

Draft Report



City of San Luis Obispo

Water & Wastewater Rate Study Update

March 2025





March 21, 2025

Mr. Aaron Floyd
Utilities Director
City of San Luis Obispo
879 Morro Street
San Luis Obispo, CA 93401

Subject: Water & Wastewater Rate Study Update Draft Report

Dear Mr. Floyd:

HDR Engineering, Inc. (HDR) is pleased to present to the City of San Luis Obispo (City) the draft report for the 2025 Water and Wastewater Rate Study Update (2025 Update). In 2023, the City and HDR developed a comprehensive water and wastewater rate study (2023 Rate Study). Given the development of the 2023 Rate Study - which proposed cost-based rates for the next two-year period - the cost of service results from the 2023 Rate Study were used as the basis for the proposed rates for FY 2023-24 and FY 2024-25. It is important to note that the 2023 Rate Study developed a 5-year projection, however, only the first two years were adopted. For the 2025 Update, the revenues and expense, both operating and capital, of the water and wastewater utilities were updated in order to match the updated customer characteristics and costs of providing water and wastewater services to the City's customers. The 2025 Update outlines the overall approach used to achieve these objectives, along with our findings, conclusions, and recommendations.

The costs associated with providing water and wastewater services to the City's customers was developed based on the City's specific information and is included within the development of the proposed rates. The 2025 Update was developed utilizing generally accepted rate setting principles and methodologies. This report provides the basis for developing and implementing water and wastewater rates which are cost-based and proportional to the City's customers. We appreciate the assistance provided by the City's project team in the development of this study. More importantly, HDR appreciates the opportunity to provide these technical and professional services to the City of San Luis Obispo.

Sincerely,
HDR Engineering, Inc.

A handwritten signature in black ink that reads 'Josiah Close'.

Josiah Close
Utility Rates Project Manager

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1 Executive Summary

Introduction

HDR Engineering, Inc. (HDR) was retained by the City of San Luis Obispo (City) to conduct a comprehensive water and wastewater rate study update (2025 Update). The objectives of the 2025 Update were to:

- Develop a projection of water and wastewater revenues to support the City's operating and capital costs
- Proposed cost-based and proportional rates for a multi-year time period

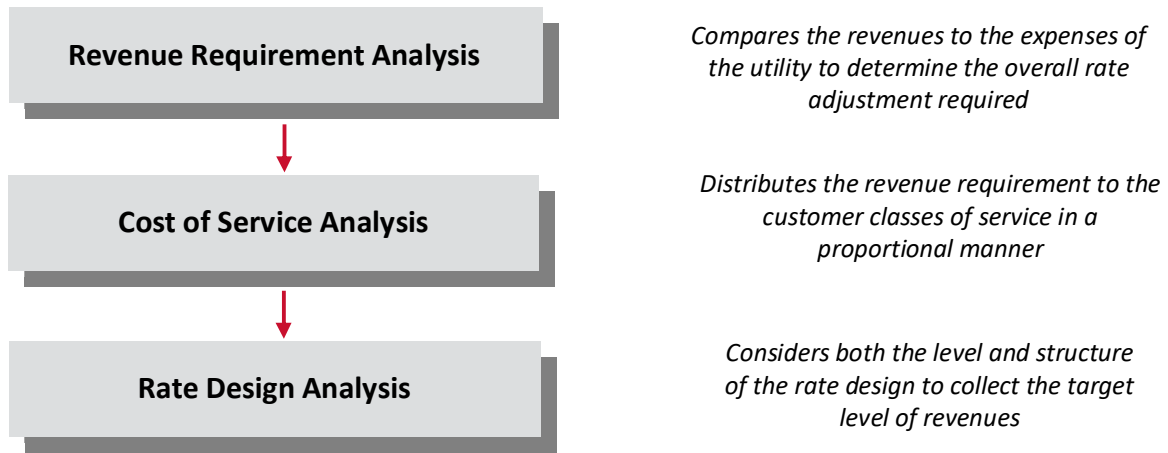
The City owns, operates, and maintains the water and wastewater systems which provide services to its customers. The costs associated with providing water and wastewater services to City's customers has been developed based on the provided information and is included within the development of the proposed rates.

For the 2025 Update, the cost of service results from the 2023 Comprehensive Water and Wastewater Rate Study were utilized, specifically the proportional distribution of costs. The revenues and expense of the water and wastewater utilities were updated in order to match the updated customer characteristics and costs of the utilities. It is important to note that the results shown in this report are based on information available at "a point in time". That is to say that, if the information available at a later date has changed, then the results of the analysis would likely also change or differ from those presented in this report.

Overview of the Rate Study Process

A comprehensive rate study uses three interrelated analyses to address the adequacy and equity of each utility's rates. These three analyses are a revenue requirement analysis, a cost of service analysis, and a rate design analysis. These three analyses are illustrated below in Figure ES - 1.

Figure ES – 1 Overview of the Comprehensive Water & Wastewater Rate Analyses



The above basic framework was used in the development of this study for reviewing and evaluating the City’s water and wastewater rates. For the 2025 Update, the revenue requirement and rate design analyses were updated for each utility based on current operating and capital expenses and recent customer characteristics. As noted previously, for the 2025 Update, the cost of service results from the 2023 Rate Study were utilized to establish the proportionality of the City’s water and wastewater rates.

Key Water & Wastewater Rate Study Results

The water and wastewater study’s technical analyses were developed based on the operating and capital costs necessary to provide service to City’s customers. The analyses performed resulted in the following findings, conclusions, and recommendations.

- A revenue requirement analyses were developed for the water and wastewater utilities over from FY 2024-25 through FY 2034-35
- The City’s adopted FY 2024-25 budget was used as the starting point of the analyses for both utilities
- Operation and maintenance expenses are projected to increase at inflationary levels
- Proposed rates were developed, for each utility reflected the proportionality as developed in the 2023 Rate Study
 - ✓ The proposed water revenue adjustment is 5.5% in FY 2025-26 and FY 2026-27
 - ✓ The proposed wastewater revenue adjustment is 6.5% in FY 2025-26 and FY 2026-27

Summary of the Water Revenue Requirement Analysis

A revenue requirement analysis is the first analytical step in the development of the water rate study. This analysis determines the adequacy of the level of current water rates for the City. From this analysis, a determination can be made as to the overall level of water revenue adjustments needed to provide adequate and prudent funding for both operating and capital needs.

For the 2025 Update, the revenue requirement was developed based on the adopted FY 2024-25 budget and then projected from FY 2025-26 to FY 2034-35 using a “cash basis” approach. The cash basis approach includes an analysis of O&M expenses, transfers, debt service, rate funded capital, and to/from reserve funding. The primary financial inputs in the development of the revenue requirement analysis were the City’s Water Fund Analysis, historical billed customer and consumption data, and the current water system capital improvement plan.

The operating and maintenance expenses were developed for the projected time period, based on the adopted FY 2024-25 budgeted expenses and historical inflationary factors. The next step was to develop the water capital funding plan. For the 2025 Update, the City developed a capital improvement plan based on the needs of the water system. This plan identified the projects necessary to maintain the water system as well as projects necessary to meet new growth and expansion of the system. It is important to note that the City’s development impact fees will contribute towards the growth related portions of the applicable capital improvement projects. Provided below in Table ES - 1 is a summary of the water capital funding plan over the planning period based on the capital plan at the time of the study development.

Table ES – 1 Summary of the Water Capital Funding Plan (\$000s)						
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Total Capital Projects	\$24,379	\$7,911	\$5,470	\$12,970	\$6,975	\$17,598
Other Funding Sources						
Reserves	\$19,580	\$4,164	\$1,920	\$3,770	\$0	\$1,198
Grants	3,517	3,748	0	0	0	0
Long-Term Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>9,250</u>
Total Other Funding Sources	\$23,097	\$7,911	\$1,920	\$8,770	\$0	\$10,448
Rate Funded Capital	\$1,282	\$0	\$3,550	\$4,200	\$6,975	\$7,150

The financial plan developed for the City’s water utility has placed the rate funded capital level at \$1.3 million in FY 2024-25 increasing to \$7.2 million by FY 2029-30. This level of funding was calculated based on the long-term need to prudently fund replacement and repair of the existing water system. As can be seen, the difference between annual capital needs and rate funded capital, when apparent, is being funded through other funding sources. The other funding sources include reserve funds and long-term debt issuance; however, the City prefers to limit

debt issuances if at all possible. However, given the nature, and level, of the capital projects, additional long-term debt is projected during the next five-year time period. A more detailed discussion of the capital funding plan can be found in Section 2.2.5 of the report.

The revenue requirement analysis for the City’s water utility was developed to determine the necessary revenues to meet the costs of providing water service to the customers based on the specific costs of the water utility. Provided below, in Table ES – 2, is a summary of the water revenue requirement analysis (financial plan).

Table ES - 2 Summary of the Water Revenue Requirement (\$000s)						
	FY 2024- 25	FY 2025- 26	FY 2026- 27	FY 2027- 28	FY 2028- 29	FY 2029- 30
Revenues						
Rate Revenues	\$25,793	\$25,999	\$26,207	\$26,417	\$26,628	\$26,841
Other Revenues	<u>2,799</u>	<u>2,885</u>	<u>2,947</u>	<u>3,031</u>	<u>3,118</u>	<u>3,210</u>
Total Revenues	\$28,592	\$28,884	\$29,154	\$29,447	\$29,746	\$30,051
Expenses						
Total O & M	\$25,838	\$30,313	\$27,113	\$28,246	\$27,030	\$28,850
Net Debt Service	1,469	1,466	1,455	1,455	1,778	1,790
Rate Funded Capital	1,282	0	3,550	4,200	6,975	7,150
To / (From) Reserves	<u>3</u>	<u>(1,466)</u>	<u>(3)</u>	<u>2</u>	<u>11</u>	<u>4</u>
Total Revenue Requirement	\$28,592	\$30,314	\$32,116	\$33,903	\$35,794	\$37,794
Total Bal. / (Def.) of Funds	\$0	(\$1,430)	(\$2,962)	(\$4,456)	(\$6,048)	(\$7,743)
Balance a % of Rate Adj. Req'd	0.0%	5.5%	11.3%	16.9%	22.7%	28.8%
Proposed Rate Adjustment	0.0%	5.5%	5.5%	5.0%	5.0%	5.0%
Add'l Revenue with Rate Adj.	\$0	\$1,430	\$2,962	\$4,456	\$6,048	\$7,743
Bal. / (Def.) After Rate Adj.	\$0	\$0	(\$0)	\$0	\$0	\$0

As can be seen, the water revenue requirement has summed O&M, rate funded capital, net debt service, and transfers to / (from) reserves. It is important to note that the “net” in net debt service refers to the use of development impact fees to pay for debt service which results in a reduction in the total debt serve expense. The total revenue requirement is then compared to the total sources of funds which are the rate revenues, at present rate levels, and other miscellaneous revenues. From this comparison a balance or deficiency of funds in each year can be determined. This deficiency of funds is then compared to the projection of rate revenues, at “normal” consumption levels, to determine the level of revenue adjustment needed to meet the costs of providing water service. It is important to note the “Bal. / (Def.) of Funds” row is cumulative. That is, any adjustments in the initial years will reduce the deficiency in the later years. Over the five-year projected period, rate revenues will need to be adjusted to reflect the projected operating

and capital needs. For the two-year rate setting period of FY 2025-26 and FY 2026-27 rate revenues need to be increased 5.5% in each year. A more detailed analysis of the water revenue requirement can be found in Section 2.2 of this report.

Summary of the Water Cost of Service Analysis

A cost of service analysis determines the proportional distribution of the revenue requirement costs to the customer classes of service (e.g., residential, multi-family, non-residential, irrigation) and the manner to collect that revenue requirement from each class of service.

Given the development of the cost of service for the 2023 Rate Study, and the implementation of the cost of service results for the FY 2023-24 adopted water rates, the cost of service analysis was not updated as part of the effort for the 2025 Update. Based on the results of the 2023 Rate Study, the proposed water rates maintain the results of the 2023 Rate Study and are cost-based and proportional between the customer classes of service.

Summary of the Water Rate Design

The final step of the 2025 Update is the development of proposed water rates to collect the desired levels of revenue, based on the results of the previous tasks. The 2023 Rate Study established specific customer classes of service and rates based on the cost of service results for the residential, multi-family, non-residential, and irrigation customers. The rate structure adopted includes a monthly fixed charge that varies by meter size and a consumption charge established through the cost of service analysis for each customer class of service and by tier, where applicable.

Given the implementation of cost of service rates in the 2023 Rate Study, and the projection of rates for the subsequent four-year period, the 2025 Update maintained the existing rate structure and cost of service adjustments as outlined in the 2023 Rate Study, only the level of the proposed rates were revised to reflect the current operating and capital costs. Provided in Table ES - 3 is a summary of the present and proposed water rates for the next two rate setting years.

Table ES - 3
Summary of the Present and Proposed Water Rates

	Present Rate	FY 2025-26	FY 2026-27
<i>Proposed Rate Revenue Adjustment</i>		5.5%	5.5%
Fixed Charge - \$/Month			
Residential	\$30.25	\$31.91	\$33.67
MF / Non-Res / Irr			
3/4" & Less	\$30.25	\$31.91	\$33.67
1"	50.50	53.28	56.21
1 1/2"	100.80	106.34	112.19
2"	161.30	170.17	179.53
3"	302.60	319.24	336.80
4"	504.45	532.19	561.46
6"	1,008.60	1,064.07	1,122.59
8"	1,613.85	1,702.61	1,796.25
Usage Charge – \$/Unit			
Residential			
0 – 5 CCF	\$8.54	\$9.01	\$9.51
5 – 12 CCF	9.84	10.38	10.95
12 + CCF	16.97	17.90	18.88
Multi-Family	\$9.58	\$10.11	\$10.67
Non-Residential	\$10.14	\$10.70	\$11.29
Irrigation	\$10.35	\$10.92	\$11.52

Note: 1 unit = 1 CCF = 748 gallons

As can be seen, the rate structure was maintained and only the level of the rates was adjusted. Again, the updated rates reflect the cost of service analysis and proportionality developed in the 2023 Rate Study.

Summary of the Water Rate Study Update

Based on the results of the 2025 Update, HDR developed the following conclusions and recommendations.

Based on the revenue requirement, HDR concluded that the City will need to adjust the level of water rate revenues. HDR reached this conclusion for the following reasons:

- Revenue adjustments are necessary to meet the operating and capital costs of providing water service to City's customers

- The proposed revenue adjustments maintain the City’s financial health and provide long-term sustainable funding levels

Based on the results of the cost of service analysis, HDR made the following conclusions and provided the following recommendations:

- The 2023 Rate Study cost of service analysis reflects the current customer characteristics
- The proposed cost of service adjustments from the 2023 Rate Study are maintained in the development of the proposed FY 2025-26 and FY 2026-27 water rates

Finally, HDR reached the following conclusions and provided the following recommendations for the proposed water rates:

- The proposed water rates reflect the overall costs of providing water service (i.e., cost-basis)
- The current rate structure reflects contemporary and industry standard approaches
- City should review the water rates biannually in order to assess revenue sufficiency

In summary, HDR recommends the City adopt the proposed water rates for FY 2025-26 and FY 2026-27 as developed in the 2025 Update to provide to provide sufficient funding for the operating expenses and capital improvement program needs for the water utility.

Summary of the Wastewater Revenue Requirement Analysis

As with the City’s water utility, the wastewater utility revenue requirement analysis is the first analytical step in the process. The revenue requirement analysis determines the adequacy of the current wastewater rates to fund current and future operating and capital needs. From this analysis, a determination can be made as to the overall level of rate revenue adjustments needed to provide adequate and prudent funding for the wastewater system.

For the 2025 Update, the revenue requirement was developed for the time period of FY 2024-25 – FY 2034-35 using a “cash basis” approach. The “cash basis” approach is the most commonly used methodology by municipal utilities to set their revenue requirement and is composed of O&M expenses, transfers, debt service payments, rate funded capital, and to/from reserve funding. The primary financial inputs in the development of the revenue requirement were the City’s FY 2024-25 budget documents, historical billed customer and water consumption data, and the capital improvement plan. Budgeted O&M expenses were projected using inflationary factors for the City’s expenses to provide collection and treatment services over the projected time period.

The proper and adequate funding of capital projects is important to help minimize rate increases over time. As a part of the 2025 Update, and in keeping with the best practices for capital project funding approach, a concerted effort was made to increase the overall level of “pay-as-you-go” (rate) funding and to avoid debt financing to the extent practical. Pay-as-you-go funding from rates refers to spending cash on hand that the utility collects from charging the water rates to it’s customers and is specifically earmarked to fund capital projects, often those deemed as renewal

and replacement. Provided below in Table ES - 4 is a summary of the wastewater capital funding plan for the five-year rate setting period.

Table ES – 4 Summary of the Wastewater Capital Funding Plan (\$000s)						
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Total Capital Projects	\$32,117	\$8,251	\$7,163	\$4,581	\$5,139	\$6,348
<i>Less: Other Funding Sources</i>						
Capital Reserves	\$31,402	\$8,161	\$6,188	\$2,481	\$1,964	\$1,223
Long-Term Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$31,402	\$8,161	\$6,188	\$2,481	\$1,964	\$1,223
Rate Funded Capital	\$715	\$90	\$975	\$2,100	\$3,175	\$5,125

This financial plan has placed the City's rate funding for capital from a low of \$90,000 in FY 2025-26 to a maximum of \$5.1 million in FY 2029-30. This level of rate funded capital over the projected time prudently funds the planned capital replacement needs. Given the level of capital improvements for the wastewater system the City has assumed the need for long-term debt issuances to fund capital improvements. In developing this financial plan. The wastewater capital funding plan is described in further detail in Section 3.2.4 of the report.

Given a projection of operating and capital expenses, a summary of the revenue requirement analysis was developed. Provided below in Table ES - 5 is a summary of the revenue requirement analysis (financial plan) for the City's wastewater utility.

Table ES - 5
Summary of the Wastewater Revenue Requirement (\$000s)

	FY 2024- 25	FY 2025- 26	FY 2026- 27	FY 2027- 28	FY 2028- 29	FY 2029- 30
Revenues						
Rate Revenues	\$19,141	\$19,294	\$19,448	\$19,604	\$19,761	\$19,919
Other Revenues	<u>2,092</u>	<u>1,216</u>	<u>1,256</u>	<u>1,260</u>	<u>1,269</u>	<u>1,345</u>
Total Revenues	\$21,233	\$20,510	\$20,705	\$20,864	\$21,030	\$21,264
Expenses						
Total O & M	\$13,809	\$14,994	\$15,483	\$16,029	\$16,632	\$17,260
Rate Funded Capital	715	90	975	2,100	3,175	5,125
Net Debt Service	6,706	6,799	6,790	6,788	6,787	6,170
To / (From) Reserves	<u>3</u>	<u>(119)</u>	<u>67</u>	<u>23</u>	<u>96</u>	<u>80</u>
Total Revenue Requirement	\$21,233	\$21,764	\$23,315	\$24,941	\$26,690	\$28,635
Bal./(Deficiency) of Funds	\$0	(\$1,254)	(\$2,610)	(\$4,077)	(\$5,661)	(\$7,372)
Balance as % of Rev from Rates	0.0%	6.5%	13.4%	20.8%	28.6%	37.0%
Proposed Rate Adjustments	0.0%	6.5%	6.5%	6.5%	6.5%	6.5%
Add'l Revenue with Rate Adj.	\$0	\$1,254	\$2,610	\$4,077	\$5,661	\$7,372
Bal. / (Def.) After Rate Adj.	\$0	\$0	\$0	\$0	\$0	\$0

As can be seen, the revenue requirement has summed the O&M, rate funded capital, net debt service, and to / (from) reserves. It is important to note that the “net” in net debt service refers to the use of development impact fees to pay for debt service which results in a reduction in the total debt service expense. The total revenue requirement is then compared to the total revenues which include the rate revenues - at present rate levels - and other miscellaneous revenues. From this comparison a balance or deficiency of funds in each year can be determined. This balance or deficiency of funds is then compared to the rate revenues to determine the level of rate adjustment needed to meet the revenue requirement. It is important to note the “Bal. / (Def.) of Funds” row is cumulative. For the two-year rate setting period of FY 2025-26 and FY 2026-27, rate revenues need to be increased 6.5% each year.

Summary of the Wastewater Cost of Service Analysis

A cost of service analysis determines the proportional distribution of the revenue requirement to the City’s customer classes of service (i.e., residential, multi-family, non-residential). The objective of the cost of service analysis is to determine the proportional manner to collect the revenue requirement based on each customer class’s wastewater characteristics.

Given the development of the cost of service for the 2023 Rate Study, and the implementation of the cost of service results for the FY 2023-24 adopted wastewater rates, the cost of service analysis was not updated. Based on the results of the 2023 Rate Study, the proposed FY 2025-26

and FY 2026-27 rates maintain the results of the 2023 Rate Study and are cost-based and proportional.

Summary of the Wastewater Rate Design

The final step of the 2025 Update is the development of proposed wastewater rates to collect the desired levels of revenue, based on the results of the previous tasks. The 2023 Rate Study established specific customer classes of service and rates based on the cost of service results for the residential, multi-family, and non-residential customers. The current rate structure includes a monthly fixed charge that varies by meter size and a consumption charge established through the cost of service analysis. Residential and multi-family customers are billed the usage charge up to the customer's average winter water use. Non-residential customers are billed the usage charge on all metered water consumption because separate irrigation meters are, or can be, installed so that the metered water consumption reflects the contributions to the wastewater system.

Given the implementation of cost of service rates in the 2023 Rate Study, and the projection of rates for the subsequent four-year period, the 2025 Update maintained the existing rate structure and cost of service adjustments as outlined in the 2023 Rate Study, and only the level of the rates were updated to reflect updated expenses and revenue projections. Provided in Table ES - 6 is a summary of the present and proposed wastewater rates for the next two rate setting years.

Table ES – 6
Summary of the Present and Proposed Wastewater Rates

	Present Rates	FY 2025-26	FY 2026-27
Fixed Charge - \$/Month			
Residential	\$24.52	\$26.11	\$27.81
MF / Non-Res			
3/4" & Less	\$24.52	\$26.11	\$27.81
1"	40.95	43.61	46.44
1 1/2"	81.65	86.96	92.61
2"	130.70	139.20	148.25
3"	245.21	261.15	278.12
4"	408.76	435.33	463.63
6"	817.28	870.40	926.98
8"	1,307.70	1,392.70	1,483.23
10"	1,880.02	2,002.22	2,132.36
Usage Charge - \$/Unit			
Residential / Multi-Family (up to sewer cap)	\$9.82	\$10.46	\$11.14
Non-Residential (all usage)	\$10.27	\$10.94	\$11.65

Note: 1 unit = 1 CCF = 748 gallons

As can be seen, the rate structure has been maintained and only the level of the rates has been adjusted. Again, the updated rates reflect the cost of service analysis results in the 2023 Rate Study and maintain the proportional relationships. The primary difference is the higher overall revenue adjustment necessary to fund operating and capital needs for the next two-year period.

Summary of the Wastewater Rate Study Update

Based on the results of the 2025 Update, HDR developed the following conclusions and recommendations.

Based on the revenue requirement, HDR concluded that the City will need to adjust the level of wastewater rate revenues. HDR reached this conclusion based on the following:

- Revenue adjustments are necessary to meet the operating costs of providing wastewater service to the City's customers
- Revenue adjustments are necessary to provide adequate funding of the City's capital projects on a "pay-as-you-go" basis for renewal and replacement needs
- The proposed revenue adjustments maintain the City's financial health and provide long-term sustainable funding levels

Based on the results of the cost of service analysis, HDR made the following conclusions and provided the following recommendations:

- The 2023 Rate Study cost of service analysis reflects the current customer characteristics
- The proposed cost of service adjustments from the 2023 Rate Study are maintained in the development of the proposed FY 2025-26 and FY 2026-27 wastewater rates

Finally, HDR has reached the following conclusions and provided the following recommendations for the proposed wastewater rates:

- The proposed rates reflect the overall costs of providing wastewater service (i.e., cost-based)
- The current rate structure reflects contemporary and industry standard approaches
- City should review the wastewater rates biannually in order to assess sufficiency

In summary, HDR recommends the City adopt the proposed wastewater rates for FY 2025-26 and FY 2026-27 as developed in this report to provide sufficient funding for the operating expenses and capital improvement program needs for the wastewater utility.

