

Board Meeting Agenda

Russ Baggerly, Director
Mary Bergen, Director
Bill Hicks, Director

Pete Kaiser, Director
James Word, Director

CASITAS MUNICIPAL WATER DISTRICT
Meeting to be held at the
Oak View Resource Center
555 Mahoney Avenue
Oak View, CA 93022
May 10, 2017
3:00 P.M.

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public which is within the subject matter jurisdiction of the Board. The request to be heard should be made immediately before the Board's consideration of the item. No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of §54954.2 of the Government Code and except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under section 54954.3 of the Government Code.

1. Public comments (Items not on the agenda – three minute limit).
2. General Manager comments.
3. Board of Director comments.
4. Board of Director Verbal Reports on Meetings Attended.
5. Consent Agenda
 - a. Minutes from the April 26, 2017 meeting.
RECOMMENDED ACTION: Adopt Consent Agenda.
6. Review of District Accounts Payable Report for the Period of 4/20/17 - 5/3/17.
RECOMMENDED ACTION: Motion approving report.
7. Public Protest Hearing for the adoption of rate changes per Proposition 218.
Written protests must be received by Casitas prior to the close of the public hearing.
The President of the Board may restrict the length of time for each public comment to three minutes to address the Board.
 - a. Presentation by Stantek.

- b. Conduct a Public Hearing regarding proposed water rates.
 - 1) Call to Order and open the Public Hearing.
 - 2) Receive staff report and recommendations.
 - 3) Report of written communications.
 - 4) Public comment.
 - 5) Close Public Hearing.
 - 6) Discussion by Board of Directors.
- c. Resolution adopting revisions to the Rates and Regulations for Water Service.
- d. Resolution approving the preliminary assessment for revision to the Rates & Regulations for Water Service, adopting the notice of exemption, and directing the notice of exemption to be filed with the Clerk of the County of Ventura.

RECOMMENDED ACTION: Adopt Resolutions.

- 8. Resolution adopting the Water Services Agreement between the City of San Buenaventura and the Casitas Municipal Water District.

RECOMMENDED ACTION: Adopt Resolution.

- 9. Recommend the approval of the purchase of water meters for CFD 2013-01 (Ojai).

RECOMMENDED ACTION: Motion approving recommendation.

- 10. Information Items:

- a. Water Consumption Report – FY 2016-2017.
- b. Community Facilities District –CFD No.201-1 (Ojai) Cost Analysis.
- c. Investment Report – 5/3/17.

- 11. CLOSED SESSION.

It is the intention of the Casitas Municipal Water District Board of Directors to meet in closed session to consider the following item:

- a. Conference with Labor Negotiators (Government Code Sec. 54957.6).
Agency Designated Representative: Ron Merckling
Employee Organization: Management

- 12. Adjournment.

If you require special accommodations for attendance at or participation in this meeting, please notify our office 24 hours in advance at (805) 649-2251, ext.

113. (Govt. Code Section 54954.1 and 54954.2(a).

Minutes of the Casitas Municipal Water District
Board Meeting Held
April 26, 2017

A meeting of the Board of Directors was held April 26, 2017 at the Oak View Resource Center located at 555 Mahoney Ave. in Oak View, California. The meeting was called to order at 3:00 p.m. Directors Baggerly, Hicks, Bergen and Kaiser were present. Director Word was absent. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There were four staff members and three members of the public in attendance. President Baggerly led the group in the flag salute.

1. Public Comments (items not on the agenda – three minute limit).

None

2. General Manager comments.

Mr. Wickstrum discussed the unfortunate accident that occurred in the Recreation area and pointed out that staff worked admirably well in a difficult situation. We will bring forward commendations for the two citizens who were first on the scene and performed CPR. There were a lot of people that came together to assist and it was a sad situation.

3. Board of Director comments.

None

4. Board of Director Verbal Reports on Meetings Attended.

Director Bergen reported on the Upper Ventura River GSA meeting. They expect to be approved as a GSA on July 20th. Director Kaiser commended Director Bergen for her efforts and the job well done.

Director Hicks reported on his attendance at the AWA Symposium and it was one of the better ones he has been to. He mentioned that the most interesting speaker was the environmentalist on the panel who talked in terms of dollars and sense.

5. Consent Agenda

ADOPTED

- a. Minutes from the April 12, 2017 meeting.
- b. Resolution authorizing the General Manager to sign easement documents for the Lower San Antonio Creek Lateral Extension.

On the motion of Director Kaiser, seconded by Director Hicks the consent agenda was adopted by the following roll call vote:

AYES: Directors: Kaiser, Bergen, Hicks, Baggerly
NOES: Directors: None
ABSENT: Directors: Word

Resolution is numbered 17-

6. Review of District Accounts Payable Report for the Period of 4/12/17 – 4/19 /17. APPROVED

Director Kaiser questioned #26288 and Mr. Wickstrum explained that is work that we have a consulting performing.

On the motion of Director Hicks, seconded by Director Bergen, the Accounts Payables were approved by the following roll call vote:

AYES: Directors: Kaiser, Bergen, Hicks, Baggerly
NOES: Directors: None
ABSENT: Directors: Word

7. Resolution authorizing the issuance, in two series, of the Casitas Municipal Water District Community Facilities District No. 2013-01 (Ojai) 2017 Special Tax Bonds, and approving related documents and actions.

- a. Fiscal Agent Agreement
- b. Preliminary Official Statement
- c. Bond Purchase Agreement

Susanne Harrell provided a presentation on the bonding process.

The resolution was offered by Director Bergen, seconded by Director Kaiser and passed by the following roll call vote:

AYES: Directors: Kaiser, Bergen, Hicks, Baggerly
NOES: Directors: None
ABSENT: Directors: Word

Resolution is numbered 17-

8. Presentation of the 2017 Casitas Water Supply and Demand Assessment.

Mr. Wickstrum presented the 2017 Water Supply and Demand Assessment and suggested that we remain in stage 3 conditions and there was discussion regarding changing the number of days you can irrigate if you can stay within your allocation. There was also discussion regarding bringing back a revised rates and regulations and some revisions to the WEAP. The Water Efficiency Allocation Program was initially developed in 1990/1991 and we were fortunate in that we didn't have to implement that plan until a year and a half ago. It was revised in June 2015 when we got to 50% at Lake Casitas. The plan provides for the management of the water supply and outlines actions casitas will

take. In 1995 we identified our five stages and assigned that first change in attitude at 50%. This has been around for a long time. Reaction of the public has been favorable and it is in line with what we are hearing from the governor. Conservation is a way of California life. Director Baggerly added that we had 19 years' worth of water available and nobody did not get their water. That is what our WEAP says; we have 20 year availability of water. The plan actually works.

9. Progress Report on Office Building Improvements.

Neil Cole discussed the improvements to the main office building and explained that staff have been putting up with a lot of noise and inconvenience. He added that having board meetings at this location has sped up construction. The downstairs is ripped up and they will start hanging drywall today. We have hit one issue we are dealing with that will probably result in a change order. When they pulled out the sink in the middle lab there was mold and it has been tested and a remediation plan is being put in place. We won't know the full extent until we get to the demo. It is a fairly limited area and it will be a change order and we may have the work done with a separate contractor.

10. Information Items:

- a. Executive Committee Minutes.
- b. Finance Committee Minutes.
- c. Investment Report.

On the motion of Director Kaiser, seconded by Director Hicks, the information items were approved by the following roll call vote:

AYES:	Directors:	Kaiser, Bergen, Hicks, Baggerly
NOES:	Directors:	None
ABSENT:	Directors:	Word

11. Adjournment

President Baggerly adjourned the meeting at 4:10 p.m.

Bill Hicks, Secretary

CASITAS MUNICIPAL WATER DISTRICT
Payable Fund Check Authorization
Checks Dated 04/20/17-05/03/17
Presented to the Board of Directors For Approval May 10, 2017

Check	Payee		Description	Amount
000720	Payables Fund Account	# 9759651478	Accounts Payable Batch 042617	\$117,466.22
000721	Payables Fund Account	# 9759651478	Accounts Payable Batch 050317	\$388,592.50
				\$506,058.72
000722	Payroll Fund Account	# 9469730919	Estimated Payroll 5/25/17	\$160,000.00
			Total	\$666,058.72

Publication of check register is in compliance with Section 53065.6 of the Government Code which requires the District to disclose reimbursements to employees and/or directors.

The above numbered checks, 000720-000722 have been duly audited is hereby certified as correct.

Denise Collin

5/3/17

Denise Collin, Accounting Manager/Treasurer

Signature

Signature

Signature

A/P Fund

Publication of check register is in compliance with Section 53065.6 of the Government Code which requires the District to disclose reimbursements to employees and/or directors.

000720	A/P Checks:	26292-26311
	A/P Draft to P.E.R.S.	000000
	A/P Draft to State of CA	000000
	A/P Draft to I.R.S.	000000
	Voids:	
000721	A/P Checks:	26312-26420
	A/P Draft to P.E.R.S.	000000
	A/P Draft to State of CA	
	A/P Draft to I.R.S.	
	Voids:	26368, 26369

The above numbered checks,
have been duly audited are hereby
certified as correct.

Denise Collin 5/3/17
Denise Collin, Accounting Manager/Treasurer

Signature

Signature

Signature

CERTIFICATION

Payroll disbursements for the pay period ending 04/22/17
Pay Date of 04/27/17
have been duly audited and are
hereby certified as correct.

Signed: Denise Collin 4/24/17
Denise Collin

Signed: _____
Signature

Signed: _____
Signature

Signed: _____
Signature

5/03/2017 1:56 PM
 VENDOR SET: 01 Casitas Municipal Water D
 BANK: * ALL BANKS
 DATE RANGE: 4/20/2017 THRU 5/03/2017

A/P HISTORY CHECK REPORT

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
C-CHECK	VOID CHECK	V	5/03/2017			026368		
C-CHECK	VOID CHECK	V	5/03/2017			026369		

* * T O T A L S * *

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	2	VOID DEBITS 0.00		
		VOID CREDITS 0.00	0.00	0.00

TOTAL ERRORS: 0

VENDOR SET: 01	BANK:	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
			2	0.00	0.00	0.00
BANK:		TOTALS:	2	0.00	0.00	0.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00049	STATE OF CALIFORNIA							
I-T2 201704241204	State Withholding	D	4/26/2017	12.57		000000		
I-T2 201704241205	State Withholding	D	4/26/2017	9,463.83		000000		9,476.40
00128	INTERNAL REVENUE SERVICE							
I-T1 201704241204	Federal Withholding	D	4/26/2017	114.33		000000		
I-T1 201704241205	Federal Withholding	D	4/26/2017	28,905.79		000000		
I-T3 201704241204	FICA Withholding	D	4/26/2017	194.10		000000		
I-T3 201704241205	FICA Withholding	D	4/26/2017	28,473.14		000000		
I-T4 201704241204	Medicare Withholding	D	4/26/2017	45.40		000000		
I-T4 201704241205	Medicare Withholding	D	4/26/2017	6,659.14		000000		64,391.90
00187	CALPERS							
I-PBB201704241205	PERS BUY BACK	D	4/26/2017	216.95		000000		
I-PBP201704241205	PERS BUY BACK	D	4/26/2017	161.96		000000		
I-PEB201704241205	PEPRA EMPLOYEES PORTION	D	4/26/2017	3,583.17		000000		
I-PEM201704241205	PERS EMPLOYEE PORTION MGMT	D	4/26/2017	2,754.79		000000		
I-PER201704241205	PERS EMPLOYEE PORTION	D	4/26/2017	6,539.80		000000		
I-PRB201704241205	PEBRA EMPLOYER PORTION	D	4/26/2017	3,758.00		000000		
I-PRR201704241205	PERS EMPLOYER PORTION	D	4/26/2017	10,274.37		000000		27,289.04
00187	CALPERS							
I-PEM201704261206	PERS EMPLOYEE PORTION MGMT	D	5/01/2017	33.49		000000		
I-PRR201704261206	PERS EMPLOYER PORTION	D	5/01/2017	36.42		000000		69.91
03024	S&P Global Ratings							
C-11328478	Analytical Serv. Bonds Return	N	5/03/2017	31,500.00CR		000000		
I-11328478	Analytical Services for Bonds	N	5/03/2017	31,500.00		000000		
01666	AT & T							
I-000009532982	Local, Regional, Long Distance	R	4/26/2017	1,172.04		026292		1,172.04
03021	Central Communications							
I-170403147101	Call Center 4/17	R	4/26/2017	103.45		026293		103.45
01483	CORVEL CORPORATION							
I-531972	Claim#1102WCI70000001	R	4/26/2017	195.00		026294		195.00
03020	Philip Custer							
I-032316	Tire Damage - LCRA	R	4/26/2017	300.00		026295		300.00
02544	Department of Justice							
I-227896	Fingerprinting	R	4/26/2017	341.00		026296		341.00

VENDOR SET: 01 Casitas Municipal Water D
BANK: AP ACCOUNTS PAYABLE
DATE RANGE: 4/20/2017 THRU 5/03/2017

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00086 I-1124	E.J. Harrison & Sons Inc Acct#500546088	R	4/26/2017	280.00		026297		280.00
00086 I-6573	E.J. Harrison & Sons Inc Acct#1C00053370	R	4/26/2017	146.94		026298		146.94
00086 I-6594	E.J. Harrison & Sons Inc Acct#1C00054240	R	4/26/2017	155.23		026299		155.23
02946 I-032517	Navilth Magallanes Advance for Incode Conference	R	4/26/2017	763.00		026300		763.00
02947 I-042517	Nicole Parson Advance for Incode Conference	R	4/26/2017	855.23		026301		855.23
00188 I-042517	PETTY CASH LCRA Petty Cash Short	R	4/26/2017	25.00		026302		25.00
00215 I-042517a I-042517b I-042517c	SOUTHERN CALIFORNIA EDISON Acct#2157697889 Acct#2266156405 Acct#2312811532	R R R	4/26/2017 4/26/2017 4/26/2017	793.41 255.88 69.46		026303 026303 026303		1,118.75
00216 I-042517 I-042517a	Southern California Gas Co. Acct#00801443003 Acct#18231433006	R R	4/26/2017 4/26/2017	418.00 58.36		026304 026304		476.36
00270 I-041017a I-041017b I-041017c I-041017d I-041017e	Wells Fargo Bank Laptop Charger - UT Lunch Room Supplies - DO Medical Evaluations - WP Sewer Covers - LCRA GPS Monthly Payment	R R R R R	4/26/2017 4/26/2017 4/26/2017 4/26/2017 4/26/2017	21.90 71.00 203.00 924.50 15.96		026305 026305 026305 026305 026305		1,236.36
00124 I-CUI201704241205 I-DCI201704241205 I-DI%201704241205	ICMA RETIREMENT TRUST - 457 457 CATCH UP DEFERRED COMP FLAT DEFERRED COMP PERCENT	R R R	4/26/2017 4/26/2017 4/26/2017	461.54 2,109.62 269.42		026306 026306 026306		2,840.58
01960 I-MOR201704241205	Moringa Community PAYROLL CONTRIBUTIONS	R	4/26/2017	16.75		026307		16.75
00985 I-DCN201704241205 I-DN%201704241205	NATIONWIDE RETIREMENT SOLUTION DEFERRED COMP FLAT DEFERRED COMP PERCENT	R R	4/26/2017 4/26/2017	4,242.50 335.43		026308 026308		4,577.93

VENDOR SET: 01 Casitas Municipal Water D
BANK: AP ACCOUNTS PAYABLE
DATE RANGE: 4/20/2017 THRU 5/03/2017

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00180	S.E.I.U. - LOCAL 721							
I-COP201704241205	SEIU 721 COPE	R	4/26/2017	39.50		026309		
I-UND201704241205	UNION DUES	R	4/26/2017	775.00		026309		814.50
01400	STATE DISBURSEMENT UNIT							
I-CS4201704241205	Payroll Deduction 10-D000121	R	4/26/2017	830.76		026310		830.76
00230	UNITED WAY							
I-UWY201704241205	PAYROLL CONTRIBUTIONS	R	4/26/2017	60.00		026311		60.00
00596	HOME DEPOT							
I-1440561	Bathrrom Supplies - PL	R	4/28/2017	228.06		026312		228.06
00010	AIRGAS USA LLC							
I-9062618062	Welding Supplies - LCRA	R	5/03/2017	177.30		026313		
I-9944112976	Oxygen,Argon,Acetylene Rental	R	5/03/2017	127.65		026313		304.95
09569	ALLCABLE							
C-2198933-88	Convoluted Loom Return	R	5/03/2017	50.65CR		026314		
I-2198766-00	Cat 6 Burial Cable	R	5/03/2017	210.12		026314		
I-2198888-00	Cat 6 Cables	R	5/03/2017	329.34		026314		
I-2198933-00	Convoluted Split Loom	R	5/03/2017	128.23		026314		
I-2198962-00	Splice Connector	R	5/03/2017	11.86		026314		628.90
01722	AMERICAN CASTING & MFG CORP							
I-278374	Quagga Tags - LCRA	R	5/03/2017	1,951.95		026315		1,951.95
00836	AMERICAN RED CROSS							
I-22010532	Medical Response Class	R	5/03/2017	19.00		026316		19.00
03025	Clarisa Andrade							
I-537064	Camping Fee Refund 537064	R	5/03/2017	115.50		026317		115.50
00014	AQUA-FLO SUPPLY							
I-SI022894	Nozzle, Spray - WP	R	5/03/2017	58.62		026318		
I-SI1024061	PVC Pipe - LCRA	R	5/03/2017	29.82		026318		
I-SI1024070	PVC Pipes & Fittings - LCRA	R	5/03/2017	180.22		026318		268.66
03011	Aquatics by Armando							
I-1408	Certified Pool Operator Course	R	5/03/2017	500.00		026319		500.00
01323	ARGO CHEMICAL INC							
C-1703024	CM for Sales Tax Collected	R	5/03/2017	925.41CR		026320		
I-1704152	Ammonia Solution - TP	R	5/03/2017	2,307.50		026320		1,382.09

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
02179	Art Street Interactive							
I-1123	Res. Sys. Web Hosting/Maint.	R	5/03/2017	542.15		026321		542.15
01666	AT & T							
I-000009581184	T-1 Lines 9391035541	R	5/03/2017	492.70		026322		492.70
00020	AVENUE HARDWARE, INC							
I-D66169	Quick Links - Lab	R	5/03/2017	10.26		026323		10.26
00030	B&R TOOL AND SUPPLY CO							
I-1900896347	Tamper 3", Screw Lock - PL	R	5/03/2017	1,155.33		026324		1,155.33
00032	BIOVIR LABORATORIES, INC							
I-170793	Giardia/Crypto Test 4/4/17	R	5/03/2017	365.00		026325		365.00
00463	Cal-Coast Machinery							
I-390850	Tractor Rental - Maint	R	5/03/2017	1,610.86		026326		1,610.86
02593	Cal-Coast Machinery							
I-395752	Oil Filter - LCRA	R	5/03/2017	18.62		026327		18.62
02983	Cal-Western Weed Control, Inc.							
I-16227	Dam Spraying - Maint	R	5/03/2017	7,500.00		026328		7,500.00
00055	CASITAS BOAT RENTALS							
I-001521	Pontoon Usage - Lab	R	5/03/2017	400.00		026329		400.00
02869	Center for Collaborative Polic							
I-1071536	Casitas/Ventura Mediation	R	5/03/2017	85.00		026330		85.00
00707	CHARLES P. CROWLEY CO.							
I-23579	Grundfos DDA Digital Dose Pump	R	5/03/2017	3,749.50		026331		
I-23589	Valve/Diaphragm Kit	R	5/03/2017	946.76		026331		4,696.26
01843	COASTAL COPY							
I-727441	Copier Usage - Whs	R	5/03/2017	32.42		026332		32.42
00071	COMMANDER PRINTED PRODUCTS							
I-104287	Frequent Visitor Forms	R	5/03/2017	480.34		026333		480.34
00062	CONSOLIDATED ELECTRICAL							
C-9009-265833	Cable Return - PL	R	5/03/2017	195.50CR		026334		
I-9009-750148	Purp Relay - UT	R	5/03/2017	65.23		026334		
I-9009-750340	Cable - PL	R	5/03/2017	195.50		026334		
I-9009-750571	Ethernet IP Adapter - TP	R	5/03/2017	6,702.39		026334		
I-9009-750599	Splice Connector - UT	R	5/03/2017	72.30		026334		6,839.92

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00079	DANIELS TIRE SERVICE I-250083786 Tractor Repairs -Unit 112	R	5/03/2017	934.68		026335		934.68
01856	DATA FLOW C-25305b Accrue Use Tax D-25305a Accrue Use Tax I-25305a Trailer Storage Stmt I-25305b Trailer Storage Stmt	R R R R	5/03/2017 5/03/2017 5/03/2017 5/03/2017	9.10CR 9.10 38.26 105.02		026336 026336 026336 026336		143.28
03026	Christine De La Torre I-537047 Camping Fee Refund 537047	R	5/03/2017	178.50		026337		178.50
00086	E.J. Harrison & Sons Inc I-6593 Acct#1C00054230	R	5/03/2017	2,846.56		026338		2,846.56
00488	ELECTRONIC SYSTEMS TECHNOLOGY C-31826b Accrue Use Tax D-31826a Accrue Use Tax I-31826 Antenna Cables - EM	R R R	5/03/2017 5/03/2017 5/03/2017	26.68CR 26.68 383.01		026339 026339 026339		383.01
00013	FERGUSON ENTERPRISES INC I-4456249 Water Filter - LCRA	R	5/03/2017	25.60		026340		25.60
00099	FGL ENVIRONMENTAL I-704027A Kear GW - HOBO 4/3/17	R	5/03/2017	93.50		026341		93.50
00713	FLUID MANUFACTURING I-45333 Shower Coin Lock Boxes	R	5/03/2017	124.47		026342		124.47
00104	FRED'S TIRE MAN I-99009 Tires and Balance - Unit 41 I-99011 Tires for Mower - Unit 277 I-99332 Flat Repair - LCRA I-99599 Oil Filter & Change - Unit 8 I-99611 Flat Repair Tube - Unit 114	R R R R R	5/03/2017 5/03/2017 5/03/2017 5/03/2017 5/03/2017	816.54 223.67 36.09 44.61 40.00		026343 026343 026343 026343 026343		1,160.91
00106	FRONTIER PAINT I-F0224040 Paint for Shop Bathroom - PL	R	5/03/2017	216.90		026344		216.90
03027	Jennifer Fulgentis I-542912 Camping Fee Refund 542912	R	5/03/2017	127.00		026345		127.00
02720	Garda CL West, Inc. I-20223392 Excess Items - LCRA	R	5/03/2017	4.40		026346		4.40

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 4/20/2017 THRU 5/03/2017

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00115	GRAINGER, INC							
I-9297203045	Submersible Well Pump - TP	R	5/03/2017	644.31		026347		
I-9413476996	High Security Locker - TP	R	5/03/2017	5,068.82		026347		
I-9416842509	Trash Bags - Admin	R	5/03/2017	57.14		026347		5,770.27
00121	HACH COMPANY							
I-10410649	Monochlor Reagent - Lab	R	5/03/2017	131.81		026348		
I-10410676	Reagents - TP	R	5/03/2017	786.34		026348		
I-10417143	Monochlor Reagent - Lab	R	5/03/2017	149.60		026348		1,067.75
01186	GERARDO M HERRERA							
I-042717	Dist. 5 Cert. Exam Fee	R	5/03/2017	155.00		026349		155.00
00122	BILL HICKS							
I-Mar/April 17	Reimburse Mileage 3/17-4/17	R	5/03/2017	203.30		026350		203.30
00596	HOME DEPOT							
I-3022874	Studs, Washers, Screws - PL	R	5/03/2017	48.88		026351		48.88
00894	HOSE-MAN, INC.							
I-5235830-0001-05	Hydraulic Hose - PL	R	5/03/2017	75.74		026352		75.74
01177	ICON SAFETY COMPANY INC.							
I-316009268	Carbon Monoxide Sensor	R	5/03/2017	375.27		026353		375.27
00126	CAROLE ILES							
I-April 17	Reimburse Mileage 4/17	R	5/03/2017	28.09		026354		28.09
02820	Henry Islas							
I-042817	Dist. 2 Cert. Exam Fee	R	5/03/2017	65.00		026355		65.00
00493	J & H ENGINEERING GENERAL							
I-042617	LCRA Road Maint.	R	5/03/2017	6,774.88		026356		6,774.88
00131	JCI JONES CHEMICALS, INC							
I-718771	Chlorine - TP, CM 718822	R	5/03/2017	1,650.00		026357		1,650.00
03028	Brenda Journeay							
I-539616	Camping Fee Refund 539616	R	5/03/2017	1,122.00		026358		1,122.00
00132	KAMAN INDUSTRIAL TECHNOLOGIES							
I-C228853	Rincon PP Motor & Base	R	5/03/2017	1,121.79		026359		
I-E154547	Ball Bearings - EM	R	5/03/2017	55.54		026359		
I-Y722230	Rincon PP Motor & Base	R	5/03/2017	169.39		026359		1,346.72

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
02185	Oasis Technology Inc.							
I-040317-10	PLC Swap &Reconfigure Data Log	R	5/03/2017	593.75		026370		
I-040517-2	PLC Configuration - TP	R	5/03/2017	687.50		026370		1,281.25
00163	OFFICE DEPOT							
I-919669117001	DO Office Supplies	R	5/03/2017	83.22		026371		
I-919669427001	Calculator	R	5/03/2017	96.28		026371		
I-919669428001	Hanging Folders, Wall File	R	5/03/2017	335.08		026371		514.58
00160	OILFIELD ELECTRIC CO, INC							
I-2022699	Lazy River Pump - WP	R	5/03/2017	1,892.48		026372		1,892.48
01570	Ojai Auto Supply LLC							
I-401722	Belt - Unit EZ5	R	5/03/2017	8.57		026373		
I-401887	Relay - Unit 54	R	5/03/2017	11.25		026373		
I-402257	Fuel Line Hose - Unit 117	R	5/03/2017	3.14		026373		22.96
00912	OJAI BUSINESS CENTER, INC							
I-12197a	Water Sample Shipment	R	5/03/2017	75.33		026374		
I-12197b	Flash Drives - UT	R	5/03/2017	54.70		026374		130.03
00165	OJAI LUMBER CO, INC							
I-1704-822282	Fir, Wire Mesh Mat - LCRA	R	5/03/2017	72.82		026375		72.82
01627	OSCAR'S TREE SERVICE							
I-12964	Broken Branch Removal - LCRA	R	5/03/2017	650.00		026376		650.00
03031	Chris Passmore							
I-544920	Camping Fee Refund 544920	R	5/03/2017	260.00		026377		260.00
02833	Praxair, Inc							
I-77025580	Liquid Oxygen - TP	R	5/03/2017	2,041.29		026378		2,041.29
01439	PRECISION POWER EQUIPMENT							
I-2577	Box Oil for Weedeater - Maint	R	5/03/2017	72.19		026379		
I-2578	Weed Eater Line, Bumper -Maint	R	5/03/2017	70.58		026379		142.77
00033	ROBERT SKEELS & CO.							
I-32761	Padlocks - UT	R	5/03/2017	422.58		026380		422.58
00313	ROCK LONG'S AUTOMOTIVE							
I-20596	Engine Mount - Unit 41	R	5/03/2017	406.54		026381		
I-20597	Electrical Repair - Unit 29	R	5/03/2017	242.53		026381		649.07

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 4/20/2017 THRU 5/03/2017

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
02900	Greg Romey I-April 17 ASSE Training Fee	R	5/03/2017	95.95		026382		95.95
03032	Bob Rusch I-April 17 Reimburse Expenses 4/17	R	5/03/2017	77.51		026383		77.51
01109	SALVADOR LOERA TRANSPORTATION I-15579 Base Rock - LCRA	R	5/03/2017	570.68		026384		570.68
02993	Steven Sharp I-042717 Dist. 3 Cert. Exam Fee	R	5/03/2017	100.00		026385		100.00
02003	Sostre Enterprises Inc. I-3363 Webpage for Ojai Acquisition	R	5/03/2017	3,600.00		026386		3,600.00
00215	SOUTHERN CALIFORNIA EDISON I-042917 aCCT#2210507034	R	5/03/2017	8,432.80		026387		
	I-050217 Acct#2269631768	R	5/03/2017	23.19		026387		
	I-050217a Acct#2210503702	R	5/03/2017	7,158.12		026387		15,614.11
09043	Southern California Edison I-253440a Meter & Service Change	R	5/03/2017	221.09		026388		221.09
01392	SOUTHWEST VALVE & EQUIPMENT I-4974 Single Valve Parts - TP	R	5/03/2017	3,065.86		026389		3,065.86
02202	Stanley Pest Control I-925223 Monthly Pest Control - WP	R	5/03/2017	170.00		026390		170.00
03012	Staples Construction Company I I-117432.01 DO Remodel 4/17	R	5/03/2017	92,833.82		026391		92,833.82
00048	STATE OF CALIFORNIA I-050117 State Water Plan Payment	R	5/03/2017	174,741.00		026392		174,741.00
00498	BRIAN TAYLOR I-041817 Safety Boots	R	5/03/2017	170.00		026393		170.00
01346	UNITED SITE SERVICES OF CA, INC I-114-5211773 Chemical Toilet Rentals - LCRA	R	5/03/2017	700.25		026394		700.25
00185	Univar USA Inc I-LA536158 Bulk Chemicals - WP	R	5/03/2017	1,421.25		026395		
	I-LA536551 Bulk Chemicals - WP	R	5/03/2017	3,299.10		026395		4,720.35

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
09955	VENTURA WHOLESALE ELECTRIC							
I-224060	Fountain Electrical Supplies	R	5/03/2017	107.32		026396		
I-224152	Crimping Tool - TP	R	5/03/2017	36.64		026396		143.96
01396	VULCAN CONSTRUCTION MATERIALS							
I-71414500	Cold Mix Asphalt - PL	R	5/03/2017	514.64		026397		514.64
02941	VWM Analytics							
I-60325	File #20165 4/17	R	5/03/2017	11,911.25		026398		11,911.25
00663	WAXIE SANITARY SUPPLY							
I-76628299	Janitorial Supplies - DO&LCRA	R	5/03/2017	4,003.97		026399		
I-76640054	Bathroom Soap	R	5/03/2017	54.87		026399		4,058.84
00630	WESCO							
I-156999	Wire - EM	R	5/03/2017	56.93		026400		56.93
00330	WHITE CAP CONSTRUCTION SUPPLY							
I-50006061836	Concrete Cutoff Wheel - PL	R	5/03/2017	4.30		026401		
I-50006067189	Concrete Cut off Wheel - PL	R	5/03/2017	42.99		026401		47.29
03019	YSI Incorporated							
I-685655	Data Logger - Eng.	R	5/03/2017	2,922.82		026402		2,922.82
00117	CERTEX USA, INC							
I-10719069-00	Tehter Rope for Buoy - Lab	R	5/03/2017	108.69		026403		108.69
00061	COMPUWAVE							
I-SB02086492	Okidata Drum - Eng	R	5/03/2017	145.98		026404		145.98
00329	MCMASTER-CARR SUPPLY CO.							
I-25061614	Relief Valve & Pipe Fittings	R	5/03/2017	139.86		026405		139.86
00151	MEINERS OAKS ACE HARDWARE							
I-769512	Gloves, Padlocks, Safety Glasses	R	5/03/2017	197.23		026406		
I-769541	Safety Glasses, Gloves, Boots	R	5/03/2017	97.63		026406		
I-770009	Hose, Key Stem, Key Handle	R	5/03/2017	91.10		026406		385.96
00165	OJAI LUMBER CO, INC							
I-1704-821351	Peeler Pole, Concrete	R	5/03/2017	136.57		026407		136.57
00168	OJAI VALLEY NEWS							
I-300012409	Advertising LCRA Jobs	R	5/03/2017	112.50		026408		
I-300012545	Advertings LCRA Jobs	R	5/03/2017	112.50		026408		
I-300012681	Advertising LCRA Jobs	R	5/03/2017	112.50		026408		337.50

