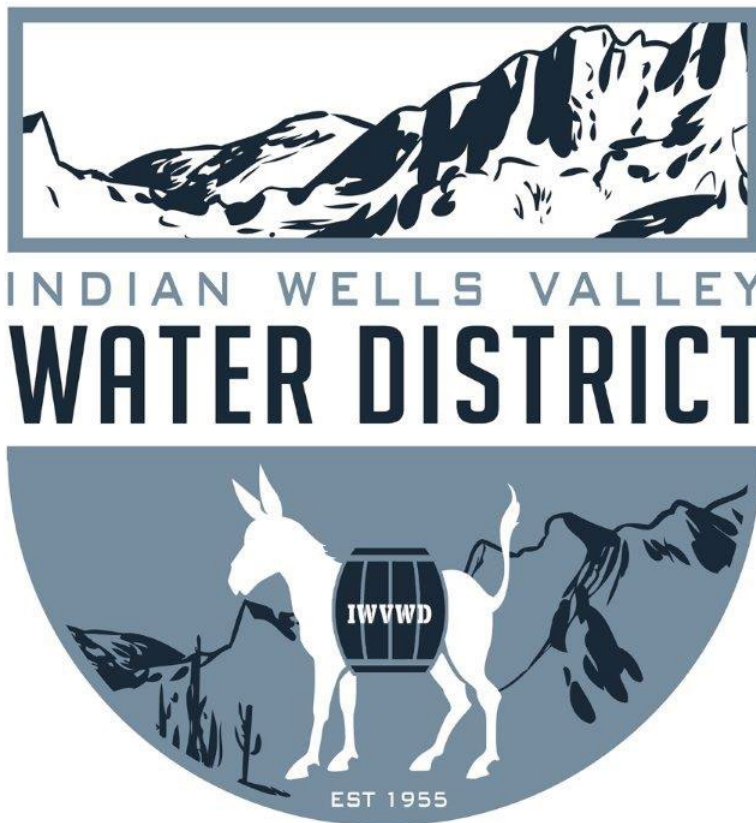


# INDIAN WELLS VALLEY WATER DISTRICT

Board of Directors Meeting



**December 12, 2022**



# INDIAN WELLS VALLEY WATER DISTRICT



## BOARD OF DIRECTORS

David C. H. Saint-Amand, President  
Mallory J. Boyd, Vice President  
Charles D. Griffin  
Stanley G. Rajtora  
Ronald R. Kicinski

Donald M. Zdeba  
*General Manager*  
Krieger & Stewart, Incorporated  
*Engineers*  
McMurtrey, Hartssock & Worth  
*Attorneys-at-Law*

## 2022 COMMITTEE ASSIGNMENTS

### ADMINISTRATION/EXECUTIVE COMMITTEE (BOYD/SAINT-AMAND)

Personnel, Legal Matters, General Plan, Community Relations, Board Meeting Agendas, Ordinances, Rules, Regulations, Policies, Procedures, Customer Service, Variances, Director’s Manual, etc.

### FINANCE COMMITTEE (BOYD/RAJTORA)

Rates, Cost-of-Service, Budget, Audits, Cost Allocation, Investments, Financial Services, Insurance, Loans/Grants, Water Sales & Service Policy Manual, Accounting, Assessment Districts, Billing, etc.

### PLANT & EQUIPMENT COMMITTEE (KICINSKI/GRIFFIN)

Transmission/Distribution System, Vehicles & Equipment, Wells, Reservoirs, Real Property Management, Telemetry, etc.

### WATER MANAGEMENT (GRIFFIN/RAJTORA)

Groundwater Sustainability Act, Indian Wells Valley Groundwater Authority, Water Management, Water Policy, Water Quality, Conservation, Urban Water Management Plan, California Urban Water Conservation Council, Title 22 Compliance, Alternative sources for water supply including Blending, Importation, Reuse, etc.

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Committee Meetings are generally scheduled on a regular day and time.  
Committee Meetings are subject to change.

**Administration/Executive**  
**Finance**  
**Plant & Equipment**  
**Water Management**

Wednesday before the Board Meeting at 3:00 p.m.  
Tuesday before the Board Meeting at 2:30 p.m.  
Tuesday before the Board Meeting at 2:00 p.m.  
Last Thursday of the month at 2:00 p.m.

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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REGULAR BOARD MEETING

AGENDA

MONDAY, DECEMBER 12, 2022 – 6:00 P.M.

BOARD OF DIRECTORS' HEARING ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

➤ **Watch meetings on-line:**

All District meetings are streamed live on the District's YouTube channel at:

<https://www.youtube.com/channel/UCz6pnsZsIFy9yTFVmGH2Trg>

Recordings will be available for viewing after the meeting on the District's YouTube page.

➤ **Call in for public comments:**

To make a public comment, please call: (760) 375-7548.

Callers will be placed in a queue and answered in the order they were received. If a member of the public wishes to comment on multiple items, they will need to call in as each item is presented to the Board.

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*(In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Lauren Smith at (760) 384-5502. Requests must be made as early as possible and at least one full business day before the start of the meeting. Pursuant to Government Code section 54957.5, any materials relating to an open session item on this agenda, distributed to the Board of Directors after the distribution of the agenda packet, will be made available for public inspection at the time of distribution at the following location: Indian Wells Valley Water District, 500 W. Ridgecrest Blvd., Ridgecrest, CA.*

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Posting of Agenda Declaration
5. Conflict of Interest Declaration
6. Public Questions and Comments

*(This portion of the meeting is reserved for persons desiring to address the Board on any matter not on the agenda and over which the Board has jurisdiction. However, no action may be taken by the Board of Directors on any item not appearing on the agenda. Non-agenda speakers are asked to limit their presentation to five minutes. Public questions and comments on items listed on the agenda will be accepted at any time the item is brought forth for consideration by the Board. When you are recognized by the chairperson, please state your name and address for the record).*

7. Cost of Service Study

**Description:** Discussion on Water Rate Study Draft Report as presented by Hildebrand Consulting. Board consideration of accepting Water Rate Study Draft Report and to authorize staff to proceed with Proposition 218 process.

8. Current Business/Committee Reports

A. Consent Calendar

**Description:** Approval of Board Meeting Minutes and Accounts Payable Disbursements.

1. Approval of Minutes:
  - i. November 14, 2022, Special Board Meeting
2. Approval of Accounts Payable Disbursements
3. Resolution No. 22-15: AB 361 Finding

B. Administration Executive Committee

1. Change Time of Board Meetings

**Description:** Board discussion and potential action to change Board meeting times to allow for Closed Session to take place prior to the start of a Board Meeting.

**Committee Recommends the Following:** Defer further discussion to the Board.

C. Election of Officers

**Description:** Board of Directors will nominate and vote for 2023 Board of Directors President and Vice President

1. President
2. Vice President

D. 2023 Committee Assignments

**Description:** Board of Directors Committee Assignments for 2023.

E. Joint Powers Agreement Representative

**Description:** Board discussion and consideration of primary and alternate Representatives for the Joint Powers Agreement related to the Indian Wells Valley Groundwater Authority for a two-year term.

F. Indian Wells Valley Groundwater Authority

**Description:** Report and discussion regarding the November 9, 2022, meeting of the Indian Wells Valley Groundwater Authority (IWVGA). Including, Board discussion and consideration of issues of importance requiring action by the IWVGA. Next meeting is scheduled for December 14, 2022.

G. Comprehensive Adjudication

**Description:** Report and discussion regarding the status of the Comprehensive Adjudication.

H. General Manager and Staff Update (The Board will consider and may act on the following items):

1. Water Production, New Services, and Personnel Safety Record

**Description:** Water produced from all District wells, report of the new services installed in the District, and personnel safety record for the preceding month.

2. Public Outreach

**Description:** Public Outreach Report.

3. January 2023 Annual Board Workshop

**Description:** Scheduling of the Annual Board Workshop.

4. Well 31 Rehabilitation

**Description:** Update on Well 31 Rehabilitation project.

5. Booster Stations and Tanks Projects

**Description:** Update on these Capital Projects.

6. Financial Status

**Description:** Report on the District's current financial status.

7. Solar Production

**Description:** Update on solar production for the preceding month.

8. Conservation

**Description:** Update on the Conservation Program and discussion on water conservation related items.

9. Inyokern Road Transmission Line

**Description:** Update on the failure of the 30-inch transmission main.

10. Arsenic Treatment Facilities

**Description:** Update on maintenance issues and production.

11. Operations

**Description:** Report on the District's operations.

9. Board Comments/Future Agenda Items

10. Closed Session

A. Potential Litigation

Conference with Legal Counsel

2 Matters

(Pursuant to Government Code Section 54956.9(d)(2))

B. Existing Litigation

Conference with Legal Counsel

*Mojave Pistachios, LLC v Indian Wells Valley Water District, et al.*

Orange County Superior Court Case No. 30-2021-01187275-CU-OR-CJC

(Pursuant to Government Code Section 54956.9(d)(1))

C. Existing Litigation

Conference with Legal Counsel

*Mojave Pistachios, LLC v Indian Wells Valley Groundwater Authority, et al.*

Orange County Superior Court Case No. 30-2021-01187589-CU-WM-CXC

(Pursuant to Government Code Section 54956.9(d)(1))

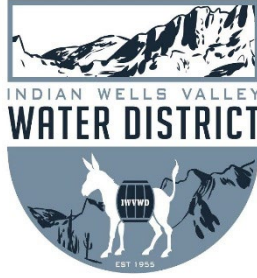
D. Existing Litigation

Conference with Legal Counsel

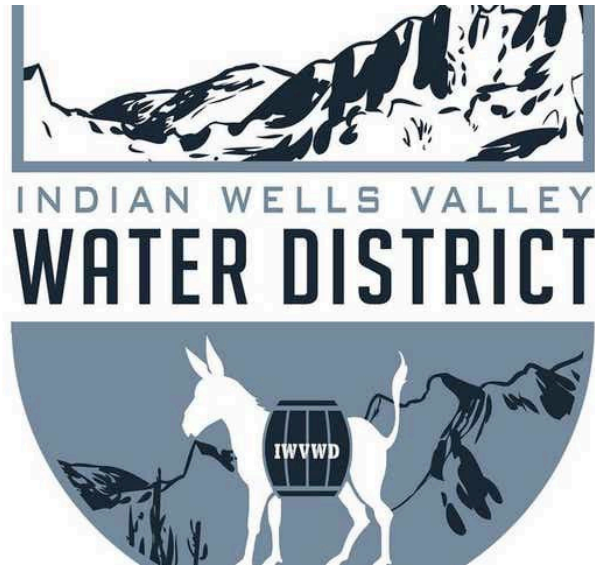
*Searles Valley Minerals Inc., v Indian Wells Valley Groundwater Authority, et al.*  
Orange County Superior Court Case No. 30-2021-01188089-CU-WM-CXC  
(Pursuant to Government Code Section 54956.9(d)(1))

- E. Personnel Matter  
One Position: General Manager  
(To consider the employment of a Public Employee)  
(Pursuant to Government Code Section 54957)

11. Adjournment



**7.**



2022 Water Rate Study Report  
Indian Well Valley Water District

**Draft** Report

December 9, 2022





December 9, 2022



Mr. Tyrell Staheli  
Finance Director  
Indian Wells Valley Water District  
500 W. Ridgecrest Blvd.  
Ridgecrest, CA 93555

Re: 2022 Water Rate Study Report

Dear Mr. Staheli,

Hildebrand Consulting is pleased to present this 2022 Water Rate Study Report (Report) that was performed for Indian Wells Valley Water 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  
(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 located below the 'Sincerely,' text.

Mark Hildebrand  
Hildebrand Consulting, LLC

Enclosure

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**LIST OF SCHEDULES**

Schedule 1 –Budgeted & Projected Operating and Debt Expenses  
Schedule 2 –Capital Spending Request  
Schedule 3 - Cash Flow Pro Forma  
Schedule 4 – Allocation of Costs to System Functions  
Schedule 5 - Five-Year Schedule of Proposed Rates

## List of Acronyms

AWWA	American Water Works Association
CIP	capital improvement program
COP	Certificates of Participation
COSA	cost of service analysis
DCR	debt service coverage ratio
FY	fiscal year (which ends on June 30 for the District)
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
HCF	hundred cubic feet (748 gallons)
SGMA	Sustainable Groundwater Management Act

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

Indian Wells Valley Water District (District) has retained Hildebrand Consulting to update its financial plan and conduct a cost-of-service analysis (COSA) to update the District’s water rates (Study). This report describes in detail the assumptions, procedures, and results of the study, including conclusions and recommendations.

### **1.1 DISTRICT BACKGROUND**

The District was organized in 1953 for the purpose of providing domestic water supplies within its service area. The District is situated in the Indian Wells Valley, which lies in the northern portion of the Mojave Desert, southeasterly of the Sierra Nevada, and southerly of the Owens Valley. The District is the primary purveyor of public water supplies in the Ridgecrest area of Kern and San Bernardino Counties.

The District manages water resources and constructs, operates, maintains, repairs, and replaces water system facilities as needed to provide water service in compliance with applicable standards and regulations.

The District’s water comes from groundwater wells, four of which are treated for arsenic removal. The service area varies in elevation by more than 500 feet; therefore, the District has created five different elevation zones for purposes of water rates.

### **1.2 STUDY BACKGROUND**

The District prepared a water rate study in 2018 which included both a financial plan and COSA (2018 Rate Study<sup>1</sup>). Based on the 2018 Rate Study’s recommendations the

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<sup>1</sup> Indian Wells Valley Water District, *Water Rate Study – Final Report*, November 29, 2018, Stantec

District adopted a five-year schedule of water rates with the last rate increase occurring on July 1, 2022.

### **1.3 STUDY OBJECTIVES**

The primary objectives of this Study are to:

- i. Develop a multi-year financial management plan that integrates the District's capital funding needs;
- ii. Identify future rate adjustments to water rates and a funding strategy that will ensure adequate revenues to meet the District's ongoing financial requirements;
- iii. Determine the cost of providing water service to customers using industry accepted methodologies and to ensure compliance with Proposition 218 requirements; and
- iv. Recommend modifications to the existing rate structure, as needed, to address changes to the District's cost structure while promoting affordability and water conservation to the extent appropriate.

### **1.4 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<sup>2</sup>, and applicable law, including California Constitution Article XIII D, Section 6(b), commonly known as Proposition 218.

The Study began with a review of the District's current financial dynamics and latest available data for the utility's operations. A multi-year financial management plan was then developed to determine the level of annual rate revenue required to cover projected annual operating expenses, debt service (including coverage targets), and

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<sup>2</sup> AWWA M1 Manual: Principles of Water Rates, Fees, and Charges, 7<sup>th</sup> Edition

capital cost requirements while maintaining adequate reserves. This portion of the Study was conducted using an MS Excel<sup>®</sup>-based financial planning model which was 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 10-year Financial Plan was developed through several interactive work sessions with District staff. As a result of this process, the Study has produced a robust Financial Plan that will enable the District to meet its future revenue requirements and achieve financial performance objectives throughout the study period while striving to limit rate increases.

Using the revenue requirements for Fiscal Year<sup>3</sup> (FY) ending June 2023 (FY 2022/23), we then performed a detailed COSA using principles outlined by the AWWA and other generally accepted industry practices in order to develop rates that equitably reflect the cost of providing service.

The recommended rate schedules presented herein are designed to ensure that the District's water rates conform to accepted industry practice, legal requirements, and reflect the equitable distribution of system costs, while achieving the District's policy objectives, such as fiscal stability and affordability.

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<sup>3</sup> Fiscal years are indicated by their ending years. For example, FY 2023 starts on July 1, 2022 and ends on June 30, 2023.

## **Section 2. 10-YEAR FINANCIAL PLAN**

The financial plan is an annual cash flow model. As a cash flow model, it differs from standard accounting income statements, and balance sheets.

### **2.1 EXISTING FUNDS AND REVENUES**

The following described the District’s existing fund structures, policies and revenues.

#### **2.1.1 Reserve Policies**

Utilities set aside cash reserves in order to both (1) ensure that short-term cash flow requirements can always be met even during adverse conditions and (2) meet financial obligations associated with outstanding debt. Reserves help to ensure that a utility will always have adequate funds available to meet its financial obligations (including debt payments) during periods of revenue shortfall (either because revenues are unusually low or because expenditures are unusually high). Reserves also provide a financial backstop in the event of emergency repairs to the system as a result of natural disasters or unanticipated system failures.

Establishing target reserve levels is central to the process of developing a multi-year financial plan. Financial policies should articulate the level of the reserve targets, the purpose of the respective reserves, and the intended use of the funds, including any limitations on the use of the funds. Once reserve targets are established, they should be reviewed annually during the budgeting process to assure conformance with any adopted policies and consistency with the underlying financial plan. Decisions can be made to maintain, increase, or spend down the reserve balances, as appropriate, within the context of the long-range financial plan.

The financial plan in this Study is consistent with all of the District’s existing reserve policies. The District reserve policies are consistent with 1) our industry experience for



similar systems, 2) reserve policy recommendations by the AWWA, and 3) the criteria published by municipal utility rating agencies (Fitch, Moody's, and Standard & Poor's).

#### *2.1.1.1 MINIMUM RESERVES*

Minimum reserves refer to reserves that the District should never *plan* to draw down (although circumstances may force the District to use these reserves). In other words, such reserves provide the District with a critical financial cushion that should only be used as a result of unforeseen circumstances. The District has one such reserve, which is described below.

**Operating Reserve** - The District has a 6-month Operating Reserve policy, which means that 180 days of operating costs are kept available in cash reserves. This reserve ensures continuity of service regardless of short-term changes in cash flow or sudden increases in operating costs. Since this reserve target is set relative to the District's operating budget, the target will change as the budget changes. As detailed in **Schedule 3**, the Operating Reserve target is approximately \$4.2 million in FY 2022/23.

#### *2.1.1.2 TARGET RESERVES*

Target reserves are more flexible than minimum reserves and are designed to be drawn down and built back up over the course of a financial planning period. These reserves are meant to provide the District with both some protection against catastrophic failure as well as flexibility with cash funding its capital program.

**Capital Reserve** - The purpose of the Capital Reserve is both to (1) protect the District from the financial impacts that may be caused by the catastrophic failure of critical infrastructure and (2) manage the inherent volatility of capital spending. The District has sized the target of this reserve to be equal to the replacement cost of one well, one booster station and one storage tank. Based on District cost estimates, this equals approximately \$10.8 million.

**Vehicle and Computer Replacement Reserves** - These reserves total \$350 thousand and \$100 thousand, respectively. The vehicle and computer reserves are maintained at their maximum balance allowed by Resolution 13-08.

### 2.1.2 Beginning Fund Balance

The ending cash balance for FY 2020/21 was used to establish the FY 2021/22 beginning balance, as outlined in **Table 1**. The restricted funds refer to funds that were collected through the Capital Facility Fee and are designated to pay for growth-related capital projects. The remaining Certificate of Participation (COP) proceeds are designated to pay for capital projects in both FY 2021/22 and FY 2022/23.

**Table 1: FY 2021/22 Beginning Cash Balance**

Unrestricted Fund Balance	\$13,345,000
• Restricted Fund (Capital Facility Fund)	\$1,230,000
Remaining 2018 COP Proceeds	\$6,376,000
<b>Total:</b>	<b>\$20,951,000</b>

### 2.1.3 Forecasted Customer Growth

Growth in the customer base affects both water demand as well as Capital Facility Fee<sup>4</sup> revenue. Estimated annual Capital Facility Fee revenues are based on the amount of new development activity (i.e., growth). Capital Facility Fee revenue accrues to the respective capital fund and is used to help fund planned capital improvement projects.

In recent years, Capital Facility Fee revenues indicate that the District has grown at a rate of about 0.3 percent per year. Future growth will depend on many factors, including

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<sup>4</sup> Capital Facility Fees are one-time charges to new development to pay for capacity in the utility systems.

the economy. Based on direction from District staff, this Study assumes that the annual growth rate will continue at an average of 0.3 percent for the planning period.

#### **2.1.4 Rate Revenue**

Rate revenue is the revenue generated from customers for water service. The District receives rate revenue in the form of fixed charges (Account Charge, Ready-to-Serve Charge and Arsenic Compliance Charge) and the consumption-based Commodity Charge and Zone Charge. The District also collects Construction Meter Charges for the use of temporary hydrant meters, a fixed Private Fire Service charge for those with direct fire service lines, and Bulk Water Rates for customers that receive their water from the filling station. Rate revenue is based upon FY 2021/22 budgeted revenues, adjusted annually to reflect assumed customer growth and the rate revenue adjustments that are proposed by this Study.

The Financial Plan starts with FY 2021/22 budgeted rate revenues. Estimated future rate revenues include the small amount of customer growth (see Section 2.1.3) as well as the annual rate revenue adjustments proposed by this Study. Other than demand increases associated with customer growth, water demand is anticipated to remain constant. Budgeted and projected rate revenues (including proposed rate adjustments) over the next ten years are listed in **Schedule 3**.

#### **2.1.5 Non-Rate Revenues**

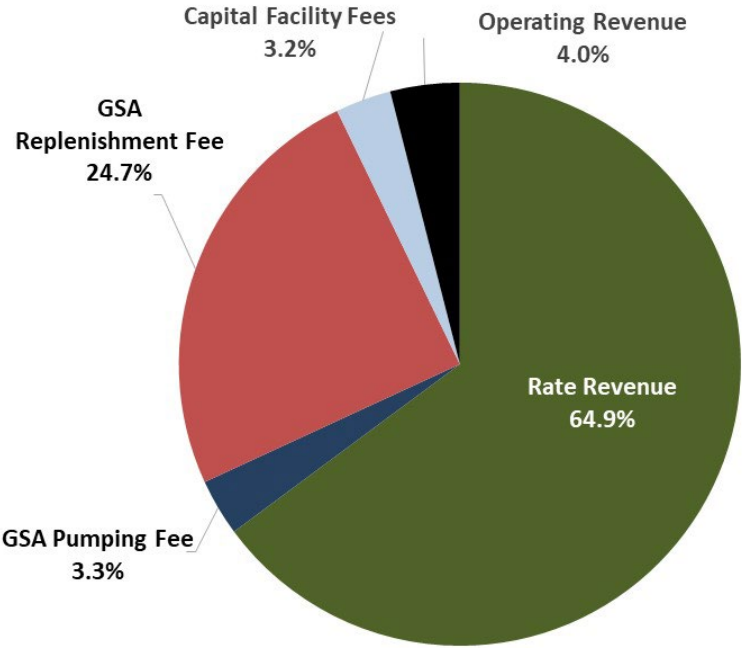
In addition to rate revenue, the District receives additional “non-rate revenue” from sources such as miscellaneous service fees (e.g., turn-on service fee, delinquency billing charges, plan checks and inspection fees), Capital Facility Fees, operational revenue (e.g., energy curtailment credit and rent), Groundwater Sustainability Agency (GSA) fee revenue (see below) and interest revenue on investments. Projections of non-rate revenues were based on FY 2021/22 budgeted revenues and assumed to remain flat for the planning period. Future interest income was estimated based upon projected fund

balances and assumed interest rate of 0.5 percent, which is consistent with the District's historical interest earnings relative to its total reserve levels.

The District is subject to fees imposed by the Indian Wells Valley Water that are designed to pay for the costs associated with complying with the requirements of the Sustainable Groundwater Management Act (SGMA). The District currently pays two such fees, both of which are volumetric fees and are collectively referred to as the "GSA fees." The first is the Groundwater Extraction Fee of \$0.24 per hundred cubic feet (HCF) of pumped groundwater to primarily pay for the preparation of the Groundwater Sustainability Plan (GSP). The second is the Replenishment Fee of \$1.65 / HCF of pumped groundwater to pay for the costs of an imported water supply. Currently the District passes through these GSA fees to customers by adding the above commodity rates to the District's then-current commodity rates.

Estimated future annual Capital Facility Fee revenues were based on the current fees and the projected amount of new growth (see Section 2.1.3). Capital Facility Fee revenue is restricted and is used to help fund specific growth-related capital improvement projects.

Budgeted water rate and non-rate revenues are depicted in Figure 1 and listed in detail in **Schedule 3**.



**Figure 1: Revenue Categories (FY 2021/22 budget)**

## 2.2 CURRENT AND FORECASTED EXPENSES

This section describes the District’s existing and forecasted operating, debt and capital expenses.

### 2.2.1 Operations and Maintenance

The District’s operating and maintenance expenses were projected over the next ten years based on expected inflation rates, starting with the budgeted expenses for FY 2021/22 (see Section 2.2.2). Major budgeted expense categories for FY 2021/22 are depicted in Figure 2. Budgeted and projected operating and maintenance costs are listed in detail in **Schedule 1**.

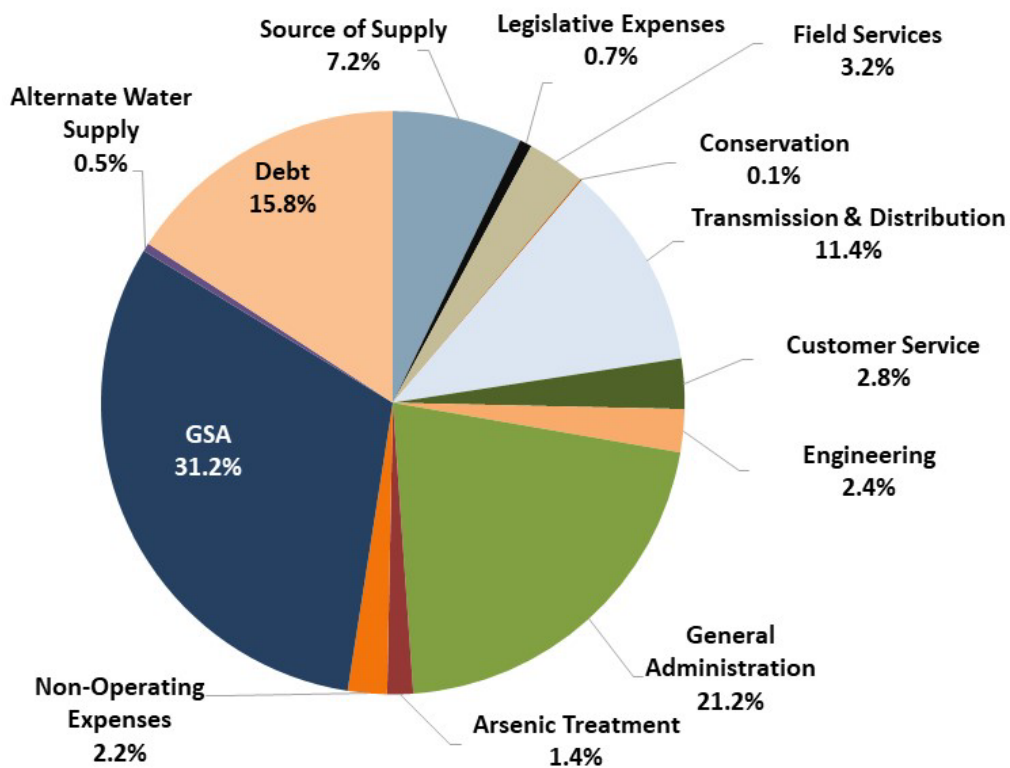


Figure 2: Budgeted Operating & Debt Expenses (FY 2021/22)

### **2.2.2 Cost Escalation Projections**

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 operating expenses are projected to increase at 3.0 percent per year, with the exception of salaries which are projected to increase by 8.0 percent<sup>5</sup> during FY 2022/23 and FY 2023/24 followed by 5.0 percent per year and utilities which are projected to increase by 10 percent in FY 2022/23 followed by 3.0 percent thereafter.

### **2.2.3 Existing Debt**

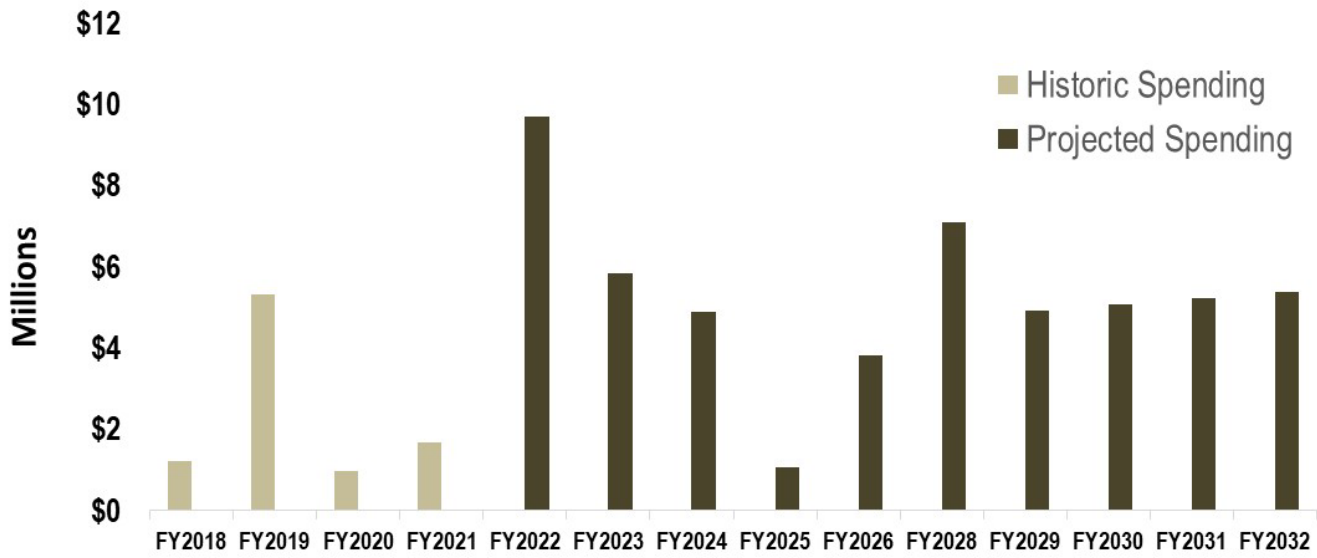
The District currently pays debt service on two outstanding loans. This includes a 2018 Water Revenue COP (with annual debt service of approximately \$1.9 million through FY 2038/39 followed by approximately \$800 thousand for ten more years) and a 2016 Solar Loan (with annual debt service of just over \$500 thousand through FY 2034/35).

### **2.2.4 Capital Improvement Program**

Figure 3 shows that from FY 2017/18 through FY 2020/21 the District has spent an average of approximately \$2.3 million per year on capital projects to rehabilitate or improve the water system. During the period from FY 2021/22 through FY 2031/32 the District plans to increase its annual capital spending to an average of \$5.3 million per year in order to pro-actively address the water system's rehabilitation needs associated with supply facilities, pipes, water tanks, and other system facilities.

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<sup>5</sup> Salary escalations based on the District's Memorandum of Understanding with staff.



**Figure 3: Historic and Projected Capital Spending**

Some of the District’s more significant projects are highlighted in Table 2. The District plans to replace the Ridgecrest Height and Gateway booster stations (at a combined cost of approximately \$4.0 million in current dollars), build three new water tanks (at a combined cost of approximately \$5.5 million in current dollars), and four major transmission line projects (Springer, Gateway, Bowman, and La Mirage) for a combined cost of \$16.8 million in current dollars. A detailed list of the planned capital projects and associated costs is provided in **Schedule 2**.



**Table 2: Summary of Capital Spending through FY 2028/29\***

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>Water Supply</b>								
Ridgecrest Heights Booster			\$1,500,000 (debt)					
Disaster Repair - Gateway Booster	\$250,000	\$2,415,000						
Miscellaneous Water Supply	\$253,000	\$545,000	\$535,000	\$310,000	\$550,000	\$310,000	\$300,000	\$310,000
<b>TOTAL WATER SUPPLY</b>	<b>\$503,000</b>	<b>\$2,960,000</b>	<b>\$2,035,000</b>	<b>\$310,000</b>	<b>\$550,000</b>	<b>\$310,000</b>	<b>\$300,000</b>	<b>\$310,000</b>
<b>Transmission and Distribution</b>								
Springer 24" Line			\$3,400,000 (debt)					
Gateway Blvd 24"				\$2,500,000 (debt)				
Bowman 30"								\$5,400,000
College Heights Blvd 18"								
Eastside 4" Lateral Replacements		\$700,000						
La Mirage Mainline Replacements						\$2,750,000	\$2,750,000	
Tanks X 3	\$500,000	\$4,884,000						
Miscellaneous T&D	\$455,000	\$665,000	\$77,000	\$827,000	\$277,000	\$77,000	\$77,000	\$77,000
<b>TOTAL TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$955,000</b>	<b>\$6,249,000</b>	<b>\$3,477,000</b>	<b>\$3,327,000</b>	<b>\$277,000</b>	<b>\$2,827,000</b>	<b>\$2,827,000</b>	<b>\$5,477,000</b>
<b>TOTAL TECH</b>	<b>\$30,000</b>	<b>\$28,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	<b>\$15,000</b>
<b>TOTAL GENERAL PLANT</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$945,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>
<b>TOTAL FUTURE SOURCE OF SUPPLY</b>	<b>\$30,000</b>	<b>\$75,000</b>						
<b>TOTAL CAPITAL PROGRAM:</b>	<b>\$1.7M</b>	<b>\$9.5M</b>	<b>\$5.7M</b>	<b>\$4.6M</b>	<b>\$1.0M</b>	<b>\$3.3M</b>	<b>\$3.3M</b>	<b>\$5.9M</b>

\* All costs expressed in 2022 dollars

## 2.3 PROPOSED FINANCIAL STRATEGY

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 section first explains the District's debt strategy, then describes the proposed rate increases for the next 5 years.

### 2.3.1 Debt Strategy

In 2018 the District issued \$28.6 million in debt through a Water COP. The proceeds from the 2018 COP debt have funded a majority of the District's capital spending needs since that time. As of July 1, 2021, the District had a balance of \$6.3 million remaining of the debt proceeds, which is expected to fund a majority of capital spending in FY 2021/22 and partially fund the capital spending in FY 2022/23.

As a result of the above, the District's cash reserves are currently higher than was projected by the 2018 Rate Study, which had anticipated a cash reserve level of about

\$6.5 million in FY 2021/22 as compared to the actual reserve levels of about \$20.0 million (see Section 2.1.2).

The Board has directed District Staff to mitigate the cost of the forecasted spike in capital spending with a new debt issue. As such, the capital plan calls for a debt issue of \$8.2 million in FY 2024 to pay for the Ridgcrest Heights Booster Station, Springer 24” transmission line, and the Gateway Blvd. 24” transmission line projects (see Table 2).

### 2.3.2 Debt Coverage Requirements

One of the requirements associated with debt is to maintain rate revenue and other non-rate revenues at levels sufficient to meet debt service coverage requirements (DCR). The District’s current debt contracts require the that the District maintain net revenues (i.e., revenues after paying all operating costs) at a DCR level that is at least 1.20 times annual debt service. Based on published guidance from Fitch Ratings, utility systems with *midrange* financial profiles should maintain a DCR greater than 1.50 times annual debt service. **Schedule 3** shows that the proposed financial plan maintains a DCR of at least 1.44 (and usually higher).

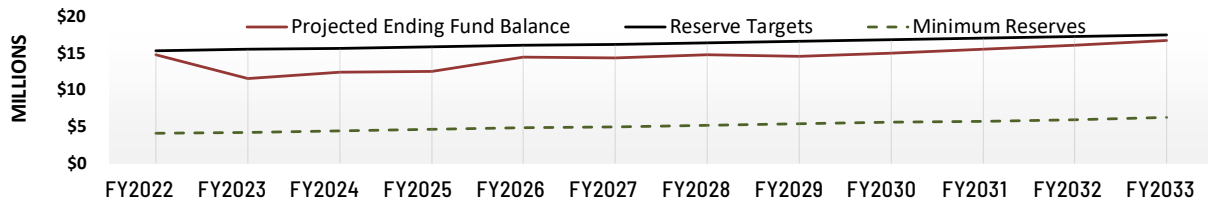
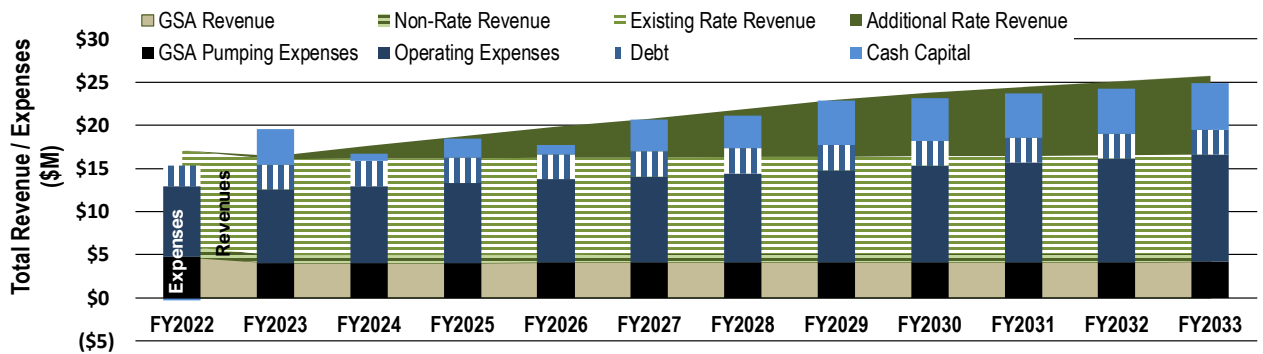
### 2.3.3 Proposed Rate Increases

Based upon the previously discussed financial data, assumptions, policies, and debt strategy, this Study proposes a five-year schedule of annual rate adjustments and debt funded capital spending as shown in **Figure 4**. The rate schedules associated with these rate adjustments (as well as the rate structure adjustments to be discussed in Section 3) have been provided as **Schedule 5**.

The first proposed rate increase for this Study is scheduled to occur March 1, 2023 (eight months into the fiscal year). All subsequent rate increases proposed by this Study will occur on January 1 of each year (halfway through the fiscal year).

The numbers provided in Schedule 3 are summarized graphically in Figure 4, which shows the District’s target reserves being met through-out the planning period. After the final recommended increase in FY 2026/27, it is anticipated (barring unforeseen

emergencies or changes in infrastructure/operational needs) that the annual rate revenue increases will taper (but still continue) as shown in Schedule 3. These levelized rate increases will allow the District to transition to a pay-as-you-go (PayGo) financing model for its capital program, rather than continuing to debt finance capital spending.



	Proposed*					Projected						
Rate Revenue Increase:	8.0%	8.0%	8.0%	6.0%	6.0%	6.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debt Coverage Ratio:	1.74	1.44	1.69	1.95	2.16	2.39	2.61	2.84	2.97	3.06	3.13	3.20
Net Debt Proceeds:			\$5.0M	\$2.7M								

\* Propose rate increases to be effective January 1 of the respective fiscal year

**Figure 4: Cash Flow Projection with Recommended Rate Revenue Increases**

## **Section 3. COST OF SERVICE ANALYSIS AND RATE DESIGN**

The purpose of a COSA and rate design is to determine the cost of providing water service to the District's customers and structure the rates so that revenue is equitably recovered from individual customers. This Study employed well-established industry practices for these types of studies as recognized by the AWWA and other accepted industry practices. The focus of this analysis was to meet the following objectives:

- ▶ Fairly and equitably recover costs through rates;
- ▶ Conform to accepted industry practice and legal requirements;
- ▶ Provide fiscal stability; and
- ▶ Promote water conservation and affordability where appropriate.

