# Twentynine Palms Water District

## 2025 Water Rate Study

Final Report – December 11, 2025

**Prepared by: Water Resources Economics, LLC**

Water Resources Economics

PROMOTING THE VALUE AND PRICE OF WATER SERVICE

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December 11, 2025

Matthew Shragge
General Manager
Twentynine Palms Water District
72401 Hatch Road
Twentynine Palms, CA 92277

**Subject: Twentynine Water District 2025 Water Rate Study Report**

Dear Mr. Shragge,

Water Resources Economics, LLC (WRE) is pleased to submit this 2025 Water Rate Study Report to Twentynine Palms Water District (District). This report documents the results and recommendations of the 2025 Water Rate Study. The goal of the study was to develop an updated five-year schedule of water rates that will sufficiently fund the District's water system expenses, help the District to meet its financial goals, and comply with cost-of-service principles.

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

It has been a pleasure assisting the District, and we appreciate the support provided by District staff during this study.

Sincerely,

Sanjay Gaur
Founder / President
Water Resources Economics, LLC

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# LIST OF ABBREVIATIONS

AMI: Advanced Metering Infrastructure
AWWA: American Water Works Association
District: Twentynine Palms Water District
EMU: Equivalent meter unit
FY: Fiscal year (July 1st – June 30th)
GPM: Gallons per minute
HCF: One hundred cubic feet
M1 Manual: *Manual of Water Supply Practices M1: Principles of Water Rates, Fees and Charges, Seventh Edition*
WRE: Water Resources Economics, LLC

# 1. EXECUTIVE SUMMARY

## 1.1 OVERVIEW

### RATE STUDY OVERVIEW

Twentynine Palms Water District (District) is primarily funded by rates paid by customers. Public retail water agencies in California typically conduct a rate study every five years to ensure that customers are appropriately charged for water service and to reestablish the cost-of-service nexus that is required by Proposition 218. The District's currently adopted five-year rate schedule was developed in 2020 during a prior rate study and adopted in January 2021.The final year of the currently adopted five-year rate schedule went into effect in January 2025.

The District engaged Water Resources Economics, LLC (WRE) in 2025 to conduct a comprehensive water rate study, with the following objectives:

- Develop a five-year financial plan to meet financial targets for Fiscal Year (FY) 2025/26[1] to FY 2029/30
- Conduct a cost-of-service analysis based on the most recent data and customer water use characteristics
- Develop a proposed five-year water rate schedule for FY 2025/26 through FY 2029/30

### LEGAL REQUIREMENTS

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

### RATE-SETTING METHODOLOGY

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

1. **Financial Plan**: Annual revenues and expenses are projected over the rate-setting period to determine the magnitude of rate increases needed to maintain financial sufficiency. Financial policies, such as reserve targets, are also evaluated and updated if necessary.

[1] FY 2025/26 is the fiscal year starting July 1, 2025 and ending June 30, 2026.

2. **Cost-of-Service Analysis**: Costs are allocated to customers in proportion to use of and burden on the water system. The overall goal is to establish a robust nexus between the costs incurred by an agency and the rates charged to customers, as required by Proposition 218.
3. **Rate Design**: The existing rate structure is evaluated, and potential changes are identified. A multi-year proposed rate schedule is then calculated directly from the results of the financial plan and cost-of-service analysis.
4. **Rate Study Documentation**: A rate study report is developed to document the proposed rate development process. This provides transparency and enhances legal defensibility in light of Proposition 218 requirements. This document serves as the report for this rate study.

## 1.2 FINANCIAL PLAN

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

### FACTORS AFFECTING FINANCIAL PERFORMANCE

The District's financial performance is driven by the ability of water rates to meet the District's funding needs. To maintain financial sufficiency, water rates must recover District expenses and help satisfy any relevant financial policies, which typically include target reserve balances and debt coverage requirements. The key factors affecting financial performance over the rate-setting period include:

- **Planned capital investment:** The District plans to spend approximately $13 million over the next five years on capital projects, including significant well and reservoir improvements. The planned capital projects represent critical investments in the District's water system infrastructure needed for the District to continue to provide clean and reliable water service to customers. All capital projects are expected to be funded by rates and reserves.
- **Ongoing inflation:** Operations and maintenance (O&M) expenses are expected to increase by approximately 4% on average each year of the study period due to inflationary pressures.
- **Water Demand:** Projected water demand over the rate-setting period is approximately 6% below the five-year historical average from 2020-2024. This reflects District staff's expectation that water demand will not fully rebound to prior levels after recent periods of water supply shortage and conservation. Despite some cost savings, the predominant impact from reduced water demand is the decline in revenue from rates.

## PROPOSED CHANGES TO RESERVE POLICY

The District's current reserve policy, which is shown in **Table 1-1** (Lines 1-4), includes targets for operating and capital reserves. The District's current reserve policy maintains cash on hand to meet short-term cash flow imbalances and to execute capital projects. The current reserve target ranges from approximately $6.5 million to $7.5 million over the five-year study period.

WRE recommends that the District implement a new reserve policy to maintain cash on hand to meet short-term cash imbalances, execute capital projects, and strengthen the District's ability to respond to unexpected events such as critical asset failure. The overall goal of the proposed reserve policy is to effectively mitigate financial risks and to align with industry norms. The proposed reserve policy includes two key changes to the current policy, which are outlined in **Table 1-1** (Lines 6-10) and described below.

Firstly, we recommend changing the capital reserve target from 6% of depreciable capital assets plus annual capital expenditures to the annual average of five-year planned capital expenditures. This updated target provides a more realistic estimate of capital spending and is better aligned with changing industry norms.

Secondly, we recommend the introduction of a new "emergency reserve" target to mitigate the risk to the District of an unexpected capital asset failure such as total well failure. The emergency reserve fund will provide an additional cash buffer to reduce the associated financial risk to the District. The recommended emergency reserve target is based on the estimated cost of a critical asset failure. Based on discussion with District staff, it was determined that a $2 million emergency reserve target based on the cost of complete well failure is most appropriate.

**Table 1-1: Reserve Policy Targets**

| Line | Reserve Policies | Reserve Target Basis | FY 2025/26 |
|---|---|---|---|
| 1 | **Current** | | |
| 2 | Operating Target | 180 days of annual operating expenses | $2,936,200 |
| 3 | Capital Target | 6% of depreciable capital assets plus annual capital expenditures | $3,541,400 |
| 4 | **Total Reserve Target** | | **$6,477,600** |
| 5 | | | |
| 6 | **Proposed** | | |
| 7 | Operating Target | 180 days of annual operating expenses | $2,936,200 |
| 8 | Capital Target | Annual average of five-year planned capital expenditures | $2,595,400 |
| 9 | Emergency Target | $2 million (cost of unexpected well failure) | $2,000,000 |
| 10 | **Total Reserve Target** | | **$7,531,600** |

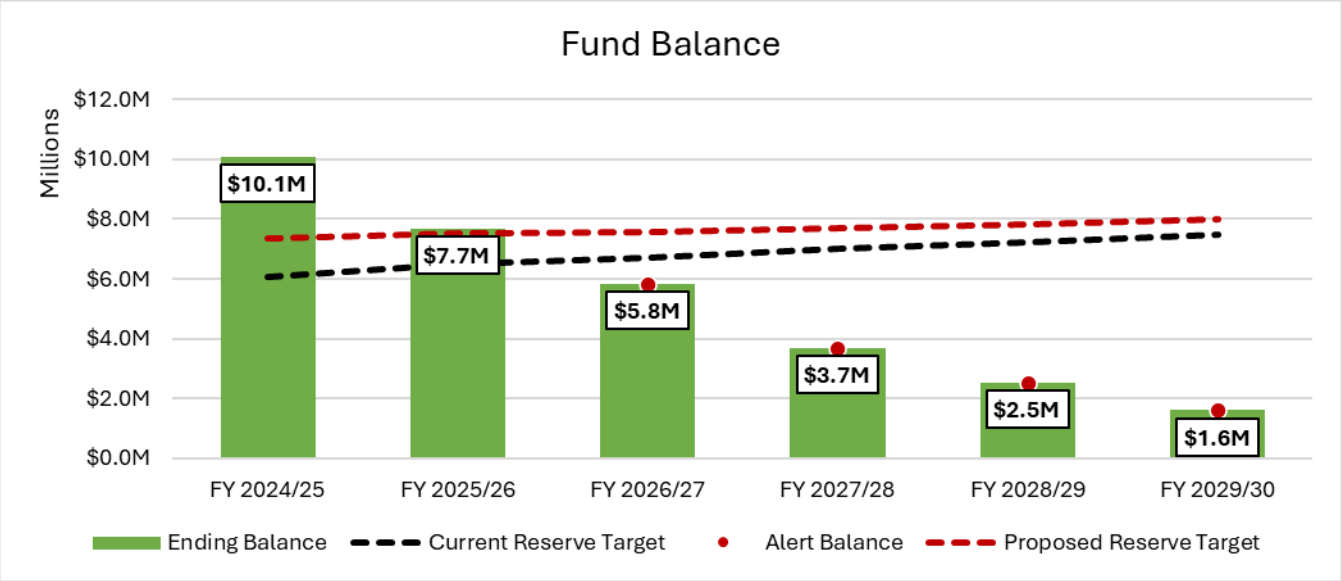
## STATUS QUO FINANCIAL PLAN

The first step in evaluating the District's financial performance is to develop a "status quo financial plan," which is the scenario in which the District does not increase its water rate

revenues over the rate-setting period. This exercise is to determine whether the District's current water rates are sufficient to meet key financial performance metrics.

**Figure 1-1** shows the projected fund balances under the status quo scenario. The green bars represent the ending fund balances, the black dashed line represents the current reserve policy targets, and the dashed red line represents the proposed reserve policy targets. In this scenario the District is not able to meet its current nor proposed reserve policy target starting in FY 2026/27. Reserves are depleted to cover a significant portion of planned capital expenditures.

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




## PROPOSED REVENUE ADJUSTMENTS

Overall annual increases in water rate revenues resulting from rate increases are referred to as "revenue adjustments." WRE worked with District staff to develop a proposed financial plan scenario, which is shown in **Table 1-2**. The proposed financial plan scenario includes 7% annual revenue adjustments each year of the study period (FY 2025/26 to FY 2029/30). The first year of rates is expected to be implemented in March and the following four year of rates are expected to be implemented each January. The proposed financial plan is projected to meet the District's proposed reserve policy targets by the end of the study period.

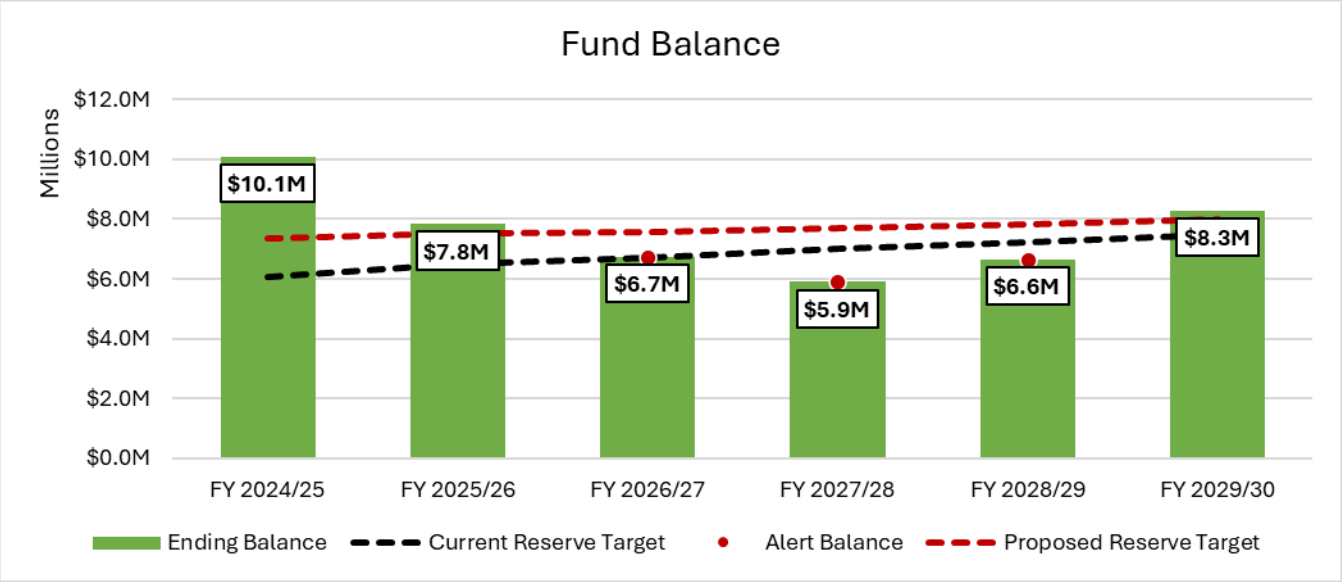
**Table 1-2: Proposed Financial Plan Scenario**

| Line | Fiscal Year | Effective Date | Revenue Adjustments |
|---|---|---|---|
| 1 | FY 2025/26 | 3/1/2026 | 7% |
| 2 | FY 2026/27 | 1/1/2027 | 7% |
| 3 | FY 2027/28 | 1/1/2028 | 7% |
| 4 | FY 2028/29 | 1/1/2029 | 7% |
| 5 | FY 2029/30 | 1/1/2030 | 7% |

**PROPOSED FINANCIAL PLAN**

The proposed financial plan applies the revenue adjustments from **Table 1-2** to reevaluate financial performance. **Figure 1-2** shows the projected fund balances under the proposed scenario. In this scenario, the District will meet its proposed reserve targets by the end of the study period in FY 2029/30. Reserve levels fluctuate from year to year based on uneven capital project spending which varies from $4.0 million to $1.3 million each year. The District anticipates higher capital project spending in the first three years of the study period which draws down reserve levels (FY 2025/26 to FY 2027/28) before reserves are gradually built up in the following years (FY 2028/29 to FY 2029/30) to meet proposed reserve targets in the final year of the study period.

**Figure 1-2: Projected Fund Balances (Proposed Financial Plan)**




## 1.3 COST-OF-SERVICE ANALYSIS

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

The cost-of-service analysis conducted in this water rate study is consistent with the Base-Extra Capacity Method outlined by the AWWA in its M1 Manual. The overall goal of the cost-of-service analysis is to develop "unit costs," which provide the basis from which proposed rates are directly calculated from. Note that although the study period spans five years, the cost-of-service analysis is limited to a single representative year referred to as the "test year." The test year in this study is FY 2025/26.

## 1.4 RATE DESIGN

### CURRENT RATE STRUCTURE

The District's current water rate structure includes fixed meter service charges by meter size, commodity charges per unit of water delivered, and commercial fire fixed service charges by fire line diameter (charged to commercial fire lines only). Nearly all District customers are subject to potable rates only, as only one permanent customer connection currently receives non-potable water service. **Table 1-3** shows current rates effective in January 2025, which represents the fifth year of the currently adopted five-year rate schedule. Note that the currently adopted rate schedule included 10% annual rate increases over the five-year period.

**Table 1-3: Current Water Rates**

| Line | Current Water Rates | Effective Jan. 2025 |
|---|---|---|
| 1 | **Fixed Meter Service Charges (Monthly)** | |
| 2 | 5/8-inch | $20.05 |
| 3 | 3/4-inch | $20.05 |
| 4 | 1-inch Dual Service - Residential | $20.05 |
| 5 | 1-inch | $28.31 |
| 6 | 1.5-inch | $48.94 |
| 7 | 2-inch | $73.71 |
| 8 | 3-inch | $152.12 |
| 9 | 4-inch | $267.68 |
| 10 | 6-inch | $544.19 |
| 11 | 2-inch Non-Potable | $495.74 |
| 12 | | |
| 13 | **Commodity Charges** | |
| 14 | Potable (per hundred cubic feet) | $5.24 |
| 15 | Non-Potable (per hundred cubic feet) | $0.92 |
| 16 | Utah Trail Pay Station (per gallon)[2] | $0.0121 |
| 17 | | |
| 18 | **Commercial Fire Fixed Service Charges (Monthly)** | |
| 19 | 2-inch | $65.06 |
| 20 | 3-inch | $91.37 |
| 21 | 4-inch | $127.25 |
| 22 | 6-inch | $246.84 |
| 23 | 8-inch | $390.36 |
| 24 | 10-inch | $1,060.10 |

[2] The District's Utah Trail Pay Station is an onsite metered filling station available to the public.

## PROPOSED RATE STRUCTURE CHANGES

WRE and District staff evaluated the current rate structure and did not identify any need for significant proposed changes. However, one small refinement to the fixed meter service charges is recommended. The District's current rate schedule does not include fixed meter service charges for 8-inch or 10-inch meters, as no current customers have meters of either size. Because there is a possibility that future connections will require an 8-inch or 10-inch meter, we recommend adding fixed service charges for these meter sizes to the proposed rate schedule.

## PROPOSED FIVE-YEAR WATER RATE SCHEDULE

**Table 1-4** shows proposed monthly fixed meter service charges, commodity charges, and commercial fire fixed service charges over the five-year rate-setting period. The proposed five-year water rate schedule is based on the proposed rate structure changes, the updated cost-of-service analysis, and the proposed revenue adjustments for the five-year study period. The rate schedule shows the proposed water rates to be implemented in March 2026 through January 2030.

Note that while the overall proposed rate revenue increase in FY 2025/26 is 7%, proposed charges increase by different percentages due to the updated cost-of-service allocations. In subsequent years, all proposed charges increase uniformly by 7% per year. Proposed FY 2025/26 fixed meter service charges for 3-inch through 6-inch meter sizes increase significantly due to the increased meter capacity of new advanced metering infrastructure (AMI) meters. Additionally, proposed FY 2025/26 commercial fire fixed service charges decrease significantly due to adherence to more up-to-date methodological guidance from the AWWA regarding cost allocation to private fire lines.

## Table 1-4: Proposed Water Rate Schedule

| Water Rates | Current | Proposed FY 2025/26 (Mar. 2026) | Proposed FY 2026/27 (Jan. 2027) | Proposed FY 2027/28 (Jan. 2028) | Proposed FY 2028/29 (Jan. 2029) | Proposed FY 2029/30 (Jan. 2030) |
|---|---|---|---|---|---|---|
| **Fixed Meter Service Charges (Monthly)** | | | | | | |
| 5/8-inch | $20.05 | $20.72 | $22.18 | $23.74 | $25.41 | $27.19 |
| 3/4-inch | $20.05 | $20.72 | $22.18 | $23.74 | $25.41 | $27.19 |
| 1-inch Dual Service - Residential | $20.05 | $20.72 | $22.18 | $23.74 | $25.41 | $27.19 |
| 1-inch | $28.31 | $30.67 | $32.82 | $35.12 | $37.58 | $40.22 |
| 1.5-inch | $48.94 | $55.54 | $59.43 | $63.60 | $68.06 | $72.83 |
| 2-inch | $73.71 | $85.38 | $91.36 | $97.76 | $104.61 | $111.94 |
| 3-inch | $152.12 | $229.62 | $245.70 | $262.90 | $281.31 | $301.01 |
| 4-inch | $267.68 | $503.19 | $538.42 | $576.11 | $616.44 | $659.60 |
| 6-inch | $544.19 | $1,000.58 | $1,070.63 | $1,145.58 | $1,225.78 | $1,311.59 |
| 8-inch | N/A | $1,746.66 | $1,868.93 | $1,999.76 | $2,139.75 | $2,289.54 |
| 10-inch | N/A | $2,741.44 | $2,933.35 | $3,138.69 | $3,358.40 | $3,593.49 |
| 2-inch Non-Potable | $495.74 | $534.77 | $572.21 | $612.27 | $655.13 | $700.99 |
| | | | | | | |
| **Commodity Charges** | | | | | | |
| Potable (per HCF) | $5.24 | $5.80 | $6.21 | $6.65 | $7.12 | $7.62 |
| Non-Potable (per HCF) | $0.92 | $1.00 | $1.07 | $1.15 | $1.24 | $1.33 |
| Utah Trail Pay Station (per gallon) | $0.0121 | $0.0133 | $0.0143 | $0.0154 | $0.0165 | $0.0177 |
| | | | | | | |
| **Commercial Fire Fixed Service Charges (Monthly)** | | | | | | |
| 2-inch | $65.06 | $10.52 | $11.26 | $12.05 | $12.90 | $13.81 |
| 3-inch | $91.37 | $19.51 | $20.88 | $22.35 | $23.92 | $25.60 |
| 4-inch | $127.25 | $35.02 | $37.48 | $40.11 | $42.92 | $45.93 |
| 6-inch | $246.84 | $90.68 | $97.03 | $103.83 | $111.10 | $118.88 |
| 8-inch | $390.36 | $186.69 | $199.76 | $213.75 | $228.72 | $244.74 |
| 10-inch | $1,060.10 | $331.11 | $354.29 | $379.10 | $405.64 | $434.04 |

## RESIDENTIAL BILL IMPACTS

**Table 1-5** shows proposed bill impacts in FY 2025/26 for a residential customer with a 5/8-inch meter (the most common meter size) at various water use levels. For a residential customer with average water use of 7 HCF per month, the monthly bill increase will be $4.59 or 8.1% in the first year of the proposed rate schedule, which reflects the impact of the cost-of-service analysis and proposed revenue adjustments.

**Table 1-5: Sample Residential Monthly Bill Impacts in FY 2025/26**

| Water Use Level | Monthly Water Use (HCF) | Current Monthly Bill | Proposed Monthly Bill | Difference ($) | Difference (%) |
|---|---|---|---|---|---|
| Very Low | 3 | $35.77 | $38.12 | $2.35 | 6.6% |
| Low | 5 | $46.25 | $49.72 | $3.47 | 7.5% |
| Average | 7 | $56.73 | $61.32 | $4.59 | 8.1% |
| High | 12 | $82.93 | $90.32 | $7.39 | 8.9% |
| Very High | 15 | $98.65 | $107.72 | $9.07 | 9.2% |

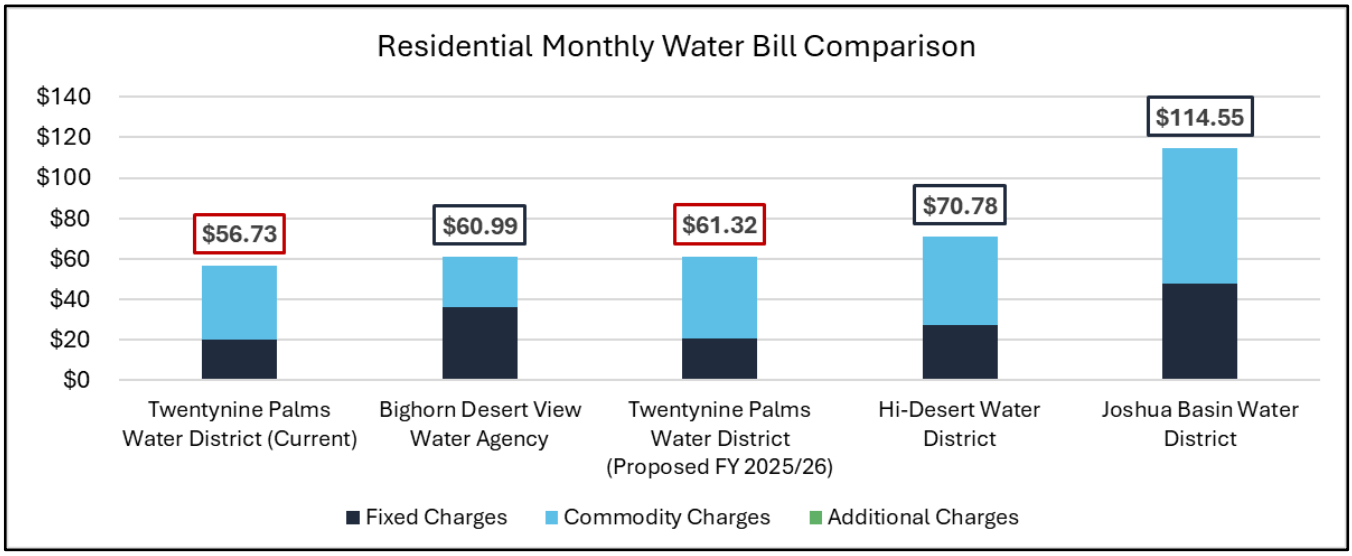
**Table 1-6** shows monthly bills for a residential customer with a 5/8-inch meter and average water use of 7 HCF per month over the five-year rate-setting period. By the final year of the proposed rate-setting period, monthly bills will increase to $80.53.

**Table 1-6: Five-Year Monthly Bill Impacts for Average Residential Customer**

| Year | Monthly Bill for Average Residential Customer | Monthly Bill Increase ($) | Monthly Bill Increase (%) |
|---|---|---|---|
| Current | **$56.73** | | |
| Proposed FY 2025/26 | **$61.32** | $4.59 | 8.1% |
| Proposed FY 2026/27 | **$65.65** | $4.33 | 7.1% |
| Proposed FY 2027/28 | **$70.29** | $4.64 | 7.1% |
| Proposed FY 2028/29 | **$75.25** | $4.96 | 7.1% |
| Proposed FY 2029/30 | **$80.53** | $5.28 | 7.0% |

**Figure 1-3** shows a comparison of current and proposed FY 2025/26 residential monthly bills to three neighboring water districts. All bills shown are for a residential customer with the smallest available meter size using 7 HCF of water per month. Bills for the three neighboring water districts are based on each agency's current rates and do not account for potential future rate increases in FY 2025/26 or later.

**Figure 1-3: Monthly Bill Comparison to Neighboring Water Districts**



# 2. INTRODUCTION

## 2.1 WATER SYSTEM OVERVIEW

Twentynine Palms Water District (District) provides potable and non-potable water service to over 7,600 metered connections. The District's service area encompasses the City of Twentynine Palms and unincorporated areas of San Bernardino County and covers approximately 87 square miles.

The water system, which is owned and operated by the District, consists of 10 groundwater production wells, one groundwater treatment facility, 360 miles of distribution pipelines assisted by multiple booster pump stations, and 17 million gallons of water storage facilities and tanks. The District's only water supply source is local groundwater produced from the District's wells.

## 2.2 RATE STUDY OVERVIEW

The District is primarily funded by customer rates. Public retail water agencies in California typically conduct a rate study every five years to ensure that customers are appropriately charged for water service and to reestablish the cost-of-service nexus that is required by Proposition 218. The District's currently adopted five-year rate schedule was developed in 2020 during a prior rate study and adopted in January 2021.The final year of the currently adopted five-year rate schedule went into effect in January 2025.

The District engaged Water Resources Economics, LLC (WRE) in 2025 to conduct a comprehensive water rate study, with the following objectives:

- Develop a five-year financial plan to meet financial targets for Fiscal Year (FY) 2025/26[3] to FY 2029/30
- Conduct a cost-of-service analysis based on the most recent data and customer use characteristics
- Develop a five-year water rate schedule for FY 2025/26 through FY 2029/30

## 2.3 LEGAL REQUIREMENTS

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

[3] FY 2025/26 is the fiscal year starting July 1, 2025 and ending June 30, 2026.

The primary means by which retail water agencies address this requirement is by conducting a "cost-of-service analysis."

Proposition 218 also affects the rate adoption process by requiring agencies to hold a public hearing to adopt rates. The agency must mail public hearing notices to all customers no fewer than 45 days prior to the public hearing. The public hearing notices must clearly show all proposed rate changes, provide information on the public hearing date/time/location, and provide instructions on how customers may protest the proposed rate changes. If a majority of customers submit a protest, the proposed rate changes cannot be adopted.