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
02527	Traffic Technologies LLC							
I-24131	LCRA Signs and Hardware	R	5/03/2017	684.77		026409		
I-24132	LCRA Signs and Hardware	R	5/03/2017	55.11		026409		739.88
01268	ULINE							
I-86458755	Storage Racks for Vault	R	5/03/2017	2,285.74		026410		2,285.74
10011	VENTURA CONCRETE CUTTING							
I-6508	Grinding Asphalt Plates - PL	R	5/03/2017	650.00		026411		650.00
09955	VENTURA WHOLESALE ELECTRIC							
I-220591	PVC Conduit - EM	R	5/03/2017	95.90		026412		95.90
00271	WEST COAST AIR CONDITIONING							
I-S82105	Front Gate Kiosk AC	R	5/03/2017	194.71		026413		194.71
00330	WHITE CAP CONSTRUCTION SUPPLY							
I-10006868066	WP River Repair Supplies	R	5/03/2017	361.38		026414		361.38
1	NIDAY, MICHELLE							
I-000201704281207	US REFUND	R	5/03/2017	8.66		026415		8.66
1	BOVERSON, LISA							
I-000201704281210	US REFUND	R	5/03/2017	20.66		026416		20.66
1	HILLERY, EDWARD							
I-000201704281208	US REFUND	R	5/03/2017	13.90		026417		13.90
1	MACIAS, JULIE							
I-000201704281209	US REFUND	R	5/03/2017	12.87		026418		12.87
1	AILEEN LLC							
I-000201704281211	US REFUND	R	5/03/2017	97.86		026419		97.86
1	BALZARINI, DENNIS							
I-000201705031212	Re AR REFUND	R	5/03/2017	84.00		026420		84.00

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	127	404,831.47	0.00	404,831.47
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	4	101,227.25	0.00	101,227.25
EFT:	0	0.00	0.00	0.00
NON CHECKS:	1	0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS	0.00	
		VOID CREDITS	0.00	
			0.00	

TOTAL ERRORS: 0

5/03/2017 1:56 PM
 VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 4/20/2017 THRU 5/03/2017

A/P HISTORY CHECK REPORT

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
VENDOR SET: 01	BANK: AP	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS		CHECK AMOUNT	
			132	506,058.72	0.00		506,058.72	
BANK: AP	TOTALS:		132	506,058.72	0.00		506,058.72	
REPORT TOTALS:			132	506,058.72	0.00		506,058.72	

**Casitas Municipal Water District
Reimbursement Disclosure Report (1)
Fiscal Year 2016/17
July 1, 2016-June 30, 2017**

<u>Date paid</u>	<u>Board of Director/Employee</u>	<u>Description</u>	<u>Amount Paid</u>
7/5/2016	Vincent Godinez	Safety Boot Purchase	153.87
7/5/2016	Scott Lewis	Salmonid Genetics Conference	210.00
7/13/2016	Scott Lewis	Airfare to CMWD 7/10-7/14	425.20
7/13/2016	Scott MacDonald	Class Reimbursement	120.00
7/13/2016	Luke Soholt	Class Reimbursement	168.00
7/19/2016	Lindsay Cao	CWEA Membership	172.00
7/26/2016	Gerardo Herrera	Safety Boot Purchase	170.00
7/26/2016	Tim Lawson	Safety Boot Purchase	118.20
7/28/2016	Ron Yost	Property Tax Bill-Damtender Residence	608.65
8/4/2016	Gerardo Herrera	Utility Leadership Course	115.68
8/10/2016	Eric Behrendt	Safety Boot Purchase	156.59
8/10/2016	Scott Lewis	Lodging	348.32
8/10/2016	Scott Lewis	Car Rental	320.27
8/17/2016	Robert Vasquez	Safety Boot Purchase	170.00
8/24/2016	Larry Harris	Gray Water Workshop Refreshments	200.10
9/14/2016	Joel Cox	Safety Boot Purchase	170.00
9/14/2016	Greg Romey	Mileage Reimbursement - Offsite Training	111.24
9/21/2016	Joel Cox	T4 Certification	105.00
10/5/2016	Scott MacDonald	Safety Boot Purchase	170.00
10/13/2016	Scott Lewis	Airfare to CMWD 9/27-9/29	331.20
10/13/2016	Scott Lewis	Car Rental	254.08
10/13/2016	Scott Lewis	Lodging	189.50
10/13/2016	Brian Taylor	Safety Boot Purchase	156.59
10/19/2016	Michael Moler	Lodging for CALMS Conference	353.40
10/19/2016	Michael Moler	Mileage Reimbursement - Offsite Training	515.70
11/2/2016	Michael Moler	Lodging for CA/NV Fall Conference	377.92
11/2/2016	Michael Moler	Mileage Reimbursement - Offsite Training	222.48
11/9/2016	Michael Gibson	Lodging & Meals for Steelhead Conference	281.40
11/16/2016	Scott Lewis	Airfare to CMWD 11/14-11/19	451.20
11/16/2016	Scott Lewis	Fish Conference - 9/8	135.00
11/23/2016	Vincent Godinez	Safety Boot Purchase	170.00
11/23/2016	Vincent Godinez	Distribution Grade 3 Exam Fee	100.00
11/23/2016	Lindsay Cao	PE License Renewal	115.00
12/1/2016	Scott MacDonald	Distribution Grade 4 Certification	105.00
12/1/2016	Robert Vasquez	Water Treatment Plant Operator Course	112.55
12/1/2016	Robert Vasquez	Distribution Grade 3 Exam Fee	100.00
12/1/2016	Robert Vasquez	Distribution Grade 3 Certification	120.00
12/9/2016	Neil Cole	Microwave for Lunch Room	106.42
12/9/2016	Ronald Merckling	Lodging for ACWA Conference	658.13
12/9/2016	Steve Wickstrum	CE License Renewal	115.00
12/9/2016	Steve Wickstrum	Mileage Reimbursement - Offsite Meetings	124.20
12/21/2016	Vincent Godinez	Welding Course Fee	121.00
12/21/2016	Gerardo Herrera	Pumps/Motors Course Fee	138.00
12/21/2016	Caron Smith	Water Dist. Sys. O&M Course Fee	116.68
12/21/2016	David Pope	Safety Boot Purchase	166.61
12/21/2016	Robert Vasquez	Pumps/Motors Course Fee	138.00
1/4/2017	Eric Grabowski	Advance Water Treatment Course Fee	229.80
1/4/2017	Eric Grabowski	Pesticide Reg. License Certificate	120.00
1/4/2017	Gerardo Herrera	General Ed Course Fee	210.15
1/4/2017	Henry Islas	Water Dist. Sys. O&M Course Fee	171.68
1/4/2017	Scott Lewis	Car Rental	424.38
1/4/2017	Scott Lewis	Lodging	498.85
1/4/2017	Scott Lewis	OSU Fall Tuition	1,842.31
1/4/2017	Michael Moler	Reimburse Mileage	102.60
1/4/2017	Robert Vasquez	D4 Certificate	105.00

**Casitas Municipal Water District
 Reimbursement Disclosure Report (1)
 Fiscal Year 2016/17
 July 1, 2016-June 30, 2017**

1/18/2017	Luke Soholt	Treatment 4 Certificate Exam Fee	130.00
1/18/2017	James Word	Mileage Reimbursement	101.52
1/25/2017	Greg Romey	Lunch for District CPR Training	142.37
1/25/2017	Gonzalo Carbajal-Ramirez	Safety Boot Purchase	170.00
1/25/2017	Brian Taylor	Welding Supplies for Robles Canal	106.37
2/1/2017	Eric Grabowski	Safety Boot Purchase	170.00
2/15/2017	Joe Evans	Office Equipment	373.62
2/15/2017	Scott Lewis	OR Chapter American Fisheries Society Membership	150.00
2/15/2017	Scott Lewis	Airfare to CMWD 1/21-1/25	429.86
2/15/2017	Scott Lewis	Car Rental	448.97
3/2/2017	Carol Belser	Quagga/Zebra Mussel Water Agency Summit	394.00
3/2/2017	Carol Belser	Quagga/Zebra Mussel Water Agency Summit Hotel	388.38
3/2/2017	Curtis Orozco	Safety Boot Purchase	118.51
3/2/2017	Steven Sharp	Safety Boot Purchase	170.00
3/2/2017	Luke Soholt	Safety Boot Purchase	170.00
3/8/2017	Scott Lewis	Airfare to CMWD 2/19-2/23	468.36
3/8/2017	Scott Lewis	Lodging	344.92
3/8/2017	Scott Lewis	Car Rental	519.93
3/8/2017	Michael Moler	Reimburse Mileage	213.47
3/15/2017	Carol Belser	Park Ranger Conference Registration	250.00
3/15/2017	Carol Belser	Reimburse Mileage	220.42
3/15/2017	Carol Belser	Lodging	251.22
3/15/2017	Stephen Taylor	Workers Comp. Reimbursement	943.02
3/23/2017	Gerardo Herrera	Lodging for D4-D5 Course	125.95
3/29/2017	Angela Chapman-Kofron	Reimburse Mileage	470.80
3/29/2017	Vincent Godinez	Safety Boot Purchase	134.06
4/12/2017	Michael Moler	Reimburse Mileage	227.91
4/19/2017	Scott Lewis	Lodging	692.51
4/19/2017	Scott Lewis	Airfare to CMWD 4/4-4/11	390.60
4/19/2017	Scott Lewis	OSU Winter Tuition	1,157.69
4/19/2017	Michael Moler	Reimburse Mileage	169.60
4/19/2017	Michael Moler	Lodging - AWWA Conference	644.78
4/26/2017	Navilth Magallanes	Advance - Incode Conference	763.00
4/26/2017	Nicole Parson	Advance - Incode Conference	855.23
5/3/2017	Gerardo Herrera	Distribution 5 Certification Exam	155.00
5/3/2017	Bill Hicks	Reimburse Mileage	203.30
5/3/2017	Susan McMahon	Distribution 4 Certification Exam	130.00
5/3/2017	Steven Sharp	Distribution 3 Certification Exam	100.00
5/3/2017	Brian Taylor	Safety Boot Purchase	170.00

Note:

1) Reimbursement Disclosure Report prepared pursuant to California Government Code 53065.5



CASITAS
Municipal Water District


Rate Study
Preliminary Recommendations

February 22, 2017



Agenda

- 1** Project Background
- 2** Financial Plan
- 3** Cost of Service Results
- 4** Rate Design Recommendations
- 5** Rates and Bill Impacts
- 6** Next Steps



About Us



- Over 31 consultants devoted to financial and management solutions for water utilities
- 22,000 employees worldwide
- 21 Offices in California, including 5 in Los Angeles



3

System Background

Customers: 3,148 Accounts

2875 Retail

248 Agricultural

25 Resale (including City of Ventura)

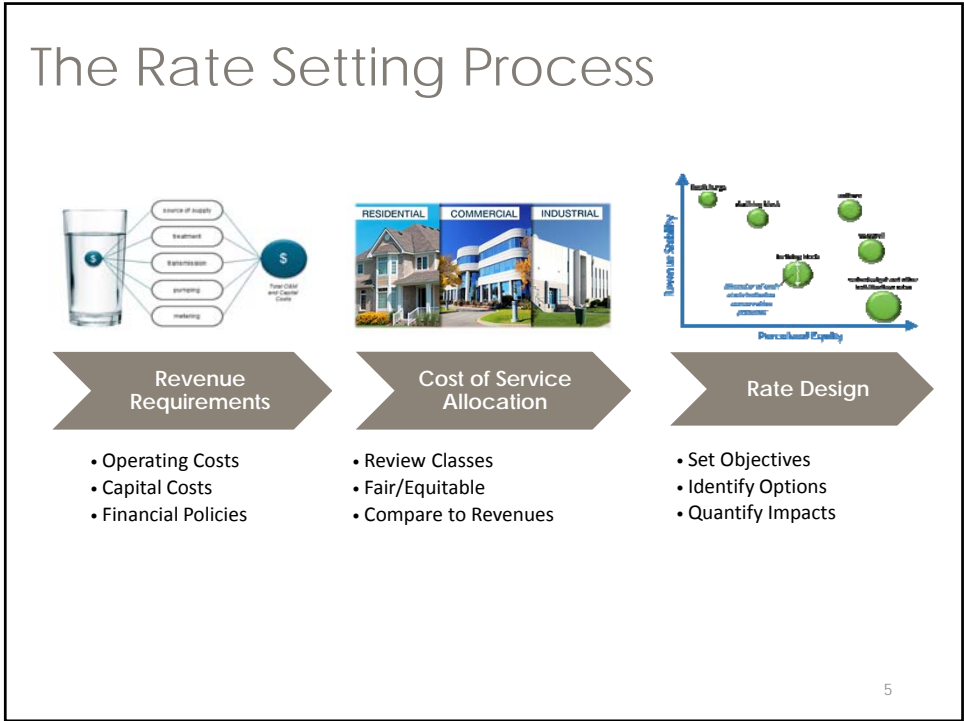
Source: Lake Casitas and limited groundwater

Pumping: Most retail is pumped,

Resale is ~80% gravity

Volumes: Ranges from 14,600 acre feet to 25,000 acre feet due to volatile demand from agricultural customers.

4

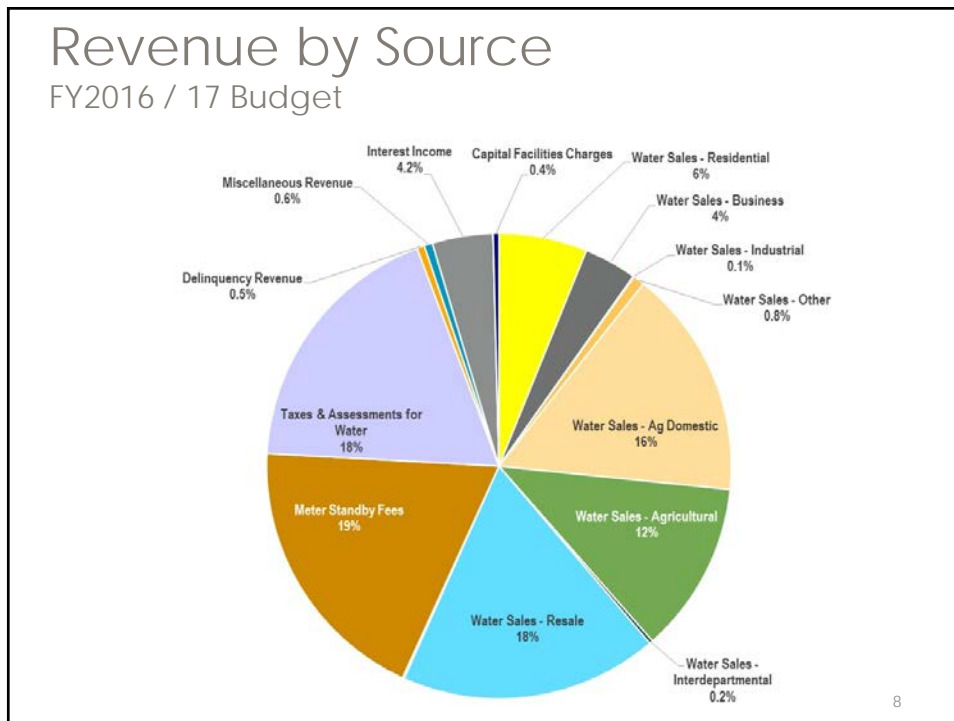


2 Financial Plan

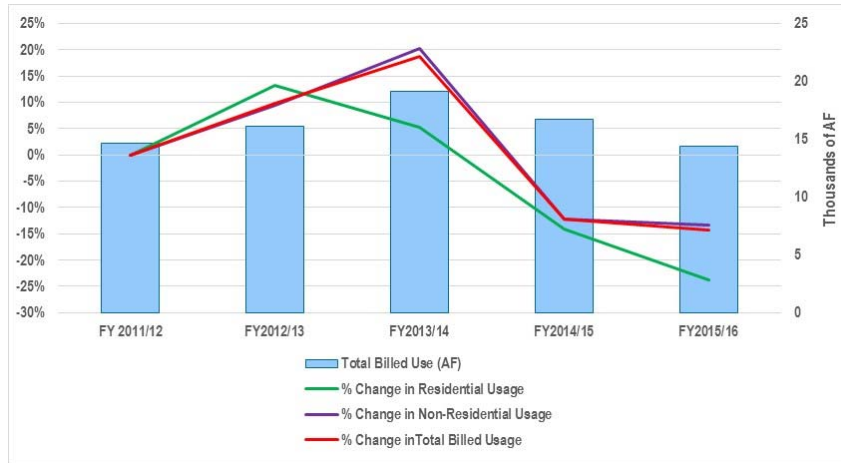
Water Utility Revenue Sources		Budget FY 2016 / 17	
Water Sales - Residential		\$685,975	
Water Sales - Business		409,263	
Water Sales - Industrial		7,940	
Water Sales - Other		88,767	
Water Sales - Ag Domestic		1,775,132	
Water Sales - Agricultural		1,330,107	
Water Sales - Interdepartmental		26,655	
Water Sales - Resale		2,001,892	
Other Water Services		14,214	
Meter Standby Fees		2,123,742	
Total Water Rate Revenue		\$8,463,686	
Taxes & Assessments for Water	\$2,052,552		
Delinquency Revenue	58,614		
Miscellaneous Revenue	64,475		
Interest Income	472,442		
Investment Income	0		
Capital Facilities Charges	44,550		
Total Water Non-Rate Revenue	\$2,692,633		
Total Water Utility Revenues		\$11,156,319	

Recreation		Budget FY 2016 / 17	
Concessions/Recreation Revenue		137,870	
Water Park Revenue		839,195	
Grants		80,000	
Taxes & Assessments for Rec		689,077	
Total Recreation Utility Revenues		\$4,361,677	

7



Billed Volume History



- Financial projections assume usage to remain at 2016 levels going forward
- Future water usage is uncertain, however a water consumption "rebound" from the drought is expected to be limited

9

Financial Assumptions*

FY 2017/18 FY 2018/19 FY 2019/20 FY 2020/21

Cost Escalation Factors

Salaries	3.5%	1.5%	1.5%	1.5%
Benefits	5.0%	5.0%	5.0%	5.0%
Chemicals	4.0%	4.0%	4.0%	4.0%
Power	6.0%	6.0%	6.0%	6.0%
Services & Supplies	3.0%	3.0%	3.0%	3.0%
Other	3.0%	3.0%	3.0%	3.0%

* Escalations are assumptions only for purposes of forecasting future costs

10

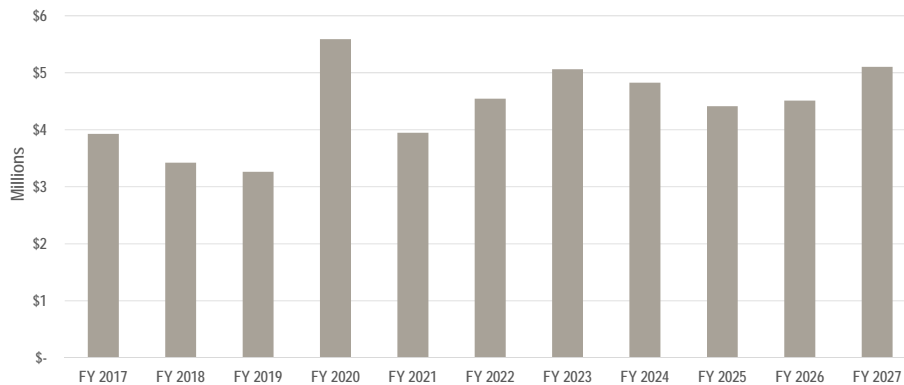
Water Operating Expenses - Current and Forecasted

Water Utility O&M Expenses	<i>Budgeted</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
	FY 2016 / 17	FY 2017 / 18	FY 2018 / 19	FY 2019 / 20	FY 2020 / 21	FY 2021 / 22
Salaries	\$4,031,158	\$4,330,215	\$4,395,168	\$4,461,096	\$4,528,012	\$4,595,932
Benefits	2,630,952	2,773,626	2,883,486	2,998,023	3,117,446	3,241,977
Services & Supplies	2,424,172	2,502,063	2,582,601	2,665,884	2,752,014	2,841,097
Chemicals	225,785	234,816	244,209	253,977	264,136	274,701
Power	1,196,901	1,268,715	1,344,838	1,425,529	1,511,060	1,601,724
Other*	-630,747	-654,268	-659,617	-664,912	-670,149	-675,322
Bad Debt	3,702	3,702	3,702	3,702	3,702	3,702
Total Water Operating Expenses	9,881,923	10,458,870	10,794,388	11,143,298	11,506,222	11,883,811
Debt Service	\$402,943	\$403,171	\$402,371	\$402,546	\$402,671	\$402,746
Total Water Operating Budget	\$10,284,866	\$10,862,041	\$11,196,758	\$11,545,844	\$11,908,893	\$12,286,557
<i>Increase over Previous Year</i>		5.6%	3.7%	3.7%	3.7%	3.2%
Total Operating Budget	\$10,284,866	\$10,862,041	\$11,196,758	\$11,545,844	\$11,908,893	\$12,286,557
Capital Spending Budget	3,929,059	3,369,285	2,573,743	4,235,410	3,346,138	3,925,302
Total Cash Outlay	14,213,925	14,231,325	13,770,502	15,781,254	15,255,030	16,211,859
		0.1%	-3.2%	14.6%	-3.3%	6.3%

* "Other" includes administrative overhead & insurance
 * "Other" is negative due to a transfer of costs from Administration to Recreation

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Forecasted Capital Spending



Average capital spending from previous 5 years: \$2.8M

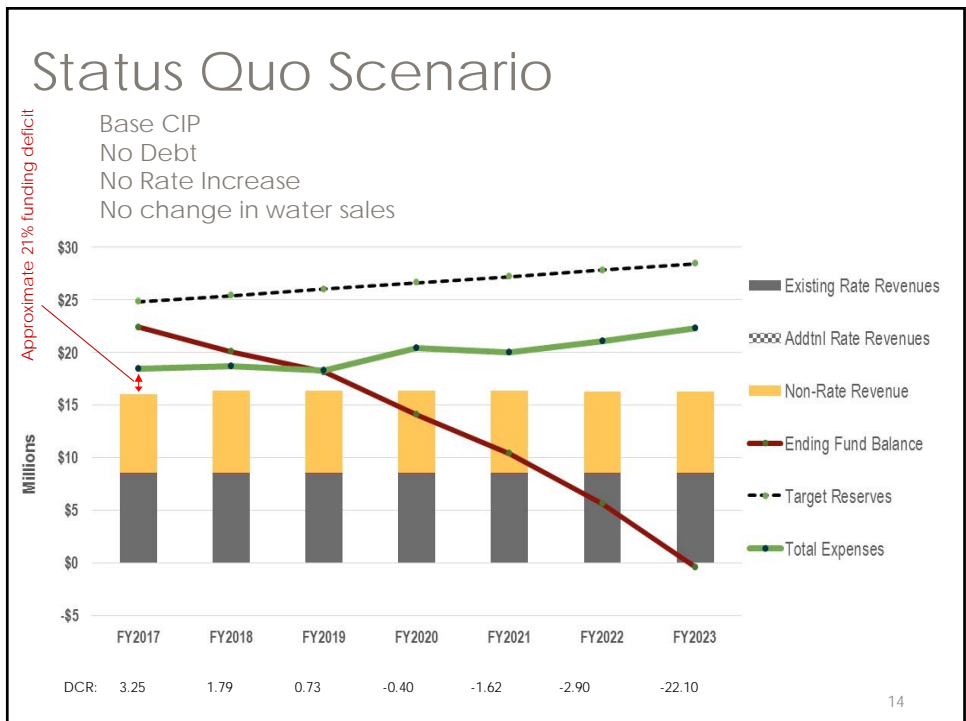
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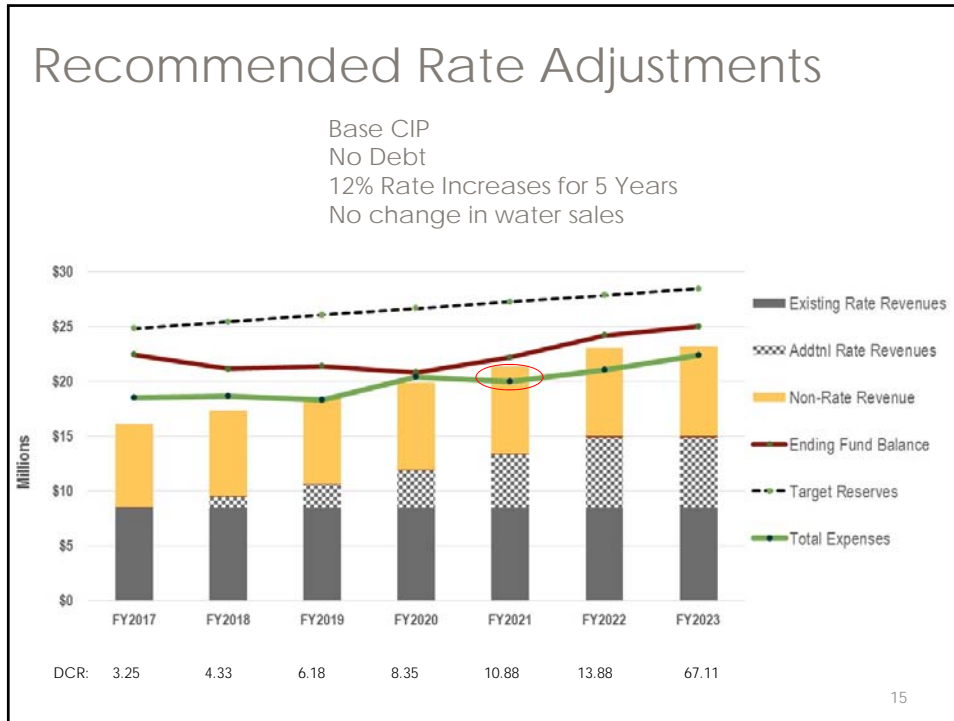
Reserves

Restricted Reserves	\$2.7M	Includes reserves for safe drinking water fund, flexible storage fund, fund due to Mira Monte, funds due to CFD, and Capital Facilities Charge fund.
Designated Fund <u>Target</u> Reserves = \$22.1M		
Storm Damage Fund	\$4.5M	For emergency storm events
Variation in Water Sales Fund	\$5.5M	Covers the smoothing of rates in the event of revenue loss or unanticipated costs
Capital Improvement Program	\$5.0M	Stabilizes funding for capital by accumulated "pay as you go" reserves
OPEB Fund*	\$4.1M	This liability is expected to increase
Operating Reserve	\$3.0M	In the event of fluctuations in operating costs, equal to about 3 month of operating costs

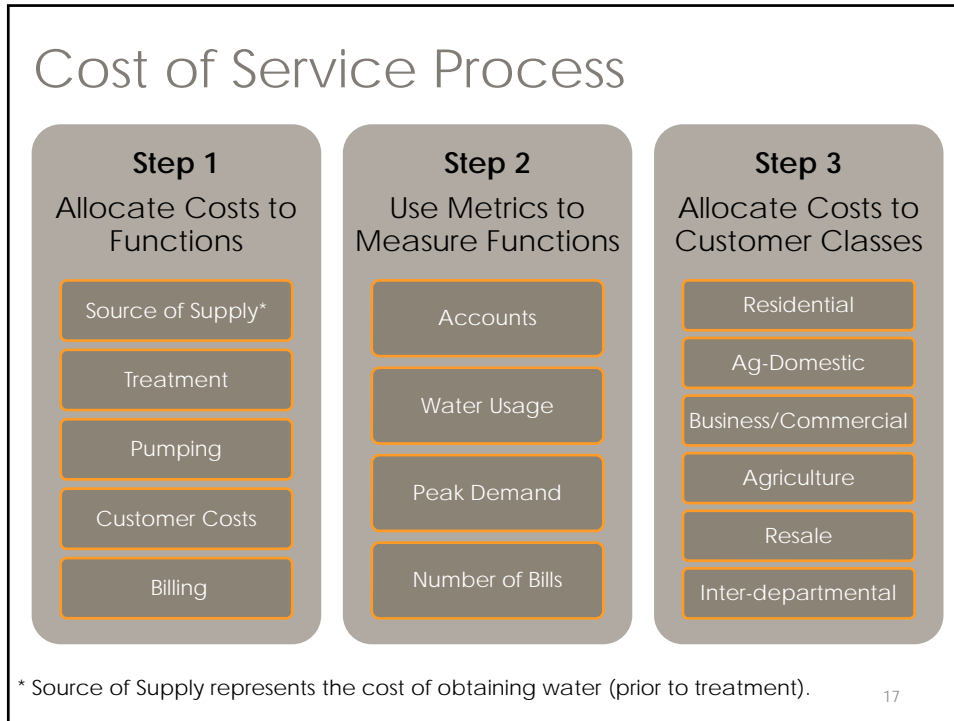
* "OPEB" stands for "Other Post-Employment Benefits." This cost accounts for the benefits that employees will begin to receive at the start of retirement.

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3 Cost of Service Results



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Meter Equivalencies

Meter Size	Meter Type	GPM	Source	Proposed Meter Equivalence	Current Ratio
5/8"-3/4"	Displacement	30	(1)	1.0	1.0
1"	Displacement	50	(1)	1.7	1.5
1 1/2"	Class I Turbine	100	(1)	3.3	2.7
2"	Class I Turbine	160	(1)	5.3	4.2
2 1/2"	Class I Turbine	267	(1)	8.9	6.4
3"	Class I Turbine	350	(1)	11.7	8.9
4"	Class I Turbine	630	(1)	21.0	15.8
6"	Class I Turbine	1,300	(1)	43.3	34.8
12"	Venturi	7,680	(2)	256.0	588.8
18"	Magnetic	14,277	(3)	475.9	1,009.5
2" Contract	Class I Turbine	160	(1)	5.3	3.7

Sources:

- (1) Table B-1, Appendix B, *AWWA M1 Manual*, 6th Ed.
- (2) Ratio of nominal x-sectional areas, minimal add'l friction losses based on *Civil Engineering Reference Manual*, 4th Ed.
- (3) Manufacturer's Specifications, *Rosemount 8750WA Magnetic Flowmeter for Water and Wastewater Industries*, p. 21

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Cost of Service Rate Revenue Comparison

	Current Rate Revenue		Cost of Service Rate Revenue		Percent Change
	(from FY 2016)		(for FY 2017/18)		
	Dollars	Percent	Dollars	Percent	
Residential	\$1,633,845	19.4%	\$1,909,936	20.2%	0.8%
Business	\$651,760	7.7%	\$630,284	6.7%	-1.1%
Agricultural	\$876,764	10.4%	\$1,066,627	11.3%	0.9%
Ag. Domestic	\$2,065,197	24.5%	\$2,408,832	25.4%	0.9%
Interdepartmental	\$42,027	0.5%	\$41,497	0.4%	-0.1%
Resale	\$3,150,038	37.4%	\$3,409,893	36.0%	-1.4%

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4 Rate Design Recommendations




Recommended Rate Design Changes

Current	Proposed
<p>Common Fixed Meter Charge Schedule</p> <p>1 Tier</p> <ul style="list-style-type: none"> - Agriculture - Business - Industrial - Recreation - Resale <p>4 Tiers</p> <ul style="list-style-type: none"> - Residential - Ag-Domestic 	<p>Fixed Meter Charge Schedule by Customer Class</p> <p>1 Tier</p> <ul style="list-style-type: none"> - Agriculture - Business - Industrial - Recreation - Resale <p style="color: orange;">3 Tiers</p> <ul style="list-style-type: none"> - Residential - Ag-Domestic

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Proposed Volumetric Rates, Effective July 1, 2017

	Residential Pumped	Business Pumped	Agriculture Pumped	Ag Domestic Pumped	Inter-departmental Pumped	Resale Pumped
Tier 1	\$0.96	\$1.46	\$1.09	\$0.96	\$1.46	\$1.46
Tier 2	\$1.46			\$1.46		
Tier 3	\$2.36			\$1.09		

Pumping customers pay an additional \$0.47 / HCF* for all water sales

	Residential Gravity	Business Gravity	Agriculture Gravity	Ag Domestic Gravity	Inter-departmental Gravity	Resale Gravity
Tier 1	\$0.49	\$0.99	\$0.62	\$0.49	\$0.99	\$0.99
Tier 2	\$0.99			\$0.99		
Tier 3	\$1.89			\$0.62		

Note: Includes 12% rate increase from Financial Plan.