### **3.1 CURRENT RATES**

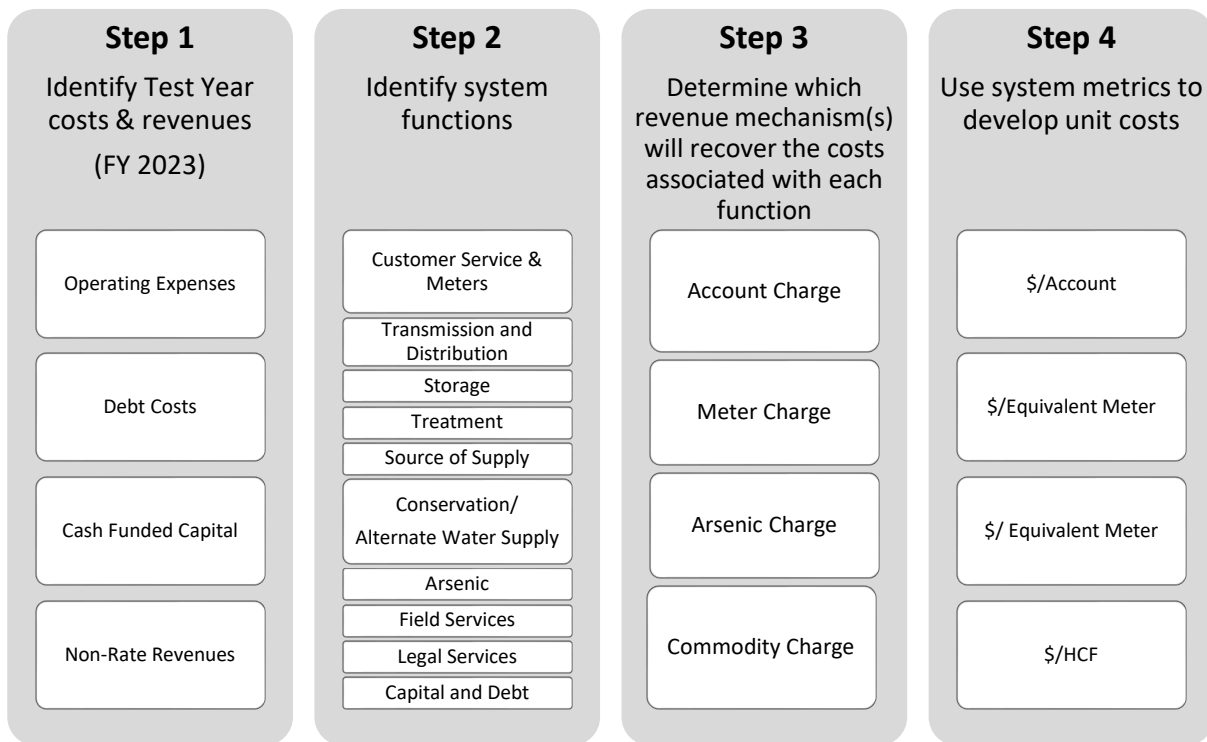
The District's current rate structure is comprised of fixed service charges and a commodity (consumption-based) rate. The District's current fixed service charge is made up of an Account Charge, a Ready-to-Serve Charge and an Arsenic Treatment Charge. These charges are assessed based on meter size and currently recover about 62 percent of rate revenue, which covers a portion of the District's fixed costs.

The Commodity Rates are designed to recover the remainder of the District's fixed costs as well as all of its variable costs. The Commodity Rates currently have four tiers and has tier water allocation based on the water needs of single family residential homes. Other accounts receive water allocations in proportion to their meter size. The monthly tier allocations for single family homes (and the smallest meter size of  $\frac{3}{4}$ "") are 9 HCF of Tier 1 water, 15 HCF of Tier 2 water, and 21 HCF of Tier 3 water (Tier 4 water usage is unlimited). In addition, a Zone Charge is added to the Commodity Rates for those customers that require that water be delivered to higher elevations (see Section 3.4). In addition to water rates, the District charges other miscellaneous rates including bulk water accounts, private fire protection charges, and

construction meter charges (see Section 3.4), in addition to passing through the cost of the GSA to customers (see Section 3.3.3).

### 3.2 COSA AND RATE DESIGN METHODOLOGY

The cost-of-service methodology employed by this Study is based on the “commodity-demand” method promulgated in AWWA’s Manual M1: Principles of Water Rates, Fees, and Charges (M1), whereby costs (see Step 1 in Figure 5) are first allocated to individual functions (see Step 2), and the costs associated with each function is recovered through an appropriate rate (see Step 3).



**Figure 5: Cost of Service and Rate Design Methodology Steps**

The following sub-sections give a detailed description of each step and the results.

### 3.2.1 Step 1: Identify Test Year Costs and Non-Rate Revenues

The District’s various costs (including operating expenses and debt service) and revenues come from the District’s FY 2022/23 annualized expenditure and revenue requirements per this Study’s financial plan. The capital spending value is based on a five-year average in order to mitigate against any anomalous values in the Test Year. Non-rate revenues and use of reserves are both credited against expenses since both reduce the need for rate revenue.

### 3.2.2 Step 2 and Step 3: Identify System Functions and Associated Revenue Recovery

Each line-item expense and revenue from Step 1 is assigned to one of ten systems functions (see Step 2 in Figure 5). A detailed list of how each line-item expense and revenue was assigned is provided as Schedule 4.

The cost associated with each of the ten functions is then determined to be recovered through a specific rate revenue component (either the account charge, the meter charge, the commodity charge or the arsenic charge). The assignment of function costs to revenue recovery components is presented in Table 3.

**Table 3: Allocation of Function Costs to Revenue Recovery Components**

<b>Functions</b>	<b>Account Charge</b>	<b>Meter Charge</b>	<b>Commodity</b>	<b>Arsenic</b>
Customer Service & Meters	50%	50%		
Transmission and Distribution		50%	50%	
Storage		50%	50%	
Treatment			100%	
Source of Supply			100%	
Conservation / Alternate Water Supply			100%	
Arsenic				100%
Field Services	50%	50%		
Legal Services			100%	
Capital and Debt (based on Asset Register)	5.2%	50.5%	16.8%	27.5%

Generally speaking, functions that are made up of predominantly fixed costs are recovered through fixed charges. For example, Customer Service and Meter costs do not vary with

changes in water sales (i.e., the costs are fixed) and are therefore recovered through the account charge and meter charge. Conversely, functions with variable costs are recovered through the variable charges. Conversely, the Source of Supply function is recovered entirely through the commodity charge.

While all variable costs are recovered through the commodity charge, not all fixed costs are recovered through the fixed charges. There are some fixed costs that are recovered through the commodity charge because the vast majority of the District's costs are fixed; and it is reasonable to recover some of those fixed costs through a variable revenue.

The percentages in the Capital Asset function in in Table 3 are based on the net value of existing assets.

The detailed summary of all cost allocations to revenue recovery components is presented in Schedule 4. Some of the line item in Schedule 4 have an allocation basis of "Indirect Operations." These are general costs that do not fall under any of the specific categories listed in Table 3, therefore the "indirect allocation" method is used to allocate those cost based on relative allocation of all other operating costs (i.e., based on the allocation results up until that point). Further, starting on Row 196 of Schedule 4, the District's non-rate revenue sources are "credited" to each revenue recovery component based on the indirect allocation method for all costs.

### **3.2.3 Step 4: Use System Metrics to Develop Unit Costs**

After District's costs are allocated to revenue recovery components, those costs are then converted to a unit cost of service based on the appropriate system metrics, as shown in Table 4. For example, the revenue requirement for the account charge is approximately \$1.0 million and there are 12,016 current accounts, therefore the charge per account is \$83.23 / year or \$6.94 / month. The revenue requirements for the meter charge and the arsenic charge are divided by the total number of current equivalent meters (see explanation of equivalent meters in text box below). Finally, the commodity rate is calculated by dividing the revenue requirement by all of the District's water sales.

**Table 4: Calculating Unit Cost of Service**

	Account Charge	Meter Charge	Arsenic	Commodity
<b>Units of Service:</b>	12,016 Accounts	13,649 Equivalent Meters	13,649 Equivalent Meters	2,430,117 All Water Sales
<b>Revenue Requirement</b>	<b>\$1,000,100</b>	<b>\$4,662,300</b>	<b>\$1,730,500</b>	<b>\$4,418,500</b>
<b>Unit Costs:</b>	<b>\$83.23</b> per Account per year	<b>\$341.59</b> per equivalent meter per year	<b>\$126.79</b> per equivalent meter per year	<b>\$1.82</b> per HCF
	<b>\$6.94</b> per Account per month	<b>\$28.47</b> per equivalent meter per month	<b>\$10.57</b> per equivalent meter per month	

**EXPLAINING METER EQUIVALENCY**

The meter equivalency metric is an industry-standard factor used to represent the proportional demand that different sized meters place on the system based on the design capacity necessary to serve it. A meter equivalency schedule allows us to express all meter sizes in terms of multiples of the lowest common denominator (in this case the smallest meter is ¾”). The meter equivalency schedule used by this Study is shown in the table below and remains the same as historical District practice.

**Meter Equivalencies**

Meter Size	Meter Type	GPM	Meter Equivalence (a)
¾”	Displacement	30	1.00
1”	Displacement	50	1.67
1 ½”	Displacement	100	3.33
2”	Displacement	160	5.33
3”	Compound	320	10.67
4”	Compound	500	16.67
6”	Compound	1,000	33.33
8”	Compound	1,600	53.33
10”	Compound	2,300	76.66

(a) Source: Table B-1, Appendix B, AWWA M1 Manual, 6th Ed.



### 3.3 PROPOSED RATE STRUCTURE

Some of the District’s costs have fundamentally changed since the last rate study, therefore this Study recommends a modification to the tiered rate structure to reflect these changes. No structural changes are recommended for the fixed charges. These recommendations are detailed below.

#### 3.3.1 Proposed Fixed Rates

The Study recommends that the District’s fixed charges continue to be based on a fixed account charge (assessed to each account), a fixed meter charge (assessed based on meter size), and an arsenic charge (also assessed based on meter size). Together the account charge and meter charge make the Ready-to-Serve Charge. The account charge would be \$6.94 / month in Year 1 (see Table 4) while the meter charge and arsenic charge would depend on the meter size, as summarized in Table 5.

**Table 5: Year 1 Meter Charge and Arsenic Charge by Meter Size**

<b>Fixed Rates (per month)</b>		
<b>Meter Size</b>	<b>Meter Charge</b>	<b>Arsenic Charge</b>
3/4"	\$28.47	\$10.57
1"	\$47.45	\$17.62
1 1/2"	\$94.90	\$35.23
2"	\$151.84	\$56.37
3"	\$303.68	\$112.75
4"	\$474.50	\$176.17
6"	\$949.00	\$352.33
8"	\$1,518.40	\$563.73
10"	\$2,182.70	\$810.37

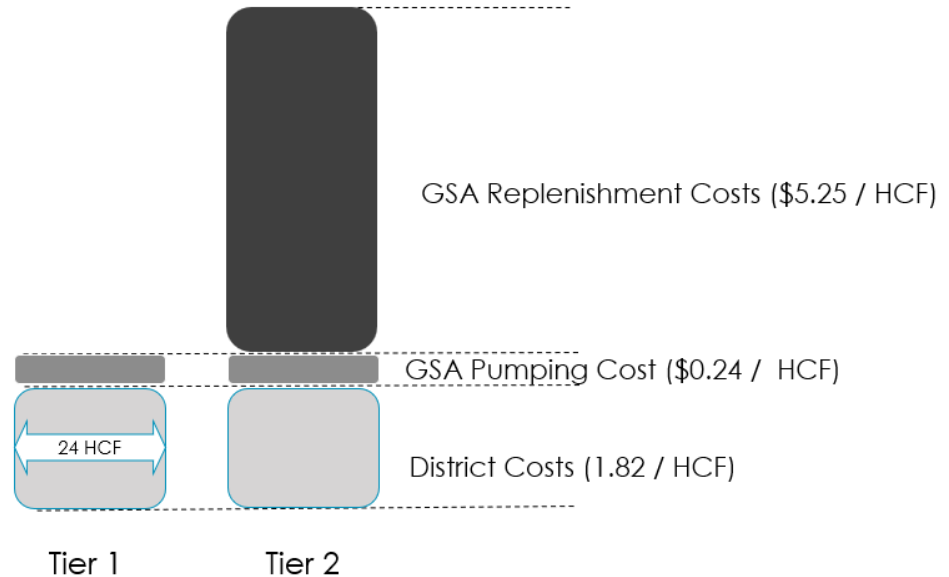
These proposed fixed rates will result in just over 61 percent fixed rate revenue, which is very similar to the current fixed revenue percentage (the actual percentage will depend on actual water sales).

### 3.3.2 Tiered Commodity Rates

The proposed tiered rate structure will have two tiers (instead of four tiers). Tier 1 will recover the District's "commodity" function costs (approximately \$4.4 million, see Row 202 of Schedule 4) and the pass-through of GSA's Groundwater Extraction Fee (currently \$0.24 / HCF). Tier 2 will recover both Tier 1 costs as well as pass-through the GSA Replenishment Fee (currently \$1.65 / HCF). This concept is shown graphically in Figure 6 with rates that would be in effect during Year 1.

Previously the tier water allocations were based on customer water needs (e.g., the Tier 1 allocation for single family homes was based on indoor water needs). In contrast, the proposed revised methodology would size the Tier 1 allocation based on the District's GSA groundwater pumping allocation. Currently the GSA allows the District to pump 4,390 AF before the Replenishment Fee (currently \$2,130 / AF) is imposed. The Tier 1 allocation to District customers is therefore proposed to be designed to allow each customer to use their proportionate share of the water allocation before being charged the pass-through Replenishment Fee. In keeping with current practices, water allocations will continue to be sized in proportion to meter sizes. Based on current water usage (as well as accounting for approximately 8.1 percent water losses between the wells and the end users) an allocation of 20 HCF per equivalent meters results in Tier 1 water sales of 4,050 AF (or 4,377 after adding the 8.1 percent water losses, which is nearly identical to the groundwater pumping allocation mentioned above). As such, the Tier 1 allocation is proposed to be 20 HCF per equivalent meter (per month), with all water usage above the allocation being charged the Tier 2 rate (to pay for the GSA Replenishment Fee). Again, this concept is shown graphically in Figure 6 with rates that would be in effect during Year 1.

This Study assumes that the GSA fees and water allocation will remain the same over the next five years. As such, the GSA portion of the commodity rates remains the same in the proposed 5-year rate schedule (see Schedule 5). The portion of the commodity rates designed to recover District costs will increase by the percentage of the proposed annual rate adjustments.



**Figure 6: Year 1 Tiered Rates and Tier Allocation**

The proposed tier thresholds by meter size are summarized in Table 6.

**Table 6: Proposed Tier Thresholds By Meter Size**

Meter Size	Tier 1 Threshold (HCF per month)
3/4"	20
1"	33
1.5"	65
2"	104
3"	208
4"	325
6"	650
8"	1040

See **Schedule 5** for a complete schedule of Ready-to Serve, Arsenic, and Commodity Rates over the next 5 years.

### **3.4 MISCELLANEOUS CHARGES**

In addition to the fixed and commodity rates described above, the District charges additional rate and non-rate fees that are addressed below.

#### **3.4.1 Zone Charge**

The District currently charges a Zone Charge (elsewhere sometimes known as an elevation charge or pumping charge) to account for the cost to “lift” water to properties that are located in higher elevations. The District has five zones (Zone A through Zone E), which differ in elevation by approximately 100 ft. The methodology in calculating the Zone Charges in the 2018 Rate Study remains applicable, therefore the existing Zone Charges will only increase in proportion to the overall rate revenue increases described in Section 2.3.3. See Schedule 5 for a complete schedule of Zone Charges for the five-year planning period.

#### **3.4.2 Bulk Water Rates**

The District currently provides Bulk Water services for a metered rate to customers who receive the water at the District’s bulk water facility. Individually subscribed customers pay a fixed monthly charge in addition to a uniform commodity rate for water actually used. The methodology in calculating the Bulk Water Rates in the 2018 Rate Study remains reasonable, therefore the existing rate will only increase in proportion to the overall rate revenue increases described in Section 2.3.3. See Schedule 5 for a complete schedule of Bulk Water Rates for the five-year planning period.

#### **3.4.3 Construction Meter Rates**

The District provides the service of issuing temporary meters (“Construction Meters”). The methodology in calculating the monthly meter charges for the Construction Meter rates in the 2018 Rate Study remains reasonable, therefore that portion of the existing Construction Meter rates will only increase in proportion to the overall rate revenue increases described in Section 2.3.3. The volumetric portion of the Construction Meter

Rates will be set equal to Tier 2 Commodity rates going forward. See Schedule 5 for a complete schedule of Construction Meter rates for the five-year planning period.

#### **3.4.4 Private Fire Rates**

Private Fire rates apply to accounts that have a dedicated service line for fire protection. The methodology in calculating the Private Fire rates in the 2018 Rate Study remains reasonable, therefore the existing rates will only increase in proportion to the overall rate revenue increases described in Section 2.3.3. See Schedule 5 for a complete schedule of Private Fire rates for the five-year planning period.

## **Section 4. CONCLUSION**

This Study used methodologies that are aligned with industry standard practices for rate setting as promulgated by AWWA and all applicable law, including Proposition 218. The proposed adjustments to the rates will provide revenue stability and continue to equitably and proportionately recover costs from the appropriate customers.

Based on the methodologies described above, Schedule 5 provides a complete schedule proposed rates over the five-year planning period. The water rates will need to be adopted in accordance with Proposition 218, which will require a detailed notice describing the proposed rates to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates.

It is recommended that the District continue to closely monitor its financial condition on an annual basis.

## SCHEDULES

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- Schedule 1:            Budgeted and Projected Operating and Debt Expenses**
- Schedule 2:            Capital Spending Forecast**
- Schedule 3:            Cash Flow Pro Forma**
- Schedule 4:            Allocation of Costs to System Functions**
- Schedule 5:            Five-Year Schedule of Proposed Water Rates**



**Schedule 1 –Budgeted and Projected Operating and Debt Expenses (1 of 3)**

	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2032/33
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b><u>SOURCE OF SUPPLY</u></b>											
1 PERS ER Contribution	(\$36,000)	(\$37,000)	(\$38,000)	(\$39,000)	(\$41,000)	(\$42,000)	(\$43,000)	(\$44,000)	(\$46,000)	(\$47,000)	(\$48,000)
2 Water Supply - Supervision	\$101,000	\$109,000	\$118,000	\$124,000	\$130,000	\$136,000	\$143,000	\$150,000	\$158,000	\$166,000	\$174,000
3 Capital Project Credit - WS	(\$50,000)	(\$52,000)	(\$53,000)	(\$55,000)	(\$56,000)	(\$58,000)	(\$60,000)	(\$61,000)	(\$63,000)	(\$65,000)	(\$67,000)
4 Water Supply - Labor	\$315,000	\$340,000	\$367,000	\$386,000	\$405,000	\$425,000	\$447,000	\$469,000	\$492,000	\$517,000	\$543,000
5 Water Supply - Overtime	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000
6 Water Supply - Standby OT	\$6,000	\$6,000	\$7,000	\$7,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000
7 Water Supply - Emp Benefits	\$168,000	\$173,000	\$178,000	\$184,000	\$189,000	\$195,000	\$201,000	\$207,000	\$213,000	\$219,000	\$226,000
8 Vehicle Maintenance WS	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000
9 Vehicle Fuel WS	\$11,000	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000
10 Maint of Pumping Structures	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
11 Maint of Pumping Equipment	\$27,000	\$28,000	\$29,000	\$30,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000
12 Maint of Standby Generators	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000	\$16,000	\$17,000	\$17,000
13 Maint and Care of Grounds	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
14 Maintenance Automated Controls	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
15 Telemetry Mnt Agreement	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000
16 Operating Permits	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000	\$20,000
17 Purchased Power Wells, Etc.	\$342,000	\$376,000	\$387,000	\$399,000	\$411,000	\$423,000	\$436,000	\$449,000	\$463,000	\$477,000	\$491,000
18 Water Bill Well Sites	\$9,000	\$10,000	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000
19 Solar Expenses	\$60,000	\$62,000	\$64,000	\$66,000	\$68,000	\$70,000	\$72,000	\$74,000	\$76,000	\$78,000	\$81,000
20 Natural Gas	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
21 Training, Conf, Cert Renewal	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
22 Bulk Water Station Expenses	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000
23 Water Treatment Chemicals	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000	\$44,000	\$46,000	\$47,000	\$48,000
24 Maint Reservoirs & Tanks	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
25 Misc Parts & Materials WS	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
26 Stationery & Supplies WS	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
27 Cell Phones WS	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
28 PERS Cost by Function	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
<b><u>Arsenic Treatment</u></b>											
29 PERS ER Contribution	(\$7,000)	(\$7,000)	(\$7,000)	(\$8,000)	(\$8,000)	(\$8,000)	(\$8,000)	(\$9,000)	(\$9,000)	(\$9,000)	(\$9,000)
30 Arsenic Plant - Supervision	\$17,000	\$18,000	\$20,000	\$21,000	\$22,000	\$23,000	\$24,000	\$25,000	\$27,000	\$28,000	\$29,000
31 Arsenic Plant - Labor	\$53,000	\$57,000	\$62,000	\$65,000	\$68,000	\$72,000	\$75,000	\$79,000	\$83,000	\$87,000	\$91,000
32 Arsenic Plant - OT	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000
33 Arsenic Plant - Standby OT	\$8,000	\$9,000	\$9,000	\$10,000	\$10,000	\$11,000	\$11,000	\$12,000	\$13,000	\$13,000	\$14,000
34 Arsenic Plant - Emp Benefits	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000
35 Maint Arsenic Plant Structures	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000
36 Maint of Arsenic Equipment	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000	\$20,000
37 Maint Arsenic Plant Grounds	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
38 Maint Automated Controls	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
39 Telemetry Mnt Agreement	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000
40 Arsenic Plant - Purchased Powe	\$30,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000
41 Solar Expenses	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$9,000
42 Arsenic Lab Analysis & Eqmt	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000
43 Arsenic Treatment Chemicals	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000
44 Arsenic Solids Disposal	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000
45 Misc Parts & Materials Arsenic	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
46 PERS Cost by Function	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
<b><u>Transmission and Distribution</u></b>											
47 PERS ER Contribution	(\$47,000)	(\$48,000)	(\$50,000)	(\$51,000)	(\$53,000)	(\$54,000)	(\$56,000)	(\$58,000)	(\$60,000)	(\$61,000)	(\$63,000)
48 T&D - Supervision	\$104,000	\$112,000	\$121,000	\$127,000	\$134,000	\$140,000	\$147,000	\$155,000	\$163,000	\$171,000	\$179,000
49 T&D - Labor	\$474,000	\$512,000	\$553,000	\$581,000	\$610,000	\$640,000	\$672,000	\$706,000	\$741,000	\$778,000	\$817,000
50 T&D - NO-DES	\$131,000	\$141,000	\$153,000	\$160,000	\$168,000	\$177,000	\$185,000	\$195,000	\$204,000	\$215,000	\$225,000
51 T&D Capital Projects	(\$55,000)	(\$59,000)	(\$64,000)	(\$67,000)	(\$71,000)	(\$74,000)	(\$78,000)	(\$82,000)	(\$86,000)	(\$90,000)	(\$95,000)
52 T&D - Overtime	\$22,000	\$24,000	\$26,000	\$27,000	\$28,000	\$30,000	\$31,000	\$33,000	\$34,000	\$36,000	\$38,000
53 T&D Standby Time	\$37,000	\$38,000	\$39,000	\$40,000	\$42,000	\$43,000	\$44,000	\$46,000	\$47,000	\$48,000	\$50,000
54 T&D - Benefits	\$377,000	\$388,000	\$400,000	\$412,000	\$424,000	\$437,000	\$450,000	\$464,000	\$478,000	\$492,000	\$507,000
55 Vehicle Maint T&D	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000	\$44,000	\$46,000	\$47,000
56 Vehicle Fuel T&D	\$30,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000
57 Maint Heavy & Light Equipment	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000
58 Maintenance of T&D	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000	\$44,000
59 Maintenance of Fire Hydrants	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000
60 Maintenance Laterals & Meters	\$150,000	\$155,000	\$159,000	\$164,000	\$169,000	\$174,000	\$179,000	\$184,000	\$190,000	\$196,000	\$202,000
61 Maintenance Valves & Boxes	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000
62 Maintenance of Streets	\$360,000	\$371,000	\$382,000	\$393,000	\$405,000	\$417,000	\$430,000	\$443,000	\$456,000	\$470,000	\$484,000



**Schedule 1 –Budgeted and Projected Operating and Debt Expenses (2 of 3)**

	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2032/33
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
63 Maintenance of Streets - Permi	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
64 Welding Supplies T&D	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
65 Misc Parts & Materials T&D	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000
66 Equipment Rental	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
67 Capital Equipment Credit	(\$9,000)	(\$9,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$11,000)	(\$11,000)	(\$11,000)	(\$12,000)	(\$12,000)
68 Training & Conference T&D	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
69 Meal Tickets T&D	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
70 Stationery & Misc Supplies T&D	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
71 Cell Phones T&D	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000
72 PERS Cost by Function	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000
<b>Engineering</b>											
73 PERS ER Contribution	(\$18,000)	(\$19,000)	(\$19,000)	(\$20,000)	(\$20,000)	(\$21,000)	(\$21,000)	(\$22,000)	(\$23,000)	(\$23,000)	(\$24,000)
74 Engineering - Labor	\$252,000	\$272,000	\$294,000	\$309,000	\$324,000	\$340,000	\$357,000	\$375,000	\$394,000	\$414,000	\$434,000
75 Eng - Capital Project Credit	(\$100,000)	(\$108,000)	(\$117,000)	(\$122,000)	(\$129,000)	(\$135,000)	(\$142,000)	(\$149,000)	(\$156,000)	(\$164,000)	(\$172,000)
76 Engineering - Benefits	\$81,000	\$83,000	\$86,000	\$89,000	\$91,000	\$94,000	\$97,000	\$100,000	\$103,000	\$106,000	\$109,000
77 Vehicle Maint ENG	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
78 Vehicle Fuel ENG	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000
79 Water Treatment Lab Analysis	\$27,000	\$28,000	\$29,000	\$30,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000
80 Consumer Confidence Reports	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000	\$10,000
81 Training & Conferences ENG	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
82 Misc Supplies & Equipment	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
83 Cell Phones ENG	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
84 PERS Cost by Function	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
85 Miscellaneous Consultant - GIS	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000
86 Consulting Engineering Service	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000
87 Water Trax Subscription	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000
88 Computer Supplies/Maint Agreem	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000	\$20,000
<b>Customer Service</b>											
89 PERS ER Contribution	(\$16,000)	(\$16,000)	(\$17,000)	(\$17,000)	(\$18,000)	(\$19,000)	(\$19,000)	(\$20,000)	(\$20,000)	(\$21,000)	(\$22,000)
90 Customer Accts - Supervision	\$93,000	\$100,000	\$108,000	\$114,000	\$120,000	\$126,000	\$132,000	\$138,000	\$145,000	\$153,000	\$160,000
91 Customer Accts - Labor	\$97,000	\$105,000	\$113,000	\$119,000	\$125,000	\$131,000	\$138,000	\$144,000	\$152,000	\$159,000	\$167,000
92 Customer Accts - Overtime	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000
93 Customer Accts - Benefits	\$78,000	\$80,000	\$83,000	\$85,000	\$88,000	\$90,000	\$93,000	\$96,000	\$99,000	\$102,000	\$105,000
94 Uncollectible Accounts	\$70,000	\$72,000	\$74,000	\$76,000	\$79,000	\$81,000	\$84,000	\$86,000	\$89,000	\$91,000	\$94,000
95 Postage & Supplies CUSTOMER	\$70,000	\$72,000	\$74,000	\$76,000	\$79,000	\$81,000	\$84,000	\$86,000	\$89,000	\$91,000	\$94,000
96 Print & Reproduction CUSTOMER	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000
97 Training & Conference CUSTOMER	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
98 Stationery & Supplies CUSTOMER	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000
99 PERS Cost by Function	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
<b>Field Services</b>											
100 PERS ER Contribution	(\$20,000)	(\$21,000)	(\$21,000)	(\$22,000)	(\$23,000)	(\$23,000)	(\$24,000)	(\$25,000)	(\$25,000)	(\$26,000)	(\$27,000)
101 Misc Parts & Materials FS	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000
102 Field Service - Supervision	\$101,000	\$109,000	\$118,000	\$124,000	\$130,000	\$136,000	\$143,000	\$150,000	\$158,000	\$166,000	\$174,000
103 Field Service - Labor	\$191,000	\$206,000	\$223,000	\$234,000	\$246,000	\$258,000	\$271,000	\$284,000	\$299,000	\$313,000	\$329,000
104 Field Service - Overtime	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000
105 Field Service Capital Proj Cr	(\$75,000)	(\$77,000)	(\$80,000)	(\$82,000)	(\$84,000)	(\$87,000)	(\$90,000)	(\$92,000)	(\$95,000)	(\$98,000)	(\$101,000)
106 Field Service - Benefits	\$155,000	\$160,000	\$164,000	\$169,000	\$174,000	\$180,000	\$185,000	\$191,000	\$196,000	\$202,000	\$208,000
107 Vehicle Maintenance FS	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000
108 Vehicle Fuel FS	\$13,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000
109 Maintenance Meters FS	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000
110 AMI	\$55,000	\$57,000	\$58,000	\$60,000	\$62,000	\$64,000	\$66,000	\$68,000	\$70,000	\$72,000	\$74,000
111 Training & Conferences FS	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
112 Stationery & Supplies FS	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
113 Cell Phones FS	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
114 PERS Cost by Function	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000
<b>General Administration</b>											
115 PERS ER Contribution	(\$80,000)	(\$82,000)	(\$85,000)	(\$87,000)	(\$90,000)	(\$93,000)	(\$96,000)	(\$98,000)	(\$101,000)	(\$104,000)	(\$108,000)
116 Administration - Supervision	\$542,000	\$585,000	\$632,000	\$664,000	\$697,000	\$732,000	\$768,000	\$807,000	\$847,000	\$890,000	\$934,000
117 Administration - Labor	\$207,000	\$224,000	\$241,000	\$254,000	\$266,000	\$280,000	\$293,000	\$308,000	\$324,000	\$340,000	\$357,000
118 Accounting - Labor	\$141,000	\$152,000	\$164,000	\$173,000	\$181,000	\$190,000	\$200,000	\$210,000	\$220,000	\$231,000	\$243,000
119 Administration - Overtime	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
120 Accounting - Overtime	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000
121 Administration - Benefits	\$262,000	\$270,000	\$278,000	\$286,000	\$295,000	\$304,000	\$313,000	\$322,000	\$332,000	\$342,000	\$352,000
122 Accounting - Benefits	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000	\$69,000	\$71,000
123 Vehicle Maintenance ADMIN	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
124 Vehicle Fuel ADMIN	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000

**Schedule 1 –Budgeted and Projected Operating and Debt Expenses (3 of 3)**

	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2032/33
	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
125 Stationery & Supplies ADMIN	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000
126 Printing & Reproduction ADMIN	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
127 Postage ADMIN	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
128 Memberships & Subscriptions	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000
129 Travel & Conference MGMT	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
130 Travel & Conference ADMIN/ACCT	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
131 Travel & Conference (IT)	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
132 Maintenance of Structures	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
133 Office & Shop Utilities	\$25,000	\$28,000	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000
134 Hazardous Waste Disposal	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000
135 Solar Expenses	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000
136 Telephones	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000
137 Cell Phones ADMIN	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
138 Internet Service Provider	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000	\$16,000
139 Security Services	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000
140 Custodian/Caretaker	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000	\$16,000
141 Ins Property & Liability	\$252,000	\$260,000	\$267,000	\$275,000	\$284,000	\$292,000	\$301,000	\$310,000	\$319,000	\$329,000	\$339,000
142 Deductible Adjustments	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
143 New Employee Verification	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
144 Public Employees Retirement	\$266,000	\$274,000	\$283,000	\$291,000	\$300,000	\$309,000	\$318,000	\$327,000	\$337,000	\$347,000	\$358,000
145 PERS Cost by Function	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000	\$28,000	\$29,000	\$30,000	\$30,000	\$31,000	\$32,000
146 Workers Comp Previous FY	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
147 Accrued Sick/Vacation Leave	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
148 Safety/Training & Equipment	\$46,000	\$47,000	\$49,000	\$50,000	\$52,000	\$53,000	\$55,000	\$57,000	\$58,000	\$60,000	\$62,000
149 Misc. Sundries & Supplies	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000	\$20,000
150 Warehouse Supplies	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
151 Legal Services	\$975,000	\$1,004,000	\$1,034,000	\$1,065,000	\$1,097,000	\$1,130,000	\$1,164,000	\$1,199,000	\$1,235,000	\$1,272,000	\$1,310,000
152 Auditing Services	\$26,000	\$27,000	\$28,000	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000
153 Financial Services	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
154 Hydrogeologist Consultant	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000
155 Underground Service Alert	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
156 Rents/Lease Equipment	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
157 Leases Real Estate BLM	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$9,000
158 Equipment Maintenance	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000
159 Server Maintenance Agreement	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
160 Computer Maintenance	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000
161 Springbrook Software Maint	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000
162 Cost of Service Study	\$30,000	\$0	\$0	\$0	\$60,000	\$0	\$0	\$0	\$60,000	\$0	\$0
163 Answering Service	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000
<b>Legislative Expenses</b>											
164 Director's Fees	\$26,000	\$29,000	\$31,000	\$32,000	\$34,000	\$36,000	\$37,000	\$39,000	\$41,000	\$43,000	\$45,000
165 Health Insurance Director's	\$68,000	\$70,000	\$72,000	\$74,000	\$77,000	\$79,000	\$81,000	\$84,000	\$86,000	\$89,000	\$91,000
166 Director's Workers Comp	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
167 Director's Payroll Taxes	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
168 Recording Secretary	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
169 Travel & Convention Directors	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
<b>Miscellaneous</b>											
170 Admin Fees AD87-1	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
171 OPEB Expense	\$138,000	\$142,000	\$146,000	\$151,000	\$155,000	\$160,000	\$165,000	\$170,000	\$175,000	\$180,000	\$185,000
172 Misc Service Charges/Penalties	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
173 Credit Card Service Charges	\$120,000	\$124,000	\$127,000	\$131,000	\$135,000	\$139,000	\$143,000	\$148,000	\$152,000	\$157,000	\$161,000
174 Web Payment Service Charges	\$59,000	\$61,000	\$63,000	\$64,000	\$66,000	\$68,000	\$70,000	\$73,000	\$75,000	\$77,000	\$79,000
175 Misc State & County Fees	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
176 SWRCB Annual Fee (was CDPH)	\$39,000	\$40,000	\$41,000	\$43,000	\$44,000	\$45,000	\$47,000	\$48,000	\$49,000	\$51,000	\$52,000
177 Public Information	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000
178 LAFCO Expense	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000
179 WSIP Monitoring	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
180 General Plan Expense	\$75,000	\$77,000	\$80,000	\$82,000	\$84,000	\$87,000	\$90,000	\$92,000	\$95,000	\$98,000	\$101,000
<b>GSA</b>											
181 GSA Pump Fee	\$560,000	\$560,000	\$562,000	\$563,000	\$565,000	\$567,000	\$568,000	\$570,000	\$572,000	\$574,000	\$575,000
182 GSA Replenishment Fee	\$4,230,000	\$3,493,000	\$3,504,000	\$3,514,000	\$3,525,000	\$3,535,000	\$3,546,000	\$3,557,000	\$3,567,000	\$3,578,000	\$3,589,000
<b>Conservation</b>											
183 Conservation Web Payment S/Chg	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000
184 Water Conservation Programs	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
185 Water Conservation Advertising	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
186 Conser/Public Education OT	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
<b>Alternate Water Supply</b>											
187 Well Monitoring Program	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
188 Kern County Property Tax	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000
189 Inyo Kern County Property Tax	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000
190 Alternate Water Supply General	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000
191 AWS Butterworth Ranch Olancha	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000	\$20,000
192 AWS Stine Property	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
<b>Debt Service</b>											
193 Solar Loan	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000
194 2018 COP	\$1,891,000	\$1,882,000	\$1,885,000	\$1,879,000	\$1,880,000	\$1,875,000	\$1,878,000	\$1,880,000	\$1,887,000	\$1,887,000	\$1,885,000
<b>195 Total Operating &amp; Debt Expenses</b>	<b>\$15,341,000</b>	<b>\$14,963,000</b>	<b>\$15,382,000</b>	<b>\$15,715,000</b>	<b>\$16,146,000</b>	<b>\$16,446,000</b>	<b>\$16,828,000</b>	<b>\$17,225,000</b>	<b>\$17,719,000</b>	<b>\$18,102,000</b>	<b>\$18,534,000</b>

