

# **CITY OF SAN FERNANDO**

## **2025 Water and Sewer Rate Study**

### **Final Report**

**August 6, 2025**



**CITY OF SAN FERNANDO  
2025 WATER AND SEWER RATE STUDY  
FINAL REPORT**

Prepared for:

City of San Fernando  
117 N Macneil Street  
San Fernando, CA 91340

Prepared by:

ROBERT D. NIEHAUS, INC.  
140 East Carrillo Street  
Santa Barbara, CA 93101  
(805) 962-0611

RDN Project Number 381



August 6, 2025



Victor Meza  
Water Operations Manager  
City of San Fernando  
117 N Macneil Street  
San Fernando, CA 91340

**Subject: 2025 Water and Sewer Rate Study**

Dear Mr. Meza,

Robert D. Niehaus, Inc. is pleased to provide this Financial Planning, Revenue Requirements, Cost of Service, and Rate Setting Analysis report to the City of San Fernando for its Water and Sewer services. This rate study includes a financial plan to determine the revenue requirements for the next five years and a comprehensive review of the City's current rates based on the cost of service principles. This report outlines the approach, methodology, findings, and recommendations of the study. Each of the components of this study has enhanced the equitability of the rates we propose.

The proposed rates were developed utilizing the City's customer usage data, billing records, accounting, operating and management records, capital plans, and reserve policies. Based on the City-provided data, key assumptions were made for the study using appropriate resources and our econometric and financial expertise. We are confident that the rates proposed in this report are cost-based and are fully compliant with Proposition 218 and other legal requirements.

It has been an absolute pleasure and honor to work with your city. We thank you and all additional staff who helped complete this report.

Respectfully submitted,

A handwritten signature in blue ink that reads "Robert D. Niehaus".

Robert D. Niehaus, Ph.D.

Managing Director/Principal Economist - RDN

Anthony Elowsky M.A.

Project Manager - RDN

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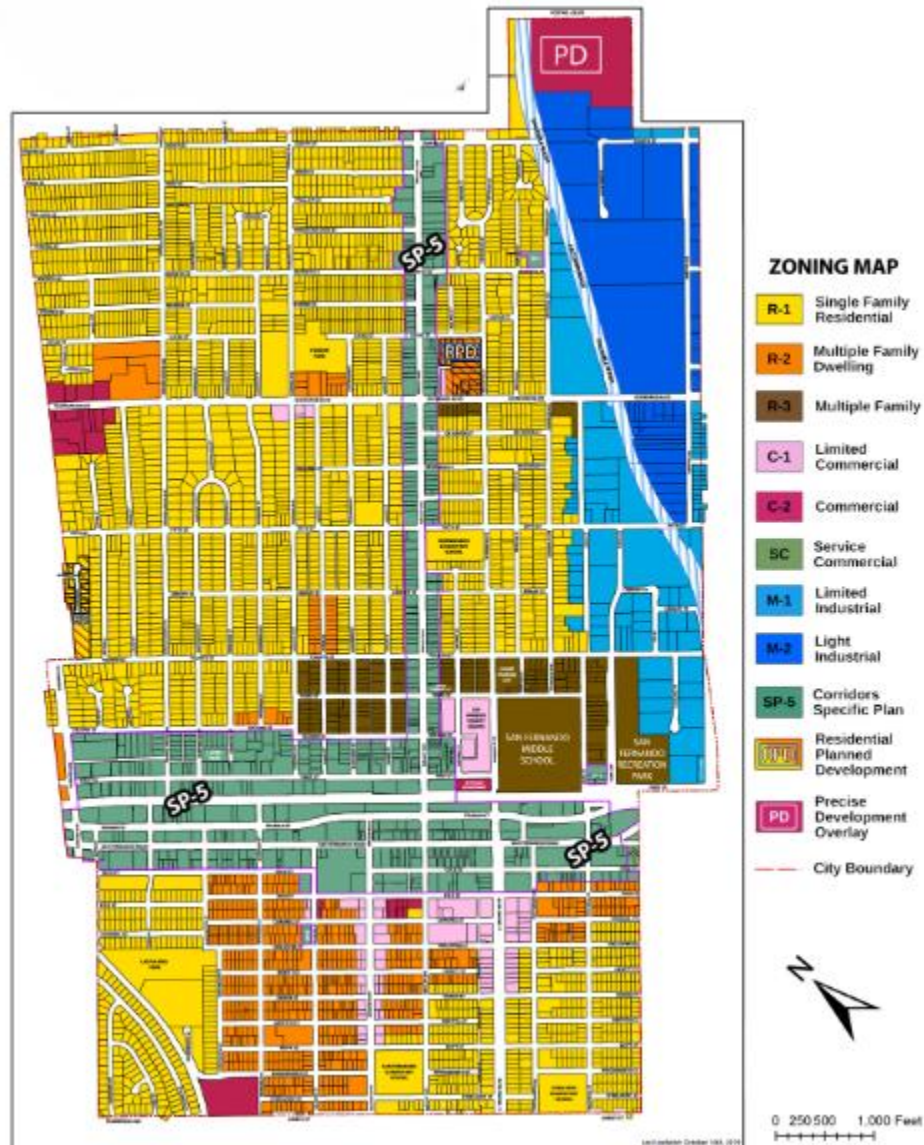
# EXECUTIVE SUMMARY

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## 1.1 Background

The City of San Fernando (City), incorporated in 1911, provides water to a population of approximately 26,000 throughout its service area. The City is located in the San Fernando Valley northwest of downtown Los Angeles and is bounded on all sides by the City of Los Angeles. The City primarily receives its water from the Sylmar Groundwater Basin. The City can also acquire imported water from Metropolitan Water District of Southern California (MWD). The City distributes water to approximately 5,260 service connections through a 66.5-mile network of distribution mains ranging from 4 to 20 inches in size. The water system consists of two pressure zones that provide modified pressure to customers. The existing sewer system is gravity fed and includes around 42 miles of sewer line. The City contracts with the City of Los Angeles for sewer treatment and disposal. **Figure 1** presents the limits of the City of San Fernando as well as the zoning.

**Figure 1. City of San Fernando Boundary and Zoning**



## 1.2 Purpose of Study

The purpose of this analysis is to conduct a rate study which evaluates the City's current utility rates and financial data and propose new rates for its Water and Sewer services, if necessary, to meet the City's financial and strategic goals.

The primary objectives of this Study include:

- Projecting revenues and expenses for a ten-year study period
- Proposing five-year revenue adjustments to fund the City's projected financial needs
- Proposing rates that aim to minimize the impact on customers

- Producing an administrative record which effectively summarizes all findings
- Supporting the City through the Proposition 218 process

### 1.3 Rate Recommendations and Proposed Rates

#### Water

- Adjusting rates annually by the recommended revenue adjustments of 5.0 percent per year
- Develop fixed meter rates for large meters based on their respective capacity requirements
- Introducing a passthrough rate for when the City must purchase water from the Metropolitan Water District

#### Sewer

- Adjusting rates annually by the recommended revenue adjustments of 3.0 percent per year
- Adjusting the basis for School sewer rates to water use rather than number of students

#### Current Water Rates

Currently, the City's water customers pay a bi-monthly fixed charge based on the customer's meter size. Customers also pay variable charges based on water use, which is billed per hundred cubic feet (hcf). All customers currently have a single flat rate for each hcf of water used. The current rates as described are displayed in **Table 1** and **Table 2**. Note that all customers with 6-inch and larger meters currently pay the same bi-monthly rate.

*Table 1. Current Fixed Charges by Meter Size*

Fixed Charges		
Customer Class	Meter Size	Bi-Monthly Fee
All Customers	3/4"	\$55.94
	1"	\$113.66
	1 1/2"	\$209.86
	2"	\$325.30
	3"	\$633.14
	4"	\$979.46
	6"	\$1,941.46
	8"	\$1,941.46
	10"	\$1,941.46

**Table 2. Current Variable Water Rates**

Variable Charges		
Customer Class	Tier - Width	Unit Cost
All Customers	All Use	\$3.10

### Proposed Water Rates

RDN proposes the following rate and revenue adjustments to accomplish the City's financial goals of capital and reserve funding. To achieve the proposed financial plan, RDN recommends that the City raise water revenues by 5.0 percent each year of the rate setting period which includes FY 2026 through FY 2030.

**Table 3. Proposed Revenue Adjustments FY 2026 to FY 2030**

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Proposed Adjustment	5.0%	5.0%	5.0%	5.0%	5.0%

Costs were allocated equitably between all customers during the cost of service analysis. The rates for each meter size represent an equitable portion of the total cost of service for each class allocated the respective meter based on the calculations shown in the Cost of Service Analysis. Variable rates are based on the cost of providing water depending on the water source used by the City. The City will implement each fiscal year rate adjustments on January 1<sup>st</sup> of the fiscal year. The proposed rates which result from these adjustments are shown in **Table 4**, **Table 5**, and **Table 6**.

**Table 4. Proposed Fixed Charges for All Customers by Meter Size, FY 2026 to FY 2030**

Fixed Charges					
Meter Size	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
3/4"	\$56.63	\$59.46	\$62.44	\$65.56	\$68.84
1"	\$112.55	\$118.18	\$124.09	\$130.29	\$136.81
1 1/2"	\$205.75	\$216.04	\$226.84	\$238.19	\$250.10
2"	\$317.60	\$333.48	\$350.15	\$367.66	\$386.04
3"	\$671.76	\$705.35	\$740.62	\$777.65	\$816.53
4"	\$1,193.69	\$1,253.38	\$1,316.04	\$1,381.85	\$1,450.94
6"	\$3,001.80	\$3,151.89	\$3,309.49	\$3,474.96	\$3,648.71
8"	\$5,238.64	\$5,500.57	\$5,775.60	\$6,064.38	\$6,367.60
10"	\$7,848.29	\$8,240.70	\$8,652.74	\$9,085.37	\$9,539.64

**Table 5. Proposed Groundwater Variable Water Rates for All Customers, FY 2026 to FY 2030**

Variable Charges					
All Customers	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
All Use	\$3.28	\$3.45	\$3.62	\$3.80	\$3.99

**Table 6. Proposed MWD Variable Water Rates for All Customers, FY 2026 to FY 2030**

Variable Charges					
All Customers	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
MWD Water	\$4.98	\$5.23	\$5.49	\$5.76	\$6.05

### Current Sewer Rates

Currently, the City's sewer customers pay a bi-monthly fixed charge based on their customer class. Non-residential customers are also assessed a variable charge, which is based on water usage or, for School and Higher Education customers, student enrollment. These variable charges vary by customer class to account for differences in the level of treatment required for the wastewater they discharge. The current sewer rates are displayed in **Table 7** and **Table 8**.

**Table 7. Current Sewer Fixed Charges**

Fixed Charges	
Customer Class	Bi-Monthly Fee
Residential (Flat Rate)	\$84.82
Residential (Multi Unit)	\$62.11
Commercial Group II	\$35.59
Commercial Group III	\$35.59
Commercial Industrial	\$35.59
Commercial Group IV	\$35.59
Commercial Group V	\$35.59
Commercial Schools	\$35.59
Commercial Higher Education	\$35.59
Commercial City Property	\$35.59

**Table 8. Current Sewer Variable Charges**

Variable Charges		
Customer Class	Unit	Unit Cost
Commercial Group II	All Use	\$2.89
Commercial Group III	All Use	\$4.79
Commercial Industrial	All Use	\$2.58
Commercial Group IV	All Use	\$7.08
Commercial Group V	All Use	\$2.89
Commercial Schools	Per Student	\$1.86
Commercial Higher Education	Per Student	\$1.86
Commercial City Property	All Use	\$2.51



## Proposed Sewer Rates

The recommended sewer rates include a revenue adjustment schedule designed to contribute to the City's reserves and fund significant capital improvements. RDN, working with City staff, determined that an annual increase of 3.0 percent through the study period is necessary to maintain healthy sewer fund balances. The proposed rates also revise the rate structure. Notably, School and Higher Education customers will now be charged variable rates based on water usage rather than student enrollment. The process used to determine equitable sewer rates is thoroughly described in the cost of service and rate design sections of this report. The proposed revenue adjustments, the proposed fixed rates, and the proposed variable rates for FY 2026 – FY 2030 are shown in **Table 9**, **Table 10**, and **Table 11** respectively.

*Table 9. Proposed Revenue Adjustments FY 2026 to FY 2030*

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Proposed Adjustment</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>

*Table 10. Proposed Fixed Sewer Rates FY 2026 to FY 2030*

<b>Fixed Charges</b>					
<b>Customer Class</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>
<b>Residential (Flat Rate)</b>	\$82.43	\$84.91	\$87.45	\$90.08	\$92.78
<b>Residential (Multi Unit)</b>	\$68.39	\$70.45	\$72.56	\$74.74	\$76.98
<b>Commercial Group II</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Group III</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Industrial</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Group IV</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Group V</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Schools</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Higher Education</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial City Property</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38

*Table 11. Proposed Variable Sewer Rates FY 2026 to FY 2030*

<b>Variable Charges</b>					
<b>Customer Class</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>
<b>Commercial Group II</b>	\$3.28	\$3.38	\$3.48	\$3.58	\$3.69
<b>Commercial Group III</b>	\$5.00	\$5.15	\$5.31	\$5.47	\$5.63
<b>Commercial Industrial</b>	\$2.98	\$3.07	\$3.16	\$3.26	\$3.36
<b>Commercial Group IV</b>	\$7.08	\$7.29	\$7.51	\$7.73	\$7.97
<b>Commercial Group V</b>	\$3.28	\$3.38	\$3.48	\$3.58	\$3.69
<b>Commercial Schools</b>	\$2.34	\$2.41	\$2.48	\$2.55	\$2.63
<b>Commercial Higher Education</b>	\$2.34	\$2.41	\$2.48	\$2.55	\$2.63
<b>Commercial City Property</b>	\$2.93	\$3.02	\$3.11	\$3.20	\$3.30



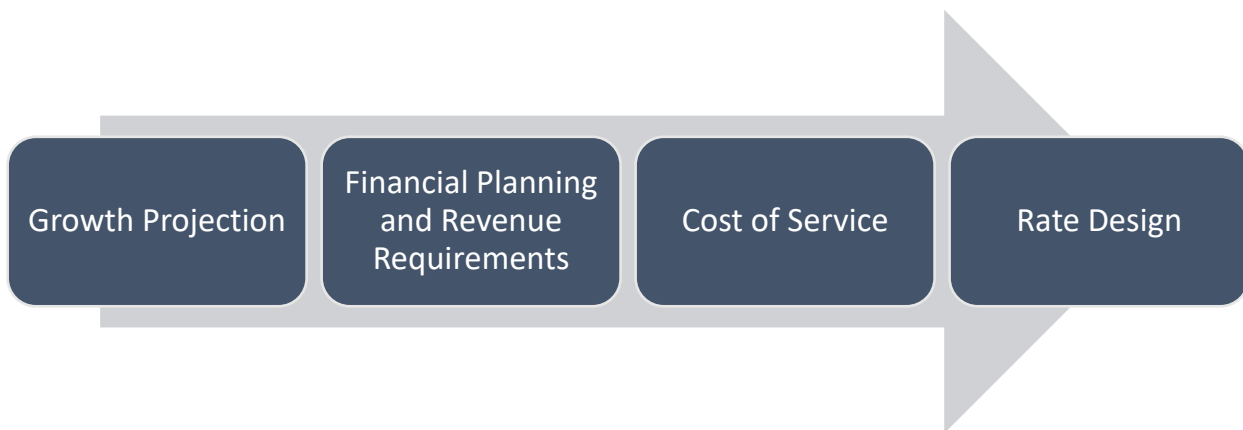
# METHODOLOGY

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## 2.1 General Methodology

The Water and Sewer rates were developed using principles set forth by the American Water Works Association (AWWA) and the Water Environment Federation (WEF). RDN rate-making practices incorporate methods described in the AWWA Manual 1 (M1)<sup>1</sup> for Water Systems and the WEF Financing and Charges for Sewer Systems<sup>2</sup> wherever possible. **Figure 2** presents the steps taken to develop the City's proposed rates.

*Figure 2. Water and Sewer Rate Study Process*



- **Growth Projection:** project customer growth for the ten-year study period, FY 2026 through FY 2035, using the City's historical customer growth data. Forecast revenues for the study period based on the projected customer growth.
- **Financial Planning and Revenue Requirements:** develop a ten-year financial plan based on the projected revenues and annual costs which include operating, debt service, and capital expenses. The City's target reserve level should also be considered as part of the financial planning. Based on the financial planning, revenue requirements are determined for each year of the study period.
- **Cost of Service:** evaluate the customer classifications and allocate costs based on their service requirements.
- **Rate Design:** design rates to equitably recover the rate revenue requirements from each customer.

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<sup>1</sup> Principles of Water Rates, Fees, and Charges, Seventh Edition, Manual of Water Supply Practices, American Water Works Association

<sup>2</sup> Financing and Charges for Sewer Systems, WEF Manual of Practice Number 27, Water Environment Federation

## 2.2 Legal Considerations

This section describes the legal framework considered in the development of the recommended rates to ensure that the calculated cost of service rates provide a fair and equitable allocation of costs to each customer class.

### *California Constitution-Article XIII C (Proposition 26)*

California voters approved Proposition 26 on November 2, 2010. Proposition 26 amended Article XIII C of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” with listed exceptions. By means of these exceptions, Article XIII C classifies several types of charges, in addition to property-related charges, that are not taxes, such as charges for specific services or benefits, regulatory charges and penalties.

*Article XIII C’s definition of “tax” lists the following exceptions: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D.*

Proposition 26 also provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payer bear a fair or reasonable relationship to the payer’s burdens on, or benefits received from, the governmental activity. Like the proportionality requirements of Article XIII D, assessment of rates under these requirements, if applicable, would be supported by the cost of service approach.

### *California Constitution-Article XIII D, Section 6 (Proposition 218)*

In November 1996, California voters passed Proposition 218, the “Right to Vote on Taxes Act.” This constitutional amendment protects taxpayers by limiting the methods by which local governments can create or increase taxes, fees and charges without taxpayer consent. Between 2002 and 2017, California courts have ruled that fees associated with providing water services are “property-related” and thus under the jurisdiction of Prop 218. The principal requirements for fairness of the fees, as they relate to public water service, are as follows: Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service. Revenues derived by the fee or charge shall not be used for any other purpose other than that for which the charge was imposed. The amount of the fee or charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel. Reliance by an agency on any parcel map, including, but not limited to, an assessor’s parcel map, may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership for purposes of this article.

The rates developed in this report use a methodology to establish an equitable system of charges that recovers the cost of providing service and fairly apportions costs to each customer as required by Proposition 218.

### *California Constitution-Article X, Section 2*

*Article X, Section 2 of the California Constitution (established in 1976) provides as follows:*

*“It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.”*

*As such, public agencies are constitutionally mandated to maximize the beneficial use of water, prevent waste, and encourage efficiency which this Study achieves.*

### *Government Code Section 53756:*

- (a) It adopts the schedule of fees or charges for a property-related service for a period not to exceed five years pursuant to Section 53755.*
- (b) The schedule of fees or charges includes a schedule of adjustments, including a clearly defined formula for adjusting for inflation. Any inflation adjustment to a fee or charge, however, may not exceed the cost of providing that service.*

- (c) *Provides for automatic adjustments that pass through adopted increases or decreases in wholesale charges for water, sewage treatment, or wastewater treatment established by another public agency.*

*The report should also note that any adjustments per Govt. Code Section 53755(a), must be preceded by not less than 30 days notice before the effective date of the adjustment.*

This rate study, in conjunction with the City's findings and determinations for individual customers, establishes an equitable rate for each customer.

## 2.3 Key Assumptions

A test year, FY 2025, was selected for which costs are to be analyzed and rates to be established for this study. The financial plan was built for the next ten years, including the five-year study period FY 2026 through FY 2030 with a detailed revenue adjustment plan. The cost of service rates are adjusted each year by the determined revenue adjustments based on the financial plan. The City's fiscal year starts on July 1 and ends on June 30.

### Escalation Factors

The financial plan was built based on an assumption in the projected escalation of revenues and expenses associated with both operations and maintenance (O&M) and capital improvement projects (CIPs). Bureau of Labor Statistics (BLS) Los Angeles-Long Beach-Anaheim Consumer Price Index (CPI), Federal Reserve Bank of St. Louis (FRED) Economic Research Division, Quarterly Census of Employment and Wages (QCEW), and Engineering News Record (ENR) Building Cost Index (BCI). Escalation factors used in this study are shown in **Table 12**. The Los Angeles-Long Beach-Anaheim geography was chosen.

The overall escalation factor is derived solely from the All Items series of the BLS Los Angeles-Long Beach-Anaheim CPI. The All Items series represents a broad measure of the average change in prices over time for a wide array of goods and services. The market basket includes categories such as food and beverage, housing, apparel, transportation, medical, and other goods and services.

The Utilities escalation factor is derived from the Fuels and utilities and Energy series of the BLS Los Angeles-Long Beach-Anaheim CPI. RDN takes a weighted average of the Energy and Fuels and Utilities data sets to form a combined utilities inflation factor. This escalation factor accurately captures the costs associated with energy consumption and utility service.

The payroll escalation factor was provided by City Staff based on historical actual costs and unknown impacts of employee bargaining unit negotiations.

The fuels and automobile escalation factor is derived from the Private Transportation, Fuels and Utilities, and Motor Fuel series of the BLS Los Angeles-Long Beach-Anaheim CPI. RDN takes a weighted average of the Private Transportation, Fuels and utilities, and Motor Fuel data sets to form a combined Fuels and Automobile inflation factor.

The Construction escalation factor is derived using ENR's BCI for the selected geography. ENR publishes a building cost index for Los Angeles, San Francisco, California, and the National level. RDN analyzed all four indices and, in coordination with staff, ultimately selected the index which best represents the building cost environment in the Agency, the Los Angeles BCI.

The insurance escalation factor is derived solely from the Federal Reserve Bank of St. Louis' Producer Price Index for for insurance premiums. This index tracks the insurance costs for both liability and property coverage for businesses in the United States.

**Table 12. Expense Escalation Factors**

Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Payroll	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Other Employee	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Utilities	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Chemicals	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%
Water Treatment	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Fuel/Automobile	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Construction	6.4%	4.1%	4.1%	4.1%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Insurance	9.6%	8.8%	6.4%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Overall	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Equipment	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%

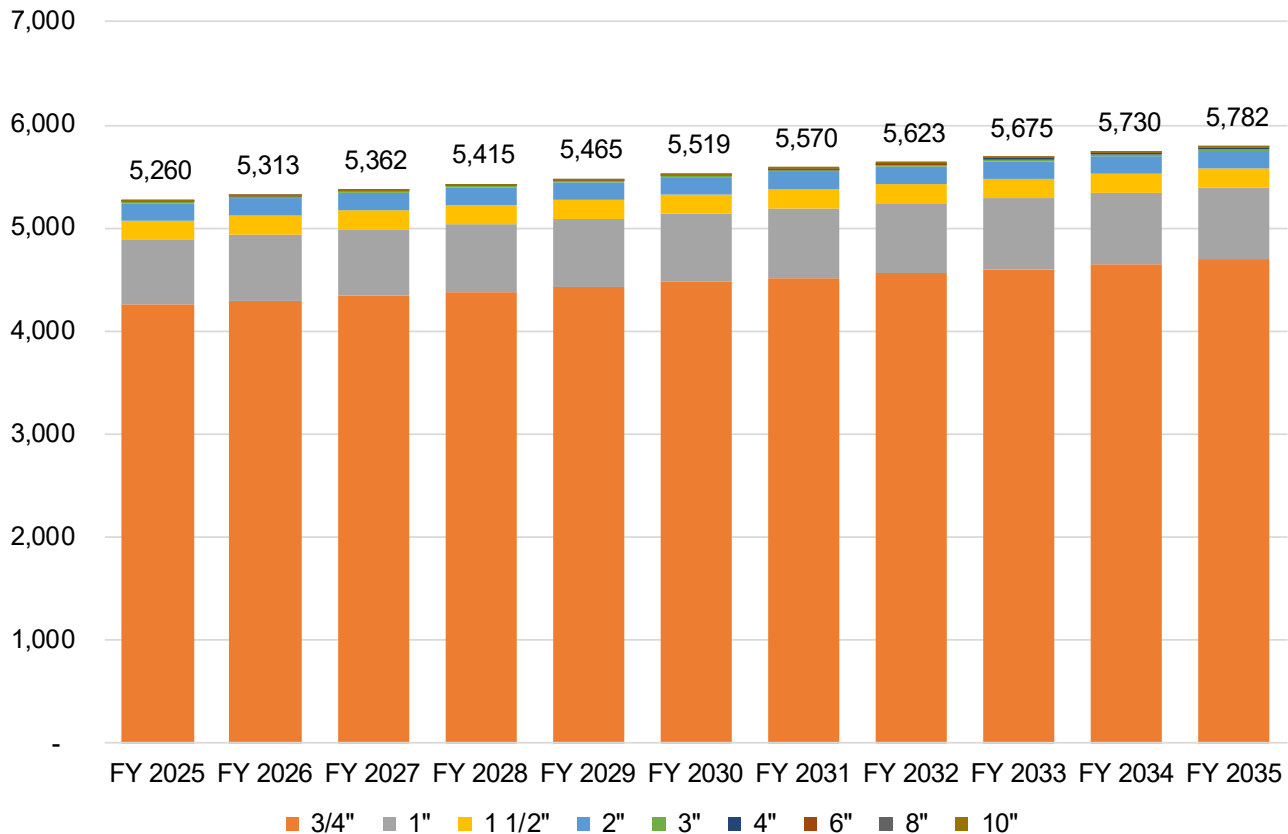
## Customer Growth

Customer growth projections were developed based on an analysis of historical billing records and long-term growth trends observed within the City. Additionally, per-account water use was assumed to remain stable throughout the study period.

## Water

There are currently approximately 5,260 water meters connected to the City's water system. In ten years, 5,782 meters are projected. A total of 259 new Water Service connections are projected to join the water system during the 5-year rate setting period, approximately 52 per year. **Figure 3** shows the annual water customer growth for the study period. **Table 13** shows the projected number of meters for all customer classes during the rate setting period.

**Figure 3. Annual Water Customer Growth FY 2025 to FY 2035**



**Table 13. Annual Meter Count FY 2025 to FY 2030**

Meter Size	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
3/4"	4,258	4,300	4,342	4,385	4,427	4,471
1"	632	639	645	651	657	663
1 1/2"	176	178	179	180	181	183
2"	165	167	167	169	170	172
3"	17	17	17	18	18	18
4"	8	8	8	8	8	8
6"	3	3	3	3	3	3
8"	-	-	-	-	-	-
10"	1	1	1	1	1	1
<b>Total</b>	<b>5,260</b>	<b>5,313</b>	<b>5,362</b>	<b>5,415</b>	<b>5,465</b>	<b>5,519</b>

## Sewer

During the 5-year study period, a total of 317 new sewer customer connections are expected. Growth was projected for sewer customers based on an analysis of historical billing records and City growth

trends. **Table 14** shows the projected number of billing units from each customer class during the rate setting period.

*Table 14. Annual Sewer Customer Counts, FY 2025 to FY 2030*

Customer Class	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential (Flat Rate)	3,744	3,781	3,819	3,857	3,895	3,934
Residential (Multi Unit)	2,064	2,081	2,099	2,116	2,134	2,151
Commercial Group II	294	297	300	303	306	309
Commercial Group III	54	55	56	57	58	59
Commercial Group IV	80	81	82	83	84	85
Commercial Group V	80	81	82	83	84	85
Commercial Industrial	165	167	169	171	173	175
Commercial Schools	10	10	10	10	10	10
Commercial Higher Education	6	6	6	6	6	6
Commercial City Property	27	27	27	27	27	27
Low Income	229	231	233	235	237	239
<b>Total</b>	<b>6,753</b>	<b>6,817</b>	<b>6,883</b>	<b>6,948</b>	<b>7,014</b>	<b>7,080</b>

## Reserve Policy

The City's reserve policy includes reserves for each utility. The total water fund reserve target for FY 2025 is \$3.1 million. The total sewer fund reserve target for FY 2025 is \$1.7 million. **Table 15** and **Table 16** show the reserve targets for the Water and Sewer utilities for FY 2025, respectively, as well as the reserve policy for each individual reserve.

