Scotts Valley Water District

2026 Water Rate Study

Final Report – August 5, 2026

Prepared by: Water Resources Economics, LLC

Water Resources Economics

PROMOTING THE VALUE AND PRICE OF WATER SERVICE

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August 5, 2026

David McNair
General Manager
Scotts Valley Water District
2 Civic Center Drive
Scotts Valley, CA 95066

Subject: Scotts Valley Water District 2026 Water Rate Study Report

Dear Mr. McNair,

Water Resources Economics, LLC (WRE) is pleased to submit this 2026 Water Rate Study Report to the Scotts Valley Water District (District). This report documents the results and recommendations of the District's water rate study. The goal of the study was to develop a five-year schedule of potable and recycled water rates that will sufficiently fund the District's water system expenses, allow the District to meet its financial goals, and comply with cost-of-service principles.

This study utilized industry-standard rate-setting methodology in accordance with guidelines developed by the American Water Works Association and incorporates guidance provided by the District's Board of Directors. Our project team has a proven track record of developing fair and equitable water rates for numerous public water agencies in California over the past 25 years. We are confident in our ability to develop sound water rates that satisfy the requirements of Proposition 218.

It has been a pleasure assisting the District, and we appreciate the support provided by yourself, Mr. John Dillon, Mr. Nate Gillespie, and other District staff during this study.

Sincerely,

Sanjay Gaur
Founder / President

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1. EXECUTIVE SUMMARY

1.1 SYSTEM OVERVIEW

The Scotts Valley Water District (District or SVWD) provides potable water service to over 3,900 metered connections which include Single Family, Multi-Family, CII (Commercial, Industrial, & Institutional), and Landscape customers. The District also provides recycled water service to over 60 metered connections for irrigation purposes. The District's service area covers approximately six square miles including most of the City of Scotts Valley and a portion of the unincorporated area north of the City.

The water system, which is owned and operated by the District, consists of storage tanks and reservoirs, pumping equipment, groundwater wells, and miles of distribution pipelines that deliver water to customers. The District's entire water supply is from groundwater produced by the District's wells.

1.2 RATE STUDY OVERVIEW

In 2021, the District completed a rate study to establish a five-year rate schedule from Fiscal Year (FY) 2022 through FY 2026.[1] The District began the current rate-setting process by engaging Water Resources Economics, LLC (WRE) in 2025 to conduct a comprehensive water rate study. The study has the following objectives:

- Evaluate a six-year financial plan scenario to meet financial targets from FY 2026 to FY 2031
- Conduct a cost-of-service analysis based on the most recent data and customer use characteristics
- Develop a five-year potable and recycled water rate schedule from FY 2027 through FY 2031

1.3 LEGAL REQUIREMENTS[2]

Legal considerations relating to retail water rates in California focus heavily on Proposition 218, which was enacted in 1996 and is now reflected in Article XIII C and Article XIII D of the California Constitution. Proposition 218 states that "property related fees and charges" (which include retail water rates) may not exceed the proportional cost of providing the service to the customer and may not be used for any purpose other than providing said service. The practical implication is that public retail water agencies in California must demonstrate a sufficient nexus between the costs incurred by the agency to provide water service, and the rates charged to customers. The primary means by which retail water agencies address this requirement is by conducting a "cost-of-service analysis."

Proposition 218 also affects the rate adoption process by requiring agencies to hold a public hearing to adopt rates. The agency must mail public hearing notices to all customers no fewer than 45 days prior to the public hearing. The public hearing notices must clearly show all proposed rate changes, provide information on the public hearing date/time/location, and provide instructions on how customers may

[1] FY 2026 is the year starting July 1, 2025 and ending June 30, 2026.
[2] Although this section is named "Legal Requirements" and discusses Proposition 218, WRE is not a law firm and does not provide legal advice.

protest the proposed rate changes. If a majority of customers submit a protest, the proposed rate changes cannot be adopted.

1.4 RATE-SETTING METHODOLOGY

This study was conducted using industry-standard methodology outlined by the American Water Works Association (AWWA) in its *Manual of Water Supply Practices M1: Principles of Water Rates, Fees and Charges, Seventh Edition* (M1 Manual). The rate study process includes the following steps:

1. **Financial Plan**: Annual revenues and expenses are projected over the rate-setting period to determine the magnitude of rate increases needed to maintain financial sufficiency. Financial policies, such as reserve targets, are also evaluated and updated if necessary.
2. **Cost-of-Service Analysis**: Costs are allocated to customers in proportion to use of and burden on the water system. The overall goal is to establish a robust nexus between the costs incurred by an agency and the rates charged to customers, as required by Proposition 218.
3. **Rate Design**: The existing rate structure is evaluated, and potential changes are identified. A multi-year proposed rate schedule is then calculated directly from the results of the financial plan and cost-of-service analysis.
4. **Rate Study Documentation**: A rate study report, or administrative record, is developed to document the proposed rate development process. This provides transparency and enhances legal defensibility in light of Proposition 218 requirements. This document serves as the rate study report and administrative record for this study.

1.5 ADDITIONAL INFORMATION AND DISCLAIMERS

This report summarizes the data, analyses, processes, and results of the District's water rate study. Some important information to keep in mind when reading the report includes the following:

- All study projections are based on the best available data as of April 2026.
- All table values are rounded to the nearest digit shown unless stated otherwise. However, all calculations are based on precise values. Attempting to manually recreate the calculations described in this report from the values displayed in tables may therefore produce slightly different results.
- All current and proposed rates and charges in this report are shown on a monthly basis.

1.6 CURRENT WATER RATES

The District's current water rates include a monthly basic meter charge based on meter size, a volumetric rate based on water usage in hgal (100 gallons), and a monthly basic meter charge for all dedicated private fire service connections.

Potable and recycled customers are charged the same monthly basic meter charge. For potable customers, Single Family[3] and Multi-Family[4] have a four-tiered volumetric rate; all other customers including CII and Landscape have a uniform volumetric rate. All recycled customers have a uniform volumetric rate. Note that the four-tiered volumetric rates for Single Family and Multi-Family customers are the same, although the corresponding tier allotments are different.

The District also has two discount programs for eligible Residential Rate Assistance and Medical Needs customers. Eligible Rate Assistance customers receive 30% off monthly basic meter charges and are charged a uniform volumetric rate based on the Residential Tier 1 rate. Eligible Medical Needs customers are charged a uniform volumetric rate based on the Residential Tier 2 rate.

The current rates are based on the District's most recent water rate study completed in 2021 which established a potable and recycled water rate schedule from FY 2022 through FY 2026, effective in January of each year. The adopted water rate schedule represents the maximum rate that the District can implement each year. The District has discretion to implement lower rates than those adopted. In FY 2024, the District implemented rates that were lower than the maximum rates adopted in the 2021 study. As a result, the District's current rates are lower than those adopted in the 2021 study, except for the recycled water volumetric rate which remains at the adopted rate.

Table 1-1 shows the current monthly basic meter charges (Lines 2-11), monthly basic meter charge for dedicated private fire service connections (Line 14), four-tiered volumetric rates for Single Family (Lines 17-21) and Multi-Family (Lines 23-27), and uniform volumetric rates for all other customer classes (Lines 29-34).

[3] Single Family customers are also known as "Residential Units with Individual Meters."
[4] Multi-Family customers are also known as "Multi-Residential Units with Master Meters."

Table 1-1: Current Water Rates

Line	Current Water Rates	Effective 1/1/2025	Effective 1/1/2026
1	**Basic Meter Charge (per month)**		
2	5/8-inch	$50.05	$52.55
3	5/8-inch Rate Assistance (Residential)	$35.04	$36.79
4	3/4-inch (Multi-Residential, incl. Fire Service)	$63.28	$66.44
5	3/4-inch	$69.96	$73.46
6	1-inch	$109.94	$115.43
7	1.5-inch	$218.87	$229.81
8	2-inch	$352.30	$369.92
9	3-inch	$731.20	$767.76
10	4-inch	$1,292.91	$1,357.55
11	6-inch	$2,577.53	$2,706.40
12			
13	**Basic Meter Charge - Dedicated Fire Service (per month)**		
14	5/8-inch Fire Service (Residential/Commercial)	$13.24	$13.90
15			
16	**Volumetric Rates (per 100 gallons)**		
17	***Tiers for Residential Units with Individual Meters***		
18	Tier 1 (0 to 3,000 gallons)	$0.94	$0.99
19	Tier 2 (3,001 to 6,000 gallons)	$1.50	$1.58
20	Tier 3 (6,001 to 7,000 gallons)	$2.73	$2.86
21	Tier 4 (Over 7,000 gallons)	$3.28	$3.44
22			
23	***Tiers for Multi-Residential Units with Master Meters***		
24	Tier 1 (0 to 3,000 gallons)	$0.94	$0.99
25	Tier 2 (3,001 to 3,200 gallons)	$1.50	$1.58
26	Tier 3 (3,201 to 7,000 gallons)	$2.73	$2.86
27	Tier 4 (Over 7,000 gallons)	$3.28	$3.44
28			
29	**Uniform**		
30	Commercial, Industrial, Institutional (CII)	$1.53	$1.61
31	Landscape Potable	$2.52	$2.65
32	Landscape Recycled	$1.82	$2.01
33	Qualifying Medical Needs Residential	$1.50	$1.58
34	Rate Assistance (Residential)	$0.94	$0.99

1.7 FINANCIAL PLAN

WRE worked closely with District staff and the Board of Directors to determine the financial plan scenario that best suits the District's needs. The results and recommendations of the water rate study are driven by the District's financial performance, input from District staff, and feedback and direction from the Board.

FACTORS AFFECTING FINANCIAL PERFORMANCE

The water system's financial performance is driven by the ability of the current water rates to meet the District's funding needs. To maintain financial sufficiency, water rates must fully fund operations and maintenance (O&M) costs, existing debt service, and capital improvement plan (CIP) expenditures, while allowing the District to meet relevant financial policies, which for this study include target fund balances and debt coverage.

The key factors affecting financial performance include:

- **Substantial capital investment needs over the next five years:** The cost of planned capital projects over the next six years (FY 2026 through FY 2031) is approximately $33.5 million (M), accounting for inflation of project costs over time. Significant projects include the Bethany Tank Rehabilitation (approximately $6.9M in FY 2026 through FY 2029) as well as the Mt. Roberta and Villa Fontenay Tank Replacements (approximately $2.4M in FY 2028 and FY 2029) which are anticipated to be fully debt financed, excluding planning costs. The remaining projects, including water main and well improvements, meter replacements, and other critical CIP, are anticipated to be funded through rates and/or reserves totaling approximately $24.2M.
- **Operating cost increases:** Total O&M expenses are projected to increase by approximately 4.5% per year on average through FY 2031, primarily due to inflation.
- **Fund balance ability to meet reserve policy targets**: The District's current reserve policies include the operating, rate stabilization, emergency, capital, and debt service reserves. These reserve policies were designed to maintain cash on hand to meet short-term cash imbalances, minimize rate impacts during periods of revenue instability, execute CIP projects, respond to unexpected costs efficiently, and reliably meet all debt service requirements. Without additional water rate revenues, the District's projected combined fund balance[5] will not meet the reserve target starting in FY 2028 and will be negative starting in FY 2029.

STATUS QUO FINANCIAL PLAN

The first step in evaluating the District's financial performance is to develop a "status quo financial plan," which is the scenario in which the District does not increase its water rates. This exercise is to determine whether the District's current water rates are sufficient to meet key financial performance metrics. Though the performance of each fund is evaluated separately to determine the need for revenue adjustments, the combined financial plan projections are shown to illustrate District-wide financial performance. This section shows two important metrics: fund balance and debt coverage.

Figure 1-1, **Figure 1-2**, and **Figure 1-3** show the fund balance projections for the potable, recycled, and combined status quo financial plan, respectively. With no new rate revenue or debt, the District's potable and combined ending balance (blue bars) will not meet its current reserve targets (dashed red line) starting in FY 2028 and will be negative starting in FY 2029. The District's recycled ending balance will not meet its current reserve targets starting in FY 2029.

[5] "Combined" refers to the sum of the Potable Water Fund (Fund 01) and Recycled Water Fund (Fund 02).

Figure 1-1: Projected Potable Fund Balances (Status Quo Financial Plan)

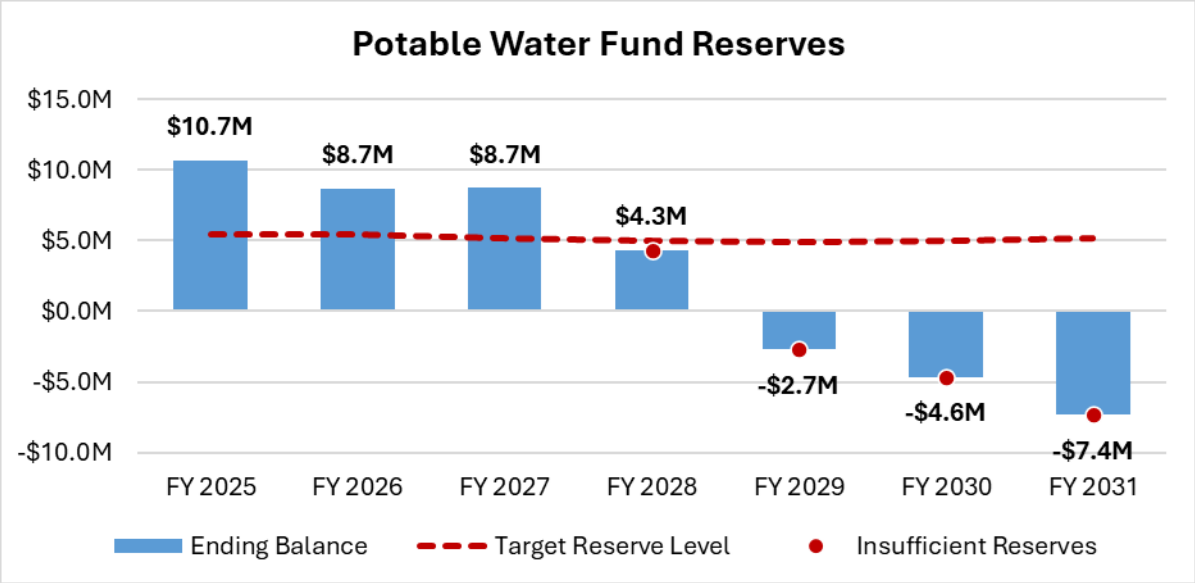


Figure 1-2: Projected Recycled Fund Balances (Status Quo Financial Plan)

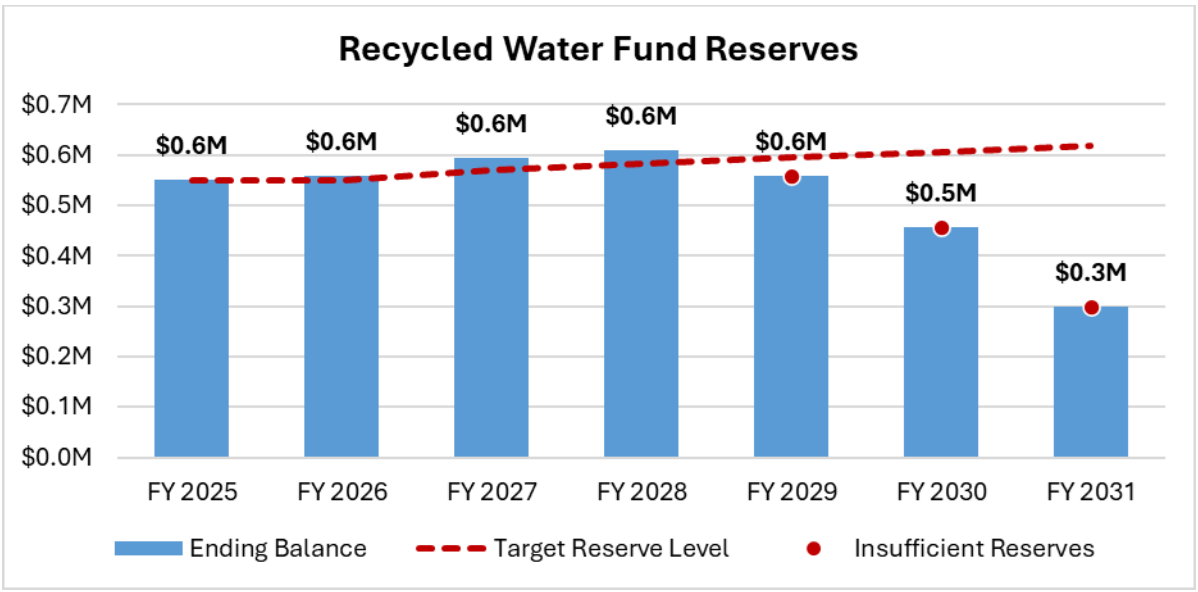


Figure 1-3: Projected Combined Fund Balances (Status Quo Financial Plan)

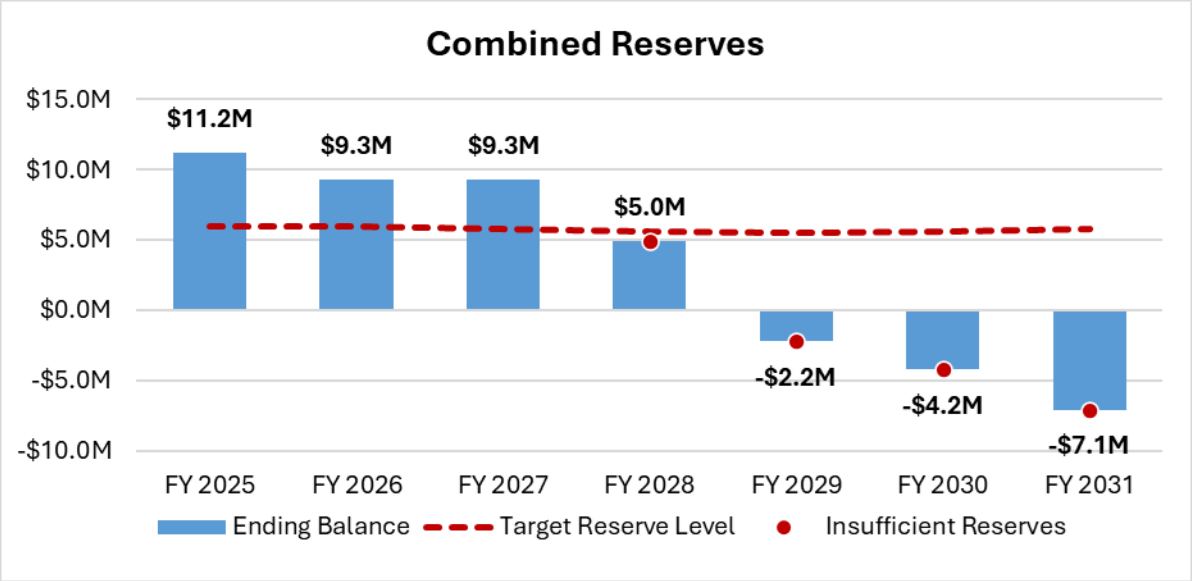
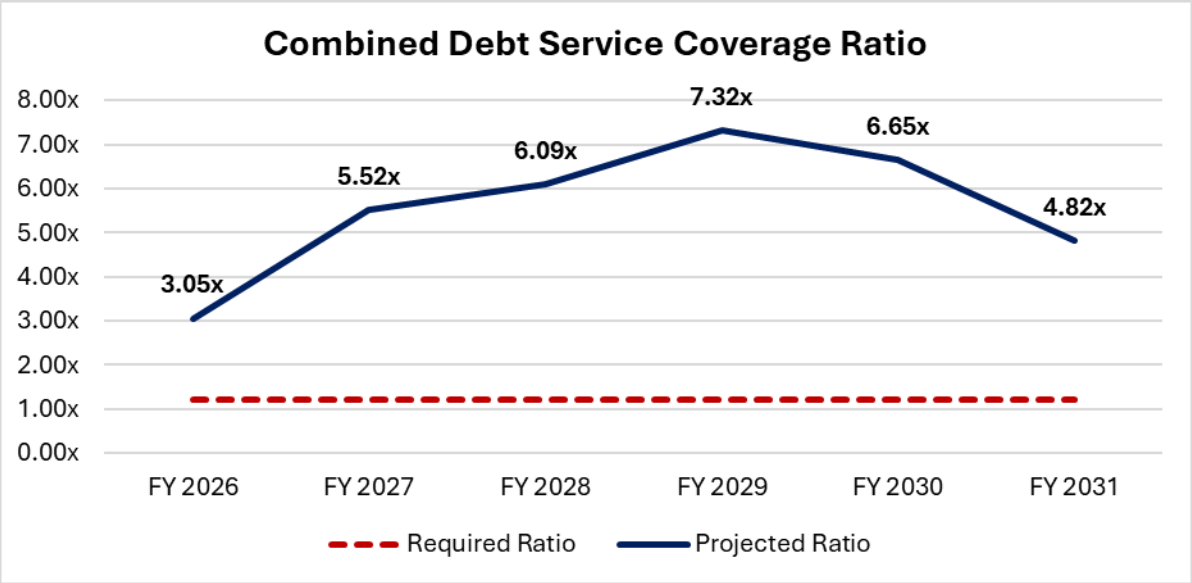


Figure 1-4 shows the debt coverage projections in the combined status quo financial plan. The required debt coverage (dashed red line) is equal to 120%. This means that net operating revenues (revenues less operating expenses) must be 120% or more of annual debt service. The District is expected to meet its required debt coverage requirements for all years for existing debt (dark blue line). Note that although the potable and recycled fund balance is evaluated separately to meet reserve targets, debt service coverage is evaluated on a District-wide basis.

Figure 1-4: Projected Combined Debt Coverage (Status Quo Financial Plan)



PROPOSED REVENUE ADJUSTMENTS AND DEBT ISSUANCES

Annual increases in water rate revenues resulting from rate increases are referred to as "revenue adjustments." WRE worked with the Board and District staff to determine the most appropriate financial plan scenario, shown in **Table 1-2**, which includes proposed revenue adjustments and new debt to fund the tank rehabilitation and replacement projects.

The proposed financial plan scenario includes five years of revenue adjustments which are required to maintain financial sufficiency and resiliency, and two proposed debt issuances in FY 2028 and FY 2029.

Table 1-2: Proposed Financial Plan Scenario

Line	Fiscal Year	Effective Date	Potable Revenue Adjustments	Recycled Revenue Adjustments	Debt Proceeds for CIP
1	FY 2027	1/1/2027	6.5%	4.0%	$0
2	FY 2028	1/1/2028	6.5%	4.0%	$6,460,881
3	FY 2029	1/1/2029	6.5%	4.0%	$2,185,454
4	FY 2030	1/1/2030	6.5%	4.0%	$0
5	FY 2031	1/1/2031	6.5%	4.0%	$0

PROPOSED FINANCIAL PLAN

The proposed financial plan applies the revenue adjustments and debt issuances, shown in **Table 1-2**, to reevaluate financial performance based on the same two metrics: fund balances and debt coverage. **Figure 1-5**, **Figure 1-6**, and **Figure 1-7** show the projected potable, recycled, and combined fund balances under the proposed scenario. In this scenario, the District will meet its current reserve targets in all years.

Figure 1-5: Projected Potable Fund Balances (Proposed Financial Plan)

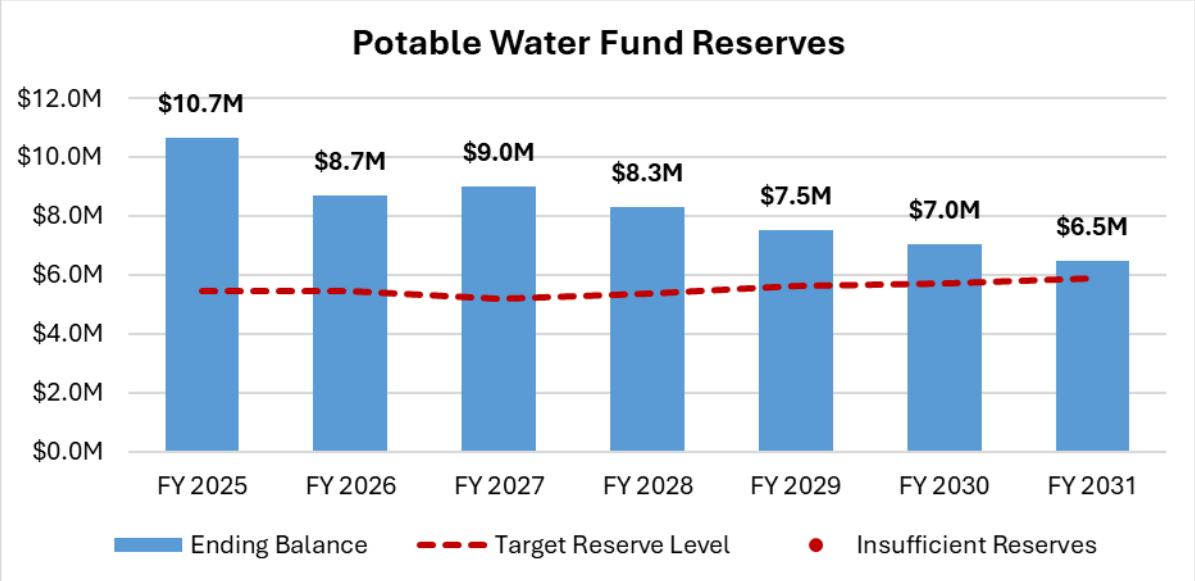


Figure 1-6: Projected Recycled Fund Balances (Proposed Financial Plan)

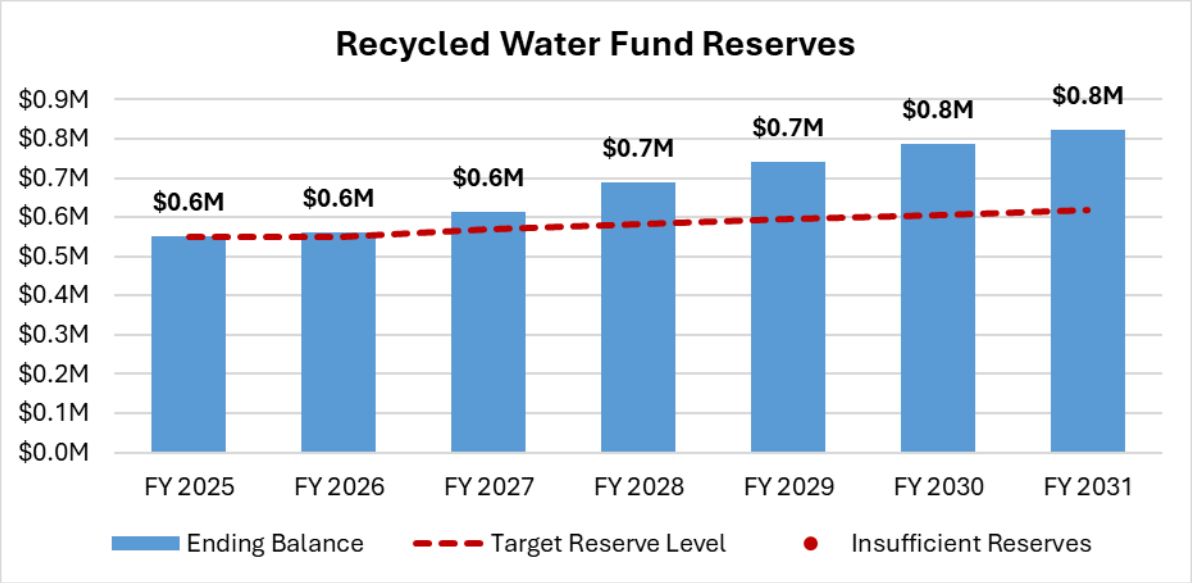


Figure 1-7: Projected Combined Fund Balances (Proposed Financial Plan)

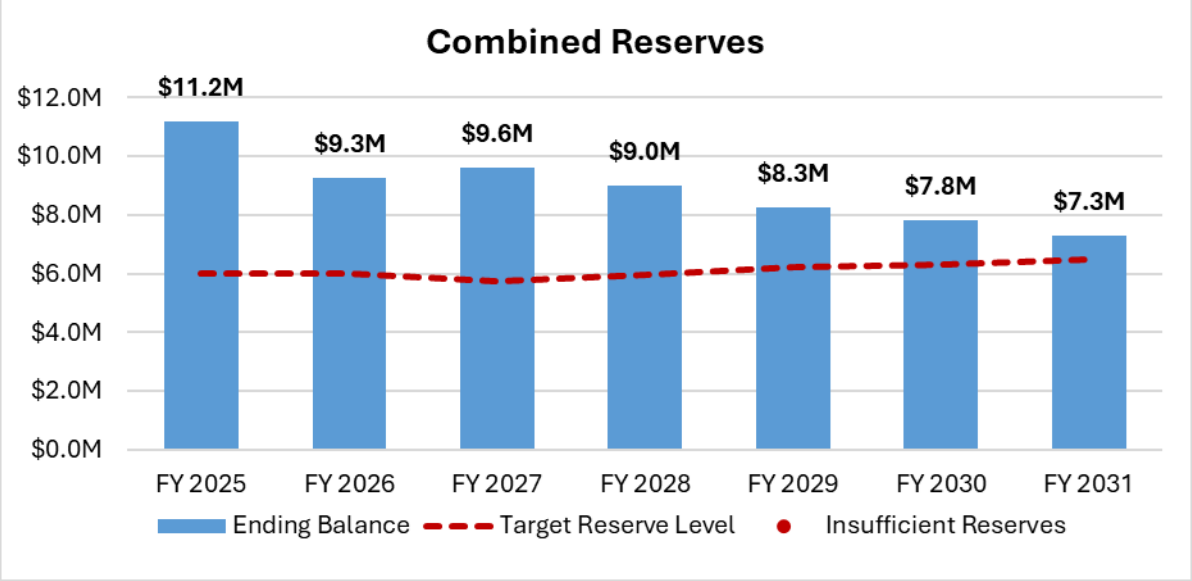
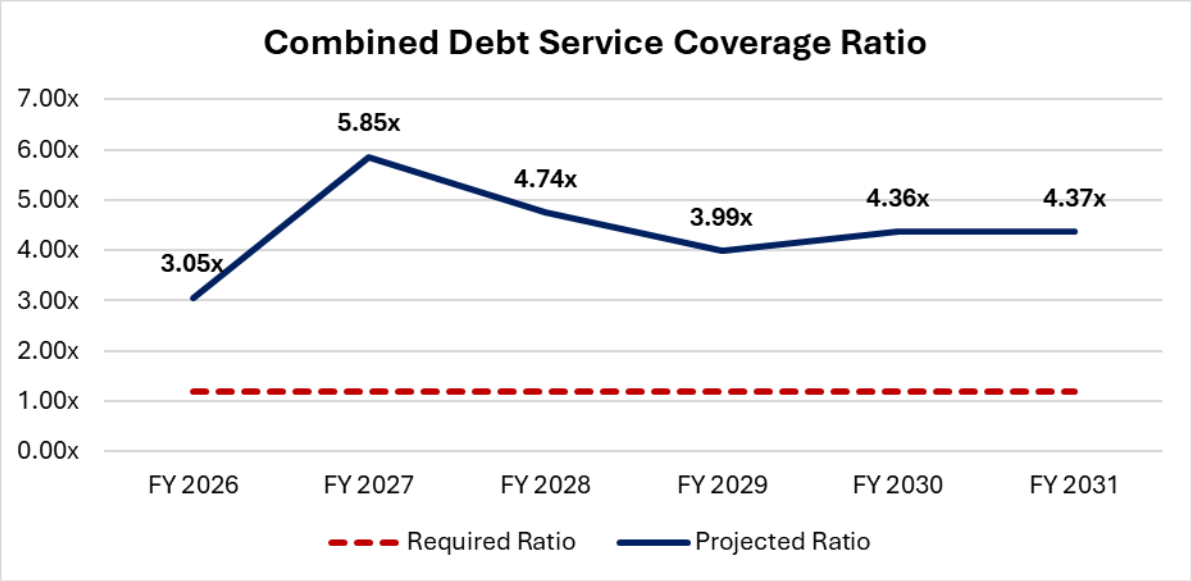


Figure 1-8 shows projected debt coverage under the proposed scenario. Although this scenario includes an additional $8.6M in new debt to fund CIP, the District will meet coverage requirements for all years.

Figure 1-8: Projected Combined Debt Coverage (Proposed Financial Plan)



1.8 COST-OF-SERVICE ANALYSIS

A cost-of-service analysis is a technical process used to determine the cost of providing water service to the District's customers based on each customer's use of and burden on the water system. The cost-of-service analysis is the basis of the nexus between the costs incurred by the utility to provide water service and the water rates charged to customers, which is a requirement of Proposition 218.

COST-OF-SERVICE METHODOLOGY

The cost-of-service methodology is based on industry standards set forth by AWWA in its *M1 Manual*; this rate study utilizes the base-extra capacity method. The overall goal of the cost-of-service analysis is to develop "unit costs," which provide the basis from which proposed rates are directly calculated from. Note that although the study period spans six years, the cost-of-service analysis is limited to a single representative year referred to as the "test year." The test year in this study is FY 2026. The key steps in conducting a water cost-of-service analysis are outlined below:

- **Revenue requirement determination**: The total rate revenue requirement for the test year is determined based on the results of the proposed financial plan and divided into primary sub-components (operating, capital, etc.).
- **Cost functionalization**: Operating and capital costs are evaluated and assigned to "functional categories" in the water system (e.g., customer service, water supply, distribution, etc.). This process provides a proportional breakdown of system costs by functional category.
- **Revenue requirement allocation to cost causation components**: Functionalized costs are allocated to "cost causation components" (e.g., water supply, delivery, conservation, etc.), which is used to attribute customers' use of the system to the District's incurrence of costs.
- **Unit cost development**: The rate revenue requirement allocation for each individual cost causation component is divided by the appropriate units of service to establish unit costs for the test year. Unit costs provide the basis from which proposed rates are calculated.

1.9 PROPOSED WATER RATES

WRE worked closely with the Board and District staff to determine the most appropriate water rate structure that meets the District's needs.

PROPOSED RATE STRUCTURE CHANGES

Currently the District's rate structure consists of a four-tiered volumetric rate for Residential customers (including Single Family and Multi-Family) and a uniform volumetric rate for all other customers including CII and Landscape. Recent court cases have highlighted potential legal risks associated with tiered rate structures for different customer classes, particularly when tier definitions are not clearly cost-justified or specific to agency customer use characteristics. Based on input from District staff and Board, WRE recommends reducing the number of tiers for Residential customers from four to three tiers and aligning Multi-Family with proposed Single Family tiers to better align the District's rate structure with evolving interpretations of Proposition 218 legal requirements and simplify the District's rate structure.

Under the proposed residential tier allotments, current Single Family tier allotments remain unchanged for Tiers 1-2. However, current Tiers 3-4 are consolidated into a single proposed Tier 3 allotment. For Multi-Family customers, the current Tier 1 allotment remains unchanged, while proposed allotments for Tiers 2-3 are adjusted to align with Single Family on a per dwelling unit basis. Under the proposed tier allotments, Tier 1 is intended to reflect reasonable indoor water use, Tier 2 reflects reasonable outdoor water use, and Tier 3 reflects all additional water use.

Additionally, the District currently charges Residential Rate Assistance usage based on the Tier 1 rate and Residential Qualifying Medical Needs usage based on the Tier 2 rate. After consideration of the Rate Assistance and Qualifying Medical Needs historical usage, WRE recommends charging both Rate Assistance and Qualifying Medical Needs usage based on the Tier 1 rate.

PROPOSED FIVE-YEAR WATER RATE SCHEDULE

The proposed five-year water rate schedules in this section are based on the proposed rate structure and methodology changes, the updated cost-of-service analysis, and the proposed revenue adjustments in the five-year period. All rates will be effective in January of each year, from January 2027 through January 2031. **Table 1-3** shows the current and proposed monthly basic meter charges for both potable and recycled customers (Lines 1-12) and volumetric rates (Lines 14-23).

Table 1-3: Current and Proposed Potable and Recycled Water Rates

Line	Proposed Water Rates	As of 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029	Effective 1/1/2030	Effective 1/1/2031
1	**Monthly Basic Meter Charge**						
2	5/8-inch	$52.55	$55.30	$58.90	$62.73	$66.81	$71.16
3	5/8-inch Rate Assistance (Residential)	$36.79	$38.71	$41.23	$43.91	$46.77	$49.82
4	5/8-inch Fire Service (Residential/Commercial)	$13.90	$10.99	$11.71	$12.48	$13.30	$14.17
5	3/4-inch (Multi-Residential, incl. Fire Service)	$66.44	$66.29	$70.60	$75.19	$80.08	$85.29
6	3/4-inch	$73.46	$76.15	$81.10	$86.38	$92.00	$97.98
7	1-inch	$115.43	$117.86	$125.53	$133.69	$142.38	$151.64
8	1.5-inch	$229.81	$222.11	$236.55	$251.93	$268.31	$285.76
9	2-inch	$369.92	$347.22	$369.79	$393.83	$419.43	$446.70
10	3-inch	$767.76	$743.41	$791.74	$843.21	$898.02	$956.40
11	4-inch	$1,357.55	$1,327.25	$1,413.53	$1,505.41	$1,603.27	$1,707.49
12	6-inch	$2,706.40	$2,724.32	$2,901.41	$3,090.01	$3,290.87	$3,504.78
13							
14	**Volumetric Rates ($/100 gallons)**						
15	**Residential**[6]						
16	Tier 1 (0-3,000 gallons)	N/A	$0.97	$1.04	$1.11	$1.19	$1.27
17	Tier 2 (3,001-6,000 gallons)	N/A	$2.49	$2.66	$2.84	$3.03	$3.23
18	Tier 3 (6,001+ gallons)	N/A	$3.37	$3.59	$3.83	$4.08	$4.35
19	**CII**	$1.61	$1.71	$1.83	$1.95	$2.08	$2.22
20	**Landscape**	$2.65	$2.31	$2.47	$2.64	$2.82	$3.01
21	**Recycled**	$2.01	$2.11	$2.19	$2.27	$2.35	$2.44
22	**Qualifying Medical Needs Residential**	$1.58	$0.97	$1.04	$1.11	$1.19	$1.27
23	**Rate Assistance (Residential)**	$0.99	$0.97	$1.04	$1.11	$1.19	$1.27

SINGLE FAMILY MONTHLY CUSTOMER IMPACTS

Table 1-4 shows the proposed impacts for a Single Family customer with a 5/8-inch meter (the most common meter size within this class) at various levels of monthly consumption. For the median Single Family customer that consumes 36 hgal of water monthly, the monthly impact will be an increase of $7.61 or 8.3%.

[6] Current Residential four-tiered volumetric rates are not shown as they are not directly comparable to the proposed three-tiered volumetric rate structure and tier allotments.

Table 1-4: Proposed Monthly Single Family Customer Impacts

Line	Single Family Water Usage Level	Usage (100 gallons)	Current Monthly Bill	Proposed Monthly Bill	Difference ($)	Difference (%)
1	Very Low (10th percentile)	13	$65.42	$67.91	$2.49	3.8%
2	Low (25th percentile)	23	$75.32	$77.61	$2.29	3.0%
3	**Median**	**36**	**$91.73**	**$99.34**	**$7.61**	**8.3%**
4	High (75th percentile)	56	$123.33	$149.14	$25.81	20.9%
5	Very High (90th percentile)	88	$220.17	$253.46	$33.29	15.1%

Table 1-5 shows monthly bills for a Single Family customer with a 5/8-inch meter and median water use of 36 hgal over the five-year rate-setting period. By the end of the final year of the proposed rate-setting period, monthly bills will increase to $128.64.

Table 1-5: Proposed Five-Year Monthly Bill Impacts for Median Single Family Customer

Line	Fiscal Year	Monthly Bill	Monthly Bill Increase ($)	Monthly Bill Increase (%)
1	Current	$91.73		
2	Proposed FY 2027	$99.34	$7.61	8.3%
3	Proposed FY 2028	$106.06	$6.72	6.8%
4	Proposed FY 2029	$113.07	$7.01	6.6%
5	Proposed FY 2030	$120.69	$7.62	6.7%
6	Proposed FY 2031	$128.64	$7.95	6.6%

MULTI-FAMILY MONTHLY CUSTOMER IMPACTS

Table 1-6 shows the proposed impacts for a Multi-Family customer with a 5/8-inch meter (the most common meter size within this class) serving five dwelling units at various levels of monthly consumption. For the median Multi-Family that consumes 145 hgal of water monthly, the monthly impact will be a reduction of $0.15 or -0.1%.

Table 1-6: Proposed Monthly Multi-Family Customer Impacts

Line	Multi-Family Water Usage Level	Usage (100 gallons)	Current Monthly Bill	Proposed Monthly Bill	Difference ($)	Difference (%)
1	Very Low (10th percentile)	65	$116.90	$118.35	$1.45	1.2%
2	Low (25th percentile)	95	$146.60	$147.45	$0.85	0.6%
3	**Median**	**145**	**$196.10**	**$195.95**	**($0.15)**	**-0.1%**
4	High (75th percentile)	180	$274.05	$275.50	$1.45	0.5%
5	Very High (90th percentile)	245	$459.95	$437.35	($22.60)	-4.9%

Table 1-7 shows monthly bills for a Multi-Family customer with a 5/8-inch meter serving five dwelling units and median water use of 145 hgal over the five-year rate-setting period. By the end of the final year of the proposed rate-setting period, monthly bills will increase to $255.31.

Table 1-7: Proposed Five-Year Monthly Bill Impacts for Median Multi-Family Customer

Line	Fiscal Year	Monthly Bill	Monthly Bill Increase ($)	Monthly Bill Increase (%)
1	Current	$196.10		
2	Proposed FY 2027	$195.95	($0.15)	-0.1%
3	Proposed FY 2028	$209.70	$13.75	7.0%
4	Proposed FY 2029	$223.68	$13.98	6.7%
5	Proposed FY 2030	$239.36	$15.68	7.0%
6	Proposed FY 2031	$255.31	$15.95	6.7%

CII MONTHLY CUSTOMER IMPACTS

Table 1-8 shows the proposed impacts for a CII customer with a 5/8-inch meter (the most common meter size within this class) at various levels of monthly consumption. For the median CII customer that consumes 58 hgal of water monthly, the monthly impact will be an increase of $8.55 or 5.9%.

