

City of Fullerton

2019 Water Rate Study

May 30, 2019





May 30, 2019

Ms. Meg McWade
Public Works Director
City of Fullerton
303 W. Commonwealth Ave
Fullerton, CA 92833

Re: Final 2019 Water Rate Study

Dear Ms. McWade

Stantec Consulting and Hildebrand Consulting are pleased to present this report of the 2019 Water Rate Study (Study) that we performed for the City of Fullerton's (City) Water Enterprise. We appreciate the fine assistance provided by you and all of the members of the City staff who participated in the Study.

If you or others at the City have any questions, please do not hesitate to call either point of contact, listed below:

Mark Hildebrand – Project Manager
mhildebrand@hildco.com
(510) 316-0621

Benjamin Stewart – Project Consultant
benjamin.a.stewart@stantec.com
(720) 418-1056

We appreciate the opportunity to be of service to the City and look forward to the possibility of doing so again in the near future.

Sincerely,

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

Mark Hildebrand
Project Manager

A handwritten signature in blue ink, appearing to read "Ben Stewart".

Benjamin Stewart
Project Consultant

Enclosure

Executive Summary

This Executive Summary presents an overview of the results of the 2019 Water Rate Study (Study) that was conducted for the City of Fullerton's Water Enterprise by Stantec Consulting.

The primary objectives of this Study are to:

- i. Develop a multi-year financial management plan that provides for the Water Enterprise's capital funding needs;
- ii. Identify future rate adjustments to water rates that will ensure adequate revenues to meet the Water Enterprise's ongoing financial requirements;
- iii. Determine the cost of providing water service to customers using industry accepted methodologies; and
- iv. Recommend specific rate structures that equitably recover the cost of service while minimizing the financial impact to ratepayers and comporting with industry practices and legal requirements.

The following describes the drivers that initiated the need for this Study, and a general description of the solutions that were used to address those challenges.

Driver: The 2013 rate study adopted a rate schedule through the current fiscal year.

Solution: Update the Water Enterprise financial plan and rates to meet the revenue needs over the next five years.

Driver: The Water Enterprise has experienced revenue shortfalls relative to the projected revenue from the 2013 study due to a historical drought and a significant increase in wholesale water costs.

Solution: Modify the water rate structure in a way that stabilizes revenue during times of drought by increasing the fixed revenue. Establish a dynamic pass-through policy that allows actual purchased water rate increases to be recovered through rates.

Driver: The Water Enterprise's water distribution system continues to experience above-average pipe breaks which are expensive to repair and disruptive to the community. Additionally, pumps, wells, tanks and other water assets

are approaching or have aged beyond their useful lives and are in need of replacement.

Solution: Include in the financial plan an increase in capital spending to address the system's pipe replacement needs and replacement of other critical infrastructure.

Driver: The legal environment in California over the past 5 years (namely Proposition 218) has significantly increased the burden of proof required of public utilities to demonstrate that the rates being charged for utility service are proportionate to the cost of providing the utility services.

Solution: Conduct a full cost-of-service allocation analysis and make rate structure modification to ensure inter- and intra-class equity in rates charged to customers. Part of the solution involved tying the cost of purchased water to customer Usage Rates in order to substantiate the Water Enterprise's tiered water rates.

This study used methodologies that are aligned with industry standard practices for rate setting as promulgated by the American Water Works Association (AWWA) and all applicable law, including California Constitution Article XIII D, Section 6(b) (for water rates) commonly known as Proposition 218.

This Study consisted of the following phases:

1. Revenue Sufficiency Analysis (RSA) – The Study developed a multi-year financial forecasting model for the Water Enterprise to determine the level of annual rate revenue required to satisfy projected annual operating costs, debt service expenses, and capital cost requirements while maintaining adequate reserves. In the RSA, Stantec evaluated the sufficiency of the Water Enterprise's rate revenues to meet all of its current and projected financial requirements over a 10-year projection period and determined the level of rate revenue increases necessary over the next five years to provide sufficient revenues to fund cost requirements. Input data and key assumptions were reviewed with City staff, and several alternative capital spending scenarios were evaluated by both staff and a Rate Study Ad Hoc Committee during the RSA. This process generated a recommended financial plan and corresponding annual rate increases.

Like many utilities around the state and country, the Water Enterprise is currently facing challenges of aging infrastructure. Over 50% of the Water Enterprise's

approximate 430 miles of water distribution pipes are over 50 years old. The Water Enterprise often experiences over 100 water main breaks per year, which is among the highest rate of breaks per 100 miles of pipe in Orange County. These pipe breaks are a nuisance to residents and local business, they are expensive to repair, they damage homeowners' properties in extreme cases, and consequently they are a drain on the Water Enterprise's financial and staffing resources. In addition, many of the Water Enterprise's wells, pump stations, and reservoirs have reached the end of their useful service life.

City staff worked with a Rate Study Ad Hoc Committee (made up of 6 at-large members from the City's Energy and Resource Management Committee and the Citizens' Infrastructure Review Committee) to evaluate multiple alternative capital improvement program (CIP) project schedules spanning the period from fiscal year (FY) 2019 through FY 2028 (fiscal year 2019 spans the period from July 1, 2018 through June 30, 2019). These CIP alternatives were evaluated with the goal of balancing the need to address critical infrastructure deficiencies while minimizing water rate increases. The final recommended CIP totaled approximately \$127 million (in current dollars) over the period of FY 2019 through FY 2028. This CIP includes a ramp-up in spending on water main replacement, reaching the goal of replacing approximately nine miles per year by FY 2024. A pace of nine miles of pipeline replacement per year would result in replacing the entire distribution system over the course of approximately 50 years.

The 5-year rate revenue adjustment plan is presented in **Table ES.1**. It is important to note that, while in Year 1 rate revenues across all customer classes will increase by 15%, the proposed rate structure adjustments (discussed further below) will result in the average single-family residence with a 5/8-inch meter experiencing virtually no change in their monthly bill (\$0.01 decrease from 2019 to 2020). Results will vary among different customers due to the proposed rate structure adjustments. To be clear, some customers' bills will increase by more than the average rate revenue adjustment for Year 1, while other customers' bills will increase by less. Starting in Year 2 (FY 2021), all customers will experience the same uniform percentage change to their bill.

Due to the proposed increase in capital spending, this Report recommends that the Water Enterprise develop and share an annual report that summarizes the progress of the capital program, discusses alternative source of funding, and assesses the Water Fund's cash reserves to determine whether there exist opportunities to delay or avoid previously-approved rate increases.

Table ES.1.: Proposed Plan of Water Rate Revenue Increases

| Rate Adjustment Date | Rate Adjustment |
|----------------------|-----------------|
| July 1, 2019 | 15.0% |
| July 1, 2020 | 14.0% |
| July 1, 2021 | 11.0% |
| July 1, 2022 | 5.0% |
| July 1, 2023 | 4.0% |

2. Cost-of-Service Analysis (COSA) – Using the revenue requirements from the RSA for FY 2020, Stantec performed a detailed COSA based upon principles outlined by the AWWA and other generally accepted industry practices in order to determine the proper distribution of costs and corresponding revenue requirements. The purpose of a COSA is to determine the cost of providing water services so that the revenue requirements of the utility may be equitably collected through rates. The Study employed methods promulgated in AWWA's *Manual M1: Principles of Water Rates, Fees, and Charges (M1)* for the water system. 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
- ▶ Step 3: Calculate unit costs
- ▶ Step 4: Credit non-rate revenue

3. Rate Structure Analysis – The Study developed specific rate schedules to recover the identified level of required rate revenue from the appropriate customers. The recommended rate schedules were designed to:

- ▶ Fairly and equitably recover costs through rates;
- ▶ Conform to accepted industry practice and legal requirements; and

- ▶ Provide fiscal stability and recovery of fixed costs of the system.

The Water Enterprise's existing water rate design is a two-part structure comprised of a fixed service charge that is assessed based on meter size and a consumption-based rate (as measured in thousands of gallons or "TGAL") that is assessed based on the total amount of water that is used. Additional details that describe the Water Enterprise's current rate structure are included in the full report. This Study recommends implementing the following changes to the Water Enterprise's existing water rate structure:

1. Refer to the fixed service charge as the "Fixed Meter Charge" and the consumption-based rate as the "Usage Rate";
2. Eliminate Outside City customer classes and other legacy customer classes;
3. Identify specific costs that are designated to be recovered through fixed vs. variable revenue;
4. Update the meter equivalency schedule;
5. Directly recover differing costs for the two sources of water supply through tiered and uniform Usage Rates;
6. Calculate uniform Usage Rates for all non-residential customers; and
7. Establish a dynamic Pass-Through Policy which updates Usage Rates based on actual changes to wholesale water supply.

The tier allocations (i.e. the amount of water allowed in each respective tier) are calculated based on the amount of water available from each source of water supply.

Tables ES.2 shows the proposed rates for FY 2020. The complete list of rate schedules through FY 2024 are provided in the complete report. Note that the Pass-Through Policy would adjust rates in addition to the proposed rate revenue increases shown in **Table ES.1**.

Table ES.2: Proposed Rates, Effective July 1, 2019

| Fixed Meter Charges | | Tiered Usage Rates (for residential accounts) | | | |
|---------------------|--------------|---|-----------------|----------------------------|--------------------------------------|
| Meter Size | Monthly Rate | Tier | Rate (per TGAL) | Allocation (Single Family) | Allocation (Multi-Family) (per unit) |
| 5/8" | \$26.07 | 1 | \$2.28 | 12,800 gal. | 5,100 gal. |
| 1" | \$41.30 | 2 | \$4.58 | 20,200 gal. | 6,700 gal. |
| 1 1/2" | \$79.39 | 3 | \$4.96 | (na) | (na) |
| 2" | \$125.08 | | | | |
| 3" | \$246.95 | | | | |
| 4" | \$384.04 | | | | |
| 6" | \$764.86 | | | | |
| 8" | \$1,221.84 | | | | |
| 10" | \$1,831.15 | | | | |
| 12" | \$2,573.75 | | | | |

| Uniform Usage Rates (for non-residential accounts) | |
|--|-----------------|
| Non-Residential Customer Classes | Rate (per TGAL) |
| Non-Residential | \$2.88 |

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APPENDIX B: COST-OF-SERVICE SCHEDULES

APPENDIX C: PROPOSED RATE SCHEDULES

List of Acronyms

| | |
|---------|--|
| AWWA | American Water Works Association |
| CIP | capital improvement program |
| CIRC | Citizens' Infrastructure Review Committee |
| COSA | cost of service analysis |
| DCR | debt service coverage ratio |
| ERMC | Energy and Resource Management Committee |
| FAMS-XL | Financial Analysis and Management System model |
| FY | fiscal year (which ends on June 30 for the City) |
| GPM | gallons per minute |
| INRAC | Infrastructure and Natural Resource Advisory Committee |
| MWD | Metropolitan Water District of Southern California |
| O&M | operations and maintenance |
| OCWD | Orange County Water District |
| RSA | revenue sufficiency analysis |
| SRF | State Revolving Fund |
| TGAL | thousand gallons |

Section 1. INTRODUCTION

Stantec Consulting has been retained by the City of Fullerton (City) to conduct a Water Rate Study (Study) for the Water Enterprise. This report describes in detail the assumptions, procedures, and results of the Study, including conclusions and recommendations.