*Table 15. Water Reserve Policies and FY 2026 target*

Reserve	Policy	FY 2025 Target
Stabilization and Contingency Funds	3 Months Operating Expenses	\$1,184,610
Infrastructure Replacement Fund	Sufficient to provide funding for infrastructure replacement	\$1,907,018
<b>Total Reserve Target</b>		<b>\$3,091,628</b>

*Table 16. Sewer Reserve Policies and FY 2026 target*

Reserve	Policy	FY 2025 Target
Stabilization and Contingency Funds	3 Months Operating Expenses	\$864,259
Infrastructure Replacement Fund	Sufficient to provide funding for infrastructure replacement	\$802,946
<b>Total Reserve Target</b>		<b>\$1,667,205</b>

## Equivalent Meter Size

When designing fixed bi-monthly water service charges, the potential demand or capacity requirements placed on the water system can be measured by the size of installed meters which receive services from

the system. The safe operating flow (or capacity) of a particular size of the meter is essentially the limiting factor in terms of the demand that can be exerted on the water system through the meter. The ratio of the safe operating capacity of various sizes of meters relative to the capacity of a base meter may be used to determine appropriate charges for the larger meter sizes<sup>3</sup>. The City considers 3/4" meters as the base meter capacity. The capacity ratio is calculated using the meter capacities in gallons per minute (gpm) provided in the AWWA M1 for meters larger than 3/4 inch. **Table 17** shows the equivalent meter ratios used in this study for standard meters.

**Table 17. AWWA Equivalent Meter Ratios**

<b>Meter Size</b>	<b>Meter Ratio</b>
3/4"	1.00
1"	2.50
1 1/2"	5.00
2"	8.00
3"	17.50
4"	31.50
6"	80.00
8"	140.00
10"	210.00

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<sup>3</sup> From "Principles of Water Rates, Fees, and Charges" by American Water Works Association, 2017, Seventh Edition, Appendix B, p. 385.



# WATER UTILITY

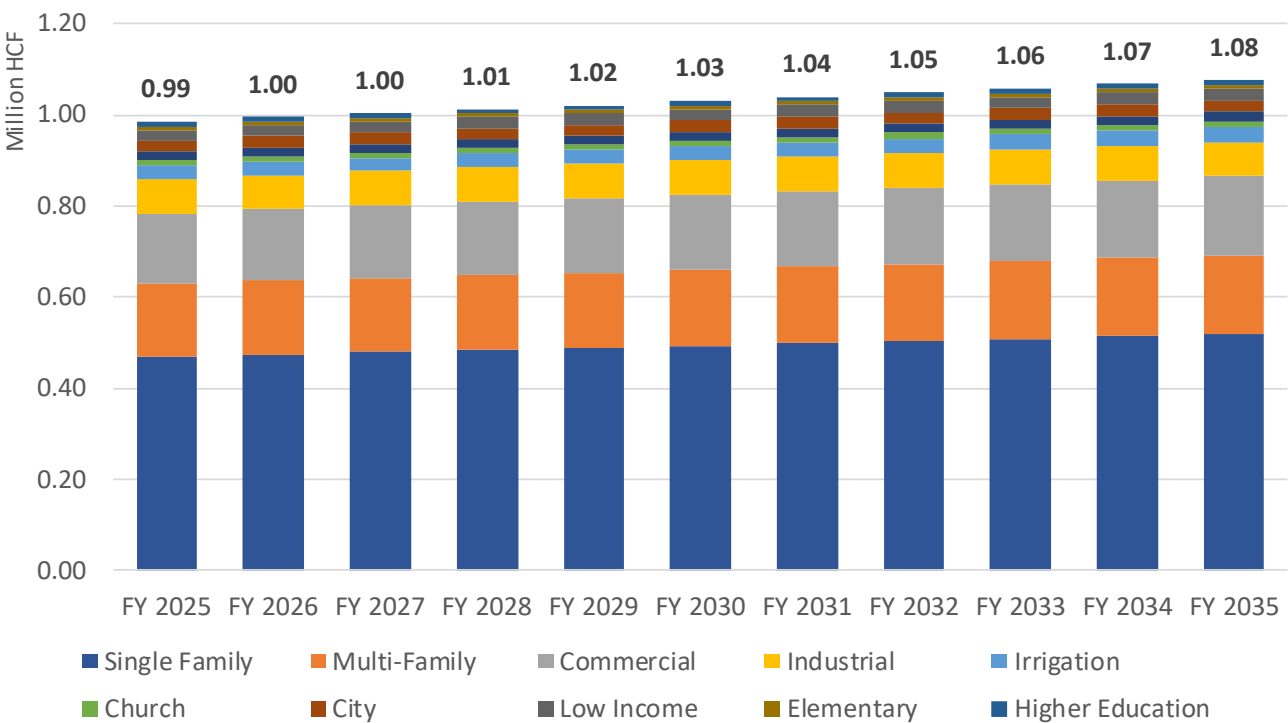
## 3.1 Financial Plan

RDN built a 10-year financial model for the water utility to meet the City’s long-term financial goals.

### Demand Projections

Using historical billing records, RDN first calculated aggregate water usage to establish a baseline for demand projections. We then determined per-account usage for each customer class by dividing total usage by the number of accounts. For the purposes of this study, per-account usage was assumed to remain constant over the forecast period. This assumption allows projected changes in water demand to be driven solely by changes in the number of accounts. Finally, projected account counts were multiplied by per-account usage to estimate total water demand by customer class. **Figure 4** shows the City’s projected water demand over the next ten years.

*Figure 4. Annual Aggregate Water Use, FY 2025 to FY 2035*



**Table 18** shows the annual water use projection by customer class for the rate setting period.

*Table 18. Annual Water Use by Customer Class in hcf, FY 2025 to FY 2030<sup>4</sup>*

Customer Class	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Single Family	470,780	475,432	480,210	484,988	489,767	494,671
Multi-Family	159,856	161,211	162,566	163,920	165,275	166,630
Commercial	154,427	156,162	157,897	159,979	161,714	163,449
Industrial	76,237	76,237	76,237	76,237	76,237	76,237
Irrigation	27,675	29,036	29,036	29,944	29,944	30,851
Church	11,668	11,668	11,668	11,668	11,668	11,911
County	19,823	19,823	19,823	19,823	19,823	19,823
City	23,226	23,889	23,889	24,221	24,553	24,885
Low Income	24,365	24,578	24,790	25,003	25,216	25,429
Elementary	7,598	7,598	7,598	7,598	7,598	7,598
Higher Education	9,743	9,743	9,743	9,743	9,743	9,743
<b>Total</b>	<b>985,397</b>	<b>995,376</b>	<b>1,003,457</b>	<b>1,013,124</b>	<b>1,021,537</b>	<b>1,031,226</b>

## Revenues

Based on the account growth and water demand projections, RDN forecasted revenues generated from customer rates using the current water rates for the study period, which total approximately \$5.6 to \$5.8 million annually. Other operating income and non-operating revenue are estimated to provide supplemental revenue each year. **Table 19** shows the projected other operating and non-operating revenue for the water utility by source for FY 2025 to FY 2030.

*Table 19. Annual Other and Non-Operating Revenue by Source, FY 2025 to FY 2030*

Non-Rate Revenue	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Interest Income	\$50,000	\$50,250	\$50,501	\$50,754	\$51,008	\$51,263
Meter And Fire Service	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
Water Installation Charge	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Capital Facility Charges	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Backflow Prevention Fee	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Miscellaneous Revenue	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
<b>Total</b>	<b>\$410,000</b>	<b>\$410,250</b>	<b>\$410,501</b>	<b>\$410,754</b>	<b>\$411,008</b>	<b>\$411,263</b>

The system's total revenue for the study period is estimated to be approximately \$6.0 to \$6.3 million annually under the current rates. **Table 20** shows the projected revenue flow for the study period (FY 2025 – FY 2030) without any revenue adjustments, projections are based on water use and customer growth projections as well as other operating and non-operating revenue estimates provided by City staff.

<sup>4</sup> Use projections derived from historical bi-monthly customer billing records provided by the City and trends in water use

**Table 20. Water Utility Operating Forecast, FY 2025 to FY 2030**

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Revenue from Rates</b>						
Fixed Charges	\$2,531,774	\$2,556,803	\$2,575,987	\$2,603,209	\$2,624,344	\$2,649,362
Variable Charges	\$3,054,729	\$3,085,667	\$3,110,717	\$3,140,685	\$3,166,764	\$3,196,800
<b>Rate Revenue Total</b>	<b>\$5,586,504</b>	<b>\$5,642,469</b>	<b>\$5,686,704</b>	<b>\$5,743,894</b>	<b>\$5,791,108</b>	<b>\$5,846,162</b>
<b>Other Operating Revenues</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>
<b>Non-operating Revenues</b>	<b>\$50,000</b>	<b>\$50,250</b>	<b>\$50,501</b>	<b>\$50,754</b>	<b>\$51,008</b>	<b>\$51,263</b>
<b>Total</b>	<b>\$5,996,504</b>	<b>\$6,052,719</b>	<b>\$6,097,205</b>	<b>\$6,154,647</b>	<b>\$6,202,116</b>	<b>\$6,257,424</b>

## Operating and Maintenance (O&M) Expense

The water utility's budget includes \$4.7 million in operating expenses for FY 2025. Total operating expenses are expected to increase approximately 4.0 percent per year based on the application of specific inflation factors to each budget line item. By the end of the five-year rate setting period, total operating expenses are expected to reach \$5.8 million. **Table 21** shows projected operating expenses for the rate setting period by budget category.

**Table 21. Operating Expenses by Expense Category, FY 2025 to FY 2030<sup>5</sup>**

Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Water Attorney	\$1,000	\$1,032	\$1,065	\$1,099	\$1,134	\$1,171
Water Retirement	\$350,254	\$376,587	\$404,900	\$435,342	\$468,073	\$503,264
Water Administration	\$1,649,761	\$1,707,900	\$1,768,027	\$1,828,289	\$1,887,205	\$1,948,384
Utility Billing	\$399,952	\$419,234	\$438,958	\$456,842	\$471,041	\$485,746
Water Distribution	\$682,194	\$711,971	\$742,718	\$772,137	\$798,371	\$825,742
Water Production	\$1,655,277	\$1,723,348	\$1,794,048	\$1,864,602	\$1,932,794	\$2,004,040
<b>Total Operating</b>	<b>\$4,738,438</b>	<b>\$4,940,072</b>	<b>\$5,149,716</b>	<b>\$5,358,311</b>	<b>\$5,558,618</b>	<b>\$5,768,347</b>

## Other Obligations

Other obligations included in the financial plan are capital improvement projects funded by rates known as PAYGO (Pay As You Go), debt service payments, and reserve contributions made from rates.

## Capital Improvement Projects

The City plans to spend an average of \$3.0 million a year on capital projects during the rate setting period. \$2.0 million on average of the total expenditures per year will be funded by grants. **Table 22** shows the City's scheduled capital improvement projects for the next five years by funding source. **Figure 5**

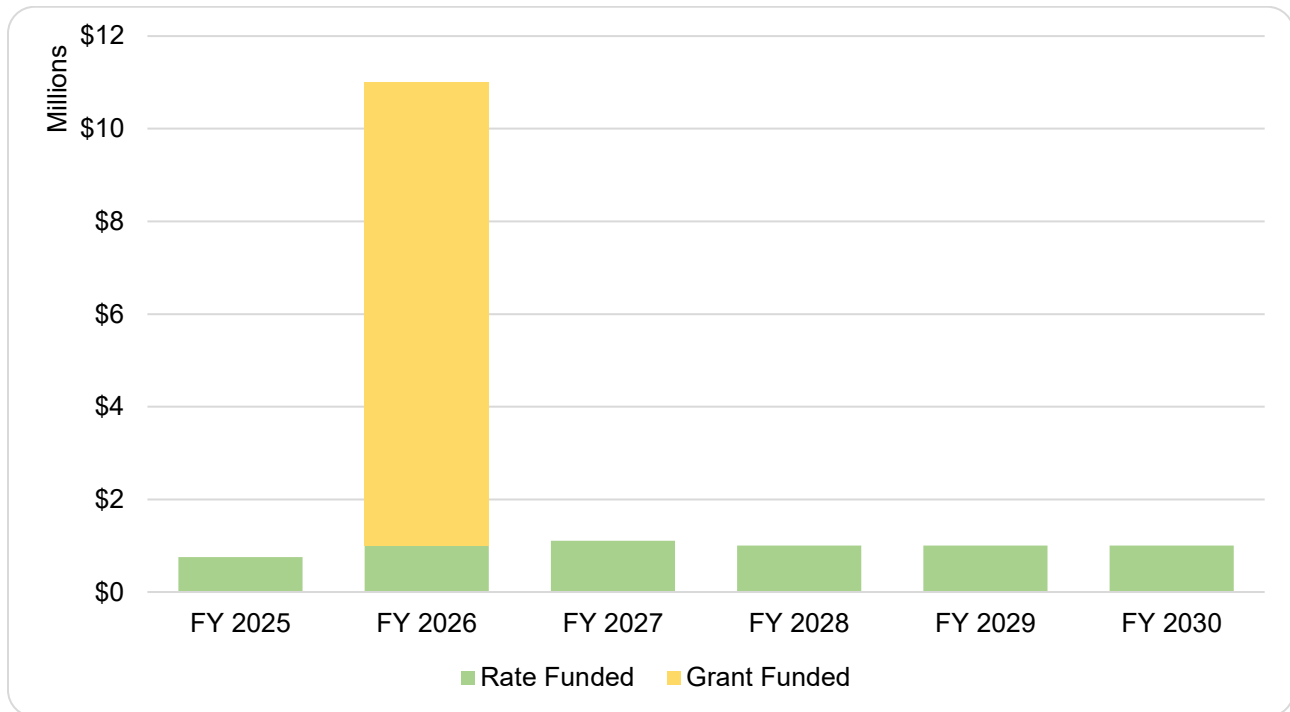
<sup>5</sup> City staff provided current year operating expenses by category; projections are based on individual line-item inflationary factors shown in Table 14

graphically shows the capital plan by funding source, only PAYGO funded expenditure will impact customer rates.

**Table 22. Rate Study CIP Expenses by Expense Type, FY 2025 to FY 2030<sup>6</sup>**

CIP Funding Source	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Rate Funded	\$755,000	\$1,004,000	\$1,105,000	\$1,000,000	\$1,000,000	\$1,000,000
Grant Funded	\$0	\$10,000,000	\$0	\$0	\$0	\$0
<b>Total CIP</b>	<b>\$755,000</b>	<b>\$11,004,000</b>	<b>\$1,105,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>

**Figure 5. Rate Study CIP Expenses by Funding Source, FY 2025 to FY 2030**



## Debt Service and Coverage Ratios

The water utility received an internal loan in 2021 to fund pension obligations, “2021B Pension Obligation Bond.” Payments are made annually; however, these debt obligations not subject to any debt service coverage requirements. **Table 23** shows the water utility’s annual debt payments used in this study.

**Table 23. Rate Study Debt Service Expenses, FY 2025 to FY 2030**

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Principal	\$113,150	\$113,150	\$113,150	\$116,800	\$116,800	\$125,560
Interest	\$82,262	\$81,188	\$79,775	\$78,033	\$76,002	\$68,367
<b>Total Debt Service</b>	<b>\$195,412</b>	<b>\$194,338</b>	<b>\$192,925</b>	<b>\$194,833</b>	<b>\$192,802</b>	<b>\$193,927</b>

<sup>6</sup> City’s 10-year CIP budget as well as input from staff was used for project cost, project type, and funding source

Reserves

The City must maintain an appropriate reserve balance to ensure the day-to-day operation will continue during emergencies and guarantee the future stability of the system. The City’s financial goal is to build an appropriate level of cash reserves for each reserve fund included in the financial plan of this Study. The reserve target for the water utility is described below:

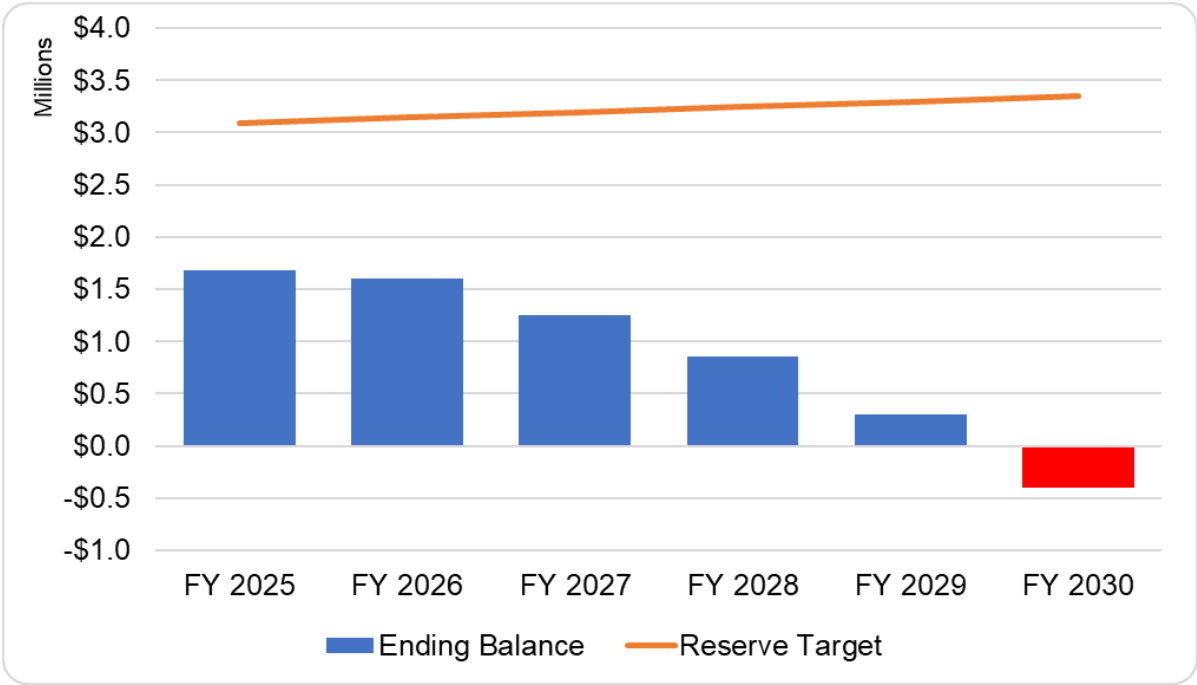
- **Stabilization and Contingency Funds:** three months of operating expenses
- **Infrastructure Replacement Fund:** sufficient to provide funding for infrastructure replacement<sup>7</sup>

The reserve target at the end of the study period reaches \$3.3 million. **Table 24** shows the City’s reserve targets for FY 2025 through FY 2030 based on the current reserve policy. **Figure 6** displays the resulting cash balances versus the reserve target under the current rates. Reserve targets based on reserve policy shown in **Table 15** and operating and capital expenditure totals shown in **Tables 20 and 21**, respectively.

Table 24. Water Reserve Target, FY 2025 to FY 2030

Reserve Fund	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Stabilization and Contingency Funds	\$1,184,610	\$1,235,018	\$1,287,429	\$1,339,578	\$1,389,654	\$1,442,087
Infrastructure Replacement Fund	\$1,907,018	\$1,907,018	\$1,907,018	\$1,907,018	\$1,907,018	\$1,907,018
<b>Total Reserve Target</b>	<b>\$3,091,628</b>	<b>\$3,142,036</b>	<b>\$3,194,447</b>	<b>\$3,246,596</b>	<b>\$3,296,673</b>	<b>\$3,349,105</b>

Figure 6. Water Cash Balances and Reserve Target with Current Rates, FY 2025 to FY 2030



<sup>7</sup> the annual average of total planned capital spending over ten years was used to calculate this reserve target

## Financial Plan

Based on the projected total revenue and necessary costs to be recovered during the study period, RDN built a financial plan that will generate sufficient revenues for the day-to-day operation and annual PAYGO and make appropriate contributions to reserves. The City currently has a projected ending cash balance of \$1.7 million in FY 2025. **Table 25** shows the status quo water pro forma with no revenue adjustments and the resulting ending balances based on the revenues and expenses outlined in this section.

**Table 25. Status Quo Financial Pro Forma for City of San Fernando Water System, FY 2025 to FY 2030**

Rate Increase	0.0%		0.0%		0.0%		0.0%		0.0%	
Rate Month Implemented										
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030				
Cash Position Opening Balance	\$ 1,377,088	\$ 1,684,741	\$ 1,599,050	\$ 1,248,614	\$ 850,117	\$ 300,812				
<b>Revenues</b>										
Water Rate Revenue	\$ 5,586,504	\$ 5,642,469	\$ 5,686,704	\$ 5,743,894	\$ 5,791,108	\$ 5,846,162				
Adjusted Water Rate Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Other Operating Revenue	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000				
Non-Operating Revenue	\$ 50,000	\$ 50,250	\$ 50,501	\$ 50,754	\$ 51,008	\$ 51,263				
<b>Total Revenues</b>	<b>\$ 5,996,504</b>	<b>\$ 6,052,719</b>	<b>\$ 6,097,205</b>	<b>\$ 6,154,647</b>	<b>\$ 6,202,116</b>	<b>\$ 6,257,424</b>				
Operating Expenses	\$ 4,738,438	\$ 4,940,072	\$ 5,149,716	\$ 5,358,311	\$ 5,558,618	\$ 5,768,347				
<b>Net Operating Revenues</b>	<b>\$ 1,258,066</b>	<b>\$ 1,112,647</b>	<b>\$ 947,489</b>	<b>\$ 796,336</b>	<b>\$ 643,498</b>	<b>\$ 489,077</b>				
Current Rate Funded Debt Service	\$ 195,412	\$ 194,338	\$ 192,925	\$ 194,833	\$ 192,802	\$ 193,927				
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
<b>Total Rate Funded Debt Service</b>	<b>\$ 195,412</b>	<b>\$ 194,338</b>	<b>\$ 192,925</b>	<b>\$ 194,833</b>	<b>\$ 192,802</b>	<b>\$ 193,927</b>				
<b>Total Operating and Debt Service</b>	<b>\$ 4,933,850</b>	<b>\$ 5,134,411</b>	<b>\$ 5,342,641</b>	<b>\$ 5,553,145</b>	<b>\$ 5,751,420</b>	<b>\$ 5,962,274</b>				
<b>Total Operating and Debt Net Revenues</b>	<b>\$ 1,062,653</b>	<b>\$ 918,309</b>	<b>\$ 754,564</b>	<b>\$ 601,503</b>	<b>\$ 450,696</b>	<b>\$ 295,150</b>				
Capital Expenditure	\$ 755,000	\$ 11,004,000	\$ 1,105,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000				
Debt Proceeds Proposed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Debt Proceeds New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Capacity Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Grants	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -				
Cash	\$ 755,000	\$ 1,004,000	\$ 1,105,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000				
Net Income	\$ 307,653	\$ (85,691)	\$ (350,436)	\$ (398,497)	\$ (549,304)	\$ (704,850)				
<b>Ending Balance</b>	<b>\$ 1,684,741</b>	<b>\$ 1,599,050</b>	<b>\$1,248,614</b>	<b>\$850,117</b>	<b>\$300,812</b>	<b>(\$404,038)</b>				

**Table 26** shows the proposed water pro forma for the study period with the recommended 5.0 percent revenue adjustments per year. Revenue adjustments will occur in January of each Fiscal Year.

**Table 26. Proposed Financial Pro Forma for City of San Fernando Water System, FY 2025 to FY 2030**

Rate Increase		5.0%	5.0%	5.0%	5.0%	5.0%
Rate Month Implemented		1-Jan	1-Jan	1-Jan	1-Jan	1-Jan
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Cash Position Opening Balance	\$ 1,377,088	\$ 1,684,741	\$ 1,740,112	\$ 1,823,287	\$ 2,171,855	\$ 2,702,972
<b>Revenues</b>						
Water Rate Revenue	\$ 5,586,504	\$ 5,642,469	\$ 5,686,704	\$ 5,743,894	\$ 5,791,108	\$ 5,846,162
Adjusted Water Rate Revenue	\$ -	\$ 141,062	\$ 433,611	\$ 747,065	\$ 1,080,422	\$ 1,437,536
Other Operating Revenue	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000
Non-Operating Revenue	\$ 50,000	\$ 50,250	\$ 50,501	\$ 50,754	\$ 51,008	\$ 51,263
<b>Total Revenues</b>	<b>\$ 5,996,504</b>	<b>\$ 6,193,781</b>	<b>\$ 6,530,816</b>	<b>\$ 6,901,713</b>	<b>\$ 7,282,538</b>	<b>\$ 7,694,960</b>
Operating Expenses	\$ 4,738,438	\$ 4,940,072	\$ 5,149,716	\$ 5,358,311	\$ 5,558,618	\$ 5,768,347
<b>Net Operating Revenues</b>	<b>\$ 1,258,066</b>	<b>\$ 1,253,709</b>	<b>\$ 1,381,100</b>	<b>\$ 1,543,401</b>	<b>\$ 1,723,920</b>	<b>\$ 1,926,613</b>
Current Rate Funded Debt Service	\$ 195,412	\$ 194,338	\$ 192,925	\$ 194,833	\$ 192,802	\$ 193,927
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Debt Service</b>	<b>\$ 195,412</b>	<b>\$ 194,338</b>	<b>\$ 192,925</b>	<b>\$ 194,833</b>	<b>\$ 192,802</b>	<b>\$ 193,927</b>
<b>Total Operating and Debt Service</b>	<b>\$ 4,933,850</b>	<b>\$ 5,134,411</b>	<b>\$ 5,342,641</b>	<b>\$ 5,553,145</b>	<b>\$ 5,751,420</b>	<b>\$ 5,962,274</b>
<b>Net Revenues</b>	<b>\$ 1,062,653</b>	<b>\$ 1,059,370</b>	<b>\$ 1,188,175</b>	<b>\$ 1,348,568</b>	<b>\$ 1,531,117</b>	<b>\$ 1,732,686</b>
Capital Expenditure	\$ 755,000	\$ 11,004,000	\$ 1,105,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Debt Proceeds Proposed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Proceeds New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -
Cash	\$ 755,000	\$ 1,004,000	\$ 1,105,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Net Income	\$ 307,653	\$ 55,370	\$ 83,175	\$ 348,568	\$ 531,117	\$ 732,686
<b>Ending Balance</b>	<b>\$ 1,684,741</b>	<b>\$1,740,112</b>	<b>\$ 1,823,287</b>	<b>\$ 2,171,855</b>	<b>\$2,702,972</b>	<b>\$3,435,658</b>

## Revenue Requirements

**Table 27** displays the water utility's revenue requirements for FY 2025. In the rate design section, the proposed revenue adjustments will be applied to the cost of service-based rates which were designed considering the FY 2025 revenues and expenses. The total expense for each year is offset by other operating revenues and non-operating revenues to compute a pure portion of revenue requirements that need to be recovered from customers' rates. RDN proposes annual revenue adjustments of 5.0 percent in FY 2026 through FY 2030 to reach the financial goals set by the City.