Table 1-8: Proposed Monthly CII Customer Impacts

Line	CII Water Usage Level	Usage (100 gallons)	Current Monthly Bill	Proposed Monthly Bill	Difference ($)	Difference (%)
1	Very Low (10th percentile)	3	$57.38	$60.43	$3.05	5.3%
2	Low (25th percentile)	17	$79.92	$84.37	$4.45	5.6%
3	**Median**	**58**	**$145.93**	**$154.48**	**$8.55**	**5.9%**
4	High (75th percentile)	189	$356.84	$378.49	$21.65	6.1%
5	Very High (90th percentile)	617	$1,045.92	$1,110.37	$64.45	6.2%

Table 1-9 shows monthly bills for a CII customer with a 5/8-inch meter and median water use of 58 hgal over the five-year rate-setting period. By the end of the final year of the proposed rate-setting period, monthly bills will increase to $199.92.

Table 1-9: Proposed Five-Year Monthly Bill Impacts for Median CII Customer

Line	Fiscal Year	Monthly Bill	Monthly Bill Increase ($)	Monthly Bill Increase (%)
1	Current	$145.93		
2	Proposed FY 2027	$154.48	$8.55	5.9%
3	Proposed FY 2028	$165.04	$10.56	6.8%
4	Proposed FY 2029	$175.83	$10.79	6.5%
5	Proposed FY 2030	$187.45	$11.62	6.6%
6	Proposed FY 2031	$199.92	$12.47	6.7%

LANDSCAPE MONTHLY CUSTOMER IMPACTS

Table 1-10 shows the proposed impacts for a Landscape customer with a 5/8" meter (the most common meter size within this class) at various levels of monthly consumption. For the median Landscape customer that consumes 30 hgal of water monthly, the monthly impact will be a reduction of $7.45 or -5.6%.

Table 1-10: Proposed Monthly Landscape Customer Impacts

Line	Landscape Water Usage Level	Usage (100 gallons)	Current Monthly Bill	Proposed Monthly Bill	Difference ($)	Difference (%)
1	Very Low (10th percentile)	0	$52.55	$55.30	$2.75	5.2%
2	Low (25th percentile)	0	$52.55	$55.30	$2.75	5.2%
3	**Median**	**30**	**$132.05**	**$124.60**	**($7.45)**	**-5.6%**
4	High (75th percentile)	166	$492.45	$438.76	($53.69)	-10.9%
5	Very High (90th percentile)	454	$1,255.65	$1,104.04	($151.61)	-12.1%

Table 1-11 shows monthly bills for a Landscape customer with a 5/8-inch meter and median water use of 30 hgal over the five-year rate-setting period. By the end of the final year of the proposed rate-setting period, monthly bills will increase to $161.46.

Table 1-11: Proposed Five-Year Monthly Bill Impacts for Median Landscape Customer

Line	Fiscal Year	Monthly Bill	Monthly Bill Increase ($)	Monthly Bill Increase (%)
1	Current	$132.05		
2	Proposed FY 2027	$124.60	($7.45)	-5.6%
3	Proposed FY 2028	$133.00	$8.40	6.7%
4	Proposed FY 2029	$141.93	$8.93	6.7%
5	Proposed FY 2030	$151.41	$9.48	6.7%
6	Proposed FY 2031	$161.46	$10.05	6.6%

RECYCLED MONTHLY CUSTOMER IMPACTS

Table 1-12 shows the proposed impacts for a Recycled customer with a 5/8-inch meter (the most common meter size within this class) at various levels of monthly consumption. For the median Recycled customer that consumes 60 hgal of water monthly, the monthly impact will be an increase of $8.75 or 5.1%.

Table 1-12: Proposed Monthly Recycled Customer Impacts

Line	Recycled Water Usage Level	Usage (100 gallons)	Current Monthly Bill	Proposed Monthly Bill	Difference ($)	Difference (%)
1	Very Low (10th percentile)	0	$52.55	$55.30	$2.75	5.2%
2	Low (25th percentile)	1	$54.56	$57.41	$2.85	5.2%
3	**Median**	**60**	**$173.15**	**$181.90**	**$8.75**	**5.1%**
4	High (75th percentile)	391	$838.46	$880.31	$41.85	5.0%
5	Very High (90th percentile)	1,423	$2,912.78	$3,057.83	$145.05	5.0%

Table 1-13 shows monthly bills for a Recycled customer with a 5/8-inch meter and median water use of 60 hgal over the five-year rate-setting period. By the end of the final year of the proposed rate-setting period, monthly bills will increase to $217.56.

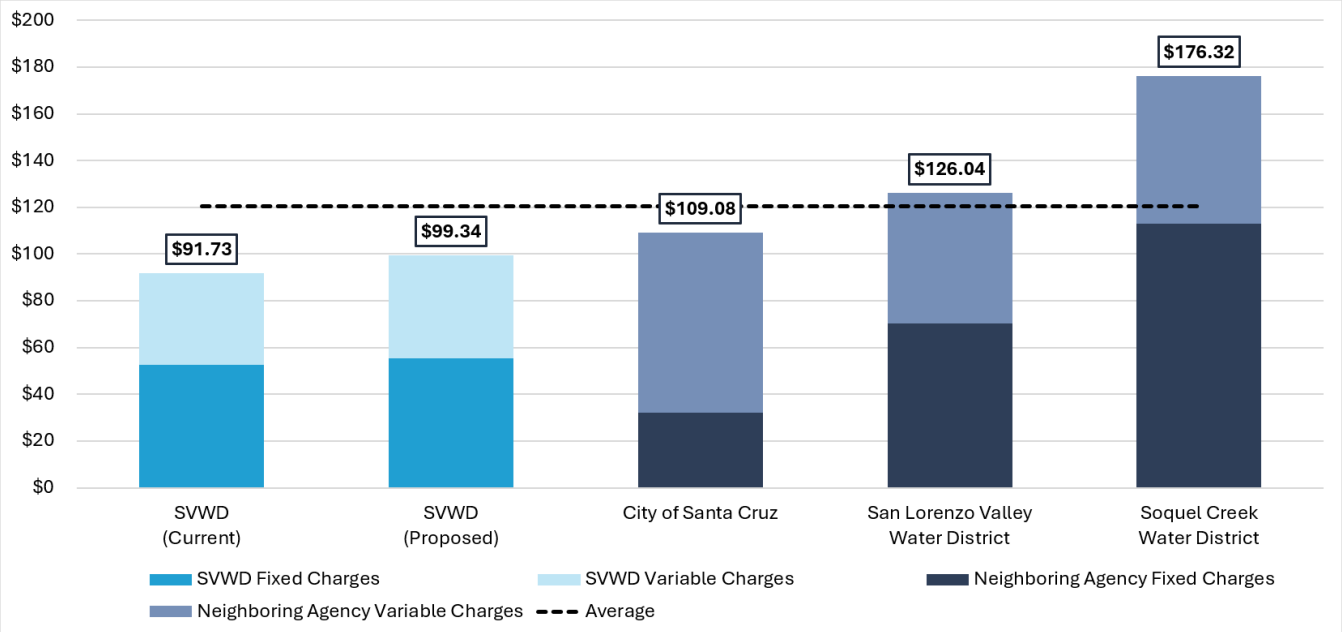
Table 1-13: Proposed Five-Year Monthly Bill Impacts for Median Recycled Customer

Line	Fiscal Year	Monthly Bill	Monthly Bill Increase ($)	Monthly Bill Increase (%)
1	Current	$173.15		
2	Proposed FY 2027	$181.90	$8.75	5.1%
3	Proposed FY 2028	$190.30	$8.40	4.6%
4	Proposed FY 2029	$198.93	$8.63	4.5%
5	Proposed FY 2030	$207.81	$8.88	4.5%
6	Proposed FY 2031	$217.56	$9.75	4.7%

SINGLE FAMILY RATE SURVEY

WRE compared the current and proposed FY 2027 water bills for Single Family Residential customers at median usage relative to the bills of nearby agencies. **Figure 1-9** shows the current and proposed monthly bills for a Single Family customer with a 5/8" meter at median usage (36 hgal) by their fixed and variable components relative to the bills of other nearby agencies. Both current and proposed SVWD bills are lower than at each of the three other agencies. Bills for San Lorenzo Valley Water District and Soquel Creek Water District are based on adopted January 2027 rates. The bill for the City of Santa Cruz is based on proposed January 2027 rates, which have not yet been formally adopted.

Figure 1-9: Single Family Rate Survey, 5/8" Meter – 36 hgal/month



2. FINANCIAL PLAN

2.1 FINANCIAL PLAN METHODOLOGY

The purpose of a financial plan is to project revenues, expenses, cash flows, reserve balances, and debt coverage over a multi-year period to assess financial sufficiency and performance and to determine the amount of required rate revenue. For this study, the planning period is from FY 2026 through FY 2031;[7] data for FY 2025 is shown when needed to represent actual data inputs. The key steps in developing a financial plan for a water enterprise are below:

- **Revenue projections:** Annual revenues from rates and other miscellaneous sources are projected over the planning period. Rate revenues are projected based on current rates to establish baseline revenues from which the need for additional rate increases can be evaluated.
- **Expense projections:** Annual expenses are projected over the study period, including O&M expenses, debt service, and CIP costs. CIP funding options (grants, debt, etc.) are also evaluated as part of the financial plan.
- **Financial policy evaluation:** Key financial policies include debt coverage requirements and reserve targets. Debt coverage requirements are typically explicitly stated in official agreements on outstanding debt issuances. Reserve targets are typically set by an agency's elected officials and may need to be periodically evaluated and updated.
- **Status quo financial plan projections:** Cash flow, reserve balances, and debt coverage are projected over the study period in the absence of additional rate increases (this scenario is called the "status quo"). Projected reserve balances and debt coverage are then compared to the agency's financial policy requirements and targets. The status quo financial plan provides a baseline from which to evaluate the need for rate increases.
- **Proposed financial plan projections:** The magnitude and timing of annual proposed revenue increases over the study period are evaluated and determined based on the agency's financial policies, financial performance, and policy objectives. Proposed rate increases (referred to as "revenue adjustments") should generate sufficient revenue to recover the agency's expenses, maintain adequate reserves, and meet all debt coverage requirements. The proposed financial plan determines the total annual rate revenue requirement over the study period.

[7] Note that although the financial planning period spans six years (FY 2026 through FY 2031), rate adjustments will only be proposed for five years (FY 2027 through FY 2031).

2.2 REVENUES

CURRENT WATER RATES

The District's current water rates include a monthly basic meter charge based on meter size, a volumetric rate based on water usage in hgal, and a monthly basic meter charge for all dedicated private fire service connections.

Potable and recycled customers are charged the same monthly basic meter charge. For potable customers, Single Family[8] and Multi-Family[9] have a four-tiered volumetric rate; all other customers including CII and Landscape have a uniform volumetric rate. All recycled customers have a uniform volumetric rate. Note that the four-tiered volumetric rates for Single Family and Multi-Family customers are the same, although the corresponding tier allotments are different.

The District also has two discount programs for eligible Residential Rate Assistance and Medical Needs customers. Eligible Rate Assistance customers receive 30% off monthly basic meter charges and are charged a uniform volumetric rate based on the Residential Tier 1 rate. Eligible Medical Needs customers are charged a uniform volumetric rate based on the Residential Tier 2 rate.

The current rates are based on the District's most recent water rate study completed in 2021 which established a potable and recycled water rate schedule from FY 2022 through FY 2026, effective in January of each year. The adopted water rate schedule represents the maximum rate that the District can implement each year. The District has discretion to implement lower rates than those adopted. In FY 2024, the District implemented rates that were lower than the maximum rates adopted in the 2021 study. As a result, the District's current rates are lower than those adopted in the 2021 study, except for the recycled water volumetric rate which remains at the adopted rate.

Table 2-1 shows the current monthly basic meter charges (Lines 2-11), fixed monthly basic meter charges for dedicated private fire service connections (Line 14), four-tiered volumetric rates for Single Family (Lines 17-21) and Multi-Family (Lines 23-27), and uniform volumetric rates for all other customer classes (Lines 29-34).

[8] Single Family customers are also known as "Residential Units with Individual Meters."
[9] Multi-Family customers are also known as "Multi-Residential Units with Master Meters."

Table 2-1: Current Water Rates

Line	Current Water Rates	Effective 1/1/2025	Effective 1/1/2026
1	**Basic Meter Charge (per month)**		
2	5/8-inch	$50.05	$52.55
3	5/8-inch Rate Assistance (Residential)	$35.04	$36.79
4	3/4-inch (Multi-Residential, incl. Fire Service)	$63.28	$66.44
5	3/4-inch	$69.96	$73.46
6	1-inch	$109.94	$115.43
7	1.5-inch	$218.87	$229.81
8	2-inch	$352.30	$369.92
9	3-inch	$731.20	$767.76
10	4-inch	$1,292.91	$1,357.55
11	6-inch	$2,577.53	$2,706.40
12			
13	**Basic Meter Charge - Dedicated Fire Service (per month)**		
14	5/8-inch Fire Service (Residential/Commercial)	$13.24	$13.90
15			
16	**Volumetric Rates (per 100 gallons)**		
17	***Tiers for Residential Units with Individual Meters***		
18	Tier 1 (0 to 3,000 gallons)	$0.94	$0.99
19	Tier 2 (3,001 to 6,000 gallons)	$1.50	$1.58
20	Tier 3 (6,001 to 7,000 gallons)	$2.73	$2.86
21	Tier 4 (Over 7,000 gallons)	$3.28	$3.44
22			
23	***Tiers for Multi-Residential Units with Master Meters***		
24	Tier 1 (0 to 3,000 gallons)	$0.94	$0.99
25	Tier 2 (3,001 to 3,200 gallons)	$1.50	$1.58
26	Tier 3 (3,201 to 7,000 gallons)	$2.73	$2.86
27	Tier 4 (Over 7,000 gallons)	$3.28	$3.44
28			
29	**Uniform**		
30	Commercial, Industrial, Institutional (CII)	$1.53	$1.61
31	Landscape Potable	$2.52	$2.65
32	Landscape Recycled	$1.82	$2.01
33	Qualifying Medical Needs Residential	$1.50	$1.58
34	Rate Assistance (Residential)	$0.94	$0.99

EFFECTIVE FISCAL YEAR WATER RATES

The District's budget is based on a Fiscal Year starting July 1 and ending June 30. Since the current water rates were not implemented to match the fiscal year cycle, **Table 2-2** shows the effective water rates for each fiscal year prior to any revenue adjustments. FY 2026 rates were implemented on January 1, 2026, meaning that those rates were effective for half of the fiscal year. The first half of FY 2026 was charged based on the FY 2025 rate effective on January 1, 2025. The current rates for all other years (FY 2027 through FY 2031) are representative of the full fiscal year.

Table 2-2: Effective Water Rates

Line	Effective Water Rates	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	**Basic Meter Charge (per month)**						
2	5/8-inch	$51.30	$52.55	$52.55	$52.55	$52.55	$52.55
3	5/8-inch Rate Assistance (Residential)	$35.92	$36.79	$36.79	$36.79	$36.79	$36.79
4	3/4-inch (Multi-Residential, incl. Fire Service)	$64.86	$66.44	$66.44	$66.44	$66.44	$66.44
5	3/4-inch	$71.71	$73.46	$73.46	$73.46	$73.46	$73.46
6	1-inch	$112.69	$115.43	$115.43	$115.43	$115.43	$115.43
7	1.5-inch	$224.34	$229.81	$229.81	$229.81	$229.81	$229.81
8	2-inch	$361.11	$369.92	$369.92	$369.92	$369.92	$369.92
9	3-inch	$749.48	$767.76	$767.76	$767.76	$767.76	$767.76
10	4-inch	$1,325.23	$1,357.55	$1,357.55	$1,357.55	$1,357.55	$1,357.55
11	6-inch	$2,641.97	$2,706.40	$2,706.40	$2,706.40	$2,706.40	$2,706.40
12							
13	**Basic Meter Charge - Dedicated Fire Service (per month)**						
14	5/8-inch Fire Service (Residential/Commercial)	$13.57	$13.90	$13.90	$13.90	$13.90	$13.90
15							
16	**Volumetric Rates (per 100 gallons)**						
17	***Tiers for Residential Units with Individual Meters***						
18	0 to 3,000 gallons	$0.97	$0.99	$0.99	$0.99	$0.99	$0.99
19	3,001 to 6,000 gallons	$1.54	$1.58	$1.58	$1.58	$1.58	$1.58
20	6,001 to 7,000 gallons	$2.80	$2.86	$2.86	$2.86	$2.86	$2.86
21	Over 7,000 gallons	$3.36	$3.44	$3.44	$3.44	$3.44	$3.44
22							
23	***Tiers for Multi-Residential Units with Master Meters***						

Line	Effective Water Rates	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
24	0 to 3,000 gallons	$0.97	$0.99	$0.99	$0.99	$0.99	$0.99
25	3,001 to 3,200 gallons	$1.54	$1.58	$1.58	$1.58	$1.58	$1.58
26	3,201 to 7,000 gallons	$2.80	$2.86	$2.86	$2.86	$2.86	$2.86
27	Over 7,000 gallons	$3.36	$3.44	$3.44	$3.44	$3.44	$3.44
28							
29	**Uniform**						
30	Commercial, Industrial, Institutional (CII)	$1.57	$1.61	$1.61	$1.61	$1.61	$1.61
31	Landscape Potable	$2.59	$2.65	$2.65	$2.65	$2.65	$2.65
32	Landscape Recycled	$1.92	$2.01	$2.01	$2.01	$2.01	$2.01
33	Qualifying Medical Needs Residential	$1.54	$1.58	$1.58	$1.58	$1.58	$1.58
34	Rate Assistance (Residential)	$0.97	$0.99	$0.99	$0.99	$0.99	$0.99

CUSTOMER ACCOUNTS AND USAGE

This section details the customer accounts and water usage for all years of the study, which are referred to as the units of service. Units of service represent the quantity of billing units that are subject to the District's water rates and charges.

Table 2-3 shows the projected number of meters and private fire lines for each customer class for the study period. Potable customer classes include Single Family, Multi-Family, CII, and Landscape customer classes. District staff provided actual data for FY 2026; this study assumes new metered connections per year based on District staff growth projections. No growth is assumed for private fire lines. The number of metered connections is the unit of service for the District's monthly basic meter charges. The number of private fire lines is the unit of service for the District's monthly basic meter charges for dedicated private fire service connections.

Table 2-3: Projected Customer Accounts (Meters and Private Fire Lines)

Line	Water Meters and Private Fire lines	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	***Source***	***Actual***	***Projected***	***Projected***	***Projected***	***Projected***	***Projected***
2							
3	**Single Family**						
4	5/8-inch	3,022	3,030	3,038	3,038	3,048	3,058
5	5/8-inch Rate Assistance (Residential)	40	40	40	40	40	40
6	3/4-inch (Multi-Residential, incl. Fire Service)	347	347	347	347	347	347
7	3/4-inch	25	34	40	40	40	40

Line	Water Meters and Private Fire lines	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
8	1-inch	4	4	4	4	4	4
9	1.5-inch	0	0	0	0	0	0
10	2-inch	0	0	0	1	1	1
11	3-inch	0	0	0	0	0	0
12	4-inch	0	0	0	0	0	0
13	6-inch	0	0	0	0	0	0
14	**Subtotal**	**3,438**	**3,455**	**3,469**	**3,470**	**3,480**	**3,490**
15							
16	**Multi-Family**						
17	5/8-inch	73	73	73	73	73	73
18	5/8-inch Rate Assistance (Residential)	0	0	0	0	0	0
19	3/4-inch (Multi-Residential, incl. Fire Service)	0	0	0	0	0	0
20	3/4-inch	1	1	1	1	1	1
21	1-inch	35	35	35	35	35	35
22	1.5-inch	7	7	7	7	7	7
23	2-inch	2	2	2	2	2	2
24	3-inch	0	1	1	1	1	1
25	4-inch	0	0	0	0	0	0
26	6-inch	0	0	0	0	0	0
27	**Subtotal**	**118**	**119**	**119**	**119**	**119**	**119**
28							
29	**CII**						
30	5/8-inch	166	166	166	166	166	166
31	5/8-inch Rate Assistance (Residential)	0	0	0	0	0	0
32	3/4-inch (Multi-Residential, incl. Fire Service)	0	0	0	0	0	0
33	3/4-inch	10	10	10	10	10	10
34	1-inch	63	63	63	63	63	63
35	1.5-inch	29	30	30	30	30	30
36	2-inch	30	31	31	31	31	31
37	3-inch	1	1	1	1	1	1
38	4-inch	1	1	1	1	1	1
39	6-inch	0	0	0	0	0	0

Line	Water Meters and Private Fire lines	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
40	**Subtotal**	**300**	**302**	**302**	**302**	**302**	**302**
41							
42	**Landscape**						
43	5/8-inch	47	47	48	48	48	48
44	5/8-inch Rate Assistance (Residential)	0	0	0	0	0	0
45	3/4-inch (Multi-Residential, incl. Fire Service)	0	0	0	0	0	0
46	3/4-inch	6	6	6	6	6	6
47	1-inch	15	15	15	15	15	15
48	1.5-inch	8	8	8	8	8	8
49	2-inch	2	2	2	2	2	2
50	3-inch	0	0	0	0	0	0
51	4-inch	0	0	0	0	0	0
52	6-inch	0	0	0	0	0	0
53	**Subtotal**	**78**	**78**	**79**	**79**	**79**	**79**
54							
55	**Recycled**						
56	5/8-inch	25	25	25	25	25	25
57	3/4-inch	7	7	7	7	7	7
58	1-inch	18	19	19	19	19	19
59	1.5-inch	4	4	5	5	5	5
60	2-inch	8	8	8	8	8	8
61	3-inch	2	2	2	2	2	2
62	4-inch	0	0	0	0	0	0
63	6-inch	0	0	0	0	0	0
64	**Subtotal**	**64**	**65**	**66**	**66**	**66**	**66**
65							
66	**Total Water Meters (Excluding Fire)**	**3,998**	**4,019**	**4,035**	**4,036**	**4,046**	**4,056**
67	**Total Potable Water Meters**	**3,934**	**3,954**	**3,969**	**3,970**	**3,980**	**3,990**
68	**Total Recycled Water Meters**	**64**	**65**	**66**	**66**	**66**	**66**
69	**Total 5/8-inch Fire Service**	**521**	**521**	**521**	**521**	**521**	**521**

Table 2-4 shows the projected water usage for each customer class and tier. District staff provided actual water usage for FY 2025; FY 2026 projected water usage was adjusted to match the past five-year average of 1,087 Acre Feet (AF), resulting in a 2.8% decrease in water usage from FY 2025 to FY 2026. All additional usage projected for future years is based on new connections.

Table 2-4: Projected Customer Water Usage (100 gallons)

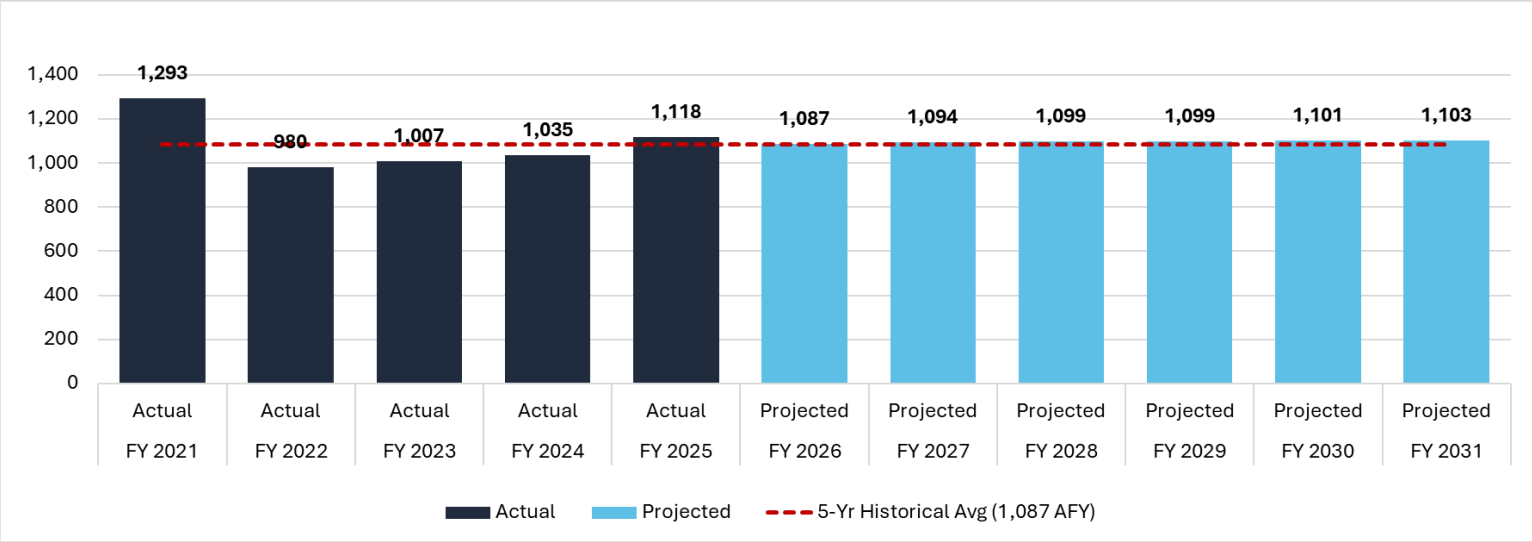
Line	Customer Water Use (100 gallons)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	***Source***	***Actual***	***Projected***	***Projected***	***Projected***	***Projected***	***Projected***	***Projected***
2	**Single Family Residential**							
3	Tier 1 (0 to 3,000 gallons)	1,043,225	1,013,564	1,019,138	1,023,729	1,024,057	1,027,336	1,030,615
4	Tier 2 (3,001 to 6,000 gallons)	464,395	451,191	453,673	455,716	455,862	457,322	458,782
5	Tier 3 (6,001 to 7,000 gallons)	78,240	76,015	76,434	76,778	76,802	77,048	77,294
6	Tier 4 (Over 7,000 gallons)	304,700	296,037	297,665	299,006	299,101	300,059	301,017
7	**Subtotal**	**1,890,560**	**1,836,807**	**1,846,910**	**1,855,229**	**1,855,823**	**1,861,766**	**1,867,708**
8								
9	**Multi-Family Residential**							
10	Tier 1 (0 to 3,000 gallons)	161,834	157,233	157,571	157,571	157,571	157,571	157,571
11	Tier 2 (3,001 to 3,200 gallons)	6,311	6,132	6,145	6,145	6,145	6,145	6,145
12	Tier 3 (3,201 to 7,000 gallons)	22,133	21,504	21,550	21,550	21,550	21,550	21,550
13	Tier 4 (Over 7,000 gallons)	3,068	2,981	2,987	2,987	2,987	2,987	2,987
14	**Subtotal**	**193,346**	**187,849**	**188,253**	**188,253**	**188,253**	**188,253**	**188,253**
15								
16	**Other Potable**							
17	CII	878,724	853,740	859,554	859,554	859,554	859,554	859,554
18	Landscape Potable	241,993	235,113	235,113	237,970	237,970	237,970	237,970
19	Landscape Recycled[10]	416,936	405,081	411,402	417,722	417,722	417,722	417,722
20	Qualifying Medical Needs Residential	6,061	5,889	5,921	5,948	5,950	5,969	5,988
21	Rate Assistance (Residential)	17,001	16,518	16,608	16,683	16,689	16,742	16,796
22	**Subtotal**	**1,560,715**	**1,516,340**	**1,528,598**	**1,537,877**	**1,537,884**	**1,537,957**	**1,538,029**
23								
24	**Total Water Usage (100 gallons)**	**3,644,621**	**3,540,997**	**3,563,760**	**3,581,358**	**3,581,960**	**3,587,975**	**3,593,990**

[10] Note that Landscape Recycled usage excludes non-billed water usage from the City of Scotts Valley and other bulk exempted usage.

Line	Customer Water Use (100 gallons)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
25	**Total Water Usage (AF)**	**1,118**	**1,087**	**1,094**	**1,099**	**1,099**	**1,101**	**1,103**
26	**Total Potable Water Usage**[11]	**3,227,685**	**3,135,915**	**3,152,358**	**3,163,637**	**3,164,238**	**3,170,253**	**3,176,268**
27	**Total Recycled Water Usage**	**416,936**	**405,081**	**411,402**	**417,722**	**417,722**	**417,722**	**417,722**

Figure 2-1 shows the historical and projected water usage in AF. The black bars represent actual usage over the past five fiscal years (FY 2021 through FY 2025), and the blue bars represent total projected usage based on **Table 2-4** (Line 25). The dashed red line represents the five-year historical average of 1,087 AF.

Figure 2-1: Historical and Projected Water Demand (AF)



[11] Note that potable water usage excludes all non-billed water usage such as dedicated fire service and water losses.

REVENUES FROM CURRENT RATES

Table 2-5 shows the calculated water rate revenues for the study period based on the current effective water rates and the projected units of service. The monthly basic meter charge revenues (Lines 2-8) are calculated by multiplying the effective fixed monthly basic meter charge (**Table 2-2**, Lines 1-11) by the projected meter connections (**Table 2-3**) for twelve billing periods. Similarly, the monthly basic meter charge revenue for dedicated private fire service connections (Line 10) is calculated by multiplying the effective fixed monthly basic meter charge (**Table 2-2**, Line 14) by the projected private fire service connections (**Table 2-3**, Line 69) for twelve billing periods. The volumetric rate revenues (Lines 12-20) are calculated by multiplying the effective volumetric rate (**Table 2-2**, Lines 16-34) by the projected water usage (**Table 2-4**) in each year. The total calculated rate revenues (Line 22) are equal to the sum of monthly basic meter charge revenues and volumetric revenues. Total recycled rate revenues (Line 24) are equal to the sum of recycled monthly basic meter charge and volumetric rate revenue. The total potable rate revenues (Line 23) is equal to the difference between total calculated rate revenues (Line 22) and recycled rate revenues (Line 24).

Table 2-5: Calculated Rate Revenues at Current Rates

Line	Calculated Rate Revenues	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	***Source***	***Projected***	***Projected***	***Projected***	***Projected***	***Projected***	***Projected***
2	**Monthly Basic Meter Charge**						
3	Single Family	$2,174,581	$2,240,546	$2,250,880	$2,255,319	$2,261,625	$2,267,931
4	Multi-Family	$120,638	$132,791	$132,791	$132,791	$132,791	$132,791
5	CII	$428,951	$446,605	$446,605	$446,605	$446,605	$446,605
6	Landscape	$84,583	$86,645	$87,275	$87,275	$87,275	$87,275
7	Recycled	$109,176	$113,223	$115,981	$115,981	$115,981	$115,981
8	**Subtotal**	**$2,917,930**	**$3,019,810**	**$3,033,532**	**$3,037,971**	**$3,044,277**	**$3,050,583**
9							
10	**Monthly Basic Meter Charge - Dedicated Fire Service**	**$84,840**	**$86,903**	**$86,903**	**$86,903**	**$86,903**	**$86,903**
11							
12	**Volumetric Rates**						
13	Single Family	$2,880,070	$2,968,317	$2,981,688	$2,982,643	$2,992,193	$3,001,744
14	Multi-Family	$231,290	$237,613	$237,613	$237,613	$237,613	$237,613
15	CII	$1,340,372	$1,383,882	$1,383,882	$1,383,882	$1,383,882	$1,383,882
16	Landscape	$607,766	$623,049	$630,622	$630,622	$630,622	$630,622
17	Recycled	$775,731	$826,917	$839,620	$839,620	$839,620	$839,620
18	Qualifying Medical Needs Residential	$9,068	$9,355	$9,397	$9,400	$9,430	$9,461
19	Rate Assistance (Residential)	$15,940	$16,442	$16,516	$16,522	$16,575	$16,628

Line	Calculated Rate Revenues	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
20	**Subtotal**	**$5,860,238**	**$6,065,575**	**$6,099,338**	**$6,100,301**	**$6,109,935**	**$6,119,568**
21							
22	**Total Calculated Rate Revenues**	**$8,863,007**	**$9,172,288**	**$9,219,773**	**$9,225,175**	**$9,241,115**	**$9,257,055**
23	**Total Potable Rate Revenues**	**$7,978,100**	**$8,232,147**	**$8,264,172**	**$8,269,574**	**$8,285,514**	**$8,301,453**
24	**Total Recycled Rate Revenues**	**$884,907**	**$940,140**	**$955,601**	**$955,601**	**$955,601**	**$955,601**

REVENUE SUMMARY

Table 2-6 shows the summary of projected revenues for the study period. District staff provided the budgeted non-rate revenues for FY 2026; all other years are projected based on the relevant assumptions or calculations. Potable and recycled current rate revenues (Lines 4 and 12) are equal to calculated rate revenues at current rates (**Table 2-5**, Lines 23 and 24). Capacity fee revenue (Lines 6 and 12) is calculated based on the projected new metered connections provided by District staff.[12] Interest earnings (Lines 7 and 14) are calculated based on average fund balances and a 2.0% interest rate. Property taxes (Line 5) are escalated by 2.0% per year per direction from District staff, while other miscellaneous revenues (Lines 8 and 15) are non-inflated for future years. Detailed revenue projections are included in the **Appendix** (**Table 6-1**).

Table 2-6: Revenue Summary

Line	Revenues Summary	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	***Source***	***Budget***	***Projected***	***Projected***	***Projected***	***Projected***	***Projected***
2							
3	**Potable (Fund 01)**						
4	Current Rates	$7,978,100	$8,232,147	$8,264,172	$8,269,574	$8,285,514	$8,301,453
5	Property Taxes	$1,637,492	$1,670,242	$1,703,647	$1,737,720	$1,772,474	$1,807,923
6	Capacity Fees	$82,184	$1,241,761	$429,845	$191,038	$238,795	$238,795
7	Interest Earnings	$420,194	$175,445	$171,241	$156,583	$144,162	$133,683
8	Other Miscellaneous	$45,400	$45,400	$45,400	$45,400	$45,400	$45,400
9	**Subtotal**	**$10,163,370**	**$11,364,995**	**$10,614,304**	**$10,400,315**	**$10,486,344**	**$10,527,255**
10							
11	**Recycled (Fund 02)**						
12	Current Rates	$884,907	$940,140	$955,601	$955,601	$955,601	$955,601
13	Capacity Fees	$0	$8,924	$17,848	$0	$0	$0
14	Interest Earnings	$6,600	$11,812	$13,481	$15,133	$16,506	$17,755
15	Other Miscellaneous	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
16	**Subtotal**	**$901,507**	**$970,876**	**$996,930**	**$980,734**	**$982,107**	**$983,357**
17							
18	**Total**	**$11,064,877**	**$12,335,871**	**$11,611,234**	**$11,381,048**	**$11,468,452**	**$11,510,612**

[12] A capacity fee update study is still in progress as of May 2026. Projected capacity fee revenues presented in this rate study are based on preliminary fee updates that are still subject to refinement.

2.3 OPERATING EXPENSES

INFLATIONARY ASSUMPTIONS

WRE worked with District staff to determine the annual inflationary assumptions to apply to the District's O&M expense budget. District staff provided budgeted expenses for FY 2026. Projected expenses over the next five years are calculated by increasing FY 2026 budgeted amounts by the inflationary assumptions shown in **Table 2-7**. Nearly all FY 2026 budgeted expenses are projected to recur annually over the next five years, except for a select few line items pertaining to irregularly recurring expenses and/or one-time expenses.[13]

Table 2-7: Expense Inflationary Assumptions

Line	Annual Inflationary Increases	Assumption
1	General	3.0%
2	Salaries	5.0%
3	Benefits	8.0%
4	Water Supply	5.0%
5	Utilities	5.0%
6	Chemicals	5.0%
7	Salaries/Benefits	6.5%
8	Recycled Water Treatment Plant	5.0%
9	Capital	3.0%

OPERATING EXPENSE SUMMARY

Table 2-8 shows the summary of O&M expenses for the study period. O&M expenses are projected to increase by 4.5% per year on average over the five-year rate-setting period. The projected decrease in FY 2027 expenses is due to irregularly recurring or one-time expenses included in the FY 2026 adopted budget that will not recur in FY 2027.

[13] See **Table 6-2** in the **Appendix** for detailed projections on a line item basis.

Table 2-8: Expenses Summary

Line	O&M Expense Summary	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	***Source***	***Budget***	***Projected***	***Projected***	***Projected***	***Projected***	***Projected***
2	**Potable (Fund 01)**						
3	Administration[14]	$1,258,174	$1,235,152	$1,345,326	$1,459,220	$1,470,256	$1,721,565
4	Finance / Customer Service[15]	$1,139,091	$1,081,456	$1,131,627	$1,184,455	$1,240,097	$1,391,466
5	Operations[16]	$4,016,230	$4,102,479	$4,292,211	$4,488,714	$4,696,802	$4,915,613
6	Engineering[17]	$351,988	$226,370	$236,205	$246,515	$257,328	$332,430
7	Board of Directors	$100,561	$107,174	$114,265	$121,869	$130,024	$138,774
8	**Subtotal**	**$6,866,044**	**$6,752,632**	**$7,119,634**	**$7,500,772**	**$7,794,507**	**$8,499,848**
9							
10	**Recycled (Fund 02)**						
11	Administration	$115,874	$121,641	$127,729	$134,159	$140,950	$148,125
12	Finance / Customer Service	$113,578	$119,339	$125,426	$131,858	$138,657	$145,844
13	Operations	$505,137	$530,947	$558,162	$586,863	$617,134	$649,065
14	Engineering	$39,110	$40,764	$42,499	$44,320	$46,231	$48,236
15	Board of Directors	$11,085	$11,741	$12,437	$13,178	$13,964	$14,799
16	**Subtotal**	**$784,783**	**$824,431**	**$866,254**	**$910,377**	**$956,935**	**$1,006,069**
17							
18	**Total**	**$7,650,827**	**$7,577,064**	**$7,985,888**	**$8,411,149**	**$8,751,442**	**$9,505,917**
19	***% Change***		***-1.0%***	***5.4%***	***5.3%***	***4.0%***	***8.6%***

2.4 DEBT SERVICE

EXISTING AND PROPOSED DEBT SERVICE

Table 2-9 shows the District's existing annual potable debt service for the study period. No debt service is allocated to the recycled fund. The District has existing debt service payments totaling approximately $3.7M over six years. Debt service for the 2016 JP Morgan loan is scheduled to end in FY 2028, and debt service for the 2021 First Foundation loan is scheduled through FY 2042.

[14] Note that new expenses are included for future years including new legal counsel services projected to cost $150K (thousand) starting in FY 2028, Urban Water Master Plan expenses expected to reoccur every five years (FY 2026 and FY 2031), and election service expenses expected to reoccur every two years (FY 2027, FY 2029, and FY 2031).
[15] Note that new expenses are included for future years including water rate study expenses expected to reoccur every five years (FY 2026 and FY 2031) and one-time expenses not expected to reoccur after FY 2026 including the Intertie Rate Study expense.
[16] Note that one-time expenses are included not expected to reoccur after FY 2026 including facility site maintenance projects such as Paving Southwood, Building Demo at Well 9, and Fencing at Well 6.
[17] Note that new expenses are included for future years including AWIA RRA expenses expected to reoccur every five years (FY 2026 and FY 2031) and one-time expenses not expected to reoccur after FY 2026 including the Fire Hardening/ Tank Siting Study for Mt Roberta/ Fontenay.

Table 2-9: Existing Potable Debt Service

Line	Existing Potable Debt Service	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	2016 JP Morgan Loan	$733,377	$475,790	$202,460	$0	$0	$0
2	2021 First Foundation Loan	$386,514	$386,148	$385,635	$385,965	$386,124	$386,114
3	**Total Existing Debt Service**	**$1,119,891**	**$861,938**	**$588,095**	**$385,965**	**$386,124**	**$386,114**

Table 2-10 shows the proposed potable annual debt service based on the proposed financial plan scenario. No debt is proposed for the recycled fund. The proposed financial plan scenario includes one new debt issuance in FY 2028 (Line 1) and FY 2029 (Line 2) assuming a 5.5% interest rate, 20-year term, and 2.0% issuance cost each year. For the FY 2028 debt issuance (Line 1), the District is expected to pay only the annual interest payment in the first year (FY 2028), followed by the full debt service payment in each year after. For the FY 2029 debt issuance (Line 2), the District is expected to pay the full debt service payment each year. This results in approximately $362.6K of additional annual debt service payments in FY 2028 and an additional $738.3K of debt service payments in each year after (Line 3).

The FY 2028 debt issuance results in an additional $6.5M of debt proceeds to fund the Bethany Tank Rehabilitation CIP project (**Table 2-11**, sum of Line 2 excluding planning costs in FY 2026). The FY 2029 debt issuance results in an additional $2.2M of debt proceeds to fund other tank CIP projects including the Mt. Roberta and Villa Fontenay Tank Replacement projects (**Table 2-11**, sum of Line 3 excluding planning costs in FY 2028). The study assumes that the District will capitalize the issuance costs, which means that the debt issuance will be higher than the debt proceeds used to fund CIP.

Table 2-10: Proposed Potable Debt Service

Line	Potable Proposed Debt Service	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Bethany Tank Debt Service	$0	$0	$362,600	$551,676	$551,676	$551,676
2	Other Tank Debt Service	$0	$0	$0	$186,610	$186,610	$186,610
3	**Total Proposed Debt Service**	**$0**	**$0**	**$362,600**	**$738,285**	**$738,285**	**$738,285**

2.5 CAPITAL IMPROVEMENT PLAN

CAPITAL IMPROVEMENT PROJECTS

WRE worked with District staff to project annual CIP spending over the study period as shown in **Table 2-11**. Before accounting for inflationary adjustments, it is estimated that the District will spend approximately $3.6M annually on average on CIP over the next six years for the potable fund (Line 4) and $107.5K annually for the recycled fund (Line 8), excluding tank projects (Lines 2-3). This is based on the annual average of six-year CIP projections from the District's planned CIP associated with service line and well improvements, building and equipment upgrades, meter replacements, treatment rehabilitations, etc. Because project timing is subject to change, a levelized approach to annual CIP spending is assumed. Detailed CIP costs used to calculate the average CIP are included in the **Appendix** (**Table 6-3**).

All project costs are inflated based on the Capital factor (**Table 2-7**, Line 9) starting in FY 2027. All projects are projected to be rate funded (Line 15 and 20) except for the Bethany Tank Rehabilitation and other tank replacement projects. The total CIP to be debt funded (Line 14) includes the tank project costs (sum of Lines 2 and 3), with planning costs excluded.