## 2.4 RATE-SETTING METHODOLOGY

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

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

## 2.5 ADDITIONAL INFORMATION AND DISCLAIMERS

This report summarizes the data, analyses, processes, and results of the 2025 Water Rate Study. Some important information to consider includes the following:

- All study projections are based on the best available data provided by District staff to WRE between August 2025 and October 2025. Note that FY 2024/25 actuals shown are unaudited preliminary values.
- Revenue and expense projections presented in Section 3 are rounded to the nearest one hundred dollars. All other table values are rounded to the nearest digit shown unless stated otherwise. However, many calculations are based on precise rather than rounded

values. Attempting to manually replicate the calculations described in this report from the values displayed in tables may therefore produce slightly different results.

- The District's currently adopted five-year rate schedule shows all fixed charges on a bimonthly basis. However, the District transitioned from bimonthly to monthly billing since current rates were adopted in 2021 due to the installation of advanced metering infrastructure (AMI). Therefore, all current and proposed fixed charges are shown on a monthly basis in this report.

# 3. FINANCIAL PLAN

## 3.1 FINANCIAL PLAN METHODOLOGY

The purpose of a financial plan is to project revenues, expenses, cash flows, reserve balances, and debt coverage over a multi-year period to assess financial sufficiency and performance and to determine the amount of required rate revenue. For this study, the planning period is from FY 2025/26 through FY 2029/30; data for FY 2024/25 or earlier is shown only for reference. The key steps in developing a financial plan are:

- **Revenue projections:** Annual revenues from rates and other miscellaneous sources are projected over the planning period. Rate revenues are projected based on current rates to establish baseline revenues from which the need for additional rate increases can be evaluated.
- **Expense projections:** Annual expenses are projected over the study period, including O&M expenses, debt service, and capital expenditures. Capital funding options (grants, debt, etc.) are evaluated.
- **Financial policy evaluation:** Key financial policies include debt coverage requirements and reserve targets. Debt coverage requirements are typically explicitly stated in official agreements on outstanding debt issuances. The District's existing debt does not contain any official debt coverage requirements so debt coverage requirements are not evaluated. Reserve targets are typically set by an agency's elected officials and may need to be periodically evaluated and updated.
- **Status quo financial plan projections:** Cash flow, reserve balances, and debt coverage (if applicable) are projected over the study period in the absence of additional rate increases (this scenario is called the "status quo"). Projected reserve balances and debt coverage (if applicable) are then compared to the agency's financial policy requirements and targets. The status quo financial plan provides a baseline to evaluate the need for rate increases.
- **Proposed financial plan projections:** The magnitude and timing of annual proposed revenue increases over the study period are evaluated and determined based on the agency's financial policies, financial performance, and policy objectives. Proposed rate increases (referred to as "revenue adjustments") should generate sufficient revenue to recover the agency's expenses, maintain adequate reserves, and meet any debt coverage requirements. The proposed financial plan determines the total annual rate revenue requirement over the study period.

## 3.2 REVENUES

### CURRENT WATER RATES

The District's current water rate structure for potable and non-potable customers includes fixed meter service charges by meter size, commodity charges per unit of water delivered, and commercial fire fixed service charges by fire line diameter (charged to commercial fire customers only). The commodity charges for all potable and non-potable customers are

measured in one hundred cubic feet (HCF), except for the Utah Trail Pay Station[4] commodity charge which is measured in gallons. Nearly all District customers are subject to potable rates only, as only one permanent customer connection currently receives non-potable water service.

**Table 3-1** shows the current fixed meter service charges, commodity charges, and commercial fire fixed service charges. Current rates effective in January 2025 represent the fifth year of the currently adopted five-year rate schedule. Note that the currently adopted rate schedule included 10% annual rate increases over the five-year period.

**Table 3-1: Current Water Rates**

| Line | Current Water Rates | Effective Jan. 2025 |
|---|---|---|
| 1 | **Fixed Meter Service Charges (Monthly)** | |
| 2 | 5/8-inch | $20.05 |
| 3 | 3/4-inch | $20.05 |
| 4 | 1-inch Dual Service - Residential | $20.05 |
| 5 | 1-inch | $28.31 |
| 6 | 1.5-inch | $48.94 |
| 7 | 2-inch | $73.71 |
| 8 | 3-inch | $152.12 |
| 9 | 4-inch | $267.68 |
| 10 | 6-inch | $544.19 |
| 11 | 2-inch Non-Potable | $495.74 |
| 12 | | |
| 13 | **Commodity Charges** | |
| 14 | Potable (per hundred cubic feet) | $5.24 |
| 15 | Non-Potable (per hundred cubic feet) | $0.92 |
| 16 | Utah Trail Pay Station (per gallon) | $0.0121 |
| 17 | | |
| 18 | **Commercial Fire Fixed Service Charges (Monthly)** | |
| 19 | 2-inch | $65.06 |
| 20 | 3-inch | $91.37 |
| 21 | 4-inch | $127.25 |
| 22 | 6-inch | $246.84 |
| 23 | 8-inch | $390.36 |
| 24 | 10-inch | $1,060.10 |

## CUSTOMER ACCOUNTS AND USAGE

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

[4] The District's Utah Trail Pay Station is an onsite metered filling station available to the public.

**Table 3-2** shows the projected number of potable and non-potable water meters for the study period. District staff provided actual data for FY 2025/26; this study assumes no changes in metered connections for the study period. The number of metered connections is the unit of service for the District's potable and non-potable monthly fixed service charges.

**Table 3-2: Projected Number of Water Meters**

| Line | Water Meters | FY 2025/26 Actual | FY 2026/27 Projected | FY 2027/28 Projected | FY 2028/29 Projected | FY 2029/30 Projected |
|---|---|---|---|---|---|---|
| 1 | **Potable Meters** | | | | | |
| 2 | 5/8-inch | 6,988 | 6,988 | 6,988 | 6,988 | 6,988 |
| 3 | 3/4-inch | 83 | 83 | 83 | 83 | 83 |
| 4 | 1-inch Dual Service - Residential | 2 | 2 | 2 | 2 | 2 |
| 5 | 1-inch | 376 | 376 | 376 | 376 | 376 |
| 6 | 1.5-inch | 53 | 53 | 53 | 53 | 53 |
| 7 | 2-inch | 34 | 34 | 34 | 34 | 34 |
| 8 | 3-inch | 8 | 8 | 8 | 8 | 8 |
| 9 | 4-inch | 8 | 8 | 8 | 8 | 8 |
| 10 | 6-inch | 0 | 0 | 0 | 0 | 0 |
| 11 | **Subtotal** | **7,552** | **7,552** | **7,552** | **7,552** | **7,552** |
| 12 | | | | | | |
| 13 | **Non-potable Meters** | | | | | |
| 14 | 2-inch | 1 | 1 | 1 | 1 | 1 |
| 15 | **Subtotal** | **1** | **1** | **1** | **1** | **1** |
| 16 | | | | | | |
| 17 | **Total** | **7,553** | **7,553** | **7,553** | **7,553** | **7,553** |

**Table 3-3** shows the projected number of commercial fire lines for the study period. District staff provided actual data for FY 2025/26; this study assumes no growth in commercial fire lines for the period. The number of commercial fire lines is the unit of service for the District's commercial fire fixed service charges.

**Table 3-3: Projected Number of Commercial Fire Lines**

| Line | Commercial Fire Lines | FY 2025/26 Actual | FY 2026/27 Projected | FY 2027/28 Projected | FY 2028/29 Projected | FY 2029/30 Projected |
|---|---|---|---|---|---|---|
| 1 | 2-inch | 82 | 82 | 82 | 82 | 82 |
| 2 | 3-inch | 4 | 4 | 4 | 4 | 4 |
| 3 | 4-inch | 8 | 8 | 8 | 8 | 8 |
| 4 | 6-inch | 17 | 17 | 17 | 17 | 17 |
| 5 | 8-inch | 9 | 9 | 9 | 9 | 9 |
| 6 | 10-inch | 0 | 0 | 0 | 0 | 0 |
| 7 | **Total** | **120** | **120** | **120** | **120** | **120** |

**Table 3-4** shows projected potable and non-potable water usage. Total water use over the five-year study period is projected to remain level at FY 2024/25 actual demand levels. Water

demand in FY 2024/25 was about 6% lower than the five-year historical average from 2020-2024, reflecting lower baseline demand resulting from recent periods of drought and conservation. District staff indicated that a rebound in demands to historical levels is not anticipated. Additionally, for the purposes of a rate study it is critical to conservatively estimate future water demands to reduce the risk of insufficient revenue recovery.

**Table 3-4: Projected Customer Water Usage (HCF)**

| Line | Potable Water Consumption (HCF) | FY 2024/25 Actual | FY 2025/26 Projected | FY 2026/27 Projected | FY 2027/28 Projected | FY 2028/29 Projected | FY 2029/30 Projected |
|---|---|---|---|---|---|---|---|
| 1 | **Potable** | | | | | | |
| 2 | Potable Customers | 859,867 | 859,867 | 859,867 | 859,867 | 859,867 | 859,867 |
| 3 | Utah Trail Pay Station | 6,958 | 6,958 | 6,958 | 6,958 | 6,958 | 6,958 |
| 4 | Non-Revenue Water[5] | 31,439 | 31,439 | 31,439 | 31,439 | 31,439 | 31,439 |
| 5 | **Subtotal** | **898,265** | **898,265** | **898,265** | **898,265** | **898,265** | **898,265** |
| 6 | | | | | | | |
| 7 | **Non-Potable** | | | | | | |
| 8 | Non-Potable Customers | 35,268 | 35,268 | 35,268 | 35,268 | 35,268 | 35,268 |
| 9 | **Subtotal** | **35,268** | **35,268** | **35,268** | **35,268** | **35,268** | **35,268** |
| 10 | | | | | | | |
| 11 | **Total (HCF)** | **933,533** | **933,533** | **933,533** | **933,533** | **933,533** | **933,533** |

## REVENUES FROM CURRENT RATES

**Table 3-5** shows the calculated water rate revenues for the study period based on current water rates and the projected units of service. The potable monthly fixed service charge revenue (Line 2) is calculated by multiplying the current monthly fixed meter service charges (**Table 3-1,** Lines 2-10) by the projected potable meter connections (**Table 3-2**, Lines 2-10) for 12 monthly billing periods. The non-potable monthly fixed monthly service charge revenue (Line 3) is calculated by multiplying the current non-potable monthly fixed service charge (**Table 3-1**, Line 11) by the projected non-potable meter connections (**Table 3-2,** Line 14) for 12 monthly billing periods. The commercial fire fixed service charge revenue (Line 4) is calculated by multiplying the current commercial fire monthly fixed service charges (**Table 3-1,** Lines 19-24) by the projected commercial fire lines (**Table 3-3,** Lines 1-6) for 12 monthly billing periods.

Potable commodity charge revenue (Line 8) is calculated by multiplying the current potable commodity charge (**Table 3-1**, Line 14) by projected potable customer water usage (**Table 3-4**, Line 2). Utah Trail Pay Station commodity charge revenue (Line 9) is calculated by multiplying the current Utah Trail Pay Station commodity charge (**Table 3-1**, Line 16) by the projected Utah Trail water usage (**Table 3-4**, Line 3), accounting for the conversion of Utah trail water usage from HCF to gallons (1 HCF = 748.05 gallons). Non-potable commodity charge revenue (Line 10) is

[5] Non-revenue water includes water used by the District in its operations (e.g., water lube wells) and other unbilled water use.

calculated by multiplying the current non-potable commodity charge (**Table 3-1**, Line 15) by the projected non-potable water usage (**Table 3-4,** Line 8).

### Table 3-5: Calculated Rate Revenues at Current Rates

| Line | Calculated Rate Revenues | FY 2025/26 Projected | FY 2026/27 Projected | FY 2027/28 Projected | FY 2028/29 Projected | FY 2029/30 Projected |
|---|---|---|---|---|---|---|
| 1 | **Fixed Service Charges** | | | | | |
| 2 | Potable | $1,931,000 | $1,931,000 | $1,931,000 | $1,931,000 | $1,931,000 |
| 3 | Non-Potable | $5,900 | $5,900 | $5,900 | $5,900 | $5,900 |
| 4 | Commercial Fire | $173,100 | $173,100 | $173,100 | $173,100 | $173,100 |
| 5 | **Subtotal** | **$2,110,000** | **$2,110,000** | **$2,110,000** | **$2,110,000** | **$2,110,000** |
| 6 | | | | | | |
| 7 | **Commodity Charges** | | | | | |
| 8 | Potable | $4,505,700 | $4,505,700 | $4,505,700 | $4,505,700 | $4,505,700 |
| 9 | Utah Trail Pay Station | $63,000 | $63,000 | $63,000 | $63,000 | $63,000 |
| 10 | Non-Potable | $32,400 | $32,400 | $32,400 | $32,400 | $32,400 |
| 11 | **Subtotal** | **$4,601,100** | **$4,601,100** | **$4,601,100** | **$4,601,100** | **$4,601,100** |
| 12 | | | | | | |
| 13 | **Total** | **$6,711,200** | **$6,711,200** | **$6,711,200** | **$6,711,200** | **$6,711,200** |

## NON-RATE REVENUES

WRE worked with District staff to determine annual inflationary assumptions to apply to the District's non-rate revenues. District staff provided actual revenues for FY 2024/25 and budgeted revenues for FY 2025/26; certain future year projections are dependent on the assumptions shown in **Table 3-6**. Late fees/ penalties assumptions (Line 3) are applied to rate revenues each year, assuming an additional 2.2% of rate revenues is collected from customer late payments. Bad debt expense assumptions (Line 4) are applied to operating revenues each year, assuming that 0.4% of operating revenues will not be collected.

### Table 3-6: Non-Rate Revenue Assumptions

| Line | Non-Rate Revenue Assumptions | |
|---|---|---|
| 1 | General Inflation | 3.0% annual increase |
| 2 | Interest Earnings | 2.5% annual interest rate |
| 3 | Late Fees/ Penalties | 2.2% of rate revenues |
| 4 | Bad Debt Expense | -0.4% operating revenue |

**Table 3-7** shows projected non-rate revenues over the study period. Meter installation (Line 2) and reconnection fees (Line 6) are non-recurring in future years, accounting for the District's projection of no new growth in metered connections for the study period. Credit card processing fees (Line 5) and reimbursed expenses (Line 24) are inflated based on a 3% general inflation rate (**Table 3-6**, Line 1). Late fees/ penalties (Line 4) are calculated based multiplying total rate

revenues by 2.2% (**Table 3-6**, Line 3).[6] Bad debt expense (Line 7) is calculated based on multiplying the sum of total operating revenues by -0.4% (**Table 3-6**, Line 4).

Capital impact fees (Line 11) are reduced from $75,000 to $50,000 starting in FY 2026/27 based on updated projections from District staff. Interest income (Line 20) is calculated based on average fund balances and a 2.5% interest rate (**Table 3-6**, Line 2). All other non-rate revenues are held constant at FY 2025/26 budgeted amounts in future years to ensure sufficiently conservative revenue projections.

**Table 3-7: Projected Non-Rate Revenues**

| Line | Non-Rate Revenues | FY 2025/26 Budget | FY 2026/27 Projected | FY 20/2728 Projected | FY 2028/29 Projected | FY 2029/30 Projected |
|---|---|---|---|---|---|---|
| 1 | **Other Operating Revenue** | | | | | |
| 2 | Meter Installation Fees | $15,000 | $0 | $0 | $0 | $0 |
| 3 | New Account Fees | $50,100 | $50,100 | $50,100 | $50,100 | $50,100 |
| 4 | Late Fees (penalties) | $150,600 | $163,500 | $175,000 | $187,200 | $200,300 |
| 5 | Credit Card Processing Fees | $73,600 | $75,800 | $78,100 | $80,400 | $82,800 |
| 6 | Reconnection Fees | $15,800 | $0 | $0 | $0 | $0 |
| 7 | Bad Debt Expense | ($31,900) | ($30,900) | ($33,000) | ($35,300) | ($37,800) |
| 8 | **Subtotal** | **$273,200** | **$258,500** | **$270,200** | **$282,400** | **$295,400** |
| 9 | | | | | | |
| 10 | **Capital Impact Fees** | | | | | |
| 11 | Capital Impact-Primary | $75,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| 12 | **Subtotal** | **$75,000** | **$50,000** | **$50,000** | **$50,000** | **$50,000** |
| 13 | | | | | | |
| 14 | **Property Tax** | | | | | |
| 15 | Property Tax Revenue | $592,000 | $592,000 | $592,000 | $592,000 | $592,000 |
| 16 | Property Tax Penalties | $28,900 | $28,900 | $28,900 | $28,900 | $28,900 |
| 17 | **Subtotal** | **$620,900** | **$620,900** | **$620,900** | **$620,900** | **$620,900** |
| 18 | | | | | | |
| 19 | **Interest Revenue** | | | | | |
| 20 | Interest Earnings | $357,200 | $180,000 | $156,100 | $154,900 | $184,400 |
| 21 | **Subtotal** | **$357,200** | **$180,000** | **$156,100** | **$154,900** | **$184,400** |
| 22 | | | | | | |
| 23 | **Other Miscellaneous Non-Operating Revenue** | | | | | |
| 24 | Reimbursed Expense | $20,000 | $20,600 | $21,200 | $21,800 | $22,500 |
| 25 | Miscellaneous | $10,000 | $10,000 | $10,000 | $10,000 | $10,000 |
| 26 | **Subtotal** | **$30,000** | **$30,600** | **$31,200** | **$31,800** | **$32,500** |
| 27 | | | | | | |
| 28 | **Total Revenues** | **$1,356,300** | **$1,140,000** | **$1,128,400** | **$1,140,000** | **$1,183,200** |

## REVENUE SUMMARY

**Table 3-8** shows a summary of projected revenues for the study period. Current rate revenues (Line 1) are equal to calculated rate revenues at current rates (**Table 3-5,** Line 13). All other

[6] Note that total revenues include revenue adjustments shown in **Section 3.8**.

revenues were projected in **Table 3-7**. Note that projected FY 2025/26 revenues match the adopted FY 2025/26 budget, except for current rate revenues which are based on WRE's detailed projections. Projected revenue from current rates comprises over 80% of total District revenues over the study period.

**Table 3-8: Revenue Summary**

| Line | Revenues | FY 2024/25 Actual | FY 2025/26 Projected | FY 2026/27 Projected | FY 2027/28 Projected | FY 2028/29 Projected | FY 2029/30 Projected |
|---|---|---|---|---|---|---|---|
| 1 | Current Rate Revenues | $6,366,372 | $6,711,200 | $6,711,200 | $6,711,200 | $6,711,200 | $6,711,200 |
| 2 | Other Operating Revenue | $301,970 | $273,200 | $258,500 | $270,200 | $282,400 | $295,400 |
| 3 | Capital Impact Fees | $124,514 | $75,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| 4 | Property Tax | $629,887 | $620,900 | $620,900 | $620,900 | $620,900 | $620,900 |
| 5 | Interest Revenue | $438,797 | $357,200 | $180,000 | $156,100 | $154,900 | $184,400 |
| 6 | Miscellaneous Non-Operating Revenue | $208,958 | $30,000 | $30,600 | $31,200 | $31,800 | $32,500 |
| 7 | **Total** | **$8,070,498** | **$8,067,500** | **$7,851,200** | **$7,839,600** | **$7,851,200** | **$7,894,400** |

## 3.3 OPERATIONS AND MAINTENANCE EXPENSES

### INFLATIONARY ASSUMPTIONS

WRE worked with District staff to determine annual inflationary assumptions to apply to the District's O&M expense budget. District staff provided actual O&M expenses for FY 2024/25 and budgeted O&M expenses for FY 2025/26; most future year projections are based on the inflationary assumptions shown in **Table 3-9**.

**Table 3-9: O&M Expense Inflationary Assumptions**

| Line | Annual Inflationary Increases | |
|---|---|---|
| 1 | General | 3.0% |
| 2 | Capital | 4.0% |
| 3 | Vacation Sick Payout | 5.0% |
| 4 | Electricity | 6.0% |
| 5 | Fuel | 4.0% |
| 6 | Chemicals | 5.0% |
| 7 | Insurance | 5.0% |

### O&M EXPENSE SUMMARY

**Table 3-10** shows the summary of O&M expenses for the study period. District staff provided actual expenses for FY 2024/25 and budgeted expenses for FY 2025/26; expenses for other years are projections. All expenses are inflated based on the assumptions in **Table 3-9**, except for labor, benefits, and non-operating expenses which were provided by District staff for the study period. Detailed O&M expense projections on a line item basis are included in the **Appendix** (**Table 6-1**). O&M expenses are projected to increase by about 4% annually on average over the study period primarily due to inflationary impacts.

**Table 3-10: O&M Expense Summary**

| Line | O&M Expenses | FY 2024/25 Actual | FY 2025/26 Budget | FY 2026/27 Projected | FY 2027/28 Projected | FY 2028/29 Projected | FY 2029/30 Projected |
|---|---|---|---|---|---|---|---|
| 1 | Source of Supply | $471,670 | $543,600 | $603,100 | $635,800 | $670,400 | $707,100 |
| 2 | Pumping | $184,487 | $207,700 | $219,400 | $232,000 | $245,300 | $259,400 |
| 3 | Transmission & Distribution | $1,928,358 | $1,924,200 | $1,943,600 | $2,027,400 | $2,114,900 | $2,206,500 |
| 4 | Treatment Wells | $227,135 | $211,900 | $211,500 | $220,400 | $229,800 | $239,500 |
| 5 | Treatment Facility | $761,978 | $799,000 | $817,900 | $855,900 | $895,700 | $937,400 |
| 6 | Customer Accounts | $400,414 | $448,100 | $437,900 | $457,000 | $477,000 | $497,900 |
| 7 | General & Administration | $1,502,268 | $1,638,400 | $1,603,400 | $1,683,200 | $1,731,200 | $1,856,700 |
| 8 | Payouts & Retiree Medical | $87,550 | $155,600 | $162,900 | $170,500 | $178,400 | $186,700 |
| 9 | Board of Directors | $17,948 | $25,500 | $26,300 | $27,100 | $27,900 | $28,700 |
| 10 | Non-Operating Expenses | $274,994 | $326,100 | $402,900 | $375,200 | $477,500 | $432,200 |
| 11 | **Total** | **$5,856,800** | **$6,280,100** | **$6,428,900** | **$6,684,500** | **$7,048,100** | **$7,352,100** |
| 12 | *% Change* | | *7.2%* | *2.4%* | *4.0%* | *5.4%* | *4.3%* |

## 3.4 DEBT SERVICE

### EXISTING DEBT SERVICE

**Table 3-11** shows the District's annual debt service for the study period. The District has existing debt service payments on one outstanding loan for the completed advanced meter reading/infrastructure (AMR/AMI) project, totaling approximately $852,000 over the study period. This outstanding loan is anticipated to be retired in FY 2028/29. The proposed financial plan scenario includes no new debt issuances to finance any planned capital projects.

**Table 3-11: Existing Debt Service**

| Line | Existing Debt Service | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|---|---|---|---|---|---|---|
| 1 | **AMR and AMI Project Loan** | | | | | |
| 2 | Principal | $220,900 | $227,700 | $234,700 | $119,100 | $0 |
| 3 | Interest | $22,800 | $16,000 | $9,000 | $1,800 | $0 |
| 4 | **Total** | **$243,700** | **$243,700** | **$243,700** | **$120,900** | **$0** |

## 3.5 CAPITAL EXPENDITURES

**Table 3-12** shows the District's five-year planned capital expenditures by category; all project costs are inflated based on the Capital factor (**Table 3-9**, Line 2) starting in FY 2026/27. All capital projects are expected to be cash funded by rates and reserves (i.e., no grants or debt

funding). Detailed capital project costs are included in the **Appendix (Table 6-2)**. Significant capital improvement plan spending includes $3.4 million for the water reservoir at treatment plant project and $2.2 million for a new well. Total five-year planned capital projects amount to $13.0 million, which is about $2.6 per year on average. The planned capital projects represent critical investments in the District's water system infrastructure needed for the District to continue to provide clean and reliable water service to customers.

**Table 3-12: Planned Capital Expenditures**

| Line | Capital Projects | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|---|---|---|---|---|---|---|
| 1 | District Projects | $580,800 | $317,200 | $108,200 | $191,100 | $234,000 |
| 2 | Capital Improvement Plan | $1,920,300 | $1,768,000 | $2,163,200 | $0 | $0 |
| 3 | Repairs, Rehabilitation, & Maintenance | $920,100 | $520,000 | $562,400 | $1,180,900 | $877,500 |
| 4 | Capital Outlay | $540,000 | $390,000 | $162,200 | $365,600 | $175,400 |
| 5 | **Total** | **$3,961,200** | **$2,995,200** | **$2,996,000** | **$1,737,600** | **$1,286,900** |

## 3.6 FINANCIAL POLICIES

### RESERVE POLICY

The District's current reserve policy maintains cash on hand to meet short-term cash flow imbalances and to execute capital projects. The current reserve target ranges from approximately $6.5 million to $7.5 million over the five-year study period.

The District currently has an adopted reserve policy that consists of the following components:

- Operating Reserve Target: 180 days of operating expenses
- Capital Reserve Target: 6% of depreciable capital assets plus annual capital expenditures

WRE recommends that the District implement a new reserve policy to maintain cash on hand to meet short-term cash imbalances, execute capital projects, and strengthen the District's ability to respond to unexpected events such as critical asset failure. The overall goal of the proposed reserve policy is to effectively mitigate financial risks and to align with industry norms. The proposed reserve policy includes two key changes to the current policy.

Firstly, we recommend changing the capital reserve target from 6% of depreciable capital assets plus annual capital expenditures to the annual average of five-year planned capital expenditures. This updated target provides a more realistic estimate of capital spending and is better aligned with changing industry norms.

Secondly, we recommend the introduction of a new "emergency reserve" target to mitigate the risk to the District of an unexpected capital asset failure such as total well failure. The emergency reserve fund will provide an additional cash buffer to reduce the associated financial risk to the District. The recommended emergency reserve target is based on the estimated cost

of a critical asset failure. Based on discussion with District staff, it was determined that a $2 million emergency reserve target based on the cost of complete well failure is most appropriate.

The proposed total reserve target for the study period ranges from approximately $7.5 million to $8.0 million in the District's reserve funds. The District's proposed reserve policy consists of the following components:

- Operating Reserve Target: 180 days of operating expenses
- Capital Reserve Target: Annual average of five-year planned capital expenditures
- Emergency Reserve Target: Estimated cost of unexpected well failure ($2 million)

## 3.7 STATUS QUO FINANCIAL PLAN

### STATUS QUO FINANCIAL PLAN SCENARIO

**Table 3-13** shows the status quo financial plan scenario, which assumes no revenue adjustments (i.e., overall rate revenue increases) over the five-year study period. This scenario is used to evaluate the ability of the current water rates to meet the District's financial targets and to determine the need for revenue adjustments.

**Table 3-13: Status Quo Financial Plan Scenario**

| Line | Fiscal Year | Effective Date | Revenue Adjustments |
|---|---|---|---|
| 1 | FY 2025/26 | 3/1/2026 | 0% |
| 2 | FY 2026/27 | 1/1/2027 | 0% |
| 3 | FY 2027/28 | 1/1/2028 | 0% |
| 4 | FY 2028/29 | 1/1/2029 | 0% |
| 5 | FY 2029/30 | 1/1/2030 | 0% |

### STATUS QUO CASH FLOW PROJECTIONS

**Table 3-14** shows the cash flow projections for the status quo financial plan. Revenues[7] (Lines 1-9) are from **Table 3-8**. In this scenario there is no additional revenue from revenue adjustments (Line 3). O&M expenses (Lines 11-22) are from **Table 3-10.** Net operating revenue (Line 24) is equal to the difference between total revenues (Line 9) and total O&M expenses (Line 22). Debt service (Lines 26-29) is from **Table 3-11**. Net operating revenue less debt (Line 31) is equal to the difference between net operating revenue (Line 24) and total debt service (Line 29). Rate funded capital projects (Lines 33-35) are from **Table 3-12**. The status quo scenario assumes no new

[7] Interest revenues (Line 7) and other operating revenue (Line 4) are different in the status quo financial plan scenario because interest revenues are based on projected fund balances and some components of other operating revenue including bad debt expense and late fees/ penalties are based on projected rate revenues. The status quo scenario results in lower fund balances and lower rate revenues; therefore, the District has less interest income, bad debt expense, and late fees/ penalties. **Table 3-8** shows the interest income, bad debt expense, and late fees/ penalties for the proposed financial plan scenario.

debt; all planned capital projects are expected to be rate funded. Net cash flow (Line 37) is equal to net operating revenue less debt (Line 31) less rate funded capital expenditures (Line 34).

