

CARPINTERIA VALLEY WATER DISTRICT

Water Rate Study

REPORT / MARCH 30, 2026



March 30, 2026

Ms. Kelley Dyer
General Manager
Carpinteria Valley Water District
1301 Santa Ynez Ave.
Carpinteria, CA 93013

Subject: Water Rate Study Report

Dear Ms. Dyer:

Raftelis is pleased to provide this Water Rate Study Report for the Carpinteria Valley Water District. The Study Report details the analyses, rationale, and methodologies utilized in the study to determine three years of cost of service-based water rates that align with the requirements of Proposition 218.

The study involved development of a 10-year financial plan, a comprehensive review of the District's current rate structures and cost requirements, a cost of service analysis to fairly and reasonably allocate costs, and a rate design process to determine water rates that are cost-justified and in line with the District's policy objectives and California rate setting requirements. The primary objectives of the study include:

- Development of a long-range financial plan to inform three years of rate adoption
- Adequate recovery of all cost requirements to maintain the District's financial sufficiency for current and future costs
- Fair and reasonable allocation of costs between customer classes
- Assessment of rate impacts to District customers
- Development of additional rate components for new, future facilities that effect the District's costs of providing service

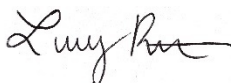
We wish to express gratitude for the support that you, other District staff, and the Board of Directors provided to us during the study.

Sincerely,

Raftelis Financial Consultants, Inc.



Kevin Kostiuk
Senior Manager



Lindsay Roth
Senior Consultant

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1. Executive Summary

1.1. Study Background

Carpinteria Valley Water District (District) engaged Raftelis in 2025 to complete a multi-year Water Cost of Service and Rate Study (Study). The study consists of reviewing the District's annual operating and capital budget requirements; developing an Excel-based financial plan model to determine revenue needs based on current and future costs, assessment of revenues from existing rates, review of the District's financial policies, and cash reserve balances; development of a cost of service analysis to allocate costs to water system functions and the District's unique customer and rate classes; and designing and calculating water rates that recover the costs of service through a schedule of cost-justified rates and charges.

The Study relies upon data across multiple fiscal years as well as historical water consumption data. The rates presented in this executive summary are proposed for adoption and implementation for fiscal years (FY) 2027 through FY 2029. The District's fiscal year begins on July 1 and ends on June 30 of the next year. For example, FY 2026 represents the current fiscal year and began July 1, 2025 and will end June 30, 2026. The proposed rates, if adopted, would be implemented for the next three years.

Raftelis collaborated closely with the District's staff and Board of Directors to design and derive cost-based rates that meet the District's policy objectives. The primary objectives of the study include:

- Development of a long-range financial plan to inform three years of rate adoption
- Adequate recovery of all cost requirements to maintain the District's financial sufficiency for current and future costs
- Fair and reasonable allocation of costs between customer classes
- Assessment of rate impacts to District customers
- Development of additional rate components for new, future facilities that effect the District's costs of providing service

1.2. District Background

The Carpinteria Valley Water District (CVWD or District) provides water service to a population of approximately 16,000 people. The District's service area encompasses approximately 11,300 acres and is bordered by the Pacific Ocean to the south and by the Santa Ynez Mountains to the north. Residential, commercial, industrial, public authority, and agricultural customers are served by 75 miles of pipelines in the water system. The District's three main water sources are the Cachuma Project (Cachuma Lake), local groundwater from the Carpinteria Groundwater Basin (groundwater), and the State Water Project (SWP) via the District's wholesale purveyor Central Coast Water Authority (CCWA). The Cater Treatment Plant (Cater) treats Cachuma and SWP water under a Joint Powers Agreement (JPA) between the City of Santa Barbara, Montecito Water District, and CVWD.

The Cachuma Project is the District's primary source of water supply, providing approximately 45 percent of the District's water supply during normal conditions. On average, the District pumps 1,000 acre-feet (AF) each year of groundwater from the Carpinteria Basin. The remainder of the Basin's annual production of 3,800 AF is pumped by agricultural users. The District has a contract entitlement to 876 AF per year of water from the SWP. An additional 200 AF per year is also available from the SWP to act as a buffer in times of

drought. A new future source of water supply via the Carpinteria Advanced Purification Project (CAPP) will supply an additional 1,000 AF per year beginning in FY 2029.

1.3. Current Rates

The District's existing water rate structure consists of the following components:

1. Monthly Basic and SWP Service Charge
 - a. For non-Master Metered Residential (MMR) connections, the charge is based on meter size.
 - b. For MMR connections the charge is based on meter size for the basic service component and per dwelling unit equivalency (DEQ) for the SWP component.
 - c. For Hospitality related Commercial connections the charge is based on meter size for the basic service component and per dwelling unit equivalency (DEQ) for the SWP component.
2. Monthly Agricultural Operations and Maintenance (O&M) Service Charge¹ – for all Agricultural class customers, based on meter size. Recovers costs that non-Agricultural customers pay through the Capital Improvement Program (CIP) Charge.
3. Monthly Fire Service Charge – for all customers with private fire suppression systems, based on fire line size.
4. Monthly CIP Charge– for all non-Agricultural customers, charge is based on a five-year rolling average of water use with a minimum charge of 4 hundred cubic feet (HCF²) per month and a maximum of 250 HCF. Agricultural residences (REQ) are charged an equivalency for each dwelling unit on an agricultural connection based on 9 HCF of water use per month.
5. Water Use Rates – for all customers, per HCF of usage, customer class, and tier.
 - a. Single Family Residential (SFR) and Master-Metered Residential (MMR) – three tier rate structure
 - i. Tier 1 – first 6 HCF of water use
 - ii. Tier 2 – next 10 HCF of water use
 - iii. Tier 3 – any water use above 16 HCF
 - b. Commercial, Industrial, & Public Authority (sometimes abbreviated herein as Com/Ind/Pub for brevity) – two tier Base/Peak rate structure
 - i. Base = 5-year average December to March water consumption by account; 6 HCF minimum.
 - ii. Peak = all consumption greater than Base.
 - c. Agricultural/Irrigation (sometimes simply Agriculture or Agricultural) – uniform rate for all consumption
 - i. Monthly Residential Equivalency Charge (REQ) for all residential dwelling units served on an Agricultural connection.
 - d. Elevation surcharges – uniform usage rate for water delivered in the District's two elevation zones (Zone 1 and Zone II) above the Base zone.

1.4. Rate Setting Methodology

This study was conducted using industry-standard principles outlined by the American Water Works Association's (AWWA) Manual of Water Supply Practices, *Principles of Water Rates, Fees, and Charges: - M1 Seventh Edition (Manual M1)*. This industry manual provides guidance and frameworks with which to develop

¹ May be shown herein as "Ag O&M Charge" for brevity

² One HCF is equal to a billing unit of water and is approximately 748 gallons of water

cost allocations and design rates. It is utilized as a tool and adjusted as appropriate to align with the substantive requirements of Proposition 218 and the District's unique water system characteristics. The process and approach Raftelis uses to determine rates are informed by the District's policy objectives, the current rate structure, current and future costs of providing service, and California law (namely, Proposition 218). The resulting financial plan and cost of service analysis is used to fulfill the District's objectives, align with industry standards, and develop cost-justified rates. The cost of service and rate design process considers these factors and follows four key steps, outlined below, to derive proposed rates.

1.4.1. Step 1: Financial Plan and Revenue Requirement

A multi-year rate-making process begins by developing a long-range financial plan. The financial plan relies on the District's proposed three-year budget of revenues, operating and capital expenditures, customer account and usage data, long-term capital improvement plan (CIP), and debt repayment schedules to produce a long-term cash flow projection. This financial plan is used to determine the revenue requirement for the *test* year, also known as the rate-setting year. The test year for this study is FY 2027 (July 1, 2026 to June 30, 2027), the first year of the three year rate proposal. The revenue requirement should sufficiently fund the utility's total cost of service, inclusive of reserve funding and debt coverage obligations.

1.4.2. Step 2: Cost of Service Analysis

The annual cost of providing water service, or the revenue requirement, is then distributed among customer classes commensurate with their use of and burden on the system. A cost of service analysis involves the following steps:

1. Functionalize costs – the O&M expense budget and the capitalized asset database (system infrastructure) is categorized into functions such as supply, treatment, storage, distribution, etc.
2. Allocate to cost components – the functionalized costs are then allocated to system cost causation components (plainly, cost components) such as supply, base delivery, extra capacity, conservation, etc.
3. Develop unit costs – unit costs for each cost component are determined using appropriate units of service for each and the total costs identified for each cost component.
4. Distribute cost components – the cost components are allocated to each customer class using the unit costs in proportion to their respective demand and burden on the system.

A cost of service analysis considers both the average water demand and peak demand. This approach in the M1 is referred to as the Base-Extra Capacity Method. Peaking costs³ are incurred during maximum periods of consumption, most often coinciding with summertime irrigation usage. There are additional capacity-related⁴ costs associated with designing, constructing, operating, maintaining, and replacing and refurbishing facilities to meet peak demand. These peaking costs must be allocated to the customer classes whose water demand patterns generate additional costs for the utility, proportionate to their burden on the peaking-related facilities.

³ Collectively, maximum day and maximum hour costs are known as peaking costs.

⁴ System capacity is the system's ability to supply water to all delivery points at the time when demanded. The time of greatest demand is known as peak demand. Both the operating and capital costs incurred to accommodate peak flows are generally allocated to each customer based up on the relative demand during the peak day and peak hour event.

1.4.3. Rate Design and Calculation

After allocating the revenue requirement to each water system component and corresponding customer classes, the rate design and calculation process can begin. Rates do more than simply recover costs; within the legal framework and industry standards, properly designed rates should support the District's policy objectives, while adhering to cost of service principles. Rates are not only a financial instrument but act as a public information tool in communicating policy objectives to customers. The rate design process also includes a rate impact analysis and sample customer bill impact analysis.

1.4.4. Study Report and Rate Adoption

The final step in a cost of service and rate study is to develop the Study Report which serves as a key piece of an agency's administrative record and supports preparation for the rate adoption process. The study report documents the rate study results and presents in detail the methodologies, rationale, justifications, and calculations utilized to derive the proposed rates.

1.5. Proposed Financial Plan

Raftelis conducted a status quo cash flow analysis to evaluate whether existing water rates adequately fund the District's costs over the long-term planning horizon and the three-year rate setting period. Annual projections of rate and non-rate revenues, O&M expenses, debt service payments, and capital expenditures through FY 2036 were developed in conjunction with District staff. Raftelis projects that with no rate increases over the three-year study period, the District would fail to meet coverage by FY 2028 and would not be able to demonstrate the capacity to repay the forthcoming \$50M State Revolving Fund (SRF) loan for the CAPP project. More, cash reserves would be rapidly drawn down to a projected negative cash position in FY 2031. This demonstrates a clear need for revenue adjustments (i.e. gross water rate revenue increases relative to existing rate revenues). Raftelis worked with District staff to develop the proposed revenue adjustments over the three year study period. Table 1-1 shows the three-year schedule of proposed revenue adjustments used to calculate proposed rates.

Table 1-1: Proposed Annual Revenue Adjustments

Revenue Adjustments	FY 2027	FY 2028	FY 2029
Effective Date	July 1, 2026	July 1, 2027	July 1, 2028
Revenue Adjustments	7.5%	7.5%	6.5%

1.5.1. Factors Affecting Revenue Requirements

The following items affect the District's revenue requirement (i.e., costs) and thus its water rates. The District's expenses include current and projected O&M expenses, cash funded capital expenditures, annual debt service payments, and cash reserve funding.

- **Inflationary Pressure:** The District's operating environment is not immune to the effects of inflation. The costs of materials, chemicals, construction, professional services, and other costs increased more than projected in the prior rate study over the past three years. Significant areas of cost increases include Cater treatment costs, personnel costs, the District's share of Groundwater Sustainability Agency (GSA) costs, and State Water costs.

- **Baseline Water Demand Estimates:** With 34% of water rate revenues from water sales, the District is sensitive to reductions in water demands, which have declined over the past several years. Declines have been driven by a number of factors including a multi-year drought in 2019 to 2022, a near-record rainfall winters in 2023 and 2024, long-term conservation outreach and messaging, passive conservation, and improved water use efficiency, among others. Based on experienced declines and to be conservative in long-range projections, water demand is projected to remain consistent at approximately 3,800 acre feet per year (AFY). This is a decline of 200 AFY relative to the prior rate study which assumed a baseline water demand of 4,000 AFY.
- **Capital Improvement Program & Debt Coverage:** The District has approximately \$84.7 million in capital expenditures over the next three fiscal years, \$75.3M of those projected for CAPP capital expenditures. These reinvestment projects are proposed to be funded through cash, cash reserves from rates, grant proceeds, and SRF Loan proceeds. The District will receive \$50M in SRF Loan proceeds to fund CAPP project costs. To meet SRF debt service coverage requirements, rate revenue must increase enough to meet the Maximum Annual Debt Service (MADS) coverage requirement starting in FY 2027.
- **CAPP O&M Expenses:** CAPP operations will commence in FY 2029. Upon project completion the District will begin to operating expenses associated with the project. To smooth the effects on rates, CAPP O&M is pre-funded in FY 2027 and FY 2028 to help offset the shift in cost structure in FY 2029 and beyond. Table 1-2 shows the pro forma for the CAPP operating and maintenance expenses pre-funding reserve fund. To be able to incorporate CAPP operating costs into the cost-of-service analysis and smooth the impacts of additional operating expenses on customer bills, the District is creating a reserve fund to pre-fund CAPP operating expenses. Actual expenses will begin in FY 2029. The prefunding amount is phased in from FY 2027 to FY 2031. The reserve will be built up until actual expenses begin in FY 2029, and the pre-funding reserve will be fully spent by the end of FY 2031. CAPP operating rates will reflect the pre-funding costs in FY 2027 through FY 2029.

Table 1-2: CAPP O&M Pre-Funding

CAPP Pre-Funding Reserve	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
CAPP O&M Actual	\$0	\$0	\$2,162,129	\$2,235,873	\$2,312,272
CAPP O&M Prefunding \$	\$671,027	\$1,006,541	\$1,342,055	\$1,677,569	\$2,013,082
Balance	\$671,027	\$1,677,569	\$857,494	\$299,190	\$0

1.5.2. Financial Plan Results

Figure 1-1 shows the five-year financial plan for FY 2027 through FY 2031. The stacked bars represent the costs of the District: O&M expenses make up the largest portion (gray bars). Debt service (green bars) are the next largest portion of expenses, and rate-funded CIP costs (yellow bars) represent the costs of the rate funded capital program. Net cash flow (red bars) is positive in all years except FY 2028. Current revenues (solid line) equal the projected revenues at the District's existing water rates and proposed revenues (dotted line) equal the projected revenues with the proposed revenue adjustments in Table 1-1.

Figure 1-1: Proposed Financial Plan

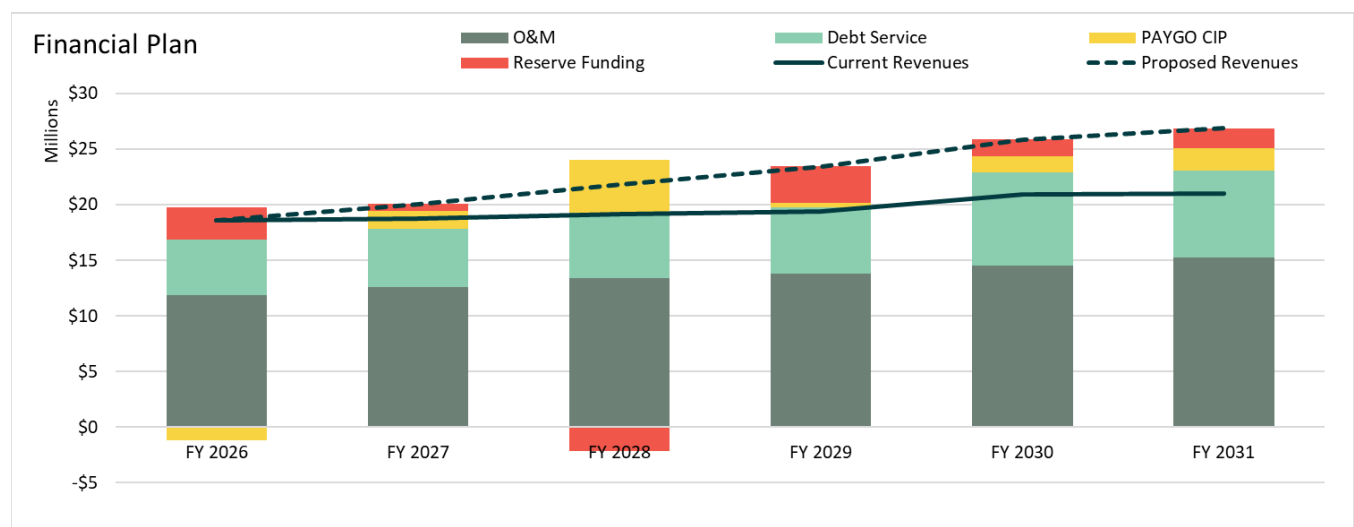


Figure 1-2 shows the projected ending cash balances (blue bars) from FY 2027 to FY 2031. The cash reserve target (dashed blue line) is determined based on the District’s existing reserve policy. The ending balance is projected to be below target through 2031, but is anticipated to reach target in FY 2032.

Figure 1-2: Projected Ending Balances

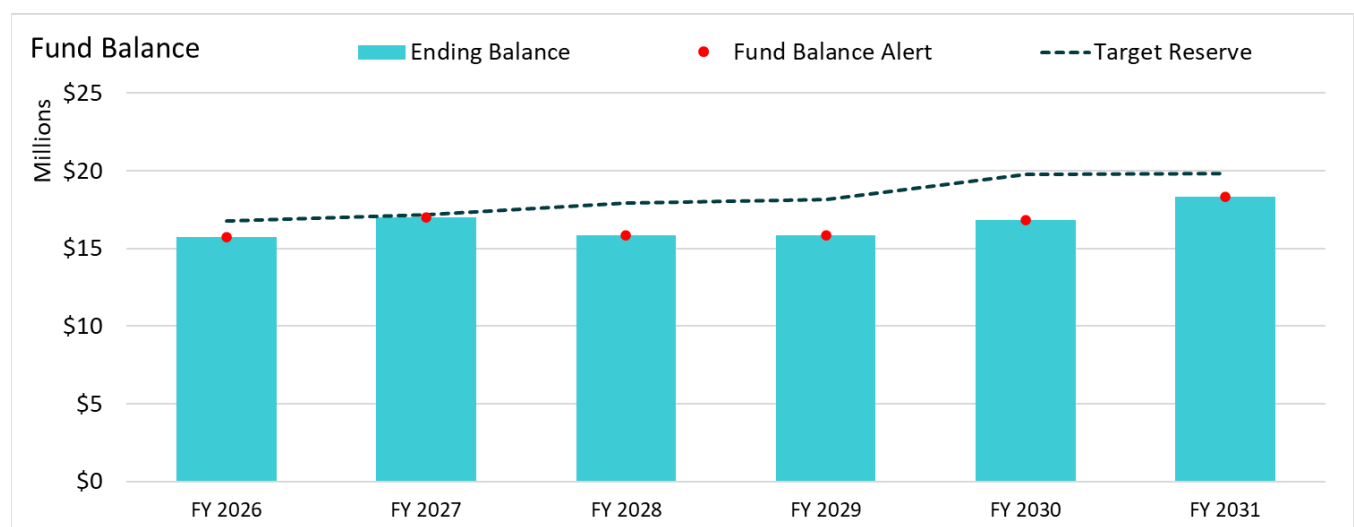


Figure 1-3 shows the projected calculated debt coverage from FY 2027 through FY 2031. The debt coverage is shown for SRF and the District’s other existing and proposed lines of debt. The district is meeting the required debt coverage ratio in all years of the study.

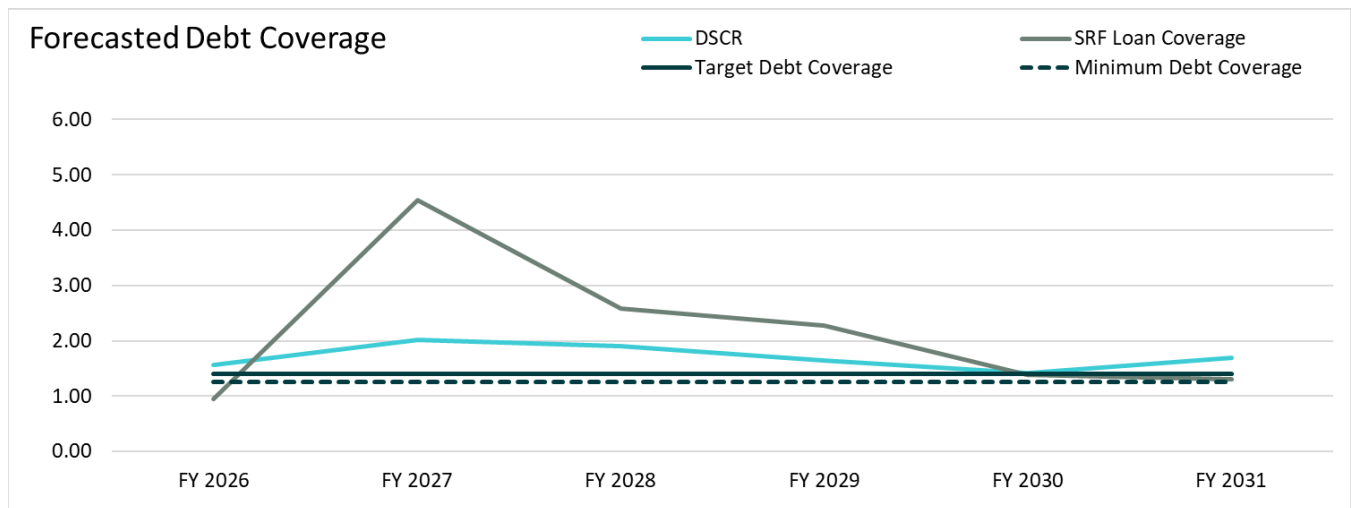
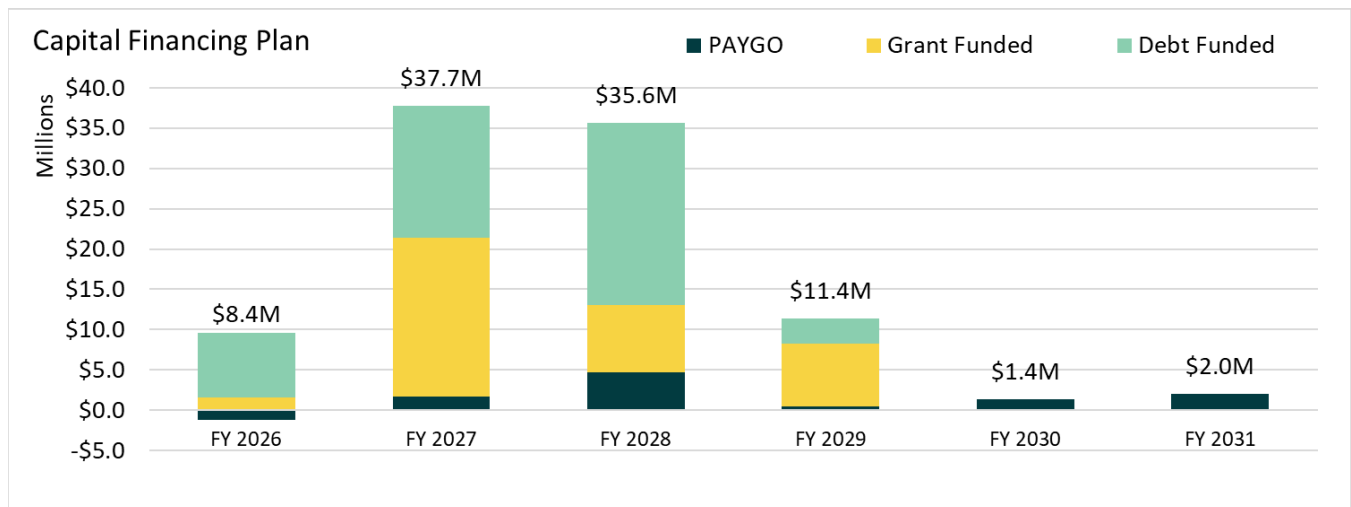
Figure 1-3: Projected Debt Coverage

Figure 1-4 shows the capital financing plan for the rate study. The dark blue bars show the amount of annual capital funded through rate revenue and reserves. The yellow bars show the capital projects funded through grant proceeds. The green bars show the capital projects funded through debt proceeds. The labels at the top of the bars in each year the total capital expenditures.

Figure 1-4: Capital Financing Projections

1.6. Proposed Water Rate Modifications

This section outlines proposed additions to the District's existing rate structures. Proposed additional rates are discussed prior to the cost-of-service analysis as they impact units of service and costs allocated in the cost-of-service analysis.

