



# 2024 Water, Wastewater & Recycled Water Rate Study

*Final Report*

April 24, 2024



**HILDEBRAND**  
CONSULTING

April 24, 2024

Mr. Remleh Scherzinger  
General Manager  
Marina Coast Water District  
920 2nd Avenue Suite A  
Marina, CA 93933



Re: 2024 Water, Wastewater & Recycled Water Rate Study

Dear Mr. Scherzinger,

Hildebrand Consulting is pleased to present this 2024 Water, Wastewater and Recycled Water Rate Study (Study) for the Marina Coast Water District (District). We appreciate the fine assistance provided by you and all of the members of the District staff who participated in the Study.

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

[mhildebrand@hildco.com](mailto:mhildebrand@hildco.com)  
(510) 316-0621

We appreciate the opportunity to be of service to the District 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 written over a light blue circular stamp.

Mark Hildebrand  
Hildebrand Consulting, LLC

Enclosure

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## List of Acronyms

AF	acre foot
AFY	acre-feet per year
AWWA	American Water Works Association
HCF	hundred cubic feet (748 gallons)
CAP	Cost Allocation Plan
CIP	capital improvement program
CPI	Consumer Price Index
COSA	cost of service analysis
CSUMB	California State University Monterey Bay
DCR	debt coverage ratio
EM	equivalent meter
FORA	Fort Ord Reuse Authority
FY	fiscal year (which ends on June 30 for the District)
MGD	million gallons per day
M1W	Monterey One Water
O&M	operations and maintenance
PayGo	“pay as you go” (i.e., cash financing for capital projects)
R&R	repair and replacement (a type of capital spending)
SWRCB	California State Water Resources Control Board
WEF	Water Environment Federation
WSCP	Water Shortage Contingency Plan

## **Section 1. INTRODUCTION AND SUMMARY**

The Marina Coast Water District (District) has retained Hildebrand Consulting, LLC. to conduct a water, wastewater, and recycled water rate study (Study). The scope of work also includes a review and update of the Cost Allocation Plan (CAP) between the Marina and Ord Cost Centers. This report describes in detail the assumptions, procedures, and results of the Study, including conclusions and recommendations.

### **1.1 DISTRICT BACKGROUND**

On July 20, 2007, the State granted the District's request to interconnect the Central Marina water system and the Ord Community water system to meet peak demands and improve overall services. Today the District's combined groundwater production wells consists of seven active wells located within the Monterey Subbasin of the Salinas Valley Groundwater Basin. Together the combined systems now serve a population of over 38,000 residents. The Marina and Ord service areas are maintained as separate service areas, with separate financial records, accounts, and capital improvement programs (CIP). Between the two service areas there are six "Cost Centers": Marina Water, Ord Water, Marina Sewer, Ord Sewer, Recycled Water and the Groundwater Sustainability Agency (GSA)<sup>1</sup>.

Marina Water is treated at each well site for disinfection and in some cases to remove hydrogen sulfide. Marina Water delivers about 550,000 hundred cubic feet (HCF<sup>2</sup>) per year to its 4,050 customer accounts. Marina Sewer currently serves over 3,800 accounts totaling nearly 7,500 equivalent dwelling units (EDUs).

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<sup>1</sup> The GSA Cost Center is outside of the scope of this study.

<sup>2</sup> One HCF is equal to 748 gallons

Ord Water is also disinfected to provide the community with healthy and safe drinking water. Ord Water delivers over 650,000 HCF per year to its 6,260 customer accounts. Ord Sewer currently serves over 6,000 accounts totaling nearly 8,400 EDUs.

Altogether, the District conveys an average of approximately 2 million gallons per day (MGD) of sewage combined from both service areas to Monterey One Water (M1W) for treatment. The District is currently taking delivery of up to 600-acre feet (AF) of produced advanced treated water per year and has rights to an additional 827 AF per year of advanced treated water, for a total of 1,427 AF per year. The agreement with Monterey One Water includes a cost sharing arrangement for operations and maintenance (O&M) costs, annual renewal reserve requirements, and debt service. The District operates and maintains a transmission system and tank storage for the advanced treated water, for which they incur ongoing O&M costs and debt service. A portion of these costs is reimbursed by M1W.

## **1.2 STUDY BACKGROUND AND OBJECTIVES**

The District's last rate study for water and wastewater was conducted in 2018 and resulted in the adoption of a rate schedule from FY 2018/19 through FY 2022/23. The last recycled water rate study was conducted in 2022. The most recent adjustment to rates occurred in January of 2023.

The separation of the Cost Centers is a requirement of the 1998 Water/Wastewater Facilities Agreement between the District and the Fort Ord Reuse Authority (FORA) which directs the District to separately track and isolate the revenue and expenses for the two service areas (see Section 2). The update to the CAP is necessary to ensure that the District continues to properly allocate costs between the five Cost Centers (Ord Water, Marina Water, Ord Sewer, Marina Sewer, and Recycled Water).

The scope of services for this Study includes the following:

- Prepare ten-year financial plans and determine rate revenue requirements for each of the five Cost Centers
- Update the CAP in order to ensure that costs are allocated equitably between the District's five Cost Centers
- Update the current rate structures and evaluate the introduction of a volumetric-based rate for sewer
- Verify that all rates meet the legal requirements for cost of service
- Present draft study findings and recommendations to the District Board

### **1.3 STUDY METHODOLOGY**

This Study applied methodologies that are aligned with industry standard practices for rate setting as laid out in the American Water Works Association (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 current financial dynamics and latest available data for the operations of each Cost Center. 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 District's operations in order to develop a long-term financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments. The financial plans reflect the recommendations of the updated CAP.

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 Study used the revenue requirements for FY 2024/25.

#### **1.4 REPORT ORGANIZATION**

The remainder of this report consists of the following seven sections: Section 2 summarizes the CAP, Section 3 provides a general description of the Study methodology and assumptions, and then Sections 4 – 8 provide the findings for the five Cost Centers. Section 3 is designed to reduce the considerable amount of redundant language that would otherwise be needed in Sections 4 – 8.

## Section 2. COST ALLOCATION PLAN

The 1998 Water/Wastewater Facilities Agreement between the District and the Fort Ord Reuse Authority (FORA) requires the District to track the revenue and expenses for the two service areas<sup>3</sup>. This service agreement requirement is further obligated by District Ordinance 43, which requires the creation of the existing Cost Centers<sup>4</sup>.

The District is able to allocate many costs to each respective Cost Center based on the location of activities. These so-called “direct costs” are coded to a specific Cost Center by the District. Some of the District’s activities are treated as “indirect costs” because they benefit the District as a whole or are not easily coded to any particular Cost Center. An example of indirect costs includes administrative operations. These “indirect costs” must be allocated to each Cost Center using a basis that is reasonable, transparent, consistent, and equitable.

The purpose of this CAP is to ensure that each Cost Center is incurring the appropriate direct costs and that the District is following the appropriate Office of Management and Budget’s (OMB) Circular A-87 guidelines for allocating indirect costs. Allocating costs

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<sup>3</sup> Section 7. 1.1 – Separate Fund Accounting – MCWD will account for its operations for the service area as a separate fund within the general MCWD operation. The service area fund will have its own line items and account numbers and will give MCWD the ability to report on revenues and expenses for the service area. Rules for allocating overhead between the service area fund and other MCWD operations will be determined based on the principles set forth in Circular A-87, Cost Principles for State and Local Governments, of the federal Office of Management and Budget.

<sup>4</sup> MCWD Ordinance 43, Section 6.04.050 Cost center separation – For so long as justified by objective administrative, engineering, financial or legal considerations, and notwithstanding the termination of the district’s water and wastewater agreement with the Fort Ord Reuse Authority, the MCWD will account for its operations for the Ord Community service area as a separate fund within the general MCWD operation.

appropriately among the Cost Centers is an important step in developing equitable water, sewer and recycled water rates for Marina and Ord customers.

## 2.1 DIRECT COSTS

Most of the District's costs are directly allocated to each of the five Cost Centers, such as salaries and benefits (for personnel that code their activities to specific Cost Centers), equipment, supplies, professional services, programs (such as conservation), and capital expenses. Each capital project is individually evaluated to determine the appropriate allocation based on the relative benefit to the respective Cost Centers. These directly allocated expenses have not been audited as part of this review.

## 2.2 INDIRECT COST ALLOCATION PLAN

Any District cost that is not treated as a direct cost (see Section 2.1), is treated as an indirect cost to be allocated among the Cost Centers. These indirect costs are allocated based on the following metrics, as appropriate:

**Groundwater Sustainability Agency (GSA)** costs are divided based on the respective water allocation of Salinas Valley groundwater to the Marina and Ord service areas. Marina receives 40.11 percent of the allocation (4,420 acre-feet per year (AFY)), while Ord receives 59.89 percent of the allocation (6,600 AFY).

**Master Plans** and other similar general engineering and planning efforts are allocated based on miles of pipeline (see Table 1).

**Table 1: Miles of Pipe Summary**

Cost Center	<u>Water</u>		<u>Sewer</u>		<u>Total</u>	
	Miles	%	Miles	%	Miles	%
Fund 01 - Marina Water	53.17	24.2%			53.17	13.9%
Fund 02 - Marina Sewer			44.12	27.0%	44.12	11.5%
Fund 03 - Ord Water	166.56	75.8%			166.56	43.5%
Fund 04 - Ord Sewer			119.24	73.0%	119.24	31.1%
<b>Total:</b>	<b>219.73</b>		<b>163.36</b>		<b>383.09</b>	

**All other indirect costs** are allocated based on the distribution of audited operating expenses net of depreciation. With this approach, which is referred to "as all others," the allocation of these indirect costs mirrors the distribution of direct operating costs. The "other" indirect costs include administration, Board costs, information technology, accounting services, and other general District-wide studies. These functions serve the District as a whole and cannot be reasonably allocated on a direct basis or one of the above metrics. The "as all others" approach is used because a full investigation of the allocation of those costs would require a level of effort disproportionate with the benefit gained. For that reason, it is appropriate to use the "as all others" allocation measure to represent a typical allocation of benefits.

The "as all others" allocation is updated every year based on actual audited expenses from the prior year and published in the District's Annual Budget. The allocation based on FY 2021/22 actuals are summarized in Table 2.

**Table 2: As All Others Allocation Calculation**

	FY 2021/22 Operating Expenses Net of Depreciation	"As All Others" Allocation for FY 2023/24
Marina Water	\$3,488,289	27.2%
Marina Sewer	\$614,976	4.8%
Fort Ord Water	\$7,011,912	54.7%
Ford Ord Sewer	\$1,500,556	11.7%
Recycled Water	\$201,940	1.6%
	<b>\$12,817,673</b>	

### 2.3 FINDINGS

Hildebrand Consulting finds that the District's allocation methodology and the foundational data to be reasonable and appropriate. While the As All Others methodology is used for allocating the majority of indirect costs (as opposed to a more targeted metric), it is appropriate given the degree to which the District allocates most operating costs directly. It is recommended that the District continue to review and update these allocation factors on a regular basis.

## **2.4 FEDERAL COMPLIANCE**

Occasionally federal awards require the performance of a CAP in order to demonstrate the legitimacy of claimed costs. While the District’s current methodology is consistent with federal guidelines, a separate CAP would be necessary for the purpose of meeting the requirements of CRF, Title 2, Part 200, Subpart E. This section identifies specific costs that are required to be excluded from the allocation methodology including, but are not limited to, public relations, bad debts, bonding costs, alcoholic beverages, advisory councils, and legal fees.

## **Section 3. GENERAL METHODOLOGY AND ASSUMPTIONS**

Given the fact that this Report covers five different Cost Centers, the following section addresses the general rate setting methodology and assumptions used for the Study. This section is intended to reduce the amount of repetition required when describing the findings for each Cost Center (as described in Section 4, Section 5, Section 6, Section 7, and Section 8).

### **3.1 FINANCIAL PLANS**

This Study has developed a 10-year financial plan for each Cost. Each financial plan is based on source data that includes FY 2023/24 budget, FY 2022/23 actuals, cash balances as of June 30, 2023, a 5-year CIP developed by District staff, existing debt service schedules, District reserve policies, and forecast assumptions (as described in Section 3.1.6).

The 10-year financial plans were developed through several interactive work sessions with District staff and the District Board. As a result of this process, the Study has produced robust financial plans that will enable each Cost Center to meet its respective future revenue requirements and achieve financial performance objectives throughout the projection period while striving to limit rate increases.

The analyses for each Cost Center identified revenue shortfall in the upcoming years of different magnitudes. These shortfalls are largely the result of inflationary pressures on operating costs as well as a proposed significant increase in capital spending in order to address the condition of aging infrastructure. Historically the District has deferred this so-called “repair and replacement” (R&R) capital spending and now finds itself facing a backlog of project needs.

The financial plans each reflect assumptions and estimates believed reasonable at the present time. However, conditions change. It is recommended that the District continuously review the financial condition of each Cost Center and reaffirm annual

rate adjustments as part of the annual budget process, as well as perform a more comprehensive financial plan and rate update every 3 to 5 years, as conditions dictate.

### **3.1.1 Fund Structure and Cash Reserve Policies**

Each Cost Center Cash is considered to be independent funds. Within each fund there are restricted reserves and designated reserves.

The Restricted Reserves pertain to a Capacity Fee reserve (which is restricted to paying for growth-related capital projects) and, when applicable, debt service reserves.

The Designated Reserves are made up of an Operating Reserve, a Capital Replacement and Improvement Reserve, and Rate Stabilization Reserve.

The District has cash reserve policies related to the designated reserves. 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 following target reserve levels have been adopted by District Policy 3050:

Capital Replacement and Improvement Reserve: The purpose of this reserve is to fund the replacement of capital assets when they reach the end of their useful lives. These funds enable the District to undertake multi-year projects and possess the financial ability to pay for unbudgeted, unplanned replacement needs. The target for this reserve is the amount of the single most expensive asset to replace for each component system (ss Policy 3050 for details).

Operating Reserve: This reserve is used for unanticipated, current operating expenses and to meet routine cash flow needs. This fund may be routinely utilized to cover

temporary cash flow deficiencies caused by (i) timing differences between revenue and expenses; (ii) unexpected decreases in revenues; or (iii) unexpected increases in expenses. The reserve target balance is equal to 150 percent (18 months) of the Cost Center’s currently budgeted operating expenses.

Rate Stabilization Reserve: This reserve provides funds that assist in smoothing rates; to reduce (buy down) rate increases as the Board deems appropriate. Funds deposited into this reserve are treated as operating revenues in the year of deposit and will be treated as such in years of use for purposes of computing the District's debt service coverage ratio. The District targets a balance equal to 10 percent of the respective Cost Center’s rate revenues each fiscal year.

The District’s reserve policies describe reserve targets that may not be attained every year (particularly as the District works toward meeting these relatively new targets). In addition to target reserves, this Study also introduces the concept of a “Minimum Reserve” level, which defines a “floor” or minimum cash reserve level. For purposes of this Study and given the current condition of the cash reserves for some of the Cost Centers, we propose a minimum reserve level equal to 4 months of operating costs. In the future we recommend that the District consider adopting a more robust minimum cash reserve policy.

### **3.1.2 Growth Assumptions**

Growth affects the 10-year financial plans in two primary ways: growth generates Capacity Charge revenue from developers, and it creates a larger customer base, which uses more water and pays more rates. The growth trends in Central Marina are quite different than the growth trends in the Ord community, largely because there is more potential for development in the Ord area. In the past two years, Ord Water has collected about \$3.5 million per year in capacity charge revenue from new customers (developers) connecting to the system and Ord Sewer has collected about \$1 million per year. On average this equates to a growth rate of approximately 5 percent per year. On the other hand, Marina Water has collected about \$270 thousand per year and

Marina Sewer has collected about \$60 thousand per year. This equates to a growth rate of about 0.8 percent per year.

For the purpose of this Study, the financial plan assumes that average annual growth will be 5.0 percent in the Ord community and 0.8 percent in the Central Marina community.

### **3.1.3 Rate Revenue**

Rate revenue is the revenue generated from customers for water and sewer service.

The District's water rates include a two-part rate structure: a fixed monthly service charge based on the size of the water meter and a water consumption rate based on actual water usage. All customers currently pay tiered water rates, whereby the first 10 HCF of water consumption is at a lower unit rate.

Recycled Water also has the same two-part rate structure, although the consumption rate is uniform (not tiered).

The District's sewer rates are currently fixed, based on the number of dwelling units for residential accounts and based on an assigned EDU value for non-residential accounts.

The financial plans start with FY 2023/24 budgeted rate revenues. Estimated future rate revenues account for the customer growth described in Section 3.1.2 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 assumed to remain constant.

### **3.1.4 Proposed Changes to the Existing Rate Structure**

This Study recommends changes to both the water and the sewer rates.

#### *3.1.4.1 PROPOSED CHANGE TO WATER RATE STRUCTURE*

All water customers currently pay tiered consumption rates and receive 10 HCF of Tier 1 water. Due to the fact that some non-residential and multifamily accounts have water

needs that far exceed 10 HCF per month, this Study recommends that all multifamily and non-residential customers (i.e., all customer except single family) pay a uniform consumption charge.

#### *3.1.4.2 PROPOSED CHANGE TO SEWER RATE STRUCTURE*

All sewer customers currently pay a fixed rate for their sewer service, regardless of the amount of sewage they produce. In order to recover more costs from customers that produce more sewage, this Study proposes to recover some costs with a uniform flow-based charge. For residential customers the flow-based charge will be based on average winter water usage (December, January, and February). It is a common industry practice to use winter water usage to estimate indoor water usage since outdoor water is minimal during that time. From an implementation perspective, this means that the indoor water usage value attributed to each residential account will be updated by the District when the water usage data from the previous winter becomes available. It is recommended that new accounts with no water usage history be assigned a temporary default value of 5 HCF per month, which is the current winter average for a single-family home.

Non-residential customers should have a separate meter for outdoor water usage, therefore monthly water usage is used to calculate the non-residential flow-based charge.

#### **3.1.5 Non-Rate Revenue**

In addition to rate revenue, each Cost Center receives additional “non-rate revenue” from sources such as miscellaneous service fees, penalties, operating revenue (such as lease revenue), interest revenue on investments, and occasionally grants. The Cost

Centers also receive Capacity Charge revenue from developers, which is partially restricted for funding growth-related projects<sup>5</sup>.

Projections of all non-rate revenues were based on FY 2023/24 budgeted revenues with the exception of interest income which was calculated annually based upon projected fund balances and an assumed interest rate of 0.75 percent, which is a conservative assumption given that recent interest earnings across the Cost Centers over the past two years has been above 1 percent.

### **3.1.6 Operating Expenses and Cost Inflation Assumptions**

Utility expenses include operating and maintenance expenses, debt service, and capital spending. Future operating and maintenance expenses for each Cost Center were projected based primarily on actual expenditures from FY 2022/23 and adjusted for inflation. As an exception, all staff-related costs are based on the FY 2023/24 budget since these costs were recently negotiated as part of the recent Memorandum of Understanding (MOU).

Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with District staff. During the projection period, most expenses are projected to increase at 3.0 percent per year, with the exception of the following:

- Salaries and benefits – 10 percent in FY 2025 and then 3 percent thereafter
- Utilities – 10 percent per year

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<sup>5</sup> The extent to which Capacity Charge revenue is restricted depending on each Cost Center, as described in the District’s “Water, Wastewater and Recycled Water Capacity Fee Study” (Bartle Wells Associate, July 15, 2020)

### **3.1.7 Capital Spending Program**

The District recently completed a master planning effort and is transitioning into a more proactive approach to addressing R&R capital needs. While the capital needs vary from Cost Center to Cost Center, the need to increase capital reinvestment applies across the board (with the exception of Recycled Water which is a new system).

### **3.1.8 Existing and Proposed Debt and Debt Coverage Ratio**

The District as a whole currently pays about \$3.9 million annually in debt service related to a 2017 BLM loan, a 2015 Bond, a 2019 Bond, and multiple Prop 1 and SRF loans related to the Recycled Water Cost Center. The annual debt service associated with these loans will continue to increase until FY 2026/27, at which time the annual payments will plateau at \$6.85 million per year.

Part of the District's operating costs include a debt repayment obligation to M1W of about \$1.2M per year. The District allocates 57.95 percent of this debt repayment obligation to the potable water Cost Centers (23.18 percent to Marina Water and 34.77 percent to Ord Water) since potable water users benefit from the development of recycled water (since the use of recycled water offsets the use of limited groundwater resources). Another way to frame the benefit is that the Recycled Water program essentially creates an imported water source that could be seen as in-lieu groundwater augmentation. While the recycled water usage occurs exclusively in the Ord service area, the groundwater aquifer is hydraulically connected therefore Marina Water also benefits from the offset of groundwater usage.

While the District plans to eventually fund all of its R&R capital spending with cash (known as Pay as you Go or "PayGo"), the proposed increase in capital spending will require the District to fund some of the near-term capital projects with debt. This Study assumes that the District will take out another loan for \$20 million in the next year to pay for R&R projects for Marina Water, Marina Sewer and Ord Water. The financial plan assumes that the interest rate will be 5 percent, the repayment period will be 20 years, and the cost of issuance will be 1.5 percent.

One of the requirements associated with bond financing is to maintain rates and other utility system revenues at levels sufficient to meet debt service coverage requirements. Based on recently published guidance from Fitch Ratings<sup>6</sup>, utility systems with *midrange* financial profiles should maintain a debt coverage ratio<sup>7</sup> (“DCR”) greater than 1.50 times annual debt service. The DCR is measured based on the District’s total financial, it is not measured at the individual Cost Center level. Even with the issuance of the additional \$20 million loan, this financial plan projects that the District’s DCR will remain well above minimal levels for the next ten years (see the proformas in the Schedules for each Cost Center).

### 3.2 RATE CALCULATIONS

The COSA for each Cost Center evaluates the cost of providing water/sewer service and allocates those costs to rate structure components to ensure that the proposed rates are aligned with the cost to provide service. The COSA is performed in order to comply with Proposition 218, which requires water and wastewater rates to be equitably apportioned and proportional to the cost of providing service. The results of the COSA were used to develop the proposed rates. The complete schedule of proposed rates for each Cost Center is detailed in their respective Schedules at the end of this report.

The rate structures proposed by this Study are designed to:

- ▶ Fairly and equitably recover costs through rates
- ▶ Conform to accepted industry practice and legal requirements
- ▶ Provide fiscal stability and recovery of utility system costs

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<sup>6</sup> As published on July 31, 2013.

<sup>7</sup> 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.

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

### 3.2.1 Water Cost of Service and Rate Design

The ten-year financial plans were 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 2024/25 and reflect the proposed overall rate revenue to be incorporated in the financial plan.

The next step in the rate-setting process was to allocate costs to be recovered through the various rate elements. The cost allocation methodology begins by assigning all costs to one of four cost recovery components:

- The Account Charge recovers costs associated with activities such as meter reading and billing. These are fixed costs that vary as a function of the number of customers being served. The Account Charge is allocated to each account regardless of size. That is, every customer pays an equal share of account-related costs. These costs are summarized in the “Account Charge” column of Table 8 (Marina Water) and Table 15 (Ord Water).
- The Meter Charge is also designed to recover fixed costs; however, these costs tend to vary in relation to the capacity of the water supply and 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. These costs are summarized in the “Meter Charge” column of Table 8 (Marina Water) and Table 15 (Ord Water).

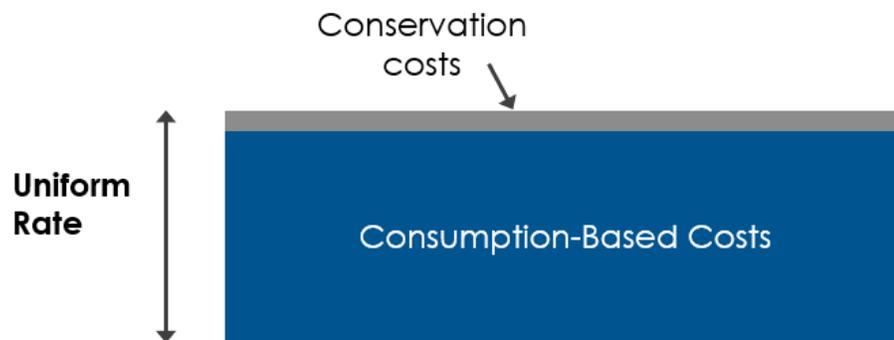
- Consumption Charges primarily recover costs that vary entirely or substantially in response to the amount of actual water use. Water purchase costs and energy costs are two typical examples. Consumption charges also recover some fixed costs that are reasonably allocated on the basis of water use. Due to the fact that the District’s single-family customers have a tiered rate structure, the water usage costs are further broken down into two categories. The Basic Volumetric Charge recovers all consumption-related costs except for the cost of the conservation program, which is recovered through the Conservation Surcharge. These costs are summarized in the “Basic Volumetric Charge” and “Conservation Charge” columns of Table 8 (Marina Water) and Table 15 (Ord Water).

The tiered rates for single family accounts are designed to recover the cost of the conservation program from customers that use the most water. The surcharge is applied to any single-family account that uses more than 10 HCF of water per month (or about 250 gallons per day). The uniform rate simply blends the cost of the conservation program with all other consumption-based costs. The weighted average rate paid by all single-family customers will be equal to the uniform commercial rate, thus meeting the proportionality requirements of Proposition 218.

**Figure 1** and **Figure 2** provide a graphical representation of the cost basis and rate structure for the tiered rates and uniform rates, respectively.



**Figure 1: Basis for Tiered Rate Costs**



**Figure 2: Basis for Uniform Rate**

### 3.2.2 Water Unit Rate Calculation

Once the revenue requirements have been allocated to the respective cost recovery components, those costs are divided by an appropriate metric in order to calculate the unit rates for each component.

- The Account Charge costs are divided by the number of accounts in the Cost Center
- The Meter Charge costs are divided by the number of “equivalent meters” in the Cost Center. The concept of equivalent meters comes from the fact that larger meters

have the capacity to place higher demands on the water system than smaller meters. To relate the potential demands on the water system from customers with different size water meters, hydraulic capacity factors are used to determine the number of equivalent meters represented by the total customer base with variable meter sizes. For the purposes of rate analysis, the 5/8" and 3/4" meters are assigned a hydraulic capacity factor of 1.0. As shown in **Table 3**, the rated flow capacities of the various meter sizes are compared to the capacity of a 3/4" meter 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 a common rate-setting practice used in the water industry.

**Table 3: Meter Equivalencies**

<b>Meter Size</b>	<b>Rate Flow Capacity (gpm)<sup>1</sup></b>	<b>Hydraulic Capacity Factor</b>
5/8" and 3/4"	30	1.00
1" meter	50	1.67
1 1/2" meter	100	3.33
2" meter	160	5.33
3" meter	320	10.67
4" meter	500	16.67
6" meter	1,000	33.33
8" meter	1,600	53.33
10" meter	2,800	93.33
12" meter	4,200	140.00

<sup>1</sup> AWWA M1 Manual, 7th Edition, Table B-2

- The Consumption Charges costs are divided by the amount of water sold within each category. Billing data from FY 2022/23 was used to determine the amount of water currently being sold at Tier 1 and 2 rates (for single-family accounts) and uniform rates (for all other customers).

The calculations for the above are summarized in Table 8 and Table 9 (Marina Water) and Table 15 and Table 16 (Ord Water).

### 3.2.3 Private Fire Meter Charges

The District's fire meter rate is used to cover the costs attributed with accounts that have dedicated fire protection lines. The District does not measure or charge for the water consumed by a fire meter. A standby fee is charged for the availability of this water when needed in an emergency. This study does not include a cost-of-service update to the private fire meter charges therefore an inflationary adjustment is recommended (see Schedules MW-4 and OW-4).

### 3.2.4 Sewer Rates Calculation

The ten-year financial plans were used to identify the sewer rate revenue required to meet financial obligations for each fiscal year of the planning period. The sewer rate calculations presented herein are based on the revenue to be generated in FY 2024/25 and reflect the proposed overall rate revenue to be incorporated in the financial plan.

The next step in the rate-setting process was to allocate costs to be recovered through the various rate elements. By policy the District has elected to recover fifty percent of its revenue through the flow-based charges and the remaining fifty percent through the existing fixed EDU assignments.

- The EDU Charge costs are divided by the number of EDUs in the Cost Center. EDUs are assigned to residential accounts based on the number of dwelling units and are assigned to non-residential accounts based on the District's assessment of each account's sewer demands.
- The Sewer Flow costs are divided by the total estimated HCF of sewage produced within the Cost Center, based on metered water usage (winter water usage for residential accounts).

## Section 4. MARINA WATER RATE STUDY

The following sections describe Marina Water’s 10-year financial plan, cost of service analysis results and proposed rates schedule.

### 4.1 MARINA WATER BEGINNING FUND BALANCES

The ending cash balance for FY 2022/23 was used to establish the FY 2023/24 beginning balance, as shown in **Table 4**.