Existing Tier Rates

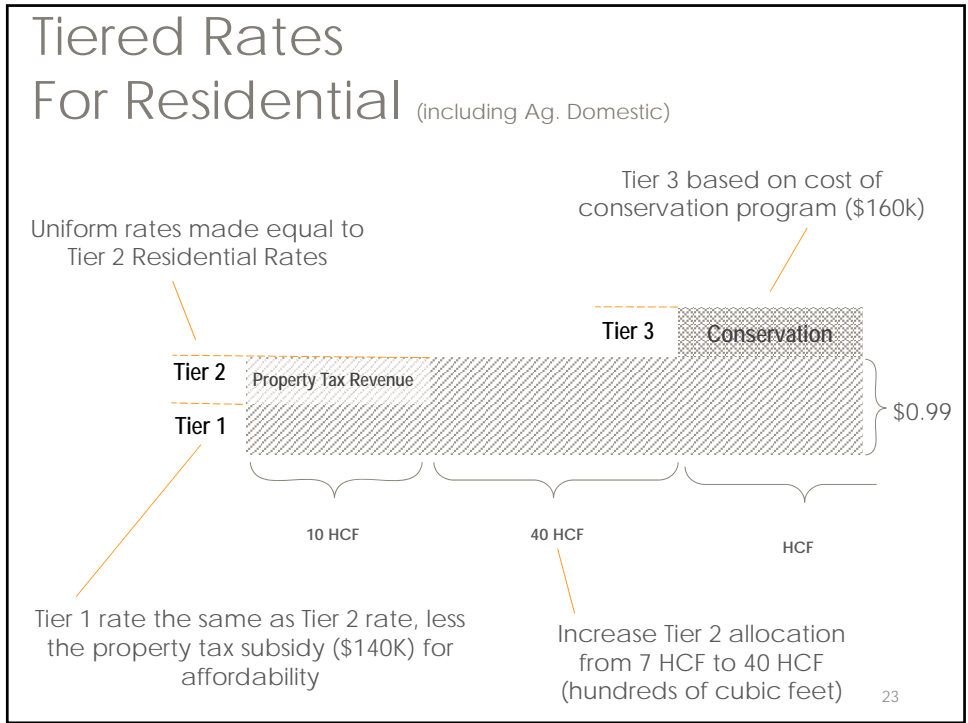
All rates are in \$ / HCF

HCF = hundreds of cubic feet (748 gallons)

	Residential Pumped	Business Pumped	Agriculture Pumped	Ag Domestic Pumped	Inter-departmental Pumped	Resale Pumped
Tier 1	\$0.88	\$1.62	\$0.90	\$0.88	\$1.62	\$1.49
Tier 2	\$1.34			\$1.34		
Tier 3	\$1.77			\$1.77		
Tier 4	\$2.61			\$0.90		

	Residential Gravity	Business Gravity	Agriculture Gravity	Ag Domestic Gravity	Inter-departmental Gravity	Resale Gravity
Tier 1	\$0.60	\$1.34	\$0.62	\$0.60	\$1.34	\$0.83
Tier 2	\$1.06			\$1.06		
Tier 3	\$1.49			\$1.49		
Tier 4	\$2.33			\$0.62		

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Fixed Meter Charge

The Fixed Meter Charge distinguishes between the cost to serve the various customer classes:

- ✓ Captures peaking costs and customer costs (fixed costs)
- ✓ Recovers any costs that are not collected from the Volumetric Rates.

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Proposed Fixed Meter Schedule (FY 2017 / 2018)

	Residential	Business	Agriculture	Ag Domestic	Inter- departmental	Resale	Current
5/8"-3/4"	\$28.75	\$22.97	\$25.97	\$20.87	\$20.54	\$25.27	\$23.34
1"	\$47.91	\$38.28	\$43.28	\$34.78	\$34.24	\$42.12	\$34.86
1-1/2"	\$95.82	\$76.56	\$86.56	\$69.57	\$68.47	\$84.24	\$63.66
2"	\$153.31	\$122.50	\$138.50	\$111.30	\$109.55	\$134.78	\$98.22
2-1/2"	\$255.52	\$204.16	\$230.84	\$185.51	\$182.59	\$224.63	\$150.05
3"	\$335.37	\$267.96	\$302.97	\$243.48	\$239.65	\$294.83	\$207.65
4"	\$603.67	\$482.33	\$545.35	\$438.26	\$431.36	\$530.70	\$368.92
6"	\$1,245.67	\$995.29	\$1,125.33	\$904.35	\$890.12	\$1,095.09	\$812.42
12"						\$6,469.48	\$13,741.69
18"						\$12,026.38	\$23,561.61

Note: Includes Year 1 12% rate increase from Financial Plan.

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Example Residential Bill Impacts

Example Rates - Pumped Service

Water Usage	Meter Size	Current Bill	Proposed Bill
10 HCF:	5/8"	\$32.16	\$38.35
20 HCF:	5/8"	\$46.88	\$52.95
50 HCF	5/8"	\$94.67	\$96.75

Example Rates - Gravity Service

Water Usage	Meter Size	Current Bill	Proposed Bill
10 HCF:	5/8"	\$29.36	\$33.65
20 HCF:	5/8"	\$41.28	\$43.55
50 HCF	5/8"	\$85.95	\$73.25

HCF = hundreds of cubic feet (748 gallons)

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Questions?

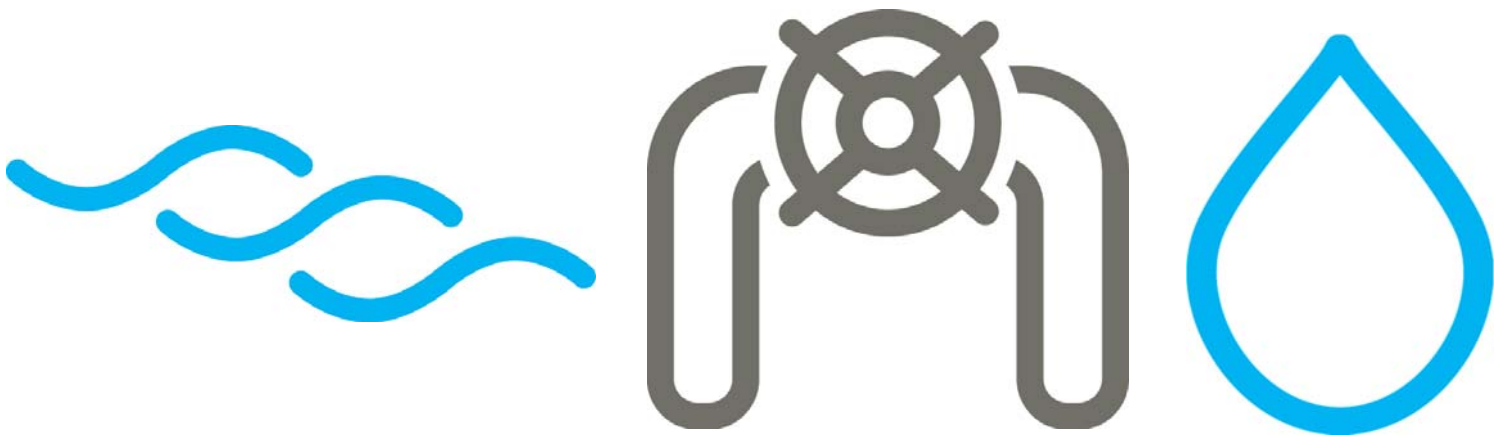


Customer Statistics

	Accounts	Bills	Average Day (HCF)	Max Day (HCF/D)	Max Hour (HCF/D)	Equivalent Meters (EM)
Residential	2,704	32,443	1,360	975	8,483	3,628
Bus/Inst./Indust.	163	1,952	860	1,237	4,381	639
Agricultural	69	823	2,330	3,937	3,412	580
Ag. Domestic	176	2,112	5,288	8,751	7,644	1,339
Interdepartmental	8	96	45	130	635	71
Resale	27	324	7,132	6,913	51,030	1,288
Totals	3,146	37,751	17,014	21,943	75,584	7,545

HCF = hundreds of cubic feet (748 gallons)

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Casitas Municipal Water District
Water Rate Study

March 28, 2017





March 28, 2017

Mr. Steve Wickstrum
General Manager
Casitas Municipal Water District
1055 Ventura Avenue
Oak View, CA 93022

Re: – Water Rate Study

Dear Mr. Wickstrum,

Stantec Consulting (formerly Hawksley Consulting) is pleased to present this of the Water Rate Study (Study) that we performed for the Casitas Municipal Water District (District). We appreciate the fine assistance provided by you and all of the members of the District staff who participated in the Study.

If you or others at the District have any questions, please do not hesitate to call me at (510) 316-0621 or email me at mark.hildebrand@stantec.com. We appreciate the opportunity to be of service to the District, and look forward to the possibility of doing so again in the near future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Hildebrand".

Mark Hildebrand
Principal Consultant

Enclosure



Executive Summary

This Executive Summary presents an overview of the results of the Water Rate Study (Study) that was conducted for Casitas Municipal Water District (hereafter referred to as the “District”) by Stantec Consulting.

ES. 1 – STUDY OBJECTIVES

The principal objectives or components of the Study are as follows:

- i. Develop a multi-year financial management plan that integrates the District’s capital funding needs;
- ii. Identify future rate adjustments to water rates that will ensure adequate revenues to meet the District’s ongoing financial requirements;
- iii. Determine the cost of providing water service to each identified customer class using industry accepted methodologies; and
- iv. Recommend specific rate structures that equitably recover the cost of service from each customer class and comport with industry practices and legal requirements.

ES. 2 – GENERAL METHODOLOGY

This Study consisted of the following phases:

Perform a Revenue Sufficiency Analysis (RSA) – Develop and populate a multi-year forecasting model for the District that will determine the level of annual rate revenue required to satisfy projected annual operating costs, debt service expenses, and capital cost requirements as well as maintain adequate reserves.

Cost-of-Service Analysis (COSA) – Using the revenue requirements from the revenue sufficiency analysis for Fiscal Year (FY) ending 2018, we performed a detailed cost of service allocation based upon principles outlined by the American Water Works Association (AWWA) and other generally accepted industry practices in order to determine the proper distribution of costs and corresponding revenue requirements between the respective customer classes.

Rate Structure Analysis – The rate structure analysis phase developed specific rates that would recover the identified level of required revenue from each customer class. The recommended rate schedules were designed to ensure that the water rates conform to accepted industry practices and reflect the appropriate distribution of system costs, while achieving the District’s policy objectives, such as fiscal stability, affordability, and conservation, to the greatest extent possible.

ES.3 – REVENUE SUFFICIENCY ANALYSIS

In the RSA, Stantec evaluated the sufficiency of the District’s rate revenues to meet all of its current and projected financial requirements over a 5-year projection period, and determined the level of any rate revenue increases necessary in each year of the projection period to provide sufficient revenues to fund all of its cost requirements. With District staff, we thoroughly discussed the base data and assumptions of the analysis, and reviewed several alternative capital spending scenarios. Through this process, we identified the recommended financial management plan and associated plan of annual rate increases.

The recommended financial management plan and associated rate revenue adjustments are based upon the revenue and expense information, beginning balances, and assumptions as described in the full report. The five-year rate revenue adjustment plan recommended herein is presented in the following table. The FY 2018 revenue increases are achieved within recommended rate structure adjustments identified in the cost of service and rate design phases of the Study.

Recommended Plan of Water Rate Revenue Increases

Implementation Date	Rate Adjustment
July 1, 2017	12.0%
July 1, 2018	12.0%
July 1, 2019	12.0%
July 1, 2020	12.0%
July 1, 2021	12.0%

ES.4 – COST-OF-SERVICE ANALYSIS

The purpose of a COSA is to determine the cost differences in serving each respective customer class so that the revenue requirements of the utility may then be distributed accordingly. The Study employed the “base-extra capacity” cost-of-service method promulgated in AWWA’s Manual M1: Principles of Water Rates, Fees, and Charges (M1) for the water system, whereby costs are first allocated to individual functions or activities then the cost of each function are distributed to appropriate system parameters to calculate unit costs. The unit costs are then used to distribute system costs to each customer class based on their usage characteristics.

The COSA included the following steps:

- ▶ Step 1: Allocate costs to the appropriate activities/functions
- ▶ Step 2: Allocate the costs of each function to specific system parameters and calculate unit costs
- ▶ Step 3: Identify customer classes
- ▶ Step 4: Quantify units of service for each customer class for each defined system parameter
- ▶ Step 5: Distribute costs to customer classes based upon the unit costs for each system parameter and the units of service for each respective class
- ▶ Step 6: Credit non-rate revenue to customer classes

The following table compares the relative distribution of rate revenue among customer classes, comparing current rate revenue to proposed rate revenue based on the results of this Study. The shifting of cost responsibilities between customer classes is modest, and is a normal phenomenon as utility service use patterns change and better data becomes available over time.

FY 2016/17 Revenue and COS Comparison

	Current Rate Revenue		Cost of Service Rate Revenue		Percent Change
	(from FY 2016)		(for FY 2017/18)		
	Dollars	Percent	Dollars	Percent	
Residential	\$1,633,845	19.4%	\$1,909,936	20.2%	0.8%
Business	\$651,760	7.7%	\$630,284	6.7%	-1.1%
Agricultural	\$876,764	10.4%	\$1,066,627	11.3%	0.9%
Ag. Domestic	\$2,065,197	24.5%	\$2,408,832	25.4%	0.9%
Interdepartmental	\$42,027	0.5%	\$41,497	0.4%	-0.1%
Resale	\$3,150,038	37.4%	\$3,409,893	36.0%	-1.4%

ES.5 – RATE STRUCTURE ANALYSIS

Upon completion of the COSA, a rate structure analysis was performed to identify potential rate structure modifications and specific rate schedules that would:

- i. Fairly and equitably recover the cost of providing service and revenue requirements for each customer class;
- ii. Conform to accepted industry practice and legal requirements;
- iii. Provide fiscal stability and recovery of fixed costs of the system;
- iv. Maintain affordability to low volume and average users to the extent possible; and
- v. Promote water conservation.

The District currently has a two-part rate structure, comprising of a fixed Service Charge and a Volumetric (consumption-based) rate. The Service Charge currently recovers 25% of rate revenue, which pays for a portion of the fixed costs of providing water service. Volumetric Rates are designed to recover the remainder of the water system’s fixed costs as well as its variable costs. Agriculture, Business, Interdepartmental, and Resale customers pay a flat volumetric rate (whereby the unit price of water doesn’t change, regardless of the quantity consumed). Residential (and to some degree Ag Domestic) is charged a tiered rate schedule, whereby the unit price incrementally increases as water consumption increases.

Most customer classes have some accounts that received pumped water service and some that received gravity-fed water service. Those customers with pumped service pay an incrementally higher volumetric rate, based on the higher cost of providing that service.

ES.6 – RATE RECOMMENDATIONS

The following tables show the proposed rates for FY 2018. The complete report provides the proposed rates through FY 2022.

Proposed Volumetric Rates, Effective July 1, 2017

	Residential Pumped	Business Pumped	Agriculture Pumped	Ag Domestic Pumped	Inter-departmental Pumped	Resale Pumped
Tier 1	\$0.96	\$1.46	\$1.09	\$0.96	\$1.46	\$1.46
Tier 2	\$1.46			\$1.46		
Tier 3	\$2.36			\$1.09		

	Residential Gravity	Business Gravity	Agriculture Gravity	Ag Domestic Gravity	Inter-departmental Gravity	Resale Gravity
Tier 1	\$0.49	\$0.99	\$0.62	\$0.49	\$0.99	\$0.99
Tier 2	\$0.99			\$0.99		
Tier 3	\$1.89			\$0.62		

Proposed Monthly Service Charge, Effective July 1, 2017

Meter Size	Residential	Business	Agriculture	Ag Domestic	Inter-departmental	Resale
5/8"-3/4"	\$28.75	\$22.97	\$25.97	\$20.87	\$20.54	\$25.27
1"	\$47.91	\$38.28	\$43.28	\$34.78	\$34.24	\$42.12
1-1/2"	\$95.82	\$76.56	\$86.56	\$69.57	\$68.47	\$84.24
2"	\$153.31	\$122.50	\$138.50	\$111.30	\$109.55	\$134.78
2-1/2"	\$255.52	\$204.16	\$230.84	\$185.51	\$182.59	\$224.63
3"	\$335.37	\$267.96	\$302.97	\$243.48	\$239.65	\$294.83
4"	\$603.67	\$482.33	\$545.35	\$438.26	\$431.36	\$530.70
6"	\$1,245.67	\$995.29	\$1,125.33	\$904.35	\$890.12	\$1,095.09
12"						\$6,469.48
18"						\$12,026.38

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Section 1. INTRODUCTION

Stantec Consulting, has been retained by the Casitas Municipal Water District (District) to conduct a Water Rate Study (Study). This report describes in detail the assumptions, procedures, and results of the Study, including our conclusions and recommendations.

1.1 BACKGROUND

Formed in 1952, the District provides water service to 3,146 customer accounts in a service area that encompass the City of Ojai, Upper Ojai, the Ventura River Valley area, the city of Ventura to Mills Road, and the Rincon and beach area to the ocean and Santa Barbara County line. The District serves its potable water customers with local water from Lake Casitas and limited groundwater. The water is treated at the District's treatment plant before delivery to customers. Annual water deliveries vary considerably from year to year due to its large agricultural customer base, whose demands vary based on weather and rainfall. Total water sales in FY 2013/14 were over 19,000 acre-feet (AF) and two years later the sales were 14,300 AF (a drop of 25%). Water sales have been as high as 25,000 AF in the past.

During this current winter, California (including the District) is receiving its first significant rainfall in 6 years. In 2014, Governor Jerry Brown issued a drought state of emergency declaration in response to record-low water levels in California's rivers and reservoirs as well as an abnormally low snowpack. In 2015, Governor Brown issued an Executive Order calling for statewide mandatory water reductions of up to 25 percent. On May 5, 2015, the State Water Resources Control Board approved regulations, based on an Executive Order issued by Governor Brown, which mandated the District to reduce its urban water consumption by 32 percent.

1.2 OBJECTIVES

The primary objectives of this Study are to:

- i. Develop a multi-year financial management plan that integrates the District's capital funding needs;
- ii. Identify future rate adjustments to water rates that will ensure adequate revenues to meet the District's ongoing financial requirements;
- iii. Determine the cost of providing water service to each identified customer class using industry accepted methodologies; and
- iv. Recommend specific rate structures that equitably recover the cost of service from each customer class and comport with industry practices and legal requirements.

1.3 GENERAL METHODOLOGY

To begin the Study, we first developed a multi-year financial management plan that determined the level of annual rate revenue required to satisfy projected annual operating, debt service (including coverage), and capital cost requirements as well as maintain adequate reserves. This portion of the Study was conducted using the revenue sufficiency and financial planning module of Stantec's proprietary FAMS-XL modeling system. We customized our model to reflect the financial dynamics and most current data available for the District's operations in order to develop a long-term financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments.

Using the cost of service and net revenue requirements from the revenue sufficiency analysis for Fiscal Year (FY) ending 2018, we then performed a detailed cost-of-service allocation (COSA) analysis based upon principles as outlined by the American Water Works Association (AWWA) and other generally accepted industry practices in order to determine the proper allocation of costs and corresponding revenue requirements between the respective customer classes.

Once all FY 2017/18 costs and revenue requirements were properly allocated to each customer class, we then developed specific rates that would recover the identified level of required revenue from each customer class. The recommended rate schedules presented herein are designed to ensure that the District's water

rates conform to accepted industry practice, legal requirements, and reflect the equitable distribution of system costs, while achieving the District's policy objectives, such as fiscal stability, affordability, and conservation.

1.4 ACRONYMS

AF	acre-feet
AWWA	American Water Works Association
CIP	capital improvement program
COSA	cost of service analysis
DCR	debt coverage ratio
EM	equivalent meter
FAMS-XL	Financial Analysis and Management System model
FY	fiscal year ending June 30
HCF	hundred cubic feet
HCF/D	hundreds of cubic feet per day
RSA	revenue sufficiency analysis

Section 2. REVENUE SUFFICIENCY ANALYSIS

This section presents the financial management plan and corresponding plan of water rate adjustments developed in the revenue sufficiency analysis (RSA) that was conducted as part of the Study. This section presents a description of the source data, assumptions, and policies reflected in the RSA, as well as the results of the RSA. Appendix A includes detailed schedules supporting the financial management plan identified herein.

During the RSA we reviewed alternative multi-year financial management plans and corresponding water rate revenue adjustment plans through several interactive work sessions with District staff. As an outcome to this process, the Study has produced a recommended financial management plan and corresponding plan of annual rate revenue adjustments that will allow the District to meet its respective revenue requirements and financial performance objectives throughout the projection period.

2.1 DATA & ASSUMPTIONS

The District provided historical and budgeted financial information regarding the operation of the utility, including multi-year capital improvement program (CIP) and current debt service obligations and covenants. District staff also assisted in providing other assumptions and policies, such as demands and customer growth, debt coverage requirements, operating reserve targets, earnings on invested funds, and escalation rates for operating costs. The following presents the key source data relied upon in conducting the RSA.

2.1.1 BEGINNING FUND BALANCES

The ending cash balances for FY 2016 was used to establish the beginning FY 2017 balances and are provided in Table 1.

Table 1 – FY 2017 Beginning Cash Balance

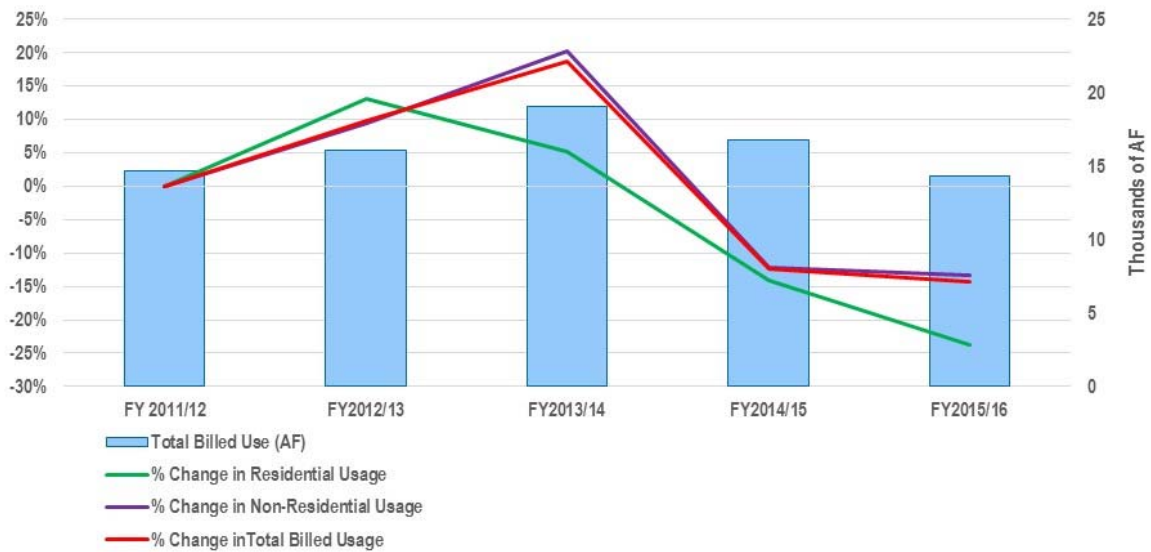
Unrestricted	\$ 22,093,898
Restricted Reserves	
Mira Monte Fund	119,364
CFD Fund	453,405
Capital Facilities Fund	2,065,628
Safe Drinking Water Fund	60,000
Flexible Storage Fund	42,312
TOTAL CONSOLIDATED FUND BALANCE	\$ 24,834,608

2.1.2 CUSTOMER GROWTH & VOLUME FORECAST

Based upon a review of recent capacity charges revenues the RSA assumes that the customer base will continue to grow at a pace of 0.08% per year as it has in the recent past.

Forecasting the future usage of water is challenging for most water utilities, and particularly challenging for utilities that have a large number of agricultural accounts (due to their increased dependence on rainfall). **Figure 1** shows how total water usage can vary by almost 25% over the course of a couple years. While there are signs that the recent drought may be ending, this study assumes that total water usage for the District will remain flat over the course of the five-year study period (equal to FY 2016 usage). This assumption was partially based on the expectation that there will be little “rebound” of water waste after the end of the California drought, particularly in the Casitas service area which is hydraulically isolated from rest of the state.

Figure 1 – Historical Total Water Consumption



2.1.3 NON-RATE REVENUES

In addition to water rate revenue, the District received recreation revenue related to the Park and Water Park, interest income, taxes, assessments, grants, capital facility charges (restricted), and other minor revenue from miscellaneous service fees. Projections of all non-rate revenues were largely based on FY 2016 actuals, with the exception of recreation revenue (assumed to increase by 5% over FY 2016 actual in FY 2017, based on approved increases, and 1% thereafter), grant revenue (which was based on historical averages for recreation, and was not relied upon for water) and interest income (which was calculated annually based upon projected average fund balances and assumed interest rates).

It should be noted that the District, as part of their drought management plan, currently collects penalty revenue from customers that exceed their water allocation. The revenues from this the penalty rates is uncertain (pending Board direction to staff) and is held in a designated fund for use on future water supply and conservation projects. For these reasons, this RSA doesn't attempt to project penalty revenue and therefore doesn't penalty revenue in future reserve forecasts.

2.1.4 OPERATING EXPENSES & EXISTING DEBT

The water system’s operating expenses include all operating and maintenance expenses, debt service requirements, and minor capital outlay. Future operating expenses were projected based upon the individual expense categories and the actual expenditures in FY 2016, adjusted per discussions with District staff to reflect known and measurable changes (such as additional staffing requirements), as well as expected inflation (see Section 2.1.5). Current and projected operating costs are identified in **Schedule 1** of Appendix A.

The District’s existing loans include a 1991 CA Department of Water Resources Loan, a loan for the Seismic Safety of Dam project, and the Mira Monte Assessment Bond. The remaining annual debt service expenses for these loans are identified in **Schedule 1**.

2.1.5 COST ESCALATION

Annual cost escalation factors for the various types of operating and maintenance expenses were developed based upon a review of historical trends, our industry experience, and detailed discussions with District staff. The specific escalation factors used for the various categories of expenses are provided in Table 2.

Table 2 – Cost Escalation Factors

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Salaries	3.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Benefits	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Chemicals	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Power	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Services & Supplies	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Capital Projects	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

2.1.6 CAPITAL IMPROVEMENT PROGRAM

District staff provided the forecasted spending on the CIP from FY 2017 through FY 2026. As reflected in Table 2, the RSA includes an annual cost escalation factor for capital costs of 3.0% based upon historical increases observed in the Engineering News Record 20-City Construction Cost Index.

In total, the CIP (including inflation) from FY 2017 – FY 2026 is slightly more than \$24.2 million. A detailed list of projects and costs by year are provided in **Schedule 2** of Appendix A.

2.1.7 INTEREST EARNINGS ON INVESTED FUNDS

The RSA reflects interest earnings on invested funds at a rate of 2.0% for the duration of the study period, based on the recent historical performance of the District's investment earnings.

2.1.8 MINIMUM OPERATING RESERVE BALANCE

Reserve balances for utility systems are funds set aside for a specific cash flow requirement, financial need, or debt covenant. These balances are maintained in order to meet short-term cash flow requirements, and at the same time, minimize the risk associated with meeting the financial obligations and continued operational and capital needs under adverse conditions. The level of reserves maintained by a utility is an important component and consideration of developing a multi-year financial plan.

Many utilities, rating agencies, and the investment community as a whole place a significant emphasis on having sufficient reserves available for potentially adverse conditions. The rationale related to the maintenance of adequate reserves is twofold. First, it helps to ensure that a utility will have adequate funds available to meet its financial obligations during unusual periods (i.e. when revenues are unusually low and/or expenditures are unusually high). Second, it provides funds that can be used for emergency repairs or replacements to the system that can occur as a result of natural disasters or unanticipated system failures.

Financial policies should articulate how these balances are established, their use, and how to determine the adequacy of the reserve fund balances. Once reserve targets are established, they should be reviewed annually during the budgeting process to monitor current levels and assure conformance with stated policies and practices. Decisions can be made to maintain, increase, or spend down the

reserve balances, as appropriate, depending upon the impact of such decisions to the upcoming budget period.

The financial management plan presented in this report assumes that the District will maintain the minimum operating reserve balances listed in Table 3.

Table 3 – Reserve Targets

Restricted Reserves	\$2.74M	Includes reserves for safe drinking water fund, flexible storage fund, fund due to Mira Monte, funds due to CFD, and Capital Facilities Charge fund.
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Total Designated Fund Target Reserves = 22.1M

Storm Damage Fund	\$4.48M	For emergency storm events
Variation in Water Sales Fund	\$5.48M	Covers the smoothing of rates in the event of revenue loss or unanticipated costs
Capital Improvement Program	\$5.0M	Stabilizes funding for capital by accumulated “pay as you go” reserves
OPEB Fund	\$4.13M	This liability is expected to increase
Operating Reserve	\$3.0M	In the event of fluctuations in operating costs, equal to about 3 month of operating costs

These levels of reserves are consistent with 1) our industry experience for similar systems, 2) the findings of reserve studies conducted by the AWWA, and 3) a healthy level of reserves for a municipal utility system per the evaluation criteria published by the municipal utility rating agencies (Fitch, Moody’s, and Standard & Poor’s).

This study assumes that the total of \$22.1 M of designated fund target reserves will increase gradually to \$26M by FY2024, per direction by District staff. This planned increase will ensure that the Operating Reserve grows along with escalation in operating costs.

2.1.9 FUTURE BORROWING ASSUMPTIONS

District staff indicated that there is no planned future debt that will be supported by rate revenue. There may be a horizontal boring project that may be supported by a bond issue, however this would be contingent on the approval of property tax assessment to support the debt service

2.1.10 DEBT SERVICE AND COVERAGE

Based on the information the District provided, the District’s existing debt does not contain a covenanted debt service coverage requirement. That being said, Stantec recommends that the District set rates that achieve a coverage level that will enable it to access affordable rates from the debt market should the need arise. Furthermore, per recently published guidance from Fitch Ratings¹, utility systems with *midrange* financial profiles should maintain debt service coverage greater than 1.50 times net revenue. As such, the rates recommended by this report will result in a DCR that is greater than 1.5 over the long term.