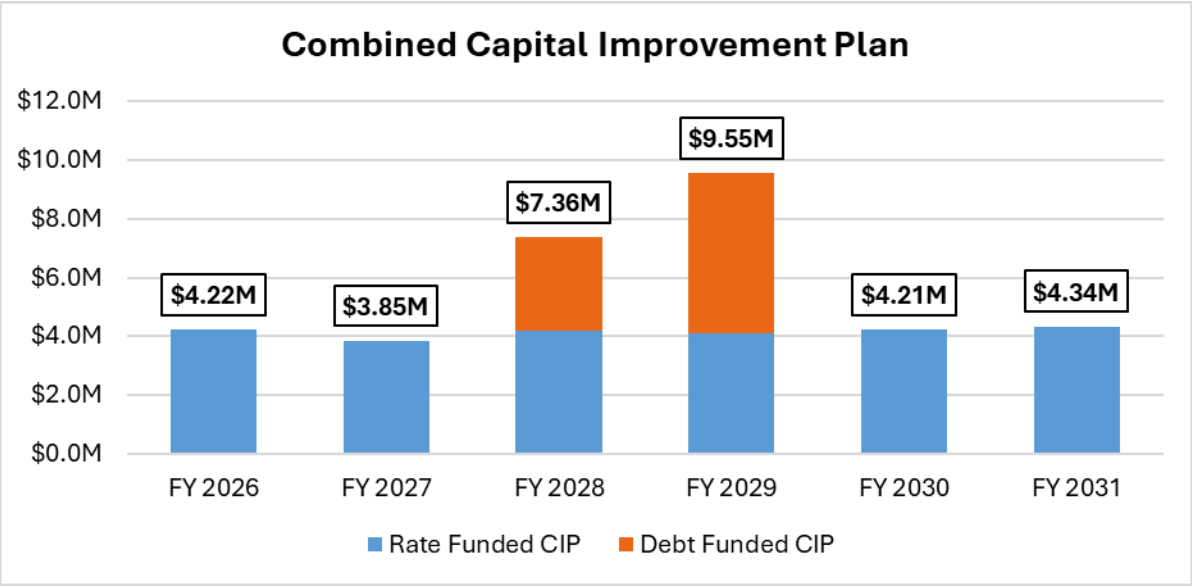
Table 2-11: Capital Project Costs and Funding

Line	CIP Projects and Funding	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	**Fund 01 - Potable Water CIP**						
2	Bethany Tank Rehabilitation	$481,387	$0	$3,182,700	$3,278,181	$0	$0
3	Other Tank Replacements[18]	$0	$0	$212,180	$2,185,454	$0	$0
4	Other Potable CIP - Levelized	$3,633,669	$3,742,679	$3,854,959	$3,970,608	$4,089,726	$4,212,418
5	**Total Potable Water CIP**	**$4,115,055**	**$3,742,679**	**$7,249,839**	**$9,434,243**	**$4,089,726**	**$4,212,418**
6							
7	**Fund 02 - Recycled Water CIP**						
8	Recycled CIP - Levelized	$107,500	$110,725	$114,047	$117,468	$120,992	$124,622
9	**Total Recycled Water CIP**	**$107,500**	**$110,725**	**$114,047**	**$117,468**	**$120,992**	**$124,622**
10							
11	**Total CIP**	**$4,222,555**	**$3,853,404**	**$7,363,886**	**$9,551,711**	**$4,210,719**	**$4,337,040**
12							
13	**Potable CIP Funding**						
14	Debt Funded	$0	$0	$3,182,700	$5,463,635	$0	$0
15	Rate Funded	$4,115,055	$3,742,679	$4,067,139	$3,970,608	$4,089,726	$4,212,418
16	**Total Potable CIP Funding**	**$4,115,055**	**$3,742,679**	**$7,249,839**	**$9,434,243**	**$4,089,726**	**$4,212,418**
17							
18	**Recycled CIP Funding**						
19	Debt Funded	$0	$0	$0	$0	$0	$0
20	Rate Funded	$107,500	$110,725	$114,047	$117,468	$120,992	$124,622
21	**Total Recycled CIP Funding**	**$107,500**	**$110,725**	**$114,047**	**$117,468**	**$120,992**	**$124,622**

[18] Includes the Mt. Roberta and Villa Fontenay Tank Replacement projects.

Figure 2-2 shows the combined CIP by funding source from **Table 2-11**. The stacked bars represent CIP funding sources: blue for rate funded CIP and orange for debt funded CIP. The sum of rate and debt funded CIP is equal to total CIP costs (**Table 2-11**, Line 11).

Figure 2-2: Combined CIP



2.6 FINANCIAL POLICIES

RESERVE POLICY

The District's reserve policy maintains cash on hand to meet short-term cash imbalances, minimize rate impacts during periods of revenue instability, execute CIP projects, respond to unexpected costs efficiently, and reliably meet all debt service requirements. The current combined reserve target for the study period ranges from approximately $6.0M to $6.5M in the District's reserve funds (approximately 90% is associated with the potable fund). The District currently has an adopted reserve policy that consists of:

- **Operating Reserve:** 25% of annual O&M expenses
- **Rate Stabilization Reserve:** 20% of volumetric water sales revenue
- **Emergency Reserve:** 2.5% of net asset value
- **Capital Reserve:** 100% of annual depreciation
- **Debt Service Reserve:** 100% of annual debt service

Table 2-12: Reserve Targets

Line	Reserve Targets	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	**Potable (Fund 01)**						
2	Operating	$1,716,511	$1,688,158	$1,779,908	$1,875,193	$1,948,627	$2,124,962
3	Rate Stabilization[19]	$1,016,901	$1,047,732	$1,051,944	$1,052,136	$1,054,063	$1,055,990
4	Emergency[20]	$510,634	$510,634	$510,634	$510,634	$510,634	$510,634
5	Capital [21]	$1,076,621	$1,076,621	$1,076,621	$1,076,621	$1,076,621	$1,076,621
6	Debt Service	$1,119,891	$861,938	$950,695	$1,124,250	$1,124,410	$1,124,399
7	**Subtotal**	**$5,440,559**	**$5,185,082**	**$5,369,802**	**$5,638,834**	**$5,714,355**	**$5,892,606**
8							
9	**Recycled (Fund 02)**						
10	Operating	$196,196	$206,108	$216,564	$227,594	$239,234	$251,517
11	Rate Stabilization[19]	$155,146	$165,383	$167,924	$167,924	$167,924	$167,924
12	Emergency[20]	$110,745	$110,745	$110,745	$110,745	$110,745	$110,745
13	Capital[21]	$88,545	$88,545	$88,545	$88,545	$88,545	$88,545
14	Debt Service	$0	$0	$0	$0	$0	$0
15	**Subtotal**	**$550,632**	**$570,782**	**$583,778**	**$594,809**	**$606,448**	**$618,732**
16							
17	**Total Reserve Target**	**$5,991,191**	**$5,755,864**	**$5,953,581**	**$6,233,643**	**$6,320,803**	**$6,511,338**

DEBT COVERAGE REQUIREMENT

The terms of the 2016 JP Morgan loan require the District to maintain debt coverage of at least 120%. To meet coverage requirements, net operating revenues (revenues less operating expenses) must equal at least 120% of annual debt service.

2.7 STATUS QUO FINANCIAL PLAN

STATUS QUO FINANCIAL PLAN SCENARIO

Table 2-13 shows the status quo financial plan scenario assuming no revenue adjustments and no new debt. This scenario is used to evaluate the ability of the current water rates to meet the District's financial targets and to determine the need for revenue adjustments.

Table 2-13: Status Quo Financial Plan Scenario

Line	Fiscal Year	Effective Date	Potable Revenue Adjustments	Recycled Revenue Adjustments	Debt Proceeds for CIP
1	FY 2027	1/1/2027	0.0%	0.0%	$0
2	FY 2028	1/1/2028	0.0%	0.0%	$0
3	FY 2029	1/1/2029	0.0%	0.0%	$0
4	FY 2030	1/1/2030	0.0%	0.0%	$0
5	FY 2031	1/1/2031	0.0%	0.0%	$0

[19] The Rate Stabilization Reserve is calculated based on calculated volumetric rate revenue under current rates.
[20] The Emergency Reserve is calculated based on the net book value of capital assets provided by District staff as of 6/30/2025.
[21] The Capital Reserve is calculated based on FY 2025 depreciation provided by District staff.

STATUS QUO FINANCIAL PLAN PROJECTIONS

Table 2-14 and **Table 2-15** show the potable and recycled financial plan projections for the status quo scenario (**Table 2-13**), respectively. The sources of funds include all types of revenues and the uses of funds include operating expenses, debt service, and rate funded CIP. Revenues[22] (Lines 3-10) are from **Table 2-6**. No revenue from proposed revenue adjustments is projected in the status quo scenario (Line 5). Operating expenses (Line 13) are from **Table 2-8** (Lines 8 and 16). Net revenue (Line 18) is equal to the difference between total revenues (Line 10) and operating expenses (Line 13). Existing potable debt service (Line 14) is from **Table 2-9** (Line 3) and no new debt is proposed in the status quo scenario. The District has no existing recycled debt service. Net revenue less debt (Line 19) is equal to the difference between net revenue (Line 18) and debt service (Line 14). Rate funded CIP (Line 15) is equal to total potable and recycled CIP (**Table 2-11**, Lines 16 and 21). In the absence of new debt; all CIP is expected to be rate funded. Net cash flow (Line 20) is equal to total revenues (Line 10) less total expenses (Line 16).

For the potable fund, the net revenue less debt is positive each year of the study period, meaning the District's current potable revenues are sufficient to fund its operating expenses and existing debt service. However, the net cash flow in the status quo scenario is negative for all years (except for FY 2027) and the District's potable fund balances are negative by the end of FY 2029, meaning that the District's current potable revenues are not sufficient to fund its annual CIP. At the end of the study period, the District's potable fund balances will be approximately negative $7.4M in FY 2031, from a starting balance of approximately $10.7M in FY 2026. This represents a net loss of approximately $18.0M in six years.

For the recycled fund, the net revenue is negative starting in FY 2031, meaning the District's current recycled revenues are insufficient to fund its operating expenses. Additionally, the net cash flow is negative starting in FY 2029, meaning that the District's current recycled revenues will not be sufficient to fund annual CIP. At the end of the study period, the District's recycled fund balances will be approximately $299.8K in FY 2031, from a starting balance of approximately $550.6K in FY 2026. This represents a net loss of approximately $250.9K in six years.

The District's financial performance is evaluated based on the reserve targets[23] from **Table 2-12**. Under the status quo financial plan, the District will not meet its current potable reserve target starting in FY 2028 and fund balances will be negative by FY 2029. Additionally, the District will not meet its current recycled reserve target starting in FY 2029.

[22] Interest earnings (**Table 2-14** and **Table 2-15**, Line 8) are different in the status quo financial plan scenario because it is based on projected fund balances. The status quo scenario results in lower fund balances; therefore, the District has less interest earnings. **Table 2-6** shows the interest earnings for the proposed financial plan scenario.
[23] The total potable reserve target is different in the status quo scenario because it is based it assumes no new debt; therefore, the Debt Service Reserve (100% of annual debt service) is lower in the status quo scenario. **Table 2-12** shows the Debt Service Reserve for the proposed financial plan scenario.

Table 2-14: Potable Status Quo Financial Plan

Line	Potable Financial Plan	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	**Beginning Cash Balance**	**$10,659,962**	**$8,722,342**	**$8,727,413**	**$4,342,311**	**($2,718,863)**	**($4,647,038)**
2							
3	**Revenues**						
4	Current Rates	$7,978,100	$8,232,147	$8,264,172	$8,269,574	$8,285,514	$8,301,453
5	Revenue Adjustments	$0	$0	$0	$0	$0	$0
6	Property Taxes	$1,637,492	$1,670,242	$1,703,647	$1,737,720	$1,772,474	$1,807,923
7	Capacity Fees	$82,184	$1,241,761	$429,845	$191,038	$238,795	$238,795
8	Interest Earnings	$420,194	$172,770	$129,403	$16,074	$0	$0
9	Other Miscellaneous	$45,400	$45,400	$45,400	$45,400	$45,400	$45,400
10	**Total Revenues**	**$10,163,370**	**$11,362,320**	**$10,572,466**	**$10,259,805**	**$10,342,183**	**$10,393,572**
11							
12	**Expenses**						
13	O&M Expenses	$6,866,044	$6,752,632	$7,119,634	$7,500,772	$7,794,507	$8,499,848
14	Debt Service	$1,119,891	$861,938	$588,095	$385,965	$386,124	$386,114
15	Rate Funded CIP	$4,115,055	$3,742,679	$7,249,839	$9,434,243	$4,089,726	$4,212,418
16	**Total Expenses**	**$12,100,990**	**$11,357,249**	**$14,957,568**	**$17,320,980**	**$12,270,358**	**$13,098,381**
17							
18	**Net Revenue**	**$3,297,326**	**$4,609,688**	**$3,452,833**	**$2,759,033**	**$2,547,676**	**$1,893,724**
19	**Net Revenue Less Debt**	**$2,177,435**	**$3,747,750**	**$2,864,738**	**$2,373,069**	**$2,161,551**	**$1,507,610**
20	**Net Cash Flow**	**($1,937,620)**	**$5,071**	**($4,385,102)**	**($7,061,175)**	**($1,928,175)**	**($2,704,809)**
21							
22	**Ending Cash Balance**	**$8,722,342**	**$8,727,413**	**$4,342,311**	**($2,718,863)**	**($4,647,038)**	**($7,351,847)**
23							
24	**Total Reserve Target**	**$5,440,559**	**$5,185,082**	**$5,007,202**	**$4,900,549**	**$4,976,069**	**$5,154,321**
25	***Target Reserve Level Met?***	***Yes***	***Yes***	***No***	***No***	***No***	***No***

Table 2-15: Recycled Status Quo Financial Plan

Line	Recycled Financial Plan	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	**Beginning Cash Balance**	**$550,632**[24]	**$559,856**	**$595,200**	**$610,284**	**$559,623**	**$457,366**
2							
3	**Revenues**						
4	Current Rates	$884,907	$940,140	$955,601	$955,601	$955,601	$955,601
5	Revenue Adjustments	$0	$0	$0	$0	$0	$0
6	Property Taxes	$0	$0	$0	$0	$0	$0
7	Capacity Fees	$0	$8,924	$17,848	$0	$0	$0
8	Interest Earnings	$6,600	$11,436	$11,935	$11,583	$10,069	$7,496
9	Other Miscellaneous	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
10	**Total Revenues**	**$901,507**	**$970,500**	**$995,385**	**$977,184**	**$975,670**	**$973,098**
11							
12	**Expenses**						
13	O&M Expenses	$784,783	$824,431	$866,254	$910,377	$956,935	$1,006,069
14	Debt Service	$0	$0	$0	$0	$0	$0
15	Rate Funded CIP	$107,500	$110,725	$114,047	$117,468	$120,992	$124,622
16	**Total Expenses**	**$892,283**	**$935,156**	**$980,301**	**$1,027,846**	**$1,077,927**	**$1,130,691**
17							
18	**Net Revenue**	**$116,724**	**$146,069**	**$129,131**	**$66,807**	**$18,735**	**($32,971)**
19	**Net Revenue Less Debt**[25]	**$116,724**	**$146,069**	**$129,131**	**$66,807**	**$18,735**	**($32,971)**
20	**Net Cash Flow**	**$9,224**	**$35,344**	**$15,084**	**($50,661)**	**($102,257)**	**($157,593)**
21							
22	**Ending Cash Balance**	**$559,856**	**$595,200**	**$610,284**	**$559,623**	**$457,366**	**$299,773**
23							
24	**Total Reserve Target**	**$550,632**	**$570,782**	**$583,778**	**$594,809**	**$606,448**	**$618,732**
25	***Target Reserve Level Met?***	***Yes***	***Yes***	***Yes***	***No***	***No***	***No***

[24] Note that the beginning cash balance for recycled reserves is set equal to the FY 2026 reserve target based on direction from District staff.
[25] In the absence of recycled debt, the net revenue less debt (Line 19) is equal to net revenue (Line 18).

Table 2-16 shows the combined financial plan projections for the status quo scenario (**Table 2-13**) based on the potable and recycled status quo projections (**Table 2-14** and **Table 2-15**). Although the performance of each fund is evaluated separately to determine the need for revenue adjustments, the combined financial plan projections are shown to illustrate District-wide financial performance. Additionally, debt service coverage is evaluated on a District-wide basis.

Based on the sources (revenues) and uses (operating expenses, debt service, and capital expenditures) of both funds, the District's combined fund balances will be negative by the end of FY 2029. At the end of the study period, the District's fund balances will be approximately negative $7.1M in FY 2031, from a starting balance of approximately $11.2M in FY 2026. This represents a net loss of approximately $18.3M in six years.

The District's financial performance is evaluated based on the reserve targets[26] from **Table 2-12** and debt service coverage requirements. Under the status quo financial plan, the District will not meet its current combined reserve target starting in FY 2028, though the District will meet its debt service coverage requirements in all years, excluding any new debt.

[26] The total potable reserve target is different in the status quo scenario because it is based it assumes no new debt; therefore, the Debt Service Reserve (100% of annual debt service) is lower in the status quo scenario. **Table 2-12** shows the Debt Service Reserve for the proposed financial plan scenario.

Table 2-16: Combined Status Quo Financial Plan

Line	Combined Financial Plan	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	**Beginning Cash Balance**	**$11,210,594**	**$9,282,198**	**$9,322,613**	**$4,952,595**	**($2,159,241)**	**($4,189,673)**
2							
3	**Revenues**						
4	Current Rates	$8,863,007	$9,172,288	$9,219,773	$9,225,175	$9,241,115	$9,257,055
5	Revenue Adjustments	$0	$0	$0	$0	$0	$0
6	Property Taxes	$1,637,492	$1,670,242	$1,703,647	$1,737,720	$1,772,474	$1,807,923
7	Capacity Fees	$82,184	$1,250,685	$447,693	$191,038	$238,795	$238,795
8	Interest Earnings	$426,794	$184,206	$141,339	$27,657	$10,069	$7,496
9	Other Miscellaneous	$55,400	$55,400	$55,400	$55,400	$55,400	$55,400
10	**Total Revenues**	**$11,064,877**	**$12,332,820**	**$11,567,851**	**$11,236,990**	**$11,317,853**	**$11,366,670**
11							
12	**Expenses**						
13	O&M Expenses	$7,650,827	$7,577,064	$7,985,888	$8,411,149	$8,751,442	$9,505,917
14	Debt Service	$1,119,891	$861,938	$588,095	$385,965	$386,124	$386,114
15	Rate Funded CIP	$4,222,555	$3,853,404	$7,363,886	$9,551,711	$4,210,719	$4,337,040
16	**Total Expenses**	**$12,993,274**	**$12,292,405**	**$15,937,869**	**$18,348,826**	**$13,348,285**	**$14,229,071**
17							
18	**Net Revenue**	**$3,414,050**	**$4,755,756**	**$3,581,963**	**$2,825,841**	**$2,566,411**	**$1,860,752**
19	**Net Revenue Less Debt**	**$2,294,159**	**$3,893,819**	**$2,993,868**	**$2,439,876**	**$2,180,287**	**$1,474,638**
20	**Net Cash Flow**	**($1,928,396)**	**$40,415**	**($4,370,018)**	**($7,111,836)**	**($2,030,432)**	**($2,862,402)**
21							
22	**Ending Cash Balance**	**$9,282,198**	**$9,322,613**	**$4,952,595**	**($2,159,241)**	**($4,189,673)**	**($7,052,074)**
23							
24	**Total Reserve Target**	**$5,991,191**	**$5,755,864**	**$5,590,980**	**$5,495,358**	**$5,582,518**	**$5,773,053**
25	***Target Reserve Level Met?***	***Yes***	***Yes***	***No***	***No***	***No***	***No***
26							
27	**Combined Debt Service Coverage Ratio**						
28	Calculated Ratio	3.05x	5.52x	6.09x	7.32x	6.65x	4.82x
29	Required Ratio	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x
30	***Required Ratio Met?***	***Yes***	***Yes***	***Yes***	***Yes***	***Yes***	***Yes***

Figure 2-3, **Figure 2-4**, and **Figure 2-5** show the comparison of revenues and the revenue requirement for the potable, recycled, and combined status quo financial plan, respectively. The stacked bars represent the revenue requirements, or costs: green for O&M expenses, orange for debt service, and blue for rate funded CIP. The District will not be adding to its reserves (grey bars) in this scenario. The proposed revenue, shown as a dashed red line, is lower than the revenue requirements, meaning that revenues are insufficient to fund necessary costs.

Figure 2-3: Potable Revenue Requirements vs. Revenues (Status Quo Financial Plan)

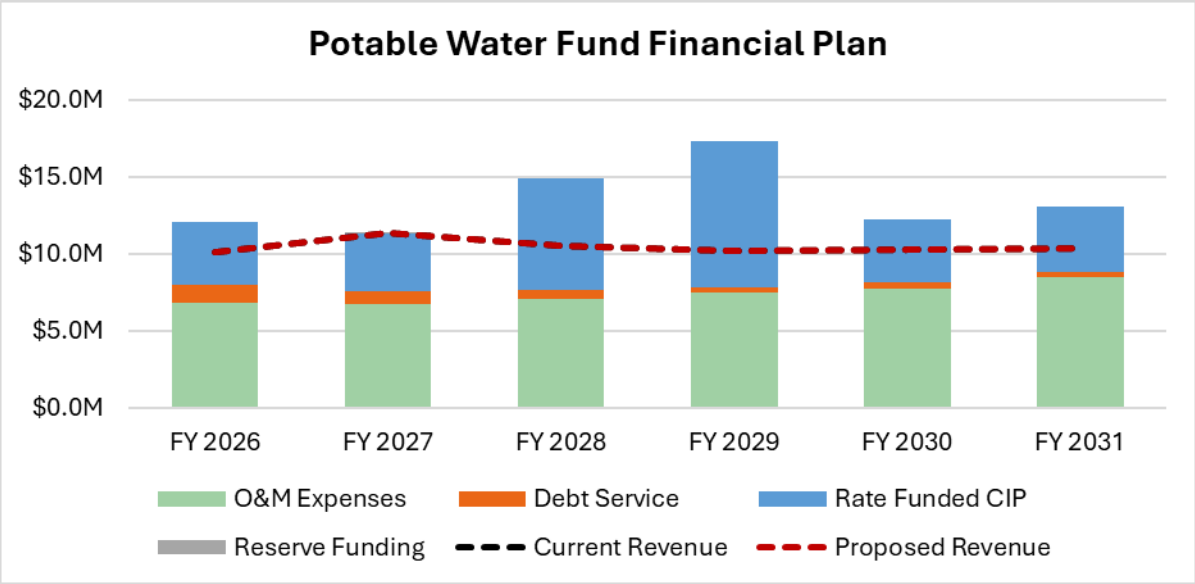


Figure 2-4: Recycled Revenue Requirements vs. Revenues (Status Quo Financial Plan)

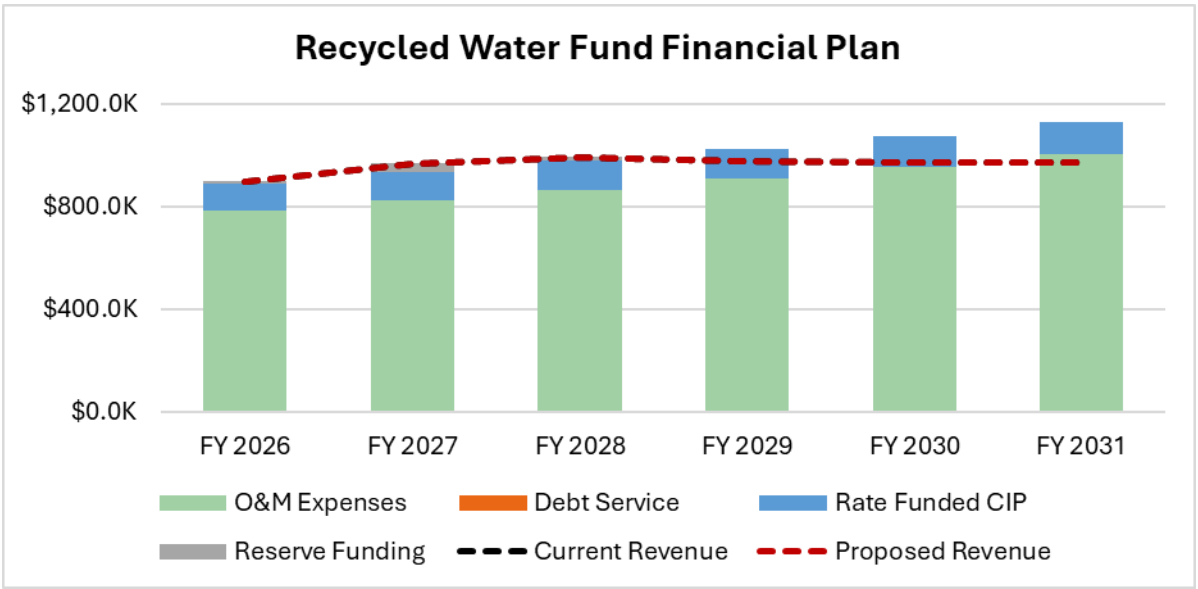


Figure 2-5: Combined Revenue Requirements vs. Revenues (Status Quo Financial Plan)

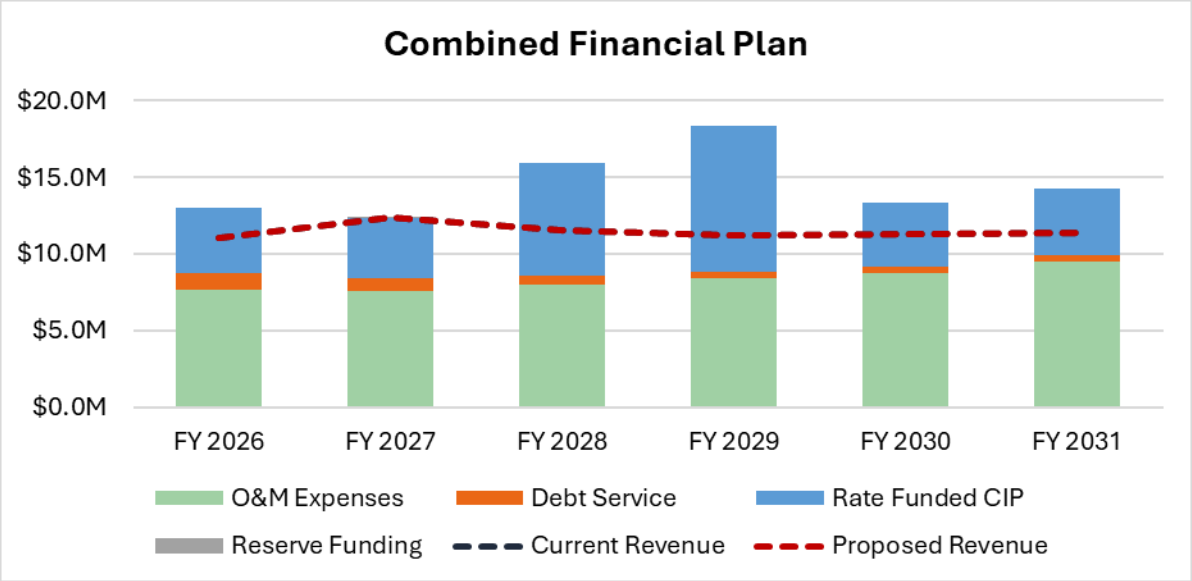


Figure 2-6, Figure 2-7, and **Figure 2-8** show the fund balance projections in the potable, recycled, and combined status quo financial plan, respectively. With no new debt or revenue adjustments, the District's ending balance (blue bars) will not meet its current reserve targets (dashed red line) in FY 2028 for the potable and combined funds and FY 2029 for the recycled fund. Additionally, both potable and combined fund balances will be negative starting in FY 2029.

Figure 2-6: Potable Projected Reserve Balances (Status Quo Financial Plan)

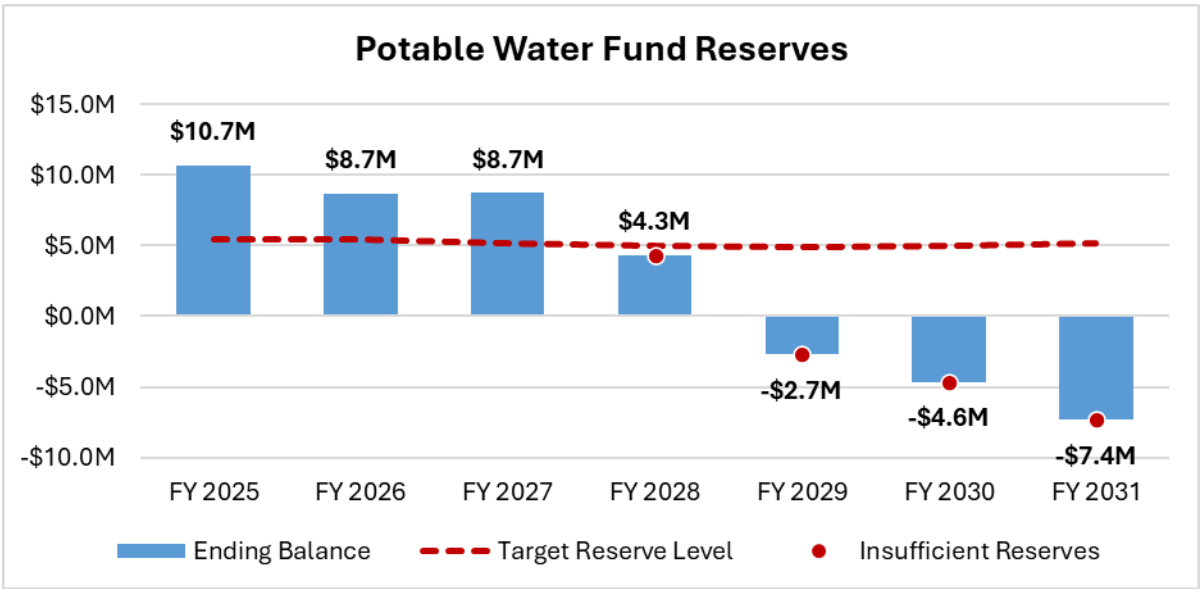


Figure 2-7: Recycled Projected Reserve Balances (Status Quo Financial Plan)

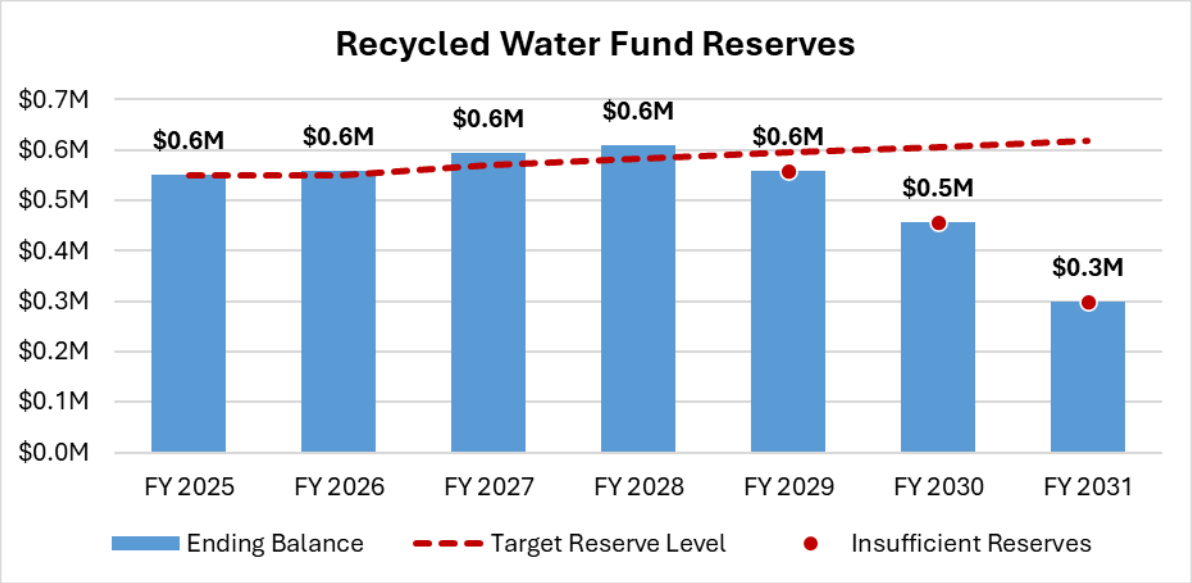


Figure 2-8: Combined Projected Reserve Balances (Status Quo Financial Plan)

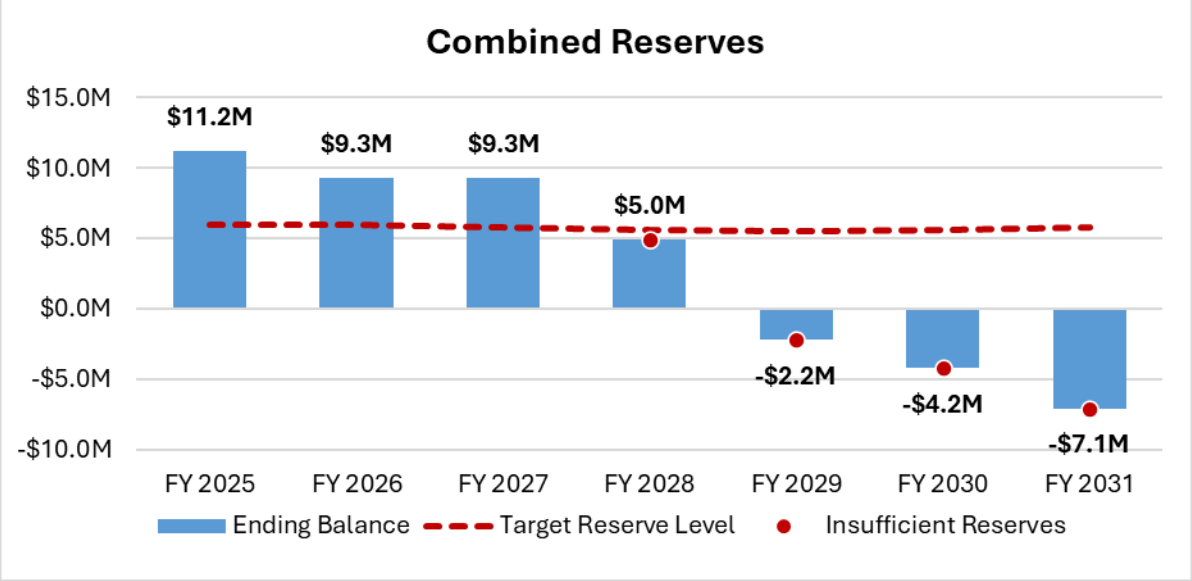
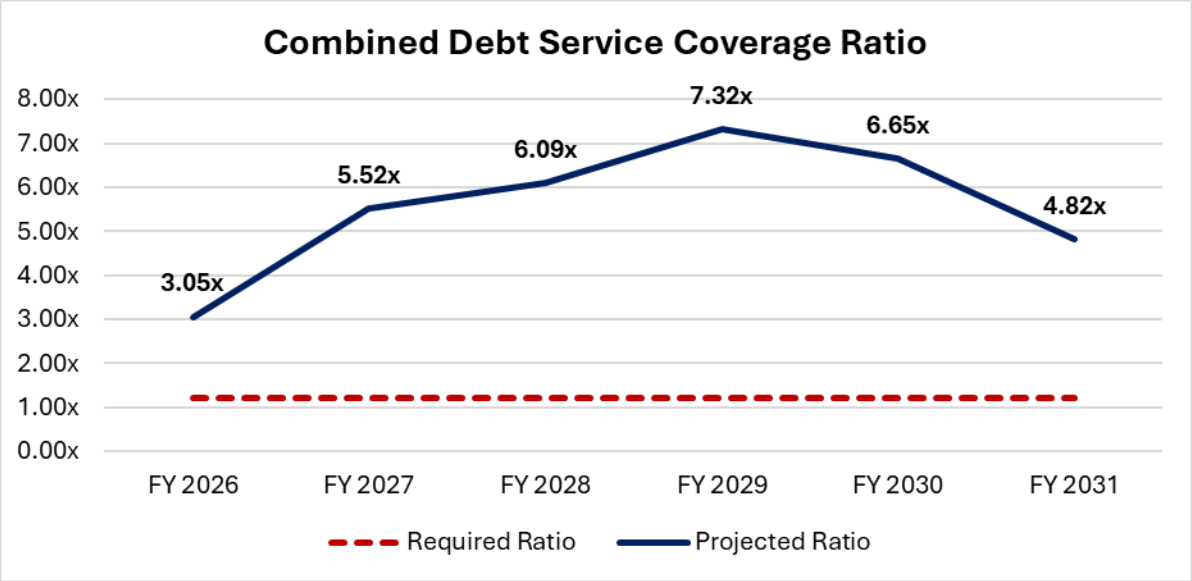


Figure 2-9 shows the debt coverage projections in the status quo financial plan, evaluated on a District-wide basis. The required debt coverage (dashed red line) is equal to 120% of annual debt service. The District is expected to meet its required debt coverage requirements for all years for existing debt.

Figure 2-9: Combined Projected Debt Coverage (Status Quo Financial Plan)



2.8 PROPOSED FINANCIAL PLAN

PROPOSED FINANCIAL PLAN SCENARIO

The proposed financial plan includes five years of revenue adjustments and two debt issuances in FY 2028 and FY 2029 to fund the Bethany, Mt. Roberta, and Villa Fontenay Tank CIP projects, as shown in **Table 2-17**. These adjustments are needed to maintain the District's financial sufficiency and were developed based on input from District staff and direction from the Board. Both potable and recycled water rates will be effective on January 1 of each year of the forecast, from January 2027 through January 2031.

Table 2-17: Proposed Financial Plan Scenario

Line	Fiscal Year	Effective Date	Potable Revenue Adjustments	Recycled Revenue Adjustments	Debt Proceeds for CIP
1	FY 2027	1/1/2027	6.5%	4.0%	$0
2	FY 2028	1/1/2028	6.5%	4.0%	$6,460,881
3	FY 2029	1/1/2029	6.5%	4.0%	$2,185,454
4	FY 2030	1/1/2030	6.5%	4.0%	$0
5	FY 2031	1/1/2031	6.5%	4.0%	$0

PROPOSED FINANCIAL PLAN PROJECTIONS

Table 2-18 and **Table 2-19** show the respective potable and recycled financial plan projections under the proposed scenario (**Table 2-17**). Revenues (Lines 3-10) are from **Table 2-6**. Revenue from proposed revenue adjustments (Line 5) is based on the proposed scenario (**Table 2-17**). Operating expenses (Line 13) are from **Table 2-8** (Lines 8 and 16). Net revenue (Line 18) is equal to the difference between total revenues (Line 10) and operating expenses (Line 13). Debt service (Line 14) includes both existing and proposed debt service. Existing potable debt service is from **Table 2-9** (Line 3) and proposed debt service is from **Table 2-10** (Line 3). The District has no existing recycled debt service and is not proposing any new recycled debt service. Net revenue less debt (Line 19) is equal to the difference between net revenue (Line 18) and debt service (Line 14). Rate funded CIP (Line 15) is from (**Table 2-11**, Lines 15 and 20). Net cash flow (Line 20) is equal to total revenues (Line 10) less total expenses (Line 16).

For the potable and recycled funds, the net revenue less debt is positive each year of the study period, meaning the District's proposed revenues are sufficient to fund its operating expenses and debt service. To minimize rate impacts to customers, the District is projecting to use current potable reserves to fund annual CIP in each year of the study period, except for FY 2027 during which net cash flow is positive. The reserves are utilized while ensuring that the District still meets its reserve targets (**Table 2-12**) in each year of the study period. For the recycled fund, the net cash flow is positive in all years, meaning that the District's proposed recycled revenues will increase reserves to reliably fund annual operating expenses and CIP.

At the end of the study period in FY 2031, the District's potable fund balances are forecast to reach $6.5M from a starting balance of approximately $10.7M in FY 2026. The District's recycled fund balances will reach approximately $823.0K from a starting balance of approximately $550.6K in FY 2026. The District will meet both its potable and recycled reserve targets (**Table 2-12)** in each year of the study period.

Table 2-18: Potable Proposed Financial Plan

Line	Potable Financial Plan	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	**Beginning Cash Balance**	**$10,659,962**	**$8,722,342**	**$8,997,633**	**$8,297,683**	**$7,517,187**	**$7,043,133**
2							
3	**Revenues**						
4	Current Rates	$7,978,100	$8,232,147	$8,264,172	$8,269,574	$8,285,514	$8,301,453
5	Revenue Adjustments	$0	$267,545	$823,215	$1,414,819	$2,048,245	$2,725,172
6	Property Taxes	$1,637,492	$1,670,242	$1,703,647	$1,737,720	$1,772,474	$1,807,923
7	Capacity Fees	$82,184	$1,241,761	$429,845	$191,038	$238,795	$238,795
8	Interest Earnings	$420,194	$175,445	$171,241	$156,583	$144,162	$133,683
9	Other Miscellaneous	$45,400	$45,400	$45,400	$45,400	$45,400	$45,400
10	**Total Revenues**	**$10,163,370**	**$11,632,540**	**$11,437,519**	**$11,815,134**	**$12,534,590**	**$13,252,428**
11							
12	**Expenses**						
13	O&M Expenses	$6,866,044	$6,752,632	$7,119,634	$7,500,772	$7,794,507	$8,499,848
14	Debt Service	$1,119,891	$861,938	$950,695	$1,124,250	$1,124,410	$1,124,399
15	Rate Funded CIP	$4,115,055	$3,742,679	$4,067,139	$3,970,608	$4,089,726	$4,212,418
16	**Total Expenses**	**$12,100,990**	**$11,357,249**	**$12,137,468**	**$12,595,630**	**$13,008,643**	**$13,836,666**
17							
18	**Net Revenue**	**$3,297,326**	**$4,879,908**	**$4,317,885**	**$4,314,362**	**$4,740,082**	**$4,752,579**
19	**Net Revenue Less Debt**	**$2,177,435**	**$4,017,970**	**$3,367,190**	**$3,190,112**	**$3,615,673**	**$3,628,180**
20	**Net Cash Flow**	**($1,937,620)**	**$275,291**	**($699,950)**	**($780,496)**	**($474,054)**	**($584,238)**
21							
22	**Ending Cash Balance**	**$8,722,342**	**$8,997,633**	**$8,297,683**	**$7,517,187**	**$7,043,133**	**$6,458,895**
23							
24	**Total Reserve Target**	**$5,440,559**	**$5,185,082**	**$5,369,802**	**$5,638,834**	**$5,714,355**	**$5,892,606**
25	***Target Reserve Level Met?***	***Yes***	***Yes***	***Yes***	***Yes***	***Yes***	***Yes***

Table 2-19: Recycled Proposed Financial Plan

Line	Recycled Financial Plan	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	**Beginning Cash Balance**	**$550,632**	**$559,856**	**$614,379**	**$689,109**	**$740,646**	**$785,644**
2							
3	**Revenues**						
4	Current Rates	$884,907	$940,140	$955,601	$955,601	$955,601	$955,601
5	Revenue Adjustments	$0	$18,803	$58,101	$98,649	$140,819	$184,675
6	Property Taxes	$0	$0	$0	$0	$0	$0
7	Capacity Fees	$0	$8,924	$17,848	$0	$0	$0
8	Interest Earnings	$6,600	$11,812	$13,481	$15,133	$16,506	$17,755
9	Other Miscellaneous	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
10	**Total Revenues**	**$901,507**	**$989,679**	**$1,055,031**	**$1,079,383**	**$1,122,926**	**$1,168,032**
11							
12	**Expenses**						
13	O&M Expenses	$784,783	$824,431	$866,254	$910,377	$956,935	$1,006,069
14	Debt Service	$0	$0	$0	$0	$0	$0
15	Rate Funded CIP	$107,500	$110,725	$114,047	$117,468	$120,992	$124,622
16	**Total Expenses**	**$892,283**	**$935,156**	**$980,301**	**$1,027,846**	**$1,077,927**	**$1,130,691**
17							
18	**Net Revenue**	**$116,724**	**$165,248**	**$188,777**	**$169,005**	**$165,991**	**$161,963**
19	**Net Revenue Less Debt**	**$116,724**	**$165,248**	**$188,777**	**$169,005**	**$165,991**	**$161,963**
20	**Net Cash Flow**	**$9,224**	**$54,523**	**$74,730**	**$51,537**	**$44,999**	**$37,341**
21							
22	**Ending Cash Balance**	**$559,856**	**$614,379**	**$689,109**	**$740,646**	**$785,644**	**$822,986**
23							
24	**Total Reserve Target**	**$550,632**	**$570,782**	**$583,778**	**$594,809**	**$606,448**	**$618,732**
25	***Target Reserve Level Met?***	***Yes***	***Yes***	***Yes***	***Yes***	***Yes***	***Yes***

Table 2-20 shows the combined financial plan projections under the proposed scenario (**Table 2-17**) based on the proposed potable and recycled fund projections (**Table 2-18** and **Table 2-19**). Though the performance of each fund is evaluated separately to determine the need for revenue adjustments, the combined financial plan projections are shown to illustrate District-wide financial performance. Additionally, debt service coverage is evaluated on a District-wide basis.

