



2023 Water & Wastewater Rate Study

City of Lodi

Draft Report

August 10, 2023



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Mr. Charles Swimley
Public Works Director
City of Lodi
221 W Pine St.
Lodi, CA 95240

Re: 2023 Water and Wastewater Rate Study

Dear Mr. Swimley,

Hildebrand Consulting is pleased to present this 2023 Water and Wastewater Rate Study (Study) for the water and wastewater enterprises that were performed for the City of Lodi. We appreciate the fine assistance provided by you and all of the members of the City staff who participated in the Study.

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

mhildebrand@hildco.com
(510) 316-0621

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Hildebrand', is positioned above the printed name.

Mark Hildebrand
Hildebrand Consulting, LLC

Enclosure

TABLE OF CONTENTS

SECTION 1. INTRODUCTION AND SUMMARY.....	2
1.1 WATER AND WASTEWATER UTILITY BACKGROUND.....	2
1.2 STUDY BACKGROUND.....	3
1.3 STUDY OBJECTIVES	3
1.4 STUDY METHODOLOGY	4
1.5 REPORT ORGANIZATION	5
SECTION 2. WATER RATE STUDY.....	6
2.1 WATER UTILITY FINANCIAL PLAN.....	6
2.1.1 <i>Water Utility Fund Structure and Beginning Fund Balances</i>	7
2.1.2 <i>Water Utility Cash Reserve Policies</i>	8
2.1.3 <i>Customer Growth</i>	8
2.1.4 <i>Water Utility Rate Revenue</i>	8
2.1.5 <i>Water Utility Non-Rate Revenues</i>	9
2.1.6 <i>Water Utility Operating Expenses</i>	10
2.1.7 <i>Debt Service and Debt Coverage Ratio</i>	11
2.1.8 <i>Water Utility Capital Improvement Program</i>	12
2.1.9 <i>Proposed Water Rate Revenue Increases</i>	13
2.2 WATER COST OF SERVICE & RATE STRUCTURE	15
2.2.1 <i>Current Water Rates</i>	15
2.2.2 <i>Current Customer Statistics</i>	17
2.2.3 <i>Water Rate Calculations</i>	19
2.2.3.3 <i>Service Charge</i>	23
2.2.3.4 <i>Water Usage Rates</i>	24
2.2.3.5 <i>Water Allocation to Tiers</i>	25
2.2.3.6 <i>Non-Metered Water Rates</i>	25
2.2.4 <i>Adoption of Proposed Water Rates</i>	26
2.2.5 <i>Water Shortage Surcharge Policy</i>	26
2.2.6 <i>Multifamily Master Metering Policy</i>	26
SECTION 3. WASTEWATER RATE STUDY.....	28
3.1 WASTEWATER UTILITY FINANCIAL PLAN	28
3.1.1 <i>Wastewater Utility Fund Structure and Beginning Fund Balances</i>	29
3.1.2 <i>Wastewater Utility Cash Reserve Policies</i>	30
3.1.3 <i>Customer Growth</i>	31
3.1.4 <i>Wastewater Utility Rate Revenue</i>	31
3.1.5 <i>Wastewater Utility Non-Rate Revenues</i>	31

3.1.6	Wastewater Utility Operating Expenses.....	33
3.1.7	Debt Service and Debt Coverage Ratio	34
3.1.8	Wastewater Utility Capital Improvement Program.....	34
3.1.9	Proposed Wastewater Rate Revenue Increases.....	35
3.2	WASTEWATER COST OF SERVICE & RATE STRUCTURE.....	37
3.2.1	Current Wastewater Rates	37
3.2.2	Customer Account Data and Wastewater Flow and Loading Estimates	40
3.2.3	Wastewater Rate Calculations	42
3.2.4	Proposed Wastewater Rate Schedules	47
SECTION 4.	CONCLUSION.....	48

LIST OF TABLES

Table 1:	Water Utility FY 2022/23 Beginning Cash Balance	7
Table 2:	Current Rates	17
Table 3:	Rated Water Flow Capacity by Meter Size.....	18
Table 4:	Summary of Water Service Connections and Water Usage.....	19
Table 5:	FY 2023/24 Water Units Cost of Service.....	22
Table 6:	FY 2023/24 Water Units Cost of Service.....	23
Table 7:	Proposed Monthly Service Charges.....	24
Table 8:	Proposed Water Usage Rates (per CCF)	25
Table 9:	Wastewater Utility FY 2022/23 Beginning Cash Balance	30
Table 10:	Current Wastewater Rates	39
Table 11:	Wastewater Customer Account Data and Estimated Wastewater Flows and Loadings.....	41
Table 12:	Cost Categorization	43
Table 13:	Determination of Wastewater Unit Costs.....	44
Table 14:	Allocation of Wastewater Costs to Users ¹	45
Table 15:	Wastewater Rate Determination	46

LIST OF FIGURES

Figure 1:	Budgeted Water Utility Revenue Categories (FY 2022/23).....	10
Figure 2:	Operating and Debt Expense Categories (FY 2022/23)	11
Figure 3:	Water Utility Historic and Projected Capital Spending	13
Figure 4:	Water Utility Financial Projections with Projected Rate Revenue Increases.....	14
Figure 5:	Budgeted Wastewater Utility Revenue Categories (FY 2022/23).....	32
Figure 6:	Operating and Debt Expense Categories (FY 2022/23)	33
Figure 7:	Wastewater Utility Historic and Projected Capital Spending	35
Figure 8:	Wastewater Utility Financials Projection with Recommended Rate Increases.....	36

LIST OF SCHEDULES

Schedule W-1 – Water Enterprise Budgeted & Projected Operating and Debt Expenses

Schedule W-2 – Water Enterprise Capital Spending Request

Schedule W-3 - Water Enterprise Cash Flow Pro Forma

Schedule W-4 – Five Year Schedule of Proposed Water Rates

Schedule WW-1 – Wastewater Enterprise Budgeted & Projected Operating and Debt Expenses

Schedule WW-2 – Wastewater Enterprise Capital Spending Request

Schedule WW-3 - Wastewater Enterprise Cash Flow Pro Forma

Schedule WW-4 –Five Year Schedule of Proposed Wastewater Rates

List of Acronyms

123 TCP	1,2,3 -trichloropropane
AWWA	American Water Works Association
BOD	biochemical oxygen demand
CCF	hundred cubic feet (748 gallons)
CIP	capital improvement program
COSA	cost of service analysis
CY	calendar year
DCR	debt coverage ratio
DU	dwelling unit
EM	equivalent meter
ENR CCI	Engineering News Record Construction Cost Index
FY	fiscal year (which ends on June 30 for the City)
IMF	impact mitigation fee
MG	million gallons
O&M	operations and maintenance
PayGo	“pay as you go” (i.e., cash financing for capital projects)
SSU	sanitary service unit
SWRCB	California State Water Resources Control Board
SWTF	Surface Water Treatment Facility
WEF	Water Environment Federation
WID	Woodbridge Irrigation District
WQA	winter quarter average (water usage)

Section 1. INTRODUCTION AND SUMMARY

The City of Lodi (City) has retained Hildebrand Consulting, LLC. to conduct a water and wastewater rate study for the City's Water and Wastewater Enterprises. This report describes in detail the assumptions, procedures, and results of the Study, including conclusions and recommendations.

1.1 WATER AND WASTEWATER UTILITY BACKGROUND

The City of Lodi is located in San Joaquin County, California, in the center portion of California's Central Valley along the Mokelumne River at the junction of the San Joaquin and Sacramento valleys just northeast of Stockton, on the edge of the Sacramento River delta. With a population of about 67,000, the city has long been known for its wines as well as a packing and processing center for cereals, fruits, nuts, and vegetables from the surrounding agricultural area.

The City's primary source of water is groundwater that it pumps from the Eastern San Joaquin Subbasin using 28 groundwater production wells distributed throughout the water service area. While groundwater has traditionally been the City's primary source of water, surface water has become increasingly important and currently provides around 50 percent of the total water supply. The City purchases Mokelumne River water from Woodbridge Irrigation District (WID) and treats the raw water at the City's water treatment plant.

The cornerstone of the City's wastewater program is the White Slough Water Pollution Control Facility (WSWPCF), which provides the City of Lodi with a means to achieve water quality standards required for the protection of the environmentally sensitive Sacramento-San Joaquin Delta. Through the years, WSWPCF has been expanded and improved to meet the increasingly stringent environmental protection standards in an economically sound manner.

1.2 STUDY BACKGROUND

In 2019, the City of Lodi retained The Reed Group, Inc. to prepare financial plans for the water and wastewater systems and to update the water and wastewater rates for those two utilities. Five-year rate plans were adopted, with the last rate adjustments scheduled occurring in January 2023 for water rates and July 2023 for wastewater rates. Prior to the 2019 Water and Wastewater Rate Study (2019 Rate Study), the previous water rate adjustment had occurred in 2017, and wastewater rates had been last adjusted in 2016.

The purpose of the current water and wastewater rate studies are to ensure that water and wastewater rates are sufficient to meet each utility's financial and service obligations for ongoing operation and maintenance, debt service, and capital improvements while maintaining prudent reserves.

An on-going meter retrofit program has affected utility billing for both the water and wastewater enterprises. The meter retrofit program was implemented in accordance with California Assembly Bill 2572, which requires the use of water meters throughout the State. At this stage the City has completed "Phase 8" of the retrofit program, signifying that all single-family homes now have water meters. The City's goal is to have all customers on metered wastewater rates by July 2026. As customers are retrofitted with water meters, their utility rates are changed from flat (unmetered) rates to usage-based (metered) rates.

The City has been successful in maintaining limited increases in water and wastewater despite recent reductions in water demands due to the meter retrofit program and the drought. Over the past 8 years, water utility rates have increased by less than 1 percent per year on average and over the past 5 years, wastewater rates have increased by about 1 percent per year on average.

1.3 STUDY OBJECTIVES

The scope of services for the water and wastewater rate study included the following:

- Review financial goals and policy objectives related to the water and wastewater utilities
- Review the current budgets, existing debt obligations, and capital improvement plans
- Prepare ten-year financial plans and determine annual water and wastewater rate revenue requirements for the utilities
- Review the current water and wastewater rate structures, as well as the continuing transition from flat rates to metered rates
- Verify that water and wastewater rate recommendations meet the legal requirements for cost of service, and prepare multi-year rate plans to meet the anticipated revenue needs of each utility for up to five years
- Present draft study findings and recommendations to the City Council during a shirtsleeve meeting
- Prepare a water and wastewater rate study report (this report) to document the analyses performed during the study
- Present study recommendations to the City Council during a regular meeting, and assist the City in preparing a notice of public hearing regarding the proposed water and wastewater rates
- Present final water and wastewater rate recommendations during a public hearing to adopt new rates.

The purpose of this report is to describe the analyses performed, present the financial plans for the utilities, provide the basis and rationale for rate adjustments, and summarize findings and recommendations regarding the water and wastewater rates.

1.4 STUDY METHODOLOGY

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

The Study began with a review of both utility enterprises' current financial dynamics and latest available data for the utilities' operations. Multi-year financial management plans were then developed to determine the level of annual rate revenue required to cover projected annual operating expenses, debt service (including coverage targets), and capital cost requirements while maintaining adequate reserves. This portion of the Study was conducted using MS Excel©-based financial planning models which were customized to reflect financial dynamics and latest available data for the City's operations in order to develop a long-term financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments.

Revenue requirements were then used to perform a detailed cost-of-service analysis (COSA). The COSA and rate structure design were conducted based upon principles outlined by the AWWA, legal requirements (Proposition 218) and other generally accepted industry practices to develop rates that reflect the cost of providing service. As the COSA "test year", the water rate study used revenue requirements for the fiscal year ending June 2024 (FY 2023/24¹) and the wastewater rate study used revenue requirements for FY 2024/25.

1.5 REPORT ORGANIZATION

This report contains two major sections: Section 2 is the water rate study and Section 3 is the wastewater rate study. By design there is considerable redundancy in the language between these Sections 2 and Section 3; they are meant to stand-alone so as to avoid the need to cross-reference between them.

¹ Fiscal years are sometimes indicated by their ending years. For example, FY 2023/24, starts on July 1, 2023, and ends on June 30, 2024, can also be expressed as FY 2024.

Section 2. WATER RATE STUDY

The following subsections include the water utility's financial plan, cost of service, rate design, and proposed rates schedule.

2.1 WATER UTILITY FINANCIAL PLAN

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

The Water Utility 10-year financial plan was developed through several interactive work sessions with City staff and the City Council. As a result of this process, the Study has produced a robust Water Utility financial plan that will enable the City to meet its future revenue requirements and achieve financial performance objectives throughout the projection period while striving to limit rate increases.

The analysis identifies a modest revenue shortfall in upcoming years as a result of historical rate increases that have been below inflation rates (an increase of less than 1 percent on average over the past 8 years), which leads to a conclusion that rate revenue adjustments are required for the Water Utility. The schedules attached to this report include detailed data supporting the Water Utility financial plan discussed herein.

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

2.1.1 Water Utility Fund Structure and Beginning Fund Balances

For purposes of this financial plan, the water utility is made up of three funds (there are additional funds associated with groundwater contamination lawsuits, but those funds are independent of this rate study). These three funds include the Water Operating Fund (Fund 560), the Water Capital Fund (Fund 561), and the Water Impact Mitigation Fee (IMF) fund (Fund 562). The Water Operating Fund uses rate revenue to pay for operating costs and debt service. Surplus reserves in the Water Operating Fund are then transferred to the Water Capital Fund, which pays for all repair and rehabilitation capital projects (as opposed to growth-related projects). The Water IMF Fund receives IMF revenue² from developers and pays for growth-related capital projects. The Water IMF Fund also occasionally transfers IMF revenue to the Water Operating Fund to pay for debt service which was used to fund growth-related capital projects (see Section 2.1.5).

The ending cash balance for each of these funds for FY 2021/22 was used to establish the FY 2022/23 beginning balance, as shown in **Table 1**. It should be noted that the cash reserves levels in the Water Utility are a product of the City’s reserve policies (see Section 2.1.2).

Table 1: Water Utility FY 2022/23 Beginning Cash Balance

Unrestricted Reserves

Fund 560 - Water Operating Fund	\$9,614,000
Fund 561 - Water Capital Fund	\$1,650,000
Total Unrestricted	\$11,264,000

Restricted Reserves

Restricted Fund 562 - Water Impact Migration Fund	\$5,432,000
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² The City’s “Impact Mitigation Fees” are known as “Capacity Charges” per Government Code Section 66013.

2.1.2 Water Utility Cash Reserve Policies

Cash reserve policies are cash balances targets that are retained for specific cash flow needs. The target for reserves is an important component when developing a multi-year financial plan and maintaining prudent reserves is an essential component of any sound financial management strategy. Utilities rely on reserves for financial stability; credit rating agencies evaluate utilities in part on their adherence to formally adopted reserve targets; and lending agencies require utilities to maintain specific debt reserves for outstanding loans. The target levels of the policies below are consistent with: 1) the City's established policies and practices; 2) the findings of reserve studies conducted by the AWWA; 3) a healthy level of reserves for a utility per the evaluation criteria published by rating agencies (e.g., Fitch, Moody's, and Standard & Poor's); and, 4) Hildebrand Consulting's industry experience for similar systems.

The City's Budget and Fiscal Policy (as adopted in June 2021 by Resolution 2021-164) states that the Water Utility should target a reserve balance equal to 25 percent of the Water Utility operating budget. Consistent with recommendations made in the 2019 Rate Study report, this Report recommends that the City establish an Operating Reserves target equal to 50 percent of annual operating and maintenance costs, including debt service.

2.1.3 Customer Growth

In recent years, the City has collected an average of nearly \$1 million per year in Water Impact Mitigation Fee revenue from new customers (developers) connecting to the system, which equates to a growth rate of approximately 1.2 percent per year. In the interest of being conservative, this Study assumes that average growth will be 1.0 percent for the duration of the next 10 years.

2.1.4 Water Utility Rate Revenue

Rate revenue is the revenue generated from customers for water service. Water rates include flat rates for unmetered customers and a two-part rate structure for metered customers: a fixed monthly service charge based on the size of the water meter and a

water usage rate based on actual water usage. Single-family customers pay tiered water rates while all other customers pay a uniform water usage rate. Usage rates apply to each hundred cubic feet³ (“CCF”) of water use. The Water Utility financial plan starts with FY 2022/23 budgeted rate revenues. Estimated rate revenues include the customer growth described in Section 2.1.3 as well as the annual rate revenue adjustments proposed by this Study. Aside from the demand increases associated with customer growth, per capita water demand is anticipated to remain constant. Budgeted and projected rate revenues (including proposed rate adjustments) are listed in **Schedule W-3**.

2.1.5 Water Utility Non-Rate Revenues

In addition to rate revenue, the City receives additional “non-rate revenue” from sources such as miscellaneous service fees, DBCP Settlement payments (from a settlement with Chevron and expected to be paid annually for at least the duration of this financial planning period), IMF revenue, and interest revenue on investments. Projections of all non-rate revenues were based on FY 2022/23 budgeted revenues with the exception of interest income which was calculated annually based upon projected fund balances and assumed interest rate of 0.74 percent, which is consistent with the effective interest earnings by the utility enterprises over the past several years. Budgeted water rate and non-rate revenues are depicted in Figure 1 below and listed in detail in **Schedule W-3**.

In accordance with the City’s previous IMF study⁴, Water IMF revenue is eligible to defray the costs of existing debt which was used to fund water expansion projects. The City tracks the use of Water IMF revenue to pay for existing debt through the *Annual Impact Mitigation Fee Program Report*. The City has not consistently transferred funds from the Water IMF Fund (Fund 562) to the Water Utility Fund (Fund 560) every year. According

³ One CCF is equal to 748 gallons

⁴ *City of Lodi Impact Mitigation Fee Program Nexus Study - 2021 Update*, Harris & Associates, July 2021.

to City records, Fund 560 is entitled to receive up to \$14.2 million from Fund 562 (as of the end of FY 2022/23). This financial plan assumes that 2/3 of existing water utility debt service (i.e., \$1.28 million per year) will be paid through Fund 562 (when sufficient funds are available in Fund 562). Schedule W-3 details the planned transfers of funds from Fund 562 to Fund 560 over the planning period (see Rows 18 and 40).