**Schedule 2 –Capital Spending Projections**

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<b>WATER SUPPLY</b>											
1 Telemetry Replacements & Upgrades		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000	
2 Replacement Well/Well 36 (Phase II)											
3 Well 17 MCC			\$235,000								
4 Arsenic Plant Tower		\$45,000									
5 Arsenic Plant Underdrain	\$138,000	\$175,000									
6 Arsenic Plant Roofs		\$15,000									
7 Pressure Reduction Valve		\$250,000			\$250,000						
8 Magmeter X 10		\$100,000									
9 Electric Valves	\$15,000										
10 Well Rehab X 2		\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
11 Ridgecrest Heights Booster			\$1,500,000								
12 Disaster Repair - Gateway Booster	\$250,000	\$2,415,000									
<b>13 TOTAL WATER SUPPLY</b>	<b>\$403,000</b>	<b>\$3,310,000</b>	<b>\$2,035,000</b>	<b>\$310,000</b>	<b>\$550,000</b>	<b>\$310,000</b>	<b>\$300,000</b>	<b>\$310,000</b>	<b>\$300,000</b>	<b>\$310,000</b>	<b>\$300,000</b>
<b>WATER DISTRIBUTION</b>											
14 New Service Installations	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
15 Burns Mainline Replacement					\$200,000						
16 French St Mainline Replacement				\$750,000							
17 Springer 24" Line			\$3,400,000								
18 Gateway Blvd 24"				\$2,500,000							
19 Bowman 30"								\$5,400,000			
20 College Heights Blvd 18"										\$1,200,000	
21 Springer Tank Solar	\$10,000										
22 South Gold Canyon Mainline Replacement		\$150,000									
23 Karen Mainline Replacement		\$150,000									
24 Eastside 4" Lateral Replacements		\$700,000									
25 La Mirage Mainline Replacements						\$2,750,000	\$2,750,000				
26 Fire Hydrants	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
27 Springer to Gateway Tank											
28 Tanks X 3	\$500,000	\$4,884,000									
29 End-of-Life Meter Exchange	\$338,000	\$348,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
30 Bulk Station	\$100,000										
<b>31 TOTAL TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$965,000</b>	<b>\$6,249,000</b>	<b>\$3,477,000</b>	<b>\$3,327,000</b>	<b>\$277,000</b>	<b>\$2,827,000</b>	<b>\$2,827,000</b>	<b>\$5,477,000</b>	<b>\$77,000</b>	<b>\$1,277,000</b>	<b>\$77,000</b>
<b>TECH</b>											
32 Misc Computer Purchases	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
33 SCADA Laptops		\$13,000									
34 Replacement Equipment Server	\$15,000			\$15,000			\$15,000			\$15,000	
<b>35 TOTAL TECH</b>	<b>\$30,000</b>	<b>\$28,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	<b>\$15,000</b>
<b>GENERAL PLANT</b>											
36 Vehicles Replacement	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
37 New Infrastructure Back Parking Lot & North Wall				\$800,000							
38 Miscellaneous Capital Purchases	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
<b>39 TOTAL GENERAL PLANT</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$945,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>
<b>SOURCE OF SUPPLY</b>											
40 Groundwater Storage Study	\$30,000										
41 El Paso Exploration		\$75,000									
<b>42 TOTAL FUTURE SOURCE OF SUPPLY</b>	<b>\$30,000</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>43 TOTAL CAPITAL PROGRAM:</b>	<b>\$1,573,000</b>	<b>\$9,807,000</b>	<b>\$5,672,000</b>	<b>\$4,612,000</b>	<b>\$987,000</b>	<b>\$3,297,000</b>	<b>\$3,302,000</b>	<b>\$5,947,000</b>	<b>\$537,000</b>	<b>\$1,762,000</b>	<b>\$537,000</b>

**Schedule 3 –Cash Flow Pro Forma**

	Actual FY2022	Budget FY2023	Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033
1 <b>Rate Revenue Increase:</b>		8.00%	8.00%	8.00%	6.00%	6.00%	6.00%	6.00%	3.00%	3.00%	3.00%	3.00%
<b>Rate Revenue</b>												
2 <b>Usage Revenue (Commodity &amp; Zone)</b>	\$4,044,000	\$4,165,320	\$4,510,000	\$4,884,000	\$5,289,000	\$5,623,000	\$5,978,000	\$6,354,000	\$6,755,000	\$6,977,000	\$7,208,000	\$7,446,000
3 Change due to growth & use		\$12,000	\$14,000	\$15,000	\$16,000	\$17,000	\$18,000	\$19,000	\$20,000	\$21,000	\$22,000	\$22,000
4 Increase due to rate adjustments		\$111,000	\$180,000	\$195,000	\$159,000	\$169,000	\$179,000	\$191,000	\$101,000	\$105,000	\$108,000	\$112,000
5 <b>Fixed Revenue (RTS, Arsenic &amp; Fire Protection)</b>	\$6,926,000	\$7,133,780	\$7,725,000	\$8,366,000	\$9,061,000	\$9,632,000	\$10,239,000	\$10,884,000	\$11,571,000	\$11,954,000	\$12,348,000	\$12,755,000
6 Change due to growth & use		\$21,000	\$23,000	\$25,000	\$27,000	\$29,000	\$31,000	\$33,000	\$35,000	\$36,000	\$37,000	\$38,000
7 Increase due to rate adjustments		\$190,000	\$309,000	\$335,000	\$272,000	\$289,000	\$307,000	\$327,000	\$174,000	\$179,000	\$185,000	\$191,000
8 <b>Other Rate Revenue (Bulk &amp; Construction)</b>	\$151,000	\$155,530	\$168,000	\$182,000	\$196,000	\$208,000	\$220,000	\$234,000	\$248,000	\$256,000	\$264,000	\$272,000
9 Increase due to rate adjustments		\$6,000	\$7,000	\$7,000	\$6,000	\$6,000	\$7,000	\$7,000	\$4,000	\$4,000	\$4,000	\$0
10 <b>GSA Fees</b>	\$4,761,000	\$4,053,000	\$4,065,000	\$4,078,000	\$4,090,000	\$4,102,000	\$4,114,000	\$4,127,000	\$4,139,000	\$4,152,000	\$4,164,000	\$4,176,000
<b>Non-Rate Revenues</b>												
11 Miscellaneous Fees	\$566,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000
12 Interest Earnings	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
13 Capital Facility Fees	\$550,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000
14 Operating Revenue	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
15 Assessment Revenue	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
16 <b>Total Revenue</b>	<b>\$17,116,000</b>	<b>\$16,750,630</b>	<b>\$17,904,000</b>	<b>\$18,990,000</b>	<b>\$20,019,000</b>	<b>\$20,978,000</b>	<b>\$21,996,000</b>	<b>\$23,079,000</b>	<b>\$23,950,000</b>	<b>\$24,587,000</b>	<b>\$25,243,000</b>	<b>\$25,915,000</b>
<b>O&amp;M Costs</b>												
17 Source of Supply	\$1,104,000	\$1,184,000	\$1,242,000	\$1,289,000	\$1,338,000	\$1,389,000	\$1,442,000	\$1,498,000	\$1,555,000	\$1,615,000	\$1,677,000	\$1,742,000
18 Legislative Expenses	\$103,000	\$107,000	\$112,000	\$116,000	\$120,000	\$124,000	\$129,000	\$133,000	\$138,000	\$143,000	\$148,000	\$154,000
19 Field Services	\$497,000	\$527,000	\$559,000	\$583,000	\$607,000	\$633,000	\$660,000	\$688,000	\$718,000	\$748,000	\$781,000	\$814,000
20 Conservation	\$14,000	\$14,000	\$15,000	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000
21 Transmission & Distribution	\$1,741,000	\$1,829,000	\$1,920,000	\$1,994,000	\$2,070,000	\$2,149,000	\$2,232,000	\$2,318,000	\$2,408,000	\$2,501,000	\$2,598,000	\$2,700,000
22 Customer Service	\$428,000	\$451,000	\$474,000	\$493,000	\$513,000	\$533,000	\$554,000	\$576,000	\$599,000	\$623,000	\$648,000	\$674,000
23 Engineering	\$365,000	\$384,000	\$404,000	\$420,000	\$436,000	\$453,000	\$471,000	\$489,000	\$508,000	\$528,000	\$549,000	\$571,000
24 General Administration	\$3,243,000	\$3,356,000	\$3,505,000	\$3,631,000	\$3,822,000	\$3,898,000	\$4,039,000	\$4,185,000	\$4,397,000	\$4,495,000	\$4,660,000	\$4,830,000
25 Arsenic Treatment	\$219,000	\$232,000	\$243,000	\$253,000	\$262,000	\$272,000	\$282,000	\$293,000	\$304,000	\$316,000	\$328,000	\$340,000
26 Non-Operating Expenses	\$333,000	\$343,000	\$353,000	\$364,000	\$375,000	\$386,000	\$398,000	\$409,000	\$422,000	\$434,000	\$447,000	\$461,000
27 GSA	\$4,790,000	\$4,053,000	\$4,065,000	\$4,078,000	\$4,090,000	\$4,102,000	\$4,114,000	\$4,127,000	\$4,139,000	\$4,152,000	\$4,164,000	\$4,176,000
28 Alternate Water Supply	\$71,000	\$73,000	\$75,000	\$78,000	\$80,000	\$82,000	\$85,000	\$87,000	\$90,000	\$93,000	\$95,000	\$98,000
29 <b>Total Operating Expenses</b>	<b>\$12,908,000</b>	<b>\$12,553,000</b>	<b>\$12,967,000</b>	<b>\$13,314,000</b>	<b>\$13,728,000</b>	<b>\$14,037,000</b>	<b>\$14,422,000</b>	<b>\$14,820,000</b>	<b>\$15,295,000</b>	<b>\$15,666,000</b>	<b>\$16,113,000</b>	<b>\$16,579,000</b>
<b>Capital Costs</b>												
30 <b>Total Capital Spending (rows 32, 33 &amp; 34)</b>	<b>\$1,671,000</b>	<b>\$9,706,000</b>	<b>\$5,842,000</b>	<b>\$4,892,000</b>	<b>\$1,078,000</b>	<b>\$3,710,000</b>	<b>\$3,827,000</b>	<b>\$7,100,000</b>	<b>\$4,939,000</b>	<b>\$5,087,000</b>	<b>\$5,240,000</b>	<b>\$5,397,000</b>
31 Existing Debt Service	\$2,425,000	\$2,416,000	\$2,419,000	\$2,413,000	\$2,414,000	\$2,410,000	\$2,412,000	\$2,414,000	\$2,421,000	\$2,421,000	\$2,419,000	\$2,420,000
32 PayGo Funded Capital Projects	(\$250,000)	\$4,121,000	\$795,000	\$2,240,000	\$1,078,000	\$3,710,000	\$3,827,000	\$5,166,000	\$4,939,000	\$5,087,000	\$5,240,000	\$5,397,000
33 2018 COP Funded Projects	\$1,816,000	\$4,560,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34 Capital Facility Fee Funded CIP	\$105,000	\$1,025,640	\$0	\$0	\$0	\$0	\$0	\$1,934,365	\$0	\$0	\$0	\$0
35 New Debt Service	\$0	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000
36 <b>Total Capital Expenses (rows 31, 32, 33 &amp; 34)</b>	<b>\$4,096,000</b>	<b>\$12,616,640</b>	<b>\$3,708,000</b>	<b>\$5,147,000</b>	<b>\$3,986,000</b>	<b>\$6,614,000</b>	<b>\$6,733,000</b>	<b>\$10,008,365</b>	<b>\$7,854,000</b>	<b>\$8,002,000</b>	<b>\$8,153,000</b>	<b>\$8,311,000</b>
37 <b>Total Rate Revenue Requirement</b>	<b>\$15,083,000</b>	<b>\$19,584,000</b>	<b>\$16,675,000</b>	<b>\$18,461,000</b>	<b>\$17,714,000</b>	<b>\$20,651,000</b>	<b>\$21,155,000</b>	<b>\$22,894,000</b>	<b>\$23,149,000</b>	<b>\$23,668,000</b>	<b>\$24,266,000</b>	<b>\$24,890,000</b>
38 <b>Beginning Year Balance</b>	<b>\$13,345,000</b>	<b>\$14,828,000</b>	<b>\$11,595,630</b>	<b>\$12,425,630</b>	<b>\$12,555,630</b>	<b>\$14,461,630</b>	<b>\$14,389,630</b>	<b>\$14,831,630</b>	<b>\$14,617,630</b>	<b>\$15,019,630</b>	<b>\$15,539,630</b>	<b>\$16,117,630</b>
39 <b>Surplus/(Shortfall)</b>	<b>\$1,483,000</b>	<b>(\$3,232,370)</b>	<b>\$830,000</b>	<b>\$130,000</b>	<b>\$1,906,000</b>	<b>(\$72,000)</b>	<b>\$442,000</b>	<b>(\$214,000)</b>	<b>\$402,000</b>	<b>\$520,000</b>	<b>\$578,000</b>	<b>\$626,000</b>
40 <b>End of Year Balance</b>	<b>\$14,828,000</b>	<b>\$11,595,630</b>	<b>\$12,425,630</b>	<b>\$12,555,630</b>	<b>\$14,461,630</b>	<b>\$14,389,630</b>	<b>\$14,831,630</b>	<b>\$14,617,630</b>	<b>\$15,019,630</b>	<b>\$15,539,630</b>	<b>\$16,117,630</b>	<b>\$16,743,630</b>
41 <i>Minimum Reserve Level</i>	\$4,059,000	\$4,250,000	\$4,451,000	\$4,618,000	\$4,819,000	\$4,968,000	\$5,154,000	\$5,347,000	\$5,578,000	\$5,757,000	\$5,975,000	\$6,202,000
42 <i>Available Balance</i>	\$10,769,000	\$7,345,630	\$7,974,630	\$7,937,630	\$9,642,630	\$9,421,630	\$9,677,630	\$9,270,630	\$9,441,630	\$9,782,630	\$10,142,630	\$10,541,630
43 <i>Ending Restricted Fund Balance</i>	\$1,675,000	\$1,048,360	\$1,447,360	\$1,846,360	\$2,245,360	\$2,844,360	\$3,043,360	\$1,507,995	\$1,906,995	\$2,305,995	\$2,704,995	\$3,103,995
<b>Debt Coverage Calculations</b>												
44 <i>Total Revenue Available for Debt Service</i>	\$4,208,000	\$4,197,630	\$4,937,000	\$5,676,000	\$6,291,000	\$6,941,000	\$7,574,000	\$8,259,000	\$8,655,000	\$8,921,000	\$9,130,000	\$9,336,000
45 <i>Total Yearly Parity Debt Payment</i>	\$2,425,000	\$2,910,000	\$2,913,000	\$2,907,000	\$2,908,000	\$2,904,000	\$2,906,000	\$2,908,000	\$2,915,000	\$2,915,000	\$2,913,000	\$2,914,000
46 <b>Debt Coverage Ratio</b>	<b>1.74</b>	<b>1.44</b>	<b>1.69</b>	<b>1.95</b>	<b>2.16</b>	<b>2.39</b>	<b>2.61</b>	<b>2.84</b>	<b>2.97</b>	<b>3.06</b>	<b>3.13</b>	<b>3.20</b>

**Schedule 4 –Allocation of Costs to System Functions (1 of 3)**

Budget Line Items	FY 2022/23 Budget	Allocation Basis	Percent Allocation to Revenue Recovery Components				Account Charge	Meter Charge	Commodity	Arsenic
			Account Charge	Meter Charge	Commodity	Arsenic				
<b>Water Supply Expenses</b>										
1 PERS ER Contributions	(\$37,100)	Source of Supply	0%	0%	100%	0%	\$0	\$0	(\$37,100)	\$0
2 Supervision	\$109,100	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$109,100	\$0
3 Capital Credit	(\$51,500)	Source of Supply	0%	0%	100%	0%	\$0	\$0	(\$51,500)	\$0
4 Labor	\$340,200	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$340,200	\$0
5 Overtime	\$1,600	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$1,600	\$0
6 Standby Time	\$6,500	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$6,500	\$0
7 Benefits	\$173,000	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$173,000	\$0
8 Vehicle Maintenance	\$20,600	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$20,600	\$0
9 Vehicle Fuel	\$12,100	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$12,100	\$0
10 Maintenance Of Structures	\$4,100	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$4,100	\$0
11 Maintenance of Equipment	\$27,800	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$27,800	\$0
12 Maintenance Standby Generators	\$13,400	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$13,400	\$0
13 Maintenance & Care Of Grounds	\$4,100	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$4,100	\$0
14 Maintenance Automated Controls	\$10,300	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$10,300	\$0
15 Automated Controls Maint Agreement	\$4,600	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$4,600	\$0
16 Operating Permits	\$15,500	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$15,500	\$0
17 Purchased Power	\$376,200	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$376,200	\$0
18 Water Bills	\$9,700	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$9,700	\$0
19 Solar Expenses	\$61,800	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$61,800	\$0
20 Natural Gas	\$600	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$600	\$0
21 Training & Conferences	\$5,200	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$5,200	\$0
22 Bulk Water Station Expenses	\$11,300	Storage	0%	50%	50%	0%	\$0	\$5,650	\$5,650	\$0
23 Water Treatment Chemicals	\$37,100	Treatment	0%	0%	100%	0%	\$0	\$0	\$37,100	\$0
24 Maint Reservoirs & Tanks	\$2,100	Storage	0%	50%	50%	0%	\$0	\$1,050	\$1,050	\$0
25 Misc Parts & Materials	\$10,300	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$10,300	\$0
26 Stationery & Computer Supplies	\$2,100	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$2,100	\$0
27 Cell Phones	\$2,700	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$2,700	\$0
28 PERS Cost by Function	\$10,300	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$10,300	\$0
<b>Arsenic Plant Expenses</b>										
29 PERS ER Contributions	(\$7,200)	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	(\$7,200)
30 Supervision	\$18,400	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$18,400
31 Labor	\$57,200	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$57,200
32 Overtime	\$1,100	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$1,100
33 Standby Time	\$8,600	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$8,600
34 Benefits	\$30,900	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$30,900
35 Maintenance of Structures	\$3,600	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$3,600
36 Maintenance of Equipment	\$15,500	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$15,500
37 Maintenance Arsenic Plant Grounds	\$1,000	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$1,000
38 Maintenance Automated Controls	\$5,200	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$5,200
39 Automated Controls Maint Agreement	\$2,900	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$2,900
40 Purchased Power	\$33,000	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$33,000
41 Solar Expense	\$7,200	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$7,200
42 Lab Analysis & Equipment	\$5,200	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$5,200
43 Treatment Chemicals	\$41,200	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$41,200
44 Solids Disposal	\$4,400	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$4,400
45 Misc Parts & Materials	\$2,100	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$2,100
46 PERS Cost by Function	\$2,100	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$2,100
<b>Transmission &amp; Distribution Expenses</b>										
47 PERS ER Contributions	(\$48,400)	Trans & Dist	0%	50%	50%	0%	\$0	(\$24,200)	(\$24,200)	\$0
48 Supervision	\$112,300	Trans & Dist	0%	50%	50%	0%	\$0	\$56,150	\$56,150	\$0
49 Labor	\$511,900	Trans & Dist	0%	50%	50%	0%	\$0	\$255,950	\$255,950	\$0
50 No-DES Labor	\$141,300	Trans & Dist	0%	50%	50%	0%	\$0	\$70,650	\$70,650	\$0
51 Capital Project Credit	(\$59,400)	Trans & Dist	0%	50%	50%	0%	\$0	(\$29,700)	(\$29,700)	\$0
52 Overtime	\$23,800	Trans & Dist	0%	50%	50%	0%	\$0	\$11,900	\$11,900	\$0
53 Standby Time	\$38,100	Trans & Dist	0%	50%	50%	0%	\$0	\$19,050	\$19,050	\$0
54 Benefits	\$388,300	Trans & Dist	0%	50%	50%	0%	\$0	\$194,150	\$194,150	\$0
55 Vehicle Maintenance	\$36,100	Trans & Dist	0%	50%	50%	0%	\$0	\$18,050	\$18,050	\$0
56 Vehicle Fuel	\$33,000	Trans & Dist	0%	50%	50%	0%	\$0	\$16,500	\$16,500	\$0
57 Maintenance Heavy & Light Equipment	\$30,900	Trans & Dist	0%	50%	50%	0%	\$0	\$15,450	\$15,450	\$0
58 Maintenance of T&D	\$34,000	Trans & Dist	0%	50%	50%	0%	\$0	\$17,000	\$17,000	\$0
59 Maintenance of Fire Hydrants	\$6,200	Trans & Dist	0%	50%	50%	0%	\$0	\$3,100	\$3,100	\$0
60 Maintenance Laterals & Meters	\$154,500	Trans & Dist	0%	50%	50%	0%	\$0	\$77,250	\$77,250	\$0
61 Maintenance Valves & Boxes	\$18,500	Trans & Dist	0%	50%	50%	0%	\$0	\$9,250	\$9,250	\$0
62 Maintenance Of Streets	\$370,800	Trans & Dist	0%	50%	50%	0%	\$0	\$185,400	\$185,400	\$0
63 Maintenance Of Streets - Permits	\$3,100	Trans & Dist	0%	50%	50%	0%	\$0	\$1,550	\$1,550	\$0
64 Welding Supplies	\$1,000	Trans & Dist	0%	50%	50%	0%	\$0	\$500	\$500	\$0
65 Misc Parts & Materials	\$12,400	Trans & Dist	0%	50%	50%	0%	\$0	\$6,200	\$6,200	\$0
66 Equipment Rental	\$3,100	Trans & Dist	0%	50%	50%	0%	\$0	\$1,550	\$1,550	\$0
67 Capital Equipment Credit	(\$9,300)	Trans & Dist	0%	50%	50%	0%	\$0	(\$4,650)	(\$4,650)	\$0
68 Training and Conferences	\$5,200	Trans & Dist	0%	50%	50%	0%	\$0	\$2,600	\$2,600	\$0
69 Meal Tickets	\$1,000	Trans & Dist	0%	50%	50%	0%	\$0	\$500	\$500	\$0
70 Stationery & Computer Supplies	\$2,100	Trans & Dist	0%	50%	50%	0%	\$0	\$1,050	\$1,050	\$0
71 Cell Phones	\$2,000	Trans & Dist	0%	50%	50%	0%	\$0	\$1,000	\$1,000	\$0
72 PERS Cost by Function	\$16,500	Trans & Dist	0%	50%	50%	0%	\$0	\$8,250	\$8,250	\$0

**Schedule 4 – Allocation of Costs to System Functions (2 of 3)**

Budget Line Items	FY 2022/23 Budget	Allocation Basis	Percent Allocation to Revenue Recovery Components				Account Charge	Meter Charge	Commodity	Arsenic
			Account Charge	Meter Charge	Commodity	Arsenic				
<b>Engineering Expenses</b>										
73 PERS ER Contributions	(\$18,500)	Asset Register	5%	50%	17%	28%	(\$956)	(\$9,335)	(\$3,113)	(\$5,096)
74 Labor	\$272,200	Asset Register	5%	50%	17%	28%	\$14,072	\$137,344	\$45,810	\$74,973
75 Capital Project Credit	(\$108,000)	Asset Register	5%	50%	17%	28%	(\$5,584)	(\$54,494)	(\$18,176)	(\$29,747)
76 Benefits	\$83,400	Asset Register	5%	50%	17%	28%	\$4,312	\$42,081	\$14,036	\$22,971
77 Vehicle Maintenance	\$2,100	Asset Register	5%	50%	17%	28%	\$109	\$1,060	\$353	\$578
78 Vehicle Fuel	\$4,400	Asset Register	5%	50%	17%	28%	\$227	\$2,220	\$741	\$1,212
79 Water Treatment Lab Analysis	\$27,800	Treatment	0%	0%	100%	0%	\$0	\$0	\$27,800	\$0
80 Consumer Confidence Reports	\$7,700	Asset Register	5%	50%	17%	28%	\$398	\$3,885	\$1,296	\$2,121
81 Training and Conferences (Engineering)	\$3,100	Asset Register	5%	50%	17%	28%	\$160	\$1,564	\$522	\$854
82 Stationery & Computer Supplies	\$4,100	Asset Register	5%	50%	17%	28%	\$212	\$2,069	\$690	\$1,129
83 Cell Phones	\$1,000	Asset Register	5%	50%	17%	28%	\$52	\$505	\$168	\$275
84 PERS Cost by Function	\$5,200	Asset Register	5%	50%	17%	28%	\$269	\$2,624	\$875	\$1,432
85 Miscellaneous Consultant - GIS	\$20,600	Asset Register	5%	50%	17%	28%	\$1,065	\$10,394	\$3,467	\$5,674
86 Consulting Engineer Services	\$51,500	Asset Register	5%	50%	17%	28%	\$2,663	\$25,985	\$8,667	\$14,185
87 Water Trax Subscription	\$12,200	Asset Register	5%	50%	17%	28%	\$631	\$6,156	\$2,053	\$3,360
88 Computer Maintenance	\$15,500	Asset Register	5%	50%	17%	28%	\$801	\$7,821	\$2,609	\$4,269
<b>Customer Service Expenses</b>										
89 PERS ER Contributions	(\$16,500)	Customer Service & Me	50%	50%	0%	0%	(\$8,250)	(\$8,250)	\$0	\$0
90 Supervision	\$100,400	Customer Service & Me	50%	50%	0%	0%	\$50,200	\$50,200	\$0	\$0
91 Labor	\$104,800	Customer Service & Me	50%	50%	0%	0%	\$52,400	\$52,400	\$0	\$0
92 Overtime	\$1,100	Customer Service & Me	50%	50%	0%	0%	\$550	\$550	\$0	\$0
93 Benefits	\$80,300	Customer Service & Me	50%	50%	0%	0%	\$40,150	\$40,150	\$0	\$0
94 Uncollectible Accounts	\$72,100	Customer Service & Me	50%	50%	0%	0%	\$36,050	\$36,050	\$0	\$0
95 Postage & Supplies	\$72,100	Customer Service & Me	50%	50%	0%	0%	\$36,050	\$36,050	\$0	\$0
96 Printing & Reproduction	\$16,500	Customer Service & Me	50%	50%	0%	0%	\$8,250	\$8,250	\$0	\$0
97 Training & Conferences	\$2,100	Customer Service & Me	50%	50%	0%	0%	\$1,050	\$1,050	\$0	\$0
98 Cash Short/Over	\$200	Customer Service & Me	50%	50%	0%	0%	\$100	\$100	\$0	\$0
99 Stationery & Computer Supplies	\$12,400	Customer Service & Me	50%	50%	0%	0%	\$6,200	\$6,200	\$0	\$0
100 PERS Cost by Function	\$5,200	Customer Service & Me	50%	50%	0%	0%	\$2,600	\$2,600	\$0	\$0
<b>Field Service Expenses</b>										
101 PERS ER Contributions	(\$20,600)	Field Services	50%	50%	0%	0%	(\$10,300)	(\$10,300)	\$0	\$0
102 Misc Parts & Materials	\$3,600	Field Services	50%	50%	0%	0%	\$1,800	\$1,800	\$0	\$0
103 Supervision	\$109,100	Field Services	50%	50%	0%	0%	\$54,550	\$54,550	\$0	\$0
104 Labor	\$206,300	Field Services	50%	50%	0%	0%	\$103,150	\$103,150	\$0	\$0
105 Overtime	\$2,900	Field Services	50%	50%	0%	0%	\$1,450	\$1,450	\$0	\$0
106 Capital Project Credit	(\$77,300)	Field Services	50%	50%	0%	0%	(\$38,650)	(\$38,650)	\$0	\$0
107 Benefits	\$159,700	Field Services	50%	50%	0%	0%	\$79,850	\$79,850	\$0	\$0
108 Vehicle Maintenance	\$16,500	Field Services	50%	50%	0%	0%	\$8,250	\$8,250	\$0	\$0
109 Vehicle Fuel	\$14,300	Field Services	50%	50%	0%	0%	\$7,150	\$7,150	\$0	\$0
110 Maintenance of Meters	\$41,200	Field Services	50%	50%	0%	0%	\$20,600	\$20,600	\$0	\$0
111 Itron Software	\$0	Field Services	50%	50%	0%	0%	\$0	\$0	\$0	\$0
112 AMI	\$56,700	Field Services	50%	50%	0%	0%	\$28,350	\$28,350	\$0	\$0
113 Training and Conferences	\$5,200	Field Services	50%	50%	0%	0%	\$2,600	\$2,600	\$0	\$0
114 Stationery & Computer Supplies	\$1,000	Field Services	50%	50%	0%	0%	\$500	\$500	\$0	\$0
115 Cell Phones	\$2,600	Field Services	50%	50%	0%	0%	\$1,300	\$1,300	\$0	\$0
116 PERS Cost by Function	\$6,200	Field Services	50%	50%	0%	0%	\$3,100	\$3,100	\$0	\$0
<b>Admin, Accounting &amp; General Expenses</b>										
117 PERS ER Contributions	(\$82,400)	Indirect Operations	15%	46%	29%	10%	(\$12,213)	(\$38,108)	(\$24,122)	(\$7,956)
118 Supervision	\$585,400	Indirect Operations	15%	46%	29%	10%	\$86,769	\$270,734	\$171,372	\$56,525
119 Administration - Labor	\$223,600	Indirect Operations	15%	46%	29%	10%	\$33,142	\$103,410	\$65,458	\$21,590
120 Accounting - Labor	\$152,300	Indirect Operations	15%	46%	29%	10%	\$22,574	\$70,435	\$44,585	\$14,706
121 Administration - Overtime	\$2,200	Indirect Operations	15%	46%	29%	10%	\$326	\$1,017	\$644	\$212
122 Accounting - Overtime	\$1,100	Indirect Operations	15%	46%	29%	10%	\$163	\$509	\$322	\$106
123 Administration - Benefits	\$269,900	Indirect Operations	15%	46%	29%	10%	\$40,005	\$124,823	\$79,012	\$26,061
124 Accounting - Benefits	\$54,600	Indirect Operations	15%	46%	29%	10%	\$8,093	\$25,251	\$15,984	\$5,272
125 Vehicle Maintenance	\$5,200	Indirect Operations	15%	46%	29%	10%	\$771	\$2,405	\$1,522	\$502
126 Vehicle Fuel	\$5,500	Indirect Operations	15%	46%	29%	10%	\$815	\$2,544	\$1,610	\$531
127 Stationery & Computer Supplies	\$11,300	Indirect Operations	15%	46%	29%	10%	\$1,675	\$5,226	\$3,308	\$1,091
128 Printing & Reproduction	\$500	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$500	\$0
129 Postage	\$4,100	Indirect Operations	15%	46%	29%	10%	\$608	\$1,896	\$1,200	\$396
130 Memberships & Subscriptions	\$51,500	Indirect Operations	15%	46%	29%	10%	\$7,633	\$23,818	\$15,076	\$4,973
131 Travel & Conference (Management)	\$5,200	Indirect Operations	15%	46%	29%	10%	\$771	\$2,405	\$1,522	\$502
132 Travel & Conference (Admin/Accounting)	\$5,200	Indirect Operations	15%	46%	29%	10%	\$771	\$2,405	\$1,522	\$502
133 Travel & Conference (IT)	\$3,100	Indirect Operations	15%	46%	29%	10%	\$459	\$1,434	\$908	\$299
134 Maintenance of Structures	\$5,200	Indirect Operations	15%	46%	29%	10%	\$771	\$2,405	\$1,522	\$502
135 Office & Shop Utilities	\$27,500	Indirect Operations	15%	46%	29%	10%	\$4,076	\$12,718	\$8,050	\$2,655
136 Hazardous Waste Disposal	\$4,400	Indirect Operations	15%	46%	29%	10%	\$652	\$2,035	\$1,288	\$425
137 Solar Expenses	\$3,600	Indirect Operations	15%	46%	29%	10%	\$534	\$1,665	\$1,054	\$348
138 Telephones	\$16,500	Indirect Operations	15%	46%	29%	10%	\$2,446	\$7,631	\$4,830	\$1,593
139 Cell Phones	\$5,700	Indirect Operations	15%	46%	29%	10%	\$845	\$2,636	\$1,669	\$550
140 Internet Service Provider	\$12,400	Indirect Operations	15%	46%	29%	10%	\$1,838	\$5,735	\$3,630	\$1,197
141 Security Services	\$6,700	Indirect Operations	15%	46%	29%	10%	\$993	\$3,099	\$1,961	\$647
142 Custodian/Caretaker	\$12,400	Indirect Operations	15%	46%	29%	10%	\$1,838	\$5,735	\$3,630	\$1,197
143 Ins Property & Liability	\$259,600	Indirect Operations	15%	46%	29%	10%	\$38,478	\$120,059	\$75,996	\$25,066

**Schedule 4 – Allocation of Costs to System Functions (3 of 3)**

Budget Line Items	Percent Allocation to Revenue Recovery Components										
	FY 2022/23		Account				Meter				
	Budget	Allocation Basis	Charge	Charge	Commodity	Arsenic	Charge	Charge	Commodity	Arsenic	
144 Deductible Adjustments	\$3,100	Indirect Operations	15%	46%	29%	10%	\$459	\$1,434	\$908	\$299	
145 New Employee Verification	\$1,000	Indirect Operations	15%	46%	29%	10%	\$148	\$462	\$293	\$97	
146 Public Employees Retirement	\$274,300	Indirect Operations	15%	46%	29%	10%	\$40,657	\$126,857	\$80,300	\$26,486	
147 PERS Cost by Function	\$24,700	Indirect Operations	15%	46%	29%	10%	\$3,661	\$11,423	\$7,231	\$2,385	
148 Workers' Comp Previous FY	\$5,200	Indirect Operations	15%	46%	29%	10%	\$771	\$2,405	\$1,522	\$502	
149 Accrued Sick/Vacation Leave	\$5,200	Indirect Operations	15%	46%	29%	10%	\$771	\$2,405	\$1,522	\$502	
150 Safety Materials and Equipment	\$47,400	Indirect Operations	15%	46%	29%	10%	\$7,026	\$21,921	\$13,876	\$4,577	
151 Miscellaneous Supplies	\$15,500	Indirect Operations	15%	46%	29%	10%	\$2,297	\$7,168	\$4,538	\$1,497	
152 Warehouse Supplies	\$10,300	Indirect Operations	15%	46%	29%	10%	\$1,527	\$4,764	\$3,015	\$995	
153 Legal Services	\$1,004,300	Legal Services	0%	0%	100%	0%	\$0	\$0	\$1,004,300	\$0	
154 Auditing Services	\$26,800	Indirect Operations	15%	46%	29%	10%	\$3,972	\$12,394	\$7,846	\$2,588	
155 Financial Services	\$2,600	Indirect Operations	15%	46%	29%	10%	\$385	\$1,202	\$761	\$251	
156 Hydrogeologist Consultant	\$41,200	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$41,200	\$0	
157 Underground Service Alert	\$3,100	Trans & Dist	0%	50%	50%	0%	\$0	\$1,550	\$1,550	\$0	
158 Rents/Lease Equipment	\$4,100	Trans & Dist	0%	50%	50%	0%	\$0	\$2,050	\$2,050	\$0	
159 Leases Real Estate BLM	\$7,200	Indirect Operations	15%	46%	29%	10%	\$1,067	\$3,330	\$2,108	\$695	
160 Office Equipment Maintenance	\$16,500	Indirect Operations	15%	46%	29%	10%	\$2,446	\$7,631	\$4,830	\$1,593	
161 Server Maintenance Agreement	\$2,100	Indirect Operations	15%	46%	29%	10%	\$311	\$971	\$615	\$203	
162 Computer Maintenance	\$20,600	Indirect Operations	15%	46%	29%	10%	\$3,053	\$9,527	\$6,031	\$1,989	
163 Springbrook Software Maintenance	\$41,200	Indirect Operations	15%	46%	29%	10%	\$6,107	\$19,054	\$12,061	\$3,978	
164 Answering Service	\$6,200	Indirect Operations	15%	46%	29%	10%	\$919	\$2,867	\$1,815	\$599	
<b>Legislative Expenses</b>											
165 Director's Fees	\$28,500	Indirect Operations	15%	46%	29%	10%	\$4,224	\$13,181	\$8,343	\$2,752	
166 Director's Health Insurance	\$70,000	Indirect Operations	15%	46%	29%	10%	\$10,376	\$32,373	\$20,492	\$6,759	
167 Director's Workers' Comp	\$3,100	Indirect Operations	15%	46%	29%	10%	\$459	\$1,434	\$908	\$299	
168 Director's Payroll Taxes	\$2,100	Indirect Operations	15%	46%	29%	10%	\$311	\$971	\$615	\$203	
169 Recording Secretary	\$2,100	Indirect Operations	15%	46%	29%	10%	\$311	\$971	\$615	\$203	
170 Travel & Convention - Directors	\$1,500	Indirect Operations	15%	46%	29%	10%	\$222	\$694	\$439	\$145	
<b>Miscellaneous</b>											
171 Admin Fees AD 87-1	\$1,800	Indirect Operations	15%	46%	29%	10%	\$267	\$832	\$527	\$174	
172 OPEB Expense	\$142,100	Indirect Operations	15%	46%	29%	10%	\$21,062	\$65,718	\$41,599	\$13,721	
173 Misc Service Charges/Penalties	\$10,300	Indirect Operations	15%	46%	29%	10%	\$1,527	\$4,764	\$3,015	\$995	
174 Credit Card Service Charges	\$123,600	Indirect Operations	15%	46%	29%	10%	\$18,320	\$57,162	\$36,183	\$11,934	
175 Web Payments	\$60,800	Indirect Operations	15%	46%	29%	10%	\$9,012	\$28,119	\$17,799	\$5,871	
176 Misc State & County Fees	\$2,600	Indirect Operations	15%	46%	29%	10%	\$385	\$1,202	\$761	\$251	
177 SWRCB Annual Fee	\$40,200	Indirect Operations	15%	46%	29%	10%	\$5,959	\$18,592	\$11,768	\$3,882	
178 Public Information	\$6,200	Indirect Operations	15%	46%	29%	10%	\$919	\$2,867	\$1,815	\$599	
179 LAFCO Expense	\$3,600	Indirect Operations	15%	46%	29%	10%	\$534	\$1,665	\$1,054	\$348	
180 WSIP Monitoring	\$1,000	Indirect Operations	15%	46%	29%	10%	\$148	\$462	\$293	\$97	
181 General Plan Exp	\$77,300	Indirect Operations	15%	46%	29%	10%	\$11,458	\$35,749	\$22,629	\$7,464	
<b>Conservation</b>											
182 Conservation - Web Payments Svc Chg	\$1,200	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$1,200	\$0	
183 Water Conservation Programs	\$500	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$500	\$0	
184 Water Conservation Advertising	\$10,300	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$10,300	\$0	
185 Conservation OT	\$2,100	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$2,100	\$0	
<b>Alternative Water Supply</b>											
186 Well Monitoring Program	\$1,000	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$1,000	\$0	
187 Kern County Property Tax	\$11,300	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$11,300	\$0	
188 Inyo County Property Tax	\$4,300	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$4,300	\$0	
189 Alternate Water Supply General	\$51,500	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$51,500	\$0	
190 AWS - Butterworth Ranch Olancha	\$15,500	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$15,500	\$0	
191 AWS - Stine Property	\$5,200	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$5,200	\$0	
<b>NON-OPERATING COSTS</b>											
193 Debt Service	\$2,910,000	Asset Register	5%	50%	17%	28%	\$150,444	\$1,468,299	\$489,740	\$801,516	
194 Average PayGo	\$2,388,800	Asset Register	5%	50%	17%	28%	\$123,499	\$1,205,317	\$402,025	\$657,960	
<b>SOURCES</b>											
196 Miscellaneous Fees	(\$386,000)	Indirect All Expenses	9%	44%	30%	16%	(\$36,324)	(\$169,093)	(\$117,730)	(\$62,853)	
197 Non-Primary Rate Revenue	(\$588,300)	Indirect All Expenses	9%	44%	30%	16%	(\$55,361)	(\$257,713)	(\$179,431)	(\$95,794)	
198 Interest Earnings	(\$50,000)	Indirect All Expenses	9%	44%	30%	16%	(\$4,705)	(\$21,903)	(\$15,250)	(\$8,142)	
199 Operating Revenue	(\$60,000)	Indirect All Expenses	9%	44%	30%	16%	(\$5,646)	(\$26,284)	(\$18,300)	(\$9,770)	
200 Assessment Revenue	(\$8,000)	Indirect All Expenses	9%	44%	30%	16%	(\$753)	(\$3,505)	(\$2,440)	(\$1,303)	
201 Change in Fund Balance	(\$897,170)	Indirect All Expenses	9%	44%	30%	16%	(\$84,427)	(\$393,018)	(\$273,637)	(\$146,088)	
202 Totals:	\$11,811,430						\$1,000,100	\$4,662,300	\$4,418,500	\$1,730,500	

**Schedule 5 – Five-Year Schedule of Proposed Water Rates (1 of 3)**

**Effective March 1, 2023**

Commodity Charges (per HCF)

	District Commodity Rate	GSA Extraction Fee	GSA Replenishment Fee	Total
Tier 1	\$1.82	\$0.24	\$0.00	\$2.06
Tier 2	\$1.82	\$0.24	\$5.25	\$7.31

Fixed Monthly Charges

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$35.41	\$10.57	\$45.98
1"	\$54.39	\$17.62	\$72.01
1 1/2"	\$101.84	\$35.23	\$137.07
2"	\$158.78	\$56.37	\$215.15
3"	\$310.62	\$112.75	\$423.37
4"	\$481.44	\$176.17	\$657.61
6"	\$955.94	\$352.33	\$1,308.27
8"	\$1,525.34	\$563.73	\$2,089.07
10"	\$2,189.64	\$810.37	\$3,000.01

Zone Charges

Zone	Volumetric Charge (per HCF)
Zone B	\$0.27
Zone C	\$0.50
Zone D	\$0.77
Zone E	\$1.04

Construction Meter Charges

	Rates
Monthly Meter Charge:*	\$223.18
Volumetric Unit Rate (per HCF):	\$7.31

\* May be pro-rated for partial months.