*Table 27. Revenue Requirements for City of San Fernando Water Utility, FY 2025*

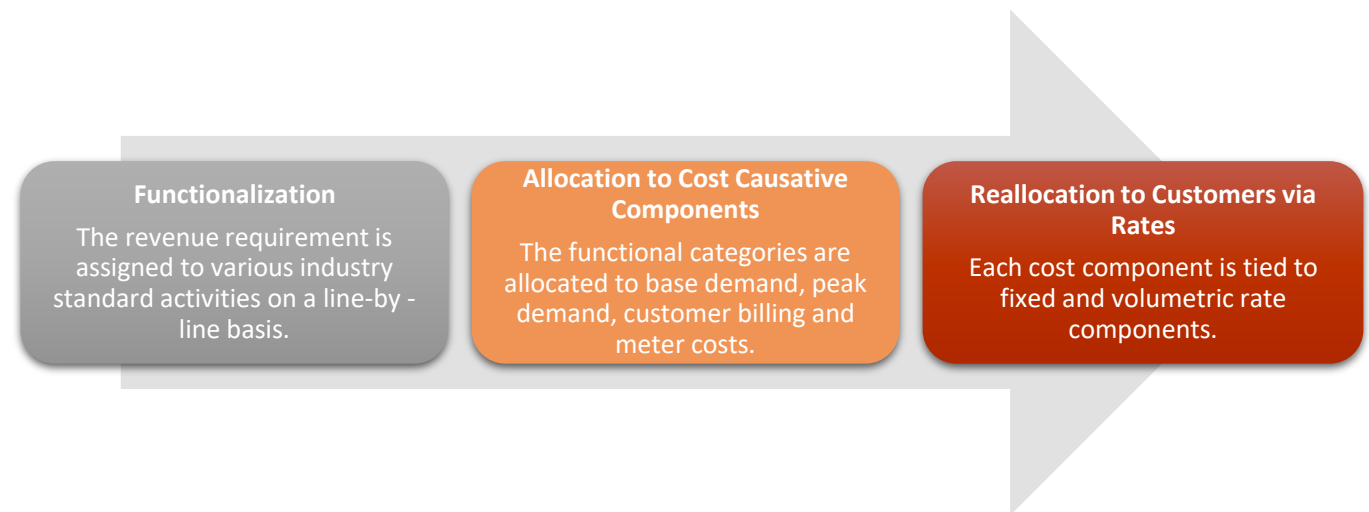
Revenue Requirements	FY 2025
O&M Expenses	\$4,738,438
Debt Service	\$195,412
Capital Expenditures	\$755,000
Other Operating Revenue	(\$360,000)
Non-Operating Revenue	(\$50,000)
Net Balance From Operations	\$307,653
<b>Rate Revenue Requirement</b>	<b>\$5,586,504</b>



## 3.2 Cost of Service Analysis

The purpose of a Cost of Service (COS) analysis is to allocate costs among customers commensurate with their service requirements. RDN employed the “base-extra capacity” cost-of-service method promulgated in AWWA’s M1, whereby costs are first allocated to individual functions, which are typical industry standard activities, then the costs of each function are distributed to appropriate cost causative components, which are defined by the cost driving elements. The results of the COS form a reasonable, equitable basis for designing rates. **Figure 7** displays a typical process for the COS analysis.

*Figure 7. A Typical Flow for Cost of Service Analysis Process*



### Functionalization of Costs

Operating and capital costs are functionalized based on operating categories used in the City’s budget and input from City staff with expertise on the system and utility industry knowledge. The functionalization of non-operating expenses is based on total water asset values, which represents a better overall estimate of systemwide needs versus just one year of capital expenditure. The functions of the water system for both operating and capital expenses include:

- Water Supply – costs associated with water procurement and purchases
- Groundwater – costs associated with groundwater procurement
- Storage – costs associated with water storage for distribution
- Transmission and Distribution – costs associated with transmitting and distributing water to customers
- Pumping – costs associated with general pumping and energy use
- Treatment – costs associated with treating water
- Customer – costs associated with customer service and billing related tasks

- Meters – costs associated with the reading and maintenance of meters
- Hydrants – costs associated with maintaining public fire hydrants
- Administrative and General – costs associated with administrative and general functions

Costs and assets were functionalized based on industry standard budget determinations and input from staff. **Table 28** shows the amount and percentage of test year operating expenses allocated to each function. **Table 29** shows the amount and percentage of the City's fixed assets allocated to each function. Total assets were used as a proxy for the allocation of non-operating expenses because they represent the long-term investment in the system made by the City. A single year of non-operating expenses typically does not reflect an adequate ratio of overall system investments.

**Table 28. Percentage of Operating Costs Allocated to Standard Functions**

<b>O&amp;M Expense</b>		
<b>Category</b>	<b>Allocation</b>	<b>Percent</b>
<b>Total O&amp;M</b>	<b>\$4,738,438</b>	<b>100.0%</b>
Groundwater	\$966,777	20.4%
Transmission and Distribution	\$571,505	12.1%
Pumping	\$300,000	6.3%
Treatment	\$200,000	4.2%
Customer	\$399,952	8.4%
Administrative and General	\$2,001,015	42.2%

**Table 29. Percentage of Non-operating Costs Allocated to Standard Functions**

<b>Non-Operating Expense</b>		
<b>Category</b>	<b>Allocation</b>	<b>Percent</b>
<b>Total Assets</b>	<b>\$17,980,156</b>	<b>100.0%</b>
Water Supply	\$575,511	3.2%
Groundwater	\$218,233	1.2%
Storage	\$10,235,481	56.9%
Transmission and Distribution	\$2,597,076	14.4%
Pumping	\$1,436,674	8.0%
Treatment	\$154,568	0.9%
Meters	\$195,000	1.1%
Hydrants	\$174,014	1.0%
Administrative and General	\$2,393,600	13.3%

A COS analysis considers both the average quantity of water consumed (base costs) and the peak rate at which it is consumed (peaking or capacity costs as identified by maximum demands compared to base demands). Peaking costs are costs that are incurred during peak times of consumption. There are additional costs associated with designing, constructing, operating, and maintaining facilities to meet peak demands. All current and future water facilities, including water mains, pump stations, reservoirs,

wells, and treatment plants, are designed and constructed to meet peak demands. If deficiencies are found, the existing facilities get upsized, or a secondary line or pump is installed to meet the peaking demands. These peak demand costs should be allocated to those customers whose potential use patterns generate additional costs for the utility. In other words, not all customers share the same responsibility for peaking related costs. For the system to provide adequate service to its customers at all times, it must be capable of meeting not only the annual volume requirements, but also the peak demand - the maximum rate at which water is consumed. The percent of peak delivery over an average day was determined by using actual customer billing records. **Table 30** shows actual customer water use by billing period. **Table 31** shows base (average) and peak (highest months) use divided by the number of days included in the period. The October billing period includes 61 days, so to calculate the daily use during the peak billing period, the total use in that period is divided by the increment.

**Table 30. System-Wide Water Use by Billing Period**

Category	August	October	December	February	April	June
Water Use	167,416	213,788	185,074	147,212	134,159	137,746

**Table 31. Water Use Divided by Billing Days**

Category	Base	Peak
Water Use	985,397	213,788
Days	365	61
<b>Daily Use</b>	<b>2,700</b>	<b>3,505</b>

**Table 32** shows the systemwide peaking factors based on customer use patterns as described.

**Table 32. System-Wide Peak Delivery Factor**

	Factor	Base	Peak
<b>Use</b>		<b>2,700</b>	<b>3,505</b>
Base Delivery	1.00	100.0%	0.0%
Peak Delivery	1.30	77.0%	23.0%

The cost causative components include:

- **Source of Supply** – water purchase costs, groundwater procurement, pumping costs, etc.
- **Base Delivery** – delivering water to customers under average demand conditions
- **Peak Delivery**– the costs of delivering water to customers with the highest demand
- **Meters** – the costs of servicing and reading meters
- **Customer Service** – billing and other customer service-related costs

Water supply costs are allocated 100 percent to the Supply component as they relate to purchasing water from other agencies as well as groundwater. Storage, Transmission and Distribution, Treatment, and

Pumping costs are proportionally allocated between Base and Peak delivery based on water demand patterns since all infrastructure is constructed to meet regular and peak demand. Administrative and general costs are allocated to cost components based on the percentage of the functions allocated to the other cost categories excluding source of supply costs.

**Table 33** through **Table 36** show the percent and total value of functionalized operating costs and assets allocated to the cost causative components. Meter and customer service costs were allocated directly to their respective component.

**Table 33. Percent of Operating Function Categories Allocated to Cost Components**

O&M Expense						
Category	Total Allocation	Source of Supply	Base Delivery	Peak Delivery	Meters	Customer Service
Groundwater	\$966,777	100.0%	0.0%	0.0%	0.0%	0.0%
Transmission and Distribution	\$571,505	0.0%	77.0%	23.0%	0.0%	0.0%
Pumping	\$300,000	0.0%	77.0%	23.0%	0.0%	0.0%
Treatment	\$200,000	0.0%	77.0%	23.0%	0.0%	0.0%
Customer	\$399,952	0.0%	0.0%	0.0%	45.0%	55.0%
Administrative and General	\$2,001,015	0.0%	32.1%	9.6%	40.0%	18.3%

**Table 34. Total of Operating Functional Categories Allocated to Cost Components**

O&M Expense						
Category	Total Allocation	Source of Supply	Base Delivery	Peak Delivery	Meters	Customer Service
Groundwater	<b>\$966,777</b>	\$966,777	\$0	\$0	\$0	\$0
Transmission and Distribution	<b>\$571,505</b>	\$0	\$440,234	\$131,270	\$0	\$0
Pumping	<b>\$300,000</b>	\$0	\$231,092	\$68,908	\$0	\$0
Treatment	<b>\$200,000</b>	\$0	\$154,062	\$45,938	\$0	\$0
Customer	<b>\$399,952</b>	\$0	\$0	\$0	\$179,978	\$219,974
Administrative and General	<b>\$2,001,015</b>	\$0	\$642,709	\$191,645	\$799,591	\$367,071
<b>Percent of Total</b>	<b>100.0%</b>	<b>20.4%</b>	<b>31.0%</b>	<b>9.2%</b>	<b>27.0%</b>	<b>12.4%</b>

**Table 35. Percent of Non-Operating Function Categories Allocated to Cost Components**

Category	Non-Operating Expense					
	Total Allocation	Source of Supply	Base Delivery	Peak Delivery	Meters	Customer Service
Water Supply	\$575,511	100.0%	0.0%	0.0%	0.0%	0.0%
Groundwater	\$218,233	100.0%	0.0%	0.0%	0.0%	0.0%
Storage	\$10,235,481	0.0%	77.0%	23.0%	0.0%	0.0%
Transmission and Distribution	\$2,597,076	0.0%	77.0%	23.0%	0.0%	0.0%
Pumping	\$1,436,674	0.0%	77.0%	23.0%	0.0%	0.0%
Treatment	\$154,568	0.0%	77.0%	23.0%	0.0%	0.0%
Meters	\$195,000	0.0%	0.0%	0.0%	100.0%	0.0%
Hydrants	\$174,014	0.0%	0.0%	100.0%	0.0%	0.0%
Administrative and General	\$2,393,600	0.0%	74.7%	23.7%	1.6%	0.0%

**Table 36. Total of Non-Operating Functional Categories Allocated to Cost Components**

Category	Non-Operating Expense					
	Total Allocation	Source of Supply	Base Delivery	Peak Delivery	Meters	Customer Service
Water Supply	<b>\$575,511</b>	\$575,511	\$0	\$0	\$0	\$0
Groundwater	<b>\$218,233</b>	\$218,233	\$0	\$0	\$0	\$0
Storage	<b>\$10,235,481</b>	\$0	\$7,884,468	\$2,351,013	\$0	\$0
Transmission and Distribution	<b>\$2,597,076</b>	\$0	\$2,000,547	\$596,529	\$0	\$0
Pumping	<b>\$1,436,674</b>	\$0	\$1,106,681	\$329,993	\$0	\$0
Treatment	<b>\$154,568</b>	\$0	\$119,065	\$35,503	\$0	\$0
Meters	<b>\$195,000</b>	\$0	\$0	\$0	\$195,000	\$0
Hydrants	<b>\$174,014</b>	\$0	\$0	\$174,014	\$0	\$0
Administrative and General	<b>\$2,393,600</b>	\$0	\$1,788,019	\$567,309	\$38,272	\$0
<b>Percent of Total</b>	<b>100.0%</b>	<b>4.4%</b>	<b>71.7%</b>	<b>22.5%</b>	<b>1.3%</b>	<b>0.0%</b>

The non-operating expenses for the test year are made up of debt service payments and capital expenditures totaling approximately \$950,000. Those costs are distributed to the cost components based on the final percentages shown in **Table 36**, above, which are based on the total asset values of water assets owned by the City. Water asset values represent the long-term investment in the City's water system and serve as a proxy value for how a single year of non-operating expenses should be allocated. Asset values do not significantly

fluctuate year over year as annual capital expenditures do, which ensures that cost categories are accurately represented. Operating allocations are based on the projected test year expenses and the total for each cost component reflect the percentages in **Table 34**. **Table 37** shows the projected test year expenses allocated to each cost component based on the percentages in **Table 34** and **Table 36**.

**Table 37. Operating and Non-Operating Cost Allocation to Cost Components**

<b>Cost Component</b>	<b>Operating Percentage</b>	<b>Operating Costs</b>	<b>Non-Operating Percentage</b>	<b>Non-Operating Costs</b>
<b>Total</b>	<b>100.0%</b>	<b>\$4,738,438</b>	<b>100.0%</b>	<b>\$950,412</b>
Source of Supply	20.4%	\$966,777	4.4%	\$41,956
Base Delivery	31.0%	\$1,468,097	71.7%	\$681,816
Peak Delivery	9.2%	\$437,761	22.5%	\$214,309
Meters	27.0%	\$1,278,758	1.3%	\$12,331
Customer Service	12.4%	\$587,045	0.0%	\$0

**Table 38** shows the cost allocation by cost causative components under the proposed financial plan before adjustments. Revenue offsets made up of non-operating revenues for FY 2025 shown in **Table 19** will be used to offset purchased water costs in the rate design section. Other operating revenues are allocated to each cost component based on the overall cost allocation percentages shown in the “percent of total” row.

**Table 38. Rate Revenue Requirements for Test Year, FY 2025**

<b>Cost Allocation Summary</b>	<b>Total</b>	<b>Source of Supply</b>	<b>Base Delivery</b>	<b>Peak Delivery</b>	<b>Meters</b>	<b>Customer Service</b>
O&M Revenue Requirements	\$4,738,438	\$966,777	\$1,468,097	\$437,761	\$1,278,758	\$587,045
Non-Operating Revenue Requirements	\$950,412	\$41,956	\$681,816	\$214,309	\$12,331	\$0
<b>Total</b>	<b>\$5,688,850</b>	<b>\$1,008,733</b>	<b>\$2,149,913</b>	<b>\$652,070</b>	<b>\$1,291,089</b>	<b>\$587,045</b>
Percent of Total		17.7%	37.8%	11.5%	22.7%	10.3%

**Table 39** shows the total cost allocation by cost category that will be used to allocate costs to each customer. Other operating revenue and net balances are applied based on the overall percentages allocated to each cost category in the percent of total line. Non-operating revenues are comprised of interest on investments and are applied directly to offset the cost of variable rates.

**Table 39. Final Cost of Service Allocations with all Adjustments**

Cost Allocation Summary	Total	Source of Supply	Base Delivery	Peak Delivery	Meters	Customer Service	Revenue Offset
O&M Revenue Requirements	\$4,738,438	\$966,777	\$1,468,097	\$437,761	\$1,278,758	\$587,045	\$0
Non-Operating Revenue Requirements	\$950,412	\$41,956	\$681,816	\$214,309	\$12,331	\$0	\$0
<b>Total</b>	<b>\$5,688,850</b>	<b>\$1,008,733</b>	<b>\$2,149,913</b>	<b>\$652,070</b>	<b>\$1,291,089</b>	<b>\$587,045</b>	<b>\$0</b>
Percent of Total		17.7%	37.8%	11.5%	22.7%	10.3%	0.0%
Other Operating Revenue	(\$360,000)	(\$63,834)	(\$136,050)	(\$41,264)	(\$81,702)	(\$37,149)	\$0
Non-Operating Revenue	(\$50,000)	\$0	\$0	\$0	\$0	\$0	(\$50,000)
Net Balance From Operations	\$307,653	\$54,552	\$116,267	\$35,264	\$69,822	\$31,747	\$0
<b>Rate Revenue Requirement</b>	<b>\$5,586,504</b>	<b>\$999,451</b>	<b>\$2,130,130</b>	<b>\$646,070</b>	<b>\$1,279,209</b>	<b>\$581,643</b>	<b>(\$50,000)</b>



## Allocation to Customer Classes

All customers are billed based on their meter size and water use level. The total revenue requirements reflect the final cost allocation in **Table 39**. These totals will be applied to customers based on the corresponding number of units allocated to that customer.

## Allocation to Units

The final step of the COS analysis is to allocate the cost causative components back to the customers. In order to perform this, unit values were determined for each cost component. **Table 41** shows the number of systemwide units under each category. Equivalent meters are determined by multiplying the total meters by their equivalent meter value. **Table 40** shows the meters currently connected to the water system and the number of equivalent meters based on AWWA meter equivalency factors.

**Table 40. Total Equivalent Meters Used for Cost Allocation**

Meter Size	Number of Meters	Equivalence Factor	Total Equivalent Meters
3/4"	4,258	1.00	4,258
1"	632	2.50	1,580
1 1/2"	176	5.00	880
2"	165	8.00	1,320
3"	17	17.50	298
4"	8	31.50	252
6"	3	80.00	240
8"	-	140.00	-
10"	1	210.00	210
<b>Total</b>	<b>5,260</b>		<b>9,038</b>

The number of bills in one year (the number of accounts multiplied by 6) serves as the basis for distributing billing and customer service costs associated with customer billing and collection, and other customer services costs. The number of equivalent meters is used to distribute meter related service costs. **Table 41** shows the sum of systemwide units used to derive unit costs for each cost category.

**Table 41. Cost of Service Units**

Unit	Count of Units
Bills	31,560
Equivalent Meters	9,038
Water Use	985,397

**Table 42** shows the total cost allocation by cost component divided by the corresponding unit values to develop a unit cost for each.

**Table 42. Rate Revenue Requirements Divided by the Corresponding Units**

	<b>Total</b>	<b>Source of Supply</b>	<b>Base Delivery</b>	<b>Peak Delivery</b>
Rate Revenue Requirement	\$5,586,504	\$999,451	\$2,130,130	\$646,070
Units		985,397	985,397	9,038
<b>Unit Cost</b>		<b>\$1.01</b>	<b>\$2.16</b>	<b>\$71.49</b>

	<b>Meters</b>	<b>Customer Service</b>	<b>Revenue Offset</b>
Rate Revenue Requirement	\$1,279,209	\$581,643	(\$50,000)
Units	9,038	31,560	985,397
<b>Unit Cost</b>	<b>\$141.54</b>	<b>\$18.43</b>	<b>(\$0.05)</b>

### 3.3 Water Rate Design

RDN proposes the following adjustments to customer water rate structures:

- Adjusting rates annually by the recommended revenue adjustments of 5.0 percent per year
- Introducing rates for larger meters which reflect the increased capacity of those meters
- Introducing a passthrough rate for when the City must purchase water from the Metropolitan Water District

The water rates have two components: 1) a fixed bi-monthly service charge and 2) volumetric rates. Customers must pay the fixed charge regardless of the water use. In addition, the customers pay volumetric rates based on the volume of water use.

1. **Fixed bi-monthly service charge:** the rates are established based on the size of the meter at the property receiving water service and are calculated to recover a portion of the City's fixed costs, such as water facilities repairs and replacements, the peak capacity of that meter, meter reading, and customer service.
2. **Variable rates:** the rates are calculated based on the cost of water supplies, the cost of managing the City's water resources at regular levels and distributing water throughout the system to customers. The remaining fixed costs that are not recovered via fixed charges are also recovered from variable charges. The variable rates are billed per hundred cubic feet.

Together, the two components (fixed and variable) are calculated to recover the proportionate cost of providing water service attributable to each customer. **Table 43** shows the costs which are allocated to either fixed or variable rates. The revenue offset is made up of non-operating revenues which will be collected in the test year and includes interest income.

*Table 43. Allocation of Fixed and Variable Costs<sup>8</sup>*

Expense Category	Fixed	Variable
Source of Supply		\$999,451
Base Delivery		\$2,130,130
Peak Delivery	\$646,070	
Meters	\$1,279,209	
Customer Service	\$581,643	
Revenue Offset		-\$50,000

<sup>8</sup> Revenue offsets are the direct use of non-operating revenues shown in table 19 to offset variable rates

## Bi-Monthly Fixed Charge

All meter and peak delivery costs are divided by the number of equivalent meters using the AWWA ratio discussed in the Key Assumptions section to compute the unit cost for each cost component. Customer service costs are simply divided by the number of bills since the service requirements of this cost type are the same regardless of the meter size installed on a property. **Table 44** shows the total costs allocated to each cost category, the number of units for the category, and the cost for a year and a bi-monthly period of service for each cost unit. The resulting bi-monthly unit costs are used to calculate the fixed customer rates.

**Table 44. Fixed Cost Components Divided by Number of Units**

	Cost	Units	Cost per Unit	Cost per Bi-Monthly Period
Meters	\$1,279,209	9,038	\$141.54	\$23.59
Peak Delivery	\$646,070	9,038	\$71.49	\$11.91
Service	\$581,643	5,260	\$110.58	\$18.43

**Table 45** shows the bi-monthly fixed charge calculation by meter size for water service customer connections.

**Table 45. Bi-Monthly Water Service Fixed Charge Calculation<sup>9</sup>**

Meter Size	Meter Charge	Peak Delivery	Meter Ratio	Total Meter & Peak	Customer Service	Bi-Monthly Rate
3/4"	\$23.59 +	\$11.91 x	1.00 =	\$35.51 +	\$18.43 =	\$53.94
1"	\$23.59 +	\$11.91 x	2.50 =	\$88.76 +	\$18.43 =	\$107.19
1 1/2"	\$23.59 +	\$11.91 x	5.00 =	\$177.53 +	\$18.43 =	\$195.96
2"	\$23.59 +	\$11.91 x	8.00 =	\$284.04 +	\$18.43 =	\$302.47
3"	\$23.59 +	\$11.91 x	17.50 =	\$621.34 +	\$18.43 =	\$639.77
4"	\$23.59 +	\$11.91 x	31.50 =	\$1,118.42 +	\$18.43 =	\$1,136.85
6"	\$23.59 +	\$11.91 x	80.00 =	\$2,840.43 +	\$18.43 =	\$2,858.86
8"	\$23.59 +	\$11.91 x	140.00 =	\$4,970.75 +	\$18.43 =	\$4,989.18
10"	\$23.59 +	\$11.91 x	210.00 =	\$7,456.13 +	\$18.43 =	\$7,474.56

The proposed bi-monthly fixed charge before revenue adjustments for the base equivalent meter (3/4 inch) is \$53.94.

The proposed five-year bi-monthly fixed charges with revenue adjustments applied for all water customers are shown in **Table 46**. FY 2026 rates are based on the cost of service rate times the revenue adjustment.

<sup>9</sup> Note that some calculations may be impacted by rounding to two decimal points

**Table 46. Proposed 5-year Fixed Charge Schedule**

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Proposed Adjustment</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>
<b>Fixed Charges</b>					
<b>Meter Size</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>
<b>3/4"</b>	\$56.63	\$59.46	\$62.44	\$65.56	\$68.84
<b>1"</b>	\$112.55	\$118.18	\$124.09	\$130.29	\$136.81
<b>1 1/2"</b>	\$205.75	\$216.04	\$226.84	\$238.19	\$250.10
<b>2"</b>	\$317.60	\$333.48	\$350.15	\$367.66	\$386.04
<b>3"</b>	\$671.76	\$705.35	\$740.62	\$777.65	\$816.53
<b>4"</b>	\$1,193.69	\$1,253.38	\$1,316.04	\$1,381.85	\$1,450.94
<b>6"</b>	\$3,001.80	\$3,151.89	\$3,309.49	\$3,474.96	\$3,648.71
<b>8"</b>	\$5,238.64	\$5,500.57	\$5,775.60	\$6,064.38	\$6,367.60
<b>10"</b>	\$7,848.29	\$8,240.70	\$8,652.74	\$9,085.37	\$9,539.64

## Variable Water Rates

Variable rates are designed based on variable costs such as water supply, treatment, and base delivery costs. The current rate structure was maintained to mitigate rate impacts. Variable rates are made up of a number of cost components, all derived based on actual customer use data: Water Supply and Base Costs. Water supply costs are offset by the City's non-operating revenues.

## Water Supply

The City's primary water source is local groundwater, with purchased water supplementing customer demand during droughts or system emergency. The unit cost for groundwater water supply is developed by dividing the total supply cost by the total water usage, as shown in **Table 47**.

## Base Costs

Base delivery costs are divided by total water use to determine the unit cost shown in **Table 47**. The base unit cost is applied to all water use.

## Revenue Offset

Revenue offsets are divided by total water use to determine the unit cost shown in **Table 47**. All customers benefit from the non-operating revenue for all usage.

**Table 47. Variable Rate Costs and Components**

<b>All Customers</b>	<b>Water Use</b>	<b>Variable Rate Components</b>					
		<b>Source of Supply</b>	<b>Unit \$ per hcf</b>	<b>Base Delivery</b>	<b>Unit \$ per hcf</b>	<b>Revenue Offset</b>	<b>Unit \$ per hcf</b>
<b>All Use</b>	985,397	\$999,451	<b>\$1.01</b>	\$2,130,130	<b>\$2.16</b>	-\$50,000	<b>-\$0.05</b>

**Table 48** shows the calculation used to determine the variable rates. Supply costs are added to base costs to calculate the variable rates. Rates are then reduced by revenue offsets, which were set aside in the cost of service analysis.

**Table 48. Variable Rate Calculation**

All Customers	Supply Cost		Base Cost		Revenue Offset		Variable Rate
All Use	\$1.01	+	\$2.16	-	\$0.05	=	\$3.13

The rates will be escalated by the revenue adjustments and the five-year rate schedule is shown in **Table 49**. Each adjustment will occur in January, midway through the fiscal year.

**Table 49. Proposed 5-Year Variable Rate Schedule**

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Proposed Adjustment	5.0%	5.0%	5.0%	5.0%	5.0%
Variable Charges					
All Customers	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
All Use	\$3.28	\$3.45	\$3.62	\$3.80	\$3.99

If the City must purchase water from the MWD, additional costs will apply per unit of water. RDN recommends that the City institute a passthrough charge to account for the additional cost of MWD water that the City cannot control. The MWD has a proposed rate of \$984 per acre foot<sup>10</sup> for untreated water for FY 2026, which equals \$2.26 per hcf. **Table 50** shows the calculation used to determine the variable rates for MWD water. Supply costs and the MWD rate are added to base costs to calculate the variable rates. Rates are then reduced by revenue offsets, which were set aside in the cost of service analysis. Also note that other supply costs are reduced to reflect less expenditures on groundwater supplies when MWD water is used. Any adjustments per Govt. Code Section 53755(a), must be preceded by not less than 30 days notice before the effective date of the adjustment.

**Table 50. MWD Variable Rate Calculation**

Supply Cost		Base Cost		MWD Rate		Revenue Offset		Variable Rate
\$0.48	+	\$2.16	+	\$2.26	-	\$0.05	=	\$4.85

The proposed adjustments are applied to future years to account for increases in MWD source water. **Table 51** shows the proposed variable rates if the City must rely on MWD Water.