**Table 4: Marina Water FY 2023/24 Beginning Cash Balance**

<b>Unrestricted</b>	
Administrative & General Fund	\$50,000
Operating Reserves	\$3,651,000
Capital Replacement & Impvt Reserve	\$1,606,000
<b>Total Unrestricted:</b>	<b>\$5,307,000</b>
<b>Restricted</b>	
Capacity Fee Reserve	\$767,000
<b>Total Reserves:</b>	<b>\$6,074,000</b>

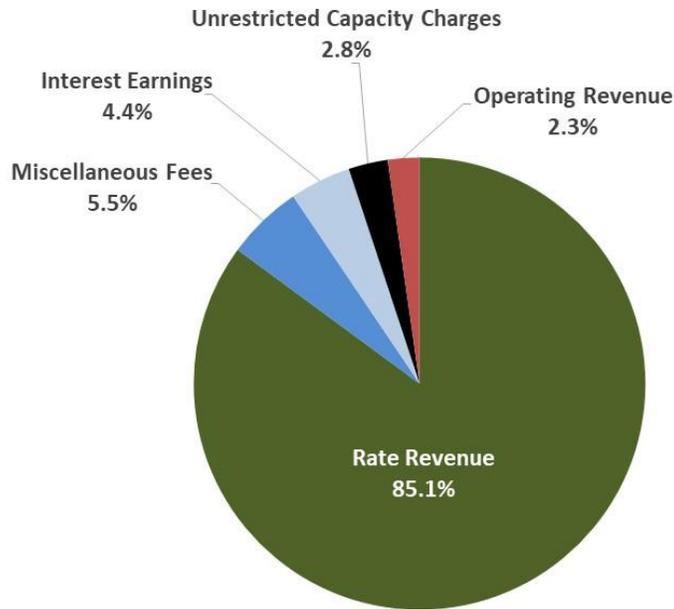
Based on District policy, **Table 5** describes the target reserve levels for Marina Water in FY 2024/25. The minimum reserve level for the planning period is about \$1.7 million.

**Table 5: Marina Water FY 2024/25 Reserve Targets**

Operating Reserve	\$7,835,000
Capital Replacement and Improvement Reserve	\$5,000,000
Rate Stabilization Reserve	\$418,000
<b>Total Reserve Target:</b>	<b>\$13,253,000</b>

#### 4.2 MARINA WATER REVENUES

Budgeted rate and non-rate revenues are depicted in **Figure 3** below and are detailed in **Schedule MW-3**. Per District policy, 34.6 percent of Marina Water Capacity Charge revenue is unrestricted.



**Figure 3: Budgeted Marina Water Revenue Categories (FY 2023/24)**

#### 4.3 MARINA WATER UTILITY OPERATING EXPENSES

Major budgeted expense categories for FY 2023/24 are depicted in **Figure 4**. Budgeted and projected operating and maintenance costs as well as debt service expenses are listed in detail in **Schedule MW-1**.

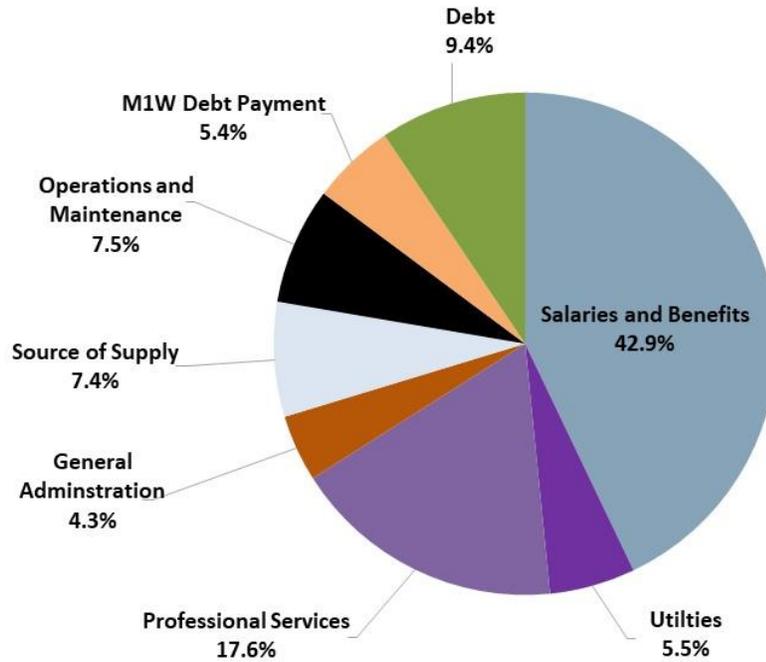


Figure 4: Marina Water Budgeted O&M & Debt Categories (FY 2023/24)

#### 4.4 MARINA WATER CAPITAL IMPROVEMENT PROGRAM

Figure 5 shows Marina Water project capital spending plan for the next 10 year. A detailed list of planned water capital projects and associated costs is provided in Schedule MW-2.

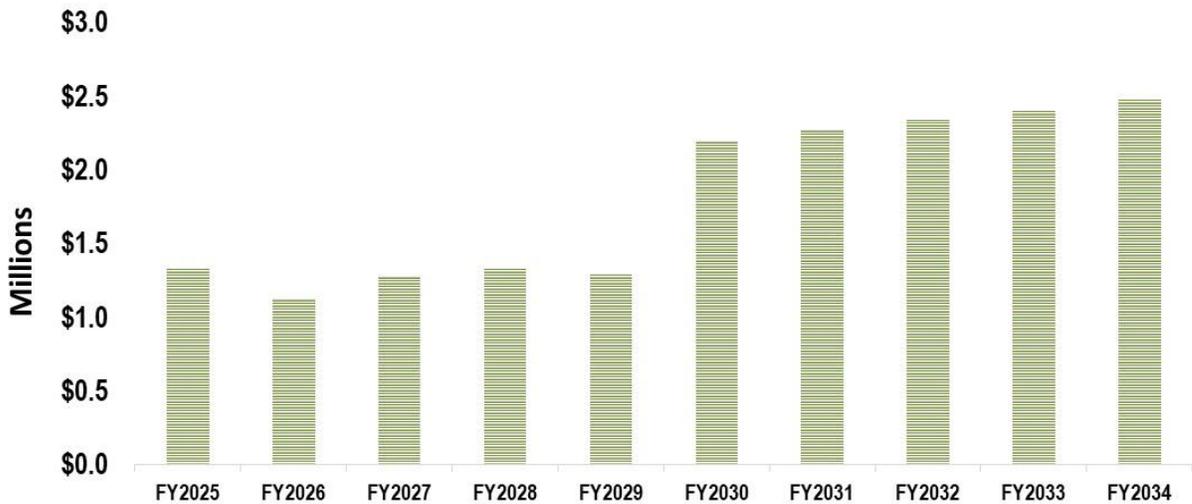


Figure 5: Marina Water Projected Capital Spending

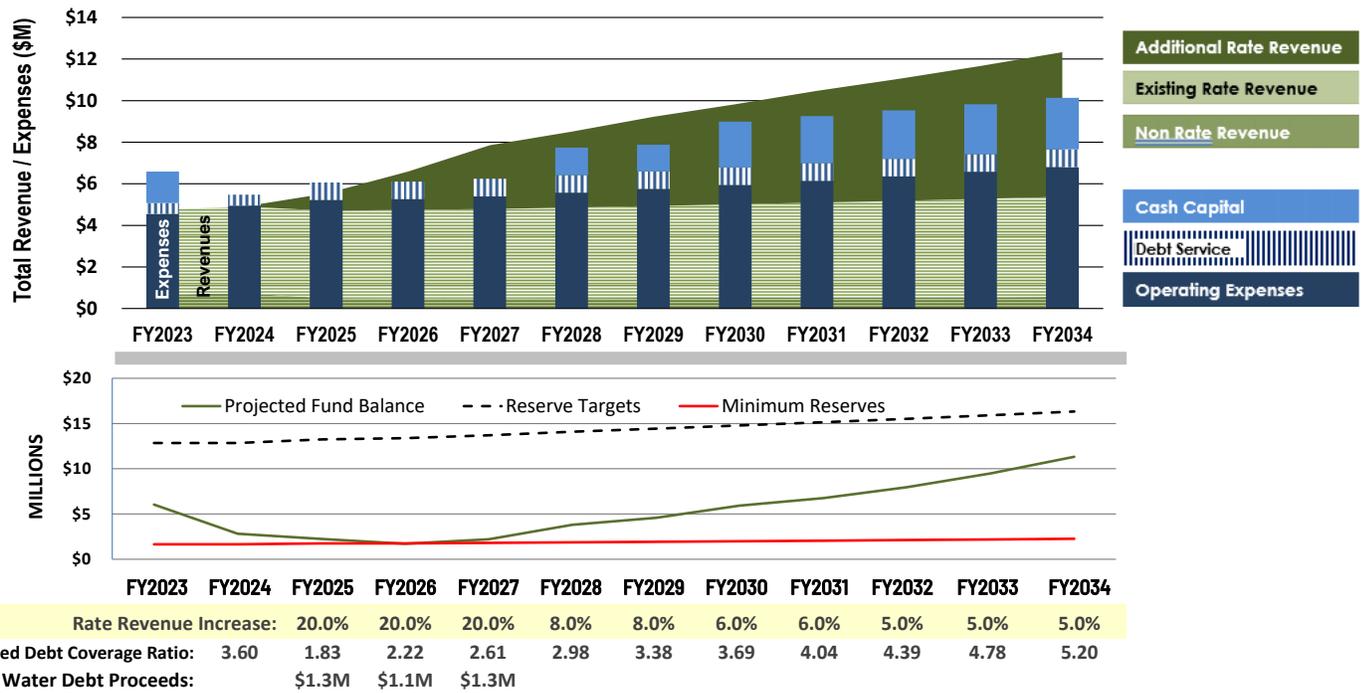
#### **4.5 MARINA WATER PROPOSED DEBT STRATEGY AND RATE REVENUE INCREASES**

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.

This Study has found that Marina Water is currently running at a deficit (annual operating costs and debt service exceed annual revenue) and therefore a combination of rate revenue increases and debt will be necessary in order to meet operating costs and fund budgeted capital expenditures. The proposed rate revenue increases are shown in **Figure 6** and detailed in **Schedule MW-3**.

As discussed in Section 3.1.8, the District will issue a \$20 million bond, of which \$3.6 million will be used to fund capital spending for Marina Water during FY 2024/25 through FY 2026/27. The financial plan cash flow projections that are detailed in Schedule MW-3 are summarized graphically in Figure 6, which shows:

- 1) Despite significant rate increases and debt-funded capital for three years, Marina Water's cash reserves will be at minimum levels for the next three years.
- 2) Starting in FY 2027/28 (after three years of significant rate increases), Marina Water's reserves will begin to work towards meeting reserve targets.
- 3) The District's DCR is expected to remain at healthy levels at all times



**Figure 6: Marina Water Cash Flow Projections and Proposed Rate Revenue Increases**

#### 4.6 CURRENT MARINA WATER RATES

The current Marina Water rate schedule is summarized in **Table 6**.

**Table 6: Current Marina Water Rates**

Consumption Charge		
Tier 1	\$3.80	per hcf
Tier 2	\$5.79	per hcf
Fixed Monthly Service Charges		
5/8" & 3/4" meters	\$28.34	
1" meter	\$38.22	
1.5" meter	\$62.91	
2" meter	\$92.55	
3" meter	\$171.56	
4" meter	\$260.46	
6" meter	\$507.39	
8" meter	\$1,001.26	

#### 4.7 CURRENT CUSTOMER STATISTICS

**Table 7** summarizes customer account and water usage data used in water rate calculations. Account information is based on the utility billing data from FY 2022/23.

**Table 7: Marina Water Service Connections and Water Usage**

		5/8" & 3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	Total	Water Use (HCF)
<b>Number of Accounts</b>											
1	Single Family Residential	3,281	167	2						3,450	250,400
2	Multi-Family	130	69	35	37	5	4	1	-	281	171,400
3	Commercial	131	52	43	33	6	-	-	-	265	86,200
4	Institutional	17	11	9	12	3	3	-	-	55	36,400
5	<b>Total Accounts</b>	<b>3,559</b>	<b>299</b>	<b>89</b>	<b>82</b>	<b>14</b>	<b>7</b>	<b>1</b>	<b>-</b>	<b>4,051</b>	<b>544,400</b>
6	Hydraulic Capacity Factor	1.0	1.7	3.3	5.3	10.7	16.7	33.3	50.0		
7	Equivalent Meters	3,559	498	297	437	149	117	33	-	5,090	

#### 4.8 MARINA WATER COST ALLOCATION

**Table 8** summarizes how the costs categories that make up the FY 2023/24 rate revenue requirement of \$5,010,100 (see Row 12) are assigned to one or more of the four cost components, as described in Section 3.2.1. The cost categories were derived from the line-item detailed budget for FY 2023/24, as prepared by staff.

**Table 8: FY 2023/24 Marina Water Cost of Service**

	FY 2024/25 Budget	Percent Allocation				Cost Allocation			
		Account Charge	Meter Charge	Basic Volumetric Charge	Conservation Surcharge	Account Charge	Meter Charge	Basic Volumetric Charge	Conservation Surcharge
1 Administration	\$2,174,600	20.0%	30.0%	50.0%		\$434,920	\$652,380	\$1,087,300	
2 Operations & Maintenance	\$1,814,400		40.0%	60.0%			\$725,760	\$1,088,640	
3 Laboratory	\$88,400			100.0%				\$88,400	
4 Conservation	\$169,700				100.0%				\$169,700
5 Engineering	\$488,400		100.0%				\$488,400		
6 Water Resources	\$216,000			100.0%				\$216,000	
7 M1W Service Agreement	\$271,600			100.0%				\$271,600	
8 Debt Service	\$844,000		100%				\$844,000		
9 PayGo Capital	\$0		100%						
10 Use of Reserves	(\$558,000)	7.2%	44.7%	45.4%	2.8%	(\$40,176)	(\$249,426)	(\$253,332)	(\$15,624)
11 Non-Rate Revenue	(\$499,000)		75%	25%			(\$374,250)	(\$124,750)	
12 <b>Total Revenue Requirement:</b>	<b>\$5,010,100</b>					<b>\$394,744</b>	<b>\$2,086,864</b>	<b>\$2,373,858</b>	<b>\$154,076</b>

#### 4.9 MARINA WATER RATE CALCULATION

**Table 9** shows how the cost allocated to each component are divided by the number of relevant units of service in order to derive unit costs, which become the building blocks for the proposed rates.

**Table 9: FY 2023/24 Marina Water Units Cost of Service**

<b>Cost Recovery Component:</b>	<b>Account Charge</b>	<b>Meter Charge</b>	<b>Uniform Rate</b>	<b>Tier 1 Rate</b>	<b>Tier 2 Rate</b>
<b>Units of Service:</b>	4,051 Accounts	5,090 Equivalent Meters	294,000 hcf	223,500 hcf	26,900 hcf
<b>Revenue Requirement:</b>	\$394,700	\$2,086,900	\$1,365,200	\$974,600	\$188,200
<b>Unit Costs:</b>	<b>\$97.44</b> per account per year or <b>\$8.12</b> per account per month	<b>\$409.99</b> Per equivalent meter per year or <b>\$34.17</b> per equivalent meter per month	<b>\$4.64</b> Per hcf for Uniform Rates	<b>\$4.36</b> Per hcf for Tier 1	<b>\$7.00</b> Per hcf for Tier 2

The fixed monthly service charge is made up of two components: the account charge and the capacity charge. The account charge is the same for all accounts, regardless of the size of the account and the meter is based on the account’s meter size. As shown in **Table 10**, the capacity charge increases in proportion to the meter equivalency, while the account charge remains the same for all meter sizes.

**Table 10: Marina Water Proposed Monthly Service Charges**

<b>meter size</b>	<b>Account Charge</b>	<b>Meter Charge</b>	<b>Monthly Service Charge</b>
5/8" & 3/4" meters	\$8.12	\$34.17	<b>\$42.29</b>
1"	\$8.12	\$56.94	<b>\$65.06</b>
1.5"	\$8.12	\$113.89	<b>\$122.01</b>
2"	\$8.12	\$182.22	<b>\$190.34</b>
3"	\$8.12	\$364.44	<b>\$372.56</b>
4"	\$8.12	\$569.43	<b>\$577.55</b>
6"	\$8.12	\$1,138.87	<b>\$1,146.99</b>
8"	\$8.12	\$1,822.19	<b>\$1,830.31</b>
10"	\$8.12	\$3,188.83	<b>\$3,196.95</b>
12"	\$8.12	\$4,783.25	<b>\$4,791.37</b>

The proposed 5-year schedule for Marina Water rates is detailed in **Schedule MW-4**.

## Section 5. ORD WATER RATE STUDY

The following sections describe Ord Water’s 10-year financial plan, cost of service analysis results and proposed rates schedule.

### 5.1 ORD WATER BEGINNING FUND BALANCES

The ending cash balance for FY 2022/23 was used to establish the FY 2023/24 beginning balance, as shown in **Table 11**.

**Table 11: Ord Water FY 2023/24 Beginning Cash Balance**

<b>Unrestricted</b>	
Operating Reserves	\$4,270,000
Administrative & General Fund	\$50,000
Capital Replacement & Impvt Reserve	\$424,000
<b>Total Unrestricted:</b>	<b>\$4,744,000</b>
<b>Restricted</b>	
Capacity Fee Reserve	\$5,000,000
<b>Total Reserves:</b>	<b>\$9,744,000</b>

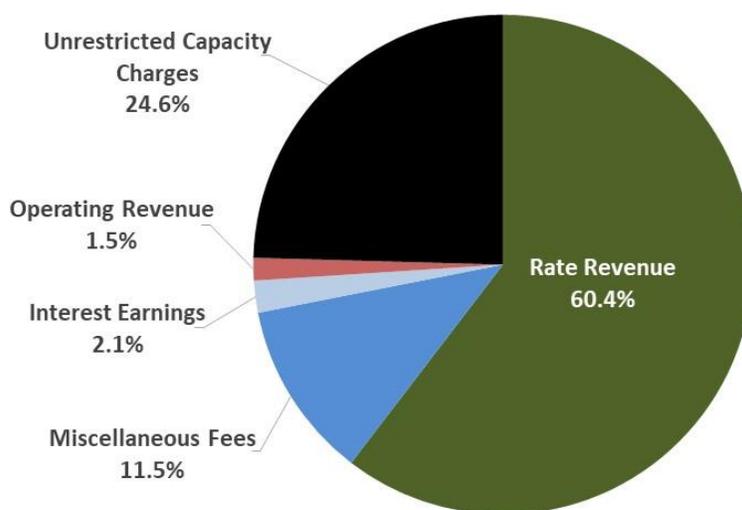
Based on District policy, **Table 12** describes the target reserve levels for Ord Water in FY 2024/25. The minimum reserve level for the planning period is about \$3.5 million.

**Table 12: Ord Water FY 2024/25 Reserve Targets**

Operating Reserve	\$16,041,000
Capital Replacement and Improvement Re	\$5,000,000
Rate Stabilization Reserve	\$870,000
<b>Total Reserve Target:</b>	<b>\$21,911,000</b>

## 5.2 ORD WATER REVENUES

Budgeted rate and non-rate revenues are depicted in **Figure 7** below and are detailed in **Schedule OW-3**. Per District policy, 51.85 percent of Ord Water Capacity Charge revenue is unrestricted. The Ord Cost Center also has a "Capital Surcharge" source of revenue that comes from accounts (water and sewer) that connected to the Ord Community Systems between July 1, 2005, through July 5, 2013.



**Figure 7: Budgeted Ord Water Revenue Categories (FY 2023/24)**

## 5.3 ORD WATER UTILITY OPERATING EXPENSES

Major budgeted expense categories for FY 2023/24 are depicted in **Figure 8**. Budgeted and projected operating and maintenance costs as well as debt service expenses are listed in detail in **Schedule OW-1**.

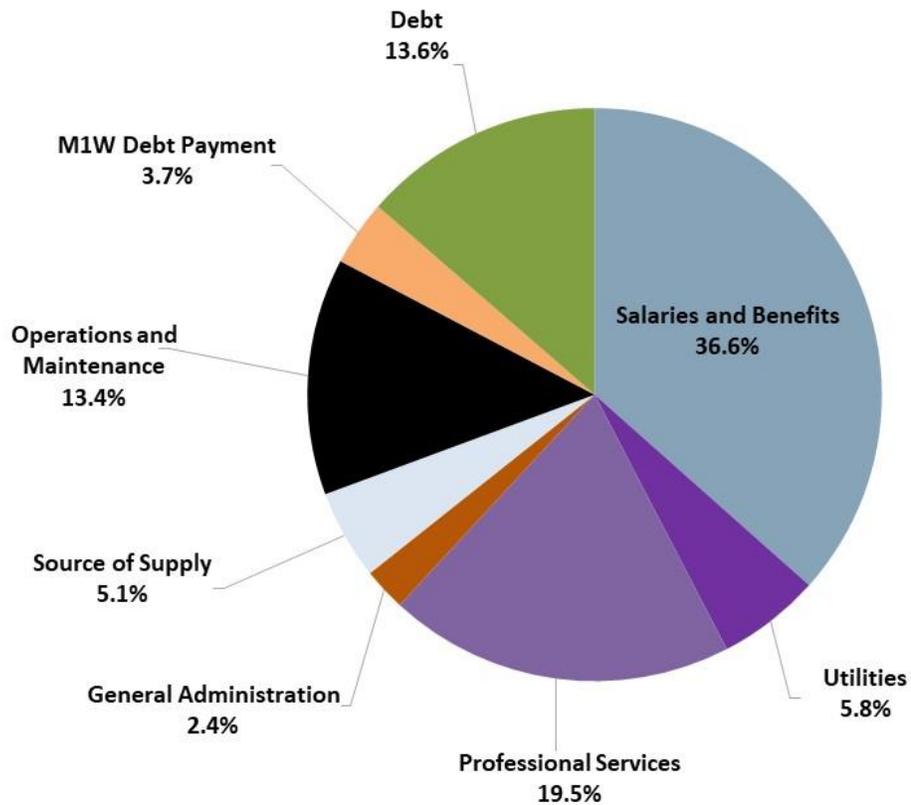
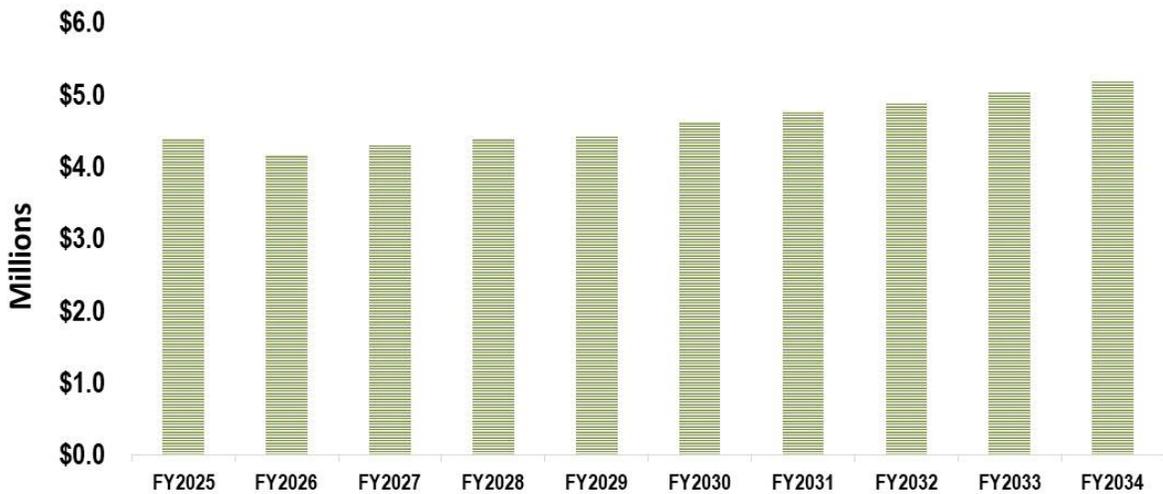


Figure 8: Ord Water Budgeted O&M & Debt Categories (FY 2023/24)

#### 5.4 ORD WATER CAPITAL IMPROVEMENT PROGRAM

Figure 9 shows Ord Water project capital spending plan for the next 10 year. A detailed list of planned water capital projects and associated costs is provided in **Schedule OW-2**.



**Figure 9: Ord Water Projected Capital Spending**

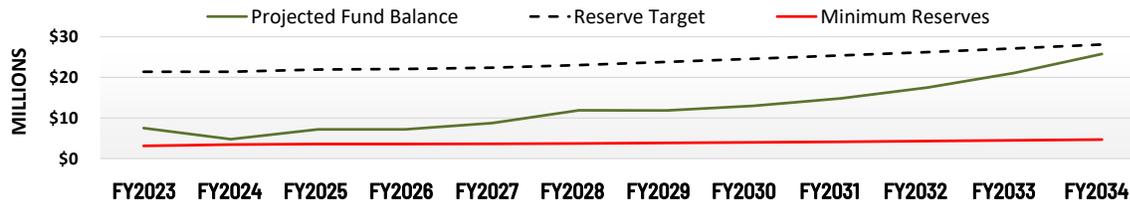
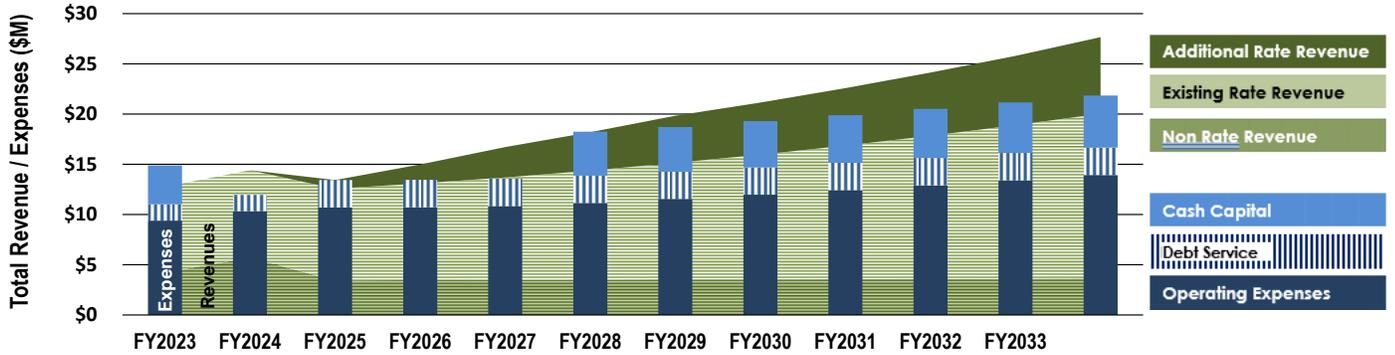
### 5.5 ORD WATER PROPOSED DEBT STRATEGY AND RATE REVENUE INCREASES

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.

This Study has found that Ord Water currently has sufficient revenue to pay for operating costs and debt service, but insufficient revenue for the proposed increase in capital spending. This Study recommends a combination of rate revenue increases and near-term debt in order to fund rising operating costs and the budgeted capital expenditures. The proposed rate revenue increases are shown in **Figure 10** and detailed in **Schedule OW-3**.

As discussed in Section 3.1.8, the District will issue a \$20 million bond, of which \$12.18 million will be used to fund capital spending for Ord Water during FY 2024/25 through FY 2026/27. The financial plan cash flow projections that are detailed in Schedule OW-3 are summarized graphically in Figure 10, which shows that the proposed rate increases and debt-funded of capital for three years will allow Ord Water’s cash reserves to begin

improving almost immediately. The District’s DCR is expected to remain at healthy levels at all times.



	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Rate Revenue Increase:		10.0%	10.0%	10.0%	6.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Combined Debt Coverage Ratio:	3.60	1.83	2.22	2.61	2.98	3.38	3.69	4.04	4.39	4.78	5.20	
Ord Water Debt Proceeds:		\$4.1M	\$4.2M	\$4.3M								

**Figure 10: Ord Water Cash Flow Projections with Proposed Rate Revenue Increases**

### 5.6 CURRENT ORD WATER RATES

The current Ord Water rate schedule is summarized in **Table 13**.

**Table 13: Current Ord Water Rates**

<b>Consumption Charge</b>	
Tier 1	\$4.90 per hcf
Tier 2	\$9.55 per hcf
<b>Fixed Monthly Service Charges</b>	
5/8" & 3/4" meters	\$48.94
1" meter	\$68.76
1.5" meter	\$118.29
2" meter	\$177.74
3" meter	\$336.26
4" meter	\$514.60
6" meter	\$1,003.98
8" meter	\$2,000.75

**5.7 CURRENT CUSTOMER STATISTICS**

**Table 14** summarizes customer account and water usage data used in water rate calculations. Account information is based on the utility billing data from FY 2022/23.