Private Fire Service

Meter Size	Monthly Charge
1"	\$1.89
2"	\$11.71
3"	\$33.99
4"	\$72.41
6"	\$210.35
8"	\$448.28
10"	\$806.16

Bulk Water Rates

	Rates
Monthly Fixed Charge:	\$34.87
Volumetric Charge (per HCF):	\$6.93

**Effective January 1, 2024**

Commodity Charges (per HCF)

	District Commodity Rate	GSA Extraction Fee	GSA Replenishment Fee	Total
Tier 1	\$1.97	\$0.24	\$0.00	\$2.21
Tier 2	\$1.97	\$0.24	\$5.25	\$7.46

Fixed Monthly Charges

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$38.24	\$11.42	\$49.66
1"	\$58.74	\$19.03	\$77.77
1 1/2"	\$109.99	\$38.05	\$148.04
2"	\$171.48	\$60.88	\$232.36
3"	\$335.47	\$121.77	\$457.24
4"	\$519.96	\$190.26	\$710.22
6"	\$1,032.42	\$380.52	\$1,412.94
8"	\$1,647.37	\$608.83	\$2,256.20
10"	\$2,364.81	\$875.20	\$3,240.01

Zone Charges

Zone	Volumetric Charge (per HCF)
Zone B	\$0.29
Zone C	\$0.54
Zone D	\$0.83
Zone E	\$1.12

Construction Meter Charges

	Rates
Monthly Meter Charge:*	\$241.03
Volumetric Unit Rate (per HCF):	\$7.46

\* May be pro-rated for partial months.

Private Fire Service

Meter Size	Monthly Charge
1"	\$2.04
2"	\$12.65
3"	\$36.71
4"	\$78.20
6"	\$227.18
8"	\$484.14
10"	\$870.65

Bulk Water Rates

	Rates
Monthly Fixed Charge:	\$37.66
Volumetric Charge (per HCF):	\$7.48



**Schedule 5 – Five-Year Schedule of Proposed Water Rates (2 of 3)**

**Effective January 1, 2025**

**Commodity Charges (per HCF)**

	District Commodity Rate	GSA Extraction Fee	GSA Replenishment Fee	Total
Tier 1	\$2.13	\$0.24	\$0.00	\$2.37
Tier 2	\$2.13	\$0.24	\$5.25	\$7.62

**Fixed Monthly Charges**

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$41.30	\$12.33	\$53.63
1"	\$63.44	\$20.55	\$83.99
1 1/2"	\$118.79	\$41.09	\$159.88
2"	\$185.20	\$65.75	\$250.95
3"	\$362.31	\$131.51	\$493.82
4"	\$561.56	\$205.48	\$767.04
6"	\$1,115.01	\$410.96	\$1,525.97
8"	\$1,779.16	\$657.54	\$2,436.70
10"	\$2,553.99	\$945.22	\$3,499.21

**Zone Charges**

Zone	Volumetric Charge (per HCF)
Zone B	\$0.31
Zone C	\$0.58
Zone D	\$0.90
Zone E	\$1.21

**Construction Meter Charges**

	Rates
Monthly Meter Charge:*	\$260.31
Volumetric Unit Rate (per HCF):	\$7.62

\* May be pro-rated for partial months.

**Private Fire Service**

Meter Size	Monthly Charge
1"	\$2.20
2"	\$13.66
3"	\$39.65
4"	\$84.46
6"	\$245.35
8"	\$522.87
10"	\$940.30

**Bulk Water Rates**

	Rates
Monthly Fixed Charge:	\$40.67
Volumetric Charge (per HCF):	\$8.08

**Effective January 1, 2026**

**Commodity Charges (per HCF)**

	District Commodity Rate	GSA Extraction Fee	GSA Replenishment Fee	Total
Tier 1	\$2.26	\$0.24	\$0.00	\$2.50
Tier 2	\$2.26	\$0.24	\$5.25	\$7.75

**Fixed Monthly Charges**

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$43.78	\$13.07	\$56.85
1"	\$67.25	\$21.78	\$89.03
1 1/2"	\$125.92	\$43.56	\$169.48
2"	\$196.31	\$69.70	\$266.01
3"	\$384.05	\$139.40	\$523.45
4"	\$595.25	\$217.81	\$813.06
6"	\$1,181.91	\$435.62	\$1,617.53
8"	\$1,885.91	\$696.99	\$2,582.90
10"	\$2,707.23	\$1,001.93	\$3,709.16

**Zone Charges**

Zone	Volumetric Charge (per HCF)
Zone B	\$0.33
Zone C	\$0.61
Zone D	\$0.95
Zone E	\$1.28

**Construction Meter Charges**

	Rates
Monthly Meter Charge:*	\$275.93
Volumetric Unit Rate (per HCF):	\$7.75

\* May be pro-rated for partial months.

**Private Fire Service**

Meter Size	Monthly Charge
1"	\$2.33
2"	\$14.48
3"	\$42.03
4"	\$89.53
6"	\$260.07
8"	\$554.24
10"	\$996.72

**Bulk Water Rates**

	Rates
Monthly Fixed Charge:	\$43.11
Volumetric Charge (per HCF):	\$8.56

**Schedule 5 – Five-Year Schedule of Proposed Water Rates (3 of 3)**

**Effective January 1, 2027**

**Commodity Charges**

	District Commodity Rate	GSA Extraction Fee	GSA Replenishment Fee	Total
Tier 1	\$2.40	\$0.24	\$0.00	\$2.64
Tier 2	\$2.40	\$0.24	\$5.25	\$7.89

**Fixed Monthly Charges**

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$46.41	\$13.85	\$60.26
1"	\$71.29	\$23.09	\$94.38
1 1/2"	\$133.48	\$46.17	\$179.65
2"	\$208.09	\$73.88	\$281.97
3"	\$407.09	\$147.76	\$554.85
4"	\$630.97	\$230.88	\$861.85
6"	\$1,252.82	\$461.76	\$1,714.58
8"	\$1,999.06	\$738.81	\$2,737.87
10"	\$2,869.66	\$1,062.05	\$3,931.71

**Zone Charges**

Zone	Volumetric Charge (per HCF)
Zone B	\$0.35
Zone C	\$0.65
Zone D	\$1.01
Zone E	\$1.36

**Construction Meter Charges**

	Rates
Monthly Meter Charge:*	\$292.49
Volumetric Unit Rate (per HCF):	\$7.89

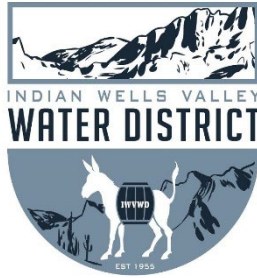
\* May be pro-rated for partial months.

**Private Fire Service**

Meter Size	Monthly Charge
1"	\$2.47
2"	\$15.35
3"	\$44.55
4"	\$94.90
6"	\$275.67
8"	\$587.49
10"	\$1,056.52

**Bulk Water Rates**

	Rates
Monthly Fixed Charge:	\$45.70
Volumetric Charge (per HCF):	\$9.07



# Committee Reports

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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WATER MANAGEMENT COMMITTEE  
SPECIAL MEETING MINUTES

THURSDAY, NOVEMBER 17, 2022 – 2:00 P.M.

BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

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Attendees: Don Zdeba, Jason Lillion, Ty Staheli, and Renée Morquecho

**1. Meeting Canceled**

The meeting was canceled at 2:10 p.m. due to lack of committee member attendance.

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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PLANT AND EQUIPMENT COMMITTEE  
REGULAR MEETING

REPORT

TUESDAY, DECEMBER 6, 2022 – 2:00 PM  
BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

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Attendees: Chuck Griffin, Ron Kicinski, Ty Staheli, Jason Lillion, Renée Morquecho, and Don Zdeba.

**1. Call to Order**

The meeting was called to order at 2:00 pm.

**2. Committee/Public Comments**

Staff provided an update on the 30-inch cement mortar lined and coated steel transmission pipeline leak along Inyokern Road. The leak started last Thursday night and then became larger as the maintenance crew began to uncover the pipe and chip off the outer cement coating on Friday morning. The pipeline is out of service at this time and all water is being supplied from the southwest well field and dropped to the lower zone via the pressure reducing stations. Staff is working with Krieger & Stewart to schedule an inspection of the interior of the pipe as well as corrosion testing. A contractor will be here this weekend to make the needed repair to the pipe.

**3. Well 31 Rehabilitation: Project Update**

Layne pulled all the equipment from the well and has finished brushing. Staff is determining what pump will be needed and there may be a possibility of using the old pump from Well 34 that was rebuilt when the production was increased to 2,000 gpm.

**4. Booster Station and Tanks Project: Update**

Canyon Springs Enterprises (CSE) is currently working on the construction of the booster building and underground piping. The walls and roof are complete. Gateway Tank construction is complete as is the coating. Work now is on the inlet/outlet piping. The C-zone tank has been erected and the coaters mobilized yesterday to begin sand blasting. Tortoise fencing was installed around the College tank site and CSE has been working on the retaining wall and the new inlet/outlet piping. Connection to the new piping will be scheduled during the holiday closure for Cerro Coso College.

**5. Arsenic Treatment Facilities: Update**

Plant 1: PureFlow is not comfortable sifting the existing media and reusing it. So staff has decided to install the new underdrains in-house and use the funds to purchase new media. Plant 2 is on standby if needed to service the “A” pressure zone if needed due to the transmission main along Inyokern Rd. shut down.

**6. Solar Production: Report**

The Committee reviewed the report provided by ENGIE Services for July 2022 through November 2022. For November, the actual savings was \$41,171.70 and the guaranteed savings was \$36,739.56. The total savings this fiscal year is \$243,506.29. At the Well 35 site, actual savings for November was \$1,259.64 and the guaranteed savings was \$1,458.10. The total savings since the Well 35 site went online January of this year is \$22,534.18

**7. Future Agenda Items**

- Contract award for Demolition and Construction of Concrete Structures
- Update on the repair/inspection of the 30-inch transmission main.

**8. Adjournment**

The meeting was adjourned at 2:12 pm.

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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FINANCE COMMITTEE  
REGULAR MEETING

REPORT

TUESDAY DECEMBER 6, 2022 – 2:30 PM  
BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

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ATTENDEES: Mallory Boyd, Stan Rajtora, Don Zdeba, Ty Staheli, Jason Lillion, and Renee Morquecho

**1. Call to Order**

The Finance Committee Meeting was called to order at 2:30 pm.

**2. Committee/Public Comments**

None.

**3. Fraud Risk Discussion**

Description: Discuss potential or actual fraud risks within the organization.

None to report.

**4. Third Quarter 2022 Investment Reports**

Description: Presentation to Committee of the quarterly investment earnings of the District's reserves in the Kern County Treasury and the State Treasury's Local Agency Investment Fund (LAIF).

**INDIAN WELLS VALLEY WATER DISTRICT  
 QUARTERLY INVESTMENT REPORT  
 QUARTER ENDING SEPTEMBER 2021**

<b>INVESTMENTS</b>	<b>UNRESTRICTED</b>	<b>RESTRICTED</b>	<b>TOTAL</b>
Cash in Bank	\$ 2,528,802	0	
Local Agency Investment Fund	1,374,130		
Kern County Treasurer	8,939,448	1,230,990	
BNY Mellon 2018 COP Project Fund		6,376,165	
Total Water District Investments	<u>\$ 12,842,379</u>	<u>\$ 7,607,154</u>	<u>\$ 20,449,533</u>

<b>RESERVES</b>	<b>DISTRICT DESIGNATED</b>	<b>RESTRICTED</b>	<b>TOTAL</b>
Capital Improvements & Replacements (Committed)	\$ 2,193,422		
Vehicle Replacement (Assigned)	350,889		
Computer Equipment Replacement (Assigned)	100,254		
Emergency Reserve (Committed)	3,119,766		
Alternate Water Supply/Future Source of Supply (Assigned)	1,578,189		
Miscellaneous Capital (Assigned for projects postponed)	1,281,410		
Customer Deposits & Credits (Nonspendable)	274,250		
Prepaid Connection Fees (Nonspendable)	400,730		
Post-Retirement Health Benefits - Kern County (Assigned)	315,517		
Emergency Reserve (Uncommitted)	3,227,952		
AD 87-1 Reserve Funds (Restricted to pay Prop 55 Loan)		482,903	
2018 COP Project Funds		6,376,165	
Capital Facility Fees		<u>748,086</u>	
Total Water District Reserves	<u>\$ 12,842,379</u>	<u>\$ 7,607,154</u>	<u>\$ 20,449,533</u>

*In the event of an emergency, the District may be required to use any or all unrestricted funds in Mission Bank, Kern County Treasury and LAIF*

**5. Financial Statements November 30, 2022 (preliminary)**

Description: Presentation to Committee financial reports and graphs depicting current revenue and expense trends compared to budget and previous fiscal year actuals.

Estimated year-to-date revenues as of November 30, 2022, are \$7,061,420 and expenses are \$7,405,368, therefore expenditures exceeded revenues by \$343,948, which is less than budget by \$136,260.

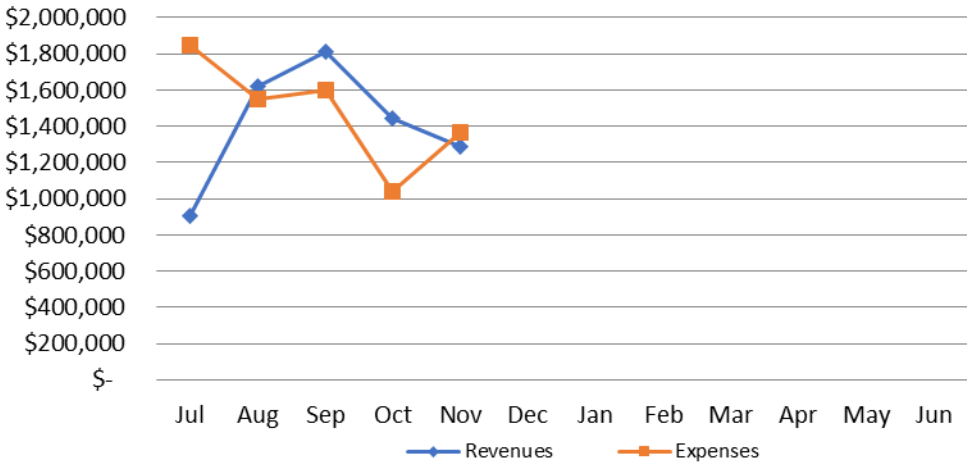
Staff presented the following spreadsheet, which compares November year-to-date actual to budgeted revenues and expenses by category:



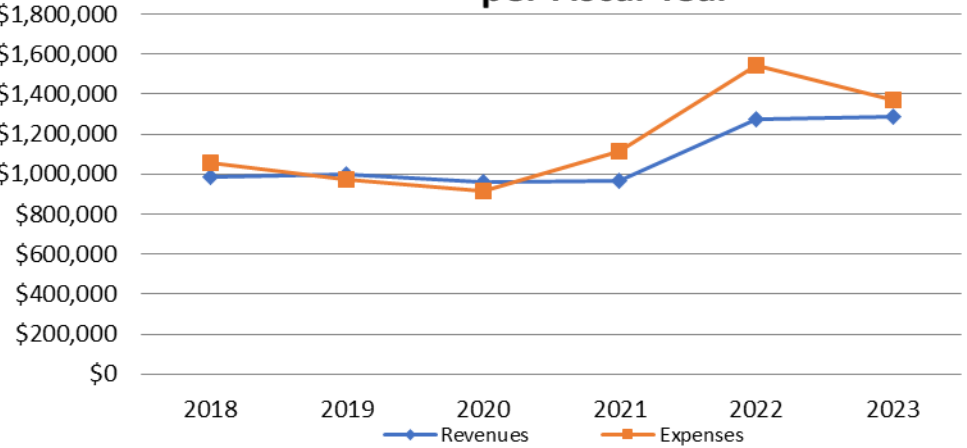
**Indian Wells Valley Water District**  
**Revenues vs. Expense**  
**Actuals & Budget through November 2022 (Preliminary)**

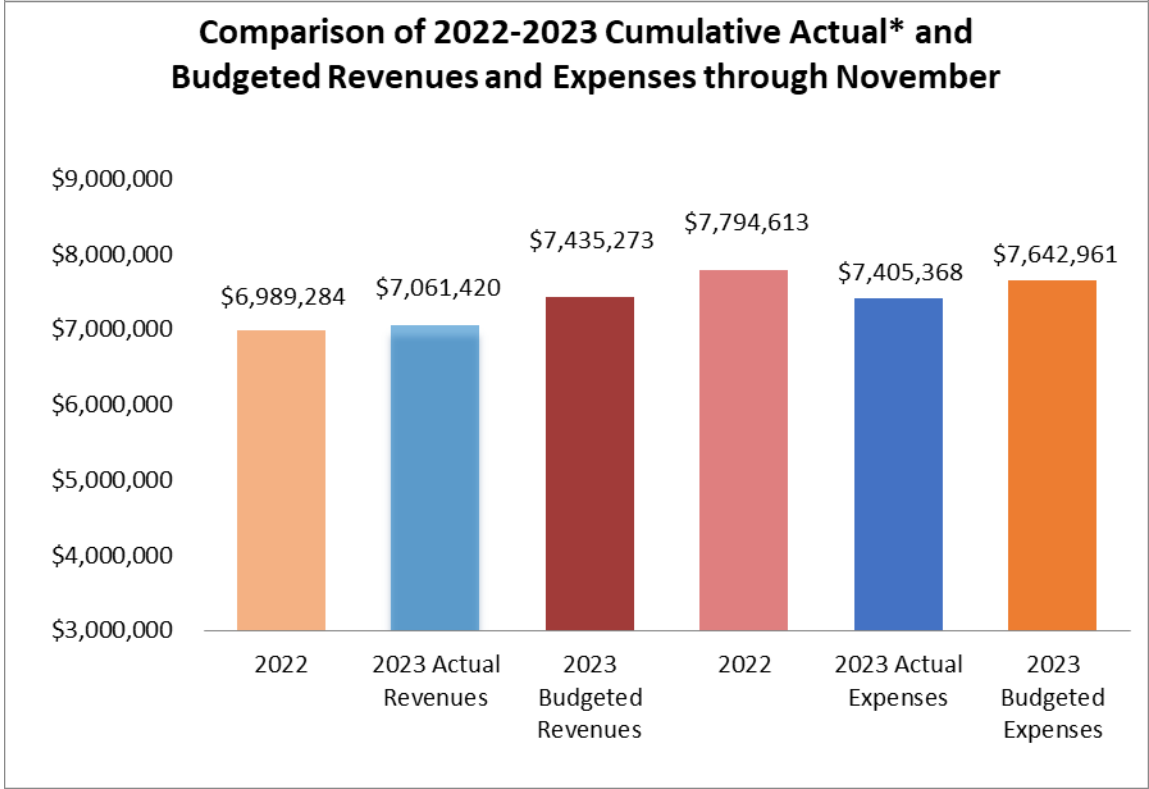
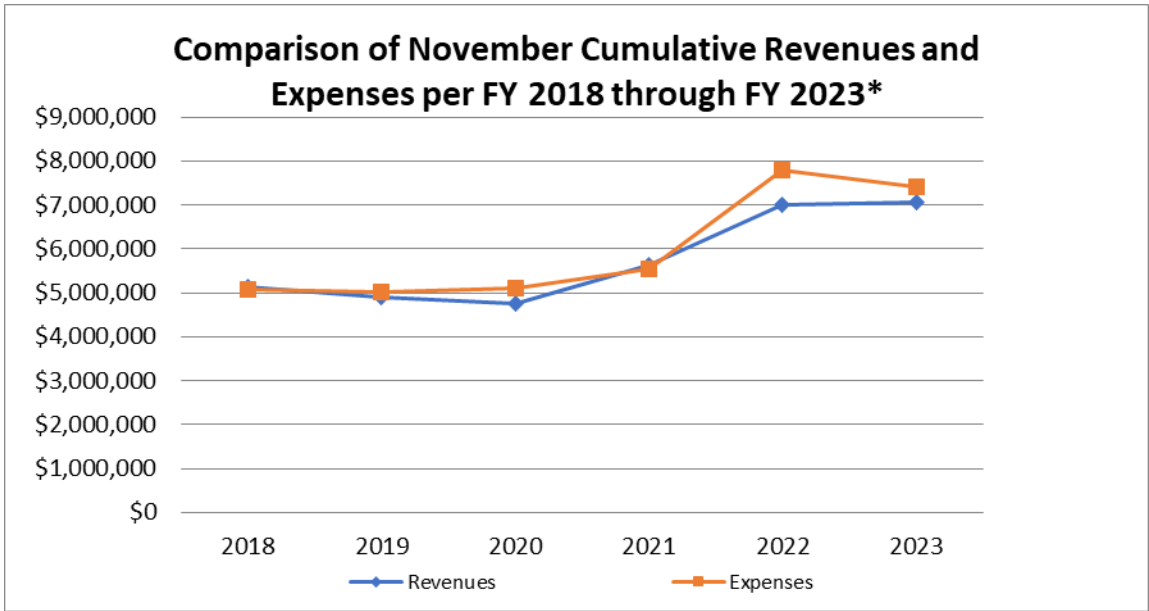
	Budget	Actuals	Δ
<b>Revenues</b>			
Total Water Sales	4,952,066	4,473,781	-478,285
GSA Fees	1,960,800	1,987,594	26,794
Total Water Service Revenue	161,637	177,246	15,609
Total Non-Operating Income	66,435	62,951	-3,484
Capital Contributions	294,335	359,849	65,514
<b>Total Revenues</b>	<b>7,435,273</b>	<b>7,061,420</b>	<b>-373,852</b>
<b>Expenses</b>			
Water Supply	512,648	525,391	12,743
Arsenic Treatment Plants	107,012	66,060	-40,952
Transmission & Distribution	815,229	660,206	-155,023
Engineering	179,264	204,260	24,996
Customer Service	208,948	103,001	-105,947
Field Services	219,703	234,567	14,864
General & Administration	1,443,182	1,544,511	101,328
Legislative	49,645	37,219	-12,427
Depreciation	1,458,333	1,458,333	0
Non-Operating, Interest	587,025	412,265	-174,760
Non-Operating, Miscellaneous	109,486	219,667	110,182
GSA Fees	1,900,000	1,871,866	-28,134
Non-Operating, Conservation	14,713	11,987	-2,726
Non-Operating, Alternate Water	37,772	56,035	18,263
<b>Total Expenses</b>	<b>7,642,961</b>	<b>7,405,368</b>	<b>-237,592</b>
<b>Net Revenue Increase (Decrease)</b>	<b>-207,688</b>	<b>-343,948</b>	<b>-136,260</b>
<b>Capital Expenditures</b>		<b>2,571,591</b>	
- COP Funded		1,945,976	
<b>Debt Service Principle</b>		<b>463,193</b>	

### Comparison of FY 2021-2022 Revenues and Expenses by Month



### Comparison of November Revenues and Expenses per Fiscal Year





*\*Actual Revenues and Expenses are Estimated*

**6. Rate Study**

Description: Committee received update on the District’s rate study.

Committee and consultant Mark Hildebrand, of Hildebrand Consulting, received and answered questions in regard to the rate study and recommended 2 tier, 60/40 fixed/consumption rate proposal.

Draft Rate Study Report is attached.

The Draft Rate Study Report, with edits, is scheduled to be presented to the Board at the December 12<sup>th</sup> meeting.

**7. Accounts Payable Disbursements**

Description: Presentation to Committee of Accounts Payable Disbursements reports for Board approval.

The Committee recommended approval of accounts payable disbursements totaling \$1,675,669.07 as follows:

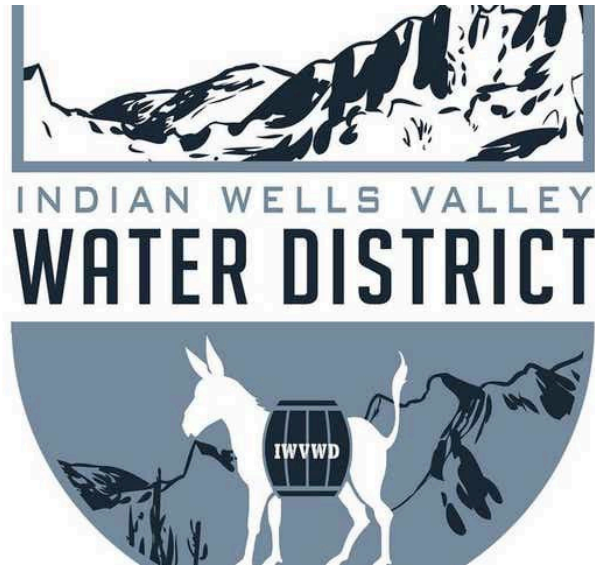
Checks through:	<u>11/08/22</u>	<u>11/17/22</u>
Prepaid	\$ 447,844.22	\$ 52,422.89
Current	<u>407,721.53</u>	<u>704,680.43</u>
Total	<u>\$ 918,565.75</u>	<u>\$ 757,103.32</u>

**8. Future Agenda Items**

Discussion on State Revolving Fund consulting.

**9. Adjournment**

The Committee adjourned at 3:20pm.



2022 Water Rate Study Report  
Indian Well Valley Water District

**Draft** Report

November 29, 2022



November 29, 2022



Mr. Tyrell Staheli  
Finance Director  
Indian Wells Valley Water District  
500 W. Ridgecrest Blvd.  
Ridgecrest, CA 93555

Re: 2022 Water Rate Study Report

Dear Mr. Staheli,

Hildebrand Consulting is pleased to present this 2022 Water Rate Study Report (Report) that was performed for Indian Wells Valley Water 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  
(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 located below the 'Sincerely,' text.

Mark Hildebrand  
Hildebrand Consulting, LLC

Enclosure

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**LIST OF SCHEDULES**

- Schedule 1 –Budgeted & Projected Operating and Debt Expenses
- Schedule 2 –Capital Spending Request
- Schedule 3 - Cash Flow Pro Forma
- Schedule 4 – Allocation of Costs to System Functions
- Schedule 5 - Five-Year Schedule of Proposed Rates



## List of Acronyms

AWWA	American Water Works Association
CIP	capital improvement program
COP	Certificates of Participation
COSA	cost of service analysis
DCR	debt service coverage ratio
FY	fiscal year (which ends on June 30 for the District)
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
HCF	hundred cubic feet (748 gallons)
SGMA	Sustainable Groundwater Management Act

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

Indian Wells Valley Water District (District) has retained Hildebrand Consulting to update its financial plan and conduct a cost-of-service analysis (COSA) to update the District's water rates (Study). This report describes in detail the assumptions, procedures, and results of the study, including conclusions and recommendations.

### **1.1 DISTRICT BACKGROUND**

The District was organized in 1953 for the purpose of providing domestic water supplies within its service area. The District is situated in the Indian Wells Valley, which lies in the northern portion of the Mojave Desert, southeasterly of the Sierra Nevada, and southerly of the Owens Valley. The District is the primary purveyor of public water supplies in the Ridgecrest area of Kern and San Bernardino Counties.

The District manages water resources and constructs, operates, maintains, repairs, and replaces water system facilities as needed to provide water service in compliance with applicable standards and regulations.

The District's water comes from groundwater wells, four of which are treated for arsenic removal. The service area varies in elevation by more than 500 feet; therefore, the District has created five different elevation zones for purposes of water rates.

### **1.2 STUDY BACKGROUND**

The District prepared a water rate study in 2018 which included both a financial plan and COSA (2018 Rate Study<sup>1</sup>). Based on the 2018 Rate Study's recommendations the

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<sup>1</sup> Indian Wells Valley Water District, *Water Rate Study – Final Report*, November 29, 2018, Stantec

District adopted a five-year schedule of water rates with the last rate increase occurring on July 1, 2022.

### **1.3 STUDY OBJECTIVES**

The primary objectives of this Study are to:

- i. Develop a multi-year financial management plan that integrates the District's capital funding needs;
- ii. Identify future rate adjustments to water rates and a funding strategy that will ensure adequate revenues to meet the District's ongoing financial requirements;
- iii. Determine the cost of providing water service to customers using industry accepted and legally defensible methodologies; and
- iv. Recommend modifications to the existing rate structure, as needed, to address changes to the District's cost structure and improve legal defensibility, while promoting affordability and water conservation to the extent appropriate.

### **1.4 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<sup>2</sup>, and applicable law, including California Constitution Article XIII D, Section 6(b), commonly known as Proposition 218.

The Study began with a review of the District's current financial dynamics and latest available data for the utility's operations. A multi-year financial management plan was 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

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<sup>2</sup> AWWA M1 Manual: Principles of Water Rates, Fees, and Charges, 7<sup>th</sup> Edition

Study was conducted using an MS Excel<sup>®</sup>-based financial planning model which was 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 10-year Financial Plan was developed through several interactive work sessions with District staff. As a result of this process, the Study has produced a robust Financial Plan that will enable the District to meet its future revenue requirements and achieve financial performance objectives throughout the study period while striving to limit rate increases.

Using the revenue requirements for Fiscal Year<sup>3</sup> (FY) ending June 2023 (FY 2022/23), we then performed a detailed COSA using principles outlined by the AWWA and other generally accepted industry practices in order to develop rates that equitably reflect the cost of providing service.

The recommended rate schedules presented herein are designed to ensure that the District's water rates conform to accepted industry practice, legal requirements, and reflect the equitable distribution of system costs, while achieving the District's policy objectives, such as fiscal stability and affordability.

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<sup>3</sup> Fiscal years are indicated by their ending years. For example, FY 2023 starts on July 1, 2022 and ends on June 30, 2023.

## **Section 2. 10-YEAR FINANCIAL PLAN**

The financial plan is an annual cash flow model. As a cash flow model, it differs from standard accounting income statements, and balance sheets.

### **2.1 EXISTING FUNDS AND REVENUES**

The following described the District’s existing fund structures, policies and revenues.

#### **2.1.1 Reserve Policies**

Utilities set aside cash reserves in order to both (1) ensure that short-term cash flow requirements can always be met even during adverse conditions and (2) meet financial obligations associated with outstanding debt. Reserves help to ensure that a utility will always have adequate funds available to meet its financial obligations (including debt payments) during periods of revenue shortfall (either because revenues are unusually low or because expenditures are unusually high). Reserves also provide a financial backstop in the event of emergency repairs to the system as a result of natural disasters or unanticipated system failures.

Establishing target reserve levels is central to the process of developing a multi-year financial plan. Financial policies should articulate the level of the reserve targets, the purpose of the respective reserves, and the intended use of the funds, including any limitations on the use of the funds. Once reserve targets are established, they should be reviewed annually during the budgeting process to assure conformance with any adopted policies and consistency with the underlying financial plan. Decisions can be made to maintain, increase, or spend down the reserve balances, as appropriate, within the context of the long-range financial plan.

The financial plan in this Study is consistent with all of the District’s existing reserve policies. The District reserve policies are consistent with 1) our industry experience for

similar systems, 2) reserve policy recommendations by the AWWA, and 3) the criteria published by municipal utility rating agencies (Fitch, Moody's, and Standard & Poor's).

#### *2.1.1.1 MINIMUM RESERVES*

Minimum reserves refer to reserves that the District should never *plan* to draw down (although circumstances may force the District to use these reserves). In other words, such reserves provide the District with a critical financial cushion that should only be used as a result of unforeseen circumstances. The District has one such reserve, which is described below.

**Operating Reserve** - The District has a 6-month Operating Reserve policy, which means that 180 days of operating costs are kept available in cash reserves. This reserve ensures continuity of service regardless of short-term changes in cash flow or sudden increases in operating costs. Since this reserve target is set relative to the District's operating budget, the target will change as the budget changes. As detailed in **Schedule 3**, the Operating Reserve target is approximately \$4.2 million in FY 2022/23.

#### *2.1.1.2 TARGET RESERVES*

Target reserves are more flexible than minimum reserves and are designed to be drawn down and built back up over the course of a financial planning period. These reserves are meant to provide the District with both some protection against catastrophic failure as well as flexibility with cash funding its capital program.

**Capital Reserve** - The purpose of the Capital Reserve is both to (1) protect the District from the financial impacts that may be caused by the catastrophic failure of critical infrastructure and (2) manage the inherent volatility of capital spending. The District has sized the target of this reserve to be equal to the replacement cost of one well, one booster station and one storage tank. Based on District cost estimates, this equals approximately \$10.8 million.

**Vehicle and Computer Replacement Reserves** - These reserves total \$350 thousand and \$100 thousand, respectively. The vehicle and computer reserves are maintained at their maximum balance allowed by Resolution 13-08.

### 2.1.2 Beginning Fund Balance

The ending cash balance for FY 2020/21 was used to establish the FY 2021/22 beginning balance, as outlined in **Table 1**. The restricted funds refer to funds that were collected through the Capital Facility Fee and are designated to pay for growth-related capital projects. The remaining Certificate of Participation (COP) proceeds are designated to pay for capital projects in both FY 2021/22 and FY 2022/23.

**Table 1: FY 2021/22 Beginning Cash Balance**

Unrestricted Fund Balance	\$13,345,000
• Restricted Fund (Capital Facility Fund)	\$1,230,000
Remaining 2018 COP Proceeds	\$6,376,000
<b>Total:</b>	<b>\$20,951,000</b>

### 2.1.3 Forecasted Customer Growth

Growth in the customer base affects both water demand as well as Capital Facility Fee<sup>4</sup> revenue. Estimated annual Capital Facility Fee revenues are based on the amount of new development activity (i.e., growth). Capital Facility Fee revenue accrues to the respective capital fund and is used to help fund planned capital improvement projects.

In recent years, Capital Facility Fee revenues indicate that the District has grown at a rate of about 0.3 percent per year. Future growth will depend on many factors, including

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<sup>4</sup> Capital Facility Fees are one-time charges to new development to pay for capacity in the utility systems.

the economy. Based on direction from District staff, this Study assumes that the annual growth rate will continue at an average of 0.3 percent for the planning period.

#### **2.1.4 Rate Revenue**

Rate revenue is the revenue generated from customers for water service. The District receives rate revenue in the form of fixed charges (Account Charge, Ready-to-Serve Charge and Arsenic Compliance Charge) and the consumption-based Commodity Charge and Zone Charge. The District also collects Construction Meter Charges for the use of temporary hydrant meters, a fixed Private Fire Service charge for those with direct fire service lines, and Bulk Water Rates for customers that receive their water from the filling station. Rate revenue is based upon FY 2021/22 budgeted revenues, adjusted annually to reflect assumed customer growth and the rate revenue adjustments that are proposed by this Study.

The Financial Plan starts with FY 2021/22 budgeted rate revenues. Estimated future rate revenues include the small amount of customer growth (see Section 2.1.3) as well as the annual rate revenue adjustments proposed by this Study. Other than demand increases associated with customer growth, water demand is anticipated to remain constant. Budgeted and projected rate revenues (including proposed rate adjustments) over the next ten years are listed in **Schedule 3**.

#### **2.1.5 Non-Rate Revenues**

In addition to rate revenue, the District receives additional “non-rate revenue” from sources such as miscellaneous service fees (e.g., turn-on service fee, delinquency billing charges, plan checks and inspection fees), Capital Facility Fees, operational revenue (e.g., energy curtailment credit and rent), Groundwater Sustainability Agency (GSA) fee revenue (see below) and interest revenue on investments. Projections of non-rate revenues were based on FY 2021/22 budgeted revenues and assumed to remain flat for the planning period. Future interest income was estimated based upon projected fund

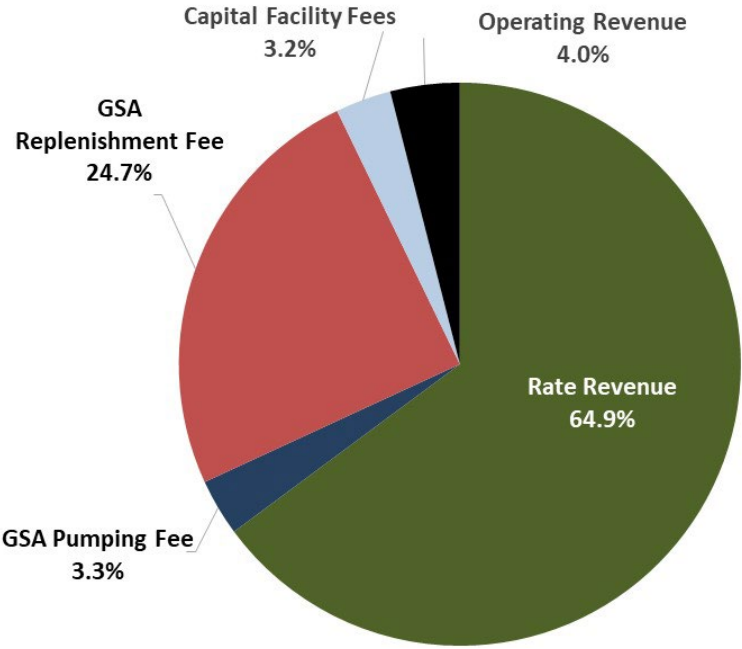


balances and assumed interest rate of 0.5 percent, which is consistent with the District's historical interest earnings relative to its total reserve levels.