2 Development of the Water Analysis

2.1 Introduction

This section describes the development of the City's water utility 2025 Update. The basis for the study was the City's adopted budget (FY 2024-25), current capital improvement plan, historical customer consumption data, and water system operating characteristics. Based on the City's specific costs, and customer characteristics, cost-based water rates were developed to prudently fund the water utility. Provided in this section is the detailed summary of the 2025 Update for the City's water utility and proposed water rates for FY 2025-26 and FY 2026-27.

2.2 Water Revenue Requirement

The City provided detailed revenue and expenses data for the water system that allowed for the development of the revenue requirement. The revenue requirement analysis is the first analytical step in the comprehensive rate study process. This analysis determines the adequacy of the City's overall water rates at current rate levels. From this analysis, a determination can be made as to the overall level of revenue (rate) adjustment needed to provide adequate and prudent funding for operating, debt service, and capital needs over the long-term. HDR developed an independent analysis based on information provided by the City to develop the 2025 Update conclusions and recommendations.

2.2.1 Determining the Water Revenue Requirement

In developing the City's water revenue requirement, the water utility, must financially "stand on its own" and be properly funded. That is, no rate revenues are being transferred from other City funds or enterprises in order to support the water utility. As a result, the water revenue requirement analysis assumes the full and proper funding needed to operate and maintain the water system on a financially sound and prudent basis.

2.2.2 Projecting Rate and Miscellaneous Revenues

The City receives revenue from two primary sources: water rates and other revenues. Water rate revenues are based on the current water rate structure and the current customer data. Other revenue includes items such as interest, recycled water sales, fees, and miscellaneous revenues.

The City is projected to receive approximately \$25.8 million in water rate revenues in FY 2024-25. The projection of revenue is based on the recent customer consumption levels and adopted water rates. HDR worked with the City to update the consumption levels of each customer class of service for the 2025 Update. Over the planning horizon of the 2025 Update, customer growth is expected to be around 0.8% resulting in a slight increase in the projection of water rate revenues to approximately \$26.8 million by FY 2029-30.

In addition to rate revenues, the City also receives a variety of other revenues including significant sources in California Polytechnical State University (Cal Poly) and recycled water sales. Other revenues are projected to be approximately \$2.8 million in FY 2024-25. Other revenues are

expected to increase over the review period and are projected to be approximately \$3.2 million by FY 2029-30.

On a combined basis - taking into account both rate revenues and other revenues - the City's total projected water revenues are projected to be approximately \$28.6 million in FY 2024-25, increasing to approximately \$30.1 million by FY 2029-30. It is important to note that these revenue projections do not include rate revenue adjustment, and the increase is the result of assumed customer growth on the water system as well as interest earned on cash reserves.

2.2.3 Projecting Operation and Maintenance Expenses

Operation and maintenance (O&M) expenses are incurred by the City to operate and maintain the water system. The costs incurred in this area are expensed during the current year and are not capitalized or depreciated. In general, O&M expenses are grouped into a number of different functional categories. To begin the process of projecting O&M expenses over the planning horizon, HDR utilized the future projected expenses from the City's fund analysis for the water utility. Total water O&M expenses for the City are projected to be approximately \$25.8 million in FY 2024-25. Water O&M expenses are projected to increase to approximately \$28.7 million by FY 2029-30 as a result of estimated inflation over the time period as well as capital projects related to the source of supply at Nacimiento, Salinas, and Whale Rock that are expensed annually. The escalation of costs is based on the assumptions from the City's fund analysis.

2.2.4 Projection of Debt Service

Debt can serve a variety of functions for the utility. For example, long-term debt can provide intergenerational equity as the assets purchased with the debt are paid for by the current customers utilizing the services over time. Additionally, issuing long-term debt can help to moderate rate impacts over time lessening the impact of capital projects by spreading the cost out over a longer time period as compared to cash, or pay as you go, financing.

The City's water utility currently has two existing long-term debt issuances and the annual debt service for FY 2024-25 is approximately \$1.9 million in total. Over the review period of FY 2024-25 through FY 2029-30, the City has estimated the need to issue additional long-term debt to fund capital improvement projects. The total debt service increases over the review period and reaches to \$2.5 million by FY 2029-30. It is important to note that there are also debt service costs related to Nacimiento that is included in the water source of supply O&M budget which reflects the City's fund analysis approach. The 2025 Update assumes that \$400,000 of annual development impact fee revenues are used to offset annual debt service payments. This is done in order to offset the impact of new customer growth on the water resources, treatment plant, and distribution system.

As a note, HDR is not acting as a municipal advisor as it relates to bonds, terms, or structures of debt issuance. Rather, the 2025 Update identifies the existing annual debt service payments and projection future funding needs based on the City's projection of long-term borrowing terms and conditions.

2.2.5 Projecting Rate Funded Capital

A key component in the development of the water revenue requirement was adequately funding capital replacement needs. One of the major issues facing many utilities across the U.S. is the amount of deferred capital projects and the funding pressure from renewal and replacement of capital infrastructure projects. The proper and adequate funding of capital projects is an important issue for all water utilities and is not just a local issue or concern of the City.

In general, there are three types of capital projects that a utility may need to fund. These include the following types:

- Renewal and replacement projects
- Growth / capacity expansion projects
- Regulatory-related projects

A renewal and replacement project is a project required for maintaining the existing system that is in place today. As the existing plant or pipelines become worn out, obsolete, etc., the utility should be making continuous investments to maintain the integrity of the facilities. To address these needs, the City developed a capital improvement plan (CIP) which aides in identifying and prioritizing capital replacement of the system. The CIP also includes projects to expand the capacity of facilities to accommodate future capacity needs (customers). Finally, certain projects may be a function of a regulatory requirement in which the Federal or State government mandates the need for an improvement to the system to meet a regulatory standard. Understanding these different types of capital projects is important because the way in which projects are funded may vary by the type of capital project. For example, renewal and replacement projects may be paid for via rates and funded on a “pay-as-you-go basis”. In contrast to this, growth or capacity expansion projects may be funded via the collection of development impact fees (i.e. growth-related charges) in which new development pays a proportional share of the cost of facilities necessary to serve their development (impact). Finally, regulatory projects may be funded by a variety of different means, which may include rates, long-term debt, grants, etc.

Provided in Table 2 - 1 is the detail of the capital funding plan for the City’s water system that is included within the development of the proposed revenue requirement.

Table 2 – 1
Summary of the Water Capital Funding Plan (\$000s)

	FY 2024- 25	FY 2025- 26	FY 2026- 27	FY 2027- 28	FY 2028- 29	FY 2029- 30
Total Source of Supply	\$1,140	\$2,496	\$159	\$164	\$506	\$1,681
Total Water Treatment	1,675	1,183	819	583	5,121	13,538
Total Water Distribution	4,655	4,116	4,371	12,203	748	2,295
Total Administration	(40)	116	121	20	344	84
CIP Carryover	16,949	0	0	0	0	0
Unidentified Future Capital	0	0	0	0	0	0
Transfer to Cash Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>255</u>	<u>0</u>
Total Capital	\$24,379	\$7,911	\$5,470	\$12,970	\$6,975	\$17,598
<i>Less: Other Funding Sources</i>						
Capital Fund Reserves	\$19,580	\$4,164	\$1,920	\$3,770	\$0	\$1,198
Prop 1B Revenue	3,517	3,748	0	0	0	0
Assumed New Long-Term Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>9,250</u>
Total Other Funding Sources	\$23,097	\$7,911	\$1,920	\$8,770	\$0	\$10,448
Rate Funded Capital	\$1,282	\$0	\$3,550	\$4,200	\$6,975	\$7,150

As can be seen in Table 2 - 1, the funding level for projects vary from year-to-year. While the total amount required to fund a project may vary from year to year, the rate study capital funding plan has attempted to provide a consistent funding source for capital improvements. In this case, rates will annually fund an amount ranging from \$0 in FY 2024-25 to \$7.2 million in FY 2029-30 (as shown in Table 2 - 1). As a point of reference, the City's annual depreciation expense is approximately \$3.3 million for FY 2022-23. A desirable and recommended minimum funding target for rate funded capital is an amount equal to or greater than annual depreciation expense. The level of capital funding through rates has been developed to reflect the capital replacement needs of the City over the review period balanced with the use of available reserves and the issuance of long-term debt. In developing this financial plan, HDR and the City have attempted to minimize rate impacts while funding the planned capital replacement projects of the water system.

2.2.6 Summary of the Water Revenue Requirement

Given the above projections of revenues and expenses, a summary of the City's water revenue requirement analysis can be developed. In developing the revenue requirement analysis, consideration was given to the financial planning considerations of the City. In particular, emphasis was placed on minimizing rates yet still having adequate funds to support the operational activities and capital replacement needs throughout the projected time period. Detailed exhibits of this analysis can be found in the Water Technical Appendix Exhibits 1 - 5. Provided in Table 2 – 2 is a summary of the revenue requirement analysis performed for the City's water utility.

Table 2 - 2
Summary of the Water Revenue Requirement (\$000s)

	FY 2024- 25	FY 2025- 26	FY 2026- 27	FY 2027- 28	FY 2028- 29	FY 2029- 30
Revenues						
Rate Revenues	\$25,793	\$25,999	\$26,207	\$26,417	\$26,628	\$26,841
Other Revenues	<u>2,799</u>	<u>2,885</u>	<u>2,947</u>	<u>3,031</u>	<u>3,118</u>	<u>3,210</u>
Total Revenues	\$28,592	\$28,884	\$29,154	\$29,447	\$29,746	\$30,051
Expenses						
Total O & M	\$25,838	\$30,313	\$27,113	\$28,246	\$27,030	\$28,850
Net Debt Service	1,469	1,466	1,455	1,455	1,778	1,790
Rate Funded Capital	1,282	0	3,550	4,200	6,975	7,150
To / (From) Reserves	<u>3</u>	<u>(1,466)</u>	<u>(3)</u>	<u>2</u>	<u>11</u>	<u>4</u>
Total Revenue Requirement	\$28,592	\$30,314	\$32,116	\$33,903	\$35,794	\$37,794
Total Bal. / (Def.) of Funds	\$0	(\$1,430)	(\$2,962)	(\$4,456)	(\$6,048)	(\$7,743)
Balance a % of Rate Adj. Req'd	0.0%	5.5%	11.3%	16.9%	22.7%	28.8%
Proposed Rate Adjustment	0.0%	5.5%	5.5%	5.0%	5.0%	5.0%
Add'l Revenue with Rate Adj.	\$0	\$1,430	\$2,962	\$4,456	\$6,048	\$7,743
Bal. / (Def.) After Rate Adj.	\$0	\$0	(\$0)	\$0	\$0	\$0

The revenue requirement for the City's water utility has summed the O&M, rate funded capital, net debt service, and to / (from) reserves. It is important to note that the "net" in net debt service refers to the use of development impact fees to pay for debt service which results in a reduction in the total debt serve expense. The total revenue requirement is then compared to the total revenues which are the rate revenues, at present rate levels, and other miscellaneous revenues. From this comparison a balance or deficiency of funds in each year can be determined. This balance or deficiency of funds is then compared to the rate revenues to determine the level of rate revenue adjustment needed to meet the revenue requirement.

The revenue requirement developed in Table 2 - 2 was developed to meet financial planning objectives of the City. More specifically, the City's need to adequately and prudently fund water utility operating and capital needs. Table 2 - 2 also includes a set of proposed rate revenue adjustments (blue band) which, based on the study assumptions, are sufficient to meet the total revenue requirement over the projected time period. Over the next two-year period, the period for which rates are being proposed, the total deficiency of revenues is 11.3%. The proposed revenue adjustments are a function of assumed inflation over this time period, coupled with the funding of identified capital improvement needs, and meet minimum reserve and debt service coverage ratio levels. If water revenue adjustments are not implemented, the City will not have sufficient funding to prudently operate and maintain the water system.

2.2.7 Reserve Levels

A key component of determining the financial health and long-term sustainability of the City's water utility is to review the level of available reserves after the proposed rate adjustments. Reserves play many different purposes. For the City's water utility, the reserve funds are in place to meet the City's ongoing cash flow needs as well as meeting target minimum levels established by the City's financial policies. For the operating fund, a target of 20% of annual O&M expenses is utilized and is approximately \$5.2 million in FY 2024-25. There is currently no capital component of the target, however, a general rule of thumb is to set a minimum equal to the average annual capital project funding needs, excluding "one-time" major projects (e.g., water treatment plant upgrade). For the review period (FY 2024-25 through FY 2029-30), the average annual capital is approximately \$9.6 million. Over the same time period, the capital fund reserve averages an ending balance of \$9.9 million. The final component of the target for the reserve funds is the rate stabilization component which is 10% of rate revenues and for FY 2024-25 is \$2.6 million. Over the projected time period the City meets the minimum target reserve fund balances. It is important for the City to review the reserve funds annually and maintain target minimums.

2.2.8 Consultant's Conclusion of the Revenue Requirement

HDR concludes that the City will need to adjust the level of water rate revenues as noted in Table 2-2. Provided below are the conclusions and recommendations of the water revenue requirement:

- Revenue adjustments are necessary to meet the operating and capital costs of providing water service to City's customers
- The proposed revenue adjustments maintain the water utility's financial health and provide long-term, sustainable funding levels
- The City should review the level of water rate revenues biannually in order to assess sufficiency

The revenue requirement developed above has indicated the need for annual revenue increases to adequately fund the City's operating, debt service, and capital needs for the water utility. The proposed increases are necessary to adequately and prudently fund the City's needs.

2.3 Water Cost of Service Analysis Summary

The next step in the 2025 Update is the review of the cost of service analysis. A cost of service analysis proportionally distributes the costs of providing water service between the City's customer classes of service based on the approaches outlined in the American Water Works M1 Manual. The 2023 Rate Study resulted in the establishment of customer classes of service and the City Council adopted rates that included cost of service adjustments.

Given the completion of the comprehensive analysis in the 2023 Rate Study, and the FY 2023-24 water rates adopted by the City Council being based on the cost of service results, the 2025 Update maintained the prior study cost of service relationships for the development of proposed water rates for FY 2025-26 and FY 2026-27.

2.4 Water Rate Design

The final step of the 2025 Update is the development of proposed water rates to collect the desired levels of revenue, based on the results of the previous tasks. As noted, the 2023 Rate Study established specific customer classes of service and rates based on the cost of service results for the residential, multi-family, non-residential, and irrigation customers. The 2025 Update is a continuation of the 2023 Rate Study and reflects the updated customer consumption characteristics and projection of revenue needs. Provided below is a discussion of the development of the proposed water rates for FY 2025-26 and FY 2026-27.

2.4.1 Development of Cost-Based Water Rates

Developing cost-based and proportional rates is of paramount importance in the development of the proposed water rates. While always a key consideration in developing rates, meeting the legal requirements, and documenting the steps taken to meet the requirements, has been in the forefront with the recent legal challenges in the State of California on utility rates. Given this, the City's proposed water rates have been developed to meet the legal requirements of California constitution article XIII D, section 6 (Article XIII D), or Proposition 218. A key component of Article XIII D is the development of rates which reflect the cost of providing service and are proportionally allocated among the customer classes of service. The American Water Works Association (AWWA) M1 Manual clearly delineates various methodologies which may be used to establish cost-based rates. HDR reviewed the City's proposed water rates based on the methodologies provided in the AWWA M1 Manual to meet the requirements of Article XIII D and an administrative record of the steps taken to establish the City's water rates.

HDR is of the opinion that the noticed rates comply with legal requirements of Article XIII D. HDR reached this conclusion based upon the following:

- **The revenue derived from water rates does not exceed the funds required to provide the property related service (i.e., water service).** The proposed rates are designed to collect the overall revenue requirements of the City's water utility.
- **The revenues derived from water rates shall not be used for any purpose other than that for which the fee or charge is imposed.** The revenues derived from the City's water rates are used exclusively to operate and maintain the City's water system.
- **The amount of a fee or charge imposed upon a parcel or person as an incident of property ownership shall not exceed the proportional costs of the service attributable to the parcel.** The cost of service analysis in the 2023 Rate Study was specifically developed to focus on the issue of proportional assignment of costs to customer classes of service, and this study maintains the cost of service relationships and proportionality. The proposed rates have appropriately grouped customers into customer classes of service (residential, multi-family, commercial, irrigation) that reflect the varying consumption patterns and system requirements of each customer class of service. The grouping of customers and rates into these classes of service creates the equity and proportionality expected under Article XIII D by having differing rates by customer classes of service which reflect both the level of revenue to be collected by the utility, but also the manner in which these costs are incurred and

equitably assigned to customer classes of service based upon their proportional impacts and burdens on the City's water system and/or water resources. The 2025 Update has continued the results of the 2023 Rate Study cost of service results.

2.4.2 Overview of the Water Rate Structure

As mentioned, the 2023 Rate Study established the current rate structure based on the customer classes of service and cost of service results. The rate structure is based on the customer classes of service with each having a unique rate structure.

For residential customers, the structure includes a monthly flat fixed charge and a three-tier consumption charge. As part of the 2025 Update, the tiers were reviewed and compared to recent consumption patterns. It was determined the tiers established in the 2023 Rate Study continue to reflect current consumption patterns. Given this, the sizing of the tiers was maintained and only the pricing of the tiers was adjusted to reflect the overall revenue needs.

The multi-family rate structure includes a monthly fixed based on meter size and a uniform consumption charge. This rate structure reflects the customer characteristics of the multi-family customers.

The non-residential customer rate structure includes a fixed charge that varies by meter size and a uniform consumption charge. However, the consumption charge specifically reflects the characteristics of the non-residential customers and will vary from the multi-family and irrigation customer consumption charges.

Finally, the irrigation customers will have the same fixed meter charge by meter size as multi-family and non-residential but again, the uniform consumption charge will be unique to the irrigation customer class and consumption characteristics.

2.4.3 Present and Proposed Water Rates

Given the implementation of cost of service rates in the 2023 Rate Study, and the 2025 Update projection of rates for the subsequent two-year period (FY 2025-26 through FY 2026-27), the 2025 Update maintains the existing rate structure and cost of service adjustments as outlined in the 2023 Rate Study. Provided in Table 2 - 3 is a summary of the present and proposed water rates for the next two rate setting years.

Table 2 - 3
Summary of the Present and Proposed Water Rates

	Present Rate	FY 2025-26	FY 2026-27
Proposed Rate Revenue Adjustment		5.5%	5.5%
Fixed Charge - \$/Month			
Residential	\$30.25	\$31.91	\$33.67
MF / Non-Res / Irr			
3/4" & Less	\$30.25	\$31.91	\$33.67
1"	50.50	53.28	56.21
1 1/2"	100.80	106.34	112.19
2"	161.30	170.17	179.53
3"	302.60	319.24	336.80
4"	504.45	532.19	561.46
6"	1,008.60	1,064.07	1,122.59
8"	1,613.85	1,702.61	1,796.25
Usage Charge – \$/Unit			
Residential			
0 – 5 CCF	\$8.54	\$9.01	\$9.51
5 – 12 CCF	9.84	10.38	10.95
12 + CCF	16.97	17.90	18.88
Multi-Family	\$9.58	\$10.11	\$10.67
Non-Residential	\$10.14	\$10.70	\$11.29
Irrigation	\$10.35	\$10.92	\$11.52

Note: 1 unit = 1 CCF = 748 gallons

As can be seen, the rate structure was maintained and only the level of the rates was adjusted to reflect the 2025 Update revenue needs. Again, the updated rates reflect the proportionality developed in the cost of service analysis as part of the 2023 Rate Study.

2.5 Summary of the Water Rate Study Update

Based on the results of the 2025 Update, HDR developed the following conclusions and recommendations.

Based on the revenue requirement, HDR concludes that the City will need to adjust the level of water rate revenues. HDR reached this conclusion for the following reasons:

- Revenue adjustments are necessary to meet the operating and capital costs of providing water service to City's customers

- The proposed revenue adjustments maintain the City’s financial health and provide long-term sustainable funding levels

Based on the results of the cost of service analysis, HDR made the following conclusions and recommends:

- The proposed cost of service adjustments from the 2023 Rate Study are maintained in the development of the proposed FY 2025-26 and FY 2026-27 water rates

Finally, HDR reached the following conclusions and recommends the proposed water rates:

- The proposed water rates reflect the overall costs of providing water service (i.e., cost-based)
- The current rate structure reflects contemporary and industry standard approaches
- City should review the water rates biannually in order to assess sufficiency

In summary, HDR recommends the City adopt the proposed water rates for FY 2025-26 and FY 2026-27 as developed in this 2025 Update to provide to provide sufficient funding for the operating expenses and capital improvement program needs for the water utility.

3 Development of the Wastewater Analysis

3.1 Introduction

This section describes the development of the City’s wastewater utility 2025 Update. The basis for the study was the City’s wastewater adopted budget, current capital improvement plan, historical customer data, system operation characteristics, and 2023 Rate Study cost of service results. Based on the City’s specific costs, and customer characteristics, cost-based rates were developed to prudently fund the wastewater utility. Provided in this section is the detailed summary of the City’s wastewater rate study 2025 Update.

3.2 Wastewater Revenue Requirement

This section describes the development of the revenue requirement analysis for the City’s wastewater utility. The revenue requirement analysis is the first analytical step in the 2025 Update process. From this analysis, a determination can be made as to the overall level of rate adjustments needed to provide adequate and prudent funding for both the operating and capital needs of the wastewater utility. The primary objective of the 2025 Update is to develop cost-based and proportional rates while attempting to minimize the impacts to the utility’s customers.

3.2.1 Determining the Revenue Requirement

In developing the City’s wastewater revenue requirement, the utility, must financially “stand on its own” and be properly funded. That is, revenues are not being transferred from other City enterprise or general funds to support the wastewater utility. As a result, the revenue requirement analysis assumes the full and proper funding needed to operate and maintain the wastewater system on a financially sound and prudent basis.

3.2.2 Projecting Rate and Other Miscellaneous Revenues

In total, the City’s wastewater utility is projected to receive approximately \$19.1 million in rate revenue in FY 2024-25. Over the review period, the study has assumed 0.8% annual customer growth. Based on current rates, and estimated customer growth, the FY 2029-30 rate revenues are projected to be approximately \$19.9 million.

In addition to rate revenues, the City also receives miscellaneous revenues. These are revenues related to interest income, Cal-Poly charges, fees, permits, etc. In total, the City is projected to receive approximately \$2.1 in FY 2024-25 in miscellaneous revenues. The 2025 Update assumes no growth of other or miscellaneous revenues; however, other revenues do decrease over the review period as the revenues from Cal Poly decrease. In FY 2025-26, it is projected that the City will receive approximately \$1.3 million in other revenues, a reduction of approximately \$800,000 due to the decrease in Cal-Poly wastewater flows to the City.

On a combined basis - taking into account the rate revenues and the miscellaneous revenues - the City’s wastewater utility has total projected revenues of approximately \$21.2 million in FY 2024-25, increasing to approximately \$21.3 million by FY 2029-30 as a result of estimated growth

as noted above. The assumptions used for growth can be found in Exhibit 2 of the Technical Appendix.

3.2.3 Projecting Operation and Maintenance Expenses

Operation and maintenance (O&M) expenses are incurred by the City to maintain the wastewater collection and treatment system. The starting point of the projection of O&M expenses was the adopted FY 2024-25 budget. Budgeted O&M expenses were projected over the 2025 Update time period based on the City's wastewater fund analysis. The total O&M expenses budgeted for the wastewater utility are projected to be \$13.8 million in FY 2024-25. Over the review period, the total O&M expenses are projected to increase to approximately \$17.3 million by FY 2029-30 with the expected inflationary impacts.

3.2.4 Projecting Capital Funding Needs

A key component in the development of the wastewater revenue requirement was properly and adequately funding capital improvement needs. One of the major issues facing many utilities across the U.S. is the amount of deferred capital projects and the funding pressure from growth/expansion-related and regulatory improvements. The proper and adequate funding of capital projects is an important issue for all utilities and is not just a local issue or concern of the City.