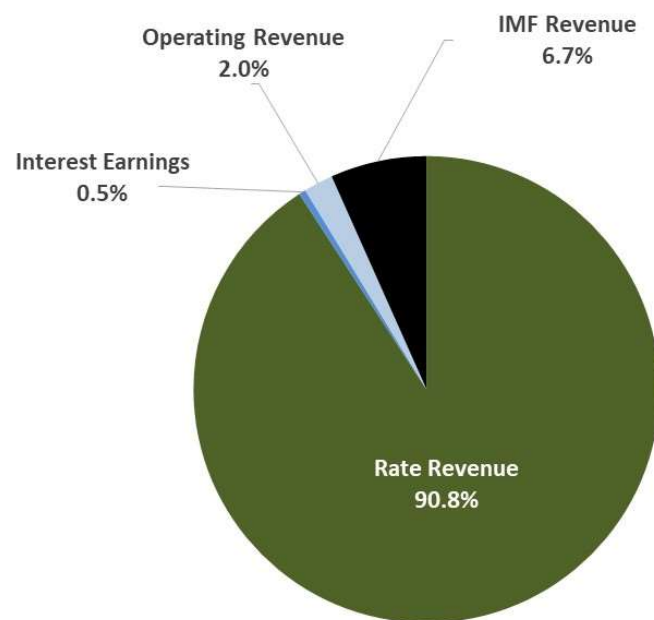


Figure 1: Budgeted Water Utility Revenue Categories (FY 2022/23)

2.1.6 Water Utility Operating Expenses

The Water Utility's expenses include operating and maintenance expenses, debt service, and capital spending. Capital spending is addressed separately in Section 2.1.8. Future operating and maintenance expenses were projected based upon the budgeted expenditures from FY 2022/23 and adjusted for inflation and staff projections regarding future staffing levels. Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with City staff. During the projection

period, most expenses are projected to increase at 3.0 percent per year, with the exception of employee benefits, supplies and chemicals, which are projected to increase at 5 percent per year until FY 2025/26 (and then increase at 3.0 percent thereafter). In addition, operating costs may increase as a result of capital projects (see Section 2.1.8).

Major budgeted expense categories for FY 2022/23 are depicted in **Figure 2**. Budgeted and projected operating and maintenance costs as well as debt service expenses are listed in detail in **Schedule W-1**. The Cost Allocation Plan is a transfer to the General Fund and represents the cost of administrative support provided by the City's central services.

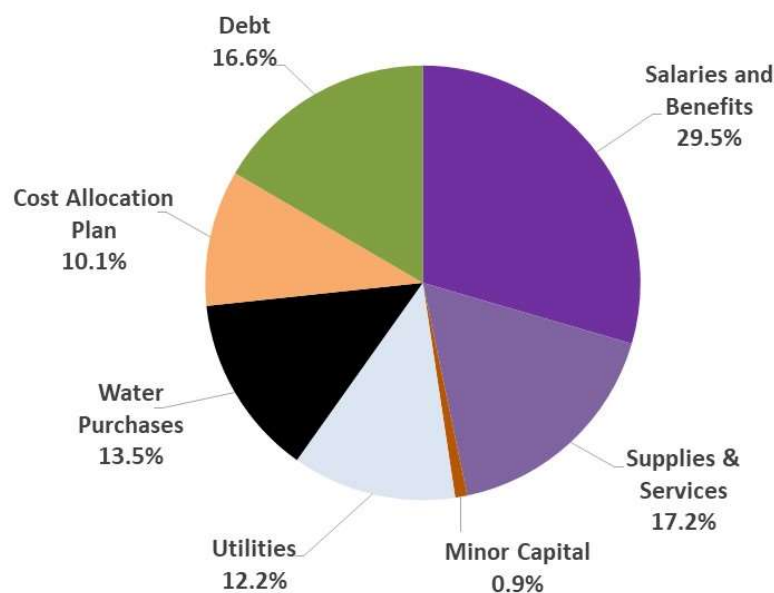


Figure 2: Operating and Debt Expense Categories (FY 2022/23)

2.1.7 Debt Service and Debt Coverage Ratio

The water utility currently pays about \$1.9 million annually in debt service related to the 2020 Water Refunded Revenue Bond. The Water Utility financial plan does not propose to issue any new debt during the ten-year planning period.

One of the requirements associated with bond financing is to maintain rates and other water system revenues at levels sufficient to meet debt service coverage requirements. Based on recently published guidance from Fitch Ratings⁵, utility systems with *midrange* financial profiles should maintain a debt coverage ratio⁶ (“DCR”) greater than 1.50 times annual debt service. Due to the fact that the Water Utility holds minimal debt relative to its revenue profile, this Water Utility financial plan demonstrates that a DCR that is well above minimal levels will be maintained over the next eight years. In FY 2031/32 the DCR ratio may decrease substantially (due to the increase in operating costs as described in Section 2.1.8), but remain robust.

As detailed in the next section, this financial plan proposes to fund all planned capital spending with cash (also known as “pay as you go” or “PayGo”) as opposed to using debt.

2.1.8 Water Utility Capital Improvement Program

Figure 3 shows that from FY 2016/17 to FY 2021/22 the City has spent an average of approximately \$3.5 million in annual capital expenditures. This is consistent with the 2019 Rate Study, which projected that capital spending would be approximately \$3.4 million per year during that time period. Over the next ten years, the City’s average capital spending is expected to increase to over \$6 million per year, driven largely by a \$25 million capacity expansion project at the Surface Water Treatment Facility (SWTF) in FY 2029/30. The City intends to fund about half of this SWTF expansion project with 123-TCP settlement funds and the other half will be funded with available cash reserves from Fund 530 (which will be built up over the next seven years in anticipation of this project). In addition to capital costs, the City estimates that the expansion of the

⁵ As published on July 31, 2013.

⁶ Debt coverage ratio is the ratio of the utility’s net operating income to the annual debt service. In other words, it measures how much net revenue remains after all operating and debt obligations have been paid.

SWTF will increase operating costs at the facility by about fifty percent (see Row 14 in Schedule W-1).

The Water IMF fund (Fund 562) is also expected to fund a limited number of projects over the next ten years, as shown in Schedule W-2. Those capital projects will be entirely supported by IMF revenue and therefore will not affect the Water Operating Fund nor the Water Capital Fund.

A detailed list of all planned water capital projects and associated costs is provided in Schedule W-2.

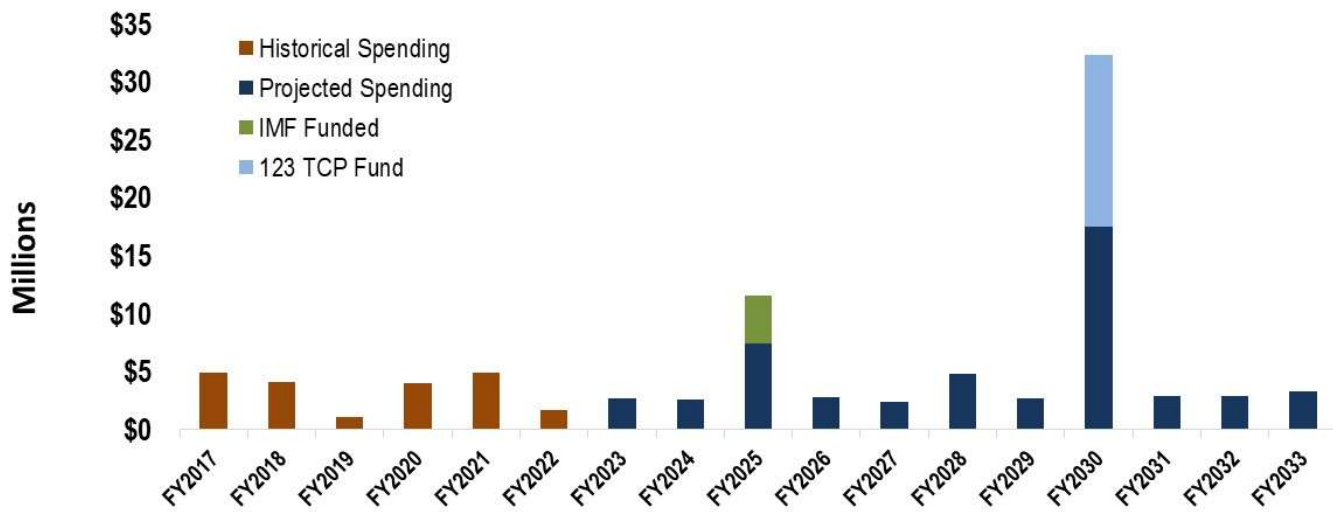


Figure 3: Water Utility Historic and Projected Capital Spending

2.1.9 Proposed Water Rate Revenue Increases

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

Based upon the previously discussed financial data, assumptions, and policies, this Study has calculated cash flow projections based on assumed annual rate adjustments as detailed in **Schedule W-3** (cash flow proforma). The numbers provided in Schedule W-3 are summarized graphically in Figure 4, which shows:

- 1) Reserve levels are built up until FY 2029 in anticipation of the significant SWTF capital expenditure
- 2) Target reserves are maintained over the course of the planning period
- 3) The enterprise's DCR remains at healthy levels at all times

Given the uncertainty of inflation after 2024, the City will issue a Proposition 218 notice that proposes a rate revenue adjustment of 2 percent in Calendar Year 2024 and then authorizes the City to increase rate revenue by a maximum of 5 percent or the previous year's ENR index for the subsequent four years (see Schedule W-4).

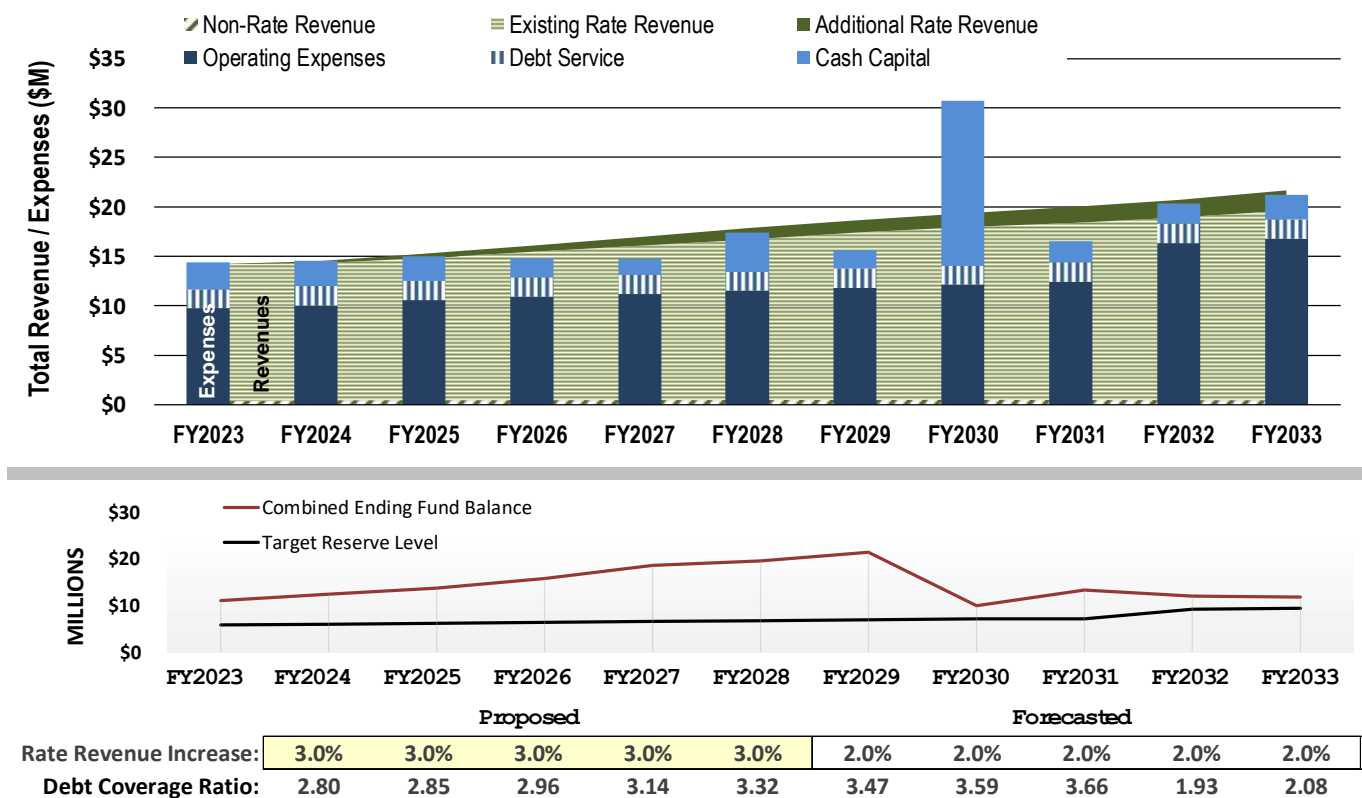


Figure 4: Water Utility Financial Projections with Projected Rate Revenue Increases

2.2 WATER COST OF SERVICE & RATE STRUCTURE

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

Upon completion of the COSA, a rate structure analysis was performed to evaluate rate structure modifications and calculate specific rate. The complete schedule of proposed rates for CY 2024 through CY 2028 is detailed in **Schedule W-4**.

The rate structure proposed by this Study is designed to:

- ▶ Fairly and equitably recover costs through rates
- ▶ Conform to accepted industry practice and legal requirements
- ▶ Provide fiscal stability and recovery of water system costs
- ▶ Meet other rate setting objectives, as described in Section 1.3

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

2.2.1 Current Water Rates

The current water rate schedule is summarized in in Table 2. The most recent rate adjustment occurred in January of 2023.

The City is in the final phases of transitioning customers from flat (unmetered) water rates to usage-based (metered) water rates as the meter retrofit program is completed. In FY 2022/23, the City completed Phase 7 and Phase 8 of the meter retrofit program. Phase 9 will be completed in FY 2023/24, which will install meters on any remaining apartment complexes and non-residential accounts. The City provides customers with

water usage information and flat vs. metered water bill information prior to converting them to the metered water rates. Because of this lag between meter installation and metered billing, the City's goal is to have all customers on metered water rates by 2025.

Flat water rates include a fixed monthly charge for single-family homes and multifamily dwelling units based on the number of bedrooms. A small number of non-residential accounts also pay flat water rates based on the number of equivalent dwelling units.

The metered water rates include a fixed monthly service charge based on the size of the water meter. Single family accounts are subject to a 3-tier usage rate structure and multifamily and non-residential accounts pay a uniform water usage rate. The tiered water usage rate structure for single-family homes was originally developed in 2009. The tier structure was developed to reflect the difference in water supply costs (groundwater versus surface water, which is purchased from the Woodbridge Irrigation District (WID) and then treated) and provides a proportionate method of allocating costs. The uniform water usage rate applicable to multifamily and non-residential accounts is equal to the weighted average of the single-family tier rates to ensure proportionality between customer classes. Tier rates were determined to not be suitable for multifamily and non-residential accounts due to the diversity of water use characteristics and the more complex and costly administrative requirements.

Given recent changes to fire protection requirements (requiring homeowners to install meters that are larger than their water demand requirements) it is the City's practice to charge recently installed 1" single family meters at the 3/4" rate.

At present, about 52 percent of metered water rate revenue is generated from water usage charges and about 48 percent from fixed service charges.

Table 2: Current Rates

Monthly Flat Water Rates (Unmetered)	
Single Family Residential	
1 bedroom	\$33.50
2 bedroom	\$40.23
3 bedroom	\$48.21
4 bedroom	\$57.93
5 bedroom	\$69.47
6 bedroom	\$83.39
7 bedroom	\$99.98
Multi-Family Units	
1 bedroom	\$28.76
2 bedroom	\$34.49
3 bedroom	\$41.40
Mobile Home	
Per Unit	\$28.76
Non-Residential	
Per ESFU	\$40.23
Monthly Service Charges (Metered)	
Up to 3/4" meter	\$22.30
1" meter	\$35.03
1 1/2" meter	\$66.56
2" meter	\$104.57
3" meter	\$193.29
4" meter	\$320.00
6" meter	\$636.51
8" meter	\$1,016.48
10" meter	\$1,459.88
Water Usage Rates (Metered) -- \$/CCF	
Single Family Residential	
Tier 1 (0-10 CCF)	\$0.99
Tier 2 (11-50 CCF)	\$1.32
Tier 3 (> 50 CCF)	\$1.63
Multifamily & Non-Residential	
All water usage	\$1.17

2.2.2 Current Customer Statistics

Water rate calculations are based on a number of factors related to the City's customer base. Factors include the number of customers, customer classes, meter size, and actual water usage. The City provides water service through over 24,000 water service

connections (customer accounts), of which single-family customers comprise about 71% percent.

Service connections with different meter sizes can place different demands on the water system. For example, much more water can be delivered through a 4" water meter than through a 1" meter. The current rate structure is based on hydraulic capacity factors which reflect the potential demands on the water system from customers with different sized water meters. These factors are used to determine the number of equivalent meters represented by the total customer base with variable meter sizes. Table 3 presents the rated flow capacity of various meter sizes and how these are used to develop hydraulic capacity factors. For purposes of rate analysis, a 3/4" meter is assigned a hydraulic capacity factor of 1.0. The ratios of rated flow capacities of the various meter sizes compared to the capacity of a 3/4" meter are used to determine the capacity factors for other meter sizes. This capacity relationship across meter sizes is used to allocate capacity-related fixed costs to various customers. This is also a common rate-setting practice used in the water industry.

Table 3: Rated Water Flow Capacity by Meter Size

Meter Size	Flow Rate Capacity (gpm) ¹	Hydraulic Capacity Factor
Up to 3/4" meter	30	1.0
1" meter	50	1.7
1 1/2" meter	100	3.3
2" meter	160	5.3
3" meter	320	10.7
4" meter	500	16.7
6" meter	1000	33.3
8" meter	1600	53.3
10" meter	2400	80.0

¹ Source: Table B-2, AWWA M1 Manual, 7th Edition

Table 4 summarizes customer account and water usage data used in water rate calculations. Account information is based on the utility billing data from FY 2021/22.

Table 4: Summary of Water Service Connections and Water Usage

No. of Metered Accounts	Meter Size									Total
	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	
Single Family	15,030	1,110	8	1	-	-	1	-	-	16,149
Multi-Family	677	21	34	16	8	-	1	-	-	757
Comm./Industrial	595	196	205	392	73	64	20	1	1	1,547
Total Accounts:	16,302	1,327	247	409	81	64	21	1	1	18,453
Hydraulic Capacity Factor	1.00	1.70	3.30	5.30	10.70	16.70	33.30	53.30	80.00	
No. of 3/4" Equivalent Meters:	16,302	2,256	815	2,168	867	1,069	699	53	80	24,309

No. of Flat Accounts	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom	7 Bedroom	Total
Single Family	272	726	287	38	3	-	-	1,326
Multifamily	1,472	3,351	110					4,933
Total Accounts:	1,744	4,077	397	38	3	-	-	6,259
No. of 3/4" Equivalent Meters:	1,279	3,599	457	55	5	-	-	5,395

Total Accounts:	24,712	Total 3/4" Equivalent Meters:		29,704
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2.2.3 Water Rate Calculations

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

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

2.2.3.1 WATER RATE REVENUE REQUIREMENTS

The ten-year Water Utility financial plan (see Section 2.1) was used to identify the water rate revenue required to meet financial obligations for each fiscal year of the planning period. The water rate calculations presented herein are based on the revenue to be generated in FY 2023/24 and reflect the proposed overall rate revenue to be incorporated in the Water Utility's financial plan.