<sup>10</sup> MWD 2025. <https://www.mwdh2o.com/budget-finance/>

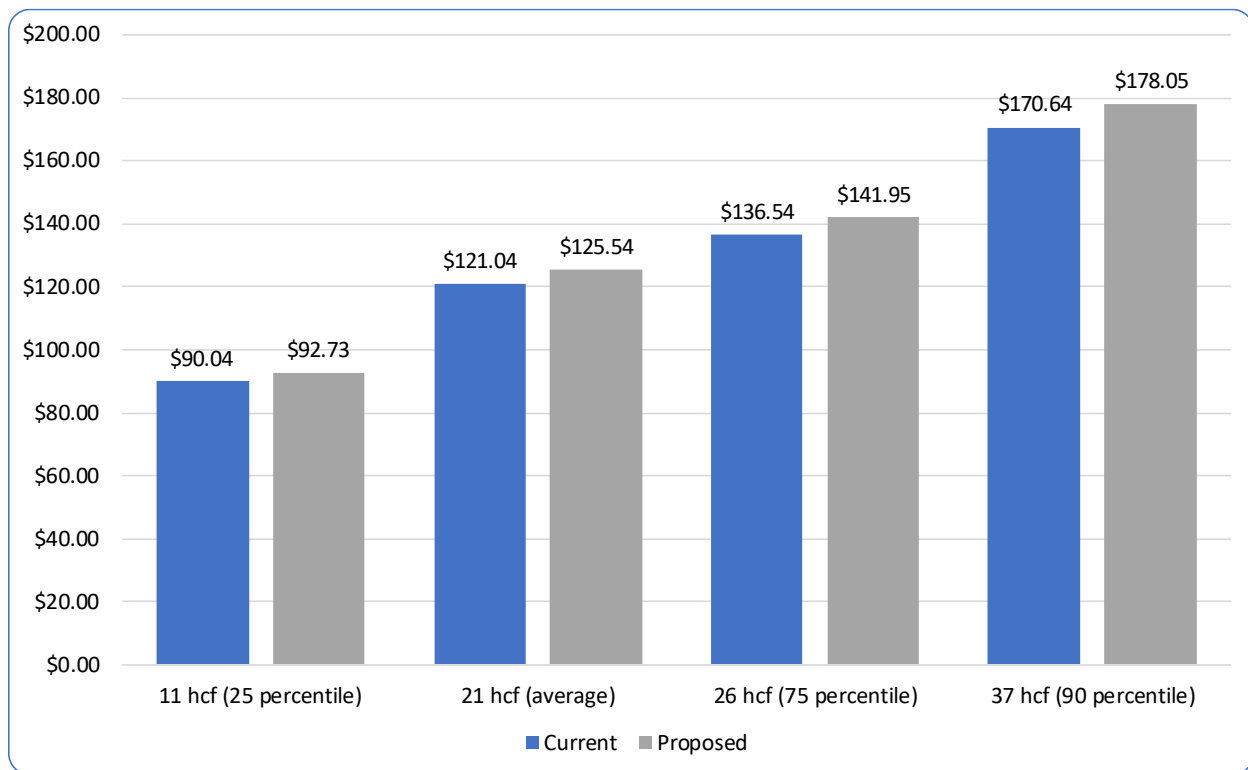
**Table 51. Proposed 5-Year Variable MWD Rate Schedule**

Variable Charges					
All Customers	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
MWD Water	\$4.98	\$5.23	\$5.49	\$5.76	\$6.05

### 3.4 Bill Impact Analysis

This analysis compares customers' bills under current and proposed rates. **Figure 8** shows the dollar change in the bill based on ¾" meter customers use at selected usage points. The City's average ¾" customer uses 21 hcf of water bi-monthly. Additionally, the 90<sup>th</sup> percentile of use for a ¾" customer is 37 hcf per billing period.

**Figure 8. Customer Impact by Usage for ¾" Meter**



# SEWER UTILITY

## 4.1 Financial Plan

RDN built a 10-year financial model for the City of San Fernando's sewer system to meet the system's long-term financial goals. The detailed rate analysis was performed for the first five years.

### Revenues

RDN conducted a revenue analysis using the current sewer rates. The City currently collects fixed revenues from all customers and variable revenue from non-residential customers. Fixed revenue forecasts are based on the customer growth assumptions described in the Methodology Section. **Table 52** shows the projected number of accounts connections for FY 2025 to FY 2030.

*Table 52. Sewer Customer Growth, FY 2025 to FY 2030*

Customer Class	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential (Flat Rate)	3,744	3,781	3,819	3,857	3,895	3,934
Residential (Multi Unit)	2,064	2,081	2,099	2,116	2,134	2,151
Commercial Group II	294	297	300	303	306	309
Commercial Group III	54	55	56	57	58	59
Commercial Group IV	80	81	82	83	84	85
Commercial Group V	80	81	82	83	84	85
Commercial Industrial	165	167	169	171	173	175
Commercial Schools	10	10	10	10	10	10
Commercial Higher Education	6	6	6	6	6	6
Commercial City Property	27	27	27	27	27	27
Low Income	229	231	233	235	237	239
<b>Total</b>	<b>6,753</b>	<b>6,817</b>	<b>6,883</b>	<b>6,948</b>	<b>7,014</b>	<b>7,080</b>

The revenue analysis also includes other operating and non-operating revenues such as waste permit fee revenue and miscellaneous revenue. These revenues are used to offset the revenue requirements that need to be recovered from customers' rates. This projection was created under the status quo rates and does not include proposed revenue adjustments.

The system's total revenue for the study period is estimated to be approximately \$4.0 to \$4.2 million annually under the current rates. **Table 53** shows the projected sewer system revenues by category for the study period (FY 2025 – FY 2030) without any revenue adjustments. Projections are based on customer growth projections as well as other operating and non-operating revenue estimates provided by City staff.



**Table 53. Sewer System Revenue Forecast, FY 2025 to FY 2030**

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Revenue from Rates</b>						
Fixed Revenue	\$3,930,064	\$3,967,874	\$4,008,023	\$4,048,172	\$4,088,321	\$4,128,979
<b>Rate Revenue Total</b>	<b>\$3,930,064</b>	<b>\$3,967,874</b>	<b>\$4,008,023</b>	<b>\$4,048,172</b>	<b>\$4,088,321</b>	<b>\$4,128,979</b>
<b>Other Operating Revenues</b>	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
<b>Non-operating Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$4,005,064</b>	<b>\$4,042,874</b>	<b>\$4,083,023</b>	<b>\$4,123,172</b>	<b>\$4,163,321</b>	<b>\$4,203,979</b>

## Operating and Maintenance (O&M) Expense

The itemized O&M expenses were carefully reviewed by the City and forecast for the study period using escalation factors discussed in the Key Assumptions section. **Table 54** shows the City's projected O&M expenses for the sewer utility during the study period. O&M Expenses are expected to increase by 3.6 percent on average annually.

**Table 54. Sewer System O&M Expense Forecast, FY 2025 to FY 2030**

Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Sewer Attorney	\$1,500	\$1,548	\$1,598	\$1,649	\$1,701	\$1,756
Sewer Operating and Maintenance	\$3,455,536	\$3,582,974	\$3,715,000	\$3,848,281	\$3,980,165	\$4,117,319
<b>Total Operating</b>	<b>\$3,457,036</b>	<b>\$3,584,522</b>	<b>\$3,716,598</b>	<b>\$3,849,930</b>	<b>\$3,981,867</b>	<b>\$4,119,075</b>

## Other Obligations

Other obligations included in the financial plan are capital improvement projects funded by PAYGO (Pay As You Go), debt service obligations, and reserve contributions made from rates.

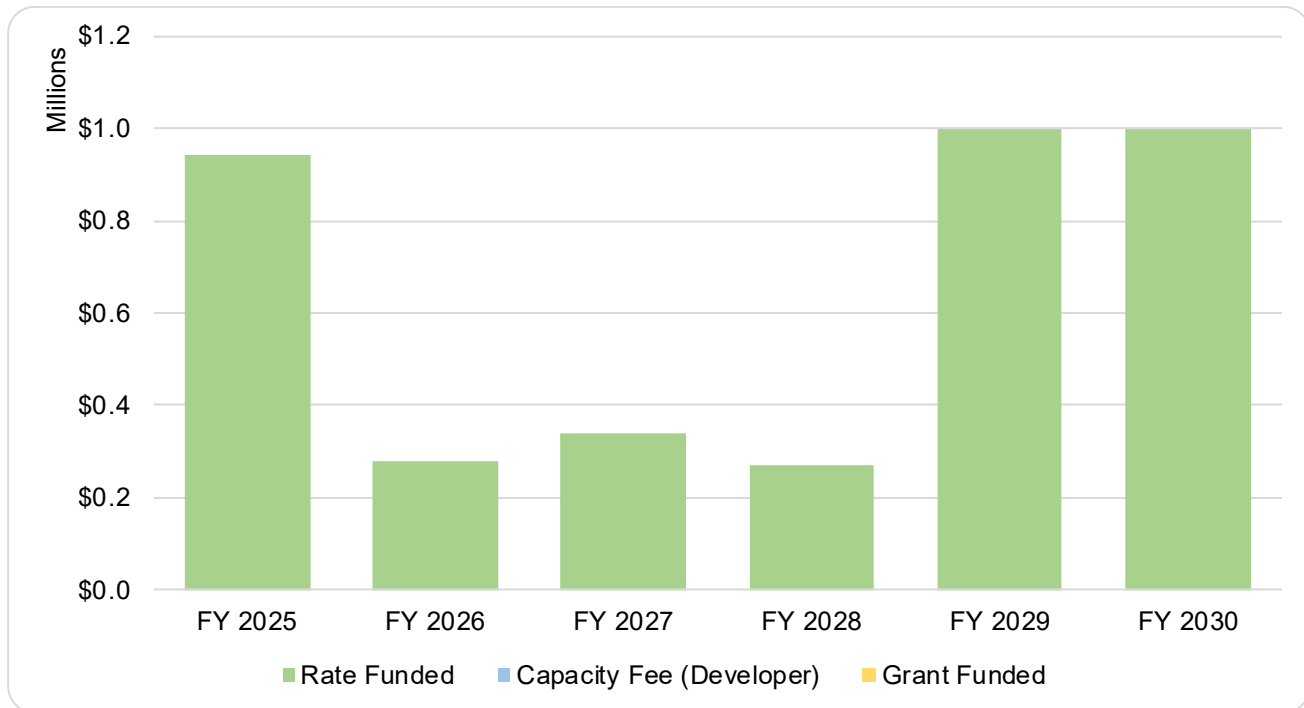
## Capital Improvement Projects

The City plans to spend an average of \$0.6 million a year on sewer rate funded capital expenditures during the rate setting period. **Table 55** shows the capital expenditure by expenditure type. The City plans to use customer rates to accomplish the proposed capital plan. **Figure 9** graphically shows the rate study capital plan by funding source, only PAYGO funded expenditure will impact customer rates.

**Table 55. Rate Study Sewer CIP Expenses by Expense Type, FY 2025 to FY 2030**

CIP Funding Source	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Rate Funded	\$942,121	\$276,900	\$341,520	\$271,860	\$1,000,000	\$1,000,000
Capacity Fee	\$0	\$0	\$0	\$0	\$0	\$0
Grant Funded	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total CIP</b>	<b>\$942,121</b>	<b>\$276,900</b>	<b>\$341,520</b>	<b>\$271,860</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>

**Figure 9. Rate Study Sewer CIP Expenses by Funding Source, FY 2025 to FY 2030**



## Debt Service and Coverage Ratios

The Sewer utility received an internal loan in 2021 to fund pension obligations, “2021B Pension Obligation Bond.” Payments are made annually; however, these debt obligations not subject to any debt service coverage requirements. **Table 56** shows the Sewer utility’s annual debt payments used in this study.

**Table 56. Rate Study Debt Service Expenses, FY 2025 to FY 2030**

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Principal	\$41,850	\$41,850	\$41,850	\$43,200	\$43,200	\$46,440
Interest	\$30,426	\$30,029	\$29,506	\$28,862	\$28,111	\$25,287
<b>Total Debt Service</b>	<b>\$72,276</b>	<b>\$71,879</b>	<b>\$71,356</b>	<b>\$72,062</b>	<b>\$71,311</b>	<b>\$71,727</b>

## Reserves

The City must maintain an appropriate reserve balance to ensure the day-to-day operation will continue during emergencies and guarantee the future stability of the system. The City’s financial goal is to build an appropriate level of cash reserves for each reserve fund included in the financial plan of this Study. The reserve target for the sewer utility is described below:

- **Stabilization and Contingency Funds:** three months of operating expenses
- **Infrastructure Replacement Fund:** sufficient to provide funding for infrastructure replacement

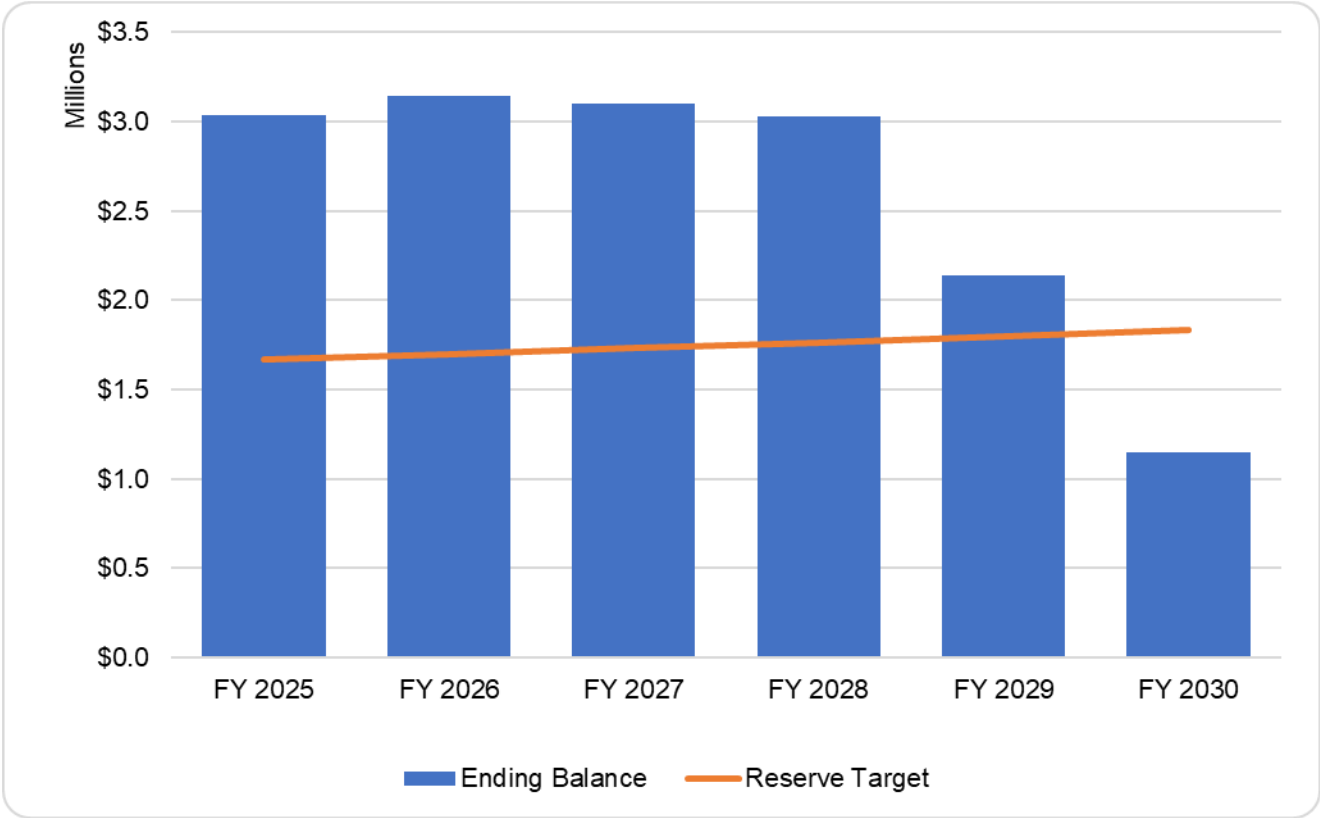
The reserve target at the end of the study period reaches \$1.8 million. **Table 57** shows the City’s reserve targets for FY 2025 through FY 2030 based on the current reserve policy. **Figure 10** displays the resulting

cash balances versus the reserve target under the current rates. Reserve targets based on reserve policy shown in **Table 16** and operating and capital totals shown in **Tables 54 and 55**, respectively.

*Table 57. Sewer Reserve Target, FY 2025 to FY 2030*

Reserve Fund	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Stabilization and Contingency Funds	\$864,259	\$896,131	\$929,149	\$962,483	\$995,467	\$1,029,769
Infrastructure Replacement Fund	\$802,946	\$802,946	\$802,946	\$802,946	\$802,946	\$802,946
<b>Total Reserve Target</b>	<b>\$1,667,205</b>	<b>\$1,699,076</b>	<b>\$1,732,095</b>	<b>\$1,765,428</b>	<b>\$1,798,412</b>	<b>\$1,832,714</b>

*Figure 10. Sewer Cash Balances and Reserve Target With Current Rates, FY 2025 to FY 2030*



## Financial Plan

Based on the projected total revenue and necessary costs to be recovered during the study period, RDN built a financial plan that will generate sufficient revenues for the day-to-day operation and annual PAYGO and make appropriate contributions to reserves. The City currently has a projected ending cash balance of \$3.0 million in FY 2025. **Table 58** shows the status quo sewer pro forma with no revenue adjustments and the resulting ending balances based on the revenues and expenses outlined in this section.

**Table 58. Status Quo Financial Pro Forma for City of San Fernando Sewer System, FY 2025 to FY 2030**

Rate Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rate Month Implemented						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Cash Position Opening Balance	\$ 3,502,633	\$ 3,036,265	\$ 3,145,838	\$ 3,099,388	\$ 3,028,708	\$ 2,138,852
<b>Revenues</b>						
Sewer Rate Revenue	\$ 3,930,064	\$ 3,967,874	\$ 4,008,023	\$ 4,048,172	\$ 4,088,321	\$ 4,128,979
Adjusted Sewer Rate Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Revenue	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Non-Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 4,005,064</b>	<b>\$ 4,042,874</b>	<b>\$ 4,083,023</b>	<b>\$ 4,123,172</b>	<b>\$ 4,163,321</b>	<b>\$ 4,203,979</b>
Operating Expenses	\$ 3,457,036	\$ 3,584,522	\$ 3,716,598	\$ 3,849,930	\$ 3,981,867	\$ 4,119,075
<b>Net Operating Revenue</b>	<b>\$ 548,028</b>	<b>\$ 458,352</b>	<b>\$ 366,425</b>	<b>\$ 273,242</b>	<b>\$ 181,455</b>	<b>\$ 84,905</b>
Current Debt Service	\$ 72,276	\$ 71,879	\$ 71,356	\$ 72,062	\$ 71,311	\$ 71,727
Proposed Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Operating and Debt Service</b>	<b>\$ 3,529,312</b>	<b>\$ 3,656,401</b>	<b>\$ 3,787,954</b>	<b>\$ 3,921,992</b>	<b>\$ 4,053,177</b>	<b>\$ 4,190,801</b>
<b>Net Revenues Before CIP</b>	<b>\$ 475,753</b>	<b>\$ 386,474</b>	<b>\$ 295,069</b>	<b>\$ 201,181</b>	<b>\$ 110,144</b>	<b>\$ 13,178</b>
Capital Expenditure	\$ 942,121	\$ 276,900	\$ 341,520	\$ 271,860	\$ 1,000,000	\$ 1,000,000
Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash	\$ 942,121	\$ 276,900	\$ 341,520	\$ 271,860	\$ 1,000,000	\$ 1,000,000
Net Income	\$ (466,368)	\$ 109,574	\$ (46,451)	\$ (70,679)	\$ (889,856)	\$ (986,822)
<b>Ending Balance</b>	<b>\$ 3,036,265</b>	<b>\$ 3,145,838</b>	<b>\$ 3,099,388</b>	<b>\$ 3,028,708</b>	<b>\$ 2,138,852</b>	<b>\$ 1,152,030</b>

**Table 59** shows the proposed sewer pro forma for the study period with the recommended revenue adjustments per year. All revenue adjustments will occur in January of the Fiscal Year.

**Table 59. Proposed Financial Pro Forma for City of San Fernando Sewer System, FY 2025 to FY 2030**

Rate Increase		3.0%	3.0%	3.0%	3.0%	3.0%
Rate Month Implemented		1-Jan	1-Jan	1-Jan	1-Jan	1-Jan
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Cash Position Opening Balance	\$ 3,502,633	\$ 3,036,265	\$ 3,205,356	\$ 3,341,070	\$ 3,581,345	\$ 3,137,599
<b>Revenues</b>						
Sewer Rate Revenue	\$ 3,930,064	\$ 3,967,874	\$ 4,008,023	\$ 4,048,172	\$ 4,088,321	\$ 4,128,979
Adjusted Sewer Rate Revenue	\$ -	\$ 59,518	\$ 182,165	\$ 310,954	\$ 446,109	\$ 587,931
Other Operating Revenue	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Non-Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 4,005,064</b>	<b>\$ 4,102,392</b>	<b>\$ 4,265,188</b>	<b>\$ 4,434,127</b>	<b>\$ 4,609,430</b>	<b>\$ 4,791,911</b>
Operating Expenses	\$ 3,457,036	\$ 3,584,522	\$ 3,716,598	\$ 3,849,930	\$ 3,981,867	\$ 4,119,075
<b>Net Operating Revenue</b>	<b>\$ 548,028</b>	<b>\$ 517,870</b>	<b>\$ 548,590</b>	<b>\$ 584,197</b>	<b>\$ 627,564</b>	<b>\$ 672,836</b>
Current Debt Service	\$ 72,276	\$ 71,879	\$ 71,356	\$ 72,062	\$ 71,311	\$ 71,727
Proposed Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Operating and Debt Service</b>	<b>\$ 3,529,312</b>	<b>\$ 3,656,401</b>	<b>\$ 3,787,954</b>	<b>\$ 3,921,992</b>	<b>\$ 4,053,177</b>	<b>\$ 4,190,801</b>
<b>Net Revenues Before CIP</b>	<b>\$ 475,753</b>	<b>\$ 445,992</b>	<b>\$ 477,234</b>	<b>\$ 512,135</b>	<b>\$ 556,253</b>	<b>\$ 601,109</b>
Capital Expenditure	\$ 942,121	\$ 276,900	\$ 341,520	\$ 271,860	\$ 1,000,000	\$ 1,000,000
Debt Proceeds Proposed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Proceeds New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash	\$ 942,121	\$ 276,900	\$ 341,520	\$ 271,860	\$ 1,000,000	\$ 1,000,000
Net Income	\$ (466,368)	\$ 169,092	\$ 135,714	\$ 240,275	\$ (443,747)	\$ (398,891)
<b>Ending Balance</b>	<b>\$ 3,036,265</b>	<b>\$ 3,205,356</b>	<b>\$ 3,341,070</b>	<b>\$ 3,581,345</b>	<b>\$ 3,137,599</b>	<b>\$ 2,738,708</b>

## Revenue Requirements

**Table 60** displays the sewer utility's revenue requirements FY 2025. The total expense for each year is offset by other operating revenues and non-operating revenues to compute a pure portion of revenue requirements that need to be recovered from customers' rates. RDN proposes annual revenue adjustments of 3.0 percent FY 2026 through FY 2030 to reach the financial goals set by the City.

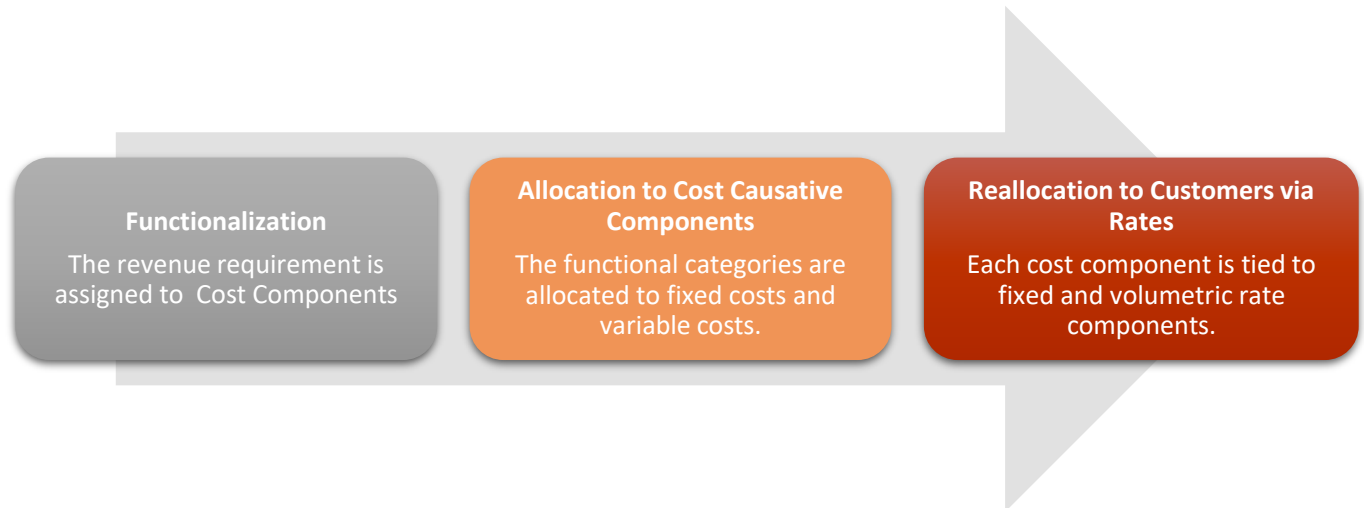
*Table 60. Revenue Requirements for City of San Fernando Sewer Utility, FY 2025*

Revenue Requirements	FY 2025
Operating Expenses	\$3,457,036
Debt Service	\$72,276
Capital Expenditures (PAYGO)	\$942,121
<b>Total Expenses</b>	<b>\$4,471,433</b>
Other Operating Revenue	(\$75,000)
Non-Operating Revenue	\$0
Net Balance From Operations	(\$466,368)
<b>Rate Revenue Requirement</b>	<b>\$3,930,064</b>

## 4.2 Cost of Service Analysis

In the same way as the sewer system's Cost of Service analysis was performed, a sewer system's COS analysis also utilizes a three-step approach to allocate costs proportionally among different customer classes. These steps include 1) functionalization of costs, 2) cost classification, and 3) cost allocation to customers. Provided below is a detailed discussion of the sewer COS analysis conducted for the City, and the specific steps taken for the analysis.

*Figure 11. A Typical Flow for Cost of Service Analysis Process*



### Functionalization of Costs

To allocate the cost of service among the different customer classes, costs first must be allocated to the appropriate sewer parameters. The following sections describe the allocation of the operating and capital costs of service to the appropriate parameters of the sewer system.

The total cost of sewer service is analyzed by system function in order to equitably distribute costs of service to the various classes of customers. For this analysis, sewer utility costs of service are developed consistent with the guidelines for allocating costs detailed in the Water Environment Federation (WEF) Manual of Practice No. 27, Financing and Charges for Sewer Systems.

A cost of service analysis distributes the revenue requirements (costs) to each customer class. After determining the revenue requirements, the next step is to functionalize the O&M costs based on the City's O&M classification:

- **Fixed** – costs that do not vary with flow or strength, such as routine system-wide operations and maintenance
- **Flow** – costs related to conveying wastewater volume

- **BOD** – costs associated with the treatment of organic material in the wastewater (Biochemical Oxygen Demand)
- **TSS** – costs related to removing suspended solids from the wastewater (Total Suspended Solids)
- **Administrative & General** – overhead costs related to management, planning, and administrative functions

The functionalization of costs allows us to better allocate the functionalized costs to the cost causation components. The cost causation components used in this study include:

- **Flow-Related costs** - are those costs that are dependent upon the amount of sewer flow. An example of flow-related costs would be utility costs associated with operating sewer pumps.
- **Strength-Related costs** - are those costs that are dependent upon the amount of sewer strength. This component is further broken down into Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS). An example of strength-related costs would be chemical costs associated with treating sewer.
- **Service-Related Costs** - are those costs that do not change with respect to the amount of sewer flow generated (in hcf) or the strength of the sewer (the amount of organic compounds or suspended solids in sewer). An example of fixed costs would be administrative costs.

Once this process was completed, and the customer classes were identified, the unit cost of these classified costs were calculated and further allocated to different customer classes using the unit of services specific to the class. **Table 61** through **Table 66** show the steps taken to functionalize and allocate the City's costs to each customer class.