In general, there are three types of capital projects that the City may need to fund. These include the following types:

- Renewal and replacement projects
- Growth/capacity expansion projects
- Regulatory-related projects

A renewal and replacement project is essentially maintaining the existing system that is in place today. As the City's existing wastewater collection system and Water Resource Recovery Facility (WRRF) reaches the end of its useful life, becomes obsolete, etc., the City should be making continuous investments to maintain the integrity of its facilities. Currently, the City has developed capital improvement plan which will help guide and prioritize capital projects over time. Additionally, the City may make capital investments to expand the capacity of facilities to accommodate future customers. The capital improvement plan outlines the City's strategy to address needs systematically, so that timing and necessity of improvements aligns appropriately with other projects throughout the City. Finally, certain projects may be a function of a regulatory requirement in which the Federal or State government mandates the need for an improvement to the system to meet a regulatory standard, such as that of the recent WRRF upgrade project. Understanding these different types of capital projects is important because it helps to explain why costs are increasing and the cost drivers for any needed rate adjustment. In addition, and more importantly, the way in which projects are funded may vary by the type of capital project. For example, renewal and replacement projects may be paid for via rates and funded on a "pay-as-you-go basis". In contrast to this, growth or capacity expansion projects may be funded through the collection of connection fees (i.e., growth-related charges) in which new development pays a proportional and equitable share of the cost of improvements required as a

result of their connection (impact). Finally, regulatory projects may be funded by a variety of different means, which may include rates, long-term debt, grants, etc.

While the above discussion appears to neatly divide capital projects into three clearly defined categories, the reality of working with specific capital projects may be more complex. For example, a pump may be replaced, but while being replaced, it is up-sized to accommodate greater capacity. There are many projects that share these “joint” characteristics. At the same time, projects may not be “replacement” related, but rather “improvement” related. Provided below in Table 3 - 1 is a summary of the wastewater capital funding Plan.

Table 3 – 1 Summary of the Wastewater Capital Funding Plan (\$000s)						
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Total Wastewater Collection	\$7,487	\$5,432	\$5,164	\$4,453	\$4,654	\$6,179
Total Water Resource Recovery Facility	(6,438)	2,770	1,878	55	56	128
Total Miscellaneous	65	50	121	74	429	42
CIP Carryover	31,003	0	0	0	0	0
Unidentified Future Capital Projects	0	0	0	0	0	0
Transfer to Cash Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$32,117	\$8,251	\$7,163	\$4,581	\$5,139	\$6,348
<i>Less: Other Funding</i>						
Capital Reserves	\$31,402	\$8,161	\$6,188	\$2,481	\$1,964	\$1,223
Add'l Long-Term Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$31,402	\$8,161	\$6,188	\$2,481	\$1,964	\$1,223
Rate Funded Capital	\$715	\$90	\$975	\$2,100	\$3,175	\$5,125

While the total amount of a project may vary from year to year, this wastewater capital funding plan has attempted to provide a consistent funding source for the replacement fund. In this case, the utility’s rates will annually fund an amount ranging from \$90,000 to \$5.1 million. As a point of reference, the City’s annual depreciation expense is approximately \$2.8 million in FY 2022-23. It is important that in order to minimize rate impacts, wastewater capital has been delayed for several years. A desirable funding target for rate funded capital is an amount equal to or greater than annual depreciation expense. It is important to note and understand that depreciation expense is not the same as replacement cost. Thus, funding an amount which exceeds depreciation expense is both prudent and appropriate. As noted, to help establish a prudent level of annual replacement funding through rates, HDR worked with City staff to develop a funding plan for the capital projects. In developing this financial plan, HDR and the City have attempted to minimize rate impacts while funding the planned capital replacement projects of the City.

3.2.5 Projection of Debt Service

The City's wastewater utility currently has four outstanding long-term debt issuances, and one is retired in FY 2028-29. The existing debt service for FY 2024-25 is \$7.0 million, of which \$5.8M is for the City's SRF loan for the WRRF upgrade project. As with the water utility, annual wastewater development impact fee revenues are assumed at \$300,000 to offset the debt service. This is done in order to offset the impact of new customer growth on the wastewater system and results in next debt service of approximately \$6.7 million in FY 2024-25. With the retirement and the addition of future long-term issuances, debt service is expected to decrease slightly and be approximately \$6.5 million by FY 2029-30 with net debt service after development impact fee contribution to \$6.2 million.

3.2.6 Summary of the Wastewater Revenue Requirement

Given the above projections of revenues and expenses, a summary of the wastewater revenue requirement analysis can be developed. In developing the revenue requirement analysis, consideration was given to the financial planning considerations of the City. In particular, emphasis was placed on attempting to minimize rates yet still have adequate funds to support the operational activities and capital projects throughout the projected time period. Presented below in Table 3 – 2 is a summary of the City's projected wastewater revenue requirement. Detailed exhibits of this analysis can be found in the Technical Appendix (Exhibits 1 – 5).

Table 3 - 2 Summary of the Wastewater Revenue Requirement (\$000s)						
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Revenues						
Rate Revenues	\$19,141	\$19,294	\$19,448	\$19,604	\$19,761	\$19,919
Other Revenues	<u>2,092</u>	<u>1,216</u>	<u>1,256</u>	<u>1,260</u>	<u>1,269</u>	<u>1,345</u>
Total Revenues	\$21,233	\$20,510	\$20,705	\$20,864	\$21,030	\$21,264
Expenses						
Total O & M	\$13,809	\$14,994	\$15,483	\$16,029	\$16,632	\$17,260
Rate Funded Capital	715	90	975	2,100	3,175	5,125
Net Debt Service	6,706	6,799	6,790	6,788	6,787	6,170
To / (From) Reserves	<u>3</u>	<u>(119)</u>	<u>67</u>	<u>23</u>	<u>96</u>	<u>80</u>
Total Revenue Requirement	\$21,233	\$21,764	\$23,315	\$24,941	\$26,690	\$28,635
Total Bal. / (Def.) of Funds	\$0	(\$1,254)	(\$2,610)	(\$4,077)	(\$5,661)	(\$7,372)
Balance a % of Rate Adj. Req'd	0.0%	6.5%	13.4%	20.8%	28.6%	37.0%
Proposed Rate Adjustment	0.0%	6.5%	6.5%	6.5%	6.5%	6.5%
Add'l Revenue with Rate Adj.	\$0	\$1,254	\$2,610	\$4,077	\$5,661	\$7,372
Bal. / (Def.) After Rate Adj.	\$0	(\$0)	\$0	(\$0)	\$0	\$0

As can be seen, the revenue requirement has summed the O&M, rate funded capital, net debt service, and to / (from) reserves. It is important to note that the “net” in net debt service refers to the use of development impact fees to pay for debt service which results in a reduction in the total debt service expense. The total revenue requirement is then compared to the total sources of funds which include the rate revenues, at present rate levels, and other miscellaneous revenues. From this comparison a balance or deficiency of funds in each year can be determined. This balance or deficiency of funds is then compared to the rate revenues to determine the level of rate adjustment needed to meet the revenue requirement. It is important to note the “Bal. / (Def.) of Funds” row is cumulative. That is, adjustments in the initial years will reduce the deficiency in the later years.

The overall level of wastewater rate revenues should be increased to prudently fund the wastewater system operating, debt service, and capital needs. The revenue requirement developed in Table 3 - 2 has been developed to meet financial planning objectives of the City. More specifically, the City desires to adequately and prudently fund its wastewater operating and capital needs. Table 3 - 2 has also included a set of proposed rate revenue adjustments (blue band) which are sufficient to meet the total revenue requirement over the projected time period. Over the next two year period, the period for which rates are being proposed, the total deficiency of revenues is 13.4%. The proposed revenue adjustments are a function of assumed inflation over this time period coupled with the need to fund capital improvement needs (renewal and replacement funding) and meet minimum reserve and debt service coverage ratio levels. If wastewater revenue adjustments are not implemented, the City will not have sufficient funding to prudently operate and maintain the system or meet the financial requirements of issuing long-term debt for the WRRF Project.

3.2.7 Reserve Levels

As with the water utility, a key element of determining the financial health and sustainability of the City’s wastewater utility is to review the level of available reserve levels after the proposed revenue adjustments. The reserve funds are established by the City’s financial policies and in place to meet the wastewater utility annual cash flow needs as well as accomplishing a number of target minimum reserve levels. For the operating fund, a target of 20% of annual O&M expenses and is approximately \$2.8 million in FY 2024-25. The capital fund does not currently have an established target, but prudent planning approaches often view an average year of capital expenses as a general rule of thumb. The average capital from FY 2024-25 through FY 2029-30 is approximately \$6.4 million and over this time period the capital fund average balance is about \$11.4 million and is trending down in the last few years. The final component is the rate stabilization fund which has a target of 5.0% of rate revenues and for FY 2024-25 is approximately \$957,000. Over the projected time period the City is meeting the minimum target levels for each of the reserve funds.

3.2.8 Consultant's Conclusions

Based on the revenue requirement, HDR concluded that the City will need to adjust the level of wastewater rate revenues over the next two-year period. HDR reached this conclusion for the following reasons:

- Revenue adjustments are necessary to meet the operating and capital costs of providing wastewater service to City's customers
- The proposed revenue adjustments maintain the City's financial health and provide long-term sustainable funding levels
- The City should review the level of wastewater rate revenues biannually in order to assess sufficiency

In reaching this conclusion, HDR recommends that the City adjust revenue levels in FY 2025-26 and FY 2026-27 to provide sufficient funding for annual O&M and the capital improvement program.

3.3 Wastewater Cost of Service Analysis Summary

The next step in the 2025 Update is the review of the cost of service analysis. A cost of service analysis proportionally distributes the costs of providing wastewater service between the customer classes of service based on the approaches outlined in the Water Environment Federation Manual of Practice No. 27 (WEF MOP #27). The 2023 Rate Study resulted in the establishment of customer classes of service and the City Council adopted rates that included cost of service adjustments.

Given the completion of the 2023 Rate Study, and the rates adopted by the City Council being based on the cost of service results, this Study maintained the prior cost of service relationships for the development of proposed wastewater rates for FY 2025-26 and FY 2026-27.

3.4 Wastewater Rate Design

The final step of the 2025 Update is the development of proposed wastewater rates to collect the desired levels of revenue, based on the results of the previous tasks. The 2023 Rate Study established specific customer classes of service and rates based on the cost of service results for the residential, multi-family, and non-residential customers. The 2025 Update is a continuation of the 2023 Rate Study and reflects the updated customer consumption characteristics and projection of revenue needs. Provided below is a discussion of the development of the proposed wastewater rates for FY 2025-26 and FY 2026-27.

3.4.1 Development of Cost-Based Wastewater Rates

Developing cost-based and proportional rates is of paramount importance in the development of the proposed wastewater rates. While always a key consideration in developing rates, meeting the legal requirements, and documenting the steps taken to meet the requirements, has been in the forefront with the recent legal challenges in the State of California on utility rates. Given this, the City's proposed wastewater rates have been developed to meet the legal requirements of California constitution article XIII D, section 6 (Article XIII D), or Proposition 218. A key component

of Article XIII D is the development of rates which reflect the cost of providing service and are proportionally allocated among the customer classes of service. The Water Environment Federation Manual of Practice No. 27 outlines the methodologies which may be used to establish cost-based rates. HDR reviewed the City's proposed wastewater rates based on the methodologies provided in the WEF MOP #27 to meet the requirements of Article XIII D to provide an administrative record of the steps taken to establish the City's wastewater rates given the results and implementation of the 2023 Rate Study.

HDR is of the opinion that the noticed rates comply with legal requirements of Article XIII D. HDR reaches this conclusion based upon the following:

- **The revenue derived from wastewater rates does not exceed the funds required to provide the property related service (i.e., wastewater service).** The proposed rates are designed to collect the overall revenue requirement of the City's wastewater utility.
- **The revenues derived from wastewater rates shall not be used for any purpose other than that for which the fee or charge is imposed.** The revenues derived from the City's wastewater rates are used exclusively to operate and maintain the City's wastewater system.
- **The amount of a fee or charge imposed upon a parcel or person as an incident of property ownership shall not exceed the proportional costs of the service attributable to the parcel.** The cost of service analysis in the 2023 Rate Study was specifically developed to focus on the issue of proportional assignment of costs to customer classes of service, and the 2025 Update maintains the cost of service relationships and proportionality. The proposed rates have appropriately grouped customers into customer classes of service (residential, multi-family, non-residential) that reflect the varying consumption patterns and system requirements of each customer class of service. The grouping of customers and rates into these classes of service creates the proportionality expected under Article XIII D by having which reflect both the level of revenue to be collected by the utility, but also the manner in which these costs are incurred and equitably assigned to customer classes of service based upon their proportional impacts and burdens on the City's wastewater system. The 2025 Update is a continuation and based on the results of the 2023 Rate Study.

3.4.2 Overview of the Wastewater Rate Structure

As mentioned, the 2023 Rate Study established the proportionality of the current rate structure based on the customer classes of service and cost of service results. The rate structure was based on the characteristics of each customer classes of service.

For residential customers, the structure includes a monthly flat fixed charge, and a volume charge up to each individual customer's average winter water use (also referred to as the "sewer cap"). Since wastewater volumes are not metered, average winter water use is used to reflect the volumes, or amounts, of wastewater contributed to the wastewater system for collection and treatment. In this way, customers are billed for the contributions to the wastewater system and not for outdoor watering amounts in the summer. Annually, the City updates the average winter water consumption for each customer. These values are then used for the subsequent rate year to develop the customer bill.

Multi-family customers includes a monthly fixed charge that varies based on meter size and a volume charge up to each individual customer's average winter water use. Winter water consumption values for each multi-family customer are determined using the same methodology as those for residential customers.

The non-residential rate structure includes a monthly fixed charge that varies based on meter size and a uniform consumption charge based on all metered water consumption. For non-residential customers, separate irrigation meters are, or can be, installed so that the metered water consumption reflects the contributions to the wastewater system similar to the use of average winter water for residential customers.

3.4.3 Present and Proposed Wastewater Rates

Given the implementation of cost of service rates in the 2023 Rate Study, the 2025 Update maintained the existing rate structure and cost of service relationships as outlined in the 2023 Rate Study. Provided in Table 3 - 3 is a summary of the present and proposed wastewater rates for the next two rate setting years.

Table 3 – 3 Summary of the Present and Proposed Wastewater Rates			
	Present Rates	FY 2025-26	FY 2026-27
Fixed Charge - \$/Month			
Residential	\$24.52	\$26.11	\$27.81
MF / Non-Res			
3/4" & Less	\$24.52	\$26.11	\$27.81
1"	40.95	43.61	46.44
1 1/2"	81.65	86.96	92.61
2"	130.70	139.20	148.25
3"	245.21	261.15	278.12
4"	408.76	435.33	463.63
6"	817.28	870.40	926.98
8"	1,307.70	1,392.70	1,483.23
10"	1,880.02	2,002.22	2,132.36
Usage Charge - \$/Unit			
Residential / Multi-Family (up to sewer cap)	\$9.82	\$10.46	\$11.14
Non-Residential (all usage)	\$10.27	\$10.94	\$11.65

Note: 1 unit = 1 CCF = 748 gallons

As can be seen, the rate structure has been maintained and only the level of the rates has been adjusted for the 2025 Update. Again, the updated rates reflect the cost of service analysis completed in the 2023 Rate Study and continue the results of the 2023 cost of service results.

3.5 Summary of the Wastewater Rate Study Update

Based on the results of the 2025 Update, HDR developed the following conclusions and recommendations.

Based on the revenue requirement, HDR concluded that the City will need to adjust the level of wastewater rate revenues. HDR reached this conclusion for the following reasons:

- Revenue adjustments are necessary to meet the operating, debt service, and capital costs of providing wastewater service to City's customers, of which a large portion is driven by the funding of capital projects related to the WRRF upgrades
- Revenue adjustments are necessary to provide adequate funding of the City's capital projects on a "pay-as-you-go" basis for renewal and replacement needs
- The proposed revenue adjustments maintain the City's financial health and provide long-term sustainable funding levels

Based on the results of the cost of service analysis, HDR has made the following conclusions and recommendations:

- The proposed cost of service adjustments from the 2023 Rate Study are maintained in the development of the proposed FY 2025-26 and FY 2026-27 wastewater rates

Finally, HDR reached the following conclusions and recommendations for the proposed wastewater rates:

- The proposed rates reflect the overall costs of providing wastewater service (i.e., cost-based)
- The current rate structure reflects contemporary and industry standard approaches
- City should review the wastewater rates biannually in order to assess sufficiency

In summary, HDR would recommend that the City adopt the proposed wastewater rates for FY 2025-26 and FY 2026-27 as developed in the 2025 Update to provide to provide sufficient funding for the operating expenses and capital improvement program needs for the wastewater utility.



Technical Appendix A – Water Analysis



City of San Luis Obispo
Water Rate Study
Summary of the Water Revenue Requirement
Exhibit 1

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35
Revenues											
Rate Revenues	\$25,792,735	\$25,999,077	\$26,207,069	\$26,416,726	\$26,628,060	\$26,841,084	\$27,055,813	\$27,272,259	\$27,490,437	\$27,710,361	\$27,932,044
Miscellaneous Revenues	2,798,852	2,884,739	2,946,793	3,030,697	3,118,440	3,210,210	3,306,207	3,397,471	3,492,518	3,591,516	3,694,639
Total Revenues	\$28,591,587	\$28,883,816	\$29,153,862	\$29,447,423	\$29,746,499	\$30,051,294	\$30,362,019	\$30,669,731	\$30,982,956	\$31,301,877	\$31,626,683
Expenses											
Unfunded Liability	\$996,375	\$959,034	\$1,012,396	\$1,054,947	\$1,099,453	\$1,146,183	\$1,195,250	\$1,246,771	\$1,300,868	\$1,357,669	\$1,417,310
Water Admin / Engineering	4,588,962	5,166,098	5,264,341	5,447,540	5,684,309	5,931,856	6,185,419	6,456,069	6,739,093	7,035,076	7,344,629
Water Source of Supply	13,017,561	16,803,182	13,124,903	13,776,029	12,022,148	13,282,481	13,506,635	13,787,890	13,065,149	13,358,358	13,657,870
Water Treatment	4,292,206	4,290,068	4,497,294	4,706,882	4,864,770	5,028,226	5,197,461	5,372,690	5,554,140	5,742,045	5,936,649
Water Distribution	1,984,884	2,094,442	2,166,829	2,168,206	2,234,024	2,301,855	2,371,762	2,443,808	2,518,060	2,594,587	2,673,459
Water Resources	600,782	637,579	668,611	700,279	721,288	742,926	765,214	788,170	811,815	836,170	861,255
Utility Billing	356,834	362,957	378,706	392,540	404,316	416,446	428,939	441,807	461,559	475,406	489,668
Additional O&M	0	0	0	0	0	0	0	0	0	0	0
Total Operations & Maintenance	\$25,837,604	\$30,313,360	\$27,113,079	\$28,246,424	\$27,030,308	\$28,849,974	\$29,650,680	\$30,537,205	\$30,450,684	\$31,399,311	\$32,380,840
Rate Funded Capital	\$1,282,175	\$0	\$3,550,000	\$4,200,000	\$6,975,000	\$7,150,000	\$7,690,000	\$8,175,000	\$10,050,000	\$11,320,000	\$12,700,000
Net Debt Service	1,468,807	1,465,911	1,455,405	1,454,858	1,778,180	1,789,658	2,380,522	2,970,141	3,346,901	3,362,037	3,359,446
Total To / (From) Reserves	3,000	(1,465,506)	(2,568)	2,015	10,512	4,391	188,512	271,796	258,988	291,389	318,379
Total Revenue Requirement	\$28,591,587	\$30,313,765	\$32,115,916	\$33,903,297	\$35,794,000	\$37,794,023	\$39,909,714	\$41,954,142	\$44,106,573	\$46,372,736	\$48,758,665
Bal. / (Def.) of Funds	\$0	(\$1,429,949)	(\$2,962,054)	(\$4,455,874)	(\$6,047,500)	(\$7,742,729)	(\$9,547,695)	(\$11,284,411)	(\$13,123,617)	(\$15,070,859)	(\$17,131,983)
Balance a % of Rate Adj. Req'd	0.0%	5.5%	11.3%	16.9%	22.7%	28.8%	35.3%	41.4%	47.7%	54.4%	61.3%
Proposed Rate Adjustment	0.0%	5.5%	5.5%	5.0%	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.5%
Add'l Revenue with Rate Adj.	\$0	\$1,429,949	\$2,962,054	\$4,455,874	\$6,047,500	\$7,742,729	\$9,547,695	\$11,284,411	\$13,123,617	\$15,070,859	\$17,131,983
Bal. / (Def.) After Rate Adj.	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0
Additional Rate Adjustment Required	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Residential Customer Bill (Base Charge + 6 CCF)	\$82.79	\$87.34	\$92.17	\$96.80	\$101.63	\$106.68	\$112.01	\$117.05	\$122.32	\$127.83	\$133.58
Total Ending Balance	\$23,855,703	\$18,802,287	\$21,627,070	\$18,434,696	\$19,275,993	\$18,657,715	\$14,384,331	\$13,964,443	\$12,399,859	\$12,971,122	\$12,372,537