The net operating revenue less debt in this scenario is positive for all years, meaning that the District's current revenues are sufficient to fund its O&M expenses and debt service. However, the net cash flow in the status quo scenario is negative each year, meaning that the District's current revenues are not sufficient to fund all capital projects.

## Table 3-14: Projected Cash Flows (Status Quo Financial Plan)

| Line | Cash Flow Projections | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|---|---|---|---|---|---|---|
| 1 | **Revenues** | | | | | |
| 2 | Rate Revenues at Existing Rates | $6,711,200 | $6,711,200 | $6,711,200 | $6,711,200 | $6,711,200 |
| 3 | Revenue Adjustments | $0 | $0 | $0 | $0 | $0 |
| 4 | Other Operating Revenue | $273,200 | $245,600 | $247,900 | $250,100 | $252,500 |
| 5 | Capital Impact Fees | $75,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| 6 | Property Tax | $620,900 | $620,900 | $620,900 | $620,900 | $620,900 |
| 7 | Interest Revenues | $357,200 | $166,900 | $117,700 | $76,800 | $51,100 |
| 8 | Miscellaneous Non-Operating Revenues | $30,000 | $30,600 | $31,200 | $31,800 | $32,500 |
| 9 | **Total** | **$8,067,500** | **$7,825,200** | **$7,778,900** | **$7,740,800** | **$7,718,200** |
| 10 | | | | | | |
| 11 | **O&M Expenses** | | | | | |
| 12 | Source of Supply | $543,600 | $603,100 | $635,800 | $670,400 | $707,100 |
| 13 | Pumping | $207,700 | $219,400 | $232,000 | $245,300 | $259,400 |
| 14 | Transmission & Distribution | $1,924,200 | $1,943,600 | $2,027,400 | $2,114,900 | $2,206,500 |
| 15 | Treatment Wells | $211,900 | $211,500 | $220,400 | $229,800 | $239,500 |
| 16 | Treatment Facility | $799,000 | $817,900 | $855,900 | $895,700 | $937,400 |
| 17 | Customer Accounts | $448,100 | $437,900 | $457,000 | $477,000 | $497,900 |
| 18 | General & Administration | $1,638,400 | $1,603,400 | $1,683,200 | $1,731,200 | $1,856,700 |
| 19 | Payouts & Retiree Medical | $155,600 | $162,900 | $170,500 | $178,400 | $186,700 |
| 20 | Board of Directors | $25,500 | $26,300 | $27,100 | $27,900 | $28,700 |
| 21 | Non-Operating Expenses | $326,100 | $402,900 | $375,200 | $477,500 | $432,200 |
| 22 | **Total** | **$6,280,100** | **$6,428,900** | **$6,684,500** | **$7,048,100** | **$7,352,100** |
| 23 | | | | | | |
| 24 | **Net Revenue** | **$1,787,400** | **$1,396,300** | **$1,094,400** | **$692,700** | **$366,100** |
| 25 | | | | | | |
| 26 | **Debt Service** | | | | | |
| 27 | Existing Debt | $243,700 | $243,700 | $243,700 | $120,900 | $0 |
| 28 | Proposed Debt | $0 | $0 | $0 | $0 | $0 |
| 29 | **Total** | **$243,700** | **$243,700** | **$243,700** | **$120,900** | **$0** |
| 30 | | | | | | |
| 31 | **Net Revenue Less Debt** | **$1,543,700** | **$1,152,600** | **$850,700** | **$571,800** | **$366,100** |

| Line | Cash Flow Projections | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|---|---|---|---|---|---|---|
| 32 | | | | | | |
| 33 | **Capital Expenditures** | | | | | |
| 34 | Rate Funded | $3,961,200 | $2,995,200 | $2,996,000 | $1,737,600 | $1,286,900 |
| 35 | **Total** | **$3,961,200** | **$2,995,200** | **$2,996,000** | **$1,737,600** | **$1,286,900** |
| 36 | | | | | | |
| 37 | **Net Cash Flow** | **($2,417,500)** | **($1,842,600)** | **($2,145,300)** | **($1,165,800)** | **($920,800)** |

## STATUS QUO FUND BALANCE PROJECTIONS

**Table 3-15** shows the fund balance projections for the status quo financial plan. Sources of funds include revenues and uses of funds include O&M expenses, debt service, and rate funded capital expenditures. Overall reserves are projected to be drawn down by approximately $8.49 million over the study period.

**Table 3-15: Projected Fund Balances (Status Quo Financial Plan)**

| Line | Fund Balance Projections | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|---|---|---|---|---|---|---|
| 1 | **Beginning Fund Balance** | **$10,100,000** | **$7,682,500** | **$5,839,900** | **$3,694,600** | **$2,528,800** |
| 2 | | | | | | |
| 3 | **Sources of Funds** | | | | | |
| 4 | Rate Revenues at Existing Rates | $6,711,200 | $6,711,200 | $6,711,200 | $6,711,200 | $6,711,200 |
| 5 | Revenue Adjustments | $0 | $0 | $0 | $0 | $0 |
| 6 | Other Operating Revenue | $273,200 | $245,600 | $247,900 | $250,100 | $252,500 |
| 7 | Capital Impact Fees | $75,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| 8 | Property Tax | $620,900 | $620,900 | $620,900 | $620,900 | $620,900 |
| 9 | Interest Revenues | $357,200 | $166,900 | $117,700 | $76,800 | $51,100 |
| 10 | Miscellaneous Non-Operating Revenues | $30,000 | $30,600 | $31,200 | $31,800 | $32,500 |
| 11 | **Total** | **$8,067,500** | **$7,825,200** | **$7,778,900** | **$7,740,800** | **$7,718,200** |
| 12 | | | | | | |
| 13 | **Uses of Funds** | | | | | |
| 14 | O&M Expenses | $6,280,100 | $6,428,900 | $6,684,500 | $7,048,100 | $7,352,100 |
| 15 | Debt Service | $243,700 | $243,700 | $243,700 | $120,900 | $0 |
| 16 | Capital Expenditures | $3,961,200 | $2,995,200 | $2,996,000 | $1,737,600 | $1,286,900 |
| 17 | **Total** | **$10,485,000** | **$9,667,800** | **$9,924,200** | **$8,906,600** | **$8,639,000** |
| 18 | | | | | | |
| 19 | **Ending Fund Balance** | **$7,682,500** | **$5,839,900** | **$3,694,600** | **$2,528,800** | **$1,608,000** |

## STATUS QUO FINANCIAL PERFORMANCE

The District's financial performance is evaluated based on the current and proposed reserve targets, as shown in **Table 3-16**. Under the status quo financial plan, the District will not meet its current nor proposed reserve targets starting in FY 2026/27.

**Table 3-16: Forecasted Financial Performance (Status Quo Financial Plan)**

| Line | Financial Performance | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|---|---|---|---|---|---|---|
| 1 | **Current Financial Policies** | | | | | |
| 2 | Operating Target | $2,936,200 | $2,971,700 | $3,111,400 | $3,240,300 | $3,412,600 |
| 3 | Capital Target | $3,541,400 | $3,721,100 | $3,900,900 | $4,005,100 | $4,082,400 |
| 4 | **Combined Reserve Target** | **$6,477,600** | **$6,692,800** | **$7,012,300** | **$7,245,400** | **$7,495,000** |
| 5 | | | | | | |
| 6 | Projected Ending Fund Balance | $7,682,500 | $5,839,900 | $3,694,600 | $2,528,800 | $1,608,000 |
| 7 | *Meets Target?* | *Yes* | *No* | *No* | *No* | *No* |
| 8 | | | | | | |
| 9 | **Proposed Financial Policies** | | | | | |
| 10 | Operating Target | $2,936,200 | $2,971,700 | $3,111,400 | $3,240,300 | $3,412,600 |
| 11 | Capital Target | $2,595,400 | $2,595,400 | $2,595,400 | $2,595,400 | $2,595,400 |
| 12 | Emergency Target | $2,000,000 | $2,000,000 | $2,000,000 | $2,000,000 | $2,000,000 |
| 13 | **Combined Reserve Target** | **$7,531,600** | **$7,567,100** | **$7,706,800** | **$7,835,700** | **$8,008,000** |
| 14 | | | | | | |
| 15 | Projected Ending Fund Balance | $7,682,500 | $5,839,900 | $3,694,600 | $2,528,800 | $1,608,000 |
| 16 | *Meets Target?* | *Yes* | *No* | *No* | *No* | *No* |

**Figure 3-1** shows a comparison of revenues and the revenue requirements for the status quo scenario. The stacked bars represent the revenue requirements, or costs: green for O&M expenses, orange for debt service, and blue for rate funded capital expenditures. The current revenue, shown as a solid line, is lower than the revenue requirements in all years, meaning that revenues are insufficient to fund all costs.

### Figure 3-1: Revenue Requirements vs. Revenues (Status Quo Financial Plan)

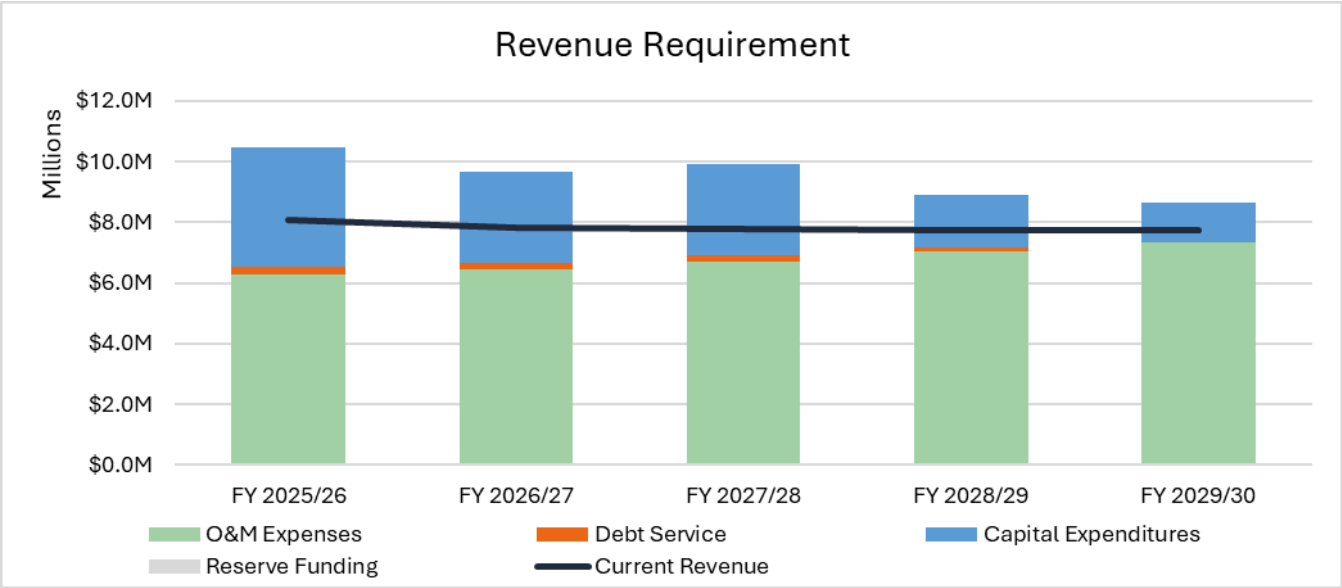
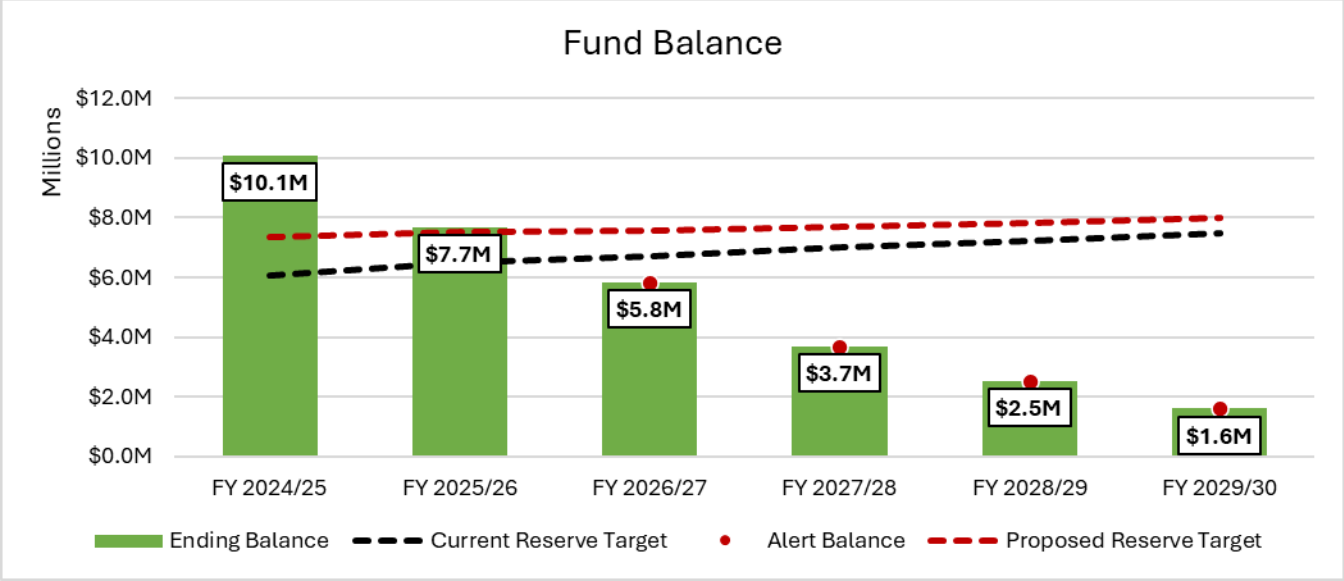



**Figure 3-2** shows the fund balance projections in the status quo financial plan. The District's ending balance (green bars) will not meet its current (dashed black line) nor proposed reserve targets (dashed red line) starting in FY 2026/27.

### Figure 3-2: Projected Fund Balances (Status Quo Financial Plan)



## 3.8 PROPOSED FINANCIAL PLAN

### PROPOSED FINANCIAL PLAN SCENARIO

Overall annual increases in water rate revenues resulting from rate increases are referred to as "revenue adjustments." WRE worked with District staff to determine the proposed revenue adjustment scenario, which is shown in **Table 3-17**. The proposed revenue adjustments, as demonstrated in this subsection, are necessary for the District to meet its proposed reserve targets while minimizing impacts to customers. The proposed financial plan scenario includes 7% annual revenue adjustments in all years of the study period (FY 2025/26 through FY 2029/30). All rates are effective in January of each year except for the first year (FY 2025/26) when rates are effective in March.

**Table 3-17: Proposed Financial Plan Scenario**

| Line | Fiscal Year | Effective Date | Revenue Adjustments |
|---|---|---|---|
| 1 | FY 2025/26 | 3/1/2026 | 7% |
| 2 | FY 2026/27 | 1/1/2027 | 7% |
| 3 | FY 2027/28 | 1/1/2028 | 7% |
| 4 | FY 2028/29 | 1/1/2029 | 7% |
| 5 | FY 2029/30 | 1/1/2030 | 7% |

### PROPOSED CASH FLOW PROJECTIONS

**Table 3-18** shows the cash flow projections for the proposed financial plan. Revenues (Lines 1-9) are from **Table 3-8**. Revenue adjustments (Line 3) are based on the proposed financial plan scenario in **Table 3-17**. O&M expenses (Lines 11-22) are from **Table 3-10.** Net operating revenue (Line 24) is equal to the difference between total revenues (Line 9) and total O&M expenses (Line 22). Debt service (Lines 26-29) is from **Table 3-11**. Net operating revenue less debt (Line 31) is equal to the difference between net operating revenue (Line 24) and total debt service (Line 29). Rate funded capital expenditures (Lines 33-35) are from **Table 3-12**. No new debt is proposed; all capital projects are expected to be rate funded. Net cash flow (Line 37) is equal to net operating revenue less debt (Line 31) less rate funded capital projects (Line 34).

The District anticipates higher capital spending in the first three years of the study period during which current reserves are drawn down to cover capital projects, indicated by the negative net cash flow from FY 2025/26 to FY 2027/28. The net cash flow is positive from FY 2028/29 to FY 2029/30 as annual capital spending decreases, indicating that the proposed revenues are sufficient to cover O&M expenses, debt service, and capital projects, and ensuring that the District is in a healthy financial position at the end of the study period.

## Table 3-18: Projected Cash Flows (Proposed Financial Plan)

| Line | Cash Flow Projections | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|---|---|---|---|---|---|---|
| 1 | **Revenues** | | | | | |
| 2 | Rate Revenues at Existing Rates | $6,711,200 | $6,711,200 | $6,711,200 | $6,711,200 | $6,711,200 |
| 3 | Revenue Adjustments | $156,600 | $721,100 | $1,241,400 | $1,798,100 | $2,393,700 |
| 4 | Other Operating Revenue | $273,200 | $258,500 | $270,200 | $282,400 | $295,400 |
| 5 | Capital Impact Fees | $75,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| 6 | Property Tax | $620,900 | $620,900 | $620,900 | $620,900 | $620,900 |
| 7 | Interest Revenues | $357,200 | $180,000 | $156,100 | $154,900 | $184,400 |
| 8 | Miscellaneous Non-Operating Revenues | $30,000 | $30,600 | $31,200 | $31,800 | $32,500 |
| 9 | **Total** | **$8,224,100** | **$8,572,300** | **$9,081,000** | **$9,649,300** | **$10,288,100** |
| 10 | | | | | | |
| 11 | **O&M Expenses** | | | | | |
| 12 | Source of Supply | $543,600 | $603,100 | $635,800 | $670,400 | $707,100 |
| 13 | Pumping | $207,700 | $219,400 | $232,000 | $245,300 | $259,400 |
| 14 | Transmission & Distribution | $1,924,200 | $1,943,600 | $2,027,400 | $2,114,900 | $2,206,500 |
| 15 | Treatment Wells | $211,900 | $211,500 | $220,400 | $229,800 | $239,500 |
| 16 | Treatment Facility | $799,000 | $817,900 | $855,900 | $895,700 | $937,400 |
| 17 | Customer Accounts | $448,100 | $437,900 | $457,000 | $477,000 | $497,900 |
| 18 | General & Administration | $1,638,400 | $1,603,400 | $1,683,200 | $1,731,200 | $1,856,700 |
| 19 | Payouts & Retiree Medical | $155,600 | $162,900 | $170,500 | $178,400 | $186,700 |
| 20 | Board of Directors | $25,500 | $26,300 | $27,100 | $27,900 | $28,700 |
| 21 | Non-Operating Expenses | $326,100 | $402,900 | $375,200 | $477,500 | $432,200 |
| 22 | **Total** | **$6,280,100** | **$6,428,900** | **$6,684,500** | **$7,048,100** | **$7,352,100** |
| 23 | | | | | | |
| 24 | **Net Revenue** | **$1,944,000** | **$2,143,400** | **$2,396,500** | **$2,601,200** | **$2,936,000** |
| 25 | | | | | | |
| 26 | **Debt Service** | | | | | |
| 27 | Existing Debt | $243,700 | $243,700 | $243,700 | $120,900 | $0 |
| 28 | Proposed Debt | $0 | $0 | $0 | $0 | $0 |
| 29 | **Total** | **$243,700** | **$243,700** | **$243,700** | **$120,900** | **$0** |
| 30 | | | | | | |
| 31 | **Net Revenue Less Debt** | **$1,700,300** | **$1,899,700** | **$2,152,800** | **$2,480,300** | **$2,936,000** |

| Line | Cash Flow Projections | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|---|---|---|---|---|---|---|
| 32 | | | | | | |
| 33 | **Capital Expenditures** | | | | | |
| 34 | Rate Funded | $3,961,200 | $2,995,200 | $2,996,000 | $1,737,600 | $1,286,900 |
| 35 | **Total** | **$3,961,200** | **$2,995,200** | **$2,996,000** | **$1,737,600** | **$1,286,900** |
| 36 | | | | | | |
| 37 | **Net Cash Flow** | **($2,260,900)** | **($1,095,500)** | **($843,200)** | **$742,700** | **$1,649,100** |

## PROPOSED FUND BALANCE PROJECTIONS

**Table 3-19** shows the fund balance projections for the proposed financial plan. Based on the sources (revenues) and uses (O&M expenses, debt service, and rate funded capital projects) of funds, the District's fund balance is projected to be approximately $8.3 million by the end of the study period.

### Table 3-19: Projected Fund Balances (Proposed Financial Plan)

| Line | Fund Balance Projections | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|---|---|---|---|---|---|---|
| 1 | **Beginning Fund Balance** | **$10,100,000** | **$7,839,100** | **$6,743,600** | **$5,900,400** | **$6,643,100** |
| 2 | | | | | | |
| 3 | **Sources of Funds** | | | | | |
| 4 | Rate Revenues at Existing Rates | $6,711,200 | $6,711,200 | $6,711,200 | $6,711,200 | $6,711,200 |
| 5 | Revenue Adjustments | $156,600 | $721,100 | $1,241,400 | $1,798,100 | $2,393,700 |
| 6 | Other Operating Revenue | $273,200 | $258,500 | $270,200 | $282,400 | $295,400 |
| 7 | Capital Impact Fees | $75,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| 8 | Property Tax | $620,900 | $620,900 | $620,900 | $620,900 | $620,900 |
| 9 | Interest Revenues | $357,200 | $180,000 | $156,100 | $154,900 | $184,400 |
| 10 | Miscellaneous Non-Operating Revenues | $30,000 | $30,600 | $31,200 | $31,800 | $32,500 |
| 11 | **Total** | **$8,224,100** | **$8,572,300** | **$9,081,000** | **$9,649,300** | **$10,288,100** |
| 12 | | | | | | |
| 13 | **Uses of Funds** | | | | | |
| 14 | O&M Expenses | $6,280,100 | $6,428,900 | $6,684,500 | $7,048,100 | $7,352,100 |
| 15 | Debt Service | $243,700 | $243,700 | $243,700 | $120,900 | $0 |
| 16 | Capital Expenditures | $3,961,200 | $2,995,200 | $2,996,000 | $1,737,600 | $1,286,900 |
| 17 | **Total** | **$10,485,000** | **$9,667,800** | **$9,924,200** | **$8,906,600** | **$8,639,000** |
| 18 | | | | | | |
| 19 | **Ending Fund Balance** | **$7,839,100** | **$6,743,600** | **$5,900,400** | **$6,643,100** | **$8,292,200** |

## PROPOSED FINANCIAL PERFORMANCE

**Table 3-20** shows the forecasted financial performance for the proposed financial plan. Under this plan, the District will meet its proposed reserve targets by the end of the study period in FY 2029/30. The projected drawdown in reserves to levels below the proposed reserve target in the middle of the study period is due to substantial capital projects in the first three years. Note that the magnitude of revenue adjustments necessary to meet the proposed reserve target in all years of the study period would require unacceptably high rate increases in the first year.

### Table 3-20: Forecasted Financial Performance (Proposed Financial Plan)

| Line | Financial Performance | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|---|---|---|---|---|---|---|
| 1 | **Current Financial Policies** | | | | | |
| 2 | Operating Target | $2,936,200 | $2,971,700 | $3,111,400 | $3,240,300 | $3,412,600 |
| 3 | Capital Target | $3,541,400 | $3,721,100 | $3,900,900 | $4,005,100 | $4,082,400 |
| 4 | **Combined Reserve Target** | **$6,477,600** | **$6,692,800** | **$7,012,300** | **$7,245,400** | **$7,495,000** |
| 5 | | | | | | |
| 6 | Projected Ending Fund Balance | $7,839,100 | $6,743,600 | $5,900,400 | $6,643,100 | $8,292,200 |
| 7 | *Meets Target?* | *Yes* | *Yes* | *No* | *No* | *Yes* |
| 8 | | | | | | |
| 9 | **Proposed Financial Policies** | | | | | |
| 10 | Operating Target | $2,936,200 | $2,971,700 | $3,111,400 | $3,240,300 | $3,412,600 |
| 11 | Capital Target | $2,595,400 | $2,595,400 | $2,595,400 | $2,595,400 | $2,595,400 |
| 12 | Emergency Target | $2,000,000 | $2,000,000 | $2,000,000 | $2,000,000 | $2,000,000 |
| 13 | **Combined Reserve Target** | **$7,531,600** | **$7,567,100** | **$7,706,800** | **$7,835,700** | **$8,008,000** |
| 14 | | | | | | |
| 15 | Projected Ending Fund Balance | $7,839,100 | $6,743,600 | $5,900,400 | $6,643,100 | $8,292,200 |
| 16 | *Meets Target?* | *Yes* | *No* | *No* | *No* | *Yes* |

**Figure 3-3** shows a comparison of revenues and the revenue requirements for the proposed scenario. The stacked bars represent the revenue requirements, or costs: green for O&M expenses, orange for debt service, and blue for rate funded capital expenditures. The current revenue, shown as a solid line, is lower than the revenue requirements starting in FY 2025/26. The proposed revenue, shown as a dashed line, is lower than the revenue requirements from FY 2025/26 to FY 2027/28, indicating where current reserves are drawn down to fund the District's front loaded capital projects in the first three years. The proposed revenue is higher than the revenue requirements starting in FY 2028/29, indicating that proposed revenues are sufficient to cover all revenue requirements. In this scenario reserves (gray stacked bars) are funded in FY 2028/29 and FY 2029/30.

