilities to "demonstrate the cost basis" of the rates they adopt; this is a specific concern for tiered volumetric rates. In light of this decision, the District has worked closely with legal counsel in conducting a detailed review of the costs of its tiered rates so that the costs included in its tiers reflect the operating and supply costs of those tiers in compliance with these requirements.

Additionally, Prop 218 requires a utility to provide public notification of proposed rate changes, inform property owners/customers of the protest mechanism and the time frame for response, and provide a public hearing on the proposed rates. The public hearing must be held "not less than 45 days after the mailing of the notice." The District issued these notices on October 26, 2023, and will hold a public hearing on December 11, 2023.

[9] *Capistrano Taxpayers Association v. City of San Juan Capistrano, April 20, 2015.*

3. Financial Plans

This section provides an overview of the District's financial planning process, operating and capital improvement costs, and the sources and uses of water and wastewater funds.

3.1 General Financial Policy and Budget Considerations

To ensure the financial health of the District's utilities, it is important for the District to follow sound financial management practices. This includes maintaining a reasonable operating reserve, funding working capital, meeting bond coverage ratios, and maintaining a good credit rating. The District's current approach to these objectives is as follows:

- **Meeting Annual Operating and Maintenance Costs:** The District's bi-annual budget identifies the District's expenditures for operating and maintaining the water and wastewater utilities. For 2024, the District has an operating budget, not including debt service or rate-funded capital projects, of $42 million for the water utility and $23 million for the wastewater utility. The adoption and update of this budget is approved each year by the Board.

- **Maintaining Sufficient Capital Improvement Program Reserves:** With an installed asset base of $1.14 billion in historical costs[10], the District has substantial capital improvement requirements for projects to refurbish, replace, and when required, expand these assets. The District strives to maintain an appropriate balance between pay-as-you-go, or cash-funding, and funding of these projects through the issuance of debt. This balance is determined with the overall intent of minimizing rate increases and maintaining the financial health of the District.

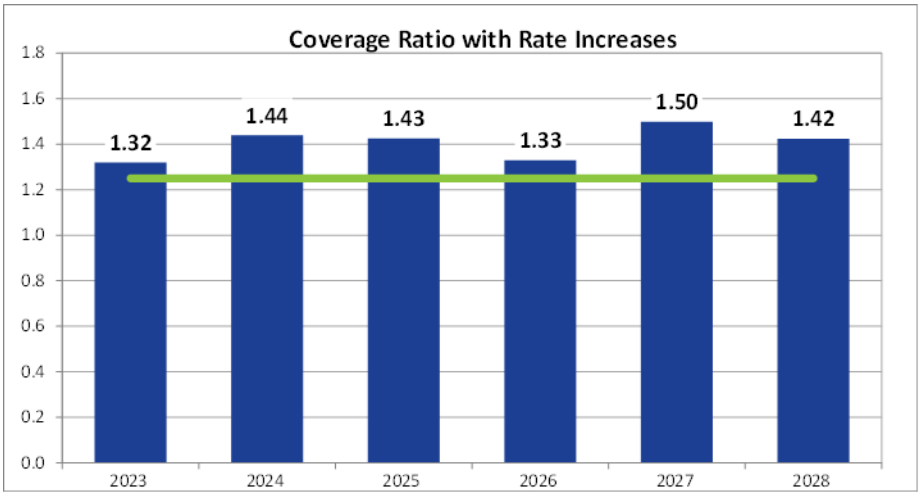
Silver Lake Replacement ($50 million)
(from EID's 2024-2028 Capital Improvement Plan)

- **Maintaining a Reasonable Operating Reserve**:
The District assumes a minimum target operating reserve of 25 percent of annual O&M expenditures, or about three months of operating expenses, to handle daily cash flow requirements and emergencies. However, an additional $5 million was added to this target reserve for water and $1 million for the wastewater utility to bolster the emergency reserves and improve the District's financial outlook in anticipation of issuing new debt to fund capital projects (as further discussed below). This was one of the key recommendations by credit-rating institutions during the District's prior debt issuances.

[10] *From District records; source: Fixed Assets Summary – Fixed As.xlsx.*

- **Maintaining Adequate Debt Service Coverage Ratios:** A "coverage ratio"[11] is required as a part of the obligations incurred when a utility issues revenue bonds or similar debt instruments stating the District will fix, prescribe, and collect rates and charges to yield net revenues, after operating expenses, equal to one hundred twenty-five percent (125%) of debt service in any given fiscal year. The District is legally required to maintain a debt service coverage ratio of at least 1.25, although the District's management team would like to achieve higher coverages in light of planned new water utility debt issuances in 2024 and 2027. Since the District calculates coverage ratios on a District-wide basis (vs. separately for the water and wastewater utilities), coverage ratios are the same for both utilities. Figure 5 shows the current coverage calculations under the currently proposed financial plans for both the utilities.

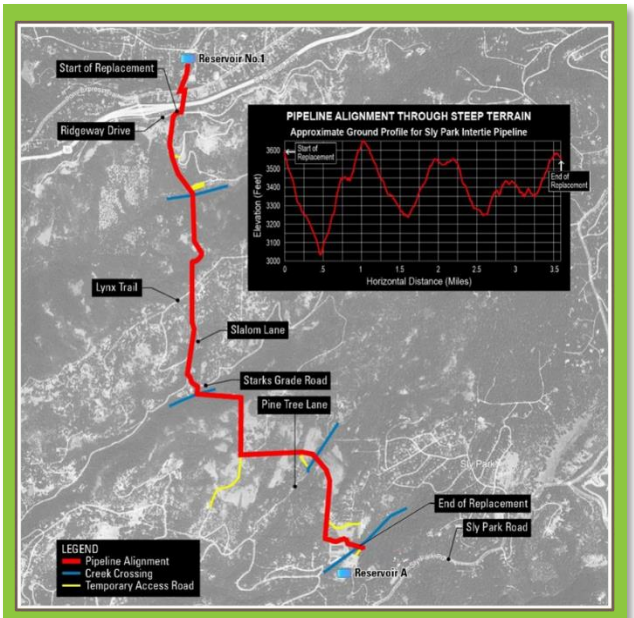
Figure 5. Projected Coverage Ratios



3.2 Capital Improvement Program Expenditures

The District strives to provide reliable, high-quality water, wastewater, and recycled water services to its customers. The replacement of capital assets is a key component of providing this safe and reliable service.

[11] *A coverage ratio is net revenues, which are typically defined as gross revenues less operating expenditures, divided by annual debt service payments.*



Sly Park Intertie Replacement ($30 million)
(from EID's 2024-2028 Capital Improvement Plan)

One of the most significant factors in the District's financial planning has been the need to fund the capital improvement program (CIP). Figure 6 provides an overview of the District's water system CIP expenditures from 2023 to 2028, which total $233 million.

However, these plans represent only about 75 percent of the actual planned projects; District staff have had to reduce or delay about 25 percent of the total costs to reasonably be able to fund these projects with available rate revenue and debt-funding. The District also anticipates issuing $60 million of new water system related debt in 2024 and $120 million in 2027.

Figure 7 summarizes the District's wastewater system CIP expenditures from 2023 to 2028. This $39 million is primarily for wastewater treatment and collection system projects; less than five percent are recycled water system projects.

Figure 6. Water System Capital Project Expenditures

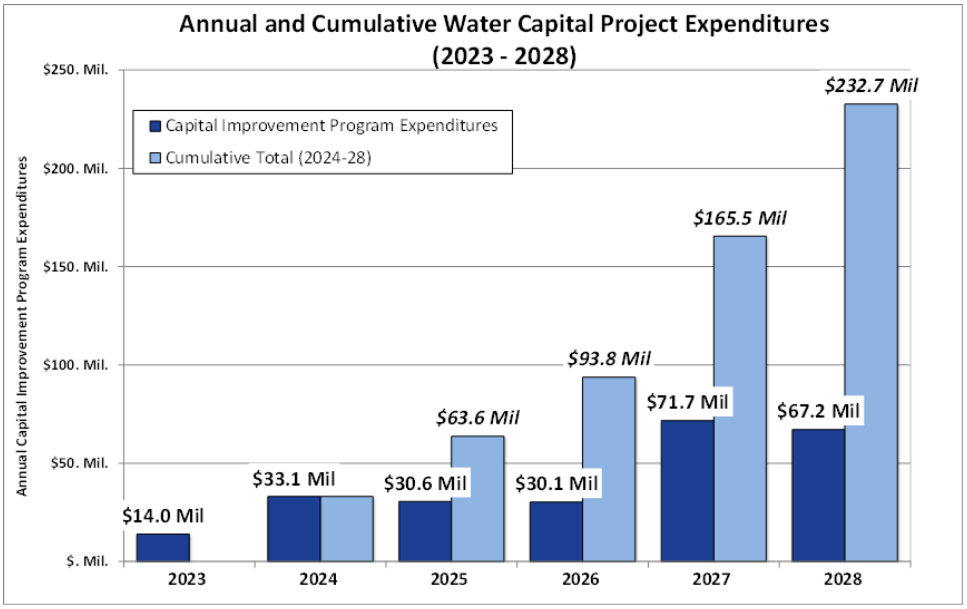
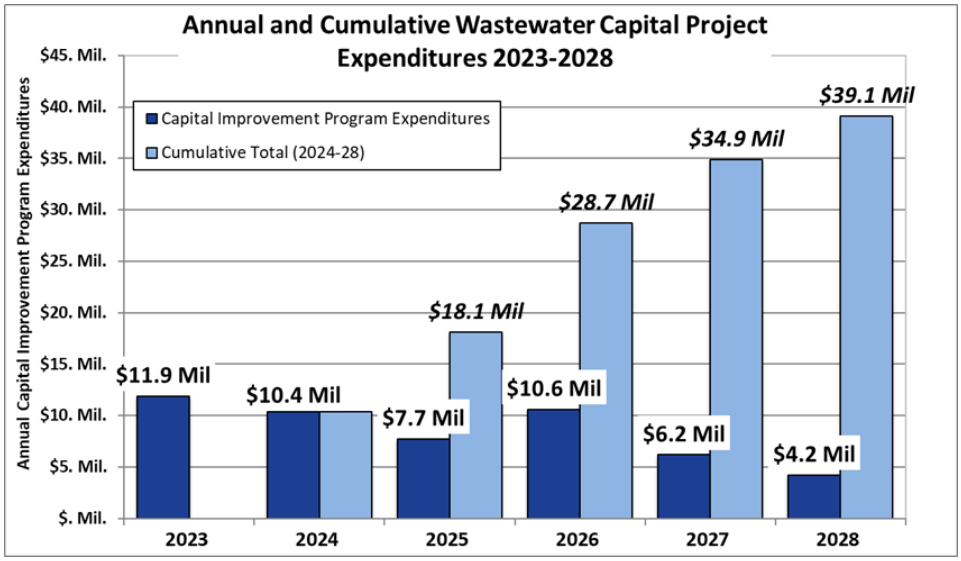


Figure 7. Wastewater System Capital Project Expenditures



3.3 2024 Revenue Requirements and Rate Revenue

Figure 8 summarizes the District's 2024 total revenue requirements, revenue from existing rates and rate increases, and other non-rate sources of revenues. This table indicates there are ending fund balance deficits of $3.1 million for the water fund and $2.3 million for the wastewater fund. These deficits reflect all revenues, excluding Facility Capacity Charges, less total operating and maintenance expenses and debt service. The ending balances (or deficits) are transferred to the operating reserve each year.

Figure 8. Revenue Requirements and Balance of Funds in 2024

Financial Plan Component	2024 Water Utility ($M)	2024 Wastewater Utility ($M)
Total Revenue Requirements	**$63.4**	**$31.8**
Revenue from Existing Rates	**$40.2**	**$25.2**
Non-Rate Revenue		
Property Tax Revenue	**$11.7**	**$4.0**
Hydro Revenue	**$3.5**	**$0.0**
Misc. Other Revenue	**$4.8**	**$0.3**
	$20.1	**$4.3**
Ending Surplus (Deficit)	**($3.1)**	**($2.3)**

The COS study determined that additional rate increases for both the water and wastewater utilities were needed to generate revenues sufficient to meet the total financial obligations, cover operating costs, and maintain reasonable reserves. These results are summarized in Figure 9. While the wastewater utility shows an ending year deficit, current reserve levels are sufficient to cover these deficits, although after 2028 this trend will need to be addressed.

Figure 9. Summary of Financial Plan Results (2024-2028)

Water Financial Plan ($M)	2024	2025	2026	2027	2028
Total Revenue Requirements	$63.4	$65.9	$76.8	$81.1	$89.0
Revenue from Existing Rates	$40.2	$40.3	$40.4	$40.6	$40.7
Non-Rate Revenue	$20.1	$20.2	$20.4	$20.5	$20.6
Revenue from Rate Increases	$4.8	$10.3	$16.4	$23.3	$31.0
Ending Surplus (Deficit)	$1.7	$4.9	$0.3	$3.3	$3.3

Wastewater Financial Plan ($M)	2024	2025	2026	2027	2028
Total Revenue Requirements	$31.8	$32.4	$32.8	$34.1	$35.2
Revenue from Existing Rates	$25.2	$25.6	$26.0	$26.3	$26.6
Non-Rate Revenue	$4.3	$4.4	$4.4	$4.4	$4.4
Revenue from Rate Increases	$0.7	$1.3	$2.1	$2.8	$3.6
Ending Surplus (Deficit)	-$1.6	-$1.1	-$0.4	-$0.6	-$0.6

3.4 Summary of Financial Plans

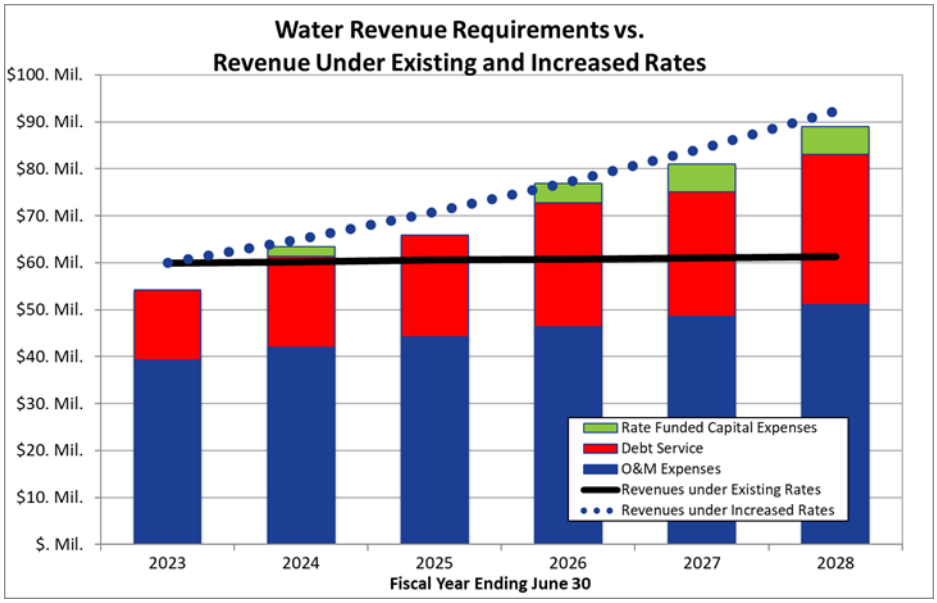
The following is a summary of the projected financial plans for the water and wastewater enterprise funds. It includes three types of projections: (1) sources of funds, including rate revenue and non-operating revenues such as interest earnings, (2) uses of funds (or expenses), including operating and capital expenses (e.g., hydro operations, engineering, information technology, construction costs, etc.), and (3) operating and capital reserves.

WATER UTILITY FINANCIAL PLANS

Figures 10 and 11 illustrate the Water Enterprise Fund's financial plan and ending reserve fund levels, while Figures 12 and 13 provide numerical details of these figures. As shown in Figures 10 and 11, the District will be able to cover annual operating costs and debt service with the proposed rate increases, but reserve levels will be below the minimum target levels. The only remedy for this problem is to either increase rates more or reduce costs, most likely planned capital improvement expenditures. The District Board is aware of this concern and has directed District staff to proceed with this plan.

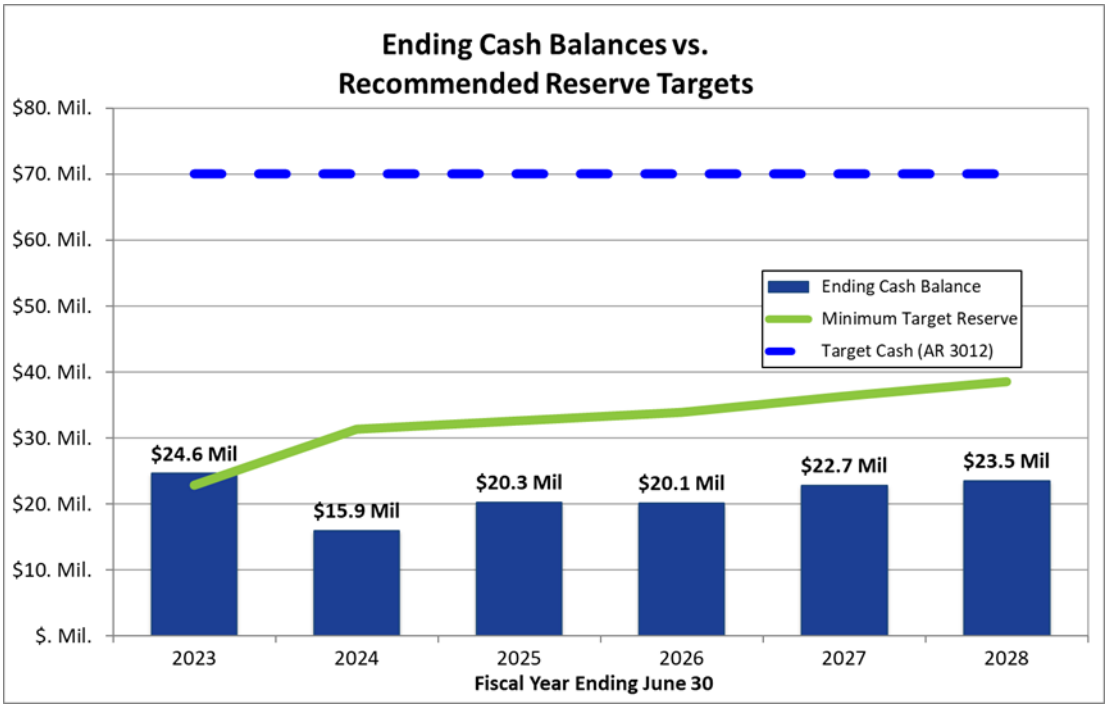
Tank Recoating & Replacement ($30 million)
(from EID's 2024-2028 Capital Improvement Plan)

Figure 10. Summary of the Water Financial Plan



The minimum target reserve shown in Figure 11 is the combined target operating reserve (which is 90 days of O&M costs plus five million for additional emergencies), and the target capital improvement and replacement reserve (which is estimated based on the total annual depreciation).[12]

Figure 11. Water Sources and Uses of Funds



[12] *Estimated as total annual depreciation, from 2021 ACFR, plus depreciation on new CIP assuming 40-year useful life.*

Figure 12. Table of the Water Financial Plan

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget 2023	5-Year Rate Adoption Period 2024	2025	2026	2027	2028
Sources of Water Funds						
Rate Revenue Under Prevailing Rates	$ 40,021,878	$ 40,172,760	$ 40,324,212	$ 40,441,152	$ 40,558,431	$ 40,676,051
Property Tax Revenues	11,700,000	11,744,109	11,788,384	11,822,571	11,856,856	11,891,241
Hydroelectric Revenues	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Surcharges & Other Income	2,088,496	2,096,370	2,104,273	2,110,375	2,116,495	2,122,633
Non-Rate Revenues	1,650,000	1,732,500	1,819,125	1,910,081	2,005,585	2,105,865
Interest Earnings	1,000,000	1,003,770	1,007,554	1,010,476	1,013,407	1,016,345
Total Sources of Funds	**$ 59,960,374**	**$ 60,249,509**	**$ 60,543,548**	**$ 60,794,655**	**$ 61,050,775**	**$ 61,312,135**
Uses of Water Funds						
Operating Expenses	$ 39,292,678	$ 42,007,312	$ 44,107,677	$ 46,313,186	$ 48,628,496	$ 51,060,520
Debt Service	14,891,478	19,358,643	21,783,023	26,511,156	26,422,654	31,961,751
Rate-Funded Capital Expenses	-	2,000,000	-	4,000,000	6,000,000	6,000,000
Total Use of Funds	**$ 54,184,156**	**$ 63,365,955**	**$ 65,890,700**	**$ 76,824,342**	**$ 81,051,150**	**$ 89,022,272**
Surplus (Deficiency) before Rate Increase	**$ 5,776,218**	**$ (3,116,446)**	**$ (5,347,152)**	**$ (16,029,687)**	**$ (20,000,376)**	**$ (27,710,137)**
Additional Revenue from Rate Increases	-	4,820,731	10,258,479	16,375,755	23,261,046	31,009,049
Surplus (Deficiency) after Rate Increase	**$ 5,776,218**	**$ 1,704,285**	**$ 4,911,327**	**$ 346,068**	**$ 3,260,670**	**$ 3,298,912**
Projected Annual Revenue Increase	***0.00%***	***12.00%***	***12.00%***	***12.00%***	***12.00%***	***12.00%***
Cumulative Revenue Increases	*0.00%*	*12.00%*	*25.44%*	*40.49%*	*57.35%*	*76.23%*
Net Revenue Requirement[1]	**$ 50,445,660**	**$ 59,537,085**	**$ 61,967,302**	**$ 72,803,886**	**$ 76,929,069**	**$ 84,793,774**

1. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from water rates.

Figure 13. Table of the Water Reserve Fund Levels

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget 2023	5-Year Rate Adoption Period 2024	2025	2026	2027	2028
Operating Reserve						
Ending Balance	$ 10,183,000	$ 11,484,349	$ 15,476,000	$ 15,289,068	$ 15,974,738	$ 16,690,650
Recommended Minimum Target	*9,823,000*	*15,502,000*	*16,027,000*	*16,578,000*	*17,157,000*	*17,765,000*
Capital Rehabilitation & Replacement Reserve						
Ending Balance	$ 14,405,922	$ 4,405,922	$ 4,774,599	$ 4,774,599	$ 6,774,599	$ 6,774,599
Recommended Minimum Target	*13,000,000*	*15,830,000*	*16,590,000*	*17,340,000*	*19,130,000*	*20,810,000*
Capacity Fee Reserve						
Ending Balance	$ 15,280,511	$ 16,376,102	$ 15,420,716	$ 6,668,563	$ 9,703,920	$ 7,905,385
Recommended Minimum Target	*N.A.*	*N.A.*	*N.A.*	*N.A.*	*N.A.*	*N.A.*
Total Ending Balance	**$ 39,869,433**	**$ 32,266,373**	**$ 35,671,315**	**$ 26,732,230**	**$ 32,453,257**	**$ 31,370,634**
Total Recommended Minimum Target	***$ 22,823,000***	***$ 31,332,000***	***$ 32,617,000***	***$ 33,918,000***	***$ 36,287,000***	***$ 38,575,000***
Surplus/Deficit	***$ 17,046,433***	***$ 934,373***	***$ 3,054,315***	***$ (7,185,770)***	***$ (3,833,743)***	***$ (7,204,366)***

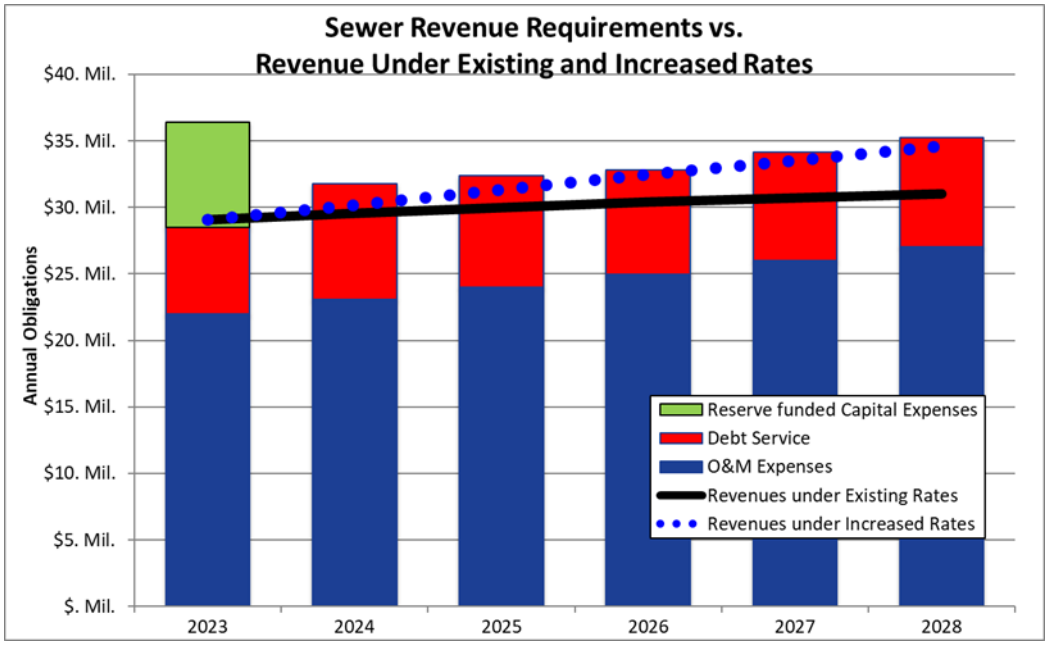
WASTEWATER UTILITY FINANCIAL PLANS

Figures 13 and 14 illustrate the Wastewater Enterprise Fund's financial plan and ending reserve fund levels, while Figures 15 and 16 provide numerical details of these figures. As with the water utility, the District will be able to cover the annual wastewater operating costs and debt service with the proposed rate increases. However, the reserve levels will end the five-year period at only about 50 percent of the minimum reserve target level.

WW Pipeline Replacement ($20 million)
(from EID's 2024-2028 Capital Improvement Plan)

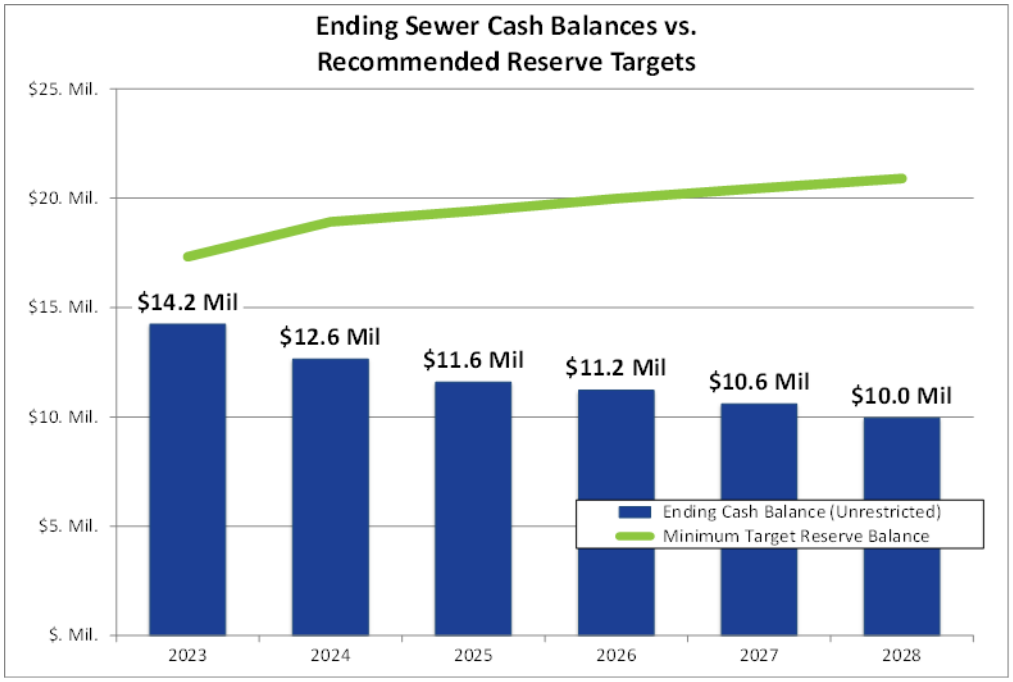
While the 3-percent rate increases could be higher, or the planned capital improvement expenditures could be reduced, the District will be able to adequately manage the utility despite these low reserves. However, this is not a long-term solution and the District will need to adopt higher rates when the next rate study is performed.

Figure 14. Summary of the Wastewater Financial Plan



The wastewater minimum target reserve shown in Figure 15 is the sum of the target operating reserve (90 days of O&M costs plus $1 million for additional emergencies), and the target capital improvement and replacement reserve based on the total annual depreciation.[13]

Figure 15. Wastewater Sources and Uses of Funds



[13] *Estimated as total annual depreciation, from 2021 ACFR, plus depreciation on new CIP assuming 40-year useful life.*

Figure 16. Table of the Wastewater Financial Plan

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget 2023	Projected 2024	2025	2026	2027	2028
Sources of Sewer Funds						
Rate Revenue Under Current Rates	$ 21,936,079	$ 22,050,147	$ 22,164,808	$ 22,280,065	$ 22,369,185	$ 22,458,662
Recycled Water Sales	2,900,000	3,161,000	3,445,490	3,755,584	3,943,363	4,140,531
Property Tax Revenues	3,900,000	3,978,000	3,998,686	4,019,479	4,035,557	4,051,699
Non-Rate Revenues	345,528	350,092	351,913	353,743	355,158	356,578
Total Sources of Funds	**$ 29,081,607**	**$ 29,539,239**	**$ 29,960,896**	**$ 30,408,870**	**$ 30,703,262**	**$ 31,007,470**
Uses of Sewer Funds						
Operating Expenses	$ 21,992,573	$ 23,092,202	$ 24,015,890	$ 24,976,526	$ 25,975,587	$ 27,014,610
Debt Service	6,520,625	8,703,891	8,353,253	7,866,501	8,164,455	8,208,558
Rate-Funded Capital Expenses	-	-	-	-	-	-
Total Use of Funds	**$ 28,513,198**	**$ 31,796,093**	**$ 32,369,143**	**$ 32,843,026**	**$ 34,140,041**	**$ 35,223,168**
Surplus (Deficiency) before Rate Increase	**$ 568,409**	**$ (2,256,854)**	**$ (2,408,247)**	**$ (2,434,156)**	**$ (3,436,779)**	**$ (4,215,698)**
Additional Revenue from Rate Increases	-	661,504	1,349,837	2,065,964	2,807,530	3,577,083
Surplus (Deficiency) after Rate Increase	**$ 568,409**	**$ (1,595,350)**	**$ (1,058,411)**	**$ (368,193)**	**$ (629,249)**	**$ (638,615)**
Projected Annual Revenue Increase	***0.00%***	***3.00%***	***3.00%***	***3.00%***	***3.00%***	***3.00%***
Cumulative Revenue Increases	*0.00%*	*3.00%*	*6.09%*	*9.27%*	*12.55%*	*15.93%*
Net Revenue Requirement[1]	**$ 28,167,670**	**$ 31,446,001**	**$ 32,017,230**	**$ 32,489,284**	**$ 33,784,883**	**$ 34,866,590**

1. Total Use of Funds less non-rate revenues. This is the annual amount needed from sewer rates.

Figure 17. Table of the Wastewater Reserve Fund Levels

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget 2023	Projected 2024	2025	2026	2027	2028
Operating Reserve						
Ending Balance	$ 5,500,000	$ 3,904,650	$ 2,846,240	$ 2,478,047	$ 1,848,798	$ 1,210,183
Recommended Minimum Target	*5,500,000*	*6,770,000*	*7,000,000*	*7,240,000*	*7,490,000*	*7,750,000*
Capital Rehabilitation & Replacement Reserve						
Ending Balance	$ 8,744,237	$ 8,744,237	$ 8,744,237	$ 8,744,237	$ 8,744,237	$ 8,744,237
Recommended Minimum Target	*10,000,000*	*10,260,000*	*10,450,000*	*10,720,000*	*10,870,000*	*10,980,000*
Rate Stabilization Reserve						
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -
Recommended Minimum Target	*1,828,000*	*1,893,000*	*1,960,000*	*2,029,000*	*2,098,000*	*2,170,000*
Total Ending Balance	**$ 14,244,237**	**$ 12,648,887**	**$ 11,590,476**	**$ 11,222,284**	**$ 10,593,035**	**$ 9,954,419**
Total Recommended Minimum Target	*$ 17,328,000*	*$ 18,923,000*	*$ 19,410,000*	*$ 19,989,000*	*$ 20,458,000*	*$ 20,900,000*
Surplus/Deficit	*$ (3,083,763)*	*$ (6,274,113)*	*$ (7,819,524)*	*$ (8,766,716)*	*$ (9,864,965)*	*$ (10,945,581)*

4. Cost of Service

The cost-of-service analysis bridges the methodology gap between the financial plans and the rate design. Using the revenue requirements developed in the financial plans, various cost allocation procedures are used to determine how the net revenue requirements from a "test year" (in this case 2024) should be allocated to each customer class. Separate cost-of-service analyses were prepared for: (1) potable water, (2) agricultural/raw water, (3) wastewater, and (4) recycled water.

4.1 Overview – Cost-of-Service Analyses

An overview of the cost-of-service methodology for water and wastewater utilities was previously included in Figures 3 and 4, and can be summarized by the following components of the analysis:

- **Classifying Cost Components:** The budget line items for the water system that make up the revenue requirements are assigned to various functional cost components including:
    - **Commodity –** variable costs related to supplying water to customers such as pumping costs, chemicals, and portions of personnel and operating and maintenance costs. Commodity costs for sewer utilities are related to the amount of effluent contributed to the sanitary sewer collection system.
    - **Capacity –** fixed costs typically associated with system capacity such as infrastructure repair and replacement, debt service, and portions of personnel and operating and maintenance costs.
    - **Customer –** These are the fixed costs of customer service-related functions such as meter reading, billing, service calls, and various administrative and overhead costs.
    - **Fire Protection –** District customers benefit from access to potable system capacity, so a small percentage of the potable system costs are allocated to fire protection.
    - **Direct Assignment –** These are portions of the District's water and wastewater systems that make up the agricultural irrigation/raw water and the recycled water services the District provides. These costs are separated out from the potable water and wastewater systems at this point and a separate cost-of-service analysis is provided for direct assignment costs.
- **Cost Allocation Factors –** Specific allocation factors are used to determine how much of each cost component should be collected from each customer class. For example, commodity-related costs are allocated based on annual water consumption, capacity-related costs are based on peaking factors (which indicate the system demands that each class imposes on the water infrastructure), and customer-related costs are allocated based on customer accounts.
- **Net Revenue Requirements by Customer Class –** By applying the cost allocation factors to each cost component (e.g., commodity, capacity, etc.), the net revenue from the test year that needs to be collected from each customer class is determined. It is important to note that this test year net revenue requirement is the rate revenue collected from existing rates plus the rate increase;

this is not the same as the annual net revenue requirement previously shown in Figure 12 – Table of the Water Financial Plan.

Once the net revenue requirements by customer class are determined, the rate design is used to calculate the fixed (base) charges and variable (commodity) charges. The following sections discuss the cost-of-service analysis for each utility.[14]

4.2 Cost of Service – Potable Water System

Classifying Potable Cost Components – Figure 18 summarizes the allocations of the District's 2024 total revenue requirements to individual cost components, including the Direct Assignment (DA) of the agricultural irrigation/raw water system. Since DA costs are treated as a separate cost-of-service analysis, DA costs are removed from the potable cost-of-service analysis at this point.

Figure 18. Classification of Potable Cost Components

Net Rev. Reqts. (Rate of 50% Fixed/50% Variable)	Total	Variable	Fixed			(DA)
		(COM)	(CAP)	(CA)	(FP)	
Net Revenue Reqts	**$ 44,993,492**	**$ 11,321,641**	**$ 22,160,020**	**$ 8,142,219**	**$ 1,598,280**	**$ 1,754,746**
Percent of Revenue	*100.0%*	*25.2%*	*49.3%*	*18.1%*	*3.6%*	*3.9%*
Rate-Design Adjustments to Fixed/Variable %	100.0%	50.0%	34.7%	12.8%	2.5%	*N.A.*
Total Revenue Requirements (before adjustments)	$ 44,993,492	$ 22,496,746	$ 15,627,593	$ 5,742,020	$ 1,127,132	*N.A.*

The one area that cost-of-service analysis overlaps with the rate design analysis is that rate design determines the percentage of costs collected from fixed vs. variable costs and, as shown below, this must be determined when the revenue requirements are allocated to the cost components.

As implied in the last line of Figure 18, there are additional adjustments to be made. These are (1) the deduction of the DA costs from each cost component, and (2) a small amount of DA costs that are shifted back to the potable system to account for the residential portion of ag/raw water customers who have potable water demands (i.e., ag/small farms with residences). Figure 19 summarizes these adjustments and shows that the total revenue requirement for potable customers is $43.47 million.

Figure 19. Adjustments to Potable Net Revenue Requirements

Net Rev. Reqts. (Rate of 50% Fixed/50% Variable)	Total	Variable	Fixed		
		(COM)	(CAP)	(CA)	(FP)
Rate-Design Adjustments to Fixed/Variable %	100.0%	50.0%	34.7%	12.8%	2.5%
Total Revenue Requirements (before adjustments)	$ 44,993,492	$ 22,496,746	$ 15,627,593	$ 5,742,020	$ 1,127,132
Direct Assignment Costs (before adjustments)	$ 1,755,719	$ 1,035,456	$ 719,290	$ 973	$ -
Fixed/Variable ($) (less DA)	*$ 43,237,773*	*$ 21,461,290*	*$ 14,908,303*	*$ 5,741,047*	*$ 1,127,132*
Cost Shifted from DA to Potable (Analysis below)	$ 232,739	*$ 86,106*	*$ 146,633*	*N.A.*	*N.A.*
Total Potable System Rev. Reqts.	***$ 43,470,512***	*$ 21,547,396*	*$ 15,054,936*	*$ 5,741,047*	*$ 1,127,132*

Note: customer costs of $973 were added to DA costs in this table.

Potable Cost Allocation Factors – Figures 20 through 23 show how the potable system cost allocation factors are calculated. Figures 20 and 21 also include the allocation percentages within the single family class, which are used later in calculating tiered rates for single family customers. As previously noted, commodity-related costs are allocated based on annual water consumption, capacity-related costs are

[14] *More broadly, the District's utilities are considered to be the water and wastewater utilities, with agricultural/raw water being a subset of water and recycled water being a subset of wastewater (although water manages the distribution system).*

based on peaking factors (which indicate the system demands that each class imposes on the water infrastructure), and customer-related costs are allocated based on customer accounts.

Figure 20. Calculation of Potable System Commodity Allocation Factors

Customer Class[1]	Consumption[2] (ccf/year)	% of Total Consumption
Single Family Residential		*(Within SFR:)*
Tier 1 (0-1,800 cf)	*2,772,453*	*46.7%*
Tier 2 (1,801-4,500 cf)	*1,596,793*	*26.9%*
Tier 3 (>4,500 cf)	*1,562,349*	*26.3%*
Single-Family Total	5,931,596	**75.8%**
Multi Family Residential	600,212	**7.7%**
Comm. & Ind. (& potable landscape irrig.)	742,720	**9.5%**
Agricultural Irrigation - w/ residence[3]	36,288	**0.5%**
Recreational Turf	424,842	**5.4%**
Small Farm	92,232	**1.2%**
Potable Water System	**7,827,890**	**100.0%**

1. Customer data provided by the District for CY 22.
2. Source: 2022 EID Tiered Usage Analysis_09222023.pdf.
3. Assumes potable system use is 1,800 cf/mo. for the residential portion of consumption. The remaining consumption is assumed to be ag/raw water.