**Table 14: Ord Water Service Connections and Water Usage**

		5/8" & 3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	Total	Water Use (hcf)
<b><i>Number of Accounts</i></b>											
1	Single Family Residential	3,209	260	-	6	-	-	-	-	3,475	247,700
2	Multi-Family	2,127	278	23	24	7	-	-	2	2,461	223,200
3	Commercial	15	38	13	19	2	1	-	-	88	25,400
4	Institutional	10	47	66	81	19	8	1	2	234	151,800
5	Industrial	-	1	2	1	1	-	-	-	5	1,200
6	<b>Total Accounts</b>	<b>5,361</b>	<b>624</b>	<b>104</b>	<b>131</b>	<b>29</b>	<b>9</b>	<b>1</b>	<b>4</b>	<b>6,263</b>	<b>649,300</b>
7	Hydraulic Capacity Factor	1.0	1.7	3.3	5.3	10.7	16.7	33.3	50.0		
8	Equivalent Meters	5,361	1,040	347	699	309	150	33	200	8,139	

**5.8 ORD WATER COST ALLOCATION**

**Table 15** summarizes how the costs categories that make up the FY 2023/24 rate revenue requirement of \$9,565,500 (see Row 12) are assigned to one or more of the four cost components, as described in Section 3.2.1. The cost categories were derived from the line-item detailed budget for FY 2023/24, as prepared by staff.

**Table 15: FY 2023/24 Ord Water Cost of Service**

Budget Line Items	FY 2024/25 Budget	Percent Allocation				Cost Allocation			
		Account Charge	Meter Charge	Basic Volumetric Charge	Conservation Surcharge	Account Charge	Meter Charge	Basic Volumetric Charge	Conservation Surcharge
1 Administration	\$5,016,900	20.0%	30.0%	50.0%		\$1,003,380	\$1,505,070	\$2,508,450	
2 Operations & Maintenance	\$3,088,400		40.0%	60.0%			\$1,235,360	\$1,853,040	
3 Laboratory	\$171,100			100.0%				\$171,100	
4 Conservation	\$337,400				100.0%				\$337,400
5 Engineering	\$1,348,200		100.0%				\$1,348,200		
6 Water Resources	\$325,100			100.0%				\$325,100	
7 M1W Service Agreement	\$407,400			100.0%				\$407,400	
7 Debt Service	\$2,727,000		100%				\$2,727,000		
8 PayGo Capital	\$0		100%						
9 Use of Reserves	(\$428,000)	7.5%	50.8%	39.2%	2.5%	(\$32,100)	(\$217,424)	(\$167,776)	(\$10,700)
10 Non-Rate Revenue	(\$3,428,000)		80%	20%			(\$2,742,400)	(\$685,600)	
<b>11 Total Revenue Requirement:</b>	<b>\$9,565,500</b>					<b>\$971,280</b>	<b>\$3,855,806</b>	<b>\$4,411,714</b>	<b>\$326,700</b>

### 5.9 ORD WATER RATE CALCULATION

**Table 16** shows how the cost allocated to each component are divided by the number of relevant units of service in order to derive unit costs, which become the building blocks for the proposed rates.

**Table 16: FY 2023/24 Ord Water Units Cost of Service**

<b>Cost Recovery Component:</b>	<b>Account Charge</b>	<b>Meter Charge</b>	<b>Uniform Rate</b>	<b>Tier 1 Rate</b>	<b>Tier 2 Rate</b>
<b>Units of Service:</b>	6,263 Accounts	8,152 Equivalent Meters	401,600 hcf	212,800 hcf	34,900 hcf
<b>Revenue Requirement:</b>	\$971,300	\$3,855,800	\$2,930,800	\$1,445,900	\$361,800
<b>Unit Costs:</b>	<b>\$155.08</b> per account per year or <b>\$12.92</b> per account per month	<b>\$472.99</b> Per equivalent meter per year or <b>\$39.42</b> per equivalent meter per month	<b>\$7.30</b> Per hcf for Uniform Rates	<b>\$6.79</b> Per hcf for Tier 1	<b>\$10.37</b> Per hcf for Tier 2

The fixed monthly service charge is made up of two components: the account charge and the capacity charge. The account charge is the same for all accounts, regardless of the size of the account and the meter is based on the account’s meter size. As shown in **Table 17**, the capacity charge increases in proportion to the meter equivalency, while the account charge remains the same for all meter sizes.

**Table 17: Ord Water Proposed Monthly Service Charges**

<b>Meter Size</b>	<b>Account Charge</b>	<b>Meter Charge</b>	<b>Monthly Service Charge</b>
5/8" & 3/4" meters	\$12.92	\$39.42	<b>\$52.34</b>
1"	\$12.92	\$65.69	<b>\$78.61</b>
1.5"	\$12.92	\$131.39	<b>\$144.31</b>
2"	\$12.92	\$210.22	<b>\$223.14</b>
3"	\$12.92	\$420.43	<b>\$433.35</b>
4"	\$12.92	\$656.93	<b>\$669.85</b>
6"	\$12.92	\$1,313.86	<b>\$1,326.78</b>
8"	\$12.92	\$2,102.17	<b>\$2,115.09</b>
10"	\$12.92	\$3,678.80	<b>\$3,691.72</b>
12"	\$12.92	\$5,518.20	<b>\$5,531.12</b>

The proposed 5-year schedule for Ord Water rates is detailed in **Schedule OW-4**.

## Section 6. MARINA SEWER RATE STUDY

The following sections describe Marina Sewer’s 10-year financial plan, cost of service analysis results and proposed rates schedule.

### 6.1 MARINA SEWER BEGINNING FUND BALANCES

The ending cash balance for FY 2022/23 was used to establish the FY 2023/24 beginning balance, as shown in **Table 18**.

**Table 18: Marina Sewer FY 2023/24 Beginning Cash Balance**

<b>Unrestricted</b>	
Operating Reserves	\$214,000
Administrative & General Fund	\$50,000
Capital Replacement & Impvt Reserve	\$388,000
<b>Total Unrestricted:</b>	<b>\$652,000</b>
<b>Restricted</b>	
Capacity Fee Reserve	\$135,000
<b>Total Reserves:</b>	<b>\$787,000</b>

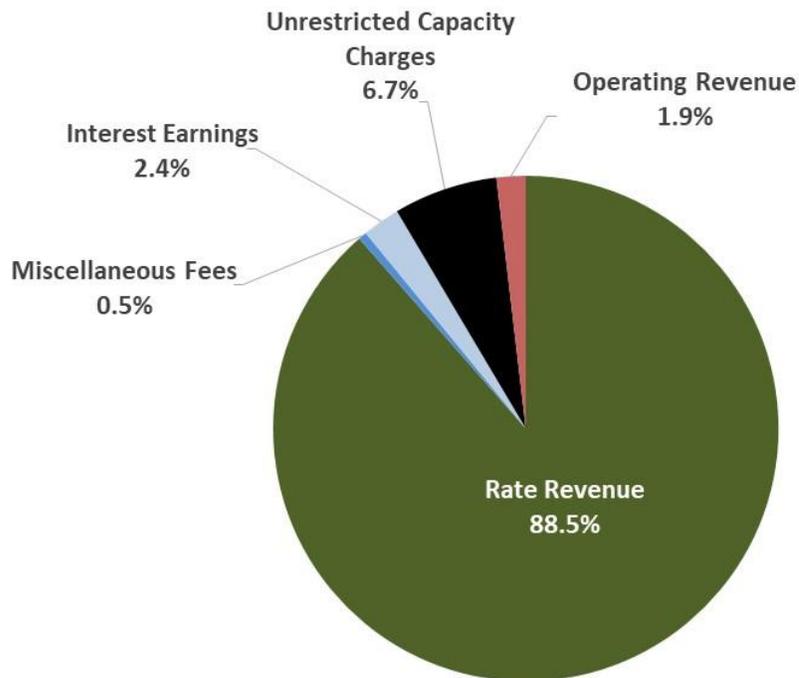
Based on District policy, **Table 19** describes the target reserve levels for Marina Sewer in FY 2024/25. The minimum reserve level for the planning period is about \$400 thousand.

**Table 19: Marina Sewer FY 2024/25 Reserve Targets**

Operating Reserve	\$1,646,000
Capital Replacement and Improvement Reserve	\$2,000,000
Rate Stabilization Reserve	\$148,000
<b>Total Reserve Target:</b>	<b>\$3,794,000</b>

## 6.2 MARINA SEWER REVENUES

Budgeted rate and non-rate revenues are depicted in **Figure 11** below and are detailed in **Schedule MS-3**. Per District policy, 74.96 percent of Marina Sewer Capacity Charge revenue is unrestricted.



**Figure 11: Budgeted Marina Sewer Revenue Categories (FY 2023/24)**

## 6.3 MARINA SEWER UTILITY OPERATING EXPENSES

Major budgeted expense categories for FY 2023/24 are depicted in **Figure 12**. Budgeted and projected operating and maintenance costs as well as debt service expenses are listed in detail in **Schedule MS-1**.

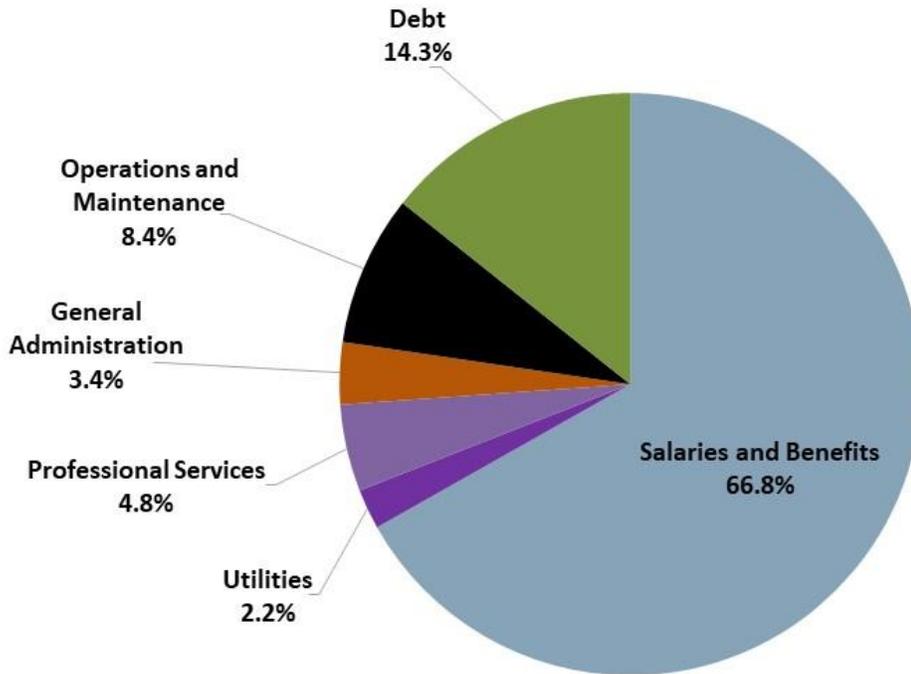
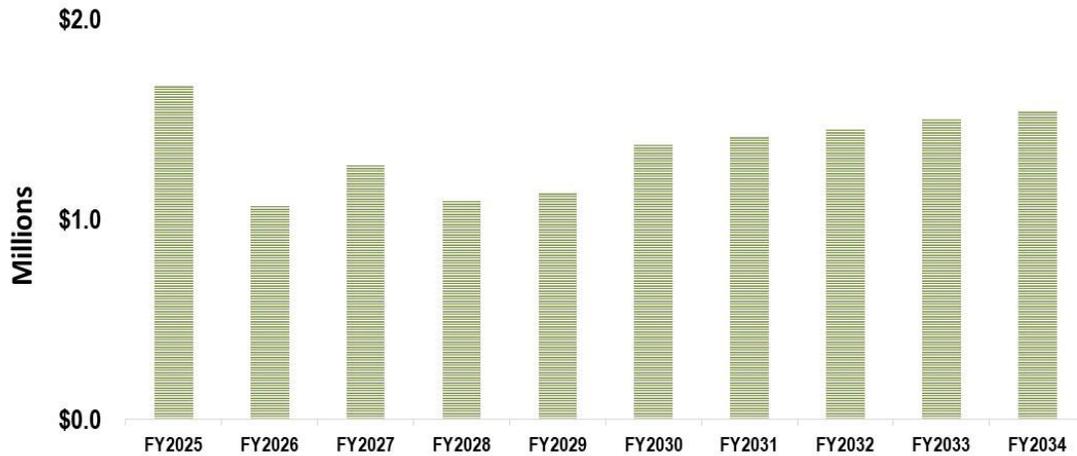


Figure 12: Marina Sewer Budgeted O&M & Debt Categories (FY 2023/24)

#### 6.4 MARINA SEWER CAPITAL IMPROVEMENT PROGRAM

Figure 13 shows Marina Sewer project capital spending plan for the next 10 years. A detailed list of planned sewer capital projects and associated costs is provided in Schedule MS-2.



**Figure 13: Marina Sewer Projected Capital Spending**

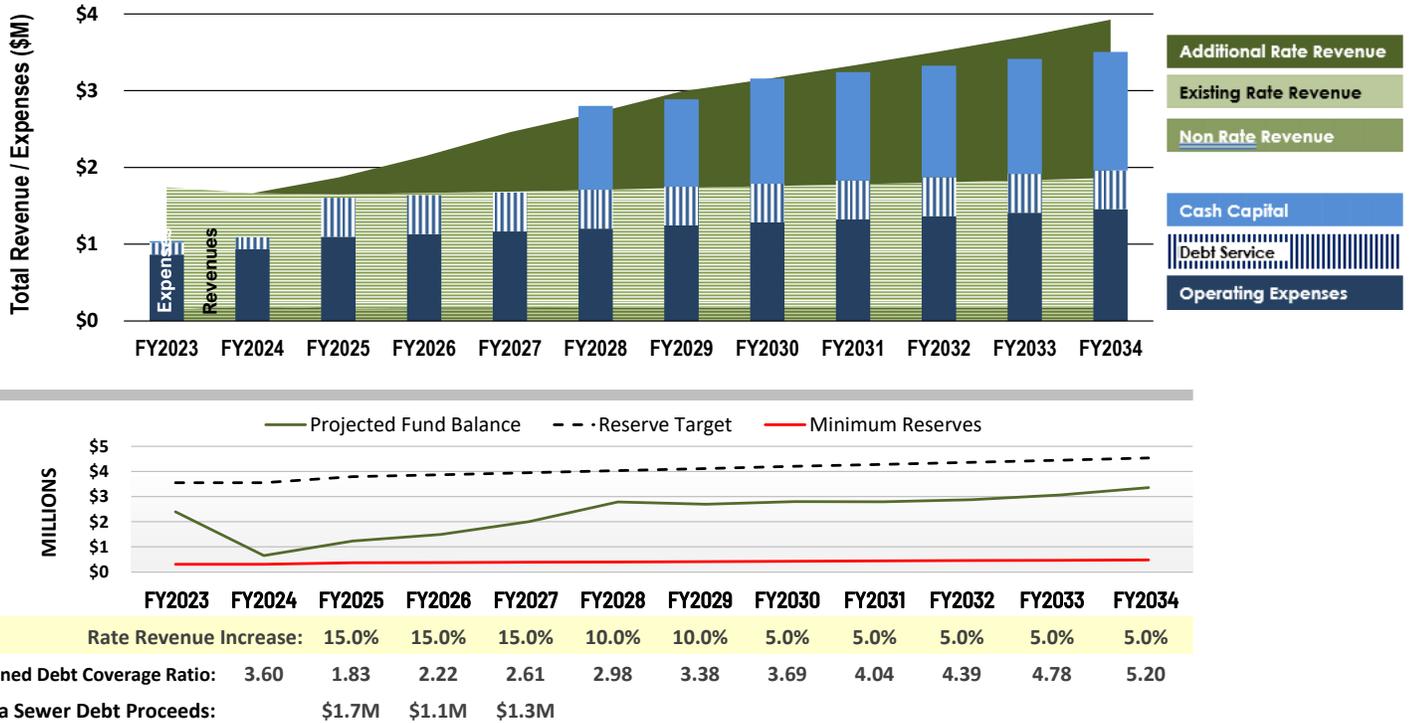
## 6.5 MARINA SEWER PROPOSED DEBT STRATEGY AND RATE REVENUE INCREASES

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.

This Study has found that Marina Sewer currently has sufficient revenue to pay for operating costs and debt service, but insufficient revenue for the proposed increase in capital spending. This Study recommends a combination of rate revenue increases and near-term debt in order to fund rising operating costs and the budgeted capital expenditures. The proposed rate revenue increases are shown in **Figure 14** and detailed in **Schedule MS-3**.

As discussed in Section 3.1.8, the District will issue a \$20 million bond, of which \$3.9 million will be used to fund capital spending for Marina Sewer during FY 2024/25 through FY 2026/27. The financial plan cash flow projections that are detailed in Schedule MS-3 are summarized graphically in Figure 14, which shows that the proposed rate increases and debt-funded of capital for three years will allow Marina Sewer’s cash

reserves to begin improving almost immediately. The District’s DCR is expected to remain at healthy levels at all times.



**Figure 14: Marina Sewer Cash Flow Projections & Proposed Rate Revenue Increases**

## 6.6 CURRENT MARINA SEWER RATES

The current Marina Sewer rate is \$17.98 per month per EDU.

## 6.7 CURRENT CUSTOMER STATISTICS

**Table 20** summarizes customer account and estimated sewer usage data used in sewer rate calculations. Account information is based on the utility billing data from FY 2022/23.

**Table 20: Marina Sewer Connections and Est. Sewage Flows**

Customer Class	No. of Accounts <sup>1</sup>	No. of EDUs <sup>2</sup>	Estimated Annual	Estimated Annual
			Sewer Flow <sup>3</sup>	Sewer Flow
			HCF	MG
Single Family	3,394	3,393	220,276	164.8
Multi-Family	226	2,892	141,128	105.6
Commercial	176	965	76,110	56.9
<u>Institutional</u>	<u>19</u>	<u>229</u>	<u>20,572</u>	<u>15.4</u>
<b>Totals</b>	<b>3,815</b>	<b>7,479</b>	<b>458,086</b>	<b>342.6</b>

**Notes:**

<sup>1</sup> Based on data from District's utility billing system from FY 2022/23

<sup>2</sup> EDUs are based on dwelling units for residential accounts and District assignment for non-residential accounts.

<sup>3</sup> Based on average winter water for residential accounts and monthly water use for non-residential accounts.

**6.8 MARINA SEWER COST ALLOCATION AND UNIT COST CALCULATION**

**Table 21** summarizes how the costs that make up the FY 2023/24 rate revenue requirement of \$1,696,000 (see Row 4) are assigned half to the Fixed Revenue Recovery category (charged based on assigned EDU values) and half to the Flow-Based Revenue Recovery category (charged based on estimated sewage flows). The District’s policy to recover half of its cost through a flow-based charge is reasonable and consistent with common industry practices. Unit costs (\$/EDU and \$/million gallons (MG)) are calculated by dividing the allocated costs by the relevant units of service.

**Table 21: FY 2023/24 Marina Sewer Cost of Service**

**Determination of Unit Costs**

Revenue Recovery Category	Cost Metric	Allocation Percentage	Allocated Cost	Units of Service	Unit Costs
1 Fixed Revenue	EDUs	50.0%	\$848,000	7,479.2 EDUs	\$113.38 /EDU
3 Flow-Based Revenue	Estimated Sewer Flows	50.0%	\$848,000	342.6 MG	\$2,475.03 /MG
4 <b>Total Overall Annual Revenue Requirement for FY 2023/24:</b>			<b>\$1,696,000</b>		

The unit rates in Table 21 are converted to \$9.45 per EDU per month for the fixed service charge and \$1.85 per HCF for the Flow-Base Charge.

The proposed 5-year schedule for Marina Sewer rates is detailed in **Schedule MS-4**.

## Section 7. ORD SEWER RATE STUDY

The following sections describe Ord Sewer’s 10-year financial plan, cost of service analysis results and proposed rates schedule.

### 7.1 ORD SEWER BEGINNING FUND BALANCES

The ending cash balance for FY 2022/23 was used to establish the FY 2023/24 beginning balance, as shown in **Table 22**.

**Table 22: Ord Sewer FY 2023/24 Beginning Cash Balance**

<b>Unrestricted</b>	
Administrative & General Fund	\$50,000
Operating Reserves	\$3,286,000
Capital Replacement & Impvt Reserve	\$998,000
<b>Total Unrestricted:</b>	<b>\$4,334,000</b>
<b>Restricted</b>	
Capacity Fee Reserve	\$2,980,000
<b>Total Reserves:</b>	<b>\$7,314,000</b>

Based on District policy, **Table 23** describes the target reserve levels for Ord Sewer in FY 2024/25. The minimum reserve level for the planning period is about \$850 thousand.

**Table 23: Ord Sewer FY 2024/25 Reserve Targets**

Operating Reserve	\$3,687,000
Capital Replacement and Improvement Re	\$5,000,000
Rate Stabilization Reserve	\$398,000
<b>Total Reserve Target:</b>	<b>\$9,085,000</b>

## 7.2 ORD SEWER REVENUES

Budgeted rate and non-rate revenues are depicted in **Figure 15** below and are detailed in **Schedule OS-3**. Per District policy, 16.77 percent of Ord Sewer Capacity Charge revenue is unrestricted. The Ord Cost Center also has a "Capital Surcharge" source of revenue that comes from accounts (water and sewer) that connected to the Ord Community Systems between July 1, 2005, through July 5, 2013.

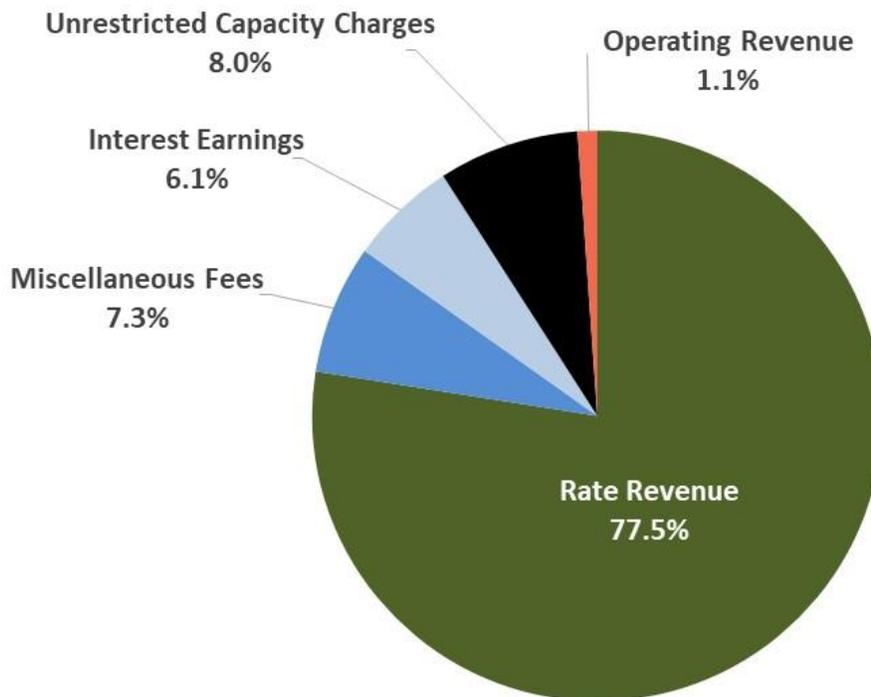


Figure 15: Budgeted Ord Sewer Revenue Categories (FY 2023/24)

### 7.3 ORD SEWER UTILITY OPERATING EXPENSES

Major budgeted expense categories for FY 2023/24 are depicted in **Figure 16**. Budgeted and projected operating and maintenance costs as well as debt service expenses are listed in detail in **Schedule OS-1**.

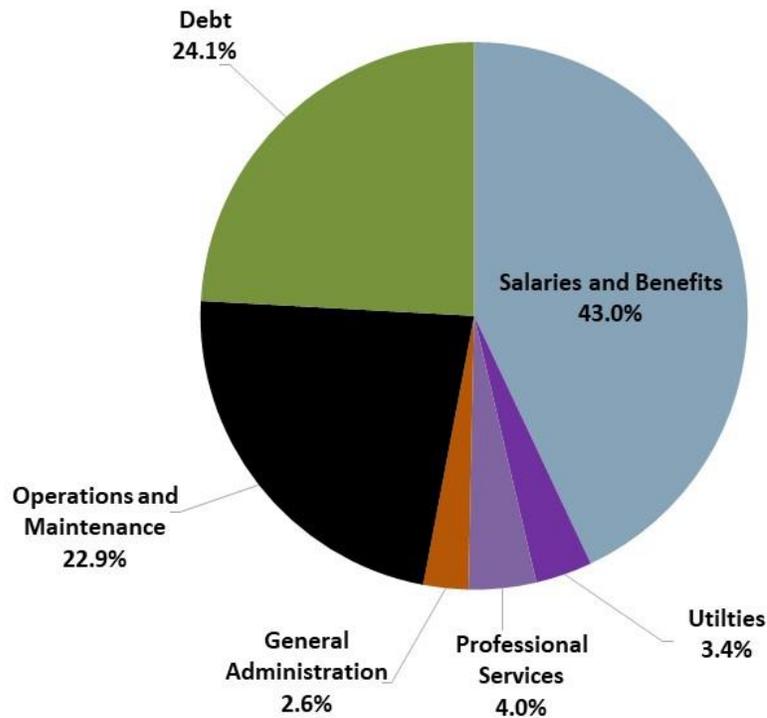
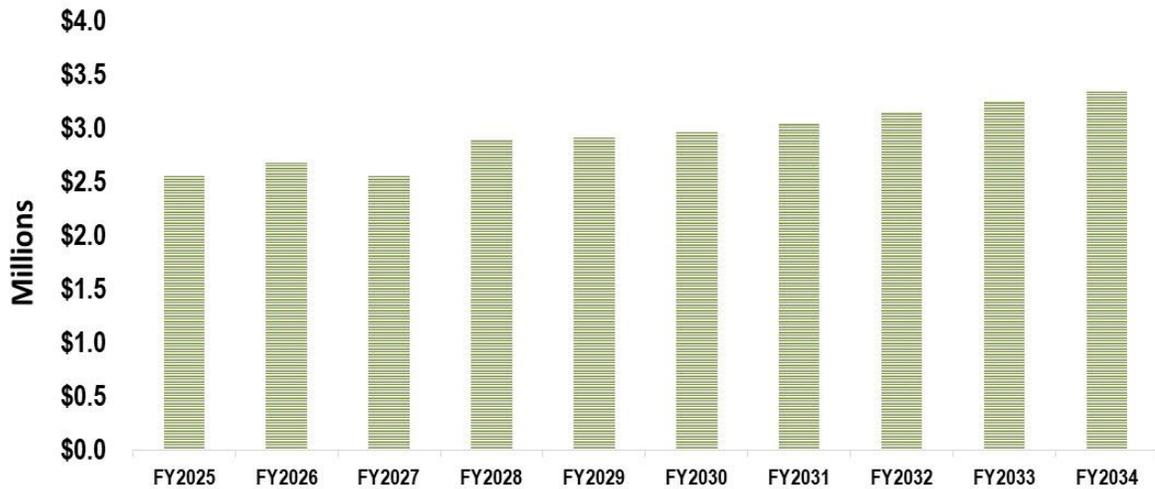


Figure 16: Ord Sewer Budgeted O&M & Debt Categories (FY 2023/24)

### 7.4 ORD SEWER CAPITAL IMPROVEMENT PROGRAM

**Figure 17** shows Ord Sewer project capital spending plan for the next 10 years. A detailed list of planned sewer capital projects and associated costs is provided in **Schedule OS-2**.