2.2.3.2 WATER COST-OF-SERVICE ANALYSIS

Once the annual water rate revenue requirement was determined using the financial planning model, the next step in the rate-setting process was to allocate costs to be recovered through the various rate elements. Water rate calculations contained herein are intended to generate water rate revenue equal to the revenue requirement from the

water customers. The manner in which each customer is responsible for the water utility's costs is the determining factor in the COSA.

The cost allocation approach presented by this Study is commensurate with the available data and the requirement to fairly and reasonably reflect the cost difference to provide services to different types of customers.

The cost allocation methodology begins by assigning all costs to one of five cost components. The components include:

- Customer costs such as meter reading and billing are fixed costs that tend to vary as a function of the number of customers being served. Customer costs are allocated to customers based on the number of accounts. That is, every customer will pay an equal share of customer-related costs.
- Capacity costs are also fixed costs; however, these tend to vary in relation to the capacity of the water distribution system and the ability to serve the demands of active customers. Customers that place greater or lesser burdens on the capacity of the water system should bear greater or lesser shares of these costs. The sizing of the water system is based on the potential demand that each customer could place on the water system. Capacity costs are allocated to customers based on the hydraulic capacity of the water meter. The hydraulic capacity reflects the potential demand that a customer could place on the water system at any given time and is a general indicator of each customer's capacity requirement. A customer with a large meter size will be assigned a larger share of fixed capacity-related costs than one with a smaller meter. Capacity costs include costs associated with the water system's capacity including contributions to the capital program, debt service, maintenance, and certain fixed operating costs.
- Water usage costs include variable costs that vary entirely or substantially in response to the amount of actual water use or are reasonably allocated on the basis of water use. Water purchase costs and energy costs are two typical examples. Even though some commodity costs are fixed, rather than variable, it is reasonable to allocate a portion of fixed costs to customers on the basis of usage, rather than the

capacity relationship expressed by meter size and hydraulic capacity in order to further certain rate setting objectives (e.g., water conservation). Due to the fact that the City's single-family customers have a tiered rate structure, the water usage costs are further broken down into the following three categories:

- Groundwater costs are tied to the cost of the City's groundwater wells.
- Surface water costs are tied to the cost of purchasing surface water from WID and treating the raw water at the City's water treatment plant.
- Conservation program costs are tied to the City's conservation program. Water conservation is commonly treated the same as a source of supply for purposes of water management.

Table 5 summarizes how the costs categories that make up the FY 2023/24 rate revenue requirement of \$14,030,500 (see Row 12) are assigned to one or more of the five cost components, previously described. The cost categories were derived from the line-item detailed budget for FY 2023/24, as prepared by staff.

Table 5: FY 2023/24 Water Units Cost of Service

Cost Categories	FY 2023/24 Forecast	Water Usage Costs					Water Usage Costs				
		Customer Costs	Capacity Costs	Groundwater Costs	Surface Water Costs	Conservation Costs	Customer Costs	Capacity Costs	Groundwater Costs	Surface Water Costs	Conservation Costs
1 Water Administration	\$4,616,100	25%	75%				\$1,154,000	\$3,462,000			
2 Water Wells	\$1,714,600			100%					\$1,715,000		
3 Distribution Capacity	\$1,393,600		100%					\$1,394,000			
4 Surface Water Treatment Plant	\$2,085,800				100%					\$2,086,000	
5 Water Conservation Program	\$108,200					100%					\$108,000
6 DBCP Monitoring Program	\$109,600			100%					\$110,000		
7 123-TCP	\$17,600			100%					\$18,000		
8 Capital Projects (cash)	\$2,570,000		50%	25%	25%			\$1,285,000	\$643,000	\$643,000	
9 Debt	\$1,926,000		50%	25%	25%			\$963,000	\$482,000	\$482,000	
10 Non-Rate Revenue	-\$1,679,900	8%	49%	20%	22%	1%	-\$133,000	-\$820,000	-\$343,000	-\$371,000	-\$12,000
11 Change in Fund Balance	\$1,168,900	8%	49%	20%	22%	1%	\$93,000	\$571,000	\$239,000	\$258,000	\$9,000
12 Rate Revenue Requirement:	\$14,030,500						\$1,114,000	\$6,855,000	\$2,864,000	\$3,098,000	\$105,000

While the allocation of cost categories to cost components is self-explanatory in most cases, a few categories merit explanation.

- Water Administration is split 25:75 between customer costs and meter costs based on an approximation of the for managing accounts and billing activities.
- Capital Project and Debt Service are both tied to the cost of building and rehabilitating infrastructure. The value of the water system infrastructure is estimated to approximately 50:25:25 between the distribution system, groundwater wells, and water treatment plant.
- Non-rate Revenue and Change in Fund Balance are both allocated using the indirect allocation method (the weighted percentage of allocations for all of the prior categories).

As shown in Table 6, the cost allocated to each component is divided by the number of relevant units of demand in order to derive unit costs, which become the building blocks for the proposed rates. The units of demand include the number of customer accounts for customer costs, number of equivalent meters for meter costs, and annual water sales in each tier for the three water usage cost components.

Table 6: FY 2023/24 Water Units Cost of Service

	Customer Costs	Capacity Costs	Groundwater Costs	Water Costs	Conservation Costs
Costs by Category:	\$1,114,000	\$6,855,000	\$2,864,000	\$3,098,000	\$105,000
Metrics by Category:	24,712 Accounts	29,704 Equivalent Meters	2,852,866 CCF Tier 1 Water	2,215,359 CCF Tier 2 & 3	332,304 CCF Tier 3 Water
	Account Charge	Capacity Charge	Groundwater Rate	Water Rate	Conservation Surcharge
Unit Rates:	\$45.08 per account per year	\$230.78 per eq. meter per year	\$1.00 per CCF	\$1.40 per CCF	\$0.32 per CCF
Unit Rates:	\$3.76 per account per month	\$19.23 per Eq. Meter per month			

2.2.3.3 SERVICE CHARGE

Service charges are intended to recover the customer and meter costs identified through the COSA. Service charges are fixed and therefore are charged on customer water bills, regardless of whether water is actually used. The rationale for charging a fixed fee is that the water system needs to be maintained and rehabilitated for all customers, regardless of whether they are actively using water or not. The customer is effectively paying to keep water service immediately available.

The service charge is made up of two components: the account charge and the capacity charge. As previously explained, the account charge is the same for all accounts, regardless of the size of the account (\$3.76 per month per account as shown in Table 6).

The capacity charge is based on the account's meter size (\$19.23 per month per equivalent meter as shown in Table 6).

As shown in Table 7, the capacity charge increases in proportion to the meter equivalency, while the account charge remains the same for all meter sizes.

Table 7: Proposed Monthly Service Charges

Meter Size	Account Charge	Capacity Charge	Service Charge
Up to 3/4" meter	\$3.76	\$19.23	\$22.99
1" meter	\$3.76	\$32.69	\$36.45
1 1/2" meter	\$3.76	\$63.46	\$67.22
2" meter	\$3.76	\$101.92	\$105.68
3" meter	\$3.76	\$205.76	\$209.52
4" meter	\$3.76	\$321.14	\$324.90
6" meter	\$3.76	\$640.36	\$644.12
8" meter	\$3.76	\$1,024.96	\$1,028.72
10" meter	\$3.76	\$1,538.40	\$1,542.16

2.2.3.4 WATER USAGE RATES

Consistent with the City's recent practices, this Study proposed to continue to charge single-family customers on a tiered basis, while all other customers will be charged a uniform water usage rate. Charging a tiered rate to single-family customers promotes affordability for those customers that seek to minimize their water bill, allocates the cost of more expensive surface water to those that use more water, and allocates the cost of the conservation program on those who use the most water. While a tiered rate structure could theoretically provide the same benefits for multifamily and non-residential customers, it is far less feasible identify a proper water allocation to those types of customers because of the much wider range of water needs.

As previously explained, the single-family Tier 1 rate is designed to reflect the cost of groundwater, the Tier 2 rate is designed to reflect the cost of treated surface water, and the Tier 3 rate is designed to reflect the cost of treated surface water plus the cost of the City' conservation program. The uniform rate charged to all other customers is

designed to be the weighted average of the tiered rates. These rates are summarized in Table 8.

Table 8: Proposed Water Usage Rates (per CCF)

Water Usage Rate (per CCF)	
Single-Family	
Tier 1	\$1.00
Tier 2	\$1.40
Tier 3	\$1.72
Multifamily and Non-Residential	
Uniform Rate	\$1.20

2.2.3.5 WATER ALLOCATION TO TIERS

The allocation of water in each tier is based on the amount of water supply that is available from each respective source. During CY 2020 and 2021, an average of 2,890 MG of water was produced by City wells, while 2,240 MG of water was purchased from WID. This equates to about 56 percent groundwater and 44 percent of treated surface water. Based on current water usage by single-family customers, the Tier 1 allocation needs to be set at 11 CCF (rounded to the nearest whole number) in order to sell 56 percent of single-family water at Tier 1 rates. The Tier 2 water allocation has been set at 20 CCF in order to sell an appropriate amount of water at Tier 3 rates.

2.2.3.6 NON-METERED WATER RATES

The flat rates for non-metered customers have been updated in proportion to the increases in rate revenue proposed by the financial plan. A complete cost-of-service analysis has not been performed given the fact that the flat rates are imminently being phased out and there is limited information known about the non-metered accounts. In the case of residential customers, the only known information is the number bedrooms associated with each account. In the interest of simplicity and equitability, this Study proposes that the flat rates for non-metered customers be increased by the proposed rate revenue adjustment (a 3 percent increase in Year 1 in this case).

As previously discussed, the remaining non-metered customers are expected to be converted to metered rates in the coming year. The billing conversion for these

customers generally occurs approximately 12 months after the physical retrofit. Due to the delay between the retrofit and the billing changes and the lack of data on the future meter size and water usage for the remaining non-metered accounts, the exact financial impact of these final conversions can only be estimated by this financial plan. The proposed 5-year rate schedule for non-metered accounts is detailed in Schedule W-4.

2.2.4 Adoption of Proposed Water Rates

The 5-year schedule of projected water rates are presented in **Schedule W-4**. The initial rate increase will occur on March 1, 2024, while all subsequent increases will occur on the first day of the calendar year (January 1). Given the uncertainty of inflation after 2024, the City will issue a Proposition 218 notice that authorizes the City to increase rates by a maximum of 5 percent or the previous year's ENR index (see Schedule W-4). The rate increases after the initial year of rate adjustments will occur without additional rate structure updates, meaning that all bills will change by the same percentage.

2.2.5 Water Shortage Surcharge Policy

In addition to the City's standard water rates, the City has an existing Water Shortage Surcharge policy, which can be implemented in the event of a drought or other water supply shortage. These temporary surcharges can be implemented by City Council and are designed to help to reduce the financial risk associated with revenue shortfalls during periods of low water sales. The current policy was adopted during the previous 2019 water rate study and has not been used since that time. Given the fact that the policy is based on a percent change to then-current water rates, it is believed that the existing policy remains valid and therefore the scope of this study does not include an update to the Water Shortage Surcharge policy.

2.2.6 Multifamily Master Metering Policy

We understand that the City is currently evaluating its policy regarding metering requirements for multifamily complexes. While new multifamily complexes are built with water meters for each dwelling unit, the vast majority of existing multifamily buildings only have a master meter. While we understand the allure of assigning

individual water bills for each individual dwelling unit (for reasons of affordability, water conservation and more), there is a reason why the vast majority of water utilities in California and across the country continue to bill multifamily apartments with a single bill through a master meter. Installing submeters behind master meters is very expensive and ensuring that the building does not have any “cross connections” is yet more expensive. Figuring out how to bill individual dwelling units that are not submetered is problematic because (a) there is no water usage data for that dwelling unit (b) frequent vacancies in multifamily units makes it hard to infer a fair bill, and (c) managing more water accounts for the City creates new costs. While multifamily account should not be disallowed from receiving individualized utility bills, these customers should be required to install their own (City-approved and inspected) submeters and demonstrate that the building has no cross-connections.

Section 3. WASTEWATER RATE STUDY

The following subsections include the wastewater utility's financial plan, cost of service, rate design, and proposed wastewater rates schedule. The information in this section has a number of redundancies with Section 2 (by design to allow this Section 3 to stand alone).

3.1 WASTEWATER UTILITY FINANCIAL PLAN

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

The Wastewater Utility 10-year financial plan was developed through several interactive work sessions with City staff and the City Council. As a result of this process, the Study has produced a robust Wastewater Utility financial plan that will enable the City to meet its future revenue requirements and achieve financial performance objectives throughout the projection period while striving to limit rate increases.

The analysis identifies a modest revenue shortfall in upcoming years as a result of historical rate increases that have been below inflation rates (an increase of just over 1 percent per year on average over the past 5 years), which leads to a conclusion that rate revenue adjustments are required for the Wastewater Utility. The schedules attached to this report include detailed data supporting the Wastewater Utility financial plan discussed herein.

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

3.1.1 Wastewater Utility Fund Structure and Beginning Fund Balances

For purposes of this financial plan, the wastewater utility is made up of five funds (there is an additional Fund 533 associated with the stormwater system, but that fund is independent of this rate study). These five funds include:

- Wastewater Operating Fund (Fund 530) – Uses wastewater rate revenue to pay for all operating costs and debt service. Surplus reserves in the Wastewater Operating Fund are transferred to the Wastewater Capital Fund (see next).
- Wastewater Capital Fund (Fund 531) – Receives transfers from the Wastewater Operating Fund and pays for all repair and rehabilitation capital projects (as opposed to growth-related projects).
- Wastewater Capital Reserves Fund (Fund 532) – This fund exists for accounting purposes of paying debt service.
- Wastewater IMF Fund (Fund 533) – Receives IMF revenue⁷ from developers and pays for growth-related capital projects. The Wastewater IMF Fund also occasionally transfers funds to the Wastewater Operating Fund to pay for debt service which was used to fund growth-related capital projects (see Section 3.1.5).
- Wastewater Rate Stabilization Fund (Fund 535) – This fund was originally created in compliance with the terms of a loan.

⁷ The City's "Impact Mitigation Fees" are known as "Capacity Charges" per Government Code Section 66013.

The ending cash balance for each of these funds for FY 2021/22 was used to establish the FY 2022/23 beginning balance, as outlined in **Table 1**. It should be noted that the cash reserves levels in the Wastewater Utility are a product of the City’s reserve policies (see Section 3.1.2).

Table 9: Wastewater Utility FY 2022/23 Beginning Cash Balance

Unrestricted Reserves

Fund 530 - Wastewater Operating Fund	\$17,522,000
Fund 531 - Wastewater Capital Fund	\$4,985,000
Fund 534 - Wastewater Rate Stabilization Fund	\$500,000
Total Unrestricted	\$23,007,000

Restricted Reserves

Fund 533 - Wastewater IMF	\$4,923,000
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3.1.2 Wastewater Utility Cash Reserve Policies

Cash reserve policies are cash balances targets that are retained for specific cash flow needs. The target for reserves is an important component when developing a multi-year financial plan and maintaining prudent reserves is an essential component of any sound financial management strategy. Utilities rely on reserves for financial stability; credit rating agencies evaluate utilities in part on their adherence to formally adopted reserve targets; and lending agencies require utilities to maintain specific debt reserves for outstanding loans. The target levels of the policies below are consistent with: 1) the City’s established policies and practices; 2) the findings of reserve studies conducted by the AWWA; 3) a healthy level of reserves for a utility per the evaluation criteria published by rating agencies (e.g., Fitch, Moody’s, and Standard & Poor’s); and, 4) Hildebrand Consulting’s industry experience for similar systems.

The City’s Budget and Fiscal Policy (as adopted in June 2021 by Resolution 2021-164) states that the Wastewater Utility should target a reserve balance equal to 25 percent of the Wastewater Utility operating budget. Consistent with recommendations made in the 2019 Rate Study report, this Report recommends that the City establish an

Operating Reserves target equal to 50 percent of annual operating and maintenance costs, including debt service.

3.1.3 Customer Growth

In recent years, the City has collected an average of over \$1.2 million per year in Wastewater Impact Mitigation Fee revenue from new customers (developers) connecting to the system, which equates to a growth rate of over 1.0 percent per year. In the interest of being conservative, this Study assumes that average growth will be 1.0 percent for the duration of the next 10 years.

3.1.4 Wastewater Utility Rate Revenue

Rate revenue is the revenue generated from customers for wastewater service. Wastewater rates include flat rates for unmetered customers and a two-part rate structure for meter customers: a fixed monthly service charges based on the size of the water meter and a uniform usage rate based on winter water usage. Usage rates apply to each CCF of water use. The Wastewater Utility financial plan starts with FY 2022/23 budgeted rate revenues. Estimated rate revenues include the customer growth described in Section 3.1.3 as well as the annual rate revenue adjustments proposed by this Study. Budgeted and projected rate revenues (including proposed rate adjustments) are listed in **Schedule WW-3**.

3.1.5 Wastewater Utility Non-Rate Revenues

In addition to rate revenue, the City receives additional “non-rate revenue” from sources such as miscellaneous service fees (e.g., septic disposal charges), IMF revenue, and interest revenue on investments. Projections of all non-rate revenues were based on FY 2022/23 budgeted revenues with the exception of interest income which was calculated annually based upon projected fund balances and assumed interest rate of 0.74 percent, which is consistent with the effective interest earnings by the utility enterprises over the past several years. Budgeted wastewater rate and non-rate revenues are depicted in **Figure 5** below and listed in detail in **Schedule WW-3**.

In accordance with the City's previous IMF study⁸, Wastewater IMF revenue is eligible to defray the costs of existing debt which was used to fund wastewater expansion projects. The City tracks the use of IMF revenue to pay for existing debt through the *Annual Impact Mitigation Fee Program Report*. The City has not consistently transferred funds from the Wastewater IMF Fund (Fund 533) to the Wastewater Utility Fund (Fund 530) every year. According to City records, Fund 530 is entitled to receive up to \$11.4 million from Fund 533 (as of the end of FY 2022/23). Given the healthy reserves in Fund 533 and the significant capital spending projections for the wastewater utility, this financial plan assumes that \$6.4 million will be transferred from Fund 533 in FY 2023/24 and an additional \$1 million per year thereafter until the \$11.4 million obligation has been reimbursed. Schedule W-3 details the planned transfers of funds from Fund 533 to Fund 530 over the planning period (see Rows 18 and 42).