Based on the sources (revenues) and uses (operating expenses, debt service, and capital expenditures) of both funds, the District's combined fund balances will be approximately $7.3M in FY 2031. The District will meet its current combined reserve targets (**Table 2-12**) and debt service coverage requirements in all years of the study period, accounting for the issuance of new debt.

Table 2-20: Combined Proposed Financial Plan

Line	Combined Financial Plan	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	**Beginning Cash Balance**	**$11,210,594**	**$9,282,198**	**$9,612,012**	**$8,986,792**	**$8,257,833**	**$7,828,778**
2							
3	**Revenues**						
4	Current Rates	$8,863,007	$9,172,288	$9,219,773	$9,225,175	$9,241,115	$9,257,055
5	Revenue Adjustments	$0	$286,348	$881,315	$1,513,468	$2,189,064	$2,909,848
6	Property Taxes	$1,637,492	$1,670,242	$1,703,647	$1,737,720	$1,772,474	$1,807,923
7	Capacity Fees	$82,184	$1,250,685	$447,693	$191,038	$238,795	$238,795
8	Interest Earnings	$426,794	$187,258	$184,722	$171,716	$160,668	$151,439
9	Other Miscellaneous	$55,400	$55,400	$55,400	$55,400	$55,400	$55,400
10	**Total Revenues**	**$11,064,877**	**$12,622,219**	**$12,492,550**	**$12,894,516**	**$13,657,516**	**$14,420,460**
11							
12	**Expenses**						
13	O&M Expenses	$7,650,827	$7,577,064	$7,985,888	$8,411,149	$8,751,442	$9,505,917
14	Debt Service	$1,119,891	$861,938	$950,695	$1,124,250	$1,124,410	$1,124,399
15	Rate Funded CIP	$4,222,555	$3,853,404	$4,181,186	$4,088,076	$4,210,719	$4,337,040
16	**Total Expenses**	**$12,993,274**	**$12,292,405**	**$13,117,769**	**$13,623,476**	**$14,086,571**	**$14,967,357**
17							
18	**Net Revenue**	**$3,414,050**	**$5,045,155**	**$4,506,662**	**$4,483,367**	**$4,906,073**	**$4,914,542**
19	**Net Revenue Less Debt**	**$2,294,159**	**$4,183,218**	**$3,555,966**	**$3,359,117**	**$3,781,664**	**$3,790,143**
20	**Net Cash Flow**	**($1,928,396)**	**$329,814**	**($625,220)**	**($728,959)**	**($429,055)**	**($546,897)**
21							
22	**Ending Cash Balance**	**$9,282,198**	**$9,612,012**	**$8,986,792**	**$8,257,833**	**$7,828,778**	**$7,281,881**
23							
24	**Total Reserve Target**	**$5,991,191**	**$5,755,864**	**$5,953,581**	**$6,233,643**	**$6,320,803**	**$6,511,338**
25	***Target Reserve Level Met?***	***Yes***	***Yes***	***Yes***	***Yes***	***Yes***	***Yes***
26							
27	**Combined Debt Service Coverage Ratio**						
28	Calculated Ratio	3.05x	5.85x	4.74x	3.99x	4.36x	4.37x
29	Required Ratio	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x
30	***Required Ratio Met?***	***Yes***	***Yes***	***Yes***	***Yes***	***Yes***	***Yes***

Figure 2-10, Figure 2-11, and **Figure 2-12** respectively show the comparison of revenues and the revenue requirement for the potable fund, recycled fund, and the combined funds under the proposed scenario. The stacked bars represent the revenue requirements, or costs. The current revenue, shown as a dashed black line, is lower than the revenue requirements. The proposed revenue, shown as a dashed red line, is close to or higher than the revenue requirements in each year of the study period, meaning that the District's proposed revenues, along with carefully considered use of reserve funds in some years, can sufficiently fund its expenses. Reserve funds will be used in each year of the study period (except for FY 2027) to fund a portion of potable CIP costs and minimize rate impacts to customers.

Figure 2-10: Potable Revenue Requirements vs. Revenues (Proposed Financial Plan)

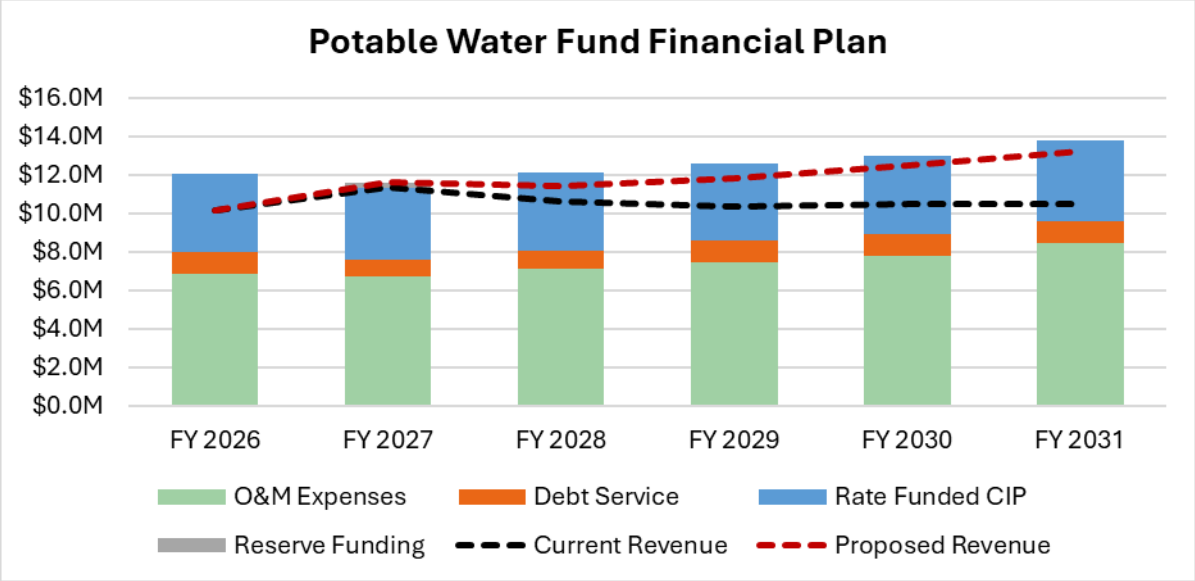


Figure 2-11: Recycled Revenue Requirements vs. Revenues (Proposed Financial Plan)

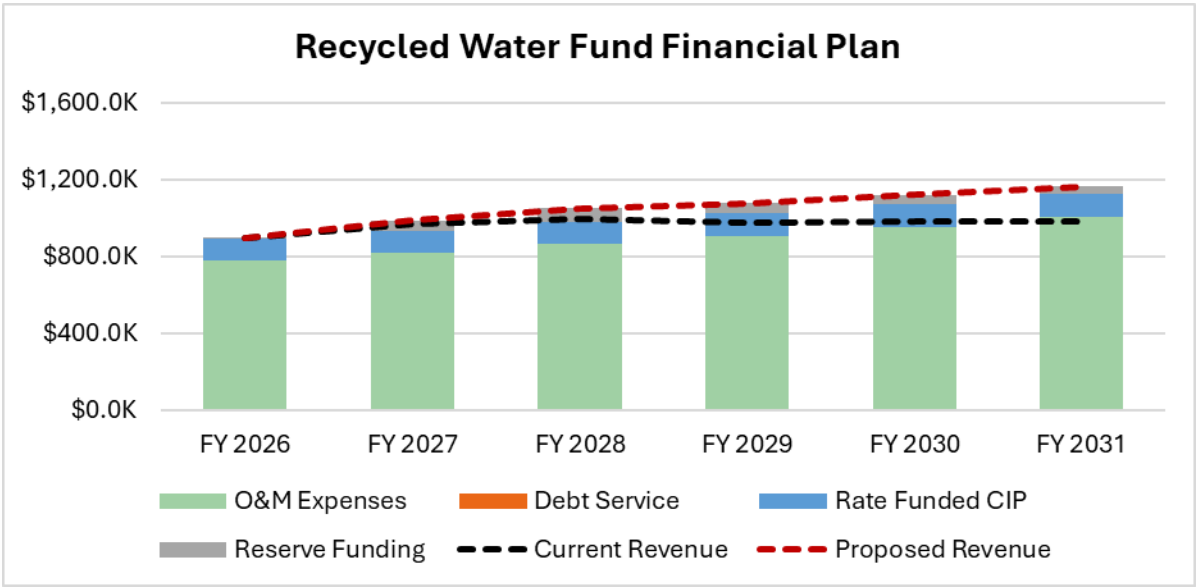


Figure 2-12: Combined Revenue Requirements vs. Revenues (Proposed Financial Plan)

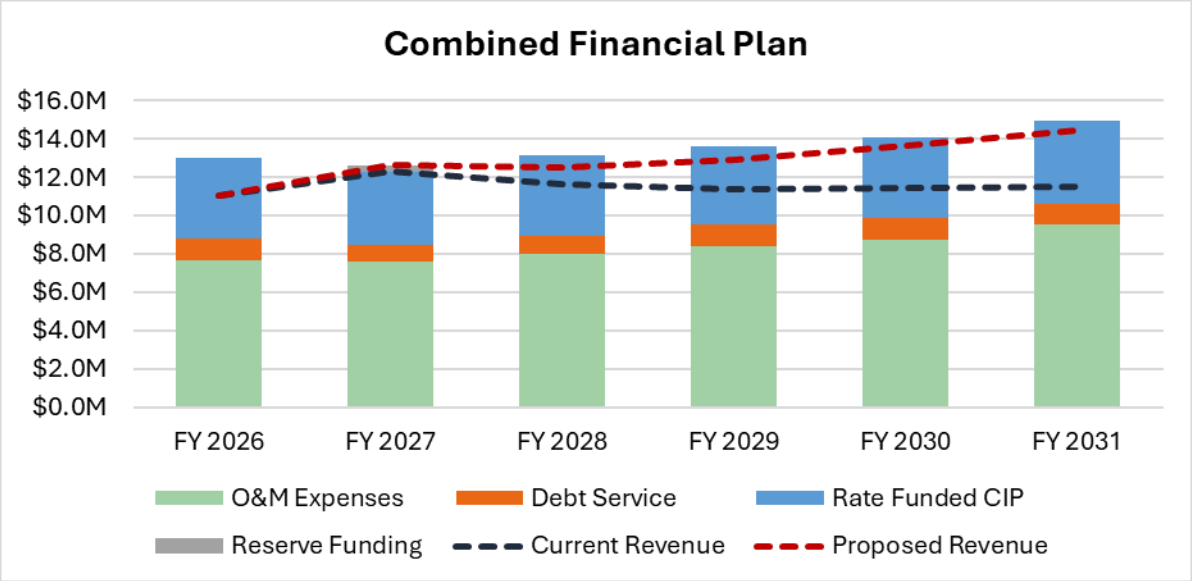


Figure 2-13, Figure 2-14, and **Figure 2-15** respectively show the fund balance projections in the potable, recycled, and combined funds under the proposed financial plan. The District's ending balance (blue bars) will meet the proposed reserve targets (dashed red line) in each year of the study period.

Figure 2-13: Potable Projected Reserve Balances (Proposed Financial Plan)

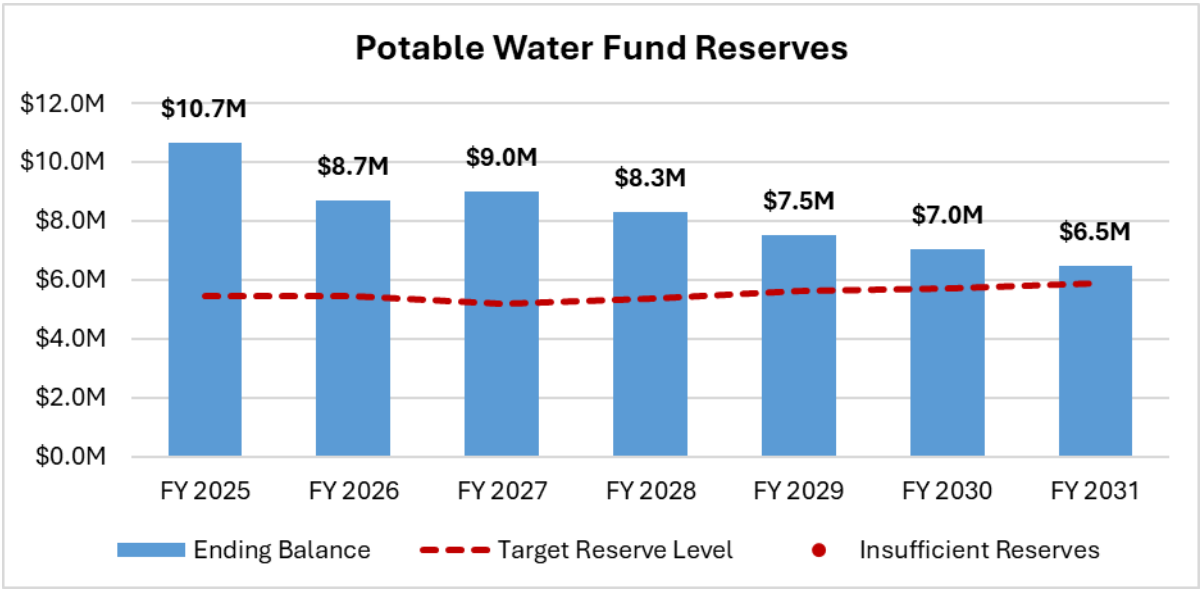


Figure 2-14: Recycled Projected Reserve Balances (Proposed Financial Plan)

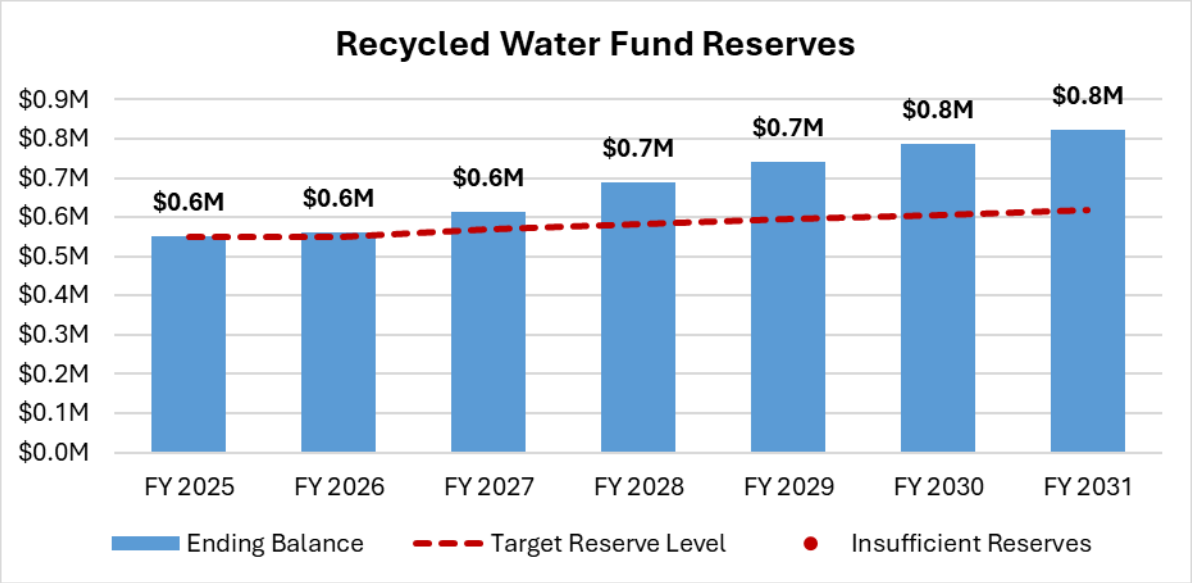


Figure 2-15: Combined Projected Reserve Balances (Proposed Financial Plan)

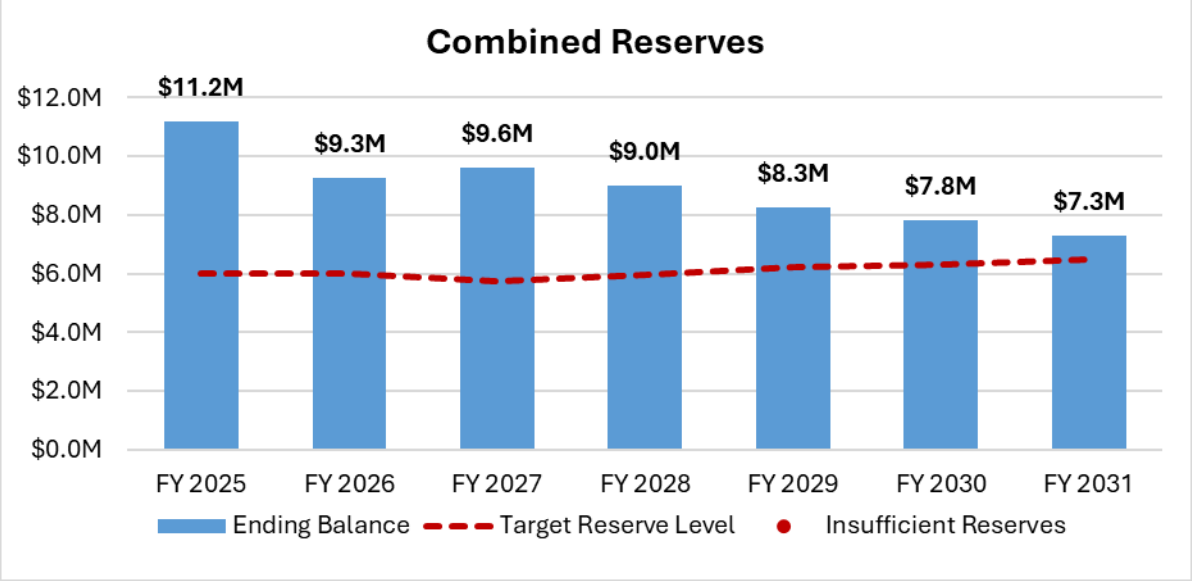
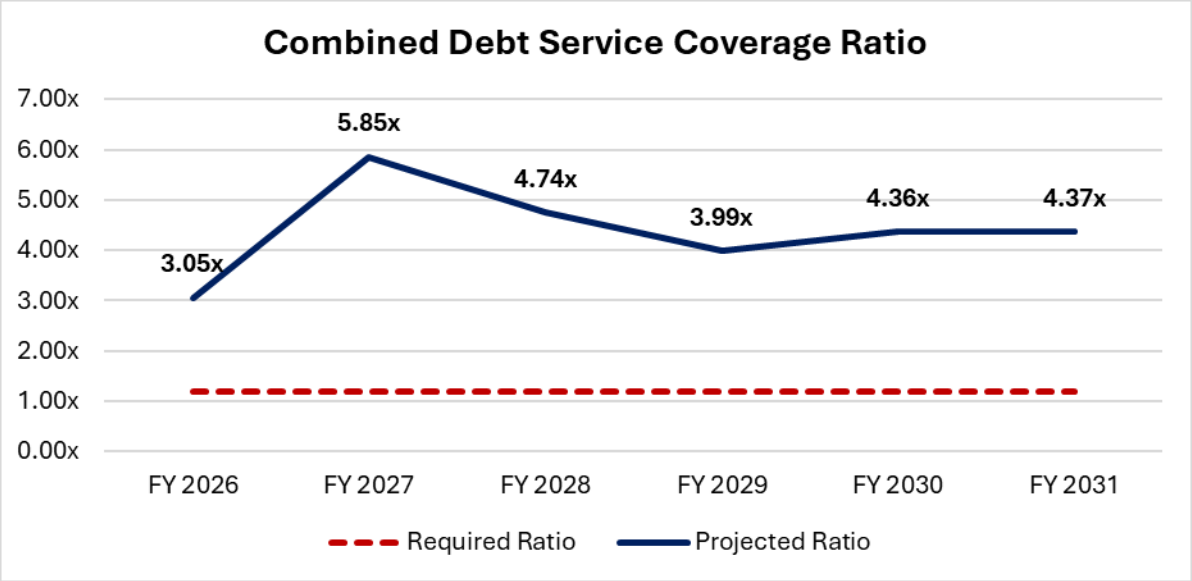


Figure 2-16 shows the combined debt coverage projections in the proposed financial plan. The required debt coverage (dashed red line) is equal to 120% of total debt service. The District is expected to meet its debt coverage requirements for all years of this scenario, including proposed debt service starting in FY 2028 and FY 2029. Note that debt service for the District's existing 2016 JP Morgan loan ends in FY 2028.

Figure 2-16: Combined Projected Debt Coverage (Proposed Financial Plan)



3. POTABLE COST-OF-SERVICE

3.1 COST-OF-SERVICE METHODOLOGY

A cost-of-service analysis was conducted to allocate the proposed FY 2026 rate revenue requirement to customers in proportion to their use of and burden on the District's potable water system. The overall goal of the cost-of-service analysis is to develop "unit costs," which provide the basis from which proposed potable rates are directly calculated from. Note that although the study period spans six years, the cost-of-service analysis is limited to a single representative year referred to as the "test year." The test year in this study is FY 2026.

The key steps in conducting a water cost-of-service analysis are outlined below:

- **Revenue requirement determination**: The total rate revenue requirement for the test year is determined based on the results of the proposed financial plan and divided into primary sub-components (operating, capital, etc.).
- **Cost functionalization**: Operating and capital costs are evaluated and assigned to "functional categories" in the potable water system (e.g., customer service, supply, distribution, etc.). This process provides a proportional breakdown of system costs by functional category.
- **Revenue requirement allocation to cost causation components**: Functionalized costs are allocated to "cost causation components" (e.g., water supply, base delivery, max day, etc.), which are used to attribute customers' use of the system to the District's incurrence of costs.
- **Unit cost development**: The rate revenue requirement allocation for each individual cost causation component is divided by the appropriate units of service to establish unit costs for the test year. Unit costs provide the basis from which proposed potable rates are calculated.

3.2 REVENUE REQUIREMENT

The total rate revenue requirement for the test year, FY 2026, is based on the potable financial plan projections (**Table 2-18**) and is allocated between the Operating, Capital, and Revenue Offset components, as shown in **Table 3-1**:

- The **Operating revenue requirement** consists of operating expenses (Line 2; from **Table 2-18**, Line 13).
- The **Capital revenue requirement** includes debt service (Line 3; from **Table 2-18**, Line 14), rate funded CIP (Line 4; from **Table 2-18**, Line 15), capacity fees (Line 9; from **Table 2-18**, Line 7), other miscellaneous revenues (Line 11; from **Table 2-18**, Line 9), cash to/ (from) reserves (Line 15; from **Table 2-18**, Line 20), and an adjustment to annualize the mid-year rates effective on 1/1/2026 (Line 16).
- The **Revenue Offset revenue requirement** reduces the overall revenue requirement by eligible revenues not generated by specific customer classes or payment of services provided by the District. Under this definition, only property taxes (Line 8; from **Table 2-18**, Line 6) and interest earnings (Line 10; from **Table 2-18**, Line 8) are considered part of the revenue offset.

The total revenue requirement (Line 19) less the revenue adjustment annualization (Line 16) is equal to the amount of rate revenue collected in FY 2026 (**Table 2-18**, Line 4).

Table 3-1: FY 2026 Revenue Requirement

Line	FY 2026 Revenue Requirement	Operating	Capital	Revenue Offsets	Total
1	**Revenue Requirements**				
2	O&M Expenses	$6,866,044	$0	$0	$6,866,044
3	Debt Service	$0	$1,119,891	$0	$1,119,891
4	Rate Funded CIP	$0	$4,115,055	$0	$4,115,055
5	**Total - Revenue Requirements**	**$6,866,044**	**$5,234,947**	**$0**	**$12,100,990**
6					
7	**Non-Rate Revenues**				
8	Property Taxes	$0	$0	($1,637,492)	($1,637,492)
9	Capacity Fees	$0	($82,184)	$0	($82,184)
10	Interest Earnings	$0	$0	($420,194)	($420,194)
11	Other Miscellaneous[27]	$0	($45,400)	$0	($45,400)
12	**Total - Non-Rate Revenues**	**$0**	**($127,584)**	**($2,057,686)**	**($2,185,270)**
13					
14	**Adjustments**				
15	Cash to/ (from) Reserves	$0	($1,937,620)	$0	($1,937,620)
16	Revenue Adjustment Annualization	$0	$198,411	$0	$198,411[28]
17	**Subtotal - Adjustments**	**$0**	**($1,739,209)**	**$0**	**($1,739,209)**
18					
19	**Total - Revenue Requirement**	**$6,866,044**	**$3,368,154**	**($2,057,686)**	**$8,176,512**

3.3 COST FUNCTIONALIZATION

FUNCTIONAL CATEGORY DEFINITIONS

After determining the revenue requirement, the next step in the cost-of-service analysis is to allocate the District's costs into various functional categories. These categories represent the main functions of the District's water system and include:

- **Billing & Customer Service**: costs related to billing and customer service
- **Meter Maintenance & Replacement**: costs of meter maintenance and replacement
- **Water Supply**: variable potable water production costs associated such as electricity for pumping and treatment chemicals
- **Wells**: other non-variable costs associated with groundwater well operations such as well maintenance and improvements
- **Treatment**: costs (other than chemicals) related to treating water to potable standards
- **Transmission**: costs associated with the movement of potable water through the District's water system such as costs associated with pumping water to higher elevations

[27] Other miscellaneous revenues include revenue from late penalty fees, meter fees, etc.
[28] Calculated based on the difference between total rate revenue if rates effective on 1/1/2026 are in effect for one full year and actual rate revenue collected in FY 2026 (**Table 2-18**, Line 4).

- **Storage**: costs related to water storage facilities (such as reservoirs and tanks)
- **Distribution**: costs related to distribution of water to the District's customers through water mains and pipelines
- **Conservation**: costs related to the District's water conservation program
- **Revenue Offset**: miscellaneous revenues that are not generated by specific customer classes or for payment of services provided by the District; these revenues can be used to offset rates at the District's discretion under Proposition 218 requirements
- **General**: costs that are not directly attributable to any other functional category (such as administrative and overhead costs)

OPERATING COST FUNCTIONALIZATION

WRE worked closely with District staff to evaluate and allocate the operating expenses for FY 2026 (**Table 2-8**) to the most closely associated functional categories within the potable water system, as shown in **Table 3-2**. A detailed allocation of operating expenses to functional category is available in the **Appendix** (**Table 6-4**).

Table 3-2: Operating Costs by System Functions

Line	Functional Category	FY 2026 O&M Expenses	Percent of Total
1	Billing & Customer Service	$454,413	6.6%
2	Meter Maintenance & Replacement	$251,941	3.7%
3	Water Supply	$970,307	14.1%
4	Wells	$406,005	5.9%
5	Treatment	$339,100	4.9%
6	Transmission	$1,092,409	15.9%
7	Storage	$60,000	0.9%
8	Distribution	$1,468,794	21.4%
9	Conservation	$77,861	1.1%
10	Revenue Offsets	$0	0.0%
11	General	$1,745,213	25.4%
12	**Total - Operating Expenses**	**$6,866,044**	**100.0%**

CAPITAL ASSET FUNCTIONALIZATION

WRE worked with District staff to evaluate and allocate the District's current capital assets to the most closely associated functional categories within the water system, as shown in **Table 3-3**. The detailed allocation of the current capital assets to the functional categories is included in the **Appendix** (**Table 6-5**).

It is standard practice in most water cost-of-service studies to functionalize current capital assets rather than planned CIP costs, since the latter can fluctuate more significantly from year to year. The current capital asset base provides a more stable representation of long-term capital needs and their associated costs. The asset valuation methodology used in this study is Replacement Cost (RC), which takes inflation of the District's potable water system into account.

Table 3-3: Capital Assets by System Functions

Line	Functional Category	Capital Assets (RC)	Percent of Total
1	Billing & Customer Service	$811,642	0.9%
2	Meter Maintenance & Replacement	$0	0.0%
3	Water Supply	$0	0.0%
4	Wells	$15,366,236	17.2%
5	Treatment	$17,973,097	20.1%
6	Transmission	$7,363,974	8.2%
7	Storage	$15,627,136	17.5%
8	Distribution	$25,566,755	28.6%
9	Conservation	$0	0.0%
10	Revenue Offsets	$0	0.0%
11	General	$6,643,074	7.4%
12	**Total - Capital Assets**	**$89,351,913**	**100.0%**

3.4 COST CAUSATION COMPONENTS

COST COMPONENT DEFINITIONS

While the functional categories represent the costs of system functions, cost causation components represent the reasons for why and how those costs are incurred within the system (thus, cost causation). Cost causation components will be referred to as cost components in this report. The next step of the cost-of-service analysis is to allocate the Operating, Capital, and Revenue Offsets in the functional categories between the cost components, most of which directly correspond to a single functional category.

The cost components in this study include the following:

- **Billing & Customer Service**: directly corresponds to the Billing & Customer Service functional category
- **Meter Capacity**: directly corresponds to the Meter Maintenance & Replacement functional category
- **Base Delivery**: costs associated with delivering water to customers during average water demand conditions
- **Max Day Delivery**: costs associated with delivering water to customers during maximum day demand conditions
- **Max Hour Delivery**: costs associated with delivering water to customers during maximum hour demand conditions
- **Conservation**: directly corresponds to the Conservation functional category
- **Revenue Offset**: directly corresponds to the Revenue Offset functional category
- **General**: directly corresponds to the General functional category

SYSTEM-WIDE CAPACITY FACTORS

System-wide capacity factors for the District's water system, shown in **Table 3-4**, are used to allocate costs associated within the Wells, Treatment, Transmission, Storage, and Distribution functional

categories to the Base Delivery, Max Day Delivery, and Max Hour Delivery cost components. Capacity factors represent the ratio of maximum to average water demand over the course of one year for the entire system. This provides a basis to identify costs incurred to provide water service during average demand conditions and to provide additional capacity during higher demand conditions. The max day and max hour demand capacity factors are from the District's 2023 Sanitary Survey Report demand requirement in MGD (Million Gallons per Day), which represents the most recent available estimate of potable water system peak demand provided by District staff.

The percentage allocations to the Base Delivery, Max Day Delivery, and Max Hour Delivery cost components based on the average and maximum demand capacity factors are calculated as follows:

- Average day demand is allocated entirely to Base Delivery
- Max day demand is allocated proportionately to Base Delivery[29] and Max Day Delivery[30]
- Max hour demand is allocated proportionally to Base Delivery[31], Max Day Delivery[32], and Max Hour Delivery[33]

Table 3-4: System-Wide Capacity Allocation

Line	System-Wide Capacity	Factor	Base Delivery	Max Day Delivery	Max Hour Delivery	Total
1	Average Day Demand	1.00	100.0%	0.0%	0.0%	**100.0%**
2	Max Day Demand	2.39	41.8%	58.2%	0.0%	**100.0%**
3	Max Hour Demand	3.59	27.9%	38.8%	33.3%	**100.0%**

[29] 1.00/2.39 = 41.8%.
[30] (2.39-1.00)/2.39 = 58.2%.
[31] 1.00/3.59 = 27.9%
[32] (2.39-1.00)/3.59 = 38.8%
[33] (3.59-2.39)/3.59 = 33.3%

COST COMPONENT ALLOCATION FACTORS

Table 3-5 shows the factors used to allocate the functionalized costs to the cost components. For the cost components that directly correlate to a functional category (Billing & Customer Service, Meter Capacity, Conservation, Revenue Offset, and General), the functionalized costs are allocated entirely to the matching cost component. Water Supply functionalized costs variable costs incurred per unit of water delivered so they are allocated entirely to Base Delivery. Wells, Treatment, Transmission, and Storage are sized based on maximum day demand; the associated functions (Lines 4-7) are therefore allocated based on the Max Day Delivery capacity factor (from **Table 3-4**, Line 2). Distribution (Line 8) is sized based on maximum hour demand and is therefore allocated based on the Max Hour Delivery capacity factor (from **Table 3-4**, Line 3).

Table 3-5: System Function Allocation to Cost Components

Line	Cost Function	Billing & Customer Service	Meter Capacity	Base Delivery	Max Day Delivery	Max Hour Delivery	Conser-vation	Revenue Offset	General	Total
1	Billing & Customer Service	100.0%								**100.0%**
2	Meter Maintenance & Replacement		100.0%							**100.0%**
3	Water Supply			100.0%						**100.0%**
4	Wells			41.8%	58.2%					**100.0%**
5	Treatment			41.8%	58.2%					**100.0%**
6	Transmission			41.8%	58.2%					**100.0%**
7	Storage			41.8%	58.2%					**100.0%**
8	Distribution			27.9%	38.8%	33.3%				**100.0%**
9	Conservation						100.0%			**100.0%**
10	Revenue Offsets							100.0%		**100.0%**
11	General								100.0%	**100.0%**

OPERATING COST COMPONENT ALLOCATION

Table 3-6 shows the operating cost allocation by cost component. The functionalized operating expenses from **Table 3-2** are allocated based on the cost component allocation factors in **Table 3-5**. The operating allocation (Line 13) is derived from the total operating expenses by cost component (Line 12) and represents the proportion of the Operating revenue requirement that will be allocated to each cost component.

Table 3-6: Operating Allocation by Cost Component

Line	Operating Expenses	Billing & Customer Service	Meter Capacity	Base Delivery	Max Day Delivery	Max Hour Delivery	Conser-vation	General	Total
1	Billing & Customer Service	$454,413	$0	$0	$0	$0	$0	$0	**$454,413**
2	Meter Maintenance & Replacement	$0	$251,941	$0	$0	$0	$0	$0	**$251,941**
3	Water Supply	$0	$0	$970,307	$0	$0	$0	$0	**$970,307**
4	Wells	$0	$0	$169,692	$236,313	$0	$0	$0	**$406,005**
5	Treatment	$0	$0	$141,728	$197,372	$0	$0	$0	**$339,100**
6	Transmission	$0	$0	$456,577	$635,831	$0	$0	$0	**$1,092,409**
7	Storage	$0	$0	$25,077	$34,923	$0	$0	$0	**$60,000**
8	Distribution	$0	$0	$409,259	$569,937	$489,598	$0	$0	**$1,468,794**
9	Conservation	$0	$0	$0	$0	$0	$77,861	$0	**$77,861**
10	Revenue Offsets	$0	$0	$0	$0	$0	$0	$0	**$0**
11	General	$0	$0	$0	$0	$0	$0	$1,745,213	**$1,745,213**
12	**Total - Operating Expenses**	**$454,413**	**$251,941**	**$2,172,641**	**$1,674,376**	**$489,598**	**$77,861**	**$1,745,213**	**$6,866,044**
13	***Operating Revenue Requirement Allocation***	***6.6%***	***3.7%***	***31.6%***	***24.4%***	***7.1%***	***1.1%***	***25.4%***	***100.0%***

CAPITAL COST COMPONENT ALLOCATION

Table 3-7 shows the capital cost allocation by cost component. The functionalized capital assets from **Table 3-3** are allocated based on the cost component allocation factors in **Table 3-5**. The capital allocation (Line 13) is derived from the total capital asset value by cost component (Line 12) and represents the proportion of the Capital revenue requirement that will be allocated to each cost component.

Table 3-7: Capital Allocation by Cost Component

Line	Capital Assets (RC)	Billing & Customer Service	Meter Capacity	Base Delivery	Max Day Delivery	Max Hour Delivery	Conser-vation	General	Total
1	Billing & Customer Service	$811,642	$0	$0	$0	$0	$0	$0	**$811,642**
2	Meter Maintenance & Replacement	$0	$0	$0	$0	$0	$0	$0	**$0**
3	Water Supply	$0	$0	$0	$0	$0	$0	$0	**$0**
4	Wells	$0	$0	$6,422,389	$8,943,847	$0	$0	$0	**$15,366,236**
5	Treatment	$0	$0	$7,511,939	$10,461,158	$0	$0	$0	**$17,973,097**
6	Transmission	$0	$0	$3,077,807	$4,286,167	$0	$0	$0	**$7,363,974**
7	Storage	$0	$0	$6,531,433	$9,095,702	$0	$0	$0	**$15,627,136**
8	Distribution	$0	$0	$7,123,829	$9,920,675	$8,522,252	$0	$0	**$25,566,755**
9	Conservation	$0	$0	$0	$0	$0	$0	$0	**$0**
10	Revenue Offsets	$0	$0	$0	$0	$0	$0	$0	**$0**
11	General	$0	$0	$0	$0	$0	$0	$6,643,074	**$6,643,074**
12	**Total - Capital Assets**	**$811,642**	**$0**	**$30,667,397**	**$42,707,550**	**$8,522,252**	**$0**	**$6,643,074**	**$89,351,913**
13	***Capital Revenue Requirement Allocation***	***0.9%***	***0.0%***	***34.3%***	***47.8%***	***9.5%***	***0.0%***	***7.4%***	***100.0%***

PRELIMINARY COST-OF-SERVICE ALLOCATION

Table 3-8 shows the preliminary cost-of-service allocation prior to any adjustments. The Operating costs are equal to the total Operating revenue requirements (**Table 3-1**, Line 19) allocated to each cost component based on the Operating allocation (**Table 3-6**, Line 13). The Capital costs are equal to the total Capital revenue requirements (**Table 3-1**, Line 19) allocated to each cost component based on the Capital allocation (**Table 3-7**, Line 13). The Revenue Offsets are equal to the total Revenue Offset requirements (**Table 3-1**, Line 19). Note that the total cost-of-service (Line 9) is equal to the total rate revenue requirement for FY 2026 (**Table 3-1**, Line 19).

Table 3-8: Preliminary Cost-of-Service Allocation by Cost Component

Line	Cost Causation Component	Operating Revenue Requirement	Capital Revenue Requirement	Revenue Offset	Total
1	Billing & Customer Service	$454,413	$30,595	$0	**$485,009**
2	Meter Capacity	$251,941	$0	$0	**$251,941**
3	Base Delivery	$2,172,641	$1,156,019	$0	**$3,328,660**
4	Max Day Delivery	$1,674,376	$1,609,877	$0	**$3,284,253**
5	Max Hour Delivery	$489,598	$321,249	$0	**$810,847**
6	Conservation	$77,861	$0	$0	**$77,861**
7	Revenue Offset	$0	$0	($2,057,686)	**($2,057,686)**
8	General	$1,745,213	$250,413	$0	**$1,995,626**
9	**Total**	**$6,866,044**	**$3,368,154**	**($2,057,686)**	**$8,176,512**

GENERAL REALLOCATION

General costs are not attributable to specific system functions and are therefore proportionally reallocated to all other cost components. **Table 3-9** shows the reallocation of General costs (Line 8) in proportion to the preliminary allocation to each cost component (except Revenue Offset, which is restricted to specific costs only). The total revenue requirement (Line 9) remains unchanged after the General cost reallocation.

Table 3-9: General Cost Reallocation

Line	Cost Causation Component	Preliminary Allocation	General Cost Reallocation	Total
1	Billing & Customer Service	$485,009	$117,483	**$602,492**
2	Meter Capacity	$251,941	$61,028	**$312,969**
3	Base Delivery	$3,328,660	$806,300	**$4,134,960**
4	Max Day Delivery	$3,284,253	$795,543	**$4,079,796**
5	Max Hour Delivery	$810,847	$196,411	**$1,007,259**
6	Conservation	$77,861	$18,860	**$96,721**
7	Revenue Offset	($2,057,686)	N/A	**($2,057,686)**
8	General	$1,995,626	($1,995,626)	**$0**
9	**Total**	**$8,176,512**	**$0**	**$8,176,512**

CUSTOMER DEMAND AND FIRE CAPACITY REALLOCATION

Table 3-10 shows the current and proposed Residential tier allotments recommended by WRE. Currently the District's Residential rate structure consists of four-tiered volumetric charges for Single Family and Multi-Family customers. WRE recommends reducing the number of tiers for Residential customers from four to three tiers and aligning Multi-Family with proposed Single Family tiers (shown below) to better align the District's rate structure with evolving interpretations of Proposition 218 legal requirements and simplify the District's rate structure. No changes are recommended to the CII and Landscape uniform rate structures. Based on a review of the District's historical consumption, WRE does not recommend any changes to Single Family Tiers 1 and 2 which were designed using a water budget approach to reflect efficient indoor water needs and outdoor water needs, respectively.