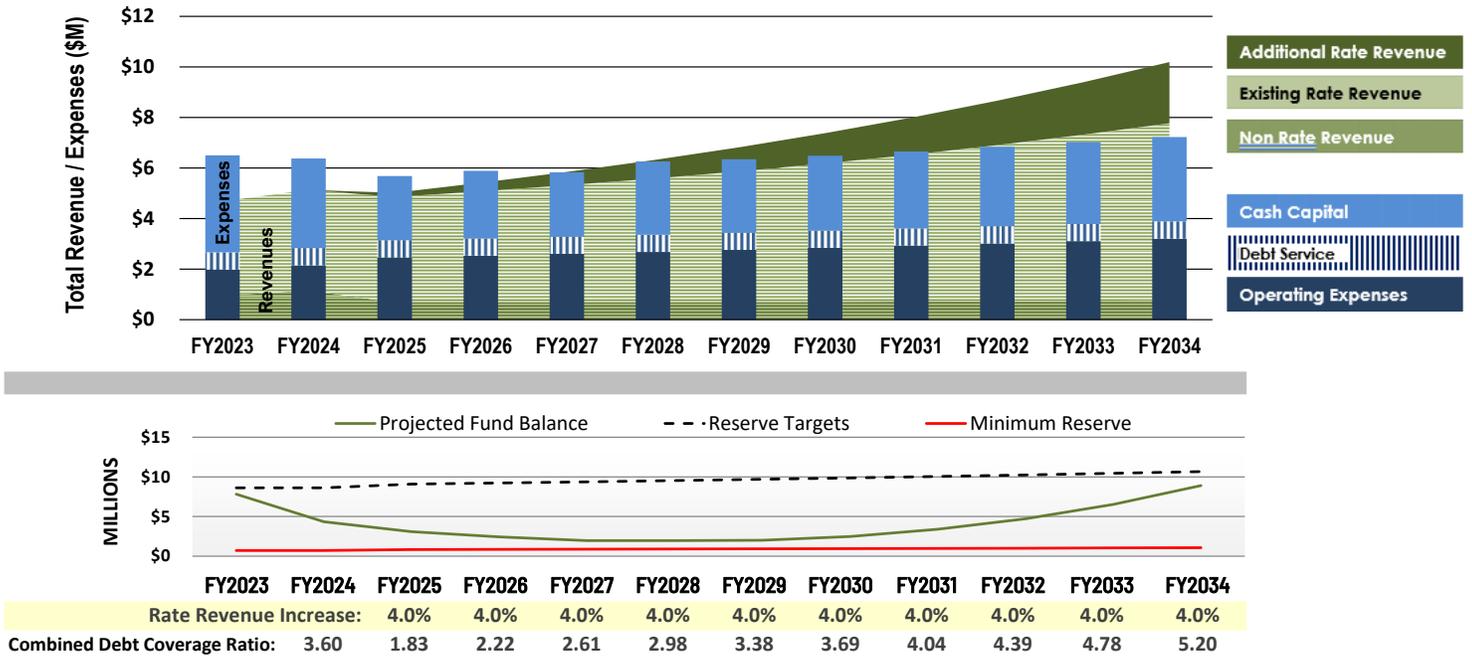


**Figure 17: Ord Sewer Projected Capital Spending**

### 7.5 ORD SEWER 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.

This Study has found that Ord Sewer currently has sufficient revenue to pay for operating costs, debt service, and its capital program. This Study recommends modest rate revenue increases in order to keep up with rising costs (due to escalation) and an increase in capital spending that is anticipated upon completion of further condition assessments of the system. The proposed rate revenue increases are shown in **Figure 18** and detailed in **Schedule OS-3**. No additional debt is proposed for Ord Sewer.



**Figure 18: Ord Sewer Cash Flow Projections & Proposed Rate Revenue Increases**

## 7.6 CURRENT ORD SEWER RATES

The current Ord Sewer rate is \$38.15 per month per EDU.

## 7.7 CURRENT CUSTOMER STATISTICS

**Table 24** summarizes customer account and estimated sewer usage data used in sewer rate calculations. Account information is based on the utility billing data from FY 2022/23.

**Table 24: Ord Sewer Connections and Est. Sewage Flows**

Customer Class	No. of Accounts <sup>1</sup>	No. of EDUs <sup>2</sup>	Estimated Annual	Estimated Annual
			Sewer Flow <sup>3</sup>	Sewer Flow
			HCF	MG
Single Family	3,451	3,587	189,200	141.5
Multi-Family	2,406	3,707	187,772	140.4
Commercial	68	188	19,080	14.3
Industrial	4	25	386	0.3
Institutional	126	886	118,133	88.4
<b>Totals</b>	<b>6,055</b>	<b>8,393</b>	<b>514,571</b>	<b>384.9</b>

**Notes:**

<sup>1</sup> Based on data from District's utility billing system from FY 2022/23

<sup>2</sup> EDUs are based on dwelling units for residential accounts and District assignment for non-residential accounts.

<sup>3</sup> Based on average winter water for residential accounts and monthly water use for non-residential accounts.

**7.8 ORD SEWER COST ALLOCATION AND UNIT COST CALCULATION**

**Table 25** summarizes how the costs that make up the FY 2023/24 rate revenue requirement of \$4,140,000 (see Row 4) are assigned half to the Fixed Revenue Recovery category (charged based on assigned EDU values) and half to the Flow-Based Revenue Recovery category (charged based on estimated sewage flows). The District's policy to recover half of its cost through a flow-based charge is reasonable and consistent with common industry practices. Unit costs (\$/EDU and \$/million gallons (MG)) are calculated by dividing the allocated costs by the relevant units of service.

**Table 25: FY 2023/24 Ord Sewer Cost of Service**

Revenue Recovery Category	Cost Metric	Allocation Percentage	Allocated Cost	Units of Service	Unit Costs
1 Fixed Revenue	EDUs	50.0%	\$2,070,000	8,393.3 EDUs	\$246.63 /EDU
3 Flow-Based Revenue	Est. Sewer Flows	50.0%	\$2,070,000	384.9 MG	\$5,378.44 /MG
4 <b>Total Overall Annual Revenue Requirement for FY 2023/24:</b>			<b>\$4,140,000</b>		

The unit rates in Table 25 are converted to \$20.55 per EDU per month for the fixed service charge and \$4.02 per HCF for the Flow-Base Charge.

The proposed 5-year schedule for Ord Sewer rates is detailed in **Schedule OS-4**.

## Section 8. RECYCLED WATER RATE STUDY

The following sections describe Recycled Water’s 10-year financial plan, cost of service analysis results and proposed rates schedule.

### 8.1 RECYCLED WATER BEGINNING FUND BALANCES

The ending cash balance for FY 2022/23 was used to establish the FY 2023/24 beginning balance, as shown in **Table 26**. Recycled Water’s operating costs are relatively low due to the fact that this Cost Center was recently created and is in the process of building reserves. The relatively large balance of capacity charge funds was established when the Cost Center was created, and the first (large) customer joined the system.

**Table 26: Recycled Water FY 2023/24 Beginning Cash Balance**

<b>Unrestricted</b>	
Operating Reserves	\$123,000
<b>Restricted</b>	
Capacity Fee Reserve	\$7,522,000
Debt Service - RUWAP	\$229,000
<b>Total Restricted</b>	<b>\$7,751,000</b>

**Total Reserves: \$7,874,000**

Based on District policy, **Table 27** describes the target reserve levels for Recycled Water in FY 2024/25. The minimum reserve level for the planning period is about \$250 thousand.

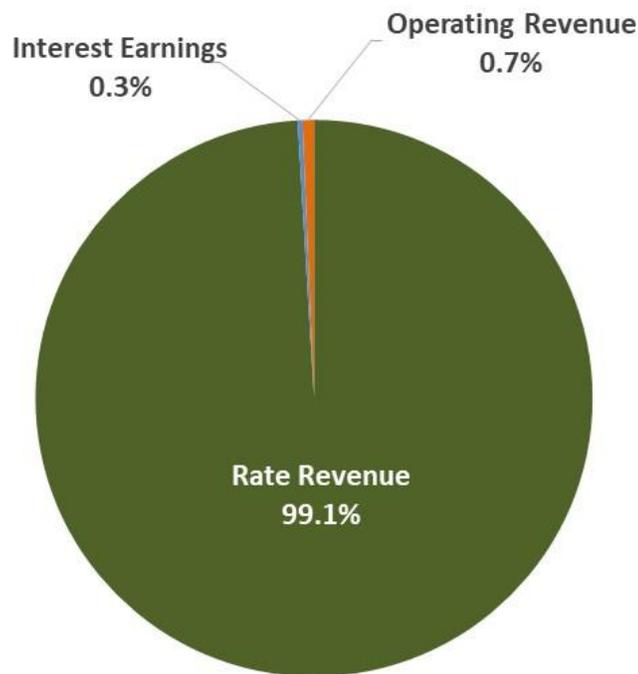
**Table 27: Recycled Water FY 2024/25 Reserve Targets**

Operating Reserve	\$1,091,000
Capital Replacement and Improvement Reserv	\$0
Rate Stabilization Reserve	\$136,000
<b>Total Reserve Target:</b>	<b>\$1,227,000</b>

## 8.2 RECYCLED WATER REVENUES

Budgeted rate and non-rate revenues are depicted in **Figure 19** below and are detailed in **Schedule RW-2**. Per District policy, all of Recycled Water Capacity Charge revenue is unrestricted, however the Capacity Charge funds are eligible to pay for existing debt service since all of the existing Recycled Water debt was used to fund the projects that created (expanded) the Recycled Water system. The District has an agreement with California State University Monterey Bay (CSUMB) to provide recycled water services at a cost that factors the value of a temporary land easement provided by CSUMB that made the development of the Recycled Water program possible.

The District has identified up to 27 new accounts that may join the Recycled Water program in the coming year, however the exact timing is uncertain. This financial plan assumes that CSUMB will contribute an additional \$2.7 million in capacity charges over the next two years. Additional capacity charge revenue is not included in the forecast in the interest of being conservative.



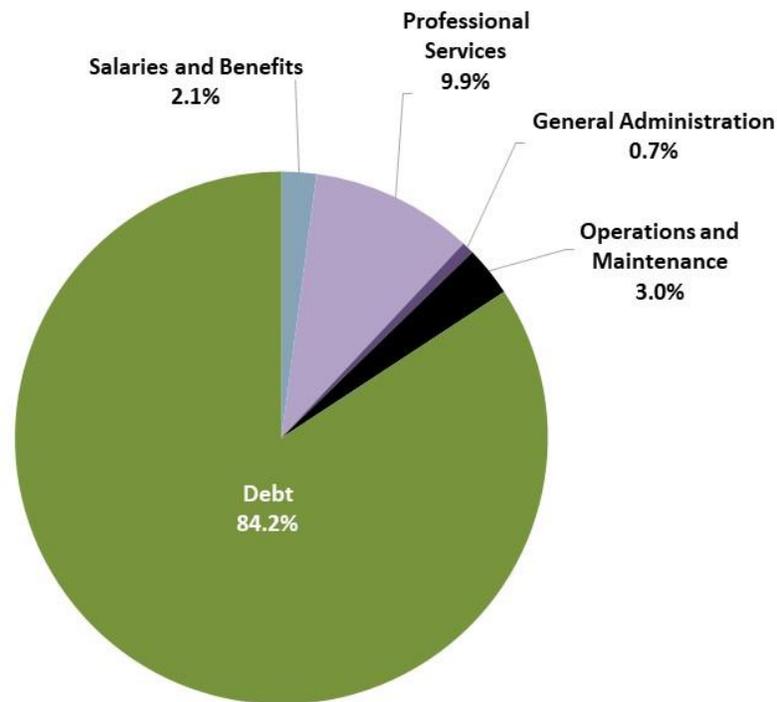
**Figure 19: Budgeted Recycled Water Revenue Categories (FY 2023/24)**

### **8.3 RECYCLED WATER UTILITY OPERATING EXPENSES**

Major budgeted expense categories for FY 2023/24 are depicted in **Figure 20**. The vast majority of Recycled Water’s annual cost is debt service due to the recent creation of the utility and use of debt to fund the infrastructure. In addition to this external debt, this financial plan assumes that Recycled Water Cost Center will begin repaying a \$12 million internal loan over the course of the next 20 years (at an interest rate of 1 percent). The source of this internal loan (and thus the recipient of the repayment), is currently being determined.

A significant portion of the operating costs are invoices from M1W for O&M (based on actual recycled water usage per meter readings) and debt service. This Study assumes that Capacity Charge funds will be used to defray the annual debt service costs. Budgeted and

projected operating and maintenance costs, as well as debt service expenses, are listed in detail in **Schedule RW-1**.



**Figure 20: Recycled Water Budgeted O&M & Debt Categories (FY 2023/24)**

#### **8.4 RECYCLED WATER CAPITAL IMPROVEMENT PROGRAM**

Capital spending for the Recycled Water utility is limited due to the age of the new system. The District has budgeted \$150 thousand per year in capital upkeep. A specific list of projects is not available.

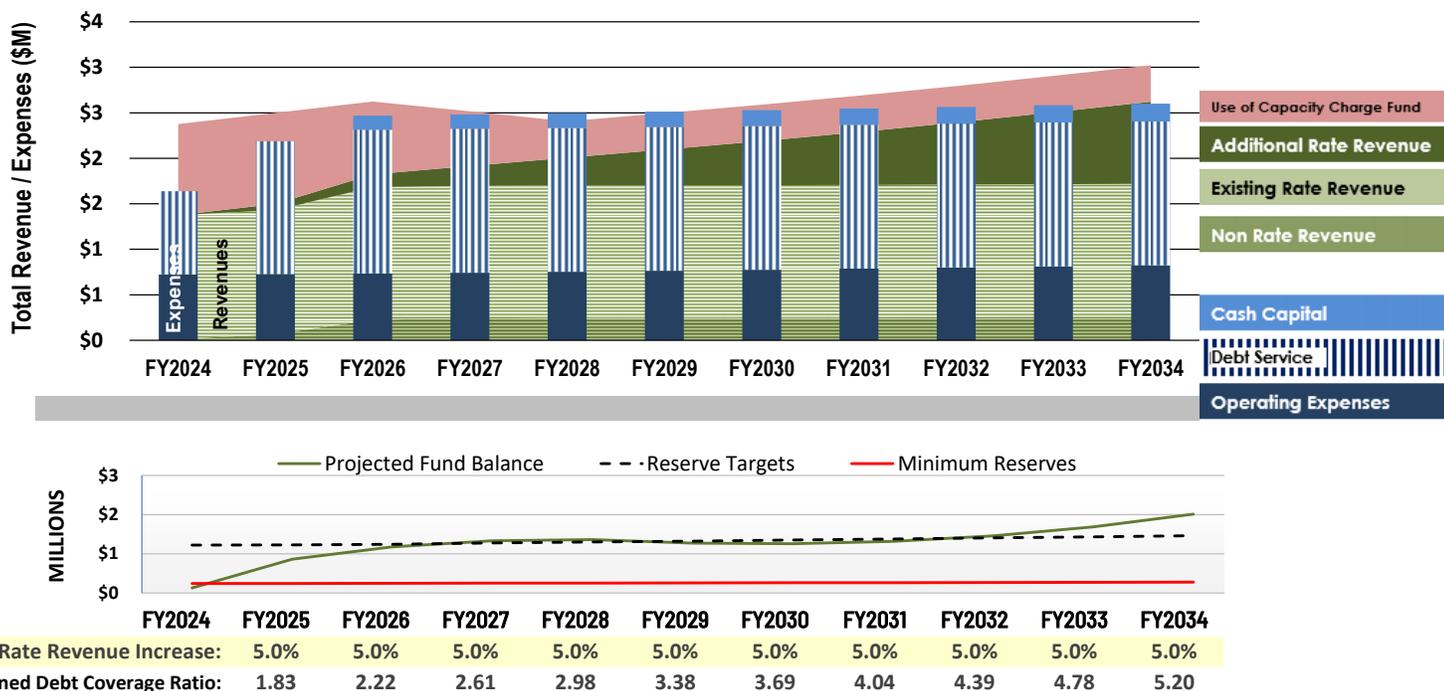
#### **8.5 RECYCLED WATER PROPOSED DEBT STRATEGY AND RATE REVENUE INCREASES**

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.

This Study has found that Recycled Water is currently running at a deficit (annual operating costs and debt service exceed annual revenue) and therefore a combination of rate revenue increases and debt will be necessary in order to meeting operating costs and fund budgeted capital expenditures. The proposed rate revenue increases are shown in **Figure 21** and detailed in **Schedule RW-2**.

The financial plan cash flow projections that are detailed in Schedule RW-2 are summarized graphically in Figure 21, which shows that existing Capacity Charge funds will contribute towards paying for debt service which will first bolster the fund reserves and then limit rate increases.



**Figure 21: Recycled Water Cash Flow Projections & Proposed Rate Revenue Increases**

## 8.6 CURRENT RECYCLED WATER RATES

The current Recycled Water rate schedule is summarized in **Table 28**.

**Table 28: Current Recycled Water Rates**

<b>Consumption Charge (\$/hcf)</b>	
Per HCF	\$6.76
<b>Fixed Monthly Service Charges</b>	
5/8" meter	\$52.50
3/4" meter	\$52.50
1" meter	\$74.44
1.5" meter	\$129.30
2" meter	\$195.14
3" meter	\$403.60
4" meter	\$710.82
6" meter	\$1,445.95
8" meter	\$3,091.75
10" meter	\$4,470.92
12" meter	\$5,636.92

## 8.7 PROPOSED RECYCLED WATER RATES

The previous Recycled Water cost of service analysis was conducted in 2022 therefore an update to the rate structure is not necessary at this time. The proposed percent increases to the Recycled Water (see Figure 21) will be applied to the current rate structure. The proposed 5-year schedule for Recycled Water rates is detailed in **Schedule RW-3**.

## **Section 9. WATER SHORTAGE SURCHARGE**

Water Shortage Surcharges are a tool for reducing the (potentially severe) financial impacts associated with reduced water sales and increases in operating costs during a water shortage emergency or drought event. During a water shortage event the District is impacted by a number of financial changes including:

- 1) Rate revenue decreases due to the decrease in water sales.
- 2) Decreases in the cost of electricity due to the decrease in water deliveries (less pumping).
- 3) Increases in the cost of the District's conservation program.

Since the reduction in water sales revenue is more significant than the reduction in operating costs during water shortage emergencies or drought events, the net impact results in a financial deficit for the District. Water Shortage surcharges are designed to mitigate that financial deficit. Water Shortage surcharges are often part of a multi-pronged approach that also includes capital spending reductions and use of reserves to help bridge the financial deficit.

The following Water Shortage Surcharge policy is designed to replace the District's current "Demand Management Rates" which currently serve the same purpose.

### **9.1 WATER SHORTAGE SURCHARGE ANALYSIS**

This section presents recommended Water Shortage Surcharges for both Marina Water and Ord Water. The Water Shortage Surcharges are designed to temporarily modify the then-current water consumption charges during water shortage emergencies and droughts. The Water Shortage Surcharge does not affect the fixed Service Charge. The proposed Water Shortage Surcharges are designed to be aligned with the respective Water Shortage Contingency Plans (WSCP) for Marina Water and Ord Water, which define water usage reduction targets by various stages. The analysis for both Services Areas define:

- 1) The water usage reduction goals by water shortage stage

- 2) The estimated water use reduction during each respective stage
- 3) The estimated changes in rate revenue for each respective stage
- 4) The estimated changes in expenditures for each respective stage
- 5) The proposed Water Shortage Surcharge by stage (expressed as a percent increase to the water consumption charges)
- 6) The proposed reduction in capital spending by stage
- 7) The anticipated financial deficit that will occur by stage (after accounting for the mitigating measures)

Each of the above steps are detailed in the respective subsections below.

## **9.2 CALCULATIONS OF WATER SHORTAGE SURCHARGES**

The following details the analysis behind the proposed Water Shortage surcharges for Marina Water and Ord Water.

### **9.2.1 Marina Water Shortage Stages and Assumed Water Reduction**

The Marina Water WSCP (most recently revised in 2020) aligns with the requirements of Senate Bill 606, which requires water utilities to develop an action plan based on various stages of drought. The water usage reduction goals are shown in Row 2 of Schedules WS-M (Marina) and WS-O (Ord). This analysis assumes that the actual water usage reductions during each defined stage will be the approximate midpoint of the water reduction goals (see Row 3 of Schedules WS-M and WS-O).

### **9.2.2 Forecasted Changes in Rate Revenue**

The forecasted reduction in water consumption charge revenue for each stage was modeled by applying the assumed water usage reduction evenly across all customers. This was done by applying a uniform reduction in water usage across all customers using FY 2022/23 customer billing data. It is important to note, however, that the consumption charge revenue is complicated by the tiered rates for single family customers. As a result, a reduction in Tier 2 water usage will have a larger financial impact than the same reduction in Tier 1 water usage.

Modeling which customers (the “water savers” that stay in Tier 1 or the larger water consumers that use substantial Tier 2 water) will reduce their water usage during a water shortage emergency or drought is not easily accomplished. It is beyond the scope of this analysis to model the uneven distribution of water reductions across different types of customers. We acknowledge that this assumption may underestimate the revenue shortfall, thereby yielding lower recommended Water Shortage Surcharges than might actually be needed to cover the shortfall.

Fixed Service Charge revenue and non-rate revenues are not expected to change as a result of a drought (see Rows 4 and 6 of Schedules WS-M and WS-O). Row 7 of Schedules WS-M and WS-O shows the amount of total revenue expected during each stage of drought.

### **9.3 FORECASTED CHANGES IN EXPENDITURES**

The water utilities have some expenses that are fixed and not expected to change during a drought event (see Rows 9, 11, 12, 13, 14, 16, 17, 18, 19, 20, and 21 of Schedules WS-M and WS-O).

The following expenses are expected to change during sustained water shortage events.

#### **9.3.1 Utilities**

This analysis assumes that 75 percent of the “Utility” line item is for the electricity needed to move water. This analysis assumes that those electricity costs decline in proportion to the decrease in water volumes.

#### **9.3.2 Water Conservation**

Both water utility’s water conservation programs get ramped up during water shortage emergencies/drought events. Increases in costs are driven by intensified outreach and bolstered rebate programs. Based on past trends, it is assumed that the conservation program budget will increase in proportion to the decrease in water usage.

#### 9.4 PROPOSED WATER SHORTAGE SURCHARGE AND CAPITAL SPENDING REDUCTION BY STAGE

Upon completion of the above analysis, we assessed the total financial deficit that would occur in each stage if no mitigating measures were taken. Rows 25 of Schedules WS-M and WS-O show that a financial deficit of \$1.28 million is expected in a Stage 5 drought for Marina Water and a deficit of \$2.34 million is expected for Ord Water. The proposed Water Shortage Surcharge is founded on a policy that employs a multi-prong approach and does not rely entirely on the surcharge in order to address the financial deficit. Instead, the policy also involves a reduction in capital spending and a sustainable use of reserves.

The financial deficit in a Stage 1 water shortage emergency is expected to be about \$118 thousand for Marina Water and \$212 thousand for Ord Water. Given that Stage 1 water shortage emergencies are a relatively common occurrence and do not require mandatory rationing, it is assumed that a Stage 1 water shortage emergency would not trigger a Water Shortage surcharge nor a reduction in capital spending. This is financially viable because both water Cost Centers maintain sufficient reserves that they can withstand modest financial deficits for multiple years.

The proposed Water Shortage Surcharge and reduction in capital spending for Stage 2 – 5 have been calibrated to yield an overall deficit that is similar to a Stage 1 deficit (about \$118 thousand for Marina Water and \$212 thousand for Ord Water).

Given certain financial similarities between Marina Water and Ord Water, the proposed Water Surcharges by drought stage (expressed as a percentage surcharge to the consumption rate) are the same for both Cost Centers, as shown in Table 29 below and Row 26 of Schedules WS-M and WS-O, respectively.

**Table 29 - Proposed Water Shortage Surcharge by Drought Stage**

(applied to Consumption Charges only)

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
NA	10%	20%	30%	40%

Rows 28 and 29 of Schedules WS-M and WS-O show the proposed reduction in capital spending by stage. Finally Row 30 shows the anticipated financial deficit that would be absorbed by the respective reserves after these mitigation measures have been implemented.

## Section 10. CONCLUSION

This 2024 Water, Wastewater & Recycled Water Rate Study proposes updated utility rates for the Marina Coast Water District, which includes both rate structures updates based on a cost-of-service analysis as well as rate revenue increases. The need for rate increases in the five Cost Centers are driven primarily by (1) inflation, (2) tempered rate increases in the past, and (3) a shift to a more proactive capital re-investment program. The District has developed detailed capital improvement plans for each Cost Center that are designed to pro-actively repair and replace critical and aging infrastructure in order to ensure that the District 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 District to continue to provide reliable service to customers while meeting the state’s mandates.

The proposed 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 at least 45 days prior to conducting a public hearing to adopt the rates.

The 5-year schedule of proposed rates are presented in Schedules MW-4, OW-4, MS-4, OS-4 and RW-3. The initial rate increase will occur on July 1, 2024, and all subsequent increases will occur on the first day of the fiscal year (July 1). The rate increases after the initial year of rate adjustments will occur without additional rate structure updates, meaning that all rate elements will change by the same percentage.

## **SCHEDULES**

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**Schedule MW-1 – Marina Water Projected O&M and Debt Expenses**

**Schedule MW-2 – Marina Water 5-Year Capital Spending Plan**

**Schedule MW-3 – Marina Water 10-Year Cash Flow Pro Forma**

**Schedule MW-4 – Marina Water Schedule of Rates**

**Schedule OW-1 – Ord Water Projected O&M and Debt Expenses**

**Schedule OW-2 – Ord Water 5-Year Capital Spending Plan**

**Schedule OW-3 – Ord Water 10-Year Cash Flow Pro Forma**

**Schedule OW-4 – Ord Water Schedule of Rates**

**Schedule MS-1 – Marina Sewer Projected O&M and Debt Expenses**

**Schedule MS-2 – Marina Sewer 5-Year Capital Spending Plan**

**Schedule MS-3 – Marina Sewer 10-Year Cash Flow Pro Forma**

**Schedule MS-4 – Marina Sewer Schedule of Rates**

**Schedule OS-1 – Ord Sewer Projected O&M and Debt Expenses**

**Schedule OS-2 – Ord Sewer 5-Year Capital Spending Plan**

**Schedule OS-3 – Ord Sewer 10-Year Cash Flow Pro Forma**

**Schedule OS-4 – Ord Sewer Schedule of Rates**

**Schedule RW-1 – Recycled Water Projected O&M and Debt Expenses**

**Schedule RW-2 – Recycled Water 10-Year Cash Flow Pro Forma**

**Schedule RW-3 – Recycled Water Schedule of Rates**

**Schedule WS-M – Marina Water Shortage Surcharge Calculations**

**Schedule WS-O – Ord Water Shortage Surcharge Calculations**

**Marina Water Projected O&M and Debt Expenses**

**Schedule MW-1.1**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
1 ACCOUNTING SERVICES	\$9,400	\$9,700	\$10,000	\$10,300	\$10,600	\$10,900	\$11,200	\$11,600	\$11,900	\$12,300	\$12,600
2 Administrative Expenses	\$5,300	\$5,500	\$5,600	\$5,800	\$6,000	\$6,200	\$6,400	\$6,500	\$6,700	\$6,900	\$7,200
3 ADVERTISEMENT	\$11,900	\$12,200	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200	\$14,600	\$15,000	\$15,500	\$16,000
4 ADVERTISEMENT/PROMOTIONAL MATERIALS	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000
5 ANSWERING SERVICE	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,400	\$1,400	\$1,500	\$1,600	\$1,600	\$1,700
6 AUTO INSURANCE	\$4,700	\$4,800	\$5,000	\$5,100	\$5,300	\$5,400	\$5,600	\$5,800	\$5,900	\$6,100	\$6,300
7 BANK & ADMINISTRATION FEE	\$38,100	\$39,200	\$40,400	\$41,600	\$42,900	\$44,100	\$45,500	\$46,800	\$48,200	\$49,700	\$51,200
8 BLM ASSOCIATION FEES	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300	\$4,500	\$4,600	\$4,700	\$4,900	\$5,000	\$5,200
9 BLM GENERAL EXPENSES	\$15,800	\$16,300	\$16,800	\$17,300	\$17,800	\$18,300	\$18,900	\$19,500	\$20,000	\$20,700	\$21,300
10 BLM MAINTENANCE	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700
11 BOARD COMPENSATION	\$2,800	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,800	\$4,000
12 BOARD MEETING VIDEO RECORDING	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,400
13 BOOT BENEFIT	\$1,300	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900
14 BUILDING SECURITY	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000
15 CALPERS RETIREMENT (EE)	\$55,700	\$61,300	\$63,100	\$65,000	\$66,900	\$68,900	\$71,000	\$73,100	\$75,300	\$77,600	\$79,900
16 CALPERS RETIREMENT (ER)	\$178,900	\$196,800	\$202,700	\$208,800	\$215,000	\$221,500	\$228,100	\$235,000	\$242,000	\$249,300	\$256,800
17 CALPERS-62 RETIREMENT (ER)	\$56,500	\$62,100	\$64,000	\$65,900	\$67,900	\$69,900	\$72,000	\$74,200	\$76,400	\$78,700	\$81,100
18 CAR ALLOWANCE EXPENSE	\$400	\$500	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600
19 CELL PHONE ALLOWANCE EXPENSE	\$100	\$100	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
20 COMPUTERS/DATA PROCESSING	\$14,200	\$14,700	\$15,100	\$15,600	\$16,000	\$16,500	\$17,000	\$17,500	\$18,000	\$18,600	\$19,100
21 CONFERENCE (BOD)	\$300	\$300	\$300	\$300	\$300	\$400	\$400	\$400	\$400	\$400	\$400
22 CONFERENCES	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600
23 CONSERVATION EDUCATION	\$2,200	\$2,200	\$2,300	\$2,400	\$2,400	\$2,500	\$2,600	\$2,600	\$2,700	\$2,800	\$2,900
24 CONSULTING SERVICES	\$129,600	\$133,500	\$137,500	\$141,600	\$145,900	\$150,200	\$154,800	\$159,400	\$164,200	\$169,100	\$174,200
25 CONTRACT TESTING	\$23,800	\$24,500	\$25,200	\$26,000	\$26,700	\$27,500	\$28,400	\$29,200	\$30,100	\$31,000	\$31,900
26 DEFERRED COMP (ER)	\$27,500	\$30,300	\$31,200	\$32,100	\$33,100	\$34,000	\$35,100	\$36,100	\$37,200	\$38,300	\$39,500
27 DENTAL INSURANCE	\$11,700	\$12,900	\$13,300	\$13,700	\$14,100	\$14,500	\$14,900	\$15,400	\$15,800	\$16,300	\$16,800
28 DEVELOPER EXPENSES (NOT MCWD)	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000
29 DISABILITY PLAN	\$4,800	\$5,300	\$5,500	\$5,700	\$5,800	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000
30 EDUCATION AND TRAINING	\$4,700	\$4,800	\$5,000	\$5,100	\$5,300	\$5,400	\$5,600	\$5,700	\$5,900	\$6,100	\$6,300
31 ENGINEERING CONSULTANTS	\$29,300	\$30,200	\$31,100	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,100	\$38,200	\$39,400
32 ETT EXPENSE	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
33 FICA EXPENSE	\$97,300	\$107,100	\$110,300	\$113,600	\$117,000	\$120,500	\$124,100	\$127,800	\$131,700	\$135,600	\$139,700
34 GENERAL SUPPLY	\$7,000	\$7,200	\$7,400	\$7,600	\$7,900	\$8,100	\$8,300	\$8,600	\$8,800	\$9,100	\$9,400
35 HOSPITALITY & AWARDS	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$2,900	\$3,000	\$3,100	\$3,200
36 HOT WATER RECIR REBATE	\$700	\$700	\$700	\$700	\$700	\$800	\$800	\$800	\$800	\$900	\$900
37 INTEREST EXPENSE - LEASES	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
38 INTEREST/PENALTY FEES	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
39 IOP ASSOCIATION EXPENSES	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300	\$4,500	\$4,600	\$4,700	\$4,900	\$5,000	\$5,200
40 LANDSCAPE DEMONSTRATION	\$7,400	\$7,600	\$7,800	\$8,000	\$8,300	\$8,500	\$8,800	\$9,000	\$9,300	\$9,600	\$9,900
41 LANDSCAPE REBATE	\$16,900	\$17,400	\$18,000	\$18,500	\$19,100	\$19,600	\$20,200	\$20,800	\$21,400	\$22,100	\$22,800
42 LEASE AMORTIZATION	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,300	\$4,400	\$4,500	\$4,700	\$4,800	\$4,900
43 LEGAL FEES	\$671,300	\$507,000	\$383,900	\$353,900	\$354,300	\$354,700	\$355,200	\$355,600	\$356,100	\$356,600	\$357,100
44 LIABILITY INSURANCE	\$32,400	\$33,400	\$34,400	\$35,400	\$36,500	\$37,600	\$38,700	\$39,900	\$41,100	\$42,300	\$43,600
45 LIFE INSURANCE/ AD&D	\$5,600	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,100
46 M1W – AWTF CAPITAL COST SHARE	\$93,000	\$71,200	\$71,200	\$71,200	\$71,200	\$71,200	\$71,200	\$71,200	\$71,200	\$71,200	\$71,200
47 M1W – AWTF O&M COST SHARE	\$200,400	\$200,400	\$200,400	\$200,400	\$200,400	\$200,400	\$200,400	\$200,400	\$200,400	\$200,400	\$200,400
48 MAINTENANCE AGREEMENTS	\$18,200	\$18,800	\$19,300	\$19,900	\$20,500	\$21,100	\$21,800	\$22,400	\$23,100	\$23,800	\$24,500
49 MEDI EXPENSE	\$23,600	\$26,000	\$26,700	\$27,500	\$28,400	\$29,200	\$30,100	\$31,000	\$31,900	\$32,900	\$33,900