### Figure 3-3: Revenue Requirements vs. Revenues (Proposed Financial Plan)

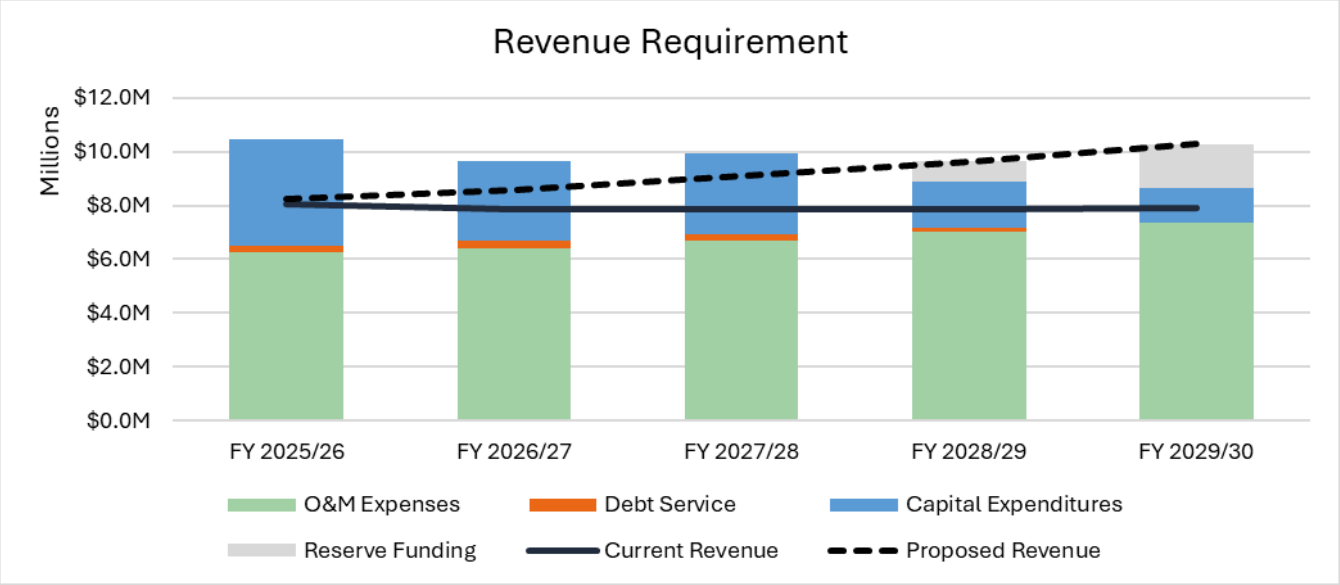
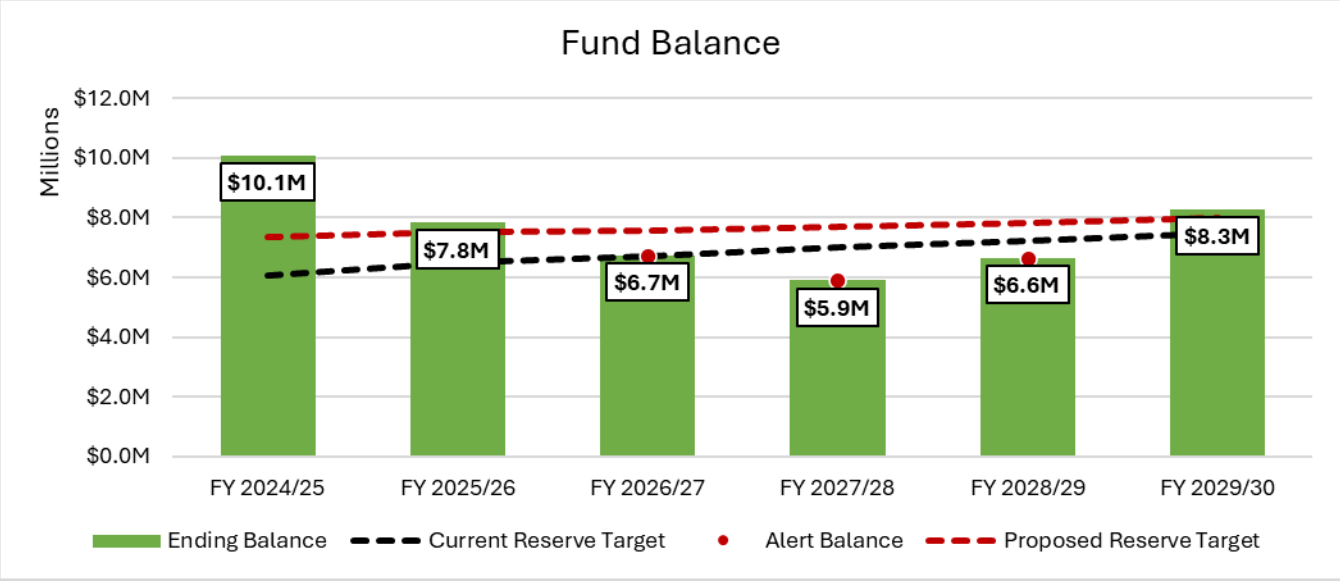



**Figure 3-4** shows the fund balance projections in the proposed financial plan. The District's ending balance (green bars) will meet the proposed reserve targets (red dashed line) by the end of the study period in FY 2029/30.

### Figure 3-4: Projected Fund Balances (Proposed Financial Plan)



# 4. COST-OF-SERVICE ANALYSIS

## 4.1 COST-OF-SERVICE METHODOLOGY

A cost-of-service analysis was conducted to allocate the proposed FY 2025/26 rate revenue requirement to customers in proportion to use of and burden on the District's water system. The overall goal of the cost-of-service analysis is to develop "unit costs," which provide the basis from which proposed rates are directly calculated from. Note that although the study period spans five years, the cost-of-service analysis is limited to a single representative year referred to as the "test year." The test year in this study is FY 2025/26.

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

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

## 4.2 REVENUE REQUIREMENT

### REVENUE REQUIREMENT DETERMINATION

The total rate revenue requirement for the test year, FY 2025/26, is based on the proposed financial plan projections (**Table 3-18**) and is allocated between the Operating, Capital, and Non-Rate Revenue components (see **Table 4-1**):

- The **Operating revenue requirement** consists of FY 2025/26 O&M expenses (Line 2; from **Table 3-18**, Line 22).
- The **Capital revenue requirement** includes debt service (Line 3; from **Table 3-18**, Line 29), rate funded capital expenditures (Line 4; from **Table 3-18**, Line 34), capital impact fees (Line 9; from **Table 3-18**, Line 5) used to offset the total capital revenue requirement, projected contribution to/(draw from) reserves (Line 16; from **Table 3-18**, Line 37), and an adjustment to annualize the mid-year rate revenue adjustment (Line 17).

- The **Non-rate revenues** include all non-rate revenues (except for capital impact fees) and reduce the overall rate revenue requirement by offsetting a portion of the total revenue requirement (Lines 8,10-12; from **Table 3-18**, Lines 4, 6-8).

The total revenue requirement (Line 20) less the revenue adjustment annualization (Line 17) is equal to the amount of rate revenue collected in FY 2025/26 (**Table 3-18**, Lines 2-3).

**Table 4-1: FY 2025/26 Revenue Requirement**

| Line | FY 2025/26 Revenue Requirement | Operating | Capital | Non-Rate Revenues | Total |
|---|---|---|---|---|---|
| 1 | **Revenue Requirements** | | | | |
| 2 | O&M Expenses | $6,280,100 | $0 | $0 | $6,280,100 |
| 3 | Debt Service | $0 | $243,700 | $0 | $243,700 |
| 4 | Rate Funded Capital Expenditures | $0 | $3,961,200 | $0 | $3,961,200 |
| 5 | **Subtotal** | **$6,280,100** | **$4,204,900** | **$0** | **$10,485,000** |
| 6 | | | | | |
| 7 | **Non-Rate Revenues** | | | | |
| 8 | Other Operating Revenue | $0 | $0 | ($273,200) | ($273,200) |
| 9 | Capital Impact Fees | $0 | ($75,000) | $0 | ($75,000) |
| 10 | Property Tax | $0 | $0 | ($620,900) | ($620,900) |
| 11 | Interest Revenues | $0 | $0 | ($357,200) | ($357,200) |
| 12 | Miscellaneous Non-Operating Revenue | $0 | $0 | ($30,000) | ($30,000) |
| 13 | **Subtotal** | **$0** | **($75,000)** | **($1,281,300)** | **($1,356,300)** |
| 14 | | | | | |
| 15 | **Adjustments** | | | | |
| 16 | Cash to/ (from) Reserves | $0 | ($2,260,900) | $0 | ($2,260,900) |
| 17 | Revenue Adjustment Annualization | $0 | $313,189 | $0 | $313,189[8] |
| 18 | **Subtotal** | **$0** | **($1,947,711)** | **$0** | **($1,947,711)** |
| 19 | | | | | |
| 20 | **Total** | **$6,280,100** | **$2,182,189** | **($1,281,300)** | **$7,180,989** |

## 4.3 COST FUNCTIONALIZATION

### FUNCTIONAL CATEGORY DEFINITIONS

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

- **Billing & Customer Service**: costs related to customer service and billing
- **Meter Maintenance & Replacement**: costs of meter maintenance and replacement
- **Water Supply**: costs related to plans and studies for management of the District's groundwater supply
- **Treatment**: costs related to the treatment of water to potable standards

[8] $156,600 (from **Table 3-18**, Line 3) / 4 months (number of months rate adjustment will be effective for in FY 2025/26 based on March effective date) x 8 months (remaining months in year).

- **Wells**: costs related to operation and maintenance of groundwater wells (except for electricity costs)
- **Well Electricity**: costs related to electricity for groundwater wells
- **Pumping**: costs related to pumping to move water through the service area
- **Storage**: costs related to water storage facilities (such as reservoirs and tanks)
- **Distribution**: costs related to the distribution of water to customers
- **Conservation**: costs related to conservation and efficiency efforts
- **Pay Station**: costs exclusively associated with serving the Utah Trail Pay Station
- **General**: costs that are not directly attributable to any other functional category, such as administrative and overhead costs

### OPERATING COST FUNCTIONALIZATION

WRE evaluated and allocated projected O&M expenses for FY 2025/26 (from **Table 3-10**) to the most closely associated functional categories within the water system, as shown in **Table 4-2**. The detailed allocation of each O&M line item expense to the functional categories is included in the **Appendix (Table 6-3).**

**Table 4-2: Operating Costs by System Functions**

| Line | Functional Category | FY 2025/26 O&M expenses | Percent of Total |
|---|---|---|---|
| 1 | Billing & Customer Service | $448,100 | 7.1% |
| 2 | Meter Maintenance & Replacement | $0 | 0.0% |
| 3 | Water Supply | $0 | 0.0% |
| 4 | Treatment | $1,010,900 | 16.1% |
| 5 | Wells | $86,700 | 1.4% |
| 6 | Well Electricity | $456,900 | 7.3% |
| 7 | Pumping | $207,700 | 3.3% |
| 8 | Storage | $0 | 0.0% |
| 9 | Distribution | $1,924,100 | 30.6% |
| 10 | Conservation | $74,700 | 1.2% |
| 11 | Pay Station | $0 | 0.0% |
| 12 | General | $2,071,000 | 33.0% |
| 13 | **Total** | **$6,280,100** | **100.0%** |

### CAPITAL ASSET FUNCTIONALIZATION

WRE evaluated and allocated the District's current capital assets to the most closely associated functional categories within the water system, as shown in **Table 4-3**. The detailed allocation of each individual capital asset to the functional categories is included in the **Appendix** (**Table 6-4**). It is standard practice in most water cost-of-service studies to functionalize current capital assets rather than planned capital project costs, since the latter can fluctuate more significantly from year to year. The current capital asset base provides a more stable representation of long-term capital needs and their associated costs. The asset valuation methodology used in the

study is replacement cost, which accounts for inflation. WRE estimated the replacement cost of each asset by escalating original costs using the Engineering News-Record Construction Cost Index (20-City average). Note that land assets are excluded from the totals shown in **Table 4-3**.

**Table 4-3: Capital Assets by System Functions**

| Line | Functional Category | Replacement Cost | Percent of Total |
|---|---|---|---|
| 1 | Billing & Customer Service | $1,499,927 | 1.2% |
| 2 | Meter Maintenance & Replacement | $3,748,795 | 3.0% |
| 3 | Water Supply | $1,117,428 | 0.9% |
| 4 | Treatment | $21,227,236 | 17.2% |
| 5 | Wells | $8,386,988 | 6.8% |
| 6 | Well Electricity | $0 | 0.0% |
| 7 | Pumping | $482,296 | 0.4% |
| 8 | Storage | $13,805,838 | 11.2% |
| 9 | Distribution | $70,015,419 | 56.8% |
| 10 | Conservation | $0 | 0.0% |
| 11 | Pay Station | $30,865 | 0.0% |
| 12 | General | $2,915,205 | 2.4% |
| 13 | **Total** | **$123,229,997** | **100.0%** |

## NON-RATE REVENUE FUNCTIONALIZATION

**Table 4-4** shows the non-rate revenues allocated by functional categories. All non-rate revenues are allocated to the General functional category because they are typically not associated with any specific system function.

**Table 4-4: Non-Rate Revenues by System Functions**

| Line | Functional Category | FY 2025/26 Non-Rate Revenues | Percent of Total |
|---|---|---|---|
| 1 | Billing & Customer Service | $0 | 0.0% |
| 2 | Meter Maintenance & Replacement | $0 | 0.0% |
| 3 | Water Supply | $0 | 0.0% |
| 4 | Treatment | $0 | 0.0% |
| 5 | Wells | $0 | 0.0% |
| 6 | Well Electricity | $0 | 0.0% |
| 7 | Pumping | $0 | 0.0% |
| 8 | Storage | $0 | 0.0% |
| 9 | Distribution | $0 | 0.0% |
| 10 | Conservation | $0 | 0.0% |
| 11 | Pay Station | $0 | 0.0% |
| 12 | General | $1,281,300 | 100.0% |
| 13 | **Total** | **$1,281,300** | **100.0%** |

## 4.4 COST CAUSATION COMPONENTS

### COST COMPONENT DEFINITIONS

While the functional categories represent the costs of system functions, cost causation components represent the reasons for why and how costs are incurred within the system (thus, cost causation). Cost causation components will be referred to as cost components in this report. The next step of the cost-of-service analysis is to allocate the Operating, Capital, and Non-Rate Revenue requirements by functional category to each cost component. The cost components in this study include the following:

- **Billing & Customer Service**: costs associated with potable Billing & Customer Service costs (excluding non-potable and pay station service)
- **Meter Capacity**: costs such as meter maintenance and replacement that are generally incurred in proportion to meter capacity (excluding non-potable and pay station service)
- **Private Fire Protection:** costs associated with providing system capacity to dedicated commercial fire line connections
- **Base Delivery**: costs associated with delivering water to potable customers during average water demand conditions (excluding non-potable and pay station service)
- **Max Day Delivery**: costs associated with delivering water to potable customers during maximum day demand conditions (excluding non-potable and pay station service)
- **Max Hour Delivery**: costs associated with delivering water to potable customers during maximum hour demand conditions (excluding non-potable and pay station service)
- **Pay Station**: costs associated with providing water service to the Utah Trail Pay Station
- **Non-Potable**: costs associated with providing non-potable water service
- **General**: directly corresponds to the General functional category

### SYSTEM-WIDE CAPACITY FACTORS

System-wide capacity factors for the District's water system, shown in **Table 4-5** are used to allocate costs associated within the Treatment, Wells, Pumping, Storage, and Distribution functional categories to the Base, Max Day, and Max Hour cost components. Capacity factors represent the ratio of maximum to average water demand over the course of one year for the entire system. This provides a basis to identify costs incurred to provide water service during average demand conditions and to provide additional capacity during peak demand conditions. The percentage allocations to the Base, Max Day, and Max Hour cost components based on the average day, maximum day, and maximum demand capacity factors are calculated as follows:

- Average day demand is allocated entirely to Base
- Max day demand is allocated proportionately to Base[9] and Max Day[10]

[9] 1.00/1.87 = 53.53%

[10] (1.87-1.00)/1.87 = 46.47%

- Max hour demand is allocated proportionately to Base[11], Max Day[12], and Max Hour[13]

**Table 4-5: System-Wide Capacity Allocation**

| Line | System-Wide Capacity | Capacity Factor | Base Delivery | Max Day Delivery | Max Hour Delivery | Total |
|---|---|---|---|---|---|---|
| 1 | Max Day Demand | 1.87[14] | 53.53% | 46.47% | N/A | 100.00% |
| 2 | Max Hour Demand | 2.80[15] | 35.69% | 30.98% | 33.33% | 100.00% |

## SERVICE TYPE ALLOCATION

The allocations in **Table 4-6** are used to allocate costs of functional categories between each service type (potable, pay station, and non-potable). Lines 1-4 show the metrics used to compute the percentages in Lines 6-9 to allocate system functions to cost components.

**Table 4-6: Service Type Allocation**

| Line | Service Type Allocation | Potable | Pay Station | Non-Potable | Total |
|---|---|---|---|---|---|
| 1 | # of Accounts | 7,672 | N/A | 1 | 7,673 |
| 2 | # of EMUs[16] | 8,444 | N/A | 5 | 8,450 |
| 3 | Potable Water Use (HCF) | 859,867 | 6,958 | N/A | 866,826 |
| 4 | Total Water Use (HCF) | 859,867 | 6,958 | 35,268 | 902,094 |
| 5 | | | | | |
| 6 | % of Accounts | 99.99% | N/A | 0.01% | 100.00% |
| 7 | % of Meter Capacity | 99.94% | N/A | 0.06% | 100.00% |
| 8 | % of Potable Water Use | 99.20% | 0.80% | N/A | 100.00% |
| 9 | % of Total Water Use | 95.32% | 0.77% | 3.91% | 100.00% |

## COST COMPONENT ALLOCATION FACTORS

**Table 4-7** shows the factors used to allocate the functionalized costs to the cost components. Functional costs are allocated based on the following methodology for non-potable and pay station services:

- Costs are allocated to Non-Potable based on:
  - The percentage of accounts (**Table 4-6**, Line 6) for the Billing & Customer Service function (Line 1).
  - The percentage of meter capacity/EMUs (**Table 4-6**, Line 7) for the Meter Maintenance & Replacement function (Line 2).
  - The percentage of total water usage (**Table 4-6**, Line 9) for Water Supply and Well functions (Lines 3 and 5).

[11] 1.00/2.80 = 35.69%
[12] (1.87-1.00)/2.80 = 30.98%
[13] (2.80-1.87)/2.80 = 33.33%
[14] Calculated based on five-year average ratio of max day to average day demand values provided by District staff.
[15] Calculated based on multiplying max day demand ratio by 1.50.
[16] EMUs are "equivalent meter units," which are explained in detail in **Section 4.5**.

    - The percentage of non-potable well electricity costs provided by District staff for FY 2024/25 for Well Electricity (Line 6). The District has one well that is used for non-potable service, and the remainder are used for potable service.
- Costs are allocated to the Utah Trail Pay Station based on:
    - The percentage of total water usage (**Table 4-6**, Line 9) for Billing & Customer Service, Meter Maintenance & Replacement, Water Supply, and Wells functions (Lines 1-3, 5).
    - The percentage of total potable water usage (**Table 4-6**, Line 8) for Treatment, Pumping, Storage, Distribution, Well Electricity, and Conservation (Lines 4, 6-10).

After accounting for costs incurred through non-potable and pay station service, all other cost components represent the portion allocated to potable service (excluding the Utah Trail Pay Station). These remaining costs are allocated as follows:

- Treatment, Wells, Pumping, and Storage facilities are sized based on maximum day demand; the associated functions (Lines 4-5, 7-8) are therefore allocated (after accounting for non-potable and pay station allocations) based on the Max Day capacity factor (**Table 4-5**, Line 1).
- Distribution facilities are sized based on maximum hour demand and the remainder; the Distribution function (Line 9) is therefore allocated (after accounting for non-potable and pay station allocations) based on the Max Hour capacity factor (**Table 4-5**, Line 2).
- All other remaining functions are allocated to the most closely associated cost component.

## Table 4-7: System Function Allocation to Cost Components

| Line | Cost Function | Billing & Customer Service | Meter Capacity | Private Fire Protection | Base Delivery | Max Day Delivery | Max Hour Delivery | Pay Station | Non-Potable | General | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Billing & Customer Service | 99.22% | | | | | | 0.77% | 0.01% | | **100.00%** |
| 2 | Meter Maintenance & Replacement | | 99.17% | | | | | 0.77% | 0.06% | | **100.00%** |
| 3 | Water Supply | | | | 95.32% | | | 0.77% | 3.91% | | **100.00%** |
| 4 | Treatment | | | | 53.10% | 46.10% | | 0.80% | | | **100.00%** |
| 5 | Wells | | | | 51.03% | 44.29% | | 0.77% | 3.91% | | **100.00%** |
| 6 | Well Electricity | | | | 93.62% | | | 0.76%[17] | 5.62%[18] | | **100.00%** |
| 7 | Pumping | | | | 53.10% | 46.10% | | 0.80% | | | **100.00%** |
| 8 | Storage | | | | 53.10% | 46.10% | | 0.80% | | | **100.00%** |
| 9 | Distribution | | | | 35.40% | 30.73% | 33.07% | 0.80% | | | **100.00%** |
| 10 | Conservation | | | | 99.20% | | | 0.80% | | | **100.00%** |
| 11 | Pay Station | | | | | | | 100.00% | | | **100.00%** |
| 12 | General | | | | | | | | | 100.00% | **100.00%** |

[17] Calculated based multiplying the remainder of well electricity costs for potable service (1-5.62%) by the percentage of pay station potable usage (**Table 4-6**, Line 8).

[18] Based on actual well electricity costs in FY 2024/25 provided by District staff.

## OPERATING COST COMPONENT ALLOCATION

**Table 4-8** shows the operating cost allocation by cost component. The functionalized O&M expenses from **Table 4-2** are allocated based on the cost component allocation factors in **Table 4-7**. The operating allocation (Line 14) is derived from the total O&M expenses by cost component (Line 13) and represents the proportion of the Operating revenue requirement that will be allocated to each cost component.

### Table 4-8: Operating Allocation by Cost Component

| Line | O&M expenses | Billing & Customer Service | Meter Capacity | Private Fire Protection | Base Delivery | Max Day Delivery | Max Hour Delivery | Pay Station | Non-Potable | General | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Billing & Customer Service | $444,586 | $0 | $0 | $0 | $0 | $0 | $3,456 | $58 | $0 | **$448,100** |
| 2 | Meter Maintenance & Replacement | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** |
| 3 | Water Supply | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** |
| 4 | Treatment | $0 | $0 | $0 | $536,810 | $465,975 | $0 | $8,115 | $0 | $0 | **$1,010,900** |
| 5 | Wells | $0 | $0 | $0 | $44,240 | $38,402 | $0 | $669 | $3,390 | $0 | **$86,700** |
| 6 | Well Electricity | $0 | $0 | $0 | $427,747 | $0 | $0 | $3,462 | $25,692 | $0 | **$456,900** |
| 7 | Pumping | $0 | $0 | $0 | $110,293 | $95,740 | $0 | $1,667 | $0 | $0 | **$207,700** |
| 8 | Storage | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** |
| 9 | Distribution | $0 | $0 | $0 | $681,159 | $591,277 | $636,218 | $15,446 | $0 | $0 | **$1,924,100** |
| 10 | Conservation | $0 | $0 | $0 | $74,100 | $0 | $0 | $600 | $0 | $0 | **$74,700** |
| 11 | Pay Station | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** |
| 12 | General | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $2,071,000 | **$2,071,000** |
| 13 | **Total** | **$444,586** | **$0** | **$0** | **$1,874,348** | **$1,191,394** | **$636,218** | **$33,414** | **$29,139** | **$2,071,000** | **$6,280,100** |
| 14 | ***Operating Revenue Requirement Allocation*** | ***7.1%*** | ***0.0%*** | ***0.0%*** | ***29.8%*** | ***19.0%*** | ***10.1%*** | ***0.5%*** | ***0.5%*** | ***33.0%*** | ***100.0%*** |

## CAPITAL COST COMPONENT ALLOCATION

**Table 4-9** shows the capital cost allocation by cost component. The functionalized capital assets from **Table 4-3** are allocated based on the cost component allocation factors in **Table 4-7**. The capital allocation (Line 14) is derived from the total capital asset value by cost component (Line 13) and represents the proportion of the Capital revenue requirement that will be allocated to each cost component.

### Table 4-9: Capital Allocation by Cost Component

| Line | Capital Assets | Billing & Customer Service | Meter Capacity | Private Fire Protec-tion | Base Delivery | Max Day Delivery | Max Hour Delivery | Pay Station | Non-Potable | General | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Billing & Customer Service | $1,488,163 | $0 | $0 | $0 | $0 | $0 | $11,570 | $194 | $0 | **$1,499,927** |
| 2 | Meter Maintenance & Replacement | $0 | $3,717,530 | $0 | $0 | $0 | $0 | $28,917 | $2,348 | $0 | **$3,748,795** |
| 3 | Water Supply | $0 | $0 | $0 | $1,065,122 | $0 | $0 | $8,619 | $43,687 | $0 | **$1,117,428** |
| 4 | Treatment | $0 | $0 | $0 | $11,272,116 | $9,784,718 | $0 | $170,401 | $0 | $0 | **$21,227,236** |
| 5 | Wells | $0 | $0 | $0 | $4,279,551 | $3,714,848 | $0 | $64,694 | $327,895 | $0 | **$8,386,988** |
| 6 | Well Electricity | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** |
| 7 | Pumping | $0 | $0 | $0 | $256,110 | $222,315 | $0 | $3,872 | $0 | $0 | **$482,296** |
| 8 | Storage | $0 | $0 | $0 | $7,331,195 | $6,363,816 | $0 | $110,826 | $0 | $0 | **$13,805,838** |
| 9 | Distribution | $0 | $0 | $0 | $24,786,457 | $21,515,791 | $23,151,124 | $562,047 | $0 | $0 | **$70,015,419** |
| 10 | Conservation | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** |
| 11 | Pay Station | $0 | $0 | $0 | $0 | $0 | $0 | $30,865 | $0 | $0 | **$30,865** |
| 12 | General | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $2,915,205 | **$2,915,205** |
| 13 | **Total** | **$1,488,163** | **$3,717,530** | **$0** | **$48,990,551** | **$41,601,489** | **$23,151,124** | **$991,811** | **$374,124** | **$2,915,205** | **$123,229,997** |
| 14 | ***Capital Revenue Requirement Allocation*** | ***1.2%*** | ***3.0%*** | ***0.0%*** | ***39.8%*** | ***33.8%*** | ***18.8%*** | ***0.8%*** | ***0.3%*** | ***2.4%*** | ***100.0%*** |

## NON-RATE REVENUE COST COMPONENT ALLOCATION

**Table 4-10** shows the allocation of non-rate revenues to each cost component. The functionalized non-rate revenues from **Table 4-4** are allocated based on the cost component allocation factors in **Table 4-7**. All non-rate revenues are allocated to the General cost component.

### Table 4-10: Non-Rate Revenue Allocation by Cost Component

| Line | Non-Rate Revenues | Billing & Customer Service | Meter Capacity | Private Fire Protection | Base Delivery | Max Day Delivery | Max Hour Delivery | Pay Station | Non-Potable | General | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Billing & Customer Service | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 2 | Meter Maintenance & Replacement | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 3 | Water Supply | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 4 | Treatment | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 5 | Wells | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 6 | Well Electricity | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 7 | Pumping | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 8 | Storage | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 9 | Distribution | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 10 | Conservation | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 11 | Pay Station | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 12 | General | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $1,281,300 | $1,281,300 |
| 13 | **Total** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$1,281,300** | **$1,281,300** |
| 14 | ***Non-Rate Revenue Allocation*** | ***0.0%*** | ***0.0%*** | ***0.0%*** | ***0.0%*** | ***0.0%*** | ***0.0%*** | ***0.0%*** | ***0.0%*** | ***100.0%*** | ***100.0%*** |

## PRELIMINARY COST-OF-SERVICE ALLOCATION

**Table 4-11** shows the preliminary cost-of-service allocation prior to any adjustments. The total Operating revenue requirement (**Table 4-1**, Line 20) is allocated to each cost component based on the Operating allocation (**Table 4-8**, Line 13). The total Capital revenue requirement (**Table 4-1**, Line 20) is allocated to each cost component based on the Capital allocation percentages (**Table 4-9**, Line 14). The total Non-Rate revenue requirement (**Table 4-1**, Line 20) is allocated based on the Non-Rate Revenue allocation (**Table 4-10**, Line 13). Note that the total cost-of-service allocation (Line 10) is equal to the total rate revenue requirement for FY 2025/26 (**Table 4-1**, Line 20).