2.2 ANALYSIS

All of the above information was entered into Stantec’s proprietary Financial Analysis and Management System (FAMS-XL) interactive modeling system. This module of FAMS-XL produced a ten-year projection of the sufficiency of revenues to meet current and projected financial requirements, and determined the level of rate revenue increases necessary in each year of the projected period.

2.2.1 RECOMMENDED RATE INCREASES

Based upon the data, assumptions, and policies presented herein, the existing water rates will not provide sufficient rate revenue to meet the District’s revenue requirements. Table 4 summarizes the recommended water rate increases identified over the next five years per this RSA.

Table 4: Recommended Water Rate Revenue Increase

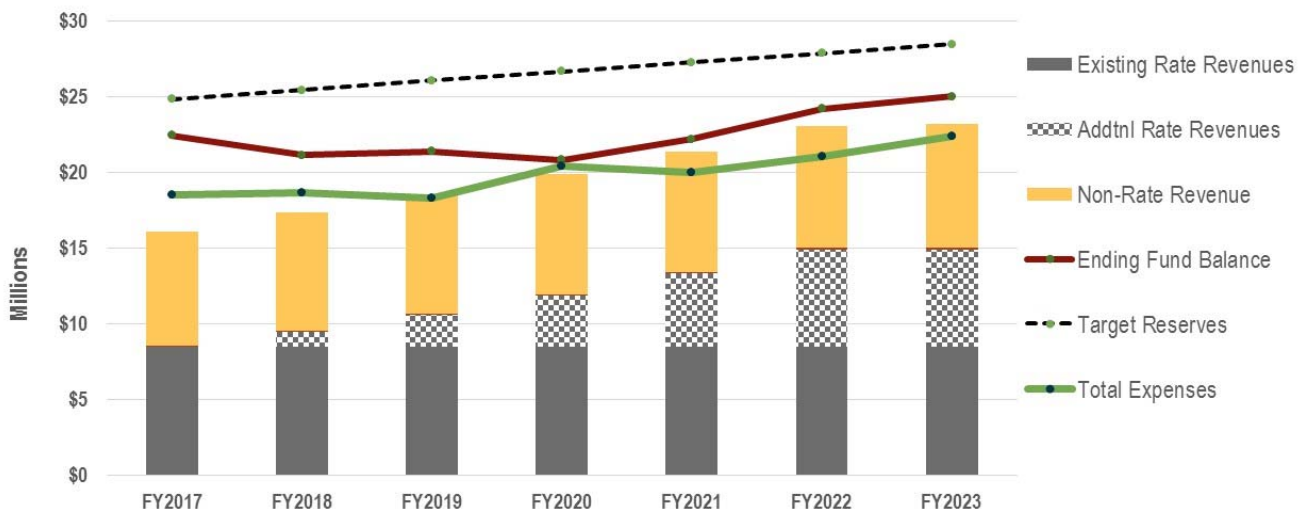
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Effective Date:	July 1, 2017	July 2, 2018	July 3, 2019	July 3, 2020	July 4, 2021
Rate Revenue Increase:	12.0%	12.0%	12.0%	12.0%	12.0%

¹ As published on July 31, 2013.

Stantec recommends that the District utilize available cash to pay for future capital needs. **Schedule 3** of Appendix A of this report includes a cash flow proforma that summarizes rate revenues, non-rate revenues, operating expenses, existing debt service, capital expenses, cash balances, and debt coverage ratios.

The numbers provided in Schedule 3 are summarized graphically in Figure 2. While target reserves are not being met over the course of the study period, the financial plan prioritizes the stabilization of reserve levels (achieved in FY 2021). The upward trajectory of the reserve balances in FY 2023 will carry “momentum” into the following years and it is anticipated that reserve targets could be met as soon as FY 2025.

Figure 2 – Financial Projection with Recommended Rate Increases



Section 3. COST-OF-SERVICE ALLOCATION

The purpose of a Cost-of-Service Allocation (COSA) is to determine the cost differences in serving each respective customer class so that the revenue requirements of the Utility may then be distributed accordingly. This Study employed well-established industry practices for these types of studies as recognized by the American Water Works Association (AWWA) and other accepted industry practices. The following section presents a detailed description of the COSA methodology and corresponding results.

This Study employed the “base-extra capacity” cost-of-service method promulgated in AWWA’s Manual M1: Principles of Water Rates, Fees, and Charges (M1) for the water system, whereby costs are first allocated to individual functions or activities (such as supply, treatment, distribution, pumping, meters/services, etc.) then the cost of each function is distributed to appropriate system parameters (such as average day demands, max day demands, peak hour demands, customers, etc.) to calculate unit costs. The unit costs are then used to distribute system costs to each customer class based on their system usage profile. After costs are allocated to the various types of customers, specific rates can be developed for each classification of customer.

It should be noted that the scope of this study did not include fire protection charges, nor penalty rates for excessive water usage. Both of those sources of revenue were considered as non-rate revenue for the purpose of this study.

3.1 PROCESS

The COSA was based upon the District’s FY 2018 annualized expenditure and revenue requirements per the RSA, and included the following steps:

- ▶ Step 1: Allocate costs to the appropriate activities/functions
- ▶ Step 2: Allocate the costs of each function to specific system parameters and calculate unit costs
- ▶ Step 3: Identify customer classes

- ▶ Step 4: Quantify units of service for each customer class for each defined system parameter
- ▶ Step 5: Distribute costs to customer classes based upon the unit costs for each system parameter and the units of service for each respective class
- ▶ Step 6: Credit non-rate revenue to customer classes

The following sub-sections give a detailed description of the COSA methodology and high-level results, while **Appendix B** includes detailed schedules of those results.

3.1.1 STEP 1: FUNCTIONAL COST ALLOCATIONS

The operating expenses, debt service, and cash-funded capital requirements within the water system were distributed to specific activities or functional components of service. The functional components of the District's system were identified as:

- ▶ General and Administration
- ▶ Source of Supply
- ▶ Treatment
- ▶ Transmission and Distribution
- ▶ Pumping
- ▶ Customer Services
- ▶ Conservation
- ▶ Recreation

Industry best practices provide a framework for assigning operating and capital expenses to system functions, but because the reality of each utility's cost causation and design can vary, the specific knowledge and insight of District staff was relied upon to functionalize all the line item costs to the respective functional components identified above. A departmental-level summary of cost functionalization is presented in Table 5. The percentages presented in Table 5 were calculated based on classification of costs in the District General Ledger.

The detailed summary of all cost allocations to functional components is presented in **Schedule 4** of Appendix B.

Table 5: Allocation of Cost Categories to Functional Components

	General and Administration	Source of Supply	Treatment	Transmission and Distribution	Pumping	Customer Service	Conservation	Recreation
Administrative Service	80.8%	0.1%	5.2%	4.2%		9.8%		
Board of Directors	100.0%							
Electrical Mechanical	25.0%	2.1%	6.6%	28.2%	38.1%			
Engineering	67.3%	16.8%		2.0%		13.9%		
Fisheries	3.1%	96.9%						
Garage	100.0%	0.0%						
Information Technology	100.0%							
Management	99.7%	0.3%						
Operations - Maintenance	13.2%	86.8%						
Pipeline	25.5%	1.1%	10.1%	62.5%		0.7%		
Public Relations	11.7%						88.3%	
Recreation								100.0%
Retirees	100.0%							
Safety	100.0%							
Utilities Maintenance	16.0%		2.2%	27.0%		54.8%		
Warehouse	100.0%							
Water Quality - Lab	33.6%	47.3%	9.7%	9.4%				
Water Treatment	15.1%	5.5%	65.1%	4.4%		10.0%		
CIP Projects	55.2%	21.8%	1.2%	8.4%	2.0%	11.5%		

3.1.2 STEP 2: DISTRIBUTE FUNCTION COSTS TO SYSTEM PARAMETERS

Next the costs of each functional component are distributed to system parameters based on measurable metrics. For the most part, the system parameters are direct counterparts to the functional components already discussed. For example (and as shown in Table 6), **pumping** costs are allocated to the pumping system parameter, **customer service** costs are allocated to the

customer parameter, and **conservation** costs are allocated to conservation parameter. Similarly, **source of supply** costs are allocated to the system's Base Capacity parameter, which is a measure of the system's average daily usage. **Treatment** costs are split between the Base Capacity and Extra Capacity-Max Day parameter. This split is calculated based on the relative volume of water used during an average day as compared to a maximum day event² (see Table 7), based on the costs being a function of both the actual amount of water used (average day) and the design basis of the treatment plant (max day). **Transmission and Distribution** costs are split between the system's Extra Capacity-Max Day (divide the different between max day and average day by max hour), Extra Capacity-Max Hour (divide the different between max hour and max day by max hour), and total built capacity (divide average day by max hour). See **Table 7** for the volumetric relationship between average day, maximum month, maximum day, and maximum hour³.

Finally, all **Recreation** costs are separated to ensure that the program is supported by recreation fees and tax revenue.

² The study used billing data to directly measure the system's average day and maximum month. System peak day and peak hour events were based on an event on September 28, 2016 when the system delivered 75.21 AF over the course of 24 hours and delivered 4.84 AF over the course of one hour.

³ IBID

Table 6: Mapping Functional Components to System Parameters

Functional Component	System Parameters							
	Base Capacity (Average Day)	Extra Capacity (Max Day)	Extra Capacity (Max Hour)	Meter size (Average Day)	Conservation	Pumping	Customer	Recreation
Source of Supply	100.0%							
Treatment	51.9%	48.1%						
Transmission and Distribution		31.1%	35.3%	33.6%				
Pumping						100.0%		
Customer Service							100.0%	
Conservation					100.0%			
Recreation								100.0%

Missing from the Functional Components listed above is General and Administration, which has been distributed among the other Functional Components using the indirect cost allocation method.

Table 7: Water System Peaking Profile

	Average Day (HCF/day)	Max Month Average Day (HCF/day)	Max Day (Coincident) (HCF/day)	Max Hour (Full Day) (HCF/day)
Water System Demands	17,014	25,693	32,761	50,599

Next the functionalized costs for operating, debt service and capital spending from **Step 1** are allocated to system parameters based on the values shown in Table 6. The results are summarized in **Schedule 5** in Appendix B. For example at the top of Schedule 5, the \$4,052,130 in Supply operating expenses are allocated 100% to the Base Capacity parameter. The total operating expenses allocated to the Base Capacity parameter (\$5,433,493 in this example) are then converted to unit costs by dividing by the relevant system metric as listed at the top of Schedule 5. In the case of the Base Capacity parameter, the relevant system metric is the water system’s average daily water usage (17,014 hundred cubic feet (HCF)) and the resultant unit rate is \$319.35 per HCF.

3.1.3 STEP 3: DETERMINATION OF CUSTOMER CLASSES

A customer class consists of a group of customers, with similar characteristics, who share responsibility for certain costs incurred by the District. Joint costs are shared among all customers in the system proportionately based on their service requirements that drive costs; some specific costs are borne by specific classes based on the characteristics of that group alone. In summary, the Study proposes the following customer classes based upon consideration of the characteristics, service patterns, and existing classifications of the City:

- ▶ Residential
- ▶ Business/Institutional/Industrial ⁴
- ▶ Agricultural
- ▶ Agricultural Domestic (agricultural with domiciles, served by a single meter)
- ▶ Interdepartmental (primarily the District Water Park and Park facilities)
- ▶ Resale

All of these customer classes, with exception of Interdepartmental, have some customers that are served with gravity pressure and some which require pumping to serve.

3.1.4 STEP 4: QUANTIFY UNITS OF SERVICE BY CUSTOMER CLASS

Once functionalized and distributed to parameters, system costs are then allocated among customer classes based on their respective service requirements, as measured by units of service for each respective system parameter (see Table 9). The number of accounts, number of bills, and average day water usage has been directly measured based on customer billing data. The Max Day and Max Hour by customer class has been computed based on total system peaking (see Section 3.1.2) as well as daily and hourly “compression

⁴ While these three customer classes are listed separately in the District’s billing system for State reporting purposes, our analysis found that these customers can be grouped together for purposes of the COSA. This report refers to these three customer classes as simply “Business” in the interest of simplicity.

factors”, based on industry experience and District staff’s understanding of typical customer behavior.

For the daily compression factor, it was assumed that Residential and Resale customers usage approximately the same amount of water regardless of the day of the week, while Business tends to use most of their water over 6 days (due to being closed one day per week), and Agriculture tends to use most of their water over the 5 week days. The Interdepartmental class was assumed to use most of its water over 4 days due to the heavy use during the weekends.

For the hourly compression factor, it was assumed that Agriculture spreads its irrigation over the course of the full 24 hours in a day, Business uses its water over the course of 12 hours, and Residential, Interdepartmental, and Resale focus their usage over the course of 8 hours (based on typical diurnal flow patterns for residential use).

The meter equivalency metric allows us to express all meter sizes in terms of multiples of a 3/4” meter and then calculate the number of “equivalent meters” (EM) by customer class. Equivalent Meters are an industry-standard factor used to represent the proportional demand that a connection places on the system based on the design capacity necessary to serve it. The meter equivalency table adopted by this Study, including sources, is shown in Table 8. Given the wide range of meter sizes, we looked at the specific *types* of meters used for various sizes since the type of meter affects the rate of water flow that a given meter can support.

Table 8: Meter Equivalencies

Meter Size	Meter Type	GPM	Source	Proposed Meter Equivalence
5/8"-3/4"	Displacement	30	(1)	1.0
1"	Displacement	50	(1)	1.7
1 1/2"	Class I Turbine	100	(1)	3.3
2"	Class I Turbine	160	(1)	5.3
2 1/2"	Class I Turbine	267	(1)	8.9
3"	Class I Turbine	350	(1)	11.7
4"	Class I Turbine	630	(1)	21.0
6"	Class I Turbine	1,300	(1)	43.3
12"	Venturi	7,680	(2)	256.0
18"	Magnetic	14,277	(3)	475.9
2" Contract	Class I Turbine	160	(1)	5.3

Sources:

- (1) Table B-1, Appendix B, *AWWA M1 Manual*, 6th Ed.
- (2) Ratio of nominal x-sectional areas, minimal add'l friction losses based on *Civil Engineering Reference Manual*, 4th Ed.
- (3) Manufacturer's Specifications, *Rosemount 8750WA Magnetic Flowmeter for Water and Wastewater Industries*, p. 21

Finally, the Penalty Usage (amount of water that customers use in excess of their allocation) allowed us to allocate the cost of the conservation program among the customer classes. Aside for the allocation of costs among the customer classes, the cost of the conservation program allocated to the Residential class is used again in the development of tier rates (see Section 4.2.2.2).

The units of service utilized for this analysis by customer class are summarized in Table 9.

Table 9: System Units of Service by Customer Class

	Accounts (count)	Bills (count)	Average Day (HCF)	Max Day (HCF/D)	Max Hour (HCF/D)	Equivalent Meters (EM)	Penalty Usage (HCF)
Residential	2,704	32,443	1,360	975	8,483	3,628	72,630
Bus/Inst./Indust.	163	1,952	860	1,237	4,381	639	45,830
not used	0	0	0	0	0	0	0
Agricultural	69	823	2,330	3,937	3,412	580	66,274
Ag. Domestic	176	2,112	5,288	8,751	7,644	1,339	125,652
Interdepartmental	8	96	45	130	635	71	0
Resale	27	324	7,132	6,913	51,030	1,288	223,979
Totals	3,146	37,751	17,014	21,943	75,584	7,545	534,365

3.1.5 STEP 5: ALLOCATE SERVICE COSTS TO CUSTOMER CLASSES

Next each customer class is allocated service costs based on the respective units of service shown in Step 4 and the unit costs calculated in Step 2. Results are shown in Table 10. By way of example, the \$650,662 allocated to Residential for Base Capacity was calculated by multiplying the total unit cost for Base Capacity listed in Schedule 5 (\$478.47 per HCF) by the Base Capacity units of service for Residential customers (1,360 HCF). Note that in Table 10, the cost of pumped use is calculated separately. This cost is subsequently allocated between the Customer Classes based on the amount of pumped water use.

Table 10: Customer Class Cost Allocation

	Total	Residential	Bus/Inst./Indust.	Agricultural	Ag. Domestic	Interdepartmental	Resale	***Pumped Use
Base Capacity (Average Day)	\$5,789,455	\$462,725	\$292,761	\$792,783	\$1,799,223	\$15,311	\$2,426,652	\$0
Extra Capacity (Max Day)	2,311,604	102,688	130,296	414,773	921,934	13,658	728,254	0
Extra Capacity (Max Hour)	868,867	97,512	50,361	39,225	87,870	7,295	586,604	0
Meter Size	828,761	398,492	70,246	63,678	147,072	7,836	141,437	0
Conservation	787,101	106,981	67,506	97,619	185,081	0	329,914	0
Fire Protection	0	0	0	0	0	0	0	0
Pumping	1,997,503	0	0	0	0	0	0	1,997,503
Customers	1,647,235	1,415,639	85,187	35,928	92,155	4,189	14,137	0
Total Cost Allocation	\$18,666,256	\$2,584,037	\$696,357	\$1,444,006	\$3,233,335	\$48,289	\$4,226,998	\$1,997,503

3.1.6 STEP 6: CREDIT NON-RATE REVENUE TO CUSTOMER CLASSES

Non-rate revenue is used to offset the annual cost of service that would otherwise need to be recovered in rates or service charges. Non-rate revenue includes interest income, other operating revenue (such as miscellaneous fees), property taxes, use of reserves, and assessments. Most non-rate revenue is allocated equitably among customer classes using the *same proportions used when allocating costs*, as summarized by Table 10.

The District's property tax revenues are allocated separately from the proportional allocation of non-rate revenue. Based on the policy set by the District Board, these tax revenues are to be used to offset any shortfalls in the Recreation budget, to offset the cost of water treatment for Agricultural customers, and (as proposed by

this study) to offset the cost of the Tier 1 rates to maintain affordability for Residential customers. Any remaining property tax revenue is used to offset the water rates of all customers. These priorities and the amounts allocated for each purpose are presented in Table 11.

Table 11: Allocation of Tax Revenues

Use of Tax Revenue	Amount
Recreation Budget	\$579,501
Offset to Treatment Costs for Agriculture	1,000,000
Offset to Create Affordable Tier 1 Rates for Resi	140,000
Remaining Balance (benefits all customers)	1,034,430
Total:	\$2,753,931

The non-rate revenue is credited to each customer class as shown in below in Table 12 and yields the total rate revenue requirement by customer class.

Table 12: Total Rate Revenue Requirement⁵

	Total	Residential	Bus/Inst./Indust.	Agricultural	Ag. Domestic	Interdepartmental	Resale	**Pumped Use
Total Cost Allocation	\$18,666,256	\$2,584,037	\$696,357	\$1,444,006	\$3,233,335	\$48,289	\$4,226,998	\$1,997,503
Change in Fund Balance	-2,028,609	-428,512	-115,477	-239,460	-536,186	-8,008	-700,966	0
Total Revenue Requirement	16,637,647	2,155,525	580,880	1,204,546	2,697,149	40,281	3,526,033	1,997,503
Non-Rate Revenue	7,170,577	466,636	90,786	496,982	1,123,063	6,296	551,083	0
Rate Revenue Requirement	\$9,467,070	\$1,688,888	\$490,094	\$707,564	\$1,574,085	\$33,985	\$2,974,950	\$1,997,503

3.2 COST-OF-SERVICE RESULTS

Table 13 compares the relative distribution of rate revenue among customer classes, comparing current rate revenue to proposed rate revenue based on the results of this Study. The shifting of cost responsibilities between customer classes is

⁵ Note that the total rate revenue requirement in this table matches the rate revenue requirement for FY 2018 shown in Schedule 3.

modest, and is a normal phenomenon as utility service use patterns change and better data becomes available over time.

Table 13: COS Comparison ⁶

	Current Rate Revenue		Cost of Service Rate Revenue		Percent Change
	(from FY 2016)		(for FY 2017/18)		
	Dollars	Percent	Dollars	Percent	
Residential	\$1,633,845	19.4%	\$1,909,936	20.2%	0.8%
Business	\$651,760	7.7%	\$630,284	6.7%	-1.1%
Agricultural	\$876,764	10.4%	\$1,066,627	11.3%	0.9%
Ag. Domestic	\$2,065,197	24.5%	\$2,408,832	25.4%	0.9%
Interdepartmental	\$42,027	0.5%	\$41,497	0.4%	-0.1%
Resale	\$3,150,038	37.4%	\$3,409,893	36.0%	-1.4%

⁶ FY 2016 Current rate revenue based on billing data. Excludes penalty revenue.

Section 4. RATE STRUCTURE ANALYSIS

Upon completion of the COSA, a rate structure analysis was performed to identify potential rate structure modifications and specific rate schedules for implementation in FY 2018 that would:

- ▶ Fairly and equitably recover the cost of providing service and revenue requirements for each customer class;
- ▶ Conform to accepted industry practice and legal requirements;
- ▶ Provide fiscal stability and recovery of fixed costs of the system;
- ▶ Maintain affordability to low volume and average users to the extent possible; and
- ▶ Promote water conservation.

The following sub-sections present a description of the basis of the recommended rate structure and a specific 5-year rate schedule for implementation starting in FY 2018. The recommended rate schedules are designed such that each customer class pays its own proportionate share of the cost of services provided by the District.

4.1 CURRENT RATES

The District follows a common industry practice with a two-part rate structure that is comprised of a fixed Service Charge and a Volumetric (consumption-based) rate. Generally accepted practice recovers a portion of the costs of the system in a fixed monthly service charge, recognizing that utilities have substantial investments in capacity-related costs and other fixed costs that are incurred year-round to maintain a state of readiness to meet peak demands when they occur. The amount of cost recovery in fixed versus volumetric charges is unique to each utility's balance of fiscal stability, philosophy regarding cost recovery, and level of fixed costs.

The District's current Service Charge is a fixed charge that is the same for all customer classes and is assessed based on meter size. The Service Charge

currently recovers 25% of rate revenue, which is a portion of the fixed costs of providing water service.

Volumetric Rates are designed to recover the remainder of the water system's fixed costs as well as its variable costs. Currently Agriculture, Business, Interdepartmental, and Resale customers pay a flat volumetric rate (whereby the unit price of water doesn't change, regardless of the quantity consumed). Residential is charged a tiered rate schedule, whereby the unit price incrementally increases over the course of 4 tiers. Ag Domestic customers pay the same rates as Residential for the first three tiers, and then the unit price of the fourth tier drops to the flat rate paid by Agriculture customers.

Most customer classes have some accounts that received pumped water service and some that received gravity-fed water service. Those customers with pumped service pay an incrementally higher volumetric rate, based on the higher cost of providing that service.

4.2 PROPOSED RATE STRUCTURE

The approach taken by this Study when balancing the Volumetric Rates and the Service Charge is that the former is intended to generally capture the variable costs of delivering water and the latter is intended to capture the fixed costs of the water infrastructure and customer service. That being said, the cost of delivering water to a customer includes both fixed costs as well as the variable costs of providing water services.

Because the cost of delivering a unit of water is generally the same, regardless of the type of customer, the unit price for the Volumetric Rate is proposed to have generally the same basis, regardless of the customer type (with exception to the fact that some customers have tiered rates and some have flat rates). However, despite having the same underlying basis, the overall cost of providing service to the respective customer classes is not equal, as was demonstrated in Section 3 of this Study. As such, the proposed schedule of Service Charges will be specific to the cost of serving each customer class. As explained in Section 3, the difference in the cost to provide service to customer classes is largely due to difference in peaking characteristics, which represent additional infrastructure capacity which

must be built, operated, and maintained. Because the maintenance, repair, and replacement of infrastructure are fixed costs, it is logical that those cost differences between classes are recovered through the fixed Service Charge.

4.2.1 FLAT RATES

The foundation of all Volumetric Rates are the flat rates paid by Agriculture, Resale, Interdepartmental, and Business. These flat rates are calculated using the following steps:

- ▶ **Step 1:** Identify the total rate revenue requirement (\$9.47 million)
- ▶ **Step 2:** Subtract the amount of rate revenue to be collected through the fixed Service Charge (25% or \$2.4 million)
- ▶ **Step 3:** Subtract costs associated with pumping (\$2.0 million, see Table 10)
- ▶ **Step 4:** Account for the following factors:
 - Agriculture will be exempted for the cost of water treatment by Board policy (value: \$1.0 million which is paid with discretionary tax revenue);
 - \$140 thousand in tax revenue will be used to offset the Residential Tier 1 rate; and
 - \$53 thousand in conservation costs are to be collected through the Residential Tier 3 rate.
- ▶ **Step 5:** Divide the product of the above (\$6.2 million) by total annual volumetric sales (6.2 HCF), which yields a unit rate of \$0.99 per HCF for gravity service.
- ▶ **Step 6:** Applying the \$1 million treatment-cost exemption to Agriculture (paid with discretionary tax revenue) yields a unit rate of \$0.62 per CHF for gravity service
- ▶ **Step 7:** Divide the total costs associated with pumping (\$2.0 million) by total water volumes delivered to pumped service customers (4.4 million HCF) yields a surcharge 0.47 per HCF for all pumped-service customers (total of \$1.09 / HCF for Agriculture and \$1.46 / HCF for all others).

4.2.2 TIERED RATES

The tiered rates for Residential are important because (1) they offer customers the ability to increase the affordability of their water bill by remaining in the less

expense Tier 1 rate, and (2) the higher tiers allow the District to send a conservation signal by having the higher water users pay for the District’s conservation costs.

4.2.2.1 *Tier Thresholds*

This Study recommends that Residential adopt three tiers rather than the current four tiers for the following reasons:

- ▶ The Tier 1 allowance is ostensibly for indoor water usage (equal to approximately 60 gallons per persons per day⁷, assuming about 4 denizens per account);
- ▶ The Tier 2 allowance is generally for outdoor water usage, which varies greatly in the District’s service area due to the heterogeneous land use;
- ▶ Having a wider Tier 2 threshold will allow more customers to stay within those two tiers, which will confer more revenue stability to the District; and
- ▶ A cost basis was readily available for justifying three tiers (see Section 4.2.2.2).

Table 14 summarizes the proposed tier thresholds for Residential.

Table 14. Proposed Residential Tier Thresholds

Tier	Threshold
Tier 1	10 HCF
Tier 2	50 HCF
Tier 3	>50 HCF

4.2.2.2 *Residential Tiered Rates*

The Residential tiered rates have at their foundation the flat rate that was calculated in Section 4.2.1. These flats rates (one for pumped-service and another for gravity service) are equal to the Residential Tier 2 rate.

- ▶ **Tier 1:** The Tier 1 rate is created with the use of discretionary tax revenue to lower the unit price of water and provide an affordable source of water to all Residential customers. The unit rate is calculated by dividing the tax revenue allocation (\$140 thousand) by the total water usage in Tier 1 (259

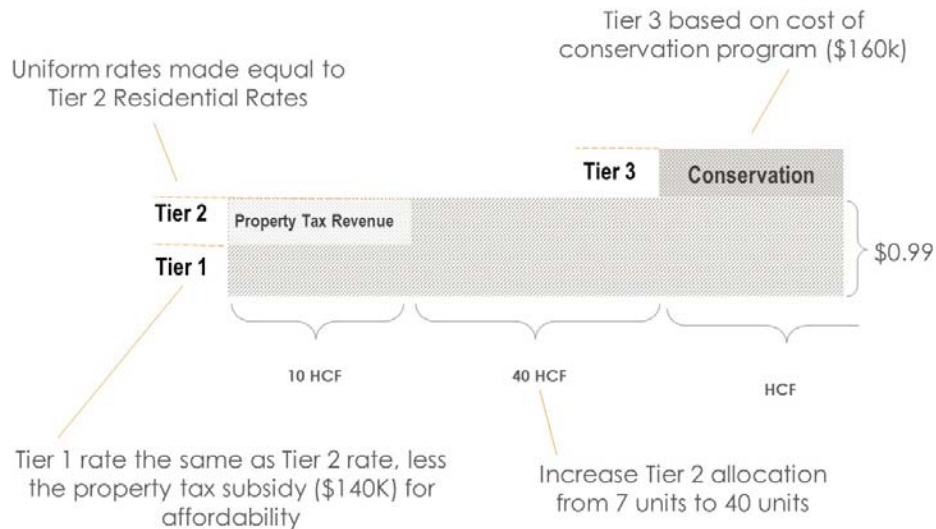
⁷ The State of California’s indoor efficient water usage standard is 55 gallons per person per day

thousand HCF) which yields a \$0.50 reduction in Tier 2 rates (or \$0.49 / HCF for gravity and \$0.96 / HCF for pumped service).

- ▶ **Tier 3:** The Tier 3 unit rate is designed to collect the costs of the District's conservation program (the portion for Residential customers only) from those customers that drive the need for the program. The portion of the Residential customer conservation program (estimated to be \$52 thousand) is divided by the volume of Tier 3 water (77 thousand HCF), which yields a unit rate of \$0.69 / HCF which is added to the Tier 2 rates (or \$1.68 / HCF for gravity and \$2.15 / HCF for pumped service).

The methodology for designing the Residential tiered rates is depicted in Figure 3.

Figure 3. Schematic of Rate Design Cost Recovery



4.2.2.3 Ag-Domestic Tiered Rates

The Ag-Domestic customer class was created by the District as a way of acknowledging that certain agricultural properties also have domiciles and that, for reasons of equity, those residential customers should participate in the tiered rates paid by Residential customers.

The first two tiers for Ag-Domestic are the same as those for Residential, with the exception that in the third tier (any water used over the 50 HCF per month) will be charged the same rate Agriculture.

4.2.3 PROPOSED SERVICE CHARGE

As previously explained, the Volumetric Rates above are based on essentially the same costs (with exception of some District policies to shape the rate structure) and allocated based on total water usage. As such, the cost differential due to peaking behavior (as quantified in the cost-of-service analysis in Section 3) is not reflected in those volumetric rates. Therefore, it is the differences in the Service Charges for each respective customer class that will reflect the difference in the cost of providing service. This is appropriate since the difference in the cost to provide service to customer classes is largely due to differences in their peaking behaviors, which impacts the cost of infrastructure. Since infrastructure costs are largely fixed, it is appropriate that the Service Charge also be fixed.

Service Charges are assessed as a function of meter size, because meter size is an industry-standard factor used to represent the proportional demand that a connection places on the system based on the design capacity necessary to serve it. The meter equivalency schedule used was explained in detail in Section 3.1.4.

The Service Charge schedule by customer class was calculated as follows:

- ▶ **Step 1:** Take the total rate revenue requirement by customer class (e.g. \$1.1 million for Agriculture⁸) and subtract the anticipated volumetric revenue for that customer class (\$893 thousand for Agriculture) to derive the amount that needs to be collected from the Service Charge (\$177.5 thousand).
- ▶ **Step 2:** Divide the amount above by the number of equivalent meters in the customer class (556.75 EM in this example⁹), and by twelve months, to

⁸ This number doesn't appear to match the value in Table 12 simply because the pumping costs are broken out in Table 12.

⁹ Note that the number of equivalent meters per customer class used for setting the rate period is based on FY 2016 billing data, as the best estimate of what the billing units will be in FY 2018. These numbers differ slightly from the units of service used in the COSA, which used the full billing record, annualized to one year, to produce averages.

calculate the Service Charge for a ¾" meter. (\$26.57 per month in this example).

- ▶ **Step 3:** Develop the Service Charge rate schedule using the meter equivalency table and the calculated rate for ¾" meters.

4.3 PROPOSED RATE SCHEDULE

The proposed rate schedule for FY 2018 is presented in Table 15.