The following additions are proposed:

- CAPP Capital Charges – an annual charge to all customers based on the meter size serving a property and recovered via the property tax statement as a direct charge. This charge will recover the SRF loan

service costs, and in the interim years, the accrued interest on the SRF loan. The charge steps up over the three year rate proposal as the SRF loan is drawn upon and interest accrues.

- CAPP Operating Charge - a uniform charge per HCF of water usage to M&I customers and a monthly charge based on meter size to Agriculture customers to recover future CAPP operating costs. The District will begin incurring costs of operation in FY 2029. To guard against future rate spikes and to incrementally include the operating costs of the CAPP supply facilities future costs are pre-funded beginning in FY 2027 and increased each year thereafter.

1.6.1. CAPP Capital Charges

This proposed change would create a new CAPP charge for all customers served by the District. The cost allocations for this charge would be based on equivalent meter unit, as the Basic Service Charge is also allocated. The charge would be added to customer's tax roll annually based on the size of their metered connection to the system. The charge will recover the annual cost of the State Revolving Fund (SRF) loan used to finance the CAPP project.

1.6.2. CAPP Operating Charges

This proposed change would create new monthly rate components for all customers served by the District. The cost allocations for this charge would be based on annual water demand per customer class. M&I customers would be charged a rate per unit of water usage. Agriculture customers would be charged a monthly rate based on their meter charge. This reflects the current structure of the M&I CIP and Agriculture O&M charges, which recover the District's other capital costs.

1.7. Proposed Rates

The proposed rates for FY 2027 reflect the results of the cost of service analysis, the proposed financial plan, and the structural additions discussed immediately above. Table 1-3 shows the proposed monthly meter-based service charges for FY 2027 compared to current charges. Also included are the individual cost components.

Table 1-3: Proposed Monthly Service Charges

Meter Size	Current FY 2026			Proposed FY 2027			Difference (\$)
	Basic	SWP	Total	Basic	SWP	Total	
3/4"	\$11.08	\$39.09	\$50.17	\$12.15	\$36.53	\$48.68	(\$1.49)
1"	\$14.89	\$65.15	\$80.04	\$17.05	\$60.88	\$77.93	(\$2.11)
1 1/2"	\$24.44	\$130.28	\$154.72	\$29.29	\$121.76	\$151.05	(\$3.67)
2"	\$35.89	\$208.44	\$244.33	\$43.97	\$194.81	\$238.78	(\$5.55)
3"	\$72.17	\$455.93	\$528.10	\$90.48	\$426.15	\$516.63	(\$11.47)
4"	\$125.63	\$820.67	\$946.30	\$159.02	\$767.07	\$926.09	(\$20.21)
6"	\$253.55	\$1,693.43	\$1,946.98	\$323.02	\$1,582.84	\$1,905.86	(\$41.12)
MFR - Individual	\$11.08	\$18.23	\$29.31	\$12.15	\$19.54	\$31.69	\$2.38
MFR - MMR (per DU)	by meter size	\$18.23		by meter size	\$19.54		
Hospitality (per DU)	by meter size	\$9.94		by meter size	\$14.46		

Table 1-4 shows the proposed FY 2027 monthly Agricultural O&M charges. These charges recover Agricultural connections' share of annual, capital-related costs.

Table 1-4: Proposed Monthly Agricultural O&M Service Charges

Meter Size	Current FY 2026	Proposed FY 2027	Difference (\$)
3/4"	\$48.92	\$48.38	(\$0.54)
1"	\$81.51	\$80.64	(\$0.87)
1 1/2"	\$163.01	\$161.27	(\$1.74)
2"	\$260.81	\$258.03	(\$2.78)
3"	\$570.50	\$564.43	(\$6.07)
4"	\$1,026.88	\$1,015.98	(\$10.90)
6"	\$2,118.94	\$2,096.46	(\$22.48)

Table 1-5 shows the proposed FY 2027 monthly private fire service charges.

Table 1-5: Proposed Monthly Private Fire Service Charges

Fire Line Size	Current FY 2026	Proposed FY 2027	Difference (\$)
2"	\$14.06	\$6.70	(\$7.36)
3"	\$30.61	\$10.31	(\$20.30)
4"	\$59.19	\$16.52	(\$42.67)
6"	\$161.76	\$38.84	(\$122.92)
8"	\$338.66	\$77.32	(\$261.34)
10"	\$604.77	\$135.21	(\$469.56)

Table 1-6 shows the proposed FY 2027 CIP rate for the M&I classes.

Table 1-6: Proposed Monthly CIP Charge

M&I CIP Charge	Current FY 2026	Proposed FY 2027	Difference (\$)
Rate (\$/hcf)	\$6.45	\$6.01	(\$0.44)
Minimum (4 hcf)	\$25.80	\$24.04	(\$1.76)
Maximum (250 hcf)	\$1,612.50	\$1,502.50	(\$110.00)

Table 1-7 shows the District's proposed FY 2027 water use rates by class, tier, and pressure zone. The rate structures and tier thresholds for all customer classes remain the same.

Table 1-7: Proposed Water Use Rates

Customer Class & Tier	Current FY 2026			Proposed FY 2027			Difference (\$)
	Base	Pressure Zone I	Pressure Zone II	Base	Pressure Zone I	Pressure Zone II	
Residential							
Tier 1	\$5.19	\$5.58	\$5.96	\$6.44	\$6.83	\$7.18	\$1.25
Tier 2	\$5.39	\$5.78	\$6.16	\$6.73	\$7.12	\$7.47	\$1.34
Tier 3	\$6.37	\$6.76	\$7.14	\$7.58	\$7.97	\$8.32	\$1.21
Com/Ind/Pub							
Base	\$5.21	\$5.60	\$5.98	\$6.43	\$6.82	\$7.17	\$1.22
Peak	\$6.29	\$6.68	\$7.06	\$7.37	\$7.76	\$8.11	\$1.08
Agriculture	\$2.47	\$2.86	\$3.24	\$2.63	\$3.02	\$3.37	\$0.16
Temporary	\$5.48	\$5.60	\$5.98	\$6.83	\$7.22	\$7.57	\$1.35
Ag REQ Charge (\$/month)	\$26.01			\$36.31			\$10.30

Table 1-8 and Table 1-9 show the proposed FY 2027 CAPP O&M charges. M&I customers will be charged a variable rate per unit of water consumption and Agricultural customers will be charged a fixed monthly charge based on meter size.

Table 1-8: Proposed CAPP O&M Charges – M&I

Variable CAPP Rate	Proposed FY 2027
Uniform	\$0.41

Table 1-9: Proposed CAPP O&M Charges – Agriculture

Fixed CAPP Charge	Proposed FY 2027
3/4"	\$16.86
1"	\$28.10
1 1/2"	\$56.20
2"	\$89.91
3"	\$196.68
4"	\$354.02
6"	\$730.52

Table 1-10 shows the proposed annual CAPP Capital property tax roll charges. All customers will be charged annually based on the size of their metered connection.

Table 1-10: Proposed CAPP Capital Annual Charges

CAPP Tax Charge	Proposed FY 2027
3/4"	\$53.91
1"	\$89.85
1 1/2"	\$179.70
2"	\$287.52
3"	\$628.95
4"	\$1,132.12
6"	\$2,336.12

1.8. Rate Increases FY 2028 & FY 2029

The cost-of-service rates for CAPP O&M rates directly collect the pre-funding costs shown in Table 1-2. To maintain this direct recovery of pre-funding costs in FY 2028 and FY 2029, the rate revenue adjustments applied to the CAPP O&M charges and all other charges are adjusted so that the total increase in revenue is equal to the gross rate revenue adjustments shown in Table 1-1. Table 1-11 shows the calculation of these adjusted rate revenue increases for CAPP and Non-CAPP rates in FY 2028 and FY 2029. Line 2, Columns B and E show the direct pre-funding amounts. The overall rate revenue increase required is shown in Line 3, Columns C and F. The remaining revenue requirement is achieved from Non-CAPP rate revenue (i.e., all other rates), shown in Line 1 Columns C and F. Columns D and G show the respective increases for each type of rate, and Line 3 shows that the overall rate revenue is increasing by the percentages in Table 1-1.

Table 1-11: FY 2028 & FY 2029 CAPP and Non-CAPP Rate Increases

	A	B	C	D	E	F	G
		Year 2			Year 3		
Line	Revenue Source	Rate Revenue	\$ Change	% Change	Rate Revenue	\$ Change	% Change
1	Non-CAPP Matching Prefunding	\$19,106,652	\$1,067,732	5.9%	\$20,078,496	\$971,844	5.1%
2	CAPP Matching Prefunding	\$1,006,541	\$335,514	50.0%	\$1,342,055	\$335,514	33.3%
3	Total	\$20,113,193	\$1,403,246	7.5%	\$21,420,550	\$1,307,358	6.5%

1.9. Proposed Rate Schedule

Table 1-12 through Table 1-22 show the current rates and proposed rate schedules for all rates from FY 2027 through FY 2029.

Table 1-12: Proposed Basic Service Charge Schedule

Basic Service Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
3/4"	\$11.08	\$12.15	\$12.87	\$13.52
1"	\$14.89	\$17.05	\$18.06	\$18.98
1 1/2"	\$24.44	\$29.29	\$31.02	\$32.60
2"	\$35.89	\$43.97	\$46.57	\$48.94
3"	\$72.17	\$90.48	\$95.84	\$100.71
4"	\$125.63	\$159.02	\$168.43	\$177.00
6"	\$253.55	\$323.02	\$342.14	\$359.54

Table 1-13: Proposed State Water Project Service Charge Schedule

SWP Service Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
3/4"	\$39.09	\$36.53	\$38.69	\$40.66
1"	\$65.15	\$60.88	\$64.48	\$67.76
1 1/2"	\$130.28	\$121.76	\$128.97	\$135.53
2"	\$208.44	\$194.82	\$206.35	\$216.85
3"	\$455.93	\$426.16	\$451.38	\$474.34
4"	\$820.67	\$767.08	\$812.48	\$853.81
6"	\$1,693.43	\$1,582.85	\$1,676.54	\$1,761.82
MFR - Individual	\$18.23	\$19.55	\$20.71	\$21.76
MFR - MMR (per dwelling unit)	\$18.23	\$19.55	\$20.71	\$21.76
Hospitality	\$9.94	\$14.46	\$15.32	\$16.10

Table 1-14: Proposed Private Fire Service Charge Schedule

Fire Service Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
2"	\$14.06	\$6.70	\$7.10	\$7.46
3"	\$30.61	\$10.31	\$10.92	\$11.48
4"	\$59.19	\$16.52	\$17.50	\$18.39
6"	\$161.76	\$38.84	\$41.14	\$43.23
8"	\$338.66	\$77.32	\$81.90	\$86.07
10"	\$604.77	\$135.21	\$143.21	\$150.49

Table 1-15: Proposed Water Use Rates Schedule

Consumption Charges	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
Residential				
Tier 1	\$5.19	\$6.44	\$6.82	\$7.17
Tier 2	\$5.39	\$6.73	\$7.13	\$7.49
Tier 3	\$6.37	\$7.58	\$8.03	\$8.44
Com/Ind/Pub				
Base	\$5.21	\$6.43	\$6.81	\$7.16
Peak	\$6.29	\$7.37	\$7.81	\$8.21
Agriculture	\$2.47	\$2.63	\$2.79	\$2.93
Temporary	\$5.48	\$6.83	\$7.23	\$7.60

Table 1-16: Proposed Agriculture REQ Charge Schedule

Agriculture REQ Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
Rate per dwelling unit	\$26.01	\$36.31	\$38.46	\$40.42

Table 1-17: Proposed CIP Charges – M&I Schedule

M&I CIP Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
Rate per hcf	\$6.45	\$6.01	\$6.37	\$6.69

Table 1-18: Proposed Agriculture O&M Charge Schedule

Agriculture	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
3/4"	\$48.92	\$48.38	\$51.24	\$53.85
1"	\$81.51	\$80.64	\$85.41	\$89.75
1 1/2"	\$163.01	\$161.27	\$170.82	\$179.51
2"	\$260.81	\$258.03	\$273.30	\$287.20
3"	\$570.50	\$564.43	\$597.84	\$628.25
4"	\$1,026.88	\$1,015.98	\$1,076.12	\$1,130.86
6"	\$2,118.94	\$2,096.46	\$2,220.55	\$2,333.50

Table 1-19: Proposed Pressure Zone Charge Schedule

Pressure Zone Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
Pressure Zone I	\$0.39	\$0.39	\$0.41	\$0.43
Pressure Zone II	\$0.77	\$0.74	\$0.78	\$0.82

Table 1-20: Proposed CAPP O&M Charge Schedule – M&I

CAPP Variable - M&I	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
Rate per hcf	N/A	\$0.41	\$0.62	\$0.83

Table 1-21: Proposed CAPP O&M Charge Schedule – Agriculture

CAPP Fixed - Ag	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
3/4"	N/A	\$16.86	\$25.29	\$33.72
1"	N/A	\$28.10	\$42.14	\$56.19
1 1/2"	N/A	\$56.19	\$84.29	\$112.39
2"	N/A	\$89.91	\$134.86	\$179.81
3"	N/A	\$196.68	\$295.01	\$393.35
4"	N/A	\$354.02	\$531.03	\$708.04
6"	N/A	\$730.51	\$1,095.77	\$1,461.03

Table 1-22: Proposed CAPP Capital Charge Schedule

CAPP Tax Roll Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
3/4"	N/A	\$53.91	\$103.86	\$110.80
1"	N/A	\$89.85	\$173.09	\$184.66
1 1/2"	N/A	\$179.70	\$346.19	\$369.32
2"	N/A	\$287.52	\$553.90	\$590.92
3"	N/A	\$628.95	\$1,211.66	\$1,292.64
4"	N/A	\$1,132.12	\$2,180.99	\$2,326.74
6"	N/A	\$2,336.12	\$4,500.45	\$4,801.22

1.10. Customer Impacts

Table 1-23 shows the monthly bill impacts at various levels of usage for an SFR customer with a 3/4" meter. Almost all SFR connections are 3/4". The median and average SFR bill is 7 HCF and 11 HCF per month, respectively. A median use bill will experience a \$7.14 increase to their monthly charges and an average use

bill will experience an increase of \$12.38 compared to their current charges. The CAPP Capital annual charge is not included in the monthly bill impacts, as these charges will be seen on the tax roll bill and not on the monthly water bill from the District.

Table 1-23: Monthly Bill Impacts at Various Levels of Usage – Residential, 3/4 Inch Meter

Residential Customer Impacts	Water Use	Current	Proposed	Difference
Very Low Use (15th percentile)	3	\$91.54	\$93.27	\$1.73
Low Use (30th percentile)	5	\$108.37	\$112.98	\$4.61
Median Use (50th percentile)	7	\$131.85	\$138.99	\$7.14
Average Use	11	\$179.21	\$191.59	\$12.38
High Use (80th percentile)	14	\$214.73	\$231.04	\$16.31
Very High Use (95th percentile)	29	\$405.07	\$439.34	\$34.27

Table 1-24 shows the monthly bill impacts at various levels of usage for Agricultural customers with 2” meters. The most common Agricultural connection is 2”. The median and average Agricultural bill is 73 HCF and 219 HCF per month, respectively. A median use bill will experience a \$103.56 increase to their charges and an average use bill will experience a \$126.92 increase compared to their current charges.

Table 1-24: Monthly Bill Impacts at Various Levels of Usage – Agriculture, 2 Inch Meter

Agriculture Customer Impacts	Water Use	Current	Proposed	Difference
Very Low Use (15th percentile)	10	\$555.85	\$649.33	\$93.48
Low Use (30th percentile)	33	\$612.66	\$709.82	\$97.16
Median Use (50th percentile)	73	\$711.46	\$815.02	\$103.56
Average Use	219	\$1,072.08	\$1,199.00	\$126.92
High Use (80th percentile)	336	\$1,361.07	\$1,506.71	\$145.64
Very High Use (95th percentile)	925	\$2,815.90	\$3,055.78	\$239.88

1.11. Drought Rates

Raftelis developed updated drought rates, also referred to as drought surcharges, as part of this Study. The District adopted its existing Water Shortage Contingency Plan in 2020 as part of the Urban Water Management Plan (UWMP). The resulting drought rates align with Proposition 218 requirements and allow the District to reliably recover the necessary revenue to fully fund the water system during times of declared shortage or a water supply emergency. Table 1-25 through Table 1-30 show the proposed drought rate schedule for FY 2027 through FY 2029.

Table 1-25: Stage 1 Drought Rates

	A	B	C	D
Line	Stage 1 Drought Rates	FY 2027	FY 2028	FY 2029
1	Fixed Rates			
2	3/4"	\$3.17	\$3.41	\$3.64
3	1"	\$5.28	\$5.68	\$6.05
4	1 1/2"	\$10.56	\$11.36	\$12.10
5	2"	\$16.89	\$18.16	\$19.35
6	3"	\$36.93	\$39.70	\$42.29
7	4"	\$66.48	\$71.47	\$76.12
8	6"	\$137.17	\$147.46	\$157.05
9				
10	Commodity Rates			
11	Residential			
12	Tier 1 (6 HCF)	\$0.15	\$0.17	\$0.19
13	Tier 2 (next 10 HCF)	\$0.16	\$0.18	\$0.20
14	Tier 3 (>16 HCF)	\$0.18	\$0.20	\$0.22
15				
16	Com/Ind/Pub			
17	Base	\$0.15	\$0.17	\$0.19
18	Peak	\$0.18	\$0.20	\$0.22
19				
20	Agriculture	\$0.07	\$0.08	\$0.09
21	Temporary	\$0.16	\$0.18	\$0.20

Table 1-26: Stage 2 Drought Rates

	A	B	C	D
Line	Stage 2 Drought Rates	FY 2027	FY 2028	FY 2029
1	Fixed Rates			
2	3/4"	\$6.20	\$6.67	\$7.11
3	1"	\$10.32	\$11.10	\$11.83
4	1 1/2"	\$20.64	\$22.19	\$23.64
5	2"	\$33.02	\$35.50	\$37.81
6	3"	\$72.22	\$77.64	\$82.69
7	4"	\$130.00	\$139.75	\$148.84
8	6"	\$268.25	\$288.37	\$307.12
9				
10	Commodity Rates			
11	Residential			
12	Tier 1 (6 HCF)	\$0.34	\$0.37	\$0.40
13	Tier 2 (next 10 HCF)	\$0.35	\$0.38	\$0.41
14	Tier 3 (>16 HCF)	\$0.40	\$0.43	\$0.46
15				
16	Com/Ind/Pub			
17	Base	\$0.34	\$0.37	\$0.40
18	Peak	\$0.39	\$0.42	\$0.45
19				
20	Agriculture	\$0.14	\$0.16	\$0.18
21	Temporary	\$0.36	\$0.39	\$0.42

Table 1-27: Stage 3 Drought Rates

Line	A Stage 3 Drought Rates	B FY 2027	C FY 2028	D FY 2029
1	Fixed Rates			
2	3/4"	\$12.48	\$13.42	\$14.30
3	1"	\$20.80	\$22.36	\$23.82
4	1 1/2"	\$41.60	\$44.72	\$47.63
5	2"	\$66.55	\$71.55	\$76.21
6	3"	\$145.58	\$156.50	\$166.68
7	4"	\$262.04	\$281.70	\$300.02
8	6"	\$540.71	\$581.27	\$619.06
9				
10	Commodity Rates			
11	Residential			
12	Tier 1 (6 HCF)	\$0.77	\$0.83	\$0.89
13	Tier 2 (next 10 HCF)	\$0.81	\$0.88	\$0.94
14	Tier 3 (>16 HCF)	\$0.91	\$0.98	\$1.05
15				
16	Com/Ind/Pub			
17	Base	\$0.77	\$0.83	\$0.89
18	Peak	\$0.89	\$0.96	\$1.03
19				
20	Agriculture	\$0.32	\$0.35	\$0.38
21	Temporary	\$0.82	\$0.89	\$0.95

Table 1-28: Stage 4 Drought Rates

	A	B	C	D
Line	Stage 4 Drought Rates	FY 2027	FY 2028	FY 2029
1	Fixed Rates			
2	3/4"	\$15.19	\$16.33	\$17.40
3	1"	\$25.32	\$27.22	\$28.99
4	1 1/2"	\$50.63	\$54.43	\$57.97
5	2"	\$81.01	\$87.09	\$92.76
6	3"	\$177.20	\$190.49	\$202.88
7	4"	\$318.96	\$342.89	\$365.18
8	6"	\$658.16	\$707.53	\$753.52
9				
10	Commodity Rates			
11	Residential			
12	Tier 1 (6 HCF)	\$1.10	\$1.19	\$1.27
13	Tier 2 (next 10 HCF)	\$1.15	\$1.24	\$1.33
14	Tier 3 (>16 HCF)	\$1.29	\$1.39	\$1.49
15				
16	Com/Ind/Pub			
17	Base	\$1.10	\$1.19	\$1.27
18	Peak	\$1.26	\$1.36	\$1.45
19				
20	Agriculture	\$0.45	\$0.49	\$0.53
21	Temporary	\$1.17	\$1.26	\$1.35

Table 1-29: Stage 5 Drought Rates

	A	B	C	D
Line	Stage 5 Drought Rates	FY 2027	FY 2028	FY 2029
1	Fixed Rates			
2	3/4"	\$17.81	\$19.15	\$20.40
3	1"	\$29.68	\$31.91	\$33.99
4	1 1/2"	\$59.36	\$63.82	\$67.97
5	2"	\$94.97	\$102.10	\$108.74
6	3"	\$207.74	\$223.33	\$237.85
7	4"	\$373.93	\$401.98	\$428.11
8	6"	\$771.60	\$829.47	\$883.39
9				
10	Commodity Rates			
11	Residential			
12	Tier 1 (6 HCF)	\$1.55	\$1.67	\$1.78
13	Tier 2 (next 10 HCF)	\$1.62	\$1.75	\$1.87
14	Tier 3 (>16 HCF)	\$1.82	\$1.96	\$2.09
15				
16	Com/Ind/Pub			
17	Base	\$1.55	\$1.67	\$1.78
18	Peak	\$1.77	\$1.91	\$2.04
19				
20	Agriculture	\$0.64	\$0.69	\$0.74
21	Temporary	\$1.64	\$1.77	\$1.89

Table 1-30: Stage 6 Drought Rates

	A	B	C	D
Line	Stage 6 Drought Rates	FY 2027	FY 2028	FY 2029
1	Fixed Rates			
2	3/4"	\$20.42	\$21.96	\$23.39
3	1"	\$34.02	\$36.58	\$38.96
4	1 1/2"	\$68.04	\$73.15	\$77.91
5	2"	\$108.87	\$117.04	\$124.65
6	3"	\$238.14	\$256.01	\$272.66
7	4"	\$428.64	\$460.79	\$490.75
8	6"	\$884.49	\$950.83	\$1,012.64
9				
10	Commodity Rates			
11	Residential			
12	Tier 1 (6 HCF)	\$2.22	\$2.39	\$2.55
13	Tier 2 (next 10 HCF)	\$2.32	\$2.50	\$2.67
14	Tier 3 (>16 HCF)	\$2.61	\$2.81	\$3.00
15				
16	Com/Ind/Pub			
17	Base	\$2.21	\$2.38	\$2.54
18	Peak	\$2.54	\$2.74	\$2.92
19				
20	Agriculture	\$0.91	\$0.98	\$1.05
21	Temporary	\$2.35	\$2.53	\$2.70

2. Financial Plan

This section of the report describes the proposed financial plan. To develop the financial plan, Raftelis projects annual revenues and expenses, models reserve balances, projects capital expenditures, and calculates debt service coverage to estimate the amount of additional rate revenue needed each year. Numbers shown in the tables of this section are rounded. Therefore, hand calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown.

2.1. Inflationary Assumptions

Inflationary factors are used to escalate the revenue and cost categories across the planning period, which for this study is FY 2027 to FY 2031. The District's most recent adopted revenue and expense budgets are for FY 2026 through FY 2029. Raftelis worked with District staff to escalate individual budget line items according to the appropriate escalation factor. The escalation factors used to project revenues and expenses for the remainder of the study period are shown in Table 2-1. These factors are based on industry indices- such as Engineering News-Record (ENR) Construction Cost Index (CCI) for the capital escalation factor and the long-term Consumer Price Index (CPI) for general inflation- as well as input from District staff. Based on the current heightened inflationary environment, pressures on costs are assumed to decrease in future years towards historical trends. Raftelis also used a reserve interest rate of 2.5% to project interest earnings on cash reserves.

Table 2-1: Escalation Factors

Escalation Factors	FY 2030	FY 2031
Revenue		
Non-Rate Revenues	2.0%	2.0%
Expenses		
General	3.0%	3.0%
Salary	3.0%	3.0%
Benefits	6.0%	6.0%
Utilities	4.0%	4.0%
Capital	5.0%	5.0%
Water Supply	3.0%	3.0%

2.2. Current Rates

Table 2-2 shows the Basic component of the District's current monthly service charges. The Basic component is differentiated by meter size.