Figure 21. Calculation of Potable System Capacity Allocation Factors

Customer Class	Average Bi-Monthly Use (CCF)	Peaking Factors	Total Peak Bi-Monthly Use	Percent of Total
Single Family Residential				*(Within SFR:)*
Tier 1 (0-1,800 cf)	*483,261*	*1.13*	*546,367*	*39.8%*
Tier 2 (1,801-4,500 cf)	*272,228*	*1.64*	*447,266*	*32.5%*
Tier 3 (>4,500 cf)	*232,413*	*1.64*	*380,554*	*27.7%*
Single-Family Total	531,283	1.65	877,295	**61.7%**
Multi Family Residential	50,819	1.37	69,863	**4.9%**
Comm. & Ind. (& potable landscape irrig.)	63,023	1.38	86,904	**6.1%**
Agricultural Irrigation - w/ residence	92,201	2.43	224,211	**15.8%**
Recreational Turf	37,631	2.08	78,122	**5.5%**
Small Farm	44,380	1.90	84,516	**5.9%**
Potable Water System	**819,337**	--	**1,420,911**	**100.0%**

1. Peaking factor by class are peak monthly consumption divided by average monthly consumption from CY 2022 data.

Figure 22. Calculation of Potable System Customer Allocation Factors

Customer Class	Number of Meters/Accounts	Percent of Total
Single Family Residential	39,418	**92.2%**
Multi Family Residential	1,034	**2.4%**
Comm. & Ind. (& potable landscape irrig.)	1,504	**3.5%**
Agricultural Irrigation - w/ residence	168	**0.4%**
Recreational Turf	212	**0.5%**
Small Farm	427	**1.0%**
Potable Water System	**42,763**	**100.0%**

Figure 23. Calculation of Potable System Fire Protection Allocation Factors

Customer Class	Number of Meters/Accounts	Public Fire Protection Required (gpm)	Duration at gpm (min)	Total PFP Requirements (million gallons)	Percent of Total *(without DA)*
Single Family Residential	39,418	1,500	120	7,095	**87.4%**
Multi Family Residential	1,034	3,000	120	372	**4.6%**
Comm. & Ind. (& potable landscape irrig.)	1,504	3,000	120	541	**6.7%**
Agricultural Irrigation - w/ residence	168	1,500	120	30	**0.4%**
Recreational Turf	*212*	*0*	*0*	*0*	***0.0%***
Small Farm	427	1,500	120	77	**0.9%**
Potable Water System	**42,763**	**--**	**--**	**8,116**	**100.0%**

Per District staff, multi-family and commercial classes have been set at 3,000 gpm and 120 minutes.

Potable System Net Revenue Requirements by Customer Class – By applying the cost allocation factors to each of the four cost components (i.e., commodity, capacity, customer, and fire protection), the net revenue requirements for each customer class are calculated, as shown in Figure 24. For example, the commodity factor for single-family customer (75.8% from Figure 20) times the $21.54 million (from Figure 19) is the $16.3 million shown in Figure 24.

Figure 24. Potable System Revenue Requirements by Customer Class

Classification Components	Adjusted Net Rev. Reqts. *(Includes Ag w/ Resid., SF/DI Accts.)*	Customer Classes					
		Single Family Residential	Multi Family Residential	Comm. & Ind. (& potable landscape irrig.)	Agricultural Irrigation - w/ residence	Recreational Turf	Small Farm
Commodity (COM)	**$ 21,547,396**	$ 16,327,574	$ 1,652,171	$ 2,044,443	$ 99,888	$ 1,169,439	$ 253,882
Capacity (CAP)	**$ 15,054,936**	$ 9,295,182	$ 740,219	$ 920,767	$ 2,375,577	$ 827,719	$ 895,473
Customer Related (CA)	**$ 5,741,047**	$ 5,291,972	$ 138,817	$ 201,916	$ 22,554	$ 28,462	$ 57,326
Public Fire Protection (FP)	**$ 1,127,132**	$ 985,369	$ 51,696	$ 75,194	$ 4,200	$ -	$ 10,674
Net Revenue Requirement	**$ 43,470,512**	**$ 31,900,096**	**$ 2,582,903**	**$ 3,242,320**	**$ 2,502,219**	**$ 2,025,619**	**$ 1,217,355**
% of Total Potable Rev. Reqts.:	*100.0%*	*73.4%*	*5.9%*	*7.5%*	*5.8%*	*4.7%*	*2.8%*

4.3 Cost of Service – Ag Irrigation/Raw Water System

The same steps used to calculate the revenue requirements by customer class for the potable water system are also used for the ag irrigation/raw water system (or ag/raw water).

Classifying Ag/Raw Water Cost Components – Revenue requirements for the ag/raw water system of $1.755 million were previously shown in Figure 18. After some of those costs were shifted back to the potable system for the potable services that ag and small farm customers receive, the adjusted revenue requirements for the ag/raw water system are $1.52 million, as restated in Figure 25.

Figure 25. Classification of Ag/Raw Water Cost Components

Allocation Adjustment for Direct Assignment Costs:				
Direct Assignment Costs [1]	Total	*Variable (COM)*	*Fixed (CAP)* [2]	*Fixed (CA)* [2]
Rate Revenue ($) Unadjusted	*$1,755,719*	*$1,035,456*	*$719,290*	*$973*
% Reductions (% counted in Potable SFR)		8.3%	20.4%	0.0%
Shifted to Potable/SFR:	$ 232,739	$ 86,106	$ 146,633	$ -
Adjusted (New) DA Revenue Requirements	**$ 1,522,980**	**$ 949,350**	**$ 572,657**	**$ 973**

1. Only Ag-related costs are included here (i.e., Ag w/ residence, Small Farms/DI are treated as potable customers for Tier 1 consumption).

2. Potable % allocations are adjusted due to the equivalent 5/8" and 3/4" meters for Ag w/Resid., Small Farms/DI accounts that are included in potable rates.

Ag/Raw Water Cost Allocation Factors – Figure 26 shows the calculation of the ag/raw water system commodity cost allocation factors, and Figures 27 and 28 show the allocation factors for the capacity and customer cost components.

Figure 26. Calculation of Ag/Raw Water Commodity Allocation Factors

Customer Class[1]	Consumption (ccf/year)	% of Total Consumption
Agricultural Irrigation - w/ residence[2]	1,006,238	**57.3%**
Agricultural Irrigation - w/o residence	211,459	**12.0%**
Small Farm[2]	410,740	**23.4%**
Raw Water - Landscape Irrigation	3,197	**0.2%**
Raw Water - Continuous Flow/Flat	125,218	**7.1%**
Total:	**1,756,852**	**100.0%**

1. Customer data provided by the District for CY 22.
2. Assumes potable consumption has been deducted.

Figure 27. Calculation of Ag/Raw Water Capacity Allocation Factors

Customer Class	Peaking Factor	Total Peak Bi-Monthly Use	Percent of Total[1]
Agricultural Irrigation - w/ residence	2.43	224,211	**58.2%**
Agricultural Irrigation - w/o residence	2.31	43,107	**11.2%**
Small Farm	1.90	84,516	**22.0%**
Raw Water - Landscape Irrigation	3.83	1,097	**0.3%**
Raw Water - Continuous Flow/Flat	2.82	32,098	**8.3%**
Total:		**385,028**	**100.0%**

1. From water rate analysis, peaking factor by class.

Figure 28. Calculation of Ag/Raw Water Customer Allocation Factors

Customer Class	Number of Meters/Accounts	Percent of Total
Agricultural Irrigation - w/o residence[1,2]	24	**82.8%**
Raw Water - Landscape Irrigation[2]	5	**17.2%**
Total:	**29**	**100.0%**

1. Customer costs for Ag with Residences are included in Potable Water (excluded here).
2. No Customer-Related costs are assigned to Ag w/ Resid., or Small Farms; these customers pay Customer costs through their Potable charges. Ag w/o Resid; Raw Water customers do not have potable charges and therefore pay Customer-Related costs.

Ag/Raw Water Net Revenue Requirements by Customer Class – By applying the Ag/Raw Water cost allocation factors to the cost components, the net revenue requirements by class are shown in Figure 29.

Figure 29. Ag/Raw Water Revenue Requirements by Customer Class

Classification Components	Net Revenue Requirements[1]	Customer Classes (Direct Assignment)				
		Agricultural Irrigation - w/ residence	Agricultural Irrigation - w/o residence	Small Farm	Raw Water - Landscape Irrigation	Raw Water - Continuous Flow/Flat
Commodity	$ 949,350	$ 543,741	$ 114,266	$221,952	$ 1,728	$ 67,664
Capacity	$ 572,657	$ 333,472	$ 64,113	$125,702	$ 1,632	$ 47,739
Customer Related [2]	$ 973	$ -	$ 805	$ -	$ 168	$ -
Net Revenue Requirement	**$ 1,522,980**	**$ 877,212**	**$ 179,184**	**$347,654**	**$ 3,527**	**$ 115,403**
% of Total	*100.0%*	*57.6%*	*11.8%*	*22.8%*	*0.2%*	*7.6%*

1. Assumes an allocation to Commodity, Capacity, Customer-Related and Fire Protection and classifications in the same proportion as non-DA costs with the exception of fire protection costs.

2. No Customer-Related costs are assigned to Ag w/ Resid., or Small Farms; these customers pay Customer costs through their Potable charges. Ag w/o Resid; Raw Water customers do not have potable charges and therefore pay Customer-Related costs.

4.4 Cost of Service – Wastewater System

Classifying Wastewater Cost Components – Revenue requirements for the wastewater system, including the three-percent increase, are $22.7 million as shown in Figure 30. The wastewater system also follows a rate design collecting 50 percent of the rate revenue from fixed charges and 50 percent from variable charges.

Figure 30. Classification of Wastewater Cost Components

Net Rev. Reqts (COS Allocation - 50% Fixed/50% Variable)	Total	(VOL)	(BOD)	(TSS)	(CA)
Rate-Design Adjustments to Fixed/Variable %	100.0%	50.0%	18.6%	18.6%	12.7%
Net Revenue Reqts. less Direct Assignment	**$ 22,711,651**	$ 11,355,826	$ 4,234,790	$ 4,234,790	$ 2,886,245

Wastewater Cost Allocation Factors – Figure 31 shows the calculation of the wastewater system commodity (or flow-based) cost allocation factors, and Figure 32 shows the allocation percentages for the fixed capacity allocations, as represented by the total annual pounds of BOD and TSS. Allocation factors for customer cost components are shown in Figure 33.

Figure 31. Calculation of Wastewater Commodity (Flow) Allocation Factors

Customer Class[1]	Number of Dwelling Units / Accounts[2]	Annual Consumption (ccf/year)	Winter Consumption (Jan-Mar. '22)	Annualized Winter Consumption (ccf/Yr.)[3]	Assumed Annual Effluent (Flow) (ccf/year)	% of Total Flow
Residential Customers						
Single Family Residential	23,768	1,848,588	356,520	1,426,080	1,426,080	**69.9%**
Multi Family Residential	5,137	281,917	61,644	246,576	246,576	**12.1%**
Commercial-Industrial						
Commercial - Low	529	119,961	23,805	95,220	119,961	**5.9%**
Commercial - Medium/Low	198	112,466	25,542	102,168	112,466	**5.5%**
Commercial - Medium	33	7,663	1,188	4,752	7,663	**0.4%**
Commercial - Medium/High	120	87,963	18,720	74,880	87,963	**4.3%**
Commercial - High	0	0	0	0	0	**0.0%**
Schools						
Schools	26	39,682	39,682	158,727	39,682	**1.9%**
Annual Totals:	**29,811**	**2,498,240**	**527,101**	**2,108,403**	**2,040,391**	**100.0%**

1. Customer data provided by the District for CY 22.
2. Single & multi-family residential are based on the no. of dwelling units; all other customers are based on the no. of accounts.
3. Annual consumption for all customer classes based on average winter water consumption.

Figure 32. Calculation of Wastewater Capacity (BOD/TSS) Allocation Factors

Customer Class[1]	Assumed Annual Effluent (Flow) (ccf/year)	BOD mg/l	BOD lbs/day	BOD lbs	% of Total BOD	TSS mg/l	TSS lbs/day	TSS lbs	% of Total TSS
Residential Customers									
Single Family Residential	1,426,080	229	5,582	2,037,263	**63.3%**	229	5,582	2,037,263	**66.8%**
Multi Family Residential	246,576	229	965	352,252	**10.9%**	229	965	352,252	**11.5%**
Commercial-Industrial									
Commercial - Low	119,961	140	287	104,770	**3.3%**	127	260	95,041	**3.1%**
Commercial - Medium/Low	112,466	262	504	183,819	**5.7%**	223	429	156,457	**5.1%**
Commercial - Medium	7,663	393	51	18,787	**0.6%**	535	70	25,576	**0.8%**
Commercial - Medium/High	87,963	887	1,334	486,734	**15.1%**	647	973	355,036	**11.6%**
Commercial - High	0	1760	-	0	**0.0%**	1536	-	-	**0.0%**
Schools									
Schools	39,682	150	102	37,132	**1.2%**	120	81	29,706	**1.0%**
Annual Totals:	**2,040,391**		**8,824**	**3,220,757**	**100.0%**		**8,360**	**3,051,330**	**100.0%**

Figure 33. Calculation of Wastewater Customer Allocation Factors

Customer Class	Number of Dwelling Units / Accounts[1]	Percent of Total
Residential Customers		
Single Family Residential	23,768	**94.9%**
Multi Family Residential	375	**1.5%**
Commercial-Industrial		
Commercial - Low	529	**2.1%**
Commercial - Medium/Low	198	**0.8%**
Commercial - Medium	33	**0.1%**
Commercial - Medium/High	120	**0.5%**
Commercial - High	0	**0.0%**
Schools		
Schools	26	**0.1%**
Total:	**25,049**	**100.0%**

1. SFR customers are based on the number of dwelling units and all other customers are based on the number of accounts.

Wastewater Net Revenue Requirements by Customer Class – By applying the wastewater cost allocation factors to the cost components, the net revenue requirements by class are shown in Figure 34.

Figure 34. Wastewater Revenue Requirements by Customer Class

Customer Class	Cost Classification Components				Total Cost-of-Service Net Revenue	% of COS Net Rev. Reqts. by Class
	Volume	BOD	TSS	Customer		
Net Revenue Requirements [1]	***$ 11,355,826***	***$ 4,234,790***	***$ 4,234,790***	***$ 2,886,245***	***$ 22,711,651***	--
% of Total	*50.0%*	*18.6%*	*18.6%*	*12.7%*	*100.0%*	--
Residential Customers						
Single Family Residential	$ 7,936,868	$ 2,678,681	$ 2,827,416	$ 2,738,643	$ 16,181,608	*71.2%*
Multi Family Residential	1,372,322	$ 463,157	488,874	$ 43,209	2,367,561	*10.4%*
Subtotal - Residential Customers	$ 9,309,190	$ 3,141,837	$ 3,316,290	$ 2,781,852	$ 18,549,169	*81.7%*
Commercial-Industrial						
Commercial - Low	$ 667,647	$ 137,756	$ 131,903	$ 60,953	$ 998,259	*4.4%*
Commercial - Medium/Low	$ 625,931	$ 241,693	$ 217,138	$ 22,814	1,107,577	*4.9%*
Commercial - Medium	$ 42,649	$ 24,703	$ 35,495	$ 3,802	106,650	*0.5%*
Commercial - Medium/High	$ 489,559	$ 639,978	$ 492,736	$ 13,827	1,636,101	*7.2%*
Commercial - High	$ -	$ -	$ -	-	-	*0.0%*
Subtotal - Commercial-Industrial Customers	$ 1,825,786	$ 1,044,130	$ 877,273	$ 101,397	$ 3,848,587	*16.9%*
Schools (100% Fixed)						
Schools	$ 220,850	$ 48,823	$ 41,227	$ 2,996	313,896	*1.4%*
Total:	**$ 11,355,826**	**$ 4,234,790**	**$ 4,234,790**	**$ 2,886,245**	**$ 22,711,651**	**100.0%**

1. Revenue requirement for each customer class is determined by multiplying the cost component by the allocation factors for each customer class.

4.5 Cost of Service – Recycled Water System

Classifying Recycled Water Cost Components – The recycled water system is a sub-set of the wastewater system, although distribution is managed by the potable water system utility and is therefore treated as a Direct Assignment cost (i.e., recycled costs are separated from wastewater system costs). Revenue requirements for the recycled water system, including the three-percent increase, are $3.24 million and has a rate design of 60 percent fixed and 40 percent variable charges, as shown in Figure 35. This figure also shows the net revenue requirements by customer class, which are the results of applying the cost allocation factors shown in Figures 36 through 38 to the cost components.

Figure 35. Classification and Allocation of Recycled Water Cost Components

Recycled Customer Class	Recycled Cost Classification Components			Cost-of-Service Net Revenue Reqts.	% of COS Net Revenue Reqts.
	(COM)	(CAP)	(CA)		
Net Revenue Requirements [1]	***$ 1,942,881***	***$ 647,627***	***$ 647,627***	***$ 3,238,135***	--
% of Total	*60.0%*	*20.0%*	*20.0%*	*100.0%*	
Commercial Landscape	$ 498,359	$ 140,762	$ 20,574	$ 659,695	*20.4%*
Recreational Turf	$ 257,946	$ 109,024	$ 1,372	368,342	*11.4%*
Residential - Dual Plumbed	$ 1,186,576	$ 397,841	$ 625,681	2,210,098	*68.3%*
Total:	**$ 1,942,881**	**$ 647,627**	**$ 647,627**	**$ 3,238,135**	**100%**

1. Revenue requirement by customer class is calculated by multiplying the revenue requirement from each cost classification by the allocation factors for each customer class.

Recycled Water Cost Allocation Factors – Figure 36 shows the calculation of the wastewater system commodity (or flow-based) cost allocation factors, and Figure 37 shows the allocation percentages for the fixed capacity allocations, as represented by the total annual pounds of BOD and TSS. Allocation factors for customer cost components are shown in Figure 38.

Figure 36. Calculation of Recycled Water Commodity Allocation Factors

Customer Class[1]	Consumption (ccf/year)	% of Total Flow
Commercial Landscape	450,378	**25.7%**
Recreational Turf	233,112	**13.3%**
Residential - Dual Plumbed[2]	1,072,336	**61.1%**
Total:	**1,755,826**	**100.0%**

1. Customer data provided by the District for CY 22.
2. Residential are based on the no. of dwelling units; all other customers are based on the number of accounts.

Figure 37. Calculation of Recycled Water Capacity Allocation Factors

Customer Class	Peaking Factor	Peak Month	Percent of Total
Commercial Landscape	1.39	52,169	**21.7%**
Recreational Turf	2.08	40,406	**16.8%**
Residential - Dual Plumbed	1.65	147,446	**61.4%**
Total:		**240,021**	**100.0%**

1. From water rate analysis, peaking factor by class.

Figure 38. Calculation of Recycled Water Customer Allocation Factors

Customer Class	Peaking Factor	Peak Month	Percent of Total
Commercial Landscape	1.39	52,169	**21.7%**
Recreational Turf	2.08	40,406	**16.8%**
Residential - Dual Plumbed	1.65	147,446	**61.4%**
Total:		**240,021**	**100.0%**

1. From water rate analysis, peaking factor by class.

5. Rate Design

Once the revenue requirements by customer class were determined based on the cost-of-service analyses, the rate design analyses determine the fixed (base) and variable (commodity) charges for each customer class.[15] As with the cost-of-service analyses, separate rate design analyses were prepared for the potable water, agricultural/raw water, wastewater, and recycled water systems as described below.

5.1 Rate Design – Potable Water System

Calculating Fixed Charges – Fixed bi-monthly (base) charges for potable customers are calculated for two separate sets of customers (1) single family, ag irrigation with residences, and small farms, and (2) multi-family, commercial/industrial, and recreational turf customers. The fixed charges collect capacity-related costs from customers based on the hydraulic capacity factors for each meter size, meaning these charges increase with the size of the meters. Figure 39 shows the capacity factors by meter size that were used.

Figure 39. Hydraulic Capacity Factors – Potable and Ag/Raw Water Customers

Meter Sizes	AWWA Capacity Factors	
	gpm	Factor
5/8"	20	**1.0**
3/4"	30	**1.0**
1"	50	**1.7**
1.5"	100	**3.3**
1.5" T	120	**4.0**
2"	160	**5.3**
2" T	160	**5.3**
3"	320	**10.7**
3" T	350	**11.7**
4"	500	**16.7**
4" T	630	**21.0**
6"	1,000	**33.3**
6" T	1,400	**46.7**
8" T	2,400	**80.0**
10" T	3,800	**126.7**
12" T	5,000	**166.7**

From AWWA Manual M22, Table 6-1. Displacement meters; Turbine class 2 for larger (T) meters.

Figure 40 shows the calculation of fixed charges for single family, ag irrigation, and small farms without fire protection costs added. Figure 41 shows the calculation for multi-family, commercial/industrial, and recreational turf customers. Additionally, there are fire protection costs that are added to these fixed charges, as shown in Figure 42.

[15] *As previously mentioned, there is some overlap between cost of service and rate design in that rate design sets the percent of rate revenue collected from fixed vs. variable charges and this must be reflected in the cost of service revenue requirements by customer class (e.g., Figures 34 and 35)*

Figure 40. Calculation of Potable Fixed Charges – SFR, Ag and Small Farms *(Not Including Fire Protection)*

Single-Family, Ag Irrig. w/ Residence, and Small Farm Customers		Meter Size									Total Meters
		5/8"	3/4"	1"	1.5"	1.5" T	2"	2" T	3" T	4" T	
Accounts/Equivalent Meters											
Single Family Residential		3,059	32,775	3,378	136	14	11	41	2	2	39,418
Agricultural Irrigation - w/ residence[1]		-	168	-	-	-	-	-	-	-	168
Small Farm		-	427	-	-	-	-	-	-	-	427
Total Accounts		3,059	33,370	3,378	136	14	11	41	2	2	40,013
Hydraulic Capacity Factor[2]		*1.0*	*1.0*	*1.7*	*3.3*	*4.0*	*5.3*	*5.3*	*11.7*	*21.0*	
Total Equivalent Meters		3,059	33,370	5,743	449	56	58	217	23	42	43,017
	% of meters	*7.1%*	*77.6%*	*13.3%*	*1.0%*	*0.1%*	*0.1%*	*0.5%*	*0.1%*	*0.1%*	*100.0%*
Customer Costs ($/Acct/bi-mo.)[3]		$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	
Capacity Costs ($/Acct/bi-mo.)[4]		$ 51.63	$ 51.63	$ 87.77	$ 170.38	$ 206.52	$ 273.64	$ 273.64	$ 604.07	$ 1,084.24	
Bi-Monthly Meter Charge		$ 74.01	$ 74.01	$ 110.15	$ 192.76	$ 228.90	$ 296.02	$ 296.02	$ 626.45	$ 1,106.61	
Annual Fixed Costs Allocated to Bi-Monthly Meter Charges											
Customer Costs	$ 5,371,853										
Capacity Costs	$ 12,566,231										
	$ 759,777	*Adjustment (deduction for Credit to Dual-Plumbed RW Single-Family customers for Base Charges)*									
Total Capacity Costs	$ 13,326,008										
Fixed Costs Recovered bi-monthly	$ 18,697,861										

1. All meters counted as 3/4"

2. Source: AWWA Manual M22, Table 6-1. Displacement meters are used for smaller meters and Turbine class 2 for larger (T) meters.

3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.

4. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

Figure 41. Calculation of Potable Fixed Charges – MFR, Commercial/Industrial, Rec Turf *(Not Including Fire Protection)*

Multi-Family, Comm./Industrial, Rec Turf Customers		Meter Size 5/8"	3/4"	1"	1.5"	1.5" T	2"	2" T	3"	3" T	4"	4" T	6"	6" T	8" T	10"T	12" T	Total Meters
Accounts/Equivalent Meters																		
Multi Family Residential		67	478	209	77	11	138	30	9	6	2	3	4	-	-	-	-	1,034
Comm. & Ind. (& potable landscape irrig.)		56	888	226	118	55	59	70	5	8	4	1	5	4	3	1	1	1,504
Recreational Turf		-	10	9	17	10	118	32	5	4	3	2	1	1	-	-	-	212
Total Accounts		123	1,376	444	212	76	315	132	19	18	9	6	10	5	3	1	1	2,750
Hydraulic Capacity Factor[2]		*1.0*	*1.0*	*1.7*	*3.3*	*4.0*	*5.3*	*5.3*	*10.7*	*11.7*	*16.7*	*21.0*	*33.3*	*46.7*	*80.0*	*126.7*	*166.7*	
Total Equivalent Meters		123	1,376	755	700	304	1,670	700	203	211	150	126	333	234	240	127	167	7,417
	% of meters	*1.7%*	*18.6%*	*10.2%*	*9.4%*	*4.1%*	*22.5%*	*9.4%*	*2.7%*	*2.8%*	*2.0%*	*1.7%*	*4.5%*	*3.1%*	*3.2%*	*1.7%*	*2.2%*	*100.0%*
Bi-Monthly Fixed Service Charges																		
Customer Costs ($/Acct/bi-mo.)[3]	**$ 369,195**	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	$ 22.38	
Capacity Costs ($/Acct/bi-mo.)[4]	**$ 2,488,705**	$ 55.93	$ 55.93	$ 95.07	$ 184.56	$ 223.71	$ 296.41	$ 296.41	$ 598.41	$ 654.34	$ 933.97	$1,174.46	$1,862.35	$2,611.77	$4,474.12	$7,085.88	$9,322.94	
Bi-Monthly Meter Charge	**$ 2,857,900**	$ 78.30	$ 78.30	$ 117.45	$ 206.93	$ 246.08	$ 318.79	$ 318.79	$ 620.79	$ 676.71	$ 956.35	$1,196.83	$1,884.73	$2,634.14	$4,496.49	$7,108.26	$9,345.32	

Figure 42. Potable Fixed Charges Including Fire Protection Costs

Potable Water Customers		Meter Size 5/8"	3/4"	1"	1.5"	1.5" T	2"	2" T	3"	3" T	4"	4" T	6"	6" T	8" T	10"T	12" T
Additional Fire Protection Fixed Charges ($/Acct/bi-mo.)[4]																	
SFR, Ag. Irrig w/Resid., Small F	*$ 1,000,243*	*$ 3.88*	*$ 3.88*	*$ 6.59*	*$ 12.79*	*$ 15.50*	*$ 20.54*	*$ 20.54*	*$ 41.47*	*$ 45.34*	*$ 64.72*	*$ 81.38*	*$ 129.05*	*$ 180.98*	*$ 310.03*	*$ 491.01*	*$ 646.02*
MFR, Comm./Ind., Rec Turf	*$ 126,890*	*$ 2.85*	*$ 2.85*	*$ 4.85*	*$ 9.41*	*$ 11.41*	*$ 15.11*	*$ 15.11*	*$ 30.51*	*$ 33.36*	*$ 47.62*	*$ 59.88*	*$ 94.95*	*$ 133.16*	*$ 228.12*	*$ 361.28*	*$ 475.34*
	$ 1,127,132																
Bi-Monthly Fixed Service Charges ($/Acct/bi-mo.) (Including Fire Protection)																	
SFR, Ag. Irrig w/Resid., Small Farms		*$ 77.88*	*$ 77.88*	*$ 116.74*	*$ 205.54*	*$ 244.40*	*$ 316.56*	*$ 316.56*	*$ 616.29*	*$ 671.79*	*$ 949.32*	*$ 1,187.99*	*$ 1,870.71*	*$ 2,614.49*	*$ 4,462.83*	*$ 7,054.94*	*$ 9,275.17*
MFR, Comm./Ind., Rec Turf		*$ 81.15*	*$ 81.15*	*$ 122.30*	*$ 216.34*	*$ 257.49*	*$ 333.90*	*$ 333.90*	*$ 651.30*	*$ 710.08*	*$ 1,003.97*	*$ 1,256.71*	*$ 1,979.68*	*$ 2,767.30*	*$ 4,724.61*	*$ 7,469.54*	*$ 9,820.66*
Annual Revenue from Bi-Monthly Meter Charges *(Including Fire Protection)*																	
Customer Costs	*$ 5,741,047*	*$ 427,192*	*$ 4,664,744*	*$ 513,114*	*$ 46,720*	*$ 12,083*	*$ 43,766*	*$ 23,226*	*$ 2,551*	*$ 2,685*	*$ 1,208*	*$ 1,074*	*$ 1,343*	*$ 671*	*$ 403*	*$ 134*	*$ 134*
Capacity Costs (Fire Protection Ac	*$ 16,941,845*	*$ 1,062,129*	*$ 11,598,611*	*$ 2,178,674*	*$ 396,192*	*$ 125,861*	*$ 608,194*	*$ 319,095*	*$ 71,697*	*$ 82,065*	*$ 53,006*	*$ 58,424*	*$ 117,438*	*$ 82,348*	*$ 84,640*	*$ 44,683*	*$ 58,790*
Total	*$ 22,682,893*																

Calculating Variable Charges – Variable (commodity) charges for potable customers consist of uniform rates for all customer classes except single family, which has three tiers. These commodity rates are simply the target revenue from each customer class divided by the total annual consumption in each class. Figure 43 shows the calculation of uniform rates and Figure 44 shows the calculation of single-family tiered rates.

Figure 43. Calculation of Potable System Commodity Rates

Potable Water Customer Class	Number of Accounts	Target Rev. Req't	Water Consumption	Commodity Rates ($/ccf)	Commodity Rates ($/cf)
Single Family Residential	39,418	$ 16,327,574	5,931,596	$ 2.7526	**$0.027526**
Multi Family Residential	1,034	$ 1,652,171	600,212	$ 2.7526	**$0.027526**
Comm./Ind./potable landscape irrig.	1,504	$ 2,044,443	742,720	$ 2.7526	**$0.027526**
Ag. Irrigation - w/ residence	168	$ 99,888	36,288	$ 2.7526	**$0.027526**
Recreational Turf	212	$ 1,169,439	424,842	$ 2.7526	**$0.027526**
Small Farm	427	$ 253,882	92,232	$ 2.7526	**$0.027526**
Total	42,763	$ 21,547,396	7,827,890		

Figure 44. Calculation of Potable System Tiered Rates – Single Family

Potable Water Customer Class		Upper Tier Breakpoint	Water Consumption (ccf/yr.)[1]	Commodity Rates ($/ccf)	Commodity Rates ($/cf)	Tier Rate Revenue
Single Family Residential	*Tier 1*	*1,800 cf/bi-mo.*	*2,772,453*	*$2.329*	***$0.023293***	*$6,457,977*
	Tier 2	*4,500 cf/bi-mo.*	*1,596,793*	*$2.800*	***$0.027998***	*$4,470,747*
	Tier 3	*-*	*1,562,349*	*$3.455*	***$0.034553***	*$5,398,312*
Total			*5,931,596*			*$16,327,036*
Target SFR Volumetric Rate Revenue						***$16,327,574***

1. 2022 consumption by tier. There was ~4% difference in the total consumption for the single-family residential from District totals, as the total consumption value in the model is based on actual consumption file provided by the District, whereas the tiered analysis is calculated based on how much was actually billed in each tier. These numbers were, therefore adjusted to match the SFR total.

As previously discussed, water agencies must demonstrate the cost basis of rates, particularly tiered rates. Because of the District's voluntary use of property tax revenues to reduce water rates, the actual "demonstrated cost basis" of rates is the revenue requirement without the use of property taxes. Appendix E presents this calculation for the Single-Family tiered rates.

5.2 Rate Design – Ag Irrigation/Raw Water System

While the 2012 rate study concluded that approximately 2.1 percent of the value of system assets should be directly allocated to agricultural customers, the District updated this analysis and concluded that this direct allocation is now approximately 3.9 percent. This significantly increased agricultural rates contrary to the policies of avoiding rate shock. Therefore, to better reflect the broader community interests, the Board directed staff to (1) reduce the significant impact this has on agricultural water users, and (2) adjust the rate increases so they were more on par with other customer classes. However, this resulted in reducing ending cash reserves.[16] The agricultural irrigation/raw water rates presented below reflect these adjustments.

Calculating Fixed Charges – Based on the ag/raw water commodity-related revenue requirements previously shown in Section 4.2, fixed bi-monthly (base) charges are calculated in the same manner as for potable customers and are based on the same hydraulic capacity factors. Figure 45 shows the calculation of fixed charges. There are no fire protection costs added to these fixed charges.

[16] *While ending cash reserves were lower, rates for other customer classes were not increased due to this adjustment.*

Figure 45. Calculation of Potable Fixed Charges – Ag Irrigation and Small Farms

Customer Class - Direct Assignment	Meter Size											
	5/8"	3/4"	1"	1.5"	1.5" T	2"	2" T	3" T	4" T	6" T	8" T	Total
Accounts/Equivalent Meters												
Agricultural Irrigation - w/ residence	-	-	10	12	11	3	78	3	38	11	-	166
Small Farm (ONLY)	-	-	110	28	4	3	39	2	4	2	1	193
Total Accounts	-	-	120	40	15	6	117	5	42	13	1	359
Agricultural Irrigation - without residence	-	-	-	1	-	1	15	3	3	1	-	24
Raw Water - Landscape Irrigation	-	2	1	2	-	-	-	-	-	-	-	5
Total Accounts	-	2	1	3	-	1	15	3	3	1	-	29
Hydraulic Capacity Factor[1]	*1.0*	*1.0*	*1.7*	*3.3*	*4.0*	*5.3*	*5.3*	*11.7*	*21.0*	*46.7*	*80.0*	
Total Equivalent Meters	-	2	206	142	60	37	700	94	945	654	80	2,919
% of equiv. meters	*0.0%*	*0.1%*	*7.0%*	*4.9%*	*2.1%*	*1.3%*	*24.0%*	*3.2%*	*32.4%*	*22.4%*	*2.7%*	*100.0%*
Bi-Monthly Fixed Service Charges *($/Acct/bi-mo.)*												
Meter Charge - Ag w/o Res. & Raw Lndscp.												
Customer Costs - Ag w/o Res. & Raw Lndscp.[2]	$ 5.59	$ 5.59	$ 5.59	$ 5.59	$ 5.59	$ 5.59	$ 5.59	$ 5.59	$ 5.59	$ 5.59	$ 5.59	
Capacity Costs - Ag w/o Res. & Raw Lndscp.[3]	$ 15.71	$ 15.71	$ 26.71	$ 51.85	$ 62.84	$ 83.27	$ 83.27	$ 183.82	$ 329.93	$ 733.70	$ 1,256.88	
Meter Charge - Ag w/o Res. & Raw Landscape	*$ 21.30*	*$ 21.30*	*$ 32.30*	*$ 57.44*	*$ 68.43*	*$ 88.86*	*$ 88.86*	*$ 189.41*	*$ 335.52*	*$ 739.29*	*$ 1,262.47*	
Meter Charge - Ag w/ Res. & Small Farm (ONLY)												
Add'l Capacity Costs - Ag w/ Res. & SF (ONLY)	N.A	N.A	$ 26.71	$ 51.85	$ 62.84	$ 83.27	$ 83.27	$ 183.82	$ 329.93	$ 733.70	$ 1,256.88	
plus Single-Family Basic Charge for 3/4" Mete	$ 77.88	$ 77.88	$ 77.88	$ 77.88	$ 77.88	$ 77.88	$ 77.88	$ 77.88	$ 77.88	$ 77.88	$ 77.88	
Total Meter Charge - Ag w/ Res. & Small Farm	*$ 77.88*	*$ 77.88*	*$ 104.59*	*$ 129.73*	*$ 140.73*	*$ 161.15*	*$ 161.15*	*$ 261.70*	*$ 407.81*	*$ 811.58*	*$ 1,334.76*	

1. Source: AWWA Manual M22, Table 6-1. Displacement meters are used for smaller meters and Turbine class 2 for larger (T) meters.

2. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.

3. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

Calculating Ag/Raw Water Variable Charges – Variable (commodity) charges for ag/raw water customers consist of uniform rates for all customers. As with potable rates, these commodity rates are simply the target revenue from each customer class divided by the total annual consumption in each class. Figure 46 shows the calculation of uniform rates for ag irrigation and small farms and Figure 47 shows the rate calculation for raw water customers.

Figure 46. Calculation of Ag Irrigation/Small Farms Commodity Rates

Customer Class/Tier		Water Consumption (ccf/yr.)[1]	Total Rate Revenue	Commodity Rates[2]	
Ag. Irrig./Small Farms - Irrig./Raw Water (DA)				*($/ccf)*	*($/cf)*
Ag. Irrig. - (w/ & w/o residence) & Small Farms	*Uniform Rate*	*1,628,438*	*$879,959*	*$0.5404*	***$0.005404***
Adjustments *(per Board Direction)*[3]					
Use of Operating Reserve for Adjustment			**$468,152**		
Ag. Irrig. - (w/ & w/o residence) & Small Farms	*Uniform Rate*	*1,628,438*	*$411,807*	*$0.2529*	***$0.002529***

1. Assumes potable system use is 4,500 cf/mo. for the residential portion of consumption. The remaining consumption is assumed to be ag/raw water system.
2. These are Ag rates based only on direct assignment costs and only charged after 4,500 cf/mo. consumption.
3. Board directed to adjust the Ag/Raw/Small Farms rate to be consistent with single-family-potable rate increases. This involves the use of additional reserve funds, which is now reflected in the Financial Plan.

Figure 47. Calculation of Raw Water System Commodity Rates

Customer Class/Tier		Basic Charge or Flat Rate[2]	Water Consumption (ccf/yr.)[2]	Commodity Rates	
				($/ccf)	*($/cf)*
Metered Landscape Irrigation	*Uniform Rate*[1]	*(Same as Ag Irrig.)*	*--*	*$0.2529*	***$0.002529***
Raw Water - Flat Rates[3]	*1/2" flow*	*$983.00*	*3,888*	*$0.2529*	***$0.002529***
	1" flow	*$1,966.00*	*7,776*	*$0.2529*	***$0.002529***
	2" flow	*$3,933.00*	*15,552*	*$0.2529*	***$0.002529***
	4" flow	*$7,866.00*	*31,104*	*$0.2529*	***$0.002529***
Raw Water - Continuous Flow[1]	*Uniform Rate*	*N.A,*	*--*	*$0.2529*	***$0.002529***

1. Same as Ag Irrigation (DA).
2. Raw Water assumes the water consumption shown (applies to unmetered users).
3. Based on miner's inch calculations (129,600 cf/miner's inch) and assumes year-round usage.

5.3 Rate Design – Wastewater System

The District's wastewater rates will continue to rely on the current rate design with one exception. As previously mentioned in Section 1.2, the key change in the wastewater rate design is that the District Board approved reducing the number of commercial/industrial strength classes from five to three. The following include the results for this approach.

Calculating Fixed and Volumetric Charges for Wastewater – Compared to water customers, it is easier to present the calculations for wastewater fixed and variable charges together. Fixed charges are essentially the total fixed-charge revenue requirements for each customer class divided by the billing units (either dwelling units or accounts). Likewise, volumetric rates are the variable revenue requirements divided by the annual water use – average winter water use for residential customers and average monthly consumption for non-residential customers. Figure 48 summarizes these calculations, with the commercial/ industrial

rates for the existing five strength categories. The commercial/industrial rates based on reducing the strength categories from five to three are presented in Figures 49 and 50.