## Marina Water Projected O&M and Debt Expenses

## Schedule MW-1.2

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
50 MEDICAL INSURANCE	\$220,900	\$243,000	\$250,300	\$257,800	\$265,600	\$273,500	\$281,700	\$290,200	\$298,900	\$307,900	\$317,100
51 MEMBERSHIPS & DUES	\$12,100	\$12,400	\$12,800	\$13,200	\$13,600	\$14,000	\$14,400	\$14,800	\$15,300	\$15,800	\$16,200
52 MEMBERSHIPS,Subscriptions & DUES	\$600	\$600	\$600	\$700	\$700	\$700	\$700	\$700	\$800	\$800	\$800
53 METER READER GEN MAINT/EQUIP	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300
54 METERS (METER READER ONLY)	\$34,000	\$35,000	\$36,100	\$37,200	\$38,300	\$39,400	\$40,600	\$41,800	\$43,100	\$44,400	\$45,700
55 OFFICE POWER/GAS	\$9,500	\$10,400	\$11,500	\$12,600	\$13,900	\$15,300	\$16,800	\$18,500	\$20,300	\$22,400	\$24,600
56 OFFICE SUPPLY	\$4,200	\$4,400	\$4,500	\$4,600	\$4,800	\$4,900	\$5,000	\$5,200	\$5,400	\$5,500	\$5,700
57 Operatings, Maintenance & Repair	\$201,300	\$207,400	\$213,600	\$220,000	\$226,600	\$233,400	\$240,400	\$247,600	\$255,000	\$262,700	\$270,600
58 OVERTIME	\$27,700	\$30,500	\$31,400	\$32,300	\$33,300	\$34,300	\$35,300	\$36,400	\$37,500	\$38,600	\$39,700
59 PERMITS	\$22,000	\$22,600	\$23,300	\$24,000	\$24,700	\$25,500	\$26,200	\$27,000	\$27,800	\$28,700	\$29,500
60 PHONE	\$20,800	\$21,500	\$22,100	\$22,800	\$23,400	\$24,100	\$24,900	\$25,600	\$26,400	\$27,200	\$28,000
61 POSTAGE	\$12,700	\$13,100	\$13,500	\$13,900	\$14,300	\$14,700	\$15,200	\$15,600	\$16,100	\$16,600	\$17,100
62 PRINTING	\$9,200	\$9,500	\$9,800	\$10,100	\$10,400	\$10,700	\$11,000	\$11,300	\$11,700	\$12,000	\$12,400
63 Professional Services	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000	\$2,100	\$2,100
64 PROPERTY FEES	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000	\$2,100	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400
65 PROPERTY INSURANCE	\$11,800	\$12,200	\$12,500	\$12,900	\$13,300	\$13,700	\$14,100	\$14,500	\$15,000	\$15,400	\$15,900
66 RENT/LEASE EQUIPMENT	(\$200)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)
67 SAFETY	\$400	\$400	\$400	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500
68 SOFTWARE LICENSING	\$69,800	\$18,700	\$19,200	\$19,800	\$20,400	\$21,000	\$21,600	\$22,300	\$23,000	\$23,600	\$24,400
69 STANDBY WAGES	\$12,400	\$13,600	\$14,000	\$14,500	\$14,900	\$15,300	\$15,800	\$16,300	\$16,800	\$17,300	\$17,800
70 SUBSCRIPTION AMORTIZATION	\$3,400	\$3,500	\$3,600	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,400	\$4,500	\$4,600
71 SUI EXPENSE	\$3,300	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,300	\$4,400	\$4,500	\$4,600	\$4,800
72 TOILET REBATE	\$15,700	\$16,100	\$16,600	\$17,100	\$17,600	\$18,100	\$18,700	\$19,200	\$19,800	\$20,400	\$21,000
73 TRASH SERVICES	\$3,600	\$4,000	\$4,400	\$4,900	\$5,300	\$5,900	\$6,500	\$7,100	\$7,800	\$8,600	\$9,500
74 TRAVEL	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000	\$2,000	\$2,100	\$2,200	\$2,200
75 TUITION REIMBURSEMENT	\$8,300	\$9,100	\$9,400	\$9,600	\$9,900	\$10,200	\$10,500	\$10,900	\$11,200	\$11,500	\$11,900
76 UNIFORM BENEFIT	\$4,800	\$5,300	\$5,500	\$5,600	\$5,800	\$6,000	\$6,200	\$6,300	\$6,500	\$6,700	\$6,900
77 Utilitiy Expenses	\$288,900	\$317,800	\$349,500	\$384,500	\$422,900	\$465,200	\$511,800	\$562,900	\$619,200	\$681,100	\$749,300
78 VISION INSURANCE	\$2,800	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,800	\$4,000	\$4,100
79 WAGES - ADM	\$412,300	\$504,800	\$519,900	\$535,500	\$551,600	\$568,100	\$585,200	\$602,700	\$620,800	\$639,500	\$658,600
80 WAGES - CON	\$78,600	\$86,400	\$89,000	\$91,700	\$94,500	\$97,300	\$100,200	\$103,200	\$106,300	\$109,500	\$112,800
81 WAGES - ENG	\$405,200	\$445,700	\$459,100	\$472,900	\$487,100	\$501,700	\$516,700	\$532,200	\$548,200	\$564,700	\$581,600
82 WAGES - LAB	\$37,300	\$41,000	\$42,200	\$43,500	\$44,800	\$46,100	\$47,500	\$48,900	\$50,400	\$51,900	\$53,500
83 WAGES - OPM	\$713,200	\$909,400	\$936,600	\$964,700	\$993,700	\$1,023,500	\$1,054,200	\$1,085,800	\$1,118,400	\$1,151,900	\$1,186,500
84 WAGES - WATER RESOURCES	\$70,400	\$97,700	\$100,600	\$103,600	\$106,700	\$110,000	\$113,200	\$116,600	\$120,100	\$123,700	\$127,500
85 WAGES/BENEFITS - CAPITAL PROJ	(\$144,200)	(\$158,600)	(\$163,400)	(\$168,300)	(\$173,300)	(\$178,500)	(\$183,900)	(\$189,400)	(\$195,100)	(\$201,000)	(\$207,000)
86 WASHING MACHINE REBATE	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,000	\$3,100	\$3,200
87 WATER SOURCE FEES	\$403,600	\$419,000	\$435,000	\$451,600	\$468,900	\$486,800	\$505,400	\$524,700	\$544,800	\$565,600	\$587,200
88 WORKERS COMP INSURANCE	\$32,500	\$35,700	\$36,800	\$37,900	\$39,100	\$40,200	\$41,400	\$42,700	\$44,000	\$45,300	\$46,600
89 WR CONSULTANTS	\$79,000	\$81,400	\$83,800	\$86,300	\$88,900	\$91,600	\$94,300	\$97,200	\$100,100	\$103,100	\$106,200
90 DEBT SERVICE	\$517,000	\$844,000	\$845,000	\$845,000	\$844,000	\$844,000	\$845,000	\$844,000	\$844,000	\$844,000	\$845,000
91 <b>Total Operating Expenses</b>	<b>\$5,475,200</b>	<b>\$6,067,100</b>	<b>\$6,103,800</b>	<b>\$6,240,000</b>	<b>\$6,413,700</b>	<b>\$6,595,600</b>	<b>\$6,788,400</b>	<b>\$6,986,900</b>	<b>\$7,197,800</b>	<b>\$7,419,200</b>	<b>\$7,653,000</b>

**Marina Water 5-Year Capital Spending Plan**

**Schedule MW-2**

<b>PROJECT</b>	<b>5-YEAR COSTS</b>
Fire Hydrant Replacement Program	\$246,000
Misc Booster Pumping Station Improvements	\$542,000
Water Pipeline Renew/Replacement Program	\$2,371,000
Well Rehabilitation	\$468,000
B1 Tank Improvements	\$369,000
Beach Road Water Pipeline	\$184,000
CIP planning and program management	\$30,000
D Reservoir Redundant Fill Line	\$168,000
Large Valve Replacements B and C Zones	\$202,000
PLC Replacement Project Phase 2	\$35,000
PRV Pressure and Flow Monitoring	\$130,000
Recondition Reservoir C1	\$137,000
SCADA Improvements Phase 2	\$144,000
Water Pipeline in California Avenue from Patton Parkway to Reindollar Ave	\$698,000
Well 12	\$51,000
Wellfield ARV Line Replacement	\$16,000
Zone A Tank and Improvements	\$185,000
	<b>\$5,975,000</b>

**Marina Water 10-Year Cash Flow Proforma**

**Schedule MW-3**

	Budget/Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033	Forecast FY2034	
1	<b>Rate Revenue Increase:</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>8.00%</b>	<b>8.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	
<b>Rate Revenue</b>												
2	<b>Service Charge Revenue</b>	\$4,175,000	\$4,175,000	\$5,043,000	\$6,092,000	\$7,359,000	\$8,007,000	\$8,712,000	\$9,305,000	\$9,937,000	\$10,513,000	\$11,123,000
3	Change due to growth & use	\$33,000	\$40,000	\$49,000	\$59,000	\$64,000	\$70,000	\$74,000	\$79,000	\$84,000	\$89,000	\$89,000
4	Increase due to rate adjustments	\$835,000	\$1,009,000	\$1,218,000	\$589,000	\$641,000	\$523,000	\$558,000	\$497,000	\$526,000	\$556,000	\$556,000
<b>Non-Rate Revenues</b>												
5	Miscellaneous Fees	\$268,000	\$268,000	\$268,000	\$268,000	\$268,000	\$268,000	\$268,000	\$268,000	\$268,000	\$268,000	\$268,000
6	Interest Earnings	\$215,000	\$27,000	\$25,000	\$22,000	\$27,000	\$40,000	\$47,000	\$59,000	\$66,000	\$77,000	\$89,000
7	Operating Revenue	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000
8	Unrestricted portion of Capacity Charges	\$138,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000
9	<b>Total Revenue</b>	<b>\$4,907,000</b>	<b>\$5,542,000</b>	<b>\$6,589,000</b>	<b>\$7,853,000</b>	<b>\$8,506,000</b>	<b>\$9,224,000</b>	<b>\$9,824,000</b>	<b>\$10,468,000</b>	<b>\$11,051,000</b>	<b>\$11,672,000</b>	<b>\$12,329,000</b>
<b>O&amp;M Costs</b>												
10	Salaries and Benefits	\$2,349,000	\$2,780,000	\$2,864,000	\$2,950,000	\$3,038,000	\$3,129,000	\$3,223,000	\$3,320,000	\$3,419,000	\$3,522,000	\$3,628,000
11	Utilities	\$302,000	\$332,000	\$365,000	\$402,000	\$442,000	\$486,000	\$535,000	\$589,000	\$647,000	\$712,000	\$783,000
12	Professional Services	\$963,000	\$807,000	\$693,000	\$673,000	\$683,000	\$693,000	\$703,000	\$714,000	\$726,000	\$737,000	\$749,000
13	General Administration	\$182,000	\$135,000	\$139,000	\$143,000	\$147,000	\$152,000	\$156,000	\$161,000	\$166,000	\$171,000	\$176,000
14	Source of Supply	\$404,000	\$419,000	\$435,000	\$452,000	\$469,000	\$487,000	\$505,000	\$525,000	\$545,000	\$566,000	\$587,000
15	Board of Directors	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
16	Water Conservation	\$50,000	\$52,000	\$54,000	\$55,000	\$57,000	\$59,000	\$60,000	\$62,000	\$64,000	\$66,000	\$68,000
17	Insurance	\$49,000	\$50,000	\$52,000	\$53,000	\$55,000	\$57,000	\$58,000	\$60,000	\$62,000	\$64,000	\$66,000
18	Operations and Maintenance	\$350,000	\$360,000	\$369,000	\$380,000	\$390,000	\$401,000	\$412,000	\$423,000	\$435,000	\$447,000	\$459,000
19	Supplies & Equipment	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000	\$15,000
20	M1W Debt Payment	\$293,000	\$272,000	\$272,000	\$272,000	\$272,000	\$272,000	\$272,000	\$272,000	\$272,000	\$272,000	\$272,000
21	<b>Total Operating Expenses</b>	<b>\$4,957,000</b>	<b>\$5,223,000</b>	<b>\$5,259,000</b>	<b>\$5,396,000</b>	<b>\$5,571,000</b>	<b>\$5,754,000</b>	<b>\$5,942,000</b>	<b>\$6,145,000</b>	<b>\$6,355,000</b>	<b>\$6,577,000</b>	<b>\$6,808,000</b>
<b>Capital Costs</b>												
22	<b>Total Capital Spending</b>	<b>\$0</b>	<b>\$1,327,000</b>	<b>\$1,122,000</b>	<b>\$1,276,000</b>	<b>\$1,325,000</b>	<b>\$1,286,000</b>	<b>\$2,203,000</b>	<b>\$2,269,000</b>	<b>\$2,337,000</b>	<b>\$2,407,000</b>	<b>\$2,479,000</b>
23	Debt Funded Capital	\$0	\$1,327,000	\$1,122,000	\$1,276,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Cash Funded Capital	\$0	\$0	\$0	\$0	\$1,325,000	\$1,286,000	\$2,203,000	\$2,269,000	\$2,337,000	\$2,407,000	\$2,479,000
25	Existing Debt Service	\$517,000	\$516,000	\$517,000	\$517,000	\$516,000	\$516,000	\$517,000	\$516,000	\$516,000	\$516,000	\$517,000
26	New Debt Service	\$0	\$328,000	\$328,000	\$328,000	\$328,000	\$328,000	\$328,000	\$328,000	\$328,000	\$328,000	\$328,000
27	<b>Total Capital Cash Requirement</b>	<b>\$517,000</b>	<b>\$844,000</b>	<b>\$845,000</b>	<b>\$845,000</b>	<b>\$2,169,000</b>	<b>\$2,130,000</b>	<b>\$3,048,000</b>	<b>\$3,113,000</b>	<b>\$3,181,000</b>	<b>\$3,251,000</b>	<b>\$3,324,000</b>
28	<b>Total Revenue Requirement</b>	<b>\$5,474,000</b>	<b>\$6,067,000</b>	<b>\$6,104,000</b>	<b>\$6,241,000</b>	<b>\$7,740,000</b>	<b>\$7,884,000</b>	<b>\$8,990,000</b>	<b>\$9,258,000</b>	<b>\$9,536,000</b>	<b>\$9,828,000</b>	<b>\$10,132,000</b>
29	<b>Beginning Year Balance</b>	<b>\$2,807,000</b>	<b>\$2,240,000</b>	<b>\$1,715,000</b>	<b>\$2,200,000</b>	<b>\$3,812,000</b>	<b>\$4,578,000</b>	<b>\$5,918,000</b>	<b>\$6,752,000</b>	<b>\$7,962,000</b>	<b>\$9,477,000</b>	<b>\$11,321,000</b>
30	Surplus/(Shortfall)	(\$567,000)	(\$525,000)	\$485,000	\$1,612,000	\$766,000	\$1,340,000	\$834,000	\$1,210,000	\$1,515,000	\$1,844,000	\$2,197,000
31	<b>End of Year Balance</b>	<b>\$2,240,000</b>	<b>\$1,715,000</b>	<b>\$2,200,000</b>	<b>\$3,812,000</b>	<b>\$4,578,000</b>	<b>\$5,918,000</b>	<b>\$6,752,000</b>	<b>\$7,962,000</b>	<b>\$9,477,000</b>	<b>\$11,321,000</b>	<b>\$13,518,000</b>
32	Reserve Target	\$12,853,000	\$13,252,000	\$13,393,000	\$13,703,000	\$14,092,000	\$14,432,000	\$14,784,000	\$15,148,000	\$15,526,000	\$15,917,000	\$16,324,000
<b>Combined Debt Calculations</b>												
33	Total New Debt Service	\$0	\$2,329,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000
34	Total Existing Debt Service	\$3,895,000	\$3,888,000	\$3,893,000	\$3,894,000	\$3,890,000	\$3,888,000	\$3,891,000	\$3,888,000	\$3,891,000	\$3,890,000	\$3,891,000
35	<b>Total District Debt Service</b>	<b>\$3,895,000</b>	<b>\$6,217,000</b>	<b>\$6,342,000</b>	<b>\$6,343,000</b>	<b>\$6,339,000</b>	<b>\$6,337,000</b>	<b>\$6,340,000</b>	<b>\$6,337,000</b>	<b>\$6,340,000</b>	<b>\$6,339,000</b>	<b>\$6,340,000</b>
36	Total Revenue Available for Debt Service	\$14,009,500	\$11,393,500	\$14,110,600	\$16,576,300	\$18,906,800	\$21,438,100	\$23,421,000	\$25,586,200	\$27,843,000	\$30,297,600	\$32,965,800
37	<b>Debt Coverage Ratio</b>	<b>3.60</b>	<b>1.83</b>	<b>2.22</b>	<b>2.61</b>	<b>2.98</b>	<b>3.38</b>	<b>3.69</b>	<b>4.04</b>	<b>4.39</b>	<b>4.78</b>	<b>5.20</b>



**Marina Water Schedule of Rates**

**Schedule MW-4**

	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
<b>Single Family Consumption Charge (\$/hcf)</b>					
Tier 1 <sup>1</sup>	\$4.36	\$5.23	\$6.28	\$6.78	\$7.32
Tier 2	\$7.00	\$8.40	\$10.08	\$10.89	\$11.76
<b>Multi-Family and Non-Residential Consumption Charge (\$/hcf)</b>					
Uniform Rate	\$4.64	\$5.57	\$6.68	\$7.22	\$7.79
<b>Fixed Monthly Service Charges</b>					
5/8" & 3/4"	\$42.29	\$50.75	\$60.90	\$65.77	\$71.03
1"	\$65.06	\$78.07	\$93.69	\$101.18	\$109.28
1.5"	\$122.01	\$146.41	\$175.69	\$189.75	\$204.93
2"	\$190.34	\$228.41	\$274.09	\$296.02	\$319.70
3"	\$372.56	\$447.07	\$536.49	\$579.41	\$625.76
4"	\$577.55	\$693.06	\$831.67	\$898.21	\$970.06
6"	\$1,146.99	\$1,376.39	\$1,651.67	\$1,783.80	\$1,926.50
8"	\$1,830.31	\$2,196.37	\$2,635.65	\$2,846.50	\$3,074.22
10"	\$3,196.95	\$3,836.34	\$4,603.61	\$4,971.90	\$5,369.65
12"	\$4,791.37	\$5,749.64	\$6,899.57	\$7,451.54	\$8,047.66

<sup>1</sup> For the first 10 hcf per month

<b>Monthly Private Fire Meter Charge</b>		
Meter Size	Current Charge	Proposed Effective July 1, 2024 <sup>1</sup>
1"	\$2.02	\$2.07
1.5"	\$5.87	\$6.01
2"	\$12.52	\$12.82
2.5"	\$22.51	\$23.04
3"	\$36.37	\$37.23
4"	\$77.50	\$79.33
6"	\$225.12	\$230.45
8"	\$479.73	\$491.08

<sup>1</sup> Increase based on a 2.4 percent increase in the Consumer Price Index (CPI) between Feb 2023 and Feb 2024. Private fire meter charges will be increased by the CPI each July 1 through July 1, 2028.

**Ord Water Projected O&M and Debt Expenses**

**Schedule OW-1.1**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
1 ACCOUNTING SERVICES	\$20,600	\$21,200	\$21,900	\$22,500	\$23,200	\$23,900	\$24,600	\$25,400	\$26,100	\$26,900	\$27,700
2 FICA EXPENSE	\$174,800	\$192,300	\$198,100	\$204,000	\$210,100	\$216,400	\$222,900	\$229,600	\$236,500	\$243,600	\$250,900
3 MEDI EXPENSE	\$42,600	\$46,800	\$48,200	\$49,700	\$51,200	\$52,700	\$54,300	\$55,900	\$57,600	\$59,300	\$61,100
4 Administrative Expenses	\$12,200	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200	\$14,600	\$15,000	\$15,500	\$15,900	\$16,400
5 ANSWERING SERVICE	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700
6 BLM ASSOCIATION FEES	\$6,900	\$7,100	\$7,300	\$7,500	\$7,700	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,200
7 BOOKS & REF MATERIALS	\$700	\$800	\$800	\$800	\$800	\$900	\$900	\$900	\$900	\$1,000	\$1,000
8 BUILDING SECURITY	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,400
9 BOOT BENEFIT	\$1,800	\$1,900	\$1,900	\$2,000	\$2,000	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,400
10 CALPERS RETIREMENT (EE)	\$100,100	\$110,100	\$113,400	\$116,800	\$120,300	\$123,900	\$127,600	\$131,400	\$135,400	\$139,400	\$143,600
11 CALPERS RETIREMENT (ER)	\$322,500	\$354,800	\$365,400	\$376,400	\$387,700	\$399,300	\$411,300	\$423,600	\$436,400	\$449,400	\$462,900
12 DISABILITY PLAN	\$8,700	\$9,600	\$9,900	\$10,200	\$10,500	\$10,800	\$11,100	\$11,500	\$11,800	\$12,200	\$12,500
13 CALPERS-62 RETIREMENT (ER)	\$85,300	\$93,000	\$95,800	\$98,700	\$101,700	\$104,700	\$107,900	\$111,100	\$114,400	\$117,900	\$121,400
14 CAR ALLOWANCE EXPENSE	\$900	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,300	\$1,300
15 CELL PHONE ALLOWANCE EXPENSE	\$300	\$300	\$300	\$300	\$300	\$400	\$400	\$400	\$400	\$400	\$400
16 CONFERENCES	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,600	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000
17 CONSERVATION EDUCATION	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800
18 BOARD COMPENSATION	\$5,600	\$6,200	\$6,400	\$6,500	\$6,700	\$6,900	\$7,200	\$7,400	\$7,600	\$7,800	\$8,100
19 CONTRACT TESTING	\$40,500	\$41,700	\$43,000	\$44,300	\$45,600	\$47,000	\$48,400	\$49,800	\$51,300	\$52,900	\$54,500
20 AUTO INSURANCE	\$10,300	\$10,600	\$10,900	\$11,200	\$11,600	\$11,900	\$12,300	\$12,700	\$13,000	\$13,400	\$13,800
21 PROPERTY FEES	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000	\$2,000	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400
22 DEFERRED COMP (ER)	\$49,300	\$54,200	\$55,900	\$57,500	\$59,300	\$61,000	\$62,900	\$64,800	\$66,700	\$68,700	\$70,800
23 DENTAL INSURANCE	\$20,400	\$22,400	\$23,100	\$23,800	\$24,500	\$25,200	\$26,000	\$26,800	\$27,600	\$28,400	\$29,200
24 DEVELOPER EXPENSES (NOT MCWD)	\$433,500	\$433,500	\$433,500	\$433,500	\$433,500	\$433,500	\$433,500	\$433,500	\$433,500	\$433,500	\$433,500
25 RENT/LEASE EQUIPMENT	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$400)	(\$400)	(\$400)	(\$400)
26 DEVELOPER METERS - STOCK	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
27 PRINTING	\$15,800	\$16,300	\$16,800	\$17,300	\$17,800	\$18,400	\$18,900	\$19,500	\$20,100	\$20,700	\$21,300
28 EDUCATION AND TRAINING	\$10,400	\$10,700	\$11,000	\$11,300	\$11,700	\$12,000	\$12,400	\$12,700	\$13,100	\$13,500	\$13,900
29 COMPUTERS/DATA PROCESSING	\$31,300	\$32,400	\$33,400	\$34,400	\$35,400	\$36,500	\$37,600	\$38,700	\$39,900	\$41,100	\$42,300
30 SOFTWARE LICENSING	\$150,400	\$40,700	\$41,900	\$43,100	\$44,400	\$45,800	\$47,100	\$48,600	\$50,000	\$51,500	\$53,100
31 ADVERTISEMENT	\$25,600	\$26,400	\$27,200	\$28,000	\$28,800	\$29,700	\$30,600	\$31,500	\$32,400	\$33,400	\$34,400
32 MAINTENANCE AGREEMENTS	\$39,300	\$40,500	\$41,700	\$43,000	\$44,200	\$45,600	\$46,900	\$48,300	\$49,800	\$51,300	\$52,800
33 HOSPITALITY & AWARDS	\$5,300	\$5,500	\$5,700	\$5,800	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200
34 BOARD MEETING VIDEO RECORDING	\$2,400	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200
35 ENGINEERING CONSULTANTS	\$87,200	\$89,800	\$92,500	\$95,300	\$98,100	\$101,100	\$104,100	\$107,200	\$110,400	\$113,800	\$117,200
36 CONSULTING SERVICES	\$285,400	\$294,000	\$302,800	\$311,900	\$321,200	\$330,900	\$340,800	\$351,000	\$361,500	\$372,400	\$383,600
37 ETT EXPENSE	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$300	\$300
38 FRANCHISE FEE	\$37,700	\$38,900	\$40,000	\$41,200	\$42,500	\$43,800	\$45,100	\$46,400	\$47,800	\$49,200	\$50,700
39 CONFERENCE (BOD)	\$700	\$700	\$700	\$700	\$800	\$800	\$800	\$800	\$900	\$900	\$900
40 GENERAL SUPPLY	\$15,300	\$15,800	\$16,200	\$16,700	\$17,200	\$17,700	\$18,300	\$18,800	\$19,400	\$20,000	\$20,600
41 MEMBERSHIPS & DUES	\$28,200	\$29,100	\$30,000	\$30,800	\$31,800	\$32,700	\$33,700	\$34,700	\$35,800	\$36,800	\$37,900
42 INTEREST EXPENSE - LEASES	\$600	\$600	\$700	\$700	\$700	\$700	\$700	\$800	\$800	\$800	\$800
43 BANK & ADMINISTRATION FEE	\$83,500	\$86,000	\$88,500	\$91,200	\$93,900	\$96,800	\$99,700	\$102,600	\$105,700	\$108,900	\$112,200
44 INTEREST/PENALTY FEES	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$200
45 IOP ASSOCIATION EXPENSES	\$6,900	\$7,100	\$7,300	\$7,500	\$7,700	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,200
46 LANDSCAPE DEMONSTRATION	\$16,400	\$16,900	\$17,400	\$17,900	\$18,400	\$19,000	\$19,500	\$20,100	\$20,700	\$21,300	\$22,000
47 METER READER GEN MAINT/EQUIP	\$4,900	\$5,100	\$5,200	\$5,400	\$5,600	\$5,700	\$5,900	\$6,100	\$6,300	\$6,400	\$6,600
48 METERS (METER READER ONLY)	\$180,200	\$185,600	\$191,200	\$196,900	\$202,800	\$208,900	\$215,200	\$221,600	\$228,300	\$235,100	\$242,200
49 LANDSCAPE REBATE	\$500	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700
50 LEGAL FEES	\$1,775,900	\$1,337,400	\$1,008,700	\$762,300	\$692,000	\$692,700	\$693,400	\$694,100	\$694,800	\$695,500	\$696,300