The complete schedules of proposed rates from FY 2018 to FY 2022 are presented as **Schedule 6** through **Schedule 10** in Appendix C.

Table 15 –Proposed FY 2018 Rate Schedule

Proposed Volumetric Rates, Effective July 1, 2017

	Residential Pumped	Business Pumped	Agriculture Pumped	Ag Domestic Pumped	Inter-departmental Pumped	Resale Pumped
Tier 1	\$0.96	\$1.46	\$1.09	\$0.96	\$1.46	\$1.46
Tier 2	\$1.46			\$1.46		
Tier 3	\$2.36			\$1.09		

	Residential Gravity	Business Gravity	Agriculture Gravity	Ag Domestic Gravity	Inter-departmental Gravity	Resale Gravity
Tier 1	\$0.49	\$0.99	\$0.62	\$0.49	\$0.99	\$0.99
Tier 2	\$0.99			\$0.99		
Tier 3	\$1.89			\$0.62		

Proposed Monthly Service Charge, Effective July 1, 2017

Meter Size	Residential	Business	Agriculture	Ag Domestic	Inter-departmental	Resale
5/8"-3/4"	\$28.75	\$22.97	\$25.97	\$20.87	\$20.54	\$25.27
1"	\$47.91	\$38.28	\$43.28	\$34.78	\$34.24	\$42.12
1-1/2"	\$95.82	\$76.56	\$86.56	\$69.57	\$68.47	\$84.24
2"	\$153.31	\$122.50	\$138.50	\$111.30	\$109.55	\$134.78
2-1/2"	\$255.52	\$204.16	\$230.84	\$185.51	\$182.59	\$224.63
3"	\$335.37	\$267.96	\$302.97	\$243.48	\$239.65	\$294.83
4"	\$603.67	\$482.33	\$545.35	\$438.26	\$431.36	\$530.70
6"	\$1,245.67	\$995.29	\$1,125.33	\$904.35	\$890.12	\$1,095.09
12"						\$6,469.48
18"						\$12,026.38

DISCLAIMER

This document was produced by Stantec Consulting Services, Inc. ("Stantec") for the Casitas Municipal Water District ("District") and is based on a specific scope agreed upon by both parties. In preparing this report, Stantec utilized information and data obtained from the District or public and/or industry sources. Stantec has relied on the information and data without independent verification, except only to the extent such verification is expressly described in this document. Any projections of future conditions presented in the document are not intended as predictions, as there may be differences between forecasted and actual results, and those differences may be material.

Additionally, the purpose of this document is to summarize Stantec's analysis and findings related to this project, and it is not intended to address all aspects that may surround the subject area. Therefore, this document may have limitations, assumptions, or reliances on data that are not readily apparent on the face of it. Moreover, the reader should understand that Stantec was called on to provide judgments on a variety of critical factors which are incapable of precise measurement. As such, the use of this document and its findings by the District should only occur after consultation with Stantec, and any use of this document and findings by any other person is done so entirely at their own risk.

APPENDIX A: RSA SCHEDULES

Schedule 1 Projection of Cash Outflows

Schedule 2 Capital Improvement Program

Schedule 3 Cash Flow Proforma

Schedule 1 - Projection of Cash Outflows

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	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
1 Administration											
2 Salaries	\$ 465,834	482,138	489,370	496,711	504,161	511,724	519,400	527,191	535,099	543,125	551,272
3 Benefits	273,278	285,064	297,002	309,477	322,515	336,142	350,385	365,275	380,841	397,115	414,131
4 Services & Supplies	600,597	619,621	639,275	659,584	680,569	702,256	724,670	747,837	771,784	796,541	822,136
9 Bad Debt	3,702	3,702	3,702	3,702	3,702	3,702	3,702	3,702	3,702	3,702	3,702
10 Subtotal Administration	\$ 442,926	\$ 458,426	\$ 483,567	\$ 509,811	\$ 537,206	\$ 565,801	\$ 595,649	\$ 626,804	\$ 659,322	\$ 693,264	\$ 728,691
11 Board of Directors											
12 Salaries	\$ 58,847	60,906	61,820	62,747	63,688	64,644	65,613	66,597	67,596	68,610	69,639
13 Benefits	130,330	135,573	141,039	146,740	152,685	158,886	165,353	172,100	179,138	186,482	194,144
14 Services & Supplies	7,263	7,481	7,705	7,936	8,174	8,420	8,672	8,932	9,200	9,476	9,761
20 Subtotal Board of Directors	\$ 196,439	\$ 203,959	\$ 210,564	\$ 217,423	\$ 224,548	\$ 231,949	\$ 239,639	\$ 247,630	\$ 255,935	\$ 264,568	\$ 273,544
21 District Maintenance											
22 Salaries	\$ 139,333	144,210	146,373	148,569	150,797	153,059	155,355	157,685	160,051	162,451	164,888
23 Benefits	64,362	67,079	69,917	72,881	75,977	79,212	82,592	86,123	89,813	93,669	97,699
24 Services & Supplies	90,512	93,247	96,065	98,970	101,962	105,046	108,224	111,499	114,873	118,351	121,935
27 Other	183,384	188,885	194,552	200,388	206,400	212,592	218,970	225,539	232,305	239,274	246,452
30 Subtotal District Maintenance	\$ 477,590	\$ 493,421	\$ 506,907	\$ 520,807	\$ 535,136	\$ 549,909	\$ 565,140	\$ 580,846	\$ 597,042	\$ 613,745	\$ 630,974
31 Electrical Mechanical											
32 Salaries	\$ 321,758	333,019	338,015	343,085	348,231	353,455	358,756	364,138	369,600	375,144	380,771
33 Benefits	239,018	248,470	258,321	268,587	279,286	290,439	302,065	314,185	326,822	339,998	353,739
34 Services & Supplies	268,337	277,076	286,119	295,477	305,161	315,186	325,564	336,308	347,433	358,954	370,887
36 Power	1,196,901	1,268,715	1,344,838	1,425,529	1,511,060	1,601,724	1,697,827	1,799,697	1,907,679	2,022,140	2,143,468
40 Subtotal Electrical Mechanical	\$ 2,026,014	\$ 2,127,282	\$ 2,227,293	\$ 2,332,677	\$ 2,443,739	\$ 2,560,804	\$ 2,684,212	\$ 2,814,328	\$ 2,951,534	\$ 3,096,236	\$ 3,248,865
41 Engineering											
42 Salaries	\$ 375,510	388,653	394,483	400,400	406,406	412,502	418,690	424,970	431,345	437,815	444,382
43 Benefits	185,130	193,197	201,633	210,453	219,677	229,323	239,411	249,962	260,998	272,542	284,619
44 Services & Supplies	73,336	75,536	77,802	80,136	82,540	85,017	87,567	90,194	92,900	95,687	98,557
47 Other	192	198	204	210	216	223	229	236	243	251	258
50 Subtotal Engineering	\$ 634,168	\$ 657,584	\$ 674,122	\$ 691,200	\$ 708,840	\$ 727,064	\$ 745,897	\$ 765,363	\$ 785,486	\$ 806,295	\$ 827,816
51 Fisheries											
52 Salaries	\$ 322,194	333,471	338,473	343,550	348,703	353,934	359,243	364,632	370,101	375,653	381,287
53 Benefits	126,881	132,384	138,136	144,151	150,439	157,014	163,889	171,079	178,599	186,463	194,688
54 Services & Supplies	24,838	25,583	26,351	27,141	27,956	28,794	29,658	30,548	31,464	32,408	33,381
60 Subtotal Fisheries	\$ 473,913	\$ 491,438	\$ 502,960	\$ 514,842	\$ 527,098	\$ 539,742	\$ 552,791	\$ 566,259	\$ 580,164	\$ 594,524	\$ 609,356

Schedule 1 - Projection of Cash Outflows

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	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
61 Information Technology											
62 Salaries	\$ 130,513	135,081	137,107	139,164	141,251	143,370	145,521	147,704	149,919	152,168	154,450
63 Benefits	67,895	70,851	73,942	77,174	80,553	84,087	87,783	91,649	95,692	99,921	104,345
64 Services & Supplies	14,487	14,922	15,369	15,831	16,305	16,795	17,298	17,817	18,352	18,903	19,470
67 Other	118	121	125	129	132	136	140	145	149	153	158
70 Subtotal Information Technology	\$ 213,013	\$ 220,975	\$ 226,543	\$ 232,297	\$ 238,242	\$ 244,389	\$ 250,743	\$ 257,315	\$ 264,112	\$ 271,145	\$ 278,423
71 Management											
72 Salaries	\$ 487,471	662,499	672,437	682,524	692,761	703,153	713,700	724,406	735,272	746,301	757,495
73 Benefits	188,621	233,340	241,453	249,904	258,708	267,881	277,441	287,404	297,790	308,618	319,908
74 Services & Supplies	494,515	509,350	524,631	540,370	556,581	573,278	590,477	608,191	626,437	645,230	664,587
77 Other	118	121	125	129	132	136	140	145	149	153	158
80 Subtotal Management	\$ 1,170,724	\$ 1,405,311	\$ 1,438,646	\$ 1,472,926	\$ 1,508,183	\$ 1,544,449	\$ 1,581,758	\$ 1,620,145	\$ 1,659,647	\$ 1,700,302	\$ 1,742,148
81 Pipeline											
82 Salaries	\$ 351,071	363,359	368,809	374,341	379,956	385,656	391,441	397,312	403,272	409,321	415,461
83 Benefits	229,328	239,122	249,356	260,049	271,225	282,904	295,110	307,869	321,206	335,148	349,724
84 Services & Supplies	317,413	326,986	336,850	347,013	357,483	368,272	379,388	390,842	402,644	414,804	427,334
87 Other	118	121	125	129	132	136	140	145	149	153	158
90 Subtotal Pipeline	\$ 897,930	\$ 929,588	\$ 955,139	\$ 981,532	\$ 1,008,797	\$ 1,036,968	\$ 1,066,080	\$ 1,096,168	\$ 1,127,271	\$ 1,159,427	\$ 1,192,677
91 Public Relations											
92 Salaries	\$ 254,988	263,913	267,871	271,889	275,968	280,107	284,309	288,574	292,902	297,296	301,755
93 Benefits	88,776	92,726	96,859	101,183	105,708	110,443	115,399	120,585	126,013	131,695	137,642
94 Services & Supplies	141,751	146,003	150,383	154,895	159,542	164,328	169,258	174,336	179,566	184,953	190,501
97 Other	235	242	250	257	265	273	281	289	298	307	316
100 Subtotal Public Relations	\$ 485,750	\$ 502,884	\$ 515,363	\$ 528,224	\$ 541,482	\$ 555,151	\$ 569,247	\$ 583,784	\$ 598,779	\$ 614,250	\$ 630,214
101 Recreation - Operations											
102 Salaries	\$ 1,044,607	1,081,168	1,097,385	1,113,846	1,130,554	1,147,512	1,164,725	1,182,196	1,199,929	1,217,928	1,236,196
103 Benefits	358,427	373,432	387,919	403,035	418,810	435,275	452,461	470,401	489,132	508,688	529,111
104 Services & Supplies	309,853	322,257	335,219	348,767	362,932	377,744	393,235	409,441	426,397	444,142	462,717
107 Other	502,556	520,145	527,950	535,873	543,915	552,078	560,363	568,772	577,308	585,972	594,766
109 Bad Debt	11,622	11,622	11,622	11,622	11,622	11,622	11,622	11,622	11,622	11,622	11,622
110 Subtotal Recreation - Operations	\$ 2,227,066	\$ 2,308,624	\$ 2,360,096	\$ 2,413,144	\$ 2,467,834	\$ 2,524,231	\$ 2,582,406	\$ 2,642,432	\$ 2,704,387	\$ 2,768,353	\$ 2,834,413
111 Recreation - Maintenance											
112 Salaries	\$ 423,884	438,720	445,301	451,981	458,760	465,642	472,626	479,716	486,911	494,215	501,628
113 Benefits	172,431	179,831	187,565	195,648	204,096	212,926	222,157	231,806	241,895	252,442	263,471
114 Services & Supplies	313,908	323,365	333,108	343,146	353,487	364,142	375,119	386,429	398,082	410,088	422,458
117 Other	227,762	235,734	239,270	242,860	246,504	250,202	253,956	257,766	261,633	265,558	269,543
120 Subtotal Recreation - Maintenance	\$ 1,137,985	\$ 1,177,650	\$ 1,205,244	\$ 1,233,634	\$ 1,262,847	\$ 1,292,911	\$ 1,323,858	\$ 1,355,717	\$ 1,388,521	\$ 1,422,304	\$ 1,457,099

Schedule 1 - Projection of Cash Outflows

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	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
121 Recreation - Public Relations											
122 Salaries	\$ 48,671	50,375	51,131	51,898	52,676	53,466	54,268	55,082	55,908	56,747	57,598
123 Benefits	3,659	3,842	4,034	4,236	4,448	4,670	4,904	5,149	5,407	5,677	5,961
124 Services & Supplies	82,840	85,325	87,885	90,521	93,237	96,034	98,915	101,882	104,939	108,087	111,329
127 Other	21,808	22,571	22,909	23,253	23,602	23,956	24,315	24,680	25,050	25,426	25,807
130 Subtotal Recreation - Public Relations	\$ 156,978	\$ 162,113	\$ 165,959	\$ 169,908	\$ 173,963	\$ 178,126	\$ 182,402	\$ 186,793	\$ 191,304	\$ 195,937	\$ 200,696
131 Recreation - Water Playground											
132 Salaries	\$ 375,428	388,568	394,397	400,313	406,317	412,412	418,598	424,877	431,250	437,719	444,285
133 Benefits	35,004	36,754	38,591	40,521	42,547	44,674	46,908	49,254	51,716	54,302	57,017
134 Services & Supplies	145,008	150,516	156,259	162,247	168,494	175,010	181,809	188,906	196,314	204,048	212,126
135 Chemicals	30,171	31,377	32,632	33,938	35,295	36,707	38,175	39,702	41,290	42,942	44,660
137 Other	174,038	180,129	182,831	185,573	188,357	191,182	194,050	196,961	199,915	202,914	205,958
140 Subtotal	\$ 759,648	\$ 787,345	\$ 804,711	\$ 822,592	\$ 841,010	\$ 859,986	\$ 879,541	\$ 899,700	\$ 920,486	\$ 941,926	\$ 964,045
141 Recreation - Operations / Maint. / PR / Water Pk											
142 Salaries	\$ 1,892,591	1,958,831	1,988,214	2,018,037	2,048,307	2,079,032	2,110,218	2,141,871	2,173,999	2,206,609	2,239,708
143 Benefits	569,521	593,859	618,110	643,440	669,901	697,546	726,429	756,610	788,149	821,110	855,559
144 Services & Supplies	851,609	881,463	912,470	944,682	978,150	1,012,929	1,049,079	1,086,658	1,125,731	1,166,365	1,208,630
145 Chemicals	30,171	31,377	32,632	33,938	35,295	36,707	38,175	39,702	41,290	42,942	44,660
147 Other	926,164	958,578	972,961	987,560	1,002,378	1,017,418	1,032,684	1,048,179	1,063,906	1,079,870	1,096,073
149 Bad Debt	11,622	11,622	11,622	11,622	11,622	11,622	11,622	11,622	11,622	11,622	11,622
150 Subtotal	\$ 4,281,677	\$ 4,435,731	\$ 4,536,009	\$ 4,639,278	\$ 4,745,653	\$ 4,855,254	\$ 4,968,207	\$ 5,084,643	\$ 5,204,698	\$ 5,328,519	\$ 5,456,253
151 Retirees											
153 Benefits	465,818	479,793	494,186	509,011	524,281	540,009	556,209	572,895	590,082	607,784	626,017
160 Subtotal Retirees	\$ 465,818	\$ 479,793	\$ 494,186	\$ 509,011	\$ 524,281	\$ 540,009	\$ 556,209	\$ 572,895	\$ 590,082	\$ 607,784	\$ 626,017
161 Garage											
170 Subtotal Garage	\$ (46,965)	\$ (48,311)	\$ (49,694)	\$ (51,114)	\$ (52,573)	\$ (54,071)	\$ (55,610)	\$ (57,189)	\$ (58,810)	\$ (60,475)	\$ (62,183)
171 Safety											
172 Salaries	\$ 26,275	27,195	27,603	28,017	28,437	28,864	29,297	29,736	30,182	30,635	31,095
174 Services & Supplies	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,132	48,546	50,002	51,502
180 Subtotal Safety	\$ 64,349	\$ 66,406	\$ 67,985	\$ 69,605	\$ 71,267	\$ 72,972	\$ 74,722	\$ 76,518	\$ 78,360	\$ 80,251	\$ 82,191
181 Safety / Garage											
190 Subtotal Safety / Garage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
191 Utilities Maintenance											
192 Salaries	\$ 3,215	3,328	3,378	3,428	3,480	3,532	3,585	3,639	3,693	3,749	3,805
200 Subtotal Utilities Maintenance	\$ 3,215	\$ 3,328	\$ 3,378	\$ 3,428	\$ 3,480	\$ 3,532	\$ 3,585	\$ 3,639	\$ 3,693	\$ 3,749	\$ 3,805

Schedule 1 - Projection of Cash Outflows

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	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
201 Water Conservation - PR											
202 Salaries	\$ 254,988	263,913	267,871	271,889	275,968	280,107	284,309	288,574	292,902	297,296	301,755
203 Benefits	88,776	92,726	96,859	101,183	105,708	110,443	115,399	120,585	126,013	131,695	137,642
204 Services & Supplies	141,751	146,003	150,383	154,895	159,542	164,328	169,258	174,336	179,566	184,953	190,501
207 Other	235	242	250	257	265	273	281	289	298	307	316
210 Subtotal Water Conservation - PR	\$ 485,750	\$ 502,884	\$ 515,363	\$ 528,224	\$ 541,482	\$ 555,151	\$ 569,247	\$ 583,784	\$ 598,779	\$ 614,250	\$ 630,214
211 Water Quality - Lab											
212 Salaries	\$ 160,336	165,948	168,437	170,964	173,528	176,131	178,773	181,455	184,177	186,939	189,743
213 Benefits	114,317	119,186	124,274	129,589	135,143	140,947	147,012	153,352	159,978	166,904	174,144
214 Services & Supplies	127,608	131,436	135,379	139,440	143,624	147,932	152,370	156,941	161,650	166,499	171,494
220 Subtotal Water Quality - Lab	\$ 402,261	\$ 416,570	\$ 428,090	\$ 439,993	\$ 452,295	\$ 465,010	\$ 478,156	\$ 491,748	\$ 505,804	\$ 520,343	\$ 535,382
221 Water Treatment											
222 Salaries	\$ 925,292	957,677	972,043	986,623	1,001,423	1,016,444	1,031,691	1,047,166	1,062,873	1,078,816	1,094,999
223 Benefits	455,829	475,402	495,858	517,237	539,582	562,939	587,356	612,881	639,567	667,469	696,644
224 Services & Supplies	267,544	278,846	290,683	303,084	316,078	329,695	343,969	358,935	374,628	391,088	408,354
225 Chemicals	225,785	234,816	244,209	253,977	264,136	274,701	285,689	297,117	309,002	321,362	334,216
227 Other	85,575	88,142	90,786	93,510	96,315	99,205	102,181	105,246	108,404	111,656	115,005
230 Subtotal Water Treatment	\$ 1,960,024	\$ 2,034,883	\$ 2,093,578	\$ 2,154,430	\$ 2,217,533	\$ 2,282,984	\$ 2,350,886	\$ 2,421,345	\$ 2,494,474	\$ 2,570,391	\$ 2,649,218
231 Warehouse											
232 Salaries	\$ 8,519	8,817	8,949	9,084	9,220	9,358	9,498	9,641	9,786	9,932	10,081
233 Benefits	1,620	1,701	1,786	1,876	1,969	2,068	2,171	2,280	2,394	2,514	2,639
234 Services & Supplies	4,614	4,815	5,026	5,247	5,479	5,722	5,978	6,246	6,528	6,824	7,134
240 Subtotal Warehouse	\$ 14,753	\$ 15,333	\$ 15,761	\$ 16,206	\$ 16,668	\$ 17,148	\$ 17,648	\$ 18,167	\$ 18,707	\$ 19,270	\$ 19,855
241 Debt Service Expenses											
242 1991 California DWR Loan (Treatment Plant)	\$ 305,067	305,067	305,067	305,067	305,067	305,067	-	-	-	-	-
243 Casitas Dam Seismic Safety of Dam	\$ 77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228
244 Mira Monte Special Assessment Bond	\$ 20,875	20,075	20,250	20,375	20,450	19,988	-	-	-	-	-
245 Total: Debt Service Expenses	\$ 403,171	\$ 402,371	\$ 402,546	\$ 402,671	\$ 402,746	\$ 402,283	\$ 77,228	\$ 77,228	\$ 77,228	\$ 77,228	\$ 77,228
248 Capital Project Funding Sources											
251 Projects Paid from Cash	3,929,059	3,369,285	2,573,743	4,235,410	3,346,138	3,925,302	5,020,990	4,784,209	4,414,694	4,514,515	4,682,205
252 Total: Capital Project Funding Sources	\$ 3,929,059	\$ 3,369,285	\$ 2,573,743	\$ 4,235,410	\$ 3,346,138	\$ 3,925,302	\$ 5,020,990	\$ 4,784,209	\$ 4,414,694	\$ 4,514,515	\$ 4,682,205
253 TOTAL CASH OUTFLOWS	\$ 23,263,257	23,604,871	23,358,058	25,588,160	25,287,894	26,477,057	27,880,630	28,300,270	28,611,701	29,418,098	30,319,147

Schedule 2 - Capital Improvement Program

<u>PROJECT</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
24 Information Technology	-	\$51,500	-	-	-	-	-	-	-	-
33 Garage / Safety	88,200	97,850	457,248	214,174	65,280	82,308	77,613	43,046	44,337	71,763
40 Engineering	2,285,000	1,802,500	1,145,772	1,360,445	517,734	2,875,000	3,922,462	4,249,214	4,053,664	4,175,274
42 Water Quality	21,899	-	-	338,745	-	-	-	-	-	-
52 Electrical Mechanical	643,000	629,021	53,045	131,127	225,102	57,964	59,703	-	-	-
53 Pipeline	57,500	175,100	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716
54 Operations/Water Treatment	468,600	323,729	472,101	595,536	444,576	678,175	758,223	172,182	126,677	71,763
55 District Maintenance	-	61,800	-	-	450,204	-	-	-	-	-
62 Recreation - Operations	-	-	-	-	-	-	-	-	-	-
63 Recreation - Maintenance	118,000	-	-	-	-	-	-	-	-	-
65 Recreation - Water Playground	2,500	-	-	-	-	-	-	-	-	-
30 Administration	5,700	21,321	-	-	-	-	-	-	-	-
40 Engineering	-	30,900	79,568	1,409,618	1,451,906	-	-	-	-	-
42 Water Quality	72,260	-	-	-	-	-	-	-	-	-
52 Electrical Mechanical	33,400	-	-	21,855	22,510	57,964	-	-	-	-
63 Recreation - Maintenance	83,000	-	-	-	-	-	-	-	-	-
65 Recreation - Water Playground	50,000	-	-	-	-	-	-	-	-	-
Total CIP Budget (escalated)	\$ 3,929,059	3,302,335	2,573,743	4,235,410	3,346,138	3,925,302	5,020,990	4,784,209	4,414,694	4,514,515

Schedule 3 - Cash Flow Proforma

	Proposed Rate Increase:	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
		0.00%	12.00%	12.00%	12.00%	12.00%	12.00%	0.00%	0.00%	0.00%	0.00%
1	Rate Revenue Subject to Growth & Rate Adjustments										
2	Rate Revenue	\$ 8,449,472	\$ 8,451,106	\$ 9,467,070	\$ 10,605,171	\$ 11,880,092	\$ 13,308,282	\$ 14,908,166	\$ 14,911,059	\$ 14,913,954	\$ 14,916,851
4	Additional Revenue From Growth	1,634	1,635	1,833	2,054	2,302	2,581	2,893	2,895	2,897	2,899
5	Additional Rate Revenue From Rate Increase	-	1,014,329	1,136,268	1,272,867	1,425,887	1,597,304	-	-	-	-
6	Total Rate Revenue	\$ 8,451,106	\$ 9,467,070	\$ 10,605,171	\$ 11,880,092	\$ 13,308,282	\$ 14,908,166	\$ 14,911,059	\$ 14,913,954	\$ 14,916,851	\$ 14,919,750
7	Plus: Non-Rate Revenues										
8	Other Operating Revenue	\$ 72,829	\$ 73,557	\$ 74,293	\$ 75,036	\$ 75,786	\$ 76,544	\$ 77,309	\$ 78,082	\$ 78,863	\$ 79,652
9	Non-Operating Revenue	64,475	65,120	65,771	66,428	67,093	67,764	68,441	69,126	69,817	70,515
10	Interest Income	472,442	421,740	411,237	408,248	416,479	450,044	478,126	492,541	504,141	509,066
11	Capital Facilities Charge	44,550	44,584	44,618	44,653	44,687	44,721	44,756	44,790	44,825	44,859
12	Penalty Revenue	551,182	688,978	688,978	688,978	688,978	688,978	688,978	688,978	688,978	688,978
13	Taxes and Assessments	2,291,629	2,294,931	2,298,452	2,302,196	2,306,164	2,310,358	2,333,462	2,356,796	2,380,364	2,404,168
14	CFD Tax	450,000	459,000	468,180	477,544	487,094	496,836	506,773	516,909	527,247	537,792
15	Recreation Revenue	3,672,600	3,856,230	3,894,792	3,933,740	3,973,077	4,012,808	4,052,936	4,093,466	4,134,400	4,175,744
16	Equals: Total Non-Rate Revenue	\$ 7,619,706	\$ 7,904,139	\$ 7,946,321	\$ 7,996,822	\$ 8,059,358	\$ 8,148,053	\$ 8,250,781	\$ 8,340,687	\$ 8,428,635	\$ 8,510,774
17	Total Revenue	\$ 16,070,812	\$ 17,371,209	\$ 18,551,492	\$ 19,876,914	\$ 21,367,640	\$ 23,056,219	\$ 23,161,840	\$ 23,254,641	\$ 23,345,486	\$ 23,430,524
18	Less: Operating Expenses										
19	Salaries	\$ (5,923,748)	\$ (6,289,046)	\$ (6,383,382)	\$ (6,479,133)	\$ (6,576,320)	\$ (6,674,964)	\$ (6,775,089)	\$ (6,876,715)	\$ (6,979,866)	\$ (7,084,564)
20	Benefits	(3,200,473)	(3,367,485)	(3,501,595)	(3,641,463)	(3,787,347)	(3,939,523)	(4,098,274)	(4,263,901)	(4,436,715)	(4,617,047)
21	Services and Supplies	(3,275,781)	(3,383,526)	(3,495,071)	(3,610,566)	(3,730,163)	(3,854,026)	(3,982,322)	(4,115,227)	(4,252,926)	(4,395,610)
22	Chemicals	(255,955)	(266,193)	(276,841)	(287,915)	(299,431)	(311,409)	(323,865)	(336,819)	(350,292)	(364,304)
23	Power	(1,196,901)	(1,268,715)	(1,344,838)	(1,425,529)	(1,511,060)	(1,601,724)	(1,697,827)	(1,799,697)	(1,907,679)	(2,022,140)
24	Other	(295,417)	(304,310)	(313,344)	(322,648)	(332,229)	(342,095)	(352,257)	(362,722)	(373,499)	(384,598)
25	Bad Debt	(15,325)	(15,325)	(15,325)	(15,325)	(15,325)	(15,325)	(15,325)	(15,325)	(15,325)	(15,325)
26	Equals: Net Income	\$ 1,907,212	\$ 2,476,608	\$ 3,221,095	\$ 4,094,337	\$ 5,115,765	\$ 6,317,153	\$ 5,916,881	\$ 5,484,235	\$ 5,029,184	\$ 4,546,938
27	Existing Debt Service	\$ (403,171)	(402,371)	(402,546)	(402,671)	(402,746)	(402,283)	(77,228)	(77,228)	(77,228)	(77,228)
28	Unrestricted Working Capital Reserve Fund Test										
29	Balance At Beginning Of Fiscal Year	\$ 22,093,898	19,073,149	17,044,539	16,555,749	15,278,376	15,911,593	17,167,462	17,252,391	17,141,421	16,944,881
30	Cash Flow Surplus (Deficit)	\$ 908,310	\$ 1,340,675	\$ 2,084,953	\$ 2,958,036	\$ 3,979,354	\$ 5,181,171	\$ 5,105,920	\$ 4,673,239	\$ 4,218,154	\$ 3,735,873
31	Cash Funded Capital	(3,929,059)	(3,369,285)	(2,573,743)	(4,235,410)	(3,346,138)	(3,925,302)	(5,020,990)	(4,784,209)	(4,414,694)	(4,514,515)
32	Balance At End Of Fiscal Year	\$ 19,073,149	\$ 17,044,539	\$ 16,555,749	\$ 15,278,376	\$ 15,911,593	\$ 17,167,462	\$ 17,252,391	\$ 17,141,421	\$ 16,944,881	\$ 16,166,238
33	Working Capital Reserve Target	22,093,800	22,693,800	23,293,800	23,893,800	24,493,800	25,093,800	25,693,800	26,293,800	26,893,800	27,493,800
34	Excess Working Capital Above Target	\$ (3,020,651)	\$ (5,649,261)	\$ (6,738,051)	\$ (8,615,424)	\$ (8,582,207)	\$ (7,926,338)	\$ (8,441,409)	\$ (9,152,379)	\$ (9,948,919)	\$ (11,327,562)
35	Debt Service Coverage Test										
36	Income Available For Debt Service	\$ 1,309,846	\$ 1,741,411	\$ 2,485,666	\$ 3,358,653	\$ 4,379,798	\$ 5,580,873	\$ 5,180,255	\$ 4,747,572	\$ 4,292,485	\$ 3,810,201
37	Debt Service Coverage Ratio (target = 1.5)	3.25	4.33	6.17	8.34	10.87	13.87	67.08	61.47	55.58	49.34