Table 2-2: Current Monthly Service Charges (Basic Component)

Meter Size	Current FY 2026
3/4"	\$11.08
1"	\$14.89
1 1/2"	\$24.44
2"	\$35.89
3"	\$72.17
4"	\$125.63
6"	\$253.55
MFR - Individual	\$11.08

Table 2-3 shows the SWP component of the District's current monthly service charges. The SWP component is differentiated by meter size for all classes other than Master-Metered Residential (MMR) and Hospitality commercial customers. MMR and Hospitality connections pay their dwelling unit equivalent (DEQ) rates on the service connection, regardless of meter size.

Table 2-3: Current Monthly Service Charges (SWP Component)

Meter Size	Current FY 2026
3/4"	\$39.09
1"	\$65.15
1 1/2"	\$130.28
2"	\$208.44
3"	\$455.93
4"	\$820.67
6"	\$1,693.43
MFR - Individual	\$18.23
MFR - MMR (per DU)	\$18.23
Hospitality (per DU)	\$9.94

Table 2-4 shows the District's current monthly private fire charges.

Table 2-4: Current Monthly Private Fire Service Charges

Fire Line Size	Current FY 2026
2"	\$14.06
3"	\$30.61
4"	\$59.19
6"	\$161.76
8"	\$338.66
10"	\$604.77

Table 2-5 shows the District's current monthly Agricultural O&M service charge. The Agricultural O&M charge is applied to all metered connections within the Agricultural class, is differentiated by meter size, and recovers those costs which are recovered from M&I customers through the CIP charge.

Table 2-5: Current Monthly Agricultural O&M Service Charges

Meter Size	Current FY 2026
3/4"	\$48.92
1"	\$81.51
1 1/2"	\$163.01
2"	\$260.81
3"	\$570.50
4"	\$1,026.88
6"	\$2,118.94

Table 2-6 shows the District's current monthly CIP charges paid by M&I classes. The CIP charge is a volumetric rate per HCF based on the five-year historical use on the connection. While a volumetric rate, the CIP charge is subject to a current minimum of 4 HCF and maximum of 250 HCF monthly. The M&I CIP charge recovers costs which are recovered from Agricultural users through the Agricultural O&M charge.

Table 2-6: Current Monthly CIP Charge and Drought Surcharge (\$/HCF)

M&I CIP Charge	Current FY 2026
Rate (\$/hcf)	\$6.45
Minimum (4 hcf)	\$25.80
Maximum (250 hcf)	\$1,612.50

Table 2-7 shows the District's current variable water usage rates, by class, tier, and pressure zone. All rates shown are per HCF.

Table 2-7: Current Water Use Rates (\$/HCF)

Customer Class & Tier	Current FY 2026		
	Base	Pressure Zone I	Pressure Zone II
Residential			
Tier 1	\$5.19	\$5.58	\$5.96
Tier 2	\$5.39	\$5.78	\$6.16
Tier 3	\$6.37	\$6.76	\$7.14
Com/Ind/Pub			
Base	\$5.21	\$5.60	\$5.98
Peak	\$6.29	\$6.68	\$7.06
Agriculture	\$2.47	\$2.86	\$3.24
Temporary	\$5.48	\$5.60	\$5.98

Table 2-8 shows the District's current REQ charge. Any Agricultural connection, with one or more residential dwelling unit on the parcel served, pays the REQ charge for each residential unit. This charge captures the differential between the Residential water use rates paid by all other customers requiring treated water and the Agricultural variable rate.

Table 2-8: Current Agricultural REQ Charge (\$/Dwelling Unit)

Agriculture REQ Charge	Current FY 2026
Rate per dwelling unit	\$26.01

2.3. Units of Service

Table 2-9 shows the counts by meter size for the basic service charge component of the monthly service charge. The most common meter size for SFR and Commercial/Industrial/Public Authority connections are 3/4", for Agricultural connections the most common size is 2", and for MMR connections it is 1". The District provided the projected growth in the number of accounts by meter size and customer class through FY 2031.

Table 2-9: Counts by Size (for Basic Service Charge)

Meter Size	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
3/4"	3,359	3,381	3,396	3,507	3,618	3,729	3,745
1"	425	425	425	425	425	425	425
1 1/2"	249	249	249	249	249	249	249
2"	364	364	364	364	364	364	364
3"	37	37	37	37	37	37	37
4"	5	5	5	5	5	5	5
6"	6	6	6	6	6	6	6
Total	4,445	4,467	4,482	4,593	4,704	4,815	4,831

Table 2-10 shows the DEQ counts for Master Metered Residential and Hospitality Commercial customers. The counts for all classes and meter sizes are the same as in Table 2-9. MMR connections and Hospitality Commercial connections are charged the DEQ rate for each unit

Table 2-10: DEQ (for SWP Charge)

DEQs	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
MMR Dwelling Units	3,167	3,167	3,167	3,167	3,167	3,167	3,167
Hospitality Units	604	604	604	604	604	604	604

Table 2-11 shows the counts by fire line diameter and class for the private fire service charge. Most fire lines are in the Com/Ind/Pub class are at 4" and 6" diameter.

Table 2-11: Fire Line Counts by Diameter (for Fire Service Charge)

[illegible]

Table 2-12 shows the counts by meter size for the Agricultural O&M charge. Only Agricultural connections are levied the Agricultural O&M charge

Table 2-12: Counts by Size (for Agricultural O&M Charge)

Meter Size	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
3/4"	20	20	20	20	20	20	20
1"	52	52	52	52	52	52	52
1 1/2"	64	64	64	64	64	64	64
2"	218	218	218	218	218	218	218
3"	26	26	26	26	26	26	26
4"	2	2	2	2	2	2	2
6"	0	0	0	0	0	0	0
Total	382	382	382	382	382	382	382

Table 2-13 shows annual water consumption, in HCF, for each customer class, tier, and pressure zone. Demand is increasing for Residential customers after FY 2028 because of account growth for Residential customers. No other customer classes are projected to have any account growth, so their demand remains constant after FY 2028.

Table 2-13: Water Demand by Class and Pressure Zone

Class & Tier	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Base Zone							
Residential							
Tier 1	339,197	343,498	346,747	351,571	356,394	361,218	361,926
Tier 2	117,137	118,438	119,769	120,688	121,606	122,524	122,680
Tier 3	86,315	86,880	87,568	87,673	87,777	87,882	87,913
Com/Ind/Pub							
Base	101,949	101,949	101,949	101,949	101,949	101,949	101,949
Peak	45,344	45,344	45,344	45,344	45,344	45,344	45,344
Agriculture	764,390	771,615	775,994	775,994	775,994	775,994	775,994
Temporary	10,892	10,892	10,892	10,892	10,892	10,892	10,892
PZ I							
Residential							
Tier 1	1,950	1,970	1,993	1,994	1,995	1,995	1,996
Tier 2	2,599	2,625	2,656	2,657	2,658	2,659	2,660
Tier 3	4,940	4,989	5,048	5,049	5,051	5,052	5,054
Com/Ind/Pub							
Base	5,338	5,338	5,338	5,338	5,338	5,338	5,338
Peak	0	0	0	0	0	0	0
Agriculture	104,321	105,364	105,996	105,996	105,996	105,996	105,996
Temporary	0	0	0	0	0	0	0
PZ II							
Residential							
Tier 1	3,893	3,932	3,982	3,983	3,985	3,986	3,988
Tier 2	4,893	4,942	5,005	5,007	5,009	5,011	5,013
Tier 3	9,943	10,042	10,172	10,176	10,180	10,184	10,188
Com/Ind/Pub							
Base	0	0	0	0	0	0	0
Peak	0	0	0	0	0	0	0
Agriculture	33,837	34,175	34,380	34,380	34,380	34,380	34,380
Temporary	0	0	0	0	0	0	0
Total Use	1,636,938	1,651,993	1,662,835	1,668,692	1,674,548	1,680,405	1,681,311

Table 2-14 shows annual water consumption, in HCF, for each customer class that is subject to the uniform, variable CIP charge. Only M&I customer classes pay the variable CIP charge. The current CIP charge recovers capital costs from M&I and treated water users. The term billed units is used in the table as the variable charge is based on historical water use and billed for a minimum of 4 HCF and a maximum of 250 HCF each month.

Table 2-14: Water Units subject to the CIP Charge

CIP Charge Billed Units	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Residential	592,928	605,568	591,019	585,140	597,646	609,976	613,162
Com/Ind/Pub	187,794	186,626	186,932	185,376	186,601	187,186	187,851
Temporary	7,628	7,018	7,605	6,952	7,055	6,889	6,912
Total	788,350	799,212	785,556	777,468	791,302	804,051	807,925

Table 2-15 shows the count of residential dwelling units on connections served by an Agricultural meter. Agricultural customers pay a monthly REQ charge for each dwelling unit on served by an Agricultural connection.

Table 2-15: Meter Counts (Agricultural REQ Charge)

Agriculture REQ DUs	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Residential Equivalency Charge (DUs)	393	393	393	393	393	393	393

2.4. Calculated Revenues Under Current Rates

Table 2-16 through Table 2-22 calculates the amount of revenue generated by each of the District's individual rate components by multiplying each respective rate by the units of service (Table 2-2 through Table 2-15). The total calculated rate revenue is summarized and compared to budgeted values in the next section.

Table 2-16: Monthly Service Charge – Basic Component Revenue

Customer Class	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Residential	\$524,134	\$566,677	\$568,671	\$583,430	\$598,188	\$612,947	\$615,074
Com/Ind/Pub	\$83,870	\$90,182	\$90,182	\$90,182	\$90,182	\$90,182	\$90,182
Temporary	\$5,639	\$6,062	\$6,062	\$6,062	\$6,062	\$6,062	\$6,062
Agriculture	\$139,642	\$150,141	\$150,141	\$150,141	\$150,141	\$150,141	\$150,141

Table 2-17: Monthly Service Charge – SWP Component Revenue

Customer Class	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SFR	\$1,293,964	\$1,391,110	\$1,398,146	\$1,398,615	\$1,399,084	\$1,399,553	\$1,400,022
MFR/MMR	\$796,311	\$861,258	\$861,258	\$885,322	\$909,385	\$933,449	\$936,730
Com/Ind/Pub	\$435,397	\$468,070	\$468,070	\$468,070	\$468,070	\$468,070	\$468,070
Hospitality	\$66,972	\$72,045	\$72,045	\$72,045	\$72,045	\$72,045	\$72,045
Temporary	\$35,626	\$38,298	\$38,298	\$38,298	\$38,298	\$38,298	\$38,298
Agriculture	\$797,478	\$857,316	\$857,316	\$857,316	\$857,316	\$857,316	\$857,316

Table 2-18: Private Fire Line Revenue

Fire Line Revenue	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Total Revenue	\$189,335	\$203,540	\$203,540	\$203,540	\$203,540	\$203,540	\$203,540

Table 2-19: Agricultural O&M Charge Revenue

Ag O&M Revenue	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Total Revenue	\$997,852	\$1,072,715	\$1,072,715	\$1,072,715	\$1,072,715	\$1,072,715	\$1,072,715

Table 2-20: Variable (Water Use) Rate Revenue

Zone & Tier	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Base Zone	\$5,297,360	\$5,756,503	\$5,795,745	\$5,826,394	\$5,857,043	\$5,887,693	\$5,892,409
Pressure Zone 1	\$359,911	\$391,807	\$394,327	\$394,346	\$394,365	\$394,385	\$394,404
Pressure Zone 2	\$216,949	\$236,308	\$238,586	\$238,636	\$238,685	\$238,734	\$238,783

Table 2-21: CIP Charge Rate Revenue

CIP Charge	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Total Revenue	\$4,730,103	\$5,154,916	\$5,066,836	\$5,014,669	\$5,103,898	\$5,186,129	\$5,211,116

Table 2-22: Agricultural REQ Charge Revenue

Ag REQ	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Total Revenue	\$114,080	\$122,663	\$122,663	\$122,663	\$122,663	\$122,663	\$122,663

2.5. Calculated Revenues Comparison

District staff provided budgeted rate revenues for FY 2026, shown in Table 2-23. Raftelis recalculated FY 2026 rate revenues using actual and estimated customer data. Estimated FY 2026 customer data provided by District staff is used for this analysis.

Table 2-23: Budgeted versus Calculated Rate Revenues

Revenue Comparison - FY 2025	Actual	Calculated
Residential	\$2,878,669	\$2,903,912
Commercial	\$458,888	\$517,418
Industrial	\$129,338	\$129,929
Public Authority	\$284,130	\$290,415
Agricultural	\$2,013,050	\$2,032,546
Ag Residential Equivalency Charge (REQ)	\$113,396	\$114,080
Monthly Service Charge-Basic	\$749,665	\$753,285
Monthly Service Charge-SWP	\$3,408,150	\$3,425,748
Monthly Service Charge-CIP	\$4,832,282	\$4,730,103
AG Fixed O&M	\$990,929	\$997,852
Fire Protection	\$188,291	\$189,335
Total	\$16,046,788	\$16,084,623
Fixed Charges	\$10,282,713	\$10,210,403
Variable Charges	\$5,764,075	\$5,874,220
Total	\$16,046,788	\$16,084,623

2.6. Revenues

Table 2-24 shows projected District revenues. The table shows rate revenues by customer class and by fixed service charge component. Non-rate revenues include other operating revenues and non-operating revenues.

Table 2-24: District Revenues Actual and Budgeted (FY 2025-2031)

Water Revenue	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Water Rate Revenue							
Residential	\$2,878,669	\$3,142,937	\$3,191,462	\$3,222,180	\$3,252,897	\$3,283,615	\$3,288,399
Commercial	\$458,888	\$640,130	\$556,858	\$556,858	\$556,858	\$556,858	\$556,858
Industrial	\$129,338	\$147,226	\$139,813	\$139,813	\$139,813	\$139,813	\$139,813
Public Authority	\$284,130	\$257,798	\$312,682	\$312,682	\$312,682	\$312,682	\$312,682
Agricultural	\$2,013,050	\$2,002,467	\$2,227,843	\$2,227,843	\$2,227,843	\$2,227,843	\$2,227,843
Ag Residential Equivalency Charge (REQ)	\$113,396	\$124,848	\$122,663	\$122,663	\$122,663	\$122,663	\$122,663
Monthly Service Charge-Basic	\$749,665	\$811,933	\$815,057	\$829,815	\$844,574	\$859,332	\$861,460
Monthly Service Charge-SWP	\$3,408,150	\$3,673,496	\$3,695,133	\$3,719,665	\$3,744,198	\$3,768,731	\$3,772,481
Monthly Service Charge-CIP	\$4,832,282	\$5,157,285	\$5,066,836	\$5,014,669	\$5,103,898	\$5,186,129	\$5,211,116
AG Fixed O&M	\$990,929	\$1,075,453	\$1,072,715	\$1,072,715	\$1,072,715	\$1,072,715	\$1,072,715
Fire Protection	\$188,291	\$203,540	\$203,540	\$203,540	\$203,540	\$203,540	\$203,540
Lifeline Program Credits	-\$28,142	-\$27,846	-\$27,846	-\$27,846	-\$27,846	-\$27,846	-\$27,846
Total - Water Rate Revenue	\$16,018,646	\$17,209,267	\$17,376,756	\$17,394,597	\$17,553,835	\$17,706,075	\$17,741,724
Other Revenue							
Misc Service Revenue	\$84,793	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000
Capital Cost Recovery	\$401,311	\$450,000	\$150,000	\$153,000	\$156,060	\$159,181	\$162,365
Other Income	\$59,158	\$103,434	\$105,503	\$107,613	\$109,765	\$111,960	\$114,199
Overhead Control	\$22,282	\$50,000	\$51,000	\$52,020	\$53,060	\$54,122	\$55,204
Interest	\$593,381	\$333,000	\$399,470	\$379,598	\$396,698	\$381,970	\$427,256
GSA Personnel Costs Reimbursement	\$134,252	\$164,143	\$167,426	\$170,774	\$174,190	\$177,674	\$181,227
CAPP Tax Roll Collection	\$0	\$0	\$413,582	\$796,752	\$850,000	\$2,235,531	\$2,235,531
Total - Other Revenue	\$1,295,177	\$1,185,577	\$1,371,981	\$1,744,757	\$1,824,773	\$3,205,438	\$3,260,782
Non-Operating Revenue							
CAPP Grant Revenue	\$1,600,068	\$1,500,000	\$18,317,596	\$6,942,418	\$7,762,208	\$0	\$0
Smillie ASR Grant Revenue	\$0	\$100,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
Total - Non-Operating Revenue	\$1,600,068	\$1,600,000	\$19,717,596	\$8,342,418	\$7,762,208	\$0	\$0
Total Revenue	\$18,913,891	\$19,994,844	\$38,466,333	\$27,481,772	\$27,140,816	\$20,911,512	\$21,002,506

2.7. Expenses

Table 2-25 shows budgeted and projected O&M expenses for FY 2026 through FY 2029 and projected O&M expenses for FY 2030 and FY 2031. The proposed FY 2027 budgeted values are included in the revenue requirement for the rate setting year, FY 2027.

Table 2-25: Projected O&M Expenses

O&M Expenses	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personnel	\$4,649,539	\$4,476,184	\$4,677,483	\$5,016,847	\$5,173,876	\$5,335,943
General and Administrative	\$497,979	\$502,107	\$518,960	\$536,407	\$562,069	\$589,324
Utilities	\$454,515	\$419,962	\$439,605	\$464,797	\$479,396	\$493,882
Professional Services	\$472,859	\$290,970	\$299,660	\$379,092	\$390,465	\$402,178
Operations Expense	\$1,078,438	\$974,632	\$1,009,597	\$966,378	\$1,002,336	\$1,039,194
State Water	\$122,993	\$388,009	\$407,410	\$427,780	\$442,154	\$455,665
Water Treatment & Testing	\$2,643,405	\$2,912,279	\$3,017,331	\$2,522,619	\$2,609,248	\$2,690,931
Joint Powers Authorities	\$1,668,118	\$1,727,942	\$1,791,368	\$1,857,482	\$1,916,417	\$1,974,421
Water Conservation	\$52,653	\$23,990	\$24,710	\$25,451	\$26,214	\$27,001
CAPP	\$0	\$0	\$0	\$2,162,129	\$2,235,873	\$2,312,272
Other Expenses	\$223,323	\$229,530	\$232,361	\$242,382	\$249,204	\$256,230
Total - O&M Expenses	\$11,863,822	\$11,945,606	\$12,418,485	\$14,601,365	\$15,087,251	\$15,577,040

2.8. Debt Service

Table 2-26 shows actual and projected future annual debt service for FY 2026 through FY 2031. FY 2026 is actual debt service incurred. FY 2027 to FY 2031 represent proposed debt service expenses. The proposed FY 2027 budgeted values are included in the revenue requirement for the rate setting year, FY 2027. The District's existing debt includes SWP repayment via the District's wholesale agency, CCWA; State Revolving Fund (SRF) loan repayment for the District's share of Ortega and Cater treatment facilities; and loan repayments for other water quality and meter infrastructure capital costs.

Table 2-26: Debt Service

Debt Service	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Siemens MLPA	\$538,677	\$538,677	\$538,677	\$538,677	\$538,677	\$538,677
Rev. Bond 2020A	\$1,242,000	\$1,243,375	\$1,672,500	\$1,956,500	\$2,213,750	\$1,664,750
Rev. Bond 2020B	\$231,379	\$233,143	\$234,647	\$235,916	\$232,025	\$232,992
Rev. Bond 2020C	\$75,500	\$75,500	\$207,125	\$210,125	\$207,750	\$210,000
Rev. Bond 2016A	\$713,625	\$716,625	\$620,625	\$620,750	\$619,625	\$612,375
DWR Source of Supply (SWP)	\$2,203,998	\$2,285,724	\$2,360,467	\$2,502,095	\$2,482,660	\$2,396,996
Cater Reservoir Resilience Project	\$11,400	\$76,000	\$190,000	\$440,383	\$440,383	\$440,383
Intertie	\$0	\$0	\$0	\$60,000	\$60,000	\$60,000
Total - Debt Service	\$5,016,579	\$5,169,044	\$5,824,041	\$6,564,446	\$6,794,871	\$6,156,173

2.9. Capital Projects

Table 2-27 shows the annual CIP spending. The District aims to execute approximately \$1.4 M in pay-as-you-go (PAYGO), or cash-funded, capital projects in each fiscal year. All other planned CIP expenditures, particularly in FY 2027 through FY 2029, are for the CAPP project to be funded by a combination of grant and debt proceeds. The proposed FY 2027 budgeted values are included in the revenue requirement for the rate setting year, FY 2027.

Table 2-27: Capital Projects

Capital Projects	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Engineering						
No-Discharge Flushing (5 Year Funding)	\$30,000	\$45,000	\$47,250	\$0	\$0	\$0
Gobernador Pressure System (5 Year Funding)	\$100,000	\$105,000	\$110,250	\$124,130	\$0	\$0
Main Line Upgrade - Padaro Lane (10 Year Funding)	\$0	\$0	\$0	\$0	\$0	\$992,250
Walnut Service Replacement	\$90,000	\$0	\$0	\$0	\$0	\$0
Slough Crossing Removal (2 Year Funding)	\$90,000	\$0	\$0	\$0	\$0	\$0
Ortega Repairs / Dive Inspection	\$0	\$65,000	\$0	\$0	\$0	\$0
Smillie Well Replacement	\$200,000	\$2,800,000	\$2,800,000	\$0	\$0	\$0
Anode Replacement	\$0	\$0	\$52,500	\$0	\$0	\$0
Operations						
Regulator Stations Communications Project	\$0	\$52,500	\$0	\$0	\$0	\$0
Parking Lot Rehab (5 Year Funding)	\$0	\$0	\$0	\$0	\$525,000	\$0
Carpinteria Reservoir Aeration (5 Year Funding)	\$0	\$0	\$0	\$472,500	\$0	\$0
Pipeline Inspection (5 Year Funding)	\$0	\$0	\$294,000	\$0	\$0	\$0
Foothill Reservoir PLC & Controls Upgrade	\$60,000	\$0	\$0	\$0	\$0	\$0
On-Site CL2 Generation Systems See Note	\$250,000	\$263,000	\$276,150	\$0	\$0	\$0
El Carro Well PLC & Controls Upgrade	\$0	\$0	\$73,500	\$0	\$0	\$0
HQ Well Rehab Every 5 Years	\$0	\$0	\$0	\$420,000	\$0	\$0
AC for El Carro Well	\$130,000	\$0	\$0	\$0	\$0	\$0
Generator for El Carro Well	\$0	\$0	\$0	\$0	\$420,000	\$0
New Valve Truck	\$0	\$177,450	\$0	\$0	\$0	\$0
Gobernador Roof & Gutter Replacement	\$0	\$101,850	\$0	\$0	\$0	\$0
El Carro Well Pull & Inspect Rehab Every 5 Years	\$0	\$0	\$0	\$0	\$0	\$496,125
Lateral 30 Pump 1 , 2, & 3 Rehab	\$0	\$0	\$0	\$0	\$0	\$71,663
CAPP Project	\$7,123,061	\$33,756,576	\$31,601,735	\$9,948,428	\$0	\$0
Infrastructure Maintenance (Ongoing)	\$250,000	\$262,500	\$275,625	\$289,406	\$319,070	\$351,775
Cater Treatment Plant - Capital Expenditures funded by CIP	\$100,000	\$100,000	\$100,000	\$100,000	\$126,000	\$132,300
Total CIP	\$8,423,061	\$37,728,876	\$35,631,010	\$11,354,464	\$1,390,070	\$2,044,113

2.10. Proposed Revenue Adjustments

Table 2-28 shows the proposed revenue adjustments that allow the District to maintain financial sufficiency, fund operating and capital expenses, and achieve recommended cash reserves. The proposed adjustments apply to the District's rate revenues. The proposed revenue adjustments represent the increase to total rate revenues required to recover the District's full cost of service.

Table 2-28: Proposed Revenue Adjustments

Revenue Adjustments	FY 2027	FY 2028	FY 2029
Effective Date	July 1,2026	July 1,2027	July 1,2028
Revenue Adjustments	7.5%	7.5%	6.5%

2.11. Multi-Year Cash Flow

Table 2-29 shows the District's five-year cash flow utilizing the revenue and expense values in previous tables. FY 2027-FY2029 represents proposed budgeted values and the years of proposed rate adoption. A five-year cash flow is shown to present a longer time horizon for planning purposes. The proposed budgeted values including O&M expenses, debt service, PAYGO capital, and non-rate revenues are included to determine the revenue requirement for the rate setting year, FY 2027. The increases from the revenue adjustments generate additional net revenues which are required to meet minimum debt coverage and reserve targets in future years.