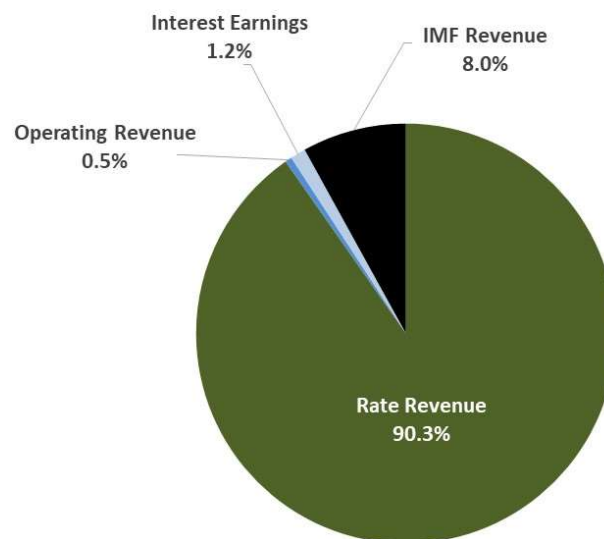


Figure 5: Budgeted Wastewater Utility Revenue Categories (FY 2022/23)

⁸ *City of Lodi Impact Mitigation Fee Program Nexus Study - 2021 Update*, Harris & Associates, July 2021.

3.1.6 Wastewater Utility Operating Expenses

The Wastewater Utility's expenses include operating and maintenance expenses, debt service, and capital spending. Capital spending is addressed separately in Section 3.1.8. Future operating and maintenance expenses were projected based upon the budgeted expenditures from FY 2022/23 and adjusted for inflation and staff projections regarding future staffing levels. Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with City staff. During the projection period, most expenses are projected to increase at 3.0 percent per year, with the exception of employee benefits, supplies and chemicals, which are projected to increase at 5 percent per year until FY 2025/26 (and then increase at 3.0 percent thereafter).

Major budgeted expense categories for FY 2022/23 are depicted in **Figure 2**. Budgeted and projected operating and maintenance costs as well as debt service expenses are listed in detail in **Schedule WW-1**. The Cost Allocation Plan is a transfer to the General Fund and represents the cost of administrative support provided by the City's central services.

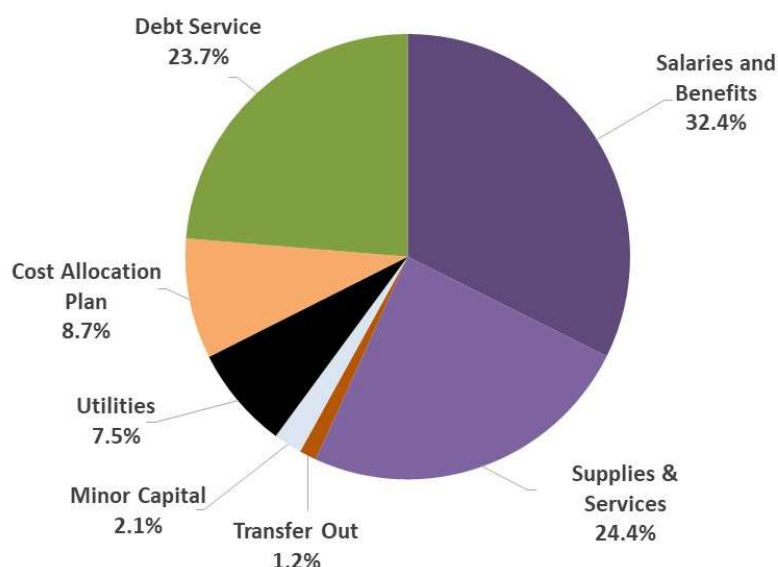


Figure 6: Operating and Debt Expense Categories (FY 2022/23)

3.1.7 Debt Service and Debt Coverage Ratio

The wastewater utility currently pays about \$3.3 million annually in debt service related to four separate loans: a 2004 Certification of Participation, a 2012 Wastewater Certificate of Participation, a 2016 Certification of Participation, a Refunding of the 2007 Series A Wastewater Revenue Bonds, and 2020 Wastewater Refunded Revenue Bond. The Wastewater Utility financial plan does not propose to issue any new debt during the ten-year planning period.

One of the requirements associated with bond financing is to maintain rates and other wastewater system revenues at levels sufficient to meet debt service coverage requirements. Based on recently published guidance from Fitch Ratings⁹, utility systems with *midrange* financial profiles should maintain a DCR greater than 1.50 times annual debt service. Due to the fact that the Wastewater Utility holds minimal debt relative to its revenue profile, this Wastewater Utility financial plan demonstrates that a DCR that is well above minimal levels will be maintained throughout the planning period. The strong DCR numbers should not be interpreted as “excessive” but rather an indication that the Wastewater Utility has successfully minimized its reliance on debt as a means to finance capital projects.

As detailed in the next section, this financial plan proposes to follow a PayGo strategy for all capital spending as opposed to using debt.

3.1.8 Wastewater Utility Capital Improvement Program

Figure 7 shows that from FY 2016/17 to FY 2021/22 the City has spent an average of approximately \$2.2 million in annual capital expenditures. This is significantly lower than the spending levels projected by the 2019 Rate Study, which forecasted average annual capital spending of approximately \$7.6 million per year during that time period. A detailed list of capital projects and associated costs is provided in **Schedule WW-2**.

⁹ As published on July 31, 2013.

While the Wastewater Utility currently has healthy reserves (due, in part, to the fact that the previously planned capital program was not fully executed), those reserves are expected to be drawn down quickly in order to fund the significant increase in capital spending. This financial plan proposes to cash finance all capital projects for the financial planning period (i.e., no additional debt).

At this time, the Wastewater IMF fund (Fund 533) is not scheduled to fund any growth-related projects over the next ten years.

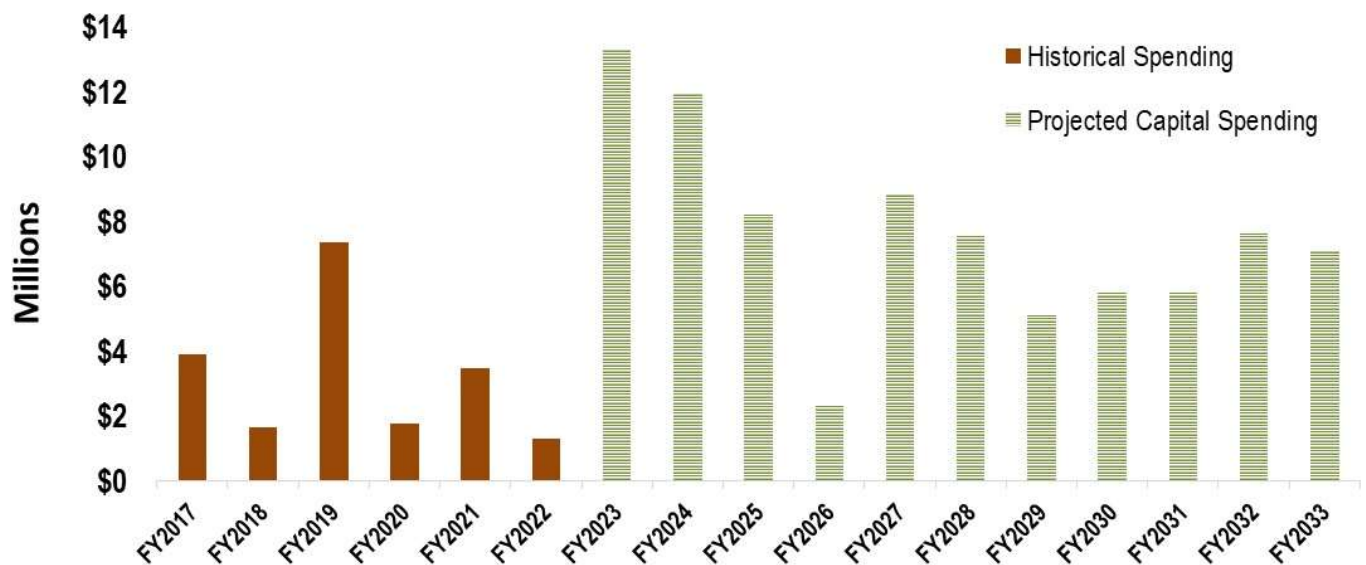


Figure 7: Wastewater Utility Historic and Projected Capital Spending

3.1.9 Proposed Wastewater Rate Revenue Increases

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

Based upon the previously discussed financial data, assumptions, and policies, this Study has calculated cash flow projections based on assumed annual rate adjustments as detailed in **Schedule WW-3** (cash flow proforma). The numbers provided in Schedule

WW-3 are summarized graphically in Figure 8, which shows that the target reserves are maintained over the course of the planning period and the DCR remains at healthy levels at all times.

Given the uncertainty of inflation after FY 2024/25, the City will issue a Proposition 218 notice that proposes a rate revenue adjustment of four percent in Fiscal Year 2024/25 and then authorizes the City to increase rate revenue by a maximum of 5 percent or the previous year's ENR index for the subsequent four years (see Schedule WW-4).

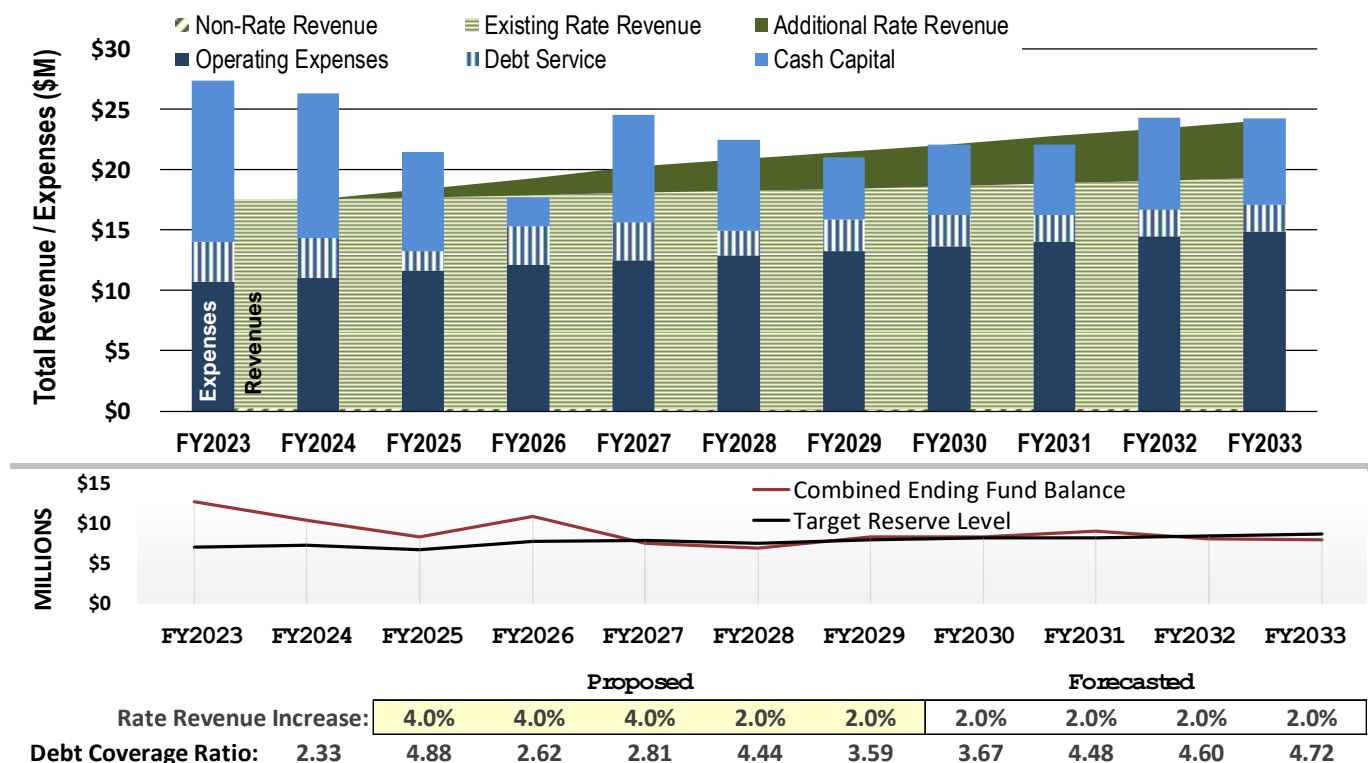


Figure 8: Wastewater Utility Financials Projection with Recommended Rate Increases

In reviewing Figure 8, the healthy reserve levels in FY 2022/23 are explained by the fact that capital spending over the past several years has been lower than previously expected (see Section 3.1.8). The rate increases are needed in order to keep up with inflation and to fund the significant increase in capital spending over the next ten years.

3.2 WASTEWATER COST OF SERVICE & RATE STRUCTURE

The wastewater COSA evaluates the cost of providing wastewater collection, treatment and disposals services and allocates those costs to rate structure components to ensure the proposed rates are aligned with the costs to provide service. The COSA is performed in order to comply with Proposition 218, which requires wastewater rates to be equitably apportioned and proportional to the cost of providing sewer service.

Upon completion of the COSA, a rate structure analysis was performed to evaluate rate structure modifications and calculate specific rate. The complete schedule of proposed rates for FY 2025 through FY 2029 is detailed in **Schedule WW-4**.

The rate structure proposed by this Study is designed to:

- ▶ Fairly and equitably recover costs through rates
- ▶ Conform to accepted industry practice and legal requirements
- ▶ Provide fiscal stability and recovery of wastewater system costs
- ▶ Meet other rate setting objectives, as described in Section 1.3

This Study employed a well-established COSA methodology that is consistent with common industry standards and is consistent methodologies promulgated by the Water Environment Federation (WEF) and AWWA.

3.2.1 Current Wastewater Rates

The current wastewater rate schedule is summarized in Table 10. The City last adjusted its wastewater rates in July 2023, based on the recommendations from the 2019 Rate Study.

The City is in the final phases of transitioning customers from flat (unmetered) wastewater rates to usage-based (metered) wastewater rates as the meter retrofit program is completed. In FY 2022/23, the City completed Phase 7 and Phase 8 of the meter retrofit program. Phase 9 will be completed in FY 2023/24, which will install

meters on any remaining apartment complexes and non-residential accounts. The City provides customers with water usage information and flat vs. metered bill information prior to converting them to the metered rates. Because of this lag between meter installation and metered billing, the City's goal is to have all customers on metered rates by 2025.

Flat wastewater rates include a fixed monthly charge for residential accounts based on the number of. Non-metered non-residential accounts pay flat wastewater rates based on the number of sanitary sewer units (SSU) for each account, as determined by City staff. One SSU is equivalent to a two-bedroom single-family home. Flat wastewater rates will be phased out as the meter retrofit program is completed.

The metered wastewater rates include a fixed monthly service charge based on the size of the water meter and a usage rate. The usage rate is multiplied by actual monthly water usage for non-residential customers and based on winter water usage for residential customers. Winter water usage is used to estimate residential sewer flows since irrigation usage is minimized during this time period and winter usage reasonably reflects the amount of indoor water usage that ends up in the sewer system. The "winter quarter average" (WQA) is calculated based on the average water usage for the months of December through March, excluding the highest month. In July of each year, a monthly charge is calculated for each non-residential customer that includes both the fixed service charge and a usage charge based on that customer's WQA for the previous winter. That charge is then billed monthly for the ensuing 12-month period.

Currently all City customers (with exception to a few industrial customers, see the next paragraph) are assumed to have the same wastewater strength (see Section 3.2.2). This is partially due to the fact that the City does not currently have the data necessary to assign specific strength assumptions to the various types of non-residential customers. While it is reasonable to use the simplistic assumption that all customers have similar wastewater strength, there is also an opportunity to develop rates that reflect the fact that higher-strength customers likely have a larger impact on treatment operating costs (such as energy and chemical costs). During the next rate study (assuming that the City

has collected more data on its commercial customers through the meter retrofit program) the City may wish to consider developing wastewater rates that reflect the difference in the cost of treated elevated strength sewage (for example the wastewater produced by customers such as restaurants).

Table 10: Current Wastewater Rates

Monthly Flat Water Rates (Unmetered)	
Single Family and Multi-Family Residential Dwelling Units	
1 bedroom	\$30.45
2 bedroom	\$40.60
3 bedroom	\$50.75
4 bedroom	\$60.90
5 bedroom	\$71.05
Mobile Homes (per unit)	\$30.45
Schools (per SSU (18 students)	\$30.45
Non-Residential (per SSU)	\$40.60
Monthly Service Charges (Metered)	
Up to 3/4" meter	\$27.73
1" meter	\$44.67
1 1/2" meter	\$86.30
2" meter	\$135.73
3" meter	\$253.59
4" meter	\$420.86
6" meter	\$838.71
8" meter	\$1,340.31
Wastewater Usage Rates (Metered)	
Usage Rate (\$/CCF of water use)*	\$3.15

* Residential customers are billed based on their WQA while non-residential customers are billed based on actually monthly water usage.

The City has about ten large “industrial” customers (primarily food processing) that discharge to a dedicated collection pipeline and treatment train. Since these industrial customers are served by a dedicated collection and treatment system, the City calculates a special industrial wastewater rate, which gets updated by the City every year. The industrial rates are designed to spread the costs of the dedicated system

among the industrial customers, and the rates are based on actual wastewater flows, loading characteristics and facility costs (including operating costs and depreciation).

3.2.2 Customer Account Data and Wastewater Flow and Loading Estimates

Wastewater rate calculations are based on a number of factors related to the City's customers. Factors include the number of customers, customer classes, water usage, estimated wastewater flows, and wastewater strength characteristics as measured by biochemical oxygen demand (BOD).

Table 11 summarizes customer account and water usage data obtained from the City's utility billing system, as well as estimates of resulting wastewater flow and loading characteristics. Residential wastewater flows are estimated based on their WQA. Non-residential wastewater flows are based on actual water usage, as most non-residential water usage is indoors (since irrigation water is separately metered).

Wastewater rate analyses consider the strength (loading) characteristics of sewage entering treatment facilities. Strength factors for BOD are considered, as these factors play a key role in treatment facility operations. All customers (aside from separately billed industrial customers) are assigned standard residential strength factors of 300 mg/l for BOD. These strength factors are based on historical City practices and are consistent with guidelines published by the California State Water Resources Control Board (SWRCB) and other sources.

Table 11: Wastewater Customer Account Data and Estimated Wastewater Flows and Loadings

Customer Class	No. of Accounts	No. of EMs / SSUs ²		Estimated Annual Wastewater Flow ³	Estimated Annual Wastewater Flow	BOD Strength ⁴	Annual BOD Loading
				CCF	MG	mg/l	lbs
Residential Metered	15,200	16,077	EMs	1,708,975	1,278.31	300	3,198,340
Residential Flat	7,618	7,618	SSUs	na	na	na	na
Non-Residential Metered	52	33	EMs	93,353	69.83	300	174,709
Non-Residential Flat	1,877	1,877	SSUs	na	na	300	na
Totals	24,747	25,605		1,802,328	1,348.1		3,373,049

Notes:

¹ Source: FY 2021/22 billing data and estimates based on water usage assumptions regarding non-metered customers.