As a member agency of the Indian Wells Valley Groundwater Authority, the District is subject to fees that are designed to pay for GSA fees to pay for the cost associated with complying with the requirements of the Sustainable Groundwater Management Act (SGMA). The District currently pays two such fees, both of which are volumetric fees and are collectively referred to as the "GSA fees." The first is the Groundwater Extraction Fee of \$0.24 per hundred cubic feet (HCF) of pumped groundwater to pay for the cost of the Groundwater Sustainability Plan (GSP). The second is the Replenishment Fee of \$1.65 / HCF of pumped groundwater. Currently the District passes through these GSA fees to customers by adding the above commodity rates to the District's then-current commodity rates.

Estimated future annual Capital Facility Fee revenues were based on the current fees and the projected amount of new growth (see Section 2.1.3). Capital Facility Fee revenue is restricted and is used to help fund specific growth-related capital improvement projects.

Budgeted water rate and non-rate revenues are depicted in Figure 1 and listed in detail in **Schedule 3**.



**Figure 1: Revenue Categories (FY 2021/22 budget)**

## 2.2 CURRENT AND FORECASTED EXPENSES

This section describes the District’s existing and forecasted operating, debt and capital expenses.

### 2.2.1 Operations and Maintenance

The District’s operating and maintenance expenses were projected over the next ten years based on expected inflation rates, starting with the budgeted expenses for FY 2021/22 (see Section 2.2.2). Major budgeted expense categories for FY 2021/22 are depicted in Figure 2. Budgeted and projected operating and maintenance costs are listed in detail in **Schedule 1**.

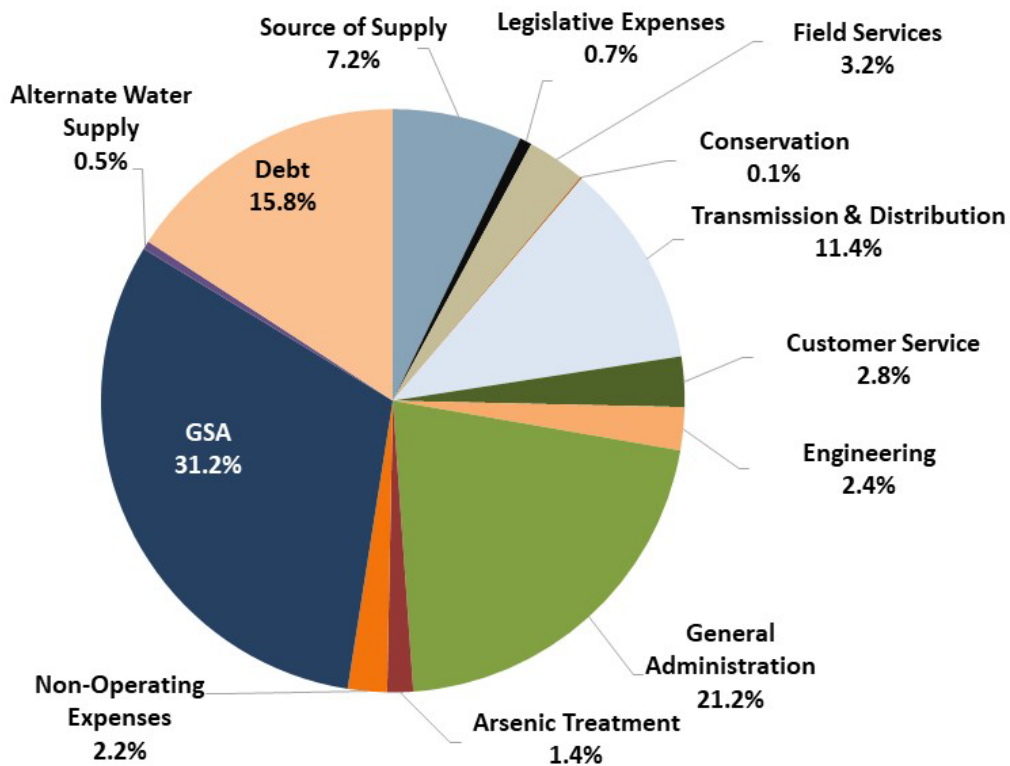


Figure 2: Budgeted Operating & Debt Expenses (FY 2021/22)

### **2.2.2 Cost Escalation Projections**

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 operating expenses are projected to increase at 3.0 percent per year, with the exception of salaries which are projected to increase by 8.0 percent<sup>5</sup> during FY 2022/23 and FY 2023/24 followed by 5.0 percent per year and utilities which are projected to increase by 10 percent in FY 2022/23 followed by 3.0 percent thereafter.

### **2.2.3 Existing Debt**

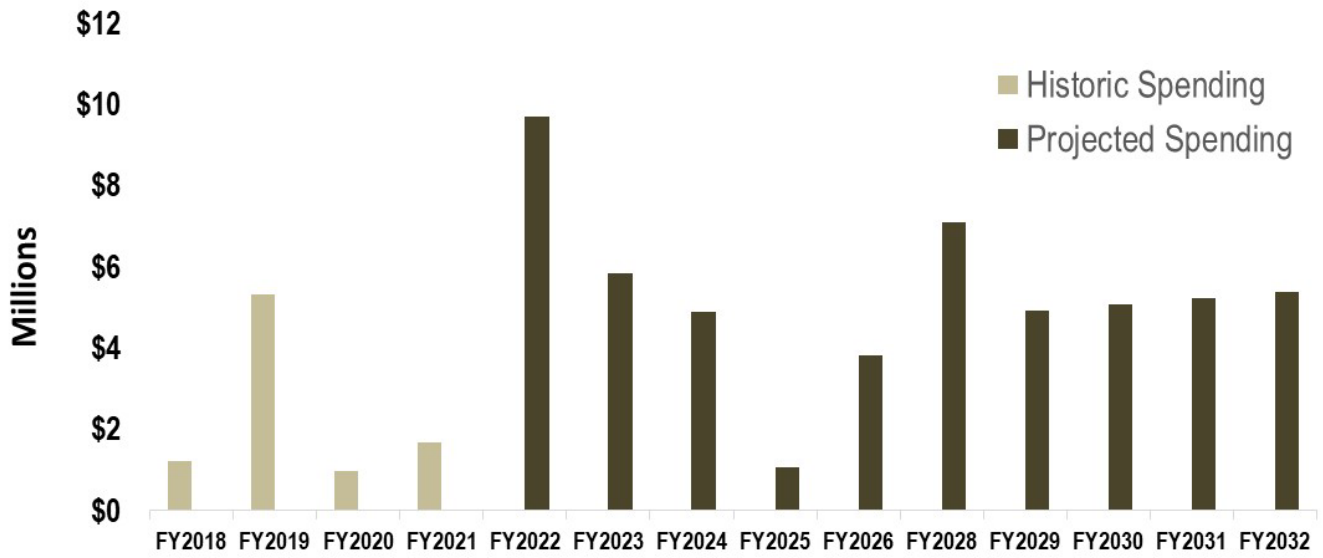
The District currently pays debt service on two outstanding loans. This includes a 2018 Water Revenue COP (with annual debt service of approximately \$1.9 million through FY 2038/39 followed by approximately \$800 thousand for ten more years) and a 2016 Solar Loan (with annual debt service of just over \$500 thousand through FY 2034/35).

### **2.2.4 Capital Improvement Program**

Figure 3 shows that from FY 2017/18 through FY 2020/21 the District has spent an average of approximately \$2.3 million per year on capital projects to rehabilitate or improve the water system. During the period from FY 2021/22 through FY 2031/32 the District plans to increase its annual capital spending to an average of \$5.3 million per year in order to pro-actively address the water system's rehabilitation needs associated with supply facilities, pipes, water tanks, and other system facilities.

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<sup>5</sup> Salary escalations based on the District's Memorandum of Understanding with staff.



**Figure 3: Historic and Projected Capital Spending**

Some of the District’s more significant projects are highlighted in Table 2. The District plans to replace the Ridgecrest Height and Gateway booster stations (at a combined cost of approximately \$4.0 million in current dollars), build three new water tanks (at a combined cost of approximately \$5.5 million in current dollars), and four major transmission line projects (Springer, Gateway, Bowman, and La Mirage) for a combined cost of \$16.8 million in current dollars. A detailed list of the planned capital projects and associated costs is provided in **Schedule 2**.

**Table 2: Summary of Capital Spending through FY 2028/29\***

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>Water Supply</b>								
Ridgecrest Heights Booster			\$1,500,000 (debt)					
Disaster Repair - Gateway Booster	\$250,000	\$2,415,000						
Miscellaneous Water Supply	\$253,000	\$545,000	\$535,000	\$310,000	\$550,000	\$310,000	\$300,000	\$310,000
<b>TOTAL WATER SUPPLY</b>	<b>\$503,000</b>	<b>\$2,960,000</b>	<b>\$2,035,000</b>	<b>\$310,000</b>	<b>\$550,000</b>	<b>\$310,000</b>	<b>\$300,000</b>	<b>\$310,000</b>
<b>Transmission and Distribution</b>								
Springer 24" Line			\$3,400,000 (debt)					
Gateway Blvd 24"				\$2,500,000 (debt)				
Bowman 30"								\$5,400,000
College Heights Blvd 18"								
Eastside 4" Lateral Replacements		\$700,000						
La Mirage Mainline Replacements						\$2,750,000	\$2,750,000	
Tanks X 3	\$500,000	\$4,884,000						
Miscellaneous T&D	\$455,000	\$665,000	\$77,000	\$827,000	\$277,000	\$77,000	\$77,000	\$77,000
<b>TOTAL TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$955,000</b>	<b>\$6,249,000</b>	<b>\$3,477,000</b>	<b>\$3,327,000</b>	<b>\$277,000</b>	<b>\$2,827,000</b>	<b>\$2,827,000</b>	<b>\$5,477,000</b>
<b>TOTAL TECH</b>	<b>\$30,000</b>	<b>\$28,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	<b>\$15,000</b>
<b>TOTAL GENERAL PLANT</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$945,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>
<b>TOTAL FUTURE SOURCE OF SUPPLY</b>	<b>\$30,000</b>	<b>\$75,000</b>						
<b>TOTAL CAPITAL PROGRAM:</b>	<b>\$1.7M</b>	<b>\$9.5M</b>	<b>\$5.7M</b>	<b>\$4.6M</b>	<b>\$1.0M</b>	<b>\$3.3M</b>	<b>\$3.3M</b>	<b>\$5.9M</b>

\* All costs expressed in 2022 dollars

## 2.3 PROPOSED FINANCIAL STRATEGY

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 section first explains the District's debt strategy, then describes the proposed rate increases for the next 5 years.

### 2.3.1 Debt Strategy

In 2018 the District issued \$28.6 million in debt through a Water COP. The proceeds from the 2018 COP debt have funded a majority of the District's capital spending needs since that time. As of July 1, 2021, the District had a balance of \$6.3 million remaining of the debt proceeds, which is expected to fund a majority of capital spending in FY 2021/22 and partially fund the capital spending in FY 2022/23.

As a result of the above, the District's cash reserves are currently higher than was projected by the 2018 Rate Study, which had anticipated a cash reserve level of about

\$6.5 million in FY 2021/22 as compared to the actual reserve levels of about \$20.0 million (see Section 2.1.2).

The Board has directed District Staff to mitigate the cost of the forecasted spike in capital spending with a new debt issue. As such, the capital plan calls for a debt issue of \$8.2 million in FY 2024 to pay for the Ridgcrest Heights Booster Station, Springer 24” transmission line, and the Gateway Blvd. 24” transmission line projects (see Table 2).

### 2.3.2 Debt Coverage Requirements

One of the requirements associated with debt is to maintain rate revenue and other non-rate revenues at levels sufficient to meet debt service coverage requirements (DCR). The District’s current debt contracts require that the District maintain net revenues (i.e., revenues after paying all operating costs) at a DCR level that is at least 1.20 times annual debt service. Based on published guidance from Fitch Ratings, utility systems with *midrange* financial profiles should maintain a DCR greater than 1.50 times annual debt service. **Schedule 3** shows that the proposed financial plan maintains a DCR of at least 1.44 (and usually higher).

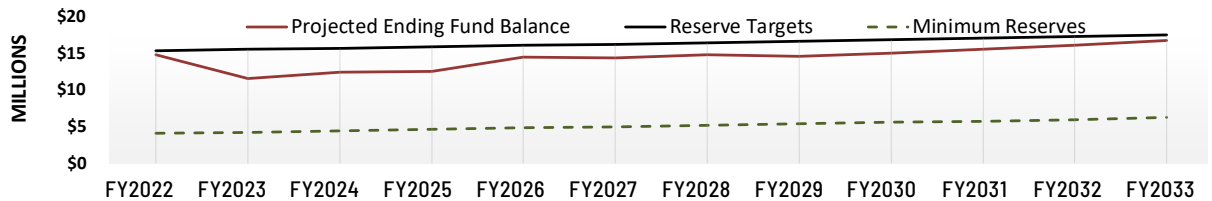
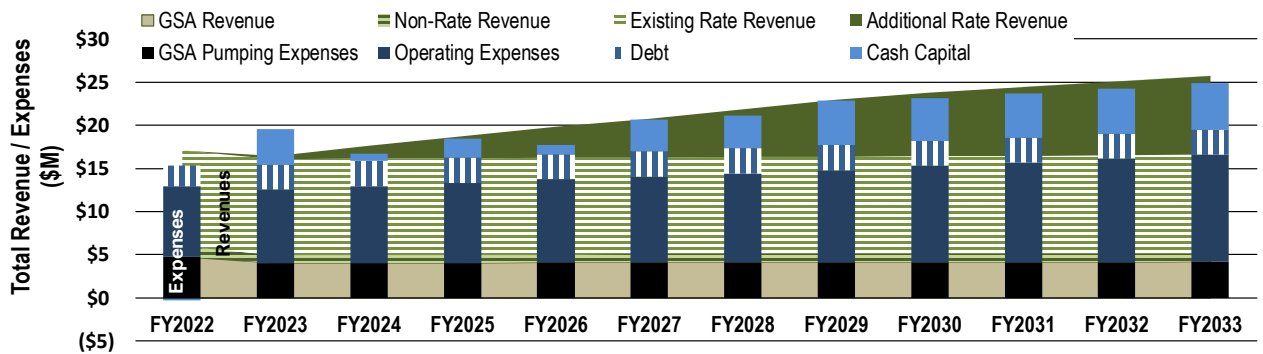
### 2.3.3 Proposed Rate Increases

Based upon the previously discussed financial data, assumptions, policies, and debt strategy, this Study proposes a five-year schedule of annual rate adjustments and debt funded capital spending as shown in **Figure 4**. The rate schedules associated with these rate adjustments (as well as the rate structure adjustments to be discussed in Section 3) have been provided as **Schedule 5**.

The first proposed rate increase for this Study is scheduled to occur March 1, 2023 (eight months into the fiscal year). All subsequent rate increases proposed by this Study will occur on January 1 of each year (halfway through the fiscal year).

The numbers provided in Schedule 3 are summarized graphically in Figure 4, which shows the District’s target reserves being met through-out the planning period. After the final recommended increase in FY 2026/27, it is anticipated (barring unforeseen

emergencies or changes in infrastructure/operational needs) that the annual rate revenue increases will taper (but still continue) as shown in Schedule 3. These levelized rate increases will allow the District to transition to a pay-as-you-go (PayGo) financing model for its capital program, rather than continuing to debt finance capital spending.



	Proposed*					Projected						
Rate Revenue Increase:	8.0%	8.0%	8.0%	6.0%	6.0%	6.0%	6.0%	3.0%	3.0%	3.0%	3.0%	
Debt Coverage Ratio:	1.74	1.44	1.69	1.95	2.16	2.39	2.61	2.84	2.97	3.06	3.13	3.20
Net Debt Proceeds:		\$5.0M	\$2.7M									

\* Propose rate increases to be effective January 1 of the respective fiscal year

**Figure 4: Cash Flow Projection with Recommended Rate Revenue Increases**



## Section 3. COST OF SERVICE ANALYSIS AND RATE DESIGN

The purpose of a COSA and rate design is to determine the cost of providing water service to the District's customers and structure the rates so that revenue is equitably recovered from individual customers. This Study employed well-established industry practices for these types of studies as recognized by the AWWA and other accepted industry practices. The focus of this analysis was to meet the following objectives:

- ▶ Fairly and equitably recover costs through rates;
- ▶ Conform to accepted industry practice and legal requirements;
- ▶ Provide fiscal stability; and
- ▶ Promote water conservation and affordability where appropriate.

### 3.1 CURRENT RATES

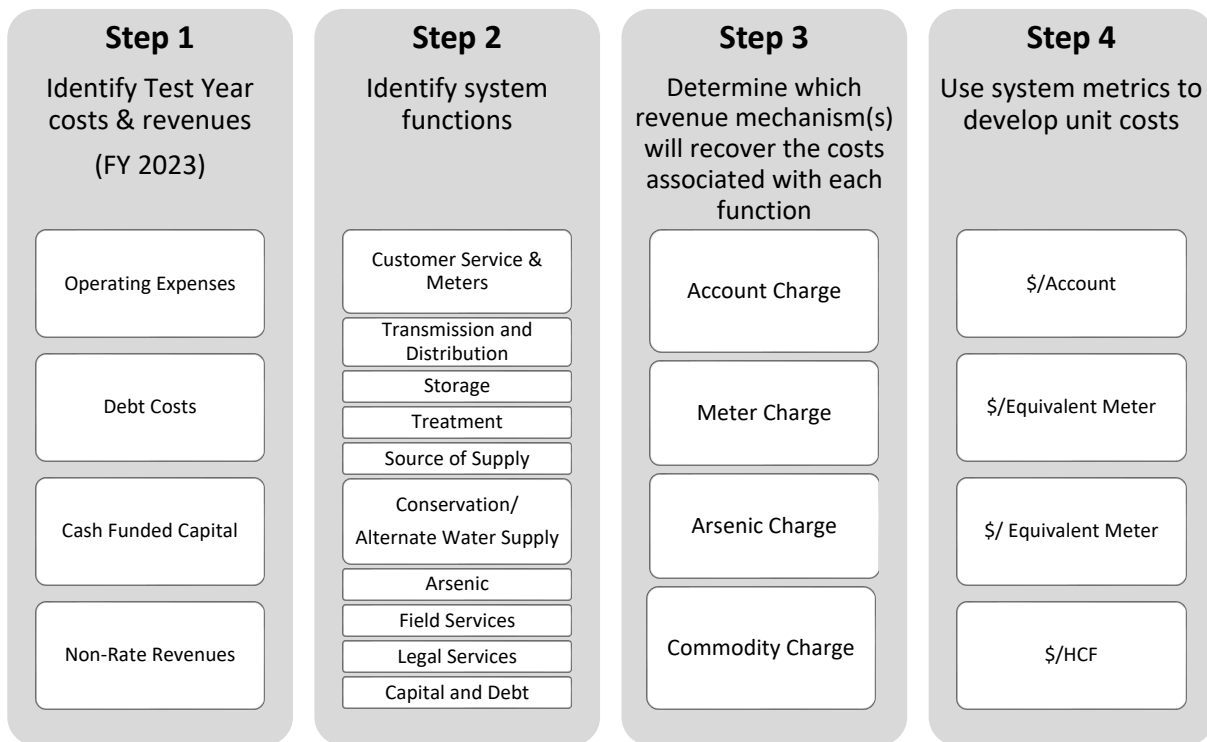
The District's current rate structure is comprised of fixed service charges and a commodity (consumption-based) rate. The District's current fixed service charge is made up of an Account Charge, a Ready-to-Serve Charge and an Arsenic Treatment Charge. These charges are assessed based on meter size and currently recover about 62 percent of rate revenue, which covers a portion of the District's fixed costs.

The Commodity Rates are designed to recover the remainder of the District's fixed costs as well as all of its variable costs. The Commodity Rates currently have four tiers and has tier water allocation based on the water needs of single family residential homes. Other accounts receive water allocations in proportion to their meter size. The monthly tier allocations for single family homes (and the smallest meter size of  $\frac{3}{4}$ "") are 9 HCF of Tier 1 water, 15 HCF of Tier 2 water, and 21 HCF of Tier 3 water (Tier 4 water usage is unlimited). In addition, a Zone Charge is added to the Commodity Rates for those customers that require that water be delivered to higher elevations (see Section 3.3.3). In addition to water rates, the District charges other miscellaneous rates including bulk water accounts, private fire protection charges, and

construction meter charges (see Section 3.3.3), in addition to passing through the cost of the GSA to customers (see Section 3.3.3).

### 3.2 COSA AND RATE DESIGN METHODOLOGY

The cost-of-service methodology employed by this Study is based on the “commodity-demand” method promulgated in AWWA’s Manual M1: Principles of Water Rates, Fees, and Charges (M1), whereby costs (see Step 1 in Figure 5) are first allocated to individual functions (see Step 2), and the costs associated with each function is recovered through an appropriate rate (see Step 3).



**Figure 5: Cost of Service and Rate Design Methodology Steps**

The following sub-sections give a detailed description of each step and the results.

### 3.2.1 Step 1: Identify Test Year Costs and Non-Rate Revenues

The District’s various costs (including operating expenses and debt service) and revenues come from the District’s FY 2022/23 annualized expenditure and revenue requirements per this Study’s financial plan. The capital spending value is based on a five-year average in order to mitigate against any anomalous values in the Test Year. Non-rate revenues and use of reserves are both credited against expenses since both reduce the need for rate revenue.

### 3.2.2 Step 2 and Step 3: Identify System Functions and Associated Revenue Recovery

Each line-item expense and revenue from Step 1 is assigned to one of ten systems functions (see Step 2 in Figure 5). A detailed list of how each line-item expense and revenue was assigned is provided as Schedule 4.

The cost associated with each of the ten functions is then determined to be recovered through a specific rate revenue component (either the account charge, the meter charge, the commodity charge or the arsenic charge). The assignment of function costs to revenue recovery components is presented in Table 3.

**Table 3: Allocation of Function Costs to Revenue Recovery Components**

Functions	Account Charge	Meter Charge	Commodity	Arsenic
Customer Service & Meters	50%	50%		
Transmission and Distribution		50%	50%	
Storage		50%	50%	
Treatment			100%	
Source of Supply			100%	
Conservation / Alternate Water Supply			100%	
Arsenic				100%
Field Services	50%	50%		
Legal Services			100%	
Capital and Debt (based on Asset Register)	5.2%	50.5%	16.8%	27.5%

Generally speaking, functions that are made up of predominantly fixed costs are recovered through fixed charges. For example, Customer Service and Meter costs do not vary with

changes in water sales (i.e., the costs are fixed) and are therefore recovered through the account charge and meter charge. Conversely, functions with variable costs are recovered through the variable charges. Conversely, the Source of Supply function is recovered entirely through the commodity charge.

While all variable costs are recovered through the commodity charge, not all fixed costs are recovered through the fixed charges. There are some fixed costs that are recovered through the commodity charge because the vast majority of the District's costs are fixed; and it is reasonable to recover some of those fixed costs through a variable revenue.

The percentages in the Capital Asset function in in Table 3 are based on the net value of existing assets.

The detailed summary of all cost allocations to revenue recovery components is presented in Schedule 4. Some of the line item in Schedule 4 have an allocation basis of "Indirect Operations." These are general costs that do not fall under any of the specific categories listed in Table 3, therefore the "indirect allocation" method is used to allocate those cost based on relative allocation of all other operating costs (i.e., based on the allocation results up until that point). Further, starting on Row 196 of Schedule 4, the District's non-rate revenue sources are "credited" to each revenue recovery component based on the indirect allocation method for all costs.

### **3.2.3 Step 4: Use System Metrics to Develop Unit Costs**

After District's costs are allocated to revenue recovery components, those costs are then converted to a unit cost of service based on the appropriate system metrics, as shown in Table 4. For example, the revenue requirement for the account charge is approximately \$1.0 million and there are 12,016 current accounts, therefore the charge per account is \$83.23 / year or \$6.94 / month. The revenue requirements for the meter charge and the arsenic charge are divided by the total number of current equivalent meters (see explanation of equivalent meters in text box below). Finally, the commodity rate is calculated by dividing the revenue requirement by all of the District's water sales.

**Table 4: Calculating Unit Cost of Service**

	Account Charge	Meter Charge	Arsenic	Commodity
<b>Units of Service:</b>	12,016 Accounts	13,649 Equivalent Meters	13,649 Equivalent Meters	2,430,117 All Water Sales
<b>Revenue Requirement</b>	<b>\$1,000,100</b>	<b>\$4,662,300</b>	<b>\$1,730,500</b>	<b>\$4,418,500</b>
<b>Unit Costs:</b>	<b>\$83.23</b> per Account per year	<b>\$341.59</b> per equivalent meter per year	<b>\$126.79</b> per equivalent meter per year	<b>\$1.82</b> per HCF
	<b>\$6.94</b> per Account per month	<b>\$28.47</b> per equivalent meter per month	<b>\$10.57</b> per equivalent meter per month	

**EXPLAINING METER EQUIVALENCY**

The meter equivalency metric is an industry-standard factor used to represent the proportional demand that different sized meters place on the system based on the design capacity necessary to serve it. A meter equivalency schedule allows us to express all meter sizes in terms of multiples of the lowest common denominator (in this case the smallest meter is 3/4”). The meter equivalency schedule used by this Study is shown in the table below and remains the same as historical District practice.

**Meter Equivalencies**

Meter Size	Meter Type	GPM	Meter Equivalence (a)
3/4"	Displacement	30	1.00
1"	Displacement	50	1.67
1 1/2"	Displacement	100	3.33
2"	Displacement	160	5.33
3"	Compound	320	10.67
4"	Compound	500	16.67
6"	Compound	1,000	33.33
8"	Compound	1,600	53.33
10"	Compound	2,300	76.66

(a) Source: Table B-1, Appendix B, AWWA M1 Manual, 6th Ed.

### 3.3 PROPOSED RATE STRUCTURE

Some of the District’s costs have fundamentally changed since the last rate study, therefore this Study recommends a modification to the tiered rate structure to reflect these changes. No structural changes are recommended for the fixed charges. These recommendations are detailed below.

#### 3.3.1 Proposed Fixed Rates

The Study recommends that the District’s fixed charges continue to be based on a fixed account charge (assessed to each account), a fixed meter charge (assessed based on meter size), and an arsenic charge (also assessed based on meter size). Together the account charge and meter charge make the Ready-to-Serve Charge. The account charge would be \$6.94 / month in Year 1 (see Table 4) while the meter charge and arsenic charge would depend on the meter size, as summarized in Table 5.

**Table 5: Year 1 Meter Charge and Arsenic Charge by Meter Size**

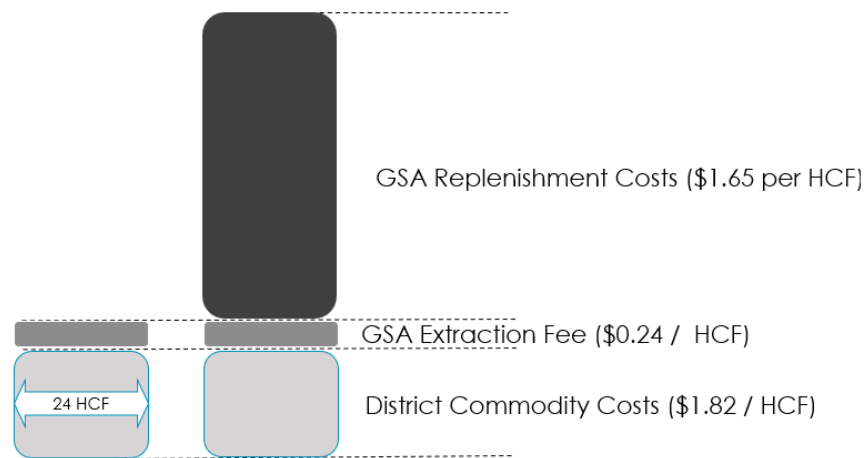
<b>Fixed Rates (per month)</b>		
<b>Meter Size</b>	<b>Meter Charge</b>	<b>Arsenic Charge</b>
3/4"	\$28.47	\$10.57
1"	\$47.45	\$17.62
1 1/2"	\$94.90	\$35.23
2"	\$151.84	\$56.37
3"	\$303.68	\$112.75
4"	\$474.50	\$176.17
6"	\$949.00	\$352.33
8"	\$1,518.40	\$563.73
10"	\$2,182.70	\$810.37

These proposed fixed rates will result in just over 61 percent fixed rate revenue, which is very similar to the current fixed revenue percentage (the actual percentage will depend on actual water sales).

### 3.3.2 Tiered Commodity Rates

The proposed tiered rate structure will have two tiers (instead of four tiers). Tier 1 will recover the District's "commodity" function costs (approximately \$4.4 million, see Row 202 of Schedule 4) and the pass-through of GSA's Groundwater Extraction Fee (currently \$0.24 / HCF). Tier 2 will recover both Tier 1 costs as well as pass-through the GSA Replenishment Fee (currently \$1.65 / HCF). This concept is shown graphically in Figure 6 with rates that would be in effect during Year 1.

Previously the tier water allocations were based on customer water needs (e.g., the Tier 1 allocation for single family homes was based on indoor water needs). In contrast, the proposed revised methodology would size the Tier 1 allocation based on the District's GSA groundwater pumping allocation. Currently the GSA allows the District to pump 4,390 AF before the Replenishment Fee (currently \$2,130 / AF) is imposed. The Tier 1 allocation to District customers is therefore proposed to be designed to allow each customer to use their proportionate share of the water allocation before being charged the pass-through Replenishment Fee. In keeping with current practices, water allocations will continue to be sized in proportion to meter sizes. Based on current water usage, an allocation of 24 HCF per equivalent meters results in Tier 1 water sales of 4,370 AF (which is nearly identical to the groundwater pumping allocation mentioned above). As such, the Tier 1 allocation is proposed to be 24 HCF per equivalent meter (per month), with all water usage above the allocation being charged the Tier 2 rate (to pay for the GSA Replenishment Fee). Again, this concept is shown graphically in Figure 6 with rates that would be in effect during Year 1.



**Figure 6: Year 1 Tiered Rates and Tier Allocation**

The proposed tier thresholds by meter size are summarized in Table 6.

**Table 6: Proposed Tier Thresholds By Meter Size**

Meter Size	Tier 1 Threshold (HCF per month)
3/4"	24
1"	40
1.5"	80
2"	128
3"	256
4"	400
6"	800
8"	1280

See **Schedule 5** for a complete schedule of Ready-to Serve, Arsenic, and Commodity Rates over the next 5 years.



### **3.3.3 GSA Fee Pass-Through Provision**

The two consumption-based fees assessed by the GSA (the Extraction Fee and the Replenishment Fee) are subject to changes from one year to the next. Both the amount charged by the GSA could change and the annual groundwater allocation could also change. This Study proposes that the District adopt a resolution to treat these costs as a pass-through to customers (as authorized by Government Code 53755 and 53756). This means that the Extraction Fee portion of all water sales, and Replenishment Fee portion of the Tier 2 rates, would be modified by the District, as needed, in order to recover the actual costs assessed by the GSA.

In the case of the Extraction Fee, the rate assessed to customers (in dollars per HCF) would be based on the total amount paid to the GSA divided by the amount of water sold to all customers (as the current Extraction Fee is calculated).

In the case of the Replenishment Fee, the same concept applies, however the Tier 1 threshold may also be changed by the District in response to changes to the annual groundwater allocation limit. Given the complexity of projecting total Tier 1 usage with a changing threshold, we propose that the threshold simply be changed by the same percentage change to the GSA's groundwater allocation limit. In other words, if the groundwater allocation were to be reduced by 15 percent (from 4,390 AF to 3,730 AF) the Tier 1 threshold would also be reduced by 15 percent (from 24 HCF to 20.4 HCF, rounded as necessary).

The District would be required to notify customers of the proposed pass-through policy in a Proposition 218 notification letter. If the policy passes the Proposition 218 adoption requirements, the District will be authorized to recalculate the GSA fees to account for any changes in the GSA contribution. Such an adjustment will not require a public hearing or any additional action by the District Board however the District will be required to provide customers with notice of the expected adjustment at least 30 days before the effective date of the adjustment.

### **3.4 MISCELLANEOUS CHARGES**

In addition to the fixed and commodity rates described above, the District charges additional rate and non-rate fees that are addressed below.

#### **3.4.1 Zone Charge**

The District currently charges a Zone Charge (elsewhere sometimes known as an elevation charge or pumping charge) to account for the cost to “lift” water to properties that are located in higher elevations. The District has five zones (Zone A through Zone E), which differ in elevation by approximately 100 ft. The methodology in calculating the Zone Charges in the 2018 Rate Study remains applicable, therefore the existing Zone Charges will only increase in proportion to the overall rate revenue increases described in Section 2.3.3. See Schedule 5 for a complete schedule of Zone Charges for the five-year planning period.

#### **3.4.2 Bulk Water Rates**

The District currently provides Bulk Water services for a metered rate to customers who receive the water at the District’s bulk water facility. Individually subscribed customers pay a fixed monthly charge in addition to a uniform commodity rate for water actually used. The methodology in calculating the Bulk Water Rates in the 2018 Rate Study remains reasonable, therefore the existing rate will only increase in proportion to the overall rate revenue increases described in Section 2.3.3. See Schedule 5 for a complete schedule of Bulk Water Rates for the five-year planning period.

#### **3.4.3 Construction Meter Rates**

The District provides the service of issuing temporary meters (“Construction Meters”). The methodology in calculating the Construction Meter rates in the 2018 Rate Study remains reasonable, therefore the existing Construction Meter rates will only increase in proportion to the overall rate revenue increases described in Section 2.3.3. See Schedule 5 for a complete schedule of Construction Meter rates for the five-year planning period.

#### **3.4.4 Private Fire Rates**

Private Fire rates apply to accounts that have a dedicated service line for fire protection. The methodology in calculating the Private Fire rates in the 2018 Rate Study remains reasonable, therefore the existing rates will only increase in proportion to the overall rate revenue increases described in Section 2.3.3. See Schedule 5 for a complete schedule of Private Fire rates for the five-year planning period.

## **Section 4. CONCLUSION**

This Study used methodologies that are aligned with industry standard practices for rate setting as promulgated by AWWA and all applicable law, including Proposition 218. The proposed adjustments to the rates will provide revenue stability and continue to equitably and proportionately recover costs from the appropriate customers.

Based on the methodologies described above, Schedule 5 provides a complete schedule proposed rates over the five-year planning period. The water rates will need to be adopted in accordance with Proposition 218, which will require a detailed notice describing the proposed rates to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates.

It is recommended that the District continue to closely monitor its financial condition on an annual basis.