### Table 4-11: Preliminary Cost-of-Service Allocation

| Line | Cost Causation Component | Operating Revenue Requirement | Capital Revenue Requirement | Non-Rate Revenues | Total |
|---|---|---|---|---|---|
| 1 | Billing & Customer Service | $444,586 | $26,353 | $0 | **$470,938** |
| 2 | Meter Capacity | $0 | $65,831 | $0 | **$65,831** |
| 3 | Private Fire Protection | $0 | $0 | $0 | **$0** |
| 4 | Base Delivery | $1,874,348 | $867,538 | $0 | **$2,741,886** |
| 5 | Max Day Delivery | $1,191,394 | $736,690 | $0 | **$1,928,085** |
| 6 | Max Hour Delivery | $636,218 | $409,966 | $0 | **$1,046,184** |
| 7 | Pay Station | $33,414 | $17,563 | $0 | **$50,978** |
| 8 | Non-Potable | $29,139 | $6,625 | $0 | **$35,764** |
| 9 | General | $2,071,000 | $51,623 | ($1,281,300) | **$841,323** |
| 10 | **Total** | **$6,280,100** | **$2,182,189** | **($1,281,300)** | **$7,180,989** |

## GENERAL REALLOCATION

General costs are not attributable to specific system functions and are therefore proportionally reallocated to all other cost components. **Table 4-12** shows the reallocation of General costs (**Table 4-11**, Line 9) in proportion to the preliminary allocation to each cost component. The total revenue requirement (Line 10) remains unchanged after the General cost reallocation.

**Table 4-12: General Cost Reallocation**

| Line | Cost Causation Component | Preliminary Allocation | General Cost Reallocation | Total |
|---|---|---|---|---|
| 1 | Billing & Customer Service | $470,938 | $62,497 | **$533,436** |
| 2 | Meter Capacity | $65,831 | $8,736 | **$74,567** |
| 3 | Private Fire Protection | $0 | $0 | **$0** |
| 4 | Base Delivery | $2,741,886 | $363,870 | **$3,105,756** |
| 5 | Max Day Delivery | $1,928,085 | $255,872 | **$2,183,956** |
| 6 | Max Hour Delivery | $1,046,184 | $138,837 | **$1,185,021** |
| 7 | Pay Station | $50,978 | $6,765 | **$57,743** |
| 8 | Non-Potable | $35,764 | $4,746 | **$40,510** |
| 9 | General | $841,323 | ($841,323) | **$0** |
| 10 | **Total** | **$7,180,989** | **$0** | **$7,180,989** |

## CUSTOMER DEMAND AND FIRE CAPACITY REALLOCATION

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

**Table 4-13** shows the customer demand capacity calculations for Max Day and Max Hour. Annual water usage for each service class is from **Table 3-4.**[19] The daily use is equal to the annual use divided by 365 days. The system-wide Max Day capacity factor is from **Table 4-5** (Line 1). Max Day demand is calculated by multiplying the daily use in HCF by the Max Day capacity factor for each service class. Max Day extra capacity is equal to Max Day demand less daily use. The system-wide Max Hour capacity factor is from **Table 4-5** (Line 2). Similarly, Max Hour demand is calculated by multiplying the daily use in HCF by the Max Hour capacity factor for each customer class and tier. Max Hour extra capacity is equal to the Max Hour demand less Max Day demand.

The total Max Day and Max Hour extra capacity (Line 4) represent the capacity required to meet customer demand. Note that non-potable water use is excluded from the extra capacity calculations below because the District's non-potable system functions independently from the potable water system.

[19] Note that non-revenue water is excluded from the cost-of-service analysis.

### Table 4-13: Customer Demand Capacity

| Line | Service Class | Annual Water Use (HCF) | Daily Use (HCF) | Max Day Capacity Factor | Max Day Demand (HCF/Day) | Max Day Extra Capacity (HCF/Day) | Max Hour Capacity Factor | Max Hour Demand (HCF/Day) | Max Hour Extra Capacity (HCF/Day) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Potable | 859,867 | 2,356 | 1.87 | 4,401 | 2,045 | 2.80 | 6,601 | 2,200 |
| 2 | Non-Potable | 35,268 | 97 | N/A | N/A | N/A | N/A | N/A | N/A |
| 3 | Utah Trail | 6,958 | 19 | 1.87 | 36 | 17 | 2.80 | 53 | 18 |
| 4 | **Total** | **902,094** | **2,471** | | **4,436** | **2,061** | | **6,655** | **2,218** |

Costs related to fire protection capacity increase exponentially based on fire line diameter and are attributable to both public fire hydrants and private fire connections. Therefore, equivalent fire lines are calculated to provide a basis from which to allocate costs in proportion to fire line size, and between public and private fire connections. Equivalent fire line calculations are shown in **Table 4-14**; private fire line counts are from **Table 3-3** and public fire line counts were provided by District staff.

The capacity of a fire line is based on the diameter of the connection and is equal to the connection diameter in inches raised to the power of 2.63 based on the Hazen-Williams equation in the AWWA's M1 Manual. The fire line ratio is the fire capacity of each diameter size divided by the base fire line size, which is 2-inch in diameter. Equivalent fire lines are calculated by multiplying the fire line ratio of each diameter size by the number of connections by size.

The concept of equivalent fire lines provides a basis from which to compare the capacity requirements of both private fire protection and public hydrants. The fire protection capacity attributed to private fire connections is equal to 3.0%; the remaining 97.0% is attributed to public fire hydrants (Line 8).

### Table 4-14: Equivalent Fire Lines

| Line | Fire Line Size | Fire Demand Units | Fire Demand Ratio | Private Fire Lines | Public Fire Lines | Equivalent Private Fire Lines | Equivalent Public Fire Lines |
|---|---|---|---|---|---|---|---|
| 1 | 2-inch | 6.19 | 1.00 | 82 | 0 | 82 | 0 |
| 2 | 3-inch | 17.98 | 2.90 | 4 | 0 | 12 | 0 |
| 3 | 4-inch | 38.32 | 6.19 | 8 | 6 | 50 | 37 |
| 4 | 6-inch | 111.31 | 17.98 | 17 | 1,421 | 306 | 25,552 |
| 5 | 8-inch | 237.21 | 38.32 | 9 | 0 | 345 | 0 |
| 6 | 10-inch | 426.58 | 68.91 | 0 | 0 | 0 | 0 |
| 7 | **Total** | | | **120** | **1,427** | **794** | **25,589** |
| 8 | *Percent of Total* | | | *7.8%* | *92.2%* | *3.0%* | *97.0%* |

**Table 4-15** shows the calculation of fire capacity requirements in the District's system and the capacity allocation between fire and customer demand. The extra capacity required for fire is based on assumed fire flow requirements of 3,500 gpm for 3 hours. The fire capacity is allocated between public hydrants (Line 9) and private fire (Line 8) using the proportion of equivalent fire lines attributed to each service (**Table 4-14,** Line 8).

The customer (from **Table 4-13**), private fire, and public hydrant extra capacity (Lines 7-9) are added together to form the total extra capacity requirements of the system. From there, the capacity allocation factors (Lines 13-15) are calculated based on the proportion of the total capacity requirements related to each service. These allocations are used to reallocate Max Day and Max Hour costs.

**Table 4-15: Capacity Allocation by Fire and Customer Demand**

| Line | Fire Capacity | Max Day | Max Hour |
|---|---|---|---|
| 1 | **Fire Protection Assumptions** | | |
| 2 | Hours for Fire | 3 | 3 |
| 3 | Capacity for Fire (gpm) | 3,500 | 3,500 |
| 4 | Fire Extra Capacity[20] | 842 | 5,896 |
| 5 | | | |
| 6 | **Extra Capacity (HCF/Day)** | | |
| 7 | Customer Demand | 2,061 | 2,218 |
| 8 | Private Fire | 25 | 177 |
| 9 | Public Hydrants | 817 | 5,718 |
| 10 | **Total** | **2,904** | **8,114** |
| 11 | | | |
| 12 | **Extra Capacity (%)** | | |
| 13 | Customer Demand | 71.0% | 27.3% |
| 14 | Private Fire | 0.9% | 2.2% |
| 15 | Public Hydrants | 28.1% | 70.5% |
| 16 | **Total** | **100.0%** | **100.0%** |

Public Fire costs within the Max Day and Max Hour components are reallocated based on the proportion of capacity related to public fire protection (**Table 4-15,** Line 15). All Public Fire costs are reallocated to the Meter Capacity component (Line 2). Public Fire costs are also reallocated to pay station and non-potable services based on percentage of total water usage and number of EMUs, respectively (from **Table 4-6**).

Private Fire costs are reallocated from Max Day and Max Hour to the Private Fire Protection cost component based on the proportion of capacity related to private fire service (**Table 4-15,** Line 14). The Max Day and Max Hour components now represent the capacity requirements of customer water demand only and do not include costs related to fire protection capacity.

[20] Max Day Extra Capacity = 3 hours × 3,500 gpm × 60 minutes per hour ÷ 748.05 gallons per HCF; Max Hour Extra Capacity = 24 hours × 3,500 gpm × 60 minutes per hour ÷ 748.05 gallons per HCF – Max Day Extra Capacity.

### Table 4-16: Extra Capacity Reallocation

| Line | Cost Components | Allocation Adjusted for General | Public Fire Reallocation | Private Fire Reallocation | Total |
|---|---|---|---|---|---|
| 1 | Billing & Customer Service | $533,436 | $0 | $0 | **$533,436** |
| 2 | Meter Capacity | $74,567 | $1,437,478 | $0 | **$1,512,045** |
| 3 | Private Fire Protection | $0 | $0 | $44,962 | **$44,962** |
| 4 | Base Delivery | $3,105,756 | $0 | $0 | **$3,105,756** |
| 5 | Max Day Delivery | $2,183,956 | ($614,412) | ($19,057) | **$1,550,487** |
| 6 | Max Hour Delivery | $1,185,021 | ($835,156) | ($25,904) | **$323,961** |
| 7 | Pay Station | $57,743 | $11,181 | $0 | **$68,924** |
| 8 | Non-Potable | $40,510 | $908 | $0 | **$41,418** |
| 9 | **Total** | **$7,180,989** | **$0** | **$0** | **$7,180,989** |

## FINAL COST-OF-SERVICE ALLOCATION

**Table 4-17** shows the final cost-of-service allocation after adjustments for General and Fire Capacity from the prior report tables. The associated charges that each cost component is to be recovered from are specified below.

### Table 4-17: Final Cost-of-Service Allocation

| Line | Cost Components | Final Cost-of-Service Allocation | Recovered by: |
|---|---|---|---|
| 1 | Billing & Customer Service | **$533,436** | *Potable Fixed Meter Service Charges; Commercial Fire Fixed Service Charges* |
| 2 | Meter Capacity | **$1,512,045** | *Potable Fixed Meter Service Charges* |
| 3 | Private Fire Protection | **$44,962** | *Commercial Fire Fixed Service Charges* |
| 4 | Base Delivery | **$3,105,756** | *Potable Commodity Charges* |
| 5 | Max Day Delivery | **$1,550,487** | *Potable Commodity Charges* |
| 6 | Max Hour Delivery | **$323,961** | *Potable Commodity Charges* |
| 7 | Pay Station | **$68,924** | *Utah Trail Pay Station Commodity Charges* |
| 8 | Non-Potable | **$41,418** | *Non-Potable Fixed Meter Service Charges; Non-Potable Commodity Charges* |
| 9 | **Total** | **$7,180,989** | |

**Table 4-18** shows the fixed and variable revenue recovery based on the final cost-of-service allocation (**Table 4-17**) and recovery of non-potable costs (Lines 1-4). The total Non-Potable cost allocation from **Table 4-17** (Line 8) is broken down between portions to be recovered through fixed and commodity charges to provide the same level of fixed revenue recovery as current non-potable rates (15.5%).

Based on the final cost-of-service allocation (**Table 4-17**) and recovery of non-potable costs (Lines 1-4), the District will maintain a similar level of fixed revenue recovery, recovering approximately 29% of revenues as fixed compared to 31% based on the current rates effective in

FY 2025/26 (Line 7). Total system fixed charges (Line 7) include potable Billing & Customer Service costs (**Table 4-17**, Line 1), potable Meter Capacity costs (**Table 4-17**, Line 2), Private Fire Protection costs (**Table 4-17**, Line 3), and non-potable fixed charges (Line 2). The remainder is recovered through variable charges, and the total allocation (Line 9) is equal to the final cost-of-service allocation in **Table 4-17** (Line 9).

**Table 4-18: Fixed Revenue Recovery**

| Line | Revenue Recovery | Allocation | Proposed Revenue Recovery | Current Revenue Recovery |
|---|---|---|---|---|
| 1 | **Non-Potable** | | | |
| 2 | Fixed Charges | $6,417 | 15.5% | 15.5% |
| 3 | Commodity Charges | $35,001 | 84.5% | 84.5% |
| 4 | **Total** | **$41,418** | **100.0%** | **100.0%** |
| 5 | | | | |
| 6 | **Total System** | | | |
| 7 | Fixed Charges | $2,096,860 | 29.2% | 31.4% |
| 8 | Commodity Charges | $5,084,130 | 70.8% | 68.6% |
| 9 | **Total** | **$7,180,989** | **100.0%** | **100.0%** |

## 4.5 UNIT COST DEVELOPMENT

### EQUIVALENT METER UNITS

Costs related to meter capacity increase based on meter size. Therefore, equivalent meter units are calculated to provide a basis from which to allocate costs in proportion to meter capacity. Equivalent meter calculations are shown in **Table 4-19**.

Equivalent meters are calculated based on meter capacity ratios, which represent the safe operating capacity of a water meter relative to the base meter size. For this study, the base meter size is 3/4-inch. Capacity in gallons per minute (gpm) for each meter size was provided by District staff. The meter ratio for a 1.5-inch meter is 3.33, which means that the capacity of a 1.5-inch meter is 3.33 times that of a 3/4-inch meter. The number of meters at each meter size are from **Table 3-2**. Equivalent meters are calculated by multiplying the meter counts by the meter capacity ratio for each size.

### Table 4-19: Equivalent Meter Units

| Line | Meter Size | Safe Operating Capacity (gpm) | Meter Capacity Ratio | Number of Meters | Number of EMUs |
|---|---|---|---|---|---|
| 1 | **Potable** | | | | |
| 2 | 5/8-inch | 30 | 1.00 | 6,988 | 6,988 |
| 3 | 3/4-inch | 30 | 1.00 | 83 | 83 |
| 4 | 1-inch Dual Service - Residential | 30 | 1.00 | 2 | 2 |
| 5 | 1-inch | 50 | 1.67 | 376 | 627 |
| 6 | 1.5-inch | 100 | 3.33 | 53 | 177 |
| 7 | 2-inch | 160 | 5.33 | 34 | 181 |
| 8 | 3-inch | 450 | 15.00 | 8 | 120 |
| 9 | 4-inch | 1,000 | 33.33 | 8 | 267 |
| 10 | 6-inch | 2,000 | 66.67 | 0 | 0 |
| 11 | 8-inch | 3,500 | 116.67 | 0 | 0 |
| 12 | 10-inch | 5,500 | 183.33 | 0 | 0 |
| 13 | **Subtotal** | | | **7,552** | **8,444** |
| 14 | | | | | |
| 15 | **Non-Potable** | | | | |
| 16 | 2-inch | 160 | 5.33 | 1 | 5 |
| 17 | **Subtotal** | | | **1** | **5** |
| 18 | | | | | |
| 19 | **Total** | | | **7,553** | **8,450** |

## UNITS OF SERVICE DEFINITIONS

The appropriate units of service are then established for each cost component based on cost causation, which is shown in **Table 4-20**. Cost components to be recovered by fixed charges are assigned units of service based on the number of connections, EMUs, or equivalent fire lines and are annualized based on 12 billing periods per year. Cost components to be recovered by commodity charges are assigned units of service based on annual water use in HCF or gallons.

### Table 4-20: Units of Service Definitions

| Line | Cost Components | Units of Service | Units of Service Definition |
|---|---|---|---|
| 1 | Billing & Customer Service | 92,064 | Potable Meters/Fire Lines x 12 months |
| 2 | Meter Capacity | 101,332 | Potable EMUs x 12 months |
| 3 | Private Fire Protection | 9,524 | Equivalent Fire Lines x 12 months |
| 4 | Base Delivery | 859,867 | Annual potable water use in HCF |
| 5 | Max Day Delivery | 859,867 | Annual potable water use in HCF |
| 6 | Max Hour Delivery | 859,867 | Annual potable water use in HCF |
| 7 | Pay Station | 5,205,246 | Annual Pay Station water use in gallons |
| 8 | Non-Potable Fixed | 12 | Non-Potable Meters x 12 months |
| 9 | Non-Potable Commodity | 35,268 | Annual non-potable water use in HCF |

## UNIT COST BY COST COMPONENT

**Table 4-21** shows the calculation of unit costs by each cost component. The final cost-of-service allocation (**Table 4-17**) is divided by the units of service (**Table 4-20**) for each cost component to derive the unit cost. These unit costs will be used to calculate proposed rates for the test year in **Section 5**.

### Table 4-21: Unit Cost by Cost Component

| Line | Cost Components | Final Cost of Service Allocation | Units of Service | Unit Cost | Service Type | Revenue Type |
|---|---|---|---|---|---|---|
| 1 | Billing & Customer Service | $533,436 | 92,064 | $5.79 | *Potable* | *Fixed* |
| 2 | Meter Capacity | $1,512,045 | 101,332 | $14.92 | *Potable* | *Fixed* |
| 3 | Private Fire Protection | $44,962 | 9,524 | $4.72 | *Private Fire* | *Fixed* |
| 4 | Base Delivery | $3,105,756 | 859,867 | $3.61 | *Potable* | *Commodity* |
| 5 | Max Day Delivery | $1,550,487 | 859,867 | $1.80 | *Potable* | *Commodity* |
| 6 | Max Hour Delivery | $323,961 | 859,867 | $0.38 | *Potable* | *Commodity* |
| 7 | Pay Station | $68,924 | 5,205,246 | $0.01324 | *Pay Station* | *Commodity* |
| 8 | Non-Potable Fixed | $6,417 | 12 | $534.77 | *Non-Potable* | *Fixed* |
| 9 | Non-Potable Commodity | $35,001 | 35,268 | $1.00 | *Non-Potable* | *Commodity* |
| 10 | **Total** | **$7,180,989** | | | | |

# 5. WATER RATE DESIGN

## 5.1 RATE DESIGN METHODOLOGY

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

- **Rate structure evaluation**: The existing rate structure is evaluated, and any proposed changes are identified. Proposed rate structure changes are typically intended to address specific policy objectives or to improve legal defensibility.
- **Test year rate development**: Rates are calculated for the proposed rate structure for the cost-of-service test year (FY 2025/26). Rate calculations directly incorporate the unit costs developed in the cost-of-service analysis. Although total rate revenues in the first year of adjustments (FY 2025/26) are designed to increase by the proposed revenue adjustment percentage, the proposed percentage increase to each rate/charge varies due to the updated cost-of-service allocations.
- **Five-year rate schedule development**: Proposed rates for the full five-year period are calculated by increasing the test year rates by the proposed annual revenue adjustment percentages from the proposed financial plan.

## 5.2 PROPOSED CHANGES TO RATE STRUCTURE

The District's current rate structure includes fixed meter service charges, commodity charges per unit of water delivered, and commercial fire fixed service charges. WRE and District staff evaluated the current rate structure and did not identify any need for significant proposed changes. However, one small refinement to the fixed meter service charges is recommended, as outlined below:

- **Fixed service charges for 8-inch and 10-inch meters**: The District's current rate schedule does not include fixed meter service charges for 8-inch or 10-inch meters, as no current customers have meters of either size. Because there is a possibility that future connections will require an 8-inch or 10-inch meter, we recommend adding fixed service charges for these meter sizes to the proposed rate schedule.

## 5.3 PROPOSED POTABLE FIXED METER SERVICE CHARGES

### PROPOSED FY 2025/26 RATE CALCULATION

**Table 5-1** shows the proposed potable fixed meter service charge calculations. The Billing & Customer Service and Meter Capacity unit costs are from **Table 4-21** (Lines 1-2). Billing & Customer Service costs do not vary based on meter size and thus are the same for all meter sizes. Meter Capacity unit costs are multiplied by the meter capacity ratio (**Table 4-19**) to ensure that Meter Capacity costs are recovered in proportion to customers' meter capacity. Proposed

FY 2025/26 potable fixed meter service charges equal the sum of the Billing & Customer Service and Meter Capacity components rounded up to the nearest cent.

**Table 5-1: Proposed FY 2025/26 Potable Fixed Meter Service Charge Calculation**

| Line | Potable Fixed Meter Service Charges | Meter Capacity Ratio | Number of Accounts | Billing & Customer Service | Meter Capacity | Proposed FY 2025/26 Monthly Charge |
|---|---|---|---|---|---|---|
| 1 | 5/8-inch | 1.00 | 6,988 | $5.79 | $14.92 | **$20.72** |
| 2 | 3/4-inch | 1.00 | 83 | $5.79 | $14.92 | **$20.72** |
| 3 | 1-inch Dual Service - Residential | 1.00 | 2 | $5.79 | $14.92 | **$20.72** |
| 4 | 1-inch | 1.67 | 376 | $5.79 | $24.87 | **$30.67** |
| 5 | 1.5-inch | 3.33 | 53 | $5.79 | $49.74 | **$55.54** |
| 6 | 2-inch | 5.33 | 34 | $5.79 | $79.58 | **$85.38** |
| 7 | 3-inch | 15.00 | 8 | $5.79 | $223.83 | **$229.62** |
| 8 | 4-inch | 33.33 | 8 | $5.79 | $497.39 | **$503.19** |
| 9 | 6-inch | 66.67 | 0 | $5.79 | $994.78 | **$1,000.58** |
| 10 | 8-inch | 116.67 | 0 | $5.79 | $1,740.86 | **$1,746.66** |
| 11 | 10-inch | 183.33 | 0 | $5.79 | $2,735.64 | **$2,741.44** |

## COMPARISON TO CURRENT RATES

**Table 5-2** shows the proposed potable fixed meter service charges for FY 2025/26 compared to current charges. Note that while the overall proposed rate revenue increase in FY 2025/26 is 7%, proposed charges increase by different percentages due to the updated cost-of-service allocations. Additionally, proposed 3-inch through 6-inch charges increase significantly due to the increased meter capacity of new AMI meters at these sizes.

**Table 5-2: Comparison to Current Potable Fixed Meter Service Charges**

| Line | Potable Fixed Meter Service Charges | Proposed FY 2025/26 Monthly Charge | Current Monthly Charge | Difference ($) | Difference (%) |
|---|---|---|---|---|---|
| 1 | 5/8-inch | **$20.72** | $20.05 | *$0.67* | *3.3%* |
| 2 | 3/4-inch | **$20.72** | $20.05 | *$0.67* | *3.3%* |
| 3 | 1-inch Dual Service - Residential | **$20.72** | $20.05 | *$0.67* | *3.3%* |
| 4 | 1-inch | **$30.67** | $28.31 | *$2.37* | *8.4%* |
| 5 | 1.5-inch | **$55.54** | $48.94 | *$6.60* | *13.5%* |
| 6 | 2-inch | **$85.38** | $73.71 | *$11.68* | *15.8%* |
| 7 | 3-inch | **$229.62** | $152.12 | *$77.51* | *51.0%* |
| 8 | 4-inch | **$503.19** | $267.68 | *$235.52* | *88.0%* |
| 9 | 6-inch | **$1,000.58** | $544.19 | *$456.39* | *83.9%* |
| 10 | 8-inch | **$1,746.66** | N/A | *N/A* | *N/A* |
| 11 | 10-inch | **$2,741.44** | N/A | *N/A* | *N/A* |

## 5.4 PROPOSED POTABLE COMMODITY CHARGES

### PROPOSED FY 2025/26 RATE CALCULATION

**Table 5-3** shows the proposed FY 2025/26 potable commodity charge calculations. The Base Delivery and Pay Station unit costs are from **Table 4-21** (Lines 4 and 7). The Extra Capacity unit cost is equal to the sum of Max Day and Max Hour Delivery unit costs (**Table 4-21**; sum of lines 5-6). The proposed potable commodity charge equals the sum of the Base Delivery and Extra Capacity components rounded up to the nearest cent. The proposed Utah Trail Pay Station commodity charge simply equals the Pay Station unit cost rounded up to the nearest one-hundredth of one cent.

**Table 5-3: Proposed FY 2025/26 Potable Commodity Charge Calculations**

| Line | Potable Commodity Charges | Base Delivery | Extra Capacity | Pay Station | Proposed FY 2025/26 Charge |
|---|---|---|---|---|---|
| 1 | Potable Commodity Charge (per HCF) | $3.61 | $2.18 | N/A | **$5.80** |
| 2 | Utah Trail Pay Station Commodity Charge (per gallon) | N/A | N/A | $0.01324 | **$0.0133** |

### COMPARISON TO CURRENT RATES

**Table 5-4** shows the proposed potable commodity charges for FY 2025/26 compared to current charges. Note that while the overall proposed rate revenue increase in FY 2025/26 is 7%, proposed charges increase by different percentages due to the updated cost-of-service allocations.

**Table 5-4: Comparison to Current Potable Commodity Charges**

| Line | Potable Commodity Charges | Proposed FY 2025/26 Charge | Current Charge | Difference ($) | Difference (%) |
|---|---|---|---|---|---|
| 1 | Potable Commodity Charge (per HCF) | **$5.80** | $5.24 | *$0.56* | *10.7%* |
| 2 | Utah Trail Pay Station Commodity Charge (per gallon) | **$0.0133** | $0.0121 | *$0.0012* | *9.9%* |

## 5.5 PROPOSED NON-POTABLE CHARGES

### PROPOSED FY 2025/26 RATE CALCULATION

**Table 5-5** shows the proposed FY 2025/26 non-potable charge calculations. The Non-Potable Fixed and Non-Potable Commodity unit costs are from **Table 4-21** (Lines 8 and 9). The proposed fixed charge simply equals the Non-Potable Fixed unit cost rounded up to the nearest cent. The

proposed commodity charge simply equals the Non-Potable Commodity unit cost rounded up to the nearest cent.

**Table 5-5: Proposed FY 2025/26 Non-Potable Charges**

| Line | Non-Potable Charges | Non-Potable Fixed | Non-Potable Commodity | Proposed FY 2025/26 Charge |
|---|---|---|---|---|
| 1 | Non-Potable Fixed Meter Service Charge – 2-inch (per Month) | $534.77 | N/A | **$534.77** |
| 2 | Non-Potable Commodity Charge (per HCF) | N/A | $1.00 | **$1.00** |

### COMPARISON TO CURRENT RATES

**Table 5-6** shows the proposed non-potable charges for FY 2025/26 compared to current charges. Note that while the overall proposed rate revenue increase in FY 2025/26 is 7%, proposed charges increase by different percentages due to the updated cost-of-service allocations.

**Table 5-6: Comparison to Current Non-Potable Charges**

| Line | Non-Potable Charges | Proposed FY 2025/26 Charge | Current Charge | Difference ($) | Difference (%) |
|---|---|---|---|---|---|
| 1 | Non-Potable Fixed Meter Service Charge – 2-inch (per Month) | **$534.77** | $495.74 | *$39.04* | *7.9%* |
| 2 | Non-Potable Commodity Charge (per HCF) | **$1.00** | $0.92 | *$0.08* | *8.7%* |

## 5.6 PROPOSED COMMERCIAL FIRE MONTHLY FIXED SERVICE CHARGES

### PROPOSED FY 2025/26 RATE CALCULATION

**Table 5-7** shows the proposed FY 2025/26 commercial fire monthly fixed service charge calculations. The Billing & Customer Service and Private Fire Protection unit costs are from **Table 4-21** (Lines 1 and 3). Billing & Customer Service costs do not vary based on fire line size and thus are the same for all fire line sizes. Private Fire Protection unit costs are multiplied by the fire demand ratio (**Table 4-14**). The proposed monthly charge equals the sum of the Billing & Customer Service and Private Fire Protection components rounded up to the nearest cent.