² EM = Equivalent Meters (for metered accounts), SSU = sewer service unit (for unmetered accounts). Table 3 provides the equivalency schedule for water meters.

³ Wastewater flows for residential customers was based on the WQA.

⁴ Based on SWRCB guidelines and City Ordinance.

3.2.3 Wastewater Rate Calculations

There are three steps to determining wastewater rates. These are:

- Determine annual wastewater rate revenue requirements
- Analyze the cost of providing service to each customer class
- Design wastewater rates to recover costs from each customer class.

The Wastewater Utility financial plan (see Section 3.1) was used to identify the wastewater rate revenue requirements for each fiscal year of the five-year planning period.

Once the total annual wastewater rate revenue requirement has been determined (see Section 3.1.9), the next step in the rate setting process is to evaluate the cost of providing service to individual customers. The revenue requirement is allocated to various customer classifications according to the services provided and the demands placed on the wastewater system. The cost allocation methodology begins by assigning all costs to one of three cost components. The components include:

- Customer costs, such as meter reading and billing, which are fixed costs that tend to vary as a function of the number of customers being served. Customer costs are allocated to customers based on the number of accounts. That is, every customer will pay an equal share of customer-related costs.
- Collection costs are also fixed costs; however, these tend to vary in relation to the capacity of the wastewater collection system and the ability to serve the demands of active customers. Customers that place greater or lesser burdens on the capacity of the wastewater system should bear greater or lesser shares of these costs. The sizing of the wastewater collection system is based on the potential demand that each customer could place on the wastewater system. Capacity costs are allocated to customers based on the hydraulic capacity of their water meter (which is a proxy for the peak demands that each customer may put on the wastewater collection system). A customer with a large meter size will be assigned a larger share of fixed capacity-related costs than one with a smaller meter.

- Treatment / Disposals costs are partially fixed and partially variable, based on the amount of wastewater that needs to be processed. Variable cost components include electricity and chemicals.

Table 12 summarizes how the costs categories that make up the FY 2024/25 revenue requirement of \$11,420,090 (see Row 12) are assigned to one or more of the three cost components, previously described. The cost categories were derived from the detailed budget forecast for FY 2024/25. Note that expenses are partially offset by other sources of revenue (see Rows 8 through 11). These other sources of revenue include both (a) the rate revenue collected by industrial customers (see Section 3.2.1), since those rates are calculated and collected separately from these standard wastewater rates and (b) revenue from non-metered customers since the rate structure of non-metered customers is not being modified by this study and is therefore excluded from the COS analysis.

Table 12: Cost Categorization

			Cost Categories					
			Allocation Percentages			Allocation of Costs		
	Wastewater System Costs	Cost	Customer	Collection	Treatment/ Disposal	Customer	Collection	Treatment/ Disposal
1	Wastewater Administration	\$3,075,000	25%	30%	45%	\$768,750	\$922,500	\$1,383,750
2	Plant Maintenance	\$5,946,000			100%	\$0	\$0	\$5,946,000
3	Sanitary System Maintenance	\$2,262,000		100%		\$0	\$2,262,000	\$0
4	Industrial System Maintenance	\$17,000		50%	50%	\$0	\$8,500	\$8,500
5	Service Personnel	\$197,000		25%	75%	\$0	\$49,250	\$147,750
6	Cash-Funded Capital	\$8,209,000		40%	60%	\$0	\$3,283,600	\$4,925,400
7	Debt Service	\$1,629,000		40%	60%	\$0	\$651,600	\$977,400
8	Other Revenue	-\$177,000	4%	34%	63%	-\$6,378	-\$59,546	-\$111,077
9	Industrial Rate Revenue	-\$677,000	4%	34%	63%	-\$24,394	-\$227,754	-\$424,852
10	Non-Metered Rate Revenue	-\$7,110,000	4%	34%	63%	-\$256,190	-\$2,391,923	-\$4,461,887
11	Addition To/(Use of) Reserves	-\$1,950,910	4%	34%	63%	-\$70,296	-\$656,319	-\$1,224,295
12	WW Rate Rev Requirement:	\$11,420,090				\$411,493	\$3,841,909	\$7,166,689

Table 12 summarizes how the wastewater rate revenue requirement is allocated to customers costs (3.6 percent), collection costs (33.6 percent) and treatment/disposal costs (62.8 percent). Table 13 shows that the treatment/disposal costs are further subdivided into costs to be recovered through fixed charges, flow-based charges, and strength-based charges (BOD). The City's budget structure does not lend itself to the

segregation of treatment costs into these three subdivisions, therefore we have relied upon professional judgment and standard estimating practices used in rate setting to allocate these costs. The wastewater treatment costs have been allocated 20 percent to fixed service charges, 40 percent flow-based charges (per CCF), and 40 percent to strength-based charges (per lbs. of BOD). We believe these allocations are reasonable and are within the ranges found in other wastewater rate analyses.

Next, Table 13 shows that unit costs are calculated by dividing the total cost for each component by the number of units identified in Table 11. These unit costs become the basis for assigning costs to customer classes.

Table 13: Determination of Wastewater Unit Costs

Cost Category	Component Allocation Percentages	Parameter Allocation Percentages¹	Annual Cost	Quantities for Each Parameter		Unit Cost for Each Parameter
Customer	\$408,620					
Customer Accounts		100.0%	\$408,620	15,252	Accounts	\$26.79 per Account
Collection	\$3,894,817					
Fixed (EM)		100.0%	\$3,894,817	16,110	Equivalent Meters	\$241.76 per Equivalent Meter
Treatment/Disposal	\$7,116,654					
Fixed (EM)		20.0%	\$1,423,331	16,110	Equivalent Meters	\$88.35 per Equivalent Meter
Flow (MG)		40.0%	\$2,846,661	1,802,328	CCF	\$1.58 per CCF
BOD (lbs)		40.0%	\$2,846,661	3,373,049	lbs. of BOD	\$0.84 per lb. of BOD
Total Revenue Requirement			\$11,420,090			

Notes:

¹ Allocations to parameters are consistent with common industry practice and rate consultant's experience with prior rate studies.

Table 14 shows the total cost allocated to each customer class by multiplying the unit costs against number of accounts, number of equivalent meters, annual wastewater flows, and the BOD loadings.

Finally, Table 15 presents the proposed wastewater Service Charge (by adding the account charge and the equivalent meter charge) and Usage Rate (by adding the flow rate from Table 14 to the flow rate derived from the BOD unit rate).

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Table 14: Allocation of Wastewater Costs to Users ¹

No. of Accounts	Customer Class	Customer Unit Cost = \$26.79 per account	Collection Fixed Unit Cost = \$241.76 per EM	Treatment / Disposal			Allocation of Total Costs ²
				Fixed Unit Cost = \$88.35 per EM	Flow Unit Cost = \$1.58 per CCF	BOD Unit Cost = \$0.84 per lb. BOD	
15,200	Residential Residential Metered	\$407,200	\$3,886,800	\$1,420,400	\$2,700,200	\$2,686,600	\$11,101,200
52	Non-Residential Non-Residential Metered	\$1,400	\$8,000	\$2,900	\$147,500	\$146,800	\$306,600
15,252	Totals	\$408,600	\$3,894,800	\$1,423,300	\$2,847,700	\$2,833,400	\$11,407,800

Note:

¹ Unit costs at the top of each column are multiplied by the wastewater flow, and BOD loading for each customer class.

² Totals may not match previous values due to rounding.

Table 15: Wastewater Rate Determination

No. of Accounts	Customer Class	Estimated Annual Wastewater Flow CCF	BOD Strength mg/L	Monthly Service Charges \$/EM	Usage Rates ¹ \$/ccf	Total Service Charge Revenue	Total Usage Charge Revenue	Total Annual Wastewater Rate Revenue ²
15,200	Residential Metered	1,708,975	300	\$29.74 per EM. Varies by meter size	\$3.15	\$5,714,400	\$5,383,300	\$11,097,700
52	Non-Residential Metered	93,353	300		\$3.15	\$12,300	\$294,100	\$306,400
15,252	Totals:	1,802,328				\$5,726,700	\$5,677,400	\$11,404,100

Notes:

¹ Usage Rates were calculated by adding the flow rate from Table 14 with a flow rate derived from the BOD unit rate (per lbs.) which is calculated based on the assumption that all customers have a BOD strength of 300 mg/L.

² Totals may not match previous values due to rounding.

3.2.4 Proposed Wastewater Rate Schedules

The 5-year schedule of projected water rates is presented in **Schedule WW-4**. Each rate increase will occur on the first day of the fiscal year (July 1). Given the uncertainty of inflation after FY 2024/25, the City will issue a Proposition 218 notice that authorizes the City to increase rates by a maximum of 5 percent or the previous year's ENR index (see Schedule WW-4). The rate increases after the initial year of rate adjustments will occur without additional rate structure updates, meaning that all bills will change by the same percentage.

Section 4. CONCLUSION

This 2023 Water and Wastewater Rate Study proposes updated utility rates for the City of Lodi, which includes both rate structures updates based on a cost-of-service analysis as well as rate revenue increases. The need for rate increases for both utilities is driven primarily by (1) inflation, (2) tempered rate increases over the past 5 years, and (c) an increase in capital spending needs. The City has developed detailed capital improvement plans that are designed to pro-actively repair and replace critical and aging infrastructure in order to ensure that the City can continue to provide safe and reliable utility services.

This Study used methodologies that are aligned with industry standard practices for rate setting as promulgated by AWWA and all applicable laws, including California's Proposition 218. The proposed annual adjustments to the water and wastewater rates are expected to enable the City to continue to provide reliable service to customers while meeting the state's mandates.

The water and wastewater rates will need to be adopted in accordance with Proposition 218, which will require a detailed notice describing the proposed charges to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates.

SCHEDULES

Schedule W-1 - Budgeted and Projected Water Utility Operating and Debt Expenses

Schedule W-2 – Water Utility Capital Spending Plan

Schedule W-3 – Water Utility Cash Flow Pro Forma

Schedule W-4 – Five Year Schedule of Proposed Water Rates

Schedule WW-1 - Budgeted and Projected Wastewater Utility Operating and Debt Expenses

Schedule WW-2 - Wastewater Utility Capital Spending Plan

Schedule WW-3 - Wastewater Utility Cash Flow Pro Forma

Schedule WW-4 – Five Year Schedule of Proposed Wastewater Rates

Schedule W-1 –Budgeted and Projected Water Utility Operating and Debt Expense (1 of 4)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
1 56052001 - PW Water Administration										
2 71 - Salaries & Benefits										
3 71002 - Overtime	\$44,100	\$45,400	\$46,800	\$48,200	\$49,600	\$51,100	\$52,600	\$54,200	\$55,800	\$57,500
4 71015 - Medicare Insurance	\$700	\$700	\$700	\$800	\$800	\$800	\$800	\$800	\$900	\$900
5 71189 - Personnel Transfer Charges	\$1,066,600	\$1,098,600	\$1,131,500	\$1,165,500	\$1,200,400	\$1,236,400	\$1,273,500	\$1,311,700	\$1,351,100	\$1,391,600
7 72 - Supplies & Services										
8 72203 - Cellular phone charges	\$12,600	\$13,200	\$13,900	\$14,300	\$14,700	\$15,200	\$15,600	\$16,100	\$16,600	\$17,100
9 72301 - Printing/Binding/Duplication	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
10 72305 - Uniforms	\$26,300	\$27,600	\$28,900	\$29,800	\$30,700	\$31,600	\$32,600	\$33,600	\$34,600	\$35,600
11 72306 - Safety Equipment	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800
12 72307 - Office Supplies	\$4,700	\$5,000	\$5,200	\$5,400	\$5,500	\$5,700	\$5,900	\$6,000	\$6,200	\$6,400
13 72308 - Books & Periodicals	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
14 72309 - Membership & Dues	\$12,600	\$13,200	\$13,900	\$14,300	\$14,700	\$15,200	\$15,600	\$16,100	\$16,600	\$17,100
15 72310 - Uncollectible Acct Expense	\$36,800	\$38,600	\$40,500	\$41,700	\$43,000	\$44,300	\$45,600	\$47,000	\$48,400	\$49,800
16 72311 - Collection Agency Fees	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000	\$2,100	\$2,100
17 72312 - Bank Service Charges	\$57,800	\$60,600	\$63,700	\$65,600	\$67,500	\$69,600	\$71,700	\$73,800	\$76,000	\$78,300
18 72313 - Information Systems Software	\$73,500	\$77,200	\$81,000	\$83,500	\$86,000	\$88,500	\$91,200	\$93,900	\$96,800	\$99,700
19 72314 - Business Expense	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
20 72315 - Conference Expense	\$8,900	\$9,400	\$9,800	\$10,100	\$10,400	\$10,800	\$11,100	\$11,400	\$11,700	\$12,100
21 72352 - Special Dept Materials	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
22 72353 - Janitorial Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
23 72355 - General Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
24 72358 - Training and Education	\$12,600	\$13,200	\$13,900	\$14,300	\$14,700	\$15,200	\$15,600	\$16,100	\$16,600	\$17,100
25 72359 - Small Tools and Equipment	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
26 72369 - Software Licensing Cost	\$42,000	\$44,100	\$46,300	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$56,900
27 72495 - Recording/Title Services	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
28 72499 - Misc Contract Services	\$76,000	\$79,800	\$83,800	\$86,300	\$88,900	\$91,600	\$94,300	\$97,200	\$100,100	\$103,100
29 72530 - Repairs to Communication Equip	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
30 72531 - Repairs to Machines & Equip	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000	\$2,100	\$2,100
31 72532 - Repairs to Office Equip	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
32 72533 - Repairs to Vehicles	\$70,800	\$74,300	\$78,000	\$80,400	\$82,800	\$85,300	\$87,800	\$90,500	\$93,200	\$96,000
33 72534 - Repairs to Buildings	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
34 72536 - Car Wash	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
35 72551 - Motor Vehicle Fuel & Lube	\$31,800	\$33,400	\$35,000	\$36,100	\$37,200	\$38,300	\$39,400	\$40,600	\$41,800	\$43,100
36 72823 - Refunds/Rebates	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
37 72950 - WID Water Purchase	\$1,649,000	\$1,731,400	\$1,818,000	\$1,872,500	\$1,928,700	\$1,986,600	\$2,046,200	\$2,107,600	\$2,170,800	\$2,235,900
38 72990 - Special Payments	\$141,800	\$148,800	\$156,300	\$161,000	\$165,800	\$170,800	\$175,900	\$181,200	\$186,600	\$192,200
39 75099 - Misc Debt Service Charges	\$10,300	\$10,600	\$10,900	\$11,300	\$11,600	\$11,900	\$12,300	\$12,700	\$13,000	\$13,400
40 77 - Operating Transfer O										
41 76220 - Operating Transfer Out	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200	\$1,179,200
43 77030 - Machinery and equipment	\$25,800	\$26,500	\$27,300	\$28,100	\$29,000	\$29,900	\$30,700	\$31,700	\$32,600	\$33,600
44 56052002 - Damage To City Property										
45 71 - Salaries & Benefits										
46 71002 - Overtime	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,400	\$1,500	\$1,500
47 72 - Supplies & Services										
50 56052003 - Water Wells										
51 71 - Salaries & Benefits										
52 71002 - Overtime	\$17,300	\$17,900	\$18,400	\$18,900	\$19,500	\$20,100	\$20,700	\$21,300	\$22,000	\$22,600
53 71008 - Meal Allowance	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
54 71015 - Medicare Insurance	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
55 71189 - Personnel Transfer Charges	\$288,400	\$297,100	\$306,000	\$315,100	\$324,600	\$334,300	\$344,400	\$354,700	\$365,300	\$376,300

Schedule W-1 – Budgeted and Projected Water Utility Operating and Debt Expense (2 of 4)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
72 - Supplies & Services										
72201 - Postage	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
72202 - Telephone	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
72203 - Cellular phone charges	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
72211 - Electricity	\$953,200	\$981,800	\$1,011,200	\$1,041,600	\$1,072,800	\$1,105,000	\$1,138,100	\$1,172,300	\$1,207,500	\$1,243,700
72213 - Water	\$7,200	\$7,400	\$7,600	\$7,900	\$8,100	\$8,400	\$8,600	\$8,900	\$9,100	\$9,400
72306 - Safety Equipment	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
72307 - Office Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
72352 - Special Dept Materials	\$78,800	\$82,700	\$86,800	\$89,400	\$92,100	\$94,900	\$97,700	\$100,700	\$103,700	\$106,800
72355 - General Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
72358 - Training and Education	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
72359 - Small Tools and Equipment	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
72450 - Misc. Professional Services	\$73,500	\$77,200	\$81,000	\$83,500	\$86,000	\$88,500	\$91,200	\$93,900	\$96,800	\$99,700
72499 - Misc Contract Services	\$75,600	\$79,400	\$83,300	\$85,800	\$88,400	\$91,100	\$93,800	\$96,600	\$99,500	\$102,500
72531 - Repairs to Machines & Equip	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
72822 - Taxes	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
72861 - Work for Others	\$114,300	\$120,000	\$126,000	\$129,800	\$133,700	\$137,700	\$141,800	\$146,100	\$150,500	\$155,000
72990 - Special Payments	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
78 - Capital Projects										
77030 - Machinery and equipment	\$41,200	\$42,400	\$43,700	\$45,000	\$46,400	\$47,800	\$49,200	\$50,700	\$52,200	\$53,800
56052004 - Distribution Capacity										
71 - Salaries & Benefits										
71002 - Overtime	\$63,300	\$215,200	\$221,700	\$228,300	\$235,200	\$242,200	\$249,500	\$257,000	\$264,700	\$272,600
71008 - Meal Allowance	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800
71015 - Medicare Insurance	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200
71189 - Personnel Transfer Charges	\$885,800	\$912,400	\$939,700	\$967,900	\$997,000	\$1,026,900	\$1,057,700	\$1,089,400	\$1,122,100	\$1,155,800
72 - Supplies & Services										
72201 - Postage	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
72305 - Uniforms	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
72306 - Safety Equipment	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
72307 - Office Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
72308 - Books & Periodicals	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
72322 - Rental of Equipment	\$15,800	\$16,500	\$17,400	\$17,900	\$18,400	\$19,000	\$19,500	\$20,100	\$20,700	\$21,400
72352 - Special Dept Materials	\$262,500	\$275,600	\$289,400	\$298,100	\$307,000	\$316,200	\$325,700	\$335,500	\$345,600	\$355,900
72355 - General Supplies	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
72358 - Training and Education	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
72359 - Small Tools and Equipment	\$42,000	\$44,100	\$46,300	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$56,900
72450 - Misc. Professional Services	\$73,500	\$77,200	\$81,000	\$83,500	\$86,000	\$88,500	\$91,200	\$93,900	\$96,800	\$99,700
72499 - Misc Contract Services	\$15,800	\$16,500	\$17,400	\$17,900	\$18,400	\$19,000	\$19,500	\$20,100	\$20,700	\$21,400
72531 - Repairs to Machines & Equip	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800
72990 - Special Payments	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400