Additionally, the District currently charges Residential Rate Assistance usage based on the Tier 1 rate and Residential Qualifying Medical Needs usage based on the Tier 2 rate. After consideration of the Rate Assistance and Qualifying Medical Needs historical usage, WRE recommends charging both Rate Assistance and Qualifying Medical Needs usage based on the Tier 1 rate to simplify the District's rate structure.

Table 3-10: Current and Proposed Residential Tier Allotments

Line	Residential Tiers	Current Single Family Tiers (gallons)	Current Multi-Family Tiers (gallons)	Proposed Residential Tiers (gallons)
1	Tier 1	0-3,000	0-3,000	0-3,000
2	Tier 2	3,001-6,000	3,001-3,200	3,001-6,000
3	Tier 3	6,001-7,000	3,201-7,000	6,001+
4	Tier 4	7,001+	7,001+	

Cost-of-service allocations consider system-wide capacity, which is the combination of customer demand and fire protection. For the purposes of the cost-of-service analysis, Max Day Delivery and Max Hour Delivery cost components are further allocated between customer demand and fire protection based on their proportional share of required capacity within the water system.

Table 3-11 shows the customer demand capacity calculations for Max Day and Max Hour. Annual water usage for each service class is based on historical monthly consumption data provided by District staff, applying the proposed monthly tiers shown in **Table 3-10**. Total usage (Line 7) is equal to total potable usage in FY 2026 (**Table 2-4**, Line 26). Note that Residential Tier 1 usage (Line 2) includes Rate Assistance and Qualifying Medical Needs usage. The daily use is equal to the annual use divided by 365 days. The Max Month capacity factors for each class are based on the ratio of their historical monthly consumption during the system-wide maximum usage month to their average monthly usage. Max Day capacity factors are estimated for each class in the absence of available daily consumption data by multiplying the Max Month capacity factor for each class by the ratio of systemwide Max Day (**Table 3-4**, Line 2) to systemwide Max Month (Line 7) capacity. Max Day demand is calculated by multiplying the daily use in hgal by the Max Day capacity factor for each class. Max Day extra capacity is equal to Max Day demand less daily use. Max Hour capacity factors are calculated for each class by multiplying the Max Day capacity factor for each class by the ratio of systemwide Max Hour (**Table 3-4**, Line 3) to systemwide Max Day (**Table 3-4**, Line 2) capacity. Similarly, Max Hour demand is calculated by multiplying the daily use in hgal by the Max Hour capacity factor for each customer class and tier. Max Hour extra capacity is equal to the Max Hour demand less Max Day demand.

The total Max Day and Max Hour extra capacity (Line 7) represents the capacity required to meet customer demand. Note that recycled water use is excluded from the extra capacity calculations below because the District's recycled system functions independently from the potable water system.

Table 3-11: Customer Demand Capacity

Line	Service Class	Annual Use (100 gallons)	Daily Use	Max Month Capacity Factor	Max Day Capacity Factor	Max Day Demand	Max Day Extra Capacity	Max Hour Capacity Factor	Max Hour Demand	Max Hour Extra Capacity
1	**Residential**									
2	Tier 1 (0-3,000 gallons)	1,168,066	3,200	1.04	2.04	6,534	3,334	3.06	9,801	3,267
3	Tier 2 (3,001-6,000 gallons)	476,431	1,305	1.26	2.47	3,225	1,919	3.71	4,837	1,612
4	Tier 3 (6,001+ gallons)	402,566	1,103	1.78	3.47	3,832	2,729	5.21	5,748	1,916
5	**CII**	853,740	2,339	1.17	2.30	5,374	3,035	3.45	8,061	2,687
6	**Landscape**	235,113	644	1.61	3.15	2,029	1,385	4.73	3,044	1,015
7	**Total**	**3,135,915**		**1.22**		**20,994**	**12,402**		**31,491**	**10,497**

Costs related to fire protection capacity increase exponentially based on fire line diameter and are attributable to both public fire hydrants and private fire connections. Therefore, equivalent fire lines are calculated to provide a basis from which to allocate costs in proportion to fire line size, and between public and private fire connections. Equivalent fire line calculations are shown in **Table 3-12**; private fire line counts[34] are from **Table 2-3** (Lines 6 and 69) and public fire line counts were provided by District staff. The capacity of a fire line is based on the diameter of the connection and is equal to the connection diameter in inches raised to the power of 2.63 based on the Hazen-Williams equation in the AWWA's M1 Manual. The fire line ratio is the fire capacity of each diameter size divided by the base fire line size, which is 2 inches in diameter. Equivalent fire lines are calculated by multiplying the fire line ratio of each diameter size by the number of connections by size. The concept of equivalent fire lines provides a basis from which to compare the capacity requirements of both private fire protection and public hydrants. The fire protection capacity attributed to private fire connections is equal to 7.8%; the remaining 92.2% is attributed to public fire hydrants (Line 6).

[34] Note that meter size and fire line diameter vary for private fire lines. All private fire lines are assumed to have a 2" fire line diameter regardless of meter size.

Table 3-12: Equivalent Fire Lines

Line	Fire Line Size	Fire Line Diameter	Fire Demand Units	Fire Demand Ratio	Private Fire Lines	Public Fire Lines	Total Fire Lines	Equivalent Private Fire Lines	Equivalent Public Fire Lines	Total Equivalent Fire Lines
1	5/8-inch Fire Service (Residential/Commercial)	2	6.19	1.00	521	0	521	521	0	521
2	3/4-inch (Multi-Residential, incl. Fire Service)	2	6.19	1.00	347	0	347	347	0	347
3	Public Hydrants 4"	4	38.32	6.19	0	18	18	0	111	111
4	Public Hydrants 6"	6	111.31	17.98	0	564	564	0	10,142	10,142
5	**Total**				**868**	**582**	**1,450**	**868**	**10,253**	**11,121**
6	***Percent of Total***							***7.8%***	***92.2%***	***100.0%***

Table 3-13 shows the calculation of fire capacity requirements in the District's system and the capacity allocation between fire and customer demand. The extra capacity required for fire is based on assumed fire flow requirements of 1,500 gallons per minute (gpm) for 3 hours. The fire capacity is allocated between private fire (Line 6) and public hydrants (Line 7) using the proportion of equivalent fire lines attributed to each service (**Table 3-12**, Line 6). The customer (from **Table 3-11**, Line 7), private fire, and public hydrant extra capacity (Lines 5-7) are added together to form the total extra capacity requirements of the system (Line 8). From there, the capacity allocation factors (Lines 10-12) are calculated based on the proportion of the total capacity requirements related to each service. These allocations are used to reallocate Max Day and Max Hour costs.

Table 3-13: Capacity Allocation by Fire and Customer Demand

Line	Fire Capacity	Max Day	Max Hour
1	Hours for Fire	3	3
2	Capacity for Fire (gpm)	1,500	1,500
3	Fire Extra Capacity (100 gallons)	2,700[35]	18,900[36]
4			
5	Customer Demand	12,402	10,497
6	Private Fire	211	1,475
7	Public Hydrants	2,489	17,425
8	**Total - Capacity Requirements**	**15,102**	**29,397**
9			
10	Customer Demand	82.1%	35.7%
11	Private Fire	1.4%	5.0%
12	Public Hydrants	16.5%	59.3%
13	**Total - Capacity Allocation**	**100.0%**	**100.0%**

Public Fire costs within the Max Day Delivery and Max Hour Delivery components are reallocated based on the proportion of capacity related to public fire protection (**Table 3-13**, Line 12). All Public Fire costs are reallocated from Max Day Delivery and Max Hour Delivery to the Meter Capacity component (Line 2). Private Fire costs are reallocated from Max Day Delivery and Max Hour Delivery to the Private Fire Protection cost component based on the proportion of capacity related to private fire service (**Table 3-13**, Line 11). The Max Day Delivery and Max Hour Delivery components now represent the capacity requirements of customer water demand only and do not include costs related to fire protection capacity.

Table 3-14: Public and Private Fire Reallocation

Line	Cost Causation Component	Allocation Adjusted for General	Private Fire Reallocation	Public Fire Reallocation	Total
1	Billing & Customer Service	$602,492	$0	$0	**$602,492**
2	Meter Capacity	$312,969	$0	$1,269,503	**$1,582,472**
3	Private Fire Protection	$0	$107,473	$0	**$107,473**
4	Base Delivery	$4,134,960	$0	$0	**$4,134,960**
5	Max Day Delivery	$4,079,796	($56,929)	($672,457)	**$3,350,410**
6	Max Hour Delivery	$1,007,259	($50,545)	($597,046)	**$359,668**
7	Conservation	$96,721	$0	$0	**$96,721**
8	Revenue Offset	($2,057,686)	$0	$0	**($2,057,686)**
9	General	$0	$0	$0	**$0**
10	**Total**	**$8,176,512**	**$0**	**$0**	**$8,176,512**

[35] 2,700 hgal = (3 hours x 1,500 gpm x 60 minutes per hour) / 100 gallons.
[36] 18,900 hgal = (1,500 gpm x 60 minutes per hour x 24 hours per day / 100 gallons) – 2,700 hgal.

EXTRA CAPACITY REALLOCATION

Table 3-15 shows the reallocation of 15.5% of Max Day Delivery and Max Hour Delivery costs (Lines 5 and 6) to the Meter Capacity component. This reallocation is necessary to adjust the percentage of rate revenue recovery from fixed charges to approximately 35%, based on direction from District staff. This level of fixed revenue recovery will provide a similar level of revenue stability for the District as current rates.

Table 3-15: Extra Capacity Reallocation

Line	Cost Causation Component	Allocation Adjusted for Fire	Extra Capacity Reallocation	Total
1	Billing & Customer Service	$602,492	$0	**$602,492**
2	Meter Capacity	$1,582,472	$575,062	**$2,157,534**
3	Private Fire Protection	$107,473	$0	**$107,473**
4	Base Delivery	$4,134,960	$0	**$4,134,960**
5	Max Day Delivery	$3,350,410	($519,314)	**$2,831,097**
6	Max Hour Delivery	$359,668	($55,749)	**$303,920**
7	Conservation	$96,721	$0	**$96,721**
8	Revenue Offset	($2,057,686)	$0	**($2,057,686)**
9	General	$0	$0	**$0**
10	**Total**	**$8,176,512**	**$0**	**$8,176,512**

FINAL COST-OF-SERVICE ALLOCATION

Table 3-16 shows the final cost-of-service allocation based on the adjustments for General, Fire Capacity, and Extra Capacity from the prior report tables.

Table 3-16: Final Cost-of-Service Allocation by Cost Component

Line	Cost Causation Component	Final Cost-of-Service Allocation
1	Billing & Customer Service	$602,492
2	Meter Capacity	$2,157,534
3	Private Fire Protection	$107,473
4	Base Delivery	$4,134,960
5	Max Day Delivery	$2,831,097
6	Max Hour Delivery	$303,920
7	Conservation	$96,721
8	Revenue Offset	($2,057,686)
9	**Total**	**$8,176,512**

3.5 UNIT COST CALCULATION

EQUIVALENT METER UNITS

Costs related to meter capacity increase based on meter size. Therefore, equivalent meter units are calculated to provide a basis from which to allocate costs in proportion to meter size. Equivalent meter calculations are shown in **Table 3-17**.

Equivalent meters are calculated based on meter capacity ratios, which represent the safe operating capacity of a water meter relative to the base meter size. For this study, the base meter size is a 5/8-inch meter, which is the most common meter size in the District's system. Capacity in gpm is derived from the *AWWA M1 Manual* for each meter size. The meter ratio for a 1.5-inch meter is 5.00, which means that the capacity of a 1.5-inch meter is five times that of a 5/8-inch meter. Note that 3/4-inch (Multi-Residential, incl. Fire Service) meters are allocated Meter Capacity costs based on a 5/8-inch meter capacity ratio as they could be otherwise served with a 5/8-inch meter and are upsized to 3/4-inch for fire protection purposes.

The number of meters in each meter size, excluding recycled meters, are from **Table 2-3**. Equivalent meters are calculated by multiplying the meter counts by the meter capacity ratio for each size.

Table 3-17: Equivalent Meter Units

Line	Meter Size	Meter Capacity (gpm)	Meter Capacity Ratio	Number of Meters	Equivalent Meter Units
1	5/8-inch	20	1.00	3,308	3,308
2	5/8-inch Rate Assistance (Residential)	20	1.00	40	40
3	3/4-inch (Multi-Residential, incl. Fire Service)	20	1.00	347	347
4	3/4-inch	30	1.50	42	63
5	1-inch	50	2.50	117	293
6	1.5-inch	100	5.00	44	220
7	2-inch	160	8.00	34	272
8	3-inch	350	17.50	1	18
9	4-inch	630	31.50	1	32
10	6-inch	1,300	65.00	0	0
11	**Total**			**3,934**	**4,592**

UNITS OF SERVICE DEFINITIONS

The appropriate units of service are then established for each cost component based on cost causation, which is shown in **Table 3-18**. Cost components to be recovered by the fixed charges (Lines 1-3) are assigned units of service based on the number of equivalent meters (**Table 3-17**), equivalent fire lines (**Table 3-12**), and customers (sum of meter counts from **Table 3-17**). Cost components to be recovered by the volumetric charges are assigned units based on annual usage in hgal (**Table 3-11**) and Max Day and Max Hour extra capacity in hgal per day (**Table 3-11**).

Table 3-18: Units of Service Definitions

Line	Cost Causation Component	Units of Service	Units of Service Definition
1	Billing & Customer Service	47,208	Total Meters x 12 months (Exclude 5/8" fire service)
2	Meter Capacity	55,098	Total Equiv. Meters x 12 months
3	Private Fire Protection	10,416	Equiv. Fire Lines x 12 months
4	Base Delivery	3,135,915	Potable water use (hgal/yr)
5	Max Day Delivery	12,402	Max day extra capacity (hgal/day)
6	Max Hour Delivery	10,497	Max hour extra capacity (hgal/day)
7	Conservation	3,135,915	Potable water use (hgal/yr)
8	Revenue Offset	3,135,915	Potable water use (hgal/yr)

UNIT COST BY COST COMPONENT

Table 3-19 shows the calculation of unit costs by each cost component. The final cost-of-service allocation (**Table 3-16**) is divided by the units of service (**Table 3-18**) for each cost component to derive the unit cost. These unit costs will determine the cost-of-service by customer class.

Table 3-19: Unit Cost by Cost Component

Line	Cost Causation Component	Final Cost-of-Service Allocation	Units of Service	Unit Cost	Units
1	Billing & Customer Service	$602,492	47,208	$12.76	per bill
2	Meter Capacity	$2,157,534	55,098	$39.16	per EMU
3	Private Fire Protection	$107,473	10,416	$10.32	per EFL
4	Base Delivery	$4,134,960	3,135,915	$1.32	per hgal
5	Max Day Delivery	$2,831,097	12,402	$228.27	per hgal/day
6	Max Hour Delivery	$303,920	10,497	$28.95	per hgal/day
7	Conservation	$96,721	3,135,915	$0.03	per hgal
8	Revenue Offset	($2,057,686)	3,135,915	($0.66)	per hgal

4. POTABLE WATER RATES

4.1 RATE DESIGN METHODOLOGY

A proposed five-year potable water rate schedule was developed based on the results of the proposed financial plan and cost-of-service analysis. The key steps in developing the proposed rate schedule are outlined below:

- **Rate structure evaluation**: The existing rate structure is evaluated, and any proposed changes are identified. Proposed rate structure changes are typically intended to address specific policy objectives or to improve legal defensibility.
- **Test year rate development**: Rates are calculated for the proposed rate structure for the cost-of-service test year (FY 2026). Rate calculations directly incorporate the unit costs developed in the cost-of-service analysis.
- **Five-year rate schedule development**: Proposed rates for the five-year period are calculated by increasing the test year rates by the proposed annual revenue adjustment percentages from the proposed financial plan.

4.2 PROPOSED CHANGES TO RATE STRUCTURE

The District's current potable rate structure includes monthly basic meter charges by meter size and volumetric charges based on units of water in hgal. Single Family and Multi-Family customers have a four-tiered volumetric charge; CII and Landscape customers have a uniform volumetric charge. The District also has a discount program for eligible Residential Rate Assistance and Qualifying Medical Needs customers. Rate Assistance customers receive 30% off monthly basic meter charges and have a uniform volumetric charge based on the Tier 1 Residential rate. Qualifying Medical Needs customers have a uniform volumetric charge based on the Tier 2 Residential rate.

WRE worked with District staff and the Board to evaluate the current rate structure and propose the following recommendations:

- **Three tiers for Residential volumetric charges**: WRE recommends reducing the number of tiers for Residential customers from four to three tiers and aligning Multi-Family with proposed Single Family tiers to better align the District's rate structure with evolving interpretations of Proposition 218 legal requirements and simplify the District's rate structure.
- **Discount program updates**: The District currently charges Residential Rate Assistance usage based on the Tier 1 Single Family rate and Residential Qualifying Medical Needs usage based on the Tier 2 Single Family rate. After consideration of the Rate Assistance and Qualifying Medical Needs historical usage, WRE recommends charging both Rate Assistance and Qualifying Medical Needs usage based on the Tier 1 rate to simplify the District's rate structure.

4.3 PROPOSED MONTHLY BASIC METER CHARGES

REVENUE NEUTRAL RATES

Table 4-1 shows the revenue neutral monthly basic meter charge calculations. The Billing & Customer Service, Meter Capacity, and Private Fire unit costs are from **Table 3-19** (Lines 1-3). The Rate Assistance

discount is calculated assuming a 30% discount off the revenue neutral 5/8-inch monthly basic meter charge. Private Fire unit costs apply to dedicated fire service connections (Line 3) and combined service (Line 4). Meter Capacity unit costs are multiplied by the meter capacity ratio for each meter size to determine the Meter Capacity component of the charge (from **Table 3-17**). Billing & Customer Service costs do not vary based on meter size and thus are the same for all meter sizes. The revenue neutral rate represents the cost-of-service analysis for FY 2026 but does not include the proposed revenue adjustments for the first year of rates in FY 2027.

Table 4-1: Revenue Neutral Monthly Basic Meter Charges

Line	Basic Meter Charges	Meter Capacity Ratio	Billing & Customer Service	Meter Capacity	Private Fire	Rate Assistance	Revenue Neutral Rate
1	5/8-inch	1.00	$12.76	$39.16	N/A	N/A	**$51.92**
2	5/8-inch Rate Assistance (Residential)	1.00	$12.76	$39.16	N/A	($15.58)	**$36.34**
3	5/8-inch Fire Service (Residential/Commercial)	N/A	N/A	N/A	$10.32	N/A	**$10.32**
4	3/4-inch (Multi-Residential, incl. Fire Service)	1.00	$12.76	$39.16	$10.32	N/A	**$62.24**
5	3/4-inch	1.50	$12.76	$58.74	N/A	N/A	**$71.50**
6	1-inch	2.50	$12.76	$97.90	N/A	N/A	**$110.66**
7	1.5-inch	5.00	$12.76	$195.79	N/A	N/A	**$208.55**
8	2-inch	8.00	$12.76	$313.26	N/A	N/A	**$326.03**
9	3-inch	17.50	$12.76	$685.27	N/A	N/A	**$698.03**
10	4-inch	31.50	$12.76	$1,233.48	N/A	N/A	**$1,246.24**
11	6-inch	65.00	$12.76	$2,545.28	N/A	N/A	**$2,558.04**

PROPOSED RATES WITH ADJUSTMENT

Table 4-2 shows the proposed monthly basic meter charges for FY 2026 based on the revenue neutral rate (**Table 4-1**) adjusted by the proposed revenue adjustment of 6.5% in the first year (**Table 2-17**) and rounded up to the nearest cent.

Table 4-2: Proposed Monthly Basic Meter Charges after Adjustment

Line	Basic Meter Charges	Revenue Neutral Rate	Proposed FY 2027 Rate (w/ 6.5% Adj.)	Current Rate	Difference ($)	Difference (%)
1	5/8-inch	$51.92	**$55.30**	$52.55	$2.75	5.2%
2	5/8-inch Rate Assistance (Residential)	$36.34	**$38.71**	$36.79	$1.92	5.2%
3	5/8-inch Fire Service (Residential/Commercial)	$10.32	**$10.99**	$13.90	($2.91)	-20.9%
4	3/4-inch (Multi-Residential, incl. Fire Service)	$62.24	**$66.29**	$66.44	($0.15)	-0.2%
5	3/4-inch	$71.50	**$76.15**	$73.46	$2.69	3.7%
6	1-inch	$110.66	**$117.86**	$115.43	$2.43	2.1%
7	1.5-inch	$208.55	**$222.11**	$229.81	($7.70)	-3.4%
8	2-inch	$326.03	**$347.22**	$369.92	($22.70)	-6.1%
9	3-inch	$698.03	**$743.41**	$767.76	($24.35)	-3.2%
10	4-inch	$1,246.24	**$1,327.25**	$1,357.55	($30.30)	-2.2%
11	6-inch	$2,558.04	**$2,724.32**	$2,706.40	$17.92	0.7%

4.4 PROPOSED VOLUMETRIC CHARGES

The volumetric charge calculations include the Base Delivery, Extra Capacity, Conservation, and Revenue Offset components, which are detailed in this section.

BASE DELIVERY COST

The Base Delivery unit cost (**Table 3-19**, Line 4) of $1.32 is charged to all potable customers equally.

EXTRA CAPACITY COST

Table 4-3 shows the Extra Capacity unit costs by customer class and tier. The annual usage (hgal), Max Day extra capacity (hgal/day), and Max Hour extra capacity (hgal/day) for each class and tier are from **Table 3-11**. The Max Day and Max Hour cost allocation is calculated by multiplying the Max Day and Max Hour units of service by the unit costs for Max Day Delivery and Max Hour Delivery (**Table 3-19**, Lines 5-6), respectively. The Extra Capacity cost allocation represents the sum of Max Day and Max Hour cost allocations. The Extra Capacity unit cost is calculated by dividing the Extra Capacity cost allocation by the annual usage for each customer class and tier.

Table 4-3: Extra Capacity Unit Cost by Customer Class and Tier

Line	Extra Capacity Unit Rates	Usage (100 gallons)	Max Day Extra Capacity	Max Hour Extra Capacity	Max Day Cost Allocation	Max Hour Cost Allocation	Extra Capacity Cost Allocation	Unit Rate
1	**Residential**							
2	Tier 1 (0-3,000 gallons)	1,168,066	3,334	3,267	$761,035	$94,591	$855,626	$0.73
3	Tier 2 (3,001-6,000 gallons)	476,431	1,919	1,612	$438,135	$46,682	$484,817	$1.02
4	Tier 3 (6,001+ gallons)	402,566	2,729	1,916	$622,993	$55,476	$678,469	$1.69
5	**CII**	853,740	3,035	2,687	$692,796	$77,797	$770,593	$0.90
6	**Landscape**	235,113	1,385	1,015	$316,138	$29,374	$345,512	$1.47
7	**Total**	**3,135,915**	**12,402**	**10,497**				

CONSERVATION COST

Table 4-4 shows the Conservation unit cost by customer class and tier. Conservation costs for Residential customers are allocated entirely to Tier 3, which represents the usage tier that the District's Conservation program targets. The Conservation costs for CII and Landscape customers are allocated to all usage since those classes both have a uniform volumetric rate. Conservation cost allocations for each customer class and tier are calculated based on multiplying annual usage by the Conservation unit cost (**Table 3-19**, Line 7), accounting for the allocation to each tier. Conservation unit costs for each customer class and tier are calculated by dividing the customer class cost allocation by allocated usage for each class and tier.

Table 4-4: Conservation Unit Cost by Customer Class and Tier

Line	Conservation Unit Rates	Usage (100 gallons)	Customer Class Allocation	Tier Allocation	Allocated Usage (100 gallons)	Unit Rate
1	**Residential**	**2,047,062**	**$63,138**		**402,566**	
2	Tier 1 (0-3,000 gallons)	1,168,066	$0	0%	0	$0.00
3	Tier 2 (3,001-6,000 gallons)	476,431	$0	0%	0	$0.00
4	Tier 3 (6,001+ gallons)	402,566	$63,143	100%	402,566	$0.16
5	**CII**	853,740	$26,334	100%	853,740	$0.03
6	**Landscape**	235,113	$7,252	100%	235,113	$0.03
7	**Total**	**3,135,915**	**$96,730**			

REVENUE OFFSET

Table 4-5 shows the revised Revenue Offset[37] unit cost after adjusting for the Rate Assistance fixed discount. Under Proposition 218, water rates may not be used for any purpose other than providing water service to customers. Therefore, an adjustment is made to reduce the revenue offset by the amount of discount funding required for the fixed Rate Assistance discount. The Revenue Offset revenue requirement (Line 1) is from **Table 3-16** (Line 8). The fixed charge Rate Assistance discount (Line 2) is calculated by multiplying the number of Rate Assistance accounts (**Table 2-3**, Line 5) by the revenue neutral discount

[37] Note that Revenue Offsets include revenue from property taxes and interest earnings identified in **Table 3-1** (Lines 8 and 10).

(**Table 4-1**, Line 2) for twelve billing periods. The adjusted revenue requirement (Line 3) represents the sum of the Revenue Offset revenue requirement (Line 1) and funding required for the fixed charge Rate Assistance discount (Line 2). The revised unit cost (Line 5) is calculated by dividing the adjusted revenue requirement (Line 3) by total potable usage (Line 4).Table 3-16: Final Cost-of-Service Allocation by Cost Component

Table 4-5: Revenue Offset Discount Adjustment

Line	Revenue Offset Adjustment	Value
1	Revenue Requirement from COS	($2,057,686)
2	Less Fixed Charge Rate Assistance Discount	$7,477
3	**Adjusted Revenue Requirement**	**($2,050,209)**
4	Potable Usage (100 gallons)	3,135,915
5	**Revised Unit Cost**	**($0.65)**

Table 4-6 shows the Revenue Offset unit cost by customer class and tier. The District has discretion to use these revenues to offset the cost of water; all customer classes benefit from the Revenue Offsets equally, which are allocated based on usage in each customer class. Within the Residential class, Tier 1 receives the full Revenue Offset to lower the cost of water for essential indoor water use for basic health and safety.

Revenue Offset allocations for each customer class and tier are calculated based on multiplying annual usage by the revised Revenue Offset unit cost (**Table 4-5**, Line 5), accounting for the allocation to each tier. Revenue Offset unit costs for each customer class and tier are calculated by dividing the Customer class allocation by allocated usage for each class and tier.

Table 4-6: Revenue Offset Unit Cost by Customer Class and Tier

Line	Revenue Offset Unit Rates	Usage (100 gallons)	Customer Class Allocation	Tier Allocation	Allocated Usage (100 gallons)	Unit Rate
1	**Residential**	**2,047,062**	**($1,338,336)**		**1,168,066**	
2	Tier 1 (0-3,000 gallons)	1,168,066	($1,338,336)	100%	1,168,066	($1.15)
3	Tier 2 (3,001-6,000 gallons)	476,431	$0	0%	0	$0.00
4	Tier 3 (6,001+ gallons)	402,566	$0	0%	0	$0.00
5	**CII**	853,740	($558,161)	100%	853,740	($0.65)
6	**Landscape**	235,113	($558,161)	100%	235,113	($0.65)
7	**Total**	**3,135,915**	**($153,713)**			

REVENUE NEUTRAL RATES

Table 4-7 shows the revenue neutral volumetric charges for each class and tier, based on the Base Delivery, Extra Capacity, Conservation, and Revenue Offset unit costs. The revenue neutral rate represents the cost-of-service analysis for FY 2026 but does not include the proposed revenue adjustments for FY 2027.

Table 4-7: Revenue Neutral Volumetric Rates

Line	Volumetric Rates ($/ 100 gallons)	Base Delivery	Extra Capacity	Conser-vation	Rev Offset	Revenue Neutral Rate
1	**Residential**					
2	Tier 1 (0-3,000 gallons)	$1.32	$0.73	$0.00	($1.15)	**$0.91**
3	Tier 2 (3,001-6,000 gallons)	$1.32	$1.02	$0.00	$0.00	**$2.34**
4	Tier 3 (6,001+ gallons)	$1.32	$1.69	$0.16	$0.00	**$3.16**
5	**CII**	$1.32	$0.90	$0.03	($0.65)	**$1.60**
6	**Landscape**	$1.32	$1.47	$0.03	($0.65)	**$2.17**
7	**Qualifying Medical Needs Residential**	$1.32	$0.73	$0.00	($1.15)	**$0.91**
8	**Rate Assistance (Residential)**	$1.32	$0.73	$0.00	($1.15)	**$0.91**

PROPOSED RATES WITH ADJUSTMENT

Table 4-8 shows the proposed volumetric charges for FY 2027 based on the revenue neutral rate (**Table 4-7**) adjusted by the proposed revenue adjustment of 6.5% in the first year (**Table 2-17**) and rounded up to the nearest cent.

Table 4-8: Proposed Volumetric Charges after Adjustment

Line	Volumetric Rates ($/ 100 gallons)	Revenue Neutral Rate	Proposed FY 2027 Rate (w/ 6.5% Adj.)	Current Rate	Difference ($)	Difference (%)
1	**Residential**					
2	Tier 1 (0-3,000 gallons)	$0.91	$0.97	$0.99	($0.02)	-2.0%
3	Tier 2 (3,001-6,000 gallons)	$2.34	$2.49	$1.58	$0.91	57.6%
4	Tier 3 (6,001+ gallons)	$3.16	$3.37	$3.15[38]	$0.22	7.0%
5	**CII**	$1.60	$1.71	$1.61	$0.10	6.2%
6	**Landscape**	$2.17	$2.31	$2.65	($0.34)	-12.8%
7	**Qualifying Medical Needs Residential**	$0.91	$0.97	$1.58	($0.61)	-38.6%
8	**Rate Assistance (Residential)**	$0.91	$0.97	$0.99	($0.02)	-2.0%

4.5 PROPOSED WATER RATE SCHEDULE

PROPOSED FIVE-YEAR REVENUE ADJUSTMENTS

Table 4-9 shows the revenue adjustments for the five-year period and their effective date based on the proposed financial plan (**Table 2-17**).

[38] Estimated based on the average of current Tier 3 (6,001 to 7,000 gallons) and Tier 4 (7,000+ gallons) rate.

Table 4-9: Proposed Revenue Adjustments

Line	Fiscal Year	Effective Date	Potable Revenue Adjustments
1	FY 2027	1/1/2027	6.5%
2	FY 2028	1/1/2028	6.5%
3	FY 2029	1/1/2029	6.5%
4	FY 2030	1/1/2030	6.5%
5	FY 2031	1/1/2031	6.5%

PROPOSED FIVE-YEAR WATER RATE SCHEDULE

The proposed five-year water rate schedules are based on the proposed rate structure changes, the updated cost-of-service analysis, and the proposed revenue adjustments (**Table 4-9**) in the five-year period. The proposed rates for FY 2028, FY 2029, FY 2030, and FY 2031 were calculated by increasing the FY 2027 rates by the revenue adjustments, rounded up to the nearest cent. **Table 4-10** shows the proposed monthly basic meter charges and volumetric rates.

Table 4-10: Current and Proposed Potable Water Rates

Line	Proposed Potable Five-Year Rate Schedule	As of 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029	Effective 1/1/2030	Effective 1/1/2031
1	**Monthly Basic Meter Charge**						
2	5/8-inch	$52.55	$55.30	$58.90	$62.73	$66.81	$71.16
3	5/8-inch Rate Assistance (Residential)	$36.79	$38.71	$41.23	$43.91	$46.77	$49.82
4	5/8-inch Fire Service (Residential/Commercial)	$13.90	$10.99	$11.71	$12.48	$13.30	$14.17
5	3/4-inch (Multi-Residential, incl. Fire Service)	$66.44	$66.29	$70.60	$75.19	$80.08	$85.29
6	3/4-inch	$73.46	$76.15	$81.10	$86.38	$92.00	$97.98
7	1-inch	$115.43	$117.86	$125.53	$133.69	$142.38	$151.64
8	1.5-inch	$229.81	$222.11	$236.55	$251.93	$268.31	$285.76
9	2-inch	$369.92	$347.22	$369.79	$393.83	$419.43	$446.70
10	3-inch	$767.76	$743.41	$791.74	$843.21	$898.02	$956.40
11	4-inch	$1,357.55	$1,327.25	$1,413.53	$1,505.41	$1,603.27	$1,707.49
12	6-inch	$2,706.40	$2,724.32	$2,901.41	$3,090.01	$3,290.87	$3,504.78
13							
14	**Volumetric Rates ($/100 gallons)**						
15	**Residential**[39]						
16	Tier 1 (0-3,000 gallons)	N/A	$0.97	$1.04	$1.11	$1.19	$1.27
17	Tier 2 (3,001-6,000 gallons)	N/A	$2.49	$2.66	$2.84	$3.03	$3.23
18	Tier 3 (6,001+ gallons)	N/A	$3.37	$3.59	$3.83	$4.08	$4.35
19	**CII**	$1.61	$1.71	$1.83	$1.95	$2.08	$2.22
20	**Landscape**	$2.65	$2.31	$2.47	$2.64	$2.82	$3.01
21	**Qualifying Medical Needs Residential**	$1.58	$0.97	$1.04	$1.11	$1.19	$1.27
22	**Rate Assistance (Residential)**	$0.99	$0.97	$1.04	$1.11	$1.19	$1.27

4.6 POTABLE CUSTOMER IMPACTS

The following impacts are for the first year of effective rates (FY 2027). The impacts below reflect the cost-of-service analysis and 6.5% revenue adjustment applied to FY 2027. Note that differential impacts to different customer classes and tiers will only occur during the first year of effective rates in FY 2027. For future effective rates after FY 2027, the 6.5% revenue adjustment will apply to all customer classes and tiers. Minor variations from the 6.5% annual adjustment may occur in future years due to the rounding up of proposed rates to the nearest cent to ensure adequate revenue recovery.

SINGLE FAMILY MONTHLY CUSTOMER IMPACTS

Table 4-11 shows the proposed impacts for a Single Family customer with a 5/8-inch meter (the most common meter size within this class) at various levels of monthly consumption. For the median Single

[39] Current Residential four-tiered volumetric rates are not shown as they are not directly comparable to the proposed three-tiered volumetric rate structure and tier allotments.

Family customer that consumes 36 hgal of water monthly, the monthly impact will be an increase of $7.61 or 8.3%.

Table 4-11: Proposed Monthly Single Family Customer Impacts

Line	Single Family Water Usage Level	Usage (100 gallons)	Current Monthly Bill	Proposed Monthly Bill	Difference ($)	Difference (%)
1	Very Low (10th percentile)	13	$65.42	$67.91	$2.49	3.8%
2	Low (25th percentile)	23	$75.32	$77.61	$2.29	3.0%
3	**Median**	**36**	**$91.73**	**$99.34**	**$7.61**	**8.3%**
4	High (75th percentile)	56	$123.33	$149.14	$25.81	20.9%
5	Very High (90th percentile)	88	$220.17	$253.46	$33.29	15.1%

Table 4-12 shows monthly bills for a Single Family customer with a 5/8-inch meter and median water use of 36 hgal over the five-year rate-setting period. By the end of the final year of the proposed rate-setting period, monthly bills will increase to $128.64.

Table 4-12: Proposed Five-Year Monthly Bill Impacts for Median Single Family Customer

Line	Fiscal Year	Monthly Bill	Monthly Bill Increase ($)	Monthly Bill Increase (%)
1	Current	$91.73		
2	Proposed FY 2027	$99.34	$7.61	8.3%
3	Proposed FY 2028	$106.06	$6.72	6.8%
4	Proposed FY 2029	$113.07	$7.01	6.6%
5	Proposed FY 2030	$120.69	$7.62	6.7%
6	Proposed FY 2031	$128.64	$7.95	6.6%

MULTI-FAMILY MONTHLY CUSTOMER IMPACTS

Table 4-13 shows the proposed impacts for a Multi-Family customer with a 5/8-inch meter (the most common meter size within this class) serving five dwelling units at various levels of monthly consumption. For the median Multi-Family that consumes 145 hgal of water monthly, the monthly impact will be a reduction of $0.15 or -0.1%.

Table 4-13: Proposed Monthly Multi-Family Customer Impacts

Line	Multi-Family Water Usage Level	Usage (100 gallons)	Current Monthly Bill	Proposed Monthly Bill	Difference ($)	Difference (%)
1	Very Low (10th percentile)	65	$116.90	$118.35	$1.45	1.2%
2	Low (25th percentile)	95	$146.60	$147.45	$0.85	0.6%
3	**Median**	**145**	**$196.10**	**$195.95**	**($0.15)**	**-0.1%**
4	High (75th percentile)	180	$274.05	$275.50	$1.45	0.5%
5	Very High (90th percentile)	245	$459.95	$437.35	($22.60)	-4.9%

Table 4-14 shows monthly bills for a Multi-Family customer with a 5/8-inch meter serving five dwelling units and median water use of 145 hgal over the five-year rate-setting period. By the end of the final year of the proposed rate-setting period, monthly bills will increase to $255.31.

Table 4-14: Proposed Five-Year Monthly Bill Impacts for Median Multi-Family Customer

Line	Fiscal Year	Monthly Bill	Monthly Bill Increase ($)	Monthly Bill Increase (%)
1	Current	$196.10		
2	Proposed FY 2027	$195.95	($0.15)	-0.1%
3	Proposed FY 2028	$209.70	$13.75	7.0%
4	Proposed FY 2029	$223.68	$13.98	6.7%
5	Proposed FY 2030	$239.36	$15.68	7.0%
6	Proposed FY 2031	$255.31	$15.95	6.7%

CII MONTHLY CUSTOMER IMPACTS

Table 4-15 shows the proposed impacts for a CII customer with a 5/8-inch meter (the most common meter size within this class) at various levels of monthly consumption. For the median CII customer that consumes 58 hgal of water monthly, the monthly impact will be an increase of $8.55 or 5.9%.

Table 4-15: Proposed Monthly CII Customer Impacts

Line	CII Water Usage Level	Usage (100 gallons)	Current Monthly Bill	Proposed Monthly Bill	Difference ($)	Difference (%)
1	Very Low (10th percentile)	3	$57.38	$60.43	$3.05	5.3%
2	Low (25th percentile)	17	$79.92	$84.37	$4.45	5.6%
3	**Median**	**58**	**$145.93**	**$154.48**	**$8.55**	**5.9%**
4	High (75th percentile)	189	$356.84	$378.49	$21.65	6.1%
5	Very High (90th percentile)	617	$1,045.92	$1,110.37	$64.45	6.2%

Table 4-16 shows monthly bills for a CII customer with a 5/8-inch meter and median water use of 58 hgal over the five-year rate-setting period. By the end of the final year of the proposed rate-setting period, monthly bills will increase to $199.92.

Table 4-16: Proposed Five-Year Monthly Bill Impacts for Median CII Customer

Line	Fiscal Year	Monthly Bill	Monthly Bill Increase ($)	Monthly Bill Increase (%)
1	Current	$145.93		
2	Proposed FY 2027	$154.48	$8.55	5.9%
3	Proposed FY 2028	$165.04	$10.56	6.8%
4	Proposed FY 2029	$175.83	$10.79	6.5%
5	Proposed FY 2030	$187.45	$11.62	6.6%
6	Proposed FY 2031	$199.92	$12.47	6.7%

LANDSCAPE MONTHLY CUSTOMER IMPACTS

Table 4-17 shows the proposed impacts for a Landscape customer with a 5/8" meter (the most common meter size within this class) at various levels of monthly consumption. For the median Landscape customer that consumes 30 hgal of water monthly, the monthly impact will be a reduction of $7.45 or -5.6%.

Table 4-17: Proposed Monthly Landscape Customer Impacts

Line	Landscape Water Usage Level	Usage (100 gallons)	Current Monthly Bill	Proposed Monthly Bill	Difference ($)	Difference (%)
1	Very Low (10th percentile)	0	$52.55	$55.30	$2.75	5.2%
2	Low (25th percentile)	0	$52.55	$55.30	$2.75	5.2%
3	**Median**	**30**	**$132.05**	**$124.60**	**($7.45)**	**-5.6%**
4	High (75th percentile)	166	$492.45	$438.76	($53.69)	-10.9%
5	Very High (90th percentile)	454	$1,255.65	$1,104.04	($151.61)	-12.1%

Table 4-18 shows monthly bills for a Landscape customer with a 5/8-inch meter and median water use of 30 hgal over the five-year rate-setting period. By the end of the final year of the proposed rate-setting period, monthly bills will increase to $161.46.

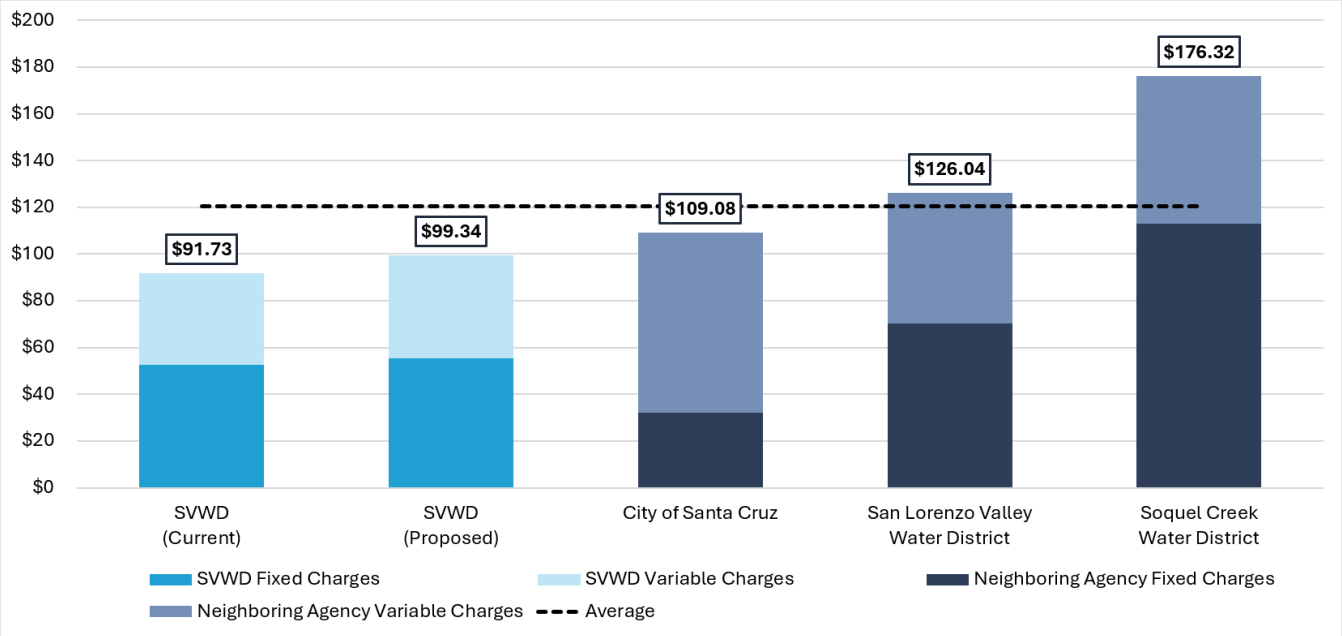
Table 4-18: Proposed Five-Year Monthly Bill Impacts for Median Landscape Customer

Line	Fiscal Year	Monthly Bill	Monthly Bill Increase ($)	Monthly Bill Increase (%)
1	Current	$132.05		
2	Proposed FY 2027	$124.60	($7.45)	-5.6%
3	Proposed FY 2028	$133.00	$8.40	6.7%
4	Proposed FY 2029	$141.93	$8.93	6.7%
5	Proposed FY 2030	$151.41	$9.48	6.7%
6	Proposed FY 2031	$161.46	$10.05	6.6%

SINGLE FAMILY RATE SURVEY

WRE compared the current and proposed FY 2027 water bills for Residential customers at median usage relative to the bills of nearby agencies. **Figure 4-1** shows the current and proposed monthly bills for a Single Family customer with a 5/8" meter at median usage (36 hgal) by their fixed and variable components relative to the bills of other nearby agencies. Both current and proposed SVWD bills are lower than at each of the three other agencies. Bills for San Lorenzo Valley Water District and Soquel Creek Water District are based on adopted January 2027 rates. The bill for the City of Santa Cruz is based on proposed January 2027 rates, which have not yet been formally adopted.