Figure 48. Calculation of Wastewater Fixed and Variable Rates

Customer Class	Number of Dwelling Units / Accounts[1]	Annualized Winter Consumption (ccf)[3]	Net Revenue Requirements - Volumetric Rates	Net Revenue Requirements - Fixed Charges	Total Annual Revenue Requirement	Bi-monthly Fixed Charge Per Account	Volumetric Charge Per CF
Residential Customers							
Single Family Residential	23,768	1,426,080	$ 6,721,482	$ 9,460,125	$ 16,181,608	$ 66.34	$0.047133
Residential Flat Rate District Average[2]						141.75	
Multi Family Residential	5,137	246,576	1,162,176	$ 1,205,385	2,367,561	39.11	$0.047133
Total Residential	28,905	1,672,656	7,883,658	10,665,511	18,549,169		
Commercial-Industrial				*0.36966 Adjustment Factor*			
Commercial - Low	529	95,220	$ 802,486	$ 195,774	$ 998,259	$ 61.68	$0.084277
Commercial - Medium/Low	198	102,168	898,647	208,930	1,107,577	175.87	$0.087958
Commercial - Medium	33	4,752	86,235	20,415	106,650	103.11	$0.181471
Commercial - Medium/High	120	74,880	1,331,145	304,955	1,636,101	423.55	$0.177770
Commercial - High	-	0	0	0	-	-	$0.352735
Commercial Total:	**880**	**277,020**	**$ 3,118,513**	**$ 730,074**	**$ 3,848,587**		
Commercial (all categories)	*880*	*277,020*	*$ 3,118,513*		*3,848,587*	*$138.27*	*$0.112574*
Commercial without water service (per unit)[3]						*$198.33*	
Schools							
Schools (100% Allocated to Fixed Char	16,490			313,896	313,896	$19.04	
Total:	**$ 87,505,551**	**$ 32,201,686**	**$ 11,002,171**	**$ 11,709,480**	**$ 22,711,651**		

1. Single and multi-family residential are based on the number of dwelling units and all other customers are based on the number of accounts.
2. Includes the single-family bi-monthly fixed charge plus assumed consumption of 1,600 cf charged at the single-family commodity rate.
3. Includes the commercial (all categories) bi-monthly fixed charge plus an assumed average flow for comm. - medium customers of 533 cf times the comm. (all categories) average commodity rate.

Figure 49. Calculation of Wastewater Fixed Charges – Commercial/Industrial Class

Alt. Commercial Fixed Charges	Net Revenue Reqts Allocated to Fixed Charges					No. of Dwell. Units, Accounts, Students[2]	Bi-mo. Fixed Charge Per Dwell. Unit or Acct.
Customer Class	**Volume**	**BOD**	**TSS**	**Customer** *(100% Fixed)*	**Total**		
Commercial-Industrial							
Commercial - Low (Unadjusted)	$ 333,823	$ 68,878	$ 65,952	$ 60,953	$ 529,606	529	$ 166.86
Adjusted "Low" Class	***$ 131,717***	***$ 27,177***	***$ 26,023***	***$ 24,051***	***$ 208,968***	***529***	***$ 65.84***
Commercial - Medium/Low	312,966	120,847	108,569	22,814	565,196	198	$ 475.75
Commercial - Medium	21,325	12,351	17,748	3,802	55,226	33	$ 278.92
New "Medium" Class (Unadjusted)	$ 334,290	$ 133,198	$ 126,317	$ 26,617	$ 620,422	231	$ 447.63
New "Medium" Class (Adjusted)	***$ 101,762***	***$ 40,547***	***$ 38,452***	***$ 8,102***	***$ 188,863***	***231***	***$ 136.26***
Commercial - Medium/High	$ 244,780	$ 319,989	$ 246,368	$ 13,827	$ 824,964	120	$ 1,145.78
Commercial - High	-	-	-	-	-	0	$ -
New "Medium/High" Class (Unadjusted)	$ 244,780	$ 319,989	$ 246,368	$ 13,827	$ 824,964	120	$ 1,145.78
New "Medium/High" Class (Adjusted)	***$ 46,314***	***$ 60,545***	***$ 46,615***	***$ 2,616***	***$ 156,090***	***120***	***$ 216.79***
Commercial without water service (per unit)[1]							***$ 314.51***
Adjusted Total:	**$ 279,793**	**$ 128,269**	**$ 111,090**	**$ 34,769**	**$ 553,921**		

1. Includes the adjusted comm/low bi-mo. fixed charge plus avg. flow for comm/low of 37,800 cf (Alloca. worksheet) times the adjusted comm/low commodity rate.

Figure 50. Calculation of Wastewater Variable Charges – Commercial/Industrial Class

Calculation of Commercial Vol. Rates	Net Revenue Reqts Allocated to Volumetric Rates				Annual Consumption (CCF/Yr.)	Volumetric Rates ($/CF)
Customer Class	**Volume**	**BOD**	**TSS**	**Total**		
Commercial-Industrial						
Commercial - Low (Unadjusted)	$ 333,823	$ 68,878	$ 65,952	$ 468,653	119,961	$ 0.03907
Adjusted "Low" Class	***$ 535,929***	***$ 110,579***	***$ 105,881***	***$ 789,292***	***119,961***	***$ 0.06580***
Commercial - Medium/Low	312,966	120,847	108,569	542,381	112,466	$ 0.04823
Commercial - Medium	21,325	12,351	17,748	51,424	7,663	$ 0.06711
New "Medium" Class (Unadjusted)	$ 334,290	$ 133,198	$ 126,317	$ 593,805	120,129	$ 0.04943
New "Medium" Class (Adjusted)	***$ 566,819***	***$ 225,849***	***$ 214,181***	***$ 1,025,363***	***120,129***	***$ 0.08536***
Commercial - Low	244,780	319,989	246,368	811,137	87,963	$ 0.09221
Commercial - Medium/Low	-	-	-	-	0	$ -
New "Medium/High" Class (Unadjusted)	$ 244,780	$ 319,989	$ 246,368	$ 811,137	87,963	$ 0.09221
New "Medium/High" Class (Adjusted)	***$ 443,245***	***$ 579,434***	***$ 446,121***	***$ 1,480,011***	***87,963***	***$ 0.16825***
Adjusted Total:	**$ 1,545,993**	**$ 915,861**	**$ 766,184**	**$ 3,294,666**		

5.4 Rate Design – Recycled Water System

Calculating Fixed Charges – Figure 51 shows the calculation of recycled water fixed charges. The same hydraulic capacity factors used for potable water customers are used for recycled water fixed charges. Note that the highlighted commercial/rec turf fixed charges are adjusted to 60 percent of the calculated charge, with the remaining 40 percent collected through volumetric rates. This was a rate design decision the District made to collect more revenue through the volumetric charges.

Figure 51. Calculation of Recycled Water Fixed Charges

Recycled Water Customer Class		Meter Size												Total Meters
		5/8"	3/4"	1"	1.5"	1.5" T	2"	2" T	3" T	4" T	6"	6" T	8" T	
Accounts/Equivalent Meters														
Commercial Landscape		-	29	35	33	28	15	36	2	2	-	-	-	180
Recreational Turf		-	-	2	2	1	1	4	-	-	-	1	1	12
Total Accounts		-	29	37	35	29	16	40	2	2	-	1	1	192
Hydraulic Capacity Factor [1]		*1.00*	*1.00*	*1.70*	*3.30*	*4.00*	*5.30*	*5.30*	*11.70*	*21.00*	*33.30*	*46.70*	*80.00*	
Total Equivalent Meters		-	29	63	116	116	85	212	23	42	-	47	80	812
	% of meters	*0.0%*	*3.6%*	*7.7%*	*14.2%*	*14.3%*	*10.4%*	*26.1%*	*2.9%*	*5.2%*	*0.0%*	*5.7%*	*9.8%*	*100.0%*
Bi-Monthly Fixed Service Charges														
Customer Costs ($/Acct/bi-mo.) [2]		$ 19.05	$ 19.05	$ 19.05	$ 19.05	$ 19.05	$ 19.05	$ 19.05	$ 19.05	$ 19.05	$ 19.05	$ 19.05	$ 19.05	
Capacity Costs ($/Acct/bi-mo.) [3]		$ -	$ 51.25	$ 87.13	$ 169.13	$ 205.00	$ 271.63	$ 271.63	$ 599.63	$ 1,076.27	$ 1,706.65	$ 2,393.41	$ 4,100.07	
Bi-Monthly Meter Charge		$ 70.30	$ 70.30	$106.18	$188.18	$224.05	$290.68	$290.68	$ 618.69	$ 1,095.32	$ 1,725.70	$2,412.46	$ 4,119.12	
Annual Revenue from Bi-Monthly Meter Charges														
Customer Costs	$ 21,946	$ -	$ 3,315	$ 4,229	$ 4,001	$ 3,315	$ 1,829	$ 4,572	$ 229	$ 229	$ -	$ 114	$ 114	
Capacity Costs	$ 249,786	$ -	$ 8,918	$ 19,342	$ 35,517	$ 35,671	$ 26,076	$ 65,191	$ 7,196	$ 12,915	$ -	$ 14,360	$ 24,600	
Fixed Costs Recovered Bi-monthly	$ 271,732	$ -	$ 12,232	$ 23,571	$ 39,517	$ 38,985	$ 27,905	$ 69,763	$ 7,424	$ 13,144	$ -	$ 14,475	$ 24,715	
Comm./Rec Turf Fixed Charges (as % of Fixed): (Rest Collected in Vol. Rate)	***60%***	***$42.18***	***$42.18***	***$63.71***	***$112.91***	***$134.43***	***$174.41***	***$174.41***	***$371.21***	***$657.19***	***$1,035.42***	***$1,447.48***	***$2,471.47***	
Annual Revenue from Bi-Monthly Meter Charges														
Comm. Landscape. Fixed Costs Recovered	$ 218,946	$ -	$ 12,232	$ 22,297	$ 37,259	$ 37,641	$ 26,161	$ 62,787	$ 7,424	$ 13,144	$ -	$ -	$ -	
Rec Turf Fixed Costs Recovered	$ 52,786	$ -	$ -	$ 1,274	$ 2,258	$ 1,344	$ 1,744	$ 6,976	$ -	$ -	$ -	$ 14,475	$ 24,715	

1. Source: "Water Meters - Selection, Installation, Testing, and Maintenance," AWWA, Manual M6, Fourth Edition, Table 5-3, Displacement Meters and Class I Turbine Meters.
2. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
3. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.
4. Assumes that Fire Protection costs for Multi-Family and Commercial/Industrial are allocated based on equivalent meters.
** Needed to offset reduction in RW Commercial Fixed charge to match Rec Turf (Potable) Fixed Charges.*

Figure 52 shows the calculated fixed charges for dual plumbed customers. Since dual plumbed customers also receive potable water services, this fixed charge is deducted from their potable water fixed charge.

Figure 52. Calculation of Recycled Water Fixed Charge – Dual-Plumbed Customers

Recycled Water Customer Class	Number of Customers	Dual-Plumbed Basic Charge *($/bi-mo.)*	Rate Revenue
Total Dual-Plumbed - Basic Charges	5,474	**$31.16**	$ 1,023,522

Figure 53 summarizes the calculation of the recycled water volumetric rate. As previously noted, the District Board approved of a combined uniform rate for Rec Turf, Commercial Landscape, and Dual Plumbed customers vs. different volumetric rates for each of these customer classes.

Figure 53. Calculation of Recycled Water Volumetric Rates

Rec Turf/Comm. Landscape/Dual Plumbed Customers	Target Vol. Revenue Req't	Water Consumption *(ccf/yr.)* [2]	Commodity Rates	
			($/ccf)	*($/cf)*
Rec Turf				
40% of Fixed Charge Revenue[1]	$44,158			
Commodity Charge Revenue	$257,946			
Recovered in Volumetric Rate	$302,105	233,112		
Commercial Landscape				
40% of Fixed Charge Revenue[1]	$64,535			
Commodity Charge Revenue	$498,359			
Recovered in Volumetric Rate	$562,893	450,378		
Dual-Plumbed Residential				
Commodity Charge Revenue	$1,186,576			
Recovered in Volumetric Rate	$1,186,576	1,072,336		
Totals	**$2,051,574**	**1,755,826**	**$1.168**	**$0.01168**

1. Adjustment to 40% was made to collect more revenue through the volumetric charges.
2. From Recycled Water Commodity Allocation Factors table.

6. Proposed Rates and Customer Bill Impacts

The District's proposed rates are determined based on industry practices and cost of service analysis and recover revenue requirements reflecting the proposed rate increases. However, because of the District's voluntary use of property tax revenues to reduce the District's utility rates, the revenue recovered from rates is less than the actual cost of service. That is, rates are below the actual cost of service as defined by Prop 218 due to the use of these property tax revenues.

In the case of the water utility, the 2024 revenue from existing rates is $40.2 million compared to the total revenue requirements of $63.4 million (a difference of $23.2 million) as previously shown in Figure 6. Therefore, the revenue collected from rates was reduced far below the actual cost of service. Appendix E shows the difference between single family tiered rates with and without the use of property tax revenues.

6.1 Current and Proposed Water Rates

The District's water rate structure includes fixed charges consisting of a bi-monthly base charge that increases with the size of the meter, and variable charges that are either multi-tiered volumetric rates (for single-family customers) or a uniform (i.e., single-tier) commodity rate for all other customer classes.

The current rates are those developed by the District in the 2020 rate study (effective on January 1, 2023). The proposed rates will reflect the District's 2024 budget and the District's current 50/50 fixed/variable cost allocation as confirmed by the Board during rate study workshops.

Figure 54 and Figure 55 present the proposed base charges for the potable water customers. As previously noted, agricultural customers have unique cost allocations related to water-use characteristics and require special consideration. As a result, different rates were developed for agricultural customers. The commodity charges for both potable and agricultural customers are shown in Figure 56. The base charges for agricultural customers are shown in Figures 57.

Figure 54. Current and Proposed Single-Family Bi-Monthly Base Water Charges

Base Charges	Current Rates	Proposed Rates				
		2024	2025	2026	2027	2028
Water - Bi-Monthly Base Charges						
Single Family Residential						
5/8" and 3/4" meters (Includes Ag. Irrig. *w/ Resid. & Small Farms)* [1]	$69.93	$77.88	$87.23	$97.69	$109.42	$122.55
1" Residential with Private Fire Service	$69.93	$77.88	$87.23	$97.69	$109.42	$122.55
1"	$103.82	$116.74	$130.74	$146.43	$164.00	$183.68
1 1/2"	$181.32	$205.54	$230.21	$257.83	$288.77	$323.43
1 1/2"T	$215.23	$244.40	$273.73	$306.57	$343.36	$384.57
2"	$278.20	$316.56	$354.54	$397.09	$444.74	$498.11
2"T	$278.20	$316.56	$354.54	$397.09	$444.74	$498.11
3"	$561.63	$616.29	$690.24	$773.07	$865.84	$969.74
3"T	$588.15	$671.79	$752.41	$842.70	$943.82	$1,057.08
4"	$798.63	$949.32	$1,063.24	$1,190.83	$1,333.73	$1,493.77
Single Family Dual Plumbed Residential [2]	$52.66	$46.72	$52.32	$58.60	$65.64	$73.51

1. Larger meter sizes for Ag Irrig/ w/ Resid. and Small Farms are shown below in Ag. Irrig. w/ Resid. and Small Farms.
2. This is the Single Family base charge less dual-plumbed recycled water bi-monthly base charge of $31.16

Figure 55. Current and Proposed Multi-Family/Commercial /Landscape, and Recreational Turf Bi-Monthly Base Water Charges

Base Charges	Current Rates	Proposed Rates				
		2024	2025	2026	2027	2028
Water - Bi-Monthly Base Charges						
Multi-Family, Commercial/Landscape & Rec Turf						
5/8" and 3/4" meters	$75.25	$81.15	$90.89	$101.80	$114.01	$127.70
1"	$112.88	$122.30	$136.97	$153.41	$171.82	$192.44
1 1/2"	$198.89	$216.34	$242.30	$271.38	$303.95	$340.42
1 1/2"T	$236.53	$257.49	$288.39	$322.99	$361.75	$405.16
2"	$306.40	$333.90	$373.97	$418.84	$469.10	$525.40
2"T	$306.40	$333.90	$373.97	$418.84	$469.10	$525.40
3"	$596.68	$651.30	$729.46	$816.99	$915.03	$1,024.83
3"T	$650.43	$710.08	$795.29	$890.72	$997.61	$1,117.32
4"	$919.21	$1,003.97	$1,124.44	$1,259.38	$1,410.50	$1,579.76
4"T	$1,150.37	$1,256.71	$1,407.52	$1,576.42	$1,765.59	$1,977.46
6"	$1,811.55	$1,979.68	$2,217.24	$2,483.31	$2,781.31	$3,115.07
6"T	$2,531.90	$2,767.30	$3,099.38	$3,471.31	$3,887.86	$4,354.41
8"T	$4,321.95	$4,724.61	$5,291.56	$5,926.55	$6,637.74	$7,434.27
10"T	$6,844.89	$7,469.54	$8,365.88	$9,369.79	$10,494.16	$11,753.46
12"T	$8,562.02	$9,820.66	$10,999.14	$12,319.03	$13,797.32	$15,452.99

Figure 56. Current and Proposed Volumetric Water Rates

Commodity Charges	Current Rates	Proposed Rates				
		2024	2025	2026	2027	2028
Water						
Single Family Residential						
0 - 1,800 cf	$0.019912	$0.023293	$0.026089	$0.029219	$0.032726	$0.036653
1801 - 4,500 cf	$0.024033	$0.027998	$0.031358	$0.035121	$0.039336	$0.044056
Above 4,500 cf	$0.028194	$0.034553	$0.038699	$0.043343	$0.048544	$0.054369
Multi-Family, Commercial/Landscape, Rec Turf						
All usage	$0.023294	$0.027526	$0.030830	$0.034529	$0.038673	$0.043313
Agricultural Irrigation (with residence) and Small Farms						
0 - 4,500 cf (*Single Family Rates Apply*)	*(See Single-Family Rates)*					
Above 4,500 cf	$0.002222	$0.002529	$0.002832	$0.003172	$0.003553	$0.003979
Agricultural Irrigation (without residence) and Raw Metered						
All usage	$0.002222	$0.002529	$0.002832	$0.003172	$0.003553	$0.003979
Raw Water Rates						
Metered Landscape Irrigation/ Seasonal Continuous Flow						
All usage	$0.002222	$0.002529	$0.002832	$0.003172	$0.003553	$0.003979

Figure 57. Current and Proposed Agricultural and Raw Water Bi-Monthly Base Charges

Base charges	Current Rates	Proposed Rates				
		2024	2025	2026	2027	2028
Agricultural Irrigation (with residence) and Small Farms						
5/8" and 3/4" meters[1]	$69.93	$77.88	$87.23	$97.69	$109.42	$122.55
1"	$77.13	$104.59	$117.14	$131.20	$146.94	$164.57
1 1/2"	$97.47	$129.73	$145.29	$162.73	$182.26	$204.13
1 1/2"T	$106.37	$140.73	$157.61	$176.53	$197.71	$221.43
2"	$122.90	$161.15	$180.49	$202.15	$226.40	$253.57
2"T	$122.90	$161.15	$180.49	$202.15	$226.40	$253.57
3"	$177.63	$245.99	$275.51	$308.57	$345.60	$387.07
3"T	$204.27	$261.70	$293.10	$328.28	$367.67	$411.79
4"	$267.86	$340.25	$381.09	$426.82	$478.03	$535.40
4"T	$322.53	$407.81	$456.75	$511.56	$572.95	$641.70
6"	$404.21	$601.06	$673.18	$753.97	$844.44	$945.77
6"T	$649.30	$811.58	$908.97	$1,018.05	$1,140.22	$1,277.04
8"T	$1,072.70	$1,334.76	$1,494.93	$1,674.32	$1,875.24	$2,100.27
10"T	$1,698.90	$2,068.46	$2,316.68	$2,594.68	$2,906.04	$3,254.77
12"T	$2,175.08	$2,696.90	$3,020.53	$3,382.99	$3,788.95	$4,243.63
Agricultural Irrigation (without residence) and Raw Metered						
5/8" and 3/4" meters	$19.02	$21.30	$23.86	$26.72	$29.93	$33.52
1"	$25.67	$32.30	$36.18	$40.52	$45.38	$50.82
1 1/2"	$48.28	$57.44	$64.33	$72.05	$80.70	$90.38
1 1/2"T	$57.16	$68.43	$76.65	$85.84	$96.15	$107.68
2"	$73.69	$88.86	$99.52	$111.47	$124.84	$139.82
2"T	$73.69	$88.86	$99.52	$111.47	$124.84	$139.82
3"	$111.65	$173.70	$194.54	$217.89	$244.03	$273.32
3"T	$155.07	$189.41	$212.14	$237.60	$266.11	$298.04
4"	$218.65	$267.96	$300.12	$336.13	$376.47	$421.65
4"T	$273.34	$335.52	$375.78	$420.88	$471.38	$527.95
6"	$429.71	$528.77	$592.22	$663.28	$742.88	$832.02
6"T	$600.10	$739.29	$828.01	$927.37	$1,038.65	$1,163.29
8"T	$1,023.50	$1,262.47	$1,413.97	$1,583.64	$1,773.68	$1,986.52
10"T	$1,620.96	$1,996.17	$2,235.71	$2,504.00	$2,804.48	$3,141.02
12"T	$2,125.87	$2,624.61	$2,939.57	$3,292.31	$3,687.39	$4,129.88
Raw Water Rates						
Raw Water Irrigation[2]						
Raw Water Year Round - 1/2" Flow	$143.96	$163.83	$183.49	$205.51	$230.17	$257.79
Raw Water Year Round - 1" Flow	$287.91	$327.67	$366.99	$411.03	$460.35	$515.59
Raw Water Year Round - 2" Flow	$575.82	$655.50	$734.16	$822.26	$920.93	$1,031.44
Raw Water Year Round - 4" Flow	$1,151.64	$1,311.00	$1,468.32	$1,644.52	$1,841.86	$2,062.88
Raw Water Year Round - >4" Flow (per inch	$287.91	$327.67	$366.99	$411.03	$460.35	$515.59

1. This is the same as SFR base charge and includes customer costs; larger meters include both the SFR base charge and the add'l capacity costs exceeding 3/4" meter capacity costs.
2. Assumes a flat rate for unmetered consumption. If metered, the Ag irrigation/raw metered commodity rates are used. Larger meter sizes for Ag Irrig/ w/ Resid. and Small Farms are shown below in Ag. Irrig. w/ Resid. and Small Farms

6.2 Current and Proposed Wastewater Rates

The District's current and proposed wastewater rates include fixed bi-monthly, or base charges, and commodity rates. The volume-based rates are applied to average winter water consumption for Single Family Residential customers and to monthly water use for commercial-industrial customers.

The current rates are those developed by the District in the 2020 rate study (effective on January 1, 2023). The proposed wastewater rates will reflect the District's 2024 budget and continue the District's current 50/50 fixed/variable wastewater cost allocation which the Board confirmed during rate study workshops. The Board also agreed that the commercial-industrial customer classes should be simplified by reducing

them from five to three classes. Figure 58 presents the District's current and proposed wastewater base and commodity charges.

Figure 58. Current and Proposed Wastewater Base and Commodity Charges

Wastewater Base and Commodity Charges	Current Rates	Proposed Rates				
		2024	2025	2026	2027	2028
Wastewater Base Charges (Bi-Monthly)						
Residential Flat Rate District Average[1]	$135.32	$141.75	$146.00	$150.38	$154.89	$159.54
Single Family Residential	$69.58	$66.34	$68.33	$70.38	$72.49	$74.66
Multi-Family Residential (flat rate per unit)	$31.31	$39.11	$40.28	$41.49	$42.73	$44.02
Commercial (all categories)	*$70.46*	-	-	-	-	-
Commercial without water service (flat rate per unit)[2]	*$127.13*	-	-	-	-	-
Commercial without water service (flat rate per unit)[3]	-	$314.51	$323.95	$333.67	$343.68	$353.99
Commercial Fixed Charges						
Commercial - Low	-	$65.84	$67.81	$69.85	$71.94	$74.10
Commercial - Medium	-	$136.26	$140.35	$144.56	$148.90	$153.37
Commercial - Medium/High	-	$216.79	$223.30	$229.99	$236.89	$244.00
Schools, per student and staff (billed annually)	$13.09	$19.04	$19.61	$20.19	$20.80	$21.42
Wastewater Commodity Rates ($/CF)						
Single Family Residential - All Usage	$0.041091	$0.047133	$0.048547	$0.050003	$0.051503	$0.053048
Multi-Family Residential - All usage	$0.032315	$0.047133	$0.048547	$0.050003	$0.051503	$0.053048
Commercial/Industrial						
Commercial - Low	$0.049278	-	-	-	-	-
Commercial - Medium/Low	$0.072570	-	-	-	-	-
Commercial - Medium	$0.106231	-	-	-	-	-
Commercial - Medium/High	$0.167191	-	-	-	-	-
Commercial - High	$0.364214	-	-	-	-	-
Commercial Commodity Rates						
Commercial - Low	*N.A.*	$0.065795	$0.067769	$0.069802	$0.071897	$0.074053
Commercial - Medium	*N.A.*	$0.085355	$0.087916	$0.090553	$0.093270	$0.096068
Commercial - Medium/High	*N.A.*	$0.168254	$0.173301	$0.178500	$0.183855	$0.189371

1. This rate includes the single-family bi-monthly fixed charge plus an assumed consumption of 1,600 cf charged at the single-family commodity rate.
2. The proposed 2024 rate includes the commercial - low bi-monthly fixed charge plus an assumed average flow of 1,600 cf times the commercial - low commodity rate.
3. Includes the adjusted comm. - low bi-mo. fixed charge plus the average flow for comm. - low customers of 37,800 cf times the adjusted comm. - low commodity rate.

6.3 Current and Proposed Commercial Recycled Water Rates

The District's current and proposed recycled water rates only apply to residential dual-plumbed and a limited number of commercial landscape and recreational turf customers. Since there is a District benefit for customers to use recycled water instead of potable water, this fixed monthly charge is deducted from their potable water bill. Additionally, the District augments the recycled water supply with potable water during the summer months. Therefore, the recycled commodity charges include the higher costs of the potable water used to supplement recycled water demand during peak periods.

Current and proposed dual-plumbed, commercial landscape and recreational turf customers have both fixed bi-monthly and commodity rates. The District's current and proposed recycled water rates for these customers are summarized in Figure 59.

Figure 59. Current and Proposed Dual-Plumbed, Commercial Landscape and Recreational Turf Recycled Rates

Recycled Water Base and Commodity Charges	Current Rates	Proposed Rates				
		2024	2025	2026	2027	2028
Recycled Water Base Charges (Bi-Monthly)						
Single Family Dual Plumbed Residential	$17.37	$31.16	$32.10	$33.06	$34.05	$35.07
Commercial Landscape/Recreational Turf						
5/8" and 3/4" meters	$38.70	$42.18	$43.45	$44.75	$46.09	$47.47
1"	$56.74	$63.71	$65.62	$67.59	$69.61	$71.70
1 1/2"	$98.02	$112.91	$116.29	$119.78	$123.38	$127.08
1 1/2"T	$116.07	$134.43	$138.47	$142.62	$146.90	$151.30
2"	$149.61	$174.41	$179.64	$185.03	$190.58	$196.30
2"T	$149.61	$174.41	$179.64	$185.03	$190.58	$196.30
3"	$288.91	$340.46	$350.67	$361.19	$372.03	$383.19
3"T	$314.70	$371.21	$382.35	$393.82	$405.63	$417.80
4"	$443.68	$524.96	$540.71	$556.93	$573.64	$590.85
4"T	$554.59	$657.19	$676.91	$697.21	$718.13	$739.67
6"	$871.88	$1,035.42	$1,066.48	$1,098.48	$1,131.43	$1,165.38
6"T	$1,217.55	$1,447.48	$1,490.90	$1,535.63	$1,581.70	$1,629.15
8"T	$2,076.52	$2,471.47	$2,545.61	$2,621.98	$2,700.64	$2,781.66
10"T	$3,288.72	$3,907.52	$4,024.75	$4,145.49	$4,269.85	$4,397.95
12"T	$4,177.99	$5,137.54	$5,291.67	$5,450.42	$5,613.93	$5,782.35
Recycled Water Commodity Rates ($/CF)						
Dual Plumbed Residential						
0 - 3,000 cf *(50% of Potable Tier 1)*	$0.009956	***Replaced by Uniform Volumetric Rate***				
3,001 - 4,500 cf *(70% of Potable Tier 2)*	$0.016820					
Above 4,500 cf *(90% of Potable Tier 3)*	$0.025375					
Commercial Landscape						
All Usage	$0.007826					
Recreational Turf						
All Usage	$0.008346					
Recycled Uniform Rate	***N.A.***	**$0.011684**	**$0.012035**	**$0.012396**	**$0.012768**	**$0.013151**

6.4 Customer Bill Impacts

Bi-Monthly Water Bills. The impact of the rate changes on customer bills will differ based on the amount of water used and whether the customer also has wastewater and/or recycled water service. Figure 60 and Figure 61 show the existing and proposed bi-monthly bills through 2028. Figure 62 shows the bi-monthly bills for low-, medium-, and high-usage residential customers.

Figure 60. Bi-Monthly Water Bill Comparison: Single Family Customers

Single-Family Water Bills	2023	2024	2025	2026	2027	2028
Typical Bi-Mo. Bill (2,500 cf)	$122.59	$139.41	$156.14	$174.87	$195.86	$219.36
Bi-Monthly Increases		$16.81	$16.73	$18.74	$20.98	$23.50
% Increase		13.7%	12.0%	12.0%	12.0%	12.0%

Figure 61. Bi-Monthly Water Bill Comparison: Single-Family Customers

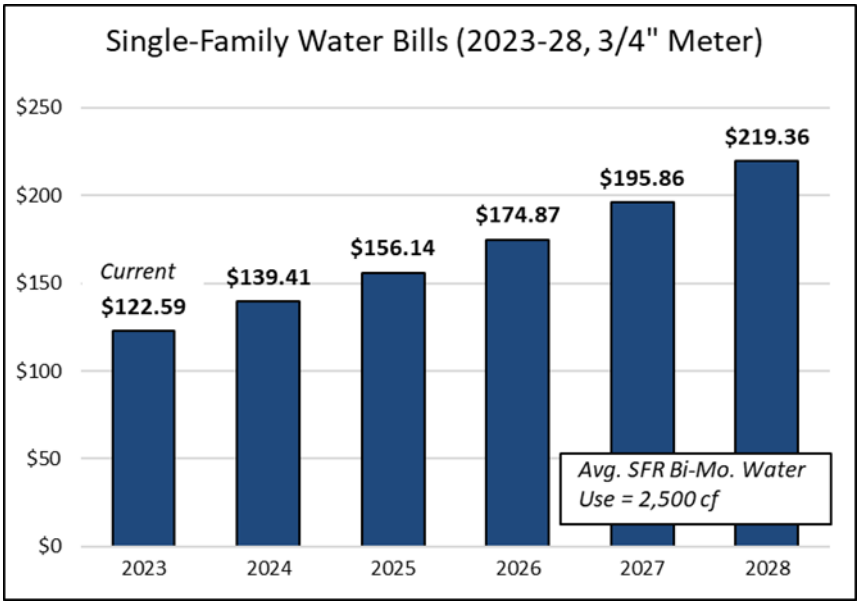
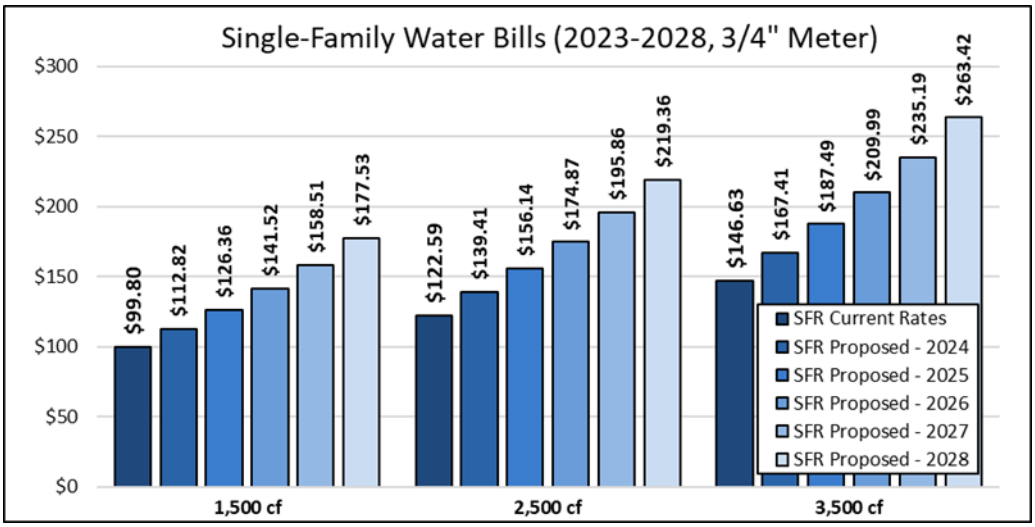


Figure 62. Bi-Monthly Water Bill Comparison: Single-Family Customers



Bi-Monthly Wastewater Bills. The impact of the rate changes on customer wastewater bills will differ based on the amount of water used and whether the customer also has water and/or recycled water service. Figure 63 and Figure 64 show the existing and proposed bi-monthly bills through 2028. Figure 65 shows the bi-monthly wastewater bills for low-, medium-, and high-usage residential customers. *(Note that the consumption numbers reflect winter consumption, not average annual consumption.*)

Figure 63. Bi-Monthly Wastewater Bill Comparison: Single-Family Customers

Single-Family Wastewater Bills	2023	2024	2025	2026	2027	2028
Typical Bi-Mo. Bill	$110.67	$113.47	$116.87	$120.38	$123.99	$127.71
Bi-Monthly Increases		$2.80	$3.40	$3.51	$3.61	$3.72
% Increase		2.5%	3.0%	3.0%	3.0%	3.0%

Figure 64. Bi-Monthly Wastewater Bill Comparison: Single-Family Customers

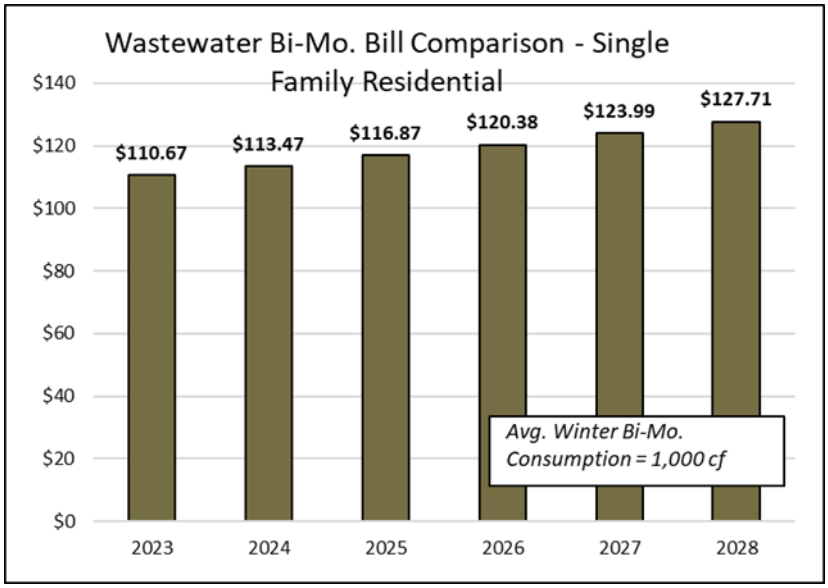


Figure 65. Bill Comparison: Single-Family Residential Wastewater Rates

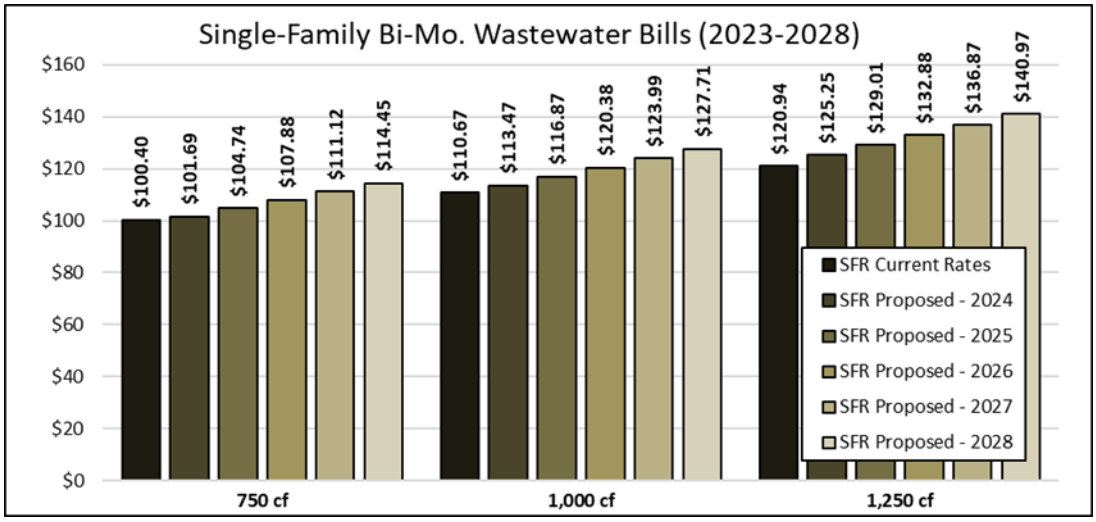


Figure 66 presents the projected net increase in the combined bi-monthly bills for water and wastewater residential customers with low-, average, and high water consumption levels. Figure 67 shows the change in dollars and percent for bi-monthly bills for residential customers receiving water, wastewater, and recycled water services.