APPENDIX B: COST-OF-SERVICE SCHEDULES

Schedule 4 Allocation of Costs to Functional Components

Schedule 5 Allocation of Costs to System Parameters

Schedule 4 - Allocation of Costs to Functional Components

1 of 16

	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Administrative Service								
Regular Salaries	\$277,608	\$218	\$17,855	\$14,362	\$0	\$33,732	\$0	\$0
Overtime Pay	1,124	1	72	58	0	137	0	0
Vacation Pay	21,099	17	1,357	1,092	0	2,564	0	0
Jury Duty	2,079	2	134	108	0	253	0	0
Sick Pay	7,691	6	495	398	0	935	0	0
Holiday Pay	13,905	11	894	719	0	1,690	0	0
Bank Charges	5,132	4	330	265	0	624	0	0
CalPERS Pension Expense - CLASSIC	17,163	13	1,104	888	0	2,085	0	0
Social Security Expense	18,322	14	1,178	948	0	2,225	0	0
Medicare Expense	4,726	4	304	244	0	574	0	0
Insurance - Group Life	1,496	1	96	77	0	182	0	0
Insurance - Group Health	62,382	49	4,010	3,226	0	7,575	0	0
Insurance - Group Dental	3,610	3	232	187	0	439	0	0
Insurance - Group Vision	552	0	36	29	0	67	0	0
Insurance - Employee Assistance Program	124	0	8	6	0	15	0	0
Costs Applied	17,712	14	1,139	916	0	2,152	0	0
District Equipment	1,754	1	113	91	0	213	0	0
Service & Supplies	14,124	11	908	731	0	1,716	0	0
Utilities	28,699	23	1,846	1,485	0	3,487	0	0
Computer Upgrades - Hardware	3,688	3	237	191	0	448	0	0
Computer Upgrades - Software	28,923	23	1,860	1,496	0	3,514	0	0
Purchased Water	1,128	1	73	58	0	137	0	0
Bad Debt Expense	2,990	2	192	155	0	363	0	0
Outside Contracts	99,667	78	6,410	5,156	0	12,111	0	0
Clothing & Personal Supplies	49	0	3	3	0	6	0	0
Communications - Radio & Telephone	27,684	22	1,781	1,432	0	3,364	0	0
Office Equipment Maintenance	2,538	2	163	131	0	308	0	0
Membership & Dues	603	0	39	31	0	73	0	0
Printing & Binding	1,299	1	84	67	0	158	0	0
Office Supplies	8,879	7	571	459	0	1,079	0	0
Postage Expense	3,841	3	247	199	0	467	0	0
Other Professional Fees	23,857	19	1,534	1,234	0	2,899	0	0
Advertising & Legal Notices	329	0	21	17	0	40	0	0
Private Vehicle Mileage	32	0	2	2	0	4	0	0
Travel Expense	130	0	8	7	0	16	0	0
Education & Training Seminars	106	0	7	5	0	13	0	0
Interest / Penalty Expenses	51,933	41	3,340	2,687	0	6,310	0	0
Credit Card Fees	15,465	12	995	800	0	1,879	0	0
OPES Expense	66,665	52	4,288	3,449	0	8,100	0	0
Petty Cash Over / Short	41	0	3	2	0	5	0	0
Property Tax Collection Fee	6,974	5	449	361	0	847	0	0
Property Tax Administration Fee	19,684	15	1,266	1,018	0	2,392	0	0
Insurance - Liability Premium	50,723	40	3,262	2,624	0	6,163	0	0
Insurance - Workers Compensation Premium	108,253	85	6,963	5,600	0	13,154	0	0
Insurance - Miscellaneous Premium	134	0	9	7	0	16	0	0
Other Operating Expenses	15,842	12	1,019	820	0	1,925	0	0
CalPERS - Employer Paid for Emp	22,150	17	1,425	1,146	0	2,691	0	0
Subtotals	\$104,591	\$834	\$68,362	\$54,987	\$0	\$129,151	\$0	\$0

Schedule 4 - Allocation of Costs to Functional Components

2 of 16



	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Board of Directors								
Regular Salaries	\$60,906	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Social Security Expense	3,765	0	0	0	0	0	0	0
Medicare Expense	880	0	0	0	0	0	0	0
Insurance - Group Life	165	0	0	0	0	0	0	0
Insurance - Group Health	60,716	0	0	0	0	0	0	0
Insurance - Group Dental	3,900	0	0	0	0	0	0	0
Insurance - Group Vision	547	0	0	0	0	0	0	0
Service & Supplies	63	0	0	0	0	0	0	0
Private Vehicle Mileage	2,662	0	0	0	0	0	0	0
Travel Expense	1,686	0	0	0	0	0	0	0
Education & Training Seminars	3,070	0	0	0	0	0	0	0
OPEB Expense	65,599	0	0	0	0	0	0	0
Subtotals	\$203,959	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electrical Mechanical								
Regular Salaries	\$68,592	\$5,674	\$18,196	\$77,372	\$104,630	\$0	\$0	\$0
Overtime Pay	1,698	140	450	1,916	2,590	0	0	0
Standby Pay	1,312	109	348	1,480	2,001	0	0	0
Vacation Pay	5,147	426	1,365	5,805	7,850	0	0	0
Jury Duty	284	23	75	320	433	0	0	0
Sick Pay	2,972	246	789	3,353	4,534	0	0	0
Holiday Pay	3,221	266	854	3,633	4,913	0	0	0
CalPERS Pension Expense - CLASSIC	3,672	304	974	4,142	5,601	0	0	0
Social Security Expense	5,166	427	1,370	5,827	7,880	0	0	0
Medicare Expense	1,208	100	321	1,363	1,843	0	0	0
Insurance - Group Life	281	23	74	316	428	0	0	0
Insurance - Group Health	14,853	1,229	3,940	16,754	22,656	0	0	0
Insurance - Group Dental	877	73	233	989	1,337	0	0	0
Insurance - Group Vision	114	9	30	128	174	0	0	0
Insurance - Employee Assistance Program	26	2	7	29	39	0	0	0
District Equipment	4,125	341	1,094	4,653	6,292	0	0	0
Service & Supplies	32,493	2,688	8,620	36,652	49,564	0	0	0
Utilities	6,084	503	1,614	6,862	9,280	0	0	0
Power Purchased for Pumping	0	0	0	0	1,266,715	0	0	0
Computer Upgrades - Hardware	777	64	206	677	1,186	0	0	0
Outside Contracts	21,889	1,811	5,807	24,691	33,390	0	0	0
Clothing & Personal Supplies	687	57	182	775	1,048	0	0	0
Communications - Radio & Telephone	1,047	87	278	1,181	1,597	0	0	0
Books & Publications	154	13	41	174	235	0	0	0
Postage Expense	33	3	9	38	51	0	0	0
Licenses & Permits	46	4	12	52	71	0	0	0
Advertising & Legal Notices	51	4	14	58	79	0	0	0
Small Tools	605	50	160	682	922	0	0	0
Education & Training Seminars	1,238	102	328	1,396	1,888	0	0	0
Pre-Employment Screening	15	1	4	17	24	0	0	0
OPEB Expense	32,152	2,660	8,529	36,268	49,045	0	0	0
CalPERS - Employer Paid for Emp	4,717	390	1,251	5,320	7,195	0	0	0
Subtotals	\$214,566	\$17,751	\$56,920	\$242,031	\$1,596,013	\$0	\$0	\$0

Schedule 4 - Allocation of Costs to Functional Components

3 of 16

	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Engineering								
Regular Salaries	\$207,592	\$51,757	\$0	\$6,048	\$0	\$42,954	\$0	\$0
Part Time - Temporary Wages	749	187	0	22	0	155	0	0
Vacation Pay	25,584	6,379	0	745	0	5,294	0	0
Jury Duty	473	118	0	14	0	98	0	0
Sick Pay	12,716	3,170	0	370	0	2,631	0	0
Holiday Pay	14,541	3,625	0	424	0	3,009	0	0
CalPERS Pension Expense - CLASSIC	11,774	2,935	0	343	0	2,436	0	0
Social Security Expense	13,994	3,489	0	408	0	2,896	0	0
Medicare Expense	3,672	915	0	107	0	760	0	0
Insurance - Group Life	1,476	368	0	43	0	305	0	0
Insurance - Group Health	37,800	9,424	0	1,101	0	7,821	0	0
Insurance - Group Dental	2,283	569	0	67	0	472	0	0
Insurance - Group Vision	437	109	0	13	0	90	0	0
Insurance - Employee Assistance Program	98	24	0	3	0	20	0	0
District Equipment	3,110	775	0	91	0	643	0	0
Service & Supplies	3,289	820	0	96	0	680	0	0
Computer Upgrades - Hardware	2,818	702	0	82	0	583	0	0
Computer Upgrades - Software	3,744	933	0	109	0	775	0	0
Outside Contracts	19,779	4,931	0	576	0	4,092	0	0
Clothing & Personal Supplies	116	29	0	3	0	24	0	0
Communications - Radio & Telephone	302	75	0	9	0	63	0	0
Membership & Dues	2,377	593	0	69	0	492	0	0
Printing & Binding	112	28	0	3	0	23	0	0
Books & Publications	534	133	0	16	0	110	0	0
Postage Expense	137	34	0	4	0	28	0	0
Licenses & Permits	11,734	2,925	0	342	0	2,428	0	0
Safety Program	825	206	0	24	0	171	0	0
Private Vehicle Mileage	1,036	258	0	30	0	214	0	0
Education & Training Seminars	849	212	0	25	0	175	0	0
Pre-Employment Screening	95	24	0	3	0	20	0	0
OPEB Expense	41,215	10,276	0	1,201	0	8,528	0	0
Insurance - Miscellaneous Premium	133	33	0	4	0	28	0	0
CalPERS - Employer Paid for Emp	17,318	4,318	0	505	0	3,583	0	0
Subtotals	\$442,708	\$110,375	\$0	\$12,897	\$0	\$91,603	\$0	\$0

Schedule 4 - Allocation of Costs to Functional Components

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	General & Adm	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Fisheries								
Regular Salaries	\$7,842	\$243,625	\$0	\$0	\$0	\$0	\$0	\$0
Part Time - Temporary Wages	1,015	31,541	0	0	0	0	0	0
Overtime Pay	6	184	0	0	0	0	0	0
Vacation Pay	505	15,678	0	0	0	0	0	0
Sick Pay	668	20,765	0	0	0	0	0	0
Holiday Pay	363	11,278	0	0	0	0	0	0
CalPERS Pension Expense - CLASSIC	357	11,091	0	0	0	0	0	0
Social Security Expense	589	18,293	0	0	0	0	0	0
Medicare Expense	141	4,365	0	0	0	0	0	0
Insurance - Group Life	42	1,311	0	0	0	0	0	0
Insurance - Group Health	1,255	38,993	0	0	0	0	0	0
Insurance - Group Dental	70	2,175	0	0	0	0	0	0
Insurance - Group Vision	13	397	0	0	0	0	0	0
Insurance - Employee Assistance Program	3	89	0	0	0	0	0	0
District Equipment	101	3,135	0	0	0	0	0	0
Service & Supplies	262	8,126	0	0	0	0	0	0
Computer Upgrades - Hardware	2	70	0	0	0	0	0	0
Outside Contracts	14	429	0	0	0	0	0	0
Clothing & Personal Supplies	1	19	0	0	0	0	0	0
Communications - Radio & Telephone	63	1,965	0	0	0	0	0	0
Membership & Dues	6	190	0	0	0	0	0	0
Books & Publications	5	165	0	0	0	0	0	0
Office Supplies	1	30	0	0	0	0	0	0
Travel Expense	235	7,308	0	0	0	0	0	0
Education & Training Seminars	105	3,272	0	0	0	0	0	0
Pre-Employment Screening	2	77	0	0	0	0	0	0
OPES Expense	1,351	41,974	0	0	0	0	0	0
CalPERS - Employer Paid for Emp	466	14,491	0	0	0	0	0	0
Subtotals	\$15,325	\$476,113	\$0	\$0	\$0	\$0	\$0	\$0
Garage								
District Equipment	11,210	0	0	0	0	0	0	0
Service & Supplies	12,346	0	0	0	0	0	0	0
Utilities	2,215	0	0	0	0	0	0	0
Vehicle Costs Direct	103,619	0	0	0	0	0	0	0
Outside Contracts	335	0	0	0	0	0	0	0
Communications - Radio & Telephone	195	0	0	0	0	0	0	0
Education & Training Seminars	606	0	0	0	0	0	0	0
Subtotals	-48,312	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Schedule 4 - Allocation of Costs to Functional Components

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Information Technology	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Reception
Regular Salaries	\$118,614	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Overtime Pay	1,787	0	0	0	0	0	0	0
Vacation Pay	5,126	0	0	0	0	0	0	0
Jury Duty	738	0	0	0	0	0	0	0
Sick Pay	3,200	0	0	0	0	0	0	0
Holiday Pay	5,415	0	0	0	0	0	0	0
CalPERS Pension Expense - CLASSIC	6,499	0	0	0	0	0	0	0
Social Security Expense	7,739	0	0	0	0	0	0	0
Medicare Expense	1,924	0	0	0	0	0	0	0
Insurance - Group Life	510	0	0	0	0	0	0	0
Insurance - Group Health	21,173	0	0	0	0	0	0	0
Insurance - Group Dental	1,388	0	0	0	0	0	0	0
Insurance - Group Vision	137	0	0	0	0	0	0	0
Insurance - Employee Assistance Program	31	0	0	0	0	0	0	0
District Equipment	496	0	0	0	0	0	0	0
Service & Supplies	634	0	0	0	0	0	0	0
Computer Upgrades - Hardware	2,142	0	0	0	0	0	0	0
Computer Upgrades - Software	520	0	0	0	0	0	0	0
Outside Contracts	10,497	0	0	0	0	0	0	0
Communications - Radio & Telephone	584	0	0	0	0	0	0	0
Small Tools	17	0	0	0	0	0	0	0
Private Vehicle Mileage	18	0	0	0	0	0	0	0
Travel Expense	14	0	0	0	0	0	0	0
OPEB Expense	22,582	0	0	0	0	0	0	0
Insurance - Miscellaneous Premium	121	0	0	0	0	0	0	0
CalPERS - Employer Paid for Emp	8,869	0	0	0	0	0	0	0
Subtotals	\$228,975	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Schedule 4 - Allocation of Costs to Functional Components

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	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Management								
Regular Salaries	\$306,267	\$995	\$0	\$0	\$0	\$0	\$0	\$0
Vacation Pay	18,187	59	0	0	0	0	0	0
Jury Duty	800	3	0	0	0	0	0	0
Sick Pay	6,200	20	0	0	0	0	0	0
Holiday Pay	13,989	45	0	0	0	0	0	0
CalPERS Pension Expense - CLASSIC	16,770	54	0	0	0	0	0	0
Social Security Expense	15,406	50	0	0	0	0	0	0
Medicare Expense	5,011	16	0	0	0	0	0	0
Insurance - Group Life	1,781	6	0	0	0	0	0	0
Insurance - Group Health	45,357	147	0	0	0	0	0	0
Insurance - Group Dental	2,766	9	0	0	0	0	0	0
Insurance - Group Vision	273	1	0	0	0	0	0	0
Insurance - Employee Assistance Program	61	0	0	0	0	0	0	0
Service & Supplies	11,364	37	0	0	0	0	0	0
Communications - Radio & Telephone	221	1	0	0	0	0	0	0
Membership & Dues	72,471	235	0	0	0	0	0	0
Books & Publications	4,749	15	0	0	0	0	0	0
Postage Expense	255	1	0	0	0	0	0	0
Other Professional Fees	409,092	1,329	0	0	0	0	0	0
Advertising & Legal Notices	65	0	0	0	0	0	0	0
Private Vehicle Mileage	1,427	5	0	0	0	0	0	0
Travel Expense	1,564	5	0	0	0	0	0	0
Education & Training Seminars	2,511	8	0	0	0	0	0	0
OPEB Expense	48,825	159	0	0	0	0	0	0
Insurance - Workers Compensation Premium	3,982	13	0	0	0	0	0	0
Insurance - Miscellaneous Premium	121	0	0	0	0	0	0	0
CalPERS - Employer Paid for Emp	23,026	75	0	0	0	0	0	0
Subtotals	\$1,012,544	\$3,289	\$0	\$0	\$0	\$0	\$0	\$0
Operations - Maintenance								
Regular Salaries	\$13,331	\$87,958	\$0	\$0	\$0	\$0	\$0	\$0
Part Time - Temporary Wages	3,390	22,364	0	0	0	0	0	0
Overtime Pay	40	262	0	0	0	0	0	0
Vacation Pay	930	6,134	0	0	0	0	0	0
Sick Pay	669	4,412	0	0	0	0	0	0
Holiday Pay	621	4,100	0	0	0	0	0	0
CalPERS Pension Expense - CLASSIC	502	3,314	0	0	0	0	0	0
Social Security Expense	1,142	7,537	0	0	0	0	0	0
Medicare Expense	267	1,763	0	0	0	0	0	0
Insurance - Group Life	45	296	0	0	0	0	0	0
Insurance - Group Health	3,125	20,625	0	0	0	0	0	0
Insurance - Group Dental	167	1,100	0	0	0	0	0	0
Insurance - Group Vision	36	237	0	0	0	0	0	0
Insurance - Employee Assistance Program	8	53	0	0	0	0	0	0
District Equipment	3,062	20,202	0	0	0	0	0	0
Service & Supplies	5,053	33,340	0	0	0	0	0	0
Utilities	92	607	0	0	0	0	0	0
State Water Expense	24,861	154,024	0	0	0	0	0	0
Outside Contracts	2,693	17,769	0	0	0	0	0	0
Clothing & Personal Supplies	225	1,484	0	0	0	0	0	0
Communications - Radio & Telephone	12	78	0	0	0	0	0	0
Membership & Dues	6	40	0	0	0	0	0	0
Licenses & Permits	12	80	0	0	0	0	0	0
Small Tools	766	5,052	0	0	0	0	0	0
Education & Training Seminars	116	763	0	0	0	0	0	0
OPEB Expense	3,396	22,409	0	0	0	0	0	0
Insurance - Workers Compensation Premium	236	1,559	0	0	0	0	0	0
CalPERS - Employer Paid for Emp	636	4,199	0	0	0	0	0	0
Subtotals	\$64,943	\$428,478	\$0	\$0	\$0	\$0	\$0	\$0

Schedule 4 - Allocation of Costs to Functional Components

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Pipeline	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Regular Salaries	\$70,143	\$2,984	\$27,897	\$171,951	\$66	\$2,045	\$0	\$0
Overtime Pay	7,736	329	3,077	18,963	7	226	0	0
Standby Pay	3,079	131	1,224	7,547	3	90	0	0
Vacation Pay	4,980	212	1,981	12,208	5	145	0	0
Sick Pay	3,401	145	1,353	8,337	3	99	0	0
Holiday Pay	3,313	141	1,318	8,123	3	97	0	0
CalPERS Pension Expense - CLASSIC	3,532	150	1,406	8,658	3	103	0	0
Social Security Expense	5,638	240	2,242	13,821	5	164	0	0
Medicare Expense	1,327	56	528	3,253	1	39	0	0
Insurance - Group Life	343	15	136	841	0	10	0	0
Insurance - Group Health	20,573	875	8,182	50,433	19	600	0	0
Insurance - Group Dental	1,293	55	514	3,170	1	38	0	0
Insurance - Group Vision	142	6	57	349	0	4	0	0
Insurance - Employee Assistance Program	32	1	13	79	0	1	0	0
Costs Applied	2,605	111	1,036	6,385	2	76	0	0
District Equipment	10,028	427	3,988	24,582	9	292	0	0
Service & Supplies	42,282	1,799	16,816	103,653	40	1,233	0	0
Utilities	458	19	182	1,123	0	13	0	0
Computer Upgrades - Hardware	669	28	266	1,639	1	19	0	0
Outside Contracts	25,557	1,087	10,165	62,652	24	745	0	0
Clothing & Personal Supplies	733	31	291	1,796	1	21	0	0
Communications - Radio & Telephone	422	18	168	1,034	0	12	0	0
Postage Expense	14	1	6	34	0	0	0	0
Licenses & Permits	116	5	46	284	0	3	0	0
Small Tools	1,599	68	636	3,920	1	47	0	0
Private Vehicle Mileage	104	4	42	256	0	3	0	0
Travel Expense	359	15	143	880	0	10	0	0
Education & Training Seminars	997	42	397	2,444	1	29	0	0
Property Losses for Operations	541	23	215	1,325	1	16	0	0
OPFB Expense	21,959	934	8,733	53,831	21	640	0	0
Insurance - Workers Compensation Premium	39	2	15	95	0	1	0	0
Insurance - Miscellaneous Premium	31	1	12	76	0	1	0	0
CalPERS - Employer Paid for Emp	4,644	198	1,847	11,384	4	135	0	0
Subtotals	\$237,371	\$10,107	\$84,486	\$582,394	\$223	\$6,927	\$0	\$0

Schedule 4 - Allocation of Costs to Functional Components

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	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Public Relations								
Regular Salaries	\$25,438	\$0	\$0	\$0	\$0	\$0	\$191,926	\$0
Part Time - Temporary Wages	1,752	0	0	0	0	0	13,216	0
Overtime Pay	120	0	0	0	0	0	907	0
Vacation Pay	1,509	0	0	0	0	0	11,386	0
Sick Pay	939	0	0	0	0	0	7,067	0
Holiday Pay	1,127	0	0	0	0	0	8,505	0
CalPERS Pension Expense - CLASSIC	1,264	0	0	0	0	0	9,539	0
Social Security Expense	1,681	0	0	0	0	0	12,660	0
Medicare Expense	433	0	0	0	0	0	3,263	0
Insurance - Group Life	146	0	0	0	0	0	1,104	0
Insurance - Group Health	2,673	0	0	0	0	0	20,167	0
Insurance - Group Dental	172	0	0	0	0	0	1,299	0
Insurance - Group Vision	36	0	0	0	0	0	272	0
Insurance - Employee Assistance Program	8	0	0	0	0	0	61	0
District Equipment	369	0	0	0	0	0	2,711	0
Service & Supplies	1,177	0	0	0	0	0	8,880	0
Computer Upgrades - Hardware	255	0	0	0	0	0	1,926	0
Computer Upgrades - Software	67	0	0	0	0	0	653	0
Outside Contracts	10,510	0	0	0	0	0	79,294	0
Communications - Radio & Telephone	77	0	0	0	0	0	584	0
Membership & Dues	1,146	0	0	0	0	0	8,646	0
Printing & Binding	799	0	0	0	0	0	6,029	0
Office Supplies	5	0	0	0	0	0	39	0
Postage Expense	1,371	0	0	0	0	0	10,342	0
Advertising & Legal Notices	603	0	0	0	0	0	4,552	0
Safety Program	202	0	0	0	0	0	1,521	0
Private Vehicle Mileage	17	0	0	0	0	0	131	0
Travel Expense	82	0	0	0	0	0	618	0
Education & Training Seminars	150	0	0	0	0	0	1,131	0
Pre-Employment Screening	17	0	0	0	0	0	125	0
OPFB Expense	2,946	0	0	0	0	0	22,226	0
Insurance - Workers Compensation Premium	230	0	0	0	0	0	1,732	0
Insurance - Miscellaneous Premium	28	0	0	0	0	0	214	0
CalPERS - Employer Paid for Emp	1,721	0	0	0	0	0	12,984	0
Subtotals	\$58,853	\$0	\$0	\$0	\$0	\$0	\$444,031	\$0

Schedule 4 - Allocation of Costs to Functional Components

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	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Recreation - Maintenance								
Regular Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$222,786
Part Time - Temporary Wages	0	0	0	0	0	0	0	170,240
Overtime Pay	0	0	0	0	0	0	0	7,246
Vacation Pay	0	0	0	0	0	0	0	14,326
Jury Duty	0	0	0	0	0	0	0	209
Sick Pay	0	0	0	0	0	0	0	10,426
Holiday Pay	0	0	0	0	0	0	0	10,415
Seasonal Pay	0	0	0	0	0	0	0	3,071
CalPERS Pension Expense - CLASSIC	0	0	0	0	0	0	0	10,134
Social Security Expense	0	0	0	0	0	0	0	26,496
Medicare Expense	0	0	0	0	0	0	0	6,197
Insurance - Group Life	0	0	0	0	0	0	0	610
Insurance - Group Health	0	0	0	0	0	0	0	58,263
Insurance - Group Dental	0	0	0	0	0	0	0	3,321
Insurance - Group Vision	0	0	0	0	0	0	0	659
Insurance - Employee Assistance Program	0	0	0	0	0	0	0	123
Insurance - Unemployment	0	0	0	0	0	0	0	253
District Equipment	0	0	0	0	0	0	0	53,043
Service & Supplies	0	0	0	0	0	0	0	98,507
Utilities	0	0	0	0	0	0	0	1,404
Purchased Water	0	0	0	0	0	0	0	44,321
Outside Contracts	0	0	0	0	0	0	0	101,441
Clothing & Personal Supplies	0	0	0	0	0	0	0	2,391
Communications - Radio & Telephone	0	0	0	0	0	0	0	336
Membership & Dues	0	0	0	0	0	0	0	46
Office Supplies	0	0	0	0	0	0	0	197
Licenses & Permits	0	0	0	0	0	0	0	286
Small Tools	0	0	0	0	0	0	0	8,174
Travel Expense	0	0	0	0	0	0	0	1,121
Education & Training Seminars	0	0	0	0	0	0	0	5,918
Pre-Employment Screening	0	0	0	0	0	0	0	271
OPEB Expense	0	0	0	0	0	0	0	62,892
Insurance - Workers Compensation Premium	0	0	0	0	0	0	0	5,910
Insurance - Miscellaneous Premium	0	0	0	0	0	0	0	44
Administration Overhead	0	0	0	0	0	0	0	235,689
CalPERS - Employer Paid for Emp	0	0	0	0	0	0	0	14,116
Subtotals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,177,650

Schedule 4 - Allocation of Costs to Functional Components

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	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Recreation - Operations								
Regular Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$510,227
Part Time - Temporary Wages	0	0	0	0	0	0	0	208,534
Overtime Pay	0	0	0	0	0	0	0	5,175
Shift Pay	0	0	0	0	0	0	0	14,239
Standby Pay	0	0	0	0	0	0	0	6,311
Vacation Pay	0	0	0	0	0	0	0	11,751
Jury Duty	0	0	0	0	0	0	0	1,387
Sick Pay	0	0	0	0	0	0	0	21,876
Holiday Pay	0	0	0	0	0	0	0	21,591
Seasonal Pay	0	0	0	0	0	0	0	37,575
Bank Charges	0	0	0	0	0	0	0	15
CalPERS Pension Expense - CLASSIC	0	0	0	0	0	0	0	20,986
Social Security Expense	0	0	0	0	0	0	0	61,104
Medicare Expense	0	0	0	0	0	0	0	14,579
Insurance - Group Life	0	0	0	0	0	0	0	3,050
Insurance - Group Health	0	0	0	0	0	0	0	98,894
Insurance - Group Dental	0	0	0	0	0	0	0	6,185
Insurance - Group Vision	0	0	0	0	0	0	0	1,230
Insurance - Employee Assistance Program	0	0	0	0	0	0	0	277
District Equipment	0	0	0	0	0	0	0	63,184
Service & Supplies	0	0	0	0	0	0	0	33,571
Utilities	0	0	0	0	0	0	0	109,612
Computer Upgrades - Hardware	0	0	0	0	0	0	0	2,602
Bad Debt Expense	0	0	0	0	0	0	0	11,622
Fish Purchase	0	0	0	0	0	0	0	30,898
Outside Contracts	0	0	0	0	0	0	0	22,407
Clothing & Personal Supplies	0	0	0	0	0	0	0	3,427
Communications - Radio & Telephone	0	0	0	0	0	0	0	11,341
Membership & Dues	0	0	0	0	0	0	0	963
Printing & Binding	0	0	0	0	0	0	0	2,576
Office Supplies	0	0	0	0	0	0	0	1,223
Postage Expense	0	0	0	0	0	0	0	35
Other Professional Fees	0	0	0	0	0	0	0	21,675
Licenses & Permits	0	0	0	0	0	0	0	4,023
Advertising & Legal Notices	0	0	0	0	0	0	0	749
Small Tools	0	0	0	0	0	0	0	89
Public Information Program	0	0	0	0	0	0	0	980
Safety Program	0	0	0	0	0	0	0	576
Private Vehicle Mileage	0	0	0	0	0	0	0	55
Travel Expense	0	0	0	0	0	0	0	609
Education & Training Seminars	0	0	0	0	0	0	0	869
Pre-Employment Screening	0	0	0	0	0	0	0	984
Credit Card Fees	0	0	0	0	0	0	0	9,608
OPEB Expense	0	0	0	0	0	0	0	106,279
Insurance - Miscellaneous Premium	0	0	0	0	0	0	0	121
Other Operating Expenses	0	0	0	0	0	0	0	111
Administration Overhead	0	0	0	0	0	0	0	519,897
CalPERS - Employer Paid for Emp	0	0	0	0	0	0	0	22,644
Subtotals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,987,041

Schedule 4 - Allocation of Costs to Functional Components

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	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Recreation - Public Relations								
Part Time - Temporary Wages	0	0	0	0	0	0	0	45,035
Seasonal Pay	0	0	0	0	0	0	0	5,340
Social Security Expense	0	0	0	0	0	0	0	3,114
Medicare Expense	0	0	0	0	0	0	0	728
Service & Supplies	0	0	0	0	0	0	0	10,785
Computer Upgrades - Hardware	0	0	0	0	0	0	0	4,066
Outside Contracts	0	0	0	0	0	0	0	5,496
Clothing & Personal Supplies	0	0	0	0	0	0	0	460
Membership & Dues	0	0	0	0	0	0	0	309
Printing & Binding	0	0	0	0	0	0	0	5,134
Office Supplies	0	0	0	0	0	0	0	604
Postage Expense	0	0	0	0	0	0	0	2,206
Advertising & Legal Notices	0	0	0	0	0	0	0	330
Public Information Program	0	0	0	0	0	0	0	4,673
Credit Card Fees	0	0	0	0	0	0	0	51,261
Administration Overhead	0	0	0	0	0	0	0	22,571
Subtotals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$162,113

Schedule 4 - Allocation of Costs to Functional Components

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Recreation - Water Playground

	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Regular Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66,774
Part Time - Temporary Wages	0	0	0	0	0	0	0	100,463
Overtime Pay	0	0	0	0	0	0	0	437
Vacation Pay	0	0	0	0	0	0	0	5,304
Jury Duty	0	0	0	0	0	0	0	285
Sick Pay	0	0	0	0	0	0	0	4,102
Holiday Pay	0	0	0	0	0	0	0	3,422
Seasonal Pay	0	0	0	0	0	0	0	207,760
CalPERS Pension Expense - CLASSIC	0	0	0	0	0	0	0	3,795
Social Security Expense	0	0	0	0	0	0	0	23,805
Medicare Expense	0	0	0	0	0	0	0	5,567
District Equipment	0	0	0	0	0	0	0	21
Service & Supplies	0	0	0	0	0	0	0	46,850
Utilities	0	0	0	0	0	0	0	40,904
Chlorine	0	0	0	0	0	0	0	27,040
Chemicals - Water Playground	0	0	0	0	0	0	0	4,338
Computer Upgrades - Hardware	0	0	0	0	0	0	0	357
Outside Contracts	0	0	0	0	0	0	0	9,542
Clothing & Personal Supplies	0	0	0	0	0	0	0	6,507
Communications - Radio & Telephone	0	0	0	0	0	0	0	989
Membership & Dues	0	0	0	0	0	0	0	407
Office Supplies	0	0	0	0	0	0	0	1,470
Other Professional Fees	0	0	0	0	0	0	0	14,781
Licenses & Permits	0	0	0	0	0	0	0	1,154
Advertising & Legal Notices	0	0	0	0	0	0	0	3,507
Small Tools	0	0	0	0	0	0	0	221
Public Information Program	0	0	0	0	0	0	0	1,512
Safety Program	0	0	0	0	0	0	0	1,040
Education & Training Seminars	0	0	0	0	0	0	0	2,770
Pre-Employment Screening	0	0	0	0	0	0	0	4,866
Credit Card Fees	0	0	0	0	0	0	0	13,610
Administration Overhead	0	0	0	0	0	0	0	180,129
CalPERS - Employer Paid for Emp	0	0	0	0	0	0	0	5,331
Subtotals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$787,345

Retirees

OPEB Expense	479,807	0	0	0	0	0	0	0
Subtotals	\$479,793	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Schedule 4 - Allocation of Costs to Functional Components