1.1 UTILITY BACKGROUND

The City of Fullerton is located in Orange County, approximately 25 miles southeast of downtown Los Angeles. The Water Enterprise's existing water service area is over 22 square miles, contiguous with the city limits. Through its Water Enterprise, the City manages water resources and constructs, operates, maintains, repairs, and replaces water system facilities as needed to provide water service in compliance with applicable standards and regulations.

The Water Enterprise currently depends on two sources of supply – pumped water managed by the Orange County Water District (OCWD) and purchased water from the Metropolitan Water District (MWD). The Water Enterprise limits its groundwater use to meet no more than 75% of its water demands, in conformance with OCWD regulations.

1.2 OBJECTIVES

The primary objectives of this Study are to:

- i. Develop a multi-year financial management plan that provides for the Water Enterprise's capital funding needs;
- ii. Identify future rate adjustments to water rates that will ensure adequate revenues to meet the Water Enterprise's ongoing financial requirements;
- iii. Determine the cost of providing water service to customers using industry accepted methodologies; and

- iv. Recommend specific rate structures that equitably recover the cost of service while minimizing the financial impact to ratepayers and comports with industry practices and legal requirements.

This report has been organized into the revenue sufficiency analysis (financial plan), cost of service/rate design, and rate recommendations.

1.3 STUDY DRIVERS

The following describes the drivers that initiated the need for this Study, and a general description of the solutions that were used to address those challenges.

Driver: The 2013 rate study adopted a rate schedule through the current fiscal year.

Solution: Update the Water Enterprise financial plan and rates to meet the revenue needs over the next five years.

Driver: The Water Enterprise has experienced revenue shortfalls relative to the projected revenue from the 2013 study due to a historical drought and a significant increase in wholesale water costs.

Solution: Modify the water rate structure in a way that stabilizes revenue during times of drought by increasing the fixed revenue. Establish a dynamic pass-through policy that allows actual purchased water rate increases to be recovered through rates.

Driver: The Water Enterprise's water distribution system continues to experience above-average pipe breaks which are expensive to repair and disruptive to the community. Additionally, pumps, wells, tanks and other water assets are approaching or have aged beyond their useful lives and are in need of replacement.

Solution: Include in the financial plan an increase in capital spending to address the system's pipe replacement needs and replacement of other critical infrastructure.

Driver: The legal environment in California over the past 5 years (namely Proposition 218) has significantly increased the burden of proof required of public utilities to demonstrate that the rates being charged for utility service are proportionate to the cost of providing the utility services.

Solution: Conduct a full cost-of-service allocation analysis and make rate structure modification to ensure inter- and intra-class equity in

rates charged to customers. Part of the solution involved tying the cost of purchased water to customer Usage Rates in order to substantiate the Water Enterprise's tiered water rates.

1.4 STUDY METHODOLOGY

This Study applied methodologies that are aligned with industry standard practices for rate setting as promulgated by the American Water Works Association (AWWA) and all applicable law, including California Constitution Article XIII D, Section 6(b), commonly known as Proposition 218.

The Study began with development of a multi-year financial management plan that determined the level of annual rate revenue required to cover projected annual operating expenses, debt service (including coverage targets), and capital cost requirements while maintaining adequate reserves. This portion of the Study was conducted using the revenue sufficiency and financial planning module of Stantec's proprietary Financial Analysis and Management System (FAMS-XL) modeling system. The model was customized to reflect the Water Enterprise's financial dynamics and latest available data for the water utility's operations in order to develop a long-term financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments.

Revenue requirements calculated during the revenue sufficiency analysis (RSA) for Fiscal Year¹ ending June 2020 (FY 2020) were then used to perform a detailed cost-of-service allocation (COSA) analysis. The COSA analysis and rate structure design were conducted based upon principles outlined by the AWWA, legal requirements (Proposition 218) and other generally accepted industry practices to develop rates that reflect the cost of providing service.

¹ Fiscal years are indicated by their ending years. For example, FY 2020 starts on July 1, 2019 and ends on June 30, 2020.

Section 2. FINANCIAL PLAN

This section presents the financial management plan and corresponding plan of water rate adjustments developed in the RSA, including a description of the source data, assumptions, and policies reflected in the RSA. **Appendix A** includes detailed schedules supporting the financial plan discussed herein.

During the RSA, Stantec reviewed alternative multi-year financial management plans and resulting water rate revenue adjustments through several interactive work sessions with City staff and the Rate Study Ad Hoc Committee. As a result of this process, the Study has produced a proposed financial plan that will allow the Water Enterprise to meet its respective revenue requirements and financial performance objectives throughout the projection period while striving to minimize rate increases.

2.1 DATA & ASSUMPTIONS

The City provided historical and budgeted financial information associated with operation of the water system, including a multi-year capital improvement program (CIP) and outstanding debt service obligations and covenants. City staff also assisted in providing other assumptions and policies, such as water demands and customer growth, debt service coverage requirements, operating and capital reserve targets, earnings on invested funds, and escalation rates for operating costs (all of which are described in the following subsections). The following sections present the key source data relied upon in conducting the RSA.

2.1.1 BEGINNING FUND BALANCES

The ending cash balances for FY 2018 were used to establish the FY 2019 beginning balances, as outlined in **Table 1**.

Table 1: FY 2019 Beginning Cash Balance

| Fund Balance | Cash and Cash Equivalents |
|----------------------------------|--------------------------------------|
| Total Current Assets | \$ 26,095,556 |
| Total Current Liabilities | \$ (8,596,910) |
| FY 2018 Beginning Balance | \$ 17,498,646 |

2.1.2 CUSTOMER GROWTH & VOLUME FORECAST

The Water Enterprise has generated limited revenues from Frontage Charges² assessed to new customers connecting to the system. This fact, in conjunction with recently observed trends in the City’s population growth, led to zero projected growth in accounts over the projection period.

Forecasting the future usage of water is a perennial challenge for water utilities. **Figure 1** presents a five-year history of the Water Enterprise’s water production and sales. Water production from the two sources of supply is illustrated by the orange (OCWD supply) and black (MWD supply) shading. Monthly water sales are depicted by the blue line. This figure shows a twenty percent (20%) drop in water usage over three years, which illustrates the variability in water demands that a water utility can experience. In this case, the decrease in water consumption was largely in response to a historical drought and the ensuing statewide conservation mandates.

While the recent drought has been declared over, this Study assumes that per-account water usage for the Water Enterprise will remain flat over the course of the study period (equal to FY 2017 usage). This assumption was partially based on a general expectation in the water industry that there will be little “rebound” in water usage. Lower water use may be the “new normal” as the State has passed laws such as SB 606 and AB 1668, which will establish state-wide mandates to limit per capita indoor and outdoor water use.

² Frontage Charges are also known as connection fee or developer impact fee. In the case of the Water Enterprise, the charge is assessed based on the length of the property frontage.

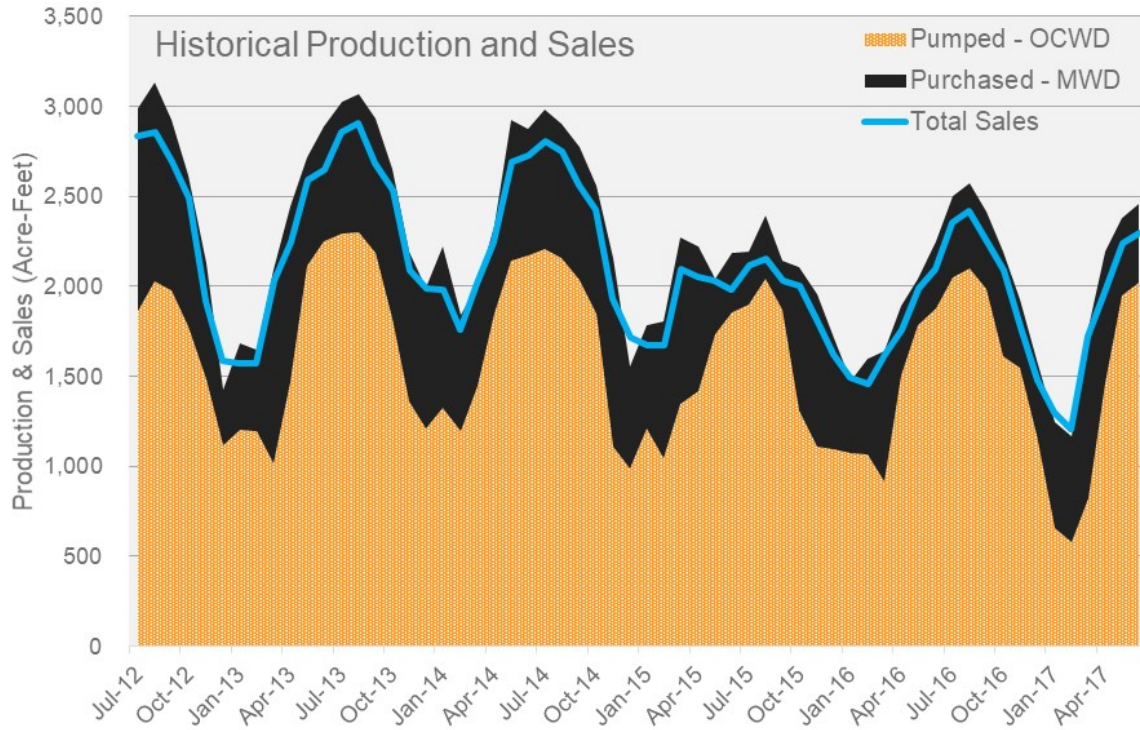


Figure 1: Historical Water Production and Total Sales

While per-account demand was projected to remain flat over the study period, the Water Enterprise’s largest single industrial customer expects to close operations as early as FY 2021. This closure was accounted for in the financial projections by assuming a decrease in the number of accounts proportional to that customer’s share of overall equivalent meters (approximately 0.14%). The Study also assumed that the system would experience a one-time decrease in water usage of approximately 5.8% based on historical water usage records for that account.