Table 2-29: Multi-Year Cash Flow

Cash Flow	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues					
Water Sales	\$6,428,658	\$6,459,376	\$6,490,093	\$6,520,811	\$6,525,595
Service Charges	\$10,975,944	\$10,963,067	\$11,091,588	\$11,213,110	\$11,243,975
Revenue Adjustments	\$1,305,345	\$2,711,368	\$4,056,808	\$4,964,970	\$5,884,732
Misc Revenue	\$531,083	\$540,561	\$550,229	\$560,091	\$570,149
Interest Income	\$399,470	\$379,598	\$396,698	\$381,970	\$427,256
CAPP Tax Roll Collection	\$413,582	\$796,752	\$850,000	\$2,235,531	\$2,235,531
Non-Operating Revenue	\$19,717,596	\$8,342,418	\$7,762,208	\$0	\$0
Total Revenues	\$39,771,678	\$30,193,139	\$31,197,624	\$25,876,483	\$26,887,238
O&M Expenses					
Personnel	\$4,476,184	\$4,677,483	\$5,016,847	\$5,173,876	\$5,335,943
General and Administrative	\$502,107	\$518,960	\$536,407	\$562,069	\$589,324
Utilities	\$419,962	\$439,605	\$464,797	\$479,396	\$493,882
Professional Services	\$290,970	\$299,660	\$379,092	\$390,465	\$402,178
Operations Expense	\$974,632	\$1,009,597	\$966,378	\$1,002,336	\$1,039,194
State Water	\$388,009	\$407,410	\$427,780	\$442,154	\$455,665
Water Treatment & Testing	\$2,912,279	\$3,017,331	\$2,522,619	\$2,609,248	\$2,690,931
Joint Powers Authorities	\$1,727,942	\$1,791,368	\$1,857,482	\$1,916,417	\$1,974,421
Water Conservation	\$23,990	\$24,710	\$25,451	\$26,214	\$27,001
CAPP	\$0	\$0	\$2,162,129	\$2,235,873	\$2,312,272
Other Expenses	\$229,530	\$232,361	\$242,382	\$249,204	\$256,230
Total O&M Expenses	\$11,945,606	\$12,418,485	\$14,601,365	\$15,087,251	\$15,577,040
Net Revenue (excluding Debt)	\$27,826,073	\$17,774,655	\$16,596,259	\$10,789,232	\$11,310,198
Debt Service					
Existing Debt Service					
Siemens MLPA	\$538,677	\$538,677	\$538,677	\$538,677	\$538,677
Rev. Bond 2020A	\$1,243,375	\$1,672,500	\$1,956,500	\$2,213,750	\$1,664,750
Rev. Bond 2020B	\$233,143	\$234,647	\$235,916	\$232,025	\$232,992
Rev. Bond 2020C	\$75,500	\$207,125	\$210,125	\$207,750	\$210,000
Rev. Bond 2016A	\$716,625	\$620,625	\$0	\$0	\$0
Cater SRF	\$0	\$0	\$0	\$0	\$0
DWR Source of Supply (SWP)	\$2,285,724	\$2,360,467	\$2,502,095	\$2,482,660	\$2,396,996
Cater Reservoir Resilience Project	\$76,000	\$190,000	\$440,383	\$440,383	\$440,383
Intertie	\$0	\$0	\$60,000	\$60,000	\$60,000
Proposed Debt Service	\$0	\$0	\$0	\$2,235,531	\$2,235,531
Total Debt Service	\$5,169,044	\$5,824,041	\$5,943,696	\$8,410,776	\$7,779,329
Net Revenue (including Debt)	\$22,657,029	\$11,950,614	\$10,652,563	\$2,378,456	\$3,530,869
Rate Funded CIP	\$21,400,497	\$13,091,611	\$8,222,241	\$1,390,070	\$2,044,113
Net Cash Flow	\$1,256,532	-\$1,140,997	\$2,430,322	\$988,385	\$1,486,756
Debt Coverage					
DSCR	2.01	1.91	1.65	1.41	1.70
MADS	4.53	2.58	2.28	1.38	1.31
Target	1.40	1.40	1.40	1.40	1.40
Minimum	1.25	1.25	1.25	1.25	1.25
SRF Requirement	1.25	1.25	1.25	1.25	1.25
Beginning Balance	\$15,757,073	\$16,342,578	\$14,195,040	\$14,975,436	\$16,522,126
Ending Balance	\$17,013,605	\$15,872,608	\$15,832,930	\$16,821,315	\$18,308,072
<i>Reserve Target</i>	<i>\$17,199,648</i>	<i>\$17,931,343</i>	<i>\$18,169,303</i>	<i>\$19,776,671</i>	<i>\$19,835,400</i>

Table 2-30 shows the pro forma for the CAPP operating and maintenance expenses pre-funding reserve fund. To be able to incorporate CAPP operating costs into the cost-of-service analysis and smooth the impacts of additional operating expenses on customer bills, the District is creating a reserve fund to pre-fund CAPP operating expenses. Actual expenses will begin in FY 2029, which is shown in the cash flow in Table 2-29. The prefunding amount is phased in from FY 2027 to FY 2031. The reserve will be built up until actual expenses begin in FY 2029, and the pre-funding reserve will be fully spent by the end of FY 2031. CAPP operating rates will reflect the pre-funding costs in FY 2027 through FY 2029.

Table 2-30: CAPP O&M Pre-Funding

CAPP Pre-Funding Reserve	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
CAPP O&M Actual	\$0	\$0	\$2,162,129	\$2,235,873	\$2,312,272
CAPP O&M Prefunding \$	\$671,027	\$1,006,541	\$1,342,055	\$1,677,569	\$2,013,082
Balance	\$671,027	\$1,677,569	\$857,494	\$299,190	\$0

Figure 2-1 shows the five-year financial plan for FY 2027 through FY 2031. The stacked bars represent the costs of the District: O&M expenses make up the largest portion (gray bars). Debt service (green bars) are the next largest portion of expenses, and rate-funded CIP costs (yellow bars) represent the costs of the rate funded capital program. Net cash flow (red bars) is positive in all years. Current revenues (solid line) equal the projected revenues at the City's existing water rates and proposed revenues (dotted line) equal the projected revenues with the proposed revenue adjustments in Table 2-28 applied.

Figure 2-1: District Financial Plan

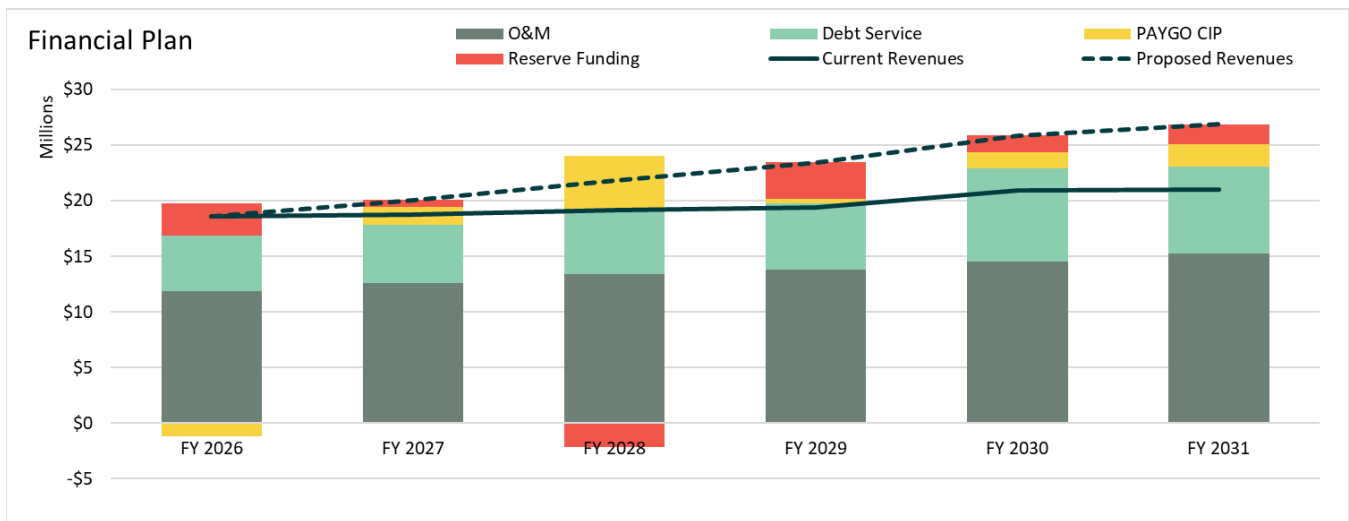


Figure 2-2 shows the projected ending cash balances (blue bars) from FY 2027 to FY 2031. The unrestricted reserve target (dark blue line) is determined based on the District's existing reserve policy. The ending balance is projected to be just below target through 2031, but is anticipated to reach target in the next rate cycle.

Figure 2-2: Water Fund Balances

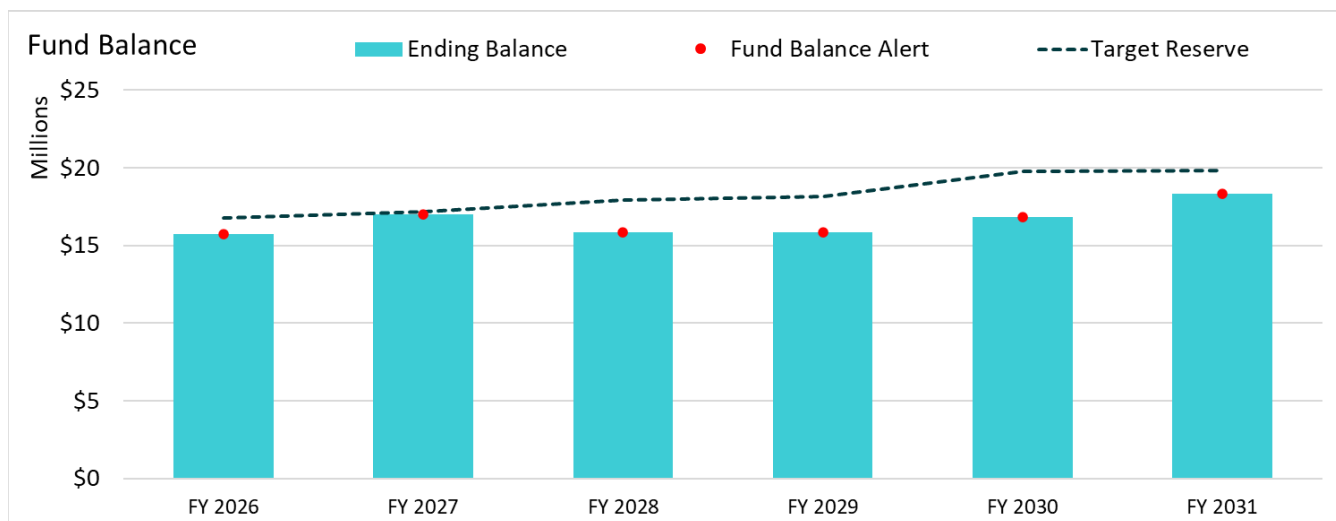


Figure 1-3 shows the projected calculated debt coverage from FY 2027 through FY 2031. The debt coverage is shown for SRF and the District's other existing and proposed lines of debt. The district is meeting the required debt coverage ratio in all years of the study.

Figure 2-3: Projected Debt Coverage

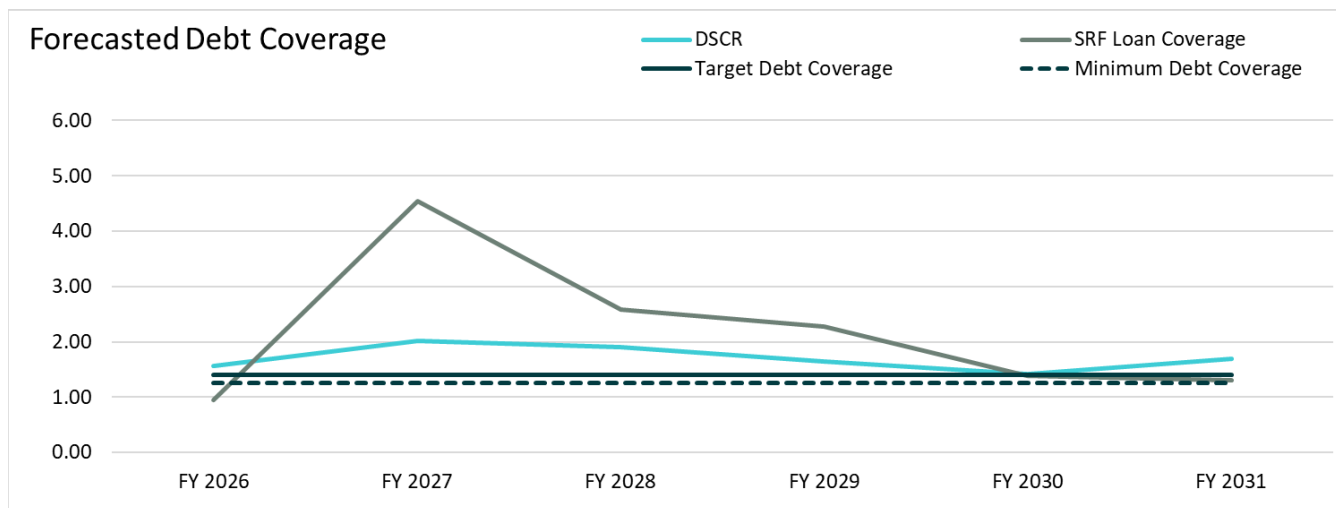
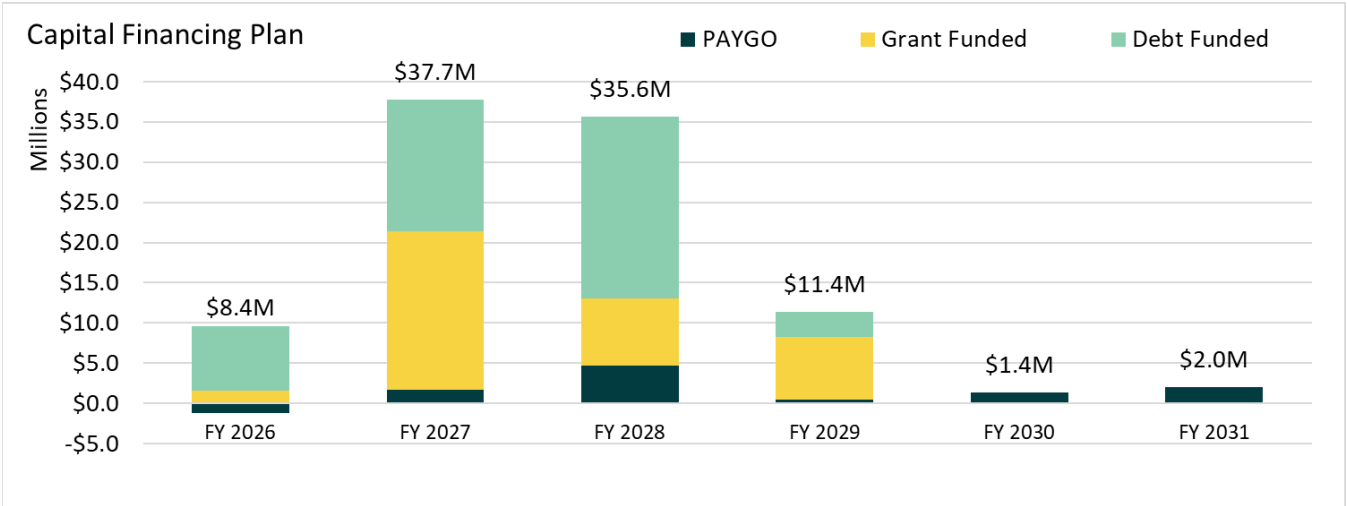


Figure 1-4 shows the capital financing plan for the rate study. The dark blue bars show the amount of annual capital funded through rate revenue and reserves. The yellow bars show the capital projects funded through grant proceeds. The green bars show the capital projects funded through debt proceeds. The labels at the top of the bars in each year the total capital expenditures.

Figure 2-4: Capital Financing Projections



3. Rate Structure Modifications

This section outlines proposed additions to the District's existing rate structures. Proposed additional rates are discussed prior to the cost-of-service analysis as they impact units of service and costs allocated in the cost-of-service analysis in the subsequent section.

3.1. Proposed Changes

The following rate structure changes are proposed:

- CAPP Capital Charges – an annual charge to all customers based on the meter size serving a property and recovered via the property tax statement as a direct charge. This charge will recover the SRF loan service costs, and in the interim years, the accrued interest on the SRF loan. The charge steps up over the three year rate proposal as the SRF loan is drawn upon and interest accrues.
- CAPP Operating Charge - a uniform charge per HCF of water usage to M&I customers and a monthly charge based on meter size to Agriculture customers to recover future CAPP operating costs. The District will begin incurring costs of operation in FY 2029. To guard against future rate spikes and to incrementally include the operating costs of the CAPP supply facilities future costs are pre-funded beginning in FY 2027 and increased each year thereafter.

3.1.1. CAPP Capital Charges

This proposed change would create a new CAPP charge for all customers served by the District. The cost allocations for this charge would be based on equivalent meter unit, as the Basic Service Charge is also allocated. The charge would be added to customer's tax roll annually based on the size of their metered connection to the system. The charge will recover the annual cost of the State Revolving Fund (SRF) loan used to finance the CAPP project.

3.1.2. CAPP Operating Charges

This proposed change would create new monthly rate components for all customers served by the District. The cost allocations for this charge would be based on annual water demand per customer class. M&I customers would be charged a rate per unit of water usage. Agriculture customers would be charged a monthly rate based on their meter charge. This reflects the current structure of the M&I CIP and Agriculture O&M charges, which recover the District's other capital costs.

4. Cost of Service Analysis

This section of the report outlines the cost of service analysis, which allocates the District's FY 2027 revenue requirement to each system cost component and customer class. Numbers shown in the tables of this section are rounded. Therefore, hand calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown in this report.

4.1. Process and Approach

The first step in the cost of service analysis process is to determine the revenue requirement, which is based on the estimated costs of the Agency and include O&M expenses, debt servicing, PAYGO capital, net cash to reserves, and accounts for non-rate revenues. The framework and methodology utilized to develop the cost of service analysis and apportion the revenue requirement to each customer class and tier is informed by the processes outlined in the M1 Manual.

Cost of service analyses are tailored specifically to meet the unique needs of each utility. However, there are four distinct steps in every analysis to recover costs from customer classes in an accurate, equitable, and defensible manner:

1. Cost functionalization – O&M expenses and capital expenditures are categorized by their function in the system. Functions may include supply, transmission, distribution, customer service, billing, etc.
2. Cost causation component allocation – the functionalized costs are then allocated to cost causation components based on their burden on the system. The cost causation components include supply, peaking/extra-capacity, delivery, meter, customer, etc. The revenue requirement is allocated accordingly to the cost causation components and results in the total revenue requirement for each cost causation component.
3. Unit cost development – the revenue requirement for each cost causation component is divided by the appropriate units of service - such as total annual water use, peaking units, equivalent meters, number of customer bills, etc. - and dividing the cost causation component costs by the respective service units to determine the unit cost for each cost causation component.
4. Revenue requirement distribution – the unit costs are utilized to distribute the revenue requirement for each cost causation component to customer classes and tiers based on their individual service units. The District's customer classes include Residential (SFR and MMR), Commercial, Institutional, & Public Authority, and Agriculture

4.2. Cost Components

The cost components used in this study are:

- Meter – costs of servicing, installing, and replacing meters
- Fire – direct costs of the water system's ability to provide fire protection
- Customer – costs of customer service staff, billing, and collections
- SWP – costs of purchasing imported water from the District's wholesaler, CCWA
- Base – costs of delivering water to customers during average daily demand conditions
- Peaking (Max Day and Max Hour) – the extra-capacity costs of delivering water to customers at peak capacity and during peak times of use
- Groundwater – costs associated with producing water from the Carpinteria Groundwater Basin

- Cachuma – costs associated with water supply procured from the Cachuma Lake Project
- Treatment – costs of treating water to potable standards
- Pumping – costs of moving water to higher elevations to serve customers in Pressure Zone 1 and II
- Conservation – costs of the District’s water conservation programs
- CIP – costs related to debt servicing and PAYGO capital
- CAPP - costs related to CAPP operating, capital, or debt service expenses
- General – represents all other costs that have a general or administrative function (indirect costs)

4.3. Revenue Requirement

Table 4-1 shows the District’s revenue requirement for the rate-setting year, FY 2027. The revenue requirements (Lines 1-5), also known as costs, are equal to the O&M expenses, debt service, and PAYGO capital expenditures. Non-rate revenues (Lines 8-11), also known as revenue offsets, are subtracted from the revenue requirement. Net cash flow from reserves (Line 15, equal to the net cash flow in Table 2-29) are also subtracted from the rate revenue requirement. The operating revenue requirement is equal to the O&M for FY 2027 from Table 2-29 plus the CAPP pre-funding amount from Table 2-30.

The revenue required from rates (Line 19) is equal to revenue requirements (Line 5) less revenue offsets and adjustments (Lines 11 and 17) and is separated into Operating, Debt, and Capital components, which will be allocated to the cost components based on O&M, debt, and CIP expenditures, respectively.

Table 4-1: Revenue Requirement Derivation

Line	A Revenue Requirement - FY 2027	B Operating	C Debt	D Capital	E Total
1	Revenue Requirements				
2	O&M Expenses	\$12,616,633	\$0	\$0	\$12,616,633
3	Debt Service	\$0	\$5,169,044	\$0	\$5,169,044
4	Rate Funded CIP	\$0	\$0	\$21,400,497	\$21,400,497
5	Total - Revenue Requirements	\$12,616,633	\$5,169,044	\$21,400,497	\$39,186,174
6					
7	Offsets				
8	Other Revenue	(\$930,553)	\$0	\$0	(\$930,553)
9	Non-Operating Revenue	\$0	\$0	(\$19,717,596)	(\$19,717,596)
10	CAPP Tax Roll Collection	\$0	(\$413,582)	\$0	(\$413,582)
11	Total - Offsets	(\$930,553)	(\$413,582)	(\$19,717,596)	(\$21,061,731)
12					
13					
14	Adjustments				
15	Adjustment for Cash Balance	\$0	\$0	\$585,504	\$585,504
16	Adjustment to Annualize Increase	\$0	\$0	\$0	\$0
17	Total - Offsets	\$0	\$0	\$585,504	\$585,504
18					
19	Revenue Required from Rates	\$11,686,080	\$4,755,462	\$2,268,405	\$18,709,947

4.4. Peaking Factors

Table 4-2 shows the system-wide peaking factors used to derive the cost component allocation bases for Base (Delivery), Max Day, and Max Hour costs. Base represents average daily demand during the year, which has been normalized to a factor of 1.00 (Column C, Line 1). District staff provided Max Day and Max Hour peaking factors based on water demand in gallons per hour (gph). The Max Day peaking factor (Line 2 factor) shows that the system-wide Max Day demand is 1.67 times greater than the average daily demand. The Max Hour peaking factor (Line 3 factor) signifies that the system-wide Max Hour demand is 2.86 times greater than average demand.

The allocation bases (Columns titled A through C in the table) are calculated using the equations outlined in this section. Columns are represented in these equations as letters and rows are represented as numbers. For example, Column C, Line 2 is shown as C2.

The Max Day allocations are calculated as follows:

- Base Delivery: $C1 / C2 \times 100\% = D2$
- Max Day: $(C2 - C1) / C2 \times 100\% = E2$

The Max Hour allocations are calculated as follows:

- Base Delivery: $C1 / C3 \times 100\% = D3$
- Max Day: $(C2 - C1) / C3 \times 100\% = E3$
- Max Hour: $(C3 - C2) / C3 \times 100\% = F3$

Table 4-2: System-Wide Peaking Factors

	A	B	C	D	E	F	G
Line	Peaking Factors	Demand	Factor	Base	Max Day	Max Hour	Total
1	Base	196,150	1.00	100.0%			100.0%
2	Max Day	328,147	1.67	59.9%	40.1%	0.0%	100.0%
3	Max Hour	560,984	2.86	35.0%	23.4%	41.6%	100.0%
4	Average Max Day/Max Hour			47.4%	31.8%	20.8%	100.0%

Table 4-3 shows the customer-specific peaking factors based on the maximum monthly usage divided by average monthly usage for each customer class and tier. The maximum month peaking factor is used as a proxy for the class and tier-specific Max Day peaking factors. The peaking factors for Residential customers are based on the current tiers. Com/Ind/Pub is based on their existing Base/Peak structure

Table 4-3: Customer-Specific Peaking Factors

	A	B
Line	Customer Class	Peaking Factor
1	Residential	1.27
2	Tier 1	1.10
3	Tier 2	1.45
4	Tier 3	1.76
5		
6	Com/Ind/Pub	1.34
7	Tier 1	1.08
8	Tier 2	1.99
9		
10	Agriculture	1.53
11	Temporary	2.04

Table 4-4 shows the calculation of additional capacity required to meet Max Day and Max Hour demands of each customer class and tier. Annual use is derived from water usage projections for FY 2025. First, annual use (Column C) is converted to average daily use (Column D), assuming 365 days in a year. The capacity factors (Column E) are the customer-specific peaking factors (Table 4-3) and are multiplied by the average daily use (Column D) to arrive at the total capacity required to meet each class and tier's Max Day demand (Column F). The extra capacity required to meet Max Day demands (Column G) is calculated by subtracting the average daily use (Column D) from the total capacity for Max Day (Column F).