Figure 66. Bill Comparison: Combined Single-Family Residential Water & Wastewater Bills

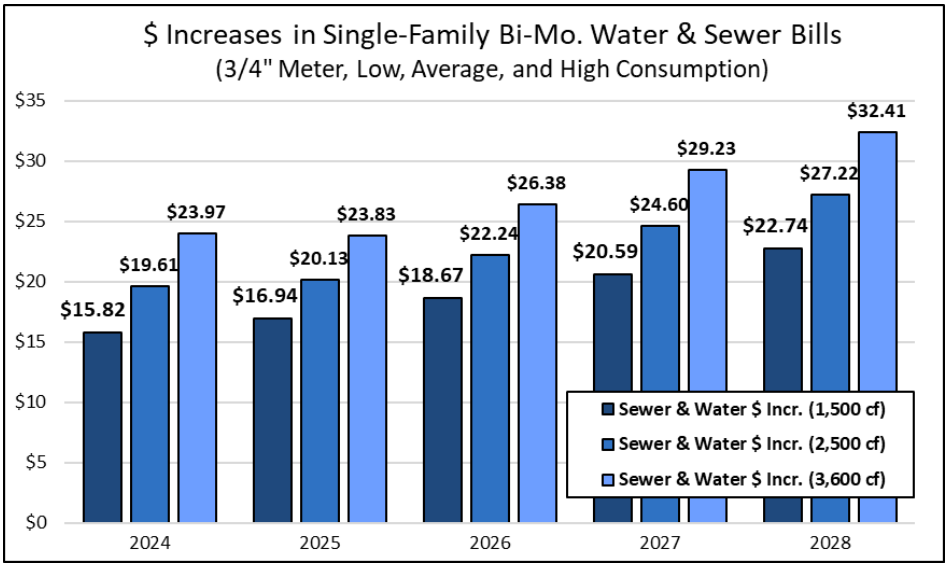
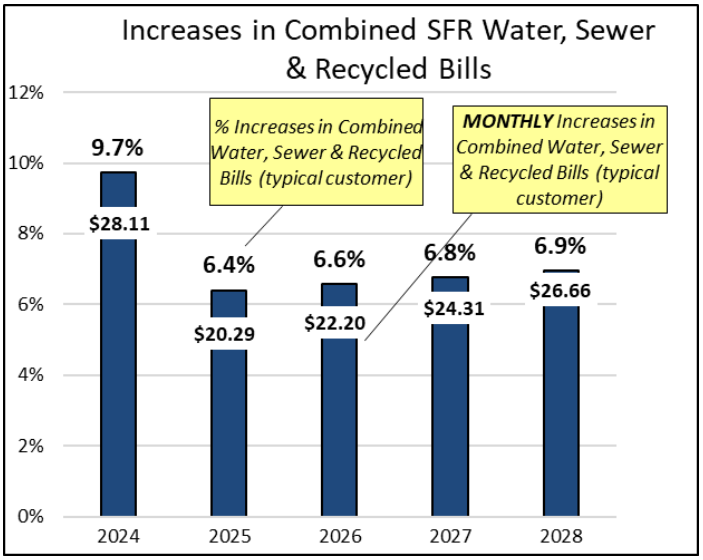


Figure 67. Bill Comparison: Single-Family Residential Dual-Plumbed (Water, Wastewater, and Recycled Water) Bills



6.5 Regional Comparison of Customer Bills

Figures 68 and 69 compare the District's proposed Single Family Residential customer bills for water and wastewater with other agencies in the region. Figure 68 indicates that the current average water bill for a District customer is in the lower one third of neighboring utilities and that the proposed water bill is still below the halfway mark. Figure 69 indicates that both the current and proposed customer wastewater bills below the average compared to neighboring utilities that, of agencies that are required by law to treat their wastewater to "tertiary-level" (near-drinking water) standards, the District is on the lower end.

Figure 68. Regional Comparison of Bi-Monthly Water Bills

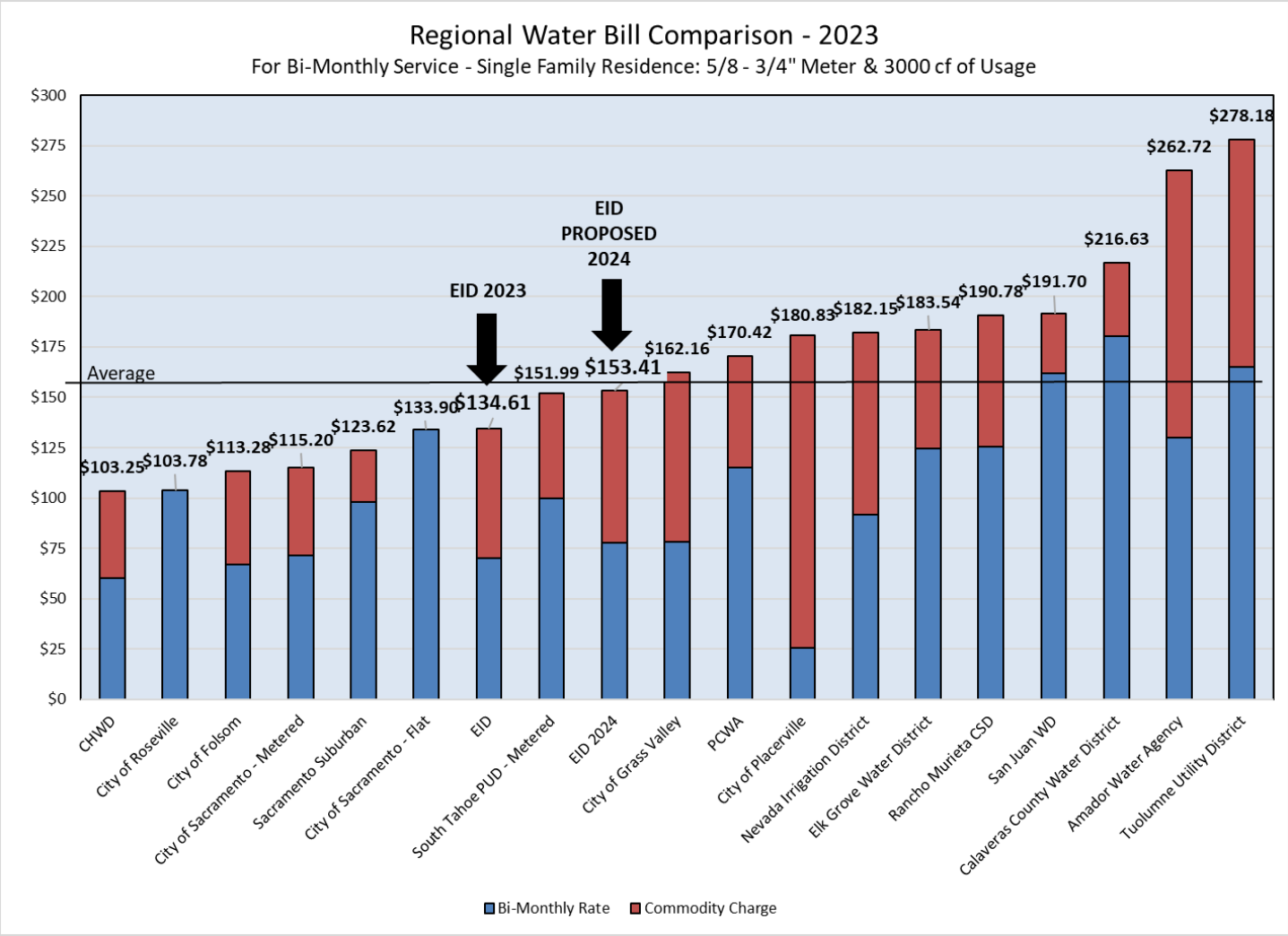
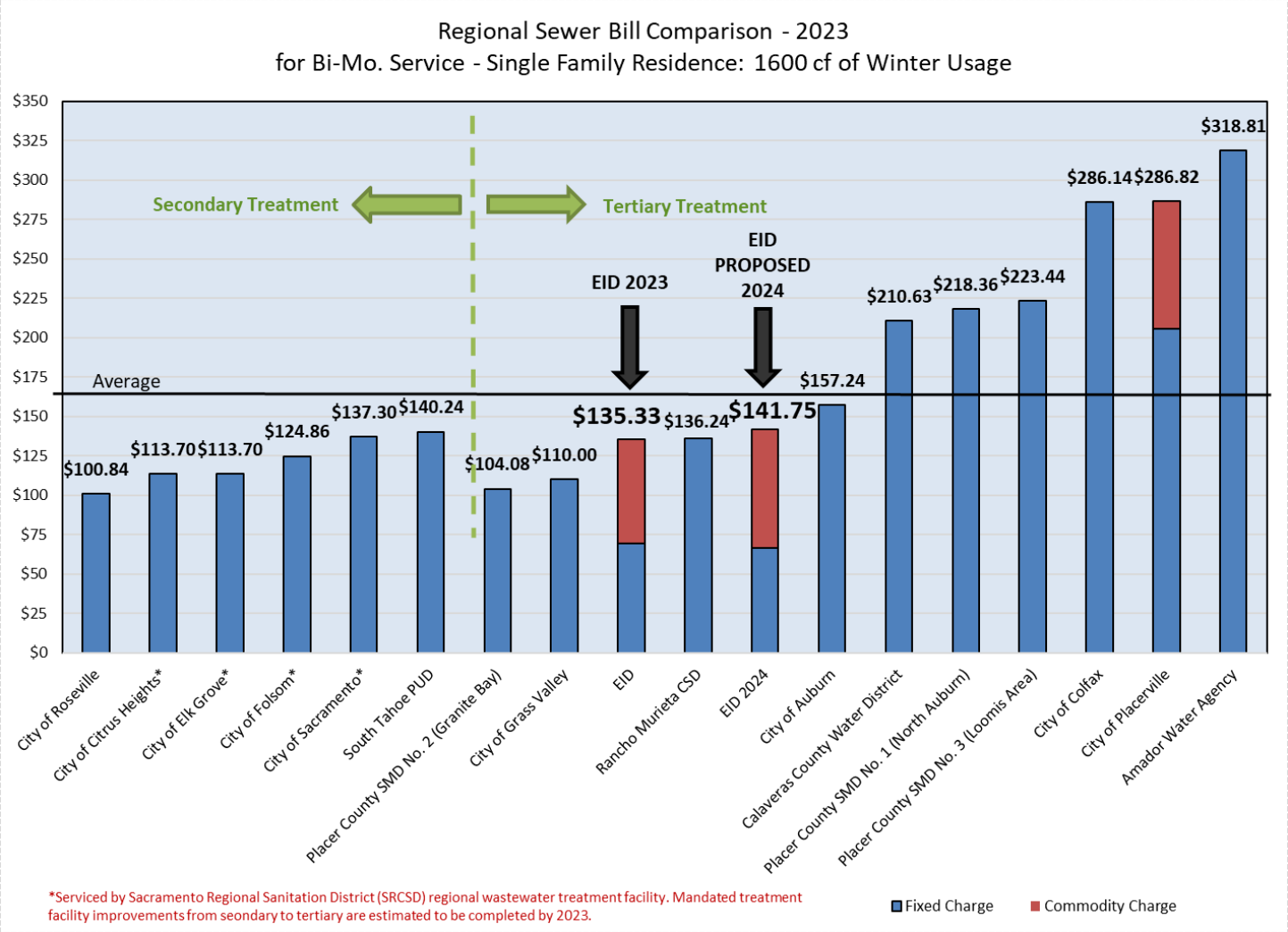


Figure 69. Regional Comparison of Wastewater Bills



** Agencies served by Sacramento Regional Sanitation District*

7. Recommendations

7.1 Recommendations

This COS Study update report has incorporated input from the District staff and Board members and public comments received over the nine-month period during which this study was conducted. The Board accepted the results during the October 23, 2023, meeting, along with the various assumptions discussed previously in this report. At that time, the Board directed staff to complete this study report and issue Prop 218 notices to District customers.

Assuming there is not a majority protest of the proposed rates as a result of the Prop 218 process, NBS recommends the District proceed with adopting and implementing these rates, with an implementation date of January 1, 2024.

NBS also recommends that the District closely track the revenues received from the new rates over the next few years to ensure that revenues closely track those projected in this study.

7.2 Principal Assumptions and Considerations

In preparing this report and the opinions and recommendations included herein, NBS has relied on several principal assumptions and considerations regarding financial matters, conditions, and events that may occur in the future. The information and assumptions, including District's operating budgets, capital budgets, and related information were provided by sources we believe to be reliable.

While we believe it is reasonable to use such information and assumptions for the purpose of this report, some assumptions may not materialize and capital costs may be higher than anticipated and could vary significantly due to unanticipated inflation or other circumstances. Because of this, the District should closely monitor future revenues, costs, and capital plans to determine when there are significant variances from the results shown in this report and take appropriate action to reconcile differences as needed, including adopting additional rate increases and/or reducing capital expenditures.

Technical Appendices

These Appendices contain:

- Appendix A: Principles of Guiding the Rate-Setting Process
- Appendix B: Common Rate Study Terminology and Abbreviations
- Appendix C: Rate Study Cost-of-Service Terminology
- Appendix D: Allocating Costs to Direct Assignment (DA) Customers
- Appendix E: Single-Family Tiered Rates Excluding Property Tax Revenues

Appendix A. Principles for Guiding the Rate-Setting Process

The following principles were first adopted by the Board on September 1, 2010, and readopted on November 12, 2019. The Board subsequently reviewed the principles on January 23, 2023 and concurred with staff's recommendation to follow the principles during the 2023 COSA.

Principle 1 – Establish rates in compliance with all applicable Federal, State, and local laws and regulations.

Discussion: Certain Federal, State, and local laws and regulations have an impact on processes involved in setting the District's rate structure – most notably Prop 218. It is imperative that the rate structure be established in compliance with these laws and regulations.

Advantages of the Principle: Clearly states the District's intent to establish rates in compliance with applicable Federal, State, and local laws and regulations.

Disadvantages of the Principle: None.

Principle 2 – Establish rates that are fair and equitable within the limitations of reasonable and attainable data and the District's administrative systems, personnel, and finances.

Policy Statement: The Board recognizes the need for reasonable cost allocation among commodities as well as the need to provide an easily understood rate structure for its customers. Rates should be generally perceived by the District's customers as fair, reasonable, and equitable to all customers.

Discussion: This principle highlights the importance of the customer perception of fairness and equity to the Board, while also recognizing that it is not practical to promise absolute equity among all customers and customer classes.

Advantages of the Principle: The advantage of this principle is that it reinforces the Board's priority of treating all customers fairly. It also underscores the importance of a more "District-wide" perception of fairness and equity as opposed to pacifying the "squeaky wheel." Finally, it acknowledges the practical obstacles that prevent perfect equity.

Disadvantage of the Principle: This principle ultimately does not clearly define the terms "fair and equitable" and will still require the Board to apply its discretion and judgment.

Principle 3 – Attempt to make rates simple to understand for the public and reasonable to administer.

Policy Statement: Rates should be easily understood by customers and cost-efficient for the District to administer. At the same time, all rates must conform to any legal requirements placed upon the District.

Discussion: For 15years, the District's policy orientation has been to simplify its rate structure and the process of administering it. This principle is consistent with those historical efforts. Customer education and clarity of customer bills should be considered part of this principle.

Advantages of the Principle: Creating rates that are easy for customers to understand will minimize rate-related customer service issues. If customers understand the basis for their bills, they will have a greater ability to comprehend their billing and conclude that it is fair. This principle is consistent with the District's 2008 Board decision to adopt a District-wide rate structure.

Disadvantages of the Principle: There are tensions between "fairness and equity" and simplicity of the rate structure. Simplifying the rate structure does not always provide a maximum degree of fairness and equity. However, from the customer perspective, rates that are simple to understand may be more important than a higher degree of equity, as long as any resulting inequities are not viewed as "gross inequities."

Principle 4 – Establish stable and predictable rates over time to the extent possible within the District's overall financial plan.

Policy Statement: Rates should be stable and predictable over time which requires a balance between generating sufficient revenue for utility operations, funding capital improvements, and improving customer perception of the rates as fair and equitable.

Discussion: It is imperative for the District to establish rates that generate adequate revenues from year to year, regardless of weather and consumption characteristics. Large and unexpected year-to-year rate changes impose financial hardships on customers and promote customer perceptions of the District as arbitrary and mismanaged. This principle recognizes the need to establish an appropriate balance between minimizing large rate adjustments without discouraging annual smaller systematic rate adjustments.

Advantages of the Principle: The principle attempts to stabilize the cash flow of the District and, at the same time, improve customer perceptions of fair and equitable rates and management of the District.

Disadvantages of the Principle: It is difficult to define "stable" as this term has different meanings for different people. Customers may construe stable to mean no increases from year to year.

Principle 5 – Make rates cost-based to the extent possible.

Policy Statement: Rates should be cost-based to the extent possible, meaning that other rate-setting policies of the District and the financial impacts to customers must also be considered. Fundamentally, "cost-based" rates are rates that meet the District's overall revenue requirements. From the customer perspective, "cost-based" can be defined as the fair and reasonable allocation of costs to customers based on the degree to which services to different groups of customers cause the District to incur costs.

Discussion: Cost-based rates are generally recognized as being the most fair and equitable. However, this principle again needs to strike a balance between establishing cost-based rates in an excessively detailed and confusing manner, and establishing overly simplified rates. The District should strive for rates that satisfy both the District revenue requirements and the customer's perception of fairness and equity.

Advantages of this Principle: Striving for cost-based rates is an important element in achieving rates that will generally be perceived as fair and equitable and also meet the District's financial needs. Although cost responsibility among classes of service is not essential to the financial stability of the District, it is important if customers are to perceive rates as fair and equitable, as well as a requirement of state law (i.e., Prop 218).

Disadvantages of the Principle: A commitment to cost-based rates may imply different levels of refinement and detail in the District's rates for various customer groups. Therefore, this principle could be misconstrued as requiring an excessively detailed and costly approach to establish rates.

Principle 6 – Set rates to promote efficient customer use.

Policy Statement: Rates should recognize the value of water and of sewer capacity as limited resources, and while the District's rate structure should discourage unreasonable use, it should encourage efficient use of the resources.

Discussion: This principle is intended to recognize the limited resources of the District and the environment. In light of the State Water Plan (20 x 2020) and the California Urban Water Conservation Council's Best Management Practice of collecting 70 percent of water rate revenue from consumptive rates (BMP #11), the District's rates should encourage more efficient use of water. Similarly, the District's sewer capacity and recycled water supplies are finite, and facility expansions to enhance those resources are very expensive. This principle is not intended to be applied so as to discourage reasonable uses of the resources. By attempting to price commodities roughly equal to their true costs, the District will be encouraging efficient use of its limited resources.

Advantages of the Principle: This principle recognizes the multiple uses of our natural resources and makes a positive statement to all customers and outside parties that the District encourages the efficient use of its resources.

Disadvantages of the Principle: This principle does not necessarily imply the need to adopt inverted (or tiered) block rates. But some customers and outside parties may believe that it requires the District to adopt inverted block rate structures for all classes of service. Some may also read this as a mandate for the District to consider water-budget based rates.

Principle 7 – Establish uniform rates within a service class; do not differentiate by area, within a service class, nor by pumped versus gravity water service.

Policy Statement: Rates for the District shall be uniform for all customers within a class of service and shall not be differentiated by service area or, in the case of water, by pumped versus gravity-delivered service.

Discussion: Establishing rates that are uniform for a class of service is the approach most commonly used by utilities across the United States. Utilities generally recognize that cost differences for service do exist within a customer class of service, but also recognize the advantages of a uniform rate structure. In that case, the policymakers are usually willing to accept some level of inherent inequities to gain the advantages and benefits derived from uniform rates by class of service.

Advantages of the Principle: A principle that has a uniform (i.e., the same) rate for all customers within a class of service is likely to be perceived by customers as fair and equitable. It will be more cost efficient for the District to administer the rate since no consideration is given to the location of a customer or whether water is pumped or delivered by gravity. It can also minimize dramatic rate differentials when areas need costly infrastructure improvements. The principle may also help to eliminate the perception that there are "two or more Districts" within the District.

Disadvantages of the Principle: This principle does not recognize the cost differences associated with serving different areas of the District. It is commonly accepted that all utility systems have cost differences associated with serving different customers in different areas of the systems. Any rate-setting principle that has a single, District-wide rate for a class of service recognizes, and is willing to accept, those cost differences because the benefits outweigh the disadvantages. Customers who believe rates should be individually defined to the greatest extent possible will likely object to this principle.

Principle 8 – Calculate water, sewer, and recycled water rates independently, without subsidies where practicable.

Policy Statement: Although some shared costs such as administrative overhead must be appropriately allocated among water, sewer, and recycled water; system facilities, operating costs, and debt service will be separately identified and allocated to each utility. There should be no subsidy of one utility by another.

Discussion: This principle recognizes that each utility has different customers and, therefore, subsidizing one utility by another would create inequities.

Advantages of the Principle: This approach holds most closely to Proposition 218 requirements that rates reasonably reflect the proportional costs of service to a particular property, and minimizes dissatisfaction by customers who believe their rates are subsidizing other customers or that they are paying for benefits they are not receiving.

Disadvantages of the Principle: The disadvantage of this principle is that it does not allow for the possibility of allocating costs in a manner that may result in a win-win outcome for all customers.

Principle 9 – Establish agricultural irrigation rates that recognize agriculture's role in the District's formation and development, the quality of water required to serve these customers, and the level of service provided.

Policy Statement: Rates for agricultural irrigation must recognize the importance of historical contribution that the agricultural customer class has provided to existing and future customers. The District will consider water quality and levels of service in distinguishing agricultural rates compared to Municipal and Industrial (M&I) rates.

Discussion: From the 1850's to the 1970's, agricultural water needs played a major role in the development and acquisition of, and funding for, water rights through Project 184, Weber Dam, Sly Park Reservoir, and other diversions and facilities. The agricultural irrigation customers do not require either the level of high-quality water treatment or the level of service demanded by municipal and industrial customers. Many agricultural customers have been provided treated water as a cost savings to the District in lieu of building dual treated water and raw water pipelines when converting open ditches to pipeline as a water conservation measure. The District should not allocate costs to agricultural customers to provide high water quality and levels of service that were necessitated by its municipal and industrial customers.

Advantages of the Principle: Acknowledging that these issues impact the cost allocation methodology, customers will generally perceive these rates as fair and equitable.

Disadvantages of the Principle: Some customers may not agree with the fairness, equity, or legality of acknowledging these issues.

Principle 10 – Establish recycled water rates that encourage efficient use and recognize the resource benefits of reuse.

Policy Statement: Rates for water reuse shall be priced at a level that promotes the use of recycled water but is tiered to ensure efficient use of the resources.

Discussion: Water reuse is a valuable benefit and component of the District's water supply. Any principle on the pricing of water reuse must recognize three important issues: (1) The District's customers should not pay a base rate for recycled water that is higher than the base rate for potable water. (2) Reuse water is lower quality than potable water, and pricing it at or above potable water would not reflect the difference in quality. (3) Because of the benefits of water reuse, the District should encourage reuse water for its customers as well as the efficient use of this resource.

Advantages of the Principle: The major advantage of this Principle is that it recognizes water reuse as a valuable water resource to the District. It attempts to price the commodity recognizing differences in quality, the financial benefits water reuse provide to District water and sewer customers, and the advantages of encouraging additional but efficient use.

Disadvantages of the Principle: The major disadvantage of the principle is that it may not collect the full costs of water reuse.

Principle 11 – Allocate property tax revenues reasonably among commodities.

Policy Statement: Allocate all property tax revenues received to support District operations across the board. In this way the tax income will support all program efforts in direct proportion to the total District program needs. The specific allocation will be decided during the budget process and final adjustment made at the audit review and approval.

Discussion: The District has reasonably allocated the property tax revenue between water and wastewater commodities based on the number of accounts the District services but maintains a degree of flexibility in order to meet broad District financial objectives. In addition, the District has used these tax revenues (which the District's financial advisors and underwriters have classified as miscellaneous revenue) to ensure that each enterprise fund meets its financial goals and debt coverage tests.

Advantages of the Principle: This principle benefits our customers by helping each enterprise fund meets its debt coverage test, thereby minimizing debt service costs and rate volatility.

Disadvantages of the Principle: This principle does not mathematically allocate tax revenues to enterprise funds based on the dollars paid by and the number and type of services provided to each taxpayer.

Principle 12 – Consider financial tests, such as debt service coverage, in all District financial planning and rate adjustments.

Policy Statement: The District is legally obligated to meet certain financial tests specified in the documents resulting from the issuing revenue bonds. These obligations need to be considered and reflected in financial plans and future rate increases.

Discussion: While these requirements are intended to ensure bond holders that the District will have sufficient revenue to repay bond holders, they are also beneficial in that they force the District to maintain

adequate reserves and meet annual revenue requirements, which contributes to the overall financial health of the District.

Advantages of the Principle: This principle can help ease political pressure not to increase rates except in the most dire of circumstances. Meeting the coverage ratios specified in bond documents can help the District avoid falling into disrepair because it provides a specific means for the District to adhere to its current legal obligations of maintaining the general financial health of the District.

Disadvantages of the Principle: This principle is unnecessary since the District is already legally obligated to maintain its debt service ratios.

Appendix B. Common Rate Study Terminology and Abbreviations

Ag – Agriculture or Agricultural

cf or CF – cubic feet (= 7.48 gallons). The unit EID uses to charge for water and sewer rates.

ccf or CCF – 100 cubic feet (= 748 gallons). The measurement for annual water consumption.

CIP – Capital Improvement Plan

Capital Projects – Large infrastructure projects (pipelines, tanks, pumps, etc.).

Cost of Service – The cost to provide water/sewer service to each customer class based on the demands they place on the utility.

Customer Class – How customers are grouped based on similar user characteristics (e.g., Single Family, Multifamily, Commercial/Industrial, Small Farms, and Irrigation, etc.).

Financial Plan – Compares projected revenues with project expenses and determines the Net Revenue Requirements and % Annual Rate Increases needed.

Fixed (or Capacity) Costs – Costs that generally do not change with the amount of water used or sewer effluent generated.

Fixed Charge – The bi-monthly base charged by meter size; does not vary by water use.

Meter size – Meters measure water usage at the property; the size is determined by its aperture and capacity to provide water flow. Most EID customers have 3/4" meters.

Peaking Factors – Peak monthly consumption divided by the 12-month average consumption; reflects the share of system capacity each customer class uses and determines their share of capacity-related costs.

Rate Revenue – The amount of money EID receives from water, sewer, and recycled water rates.

Rate Structure – How rates and charges are collected from various customer classes.

Tiered rate structure – Charges more per unit of water as consumption increases; reflects higher costs allocated to customers with the greatest demands on the system.

Uniform rate structure – Charges the same amount per unit of water used, regardless of how much water is used.

Variable (or Commodity) Costs – Costs that tend to change with the amount of water used or sewer effluent generated.

Water Rate/Volumetric rate – The amount charged per cf of water use.

Appendix C. Rate Study Cost-of-Service Terminology

Water Cost-of-Service Analysis Terminology

Water cost-of-service studies use a three-step approach to determine the revenue requirements to be collected from each customer class: (1) functionalization, (2) classification, and (3) allocation. These steps are briefly described below.

1. Functionalization of Water Costs[1]

The first analytical step in the cost-of-service process is called functionalization, which is the arranging of expenses and asset (physical plant) data by major operating functions within the utility, for example, treatment, pumping, distribution, etc. In this study, the functionalization of the cost data was largely accomplished through the District's budget and system of accounts.

Terminology of a WATER Cost of Service Analysis

1. Functional Cost Components – The arrangement of the cost data by functional category (e.g. source of supply, treatment, distribution, etc.).

2. Classification – The assignment of functionalized costs to cost components (e.g. commodity, capacity, customer and fire protection related).

3. Allocation – Allocating the classified costs to each class of service based on each class's proportional contribution to that

WATER Cost Classifications

Commodity Costs – Costs that vary with the total flow of water (e.g. chemical use at a treatment plant).

Capacity Costs – Costs vary with peak day or peak hour usage, since facilities are typically designed and sized to meet peak demands.

Customer Costs – Costs that vary with the number of customers, e.g., meter reading costs and postage for mailing bills.

Fire Protection Costs – Costs that are related to fire protection services (e.g. hydrants and over-sizing of distribution lines).

Direct Assignment – Costs that can be clearly identified as belonging to a specific customer class.

2. Classification of Water Costs[2]

The second analytical task performed in a water cost-of-service study is the classification of the costs. Classification determines why the expenses were incurred or what type of need is being met. The District's budget and system of accounts were reviewed and classified using the following categories:

Commodity Related Costs: Commodity costs are those which tend to vary with the total quantity of water consumed by a customer under average load conditions. For example, annual costs for chemicals used in the treatment and the energy costs for pumping are examples of commodity-related costs, since they tend to vary based upon the total flow of water.

Capacity Related Costs: Capacity costs are those which vary with peak demand, or the maximum rates of flow to customers. System capacity is required to meet the highest demands for water (e.g., summer lawn watering). Therefore, capacity-related costs are associated with the sizing of facilities, such as distribution lines, storage reservoirs, transmission mains and pumps needed to meet a customer's maximum water demand.

[1] *See AWWA Manual M1, p. 60, and Financing and Charges for Wastewater Systems, Manual of Practice No. 27, Water Environment Federation, 2004, p. 110.*

[2] *See AWWA Manual M1, pp. 61 and 67.*

Customer Related Costs: Customer costs are those which vary with the number of customers rather than system production or consumption levels. These costs can be referred to as readiness to serve or availability costs.

Fire Protection Related Costs: Public fire protection costs are those related to the public fire protection functions. Usually, such costs include public fire hydrants and the over-sizing of mains and distribution storage reservoirs to meet fire protection needs.

Direct Assignments (DA): Certain costs associated with operating the system may be directly traced to a specific customer or class of service (e.g., agricultural and raw water costs). These costs are then directly assigned to a specific class of service. This assures that other classes of service will not be allocated costs for facilities from which they do not benefit.

WATER Cost Allocation Factors

Commodity Allocation Factors – Reflect the total percentage of annual water sales.

Capacity Allocation Factors – Determined using the estimated peak-day consumption for each customer class.

Customer Allocation Factors – Reflects the number of customers on the system.

Fire Protection Allocation Factors – Determined by the flow and duration requirements during a fire to provide sufficient capacity for residential and commercial customers.

Direct Assignment Allocation Factors – Percentages based on specific customer class use of specific facilities or costs.

3. Allocation of Water Costs

Once the classification process is complete, the various classified costs are allocated to each customer class based on the following allocation factors:

Commodity Allocation Factors: As noted earlier, commodity related costs vary with the total flow of water. Therefore, the commodity allocation factors reflect the percentage of the projected total metered consumption (volume of water sold) for each class of service.

Capacity Allocation Factors: The capacity allocation factor was developed based upon the assumed contribution to peak day use of each class, estimated using assumed peaking factors for each customer group. These peaking factors are the ratio of the peak day divided by the average-day for each customer class based upon a review of the average month to peak month usage. Given this peaking factor, the peak day consumption for each class of service was developed, and the actual allocation factor is the percentage of the total peak day consumption for each customer class.

Customer Allocation Factors: Customer costs vary with the number of customers on the system. These allocation factors were based upon the number of customers. Separate customer allocation factors were developed to reflect the costs associated with directly assigned costs, such as agriculture and raw water customers.

Fire Protection Allocation Factors: The development of the allocation factor for public fire protection expenses involved an analysis of the fire flow requirements for each class of service. These costs only affect residential and commercial customers, while agricultural, irrigation, and raw water customers do not share in fire protection costs. This factor takes into account the gallon per minute fire flow requirements, along with the duration of the required flow. The fire flow rates used within the allocation factor were based upon industry standards and similar experiences with other water cost-of-service studies, and reviewed by the District's staff. For this study, it has been assumed that minimum fire

flow requirements for residential customers is 1,500 gallons per minute (gpm), 750 gpm for multi-residential, 3,000 gpm for commercial and schools.

DA Allocation Factors: It is typically clear that these costs are directly (100%) related to specific customer classes, such as raw water, agricultural customers, etc.

Based on the cost functionalized/classified costs and the cost allocation factors, the final step in the cost-of-service analysis is to allocate the classified costs to the various customer classes.

SEWER Cost Allocation Factors

Volume Allocation Factors – Reflect the total quantity of effluent generated by each customer class.

Strength Allocation Factors – Determined by the type of customer and the typical effluent they generate. Often relies on State Revenue Program Guidelines where specific sampling data is not available.

Customer Allocation Factors – Reflects the number of customers on the system.

Direct Assignment Allocation Factors – Based on facilities dedicated to specific types of services, such as recycled water.

Wastewater (Sewer) Cost-of-Service Analysis Terminology

A sewer cost-of-service study uses the same three-step approach as a water cost-of-service study to review and allocate costs (i.e., functionalization, classification, and allocation). A more detailed discussion is provided below.

1. Functionalization of Sewer Costs

The first step of functionalization is the arrangement of expenses and asset (plant) data by major operating functions within the sewer utility, for example, collection and treatment costs. This functionalization of the cost data is often accomplished through the District's system of accounts.

2. Classification of Sewer Costs

The second step is the classification of the costs, which defines why the expenses were incurred or what type of need is being met. This step involves evaluating revenue requirements and classifying them into the following cost classifiers.

Terminology of a SEWER Cost of Service Analysis

Functionalization – The arrangement of the cost data by functional category (e.g. treatment, collection etc.).

Classification – The assignment of functionalized costs to cost components (e.g. volume, strength, and customer related).

Allocation – Allocating the classified costs to each class of service based on each class's proportional contribution to that specific cost component.

Volume Related Costs: Volume related costs are those costs which tend to vary with the total quantity of wastewater collected and treated by a customer. A majority of collection system costs and treatment costs are included in this component.

Strength Related Costs: Strength related costs are those costs associated with the additional handling and treatment of higher "strength" wastewater. Strength of wastewater is typically measured in terms of biochemical oxygen demand (BOD) and total suspended solids (TSS). Higher levels of BOD or TSS generally equate to higher treatment costs.

Customer Related Costs: Customer related costs vary with the number of customers, and typically include the costs of billing, collecting, and accounting.

Direct Assignments: Certain costs associated with operating the utility may be directly traced to a specific customer or class of service, such as recycled water. These costs are then "directly assigned" to that specific type of service.

3. Allocation of Sewer Costs

Once the classification process is complete, the various classified costs are allocated to each customer class using the following cost allocation factors.

Volume Allocation Factors: Volume-related costs are generally allocated on the basis of contribution to wastewater flows, for example the winter water usage plus the estimated infiltration and inflow (I&I) for each class of service.

Strength Allocation Factors: Strength-related costs are classified as biochemical oxygen demand (BOD) and suspended solids (SS) based upon the relative strengths of effluent each class contributes to the flow at the plant.

Customer Allocation Factors: Customer costs are allocated to the various customer classes based on the number of customers. These types of costs do not vary by the volume or strength characteristics.

DA Allocation Factors: This allocation factor was developed from the projected recycled water system costs. For example, dedicated transmission or distribution lines and pumping facilities for recycled water are allocated 100% to this direct assignment category.

Based on the allocation factors, the final step in the sewer cost-of-service analysis is to allocate the classified costs to the various customer classes.

SEWER Cost Classification Categories

Volume Costs – Costs that vary with the total wastewater (e.g. pumping costs).

Strength Costs – These costs are related to the wastewater treatment function, which typically includes biochemical oxygen demand (BOD) and total suspended solids (TSS). Facilities are often designed and sized around meeting these costs.

Customer Costs – Vary with the number of customers on the system, e.g. billing costs.

Direct Assignment – Costs that can be clearly identified as belonging to a specific customer group or group of customers.

Appendix D. Allocating Potable Water System Costs to Direct Assignment (DA) Customers

The District's Cost-of-Service Guiding Principle #9 identifies agricultural irrigation customers as qualifying as a Direct Assignment (DA) designation. The DA customer class consists of a unique set of customers with special characteristics and, because of this, need special consideration in terms of allocating cost associated with the delivery and level of water service.

The District's overall fixed assets include plant and equipment (i.e., infrastructure) such as water treatment facilities, pipes, pumps, and other transmission and distribution facilities used to provide water to District customers. The brief discussion below summarizes and documents the cost allocation process used to determine the percentage of the District's fixed assets allocated to DA customers. These percentages were used in the District's Cost-of-Service study to determine the DA revenue requirement to be collected through water rates.

METHODOLOGY FOR ALLOCATING FIXED ASSETS

The District estimated the DA percentage of fixed assets by comparing the net present value (NPV) of the portion of fixed assets that supply service to agriculture irrigation customers to the NPV of all the District's fixed assets. There are three types of fixed assets:

1. Those used entirely for DA customers.
2. Those used entirely for non-DA customers.
3. Joint-use assets that provide service to both DA and non-DA customers.

Examples of fixed assets used entirely for DA customers primarily include ditch facilities still in service providing raw water.

Facilities used entirely for non-DA customers include assets associated with water treatment plants, covered storage tanks and reservoirs for safe drinking water compliance, infrastructure in El Dorado Hills that does not serve agricultural customers, and other specific infrastructure installed as part of residential or commercial developments.

The District separated joint-use fixed assets into two categories: (1) source water conveyance, which includes all fixed assets for the Project 184 canal system, and; (2) drinking water transmission and distribution system fixed assets. Sly Park Reservoir fixed assets are included in the potable water fixed assets list. The District allocated these joint-use fixed assets to DA and Non-DA customers based on average water deliveries to the DA customer class compared to total water deliveries.

For example, if the NPV of a pipeline which delivers water to both potable and DA customers is $1,000, and DA uses 5 percent of the capacity of the asset, then DA would be assigned a $50 NPV (i.e., 5 percent times $1,000).

To estimate the allocations for joint-use assets, the District compared DA consumption to total water deliveries. Using 2018-2022 water consumption, the average water volume delivered to DA customers through the potable water system was 3,101 acre-feet (AF), while the average total potable water delivery

was 34,969 AF. Therefore, approximately 9 percent of total consumptive water diversions was delivered to DA customers (i.e., 3,101 AF divided by 34,969 AF = 9 percent). For joint-use assets providing service to both DA and non-DA customers, DA customers were assigned 9 percent of the NPV of the assets.

TABLE 1	Total Water Delivery (AF)	DA consumption (AF)	Percent of Total Water Delivery
2022	34,808	2,881	8.3%
2021	37,903	3,368	8.9%
2020	36,159	3,309	9.2%
2019	31,906	2,734	8.6%
2018	34,069	3,211	9.4%
Average	**34,969**	**3,101**	**8.9% (~9%)**

To determine the percentage value to assign to the Project 184 conveyance system, the average DA consumption of 3,101 AF was assessed against the total water delivered through the Project 184 conveyance of 82,180 AF (including hydro generation), resulting in a 3.8 percent DA assignment to Project 184 fixed assets.

TABLE 2	Water Delivery (AF)
Hydro generation/Permit 21112	67,100
Pre-1914 consumptive	15,080
Total Deliveries	*82,180*
DA consumption	3,101
DA Allocation of Project 184	**3.8%**

Finally, to determine the percentage of total fixed assets assigned to DA customers for the purpose of estimating their revenue requirements, the total NPV of all DA associated fixed assets (both hydro and potable water) was compared to the total NPV of all fixed assets. Table 3 reflects the results of this analysis.

TABLE 3	Net Present Value	
DA Fixed Assets - Potable Water	$10,630,529	
DA Fixed Assets - Project 184	$5,892,289	
Total Water/Project 184 Fixed Assets	$428,802,694	3.9%

Therefore, the District used 3.9 percent of total fixed assets value in the water rate model to determine the final revenue requirement for DA customers.

Appendix E. Single-Family Tiered Rates Excluding Property Tax Revenues

As previously discussed, the 2015 San Jaun Capistrano decision clarified that water agencies must demonstrate the cost basis of rates, particularly tiered rates. Because of the District's voluntary use of property tax revenues to reduce water rates, the actual "demonstrated cost basis" of rates is the revenue requirement without the use of property taxes. Table E-1 below shows this amount, which is $19.5 million, vs. the revenue requirement including property tax revenue, which is $16.3 million. This is a $3.2 million difference, or approximately a 20-percent increase in revenue collected from tiered rates for single family customers. Table E-2 documents the tiered consumption levels used in calculating these rates.