2.1.3 RATE REVENUES

Rate revenue is the revenue generated from customers for water service. The Water Enterprise receives rate revenue in the form of fixed charges (currently referred to as the “Customer Charge”) and consumption-based variable charges (currently referred to as the “Commodity Charge”). Rate revenue in the financial plan is based on:

- FY 2018 actual revenues, adjusted annually to reflect assumed customer growth;
- Changes in water demand
- Rate revenue adjustments that are proposed by this Study.

Actual revenues and changes in water demand are assumed to remain flat as previously explained. Budgeted and projected revenues are listed in detail in **Schedule 1 of Appendix A**³.

2.1.4 NON-RATE REVENUES

In addition to rate revenue, the Water Enterprise receives a limited amount of non-rate revenue related to miscellaneous service fees, cell tower rental revenues, and interest revenue on investments. Projections of all non-rate revenues were based on FY 2018 actual revenues with the exception of interest income which was calculated annually based upon projected average fund balances and assumed interest rates (see **Section 2.1.8**). Based on Stantec’s review of the Water Enterprise’s current financial policies and cash flows, a recommendation was made to ensure interest income is retained in the Water Enterprise Fund going forward. This recommendation was implemented in the development of the financial plan during the Study. Budgeted and projected non-rate revenues are listed in detail in **Schedule 1 of Appendix A**.

³ The rate revenue in Schedule 1 includes the proposed rate adjustment proposed by this Report, as described in Section 2.2.

2.1.5 EXPENSES

The Water Enterprise’s expenses include all operating and maintenance expenses, debt service requirements, and capital spending. Future operating expenses were projected based upon the budgeted expenditures from FY 2019, adjusted for inflation (see **Section 2.1.6**). Budgeted expense categories for FY 2019 are depicted in **Figure 2**. Budgeted and projected operating and debt expenses are listed in detail in **Schedule 2** of **Appendix A** while capital expenses are discussed in **Section 2.1.7** and detailed in **Schedule 3**.

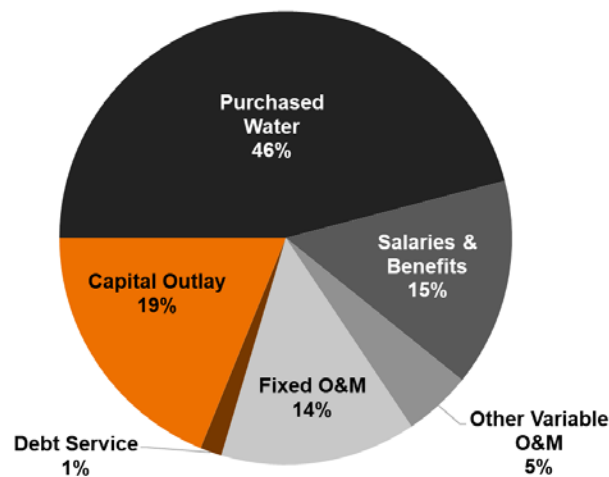


Figure 2: FY 2019 Budgeted Expense Categories

The Water Enterprise’s outstanding debt includes a 2014 Series Refunding Water Revenue Bond that will be fully repaid in FY 2034. The corresponding annual debt service for this issuance is identified in **Schedule 2** (row 433).

2.1.6 COST ESCALATION

Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and detailed discussions with City staff. **Table 2** summarizes the cost escalation factors used to project assumed increases across all expense categories. It should be noted that salary expense escalation is based on the recent completion of compensation negotiations, as provided by City staff.

This Study assumes that the Water Enterprise will adopt a dynamic Pass-Through Policy, which will annually adjust Usage Rates in accordance with actual changes in wholesale water (see **Section 4.7**).

Table 2: O&M Cost Escalation Factors

| Expense Category | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Salaries | 0.0% | 0.0% | 0.0% | 0.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Fuel, Utilities, Chemicals | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| Health Insurance | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| Water Purchases | 5.3% | 3.9% | 2.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% |
| Repair & Maintenance | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Capital Outlay | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| All Other O&M | 2.2% | 2.2% | 2.2% | 2.2% | 2.2% | 2.2% | 2.2% | 2.2% | 2.2% |
| Capital Projects | 3.0% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |

2.1.7 CAPITAL IMPROVEMENT PROGRAM

Like many utilities around the state and country, the Water Enterprise is currently facing challenges of aging infrastructure. Over 50% of the Water Enterprise’s approximate 430 miles of water distribution pipes are over 50 years old. The majority of the old pipes are made of cast iron, are susceptible to corrosive soils, and have an expected useful life of 50 years. The Water Enterprise often experiences over 100 water main breaks per year, which is among the highest rate of breaks per 100 miles of pipe in Orange County. These pipe breaks are a nuisance to residents and local business, they are expensive to repair, they damage homeowners’ properties in extreme cases, and consequently they are a drain on the Water Enterprise’s financial and staffing resources.

Aside from an aging water distribution network, the Water Enterprise also constructs, operates, maintains, and repairs 15 reservoirs, 10 active wells, 14 pump stations, and other assets required to provide clean drinking water to all of its customers. Many of these wells, pump stations, and reservoirs were constructed in the 1950’s and 1960’s and have reached the end of their useful service life. The Water Enterprise has prioritized critical infrastructure improvements based upon the following criteria: improved reliability (e.g., replacement or retrofitting aging infrastructure), water quality improvements, safety improvements, emergency response preparedness, cost savings through improved energy efficiency and water loss reduction, and prevention of escalating costs due to deferment. Other critical infrastructure improvements include, but are not limited to, replacement

of groundwater wells that provide the source of lower cost groundwater and procurement of new electrical generators for improved emergency response preparedness.

The Water Enterprise recognizes the need for pipe replacement to decrease the frequency of pipe breaks, and plans for pipe replacement, along with other critical infrastructure improvements, were incorporated into this Study.

City staff worked with a Rate Study Ad Hoc Committee⁴ to evaluate multiple alternative CIP project schedules spanning the period from FY 2019 through FY 2028. These CIP alternatives were evaluated with the goal of balancing the need to address critical infrastructure deficiencies while minimizing water rate increases. The final recommended CIP totaled approximately \$127 million (in current dollars) over the period of FY 2019 through FY 2028. This CIP includes a ramp-up in spending on water main replacement, reaching the goal of nine miles per year in pipe replacement by FY 2024. Nine miles of pipeline replacement per year would result in replacing the entire distribution system over the course of approximately 50 years. This 50-year target allows the Water Enterprise to replace the oldest and most vulnerable pipes in the near future, and to continue proactively replacing pipe as the system ages.

A detailed list of repair and replacement projects and associated costs is provided in **Schedule 3 of Appendix A**. It should be noted that capital spending forecasts beyond a 5-year planning horizon are highly uncertain. As a result, this study is primarily concerned with the capital spending forecasts within the next five years. As reflected in **Section 2.1.6**, the RSA includes an annual cost escalation factor for capital costs.

2.1.8 INTEREST EARNINGS ON INVESTED FUNDS

The Water Enterprise has not historically retained the interest earnings generated by the Water Fund's fund balance. This Study assumes that all such interest

⁴ The Rate Study Ad-Hoc Committee was made up of 6 at-large members from the City's existing Energy and Resource Management Committee (ERMC) and the Citizens' Infrastructure Review Committee (CIRC).

earnings will be retained by the Water Enterprise beginning in FY 2020. The RSA reflects interest earnings on invested funds at a rate of 0.5% to reflect a conservative estimate of returns on invested balances.

2.1.9 RESERVE TARGETS

Targeted cash reserves for utilities are balances retained for specific cash flow needs. The target for reserves is an important component when developing a multi-year financial plan; utilities rely on the reserves for financial stability, credit rating agencies evaluate utilities in part on their adherence to formally adopted reserve targets, and lending agencies require utilities to maintain specific debt reserves for outstanding loans.

While the City has not adopted a formal reserves policy for the Water Enterprise, in practice the Finance department has been following the following reserve targets established by the 2011 Comprehensive Water Rate Study Update. The current Study continues the same recommendations, which are as follows:

Operating & Maintenance Reserve – sets a target minimum balance equal to 120-days (4 months) of annual operating expenses excluding water supply costs. Water supply costs are excluded from the reserve because this Report is proposing to continue the Water Enterprise’s pass-through policy that allows the Water Enterprise to recover changes in these costs. This reserve ensures continuity of service regardless of short-term changes in cash flow or sudden increases in operating costs. Because this reserve target is set relative to the Water Enterprise’s operating budget, the target will change as the expenses change. The Water Enterprise’s FY 2019 budget for O&M expenses, less water supply costs, totals \$11.6 million, resulting in an Operating Reserve balance of about **\$3.9 million**. Should the Water Enterprise’s cash balance be insufficient to fund critical capital investments in the production system, it may be necessary to increase the operating reserve to six months of O&M expenses inclusive of water purchases to ensure the ability to source purchased water to meet customer demands.

Repair, Renewal, and Replacement (3R) Capital Reserve – sets an additional reserve target equal to one percent of the value of all buried infrastructure (e.g. water distribution system). This reserve balance was previously maintained at a

target of \$4.45 million following the last study. The valuation of buried assets was reviewed and updated using the latest list of fixed assets, bringing replacement costs into current-year dollars. The updated valuation produced a total value for buried assets of \$570 million, thereby yielding a 3R Capital Reserve target of **\$5.7 million**.

The target levels of the above policies are consistent with 1) Stantec's 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 (e.g. Fitch, Moody's, and Standard & Poor's). This Study recommends that these reserve targets be adopted by the City as formal policies. Once the 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 reserve balances, as appropriate, depending upon the impact of such decisions to the upcoming budget period.

For purposes of this Study, the Water Enterprise's existing reserve practices have been incorporated into the RSA⁵. The total reserve target by year is shown in **Schedule 4 of Appendix A**.

2.1.10 FUTURE BORROWING ASSUMPTIONS

This Report does not propose the issuance of new debt. That being said, the Study did consider the issuance of new debt as a potential strategy. The assumed financing terms for those scenarios, for the sake of documentation, were as follows:

- 30-year term
- 2.0% cost of issuance

⁵ The City's reserve policies are guidelines used by the Finance Department, and not formally adopted as resolutions. Stantec recommends that the existing guidelines be adopted as policies in order to strengthen the Water Enterprise's image in the eyes of rating agencies.