For Max Hour demands, the customer-specific peaking factors (Column E) are inflated based on the ratio between the system-wide Max Day and Max Hour peaking factors to determine the Max Hour peaking factors for all classes and tiers. This is calculated using the following equation:

$$\text{Max Day peaking factor (Column E)} \times [\text{System-wide Max Hour peaking factor (Table 4-2)} / \text{System-wide Max Day peaking factor (Table 4-2)}]$$

The total capacity for Max Hour demands (Column I) is calculated by multiplying the average daily use (Column D) by the Max Hour peaking factors (Column H). The extra capacity required for Max Hour demands (Column J) is equal to the Max Hour total capacity (Column I) less the Max Day total capacity (Column F).

Table 4-4: Water Usage and Extra Capacity

	A	B	C	D	E	F	G	H	I	J	K	L
					Max Day			Max Hour				
Line	Customer Class	Annual Use (AF)	Annual Use (hcf)	Average Daily Use (hcf/day)	Capacity/Peaking Factor	Total Capacity (hcf/day)	Extra Capacity (hcf/day)	Capacity Factor	Total Capacity (hcf/day)	Extra Capacity (hcf/day)	Pressure Zone I	Pressure Zone II
1	Residential										9,697	19,159
2	Tier 1	810	352,722	966	1.10	1,063	97	1.88	1,821	758		
3	Tier 2	293	127,431	349	1.45	506	157	2.48	866	360		
4	Tier 3	236	102,788	282	1.76	497	215	3.02	851	354		
5												
6	Com/Ind/Pub										5,338	0
7	Base	246	107,287	294	1.08	318	24	1.85	545	227		
8	Peak	104	45,344	124	1.99	248	123	3.41	424	176		
9												
10	Agriculture	2,006	873,927	2,394	1.53	3,669	1,275	2.62	6,284	2,614	105,996	34,380
11	Agriculture Dwellings	97	42,444	116	1.10	128	12	1.88	219	91		
12												
13	Temporary	25	10,892	30	2.04	61	31	3.49	104	43		
14												
15	Total	3,817	1,662,835	4,556		6,490	1,934		11,114	4,624	121,032	53,540

4.5. Equivalent Meters

Equivalent meter units are used to allocate meter-related costs appropriately and equitably. Larger meters have the capacity to impose larger demands on the system and are more expensive to install, maintain, and replace than smaller meters.

Equivalent meter units are based on meter hydraulic capacity and are calculated to represent the potential demand on the water system compared to a base meter size. A ratio of hydraulic capacity is calculated by dividing larger meter capacities by the base meter capacity based on the maximum safe operating flow rates in gallons per minute (gpm) at each size and type. The base meter in this study is the 3/4" meter, which is also the most common meter size.

Table 4-5 shows the meter capacity, meter type, and the calculated capacity ratio at each meter size used in the study. The capacity in gpm is based on actual capacity ratings from the AWWA M1 Manual with confirmation provided by District staff. The capacity ratios (Column D) are calculated by dividing the capacity in gpm for each meter size (Column B) by the capacity in gpm for the 3/4" meter (Column B, Line 1).

Table 4-5: Meter Capacity Ratio

	A	B	C	D
Line	Meter Size	Capacity (gpm)	Meter Type	Capacity Ratio
1	3/4"	30	Displacement	1.00
2	1"	50	Displacement	1.67
3	1 1/2"	100	Displacement	3.33
4	2"	160	Displacement	5.33
5	3"	350	Turbine	11.67
6	4"	630	Turbine	21.00
7	6"	1300	Turbine	43.33

Table 4-6 shows the estimated equivalent meters for FY 2027. The total number of meters (Column G) is derived from the meter count projections for FY 2027. The meter counts at each size and class (Table 2-9) are multiplied by the capacity ratio (Column B) to arrive at the total number of equivalent meters (Column H).

Table 4-6: Equivalent Meters (Meter Capacity)

	A	B	C	D	E	F	G
Line	Meter Size	Capacity Ratio	Residential	Com/Ind/Pub	Agriculture	Temporary	Total
1	3/4"	1.00	3,252	125	20	0	3,397
2	1"	1.67	503	117	87	0	707
3	1 1/2"	3.33	477	140	213	0	830
4	2"	5.33	320	459	1,163	0	1,941
5	3"	11.67	12	35	303	82	432
6	4"	21.00	21	42	42	0	105
7	6"	43.33	173	87	0	0	260
8	Total		4,758	1,004	1,828	82	7,672

Table 4-7 shows the estimated equivalents for FY 2027 on a DEQ basis. Recall, the District's SWP costs are recovered on the monthly meter-based service charges and MMR and Hospitality customers pay the SWP-fixed component not on a meter capacity equivalent basis, but rather on a dwelling unit equivalent basis. Table 4-7 shows the calculation of DEQ meter equivalents. Agriculture and Temporary total equivalents are the same as Table 4-6. For the Residential class (Column C), the SFR and MMR DEQ counts in Table 2-10 are included in Line 1 and the Hospitality DEQ counts are in Line 1 of the Com/Ind/Pub class.

Table 4-7: Equivalent Meters (DEQ)

	A	B	C	D	E	F	G
Line	Meter Size	Capacity Ratio	Residential	Com/Ind/Pub	Agriculture	Temporary	Total
1	3/4"	1.00	4,490	358	20	0	4,869
2	1"	1.67	290	117	87	0	493
3	1 1/2"	3.33	147	140	213	0	500
4	2"	5.33	160	459	1,163	0	1,781
5	3"	11.67	0	35	303	82	420
6	4"	21.00	0	42	42	0	84
7	6"	43.33	0	87	0	0	87
8	Total		5,087	1,237	1,828	82	8,234

Like equivalent water meters, private fire lines and public fire hydrants are also converted to equivalent lines based on fire line capacities. Table 4-8 shows private fire lines and public fire hydrants. Private fire lines are derived from the account projections in FY 2027 and public fire hydrant counts are provided by District staff.

Table 4-8: Public and Private Fire Lines

	A	B	C
Line	Fire Line Size	Private Fire	Public Hydrants
1	2"	5	0
2	3"	6	0
3	4"	62	0
4	6"	48	455
5	8"	12	0
6	10"	2	0
7	Total	135	455

Table 4-9 derives the total fire equivalents within the water system. The fire line capacity ratios (Column B) are determined based on the Hazen-Williams equation for flow through pressurized conduits, as explained in the AWWA M1 Manual. The flow potential is dependent on the diameter of the fire line raised to the power of 2.63. The fire line capacity ratio is normalized based on the capacity of a 4" fire line to be consistent with the most common fire conduit. Column F shows the total equivalent fire lines in the system.

Table 4-9: Equivalent Fire Lines

	A	B	C	D	E
Line	Fire Line Size	Fire Ratio	Private Fire	Public Hydrants	Total
1	2"	0.06	0	0	0
2	3"	0.16	1	0	1
3	4"	0.34	21	0	21
4	6"	1.00	48	455	503
5	8"	2.13	26	0	26
6	10"	3.83	8	0	8
7	Total		104	455	559

4.6. Operating Allocation

Table 4-10 shows the allocation of operating expenses to each cost component, as developed from the District's O&M expense budget for FY 2027. O&M expenses are used in the cost-of-service analysis to allocate the operating revenue requirement from Table 4-1 to the relative share of costs in each water system cost component. Raftelis worked with District staff to determine an appropriate allocation to each cost component based on the function of the expense incurred. Most functions have a one-to-one relationship with a system cost component, for example, State Water costs. Cater, Wells, and Storage are allocated on the Max Day basis as determined in Table 4-2. Distribution and Pumping is allocated on the Max Hour basis as determined in Table 4-2. Certain engineering O&M expenses are allocated using the capital basis derived from the water system asset base. All other functional costs are allocated fully to the respective cost components. Appendix B allocates the functionalized O&M budget to the respective cost components using the percentage basis in Table 4-10. The bottom row of Appendix B yields the percent of the total O&M budget allocated to each system cost component. These values are used to allocate the Operating portion of the District's total revenue requirement.

Table 4-10: Functional Allocations

[illegible]

4.7. Capital Allocation

4.7.1. Capital Allocation – Agriculture and Municipal & Industrial

The District serves two distinct user groups: Agriculture and M&I. These two user groups require different levels of service, most notably treated water with specific water quality standards for M&I uses. An asset benefit analysis was used to ensure an equitable allocation and appropriate cost recovery from each group.

The analysis utilized the District's capitalized assets database. The assets were grouped into summarized categories. Next, different allocation bases were identified with which to distribute a group of assets value to Agriculture, M&I, or both. Once the distribution for all asset categories was completed, the total system value benefiting the two user classes was known and is used to allocate the total costs recovered through the District's two capital rate components: the M&I variable CIP charge and the Agricultural O&M charge. The following tables detail the asset benefit exercise to allocate capital costs, net of SWP debt which is recovered through the monthly meter-based fixed charge.

Table 4-11 shows the various allocation bases for distributing the different asset categories between Agriculture and M&I. The bases include the number of customers, equivalent meters, average potable demand (by class), and average total demand (by class). Note Column B, Line 4 shows some potable demand for Agriculture which represents the average use of residential dwelling units across all Agricultural connections. Lines 8-11 of the table show the allocation basis in percentage terms

Table 4-11: Asset Benefit Allocations

	A	B	C	D
Line	CIP Cost Allocation	Agriculture	M&I	Total
1	Basis			
2	Number of Customers	382	4,100	4,482
3	Equivalent Meters	1,828	5,844	7,672
4	Avg. Potable Demand	42,444	746,464	788,908
5	Avg. Total Demand	873,927	746,464	1,620,391
6				
7	Allocation			
8	Number of Customers	8.5%	91.5%	100.0%
9	Equivalent Meters	23.8%	76.2%	100.0%
10	Avg. Potable Demand	5.4%	94.6%	100.0%
11	Avg. Total Demand	53.9%	46.1%	100.0%

Raftelis worked with District staff to identify the most appropriate allocation basis for each asset category. Generally, water quality and water treatment categories are allocated using average potable demand; storage categories are allocated based on average total demand; operational and administrative facilities are allocated based on the number of customers in each user group; and smaller storage facilities, meters, pumping equipment, and distribution assets are allocated based on equivalent meters.

The results shown in Table 4-12 attribute 18.4% of capital costs to Agricultural users and the remaining 81.6% to M&I users. Agriculture's share is recovered by the Agricultural O&M charge and M&I's share by the variable CIP charge.

Table 4-12: Capital Cost Allocation – Agriculture and M&I

	A	B	C	D	E
Line	Asset Category	Allocation Methodology	RCLD	Agriculture	M&I
1	Administration Building	Number of Customers	\$209,613	\$17,865	\$191,748
2	Carpinteria Reservoir	Avg. Total Demand	\$0	\$0	\$0
3	Carpinteria Reservoir - Water Quality	Avg. Potable Demand	\$3,660,542	\$196,941	\$3,463,601
4	Corrosion Control	Equivalent Meters	\$27,319	\$6,510	\$20,810
5	Office Equipment & Furniture	Number of Customers	\$199,911	\$17,038	\$182,873
6	Other Equipment & Tools	Number of Customers	\$290,369	\$24,748	\$265,621
7	Facility & Grounds Equipment	Number of Customers	\$185,001	\$15,768	\$169,234
8	Foothill Reservoir	Avg. Total Demand	\$0	\$0	\$0
9	Foothill Reservoir - Water Quality/System	Avg. Potable Demand	\$8,471,161	\$455,756	\$8,015,405
10	Headquarters Well	Avg. Total Demand	\$1,653,257	\$891,652	\$761,605
11	Headquarters Well - Treatment	Avg. Potable Demand	\$452,366	\$24,338	\$428,028
12	Hydrants	Number of Customers	\$312,908	\$26,669	\$286,239
13	Land	Number of Customers	\$3,206,797	\$273,315	\$2,933,482
14	Maintenance Center	Number of Customers	\$757,270	\$64,542	\$692,728
15	Meters & Services	Equivalent Meters	\$7,890,540	\$1,880,153	\$6,010,387
16	Ortega Reservoir Cover	Avg. Total Demand	\$100,798	\$54,363	\$46,434
17	Ortega Reservoir Cover - Water Quality	Avg. Potable Demand	\$6,930,138	\$372,848	\$6,557,290
18	Pumping Equipment	Equivalent Meters	\$271,085	\$64,594	\$206,491
19	Tanks & Reservoirs	Equivalent Meters	\$416,940	\$99,348	\$317,592
20	Transmission & Distribution	Equivalent Meters	\$10,903,632	\$2,598,111	\$8,305,521
21	Vehicles	Number of Customers	\$83,569	\$7,123	\$76,446
22	Wells	Avg. Total Demand	\$4,240,231	\$2,286,887	\$1,953,344
23	Wells - Treatment	Avg. Potable Demand	\$131,967	\$7,100	\$124,867
24	Wells - Groundwater Management	Avg. Total Demand	\$278,644	\$150,281	\$128,363
25	Wells - Water Quality	Avg. Potable Demand	\$1,550,514	\$83,419	\$1,467,095
26	Water Treatment Equipment	Avg. Potable Demand	\$213,874	\$11,507	\$202,368
27	Total		\$52,438,446	\$9,630,875	\$42,807,570
28	<i>Percent of CIP Costs</i>		<i>100.0%</i>	<i>18.4%</i>	<i>81.6%</i>

4.8. Debt Allocations

The District's debt includes SWP repayment to Central Coast Water Authority (CCWA); SRF loan repayment for the District's share of Cater treatment facilities; and loan repayments for other water quality and meter infrastructure capital costs. The budgeted values are included in the Debt portion of the revenue requirement for the rate setting year, FY 2027.

Table 4-13 shows the allocation of the District's debt revenue requirement. CCWA debt repayment is allocated directly to the SWP cost component. Cater Reservoir Resilience Project debt service is allocated based on Max Day which aligns with the allocation of treatment costs. Revenue Bond 2020B is allocated using the Operating expense allocation do best align with the use of those loan proceeds, which were spent primarily on employee costs. The proposed debt service (CAPP SRF Loan) is allocated directly to the CAPP cost component since it is repaying the cost of CAPP construction. All remaining debt is allocated directly to the CIP cost component.

Table 4-13: Debt Service Allocation

Line	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
Line	Debt Obligations	Function	Base	Max Day	Max Hour	Groundwater	Cachuma	SWP	CAPP	Treatment	Pumping	Conservation	CIP	Fire	Meter	Customer	Offset	General	Total
1	Percentage Allocation																		
2	DWR Source of Supply (SWP)	State Water	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
3	Cater SRF	Cater Debt	59.9%	40.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
4	Siemens MLPA	CIP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
5	Rev. Bond 2020A	CIP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
6	Rev. Bond 2020B	Operating	12.9%	2.8%	2.5%	5.2%	9.3%	9.8%	0.0%	23.9%	0.6%	1.1%	0.0%	0.1%	3.6%	2.0%	0.0%	26.2%	100.0%
7	Rev. Bond 2020C	CIP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
8	Rev. Bond 2016A	CIP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
9	Cater Reservoir Resilience Project	Cater Debt	59.9%	40.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
10	Intertie	CIP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
11	Proposed Debt Service	CAPP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
12																			
13	Dollar Allocation																		
14	DWR Source of Supply (SWP)	State Water	\$0	\$0	\$0	\$0	\$0	\$2,285,724	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,285,724
15	Cater SRF	Cater Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Siemens MLPA	CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$538,677	\$0	\$0	\$0	\$0	\$0	\$538,677
17	Rev. Bond 2020A	CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,243,375	\$0	\$0	\$0	\$0	\$0	\$1,243,375
18	Rev. Bond 2020B	Operating	\$30,160	\$6,572	\$5,857	\$12,175	\$21,588	\$22,876	\$0	\$55,661	\$1,471	\$2,673	\$0	\$118	\$8,380	\$4,563	\$0	\$61,050	\$233,143
19	Rev. Bond 2020C	CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,500	\$0	\$0	\$0	\$0	\$0	\$75,500
20	Rev. Bond 2016A	CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$716,625	\$0	\$0	\$0	\$0	\$0	\$716,625
21	Cater Reservoir Resilience Project	Cater Debt	\$45,509	\$30,491	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$76,000
22	Intertie	CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Proposed Debt Service	CAPP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Total - Debt Obligations		\$75,669	\$37,063	\$5,857	\$12,175	\$21,588	\$2,308,600	\$0	\$55,661	\$1,471	\$2,673	\$2,574,177	\$118	\$8,380	\$4,563	\$0	\$61,050	\$5,169,044
25	<i>Debt Cost Allocation</i>		<i>1.5%</i>	<i>0.7%</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.4%</i>	<i>44.7%</i>	<i>0.0%</i>	<i>1.1%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>49.8%</i>	<i>0.0%</i>	<i>0.2%</i>	<i>0.1%</i>	<i>0.0%</i>	<i>1.2%</i>	<i>100.0%</i>

4.9. Revenue Offsets

The District generates a modest amount of non-rate revenue which reduces the total revenue required from rates. These non-rate revenues include categories of other operating and non-operating revenues. Most revenue offsets are allocated to the water system cost components based on either the operating allocation (Appendix B) or the capital asset allocation (Appendix A), whichever is most appropriate. Grant revenue is allocated directly to the CIP cost component as those revenues directly offset the cost of capital expenditures. The percentage allocated to each cost component is used to allocate the revenue offsets between the various components. Table 4-14 shows the allocation of revenue offsets to the cost components for the test year.

Table 4-14: Revenue Offset Allocation

Line	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
	Revenue Offsets	Function	Base	Max Day	Max Hour	Groundwater	Cachuma	SWP	CAPP	Treatment	Pumping	Conservation	CIP	Fire	Meter	Customer	Offset	General	Total
1	Percentage Allocation																		
2	Capital Cost Recovery	Capital	33.6%	20.0%	7.9%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	1.0%	25.5%	0.0%	0.0%	11.2%	100.0%
3	Lifeline Program Credits	Operating	12.9%	2.8%	2.5%	5.2%	9.3%	9.8%	0.0%	23.9%	0.6%	1.1%	0.0%	0.1%	3.6%	2.0%	0.0%	26.2%	100.0%
4	Misc Service Revenue	Operating	12.9%	2.8%	2.5%	5.2%	9.3%	9.8%	0.0%	23.9%	0.6%	1.1%	0.0%	0.1%	3.6%	2.0%	0.0%	26.2%	100.0%
5	Other Income	Operating	12.9%	2.8%	2.5%	5.2%	9.3%	9.8%	0.0%	23.9%	0.6%	1.1%	0.0%	0.1%	3.6%	2.0%	0.0%	26.2%	100.0%
6	Overhead Control	Operating	12.9%	2.8%	2.5%	5.2%	9.3%	9.8%	0.0%	23.9%	0.6%	1.1%	0.0%	0.1%	3.6%	2.0%	0.0%	26.2%	100.0%
7	Interest	Operating	12.9%	2.8%	2.5%	5.2%	9.3%	9.8%	0.0%	23.9%	0.6%	1.1%	0.0%	0.1%	3.6%	2.0%	0.0%	26.2%	100.0%
8	GSA Personnel Costs Reimbursement	Operating	12.9%	2.8%	2.5%	5.2%	9.3%	9.8%	0.0%	23.9%	0.6%	1.1%	0.0%	0.1%	3.6%	2.0%	0.0%	26.2%	100.0%
9	CAPP Tax Roll Collection	Capital	33.6%	20.0%	7.9%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	1.0%	25.5%	0.0%	0.0%	11.2%	100.0%
10	Asset Disposal	Capital	33.6%	20.0%	7.9%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	1.0%	25.5%	0.0%	0.0%	11.2%	100.0%
11	CAPP Grant Revenue	CIP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
12	Smillie ASR Grant Revenue	CIP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
13	Interest-COP Funds Restricted	Capital	33.6%	20.0%	7.9%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	1.0%	25.5%	0.0%	0.0%	11.2%	100.0%
14	Contributed Capital	Capital	33.6%	20.0%	7.9%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	1.0%	25.5%	0.0%	0.0%	11.2%	100.0%
15																			
16	Dollar Allocation																		
17	Capital Cost Recovery	Capital	\$50,443	\$30,030	\$11,883	\$0	\$0	\$0	\$0	\$1,036	\$0	\$0	\$0	\$1,516	\$38,226	\$0	\$0	\$16,867	\$150,000
18	Lifeline Program Credits	Operating	-\$3,602	-\$785	-\$700	-\$1,454	-\$2,578	-\$2,732	\$0	-\$6,648	-\$176	-\$319	\$0	-\$14	-\$1,001	-\$545	\$0	-\$7,292	-\$27,846
19	Misc Service Revenue	Operating	\$10,996	\$2,396	\$2,135	\$4,439	\$7,871	\$8,340	\$0	\$20,293	\$536	\$974	\$0	\$43	\$3,055	\$1,664	\$0	\$22,258	\$85,000
20	Other Income	Operating	\$13,648	\$2,974	\$2,650	\$5,509	\$9,769	\$10,352	\$0	\$25,188	\$666	\$1,209	\$0	\$53	\$3,792	\$2,065	\$0	\$27,627	\$105,503
21	Overhead Control	Operating	\$6,597	\$1,438	\$1,281	\$2,663	\$4,722	\$5,004	\$0	\$12,176	\$322	\$585	\$0	\$26	\$1,833	\$998	\$0	\$13,355	\$51,000
22	Interest	Operating	\$51,676	\$11,261	\$10,035	\$20,860	\$36,989	\$39,195	\$0	\$95,370	\$2,521	\$4,579	\$0	\$202	\$14,359	\$7,819	\$0	\$104,604	\$399,470
23	GSA Personnel Costs Reimbursement	Operating	\$21,658	\$4,720	\$4,206	\$8,743	\$15,503	\$16,428	\$0	\$39,971	\$1,057	\$1,919	\$0	\$85	\$6,018	\$3,277	\$0	\$43,842	\$167,426
24	CAPP Tax Roll Collection	Capital	\$139,081	\$82,799	\$32,765	\$0	\$0	\$0	\$0	\$2,857	\$0	\$0	\$0	\$4,180	\$105,396	\$0	\$0	\$46,505	\$413,582
25	Asset Disposal	Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	CAPP Grant Revenue	CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,317,596	\$0	\$0	\$0	\$0	\$0	\$18,317,596
27	Smillie ASR Grant Revenue	CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,400,000	\$0	\$0	\$0	\$0	\$0	\$1,400,000
28	Interest-COP Funds Restricted	Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	Contributed Capital	Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	Total - Revenue Offsets		\$290,498	\$134,833	\$64,256	\$40,760	\$72,275	\$76,587	\$0	\$190,242	\$4,926	\$8,948	\$19,717,596	\$6,090	\$171,679	\$15,278	\$0	\$267,764	\$21,061,731
31	<i>Revenue Offset Allocation</i>		<i>1.4%</i>	<i>0.6%</i>	<i>0.3%</i>	<i>0.2%</i>	<i>0.3%</i>	<i>0.4%</i>	<i>0.0%</i>	<i>0.9%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>93.6%</i>	<i>0.0%</i>	<i>0.8%</i>	<i>0.1%</i>	<i>0.0%</i>	<i>1.3%</i>	<i>100.0%</i>

4.10. Fire Service Allocation

Peak capacity, as represented by Max Day and Max Hour, also includes capacity required to meet demands for firefighting. Max Day and Max Hour costs encompass capacity required to meet peak customer demands, public fire service, and private fire service. Table 4-15 derives the allocation of Max Day and Max Hour costs to these three components, as outlined in the M1 Manual. The Max Hour fire capacity assumes a three hour fire with 3,000 gpm of capacity required.