Schedule W-1 – Budgeted and Projected Water Utility Operating and Debt Expense (3 of 4)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
97 56052005 - Surface Water Treatment Plant										
98 71 - Salaries & Benefits										
99 71001 - Regular Employee Salary	\$385,200	\$396,800	\$408,700	\$421,000	\$433,600	\$446,600	\$460,000	\$473,800	\$488,000	\$502,700
100 71002 - Overtime	\$83,300	\$85,800	\$88,400	\$91,000	\$93,700	\$96,600	\$99,400	\$102,400	\$105,500	\$108,700
101 71003 - Part-time Salary	\$21,900	\$22,600	\$23,300	\$24,000	\$24,700	\$25,400	\$26,200	\$27,000	\$27,800	\$28,600
102 71007 - Uniform Allowance	\$800	\$800	\$900	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,100
103 71008 - Meal Allowance	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
104 71009 - Incentive Pay	\$5,300	\$5,600	\$5,800	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200
105 71010 - Admin Leave Pay	\$5,400	\$5,700	\$6,000	\$6,200	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100	\$7,400
106 71011 - Workers Compensation	\$6,500	\$6,800	\$7,100	\$7,400	\$7,600	\$7,800	\$8,000	\$8,300	\$8,500	\$8,800
107 71012 - Medical Insurance	\$66,100	\$69,400	\$72,900	\$75,100	\$77,300	\$79,600	\$82,000	\$84,500	\$87,000	\$89,600
108 71013 - Dental Insurance	\$6,300	\$6,600	\$6,900	\$7,200	\$7,400	\$7,600	\$7,800	\$8,100	\$8,300	\$8,500
109 71014 - Vision Insurance	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300
110 71015 - Medicare Insurance	\$5,900	\$6,200	\$6,500	\$6,700	\$6,900	\$7,100	\$7,300	\$7,500	\$7,700	\$7,900
111 71021 - Service Contribution-PERS	\$17,500	\$18,400	\$19,300	\$19,900	\$20,500	\$21,100	\$21,700	\$22,400	\$23,100	\$23,700
112 71022 - Unfunded Acc Liability - PERS	\$80,400	\$84,400	\$88,600	\$91,300	\$94,000	\$96,800	\$99,700	\$102,700	\$105,800	\$109,000
113 71023 - Deferred Comp	\$11,800	\$12,400	\$13,000	\$13,400	\$13,800	\$14,200	\$14,600	\$15,100	\$15,500	\$16,000
114 71024 - LI & AD & D	\$1,500	\$1,500	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000
115 71025 - Unemployment Insurance	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800	\$2,900
116 71028 - LTD	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700
117 71029 - Chiropractic	\$800	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100
118 71031 - Other Benefits	\$18,600	\$19,600	\$20,500	\$21,200	\$21,800	\$22,400	\$23,100	\$23,800	\$24,500	\$25,300
119 71032 - Cell Stipend	\$1,900	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,600
120 71033 - Internet Stipend	\$300	\$300	\$300	\$400	\$400	\$400	\$400	\$400	\$400	\$400
121 71189 - Personnel Transfer Charges	\$309,000	\$318,300	\$327,800	\$337,700	\$347,800	\$358,200	\$369,000	\$380,000	\$391,400	\$403,200
122 72 - Supplies & Services										
123 72201 - Postage	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
124 72203 - Cellular phone charges	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
125 72211 - Electricity	\$486,300	\$500,900	\$515,900	\$531,400	\$547,300	\$563,800	\$580,700	\$598,100	\$616,000	\$634,500
126 72212 - Gas	\$12,900	\$13,300	\$13,700	\$14,100	\$14,500	\$14,900	\$15,400	\$15,800	\$16,300	\$16,800
127 72213 - Water	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400
128 72301 - Printing/Binding/Duplication	\$6,800	\$7,200	\$7,500	\$7,800	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,300
129 72302 - Photocopying	\$800	\$800	\$900	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,100
130 72303 - Advertising	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
131 72305 - Uniforms	\$6,800	\$7,200	\$7,500	\$7,800	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,300
132 72306 - Safety Equipment	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
133 72307 - Office Supplies	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
134 72308 - Books & Periodicals	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
135 72309 - Membership & Dues	\$2,600	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
136 72313 - Information Systems Software	\$15,800	\$16,500	\$17,400	\$17,900	\$18,400	\$19,000	\$19,500	\$20,100	\$20,700	\$21,400
137 72314 - Business Expense	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000	\$2,100	\$2,100
138 72315 - Conference Expense	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800
139 72321 - Rent of Land/Facilities	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
140 72323 - Transport of Materials	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
141 72352 - Special Dept Materials	\$199,500	\$209,500	\$219,900	\$226,500	\$233,300	\$240,300	\$247,600	\$255,000	\$262,600	\$270,500
142 72353 - Janitorial Supplies	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
143 72355 - General Supplies	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
144 72358 - Training and Education	\$2,600	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
145 72359 - Small Tools and Equipment	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
146 72362 - Laboratory Supplies	\$36,800	\$38,600	\$40,500	\$41,700	\$43,000	\$44,300	\$45,600	\$47,000	\$48,400	\$49,800
147 72373 - Employees Physical Exams	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
148 72450 - Misc. Professional Services	\$86,100	\$90,400	\$94,900	\$97,800	\$100,700	\$103,700	\$106,800	\$110,000	\$113,300	\$116,700
149 72499 - Misc Contract Services	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
150 72531 - Repairs to Machines & Equip	\$42,000	\$44,100	\$46,300	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$56,900
151 72533 - Repairs to Vehicles	\$3,500	\$3,700	\$3,900	\$4,000	\$4,100	\$4,300	\$4,400	\$4,500	\$4,600	\$4,800
152 72534 - Repairs to Buildings	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
153 72551 - Motor Vehicle Fuel & Lube	\$800	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100
154 72822 - Taxes	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
155 72990 - Special Payments	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500

Schedule W-1 – Budgeted and Projected Water Utility Operating and Debt Expense (4 of 4)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
156 74 - Insurances										
157 74070 - PL & PD/Other Insurance	\$25,200	\$26,000	\$26,700	\$27,600	\$28,400	\$29,200	\$30,100	\$31,000	\$31,900	\$32,900
158 78 - Capital Projects										
159 77030 - Machinery and equipment	\$41,200	\$42,400	\$43,700	\$45,000	\$46,400	\$47,800	\$49,200	\$50,700	\$52,200	\$53,800
160 56052006 - Water Conservation Program										
161 71 - Salaries & Benefits										
162 71003 - Part-time Salary	\$54,800	\$56,400	\$58,100	\$59,900	\$61,700	\$63,500	\$65,400	\$67,400	\$69,400	\$71,500
163 71015 - Medicare Insurance	\$800	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100
164 71025 - Unemployment Insurance	\$300	\$300	\$300	\$400	\$400	\$400	\$400	\$400	\$400	\$400
165 72301 - Printing/Binding/Duplication	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
166 72303 - Advertising	\$31,500	\$33,100	\$34,700	\$35,800	\$36,800	\$37,900	\$39,100	\$40,300	\$41,500	\$42,700
167 72307 - Office Supplies	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
168 72308 - Books & Periodicals	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
169 72352 - Special Dept Materials	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
170 72358 - Training and Education	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
171 72359 - Small Tools and Equipment	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
172 72450 - Misc. Professional Services	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
173 56052008 - DBCP Monitoring Program										
174 71 - Salaries & Benefits										
175 71002 - Overtime	\$2,400	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100
176 71015 - Medicare Insurance	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$100	\$100	\$100
177 71189 - Personnel Transfer Charges	\$77,300	\$79,600	\$82,000	\$84,400	\$86,900	\$89,600	\$92,200	\$95,000	\$97,900	\$100,800
178 72 - Supplies & Services										
179 72202 - Telephone	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$600	\$600
180 72352 - Special Dept Materials	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
181 72359 - Small Tools and Equipment	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
182 72450 - Misc. Professional Services	\$18,900	\$19,800	\$20,800	\$21,500	\$22,100	\$22,800	\$23,500	\$24,200	\$24,900	\$25,600
183 72531 - Repairs to Machines & Equip	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
184 56052009 - 123TCP										
185 71002 - Overtime	\$2,400	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100
186 71015 - Medicare Insurance	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$100	\$100	\$100
187 71189 - Personnel Transfer Charges	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300
188 72 - Supplies & Services										
189 72202 - Telephone	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$600	\$600
190 72352 - Special Dept Materials	\$2,600	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
191 72359 - Small Tools and Equipment	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
192 72450 - Misc. Professional Services	\$7,900	\$8,300	\$8,700	\$8,900	\$9,200	\$9,500	\$9,800	\$10,100	\$10,400	\$10,700
193 72531 - Repairs to Machines & Equip	\$3,200	\$3,300	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,300
194 Existing Debt Service	\$1,926,000	\$1,926,000	\$1,924,000	\$1,921,000	\$1,921,000	\$1,919,000	\$1,915,000	\$1,910,000	\$1,908,000	\$1,909,000
195 Total Operating Expenses	\$11,973,300	\$12,467,900	\$12,829,000	\$13,118,700	\$13,417,000	\$13,725,500	\$14,040,400	\$14,363,400	\$14,699,800	\$15,048,900

Schedule W-2 – Water Utility Capital Spending Plan

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
Water Capital Outlay 561										
1 Water Meter/Main Install. Project	\$1,500,000									
2 Water Taps/Mains	\$125,000	\$325,000	\$325,000	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000
3 Water Meter Replacement Program (1% per yr.)	\$75,000	\$75,000	\$75,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
4 GAC Replacement	\$300,000	\$400,000	\$425,000	\$450,000	\$475,000	\$500,000	\$525,000	\$550,000	\$600,000	\$650,000
5 SWTF PS Generator			\$1,000,000							
6 SWTF Membrane Replacement		\$1,500,000								
7 SWTF Transmission Line Expansion Design/Constr.					\$2,000,000					
8 SWTF Capacity Expansion							\$25,000,000			
9 Well Site Generators				\$200,000		\$200,000		\$200,000		\$200,000
10 Water Well Rehab	\$400,000	\$650,000	\$650,000	\$675,000	\$700,000	\$725,000	\$750,000	\$775,000	\$800,000	\$825,000
11 Vehicles/Equipment	\$60,000	\$250,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
12 Project Planning/Misc.	\$25,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Water IMF 562										
13 Southwest Gateway Water Tank		\$4,000,000								
14 Total Capital Spending (FY2022 dollars)	\$2,570,000	\$7,250,000	\$2,625,000	\$2,200,000	\$4,250,000	\$2,300,000	\$27,150,000	\$2,400,000	\$2,275,000	\$2,550,000

Schedule W-3 – Water Utility Cash Flow Pro Forma (1 of 2)

Fund 560 - Water Operating Fund

	Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033
1 Rate Revenue Increase:	3.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rate Revenue										
2 Rate Revenue	\$13,823,000	\$14,283,000	\$14,854,000	\$15,449,000	\$16,067,000	\$16,710,000	\$17,211,000	\$17,727,000	\$18,258,000	\$18,989,000
3 Change due to growth & use	\$46,000	\$143,000	\$149,000	\$154,000	\$161,000	\$167,000	\$172,000	\$177,000	\$183,000	\$190,000
4 Increase due to rate adjustments	\$207,000	\$214,000	\$223,000	\$232,000	\$241,000	\$167,000	\$172,000	\$177,000	\$183,000	\$190,000
Non-Rate Revenues										
5 Interest Earnings	\$79,000	\$88,000	\$98,000	\$114,000	\$135,000	\$141,000	\$156,000	\$71,000	\$95,000	\$86,000
5 Operating Revenue	\$312,900	\$315,829	\$318,787	\$321,775	\$324,793	\$327,841	\$330,919	\$334,028	\$337,169	\$340,340
6 Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Total Revenue	\$14,467,900	\$15,043,829	\$15,642,787	\$16,270,775	\$16,928,793	\$17,512,841	\$18,041,919	\$18,486,028	\$19,056,169	\$19,795,340
O&M Costs										
8 Salaries	\$3,304,000	\$3,553,000	\$3,660,000	\$3,769,000	\$3,883,000	\$3,999,000	\$4,119,000	\$4,243,000	\$4,370,000	\$4,501,000
9 Benefits	\$240,000	\$252,000	\$265,000	\$273,000	\$281,000	\$290,000	\$298,000	\$307,000	\$316,000	\$326,000
10 Supplies & Services	\$2,103,000	\$2,207,000	\$2,317,000	\$2,386,000	\$2,458,000	\$2,532,000	\$2,608,000	\$2,686,000	\$2,766,000	\$2,849,000
11 Utilities	\$1,462,000	\$1,506,000	\$1,551,000	\$1,598,000	\$1,646,000	\$1,695,000	\$1,746,000	\$1,798,000	\$1,852,000	\$1,908,000
12 Water Purchases	\$1,649,000	\$1,731,000	\$1,818,000	\$1,873,000	\$1,929,000	\$1,987,000	\$2,046,000	\$2,108,000	\$2,171,000	\$2,236,000
13 Cost Allocation Plan	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000	\$1,179,000
14 Increase in SWTF Operating Costs									\$3,545,000	\$3,652,000
15 Total Operating Expenses	\$10,045,000	\$10,539,000	\$10,905,000	\$11,196,000	\$11,498,000	\$11,807,000	\$12,125,000	\$12,454,000	\$16,336,000	\$16,792,000
Debt and Transfers										
16 Existing Debt Service	\$1,926,000	\$1,926,000	\$1,924,000	\$1,921,000	\$1,921,000	\$1,919,000	\$1,915,000	\$1,910,000	\$1,908,000	\$1,909,000
17 Transfer Out to Capital Fund	\$2,566,000	\$2,525,000	\$1,962,000	\$1,581,000	\$3,960,000	\$1,843,000	\$16,670,000	\$2,129,000	\$2,059,000	\$2,508,000
18 Transfer In from Fund 562	\$1,284,000	\$1,284,000	\$1,283,000	\$1,281,000	\$1,281,000	\$0	\$1,277,000	\$1,273,000	\$0	\$1,273,000
19 Total Revenue Requirement	\$13,253,000	\$13,706,000	\$13,508,000	\$13,417,000	\$16,098,000	\$15,569,000	\$29,433,000	\$15,220,000	\$20,303,000	\$19,936,000
20 Beginning Year Balance	\$10,574,000	\$11,788,900	\$13,126,729	\$15,261,516	\$18,115,291	\$18,946,084	\$20,889,925	\$9,498,844	\$12,764,873	\$11,518,042
21 Surplus/(Shortfall)	\$1,214,900	\$1,337,829	\$2,134,787	\$2,853,775	\$830,793	\$1,943,841	(\$11,391,081)	\$3,266,028	(\$1,246,831)	(\$140,660)
22 End of Year Balance	\$11,788,900	\$13,126,729	\$15,261,516	\$18,115,291	\$18,946,084	\$20,889,925	\$9,498,844	\$12,764,873	\$11,518,042	\$11,377,382
23 <i>Reserve Target</i>	\$5,986,000	\$6,233,000	\$6,415,000	\$6,559,000	\$6,710,000	\$6,863,000	\$7,020,000	\$7,182,000	\$9,122,000	\$9,351,000
24 <i>Available Cash</i>	\$5,802,900	\$6,893,729	\$8,846,516	\$11,556,291	\$12,236,084	\$14,026,925	\$2,478,844	\$5,582,873	\$2,396,042	\$2,026,382
Debt Coverage Calculations										
25 Revenue Available for Debt Service	\$4,534,900	\$4,619,829	\$4,856,787	\$5,196,775	\$5,556,793	\$5,834,841	\$6,049,919	\$6,169,028	\$2,861,169	\$3,144,340
26 <i>Total Yearly Parity Debt Payment</i>	<i>\$1,926,000</i>	<i>\$1,926,000</i>	<i>\$1,924,000</i>	<i>\$1,921,000</i>	<i>\$1,921,000</i>	<i>\$1,919,000</i>	<i>\$1,915,000</i>	<i>\$1,910,000</i>	<i>\$1,908,000</i>	<i>\$1,909,000</i>
27 Debt Coverage Ratio (without Impact Fees)	2.35	2.40	2.52	2.71	2.89	3.04	3.16	3.23	1.50	1.65

Schedule W-3 – Water Utility Cash Flow Pro Forma (2 of 2)

Fund 561 - Water Capital Fund Cash Flow Proforma

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033
28 Beginning Balance	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Revenues										
29 Transfer in from Operating Fund	\$2,566,000	\$2,525,000	\$1,962,000	\$1,581,000	\$3,960,000	\$1,843,000	\$16,670,000	\$2,129,000	\$2,059,000	\$2,508,000
30 Interest Earnings	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$0
31 Total Revenues	2,570,000	2,529,000	1,966,000	1,585,000	3,964,000	1,847,000	16,674,000	2,133,000	2,063,000	2,508,000
Expenditures										
32 Rate-Funded Capital Spending	2,570,000	2,529,000	1,966,000	1,585,000	3,964,000	1,847,000	16,674,000	2,133,000	2,063,000	2,508,000
33 Surplus/(Shortfall)	-	-	-	-	-	-	-	-	-	-
34 Reserve Ending Balance	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000

Fund 562 - Water Impact Migration Fee Fund Cash Flow Proforma

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033
35 Beginning Balance	\$6,489,000	\$6,072,000	\$1,532,000	\$1,079,000	\$625,000	\$168,000	\$988,000	\$537,000	\$87,000	\$907,000
Revenues										
36 IMF Revenue	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000	\$819,000
37 Interest Earnings	\$48,000	\$45,000	\$11,000	\$8,000	\$5,000	\$1,000	\$7,000	\$4,000	\$1,000	\$7,000
38 Total Revenues	867,000	864,000	830,000	827,000	824,000	820,000	826,000	823,000	820,000	826,000
Expenditures										
39 Impact Fee Funded Projects	\$0	\$4,120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40 Transfers to Fund 560	\$1,284,000	\$1,284,000	\$1,283,000	\$1,281,000	\$1,281,000	\$0	\$1,277,000	\$1,273,000	\$0	\$1,273,000
40 Total Expenses	1,284,000	5,404,000	1,283,000	1,281,000	1,281,000	-	1,277,000	1,273,000	-	1,273,000
41 Surplus/(Shortfall)	(417,000)	(4,540,000)	(453,000)	(454,000)	(457,000)	820,000	(451,000)	(450,000)	820,000	(447,000)
42 Impact Mitigation Fund Ending Balance	\$6,072,000	\$1,532,000	\$1,079,000	\$625,000	\$168,000	\$988,000	\$537,000	\$87,000	\$907,000	\$460,000