Table E-1 – Residential Tiered Commodity Rates Excluding Property Tax Revenues

RESIDENTIAL TIERED VOLUMETRIC RATES			BASED ON GROSS REVENUE REQTS (EXCLUDING PROPERTY TAXES)			
Potable Water Customer Class		Upper Tier Breakpoint	Water Consumption	Commodity Rates ($/ccf)	Commodity Rates ($/cf)	Tier Rate Revenue
Single Family Residential	Tier 1	1,800 cf/bi-mo.	2,772,453	$2.7888	**$0.0279**	$7,731,859
	Tier 2	4,500 cf/bi-mo.	1,596,793	$3.3521	**$0.0335**	$5,352,634
	Tier 3	-	1,562,349	$4.1368	**$0.0414**	$6,463,166
Total			5,931,596			$19,547,659
Target SFR Volumetric Rate Revenue - **Excluding** Tax Revenue						**$19,548,302**
Target SFR Volumetric Rate Revenue - **Including** Tax Revenue						**$16,327,574**

1. 2022 consumption by tier. There was ~4% difference in the total consumption for the single-family residential from District totals, as the total consumption value in the model is based on actual consumption file provided by the District, whereas the tiered analysis is calculated based on how much was actually billed in each tier. These numbers were, therefore adjusted to match the SFR total.

Table E-2 – Single-Family Tiered Consumption Levels

SUMMARY OF SFR TIER CONSUMPTION		
SFR Tiers	Tier Breakpoints	Tier Consumption (CF/Yr.)
Tier 1	0 - 1,800 cf	277,245,314
Tier 2	> 1,800 cf	159,679,314
Tier 3	> 4,500 cf	156,234,948
Total		593,159,576

Source of Tiered Consumption: 2022 EID Tiered Usage Analysis_ 09222023.pdf.

Cost of Service Study
Draft Report

November 14, 2023

Previous Board Action

- April 27, 2020 – Board adopted the results of the 2020 Cost of Services Analysis and approved rate increases as set forth in the 2020 Proposition 218 Notice.
- November 14, 2022 – Board adopted the 2023-2027 Capital Improvement Plan (CIP), subject to available funding.
- December 12, 2022 – Board adopted the 2023-2024 Operating Budget and 2023-2027 Financial Plan, subject to Board approved Cost of Service Study in 2023.
- January 23, 2023 – Board received an overview of the substantive requirements and process of the Cost of Service Analysis.
- February 27, 2023 – Board awarded a contract to NBS Government Finance Group in the not-to-exceed amount of $115,750 to conduct a Cost of Service Analysis.
- June 12, August14, and October 10, 2023 – Board participated in Cost of Service Rate Study workshop.
- October 23, 2023 – Board accepted the Cost of Service Analysis and issued a Proposition 218 notice.

Summary of Issue

- The District is preparing a comprehensive updated cost-of-service analysis (COSA). This workshop includes the draft Cost of Service study report.

Background Discussion

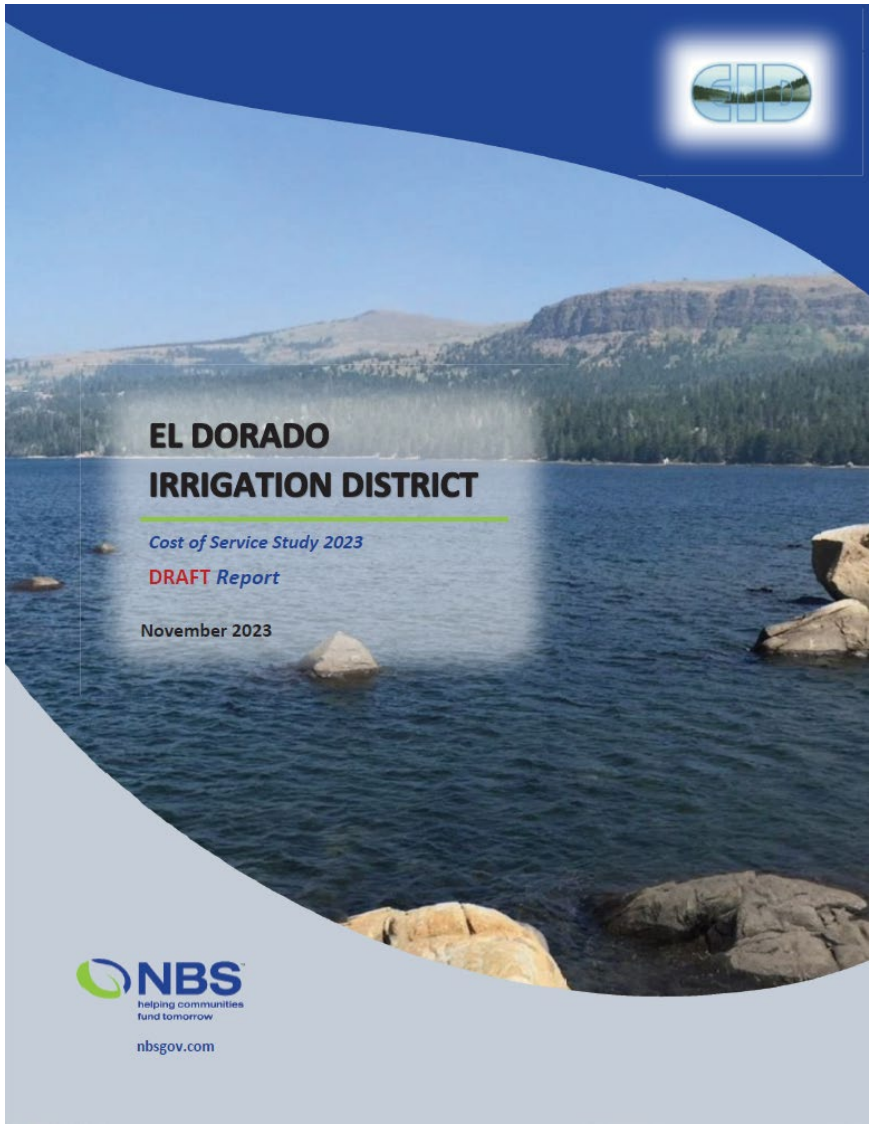
- The rate model used in the 2023 COSA allocates the District's revenue requirement, net of the District's non-rate revenues, to District utilities (water, wastewater, recycled water) and ultimately its rate classes (single-family residential, commercial, etc.), based upon principles of fairness and equity.

- The study identified the need for 12 percent annual revenue increases for drinking water throughout the next five years and a three percent revenue increase for wastewater and recycled water.

- The revenue increases are necessary to meet operating expenses and bond coverage requirements, fund financial reserves, and pay the annual debt service on outstanding bonds.

Cost of Service Study Draft Report

- Available online



Impact of Proposed Residential Rate Increases

Low usage customers

Bi-Monthly Bill Impacts	2024	% Change	2025	% Change	2026	% Change	2027	% Change	2028	% Change	Avg. %
Water (Only)	$ 13.02	13.0%	$ 13.54	12.0%	$ 15.16	12.0%	$ 16.99	12.0%	$ 19.02	12.0%	12.2%
Wastewater (Only)	$ 2.80	2.5%	$ 3.40	3.0%	$ 3.51	3.0%	$ 3.61	3.0%	$ 3.72	3.0%	2.9%
Combined Water & Wastewater	$ 15.82	7.5%	$ 16.94	7.5%	$ 18.67	7.7%	$ 20.60	7.9%	$ 22.74	8.0%	7.7%
Water, Wastewater & Recycled	$ 34.80	13.5%	$ 18.93	6.5%	$ 20.72	6.7%	$ 22.70	6.8%	$ 24.91	7.0%	8.1%

Impact of Proposed Residential Rate Increases

Medium usage customers

Bi-Monthly Bill Impacts	2024	% Change	2025	% Change	2026	% Change	2027	% Change	2028	% Change	Avg. %
Water (Only)	$ 16.81	13.7%	$ 16.73	12.0%	$ 18.74	12.0%	$ 20.98	12.0%	$ 23.50	12.0%	12.3%
Wastewater (Only)	$ 2.80	2.5%	$ 3.40	3.0%	$ 3.51	3.0%	$ 3.61	3.0%	$ 3.72	3.0%	2.9%
Combined Water & Wastewater	$ 19.61	8.4%	$ 20.13	8.0%	$ 22.24	8.1%	$ 24.60	8.3%	$ 27.22	8.5%	8.3%
Water, Wastewater & Recycled	$ 28.11	9.7%	$ 20.29	6.4%	$ 22.20	6.6%	$ 24.31	6.8%	$ 26.66	6.9%	7.3%

Impact of Proposed Residential Rate Increases

High usage customers

Bi-Monthly Bill Impacts	2024	% Change	2025	% Change	2026	% Change	2027	% Change	2028	% Change	Avg. %
Water (Only)	$ 21.18	14.2%	$ 20.42	12.0%	$ 22.88	12.0%	$ 25.62	12.0%	$ 28.69	12.0%	12.4%
Wastewater (Only)	$ 2.80	2.5%	$ 3.40	3.0%	$ 3.51	3.0%	$ 3.61	3.0%	$ 3.72	3.0%	2.9%
Combined Water & Wastewater	$ 23.98	9.2%	$ 23.82	8.4%	$ 26.39	8.6%	$ 29.23	8.8%	$ 32.41	8.9%	8.8%
Water, Wastewater & Recycled	$ 30.11	8.6%	$ 26.69	7.0%	$ 29.33	7.2%	$ 32.27	7.4%	$ 35.54	7.6%	7.6%

Next Steps

- Community Workshops
  - November 13, 2023 - Cameron Park Community Services District
  - November 16, 2023 - El Dorado Irrigation District Headquarters
- Public Rate Hearing to Adopt Rates
  - December 11, 2023 Board meeting

BOARD OPTIONS

- None – Information only

Questions?

EL DORADO IRRIGATION DISTRICT

SUBJECT: 2023–2024 Mid-Cycle Operating Budget and 2024–2028 Financial Plan Workshop.

PREVIOUS BOARD ACTION

March 20, 2000 – Board adopted a multi-year operating budget process.

December 12, 2022 – Board adopted the 2023–2024 operating budget and 2023–2025 Financial Plan, including the implementation of previously approved 5% rate increases for 2023 for water and recycled water, with 0% increase for wastewater for 2023.

October 23, 2023 – Board accepted the Cost of Service analysis and issued Proposition 218 notice.

October 23, 2023 – Board adopted the 2024–2028 Capital Improvement Plan (CIP).

BOARD POLICIES (BP), ADMINISTRATIVE REGULATIONS (AR), AND BOARD AUTHORITY

BP 3010 Budget
AR 3011 Budget Development
AR 3012 Budget Management and Five-Year Financial Plan

SUMMARY OF ISSUE

In accordance with Board Policy 3010, the Board adopts a two-year budget and conducts a mid-cycle review to determine any necessary changes for the second year of the cycle.

For each two-year budget cycle and mid-cycle review, staff prepares projected operating revenues and estimated expenditures for Board consideration.

Staff also updated the District's five-year financial plan to reflect any known or anticipated changes needed within the plan. Concurrently, the District prepared a comprehensive cost-of-service analysis (COSA). The financial plan in the proposed budget and the COSA report reflects the revenue requirements needed to meet the District's annual operating and maintenance costs, meet debt service requirements, and maintain a sufficient capital improvement program.

BACKGROUND/DISCUSSION

Operating Budget

In order to prepare the projected operating revenues and expenditures for Board consideration, the Finance Department estimates line items based on relevant economic factors such as interest rates, investments, market trends, and recent inflationary projections given current market conditions. At the beginning of the budget review, Finance staff provides department directors and division managers with actual operating costs for the past two years and through the most recent month of the current year, along with projections to the current year's end. Department directors and division managers develop their proposed budgets for the upcoming year based on past and current expenditures, operational commitments, workload indicators, and budget goals.

Overall, 2023 revenues are about $1.8 million lower than the 2023 adopted budget. Primary drivers of this change in revenues are:

- Forecasted $3.4 million decrease overall in water, wastewater, and recycled rate revenue associated with higher precipitation, mild weather, and less water use.
- Forecasted $3 million decrease in FEMA reimbursement that has not yet been received;
- Forecasted $2.6 million increase in Facility Capacity Charge (FCC) revenue;
- Forecasted $2.0 million increase in hydropower sales due to abbreviated fall annual maintenance outage and above average precipitation.

At the same time, 2023 expenditures are approximately $2.9 million lower than budgeted. While staff has been diligent in its procurement efforts to help combat increased costs, ongoing supply challenges and longer-than-normal lead times also contribute to this projection. Additionally, several key positions have been difficult to fill and multiple departures from the District have resulted in unanticipated vacancies.

Table 1 compares the revenue projections for 2023 and 2024.

Table 1: Revenue Projections for 2023 and 2024 (in millions)

	2023 Adopted Budget	2023 Revised Projection	2024 Adopted Budget	2024 Proposed Budget (1)
Water Sales and Services(1)	$ 41.587	$39.130	$ 45.059	$45.997
Wastewater Sales and Services(1)	21.711	21.052	22.332	22.711
Recycled Water Sales(1)	2.900	2.550	3.157	3.161
Hydropower Sales	3.500	5.449	3.500	3.500
Investment Income	0.600	1.772	0.750	0.750
FCCs	10.000	12.695	10.000	10.000
Debt Surcharges	0.960	0.980	0.960	0.960
Property Tax	15.600	15.456	15.912	15.722
Grants	0.000	0.000	0.000	0.000
FEMA	3.000	0.028	0.000	0.000
Other Income	1.699	0.313	1.708	1.708
Recreation	1.650	1.92	1.683	1.732
Total Revenues	**$ 103.207**	**$ 101.345**	**$ 105.061**	**$ 106.241**

(1) 2024 Proposed Budget projections include a 12% rate increase for water and a 3% rate increase for wastewater and recycled water, as discussed in the financial plan below.

Analysis of 2023 and 2024 Budgeted Expense Projections

Table 2 compares the adopted 2023 budget and 2023 year-end expense projections to the proposed 2024 budget by department and division. The table shows that the proposed 2024 operating budget is forecasted to increase by $1.214 million (2%) over the 2023 adopted budget. The major drivers for the increase are explained in the discussion preceding Table 3, which shows the operating budget by major expense category.

Table 2: Operating Budget Expenses for 2023 and 2024 by Department (in millions)

Departments	2023 Adopted Budget	2023 Revised Projections	2024 Adopted Budget	2024 Proposed Budget
Office of the General Manager	$ 3.760	$ 3.299	$ 3.948	$ 3.948
Communications	0.406	0.323	0.426	0.426
Finance	8.503	8.375	8.929	9.079
Human Resources	3.445	3.309	3.617	3.617
Information Technology	3.053	3.499	3.206	3.356
Engineering				
-Engineering Administration	0.697	0.713	0.732	0.882
-Development Services	0.553	0.460	0.580	0.580
-Water / Hydro Engineering	0.113	0.224	0.119	0.119
-Wastewater / Recycled Engineering	0.013	(0.231)	0.014	0.014
-Drafting/GIS Services	0.420	0.407	0.441	0.441
-Construction Inspection	(0.120)	0.134	(0.125)	(0.126)
-Environmental Compliance	1.753	1.548	1.841	1.841
Operations				
-Administration	0.568	0.443	0.596	0.596
-Water Operations	16.258	15.151	17.070	17.220
-Water Tank recoating[(1)(2)]	2.600	1.229	0.000	0.000
-Wastewater Operations	12.313	13.638	12.929	13.079
-Recycled Water Operations	1.608	1.625	1.688	1.688
-Recycled Water Tank recoating[(1)(2)]	-	-	2.000	0.000
-Hydroelectric Operations	6.145	5.565	6.453	6.453
-Recreation Operations	1.796	1.201	1.886	1.886
Total Expenses	**$ 63.885**	**$ 60.912**	**$ 66.350**	**$ 65.099**

(1) Water and recycled water tank recoating costs were separated from Water Operations beginning in 2023.
(2) Beginning in 2024, water and recycled water tank recoating costs are capitalized and are not reflected in the proposed operating budget expenses.

The proposed 2024 personnel budget will increase by about $2.25 million or 7.0% more than the adopted 2023 budget. Gross wages will increase by about $1.97 million (7.5%) from the adopted 2023 budget, while benefits increase by about $0.58 million (4.8%). Total wages for 2024 include a maximum 5% cost of living increase previously negotiated with the recognized employee organizations.

Capitalized labor and developer reimbursement offsets in 2024 are estimated at $6.68 million, including $1.26 million related to multiple staff working on the District's Hansen upgrade throughout 2024. The additional capitalized labor has the effect of decreasing the operating budget by $0.32 million (5.0%) more than the prior budget.

Using historical usage comparisons and average conditions, the costs of chemicals and electricity will increase by about $0.33 and $0.36 million, respectively due to inflationary pressure. Actual usage varies annually depending on customer demand (water, recycled water, and wastewater) and wet weather (wastewater), which influences inflow and infiltration into the sewer collection system. Other areas impacted by inflation costs include operating supplies by approximately $0.295 million. Software maintenance is expected to increase by about $0.098 million and insurance by approximately $0.061 million.

Table 3 identifies the budget by major expense type.

Table 3: 2023 Adopted and Revised Operating Budget Expenses with 2024 Proposed Budget by Expense Type (in millions)

	2023 Adopted Budget	2023 Revised Projections	2024 Adopted Budget	2024 Proposed Budget
Wages	$ 24.472	$ 24.223	$ 25.696	$ 26.445
Benefits (Table 4)	11.718	10.998	12.304	12.304
Salaries and Benefits	**36.190**	**35.221**	**38.000**	**38.749**
CIP and Development Reimbursement Labor Offsets	(6.364)	(4.183)	(6.681)	(6.681)
Net personnel expense	**29.826**	**31.038**	**31.319**	**32.080**
Materials and Services				
-Operating Supplies	5.902	4.299	6.196	6.196
-Chemicals	1.534	1.358	1.611	1.611
-Administration	6.716	6.537	7.052	7.052
-Utilities	7.122	7.429	7.477	7.477
-Professional Services	6.654	5.920	6.987	6.987
-Repair Services	1.459	0.784	1.532	1.532
-Tank recoating[(1)(2)]	2.600	1.229	2.000	0.000
-Insurance	1.213	1.243	1.274	1.274
-Operating Capital Outlay	0.609	0.825	0.639	0.639
-Contingency	0.250	0.250	0.263	0.263
Total Materials and Services	**34.059**	**29.874**	**35.031**	**33.031**
Total Expenses	**$ 63.885**	**$ 60.912**	**$ 66.350**	**$ 65.099**

(1) Tank recoating costs are separated from Repair Services beginning in 2023
(2) Tank recoating costs are capitalized in 2024

Table 4 details the breakdown of employee benefits by type. Overall, the 2024 proposed budget for benefits is 5.0% higher than the 2023 benefits budget, or about $0.586 million. This increase is attributable to an increase in the District-paid portion of employee health insurance premiums of $0.235 million and an increase in retiree health insurance paid by the District of $0.109 million.

Table 4: 2023 Adopted and Revised Employee Benefits by Type with Proposed 2024 Benefits Budgets (in millions)

Type	2023 Adopted Budget	2023 Revised Projections	2024 Adopted Budget	2024 Proposed Budget
Medical	$ 4.699	4.336	$ 4.934	$ 4.934
Retiree Health	2.181	2.202	2.290	2.290
Dental	0.340	0.259	0.357	0.357
Vision	0.045	0.032	0.047	0.047
EAP (1)	0.000	0.000	0.000	0.000
Life	0.050	0.042	0.053	0.053
Workers' Compensation	0.260	0.274	0.273	0.273
FICA	1.762	1.271	1.850	1.850
PERS	2.204	2.408	2.314	2.314
Medical Reimbursement	0.060	0.053	0.063	0.063
Vehicle Allowance	0.036	0.030	0.038	0.038
Other Employee Costs	0.081	0.091	0.085	0.085
Total Benefits	**$ 11.718**	**10.998**	**$ 12.304**	**$ 12.304**

(1) Beginning in 2023, the District's new life insurance carrier provides EAP services at no additional cost.

Debt Service Coverage

The installment purchase agreements associated with the District's debt issuances require the District, to the fullest extent permitted by law, to fix, prescribe, and collect rates and charges so that the ratio of revenues to operating expenditures, including debt payments, is at least 1.25. The District may make adjustments from time to time in its rates and charges but cannot reduce those rates and charges unless the District's net revenues from reduced rates and charges will always be sufficient to meet the debt service coverage ratio of 1.25.

Beginning with the first Certificate of Participation bond sale in 2003, the District included FCC revenue in meeting its debt coverage requirements. In 2010, however, the Board imposed an internal requirement that the debt service ratio, excluding FCCs, be at least 1.0 with the goal of at least 1.25x. The test is identical to the bond document test of 1.25x, except it excludes FCCs from the calculation. By creating budgets that meet this test, the District is assured it is meeting all of its obligations for a given year, including operating expenses and debt payments, without relying on volatile FCC revenue.

As reflected in Table 5 below, the District projects it will meet both the internal 1.0 ratio and the 1.25 ration requirements for 2024.

Table 5: Revised Debt Service Coverage Projections for 2023 and Projected Coverages for 2024 (in millions)

	2023 Adopted Budget	2023 Revised Projections	2024 Adopted Budget	2024 Proposed Budget
Estimated Revenues	$ 103.206	$ 101.345	$ 104.836	$ 106.241
Estimated Operating Expenses	(63.885)	(60.913)	(66.350)	(65.099)
Available Net Revenues	39.321	41.257	38.487	41.142
Debt Service [(1)]	15.042	15.042	14.965	14.965
Debt Service Ratio	2.61	2.61	2.36	2.74
Internal (1.0) Debt Service Ratio[(2)]	1.95	1.95	1.69	1.46

[(1)]Proposed budgets for 2023 and 2024 assume the prepayment on the following year's maturing debt of $6 million each year. The District's prepayment in 2019 reduced the debt service in 2020 by approximately $6 million.
[(2)]Internal 1.0 test is based upon Available Net Revenues being equal to, or greater than, the debt service in a given year. Being equal to would be (available net revenues) / (debt service) = 1.00 (District goal = 1.25x)

Financial Plan

The Board annually adopts an ongoing five-year CIP for the District. Additionally, the District prepares a two-year budget which, in the off years, is adjusted and reapproved to meet changes in the District's financial situation for the upcoming year. The District has linked these two financial documents by annually approving an ongoing five-year financial plan. The five-year financial plan is used to balance the ongoing operational financing needs with the capital needed to fund the ongoing CIP while providing safe and reliable services to our customers.

A long-term financial plan helps the District avoid making volatile rate adjustments, better manage the use of debt financing, structure debt payments, plan for the funding of capital projects, and ensure that bondholder obligations are met.

As set forth in AR 3012, the goals and objectives of the District's financial plan are to:

- Establish necessary operating and maintenance costs, debt expenses and funding available for pay-as-you-go capital projects.
- Generate revenues to fund those costs, meet bondholder obligations and maintain adequate cash reserves.
- Avoid customer "rate shock" through the use of small, annual rate adjustments.
- Maintain strong credit ratings to obtain better interest rates when debt is issued (currently S&P, AA-; Moody's, Aa3).
- Maintain cash reserves between $60 million and $80 million.
- Maintain CIP funding levels to replace high-priority capital assets prior to end of life in order to avoid critical asset failures and provide safe and reliable services to our customers.
- Fund large monetary, long-lived assets via debt while using excess operational cash for smaller, pay-as-you-go projects.
- Maintain a 1.7x to 2.0x debt service coverage ratio with facility capacity charge (FCC) revenue included.
- Maintain at least a 1.25x debt coverage ratio when FCC revenue is excluded, with a minimum acceptable ratio of 1.0x.

5-Year Financial Plan Review

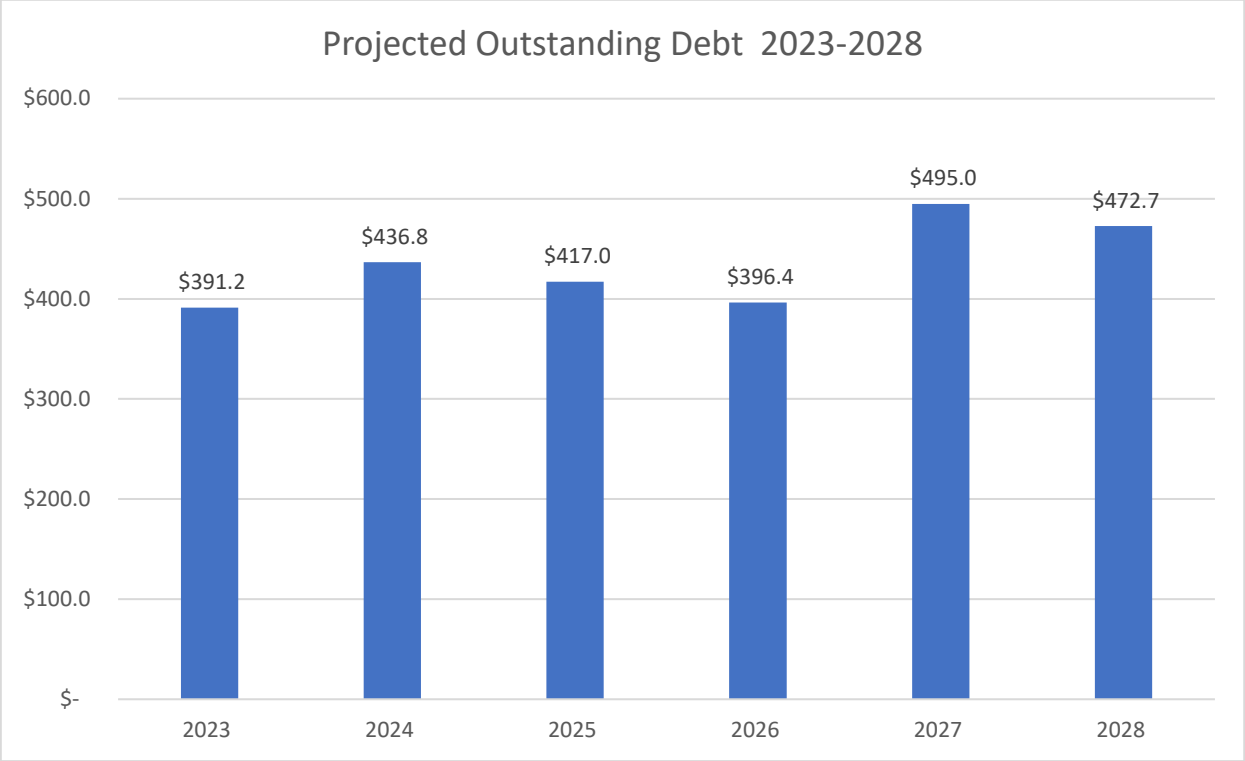
The 2024–2028 Financial Plan has been updated to reflect revenue and expense projections, including CIP expenditures adopted during the October 23, 2023, Board meeting. Bond issuances are projected in 2024 and 2027 for $60 million and $120 million, respectively, aligning with the projects to be included. The five-year financial plan is consistent with the financial plan used in the COSA. The financial plan includes a 12% rate increase for water in all five years, 2024 through 2028, and a 3% rate increase for wastewater and recycled water in all five years, 2024 through 2028.

The 2024–2028 financial plan reflects assumptions for FCC revenues remaining consistent for 2024 and decreasing in 2025 through 2028. Surcharge revenues are forecasted to remain steady until the final surcharge sunsets in 2028.

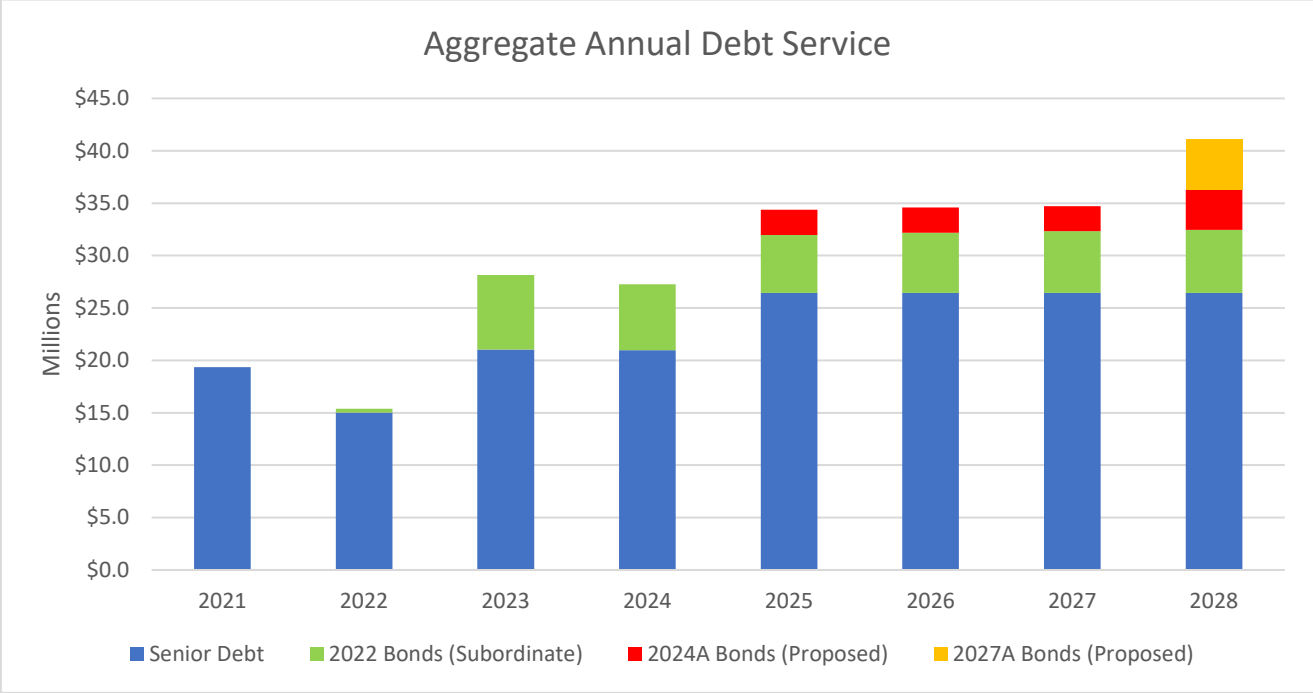
Debt Service

The graph below shows the existing outstanding debt from 2020 projected through 2028 (in millions).

The graph below reflects the proposed outstanding debt for the District (in millions) following a proposed $60 million water bond sale in 2024, followed by a $120 million water bond sale in 2027, as reflected in this five-year financial plan. Similar to the 2020A bond sale, the 2024 and 2027 bond sales would provide capital needed to fund major future, long-lived CIP assets such as the Sly Park Intertie replacement, water treatment plant improvements, and replacement of Silver Lake Dam, among other significant capital investments previously discussed with the Board.



The graph below reflects the annual debt service from 2021 projected through 2028.



Financial Plan Update

The District's proposed 2024-2028 five-year financial plan is reflected below, with separate water and wastewater plans following.

Table 6 illustrates the five-year financial plan with proposed rate increases for water, recycled, and wastewater through 2028, as described in the Proposition 218 notice issued last month.

Table 6: 2024 – 2028 Five-Year Financial Plan, Total District

Total District	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Total Debt Proceeds	60.0	-	-	120.0	-
Total Revenues	106.2	109.4	116.9	123.6	131.9
Total Maintenance and Operation Costs	65.1	68.1	71.3	74.6	78.1
Net Revenues	41.1	41.3	45.6	49.0	53.8
Senior Debt Service	15.0	22.8	22.8	22.8	29.1
Subordinate (Pension) Debt Service	6.3	5.5	5.7	5.9	6.0
Total Debt Service	21.3	28.3	28.5	28.7	35.1
Cash Available from Current Year Activities for Capital Projects or Other Improvements	79.8	13.0	17.1	140.3	18.7
Cash Balance - January 1	59.7	100.8	60.4	30.2	82.0
Total Cash Available for Capital Projects or Debt Pre-payment	139.5	113.8	77.5	170.5	100.7
Total CIP	(32.7)	(47.4)	(41.3)	(82.5)	(45.6)
Debt Reserve Paydown on New Debt	-	-	-	-	-
Pre-funding Debt	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Other Receipts-Insurance, FEMA and OES	-	-	-	-	-
Cash Balance - December 31	100.8	60.4	30.2	82.0	49.1
Senior Debt Service Coverage (1.25x test)	2.74	1.81	2.00	2.15	1.85
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	10.0	6.5	6.5	5.0	5.0
$$$ of FCCs Removed from Calculation	10.0	6.5	6.5	5.0	5.0
Internal Senior/Subordinate Debt Coverage (1.0x test)	1.46	1.23	1.37	1.53	1.39

Tables 7 and 8 provide the proposed 2024–2028 five-year financial plan for water and wastewater separately.

Table 7: 2024 – 2028 Five-Year Financial Plan – Water Only

Water Utility Only	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Total Debt Proceeds	60.0	-	-	120.0	-
Total Revenues	71.4	75.1	81.4	87.7	95.0
Total Maintenance and Operation Costs	42.0	44.1	46.3	48.6	51.1
Net Revenues	29.4	31.0	35.1	39.1	43.9
Senior Debt Service	11.4	19.4	19.7	19.4	20.9
Pension Debt Service	4.2	3.7	3.8	3.9	4.0
Total Debt Service	15.6	23.1	23.5	23.4	24.9
CIP Expenditures	-	-	-	-	-
CIP - IT Master Plan	-	-	-	-	-
Cash Available from Current Year Activities for Capital Projects or Other Improvements	73.8	7.9	11.6	135.7	19.1
Cash Balance - January 1	32.4	80.1	44.1	20.6	76.2
Total Cash Available for Capital Projects or Debt Pre-payment	106.2	88.0	55.7	156.3	95.3
Total CIP	(22.9)	(40.7)	(32.0)	(77.0)	(41.4)
Debt Reserve Paydown on New Debt					
Pre-funding Debt	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)
Other Receipts-Insurance, FEMA and OES	-	-	-	-	-
Cash Balance - December 31	80.1	44.1	20.6	76.2	50.7
Senior Debt Service Coverage (1.25x test)	2.57	1.60	1.79	2.01	2.11
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	5.90	3.84	3.84	2.95	2.95
$$$ of FCCs Removed from Calculation	5.90	3.84	3.84	2.95	2.95
Internal Senior/Subordinate Debt Coverage (1.0x test)	1.50	1.18	1.33	1.55	1.65

Table 8: 2024 – 2028 Five-Year Financial Plan – Wastewater Only

Wastewater Utility Only	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Total Debt Proceeds	-	-	-	-	-
Total Revenues	34.8	34.3	35.4	35.9	36.9
Total Maintenance and Operation Costs	23.1	24.0	25.0	26.0	27.0
Net Revenues	11.7	10.3	10.5	9.9	9.9
Senior Debt Service	3.5	3.4	3.2	3.4	3.4
Pension Debt Service	2.1	1.9	1.9	2.0	2.0
Total Debt Service	5.6	5.3	5.1	5.4	5.4
Cash Available from Current Year Activities for Capital Projects or Other Improvements	6.1	5.0	5.4	4.5	4.5
Cash Balance - January 1	27.3	20.9	16.3	9.5	5.7
Total Cash Available for Capital Projects or Debt Pre-payment	33.4	25.8	21.7	14.1	10.2
Total CIP	(9.7)	(6.6)	(9.3)	(5.5)	(4.2)
Debt Reserve Paydown on New Debt					
Pre-funding Debt	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)
Other Receipts-Insurance, FEMA and OES	-	-	-	-	-
Cash Balance - December 31	20.9	16.3	9.5	5.7	3.1
Senior Debt Service Coverage (1.25x test)	3.33	2.99	3.30	2.91	2.92
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	4.10	2.67	2.67	2.05	2.05
$$$ of FCCs Removed from Calculation	4.10	2.67	2.67	2.05	2.05
Internal Senior/Subordinate Debt Coverage (1.0x test)	1.35	1.44	1.53	1.46	1.45

Conclusion

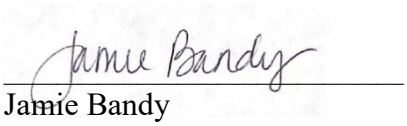
The 2023–2024 mid-cycle operating budget process presented numerous challenging financial considerations and analyses because of continued cost increases for labor, materials and supplies, the continuing need to fund the CIP, and lower projections of FCC revenue. Like all of EID's budgets, staff approached the process with two overriding priorities: maintaining a reliable level of service to customers that protects public health and safety and the environment while demonstrating fiscal responsibility. Staff believes both objectives are met under the proposed 2023–2024 mid-cycle operating budget.

The adopted 2023 budget was limited to previously adopted rate increases during the 2020 Cost of Service rate study. This year, the District conducted a comprehensive updated COSA to address its financial plan goals of generating revenues required to fund operations and capital replacement costs, meet bondholder obligations, and maintain adequate cash reserves. The proposed 2024 budget includes the proposed rate increases in revenue projections.

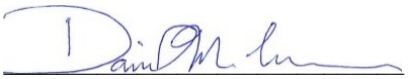
BOARD OPTIONS
None – information only.

RECOMMENDATION
None – information only.