Figure 4-1: Single Family Rate Survey



5. RECYCLED WATER COST-OF-SERVICE AND RATES

5.1 COST-OF-SERVICE AND RATE DESIGN METHODOLOGY

A proposed five-year recycled water rate schedule was developed based on the results of the proposed financial plan and potable water rate design. The key steps in developing the proposed recycled water rate schedule are outlined below:

- **Revenue requirement determination:** The total rate revenue requirement for each year of the rate-setting period is determined based on the results of the proposed financial plan.
- **Recycled fixed charge calculation**: WRE recommends that the District continue to charge the same basic meter charges to both potable and recycled customers since billing and customer services do not differ significantly for potable and recycled service. The annual fixed revenue to be collected over the five-year period is calculated based on the results of the potable rate design.
- **Recycled volumetric rate calculation:** The revenue requirement remainder not recovered by fixed charges is recovered by volumetric charges. The recycled volumetric rate revenue requirement is divided by annual usage to arrive at the volumetric rate for the five-year period.
- **Five-year rate schedule development**: Proposed rates for the full five-year period include recycled basic meter charges set equal to potable basic meter charges, and volumetric rates determined based on the results of the recycled cost-of-service and rate design.

5.2 REVENUE REQUIREMENT

Table 5-1 shows the recycled revenue requirement based on the proposed recycled financial plan projections (**Table 2-19**, Lines 4-5) and an adjustment to annualize the revenue adjustments effective on January 1st of each fiscal year.

Table 5-1: Recycled Revenue Requirement

Line	Recycled Revenue Requirement	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029	Proposed FY 2030	Proposed FY 2031
1	Revenues Based on Current Rates	$940,140	$955,601	$955,601	$955,601	$955,601
2	Proposed Revenue Adjustments	$18,803	$58,101	$98,649	$140,819	$184,675
3	Revenue Adjustment Annualization	$18,803	$19,877	$20,672	$21,498	$22,358
4	**Total**	**$977,746**	**$1,033,578**	**$1,074,921**	**$1,117,918**	**$1,162,635**

5.3 PROPOSED BASIC METER CHARGE REVENUE

Table 5-2 shows the calculated recycled rate revenue from basic meter charges, assuming that recycled and potable pay the same monthly basic meter charges. The recycled basic meter charges are from **Table 4-10** (Lines 2, 6-12) and recycled meters are from **Table 2-3** (Lines 55-64). Revenues from basic meter charges (Lines 22-31) are calculated by multiplying recycled basic meter charges (Lines 1-6) by recycled meters (Lines 11-20) for twelve billing periods.

Table 5-2: Calculated Recycled Revenue from Basic Meter Charges

Line	Calculated Revenue from Basic Meter Charges	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029	Proposed FY 2030	Proposed FY 2031
1	**Recycled Basic Meter Charges**					
2	5/8-inch	$55.30	$58.90	$62.73	$66.81	$71.16
3	3/4-inch	$76.15	$81.10	$86.38	$92.00	$97.98
4	1-inch	$117.86	$125.53	$133.69	$142.38	$151.64
5	1.5-inch	$222.11	$236.55	$251.93	$268.31	$285.76
6	2-inch	$347.22	$369.79	$393.83	$419.43	$446.70
7	3-inch	$743.41	$791.74	$843.21	$898.02	$956.40
8	4-inch	$1,327.25	$1,413.53	$1,505.41	$1,603.27	$1,707.49
9	6-inch	$2,724.32	$2,901.41	$3,090.01	$3,290.87	$3,504.78
10						
11	**Recycled Meters**					
12	5/8-inch	25	25	25	25	25
13	3/4-inch	7	7	7	7	7
14	1-inch	19	19	19	19	19
15	1.5-inch	4	5	5	5	5
16	2-inch	8	8	8	8	8
17	3-inch	2	2	2	2	2
18	4-inch	0	0	0	0	0
19	6-inch	0	0	0	0	0
20	**Total**	**65**	**66**	**66**	**66**	**66**
21						
22	**Calculated Revenue From Basic Meter Charges**					
23	5/8-inch	$16,590	$17,670	$18,819	$20,043	$21,348
24	3/4-inch	$6,397	$6,812	$7,256	$7,728	$8,230
25	1-inch	$26,872	$28,621	$30,481	$32,463	$34,574
26	1.5-inch	$10,661	$14,193	$15,116	$16,099	$17,146
27	2-inch	$33,333	$35,500	$37,808	$40,265	$42,883
28	3-inch	$17,842	$19,002	$20,237	$21,552	$22,954
29	4-inch	$0	$0	$0	$0	$0
30	6-inch	$0	$0	$0	$0	$0
31	**Total**	**$111,695**	**$121,798**	**$129,717**	**$138,150**	**$147,135**

5.4 PROPOSED RECYCLED VOLUMETRIC RATE

Table 5-3 shows the recycled volumetric rate calculation based on the total revenue requirement (**Table 5-1**, Line 4) and revenue collected from basic meter charges (**Table 5-2**, Line 31). To calculate the volumetric rate revenue requirement (Line 3) the revenue collected from basic meter charges (Line 2) is subtracted from the total revenue requirement (Line 1). The volumetric rate (Line 5) is calculated by dividing the volumetric rate revenue requirement (Line 3) by total recycled water usage (Line 4; from **Table 2-4**, Line 27).

Table 5-3: Recycled Volumetric Rate Calculation

Line	Recycled Volumetric Rate Calculation	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029	Proposed FY 2030	Proposed FY 2031
1	Total Recycled Revenue Requirement	$977,746	$1,033,578	$1,074,921	$1,117,918	$1,162,635
2	Less Revenue From Basic Meter Charges	($111,695)	($121,798)	($129,717)	($138,150)	($147,135)
3	**Volumetric Rate Revenue Requirement**	**$866,051**	**$911,780**	**$945,205**	**$979,768**	**$1,015,500**
4	Recycled Water Usage (100 gallons)	411,402	417,722	417,722	417,722	417,722
5	**Recycled Volumetric Rate ($/100 gallons)**	**$2.11**	**$2.18**	**$2.26**	**$2.35**	**$2.43**

5.5 PROPOSED FIVE-YEAR RECYCLED WATER RATE SCHEDULE

The proposed five-year water rate schedules are based on basic meter charges from **Table 5-2** (Lines 1-9) and volumetric rate from **Table 5-3** (Line 5). **Table 5-4** shows the proposed monthly basic meter charges and volumetric rates.

Table 5-4: Current and Proposed Recycled Water Rates

Line	Proposed Recycled Five-Year Rate Schedule	As of 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029	Effective 1/1/2030	Effective 1/1/2031
1	**Recycled Basic Meter Charges**						
2	5/8-inch	$52.55	$55.30	$58.90	$62.73	$66.81	$71.16
3	3/4-inch	$73.46	$76.15	$81.10	$86.38	$92.00	$97.98
4	1-inch	$115.43	$117.86	$125.53	$133.69	$142.38	$151.64
5	1.5-inch	$229.81	$222.11	$236.55	$251.93	$268.31	$285.76
6	2-inch	$369.92	$347.22	$369.79	$393.83	$419.43	$446.70
7	3-inch	$767.76	$743.41	$791.74	$843.21	$898.02	$956.40
8	4-inch	$1,357.55	$1,327.25	$1,413.53	$1,505.41	$1,603.27	$1,707.49
9	6-inch	$2,706.40	$2,724.32	$2,901.41	$3,090.01	$3,290.87	$3,504.78
10							
11	**Recycled Water Volumetric Rate ($/100 gallons)**	$2.01	$2.11	$2.19	$2.27	$2.35	$2.44

5.6 RECYCLED CUSTOMER IMPACTS

Table 5-5 shows the proposed impacts for a Recycled customer with a 5/8-inch meter (the most common meter size within this class) at various levels of monthly consumption. For the median Recycled customer that consumes 60 hgal of water monthly, the monthly impact will be an increase of $8.75 or 5.1%.

Table 5-5: Proposed Monthly Recycled Customer Impacts

Line	Recycled Water Usage Level	Usage (100 gallons)	Current Monthly Bill	Proposed Monthly Bill	Difference ($)	Difference (%)
1	Very Low (10th percentile)	0	$52.55	$55.30	$2.75	5.2%
2	Low (25th percentile)	1	$54.56	$57.41	$2.85	5.2%
3	**Median**	**60**	**$173.15**	**$181.90**	**$8.75**	**5.1%**
4	High (75th percentile)	391	$838.46	$880.31	$41.85	5.0%
5	Very High (90th percentile)	1,423	$2,912.78	$3,057.83	$145.05	5.0%

Table 5-6 shows monthly bills for a Recycled customer with a 5/8-inch meter and median water use of 60 hgal over the five-year rate-setting period. By the end of the final year of the proposed rate-setting period, monthly bills will increase to $217.56.

Table 5-6: Proposed Five-Year Monthly Bill Impacts for Median Recycled Customer

Line	Fiscal Year	Monthly Bill	Monthly Bill Increase ($)	Monthly Bill Increase (%)
1	Current	$173.15		
2	Proposed FY 2027	$181.90	$8.75	5.1%
3	Proposed FY 2028	$190.30	$8.40	4.6%
4	Proposed FY 2029	$198.93	$8.63	4.5%
5	Proposed FY 2030	$207.81	$8.88	4.5%
6	Proposed FY 2031	$217.56	$9.75	4.7%

6. APPENDICES

6.1 FINANCIAL PLAN APPENDICES

Table 6-1: Revenues (Detail)

Line	Revenues (Detailed)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	**Fund 01 - Potable Water**						
2	**R10 - Operating Revenue - Water Sales**						
3	Residential Consumption - SF	$2,905,078	$2,994,115	$3,007,602	$3,008,565	$3,018,199	$3,027,832
4	Residential Consumption - MF	$231,290	$237,613	$237,613	$237,613	$237,613	$237,613
5	CII Consumption	$1,340,372	$1,383,882	$1,383,882	$1,383,882	$1,383,882	$1,383,882
6	Irrigation Consumption	$576,199	$590,688	$598,261	$598,261	$598,261	$598,261
7	Other Bulk Water	$31,567	$32,361	$32,361	$32,361	$32,361	$32,361
8	**Subtotal**	**$5,084,507**	**$5,238,658**	**$5,259,718**	**$5,260,681**	**$5,270,315**	**$5,279,948**
9							
10	**R20 - Operating Revenue - Water Services**						
11	Other Late Penalty	$18,100	$18,100	$18,100	$18,100	$18,100	$18,100
12	Standby Basic Meter Charge	$2,808,754	$2,906,587	$2,917,551	$2,921,990	$2,928,296	$2,934,602
13	Standby FP Basic Meter Charge	$84,840	$86,903	$86,903	$86,903	$86,903	$86,903
14	Other Operating Revenue	$8,700	$8,700	$8,700	$8,700	$8,700	$8,700
15	**Subtotal**	**$2,920,393**	**$3,020,290**	**$3,031,254**	**$3,035,693**	**$3,041,999**	**$3,048,305**
16							
17	**R25 - Operating Revenue - New Connections**						
18	Other Meter Fee	$1,300	$1,300	$1,300	$1,300	$1,300	$1,300
19	Other Capacity Buy-in Fee	$82,184	$1,241,761	$429,845	$191,038	$238,795	$238,795
20	Other FP Meter Fee	$700	$700	$700	$700	$700	$700
21	Other Will Serve	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
22	Other Dev Proj Review	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000
23	**Subtotal**	**$91,184**	**$1,250,761**	**$438,845**	**$200,038**	**$247,795**	**$247,795**
24							
25	**R30 - Non-Operating Revenue**						
26	Property Taxes	$1,637,492	$1,670,242	$1,703,647	$1,737,720	$1,772,474	$1,807,923

Line	Revenues (Detailed)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
27	Interest & Dividend	$110,494	$175,445	$171,241	$156,583	$144,162	$133,683
28	Interest - LAIF	$309,700	$0	$0	$0	$0	$0
29	Misc. Non-Operating Revenue	$9,600	$9,600	$9,600	$9,600	$9,600	$9,600
30	**Subtotal**	**$2,067,286**	**$1,855,287**	**$1,884,487**	**$1,903,902**	**$1,926,236**	**$1,951,207**
31							
32	**Total Potable Revenue**	**$10,163,370**	**$11,364,995**	**$10,614,304**	**$10,400,315**	**$10,486,344**	**$10,527,255**
33							
34	**Fund 02 - Recycled Water**						
35	**R10 - Operating Revenue - Water Sales**						
36	Irrigation Consumption	$774,585	$825,714	$838,418	$838,418	$838,418	$838,418
37	Other Bulk Water	$1,146	$1,203	$1,203	$1,203	$1,203	$1,203
38	**Subtotal**	**$775,731**	**$826,917**	**$839,620**	**$839,620**	**$839,620**	**$839,620**
39							
40	**R20 - Operating Revenue - Water Services**						
41	Standby Basic Meter Charge	$109,176	$113,223	$115,981	$115,981	$115,981	$115,981
42	**Subtotal**	**$109,176**	**$113,223**	**$115,981**	**$115,981**	**$115,981**	**$115,981**
43							
44	**R25 - Operating Revenue - New Connections**						
45	Other Capacity Fee	$0	$8,924	$17,848	$0	$0	$0
46	**Subtotal**	**$0**	**$8,924**	**$17,848**	**$0**	**$0**	**$0**
47							
48	**R30 - Non-Operating Revenue**						
49	Interest and Dividend	$6,600	$11,812	$13,481	$15,133	$16,506	$17,755
50	Notes Receivable Payments	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
51	**Subtotal**	**$16,600**	**$21,812**	**$23,481**	**$25,133**	**$26,506**	**$27,755**
52							
53	**Total Recycled Revenue**	**$901,507**	**$970,876**	**$996,930**	**$980,734**	**$982,107**	**$983,357**

Table 6-2: Expenses (Detail)[40]

Line	O&M Expenses (Detailed)	Account #	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	**Fund 01 - Potable Water**								
2	**Administration (100)**								
3	**E01 - Salaries & Benefits**								
4	Regular Pay	01-100-51110	Salaries	$409,477	$429,951	$451,449	$474,021	$497,722	$522,608
5	Vehicle & Phone Allowance	01-100-51150	General	$3,840	$3,955	$4,074	$4,196	$4,322	$4,452
6	Medicare	01-100-51161	Benefits	$5,993	$6,473	$6,990	$7,550	$8,154	$8,806
7	Retirement - Tier 2	01-100-51202	Benefits	$30,130	$32,540	$35,143	$37,955	$40,991	$44,271
8	Retirement - Tier 3	01-100-51203	Benefits	$12,508	$13,508	$14,589	$15,756	$17,017	$18,378
9	Unfunded Pension Liability	01-100-51204	Benefits	$121,554	$131,278	$141,781	$153,123	$165,373	$178,603
10	Retirement - Survivor Benefit	01-100-51206	Benefits	$73	$78	$85	$91	$99	$107
11	Medical Insurance	01-100-51210	Benefits	$48,215	$52,072	$56,237	$60,736	$65,595	$70,843
12	Dental Insurance	01-100-51212	Benefits	$2,562	$2,767	$2,988	$3,227	$3,485	$3,764
13	Vision Insurance	01-100-51213	Benefits	$702	$758	$818	$884	$955	$1,031
14	Life & AD&D Insurance	01-100-51214	Benefits	$1,672	$1,805	$1,950	$2,106	$2,274	$2,456
15	457 & HSA Contributions	01-100-51215	Benefits	$9,000	$9,720	$10,498	$11,337	$12,244	$13,224
16	Employee Assistance Program	01-100-51216	Benefits	$93	$100	$108	$117	$126	$136
17	Workers' Compensation	01-100-51240	Benefits	$3,300	$3,564	$3,849	$4,157	$4,490	$4,849
18	Tuition Reimbursement	01-100-51250	Benefits	$5,250	$5,670	$6,124	$6,613	$7,143	$7,714
19	Allocation to RW Fd-S&B	01-100-51700	Salaries/Benefits	($65,437)	($69,690)	($74,220)	($79,044)	($84,182)	($89,654)
20	**Subtotal**			**$588,930**	**$624,550**	**$662,463**	**$702,826**	**$745,807**	**$791,587**
21									
22	**E03 - Services**								
23	Contractual Services	01-100-52110	General	$24,300	$25,029	$25,780	$26,553	$27,350	$28,170
24	Landscape Maint	01-100-52120	General	$3,180	$3,275	$3,374	$3,475	$3,579	$3,686
25	Professional Services - Other	01-100-52210	General	$76,500	$78,795	$81,159	$83,594	$86,101	$88,684
26	Professional Services - Urban Water Master Plan	01-100-52210	General	$110,000	$0	$0	$0	$0	$127,520
27	IT Services	01-100-52230	General	$62,500	$64,375	$66,306	$68,295	$70,344	$72,455
28	Website Maint	01-100-52231	General	$2,180	$2,245	$2,313	$2,382	$2,454	$2,527
29	Legal Counsel	01-100-52250	General	$42,000	$43,260	$150,000	$154,500	$159,135	$163,909

[40] Note that the potable budget includes "Allocation to RW Fd" line items to account for transfers from the potable fund to the recycled fund to cover recycled fund expenses. The total value of "Allocation to RW Fd" line items in the potable budget is equal to the total recycled budget.

Line	O&M Expenses (Detailed)	Account #	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
30	Sewer Service	01-100-52310	General	$610	$628	$647	$667	$687	$707
31	Solid Waste Service	01-100-52320	General	$760	$783	$806	$830	$855	$881
32	Electricity & Gas	01-100-52330	General	$22,000	$22,660	$23,340	$24,040	$24,761	$25,504
33	Telephone & Internet	01-100-52340	General	$9,465	$9,749	$10,041	$10,342	$10,653	$10,972
34	Software Licensing & Maint	01-100-52410	General	$6,570	$6,767	$6,970	$7,179	$7,395	$7,616
35	Equipment Rental & Maint	01-100-52420	General	$5,030	$5,181	$5,336	$5,496	$5,661	$5,831
36	Travel & Meetings	01-100-52510	General	$13,110	$13,503	$13,908	$14,326	$14,755	$15,198
37	Training	01-100-52520	General	$5,460	$5,624	$5,793	$5,966	$6,145	$6,330
38	Dues & Memberships	01-100-52530	General	$28,800	$29,664	$30,554	$31,471	$32,415	$33,387
39	Employee Recognition	01-100-52540	General	$8,740	$9,002	$9,272	$9,550	$9,837	$10,132
40	Printing Services	01-100-52570	General	$2,100	$2,163	$2,228	$2,295	$2,364	$2,434
41	Legal Advertising	01-100-52620	General	$500	$515	$530	$546	$563	$580
42	Advertising & Promotion	01-100-52630	General	$16,500	$16,995	$17,505	$18,030	$18,571	$19,128
43	Recruitment	01-100-52660	General	$1,000	$1,030	$1,061	$1,093	$1,126	$1,159
44	Safety Services	01-100-52700	General	$1,090	$1,123	$1,156	$1,191	$1,227	$1,264
45	HR Processing Fees	01-100-52725	General	$2,410	$2,482	$2,557	$2,633	$2,712	$2,794
46	Regulatory Oversight & Comp	01-100-52800	General	$100	$103	$106	$109	$113	$116
47	General Building Maint	01-100-52810	General	$16,500	$16,995	$17,505	$18,030	$18,571	$19,128
48	Election Services	01-100-52280	Non-Recurring	$14,970	$50,000	$0	$53,045	$0	$56,275
49	Allocation to RW Fd-Services	01-100-52980	General	($47,637)	($49,067)	($50,539)	($52,055)	($53,616)	($55,225)
50	**Subtotal**			**$428,737**	**$362,880**	**$427,709**	**$493,585**	**$453,756**	**$651,165**
51									
52	**E05 - Supplies**								
53	Office Supplies	01-100-53100	General	$4,370	$4,501	$4,636	$4,775	$4,918	$5,066
54	Building Maint Supplies	01-100-53110	General	$1,090	$1,123	$1,156	$1,191	$1,227	$1,264
55	Books & Subscriptions	01-100-53400	General	$430	$443	$456	$470	$484	$498
56	Safety clothing and equip	01-100-53500	General	$2,740	$2,822	$2,907	$2,994	$3,084	$3,176
57	Special Division Supplies	01-100-53700	General	$4,370	$4,501	$4,636	$4,775	$4,918	$5,066
58	Office Equipment	01-100-53910	General	$7,500	$7,725	$7,957	$8,195	$8,441	$8,695
59	Furniture & Furnishings	01-100-53920	General	$7,500	$7,725	$7,957	$8,195	$8,441	$8,695
60	Allocation to RW Fd-Supplies	01-100-53980	General	($2,800)	($2,884)	($2,971)	($3,060)	($3,151)	($3,246)
61	**Subtotal**			**$25,200**	**$25,956**	**$26,735**	**$27,537**	**$28,363**	**$29,214**
62									
63	**E10 - Source of Supply**								
64	Professional Services - SS	01-100-52211	General	$205,307	$211,466	$217,810	$224,345	$231,075	$238,007

Line	O&M Expenses (Detailed)	Account #	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
65	In-kind Service for SMGWA	01-100-52290	General	$10,000	$10,300	$10,609	$10,927	$11,255	$11,593
66	**Subtotal**			**$215,307**	**$221,766**	**$228,419**	**$235,272**	**$242,330**	**$249,600**
67									
68	**Subtotal - Administration (100)**			**$1,258,174**	**$1,235,152**	**$1,345,326**	**$1,459,220**	**$1,470,256**	**$1,721,565**
69									
70	**Finance / Customer Service (200)**								
71	**E01 - Salaries & Benefits**								
72	Regular Pay	01-200-51110	Salaries	$466,766	$490,104	$514,609	$540,340	$567,357	$595,725
73	Temporary Pay	01-200-51111	Salaries	$5,000	$5,250	$5,513	$5,788	$6,078	$6,381
74	Overtime Pay	01-200-51114	Salaries	$1,000	$1,050	$1,103	$1,158	$1,216	$1,276
75	Special Vacation Pay	01-200-51132	Salaries	$8,024	$8,425	$8,846	$9,288	$9,753	$10,240
76	Vehicle-phone-data allowance	01-200-51150	General	$1,920	$1,978	$2,037	$2,098	$2,161	$2,226
77	Medicare	01-200-51161	Benefits	$6,912	$7,465	$8,062	$8,707	$9,404	$10,156
78	Retirement - Tier 2	01-200-51202	Benefits	$20,582	$22,228	$24,006	$25,927	$28,001	$30,241
79	Retirement - Tier 3	01-200-51203	Benefits	$23,433	$25,308	$27,333	$29,519	$31,881	$34,431
80	Retirement - Survivor Benefit	01-200-51206	Benefits	$97	$104	$113	$122	$132	$142
81	Medical Insurance	01-200-51210	Benefits	$86,815	$93,760	$101,261	$109,362	$118,111	$127,560
82	Dental Insurance	01-200-51212	Benefits	$4,593	$4,960	$5,357	$5,786	$6,249	$6,748
83	Vision Insurance	01-200-51213	Benefits	$936	$1,010	$1,091	$1,178	$1,273	$1,375
84	Life & AD&D Insurance	01-200-51214	Benefits	$1,591	$1,719	$1,856	$2,005	$2,165	$2,338
85	457 & HSA Contributions	01-200-51215	Benefits	$8,800	$9,504	$10,264	$11,085	$11,972	$12,930
86	Employee Assistance Program	01-200-51216	Benefits	$123	$133	$144	$155	$168	$181
87	Other Post-Employment Benefits	01-200-51220	Benefits	$26,286	$28,389	$30,660	$33,112	$35,761	$38,622
88	Workers' Compensation	01-200-51240	Benefits	$3,400	$3,672	$3,966	$4,283	$4,626	$4,996
89	Tuition Reimbursement	01-200-51250	Benefits	$2,900	$3,132	$3,383	$3,653	$3,945	$4,261
90	Allocation to RW Fd-S&B	01-200-51700	Salaries/Benefits	($67,243)	($71,614)	($76,269)	($81,227)	($86,506)	($92,129)
91	Bonus Pay	01-200-51116	Salaries	$3,257	$3,419	$3,590	$3,770	$3,958	$4,156
92	**Subtotal**			**$605,191**	**$639,997**	**$676,925**	**$716,111**	**$757,704**	**$801,859**
93									
94	**E03 - Services**								
95	Professional Services - Other	01-200-52210	General	$4,600	$4,738	$4,880	$5,027	$5,177	$5,333
96	Professional Services - Intertie Rate Study	01-200-52210	Non-Recurring	$25,300	$0	$0	$0	$0	$0
97	Professional Services - Water Rate Study	01-200-52210	General	$80,000	$0	$0	$0	$0	$92,742
98	Audit Services	01-200-52240	General	$25,000	$25,750	$26,523	$27,318	$28,138	$28,982
99	Financial/Regulatory Reporting	01-200-52260	General	$2,250	$2,318	$2,387	$2,459	$2,532	$2,608

Line	O&M Expenses (Detailed)	Account #	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
100	Liability Insurance	01-200-52300	General	$67,300	$69,319	$71,399	$73,541	$75,747	$78,019
101	Property Insurance	01-200-52400	General	$38,200	$39,346	$40,526	$41,742	$42,994	$44,284
102	Software Licensing & Maint	01-200-52410	General	$11,600	$11,948	$12,306	$12,676	$13,056	$13,448
103	Equipment Rental & Maint	01-200-52420	General	$600	$618	$637	$656	$675	$696
104	Travel & Meetings	01-200-52510	General	$8,000	$8,240	$8,487	$8,742	$9,004	$9,274
105	Training	01-200-52520	General	$1,500	$1,545	$1,591	$1,639	$1,688	$1,739
106	Printing & Mailing Services	01-200-52550	General	$100	$103	$106	$109	$113	$116
107	Advertising and Promotion	01-200-52630	General	$2,000	$2,060	$2,122	$2,185	$2,251	$2,319
108	Payroll Processing Fees	01-200-52720	General	$8,550	$8,807	$9,071	$9,343	$9,623	$9,912
109	Bank Service Fees	01-200-52740	General	$2,100	$2,163	$2,228	$2,295	$2,364	$2,434
110	Health Benefits Admin Fees	01-200-52760	General	$500	$515	$530	$546	$563	$580
111	Property Tax Admin Fees	01-200-54015	General	$5,600	$5,768	$5,941	$6,119	$6,303	$6,492
112	Allocation to RW Fd-Services	01-200-52980	General	($28,320)	($29,170)	($30,045)	($30,946)	($31,874)	($32,831)
113	**Subtotal**			**$254,880**	**$154,067**	**$158,689**	**$163,450**	**$168,354**	**$266,146**
114									
115	**E05 - Supplies**								
116	Postage Supplies	01-200-53200	General	$3,000	$3,090	$3,183	$3,278	$3,377	$3,478
117	Promotional Give-Aways	01-200-53290	General	$1,000	$1,030	$1,061	$1,093	$1,126	$1,159
118	Allocation to RW Fd-Supplies	01-200-53980	General	($400)	($412)	($424)	($437)	($450)	($464)
119	**Subtotal**			**$3,600**	**$3,708**	**$3,819**	**$3,934**	**$4,052**	**$4,173**
120									
121	**E35 - Customer Accounts**								
122	Software Licensing/Pymt Portal	01-200-52415	General	$31,245	$32,182	$33,148	$34,142	$35,167	$36,222
123	Collection Agency Fees	01-200-52560	General	$1,200	$1,236	$1,273	$1,311	$1,351	$1,391
124	AMI Data Subscription	01-200-52650	General	$54,000	$55,620	$57,289	$59,007	$60,777	$62,601
125	Payment Processing Fees	01-200-52710	General	$102,000	$105,060	$108,212	$111,458	$114,802	$118,246
126	Rebates	01-200-53250	General	$1,000	$1,030	$1,061	$1,093	$1,126	$1,159
127	Special Division Supplies	01-200-53700	General	$3,000	$3,090	$3,183	$3,278	$3,377	$3,478
128	Bad Debt	01-200-59400	General	$5,000	$5,150	$5,305	$5,464	$5,628	$5,796
129	Printing & Mailing - CA	01-200-52555	General	$28,800	$29,664	$30,554	$31,471	$32,415	$33,387
130	Rebates- Turf/Drip Replacement	01-200-53260	General	$60,000	$61,800	$63,654	$65,564	$67,531	$69,556
131	Rebates- Outdoor Efficiency	01-200-53270	General	$3,000	$3,090	$3,183	$3,278	$3,377	$3,478
132	Rebates- Indoor Efficiencies	01-200-53280	General	$2,000	$2,060	$2,122	$2,185	$2,251	$2,319
133	Allocation to RW Fd-Cust Accts	01-200-54980	General	($16,825)	($17,329)	($17,849)	($18,385)	($18,936)	($19,504)
134	**Subtotal**			**$274,421**	**$282,653**	**$291,133**	**$299,867**	**$308,863**	**$318,129**

Line	O&M Expenses (Detailed)	Account #	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
135									
136	**E70 - Other**								
137	Property Taxes	01-200-54010	General	$1,000	$1,030	$1,061	$1,093	$1,126	$1,159
138	**Subtotal**			**$1,000**	**$1,030**	**$1,061**	**$1,093**	**$1,126**	**$1,159**
139									
140	**Subtotal - Finance / Customer Service (200)**			**$1,139,091**	**$1,081,456**	**$1,131,627**	**$1,184,455**	**$1,240,097**	**$1,391,466**
141									
142	**Operations (300)**								
143	**E01 - Salaries & Benefits**								
144	Regular Pay	01-300-51110	Salaries	$1,244,591	$1,306,820	$1,372,161	$1,440,769	$1,512,808	$1,588,448
145	Overtime Pay	01-300-51114	Salaries	$86,400	$90,720	$95,256	$100,019	$105,020	$110,271
146	Special Vacation Pay	01-300-51132	Salaries	$31,273	$32,837	$34,478	$36,202	$38,012	$39,913
147	Vehicle & Phone Allowance	01-300-51150	General	$6,240	$6,427	$6,620	$6,819	$7,023	$7,234
148	Medicare	01-300-51161	Benefits	$19,102	$20,630	$22,280	$24,063	$25,988	$28,067
149	Retirement - Tier 1	01-300-51201	Benefits	$41,068	$44,354	$47,902	$51,734	$55,873	$60,343
150	Retirement - Tier 2	01-300-51202	Benefits	$62,816	$67,841	$73,268	$79,130	$85,460	$92,297
151	Retirement - Tier 3	01-300-51203	Benefits	$35,081	$37,888	$40,919	$44,192	$47,728	$51,546
152	Retirement - Survivor Benefit	01-300-51206	Benefits	$242	$261	$282	$305	$329	$355
153	Medical Insurance	01-300-51210	Benefits	$158,104	$170,752	$184,412	$199,165	$215,098	$232,306
154	Medical Cash-in-lieu	01-300-51211	Benefits	$9,000	$9,720	$10,498	$11,337	$12,244	$13,224
155	Dental Insurance	01-300-51212	Benefits	$12,179	$13,153	$14,206	$15,342	$16,570	$17,895
156	Vision Insurance	01-300-51213	Benefits	$2,339	$2,526	$2,728	$2,946	$3,182	$3,436
157	Life & AD&D Insurance	01-300-51214	Benefits	$2,204	$2,380	$2,571	$2,776	$2,998	$3,238
158	457 & HSA Contributions	01-300-51215	Benefits	$20,900	$22,572	$24,378	$26,328	$28,434	$30,709
159	Employee Assistance Program	01-300-51216	Benefits	$308	$333	$360	$388	$420	$453
160	Other Post-Employment Benefits	01-300-51220	Benefits	$63,698	$68,794	$74,297	$80,241	$86,660	$93,593
161	Workers' Compensation	01-300-51240	Benefits	$45,700	$49,356	$53,304	$57,569	$62,174	$67,148
162	Allocation to RW Fd-S&B	01-300-51700	Salaries/Benefits	($186,750)	($198,889)	($211,817)	($225,585)	($240,248)	($255,864)
163	Bonus Pay	01-300-51116	Salaries	$26,257	$27,570	$28,948	$30,395	$31,915	$33,511
164	**Subtotal**			**$1,680,751**	**$1,776,045**	**$1,877,052**	**$1,984,137**	**$2,097,689**	**$2,218,124**
165									
166	**E03 - Services**								
167	Landscape Maint	01-300-52120	General	$21,100	$21,733	$22,385	$23,057	$23,748	$24,461
168	Professional Services	01-300-52210	General	$40,300	$41,509	$42,754	$44,037	$45,358	$46,719
169	Sewer	01-300-52310	General	$670	$690	$711	$732	$754	$777

Line	O&M Expenses (Detailed)	Account #	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
170	Solid Waste Service	01-300-52320	General	$9,500	$9,785	$10,079	$10,381	$10,692	$11,013
171	Telephone & Internet	01-300-52340	General	$27,240	$28,057	$28,899	$29,766	$30,659	$31,579
172	Equipment Rental & Maint	01-300-52420	General	$17,500	$18,025	$18,566	$19,123	$19,696	$20,287
173	Uniform Laundering Services	01-300-52500	General	$8,500	$8,755	$9,018	$9,288	$9,567	$9,854
174	Travel & Meetings	01-300-52510	General	$8,000	$8,240	$8,487	$8,742	$9,004	$9,274
175	Training	01-300-52520	General	$29,000	$29,870	$30,766	$31,689	$32,640	$33,619
176	Printing & Mailing Services	01-300-52550	General	$800	$824	$849	$874	$900	$927
177	Safety Services	01-300-52700	General	$3,725	$3,837	$3,952	$4,070	$4,193	$4,318
178	General Building Maint	01-300-52810	General	$7,500	$7,725	$7,957	$8,195	$8,441	$8,695
179	Landfill Fees	01-300-52830	General	$11,000	$11,330	$11,670	$12,020	$12,381	$12,752
180	Vehicle Maint	01-300-52910	General	$36,000	$37,080	$38,192	$39,338	$40,518	$41,734
181	Facility Site Maint - Other	01-300-52930	General	$50,000	$51,500	$53,045	$54,636	$56,275	$57,964
182	Facility Site Maint - Paving Southwood	01-300-52930	Non-Recurring	$30,000	$0	$0	$0	$0	$0
183	Facility Site Maint - Building Demo at Well 9	01-300-52930	Non-Recurring	$25,000	$0	$0	$0	$0	$0
184	Facility Site Maint - Fencing at Well 6	01-300-52930	Non-Recurring	$30,000	$0	$0	$0	$0	$0
185	GIS Maint	01-300-55130	General	$40,000	$41,200	$42,436	$43,709	$45,020	$46,371
186	Allocation to RW Fd-Services		General	($39,584)	($40,771)	($41,994)	($43,254)	($44,552)	($45,888)
187	**Subtotal**			**$356,252**	**$279,389**	**$287,771**	**$296,404**	**$305,296**	**$314,455**
188									
189	**E05 - Supplies**								
190	Office Supplies	01-300-53100	General	$2,500	$2,575	$2,652	$2,732	$2,814	$2,898
191	Books & Subscriptions	01-300-53400	General	$850	$876	$902	$929	$957	$985
192	Safety Clothing & Equipment	01-300-53500	General	$20,000	$20,600	$21,218	$21,855	$22,510	$23,185
193	Vehicle Fuel	01-300-53600	General	$36,080	$37,162	$38,277	$39,426	$40,608	$41,827
194	Office Equipment	01-300-53910	General	$10,200	$10,506	$10,821	$11,146	$11,480	$11,825
195	Furniture & Furnishings	01-300-53920	General	$800	$824	$849	$874	$900	$927
196	Allocation to RW Fd-Supplies	01-300-53980	General	($7,043)	($7,254)	($7,472)	($7,696)	($7,927)	($8,165)
197	**Subtotal**			**$63,387**	**$65,289**	**$67,247**	**$69,265**	**$71,343**	**$73,483**
198									
199	**E07 - General Production Costs**								
200	Regulatory Oversight & Comp	01-300-52800	General	$65,000	$66,950	$68,959	$71,027	$73,158	$75,353
201	Small Tools & Equipment	01-300-53300	General	$22,500	$23,175	$23,870	$24,586	$25,324	$26,084
202	3x Bulk Meter Assemblies with BFDs	01-300-53300	Non-Recurring	$10,500	$0	$0	$0	$0	$0
203	Special Division Supplies	01-300-53700	General	$7,600	$7,828	$8,063	$8,305	$8,554	$8,810
204	SCADA Maint	01-300-56500	General	$78,000	$80,340	$82,750	$85,233	$87,790	$90,423

Line	O&M Expenses (Detailed)	Account #	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
205	Allocation to RW Fd-Gen Prod	01-300-55980	General	($18,360)	($18,911)	($19,478)	($20,062)	($20,664)	($21,284)
206	**Subtotal**			**$165,240**	**$159,382**	**$164,164**	**$169,089**	**$174,161**	**$179,386**
207									
208	**E10 - Source of Supply**								
209	Well Maint	01-300-55230	General	$67,000	$69,010	$71,080	$73,213	$75,409	$77,671
210	**Subtotal**			**$67,000**	**$69,010**	**$71,080**	**$73,213**	**$75,409**	**$77,671**
211									
212	**E15 - Pumping**								
213	Pumps & Boosters	01-300-56310	General	$52,000	$53,560	$55,167	$56,822	$58,526	$60,282
214	Pump Facilities Maint	01-300-56320	General	$62,000	$63,860	$65,776	$67,749	$69,782	$71,875
215	Pumps - Electricity & Gas	01-300-56330	Utilities	$660,000	$696,634	$734,082	$770,933	$811,019	$853,185
216	**Subtotal**			**$774,000**	**$814,054**	**$855,025**	**$895,504**	**$939,327**	**$985,342**
217									
218	**E20 - Water Treatment**								
219	Wastewater Disposal	01-300-52315	General	$139,100	$143,273	$147,571	$151,998	$156,558	$161,255
220	Chemical Supplies	01-300-55110	Chemicals	$95,000	$100,273	$105,663	$110,968	$116,738	$122,807
221	Laboratory Services	01-300-55120	General	$40,000	$41,200	$42,436	$43,709	$45,020	$46,371
222	Treatment Plant Maint	01-300-55210	General	$160,000	$164,800	$169,744	$174,836	$180,081	$185,484
223	**Subtotal**			**$434,100**	**$449,546**	**$465,415**	**$481,511**	**$498,398**	**$515,917**
224									
225	**E25 - Transmission & Distribution**								
226	Software Licensing & Maint	01-300-52410	General	$6,500	$6,695	$6,896	$7,103	$7,316	$7,535
227	Tank & Reservoir Maint	01-300-55240	General	$60,000	$61,800	$63,654	$65,564	$67,531	$69,556
228	Main Maint & Repair	01-300-56100	General	$240,000	$247,200	$254,616	$262,254	$270,122	$278,226
229	Service Lateral Maint & Repair	01-300-56200	General	$25,000	$25,750	$26,523	$27,318	$28,138	$28,982
230	Fire Hydrant Maint	01-300-56400	General	$114,000	$117,420	$120,943	$124,571	$128,308	$132,157
231	Meter Maint	01-300-56600	General	$30,000	$30,900	$31,827	$32,782	$33,765	$34,778
232	**Subtotal**			**$475,500**	**$489,765**	**$504,458**	**$519,592**	**$535,179**	**$551,235**
233									
234	**Subtotal - Operations (300)**			**$4,016,230**	**$4,102,479**	**$4,292,211**	**$4,488,714**	**$4,696,802**	**$4,915,613**
235									
236	**Engineering (400)**								
237	**E01 - Salaries & Benefits**								
238	Regular Pay	01-400-51110	Salaries	$108,555	$113,983	$119,682	$125,666	$131,950	$138,547
239	Overtime Pay	01-400-51114	Salaries	$2,500	$2,625	$2,756	$2,894	$3,039	$3,191