## **SCHEDULES**

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- Schedule 1: Budgeted and Projected Operating and Debt Expenses**
- Schedule 2: Capital Spending Forecast**
- Schedule 3: Cash Flow Pro Forma**
- Schedule 4: Allocation of Costs to System Functions**
- Schedule 5: Five-Year Schedule of Proposed Water Rates**



**Schedule 1 –Budgeted and Projected Operating and Debt Expenses (1 of 3)**

	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2032/33
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>SOURCE OF SUPPLY</b>											
1 PERS ER Contribution	(\$36,000)	(\$37,000)	(\$38,000)	(\$39,000)	(\$41,000)	(\$42,000)	(\$43,000)	(\$44,000)	(\$46,000)	(\$47,000)	(\$48,000)
2 Water Supply - Supervision	\$101,000	\$109,000	\$118,000	\$124,000	\$130,000	\$136,000	\$143,000	\$150,000	\$158,000	\$166,000	\$174,000
3 Capital Project Credit - WS	(\$50,000)	(\$52,000)	(\$53,000)	(\$55,000)	(\$56,000)	(\$58,000)	(\$60,000)	(\$61,000)	(\$63,000)	(\$65,000)	(\$67,000)
4 Water Supply - Labor	\$315,000	\$340,000	\$367,000	\$386,000	\$405,000	\$425,000	\$447,000	\$469,000	\$492,000	\$517,000	\$543,000
5 Water Supply - Overtime	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000
6 Water Supply - Standby OT	\$6,000	\$6,000	\$7,000	\$7,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000
7 Water Supply - Emp Benefits	\$168,000	\$173,000	\$178,000	\$184,000	\$189,000	\$195,000	\$201,000	\$207,000	\$213,000	\$219,000	\$226,000
8 Vehicle Maintenance WS	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000
9 Vehicle Fuel WS	\$11,000	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000
10 Maint of Pumping Structures	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
11 Maint of Pumping Equipment	\$27,000	\$28,000	\$29,000	\$30,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000
12 Maint of Standby Generators	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000	\$16,000	\$17,000	\$17,000
13 Maint and Care of Grounds	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
14 Maintenance Automated Controls	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
15 Telemetry Mnt Agreement	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000
16 Operating Permits	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000	\$20,000
17 Purchased Power Wells, Etc.	\$342,000	\$376,000	\$387,000	\$399,000	\$411,000	\$423,000	\$436,000	\$449,000	\$463,000	\$477,000	\$491,000
18 Water Bill Well Sites	\$9,000	\$10,000	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000
19 Solar Expenses	\$60,000	\$62,000	\$64,000	\$66,000	\$68,000	\$70,000	\$72,000	\$74,000	\$76,000	\$78,000	\$81,000
20 Natural Gas	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
21 Training, Conf, Cert Renewal	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
22 Bulk Water Station Expenses	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000
23 Water Treatment Chemicals	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000	\$44,000	\$46,000	\$47,000	\$48,000
24 Maint Reservoirs & Tanks	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
25 Misc Parts & Materials WS	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
26 Stationery & Supplies WS	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
27 Cell Phones WS	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
28 PERS Cost by Function	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
<b>Arsenic Treatment</b>											
29 PERS ER Contribution	(\$7,000)	(\$7,000)	(\$7,000)	(\$8,000)	(\$8,000)	(\$8,000)	(\$8,000)	(\$9,000)	(\$9,000)	(\$9,000)	(\$9,000)
30 Arsenic Plant - Supervision	\$17,000	\$18,000	\$20,000	\$21,000	\$22,000	\$23,000	\$24,000	\$25,000	\$27,000	\$28,000	\$29,000
31 Arsenic Plant - Labor	\$53,000	\$57,000	\$62,000	\$65,000	\$68,000	\$72,000	\$75,000	\$79,000	\$83,000	\$87,000	\$91,000
32 Arsenic Plant - OT	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000
33 Arsenic Plant - Standby OT	\$8,000	\$9,000	\$9,000	\$10,000	\$10,000	\$11,000	\$11,000	\$12,000	\$13,000	\$13,000	\$14,000
34 Arsenic Plant - Emp Benefits	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000
35 Maint Arsenic Plant Structures	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000
36 Maint of Arsenic Equipment	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000	\$20,000
37 Maint Arsenic Plant Grounds	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
38 Maint Automated Controls	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
39 Telemetry Mnt Agreement	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000
40 Arsenic Plant - Purchased Powe	\$30,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000
41 Solar Expenses	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$9,000
42 Arsenic Lab Analysis & Eqmt	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000
43 Arsenic Treatment Chemicals	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000
44 Arsenic Solids Disposal	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000
45 Misc Parts & Materials Arsenic	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
46 PERS Cost by Function	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
<b>Transmission and Distribution</b>											
47 PERS ER Contribution	(\$47,000)	(\$48,000)	(\$50,000)	(\$51,000)	(\$53,000)	(\$54,000)	(\$56,000)	(\$58,000)	(\$60,000)	(\$61,000)	(\$63,000)
48 T&D - Supervision	\$104,000	\$112,000	\$121,000	\$127,000	\$134,000	\$140,000	\$147,000	\$155,000	\$163,000	\$171,000	\$179,000
49 T&D - Labor	\$474,000	\$512,000	\$553,000	\$581,000	\$610,000	\$640,000	\$672,000	\$706,000	\$741,000	\$778,000	\$817,000
50 T&D - NO-DES	\$131,000	\$141,000	\$153,000	\$160,000	\$168,000	\$177,000	\$185,000	\$195,000	\$204,000	\$215,000	\$225,000
51 T&D Capital Projects	(\$55,000)	(\$59,000)	(\$64,000)	(\$67,000)	(\$71,000)	(\$74,000)	(\$78,000)	(\$82,000)	(\$86,000)	(\$90,000)	(\$95,000)
52 T&D - Overtime	\$22,000	\$24,000	\$26,000	\$27,000	\$28,000	\$30,000	\$31,000	\$33,000	\$34,000	\$36,000	\$38,000
53 T&D Standby Time	\$37,000	\$38,000	\$39,000	\$40,000	\$42,000	\$43,000	\$44,000	\$46,000	\$47,000	\$48,000	\$50,000
54 T&D - Benefits	\$377,000	\$388,000	\$400,000	\$412,000	\$424,000	\$437,000	\$450,000	\$464,000	\$478,000	\$492,000	\$507,000
55 Vehicle Maint T&D	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000	\$44,000	\$46,000	\$47,000
56 Vehicle Fuel T&D	\$30,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000
57 Maint Heavy & Light Equipment	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000
58 Maintenance of T&D	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000	\$44,000
59 Maintenance of Fire Hydrants	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000
60 Maintenance Laterals & Meters	\$150,000	\$155,000	\$159,000	\$164,000	\$169,000	\$174,000	\$179,000	\$184,000	\$190,000	\$196,000	\$202,000
61 Maintenance Valves & Boxes	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000
62 Maintenance of Streets	\$360,000	\$371,000	\$382,000	\$393,000	\$405,000	\$417,000	\$430,000	\$443,000	\$456,000	\$470,000	\$484,000

**Schedule 1 –Budgeted and Projected Operating and Debt Expenses (2 of 3)**

	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2032/33
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
63 Maintenance of Streets - Permi	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
64 Welding Supplies T&D	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
65 Misc Parts & Materials T&D	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000
66 Equipment Rental	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
67 Capital Equipment Credit	(\$9,000)	(\$9,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$11,000)	(\$11,000)	(\$11,000)	(\$12,000)	(\$12,000)
68 Training & Conference T&D	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
69 Meal Tickets T&D	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
70 Stationery & Misc Supplies T&D	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
71 Cell Phones T&D	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000
72 PERS Cost by Function	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000
<b>Engineering</b>											
73 PERS ER Contribution	(\$18,000)	(\$19,000)	(\$19,000)	(\$20,000)	(\$20,000)	(\$21,000)	(\$21,000)	(\$22,000)	(\$23,000)	(\$23,000)	(\$24,000)
74 Engineering - Labor	\$252,000	\$272,000	\$294,000	\$309,000	\$324,000	\$340,000	\$357,000	\$375,000	\$394,000	\$414,000	\$434,000
75 Eng - Capital Project Credit	(\$100,000)	(\$108,000)	(\$117,000)	(\$122,000)	(\$129,000)	(\$135,000)	(\$142,000)	(\$149,000)	(\$156,000)	(\$164,000)	(\$172,000)
76 Engineering - Benefits	\$81,000	\$83,000	\$86,000	\$89,000	\$91,000	\$94,000	\$97,000	\$100,000	\$103,000	\$106,000	\$109,000
77 Vehicle Maint ENG	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
78 Vehicle Fuel ENG	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000
79 Water Treatment Lab Analysis	\$27,000	\$28,000	\$29,000	\$30,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000
80 Consumer Confidence Reports	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000	\$10,000
81 Training & Conferences ENG	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
82 Misc Supplies & Equipment	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
83 Cell Phones ENG	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
84 PERS Cost by Function	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
85 Miscellaneous Consultant - GIS	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000
86 Consulting Engineering Service	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000
87 Water Trax Subscription	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000
88 Computer Supplies/Maint Agreem	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000	\$20,000
<b>Customer Service</b>											
89 PERS ER Contribution	(\$16,000)	(\$16,000)	(\$17,000)	(\$17,000)	(\$18,000)	(\$19,000)	(\$19,000)	(\$20,000)	(\$20,000)	(\$21,000)	(\$22,000)
90 Customer Accts - Supervision	\$93,000	\$100,000	\$108,000	\$114,000	\$120,000	\$126,000	\$132,000	\$138,000	\$145,000	\$153,000	\$160,000
91 Customer Accts - Labor	\$97,000	\$105,000	\$113,000	\$119,000	\$125,000	\$131,000	\$138,000	\$144,000	\$152,000	\$159,000	\$167,000
92 Customer Accts - Overtime	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000
93 Customer Accts - Benefits	\$78,000	\$80,000	\$83,000	\$85,000	\$88,000	\$90,000	\$93,000	\$96,000	\$99,000	\$102,000	\$105,000
94 Uncollectible Accounts	\$70,000	\$72,000	\$74,000	\$76,000	\$79,000	\$81,000	\$84,000	\$86,000	\$89,000	\$91,000	\$94,000
95 Postage & Supplies CUSTOMER	\$70,000	\$72,000	\$74,000	\$76,000	\$79,000	\$81,000	\$84,000	\$86,000	\$89,000	\$91,000	\$94,000
96 Print & Reproduction CUSTOMER	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000
97 Training & Conference CUSTOMER	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
98 Stationery & Supplies CUSTOMER	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000
99 PERS Cost by Function	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
<b>Field Services</b>											
100 PERS ER Contribution	(\$20,000)	(\$21,000)	(\$21,000)	(\$22,000)	(\$23,000)	(\$23,000)	(\$24,000)	(\$25,000)	(\$25,000)	(\$26,000)	(\$27,000)
101 Misc Parts & Materials FS	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000
102 Field Service - Supervision	\$101,000	\$109,000	\$118,000	\$124,000	\$130,000	\$136,000	\$143,000	\$150,000	\$158,000	\$166,000	\$174,000
103 Field Service - Labor	\$191,000	\$206,000	\$223,000	\$234,000	\$246,000	\$258,000	\$271,000	\$284,000	\$299,000	\$313,000	\$329,000
104 Field Service - Overtime	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000
105 Field Service Capital Proj Cr	(\$75,000)	(\$77,000)	(\$80,000)	(\$82,000)	(\$84,000)	(\$87,000)	(\$90,000)	(\$92,000)	(\$95,000)	(\$98,000)	(\$101,000)
106 Field Service - Benefits	\$155,000	\$160,000	\$164,000	\$169,000	\$174,000	\$180,000	\$185,000	\$191,000	\$196,000	\$202,000	\$208,000
107 Vehicle Maintenance FS	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000
108 Vehicle Fuel FS	\$13,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000
109 Maintenance Meters FS	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000
110 AMI	\$55,000	\$57,000	\$58,000	\$60,000	\$62,000	\$64,000	\$66,000	\$68,000	\$70,000	\$72,000	\$74,000
111 Training & Conferences FS	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
112 Stationery & Supplies FS	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
113 Cell Phones FS	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
114 PERS Cost by Function	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000
<b>General Administration</b>											
115 PERS ER Contribution	(\$80,000)	(\$82,000)	(\$85,000)	(\$87,000)	(\$90,000)	(\$93,000)	(\$96,000)	(\$98,000)	(\$101,000)	(\$104,000)	(\$108,000)
116 Administration - Supervision	\$542,000	\$585,000	\$632,000	\$664,000	\$697,000	\$732,000	\$768,000	\$807,000	\$847,000	\$890,000	\$934,000
117 Administration - Labor	\$207,000	\$224,000	\$241,000	\$254,000	\$266,000	\$280,000	\$293,000	\$308,000	\$324,000	\$340,000	\$357,000
118 Accounting - Labor	\$141,000	\$152,000	\$164,000	\$173,000	\$181,000	\$190,000	\$200,000	\$210,000	\$220,000	\$231,000	\$243,000
119 Administration - Overtime	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
120 Accounting - Overtime	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000
121 Administration - Benefits	\$262,000	\$270,000	\$278,000	\$286,000	\$295,000	\$304,000	\$313,000	\$322,000	\$332,000	\$342,000	\$352,000
122 Accounting - Benefits	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000	\$69,000	\$71,000
123 Vehicle Maintenance ADMIN	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
124 Vehicle Fuel ADMIN	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000

**Schedule 1 –Budgeted and Projected Operating and Debt Expenses (3 of 3)**

	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2032/33
	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
125 Stationery & Supplies ADMIN	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000
126 Printing & Reproduction ADMIN	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
127 Postage ADMIN	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
128 Memberships & Subscriptions	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000
129 Travel & Conference MGMT	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
130 Travel & Conference ADMIN/ACCT	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
131 Travel & Conference (IT)	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
132 Maintenance of Structures	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
133 Office & Shop Utilities	\$25,000	\$28,000	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000
134 Hazardous Waste Disposal	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000
135 Solar Expenses	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000
136 Telephones	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000
137 Cell Phones ADMIN	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
138 Internet Service Provider	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000	\$16,000
139 Security Services	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000
140 Custodian/Caretaker	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000	\$16,000
141 Ins Property & Liability	\$252,000	\$260,000	\$267,000	\$275,000	\$284,000	\$292,000	\$301,000	\$310,000	\$319,000	\$329,000	\$339,000
142 Deductible Adjustments	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
143 New Employee Verification	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
144 Public Employees Retirement	\$266,000	\$274,000	\$283,000	\$291,000	\$300,000	\$309,000	\$318,000	\$327,000	\$337,000	\$347,000	\$358,000
145 PERS Cost by Function	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000	\$28,000	\$29,000	\$30,000	\$30,000	\$31,000	\$32,000
146 Workers Comp Previous FY	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
147 Accrued Sick/Vacation Leave	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
148 Safety/Training & Equipment	\$46,000	\$47,000	\$49,000	\$50,000	\$52,000	\$53,000	\$55,000	\$57,000	\$58,000	\$60,000	\$62,000
149 Misc. Sundries & Supplies	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000	\$20,000
150 Warehouse Supplies	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
151 Legal Services	\$975,000	\$1,004,000	\$1,034,000	\$1,065,000	\$1,097,000	\$1,130,000	\$1,164,000	\$1,199,000	\$1,235,000	\$1,272,000	\$1,310,000
152 Auditing Services	\$26,000	\$27,000	\$28,000	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000
153 Financial Services	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
154 Hydrogeologist Consultant	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000
155 Underground Service Alert	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
156 Rents/Lease Equipment	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
157 Leases Real Estate BLM	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$9,000
158 Equipment Maintenance	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000
159 Server Maintenance Agreement	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
160 Computer Maintenance	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000
161 Springbrook Software Maint	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000
162 Cost of Service Study	\$30,000	\$0	\$0	\$0	\$60,000	\$0	\$0	\$0	\$60,000	\$0	\$0
163 Answering Service	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000
<b>Legislative Expenses</b>											
164 Director's Fees	\$26,000	\$29,000	\$31,000	\$32,000	\$34,000	\$36,000	\$37,000	\$39,000	\$41,000	\$43,000	\$45,000
165 Health Insurance Director's	\$68,000	\$70,000	\$72,000	\$74,000	\$77,000	\$79,000	\$81,000	\$84,000	\$86,000	\$89,000	\$91,000
166 Director's Workers Comp	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
167 Director's Payroll Taxes	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
168 Recording Secretary	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
169 Travel & Convention Directors	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
<b>Miscellaneous</b>											
170 Admin Fees AD87-1	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
171 OPEB Expense	\$138,000	\$142,000	\$146,000	\$151,000	\$155,000	\$160,000	\$165,000	\$170,000	\$175,000	\$180,000	\$185,000
172 Misc Service Charges/Penalties	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
173 Credit Card Service Charges	\$120,000	\$124,000	\$127,000	\$131,000	\$135,000	\$139,000	\$143,000	\$148,000	\$152,000	\$157,000	\$161,000
174 Web Payment Service Charges	\$59,000	\$61,000	\$63,000	\$64,000	\$66,000	\$68,000	\$70,000	\$73,000	\$75,000	\$77,000	\$79,000
175 Misc State & County Fees	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
176 SWRCB Annual Fee (was CDPH)	\$39,000	\$40,000	\$41,000	\$43,000	\$44,000	\$45,000	\$47,000	\$48,000	\$49,000	\$51,000	\$52,000
177 Public Information	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000
178 LAFCO Expense	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000
179 WSIP Monitoring	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
180 General Plan Expense	\$75,000	\$77,000	\$80,000	\$82,000	\$84,000	\$87,000	\$90,000	\$92,000	\$95,000	\$98,000	\$101,000
<b>GSA</b>											
181 GSA Pump Fee	\$560,000	\$560,000	\$562,000	\$563,000	\$565,000	\$567,000	\$568,000	\$570,000	\$572,000	\$574,000	\$575,000
182 GSA Replenishment Fee	\$4,230,000	\$3,493,000	\$3,504,000	\$3,514,000	\$3,525,000	\$3,535,000	\$3,546,000	\$3,557,000	\$3,567,000	\$3,578,000	\$3,589,000
<b>Conservation</b>											
183 Conservation Web Payment S/Chg	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000
184 Water Conservation Programs	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
185 Water Conservation Advertising	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
186 Conser/Public Education OT	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
<b>Alternate Water Supply</b>											
187 Well Monitoring Program	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
188 Kern County Property Tax	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000
189 Inyo Kern County Property Tax	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000
190 Alternate Water Supply General	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000
191 AWS Butterworth Ranch Olancha	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$20,000	\$20,000
192 AWS Stine Property	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
<b>Debt Service</b>											
193 Solar Loan	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000	\$534,000
194 2018 COP	\$1,891,000	\$1,882,000	\$1,885,000	\$1,879,000	\$1,880,000	\$1,875,000	\$1,878,000	\$1,880,000	\$1,887,000	\$1,887,000	\$1,885,000
<b>195 Total Operating &amp; Debt Expenses</b>	<b>\$15,341,000</b>	<b>\$14,963,000</b>	<b>\$15,382,000</b>	<b>\$15,715,000</b>	<b>\$16,146,000</b>	<b>\$16,446,000</b>	<b>\$16,828,000</b>	<b>\$17,225,000</b>	<b>\$17,719,000</b>	<b>\$18,102,000</b>	<b>\$18,534,000</b>



### Schedule 2 –Capital Spending Projections

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<b>WATER SUPPLY</b>											
1 Telemetry Replacements & Upgrades		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000	
2 Replacement Well/Well 36 (Phase II)											
3 Well 17 MCC			\$235,000								
4 Arsenic Plant Tower		\$45,000									
5 Arsenic Plant Underdrain	\$138,000	\$175,000									
6 Arsenic Plant Roofs		\$15,000									
7 Pressure Reduction Valve		\$250,000		\$250,000							
8 Magmeter X 10		\$100,000									
9 Electric Valves	\$15,000										
10 Well Rehab X 2		\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
11 Ridgecrest Heights Booster			\$1,500,000								
12 Disaster Repair - Gateway Booster	\$250,000	\$2,415,000									
<b>13 TOTAL WATER SUPPLY</b>	<b>\$403,000</b>	<b>\$3,310,000</b>	<b>\$2,035,000</b>	<b>\$310,000</b>	<b>\$550,000</b>	<b>\$310,000</b>	<b>\$300,000</b>	<b>\$310,000</b>	<b>\$300,000</b>	<b>\$310,000</b>	<b>\$300,000</b>
<b>WATER DISTRIBUTION</b>											
14 New Service Installations	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
15 Burns Mainline Replacement					\$200,000						
16 French St Mainline Replacement				\$750,000							
17 Springer 24" Line			\$3,400,000								
18 Gateway Blvd 24"				\$2,500,000							
19 Bowman 30"								\$5,400,000			
20 College Heights Blvd 18"										\$1,200,000	
21 Springer Tank Solar	\$10,000										
22 South Gold Canyon Mainline Replacement		\$150,000									
23 Karen Mainline Replacement		\$150,000									
24 Eastside 4" Lateral Replacements		\$700,000									
25 La Mirage Mainline Replacements						\$2,750,000	\$2,750,000				
26 Fire Hydrants	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
27 Springer to Gateway Tank											
28 Tanks X 3	\$500,000	\$4,884,000									
29 End-of-Life Meter Exchange	\$338,000	\$348,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
30 Bulk Station	\$100,000										
<b>31 TOTAL TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$965,000</b>	<b>\$6,249,000</b>	<b>\$3,477,000</b>	<b>\$3,327,000</b>	<b>\$277,000</b>	<b>\$2,827,000</b>	<b>\$2,827,000</b>	<b>\$5,477,000</b>	<b>\$77,000</b>	<b>\$1,277,000</b>	<b>\$77,000</b>
<b>TECH</b>											
32 Misc Computer Purchases	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
33 SCADA Laptops		\$13,000									
34 Replacement Equipment Server	\$15,000			\$15,000			\$15,000			\$15,000	
<b>35 TOTAL TECH</b>	<b>\$30,000</b>	<b>\$28,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	<b>\$15,000</b>
<b>GENERAL PLANT</b>											
36 Vehicles Replacement	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
37 New Infrastructure Back Parking Lot & North Wall				\$800,000							
38 Miscellaneous Capital Purchases	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
<b>39 TOTAL GENERAL PLANT</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$945,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$145,000</b>
<b>SOURCE OF SUPPLY</b>											
40 Groundwater Storage Study	\$30,000										
41 El Paso Exploration		\$75,000									
<b>42 TOTAL FUTURE SOURCE OF SUPPLY</b>	<b>\$30,000</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>43 TOTAL CAPITAL PROGRAM:</b>	<b>\$1,573,000</b>	<b>\$9,807,000</b>	<b>\$5,672,000</b>	<b>\$4,612,000</b>	<b>\$987,000</b>	<b>\$3,297,000</b>	<b>\$3,302,000</b>	<b>\$5,947,000</b>	<b>\$537,000</b>	<b>\$1,762,000</b>	<b>\$537,000</b>

**Schedule 3 –Cash Flow Pro Forma**

	Actual FY2022	Budget FY2023	Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033
1 <b>Rate Revenue Increase:</b>		8.00%	8.00%	8.00%	6.00%	6.00%	6.00%	6.00%	3.00%	3.00%	3.00%	3.00%
<b>Rate Revenue</b>												
2 <b>Usage Revenue (Commodity &amp; Zone)</b>	\$4,044,000	\$4,165,320	\$4,510,000	\$4,884,000	\$5,289,000	\$5,623,000	\$5,978,000	\$6,354,000	\$6,755,000	\$6,977,000	\$7,208,000	\$7,446,000
3 Change due to growth & use		\$12,000	\$14,000	\$15,000	\$16,000	\$17,000	\$18,000	\$19,000	\$20,000	\$21,000	\$22,000	\$22,000
4 Increase due to rate adjustments		\$111,000	\$180,000	\$195,000	\$159,000	\$169,000	\$179,000	\$191,000	\$101,000	\$105,000	\$108,000	\$112,000
5 <b>Fixed Revenue (RTS, Arsenic &amp; Fire Protection)</b>	\$6,926,000	\$7,133,780	\$7,725,000	\$8,366,000	\$9,061,000	\$9,632,000	\$10,239,000	\$10,884,000	\$11,571,000	\$11,954,000	\$12,348,000	\$12,755,000
6 Change due to growth & use		\$21,000	\$23,000	\$25,000	\$27,000	\$29,000	\$31,000	\$33,000	\$35,000	\$36,000	\$37,000	\$38,000
7 Increase due to rate adjustments		\$190,000	\$309,000	\$335,000	\$272,000	\$289,000	\$307,000	\$327,000	\$174,000	\$179,000	\$185,000	\$191,000
8 <b>Other Rate Revenue (Bulk &amp; Construction)</b>	\$151,000	\$155,530	\$168,000	\$182,000	\$196,000	\$208,000	\$220,000	\$234,000	\$248,000	\$256,000	\$264,000	\$272,000
9 Increase due to rate adjustments		\$6,000	\$7,000	\$7,000	\$6,000	\$6,000	\$7,000	\$7,000	\$4,000	\$4,000	\$4,000	\$0
10 <b>GSA Fees</b>	\$4,761,000	\$4,053,000	\$4,065,000	\$4,078,000	\$4,090,000	\$4,102,000	\$4,114,000	\$4,127,000	\$4,139,000	\$4,152,000	\$4,164,000	\$4,176,000
<b>Non-Rate Revenues</b>												
11 Miscellaneous Fees	\$566,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000	\$386,000
12 Interest Earnings	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
13 Capital Facility Fees	\$550,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000	\$399,000
14 Operating Revenue	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
15 Assessment Revenue	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
16 <b>Total Revenue</b>	<b>\$17,116,000</b>	<b>\$16,750,630</b>	<b>\$17,904,000</b>	<b>\$18,990,000</b>	<b>\$20,019,000</b>	<b>\$20,978,000</b>	<b>\$21,996,000</b>	<b>\$23,079,000</b>	<b>\$23,950,000</b>	<b>\$24,587,000</b>	<b>\$25,243,000</b>	<b>\$25,915,000</b>
<b>O&amp;M Costs</b>												
17 Source of Supply	\$1,104,000	\$1,184,000	\$1,242,000	\$1,289,000	\$1,338,000	\$1,389,000	\$1,442,000	\$1,498,000	\$1,555,000	\$1,615,000	\$1,677,000	\$1,742,000
18 Legislative Expenses	\$103,000	\$107,000	\$112,000	\$116,000	\$120,000	\$124,000	\$129,000	\$133,000	\$138,000	\$143,000	\$148,000	\$154,000
19 Field Services	\$497,000	\$527,000	\$559,000	\$583,000	\$607,000	\$633,000	\$660,000	\$688,000	\$718,000	\$748,000	\$781,000	\$814,000
20 Conservation	\$14,000	\$14,000	\$15,000	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000
21 Transmission & Distribution	\$1,741,000	\$1,829,000	\$1,920,000	\$1,994,000	\$2,070,000	\$2,149,000	\$2,232,000	\$2,318,000	\$2,408,000	\$2,501,000	\$2,598,000	\$2,700,000
22 Customer Service	\$428,000	\$451,000	\$474,000	\$493,000	\$513,000	\$533,000	\$554,000	\$576,000	\$599,000	\$623,000	\$648,000	\$674,000
23 Engineering	\$365,000	\$384,000	\$404,000	\$420,000	\$436,000	\$453,000	\$471,000	\$489,000	\$508,000	\$528,000	\$549,000	\$571,000
24 General Administration	\$3,243,000	\$3,356,000	\$3,505,000	\$3,631,000	\$3,822,000	\$3,898,000	\$4,039,000	\$4,185,000	\$4,397,000	\$4,495,000	\$4,660,000	\$4,830,000
25 Arsenic Treatment	\$219,000	\$232,000	\$243,000	\$253,000	\$262,000	\$272,000	\$282,000	\$293,000	\$304,000	\$316,000	\$328,000	\$340,000
26 Non-Operating Expenses	\$333,000	\$343,000	\$353,000	\$364,000	\$375,000	\$386,000	\$398,000	\$409,000	\$422,000	\$434,000	\$447,000	\$461,000
27 GSA	\$4,790,000	\$4,053,000	\$4,065,000	\$4,078,000	\$4,090,000	\$4,102,000	\$4,114,000	\$4,127,000	\$4,139,000	\$4,152,000	\$4,164,000	\$4,176,000
28 Alternate Water Supply	\$71,000	\$73,000	\$75,000	\$78,000	\$80,000	\$82,000	\$85,000	\$87,000	\$90,000	\$93,000	\$95,000	\$98,000
29 <b>Total Operating Expenses</b>	<b>\$12,908,000</b>	<b>\$12,553,000</b>	<b>\$12,967,000</b>	<b>\$13,314,000</b>	<b>\$13,728,000</b>	<b>\$14,037,000</b>	<b>\$14,422,000</b>	<b>\$14,820,000</b>	<b>\$15,295,000</b>	<b>\$15,666,000</b>	<b>\$16,113,000</b>	<b>\$16,579,000</b>
<b>Capital Costs</b>												
30 <b>Total Capital Spending (rows 32, 33 &amp; 34)</b>	<b>\$1,671,000</b>	<b>\$9,706,000</b>	<b>\$5,842,000</b>	<b>\$4,892,000</b>	<b>\$1,078,000</b>	<b>\$3,710,000</b>	<b>\$3,827,000</b>	<b>\$7,100,000</b>	<b>\$4,939,000</b>	<b>\$5,087,000</b>	<b>\$5,240,000</b>	<b>\$5,397,000</b>
31 Existing Debt Service	\$2,425,000	\$2,416,000	\$2,419,000	\$2,413,000	\$2,414,000	\$2,410,000	\$2,412,000	\$2,414,000	\$2,421,000	\$2,421,000	\$2,419,000	\$2,420,000
32 PayGo Funded Capital Projects	(\$250,000)	\$4,121,000	\$795,000	\$2,240,000	\$1,078,000	\$3,710,000	\$3,827,000	\$5,166,000	\$4,939,000	\$5,087,000	\$5,240,000	\$5,397,000
33 2018 COP Funded Projects	\$1,816,000	\$4,560,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34 Capital Facility Fee Funded CIP	\$105,000	\$1,025,640	\$0	\$0	\$0	\$0	\$0	\$1,934,365	\$0	\$0	\$0	\$0
35 New Debt Service	\$0	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000
36 <b>Total Capital Expenses (rows 31, 32, 33 &amp; 34)</b>	<b>\$4,096,000</b>	<b>\$12,616,640</b>	<b>\$3,708,000</b>	<b>\$5,147,000</b>	<b>\$3,986,000</b>	<b>\$6,614,000</b>	<b>\$6,733,000</b>	<b>\$10,008,365</b>	<b>\$7,854,000</b>	<b>\$8,002,000</b>	<b>\$8,153,000</b>	<b>\$8,311,000</b>
37 <b>Total Rate Revenue Requirement</b>	<b>\$15,083,000</b>	<b>\$19,584,000</b>	<b>\$16,675,000</b>	<b>\$18,461,000</b>	<b>\$17,714,000</b>	<b>\$20,651,000</b>	<b>\$21,155,000</b>	<b>\$22,894,000</b>	<b>\$23,149,000</b>	<b>\$23,668,000</b>	<b>\$24,266,000</b>	<b>\$24,890,000</b>
38 <b>Beginning Year Balance</b>	<b>\$13,345,000</b>	<b>\$14,828,000</b>	<b>\$11,595,630</b>	<b>\$12,425,630</b>	<b>\$12,555,630</b>	<b>\$14,461,630</b>	<b>\$14,389,630</b>	<b>\$14,831,630</b>	<b>\$14,617,630</b>	<b>\$15,019,630</b>	<b>\$15,539,630</b>	<b>\$16,117,630</b>
39 <b>Surplus/(Shortfall)</b>	<b>\$1,483,000</b>	<b>(\$3,232,370)</b>	<b>\$830,000</b>	<b>\$130,000</b>	<b>\$1,906,000</b>	<b>(\$72,000)</b>	<b>\$442,000</b>	<b>(\$214,000)</b>	<b>\$402,000</b>	<b>\$520,000</b>	<b>\$578,000</b>	<b>\$626,000</b>
40 <b>End of Year Balance</b>	<b>\$14,828,000</b>	<b>\$11,595,630</b>	<b>\$12,425,630</b>	<b>\$12,555,630</b>	<b>\$14,461,630</b>	<b>\$14,389,630</b>	<b>\$14,831,630</b>	<b>\$14,617,630</b>	<b>\$15,019,630</b>	<b>\$15,539,630</b>	<b>\$16,117,630</b>	<b>\$16,743,630</b>
41 <i>Minimum Reserve Level</i>	\$4,059,000	\$4,250,000	\$4,451,000	\$4,618,000	\$4,819,000	\$4,968,000	\$5,154,000	\$5,347,000	\$5,578,000	\$5,757,000	\$5,975,000	\$6,202,000
42 <i>Available Balance</i>	\$10,769,000	\$7,345,630	\$7,974,630	\$7,937,630	\$9,642,630	\$9,421,630	\$9,677,630	\$9,270,630	\$9,441,630	\$9,782,630	\$10,142,630	\$10,541,630
43 <i>Ending Restricted Fund Balance</i>	\$1,675,000	\$1,048,360	\$1,447,360	\$1,846,360	\$2,245,360	\$2,844,360	\$3,043,360	\$1,507,995	\$1,906,995	\$2,305,995	\$2,704,995	\$3,103,995
<b>Debt Coverage Calculations</b>												
44 <i>Total Revenue Available for Debt Service</i>	\$4,208,000	\$4,197,630	\$4,937,000	\$5,676,000	\$6,291,000	\$6,941,000	\$7,574,000	\$8,259,000	\$8,655,000	\$8,921,000	\$9,130,000	\$9,336,000
45 <i>Total Yearly Parity Debt Payment</i>	\$2,425,000	\$2,910,000	\$2,913,000	\$2,907,000	\$2,908,000	\$2,904,000	\$2,906,000	\$2,908,000	\$2,915,000	\$2,915,000	\$2,913,000	\$2,914,000
46 <b>Debt Coverage Ratio</b>	<b>1.74</b>	<b>1.44</b>	<b>1.69</b>	<b>1.95</b>	<b>2.16</b>	<b>2.39</b>	<b>2.61</b>	<b>2.84</b>	<b>2.97</b>	<b>3.06</b>	<b>3.13</b>	<b>3.20</b>

**Schedule 4 –Allocation of Costs to System Functions (1 of 3)**

Budget Line Items	FY 2022/23 Budget	Allocation Basis	Percent Allocation to Revenue Recovery Components				Account Charge	Meter Charge	Commodity	Arsenic
			Account Charge	Meter Charge	Commodity	Arsenic				
<b>Water Supply Expenses</b>										
1 PERS ER Contributions	(\$37,100)	Source of Supply	0%	0%	100%	0%	\$0	\$0	(\$37,100)	\$0
2 Supervision	\$109,100	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$109,100	\$0
3 Capital Credit	(\$51,500)	Source of Supply	0%	0%	100%	0%	\$0	\$0	(\$51,500)	\$0
4 Labor	\$340,200	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$340,200	\$0
5 Overtime	\$1,600	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$1,600	\$0
6 Standby Time	\$6,500	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$6,500	\$0
7 Benefits	\$173,000	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$173,000	\$0
8 Vehicle Maintenance	\$20,600	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$20,600	\$0
9 Vehicle Fuel	\$12,100	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$12,100	\$0
10 Maintenance Of Structures	\$4,100	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$4,100	\$0
11 Maintenance of Equipment	\$27,800	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$27,800	\$0
12 Maintenance Standby Generators	\$13,400	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$13,400	\$0
13 Maintenance & Care Of Grounds	\$4,100	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$4,100	\$0
14 Maintenance Automated Controls	\$10,300	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$10,300	\$0
15 Automated Controls Maint Agreement	\$4,600	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$4,600	\$0
16 Operating Permits	\$15,500	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$15,500	\$0
17 Purchased Power	\$376,200	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$376,200	\$0
18 Water Bills	\$9,700	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$9,700	\$0
19 Solar Expenses	\$61,800	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$61,800	\$0
20 Natural Gas	\$600	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$600	\$0
21 Training & Conferences	\$5,200	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$5,200	\$0
22 Bulk Water Station Expenses	\$11,300	Storage	0%	50%	50%	0%	\$0	\$5,650	\$5,650	\$0
23 Water Treatment Chemicals	\$37,100	Treatment	0%	0%	100%	0%	\$0	\$0	\$37,100	\$0
24 Maint Reservoirs & Tanks	\$2,100	Storage	0%	50%	50%	0%	\$0	\$1,050	\$1,050	\$0
25 Misc Parts & Materials	\$10,300	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$10,300	\$0
26 Stationery & Computer Supplies	\$2,100	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$2,100	\$0
27 Cell Phones	\$2,700	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$2,700	\$0
28 PERS Cost by Function	\$10,300	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$10,300	\$0
<b>Arsenic Plant Expenses</b>										
29 PERS ER Contributions	(\$7,200)	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	(\$7,200)
30 Supervision	\$18,400	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$18,400
31 Labor	\$57,200	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$57,200
32 Overtime	\$1,100	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$1,100
33 Standby Time	\$8,600	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$8,600
34 Benefits	\$30,900	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$30,900
35 Maintenance of Structures	\$3,600	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$3,600
36 Maintenance of Equipment	\$15,500	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$15,500
37 Maintenance Arsenic Plant Grounds	\$1,000	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$1,000
38 Maintenance Automated Controls	\$5,200	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$5,200
39 Automated Controls Maint Agreement	\$2,900	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$2,900
40 Purchased Power	\$33,000	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$33,000
41 Solar Expense	\$7,200	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$7,200
42 Lab Analysis & Equipment	\$5,200	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$5,200
43 Treatment Chemicals	\$41,200	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$41,200
44 Solids Disposal	\$4,400	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$4,400
45 Misc Parts & Materials	\$2,100	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$2,100
46 PERS Cost by Function	\$2,100	Arsenic	0%	0%	0%	100%	\$0	\$0	\$0	\$2,100
<b>Transmission &amp; Distribution Expenses</b>										
47 PERS ER Contributions	(\$48,400)	Trans & Dist	0%	50%	50%	0%	\$0	(\$24,200)	(\$24,200)	\$0
48 Supervision	\$112,300	Trans & Dist	0%	50%	50%	0%	\$0	\$56,150	\$56,150	\$0
49 Labor	\$511,900	Trans & Dist	0%	50%	50%	0%	\$0	\$255,950	\$255,950	\$0
50 No-DES Labor	\$141,300	Trans & Dist	0%	50%	50%	0%	\$0	\$70,650	\$70,650	\$0
51 Capital Project Credit	(\$59,400)	Trans & Dist	0%	50%	50%	0%	\$0	(\$29,700)	(\$29,700)	\$0
52 Overtime	\$23,800	Trans & Dist	0%	50%	50%	0%	\$0	\$11,900	\$11,900	\$0
53 Standby Time	\$38,100	Trans & Dist	0%	50%	50%	0%	\$0	\$19,050	\$19,050	\$0
54 Benefits	\$388,300	Trans & Dist	0%	50%	50%	0%	\$0	\$194,150	\$194,150	\$0
55 Vehicle Maintenance	\$36,100	Trans & Dist	0%	50%	50%	0%	\$0	\$18,050	\$18,050	\$0
56 Vehicle Fuel	\$33,000	Trans & Dist	0%	50%	50%	0%	\$0	\$16,500	\$16,500	\$0
57 Maintenance Heavy & Light Equipment	\$30,900	Trans & Dist	0%	50%	50%	0%	\$0	\$15,450	\$15,450	\$0
58 Maintenance of T&D	\$34,000	Trans & Dist	0%	50%	50%	0%	\$0	\$17,000	\$17,000	\$0
59 Maintenance of Fire Hydrants	\$6,200	Trans & Dist	0%	50%	50%	0%	\$0	\$3,100	\$3,100	\$0
60 Maintenance Laterals & Meters	\$154,500	Trans & Dist	0%	50%	50%	0%	\$0	\$77,250	\$77,250	\$0
61 Maintenance Valves & Boxes	\$18,500	Trans & Dist	0%	50%	50%	0%	\$0	\$9,250	\$9,250	\$0
62 Maintenance Of Streets	\$370,800	Trans & Dist	0%	50%	50%	0%	\$0	\$185,400	\$185,400	\$0
63 Maintenance Of Streets - Permits	\$3,100	Trans & Dist	0%	50%	50%	0%	\$0	\$1,550	\$1,550	\$0
64 Welding Supplies	\$1,000	Trans & Dist	0%	50%	50%	0%	\$0	\$500	\$500	\$0
65 Misc Parts & Materials	\$12,400	Trans & Dist	0%	50%	50%	0%	\$0	\$6,200	\$6,200	\$0
66 Equipment Rental	\$3,100	Trans & Dist	0%	50%	50%	0%	\$0	\$1,550	\$1,550	\$0
67 Capital Equipment Credit	(\$9,300)	Trans & Dist	0%	50%	50%	0%	\$0	(\$4,650)	(\$4,650)	\$0
68 Training and Conferences	\$5,200	Trans & Dist	0%	50%	50%	0%	\$0	\$2,600	\$2,600	\$0
69 Meal Tickets	\$1,000	Trans & Dist	0%	50%	50%	0%	\$0	\$500	\$500	\$0
70 Stationery & Computer Supplies	\$2,100	Trans & Dist	0%	50%	50%	0%	\$0	\$1,050	\$1,050	\$0
71 Cell Phones	\$2,000	Trans & Dist	0%	50%	50%	0%	\$0	\$1,000	\$1,000	\$0
72 PERS Cost by Function	\$16,500	Trans & Dist	0%	50%	50%	0%	\$0	\$8,250	\$8,250	\$0