**Table 5-7: Proposed FY 2025/26 Commercial Fire Fixed Service Charge Calculation**

| Line | Commercial Fire Fixed Service Charges | Fire Demand Ratio | Billing & Customer Service | Private Fire Protection | Proposed FY 2025/26 Monthly Charge |
|---|---|---|---|---|---|
| 1 | 2-inch | 1.00 | $5.79 | $4.72 | **$10.52** |
| 2 | 3-inch | 2.90 | $5.79 | $13.71 | **$19.51** |
| 3 | 4-inch | 6.19 | $5.79 | $29.22 | **$35.02** |
| 4 | 6-inch | 17.98 | $5.79 | $84.89 | **$90.68** |
| 5 | 8-inch | 38.32 | $5.79 | $180.89 | **$186.69** |
| 6 | 10-inch | 68.91 | $5.79 | $325.31 | **$331.11** |

### COMPARISON TO CURRENT RATES

**Table 5-8** shows the proposed commercial fire monthly fixed service charges for FY 2025/26 compared to current charges. Note that while the overall proposed rate revenue increase in FY 2025/26 is 7%, proposed commercial fire service fixed charges decrease significantly relative to current charges. This is due to the updated cost-of-service allocations, as well as adherence to more up-to-date methodological guidance from the AWWA regarding the cost allocation to private fire lines. Note that commercial fire fixed service charges only apply to 120 dedicated private fire lines.

**Table 5-8: Comparison to Current Commercial Fire Fixed Service Charges**

| Line | Commercial Fire Fixed Service Charges | Proposed FY 2025/26 Monthly Charge | Current Monthly Charge | Difference ($) | Difference (%) |
|---|---|---|---|---|---|
| 1 | 2-inch | **$10.52** | $65.06 | *($54.54)* | *-83.8%* |
| 2 | 3-inch | **$19.51** | $91.37 | *($71.86)* | *-78.6%* |
| 3 | 4-inch | **$35.02** | $127.25 | *($92.23)* | *-72.5%* |
| 4 | 6-inch | **$90.68** | $246.84 | *($156.16)* | *-63.3%* |
| 5 | 8-inch | **$186.69** | $390.36 | *($203.67)* | *-52.2%* |
| 6 | 10-inch | **$331.11** | $1,060.10 | *($728.99)* | *-68.8%* |

## 5.7 PROPOSED WATER RATE SCHEDULE

### PROPOSED FIVE-YEAR WATER RATE SCHEDULE

**Table 5-9** shows proposed fixed meter service charges, commodity charges, and commercial fire fixed service charges over the full five-year rate-setting period. Proposed FY 2025/26 charges were calculated previously in **Table 5-2, Table 5-4, Table 5-6**, and **Table 5-8**. Proposed charges in FY 2026/27 through FY 2029/30 are calculated by increasing the FY 2025/26 proposed charges

by the proposed 7% annual revenue adjustments (from **Table 3-17**) and rounding up to the nearest cent.[21]

### Table 5-9: Proposed Potable Monthly Fixed Service Charges

| Water Rates | Current | Proposed FY 2025/26 (Mar. 2026) | Proposed FY 2026/27 (Jan. 2027) | Proposed FY 2027/28 (Jan. 2028) | Proposed FY 2028/29 (Jan. 2029) | Proposed FY 2029/30 (Jan. 2030) |
|---|---|---|---|---|---|---|
| **Fixed Meter Service Charges (Monthly)** | | | | | | |
| 5/8-inch | $20.05 | $20.72 | $22.18 | $23.74 | $25.41 | $27.19 |
| 3/4-inch | $20.05 | $20.72 | $22.18 | $23.74 | $25.41 | $27.19 |
| 1-inch Dual Service - Residential | $20.05 | $20.72 | $22.18 | $23.74 | $25.41 | $27.19 |
| 1-inch | $28.31 | $30.67 | $32.82 | $35.12 | $37.58 | $40.22 |
| 1.5-inch | $48.94 | $55.54 | $59.43 | $63.60 | $68.06 | $72.83 |
| 2-inch | $73.71 | $85.38 | $91.36 | $97.76 | $104.61 | $111.94 |
| 3-inch | $152.12 | $229.62 | $245.70 | $262.90 | $281.31 | $301.01 |
| 4-inch | $267.68 | $503.19 | $538.42 | $576.11 | $616.44 | $659.60 |
| 6-inch | $544.19 | $1,000.58 | $1,070.63 | $1,145.58 | $1,225.78 | $1,311.59 |
| 8-inch | N/A | $1,746.66 | $1,868.93 | $1,999.76 | $2,139.75 | $2,289.54 |
| 10-inch | N/A | $2,741.44 | $2,933.35 | $3,138.69 | $3,358.40 | $3,593.49 |
| 2-inch Non-Potable | $495.74 | $534.77 | $572.21 | $612.27 | $655.13 | $700.99 |
| | | | | | | |
| **Commodity Charges** | | | | | | |
| Potable (per HCF) | $5.24 | $5.80 | $6.21 | $6.65 | $7.12 | $7.62 |
| Non-Potable (per HCF) | $0.92 | $1.00 | $1.07 | $1.15 | $1.24 | $1.33 |
| Utah Trail Pay Station (per gallon) | $0.0121 | $0.0133 | $0.0143 | $0.0154 | $0.0165 | $0.0177 |
| | | | | | | |
| **Commercial Fire Fixed Service Charges (Monthly)** | | | | | | |
| 2-inch | $65.06 | $10.52 | $11.26 | $12.05 | $12.90 | $13.81 |
| 3-inch | $91.37 | $19.51 | $20.88 | $22.35 | $23.92 | $25.60 |
| 4-inch | $127.25 | $35.02 | $37.48 | $40.11 | $42.92 | $45.93 |
| 6-inch | $246.84 | $90.68 | $97.03 | $103.83 | $111.10 | $118.88 |
| 8-inch | $390.36 | $186.69 | $199.76 | $213.75 | $228.72 | $244.74 |
| 10-inch | $1,060.10 | $331.11 | $354.29 | $379.10 | $405.64 | $434.04 |

[21] The Utah Trail Pay Station commodity charges are rounded up to the nearest one-hundredth of a cent.

## 5.8 RESIDENTIAL BILL IMPACTS

WRE calculated sample monthly bills for typical residential connections receiving potable water service to evaluate the impact of proposed rates increases on the District's customers. **Table 5-10** shows the proposed impacts in FY 2025/26 for a residential customer with a 5/8-inch meter (the most common meter size within this class, representing over 93% of customers) at various water use levels. For a residential customer with average water use of 7 HCF per month, the monthly bill increase will be $4.59 or 8.1% in the first year of the proposed rate schedule, which reflects the impact of the cost-of-service analysis and proposed revenue adjustments.

**Table 5-10: Sample Residential Monthly Bill Impacts in FY 2025/26**

| Water Use Level | Monthly Water Use (HCF) | Current Monthly Bill | Proposed Monthly Bill | Difference ($) | Difference (%) |
|---|---|---|---|---|---|
| Very Low | 3 | $35.77 | $38.12 | $2.35 | 6.6% |
| Low | 5 | $46.25 | $49.72 | $3.47 | 7.5% |
| Average | 7 | $56.73 | $61.32 | $4.59 | 8.1% |
| High | 12 | $82.93 | $90.32 | $7.39 | 8.9% |
| Very High | 15 | $98.65 | $107.72 | $9.07 | 9.2% |

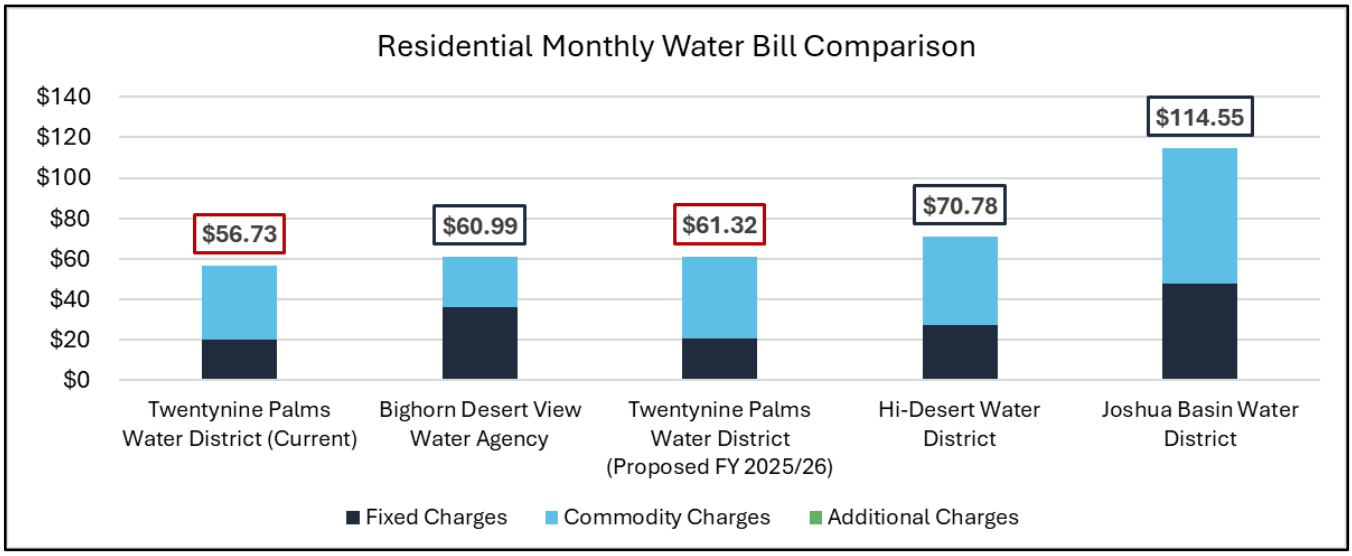
**Table 5-11** shows monthly bills for a residential customer with a 5/8-inch meter and average water use of 7 HCF per month over the five-year rate-setting period. By the final year of the proposed rate-setting period, monthly bills will increase to $80.53.

**Table 5-11: Five-Year Monthly Bill Impacts for Average Residential Customer**

| Year | Monthly Bill for Average Residential Customer | Monthly Bill Increase ($) | Monthly Bill Increase (%) |
|---|---|---|---|
| Current | **$56.73** | | |
| Proposed FY 2025/26 | **$61.32** | $4.59 | 8.1% |
| Proposed FY 2026/27 | **$65.65** | $4.33 | 7.1% |
| Proposed FY 2027/28 | **$70.29** | $4.64 | 7.1% |
| Proposed FY 2028/29 | **$75.25** | $4.96 | 7.1% |
| Proposed FY 2029/30 | **$80.53** | $5.28 | 7.0% |

**Figure 5-1** shows a comparison of current and proposed FY 2025/26 residential monthly bills to three neighboring water districts. All bills shown are for a residential customer with the smallest available meter size using 7 HCF of water per month. Bills for the three neighboring water districts are based on each agency's current rates and do not account for potential future rate increases in FY 2025/26 or later.

**Figure 5-1: Residential Monthly Bill Comparison to Neighboring Water Districts**



# 6. APPENDICES

## 6.1 FINANCIAL PLAN APPENDICES

**Table 6-1: O&M Expenses (Detail)**

| Line | Detailed O&M Expenses | FY 2024/25 Actuals | FY 2025/26 Budget | FY 2026/27 Projected | FY 2027/28 Projected | FY 2028/29 Projected | FY 2029/30 Projected |
|---|---|---|---|---|---|---|---|
| 1 | **Source of Supply** | | | | | | |
| 2 | Labor | $4,773 | $6,800 | $7,100 | $7,400 | $7,800 | $8,200 |
| 3 | Benefits Allocated | $1,679 | $2,900 | $2,400 | $2,500 | $2,600 | $2,700 |
| 4 | Electric | $392,388 | $456,900 | $484,300 | $513,400 | $544,200 | $576,900 |
| 5 | Field Supplies | $1,222 | $1,600 | $1,600 | $1,600 | $1,600 | $1,600 |
| 6 | Radio Equipment | $109 | $100 | $100 | $100 | $100 | $100 |
| 7 | Permits and Fees | $64,875 | $66,200 | $68,200 | $70,200 | $72,300 | $74,500 |
| 8 | Outside Services | $6,625 | $9,100 | $39,400 | $40,600 | $41,800 | $43,100 |
| 9 | **Subtotal** | **$471,670** | **$543,600** | **$603,100** | **$635,800** | **$670,400** | **$707,100** |
| 10 | | | | | | | |
| 11 | **Pumping** | | | | | | |
| 12 | Labor | $1,330 | $1,900 | $1,900 | $2,000 | $2,100 | $2,200 |
| 13 | Benefits Allocated | $513 | $800 | $700 | $700 | $700 | $700 |
| 14 | Electric | $177,115 | $187,200 | $198,400 | $210,300 | $222,900 | $236,300 |
| 15 | Field Supplies | $3,522 | $2,800 | $2,900 | $3,000 | $3,100 | $3,200 |
| 16 | Outside Services | $2,006 | $15,000 | $15,500 | $16,000 | $16,500 | $17,000 |
| 17 | **Subtotal** | **$184,487** | **$207,700** | **$219,400** | **$232,000** | **$245,300** | **$259,400** |
| 18 | | | | | | | |
| 19 | **Transmission & Distribution** | | | | | | |
| 20 | Labor | $1,020,335 | $1,016,800 | $1,067,700 | $1,121,100 | $1,177,200 | $1,236,000 |
| 21 | Conservation Labor | $51 | $100 | $0 | $0 | $0 | $0 |
| 22 | Mechanic Fees | ($28,758) | ($30,000) | ($30,900) | ($31,800) | ($32,800) | ($33,800) |
| 23 | Benefits Allocated | $409,551 | $428,800 | $382,300 | $397,100 | $412,400 | $428,500 |
| 24 | Fuel | $78,874 | $90,500 | $94,100 | $97,900 | $101,800 | $105,900 |
| 25 | Field Supplies | $186,837 | $156,900 | $161,600 | $166,400 | $171,400 | $176,500 |
| 26 | Repair Vehicles | $119,760 | $136,600 | $140,700 | $144,900 | $149,200 | $153,700 |

| Line | Detailed O&M Expenses | FY 2024/25 Actuals | FY 2025/26 Budget | FY 2026/27 Projected | FY 2027/28 Projected | FY 2028/29 Projected | FY 2029/30 Projected |
|---|---|---|---|---|---|---|---|
| 27 | Equipment Rental | $2,000 | $7,000 | $7,200 | $7,400 | $7,600 | $7,800 |
| 28 | Safety Equipment | $13,090 | $5,400 | $5,600 | $5,800 | $6,000 | $6,200 |
| 29 | Small Tools | $11,480 | $11,400 | $11,700 | $12,100 | $12,500 | $12,900 |
| 30 | Licenses & Certificates | $4,255 | $4,400 | $4,500 | $4,600 | $4,700 | $4,800 |
| 31 | Uniform | $22,525 | $23,600 | $24,300 | $25,000 | $25,800 | $26,600 |
| 32 | Inventory Gain & Loss | $2,778 | $0 | $0 | $0 | $0 | $0 |
| 33 | Office Supplies | $471 | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 |
| 34 | Permits & Fees | $10,183 | $10,700 | $11,000 | $11,300 | $11,600 | $11,900 |
| 35 | Training Travel Meetings | $6,494 | $4,300 | $4,400 | $4,500 | $4,600 | $4,700 |
| 36 | Engineering Fees | $0 | $0 | $0 | $0 | $0 | $0 |
| 37 | Outside Services | $45,183 | $39,200 | $40,400 | $41,600 | $42,800 | $44,100 |
| 38 | Outside Repairs | $23,248 | $17,500 | $18,000 | $18,500 | $19,100 | $19,700 |
| 39 | **Subtotal** | **$1,928,358** | **$1,924,200** | **$1,943,600** | **$2,027,400** | **$2,114,900** | **$2,206,500** |
| 40 | | | | | | | |
| 41 | **Treatment Wells** | | | | | | |
| 42 | Labor | $131,467 | $105,200 | $110,500 | $116,000 | $121,800 | $127,900 |
| 43 | Benefits Allocated | $54,532 | $44,400 | $36,700 | $38,100 | $39,600 | $41,100 |
| 44 | Chemicals | $1,312 | $3,800 | $4,000 | $4,200 | $4,400 | $4,600 |
| 45 | Lab Testing & Professional Fees | $39,823 | $58,500 | $60,300 | $62,100 | $64,000 | $65,900 |
| 46 | **Subtotal** | **$227,135** | **$211,900** | **$211,500** | **$220,400** | **$229,800** | **$239,500** |
| 47 | | | | | | | |
| 48 | **Treatment Facility** | | | | | | |
| 49 | Labor | $192,974 | $201,200 | $211,200 | $221,800 | $232,800 | $244,500 |
| 50 | Benefits Allocated | $78,353 | $84,900 | $70,100 | $72,800 | $75,700 | $78,600 |
| 51 | Arsenic-Outside Services | $0 | $10,000 | $10,300 | $10,600 | $10,900 | $11,200 |
| 52 | Electric | $25,628 | $33,200 | $35,200 | $37,300 | $39,500 | $41,900 |
| 53 | Telephone | $2,139 | $2,300 | $2,400 | $2,500 | $2,600 | $2,700 |
| 54 | Chemicals | $370,617 | $361,100 | $379,200 | $398,200 | $418,100 | $439,000 |
| 55 | Field Supplies & Testing | $56,667 | $46,900 | $48,300 | $49,700 | $51,200 | $52,700 |
| 56 | Repairs & Maintenance | $13,573 | $16,800 | $17,300 | $17,800 | $18,300 | $18,800 |
| 57 | Equipment Rental | $0 | $2,300 | $2,400 | $2,500 | $2,600 | $2,700 |
| 58 | Permits & Fees | $2,054 | $400 | $400 | $400 | $400 | $400 |

| Line | Detailed O&M Expenses | FY 2024/25 Actuals | FY 2025/26 Budget | FY 2026/27 Projected | FY 2027/28 Projected | FY 2028/29 Projected | FY 2029/30 Projected |
|---|---|---|---|---|---|---|---|
| 59 | Outside Services | $19,973 | $39,900 | $41,100 | $42,300 | $43,600 | $44,900 |
| 60 | **Subtotal** | **$761,978** | **$799,000** | **$817,900** | **$855,900** | **$895,700** | **$937,400** |
| 61 | | | | | | | |
| 62 | **Customer Accounts** | | | | | | |
| 63 | Labor | $224,878 | $252,500 | $265,100 | $278,300 | $292,200 | $306,800 |
| 64 | Benefits Allocated | $90,342 | $106,500 | $81,100 | $84,200 | $87,500 | $90,900 |
| 65 | Office Supplies | $14,478 | $17,900 | $18,400 | $19,000 | $19,600 | $20,200 |
| 66 | Postage | $38,783 | $10,000 | $10,300 | $10,600 | $10,900 | $11,200 |
| 67 | Outside Services | $31,933 | $61,200 | $63,000 | $64,900 | $66,800 | $68,800 |
| 68 | **Subtotal** | **$400,414** | **$448,100** | **$437,900** | **$457,000** | **$477,000** | **$497,900** |
| 69 | | | | | | | |
| 70 | **General & Administration** | | | | | | |
| 71 | Labor | $405,532 | $451,300 | $474,100 | $497,900 | $522,800 | $548,900 |
| 72 | Benefits Allocated | $160,666 | $190,300 | $150,700 | $156,700 | $162,700 | $169,100 |
| 73 | Accounting | $91,242 | $86,600 | $84,000 | $86,500 | $89,100 | $99,500 |
| 74 | Auditor | $30,000 | $30,900 | $31,800 | $32,800 | $33,800 | $34,800 |
| 75 | Legal | $24,764 | $25,500 | $26,300 | $44,100 | $27,900 | $28,700 |
| 76 | Outside Services | $240,220 | $303,100 | $265,800 | $273,800 | $282,000 | $340,500 |
| 77 | Banking, Credit Card & Payroll Fees | $145,213 | $147,200 | $151,600 | $156,100 | $160,800 | $165,600 |
| 78 | Electric | $23,388 | $26,800 | $28,400 | $30,100 | $31,900 | $33,800 |
| 79 | Gas | $1,421 | $1,900 | $2,000 | $2,100 | $2,200 | $2,300 |
| 80 | Telephone | $38,145 | $38,500 | $39,700 | $40,900 | $42,100 | $43,400 |
| 81 | Equipment Rental | $3,365 | $3,400 | $3,500 | $3,600 | $3,700 | $3,800 |
| 82 | Office Supplies | $9,252 | $9,100 | $9,400 | $9,700 | $10,000 | $10,300 |
| 83 | Postage | $2,352 | $1,900 | $2,000 | $2,100 | $2,200 | $2,300 |
| 84 | Dues & Subscriptions | $106,474 | $65,600 | $67,600 | $69,600 | $71,700 | $73,900 |
| 85 | Property & Liability Insurance | $117,904 | $123,800 | $130,000 | $136,500 | $143,300 | $150,500 |
| 86 | Training Travel Meetings | $4,741 | $10,000 | $10,300 | $10,600 | $10,900 | $11,200 |
| 87 | Landscaping | $0 | $5,000 | $5,200 | $5,400 | $5,600 | $5,800 |
| 88 | Conservation | $74,950 | $74,600 | $76,800 | $79,100 | $81,500 | $83,900 |
| 89 | Printing | $7,078 | $5,000 | $5,200 | $5,400 | $5,600 | $5,800 |
| 90 | Grant Writer | $15,561 | $37,900 | $39,000 | $40,200 | $41,400 | $42,600 |

| Line | Detailed O&M Expenses | FY 2024/25 Actuals | FY 2025/26 Budget | FY 2026/27 Projected | FY 2027/28 Projected | FY 2028/29 Projected | FY 2029/30 Projected |
|---|---|---|---|---|---|---|---|
| 91 | **Subtotal** | **$1,502,268** | **$1,638,400** | **$1,603,400** | **$1,683,200** | **$1,731,200** | **$1,856,700** |
| 92 | | | | | | | |
| 93 | **Payouts & Retiree Medical** | | | | | | |
| 94 | Vacation Sick Payout | $69,853 | $127,100 | $133,500 | $140,200 | $147,200 | $154,600 |
| 95 | Retiree Medical | $17,697 | $28,500 | $29,400 | $30,300 | $31,200 | $32,100 |
| 96 | **Subtotal** | **$87,550** | **$155,600** | **$162,900** | **$170,500** | **$178,400** | **$186,700** |
| 97 | | | | | | | |
| 98 | **Board of Directors** | | | | | | |
| 99 | Board Fees | $11,044 | $15,000 | $15,500 | $16,000 | $16,500 | $17,000 |
| 100 | Office Supplies | $442 | $500 | $500 | $500 | $500 | $500 |
| 101 | Training Travel Meetings | $6,461 | $10,000 | $10,300 | $10,600 | $10,900 | $11,200 |
| 102 | **Subtotal** | **$17,948** | **$25,500** | **$26,300** | **$27,100** | **$27,900** | **$28,700** |
| 103 | | | | | | | |
| 104 | **Non-Operating Expenses** | | | | | | |
| 105 | CalPERS UAL Payment (Required) | $274,994 | $326,100 | $352,900 | $375,200 | $422,500 | $432,200 |
| 106 | Pension & OPEB Trust Contribution | $174,120 | $164,000 | $168,900 | $174,000 | $179,000 | $184,100 |
| 107 | Transfers In - Special Revenue Fund | ($174,120) | ($164,000) | ($168,900) | ($174,000) | ($179,000) | ($184,100) |
| 108 | Election Expense | $0 | $0 | $50,000 | $0 | $55,000 | $0 |
| 109 | **Subtotal** | **$274,994** | **$326,100** | **$402,900** | **$375,200** | **$477,500** | **$432,200** |
| 110 | | | | | | | |
| 111 | **Total** | **$5,856,800** | **$6,280,100** | **$6,428,900** | **$6,684,500** | **$7,048,100** | **$7,352,100** |

## Table 6-2: Planned Capital Projects (Detail)

| Line | Capital Projects (Detailed) | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|---|---|---|---|---|---|---|
| 1 | **District Projects** | | | | | |
| 2 | Treatment Feasibility & Exploration Costs | $50,200 | $0 | $0 | $0 | $175,500 |
| 3 | Salt Nutrient Monitoring Wells/Sampling | $45,600 | $52,000 | $54,100 | $56,200 | $58,500 |
| 4 | USGS Study/Feasibility Study | $200,000 | $104,000 | $54,100 | $0 | $0 |
| 5 | Centralized Sewer Plan/Groundwater Analysis | $50,000 | $52,000 | $0 | $56,200 | $0 |
| 6 | Master Plan Updates | $75,000 | $0 | $0 | $0 | $0 |
| 7 | Campbell Reservoir Land Acquisition | $30,000 | $0 | $0 | $78,700 | $0 |
| 8 | Standard Drawings Update | $10,000 | $0 | $0 | $0 | $0 |
| 9 | Financial System Upgrade | $0 | $31,200 | $0 | $0 | $0 |
| 10 | Asset Management Plan | $20,000 | $0 | $0 | $0 | $0 |
| 11 | GW Mgmt. Plan & Urban Water Mgmt. Plan | $100,000 | $78,000 | $0 | $0 | $0 |
| 12 | **Subtotal** | **$580,800** | **$317,200** | **$108,200** | **$191,100** | **$234,000** |
| 13 | | | | | | |
| 14 | **Capital Improvement Plan** | | | | | |
| 15 | Chromium VI and Fluoride for Well 11B | $250,000 | $0 | $0 | $0 | $0 |
| 16 | Water Reservoir at Treatment Plant | $1,670,300 | $1,768,000 | $0 | $0 | $0 |
| 17 | New Well | $0 | $0 | $2,163,200 | $0 | $0 |
| 18 | **Subtotal** | **$1,920,300** | **$1,768,000** | **$2,163,200** | **$0** | **$0** |
| 19 | | | | | | |
| 20 | **Repairs, Rehabilitation, & Maintenance** | | | | | |
| 21 | Treated Water Reservoir Coating | $0 | $0 | $0 | $562,400 | $292,500 |
| 22 | Distribution SCADA System | $195,100 | $0 | $54,100 | $112,500 | $117,000 |
| 23 | Emergency Repairs, Unspecified | $150,000 | $156,000 | $162,200 | $168,700 | $175,500 |
| 24 | Campbell Reservoir Road Paving/Seal Coating | $50,000 | $0 | $21,600 | $0 | $0 |
| 25 | Treatment Plant Concrete | $75,000 | $0 | $0 | $0 | $0 |
| 26 | Repiping/Distribution System Upgrades | $150,000 | $156,000 | $162,200 | $168,700 | $175,500 |
| 27 | Cactus Booster Station (LHMP Generator) | $40,000 | $0 | $0 | $0 | $0 |
| 28 | Reservoir Recoating/Cathodic Protection | $40,000 | $0 | $0 | $56,200 | $0 |
| 29 | Soft Starts Wells/Boosters | $50,000 | $52,000 | $54,100 | $0 | $0 |
| 30 | Valve/CLA-Valve Replacement | $150,000 | $52,000 | $54,100 | $56,200 | $58,500 |
| 31 | Leer Booster (LHMP Generator) | $15,000 | $0 | $0 | $0 | $0 |

| Line | Capital Projects (Detailed) | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|---|---|---|---|---|---|---|
| 32 | Donnell Reservoir Altitude Valve | $5,000 | $0 | $0 | $0 | $0 |
| 33 | Well/Booster Rehabilitation | $0 | $52,000 | $54,100 | $56,200 | $58,500 |
| 34 | Plant 6 Electrical and Well Upgrade | $0 | $52,000 | $0 | $0 | $0 |
| 35 | **Subtotal** | **$920,100** | **$520,000** | **$562,400** | **$1,180,900** | **$877,500** |
| 36 | | | | | | |
| 37 | **Capital Outlay** | | | | | |
| 38 | Equipment Shade Structure | $0 | $0 | $0 | $225,000 | $0 |
| 39 | Vehicle/Equipment Replacements | $150,000 | $78,000 | $81,100 | $84,400 | $87,700 |
| 40 | Computer/Technology Replacements | $75,000 | $52,000 | $54,100 | $56,200 | $58,500 |
| 41 | Geographic Information System (GIS) | $50,000 | $0 | $0 | $0 | $0 |
| 42 | Administrative Building/Office Remodel | $100,000 | $0 | $27,000 | $0 | $29,200 |
| 43 | Energy Efficiency Projects | $30,000 | $0 | $0 | $0 | $0 |
| 44 | Parking Lot Seal/Paving | $75,000 | $260,000 | $0 | $0 | $0 |
| 45 | Electric Vehicle Station | $60,000 | $0 | $0 | $0 | $0 |
| 46 | **Subtotal** | **$540,000** | **$390,000** | **$162,200** | **$365,600** | **$175,400** |
| 47 | | | | | | |
| 48 | **Total** | **$3,961,200** | **$2,995,200** | **$2,996,000** | **$1,737,600** | **$1,286,900** |