Schedule W-4 – Five-Year Schedule of Water Rates*

Calendar Year:	2024	2025	2026	2027	2028
Monthly Flat Water Rates (Unmetered)					
Single Family Residential					
1 bedroom	\$34.51	\$36.23	\$38.04	\$39.94	\$41.94
2 bedroom	\$41.44	\$43.51	\$45.69	\$47.97	\$50.37
3 bedroom	\$49.66	\$52.14	\$54.75	\$57.49	\$60.36
4 bedroom	\$59.67	\$62.65	\$65.78	\$69.07	\$72.52
5 bedroom	\$71.55	\$75.13	\$78.89	\$82.83	\$86.97
6 bedroom	\$85.89	\$90.19	\$94.70	\$99.44	\$104.41
7 bedroom	\$102.98	\$108.13	\$113.54	\$119.22	\$125.18
Multi-Family Units					
1 bedroom	\$29.62	\$31.10	\$32.66	\$34.29	\$36.00
2 bedroom	\$35.52	\$37.30	\$39.17	\$41.13	\$43.19
3 bedroom	\$42.64	\$44.77	\$47.01	\$49.36	\$51.83
Mobile Home (per unit)	\$29.62	\$31.10	\$32.66	\$34.29	\$36.00
Non-Residential (per ESFU)	\$41.44	\$43.51	\$45.69	\$47.97	\$50.37
Monthly Service Charges (Metered)					
Up to 3/4" meter	\$22.99	\$24.14	\$25.35	\$26.62	\$27.95
1" meter	\$36.45	\$38.27	\$40.18	\$42.19	\$44.30
1 1/2" meter	\$67.22	\$70.58	\$74.11	\$77.82	\$81.71
2" meter	\$105.68	\$110.96	\$116.51	\$122.34	\$128.46
3" meter	\$209.52	\$220.00	\$231.00	\$242.55	\$254.68
4" meter	\$324.90	\$341.15	\$358.21	\$376.12	\$394.93
6" meter	\$644.12	\$676.33	\$710.15	\$745.66	\$782.94
8" meter	\$1,028.72	\$1,080.16	\$1,134.17	\$1,190.88	\$1,250.42
10" meter	\$1,542.16	\$1,619.27	\$1,700.23	\$1,785.24	\$1,874.50
Water Usage Rates (Metered) -- \$/CCF					
Single Family Residential					
Tier 1 (0-11 CCF)	\$1.00	\$1.05	\$1.10	\$1.16	\$1.22
Tier 2 (11-30 CCF)	\$1.40	\$1.47	\$1.54	\$1.62	\$1.70
Tier 3 (> 30 CCF)	\$1.72	\$1.81	\$1.90	\$2.00	\$2.10
Multifamily & Non-Residential					
All water usage	\$1.23	\$1.29	\$1.35	\$1.42	\$1.49

* Assumes 5 percent increases starting in CY 2025

Schedule WW-1 –Budgeted and Projected Wastewater Utility Operating and Debt Expense (1 of

5)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
53053001 - PW Wastewater Administration										
<u>71 - Salaries & Benefits</u>										
1 71002 - Overtime	\$44,100	\$45,400	\$46,800	\$48,200	\$49,600	\$51,100	\$52,600	\$54,200	\$55,800	\$57,500
2 71015 - Medicare Insurance	\$700	\$700	\$700	\$800	\$800	\$800	\$800	\$800	\$900	\$900
3 71189 - Personnel Transfer Charges	\$1,030,000	\$1,060,900	\$1,092,700	\$1,125,500	\$1,159,300	\$1,194,100	\$1,229,900	\$1,266,800	\$1,304,800	\$1,343,900
<u>72 - Supplies & Services</u>										
4 72201 - Postage	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
5 72203 - Cellular phone charges	\$12,600	\$13,200	\$13,900	\$14,300	\$14,700	\$15,200	\$15,600	\$16,100	\$16,600	\$17,100
6 72301 - Printing/Binding/Duplication	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
7 72302 - Photocopying	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
8 72303 - Advertising	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
9 72305 - Uniforms	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
10 72306 - Safety Equipment	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
11 72307 - Office Supplies	\$3,200	\$3,300	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,300
12 72308 - Books & Periodicals	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
13 72309 - Membership & Dues	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
14 72310 - Uncollectible Acct Expense	\$52,500	\$55,100	\$57,900	\$59,600	\$61,400	\$63,200	\$65,100	\$67,100	\$69,100	\$71,200
15 72311 - Collection Agency Fees	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
16 72312 - Bank Service Charges	\$42,000	\$44,100	\$46,300	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$56,900
17 72313 - Information Systems Software	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
18 72314 - Business Expense	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
19 72315 - Conference Expense	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000	\$2,100	\$2,100
20 72352 - Special Dept Materials	\$2,600	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
21 72353 - Janitorial Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
22 72355 - General Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
23 72358 - Training and Education	\$6,300	\$6,600	\$6,900	\$7,200	\$7,400	\$7,600	\$7,800	\$8,100	\$8,300	\$8,500
24 72359 - Small Tools and Equipment	\$8,400	\$8,800	\$9,300	\$9,500	\$9,800	\$10,100	\$10,400	\$10,700	\$11,100	\$11,400
25 72369 - Software Licensing Cost	\$42,000	\$44,100	\$46,300	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$56,900
26 72376 - Tuition Reimbursement	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$600
27 72450 - Misc. Professional Services	\$36,800	\$38,600	\$40,500	\$41,700	\$43,000	\$44,300	\$45,600	\$47,000	\$48,400	\$49,800
28 72499 - Misc Contract Services	\$26,300	\$27,600	\$28,900	\$29,800	\$30,700	\$31,600	\$32,600	\$33,600	\$34,600	\$35,600
29 72531 - Repairs to Machines & Equip	\$4,200	\$4,400	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700
30 72533 - Repairs to Vehicles	\$168,600	\$177,000	\$185,800	\$191,400	\$197,200	\$203,100	\$209,200	\$215,400	\$221,900	\$228,600
31 72534 - Repairs to Buildings	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
32 72536 - Car Wash	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$600	\$600
33 72551 - Motor Vehicle Fuel & Lube	\$61,000	\$64,100	\$67,300	\$69,300	\$71,400	\$73,500	\$75,700	\$78,000	\$80,300	\$82,700
34 72823 - Refunds/Rebates	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
35 72990 - Special Payments	\$68,300	\$71,700	\$75,200	\$77,500	\$79,800	\$82,200	\$84,700	\$87,200	\$89,800	\$92,500
36 75099 - Misc Debt Service Charges	\$17,500	\$18,000	\$18,600	\$19,100	\$19,700	\$20,300	\$20,900	\$21,500	\$22,200	\$22,800
<u>77 - Operating Transfer O</u>										
37 76220 - Operating Transfer Out	\$1,263,900	\$1,301,800	\$1,340,900	\$1,381,100	\$1,422,500	\$1,465,200	\$1,509,200	\$1,554,500	\$1,601,100	\$1,649,100
38 77030 - Machinery and equipment	\$30,900	\$31,800	\$32,800	\$33,800	\$34,800	\$35,800	\$36,900	\$38,000	\$39,100	\$40,300

Schedule WW-1 –Budgeted and Projected Wastewater Utility Operating and Debt Expense (2 of

5)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
53053003 - Plant Maintenance										
<u>71 - Salaries & Benefits</u>										
39 71001 - Regular Employee Salary	\$1,010,500	\$1,040,800	\$1,072,000	\$1,104,200	\$1,137,300	\$1,171,400	\$1,206,600	\$1,242,800	\$1,280,000	\$1,318,400
40 71002 - Overtime	\$180,400	\$185,800	\$191,400	\$197,100	\$203,000	\$209,100	\$215,400	\$221,900	\$228,500	\$235,400
41 71003 - Part-time Salary	\$56,200	\$57,900	\$59,700	\$61,500	\$63,300	\$65,200	\$67,200	\$69,200	\$71,200	\$73,400
42 71007 - Uniform Allowance	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700
43 71008 - Meal Allowance	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800
44 71009 - Incentive Pay	\$16,200	\$17,000	\$17,900	\$18,400	\$18,900	\$19,500	\$20,100	\$20,700	\$21,300	\$22,000
45 71010 - Admin Leave Pay	\$5,400	\$5,700	\$6,000	\$6,200	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100	\$7,400
46 71011 - Workers Compensation	\$19,400	\$20,400	\$21,400	\$22,100	\$22,700	\$23,400	\$24,100	\$24,900	\$25,600	\$26,400
47 71012 - Medical Insurance	\$205,300	\$215,600	\$226,400	\$233,200	\$240,200	\$247,400	\$254,800	\$262,400	\$270,300	\$278,400
48 71013 - Dental Insurance	\$18,900	\$19,800	\$20,800	\$21,500	\$22,100	\$22,800	\$23,500	\$24,200	\$24,900	\$25,600
49 71014 - Vision Insurance	\$2,900	\$3,000	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900
50 71015 - Medicare Insurance	\$15,300	\$16,100	\$16,900	\$17,400	\$17,900	\$18,400	\$19,000	\$19,500	\$20,100	\$20,700
51 71021 - Service Contribution-PERS	\$39,200	\$41,100	\$43,200	\$44,500	\$45,800	\$47,200	\$48,600	\$50,100	\$51,600	\$53,100
52 71022 - Unfunded Acc Liability - PERS	\$211,400	\$222,000	\$233,100	\$240,100	\$247,300	\$254,700	\$262,400	\$270,200	\$278,300	\$286,700
53 71023 - Deferred Comp	\$20,900	\$21,900	\$23,000	\$23,700	\$24,400	\$25,100	\$25,900	\$26,700	\$27,500	\$28,300
54 71024 - LI & AD & D	\$2,400	\$2,600	\$2,700	\$2,800	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300
55 71025 - Unemployment Insurance	\$5,700	\$6,000	\$6,300	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,500	\$7,700
56 71028 - LTD	\$7,200	\$7,600	\$8,000	\$8,200	\$8,400	\$8,700	\$9,000	\$9,200	\$9,500	\$9,800
57 71029 - Chiropractic	\$2,500	\$2,600	\$2,800	\$2,900	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400
58 71031 - Other Benefits	\$55,900	\$58,700	\$61,600	\$63,500	\$65,400	\$67,300	\$69,300	\$71,400	\$73,600	\$75,800
59 71032 - Cell Stipend	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000	\$2,100	\$2,100
60 71189 - Personnel Transfer Charges	\$695,300	\$716,100	\$737,600	\$759,700	\$782,500	\$806,000	\$830,200	\$855,100	\$880,700	\$907,100
<u>72 - Supplies & Services</u>										
61 72201 - Postage	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
62 72202 - Telephone	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
63 72203 - Cellular phone charges	\$6,800	\$7,200	\$7,500	\$7,800	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,300
64 72211 - Electricity	\$953,200	\$981,800	\$1,011,200	\$1,041,600	\$1,072,800	\$1,105,000	\$1,138,100	\$1,172,300	\$1,207,500	\$1,243,700
65 72212 - Gas	\$20,600	\$21,200	\$21,900	\$22,500	\$23,200	\$23,900	\$24,600	\$25,300	\$26,100	\$26,900
66 72215 - Refuse	\$30,900	\$31,800	\$32,800	\$33,800	\$34,800	\$35,800	\$36,900	\$38,000	\$39,100	\$40,300
67 72301 - Printing/Binding/Duplication	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
68 72303 - Advertising	\$600	\$600	\$600	\$700	\$700	\$700	\$700	\$700	\$800	\$800
69 72305 - Uniforms	\$15,800	\$16,500	\$17,400	\$17,900	\$18,400	\$19,000	\$19,500	\$20,100	\$20,700	\$21,400
70 72306 - Safety Equipment	\$47,300	\$49,600	\$52,100	\$53,700	\$55,300	\$56,900	\$58,600	\$60,400	\$62,200	\$64,100
71 72307 - Office Supplies	\$11,600	\$12,100	\$12,700	\$13,100	\$13,500	\$13,900	\$14,300	\$14,800	\$15,200	\$15,700
72 72309 - Membership & Dues	\$5,800	\$6,100	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800
73 72313 - Information Systems Software	\$3,700	\$3,900	\$4,100	\$4,200	\$4,300	\$4,400	\$4,600	\$4,700	\$4,800	\$5,000
74 72314 - Business Expense	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800
75 72315 - Conference Expense	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
76 72322 - Rental of Equipment	\$42,000	\$44,100	\$46,300	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$56,900

Schedule WW-1 – Budgeted and Projected Wastewater Utility Operating and Debt Expense (3 of 5)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
77 72352 - Special Dept Materials	\$603,800	\$633,900	\$665,600	\$685,600	\$706,200	\$727,400	\$749,200	\$771,700	\$794,800	\$818,600
78 72353 - Janitorial Supplies	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
79 72355 - General Supplies	\$31,500	\$33,100	\$34,700	\$35,800	\$36,800	\$37,900	\$39,100	\$40,300	\$41,500	\$42,700
80 72356 - Medical Supplies	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400
81 72358 - Training and Education	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
82 72359 - Small Tools and Equipment	\$31,500	\$33,100	\$34,700	\$35,800	\$36,800	\$37,900	\$39,100	\$40,300	\$41,500	\$42,700
83 72362 - Laboratory Supplies	\$47,300	\$49,600	\$52,100	\$53,700	\$55,300	\$56,900	\$58,600	\$60,400	\$62,200	\$64,100
72369 - Software Licensing Cost	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
84 72450 - Misc. Professional Services	\$540,800	\$567,800	\$596,200	\$614,100	\$632,500	\$651,500	\$671,000	\$691,100	\$711,900	\$733,200
85 72499 - Misc Contract Services	\$38,900	\$40,800	\$42,800	\$44,100	\$45,400	\$46,800	\$48,200	\$49,700	\$51,100	\$52,700
86 72531 - Repairs to Machines & Equip	\$183,800	\$192,900	\$202,600	\$208,700	\$214,900	\$221,400	\$228,000	\$234,900	\$241,900	\$249,200
87 72532 - Repairs to Office Equip	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
88 72534 - Repairs to Buildings	\$2,600	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
89 72822 - Taxes	\$16,900	\$17,800	\$18,600	\$19,200	\$19,800	\$20,400	\$21,000	\$21,600	\$22,300	\$22,900
90 72990 - Special Payments	\$189,000	\$198,500	\$208,400	\$214,600	\$221,100	\$227,700	\$234,500	\$241,600	\$248,800	\$256,300
<u>74 - Insurances</u>										
91 74070 - PL & PD/Other Insurance	\$75,600	\$77,900	\$80,200	\$82,700	\$85,100	\$87,700	\$90,300	\$93,000	\$95,800	\$98,700
<u>78 - Capital Projects</u>										
92 77030 - Machinery and equipment	\$206,000	\$212,200	\$218,500	\$225,100	\$231,900	\$238,800	\$246,000	\$253,400	\$261,000	\$268,800
53053004 - Sanitary System Maintenance										
<u>71 - Salaries & Benefits</u>										
93 71002 - Overtime	\$42,900	\$194,200	\$200,000	\$206,000	\$212,200	\$218,600	\$225,200	\$231,900	\$238,900	\$246,000
94 71003 - Part-time Salary	\$28,100	\$29,000	\$29,800	\$30,700	\$31,600	\$32,600	\$33,600	\$34,600	\$35,600	\$36,700
95 71012 - Medical Insurance	\$700	\$800	\$800	\$800	\$800	\$900	\$900	\$900	\$1,000	\$1,000
96 71015 - Medicare Insurance	\$900	\$900	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200
97 71189 - Personnel Transfer Charges	\$772,500	\$795,700	\$819,500	\$844,100	\$869,500	\$895,500	\$922,400	\$950,100	\$978,600	\$1,007,900
<u>72 - Supplies & Services</u>										
98 72211 - Electricity	\$23,600	\$24,300	\$25,000	\$25,800	\$26,500	\$27,300	\$28,200	\$29,000	\$29,900	\$30,800
99 72212 - Gas	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
100 72213 - Water	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
101 72305 - Uniforms	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
102 72306 - Safety Equipment	\$7,400	\$7,700	\$8,100	\$8,300	\$8,600	\$8,900	\$9,100	\$9,400	\$9,700	\$10,000
103 72307 - Office Supplies	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
104 72309 - Membership & Dues	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
105 72313 - Information Systems Software	\$1,900	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,600
106 72314 - Business Expense	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
107 72315 - Conference Expense	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
108 72352 - Special Dept Materials	\$63,000	\$66,200	\$69,500	\$71,500	\$73,700	\$75,900	\$78,200	\$80,500	\$82,900	\$85,400
109 72355 - General Supplies	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
110 72358 - Training and Education	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
111 72359 - Small Tools and Equipment	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
112 72499 - Misc Contract Services	\$47,300	\$49,600	\$52,100	\$53,700	\$55,300	\$56,900	\$58,600	\$60,400	\$62,200	\$64,100
113 72531 - Repairs to Machines & Equip	\$21,000	\$22,100	\$23,200	\$23,800	\$24,600	\$25,300	\$26,100	\$26,800	\$27,600	\$28,500
114 72990 - Special Payments	\$800	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100
<u>78 - Capital Projects</u>										
115 77030 - Machinery and equipment	\$20,600	\$21,200	\$21,900	\$22,500	\$23,200	\$23,900	\$24,600	\$25,300	\$26,100	\$26,900

Schedule WW-1 – Budgeted and Projected Wastewater Utility Operating and Debt Expense (4 of 5)