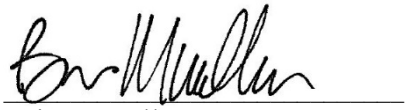
ATTACHMENTS
Appendix 1: Total District Summary of Materials and Services by Account
Appendix 2: Office of the General Manager Materials and Services by Account
Appendix 3: Communications Materials and Services by Account
Appendix 4: Finance Materials and Services by Account
Appendix 5: Human Resources Materials and Services by Account
Appendix 6: Information Technology Materials and Services by Account
Appendix 7: Engineering Materials and Services by Account
Appendix 8: Water Operations Materials and Services by Account
Appendix 9: Wastewater Operations Materials and Services by Account
Appendix 10: Recycled Water Operations Materials and Services by Account
Appendix 11: Hydroelectric Operations Materials and Services by Account
Appendix 12: Recreation Materials and Services by Account



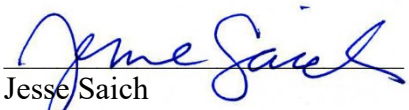
Jamie Bandy
Finance Director



Daniel Corcoran
Operations Director

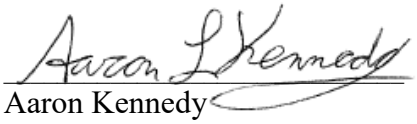


Brian Mueller
Engineering Director



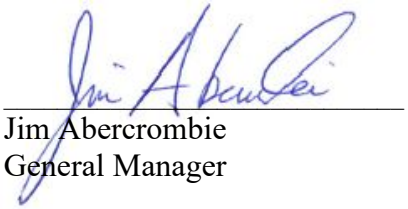
Jesse Saich
Communications and Media Relations Manager

Jose Perez
Human Resources Director



Aaron Kennedy
Information Technology Director

Brian Poulsen
General Counsel



Jim Abercrombie
General Manager

2024 OPERATING BUDGET
TOTAL DISTRICT SUMMARY - M&S BY ACCOUNT

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52105	OFFICE SUPPLIES	74,319.92	67,803.84	77,776.98	71,194.03
52106	OFFICE EQUIPMENT (LESS THAN $5,000)	11,344.48	19,029.91	23,116.04	19,981.41
52107	COMPUTER HW/SW (LESS THAN $5,000)	91,678.48	48,314.77	46,262.54	50,730.51
52110	OPERATING SUPPLIES	786,385.13	854,779.30	629,826.89	897,518.27
52115	TELECOM SUPPLIES	29,783.30	39,277.20	18,752.20	41,241.06
52120	FUEL, OIL AND LUBRICATION	951,568.92	1,008,702.43	748,864.32	1,059,137.55
52122	PROPANE	75,790.78	82,549.88	91,150.41	86,677.37
52125	REPAIR AND MAINTENANCE SUPPLIES	1,875,985.83	1,973,403.29	1,562,971.55	2,072,073.45
52130	CLOTHING/UNIFORMS	56,034.73	68,851.46	39,999.16	72,294.04
52135	SAFETY SUPPLIES	204,575.14	191,919.71	191,558.43	201,515.70
52140	METER REPAIR SUPPLIES	111,519.38	265,000.00	200,251.43	278,250.00
52145	VEHICLE REPAIR/MAINT SUPPLIES	288,696.04	368,694.77	300,910.27	387,129.51
52150	SMALL TOOLS	205,028.46	196,915.63	154,620.66	206,761.41
52155	TIRES	98,984.31	125,109.77	70,929.75	131,365.26
52160	RESALE SUPPLIES	29.83	20,000.00	3,600.00	21,000.00
52165	SECURITY SUPPLIES	44,125.77	28,967.14	8,706.29	30,415.50
52170	FREIGHT CHARGES	89,982.29	64,821.95	83,211.45	68,063.04
52185	COMPLIANCE REQUIREMENTS	104,271.23	476,133.64	46,199.93	499,940.33
52199	MISCELLANEOUS	0.00	1,250.00	323.23	1,312.50
	SUBTOTAL - OPERATING SUPPLIES	**5,100,104.02**	**5,901,524.68**	**4,299,031.52**	**6,196,600.91**
52210	CHEMICALS	1,388,675.55	1,533,000.00	1,358,177.79	1,609,650.00
	SUBTOTAL - CHEMICALS	**1,388,675.55**	**1,533,000.00**	**1,358,177.79**	**1,609,650.00**
52305	TELEPHONE	486,506.73	431,449.57	453,575.21	453,022.05
52310	POSTAGE	115,240.64	121,775.00	141,805.33	127,863.75
52315	ADVERTISING	27,587.96	32,742.91	39,539.45	34,380.06
52320	MEETINGS	6,672.75	17,132.34	6,792.59	17,988.96
52325	TRAVEL	40,427.68	71,511.16	53,714.80	75,086.72
52330	TRAINING	208,413.25	261,620.00	194,676.00	274,701.00
52335	DUES AND SUBSCRIPTIONS	523,043.14	419,321.93	188,868.20	440,288.03
52340	BOOKS AND PUBLICATIONS	5,904.45	7,200.00	1,683.45	7,560.00
52345	PRINTING, BINDING AND COPYING	79,195.01	100,167.79	74,919.32	105,176.18
52350	INTERNET SERVICES	13,288.32	47,903.38	43,440.50	50,298.54
52355	PUBLIC RELATIONS EVENTS	371.21	5,500.00	1,116.57	5,775.00
52357	RECRUITMENT	40,659.74	40,000.00	3,586.48	42,000.00
52360	ALARM SERVICES	15,811.32	20,181.86	8,116.73	21,190.95
52365	SOFTWARE LICENSES	284,570.08	176,719.66	78,090.00	185,555.64
52370	SOFTWARE MAINTENANCE	1,751,342.27	1,959,993.18	1,985,620.43	2,057,992.84
52375	RECORD REPRODUCTION/MICROFILMING	1,659.00	3,000.00	0.00	3,150.00
52390	MISCELLANEOUS PERMITS	45,508.68	101,700.96	111,549.21	106,786.01
52391	WATER CONTROL BOARD FEES	3,590.00	12,000.00	285,299.02	12,600.00
52395	OFFICE, STORAGE AND LAND RENTS	89,381.30	44,500.00	49,464.29	46,725.00
52400	BANK SERVICE CHARGES	26,296.38	43,750.00	43,000.00	45,937.50
52405	CREDIT CARD DISCOUNT CHARGES	700,489.08	810,000.00	770,000.00	850,500.00
52415	WATER PURCHASES-USBR	671,179.30	1,732,062.61	1,817,219.48	1,818,665.74
52418	POTABLE WATER SUPPLEMENTATION	0.00	0.00	0.00	0.00
52420	PROPERTY TAXES	127,897.89	130,000.00	69,019.46	136,500.00
52431	SMART IRRIGATION REBATE	27,950.91	40,000.00	23,104.39	42,000.00
52435	MISCELLANEOUS PENALTIES	389.95	500.00	2,525.38	525.00
52440	EMPLOYEE RELATIONS	18,364.31	1,200.00	7,586.65	1,260.00
52499	MISCELLANEOUS ADMIN EXP.	70,443.73	83,512.51	82,660.29	87,688.14
	SUBTOTAL - ADMINISTRATION	**5,382,185.08**	**6,715,444.85**	**6,536,973.23**	**7,051,217.09**
52505	WATER	54,571.73	43,000.00	23,595.20	45,150.00
52510	SEWER	19,535.26	15,000.00	6,612.79	15,750.00
52515	NATURAL GAS	14,057.28	12,434.09	24,689.57	13,055.79
52520	ELECTRICITY	5,988,788.86	6,914,070.69	7,273,979.74	7,259,774.22
52525	GARBAGE	137,400.83	131,942.36	95,913.93	138,539.48
52530	OTHER UTILITY CHARGES	4,012.84	5,669.18	4,300.00	5,952.64
	SUBTOTAL - UTILITIES	**6,218,366.80**	**7,122,116.32**	**7,429,091.22**	**7,478,222.13**
52605	LEGAL FEES	17,521.05	98,000.00	135,454.02	102,900.00

2024 OPERATING BUDGET
TOTAL DISTRICT SUMMARY - M&S BY ACCOUNT (continued)

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52610	OTHER LEGAL EXPENSE	0.00	100.00	100.00	105.00
52620	ENGINEERING SERVICES	(408,034.40)	85,000.00	211,484.88	89,250.00
52625	AUDIT AND ACCOUNTING SERVICES	47,704.15	41,500.00	0.00	43,575.00
52630	LAUNDRY SERVICE	21,051.93	30,896.05	6,500.00	32,440.86
52635	CONSULTING SERVICES	783,748.26	1,477,850.00	671,855.87	1,551,742.50
52640	OTHER CONTRACTUAL SERVICES	2,036,736.92	2,692,229.50	3,182,510.07	2,826,840.98
52641	BLM-GABBRO PAYMENTS	25,000.00	25,000.00	0.00	26,250.00
52645	TEMPORARY LABOR SERVICES	446,893.31	473,253.57	206,900.23	496,916.25
52652	COMPLIANCE REQUIREMENTS SERVICES	502,856.46	661,482.14	519,138.38	694,556.25
52655	GRIT HAULING/DISPOSAL	50,247.36	55,999.82	54,825.63	58,799.81
52660	SLUDGE HAULING/DISPOSAL	494,309.62	615,626.04	638,865.86	646,407.34
52670	ASBESTOS PIPE DISPOSAL	4,590.00	5,500.00	257.14	5,775.00
52675	OUTSIDE LAB SERVICES	257,831.03	392,835.00	292,020.36	412,476.75
	SUBTOTAL - PROFESSIONAL SERVICES	**4,280,455.69**	**6,655,272.12**	**5,919,912.42**	**6,988,035.73**
52705	EQUIPMENT RENT	164,393.45	180,015.54	198,363.02	189,016.31
52710	CONTRACTED REPAIRS AND MAINTENANCE	3,109,251.76	3,878,500.00	1,815,042.86	1,342,425.00
52715	BACKFLOW REPAIR SERVICES	0.00	200.00	0.00	210.00
	SUBTOTAL - REPAIR SERVICES	**3,273,645.21**	**4,058,715.54**	**2,013,405.88**	**1,531,651.31**
52805	INSURANCE PREMIUMS	1,008,801.35	1,188,592.72	1,189,000.00	1,248,022.36
52810	DAMAGE CLAIMS - 3RD PARTY	7,248.57	25,000.00	53,928.21	26,250.00
	SUBTOTAL - INSURANCE	**1,016,049.92**	**1,213,592.72**	**1,242,928.21**	**1,274,272.36**
55010	LAND & EASEMENTS	6,000.00	7,500.00	5,357.14	7,875.00
55100	OFFICE FURNITURE AND EQUIPMENT	0.00	6,000.00	0.00	6,300.00
55080	VEHICLES	430,458.29	170,000.00	288,147.84	178,500.00
55090	TOOLS AND EQUIPMENT	506,863.43	405,246.54	448,569.09	425,508.86
55110	COMPUTER HARDWARE	17,196.15	5,000.00	17,126.93	5,250.00
55120	SOFTWARE	0.00	0.00	26,250.00	0.00
55130	PLANT EQUIPMENT	16,733.94	15,000.00	39,275.80	15,750.00
	SUBTOTAL - CAPITAL OUTLAY	**977,251.81**	**608,746.54**	**824,726.80**	**639,183.86**
58110	CONTINGENCY	0.00	250,000.00	250,000.00	262,500.00
	SUBTOTAL - CONTINGENCY	**0.00**	**250,000.00**	**250,000.00**	**262,500.00**
	TOTAL	**27,636,734.08**	**34,058,412.76**	**29,874,247.07**	**33,031,333.40**

2024 OPERATING BUDGET
OGM - M&S BY ACCOUNT

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52105	OFFICE SUPPLIES	2,558.50	4,000.00	168.52	4,200.00
52106	OFFICE EQUIPMENT (LESS THAN $5,000)	641.05	3,500.00	0.00	3,675.00
52107	COMPUTER HW/SW (LESS THAN $5,000)	1,646.07	5,500.00	4,148.79	5,775.00
52115	TELECOM SUPPLIES	0.00	750.00	0.00	787.50
52130	CLOTHING/UNIFORMS	19.48	2,250.00	0.00	2,362.50
52170	FREIGHT CHARGES	155.00	250.00	15.98	262.50
	SUBTOTAL - OPERATING SUPPLIES	**5,020.10**	**16,250.00**	**4,333.29**	**17,062.50**
52305	TELEPHONE	10,461.25	11,962.55	9,053.84	12,560.68
52310	POSTAGE	0.00	250.00	0.00	262.50
52315	ADVERTISING	304.53	499.16	241.07	524.12
52320	MEETINGS	5,106.70	13,500.00	963.43	14,175.00
52325	TRAVEL	6,652.91	15,000.00	9,799.80	15,750.00
52330	TRAINING	4,461.43	17,000.00	5,430.43	17,850.00
52335	DUES AND SUBSCRIPTIONS	26,670.61	25,902.23	21,838.16	27,197.34
52340	BOOKS AND PUBLICATIONS	2,738.10	2,500.00	0.00	2,625.00
52345	PRINTING, BINDING AND COPYING	0.00	750.00	0.00	787.50
52350	INTERNET SERVICES	523.98	4,007.11	357.14	4,207.46
52355	PUBLIC RELATIONS EVENTS	0.00	1,000.00	0.00	1,050.00
52357	RECRUITMENT	0.00	0.00	0.00	0.00
52365	SOFTWARE LICENSES	0.00	1,500.00	0.00	1,575.00
52370	SOFTWARE MAINTENANCE	6,048.60	10,801.07	9,160.71	11,341.13
	SUBTOTAL - ADMINISTRATION	**62,968.11**	**104,672.13**	**56,844.59**	**109,905.73**
52605	LEGAL FEES	15,609.55	75,000.00	68,454.02	78,750.00
52635	CONSULTING SERVICES	232,862.63	250,000.00	136,080.36	262,500.00
52640	OTHER CONTRACTUAL SERVICES	11,683.78	172,693.13	72,986.09	181,327.78
52645	TEMPORARY LABOR SERVICES	0.00	10,000.00	0.00	10,500.00
	SUBTOTAL - PROFESSIONAL SERVICES	**260,155.96**	**507,693.13**	**277,520.46**	**533,077.78**
	SUBTOTAL - REPAIR SERVICES	**0.00**	**0.00**	**0.00**	**0.00**
52805	INSURANCE PREMIUMS	728,580.81	850,000.00	850,000.00	892,500.00
52810	DAMAGE CLAIMS - 3RD PARTY	7,248.57	25,000.00	53,928.21	26,250.00
	SUBTOTAL - INSURANCE	**735,829.38**	**875,000.00**	**903,928.21**	**918,750.00**
55110	COMPUTER HARDWARE	0.00	5,000.00	0.00	5,250.00
	SUBTOTAL - CAPITAL OUTLAY	**0.00**	**5,000.00**	**0.00**	**5,250.00**
58110	CONTINGENCY	0.00	250,000.00	250,000.00	262,500.00
	SUBTOTAL - CONTINGENCY	**0.00**	**250,000.00**	**250,000.00**	**262,500.00**
	TOTAL	**1,063,973.55**	**1,758,615.25**	**1,492,626.55**	**1,846,546.01**

2024 OPERATING BUDGET
COMM - M&S BY ACCOUNT

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52105	OFFICE SUPPLIES	320.32	275.55	398.68	289.33
52106	OFFICE EQUIPMENT (LESS THAN $5,000)	140.71	251.27	93.09	263.83
52150	SMALL TOOLS	9.25	16.52	0.00	17.34
	SUBTOTAL - OPERATING SUPPLIES	**470.28**	**543.34**	**491.77**	**570.51**
52305	TELEPHONE	2,220.00	2,312.50	1,713.63	2,428.13
52315	ADVERTISING	8,426.50	11,654.46	7,113.39	12,237.19
52320	MEETINGS	566.60	1,011.79	0.00	1,062.38
52325	TRAVEL	236.09	380.64	1,588.52	399.68
52330	TRAINING	50.00	0.00	1,455.36	0.00
52335	DUES AND SUBSCRIPTIONS	4,181.14	5,836.48	2,491.61	6,128.31
52345	PRINTING, BINDING AND COPYING	23,494.80	28,000.00	19,553.57	29,400.00
52355	PUBLIC RELATIONS EVENTS	371.21	4,500.00	1,116.57	4,725.00
52370	SOFTWARE MAINTENANCE	0.00	0.00	(47,733.02)	0.00
	SUBTOTAL - ADMINISTRATION	**39,546.34**	**53,695.88**	**(12,700.38)**	**56,380.67**
52640	OTHER CONTRACTUAL SERVICES	8,062.90	25,000.00	20,055.00	26,250.00
	SUBTOTAL - PROFESSIONAL SERVICES	**8,062.90**	**25,000.00**	**20,055.00**	**26,250.00**
	TOTAL	**48,079.52**	**79,239.21**	**7,846.39**	**83,201.18**

2024 OPERATING BUDGET
FIN - M&S BY ACCOUNT

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52105	OFFICE SUPPLIES	22,878.28	25,574.14	25,378.20	26,852.85
52106	OFFICE EQUIPMENT (LESS THAN $5,000)	1,479.74	2,690.05	6,901.39	2,824.56
52107	COMPUTER HW/SW (LESS THAN $5,000)	5,070.12	2,765.07	2,858.52	2,903.33
52110	OPERATING SUPPLIES	33,589.64	40,800.00	43,490.32	42,840.00
52115	TELECOM SUPPLIES	1,613.60	3,350.00	2,219.70	3,517.50
52120	FUEL, OIL AND LUBRICATION	928,534.78	950,000.00	731,382.14	997,500.00
52122	PROPANE	23,384.48	25,500.00	37,066.32	26,775.00
52125	REPAIR AND MAINTENANCE SUPPLIES	8,326.20	11,538.14	13,623.93	12,115.05
52130	CLOTHING/UNIFORMS	2,376.81	6,168.89	5,002.45	6,477.34
52135	SAFETY SUPPLIES	5,125.49	11,070.16	18,738.80	11,623.67
52140	METER REPAIR SUPPLIES	111,519.38	265,000.00	200,000.00	278,250.00
52145	VEHICLE REPAIR/MAINT SUPPLIES	266,754.44	356,000.00	242,539.20	373,800.00
52150	SMALL TOOLS	43,687.85	56,800.00	12,895.46	59,640.00
52155	TIRES	98,900.90	125,000.00	70,927.16	131,250.00
52165	SECURITY SUPPLIES	995.91	1,771.18	646.39	1,859.74
52170	FREIGHT CHARGES	6,317.07	6,462.38	8,848.20	6,785.49
52185	COMPLIANCE REQUIREMENTS	2,514.07	4,489.41	0.00	4,713.88
52199	MISCELLANEOUS	0.00	1,000.00	0.00	1,050.00
52210	CHEMICALS	0.00	0.00	13.39	0.00
	SUBTOTAL - OPERATING SUPPLIES	**1,563,068.76**	**1,895,979.43**	**1,422,531.57**	**1,990,778.40**
52305	TELEPHONE	21,413.52	24,782.50	17,141.64	26,021.63
52310	POSTAGE	114,547.47	120,550.00	141,195.95	126,577.50
52315	ADVERTISING	85.25	0.00	811.57	0.00
52320	MEETINGS	53.50	250.00	93.16	262.50
52325	TRAVEL	610.41	3,150.00	2,883.11	3,307.50
52330	TRAINING	15,294.23	15,620.00	8,133.93	16,401.00
52335	DUES AND SUBSCRIPTIONS	255,166.98	146,563.57	101,236.79	153,891.75
52340	BOOKS AND PUBLICATIONS	222.53	1,500.00	0.00	1,575.00
52345	PRINTING, BINDING AND COPYING	40,547.97	49,967.79	41,525.00	52,466.18
52370	SOFTWARE MAINTENANCE	63,641.82	52,500.00	63,511.27	55,125.00
52390	MISCELLANEOUS PERMITS	1,990.00	2,200.00	1,582.14	2,310.00
52400	BANK SERVICE CHARGES	25,838.29	43,000.00	43,000.00	45,150.00
52405	CREDIT CARD DISCOUNT CHARGES	664,419.78	770,000.00	770,000.00	808,500.00
52431	SMART IRRIGATION REBATE	27,950.91	40,000.00	23,104.39	42,000.00
52435	MISCELLANEOUS PENALTIES	189.95	0.00	534.75	0.00
52440	EMPLOYEE RELATIONS	91.35	0.00	358.85	0.00
52499	MISCELLANEOUS ADMIN EXP.	107.62	2,107.62	714.29	2,213.00
	SUBTOTAL - ADMINISTRATION	**1,232,171.58**	**1,272,191.48**	**1,215,826.84**	**1,335,801.05**
52505	WATER	11,785.01	8,000.00	2,670.71	8,400.00
52510	SEWER	19,535.26	15,000.00	6,612.79	15,750.00
52520	ELECTRICITY	186,883.57	138,797.29	190,826.58	145,737.15
52525	GARBAGE	12,256.98	15,000.00	11,334.04	15,750.00
	SUBTOTAL - UTILITIES	**230,460.82**	**176,797.29**	**211,444.12**	**185,637.15**
52625	AUDIT AND ACCOUNTING SERVICES	47,319.15	41,500.00	0.00	43,575.00
52630	LAUNDRY SERVICE	2,433.67	5,644.70	0.00	5,926.93
52635	CONSULTING SERVICES	134,599.10	54,850.00	101,005.58	57,592.50
52640	OTHER CONTRACTUAL SERVICES	212,626.83	191,444.64	338,777.84	201,016.88
52645	TEMPORARY LABOR SERVICES	25,966.59	2,000.00	0.00	2,100.00
52652	COMPLIANCE REQUIREMENTS SERVICES	877.00	0.00	0.00	0.00
	SUBTOTAL - PROFESSIONAL SERVICES	**423,822.34**	**295,439.34**	**439,783.42**	**310,211.31**
52710	CONTRACTED REPAIRS AND MAINTENANCE	82,993.70	135,500.00	114,299.02	142,275.00
	SUBTOTAL - REPAIR SERVICES	**82,993.70**	**135,500.00**	**114,299.02**	**142,275.00**
52805	INSURANCE PREMIUMS	1,200.00	2,000.00	2,000.00	2,100.00
	SUBTOTAL - INSURANCE	**1,200.00**	**2,000.00**	**2,000.00**	**2,100.00**
55100	OFFICE FURNITURE AND EQUIPMENT	0.00	6,000.00	0.00	6,300.00
55080	VEHICLES	0.00	0.00	11,565.75	0.00
55090	TOOLS AND EQUIPMENT	64,228.41	156,000.00	167,200.07	163,800.00
55110	COMPUTER HARDWARE	0.00	0.00	17,126.93	0.00
55120	SOFTWARE	0.00	0.00	26,250.00	0.00
	SUBTOTAL - CAPITAL OUTLAY	**64,228.41**	**162,000.00**	**222,142.75**	**170,100.00**
	TOTAL	**3,597,945.61**	**3,939,907.54**	**3,628,027.71**	**4,136,902.91**

2024 OPERATING BUDGET
HR - M&S BY ACCOUNT

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52105	OFFICE SUPPLIES	1,669.74	2,250.00	1,750.00	2,362.50
52106	OFFICE EQUIPMENT (LESS THAN $5,000)	468.40	3,000.00	353.29	3,150.00
52107	COMPUTER HW/SW (LESS THAN $5,000)	3,760.04	3,000.00	7,372.86	3,150.00
52110	OPERATING SUPPLIES	36.52	0.00	0.00	0.00
52130	CLOTHING/UNIFORMS	347.49	200.00	0.00	210.00
52135	SAFETY SUPPLIES	12,157.86	14,500.00	12,000.00	15,225.00
52145	VEHICLE REPAIR/MAINT SUPPLIES				0.00
52165	SECURITY SUPPLIES	17,724.82	13,000.00	3,197.52	13,650.00
52170	FREIGHT CHARGES	144.19	700.00	170.79	735.00
	SUBTOTAL - OPERATING SUPPLIES	**36,309.06**	**36,650.00**	**24,844.45**	**38,482.50**
52305	TELEPHONE	3,196.19	4,200.00	4,330.29	4,410.00
52315	ADVERTISING	13,993.37	15,000.00	26,775.20	15,750.00
52320	MEETINGS	250.66	1,150.00	750.00	1,207.50
52325	TRAVEL	2,782.66	9,500.00	7,500.00	9,975.00
52330	TRAINING	63,271.75	92,000.00	50,202.77	96,600.00
52335	DUES AND SUBSCRIPTIONS	5,864.30	9,500.00	10,340.34	9,975.00
52340	BOOKS AND PUBLICATIONS	127.25	1,000.00	0.00	1,050.00
52345	PRINTING, BINDING AND COPYING	6.79	1,000.00	0.00	1,050.00
52357	RECRUITMENT	40,659.74	40,000.00	3,586.48	42,000.00
52360	ALARM SERVICES	15,709.48	20,000.00	7,982.80	21,000.00
52365	SOFTWARE LICENSES	5,542.40	10,000.00	28,257.43	10,500.00
52370	SOFTWARE MAINTENANCE	29,718.43	42,000.00	53,089.68	44,100.00
52375	RECORD REPRODUCTION/MICROFILMING	1,659.00	3,000.00	0.00	3,150.00
52435	MISCELLANEOUS PENALTIES	200.00	500.00	1,990.63	525.00
52440	EMPLOYEE RELATIONS	18,022.01	1,200.00	7,227.80	1,260.00
	SUBTOTAL - ADMINISTRATION	**201,004.03**	**250,050.00**	**202,033.41**	**262,552.50**
	SUBTOTAL -UTILITIES	**0.00**	**0.00**	**0.00**	**0.00**
52605	LEGAL FEES	1,911.50	23,000.00	67,000.00	24,150.00
52610	OTHER LEGAL EXPENSE	0.00	0.00	0.00	0.00
52635	CONSULTING SERVICES	29,287.00	52,500.00	0.00	55,125.00
52640	OTHER CONTRACTUAL SERVICES	61,133.41	55,000.00	24,259.38	57,750.00
	SUBTOTAL - PROFESSIONAL SERVICES	**92,331.91**	**130,500.00**	**91,259.38**	**137,025.00**
52710	CONTRACTED REPAIRS AND MAINTENANCE	8,299.21	13,000.00	6,292.41	13,650.00
	SUBTOTAL - REPAIR SERVICES	**8,299.21**	**13,000.00**	**6,292.41**	**13,650.00**
	SUBTOTAL - CAPITAL OUTLAY	**0.00**	**0.00**	**0.00**	**0.00**
	TOTAL	**337,944.21**	**430,200.00**	**324,429.64**	**451,710.00**

2024 OPERATING BUDGET
IT - M&S BY ACCOUNT

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52105	OFFICE SUPPLIES	161.89	159.04	550.00	166.99
52106	OFFICE EQUIPMENT (LESS THAN $5,000)	0.00	0.00	1,500.00	0.00
52107	COMPUTER HW/SW (LESS THAN $5,000)	15,815.23	15,000.00	15,000.00	15,750.00
52110	OPERATING SUPPLIES	586.84	1,011.50	1,500.00	1,062.08
52115	TELECOM SUPPLIES	10,621.98	5,000.00	5,000.00	5,250.00
52120	FUEL, OIL AND LUBRICATION	0.00	0.00	0.00	0.00
52125	REPAIR AND MAINTENANCE SUPPLIES	423.90	89.48	2,000.00	93.96
52170	FREIGHT CHARGES	186.14	233.30	500.00	244.97
	SUBTOTAL - OPERATING SUPPLIES	**27,795.98**	**21,493.32**	**26,050.00**	**22,567.99**
52305	TELEPHONE	247,970.89	185,500.00	259,419.64	194,775.00
52320	MEETINGS	0.00	0.00	4,271.84	0.00
52325	TRAVEL	5,395.53	7,500.00	11,250.00	7,875.00
52330	TRAINING	6,033.35	15,000.00	20,000.00	15,750.00
52335	DUES AND SUBSCRIPTIONS	262.84	1,200.00	1,250.00	1,260.00
52350	INTERNET SERVICES	10,594.02	42,000.00	42,000.00	44,100.00
52365	SOFTWARE LICENSES	220,656.27	30,000.00	30,000.00	31,500.00
52370	SOFTWARE MAINTENANCE	1,488,160.38	1,530,000.00	1,668,386.79	1,606,500.00
	SUBTOTAL - ADMINISTRATION	**1,979,073.28**	**1,811,200.00**	**2,036,578.27**	**1,901,760.00**
52530	OTHER UTILITY CHARGES	4,012.84	4,169.18	4,300.00	4,377.64
	SUBTOTAL - UTILITIES	**4,012.84**	**4,169.18**	**4,300.00**	**4,377.64**
52635	CONSULTING SERVICES	58,090.81	58,000.00	75,000.00	60,900.00
52640	OTHER CONTRACTUAL SERVICES	45,897.50	25,000.00	55,000.00	26,250.00
	SUBTOTAL - PROFESSIONAL SERVICES	**103,988.31**	**83,000.00**	**130,000.00**	**87,150.00**
52710	CONTRACTED REPAIRS AND MAINTENANCE	4,921.72	6,000.00	6,000.00	6,300.00
55090	TOOLS AND EQUIPMENT	0.00	0.00	1,500.00	0.00
	SUBTOTAL - REPAIR SERVICES	**4,921.72**	**6,000.00**	**7,500.00**	**6,300.00**
55110	COMPUTER HARDWARE	16,920.88	0.00	0.00	0.00
	SUBTOTAL - CAPITAL OUTLAY	**16,920.88**	**0.00**	**0.00**	**0.00**
52805	INSURANCE PREMIUMS	14,736.15	29,592.72	30,000.00	31,072.36
	SUBTOTAL - INSURANCE	**14,736.15**	**29,592.72**	**30,000.00**	**31,072.36**
	TOTAL	**2,151,449.16**	**1,955,455.22**	**2,234,428.27**	**2,053,227.98**

2024 OPERATING BUDGET
ENG - M&S BY ACCOUNT

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52105	OFFICE SUPPLIES	4,747.17	3,910.30	6,929.46	4,105.82
52106	OFFICE EQUIPMENT (LESS THAN $5,000)	2,541.92	3,000.00	4,328.61	3,150.00
52107	COMPUTER HW/SW (LESS THAN $5,000)	2,578.46	4,300.00	2,307.96	4,515.00
52110	OPERATING SUPPLIES	44,951.68	46,150.00	46,037.86	48,457.50
52115	TELECOM SUPPLIES	0.00	500.00	29.46	525.00
52125	REPAIR AND MAINTENANCE SUPPLIES	123.95	3,100.00	2,000.00	3,255.00
52130	CLOTHING/UNIFORMS	2,103.16	4,950.00	2,890.86	5,197.50
52135	SAFETY SUPPLIES	2,433.76	4,000.00	3,034.63	4,200.00
52145	VEHICLE REPAIR/MAINT SUPPLIES	2,235.97	4,000.00	2,999.86	4,200.00
52150	SMALL TOOLS	961.37	4,067.02	3,113.20	4,270.37
52165	SECURITY SUPPLIES	37.62	0.00	0.00	0.00
52170	FREIGHT CHARGES	745.01	1,518.00	1,279.79	1,593.90
52185	COMPLIANCE REQUIREMENTS	0.00	500.00	250.00	525.00
52199	MISCELLANEOUS	0.00	250.00	250.00	262.50
	SUBTOTAL - OPERATING SUPPLIES	**63,460.07**	**80,245.32**	**75,451.68**	**84,257.59**
52210	CHEMICALS	334.11	0.00	0.00	0.00
	SUBTOTAL - CHEMICALS	**334.11**	**0.00**	**0.00**	**0.00**
52305	TELEPHONE	35,841.87	37,046.18	31,310.11	38,898.49
52310	POSTAGE	103.75	450.00	60.95	472.50
52315	ADVERTISING	1,409.31	2,500.00	0.00	2,625.00
52320	MEETINGS	203.07	500.00	291.07	525.00
52325	TRAVEL	10,065.31	16,000.00	15,843.41	16,800.00
52330	TRAINING	24,464.66	38,000.00	27,546.43	39,900.00
52335	DUES AND SUBSCRIPTIONS	58,826.83	44,712.50	4,458.93	46,948.13
52340	BOOKS AND PUBLICATIONS	108.00	900.00	365.45	945.00
52345	PRINTING, BINDING AND COPYING	2,012.18	2,100.00	2,521.75	2,205.00
52365	SOFTWARE LICENSES	5,608.40	37,000.00	10,015.00	38,850.00
52370	SOFTWARE MAINTENANCE	81,595.71	102,177.82	133,529.36	107,286.71
52380	MAPS	0.00	0.00	0.00	0.00
52390	MISCELLANEOUS PERMITS	642.88	6,500.00	1,500.00	6,825.00
52440	MISCELLANEOUS PENALTIES	197.18	0.00	0.00	0.00
52499	MISCELLANEOUS ADMIN EXP.	69,670.18	80,000.00	80,000.00	84,000.00
	SUBTOTAL - ADMINISTRATION	**290,749.33**	**367,886.50**	**307,442.45**	**386,280.83**
52525	GARBAGE	2,700.82	3,500.00	3,682.46	3,675.00
	SUBTOTAL - UTILITIES	**2,700.82**	**3,500.00**	**3,682.46**	**3,675.00**
52610	OTHER LEGAL EXPENSE	0.00	100.00	100.00	105.00
52630	LAUNDRY SERVICE	55.60	250.00	0.00	262.50
52635	CONSULTING SERVICES	111,740.15	120,000.00	51,142.86	126,000.00
52640	OTHER CONTRACTUAL SERVICES	50,466.89	49,774.93	68,746.95	52,263.68
52641	BLM-GABBRO PAYMENTS	25,000.00	25,000.00	0.00	26,250.00
52645	TEMPORARY LABOR SERVICES	7,322.65	25,000.00	0.00	26,250.00
52650	ON CALL CONSULTANTS	0.00	0.00	0.00	0.00
52652	COMPLIANCE REQUIREMENTS SERVICES	3,421.18	0.00	0.00	0.00
52670	ASBESTOS PIPE DISPOSAL	60.00	1,000.00	257.14	1,050.00
52675	OUTSIDE LAB SERVICES	13,945.00	31,000.00	30,000.00	32,550.00
52705	EQUIPMENT RENT	1,740.24	3,107.57	0.00	3,262.95
	SUBTOTAL - PROFESSIONAL SERVICES	**213,751.71**	**255,232.50**	**150,246.95**	**267,994.13**
52710	CONTRACTED REPAIRS AND MAINTENANCE	65.49	0.00	0.00	0.00
52715	BACKFLOW REPAIR SERVICES	0.00	200.00	0.00	210.00
	SUBTOTAL - REPAIR SERVICES	**65.49**	**200.00**	**0.00**	**210.00**
55090	TOOLS AND EQUIPMENT	6,381.38	0.00	0.00	0.00
55110	COMPUTER HARDWARE	275.27	0.00	0.00	0.00
	SUBTOTAL - CAPITAL OUTLAY	**6,656.65**	**0.00**	**0.00**	**0.00**
	TOTAL	**577,718.18**	**707,064.32**	**536,823.54**	**742,417.54**

2024 OPERATING BUDGET
WATER - M&S BY ACCOUNT

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52105	OFFICE SUPPLIES	8,282.42	7,768.27	9,556.46	8,156.68
52106	OFFICE EQUIPMENT (LESS THAN $5,000)	3,610.28	2,500.00	6,683.04	2,625.00
52107	COMPUTER HW/SW (LESS THAN $5,000)	8,486.10	8,100.00	8,990.09	8,505.00
52110	OPERATING SUPPLIES	312,238.29	360,701.54	239,400.23	378,736.61
52115	TELECOM SUPPLIES	3,346.44	8,850.00	1,236.05	9,292.50
52120	FUEL, OIL AND LUBRICATION	6,455.75	31,500.00	2,978.52	33,075.00
52122	PROPANE	9,539.89	10,500.00	15,285.73	11,025.00
52125	REPAIR AND MAINTENANCE SUPPLIES	862,747.41	1,013,131.43	629,455.48	1,063,788.00
52130	CLOTHING/UNIFORMS	22,846.85	21,000.00	21,231.00	22,050.00
52135	SAFETY SUPPLIES	92,548.24	87,795.04	91,191.73	92,184.79
52145	VEHICLE REPAIR/MAINT SUPPLIES	11,368.57	4,200.00	42,595.34	4,410.00
52150	SMALL TOOLS	97,345.43	66,029.88	70,543.50	69,331.37
52155	TIRES	19.67	0.00	0.00	0.00
52160	RESALE SUPPLIES	29.83	0.00	0.00	0.00
52165	SECURITY SUPPLIES	15,682.61	5,650.00	2,466.79	5,932.50
52170	FREIGHT CHARGES	20,406.85	18,186.25	27,042.27	19,095.56
52185	COMPLIANCE REQUIREMENTS	500.00	500.00	0.00	525.00
	SUBTOTAL - OPERATING SUPPLIES	**1,475,454.63**	**1,646,412.39**	**1,168,729.46**	**1,728,733.01**
52210	CHEMICALS	701,913.26	772,000.00	353,335.25	810,600.00
	SUBTOTAL - CHEMICALS	**701,913.26**	**772,000.00**	**353,335.25**	**810,600.00**
52305	TELEPHONE	61,826.71	56,737.50	50,912.82	59,574.38
52310	POSTAGE	0.00	500.00	257.41	525.00
52315	ADVERTISING	634.00	1,089.29	2,678.57	1,143.75
52320	MEETINGS	419.51	720.55	423.09	756.58
52325	TRAVEL	6,178.81	5,980.52	1,179.25	6,279.54
52330	TRAINING	32,801.26	26,500.00	24,519.18	27,825.00
52335	DUES AND SUBSCRIPTIONS	146,972.74	158,257.14	19,448.88	166,170.00
52340	BOOKS AND PUBLICATIONS	399.00	800.00	1,318.00	840.00
52345	PRINTING, BINDING AND COPYING	621.00	300.00	1,642.21	315.00
52360	ALARM SERVICES	0.00	0.00	89.29	0.00
52370	SOFTWARE MAINTENANCE	3,739.90	3,750.00	3,793.13	3,937.50
52390	MISCELLANEOUS PERMITS	21,115.74	35,900.96	29,748.88	37,696.01
52391	STATE WATER CONTROL BOARD FEES	3,590.00	0.00	265,136.41	0.00
52395	OFFICE, STORAGE AND LAND RENTS	10,353.22	0.00	0.00	0.00
52415	WATER PURCHASES-USBR	671,144.24	732,000.00	817,219.48	768,600.00
52440	EMPLOYEE RELATIONS	53.77	0.00	0.00	0.00
52499	MISCELLANEOUS ADMIN EXP.	230.47	900.00	1,591.48	945.00
	SUBTOTAL - ADMINISTRATION	**960,080.37**	**1,023,435.96**	**1,219,958.07**	**1,074,607.76**
52515	NATURAL GAS	542.77	434.09	2,133.73	455.79
52520	ELECTRICITY	2,889,792.83	3,068,497.63	3,626,677.61	3,221,922.51
52525	GARBAGE	9,562.34	9,050.00	7,136.09	9,502.50
	SUBTOTAL - UTILITIES	**2,899,897.94**	**3,077,981.72**	**3,635,947.43**	**3,231,880.81**
52620	ENGINEERING SERVICES	(489,411.40)	75,000.00	119,737.55	78,750.00
52635	CONSULTING SERVICES	99,748.91	842,000.00	107,288.39	884,100.00
52640	OTHER CONTRACTUAL SERVICES	620,020.98	1,359,000.00	959,969.95	1,426,950.00
52645	TEMPORARY LABOR SERVICES	75.04	0.00	0.00	0.00
52652	COMPLIANCE REQUIREMENTS SERVICES	86,151.65	299,000.00	161,401.79	313,950.00
52655	GRIT HAULING/DISPOSAL	0.00	0.00	0.00	0.00
52660	SLUDGE HAULING/DISPOSAL	0.00	100,000.00	123,865.86	105,000.00
52670	ASBESTOS PIPE DISPOSAL	4,530.00	4,500.00	0.00	4,725.00
52675	OUTSIDE LAB SERVICES	101,409.45	145,000.00	64,926.79	152,250.00
	SUBTOTAL - PROFESSIONAL SERVICES	**422,524.63**	**2,824,500.00**	**1,537,190.32**	**2,965,725.00**
52705	EQUIPMENT RENT	90,341.42	100,000.00	103,564.41	105,000.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	2,641,429.87	3,239,000.00	1,350,830.00	670,950.00
	SUBTOTAL - REPAIR SERVICES	**2,731,771.29**	**3,339,000.00**	**1,454,394.41**	**775,950.00**
52805	INSURANCE PREMIUMS	0.00	0.00	0.00	0.00
	SUBTOTAL - INSURANCE	**0.00**	**0.00**	**0.00**	**0.00**
55080	VEHICLES	430,458.29	170,000.00	265,016.36	178,500.00
55090	TOOLS AND EQUIPMENT	331,037.09	213,000.00	202,463.45	223,650.00
55130	PLANT EQUIPMENT	16,733.94	15,000.00	39,275.80	15,750.00
	SUBTOTAL - CAPITAL OUTLAY	**778,229.32**	**398,000.00**	**506,755.61**	**417,900.00**
	TOTAL	**9,969,871.44**	**13,081,330.08**	**9,876,310.56**	**11,005,396.58**