## 6.2 COST-OF-SERVICE ANALYSIS APPENDICES

### Table 6-3: O&M Expenses by System Functions (Detail)

| Line | O&M Expenses | FY 2025/26 | Customer[22] | Meter[23] | Water Supply | Treatment | Wells | Well Electricity | Pumping | Storage | Distribution | Conservation | Pay Station | Non-Potable | General | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Source of Supply** | | | | | | | | | | | | | | | |
| 2 | Labor | $6,800 | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 3 | Benefits Allocated | $2,900 | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 4 | Electric | $456,900 | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 5 | Field Supplies | $1,600 | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 6 | Radio Equipment | $100 | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 7 | Permits and Fees | $66,200 | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 8 | Outside Services | $9,100 | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 9 | **Subtotal** | **$543,600** | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | | |
| 11 | **Pumping** | | | | | | | | | | | | | | | |
| 12 | Labor | $1,900 | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 13 | Benefits Allocated | $800 | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 14 | Electric | $187,200 | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 15 | Field Supplies | $2,800 | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 16 | Outside Services | $15,000 | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 17 | **Subtotal** | **$207,700** | | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | | | | |
| 19 | **Transmission & Distribution** | | | | | | | | | | | | | | | |
| 20 | Labor | $1,016,800 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 21 | Conservation Labor | $100 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 100% |
| 22 | Mechanic Fees | ($30,000) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 23 | Benefits Allocated | $428,800 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 24 | Fuel | $90,500 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 25 | Field Supplies | $156,900 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 26 | Repair Vehicles | $136,600 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 27 | Equipment Rental | $7,000 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 28 | Safety Equipment | $5,400 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 29 | Small Tools | $11,400 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 30 | Licenses & Certificates | $4,400 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 31 | Uniform | $23,600 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 32 | Office Supplies | $1,000 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 33 | Permits & Fees | $10,700 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 34 | Training Travel Meetings | $4,300 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 35 | Outside Services | $39,200 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| 36 | Outside Repairs | $17,500 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |

[22] Refers to Billing & Customer Service.
[23] Refers to Meter Maintenance & Replacement.

| Line | O&M Expenses | FY 2025/26 | Customer[22] | Meter[23] | Water Supply | Treatment | Wells | Well Electricity | Pumping | Storage | Distribution | Conservation | Pay Station | Non-Potable | General | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 37 | **Subtotal** | **$1,924,200** | | | | | | | | | | | | | | |
| 38 | | | | | | | | | | | | | | | | |
| 39 | **Treatment Wells** | | | | | | | | | | | | | | | |
| 40 | Labor | $105,200 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 41 | Benefits Allocated | $44,400 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 42 | Chemicals | $3,800 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 43 | Lab Testing & Professional Fees | $58,500 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 44 | **Subtotal** | **$211,900** | | | | | | | | | | | | | | |
| 45 | | | | | | | | | | | | | | | | |
| 46 | **Treatment Facility** | | | | | | | | | | | | | | | |
| 47 | Labor | $201,200 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 48 | Benefits Allocated | $84,900 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 49 | Arsenic-Outside Services | $10,000 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 50 | Electric | $33,200 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 51 | Telephone | $2,300 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 52 | Chemicals | $361,100 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 53 | Field Supplies & Testing | $46,900 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 54 | Repairs & Maintenance | $16,800 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 55 | Equipment Rental | $2,300 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 56 | Permits & Fees | $400 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 57 | Outside Services | $39,900 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 58 | **Subtotal** | **$799,000** | | | | | | | | | | | | | | |
| 59 | | | | | | | | | | | | | | | | |
| 60 | **Customer Accounts** | | | | | | | | | | | | | | | |
| 61 | Labor | $252,500 | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 62 | Benefits Allocated | $106,500 | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 63 | Office Supplies | $17,900 | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 64 | Postage | $10,000 | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 65 | Outside Services | $61,200 | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| 66 | **Subtotal** | **$448,100** | | | | | | | | | | | | | | |
| 67 | | | | | | | | | | | | | | | | |
| 68 | **General & Administration** | | | | | | | | | | | | | | | |
| 69 | Labor | $451,300 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 70 | Benefits Allocated | $190,300 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 71 | Accounting | $86,600 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 72 | Auditor | $30,900 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 73 | Legal | $25,500 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 74 | Outside Services | $303,100 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 75 | Banking, Credit Card & Payroll Fees | $147,200 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 76 | Electric | $26,800 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 77 | Gas | $1,900 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 78 | Telephone | $38,500 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 79 | Equipment Rental | $3,400 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 80 | Office Supplies | $9,100 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 81 | Postage | $1,900 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |

| Line | O&M Expenses | FY 2025/26 | Customer[22] | Meter[23] | Water Supply | Treatment | Wells | Well Electricity | Pumping | Storage | Distribution | Conservation | Pay Station | Non-Potable | General | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 82 | Dues & Subscriptions | $65,600 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 83 | Property & Liability Insurance | $123,800 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 84 | Training Travel Meetings | $10,000 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 85 | Landscaping | $5,000 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 86 | Conservation | $74,600 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 100% |
| 87 | Printing | $5,000 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 88 | Grant Writer | $37,900 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 89 | **Subtotal** | **$1,638,400** | | | | | | | | | | | | | | |
| 90 | | | | | | | | | | | | | | | | |
| 91 | **Payouts & Retiree Medical** | | | | | | | | | | | | | | | |
| 92 | Vacation Sick Payout | $127,100 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 93 | Retiree Medical | $28,500 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 94 | **Subtotal** | **$155,600** | | | | | | | | | | | | | | |
| 95 | | | | | | | | | | | | | | | | |
| 96 | **Board of Directors** | | | | | | | | | | | | | | | |
| 97 | Board Fees | $15,000 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 98 | Office Supplies | $500 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 99 | Training Travel Meetings | $10,000 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 100 | **Subtotal** | **$25,500** | | | | | | | | | | | | | | |
| 101 | | | | | | | | | | | | | | | | |
| 102 | **Non-Operating Expenses** | | | | | | | | | | | | | | | |
| 103 | CalPERS UAL Payment (Required) | $326,100 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 104 | Pension & OPEB Trust Contribution | $164,000 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 105 | Transfers In - Special Revenue Fund | ($164,000) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | 100% |
| 106 | **Subtotal** | **$326,100** | | | | | | | | | | | | | | |
| 107 | | | | | | | | | | | | | | | | |
| 108 | **Total** | **$6,280,100** | | | | | | | | | | | | | | |

## Table 6-4: Capital Assets by System Functions (Detail)

| Line | Capital Asset Description | Asset Number | Purchase Date | Adjusted Cost | CCI Adjustment | Replacement Cost | Functional Category |
|---|---|---|---|---|---|---|---|
| 1 | Office Furn/Fixt | 1451 | 1/1/1989 | $64,438 | 294% | $189,494 | General |
| 2 | Equipment | 1454 | 1/1/1989 | $11,271 | 294% | $33,143 | General |
| 3 | Front Loader | 1521 | 6/30/2001 | $73,940 | 214% | $158,199 | Distribution |
| 4 | Fuel Island With Tanks | 1536 | 6/30/2004 | $113,448 | 191% | $216,393 | Distribution |
| 5 | Main Lines | 1543 | 7/2/2003 | $5,034 | 203% | $10,206 | Distribution |
| 6 | 2005 Ford F-350 | 1544 | 6/30/2005 | $22,774 | 182% | $41,508 | Distribution |
| 7 | Tp Build Improvement | 1547 | 12/3/2003 | $23,750 | 203% | $48,150 | Treatment |
| 8 | Replace Roof Admin Building | 1549 | 8/5/2013 | $22,236 | 142% | $31,609 | General |
| 9 | 2006 F-250 Pickup | 1550 | 6/30/2006 | $17,247 | 175% | $30,197 | Distribution |
| 10 | Software For Treatment Plant | 1553 | 6/30/2005 | $6,825 | 182% | $12,439 | Treatment |
| 11 | 2007 Ford F-250 Pickup | 1555 | 6/30/2007 | $21,900 | 170% | $37,310 | Distribution |
| 12 | 2008 Ford F250 Pickup | 1560 | 6/30/2008 | $17,097 | 163% | $27,922 | Distribution |
| 13 | Arsenic Removal Package Plant Job 7003 | 1561 | 7/2/2007 | $246,353 | 170% | $419,700 | Treatment |
| 14 | Rehab Of Well 9 Job 8003 | 1562 | 7/1/2007 | $35,351 | 170% | $60,226 | Wells |
| 15 | 1Mg & 2Mg Reservoirs With Boosters Job 20092 | 1563 | 7/1/2007 | $2,338,116 | 170% | $3,983,339 | Storage |
| 16 | Bore Under 29 Palms Highway Job 20093 | 1564 | 7/2/2007 | $99,497 | 170% | $169,508 | Distribution |
| 17 | Monitoring Wells At Treatment Plant Job 7007 | 1565 | 7/1/2007 | $21,599 | 170% | $36,798 | Wells |
| 18 | Mesquite Springs Pipeline | 1566 | 7/1/2008 | $19,081 | 163% | $31,162 | Distribution |
| 19 | Villa Ford  2008 F-150 | 1568 | 6/30/2009 | $20,742 | 158% | $32,846 | Distribution |
| 20 | Villa Ford 11/25/2009 | 1572 | 6/30/2010 | $30,622 | 154% | $47,231 | Distribution |
| 21 | Johnson Machinery 11-14-2009 | 1573 | 6/30/2009 | $16,357 | 158% | $25,903 | Distribution |
| 22 | Big Tex Trailers | 1576 | 6/30/2010 | $21,591 | 154% | $33,302 | Distribution |
| 23 | Villa Ford | 1577 | 6/30/2010 | $23,901 | 154% | $36,864 | Distribution |
| 24 | Engineering For Hanson Res #2 | 1578 | 6/30/2010 | $58,334 | 154% | $89,973 | Storage |
| 25 | O&M Bldg | 1580 | 6/30/2010 | $333,066 | 154% | $513,711 | General |
| 26 | Well 49 Palms Canyon | 1581 | 6/30/2010 | $748,803 | 154% | $1,154,930 | Wells |
| 27 | Mesquite Springs Basin Study | 1582 | 6/30/2010 | $229,731 | 154% | $354,331 | Water Supply |
| 28 | Jobs 8901 8902 8903 | 1583 | 7/1/2010 | $2,837,340 | 154% | $4,376,223 | Treatment |
| 29 | Jobs 20091200942009520096 | 1584 | 7/1/2010 | $1,811,507 | 154% | $2,794,010 | Distribution |
| 30 | Arnel Compressor | 1585 | 6/30/2010 | $5,997 | 154% | $9,249 | Distribution |
| 31 | Tax Sale Sbco Apn 590-131-25 | 1586 | 1/19/2011 | $2,132 | 150% | $3,191 | General |
| 32 | Villa Ford | 1587 | 7/1/2011 | $31,498 | 150% | $47,130 | Distribution |
| 33 | Job #1216 | 1588 | 7/1/2011 | $49,812 | 150% | $74,533 | Wells |
| 34 | Job #1205 | 1589 | 6/30/2011 | $74,915 | 150% | $112,095 | Distribution |
| 35 | Job #1207 | 1590 | 6/30/2011 | $53,033 | 150% | $79,352 | Distribution |
| 36 | Job 1112 | 1591 | 7/1/2011 | $197,997 | 150% | $296,260 | Wells |
| 37 | Job #1106 | 1592 | 6/30/2011 | $47,182 | 150% | $70,598 | Distribution |
| 38 | Job #1103 | 1593 | 6/30/2011 | $19,706 | 150% | $29,486 | Distribution |
| 39 | Villa Ford | 1594 | 6/30/2011 | $23,492 | 150% | $35,151 | Distribution |
| 40 | Interactive Controls | 1595 | 7/1/2011 | $6,285 | 150% | $9,404 | Treatment |
| 41 | 2012 Ford F250 Regular Cab | 1596 | 10/29/2012 | $20,843 | 146% | $30,390 | Distribution |
| 42 | Hwy 62 (Utah & 29 Palms Hwy) repiping | 1598 | 6/30/2008 | $42,227 | 163% | $68,963 | Distribution |

| Line | Capital Asset Description | Asset Number | Purchase Date | Adjusted Cost | CCI Adjustment | Replacement Cost | Functional Category |
|---|---|---|---|---|---|---|---|
| 43 | Lear Hydro Tank Replacement (67770 Pioneer Trl) | 1599 | 7/1/2008 | $44,017 | 163% | $71,886 | Storage |
| 44 | Clare Ave. Main Line Replaceme | 1600 | 7/1/2008 | $7,501 | 163% | $12,250 | Distribution |
| 45 | Well 14 Rehab. | 1601 | 6/30/2012 | $55,617 | 146% | $81,091 | Wells |
| 46 | 2012 John Deere 410K Backhoe | 1602 | 6/30/2012 | $99,982 | 146% | $145,776 | Distribution |
| 47 | Vin 3Frnf65No5V141146 | 1605 | 7/30/2013 | $26,615 | 142% | $37,834 | Distribution |
| 48 | Vin 1Ftbf2B69Eeb27554 | 1606 | 12/29/2013 | $24,122 | 142% | $34,290 | Distribution |
| 49 | Poweredge R620 Xeon E-2 | 1607 | 4/30/2014 | $28,319 | 138% | $39,193 | General |
| 50 | Springbook Financial System | 1608 | 6/28/2014 | $123,567 | 138% | $171,014 | Billing & Customer Service |
| 51 | Fire Hydrant Valle Vista/Pampa | 1609 | 4/30/2014 | $5,507 | 138% | $7,622 | Distribution |
| 52 | Treatment Plant Asphalt | 1610 | 6/28/2014 | $10,570 | 138% | $14,629 | Treatment |
| 53 | Valve Maintenance Trailer | 1611 | 4/30/2014 | $57,235 | 138% | $79,212 | Distribution |
| 54 | 550 Gallon Chemical Day Tank | 1612 | 4/30/2014 | $8,199 | 138% | $11,347 | Treatment |
| 55 | Groundwater Protection Plan | 1613 | 6/28/2014 | $150,535 | 138% | $208,337 | Treatment |
| 56 | John Deere Backhoe Model 410E | 1624 | 7/4/1998 | $40,209 | 229% | $92,176 | Distribution |
| 57 | 6" Insta-Valve | 1650 | 6/30/2016 | $13,673 | 131% | $17,949 | Distribution |
| 58 | Urban Water Management Plan | 1651 | 6/30/2016 | $55,480 | 131% | $72,832 | Water Supply |
| 59 | MMG330 Genset Generator | 1652 | 4/6/2016 | $365,895 | 131% | $480,332 | Distribution |
| 60 | Variable Frequency Drive Yaskawa IQ 1000 460v | 1653 | 10/31/2015 | $5,326 | 135% | $7,202 | Wells |
| 61 | PLC Battery Scada Pack | 1654 | 1/31/2016 | $7,939 | 131% | $10,422 | Wells |
| 62 | Hydrant Replacement | 1655 | 5/18/2016 | $5,347 | 131% | $7,020 | Distribution |
| 63 | 10" SCH80 PVC Static Mixer W/150# Flanges | 1656 | 5/31/2016 | $5,605 | 131% | $7,358 | Treatment |
| 64 | Netting Garage | 1657 | 6/30/2016 | $5,800 | 131% | $7,614 | Distribution |
| 65 | Cathodic Protection Reservoir | 1658 | 1/31/2016 | $13,357 | 131% | $17,535 | Storage |
| 66 | GIR TIP Fuel Management System | 1659 | 5/18/2016 | $15,245 | 131% | $20,013 | Distribution |
| 67 | Telephone system | 1660 | 10/22/2015 | $13,079 | 135% | $17,688 | General |
| 68 | 2016 Ford F250 | 1661 | 12/31/2015 | $29,266 | 135% | $39,579 | Distribution |
| 69 | Scada Computer | 1662 | 10/31/2015 | $24,976 | 135% | $33,778 | Treatment |
| 70 | Treatment Plant Pond 3 | 1701 | 11/30/2016 | $1,524,130 | 131% | $2,000,815 | Treatment |
| 71 | Well 12 Electrical & connection to Plant 6 | 1702 | 6/28/2017 | $126,279 | 126% | $159,613 | Wells |
| 72 | Degassifier Media Lanpac | 1703 | 8/22/2016 | $10,844 | 131% | $14,236 | Treatment |
| 73 | MMG330 Generator Cable | 1704 | 8/31/2016 | $12,166 | 131% | $15,971 | Distribution |
| 74 | Cathodic Protection Lear Reservoir | 1705 | 3/3/2017 | $17,294 | 126% | $21,860 | Storage |
| 75 | Cathodic Protection 2400 Reservoir | 1706 | 6/9/2017 | $16,968 | 126% | $21,448 | Storage |
| 76 | Admin Office Asphalt Slurry | 1707 | 3/31/2017 | $14,754 | 126% | $18,649 | General |
| 77 | 2017 Ford F-250 | 1708 | 10/26/2016 | $51,020 | 131% | $66,977 | Distribution |
| 78 | Security Cameras-Treatment Plant | 1710 | 5/31/2017 | $6,723 | 126% | $8,497 | Treatment |
| 79 | GIS Equipment | 1711 | 8/31/2016 | $22,065 | 131% | $28,966 | Distribution |
| 80 | Customer Mainline Extension | 1712 | 12/31/2016 | $6,100 | 131% | $8,008 | Distribution |
| 81 | TP Electrical Upgrades (Circuit Breakers) | 1801 | 1/31/2018 | $14,347 | 123% | $17,601 | Treatment |
| 82 | Well 14 - Pull Ball & Motor | 1802 | 5/16/2018 | $54,334 | 123% | $66,659 | Wells |
| 83 | Fluoride Plant Instrumentation & Coating | 1803 | 4/30/2018 | $46,597 | 123% | $57,167 | Treatment |
| 84 | 2017 Ford F-250 | 1804 | 9/30/2017 | $30,658 | 126% | $38,751 | Distribution |
| 85 | 2017 John Deere 50G Compact Excavator | 1805 | 11/30/2017 | $63,658 | 126% | $80,462 | Distribution |
| 86 | Fencing Upgrade - Privacy Link & Barbed Wire | 1806 | 11/15/2017 | $16,000 | 126% | $20,224 | Treatment |

| Line | Capital Asset Description | Asset Number | Purchase Date | Adjusted Cost | CCI Adjustment | Replacement Cost | Functional Category |
|---|---|---|---|---|---|---|---|
| 87 | TP-1 Well Motor | 1901 | 5/29/2019 | $16,386 | 120% | $19,712 | Wells |
| 88 | Texas Pride Dump Trailer 7x8x12 | 1902 | 7/11/2018 | $12,759 | 123% | $15,653 | Distribution |
| 89 | F-550 Extra Cab | 1903 | 9/30/2018 | $72,330 | 123% | $88,737 | Distribution |
| 90 | Dump Trailer 14LX-14BK7SIRPD | 1904 | 9/19/2018 | $8,385 | 123% | $10,287 | Distribution |
| 91 | Water Trailer 535 Gallon | 1905 | 10/11/2018 | $7,004 | 123% | $8,592 | Distribution |
| 92 | 2019 Ford F-250 | 1906 | 11/28/2018 | $52,583 | 123% | $64,511 | Distribution |
| 93 | Kenworth Dump Truck | 1907 | 6/30/2019 | $156,892 | 120% | $188,744 | Distribution |
| 94 | Laserfiche System | 1908 | 10/17/2018 | $14,400 | 123% | $17,666 | General |
| 95 | SCADAPack 32 PLC Equipment | 1909 | 12/31/2018 | $6,963 | 123% | $8,542 | Treatment |
| 96 | Treatment Plant Gate Upgrade | 1910 | 9/19/2018 | $6,900 | 123% | $8,465 | Treatment |
| 97 | Well 12 Electrical Upgrade and Remodel | 1911 | 12/31/2018 | $20,385 | 123% | $25,010 | Wells |
| 98 | Variable Frequency Drive Panel Replacement-Well1B | 1912 | 3/7/2019 | $18,341 | 120% | $22,064 | Wells |
| 99 | Admin Roof Repairs 2018-19 | 1913 | 2/7/2019 | $14,000 | 120% | $16,842 | General |
| 100 | 2018-19 District Office Addition (Add Office Room) | 1914 | 8/31/2018 | $6,559 | 123% | $8,047 | General |
| 101 | Well 17 Pump Rehabilitation | 1915 | 10/17/2018 | $45,796 | 123% | $56,184 | Wells |
| 102 | Well 14 Electrical Upgrade | 1916 | 5/15/2019 | $12,650 | 120% | $15,218 | Wells |
| 103 | Mainline Extension - Gunderson | 1917 | 5/21/2019 | $17,178 | 120% | $20,665 | Distribution |
| 104 | Soft Start Replacement | 2000 | 12/15/2014 | $5,079 | 138% | $7,029 | Wells |
| 105 | 12" Insta Valve | 2001 | 6/30/2015 | $12,365 | 135% | $16,722 | Wells |
| 106 | Win 911 Software | 2002 | 6/30/2015 | $7,378 | 135% | $9,979 | General |
| 107 | Cathodic Protection | 2003 | 3/20/2015 | $16,460 | 135% | $22,260 | Storage |
| 108 | 8" insta valve | 2004 | 4/30/2015 | $5,650 | 135% | $7,641 | Distribution |
| 109 | Mainline extension | 2005 | 3/23/2016 | $6,400 | 131% | $8,402 | Distribution |
| 110 | Springbrook UB Software | 2006 | 11/7/2014 | $59,831 | 138% | $82,804 | Billing & Customer Service |
| 111 | Generator-Flouride Removal Plant | 2007 | 9/3/2014 | $148,275 | 138% | $205,210 | Treatment |
| 112 | Meter Reading Handhelds | 2008 | 10/30/2014 | $20,646 | 138% | $28,574 | Billing & Customer Service |
| 113 | Groundwater Management Plan | 2009 | 7/1/2014 | $82,697 | 138% | $114,451 | Water Supply |
| 114 | 2019 Ford Expedition | 2010 | 7/1/2019 | $56,389 | 120% | $67,837 | Distribution |
| 115 | 2019 Ford F-250 | 2011 | 9/25/2019 | $25,992 | 120% | $31,269 | Distribution |
| 116 | Big Tex - Dump Trailer | 2012 | 10/18/2019 | $9,102 | 120% | $10,950 | Distribution |
| 117 | Well 14 - Emergency Generator Upgrade | 2013 | 11/27/2019 | $11,700 | 120% | $14,075 | Wells |
| 118 | Server Upgrade | 2014 | 12/30/2019 | $9,757 | 120% | $11,738 | General |
| 119 | LED Lighting Upgrades | 2015 | 3/18/2020 | $12,986 | 118% | $15,370 | General |
| 120 | 2020 Ford F-150 | 2016 | 4/23/2020 | $23,855 | 118% | $28,236 | Distribution |
| 121 | Valve Replacement (Phoenix) - Dist. System Upgrade | 2017 | 4/24/2020 | $12,000 | 118% | $14,204 | Distribution |
| 122 | Office Emergency Battery Backup System | 2018 | 4/20/2020 | $11,582 | 118% | $13,709 | General |
| 123 | 2019 F-750 Water Truck | 2019 | 6/3/2020 | $94,531 | 118% | $111,891 | Distribution |
| 124 | JCB Tele Handler | 2020 | 6/3/2020 | $116,237 | 118% | $137,583 | Distribution |
| 125 | Air Conditioner Unit - Admin Building | 2021 | 6/11/2020 | $6,705 | 118% | $7,936 | General |
| 126 | 2020 Ford F250 4x4 | 2022 | 6/25/2020 | $51,723 | 118% | $61,222 | Distribution |
| 127 | 2019 Ford F-250 | 2023 | 6/25/2020 | $30,233 | 118% | $35,786 | Distribution |
| 128 | 2019 Ford F-250 | 2024 | 6/25/2020 | $30,233 | 118% | $35,786 | Distribution |
| 129 | AMI Meter System | 2025 | 6/30/2020 | $742,289 | 118% | $878,607 | Meter Maintenance & Replacement |
| 130 | AMI Communication System | 2026 | 6/30/2020 | $854,383 | 118% | $1,011,287 | Billing & Customer Service |