Line	O&M Expenses (Detailed)	Account #	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
240	Vehicle & Phone Allowance	01-400-51150	General	$480	$494	$509	$525	$540	$556
241	Medicare	01-400-51161	Benefits	$1,708	$1,845	$1,992	$2,152	$2,324	$2,510
242	Compensated Absences	01-400-51170	Benefits	$0	$0	$0	$0	$0	$0
243	Retirement - Tier 2	01-400-51202	Benefits	$12,961	$13,998	$15,118	$16,328	$17,634	$19,045
244	Retirement - Survivor Benefit	01-400-51206	Benefits	$24	$26	$28	$30	$33	$36
245	Medical Cash-in-lieu	01-400-51211	Benefits	$3,000	$3,240	$3,499	$3,779	$4,081	$4,408
246	Dental Insurance	01-400-51212	Benefits	$1,566	$1,692	$1,827	$1,973	$2,131	$2,301
247	Vision Insurance	01-400-51213	Benefits	$234	$253	$273	$295	$318	$344
248	Life & AD&D Insurance	01-400-51214	Benefits	$132	$143	$154	$166	$180	$194
249	457 & HSA Contributions	01-400-51215	Benefits	$2,200	$2,376	$2,566	$2,771	$2,993	$3,233
250	Employee Assistance Program	01-400-51216	Benefits	$31	$33	$36	$39	$42	$45
251	Workers' Compensation	01-400-51240	Benefits	$799	$863	$932	$1,007	$1,087	$1,174
252	Allocation to RW Fd-S&B	01-400-51700	Salaries/Benefits	($13,745)	($14,638)	($15,590)	($16,603)	($17,682)	($18,832)
253	Bonus Pay	01-400-51116	General	$3,257	$3,354	$3,455	$3,559	$3,665	$3,775
254	**Subtotal**			**$123,703**	**$130,287**	**$137,239**	**$144,580**	**$152,335**	**$160,527**
255									
256	**E03 - Services**								
257	Professional Services	01-400-52210	General	$19,750	$20,343	$20,953	$21,581	$22,229	$22,896
258	Engineering Services - Other	01-400-52220	General	$95,000	$97,850	$100,786	$103,809	$106,923	$110,131
259	Engineering Services - AWIA RRA	01-400-52220	General	$55,000	$0	$0	$0	$0	$63,760
260	Engineering Services - See Footnotes	01-400-52220	Non-Recurring	$80,000	$0	$0	$0	$0	$0
261	Software Licensing & Maint	01-400-52410	General	$500	$515	$530	$546	$563	$580
262	Travel & Meetings	01-400-52510	General	$1,400	$1,442	$1,485	$1,530	$1,576	$1,623
263	Training	01-400-52520	General	$1,000	$1,030	$1,061	$1,093	$1,126	$1,159
264	Allocation to RW Fd-Services	01-400-52980	General	($25,265)	($26,023)	($26,804)	($27,608)	($28,436)	($29,289)
265	**Subtotal**			**$227,385**	**$95,157**	**$98,011**	**$100,952**	**$103,980**	**$170,860**
266									
267	**E05 - Supplies**								
268	Special Division Supplies	01-400-53700	General	$1,000	$1,030	$1,061	$1,093	$1,126	$1,159
269	Allocation to RW Fd-Supplies	01-400-53980	General	($100)	($103)	($106)	($109)	($113)	($116)
270	**Subtotal**			**$900**	**$927**	**$955**	**$983**	**$1,013**	**$1,043**
271									
272	**Subtotal - Engineering (400)**			**$351,988**	**$226,370**	**$236,205**	**$246,515**	**$257,328**	**$332,430**
273									
274	**Board of Directors (900)**								

Line	O&M Expenses (Detailed)	Account #	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
275	**E01 - Salaries & Benefits**								
276	Director Fees	01-900-51120	Salaries	$23,400	$24,570	$25,799	$27,088	$28,443	$29,865
277	Medicare	01-900-51161	Benefits	$339	$366	$396	$427	$462	$499
278	Social Security	01-900-51162	Benefits	$1,451	$1,567	$1,692	$1,828	$1,974	$2,132
279	Dental Insurance	01-900-51212	Benefits	$4,593	$4,960	$5,357	$5,786	$6,249	$6,748
280	Vision Insurance	01-900-51213	Benefits	$936	$1,010	$1,091	$1,178	$1,273	$1,375
281	Life & AD&D Insurance	01-900-51214	Benefits	$348	$376	$406	$438	$473	$511
282	Other Post-Employment Benefits	01-900-51220	Benefits	$18,695	$20,191	$21,806	$23,550	$25,434	$27,469
283	Workers' Compensation	01-900-51240	Benefits	$200	$216	$233	$252	$272	$294
284	Medical Premiums	01-900-51260	Benefits	$42,484	$45,883	$49,553	$53,518	$57,799	$62,423
285	Allocation to RW Fd-S&B	01-900-51700	Salaries/Benefits	($9,245)	($9,845)	($10,485)	($11,167)	($11,893)	($12,666)
286	**Subtotal**			**$83,201**	**$89,294**	**$95,848**	**$102,899**	**$110,486**	**$118,649**
287									
288	**E03 - Services**								
289	Travel & Meetings	01-900-52510	General	$18,400	$18,952	$19,521	$20,106	$20,709	$21,331
290	Allocation to RW Fd-Services	01-900-52980	General	($1,840)	($1,895)	($1,952)	($2,011)	($2,071)	($2,133)
291	**Subtotal**			**$16,560**	**$17,057**	**$17,569**	**$18,096**	**$18,638**	**$19,198**
292									
293	**E05 - Supplies**								
294	Office Supplies	01-900-53100	General	$200	$206	$212	$219	$225	$232
295	Office Equipment	01-900-53910	General	$600	$618	$637	$656	$675	$696
296	**Subtotal**			**$800**	**$824**	**$849**	**$874**	**$900**	**$927**
297									
298	**Subtotal - Board of Directors (900)**			**$100,561**	**$107,174**	**$114,265**	**$121,869**	**$130,024**	**$138,774**
299									
300	**Total Potable O&M Expenses**			**$6,866,044**	**$6,752,632**	**$7,119,634**	**$7,500,772**	**$7,794,507**	**$8,499,848**
301									
302	**Recycled (Fund 02)**								
303	**Administration (100)**								
304	**E01 - Salaries & Benefits**								
305	Allocation to RW Fd-S&B	02-100-51700	Salaries/Benefits	$65,437	$69,690	$74,220	$79,044	$84,182	$89,654
306	**Subtotal**			**$65,437**	**$69,690**	**$74,220**	**$79,044**	**$84,182**	**$89,654**
307									
308	**E03 - Services**								
309	Allocation to RW Fd-Services	01-100-52980	General	$47,637	$49,067	$50,539	$52,055	$53,616	$55,225

Line	O&M Expenses (Detailed)	Account #	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
310	**Subtotal**			**$47,637**	**$49,067**	**$50,539**	**$52,055**	**$53,616**	**$55,225**
311									
312	**E05 - Supplies**								
313	Allocation to RW Fd-Supplies	02-100-53980	General	$2,800	$2,884	$2,971	$3,060	$3,151	$3,246
314	**Subtotal**			**$2,800**	**$2,884**	**$2,971**	**$3,060**	**$3,151**	**$3,246**
315									
316	**Subtotal - Administration (100)**			**$115,874**	**$121,641**	**$127,729**	**$134,159**	**$140,950**	**$148,125**
317									
318	**Finance / Customer Service (200)**								
319	**E01 - Salaries & Benefits**								
320	Allocation to RW Fd-S&B	02-200-51700	Salaries/Benefits	$67,243	$71,614	$76,269	$81,227	$86,506	$92,129
321	**Subtotal**			**$67,243**	**$71,614**	**$76,269**	**$81,227**	**$86,506**	**$92,129**
322									
323	**E03 - Services**								
324	Allocation to RW Fd-Services	01-100-52980	General	$28,320	$29,170	$30,045	$30,946	$31,874	$32,831
325	**Subtotal**			**$28,320**	**$29,170**	**$30,045**	**$30,946**	**$31,874**	**$32,831**
326									
327	**E05 - Supplies**								
328	Allocation to RW Fd-Supplies	01-200-53980	General	$400	$412	$424	$437	$450	$464
329	**Subtotal**			**$400**	**$412**	**$424**	**$437**	**$450**	**$464**
330									
331	**E35 - Customer Accounts**								
332	AMI Data Subscription	02-200-52650	General	$790	$814	$838	$864	$890	$916
333	Allocation to RW Fd-Cust Accts	01-200-54980	General	$16,825	$17,329	$17,849	$18,385	$18,936	$19,504
334	**Subtotal**			**$17,615**	**$18,143**	**$18,688**	**$19,248**	**$19,826**	**$20,420**
335									
336	**Subtotal - Finance / Customer Service (200)**			**$113,578**	**$119,339**	**$125,426**	**$131,858**	**$138,657**	**$145,844**
337									
338	**Operations (300)**								
339	**E01 - Salaries & Benefits**								
340	Allocation to RW Fd-S&B	02-300-51700	Salaries/Benefits	$186,750	$198,889	$211,817	$225,585	$240,248	$255,864
341	**Subtotal**			**$186,750**	**$198,889**	**$211,817**	**$225,585**	**$240,248**	**$255,864**
342									
343	**E03 - Services**								
344	Allocation to RW Fd-Services	02-300-52980	General	$39,584	$40,771	$41,994	$43,254	$44,552	$45,888

Line	O&M Expenses (Detailed)	Account #	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
345	**Subtotal**			**$39,584**	**$40,771**	**$41,994**	**$43,254**	**$44,552**	**$45,888**
346									
347	**E05 - Supplies**								
348	Allocation to RW Fd-Supplies	02-300-53980	General	$7,043	$7,254	$7,472	$7,696	$7,927	$8,165
349	**Subtotal**			**$7,043**	**$7,254**	**$7,472**	**$7,696**	**$7,927**	**$8,165**
350									
351	**E07 - General Production Costs**								
352	Special Division Supplies	02-300-53700	General	$8,000	$8,240	$8,487	$8,742	$9,004	$9,274
353	Allocation to RW Fd-Gen Prod	01-300-55980	General	$18,360	$18,911	$19,478	$20,062	$20,664	$21,284
354	**Subtotal**			**$26,360**	**$27,151**	**$27,965**	**$28,804**	**$29,668**	**$30,558**
355									
356	**E15 - Pumping**								
357	Pumps - Electricity & Gas	02-300-56330	General	$7,400	$7,622	$7,851	$8,086	$8,329	$8,579
358	**Subtotal**			**$7,400**	**$7,622**	**$7,851**	**$8,086**	**$8,329**	**$8,579**
359									
360	**E20 - Water Treatment**								
361	Treatment Plant Maint	02-300-55210	Recycled Treatment	$206,000	$216,300	$227,115	$238,471	$250,394	$262,914
362	**Subtotal**			**$206,000**	**$216,300**	**$227,115**	**$238,471**	**$250,394**	**$262,914**
363									
364	**E25 - Transmission & Distribution**								
365	Tank & Reservoir Maint	02-300-55240	General	$1,000	$1,030	$1,061	$1,093	$1,126	$1,159
366	Main Maint & Repair	02-300-56100	General	$30,000	$30,900	$31,827	$32,782	$33,765	$34,778
367	Service Lateral Maint & Repair	02-300-56200	General	$1,000	$1,030	$1,061	$1,093	$1,126	$1,159
368	**Subtotal**			**$32,000**	**$32,960**	**$33,949**	**$34,967**	**$36,016**	**$37,097**
369									
370	**Subtotal - Operations (300)**			**$505,137**	**$530,947**	**$558,162**	**$586,863**	**$617,134**	**$649,065**
371									
372	**Engineering (400)**								
373	**E01 - Salaries & Benefits**								
374	Allocation to RW Fd-S&B	02-400-51700	Salaries/Benefits	$13,745	$14,638	$15,590	$16,603	$17,682	$18,832
375	**Subtotal**			**$13,745**	**$14,638**	**$15,590**	**$16,603**	**$17,682**	**$18,832**
376									
377	**E03 - Services**								
378	Allocation to RW Fd-Services		General	$25,265	$26,023	$26,804	$27,608	$28,436	$29,289

Line	O&M Expenses (Detailed)	Account #	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
379	**Subtotal**			**$25,265**	**$26,023**	**$26,804**	**$27,608**	**$28,436**	**$29,289**
380									
381	**E05 - Supplies**								
382	Allocation to RW Fd-Supplies	01-400-53980	General	$100	$103	$106	$109	$113	$116
383	**Subtotal**			**$100**	**$103**	**$106**	**$109**	**$113**	**$116**
384									
385	**Subtotal - Engineering (400)**								
386									
387	**Board of Directors (900)**								
388	**E01 - Salaries & Benefits**								
389	Allocation to RW Fd-S&B	02-900-51700	Salaries/Benefits	$9,245	$9,845	$10,485	$11,167	$11,893	$12,666
390	**Subtotal**			**$9,245**	**$9,845**	**$10,485**	**$11,167**	**$11,893**	**$12,666**
391									
392	**E03 - Services**								
393	Allocation to RW Fd-Services	02-900-52980	General	$1,840	$1,895	$1,952	$2,011	$2,071	$2,133
394	**Subtotal**			**$1,840**	**$1,895**	**$1,952**	**$2,011**	**$2,071**	**$2,133**
395									
396	**Subtotal - Board of Directors (900)**			**$11,085**	**$11,741**	**$12,437**	**$13,178**	**$13,964**	**$14,799**
397									
398	**Total Recycled O&M Expenses**			**$784,783**	**$824,431**	**$866,254**	**$910,377**	**$956,935**	**$1,006,069**

Table 6-3: Six-Year Other Potable and Recycled Capital Project Costs

Line	Project Name / Description	Project #	Potable	Recycled	Combined
1	Administrative Building Improvements	C20040	$95,000		$95,000
2	Corp Yard Improvements	C24050	$350,425		$350,425
3	Solar Installation	OPSSOLAR	$25,000		$25,000
4	System wide pressure reduction program	C24030	$1,459,402		$1,459,402
5	Distribution system improvements in Montevalle	C24040	$352,045		$352,045
6	Vehicle Replacement Program	C19070	$629,000		$629,000
7	Specialized Operations Equipment	0	$729,227		$729,227
8	Conjunctive Use with SLVWD or/and SCWD	tbd	$0		$0
9	Main Replacement Program - Potable	C20010	$3,450,000		$3,450,000
10	Abandon no longer used mains	0	$0		$0

Line	Project Name / Description	Project #	Potable	Recycled	Combined
11	SCWD-SVWD System Intertie[41]	C23010	$4,036,867		$4,036,867
12	Main Replacement Program - Recycled	0	$0	$500,000	$500,000
13	Automated Metering Infrastructure (AMI)	M17011	$206,000		$206,000
14	Meter Replacement Program	M17011	$390,000		$390,000
15	Monte Fiore PS Rehab	C24020	$552,412		$552,412
16	Sand Hill Pump Station	0	$790,000		$790,000
17	Glenwood Tank Landslide Evaluation & Repair	C24010	$1,745,000		$1,745,000
18	Cathodic Protection upgrade at Glenwood	0	$75,000		$75,000
19	Cathodic protection upgrade at Recycled Tank	0	$0	$75,000	$75,000
20	Sequioa Tank Roof Recoat	C26040	$302,280		$302,280
21	Potable: Resealing seams and Safety Upgrades on Bolted Steel Tanks	POTTANKSEAMS	$125,000		$125,000
22	Resealing seams and Safety Upgrades on Bolted Steel Tank Recycled Tank	RWTANKSEAMS	$0	$70,000	$70,000
23	SCADA Improvements- Teledesign Radio and Kingfisher RTU Replacements	C25000	$542,127		$542,127
24	El Pueblo Water Treatment Plant Improvements	C19020	$931,411		$931,411
25	Treatment Facility for New Production Well	C20020	$0		$0
26	Well 10 WTP Improvements	C21010	$1,460,000		$1,460,000
27	VFD installation at Orchard WTP	C26020	$175,000		$175,000
28	Orchard Run Water Treatment Plant Improvements	0	$460,000		$460,000
29	Grace Wy Well	C15007	$930,866		$930,866
30	Well 3B Replacement - Sucinto	C22010	$339,951		$339,951
31	Orchard Run Well Rehab	0	$0		$0
32	New Production Well	0	$250,000		$250,000
33	Well 10A rehab	0	$250,000		$250,000
34	Sucinto rehab	0	$250,000		$250,000
35	Additional Grace Wy Well Costs	0	$900,000		$900,000
36	**Total CIP Excluding Tank Projects**		**$21,802,013**	**$645,000**	**$22,447,013**
37	**Six-Year Average**		**$3,633,669**	**$107,500**	**$3,741,169**

[41] Note that the Intertie project total cost excludes grant funding.

6.2 COST-OF-SERVICE APPENDICES

Table 6-4: O&M Expense Allocation (Detailed)

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
1	**Administration (100)**													
2	**E01 - Salaries & Benefits**													
3	Regular Pay	01-100-51110	$409,477	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
4	Vehicle & Phone Allowance	01-100-51150	$3,840	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
5	Medicare	01-100-51161	$5,993	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
6	Retirement - Tier 2	01-100-51202	$30,130	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
7	Retirement - Tier 3	01-100-51203	$12,508	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
8	Unfunded Pension Liability	01-100-51204	$121,554	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
9	Retirement - Survivor Benefit	01-100-51206	$73	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
10	Medical Insurance	01-100-51210	$48,215	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
11	Dental Insurance	01-100-51212	$2,562	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
12	Vision Insurance	01-100-51213	$702	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
13	Life & AD&D Insurance	01-100-51214	$1,672	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
14	457 & HSA Contributions	01-100-51215	$9,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
15	Employee Assistance Program	01-100-51216	$93	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
16	Workers' Compensation	01-100-51240	$3,300	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
17	Tuition Reimbursement	01-100-51250	$5,250	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
18	Allocation to RW Fd-S&B	01-100-51700	($65,437)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

[42] Refers to Customer Service & Billing functional category.
[43] Refers to Meter Maintenance & Replacement functional category.

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
19	**Subtotal**		**$588,930**											
20														
21	**E03 - Services**													
22	Contractual Services	01-100-52110	$24,300	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
23	Landscape Maint	01-100-52120	$3,180	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
24	Professional Services - Other	01-100-52210	$76,500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
25	Professional Services - Urban Water Master Plan	01-100-52210	$110,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
26	IT Services	01-100-52230	$62,500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
27	Website Maint	01-100-52231	$2,180	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
28	Legal Counsel	01-100-52250	$42,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
29	Sewer Service	01-100-52310	$610	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
30	Solid Waste Service	01-100-52320	$760	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
31	Electricity & Gas	01-100-52330	$22,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
32	Telephone & Internet	01-100-52340	$9,465	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
33	Software Licensing & Maint	01-100-52410	$6,570	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
34	Equipment Rental & Maint	01-100-52420	$5,030	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
35	Travel & Meetings	01-100-52510	$13,110	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
36	Training	01-100-52520	$5,460	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
37	Dues & Memberships	01-100-52530	$28,800	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
38	Employee Recognition	01-100-52540	$8,740	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
39	Printing Services	01-100-52570	$2,100	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
40	Legal Advertising	01-100-52620	$500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
41	Advertising & Promotion	01-100-52630	$16,500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
42	Recruitment	01-100-52660	$1,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
43	Safety Services	01-100-52700	$1,090	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
44	HR Processing Fees	01-100-52725	$2,410	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
45	Regulatory Oversight & Comp	01-100-52800	$100	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
46	General Building Maint	01-100-52810	$16,500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
47	Election Services	01-100-52280	$14,970	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
48	Allocation to RW Fd-Services	01-100-52980	($47,637)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
49	**Subtotal**		**$428,737**											
50														
51	**E05 - Supplies**													
52	Office Supplies	01-100-53100	$4,370	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
53	Building Maint Supplies	01-100-53110	$1,090	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
54	Books & Subscriptions	01-100-53400	$430	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
55	Safety clothing and equip	01-100-53500	$2,740	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
56	Special Division Supplies	01-100-53700	$4,370	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
57	Office Equipment	01-100-53910	$7,500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
58	Furniture & Furnishings	01-100-53920	$7,500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
59	Allocation to RW Fd-Supplies	01-100-53980	($2,800)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
60	**Subtotal**		**$25,200**											
61														
62	**E10 - Source of Supply**													
63	Professional Services - SS	01-100-52211	$205,307	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
64	In-kind Service for SMGWA	01-100-52290	$10,000	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
65	**Subtotal**		**$215,307**											
66														
67	**Subtotal - Administration (100)**		**$1,258,174**											
68														

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
69	**Finance / Customer Service (200)**													
70	**E01 - Salaries & Benefits**													
71	Regular Pay	01-200-51110	$466,766	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
72	Temporary Pay	01-200-51111	$5,000	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
73	Overtime Pay	01-200-51114	$1,000	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
74	Special Vacation Pay	01-200-51132	$8,024	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
75	Vehicle-phone-data allowance	01-200-51150	$1,920	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
76	Medicare	01-200-51161	$6,912	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
77	Retirement - Tier 2	01-200-51202	$20,582	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
78	Retirement - Tier 3	01-200-51203	$23,433	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
79	Retirement - Survivor Benefit	01-200-51206	$97	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
80	Medical Insurance	01-200-51210	$86,815	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
81	Dental Insurance	01-200-51212	$4,593	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
82	Vision Insurance	01-200-51213	$936	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
83	Life & AD&D Insurance	01-200-51214	$1,591	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
84	457 & HSA Contributions	01-200-51215	$8,800	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
85	Employee Assistance Program	01-200-51216	$123	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
86	Other Post-Employment Benefits	01-200-51220	$26,286	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
87	Workers' Compensation	01-200-51240	$3,400	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
88	Tuition Reimbursement	01-200-51250	$2,900	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
89	Allocation to RW Fd-S&B	01-200-51700	($67,243)	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
90	Bonus Pay	01-200-51116	$3,257	41.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	56.4%	100.0%
91	**Subtotal**		**$605,191**											
92														
93	**E03 - Services**													

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
94	Professional Services - Other	01-200-52210	$4,600	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
95	Professional Services - Intertie Rate Study	01-200-52210	$25,300	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
96	Professional Services - Water Rate Study	01-200-52210	$80,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
97	Audit Services	01-200-52240	$25,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
98	Financial/Regulatory Reporting	01-200-52260	$2,250	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
99	Liability Insurance	01-200-52300	$67,300	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
100	Property Insurance	01-200-52400	$38,200	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
101	Software Licensing & Maint	01-200-52410	$11,600	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
102	Equipment Rental & Maint	01-200-52420	$600	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
103	Travel & Meetings	01-200-52510	$8,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
104	Training	01-200-52520	$1,500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
105	Printing & Mailing Services	01-200-52550	$100	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
106	Advertising and Promotion	01-200-52630	$2,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
107	Payroll Processing Fees	01-200-52720	$8,550	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
108	Bank Service Fees	01-200-52740	$2,100	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
109	Health Benefits Admin Fees	01-200-52760	$500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
110	Property Tax Admin Fees	01-200-54015	$5,600	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
111	Allocation to RW Fd-Services	01-200-52980	($28,320)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
112	**Subtotal**		**$254,880**											
113														
114	**E05 - Supplies**													
115	Postage Supplies	01-200-53200	$3,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
116	Promotional Give-Aways	01-200-53290	$1,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
117	Allocation to RW Fd-Supplies	01-200-53980	($400)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
118	**Subtotal**		**$3,600**											
119														
120	**E35 - Customer Accounts**													
121	Software Licensing/Pymt Portal	01-200-52415	$31,245	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
122	Collection Agency Fees	01-200-52560	$1,200	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
123	AMI Data Subscription	01-200-52650	$54,000	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
124	Payment Processing Fees	01-200-52710	$102,000	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
125	Rebates	01-200-53250	$1,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
126	Special Division Supplies	01-200-53700	$3,000	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
127	Bad Debt	01-200-59400	$5,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
128	Printing & Mailing - CA	01-200-52555	$28,800	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
129	Rebates- Turf/Drip Replacement	01-200-53260	$60,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
130	Rebates- Outdoor Efficiency	01-200-53270	$3,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
131	Rebates- Indoor Efficiencies	01-200-53280	$2,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
132	Allocation to RW Fd-Cust Accts	01-200-54980	($16,825)	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
133	**Subtotal**		**$274,421**											
134														
135	**E70 - Other**													
136	Property Taxes	01-200-54010	$1,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
137	**Subtotal**		**$1,000**											
138														
139	**Subtotal - Finance / Customer Service (200)**		**$1,139,091**											

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
140														
141	**Operations (300)**													
142	**E01 - Salaries & Benefits**													
143	Regular Pay	01-300-51110	$1,244,591	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
144	Overtime Pay	01-300-51114	$86,400	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
145	Special Vacation Pay	01-300-51132	$31,273	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
146	Vehicle & Phone Allowance	01-300-51150	$6,240	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
147	Medicare	01-300-51161	$19,102	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
148	Retirement - Tier 1	01-300-51201	$41,068	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
149	Retirement - Tier 2	01-300-51202	$62,816	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
150	Retirement - Tier 3	01-300-51203	$35,081	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
151	Retirement - Survivor Benefit	01-300-51206	$242	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
152	Medical Insurance	01-300-51210	$158,104	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
153	Medical Cash-in-lieu	01-300-51211	$9,000	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
154	Dental Insurance	01-300-51212	$12,179	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
155	Vision Insurance	01-300-51213	$2,339	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
156	Life & AD&D Insurance	01-300-51214	$2,204	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
157	457 & HSA Contributions	01-300-51215	$20,900	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
158	Employee Assistance Program	01-300-51216	$308	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
159	Other Post-Employment Benefits	01-300-51220	$63,698	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
160	Workers' Compensation	01-300-51240	$45,700	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
161	Allocation to RW Fd-S&B	01-300-51700	($186,750)	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
162	Bonus Pay	01-300-51116	$26,257	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
163	**Subtotal**		**$1,680,751**											
164														
165	**E03 - Services**													

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
166	Landscape Maint	01-300-52120	$21,100	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
167	Professional Services	01-300-52210	$40,300	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
168	Sewer	01-300-52310	$670	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
169	Solid Waste Service	01-300-52320	$9,500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
170	Telephone & Internet	01-300-52340	$27,240	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
171	Equipment Rental & Maint	01-300-52420	$17,500	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
172	Uniform Laundering Services	01-300-52500	$8,500	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
173	Travel & Meetings	01-300-52510	$8,000	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
174	Training	01-300-52520	$29,000	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
175	Printing & Mailing Services	01-300-52550	$800	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
176	Safety Services	01-300-52700	$3,725	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
177	General Building Maint	01-300-52810	$7,500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
178	Landfill Fees	01-300-52830	$11,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
179	Vehicle Maint	01-300-52910	$36,000	0.0%	5.0%	0.0%	5.0%	0.0%	0.0%	0.0%	90.0%	0.0%	0.0%	100.0%
180	Facility Site Maint - Other	01-300-52930	$50,000	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
181	Facility Site Maint - Paving Southwood	01-300-52930	$30,000	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
182	Facility Site Maint - Building Demo at Well 9	01-300-52930	$25,000	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
183	Facility Site Maint - Fencing at Well 6	01-300-52930	$30,000	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
184	GIS Maint	01-300-55130	$40,000	0.0%	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%	75.0%	0.0%	0.0%	100.0%
185	Allocation to RW Fd-Services		($39,584)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
186	**Subtotal**		**$356,252**											
187														
188	**E05 - Supplies**													
189	Office Supplies	01-300-53100	$2,500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
190	Books & Subscriptions	01-300-53400	$850	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
191	Safety Clothing & Equipment	01-300-53500	$20,000	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
192	Vehicle Fuel	01-300-53600	$36,080	0.0%	5.0%	0.0%	50.0%	0.0%	0.0%	0.0%	45.0%	0.0%	0.0%	100.0%
193	Office Equipment	01-300-53910	$10,200	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
194	Furniture & Furnishings	01-300-53920	$800	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
195	Allocation to RW Fd-Supplies	01-300-53980	($7,043)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
196	**Subtotal**		**$63,387**											
197														
198	**E07 - General Production Costs**													
199	Regulatory Oversight & Comp	01-300-52800	$65,000	0.0%	12.0%	0.0%	0.0%	0.0%	50.9%	0.0%	37.1%	0.0%	0.0%	100.0%
200	Small Tools & Equipment	01-300-53300	$22,500	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
201	3x Bulk Meter Assemblies with BFDs	01-300-53300	$10,500	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
202	Special Division Supplies	01-300-53700	$7,600	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
203	SCADA Maint	01-300-56500	$78,000	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
204	Allocation to RW Fd-Gen Prod	01-300-55980	($18,360)	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
205	**Subtotal**		**$165,240**											
206														
207	**E10 - Source of Supply**													
208	Well Maint	01-300-55230	$67,000	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
209	**Subtotal**		**$67,000**											
210														
211	**E15 - Pumping**													
212	Pumps & Boosters	01-300-56310	$52,000	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
213	Pump Facilities Maint	01-300-56320	$62,000	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
214	Pumps - Electricity & Gas	01-300-56330	$660,000	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
215	**Subtotal**		**$774,000**											
216														
217	**E20 - Water Treatment**													
218	Wastewater Disposal	01-300-52315	$139,100	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
219	Chemical Supplies	01-300-55110	$95,000	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
220	Laboratory Services	01-300-55120	$40,000	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
221	Treatment Plant Maint	01-300-55210	$160,000	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
222	**Subtotal**		**$434,100**											
223														
224	**E25 - Transmission & Distribution**													
225	Software Licensing & Maint	01-300-52410	$6,500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
226	Tank & Reservoir Maint	01-300-55240	$60,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
227	Main Maint & Repair	01-300-56100	$240,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
228	Service Lateral Maint & Repair	01-300-56200	$25,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
229	Fire Hydrant Maint	01-300-56400	$114,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
230	Meter Maint	01-300-56600	$30,000	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
231	**Subtotal**		**$475,500**											
232														
233	**Subtotal - Operations (300)**		**$4,016,230**											
234														
235	**Engineering (400)**													
236	**E01 - Salaries & Benefits**													
237	Regular Pay	01-400-51110	$108,555	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
238	Overtime Pay	01-400-51114	$2,500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
239	Vehicle & Phone Allowance	01-400-51150	$480	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
240	Medicare	01-400-51161	$1,708	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
241	Compensated Absences	01-400-51170	$0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
242	Retirement - Tier 2	01-400-51202	$12,961	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
243	Retirement - Survivor Benefit	01-400-51206	$24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
244	Medical Cash-in-lieu	01-400-51211	$3,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
245	Dental Insurance	01-400-51212	$1,566	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
246	Vision Insurance	01-400-51213	$234	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
247	Life & AD&D Insurance	01-400-51214	$132	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
248	457 & HSA Contributions	01-400-51215	$2,200	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
249	Employee Assistance Program	01-400-51216	$31	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
250	Workers' Compensation	01-400-51240	$799	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
251	Allocation to RW Fd-S&B	01-400-51700	($13,745)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
252	Bonus Pay	01-400-51116	$3,257	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
253	**Subtotal**		**$123,703**											
254														
255	**E03 - Services**													
256	Professional Services	01-400-52210	$19,750	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
257	Engineering Services - Other	01-400-52220	$95,000	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
258	Engineering Services - AWIA RRA	01-400-52220	$55,000	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
259	Engineering Services - See Footnote	01-400-52220	$80,000	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
260	Software Licensing & Maint	01-400-52410	$500	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
261	Travel & Meetings	01-400-52510	$1,400	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
262	Training	01-400-52520	$1,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
263	Allocation to RW Fd-Services	01-400-52980	($25,265)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
264	**Subtotal**		**$227,385**											

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
265														
266	**E05 - Supplies**													
267	Special Division Supplies	01-400-53700	$1,000	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
268	Allocation to RW Fd-Supplies	01-400-53980	($100)	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	100.0%
269	**Subtotal**		**$900**											
270														
271	**Subtotal - Engineering (400)**		**$351,988**											
272														
273	**Board of Directors (900)**													
274	**E01 - Salaries & Benefits**													
275	Director Fees	01-900-51120	$23,400	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
276	Medicare	01-900-51161	$339	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
277	Social Security	01-900-51162	$1,451	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
278	Dental Insurance	01-900-51212	$4,593	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
279	Vision Insurance	01-900-51213	$936	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
280	Life & AD&D Insurance	01-900-51214	$348	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
281	Other Post-Employment Benefits	01-900-51220	$18,695	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
282	Workers' Compensation	01-900-51240	$200	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
283	Medical Premiums	01-900-51260	$42,484	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
284	Allocation to RW Fd-S&B	01-900-51700	($9,245)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
285	**Subtotal**		**$83,201**											
286														
287	**E03 - Services**													
288	Travel & Meetings	01-900-52510	$18,400	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
289	Allocation to RW Fd-Services	01-900-52980	($1,840)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

Line	Potable Operating Expenses	Account #	FY 2026	Customer[42]	Meter[43]	Water Supply	Wells	Treatment	Trans-mission	Storage	Distri-bution	Conser-vation	General	Total
290	**Subtotal**		**$16,560**											
291														
292	**E05 - Supplies**													
293	Office Supplies	01-900-53100	$200	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
294	Office Equipment	01-900-53910	$600	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
295	**Subtotal**		**$800**											
296														
297	**Subtotal - Board of Directors (900)**		**$100,561**											
298														
299	**Total Operating Expenses**		**$6,866,044**											

Table 6-5: Asset Allocation (Detailed)

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
1	2 Civic Center	Excluded Land	3	8/1/1988	$106,000	308%	$326,070
2	Levies payoff	Excluded Land	4	10/1/1985	$3,134	331%	$10,385
3	Terry ow parce	Excluded Land	6	2/1/1985	$14,330	331%	$47,486
4	Appraisal - No.	Excluded Land	7	12/1/1985	$175	331%	$580
5	NMZIP land and rights of way	Excluded Land	8	6/30/1994	$310,484	257%	$798,087
6	NMZIP land and rights of way	Excluded Land	9	6/30/1995	$83,383	254%	$211,865
7	NMZIP land and rights of way	Excluded Land	10	12/15/1995	$897	254%	$2,279
8	Land El Pueblo Corp yard thoroug	Excluded Land	11	7/1/1995	$69,300	254%	$176,082
9	NMZIP land and rights of way 6/97	Excluded Land	12	12/31/1996	$3,495	247%	$8,645
10	Aquired Land APN 023-112-16	Excluded Land	13	1/12/1998	$11,600	235%	$27,239
11	Well 10A Easement	Excluded Land	617	3/7/2007	$39,000	175%	$68,057
12	ORWTP - Beagles Driveway	Excluded Land	0	6/14/2018	$8,899	126%	$11,183
13	5297-99 SV Drive (Grace Way Well)	Excluded Land	0	3/1/2023	$568,000	104%	$591,089
14	Gac filter plu	Treatment	92	6/1/1989	$5,000	301%	$15,061
15	Filter well #	Treatment	93	8/1/1989	$7,169	301%	$21,594
16	Piping - hidde	Treatment	94	6/1/1989	$4,826	301%	$14,537
17	Two cylinder s	Treatment	96	5/1/1990	$1,003	294%	$2,946
18	Design - hidde	Treatment	97	6/1/1989	$828	301%	$2,494
19	Chlorinator pa	Treatment	98	7/1/1987	$2,938	316%	$9,269
20	Install gac fi	Treatment	99	6/1/1989	$4,263	301%	$12,841
21	(2) eyewash/de	Treatment	100	12/1/1987	$452	316%	$1,426
22	Gac filter - h	Treatment	101	6/1/1989	$50,477	301%	$152,044
23	Calgon carbon	Treatment	102	6/1/1989	$111,300	301%	$335,252
24	New Filtronics filter equip/pipin	Treatment	103	8/15/1990	$57,731	294%	$169,595
25	Tandem Diaphram Metering	Treatment	104	12/26/1991	$1,383	288%	$3,976
26	Auto Crane Cover	Treatment	105	12/31/1991	$1,890	288%	$5,434
27	Sampling stations	Treatment	106	12/9/1992	$38,329	279%	$106,883
28	Arbitration/Printex	Treatment	107	6/8/1994	$74,210	257%	$190,754
29	Remainder arbitration 3A	Treatment	108	7/21/1994	$150	257%	$386

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
30	Orchard Run Water Treatment	Treatment	109	12/15/1994	$232,682	257%	$598,100
31	Well #9 chlorine conversion	Treatment	110	2/15/1995	$447	254%	$1,136
32	Orchard Run Water Treatment	Treatment	111	12/15/1995	$24,454	254%	$62,134
33	Addtn'l ORWTP 6-30-97	Treatment	114	12/31/1996	$7,116	247%	$17,601
34	Aeration equipment ORWTP	Treatment	115	6/30/1998	$201,303	235%	$472,690
35	Well 11A Construction	Treatment	116	9/30/1998	$307,538	235%	$722,146
36	Valvmation	Treatment	117	8/12/1999	$2,235	229%	$5,128
37	Well 10 filter	Treatment	118	7/1/1999	$5,081	229%	$11,657
38	Well 10 filter maintenance	Treatment	464	6/30/2001	$86,025	219%	$188,529
39	Hydropneuatic system CC	Treatment	485	9/13/2001	$40,000	219%	$87,662
40	Ozonation study ORWTR	Treatment	542	8/1/2002	$18,953	213%	$40,298
41	Well 10 filter	Treatment	546	1/1/2003	$621,231	208%	$1,290,076
42	Orchard Run WTP upgrades	Treatment	568	6/30/2004	$72,220	195%	$141,101
43	Loprest Water Trt	Treatment	589	7/21/2005	$35,961	187%	$67,136
44	LMH Environmental	Treatment	597	12/12/2005	$1,450	187%	$2,707
45	Loprest Water Trt Co.	Treatment	602	3/3/2006	$14,011	179%	$25,128
46	USA Bluebook	Treatment	604	2/2/2006	$1,834	179%	$3,289
47	2100N Turbidimeter	Treatment	619	9/25/2006	$2,020	179%	$3,623
48	EP-WTP Influent Filter Valve	Treatment	620	5/14/2007	$2,716	175%	$4,740
49	ORWTP Ozonation Study 112-020	Treatment	634	6/30/2007	$9,800	175%	$17,101
50	Rehab ORWTP DM Filter Interior	Treatment	638	5/19/2008	$111,207	167%	$186,028
51	Storage barn	Treatment	119	10/1/1986	$949	324%	$3,072
52	Unknown	Treatment	120	6/1/1984	$482,584	335%	$1,618,049
53	Linoleum floor	Treatment	121	6/1/1987	$1,555	316%	$4,906
54	Contruction in	Treatment	122	10/1/1985	$184,000	331%	$609,725
55	Orchard Run Water Treatment Plant	Treatment	123	5/15/1994	$1,718,749	257%	$4,417,979
56	0	Treatment	0	6/30/2021	($227,277)	115%	($260,397)
57	El Pueblo Corp Yard Paving	Treatment	124	6/30/1998	$33,531	235%	$78,736
58	Recharge Water project	Treatment	514	6/30/2002	$17,148	213%	$36,460
59	Monitoring wells: CC	Treatment	545	5/1/2003	$248,319	208%	$515,670
60	Modulating panel well 10 (computer screen)	Treatment	574	6/30/2004	$3,390	195%	$6,623

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
61	Sy-Cal Engineering	Treatment	577	8/5/2004	$3,389	195%	$6,621
62	Sy-Cal Engineering	Treatment	598	12/12/2005	$8,384	187%	$15,652
63	Sy-Cal Engineering	Treatment	599	12/12/2005	$6,317	187%	$11,793
64	Sy-Cal Engineering	Treatment	600	12/12/2005	$2,581	187%	$4,819
65	Jeffco	Treatment	605	3/31/2006	$27,976	179%	$50,174
66	CL 17 Chlorine Process Analyzer	Treatment	621	5/23/2007	$9,650	175%	$16,840
67	1720E Turb w/SC100 Controller	Treatment	622	5/23/2007	$7,291	175%	$12,723
68	Treatment plant updgrades 112-015	Treatment	633	6/30/2007	$63,072	175%	$110,064
69	Repiping at Orchard Run WTP	Treatment	639	5/19/2008	$22,183	167%	$37,108
70	ORWTP Design Study	Treatment	641	6/25/2008	$12,069	167%	$20,189
71	El Pueblo WTP Retrofit	Treatment	655	8/20/2009	$385,828	162%	$625,836
72	ORWTP Wet Well Recoat	Treatment	660	3/11/2010	$78,941	158%	$124,715
73	SECO Controls - Aztec Iron Monitor (AWRK633/51000010/US)	Treatment	684	7/31/2013	$16,954	146%	$24,686
74	Orchard Run WTP Upgrades	Treatment	0	6/30/2021	$3,448,595	115%	$3,951,135
75	Orchard Run WTP Upgrades	Treatment	0	6/30/2022	$747,155	107%	$798,522
76	El Pueblo - Butterfly Valve (Frank Olsen)	Treatment	0	12/31/2023	$10,093	104%	$10,503
77	Well 10 2024 Water Quality Improvements	Treatment	0	12/31/2023	$118,850	104%	$123,681
78	FY 2025 El Pueblo - Tank Bypass	Treatment	0	10/31/2024	$4,597	102%	$4,709
79	86/87 addition	Distribution	127	6/1/1987	$31,832	316%	$100,431
80	Vine hill main	Distribution	128	6/1/1989	$17,000	301%	$51,207
81	Water main ins	Distribution	129	6/1/1988	$15,900	308%	$48,911
82	85/86 addition	Distribution	130	6/1/1986	$2,461	324%	$7,965
83	Reimbursed mai	Distribution	131	1/1/1985	$1,833	331%	$6,074
84	Vineyards	Distribution	132	8/1/1989	$187,770	301%	$565,591
85	Granite Creek	Distribution	133	12/1/1988	$115,500	308%	$355,294
86	Easement	Distribution	134	12/1/1987	$550	316%	$1,735
87	Granite Crk Bu	Distribution	135	1/1/1989	$18,700	301%	$56,327
88	Main ext - Gra	Distribution	136	2/1/1989	$2,825	301%	$8,509
89	Green Hills As	Distribution	137	4/1/1989	$253,815	301%	$764,528
90	Water Main ins	Distribution	138	1/1/1988	$17,816	308%	$54,804