The total Max Day capacity demanded for fire (Column B, Line 4) is calculated as follows, with letters representing columns and numbers representing rows:

$$B2 \text{ kgal/min} * 60 \text{ min/hour} * B1 \text{ hours} * 1000 \text{ gal/kgal} * 1 \text{ HCF/748 gal}$$

The Max Hour capacity demanded for fire represents the additional capacity needed above Max Day capacity demanded for fire. Thus, the calculation multiplies the Max Hour capacity by 24 hours to convert it into Max Day increments to subtract the Max Day capacity demanded for fire (Column B, Line 4). The total Max Hour capacity demanded for fire (Column C, Line 4) is calculated as follows:

$$[C2 \text{ kgal/min} * 60 \text{ min/hour} * 24 \text{ hours/day} * 1000 \text{ gal/kgal} * 1 \text{ HCF/748 gal}] - B4 \text{ HCF/day}$$

Public fire hydrants account for a portion of the total fire capacity (Line 5) based on the proportionate share of the equivalent fire lines (Table 4-9, Line 7). The total capacity demanded for fire (Line 4) is multiplied by the public fire allocation (Line 5) to determine the additional capacity required for public fire service (Line 8). The remaining capacity demanded for fire is allocated to private fire service (Line 9). The customer demand capacity is equal to the Max Day and Max Hour demand for all other customers (Table 4-4, Columns G and J, Line 15). The proportion of system capacity for each of these components (Lines 13-17) is later used to allocate Max Day and Max Hour costs across the different cost components.

Table 4-15: Fire Capacity Estimate

	A	B	C
Line	Fire Capacity Estimate	Max Day	Max Hour
1	Hours for Fire	3	
2	kgals/min	3	3
3			
4	Capacity Demanded for Fire (hcf/day)	722	5,053
5	Allocation to Public Fire	81.4%	81.4%
6			
7	System Capacity		
8	Public Fire Capacity	588	4,115
9	Private Fire Capacity	134	939
10	Customer Demand Capacity	1,934	4,624
11	Total	2,656	9,678
12			
13	Proportion of System Capacity		
14	Public Fire Capacity	22.1%	42.5%
15	Private Fire Capacity	5.1%	9.7%
16	Customer Demand Capacity	72.8%	47.8%
17	Total	100.0%	100.0%

Note that costs to maintain public fire flows is included in the cost of service recovered from rates. This reflects that providing water in the volume and at the pressure required to operate fire hydrants that protect, and fire sprinklers in, structures is a statutory mandate of public water systems in California and such cost recovery is authorized by California Government Code sections 53069.9 and 53750.5. Moreover, charging water users for the portion of the cost of water service associated with fire flows appropriately assigns those costs to those who benefit from them. Sprinklers are within, and serve, structures served by water meters. Hydrants serve parcels improved with structures, as they are not suitable to address fire service calls involving individuals in need of medical aid or vehicle fires (which are fought with fire extinguishers) and are not typically used to fight wildland fires because hydrants rarely serve such land. The California Fire Code requires hydrants near structures, not elsewhere. Thus, those who pay water fees which recover fire flow costs also own or occupy structures protected by fire sprinklers and fire hydrants and therefore benefit from that service. Finally, fire hydrants are used to flush water mains periodically and serve a water-system function, as well as the fire suppression function noted here.

4.11. Unit Cost and Allocation to Classes

Table 4-16 shows the units of service. The units of service for the Base, Groundwater, Cachuma, Conservation, and CAPP cost components are equal to total annual water usage. The units of service for Max Day and Max Hour are equal to the extra capacity demanded across all classes. Meter is based on meter capacity equivalents (EMUs), Fire is based on fire line equivalents, Customer is based on number of customer accounts billed, and SWP is based on DEQ equivalents. Lastly, Pumping is based on the estimated water use requiring elevation pumping.

Table 4-16: Units of Service by Cost Component

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Line	Units of Service	Meter	Private Fire	Customer	SWP-Fixed	Base	Max Day	Max Hour	Groundwater	Cachuma	SWP-Variable	Treatment	Pumping	Conservation	CAPP
1	Total	92,060	1,246	55,404	98,806	1,662,835	1,934	4,624	1,662,835	1,662,835	1,662,835	788,908	174,571	1,662,835	1,662,835
2	Units of Service	EMU/yr	EL/yr	bills/yr	EMU/yr	hcf	hcf/day	hcf/day	hcf	hcf	hcf	hcf	hcf	hcf	hcf

Table 4-17 shows the allocation of the revenue requirement to each cost component. Please note that the revenue requirement (Column Q, Lines 5, 9, and 11) is equal to the revenue required from rates (Table 4-1, Line 19). Operating expenses (Line 1) are derived from the operating revenue requirement (Table 4-1, Column E, Line 2) and are allocated to each cost component based on the operating expense allocation in Appendix B. Debt expenses (Line 2) are derived from the debt revenue requirement in Table 4-1, Column E, Line 3. Debt expenses are allocated to the system cost components based on the allocations derived in Table 4-13. Capital expenses (Line 3) are based on the capital revenue requirement (Table 4-1, Column E, Line 4) and are allocated directly to the CIP component. Revenue offsets (Line 4) are allocated based on the allocation percentages derived in Table 4-14, Column E, Line 11.

Public fire costs (Line 6) are reallocated to Meter from Max Day and Max Hour based on the public fire protection of system capacity (Table 4-15, Line 14). Public fire service is a benefit shared by all customers and connections to the water system. Similarly, private fire costs (Line 7) are reallocated to the Private Fire cost component from Max Day and Max Hour based on the private fire proportion of system capacity (Table 4-15, Line 15). Lastly, General (indirect) costs (Line 9) are reallocated to all cost components based on their proportional share of total costs (Line 10).

Table 4-18 shows the final allocation of the cost of service. 50% of Max Day and Max Hour cost are reallocated to the Meter cost component to maintain the District's desired fixed and variable rate revenue recovery. State Water costs are allocated to the fixed and variable cost components based directly on the proportion of fixed and operating costs. The resulting allocation of costs (Line 15) are then divided by the units of service for each cost component (Line 17) to derive the unit cost per cost component (Line 20). Units of service in Line 17 are from Table 4-16 and are translated into annual terms where necessary (e.g., number of accounts multiplied by 12 to derive the number of bills per year subject to the Customer cost component).

Table 4-19 shows the allocation of the revenue requirement to each customer class and tier based on the unit costs for each component (Table 4-18, Line 20). The unit costs for each cost component are multiplied by the units of service in each class and tier (Table 4-4, Table 4-6, and Table 4-7). Please note that the total cost of service (Column O, Line 17) is equal to the total revenue required from rates (Table 4-1, Line 19).

Table 4-19: Cost of Service, by Cost Component and Customer Class

Line	A Customer Class	B Meter	C Private Fire	D Customer	E SWP-Fixed	F Base	G Max Day	H Max Hour	I Groundwater	J Cachuma	K SWP-Variable	L Treatment	M Pumping	N Conservation	O CIP	P CAPP	Q Total
1	Residential	\$419,267		\$216,973	\$2,229,824								\$14,187	\$54,659	\$3,810,624	\$235,243	\$10,829,541
2	Tier 1					\$336,757	\$5,209	\$11,290	\$150,654	\$267,137	\$96,048	\$1,449,687					
3	Tier 2					\$121,663	\$8,412	\$5,370	\$54,428	\$96,511	\$34,700	\$523,741					
4	Tier 3					\$98,136	\$11,550	\$5,274	\$43,903	\$77,847	\$27,990	\$422,459					
5																	
6	Com/Ind/Pub	\$88,471		\$19,028	\$437,449								\$2,624	\$14,311	\$845,473	\$61,593	\$2,583,042
7	Base					\$102,431	\$1,301	\$3,378	\$45,824	\$81,255	\$29,215	\$440,949					
8	Peak					\$43,292	\$6,625	\$2,629	\$19,367	\$34,342	\$12,347	\$186,364					
9	Hospitality				\$104,773												
10																	
11	Agriculture	\$161,080		\$22,026	\$801,260	\$834,370	\$68,439	\$38,953	\$373,269	\$661,875	\$237,976	\$0	\$69,016	\$81,942	\$1,061,257	\$369,796	\$5,064,026
12	Agriculture Dwellings					\$40,523	\$627	\$1,359	\$18,129	\$32,145	\$11,558	\$174,445		\$3,980			
13																	
14	Temporary	\$7,196		\$404	\$35,797	\$10,399	\$1,662	\$645	\$4,652	\$8,249	\$2,966	\$44,766	\$0	\$1,021	\$61,008	\$4,395	\$183,160
15	Fire		\$42,394	\$7,784													\$50,178
16																	
17	Total	\$676,015	\$42,394	\$266,214	\$3,609,103	\$1,587,571	\$103,825	\$68,898	\$710,225	\$1,259,360	\$452,800	\$3,242,411	\$85,828	\$155,913	\$5,778,362	\$671,027	\$18,709,947

5. Rate Design and Derivation

This section details the calculation of the proposed water rates developed in the Study. Numbers shown in the tables of this section are rounded. Therefore, hand calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown in this report. All rates shown in this section are rounded up to the nearest cent

5.1. Monthly Meter Charges

Table 5-1 shows the monthly meter charge calculation, which consists of the Meter, SWP, and Customer cost components. As identified earlier, the Meters cost component is derived based on total equivalent meter capacity units. The Meter unit cost (Table 4-18, Column C, Line 20) is multiplied by the capacity ratio for each meter size (Column B) to accurately recover the share of costs by meter size. Similarly, the SWP unit cost (Table 4-18, Column F, Line 20) is multiplied by the ratio for each meter size (Column B) to appropriately reflect the share of cost by meter size. All MFR and Hospitality connections' SWP component is at the DEQ unit cost determined in the COS using the DEQ ratio (Table 4-7). Customer costs do not vary with meter size and therefore the Customer unit cost (Table 4-18, Column E, Line 20) is applied uniformly across all meter sizes. These components are added together to derive at the total proposed monthly meter charge for FY 2027 (Column F). Note that this cost is shown on the District's rate schedule (and later in this section) as two charges: the Basic Service Charge which combines the Meter and Customer components; and the SWP Service Charge.

Table 5-1: Monthly Meter Charge Calculation (Basic and SWP)

Line	A Meter Size	B Capacity Ratio	C Meter	D SWP-Fixed	E Customer	F Proposed Charge	G Current Charge	H Difference (\$)
1	3/4"	1.00	\$7.34	\$36.53	\$4.80	\$48.68	\$50.17	(\$1.49)
2	1"	1.67	\$12.24	\$60.88	\$4.80	\$77.93	\$80.04	(\$2.11)
3	1 1/2"	3.33	\$24.48	\$121.76	\$4.80	\$151.05	\$154.72	(\$3.67)
4	2"	5.33	\$39.16	\$194.81	\$4.80	\$238.78	\$244.33	(\$5.55)
5	3"	11.67	\$85.67	\$426.15	\$4.80	\$516.63	\$528.10	(\$11.47)
6	4"	21.00	\$154.21	\$767.07	\$4.80	\$926.09	\$946.30	(\$20.21)
7	6"	43.33	\$318.21	\$1,582.84	\$4.80	\$1,905.86	\$1,946.98	(\$41.12)
8	MFR - Individual		\$7.34	\$19.54	\$4.80	\$31.69	\$29.31	\$2.38
9	MFR - MMR		Depends on Siz	\$19.54	\$4.80			
10	Hospitality		Depends on Siz	\$14.46	\$4.80			

5.2. Monthly Private Fire Charges

Table 5-2 shows the calculation of the monthly private fire charge. The Private Fire unit cost (Table 4-18, Column D, Line 20) is multiplied by the fire ratio (Column B), at each line size to arrive at the Private Fire cost for each fire line size. Like the monthly meter charge calculation, Customer costs do not vary between customer types or meter sizes; therefore, the Customer unit cost is applied uniformly across all line sizes. These two components are added together to derive the proposed monthly private fire service charge for FY 2027 (Column E).

Table 5-2: Monthly Private Fire Charge Calculation

	A	B	C	D	E	F	G
Line	Fire Line Size	Fire Ratio	Private Fire	Customer	Proposed Charge	Current Charge	Difference (\$)
1	2"	0.06	\$1.89	\$4.80	\$6.70	\$14.06	(\$7.36)
2	3"	0.16	\$5.50	\$4.80	\$10.31	\$30.61	(\$20.30)
3	4"	0.34	\$11.71	\$4.80	\$16.52	\$59.19	(\$42.67)
4	6"	1.00	\$34.03	\$4.80	\$38.84	\$161.76	(\$122.92)
5	8"	2.13	\$72.51	\$4.80	\$77.32	\$338.66	(\$261.34)
6	10"	3.83	\$130.40	\$4.80	\$135.21	\$604.77	(\$469.56)

5.3. Water Usage Rate Components

The District's water usage rates consist of six different cost components: Base, Peaking (the combination of Max Day and Max Hour cost components), Supply (which includes Groundwater and Cachuma), SWP-Variable costs, Treatment, and Conservation. The following section presents the derivations of the Peaking, Supply, and Conservation components by customer class and tier. The Base, SWP -Variable, and Treatment components are uniform for each unit of water, regardless of class or tier, and are derived directly in Table 4-18 (Column G, Line 20 for Base; Column M, Line 20 for Treatment; Column L, Line 20 for SWP Variable).

Table 5-3 shows the Peaking unit cost calculation. Max Day and Max Hour costs (Table 4-19, Columns G and H) are summed together for each customer class and tier to determine total peaking costs (Column C). Peaking costs are divided by annual use (Column B) to determine the Peaking unit cost (Column D) for each class and tier

Table 5-3: Peaking Unit Cost Calculation

	A	B	C	D
Line	Customer Class	Annual Use (hcf)	Peaking	Peaking Unit Cost
1	Residential			
2	Tier 1	352,722	\$16,498	\$0.05
3	Tier 2	127,431	\$13,782	\$0.11
4	Tier 3	102,788	\$16,824	\$0.16
5				
6	Com/Ind/Pub			
7	Base	107,287	\$4,679	\$0.04
8	Peak	45,344	\$9,254	\$0.20
9				
10	Agriculture	873,927	\$107,393	\$0.12
11	Agriculture Dwellings	42,444	\$1,985	\$0.05
12				
13	Temporary	10,892	\$2,307	\$0.21
14				
15	Total	1,662,835	\$172,723	

Table 5-4 shows the supply cost calculation for the water use rates. The District receives water from three sources: the SWP, Lake Cachuma, and groundwater from the Carpinteria Basin. SWP fixed supply costs are recovered on the fixed charges, only SWP variable costs are recovered on the water use rates. Lake Cachuma and groundwater supply costs are recovered from the variable water use rates and differentiated as local supplies.

District staff provided estimated delivery/production amounts for FY 2027 (Line 1). The estimated water demand (Column D, Line 4) is allocated to each source of supply based on the proportion of estimated delivery/production (Line 2). The water supply costs (Line 5) are derived from the District's operating budget and include the indirect General cost allocation in Table 4-17. The unit cost for each source (Line 6) is calculated by dividing the supply costs (Line 5) by the estimated annual use (Line 4) of each source.

Table 5-4: Water Supply Costs by Source

Line	A Water Sources	B Cachuma	C Groundwater	D Total
1	AFY Estimate	2,609	1,000	3,609
2	Percent of Total	72.3%	27.7%	100.0%
3				
4	Annual Use (hcf)	1,202,088	460,747	1,662,835
5	Total Cost of Service	\$1,259,360	\$710,225	\$1,969,586
6	Unit Rate (\$/hcf)	\$1.05	\$1.54	\$1.18

Table 5-5 shows the allocation of water supply to each class and tier. Water supply from each of the two local sources is allocated to each customer class equally based on their proportion of total water use

Table 5-5: Water Supply Allocation

Line	A Customer Class	B Annual Use (hcf)	C Cachuma	D Groundwater
1	Residential			
2	Tier 1	352,722	254,988	97,734
3	Tier 2	127,431	92,122	35,309
4	Tier 3	102,788	74,307	28,481
5	Subtotal	582,941	421,417	161,524
6				
7	Com/Ind/Pub			
8	Base	107,287	77,559	29,728
9	Peak	45,344	32,780	12,564
10	Subtotal	152,631	110,339	42,292
11				
12	Agriculture	873,927	631,775	242,152
13				
14	Temporary	10,892	7,874	3,018
15				
16	Total	1,662,835	1,202,088	460,747

Table 5-6 shows the Supply unit cost for each customer class and tier. The amount of water available from each source is allocated to each customer class equally based on proportion of water usage (Table 5-5), however, within the Residential customer class, Tier 1 receives the least expensive source of water first to promote affordability of water for essential water uses. Cachuma is the cheapest source. Allocating the cheapest source of water for the lower tiers aligns with Article X, Section 2 of the California Constitution, which mandates that water resources are allocated to beneficial use; indoor use for public health and safety (which is represented by Tier 1) is the most essential use of water.

Demand in both Residential Tier 2 and Com/Ind/Pub Peak is greater than the volume of Cachuma water supply available and so a portion of groundwater supply is required to meet demand in those tiers, yielding a blended supply rate. Demand in Residential Tier 3 is supplied with groundwater alone. The uniform classes for Agriculture and Temporary service represent a blended rate, derived in Table 5-4. The average supply cost for all classes (Table 5-6, Lines 5, 10, 12, and 14) are equal as intended.

Table 5-6: Supply Unit Cost Calculation

	A	B	C	D	E
Line	Customer Class	Annual Use (hcf)	Cachuma	Groundwater	Supply Unit Cost
1	Residential				
2	Tier 1	352,722	352,722	0	\$1.05
3	Tier 2	127,431	68,695	58,736	\$1.28
4	Tier 3	102,788	0	102,788	\$1.54
5	Subtotal	582,941	421,417	161,524	\$1.18
6					
7	Com/Ind/Pub				
8	Base	107,287	107,287	0	\$1.05
9	Peak	45,344	3,052	42,292	\$1.51
10	Subtotal	152,631	110,339	42,292	\$1.18
11					
12	Agriculture	873,927	631,775	242,152	\$1.18
13					
14	Temporary	10,892	7,874	3,018	\$1.18
15					
16	Total	1,662,835	1,202,088	460,747	\$1.18

Table 5-7 shows the Conservation unit cost calculation. Conservation costs (Table 4-19, Column N) are summed together for all customers at the class level. For Residential customers, Conservation costs are entirely allocated to Tier 3 since that tier represents use greater than the average summertime outdoor irrigation demands of the class. Com/Ind/Pub class Conservation cost responsibility is recovered entirely in the Peak tier. The unit rate of Conservation costs for each class is equal as intended.

Table 5-7: Conservation Unit Cost Calculation

	A	B	C	D	E
Line	Customer Class	Annual Use (hcf)	Applied Usage	Conservation	Conservation Unit Cost
1	Residential				
2	Tier 1	352,722	0%	\$0	\$0.00
3	Tier 2	127,431	0%	\$0	\$0.00
4	Tier 3	102,788	100%	\$54,659	\$0.53
5	Subtotal	582,941		\$54,659	\$0.09
6					
7	Com/Ind/Pub				
8	Base	107,287	0%	\$0	\$0.00
9	Peak	45,344	100%	\$14,311	\$0.32
10	Subtotal	152,631		\$14,311	\$0.09
11					
12	Agriculture	873,927	100%	\$81,942	\$0.09
13					
14	Temporary	10,892	100%	\$1,021	\$0.09
15					
16	Total	1,662,835		\$155,913	\$0.09

5.4. Water Usage Rates

Table 5-8 shows the water usage rate calculation for all customer classes and tiers based on the following unit costs:

- » Base (Table 4-18, Column G, Line 20)
- » Peaking (Table 5-3, Column D)
- » Supply (Table 5-6, Column E)
- » Treatment (Table 4-18, Column M, Line 20)
- » Conservation (Table 5-7, Column E)

The proposed rates in Column H are the sum of the six rate components in Columns B through G. All rates are rounded to the nearest penny.

Table 5-8: Water Usage Rate Calculation

	A	B	C	D	E	F	G	H	I	J
Line	Customer Class	Base	Peaking	Supply	SWP-Variable	Treatment	Conservation	Proposed Charge	Current Charge	Difference (\$)
1	Residential									
2	Tier 1	\$0.95	\$0.05	\$1.05	\$0.27	\$4.11	\$0.00	\$6.44	\$5.19	\$1.25
3	Tier 2	\$0.95	\$0.11	\$1.28	\$0.27	\$4.11	\$0.00	\$6.73	\$5.39	\$1.34
4	Tier 3	\$0.95	\$0.16	\$1.54	\$0.27	\$4.11	\$0.53	\$7.58	\$6.37	\$1.21
5										
6	Com/Ind/Pub									
7	Base	\$0.95	\$0.04	\$1.05	\$0.27	\$4.11	\$0.00	\$6.43	\$5.21	\$1.22
8	Peak	\$0.95	\$0.20	\$1.51	\$0.27	\$4.11	\$0.32	\$7.37	\$6.29	\$1.08
9										
10	Agriculture	\$0.95	\$0.12	\$1.18	\$0.27	\$0.00	\$0.09	\$2.63	\$2.47	\$0.16
11	Temporary	\$0.95	\$0.21	\$1.18	\$0.27	\$4.11	\$0.09	\$6.83	\$5.48	\$1.35

5.5. Agriculture REQ Charge

Table 5-9 shows the calculation for the proposed Agricultural REQ charge based on the cost-of-service analysis. Estimated annual residential use on Agricultural connections (9 HCF per dwelling unit per month) is multiplied by the uniform Agricultural water use rate to determine the amount of rate revenue generated at the Agricultural water use rate (Line 3). Next, the calculated amount is subtracted from the REQ cost of service (Table 4-19, Line 12) to determine the net amount of revenue required from REQ charges (Line 7). Lastly the REQ requirement (Line 7) is divided by the number of residential dwelling units and the number of billing periods to yield the monthly REQ charge. The monthly charge is rounded up to the nearest cent.

Table 5-9: Agriculture REQ Charge Calculation

	A	B
Line	Agriculture REQ Charge	Calculation
1	Annual Use (hcf)	42,444
2	Agriculture Rate (\$/hcf)	\$2.63
3	Amount Charged at Ag Rate	\$111,550
4		
5	Cost of Service	\$282,764
6	Less Charged at Ag Rate	-\$111,550
7	REQ Requirement	\$171,214
8		
9	Dwelling Units	393
10	Monthly Ag REQ Charge (\$/unit)	\$36.30

5.6. Pressure Zone Surcharge

The District incurs electrical power costs associated with serving customers in higher elevation zones. The District is categorized into three zones: Base zone, Pressure Zone I and Pressure Zone II. The District applies a surcharge on all units delivered to Pressure Zone I and Pressure Zone II to recover costs from the customers served. Table 5-10 shows the calculation of the pressure zone surcharges for Pressure Zone I and II. The power (Pumping) costs derived in the cost of service (Line 1) are allocated based on the percentage of O&M costs for each zone, which was provided by District staff. Then costs are divided by the units of water delivered in each zone. Units pumped to Zone II must first go through Zone I, therefore the units of water delivered to Zone I (Column B, Line 2) is equal to all units pumped to both pressure zones (Table 4-16, Column M). The units of water delivered to Zone II (Column C, Line 2) is equal to the units pumped only through Zone II.

The resulting rate is the incremental cost of pumping. Pressure Zone I customers pay only the incremental cost to deliver water to Pressure Zone I. Pressure Zone II customers pay the sum of the incremental costs (Line 4) for water that are elevated first to Pressure Zone I and then through Pressure Zone II. The District applies the proposed surcharge as an additional uniform rate to a customer's water use rate if they are served in the two upper zones

Table 5-10: Pressure Zone Surcharge Calculation

	A	B	C
Line	Pressure Zone Surcharge	Pressure Zone I	Pressure Zone II
1	Cost of Service	\$67,314	\$18,514
2	Usage (hcf)	174,571	53,540
3	Unit Cost	\$0.39	\$0.35
4	Surcharge	\$0.39	\$0.74

5.7. Capital Charges

Capital charges recover the costs of non-SWP debt service as well as PAYGO capital. The total capital costs to be recovered are derived in Table 4-19, Column O, Line 17. This total is apportioned between Agricultural and M&I user classes based on the cost allocation derived in Table 4-12, Line 28. Agricultural customers capital costs are recovered from the Ag O&M charge while M&I customers capital costs are recovered from the variable CIP charges.

Table 5-11 derives the Agricultural O&M Charge cost per equivalent meter. The total Agricultural capital cost allocation (Table 4-19, Column O, Line 11) is divided by the total number of annual EMUs (Table 4-6, Column E, Line 8 multiplied by 12 months) to yield the unit cost per EMU per month. An EMU is equal to a 3/4" meter.

Table 5-11: Agricultural O&M Unit Cost

	A	B
Line	Agricultural O&M Charge	Calculation
1	Agriculture CIP Costs	\$1,061,257
2	Annual Agriculture EMUs	1,828
3	Unit Cost per EMU per month	\$48.38

Table 5-12 derives the proposed Agricultural O&M charges. The Agricultural O&M unit cost (Table 5-11, Column B, Line 3) is multiplied by the capacity ratio at each meter size (Column B) to accurately recover the share of costs by meter size.