2024 OPERATING BUDGET
WW - M&S BY ACCOUNT

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52105	OFFICE SUPPLIES	19,504.32	10,825.61	18,399.79	11,366.89
52106	OFFICE EQUIPMENT (LESS THAN $5,000)	689.49	588.59	3,162.96	618.02
52107	COMPUTER HW/SW (LESS THAN $5,000)	820.32	1,149.70	4,551.11	1,207.18
52110	OPERATING SUPPLIES	276,883.61	286,655.95	247,806.55	300,988.74
52115	TELECOM SUPPLIES	3,891.52	4,490.13	7,416.50	4,714.63
52120	FUEL, OIL AND LUBRICATION	9,300.97	16,702.43	9,621.30	17,537.55
52122	PROPANE	4,167.20	5,049.88	6,061.21	5,302.37
52125	REPAIR AND MAINTENANCE SUPPLIES	815,921.55	698,101.07	752,603.20	733,006.13
52130	CLOTHING/UNIFORMS	6,752.45	16,079.77	2,660.07	16,883.76
52135	SAFETY SUPPLIES	66,351.14	51,304.52	41,734.34	53,869.74
52145	VEHICLE REPAIR/MAINT SUPPLIES	4,419.13	1,744.77	2,538.14	1,832.01
52150	SMALL TOOLS	32,704.42	32,002.21	38,785.89	33,602.33
52155	TIRES	0.00	0.00	2.59	0.00
52165	SECURITY SUPPLIES	6,694.33	5,000.00	2,113.86	5,250.00
52170	FREIGHT CHARGES	48,124.92	33,677.68	38,334.14	35,361.56
52185	COMPLIANCE REQUIREMENTS	40,513.32	12,500.00	0.00	13,125.00
	SUBTOTAL - OPERATING SUPPLIES	**1,336,738.69**	**1,175,872.29**	**1,175,791.66**	**1,234,665.90**
52210	CHEMICALS	507,297.31	546,000.00	754,829.14	573,300.00
	SUBTOTAL - CHEMICALS	**507,297.31**	**546,000.00**	**754,829.14**	**573,300.00**
52305	TELEPHONE	50,265.61	52,371.38	39,953.23	54,989.94
52310	POSTAGE	574.34	0.00	213.86	0.00
52320	MEETINGS	58.73	0.00	0.00	0.00
52325	TRAVEL	1,462.96	4,000.00	361.02	4,200.00
52330	TRAINING	21,027.00	21,500.00	24,485.45	22,575.00
52335	DUES AND SUBSCRIPTIONS	11,868.79	16,500.00	11,214.27	17,325.00
52340	BOOKS AND PUBLICATIONS	53.57	0.00	0.00	0.00
52360	ALARM SERVICES	101.84	181.86	0.00	190.95
52365	SOFTWARE LICENSES	0.00	4,000.00	0.00	4,200.00
52370	SOFTWARE MAINTENANCE	8,393.50	7,464.29	5,000.00	7,837.50
52390	MISCELLANEOUS PERMITS	10,244.79	46,000.00	73,939.91	48,300.00
52395	OFFICE, STORAGE AND LAND RENTS	76,528.08	42,000.00	45,000.00	44,100.00
52499	MISCELLANEOUS ADMIN EXP.	405.50	504.89	322.39	530.14
	SUBTOTAL - ADMINISTRATION	**180,984.71**	**194,522.41**	**200,490.13**	**204,248.53**
52515	NATURAL GAS	13,514.51	12,000.00	22,555.84	12,600.00
52520	ELECTRICITY	2,511,141.28	3,241,595.76	3,018,851.82	3,403,675.55
52525	GARBAGE	11,451.64	9,392.36	18,055.54	9,861.98
	SUBTOTAL - UTILITIES	**2,536,107.43**	**3,262,988.12**	**3,059,463.20**	**3,426,137.52**
52620	ENGINEERING SERVICES	36,000.00	0.00	36,678.57	0.00
52630	LAUNDRY SERVICE	18,562.66	25,001.36	6,500.00	26,251.43
52635	CONSULTING SERVICES	5,936.50	5,000.00	0.00	5,250.00
52640	OTHER CONTRACTUAL SERVICES	286,173.28	487,057.88	1,519,113.11	511,410.77
52652	COMPLIANCE REQUIREMENTS SERVICES	176,604.20	110,044.64	62,100.45	115,546.88
52655	GRIT HAULING/DISPOSAL	50,247.36	55,999.82	54,825.63	58,799.81
52660	SLUDGE HAULING/DISPOSAL	494,309.62	515,626.04	515,000.00	541,407.34
52675	OUTSIDE LAB SERVICES	142,476.58	216,835.00	197,093.57	227,676.75
	SUBTOTAL - PROFESSIONAL SERVICES	**1,210,310.20**	**1,415,564.73**	**2,391,311.32**	**1,486,342.97**
52705	EQUIPMENT RENT	57,211.09	59,907.96	80,128.13	62,903.36
52710	CONTRACTED REPAIRS AND MAINTENANCE	183,332.21	297,500.00	290,761.18	312,375.00
	SUBTOTAL - REPAIR SERVICES	**240,543.30**	**357,407.96**	**370,889.30**	**375,278.36**
55010	LAND & EASEMENTS	6,000.00	7,500.00	5,357.14	7,875.00
55090	TOOLS AND EQUIPMENT	79,547.38	31,246.54	68,309.29	32,808.86
	SUBTOTAL - CAPITAL OUTLAY	**85,547.38**	**38,746.54**	**73,666.43**	**40,683.86**
	TOTAL	**6,097,529.02**	**6,991,102.05**	**8,026,441.18**	**7,340,657.15**

2024 OPERATING BUDGET
RW - M&S BY ACCOUNT

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52107	COMPUTER HW/SW (LESS THAN $5,000)	0.00	0.00	922.64	0.00
52110	OPERATING SUPPLIES	4,508.59	8,287.30	0.00	8,701.67
52125	REPAIR AND MAINTENANCE SUPPLIES	27,938.83	30,000.00	40,000.00	31,500.00
52150	SMALL TOOLS	689.57	0.00	49.16	0.00
52170	FREIGHT CHARGES	4,849.22	399.75	2,570.91	419.74
	SUBTOTAL - OPERATING SUPPLIES	**37,986.21**	**38,687.05**	**43,542.71**	**40,621.41**
52210	CHEMICALS	179,130.87	175,000.00	250,000.00	183,750.00
	SUBTOTAL - CHEMICALS	**179,130.87**	**175,000.00**	**250,000.00**	**183,750.00**
52305	TELEPHONE	712.37	836.43	339.38	878.25
52390	MISCELLANEOUS PERMITS	88.50	0.00	0.00	0.00
	SUBTOTAL - ADMINISTRATION	**800.87**	**836.43**	**339.38**	**878.25**
52415	WATER PURCHASES-USBR	0.00	1,000,000.00	1,000,000.00	1,050,000.00
52418	POTABLE WATER SUPPLEMENTATION	0.00	0.00	0.00	0.00
52520	ELECTRICITY	295,303.15	349,114.94	299,605.38	366,570.69
	SUBTOTAL - UTILITIES	**295,303.15**	**1,349,114.94**	**1,299,605.38**	**1,416,570.69**
52635	CONSULTING SERVICES	56,557.50	20,000.00	19,462.50	21,000.00
52620	ENGINEERING SERVICES	12,602.00	0.00	0.00	0.00
52640	OTHER CONTRACTUAL SERVICES	5,185.00	9,258.93	117.13	9,721.88
52652	COMPLIANCE REQUIREMENTS SERVICES	24,687.00	0.00	170.89	0.00
	SUBTOTAL - PROFESSIONAL SERVICES	**99,031.50**	**29,258.93**	**19,750.52**	**30,721.88**
52710	CONTRACTED REPAIRS AND MAINTENANCE	8,910.00	15,000.00	11,419.64	15,750.00
	SUBTOTAL - REPAIR SERVICES	**8,910.00**	**15,000.00**	**11,419.64**	**15,750.00**
	SUBTOTAL - CAPITAL OUTLAY	**0.00**	**0.00**	**0.00**	**0.00**
	TOTAL	**621,162.60**	**1,607,897.35**	**1,624,657.63**	**1,688,292.22**

2024 OPERATING BUDGET
HYDRO - M&S BY ACCOUNT

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52105	OFFICE SUPPLIES	9,578.70	8,950.25	10,278.18	9,397.76
52106	OFFICE EQUIPMENT (LESS THAN $5,000)	1,060.48	2,500.00	0.00	2,625.00
52107	COMPUTER HW/SW (LESS THAN $5,000)	51,136.30	6,000.00	110.57	6,300.00
52110	OPERATING SUPPLIES	104,970.64	78,273.02	43,035.57	82,186.67
52115	TELECOM SUPPLIES	9,641.23	11,237.07	1,514.41	11,798.93
52120	FUEL, OIL AND LUBRICATION	7,277.42	10,500.00	4,882.36	11,025.00
52122	PROPANE	29,923.37	35,000.00	24,200.71	36,750.00
52125	REPAIR AND MAINTENANCE SUPPLIES	133,399.42	178,500.00	85,058.70	187,425.00
52130	CLOTHING/UNIFORMS	19,427.78	12,500.00	3,511.89	13,125.00
52135	SAFETY SUPPLIES	22,016.94	16,500.00	19,832.38	17,325.00
52140	METER REPAIR SUPPLIES	0.00	0.00	251.43	0.00
52145	VEHICLE REPAIR/MAINT SUPPLIES	2,531.31	1,250.00	3,630.68	1,312.50
52150	SMALL TOOLS	24,154.46	33,500.00	27,386.07	35,175.00
52165	SECURITY SUPPLIES	1,408.13	1,045.96	281.73	1,098.26
52170	FREIGHT CHARGES	8,723.78	3,151.82	2,869.29	3,309.41
52185	COMPLIANCE REQUIREMENTS	60,743.84	458,144.23	45,949.93	481,051.44
	SUBTOTAL - OPERATING SUPPLIES	**485,993.80**	**857,052.36**	**272,793.89**	**899,904.98**
52210	CHEMICALS	0.00	40,000.00	0.00	42,000.00
	SUBTOTAL - CHEMICALS	**0.00**	**40,000.00**	**0.00**	**42,000.00**
52305	TELEPHONE	48,401.99	50,600.00	36,192.29	53,130.00
52320	MEETINGS	13.98	0.00	0.00	0.00
52325	TRAVEL	7,043.00	7,000.00	2,473.20	7,350.00
52330	TRAINING	41,009.57	32,000.00	32,902.46	33,600.00
52335	DUES AND SUBSCRIPTIONS	7,016.91	2,850.00	9,721.61	2,992.50
52340	BOOKS AND PUBLICATIONS	0.00	500.00	0.00	525.00
52345	PRINTING, BINDING AND COPYING	1,288.00	2,300.00	0.00	2,415.00
52350	INTERNET SERVICES	1,138.44	82.05	0.00	86.16
52365	SOFTWARE LICENSES	52,763.01	94,219.66	9,817.57	98,930.64
52370	SOFTWARE MAINTENANCE	70,043.93	211,300.00	96,882.52	221,865.00
52390	MISCELLANEOUS PERMITS	8,879.11	9,100.00	3,378.29	9,555.00
52391	STATE WATER CONTROL BOARD FEES	0.00	12,000.00	20,162.61	12,600.00
52395	OFFICE, STORAGE AND LAND RENTS	2,500.00	2,500.00	4,464.29	2,625.00
52415	WATER PURCHASES-USBR	35.06	62.61	0.00	65.74
52420	PROPERTY TAXES	127,897.89	130,000.00	69,019.46	136,500.00
52499	MISCELLANEOUS ADMIN EXP.	29.96	0.00	32.13	0.00
	SUBTOTAL - ADMINISTRATION	**368,060.85**	**554,514.32**	**285,102.14**	**582,240.04**
52520	ELECTRICITY	87,873.87	99,014.78	119,551.25	103,965.52
52525	GARBAGE	10,739.11	12,000.00	10,748.52	12,600.00
	SUBTOTAL - UTILITIES	**98,612.98**	**111,014.78**	**130,299.77**	**116,565.52**
52620	ENGINEERING SERVICES	32,775.00	10,000.00	55,068.75	10,500.00
52625	AUDIT AND ACCOUNTING SERVICES	385.00	0.00	0.00	0.00
52635	CONSULTING SERVICES	54,925.66	75,500.00	181,876.18	79,275.00
52640	OTHER CONTRACTUAL SERVICES	652,801.71	204,000.00	92,914.68	214,200.00
52652	COMPLIANCE REQUIREMENTS SERVICES	209,889.04	251,000.00	291,451.21	263,550.00
	SUBTOTAL - PROFESSIONAL SERVICES	**950,776.41**	**540,500.00**	**621,310.82**	**567,525.00**
52705	EQUIPMENT RENT	15,100.70	12,000.00	12,144.59	12,600.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	158,340.49	167,500.00	31,160.00	175,875.00
	SUBTOTAL - REPAIR SERVICES	**173,441.19**	**179,500.00**	**43,304.59**	**188,475.00**
52805	INSURANCE PREMIUMS	264,284.39	307,000.00	307,000.00	322,350.00
	SUBTOTAL - INSURANCE	**264,284.39**	**307,000.00**	**307,000.00**	**322,350.00**
55080	VEHICLES	0.00	0.00	11,565.73	0.00
55090	TOOLS AND EQUIPMENT	8,793.17	0.00	9,096.29	0.00
	SUBTOTAL - CAPITAL OUTLAY	**8,793.17**	**0.00**	**20,662.02**	**0.00**
	TOTAL	**2,349,962.79**	**2,589,581.46**	**1,680,473.23**	**2,719,060.53**

2024 OPERATING BUDGET
REC - M&S BY ACCOUNT

		2022 Actuals	2023 Adopted Budget	2023 Year End Projections	2024 Proposed Budget
52105	OFFICE SUPPLIES	4,618.58	4,090.68	4,367.70	4,295.21
52106	OFFICE EQUIPMENT (LESS THAN $5,000)	712.41	1,000.00	93.66	1,050.00
52107	COMPUTER HW/SW (LESS THAN $5,000)	2,365.84	2,500.00	0.00	2,625.00
52110	OPERATING SUPPLIES	8,619.32	32,900.00	8,556.36	34,545.00
52115	TELECOM SUPPLIES	668.53	5,100.00	1,336.07	5,355.00
52122	PROPANE	8,775.84	6,500.00	8,536.43	6,825.00
52125	REPAIR AND MAINTENANCE SUPPLIES	27,104.57	38,943.16	38,230.25	40,890.32
52130	CLOTHING/UNIFORMS	2,160.71	5,702.80	4,702.89	5,987.94
52135	SAFETY SUPPLIES	3,941.71	6,750.00	5,026.55	7,087.50
52145	VEHICLE REPAIR/MAINT SUPPLIES	1,386.62	1,500.00	6,607.05	1,575.00
52150	SMALL TOOLS	5,476.11	4,500.00	1,847.38	4,725.00
52155	TIRES	63.74	109.77	0.00	115.26
52160	RESALE SUPPLIES	0.00	20,000.00	3,600.00	21,000.00
52165	SECURITY SUPPLIES	1,582.35	2,500.00	0.00	2,625.00
52170	FREIGHT CHARGES	330.11	242.77	1,580.09	254.91
	SUBTOTAL - OPERATING SUPPLIES	**67,806.44**	**132,339.18**	**84,484.43**	**138,956.14**
	SUBTOTAL - CHEMICALS	**0.00**	**0.00**	**0.00**	**0.00**
52305	TELEPHONE	4,196.33	5,100.54	3,208.36	5,355.56
52310	POSTAGE	15.08	25.00	21.43	26.25
52315	ADVERTISING	2,735.00	2,000.00	1,919.64	2,100.00
52325	TRAVEL	0.00	3,000.00	836.50	3,150.00
52330	TRAINING	0.00	4,000.00	0.00	4,200.00
52335	DUES AND SUBSCRIPTIONS	6,212.00	8,000.00	6,867.63	8,400.00
52340	BOOKS AND PUBLICATIONS	2,256.00	0.00	0.00	0.00
52345	PRINTING, BINDING AND COPYING	11,224.27	15,750.00	9,676.79	16,537.50
52350	INTERNET SERVICES	1,031.88	1,814.21	1,083.36	1,904.93
52360	ALARM SERVICES	0.00	0.00	44.64	0.00
52390	MISCELLANEOUS PERMITS	2,547.66	2,000.00	1,400.00	2,100.00
52400	BANK SERVICE CHARGES	458.09	750.00	0.00	787.50
52405	CREDIT CARD DISCOUNT CHARGES	36,069.30	40,000.00	0.00	42,000.00
	SUBTOTAL - ADMINISTRATION	**66,745.61**	**82,439.75**	**25,058.34**	**86,561.74**
52505	WATER	42,786.72	35,000.00	20,924.48	36,750.00
52520	ELECTRICITY	17,794.16	17,050.29	18,467.10	17,902.80
52525	GARBAGE	90,689.94	83,000.00	44,957.29	87,150.00
52530	OTHER UTILITY CHARGES	0.00	1,500.00	0.00	1,575.00
	SUBTOTAL - UTILITIES	**151,270.82**	**136,550.29**	**84,348.87**	**143,377.80**
52640	OTHER CONTRACTUAL SERVICES	82,684.64	114,000.00	30,569.96	119,700.00
52645	TEMPORARY LABOR SERVICES	413,529.03	436,253.57	206,900.23	458,066.25
52652	COMPLIANCE REQUIREMENTS SERVICES	1,226.39	1,437.50	4,014.04	1,509.38
	SUBTOTAL - PROFESSIONAL SERVICES	**497,440.06**	**551,691.07**	**241,484.23**	**579,275.62**
52705	EQUIPMENT RENT	0.00	5,000.00	2,525.89	5,250.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	20,959.07	5,000.00	4,280.61	5,250.00
	SUBTOTAL - REPAIR SERVICES	**20,959.07**	**10,000.00**	**6,806.50**	**10,500.00**
55090	TOOLS AND EQUIPMENT	16,876.00	5,000.00	0.00	5,250.00
	SUBTOTAL - CAPITAL OUTLAY	**16,876.00**	**5,000.00**	**0.00**	**5,250.00**
	TOTAL	**821,098.00**	**918,020.29**	**442,182.37**	**963,921.30**

2023-2024 Mid-Cycle Operating Budget and 2024-2028 Financial Plan Workshop

El Dorado Irrigation District

November 14, 2023

Previous Board Action

- March 20, 2000 – Board adopted a multi-year operating budget process.
- December 12, 2022 – Board adopted the 2023–2024 operating budget and 2023–2025 Financial Plan, including the implementation of previously approved 5% rate increases for 2023 for water and recycled water, with 0% increase for wastewater for 2023.
- October 23, 2023 – Board accepted the Cost of Service analysis and issued Proposition 218 notice.
- October 23, 2023 – Board adopted the 2024 – 2028 Capital Improvement Plan (CIP).

Summary of Issues

- 2023 revised year end projections
- 2024 revenue projections
- 2024 operating budget expense projections
- Debt service coverage
- 2024-2028 five-year forecast

Revised 2023 Revenue Projections

2023 Revenue projection changes from 2023 adopted budget:

Total revenues lower by $1.86 million

Major contributors include:

- FCC revenue projected higher by $2.60 million
- Hydropower sales projected higher by $2.00 million
- Rate revenue projected lower by $3.40

2024 Revenue Projections

2024 Revenue Projections

Total revenues higher by approx. $3.03 million

Major contributors include:

- Rate revenue increase
- FEMA reimbursements decrease

Revenues for 2023-2024 (in millions)

	2023 Adopted Budget	2023 Revised Projection	2024 Adopted Budget	2024 Proposed Budget
Water Sales and Services[1]	$ 41.587	$39.130	$ 45.059	$45.997
Wastewater Sales and Services[1]	21.711	21.052	22.332	22.711
Recycled Water Sales[1]	2.900	2.550	3.157	3.161
Hydropower Sales	3.500	5.449	3.500	3.500
Investment Income	0.600	1.772	0.750	0.750
FCCs	10.000	12.695	10.000	10.000
Debt Surcharges	0.960	0.980	0.960	0.960
Property Tax	15.600	15.456	15.912	15.722
Grants	0.000	0.000	0.000	0.000
FEMA	3.000	0.028	0.000	0.000
Other Income	1.699	0.313	1.708	1.708
Recreation	1.650	1.92	1.683	1.732
Total Revenues	**$ 103.207**	**$ 101.345**	**$ 105.061**	**$ 106.241**

(1) 2024 projections include a 12% rate increase for water rates and a 3% rate increase for wastewater and recycled water, as discussed in the financial plan below.

Operating Budget
Development Process

Budget Development Approach

12/31/23 Projected Year End Expenditures

- Projections based on:
  - 2023 actual expenditures as of July 31, annualized and adjusted for known differences
  - August and September budget status reports

2024 Proposed Operating Budget

- 2024 proposed budget is 3% higher than the 2023 adopted budget
  - approximately $3.03 million

2024 Operating Budget
Expense Projections

2024 Proposed Operating Budget

2024 Expense Projections

- Personnel
  - Net personnel expenses increase by $2,254,000 (7%)
    - Gross wages increase $1,973,000
    - Capitalized labor offset increase $317,000
    - Benefits increase $586,000
      - Medical increase $235,000
      - Retiree health increase $109,000

2024 Proposed Operating Budget

2024 Expense Projections

- Materials and Services
  - Materials and Services decrease $1,028,000 (3%)
    - Operating supplies increase $294,000
    - Chemicals increase $77,000
    - Utilities increase $355,000
    - Repair services increase $73,000
    - Professional services increase $333,000
    - Tank recoating decrease $2,000,000

2023-2024 Operating Budget Summary by Expense Type (in millions)

Departments	2023 Adopted Budget	2023 Revised Projections	2024 Adopted Budget	2024 Proposed Budget
Office of the General Manager	$ 3.760	$ 3.299	$ 3.948	$ 3.948
Communications	0.406	0.323	0.426	0.426
Finance	8.503	8.375	8.929	9.079
Human Resources	3.445	3.309	3.617	3.617
Information Technology	3.053	3.499	3.206	3.356
Engineering				
-Engineering Administration	0.697	0.713	0.732	0.882
-Development Services	0.553	0.460	0.580	0.580
-Water / Hydro Engineering	0.113	0.224	0.119	0.119
-Wastewater / Recycled Engineering	0.013	(0.231)	0.014	0.014
-Drafting/GIS Services	0.420	0.407	0.441	0.441
-Construction Inspection	(0.120)	0.134	(0.125)	(0.126)
-Environmental Compliance	1.753	1.548	1.841	1.841
Operations				
-Administration	0.568	0.443	0.596	0.596
-Water Operations	16.258	15.151	17.070	17.220
-Water Tank recoating[(1)(2)]	2.600	1.229	0.000	0.000
-Wastewater Operations	12.313	13.638	12.929	13.079
-Recycled Water Operations	1.608	1.625	1.688	1.688
-Recycled Water Tank recoating[(1)(2)]	-	-	2.000	0.000
-Hydroelectric Operations	6.145	5.565	6.453	6.453
-Recreation Operations	1.796	1.201	1.886	1.886
Total Expenses	**$ 63.885**	**$ 60.912**	**$ 66.350**	**$ 65.099**

(1) Water and recycled water tank recoating costs separated from Water Operations beginning in 2023

(2) Water and recycled water tank recoating costs are capitalized in 2024 and not reflected in the operating budget expenses

2023 – 2024 Employee Benefits by type
(in millions)

	2023 Adopted Budget	2023 Revised Projections	2024 Adopted Budget	2024 Proposed Budget
Wages	$ 24.472	$ 24.223	$ 25.696	$ 26.445
Benefits (Table 4)	11.718	10.998	12.304	12.304
Salaries and Benefits	**36.190**	**35.221**	**38.000**	**38.749**
CIP and Development Reimbursement Labor Offsets	(6.364)	(4.183)	(6.681)	(6.681)
Net personnel expense	**29.826**	**31.038**	**31.319**	**32.080**
Materials and Services				
-Operating Supplies	5.902	4.299	6.196	6.196
-Chemicals	1.534	1.358	1.611	1.611
-Administration	6.716	6.537	7.052	7.052
-Utilities	7.122	7.429	7.477	7.477
-Professional Services	6.654	5.920	6.987	6.987
-Repair Services	1.459	0.784	1.532	1.532
-Tank recoating[(1)(2)]	2.600	1.229	2.000	0.000
-Insurance	1.213	1.243	1.274	1.274
-Operating Capital Outlay	0.609	0.825	0.639	0.639
-Contingency	0.250	0.250	0.263	0.263
Total Materials and Services	**34.059**	**29.874**	**35.031**	**33.031**
Total Expenses	**$ 63.885**	**$ 60.912**	**$ 66.350**	**$ 65.099**

(1) Tank recoating costs are separated from Repair Services beginning in 2023
(2) Tank recoating costs are capitalized in 2024

Debt Service Coverage

2023-2024 Debt Service Coverage (in millions)

	2023 Adopted Budget	2023 Revised Projections	2024 Adopted Budget	2024 Proposed Budget
Estimated Revenues	$ 103.206	$ 101.345	$ 104.836	$ 106.241
Estimated Operating Expenses	(63.885)	(60.913)	(66.350)	(65.099)
Available Net Revenues	39.321	41.257	38.487	41.142
Debt Service - Senior [1]	15.042	15.042	14.965	14.965
Debt Service Ratio	2.61	2.61	2.36	2.74
Internal (1.0) Debt Service Ratio [2]	1.95	1.95	1.69	1.46

[1]Proposed budgets for 2023 and 2024 assume the prepayment on the following year's maturing debt of $6 million in each year. The District's prepayment in 2019 reduced the debt service in 2020 by approximately $6 million.

[2]Internal 1.0 test is based upon Available Net Revenues being equal to, or greater than, the debt service in a given year. Being equal to would be (available net revenues)/(debt service)=1.00 (District goal = 1.25-1.50x). Ratio includes senior and subordinate debt.

Financial Plan &
Cash Flow Projections

5-Year Financial Plan

Objectives:

- Generate adequate revenues to fund operating costs, pay debt, meet debt covenants and maintain adequate reserves
- Maintain current service and reliability levels for ratepayers
- Avoid customer “rate shock”
- Maintain strong credit ratings
- Maintain CIP funding levels to timely replace critical assets to avoid failures
- Maintain strong debt coverage ratios (covenant and internal tests)

2024-2028 Financial Plan

Revenues

- Rates
  - 2024-2028 rates proposed following Cost of Service Study and Proposition 218 process
    - Water utility
      - 12% rate increases 2024-2028
    - Wastewater and Recycled Water utilities
      - 3% rate increase 2024-2028

2024-2028 Financial Plan

Revenues

- Rates
  - Implementation of rates will help produce funds for
    - Replacement of aging infrastructure as shown in the CIP
    - Maintain debt coverage as required by bond covenants

2024-2028 Financial Plan

Revenues

- FCC revenue – *proposed forecast*
  - 2024 estimated at $10.0 million
  - 2025-2026 estimated at $6.5 million
  - 2027-2028 estimated at $5.0 million

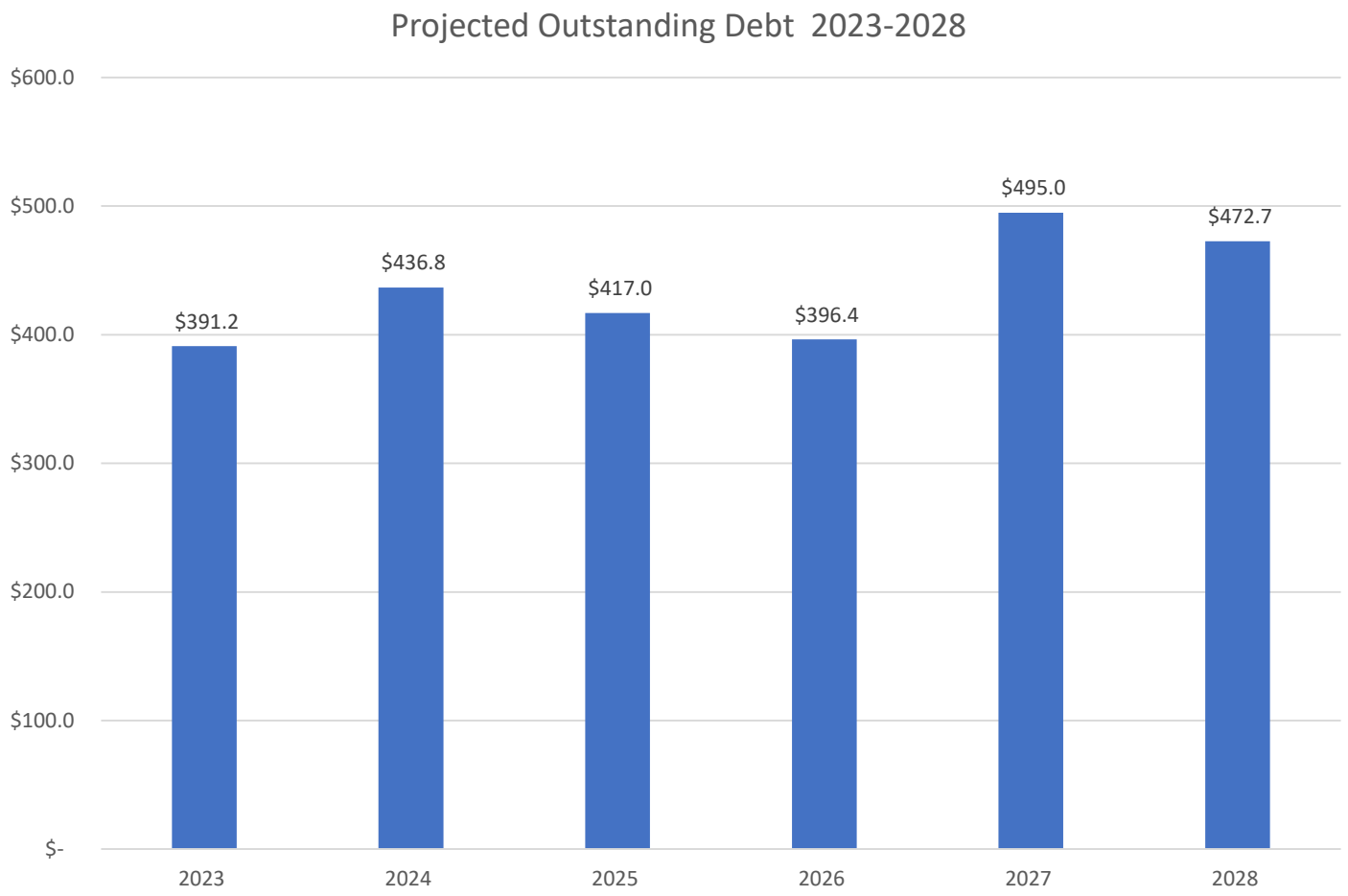
2024-2028 Financial Plan

Debt

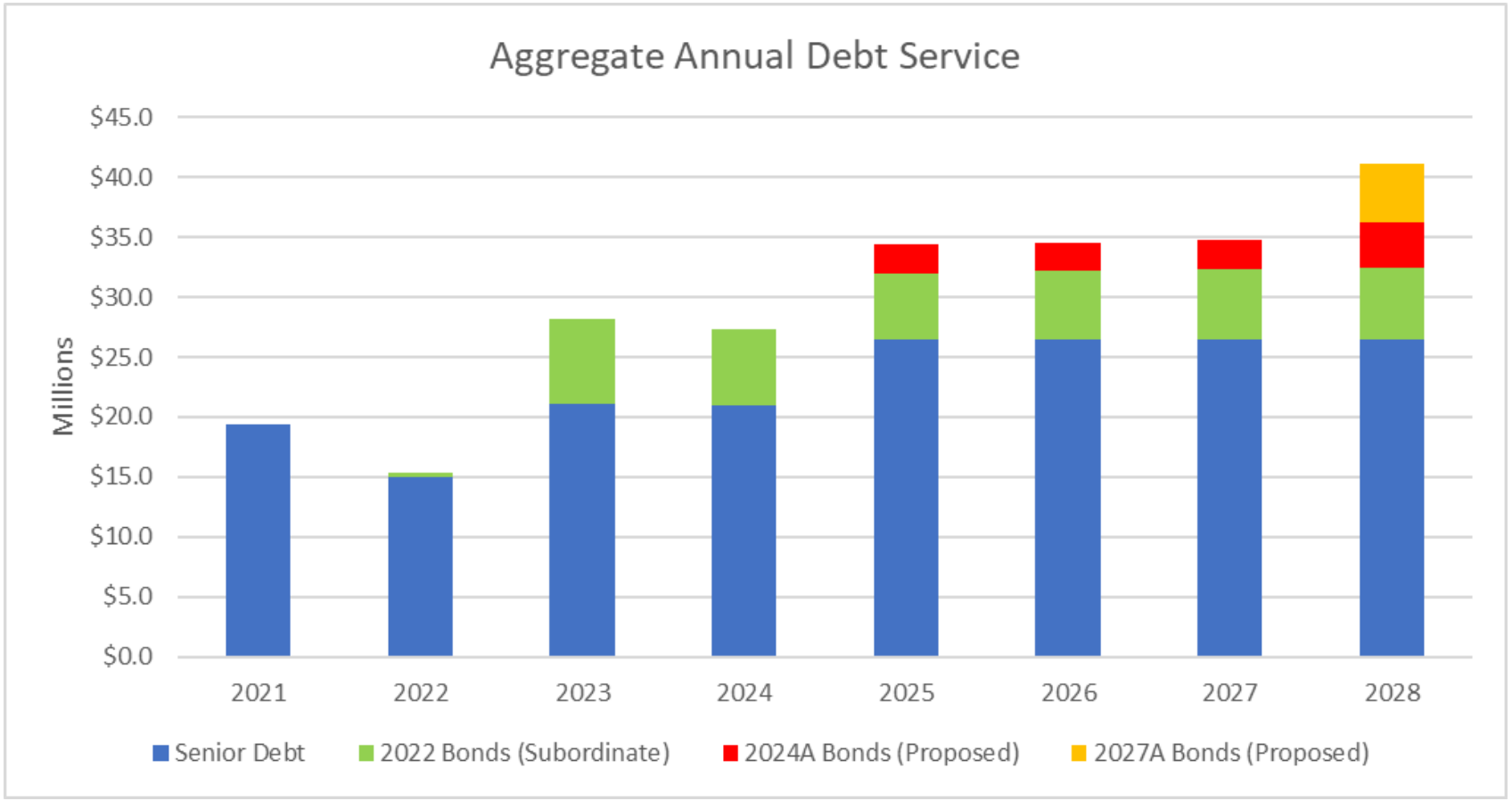
- Proposed plan
  - Bond issue in 2024, currently estimated at $60.0 million
    - Sly Park Intertie replacement
    - Flume replacement continuation
    - Water storage tank rehabilitation
  - Bond issue in 2027, currently estimated at $120.0 million
    - Silver Lake Dam replacement
    - Flume replacement continuation
    - Water treatment plant improvements

Existing Outstanding Debt 2020-2028 (in millions)

Projected Debt Outstanding 2023-2028 (in millions)



Annual Debt Payment



2024-2028 Five-Year Forecast (in millions)

Total District	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Total Debt Proceeds	60.0	-	-	120.0	-
Total Revenues	106.2	109.4	116.9	123.6	131.9
Total Maintenance and Operation Costs	65.1	68.1	71.3	74.6	78.1
Net Revenues	41.1	41.3	45.6	49.0	53.8
Senior Debt Service	15.0	22.8	22.8	22.8	29.1
Subordinate (Pension) Debt Service	6.3	5.5	5.7	5.9	6.0
Total Debt Service	21.3	28.3	28.5	28.7	35.1
Cash Available from Current Year Activities for Capital Projects or Other Improvements	79.8	13.0	17.1	140.3	18.7
Cash Balance - January 1	59.7	100.8	60.4	30.2	82.0
Total Cash Available for Capital Projects or Debt Pre-payment	139.5	113.8	77.5	170.5	100.7
Total CIP	(32.7)	(47.4)	(41.3)	(82.5)	(45.6)
Debt Reserve Paydown on New Debt	-	-	-	-	-
Pre-funding Debt	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Other Receipts-Insurance, FEMA and OES	-	-	-	-	-
Cash Balance - December 31	100.8	60.4	30.2	82.0	49.1
Senior Debt Service Coverage (1.25x test)	2.74	1.81	2.00	2.15	1.85
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	10.0	6.5	6.5	5.0	5.0
$$$ of FCCs Removed from Calculation	10.0	6.5	6.5	5.0	5.0
Internal Senior/Subordinate Debt Coverage (1.0x test)	1.46	1.23	1.37	1.53	1.39

2024-2028 Five-Year Forecast (in millions)

Water Utility Only	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Total Debt Proceeds	60.0	-	-	120.0	-
Total Revenues	71.4	75.1	81.4	87.7	95.0
Total Maintenance and Operation Costs	42.0	44.1	46.3	48.6	51.1
Net Revenues	29.4	31.0	35.1	39.1	43.9
Senior Debt Service	11.4	19.4	19.7	19.4	20.9
Pension Debt Service	4.2	3.7	3.8	3.9	4.0
Total Debt Service	15.6	23.1	23.5	23.4	24.9
CIP Expenditures	-	-	-	-	-
CIP - IT Master Plan	-	-	-	-	-
Cash Available from Current Year Activities for Capital Projects or Other Improvements	73.8	7.9	11.6	135.7	19.1
Cash Balance - January 1	32.4	80.1	44.1	20.6	76.2
Total Cash Available for Capital Projects or Debt Pre-payment	106.2	88.0	55.7	156.3	95.3
Total CIP	(22.9)	(40.7)	(32.0)	(77.0)	(41.4)
Debt Reserve Paydown on New Debt					
Pre-funding Debt	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)
Other Receipts-Insurance, FEMA and OES	-	-	-	-	-
Cash Balance - December 31	80.1	44.1	20.6	76.2	50.7
Senior Debt Service Coverage (1.25x test)	2.57	1.60	1.79	2.01	2.11

2024-2028 Five-Year Forecast (in millions)

Wastewater Utility Only	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Total Debt Proceeds	-	-	-	-	-
Total Revenues	34.8	34.3	35.4	35.9	36.9
Total Maintenance and Operation Costs	23.1	24.0	25.0	26.0	27.0
Net Revenues	11.7	10.3	10.5	9.9	9.9
Senior Debt Service	3.5	3.4	3.2	3.4	3.4
Pension Debt Service	2.1	1.9	1.9	2.0	2.0
Total Debt Service	5.6	5.3	5.1	5.4	5.4
Cash Available from Current Year Activities for Capital Projects or Other Improvements	6.1	5.0	5.4	4.5	4.5
Cash Balance - January 1	27.3	20.9	16.3	9.5	5.7
Total Cash Available for Capital Projects or Debt Pre-payment	33.4	25.8	21.7	14.1	10.2
Total CIP	(9.7)	(6.6)	(9.3)	(5.5)	(4.2)
Debt Reserve Paydown on New Debt					
Pre-funding Debt	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)
Other Receipts-Insurance, FEMA and OES	-	-	-	-	-
Cash Balance - December 31	20.9	16.3	9.5	5.7	3.1
Senior Debt Service Coverage (1.25x test)	3.33	2.99	3.30	2.91	2.92
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	4.10	2.67	2.67	2.05	2.05
$$$ of FCCs Removed from Calculation	4.10	2.67	2.67	2.05	2.05
Internal Senior/Subordinate Debt Coverage (1.0x test)	1.35	1.44	1.53	1.46	1.45

Discussion/Questions

EL DORADO IRRIGATION DISTRICT

SUBJECT: Vegetation Right-of-Way Reinforcement Program implementation update.

PREVIOUS BOARD ACTION

April 25, 2022 – Staff provided Board update regarding vegetation management conditions along District transmission line rights of way.

June 13, 2022 – Board awarded a contract to Morbark LLC in the not-to-exceed amount of $385,499.33 for the purchase of one 2022 Morbark M20R Forestry Track Drum Chipper and authorized funding of $385,499.33 for the Right-of-Way Vegetation Management Program Project, Project No. 22026.

November 14, 2022 – Staff provided Board update regarding vegetation management progress along District transmission right of way.