**Table 61. Percent of O&M Functional Categories Allocated<sup>11</sup>**

O&M Expense		
Category	Allocation	Percent
<b>Total O&amp;M</b>	<b>\$3,457,036</b>	<b>100.0%</b>
Fixed	\$1,228,222	35.5%
Flow	\$392,700	11.4%
BOD	\$518,133	15.0%
TSS	\$572,295	16.6%
Admin and General	\$745,686	21.6%

<sup>11</sup> City staff provided individual cost allocations for each budget item and system asset based on the standard categories shown



**Table 62. Percent of O&M Functional Categories Allocated to Cost Components**

O&M Expense				
Category	Flow	BOD	TSS	Fixed
Fixed	0.0%	0.0%	0.0%	100.0%
Flow	100.0%	0.0%	0.0%	0.0%
BOD	0.0%	100.0%	0.0%	0.0%
TSS	0.0%	0.0%	100.0%	0.0%
Admin and General	14.5%	19.1%	21.1%	45.3%

**Table 63. Total of Operating Functional Categories Allocated to Cost Components**

O&M Expense				
Category	Flow	BOD	TSS	Fixed
Fixed	\$0	\$0	\$0	\$1,228,222
Flow	\$392,700	\$0	\$0	\$0
BOD	\$0	\$518,133	\$0	\$0
TSS	\$0	\$0	\$572,295	\$0
Admin and General	\$108,002	\$142,499	\$157,395	\$337,791

**Table 64. Percent of Asset Value Functional Categories Allocated**

Asset Values		
Category	Allocation	Percent
<b>Total Assets</b>	<b>\$4,478,085</b>	<b>100.0%</b>
Fixed	\$0	0.0%
Flow	\$2,520,433	56.3%
BOD	\$181,991	4.1%
TSS	\$181,991	4.1%
Admin and General	\$1,593,670	35.6%

**Table 65. Percent of Non-operating Functional Categories Allocated to Cost Components**

Non-Operating Expense				
Category	Flow	BOD	TSS	Fixed
Fixed	0.0%	0.0%	0.0%	100.0%
Flow	100.0%	0.0%	0.0%	0.0%
BOD	0.0%	100.0%	0.0%	0.0%
TSS	0.0%	0.0%	100.0%	0.0%
Admin and General	87.4%	6.3%	6.3%	0.0%

**Table 66. Total of Non-operating Functional Categories Allocated to Cost Components**

Category	Non-Operating Expense			
	Flow	BOD	TSS	Fixed
Fixed	\$0	\$0	\$0	\$0
Flow	\$2,520,433	\$0	\$0	\$0
BOD	\$0	\$181,991	\$0	\$0
TSS	\$0	\$0	\$181,991	\$0
Admin and General	\$1,392,567	\$100,552	\$100,552	\$0
<b>Percent of Total</b>	<b>87%</b>	<b>6%</b>	<b>6%</b>	<b>0%</b>

**Table 67** displays the functionalized O&M costs and non-operating costs allocated to cost causative components for the sewer system. The non-operating expenses for the test year are made up of planned PAYGO capital expenditures and debt service payments. Those costs are distributed to the cost components based on the final percentages shown in **Table 66**, above. Operating allocations are based on the actual projected test year expense and the total for each cost component reflect the percentages in **Table 62**.

**Table 67. Revenue Requirement Cost Allocation by Cost Component**

Cost Allocation Summary	Total	Flow	BOD	TSS	Fixed
O&M Revenue Requirements	\$3,457,036	\$500,702	\$660,632	\$729,690	\$1,566,013
Non-Operating Revenue Requirements	\$1,014,397	\$886,391	\$64,003	\$64,003	\$0
	<b>\$4,471,433</b>	<b>\$1,387,093</b>	<b>\$724,635</b>	<b>\$793,693</b>	<b>\$1,566,013</b>
		31.0%	16.2%	17.8%	35.0%
Other Operating Revenue	(\$75,000)	(\$23,266)	(\$12,154)	(\$13,313)	(\$26,267)
Non-Operating Revenue	\$0	\$0	\$0	\$0	\$0
Net Balance From Operations	(\$466,368)	(\$144,673)	(\$75,579)	(\$82,782)	(\$163,334)
<b>Rate Revenue Requirement</b>	<b>\$3,930,064</b>	<b>\$1,219,154</b>	<b>\$636,901</b>	<b>\$697,598</b>	<b>\$1,376,411</b>

## Allocation to Units

In developing equitable rate structures, revenue requirements are allocated to customers commensurate with customer demand and services rendered. First, an overall number of units was determined for each cost component (**Table 71**). RDN completed a sewer mass balance and water consumption analysis. Flow for residential customers was based on the lowest water use billing period to best capture the water usage with the largest return to sewer percentage. The minimum use billing period was multiplied by six (bills per year) to estimate the annual sewer flow generated by residential customers. Commercial customer sewer flows were derived using actual water use data as it was assumed 100 percent of commercial water usage returns to sewer. **Table 68** shows the total sewer flow per day in million gallons (MG) for fiscal year 2024 as well as annual sewer flow for each customer class.

**Table 68. Total Plant Sewer Flows**

<b>Customer Class</b>	<b>gallons per day (million)</b>	<b>Annual Flow (hcf)</b>
Residential (Flat Rate)	0.79	385,680
Residential (Multi Unit)	0.29	141,072
Commercial Group II	0.20	98,126
Commercial Group III	0.04	18,835
Commercial Industrial	0.15	73,942
Commercial Group IV	0.09	43,984
Commercial Group V	0.05	26,689
Commercial Schools	0.02	7,812
Commercial Higher Education	0.03	12,849
Commercial City Property	0.00	747
<b>Total</b>	<b>1.66</b>	<b>809,736</b>

As part of the Mass Balance analysis, wastewater strength ratios by customer class were also estimated to allocate costs between customer classes. **Table 69** shows the general strength (BOD/TSS) contributions by customer class used to perform the cost of service analysis, displayed in milligrams per liter (mg/L).

**Table 69. Strength Factors by Customer Class<sup>12</sup>**

<b>Customer Class</b>	<b>BOD</b>	<b>TSS</b>
Residential (Flat Rate)	200	200
Residential (Multi Unit)	200	200
Commercial Group II	250	250
Commercial Group III	500	500
Commercial Industrial	310	120
Commercial Group IV	800	800
Commercial Group V	250	250
Commercial Schools	130	100
Commercial Higher Education	130	100
Commercial City Property	200	200

Total proportional strength for each customer class was determined by multiplying the total customer class sewer flow by strength in milligrams per liter. This total was converted to pounds per year by customer class. **Table 70** shows the total annual strength contributions by customer class, and the City-wide BOD and TSS contributions.

<sup>12</sup> Sewer strength factors by customer class were provided by City staff

**Table 70. Strength Contribution by Customer Class**

Customer Class	BOD	TSS
Residential (Flat Rate)	481,544	481,544
Residential (Multi Unit)	176,137	176,137
Commercial Group II	153,145	153,145
Commercial Group III	58,792	58,792
Commercial Industrial	143,097	55,393
Commercial Group IV	219,667	219,667
Commercial Group V	41,653	41,653
Commercial Schools	6,340	4,877
Commercial Higher Education	10,428	8,021
Commercial City Property	933	933
<b>Total</b>	<b>1,291,736</b>	<b>1,200,161</b>

**Table 71** shows the total functional units allocated to each customer class which is used as the unit to divide the total costs allocated to each sewer function.

**Table 71. Cost of Service Units of Service<sup>13</sup>**

Customer Class	Units	Flow	BOD	TSS
Residential (Flat Rate)	3,973	385,680	481,544	481,544
Residential (Multi Unit)	2,064	141,072	176,137	176,137
Commercial Group II	294	98,126	153,145	153,145
Commercial Group III	54	18,835	58,792	58,792
Commercial Industrial	165	73,942	143,097	55,393
Commercial Group IV	80	43,984	219,667	219,667
Commercial Group V	80	26,689	41,653	41,653
Commercial Schools	10	7,812	6,340	4,877
Commercial Higher Education	6	12,849	10,428	8,021
Commercial City Property	27	747	933	933
<b>Total</b>	<b>6,753</b>	<b>809,736</b>	<b>1,291,736</b>	<b>1,200,161</b>

Costs allocated to each cost component were divided by the number of units to determine a unit cost (**Table 72**).

**Table 72. Cost of Service Unit Cost**

	Flow	BOD	TSS	Fixed
Cost of Service	\$1,219,154	\$636,901	\$697,598	\$1,376,411
Unit of Service	809,736	1,291,736	1,200,161	6,753
<b>Cost per Unit</b>	<b>\$1.51</b>	<b>\$0.49</b>	<b>\$0.58</b>	<b>\$203.82</b>

<sup>13</sup> Residential flat rate customer counts include customers from the low income category

The final step in the cost of service analysis is to allocate costs to each customer class. This is done by multiplying the unit cost for each function, as shown in **Table 72**, by the corresponding number of service units attributed to each customer class (**Table 71**). **Table 73** presents the resulting cost allocations by customer class, which form the basis for the sewer rate calculations discussed in the next section.

**Table 73. Cost of Service Allocated to Customer Class**

<b>Customer Class</b>	<b>Total</b>	<b>Flow</b>	<b>BOD</b>	<b>TSS</b>	<b>Fixed</b>
Residential (Flat Rate)	<b>\$1,907,802</b>	\$580,687	\$237,429	\$279,899	\$809,786
Residential (Multi Unit)	<b>\$822,316</b>	\$212,401	\$86,846	\$102,380	\$420,689
Commercial Group II	<b>\$372,190</b>	\$147,740	\$75,510	\$89,016	\$59,924
Commercial Group III	<b>\$102,525</b>	\$28,358	\$28,988	\$34,173	\$11,006
Commercial Industrial	<b>\$247,712</b>	\$111,328	\$70,555	\$32,197	\$33,631
Commercial Group IV	<b>\$318,519</b>	\$66,223	\$108,308	\$127,682	\$16,306
Commercial Group V	<b>\$101,238</b>	\$40,183	\$20,538	\$24,211	\$16,306
Commercial Schools	<b>\$19,761</b>	\$11,762	\$3,126	\$2,835	\$2,038
Commercial Higher Education	<b>\$30,373</b>	\$19,346	\$5,142	\$4,662	\$1,223
Commercial City Property	<b>\$7,630</b>	\$1,125	\$460	\$542	\$5,503

### 4.3 Rate Design

The proposed sewer rates consist of a fixed charge, which appears on each customer's bi-monthly bill, and a variable charge that applies to non-residential water use. Residential Flat Rate and Residential Multi-Unit customers will pay only the fixed charge, which incorporates their average bi-monthly sewer flow. In contrast, non-residential customers will be subject to both the fixed charge and a variable charge based on total water use, billed per hundred cubic feet (HCF). Because non-residential customers typically require a higher level of wastewater treatment than residential customers, the additional treatment costs are recovered through the variable charge.

Each sewer function described in the cost of service analysis corresponds to a separate rate component. **Tables 74, 75, and 76** present the calculations used to determine rate components for each customer class. For customer class, the component cost was divided by the applicable number of service units to determine the corresponding rate. Because BOD and TSS share the same unit of measure, their costs were combined into a single Strength component for rate-setting purposes.

**Table 74. Flow Rate Component**

Customer Class	Flow Cost	Flow Units	Flow Component
Residential (Flat Rate)	\$580,687 /	385,680 =	\$1.51
Residential (Multi Unit)	\$212,401 /	141,072 =	\$1.51
Commercial Group II	\$147,740 /	98,126 =	\$1.51
Commercial Group III	\$28,358 /	18,835 =	\$1.51
Commercial Industrial	\$111,328 /	73,942 =	\$1.51
Commercial Group IV	\$66,223 /	43,984 =	\$1.51
Commercial Group V	\$40,183 /	26,689 =	\$1.51
Commercial Schools	\$11,762 /	7,812 =	\$1.51
Commercial Higher Education	\$19,346 /	12,849 =	\$1.51
Commercial City Property	\$1,125 /	747 =	\$1.51

**Table 75. Strength Rate Component**

Customer Class	Strength Cost	Strength Units	Strength Component
Residential (Flat Rate)	\$517,329 /	385,680 =	\$1.34
Residential (Multi Unit)	\$189,226 /	141,072 =	\$1.34
Commercial Group II	\$164,526 /	98,126 =	\$1.68
Commercial Group III	\$63,160 /	18,835 =	\$3.35
Commercial Industrial	\$102,753 /	73,942 =	\$1.39
Commercial Group IV	\$235,990 /	43,984 =	\$5.37
Commercial Group V	\$44,749 /	26,689 =	\$1.68
Commercial Schools	\$5,961 /	7,812 =	\$0.76
Commercial Higher Education	\$9,804 /	12,849 =	\$0.76
Commercial City Property	\$1,002 /	747 =	\$1.34

**Table 76. Fixed Rate Component**

Customer Class	Fixed Cost	Fixed Units	Bills Per Year	Fixed Component
Residential (Flat Rate)	\$809,786 /	3,973 /	6 =	\$33.97
Residential (Multi Unit)	\$420,689 /	2,064 /	6 =	\$33.97
Commercial Group II	\$59,924 /	294 /	6 =	\$33.97
Commercial Group III	\$11,006 /	54 /	6 =	\$33.97
Commercial Industrial	\$33,631 /	165 /	6 =	\$33.97
Commercial Group IV	\$16,306 /	80 /	6 =	\$33.97
Commercial Group V	\$16,306 /	80 /	6 =	\$33.97
Commercial Schools	\$2,038 /	10 /	6 =	\$33.97
Commercial Higher Education	\$1,223 /	6 /	6 =	\$33.97
Commercial City Property	\$5,503 /	27 /	6 =	\$33.97

## Residential Sewer Rate Calculation

Residential Flat Rate and Residential Multi-Unit customers are billed a fixed bi-monthly rate. To determine these rates, the Flow and Strength components are applied to the average bi-monthly flow per account and then added to the fixed component. The average per-account bi-monthly flow was calculated by dividing the total annual flow for each customer class by the number of annual bills. The resulting average flows are 16.2 HCF for Residential Flat Rate customers and 11.4 HCF for Residential Multi-Unit customers. **Table 77** presents the rate calculation and resulting bi-monthly fixed charges for residential customers.

*Table 77. Residential Customers Sewer Rate Calculation*

Customer Class	Flow Component	Strength Component	Bi-Monthly Flow per Account	Fixed Component	Bi-Monthly Fixed Charge
Residential (Flat Rate)	\$1.51 +	\$1.34 x	16.2 +	\$33.97 =	\$80.03
Residential (Multi Unit)	\$1.51 +	\$1.34 x	11.4 +	\$33.97 =	\$66.40

## Non-Residential Sewer Rate Calculation

Sewer rates for Commercial customers are composed of two parts: a fixed bi-monthly charge and a variable usage-based charge. The fixed charge recovers costs that do not vary with water use, such as customer service and billing, and is equal to the Fixed component shown in **Table 76**. The variable charge is applied to all metered water use and is designed to recover costs related to the volume and strength of wastewater discharged by Commercial customers. It is calculated by summing the Flow and Strength components specific to each Commercial customer class. This approach ensures that customers with higher-strength or higher-volume discharges pay proportionally more for their impact on the sewer system. The fixed and variable charge calculations for Commercial customers are shown in **Table 78** and, **Table 79** respectively.

*Table 78. Commercial Customers Fixed Sewer Rate Calculation*

Customer Class	Fixed Component	Bi-Monthly Fixed Charge
Commercial Group II	\$33.97 =	\$33.97
Commercial Group III	\$33.97 =	\$33.97
Commercial Industrial	\$33.97 =	\$33.97
Commercial Group IV	\$33.97 =	\$33.97
Commercial Group V	\$33.97 =	\$33.97
Commercial Schools	\$33.97 =	\$33.97
Commercial Higher Education	\$33.97 =	\$33.97
Commercial City Property	\$33.97 =	\$33.97

**Table 79. Commercial Customers Variable Sewer Rate Calculation**

Customer Class	Flow Component	Strength Component	Variable Charge
Commercial Group II	\$1.51 +	\$1.68 =	\$3.18
Commercial Group III	\$1.51 +	\$3.35 =	\$4.86
Commercial Industrial	\$1.51 +	\$1.39 =	\$2.90
Commercial Group IV	\$1.51 +	\$5.37 =	\$6.87
Commercial Group V	\$1.51 +	\$1.68 =	\$3.18
Commercial Schools	\$1.51 +	\$0.76 =	\$2.27
Commercial Higher Education	\$1.51 +	\$0.76 =	\$2.27
Commercial City Property	\$1.51 +	\$1.34 =	\$2.85

## Sewer Rates

In future years, the rates will be escalated by the revenue adjustments and the five-year rate schedule shown in **Table 80**. Each adjustment will occur in January, midway through the fiscal year.

**Table 80. Proposed Variable Sewer Rates FY 2026 to FY 2030**

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Proposed Adjustment</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Fixed Charges</b>					
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Residential (Flat Rate)</b>	\$82.43	\$84.91	\$87.45	\$90.08	\$92.78
<b>Residential (Multi Unit)</b>	\$68.39	\$70.45	\$72.56	\$74.74	\$76.98
<b>Commercial Group II</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Group III</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Industrial</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Group IV</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Group V</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Schools</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Higher Education</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial City Property</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Variable Charges</b>					
Customer Class	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Commercial Group II</b>	\$3.28	\$3.38	\$3.48	\$3.58	\$3.69
<b>Commercial Group III</b>	\$5.00	\$5.15	\$5.31	\$5.47	\$5.63
<b>Commercial Industrial</b>	\$2.98	\$3.07	\$3.16	\$3.26	\$3.36
<b>Commercial Group IV</b>	\$7.08	\$7.29	\$7.51	\$7.73	\$7.97
<b>Commercial Group V</b>	\$3.28	\$3.38	\$3.48	\$3.58	\$3.69
<b>Commercial Schools</b>	\$2.34	\$2.41	\$2.48	\$2.55	\$2.63
<b>Commercial Higher Education</b>	\$2.34	\$2.41	\$2.48	\$2.55	\$2.63
<b>Commercial City Property</b>	\$2.93	\$3.02	\$3.11	\$3.20	\$3.30



# CONCLUSION

## 5.1 Summary of Recommendations and Financial Results

### Recommendations:

#### Water

- Adjusting rates annually by the recommended revenue adjustments of 5.0 percent per year
- Develop fixed meter rates for larger meters based on their respective capacity requirements
- Introducing a passthrough rate for when the City must purchase water from the Metropolitan Water District

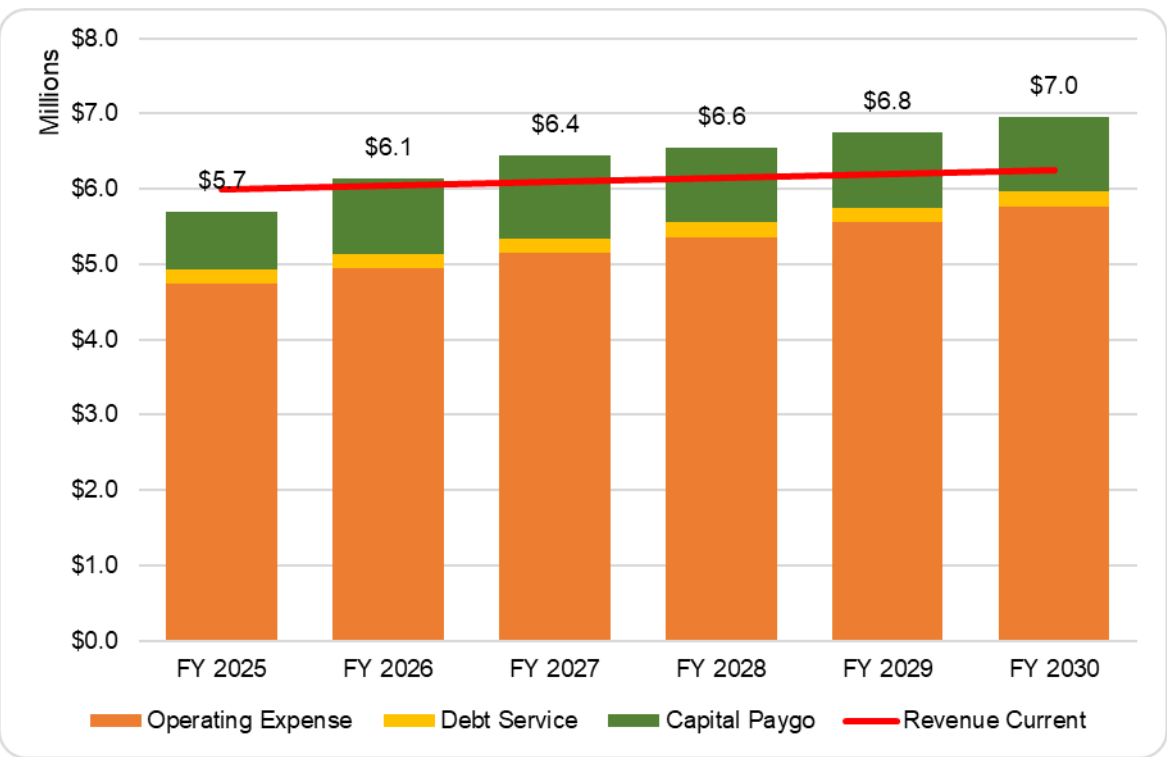
#### Sewer

- Adjusting rates annually by the recommended revenue adjustments of 3.0 percent per year
- Adjust basis for School sewer rates to water use rather than number of students

The following figures summarize the recommendations of this report:

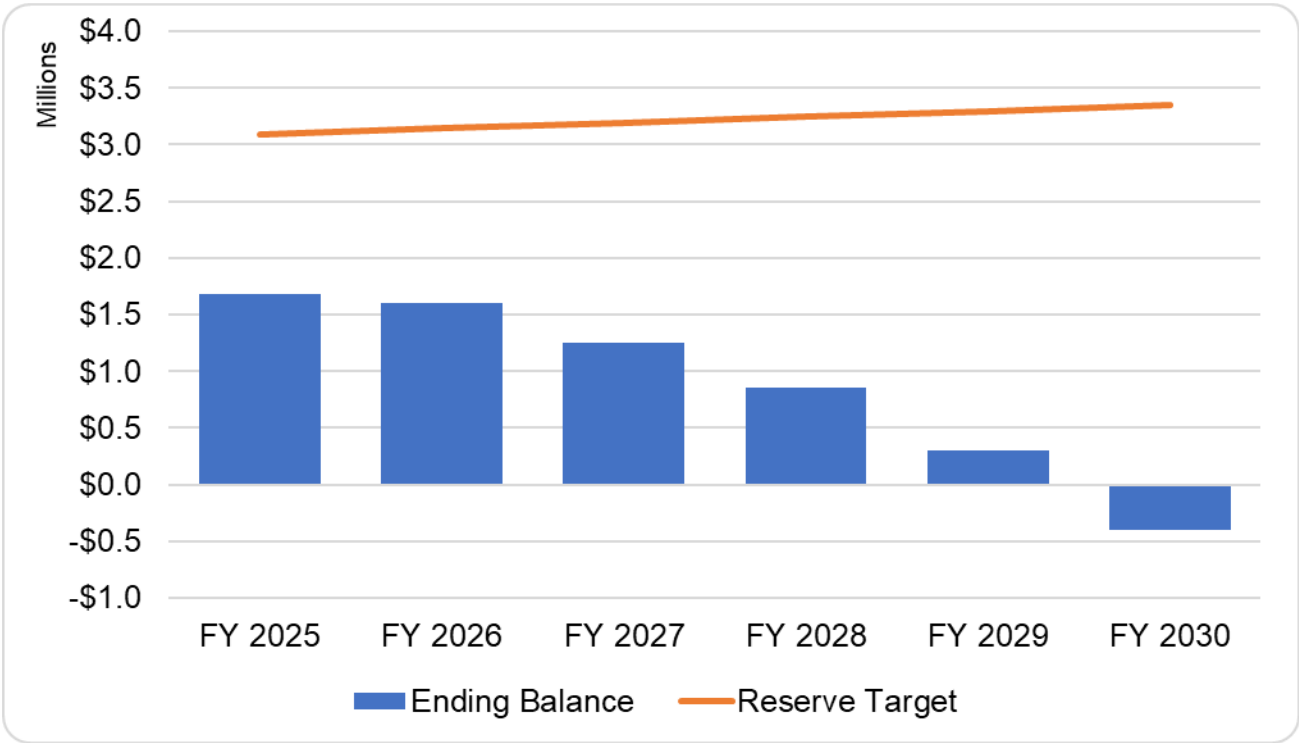
**Figure 12** shows the status quo water financial plan used for this study.

*Figure 12. Rate Study Water Status Quo Financial Plan*



**Figure 13** shows the City's water utility ending cash balances with no adjustments to the revenue requirements.

*Figure 13. Ending Water Cash Balances with No Revenue Adjustment*



**Figure 14** shows the recommended annual water revenue adjustments for each year of the rate setting period.

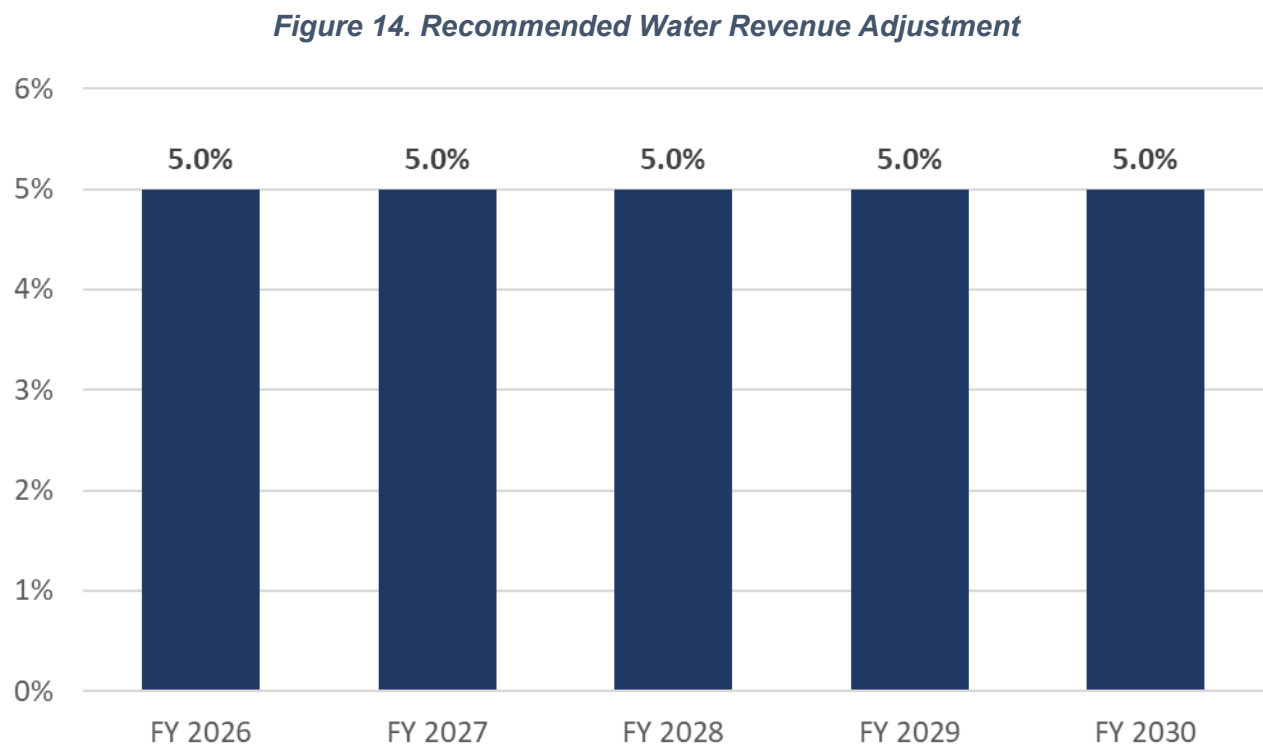
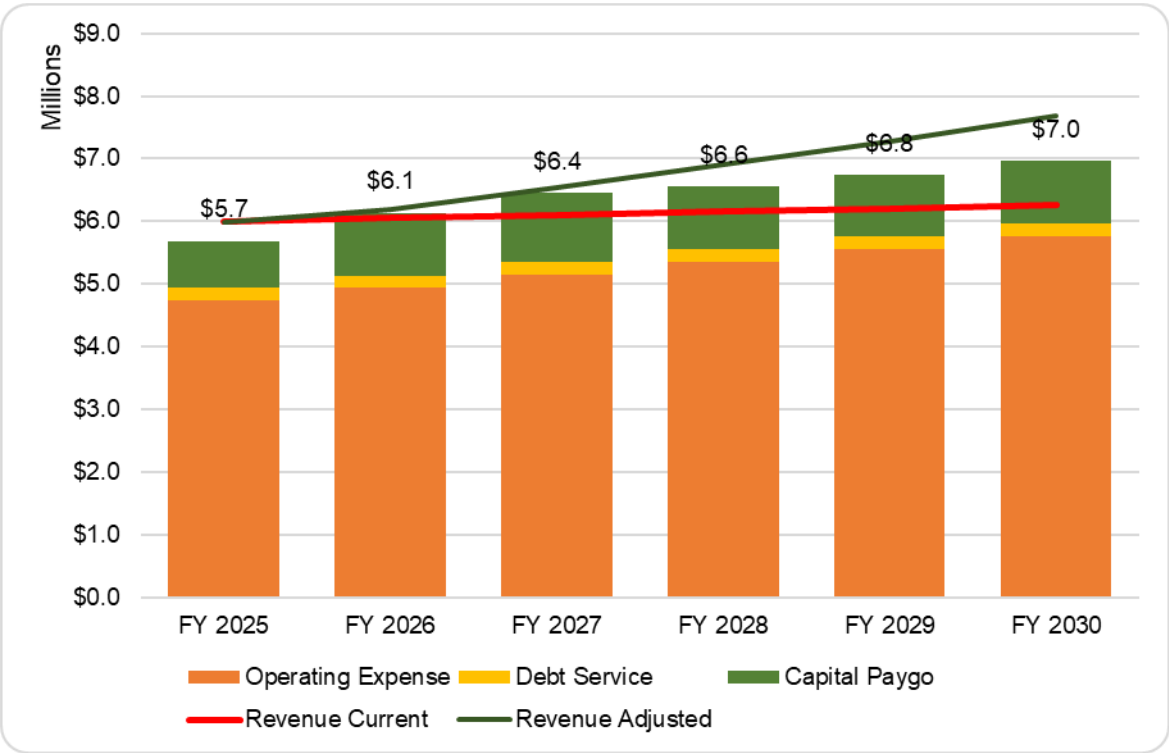


Figure 15 shows the proposed financial plan with revenue adjustments used for this study.