- Fixed interest rate of 3.5% for debt issued in FY 2018, increasing by 0.5% per year until reaching five percent in FY 2021
- A one-year debt service reserve requirement

2.1.10.1 Debt Coverage

The existing 2014 Water Revenue Bond has a debt service coverage ratio (DCR) requirement of 1.25. Based on recently published guidance from Fitch Ratings⁶, utility systems with *midrange* financial profiles should maintain a DCR greater than 1.50 times annual debt service. As such, Stantec ensured that a DCR of at least 1.50 was maintained throughout the projection period to enable the Water Enterprise to access favorable terms from the debt market should the need arise.

2.2 PROPOSED RATE REVENUE INCREASES

All of the above information was entered into Stantec’s 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 projection period.

Based upon the previously discussed financial data, assumptions, and policies, Stantec proposes a financial strategy of rate adjustments over the next five years, as detailed in **Table 3**.

Table 3: Recommended Water Rate Revenue Increase

| Rate Adjustment Date | Rate Adjustment |
|----------------------|-----------------|
| July 1, 2019 | 15.0% |
| July 1, 2020 | 14.0% |
| July 1, 2021 | 11.0% |
| July 1, 2022 | 5.0% |
| July 1, 2023 | 4.0% |

⁶ As published on July 31, 2013.

The numbers provided in **Schedule 4** are summarized graphically in **Figure 3**, which shows that cash reserves and DCR targets are maintained over the course of the planning period.

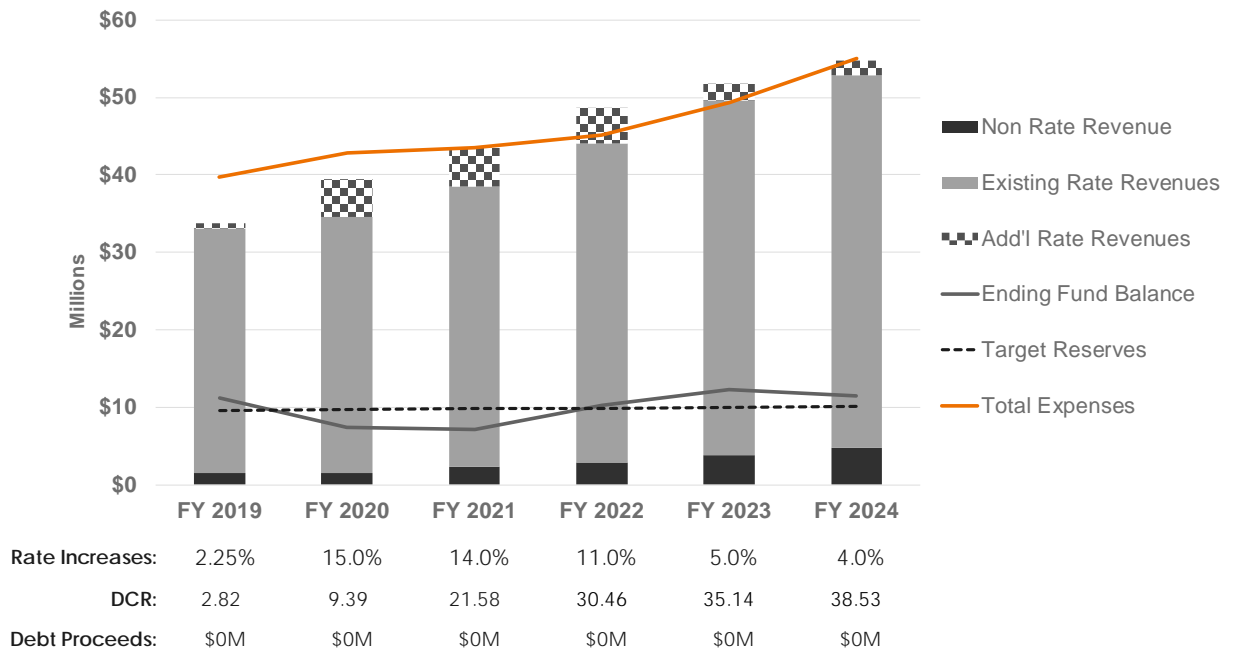


Figure 3: Financial Projection with Recommended Rate Increases

The near-term increases in rate revenue are necessary in order to support the new level of capital investment in the water system’s infrastructure (see **Section 2.1.7**). After the increase in FY 2024, it is projected that minimal (approximately inflationary) increases will be necessary going forward, barring unforeseen emergencies or changes in infrastructure/operational needs. It is important to note that the above rate increases do not include the Pass-Through policy, as described in **Section 4.7**.

2.3 RECOMMENDED ANNUAL RATE REVIEW PROCESS

The financial plan recommended in this Report is designed to cash-finance a significant increase to the Water Enterprises’ annual capital spending. The Water

Enterprise may find that the actual capital spending over the planning period may differ materially from the forecasts in this Report. For example, the following may occur:

- 1) The Water Enterprise may apply for, and receive, grants or a low-interest State Revolving Fund (SRF) loan to finance part of its capital program⁷;
- 2) The Water Enterprise may experience delays in delivering the planned capital projects due to market conditions, staffing levels, or other internal delays; or
- 3) The cost for the planned capital projects may differ materially from the cost estimates in this Report.

Due to these possibilities, and also in the interest of best practices, this Report recommends that the Water Enterprise develop an annual report to be shared with the City's Citizen's Infrastructure Review Committee (CIRC). This report should include the following information:

- 1) Summary of completed (and in-progress) capital projects in the past year (and any previous years dating back to 2019);
- 2) Summary of alternative funding sources obtained in the past year and opportunities for future alternative sources of funding; and
- 3) Cash reserve levels for the Water Fund and comparison to the forecasted cash reserve levels in this Report. The annual report should explain any material difference between the actual cash reserves and the planned cash reserves. If cash reserves significantly exceed the Water Fund's target reserve levels the annual report should address whether an opportunity exists to delay or avoid previously-approved rate increases.

⁷ This Study has not assumed that the Water Enterprise will receive either grants or SRF loans because such sources of funding are not considered reliable at this time, however this Study does recommend that the City pursue such funding opportunities.

Section 3. COST-OF-SERVICE ALLOCATION

The Cost-of-Service Allocation (COSA) analysis is intended to evaluate the cost of providing water service, and to allocate those costs to customer classes and rate structure components to ensure the proposed rate structure is aligned with costs to provide service. This is done in order to be equitable among the Water Enterprise's ratepayers and to comply with Proposition 218, which requires water rates to be proportionate to the cost of providing water service. This Study employed well-established industry practices as recognized by the AWWA and other accepted industry standards. The following section presents a detailed description of the COSA methodology and corresponding results.

This Study employed a method that is consistent with the "commodity-demand" COSA methodology promulgated in AWWA's *Manual M1: Principles of Water Rates, Fees, and Charges (M1)*. With this approach, costs are first allocated to three functional categories: Source of Supply, Account, and Utility. Unit costs are then used to distribute system costs to the various components of the rate structure (see **Section 4**).

3.1 PROCESS

The COSA was conducted based upon the Water Enterprise's FY 2020 ("Test Year") annualized expenditure and revenue requirements per the RSA, and included the steps illustrated in **Figure 4**.

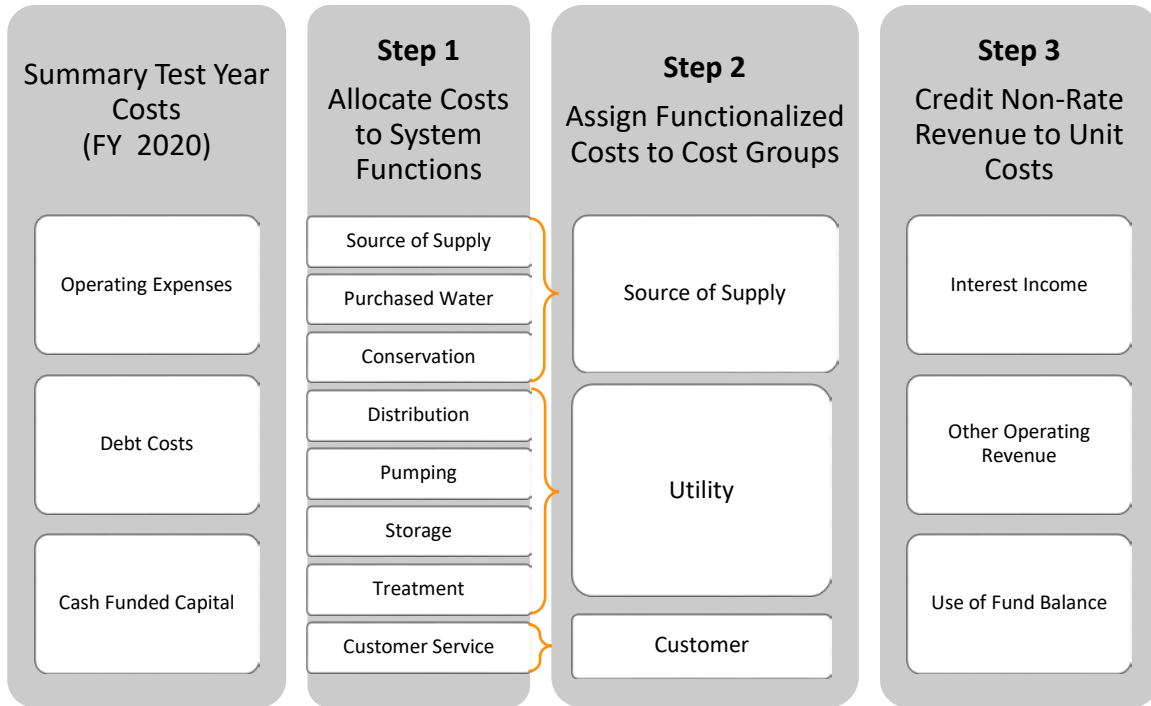


Figure 4: Financial Projection with Recommended Rate Increases

The following sub-sections give a detailed description of the COSA methodology and summary results, while **Appendix B** includes a detailed schedule of cost allocation that support those results.

3.1.1 STEP 1: ALLOCATE COSTS TO SYSTEM FUNCTIONS

The operating expenses, debt service, and cash-funded capital requirements within the water system were distributed to specific activities or "Functional Components" of service.

Operating and capital expenses were assigned to specific system functions based on Stantec’s experience and the knowledge of City staff. A summary of cost functionalization is presented in **Table 4**. While many costs can be allocated directly to a functional component (e.g. Source of Supply costs are allocated to the Source of Supply function), some costs are divided among multiple Functional Components. For example, costs that are best allocated based on the proportionate value of the system’s Capital Assets were allocated based on the book value of existing assets. Furthermore, Engineering-related costs were also

allocated based on the book value of existing assets, while excluding the functional categories of General & Admin and Meters & Services. Finally, the Engineering with Conservation was allocated in the same manner as Engineering, but with 10% being allocated to Conservation (based on estimates provided by City Staff). This last category was created to separate employee-based conservation costs from other employee costs.