**Ord Water Projected O&M and Debt Expenses**

**Schedule OW-1.2**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
51 BLM GENERAL EXPENSES	\$28,300	\$29,100	\$30,000	\$30,900	\$31,800	\$32,800	\$33,700	\$34,800	\$35,800	\$36,900	\$38,000
52 LIABILITY INSURANCE	\$72,400	\$74,600	\$76,800	\$79,100	\$81,500	\$83,900	\$86,500	\$89,100	\$91,700	\$94,500	\$97,300
53 BLM MAINTENANCE	\$3,300	\$3,400	\$3,500	\$3,600	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,400	\$4,500
54 LIFE INSURANCE/ AD&D	\$10,100	\$11,100	\$11,400	\$11,800	\$12,100	\$12,500	\$12,900	\$13,300	\$13,700	\$14,100	\$14,500
55 WAGES - OPM	\$1,050,000	\$1,355,700	\$1,396,400	\$1,438,300	\$1,481,400	\$1,525,900	\$1,571,700	\$1,618,800	\$1,667,400	\$1,717,400	\$1,768,900
56 STANDBY WAGES	\$17,900	\$19,700	\$20,300	\$20,900	\$21,500	\$22,200	\$22,800	\$23,500	\$24,200	\$24,900	\$25,700
57 M1W – AWTF CAPITAL COST SHARE	\$139,600	\$106,800	\$106,800	\$106,800	\$106,800	\$106,800	\$106,800	\$106,800	\$106,800	\$106,800	\$106,800
58 M1W – AWTF O&M COST SHARE	\$300,600	\$300,600	\$300,600	\$300,600	\$300,600	\$300,600	\$300,600	\$300,600	\$300,600	\$300,600	\$300,600
59 MEDICAL INSURANCE	\$384,900	\$423,400	\$436,100	\$449,200	\$462,700	\$476,600	\$490,900	\$505,600	\$520,800	\$536,400	\$552,500
60 OFFICE POWER/GAS	\$20,600	\$22,600	\$24,900	\$27,400	\$30,100	\$33,100	\$36,400	\$40,100	\$44,100	\$48,500	\$53,300
61 OFFICE SUPPLY	\$9,300	\$9,500	\$9,800	\$10,100	\$10,400	\$10,700	\$11,100	\$11,400	\$11,700	\$12,100	\$12,500
62 ADVERTISEMENT/PROMOTIONAL MATERIALS	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000
63 TOILET REBATE	\$62,500	\$64,300	\$66,300	\$68,300	\$70,300	\$72,400	\$74,600	\$76,800	\$79,100	\$81,500	\$84,000
64 WASHING MACHINE REBATE	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
65 Operatings, Maintenance & Repair	\$428,100	\$441,000	\$454,200	\$467,800	\$481,900	\$496,300	\$511,200	\$526,600	\$542,400	\$558,600	\$575,400
66 OVERTIME	\$47,300	\$52,000	\$53,600	\$55,200	\$56,800	\$58,500	\$60,300	\$62,100	\$63,900	\$65,900	\$67,800
67 PENSION EXPENSE	\$288,900	\$317,800	\$327,300	\$337,200	\$347,300	\$357,700	\$368,400	\$379,500	\$390,900	\$402,600	\$414,700
68 PERMITS	\$26,500	\$27,300	\$28,100	\$29,000	\$29,800	\$30,700	\$31,600	\$32,600	\$33,600	\$34,600	\$35,600
69 WAGES - ENG	\$806,700	\$887,400	\$914,000	\$941,400	\$969,700	\$998,800	\$1,028,700	\$1,059,600	\$1,091,400	\$1,124,100	\$1,157,900
70 PHONE	\$45,700	\$47,100	\$48,500	\$49,900	\$51,400	\$53,000	\$54,600	\$56,200	\$57,900	\$59,600	\$61,400
71 POSTAGE	\$14,200	\$14,700	\$15,100	\$15,600	\$16,000	\$16,500	\$17,000	\$17,500	\$18,000	\$18,600	\$19,100
72 MEMBERSHIPS,Subscriptions & DUES	\$1,300	\$1,400	\$1,400	\$1,500	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800
73 Professional Services	\$3,400	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,400	\$4,500	\$4,600
74 PROPERTY INSURANCE	\$37,700	\$38,900	\$40,000	\$41,200	\$42,500	\$43,700	\$45,000	\$46,400	\$47,800	\$49,200	\$50,700
75 SAFETY	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200
76 SUI EXPENSE	\$6,000	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400	\$7,700	\$7,900	\$8,100	\$8,400	\$8,600
77 TRASH SERVICES	\$7,900	\$8,700	\$9,500	\$10,500	\$11,500	\$12,700	\$14,000	\$15,300	\$16,900	\$18,600	\$20,400
78 TRAVEL	\$3,400	\$3,500	\$3,600	\$3,700	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300	\$4,500	\$4,600
79 TUITION REIMBURSEMENT	\$16,800	\$18,500	\$19,100	\$19,600	\$20,200	\$20,800	\$21,500	\$22,100	\$22,800	\$23,500	\$24,200
80 UNIFORM BENEFIT	\$6,400	\$6,700	\$6,900	\$7,100	\$7,300	\$7,500	\$7,700	\$8,000	\$8,200	\$8,500	\$8,700
81 Utility Expenses	\$667,000	\$733,700	\$807,100	\$887,800	\$976,500	\$1,074,200	\$1,181,600	\$1,299,800	\$1,429,700	\$1,572,700	\$1,730,000
82 VISION INSURANCE	\$5,100	\$5,600	\$5,800	\$5,900	\$6,100	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100	\$7,300
83 WAGES - ADM	\$833,700	\$1,021,500	\$1,052,200	\$1,083,700	\$1,116,200	\$1,149,700	\$1,184,200	\$1,219,700	\$1,256,300	\$1,294,000	\$1,332,800
84 WAGES - CON	\$159,600	\$175,500	\$180,800	\$186,200	\$191,800	\$197,500	\$203,500	\$209,600	\$215,800	\$222,300	\$229,000
85 WAGES - LAB	\$73,400	\$80,700	\$83,100	\$85,600	\$88,200	\$90,900	\$93,600	\$96,400	\$99,300	\$102,300	\$105,300
86 WAGES - WATER RESOURCES	\$105,500	\$147,400	\$151,800	\$156,400	\$161,100	\$165,900	\$170,900	\$176,000	\$181,300	\$186,700	\$192,300
87 WAGES/BENEFITS - CAPITAL PROJ	(\$293,800)	(\$323,100)	(\$332,800)	(\$342,800)	(\$353,100)	(\$363,700)	(\$374,600)	(\$385,900)	(\$397,400)	(\$409,400)	(\$421,600)
88 WATER SOURCE FEES	\$605,300	\$654,700	\$708,000	\$765,700	\$828,100	\$895,600	\$968,600	\$1,047,600	\$1,133,000	\$1,225,300	\$1,325,100
89 WORKERS COMP INSURANCE	\$53,100	\$58,500	\$60,200	\$62,000	\$63,900	\$65,800	\$67,800	\$69,800	\$71,900	\$74,100	\$76,300
90 WR CONSULTANTS	\$118,500	\$122,100	\$125,700	\$129,500	\$133,400	\$137,400	\$141,500	\$145,800	\$150,100	\$154,600	\$159,300
91 Debt Service	\$1,626,000	\$2,727,000	\$2,729,000	\$2,730,000	\$2,728,000	\$2,727,000	\$2,728,000	\$2,727,000	\$2,728,000	\$2,728,000	\$2,728,000
92 <b>Total Operating Expenses</b>	<b>\$11,953,200</b>	<b>\$13,421,700</b>	<b>\$13,437,500</b>	<b>\$13,553,000</b>	<b>\$13,861,500</b>	<b>\$14,263,500</b>	<b>\$14,690,100</b>	<b>\$15,138,500</b>	<b>\$15,615,200</b>	<b>\$16,119,300</b>	<b>\$16,653,600</b>

**Ord Water 5-Year Capital Spending Plan**

**Schedule OW-2**

PROJECT	COST
Fire Hydrant Replacement Program	942,000
Misc Booster Pumping Station Improvements	1,537,000
Ord Community Housing Distribution System Enhancements	2,491,000
Water Pipeline Renew/Replacement Program	3,761,000
Well Rehabilitation	899,000
5th Avenue Water Pipeline Replacement Diverty Circle to Inter-Garrison	441,000
B1 Tank Improvements	576,000
CIP planning and program management	68,000
D line valves install from Booster to Tank	368,000
D Reservoir Redundant Fill Line	357,000
F reservoir to Inter-Garrison, SDR Water Pipeline Replacement	1,523,000
Gigling Road Water Pipeline Replacement	1,286,000
Hatch Replacement project (IR, Ord water system)	131,000
Inter-Garrison Rd pipeline upsizing Schoonover to East Garrison	1,050,000
Large Valve Repalcements B and C Zones	429,000
Monterey to Leinbach Water Pipeline Replacement	1,418,000
Paint Reservoir 2 Exterior	840,000
PLC Replacement Project Phase 2	83,000
PRV Pressure and Flow Monitoring	290,000
Recondition Reservoir C1	304,000
SCADA Improvements Phase 2	299,000
Secondary Feed to E Zone	184,000
Water Pipeline First Ave from Lightfighter to Gigling	312,000
Well 12	110,000
Wellfield ARV Line Replacement	36,000
Zone A Tank and Improvements	394,000
	<b>\$20,128,000</b>

**Ord Water 10-Year Cash Flow Proforma**

**Schedule OW-3**

	Budget FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033	Forecast FY2034
1 <b>Rate Revenue Increase:</b>		10.00%	10.00%	10.00%	6.00%	6.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Rate Revenue</b>											
2 <b>Service Charge Revenue</b>	\$8,695,500	\$8,695,500	\$10,001,000	\$11,501,000	\$13,226,000	\$14,681,000	\$16,296,000	\$17,600,000	\$19,008,000	\$20,528,000	\$22,119,000
3     Change due to growth & use		\$435,000	\$500,000	\$575,000	\$661,000	\$734,000	\$815,000	\$880,000	\$950,000	\$1,026,000	\$1,106,000
4     Increase due to rate adjustments		\$870,000	\$1,000,000	\$1,150,000	\$794,000	\$881,000	\$489,000	\$528,000	\$570,000	\$616,000	\$719,000
<b>Non-Rate Revenues</b>											
5 Miscellaneous Fees	\$1,657,000	\$1,657,000	\$1,657,000	\$1,657,000	\$1,657,000	\$1,657,000	\$1,657,000	\$1,657,000	\$1,657,000	\$1,657,000	\$1,657,000
6 Interest Earnings	\$298,000	\$73,000	\$116,000	\$126,000	\$148,000	\$182,000	\$192,000	\$211,000	\$235,000	\$266,000	\$303,000
7 Operating Revenue	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000
8 Unrestricted portion of Capacity Charges	\$3,537,000	\$1,488,000	\$1,488,000	\$1,488,000	\$1,488,000	\$1,488,000	\$1,488,000	\$1,488,000	\$1,488,000	\$1,488,000	\$1,488,000
9 <b>Total Revenue</b>	<b>\$14,397,500</b>	<b>\$13,428,500</b>	<b>\$14,972,000</b>	<b>\$16,707,000</b>	<b>\$18,184,000</b>	<b>\$19,833,000</b>	<b>\$21,147,000</b>	<b>\$22,574,000</b>	<b>\$24,118,000</b>	<b>\$25,791,000</b>	<b>\$27,602,000</b>
<b>O&amp;M Costs</b>											
10 Salaries and Benefits	\$4,372,000	\$5,145,000	\$5,299,000	\$5,458,000	\$5,622,000	\$5,791,000	\$5,964,000	\$6,143,000	\$6,327,000	\$6,517,000	\$6,713,000
11 Utilities	\$695,000	\$765,000	\$841,000	\$926,000	\$1,018,000	\$1,120,000	\$1,232,000	\$1,355,000	\$1,491,000	\$1,640,000	\$1,804,000
12 Professional Services	\$2,329,000	\$1,907,000	\$1,595,000	\$1,366,000	\$1,314,000	\$1,334,000	\$1,354,000	\$1,374,000	\$1,395,000	\$1,417,000	\$1,439,000
13 General Administration	\$160,000	\$165,000	\$170,000	\$175,000	\$180,000	\$186,000	\$191,000	\$197,000	\$203,000	\$209,000	\$215,000
14 Source of Supply	\$605,000	\$655,000	\$708,000	\$766,000	\$828,000	\$896,000	\$969,000	\$1,048,000	\$1,133,000	\$1,225,000	\$1,325,000
15 Board of Directors	\$9,000	\$9,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$11,000	\$11,000	\$12,000	\$12,000
16 Water Conservation	\$95,000	\$99,000	\$101,000	\$105,000	\$108,000	\$111,000	\$114,000	\$118,000	\$121,000	\$125,000	\$129,000
17 Insurance	\$120,000	\$124,000	\$128,000	\$132,000	\$136,000	\$140,000	\$144,000	\$148,000	\$153,000	\$157,000	\$162,000
18 Operations and Maintenance	\$1,304,000	\$1,215,000	\$1,239,000	\$1,263,000	\$1,288,000	\$1,314,000	\$1,340,000	\$1,367,000	\$1,395,000	\$1,424,000	\$1,454,000
19 Supplies & Equipment	\$198,000	\$203,000	\$210,000	\$216,000	\$222,000	\$229,000	\$236,000	\$243,000	\$250,000	\$258,000	\$265,000
20 M1W Debt Payment	\$440,000	\$407,000	\$407,000	\$407,000	\$407,000	\$407,000	\$407,000	\$407,000	\$407,000	\$407,000	\$407,000
21 <b>Total Operating Expenses</b>	<b>\$10,327,000</b>	<b>\$10,694,000</b>	<b>\$10,708,000</b>	<b>\$10,824,000</b>	<b>\$11,133,000</b>	<b>\$11,538,000</b>	<b>\$11,962,000</b>	<b>\$12,411,000</b>	<b>\$12,886,000</b>	<b>\$13,391,000</b>	<b>\$13,925,000</b>
<b>Capital Costs</b>											
22 <b>Total Capital Spending</b>	<b>\$0</b>	<b>\$4,099,000</b>	<b>\$4,152,000</b>	<b>\$4,296,000</b>	<b>\$4,382,000</b>	<b>\$4,435,000</b>	<b>\$4,608,000</b>	<b>\$4,746,000</b>	<b>\$4,889,000</b>	<b>\$5,035,000</b>	<b>\$5,186,000</b>
23 Debt Funded Capital	\$0	\$4,099,000	\$4,152,000	\$4,296,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Cash Funded Capital	\$0	\$0	\$0	\$0	\$4,382,000	\$4,435,000	\$4,608,000	\$4,746,000	\$4,889,000	\$5,035,000	\$5,186,000
25 Existing Debt Service	\$1,626,000	\$1,623,000	\$1,625,000	\$1,626,000	\$1,624,000	\$1,623,000	\$1,624,000	\$1,623,000	\$1,624,000	\$1,624,000	\$1,624,000
26 New Debt Service		\$1,104,000	\$1,104,000	\$1,104,000	\$1,104,000	\$1,104,000	\$1,104,000	\$1,104,000	\$1,104,000	\$1,104,000	\$1,104,000
27 <b>Total Capital Cash Requirement</b>	<b>\$1,626,000</b>	<b>\$2,727,000</b>	<b>\$2,729,000</b>	<b>\$2,730,000</b>	<b>\$7,110,000</b>	<b>\$7,162,000</b>	<b>\$7,336,000</b>	<b>\$7,473,000</b>	<b>\$7,617,000</b>	<b>\$7,763,000</b>	<b>\$7,914,000</b>
28 <b>Total Revenue Requirement</b>	<b>\$11,953,000</b>	<b>\$13,421,000</b>	<b>\$13,437,000</b>	<b>\$13,554,000</b>	<b>\$18,243,000</b>	<b>\$18,700,000</b>	<b>\$19,298,000</b>	<b>\$19,884,000</b>	<b>\$20,503,000</b>	<b>\$21,154,000</b>	<b>\$21,839,000</b>
29 <b>Beginning Year Balance</b>	<b>\$4,744,000</b>	<b>\$7,188,500</b>	<b>\$7,196,000</b>	<b>\$8,731,000</b>	<b>\$11,884,000</b>	<b>\$11,825,000</b>	<b>\$12,958,000</b>	<b>\$14,807,000</b>	<b>\$17,497,000</b>	<b>\$21,112,000</b>	<b>\$25,749,000</b>
30 Surplus/(Shortfall)	\$2,444,500	\$7,500	\$1,535,000	\$3,153,000	(\$59,000)	\$1,133,000	\$1,849,000	\$2,690,000	\$3,615,000	\$4,637,000	\$5,763,000
31 <b>End of Year Balance</b>	<b>\$7,188,500</b>	<b>\$7,196,000</b>	<b>\$8,731,000</b>	<b>\$11,884,000</b>	<b>\$11,825,000</b>	<b>\$12,958,000</b>	<b>\$14,807,000</b>	<b>\$17,497,000</b>	<b>\$21,112,000</b>	<b>\$25,749,000</b>	<b>\$31,512,000</b>
32 <i>Reserve Target</i>	\$21,360,000	\$21,911,000	\$22,062,000	\$22,386,000	\$23,022,000	\$23,775,000	\$24,573,000	\$25,377,000	\$26,230,000	\$27,139,000	\$28,099,000
<b>Combined Debt Calculations</b>											
33 <i>Total New Debt Service</i>	\$0	\$2,329,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000
34 <i>Total Existing Debt Service</i>	\$3,895,000	\$3,888,000	\$3,893,000	\$3,894,000	\$3,890,000	\$3,888,000	\$3,891,000	\$3,888,000	\$3,891,000	\$3,890,000	\$3,891,000
35 <b>Total District Debt Service</b>	<b>\$3,895,000</b>	<b>\$6,217,000</b>	<b>\$6,342,000</b>	<b>\$6,343,000</b>	<b>\$6,339,000</b>	<b>\$6,337,000</b>	<b>\$6,340,000</b>	<b>\$6,337,000</b>	<b>\$6,340,000</b>	<b>\$6,339,000</b>	<b>\$6,340,000</b>
36 <i>Total Revenue Available for Debt Service</i>	\$14,009,500	\$11,393,500	\$14,110,600	\$16,576,300	\$18,906,800	\$21,438,100	\$23,421,000	\$25,586,200	\$27,843,000	\$30,297,600	\$32,965,800
37 <b>Debt Coverage Ratio</b>	<b>3.60</b>	<b>1.83</b>	<b>2.22</b>	<b>2.61</b>	<b>2.98</b>	<b>3.38</b>	<b>3.69</b>	<b>4.04</b>	<b>4.39</b>	<b>4.78</b>	<b>5.20</b>



**Ord Water Schedule of Rates**

**Schedule OW-4**

	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
<b>Single Family Consumption Charge (\$/hcf)</b>					
Tier 1 <sup>1</sup>	\$6.79	\$7.47	\$8.22	\$8.71	\$9.23
Tier 2	\$10.37	\$11.41	\$12.55	\$13.30	\$14.10
<b>Multi-Family and Non-Residential Consumption Charge (\$/hcf)</b>					
Uniform Rate	\$7.30	\$8.03	\$8.83	\$9.36	\$9.92
<b>Fixed Monthly Service Charges</b>					
5/8" & 3/4"	\$52.34	\$57.57	\$63.33	\$67.13	\$71.16
1"	\$78.61	\$86.47	\$95.12	\$100.83	\$106.87
1.5"	\$144.31	\$158.74	\$174.62	\$185.09	\$196.20
2"	\$223.14	\$245.45	\$270.00	\$286.20	\$303.37
3"	\$433.35	\$476.69	\$524.35	\$555.81	\$589.16
4"	\$669.85	\$736.84	\$810.52	\$859.15	\$910.70
6"	\$1,326.78	\$1,459.46	\$1,605.40	\$1,701.73	\$1,803.83
8"	\$2,115.09	\$2,326.60	\$2,559.26	\$2,712.81	\$2,875.58
10"	\$3,691.72	\$4,060.89	\$4,466.98	\$4,735.00	\$5,019.10
12"	\$5,531.12	\$6,084.23	\$6,692.66	\$7,094.21	\$7,519.87

<sup>1</sup> For the first 10 hcf per month

<b>Monthly Private Fire Meter Charge</b>		
Meter Size	Current Charge	Proposed Effective July 1, 2024 <sup>1</sup>
1"	\$2.90	\$2.97
1.5"	\$8.45	\$8.65
2"	\$18.02	\$18.45
2.5"	\$32.39	\$33.16
3"	\$52.32	\$53.56
4"	\$111.49	\$114.13
6"	\$323.85	\$331.51
8"	\$690.15	\$706.48

<sup>1</sup> Increase based on a 2.4 percent increase in the Consumer Price Index (CPI) between Feb 2023 and Feb 2024. Private fire meter charges will be increased by the CPI each July 1 through July 1, 2028.

**Marina Sewer Projected O&M and Debt Expenses**

**Schedule MS-1.1**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
1 ACCOUNTING SERVICES	\$1,800	\$1,900	\$1,900	\$2,000	\$2,000	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,400
2 ADMINISTRATIVE EXPENSES	\$2,800	\$2,900	\$3,000	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700
3 ADVERTISEMENT	\$2,000	\$2,100	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700
4 ANSWERING SERVICE	\$200	\$200	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
5 AUTO INSURANCE	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200
6 BANK & ADMINISTRATION FEE	\$7,400	\$7,700	\$7,900	\$8,100	\$8,400	\$8,600	\$8,900	\$9,100	\$9,400	\$9,700	\$10,000
7 BLM ASSOCIATION FEES	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,400	\$1,500
8 BLM GENERAL EXPENSES	\$4,500	\$4,700	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,600	\$5,700	\$5,900	\$6,100
9 BLM MAINTENANCE	\$800	\$800	\$800	\$900	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,100
10 BOARD COMPENSATION	\$400	\$400	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$600
11 BOARD MEETING VIDEO RECORDING	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300
12 BOOT BENEFIT	\$600	\$600	\$600	\$700	\$700	\$700	\$700	\$700	\$800	\$800	\$800
13 BUILDING SECURITY	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$400	\$400	\$400
14 CALPERS RETIREMENT (EE)	\$16,200	\$17,800	\$18,400	\$18,900	\$19,500	\$20,100	\$20,700	\$21,300	\$21,900	\$22,600	\$23,200
15 CALPERS RETIREMENT (ER)	\$51,100	\$56,300	\$57,900	\$59,700	\$61,500	\$63,300	\$65,200	\$67,200	\$69,200	\$71,300	\$73,400
16 CALPERS-62 RETIREMENT (ER)	\$15,500	\$17,000	\$17,500	\$18,000	\$18,600	\$19,100	\$19,700	\$20,300	\$20,900	\$21,500	\$22,200
17 CAR ALLOWANCE EXPENSE	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
18 COMPUTERS/DATA PROCESSING	\$2,800	\$2,900	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700
19 CONFERENCES	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$600	\$600	\$600
20 CONSULTING SERVICES	\$24,800	\$25,500	\$26,300	\$27,100	\$27,900	\$28,700	\$29,600	\$30,500	\$31,400	\$32,300	\$33,300
21 DEFERRED COMP (ER)	\$8,000	\$8,800	\$9,000	\$9,300	\$9,600	\$9,900	\$10,200	\$10,500	\$10,800	\$11,100	\$11,400
22 DENTAL INSURANCE	\$3,800	\$4,200	\$4,300	\$4,500	\$4,600	\$4,700	\$4,900	\$5,000	\$5,200	\$5,300	\$5,500
23 DEVELOPER EXPENSES (NOT MCWD)	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
24 DISABILITY PLAN	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,900	\$1,900	\$2,000
25 EDUCATION AND TRAINING	\$800	\$800	\$800	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100
26 ENGINEERING CONSULTANTS	\$17,200	\$17,700	\$18,300	\$18,800	\$19,400	\$20,000	\$20,600	\$21,200	\$21,800	\$22,500	\$23,100
27 FICA EXPENSE	\$27,500	\$30,300	\$31,200	\$32,100	\$33,100	\$34,100	\$35,100	\$36,200	\$37,200	\$38,400	\$39,500
28 GENERAL SUPPLY	\$1,300	\$1,400	\$1,400	\$1,500	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800
29 HOSPITALITY & AWARDS	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$600	\$600
30 IOP ASSOCIATION EXPENSES	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400	\$1,400	\$1,400	\$1,500
31 LEGAL FEES	\$5,200	\$5,400	\$5,500	\$5,700	\$5,900	\$6,100	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000
32 LIABILITY INSURANCE	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100	\$7,300	\$7,600	\$7,800	\$8,000	\$8,300	\$8,500
33 LIFE INSURANCE/ AD&D	\$1,600	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000	\$2,100	\$2,100	\$2,200	\$2,200	\$2,300
34 MAINTENANCE AGREEMENTS	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300	\$4,500
35 MEDI EXPENSE	\$6,600	\$7,300	\$7,500	\$7,700	\$7,900	\$8,200	\$8,400	\$8,700	\$8,900	\$9,200	\$9,500
36 MEDICAL INSURANCE	\$73,000	\$80,300	\$82,700	\$85,200	\$87,700	\$90,400	\$93,100	\$95,900	\$98,700	\$101,700	\$104,700
37 MEMBERSHIPS & DUES	\$1,900	\$1,900	\$2,000	\$2,000	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,400	\$2,500
38 OFFICE POWER/GAS	\$1,800	\$2,000	\$2,200	\$2,400	\$2,600	\$2,900	\$3,200	\$3,500	\$3,900	\$4,200	\$4,700
39 OFFICE SUPPLY	\$800	\$800	\$900	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100
40 OPEB EXPENSE	\$12,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41 OPERATIONS, MAINTENANCE & REPAIR	\$57,000	\$59,000	\$61,100	\$63,200	\$65,500	\$67,800	\$70,300	\$72,900	\$75,600	\$78,500	\$81,500
42 OVERTIME	\$9,900	\$10,900	\$11,200	\$11,500	\$11,900	\$12,200	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200
43 PENSION EXPENSE	\$26,300	\$28,900	\$29,800	\$30,700	\$31,600	\$32,500	\$33,500	\$34,500	\$35,500	\$36,600	\$37,700
44 PERMITS	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,400
45 PHONE	\$4,000	\$4,100	\$4,200	\$4,400	\$4,500	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400