| Line | Capital Asset Description | Asset Number | Purchase Date | Adjusted Cost | CCI Adjustment | Replacement Cost | Functional Category |
|---|---|---|---|---|---|---|---|
| 131 | Big Tex dump trailer | 2101 | 7/31/2020 | $8,750 | 118% | $10,357 | Distribution |
| 132 | AMI Communication System - Additions | 2102 | 9/30/2020 | $161,734 | 118% | $191,436 | Billing & Customer Service |
| 133 | Well 11-B | 2103 | 7/1/2020 | $753,233 | 118% | $891,562 | Wells |
| 134 | Well 11B North Booster Pump | 2104 | 10/31/2020 | $9,200 | 118% | $10,890 | Pumping |
| 135 | Well 11B South Booster Pump | 2105 | 11/30/2020 | $9,875 | 118% | $11,689 | Pumping |
| 136 | Meter Installations FY21 | 2106 | 6/30/2021 | $118,035 | 112% | $132,027 | Meter Maintenance & Replacement |
| 137 | Well 14 Rehab | 2201 | 4/27/2022 | $87,874 | 104% | $91,688 | Wells |
| 138 | Cactus Booster Transfer Switch | 2202 | 1/19/2022 | $5,975 | 104% | $6,234 | Pumping |
| 139 | Fencing at Donnel Reservoir | 2203 | 9/30/2021 | $8,500 | 112% | $9,508 | Storage |
| 140 | Privacy Fence- 6667 La Luna Ave | 2204 | 12/14/2021 | $13,900 | 112% | $15,548 | Distribution |
| 141 | FY 22 Meter Replacements and Additions | 2205 | 6/30/2022 | $23,498 | 104% | $24,518 | Meter Maintenance & Replacement |
| 142 | Office Ice Cube Machine | 2206 | 4/30/2022 | $5,157 | 104% | $5,381 | General |
| 143 | Well TP2 | 2301 | 7/1/2022 | $2,099,181 | 104% | $2,190,280 | Wells |
| 144 | Paymeter Station Upgrade - FOB Reader | 2302 | 6/22/2023 | $30,380 | 102% | $30,865 | Pay Station |
| 145 | 8" Insta-Valve Sullivan & Bullion. | 2303 | 6/30/2023 | $8,100 | 102% | $8,229 | Distribution |
| 146 | 800' Of 8" C-900 DR18 PIPE | 2304 | 6/22/2023 | $21,876 | 102% | $22,225 | Distribution |
| 147 | Well 15 Rehab | 2305 | 3/31/2023 | $60,130 | 102% | $61,090 | Wells |
| 148 | Fence Replacement Campbell Reservoir | 2306 | 4/30/2023 | $14,800 | 102% | $15,036 | Storage |
| 149 | Emergency Generator - Office | 2307 | 6/22/2023 | $34,075 | 102% | $34,619 | General |
| 150 | Wacker Nueson LTV6L Light Towers - (2) | 2308 | 6/22/2023 | $28,781 | 102% | $29,241 | Distribution |
| 151 | Equipment Shade Structure | 2309 | 6/30/2023 | $233,119 | 102% | $236,841 | General |
| 152 | 2023 Ford-F250 4x4 Truck | 2310 | 6/30/2023 | $48,496 | 102% | $49,270 | Distribution |
| 153 | FY 23 Meter Replacements and Additions | 2311 | 6/30/2023 | $26,473 | 102% | $26,896 | Meter Maintenance & Replacement |
| 154 | 6" Insta Valve at Oasis/Outer Hwy 62 | 2401 | 1/31/2024 | $7,225 | 100% | $7,225 | Distribution |
| 155 | 6" Insta Valve at Split Rock/Old Dale | 2402 | 1/31/2024 | $7,225 | 100% | $7,225 | Distribution |
| 156 | Leer/2Mile PRS - Insta Valve and CLA Valve install | 2403 | 5/22/2024 | $29,711 | 100% | $29,711 | Distribution |
| 157 | New Control Board Treatment Plant | 2404 | 4/30/2024 | $11,355 | 100% | $11,355 | Treatment |
| 158 | P-4 South Booster Pump Motor - Treatment Plant | 2405 | 6/30/2024 | $28,178 | 100% | $28,178 | Treatment |
| 159 | Emergency Generator - Lupine Booster Station | 2406 | 3/31/2024 | $67,391 | 100% | $67,391 | Pumping |
| 160 | Emergency Generator - 2Mile Booster Station | 2407 | 9/30/2024 | $44,583 | 100% | $44,583 | Pumping |
| 161 | Luckie Pk Main Line Replacements | 2408 | 11/30/2023 | $10,024 | 102% | $10,184 | Distribution |
| 162 | Hansen Booster Rehab - Pump Upgrade & CLA Valves | 2409 | 1/31/2024 | $67,262 | 100% | $67,262 | Pumping |
| 163 | Ditch Witch HX50A | 2410 | 4/30/2024 | $142,806 | 100% | $142,806 | Distribution |
| 164 | District Wide Security System | 2411 | 6/30/2024 | $27,516 | 100% | $27,516 | General |
| 165 | Bizhub C750I 75 PPM Color Copier | 2412 | 1/31/2024 | $13,022 | 100% | $13,022 | General |
| 166 | Metal Walls for Equipment Shade Structure | 2413 | 9/30/2023 | $14,200 | 102% | $14,427 | General |
| 167 | FY24 Meter Replacements & Additions | 2414 | 6/30/2024 | $34,765 | 100% | $34,765 | Meter Maintenance & Replacement |
| 168 | AMI Communications System - FY24 Additions | 2415 | 6/30/2024 | $14,812 | 100% | $14,812 | Billing & Customer Service |
| 169 | Cad Hardware & Software | ET30 | 1/1/1998 | $8,365 | 229% | $19,177 | General |
| 170 | As Built Drawings (Cad) | ET31 | 6/30/1999 | $6,945 | 224% | $15,557 | General |
| 171 | Pentax Total Station | ET8 | 1/1/1986 | $10,812 | 316% | $34,164 | Distribution |
| 172 | Portable Well Pump | FET124 | 1/1/1995 | $8,500 | 248% | $21,085 | Wells |
| 173 | Vehicle Hoist | FET133 | 7/4/1998 | $11,644 | 229% | $26,693 | Distribution |
| 174 | 73204 Hatch Road | GP10 | 1/1/1989 | $468,805 | 294% | $1,378,613 | General |

| Line | Capital Asset Description | Asset Number | Purchase Date | Adjusted Cost | CCI Adjustment | Replacement Cost | Functional Category |
|---|---|---|---|---|---|---|---|
| 175 | Auto Shop | GP12 | 1/1/1989 | $78,533 | 294% | $230,941 | Distribution |
| 176 | Xeroscape | GP13 | 1/1/1990 | $18,284 | 287% | $52,438 | General |
| 177 | District Fencing | GP14 | 1/1/1990 | $35,442 | 287% | $101,648 | General |
| 178 | Treat Plant Study #111 Alumina | GP21 | 7/3/1997 | $38,217 | 233% | $89,023 | Treatment |
| 179 | Replacement Of Office Carpet | GP24 | 6/30/2000 | $7,517 | 218% | $16,398 | General |
| 180 | Carport District Office | GP26 | 6/30/2002 | $16,449 | 208% | $34,144 | General |
| 181 | Residence Remodel | GP8 | 1/1/1985 | $5,397 | 324% | $17,459 | General |
| 182 | Transite | MH1 | 7/12/1962 | $10,585 | 1556% | $164,735 | Distribution |
| 183 | Transite | MH10 | 7/11/1966 | $45,087 | 1332% | $600,478 | Distribution |
| 184 | 12 Inch Mainline Extension | MH104 | 7/3/2000 | $184,033 | 218% | $401,473 | Distribution |
| 185 | Main Line Ext Araby Ave | MH105 | 7/2/2000 | $8,291 | 218% | $18,088 | Distribution |
| 186 | Area 6 Repiping | MH106 | 7/2/2001 | $608,576 | 214% | $1,302,092 | Distribution |
| 187 | Area 5 Repiping From Job 978085 | MH107 | 7/2/2001 | $468,430 | 214% | $1,002,240 | Distribution |
| 188 | Area 4 Repiping Job 978084 Misc pipe | MH108 | 7/3/2001 | $468,569 | 214% | $1,002,536 | Distribution |
| 189 | Area 3 Repiping | MH109 | 7/3/2001 | $441,844 | 214% | $945,357 | Distribution |
| 190 | Steel | MH11 | 1/1/1967 | $5,363 | 1264% | $67,766 | Distribution |
| 191 | Area 2 Repiping | MH110 | 7/2/2001 | $717,203 | 214% | $1,534,507 | Distribution |
| 192 | Area 1 Repiping | MH111 | 7/2/2001 | $502,617 | 214% | $1,075,385 | Distribution |
| 193 | Repiping Startup Costs | MH112 | 6/30/2002 | $20,986 | 208% | $43,562 | Distribution |
| 194 | Main Extension Sunrise & 2 Mile | MH115 | 7/2/2001 | $7,776 | 214% | $16,638 | Distribution |
| 195 | Main Extension Cottonail And Bullion Mtn | MH116 | 7/2/2001 | $13,156 | 214% | $28,148 | Distribution |
| 196 | Repiping Areas 7 8 & 9 Job 978087 | MH117 | 7/3/2002 | $598,262 | 208% | $1,241,846 | Distribution |
| 197 | Mains 2004-05 | MH118 | 7/2/2004 | $80,188 | 191% | $152,952 | Distribution |
| 198 | Main Lines Various Fy 0304 And Fy 0405 | MH119 | 7/1/2006 | $27,654 | 175% | $48,420 | Distribution |
| 199 | Transite | MH12 | 7/11/1967 | $11,605 | 1264% | $146,644 | Distribution |
| 200 | Contributed Capital Developers Cost | MH120 | 7/1/2009 | $486,300 | 158% | $770,097 | Distribution |
| 201 | Contributed Capital By Sunwest | MH121 | 7/1/2009 | $16,152 | 158% | $25,578 | Distribution |
| 202 | Contrib Capital Bisram Hosp. | MH122 | 6/30/2009 | $10,000 | 158% | $15,836 | Distribution |
| 203 | Contrib Capital Vipassana Ctr Piping | MH123 | 7/1/2009 | $109,100 | 158% | $172,769 | Distribution |
| 204 | Contrib Capital 29 Palms Elem | MH124 | 7/1/2009 | $9,168 | 158% | $14,518 | Distribution |
| 205 | Steel | MH13 | 1/1/1968 | $7,217 | 1175% | $84,800 | Distribution |
| 206 | Transite | MH14 | 7/10/1968 | $31,877 | 1175% | $374,556 | Distribution |
| 207 | Transite | MH16 | 7/10/1969 | $10,601 | 1069% | $113,368 | Distribution |
| 208 | Transite | MH18 | 7/10/1970 | $143,261 | 983% | $1,407,847 | Distribution |
| 209 | Steel | MH2 | 1/1/1963 | $16,198 | 1506% | $243,983 | Distribution |
| 210 | Transite | MH20 | 7/11/1971 | $27,989 | 858% | $240,256 | Distribution |
| 211 | Transite | MH21 | 1/9/1972 | $45,120 | 774% | $349,311 | Distribution |
| 212 | Transite | MH22 | 1/8/1973 | $12,079 | 716% | $86,505 | Distribution |
| 213 | Transite | MH24 | 1/8/1974 | $11,276 | 672% | $75,760 | Distribution |
| 214 | Transite | MH26 | 1/8/1975 | $39,561 | 614% | $242,717 | Distribution |
| 215 | Transite | MH27 | 1/8/1976 | $32,309 | 565% | $182,622 | Distribution |
| 216 | Transite | MH28 | 1/23/1977 | $41,311 | 527% | $217,640 | Distribution |
| 217 | Transite | MH29 | 1/7/1978 | $22,204 | 489% | $108,552 | Distribution |
| 218 | Transite | MH3 | 7/12/1963 | $112,537 | 1506% | $1,695,089 | Distribution |

| Line | Capital Asset Description | Asset Number | Purchase Date | Adjusted Cost | CCI Adjustment | Replacement Cost | Functional Category |
|---|---|---|---|---|---|---|---|
| 219 | Transite | MH30 | 7/9/1978 | $18,452 | 489% | $90,206 | Distribution |
| 220 | Transite | MH31 | 10/26/1979 | $18,413 | 452% | $83,214 | Distribution |
| 221 | Transite | MH32 | 5/6/1980 | $25,046 | 419% | $105,007 | Distribution |
| 222 | Transite (Ad3) | MH33 | 7/1/1982 | $253,822 | 355% | $900,575 | Distribution |
| 223 | Transite | MH34 | 1/6/1983 | $94,559 | 334% | $315,614 | Distribution |
| 224 | Transite | MH35 | 1/6/1984 | $12,318 | 327% | $40,320 | Distribution |
| 225 | Mains | MH37 | 11/13/1984 | $79,852 | 327% | $261,383 | Distribution |
| 226 | Mains | MH39 | 7/7/1985 | $351,992 | 324% | $1,138,735 | Distribution |
| 227 | Steel | MH4 | 1/1/1964 | $20,369 | 1450% | $295,337 | Distribution |
| 228 | Mains | MH41 | 7/7/1986 | $95,145 | 316% | $300,638 | Distribution |
| 229 | Mains | MH42 | 9/5/1986 | $47,899 | 316% | $151,352 | Distribution |
| 230 | Mains | MH43 | 12/6/1986 | $93,093 | 316% | $294,154 | Distribution |
| 231 | Mains | MH44 | 1/5/1987 | $128,137 | 308% | $394,686 | Distribution |
| 232 | Mains | MH45 | 2/4/1987 | $8,262 | 308% | $25,447 | Distribution |
| 233 | Mains | MH47 | 4/6/1987 | $134,830 | 308% | $415,301 | Distribution |
| 234 | Mains | MH48 | 5/7/1987 | $519,921 | 308% | $1,601,455 | Distribution |
| 235 | Mains | MH49 | 7/7/1987 | $137,404 | 308% | $423,230 | Distribution |
| 236 | Transite | MH5 | 7/10/1964 | $9,059 | 1450% | $131,353 | Distribution |
| 237 | Mains | MH50 | 7/7/1987 | $184,086 | 308% | $567,019 | Distribution |
| 238 | Mains | MH51 | 7/6/1987 | $18,152 | 308% | $55,912 | Distribution |
| 239 | Mains | MH52 | 7/6/1987 | $93,142 | 308% | $286,896 | Distribution |
| 240 | Mains | MH53 | 7/7/1987 | $207,254 | 308% | $638,381 | Distribution |
| 241 | Mains | MH54 | 7/6/1987 | $126,242 | 308% | $388,849 | Distribution |
| 242 | Mains | MH55 | 7/7/1987 | $201,861 | 308% | $621,770 | Distribution |
| 243 | Mains | MH56 | 7/6/1987 | $78,853 | 308% | $242,881 | Distribution |
| 244 | Mains | MH60 | 7/6/1988 | $343,865 | 300% | $1,032,683 | Distribution |
| 245 | Mains | MH61 | 7/5/1989 | $25,985 | 294% | $76,414 | Distribution |
| 246 | Mains/Hydrants; Lear | MH62 | 10/15/1989 | $6,501,810 | 294% | $19,119,829 | Distribution |
| 247 | Mains/Hydrants | MH63 | 7/5/1990 | $145,117 | 287% | $416,193 | Distribution |
| 248 | Mains/Hydrants; Lear | MH64 | 7/5/1990 | $22,328 | 287% | $64,036 | Distribution |
| 249 | Hansen Area #1 | MH65 | 1/4/1992 | $783,590 | 272% | $2,133,266 | Distribution |
| 250 | Transmission Line | MH66 | 1/4/1992 | $31,469 | 272% | $85,672 | Distribution |
| 251 | 2 Mile-Adobe Main Line | MH68 | 1/4/1992 | $49,926 | 272% | $135,919 | Distribution |
| 252 | Steel | MH7 | 1/1/1965 | $10,231 | 1398% | $142,990 | Distribution |
| 253 | 8 inch Main Sullivan | MH71 | 7/5/1993 | $14,408 | 260% | $37,532 | Distribution |
| 254 | Dwr Loan | MH73 | 1/1/1993 | $64,266 | 260% | $167,405 | Distribution |
| 255 | Harmony Acres #3 | MH74 | 7/5/1993 | $153,636 | 260% | $400,200 | Distribution |
| 256 | Post Office Area | MH75 | 7/4/1993 | $461,559 | 260% | $1,202,296 | Distribution |
| 257 | 29 Palms Inn Repiping | MH76 | 7/4/1993 | $350,644 | 260% | $913,377 | Distribution |
| 258 | Adobe & Hwy 62 | MH77 | 7/4/1993 | $259,050 | 260% | $674,787 | Distribution |
| 259 | Luckie Park Area 2A | MH78 | 7/4/1994 | $189,902 | 251% | $476,557 | Distribution |
| 260 | Harmony Acres Area | MH79 | 7/5/1994 | $10,160 | 251% | $25,496 | Distribution |
| 261 | Transite | MH8 | 7/11/1965 | $7,379 | 1398% | $103,133 | Distribution |
| 262 | Post Office Area 4 | MH80 | 7/4/1994 | $31,085 | 251% | $78,006 | Distribution |

| Line | Capital Asset Description | Asset Number | Purchase Date | Adjusted Cost | CCI Adjustment | Replacement Cost | Functional Category |
|---|---|---|---|---|---|---|---|
| 263 | Donnell Area 5 Repiping | MH81 | 7/4/1994 | $444,347 | 251% | $1,115,081 | Distribution |
| 264 | 29 Palms Inn Area 6 repiping | MH82 | 7/5/1994 | $23,201 | 251% | $58,223 | Distribution |
| 265 | Adobe & Hwy 62 Area | MH83 | 7/4/1994 | $17,131 | 251% | $42,989 | Distribution |
| 266 | 801 Housing Project | MH84 | 7/4/1994 | $15,257 | 251% | $38,287 | Distribution |
| 267 | Trans & Distrb Sys | MH86 | 7/5/1994 | $469,000 | 251% | $1,176,949 | Distribution |
| 268 | Hydrant Installations | MH87 | 3/21/1996 | $14,261 | 241% | $34,437 | Distribution |
| 269 | Laterals-Dwr Pipeline Replace | MH88 | 7/3/1996 | $570,004 | 241% | $1,376,457 | Distribution |
| 270 | Chocolate Drop Area 2-Dwr Pl Re | MH89 | 7/3/1996 | $431,238 | 241% | $1,041,362 | Distribution |
| 271 | Lower Hansen Area 8-Dwr Pl Re | MH90 | 7/4/1996 | $682,866 | 241% | $1,648,999 | Distribution |
| 272 | Section 30Tin.R9E-Dwr Pl Re | MH91 | 7/3/1996 | $1,246,312 | 241% | $3,009,622 | Distribution |
| 273 | Meter Installations | MH92 | 7/4/1996 | $7,569 | 241% | $18,277 | Meter Maintenance & Replacement |
| 274 | Main Install | MH95 | 7/3/1996 | $8,092 | 241% | $19,540 | Distribution |
| 275 | Dwr Repiping | MH96 | 7/4/1997 | $30,896 | 233% | $71,969 | Distribution |
| 276 | Unknown | MH97 | 7/4/1997 | $26,956 | 233% | $62,792 | Distribution |
| 277 | Main Installation | MH98 | 7/3/1997 | $9,225 | 233% | $21,490 | Distribution |
| 278 | Meters And Services | MS1 | 1/1/1982 | $108,621 | 355% | $385,392 | Meter Maintenance & Replacement |
| 279 | Meters And Services | MS10 | 1/1/1993 | $47,719 | 260% | $124,301 | Meter Maintenance & Replacement |
| 280 | Service Relocates/Reductions | MS13 | 7/4/1996 | $24,621 | 241% | $59,455 | Distribution |
| 281 | Meters And Services | MS2 | 1/1/1985 | $133,845 | 324% | $433,002 | Meter Maintenance & Replacement |
| 282 | Meters And Services | MS3 | 1/1/1986 | $88,467 | 316% | $279,536 | Meter Maintenance & Replacement |
| 283 | Meters And Services | MS4 | 1/1/1987 | $58,699 | 308% | $180,803 | Meter Maintenance & Replacement |
| 284 | Meters And Services | MS5 | 1/1/1988 | $59,774 | 300% | $179,512 | Meter Maintenance & Replacement |
| 285 | Meters And Services | MS6 | 1/1/1989 | $119,188 | 294% | $350,495 | Meter Maintenance & Replacement |
| 286 | Meters And Services | MS7 | 1/1/1990 | $203,092 | 287% | $582,464 | Meter Maintenance & Replacement |
| 287 | Meters And Services | MS8 | 1/1/1991 | $17,639 | 281% | $49,512 | Meter Maintenance & Replacement |
| 288 | Meters And Services | MS9 | 1/1/1992 | $25,231 | 272% | $68,689 | Meter Maintenance & Replacement |
| 289 | Plant 6 - 2 Booster Pumps | PE26 | 1/1/1970 | $6,000 | 983% | $58,963 | Pumping |
| 290 | Plant 11 - 2 Booster Pumps | PE27 | 1/1/1970 | $6,000 | 983% | $58,963 | Pumping |
| 291 | District Improvements | PE42 | 1/1/1981 | $12,114 | 384% | $46,507 | Pumping |
| 292 | Pr Station Hwy 62 & Utah | PE62 | 1/1/1990 | $5,477 | 287% | $15,707 | Pumping |
| 293 | Pr Station; Foothill | PE65 | 1/1/1991 | $8,756 | 281% | $24,576 | Pumping |
| 294 | Pressure Sta Tie In | PE66 | 1/1/1991 | $7,191 | 281% | $20,185 | Pumping |
| 295 | Pump Rehabilitation - Well 7 | PE68 | 1/1/1993 | $21,998 | 260% | $57,302 | Wells |
| 296 | Mc Menamin Line Extension | PE70 | 7/5/1994 | $19,664 | 251% | $49,348 | Pumping |
| 297 | Well Chlorinator Building | PS12 | 1/1/1994 | $12,676 | 251% | $31,809 | Treatment |
| 298 | Pump House - Well 13 | PS6 | 1/1/1986 | $5,165 | 316% | $16,321 | Wells |
| 299 | Telemetry System Software And Computer | RC17 | 6/30/2000 | $141,653 | 218% | $309,020 | Storage |
| 300 | Erosion Control Campbell Reservoir | TDS13 | 7/3/1999 | $28,895 | 224% | $64,721 | Storage |
| 301 | Flood Control Utah | TDS6 | 1/1/1980 | $9,043 | 419% | $37,915 | Storage |
| 302 | Capitalized Engineering Costs - Job 96201 | TP1 | 7/3/1998 | $144,289 | 229% | $330,776 | Treatment |
| 303 | Water Treatment Plant With Equipment | TP3 | 7/3/2000 | $5,029,414 | 218% | $10,971,819 | Treatment |
| 304 | Electrical Upgrade Job 5604 | TP4 | 6/30/2003 | $67,518 | 203% | $136,885 | Treatment |
| 305 | Water Discharge Project Job 5522 Irrigation & Plan | TP5 | 6/30/2003 | $163,761 | 203% | $332,006 | Treatment |
| 306 | Campbell Tank | TR10 | 1/5/1987 | $850,712 | 308% | $2,620,351 | Storage |

| Line | Capital Asset Description | Asset Number | Purchase Date | Adjusted Cost | CCI Adjustment | Replacement Cost | Functional Category |
|---|---|---|---|---|---|---|---|
| 307 | Donnell Tank Rehab | TR12 | 1/5/1988 | $80,785 | 300% | $242,609 | Storage |
| 308 | Stockwell Tank | TR13 | 3/29/1989 | $146,502 | 294% | $430,818 | Storage |
| 309 | Stockwell Tank | TR14 | 1/4/1990 | $93,615 | 287% | $268,486 | Storage |
| 310 | So Hansen Tank | TR16 | 7/4/1992 | $191,592 | 272% | $521,597 | Storage |
| 311 | Worthing Res. Seismic Retrofit Job 96301 | TR19 | 7/4/1998 | $13,936 | 229% | $31,947 | Storage |
| 312 | Donnell 1Mg Tank | TR2 | 1/1/1957 | $53,454 | 1874% | $1,001,987 | Storage |
| 313 | Recoating Of Hansen Reservoir Job 97352 | TR20 | 7/4/1998 | $146,967 | 229% | $336,913 | Storage |
| 314 | Seismic Retrofit Campbell Reservoir | TR21 | 7/3/1999 | $27,156 | 224% | $60,825 | Storage |
| 315 | Seismic Retrofit Lear Reservoir | TR22 | 7/4/1999 | $19,890 | 224% | $44,551 | Storage |
| 316 | Seismic Retrofit Donnell Reservoir | TR23 | 7/4/1999 | $32,401 | 224% | $72,575 | Storage |
| 317 | Baywood Reservoir Seismic Retrofit Job 99004 | TR24 | 6/30/2003 | $31,042 | 203% | $62,934 | Storage |
| 318 | Plant 11A Seismic Retrofit Job 99003 | TR25 | 6/30/2003 | $25,450 | 203% | $51,597 | Storage |
| 319 | Stockwell Reservoir Seismic Retrofit Job 99005 | TR26 | 6/30/2003 | $23,501 | 203% | $47,646 | Storage |
| 320 | Plant 6 42K Tank | TR3 | 1/1/1963 | $6,147 | 1506% | $92,595 | Storage |
| 321 | Plant 11 500K Tank | TR5 | 1/1/1970 | $42,562 | 983% | $418,263 | Storage |
| 322 | Hansen 1.5Mg Tank | TR6 | 1/1/1976 | $179,455 | 565% | $1,014,342 | Storage |
| 323 | Tank Fees | TR7 | 1/1/1981 | $11,756 | 384% | $45,134 | Storage |
| 324 | Land Stockwell Res. | UL141 | 12/7/1998 | $41,192 | 229% | $94,430 | Excluded |
| 325 | Booster Station Parcels (2) Utah Tr & Cactus | UL142 | 6/30/2000 | $9,582 | 218% | $20,903 | Excluded |
| 326 | Land - 2 Mile At Plaza | UL144 | 12/20/2000 | $60,354 | 218% | $131,665 | Excluded |
| 327 | Flood Wall Fencing And Grading | UL145 | 7/3/2000 | $37,405 | 218% | $81,599 | Storage |
| 328 | Land For 1Mg Reservoir 614-221-01 | UL146 | 11/30/2001 | $20,266 | 214% | $43,361 | Excluded |
| 329 | Apn 612-221-01 | UL147 | 6/30/2003 | $41,100 | 203% | $83,325 | Excluded |
| 330 | Fence - Plant 68 & 11 | ULI20 | 1/1/1970 | $5,444 | 983% | $53,503 | Treatment |
| 331 | Well 11 613-131-10 | ULI24 | 1/1/1978 | $17,691 | 489% | $86,488 | Wells |
| 332 | L32/33 Tr255 | ULI32 | 1/1/1986 | $6,900 | 316% | $21,803 | Storage |
| 333 | Fence - Campbell Tank | ULI34 | 1/1/1985 | $8,010 | 324% | $25,914 | Storage |
| 334 | Lighting | ULI35 | 1/1/1989 | $6,714 | 294% | $19,744 | Storage |
| 335 | Well 9 | W13 | 1/1/1970 | $15,955 | 983% | $156,795 | Wells |
| 336 | Well 11 | W15 | 1/1/1978 | $184,615 | 489% | $902,544 | Wells |
| 337 | Well 16 | W22 | 7/5/1990 | $142,388 | 287% | $408,366 | Wells |
| 338 | Well 15 | W23 | 7/6/1990 | $35,857 | 287% | $102,838 | Wells |
| 339 | 3 Mg Tank Plnt 11 | W24 | 7/6/1990 | $382,926 | 287% | $1,098,225 | Storage |
| 340 | Lear Reservoir | W25 | 7/5/1990 | $178,182 | 287% | $511,024 | Storage |
| 341 | Test Well #1 | W27 | 7/5/1990 | $41,602 | 287% | $119,313 | Wells |
| 342 | Lear Reservoir | W28 | 7/5/1990 | $6,228 | 287% | $17,861 | Storage |
| 343 | Recharge Study | W30 | 7/5/1991 | $205,144 | 281% | $575,815 | Water Supply |
| 344 | Well 16 | W32 | 7/5/1991 | $126,614 | 281% | $355,391 | Wells |
| 345 | Plant 11 Emergency P | W33 | 7/5/1993 | $18,279 | 260% | $47,614 | Treatment |
| 346 | District Chlorination S | W34 | 7/5/1993 | $28,933 | 260% | $75,365 | Treatment |
| 347 | Treatment Facility We | W38 | 7/4/1994 | $85,393 | 251% | $214,293 | Treatment |
| 348 | Well #14 | W39 | 7/4/1994 | $148,432 | 251% | $372,488 | Wells |
| 349 | Well 9 Rehabilitation | W44 | 7/4/1995 | $14,436 | 248% | $35,810 | Wells |
| 350 | Wtr Trtment Ph 1 | W45 | 8/15/1995 | $344,654 | 248% | $854,944 | Treatment |

| Line | Capital Asset Description | Asset Number | Purchase Date | Adjusted Cost | CCI Adjustment | Replacement Cost | Functional Category |
|---|---|---|---|---|---|---|---|
| 351 | New Well At Plant #11 | W46 | 7/3/1996 | $13,913 | 241% | $33,597 | Wells |
| 352 | Wtr Treatment Phase Ii | W48 | 7/3/1996 | $235,024 | 241% | $567,540 | Treatment |
| 353 | Well 12 Rehab | W50 | 7/3/1997 | $10,388 | 233% | $24,197 | Wells |
| 354 | Housing & Piping Upgrade-Job 98828 | W55 | 6/30/1999 | $10,826 | 224% | $24,249 | Wells |
| 355 | Well 6 | W7 | 1/1/1964 | $8,500 | 1450% | $123,244 | Wells |
| 356 | Well 8 | W8 | 1/1/1965 | $13,493 | 1398% | $188,589 | Wells |
| 357 | **Total** | | | **$54,019,389** | | **$123,603,680** | |

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