The detailed summary of all Test Year budget cost allocations to Functional Components is presented in **Schedule 5** of **Appendix B**. Note that General & Administration costs are distributed among the other Functional Components using the indirect cost allocation method at the bottom of **Schedule 5**.

Table 4: Allocation of Cost Categories to Functional Components

| Cost Categories | Functional Components | | | | | | | | | |
|------------------------------------|-----------------------|------------------|-----------|-----------------------------|---------|---------|------------------|-------------------|--------------|-----------------|
| | General & Admin | Source of Supply | Treatment | Transmission & Distribution | Pumping | Storage | Customer Service | Meters & Services | Conservation | Purchased Water |
| General & Admin | 100.0% | - | - | - | - | - | - | - | - | - |
| Source of Supply | - | 100.0% | - | - | - | - | - | - | - | - |
| Treatment | - | - | 100.0% | - | - | - | - | - | - | - |
| Transmission & Distribution | - | - | - | 100.0% | - | - | - | - | - | - |
| Pumping | - | - | - | - | 100.0% | - | - | - | - | - |
| Storage | - | - | - | - | - | 100.0% | - | - | - | - |
| Customer Service | - | - | - | - | - | - | 100.0% | - | - | - |
| Meters & Services | - | - | - | - | - | - | - | 100.0% | - | - |
| Conservation | - | - | - | - | - | - | - | - | 100.0% | - |
| Purchased Water | - | - | - | - | - | - | - | - | - | 100.0% |
| Capital Assets | 0.7% | 4.8% | 0.1% | 87.3% | 0.2% | 4.2% | - | 2.7% | - | - |
| Engineering | - | 5.0% | 0.1% | 90.4% | 0.2% | 4.3% | - | - | - | - |
| Engineering including Conservation | - | 4.5% | 0.1% | 81.3% | 0.2% | 3.9% | - | - | 10.0% | - |

3.1.2 STEP 2: DESIGNATE FUNCTIONAL COMPONENTS TO COST GROUPS

After functionalizing the Water Enterprise’s expenses, the costs associated with each functional component were designated to specific cost groups in order to create the foundation for developing rates that are directly aligned with the cost to provide service (as required by Proposition 218). These groupings are shown in **Table 5**. The **Source of Supply Cost** grouping is made up of the Purchased Water

expense⁸, Conservation expense⁹ and Source of Supply expense. The **Account Costs** grouping represents Customer Service costs. Lastly, the **Utility Cost** grouping is made up of the remaining Functional Components, including Treatment (the Water Enterprise's treatment consists solely of disinfection systems), Transmission/Distribution, Pumping¹⁰, Storage, and Meters & Services.

To repeat the above in simple terms, Schedule 5 show how over 300 budget line items are assigned to one of the "cost categories" listed in Table 4 thereby allocating each budget cost to a "Functional Component". For example, the Debt Service line item in Schedule 5 (Row 335) is assigned to the "Fixed Asset" cost category and therefore the costs are distributed to the Functional Components as shown in Table 4 (i.e. 87.3% of the debt service costs are allocated to the Transmission and Distribution Functional Component). Next, as part of "Step 2" the various Functional Components are further organized into Cost Groups (see Table 5).

⁸ For the purposes of this Study, "Purchased Water" refers to both the water supply which is procured from MWD as well as the fee paid to OCWD for the right to pump groundwater.

⁹ Water conservation is considered to be a source of water supply in an Urban Water Management Plan and the conservation costs are used to create the rate structure as described in Section 4.

¹⁰ For purposes of this Report, Pumping refers only to costs associated with the pumping infrastructure assets. Pumping energy costs are included in the Purchased Water category given the need to pump the groundwater from OCWD.

Table 5: Grouping System Functions into Cost Groups

| Functional Component | Cost Group | | | Total |
|-----------------------------------|---------------------|---------------------|--------------------|---------------------|
| | Utility | Source of Supply | Account | |
| Source of Supply | | \$585,733 | | \$585,733 |
| Treatment | \$15,139 | | | \$15,139 |
| Transmission & Distribution | \$14,184,154 | | | \$14,184,154 |
| Pumping | \$21,902 | | | \$21,902 |
| Storage | \$1,797,001 | | | \$1,797,001 |
| Customer Service | | | \$1,375,976 | \$1,375,976 |
| Meters & Services | \$256,312 | | | \$256,312 |
| Conservation | | \$171,053 | | \$171,053 |
| Purchased & Pumped Water | | \$24,975,197 | | \$24,975,197 |
| Total Functionalized Costs | \$16,274,508 | \$25,731,983 | \$1,375,976 | \$43,382,466 |

3.1.3 STEP 3: CREDIT NON-RATE REVENUE & CHANGE IN FUND BALANCE

The final step of the COSA is to calculate the rate revenue requirement by Cost Group by crediting other sources of revenue. Non-rate revenue is used to offset costs that would otherwise need to be recovered through rates. Non-rate revenue includes interest income, cell tower rental revenue, and other operating revenue (such as miscellaneous fees). Similarly, the “Use of Fund Balance” during the Test Year (i.e. because the Water Enterprise will be drawing down on cash reserves in the Test Year) is also credited towards the revenue requirement in order to account for cash reserves that were used to pay for capital costs during the Test Year. Both non-rate revenue and the change in fund balance were allocated equitably among the Cost Groups in proportion to the relative size of each group. These credits are shown below in **Table 6** and yields the total rate revenue requirement.

Table 6: Rate Revenue Requirement

| | Cost Group | | | Total |
|---------------------------------|---------------------|---------------------|--------------------|----------------------|
| | Utility | Source of Supply | Customer | |
| Total Functionalized Expenses | \$16,274,508 | \$25,731,983 | \$1,375,976 | \$43,382,466 |
| Less Other Revenue | (\$673,729) | (\$1,065,247) | (\$56,962) | (\$1,795,938) |
| Less Use of Fund Balance | (\$1,403,181) | (\$2,218,601) | (\$118,636) | (\$3,740,418) |
| Rate Revenue Requirement | \$14,197,598 | \$22,448,135 | \$1,200,377 | \$37,846,111 |
| <i>Allocation Percentage</i> | <i>37.5%</i> | <i>59.3%</i> | <i>3.2%</i> | |

The manner in which the Cost Groups are used in the rate design will be described in **Section 4**.

Section 4. RATE STRUCTURE

Upon completion of the COSA, a rate structure analysis was performed to evaluate rate structure modifications and calculate specific rate schedules for implementation in FY 2020. The complete schedule of proposed rates for FY 2020 through FY 2024 is detailed in **Schedule 6** through **Schedule 10**.

The rate structure proposed by this Report is designed to:

- ▶ Fairly and equitably recover costs through rates;
- ▶ Conform to accepted industry practice and legal requirements; and
- ▶ Provide fiscal stability and recovery of system fixed costs.

Revenue requirements allocated to the Cost Groups discussed in **Section 3.1.3** were allocated to the customer classes and rate components based on the units of service.

4.1 SYSTEM METRICS

Table 7 presents a summary of the units of service used during the rate design.

Table 7: Customer Units of Service (FY 2017)^{11, 12}

| Customer Class | Number of Meters | Equivalent Meters | Annual Water Volume (Tgal) |
|---------------------------|------------------|-------------------|----------------------------|
| Single Family Residential | 26,392 | 35,882 | 3,362,616 |
| Multi-Family Residential | 1,913 | 5,314 | 1,328,661 |
| Commercial | 1,974 | 7,167 | 1,467,453 |
| Industrial | 115 | 792 | 739,839 |
| Agricultural | 2 | 11 | 1,653 |
| Landscape | 399 | 1,529 | 358,267 |
| Municipal | 257 | 1,086 | 180,912 |
| TOTAL | 31,051 | 51,780 | 7,439,400 |

¹¹ Total annual water usage was adjusted for purposes of calculating Usage Rates as explained in Section 4.6.2.

¹² See Section 4.5.2 regarding the definition of meter equivalents.

The following sub-sections describe the basis for the recommended rate structure and a specific 5-year rate schedule for implementation on July 1, 2019 (for FY 2020) and adjusted every July 1st thereafter. The recommended rate schedules are designed to ensure each customer pays its proportionate share of the cost to provide service.

4.2 CURRENT RATES

The Water Enterprise’s current rates follow a common industry practice with a two-part structure that is comprised of a fixed service charge (currently referred to as the “Customer Charge”) and a consumption-based rate (currently referred to as the “Commodity Charge”) that varies by customer class. The Customer Charge, presented in **Table 8**, is scaled based on the individual account’s meter size (see **Section 4.4**) and currently recovers approximately 20% to 25% of rate revenue. There is a separate Customer Charge schedule for customers who are located outside of City limits.

Table 8: Current Customer Charge

| Meter Size | Monthly Rate |
|------------|--------------|
| 5/8" | \$14.78 |
| 1" | \$17.74 |
| 1 1/2" | \$32.52 |
| 2" | \$45.82 |
| 3" | \$79.81 |
| 4" | \$113.81 |
| 6" | \$180.32 |
| 8" | \$302.99 |
| 10" | \$441.92 |
| 12" | (na) |

The Commodity Charge is assessed based on actual water usage and the rate varies by customer class. Single family and multi-family residential customers pay inclining block rates (three tiers) and receive water allocations as summarized in **Table 9**. The multi-family tier allocations are scaled based on a per-housing unit basis, allowing accounts with, say, five housing units to use five times the stated tier allocation for multi-family residential accounts.

Table 9: Current Tiered Rates

| Tier | Rate (per TGAL) | Allocation (single family) | Allocation (multi-family) |
|------|-----------------|----------------------------|---------------------------|
| 1 | \$3.21 | 7,500 gal. | 4,000 gal. |
| 2 | \$3.51 | 12,500 gal. | 6,000 gal. |
| 3 | \$3.80 | (na) | (na) |

Non-residential customer classes currently pay a uniform rate that varies between five separate classes as shown in **Table 10**.

Table 10: Current Uniform Rates

| Non-Residential Customer Classes | Rate (per TGAL) |
|----------------------------------|-----------------|
| Commercial | \$3.075 |
| Industrial | \$3.130 |
| Agricultural | \$2.440 |
| Landscape | \$3.403 |
| Municipal | \$3.767 |

In addition, several customer classes listed in the current rate ordinance are legacy classifications that are no longer applicable, including:

- Residential/Agricultural (with two tiers)
- Residential Landscape Accommodation (uniform rate)
- Single Family Accommodation with Fire Sprinkler System (tiered)
- Multi-family Accommodations with Manual Rubbish Service (tiered)

4.3 PROPOSED RATE STRUCTURE CHANGES

This Study recommends implementing the following changes to the Water Enterprise's water rate structure.