**Marina Sewer Projected O&M and Debt Expenses**

**Schedule MS-1.2**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
46 POSTAGE	\$11,800	\$12,100	\$12,500	\$12,900	\$13,300	\$13,700	\$14,100	\$14,500	\$14,900	\$15,400	\$15,800
47 PRINTING	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700	\$5,900	\$6,000	\$6,200	\$6,400
48 PROFESSIONAL SERVICES	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400
49 PROPERTY FEES	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
50 PROPERTY INSURANCE	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400	\$1,500	\$1,500
51 RENT/LEASE EQUIPMENT	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)
52 SAFETY	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
53 SOFTWARE LICENSING	\$4,700	\$4,800	\$5,000	\$5,100	\$5,300	\$5,500	\$5,600	\$5,800	\$6,000	\$6,100	\$6,300
54 STANDBY WAGES	\$6,400	\$7,100	\$7,300	\$7,500	\$7,700	\$8,000	\$8,200	\$8,400	\$8,700	\$9,000	\$9,200
55 SUI EXPENSE	\$900	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300
56 TRASH SERVICES	\$700	\$700	\$800	\$900	\$1,000	\$1,100	\$1,200	\$1,300	\$1,400	\$1,600	\$1,700
57 UNIFORM BENEFIT	\$2,200	\$2,400	\$2,500	\$2,600	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200
58 Utilitiy Expenses	\$17,100	\$18,800	\$20,700	\$22,800	\$25,100	\$27,600	\$30,300	\$33,400	\$36,700	\$40,400	\$44,400
59 VISION INSURANCE	\$800	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200
60 WAGES - ADM	\$59,400	\$74,900	\$77,100	\$79,400	\$81,800	\$84,300	\$86,800	\$89,400	\$92,100	\$94,800	\$97,700
61 WAGES - ENG	\$69,000	\$75,900	\$78,100	\$80,500	\$82,900	\$85,400	\$87,900	\$90,600	\$93,300	\$96,100	\$99,000
62 WAGES - OPM	\$350,400	\$472,200	\$486,400	\$501,000	\$516,000	\$531,500	\$547,400	\$563,800	\$580,800	\$598,200	\$616,100
63 WAGES/BENEFITS - CAPITAL PROJ	(\$26,700)	(\$29,400)	(\$30,300)	(\$31,200)	(\$32,100)	(\$33,100)	(\$34,100)	(\$35,100)	(\$36,100)	(\$37,200)	(\$38,300)
64 WORKERS COMP INSURANCE	\$12,500	\$13,800	\$14,200	\$14,600	\$15,000	\$15,500	\$16,000	\$16,400	\$16,900	\$17,400	\$18,000
65 DEBT SERVICE	\$154,000	\$506,000	\$506,000	\$506,000	\$506,000	\$506,000	\$506,000	\$506,000	\$506,000	\$506,000	\$506,000
<b>66 Total Operating Expenses</b>	<b>\$1,087,300</b>	<b>\$1,602,000</b>	<b>\$1,636,400</b>	<b>\$1,672,200</b>	<b>\$1,708,900</b>	<b>\$1,747,100</b>	<b>\$1,786,800</b>	<b>\$1,828,000</b>	<b>\$1,870,400</b>	<b>\$1,914,600</b>	<b>\$1,960,700</b>

**Marina Sewer 5-Year Capital Spending Plan**

**Schedule MS-2**

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Misc Lift Station Improvements	\$1,379,000
Sewer Pipeline Renew/Replacement Program	\$2,275,000
Carmel Ave Sewer Pipeline Replacement	\$460,000
CIP planning and program management	\$8,000
Lift Station Wetwell Lining Program (Lift Station #2)	\$128,000
Northeast Sewer Reroute to Interceptor	\$17,000
PLC Replacement Project Phase 2	\$85,000
Replace Sewer Pipeline in Reservation Road Vista Del Camino to Del Monte Blvd	\$297,000
Replace Sewer Pipeline Reservation Road Near Crestview Court	\$35,000
SCADA Improvements Phase 2	\$48,000
Sewer Flow Monitor Upstream M1 Marina Pump Station	\$57,000
Tate Park Lift Station	\$1,122,000
	<hr/>
	<b>\$5,911,000</b>

**Marina Sewer 10-Year Cash Flow Proforma**

**Schedule MS-3**

	Budget/Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033	Forecast FY2034	
1	Rate Revenue Increase:	15.00%	15.00%	15.00%	10.00%	10.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
<b>Rate Revenue</b>												
2	Service Charge Revenue	\$1,475,000	\$1,475,000	\$1,708,000	\$1,978,000	\$2,291,000	\$2,538,000	\$2,812,000	\$2,975,000	\$3,148,000	\$3,330,000	\$3,510,000
3	Change due to growth & use	\$12,000	\$14,000	\$16,000	\$18,000	\$20,000	\$22,000	\$24,000	\$25,000	\$27,000	\$28,000	\$28,000
4	Increase due to rate adjustments	\$221,000	\$256,000	\$297,000	\$297,000	\$229,000	\$254,000	\$141,000	\$149,000	\$157,000	\$167,000	\$190,000
<b>Non-Rate Revenues</b>												
5	Miscellaneous Fees	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
6	Interest Earnings	\$40,000	\$6,000	\$11,000	\$13,000	\$17,000	\$23,000	\$23,000	\$24,000	\$24,000	\$25,000	\$27,000
7	Operating Revenue	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000
8	Unrestricted portion of Capacity Charges	\$111,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000
9	<b>Total Revenue</b>	<b>\$1,666,000</b>	<b>\$1,869,000</b>	<b>\$2,144,000</b>	<b>\$2,459,000</b>	<b>\$2,710,000</b>	<b>\$2,990,000</b>	<b>\$3,153,000</b>	<b>\$3,327,000</b>	<b>\$3,509,000</b>	<b>\$3,704,000</b>	<b>\$3,910,000</b>
<b>O&amp;M Costs</b>												
10	Salaries and Benefits	\$719,000	\$887,000	\$913,000	\$941,000	\$969,000	\$998,000	\$1,028,000	\$1,059,000	\$1,090,000	\$1,123,000	\$1,157,000
11	Utilities	\$24,000	\$26,000	\$28,000	\$31,000	\$34,000	\$38,000	\$42,000	\$46,000	\$50,000	\$55,000	\$61,000
12	Professional Services	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$62,000	\$63,000	\$65,000	\$67,000	\$69,000
13	General Administration	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000
14	Board of Directors	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
15	Insurance	\$8,000	\$9,000	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000
16	Operations and Maintenance	\$88,000	\$90,000	\$93,000	\$95,000	\$98,000	\$101,000	\$103,000	\$106,000	\$109,000	\$112,000	\$115,000
17	Supplies & Equipment	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
18	<b>Total Operating Expenses</b>	<b>\$935,000</b>	<b>\$1,097,000</b>	<b>\$1,131,000</b>	<b>\$1,166,000</b>	<b>\$1,203,000</b>	<b>\$1,243,000</b>	<b>\$1,283,000</b>	<b>\$1,323,000</b>	<b>\$1,365,000</b>	<b>\$1,409,000</b>	<b>\$1,455,000</b>
<b>Capital Costs</b>												
19	<b>Total Capital Spending</b>	<b>\$0</b>	<b>\$1,673,000</b>	<b>\$1,063,000</b>	<b>\$1,268,000</b>	<b>\$1,093,000</b>	<b>\$1,138,000</b>	<b>\$1,370,000</b>	<b>\$1,412,000</b>	<b>\$1,454,000</b>	<b>\$1,498,000</b>	<b>\$1,543,000</b>
20	Debt Funded Capital	\$0	\$1,673,000	\$1,063,000	\$1,268,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Cash Funded Capital	\$0	\$0	\$0	\$0	\$1,093,000	\$1,138,000	\$1,370,000	\$1,412,000	\$1,454,000	\$1,498,000	\$1,543,000
22	Existing Debt Service	\$154,000	\$154,000	\$154,000	\$154,000	\$154,000	\$154,000	\$154,000	\$154,000	\$154,000	\$154,000	\$154,000
23	New Debt Service	\$0	\$352,000	\$352,000	\$352,000	\$352,000	\$352,000	\$352,000	\$352,000	\$352,000	\$352,000	\$352,000
24	<b>Total Capital Cash Requirement</b>	<b>\$154,000</b>	<b>\$506,000</b>	<b>\$506,000</b>	<b>\$506,000</b>	<b>\$1,599,000</b>	<b>\$1,644,000</b>	<b>\$1,876,000</b>	<b>\$1,918,000</b>	<b>\$1,960,000</b>	<b>\$2,004,000</b>	<b>\$2,049,000</b>
25	<b>Total Revenue Requirement</b>	<b>\$1,089,000</b>	<b>\$1,603,000</b>	<b>\$1,637,000</b>	<b>\$1,672,000</b>	<b>\$2,802,000</b>	<b>\$2,887,000</b>	<b>\$3,159,000</b>	<b>\$3,241,000</b>	<b>\$3,325,000</b>	<b>\$3,413,000</b>	<b>\$3,504,000</b>
26	<b>Beginning Year Balance</b>	<b>\$652,000</b>	<b>\$1,229,000</b>	<b>\$1,495,000</b>	<b>\$2,002,000</b>	<b>\$2,789,000</b>	<b>\$2,697,000</b>	<b>\$2,800,000</b>	<b>\$2,794,000</b>	<b>\$2,880,000</b>	<b>\$3,064,000</b>	<b>\$3,355,000</b>
27	Surplus/(Shortfall)	\$577,000	\$266,000	\$507,000	\$787,000	(\$92,000)	\$103,000	(\$6,000)	\$86,000	\$184,000	\$291,000	\$406,000
28	<b>End of Year Balance</b>	<b>\$1,229,000</b>	<b>\$1,495,000</b>	<b>\$2,002,000</b>	<b>\$2,789,000</b>	<b>\$2,697,000</b>	<b>\$2,800,000</b>	<b>\$2,794,000</b>	<b>\$2,880,000</b>	<b>\$3,064,000</b>	<b>\$3,355,000</b>	<b>\$3,761,000</b>
29	Reserve Target	\$3,550,000	\$3,793,000	\$3,867,000	\$3,947,000	\$4,034,000	\$4,118,000	\$4,206,000	\$4,282,000	\$4,362,000	\$4,447,000	\$4,534,000
<b>Combined Debt Calculations</b>												
30	Total New Debt Proceeds	\$0	\$34,230,647	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31	Total New Debt Service	\$0	\$2,329,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000
32	Total Existing Debt Service	\$3,895,000	\$3,888,000	\$3,893,000	\$3,894,000	\$3,890,000	\$3,888,000	\$3,891,000	\$3,888,000	\$3,891,000	\$3,890,000	\$3,891,000
33	<b>Total District Debt Service</b>	<b>\$3,895,000</b>	<b>\$6,217,000</b>	<b>\$6,342,000</b>	<b>\$6,343,000</b>	<b>\$6,339,000</b>	<b>\$6,337,000</b>	<b>\$6,340,000</b>	<b>\$6,337,000</b>	<b>\$6,340,000</b>	<b>\$6,339,000</b>	<b>\$6,340,000</b>
34	Total Revenue Available for Debt Service	\$14,009,500	\$11,393,500	\$14,110,600	\$16,576,300	\$18,906,800	\$21,438,100	\$23,421,000	\$25,586,200	\$27,843,000	\$30,297,600	\$32,965,800
35	<b>Debt Coverage Ratio</b>	<b>3.60</b>	<b>1.83</b>	<b>2.22</b>	<b>2.61</b>	<b>2.98</b>	<b>3.38</b>	<b>3.69</b>	<b>4.04</b>	<b>4.39</b>	<b>4.78</b>	<b>5.20</b>



**Marina Sewer Schedule of Rates**

**Schedule MS-4**

	<b>July 1, 2024</b>	<b>July 1, 2025</b>	<b>July 1, 2026</b>	<b>July 1, 2027</b>	<b>July 1, 2028</b>
<b>Fixed Monthly Charges (per EDU)</b>	\$9.45	\$10.87	\$12.50	\$13.75	\$15.13
<b>Flow-Based Charges (per HCF)</b>	\$1.85	\$2.13	\$2.45	\$2.70	\$2.97

**Ord Sewer Projected O&M and Debt Expenses**

**Schedule OS-1.1**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
1 ACCOUNTING SERVICES	\$4,300	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700	\$5,900	\$6,000	\$6,200
2 ADMINISTRATIVE EXPENSES	\$6,600	\$7,200	\$7,500	\$7,700	\$7,900	\$8,200	\$8,400	\$8,700	\$8,900	\$9,200	\$9,500
3 ADVERTISEMENT	\$4,800	\$5,300	\$5,500	\$5,600	\$5,800	\$6,000	\$6,200	\$6,300	\$6,500	\$6,700	\$6,900
4 ANSWERING SERVICE	\$600	\$600	\$700	\$700	\$700	\$700	\$700	\$800	\$800	\$800	\$800
5 AUTO INSURANCE	\$2,200	\$2,200	\$2,300	\$2,400	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900
6 BANK & ADMINISTRATION FEE	\$18,500	\$19,100	\$19,600	\$20,200	\$20,800	\$21,500	\$22,100	\$22,800	\$23,500	\$24,200	\$24,900
7 BLM ASSOCIATION FEES	\$1,900	\$2,000	\$2,000	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,400	\$2,500	\$2,600
8 BLM GENERAL EXPENSES	\$7,900	\$8,200	\$8,400	\$8,600	\$8,900	\$9,200	\$9,400	\$9,700	\$10,000	\$10,300	\$10,600
9 BLM MAINTENANCE	\$1,400	\$1,400	\$1,500	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800
10 BOARD COMPENSATION	\$900	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300
11 BOARD MEETING VIDEO RECORDING	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
12 BOOKS & REF MATERIALS	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
13 BOOT BENEFIT	\$800	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200
14 BUILDING SECURITY	\$700	\$800	\$800	\$800	\$800	\$800	\$900	\$900	\$900	\$1,000	\$1,000
15 CALPERS RETIREMENT (EE)	\$28,400	\$31,200	\$32,100	\$33,100	\$34,100	\$35,100	\$36,200	\$37,300	\$38,400	\$39,500	\$40,700
16 CALPERS RETIREMENT (ER)	\$90,300	\$99,300	\$102,300	\$105,300	\$108,500	\$111,700	\$115,100	\$118,500	\$122,100	\$125,800	\$129,500
17 CALPERS-62 RETIREMENT (ER)	\$27,700	\$30,500	\$31,400	\$32,300	\$33,300	\$34,300	\$35,300	\$36,400	\$37,500	\$38,600	\$39,800
18 CAR ALLOWANCE EXPENSE	\$800	\$800	\$900	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100
19 CELL PHONE ALLOWANCE EXPENSE	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
20 COMPUTERS/DATA PROCESSING	\$6,600	\$7,300	\$7,500	\$7,700	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,300	\$9,500
21 CONFERENCES	\$1,100	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400	\$1,500	\$1,500	\$1,500	\$1,600
22 CONSULTING SERVICES	\$59,500	\$65,400	\$67,400	\$69,400	\$71,500	\$73,700	\$75,900	\$78,100	\$80,500	\$82,900	\$85,400
23 DEFERRED COMP (ER)	\$13,900	\$15,300	\$15,800	\$16,300	\$16,700	\$17,200	\$17,800	\$18,300	\$18,800	\$19,400	\$20,000
24 DENTAL INSURANCE	\$6,400	\$7,000	\$7,200	\$7,400	\$7,700	\$7,900	\$8,100	\$8,400	\$8,600	\$8,900	\$9,100
25 DEVELOPER EXPENSES (NOT MCWD)	\$365,500	\$365,500	\$365,500	\$365,500	\$365,500	\$365,500	\$365,500	\$365,500	\$365,500	\$365,500	\$365,500
26 DISABILITY PLAN	\$2,400	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500
27 EDUCATION AND TRAINING	\$1,900	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,400	\$2,500	\$2,600	\$2,700	\$2,800
28 ENGINEERING CONSULTANTS	\$22,500	\$23,100	\$23,800	\$24,500	\$25,300	\$26,000	\$26,800	\$27,600	\$28,400	\$29,300	\$30,200
29 ETT EXPENSE	\$0	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
30 FICA EXPENSE	\$48,100	\$52,900	\$54,500	\$56,100	\$57,800	\$59,600	\$61,400	\$63,200	\$65,100	\$67,000	\$69,100
31 FRANCHISE FEE	\$13,300	\$13,700	\$14,100	\$14,500	\$14,900	\$15,400	\$15,800	\$16,300	\$16,800	\$17,300	\$17,800
32 GENERAL SUPPLY	\$3,200	\$3,500	\$3,600	\$3,700	\$3,800	\$4,000	\$4,100	\$4,200	\$4,300	\$4,500	\$4,600
33 HOSPITALITY & AWARDS	\$1,000	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400	\$1,500
34 IOP ASSOCIATION EXPENSES	\$1,900	\$2,000	\$2,000	\$2,100	\$2,200	\$2,200	\$2,300	\$2,400	\$2,400	\$2,500	\$2,600
35 LEGAL FEES	\$17,500	\$19,300	\$19,800	\$20,400	\$21,000	\$21,700	\$22,300	\$23,000	\$23,700	\$24,400	\$25,100
36 LIABILITY INSURANCE	\$15,400	\$15,900	\$16,400	\$16,900	\$17,400	\$17,900	\$18,400	\$19,000	\$19,600	\$20,100	\$20,700
37 LIFE INSURANCE/ AD&D	\$2,800	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,100
38 MAINTENANCE AGREEMENTS	\$8,000	\$8,800	\$9,100	\$9,300	\$9,600	\$9,900	\$10,200	\$10,500	\$10,800	\$11,100	\$11,500
39 MEDI EXPENSE	\$11,600	\$12,800	\$13,200	\$13,600	\$14,000	\$14,400	\$14,800	\$15,300	\$15,700	\$16,200	\$16,700
40 MEDICAL INSURANCE	\$122,000	\$134,200	\$138,200	\$142,400	\$146,600	\$151,000	\$155,600	\$160,200	\$165,000	\$170,000	\$175,100
41 MEMBERSHIPS & DUES	\$4,500	\$4,600	\$4,800	\$4,900	\$5,000	\$5,200	\$5,400	\$5,500	\$5,700	\$5,900	\$6,000
42 MEMBERSHIPS,Subscriptions & DUES	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100

**Ord Sewer Projected O&M and Debt Expenses**

**Schedule OS-1.2**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
43 OFFICE POWER/GAS	\$4,300	\$4,800	\$5,200	\$5,700	\$6,300	\$7,000	\$7,700	\$8,400	\$9,300	\$10,200	\$11,200
44 OFFICE SUPPLY	\$2,000	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,600	\$2,600	\$2,700	\$2,800
45 OPERATINGS, MAINTENANCE & REPAIR	\$204,600	\$210,800	\$217,100	\$223,600	\$230,300	\$237,200	\$244,400	\$251,700	\$259,200	\$267,000	\$275,000
46 OVERTIME	\$16,000	\$17,600	\$18,100	\$18,600	\$19,200	\$19,800	\$20,400	\$21,000	\$21,600	\$22,200	\$22,900
47 PENSION EXPENSE	\$63,000	\$69,300	\$71,400	\$73,600	\$75,800	\$78,000	\$80,400	\$82,800	\$85,300	\$87,800	\$90,500
48 PERMITS	\$2,400	\$2,400	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200
49 PHONE	\$9,600	\$10,500	\$10,800	\$11,200	\$11,500	\$11,800	\$12,200	\$12,600	\$12,900	\$13,300	\$13,700
50 POSTAGE	\$12,200	\$13,400	\$13,800	\$14,200	\$14,600	\$15,100	\$15,500	\$16,000	\$16,500	\$17,000	\$17,500
51 PRINTING	\$5,500	\$6,100	\$6,300	\$6,500	\$6,600	\$6,800	\$7,100	\$7,300	\$7,500	\$7,700	\$7,900
52 PROFESSIONAL SERVICES	\$9,300	\$9,600	\$9,900	\$10,200	\$10,500	\$10,800	\$11,200	\$11,500	\$11,800	\$12,200	\$12,600
53 PROPERTY FEES	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$600	\$700
54 PROPERTY INSURANCE	\$5,600	\$5,800	\$6,000	\$6,200	\$6,300	\$6,500	\$6,700	\$6,900	\$7,100	\$7,300	\$7,600
55 RENT/LEASE EQUIPMENT	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)
56 SAFETY	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$300	\$300
57 SOFTWARE LICENSING	\$11,200	\$12,300	\$12,700	\$13,100	\$13,500	\$13,900	\$14,300	\$14,700	\$15,200	\$15,600	\$16,100
58 STANDBY WAGES	\$9,200	\$10,100	\$10,400	\$10,700	\$11,000	\$11,400	\$11,700	\$12,100	\$12,400	\$12,800	\$13,200
59 SUI EXPENSE	\$1,600	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000	\$2,100	\$2,100	\$2,200	\$2,200	\$2,300
60 TRASH SERVICES	\$1,600	\$1,800	\$2,000	\$2,200	\$2,400	\$2,600	\$2,900	\$3,200	\$3,500	\$3,800	\$4,200
61 TRAVEL	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
62 UNIFORM BENEFIT	\$3,200	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,400	\$4,500	\$4,600
63 Utilitiy Expenses	\$89,000	\$97,900	\$107,700	\$118,500	\$130,400	\$143,400	\$157,700	\$173,500	\$190,900	\$210,000	\$230,900
64 VISION INSURANCE	\$1,400	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000	\$2,100
65 WAGES - ADM	\$142,600	\$179,700	\$185,100	\$190,600	\$196,300	\$202,200	\$208,300	\$214,500	\$221,000	\$227,600	\$234,400
66 WAGES - ENG	\$169,500	\$186,400	\$192,000	\$197,800	\$203,700	\$209,800	\$216,100	\$222,600	\$229,300	\$236,200	\$243,200
67 WAGES - OPM	\$500,500	\$680,800	\$701,200	\$722,300	\$743,900	\$766,200	\$789,200	\$812,900	\$837,300	\$862,400	\$888,300
68 WAGES/BENEFITS - CAPITAL PROJ	(\$64,100)	(\$70,500)	(\$72,600)	(\$74,800)	(\$77,000)	(\$79,400)	(\$81,700)	(\$84,200)	(\$86,700)	(\$89,300)	(\$92,000)
69 WORKERS COMP INSURANCE	\$19,300	\$21,200	\$21,900	\$22,500	\$23,200	\$23,900	\$24,600	\$25,400	\$26,100	\$26,900	\$27,700
70 DEBT SERVICE	\$683,000	\$681,000	\$682,000	\$682,000	\$682,000	\$681,000	\$682,000	\$681,000	\$682,000	\$681,000	\$682,000
<b>Total Operating Expenses</b>	<b>\$2,831,000</b>	<b>\$3,138,600</b>	<b>\$3,209,900</b>	<b>\$3,282,700</b>	<b>\$3,358,100</b>	<b>\$3,436,400</b>	<b>\$3,520,200</b>	<b>\$3,605,200</b>	<b>\$3,695,500</b>	<b>\$3,788,200</b>	<b>\$3,887,300</b>

**Ord Sewer 5-Year Capital Spending Plan**

**Schedule OS-2**

<b>PROJECT</b>	<b>COST</b>
Misc Lift Station Improvements	\$2,490,000
Sewer Pipeline Renew/Replacement Program	\$7,460,000
1st Avenue Gravity Main - 3,100 LF, 30-inch diam.	\$840,000
CIP planning and program management	\$18,000
Gigling Lift Station Replacement	\$210,000
Imjin Parkway Sewer Manhole Rehab (MCWD-1)	\$158,000
Lift Station Wetwell Lining Program (Lift Station #2)	\$282,000
Manhole Rehab and Lining Lightfighter 21 Manholes	\$145,000
Northeast Sewer Reroute to Interceptor	\$36,000
Odor Control Program (Imjin Lift Station)	\$190,000
PLC Replacement Project Phase 2	\$350,000
Replace Sewer Pipeline Imjin ROW Between Abrams and California - 1,:	\$286,000
SCADA Improvements Phase 2	\$191,000
Sewer Flow Monitor Upstream M1 Marina Pump Station	\$127,000
	<b>\$12,782,000</b>

**Ord Sewer 10-Year Cash Flow Proforma**

**Schedule OS-3**

	Budget/Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033	Forecast FY2034
1 <b>Rate Revenue Increase:</b>		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
<b>Rate Revenue</b>											
2 <b>Service Charge Revenue</b>	\$3,981,000	\$3,981,000	\$4,339,000	\$4,730,000	\$5,156,000	\$5,620,000	\$6,126,000	\$6,677,000	\$7,278,000	\$7,933,000	\$8,647,000
3 Change due to growth		\$199,000	\$217,000	\$237,000	\$258,000	\$281,000	\$306,000	\$334,000	\$364,000	\$397,000	\$432,000
4 Increase due to rate adjustments		\$159,000	\$174,000	\$189,000	\$206,000	\$225,000	\$245,000	\$267,000	\$291,000	\$317,000	\$346,000
<b>Non-Rate Revenues</b>											
5 Miscellaneous Fees	\$376,000	\$376,000	\$376,000	\$376,000	\$376,000	\$376,000	\$376,000	\$376,000	\$376,000	\$376,000	\$376,000
6 Interest Earnings	\$313,000	\$55,000	\$61,000	\$63,000	\$66,000	\$73,000	\$81,000	\$91,000	\$105,000	\$122,000	\$143,000
7 Operating Revenue	\$57,000	\$57,000	\$57,000	\$57,000	\$57,000	\$57,000	\$57,000	\$57,000	\$57,000	\$57,000	\$57,000
8 Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Unrestricted portion of Capacity Cha	\$410,000	\$188,000	\$188,000	\$188,000	\$188,000	\$188,000	\$188,000	\$188,000	\$188,000	\$188,000	\$188,000
9 <b>Total Revenue</b>	<b>\$5,137,000</b>	<b>\$5,015,000</b>	<b>\$5,412,000</b>	<b>\$5,840,000</b>	<b>\$6,307,000</b>	<b>\$6,820,000</b>	<b>\$7,379,000</b>	<b>\$7,990,000</b>	<b>\$8,659,000</b>	<b>\$9,390,000</b>	<b>\$10,189,000</b>
<b>O&amp;M Costs</b>											
10 Salaries and Benefits	\$1,217,000	\$1,492,000	\$1,536,000	\$1,582,000	\$1,630,000	\$1,679,000	\$1,729,000	\$1,781,000	\$1,834,000	\$1,889,000	\$1,946,000
11 Utilities	\$95,000	\$104,000	\$115,000	\$126,000	\$139,000	\$153,000	\$168,000	\$185,000	\$204,000	\$224,000	\$246,000
12 Professional Services	\$113,000	\$122,000	\$126,000	\$130,000	\$134,000	\$138,000	\$142,000	\$146,000	\$150,000	\$155,000	\$159,000
13 General Administration	\$51,000	\$54,000	\$56,000	\$57,000	\$59,000	\$61,000	\$63,000	\$65,000	\$66,000	\$68,000	\$71,000
14 Board of Directors	\$1,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
15 Insurance	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000	\$28,000	\$29,000	\$29,000	\$30,000	\$31,000
16 Operations and Maintenance	\$643,000	\$654,000	\$663,000	\$672,000	\$681,000	\$690,000	\$700,000	\$710,000	\$721,000	\$731,000	\$742,000
17 Supplies & Equipment	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
18 <b>Total Operating Expenses</b>	<b>\$2,148,000</b>	<b>\$2,458,000</b>	<b>\$2,529,000</b>	<b>\$2,600,000</b>	<b>\$2,677,000</b>	<b>\$2,756,000</b>	<b>\$2,839,000</b>	<b>\$2,925,000</b>	<b>\$3,013,000</b>	<b>\$3,106,000</b>	<b>\$3,204,000</b>
<b>Capital Costs</b>											
19 <b>Total Capital Spending</b>	<b>\$2,544,000</b>	<b>\$2,544,000</b>	<b>\$2,678,000</b>	<b>\$2,548,000</b>	<b>\$2,895,000</b>	<b>\$2,911,000</b>	<b>\$2,963,000</b>	<b>\$3,052,000</b>	<b>\$3,144,000</b>	<b>\$3,238,000</b>	<b>\$3,335,000</b>
20 Cash Funded Capital	\$2,544,000	\$2,544,000	\$2,678,000	\$2,548,000	\$2,895,000	\$2,911,000	\$2,963,000	\$3,052,000	\$3,144,000	\$3,238,000	\$3,335,000
21 Capital Funded by Existing Bond Funds	\$998,106	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22 Existing Debt Service	\$683,000	\$681,000	\$682,000	\$682,000	\$682,000	\$681,000	\$682,000	\$681,000	\$682,000	\$681,000	\$682,000
23 <b>Total Capital Cash Requirement</b>	<b>\$4,225,106</b>	<b>\$3,225,000</b>	<b>\$3,360,000</b>	<b>\$3,230,000</b>	<b>\$3,577,000</b>	<b>\$3,592,000</b>	<b>\$3,645,000</b>	<b>\$3,733,000</b>	<b>\$3,826,000</b>	<b>\$3,919,000</b>	<b>\$4,017,000</b>
24 <b>Total Revenue Requirement</b>	<b>\$6,373,106</b>	<b>\$5,683,000</b>	<b>\$5,889,000</b>	<b>\$5,830,000</b>	<b>\$6,254,000</b>	<b>\$6,348,000</b>	<b>\$6,484,000</b>	<b>\$6,658,000</b>	<b>\$6,839,000</b>	<b>\$7,025,000</b>	<b>\$7,221,000</b>
25 <b>Beginning Year Balance</b>	<b>\$4,334,000</b>	<b>\$3,097,894</b>	<b>\$2,429,894</b>	<b>\$1,952,894</b>	<b>\$1,962,894</b>	<b>\$2,015,894</b>	<b>\$2,487,894</b>	<b>\$3,382,894</b>	<b>\$4,714,894</b>	<b>\$6,534,894</b>	<b>\$8,899,894</b>
26 Surplus/(Shortfall)	(\$1,236,106)	(\$668,000)	(\$477,000)	\$10,000	\$53,000	\$472,000	\$895,000	\$1,332,000	\$1,820,000	\$2,365,000	\$2,968,000
27 <b>End of Year Balance</b>	<b>\$3,097,894</b>	<b>\$2,429,894</b>	<b>\$1,952,894</b>	<b>\$1,962,894</b>	<b>\$2,015,894</b>	<b>\$2,487,894</b>	<b>\$3,382,894</b>	<b>\$4,714,894</b>	<b>\$6,534,894</b>	<b>\$8,899,894</b>	<b>\$11,867,894</b>
28 <b>Reserve Target</b>	<b>\$8,620,000</b>	<b>\$9,085,000</b>	<b>\$9,227,000</b>	<b>\$9,373,000</b>	<b>\$9,531,000</b>	<b>\$9,696,000</b>	<b>\$9,871,000</b>	<b>\$10,055,000</b>	<b>\$10,247,000</b>	<b>\$10,452,000</b>	<b>\$10,671,000</b>
<b>Combined Debt Calculations</b>											
29 <b>Total New Debt Proceeds</b>	<b>\$0</b>	<b>\$34,230,647</b>	<b>\$0</b>								
30 <b>Total New Debt Service</b>	<b>\$0</b>	<b>\$2,329,000</b>	<b>\$2,449,000</b>								
31 <b>Total Existing Debt Service</b>	<b>\$3,895,000</b>	<b>\$3,888,000</b>	<b>\$3,893,000</b>	<b>\$3,894,000</b>	<b>\$3,890,000</b>	<b>\$3,888,000</b>	<b>\$3,891,000</b>	<b>\$3,888,000</b>	<b>\$3,891,000</b>	<b>\$3,890,000</b>	<b>\$3,891,000</b>
32 <b>Total District Debt Service</b>	<b>\$3,895,000</b>	<b>\$6,217,000</b>	<b>\$6,342,000</b>	<b>\$6,343,000</b>	<b>\$6,339,000</b>	<b>\$6,337,000</b>	<b>\$6,340,000</b>	<b>\$6,337,000</b>	<b>\$6,340,000</b>	<b>\$6,339,000</b>	<b>\$6,340,000</b>
33 <b>Total Revenue Available for Debt Serv</b>	<b>\$14,009,500</b>	<b>\$11,393,500</b>	<b>\$14,110,600</b>	<b>\$16,576,300</b>	<b>\$18,906,800</b>	<b>\$21,438,100</b>	<b>\$23,421,000</b>	<b>\$25,586,200</b>	<b>\$27,843,000</b>	<b>\$30,297,600</b>	<b>\$32,965,800</b>
34 <b>Debt Coverage Ratio</b>	<b>3.60</b>	<b>1.83</b>	<b>2.22</b>	<b>2.61</b>	<b>2.98</b>	<b>3.38</b>	<b>3.69</b>	<b>4.04</b>	<b>4.39</b>	<b>4.78</b>	<b>5.20</b>