Figure 15. Recommended Rate Study Adjusted Water Financial Plan



**Table 81** and **Table 82** show the proposed fixed rates and variable rates based on the proposed revenue adjustments and cost of service analysis for each year of the rate setting period, respectively.

*Table 81. Proposed Fixed Rates for FY 2026 to FY 2030*

Fixed Charges					
Meter Size	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
3/4"	\$56.63	\$59.46	\$62.44	\$65.56	\$68.84
1"	\$112.55	\$118.18	\$124.09	\$130.29	\$136.81
1 1/2"	\$205.75	\$216.04	\$226.84	\$238.19	\$250.10
2"	\$317.60	\$333.48	\$350.15	\$367.66	\$386.04
3"	\$671.76	\$705.35	\$740.62	\$777.65	\$816.53
4"	\$1,193.69	\$1,253.38	\$1,316.04	\$1,381.85	\$1,450.94
6"	\$3,001.80	\$3,151.89	\$3,309.49	\$3,474.96	\$3,648.71
8"	\$5,238.64	\$5,500.57	\$5,775.60	\$6,064.38	\$6,367.60
10"	\$7,848.29	\$8,240.70	\$8,652.74	\$9,085.37	\$9,539.64

*Table 82. Proposed Variable and MWD Variable Rates for FY 2026 to FY 2030*

Variable Charges					
All Customers	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
All Use	\$3.28	\$3.45	\$3.62	\$3.80	\$3.99

Variable Charges					
All Customers	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
MWD Water	\$4.98	\$5.23	\$5.49	\$5.76	\$6.05

Figure 16 shows the City’s ending cash balances after revenue and rate adjustments are made.

Figure 16. Ending Water Cash Balances with Recommended Revenue Adjustments

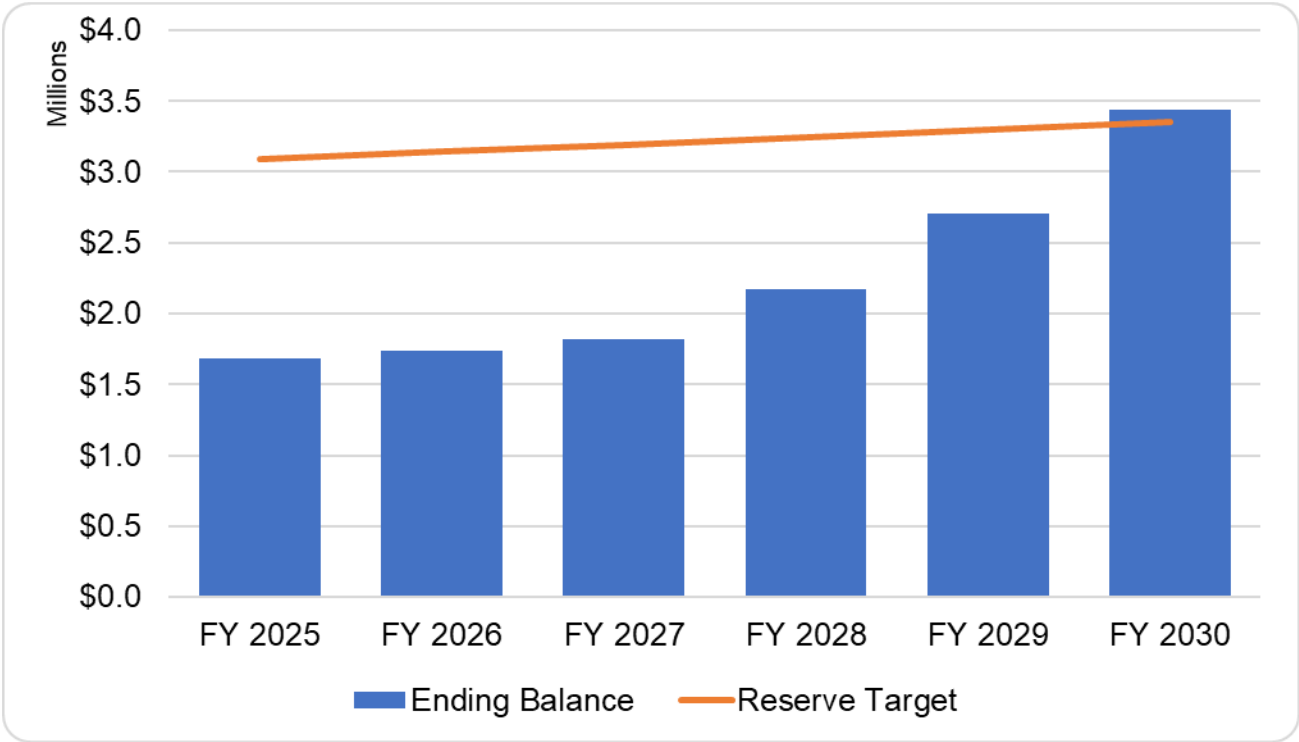
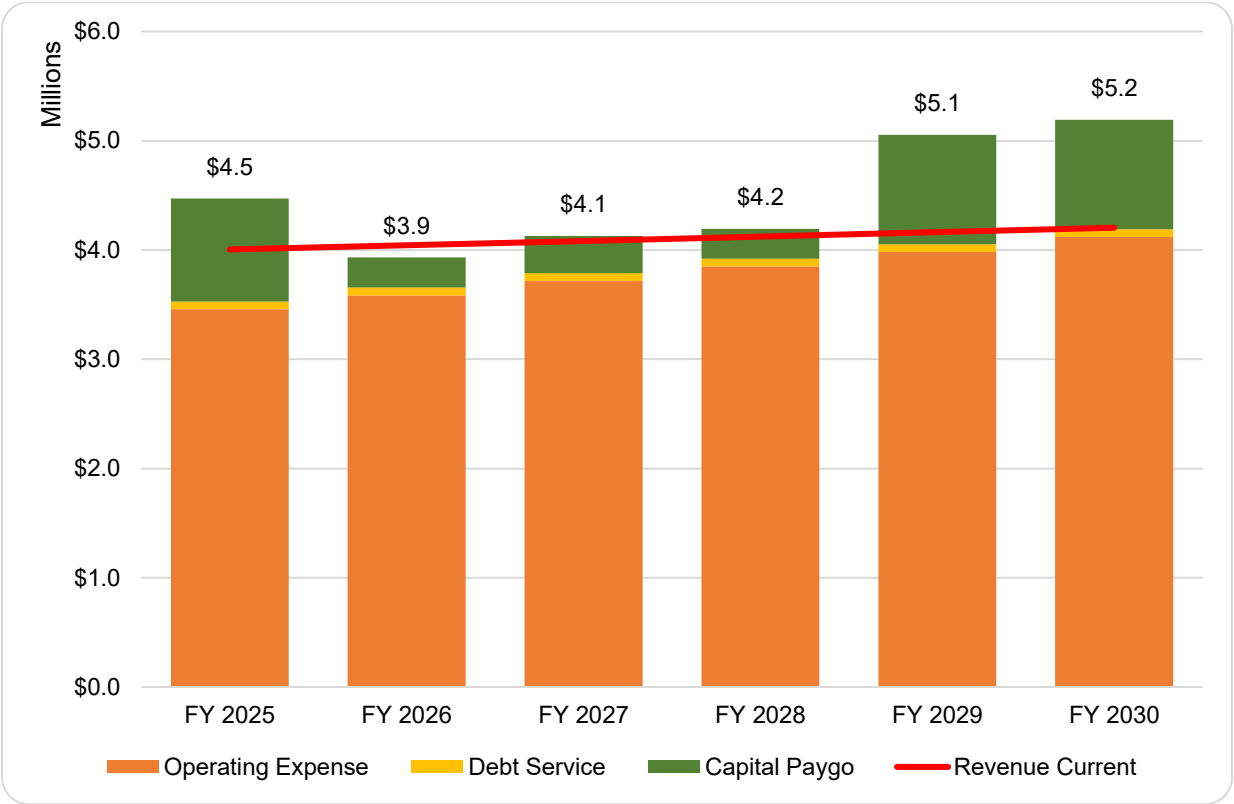


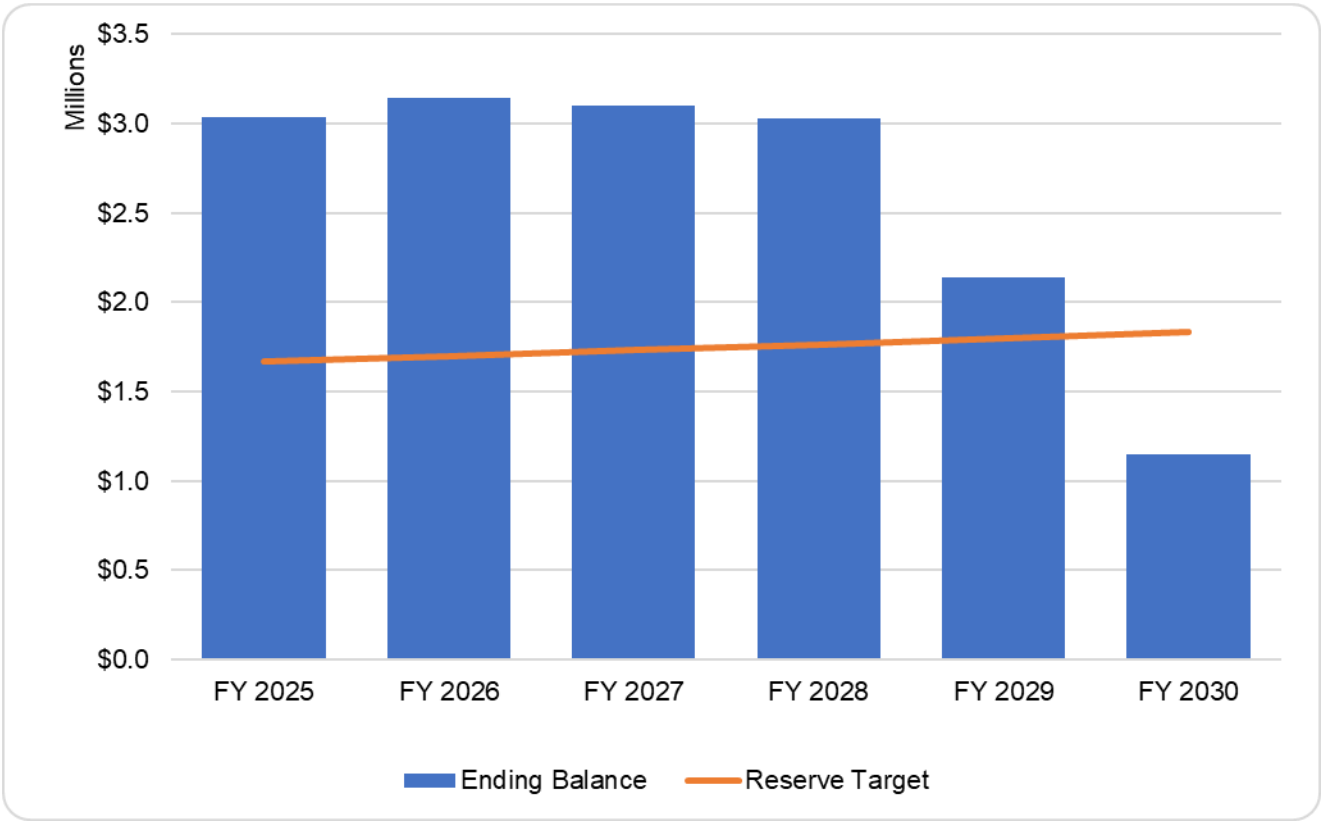
Figure 17 shows the status quo sewer financial plan used for this study.

Figure 17. Rate Study Sewer Status Quo Financial Plan



**Figure 18** shows the City’s sewer utility ending cash balances with no adjustments to the revenue requirements.

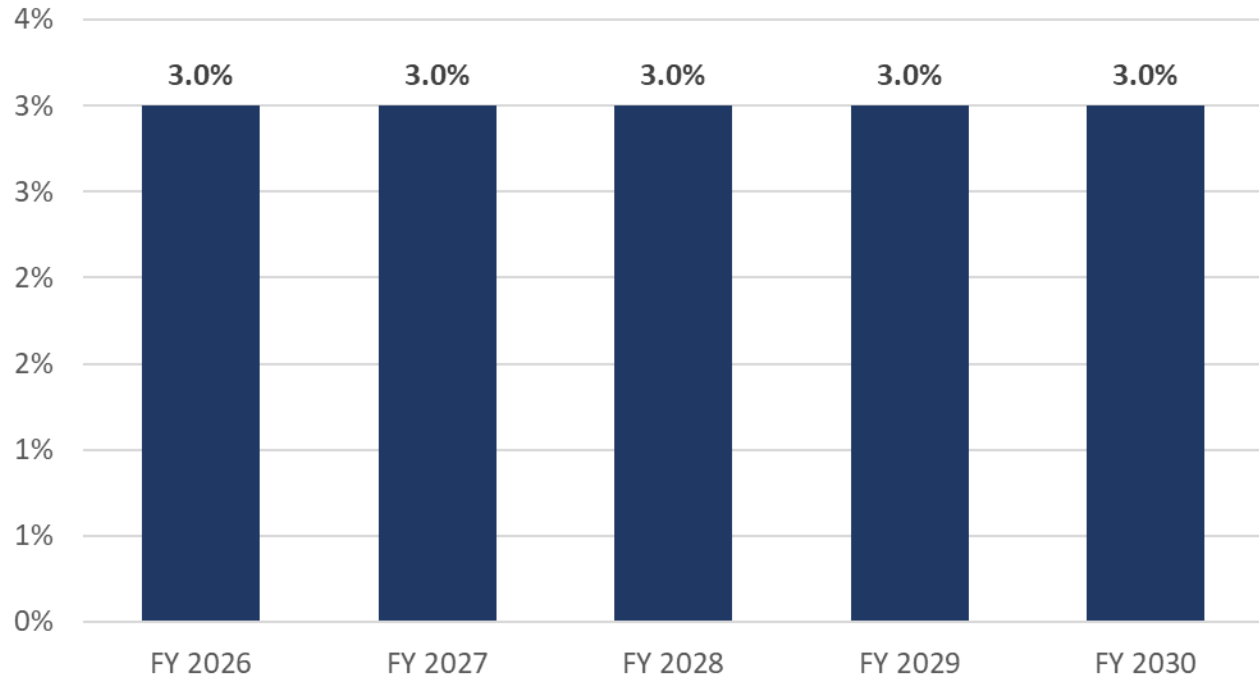
*Figure 18. Ending Sewer Cash Balances with No Revenue Adjustment*



**Figure 19** shows the recommended annual sewer revenue adjustments for each year of the rate setting period.



**Figure 19. Recommended Sewer Revenue Adjustment**



**Table 83** shows the resulting Sewer rates based on the proposed revenue adjustments and cost of service analysis for each year of the rate setting period, respectively.

**Table 83. Proposed Sewer Rates Based on the Proposed Revenue Adjustment**

<b>Fixed Charges</b>					
<b>Customer Class</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>
<b>Residential (Flat Rate)</b>	\$82.43	\$84.91	\$87.45	\$90.08	\$92.78
<b>Residential (Multi Unit)</b>	\$68.39	\$70.45	\$72.56	\$74.74	\$76.98
<b>Commercial Group II</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Group III</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Industrial</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Group IV</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Group V</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Schools</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial Higher Education</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Commercial City Property</b>	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
<b>Variable Charges</b>					
<b>Customer Class</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>
<b>Commercial Group II</b>	\$3.28	\$3.38	\$3.48	\$3.58	\$3.69
<b>Commercial Group III</b>	\$5.00	\$5.15	\$5.31	\$5.47	\$5.63
<b>Commercial Industrial</b>	\$2.98	\$3.07	\$3.16	\$3.26	\$3.36
<b>Commercial Group IV</b>	\$7.08	\$7.29	\$7.51	\$7.73	\$7.97
<b>Commercial Group V</b>	\$3.28	\$3.38	\$3.48	\$3.58	\$3.69
<b>Commercial Schools</b>	\$2.34	\$2.41	\$2.48	\$2.55	\$2.63
<b>Commercial Higher Education</b>	\$2.34	\$2.41	\$2.48	\$2.55	\$2.63
<b>Commercial City Property</b>	\$2.93	\$3.02	\$3.11	\$3.20	\$3.30

Figure 20 shows the proposed financial plan with revenue adjustments used for this study.

Figure 20. Rate Study Adjusted Sewer Financial Plan

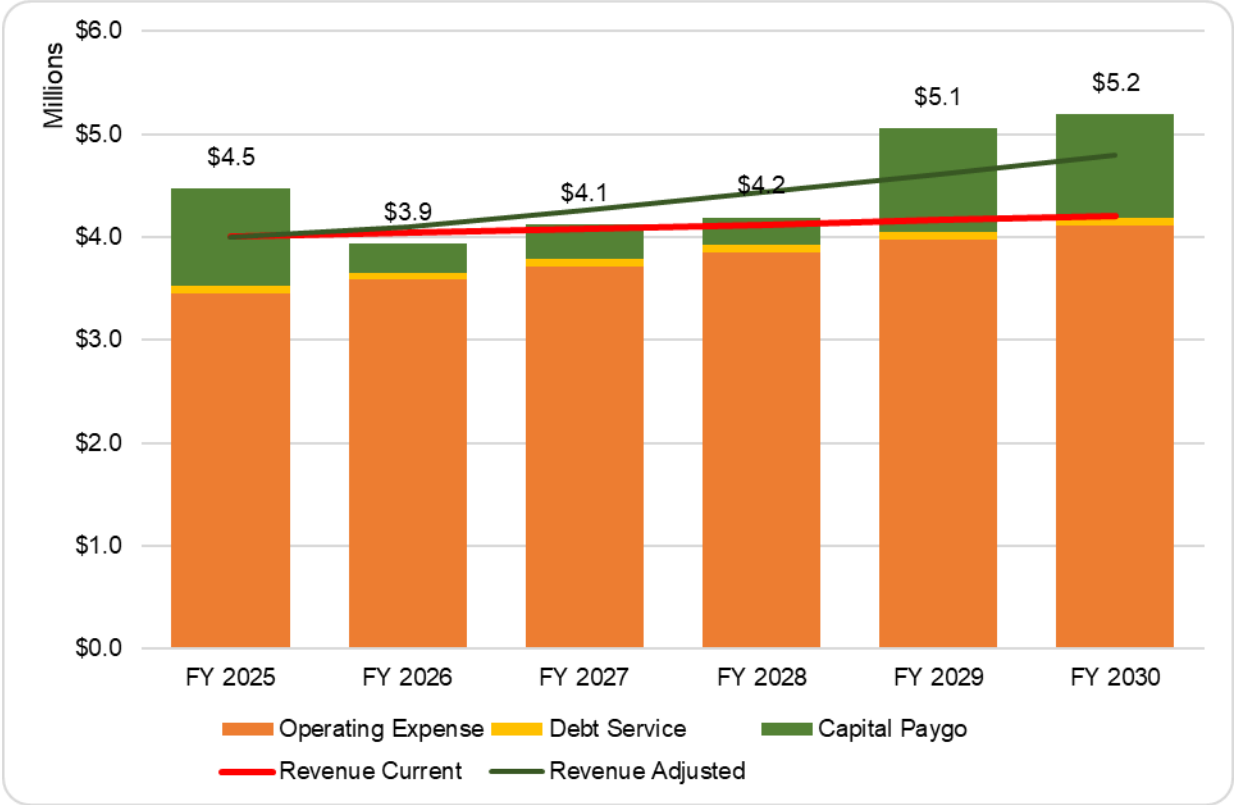
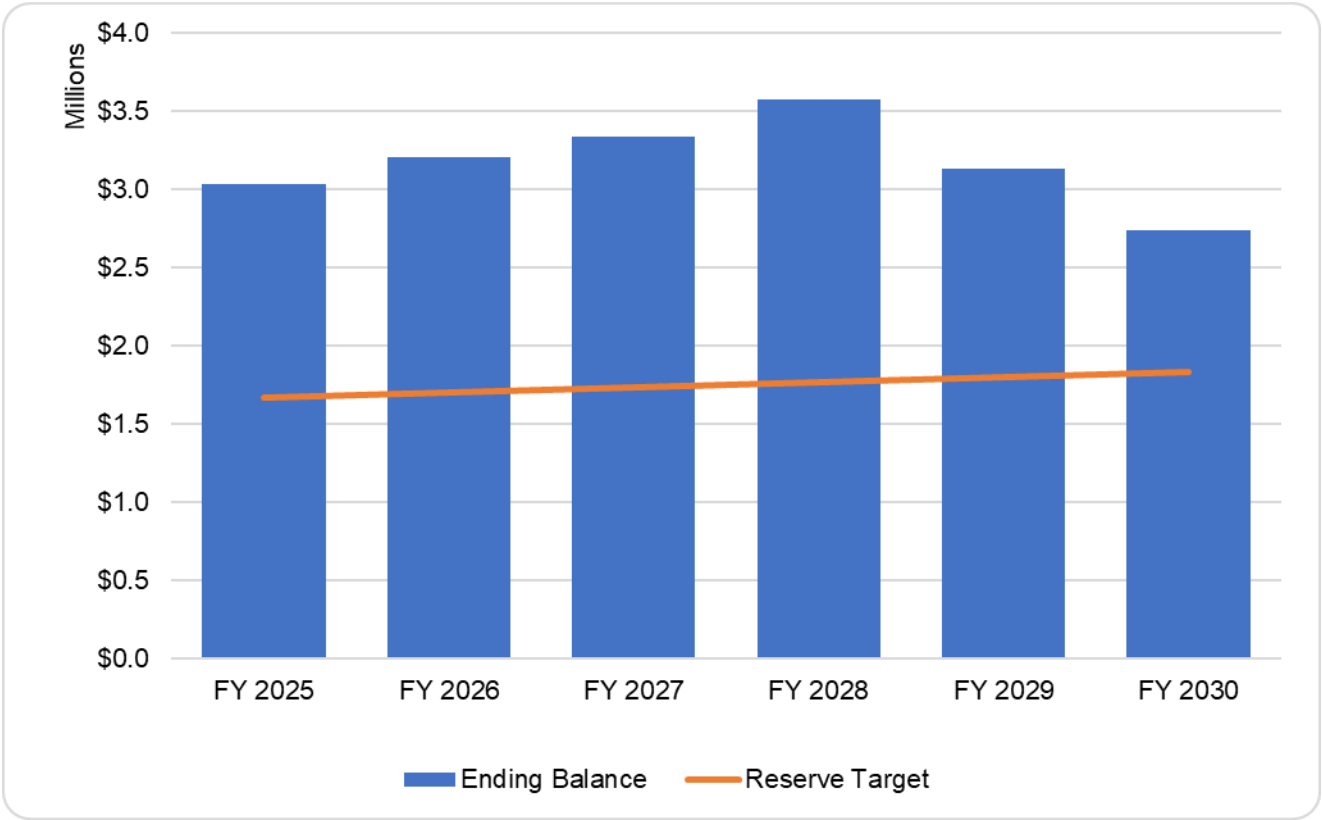


Figure 21 shows the City’s ending cash balances after revenue and rate adjustments are made.