City of San Luis Obispo
Water Rate Study
Escalations
Exhibit 2

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Revenues												
Customer Growth	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	
Rate Adjustment	0.0%	5.5%	5.5%	5.0%	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.5%	
Miscellaneous Revenues	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	
Expenses												
CIP	0.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Interest	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
New Debt Service												
<i>Low Interest Loans</i>												
Term in Years	30	30	30	30	30	30	30	30	30	30	30	
Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
<i>Revenue Bond</i>												
Term in Years	30	30	30	30	30	30	30	30	30	30	30	
Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Revenues												
<i>Rate Revenues</i>												
Residential	\$13,245,990	\$13,351,958	\$13,458,774	\$13,566,444	\$13,674,976	\$13,784,376	\$13,894,651	\$14,005,808	\$14,117,854	\$14,230,797	\$14,344,643	As Customer Growth
Multi-Family	4,546,687	4,583,061	4,619,725	4,656,683	4,693,937	4,731,488	4,769,340	4,807,495	4,845,955	4,884,722	4,923,800	As Customer Growth
Non-Residential	6,058,007	6,106,471	6,155,322	6,204,565	6,254,201	6,304,235	6,354,669	6,405,506	6,456,750	6,508,404	6,560,472	As Customer Growth
Irrigation	1,942,050	1,957,587	1,973,248	1,989,034	2,004,946	2,020,985	2,037,153	2,053,450	2,069,878	2,086,437	2,103,129	As Customer Growth
Total Rate Revenues	\$25,792,735	\$25,999,077	\$26,207,069	\$26,416,726	\$26,628,060	\$26,841,084	\$27,055,813	\$27,272,259	\$27,490,437	\$27,710,361	\$27,932,044	
<i>Other Revenues</i>												
Interest on Investment	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
Miscellaneous Penalties	118,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	
Utility Set-up Fees - Distribution	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Utility Set-up Fees - Utility Billing	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	
Cal Poly Capacity & Resilience - WTP SST Project Payment	86,267	86,267	86,267	86,267	86,267	86,267	86,267	86,267	86,267	86,267	86,267	
Cal Poly Capacity & Resilience	171,175	180,589	190,522	200,048	210,050	220,553	231,580	242,001	252,891	264,272	276,164	As Rate Adjustment
Other Utility Charges	0	0	0	0	0	0	0	0	0	0	0	
Credit Collections	14,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
Development Review Fees	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	
Miscellaneous Revenue	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Cal Poly	1,183,946	1,249,063	1,317,761	1,383,649	1,452,832	1,525,473	1,601,747	1,673,826	1,749,148	1,827,859	1,910,113	As Rate Adjustment
Recycled Water Sales	1,044,464	1,052,820	1,061,243	1,069,733	1,078,290	1,086,917	1,095,612	1,104,377	1,113,212	1,122,118	1,131,095	As Customer Growth
Low Income Subsidy	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	
Future Unidentified Other Revenue	0	0	0	0	0	0	0	0	0	0	0	
Other City Licenses & Permits	25,000	25,000	0	0	0	0	0	0	0	0	0	
Total Other Revenues	\$2,798,852	\$2,884,739	\$2,946,793	\$3,030,697	\$3,118,440	\$3,210,210	\$3,306,207	\$3,397,471	\$3,492,518	\$3,591,516	\$3,694,639	
Total Revenues	\$28,591,587	\$28,883,816	\$29,153,862	\$29,447,423	\$29,746,499	\$30,051,294	\$30,362,019	\$30,669,731	\$30,982,956	\$31,301,877	\$31,626,683	
Expenses												
<i>Unfunded Liability</i>												
52003-PERS Unfunded Liability - ADP Payments	\$245,418	\$164,840	\$164,840	\$164,840	\$164,840	\$164,840	\$164,840	\$164,840	\$164,840	\$164,840	\$164,840	
52003-PERS Unfunded Liability	750,957	794,194	847,556	890,107	934,613	981,343	1,030,410	1,081,931	1,136,028	1,192,829	1,252,470	
Total Unfunded Liability	\$996,375	\$959,034	\$1,012,396	\$1,054,947	\$1,099,453	\$1,146,183	\$1,195,250	\$1,246,771	\$1,300,868	\$1,357,669	\$1,417,310	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Water Admin / Engineering												
51001-Salaries - Regular	\$738,961	\$805,253	\$845,515	\$887,791	\$914,425	\$941,858	\$970,113	\$999,217	\$1,029,193	\$1,060,069	\$1,091,871	
51003-Salaries - Contract	67,819	71,210	74,770	78,509	80,864	83,290	85,789	88,362	91,013	93,744	96,556	
51004-Salaries - Temporary	61,280	129,736	132,953	70,939	73,067	75,259	77,517	79,843	82,238	84,705	87,246	
51010-Overtime	2,500	2,625	2,756	2,894	2,981	3,070	3,162	3,257	3,355	3,456	3,559	
52001-Retirement Contributions	56,293	59,107	62,063	65,166	67,121	69,134	71,208	73,345	75,545	77,811	80,146	
52002-Retirement PARS - 401	894	939	986	1,035	1,067	1,099	1,131	1,165	1,200	1,236	1,274	
53001-Employee Group Insurance	55,897	58,692	61,627	64,708	66,649	68,649	70,708	72,830	75,014	77,265	79,583	
53002-Retiree Healthcare	10,975	11,523	12,099	12,704	13,086	13,478	13,882	14,299	14,728	15,170	15,625	
55001-Medicare	10,508	11,033	11,585	12,164	12,529	12,905	13,292	13,691	14,101	14,525	14,960	
61001-Advertising and Public Outreach	95,000	98,800	102,752	105,835	109,010	112,280	115,648	119,118	122,691	126,372	130,163	
61007-Legal Services	40,000	91,600	43,264	44,562	45,899	47,276	48,694	50,155	51,659	53,209	54,806	
61008-Parking	10,910	11,346	11,800	12,154	12,519	12,894	13,281	13,680	14,090	14,513	14,948	
61013-Other Contract Services	189,995	161,005	84,765	87,308	89,927	92,625	95,404	98,266	101,214	104,250	107,378	
61501-City Water Service	400	416	433	446	459	473	487	502	517	532	548	
61502-City Sewer Service	330	343	357	368	379	390	402	414	426	439	452	
61503-Electric Service	2,800	3,136	3,293	3,457	3,630	3,812	4,002	4,203	4,413	4,633	4,865	
61504-Natural Gas Service	1,100	1,144	1,190	1,225	1,262	1,300	1,339	1,379	1,421	1,463	1,507	
61505-Communication Service	2,800	2,912	3,028	3,119	3,213	3,309	3,409	3,511	3,616	3,725	3,836	
62002-Office Supplies	3,590	3,734	3,883	4,000	4,120	4,243	4,371	4,502	4,637	4,776	4,919	
62003-Postage	200	208	216	223	229	236	243	251	258	266	274	
62004-Publications and Subscriptions	800	2,656	2,762	2,845	2,930	3,018	3,109	3,202	3,298	3,397	3,499	
62007-Employee Recognition	1,250	1,290	1,332	1,364	1,397	1,432	1,467	1,504	1,541	1,580	1,620	
62009-Software Licensing and Maint Agreements	31,520	40,683	42,137	43,243	44,382	45,556	41,493	42,738	44,020	45,341	46,701	
62010-Office Expenses - Other	0	12,500	0	0	0	0	0	0	0	0	0	
62505-Machinery and Equipment	2,750	2,860	2,974	3,064	3,156	3,250	3,348	3,448	3,552	3,658	3,768	
62506-Safety Materials and Supplies	400	416	433	446	459	473	487	502	517	532	548	
62509-Misc Materials and Supplies	1,550	1,612	1,676	1,727	1,779	1,832	1,887	1,943	2,002	2,062	2,124	
63001-Membership and Certifications	8,281	8,613	8,957	9,226	9,502	9,788	10,081	10,384	10,695	11,016	11,346	
63002-Education and Training	18,250	28,980	30,139	31,043	31,975	32,934	33,922	34,940	35,988	37,067	38,179	
63003-Trips and Meetings	500	520	541	557	574	591	609	627	646	665	685	
65013-Credit Cards Merchant Fees	223,992	210,625	216,943	223,452	230,155	237,060	244,172	251,497	259,042	266,813	274,817	
75001-Transfers - Out	1,387,992	1,568,431	1,646,853	1,729,195	1,815,655	1,906,438	2,001,760	2,101,847	2,206,940	2,317,287	2,433,151	
75002-Reimbursement Transfer Out	1,559,425	1,762,150	1,850,258	1,942,771	2,039,909	2,141,905	2,249,000	2,361,450	2,479,522	2,603,498	2,733,673	
Total Water Admin / Engineering	\$4,588,962	\$5,166,098	\$5,264,341	\$5,447,540	\$5,684,309	\$5,931,856	\$6,185,419	\$6,456,069	\$6,739,093	\$7,035,076	\$7,344,629	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Water Source of Supply												
51001-Salaries - Regular	\$131,504	\$138,079	\$144,983	\$152,233	\$156,800	\$161,503	\$166,349	\$171,339	\$176,479	\$181,774	\$187,227	
51010-Overtime	400	420	441	463	477	491	506	521	537	553	569	
51018-Call Back	1,000	1,050	1,103	1,158	1,192	1,228	1,265	1,303	1,342	1,382	1,424	
52001-Retirement Contributions	12,641	13,273	13,937	14,634	15,073	15,525	15,991	16,470	16,964	17,473	17,998	
53001-Employee Group Insurance	17,266	18,129	19,035	19,987	20,587	21,204	21,840	22,496	23,171	23,866	24,582	
53002-Retiree Healthcare	2,055	2,157	2,265	2,378	2,450	2,523	2,599	2,677	2,757	2,840	2,925	
55001-Medicare	1,873	1,966	2,065	2,168	2,233	2,300	2,369	2,440	2,513	2,589	2,666	
61012-Water Supply	62,500	64,980	67,579	69,607	71,695	73,846	76,061	78,343	80,693	83,114	85,607	
61013-Other Contract Services	16,500	17,160	17,846	18,382	18,933	19,501	20,086	20,689	21,310	21,949	22,607	
61017-Nacimiento contribution for O & M	1,404,929	1,461,125	1,519,570	1,565,157	1,612,112	1,660,475	1,710,290	1,761,598	1,814,446	1,868,880	1,924,946	
61018-Nacimiento contribution for Electric Service	714,503	953,303	1,273,959	1,681,627	1,765,708	1,853,993	1,946,693	2,044,028	2,146,229	2,253,540	2,366,217	
61019-Nacimiento contribution for Capital Projects	2,503,607	789,896	262,500	273,000	283,920	295,277	307,088	319,371	332,146	345,432	359,249	
61020-Nacimiento contribution for Debt Service	4,621,208	4,622,040	4,615,844	4,621,896	4,622,732	4,617,371	4,612,077	4,626,248	4,616,791	4,621,413	4,620,904	
61021-Salinas contribution for O & M	1,420,351	1,336,541	1,390,003	1,431,703	1,474,654	1,518,893	1,564,460	1,611,394	1,659,736	1,709,528	1,760,814	
61022-Salinas contribution for Electric Service	287,100	275,000	164,594	95,053	99,806	104,796	110,036	115,538	121,315	127,380	133,750	
61023-Salinas contribution for Capital Projects	184,475	5,053,430	1,101,500	745,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	
61024-Whale Rock contribution for O & M	721,170	735,977	758,057	780,798	804,222	828,349	853,199	878,795	905,159	932,314	960,283	
61025-Whale Rock contribution for Electric Service	352,500	306,306	292,383	168,851	177,294	186,158	195,466	205,240	215,502	226,277	237,591	
61026-Whale Rock contribution for Capital Projects	402,694	82,575	539,490	423,885	11,010	1,029,435	1,001,910	1,001,910	11,010	11,010	11,010	
61026-Whale Rock contribution for Capital Projects - Reserves	0	762,357	762,357	1,524,714	189,922	189,922	189,922	189,922	189,922	189,922	189,922	
61503-Electric Service	100,976	113,093	118,747	124,685	130,919	137,465	144,338	151,555	159,133	167,089	175,444	
62501-Chemicals	14,000	14,700	15,435	16,207	16,693	17,194	17,710	18,241	18,788	19,352	19,932	
62503-Equipment Maintenance Supplies	7,000	7,280	7,571	7,798	8,032	8,273	8,521	8,777	9,040	9,312	9,591	
62509-Misc Materials and Supplies	35,510	30,472	31,691	32,642	33,621	34,629	35,668	36,738	37,841	38,976	40,145	
63001-Membership and Certifications	1,800	1,872	1,947	2,005	2,065	2,127	2,191	2,257	2,325	2,394	2,466	
Total Water Source of Supply	\$13,017,561	\$16,803,182	\$13,124,903	\$13,776,029	\$12,022,148	\$13,282,481	\$13,506,635	\$13,787,890	\$13,065,149	\$13,358,358	\$13,657,870	
Water Treatment												
51001-Salaries - Regular	\$1,358,444	\$1,563,097	\$1,641,251	\$1,723,314	\$1,775,013	\$1,828,264	\$1,883,112	\$1,939,605	\$1,997,793	\$2,057,727	\$2,119,459	
51010-Overtime	70,992	74,542	78,269	82,182	84,648	87,187	89,803	92,497	95,272	98,130	101,074	
51017-Standby	19,500	20,475	21,499	22,574	23,251	23,948	24,667	25,407	26,169	26,954	27,763	
51018-Call Back	12,000	5,000	5,250	5,513	5,678	5,848	6,024	6,204	6,390	6,582	6,780	
52001-Retirement Contributions	131,573	138,152	145,060	152,313	156,882	161,589	166,436	171,429	176,572	181,869	187,325	
53001-Employee Group Insurance	215,584	226,363	237,681	249,565	257,052	264,764	272,707	280,888	289,315	297,994	306,934	
53002-Retiree Healthcare	22,322	23,438	24,610	25,840	26,615	27,414	28,236	29,083	29,956	30,855	31,780	
55001-Medicare	20,095	21,100	22,155	23,263	23,961	24,680	25,420	26,183	26,968	27,777	28,610	
61005-Data Processing Services	1,100	1,144	1,190	1,225	1,262	1,300	1,339	1,379	1,421	1,463	1,507	
61013-Other Contract Services	461,098	438,610	456,285	470,112	484,358	499,038	514,164	529,751	545,811	562,360	579,412	
61027-Control Systems	13,792	14,344	14,917	15,365	15,826	16,301	16,790	17,293	17,812	18,347	18,897	
61503-Electric Service	944,179	750,000	787,500	826,875	868,219	911,630	957,211	1,005,072	1,055,325	1,108,092	1,163,496	
61505-Communication Service	8,800	9,152	9,518	9,804	10,098	10,401	10,713	11,034	11,365	11,706	12,057	
61506-Solid Waste Service	6,713	6,981	7,261	7,478	7,703	7,934	8,172	8,417	8,669	8,930	9,197	
62002-Office Supplies	3,100	3,224	3,353	3,454	3,557	3,664	3,774	3,887	4,004	4,124	4,247	
62004-Publications and Subscriptions	1,400	1,456	1,514	1,560	1,606	1,655	1,704	1,755	1,808	1,862	1,918	
62007-Employee Recognition	1,100	1,144	1,190	1,225	1,262	1,300	1,339	1,379	1,421	1,463	1,507	
62009-Software Licensing and Maint Agreements	183	190	198	204	210	216	223	229	236	243	251	
62010-Office Expenses - Other	300	312	324	334	344	355	365	376	387	399	411	
62501-Chemicals	795,819	726,974	763,322	801,488	825,533	850,299	875,808	902,082	929,145	957,019	985,730	
62502-Construction Materials and Supplies	31,400	32,656	33,962	34,981	36,031	37,111	38,225	39,372	40,553	41,769	43,022	
62503-Equipment Maintenance Supplies	71,948	92,964	96,683	99,583	102,571	105,648	108,817	112,082	115,444	118,907	122,475	
62506-Safety Materials and Supplies	26,680	27,747	28,857	29,723	30,614	31,533	32,479	33,453	34,457	35,491	36,555	
62509-Misc Materials and Supplies	49,498	85,435	88,852	91,518	94,263	97,091	100,004	103,004	106,094	109,277	112,555	
63001-Membership and Certifications	3,286	3,417	3,554	3,661	3,771	3,884	4,000	4,120	4,244	4,371	4,502	
63002-Education and Training	21,300	22,152	23,038	23,729	24,441	25,174	25,930	26,707	27,509	28,334	29,184	
Total Water Treatment	\$4,292,206	\$4,290,068	\$4,497,294	\$4,706,882	\$4,864,770	\$5,028,226	\$5,197,461	\$5,372,690	\$5,554,140	\$5,742,045	\$5,936,649	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Water Distribution												
51001-Salaries - Regular	\$1,050,433	\$1,102,954	\$1,158,102	\$1,216,007	\$1,252,487	\$1,290,062	\$1,328,764	\$1,368,627	\$1,409,685	\$1,451,976	\$1,495,535	
51010-Overtime	18,000	18,900	19,845	20,837	21,462	22,106	22,769	23,453	24,156	24,881	25,627	
51017-Standby	19,000	19,950	20,948	21,995	22,655	23,334	24,034	24,755	25,498	26,263	27,051	
51018-Call Back	45,000	47,250	49,613	52,093	53,656	55,266	56,924	58,631	60,390	62,202	64,068	
52001-Retirement Contributions	101,288	106,353	111,670	117,254	120,771	124,395	128,126	131,970	135,929	140,007	144,207	
53001-Employee Group Insurance	171,150	179,708	188,693	198,128	204,071	210,193	216,499	222,994	229,684	236,575	243,672	
53002-Retiree Healthcare	17,052	17,904	18,800	19,740	20,332	20,942	21,570	22,217	22,884	23,570	24,277	
55001-Medicare	15,072	15,826	16,617	17,448	17,971	18,510	19,065	19,637	20,227	20,833	21,458	
56003-Contingency Expense	87,904	90,541	93,257	0	0	0	0	0	0	0	0	
61005-Data Processing Services	9,300	9,672	10,059	10,361	10,671	10,992	11,321	11,661	12,011	12,371	12,742	
61011-Maintenance	1,000	1,040	1,082	1,114	1,147	1,182	1,217	1,254	1,291	1,330	1,370	
61013-Other Contract Services	133,762	139,112	144,677	149,017	153,488	158,092	162,835	167,720	172,752	177,934	183,272	
61027-Control Systems	22,542	23,444	24,381	25,113	25,866	26,642	27,442	28,265	29,113	29,986	30,886	
61503-Electric Service	41,580	35,000	36,750	38,588	40,517	42,543	44,670	46,903	49,249	51,711	54,296	
61505-Communication Service	18,000	18,720	19,469	20,053	20,654	21,274	21,912	22,570	23,247	23,944	24,662	
62002-Office Supplies	1,550	1,612	1,676	1,727	1,779	1,832	1,887	1,943	2,002	2,062	2,124	
62003-Postage	150	156	162	167	172	177	183	188	194	200	206	
62004-Publications and Subscriptions	500	520	541	557	574	591	609	627	646	665	685	
62007-Employee Recognition	900	927	955	983	1,013	1,043	1,075	1,107	1,140	1,174	1,210	
62008-Furniture and Fixtures	500	520	541	557	574	591	609	627	646	665	685	
62010-Office Expenses - Other	400	416	433	446	459	473	487	502	517	532	548	
62501-Chemicals	300	315	331	347	358	368	379	391	403	415	427	
62502-Construction Materials and Supplies	134,212	139,580	145,163	149,518	154,004	158,624	163,383	168,284	173,333	178,533	183,889	
62503-Equipment Maintenance Supplies	18,000	18,720	19,469	20,053	20,654	21,274	21,912	22,570	23,247	23,944	24,662	
62506-Safety Materials and Supplies	13,590	14,134	14,699	15,140	15,594	16,062	16,544	17,040	17,551	18,078	18,620	
62509-Misc Materials and Supplies	38,300	64,753	41,425	42,668	43,948	45,267	46,625	48,023	49,464	50,948	52,476	
63001-Membership and Certifications	4,400	4,576	4,759	4,902	5,049	5,200	5,356	5,517	5,683	5,853	6,029	
63002-Education and Training	20,500	21,320	22,173	22,838	23,523	24,229	24,956	25,704	26,475	27,270	28,088	
63003-Trips and Meetings	500	520	541	557	574	591	609	627	646	665	685	
Total Water Distribution	\$1,984,884	\$2,094,442	\$2,166,829	\$2,168,206	\$2,234,024	\$2,301,855	\$2,371,762	\$2,443,808	\$2,518,060	\$2,594,587	\$2,673,459	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Water Resources												
51001-Salaries - Regular	\$421,889	\$442,983	\$465,132	\$488,389	\$503,041	\$518,132	\$533,676	\$549,686	\$566,177	\$583,162	\$600,657	
51010-Overtime	5,000	5,250	5,513	5,788	5,962	6,141	6,325	6,515	6,710	6,911	7,119	
52001-Retirement Contributions	36,385	38,204	40,114	42,120	43,383	44,685	46,025	47,406	48,828	50,293	51,802	
53001-Employee Group Insurance	52,068	54,671	57,405	60,275	62,083	63,946	65,864	67,840	69,875	71,972	74,131	
53002-Retiree Healthcare	5,409	5,680	5,964	6,262	6,450	6,643	6,843	7,048	7,260	7,477	7,702	
55001-Medicare	5,782	6,071	6,374	6,693	6,894	7,101	7,314	7,533	7,759	7,992	8,231	
61001-Advertising and Public Outreach	5,250	5,460	5,678	5,849	6,024	6,205	6,391	6,583	6,780	6,984	7,193	
61005-Data Processing Services	6,100	6,344	6,598	6,796	7,000	7,210	7,426	7,649	7,878	8,114	8,358	
61013-Other Contract Services	8,400	16,236	16,885	17,392	17,914	18,451	19,005	19,575	20,162	20,767	21,390	
61505-Communication Service	2,200	2,288	2,380	2,451	2,524	2,600	2,678	2,759	2,841	2,927	3,014	
62001-Print and Reproduction	1,000	1,040	1,082	1,114	1,147	1,182	1,217	1,254	1,291	1,330	1,370	
62002-Office Supplies	600	624	649	668	688	709	730	752	775	798	822	
62003-Postage	2,500	2,600	2,704	2,785	2,869	2,955	3,043	3,135	3,229	3,326	3,425	
62007-Employee Recognition	350	364	379	390	402	414	426	439	452	466	480	
62506-Safety Materials and Supplies	1,450	1,508	1,568	1,615	1,664	1,714	1,765	1,818	1,873	1,929	1,987	
62509-Misc Materials and Supplies	32,700	34,008	35,368	36,429	37,522	38,648	39,807	41,002	42,232	43,499	44,804	
63001-Membership and Certifications	7,700	8,008	8,328	8,578	8,836	9,101	9,374	9,655	9,944	10,243	10,550	
63002-Education and Training	5,000	5,200	5,408	5,570	5,737	5,909	6,087	6,269	6,457	6,651	6,851	
63003-Trips and Meetings	1,000	1,040	1,082	1,114	1,147	1,182	1,217	1,254	1,291	1,330	1,370	
Total Water Resources	\$600,782	\$637,579	\$668,611	\$700,279	\$721,288	\$742,926	\$765,214	\$788,170	\$811,815	\$836,170	\$861,255	
Utility Billing												
51001-Salaries - Regular	\$87,263	\$91,627	\$96,208	\$101,018	\$104,049	\$107,170	\$110,385	\$113,697	\$117,108	\$120,621	\$124,240	
51004-Salaries - Temporary	0	0	0	0	0	0	0	0	0	0	0	
51010-Overtime	1,500	1,575	1,654	1,736	1,789	1,842	1,897	1,954	2,013	2,073	2,136	
52001-Retirement Contributions	8,767	9,205	9,666	10,149	10,453	10,767	11,090	11,423	11,765	12,118	12,482	
53001-Employee Group Insurance	11,738	12,325	12,941	13,588	13,996	14,416	14,849	15,294	15,753	16,225	16,712	
53002-Retiree Healthcare	1,114	1,170	1,229	1,290	1,329	1,369	1,410	1,452	1,496	1,541	1,587	
55001-Medicare	1,776	1,865	1,958	2,056	2,118	2,182	2,247	2,314	2,384	2,455	2,529	
61005-Data Processing Services	30,250	31,460	32,718	33,700	34,711	35,752	36,825	37,930	39,067	40,240	41,447	
61013-Other Contract Services	132,355	128,326	133,459	137,463	141,586	145,834	150,209	154,715	159,357	164,137	169,062	
61028-Personnel Services	0	51	106	110	113	116	120	123	6,624	6,823	7,028	
62001-Print and Reproduction	21,600	22,464	23,363	24,063	24,785	25,529	26,295	27,084	27,896	28,733	29,595	
62002-Office Supplies	250	260	270	279	287	295	304	313	323	333	343	
62003-Postage	57,470	59,768	62,159	64,024	65,945	67,923	69,961	72,060	74,221	76,448	78,741	
62007-Employee Recognition	100	104	108	111	115	118	122	125	129	133	137	
62505-Machinery and Equipment	375	390	406	418	430	443	457	470	484	499	514	
62509-Misc Materials and Supplies	125	130	135	139	143	148	152	157	161	166	171	
63001-Membership and Certifications	50	52	54	56	57	59	61	63	65	67	69	
63002-Education and Training	1,500	1,560	1,622	1,671	1,721	1,773	1,826	1,881	1,937	1,995	2,055	
63003-Trips and Meetings	600	624	649	668	688	709	730	752	775	798	822	
Total Utility Billing	\$356,834	\$362,957	\$378,706	\$392,540	\$404,316	\$416,446	\$428,939	\$441,807	\$461,559	\$475,406	\$489,668	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Additional O&M												
Future O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Additional O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Operations & Maintenance	\$25,837,604	\$30,313,360	\$27,113,079	\$28,246,424	\$27,030,308	\$28,849,974	\$29,650,680	\$30,537,205	\$30,450,684	\$31,399,311	\$32,380,840	
Rate Funded Capital	\$1,282,175	\$0	\$3,550,000	\$4,200,000	\$6,975,000	\$7,150,000	\$7,690,000	\$8,175,000	\$10,050,000	\$11,320,000	\$12,700,000	\$3,340,219 FY 2022-23 Dep. Exp.
Debt Service												
2012 Revenue Refunding Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Debt Schedule
2018 Refunding Bond (Water Admin/Eng)	27,327	27,284	20,929	20,829	20,891	20,914	20,900	20,943	20,848	20,742	20,717	Debt Schedule
2018 Refunding Bond (Water Treatment)	888,250	887,250	885,000	886,500	886,500	900,000	891,250	881,250	870,000	887,500	887,250	Debt Schedule
2020 CIEDB (I-Bank) Loan	953,230	951,376	949,476	947,529	945,532	943,486	941,389	939,239	937,036	934,777	932,462	Debt Schedule
Additional Long-Term Debt	0	0	0	0	325,257	325,257	926,983	1,528,709	1,919,017	1,919,017	1,919,017	Calculated @ 5% for 30 yrs
Total Debt Service	\$1,868,807	\$1,865,911	\$1,855,405	\$1,854,858	\$2,178,180	\$2,189,658	\$2,780,522	\$3,370,141	\$3,746,901	\$3,762,037	\$3,759,446	
LESS: Development Impact Fees	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	
Net Debt Service	\$1,468,807	\$1,465,911	\$1,455,405	\$1,454,858	\$1,778,180	\$1,789,658	\$2,380,522	\$2,970,141	\$3,346,901	\$3,362,037	\$3,359,446	
To / (From) Reserves												
To/From Operating Reserve	\$3,000	(\$1,465,506)	(\$2,568)	\$2,015	\$10,512	\$4,391	\$13,512	\$86,796	\$58,988	\$81,389	\$93,379	
To/From Capital Reserve	0	0	0	0	0	0	175,000	185,000	200,000	210,000	225,000	
To/From Bond Reserve	0	0	0	0	0	0	0	0	0	0	0	
Total To / (From) Reserves	\$3,000	(\$1,465,506)	(\$2,568)	\$2,015	\$10,512	\$4,391	\$188,512	\$271,796	\$258,988	\$291,389	\$318,379	
Total Revenue Requirement	\$28,591,587	\$30,313,765	\$32,115,916	\$33,903,297	\$35,794,000	\$37,794,023	\$39,909,714	\$41,954,142	\$44,106,573	\$46,372,736	\$48,758,665	
Bal. / (Def.) of Funds	\$0	(\$1,429,949)	(\$2,962,054)	(\$4,455,874)	(\$6,047,500)	(\$7,742,729)	(\$9,547,695)	(\$11,284,411)	(\$13,123,617)	(\$15,070,859)	(\$17,131,983)	
Balance a % of Rate Adj. Req'd	0.0%	5.5%	11.3%	16.9%	22.7%	28.8%	35.3%	41.4%	47.7%	54.4%	61.3%	
Proposed Rate Adjustment	0.0%	5.5%	5.5%	5.0%	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.5%	
Months of Adjustment	12	12	12	12	12	12	12	12	12	12	12	
Add'l Revenue with Rate Adj.	\$0	\$1,429,949	\$2,962,054	\$4,455,874	\$6,047,500	\$7,742,729	\$9,547,695	\$11,284,411	\$13,123,617	\$15,070,859	\$17,131,983	
Bal. / (Def.) After Rate Adj.	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	
Add'l Rate Adj. Req'd	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Average Residential Customer Bill	\$82.79	<i>(Base Charge + 6 CCF)</i>										
Customer Bill on Proposed Adjustment		\$87.34	\$92.17	\$96.80	\$101.63	\$106.68	\$112.01	\$117.05	\$122.32	\$127.83	\$133.58	
Bill Difference - Monthly		4.55	4.83	4.63	4.83	5.05	5.33	5.04	5.27	5.50	5.75	
Cumulative Bill Difference		4.55	9.38	14.01	18.84	23.89	29.22	34.26	39.53	45.04	50.79	
Debt Service Coverage Ratio (all debt, without DIF)												
Before Rate Adjustment	1.47	0.00	1.10	0.65	1.25	0.55	0.26	0.04	0.14	0.00	0.00	
After Proposed Rate Adjustment	1.47	0.00	2.70	3.05	4.02	4.08	3.69	3.39	3.64	3.98	4.36	
Debt Service Coverage Ratio (all debt, with DIF)												
Before Rate Adjustment	1.90	0.00	1.53	1.08	1.61	0.91	0.54	0.28	0.36	0.19	0.01	
After Proposed Rate Adjustment	1.90	0.43	3.13	3.48	4.39	4.45	3.98	3.63	3.86	4.19	4.57	
Reserve Funds												
Total Beginning Balance	\$43,032,553	\$23,855,703	\$18,802,287	\$21,627,070	\$18,434,696	\$19,275,993	\$18,657,715	\$14,384,331	\$13,964,443	\$12,399,859	\$12,971,122	
Operating Fund												
Beginning Balance	\$5,167,521	\$6,062,672	\$5,422,616	\$5,649,285	\$5,406,062	\$5,769,995	\$5,930,136	\$6,107,441	\$6,090,137	\$6,279,862	\$6,476,168	20% of O&M
Plus: Additions	3,000	0	0	2,015	10,512	4,391	13,512	86,796	58,988	81,389	93,379	
Less: Uses of Funds	0	(1,465,506)	(2,568)	0	0	0	0	0	0	0	0	
Ending Balance	\$5,170,521	\$4,597,166	\$5,420,048	\$5,651,300	\$5,416,573	\$5,774,385	\$5,943,648	\$6,194,237	\$6,149,125	\$6,361,251	\$6,569,547	
Capital Fund												
Beginning Balance	\$35,110,103	\$15,050,129	\$10,462,758	\$12,890,526	\$9,761,079	\$10,047,617	\$9,067,228	\$4,421,223	\$3,812,901	\$1,841,875	\$1,988,551	Balance of Funds
Plus: Additions	0	0	0	0	255,129	0	175,000	185,000	200,000	210,000	225,000	
Plus: FEMA Reimbursement	0	0	4,171,875	0	0	0	0	0	0	0	0	
Development Impact Fees	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	
Less: Capital Project Funding	(19,979,850)	(4,563,567)	(2,320,179)	(4,170,045)	(400,000)	(1,598,325)	(5,437,552)	(1,667,340)	(2,799,228)	(695,782)	(1,892,620)	
Ending Balance	\$15,930,253	\$11,286,562	\$13,114,454	\$9,520,481	\$10,416,208	\$9,249,292	\$4,604,676	\$3,738,883	\$2,013,673	\$2,156,093	\$1,120,931	
Rate Stabilization												
Beginning Balance	\$2,579,273	\$2,742,903	\$2,916,912	\$3,087,260	\$3,267,556	\$3,458,381	\$3,660,351	\$3,855,667	\$4,061,405	\$4,278,122	\$4,506,403	10% of Rate Revenues
Plus: Additions	0	0	0	0	0	0	0	0	0	0	0	
Less: Capital Project Funding	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	\$2,579,273	\$2,742,903	\$2,916,912	\$3,087,260	\$3,267,556	\$3,458,381	\$3,660,351	\$3,855,667	\$4,061,405	\$4,278,122	\$4,506,403	
UFL Trust												
Beginning Balance	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	
Plus: Additions	0	0	0	0	0	0	0	0	0	0	0	
Less: Capital Project Funding	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	\$175,656	
Total Ending Balance	\$23,855,703	\$18,802,287	\$21,627,070	\$18,434,696	\$19,275,993	\$18,657,715	\$14,384,331	\$13,964,443	\$12,399,859	\$12,971,122	\$12,372,537	
Days of O&M	337	226	291	238	260	236	177	167	149	151	139	