Table 5-12: Agricultural O&M Charge Calculation

	A	B	C	D	E
Line	Agriculture O&M Charge	Capacity Ratio	Ag CIP	Current Charge	Difference (\$)
1	3/4"	1.00	\$48.38	\$48.92	(\$0.54)
2	1"	1.67	\$80.64	\$81.51	(\$0.87)
3	1 1/2"	3.33	\$161.27	\$163.01	(\$1.74)
4	2"	5.33	\$258.03	\$260.81	(\$2.78)
5	3"	11.67	\$564.43	\$570.50	(\$6.07)
6	4"	21.00	\$1,015.98	\$1,026.88	(\$10.90)
7	6"	43.33	\$2,096.46	\$2,118.94	(\$22.48)

Table 5-13 derives the proposed variable CIP charge for all M&I customers (SFR, MMR, and Com/Ind/Pub, and Temporary). Total capital costs to be recovered from M&I classes (Table 4-19, Column O, Lines 1, 6, and 14) are divided by the estimated annual use subject to the charge.

Table 5-13: M&I CIP Charge Calculation

	A	B
Line	Variable CIP Charge	Rate Calculation
1	Non-Agriculture CIP Costs	\$4,717,105
2	5-Year Average Use (hcf)	785,556
3	Proposed CIP Charge	\$6.01
4	Current Charge	\$6.45
5	Difference (\$)	(\$0.44)

5.8. CAPP Rates & Charges

CAPP Operating charges recover the costs of operating and maintaining CAPP facilities. While CAPP operations do not begin until FY 2029, the cost of service analysis utilizes the pre-funding amounts in Table 2-30 to develop CAPP O&M rates for FY 2027 through FY 2029. Table 5-14 shows the calculation of the proposed variable CAPP O&M charge for all M&I customers. Total CAPP pre-funding costs to be recovered from M&I classes (Table 4-19, Column P, Lines 1, 6, and 14) are divided by the estimated annual use subject to the charge.

Table 5-14: CAPP O&M M&I Variable Rate Calculation

	A	B
Line	CAPP O&M Charge - M&I	Rate Calculation
1	Non-Agriculture CAPP Costs	\$301,231
2	Annual Use (hcf)	746,464
3	Proposed CAPP O&M Charge - M&I	\$0.41

Table 5-15 calculates the Agricultural CAPP O&M charge per equivalent meter. The total Agricultural CAPP cost allocation (Table 4-19, Column P, Line 11) is divided by the total number of annual EMUs (Table 4-6, Column E, Line 8 multiplied by 12 months) to yield the unit cost per EMU per month.

Table 5-15: CAPP O&M Agriculture Fixed Meter Unit Charge Calculation

	A	B
Line	CAPP O&M Charge - Agriculture	Calculation
1	Agriculture CAPP Costs	\$369,796
2	Average Agriculture EMUs	1,828
3	Unit Cost per EMU per month	\$16.86

Table 5-16 calculates the proposed Agricultural CAPP O&M charges. The CAPP O&M unit cost (Table 5-15, Column B, Line 3) is multiplied by the capacity ratio at each meter size (Column B) to accurately recover the share of costs by meter size.

Table 5-16: CAPP O&M Proposed Charge by Meter Size

	A	B	C
Line	CAPP O&M Charge - Agriculture	Capacity Ratio	Proposed Rate
1	3/4"	1.00	\$16.86
2	1"	1.67	\$28.10
3	1 1/2"	3.33	\$56.20
4	2"	5.33	\$89.91
5	3"	11.67	\$196.68
6	4"	21.00	\$354.02
7	6"	43.33	\$730.52

Table 5-17 derives the annual CAPP Capital charge per equivalent meter. The total costs equal to the CAPP accrued interest amount in FY 2027 (Table 2-29) are divided by the total number of EMUs for all classes (Table 4-6) to yield the unit cost per EMU per year.

Table 5-17: CAPP Capital Tax Roll Charge Calculation

	A	B
Line	CAPP Capital Charge	Calculation
1	CAPP Accrued Interest	\$413,582
2	Total EMUs	7,672
3	Unit Cost per EMU per year	\$53.91

Table 5-18 shows the calculation for the CAPP Capital charge per equivalent meter. The CAPP Capital unit cost (Table 5-17, Column B, Line 3) is multiplied by the capacity ratio at each meter size (Column B) to accurately recover the share of costs by meter size. These charges are not part of the monthly water bill collected by the District monthly and will be collected as part of the annual tax roll once a year.

Table 5-18: CAPP Capital Tax Roll Proposed Charges

	A	B	C
Line	CAPP Capital Charge	Capacity	Proposed
1	3/4"	1.00	\$53.91
2	1"	1.67	\$89.85
3	1 1/2"	3.33	\$179.70
4	2"	5.33	\$287.52
5	3"	11.67	\$628.95
6	4"	21.00	\$1,132.12
7	6"	43.33	\$2,336.12

5.9. Rate Schedule

5.9.1. Rate Increases FY 2028 & FY 2029

The cost-of-service rates for CAPP O&M rates directly collect the pre-funding costs shown in Table 2-30. To maintain this direct recovery of pre-funding costs in FY 2028 and FY 2029, the rate revenue adjustments applied to the CAPP O&M charges and all other charges had to be adjusted so that the total increase in

revenue is equal to the gross rate revenue adjustments shown in Table 2-28. Table 5-19 shows the calculation of these adjusted rate revenue increases for CAPP and Non-CAPP rates in FY 2028 and FY 2029. Line 2, Columns B and E show the direct pre-funding amounts. The overall rate revenue increase required is shown in Line 3, Columns C and F. The remaining revenue needs are made up by the Non-CAPP rate revenue, shown in Line 1 Columns C and F. Columns D and G show the respective increases for each type of rate, and Line 3 shows that the overall rate revenue is increasing by the percentages in Table 2-28.

Table 5-19: FY 2028 & FY 2029 CAPP and Non-CAPP Rate Increases

	A	B	C	D	E	F	G
		Year 2			Year 3		
Line	Revenue Source	Rate Revenue	\$ Change	% Change	Rate Revenue	\$ Change	% Change
1	Non-CAPP Matching Prefunding	\$19,106,652	\$1,067,732	5.9%	\$20,078,496	\$971,844	5.1%
2	CAPP Matching Prefunding	\$1,006,541	\$335,514	50.0%	\$1,342,055	\$335,514	33.3%
3	Total	\$20,113,193	\$1,403,246	7.5%	\$21,420,550	\$1,307,358	6.5%

5.9.2. Proposed Rate Schedules

Table 5-20 through Table 5-30 show the proposed rate and charge schedules for all rates and charges for FY 2027 through FY 2029. Proposed FY 2027 rates reflect the cost-of-service rates, inclusive of the overall rate adjustment percent increase from Table 2-28. Proposed FY 2028 and FY 2029 rates increased by their respective rate revenue adjustment each year derived in Table 5-19. Because the CAPP O&M and Capital charges are new, they do not have a current rate for FY 2026 in Column B of their tables.

Table 5-20: Proposed Basic Service Charge Schedule

	A	B	C	D	E
Line	Basic Service Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
1	3/4"	\$11.08	\$12.15	\$12.87	\$13.52
2	1"	\$14.89	\$17.05	\$18.06	\$18.98
3	1 1/2"	\$24.44	\$29.29	\$31.02	\$32.60
4	2"	\$35.89	\$43.97	\$46.57	\$48.94
5	3"	\$72.17	\$90.48	\$95.84	\$100.71
6	4"	\$125.63	\$159.02	\$168.43	\$177.00
7	6"	\$253.55	\$323.02	\$342.14	\$359.54

Table 5-21: Proposed State Water Project Service Charge Schedule

	A	B	C	D	E
Line	SWP Service Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
1	3/4"	\$39.09	\$36.53	\$38.69	\$40.66
2	1"	\$65.15	\$60.88	\$64.48	\$67.76
3	1 1/2"	\$130.28	\$121.76	\$128.97	\$135.53
4	2"	\$208.44	\$194.82	\$206.35	\$216.85
5	3"	\$455.93	\$426.16	\$451.38	\$474.34
6	4"	\$820.67	\$767.08	\$812.48	\$853.81
7	6"	\$1,693.43	\$1,582.85	\$1,676.54	\$1,761.82
8	MFR - Individual	\$18.23	\$19.55	\$20.71	\$21.76
9	MFR - MMR (per dwe	\$18.23	\$19.55	\$20.71	\$21.76
10	Hospitality	\$9.94	\$14.46	\$15.32	\$16.10

Table 5-22: Proposed Fire Service Charge Schedule

	A	B	C	D	E
Line	Fire Service Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
1	2"	\$14.06	\$6.70	\$7.10	\$7.46
2	3"	\$30.61	\$10.31	\$10.92	\$11.48
3	4"	\$59.19	\$16.52	\$17.50	\$18.39
4	6"	\$161.76	\$38.84	\$41.14	\$43.23
5	8"	\$338.66	\$77.32	\$81.90	\$86.07
6	10"	\$604.77	\$135.21	\$143.21	\$150.49

Table 5-23: Proposed Water Use Rate Schedule

	A	B	C	D	E
Line	Consumption Charges	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
1	Residential				
2	Tier 1	\$5.19	\$6.44	\$6.82	\$7.17
3	Tier 2	\$5.39	\$6.73	\$7.13	\$7.49
4	Tier 3	\$6.37	\$7.58	\$8.03	\$8.44
5					
6	Com/Ind/Pub				
7	Base	\$5.21	\$6.43	\$6.81	\$7.16
8	Peak	\$6.29	\$7.37	\$7.81	\$8.21
9					
10	Temporary	\$5.48	\$6.83	\$7.23	\$7.60
11					
12	Agriculture	\$2.47	\$2.63	\$2.79	\$2.93

Table 5-24: Proposed Agriculture REQ Schedule

	A	B	C	D	E
Line	Agricultural Residential Equivalency Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
1	Residential Equivalency Charge	\$26.01	\$36.31	\$38.46	\$40.42

Table 5-25: Proposed M&I CIP Charge Schedule

	A	B	C	D	E
Line	M&I CIP Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
1	Rate per hcf	\$6.45	\$6.01	\$6.37	\$6.69

Table 5-26: Proposed Agriculture O&M Charge Schedule

	A	B	C	D	E
Line	Agricultural O&M Charge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
1	3/4"	\$48.92	\$48.38	\$51.24	\$53.85
2	1"	\$81.51	\$80.64	\$85.41	\$89.75
3	1 1/2"	\$163.01	\$161.27	\$170.82	\$179.51
4	2"	\$260.81	\$258.03	\$273.30	\$287.20
5	3"	\$570.50	\$564.43	\$597.84	\$628.25
6	4"	\$1,026.88	\$1,015.98	\$1,076.12	\$1,130.86
7	6"	\$2,118.94	\$2,096.46	\$2,220.55	\$2,333.50

Table 5-27: Proposed Pressure Zone Charge Schedule

	A	B	C	D	E
Line	Pressure Zone Surcharge	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
1	Pressure Zone I	\$0.39	\$0.39	\$0.41	\$0.43
2	Pressure Zone II	\$0.77	\$0.74	\$0.78	\$0.82

Table 5-28: Proposed CAPP O&M Service Charge

	A	B	C	D	E
Line	CAPP Fixed - Ag	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
1	3/4"	N/A	\$16.86	\$25.29	\$33.72
2	1"	N/A	\$28.10	\$42.15	\$56.20
3	1 1/2"	N/A	\$56.20	\$84.30	\$112.40
4	2"	N/A	\$89.91	\$134.87	\$179.83
5	3"	N/A	\$196.68	\$295.02	\$393.36
6	4"	N/A	\$354.02	\$531.03	\$708.04
7	6"	N/A	\$730.52	\$1,095.78	\$1,461.04

Table 5-29: Proposed CAPP O&M Variable Charge

	A	B	C	D	E
Line	CAPP Variable - M&I	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
1	Rate	N/A	\$0.41	\$0.62	\$0.83

Table 5-30: Proposed CAPP Tax Roll Charge

	A	B	C	D	E
Line	CAPP Capital	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
1	3/4"	N/A	\$53.91	\$103.86	\$110.80
2	1"	N/A	\$89.85	\$173.09	\$184.66
3	1 1/2"	N/A	\$179.70	\$346.19	\$369.32
4	2"	N/A	\$287.52	\$553.90	\$590.92
5	3"	N/A	\$628.95	\$1,211.66	\$1,292.64
6	4"	N/A	\$1,132.12	\$2,180.99	\$2,326.74
7	6"	N/A	\$2,336.12	\$4,500.45	\$4,801.22

5.10. Customer Impacts

Table 5-31 shows the monthly bill impacts at various levels of usage for a SFR customer with a 3/4" meter. Almost all SFR connections are 3/4". The median and average SFR bill is 7 HCF and 11 HCF per month, respectively. A median use bill will experience a \$7.14 increase to their charges and an average use bill will experience a \$12.38 increase compared to their current charges.

Table 5-32 shows the monthly bill impacts at various levels of usage for an Agricultural customer with a 2" meter. The most common meter size for agricultural customers is 2". The median and average agricultural bill is 73 and 219 HCF per month, respectively. A median use bill will experience a \$103.56 increase to their charges and an average use bill will experience a \$126.92 increase compared to their current charges.

These monthly bills do not include annual CAPP Capital tax roll charges, as those are not collected as part of monthly water bills.

Table 5-31: Residential Customer Impacts

	A	B	C	D	E
Line	Residential Customer Impacts	Usage (hcf)	Current Monthly Charges	Proposed Monthly Charges	Difference (\$)
1	Very Low Use (15th percentile)	3	\$91.54	\$93.27	\$1.73
2	Low Use (30th percentile)	5	\$108.37	\$112.98	\$4.61
3	Median Use (50th percentile)	7	\$131.85	\$138.99	\$7.14
4	Average Use	11	\$179.21	\$191.59	\$12.38
5	High Use (80th percentile)	14	\$214.73	\$231.04	\$16.31
6	Very High Use (95th percentile)	29	\$405.07	\$439.34	\$34.27

Table 5-32: Agriculture Customer Impacts

	A	B	C	D	E
Line	Agriculture Customer Impacts	Usage (hcf)	Current Monthly Charges	Proposed Monthly Charges	Difference (\$)
1	Very Low Use (15th percentile)	10	\$555.85	\$649.33	\$93.48
2	Low Use (30th percentile)	33	\$612.66	\$709.82	\$97.16
3	Median Use (50th percentile)	73	\$711.46	\$815.02	\$103.56
4	Average Use	219	\$1,072.08	\$1,199.00	\$126.92
5	High Use (80th percentile)	336	\$1,361.07	\$1,506.71	\$145.64
6	Very High Use (95th percentile)	925	\$2,815.90	\$3,055.78	\$239.88

6. Drought Rates

6.1. Background

Raftelis developed updated drought rates, also referred to as drought surcharges, as part of this Study. The District adopted its existing Water Shortage Contingency Plan in 2020 as part of the Urban Water Management Plan (UWMP). The plan details the voluntary and/or mandated reductions by drought stage. The resulting drought rates align with Proposition 218 requirements and allow the District to reliably recover the necessary revenue to fully fund the water system during times of reduced water demand.

6.2. Process and Approach

Drought rates are governed by the requirements of Proposition 218 and Article X of the California Constitution. The development of drought rates must show a nexus between the costs of providing water service and the rates charged to customers.

Drought rates are designed to recover lost revenue due to reduction in water use during each state, to incorporate the potential changes to the District's water supply sources and their corresponding costs, to align with specific drought stages outlined in the 2020 Water Shortage Contingency Plan, and to provide financial flexibility for the District when declaring drought stages and implementing the appropriate drought rates. The proposed drought rates are based on the District's proposed water rates for FY 2027, which if adopted will go into effect July 1, 2026.

There are four steps to calculate drought rates, which include:

1. Allocating water reductions between various customer classes based on defined stages
2. Calculating financial impacts (i.e., the net revenue loss) to the District at each stage
3. Determining the most appropriate drought cost recovery mechanism (rate structure)
4. Evaluating financial impacts to customers

6.3. Drought Allocations and Costs

This section details the water usage allocations and financial impacts of each drought stage, which results in the total amount of revenue to be collected from drought rates in each stage. Numbers shown in the tables of this section are rounded. Therefore, hand calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown in this report.

6.3.1. Water Allocations

The first step in the development of drought rates involves allocating water usage reductions between the District's customer classes based on the drought stages defined in the Water Shortage Contingency Plan. Table 6-1 shows the water usage reduction percentages by customer class for drought stages 1 through 6.

Table 6-1: Drought Stages and Demand Reduction

	A	B	C	D	E	F	G	H
Line	Water Reduction	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Residential	0%	10%	20%	30%	40%	50%	60%
2	Com/Ind/Pub	0%	10%	20%	30%	40%	50%	60%
3	Agriculture	0%	10%	20%	30%	40%	50%	60%

Once the water reductions are determined, water use by customer class, at each drought stage, is calculated. Table 6-2 shows the estimated water use in HCF at each stage of shortage. These reductions align with the percent reductions for each class. Note, however, that for purposes of estimating revenue loss it is assumed that higher and more discretionary water use is reduced first (i.e. Tiers 2 and 3 Residential and Peak for Commercial, Industrial, and Public Authority). The baseline water demands total approximately 3,800 AF (Column B), as determined in the Water Shortage Contingency Plan. The total usage reduction in each stage remains consistent with the target reductions in Table 6-1.

Table 6-2: Estimated Water Use by Stage

	A	B	C	D	E	F	G	H
Line	Water Sales (hcf)	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Residential							
2	Tier 1 (6 HCF)	352,722	352,722	352,722	352,722	338,426	283,017	227,609
3	Tier 2 (next 10 HCF)	127,431	127,431	104,182	48,774	7,661	7,661	5,567
4	Tier 3 (>16 HCF)	102,788	44,494	9,449	6,563	3,677	792	0
5								
6	Com/Ind/Pub							
7	Base	107,287	106,753	106,219	105,686	91,579	76,316	61,052
8	Peak	45,344	30,615	15,885	1,156	0	0	0
9								
10	Agriculture	881,991	793,792	705,593	617,394	529,195	440,996	352,796
11								
12	Temporary	10,892	9,803	8,714	7,624	6,535	5,446	4,357
13								
14	Total Usage	1,662,835	1,496,551	1,330,268	1,163,984	997,701	831,417	665,134
15	<i>% Reduction</i>		<i>10%</i>	<i>20%</i>	<i>30%</i>	<i>40%</i>	<i>50%</i>	<i>60%</i>

6.3.2. Financial Impacts

The next step in calculating drought rates is to determine the financial impacts to the District during each stage of drought. The cost implications of droughts consider the following:

- Reduced variable charge revenue due to water usage reductions in each drought stage
- Potential changes to operating costs, which include avoided costs of purchasing and producing less supply and expenses resulting directly from drought conditions.

For the District, the most significant financial consequence is the loss of consumption-based revenue, the severity of which depends on the drought stage. The water shortage cost analysis uses proposed FY 2027 water usage rates (Table 5-23) to calculate variable charge revenue estimates for Stages 1 through 6. FY 2027

rates are proposed for implementation on July 1, 2026. Table 6-3 shows the water usage rate revenue projections for Stages 1 through 6 compared to the Baseline scenario. This is calculated for each customer class and tier based on the proposed FY 2027 water use rates.

Table 6-3: Differences in Water Use Revenue

	A	B	C	D	E	F	G	H
Line	Lost Rate Revenue	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Revenue	\$7,416,762	\$6,614,461	\$5,831,921	\$5,076,717	\$4,338,417	\$3,613,127	\$2,889,617
2	Difference		\$802,301	\$1,584,841	\$2,340,046	\$3,078,345	\$3,803,635	\$4,527,146

Table 6-4 shows the cost savings for all drought stages. Because the District produces less water at each stage, variable unit costs associated with purchasing and producing water are avoided at each drought stage.

Table 6-4: Cost Savings

	A	B	C	D	E	F	G	H
Line	Cost Savings	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Cost of Water (Variable)	\$3,570,406	\$3,213,365	\$2,856,324	\$2,499,284	\$2,142,243	\$1,785,203	\$1,428,162
2	Difference		\$357,041	\$714,081	\$1,071,122	\$1,428,162	\$1,785,203	\$2,142,243

Table 6-5 shows additional operating costs directly related to drought conditions.

Table 6-5: Drought-Related Expenses

	A	B	C	D	E	F	G	H
Line	Direct Costs	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Drought Costs	\$0	\$0	\$0	\$486,299	\$486,299	\$486,299	\$486,299

Table 6-6 shows the total drought costs for Stages 1 and 2, which include the variable revenue loss (Table 6-3), water supply cost savings (Table 6-4), and direct drought related costs (Table 6-5). The total drought costs are apportioned to fixed and variable drought surcharge components. Two-thirds of the drought cost is recovered from fixed charges and one-third recovered from variable rates, aligning with the proportion of fixed and variable revenue recovery from prior rate studies.

Table 6-6: Total Drought Costs

	A	B	C	D	E	F	G
Line	Drought Revenue	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Lost Revenue	\$802,301	\$1,584,841	\$2,340,046	\$3,078,345	\$3,803,635	\$4,527,146
2	O&M Savings	(\$357,041)	(\$714,081)	(\$1,071,122)	(\$1,428,162)	(\$1,785,203)	(\$2,142,243)
3	One-Time Expenses	\$0	\$0	\$486,299	\$486,299	\$486,299	\$486,299
4	Total	\$445,261	\$870,760	\$1,755,223	\$2,136,482	\$2,504,731	\$2,871,201

6.4. Drought Rate Structure

Drought rates are designed to recover the financial impacts due to droughts and are intended as a revenue-generating mechanism. Because of this, drought rates are subject to Proposition 218 requirements, which requires a nexus between the costs of drought and the drought rates charged to the District's customers.

After determining the drought costs, by stage, the next step is to determine the drought cost recovery mechanism, or rate structure, that best meets the needs of the District and its customers. Based on direction provided by District staff and the Board of Directors, a hybrid approach was selected. The fixed drought rate is charged by meter size and the variable rate is calculated as a proportion of drought rate cost recovery. The variable rates are proportionate to base water use rates and therefore vary by class and tier. This combination of both fixed and variable drought rates improves revenue stability for the District while still allowing customers some degree of control over their water charges during a declared shortage.

6.5. Drought Rate Calculation

The fixed drought rate is calculated based on the number of equivalent meters. Table 6-7 shows the calculation of the number of equivalent meters (Column D) by multiplying the number of meters (Column B) with the AWWA capacity ratio (Column C) for each meter size. The total fixed drought cost for each stage, shown in Table 6-8, is divided by the total number of equivalent meters (Table 6-7, Column D, Line 8) to derive the annual revenue to be recovered by a 3/4" meter. This rate is then divided by the number of annual bills (12) to calculate the charge per bill for a 3/4" meter. The rate for the 3/4" meter is multiplied by the AWWA capacity ratio to calculate the fixed charge per bill by meter size, shown in Table 6-9.

Table 6-7: Fixed Units of Service

Line	A Fixed Units of Service - Meter Size	B Number of Meters	C AWWA Capacity Ratio	D Number of Equivalent Meters
1	3/4"	3,397	1.00	3,397
2	1"	424	1.67	707
3	1 1/2"	249	3.33	830
4	2"	364	5.33	1,941
5	3"	37	11.67	432
6	4"	5	21.00	105
7	6"	6	43.33	260
8	Total	4,482		7,672

Table 6-8: Fixed Drought Revenue Requirement

Line	A Fixed Drought Revenue Requirement	B Stage 1	C Stage 2	D Stage 3	E Stage 4	F Stage 5	G Stage 6
1	Requirement by Stage	\$291,402	\$569,871	\$1,148,709	\$1,398,224	\$1,639,226	\$1,879,063

Table 6-9: Proposed Fixed Drought Charges

	A	B	C	D	E	F	G
Line	Proposed Fixed Drought Rates	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	3/4"	\$3.17	\$6.19	\$12.48	\$15.19	\$17.81	\$20.41
2	1"	\$5.28	\$10.32	\$20.80	\$25.31	\$29.68	\$34.02
3	1 1/2"	\$10.55	\$20.63	\$41.59	\$50.63	\$59.35	\$68.04
4	2"	\$16.88	\$33.01	\$66.55	\$81.00	\$94.97	\$108.86
5	3"	\$36.93	\$72.22	\$145.57	\$177.20	\$207.74	\$238.13
6	4"	\$66.47	\$129.99	\$262.03	\$318.95	\$373.93	\$428.64
7	6"	\$137.16	\$268.24	\$540.71	\$658.15	\$771.60	\$884.49

The variable drought rate is calculated as a proportion of the base water use rates. This proportion is calculated by dividing the variable portion of the drought rate revenue requirement with the total expected revenue at each stage. Table 6-10 shows this calculation with the drought rate proportion shown in Line 3. Once the drought rate proportion has been determined for each drought stage, the variable drought rates are calculated by multiplying the drought rate percentage with the base water use rates (Table 5-23). Table 6-11 shows the proposed variable drought rates for each stage

Table 6-10: Variable Rate Proportion Calculation

	A	B	C	D	E	F	G
Line	Variable Rate Proportions	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Total Revenue	\$6,614,461	\$5,831,921	\$5,076,717	\$4,338,417	\$3,613,127	\$2,889,617
2	Drought Rate Revenue Requirement	\$6,768,320	\$6,132,811	\$5,683,231	\$5,076,674	\$4,478,632	\$3,881,755
3	Drought Rate Percentage	2%	5%	12%	17%	24%	34%

Table 6-11: Proposed Variable Drought Rates

	A	B	C	D	E	F	G
Line	Proposed Variable Drought Rates	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Residential						
2	Tier 1 (6 HCF)	\$0.15	\$0.33	\$0.77	\$1.10	\$1.54	\$2.21
3	Tier 2 (next 10 HCF)	\$0.16	\$0.35	\$0.80	\$1.15	\$1.61	\$2.31
4	Tier 3 (>16 HCF)	\$0.18	\$0.39	\$0.91	\$1.29	\$1.82	\$2.60
5							
6	Com/Ind/Pub						
7	Base	\$0.15	\$0.33	\$0.77	\$1.09	\$1.54	\$2.21
8	Peak	\$0.17	\$0.38	\$0.88	\$1.25	\$1.77	\$2.53
9							
10	Agriculture	\$0.06	\$0.14	\$0.31	\$0.45	\$0.63	\$0.90
11	Temporary	\$0.16	\$0.35	\$0.82	\$1.16	\$1.64	\$2.35

6.6. Drought Rates Schedule

Table 6-12 through Table 6-17 show the proposed drought rate schedule for FY 2027 through FY 2029.