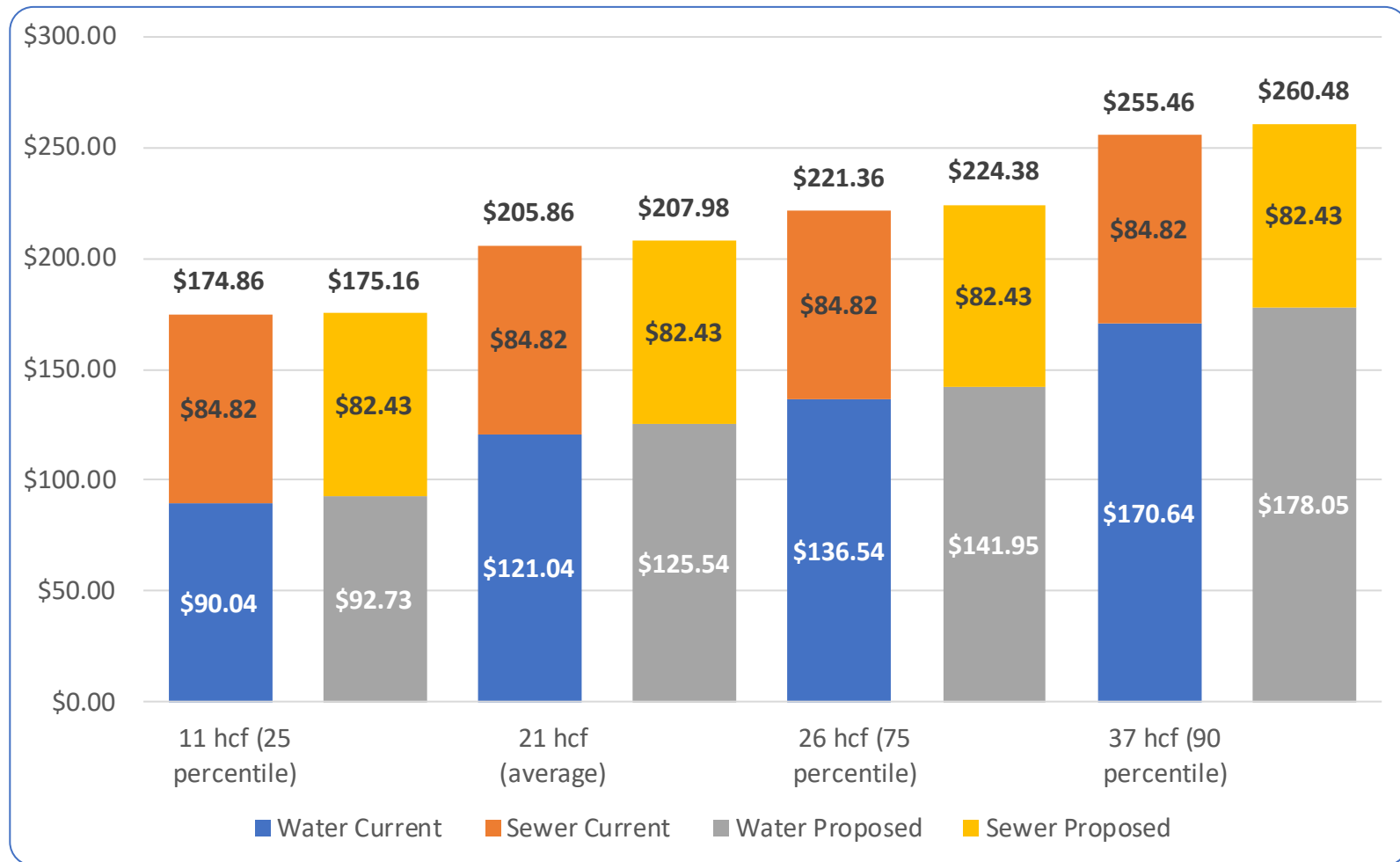
Figure 21. Recommended Ending Sewer Cash Balances with Revenue Adjustment



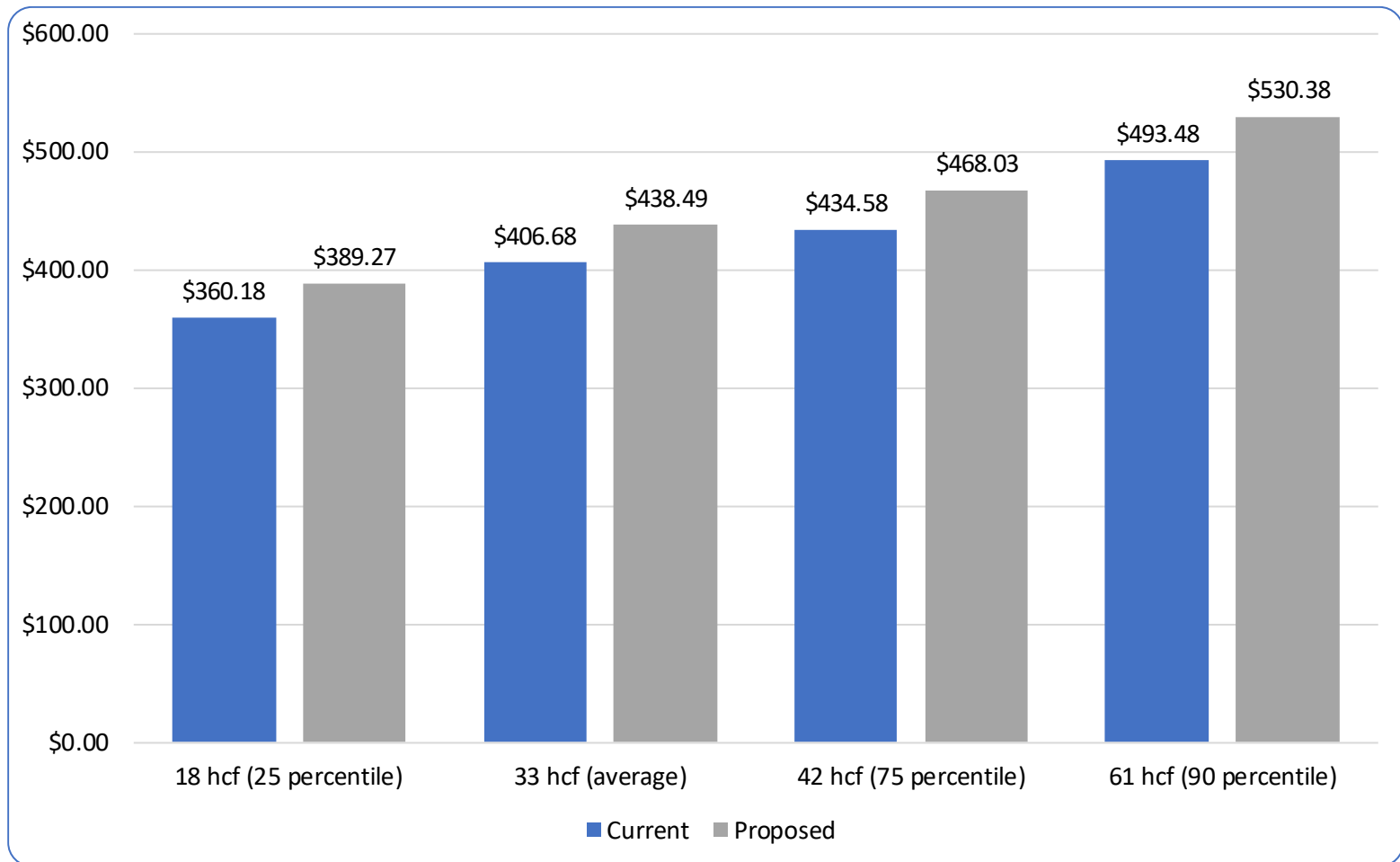
## 5.2 Rate Impacts and Comparison

**Figure 22** and **Figure 23** show combined test year rate impacts water and sewer utilities on different residential customer use levels.

*Figure 22. Single Family Residential 3/4" Combined Impacts for Water and Sewer*



**Figure 23. Multi-Family Residential Combined Impacts for Water and Sewer (Four Units)**



# APPENDIX

This appendix includes the background data used in this report.

## Fixed Revenue/Growth Projections - Water

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Single Family	\$1,373,000	\$1,386,457	\$1,400,251	\$1,414,044	\$1,427,837	\$1,441,966	\$1,456,095	\$1,470,224	\$1,484,688	\$1,499,153	\$1,513,953
3/4"	3,436	3,470	3,505	3,540	3,575	3,611	3,647	3,683	3,720	3,757	3,795
1"	296	299	302	305	308	311	314	317	320	323	326
1 1/2"	8	8	8	8	8	8	8	8	8	8	8
2"	4	4	4	4	4	4	4	4	4	4	4
Multi-Family	\$296,488	\$298,177	\$299,866	\$301,555	\$303,244	\$304,933	\$306,622	\$308,310	\$309,999	\$311,688	\$313,377
3/4"	278	281	284	287	290	293	296	299	302	305	308
1"	128	129	130	131	132	133	134	135	136	137	138
1 1/2"	38	38	38	38	38	38	38	38	38	38	38
2"	23	23	23	23	23	23	23	23	23	23	23
3"	3	3	3	3	3	3	3	3	3	3	3
4"	2	2	2	2	2	2	2	2	2	2	2
Commercial	\$370,081	\$374,645	\$379,209	\$387,573	\$392,137	\$396,701	\$401,265	\$409,628	\$414,192	\$418,757	\$423,321
3/4"	217	219	221	223	225	227	229	231	233	235	237
1"	102	103	104	105	106	107	108	109	110	111	112
1 1/2"	62	63	64	65	66	67	68	69	70	71	72
2"	56	57	58	59	60	61	62	63	64	65	66
3"	6	6	6	7	7	7	7	8	8	8	8
4"	1	1	1	1	1	1	1	1	1	1	1
10"	1	1	1	1	1	1	1	1	1	1	1
Industrial	\$145,751	\$145,751	\$145,751	\$145,751	\$145,751	\$145,751	\$145,751	\$145,751	\$145,751	\$145,751	\$145,751
3/4"	47	47	47	47	47	47	47	47	47	47	47
1"	45	45	45	45	45	45	45	45	45	45	45
1 1/2"	37	37	37	37	37	37	37	37	37	37	37
2"	27	27	27	27	27	27	27	27	27	27	27
Irrigation	\$65,265	\$69,158	\$69,158	\$71,445	\$71,445	\$74,079	\$74,415	\$75,674	\$77,625	\$78,643	\$80,595
3/4"	15	15	15	16	16	16	17	17	17	18	18
1"	22	23	23	23	23	24	24	24	24	25	25
1 1/2"	8	9	9	9	9	9	9	10	10	10	10
2"	15	16	16	17	17	18	18	18	19	19	20
4"	1	1	1	1	1	1	1	1	1	1	1
Church	\$49,242	\$49,242	\$49,242	\$49,242	\$49,242	\$50,501	\$50,501	\$50,501	\$50,501	\$50,501	\$50,501
3/4"	13	13	13	13	13	13	13	13	13	13	13
1"	13	13	13	13	13	13	13	13	13	13	13
1 1/2"	10	10	10	10	10	11	11	11	11	11	11
2"	12	12	12	12	12	12	12	12	12	12	12
County	\$31,586	\$31,586	\$31,586	\$31,586	\$31,586	\$31,586	\$31,586	\$31,586	\$31,586	\$31,586	\$31,586
3/4"	2	2	2	2	2	2	2	2	2	2	2
1"	2	2	2	2	2	2	2	2	2	2	2
1 1/2"	2	2	2	2	2	2	2	2	2	2	2
2"	5	5	5	5	5	5	5	5	5	5	5
3"	3	3	3	3	3	3	3	3	3	3	3
4"	1	1	1	1	1	1	1	1	1	1	1
City	\$75,327	\$76,345	\$75,075	\$75,757	\$76,439	\$76,775	\$75,505	\$76,187	\$76,187	\$77,204	\$75,253
3/4"	29	30	30	30	30	31	31	31	31	32	32
1"	15	16	17	18	19	19	20	21	21	22	22
1 1/2"	7	7	7	7	7	7	7	7	7	7	7
2"	15	15	14	14	14	14	13	13	13	13	12
3"	3	3	3	3	3	3	3	3	3	3	3
4"	1	1	1	1	1	1	1	1	1	1	1
Low Income	\$50,674	\$51,081	\$51,489	\$51,896	\$52,303	\$52,710	\$53,118	\$53,525	\$53,932	\$54,339	\$54,747
3/4"	219	221	223	225	227	229	231	233	235	237	239
1"	9	9	9	9	9	9	9	9	9	9	9
1 1/2"	1	1	1	1	1	1	1	1	1	1	1
Elementary	\$33,916	\$33,916	\$33,916	\$33,916	\$33,916	\$33,916	\$33,916	\$33,916	\$33,916	\$33,916	\$33,916
3/4"	1	1	1	1	1	1	1	1	1	1	1
1 1/2"	2	2	2	2	2	2	2	2	2	2	2
2"	6	6	6	6	6	6	6	6	6	6	6
3"	2	2	2	2	2	2	2	2	2	2	2
4"	2	2	2	2	2	2	2	2	2	2	2
Higher Education	\$40,445	\$40,445	\$40,445	\$40,445	\$40,445	\$40,445	\$40,445	\$40,445	\$40,445	\$40,445	\$40,445
3/4"	1	1	1	1	1	1	1	1	1	1	1
1 1/2"	1	1	1	1	1	1	1	1	1	1	1
2"	2	2	2	2	2	2	2	2	2	2	2
6"	3	3	3	3	3	3	3	3	3	3	3

## Variable Revenue/Use Projections - Water

			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Single Family			\$1,459,417	\$1,473,839	\$1,488,652	\$1,503,464	\$1,518,277	\$1,533,479	\$1,548,681	\$1,563,883	\$1,579,475	\$1,595,067	\$1,611,049
	Width 1	0 hcf	470,780	475,432	480,210	484,988	489,767	494,671	499,575	504,479	509,508	514,538	519,693
Multi-Family			\$495,554	\$499,754	\$503,953	\$508,153	\$512,352	\$516,552	\$520,752	\$524,951	\$529,151	\$533,350	\$537,550
	Width 1	hcf	159,856	161,211	162,566	163,920	165,275	166,630	167,984	169,339	170,694	172,049	173,403
Commercial			\$478,722	\$484,101	\$489,480	\$495,935	\$501,314	\$506,693	\$512,072	\$518,526	\$523,905	\$529,284	\$534,663
	Width 1	hcf	154,427	156,162	157,897	159,979	161,714	163,449	165,184	167,267	169,002	170,737	172,472
Industrial			\$236,333	\$236,333	\$236,333	\$236,333	\$236,333	\$236,333	\$236,333	\$236,333	\$236,333	\$236,333	\$236,333
	Width 1	hcf	76,237	76,237	76,237	76,237	76,237	76,237	76,237	76,237	76,237	76,237	76,237
Irrigation			\$85,793	\$90,013	\$90,013	\$92,826	\$92,826	\$95,638	\$97,045	\$98,451	\$99,858	\$102,671	\$104,077
	Width 1	hcf	27,675	29,036	29,036	29,944	29,944	30,851	31,305	31,758	32,212	33,120	33,573
Church			\$36,171	\$36,171	\$36,171	\$36,171	\$36,171	\$36,924	\$36,924	\$36,924	\$36,924	\$36,924	\$36,924
	Width 1	hcf	11,668	11,668	11,668	11,668	11,668	11,911	11,911	11,911	11,911	11,911	11,911
County			\$61,451	\$61,451	\$61,451	\$61,451	\$61,451	\$61,451	\$61,451	\$61,451	\$61,451	\$61,451	\$61,451
	Width 1	hcf	19,823	19,823	19,823	19,823	19,823	19,823	19,823	19,823	19,823	19,823	19,823
City			\$72,000	\$74,057	\$74,057	\$75,085	\$76,114	\$77,142	\$77,142	\$78,171	\$78,171	\$80,228	\$79,200
	Width 1	hcf	23,226	23,889	23,889	24,221	24,553	24,885	24,885	25,216	25,216	25,880	25,548
Low Income			\$75,531	\$76,190	\$76,850	\$77,510	\$78,169	\$78,829	\$79,489	\$80,148	\$80,808	\$81,468	\$82,127
	Width 1	hcf	24,365	24,578	24,790	25,003	25,216	25,429	25,642	25,854	26,067	26,280	26,493
Elementary			\$23,554	\$23,554	\$23,554	\$23,554	\$23,554	\$23,554	\$23,554	\$23,554	\$23,554	\$23,554	\$23,554
	Width 1	hcf	7,598	7,598	7,598	7,598	7,598	7,598	7,598	7,598	7,598	7,598	7,598
Higher Education			\$30,203	\$30,203	\$30,203	\$30,203	\$30,203	\$30,203	\$30,203	\$30,203	\$30,203	\$30,203	\$30,203
	Width 1	hcf	9,743	9,743	9,743	9,743	9,743	9,743	9,743	9,743	9,743	9,743	9,743

## Other Revenues - Water

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
<b>Fixed Rate Revenue</b>	<b>\$2,531,774</b>	<b>\$2,556,803</b>	<b>\$2,575,987</b>	<b>\$2,603,209</b>	<b>\$2,624,344</b>	<b>\$2,649,362</b>	<b>\$2,669,217</b>	<b>\$2,695,746</b>	<b>\$2,718,823</b>	<b>\$2,741,983</b>	<b>\$2,763,444</b>
<b>Variable Rate Revenue</b>	<b>\$3,054,729</b>	<b>\$3,085,667</b>	<b>\$3,110,717</b>	<b>\$3,140,685</b>	<b>\$3,166,764</b>	<b>\$3,196,800</b>	<b>\$3,223,647</b>	<b>\$3,252,598</b>	<b>\$3,279,834</b>	<b>\$3,310,535</b>	<b>\$3,337,133</b>
<b>Other Operating Revenue</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$360,000</b>
Delinquent Penalties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meter and Fire Service	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
Water Installation Charge	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Capital Facility Charges	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Backflow Prevention Fee	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Miscellaneous Revenue	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
<b>Non-Operating Revenue</b>	<b>\$50,000</b>	<b>\$50,250</b>	<b>\$50,501</b>	<b>\$50,754</b>	<b>\$51,008</b>	<b>\$51,263</b>	<b>\$51,519</b>	<b>\$51,776</b>	<b>\$52,035</b>	<b>\$52,296</b>	<b>\$52,557</b>
Interest Income	\$50,000.00	\$50,250	\$50,501	\$50,754	\$51,008	\$51,263	\$51,519	\$51,776	\$52,035	\$52,296	\$52,557

## Operating Expenses - Water

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
<b>Total Operating Expense</b>	<b>\$4,738,438</b>	<b>\$4,940,072</b>	<b>\$5,149,716</b>	<b>\$5,358,311</b>	<b>\$5,558,618</b>	<b>\$5,768,347</b>	<b>\$5,988,008</b>	<b>\$6,218,141</b>	<b>\$6,459,321</b>	<b>\$6,712,155</b>	<b>\$6,977,290</b>
Professional Services	\$1,000	\$1,032	\$1,065	\$1,099	\$1,134	\$1,171	\$1,208	\$1,247	\$1,287	\$1,328	\$1,370
OPEB GASB 75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retirement	\$254,533	\$273,670	\$294,245	\$316,367	\$340,153	\$365,727	\$393,224	\$422,788	\$454,574	\$488,751	\$525,497
Pension Expense GASB 75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retire Emp. Health Insurance	\$95,000	\$102,142	\$109,822	\$118,079	\$126,956	\$136,501	\$146,764	\$157,798	\$169,662	\$182,418	\$196,132
Administrative Expense	\$721	\$775	\$833	\$896	\$964	\$1,036	\$1,114	\$1,198	\$1,288	\$1,384	\$1,489
Salaries- Permanent Employees	\$362,242	\$376,732	\$391,801	\$407,473	\$423,772	\$440,723	\$458,352	\$476,686	\$495,753	\$515,583	\$536,207
Wages - Temporary and Part Time	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Overtime	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OASDI	\$26,601	\$27,665	\$28,772	\$29,923	\$31,119	\$32,364	\$33,659	\$35,005	\$36,405	\$37,862	\$39,376
Retirement	\$64,891	\$69,770	\$75,015	\$80,655	\$86,719	\$93,239	\$100,249	\$107,786	\$115,890	\$124,603	\$133,971
Health Insurance	\$55,392	\$60,715	\$66,088	\$70,304	\$72,385	\$74,528	\$76,734	\$79,006	\$81,344	\$83,752	\$86,232
Dental Insurance	\$1,731	\$1,897	\$2,065	\$2,197	\$2,262	\$2,329	\$2,398	\$2,469	\$2,542	\$2,617	\$2,695
Retiree Health Savings	\$450	\$493	\$537	\$571	\$588	\$605	\$623	\$642	\$661	\$680	\$701
Worker's Compensation Ins	\$28,305	\$31,025	\$33,771	\$35,925	\$36,989	\$38,083	\$39,211	\$40,372	\$41,567	\$42,797	\$44,064
Compensated Absences	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long Term Disability Insurance	\$2,123	\$2,327	\$2,533	\$2,695	\$2,774	\$2,856	\$2,941	\$3,028	\$3,118	\$3,210	\$3,305
Optical Insurance	\$577	\$632	\$688	\$732	\$754	\$776	\$799	\$823	\$847	\$872	\$898
Life Insurance	\$216	\$237	\$258	\$274	\$282	\$291	\$299	\$308	\$317	\$327	\$336
Wellness Benefit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covid 19 Global Outbreak	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$600	\$627	\$656	\$686	\$717	\$749	\$783	\$819	\$856	\$895	\$935
Contractual Services	\$50,000	\$51,600	\$53,251	\$54,955	\$56,714	\$58,529	\$60,402	\$62,334	\$64,329	\$66,388	\$68,512
Professional Services	\$45,000	\$46,440	\$47,926	\$49,460	\$51,042	\$52,676	\$54,361	\$56,101	\$57,896	\$59,749	\$61,661
Office Equipment Maintenance	\$1,000	\$1,009	\$1,018	\$1,028	\$1,037	\$1,047	\$1,056	\$1,066	\$1,076	\$1,086	\$1,096
Department Supplies	\$3,000	\$3,028	\$3,055	\$3,084	\$3,112	\$3,140	\$3,169	\$3,198	\$3,228	\$3,258	\$3,288
Department Equipment Maintenance	\$1,500	\$1,514	\$1,528	\$1,542	\$1,556	\$1,570	\$1,585	\$1,599	\$1,614	\$1,629	\$1,644
Uniform Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Maintenance and Repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Personnel Training	\$3,000	\$3,096	\$3,195	\$3,297	\$3,403	\$3,512	\$3,624	\$3,740	\$3,860	\$3,983	\$4,111
Meetings, Memberships and Travel	\$3,000	\$3,096	\$3,195	\$3,297	\$3,403	\$3,512	\$3,624	\$3,740	\$3,860	\$3,983	\$4,111
Subscriptions Dues and Memberships	\$7,550	\$7,792	\$8,041	\$8,298	\$8,564	\$8,838	\$9,121	\$9,412	\$9,714	\$10,025	\$10,345
Mileage Reimbursement	\$900	\$931	\$963	\$996	\$1,030	\$1,065	\$1,102	\$1,139	\$1,178	\$1,219	\$1,261
Vehicle Operation and Maintenance	\$1,000	\$1,034	\$1,070	\$1,106	\$1,144	\$1,183	\$1,224	\$1,266	\$1,309	\$1,354	\$1,401
Fuel	\$1,000	\$1,034	\$1,070	\$1,106	\$1,144	\$1,183	\$1,224	\$1,266	\$1,309	\$1,354	\$1,401
Activities and Programs	\$6,500	\$6,708	\$6,923	\$7,144	\$7,373	\$7,609	\$7,852	\$8,103	\$8,363	\$8,630	\$8,907
Other Expense	\$55,000	\$56,760	\$58,576	\$60,451	\$62,385	\$64,382	\$66,442	\$68,568	\$70,762	\$73,026	\$75,363
Cost Allocation	\$684,534	\$706,439	\$729,045	\$752,375	\$776,451	\$801,297	\$826,938	\$853,401	\$880,709	\$908,892	\$937,977