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	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Safety								
Regular Salaries	\$26,651	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Holiday Pay	344	0	0	0	0	0	0	0
Social Security Expense	1,490	0	0	0	0	0	0	0
Medicare Expense	348	0	0	0	0	0	0	0
District Equipment	52	0	0	0	0	0	0	0
Service & Supplies	8,206	0	0	0	0	0	0	0
Outside Contracts	18,827	0	0	0	0	0	0	0
Books & Publications	407	0	0	0	0	0	0	0
Other Professional Fees	1,377	0	0	0	0	0	0	0
Licenses & Permits	8,956	0	0	0	0	0	0	0
Education & Training Seminars	1,540	0	0	0	0	0	0	0
Pre-Employment Screening	108	0	0	0	0	0	0	0
Subtotals	\$96,406	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities Maintenance								
Vacation Pay	532	0	74	899	0	1,823	0	0
Subtotals	\$532	\$0	\$74	\$899	\$0	\$1,823	\$0	\$0
Warehouse								
Regular Salaries	\$7,635	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Overtime Pay	44	0	0	0	0	0	0	0
Vacation Pay	468	0	0	0	0	0	0	0
Sick Pay	318	0	0	0	0	0	0	0
Holiday Pay	352	0	0	0	0	0	0	0
CalPERS Pension Expense - CLASSIC	430	0	0	0	0	0	0	0
Social Security Expense	545	0	0	0	0	0	0	0
Medicare Expense	128	0	0	0	0	0	0	0
Service & Supplies	2,600	0	0	0	0	0	0	0
Utilities	2,215	0	0	0	0	0	0	0
CalPERS - Employer Paid for Emp	598	0	0	0	0	0	0	0
Subtotals	\$15,162	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Schedule 4 - Allocation of Costs to Functional Components

14 of 16

	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Water Quality - Lab								
Regular Salaries	\$44,736	\$62,930	\$12,858	\$12,574	\$0	\$0	\$0	\$0
Part Time - Temporary Wages	368	518	106	103	0	0	0	0
Overtime Pay	572	804	164	161	0	0	0	0
Vacation Pay	4,450	6,260	1,279	1,251	0	0	0	0
Sick Pay	3,374	4,746	970	948	0	0	0	0
Holiday Pay	2,278	3,204	655	640	0	0	0	0
CalPERS Pension Expense - CLASSIC	2,687	3,780	772	755	0	0	0	0
Social Security Expense	3,359	4,725	965	944	0	0	0	0
Medicare Expense	786	1,105	226	221	0	0	0	0
Insurance - Group Life	347	488	100	98	0	0	0	0
Insurance - Group Health	13,565	19,081	3,899	3,813	0	0	0	0
Insurance - Group Dental	852	1,199	245	240	0	0	0	0
Insurance - Group Vision	92	129	26	26	0	0	0	0
Insurance - Employee Assistance Program	21	29	6	6	0	0	0	0
District Equipment	1,984	2,791	570	558	0	0	0	0
Service & Supplies	5,962	8,372	1,711	1,673	0	0	0	0
Computer Upgrades - Hardware	49	68	14	14	0	0	0	0
Outside Contracts	30,030	42,242	8,631	8,440	0	0	0	0
Clothing & Personal Supplies	42	59	12	12	0	0	0	0
Communications - Radio & Telephone	13	18	4	4	0	0	0	0
Membership & Dues	43	61	12	12	0	0	0	0
Postage Expense	184	259	53	52	0	0	0	0
Licenses & Permits	4,806	6,761	1,381	1,351	0	0	0	0
Advertising & Legal Notices	27	39	8	8	0	0	0	0
Private Vehicle Mileage	33	47	10	9	0	0	0	0
Travel Expense	543	764	156	153	0	0	0	0
Education & Training Seminars	472	664	136	133	0	0	0	0
OPEB Expense	14,559	20,620	4,213	4,120	0	0	0	0
CalPERS - Employer Paid for Emp	3,693	5,195	1,061	1,038	0	0	0	0
Subtotals	\$140,017	\$196,958	\$40,243	\$39,353	\$0	\$0	\$0	\$0

Schedule 4 - Allocation of Costs to Functional Components

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	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
Water Treatment								
Regular Salaries	\$124,337	\$45,066	\$536,084	\$36,147	\$143	\$82,291	\$0	\$0
Overtime Pay	6,780	2,457	29,231	1,971	8	4,487	0	0
Shift Pay	143	52	615	41	0	94	0	0
Standby Pay	2,903	1,052	12,515	844	3	1,921	0	0
Vacation Pay	5,833	2,114	25,149	1,696	7	3,861	0	0
Jury Duty	113	41	487	33	0	75	0	0
Holiday Pay	5,184	1,879	22,349	1,507	6	3,431	0	0
CalPERS Pension Expense - CLASSIC	5,310	1,925	22,895	1,544	6	3,514	0	0
Social Security Expense	8,882	3,219	38,294	2,582	10	5,878	0	0
Medicare Expense	2,176	789	9,384	633	3	1,440	0	0
Insurance - Group Life	473	172	2,041	138	1	313	0	0
Insurance - Group Health	23,514	8,622	101,380	6,836	27	15,962	0	0
Insurance - Group Dental	1,401	508	6,039	407	2	927	0	0
Insurance - Group Vision	184	67	793	53	0	122	0	0
Insurance - Employee Assistance Program	41	15	178	12	0	27	0	0
District Equipment	5,060	1,834	21,817	1,471	6	3,349	0	0
Service & Supplies	13,149	4,766	56,692	3,823	15	8,702	0	0
Utilities	17,462	6,329	75,289	5,077	20	11,557	0	0
Chlorine	13,603	4,930	58,650	3,955	16	9,003	0	0
Polymer	4,692	1,700	20,228	1,364	5	3,105	0	0
Femic	2,153	780	9,282	625	2	1,425	0	0
Ammonia	5,253	1,904	22,649	1,527	6	3,477	0	0
Caustics	9,729	3,526	41,947	2,828	11	6,439	0	0
Computer Upgrades - Hardware	356	129	1,537	104	0	236	0	0
Open Account	13,263	4,807	57,182	3,856	15	8,778	0	0
Outside Contracts	2,046	742	8,823	595	2	1,354	0	0
Clothing & Personal Supplies	439	159	1,892	128	1	291	0	0
Communications - Radio & Telephone	702	255	3,028	204	1	465	0	0
Postage Expense	17	6	72	5	0	11	0	0
Licenses & Permits	263	95	1,134	76	0	174	0	0
Advertising & Legal Notices	31	11	134	9	0	21	0	0
Small Tools	808	293	3,483	235	1	535	0	0
Private Vehicle Mileage	326	118	1,404	95	0	216	0	0
Travel Expense	412	149	1,776	120	0	273	0	0
Education & Training Seminars	903	327	3,891	262	1	597	0	0
OPEB Expense	25,005	9,063	107,811	7,270	29	16,549	0	0
Insurance - Workers Compensation Premium	99	36	426	29	0	65	0	0
Insurance - Miscellaneous Premium	37	13	158	11	0	24	0	0
CalPERS - Employer Paid for Emp	6,955	2,488	29,598	1,996	8	4,543	0	0
Subtotals	\$307,028	\$111,281	\$1,323,760	\$89,259	\$354	\$203,202	\$0	\$0

Schedule 4 - Allocation of Costs to Functional Components

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	General & Admin	Source of Supply	Treatment	Transmission & Distribution	Pumping	Customer Service	Conservation	Recreation
FTE Module								
Administration	\$65,834	\$52	\$4,234	\$3,406	\$0	\$7,999	\$0	\$0
Management	314,911	1,023	0	0	0	0	0	0
Recreation - Operations / Maint. / PR / Water Pl.	0	0	0	0	0	0	0	252,747
Administration	15,325	12	966	793	0	1,862	0	0
Management	73,306	238	0	0	0	0	0	0
Recreation - Operations / Maint. / PR / Water Pl.	0	0	0	0	0	0	0	58,836
Subtotals	\$469,376	\$1,325	\$5,220	\$4,199	\$0	\$9,862	\$0	\$311,583
Existing Debt Service								
1991 California DWR Loan (Treatment Plant)	\$0	\$0	\$305,067	\$0	\$0	\$0	\$0	\$0
Casitas Dam Seismic Safety of Dam	0	77,228	0	0	0	0	0	0
Mira Monte Special Assessment Bond Principal	0	0	0	16,000	0	0	0	0
Mira Monte Special Assessment Bond Interest	0	0	0	4,075	0	0	0	0
Subtotals	\$0	\$77,228	\$305,067	\$20,075	\$0	\$0	\$0	\$0
Capital Projects								
Projects designated to be Cash Funded	1,858,953	734,611	41,226	281,591	66,159	386,744	0	0
Subtotals	\$1,858,953	\$734,611	\$41,226	\$281,591	\$66,159	\$386,744	\$0	\$0
Grand Total	\$5,864,620	\$2,168,327	\$1,935,144	\$1,326,360	\$1,662,749	\$829,295	\$444,031	\$4,435,731

Schedule 5 - Allocation of Costs to System Parameters

	System Parameter								
	Base Capacity (Average Day)	Extra Capacity (Max Day)	Extra Capacity (Max Hour)	Meter Size (per meter equivalent)	Conservation	Pumping	Customers	Recreation	
	(per HCF)	(per HCF/D)	(per HCF/D)		(per HCF)	(per HCF)	(per account)	(no units)	
Total System Metrics:	17,014	21,943	75,584	7,545	534,365	4,367,623	3,146		
Operating Expenses									
	Total Costs								
Source of Supply	\$2,404,545	\$2,404,545	\$0	\$0	\$0	\$0	\$0	\$0	
Treatment	2,816,436	1,462,697	1,353,740	0	0	0	0	0	
Trans & Dist	1,816,399	0	565,282	640,337	610,780	0	0	0	
Pumping	1,849,913	0	0	0	0	1,849,913	0	0	
Customer Service	784,477	0	0	0	0	0	784,477	0	
Conservation	787,101	0	0	0	787,101	0	0	0	
Recreation	4,435,731	0	0	0	0	0	0	4,435,731	
Total Costs	\$14,894,601	\$3,867,241	\$1,919,022	\$640,337	\$610,780	\$787,101	\$1,849,913	\$784,477	\$4,435,731
<i>% Allocation</i>		26.0%	12.9%	4.3%	4.1%	5.3%	12.4%	5.3%	29.8%
Unit Cost of Service									
		\$227.29	\$87.46	\$8.47	\$80.96 (per meter equivalent)	\$1.47	\$0.42	\$249.36	\$4,435,731
		(per HCF)	(per HCF/D)	(per HCF/D)		(per HCF)	(per HCF)	(per account)	(no units)
Source of Supply	\$141.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treatment	\$65.97	\$61.69	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trans & Dist	\$0	\$25.76	\$8.47	\$80.96	\$0	\$0	\$0	\$0	\$0
Pumping	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Service	\$0	\$0	\$0	\$0	\$0	\$0	\$249.36	\$0	\$0
Conservation	\$0	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$0
Recreation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,435,731
Debt Service									
Source of Supply	\$77,228	\$77,228	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treatment	305,067	158,435	146,633	0	0	0	0	0	0
Trans & Dist	20,075	0	6,248	7,077	6,750	0	0	0	0
Total Costs	\$402,371	\$235,663	\$152,880	\$7,077	\$6,750	\$0	\$0	\$0	\$0
<i>% Distribution</i>		58.6%	38.0%	1.8%	1.7%	0.0%	0.0%	0.0%	0.0%
Unit Cost of Service									
		\$13.85	\$6.97	\$0.09	\$0.89 (per meter equivalent)	\$0	\$0	\$0	\$0
		(per HCF)	(per HCF/D)	(per HCF/D)		(per HCF)	(per HCF)	(per account)	(no units)
Source of Supply	\$4.54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treatment	\$9.31	\$6.68	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trans & Dist	\$0	\$0.28	\$0.09	\$0.89	\$0	\$0	\$0	\$0	\$0
Cash Funded Capital									
Source of Supply	\$1,638,788	\$1,638,788	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treatment	91,968	47,763	44,205	0	0	0	0	0	0
Trans & Dist	628,180	0	195,496	221,453	211,231	0	0	0	0
Pumping	147,589	0	0	0	0	147,589	0	0	0
Customer Service	862,759	0	0	0	0	0	862,759	0	0
Total Costs	\$3,369,285	\$1,686,551	\$239,702	\$221,453	\$211,231	\$0	\$147,589	\$862,759	\$0
<i>% Distribution</i>		50.1%	7.1%	6.6%	6.3%	0.0%	4.4%	25.6%	0.0%
Unit Cost of Service									
		\$99.12	\$10.92	\$2.93	\$28.00 (per meter equivalent)	\$0	\$0.03	\$274.25	\$0
(Unit of measure)		(per HCF)	(per HCF/D)	(per HCF/D)		(per HCF)	(per HCF)	(per account)	(no units)
Source of Supply	\$96.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treatment	\$2.81	\$2.01	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trans & Dist	\$0	\$8.91	\$2.93	\$28.00	\$0	\$0	\$0	\$0	\$0
Pumping	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Service	\$0	\$0	\$0	\$0	\$0	\$0	\$274.25	\$0	\$0
Summary Totals									
	Total Costs								
Operating	\$14,894,601	\$227.29	\$87.46	\$8.47	\$80.96	\$1.47	\$0.42	\$249.36	\$4,435,731
Debt Service	402,371	\$13.85	\$6.97	\$0.09	\$0.89	\$0	\$0	\$0	\$0
Rate Funded Capital	3,369,285	\$99.12	\$10.92	\$2.93	\$28.00	\$0	\$0.03	\$274.25	\$0
Total	\$18,666,256	\$340.27	\$105.35	\$11.50	\$109.85	\$1.47	\$0.46	\$523.61	\$4,435,731

APPENDIX C: PROPOSED RATES

- Schedule 6 Proposed Rate Schedule for FY 2018
- Schedule 7 Proposed Rate Schedule for FY 2019
- Schedule 8 Proposed Rate Schedule for FY 2020
- Schedule 9 Proposed Rate Schedule for FY 2021
- Schedule 10 Proposed Rate Schedule for FY 2022

Schedule 6

Proposed Volumetric Rates, Effective July 1, 2017

	Residential Pumped	Business Pumped	Agriculture Pumped	Ag Domestic Pumped	Inter-departmental Pumped	Resale Pumped
Tier 1	\$0.96	\$1.46	\$1.09	\$0.96	\$1.46	\$1.46
Tier 2	\$1.46			\$1.46		
Tier 3	\$2.36			\$1.09		

	Residential Gravity	Business Gravity	Agriculture Gravity	Ag Domestic Gravity	Inter-departmental Gravity	Resale Gravity
Tier 1	\$0.49	\$0.99	\$0.62	\$0.49	\$0.99	\$0.99
Tier 2	\$0.99			\$0.99		
Tier 3	\$1.89			\$0.62		

Proposed Monthly Service Charge, Effective July 1, 2017

Meter Size	Residential	Business	Agriculture	Ag Domestic	Inter-departmental	Resale
5/8"-3/4"	\$28.75	\$22.97	\$25.97	\$20.87	\$20.54	\$25.27
1"	\$47.91	\$38.28	\$43.28	\$34.78	\$34.24	\$42.12
1-1/2"	\$95.82	\$76.56	\$86.56	\$69.57	\$68.47	\$84.24
2"	\$153.31	\$122.50	\$138.50	\$111.30	\$109.55	\$134.78
2-1/2"	\$255.52	\$204.16	\$230.84	\$185.51	\$182.59	\$224.63
3"	\$335.37	\$267.96	\$302.97	\$243.48	\$239.65	\$294.83
4"	\$603.67	\$482.33	\$545.35	\$438.26	\$431.36	\$530.70
6"	\$1,245.67	\$995.29	\$1,125.33	\$904.35	\$890.12	\$1,095.09
12"						\$6,469.48
18"						\$12,026.38

Schedule 7

Proposed Volumetric Rates (\$/HCF), Effective July 1, 2018

	Residential Pumped	Business Pumped	Agriculture Pumped	Ag Domestic Pumped	Inter-departmental Pumped	Resale Pumped
Tier 1	\$1.08	\$1.64	\$1.22	\$1.08	\$1.64	\$1.64
Tier 2	\$1.64			\$1.64		
Tier 3	\$2.64			\$1.22		

	Residential Gravity	Business Gravity	Agriculture Gravity	Ag Domestic Gravity	Inter-departmental Gravity	Resale Gravity
Tier 1	\$0.55	\$1.11	\$0.69	\$0.55	\$1.11	\$1.11
Tier 2	\$1.11			\$1.11		
Tier 3	\$2.12			\$0.69		

Proposed Monthly Service Charge, Effective July 1, 2018

Meter Size	Residential	Business	Agriculture	Ag Domestic	Inter-departmental	Resale
5/8"-3/4"	\$32.20	\$25.73	\$29.09	\$23.37	\$23.00	\$28.30
1"	\$53.66	\$42.87	\$48.47	\$38.95	\$38.35	\$47.17
1-1/2"	\$107.32	\$85.75	\$96.95	\$77.92	\$76.69	\$94.35
2"	\$171.71	\$137.20	\$155.12	\$124.66	\$122.70	\$150.95
2-1/2"	\$286.18	\$228.66	\$258.54	\$207.77	\$204.50	\$251.59
3"	\$375.61	\$300.12	\$339.33	\$272.70	\$268.41	\$330.21
4"	\$676.11	\$540.21	\$610.79	\$490.85	\$483.12	\$594.38
6"	\$1,395.15	\$1,114.72	\$1,260.37	\$1,012.87	\$996.93	\$1,226.50
12"						\$7,245.82
18"						\$13,469.55

Schedule 7

Proposed Volumetric Rates (\$/HCF), Effective July 1, 2019

	Residential Pumped	Business Pumped	Agriculture Pumped	Ag Domestic Pumped	Inter-departmental Pumped	Resale Pumped
Tier 1	\$1.21	\$1.84	\$1.37	\$1.21	\$1.84	\$1.84
Tier 2	\$1.84			\$1.84		
Tier 3	\$2.96			\$1.37		

	Residential Gravity	Business Gravity	Agriculture Gravity	Ag Domestic Gravity	Inter-departmental Gravity	Resale Gravity
Tier 1	\$0.62	\$1.24	\$0.77	\$0.62	\$1.24	\$1.24
Tier 2	\$1.24			\$1.24		
Tier 3	\$2.37			\$0.77		

Proposed Monthly Service Charge, Effective July 1, 2019

Meter Size	Residential	Business	Agriculture	Ag Domestic	Inter-departmental	Resale
5/8"-3/4"	\$36.06	\$28.82	\$32.58	\$26.17	\$25.76	\$31.70
1"	\$60.10	\$48.01	\$54.29	\$43.62	\$42.95	\$52.83
1-1/2"	\$120.20	\$96.04	\$108.58	\$87.27	\$85.89	\$105.67
2"	\$192.32	\$153.66	\$173.73	\$139.62	\$137.42	\$169.06
2-1/2"	\$320.52	\$256.10	\$289.56	\$232.70	\$229.04	\$281.78
3"	\$420.68	\$336.13	\$380.05	\$305.42	\$300.62	\$369.84
4"	\$757.24	\$605.04	\$684.08	\$549.75	\$541.09	\$665.71
6"	\$1,562.57	\$1,248.49	\$1,411.61	\$1,134.41	\$1,116.56	\$1,373.68
12"						\$8,115.32
18"						\$15,085.90

Schedule 9

Proposed Volumetric Rates (\$/HCF), Effective July 1, 2020

	Residential Pumped	Business Pumped	Agriculture Pumped	Ag Domestic Pumped	Inter-departmental Pumped	Resale Pumped
Tier 1	\$1.36	\$2.06	\$1.53	\$1.36	\$2.06	\$2.06
Tier 2	\$2.06			\$2.06		
Tier 3	\$3.32			\$1.53		

	Residential Gravity	Business Gravity	Agriculture Gravity	Ag Domestic Gravity	Inter-departmental Gravity	Resale Gravity
Tier 1	\$0.69	\$1.39	\$0.86	\$0.69	\$1.39	\$1.39
Tier 2	\$1.39			\$1.39		
Tier 3	\$2.65			\$0.86		

Proposed Monthly Service Charge, Effective July 1, 2020

Meter Size	Residential	Business	Agriculture	Ag Domestic	Inter-departmental	Resale
5/8"-3/4"	\$40.39	\$32.28	\$36.49	\$29.31	\$28.85	\$35.50
1"	\$67.31	\$53.77	\$60.80	\$48.85	\$48.10	\$59.17
1-1/2"	\$134.62	\$107.56	\$121.61	\$97.74	\$96.20	\$118.35
2"	\$215.40	\$172.10	\$194.58	\$156.37	\$153.91	\$189.35
2-1/2"	\$358.98	\$286.83	\$324.31	\$260.62	\$256.52	\$315.59
3"	\$471.16	\$376.47	\$425.66	\$342.07	\$336.69	\$414.22
4"	\$848.11	\$677.64	\$766.17	\$615.72	\$606.02	\$745.60
6"	\$1,750.08	\$1,398.31	\$1,581.00	\$1,270.54	\$1,250.55	\$1,538.52
12"						\$9,089.16
18"						\$16,896.21

Schedule 10

Proposed Volumetric Rates (\$/HCF), Effective July 1, 2021

	Residential Pumped	Business Pumped	Agriculture Pumped	Ag Domestic Pumped	Inter-departmental Pumped	Resale Pumped
Tier 1	\$1.52	\$2.31	\$1.71	\$1.52	\$2.31	\$2.31
Tier 2	\$2.31			\$2.31		
Tier 3	\$3.72			\$1.71		

	Residential Gravity	Business Gravity	Agriculture Gravity	Ag Domestic Gravity	Inter-departmental Gravity	Resale Gravity
Tier 1	\$0.77	\$1.56	\$0.96	\$0.77	\$1.56	\$1.56
Tier 2	\$1.56			\$1.56		
Tier 3	\$2.97			\$0.96		

Proposed Monthly Service Charge, Effective July 1, 2021

Meter Size	Residential	Business	Agriculture	Ag Domestic	Inter-departmental	Resale
5/8"-3/4"	\$45.24	\$36.15	\$40.87	\$32.83	\$32.31	\$39.76
1"	\$75.39	\$60.22	\$68.10	\$54.71	\$53.87	\$66.27
1-1/2"	\$150.77	\$120.47	\$136.20	\$109.47	\$107.74	\$132.55
2"	\$241.25	\$192.75	\$217.93	\$175.13	\$172.38	\$212.07
2-1/2"	\$402.06	\$321.25	\$363.23	\$291.89	\$287.30	\$353.46
3"	\$527.70	\$421.65	\$476.74	\$383.12	\$377.09	\$463.93
4"	\$949.88	\$758.96	\$858.11	\$689.61	\$678.74	\$835.07
6"	\$1,960.09	\$1,566.11	\$1,770.72	\$1,423.00	\$1,400.62	\$1,723.14
12"						\$10,179.86
18"						\$18,923.76

MEMORANDUM

TO: Board of Directors
From: Steven E. Wickstrum, General Manager
RE: Water Cost of Service and Rate Design Study – Public Hearing and Actions Pursuant to the California Environmental Quality Act.
Date: May 4, 2017

RECOMMENDATION:

It is recommended that the Board of Directors:

- 1) Receive and consider the Water Rate Study recommendations;
- 2) Conduct a public hearing to hear and consider public objections and written protests to the proposed water rate restructuring and increases;
- 3) Make a determination on the water rates;
- 4) Adopt a resolution that reflects the decision of the Board; and
- 5) Complete and file the required documentation to comply with the California Environmental Quality Act.

BACKGROUND:

In October 2016, the District contracted with Hawksley Consulting, LLC (now known as Stantec), to prepare Water Cost of Service and Rate Design Study. The scope of work included a comprehensive review of the District's revenue requirements, a cost of service analysis, and the development of proposed changes to the District's existing water rate schedule.

On February 22, 2016, the consultant presented its initial findings and recommendation to the Board of Directors in a workshop format. Since that date, the consultant has refined the study with the input from the Board workshop and the subsequent meetings with the Finance Committee. The consultant has prepared a final draft Study that was presented to the Board of Directors during the March 22, 2017, regular meeting.

On March 22, 2017, the Board of Directors set May 10, 2017, as the date to conduct the Proposition 218 compliant public hearing. The public has been noticed of the meeting and the proposed rates, and given the opportunity to submit a written protest. A final count of the written protests will be made before the Board makes a final decision.

CONCLUSION:

The District staff believes that the recommended rate adjustments are necessary to establish fair and equitable rates that are founded on the cost of service analysis and a sound financial strategy to meet operational and capital expenses.

CASITAS MUNICIPAL WATER DISTRICT

RESOLUTION No, _____

A RESOLUTION ADOPTING REVISIONS TO THE RATES AND REGULATIONS FOR WATER SERVICE

WHEREAS, the Board of Directors have received and reviewed the 2017 Water Rate Study prepared by Stantec (formerly Hawksley & Associates) and agreed to adopt the Stantec revisions and recommendations for the Rates and Regulations for Water Service, effective July 1, 2017; and

WHEREAS, it has been determined by the Casitas Board of Directors that it would be in the best interest to revise the Rates and Regulations for Water Service; and

WHEREAS, the Casitas Board of Directors finds that, pursuant to California Constitution Article XIIC, Sections 1(e)(7), the fees and charges established by this Resolution as property-related fees imposed in accordance with the provisions of Article XIID and, therefore, not taxes subject to the requirements of California Constitution Article XIIC, Section 2.

WHEREAS, the increase in rates will be used to meet operations and maintenance costs, purchase of equipment or materials, meeting financial reserve needs and obtaining funds for capital projects, necessary to maintain service within existing service areas.

WHEREAS, the Board of Directors have conducted a public hearing in accordance with Proposition 218 and they have found there was not a majority protest to the revision of water rates; and

NOW, THEREFORE, BE ITE RESOLVED by the Board of Directors of the Casitas Municipal Water District as follows:

1. The schedule of Water Rates shall be as shown on Attachment "A", attached hereto, shall be effective on July 1, 2017.
2. On July 1 of years 2018 through 2021, the volumetric rates and service charges will be adjusted upwards by 12 percent, unless otherwise directed by the Board of Directors.

ADOPTED this 10th day of May, 2017.

Russ Baggerly, President
Casitas Municipal Water District

ATTEST:

Bill Hicks, Secretary
Casitas Municipal Water District

CASITAS MUNICIPAL WATER DISTRICT
ATTACHMENT A: RATE RECOMMENDATIONS

Proposed Volumetric Rates, Effective July 1, 2017

	Proposed Tier Width	Residential Pumped	Business Pumped	Agricultural Pumped	Ag Domestic Pumped	Inter-Departmental Pumped	Resale Pumped
Tier 1	0-10	\$0.96	\$1.46	\$1.09	\$0.96	\$1.46	\$1.46
Tier 2	11-50	\$1.46			\$1.46		
Tier 3	51+	\$2.36			\$1.09		

		Residential Gravity	Business Gravity	Agricultural Gravity	Ag Domestic Gravity	Inter-Departmental Gravity	Resale Gravity
Tier 1	0-10	\$0.49	\$0.99	\$0.62	\$0.49	\$0.99	\$0.99
Tier 2	11-50	\$0.99			\$0.99		
Tier 3	51+	\$1.89			\$0.62		

Proposed Monthly Service Charge, Effective July 1, 2017

Meter Size	Residential	Business	Agricultural	Ag Domestic	Inter-Departmental	Resale
5/8"-3/4"	\$28.75	\$22.97	\$25.97	\$20.87	\$20.54	\$25.27
1"	\$47.91	\$38.28	\$43.28	\$34.78	\$34.24	\$42.12
1-1/2"	\$95.82	\$76.56	\$86.56	\$69.57	\$68.47	\$84.24
2"	\$153.31	\$122.50	\$138.50	\$111.30	\$109.55	\$134.78
2-1/2"	\$255.52	\$204.16	\$230.84	\$185.51	\$182.59	\$224.63
3"	\$335.37	\$267.96	\$302.97	\$243.48	\$239.65	\$294.83
4"	\$603.67	\$482.33	\$545.35	\$438.26	\$431.36	\$530.70
6"	\$1,245.67	\$995.29	\$1,125.33	\$904.35	\$890.12	\$1,095.09
12"						\$6,469.48
18"						\$12,026.38

CASITAS MUNICIPAL WATER DISTRICT

RESOLUTION No. _____

**RESOLUTION APPROVING THE PRELIMINARY ASSESSMENT
FOR REVISION TO THE RATES & REGULATIONS FOR
WATER SERVICE, ADOPTING THE NOTICE OF EXEMPTION, AND
DIRECTING THE NOTICE OF EXEMPTION TO BE FILED WITH
THE CLERK OF THE COUNTY OF VENTURA**

WHEREAS, the Board of Directors approved the Preliminary Assessment at its regular meeting on May 10, 2017; and

WHEREAS, it was determined that the project is exempt because said project is considered to be a categorically exempt discretionary project under Section 21080(b)(8) of Chapter 2.6 of Division 13 of the CEQA Statutes and Section 15273(a)(1) of the CEQA guidelines;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Casitas Municipal Water District as follows:

1. The Board finds that the revision to water rates is for the purpose of:
 - Meeting operation and maintenance costs, purchase of equipment and materials
 - Meeting financial reserve needs and requirements
 - Obtaining funds for capital projects necessary to maintain service within existing service areas.
2. That the Notice of Exemption for revisions to the Rates and Regulations for Water Service attached hereto as Exhibit "A" is hereby adopted.
3. That the Clerk of the Board files the Notice of Exemption with the Clerk of the County of Ventura.

ADOPTED this 10th day of May, 2017.

Russ Baggerly, President
Casitas Municipal Water District

ATTEST

Bill Hicks, Secretary
Casitas Municipal Water District

PRELIMINARY ASSESSMENT
Casitas Municipal Water District
1055 Ventura Avenue
Oak View, California 93022

TO: Clerk's Office,
Ventura County
800 South Victoria Avenue
Ventura, California 93009

Description and Purpose of Project:

A) Proposed Revision in Water Rates

1. The revision to water rates and standby charges apply to all customers.

B) Proposed Use of Increased Revenue

Revenues generated from the water rate revisions will be utilized to:

1. Meet operations and maintenance costs
2. Purchase of equipment or materials
3. Meeting financial reserve needs
4. Obtaining funds for capital projects necessary to maintain service within existing service areas.

Preliminary Assessment:

Under Section 21080(b)(8) of Chapter 2.6 of Division 13 of the CEQA statutes and Section 15273(a)(1) of the CEQA guidelines, this project is a categorically exempt discretionary project.

Project Title: Revision to the Rates & Regulations for Water Service due to increased costs, purchase of equipment, meeting financial reserves and obtaining funds for capital projects

Project Location:

District-wide.

Name of Public Agency Approving Project:

Casitas Municipal Water District

Name of Public Agency Carrying Out Project:

Casitas Municipal Water District

Contact Person:

Steven E. Wickstrum, General Manager

Date: May 10, 2017

Phone Number: (805) 649-2251.

Steven E. Wickstrum
General Manager

NOTICE OF EXEMPTION
Casitas Municipal Water District
1055 Ventura Avenue
Oak View, California 93022

TO: Clerk's Office
Ventura County
800 South Victoria Avenue
Ventura, California 93009

Project Title: Preliminary Assessment for the Revision of Water Rates - Resolution No.17-

Project Location: District-wide

Description and Purpose of Project:

A) Proposed Revision in Water Rates - Resolution No. 17-

1. The revision to water rates and standby charges apply to all customers.

B) Proposed Use of Increased Revenue:

Revenues generated from the water rate revisions will be utilized to:

1. Meet operations and maintenance costs
2. Purchase of equipment or materials
3. Meeting financial reserve needs
4. Obtaining funds for capital projects necessary to maintain service within existing service areas.

Name of Public Agency Approving Project: Casitas Municipal Water District.

Name of Public Agency Carrying Out Project: Casitas Municipal Water District.

Exempt Status: The project is considered categorically exempt under the provisions of Section 21080(b)(8) of Chapter 2.6 of Division 13 of the CEQA statutes and Section 15273(a)(1) of the CEQA guidelines.