### Schedule 4 – Allocation of Costs to System Functions (2 of 3)

Budget Line Items	FY 2022/23 Budget	Allocation Basis	Percent Allocation to Revenue Recovery Components				Account Charge	Meter Charge	Commodity	Arsenic
			Account Charge	Meter Charge	Commodity	Arsenic				
<b>Engineering Expenses</b>										
73 PERS ER Contributions	(\$18,500)	Asset Register	5%	50%	17%	28%	(\$956)	(\$9,335)	(\$3,113)	(\$5,096)
74 Labor	\$272,200	Asset Register	5%	50%	17%	28%	\$14,072	\$137,344	\$45,810	\$74,973
75 Capital Project Credit	(\$108,000)	Asset Register	5%	50%	17%	28%	(\$5,584)	(\$54,494)	(\$18,176)	(\$29,747)
76 Benefits	\$83,400	Asset Register	5%	50%	17%	28%	\$4,312	\$42,081	\$14,036	\$22,971
77 Vehicle Maintenance	\$2,100	Asset Register	5%	50%	17%	28%	\$109	\$1,060	\$353	\$578
78 Vehicle Fuel	\$4,400	Asset Register	5%	50%	17%	28%	\$227	\$2,220	\$741	\$1,212
79 Water Treatment Lab Analysis	\$27,800	Treatment	0%	0%	100%	0%	\$0	\$0	\$27,800	\$0
80 Consumer Confidence Reports	\$7,700	Asset Register	5%	50%	17%	28%	\$398	\$3,885	\$1,296	\$2,121
81 Training and Conferences (Engineering)	\$3,100	Asset Register	5%	50%	17%	28%	\$160	\$1,564	\$522	\$854
82 Stationery & Computer Supplies	\$4,100	Asset Register	5%	50%	17%	28%	\$212	\$2,069	\$690	\$1,129
83 Cell Phones	\$1,000	Asset Register	5%	50%	17%	28%	\$52	\$505	\$168	\$275
84 PERS Cost by Function	\$5,200	Asset Register	5%	50%	17%	28%	\$269	\$2,624	\$875	\$1,432
85 Miscellaneous Consultant - GIS	\$20,600	Asset Register	5%	50%	17%	28%	\$1,065	\$10,394	\$3,467	\$5,674
86 Consulting Engineer Services	\$51,500	Asset Register	5%	50%	17%	28%	\$2,663	\$25,985	\$8,667	\$14,185
87 Water Trax Subscription	\$12,200	Asset Register	5%	50%	17%	28%	\$631	\$6,156	\$2,053	\$3,360
88 Computer Maintenance	\$15,500	Asset Register	5%	50%	17%	28%	\$801	\$7,821	\$2,609	\$4,269
<b>Customer Service Expenses</b>										
89 PERS ER Contributions	(\$16,500)	Customer Service & Me	50%	50%	0%	0%	(\$8,250)	(\$8,250)	\$0	\$0
90 Supervision	\$100,400	Customer Service & Me	50%	50%	0%	0%	\$50,200	\$50,200	\$0	\$0
91 Labor	\$104,800	Customer Service & Me	50%	50%	0%	0%	\$52,400	\$52,400	\$0	\$0
92 Overtime	\$1,100	Customer Service & Me	50%	50%	0%	0%	\$550	\$550	\$0	\$0
93 Benefits	\$80,300	Customer Service & Me	50%	50%	0%	0%	\$40,150	\$40,150	\$0	\$0
94 Uncollectible Accounts	\$72,100	Customer Service & Me	50%	50%	0%	0%	\$36,050	\$36,050	\$0	\$0
95 Postage & Supplies	\$72,100	Customer Service & Me	50%	50%	0%	0%	\$36,050	\$36,050	\$0	\$0
96 Printing & Reproduction	\$16,500	Customer Service & Me	50%	50%	0%	0%	\$8,250	\$8,250	\$0	\$0
97 Training & Conferences	\$2,100	Customer Service & Me	50%	50%	0%	0%	\$1,050	\$1,050	\$0	\$0
98 Cash Short/Over	\$200	Customer Service & Me	50%	50%	0%	0%	\$100	\$100	\$0	\$0
99 Stationery & Computer Supplies	\$12,400	Customer Service & Me	50%	50%	0%	0%	\$6,200	\$6,200	\$0	\$0
100 PERS Cost by Function	\$5,200	Customer Service & Me	50%	50%	0%	0%	\$2,600	\$2,600	\$0	\$0
<b>Field Service Expenses</b>										
101 PERS ER Contributions	(\$20,600)	Field Services	50%	50%	0%	0%	(\$10,300)	(\$10,300)	\$0	\$0
102 Misc Parts & Materials	\$3,600	Field Services	50%	50%	0%	0%	\$1,800	\$1,800	\$0	\$0
103 Supervision	\$109,100	Field Services	50%	50%	0%	0%	\$54,550	\$54,550	\$0	\$0
104 Labor	\$206,300	Field Services	50%	50%	0%	0%	\$103,150	\$103,150	\$0	\$0
105 Overtime	\$2,900	Field Services	50%	50%	0%	0%	\$1,450	\$1,450	\$0	\$0
106 Capital Project Credit	(\$77,300)	Field Services	50%	50%	0%	0%	(\$38,650)	(\$38,650)	\$0	\$0
107 Benefits	\$159,700	Field Services	50%	50%	0%	0%	\$79,850	\$79,850	\$0	\$0
108 Vehicle Maintenance	\$16,500	Field Services	50%	50%	0%	0%	\$8,250	\$8,250	\$0	\$0
109 Vehicle Fuel	\$14,300	Field Services	50%	50%	0%	0%	\$7,150	\$7,150	\$0	\$0
110 Maintenance of Meters	\$41,200	Field Services	50%	50%	0%	0%	\$20,600	\$20,600	\$0	\$0
111 Itron Software	\$0	Field Services	50%	50%	0%	0%	\$0	\$0	\$0	\$0
112 AMI	\$56,700	Field Services	50%	50%	0%	0%	\$28,350	\$28,350	\$0	\$0
113 Training and Conferences	\$5,200	Field Services	50%	50%	0%	0%	\$2,600	\$2,600	\$0	\$0
114 Stationery & Computer Supplies	\$1,000	Field Services	50%	50%	0%	0%	\$500	\$500	\$0	\$0
115 Cell Phones	\$2,600	Field Services	50%	50%	0%	0%	\$1,300	\$1,300	\$0	\$0
116 PERS Cost by Function	\$6,200	Field Services	50%	50%	0%	0%	\$3,100	\$3,100	\$0	\$0
<b>Admin, Accounting &amp; General Expenses</b>										
117 PERS ER Contributions	(\$82,400)	Indirect Operations	15%	46%	29%	10%	(\$12,213)	(\$38,108)	(\$24,122)	(\$7,956)
118 Supervision	\$585,400	Indirect Operations	15%	46%	29%	10%	\$86,769	\$270,734	\$171,372	\$56,525
119 Administration - Labor	\$223,600	Indirect Operations	15%	46%	29%	10%	\$33,142	\$103,410	\$65,458	\$21,590
120 Accounting - Labor	\$152,300	Indirect Operations	15%	46%	29%	10%	\$22,574	\$70,435	\$44,585	\$14,706
121 Administration - Overtime	\$2,200	Indirect Operations	15%	46%	29%	10%	\$326	\$1,017	\$644	\$212
122 Accounting - Overtime	\$1,100	Indirect Operations	15%	46%	29%	10%	\$163	\$509	\$322	\$106
123 Administration - Benefits	\$269,900	Indirect Operations	15%	46%	29%	10%	\$40,005	\$124,823	\$79,012	\$26,061
124 Accounting - Benefits	\$54,600	Indirect Operations	15%	46%	29%	10%	\$8,093	\$25,251	\$15,984	\$5,272
125 Vehicle Maintenance	\$5,200	Indirect Operations	15%	46%	29%	10%	\$771	\$2,405	\$1,522	\$502
126 Vehicle Fuel	\$5,500	Indirect Operations	15%	46%	29%	10%	\$815	\$2,544	\$1,610	\$531
127 Stationery & Computer Supplies	\$11,300	Indirect Operations	15%	46%	29%	10%	\$1,675	\$5,226	\$3,308	\$1,091
128 Printing & Reproduction	\$500	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$500	\$0
129 Postage	\$4,100	Indirect Operations	15%	46%	29%	10%	\$608	\$1,896	\$1,200	\$396
130 Memberships & Subscriptions	\$51,500	Indirect Operations	15%	46%	29%	10%	\$7,633	\$23,818	\$15,076	\$4,973
131 Travel & Conference (Management)	\$5,200	Indirect Operations	15%	46%	29%	10%	\$771	\$2,405	\$1,522	\$502
132 Travel & Conference (Admin/Accounting)	\$5,200	Indirect Operations	15%	46%	29%	10%	\$771	\$2,405	\$1,522	\$502
133 Travel & Conference (IT)	\$3,100	Indirect Operations	15%	46%	29%	10%	\$459	\$1,434	\$908	\$299
134 Maintenance of Structures	\$5,200	Indirect Operations	15%	46%	29%	10%	\$771	\$2,405	\$1,522	\$502
135 Office & Shop Utilities	\$27,500	Indirect Operations	15%	46%	29%	10%	\$4,076	\$12,718	\$8,050	\$2,655
136 Hazardous Waste Disposal	\$4,400	Indirect Operations	15%	46%	29%	10%	\$652	\$2,035	\$1,288	\$425
137 Solar Expenses	\$3,600	Indirect Operations	15%	46%	29%	10%	\$534	\$1,665	\$1,054	\$348
138 Telephones	\$16,500	Indirect Operations	15%	46%	29%	10%	\$2,446	\$7,631	\$4,830	\$1,593
139 Cell Phones	\$5,700	Indirect Operations	15%	46%	29%	10%	\$845	\$2,636	\$1,669	\$550
140 Internet Service Provider	\$12,400	Indirect Operations	15%	46%	29%	10%	\$1,838	\$5,735	\$3,630	\$1,197
141 Security Services	\$6,700	Indirect Operations	15%	46%	29%	10%	\$993	\$3,099	\$1,961	\$647
142 Custodian/Caretaker	\$12,400	Indirect Operations	15%	46%	29%	10%	\$1,838	\$5,735	\$3,630	\$1,197
143 Ins Property & Liability	\$259,600	Indirect Operations	15%	46%	29%	10%	\$38,478	\$120,059	\$75,996	\$25,066

**Schedule 4 – Allocation of Costs to System Functions (3 of 3)**

Budget Line Items	Percent Allocation to Revenue Recovery Components										
	FY 2022/23		Account				Meter				
	Budget	Allocation Basis	Charge	Charge	Commodity	Arsenic	Charge	Charge	Commodity	Arsenic	
144 Deductible Adjustments	\$3,100	Indirect Operations	15%	46%	29%	10%	\$459	\$1,434	\$908	\$299	
145 New Employee Verification	\$1,000	Indirect Operations	15%	46%	29%	10%	\$148	\$462	\$293	\$97	
146 Public Employees Retirement	\$274,300	Indirect Operations	15%	46%	29%	10%	\$40,657	\$126,857	\$80,300	\$26,486	
147 PERS Cost by Function	\$24,700	Indirect Operations	15%	46%	29%	10%	\$3,661	\$11,423	\$7,231	\$2,385	
148 Workers' Comp Previous FY	\$5,200	Indirect Operations	15%	46%	29%	10%	\$771	\$2,405	\$1,522	\$502	
149 Accrued Sick/Vacation Leave	\$5,200	Indirect Operations	15%	46%	29%	10%	\$771	\$2,405	\$1,522	\$502	
150 Safety Materials and Equipment	\$47,400	Indirect Operations	15%	46%	29%	10%	\$7,026	\$21,921	\$13,876	\$4,577	
151 Miscellaneous Supplies	\$15,500	Indirect Operations	15%	46%	29%	10%	\$2,297	\$7,168	\$4,538	\$1,497	
152 Warehouse Supplies	\$10,300	Indirect Operations	15%	46%	29%	10%	\$1,527	\$4,764	\$3,015	\$995	
153 Legal Services	\$1,004,300	Legal Services	0%	0%	100%	0%	\$0	\$0	\$1,004,300	\$0	
154 Auditing Services	\$26,800	Indirect Operations	15%	46%	29%	10%	\$3,972	\$12,394	\$7,846	\$2,588	
155 Financial Services	\$2,600	Indirect Operations	15%	46%	29%	10%	\$385	\$1,202	\$761	\$251	
156 Hydrogeologist Consultant	\$41,200	Source of Supply	0%	0%	100%	0%	\$0	\$0	\$41,200	\$0	
157 Underground Service Alert	\$3,100	Trans & Dist	0%	50%	50%	0%	\$0	\$1,550	\$1,550	\$0	
158 Rents/Lease Equipment	\$4,100	Trans & Dist	0%	50%	50%	0%	\$0	\$2,050	\$2,050	\$0	
159 Leases Real Estate BLM	\$7,200	Indirect Operations	15%	46%	29%	10%	\$1,067	\$3,330	\$2,108	\$695	
160 Office Equipment Maintenance	\$16,500	Indirect Operations	15%	46%	29%	10%	\$2,446	\$7,631	\$4,830	\$1,593	
161 Server Maintenance Agreement	\$2,100	Indirect Operations	15%	46%	29%	10%	\$311	\$971	\$615	\$203	
162 Computer Maintenance	\$20,600	Indirect Operations	15%	46%	29%	10%	\$3,053	\$9,527	\$6,031	\$1,989	
163 Springbrook Software Maintenance	\$41,200	Indirect Operations	15%	46%	29%	10%	\$6,107	\$19,054	\$12,061	\$3,978	
164 Answering Service	\$6,200	Indirect Operations	15%	46%	29%	10%	\$919	\$2,867	\$1,815	\$599	
<b>Legislative Expenses</b>											
165 Director's Fees	\$28,500	Indirect Operations	15%	46%	29%	10%	\$4,224	\$13,181	\$8,343	\$2,752	
166 Director's Health Insurance	\$70,000	Indirect Operations	15%	46%	29%	10%	\$10,376	\$32,373	\$20,492	\$6,759	
167 Director's Workers' Comp	\$3,100	Indirect Operations	15%	46%	29%	10%	\$459	\$1,434	\$908	\$299	
168 Director's Payroll Taxes	\$2,100	Indirect Operations	15%	46%	29%	10%	\$311	\$971	\$615	\$203	
169 Recording Secretary	\$2,100	Indirect Operations	15%	46%	29%	10%	\$311	\$971	\$615	\$203	
170 Travel & Convention - Directors	\$1,500	Indirect Operations	15%	46%	29%	10%	\$222	\$694	\$439	\$145	
<b>Miscellaneous</b>											
171 Admin Fees AD 87-1	\$1,800	Indirect Operations	15%	46%	29%	10%	\$267	\$832	\$527	\$174	
172 OPEB Expense	\$142,100	Indirect Operations	15%	46%	29%	10%	\$21,062	\$65,718	\$41,599	\$13,721	
173 Misc Service Charges/Penalties	\$10,300	Indirect Operations	15%	46%	29%	10%	\$1,527	\$4,764	\$3,015	\$995	
174 Credit Card Service Charges	\$123,600	Indirect Operations	15%	46%	29%	10%	\$18,320	\$57,162	\$36,183	\$11,934	
175 Web Payments	\$60,800	Indirect Operations	15%	46%	29%	10%	\$9,012	\$28,119	\$17,799	\$5,871	
176 Misc State & County Fees	\$2,600	Indirect Operations	15%	46%	29%	10%	\$385	\$1,202	\$761	\$251	
177 SWRCB Annual Fee	\$40,200	Indirect Operations	15%	46%	29%	10%	\$5,959	\$18,592	\$11,768	\$3,882	
178 Public Information	\$6,200	Indirect Operations	15%	46%	29%	10%	\$919	\$2,867	\$1,815	\$599	
179 LAFCO Expense	\$3,600	Indirect Operations	15%	46%	29%	10%	\$534	\$1,665	\$1,054	\$348	
180 WSIP Monitoring	\$1,000	Indirect Operations	15%	46%	29%	10%	\$148	\$462	\$293	\$97	
181 General Plan Exp	\$77,300	Indirect Operations	15%	46%	29%	10%	\$11,458	\$35,749	\$22,629	\$7,464	
<b>Conservation</b>											
182 Conservation - Web Payments Svc Chg	\$1,200	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$1,200	\$0	
183 Water Conservation Programs	\$500	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$500	\$0	
184 Water Conservation Advertising	\$10,300	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$10,300	\$0	
185 Conservation OT	\$2,100	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$2,100	\$0	
<b>Alternative Water Supply</b>											
186 Well Monitoring Program	\$1,000	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$1,000	\$0	
187 Kern County Property Tax	\$11,300	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$11,300	\$0	
188 Inyo County Property Tax	\$4,300	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$4,300	\$0	
189 Alternate Water Supply General	\$51,500	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$51,500	\$0	
190 AWS - Butterworth Ranch Olancha	\$15,500	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$15,500	\$0	
191 AWS - Stine Property	\$5,200	Conservation/AWS	0%	0%	100%	0%	\$0	\$0	\$5,200	\$0	
<b>NON-OPERATING COSTS</b>											
193 Debt Service	\$2,910,000	Asset Register	5%	50%	17%	28%	\$150,444	\$1,468,299	\$489,740	\$801,516	
194 Average PayGo	\$2,388,800	Asset Register	5%	50%	17%	28%	\$123,499	\$1,205,317	\$402,025	\$657,960	
<b>SOURCES</b>											
196 Miscellaneous Fees	(\$386,000)	Indirect All Expenses	9%	44%	30%	16%	(\$36,324)	(\$169,093)	(\$117,730)	(\$62,853)	
197 Non-Primary Rate Revenue	(\$588,300)	Indirect All Expenses	9%	44%	30%	16%	(\$55,361)	(\$257,713)	(\$179,431)	(\$95,794)	
198 Interest Earnings	(\$50,000)	Indirect All Expenses	9%	44%	30%	16%	(\$4,705)	(\$21,903)	(\$15,250)	(\$8,142)	
199 Operating Revenue	(\$60,000)	Indirect All Expenses	9%	44%	30%	16%	(\$5,646)	(\$26,284)	(\$18,300)	(\$9,770)	
200 Assessment Revenue	(\$8,000)	Indirect All Expenses	9%	44%	30%	16%	(\$753)	(\$3,505)	(\$2,440)	(\$1,303)	
201 Change in Fund Balance	(\$897,170)	Indirect All Expenses	9%	44%	30%	16%	(\$84,427)	(\$393,018)	(\$273,637)	(\$146,088)	
202 Totals:	\$11,811,430						\$1,000,100	\$4,662,300	\$4,418,500	\$1,730,500	

**Schedule 5 – Five-Year Schedule of Proposed Water Rates (1 of 3)**

**Effective March 1, 2023**

Commodity Charges (per HCF)

	District Commodity Rate	GSA Extraction Fee	GSA Replenishment Fee	Total
Tier 1	\$1.82	\$0.24	\$0.00	\$2.06
Tier 2	\$1.82	\$0.24	\$6.64	\$8.70

Fixed Monthly Charges

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$35.41	\$10.57	\$45.98
1"	\$54.39	\$17.62	\$72.01
1 1/2"	\$101.84	\$35.23	\$137.07
2"	\$158.78	\$56.37	\$215.15
3"	\$310.62	\$112.75	\$423.37
4"	\$481.44	\$176.17	\$657.61
6"	\$955.94	\$352.33	\$1,308.27
8"	\$1,525.34	\$563.73	\$2,089.07
10"	\$2,189.64	\$810.37	\$3,000.01

Zone Charges

Zone	Volumetric Charge (per HCF)
Zone B	\$0.27
Zone C	\$0.50
Zone D	\$0.77
Zone E	\$1.04

Construction Meter Charges

	Rates
Monthly Meter Charge:*	\$223.18
Volumetric Unit Rate (per HCF):	\$8.10

\* May be pro-rated for partial months.

Private Fire Service

Meter Size	Monthly Charge
1"	\$1.89
2"	\$11.71
3"	\$33.99
4"	\$72.41
6"	\$210.35
8"	\$448.28
10"	\$806.16

Bulk Water Rates

	Rates
Monthly Fixed Charge:	\$34.87
Volumetric Charge (per HCF):	\$8.04

**Effective January 1, 2024**

Commodity Charges (per HCF)

	District Commodity Rate	GSA Extraction Fee*	GSA Replenishment Fee*	Total
Tier 1	\$1.97			
Tier 2	\$1.97	TBD*	TBD*	TBD*

\* To be determined based on pass-through of GSA costs

Fixed Monthly Charges

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$38.24	\$11.42	\$49.66
1"	\$58.74	\$19.03	\$77.77
1 1/2"	\$109.99	\$38.05	\$148.04
2"	\$171.48	\$60.88	\$232.36
3"	\$335.47	\$121.77	\$457.24
4"	\$519.96	\$190.26	\$710.22
6"	\$1,032.42	\$380.52	\$1,412.94
8"	\$1,647.37	\$608.83	\$2,256.20
10"	\$2,364.81	\$875.20	\$3,240.01

Zone Charges

Zone	Volumetric Charge (per HCF)
Zone B	\$0.29
Zone C	\$0.54
Zone D	\$0.83
Zone E	\$1.12

Construction Meter Charges

	Rates
Monthly Meter Charge:*	\$241.03
Volumetric Unit Rate (per HCF):	\$8.75

\* May be pro-rated for partial months.

Private Fire Service

Meter Size	Monthly Charge
1"	\$2.04
2"	\$12.65
3"	\$36.71
4"	\$78.20
6"	\$227.18
8"	\$484.14
10"	\$870.65

Bulk Water Rates

	Rates
Monthly Fixed Charge:	\$37.66
Volumetric Charge (per HCF):	\$8.68

**Schedule 5 – Five-Year Schedule of Proposed Water Rates (2 of 3)**

**Effective January 1, 2025**

**Commodity Charges (per HCF)**

	District Commodity Rate	GSA Extraction Fee*	GSA Replenishment Fee*	Total
Tier 1	\$2.13	TBD*	TBD*	TBD*
Tier 2	\$2.13	TBD*	TBD*	TBD*

\* To be determined based on pass-through of GSA costs

**Fixed Monthly Charges**

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$41.30	\$12.33	\$53.63
1"	\$63.44	\$20.55	\$83.99
1 1/2"	\$118.79	\$41.09	\$159.88
2"	\$185.20	\$65.75	\$250.95
3"	\$362.31	\$131.51	\$493.82
4"	\$561.56	\$205.48	\$767.04
6"	\$1,115.01	\$410.96	\$1,525.97
8"	\$1,779.16	\$657.54	\$2,436.70
10"	\$2,553.99	\$945.22	\$3,499.21

**Zone Charges**

Zone	Volumetric Charge (per HCF)
Zone B	\$0.31
Zone C	\$0.58
Zone D	\$0.90
Zone E	\$1.21

**Construction Meter Charges**

	Rates
Monthly Meter Charge:*	\$260.31
Volumetric Unit Rate (per HCF):	\$9.45

\* May be pro-rated for partial months.

**Private Fire Service**

Meter Size	Monthly Charge
1"	\$2.20
2"	\$13.66
3"	\$39.65
4"	\$84.46
6"	\$245.35
8"	\$522.87
10"	\$940.30

**Bulk Water Rates**

	Rates
Monthly Fixed Charge:	\$40.67
Volumetric Charge (per HCF):	\$9.37

**Effective January 1, 2026**

**Commodity Charges (per HCF)**

	District Commodity Rate	GSA Extraction Fee*	GSA Replenishment Fee*	Total
Tier 1	\$2.26	TBD*	TBD*	TBD*
Tier 2	\$2.26	TBD*	TBD*	TBD*

\* To be determined based on pass-through of GSA costs

**Fixed Monthly Charges**

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$43.78	\$13.07	\$56.85
1"	\$67.25	\$21.78	\$89.03
1 1/2"	\$125.92	\$43.56	\$169.48
2"	\$196.31	\$69.70	\$266.01
3"	\$384.05	\$139.40	\$523.45
4"	\$595.25	\$217.81	\$813.06
6"	\$1,181.91	\$435.62	\$1,617.53
8"	\$1,885.91	\$696.99	\$2,582.90
10"	\$2,707.23	\$1,001.93	\$3,709.16

**Zone Charges**

Zone	Volumetric Charge (per HCF)
Zone B	\$0.33
Zone C	\$0.61
Zone D	\$0.95
Zone E	\$1.28

**Construction Meter Charges**

	Rates
Monthly Meter Charge:*	\$275.93
Volumetric Unit Rate (per HCF):	\$10.02

\* May be pro-rated for partial months.

**Private Fire Service**

Meter Size	Monthly Charge
1"	\$2.33
2"	\$14.48
3"	\$42.03
4"	\$89.53
6"	\$260.07
8"	\$554.24
10"	\$996.72

**Bulk Water Rates**

	Rates
Monthly Fixed Charge:	\$43.11
Volumetric Charge (per HCF):	\$9.93

**Schedule 5 – Five-Year Schedule of Proposed Water Rates (3 of 3)**

**Effective January 1, 2027**

**Commodity Charges**

	District Commodity Rate	GSA Extraction Fee*	GSA Replenishment Fee*	Total
Tier 1	\$2.40	TBD*	TBD*	TBD*
Tier 2	\$2.40	TBD*	TBD*	TBD*

\* To be determined based on pass-through of GSA costs

**Fixed Monthly Charges**

Meter Size	Ready-to-Serve	Arsenic Charge	Total
3/4"	\$46.41	\$13.85	\$60.26
1"	\$71.29	\$23.09	\$94.38
1 1/2"	\$133.48	\$46.17	\$179.65
2"	\$208.09	\$73.88	\$281.97
3"	\$407.09	\$147.76	\$554.85
4"	\$630.97	\$230.88	\$861.85
6"	\$1,252.82	\$461.76	\$1,714.58
8"	\$1,999.06	\$738.81	\$2,737.87
10"	\$2,869.66	\$1,062.05	\$3,931.71

**Zone Charges**

Zone	Volumetric Charge (per HCF)
Zone B	\$0.35
Zone C	\$0.65
Zone D	\$1.01
Zone E	\$1.36

**Construction Meter Charges**

	Rates
Monthly Meter Charge:*	\$292.49
Volumetric Unit Rate (per HCF):	\$10.62

\* May be pro-rated for partial months.

**Private Fire Service**

Meter Size	Monthly Charge
1"	\$2.47
2"	\$15.35
3"	\$44.55
4"	\$94.90
6"	\$275.67
8"	\$587.49
10"	\$1,056.52

**Bulk Water Rates**

	Rates
Monthly Fixed Charge:	\$45.70
Volumetric Charge (per HCF):	\$10.53



BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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ADMINISTRATION/EXECUTIVE COMMITTEE  
MEETING MINUTES

WEDNESDAY, DECEMBER 7, 2022 – 3:00 P.M.

BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

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Attendees: Mallory Boyd, Ron Kicinski, Don Zdeba, Jason Lillion, Renée Morquecho, and Ty Staheli

**1. Call to Order**

The meeting was called to order at 3:00 p.m.

**2. Committee/Public Comments**

None.

**3. Change Time of Board Meetings**

The Committee discussed the possibility of moving the Closed Session portion of the Board meetings to precede Open Session, as requested by Director Griffin at the November Board meeting. Staff will follow up with legal counsel and identify the procedure to change meeting times and discuss further at the December Board meeting.

**4. Discussion on Senate Bill (SB) 606 and Assembly Bill (AB) 1668**

The Outdoor Water Use Efficiency Standards were scheduled to be established by July 2022.

Don Zdeba reported that with the Department of Water Resources (DWR) having released its recommendations for achieving urban water use efficiency, the Association of California Water Agencies (ACWA) has resumed meetings of its Outdoor Water Use Efficiency Working Group. A web-based meeting was held yesterday afternoon. It was reported DWR believes the recommended standards for indoor and outdoor water use for residential, commercial, industrial, and institutional water use could save 450,000 acre-feet per year starting in 2030.

The State Water Resources Control Board (SWRCB) is to begin the process of enacting the regulations to ensure the rule will be in effect by January 1, 2024. According to DWR, only 80 suppliers would have to reduce water use to meet the new standards. ACWA believes the study that came to that conclusion is flawed. ACWA has expressed concerns that the standards are infeasible, will have unintended consequences, and that suppliers will have limited authority due to dependence on customer behaviors.

Formal rulemaking is scheduled for February/March timeframe and there will be a 45-day comment period targeting the end of the year for adoption. ACWA intends to provide proactive recommendations and solutions to SWRCB while continuing with regular meetings of the various working groups. A schedule of meeting dates is being developed. The Water Use Efficiency Group meetings have been scheduled bi-monthly starting in January.

**5. Draft Agenda for the Regular Board Meeting of December 12, 2022**

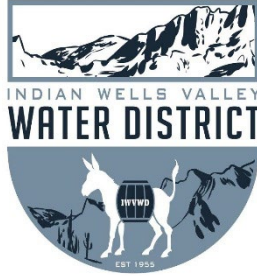
The Committee reviewed the agenda and made no changes.

**6. Future Agenda Items**

None.

**7. Adjournment**

The meeting adjourned at 3:22 p.m.



# Approval of Minutes

MINUTES OF THE SPECIAL BOARD MEETING

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

NOVEMBER 14, 2022

**CALL TO ORDER**

The Special Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Saint-Amand at 3:00 p.m. in the Board of Directors Hearing Room, 500 West Ridgecrest Boulevard, Ridgecrest, California.

**PLEDGE**

The Pledge of Allegiance was led by Mallory Boyd.

**ROLL CALL**

DIRECTORS PRESENT: President David C.H. Saint-Amand  
Director Ronald R. Kicinski  
Director Charles D. Griffin  
Director Stan G. Rajtora  
Vice President Mallory J. Boyd

DIRECTORS ABSENT: None.

STAFF PRESENT: Don Zdeba, General Manager  
Jim Worth, Attorney  
Ty Staheli, Chief Financial Officer  
Jason Lillion, Operations Manager  
Renée Morquecho, Chief Engineer  
Lauren Smith, Recording Secretary

**AGENDA DECLARATION**

Recording Secretary, Lauren Smith, reported that the agenda for today's Special Board Meeting was posted on Wednesday, November 9, 2022.

**AGENDA  
DECLARATION**

**CONFLICT OF INTEREST DECLARATION**

President Saint-Amand stated his opinions shared during this meeting are his own and do not necessarily reflect the opinions of his employer, nor the Board.

**CONFLICT OF  
INTEREST**

**PUBLIC QUESTIONS AND COMMENTS ON CLOSED SESSION**

None.

**PUBLIC  
COMMENTS**

With no further Board or Public comments, President Saint-Amand recessed the meeting and adjourned to Closed Session at 3:03 p.m.

**CLOSED SESSION**

The meeting was reconvened in Closed Session at 3:09 p.m.

Closed Session was adjourned at 5:47 p.m.

The meeting was reconvened to Open Session at 6:00 p.m.

**CLOSED  
SESSION**

No action was taken which would require disclosure under the Brown Act.

**PUBLIC QUESTIONS AND COMMENTS**

**PUBLIC COMMENTS**

Lauren Smith read a comment letter submitted by Mike Neel.

**RATE STUDY UPDATE**

**RATE STUDY UPDATE**

Mark Hildebrand, of Hildebrand Consulting, provided a presentation on updates made to the District's Rate Study. (Included in the Board packet). The presentation provided rate options that included a 2-tier and 4-tier rate structure, allocation of costs to rate components, bill impacts for each tier option, and a schedule for the next steps.

Board members asked questions for further clarification of the Rate Study updates.

Director Rajtora provided two handouts to the Board and members of the public. (Handouts attached).

By consensus, the Board is in favor of implementing a 2-tier structure with a fixed revenue of 61.3%.

Further edits will be made to the Rate Study and presented at the December Regular Board meeting.

The Board heard public comment from Judie Decker and Renee Westa-Lusk.

**CONSENT CALENDAR**

**CONSENT CALENDAR**

MOTION: was made by Director Griffin and seconded by Vice President Boyd approving the Minutes of the October 11, 2022, Special Board Meeting.

AMENDED MOTION: was made by Director Griffin and seconded by Vice President Boyd approving the Minutes of the October 11, 2022, Special Board Meeting. Payment of Accounts Payable totaling \$1,414,141.83, and Resolution No. 22-14: AB 361 Finding. Motion was carried, unanimously by the following roll call vote:

President Saint-Amand:	Aye
Director Kicinski:	Aye
Director Griffin:	Aye
Director Rajtora:	Aye
Vice President Boyd:	Aye

**PLANT & EQUIPMENT COMMITTEE**

**P&E CM: VARIANCE REQUEST**

Property owner requested item to be pulled at this time and brought back at a future meeting.

*Item pulled; no action required.*

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA)**

**IWVGA**

Director Rajtora commented on the November 9, 2022, Board meeting of the IWVGA including:

- Next IWVGA Board Meeting is scheduled for December 14, 2022
- The purchase 750 acre-feet of Table A water is progressing slower than anticipated. A new letter of intent has been sent to the seller. The seller does have full ownership and the right to sell the water
- Imported Water Pipeline Alignment Study is still in progress. A brief was provided to the IWVGA Board by Provost & Pritchard Consulting Group. Staff was asked to provide suggestions on one of the three alignments presented
- Recycled Water Study is essentially completed, and the draft report is due by the end of the year
- Board authorized the Water Resources Manager, Stetson Engineers, to prepare a Water Recycling Feasibility Study for the United States Bureau of Reclamation. Report is expected to be completed by the end of the year
- Drilling associated with the Rose Valley sub-flow monitoring effort is still scheduled to begin fall/winter 2022
- Two well owners have initiated applications for Well Impact Funding. Stetson Engineers has 45 days to respond to the applications
- Capital Core Group (CCG) is working with Stetson Engineers to generate a Phase 2 Grant proposal

The Board heard public comment from Judie Decker.

Don Zdeba corrected a statement regarding the feasibility of treating local brackish water resources that has twice been attributed to him during City Council meetings and in a letter from the IWVGA dated October 31<sup>st</sup>. (Slide was provided in the Board packet for clarification).

Jim Worth reported on recent actions regarding the Comprehensive Adjudication, including:

**COMPREHENSIVE ADJUDICATION**

- A Case Management Conference has been scheduled for December 2, 2022; 1:30 p.m.
- The District was required to send out roughly 19,000 mailers to all landowners overlying the basin regarding the adjudication. Around 16,000 were successfully delivered. However, most of the parcels which did not successfully receive a mailer were vacant lands. According to the statute, the court does have the ability to allow the District to serve those landowners by alternate means. Staff will request to serve the remaining landowners via an alternate mode, such as a digital ad.

**GENERAL MANAGER AND STAFF UPDATE**

**GENERAL MANAGER AND STAFF UPDATE  
SAFETY,  
PRODUCTION &  
NEW SERVICES**

Don Zdeba updated the safety record to 572 consecutive days without a recordable injury.

Metered water production at the wells for the month of October was 174,103,000 gallons (537.4 acre-feet). The number the State Water and non-revenue water, which is water lost to leaks, flushing activities, blow-offs, etc. For the month of October, the number is 175,103,000 gallons (502.3 acre-feet). Since June there has been a requirement from the

State Board to submit a preliminary report with consumption, population, and R-gpcd by the third business day of the month. The preliminary report, as well as the full report were submitted November 4<sup>th</sup>. The full report is still required by the 28<sup>th</sup> of the month.

The conservation results for October show consumption down 35.7% compared to October 2013. The 20% conservation target established by the Board of Directors took effect June 2016. Through October the cumulative result is at 23.6%.

In response to Governor Newsom's request for a voluntary 15% reduction to address current drought conditions, SWRCB is also comparing current water consumption to the same month in 2020. Comparing October 2020 to October 2022, there is an 8.5% reduction in consumption.

Comparing the October conservation results in recent years, 2021 was 28.8% lower than the 2013 baseline year, 2020 was 24.5% lower, 2019 was 32.5% lower, and 2018 was 29.8% lower. The residential gallons for capita per day (R-gpcd) for the month of October was 128.7. This includes both indoor and outdoor usage.

There was one new connection added during the month contributing \$5,086 in Capital Facility Fees. There have been five new connections during this current fiscal year which began on July 1<sup>st</sup>. The new connections have contributed \$21,994 in Capital Facility Fees.

Mr. Zdeba did not attend the November 1<sup>st</sup> Community Collaborative meeting due to bereavement leave.

PUBLIC  
OUTREACH

Association of California Water Agencies (ACWA) has once again awarded the IWVWD the Region 7 Outreach Recognition Award for 2022. Region 7 includes all of Tulare and Kern Counties. This is the seventh time in the last ten years the District has received this award. The District previously received it in 2013, 2014, 2017, 2018, 2019, and 2021. The District will be recognized, and the award presented at the Fall ACWA Conference November 29<sup>th</sup> through December 1<sup>st</sup>.

Staff continues to work with Providence Strategic Consulting to promote WaterSmart. As of this morning, there are 1,548 active accounts accounting for 12.0% of customers. The percentage has not changed since last month's report. There were 954 customer alerts issued in October and 12,898 in the past twelve months.

The District hosted a booth at the 2022 Petroglyph Festival the weekend of November 5<sup>th</sup> and 6<sup>th</sup>. The festival is by far the most well-attended outreach opportunity. The report on items distributed during the two-day event is included in the Board packet. Overall, more items were given away compared to last year. It would not have been a successful event for the District had it not been for Robert Renfroe and John Svika assisting with set-up and tear down, Ana Chavez, Isabel Tejada, Diana Nguyen, Amber Chapin, Don Zdeba, and Lauren Smith staffing the booth.

The District also participated in the City of Ridgecrest's Trunk or Treat in October. The trunk was decorated and hosted by Amber Chapin and Lauren Smith.

Mr. Zdeba commented that he was disappointed to report that, despite outreach conducted by Sierra Sands Unified School District (SSUSD),

JAB MEMBER  
PILOT PROGRAM

Cerro Coso Community College, and our own social media campaign conducted with assistance from Providence Strategic Consulting, only one application was received; however, it was ineligible for consideration due to inability to attend evening Board meetings.

Staff requested the office be closed for one hour for the Employee Thanksgiving Potluck scheduled for 11:30 a.m., Friday, November 18<sup>th</sup>. EMPLOYEE POTLUCK

The Board unanimously agreed to allow the office to be closed from 11:30 a.m. to 12:30 p.m. so employees may celebrate and enjoy the potluck together.

Reneé Morquecho reported Canyon Springs Enterprises (CSE) began rebar on the roof at the Booster Stations today, with inspections being conducted tomorrow. Concrete will be poured on Wednesday at the Booster Station building. At the C-zone well site they are finishing up the welding, with an inspection/walk-through happening tomorrow. At the College tank site, they are constructing the retaining wall with rebar inspection scheduled for tomorrow and the fencing contractor is moving the entrance gate and installing tortoise mesh this week. CSE has also been pressure testing and disinfecting the inlet/outlet piping for the Gateway tank. BOOSTER STATIONS AND TANKS PROJECT

Ty Staheli reported that the estimated year-to-date revenues as of October 31, 2022, are \$5,774,301 and expenses are \$6,036,768. Expenditures exceeded revenues by \$262,467, which is less than budget by \$170,784. FINANCIAL STATUS

Mr. Staheli reviewed the report provided by ENGIE Services for July 2022 through October 2022 with the Board. For October, the actual savings was \$50,581.52 and the guaranteed savings \$44,224.95. The total saving this fiscal year is \$202,334.59. At the Well 35 site, the actual savings for October was \$2,101.51 and guaranteed was \$1,798.50. The total savings since the Well 35 site went online January of this year is \$21,274.54. SOLAR PRODUCTION

Mr. Staheli reported on the following conservation items:  
State Water Resources Control Board (SWRCB) Water Waster Report - So far in 2022, there have been a total of 90 water waste reports received with 90 contacts made. There has been five formal Second Notice and zero penalties issued. CONSERVATION

Plant 2 has been taken offline and is in the process of being winterized. At Plant 1, upon excavation of the media, it was discovered that the there were several upset within the support media that allowed the filtering media to break through and into the effluent supply tank. The filter media has also infiltrated a good portion of the support media. Staff is currently in the process of trying to screen out the filter media from the support media to recover as much support media as possible. Staff reached out to Pureflow for quotes on prices for support media and will continue to attempt to strain the media and keep the cost as low as possible. ARSENIC TREATMENT

Mr. Lillion reported for the month of October, seven services were repaired and 22 were replaced. The NO-DES truck made zero runs in October. Since inception, the NO-DES truck has filtered 8,594,265 gallons. 27 valves were exercised, 731 year-to-date. OPERATIONS



**BOARD COMMENTS/FUTURE AGENDA ITEMS**

**BOARD  
COMMENTS**

Director Griffin requested staff to research if other parts of other Water District's track and charge their fire departments for water used during fires.