1. Refer to the fixed service charge as the "Fixed Meter Charge" (replacing "Customer Charge") and the consumption-based rate as the "Usage Rate" (replacing "Commodity Charge");
2. Eliminate Outside City customer classes and the legacy customer classes listed in **Section 4.2**;
3. Identify specific costs that are designated to be recovered through fixed vs. variable revenue (see **Section 4.4**);

4. Update the meter equivalency schedule (see **Section 4.5.2**);
5. Directly recover differing costs for the two sources of water supply through tiered and uniform Usage Rates (see **Section 4.6**);
6. Calculate uniform Usage Rates for all non-residential customers (see **Section 4.6**); and
7. Establish a dynamic calculation to update rates for annual pass-through cost increases (see **Section 4.7**).

4.4 RATE STRUCTURE COST CATEGORIES

As will be explained in detail in the following sections, the proposed rate structure is divided into components based on three cost categories: the utility's **Commodity costs, Account costs, and Utility costs** as described in **Section 3.1.1**. The Commodity costs will be recovered through the Usage Rate (based on water usage) and the Account costs and Utility costs will be recovered through the Fixed Meter Charge. The details of this rate structure are presented in **Figure 5**.

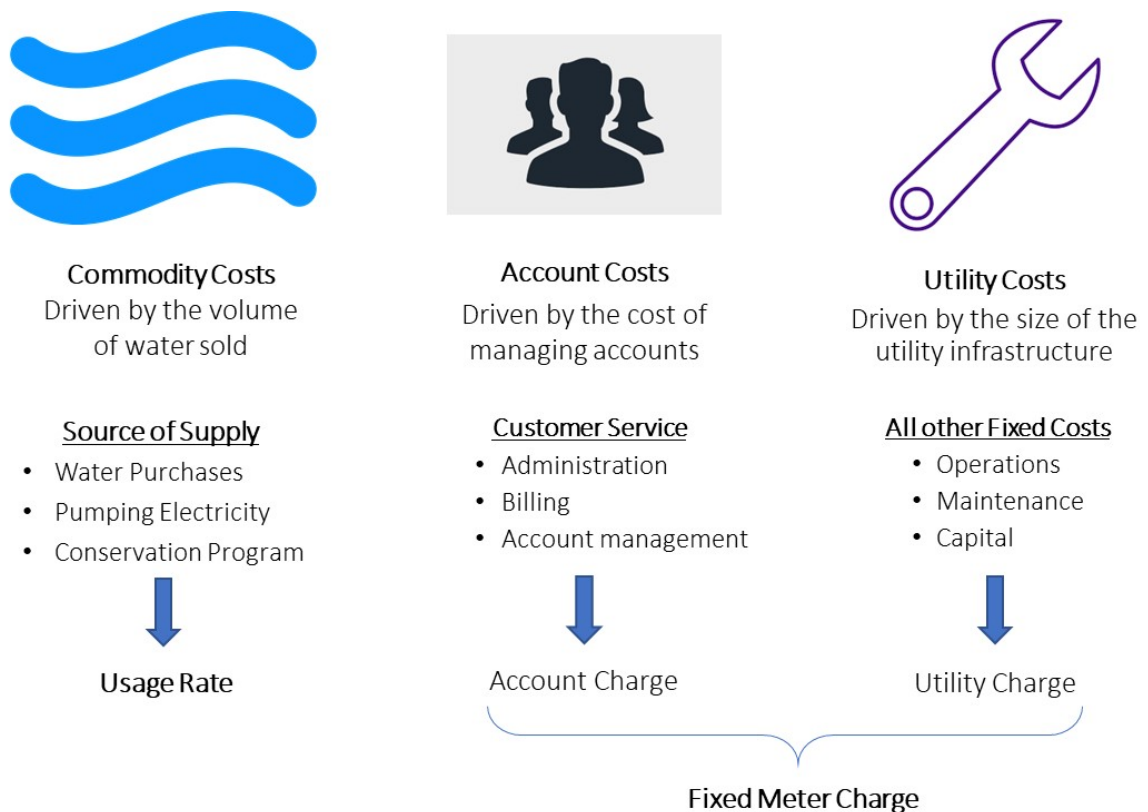


Figure 5: Rate Structure Cost Categories

4.5 CALCULATION OF FIXED METER CHARGES

As summarized in **Section 3.1.2**, the COSA allocated costs to the Cost Groups of “Customer”, “Utility” and “Source of Supply”. Of those groups, the Account costs and the Utility costs are fixed; therefore, those costs are proposed to be collected through the Fixed Meter Charge. The sum of these two groups accounts for 40.7% of the revenue requirement, yielding a significant increase from the current percentage of fixed revenue (approximately 22%). The remaining 59.3% of costs are variable and are proposed to be collected through the Usage Rate.

4.5.1 ACCOUNT COSTS

Account costs (again, see **Section 3.1.2**) include costs such as billing, customer service, and account management. These costs are proportionate to the number of accounts in the system regardless of the size of the account. As such, the \$1,200,377 is divided by the utility’s 31,051 accounts (and divided by 12 months) to give a per account charge of \$3.22 per month.

4.5.2 UTILITY COSTS

As detailed in **Section 3.1.1**, **Section 3.1.2**, and **Schedule 5**, the Utility costs are made up of expenses such as capital spending, salaries, maintenance, and other fixed operating costs. These costs are driven by the size (i.e. capacity) of the utility. As such, these costs are allocated to customers based on the demands that they place on the system, which is measured based on the size of the customer’s meter¹³.

¹³ Even if a customer doesn’t typically (or ever) use the full capacity of their meter, the water system infrastructure needs to be sized to accommodate that demand should the full capacity ever be used.

A meter equivalency schedule is an industry-standard factor used to represent the relative capacity associated with different types and sizes of meters. A meter equivalency schedule allows for indexing of each meter size in terms of multiples of the lowest common denominator (in this case a 5/8" meter).

The meter equivalency schedule that is inferred from the Water Enterprise's current Customer Charge is not recognized by Stantec as a published or calculated equivalency schedule. This study recommends that it be replaced with a standard meter equivalency table based on the hydraulic flow capacity of various meter sizes (measured in gallons per minute (GPM)) as taken from AWWA's M1 manual as shown in **Table 11**. In keeping with a long-standing practice at the City, the 5/8" meters and 3/4" meters are melded into a single group and assigned the capacity factor of a 3/4" meter.

Table 11: Meter Equivalencies

| Meter Size | Meter Type | GPM | Proposed Equivalency Schedule ⁽¹⁾ |
|-------------|----------------|-------|--|
| 5/8" & 3/4" | Displacement | 30 | 1.00 |
| 1" | Displacement | 50 | 1.67 |
| 1 1/2" | Displacement | 100 | 3.33 |
| 2" | Displacement | 160 | 5.33 |
| 3" | Compound | 320 | 10.67 |
| 4" | Compound | 500 | 16.67 |
| 6" | Compound | 1,000 | 33.33 |
| 8" | Compound | 1,600 | 53.33 |
| 10" | Propeller-Type | 2,400 | 80.00 |
| 12" | Propeller-Type | 3,375 | 112.50 |

(1) Source: Table B-1, Appendix B, *AWWA M1 Manual*, 7th Ed.

As summarized in **Section 3.1.3**, the revenue requirement designated as Utility costs totaled \$14,197,598. Given the meter equivalency schedule described in **Table 11**, there are 51,780 equivalent meters in the system which yields a charge of \$22.85 per equivalent meter per month. **Table 12** provides the scaled Utility cost by meter size which, together with the Customer cost, makes up the Fixed Meter Charge. The full schedule of Fixed Meter Charges for the 5-year planning horizon is presented in **Schedule 6** through **Schedule 10**.

Table 12: Monthly Fixed Meter Charge (FY 2020)

| Meter Size | Customer Costs | Utility Costs | Fixed Meter Charge |
|------------|----------------|---------------|--------------------|
| 5/8" | \$3.22 | \$22.85 | \$26.07 |
| 1" | \$3.22 | \$38.08 | \$41.30 |
| 1 1/2" | \$3.22 | \$76.16 | \$79.39 |
| 2" | \$3.22 | \$121.86 | \$125.08 |
| 3" | \$3.22 | \$243.72 | \$246.95 |
| 4" | \$3.22 | \$380.82 | \$384.04 |
| 6" | \$3.22 | \$761.64 | \$764.86 |
| 8" | \$3.22 | \$1,218.62 | \$1,221.84 |
| 10" | \$3.22 | \$1,827.93 | \$1,831.15 |
| 12" | \$3.22 | \$2,570.52 | \$2,573.75 |

4.6 CALCULATION OF VARIABLE USAGE RATE

The following section explains how the proposed Usage Rates were developed based on the cost of water supply.

4.6.1 PURCHASED WATER COSTS

The \$22,448,135 in Source of Supply revenue requirements (see **Table 6**) is largely made up of water purchase costs, and to a lesser extent water production electricity and source of supply efforts such as the Water Enterprise’s Conservation Program. The City has two water sources:

1. **Groundwater Supply:** The City pays OCWD for the right to pump groundwater, which makes up approximately 75% of the Water Enterprise’s water supply. Between the payments to OCWD and pumping energy costs, this groundwater composes approximately 60% of the Water Enterprise’s water supply costs.
2. **Imported Water** – Water purchased from MWD makes up the remaining 25% of the Water Enterprise’s water supply and accounts for 40% of the Water Enterprise’s water supply costs.

A final element of the Water Enterprise’s water portfolio is the cost of the Conservation Program (\$149,224 per year) based on the fact water conservation is considered a source of supply by Urban Water Management Plans.

4.6.2 UNIFORM RATES

The uniform rate for Year 1 (FY 2020) that is proposed for all non-residential customers is calculated by dividing the total Source of Supply cost (\$22.4 million) by the total water consumption of 7,806,163¹⁴ TGAL, which yields \$2.88 per TGAL.

4.6.3 TIERED RATES

The tiered rates that are proposed in Year 1 (FY 2020) for single family residential and multi-family residential accounts are based on the same costs as the uniform rate. However, the costs for the various sources of water are designed to be recovered through specific tiers by assigning the proportionate share of supply volume and supply costs to each tiered allocation and rate, respectively.

The **Tier 1 rate** is designed to recover the cost of OCWD rates for groundwater extraction, the electrical costs of water production, the electrical costs of distributing that volume of water, and a portion of the costs of the Water Enterprise's Program 2428 (Water Quality/Metering, see the last column in **Schedule 5**).