Capital Improvement Projects	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Total	Notes
Source of Supply													
Salinas Reservoir Transfer of Ownership Plan	\$550,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,304,773	\$1,343,916	\$3,198,690	
SGMA GSP (Groundwater Basin Management)	150,000	156,000	159,135	163,909	168,826	173,891	179,108	184,481	0	0	0	1,335,350	
Groundwater Well Development Program	350,000	2,340,000	0	0	0	0	0	0	0	0	0	2,690,000	
Source Water Strategic Plan	90,000	0	0	0	0	0	298,513	0	0	0	0	388,513	
Future Source Water Strategy	0	0	0	0	337,653	1,507,056	1,552,268	1,598,836	0	0	0	4,995,813	
Total Source of Supply	\$1,140,000	\$2,496,000	\$159,135	\$163,909	\$506,479	\$1,680,947	\$2,029,889	\$1,783,317	\$0	\$1,304,773	\$1,343,916	\$12,608,366	
Water Treatment													
Water Treatment Plant - Major Equipment Maintenance	\$180,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$180,000	
Ozone System Maintenance	0	145,600	148,526	152,982	157,571	162,298	167,167	172,182	177,348	182,668	188,148	1,654,491	
Chemical System Maintenance	0	34,320	35,010	36,060	37,142	38,256	39,404	40,586	41,803	43,058	44,349	389,987	
Air Compressor and Dryer Maintenance	0	7,280	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133	9,407	82,725	
Water Treatment Plant - Asset Replacement	0	0	0	0	0	0	53,732	55,344	57,005	58,715	60,476	285,272	
Contact Basin Drain Repair - Ozone System	0	39,520	0	0	0	0	0	0	0	0	0	39,520	
Package Thickener	25,000	0	0	0	540,244	0	0	0	0	0	0	565,244	
Actiflo Poly Blend Units	0	26,000	0	0	0	0	0	0	0	0	0	26,000	
Secondary Transformers and Arc Flash	0	0	0	0	0	0	597,026	0	0	0	0	597,026	
Washwater Reclamation pipe celaning	0	0	0	0	0	44,052	0	0	0	0	0	44,052	
Actiflo Electrical Panel Replacement (Allen Bradley)	0	0	0	0	112,551	0	0	0	0	0	0	112,551	
Cityworks Integration Plan - Implementation	0	0	0	131,127	0	0	0	0	0	0	0	131,127	
Facility Master Plan	0	0	0	0	787,856	1,159,274	597,026	1,229,874	1,266,770	1,304,773	1,343,916	7,689,490	
Effluent Pipe Corrosion Protection	0	52,000	0	0	0	0	0	0	0	0	0	52,000	
Sludge Drying Bed Reconstruction	0	0	0	0	0	69,556	382,097	0	0	0	0	451,653	
Filter Media Replacement and Underdrain Repairs	0	499,200	0	0	0	0	0	0	0	0	0	499,200	
Water Plant - Roof Replacement	0	312,000	0	0	0	0	0	0	0	0	0	312,000	
Water Treatment Plant - Water Meter Replacement	30,000	0	0	0	0	0	0	0	0	0	0	30,000	
Salinas Water Meter	0	52,000	53,045	0	0	0	0	0	0	0	0	105,045	
Drying Bed Meters	0	4,992	0	0	0	0	0	0	0	0	0	4,992	
Effluent Meter Relocation	0	0	33,949	0	0	0	0	0	0	0	0	33,949	
Waterline Replacement: Stenner Canyon at Reservoir	0	0	0	0	90,041	1,275,201	0	0	0	0	0	1,365,242	
Raw Waterline Replacement: 30" (south of bridge)	0	0	0	0	0	0	19,105	196,780	0	0	0	215,885	
Water Storage Tank Major Maintenance	0	0	0	0	0	0	1,313,458	1,352,861	1,393,447	1,435,251	1,478,308	6,973,324	
Edna Tank Internal and External Coatings	0	0	0	0	3,376,526	0	0	0	0	0	0	3,376,526	
Water Reservoir 1	40,000	0	0	49,173	0	0	53,732	0	0	58,715	0	201,620	
Water Reservoir 2	0	0	0	49,173	0	0	53,732	0	0	58,715	0	161,620	
Storage Tanks	0	10,400	10,609	0	11,255	11,593	0	12,299	12,668	0	0	68,823	
T-3 Water Storage Tank Replacement - High Pressure Zone	900,000	0	530,450	0	0	10,723,285	11,044,984	0	0	0	0	23,198,719	Debt Funded
Energy Efficiency Project (SST)	0	0	0	0	0	0	417,918	0	0	0	0	417,918	
Remove Plant Water Generator	500,397	0	0	0	0	0	0	0	0	0	0	500,397	
Fleet - WTP													
1000521-14-WTP 1/2 ton Crew Cab 4X4 Pickup (1004-F150)	0	0	0	74,852	0	0	0	0	0	0	0	74,852	
Service Body Truck (1644)	0	0	0	0	0	0	0	122,987	0	0	0	122,987	
2000521-XX - WTP Utility Cart	0	0	0	0	0	46,371	0	0	0	0	0	46,371	
Water Treatment Plant Forklift (0910)	0	0	0	81,955	0	0	0	0	0	0	0	81,955	
Total Water Treatment	\$1,675,397	\$1,183,312	\$819,015	\$582,970	\$5,121,065	\$13,538,003	\$14,747,740	\$3,191,523	\$2,957,908	\$3,151,027	\$3,124,606	\$50,092,565	

Capital Improvement Projects	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Total	Notes
Water Distribution													
Waterline Replacement (General Distribution)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,935,596	\$2,026,832	\$4,175,274	\$0	\$10,137,703	
Johnson - Iris to Bishop Water Pipeline Replacement	440,000	0	0	0	0	0	0	0	0	0	0	440,000	
Santa Rosa - Stenner Creek to Highland 30" Water Pipeline Rplc	150,000	0	0	10,085,870	0	0	0	0	0	0	0	10,235,870	Debt Funded
Chorro - Highland to Meinecke 24" Water Pipeline Replacement	2,620,000	104,000	0	0	0	0	0	0	0	0	0	2,724,000	
Foothill - Chorro to California 24" Pipeline Inter-tie	0	0	0	0	0	0	3,892,610	0	0	0	0	3,892,610	
Luneta - San Jose to Broad 12" Water Pipeline Replacement	0	0	0	0	0	0	0	0	0	391,432	6,800,217	7,191,649	
Highland and UPRR at Cal Poly Water Pipeline Replacement	0	0	0	0	0	985,383	0	0	0	0	0	985,383	
Rockview - Stoneridge to Broad Water Pipeline Replacement	0	0	0	0	0	0	0	159,884	1,938,158	0	0	2,098,042	
Patricia, Highland, and La Entrada Water Pipeline Replacement	0	0	134,734	138,776	0	0	0	0	0	0	0	273,511	
Craig, Christina, and Jaycee Water Pipeline Replacement	0	0	0	0	0	0	0	0	0	0	174,709	174,709	
California - Stafford to Mill Water Pipeline Replacement	0	1,944,800	0	0	0	0	0	0	0	0	0	1,944,800	
Terrace Hill Booster Pump Station	0	0	0	0	0	0	53,732	184,481	3,204,928	0	0	3,443,142	
Water Distribution System - Point Repairs	0	260,000	0	273,182	0	405,746	0	430,456	443,370	456,671	470,371	2,739,794	
Waterline Abandonment & Connections	50,000	0	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	588,890	
Water Utility Trench Repair	280,000	353,600	360,706	371,527	382,673	394,153	405,978	418,157	430,702	443,623	456,932	4,298,051	
Water Utility Raise Valve Covers	35,000	296,400	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667	47,037	708,623	
Water Meters and Boxes	0	0	0	27,318	28,138	28,982	59,703	61,494	221,685	228,335	235,185	890,839	
AMI Water Meters	460,000	511,680	521,963	0	0	0	0	0	0	0	0	1,493,643	
AMI Radio	360,000	406,640	414,812	0	0	0	0	0	0	0	0	1,181,452	
AMI Meter Box Lids	75,000	78,000	79,568	0	0	0	0	0	0	0	0	232,568	
Fire Hydrants	55,000	57,200	58,350	60,100	61,903	63,760	65,673	67,643	69,672	71,763	73,915	704,979	
Water Distribution System Hydraulic Model & Master Plan Update	0	0	0	131,127	0	0	0	0	0	0	0	131,127	
Recycled Water													
UV Bulb Replacement (annual replacement)	0	0	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	107,778	
Recycled Water Pump Station Maintenance	60,000	0	0	0	0	0	0	0	760,062	782,864	806,350	2,409,276	
RW Pump Upgrade	0	0	0	0	0	52,167	0	0	0	0	0	52,167	
RW Effluent Meter Replacement	0	0	47,741	0	0	0	0	0	0	0	0	47,741	
Chemical Storage Tank Replacement	0	104,000	0	0	0	0	0	0	0	0	0	104,000	
Recycled Water Storage Expansion	0	0	0	0	0	23,185	0	0	0	0	0	23,185	
Orcutt Street - Fernwood to Laurel Pipeline	25,000	0	2,015,710	0	0	0	0	0	0	0	0	2,040,710	
Recycled Waterline at Tank Farm - Long to Innovation Pipeline	0	0	0	0	0	0	29,851	2,121,532	0	0	0	2,151,384	
Recycled Waterline at Broad Street - Tank Farm to Aerovista	0	0	0	0	0	0	59,703	2,631,930	0	0	0	2,691,633	
Recycled Water System Retrofits (potable to recycled)	0	0	0	0	0	0	0	61,494	190,016	0	0	251,509	
Ignition System for Recycled Water System	45,000	0	0	0	0	0	0	0	0	0	0	45,000	
Fleet - Water Distribution													
Dump Truck (0840)	0	0	0	0	0	202,873	0	0	0	0	0	202,873	
Backhoe (0720)	0	0	0	273,182	0	0	0	0	0	97,858	0	371,040	
Service body trucks (0846, 0847)	0	0	636,540	655,636	0	0	0	0	0	0	0	1,292,176	
Medium duty truck with bed & crane	0	0	0	82,501	0	0	0	0	0	0	0	82,501	
Pickup (1629)	0	0	0	0	0	0	94,330	0	0	0	0	94,330	
Water Distribution Pickup (1523)	0	0	0	0	0	0	0	0	0	125,911	0	125,911	
Water Distribution Pickup (1903)	0	0	0	0	0	0	0	0	0	125,911	0	125,911	
Water Distribution Pickup (1908)	0	0	0	0	0	0	0	110,074	0	0	0	110,074	
Trailer (0235)	0	0	0	0	0	28,982	0	0	0	0	0	28,982	
Water Distribution Portable Generator (2007)	0	0	0	0	0	0	0	0	0	0	268,783	268,783	
Water Distribution Portable Generator (1619)	0	0	0	0	0	0	238,810	0	0	0	0	238,810	
Water Distribution Hydro Ex Trailer (1621)	0	0	0	0	168,826	0	0	0	0	0	0	168,826	
Total Water Distribution	\$4,655,000	\$4,116,320	\$4,370,908	\$12,203,029	\$748,463	\$2,295,363	\$5,013,826	\$10,299,579	\$9,405,768	\$7,023,594	\$9,414,134	\$69,545,983	

Capital Improvement Projects	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Total	Notes
Admin, IT, & Fleet													
Public Works - Misc	\$0	\$0	\$0	\$0	\$0	\$57,964	\$0	\$55,344	\$0	\$65,239	\$67,196	\$245,743	
Mid-Higuera	45,000	0	0	0	0	0	0	0	0	0	0	45,000	
Buchon/Santa Rosa	(150,000)	0	0	0	0	0	0	0	0	0	0	(150,000)	
Overpass - Elks Lane	0	0	0	0	0	0	59,703	0	0	0	0	59,703	
Prado Bridge Waterline Replacement	0	0	0	0	0	0	35,822	0	0	0	0	35,822	
Pavement Management (Water Fund Contribution)	0	2,080	0	0	0	0	0	0	0	0	0	2,080	
ATP - Higuera Corridor Complete Street Design (Water Fund Contribution)	0	2,080	0	0	0	0	0	0	0	0	0	2,080	
Corp Yard Material Storage Stalls (Water Fund Contribution)	0	0	26,523	0	281,377	0	0	0	0	0	0	307,900	
Corporation Yard Perimeter Fence Replacement (Water Fund Contribution)	0	0	0	0	0	0	0	6,149	76,006	0	0	82,156	
Corporation Yard EV Charging Station (Water Fund Contribution)	0	0	84,872	0	0	0	0	0	0	0	0	84,872	
879 Roofing Project	65,000	78,000	0	0	0	0	0	0	0	0	0	143,000	
Fleet													
Compact Pickup (1613)	\$0	\$0	\$0	\$0	\$0	\$0	\$62,688	\$0	\$0	\$0	\$0	\$62,688	
Shared IT													
Network Firewalls	\$0	\$0	\$0	\$0	\$0	\$22,902	\$0	\$0	\$0	\$0	\$30,779	\$53,681	
Network Security Upgrade	0	0	0	10,690	0	0	12,765	0	0	15,242	0	38,697	
Network Switch Infrastructure Repl.	0	0	0	0	39,113	0	0	0	0	52,565	0	91,678	
Radio Handhelds Repl.	0	0	0	0	0	0	0	83,192	0	0	0	83,192	
UB System Upgrade	0	0	0	0	0	0	0	0	0	0	135,458	135,458	
Uninterruptible Power Supplies (UPS) Battery Replacement	0	0	0	2,344	0	0	2,799	0	0	3,342	0	8,485	
Virtual Private Network Replacement	0	0	0	0	0	3,146	0	0	0	0	4,228	7,374	
City SAN (Network Storage)	0	0	9,727	0	0	0	12,322	0	0	0	15,609	37,657	
Vmware Infrastructure	0	16,455	0	0	19,459	0	0	23,235	0	0	27,744	86,893	
VoIP	0	17,170	0	0	0	0	0	0	0	0	28,950	46,121	
PD/City backup storage, secondary storage	0	0	0	0	3,914	0	0	0	0	0	0	3,914	
Wireless System Citywide	0	0	0	7,103	0	0	0	0	9,546	0	0	16,648	
Total Admin, IT, & Fleet	(\$40,000)	\$115,785	\$121,121	\$20,137	\$343,864	\$84,012	\$186,097	\$167,921	\$85,552	\$136,387	\$309,964	\$1,530,841	
CIP Carryover	\$16,948,799	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,948,799	
Unidentified Future Capital Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfer to Cash Reserve	\$0	\$0	\$0	\$0	\$255,129	\$0	\$0	\$0	\$0	\$0	\$0	\$255,129	
Total Capital Improvement Projects	\$24,379,196	\$7,911,417	\$5,470,179	\$12,970,045	\$6,975,000	\$17,598,325	\$21,977,552	\$15,442,340	\$12,449,228	\$11,615,782	\$14,192,620	\$150,981,683	
Less: Outside Funding Sources													
Operating Fund Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Capital Fund Reserves	19,579,850	4,163,567	1,920,179	3,770,045	0	1,198,325	5,037,552	1,267,340	2,399,228	295,782	1,492,620	41,124,488	
Prop 1B Revenue	2,860,000	3,747,850	0	0	0	0	0	0	0	0	0	6,607,850	
State Grants	657,171	0	0	0	0	0	0	0	0	0	0	657,171	
Assumed Debt Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	
Assumed New Long-Term Debt	0	0	0	0	0	0	0	0	0	0	0	0	
Additional Revenue Bonds	0	0	0	5,000,000	0	9,250,000	9,250,000	6,000,000	0	0	0	29,500,000	
Total Funding Sources	\$23,097,021	\$7,911,417	\$1,920,179	\$8,770,045	\$0	\$10,448,325	\$14,287,552	\$7,267,340	\$2,399,228	\$295,782	\$1,492,620	\$77,889,509	
Rate Funded Capital	\$1,282,175	\$0	\$3,550,000	\$4,200,000	\$6,975,000	\$7,150,000	\$7,690,000	\$8,175,000	\$10,050,000	\$11,320,000	\$12,700,000	\$73,092,175	