**Ord Sewer Schedule of Rates**

**Schedule OS-4**

	<b>July 1, 2024</b>	<b>July 1, 2025</b>	<b>July 1, 2026</b>	<b>July 1, 2027</b>	<b>July 1, 2028</b>
<b>Fixed Monthly Charges (per EDU)</b>	\$20.55	\$21.37	\$22.22	\$23.11	\$24.03
<b>Flow-Based Charges (per HCF)</b>	\$4.02	\$4.18	\$4.35	\$4.52	\$4.70

**Recycled Water Projected O&M and Debt Expenses**

**Schedule RW-1.1**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
1 Administrative Expenses	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,700	\$3,800
2 MEDI EXPENSE	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700	\$700
3 MEDICAL INSURANCE	\$4,000	\$4,400	\$4,500	\$4,600	\$4,800	\$4,900	\$5,000	\$5,200	\$5,400	\$5,500	\$5,700
4 BANK & ADMINISTRATION FEE	\$800	\$800	\$800	\$900	\$900	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,100
5 BOARD MEETING VIDEO RECORDING	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
6 BUILDING SECURITY	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
7 CALPERS RETIREMENT (EE)	\$1,100	\$1,200	\$1,300	\$1,300	\$1,300	\$1,400	\$1,400	\$1,500	\$1,500	\$1,500	\$1,600
8 CALPERS RETIREMENT (ER)	\$3,800	\$4,200	\$4,300	\$4,400	\$4,600	\$4,700	\$4,800	\$5,000	\$5,100	\$5,300	\$5,400
9 DISABILITY PLAN	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$200	\$200
10 CALPERS-62 RETIREMENT (ER)	\$1,400	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000
11 CONFERENCES	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
12 CONTRACT TESTING	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000	\$2,000	\$2,100	\$2,200	\$2,200
13 BOARD COMPENSATION	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
14 DEFERRED COMP (ER)	\$600	\$700	\$700	\$700	\$700	\$700	\$800	\$800	\$800	\$800	\$800
15 DENTAL INSURANCE	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$300	\$300	\$300
16 AUTO INSURANCE	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$300
17 DEVELOPER EXPENSES (NOT MCWD)	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,800	\$9,000	\$9,300	\$9,600
18 OFFICE POWER/GAS	\$500	\$500	\$500	\$600	\$700	\$700	\$800	\$900	\$1,000	\$1,100	\$1,200
19 Education & Training	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
20 ANSWERING SERVICE	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
21 ENGINEERING CONSULTANTS	\$5,000	\$5,200	\$5,300	\$5,500	\$5,600	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700
22 POSTAGE	\$500	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700
23 FICA EXPENSE	\$2,100	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800	\$2,900	\$3,000
24 GENERAL SUPPLY	\$300	\$300	\$300	\$300	\$300	\$400	\$400	\$400	\$400	\$400	\$400
25 HOSPITALITY & AWARDS	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
26 Information Systems	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
27 ADVERTISEMENT	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700
28 LIABILITY INSURANCE	\$1,300	\$1,300	\$1,400	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600	\$1,600	\$1,700	\$1,700
29 ACCOUNTING SERVICES	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000	\$2,000
30 CONSULTING SERVICES	\$20,000	\$20,600	\$21,200	\$21,900	\$22,500	\$23,200	\$23,900	\$24,600	\$25,300	\$26,100	\$26,900
31 LEGAL FEES	\$73,700	\$73,700	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
32 LIFE INSURANCE/ AD&D	\$100	\$100	\$100	\$100	\$100	\$100	\$200	\$200	\$200	\$200	\$200
33 M1W - AWTF O&M COST SHARE	\$181,700	\$187,200	\$244,500	\$251,900	\$259,400	\$267,200	\$275,200	\$283,500	\$292,000	\$300,700	\$309,800
34 TRAVEL	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
35 M1W - ANNUAL RENEWAL RESERVE SHARE	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200
36 MEMBERSHIPS & DUES	\$600	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700	\$700
37 MAPPING SERVICES	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38 RW-0156 RECYCLED WATER EXPENSE	\$5,000	\$5,200	\$5,300	\$5,500	\$5,600	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500	\$6,700
39 M1W - AWTF CAPITAL COST SHARE	\$168,700	\$129,200	\$129,200	\$129,200	\$129,200	\$129,200	\$129,200	\$129,200	\$129,200	\$129,200	\$129,200
40 OPERATIONS, MAINTENANCE & REPAIR	\$16,100	\$16,600	\$17,100	\$17,600	\$18,100	\$18,700	\$19,200	\$19,800	\$20,400	\$21,000	\$21,700
41 OVERTIME	\$400	\$400	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$500
42 PENSION EXPENSE	\$5,200	\$5,700	\$5,800	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400
43 PERMITS	\$600	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700	\$700
44 PRINTING	\$500	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700	\$700
45 PROFESSIONAL SERVICES	\$4,500	\$4,600	\$4,800	\$4,900	\$5,100	\$5,200	\$5,400	\$5,500	\$5,700	\$5,900	\$6,000

**Recycled Water Projected O&M and Debt Expenses**

**Schedule RW-1.2**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
46 PROPERTY INSURANCE	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700	\$700	\$800	\$800
47 RENT/LEASE EQUIPMENT	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
48 SUI EXPENSE	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
49 TRASH SERVICES	\$100	\$200	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$400
50 TUITION REIMBURSEMENT	\$300	\$300	\$300	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
51 VISION INSURANCE	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
52 WAGES - ADM	\$17,400	\$21,100	\$21,700	\$22,300	\$23,000	\$23,700	\$24,400	\$25,200	\$25,900	\$26,700	\$27,500
53 WAGES - ENG	\$18,100	\$19,900	\$20,500	\$21,100	\$21,800	\$22,400	\$23,100	\$23,800	\$24,500	\$25,300	\$26,000
54 WAGES - LAB	\$2,300	\$2,500	\$2,600	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,100	\$3,200
55 WAGES - OPM	\$2,300	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300
56 WAGES/BENEFITS - CAPITAL PROJ	(\$82,500)	(\$44,800)	(\$46,200)	(\$47,600)	(\$49,000)	(\$50,500)	(\$52,000)	(\$53,600)	(\$55,200)	(\$56,800)	(\$58,500)
57 WORKERS COMP INSURANCE	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600
58 DEBT SERVICE	\$915,000	\$1,459,000	\$1,580,000	\$1,580,000	\$1,579,000	\$1,579,000	\$1,579,000	\$1,579,000	\$1,580,000	\$1,580,000	\$1,579,000
<b>59 Total Operating Expenses</b>	<b>\$1,638,700</b>	<b>\$2,186,200</b>	<b>\$2,313,300</b>	<b>\$2,323,200</b>	<b>\$2,333,000</b>	<b>\$2,343,500</b>	<b>\$2,355,200</b>	<b>\$2,366,700</b>	<b>\$2,379,400</b>	<b>\$2,392,000</b>	<b>\$2,403,800</b>

**Recycled Water 10-Year Cash Flow Proforma**

**Schedule RW-2**

	Budget FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033	Forecast FY2034	
1	Rate Revenue Increase:		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
<b>Rate Revenue</b>												
2	<b>Service Charge Revenue</b>	\$1,363,000	\$1,363,000	\$1,431,000	\$1,597,000	\$1,677,000	\$1,761,000	\$1,849,000	\$1,941,000	\$2,038,000	\$2,140,000	\$2,247,000
3	Change due to growth & use	\$0	\$0	\$94,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Increase due to rate adjustments	\$0	\$68,000	\$72,000	\$80,000	\$84,000	\$88,000	\$92,000	\$97,000	\$102,000	\$107,000	\$112,000
5	<b>CSU Contract Revenue</b>	\$0	\$0	\$160,000	\$165,000	\$170,000	\$175,000	\$180,000	\$185,000	\$191,000	\$197,000	\$203,000
<b>Non-Rate Revenues</b>												
6	Interest Earnings	\$4,000	\$59,000	\$57,000	\$65,000	\$67,000	\$63,000	\$59,000	\$56,000	\$54,000	\$52,000	\$51,000
7	Operating Revenue	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
8	Transfer In from Capacity Charge Fund	\$1,000,000	\$1,000,000	\$800,000	\$600,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
9	<b>Total Revenue</b>	<b>\$2,376,000</b>	<b>\$2,499,000</b>	<b>\$2,623,000</b>	<b>\$2,516,000</b>	<b>\$2,407,000</b>	<b>\$2,496,000</b>	<b>\$2,589,000</b>	<b>\$2,688,000</b>	<b>\$2,794,000</b>	<b>\$2,905,000</b>	<b>\$3,022,000</b>
<b>O&amp;M Costs</b>												
10	Salaries and Benefits	(\$22,000)	\$23,500	\$24,200	\$24,900	\$25,700	\$26,400	\$27,200	\$28,100	\$28,900	\$29,800	\$30,700
11	Professional Services	\$116,000	\$107,300	\$54,600	\$55,700	\$56,800	\$57,900	\$59,000	\$60,200	\$61,400	\$62,600	\$63,900
12	General Administration	\$6,000	\$5,700	\$5,900	\$6,100	\$6,300	\$6,500	\$6,600	\$6,800	\$7,100	\$7,300	\$7,500
13	Board of Directors	\$0	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
14	Insurance	\$2,000	\$2,100	\$2,200	\$2,300	\$2,300	\$2,400	\$2,500	\$2,500	\$2,600	\$2,700	\$2,800
15	Operations and Maintenance	\$32,000	\$33,100	\$33,900	\$34,700	\$35,600	\$36,400	\$37,300	\$38,500	\$39,800	\$41,100	\$42,400
16	Supplies & Equipment	\$0	\$500	\$500	\$500	\$500	\$500	\$600	\$600	\$600	\$600	\$600
17	M1W Payments	\$589,000	\$554,600	\$611,900	\$619,300	\$626,800	\$634,600	\$642,600	\$650,900	\$659,400	\$668,100	\$677,100
18	<b>Total Operating Expenses</b>	<b>\$723,000</b>	<b>\$727,000</b>	<b>\$733,400</b>	<b>\$743,700</b>	<b>\$754,200</b>	<b>\$764,900</b>	<b>\$776,000</b>	<b>\$787,800</b>	<b>\$800,000</b>	<b>\$812,400</b>	<b>\$825,200</b>
<b>Capital Costs</b>												
19	<b>Total Capital Spending</b>	<b>\$0</b>	<b>\$12,000,000</b>	<b>\$155,000</b>	<b>\$159,000</b>	<b>\$164,000</b>	<b>\$169,000</b>	<b>\$174,000</b>	<b>\$179,000</b>	<b>\$184,000</b>	<b>\$190,000</b>	<b>\$196,000</b>
20	Cash Funded Capital	\$0	\$0	\$155,000	\$159,000	\$164,000	\$169,000	\$174,000	\$179,000	\$184,000	\$190,000	\$196,000
21	Existing Debt Service	\$915,000	\$914,000	\$915,000	\$915,000	\$914,000	\$914,000	\$914,000	\$914,000	\$915,000	\$915,000	\$914,000
22	Repayment of Internal Loan	\$0	\$545,000	\$665,000	\$665,000	\$665,000	\$665,000	\$665,000	\$665,000	\$665,000	\$665,000	\$665,000
23	<b>Total Capital Cash Requirement</b>	<b>\$915,000</b>	<b>\$1,459,000</b>	<b>\$1,735,000</b>	<b>\$1,739,000</b>	<b>\$1,743,000</b>	<b>\$1,748,000</b>	<b>\$1,753,000</b>	<b>\$1,758,000</b>	<b>\$1,764,000</b>	<b>\$1,770,000</b>	<b>\$1,775,000</b>
24	<b>Total Revenue Requirement</b>	<b>\$1,638,000</b>	<b>\$2,186,000</b>	<b>\$2,468,400</b>	<b>\$2,482,700</b>	<b>\$2,497,200</b>	<b>\$2,512,900</b>	<b>\$2,529,000</b>	<b>\$2,545,800</b>	<b>\$2,564,000</b>	<b>\$2,582,400</b>	<b>\$2,600,200</b>
25	<b>Beginning Year Balance</b>	<b>\$123,000</b>	<b>\$861,000</b>	<b>\$1,174,000</b>	<b>\$1,328,600</b>	<b>\$1,361,900</b>	<b>\$1,271,700</b>	<b>\$1,254,800</b>	<b>\$1,314,800</b>	<b>\$1,457,000</b>	<b>\$1,687,000</b>	<b>\$2,009,600</b>
26	Surplus/(Shortfall)	\$738,000	\$313,000	\$154,600	\$33,300	(\$90,200)	(\$16,900)	\$60,000	\$142,200	\$230,000	\$322,600	\$421,800
27	<b>End of Year Balance</b>	<b>\$861,000</b>	<b>\$1,174,000</b>	<b>\$1,328,600</b>	<b>\$1,361,900</b>	<b>\$1,271,700</b>	<b>\$1,254,800</b>	<b>\$1,314,800</b>	<b>\$1,457,000</b>	<b>\$1,687,000</b>	<b>\$2,009,600</b>	<b>\$2,431,400</b>
28	<i>Reserve Target</i>	\$1,221,000	\$1,227,000	\$1,243,000	\$1,275,000	\$1,299,000	\$1,323,000	\$1,349,000	\$1,376,000	\$1,404,000	\$1,433,000	\$1,463,000
29	<i>Capacity Charge Fund Balance</i>	\$7,752,000	\$6,752,000	\$7,460,000	\$7,660,000	\$7,060,000	\$6,660,000	\$6,260,000	\$5,860,000	\$5,460,000	\$5,060,000	\$4,660,000
30	<i>Capacity Charge Revenue</i>	\$0	\$1,708,000	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31	<i>Use of Capacity Charge Funds</i>	\$1,000,000	\$1,000,000	\$800,000	\$600,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
<b>Combined Debt Calculations</b>												
32	<i>Total New Debt Proceeds</i>	\$0	\$34,230,647	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	<i>Total New Debt Service</i>	\$0	\$2,329,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000	\$2,449,000
34	<i>Total Existing Debt Service</i>	\$3,895,000	\$3,888,000	\$3,893,000	\$3,894,000	\$3,890,000	\$3,888,000	\$3,891,000	\$3,888,000	\$3,891,000	\$3,890,000	\$3,891,000
35	<b><i>Total District Debt Service</i></b>	<b>\$3,895,000</b>	<b>\$6,217,000</b>	<b>\$6,342,000</b>	<b>\$6,343,000</b>	<b>\$6,339,000</b>	<b>\$6,337,000</b>	<b>\$6,340,000</b>	<b>\$6,337,000</b>	<b>\$6,340,000</b>	<b>\$6,339,000</b>	<b>\$6,340,000</b>
36	<i>Total Revenue Available for Debt Service</i>	\$14,009,500	\$11,393,500	\$14,110,600	\$16,576,300	\$18,906,800	\$21,438,100	\$23,421,000	\$25,586,200	\$27,843,000	\$30,297,600	\$32,965,800
37	<b>Debt Coverage Ratio</b>	<b>3.60</b>	<b>1.83</b>	<b>2.22</b>	<b>2.61</b>	<b>2.98</b>	<b>3.38</b>	<b>3.69</b>	<b>4.04</b>	<b>4.39</b>	<b>4.78</b>	<b>5.20</b>

**Recycled Water Schedule of Rates**

**Schedule RW-3**

	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
<b>Consumption Charge (\$/hcf)</b>					
Per HCF	\$7.10	\$7.46	\$7.83	\$8.22	\$8.63
<b>Fixed Monthly Service Charges</b>					
5/8" meter	\$55.13	\$57.89	\$60.78	\$63.82	\$67.01
3/4" meter	\$55.13	\$57.89	\$60.78	\$63.82	\$67.01
1" meter	\$78.16	\$82.07	\$86.17	\$90.48	\$95.00
1.5" meter	\$135.77	\$142.56	\$149.69	\$157.17	\$165.03
2" meter	\$204.90	\$215.15	\$225.91	\$237.21	\$249.07
3" meter	\$423.78	\$444.97	\$467.22	\$490.58	\$515.11
4" meter	\$746.36	\$783.68	\$822.86	\$864.00	\$907.20
6" meter	\$1,518.25	\$1,594.16	\$1,673.87	\$1,757.56	\$1,845.44
8" meter	\$3,246.34	\$3,408.66	\$3,579.09	\$3,758.04	\$3,945.94
10" meter	\$4,694.47	\$4,929.19	\$5,175.65	\$5,434.43	\$5,706.15
12" meter	\$5,918.77	\$6,214.71	\$6,525.45	\$6,851.72	\$7,194.31

**Marina Water Shortage Surcharge Calculation**

**Schedule WS-M**

	<b>Normal Supply <sup>1</sup></b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Stage 4</b>	<b>Stage 5</b>	
1							
2	Use Reduction Goal -->	(na)	Up to 10%	Up to 25%	Up to 35%	Up to 50%	Greater than 50%
3	Modeled Use Reduction -->	0%	5%	20%	30%	45%	55%
<b>Revenues</b>							
4	Service Charge Revenue	\$2,477,000	\$2,477,000	\$2,477,000	\$2,477,000	\$2,477,000	\$2,477,000
5	Consumption Charge Revenue <sup>2</sup>	\$2,532,000	\$2,405,000	\$2,026,000	\$1,772,000	\$1,393,000	\$1,139,000
6	Non-Rate Revenue	\$518,000	\$518,000	\$ 518,000	\$ 518,000	\$ 518,000	\$ 518,000
7	<b>Total Revenues:</b>	<b>\$5,527,000</b>	<b>\$5,400,000</b>	<b>\$5,021,000</b>	<b>\$4,767,000</b>	<b>\$4,388,000</b>	<b>\$4,134,000</b>
8	(% of normal)		98%	91%	86%	79%	75%
<b>Expenditures and Transfers</b>							
9	Salaries and Benefits	-\$2,780,000	-\$2,780,000	-\$2,780,000	-\$2,780,000	-\$2,780,000	-\$2,780,000
10	Utilities <sup>3</sup>	-\$332,000	-\$320,000	-\$282,000	-\$257,000	-\$220,000	-\$195,000
11	Professional Services	-\$807,000	-\$807,000	-\$807,000	-\$807,000	-\$807,000	-\$807,000
12	General Administration	-\$135,000	-\$135,000	-\$135,000	-\$135,000	-\$135,000	-\$135,000
13	Source of Supply <sup>4</sup>	-\$419,000	-\$419,000	-\$419,000	-\$419,000	-\$419,000	-\$419,000
14	Board of Directors	-\$4,000	-\$4,000	-\$4,000	-\$4,000	-\$4,000	-\$4,000
15	Water Conservation <sup>5</sup>	-\$52,000	-\$55,000	-\$62,000	-\$68,000	-\$75,000	-\$81,000
16	Insurance	-\$50,000	-\$50,000	-\$50,000	-\$50,000	-\$50,000	-\$50,000
17	Operations and Maintenance	-\$360,000	-\$360,000	-\$360,000	-\$360,000	-\$360,000	-\$360,000
18	Supplies & Equipment	-\$12,000	-\$12,000	-\$12,000	-\$12,000	-\$12,000	-\$12,000
19	M1W Debt Payment	-\$272,000	-\$272,000	-\$272,000	-\$272,000	-\$272,000	-\$272,000
20	Average Cash Capital	-\$1,605,000	-\$1,605,000	-\$1,605,000	-\$1,605,000	-\$1,605,000	-\$1,605,000
21	Debt	-\$844,000	-\$844,000	-\$844,000	-\$844,000	-\$844,000	-\$844,000
22	Forecasted Change in Fund Balance <sup>6</sup>	\$2,145,000	\$2,145,000	\$2,145,000	\$2,145,000	\$2,145,000	\$2,145,000
23	<b>Revenue Requirement:</b>	<b>-\$5,527,000</b>	<b>-\$5,518,000</b>	<b>-\$5,487,000</b>	<b>-\$5,468,000</b>	<b>-\$5,438,000</b>	<b>-\$5,419,000</b>
24	(% of normal)		100%	99%	99%	98%	98%
25	<b>Surplus/(Deficit) Due to Shortage</b>	<b>\$0</b>	<b>-\$118,000</b>	<b>-\$466,000</b>	<b>-\$701,000</b>	<b>-\$1,050,000</b>	<b>-\$1,285,000</b>
26	Water Shortage Surcharge <sup>7</sup>		0%	10%	20%	30%	40%
27	Water Shortage Surcharge Revenue		\$0	\$203,000	\$354,000	\$418,000	\$456,000
28	Capital Spending Reduction			8%	14%	32%	44%
29	Reduction in Capital Spending			\$128,000	\$225,000	\$514,000	\$706,000
30	<b>Strategic Use of Reserves</b>		<b>-\$118,000</b>	<b>-\$135,000</b>	<b>-\$122,000</b>	<b>-\$118,000</b>	<b>-\$123,000</b>

<sup>1</sup> The FY 2024/25 forecasted expenses and revenues are assumed to be a typical water supply year for purposes of this analysis.

<sup>2</sup> Assumes that water sales reductions will occur evenly across all customers.

<sup>3</sup> Assumes that 75% of utilities costs are for pumping and that electricity costs change in proportion with the volume of water delivered.

<sup>4</sup> Groundwater Sustainability Plan (GSP) costs are fixed based and do not vary with annual water production.

<sup>5</sup> Assumes that conservation programs costs increase in (inverse) proportion to the reduction percentages associated with each drought.

<sup>6</sup> Represents a hypothetical change in fund balance during the test year (may not match the change in fund balance forecasted for FY 2024/25).

<sup>7</sup> Surcharge is applied to usage rates only and is applied to all water usage.

**Ord Water Shortage Surcharge Calculation**

**Schedule WS-O**

1		<b>Normal Supply <sup>1</sup></b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Stage 4</b>	<b>Stage 5</b>
2	Use Reduction Goal -->	(na)	Up to 10%	Up to 25%	Up to 35%	Up to 50%	Greater than 50%
3	Modeled Use Reduction -->	0%	5%	20%	30%	45%	55%
<b>Revenues</b>							
4	Service Charge Revenue	\$4,828,000	\$4,828,000	\$4,828,000	\$4,828,000	\$4,828,000	\$4,828,000
5	Consumption Charge Revenue <sup>2</sup>	\$4,738,000	\$4,501,000	\$3,790,000	\$3,317,000	\$2,606,000	\$2,132,000
6	Non-Rate Revenue	\$3,426,000	\$3,426,000	\$ 3,426,000	\$ 3,426,000	\$ 3,426,000	\$ 3,426,000
7	<b>Total Revenues:</b>	\$12,992,000	\$12,755,000	\$12,044,000	\$11,571,000	\$10,860,000	\$10,386,000
8	(% of normal)		98%	93%	89%	84%	80%
<b>Expenditures and Transfers</b>							
9	Salaries and Benefits	-\$5,145,000	-\$5,145,000	-\$5,145,000	-\$5,145,000	-\$5,145,000	-\$5,145,000
10	Utilities <sup>3</sup>	-\$765,000	-\$736,000	-\$650,000	-\$593,000	-\$507,000	-\$449,000
11	Professional Services	-\$1,907,000	-\$1,907,000	-\$1,907,000	-\$1,907,000	-\$1,907,000	-\$1,907,000
12	General Administration	-\$165,000	-\$165,000	-\$165,000	-\$165,000	-\$165,000	-\$165,000
13	Source of Supply <sup>4</sup>	-\$655,000	-\$655,000	-\$655,000	-\$655,000	-\$655,000	-\$655,000
14	Board of Directors	-\$99,000	-\$99,000	-\$99,000	-\$99,000	-\$99,000	-\$99,000
15	Water Conservation <sup>5</sup>	-\$99,000	-\$104,000	-\$119,000	-\$129,000	-\$144,000	-\$153,000
16	Insurance	-\$124,000	-\$124,000	-\$124,000	-\$124,000	-\$124,000	-\$124,000
17	Operations and Maintenance	-\$1,215,000	-\$1,215,000	-\$1,215,000	-\$1,215,000	-\$1,215,000	-\$1,215,000
18	Supplies & Equipment	-\$203,000	-\$203,000	-\$203,000	-\$203,000	-\$203,000	-\$203,000
19	M1W Debt Payment	-\$407,000	-\$407,000	-\$407,000	-\$407,000	-\$407,000	-\$407,000
20	Average Cash Capital	-\$4,475,000	-\$4,475,000	-\$4,475,000	-\$4,475,000	-\$4,475,000	-\$4,475,000
21	Debt	-\$844,000	-\$844,000	-\$844,000	-\$844,000	-\$844,000	-\$844,000
22	Forecasted Change in Fund Balance <sup>6</sup>	\$3,021,000	\$3,021,000	\$3,021,000	\$3,021,000	\$3,021,000	\$3,021,000
23	<b>Revenue Requirement:</b>	<b>-\$12,992,000</b>	<b>-\$12,968,000</b>	<b>-\$12,897,000</b>	<b>-\$12,850,000</b>	<b>-\$12,779,000</b>	<b>-\$12,730,000</b>
24	(% of normal)		100%	99%	99%	98%	98%
25	<b>Surplus/(Deficit) Due to Shortage</b>	<b>\$0</b>	<b>-\$213,000</b>	<b>-\$853,000</b>	<b>-\$1,279,000</b>	<b>-\$1,919,000</b>	<b>-\$2,344,000</b>
26	Drought Surcharge <sup>7</sup>		0%	10%	20%	30%	40%
27	Drought Surcharge Revenue		\$0	\$379,000	\$663,000	\$782,000	\$853,000
28	Capital Spending Reduction			6%	9%	20%	28%
29	Reduction in Capital Spending			\$269,000	\$403,000	\$895,000	\$1,253,000
30	<b>Strategic Use of Reserves</b>		<b>-\$213,000</b>	<b>-\$205,000</b>	<b>-\$213,000</b>	<b>-\$242,000</b>	<b>-\$238,000</b>

<sup>1</sup> The FY 2024/25 forecasted expenses and revenues are assumed to be a typical water supply year for purposes of this analysis.

<sup>2</sup> Assumes that water sales reductions will occur evenly across all customers.

<sup>3</sup> Assumes that 75% of utilities costs are for pumping and that electricity costs change in proportion with the volume of water delivered.

<sup>4</sup> Groundwater Sustainability Plan (GSP) costs are fixed based and do not vary with annual water production.

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<sup>7</sup> Surcharge is applied to usage rates only and is applied to all water usage.