The **Tier 2 rate** is designed to recover the costs of purchasing imported water from MWD, the electrical costs for distributing that volume of water, and a portion of the costs of the Water Enterprise's Program 2428 (Water Quality/Metering, see the last column in **Schedule 5**).

The **Tier 3 rate** is designed to recover the cost of Tier 2 water (see above) as well as the cost of the Conservation Program since it is the customers that use the most water that create the need for the Conservation Program.

The allocation of water in each tier is based on the amount of water supply that is available from each respective source. As previously stated, 75% of the Water Enterprise's water supply comes from groundwater. For single family residential

¹⁴ Based on total billed water consumption from FY2017 and increased by 4.93% based on calculated estimates of the change in water usage since that time. The calculated increase is based on more recent water rate revenue data.

accounts, 75% of the water usage by that customer class occurs below the water consumption level of 12,800 gallons. As such the Tier 1 threshold for single family residential customers is set at 12.8 TGALs per month. The remaining water consumption (above 12.8 TGALs per month) is designated as imported water costs. The final 5% of water consumption (above 33.0 TGALs for single family residential customers) is designated for Tier 3, which also pays for the cost of the Conservation Program. **Figure 6** presents a graphical summary of the water and cost allocation for the tiered rates.

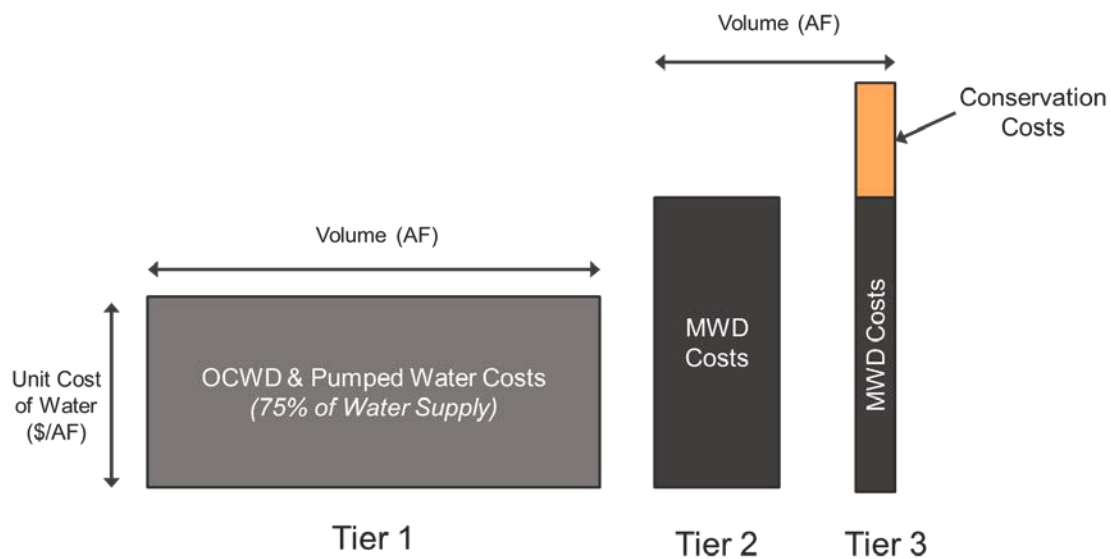


Figure 6: Tiered Rate Cost and Flow Allocations

The same logic applies to the multi-family customers, although tier allocations for multi-family accounts scale with the number of housing units associated with each account. A summary of the tiered rates and tiered water allocations is provided in **Table 13**.

Table 13: Residential Usage Rates (FY 2020)

| Tier | Rate (per TGAL) | Allocation (Single Family) | Allocation (Multi-Family) (per unit) |
|------|-----------------|----------------------------|--------------------------------------|
| 1 | \$2.28 | 12,800 gal. | 5,100 gal. |
| 2 | \$4.58 | 20,200 gal. | 6,700 gal. |
| 3 | \$4.96 | (na) | (na) |

The Usage Rates for the 5-year planning horizon are presented in **Schedule 6** through **Schedule 10**.

4.7 PASS-THROUGH POLICY

In addition to the recommended increases in revenues shown in **Section 2.2**, this Study proposes to modify the existing Pass-Through Policy in order to offset any increases in water supply costs through increases to the Usage Rates. The pass-through calculation does not apply to FY 2020 because revenue requirements and cost recovery were calculated based on the projected FY 2020 water supply costs.

As illustrated in **Figure 7**, tiered rates are adjusted based on changes to the unit costs corresponding to the water source allocated to each tier. Tier 1 rates are increased (or conceivably decreased) by the change in the OCWD unit costs. The OCWD unit costs (in \$/TGALs) will be calculated by dividing the previous year's total OCWD costs by the total amount of pumped groundwater. For example, a \$0.09 per TGAL increase in OCWD unit costs would yield a \$0.09 per TGAL increase in Tier 1 rates.

Tier 2 and Tier 3 rates are both increased (or decreased) by the change in the unit costs charged by MWD (see OCWD example above).

Because the uniform rates are calculated based on the same cost recovery, the adjustment to uniform rates is a weighted average of the rate increases for each of the tiered rates. For example, a \$0.02 per TGAL increase in Tier 2 & 3 rates (due to MWD unit cost increases), paired with the \$0.09 per TGAL increase in Tier 1 rates (see the example above) rates would yield a \$0.07 increase in the Uniform Rate (rounded to the nearest cent).

$$\begin{array}{l}
 \left. \begin{array}{l} \text{Tiered} \\ \text{Rates} \end{array} \right\} \begin{array}{l}
 \text{Tier 1 Rate Adjustment } \left(\frac{\$}{\text{TGAL}} \right) = \text{Change in OCWD Unit Costs } \left(\frac{\$}{\text{TGAL}} \right) \\
 \text{Tier 2 Rate Adjustment } \left(\frac{\$}{\text{TGAL}} \right) = \text{Change in MWD Unit Costs } \left(\frac{\$}{\text{TGAL}} \right) \\
 \text{Tier 3 Rate Adjustment } \left(\frac{\$}{\text{TGAL}} \right) = \text{Change in MWD Unit Costs } \left(\frac{\$}{\text{TGAL}} \right)
 \end{array} \\
 \\
 \left. \begin{array}{l} \text{Uniform} \\ \text{Rates} \end{array} \right\} \text{Uniform Rate Adjustment } \left(\frac{\$}{\text{TGAL}} \right) = \text{Tier 1 Rate Adjustment } \left(\frac{\$}{\text{TGAL}} \right) \times 75\% + \text{Tier 2 Rate Adjustment } \left(\frac{\$}{\text{TGAL}} \right) \times 25\% \\
 \text{(i.e. the weighted average of the adjustments to the tiered rates)}
 \end{array}$$

Figure 7: Pass-Through Cost Formulas

Rate Adjustment Notification and Publication - This report advises the City that, pursuant to Government Code 53756, the City must give notice to ratepayers of any pass-through adjustment to water rates at least 30 days prior to the effective date of the adjustment. This can be done on the ratepayer’s invoice (for example in the “notes” section of the invoice). It is also important to note that, due to the Pass-Through Policy, the Usage Rates that are charged by the City in FY 2021 through FY 2024 are likely to be different from rates shown in **Schedule 7** through **Schedule 10** (for those same years). Each year, the actual rate schedule will be a function of the Pass-Through adjustments effectuated in the prior years. As such, the Study recommends that the City continue with its existing practice of posting rate schedules at the time that they are effective (as adjusted per the Pass-Through Policy), while meeting the 30-day notification requirements stated above. This recommendation is preferred to posting **Schedules 7** through **Schedule 10** as they are shown in this report, due to the dynamic nature of the annual pass-through adjustments (which may create confusion for rate payers).

4.8 TEMPORARY SERVICE (CONSTRUCTION METERS)

Temporary service, also known as Construction Meters, are provided to customers who connect a temporary meter to a public fire hydrant for the purpose of providing water to a temporary project or activity. The charge for Temporary Service is based on the same rates charged to property-based accounts, with the exception of a three-dollar (\$3.00) service charge for the use of the meter. This service charge is a reasonable estimate of the cost of administering the

construction meter warehousing. The Daily Service charge in Table 14 was calculated by dividing the appropriate Fixed Meter Charge by 30 (days in a month) and adding the service charge. For example, a 1" Temporary Service charge is equal to \$41.30 divided by 30 plus \$3.00.

Table 14: Temporary Service Charge (FY 2020)

| Size of Connection | Daily Meter Charge* | Commodity Rate (per TGAL) |
|--------------------|---------------------|---------------------------|
| 1" | \$4.38 | \$2.88 |
| 3" | \$11.23 | \$2.88 |

** Includes \$3 daily service charge*

Section 5. SUMMARY OF PROPOSED RATES

This Report used methodologies that are aligned with industry standard practices for rate setting as promulgated by AWWA and all applicable laws, including California's Proposition 218. The proposed annual adjustments to the rates will allow the City to continue to provide reliable service to customers while addressing critical infrastructure deficiencies. The modifications to the rate structure will provide revenue stability, improve the defensibility of the water rates, and continue to equitably and proportionately recover costs from the customers. A complete schedule of rates over the 5-year planning period are summarized in **Appendix C** (Schedule 6 through Schedule 10).

It is important to note that this study proposes changes to both the total amount of rate revenue being collected by the Water Enterprise as well as the structure of the rates. As a result, the results of the rate changes will vary among different customers in Year 1 due to the proposed rate structure adjustments. To be clear, some customers' bills will increase by more than rate revenue increase of 15% in Year 1, while other customer's bills will increase by less than that amount. Starting in Year 2 (FY 2021), all customers will experience the same uniform percentage change to their bill.