BOARD POLICIES (BP), ADMINISTRATIVE REGULATIONS (AR) AND BOARD AUTHORITY

BP 0010 District Mission Statement
AR 5012 District Infrastructure and Facilities

SUMMARY OF ISSUE

The District is wrapping up its second season of the newly established Vegetation Right-of-Way Reinforcement (ROWR) program. Staff is providing the Board an update regarding progress, customer outreach efforts, anticipated schedules, and priorities in the year ahead.

BACKGROUND/DISCUSSION

The District owns and operates approximately 120 miles of transmission lines ranging in size from 16 inches to 72 inches in diameter, which convey source (raw) and treated water throughout the District's service area. Given the complexity of terrain and distance from source water to customers across the District's 220-square-mile service area, there are many areas of the District's ROWs where transmission lines are located in steep and/or wooded conditions. These factors complicate maintenance and challenge crews when planned or emergency repairs must be conducted. In many cases, the original construction access roads and ROWs for these lines constructed 50 to 70 years ago have overgrown to the point of inaccessibility. The current right of way lacks sufficient access and clearance to perform emergency repairs, maintenance of isolation valves, air release valves (ARVs), blow off valves (BOVs), pressure reducing stations, or any other maintenance requirements. Lack of access to this critical infrastructure creates time-consuming operational challenges, further complicating repairs.

To address this challenge, the Board authorized three positions dedicated to conducting vegetation management along these ROWs as part of the 2022 operating budget. Further, when efforts to secure Cal Fire grant funding for additional equipment were unsuccessful in the spring of 2022, the Board authorized the purchase of a large-scale tracked chipper, significantly improving workflow efficiencies.

Equipment Approach

As staff began work on the first section of the pipeline along the Camino Conduit, they utilized a small existing District-owned trailered chipper acquired through a prior Cal Fire grant nearly a decade ago. This smaller, rubber-tired tow behind chipper was limited to stable terrain and/or roadways and could only handle trees up to 12 inches maximum diameter. A significant portion of the right of ways are very steep, which slowed operations as the slash had to be moved to the chipper. With the delivery of the tracked chipper in August 2022 and the utilization of the District's new John Deere 160 excavator, staff has significantly increased production. One additional piece of equipment, a grapple for the excavator, recently arrived and will substantially improve efficiency in processing cut timber and brush. In some cases, renting small track-mounted mastication equipment that can more efficiently remove brush and small trees is useful, thus increasing the amount of acres staff can process. Given the terrain and condition of brush and trees within the ROW, this equipment is rented on an as-needed basis.

In addition to challenging terrain due to the location of the transmission mains, hazard tree removal within the ROW has also been a complicating factor. Hazard trees require delicate removal due to their proximity to power lines, homes, and other infrastructure. This tree removal has minimized the District's ability to clear 0.5 acres daily as it often requires an outside contractor to climb and cut the trees into sections. Staff works closely with the affected customers to plan tree removals while protecting their property. The District's efforts with our neighbors have been well received.

The crew has been equipped with the appropriate fire suppression equipment, supplies, and associated training to facilitate the avoidance and suppression of fire ignitions during the ROWR work. Additionally, staff closely follow weather conditions for potential red flag warnings that may impact work activities to ensure safety always remains the top priority.

Customer Outreach

Staff provides direct mail notifications to each owner of the properties that will be accessed. This includes the current remaining phase of the Camino Conduit, where notifications continue to be issued in batches as the District progresses. To illustrate the size and level of landowner coordination, the three transmission mains that will be addressed in the initial phases of the ROWR program (Camino Conduit, El Dorado Main 1, and El Dorado Main 2) will require access to approximately 903 parcels, not including any adjacent properties that may be needed for access routes. As a result, there is and will continue to be a sustained level of ongoing landowner coordination. It is important to recognize that not all properties affected by the work are EID customers. However, area residents will benefit from assisting with wildfire risk reduction.

In addition to direct mailers, the District's website has a dedicated page for the ROWR program that describes the program and is updated with progress maps and other details as the crew continues to progress along the pipelines. Customer Service staff are also provided background information to advise any landowners who may call or email for additional information. Staff intends to issue social media updates as key milestones are reached, including connection with other wildfire reduction projects in our communities.

Overall, the ROWR project has been well received by customers and neighbors in the areas where crews have worked. Understandably, some inconveniences and concerns are associated with temporary construction activities and aesthetics. Still, given the recent impacts of the Caldor Fire, the focus of our community (above and beyond the District's primary goal for the project of transmission main access and maintenance) is fire protection.

Schedule

To date, staff has treated approximately 52.2 acres along the Camino Conduit across 61 parcels. In the year ahead, staff anticipates focusing on El Dorado Main 1, which includes roughly 141.4 acres across 532 parcels, and El Dorado Main 2, which includes about 95.2 acres across 188 parcels.

BOARD OPTIONS

None – Information only.

RECOMMENDATION

None – Information only.

ATTACHMENTS

None

Martin Humbird
Water Construction Supervisor

Patrick Wilson
Drinking Water Operations Manager

Jesse Saich
Communications and Media Relations Manager

Dan Corcoran
Operations Director

Jim Abercrombie
General Manager

Right-Of-Way Reinforcement Program Update

Informational Item

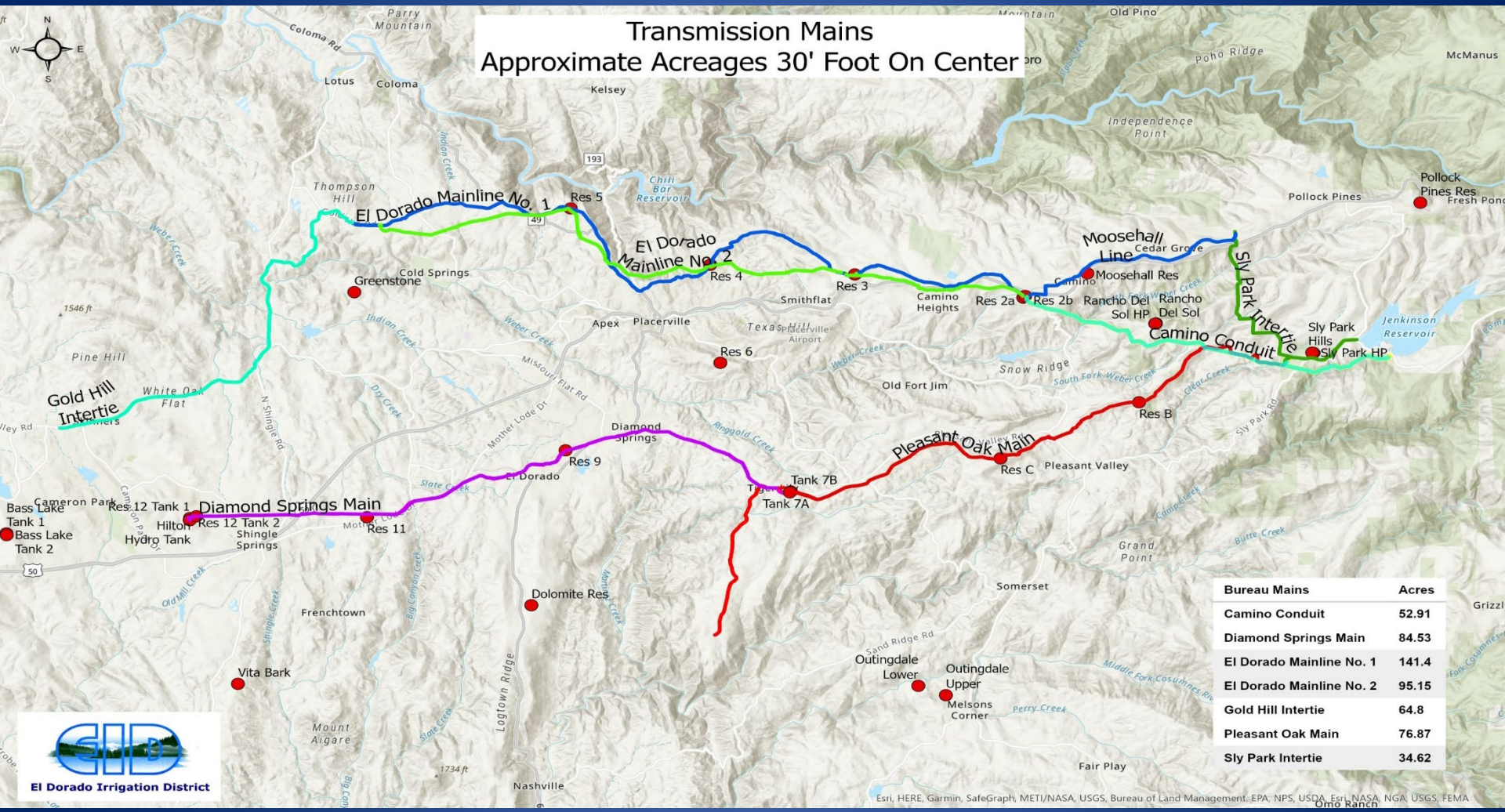
November 14, 2023

Summary Of Issue

- Board directed staff to proceed with the Right-of-Way Reinforcement (ROWR) Program
  - Provide access to critical facilities
- Program Update
  - Customer outreach
  - Anticipated schedules
  - Priorities ahead

Background

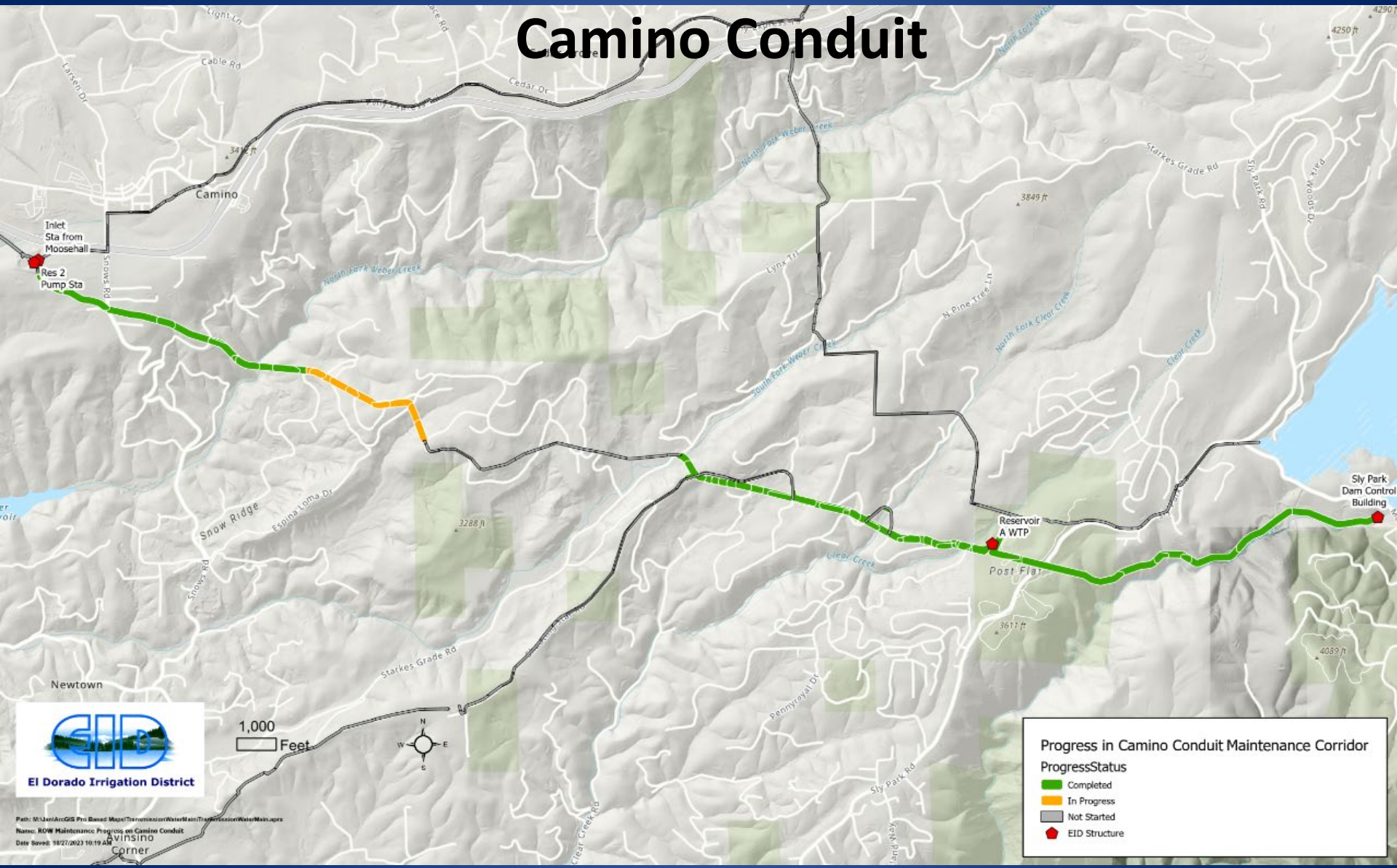
- Transmission System
  - Conveys water from source to treatment plants
  - Conveys water from treatment plants to distribution
- 120 miles of transmission mains
  - Constructed 50 – 70 years ago
  - 16 to 72 inches in diameter
  - Majority are located outside roadways
  - ROW is overgrown
  - Appurtenances lack necessary access



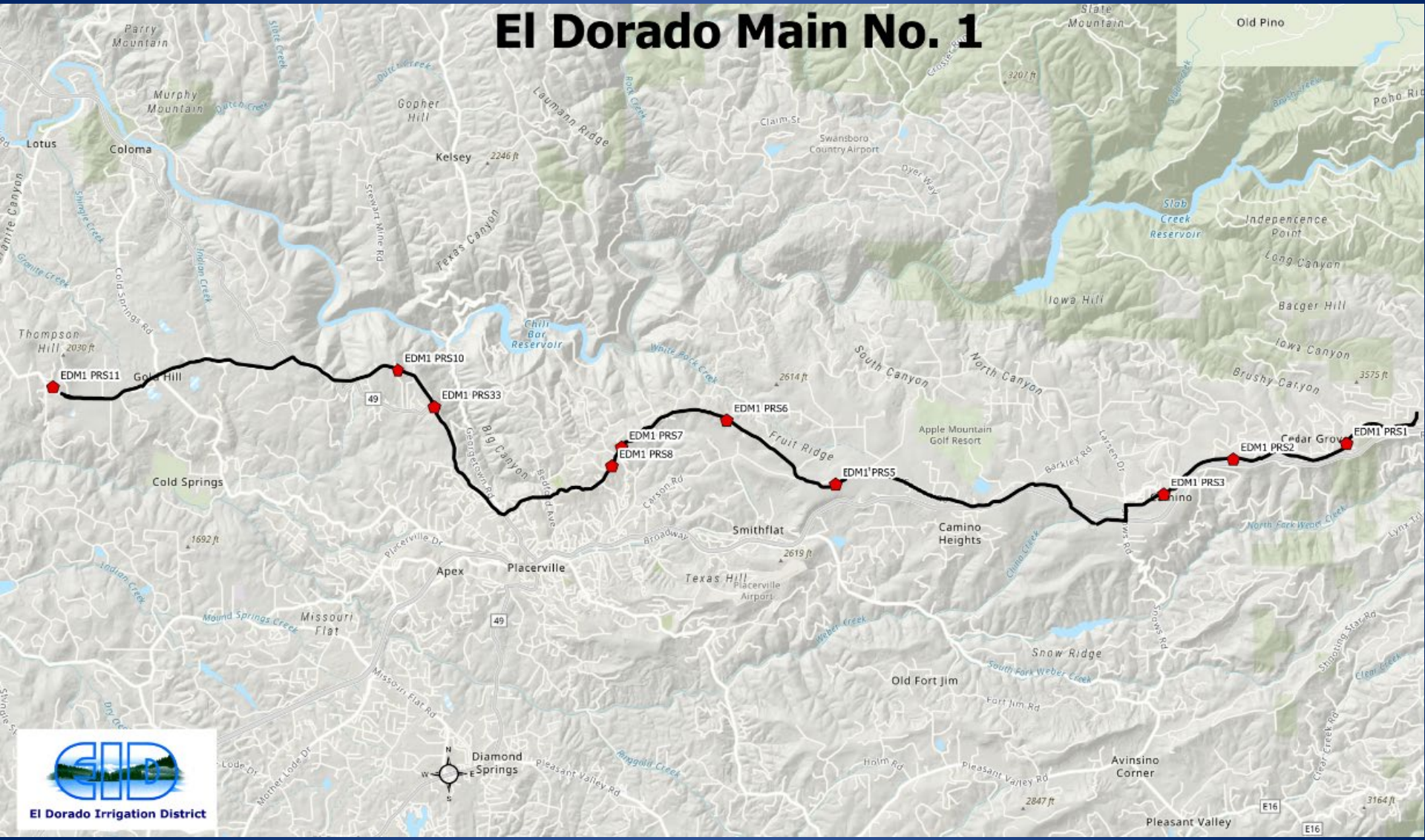
Bureau Mains	Acres
Camino Conduit	52.91
Diamond Springs Main	84.53
El Dorado Mainline No. 1	141.4
El Dorado Mainline No. 2	95.15
Gold Hill Intertie	64.8
Pleasant Oak Main	76.87
Sly Park Intertie	34.62

El Dorado Irrigation District

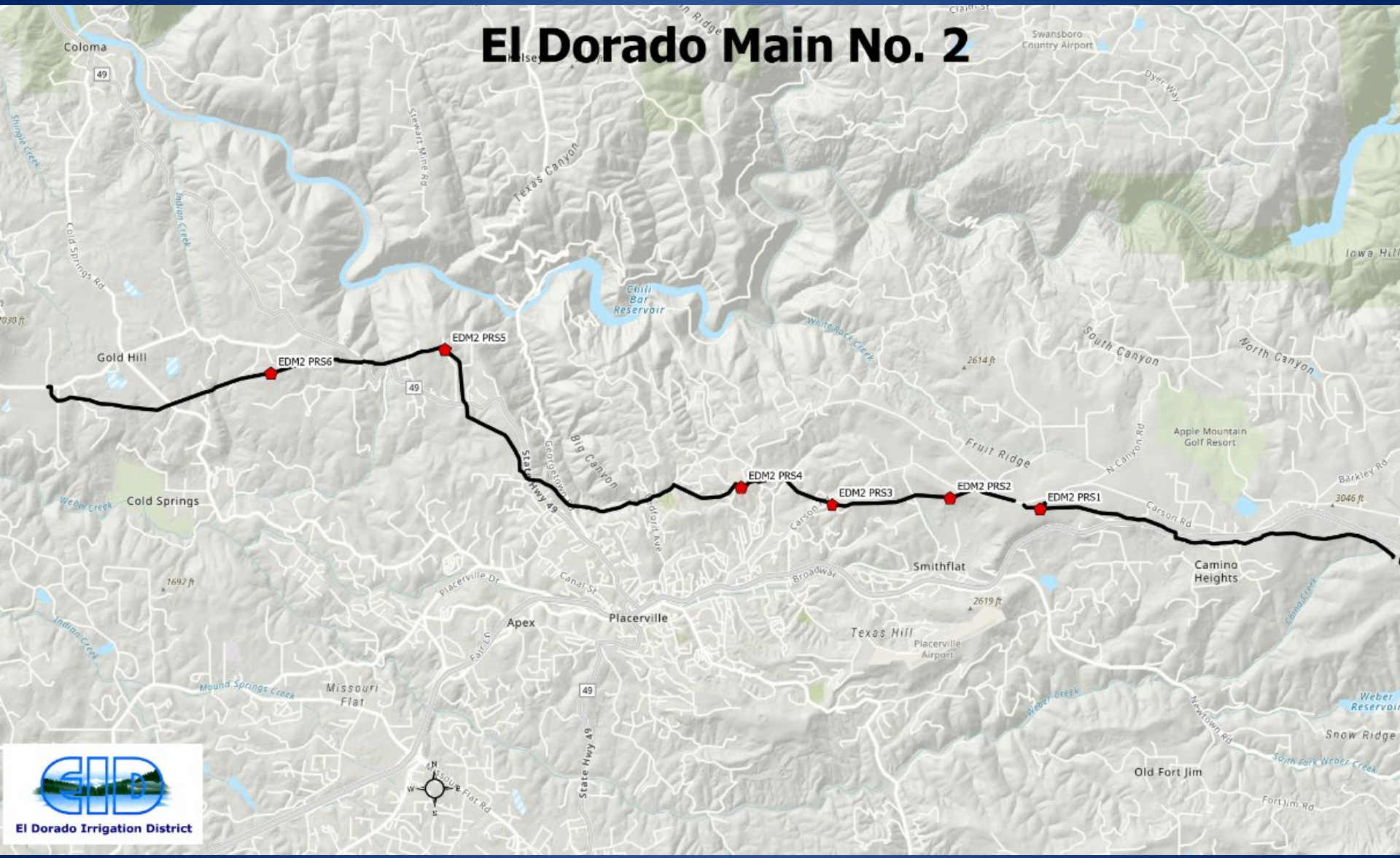
Camino Conduit



El Dorado Main No. 1



El Dorado Main No. 2



El Dorado Irrigation District

Equipment Approach

- Staff began working on Camino Conduit
  - Used District owned trailer chipper
  - Limitations to size and location of tree removal
- Tracked chipper delivery August 2022
  - Utilized John Deere 160 excavator
  - Grapple for excavator for ease of moving trees/brush
- Fire suppression equipment and training completed
- Board investment provides improved safety and workflow

Customer Outreach

- Direct mail notifications to each owner
  - Additional notifications are issued in batches
  - Not all properties are District customers
- Staff attempts to coordinate an in-person meeting
- District website dedicated ROWR page
  - Updated with progress
- Customer service staff updated on status
- Social media updates with key milestones
- ROWR project has been well received overall

Progress On Camino Conduit

Progress On Camino Conduit

Progress On Camino Conduit

Progress On Camino Conduit

Progress On Camino Conduit


Questions?

EL DORADO IRRIGATION DISTRICT

SUBJECT: Consider ratifying EID General Warrant Registers for the periods ending October 17, October 24, and October 31, 2023, and Employee Expense Reimbursements for these periods.

PREVIOUS BOARD ACTION

The Board ratifies the District's General Warrant Registers at each regular meeting of the Board.

BOARD POLICIES (BP), ADMINISTRATIVE REGULATIONS (AR) AND BOARD AUTHORITY

Section 24600 of the Water Code provides that no claim shall be paid unless allowed by the Board.

SUMMARY OF ISSUE

District staff notifies the Board of proposed payments via email and requests ratification of the warrant registers at the subsequent regular meeting of the Board. Copies of the Warrant Registers are sent to the Board on the Friday preceding the Warrant Register's date. If no comment or request to withhold payment is received from any Director prior to the following Tuesday morning, the warrants are mailed out and formal ratification of said warrants is agendized on the next regular Board agenda.

BACKGROUND/DISCUSSION

Current Warrant Register Information

Warrants are prepared by Accounts Payable, and are reviewed and approved by the Finance and Accounting Manager, the Director of Finance, and the General Manager or their designee.

Register Date	Check Numbers	Amount
October 17, 2023	706635 – 706716	$2,290,859.68
October 24, 2023	706717 – 706854	$1,181,042.76
October 31, 2023	706855 – 706962	$4,123,147.55

Current Employee Expense Reimbursements

Employee Expenses and Reimbursements have been reviewed and approved by the Finance and Accounting Manager, the Finance Director, and the General Manager prior to the warrants being released. These expenses and reimbursements are for activities performed in the interest of the District in accordance with Board Policy 12065 and Resolution No. 2007-059.

Additional information regarding Board and employee expense reimbursements is available for copying or public inspection at District headquarters in compliance with Government Code Section 53065.5.

BOARD OPTIONS

Option 1: Ratify the EID General Warrant Register and Employee Expense Reimbursements as submitted.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

RECOMMENDATION

Option 1

ATTACHMENTS

Attachment A: Executive Summaries
Attachment B: Employee Expense Reimbursements totaling $100 or more

Rebecca Lane
Finance and Accounting Manager

Jamie Bandy
Finance Director

Jennifer Sullivan
Clerk to the Board

Jim Abercrombie
General Manager

Attachment A

October 12, 2023

To: Jim Abercrombie, General Manager

From: Rebecca Lane, Finance and Accounting Manager

Via: Jamie Bandy, Director of Finance

RE: Warrant Register Executive Summary Approval

Attached is the summary for October 17, 2023 for your review and approval.

Executive Summary for October 17, 2023 -- $2,290,859.68:

This summary highlights significant disbursements made by major business activity:

Development Services (Fund 105) – none to report

General District Operations (Fund 110)

- $70,934—Association of California Water Agencies/JPIA for July – September 2023 workers' compensation insurance
- $4,094—Colantuono, Highsmith & Whatley, PC for consulting services
- $3,422—JD Pasquetti Engineering, Inc. for a credit balance refund on customer account
- $15,734—PG&E for electric service
- $40,551—Regional Water Authority for water efficiency program membership dues for fiscal year 2023-2024
- $3,376—Sierra Mountain Construction for a credit balance refund on customer account
- $4,802—Snap-On Industrial for various auto shop tools
- $4,000—Tailored Tree, Inc. for a credit balance refund on customer account
- $4,243—Verizon Wireless for cell phone service and equipment

Engineering Operations (Fund 210)

- $3,080—Verizon Wireless for cell phone service and equipment

Water Operations (Fund 310)

- $25,950—Aqua-Tech Company for Reservoir cover cleaning services
- $11,442—Joe Vicini, Inc. for asphalt patch paving services
- $34,032—PG&E for electric service
- $81,692—Regional Water Authority for general membership dues for fiscal year 2023-2024
- $6,454—Verizon Wireless for cell phone service and equipment

Wastewater Operations (Fund 410)

- $5,601—CFM-SF, Inc. for a flowmeter and remote transmitter
- $5,872—CLS Labs for regulatory lab testing
- $3,750—El Dorado Disposal Service, Inc. for grit hauling and disposal
- $80,801—PG&E for electric service
- $4,732—Verizon Wireless for cell phone service and equipment

Recycled Water Operations (Fund 510)

- $12,685—PG&E for electric service

Hydroelectric Operations (Fund 610)

- $185,028—Association of California Water Agencies/JPIA for 2023-2024 dam insurance premiums
- $4,397—Verizon Wireless for cell phone service and equipment

Recreation Operations (Fund 710)

- $3,125—A.C. Septic service for septic tank pumping services
- $3,071—Imperial Printing for 7,500 day use and campground remittance envelopes

Capital Improvement Projects (Construction Funds 140, 340, 440, 540, 640 and 740)

- $39,188—Big Valley Electric for electrical installation services ($41,250) – Reservoir A WTP PLC Replacement (Project #19033.01). Retention held $2,062
- $3,714—Carollo Engineers, Inc. for engineering and grant application support – CIP Funding Strategy Development (Project #STUDY27.01)
- $1,210,844—Doug Veerkamp General Engineering, Inc. for construction services ($1,274,572) – Forebay Road Waterline Replacement (Project #18040.01). Retention held $63,728
- $39,491—Herwit Engineering for construction engineering services:
  >Project #22035.01 – DCWWTP Blower Replacement ($9,787)
  >Project #18035.01 – EDHWWTP WAS DAFT Rehabilitation ($3,625)
  >Project #22039.01 – EDHWWTP Filter 5 Rehabilitation ($2,847)
  >Project #21077.01 – EDHWWTP Effluent Pump Station Upgrade ($23,232)
- $4,035—Kleinfelder, Inc. for hydroelectric compliance services – FERC: C37.8 Water Temperature (Project #06021H.01)
- $68,115—MCK Americas, Inc. for construction management services:
  >Project #17025.01 – Flume 45 Abutment Replacement ($8,429)
  >Project #21008.01 – Diversion-Facility Upgrades ($15,336)
  >Project #18040.01 – Forebay Road Waterline Replacement ($44,350)
- $5,529—Pace Supply Corp. for a pressure reducing valve – AMR and Meter Replacement (Project #23001.01)
- $208,544—TNT Industrial Contractors Inc. for construction services ($219,520) – EDHWWTP Filter 5 and 6 Rehabilitation (Project #22039.01). Retention held $10,976
- $7,159—Verizon Wireless for 10 iPads – Hansen 7 Software Replacement (Project #18055.01)
- $29,280—Zanjero for strategic support and technical assistance – Permit 21112 Change in Point of Diversion (Project #16003.01)

October 19, 2023

To: Jim Abercrombie, General Manager

From: Rebecca Lane, Finance and Accounting Manager

Via: Jamie Bandy, Director of Finance

RE: Warrant Register Executive Summary Approval

Attached is the summary for October 24, 2023 for your review and approval.

Executive Summary for October 24, 2023 -- $1,181,042.76:

This summary highlights significant disbursements made by major business activity:

Development Services (Fund 105) – none to report

General District Operations (Fund 110)

- $4,998—AMB Janitorial Services for janitorial services at headquarters
- $34,030—ACWA for 2024 membership dues
- $14,336—AT&T for phone and internet service
- $3,725—Carbon Health Medical Group of California PC for pre-employment screening services
- $3,004—Cintas Corporation for uniform cleaning services at various locations
- $14,036—DataProse, LLC for September 2023 billing services
- $3,187—Ferguson Enterprises, LLC for warehouse inventory
- $34,717—Hunt & Sons, Inc. for card lock fuel and fuel deliveries at various locations
- $4,873—Hydraulic Power Sales, Inc. for a paving breaker and sledge hammer repair services
- $3,004—Mountain Democrat for advertising
- $4,040—Northern California Glove & Safety for warehouse inventory
- $9,500—Reeb Government Relations, LLC for November 2023 retainer
- $25,031—Sierra Nevada Tire and Wheel for tires and service calls

Engineering Operations (Fund 210) – none to report

Water Operations (Fund 310)

- $4,361—Aecom Technical Services, Inc. for cultural resources support
- $4,011—BSK Associates for regulatory lab testing
- $4,598—California Custom Tee's for custom shirts and sweatshirts
- $4,454—Carnahan Electric, LTD for the installation of a 25 foot pole
- $6,946—City of Sacramento for American River Watershed Survey
- $4,652—GEI Consultants, Inc. for environmental evaluation and monitoring services
- $5,212—Hastie's Capitol Sand and Gravel Co. for rock deliveries
- $14,927—Holt of California for excavator and mulcher rentals
- $3,338—Owen Equipment Sales for nozzles and pipe assemblies
- $3,633—Pace Supply Corp. for two valves and a sampling station
- $265,315—PG&E for electric service
- $27,366—Pioneer Americas, LLC for sodium hypochlorite at Reservoir A
- $4,417—Pollock Pines True Value for 390 cans of spray paint, tape measures, couplings, nozzles, PVC adapters and other miscellaneous operating supplies

Wastewater Operations (Fund 410)

- $29,622—APS Environmental, Inc. for emergency wastewater pumping and hauling services
- $3,338—Capital Rubber & Gasket, Inc. for hose assemblies
- $4,678—Ferguson Enterprises, LLC for blue pipe and couplings
- $5,300—Flo-Line Technology, Inc. for sodium hydroxide pump maintenance kits at DCWWTP

- $3,250—Konecranes for quarterly crane inspection services at EDHWWTP, DCWWTP and Camp 5
- $3,431—Owen Equipment Sales for hoses, nozzles and operations and maintenance training for five employees
- $95,598—PG&E for electric service
- $8,940—Solenis, LLC for flocculant at EDHWWTP

Recycled Water Operations (Fund 510)

- $14,897—PG&E for electric service
- $27,366—Pioneer Americas, LLC for sodium hypochlorite at EDHWWTP

Hydroelectric Operations (Fund 610)

- $4,856—PG&E for electric service

Recreation Operations (Fund 710)

- $7,537—Talmo & Associates, Inc. for temporary labor at Sly Park Recreation

Capital Improvement Projects (Construction Funds 140, 340, 440, 540, 640 and 740)

- $207,552—Cal Sierra Construction, Inc. for construction services ($218,476) – Bass Lake Tank #2 Structural Improvements (Project #23020.01). Retention held $10,924
- $17,415—Carollo Engineers, Inc. for engineering services – Integrated Water Resources Master Plan (Project #STUDY10.01)
- $18,546—CDW Government for 40 laptops and related cords and cables:
  >Project #19029.01 – Wyse Laptop Replacement ($13,650)
  >Project #23024.01 – Enterprise Server Replacement ($4,896)
- $111,659—Frank A. Olsen Company for two 16 inch flow control valves – Pleasant Oak Main Pressure Reducing Station #2 Upgrade (Project #22019.01)
- $9,400—Geocon Consultants, Inc. for geotechnical services – Forebay Road Waterline Replacement (Project #18040.01)
- $9,322—Hastie's Capitol Sand and Gravel Co. for rock deliveries – Water Service Line Replacement (Project #23002.01)
- $10,287—Kleinfelder, Inc. for hydroelectric compliance monitoring services – FERC: C46 thru C49 Recreation Resource Management (Project #06098H.01)
- $3,423—Pollock Pines True Value for concrete, mortar, paint, cut-off wheels and various other operating supplies:
  >Project #20017.01 – No Name Creek Diversion Gauging ($27)
  >Project #21058.01 – Beat 1 Pedestrian Bridge A Rebuild ($88)
  >Project #23002.01 – Water Service Line Replacement ($54)
  >Project #23031.01 – Annual Canal & Flume Program ($3,254)
- $3,563—Sage Energy Consulting for consulting services – Solar Assessment and Design (Project #16030.01)

October 26, 2023

To: Jim Abercrombie, General Manager

From: Rebecca Lane, Finance and Accounting Manager

Via: Jamie Bandy, Director of Finance

RE: Warrant Register Executive Summary Approval

Attached is the summary for October 31, 2023 for your review and approval.

Executive Summary for October 31, 2023 -- $4,123,147.55:

This summary highlights significant disbursements made by major business activity:

Development Services (Fund 105) – none to report

General District Operations (Fund 110)

- $27,279—Aqua Metric Sales Company for 300 various sized water meters
- $552,203—Association of California Water Agencies/JPIA for 2023-2024 liability insurance premiums
- $5,012—AT&T for phone and wide area network service
- $3,815—Breault Asphalt Maintenance, Inc. for a credit balance refund on customer account
- $3,858—Central Valley Engineering & Asphalt for a credit balance refund on customer account
- $12,946—Commerce Printing Service for postage to mail 43,092 Proposition 218 notices
- $50,506—City of Sacramento for Water Forum 2.0 cost-shared project contribution for fiscal year 2024
- $5,765—Core & Main, LP for warehouse inventory
- $6,259—Doug Veerkamp General Engineering for credit balance refunds on two customer accounts
- $21,688—Ferguson Enterprises, LLC for various valves and warehouse inventory
- $3,816—HB Wells Equipment, Inc. for a credit balance refund on customer account
- $43,464—Hunt & Sons, Inc. for card lock fuel and fuel deliveries at various locations
- $6,128—Mission Critical Specialist, Inc. for replacing intelligence modules in the EDH UPS
- $4,272—Petru and Tanya Slivca for a claim payout for vehicle repairs
- $3,609—PG&E for a credit balance refund on customer account
- $5,000—Pitney Bowes Reserve Account for postage for warehouse meter
- $3,342—S T Granite and Plumbing, LLC for a credit balance refund on customer account
- $3,546—Toll Brothers, Inc. for a credit balance refund on customer account
- $3,894—U.S. Bank for ACWA conference registration, Districtwide Zoom subscription, extension of support for software license, outbound freight, job postings and miscellaneous operating supplies

Engineering Operations (Fund 210)

- $5,250—All Pro Backflow, Inc. for backflow certification testing

Water Operations (Fund 310)

- $26,166—Aqua-Tech Company for reservoir cover cleaning services
- $4,802—AWWA for membership dues
- $4,469—Grainger for pillow block bearings and a backwash pump
- $25,283—Iconix Waterworks (US), Inc. for an 8” replacement valve for tank 6 in EDM1 PRS13
- $4,347—McMaster-Carr Supply Company for hoses, fittings, adapters, pressure gauges and other miscellaneous operating supplies
- $15,865—Sterling Water Technologies, LLC for orthophosphate at Reservoir A
- $37,544—U.S. Bureau of Reclamation for Folsom water deliveries

- $9,466—USA Bluebook for a benchtop meter kit, an electronic metering pump, a subsurface water leak detector and other miscellaneous operating supplies

Wastewater Operations (Fund 410)

- $8,598—Ferguson Enterprises, LLC for pipe and couplings
- $4,734—Jenfitch, Inc. for cationic coagulant at EDHWWTP
- $49,845—Synagro West, LLC for sludge hauling and disposal at EDHWWTP and DCWWTP
- $5,309—USA Bluebook for a metering pump, a dissolved oxygen sensor, a 2.25 gallon sprayer and filters

Recycled Water Operations (Fund 510) – none to report

Hydroelectric Operations (Fund 610)

- $6,286—Herc Rentals, Inc. for an ride-on roller rental

Recreation Operations (Fund 710) – none to report

Capital Improvement Projects (Construction Funds 140, 340, 440, 540, 640 and 740)

- $3,340—A T.E.E.M. Electrical Engineering for electrical services – Reservoir A PLC Replacement (Project #19033.01)
- $29,698—Aecom Technical Services, Inc. for environmental impact reporting services – Permit 21112 Change in Point of Diversion (Project #16003.01)
- $178,203—Auburn Constructors, LLC for construction services ($187,582) – EDHWWTP Effluent Pump Station Upgrade (Project #21077.01). Retention held $9,379
- $6,990—Carollo Engineers, Inc. for engineering services – Water Treatment Plant Assessments-Reservoir A (Project #STUDY03.02)
- $8,275—Peterson Brustad, Inc. for professional engineering review services – EDM2 Condition Assessment (Project #STUDY15.01)
- $23,000—Raftelis for business and technical consulting services – Hansen 7 Software Replacement (Project #18055.01)
- $5,649—Stantec Consulting Services, Inc. for engineering services – Annual Reservoir and Dam Improvements (Project #23022.01)
- $2,433,719—Teichert Construction for construction services ($2,561,809) – Motherlode Force Main Replacement Program (Project #21081.01). Retention held $128,090
- $123,542—TNT Industrial Contractors, Inc. for construction services ($130,044) – Diversion - Facility Upgrades (Project #21081.01). Retention held $6,502
- $3,443—U.S. Bank for SWRCB certificate application and a grading permit from Tahoe Regional Planning Agency – Echo Conduit Emergency Repairs (Project #23026.01)
- $10,286—Water Works Engineers, LLC for general engineering and field review services:
  >Project #23032.01 – Marina Village No. 1 Lift Station Emergency Culvert Replacement ($8,701)
  >Project #19008.01 – EDM 1 Relocation/Camino Safety Project ($1,585)
- $278,143—WesTech Engineering, Inc. for filter and clarifier equipment and labor – EDHWWTP Filter 5 Rehabilitation (Project #22039.01)

Employee Expense Reimbursements
Warrant Registers dated 10/17/23 - 10/31/23

EMPLOYEE	DESCRIPTION	AMOUNT
Kristin Vinton	Travel to Attend CALGOVHR Training	$332.81
Jordan Baxter	Travel Advance / Expenses - Snow Workshop	$1,072.55
Richard Wheeler	CWEA Application / Electrical Instrumentation GR2	$207.00
Jose Perez	Food for LCW Training Workshop	$256.99
Leslie Voong	Food for LCW Training Workshop	$144.72
James Frazier	D2 Exam Prep GR2	$229.99
Wesley Hampshire	Water Distribution System Operation & Maintenance Course	$234.25
		$2,478.31