Effective 7.1.24		Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Total
Residential														
Base Fee		\$ / Acct. / Mo.												
5/8"	\$30.25	4,353	4,353	4,343	4,306	4,300	4,290	4,288	4,279	4,473	4,360	4,284	4,225	4,225
3/4"	30.25	4,795	4,806	4,860	4,836	4,831	4,836	4,914	4,918	5,152	5,120	5,026	5,007	5,007
1"	30.25	4,391	4,399	4,424	4,426	4,429	4,463	4,474	4,521	4,677	4,610	4,593	4,582	4,582
1 1/2"	30.25	28	28	28	28	28	28	28	28	29	28	29	29	29
2"	30.25	19	19	19	19	19	19	19	19	21	20	20	20	20
3"	30.25	1	1	1	1	1	1	1	1	1	1	1	1	1
8"	30.25	15	15	16	15	15	16	15	15	16	15	15	16	16
		13,601	13,621	13,691	13,631	13,623	13,653	13,739	13,781	14,369	14,154	13,968	13,880	13,880
Volume Charge		\$ / CCF												
0 - 5 CCF	\$8.54	51,288	51,126	43,455	34,672	43,392	45,388	48,087	49,926	50,117	48,122	50,579	50,141	566,292
5 - 12 CCF	9.84	25,666	22,262	9,747	4,041	9,575	11,060	15,855	21,551	23,653	22,258	26,627	22,412	214,708
12 + CCF	16.97	9,075	6,550	1,921	714	1,571	2,715	3,319	6,372	9,803	8,301	16,606	8,737	75,685
		86,029	79,939	55,122	39,427	54,538	59,163	67,261	77,849	83,573	78,681	93,813	81,290	856,685
Revenues														
Base Fee		\$411,430	\$412,035	\$414,153	\$412,338	\$412,096	\$413,003	\$415,605	\$416,875	\$434,662	\$428,159	\$422,532	\$419,870	\$5,012,758
Volume Charge		844,561	766,837	499,605	347,975	491,451	542,519	623,000	746,565	827,103	770,847	975,767	797,002	8,233,233
Total Residential Revenues		\$1,255,991	\$1,178,873	\$913,757	\$760,313	\$903,547	\$955,523	\$1,038,605	\$1,163,440	\$1,261,765	\$1,199,005	\$1,398,299	\$1,216,872	\$13,245,990
Multi-Family														
Base Fee		\$ / Acct. / Mo.												
5/8"	\$30.25	385	383	380	380	378	378	378	377	385	382	376	374	374
3/4"	30.25	251	253	255	255	257	256	257	259	262	263	260	259	259
1"	50.50	232	235	233	233	234	234	233	235	240	234	236	237	237
1 1/2"	100.80	132	133	132	132	132	132	134	132	135	132	132	133	133
2"	161.30	105	104	107	105	105	105	106	106	108	107	106	107	107
3"	302.60	3	3	3	3	3	3	3	3	3	3	3	3	3
4"	504.45	11	11	11	11	11	11	11	11	11	11	11	11	11
6"	1,008.60	6	6	6	6	6	5	5	5	5	5	5	6	6
8"	1,613.85	4	4	4	4	5	5	5	5	5	5	5	5	5
		1,129	1,132	1,131	1,129	1,131	1,129	1,132	1,133	1,154	1,142	1,134	1,135	1,135
Volume Charge		\$ / CCF												
All Use	\$9.58	36,032	34,958	28,778	21,461	29,364	30,713	32,507	32,559	31,230	28,578	32,931	33,903	373,014
		36,032	34,958	28,778	21,461	29,364	30,713	32,507	32,559	31,230	28,578	32,931	33,903	373,014
Revenues														
Base Fee		\$80,161	\$80,252	\$80,504	\$80,181	\$81,845	\$80,807	\$81,149	\$81,079	\$82,289	\$81,462	\$81,129	\$82,360	\$973,218
Volume Charge		345,183	334,896	275,693	205,599	281,306	294,232	311,414	311,915	299,185	273,779	315,474	324,795	3,573,469
Total Multi-Family Revenues		\$425,344	\$415,148	\$356,197	\$285,780	\$363,151	\$375,038	\$392,563	\$392,994	\$381,474	\$355,241	\$396,604	\$407,155	\$4,546,687

Effective 7.1.24		Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Total
Non-Residential														
Base Fee	<i>\$ / Acct. / Mo.</i>													
5/8"	\$30.25	408	405	409	407	403	402	400	400	403	403	410	401	401
3/4"	30.25	561	559	565	564	564	563	567	570	563	570	569	575	575
1"	50.50	348	347	347	352	349	349	351	349	352	351	351	351	351
1 1/2"	100.80	171	172	173	172	171	173	174	173	172	174	172	173	173
2"	161.30	182	181	185	182	184	183	185	183	187	185	184	184	184
3"	302.60	21	21	21	21	22	21	21	21	21	21	22	23	23
4"	504.45	21	21	22	21	21	21	21	21	21	21	21	21	21
6"	1,008.60	7	7	7	7	7	7	7	7	7	7	7	7	7
8"	1,613.85	3	3	3	3	3	3	3	3	3	3	3	3	3
		1,722	1,716	1,732	1,729	1,724	1,722	1,729	1,727	1,729	1,735	1,739	1,738	1,738
Volume Charge	<i>\$ / CCF</i>													
All Use	\$10.14	44,248	42,147	31,922	21,096	30,222	33,995	37,541	40,100	43,072	42,620	45,436	39,444	451,842
		44,248	42,147	31,922	21,096	30,222	33,995	37,541	40,100	43,072	42,620	45,436	39,444	451,842
Revenues														
Base Fee		\$122,329	\$122,067	\$123,620	\$122,693	\$122,945	\$122,622	\$123,207	\$122,773	\$123,348	\$123,388	\$123,509	\$123,822	\$1,476,324
Volume Charge		448,680	427,375	323,686	213,909	306,454	344,705	380,665	406,612	436,749	432,165	460,719	399,963	4,581,683
Total Non-Residential Revenues		\$571,009	\$549,443	\$447,306	\$336,602	\$429,399	\$467,327	\$503,872	\$529,385	\$560,097	\$555,554	\$584,228	\$523,785	\$6,058,007
Irrigation														
Base Fee	<i>\$ / Acct. / Mo.</i>													
5/8"	\$30.25	37	36	36	36	36	36	36	36	37	38	36	36	36
3/4"	30.25	175	176	176	175	176	176	177	175	175	174	175	173	173
1"	50.50	168	170	171	171	171	171	171	171	175	173	175	173	173
1 1/2"	100.80	90	92	91	91	91	90	90	91	91	90	91	91	91
2"	161.30	67	68	67	67	67	66	65	65	65	67	65	65	65
3"	302.60	1	1	1	2	1	1	1	1	1	1	1	1	1
4"	504.45	2	2	2	2	2	2	2	2	2	2	2	2	2
6"	1,008.60	2	2	2	2	2	2	2	2	2	2	2	2	2
8"	1,613.85	1	1	1	1	1	1	1	1	1	1	1	1	1
		543	548	547	547	547	545	545	544	549	548	548	544	544
Volume Charge	<i>\$ / CCF</i>													
All Use	\$10.35	16,188	10,149	2,575	1,172	1,342	4,207	7,652	15,228	19,484	19,150	24,428	19,849	141,426
		16,188	10,149	2,575	1,172	1,342	4,207	7,652	15,228	19,484	19,150	24,428	19,849	141,426
Revenues														
Base Fee		\$39,719	\$40,183	\$39,971	\$40,243	\$39,971	\$39,709	\$39,578	\$39,618	\$39,850	\$39,971	\$39,820	\$39,659	\$478,291
Volume Charge		167,549	105,043	26,655	12,128	13,895	43,541	79,202	157,610	201,663	198,200	252,835	205,438	1,463,759
Total Irrigation Revenues		\$207,268	\$145,226	\$66,626	\$52,371	\$53,866	\$83,250	\$118,779	\$197,228	\$241,514	\$238,171	\$292,655	\$245,097	\$1,942,050

Effective 7.1.24	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Total	
Summary														% of Total
Customers														
Residential	13,601	13,621	13,691	13,631	13,623	13,653	13,739	13,781	14,369	14,154	13,968	13,880	13,880	79.8%
Multi-Family	1,129	1,132	1,131	1,129	1,131	1,129	1,132	1,133	1,154	1,142	1,134	1,135	1,135	6.5%
Non-Residential	1,722	1,716	1,732	1,729	1,724	1,722	1,729	1,727	1,729	1,735	1,739	1,738	1,738	10.0%
Irrigation	543	548	547	547	547	545	545	544	549	548	548	544	544	3.1%
Recycled Water	81	81	84	81	85	85	82	83	86	87	88	88	88	0.5%
Total Number of Customers	17,076	17,098	17,185	17,117	17,110	17,134	17,227	17,268	17,887	17,666	17,477	17,385	17,385	
Consumption														
Residential	86,029	79,939	55,122	39,427	54,538	59,163	67,261	77,849	83,573	78,681	93,813	81,290	856,685	44.3%
Multi-Family	36,032	34,958	28,778	21,461	29,364	30,713	32,507	32,559	31,230	28,578	32,931	33,903	373,014	19.3%
Non-Residential	44,248	42,147	31,922	21,096	30,222	33,995	37,541	40,100	43,072	42,620	45,436	39,444	451,842	23.3%
Irrigation	16,188	10,149	2,575	1,172	1,342	4,207	7,652	15,228	19,484	19,150	24,428	19,849	141,426	7.3%
Recycled Water	12,509	8,671	2,007	865	989	3,617	6,678	13,075	14,587	17,495	17,734	13,900	112,127	5.8%
Total Consumption	195,007	175,864	120,404	84,020	116,456	131,695	151,639	178,811	191,947	186,523	214,341	188,387	1,935,094	
Revenues														
Base Fee	\$653,639	\$654,537	\$658,248	\$655,455	\$656,857	\$656,141	\$659,539	\$660,345	\$680,150	\$672,980	\$666,991	\$665,711	\$7,940,591	29.6%
Residential	411,430	412,035	414,153	412,338	412,096	413,003	415,605	416,875	434,662	428,159	422,532	419,870	5,012,758	18.7%
Multi-Family	80,161	80,252	80,504	80,181	81,845	80,807	81,149	81,079	82,289	81,462	81,129	82,360	973,218	3.6%
Non-Residential	122,329	122,067	123,620	122,693	122,945	122,622	123,207	122,773	123,348	123,388	123,509	123,822	1,476,324	5.5%
Irrigation	39,719	40,183	39,971	40,243	39,971	39,709	39,578	39,618	39,850	39,971	39,820	39,659	478,291	1.8%
Recycled Water	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Volume Charge	1,922,496	1,714,921	1,144,333	787,670	1,102,321	1,258,691	1,456,490	1,744,493	1,900,576	1,837,956	2,169,983	1,856,678	18,896,608	70.4%
Residential	844,561	766,837	499,605	347,975	491,451	542,519	623,000	746,565	827,103	770,847	975,767	797,002	8,233,233	30.7%
Multi-Family	345,183	334,896	275,693	205,599	281,306	294,232	311,414	311,915	299,185	273,779	315,474	324,795	3,573,469	13.3%
Non-Residential	448,680	427,375	323,686	213,909	306,454	344,705	380,665	406,612	436,749	432,165	460,719	399,963	4,581,683	17.1%
Irrigation	167,549	105,043	26,655	12,128	13,895	43,541	79,202	157,610	201,663	198,200	252,835	205,438	1,463,759	5.5%
Recycled Water	116,522	80,769	18,695	8,060	9,216	33,694	62,210	121,790	135,877	162,965	165,188	129,479	1,044,464	3.9%
Total Revenues	\$2,576,135	\$2,369,458	\$1,802,581	\$1,443,125	\$1,759,178	\$1,914,832	\$2,116,029	\$2,404,838	\$2,580,726	\$2,510,935	\$2,836,974	\$2,522,388	\$26,837,199	
FY 2024-25 Budget													\$26,506,593	
Difference													\$330,606	
Percent													1.2%	
FY 2023-24 Actual													\$24,884,864	
Difference													\$1,952,335	
Percent													7.8%	
Prior Study Rev Req FY 2024-25													\$26,878,210	
Difference													(\$41,011)	
Percent													-0.2%	

City of San Luis Obispo
Water Rate Study
Residential Rates

	<i>Present Rates</i>	<i>FY 2025-26</i>	<i>FY 2026-27</i>
Fixed Charge			
Per Account	\$30.25	\$31.91	\$33.67
Consumption Charge			
0 - 5 CCF	\$8.54	\$9.01	\$9.51
5 - 12 CCF	9.84	10.38	10.95
12 + CCF	16.97	17.90	18.88

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City of San Luis Obispo
Water Rate Study
Multi-Family Rates

	<i>Present Rates</i>	FY 2025-26	FY 2026-27
Fixed Charge			
3/4" & Less	\$30.25	\$31.91	\$33.67
1"	50.50	53.28	56.21
1 1/2"	100.80	106.34	112.19
2"	161.30	170.17	179.53
3"	302.60	319.24	336.80
4"	504.45	532.19	561.46
6"	1,008.60	1,064.07	1,122.59
8"	1,613.85	1,702.61	1,796.25
Consumption Charge			
All Use	\$9.58	\$10.11	\$10.67

City of San Luis Obispo
Water Rate Study
Non-Residential Rates

	<i>Present Rates</i>	FY 2025-26	FY 2026-27
Fixed Charge			
3/4" & Less	\$30.25	\$31.91	\$33.67
1"	50.50	53.28	56.21
1 1/2"	100.80	106.34	112.19
2"	161.30	170.17	179.53
3"	302.60	319.24	336.80
4"	504.45	532.19	561.46
6"	1,008.60	1,064.07	1,122.59
8"	1,613.85	1,702.61	1,796.25
Consumption Charge			
All Use	\$10.14	\$10.70	\$11.29

City of San Luis Obispo
Water Rate Study
Irrigation Rates

	<i>Present Rates</i>	FY 2025-26	FY 2026-27
Fixed Charge			
3/4" & Less	\$30.25	\$31.91	\$33.67
1"	50.50	53.28	56.21
1 1/2"	100.80	106.34	112.19
2"	161.30	170.17	179.53
3"	302.60	319.24	336.80
4"	504.45	532.19	561.46
6"	1,008.60	1,064.07	1,122.59
8"	1,613.85	1,702.61	1,796.25
Consumption Charge			
All Use	\$10.35	\$10.92	\$11.52



Technical Appendix B – Wastewater Analysis



City of San Luis Obispo
Sewer Rate Study
Summary of the Revenue Requirement
Exhibit 1

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35
Revenues											
Rate Revenues	\$19,140,992	\$19,294,120	\$19,448,473	\$19,604,061	\$19,760,893	\$19,918,980	\$20,078,332	\$20,238,959	\$20,400,871	\$20,564,078	\$20,728,590
Miscellaneous Revenues	2,091,847	1,215,587	1,256,106	1,259,935	1,268,705	1,344,541	1,377,303	1,447,686	1,487,260	1,529,448	1,716,724
Total Revenues	\$21,232,839	\$20,509,707	\$20,704,579	\$20,863,995	\$21,029,598	\$21,263,522	\$21,455,635	\$21,686,645	\$21,888,131	\$22,093,526	\$22,445,314
Expenses											
Total Unfunded Liability	\$1,016,890	\$979,538	\$1,033,969	\$1,077,374	\$1,122,772	\$1,170,440	\$1,220,491	\$1,273,044	\$1,328,226	\$1,386,166	\$1,447,003
Total Finance NonDepart	87,904	90,541	93,257	0	0	0	0	0	0	0	0
Total Wastewater Admin and Engineering	5,119,918	5,776,668	5,958,158	6,176,323	6,443,656	6,723,111	7,015,258	7,320,692	7,638,771	7,972,647	8,321,774
Total Wastewater Collection	1,519,166	1,600,108	1,677,309	1,755,343	1,808,995	1,864,307	1,921,330	1,980,119	2,040,728	2,103,216	2,167,643
Total Environmental Programs	415,941	565,915	456,871	477,967	492,306	507,075	522,287	537,956	554,095	570,718	587,839
Total Water Resource Recovery	4,517,815	4,807,649	5,036,357	5,263,892	5,448,357	5,639,683	5,838,143	6,044,020	6,257,610	6,479,221	6,709,175
Total Utility Billing	377,280	384,216	400,810	415,296	427,755	440,587	453,805	467,419	487,939	502,577	517,654
Total Water Quality Lab	753,650	789,109	826,251	862,751	888,634	915,293	942,752	971,034	1,000,165	1,030,170	1,061,075
Total Additional O&M	0	0	0	0	0	0	0	0	0	0	0
Total O&M Expenses	\$13,808,565	\$14,993,745	\$15,482,982	\$16,028,946	\$16,632,474	\$17,260,496	\$17,914,066	\$18,594,284	\$19,307,535	\$20,044,716	\$20,812,165
Rate Funded Capital	\$715,000	\$90,000	\$975,000	\$2,100,000	\$3,175,000	\$5,125,000	\$5,750,000	\$6,375,000	\$7,000,000	\$7,650,000	\$8,450,000
Net Debt Service	6,705,933	6,798,607	6,790,097	6,788,453	6,786,938	6,169,600	6,168,162	6,166,740	6,165,119	6,163,437	6,161,791
Total To / (From) Reserves	3,341	(118,527)	66,971	23,253	96,016	80,174	16,947	15,796	4,337	2,261	23,017
Total Revenue Requirement	\$21,232,839	\$21,763,825	\$23,315,051	\$24,940,652	\$26,690,429	\$28,635,271	\$29,849,175	\$31,151,821	\$32,476,990	\$33,860,413	\$35,446,973
Bal. / (Def.) of Funds	\$0	(\$1,254,118)	(\$2,610,471)	(\$4,076,657)	(\$5,660,831)	(\$7,371,749)	(\$8,393,540)	(\$9,465,176)	(\$10,588,859)	(\$11,766,888)	(\$13,001,659)
Balance a % of Rate Adj. Req'd	0.0%	6.5%	13.4%	20.8%	28.6%	37.0%	41.8%	46.8%	51.9%	57.2%	62.7%
Proposed Rate Adjustment	0.0%	6.5%	6.5%	6.5%	6.5%	6.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Add'l Revenue with Rate Adj.	\$0	\$1,254,118	\$2,610,471	\$4,076,657	\$5,660,831	\$7,371,749	\$8,393,540	\$9,465,176	\$10,588,859	\$11,766,888	\$13,001,659
Bal. / (Def.) After Rate Adj.	\$0	(\$0)	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional Rate Adjustment Required	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Residential Customer Bill	\$63.80 <i>(Base Charge + 6 CCF [4 CCF Cap])</i>										
Customer Bill on Proposed Adjustment		\$67.95	\$72.37	\$77.07	\$82.08	\$87.42	\$90.48	\$93.65	\$96.92	\$100.32	\$103.83
Total Ending Balance	\$37,699,648	\$29,720,133	\$23,898,730	\$21,740,699	\$20,172,595	\$19,329,278	\$17,537,905	\$19,486,827	\$19,076,533	\$20,826,840	\$19,847,479