City of Lodi
2023 Water and Wastewater Rate Study

Schedules

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
53053005 - Drain Maintenance										
71 - Salaries & Benefits										
116 71002 - Overtime	\$31,700	\$32,600	\$33,600	\$34,600	\$35,600	\$36,700	\$37,800	\$38,900	\$40,100	\$41,300
117 71015 - Medicare Insurance	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$600
118 71189 - Personnel Transfer Charges	\$309,000	\$318,300	\$327,800	\$337,700	\$347,800	\$358,200	\$369,000	\$380,000	\$391,400	\$403,200
119 72211 - Electricity	\$45,800	\$47,200	\$48,600	\$50,000	\$51,500	\$53,100	\$54,700	\$56,300	\$58,000	\$59,700
120 72213 - Water	\$1,900	\$1,900	\$2,000	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400
121 72303 - Advertising	\$5,300	\$5,500	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100
122 72305 - Uniforms	\$400	\$400	\$400	\$400	\$400	\$400	\$500	\$500	\$500	\$500
123 72306 - Safety Equipment	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
124 72307 - Office Supplies	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
125 72308 - Books & Periodicals	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300
126 72309 - Membership & Dues	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
127 72313 - Information Systems Software	\$6,800	\$7,200	\$7,500	\$7,800	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,300
128 72314 - Business Expense	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
129 72315 - Conference Expense	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
130 72322 - Rental of Equipment	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
131 72352 - Special Dept Materials	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
132 72355 - General Supplies	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400
133 72358 - Training and Education	\$3,200	\$3,300	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,300
134 72359 - Small Tools and Equipment	\$3,200	\$3,300	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,300
135 72450 - Misc. Professional Services	\$152,000	\$159,600	\$167,600	\$172,700	\$177,800	\$183,200	\$188,700	\$194,300	\$200,200	\$206,200
136 72499 - Misc Contract Services	\$43,600	\$45,800	\$48,000	\$49,500	\$51,000	\$52,500	\$54,100	\$55,700	\$57,400	\$59,100
137 72531 - Repairs to Machines & Equip	\$10,500	\$11,000	\$11,600	\$11,900	\$12,300	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
138 72533 - Repairs to Vehicles	\$158,300	\$166,200	\$174,600	\$179,800	\$185,200	\$190,700	\$196,500	\$202,400	\$208,400	\$214,700
139 72536 - Car Wash	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
140 72551 - Motor Vehicle Fuel & Lube	\$25,900	\$27,100	\$28,500	\$29,400	\$30,200	\$31,100	\$32,100	\$33,000	\$34,000	\$35,100
141 72861 - Work for Others	\$29,800	\$31,300	\$32,900	\$33,900	\$34,900	\$35,900	\$37,000	\$38,100	\$39,200	\$40,400
142 72990 - Special Payments	\$204,800	\$215,000	\$225,700	\$232,500	\$239,500	\$246,700	\$254,100	\$261,700	\$269,500	\$277,600
143 77030 - Machinery and equipment	\$41,200	\$42,400	\$43,700	\$45,000	\$46,400	\$47,800	\$49,200	\$50,700	\$52,200	\$53,800
144 71002 - Overtime	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300
146 71189 - Personnel Transfer Charges	\$10,300	\$10,600	\$10,900	\$11,300	\$11,600	\$11,900	\$12,300	\$12,700	\$13,000	\$13,400
147 72202 - Telephone	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
148 72211 - Electricity	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600
149 72352 - Special Dept Materials	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
150 72531 - Repairs to Machines & Equip	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000
151 71001 - Regular Employee Salary	\$3,340,700	\$3,441,000	\$3,544,200	\$3,650,500	\$3,760,000	\$3,872,800	\$3,989,000	\$4,108,700	\$4,231,900	\$4,358,900
152 71007 - Uniform Allowance	\$8,700	\$9,100	\$9,600	\$9,800	\$10,100	\$10,400	\$10,700	\$11,100	\$11,400	\$11,700
153 71009 - Incentive Pay	\$93,200	\$97,900	\$102,800	\$105,900	\$109,000	\$112,300	\$115,700	\$119,100	\$122,700	\$126,400
154 71010 - Admin Leave Pay	\$16,800	\$17,700	\$18,600	\$19,100	\$19,700	\$20,300	\$20,900	\$21,500	\$22,200	\$22,800
155 71011 - Workers Compensation	\$68,100	\$71,500	\$75,000	\$77,300	\$79,600	\$82,000	\$84,400	\$87,000	\$89,600	\$92,300
156 71012 - Medical Insurance	\$683,800	\$718,000	\$753,900	\$776,600	\$799,900	\$823,800	\$848,600	\$874,000	\$900,200	\$927,200
157 71013 - Dental Insurance	\$69,300	\$72,800	\$76,400	\$78,700	\$81,100	\$83,500	\$86,000	\$88,600	\$91,200	\$94,000
158 71014 - Vision Insurance	\$10,600	\$11,200	\$11,700	\$12,100	\$12,400	\$12,800	\$13,200	\$13,600	\$14,000	\$14,400
159 71015 - Medicare Insurance	\$51,100	\$53,700	\$56,300	\$58,000	\$59,800	\$61,600	\$63,400	\$65,300	\$67,300	\$69,300
160 71021 - Service Contribution-PERS	\$158,500	\$166,400	\$174,700	\$180,000	\$185,400	\$190,900	\$196,600	\$202,500	\$208,600	\$214,900
161 71022 - Unfunded Acc Liability - PERS	\$674,400	\$708,100	\$743,500	\$765,800	\$788,800	\$812,400	\$836,800	\$861,900	\$887,700	\$914,400
162 71023 - Deferred Comp	\$71,500	\$75,100	\$78,900	\$81,200	\$83,700	\$86,200	\$88,800	\$91,400	\$94,200	\$97,000
163 71024 - LI & AD & D	\$12,700	\$13,300	\$14,000	\$14,400	\$14,900	\$15,300	\$15,800	\$16,200	\$16,700	\$17,200

Schedule WW-1 – Budgeted and Projected Wastewater Utility Operating and Debt Expense (5 of 5)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
164 71025 - Unemployment Insurance	\$18,700	\$19,700	\$20,700	\$21,300	\$21,900	\$22,600	\$23,200	\$23,900	\$24,700	\$25,400
165 71028 - LTD	\$23,800	\$25,000	\$26,300	\$27,100	\$27,900	\$28,700	\$29,600	\$30,500	\$31,400	\$32,300
166 71029 - Chiropractic	\$9,200	\$9,700	\$10,200	\$10,500	\$10,800	\$11,100	\$11,500	\$11,800	\$12,200	\$12,500
167 71031 - Other Benefits	\$195,600	\$205,400	\$215,600	\$222,100	\$228,800	\$235,600	\$242,700	\$250,000	\$257,500	\$265,200
168 71032 - Cell Stipend	\$3,200	\$3,300	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,300
169 71033 - Internet Stipend	\$900	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300
171 74070 - PL & PD/Other Insurance	\$264,800	\$272,700	\$280,900	\$289,300	\$298,000	\$306,900	\$316,100	\$325,600	\$335,400	\$345,400
172 71002 - Overtime	\$600	\$700	\$700	\$700	\$700	\$800	\$800	\$800	\$800	\$800
173 72201 - Postage	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300
174 72301 - Printing/Binding/Duplication	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
175 72303 - Advertising	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300
176 72307 - Office Supplies	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
177 72314 - Business Expense	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
178 72315 - Conference Expense	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000
179 72352 - Special Dept Materials	\$8,800	\$9,000	\$9,300	\$9,600	\$9,900	\$10,100	\$10,500	\$10,800	\$11,100	\$11,400
180 72355 - General Supplies	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
181 72359 - Small Tools and Equipment	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000
182 72399 - Supplies & Services NOC	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
183 72450 - Misc. Professional Services	\$13,900	\$14,300	\$14,800	\$15,200	\$15,700	\$16,100	\$16,600	\$17,100	\$17,600	\$18,100
184 72990 - Special Payments	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,100
185 Existing Debt Service	3,325,000	1,629,000	3,190,000	3,194,000	2,071,000	2,625,000	2,636,000	2,215,000	2,216,000	2,220,000
186 Total Operating Expenses	\$14,371,400	\$13,277,500	\$15,315,300	\$15,683,900	\$14,933,600	\$15,873,500	\$16,283,400	\$16,270,500	\$16,693,500	\$17,131,400

Schedule WW-2 – Wastewater Utility Capital Spending Plan

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33
Wastewater Capital Outlay 531										
1 Project Planning/Misc	\$25,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
2 MUS PW Building Roof	\$85,000									
3 Misc. System Relocations/Taps	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
4 Wastewater Main Replac./Lining Proj.	\$1,000,000	\$1,000,000		\$1,000,000	\$1,000,000	\$2,000,000	\$2,000,000	\$1,000,000	\$1,000,000	\$1,000,000
5 Storm Drain Trash Handling	\$350,000	\$350,000	\$350,000		\$750,000	\$750,000	\$750,000			
6 Lodi Lake Storm Pump Station & Trash Handling				\$2,000,000						
7 Storm Water Pump Rehab				\$750,000	\$200,000	\$200,000	\$200,000			
8 Storm Drain System Improvements		\$400,000	\$400,000	\$400,000						
9 Beckman Trash Handling					\$750,000					
10 Vehicles /Equipment	\$480,000	\$300,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Wastewater Plant										
11 Irrigation Improvements		\$750,000		\$1,000,000						
12 Security Fencing, Cameras, Solar	\$300,000									
13 Digester #3 Mixing Imprv	\$1,000,000									
14 Outfall Rehab		\$750,000								
15 Electrical Upgrades/SCADA Construction	\$8,000,000	\$4,000,000								
16 Dredge Pond 1 and EQ Pond 1	\$300,000									
17 Cloth Filter Media Replacement	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
18 Primary Chain Flights	\$40,000		\$60,000		\$40,000		\$40,000		\$40,000	
19 UV Design/Replacement			\$450,000	\$2,000,000	\$2,000,000					
20 Primary WW Treatment Rehab			\$500,000	\$500,000	\$500,000					
21 DWP-H2 Replacement		\$15,000								
22 Pump/Equipment Upgrades	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
23 Unspecified Treatment Plant Rehab					\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
24 Tertiary Upgrades								\$250,000	\$1,500,000	\$2,000,000
25 Secondary Upgrades							\$400,000	\$2,000,000	\$2,000,000	
26 WWTP Water Source Replacement										\$1,000,000
27 Total Capital Spending (FY2022 dollars)	\$11,935,000	\$10,370,000	\$2,240,000	\$8,130,000	\$6,720,000	\$4,430,000	\$4,870,000	\$4,730,000	\$6,020,000	\$5,480,000

Schedule WW-3 – Wastewater Utility Cash Flow Pro Forma (1 of 2)

Fund 530 - Sewer Operating Fund

	Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033
1 Rate Revenue Increase:	4.00%	4.00%	4.00%	4.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rate Revenue										
2 Service Charge Revenue	\$17,284,090	\$17,342,090	\$18,209,000	\$19,119,000	\$20,075,000	\$20,678,000	\$21,299,000	\$21,938,000	\$22,596,000	\$23,274,000
3 Change due to growth & use	\$58,000	\$173,000	\$182,000	\$191,000	\$201,000	\$207,000	\$213,000	\$219,000	\$226,000	\$233,000
4 Increase due to rate adjustments		\$694,000	\$728,000	\$765,000	\$402,000	\$414,000	\$426,000	\$439,000	\$452,000	\$465,000
Non-Rate Revenues										
5 Interest Earnings	\$94,000	\$77,000	\$61,000	\$80,000	\$56,000	\$51,000	\$62,000	\$62,000	\$67,000	\$60,000
6 Operating Revenue	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
7 Total Revenue	\$17,536,090	\$18,386,090	\$19,280,000	\$20,255,000	\$20,834,000	\$21,450,000	\$22,100,000	\$22,758,000	\$23,441,000	\$24,132,000
O&M Costs										
8 Salaries	\$1,927,000	\$2,134,000	\$2,198,000	\$2,264,000	\$2,332,000	\$2,402,000	\$2,474,000	\$2,549,000	\$2,625,000	\$2,704,000
9 Benefits	\$2,808,000	\$2,949,000	\$3,096,000	\$3,189,000	\$3,284,000	\$3,383,000	\$3,484,000	\$3,589,000	\$3,697,000	\$3,808,000
10 Supplies & Services	\$3,666,000	\$3,842,000	\$4,025,000	\$4,146,000	\$4,271,000	\$4,399,000	\$4,531,000	\$4,667,000	\$4,807,000	\$4,951,000
11 Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Minor Capital	\$299,000	\$308,000	\$317,000	\$326,000	\$336,000	\$346,000	\$357,000	\$367,000	\$378,000	\$390,000
13 Utilities	\$1,081,000	\$1,114,000	\$1,147,000	\$1,182,000	\$1,217,000	\$1,253,000	\$1,291,000	\$1,330,000	\$1,370,000	\$1,411,000
14 Cost Allocation Plan	\$1,264,000	\$1,302,000	\$1,341,000	\$1,381,000	\$1,423,000	\$1,465,000	\$1,509,000	\$1,554,000	\$1,601,000	\$1,649,000
15 Total Operating Expenses	\$11,045,000	\$11,649,000	\$12,124,000	\$12,488,000	\$12,863,000	\$13,248,000	\$13,646,000	\$14,056,000	\$14,478,000	\$14,913,000
Debt and Transfers										
16 Existing Debt Service	\$3,325,000	\$1,629,000	\$3,190,000	\$3,194,000	\$2,071,000	\$2,625,000	\$2,636,000	\$2,215,000	\$2,216,000	\$2,220,000
17 Transfer Out	\$11,935,000	\$8,209,000	\$2,376,000	\$8,884,000	\$7,563,000	\$5,136,000	\$5,815,000	\$5,817,000	\$7,626,000	\$7,150,000
18 Transfer In from Fund 533	\$6,400,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0
19 Total Revenue Requirement	\$19,905,000	\$20,487,000	\$16,690,000	\$23,566,000	\$21,497,000	\$20,009,000	\$22,097,000	\$22,088,000	\$24,320,000	\$24,283,000
20 Beginning Year Balance	\$12,686,000	\$10,317,090	\$8,216,180	\$10,806,180	\$7,495,180	\$6,832,180	\$8,273,180	\$8,276,180	\$8,946,180	\$8,067,180
21 Surplus/(Shortfall)	(\$2,368,910)	(\$2,100,910)	\$2,590,000	(\$3,311,000)	(\$663,000)	\$1,441,000	\$3,000	\$670,000	(\$879,000)	(\$151,000)
22 End of Year Balance	\$10,317,090	\$8,216,180	\$10,806,180	\$7,495,180	\$6,832,180	\$8,273,180	\$8,276,180	\$8,946,180	\$8,067,180	\$7,916,180
23 <i>Reserve Target</i>	\$7,185,000	\$6,639,000	\$7,657,000	\$7,841,000	\$7,467,000	\$7,937,000	\$8,141,000	\$8,136,000	\$8,347,000	\$8,567,000
24 <i>Available Cash</i>	\$3,132,090	\$1,577,180	\$3,149,180	(\$345,820)	(\$634,820)	\$336,180	\$135,180	\$810,180	(\$279,820)	(\$650,820)
25 <i>Rate Stabilization Fund</i>	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Debt Coverage Calculations										
26 Revenue Available for Debt Service	\$6,491,090	\$6,737,090	\$7,156,000	\$7,767,000	\$7,971,000	\$8,202,000	\$8,454,000	\$8,702,000	\$8,963,000	\$9,219,000
27 <i>Total Yearly Parity Debt Payment</i>	<i>\$3,325,000</i>	<i>\$1,629,000</i>	<i>\$3,190,000</i>	<i>\$3,194,000</i>	<i>\$2,071,000</i>	<i>\$2,625,000</i>	<i>\$2,636,000</i>	<i>\$2,215,000</i>	<i>\$2,216,000</i>	<i>\$2,220,000</i>
28 Debt Coverage Ratio (without Impact Fees)	1.95	4.14	2.24	2.43	3.85	3.12	3.21	3.93	4.04	4.15

Schedule WW-3 – Wastewater Utility Cash Flow Pro Forma (2 of 2)

Fund 531 - Sewer Capital Fund Cash Flow Proforma

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033
29 Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenues										
30 Transfer in from Operating Fund	\$11,935,000	\$8,209,000	\$2,376,000	\$8,884,000	\$7,563,000	\$5,136,000	\$5,815,000	\$5,817,000	\$7,626,000	\$7,150,000
31 Interest Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32 Total Revenues	11,935,000	8,209,000	2,376,000	8,884,000	7,563,000	5,136,000	5,815,000	5,817,000	7,626,000	7,150,000
Expenditures										
33 Rate-Funded Capital Spending	11,935,000	8,209,000	2,376,000	8,884,000	7,563,000	5,136,000	5,815,000	5,817,000	7,626,000	7,150,000
34 Surplus/(Shortfall)	-	-	-	-	-	-	-	-	-	-
35 Reserve Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 <i>Reserve Target</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Fund 533 - Sewer Impact Migration Fee Fund Cash Flow Proforma

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033
37 Beginning Balance	\$6,496,000	\$1,349,000	\$1,564,000	\$1,781,000	\$1,999,000	\$2,219,000	\$2,441,000	\$3,664,000	\$4,896,000	\$6,137,000
Revenues										
38 IMF Revenue	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000
39 Interest Earnings	\$48,000	\$10,000	\$12,000	\$13,000	\$15,000	\$17,000	\$18,000	\$27,000	\$36,000	\$46,000
40 Total Revenues	1,253,000	1,215,000	1,217,000	1,218,000	1,220,000	1,222,000	1,223,000	1,232,000	1,241,000	1,251,000
Expenditures										
41 WW IMF Funded Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42 Transfers to Fund 530	\$6,400,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0
Total Expenditures	6,400,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-
43 Surplus/(Shortfall)	(5,147,000)	215,000	217,000	218,000	220,000	222,000	1,223,000	1,232,000	1,241,000	1,251,000
44 Impact Fee Fund Ending Balance	\$1,349,000	\$1,564,000	\$1,781,000	\$1,999,000	\$2,219,000	\$2,441,000	\$3,664,000	\$4,896,000	\$6,137,000	\$7,388,000

Schedule WW-4 – Five-Year Schedule of Wastewater Rates*

Fiscal Year:	2024/25	2025/26	2026/27	2027/28	2028/29
Rate Increases:		5%	5%	5%	5%
Monthly Flat Wastewater Rates (Unmetered)					
Single Family and Multi-Family Residential Dwelling Units					
1 bedroom	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
2 bedroom	\$42.22	\$44.34	\$46.56	\$48.89	\$51.33
3 bedroom	\$52.78	\$55.42	\$58.19	\$61.10	\$64.16
4 bedroom	\$63.34	\$66.50	\$69.83	\$73.32	\$76.99
5 bedroom	\$73.89	\$77.59	\$81.47	\$85.54	\$89.82
Mobile Homes (per unit)	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
Schools (per SSU (18 students))	\$31.67	\$33.25	\$34.91	\$36.66	\$38.49
Non-Residential (per SSU)	\$42.22	\$44.34	\$46.56	\$48.89	\$51.33
Monthly Service Charges (Metered)					
Up to 3/4" meter	\$29.74	\$31.23	\$32.79	\$34.43	\$36.15
1" meter	\$49.00	\$51.45	\$54.02	\$56.72	\$59.56
1 1/2" meter	\$93.01	\$97.66	\$102.54	\$107.67	\$113.05
2" meter	\$148.03	\$155.43	\$163.20	\$171.36	\$179.93
3" meter	\$296.58	\$311.41	\$326.98	\$343.33	\$360.50
4" meter	\$461.64	\$484.72	\$508.96	\$534.41	\$561.13
6" meter	\$918.29	\$964.20	\$1,012.41	\$1,063.03	\$1,116.18
8" meter	\$1,468.47	\$1,541.89	\$1,618.98	\$1,699.93	\$1,784.93
Wastewater Usage Rates (Metered)					
Usage Rate (\$/CCF of water use) ¹	\$3.15	\$3.31	\$3.48	\$3.65	\$3.83

¹ Residential customers are billed based on their WQA while non-residential customers are billed based on actual monthly water usage.

* Assumes (maximum) 5 percent increases starting in FY2025/26