Contact Person: Steven E. Wickstrum,
General Manager
Phone Number: (805) 649-2251.

Attached is a copy of Resolution No.17- adopted by the Casitas Municipal Water District on May 10, 2017.

Steven E. Wickstrum
General Manager
Casitas Municipal Water District

MEMORANDUM

TO: Board of Directors
From: Steven E. Wickstrum, General Manager
RE: Water Services Agreement – City of San Buenaventura
Date: April 4, 2017

RECOMMENDATION:

It is recommended that the Board of Directors approve the Water Services Agreement between the City of San Buenaventura and Casitas.

BACKGROUND:

The City of San Buenaventura (City) has been an integral customer of the Casitas Municipal Water District since the District's inception in 1952. The property owners within combined City-Casitas boundary have paid their fair share toward the financial debt to the United States that was created by the construction of the Ventura River Project. Water service from the District to the City began in 1961 and continues today.

In 1995, the City and District entered into a water service agreement that was intended to stabilize the District's water revenue and provide the City with a reliable high-quality source of water. The 1995 Agreement provided a stipulation for the certification of water use in-district and the requirement for return of water purchased in excess of in-district use, or the application of a "rental charge" until such time as the water is returned. In 2007, the District recognized that the City's in-district water demands had decreased significantly below the required 6,000 acre-feet and the city had not yet recovered its water well supply on the Ventura River at Foster Park from the damaging storms of 2005. Since 2005, the result of these two conditions was a difficulty in complying with the certification requirements of the 1995 Agreement and an escalation of the unreturned rental water and rental water charges.

After several unsuccessful attempts to renegotiate an amended agreement, the agencies employed the mediation services of the Center for Collaborative Policy to assist with the development of the water service agreement. Directors Mary Bergen and Pete Kaiser met with two City council members, Ventura Water and Casitas General Managers, and the City Manager for over six months to negotiate the new proposed Agreement.

Please be informed that a new water service agreement has been penned for the consideration of approval by each agency's governing body. The Agreement is to be considered by the City Council on April 10, 2017 and the Casitas Board of Directors on April 12, 2017.

DISCUSSION:

The following items summarize the major changes and key provisions in the proposed Water Services Agreement:

- Term – 30 Years – Review every 5 years consistent with Cooperative Management.
- Certification – Annual certification with adjustments in preceding year to balance an exceedance that is identified to have occurred in a prior year; defining water system unaccounted water losses as a non-revenue water use that is to be included in the City's water use calculations; recognition of a transition period for the City to gain control of current balance exceedances, if any. The goal of the Agreement is to keep the City's water use and water purchases from Casitas in a water balance.
- Allocation – The determination of a Stage 1 allocation and provision to adjust the Stage 1 allocation, application of Casitas Water Efficiency and Allocation Program to the assignment of allocation adjustments and water conservation penalty as applicable for all other customers of the District; City can implement demand reduction measures that are not consistent with Casitas. There is no longer a minimum amount of Casitas water purchase required of the City. An allocation allowance for demand hardening that may occur in business that cannot reduce water consumption without impacting the viability of the business.
- Cooperative Management – City and Casitas shall seek resolution of issues resulting from the Agreement that are within their authority; Casitas shall have the option of purchasing water from the City and such purchase may be made under a separate agreement.
- Rates – cost of service.
- Entire Agreement – The Agreement replaces the 1995 Agreement, no longer subject to legal or financial obligations of the 1995 Agreement; the return of rental water and the rental charges are not to be carried forward in any subsequent years.

CONCLUSION:

The proposed Water Service Agreement eliminates several discrepancies that occurred from the 1995 Agreement, and is intended to represent existing and planned practices for the sale and purchase of water between both agencies. The proposed Water Service Agreement has been supported by all of the negotiation participants.

CASITAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 2017-__

RESOLUTION ADOPTING A WATER SERVICE AGREEMENT BETWEEN
THE CITY OF SAN BUENAVENTURA
AND THE CASITAS MUNICIPAL WATER DISTRICT

WHEREAS, the Casitas Municipal Water District (Casitas) and the City of San Buenaventura (City) jointly seek an agreement for continued water service in a manner that is in compliance with the Water Code; and

WHEREAS, the Water Service Agreement supersedes and replaces in whole and in its entirety the Agreement adopted by Resolution No. 95-46, on June 28th, 1995.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Casitas Municipal Water district that the Agreement for Water Service dated _____, 2017 between the Casitas Municipal Water district and the City of San Buenaventura is hereby adopted and the President of the Board is authorized and directed to execute this Agreement on behalf of Casitas.

ADOPTED this 12th day of April, 2017.

Russ Baggerly, President
Casitas Municipal Water District

ATTEST:

Bill Hicks, Secretary
Casitas Municipal Water District

WATER SERVICES AGREEMENT

This Agreement is made this ____ day of _____, 2017, between the City of San Buenaventura, a California charter law municipal corporation, hereafter called the "City," and Casitas Municipal Water District, a California special district, hereinafter called "Casitas." The City and Casitas shall collectively be referred to herein as the "Parties."

RECITALS

- A. WHEREAS, the City and Casitas seek to address the need for consistent water for Casitas and City customers;
- B. WHEREAS, the City and Casitas seek to provide operational flexibility and reliable water sources;
- C. WHEREAS, the City and Casitas seek to ensure Lake Casitas water levels remain sustainable;
- D. WHEREAS, the City and Casitas acknowledge the benefits of coordinating and cooperating in their water supply and operations;
- E. WHEREAS, the City and Casitas seek to develop an agreement consistent with State water law;
- F. WHEREAS, the City and Casitas acknowledge that water contracts require flexibility and adaptability to address changing conditions, water law and policy; and
- G. WHEREAS, the City and Casitas seek to develop an agreement consistent with the following mutually agreed to goals for the benefit of both Parties:
 - a. Address water availability issues;
 - b. Increase regional storage and capacity;
 - c. Develop long-term regional water efficiency;
 - d. Ensure both the City and Casitas' financial sustainability;
 - e. Mutually address outside threats to water availability and operational efficiency;
 - f. Acknowledge the City and Casitas' long-standing mutually beneficial relationship and foster a continuing beneficial relationship;
 - g. Maintain collaborative efforts; and
 - h. Serve as regional leaders in water efficiency and conservation.

Based on the preceding Recitals, and in consideration of the mutual covenants of the Parties as set forth below, City and Casitas agree as follows:

WATER SERVICES AGREEMENT

ARTICLE 1 DEFINITIONS

- 1.1 Actual In-District Demand: The water purchased and utilized by the City within Casitas boundaries as certified by the City on an annual basis. The annual certification calculation for Actual In-District Demand is as follows:
- $$\text{Actual In-District Demand} = (\text{City Metered Water within Casitas Boundaries}) + (\text{Water Loss} \times \text{Purchased Water})$$
- 1.2 Allocation: When Casitas' Water Efficiency and Allocation Program (WEAP) is in effect, the City shall receive an allocation based on the City's Projected Water Demand adjusted in accordance with Article 4.
- 1.3 Annual Certification: A letter from the City to Casitas comparing Actual In-District Demand to Purchased Water over the same period of time.
- 1.4 Balance Exceedance: When the amount of Purchased Water is more than the Actual In-District Demand.
- 1.5 Catastrophic Failure: Any unanticipated event or circumstance, including acts of God, that reduces either party's water supplies by twenty percent (20%) or more.
- 1.6 Citywide Metered Sales: Includes water sales to the City's customers as determined by meters within the City's service area.
- 1.7 Citywide Water Production: Total amount of water the City extracts, purchases, or treats to deliver to all customers within the City's service area.
- 1.8 Cost of Service: Charges of Casitas which are calculated according to applicable law.
- 1.9 Demand Hardening: Demand hardening, for purposes of this Agreement only, shall be defined as the reduction in the ability of a customer (or customers collectively) to achieve further water reductions without adversely impacting public health, safety and/or business viability in a significant manner.
- 1.10 Fiscal Year: The period from July 1st of the current year to June 30th of the following year for each year of the contract.
- 1.11 Projected Water Demand: Total amount of water needed to meet the City's water needs within Casitas boundaries. Demand projections are based on the City's Comprehensive Water Resources Report or similar best management practice.
- 1.12 Purchased Water: Water purchased by the City from Casitas as determined by City and Casitas meters.

WATER SERVICES AGREEMENT

- 1.13 Short Interruptions of Service: A period of time of up to two weeks, but not cumulatively more than two weeks, in any one fiscal year, during which water service is interrupted.
- 1.14 Water Balance: Purchased Water is less than or equal to Actual In-District Demand.
- 1.15 Water Loss: The ratio of water lost from systems operations, non-revenue water, leaks, etc. Water Loss shall be determined based on the following calculation:

$$\text{Water Loss} = (\text{Citywide Water Production} - \text{Citywide Metered Sales}) / \text{Citywide Water Production}$$

This Water Loss calculation will be made each year by the City and may be revised to meet State-prescribed definitions and/or standards.

ARTICLE 2 TERM

The term of this Agreement shall be thirty (30) years commencing on the date first herein described. The Parties agree to review the provisions of this Agreement every five (5) years consistent with Article 5 Cooperative Management. Unless otherwise amended by the Parties in writing, this Agreement shall remain in full force and effect.

ARTICLE 3 CERTIFICATION

- 3.1 City shall annually certify whether it achieved Water Balance. The certification shall identify Purchased Water, Actual In-District Demand, and Water Loss. The City shall provide its Annual Certification no later than the last business day of August. The Annual Certification shall cover the period of July 1 to June 30 of each year and shall be in lieu of any monthly certifications required of City by Casitas. City will use its best efforts to accurately calculate Actual In-District Demand and Water Loss. The Parties agree to the following calculation for determining Water Balance:

$$\text{Water Balance} = \text{Purchased Water} - \text{Actual In-District Demand}$$

Water Balance: The City achieves Water Balance when the above calculation equals a negative number or zero.

Balance Exceedance: If the above calculation results in a positive number, the City utilized more Casitas water than its Actual In-District Demand, causing a

WATER SERVICES AGREEMENT

Balance Exceedance.

3.2 In the event of a Balance Exceedance, the following shall occur:

3.2.1 For the twelve-month period following the Annual Certification showing the Balance Exceedance, the City shall reduce its Actual In-District Demand by an amount equal to the Balance Exceedance.

3.2.2 Pursuant to Article 5, the City shall immediately notify Casitas if the City cannot reach Water Balance within a 12-month period following Balance Exceedance.

3.2.3 City will continue to reduce its Actual In-District Demand until the reduction equals the Balance Exceedance. Failure of the City to reduce Actual In-District Demand to adjust for the Balance Exceedance within the 12-month period shall be cumulative, reported in the relevant Annual Certification, and may be subject to Article 13.

3.3 The Parties acknowledge that under certain circumstances and operational failures, the City may be unable to reduce its Actual In-District Demand sufficiently to achieve Water Balance within a 12-month period following the documented Balance Exceedance. In these circumstances the Parties may renegotiate an extended time frame. The Parties agree to extensions as follows:

3.3.1 The City is developing alternate water supplies that will require additional time to implement. The City anticipates such alternate water supplies will not be in operation until July 2020 (Transition Period). During this Transition Period, the City may request an extension of time up to 18 months (in addition to the 12-month period following documented Balance Exceedance) to achieve Water Balance. Casitas reserves the right to deny an extension of time in the event it is at Stage 3, 4, or 5 in the WEAP.

3.3.2 In the event of a Catastrophic Failure, the Parties agree that the City may request an extension of time up to three (3) years to come into Water Balance from the date of certified Balance Exceedance.

3.3.3 If the end of the time extension, pursuant to this Article 3.3, does not coincide with the Annual Certification, the City shall provide an interim report documenting status on complying with Balance Exceedance provisions.

WATER SERVICES AGREEMENT

3.3.4 If Casitas rejects the City's reasonable requests for a time extension, Parties agree to submit to the procedures outlined in Article 14 of this Agreement.

ARTICLE 4 ALLOCATION

- 4.1 To provide maximum flexibility and in recognition of former agreements and rights, Casitas shall provide the City with sufficient water to meet its Projected Water Demand consistent with this Article 4.
- 4.2 The City shall submit a Projected Water Demand to Casitas by the last business day of May of every year. This Projected Water Demand shall include any adjustments on demand associated with land use. If the City does not provide a revised Projected Water Demand by the last business day of May, Casitas will utilize the previous year's figure. The Projected Water Demand submitted pursuant to this Article 4.2 shall be utilized in the annual Certification referenced in Article 3.
- 4.3 In the event that Casitas must enact its WEAP due to a water shortage, Casitas may adjust the City's Allocation consistent with the percentage reduction for the WEAP stage.
 - 4.3.1 The City's Stage 1 Allocation shall be the average of the City's Projected Water Demand during the five (5) most recent years during which neither the City nor Casitas are implementing their water shortage contingency plans.
 - 4.3.2 Casitas will adjust the City's allocation amount to account for Demand Hardening.
- 4.4 The Parties acknowledge and agree, that in addition to the City's existing and complementary adjustments to Projected Water Demand, the City enacts water restrictions within its boundaries. Nothing in this Agreement shall require City to follow Casitas' water restriction provisions, such as watering days, or limitations on development.
- 4.5 Pursuant to law, the Parties acknowledge and agree that nothing in this Agreement shall be construed to limit or infringe on the City or Casitas' water rights.

WATER SERVICES AGREEMENT

ARTICLE 5
COOPERATIVE MANAGEMENT

- 5.1 The City and Casitas acknowledge that cooperative management of regional water resources must be achieved through coordinated and joint management activities. Consistent with those ideals and in furtherance of this Agreement, the Parties agree to the following:
- 5.1.1 Communication: The City and Casitas shall meet, as needed, to discuss and seek to resolve any issues relating to systems operations and/or resource management. These meetings may also include without limitation:
- A. Review of Annual Certification.
 - B. Allocations due to water shortage pursuant to Casitas' WEAP.
- 5.1.2 In the event of any change in circumstances that may impede compliance with the terms and timelines of this Agreement, the Parties agree to provide notice to the other as soon as reasonably feasible. Anticipated items requiring notice include, without limitation:
- A. Water quality issues requiring system shut down.
 - B. Failure to achieve Water Balance within agreed times.
 - C. Interruptions of service, including Short Interruptions of Service.
 - D. Operational failures that may result in Balance Exceedance.
 - E. Maintenance of either the City or Casitas' individually or jointly coordinated facilities.
 - F. Water conservation initiatives.
 - G. Water supply issues.
 - H. Changes in water supply.
- 5.1.3 In the event of any change in circumstances, the City and Casitas shall seek resolution of issues within their authority.
- 5.2 Casitas shall have the option of purchasing water from the City. This water may come from an agreed reduction of the City's Actual In-District Demand, or provision of additional water resources available to the City.

ARTICLE 6
CAUSES BEYOND CONTROL

- 6.1 In the event of an interruption or reduction in demand or supply beyond the control of City or Casitas, including but not limited to acts of God, which, by exercise of due diligence and foresight, such party could not reasonably have been expected to avoid, neither party shall be considered in default in

WATER SERVICES AGREEMENT

respect to any obligation under this Agreement if prevented from fulfilling the obligation by reason thereof.

- 6.2 Either party unable to fulfill any obligation by reason of any of the above described conditions shall exercise due diligence to remove the inability with all reasonable dispatch.

ARTICLE 7 RATES

Casitas agrees to establish rates, including fixed and variable charges, in accordance with law and these rates shall not exceed the Cost of Service.

ARTICLE 8 WATER QUALITY

- 8.1 Casitas will use its best efforts to meet all applicable drinking water quality standards and regulations. If at any time during the term of this Agreement Casitas is not able to meet all applicable primary drinking water quality standards and regulations, the City's obligations to pay for water shall be limited to payment for the amounts of water the City can beneficially use for potable purposes.
- 8.2 Casitas shall notify City immediately in the event that Casitas is unable to meet applicable drinking water quality standards. In the event of the City's sale of water to Casitas (see Article 5.2), the City shall notify Casitas immediately if the City is unable to meet applicable drinking water quality standards.

ARTICLE 9 SUPPLY & OPERATIONS

- 9.1 The Parties acknowledge the possibility for Short Interruptions of Service. However, in all circumstances, Casitas shall use due and reasonable diligence to provide a regular and uninterrupted supply of water, but in case this supply shall be interrupted or be defective or fail for any cause, Casitas shall be required to exercise all reasonable diligence in order to resume the normal supply of water as quickly as practicable.
- 9.2 The Parties shall maintain and operate their respective water systems so as to minimize, to the extent practicable, the likelihood of disturbance originating in either of the Parties' water systems which might cause

WATER SERVICES AGREEMENT

impairment to the service of the water system of the other party or of any water system interconnected with the system of the other party.

ARTICLE 10 NOTICES

All notices given or required to be given pursuant to this Agreement shall be in writing and may be given by personal delivery, mail, or email if the email is followed by mail. Notices sent by mail shall be addressed as follows:

To City: City of San Buenaventura
Attention: Acting General Manager
P.O. Box 99
Ventura, CA 93002-0099
Phone No: (805) 654-2828
FAX No.: (805) 643-0339
Email: jmcdermott@venturawater.net

To Casitas: Casitas Municipal Water District
Attention: General Manager
P.O. Box 37
Oak View, CA 93022
Phone No: (805) 649-2251
FAX No.: (805) 649-3001
Email: swickstrum@casitaswater.com

When addressed in accordance with this paragraph, notice shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices shall be deemed given at the time of actual delivery. Changes may be made in the titles or addresses of the persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

ARTICLE 11 MODIFICATION

11.1 No alteration, change, or modification of the terms of this Agreement shall be valid unless made in writing and signed by both Parties hereto and approved by appropriate action of the governing bodies of the Parties.

WATER SERVICES AGREEMENT

11.2 The Parties understand that regular discussion and amendments to this Agreement may be required, as necessary to meet their mutual goals as expressed in Article 2 and Article 5 of this Agreement.

ARTICLE 12 RULES AND REGULATIONS

12.1 As applicable, City agrees to comply with all rules and regulations of Casitas executed with the proper legal authority and formality.

12.2 As applicable, Casitas agrees to comply with all rules and regulations of City executed with the proper legal authority and formality.

ARTICLE 13 TERMINATION

13.1 Right of Termination. This Agreement and the transactions contemplated herein may be terminated and abandoned under the following circumstances:

- (i) Upon the mutual consent, in writing, by both Casitas and City; or
- (ii) After following dispute resolution provisions provided in Article 14, Casitas or the City may provide written Notice to Terminate for:
 - a. Violation by the other party of any of the terms of this Agreement;
 - b. Violation of appropriate provisions of California Law; or
 - c. Failure of City to correct Balance Exceedance consistent with the terms of this Agreement.

13.2 The power of termination provided for by Article 13.1 hereof may only be exercised:

- After pursuing dispute resolution pursuant to Article 14, unless delays shall cause undue harm to said party; and
- During the next fiscal year, but not less than twelve months, following service of the Notice to Terminate; or
- By written agreement signed on behalf of City or Casitas by designated decision-makers.

WATER SERVICES AGREEMENT

ARTICLE 14 DISPUTE RESOLUTION

- 14.1 Should there be a dispute over the operation of the Agreement that cannot be resolved by staff of City and Casitas pursuant to Article 5, an appointed committee of at least two Casitas Board members and two City Council members shall convene to discuss and use their best efforts to resolve the dispute before any other action is taken.
- 14.2 Prior to termination of this Agreement pursuant to Article 13, the party seeking termination shall provide the other party written notice of the controversy and efforts to resolve the controversy (Notice of Controversy).
- 14.2.1 Within forty-five (45) days of Notice of Controversy, the Parties shall attempt in good faith to resolve the controversy through informal means consistent with Article 14.1.
- 14.3 Unless otherwise agreed in writing, if the Parties cannot agree upon a resolution of the controversy within forty-five (45) days of Notice of Controversy, the dispute shall be submitted to mediation prior to commencement of any legal action or termination of the Agreement. The following elements shall apply to said mediation:
- Mediation shall be no less than one (1) full day (unless agreed otherwise by the Parties).
 - Cost of the mediation shall be paid in equal proportion between the Parties.
 - The mediator shall be agreed to by the Parties or appointed by the Superior Court of California upon a suit or motion for appointment of a neutral mediator.
- 14.4 Upon completion of mediation pursuant to this Article 14, if the controversy has not been resolved, any party may exercise option for termination or other legal action under this Agreement by serving a Notice of Termination.

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ARTICLE 15
ENTIRE AGREEMENT

- 15.1 This writing embodies the entire agreement and understanding between the Parties hereto, and there are no other agreements and understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby, it being the intent of the Parties that neither shall be bound by any terms, conditions, or representations not written here.
- 15.2 This Agreement supersedes and cancels the June 28, 1995 Agreement, entitled the "1995 Agreement." The City and Casitas are not subject to any further legal or financial obligations under the 1995 Agreement. The Parties agree that as of the commencement of this Agreement, City is in Water Balance.

CITY OF SAN BUENAVENTURA

DATE: _____

BY _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CASITAS MUNICIPAL WATER DISTRICT

DATE: _____

BY _____
President, Board of Directors

APPROVED AS TO FORM:

General Legal Counsel for Casitas

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: STEVE WICKSTRUM, GENERAL MANAGER
FROM: MICHAEL MOLER, O&M MANAGER
SUBJECT: PURCHASE OF SENSUS METERING EQUIPMENT
DATE: MAY 4, 2017

RECOMMENDATION:

It is recommended that the Board of Directors approve the quote from Aqua-Metric in an amount of \$999,237.85 for meter supplies.

BACKGROUND:

Casitas Municipal Water District currently reads all customer meters on a monthly cycle. This has proven beneficial for improvements in the areas of conservation, customer service, and finance.

CMWD uses only Sensus metering equipment. As a result of the acquisition of the Golden State Water-Ojai service area all meters need to be upgraded to meet our current CMWD metering standards and to maximize efficiency. This system provides the ability for staff to collect customer meter readings by utilizing a vehicle. The upgrading of the metering system will significantly reduce the time allocated for the collection of meter readings from more than one month to as little as one day. This is a significant reduction in personnel and potential liability costs.

This is currently a non-budgeted purchase that will be paid with the Community Facilities District 2013-01(Ojai) bond proceeds.



4050 Flat Rock Drive
Riverside, California 92505

Mike Moler
O & M Manager
Casitas M. W. D.

Re: Meter Quote

Mike,

As per your request Aqua Metric is pleased to quote the following prices on Sensus Metering product:

<u>Quantity</u>	<u>Product</u>	<u>Unit Price</u>	<u>Extended Price</u>
1966	5/8" iPerl 100CF	\$126.14	\$247,991.24
302	3/4" SL iPerl 100 CF	\$126.14	\$38,094.28
497	1" iPerl 100 CF	\$193.44	\$96,139.68
58	1-1/2" Omni R2	\$524.54	\$30,423.32
92	2" Omni R2	\$735.97	\$67,709.24
10	3" Omni T2	\$1,284.01	\$12,840.10
1	4" Omni T2	\$2,497.78	\$2,497.78
1	6" Omni T2	\$4,496.32	\$4,496.32
2,927	520M Single Port	\$147.42	<u>\$431,498.34</u> \$931,690.30

Sub Total	\$931,690.30
CA Tax (7.250)	\$67,547.55
Shipping	<u>No Charge</u>
TOTAL	\$999,237.85

Terms are net 30 days. Quote is valid thru 6/30/2017. Free Shipping on this order.

Thank you for your business.

Laury LeMay
Account Manager



Consumption Report

Water Sales FY 2016-2017 (Acre-Feet)

Classification	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Month to Date	
													2016 / 2017	2015 / 2016
													Total	Total
AD Ag-Domestic	564	513	570	381	291	155	14	11	93	0	0	0	2,592	3,198
AG Ag	451	386	382	276	213	102	11	8	60	0	0	0	1,890	2,247
C Commercial	75	80	71	33	23	15	7	6	17	0	0	0	327	405
DI Interdepartmental	8	7	7	6	5	5	3	4	3	0	0	0	47	52
F fire	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I Industrial	2	1	1	1	1	0	0	1	1	0	0	0	8	9
OT Other	28	19	18	16	7	7	2	3	5	0	0	0	104	94
R Residential	121	117	122	88	73	64	44	43	61	0	0	0	733	844
RS - P Resale Pumped	147	236	248	205	82	68	36	17	10	0	0	0	1,050	817
RS - G Resale Gravity	163	169	165	287	303	272	238	102	87	0	0	0	1,786	3,124
TE Temporary	3	1	2	1	2	1	0	0	0	0	0	0	12	9
Total	1,562	1,528	1,586	1,295	1,001	689	355	195	338	0	0	0	8,549	10,798
Total 2015 / 2016	1,421	1,689	1,781	1,559	1,396	1,364	373	660	555	1,001	1,142	1,404	N/A	14,345



CFD No. 2013-1 (Ojai) - Cost Analysis

	Services & Suplies	Legal Fees	Labor Expense	Other Services	Total Expenses
2011 / 2012	-289.50	42,560.00	11,098.37	0.00	53,368.87
2012 / 2013	831.82	223,462.77	14,836.68	0.00	239,131.27
2013 / 2014	29.89	91,878.06	3,835.65	0.00	95,743.60
2014 / 2015	0.00	68,457.10	0.00	0.00	68,457.10
2015 / 2016	6.12	152,811.84	2,938.86	0.00	155,756.82
July	0.00	5,624.87	0.00	0.00	5,624.87
August	0.00	21,652.74	221.06	0.00	21,873.80
September	97.98	19,326.07	0.00	0.00	19,424.05
October	0.00	11,486.55	552.67	0.00	12,039.22
November	0.00	15,352.45	0.00	0.00	15,352.45
December	5.77	33,611.03	0.00	0.00	33,616.80
January	0.00	39,089.38	1,665.39	0.00	40,754.77
Feburary	0.00	64,134.60	1,862.32	0.00	65,996.92
March	0.00	49,005.55	9,328.00	0.00	58,333.55
April	0.00	76,438.60	8,657.61	0.00	85,096.21
May	0.00	0.00	0.00	0.00	0.00
June	0.00	0.00	0.00	0.00	0.00
Total YTD Cost	<u>103.75</u>	<u>335,721.84</u>	<u>22,287.05</u>	<u>0.00</u>	<u>358,112.64</u>
Total Cost	<u>682.08</u>	<u>914,891.61</u>	<u>54,996.61</u>	<u>0.00</u>	<u>970,570.30</u>
Tax Assessment - County of Ventura: 2015 / 2016					-460,342.64
Tax Assessment - County of Ventura: 2016 / 2017					<u>-464,060.73</u>
Total CMWD CFD 2013-1 Cost					<u>46,166.93</u>

**CASITAS MUNICIPAL WATER DISTRICT
TREASURER'S MONTHLY REPORT OF INVESTMENTS
05/03/17**

Type of Invest	Institution	CUSIP	Date of Maturity	Adjusted Cost	Current Mkt Value	Rate of Interest	Date of Deposit	% of Portfolio	Days to Maturity
*TB	Federal Farm CR Bank	3133EGZW8	10/25/2024	\$833,918	\$798,280	2.014%	10/25/2016	4.04%	2692
*TB	Federal Farm CR Bank	31331VWN2	4/13/2026	\$919,876	\$867,924	1.901%	5/9/2016	4.39%	3220
*TB	Federal Farm CR Bank	3133EFK71	3/9/2026	\$853,425	\$840,050	2.790%	3/28/2016	4.25%	3186
*TB	Federal Farm CR Bank	3133EFYH4	2/8/2027	\$1,014,685	\$982,210	3.000%	3/24/2016	4.97%	3515
*TB	Federal Farm CR Bank	3133EGWD	9/29/2027	\$694,629	\$655,995	2.354%	11/17/2016	3.32%	3746
*TB	Federal Home Loan Bank	3130A3DL	9/8/2023	\$1,580,511	\$1,514,460	1.486%	10/13/2016	7.66%	2285
*TB	Federal Home Loan Bank	313379EE5	6/14/2019	\$1,364,061	\$1,355,414	1.625%	10/3/2012	6.86%	761
*TB	Federal Home Loan Bank	3130A0EN	12/10/2021	\$539,560	\$519,890	1.107%	5/9/2016	2.63%	1657
*TB	Federal Home Loan Bank	3130A5R35	6/13/2025	\$766,777	\$733,204	2.875%	2/19/2016	3.71%	2920
*TB	Federal Home Loan Bank	313383YJ4	9/8/2023	\$469,923	\$443,884	1.203%	7/14/2016	2.25%	2285
*TB	Federal Home Loan Bank	3130AIXJ2	6/14/2024	\$932,399	\$868,398	2.875%	8/2/2016	4.39%	2561
*TB	Federal Home Loan Bank	3133XFKF	6/11/2021	\$652,253	\$644,095	5.625%	1/16/2013	3.26%	1478
*TB	Federal Home Loan MTG Corp	3137EABA	11/17/2017	\$1,020,081	\$1,022,130	5.125%	1/3/2012	5.17%	194
*TB	Federal Home Loan MTG Corp	3137EADB	1/13/2022	\$675,831	\$677,519	2.375%	9/8/2014	3.43%	1690
*TB	Federal National Assn	31315P2J7	5/1/2024	\$800,137	\$755,051	1.721%	5/1/2016	3.82%	2518
*TB	Federal National Assn	3135G0ZR	9/6/2024	\$1,478,180	\$1,426,053	2.625%	5/25/2016	7.22%	2643
*TB	Federal National Assn	3135G0K3	4/24/2026	\$2,530,095	\$2,405,550	2.125%	5/25/2016	12.17%	3231
*TB	US Treasury Inflation Index NTS	912828JE1	7/15/2018	\$1,136,672	\$1,158,601	1.375%	7/6/2010	5.86%	432
*TB	US Treasury Inflation Index NTS	912828MF	1/15/2020	\$1,136,346	\$1,179,783	1.375%	11/18/2015	5.97%	972
*TB	US Treasury Note	912828WE	11/15/2023	\$768,471	\$796,166	2.750%	12/13/2013	4.03%	2352
Accrued Interest					\$118,042				
Total in Gov't Sec. (11-00-1055-00&1065)				\$20,167,833	\$19,762,699			99.98%	
Total Certificates of Deposit: (11.13506)				\$0	\$0			0.00%	
**	LAIF as of: (11-00-1050-00)		N/A	\$451	\$451	0.78%	Estimated	0.00%	
***	COVI as of: (11-00-1060-00)		N/A	\$2,871	\$2,871	0.80%	Estimated	0.01%	
TOTAL FUNDS INVESTED				\$20,171,155	\$19,766,021			100.00%	
Total Funds Invested last report				\$20,177,850	\$19,799,293				
Total Funds Invested 1 Yr. Ago				\$16,970,353	\$17,230,910				
****	CASH IN BANK (11-00-1000-00) EST.			\$5,419,149	\$5,419,149				
	CASH IN Western Asset Money Market			\$46,810	\$46,810	0.01%			
TOTAL CASH & INVESTMENTS				\$25,637,114	\$25,231,980				
TOTAL CASH & INVESTMENTS 1 YR AGO				\$24,730,626	\$24,991,183				

- *CD CD - Certificate of Deposit
- *TB TB - Federal Treasury Bonds or Bills
- ** Local Agency Investment Fund
- *** County of Ventura Investment Fund
- Estimated interest rate, actual not due at present time.
- **** Cash in bank

No investments were made pursuant to subdivision (i) of Section 53601, Section 53601.1 and subdivision (i) Section 53635 of the Government Code.
All investments were made in accordance with the Treasurer's annual statement of investment policy.