City of San Luis Obispo
Sewer Rate Study
Escalation Factors
Exhibit 2

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Revenues												
Customer Growth	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	
Rate Revenue Adjustment	0.0%	6.5%	6.5%	6.5%	6.5%	6.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
Miscellaneous Revenues	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	
Expenses												
CIP	0.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Interest	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
New Debt Service												
Low Interest Loans												
Term in Years	30	30	30	30	30	30	30	30	30	30	30	
Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Revenue Bond												
Term in Years	30	30	30	30	30	30	30	30	30	30	30	
Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Revenues												
Rate Revenues												
Residential	\$9,426,715	\$9,502,129	\$9,578,146	\$9,654,771	\$9,732,009	\$9,809,865	\$9,888,344	\$9,967,451	\$10,047,191	\$10,127,568	\$10,208,589	As Customer Growth
Multi-Family	3,774,251	3,804,445	3,834,880	3,865,559	3,896,484	3,927,656	3,959,077	3,990,750	4,022,676	4,054,857	4,087,296	As Customer Growth
Non-Residential	5,940,026	5,987,546	6,035,447	6,083,730	6,132,400	6,181,459	6,230,911	6,280,758	6,331,004	6,381,652	6,432,706	As Customer Growth
Total Rate Revenues	\$19,140,992	\$19,294,120	\$19,448,473	\$19,604,061	\$19,760,893	\$19,918,980	\$20,078,332	\$20,238,959	\$20,400,871	\$20,564,078	\$20,728,590	
Other Revenues												
Interest on Investment	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
Industrial User Charges	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	
Miscellaneous Penalties	118,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	
Utility Set-up Fees - Water Distribution	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Utility Set-up Fees - Utility Billing	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	
Other Utility Charges	0	0	0	0	0	0	0	0	0	0	0	
Low Income Subsidy	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	
Credit Collections	14,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
Development Review Related Revenue	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	
Miscellaneous Revenues	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Cal Poly	1,246,313	367,053	407,572	411,401	420,171	496,007	528,769	599,152	638,726	680,914	868,190	As Rate Revenue Adjustment
Cal Poly Capacity & Resilience	472,534	472,534	472,534	472,534	472,534	472,534	472,534	472,534	472,534	472,534	472,534	
Total Other Revenues	\$2,091,847	\$1,215,587	\$1,256,106	\$1,259,935	\$1,268,705	\$1,344,541	\$1,377,303	\$1,447,686	\$1,487,260	\$1,529,448	\$1,716,724	
Total Revenues	\$21,232,839	\$20,509,707	\$20,704,579	\$20,863,995	\$21,029,598	\$21,263,522	\$21,455,635	\$21,686,645	\$21,888,131	\$22,093,526	\$22,445,314	
Expenses												
Unfunded Liability												
52003-PERS Unfunded Liability - ADP Payments	\$250,875	\$169,419	\$169,419	\$169,419	\$169,419	\$169,419	\$169,419	\$169,419	\$169,419	\$169,419	\$169,419	
52003-PERS Unfunded Liability	766,015	810,119	864,550	907,955	953,353	1,001,021	1,051,072	1,103,625	1,158,807	1,216,747	1,277,584	
Total Unfunded Liability	\$1,016,890	\$979,538	\$1,033,969	\$1,077,374	\$1,122,772	\$1,170,440	\$1,220,491	\$1,273,044	\$1,328,226	\$1,386,166	\$1,447,003	
Finance NonDepart												
56003-Contingency Expense	\$87,904	\$90,541	\$93,257	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Finance NonDepart	\$87,904	\$90,541	\$93,257	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Wastewater Admin and Engineering												
51001-Salaries - Regular	\$879,498	\$960,153	\$1,008,161	\$1,058,569	\$1,090,326	\$1,123,035	\$1,156,726	\$1,191,428	\$1,227,171	\$1,263,986	\$1,301,906	
51003-Salaries - Contract	84,774	89,012	93,463	98,136	101,080	104,113	107,236	110,453	113,767	117,180	120,695	
51004-Salaries - Temporary	132,494	204,510	211,466	153,378	157,980	162,719	167,601	172,629	177,807	183,142	188,636	
51010-Overtime	2,500	2,625	2,756	2,894	2,981	3,070	3,162	3,257	3,355	3,456	3,559	
52001-Retirement Contributions	67,856	71,249	74,811	78,552	80,908	83,335	85,835	88,410	91,063	93,795	96,609	
52002-Retirement PARS - 401	1,118	1,174	1,233	1,294	1,333	1,373	1,414	1,457	1,500	1,546	1,592	
53001-Employee Group Insurance	69,363	72,831	76,472	80,296	82,705	85,186	87,741	90,374	93,085	95,877	98,754	
53002-Retiree Healthcare	13,099	13,754	14,442	15,164	15,619	16,087	16,570	17,067	17,579	18,106	18,649	
55001-Medicare	13,123	13,779	14,468	15,192	15,647	16,117	16,600	17,098	17,611	18,140	18,684	
61001-Advertising and Public Outreach	50,000	52,000	54,080	55,702	57,373	59,095	60,868	62,694	64,574	66,512	68,507	
61007-Legal Services	42,058	43,740	45,490	46,854	48,260	49,708	51,199	52,735	54,317	55,947	57,625	
61008-Parking	6,830	7,103	7,387	7,609	7,837	8,072	8,315	8,564	8,821	9,085	9,358	
61013-Other Contract Services	155,315	176,248	100,618	103,636	106,746	109,948	113,246	116,644	120,143	123,747	127,460	
61501-City Water Service	400	416	433	446	459	473	487	502	517	532	548	
61502-City Sewer Service	330	343	357	368	379	390	402	414	426	439	452	
61503-Electric Service	2,800	3,136	3,293	3,457	3,630	3,812	4,002	4,203	4,413	4,633	4,865	
61504-Natural Gas Service	1,100	1,144	1,190	1,225	1,262	1,300	1,339	1,379	1,421	1,463	1,507	
61505-Communication Service	600	624	649	668	688	709	730	752	775	798	822	
62002-Office Supplies	5,363	5,578	5,801	5,975	6,154	6,338	6,529	6,725	6,926	7,134	7,348	
62003-Postage	600	624	649	668	688	709	730	752	775	798	822	
62004-Publications and Subscriptions	800	2,656	2,762	2,845	2,930	3,018	3,109	3,202	3,298	3,397	3,499	
62007-Employee Recognition	1,250	1,280	1,311	1,343	1,376	1,409	1,444	1,480	250	250	250	
62009-Software Licensing and Maint Agreements	31,857	37,244	38,931	40,099	41,302	42,541	43,818	45,132	46,486	47,881	49,317	
62010-Office Expenses - Other	0	12,500	0	0	0	0	0	0	0	0	0	
62505-Machinery and Equipment	2,750	2,860	2,974	3,064	3,156	3,250	3,348	3,448	3,552	3,658	3,768	
62506-Safety Materials and Supplies	600	624	649	668	688	709	730	752	775	798	822	
62509-Misc Materials and Supplies	1,550	1,612	1,676	1,727	1,779	1,832	1,887	1,943	2,002	2,062	2,124	
63001-Membership and Certifications	16,900	17,576	18,279	18,827	19,392	19,974	20,573	21,190	21,826	22,481	23,155	
63002-Education and Training	20,250	31,060	32,302	33,271	34,270	35,298	36,357	37,447	38,571	39,728	40,920	
63003-Trips and Meetings	500	520	541	557	574	591	609	627	646	665	685	
65013-Credit Cards Merchant Fees	223,992	230,711	237,633	244,762	252,104	259,668	267,458	275,481	283,746	292,258	301,026	
75001-Transfers - Out	1,451,616	1,640,326	1,722,342	1,808,460	1,898,882	1,993,827	2,093,518	2,198,194	2,308,104	2,423,509	2,544,684	
75002-Reimbursement Transfer Out	1,838,634	2,077,656	2,181,539	2,290,616	2,405,147	2,525,404	2,651,675	2,784,258	2,923,471	3,069,645	3,223,127	
Total Wastewater Admin and Engineering	\$5,119,918	\$5,776,668	\$5,958,158	\$6,176,323	\$6,443,656	\$6,723,111	\$7,015,258	\$7,320,692	\$7,638,771	\$7,972,647	\$8,321,774	
Wastewater Collection												
51001-Salaries - Regular	\$911,314	\$956,879	\$1,004,723	\$1,054,960	\$1,086,608	\$1,119,207	\$1,152,783	\$1,187,366	\$1,222,987	\$1,259,677	\$1,297,467	
51010-Overtime	6,500	6,825	7,166	7,525	7,750	7,983	8,222	8,469	8,723	8,985	9,254	
51017-Standby	15,000	15,750	16,538	17,364	17,885	18,422	18,975	19,544	20,130	20,734	21,356	
51018-Call Back	30,300	31,815	33,406	35,076	36,128	37,212	38,329	39,478	40,663	41,883	43,139	
52001-Retirement Contributions	89,068	93,522	98,198	103,108	106,201	109,387	112,669	116,049	119,530	123,116	126,809	
53001-Employee Group Insurance	135,777	142,566	149,694	157,179	161,894	166,751	171,753	176,906	182,213	187,679	193,310	
53002-Retiree Healthcare	12,916	13,562	14,240	14,952	15,401	15,863	16,339	16,829	17,334	17,854	18,390	
55001-Medicare	13,139	13,796	14,485	15,210	15,666	16,136	16,620	17,119	17,632	18,161	18,706	
61009-Regulatory Fees	5,000	5,200	5,408	5,570	5,737	5,909	6,087	6,269	6,457	6,651	6,851	
61013-Other Contract Services	45,150	46,956	48,835	50,300	51,809	53,363	54,964	56,613	58,311	60,060	61,862	
61027-Control Systems	12,058	12,540	13,042	13,433	13,836	14,251	14,679	15,119	15,573	16,040	16,521	
61503-Electric Service	35,543	45,000	47,250	49,613	52,093	54,698	57,433	60,304	63,320	66,485	69,810	
61504-Natural Gas Service	600	624	649	668	688	709	730	752	775	798	822	
61505-Communication Service	9,600	9,984	10,383	10,695	11,016	11,346	11,687	12,037	12,398	12,770	13,153	
62002-Office Supplies	2,500	2,600	2,704	2,785	2,869	2,955	3,043	3,135	3,229	3,326	3,425	
62009-Software Licensing and Maint Agreements	30,233	31,442	32,700	33,681	34,691	35,732	36,804	37,908	39,046	40,217	41,423	
62010-Office Expenses - Other	3,500	3,640	3,786	3,899	4,016	4,137	4,261	4,389	4,520	4,656	4,795	
62502-Construction Materials and Supplies	71,480	74,339	77,313	79,632	82,021	84,482	87,016	89,627	92,315	95,085	97,938	
62503-Equipment Maintenance Supplies	31,763	33,033	34,354	35,385	36,446	37,540	38,666	39,826	41,021	42,251	43,519	
62506-Safety Materials and Supplies	12,050	12,532	13,033	13,424	13,827	14,242	14,669	15,109	15,562	16,029	16,510	
62509-Misc Materials and Supplies	27,400	28,496	29,636	30,525	31,441	32,384	33,355	34,356	35,387	36,448	37,542	
63001-Membership and Certifications	5,275	5,486	5,705	5,877	6,053	6,234	6,422	6,614	6,813	7,017	7,227	
63002-Education and Training	12,500	13,000	13,520	13,926	14,343	14,774	15,217	15,673	16,144	16,628	17,127	
63003-Trips and Meetings	500	520	541	557	574	591	609	627	646	665	685	
Total Wastewater Collection	\$1,519,166	\$1,600,108	\$1,677,309	\$1,755,343	\$1,808,995	\$1,864,307	\$1,921,330	\$1,980,119	\$2,040,728	\$2,103,216	\$2,167,643	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Environmental Programs												
51001-Salaries - Regular	\$272,020	\$285,621	\$299,902	\$314,897	\$324,344	\$334,074	\$344,096	\$354,419	\$365,052	\$376,003	\$387,283	
51010-Overtime	1,000	1,050	1,103	1,158	1,192	1,228	1,265	1,303	1,342	1,382	1,424	
51018-Call Back	100	105	110	116	119	123	126	130	134	138	142	
52001-Retirement Contributions	23,522	24,698	25,933	27,229	28,046	28,888	29,754	30,647	31,566	32,513	33,489	
53001-Employee Group Insurance	31,804	33,394	35,064	36,817	37,922	39,060	40,231	41,438	42,681	43,962	45,281	
53002-Retiree Healthcare	2,755	2,893	3,037	3,189	3,285	3,384	3,485	3,590	3,697	3,808	3,922	
55001-Medicare	3,940	4,138	4,344	4,562	4,698	4,839	4,985	5,134	5,288	5,447	5,610	
61005-Data Processing Services	11,000	11,440	11,898	12,255	12,622	13,001	13,391	13,793	14,206	14,633	15,072	
61013-Other Contract Services	46,800	178,672	50,619	52,137	53,702	55,313	56,972	58,681	60,442	62,255	64,122	
61505-Communication Service	2,500	2,600	2,704	2,785	2,869	2,955	3,043	3,135	3,229	3,326	3,425	
62002-Office Supplies	1,750	1,820	1,893	1,950	2,008	2,068	2,130	2,194	2,260	2,328	2,398	
62004-Publications and Subscriptions	250	260	270	279	287	295	304	313	323	333	343	
62007-Employee Recognition	500	520	541	557	574	591	609	627	646	665	685	
62010-Office Expenses - Other	2,000	2,080	2,163	2,228	2,295	2,364	2,435	2,508	2,583	2,660	2,740	
62503-Equipment Maintenance Supplies	1,200	1,248	1,298	1,337	1,377	1,418	1,461	1,505	1,550	1,596	1,644	
62506-Safety Materials and Supplies	1,000	1,040	1,082	1,114	1,147	1,182	1,217	1,254	1,291	1,330	1,370	
62509-Misc Materials and Supplies	3,300	3,432	3,569	3,676	3,787	3,900	4,017	4,138	4,262	4,390	4,521	
63001-Membership and Certifications	1,500	1,545	1,607	1,655	1,705	1,756	1,808	1,863	1,919	1,976	2,035	
63002-Education and Training	8,500	8,840	9,194	9,469	9,753	10,046	10,347	10,658	10,978	11,307	11,646	
63003-Trips and Meetings	500	520	541	557	574	591	609	627	646	665	685	
Total Environmental Programs	\$415,941	\$565,915	\$456,871	\$477,967	\$492,306	\$507,075	\$522,287	\$537,956	\$554,095	\$570,718	\$587,839	
Water Resource Recovery												
51001-Salaries - Regular	\$1,349,832	\$1,417,324	\$1,488,190	\$1,562,599	\$1,609,477	\$1,657,762	\$1,707,495	\$1,758,719	\$1,811,481	\$1,865,826	\$1,921,800	
51010-Overtime	37,000	38,850	40,793	42,832	44,117	45,441	46,804	48,208	49,654	51,144	52,678	
51017-Standby	19,500	20,475	21,499	22,574	23,251	23,948	24,667	25,407	26,169	26,954	27,763	
51018-Call Back	12,500	13,125	13,781	14,470	14,904	15,352	15,812	16,286	16,775	17,278	17,797	
52001-Retirement Contributions	131,754	138,342	145,259	152,522	157,098	161,811	166,665	171,665	176,815	182,119	187,583	
53001-Employee Group Insurance	142,550	149,678	157,162	165,020	169,971	175,070	180,322	185,731	191,303	197,042	202,954	
53002-Retiree Healthcare	23,629	24,810	26,051	27,353	28,174	29,019	29,890	30,786	31,710	32,661	33,641	
55001-Medicare	19,429	20,400	21,420	22,491	23,166	23,861	24,577	25,314	26,073	26,856	27,661	
61009-Regulatory Fees	68,541	71,283	74,134	76,358	78,649	81,008	83,438	85,941	88,520	91,175	93,911	
61011-Maintenance	730	759	789	813	837	862	888	915	942	971	1,000	
61013-Other Contract Services	698,118	726,043	755,084	777,737	801,069	825,101	849,854	875,350	901,610	928,659	956,518	
61027-Control Systems	28,193	29,321	30,494	31,408	32,351	33,321	34,321	35,350	36,411	37,503	38,628	
61501-City Water Service	6,600	6,864	7,139	7,353	7,573	7,800	8,035	8,276	8,524	8,780	9,043	
61502-City Sewer Service	3,000	3,120	3,245	3,342	3,442	3,546	3,652	3,762	3,874	3,991	4,110	
61503-Electric Service	1,075,000	1,204,000	1,264,200	1,327,410	1,393,781	1,463,470	1,536,643	1,613,475	1,694,149	1,778,856	1,867,799	
61504-Natural Gas Service	18,000	18,720	19,469	20,053	20,654	21,274	21,912	22,570	23,247	23,944	24,662	
61505-Communication Service	12,000	12,480	12,979	13,369	13,770	14,183	14,608	15,046	15,498	15,963	16,442	
61506-Solid Waste Service	21,250	22,100	22,984	23,674	24,384	25,115	25,869	26,645	27,444	28,267	29,115	
62002-Office Supplies	8,000	8,320	8,653	8,912	9,180	9,455	9,739	10,031	10,332	10,642	10,961	
62004-Publications and Subscriptions	1,000	1,040	1,082	1,114	1,147	1,182	1,217	1,254	1,291	1,330	1,370	
62007-Employee Recognition	2,000	2,080	2,163	2,228	2,295	2,364	2,435	2,508	2,583	2,660	2,740	
62009-Software Licensing and Maint Agreements	24,196	25,084	26,087	26,870	27,676	28,506	29,361	30,242	31,149	32,084	33,046	
62010-Office Expenses - Other	2,000	2,080	2,163	2,228	2,295	2,364	2,435	2,508	2,583	2,660	2,740	
62501-Chemicals	583,989	613,188	643,848	676,040	696,321	717,211	738,727	760,889	783,716	807,227	831,444	
62502-Construction Materials and Supplies	13,000	13,520	14,061	14,483	14,917	15,365	15,826	16,300	16,789	17,293	17,812	
62503-Equipment Maintenance Supplies	142,348	148,042	153,963	158,582	163,340	168,240	173,287	178,486	183,840	189,355	195,036	
62506-Safety Materials and Supplies	25,056	26,058	27,101	27,914	28,751	29,614	30,502	31,417	32,359	33,330	34,330	
62509-Misc Materials and Supplies	10,600	11,024	11,465	11,809	12,163	12,528	12,904	13,291	13,690	14,100	14,523	
63001-Membership and Certifications	7,000	7,280	7,571	7,798	8,032	8,273	8,521	8,777	9,040	9,312	9,591	
63002-Education and Training	30,500	31,720	32,989	33,978	34,998	36,048	37,129	38,243	39,390	40,572	41,789	
63003-Trips and Meetings	500	520	541	557	574	591	609	627	646	665	685	
Total Water Resource Recovery	\$4,517,815	\$4,807,649	\$5,036,357	\$5,263,892	\$5,448,357	\$5,639,683	\$5,838,143	\$6,044,020	\$6,257,610	\$6,479,221	\$6,709,175	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Utility Billing												
51001-Salaries - Regular	\$87,263	\$91,627	\$96,208	\$101,018	\$104,049	\$107,170	\$110,385	\$113,697	\$117,108	\$120,621	\$124,240	
51010-Overtime	1,500	1,575	1,654	1,736	1,789	1,842	1,897	1,954	2,013	2,073	2,136	
52001-Retirement Contributions	8,767	9,205	9,666	10,149	10,453	10,767	11,090	11,423	11,765	12,118	12,482	
53001-Employee Group Insurance	11,738	12,325	12,941	13,588	13,996	14,416	14,849	15,294	15,753	16,225	16,712	
53002-Retiree Healthcare	1,114	1,170	1,229	1,290	1,329	1,369	1,410	1,452	1,496	1,541	1,587	
55001-Medicare	1,255	1,318	1,384	1,453	1,496	1,541	1,587	1,635	1,684	1,735	1,787	
61005-Data Processing Services	30,250	31,460	32,718	33,700	34,711	35,752	36,825	37,930	39,067	40,240	41,447	
61013-Other Contract Services	132,355	128,326	133,459	137,463	141,586	145,834	150,209	154,715	159,357	164,137	169,062	
61028-Personnel Services	0	51	106	110	113	116	120	123	6,624	6,823	7,028	
62001-Print and Reproduction	25,024	26,025	27,066	27,878	28,714	29,575	30,463	31,377	32,318	33,287	34,286	
62002-Office Supplies	250	260	270	279	287	295	304	313	323	333	343	
62003-Postage	75,014	78,014	81,135	83,569	86,076	88,658	91,318	94,058	96,879	99,786	102,779	
62007-Employee Recognition	100	104	108	111	115	118	122	125	129	133	137	
62505-Machinery and Equipment	375	390	406	418	430	443	457	470	484	499	514	
62509-Misc Materials and Supplies	125	130	135	139	143	148	152	157	161	166	171	
63001-Membership and Certifications	50	52	54	56	57	59	61	63	65	67	69	
63002-Education and Training	1,500	1,560	1,622	1,671	1,721	1,773	1,826	1,881	1,937	1,995	2,055	
63003-Trips and Meetings	600	624	649	668	688	709	730	752	775	798	822	
Total Utility Billing	\$377,280	\$384,216	\$400,810	\$415,296	\$427,755	\$440,587	\$453,805	\$467,419	\$487,939	\$502,577	\$517,654	
Water Quality Lab												
51001-Salaries - Regular	\$399,792	\$419,781	\$440,771	\$462,809	\$476,693	\$490,994	\$505,724	\$520,896	\$536,523	\$552,618	\$569,197	
51004-Salaries - Temporary	5,000	5,250	5,513	5,788	5,962	6,141	6,325	6,515	6,710	6,911	7,119	
51010-Overtime	12,000	12,600	13,230	13,892	14,308	14,737	15,180	15,635	16,104	16,587	17,085	
52001-Retirement Contributions	36,404	38,224	40,135	42,142	43,406	44,708	46,050	47,431	48,854	50,320	51,829	
53001-Employee Group Insurance	65,696	68,981	72,430	76,051	78,333	80,683	83,103	85,596	88,164	90,809	93,533	
53002-Retiree Healthcare	6,594	6,924	7,270	7,634	7,863	8,099	8,342	8,592	8,850	9,115	9,389	
55001-Medicare	5,727	6,013	6,314	6,630	6,829	7,034	7,245	7,462	7,686	7,916	8,154	
61009-Regulatory Fees	7,000	7,280	7,571	7,798	8,032	8,273	8,521	8,777	9,040	9,312	9,591	
61013-Other Contract Services	127,372	132,467	137,765	141,898	146,155	150,540	155,056	159,708	164,499	169,434	174,517	
61505-Communication Service	1,800	1,872	1,947	2,005	2,065	2,127	2,191	2,257	2,325	2,394	2,466	
62002-Office Supplies	1,100	1,144	1,190	1,225	1,262	1,300	1,339	1,379	1,421	1,463	1,507	
62004-Publications and Subscriptions	450	468	487	501	516	532	548	564	581	599	617	
62007-Employee Recognition	600	624	649	668	688	709	730	752	775	798	822	
62009-Software Licensing and Maint Agreements	9,000	9,360	9,734	10,026	10,327	10,637	10,956	11,285	11,623	11,972	12,331	
62506-Safety Materials and Supplies	5,550	5,772	6,003	6,183	6,368	6,560	6,756	6,959	7,168	7,383	7,604	
62509-Misc Materials and Supplies	53,589	55,732	57,962	59,701	61,492	63,336	65,236	67,194	69,209	71,286	73,424	
63001-Membership and Certifications	4,877	5,072	5,275	5,433	5,596	5,764	5,937	6,115	6,299	6,488	6,682	
63002-Education and Training	11,100	11,544	12,006	12,366	12,737	13,119	13,513	13,918	14,336	14,766	15,209	
Total Water Quality Lab	\$753,650	\$789,109	\$826,251	\$862,751	\$888,634	\$915,293	\$942,752	\$971,034	\$1,000,165	\$1,030,170	\$1,061,075	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Additional O&M												
Future O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Additional O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total O&M Expenses	\$13,808,565	\$14,993,745	\$15,482,982	\$16,028,946	\$16,632,474	\$17,260,496	\$17,914,066	\$18,594,284	\$19,307,535	\$20,044,716	\$20,812,165	
Rate Funded Capital	\$715,000	\$90,000	\$975,000	\$2,100,000	\$3,175,000	\$5,125,000	\$5,750,000	\$6,375,000	\$7,000,000	\$7,650,000	\$8,450,000	\$2,773,962 FY 2023-24 Dep. Exp.
Debt Service												
WRRF Energy Efficiency Project	\$616,939	\$616,711	\$616,477	\$616,236	\$615,987	\$0	\$0	\$0	\$0	\$0	\$0	Debt Schedule
Tank Farm Lift Station - I Bank	549,999	548,786	547,535	546,242	544,908	543,530	542,108	540,639	539,123	537,557	535,940	Debt Schedule
2018 Refunding Bond - Dispatch Center	30,203	30,156	23,132	23,021	23,090	23,116	23,100	23,147	23,042	22,926	22,897	Debt Schedule
2019 SRF Loan - WRRF Upgrade	5,808,792	5,902,954	5,902,954	5,902,954	5,902,954	5,902,954	5,902,954	5,902,954	5,902,954	5,902,954	5,902,954	Debt Schedule
Additional Long-Term Debt	0	0	0	0	0	0	0	0	0	0	0	Calculated @ 5% for 30 yrs
Total Debt Service	\$7,005,933	\$7,098,607	\$7,090,097	\$7,088,453	\$7,086,938	\$6,469,600	\$6,468,162	\$6,466,740	\$6,465,119	\$6,463,437	\$6,461,791	
<i>LESS: Other Funding</i>												
Development Impact Fees	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	
Net Debt Service	\$6,705,933	\$6,798,607	\$6,790,097	\$6,788,453	\$6,786,938	\$6,169,600	\$6,168,162	\$6,166,740	\$6,165,119	\$6,163,437	\$6,161,791	
To / (From) Reserves												
To / (From) Operating Reserve	\$3,341	(\$118,527)	\$66,971	\$23,253	\$96,016	\$80,174	\$16,947	\$15,796	\$4,337	\$2,261	\$23,017	
To / (From) Capital Reserve	0	0	0	0	0	0	0	0	0	0	0	
To / (From) Rate Stabilization Reserve	0	0	0	0	0	0	0	0	0	0	0	
Total To / (From) Reserves	\$3,341	(\$118,527)	\$66,971	\$23,253	\$96,016	\$80,174	\$16,947	\$15,796	\$4,337	\$2,261	\$23,017	
Total Revenue Requirement	\$21,232,839	\$21,763,825	\$23,315,051	\$24,940,652	\$26,690,429	\$28,635,271	\$29,849,175	\$31,151,821	\$32,476,990	\$33,860,413	\$35,446,973	
Bal. / (Def.) of Funds	\$0	(\$1,254,118)	(\$2,610,471)	(\$4,076,657)	(\$5,660,831)	(\$7,371,749)	(\$8,393,540)	(\$9,465,176)	(\$10,588,859)	(\$11,766,888)	(\$13,001,659)	
Balance a % of Rate Adj. Req'd	0.0%	6.5%	13.4%	20.8%	28.6%	37.0%	41.8%	46.8%	51.9%	57.2%	62.7%	
Proposed Rate Adjustment	0.0%	6.5%	6.5%	6.5%	6.5%	6.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
<i>Months of Adjustment</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	
Add'l Revenue with Rate Adj.	\$0	\$1,254,118	\$2,610,471	\$4,076,657	\$5,660,831	\$7,371,749	\$8,393,540	\$9,465,176	\$10,588,859	\$11,766,888	\$13,001,659	
Bal. / (Def.) After Rate Adj.	\$0	(\$0)	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Add'l Rate Adj. Req'd	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Notes
Average Residential Customer Bill												
	\$63.80 (Base Charge + 6 CCF [4 CCF Cap])											
Customer Bill on Proposed Adjustment		\$67.95	\$72.37	\$77.07	\$82.08	\$87.42	\$90.48	\$93.65	\$96.92	\$100.32	\$103.83	
Bill Difference - Monthly		4.15	4.42	4.70	5.01	5.34	3.06	3.17	3.28	3.39	3.51	
Cumulative Bill Difference		4.15	8.57	13.27	18.28	23.62	26.68	29.85	33.12	36.52	40.03	
Debt Service Coverage Ratio (all debt, not including DIF)												
Before Rate Adjustment	1.06	0.78	0.74	0.68	0.62	0.62	0.55	0.48	0.40	0.32	0.25	
After Proposed Rate Adjustment	1.06	0.95	1.10	1.26	1.42	1.76	1.85	1.94	2.04	2.14	2.26	
Debt Service Coverage Ratio (all debt, including DIF)												
Before Rate Adjustment	1.15	0.86	0.82	0.77	0.71	0.71	0.64	0.57	0.49	0.41	0.35	
After Proposed Rate Adjustment	1.15	1.04	1.19	1.34	1.50	1.85	1.94	2.03	2.13	2.23	2.36	
Reserve Funds												
Total Beginning Balance	\$53,797,920	\$37,699,648	\$29,720,133	\$23,898,730	\$21,740,699	\$20,172,595	\$19,329,278	\$17,537,905	\$19,486,827	\$19,076,533	\$20,826,840	
Operating Fund												
Beginning Balance	\$2,761,713	\$2,998,749	\$3,096,596	\$3,205,789	\$3,326,495	\$3,452,099	\$3,582,813	\$3,718,857	\$3,861,507	\$4,008,943	\$4,162,433	20% of O&M
Plus: Additions	3,341	0	66,971	23,253	96,016	80,174	16,947	15,796	4,337	2,261	23,017	
Less: Uses of Funds	0	(118,527)	0	0	0	0	0	0	0	0	0	
Ending Balance	\$2,765,054	\$2,880,222	\$3,163,568	\$3,229,043	\$3,422,511	\$3,532,274	\$3,599,760	\$3,734,653	\$3,865,844	\$4,011,204	\$4,185,450	
Capital Fund												
Beginning Balance	\$43,991,991	\$27,586,321	\$19,433,424	\$13,421,739	\$11,055,952	\$9,268,794	\$8,235,705	\$6,246,676	\$7,988,667	\$7,363,876	\$8,890,729	Balance of Funds
Plus: Additions	0	0	0	0	0	0	0	1,633,125	0	1,448,046	0	
Plus: LTD Proceeds	15,000,000	0	0	0	0	0	0	0	0	0	0	
Development Impact Fees	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
Less: Capital Project Funding	(31,701,613)	(8,460,987)	(6,488,375)	(2,781,284)	(2,264,120)	(1,523,492)	(2,408,320)	(300,000)	(1,014,630)	(300,000)	(1,602,379)	
Ending Balance	\$27,890,378	\$19,725,334	\$13,545,049	\$11,240,455	\$9,391,832	\$8,345,302	\$6,427,385	\$8,179,801	\$7,574,037	\$9,111,922	\$7,888,350	
Rate Stabilization												
Beginning Balance	\$957,050	\$1,027,412	\$1,102,947	\$1,184,036	\$1,271,086	\$1,364,536	\$1,423,594	\$1,485,207	\$1,549,486	\$1,616,548	\$1,686,512	5% of Rate Revenues
Plus: Additions	0	0	0	0	0	0	0	0	0	0	0	
Less: Capital Project Funding	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	\$957,050	\$1,027,412	\$1,102,947	\$1,184,036	\$1,271,086	\$1,364,536	\$1,423,594	\$1,485,207	\$1,549,486	\$1,616,548	\$1,686,512	
UFL Trust & SRF Loan												
Beginning Balance	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	
Plus: Additions	0	0	0	0	0	0	0	0	0	0	0	
Less: Capital Project Funding	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	\$6,087,166	
Total Ending Balance	\$37,699,648	\$29,720,133	\$23,898,730	\$21,740,699	\$20,172,595	\$19,329,278	\$17,537,905	\$19,486,827	\$19,076,533	\$20,826,840	\$19,847,479	
Days of O&M	997	723	563	495	443	409	357	383	361	379	348	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Total	Notes
Wastewater Collection													
Upcoming Pipeline Replacement Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,280,186	\$0	\$2,419,049	\$4,699,236	
Wastewater Collection System - Point Repairs	120,000	353,600	254,616	262,254	0	278,226	0	295,170	0	0	0	1,563,866	
Sewer-main Replacement: Morro, Mill, Santa Rosa, and Chorro	1,100,000	46,800	0	0	0	0	0	0	0	0	0	1,146,800	
Sewer-main Replacement: Henry, and Sierra Way	2,200,000	0	0	0	0	0	0	0	0	0	0	2,200,000	
Sewer-main Replacement: Oceanaire - Cayucos to Froom Road	700,000	36,400	0	0	0	0	0	0	0	0	0	736,400	
Sewer-main Replacement: Islay - Nipomo to Santa Rosa	0	2,184,000	0	0	0	0	0	0	0	0	0	2,184,000	
Sewer-main Replacement: Taft, Hathaway, Phillips, Buena Vista, and Loc	0	343,200	0	0	0	0	0	0	0	0	0	343,200	
Sewer-main Replacement: Serrano, Bressi, Dana and Higuera	(1,275,000)	0	0	0	0	2,196,824	0	0	0	0	0	921,824	
Sewer-main Replacement: Murray, Chorro, and Meinecke	0	270,400	0	0	0	0	0	0	0	0	0	270,400	
Sewer-main Replacement: Chorro - Boysen to Rougeot	250,000	0	2,917,475	0	0	0	0	0	0	0	0	3,167,475	
Sewer-main Replacement: Buchon - Morro to Johnson	0	0	143,222	2,715,427	0	0	0	0	0	0	0	2,858,648	
Sewer-main Replacement: Bee Bee from High Street to South Street	0	0	0	0	0	0	0	24,597	696,724	0	0	721,321	
Sewer-main Replacement: Lincoln, Chorro, Morro, Toro	0	0	0	0	0	0	161,197	3,056,237	0	0	0	3,217,434	
Sewer-main Replacement: Foothill Sewer Siphon	0	0	0	0	168,826	2,260,584	0	0	0	0	0	2,429,411	
Sewer-main Replacement: Broad Street, Sacramento, Capitolio, and Bul	0	0	0	0	0	0	0	0	0	65,239	3,964,553	4,029,792	
Sewer-main Replacement: Oceanaire - Laguna to Cayucos	0	0	0	0	0	115,927	2,364,224	0	0	0	0	2,480,151	
Sewer-main Replacement: Broad, Murray, and Chorro	0	0	0	158,445	0	0	0	0	4,294,351	0	0	4,452,796	
Sewer-main Replacement: San Jose, Ramona, Monte Vista, California	1,225,000	0	328,879	0	0	0	0	0	0	0	0	1,553,879	
Sewer Inflow/Infiltration Reduction	470,000	436,800	445,578	458,945	281,377	289,819	298,513	307,468	0	0	0	2,988,501	
Sewer Utility Trench Repair	25,000	26,000	26,523	27,318	33,765	34,778	35,822	36,896	38,003	39,143	40,317	363,566	
Sewer Maintenance Cover Adjustments	30,000	114,400	31,827	32,782	39,393	40,575	41,792	43,046	44,337	45,667	47,037	510,855	
Flow Study	0	0	0	0	0	0	0	0	0	0	10,536	10,536	
Sewer Lift Station Maintenance	20,000	83,200	0	87,418	0	92,742	0	98,390	0	0	0	381,750	
Laguna Lift Station Upgrades	0	332,800	0	0	0	0	0	0	0	0	0	332,800	
Buckley Sewer Lift Station	150,000	0	0	0	0	0	0	0	0	0	0	150,000	
Foothill Lift Station	0	0	0	0	0	463,710	4,179,183	0	0	0	0	4,642,893	
Airport Lift Station	1,227,000	0	0	0	4,102,480	0	0	0	0	0	0	5,329,480	
Silver City Lift Station	0	208,000	0	0	0	0	0	0	0	0	0	208,000	
Placeholder	0	0	0	54,636	0	57,964	59,703	55,344	0	0	0	227,647	
Foothill and Santa Rosa CalTrans Pipeline Replacement	350,000	0	0	0	0	0	0	0	0	0	0	350,000	
Water Meters and Boxes (sewer fund contribution)	0	0	0	27,318	28,138	28,982	59,703	61,494	221,685	228,335	235,185	890,839	
AMI Water Meters	460,000	511,680	521,963	0	0	0	0	0	0	0	0	1,493,643	
AMI Meter Box Lids	75,000	78,000	79,568	0	0	0	0	0	0	0	0	232,568	
AMI Radio	360,000	406,640	414,812	0	0	0	0	0	0	0	0	1,181,452	
Fleet - WWC													
Wastewater Collections Portable Generator (1620)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$245,975	\$0	\$0	\$0	\$245,975	
Portable Sewage Pump (1730)	0	0	0	0	0	0	0	92,241	0	0	0	92,241	
Caterpillar Mini Escavator	0	0	0	0	0	115,927	0	0	0	0	0	115,927	
Wastewater Collections Truck w/Dump Bed (1811)	0	0	0	0	0	0	0	122,987	0	0	0	122,987	
Wastewater Collections Truck (1631)	0	0	0	0	0	0	0	101,465	0	0	0	101,465	
Wastewater Collections Service Truck (1608)	0	0	0	0	0	0	119,405	0	0	0	0	119,405	
Wastewater Collections Service Truck (1810)	0	0	0	0	0	0	119,405	0	0	0	0	119,405	
Wastewater Collection Van (1643)	0	0	0	0	0	0	149,257	0	0	0	0	149,257	
Wastewater Collections Hydrocleaner (1407)	0	0	0	628,318	0	0	0	0	0	0	0	628,318	
Wastewater Collections Concrete Trailer (1804)	0	0	0	0	0	0	0	0	63,339	0	0	63,339	
Dump Truck (0840)	0	0	0	0	0	202,873	0	0	0	0	0	202,873	
Total Wastewater Collection	\$7,487,000	\$5,431,920	\$5,164,461	\$4,452,863	\$4,653,979	\$6,178,931	\$7,588,202	\$4,541,309	\$7,638,624	\$378,384	\$6,716,679	\$60,232,352	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Total	Notes
Water Resource Recovery Facility													
WRRF - Asset Replacement	\$0	\$208,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$208,000	
Coating Maintenance	0	0	26,523	0	0	0	0	0	0	0	0	26,523	
Headworks Grit Piping and Blowers	0	0	265,225	0	0	0	0	0	0	0	0	265,225	
Rebuild Influent Storm Pumps	75,000	78,000	0	0	0	0	0	0	0	0	0	153,000	
Membrane Replacement	0	0	0	0	0	0	0	0	0	0	2,687,833	2,687,833	
UV Bulb Replacement (annual replacement)	50,000	0	0	54,636	56,275	57,964	59,703	61,494	0	0	0	340,072	
Cityworks Strategic Plan & Implementation	0	0	21,218	0	0	0	0	0	0	0	0	21,218	
Sludge Drying Bed Polymer Feed and Piping	0	0	0	0	0	69,556	0	0	0	0	0	69,556	
Screw Press	0	208,000	0	0	0	0	0	0	0	0	0	208,000	
WRRF and Wastewater Collection Maintenance Facility	(6,563,331)	0	0	0	0	0	0	0	0	0	0	(6,563,331)	
Lab Admin HVAC	0	156,000	0	0	0	0	0	0	0	0	0	156,000	
WRRF Digester Flare Upgrade	0	0	1,564,828	0	0	0	0	0	0	0	0	1,564,828	
Slurry Seal and Pavement	0	2,080,000	0	0	0	0	0	0	0	0	0	2,080,000	
Fleet - WRRF													
1000521-05-Sewer WRRF Compact Pickup (0851)	0	39,520	0	0	0	0	0	0	0	0	0	39,520	
Compact Pick-up (0851)	0	0	0	0	0	0	94,330	0	0	0	0	94,330	
Total Water Resource Recovery Facility	(\$6,438,331)	\$2,769,520	\$1,877,793	\$54,636	\$56,275	\$127,520	\$154,033	\$61,494	\$0	\$0	\$2,687,833	\$1,350,773	
Miscellaneous													
Pavement Management (Sewer Fund Contribution)	\$0	\$8,320	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,320	
ATP - Higuera Corridor Complete Street Design (Sewer Fund Contribution)	0	5,200	0	0	0	0	0	0	0	0	0	5,200	
Corp Yard Material Storage Stalls (Sewer Fund Contribution)	0	0	26,523	0	281,377	0	0	0	0	0	0	307,900	
Corporation Yard Perimeter Fence Replacement (Sewer Fund Contribution)	0	0	0	0	0	0	0	6,149	76,006	0	0	82,156	
Corporation Yard EV Charging Station (Sewer Fund Contribution)	0	0	84,872	0	0	0	0	0	0	0	0	84,872	
Environmental Compliance													
Pickup	\$0	\$0	\$0	\$0	\$51,211	\$0	\$0	\$0	\$0	\$0	\$0	\$51,211	
Sedan	0	0	0	45,895	0	0	0	0	0	0	0	45,895	
Water Quality Lab													
Water Quality Lab SUV	0	0	0	0	0	0	86,569	0	0	0	0	86,569	
Administration													
Roofing Project (Morro Refurbishment)	65,000	0	0	0	0	0	0	0	0	0	0	65,000	
Future Sewer Fund Vehicles	0	0	0	0	0	0	0	0	0	78,286	80,635	158,921	
Future Water Fund Vehicles	0	0	0	0	0	0	0	0	0	130,477	0	130,477	
Shared IT													
Wireless System Citywide	0	0	0	14,203	0	0	0	18,532	0	0	0	32,735	
Server Operating System	0	0	0	0	0	0	0	0	0	0	0	0	
UB System Upgrade	0	0	0	0	0	0	0	0	0	0	135,458	135,458	
Network Firewalls	0	0	0	0	0	24,063	0	0	0	0	32,338	56,401	
Virtual Private Network Replacment	0	0	0	0	0	17,979	0	0	0	0	24,162	42,141	
Network Switch Infrastructure Repl.	0	0	0	0	65,733	0	0	0	0	88,340	0	154,073	
Network Security Upgrade	0	0	0	10,175	0	0	12,149	0	0	14,506	0	36,830	
Radio Handhelds Repl.	0	0	0	0	0	0	0	83,192	0	0	0	83,192	
City SAN (Network Storage)	0	0	9,727	0	0	0	12,322	0	0	0	15,609	37,657	
Security Cameras	0	640	0	0	629	0	851	903	0	845	0	3,868	
Facility Security Citywide Camera Storage added redundancy	0	0	0	0	629	0	0	0	0	845	0	1,474	
Uninterruptible Power Supplies (UPS's Servers and Storage)	0	0	0	3,513	0	0	4,195	0	0	5,009	0	12,716	
PD/City backup storage, secondary storage	0	0	0	0	3,914	0	0	0	0	5,261	0	9,175	
VM Infrastructure	0	21,455	0	0	25,372	0	0	30,296	0	0	36,175	113,298	
Total Miscellaneous	\$65,000	\$49,547	\$121,121	\$73,785	\$428,865	\$42,042	\$116,085	\$139,073	\$76,006	\$323,569	\$347,867	\$1,782,960	