Contractual Services	\$6,453	\$6,659	\$6,873	\$7,093	\$7,319	\$7,554	\$7,795	\$8,045	\$8,302	\$8,568	\$8,842
Department Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Liability Charge	\$26,105	\$26,940	\$27,802	\$28,692	\$29,610	\$30,558	\$31,536	\$32,545	\$33,586	\$34,661	\$35,770
Equip Maint Charge	\$3,227	\$3,257	\$3,287	\$3,317	\$3,347	\$3,378	\$3,409	\$3,441	\$3,472	\$3,504	\$3,536
Equip Replacement Charge	\$33,117	\$33,421	\$33,729	\$34,039	\$34,352	\$34,668	\$34,986	\$35,308	\$35,633	\$35,960	\$36,291
Facility Maintenance Charge	\$29,747	\$30,020	\$30,297	\$30,575	\$30,856	\$31,140	\$31,426	\$31,715	\$32,007	\$32,301	\$32,598
Transfer to General Fund	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Transfer to Self-Insurance Fund	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Transfer to Retirement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Facility Maint Fund	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Salaries- Permanent Employees	\$173,713	\$180,662	\$187,888	\$195,404	\$203,220	\$211,348	\$219,802	\$228,594	\$237,738	\$247,248	\$257,138
Wages - Temporary and Part Time	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Overtime	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OASDI	\$13,290	\$13,822	\$14,374	\$14,949	\$15,547	\$16,169	\$16,816	\$17,489	\$18,188	\$18,916	\$19,672
Retirement	\$33,607	\$36,837	\$40,096	\$42,655	\$45,917	\$48,217	\$49,556	\$47,934	\$49,353	\$50,814	\$52,318
Health Insurance	\$60,389	\$66,192	\$72,050	\$76,647	\$78,915	\$81,251	\$83,657	\$86,133	\$88,683	\$91,308	\$94,011
Dental Insurance	\$1,888	\$2,069	\$2,253	\$2,396	\$2,467	\$2,540	\$2,615	\$2,693	\$2,773	\$2,855	\$2,939
Retiree Health Savings	\$576	\$631	\$687	\$731	\$753	\$775	\$798	\$822	\$846	\$871	\$897
Worker's Compensation Ins	\$7,963	\$8,728	\$9,501	\$10,107	\$10,406	\$10,714	\$11,031	\$11,358	\$11,694	\$12,040	\$12,396
Long Term Disability Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Optical Insurance	\$630	\$691	\$752	\$800	\$823	\$848	\$873	\$899	\$925	\$953	\$981
Life Insurance	\$208	\$228	\$248	\$264	\$272	\$280	\$288	\$297	\$305	\$314	\$324
Contractual Services	\$10,000	\$10,320	\$10,650	\$10,991	\$11,343	\$11,706	\$12,080	\$12,467	\$12,866	\$13,278	\$13,702
Professional Services	\$500	\$516	\$533	\$550	\$567	\$585	\$604	\$623	\$643	\$664	\$685
Office Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Department Supplies	\$15,000	\$15,138	\$15,277	\$15,418	\$15,559	\$15,702	\$15,847	\$15,992	\$16,139	\$16,288	\$16,438
Department Equipment Maintenance	\$2,000	\$2,018	\$2,037	\$2,056	\$2,075	\$2,094	\$2,113	\$2,132	\$2,152	\$2,172	\$2,192
Mileage Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicle Operation and Maintenance	\$2,000	\$2,069	\$2,139	\$2,213	\$2,289	\$2,367	\$2,448	\$2,532	\$2,619	\$2,708	\$2,801
Fuel	\$4,000	\$4,137	\$4,279	\$4,425	\$4,577	\$4,734	\$4,896	\$5,064	\$5,237	\$5,417	\$5,603
Bad Debts Expense	\$25,000	\$25,800	\$26,626	\$27,478	\$28,357	\$29,264	\$30,201	\$31,167	\$32,165	\$33,194	\$34,256
Liability Charge	\$14,101	\$14,231	\$14,361	\$14,494	\$14,627	\$14,761	\$14,897	\$15,034	\$15,172	\$15,312	\$15,452
Equip Maint Charge	\$6,455	\$6,514	\$6,574	\$6,635	\$6,696	\$6,757	\$6,819	\$6,882	\$6,945	\$7,009	\$7,074
Equip Replacement Charge	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facility Maintenance Charge	\$28,632	\$28,632	\$28,632	\$28,632	\$28,632	\$28,632	\$28,632	\$28,632	\$28,632	\$28,632	\$28,632
Salaries- Permanent Employees	\$288,758	\$300,308	\$312,321	\$324,813	\$337,806	\$351,318	\$365,371	\$379,986	\$395,185	\$410,993	\$427,432
Overtime	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Temp Non-Employee Wages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OASDI	\$22,090	\$22,974	\$23,893	\$24,848	\$25,842	\$26,876	\$27,951	\$29,069	\$30,232	\$31,441	\$32,699
Retirement	\$53,500	\$57,522	\$61,847	\$66,497	\$71,496	\$76,872	\$82,651	\$88,865	\$95,546	\$102,730	\$110,454
Health Insurance	\$73,953	\$81,060	\$88,233	\$93,862	\$96,641	\$99,501	\$102,447	\$105,479	\$108,602	\$111,816	\$115,126
Retired Employee Health Ins	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dental Insurance	\$2,312	\$2,534	\$2,758	\$2,934	\$3,021	\$3,111	\$3,203	\$3,298	\$3,395	\$3,496	\$3,599
Retiree Health Savings	\$1,464	\$1,605	\$1,747	\$1,858	\$1,913	\$1,970	\$2,028	\$2,088	\$2,150	\$2,214	\$2,279
Worker's Compensation Ins	\$28,876	\$31,651	\$34,452	\$36,650	\$37,735	\$38,852	\$40,002	\$41,186	\$42,405	\$43,660	\$44,953
Long Term Disability Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Optical Insurance	\$771	\$845	\$920	\$979	\$1,008	\$1,037	\$1,068	\$1,100	\$1,132	\$1,166	\$1,200
Life Insurance	\$288	\$316	\$344	\$366	\$376	\$387	\$399	\$411	\$423	\$435	\$448
Contractual Services	\$22,000	\$22,704	\$23,431	\$24,180	\$24,954	\$25,753	\$26,577	\$27,427	\$28,305	\$29,211	\$30,145
Professional Services	\$4,000	\$4,128	\$4,260	\$4,396	\$4,537	\$4,682	\$4,832	\$4,987	\$5,146	\$5,311	\$5,481
Office Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Department Supplies	\$6,700	\$6,762	\$6,824	\$6,887	\$6,950	\$7,014	\$7,078	\$7,143	\$7,209	\$7,275	\$7,342
Equipment and Supplies	\$77,000	\$77,708	\$78,422	\$79,143	\$79,871	\$80,605	\$81,346	\$82,094	\$82,849	\$83,611	\$84,380
Department Equipment Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Maintenance and Repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Small Tools	\$2,500	\$2,523	\$2,546	\$2,570	\$2,593	\$2,617	\$2,641	\$2,665	\$2,690	\$2,715	\$2,740
Personnel Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicle Operation and Maintenance	\$23,400	\$24,202	\$25,031	\$25,889	\$26,776	\$27,693	\$28,642	\$29,624	\$30,639	\$31,689	\$32,775
Fuel	\$9,000	\$9,308	\$9,627	\$9,957	\$10,298	\$10,651	\$11,016	\$11,394	\$11,784	\$12,188	\$12,606
PW Maint and Repair Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covid 19 Global Outbreak	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Liability Charge	\$22,816	\$23,026	\$23,237	\$23,451	\$23,667	\$23,884	\$24,104	\$24,326	\$24,549	\$24,775	\$25,003
Equip Replacement Charge	\$3,227	\$3,257	\$3,287	\$3,317	\$3,347	\$3,378	\$3,409	\$3,441	\$3,472	\$3,504	\$3,536
Facility Maintenance Charge	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equip Maint Charge	\$39,539	\$39,539	\$39,539	\$39,539	\$39,539	\$39,539	\$39,539	\$39,539	\$39,539	\$39,539	\$39,539
Salaries- Permanent Employees	\$316,866	\$329,541	\$342,722	\$356,431	\$370,688	\$385,516	\$400,937	\$416,974	\$433,653	\$450,999	\$469,039
OASDI	\$24,241	\$25,211	\$26,219	\$27,268	\$28,359	\$29,493	\$30,673	\$31,900	\$33,175	\$34,503	\$35,883
Retirement	\$51,268	\$55,123	\$59,267	\$63,723	\$68,514	\$73,665	\$79,203	\$85,158	\$91,560	\$98,444	\$105,845
Health Insurance	\$94,753	\$103,858	\$113,050	\$120,262	\$123,822	\$127,487	\$131,261	\$135,146	\$139,147	\$143,266	\$147,507
Dental Insurance	\$2,962	\$3,247	\$3,534	\$3,759	\$3,871	\$3,985	\$4,103	\$4,225	\$4,350	\$4,479	\$4,611
Retiree Health Savings	\$2,364	\$2,591	\$2,820	\$3,000	\$3,089	\$3,181	\$3,275	\$3,372	\$3,472	\$3,574	\$3,680
Worker's Compensation Ins	\$31,687	\$34,732	\$37,806	\$40,218	\$41,408	\$42,634	\$43,896	\$45,195	\$46,533	\$47,911	\$49,329
Optical Insurance	\$988	\$1,083	\$1,179	\$1,254	\$1,291	\$1,329	\$1,369	\$1,409	\$1,451	\$1,494	\$1,538
Life Insurance	\$333	\$365	\$397	\$423	\$435	\$448	\$461	\$475	\$489	\$503	\$518
Utilities	\$300,000	\$313,624	\$327,866	\$342,755	\$358,320	\$374,592	\$391,603	\$409,387	\$427,978	\$447,413	\$467,731
Telephone	\$20,000	\$20,908	\$21,850	\$22,850	\$23,888	\$24,973	\$26,107	\$27,292	\$28,532	\$29,828	\$31,182
Rents and Leases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$234,000	\$241,488	\$249,216	\$257,191	\$265,421	\$273,914	\$282,679	\$291,725	\$301,060	\$310,694	\$320,636
Department Supplies	\$260,000	\$262,390	\$264,803	\$267,237	\$269,694	\$272,174	\$274,676	\$277,202	\$279,750	\$282,322	\$284,918
Equipment and Supplies	\$20,000	\$20,184	\$20,369	\$20,557	\$20,746	\$20,936	\$21,129	\$21,323	\$21,519	\$21,717	\$21,917
Department Equipment Maintenance	\$5,000	\$5,046	\$5,092	\$5,139	\$5,186	\$5,234	\$5,282	\$5,331	\$5,380	\$5,429	\$5,479
Building Maintenance and Repairs	\$6,500	\$6,560	\$6,620	\$6,681	\$6,742	\$6,804	\$6,867	\$6,930	\$6,994	\$7,058	\$7,123
Small Tools	\$1,000	\$1,009	\$1,018	\$1,028	\$1,037	\$1,047	\$1,056	\$1,066	\$1,076	\$1,086	\$1,096
Personnel Training	\$1,000	\$1,032	\$1,065	\$1,099	\$1,134	\$1,171	\$1,208	\$1,247	\$1,287	\$1,328	\$1,370
Meetings, Memberships and Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Vehicle Operation and Maintenance	\$3,000	\$3,103	\$3,209	\$3,319	\$3,433	\$3,550	\$3,672	\$3,798	\$3,928	\$4,063	\$4,202
Fuel	\$3,000	\$3,103	\$3,209	\$3,319	\$3,433	\$3,550	\$3,672	\$3,798	\$3,928	\$4,063	\$4,202
Activities and Programs	\$1,500	\$1,548	\$1,598	\$1,649	\$1,701	\$1,756	\$1,812	\$1,870	\$1,930	\$1,992	\$2,055
Other Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PW Maint and Repair Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nitrate Removal System	\$200,000	\$212,101	\$224,934	\$238,543	\$252,976	\$268,282	\$284,514	\$301,729	\$319,985	\$339,345	\$359,877
Liability Charge	\$25,851	\$26,089	\$26,329	\$26,571	\$26,815	\$27,061	\$27,310	\$27,561	\$27,815	\$28,070	\$28,329
Equip Replacement Charge	\$3,227	\$3,257	\$3,287	\$3,317	\$3,347	\$3,378	\$3,409	\$3,441	\$3,472	\$3,504	\$3,536
Facility Maintenance Charge	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equip Maint Charge	\$45,737	\$46,158	\$46,582	\$47,010	\$47,442	\$47,879	\$48,319	\$48,763	\$49,211	\$49,664	\$50,120

## Debt Service - Water

Description	Category	Utility	Included in DSCR	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
2021B Pension Obligation	Principal	Water	No	\$113,150	\$113,150	\$113,150	\$116,800	\$116,800	\$125,560	\$125,560	\$125,560	\$125,560	\$125,560	\$142,350
2021B Pension Obligation	Interest	Water	No	\$82,262	\$81,188	\$79,775	\$78,033	\$76,002	\$68,367	\$68,367	\$68,367	\$68,367	\$68,367	\$28,982

## Fixed Revenue/Growth Projections – Sewer

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Residential (Flat Rate)	\$1,905,396	\$1,924,227	\$1,943,565	\$1,962,904	\$1,982,243	\$2,002,091	\$2,021,939	\$2,041,787	\$2,062,144	\$2,082,501	\$2,103,366
	3,744	3,781	3,819	3,857	3,895	3,934	3,973	4,012	4,052	4,092	4,133
Residential (Multi Unit)	\$769,170	\$775,689	\$782,207	\$788,725	\$795,244	\$801,762	\$808,281	\$814,799	\$821,317	\$827,836	\$834,354
	2,064	2,081	2,099	2,116	2,134	2,151	2,169	2,186	2,204	2,221	2,239
Commercial	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	-	-	-	-	-	-	-	-	-	-
Commercial Group II	\$62,781	\$63,421	\$64,062	\$64,703	\$65,343	\$65,984	\$66,624	\$67,265	\$67,906	\$68,546	\$69,187
	294	297	300	303	306	309	312	315	318	321	324
Commercial Group III	\$11,531	\$11,745	\$11,958	\$12,172	\$12,385	\$12,599	\$12,812	\$13,026	\$13,239	\$13,453	\$13,667
	54	55	56	57	58	59	60	61	62	63	64
Commercial Group IV	\$17,083	\$17,297	\$17,510	\$17,724	\$17,937	\$18,151	\$18,364	\$18,578	\$18,792	\$19,005	\$19,219
	80	81	82	83	84	85	86	87	88	89	90
Commercial Group V	\$17,083	\$17,297	\$17,510	\$17,724	\$17,937	\$18,151	\$18,364	\$18,578	\$18,792	\$19,005	\$19,219
	80	81	82	83	84	85	86	87	88	89	90
Commercial Industrial	\$35,234	\$35,661	\$36,088	\$36,515	\$36,942	\$37,370	\$37,797	\$38,224	\$38,651	\$39,078	\$39,505
	165	167	169	171	173	175	177	179	181	183	185
Commercial Schools	\$2,135	\$2,135	\$2,135	\$2,135	\$2,135	\$2,135	\$2,135	\$2,135	\$2,135	\$2,135	\$2,135
	10	10	10	10	10	10	10	10	10	10	10
Commercial Higher Education	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281
	6	6	6	6	6	6	6	6	6	6	6
Commercial City Property	\$5,766	\$5,766	\$5,766	\$5,766	\$5,766	\$5,766	\$5,766	\$5,766	\$5,766	\$5,766	\$5,766
	27	27	27	27	27	27	27	27	27	27	27
Low Income	\$97,307	\$98,157	\$99,006	\$99,856	\$100,706	\$101,556	\$102,406	\$103,256	\$104,105	\$104,955	\$105,805
	229	231	233	235	237	239	241	243	245	247	249

## Variable Revenue/Sewer Flow Projections

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Commercial Group II Tier Allocation	\$283,584	\$286,478	\$289,372	\$292,265	\$295,159	\$298,053	\$300,946	\$303,840	\$306,734	\$309,628	\$312,521
Width 1	98,126.00	99,127.29	100,128.57	101,129.86	102,131.14	103,132.43	104,133.71	105,135.00	106,136.29	107,137.57	108,138.86
Commercial Group III	\$90,220	\$91,890	\$93,561	\$95,232	\$96,903	\$98,573	\$100,244	\$101,915	\$103,586	\$105,256	\$106,927
Width 1	18,835.00	19,183.80	19,532.59	19,881.39	20,230.19	20,578.98	20,927.78	21,276.57	21,625.37	21,974.17	22,322.96
Commercial Group IV	\$311,407	\$315,299	\$319,192	\$323,084	\$326,977	\$330,870	\$334,762	\$338,655	\$342,547	\$346,440	\$350,333
Width 1	43,984.00	44,533.80	45,083.60	45,633.40	46,183.20	46,733.00	47,282.80	47,832.60	48,382.40	48,932.20	49,482.00
Commercial Group V	\$77,131	\$78,095	\$79,059	\$80,024	\$80,988	\$81,952	\$82,916	\$83,880	\$84,844	\$85,808	\$86,773
Width 1	26,689.00	27,022.61	27,356.23	27,689.84	28,023.45	28,357.06	28,690.68	29,024.29	29,357.90	29,691.51	30,025.13
Commercial Industrial	\$190,770	\$193,083	\$195,395	\$197,707	\$200,020	\$202,332	\$204,645	\$206,957	\$209,269	\$211,582	\$213,894
Width 1	73,942.00	74,838.27	75,734.53	76,630.80	77,527.07	78,423.33	79,319.60	80,215.87	81,112.13	82,008.40	82,904.67
Commercial Schools	\$29,340	\$27,509	\$27,509	\$27,509	\$27,509	\$27,509	\$27,509	\$27,509	\$27,509	\$27,509	\$27,509
Width 1 Attendance	2,629	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465
Commercial Higher Education	\$20,970	\$20,970	\$20,970	\$20,970	\$20,970	\$20,970	\$20,970	\$20,970	\$20,970	\$20,970	\$20,970
Width 1 Attendance	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879
Commercial City Property	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875
Width 1	747.00	747.00	747.00	747.00	747.00	747.00	747.00	747.00	747.00	747.00	747.00

## Other Revenues – Sewer

	Budget	Inflator	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Fixed Rate Revenue			\$2,924,768	\$2,952,675	\$2,981,090	\$3,009,506	\$3,037,921	\$3,066,846	\$3,095,770	\$3,124,694	\$3,154,128	\$3,183,561	\$3,213,503
Variable Rate Revenue			\$1,005,296	\$1,015,200	\$1,026,933	\$1,038,667	\$1,050,400	\$1,062,134	\$1,073,867	\$1,085,601	\$1,097,334	\$1,109,068	\$1,120,802
Other Operating Revenue	\$75,000.00		\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Sewer Collections - Mo Bills	\$0.00 No Escalation		\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Delinquent Penalties	\$0.00 No Escalation		\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Industrial Waste Permits	\$40,000.00 No Escalation		\$40,000.00	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Capital Facility Charges	\$35,000.00 No Escalation		\$35,000.00	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000

## Operating Expenses – Sewer

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
<b>Total</b>	<b>\$3,457,036</b>	<b>\$3,584,522</b>	<b>\$3,716,598</b>	<b>\$3,849,930</b>	<b>\$3,981,867</b>	<b>\$4,119,075</b>	<b>\$4,261,800</b>	<b>\$4,410,302</b>	<b>\$4,564,852</b>	<b>\$4,725,740</b>	<b>\$4,893,271</b>
OPEB Expense GASB 75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retirement	\$164,698	\$177,081	\$190,394	\$204,709	\$220,099	\$236,647	\$254,439	\$273,569	\$294,137	\$316,251	\$340,028
Pension Expense GASB 68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retired Emp Health Ins	\$55,000	\$60,285	\$65,620	\$69,807	\$71,873	\$74,001	\$76,191	\$78,447	\$80,769	\$83,160	\$85,621
Administrative Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Salaries - Permanent Employees	\$403,710	\$419,858	\$436,653	\$454,119	\$472,284	\$491,175	\$510,822	\$531,255	\$552,505	\$574,605	\$597,589
Wages - Temporary and Part Time	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Overtime	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OASDI	\$29,684	\$30,871	\$32,106	\$33,390	\$34,726	\$36,115	\$37,560	\$39,062	\$40,625	\$42,250	\$43,940
Retirement	\$70,002	\$75,265	\$80,924	\$87,008	\$93,549	\$100,583	\$108,145	\$116,276	\$125,018	\$134,417	\$144,523
Health Insurance	\$71,031	\$77,857	\$84,747	\$90,154	\$92,822	\$95,570	\$98,399	\$101,312	\$104,311	\$107,398	\$110,578
Retired Emp Health Ins	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dental Insurance	\$2,220	\$2,433	\$2,649	\$2,818	\$2,901	\$2,987	\$3,075	\$3,166	\$3,260	\$3,357	\$3,456
Retiree Health Savings	\$2,700	\$2,959	\$3,221	\$3,427	\$3,528	\$3,633	\$3,740	\$3,851	\$3,965	\$4,082	\$4,203
Workers Compensation Ins	\$29,484	\$32,317	\$35,177	\$37,422	\$38,529	\$39,670	\$40,844	\$42,053	\$43,298	\$44,580	\$45,899
Compensated Absences	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long Term Disability Insurance	\$843	\$924	\$1,006	\$1,070	\$1,102	\$1,134	\$1,168	\$1,202	\$1,238	\$1,275	\$1,312
Optical Insurance	\$740	\$811	\$883	\$939	\$967	\$996	\$1,025	\$1,055	\$1,087	\$1,119	\$1,152
Life Insurance	\$360	\$395	\$430	\$457	\$470	\$484	\$499	\$513	\$529	\$544	\$560
Wellness Benefit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covid-19 Global Outbreak	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services	\$1,500	\$1,548	\$1,598	\$1,649	\$1,701	\$1,756	\$1,812	\$1,870	\$1,930	\$1,992	\$2,055
Utilities	\$850	\$889	\$929	\$971	\$1,015	\$1,061	\$1,110	\$1,160	\$1,213	\$1,268	\$1,325
Telephone	\$3,200	\$3,345	\$3,497	\$3,656	\$3,822	\$3,996	\$4,177	\$4,367	\$4,565	\$4,772	\$4,989
Rents and Leases	\$6,300	\$6,502	\$6,710	\$6,924	\$7,146	\$7,375	\$7,611	\$7,854	\$8,105	\$8,365	\$8,633
Contractual Services	\$141,401	\$145,926	\$150,595	\$155,415	\$160,388	\$165,520	\$170,817	\$176,283	\$181,924	\$187,746	\$193,753
Contractual Services	\$1,585,000	\$1,635,720	\$1,688,063	\$1,742,081	\$1,797,828	\$1,855,358	\$1,914,730	\$1,976,001	\$2,039,233	\$2,104,488	\$2,171,832
Professional Services	\$101,890	\$105,150	\$108,515	\$111,988	\$115,571	\$119,270	\$123,086	\$127,025	\$131,090	\$135,285	\$139,614
Office Supplies	\$1,700	\$1,716	\$1,731	\$1,747	\$1,763	\$1,780	\$1,796	\$1,812	\$1,829	\$1,846	\$1,863
Office Equipment Maintenance	\$3,680	\$3,714	\$3,748	\$3,782	\$3,817	\$3,852	\$3,888	\$3,923	\$3,960	\$3,996	\$4,033
Department Supplies	\$27,950	\$28,207	\$28,466	\$28,728	\$28,992	\$29,259	\$29,528	\$29,799	\$30,073	\$30,350	\$30,629
Equipment and Supplies	\$6,900	\$6,963	\$7,027	\$7,092	\$7,157	\$7,223	\$7,289	\$7,357	\$7,424	\$7,492	\$7,561
Department Equipment Maint	\$3,500	\$3,532	\$3,565	\$3,597	\$3,631	\$3,664	\$3,698	\$3,732	\$3,766	\$3,800	\$3,835
Uniform Allowance	\$3,600	\$3,633	\$3,667	\$3,700	\$3,734	\$3,769	\$3,803	\$3,838	\$3,873	\$3,909	\$3,945
Small Tools	\$5,000	\$5,046	\$5,092	\$5,139	\$5,186	\$5,234	\$5,282	\$5,331	\$5,380	\$5,429	\$5,479
Personnel Training	\$5,000	\$5,160	\$5,325	\$5,496	\$5,671	\$5,853	\$6,040	\$6,233	\$6,433	\$6,639	\$6,851
Vehicle Allow and Maint	\$900	\$931	\$963	\$996	\$1,030	\$1,065	\$1,102	\$1,139	\$1,178	\$1,219	\$1,261
Vehicle Operation and Maint	\$6,500	\$6,723	\$6,953	\$7,191	\$7,438	\$7,693	\$7,956	\$8,229	\$8,511	\$8,802	\$9,104
Fuel	\$4,000	\$4,137	\$4,279	\$4,425	\$4,577	\$4,734	\$4,896	\$5,064	\$5,237	\$5,417	\$5,603
Other Expense	\$86,000	\$88,752	\$91,592	\$94,523	\$97,548	\$100,669	\$103,891	\$107,215	\$110,646	\$114,187	\$117,841
Bad Debts Expense	\$25,000	\$25,800	\$26,626	\$27,478	\$28,357	\$29,264	\$30,201	\$31,167	\$32,165	\$33,194	\$34,256
Cost Allocation	\$376,294	\$388,335	\$400,762	\$413,587	\$426,821	\$440,480	\$454,575	\$469,121	\$484,133	\$499,625	\$515,613
PW Main An Repair Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Safety Radios/Body Cameras	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Liability Charge	\$29,481	\$29,752	\$30,026	\$30,302	\$30,580	\$30,861	\$31,145	\$31,431	\$31,720	\$32,012	\$32,306
Equip Maint Charge	\$12,910	\$13,029	\$13,148	\$13,269	\$13,391	\$13,514	\$13,639	\$13,764	\$13,891	\$14,018	\$14,147
Equip Replacement Charge	\$17,750	\$17,913	\$18,078	\$18,244	\$18,412	\$18,581	\$18,752	\$18,924	\$19,098	\$19,274	\$19,451
Facility Maintenance Charge	\$55,777	\$56,290	\$56,807	\$57,330	\$57,857	\$58,389	\$58,925	\$59,467	\$60,014	\$60,566	\$61,123
Capital Equipment	\$29,481	\$29,752	\$30,026	\$30,302	\$30,580	\$30,861	\$31,145	\$31,431	\$31,720	\$32,012	\$32,306
Transfer to General Fund	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Transfer to Facility Maint Fund	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000

## Debt Service – Sewer

Description	Category	Utility	Included in DSCR	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
2021B Pension Obligation	Principal	Sewer	No	\$41,850	\$41,850	\$41,850	\$43,200	\$43,200	\$46,440	\$46,440	\$46,440	\$46,440	\$46,440	\$52,650
2021B Pension Obligation	Interest	Sewer	No	\$30,426	\$30,029	\$29,506	\$28,862	\$28,111	\$25,287	\$25,287	\$25,287	\$25,287	\$25,287	\$10,719

## Capital Plan - Combined

Project	System	Type	Funding Source	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Baldor TS175 Generator - Vehicle # 0015	Water	General	PAYGO	\$30,000										
Ion Exchange Treatment Unit - Operating Costs	Water	Plant	PAYGO	\$110,000										
Wolfkill St, Pico Street to Keweenaw Street	Water	Mains	PAYGO	\$120,000										
Fourth Street 12" DIP, Harding Ave to Park Ave	Water	Mains	PAYGO	\$495,000										
Ion Exchange Treatment Unit - Operating Costs	Water	Plant	PAYGO	\$110,000										
Doosan P185WDO Air Compressor - Vehicle # 4244	Water	General	PAYGO	\$32,000										
Ford F-650 Dump Truck (5 Yard) - Vehicle # 7218	Water	General	PAYGO	\$100,000										
Chatsworth Dr, San Fernando Rd-South City Limit	Water	Mains	PAYGO	\$390,000										
Harpis Street, 5th-DeGarmo -	Water	Mains	PAYGO	\$115,000										
Ion Exchange Treatment Unit - Operating Costs	Water	Plant	PAYGO			\$110,000								
Ford F-650 Valve Truck - Vehicle # 0172	Water	General	PAYGO			\$90,000								
Ford F-650 Distribution Truck - Vehicle # 9977	Water	General	PAYGO			\$90,000								
Baldor TS175 Generator - Vehicle # 0263	Water	General	PAYGO			\$35,000								
Knox Street - Orange Grove Avenue to Hubbard Street 6" ACP to 8" DIP	Water	Mains	PAYGO			\$210,000								
Phillippi Street- Orange Grove Avenue to Hubbard Street 6" ACP to 8" DIP	Water	Mains	PAYGO			\$210,000								
Chivers Street - Orange Grove Avenue to Hubbard Street 6" ACP to 8" DIP	Water	Mains	PAYGO			\$210,000								
Citywide CCTV of Sewer System	Sewer	General	PAYGO	\$150,000										
Fox Street - Celis Street to SCL	Sewer	Sewer Line	PAYGO	\$717,421										
Second - 65 ft. west towards Hubbard	Sewer	Sewer Line	PAYGO	\$11,700										
Pico - San Fernando Mission Blvd to 350 ft. east	Sewer	Sewer Line	PAYGO	\$63,000										
Citywide CCTV of Sewer System	Sewer	General	PAYGO		\$150,000									
Pico - Kalisher to 350 ft. east	Sewer	Sewer Line	PAYGO		\$63,000									
Keweenaw - S. Huntington to Workman	Sewer	Sewer Line	PAYGO		\$63,900									
Citywide CCTV of Sewer System	Sewer	General	PAYGO			\$150,000								
Keweenaw - 375 ft. west of San Fernando Mission Blvd	Sewer	Sewer Line	PAYGO			\$67,500								
Fox - Truman to Celis	Sewer	Sewer Line	PAYGO			\$124,000								
Citywide CCTV of Sewer System	Sewer	General	PAYGO				\$150,000							
Knox - Harding to 302 ft. east	Sewer	Sewer Line	PAYGO				\$54,360							
Keweenaw - 375 ft. west of San Fernando Mission Blvd	Sewer	Sewer Line	PAYGO				\$67,500							
Water Future	Water	General	PAYGO				\$662,500	\$74,000	\$78,517	\$0	\$499,500	\$811,000	\$250,000	\$1,000,000
Sewer Future	Sewer	General	PAYGO					\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Well 2 Blending Plant and associated CIPs	Water	Wells	Grant		\$10,000,000									
Glenoaks Blvd - Hubbard to Harding - 18" Stl Conc to 18" DIP - FY 2034	Water	Mains	PAYGO										\$750,000	
Water Master Plan	Water	General	PAYGO		\$80,000									
Chevy 2500 HD - Vehicle 9503	Water	General	PAYGO		\$42,000									
Hollister Street - Kalisher to S. Huntington - 6" Stl to 8" DIP #3	Water	Mains	PAYGO				\$150,000							
N Workman Street - Second to Fourth Streets - 6" Stl to 8" DIP #1	Water	Mains	PAYGO		\$105,000									
Celis Street - Wolfkill St to Brand Blvd - 6" Stl to 8" DIP #2	Water	Mains	PAYGO			\$150,000								
S. Workman Street - Behind Store Fronts 4" CIP to 8" DIP	Water	Mains	PAYGO		\$30,000									
MWD Booster Pump # 4 FY 2030	Water	Distribution	PAYGO						\$23,983					
Arroyo Avenue - Fifth St to Glenoaks Blvd FY 2028	Water	Mains	PAYGO				\$60,000							
Harding Avenue - Glenpaks Blvd to Eighth St FY 2029	Water	Mains	PAYGO					\$790,000						
Phillippi Street - Hubbard Ave to Orange Grove Ave #7	Water	Mains	PAYGO								\$290,000			
Griswold Ave - Fourth St. to Third St. 4" Stl to 8" DIP #4	Water	Mains	PAYGO					\$68,000						
Alley e/o No. Macay Ave. Fourth St. to Library St. 4" Stl to 8" CIP #5	Water	Mains	PAYGO						\$90,000					
Hubbard St, Foothill Blvd to Dronfield Ave. - 18" Stl Conc to 18" DIP FY 2030	Water	Mains	PAYGO						\$407,500					
Hagar Street, 5th to Glenoaks - 6" CIP to 8" DIP FY 2031	Water	Mains	PAYGO							\$187,500				
Ion Exchange Treatment Unit - O&M(Contract No. 1729)	Water	Plant	PAYGO							\$175,000				
Ion Exchange Treatment Unit - Operating Costs	Water	Plant	PAYGO								\$110,000			
Hyster Forklift - Vehicle # 5289	Water	General	PAYGO							\$40,000				
Fox Street - Pico to Hewitt- Loop/ New Installation - New 8" DIP	Water	Mains	PAYGO				\$127,500							
Newton Avenue - Fourth St. to Third St. 4" CIP to 8" DIP	Water	Mains	PAYGO					\$68,000		\$100,500				
De Haven Street - N. Brand to Griswold St. 4" CIP to 8" DIP	Water	Mains	PAYGO								\$100,500			
De Garmo Street - N. Brand to Griswold St. 4" CIP to 8" DIP	Water	Mains	PAYGO									\$189,000		
Alexander St - Fifth Street to Glenoaks Boulevard 6" CIP to 8" DIP	Water	Mains	PAYGO											
Well 4A Rehabilitation FY 2030?	Water	Wells	PAYGO						\$400,000					
Water Department Office Expansion (120 Macneil) - Block Building FY 2030?	Water	General	PAYGO							\$90,200				
Brand Blvd, San Fernando Rd to South City Limit - Relocation of 8" DIP FY 2030?	Water	Mains	PAYGO							\$520,000				