Director Griffin also requested an agenda item to discuss and potentially future meeting change future meeting times. He suggested, beginning

January 1, 2023, to hold Closed Session before Open Session, at 4:00 p.m. or 5:00 p.m. with Open Session still scheduled for 6:00 p.m.

Director Kicinski thanked the staff for all the outreach efforts and wished everyone a Happy Thanksgiving.

Vice President Boyd agreed with changing future meeting times and holding Closed Session before Open Session.

President Saint-Amand explained why he preferred the higher fixed rates, as discussed during the Rate Study agenda item. He also thanked staff for their award-winning efforts.

**ADJOURNMENT**

**ADJOURNMENT**

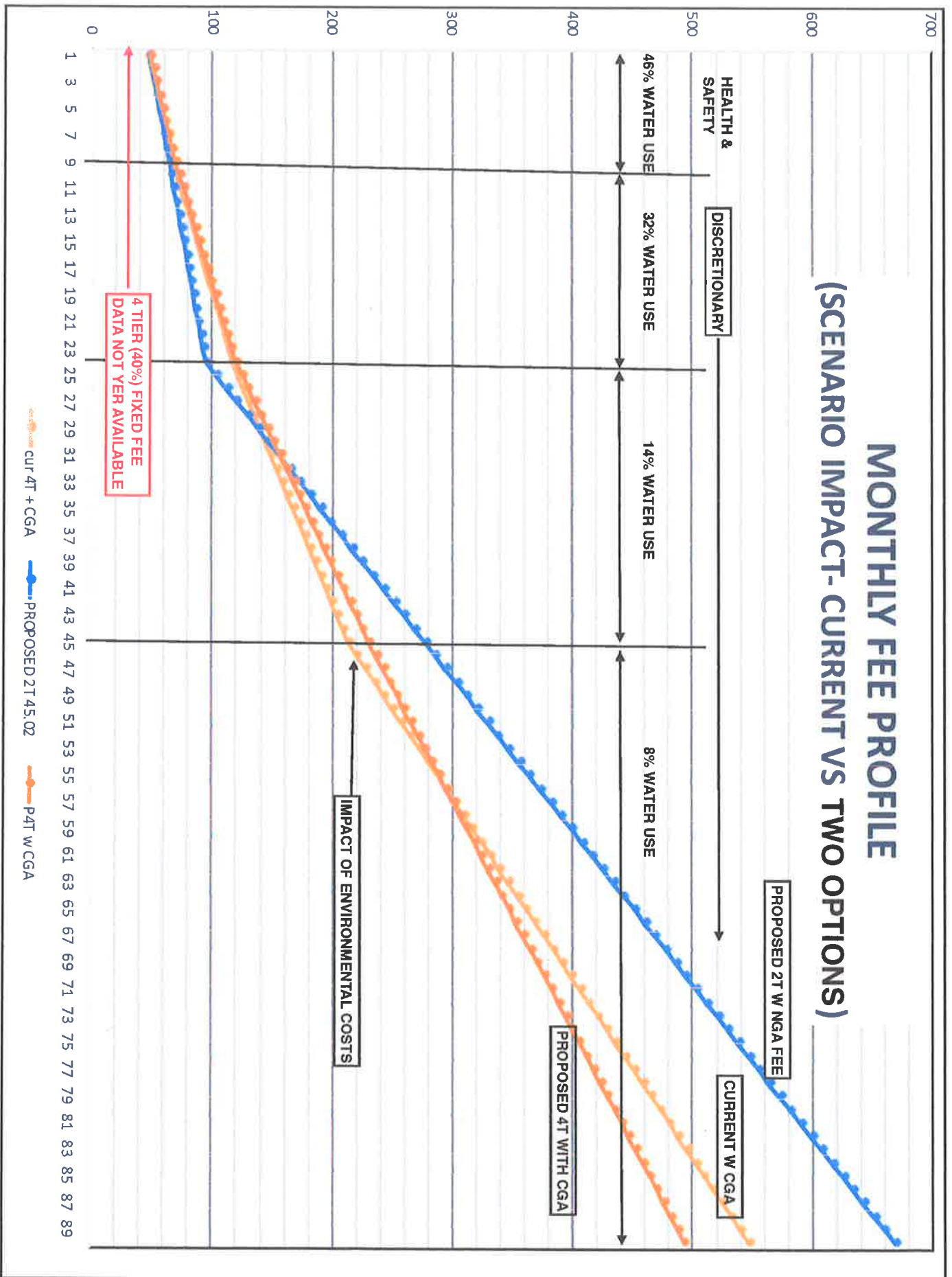
With no further business to come before the Board, the meeting was adjourned at 8:37 p.m.

Respectfully submitted,

Lauren Smith  
Recording Secretary

**APPROVED:** \_\_\_\_\_

# MONTHLY FEE PROFILE (SCENARIO IMPACT- CURRENT VS TWO OPTIONS)



4 TIER (40%) FIXED FEE  
DATA NOT YER AVAILABLE

IMPACT OF ENVIRONMENTAL COSTS

PROPOSED 2T W NGA FEE

CURRENT W CGA

PROPOSED 4T WITH CGA

46% WATER USE

32% WATER USE

14% WATER USE

8% WATER USE

HEALTH & SAFETY

DISCRETIONARY

PROPOSED 2T W NGA FEE

CURRENT W CGA

PROPOSED 4T WITH CGA

46% WATER USE

32% WATER USE

14% WATER USE

8% WATER USE

HEALTH & SAFETY

DISCRETIONARY

PROPOSED 2T W NGA FEE

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46% WATER USE

32% WATER USE

14% WATER USE

8% WATER USE

HEALTH & SAFETY

DISCRETIONARY

PROPOSED 2T W NGA FEE

CURRENT W CGA

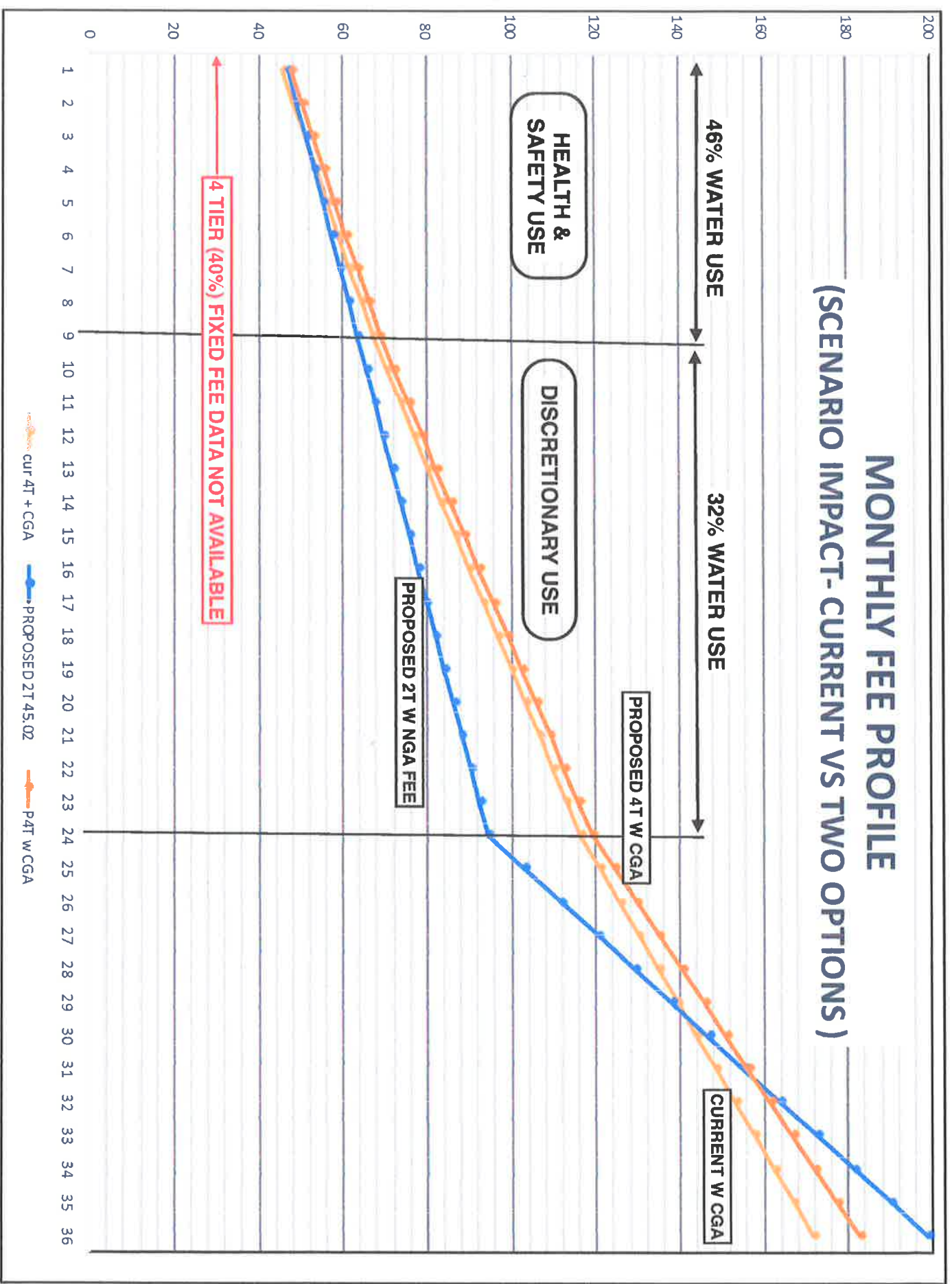
PROPOSED 4T WITH CGA

46% WATER USE

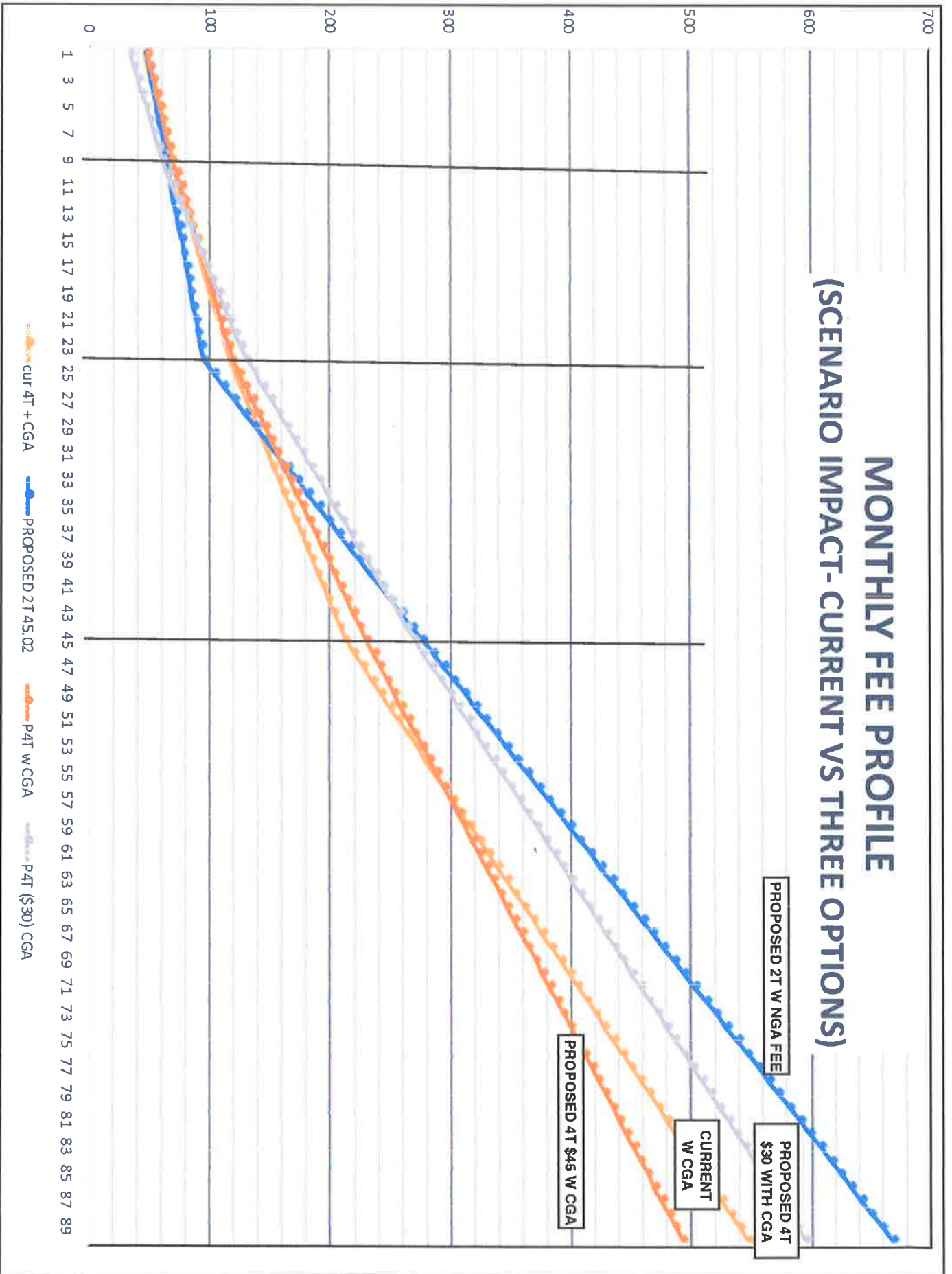
32% WATER USE

14% WATER USE

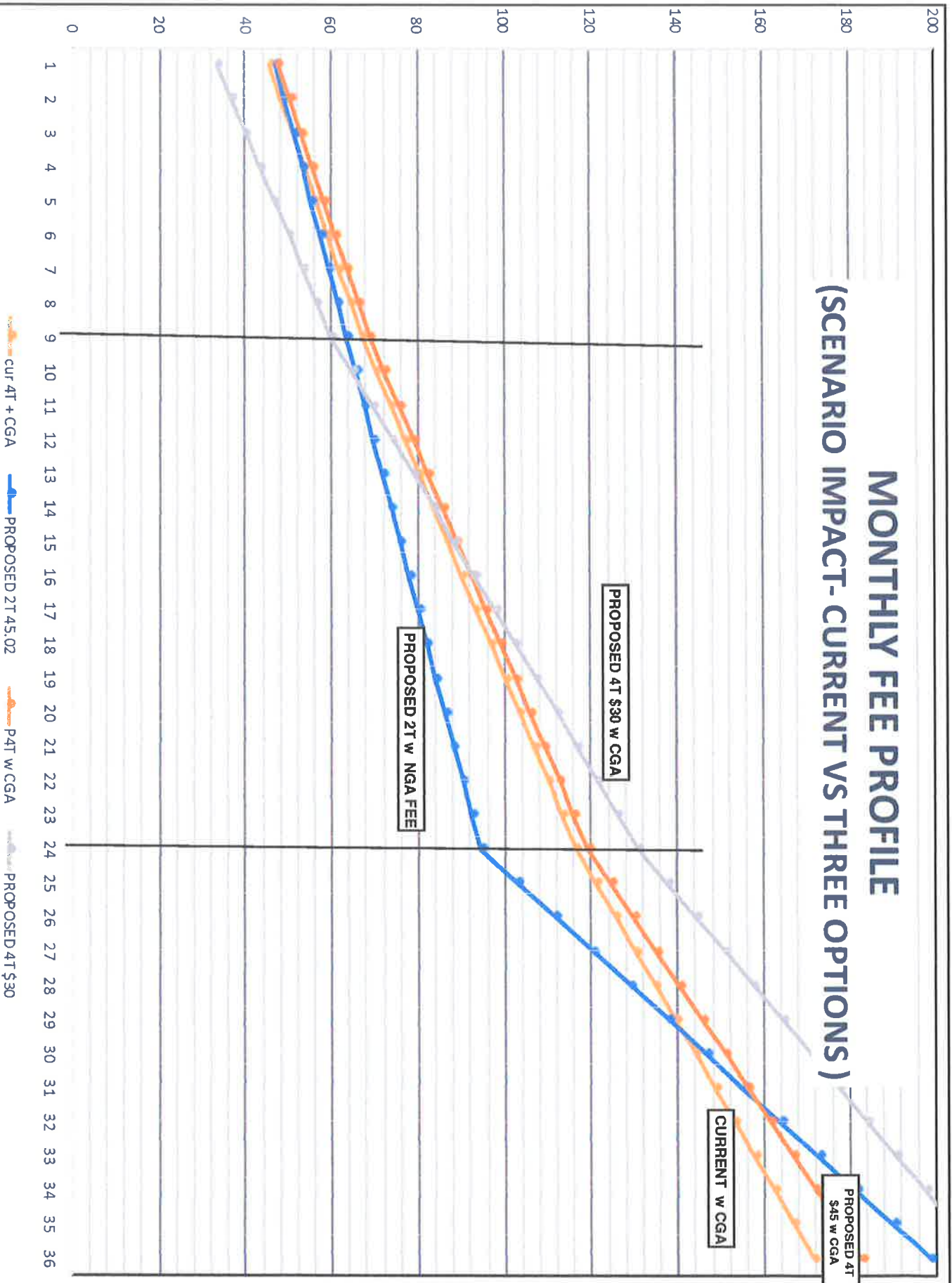
# MONTHLY FEE PROFILE (SCENARIO IMPACT- CURRENT VS TWO OPTIONS )

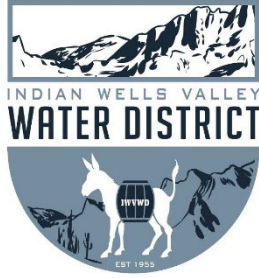


# MONTHLY FEE PROFILE (SCENARIO IMPACT- CURRENT VS THREE OPTIONS)



# MONTHLY FEE PROFILE (SCENARIO IMPACT- CURRENT VS THREE OPTIONS )





**8.A.3.**

RESOLUTION NO. 22-15

RESOLUTION OF THE INDIAN WELLS VALLEY WATER DISTRICT, KERN AND SAN BERNARDINO COUNTIES, CALIFORNIA, AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE PERIOD OF DECEMBER 12, 2022 - JANUARY 12, 2023, PURSUANT TO AB 361

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**WHEREAS**, on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic, which Proclamation remains in effect; and

**WHEREAS**, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, modifying the teleconferencing rules set forth in the California Open Meeting law, Government Code section 54950 et seq. (the "Brown Act"), subject to compliance with certain requirements; and

**WHEREAS**, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, providing that the modifications would remain in place through September 30, 2021; and

**WHEREAS**, on September 16, 2021, Governor Newsom signed AB 361, providing that a legislative body subject to the Brown Act may continue to meet under modified teleconferencing rules if the meeting occurs during a proclaimed state of emergency and the legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; and

**WHEREAS** the rates of transmission of COVID-19 and variants in Kern County continue to pose imminent risks for health of attendees at indoor gatherings involving individuals from outside the same household; and

**WHEREAS**, to help protect against the spread of COVID-19 and variants, and to protect the health and safety of the public, the Indian Wells Valley Water District wishes to take the actions necessary to comply with the Brown Act, as amended and to continue to hold its meetings remotely via teleconference.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors of the Indian Wells Valley Water District hereby find that pursuant to the Governor's State of Emergency Declaration, issued on March 4, 2020, there is a proclaimed State of Emergency in the State of California; and

**BE IT FURTHER RESOLVED** that the Board of Directors of the Indian Wells Valley Water District finds that meeting in person in the next 30 days would pose imminent health and safety risks to attendees; and

**BE IT FURTHER RESOLVED** that the Board of Directors of the Indian Wells Valley Water District approves meeting via teleconference for all Regular, Special, and Committee Meetings of the Board for the 30 days following this resolution, in accordance with Government Code section 59453(e) and other applicable provisions of the Brown Act.

All the foregoing being on the motion of and seconded by, and authorized by the following vote, namely:

AYES:

NOES:           None.

ABSENT:       None.

ABSTAIN:      None.

**I HEREBY CERTIFY** that the foregoing resolution is the resolution of Indian Wells Valley Water District as duly passed and adopted by said Board of Directors at a legally convened meeting held on the 12<sup>th</sup> day of December 2022.

**WITNESS** my hand and the official seal of said Board of Directors this 12<sup>th</sup> day of December 2022.

**ADOPTED AND APPROVED** this 12<sup>th</sup> day of December 2022.

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David C.H. Saint-Amand  
President, Board of Directors  
INDIAN WELLS VALLEY WATER DISTRICT

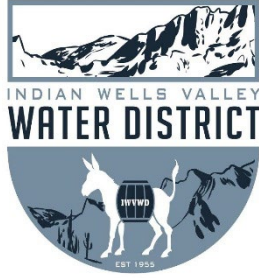
ATTEST:

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Donald M. Zdeba  
Secretary, Board of Directors  
INDIAN WELLS VALLEY WATER DISTRICT

(SEAL)





# 8.B.1.

RESOLUTION NO.22-16

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
INDIAN WELLS VALLEY WATER DISTRICT, KERN AND SAN  
BERNARDINO COUNTIES, CALIFORNIA, CHANGING THE  
TIME OF THE REGULAR MEETINGS OF THE BOARD OF  
DIRECTORS

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**WHEREAS**, the Indian Wells Valley Water District is a County water district formed pursuant to Division 12 of the California Water Code (Cal. Wat. Code §§ 30000, et seq.); and

**WHEREAS**, the regular meeting of the Board of Directors of the Indian Wells Valley Water District ("District Board Meeting") is currently conducted on the second Monday of each month at 6:00 p.m.; and

**WHEREAS**, pursuant to California Water Code section 30521, the Board may "[P]rovide for the time and place of holding its regular meetings."; and

**WHEREAS**, the District Board desires to change the time of the regular District Board Meeting from 6:00 p.m. to 4:00 p.m.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by this Board of Directors, as follows:

Section 1. That all the foregoing is true and correct.

Section 2. That beginning January 9, 2023, the regular meetings of the Board of Directors of the Indian Wells Valley Water District be held on the second Monday of every month beginning at 4:00 p.m.

Section 3. That Closed Session will begin at 4:00 p.m. followed by Open Session beginning at 6:00 p.m.

Section 4. Except as set forth above, regular meeting dates of the District shall remain unchanged.

All the foregoing being on the motion of Director \_\_\_\_\_, seconded by \_\_\_\_\_ and authorized by the following vote, namely:

AYES:

NOES:

ABSENT:

ABSTAIN:

I **HEREBY CERTIFY** that the foregoing resolution is the resolution of Indian Wells Valley Water District as duly passed and adopted by said Board of Directors at a legally convened meeting held on the 12<sup>th</sup> day of December 2022.

**WITNESS** my hand and the official seal of said Board of Directors this 12<sup>th</sup> day of December 2022.

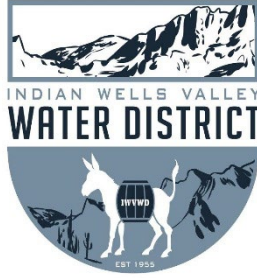
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David C.H. Saint-Amand  
President, Board of Directors  
INDIAN WELLS VALLEY WATER  
DISTRICT

---

Donald M. Zdeba  
Secretary, Board of Directors  
INDIAN WELLS VALLEY WATER DISTRICT

(SEAL)



**8.D.**



# INDIAN WELLS VALLEY WATER DISTRICT



## BOARD OF DIRECTORS

David C. H. Saint-Amand, President  
Mallory J. Boyd, Vice President  
Charles F. Cordell  
Charles D. Griffin  
Stanley G. Rajtora

Donald M. Zdeba  
*General Manager*  
Krieger & Stewart, Incorporated  
*Engineers*  
McMurtrey, Hartssock & Worth  
*Attorneys-at-Law*

## 2023 COMMITTEE ASSIGNMENTS

### ADMINISTRATION/EXECUTIVE COMMITTEE

Personnel, Legal Matters, General Plan, Community Relations, Board Meeting Agendas, Ordinances, Rules, Regulations, Policies, Procedures, Customer Service, Variances, Director’s Manual, etc.

### FINANCE COMMITTEE

Rates, Cost-of-Service, Budget, Audits, Cost Allocation, Investments, Financial Services, Insurance, Loans/Grants, Water Sales & Service Policy Manual, Accounting, Assessment Districts, Billing, etc.

### PLANT & EQUIPMENT COMMITTEE

Transmission/Distribution System, Vehicles & Equipment, Wells, Reservoirs, Real Property Management, Telemetry, etc.

### WATER MANAGEMENT

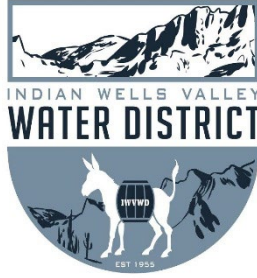
Groundwater Sustainability Act, Indian Wells Valley Groundwater Authority, Water Management, Water Policy, Water Quality, Conservation, Urban Water Management Plan, California Urban Water Conservation Council, Title 22 Compliance, Alternative sources for water supply including Blending, Importation, Reuse, etc.

---

Committee Meetings are generally scheduled on a regular day and time.  
Committee Meetings are subject to change.

**Administration/Executive**  
**Finance**  
**Plant & Equipment**  
**Water Management**

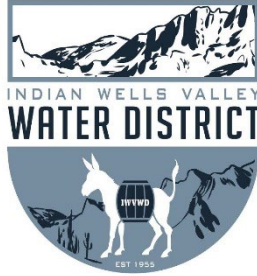
Wednesday before the Board Meeting at 3:00 p.m.  
Tuesday before the Board Meeting at 2:30 p.m.  
Tuesday before the Board Meeting at 2:00 p.m.  
Last Thursday of the month at 2:00 p.m.



**8.H.3.**

# January 2023

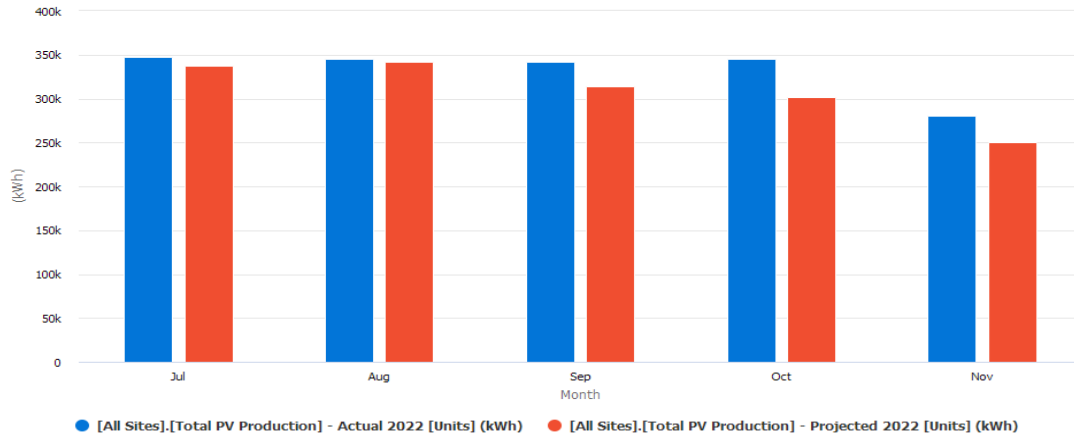
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2  Office Closed	3 2:00pm P&E CM 2:30pm Finance CM	4 3:00pm Admin /Exec CM	5	6 FLEX	7
8	9 6:00pm Board Meeting	10	11 10:00am IWVGA	12	13	14
15	16  Office Closed	17	18	19	20 FLEX	21
22	23	24	25	26 2:00pm Water Management CM	27	28
29	30	31	1	2	3	4



**8.H.7.**

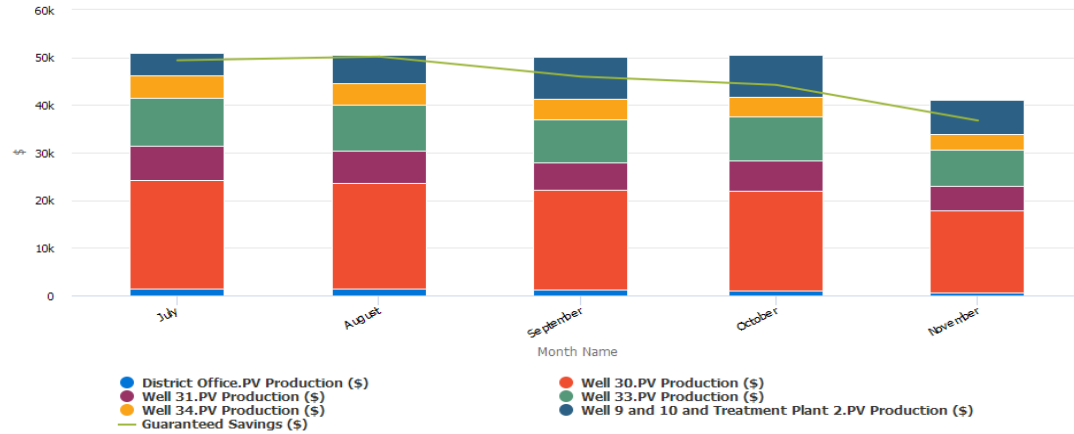


### Year to Date Actual Production Compared to Projected Production



Month	Total PV Production Actual (kWh)	Total PV Production Actual (Cumulative)	Total PV Production Projected (kWh)	Total PV Production Projected (Cumulative)	Gross Variance	Relative Variance (%)	Cumulative Gross Variance	Cumulative Relative Variance (%)
Jul	347,895.00	347,895.00	337,011.00	337,011.00	10,884.00	3.23	10,884.00	3.23
Aug	345,453.00	693,348.00	342,322.00	679,333.00	3,131.00	0.91	14,015.00	2.06
Sep	341,397.00	1,034,745.00	313,653.00	992,986.00	27,744.00	8.85	41,759.00	4.21
Oct	345,038.00	1,379,783.00	301,748.00	1,294,734.00	43,290.00	14.35	85,049.00	6.57
Nov	280,891.00	1,660,674.00	250,675.00	1,545,409.00	30,216.00	12.05	115,265.00	7.46

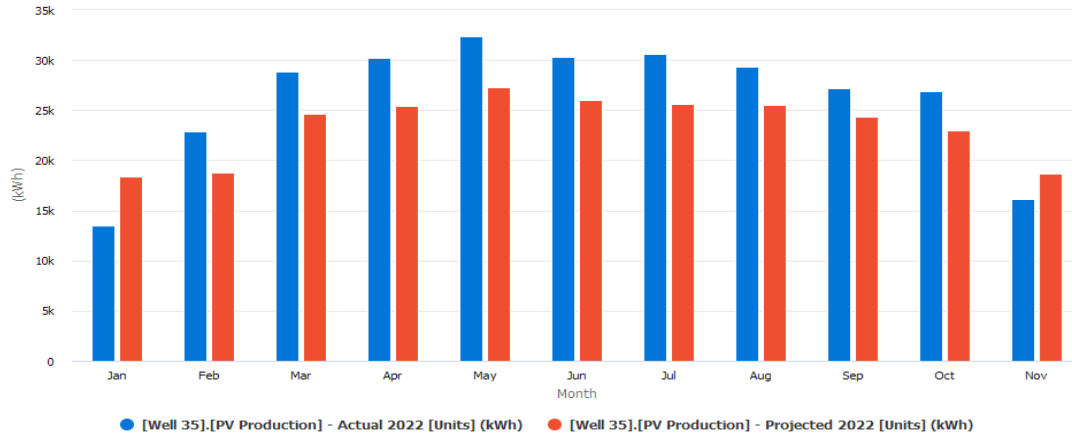
### Performance Against Guarantee



From	District Office	Well 30	Well 31	Well 33	Well 34	Wells 9A & 10	Guaranteed Savings
7/1/2022 12:00:00 AM	\$1,525.46	\$22,793.83	\$7,057.20	\$10,064.88	\$4,720.96	\$4,873.94	\$49,393.18
8/1/2022 12:00:00 AM	\$1,354.46	\$22,244.20	\$6,864.58	\$9,652.70	\$4,494.66	\$6,039.27	\$50,171.57
9/1/2022 12:00:00 AM	\$1,170.60	\$21,020.99	\$5,812.05	\$9,073.10	\$4,147.64	\$8,842.55	\$45,969.77
10/1/2022 12:00:00 AM	\$989.96	\$21,019.21	\$6,416.02	\$9,197.21	\$4,156.20	\$8,802.92	\$44,224.95
11/1/2022 12:00:00 AM	\$713.82	\$17,062.10	\$5,215.00	\$7,571.66	\$3,385.90	\$7,223.22	\$36,739.56
	\$5,754.30	\$104,140.33	\$31,364.85	\$45,559.55	\$20,905.36	\$35,781.90	

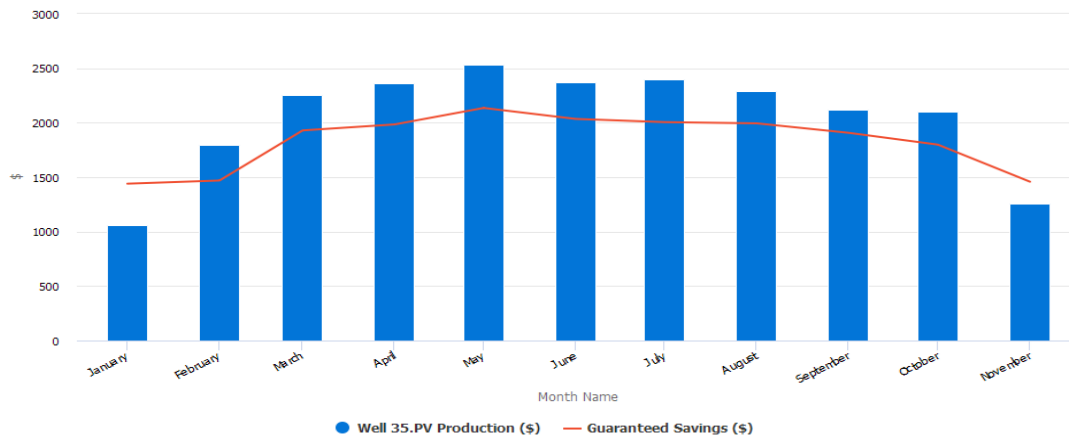
**Actual November** \$41,171.70  
**Guarantee** \$36,739.56  
**Savings this Fiscal Year** \$243,506.29

### Year to Date Actual Production Compared to Projected Production

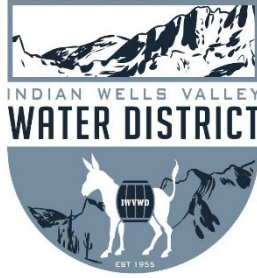


Month	Well 35 Production Actual (kWh)	Well 35 Production Actual Cumulative (kWh)	Well 35 Production (kWh) - Projected 2022	Well 35 Production Projected Cumulative (kWh)	Gross Variance	Relative Variance (%)	Cumulative Gross Variance	Cumulative Relative Variance (%)
Jan	13,496.48	13,496.48	18,415.00	18,415.00	-4,918.52	-26.71	-4,918.52	-26.71
Feb	22,916.40	36,412.88	18,787.00	37,202.00	4,129.40	21.98	-789.12	-2.12
Mar	28,828.46	65,241.34	24,669.00	61,871.00	4,159.46	16.86	3,370.34	5.45
Apr	30,221.42	95,462.76	25,373.00	87,244.00	4,848.42	19.11	8,218.76	9.42
May	32,372.71	127,835.47	27,308.00	114,552.00	5,064.71	18.55	13,283.47	11.60
Jun	30,274.37	158,109.84	26,018.00	140,570.00	4,256.37	16.36	17,539.84	12.48
Jul	30,613.00	188,722.84	25,642.00	166,212.00	4,971.00	19.39	22,510.84	13.54
Aug	29,302.03	218,024.87	25,500.00	191,712.00	3,802.03	14.91	26,312.87	13.73
Sep	27,154.35	245,179.22	24,383.00	216,095.00	2,771.35	11.37	29,084.22	13.46
Oct	26,873.56	272,052.78	22,999.00	239,094.00	3,874.56	16.85	32,958.78	13.78
Nov	16,107.94	288,160.72	18,646.00	257,740.00	-2,538.06	-13.61	30,420.72	11.80

### Performance Against Guarantee



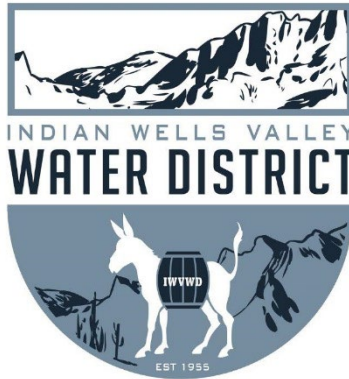
From	Well 35 Production (\$)	Guaranteed Savings (\$)
1/1/22	\$1,055.42	\$1,440.03
2/1/22	\$1,792.06	\$1,469.12
3/1/22	\$2,254.39	\$1,929.09
4/1/22	\$2,363.32	\$1,984.14
5/1/22	\$2,531.55	\$2,135.46
6/1/22	\$2,367.46	\$2,034.58
7/1/22	\$2,393.94	\$2,005.18
8/1/22	\$2,291.42	\$1,994.07
9/1/22	\$2,123.47	\$1,906.73
10/1/22	\$2,101.51	\$1,798.50
11/1/22	<b>\$1,259.64</b>	<b>\$1,458.10</b>
	\$22,534.18	



**8.H.8.**

### SWRCB Water Waster Report

	# of water waste reports received	# of contacts made (written or verbal)	# of formal warning actions	# of penalties issued
Jan-22	5	5	0	0
Feb-22	3	3	1	0
Mar-22	2	2	2	0
Apr-22	8	8	0	0
May-22	15	15	1	0
Jun-22	7	7	0	0
Jul-22	4	4	1	0
Aug-22	22	22	0	0
Sep-22	16	16	0	0
Oct-22	8	8	0	0
Nov-22	1	1	0	0
Dec-22				
SUBTOTAL 2015	378	376	40	10
SUBTOTAL 2016	406	399	28	3
SUBTOTAL 2017	70	68	10	4
SUBTOTAL 2018	60	58	7	4
SUBTOTAL 2019	56	56	8	1
SUBTOTAL 2020	42	42	8	2
SUBTOTAL 2021	131	131	12	4
SUBTOTAL 2022	91	91	5	0
TOTAL	1234	1221	118	28
TOTAL PENALTIES BILLED				\$2,950
TOTAL PENALTIES COLLECTED				\$2,550



The Mission of the

## **Indian Wells Valley Water District**

is to deliver the highest quality water at the best possible price while continuing to serve as respectful stewards of the environment.

The Vision of the

## **Indian Wells Valley Water District**

is to provide for self-sustaining water resources now and for generations to come.

**Board of Directors**