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
91	Castanzo subdi	Distribution	139	3/1/1990	$9,000	294%	$26,439
92	Contibuted pl	Distribution	140	1/1/1985	$229,900	331%	$761,824
93	Meter resetter	Distribution	141	8/1/1987	$157	316%	$495
94	Hydrant stems	Distribution	142	8/1/1987	$30	316%	$95
95	Cost dif 4 "/8"	Distribution	143	12/1/1987	$2,069	316%	$6,528
96	Unknown	Distribution	144	6/1/1984	$1,236,899	335%	$4,147,180
97	Clapp main ext	Distribution	145	1/1/1985	$12,500	331%	$41,422
98	Pipeline - SV	Distribution	146	10/1/1988	$3,739	308%	$11,502
99	Lids	Distribution	147	10/1/1987	$435	316%	$1,372
100	Valves	Distribution	148	5/1/1988	$2,087	308%	$6,420
101	Vine Hill Main	Distribution	149	6/1/1989	$208	301%	$627
102	Hidden Oaks	Distribution	150	11/1/1987	$64,745	316%	$204,272
103	Pressure regul	Distribution	151	1/1/1989	$4,821	301%	$14,522
104	Scotts Vly Drive water mains	Distribution	152	2/18/1991	$194,329	288%	$558,713
105	Country Terrace Tract 1283: CC	Distribution	153	7/1/1990	$40,725	294%	$119,637
106	Bean Creek/Condo Dev: CC	Distribution	154	7/1/1990	$8,800	294%	$25,852
107	Gaffney Way - 4 lots: CC	Distribution	155	7/1/1990	$12,200	294%	$35,840
108	Lutheran Church/King's Vlge: CC	Distribution	156	12/1/1990	$4,900	294%	$14,395
109	Bluebonnet Ln Condo Project: CC	Distribution	157	12/1/1990	$24,160	294%	$70,974
110	Whispering Pines/Mt Hermon Road:C	Distribution	158	12/1/1990	$51,470	294%	$151,202
111	SV Auto Works/Whispering Pines: C	Distribution	159	12/1/1990	$32,800	294%	$96,356
112	Ridgecrest Tract No. 1264: CC	Distribution	160	12/1/1990	$95,300	294%	$279,960
113	Buttermilk - Navarra: CC Exhibit	Distribution	161	7/12/1990	$9,860	294%	$28,965
114	Buttermilk - Navarra: CC Exhibit	Distribution	162	7/12/1990	$1,260	294%	$3,701
115	Fire Hydrant and Pipes	Distribution	163	8/19/1991	$9,580	288%	$27,543
116	Hidden Creek Tract CC Mains	Distribution	164	11/30/1991	$15,192	288%	$43,678
117	Granite Creek Bridge mains	Distribution	165	6/30/1993	$1,200	267%	$3,202
118	NMZIP Transmission Mains	Distribution	166	5/15/1994	$1,208,334	257%	$3,105,977
119	Pressure Reduction System Cont 5A	Distribution	167	5/15/1994	$42,577	257%	$109,443
120	Granite Creek Bridge Repl Mains	Distribution	168	8/15/1993	$23,782	267%	$63,454
121	El Carlo Main Replacement	Distribution	169	12/15/1993	$37,154	267%	$99,132

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
122	Greenhills 2780 ft main CC	Distribution	170	7/1/1993	$75,060	267%	$200,271
123	Greenhills Appurtenances CC	Distribution	171	7/1/1993	$12,500	267%	$33,352
124	Borland 5540 8'x12 mains CC	Distribution	172	3/15/1994	$265,000	257%	$681,173
125	Valley Commons 520 6 DIP mains C	Distribution	173	7/15/1993	$10,608	267%	$28,304
126	Valley Commons hot tap CC	Distribution	174	7/15/1993	$400	267%	$1,067
127	Dan Williams Subd 6 DIP CC	Distribution	175	11/18/1993	$4,680	267%	$12,487
128	Greenhill Estates 2780' mains CC	Distribution	176	8/30/1994	$87,060	257%	$223,784
129	Valley Commons 520' mains CC	Distribution	177	8/30/1994	$11,008	257%	$28,296
130	Dan Williams/San Aug 95'mains C	Distribution	178	8/30/1994	$4,680	257%	$12,030
131	Sramek contributed capital	Distribution	179	12/15/1995	$1,000	254%	$2,541
132	Ken Penner/Bluebonnet 4 dip CC	Distribution	180	8/15/1996	$2,700	247%	$6,678
133	John Thomas/Sramek 6 dip CC	Distribution	181	8/15/1996	$24,050	247%	$59,488
134	Kaufman/Broad, 10 dip main CC	Distribution	182	8/15/1996	$121,275	247%	$299,973
135	Kaufman/Broad 8 dip main CC	Distribution	183	8/15/1996	$134,100	247%	$331,696
136	McNay's 6 dip main CC	Distribution	184	5/2/1997	$8,750	239%	$20,878
137	Re-piping Well #9 CIP closed	Distribution	185	12/31/1996	$33,591	247%	$83,087
138	Tuscany Hills Oak Knolls Dev CC	Distribution	186	10/14/1997	$29,559	239%	$70,529
139	Vincent Cimera S.V. Village CC	Distribution	187	10/14/1997	$34,694	239%	$82,781
140	Pipeline for ORWTP	Distribution	188	6/30/1998	$5,200	235%	$12,210
141	McNay - 200 Summerhill 350' 6 CC	Distribution	189	7/9/1998	$15,750	235%	$36,983
142	Storage depot mains	Distribution	190	11/12/1998	$22,895	235%	$53,761
143	SV Drive improvement project	Distribution	191	4/30/2000	$426,280	223%	$952,539
144	Howard Norton Storage Depot 700' 10 DIP CC	Distribution	192	5/17/2000	$26,960	223%	$60,243
145	S.V.Developers Inn at SV; CC	Distribution	455	7/1/2000	$92,050	223%	$205,689
146	HPH Properties, Oak Crk Comp CC	Distribution	457	7/1/2000	$10,398	223%	$23,235
147	Mid Peninsula Housing Civic Center CC	Distribution	459	7/1/2000	$31,000	223%	$69,271
148	10' Dip main CC	Distribution	475	9/13/2001	$134,330	219%	$294,392
149	8" Dip main 1490 CC	Distribution	476	9/13/2001	$52,150	219%	$114,290
150	10" Butterfly valve CC	Distribution	478	9/13/2001	$4,500	219%	$9,862
151	8" Gate valve CC	Distribution	479	9/13/2001	$1,200	219%	$2,630
152	2" Blow-off CC	Distribution	480	9/13/2001	$600	219%	$1,315

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
153	Air/Vacuum release valve CC	Distribution	481	9/13/2001	$800	219%	$1,753
154	10" Dip main 479 CC	Distribution	487	9/13/2001	$30,395	219%	$66,612
155	10" Butterfly valve CC	Distribution	488	9/13/2001	$1,600	219%	$3,506
156	8" Dip main 1495 CC	Distribution	489	9/13/2001	$74,750	219%	$163,819
157	8" Gate valve CC	Distribution	490	9/13/2001	$3,200	219%	$7,013
158	6" Dip main 273 CC	Distribution	491	9/13/2001	$12,285	219%	$26,923
159	6" Gate valve CC	Distribution	492	9/13/2001	$900	219%	$1,972
160	6" PVC reclaim line CC	Distribution	493	9/13/2001	$26,670	219%	$58,449
161	Blow-off CC	Distribution	495	9/13/2001	$500	219%	$1,096
162	Air/Vacuum CC	Distribution	496	9/13/2001	$1,500	219%	$3,287
163	6" PVC main CC	Distribution	497	9/13/2001	$700	219%	$1,534
164	8" Dip main CC	Distribution	499	9/13/2001	$5,355	219%	$11,736
165	4" PVC reclaim line CC	Distribution	500	9/13/2001	$4,830	219%	$10,585
166	10" Dip main CC	Distribution	502	9/13/2001	$15,800	219%	$34,627
167	Henco LLC	Distribution	506	10/11/2001	$44,430	219%	$97,371
168	Fire supression man	Distribution	518	6/30/2002	$16,943	213%	$36,024
169	2436' 12" DIP, SVHS, CC	Distribution	529	8/2/2002	$507,765	213%	$1,079,607
170	1105' 8" DIP, Torey Oaks, CC	Distribution	534	8/8/2002	$90,061	213%	$191,487
171	1810' 12" DIP, Henco, CC	Distribution	537	4/30/2003	$237,000	208%	$492,165
172	155' of 6" DIP, Blue Bonnet, CC	Distribution	554	2/12/2004	$4,960	195%	$9,691
173	90' of 4" DIP, Blue Bonnet, CC	Distribution	555	2/12/2004	$2,520	195%	$4,923
174	280' of 8" DIP, Windward, CC	Distribution	558	2/12/2004	$12,000	195%	$23,445
175	350' of 6" PVC Line, Windward, CC	Distribution	562	2/12/2004	$2,000	195%	$3,908
176	Recycled Water Distribution Mains	Distribution	587	6/30/2005	$617,940	187%	$1,153,642
177	Ridgecrest main improvements	Distribution	614	3/31/2006	$95,007	179%	$170,391
178	52' of 8" DIP, Reisling Dr.	Distribution	623	11/30/2006	$24,721	179%	$44,336
179	190' of 8" HDPE, S. Navarra under 17	Distribution	642	6/1/2008	$36,998	167%	$61,891
180	Trans Main Summerhill/Glenwood Loop	Distribution	662	10/26/2010	$77,566	158%	$122,542
181	100 ft. of 6 inch C-900, Johnston Wy	Distribution	665	5/5/2011	$38,525	153%	$59,045
182	Barn-Orchard Interties	Distribution	678	4/1/2014	$32,079	142%	$45,475

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183	SV Drive Transfer Station/El Pueblo PRV Water Exchange	Distribution	689	6/30/2015	$25,017	139%	$34,655
184	4801/4803 Scotts Valley Dr Water Main (potable portion)	Distribution	693	8/17/2015	$76,540	139%	$106,028
185	Main Extension 80'x4" to the Goodwill store	Distribution	701	10/31/2016	$10,500	134%	$14,119
186	Northridge Pressure Regulator	Distribution	0	6/30/2020	$53,266	121%	$64,580
187	Main Improvements	Distribution	0	6/30/2022	$438,899	107%	$469,073
188	Main Improvements	Distribution	0	1/1/2023	$560,955	104%	$583,758
189	FY2024 - Bethany Drive	Distribution	0	6/30/2024	$144,770	102%	$148,288
190	FY 2024 Main Improvements	Distribution	0	6/30/2024	$47,879	102%	$49,043
191	Vineyards	Distribution	204	8/1/1989	$7,400	301%	$22,290
192	(6) Hydrant AD	Distribution	205	10/1/1987	$1,035	316%	$3,265
193	Granite Creek	Distribution	206	12/1/1988	$9,000	308%	$27,685
194	Granite Crk Bu	Distribution	207	1/1/1989	$1,500	301%	$4,518
195	Hydrant (Res 1	Distribution	208	12/1/1987	$2,500	316%	$7,888
196	Hydrants	Distribution	209	10/1/1987	$2,361	316%	$7,449
197	Castanzo subdi	Distribution	210	3/1/1990	$925	294%	$2,717
198	Green Hills AS	Distribution	211	4/1/1989	$12,000	301%	$36,146
199	Greenhills 3 fire hydrants CC	Distribution	212	7/1/1993	$6,000	267%	$16,009
200	Borland 5 fire hydrants CC	Distribution	213	3/15/1994	$10,000	257%	$25,705
201	Greenhills Estates 3 F. Hyd CC	Distribution	214	8/30/1994	$9,000	257%	$23,134
202	Kaufman/Broad FH assembly CC	Distribution	215	8/15/1996	$28,800	247%	$71,237
203	McNay's FH assembly CC	Distribution	216	5/2/1997	$2,400	239%	$5,726
204	6" Fire hydrant CC	Distribution	477	9/13/2001	$9,600	219%	$21,039
205	Fire hydrant CC	Distribution	498	9/13/2001	$13,500	219%	$29,586
206	Fire hydrant CC	Distribution	505	9/13/2001	$1,500	219%	$3,287
207	1 - Fire Hydrant, SVHS, CC	Distribution	532	8/8/2002	$3,000	213%	$6,379
208	Fire Hydrants, Torey Oaks, CC	Distribution	536	8/8/2002	$11,605	213%	$24,674
209	Fire Hydrants, Henco, CC	Distribution	539	4/30/2003	$18,000	208%	$37,380
210	1 Fire Hydrant, Blue Bonnet, CC	Distribution	560	2/12/2004	$2,800	195%	$5,471
211	2 Fire Hydrants, Windward, CC	Distribution	561	2/12/2004	$5,600	195%	$10,941

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212	Fire Hydrants	Distribution	573	6/30/2004	$6,465	195%	$12,631
213	Groeniger & Company	Distribution	586	5/26/2005	$8,354	187%	$15,596
214	Ed Walsh & Co.	Distribution	607	5/31/2006	$9,742	179%	$17,472
215	Flow Test Kit II - 300psi	Distribution	624	7/7/2006	$2,234	179%	$4,007
216	Fire Hydrant Replacement	Distribution	675	6/26/2013	$9,504	146%	$13,838
217	1 Fire Hydrant, The Manor, Siri Ln	Distribution	686	8/17/2015	$0	139%	$0
218	Granit Crk Bu	Distribution	217	1/1/1989	$3,000	301%	$9,036
219	Wtr.&Fire Svcs	Distribution	218	1/1/1985	$23,375	331%	$77,458
220	Vineyards	Distribution	219	8/1/1989	$74,450	301%	$224,254
221	Hidden Oaks	Distribution	220	11/1/1987	$38,000	316%	$119,891
222	Unknown	Distribution	221	6/1/1984	$223,410	335%	$749,068
223	Casanzo Subdi	Distribution	222	3/1/1990	$4,950	294%	$14,541
224	Valve boxes	Distribution	223	10/1/1987	$645	316%	$2,035
225	Add'l for mt.	Distribution	224	3/1/1987	$2,980	316%	$9,402
226	Backflow devic	Distribution	225	8/1/1987	$755	316%	$2,382
227	Tail pieces	Distribution	226	8/1/1987	$268	316%	$846
228	Granite Creek	Distribution	227	12/1/1988	$12,950	308%	$39,836
229	Valves	Distribution	228	9/1/1989	$1,555	301%	$4,684
230	Meter pieces	Distribution	229	6/1/1988	$596	308%	$1,833
231	Green Hills AS	Distribution	230	4/1/1989	$47,190	301%	$142,143
232	Hook-ups and Main	Distribution	231	2/15/1992	$4,700	279%	$13,106
233	Hookups	Distribution	232	1/30/1992	$28,000	279%	$78,080
234	Bethany Fire Service Installation	Distribution	233	1/30/1992	$3,500	279%	$9,760
235	Aiken Installation	Distribution	234	11/30/1991	$1,500	288%	$4,313
236	9 water services CC	Distribution	235	5/12/1993	$13,500	267%	$36,020
237	2 fire services CC	Distribution	236	6/30/1993	$6,000	267%	$16,009
238	Greenhills 50 1 services CC	Distribution	237	7/1/1993	$17,500	267%	$46,693
239	Borland 1 4 service CC	Distribution	238	3/15/1994	$2,000	257%	$5,141
240	Borland 3 2 services CC	Distribution	239	3/15/1994	$2,000	257%	$5,141
241	Valley Commons 15 5/8 x 3/4 CC	Distribution	240	7/15/1993	$6,525	267%	$17,410
242	Indiv services 135 5/8 x 3/4 CC	Distribution	241	1/15/1994	$7,500	257%	$19,278

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243	Indiv services 1 fire serv CC	Distribution	242	1/15/1994	$3,000	257%	$7,711
244	Dan Williams Subd 2 1 3/4 CC	Distribution	243	11/18/1993	$1,000	267%	$2,668
245	Greenhills Estates 50 service CC	Distribution	244	8/30/1994	$15,000	257%	$38,557
246	Valley Commons 16 services CC	Distribution	245	8/30/1994	$6,525	257%	$16,772
247	Dan Williams/San Aug, 2 svcs CC	Distribution	246	8/30/1994	$1,000	257%	$2,570
248	Ken Penner/Bluebonnet 3/4'later C	Distribution	247	8/15/1996	$1,500	247%	$3,710
249	John Thomas/Sramek 3/4 lateralC	Distribution	248	8/15/1996	$750	247%	$1,855
250	Kaufman/Broad 1 laterals CC	Distribution	249	8/15/1996	$71,250	247%	$176,237
251	McNay's 1 lateral CC	Distribution	250	5/2/1997	$375	239%	$895
252	TuscanyHil/OakKnol 15 3/4 lat CC	Distribution	251	10/14/1997	$7,875	239%	$18,790
253	V. Cimera/SV Vlg 4 1 laterals C	Distribution	252	10/14/1997	$2,900	239%	$6,920
254	V. Cimera/SV Vlg 5 3/4 later C	Distribution	253	10/14/1997	$2,625	239%	$6,263
255	Mcnay 200 summerhill 1-3/4 Lateral CC	Distribution	254	7/9/1998	$525	235%	$1,233
256	Howard Norton Storage Depot 1 3/4 Lateral CC	Distribution	255	5/17/2000	$525	223%	$1,173
257	S.V. Developers Inn at SV CC	Distribution	456	7/1/2000	$2,400	223%	$5,363
258	HPH Properties Oak Crk Comp CC	Distribution	458	7/1/2000	$850	223%	$1,899
259	Mid Peninsula Housing Civic Ctr CC	Distribution	460	7/1/2000	$1,400	223%	$3,128
260	5/8" SVC lateral CC	Distribution	482	9/13/2001	$6,400	219%	$14,026
261	3/4" SVC lateral CC	Distribution	483	9/13/2001	$1,800	219%	$3,945
262	3/4" SVC lateral CC	Distribution	494	9/13/2001	$9,000	219%	$19,724
263	1 1/2" SVC lateral CC	Distribution	501	9/13/2001	$3,695	219%	$8,098
264	Fire service CC	Distribution	503	9/13/2001	$4,500	219%	$9,862
265	5/8" Service lateral CC	Distribution	504	9/13/2001	$300	219%	$657
266	1 - 2" Lateral, SVHS, CC	Distribution	530	8/8/2002	$42,000	213%	$89,300
267	1 - Fire Service, SVHS, CC	Distribution	531	8/8/2002	$3,000	213%	$6,379
268	Service Laterals, Torey Oaks, CC	Distribution	535	8/8/2002	$8,334	213%	$17,720
269	Service Laterals, Henco, CC	Distribution	538	4/30/2003	$57,250	208%	$118,888
270	1 Fire Service Lateral, Blue Bonnet, CC	Distribution	556	2/12/2004	$3,000	195%	$5,861
271	30-Consumptive Laterals, Blue Bonnet, CC	Distribution	557	2/12/2004	$9,300	195%	$18,170
272	Laterals, Windward, CC	Distribution	559	2/12/2004	$16,200	195%	$31,651
273	Fire Service lateral at 2 Civic Center	Distribution	0	4/1/2023	$36,597	104%	$38,085

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
274	Butterfly Valve Montevalle (FY 2024 - Tap Master)	Distribution	0	5/31/2024	$22,839	102%	$23,394
275	Insertion Valves - Montevalle 2025	Distribution	0	9/30/2024	$16,254	102%	$16,649
276	Chain link	Storage	193	1/1/1985	$2,525	331%	$8,367
277	Telemetry mast	Storage	194	6/1/1986	$2,982	324%	$9,651
278	Bethany tank s	Storage	195	4/1/1986	$44,916	324%	$145,374
279	Bethany tank s	Storage	196	5/1/1986	$11,230	324%	$36,347
280	86/87 addition	Storage	197	6/1/1987	$33,327	316%	$105,148
281	Contributed TA	Storage	198	1/1/1985	$886,200	331%	$2,936,620
282	Engineering SV	Storage	199	5/1/1986	$1,343	324%	$4,347
283	Unknown	Storage	200	6/1/1984	$119,482	335%	$400,609
284	Southwood Tank	Storage	201	4/15/1994	$399,284	257%	$1,026,344
285	Southwood Tank	Storage	202	10/12/1994	$882	257%	$2,267
286	Glenwood well field trns main	Storage	470	6/30/2001	$10,716	219%	$23,485
287	Telemetry system CC	Storage	486	9/13/2001	$10,000	219%	$21,916
288	Portable Water tank- Glenwood	Storage	515	6/30/2002	$3,767,767	213%	$8,011,006
289	Glenwood field transmission mains	Storage	516	6/30/2002	$6,900	213%	$14,671
290	Mandarino pit property	Storage	517	6/30/2002	$143,120	213%	$304,301
291	Fontenay tank replacement	Storage	541	5/1/2003	$128,706	208%	$267,277
292	Tanks Mt. Roberta	Storage	543	1/1/2003	$182,221	208%	$378,408
293	Corrpro	Storage	606	5/11/2006	$9,153	179%	$16,415
294	Glenwood Tank Interior Rehab	Storage	677	7/1/2013	$96,400	146%	$140,365
295	MacDorsa Tank Rehab	Storage	699	3/31/2017	$501,350	129%	$649,092
296	Sequoia Tank Rehab	Storage	0	6/30/2020	$907,841	121%	$1,100,673
297	Sequoia Tank Rehab	Storage	0	7/31/2020	$20,170	121%	$24,454
298	Unknown	Wells	1	6/1/1984	$135,062	335%	$452,847
299	E.P.A. grant septic investigation	Wells	2	6/30/1998	$8,775	235%	$20,605
300	Unknown	Wells	5	6/1/1984	$11,036	335%	$37,002
301	Unknown	Wells	14	6/1/1984	$48,698	335%	$163,279
302	USGS - Carboner	Wells	15	1/1/1985	$7,000	331%	$23,196
303	Elect modif we	Wells	16	3/1/1988	$7,853	308%	$24,157

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
304	Unknown	Wells	17	6/1/1984	$499,611	335%	$1,675,138
305	Rain gauge ins	Wells	18	1/1/1985	$1,256	331%	$4,162
306	Geologic repor	Wells	19	6/1/1989	$2,530	301%	$7,621
307	Well #9 design	Wells	20	2/1/1989	$742	301%	$2,235
308	Monitor well #	Wells	21	2/1/1989	$250	301%	$753
309	Qualt-metrics	Wells	22	1/1/1985	$1,193	331%	$3,953
310	Digital record	Wells	23	1/1/1985	$1,937	331%	$6,419
311	Tipping bucket	Wells	24	1/1/1985	$1,697	331%	$5,623
312	Rain gauge ins	Wells	25	1/1/1985	$339	331%	$1,123
313	Rain gauge int	Wells	26	1/1/1985	$2,313	331%	$7,665
314	Rain gauge ins	Wells	27	1/1/1985	$1,242	331%	$4,116
315	Well #9 redesi	Wells	28	1/1/1989	$3,403	301%	$10,250
316	#10 chem feed	Wells	29	5/1/1989	$2,313	301%	$6,967
317	Monitor well #	Wells	30	6/1/1988	$20,648	308%	$63,516
318	Well #9 design	Wells	31	3/1/1989	$1,040	301%	$3,133
319	Roof aerator #	Wells	32	5/1/1989	$16	301%	$48
320	Monitor well #	Wells	33	7/1/1988	$2,560	308%	$7,875
321	USGS - Manometer	Wells	34	1/1/1985	$15,600	331%	$51,694
322	Well #11 Fina	Wells	35	8/1/1987	$1,500	316%	$4,733
323	Drilling cost	Wells	36	5/1/1989	$21,205	301%	$63,873
324	Monitor well #	Wells	37	11/1/1988	$398	308%	$1,224
325	Engineering we	Wells	38	1/1/1989	$1,650	301%	$4,970
326	Well #10 contr	Wells	39	1/1/1985	$73,361	331%	$243,098
327	Hidden Oaks	Wells	40	11/1/1987	$150,000	316%	$473,254
328	Well #10 chem	Wells	41	5/1/1989	$94	301%	$283
329	86/87 addition	Wells	42	6/1/1987	$281,139	316%	$887,002
330	Well #9 design	Wells	43	4/1/1989	$1,529	301%	$4,606
331	Test Well 15	Wells	44	10/15/1990	$62,345	294%	$183,149
332	Well #15	Wells	46	8/31/1990	$773	294%	$2,271
333	El Pueblo Treatment Center	Wells	48	5/14/1992	$1,194,495	279%	$3,330,942
334	Well upgrades	Wells	49	12/9/1992	$4,261	279%	$11,882

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
335	Fence Well 6 Mont Bay Fencing	Wells	50	1/18/1996	$5,451	247%	$13,483
336	Test well specifications	Wells	51	12/15/1995	$13,281	254%	$33,745
337	Well 3B construction and pump	Wells	52	12/15/1995	$1,079,695	254%	$2,743,357
338	One quarter of 6-30-96 SCADA	Wells	53	12/15/1995	$6,651	254%	$16,899
339	Test well specifications 6-30-97	Wells	54	12/31/1996	$163,883	247%	$405,364
340	Balance of Well 3B 6-30-97	Wells	55	12/31/1996	$32,620	247%	$80,686
341	Groundwater basin model	Wells	57	6/30/1998	$81,018	235%	$190,243
342	Recharge pilot program	Wells	58	6/30/1998	$38,279	235%	$89,885
343	Well 11B Construction	Wells	59	6/30/2000	$328,429	223%	$733,887
344	Telog	Wells	60	9/21/2000	$16,007	223%	$35,768
345	Well 11B construction	Wells	471	6/30/2001	$100	219%	$219
346	EPA Tank replacement	Wells	512	6/30/2002	$1,952	213%	$4,150
347	6" galv T&C pipe, check valves, splice kit;	Wells	520	1/24/2002	$9,425	213%	$20,039
348	Construction of Well 10A 112-195	Wells	646	8/1/2007	$396,378	175%	$691,699
349	Construction of Orchard Well	Wells	0	5/10/2018	$1,850,473	126%	$2,325,396
350	Completion of Orchard Well	Wells	0	8/31/2018	$83,853	126%	$105,374
351	Turbine pump/c	Transmission	61	6/1/1988	$9,412	308%	$28,953
352	Submersible PU	Transmission	62	6/30/1990	$3,654	294%	$10,734
353	Removable fenc	Transmission	64	11/1/1987	$700	316%	$2,209
354	Well upgrade	Transmission	68	6/1/1988	$2,543	308%	$7,823
355	(2) 4Flood G	Transmission	69	1/1/1985	$359	331%	$1,190
356	Grundfos pump	Transmission	70	4/1/1988	$2,999	308%	$9,225
357	Well #11 upgrade	Transmission	72	12/9/1992	$7,843	279%	$21,871
358	Well #10 upgrade	Transmission	73	12/9/1992	$9,692	279%	$27,027
359	Well #11 repair	Transmission	74	12/9/1992	$17,919	279%	$49,969
360	Well #10 repair	Transmission	75	12/21/1992	$22,409	279%	$62,489
361	Bowl and motors Well 11 and 7A	Transmission	78	3/21/1997	$28,371	239%	$67,694
362	Closed bal of CIP pump for Well3	Transmission	79	12/31/1996	$1,722	247%	$4,259
363	Grndfs - 1000S2000-5DS-200HP	Transmission	80	12/31/1996	$21,650	247%	$53,551
364	C&N 3855750-10 Grundfos pump uni	Transmission	81	7/31/1997	$10,927	239%	$26,072
365	C&N 2305250-8 Grundfos pump unit	Transmission	82	9/24/1997	$11,940	239%	$28,489

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
366	C & N Pump & Well 7A and 10	Transmission	83	8/13/1998	$10,195	235%	$23,939
367	C & N pump & Well	Transmission	84	8/13/1998	$4,372	235%	$10,266
368	Backup booster pump	Transmission	85	12/3/1998	$9,577	235%	$22,488
369	C&N Pump & Well Pumps	Transmission	86	6/3/1999	$3,214	229%	$7,374
370	C & N Pump & Well	Transmission	87	7/14/1999	$2,871	229%	$6,587
371	C & N Pump & Well	Transmission	88	8/26/1999	$19,517	229%	$44,778
372	Pump for Well 7A	Transmission	112	12/15/1995	$4,201	254%	$10,674
373	Booster pump station CC	Transmission	484	9/13/2001	$100,000	219%	$219,156
374	Cornerstone Pump	Transmission	507	11/1/2001	$11,034	219%	$24,182
375	Grundfos 475S600-7 bowl unit	Transmission	521	2/26/2002	$4,194	213%	$8,917
376	200 hp Franklin motor and pipe w/materials	Transmission	522	2/26/2002	$28,120	213%	$59,789
377	Grundfos 475S600-7 w/Franklin 6" 460V 60hp	Transmission	523	2/26/2002	$10,210	213%	$21,708
378	Cornerstone Pump	Transmission	524	9/19/2002	$6,829	213%	$14,520
379	Cornerstone Pump	Transmission	540	4/17/2003	$9,665	208%	$20,071
380	Cornerstone Pump	Transmission	551	1/8/2004	$4,730	195%	$9,241
381	Cornerstone Pump	Transmission	563	5/13/2004	$3,874	195%	$7,569
382	Cornerstone Pump	Transmission	575	7/8/2004	$3,075	195%	$6,008
383	Simonds Machinery	Transmission	576	7/22/2004	$17,720	195%	$34,621
384	Crescent Booster Station	Transmission	588	6/30/2005	$335,812	187%	$626,933
385	GRUNDFOS CR15-7 Pump	Transmission	618	5/31/2007	$3,512	175%	$6,129
386	PL Controller-Crescent Booster	Transmission	664	4/22/2011	$14,295	153%	$21,909
387	Well 9 Pump (Grundfos 300S250-7AA Pumpend)	Transmission	680	2/28/2014	$19,158	142%	$27,159
388	Well pump and cables - 7A	Transmission	695	8/17/2015	$70,507	139%	$97,670
389	Station 10 Pump #3	Transmission	696	5/25/2016	$13,867	134%	$18,646
390	Sandhill Booster Station	Transmission	698	8/31/2016	$247,830	134%	$333,246
391	Pump & Motor, Grundfos 96419122, CR45-3-2 A-G-A-E-HQQE	Transmission	703	4/30/2017	$8,472	129%	$10,969
392	El Pueblo Pumps Reconfiguration	Transmission	0	8/1/2017	$138,592	129%	$179,434
393	Well 11B Rehab	Transmission	0	6/1/2018	$30,568	126%	$38,413
394	Bethany Pump Station Rehab	Transmission	0	6/30/2018	$247,524	126%	$311,051

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
395	Polo Ranch Booster Station	Transmission	0	4/1/2018	$14,470	126%	$18,184
396	Crescent Booster Station Generator	Transmission	0	1/1/2019	$18,631	123%	$22,958
397	Polo Ranch Booster Station	Transmission	0	6/30/2022	$157,948	107%	$168,806
398	Hacienda Pump Station	Transmission	0	1/1/2023	$315,830	104%	$328,669
399	Propane Tank - Hacienda	Transmission	0	7/31/2023	$7,040	104%	$7,326
400	Chainlink Fence - Hacienda	Transmission	0	7/31/2023	$8,500	104%	$8,846
401	85/86 addition	Transmission	90	6/1/1986	$149,869	324%	$485,061
402	Timbermill Monterey Well 6 pump build	Transmission	91	8/11/1998	$1,623	235%	$3,811
403	Salinas Pump	Wells	592	9/30/2005	$23,760	187%	$44,358
404	Salinas Pump	Wells	593	11/23/2005	$8,656	187%	$16,160
405	Salinas Pump	Wells	596	11/23/2005	$11,173	187%	$20,859
406	Awnings	General	318	5/1/1989	$1,364	301%	$4,109
407	Miniblinds	General	319	9/1/1988	$1,061	308%	$3,264
408	Improvements	General	320	8/1/1988	$17,706	308%	$54,466
409	Electrical wir	General	321	8/1/1988	$4,828	308%	$14,852
410	Security system	General	322	8/1/1988	$2,571	308%	$7,909
411	Sign	General	323	5/1/1989	$4,373	301%	$13,172
412	Sign	General	324	8/1/1989	$4,941	301%	$14,883
413	Flag pole	General	325	10/1/1988	$1,250	308%	$3,845
414	(2) wall cases	General	326	8/1/1988	$522	308%	$1,606
415	Two civic cent	General	327	8/1/1988	$386,125	308%	$1,187,773
416	Misc building improvements	General	328	4/1/1991	$3,984	288%	$11,454
417	Fence	General	329	2/4/1993	$1,000	267%	$2,668
418	San Lorenzo Awning office awning	General	330	9/24/1997	$2,055	239%	$4,903
419	Office outside lights	General	331	3/11/1999	$2,286	229%	$5,245
420	Office-outside lights	General	332	12/3/1998	$994	235%	$2,334
421	Northern Design	General	333	8/26/1999	$6,565	229%	$15,062
422	Northern Design	General	334	9/10/1999	$11,935	229%	$27,382
423	Northern Design	General	335	9/23/1999	$1,850	229%	$4,244
424	Airtec	General	508	11/29/2001	$2,959	219%	$6,485
425	Office Bldg Renovation Phase 1	General	647	5/1/2009	$87,316	162%	$141,632

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426	Demonstration Garden	General	663	11/5/2010	$49,033	158%	$77,465
427	MAJOR ELECTRIC WIRING	General	681	6/30/2010	$3,426	158%	$5,413
428	HR OFFOCE REMODELING (JARED LEWIS)	General	682	05/06/2013	$11,135	146%	$16,213
429	HVAC REPLACEMENT 25HBC348A005	General	683	5/21/2013	$11,579	146%	$16,860
430	Office Facility Upgrade 2016 (PW 90%)	General	5003	6/30/2017	$654,621	129%	$847,530
431	5297-99 SV Drive (Grace Way Well - Existing Building)	General	0	3/1/2023	$307,491	104%	$319,991
432	Admin Building - Improvements 2024	General	0	9/30/2023	$26,548	104%	$27,627
433	Admin Building - Landscape Improvements 2025	General	0	4/30/2025	$14,400	100%	$14,400
434	Hazardous waste	General	434	3/1/1989	$5,485	301%	$16,522
435	Rubber fastened roof sys Section	General	435	7/1/1996	$6,814	247%	$16,854
436	Storage bins El Pueblo	General	436	10/15/1996	$10,600	247%	$26,219
437	Office Windows	General	437	1/15/1998	$3,115	235%	$7,314
438	Corp Yard Modular Office Trailer	General	690	6/30/2015	$209,592	139%	$290,338
439	Corp Yard Modular Office Furniture and Furnishings	General	691	6/30/2015	$21,503	139%	$29,787
440	FY 2024 CorpYard Improvements (Steel Equip Shelters)	General	0	12/31/2023	$6,016	104%	$6,261
441	Corp Yard Improvements - Gutters - 2025	General	0	1/31/2024	$4,320	102%	$4,425
442	Corp Yard Improvements - Fence Replacement - 2025	General	0	12/31/2024	$7,281	102%	$7,458
443	SCADA	Transmission	56	6/30/1998	$19,629	235%	$46,092
444	Phase 1 SCADA	Transmission	76	12/15/1994	$143,287	257%	$368,314
445	Scada system p	Transmission	95	11/1/1989	$29,032	301%	$87,449
446	One half of 6-30-96 SCADA	Transmission	113	12/15/1995	$13,303	254%	$33,801
447	One quarter of 6-30-96 SCADA	Transmission	203	12/15/1995	$6,651	254%	$16,899
448	SCADA Phase 3 25%	Transmission	462	6/30/2001	$47,260	219%	$103,573
449	SCADA Phase 3 50%	Transmission	463	6/30/2001	$94,520	219%	$207,146
450	SCADA Phase 3 25%	Transmission	468	6/30/2001	$47,260	219%	$103,573
451	SCADA Phase 4 25%	Transmission	509	6/30/2002	$25,916	213%	$55,102
452	SCADA Phase 4 50%	Transmission	510	6/30/2002	$51,833	213%	$110,207

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453	SCADA Phase 4 25%	Transmission	511	6/30/2002	$25,916	213%	$55,102
454	SCADA Phase 5 25%	Transmission	569	6/30/2004	$7,936	195%	$15,505
455	SCADA Phase 5 20%	Transmission	570	6/30/2004	$15,873	195%	$31,012
456	SCADA phase 5 25%	Transmission	571	6/30/2004	$7,936	195%	$15,505
457	Wonderware	Transmission	613	8/19/2005	$5,715	187%	$10,669
458	SCADA System Upgrades-Phase I	Transmission	661	6/1/2011	$114,195	153%	$175,020
459	SCADA System Upgrades-Phase II	Transmission	667	5/1/2012	$9,729	149%	$14,530
460	SCADA System Upgrades-Phase III	Transmission	671	3/1/2013	$4,260	146%	$6,203
461	SCADA System Upgrades-Phase III	Transmission	672	4/30/2013	$89	146%	$130
462	SCADA System Upgrades-Phase III	Transmission	673	6/12/2013	$6,381	146%	$9,291
463	SCADA System Upgrades-Phase III	Transmission	674	6/28/2013	$11,819	146%	$17,209
464	SCADA Phase III Upgrades	Transmission	5005	2/28/2017	$33,124	129%	$42,885
465	SCADA at Sandhill Station	Transmission	702	8/31/2016	$20,408	134%	$27,442
466	SCADA System Upgrades 2025	Transmission	0	6/30/2025	$132,468	100%	$132,468
467	2006 John Deere 310SG Backhoe	Transmission	630/636	12/28/2006	$80,942	179%	$145,166
468	Baldor 60KW Towable Generator	Transmission	644	1/5/2008	$27,740	167%	$46,404
469	Airman PDS185S Compressor	Transmission	649	10/8/2008	$12,420	167%	$20,776
470	Yale GP050 Forklift	Transmission	652	2/9/2010	$12,218	158%	$19,303
471	Generator at CC Office (PW 90%)	Transmission	5013	6/30/2017	$3,266	129%	$4,228
472	Vacuum Truck	Transmission	0	1/1/2021	$154,181	115%	$176,648
473	Generator (PW 90%)	Transmission	0	6/30/2022	$100,005	107%	$106,880
474	Bobcat mini excavator - concrete breaker	Transmission	0	6/30/2023	$8,023	104%	$8,349
475	Valve Maint Machine (FY2024)	Transmission	0	4/30/2024	$105,687	102%	$108,255
476	Cisco AP541-N Phone System	General	666	11/5/2010	$14,073	158%	$22,233
477	Phone System & AV Equipment	General	0	1/1/2019	$18,547	123%	$22,855
478	Radix Meter Reading Equipment	Billing & Customer Service	450	4/8/1999	$16,223	229%	$37,220
479	Radix	General	454	12/28/2000	$2,105	223%	$4,704
480	Upgrade Touch Read Wands & Probes	Billing & Customer Service	645	6/10/2008	$20,957	167%	$35,057
481	CBSW Check Scan Interface	General	654	8/1/2009	$12,215	162%	$19,813
482	Electronic Security for District Facilities PW 90%	General	5001	6/30/2017	$39,041	129%	$50,546

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
483	Accela F&A (Springbrook) PW 90%	Billing & Customer Service	5009	7/1/2017	$103,187	129%	$133,595
484	Watersmart Software	Billing & Customer Service	0	6/30/2019	$11,790	123%	$14,528
485	2-Way radios	Distribution	413	1/1/1989	$2,822	301%	$8,500
486	Mobile radio &	Distribution	414	3/1/1986	$1,047	324%	$3,389
487	Tool boxes (2)	Distribution	419	1/1/1986	$388	324%	$1,256
488	(2) Mobile rad	Distribution	420	11/1/1986	$1,915	324%	$6,198
489	2 hand held radios	Distribution	428	10/13/1993	$1,190	267%	$3,175
490	Generator trailer 101 Livestock	Distribution	431	8/15/1996	$1,681	247%	$4,158
491	North Bay Ford	Distribution	548	10/2/2003	$39,048	208%	$81,089
492	North Bay Ford	Distribution	565	6/24/2004	$23,917	195%	$46,728
493	Ocean Honda Chevrolet	Distribution	580	3/14/2005	$20,930	187%	$39,075
494	Ocean Honda Chevrolet	Distribution	581	3/15/2005	$1,895	187%	$3,538
495	CWI	Distribution	601	12/21/2005	$28,755	187%	$53,683
496	Salinas Valley Ford	Distribution	608	6/7/2006	$25,249	179%	$45,283
497	North Bay Ford	Distribution	609	6/12/2006	$46,749	179%	$83,842
498	Keener Koatings	Distribution	610	6/19/2006	$1,600	179%	$2,870
499	San Lorenzo Lumber	Distribution	611	6/26/2006	$1,396	179%	$2,504
500	(2) Rack-It LB Truck Racks	Distribution	631	3/8/2007	$1,486	175%	$2,593
501	2010 Ford F-350 Utility Truck*	Distribution	653	6/24/2010	$38,612	158%	$61,001
502	2013 Dodge Journey Truck (3C4PDCBG6DT626787)	Distribution	675	7/1/2013	$25,161	146%	$36,636
503	2015 Ford Truck CAB Chassis 1FDUF5GTZEEB83921	Distribution	687	12/16/2014	$58,988	142%	$83,622
504	2015 Bobcat Compact Excavator ARK11665	Distribution	688	3/5/2015	$52,769	139%	$73,098
505	2016 Ford F650 Diesel Truck	Distribution	692	5/31/2016	$87,076	134%	$117,088
506	2017 Ford F150 4X2 REG CAB PICKUP (PW 90%) S/N 1FTMF1CBXHKD76700	Distribution	5007	5/31/2017	$22,906	129%	$29,656
507	2017 Ford F250PICKUP (PW 90%)	Distribution	0	9/1/2017	$32,708	129%	$42,347
508	2018 Ford F-150 4X4 (PW 90%)	Distribution	0	1/1/2019	$26,696	123%	$32,896
509	2018 Ford F-150 4X2 (PW 90%)	Distribution	0	1/1/2019	$21,055	123%	$25,945
510	2019 Ford F-250 (PW 90%)	Distribution	0	1/1/2019	$34,088	123%	$42,005

Line	Asset Description	Asset Function	Asset Number	Date in Service	Book Cost	CCI Adjustment	RC
511	2021 Ford F-250 (PW 90%)	Distribution	0	10/1/2020	$40,848	121%	$49,525
512	2022 Ford F-250 (PW 90%)	Distribution	0	6/30/2022	$38,532	107%	$41,181
513	2023 Ford F-350 (PW 90%)	Distribution	0	4/1/2023	$56,314	104%	$58,603
514	Ford F-650 (Valve Maint Machine Mounted) (PW 90%)	Distribution	0	3/31/2025	$107,354	100%	$107,354
515	AMI Infrastructure	Billing & Customer Service	5011	6/30/2017	$26,756	129%	$34,641
516	AMI Infrastructure	Billing & Customer Service	0	6/30/2018	$129,994	126%	$163,357
517	AMI Infrastructure	Billing & Customer Service	0	1/1/2019	$150,861	123%	$185,899
518	AMI Infrastructure	Billing & Customer Service	0	6/30/2020	$105,128	121%	$127,457
519	AMI Infrastructure	Billing & Customer Service	0	6/30/2021	$39,558	115%	$45,322
520	AMI Infrastructure	Billing & Customer Service	0	6/30/2022	$32,342	107%	$34,565
521	Interties #2 with SLVWD	Transmission	697	1/1/2017	$1,061,395	129%	$1,374,175
522	Transit Center Stormwater Retention	General	700	12/31/2016	$1,158,565	134%	$1,557,872
523	Transit Center Stormwater Retention	General	0	4/1/2018	$2,409	126%	$3,027
524	Transit Center Stormwater Retention - Phase II	General	0	2/28/25	$1,704,059	100%	$1,704,059
525	**Total**				**$45,992,407**		**$91,630,960**
526	**Total Less Excluded Assets**				**$44,773,710**		**$89,351,913**

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