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	Total
CIP Carryover	\$31,002,944	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,002,944
Unidentified Future Capital Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,500,000	\$0	\$5,500,000
Delayed Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Cash Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,633,125	\$0	\$1,448,046	\$0	\$3,081,171
Total Capital Improvement Projects	\$32,116,613	\$8,250,987	\$7,163,375	\$4,581,284	\$5,139,120	\$6,348,492	\$7,858,320	\$6,375,000	\$7,714,630	\$7,650,000	\$9,752,379	\$102,950,200
Less: Outside Funding Sources												
Operating Fund Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Fund Reserves	31,401,613	8,160,987	6,188,375	2,481,284	1,964,120	1,223,492	2,108,320	0	714,630	0	1,302,379	55,545,200
Grants	0	0	0	0	0	0	0	0	0	0	0	0
WRRF Upgrade Debt	0	0	0	0	0	0	0	0	0	0	0	0
Assumed New Low Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0
Additional Revenue Bonds	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding Sources	\$31,401,613	\$8,160,987	\$6,188,375	\$2,481,284	\$1,964,120	\$1,223,492	\$2,108,320	\$0	\$714,630	\$0	\$1,302,379	\$55,545,200
Rate Funded Capital	\$715,000	\$90,000	\$975,000	\$2,100,000	\$3,175,000	\$5,125,000	\$5,750,000	\$6,375,000	\$7,000,000	\$7,650,000	\$8,450,000	\$47,405,000

Effective 7.1.24		Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Total
Residential														
	\$ / Acct.													
Base Fee	\$24.52	12,887	12,948	12,767	12,385	12,754	12,830	12,918	13,130	13,261	12,897	13,003	13,172	12,913
<i>Total Base Fee Revenue</i>		\$315,989	\$317,485	\$313,047	\$303,680	\$312,728	\$314,592	\$316,749	\$321,948	\$325,160	\$316,234	\$318,834	\$322,977	\$3,799,423
	\$ / CCF													
Volume Charge	\$9.82	52,256	52,414	45,975	36,691	46,517	48,161	50,194	51,442	49,840	44,872	46,687	47,995	573,044
<i>Total Volume Charge Revenue</i>		\$513,154	\$514,705	\$451,475	\$360,306	\$456,797	\$472,941	\$492,905	\$505,160	\$489,429	\$440,643	\$458,466	\$471,311	\$5,627,292
Total Residential Revenue		\$829,143	\$832,190	\$764,521	\$663,986	\$769,525	\$787,533	\$809,654	\$827,108	\$814,589	\$756,877	\$777,300	\$794,288	\$9,426,715
Multi-Family														
	\$ / Acct.													
Base Fee														
3/4" or Less	\$24.52	619	622	622	611	618	618	620	627	630	619	622	629	621
1"	40.95	230	232	228	226	228	230	230	232	228	224	228	229	229
1.5"	81.65	130	130	129	129	128	130	129	130	129	129	130	127	129
2"	130.70	104	103	104	104	104	104	104	103	104	103	104	105	104
3"	245.21	3	3	3	3	3	3	3	3	3	3	3	3	3
4"	408.76	10	10	10	10	10	10	10	10	10	10	10	10	10
6"	817.28	6	6	6	6	6	6	6	6	6	6	6	6	6
8"	1,307.70	4	4	4	4	4	4	4	4	4	4	4	4	4
10"	1,880.02	0	0	0	0	0	0	0	0	0	0	0	0	0
		1,106	1,110	1,106	1,093	1,101	1,105	1,106	1,115	1,114	1,098	1,107	1,113	1,106
<i>Total Base Fee Revenue</i>		\$63,761	\$63,786	\$63,671	\$63,320	\$63,492	\$63,737	\$63,704	\$63,909	\$63,868	\$63,303	\$63,753	\$63,851	\$764,156
	\$ / CCF													
Volume Charge	\$9.82	28,565	28,171	25,056	20,717	26,015	26,738	26,786	26,797	25,678	22,457	24,082	25,465	306,527
<i>Total Volume Charge Revenue</i>		28,565	28,171	25,056	20,717	26,015	26,738	26,786	26,797	25,678	22,457	24,082	25,465	306,527
<i>Total Volume Charge Revenue</i>		\$280,508	\$276,639	\$246,050	\$203,441	\$255,467	\$262,567	\$263,039	\$263,147	\$252,158	\$220,528	\$236,485	\$250,066	\$3,010,095
Total Multi-Family Revenue		\$344,270	\$340,425	\$309,721	\$266,761	\$318,959	\$326,304	\$326,743	\$327,055	\$316,026	\$283,831	\$300,238	\$313,918	\$3,774,251

Effective 7.1.24		Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Total
Non-Residential														
Base Fee	\$ / Acct.													
3/4" or Less	\$24.52	761	770	728	658	722	725	737	742	756	737	759	752	737
1"	40.95	315	312	306	293	304	306	317	316	312	311	313	314	310
1.5"	81.65	158	161	157	153	158	156	155	159	159	160	158	158	158
2"	130.70	177	177	174	174	174	178	178	175	181	175	174	177	176
3"	245.21	20	20	20	21	20	20	20	20	19	20	21	19	20
4"	408.76	20	20	20	20	20	21	20	20	20	20	20	20	20
6"	817.28	6	6	6	6	6	6	6	6	6	6	6	6	6
8"	1,307.70	4	3	4	3	4	4	4	4	4	4	3	4	4
10"	1,880.02	0	0	0	0	0	0	0	0	0	0	0	0	0
		1,461	1,469	1,415	1,328	1,408	1,416	1,437	1,442	1,457	1,433	1,454	1,450	1,431
<i>Total Base Fee Revenue</i>		\$90,807	\$89,843	\$89,156	\$85,518	\$89,009	\$89,932	\$90,187	\$90,203	\$90,921	\$89,957	\$89,222	\$90,301	\$1,075,055
Volume Charge	\$ / CCF													
All Consumption	\$10.27	45,840	44,019	34,139	23,061	32,132	36,263	39,504	41,487	46,445	43,999	46,140	40,678	473,707
		45,840	44,019	34,139	23,061	32,132	36,263	39,504	41,487	46,445	43,999	46,140	40,678	473,707
<i>Total Volume Charge Revenue</i>		\$470,777	\$452,075	\$350,608	\$236,836	\$329,996	\$372,421	\$405,706	\$426,071	\$476,990	\$451,870	\$473,858	\$417,763	\$4,864,971
Total Non-Residential Revenue		\$561,584	\$541,918	\$439,764	\$322,355	\$419,004	\$462,353	\$495,893	\$516,274	\$567,911	\$541,827	\$563,080	\$508,064	\$5,940,026

Effective 7.1.24	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Total	
Summary														% of Total
Customers														
Residential	12,887	12,948	12,767	12,385	12,754	12,830	12,918	13,130	13,261	12,897	13,003	13,172	12,913	83.6%
Multi-Family	1,106	1,110	1,106	1,093	1,101	1,105	1,106	1,115	1,114	1,098	1,107	1,113	1,106	7.2%
Non-Residential	1,461	1,469	1,415	1,328	1,408	1,416	1,437	1,442	1,457	1,433	1,454	1,450	1,431	9.3%
Total Number of Customers	15,454	15,527	15,288	14,806	15,263	15,351	15,461	15,687	15,832	15,428	15,564	15,735	15,450	
Consumption														
Residential	52,256	52,414	45,975	36,691	46,517	48,161	50,194	51,442	49,840	44,872	46,687	47,995	573,044	42.3%
Multi-Family	28,565	28,171	25,056	20,717	26,015	26,738	26,786	26,797	25,678	22,457	24,082	25,465	306,527	22.7%
Non-Residential	45,840	44,019	34,139	23,061	32,132	36,263	39,504	41,487	46,445	43,999	46,140	40,678	473,707	35.0%
Total Consumption	126,661	124,604	105,170	80,469	104,664	111,162	116,484	119,726	121,963	111,328	116,909	114,138	1,353,278	
Revenues														
Base Fee	\$470,558	\$471,114	\$465,874	\$452,518	\$465,228	\$468,261	\$470,640	\$476,059	\$479,949	\$469,495	\$471,809	\$477,129	\$5,638,634	29.5%
Residential	315,989	317,485	313,047	303,680	312,728	314,592	316,749	321,948	325,160	316,234	318,834	322,977	3,799,423	19.8%
Multi-Family	63,761	63,786	63,671	63,320	63,492	63,737	63,704	63,909	63,868	63,303	63,753	63,851	764,156	4.0%
Non-Residential	90,807	89,843	89,156	85,518	89,009	89,932	90,187	90,203	90,921	89,957	89,222	90,301	1,075,055	5.6%
Volume Charge	1,264,439	1,243,420	1,048,132	800,583	1,042,260	1,107,929	1,161,650	1,194,378	1,218,577	1,113,041	1,168,809	1,139,140	13,502,358	70.5%
Residential	513,154	514,705	451,475	360,306	456,797	472,941	492,905	505,160	489,429	440,643	458,466	471,311	5,627,292	29.4%
Multi-Family	280,508	276,639	246,050	203,441	255,467	262,567	263,039	263,147	252,158	220,528	236,485	250,066	3,010,095	15.7%
Non-Residential	470,777	452,075	350,608	236,836	329,996	372,421	405,706	426,071	476,990	451,870	473,858	417,763	4,864,971	25.4%
Total Revenues	\$1,734,997	\$1,714,533	\$1,514,006	\$1,253,101	\$1,507,488	\$1,576,190	\$1,632,290	\$1,670,438	\$1,698,525	\$1,582,535	\$1,640,618	\$1,616,270	\$19,140,992	
FY 2024-25 Budget													\$19,551,311	
Difference													(\$410,319)	
Percent													-2.1%	
FY 2023-24 Actual													\$18,613,459	
Difference													\$527,533	
Percent													2.8%	

City of San Luis Obispo
Sewer Rate Study
Residential Rates

	<i>Present Rates</i>	FY 2025-26	FY 2026-27
Fixed Charge			
Per Account	\$24.52	\$26.11	\$27.81
Consumption Charge			
Usage up to avg WW	\$9.82	\$10.46	\$11.14

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City of San Luis Obispo
Sewer Rate Study
Multi-Family Rates

	<i>Present Rates</i>	FY 2025-26	FY 2026-27
Fixed Charge			
3/4" or Less	\$24.52	\$26.11	\$27.81
1"	40.95	43.61	46.44
1.5"	81.65	86.96	92.61
2"	130.70	139.20	148.25
3"	245.21	261.15	278.12
4"	408.76	435.33	463.63
6"	817.28	870.40	926.98
8"	1,307.70	1,392.70	1,483.23
10"	1,880.02	2,002.22	2,132.36
Consumption Charge			
Usage up to avg WW	\$9.82	\$10.46	\$11.14

City of San Luis Obispo
Sewer Rate Study
Non-Residential Rates

	<i>Present Rates</i>	FY 2025-26	FY 2026-27
Fixed Charge			
3/4" or Less	\$24.52	\$26.11	\$27.81
1"	40.95	43.61	46.44
1.5"	81.65	86.96	92.61
2"	130.70	139.20	148.25
3"	245.21	261.15	278.12
4"	408.76	435.33	463.63
6"	817.28	870.40	926.98
8"	1,307.70	1,392.70	1,483.23
10"	1,880.02	2,002.22	2,132.36
Consumption Charge			
All Consumption	\$10.27	\$10.94	\$11.65