Table 6-12: Stage 1 Drought Rates

	A	B	C	D
Line	Stage 1 Drought Rates	FY 2027	FY 2028	FY 2029
1	Fixed Rates			
2	3/4"	\$3.17	\$3.41	\$3.64
3	1"	\$5.28	\$5.68	\$6.05
4	1 1/2"	\$10.56	\$11.36	\$12.10
5	2"	\$16.89	\$18.16	\$19.35
6	3"	\$36.93	\$39.70	\$42.29
7	4"	\$66.48	\$71.47	\$76.12
8	6"	\$137.17	\$147.46	\$157.05
9				
10	Commodity Rates			
11	Residential			
12	Tier 1 (6 HCF)	\$0.15	\$0.17	\$0.19
13	Tier 2 (next 10 HCF)	\$0.16	\$0.18	\$0.20
14	Tier 3 (>16 HCF)	\$0.18	\$0.20	\$0.22
15				
16	Com/Ind/Pub			
17	Base	\$0.15	\$0.17	\$0.19
18	Peak	\$0.18	\$0.20	\$0.22
19				
20	Agriculture	\$0.07	\$0.08	\$0.09
21	Temporary	\$0.16	\$0.18	\$0.20

Table 6-13: Stage 2 Drought Rates

	A	B	C	D
Line	Stage 2 Drought Rates	FY 2027	FY 2028	FY 2029
1	Fixed Rates			
2	3/4"	\$6.20	\$6.67	\$7.11
3	1"	\$10.32	\$11.10	\$11.83
4	1 1/2"	\$20.64	\$22.19	\$23.64
5	2"	\$33.02	\$35.50	\$37.81
6	3"	\$72.22	\$77.64	\$82.69
7	4"	\$130.00	\$139.75	\$148.84
8	6"	\$268.25	\$288.37	\$307.12
9				
10	Commodity Rates			
11	Residential			
12	Tier 1 (6 HCF)	\$0.34	\$0.37	\$0.40
13	Tier 2 (next 10 HCF)	\$0.35	\$0.38	\$0.41
14	Tier 3 (>16 HCF)	\$0.40	\$0.43	\$0.46
15				
16	Com/Ind/Pub			
17	Base	\$0.34	\$0.37	\$0.40
18	Peak	\$0.39	\$0.42	\$0.45
19				
20	Agriculture	\$0.14	\$0.16	\$0.18
21	Temporary	\$0.36	\$0.39	\$0.42

Table 6-14: Stage 3 Drought Rates

	A	B	C	D
Line	Stage 3 Drought Rates	FY 2027	FY 2028	FY 2029
1	Fixed Rates			
2	3/4"	\$12.48	\$13.42	\$14.30
3	1"	\$20.80	\$22.36	\$23.82
4	1 1/2"	\$41.60	\$44.72	\$47.63
5	2"	\$66.55	\$71.55	\$76.21
6	3"	\$145.58	\$156.50	\$166.68
7	4"	\$262.04	\$281.70	\$300.02
8	6"	\$540.71	\$581.27	\$619.06
9				
10	Commodity Rates			
11	Residential			
12	Tier 1 (6 HCF)	\$0.77	\$0.83	\$0.89
13	Tier 2 (next 10 HCF)	\$0.81	\$0.88	\$0.94
14	Tier 3 (>16 HCF)	\$0.91	\$0.98	\$1.05
15				
16	Com/Ind/Pub			
17	Base	\$0.77	\$0.83	\$0.89
18	Peak	\$0.89	\$0.96	\$1.03
19				
20	Agriculture	\$0.32	\$0.35	\$0.38
21	Temporary	\$0.82	\$0.89	\$0.95

Table 6-15: Stage 4 Drought Rates

	A	B	C	D
Line	Stage 4 Drought Rates	FY 2027	FY 2028	FY 2029
1	Fixed Rates			
2	3/4"	\$15.19	\$16.33	\$17.40
3	1"	\$25.32	\$27.22	\$28.99
4	1 1/2"	\$50.63	\$54.43	\$57.97
5	2"	\$81.01	\$87.09	\$92.76
6	3"	\$177.20	\$190.49	\$202.88
7	4"	\$318.96	\$342.89	\$365.18
8	6"	\$658.16	\$707.53	\$753.52
9				
10	Commodity Rates			
11	Residential			
12	Tier 1 (6 HCF)	\$1.10	\$1.19	\$1.27
13	Tier 2 (next 10 HCF)	\$1.15	\$1.24	\$1.33
14	Tier 3 (>16 HCF)	\$1.29	\$1.39	\$1.49
15				
16	Com/Ind/Pub			
17	Base	\$1.10	\$1.19	\$1.27
18	Peak	\$1.26	\$1.36	\$1.45
19				
20	Agriculture	\$0.45	\$0.49	\$0.53
21	Temporary	\$1.17	\$1.26	\$1.35

Table 6-16: Stage 5 Drought Rates

	A	B	C	D
Line	Stage 5 Drought Rates	FY 2027	FY 2028	FY 2029
1	Fixed Rates			
2	3/4"	\$17.81	\$19.15	\$20.40
3	1"	\$29.68	\$31.91	\$33.99
4	1 1/2"	\$59.36	\$63.82	\$67.97
5	2"	\$94.97	\$102.10	\$108.74
6	3"	\$207.74	\$223.33	\$237.85
7	4"	\$373.93	\$401.98	\$428.11
8	6"	\$771.60	\$829.47	\$883.39
9				
10	Commodity Rates			
11	Residential			
12	Tier 1 (6 HCF)	\$1.55	\$1.67	\$1.78
13	Tier 2 (next 10 HCF)	\$1.62	\$1.75	\$1.87
14	Tier 3 (>16 HCF)	\$1.82	\$1.96	\$2.09
15				
16	Com/Ind/Pub			
17	Base	\$1.55	\$1.67	\$1.78
18	Peak	\$1.77	\$1.91	\$2.04
19				
20	Agriculture	\$0.64	\$0.69	\$0.74
21	Temporary	\$1.64	\$1.77	\$1.89

Table 6-17: Stage 6 Drought Rates

	A	B	C	D
Line	Stage 6 Drought Rates	FY 2027	FY 2028	FY 2029
1	Fixed Rates			
2	3/4"	\$20.42	\$21.96	\$23.39
3	1"	\$34.02	\$36.58	\$38.96
4	1 1/2"	\$68.04	\$73.15	\$77.91
5	2"	\$108.87	\$117.04	\$124.65
6	3"	\$238.14	\$256.01	\$272.66
7	4"	\$428.64	\$460.79	\$490.75
8	6"	\$884.49	\$950.83	\$1,012.64
9				
10	Commodity Rates			
11	Residential			
12	Tier 1 (6 HCF)	\$2.22	\$2.39	\$2.55
13	Tier 2 (next 10 HCF)	\$2.32	\$2.50	\$2.67
14	Tier 3 (>16 HCF)	\$2.61	\$2.81	\$3.00
15				
16	Com/Ind/Pub			
17	Base	\$2.21	\$2.38	\$2.54
18	Peak	\$2.54	\$2.74	\$2.92
19				
20	Agriculture	\$0.91	\$0.98	\$1.05
21	Temporary	\$2.35	\$2.53	\$2.70

7. Appendices

7.1. Appendix A

Water system asset valuation, functionalization, and allocation to system cost components

Capital Assets	Function	Base	Max Day	Max Hour	Groundwater	Cachuma	SWP	CAPP	Treatment	Pumping	Conservation	CIP	Fire	Meter	Customer	Offset	General	Total
Percentage Allocation																		
Administration Building	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Carpinteria Reservoir	Storage	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Corrosion Control	Distribution	35%	23%	42%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Office Equipment & Furniture	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Other Equipment & Tools	T&D	47%	32%	21%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Facility & Grounds Equipment	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Foothill Reservoir	Storage	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Headquarters Well	Wells	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Hydrants	Fire	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%
Land	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Maintenance Center	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Meters & Services	Meters	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%
Ortega Reservoir Cover	Storage	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Pumping Equipment	Pumping	35%	23%	42%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Tanks & Reservoirs	Storage	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Transmission & Distribution	T&D	47%	32%	21%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Vehicles	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Wells	Wells	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Water Treatment Equipment	Treatment	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
																		RCLD
Dollar Allocation																		
Administration Building	Administration	\$52,403	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$157,210	\$209,613
Carpinteria Reservoir	Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corrosion Control	Distribution	\$9,552	\$6,400	\$11,367	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,319
Office Equipment & Furniture	Administration	\$49,978	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$149,933	\$199,911
Other Equipment & Tools	T&D	\$137,701	\$92,259	\$60,409	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$290,369
Facility & Grounds Equipment	General	\$46,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$138,751	\$185,001
Foothill Reservoir	Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Headquarters Well	Wells	\$989,974	\$663,263	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,653,257
Hydrants	Fire	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$312,908	\$0	\$0	\$0	\$0	\$312,908
Land	General	\$801,699	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,405,098	\$3,206,797
Maintenance Center	General	\$189,317	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$567,952	\$757,270
Meters & Services	Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,890,540	\$0	\$0	\$0	\$7,890,540
Ortega Reservoir Cover	Storage	\$60,358	\$40,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,798
Pumping Equipment	Pumping	\$94,785	\$63,506	\$112,794	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$271,085
Tanks & Reservoirs	Storage	\$249,665	\$167,275	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$416,940
Transmission & Distribution	T&D	\$5,170,790	\$3,464,429	\$2,268,413	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,903,632
Vehicles	General	\$20,892	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,676	\$83,569
Wells	Wells	\$2,539,060	\$1,701,170	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,240,231
Water Treatment Equipment	Treatment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$213,874	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$213,874
Total - Capital Assets		\$10,412,425	\$6,198,763	\$2,452,983	\$0	\$0	\$0	\$0	\$213,874	\$0	\$0	\$0	\$312,908	\$7,890,540	\$0	\$0	\$3,481,621	\$30,963,113
Capital Cost Allocation		33.6%	20.0%	7.9%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	1.0%	25.5%	0.0%	0.0%	11.2%	100.0%

7.2. Appendix B

Operating and Maintenance cost allocation

O&M Expenses	Function	Base	Max Day	Max Hour	Groundwater	Cachuma	SWP	CAPP	Treatment	Pumping	Conservation	CIP	Fire	Meter	Customer	Offset	General	Total
Percentage Allocation																		
Personnel																		
Labor																		
Maint of Wells-Labor	Groundwater	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Water Tests & Treatment-Labor	Groundwater	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Electrical/Instrumentation-Labor	Pumping	35%	23%	42%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Engineering Labor-Office	Capital	34%	20%	8%	0%	0%	0%	0%	1%	0%	0%	0%	1%	25%	0%	0%	11%	100%
Engineering- Vacation, Sick, & Holidays	Capital	34%	20%	8%	0%	0%	0%	0%	1%	0%	0%	0%	1%	25%	0%	0%	11%	100%
Field Labor-Office	Distribution	35%	23%	42%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Field- Vacation, Sick, & Holidays	Distribution	35%	23%	42%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Standby Labor	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Vehicle/Equipment Maint Labor	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Maint of Mains & Hydrants-Labor	T&D	47%	32%	21%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Maint of Meters & Svcs-Labor	Meters	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%
Maint Pumping Equipment-Labor	Pumping	35%	23%	42%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Utility Service Alerts-Labor	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Cross Connection Labor	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Engineering Field Labor	Capital	34%	20%	8%	0%	0%	0%	0%	1%	0%	0%	0%	1%	25%	0%	0%	11%	100%
Maint Tanks & Reservoirs-Labor	Storage	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Office of General Manager	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Office of GM-Vacation, Sick, & Holidays	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Salary Office	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Office-Vacation, Sick, & Holidays	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Labor-Training & Seminars	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Maint of Plant-Labor	Treatment	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Public Information-Labor	Conservation	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	100%
Water Conservation	Conservation	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	100%
Coord-BMP 12	Conservation	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	100%
Meter Reading/Customer Orders	Billing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%
CGSA Labor Allocation	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Office of the GM	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Succession Plan *NEW*	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Placeholder																		
Placeholder																		

Personnel - Related Expenses

O&M Expenses	Function	Base	Max Day	Max Hour	Groundwater	Cachuma	SWP	CAPP	Treatment	Pumping	Conservation	CIP	Fire	Meter	Customer	Offset	General	Total
Directors Fees	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Employee Retirement-PERS	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Deferred Compensation-Employees	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Employee Health Insurance	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Employee FICA & Medicare	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Workers Compensation	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Employee Safety Boots	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Employee Physicals	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Compensated Absences	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Employee Educ. & Training Registration	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Temporary Labor	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Unemployment Insurance	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Vehicle Allowance	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
GSA Benefits Allocation	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Placeholder																		
Placeholder																		
Placeholder																		
General and Administrative																		
Office Expense & Supplies	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Computer System Maintenance	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Dues, Memberships & Licenses	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Employee Travel	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Misc. Office Expense	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Public Information Expense	Conservation	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	100%
Advertising	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Meetings & Events	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Board Meetings and Supplies	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Board Member Training	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
NEW Management Meeting Supplies	Administration	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Employee Relations Expense	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Software Maintenance	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Incode Maintenance	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Office Equipment Leases	General	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	100%
Customer Billing Expenses	Billing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%
Bank and Finance Fees	Billing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%

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O&M Expenses	Function	Base	Max Day	Max Hour	Groundwater	Cachuma	SWP	CAPP	Treatment	Pumping	Conservation	CIP	Fire	Meter	Customer	Offset	General	Total
Water Tests & Treatment-Labor	Groundwater	\$0	\$0	\$0	\$105,090	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105,090
Electrical/Instrumentation-Labor	Pumping	\$5,132	\$3,438	\$6,107	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,677
Engineering Labor-Office	Capital	\$109,490	\$65,182	\$25,794	\$0	\$0	\$0	\$0	\$2,249	\$0	\$0	\$0	\$3,290	\$82,971	\$0	\$0	\$36,610	\$325,586
Engineering- Vacation, Sick, & Holidays	Capital	\$37,166	\$22,126	\$8,756	\$0	\$0	\$0	\$0	\$763	\$0	\$0	\$0	\$1,117	\$28,165	\$0	\$0	\$12,427	\$110,520
Field Labor-Office	Distribution	\$57,277	\$38,375	\$68,159	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$163,811
Field- Vacation, Sick, & Holidays	Distribution	\$48,686	\$32,619	\$57,936	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$139,241
Standby Labor	General	\$16,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,250	\$67,000
Vehicle/Equipment Maint Labor	General	\$3,854	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,561	\$15,415
Maint of Mains & Hydrants-Labor	T&D	\$84,111	\$56,354	\$36,899	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$177,364
Maint of Meters & Svcs-Labor	Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$163,486	\$0	\$0	\$0	\$163,486
Maint Pumping Equipment-Labor	Pumping	\$7,068	\$4,735	\$8,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,214
Utility Service Alerts-Labor	General	\$4,422	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,267	\$17,689
Cross Connection Labor	General	\$4,272	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,815	\$17,087
Engineering Field Labor	Capital	\$34,783	\$20,707	\$8,194	\$0	\$0	\$0	\$0	\$714	\$0	\$0	\$0	\$1,045	\$26,359	\$0	\$0	\$11,630	\$103,433
Maint Tanks & Reservoirs-Labor	Storage	\$8,106	\$5,431	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,537
Office of General Manager	Administration	\$61,974	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$185,922	\$247,896
Office of GM-Vacation, Sick, & Holidays	Administration	\$8,814	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,442	\$35,256
Salary Office	Administration	\$232,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$698,700	\$931,600
Office-Vacation, Sick, & Holidays	Administration	\$38,846	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$116,537	\$155,382
Labor-Training & Seminars	Administration	\$27,581	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$82,743	\$110,324
Maint of Plant-Labor	Treatment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,555	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,555
Public Information-Labor	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$78,496	\$0	\$0	\$0	\$0	\$0	\$0	\$78,496
Water Conservation	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,853	\$0	\$0	\$0	\$0	\$0	\$0	\$13,853
Coord-BMP 12	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meter Reading/Customer Orders	Billing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,187	\$0	\$0	\$50,187
CGSA Labor Allocation	Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office of the GM	Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Succession Plan *NEW*	Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Placeholder																		
Placeholder																		
Personnel - Related Expenses																		
Directors Fees	Administration	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$20,000
Employee Retirement-PERS	General	\$79,263	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$237,788	\$317,050
Deferred Compensation-Employees	General	\$10,136	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,409	\$40,546
Employee Health Insurance	General	\$128,104	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$384,311	\$512,415
Employee FICA & Medicare	General	\$61,045	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$183,135	\$244,180
Workers Compensation	General	\$8,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,250	\$35,000
Employee Safety Boots	General	\$1,716	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,149	\$6,865
Employee Physicals	General	\$750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,250	\$3,000

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O&M Expenses	Function	Base	Max Day	Max Hour	Groundwater	Cachuma	SWP	CAPP	Treatment	Pumping	Conservation	CIP	Fire	Meter	Customer	Offset	General	Total
Renewal Fund - Cachuma Project	Lake Cachuma	\$0	\$0	\$0	\$0	\$22,660	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,660
Placeholder																		
Placeholder																		
Placeholder																		
Repairs & Maintenance																		
Maintenance of Pumping Equip	Pumping	\$7,705	\$5,162	\$9,169	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,036
Maintenance of Wells	Groundwater	\$0	\$0	\$0	\$21,265	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,265
Maintenance of Vehicles & Equipment	General	\$3,325	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,975	\$13,300
Maintenance of Mains & Hydrants	T&D	\$47,962	\$32,134	\$21,041	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$101,137
Maintenance of Tanks & Reservoirs	Storage	\$11,102	\$7,438	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,540
Maintenance of Meters & Services	Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$113,802	\$0	\$0	\$0	\$113,802
Maintenance of SCADA Equipment	Distribution	\$10,803	\$7,238	\$12,855	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,895
Badger Meter Reading Fees "NEW"	Billing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,806	\$0	\$0	\$43,806
Maintenance - Office, Plant & Sites	General	\$22,151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66,453	\$88,604
Fleet Fuel & Maintenance	General	\$7,345	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,034	\$29,378
Equipment Fuel Expense	General	\$3,605	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,815	\$14,420
Fleet Vehicle Lease Expense	General	\$25,235	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,705	\$100,940
Equipment Maintenance	General	\$5,150	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,450	\$20,600
Fleet Maintenance	General	\$3,780	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,340	\$15,120
Placeholder																		
Placeholder																		
Supplies & Equipment																		
Engineering Supplies & Expense	Capital Lake Cachuma	\$5,283	\$3,145	\$1,245	\$0	\$0	\$0	\$0	\$109	\$0	\$0	\$0	\$159	\$4,004	\$0	\$0	\$1,767	\$15,711
Cloudseeding		\$0	\$0	\$0	\$0	\$12,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000
Uniforms Expense	General	\$5,075	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,225	\$20,300
Safety Supplies & Equipment	General	\$3,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,680	\$14,241
Minor Tools Supplies & Equipment	General	\$5,808	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,424	\$23,231
Utility Service Alerts	General	\$765	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,295	\$3,060
MATERIAL INV SHORT-LONG	General	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Placeholder																		
Placeholder																		
Placeholder																		

State Water

O&M Expenses	Function	Base	Max Day	Max Hour	Groundwater	Cachuma	SWP	CAPP	Treatment	Pumping	Conservation	CIP	Fire	Meter	Customer	Offset	General	Total
*CCWA - Variable	State Water	\$0	\$0	\$0	\$0	\$0	\$171,122	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$171,122
*DWR - Variable	State Water	\$0	\$0	\$0	\$0	\$0	\$216,887	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$216,887
*CCWA - Variable - DROUGHT IMPACT	State Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
*DWR - Variable - DROUGHT IMPACT	State Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Placeholder																		
Placeholder																		
Placeholder																		
Water Treatment & Testing																		
*Treatment - Cater Plant	Treatment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,800,000
Water Quality Analysis-Distribution	Groundwater	\$0	\$0	\$0	\$21,938	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,938
Treatment - Wells Chlorination - Ortega Reservoir	Groundwater	\$0	\$0	\$0	\$64,961	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,961
Testing - Production Meters	Treatment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,221	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,221
Water Quality Flushing - NEW	Groundwater	\$0	\$0	\$0	\$6,158	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,158
	Treatment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Placeholder																		
Placeholder																		
Joint Powers Authorities																		
COMB Operating	Lake Cachuma	\$0	\$0	\$0	\$0	\$807,447	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$807,447
COMB Operating - DROUGHT IMPACT	Lake Cachuma	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COMB-Safety of Dam (M & I)	Lake Cachuma	\$0	\$0	\$0	\$0	\$34,408	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,408
COMB Fisheries	Lake Cachuma	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carpinteria GSA Expenses	Groundwater	\$0	\$0	\$0	\$102,012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$102,012
CCWA Operating Expense	State Water	\$0	\$0	\$0	\$0	\$0	\$784,075	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$784,075
Placeholder																		
Placeholder																		
Water Conservation																		
Wtr Cons BMP 1 Wtr Srvy Prg	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wtr Cons BMP 3 Residential	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,683	\$0	\$0	\$0	\$0	\$0	\$0	\$1,683
Wtr Cons BMP 5 Landscape (CII)	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$285	\$0	\$0	\$0	\$0	\$0	\$0	\$285

O&M Expenses	Function	Base	Max Day	Max Hour	Groundwater	Cachuma	SWP	CAPP	Treatment	Pumping	Conservation	CIP	Fire	Meter	Customer	Offset	General	Total
Wtr Cons BMP 2.1 Public Inf	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,955	\$0	\$0	\$0	\$0	\$0	\$0	\$16,955
Wtr Cons BMP 2.2 School Edu	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,054	\$0	\$0	\$0	\$0	\$0	\$0	\$1,054
Wtr Cons BMP 4 Cll	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wtr Cons BMP 1.4 Wtr Loss Contr	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Conservation Program	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$659	\$0	\$0	\$0	\$0	\$0	\$0	\$659
Wtr Cons BMP A3A On-Farm Evals	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wtr Cons BMP B3-On Farm Impr	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wtr Cons District Members	Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,354	\$0	\$0	\$0	\$0	\$0	\$0	\$3,354
Placeholder																		
Placeholder																		
Placeholder																		
CAPP																		
CAPP O&M Costs	CAPP	\$0	\$0	\$0	\$0	\$0	\$0	\$671,027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$671,027
CAPP R&R	CAPP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expenses																		
Regulatory Permitting Fees	General	\$13,777	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41,331	\$55,108
LAFCO	General	\$3,961	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,882	\$15,843
Insurance General	General	\$35,020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105,060	\$140,080
District Election Expense	General	\$875	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,625	\$3,500
Uncollectable Accounts	General	\$3,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,250	\$15,000
Total - O&M Expenses		\$1,545,300	\$336,756	\$300,078	\$623,793	\$1,106,100	\$1,172,084	\$671,027	\$2,851,899	\$75,383	\$136,939	\$0	\$6,032	\$429,390	\$233,816	\$0	\$3,128,036	\$12,616,633
Operating Cost Allocation		12.2%	2.7%	2.4%	4.9%	8.8%	9.3%	5.3%	22.6%	0.6%	1.1%	0.0%	0.0%	3.4%	1.9%	0.0%	24.8%	100.0%
Operating Less CAPP		12.9%	2.8%	2.5%	5.2%	9.3%	9.8%	0.0%	23.9%	0.6%	1.1%	0.0%	0.1%	3.6%	2.0%	0.0%	26.2%	100.0%