DISCLAIMER

This document was produced by Stantec Consulting Services, Inc. ("Stantec") for the City of Fullerton ("City") and is based on a specific scope agreed upon by both parties. In preparing this report, Stantec utilized information and data obtained from the City 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 City 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 - Budgeted and Projected Cash Inflows
- Schedule 2 - Budgeted and Projected Cash Outflows
- Schedule 3 - Capital Improvement Program
- Schedule 4 - Cash Flow Pro Forma



Projection of Cash Inflows

Schedule 1

| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | |
|---------------------------------|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Rate Revenue | | | | | | | | | | | |
| 1 | Fixed Rate Revenue | \$ 7,230,393 | 8,475,819 | 9,648,519 | 10,709,856 | 11,245,349 | 11,695,163 | 11,987,542 | 12,287,231 | 12,594,412 | 12,909,272 |
| 2 | Variable Rate Revenue | \$ 25,098,514 | 29,421,700 | 31,549,878 | 35,020,365 | 36,771,383 | 38,242,238 | 39,198,294 | 40,178,251 | 41,182,708 | 42,212,275 |
| 3 | Projected Pass-Through Revenue | \$ - | - | 706,656 | 1,172,229 | 2,027,879 | 2,921,079 | 3,853,477 | 4,826,792 | 5,842,821 | 6,903,437 |
| 4 | Total Revenue | \$ 32,328,907 | \$ 37,897,519 | \$ 41,905,053 | \$ 46,902,450 | \$ 50,044,611 | \$ 52,858,480 | \$ 55,039,313 | \$ 57,292,274 | \$ 59,619,940 | \$ 62,024,984 |
| Other Operating Revenue: | | | | | | | | | | | |
| 5 | Other Operating Income | \$ 1,058,739 | 1,080,037 | 1,095,579 | 1,111,432 | 1,127,603 | 1,144,096 | 1,160,919 | 1,178,079 | 1,195,582 | 1,213,436 |
| 6 | Frontage/Impact/Developer Fees | \$ 33,302 | 33,786 | 34,280 | 34,783 | 35,297 | 35,821 | 36,355 | 36,900 | 37,456 | 38,023 |
| 7 | Total Other Operating Revenue | \$ 1,092,041 | \$ 1,113,823 | \$ 1,129,859 | \$ 1,146,216 | \$ 1,162,899 | \$ 1,179,917 | \$ 1,197,275 | \$ 1,214,980 | \$ 1,233,039 | \$ 1,251,459 |
| Non-Operating Revenue: | | | | | | | | | | | |
| 8 | 4260 Public Works Permits | \$ 61,044 | 62,264 | 63,510 | 64,780 | 66,076 | 67,397 | 68,745 | 70,120 | 71,522 | 72,953 |
| 9 | 4280 Other Licenses & Permits | \$ 311 | 317 | 324 | 330 | 337 | 343 | 350 | 357 | 365 | 372 |
| 10 | 4281 Temporary Water Permits | \$ 5,360 | 5,467 | 5,577 | 5,688 | 5,802 | 5,918 | 6,036 | 6,157 | 6,280 | 6,406 |
| 11 | 4350 Fines | \$ - | - | - | - | - | - | - | - | - | - |
| 12 | 4418 Cell Tower Rent | \$ 240,000 | 248,400 | 257,094 | 266,092 | 275,406 | 285,045 | 295,021 | 305,347 | 316,034 | 327,095 |
| 13 | 4420 Rents | \$ - | - | - | - | - | - | - | - | - | - |
| 14 | 4612 Sale of Maps & Publications | \$ 2,201 | 2,245 | 2,290 | 2,336 | 2,382 | 2,430 | 2,479 | 2,528 | 2,579 | 2,630 |
| 15 | 4614 Plan Check Fees | \$ 32,702 | 33,356 | 34,023 | 34,703 | 35,397 | 36,105 | 36,827 | 37,564 | 38,315 | 39,082 |
| 16 | 4665 Net Zero Water Impact Fee(FTC) | \$ - | - | - | - | - | - | - | - | - | - |
| 17 | 4810 Sale of Real&Personal Property | \$ 19,686 | 20,080 | 20,481 | 20,891 | 21,309 | 21,735 | 22,169 | 22,613 | 23,065 | 23,526 |
| 18 | 4830 Miscellaneous | \$ 54,613 | 55,705 | 56,819 | 57,956 | 59,115 | 60,297 | 61,503 | 62,733 | 63,988 | 65,267 |
| 19 | 4832 Over & (Short) | \$ - | - | - | - | - | - | - | - | - | - |
| 20 | Total Non-Operating Revenue | \$ 415,916 | \$ 427,834 | \$ 440,117 | \$ 452,776 | \$ 465,823 | \$ 479,270 | \$ 493,131 | \$ 507,419 | \$ 522,148 | \$ 537,331 |
| Other Income: | | | | | | | | | | | |
| 21 | Interest Income | \$ 16 | 46,963 | 36,541 | 43,157 | 55,471 | 58,101 | 50,864 | 43,602 | 42,872 | 45,373 |
| 22 | Transfers In | \$ 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 |
| 23 | Total Interest Income | \$ 190,016 | \$ 236,963 | \$ 226,541 | \$ 233,157 | \$ 245,471 | \$ 248,101 | \$ 240,864 | \$ 233,602 | \$ 232,872 | \$ 235,373 |
| 24 | TOTAL REVENUE | \$ 34,026,880 | \$ 39,676,139 | \$ 43,701,570 | \$ 48,734,598 | \$ 51,918,805 | \$ 54,765,769 | \$ 56,970,583 | \$ 59,248,275 | \$ 61,607,999 | \$ 64,049,148 |

Projection of Cash Outflows (page 1 of 9)

Schedule 2

| | | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | |
|---------|---------------------|--------------------------------|------------|----------|----------|----------|----------|----------|----------|----------|----------|---------|
| GL CODE | Expense Description | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | |
| 1 | 21115101 | Salaries - Regular | \$ 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,590 | 4,682 | 4,775 | 4,871 | 4,968 |
| 2 | 21115110 | Opt-Out/SPIL | \$ 520 | 520 | 520 | 520 | 520 | 530 | 541 | 552 | 563 | 574 |
| 3 | 21115124 | Dental Insurance | \$ 116 | 125 | 135 | 146 | 158 | 170 | 184 | 199 | 215 | 232 |
| 4 | 21115129 | Other Insurance | \$ 43 | 43 | 43 | 43 | 43 | 44 | 45 | 46 | 47 | 47 |
| 5 | 21115131 | Workers' Compensation | \$ 504 | 504 | 504 | 504 | 504 | 514 | 524 | 535 | 546 | 556 |
| 6 | 21115136 | Retirement - Non Safety | \$ 357 | 357 | 357 | 357 | 357 | 364 | 371 | 379 | 386 | 394 |
| 7 | 21115137 | PERS Misc. - Employer Paid | \$ - | - | - | - | - | - | - | - | - | - |
| 8 | 21115139 | Retirement - Non Regular | \$ - | - | - | - | - | - | - | - | - | - |
| 9 | 21115140 | Medicare (1.45% of Salary) | \$ 73 | 73 | 73 | 73 | 73 | 74 | 76 | 77 | 79 | 81 |
| 10 | 21215101 | Salaries - Regular | \$ 47,397 | 47,397 | 47,397 | 47,397 | 47,397 | 48,345 | 49,312 | 50,298 | 51,304 | 52,330 |
| 11 | 21215104 | Overtime Salaries - Misc | \$ - | - | - | - | - | - | - | - | - | - |
| 12 | 21215110 | Opt-Out/SPIL | \$ 260 | 260 | 260 | 260 | 260 | 265 | 271 | 276 | 281 | 287 |
| 13 | 21215123 | Health Insurance | \$ 2,330 | 2,516 | 2,718 | 2,935 | 3,170 | 3,424 | 3,697 | 3,993 | 4,313 | 4,658 |
| 14 | 21215124 | Dental Insurance | \$ 84 | 91 | 98 | 106 | 114 | 123 | 133 | 144 | 155 | 168 |
| 15 | 21215128 | 5128 HSA Contribution | \$ - | - | - | - | - | - | - | - | - | - |
| 16 | 21215129 | Other Insurance | \$ 325 | 325 | 325 | 325 | 325 | 332 | 338 | 345 | 352 | 359 |
| 17 | 21215131 | Woker's Compensation | \$ 442 | 442 | 442 | 442 | 442 | 451 | 460 | 469 | 478 | 488 |
| 18 | 21215136 | Retirement - Employee Contribu | \$ 9,748 | 10,763 | 11,599 | 12,402 | 13,339 | 14,346 | 15,430 | 16,596 | 17,849 | 19,198 |
| 19 | 21215137 | Retirement - Employer Contribu | \$ - | - | - | - | - | - | - | - | - | - |
| 20 | 21215140 | Medicare (1.45% of salary) | \$ 701 | 701 | 701 | 701 | 701 | 715 | 729 | 744 | 759 | 774 |
| 21 | 21215143 | Auto Allowance | \$ 715 | 715 | 715 | 715 | 715 | 729 | 744 | 759 | 774 | 789 |
| 22 | 21255101 | Salaries - Regular | \$ 12,306 | 12,306 | 12,306 | 12,306 | 12,306 | 12,552 | 12,803 | 13,059 | 13,320 | 13,587 |
| 23 | 21255123 | Health Insurance | \$ 660 | 713 | 770 | 831 | 898 | 970 | 1,047 | 1,131 | 1,222 | 1,319 |
| 24 | 21255124 | Dental Insurance | \$ 21 | 23 | 24 | 26 | 29 | 31 | 33 | 36 | 39 | 42 |
| 25 | 21255129 | Other Insurance | \$ 74 | 74 | 74 | 74 | 74 | 75 | 77 | 79 | 80 | 82 |
| 26 | 21255131 | Workers' Compensation | \$ 111 | 111 | 111 | 111 | 111 | 113 | 115 | 118 | 120 | 123 |
| 27 | 21255136 | Retirement - Employee Contribu | \$ 3,033 | 3,349 | 3,609 | 3,859 | 4,150 | 4,464 | 4,801 | 5,164 | 5,554 | 5,973 |
| 28 | 21255137 | PERS Misc. - Employer Paid | \$ - | - | - | - | - | - | - | - | - | - |
| 29 | 21255140 | Medicare (1.45% of salary) | \$ 178 | 178 | 178 | 178 | 178 | 182 | 185 | 189 | 193 | 197 |
| 30 | 21615101 | Salaries - Regular | \$ 18,300 | 18,300 | 18,300 | 18,300 | 18,300 | 18,666 | 19,039 | 19,420 | 19,809 | 20,205 |
| 31 | 21615123 | Health Insurance | \$ 1,620 | 1,750 | 1,890 | 2,041 | 2,204 | 2,380 | 2,571 | 2,776 | 2,999 | 3,238 |
| 32 | 21615124 | Dental Insurance | \$ 58 | 63 | 68 | 73 | 79 | 85 | 92 | 99 | 107 | 116 |
| 33 | 21615125 | Vision Insurance | \$ - | - | - | - | - | - | - | - | - | - |
| 34 | 21615128 | HSA Contribution | \$ - | - | - | - | - | - | - | - | - | - |
| 35 | 21615129 | Other Insurance | \$ 124 | 124 | 124 | 124 | 124 | 126 | 129 | 132 | 134 | 137 |
| 36 | 21615131 | Workers' Compensation | \$ 106 | 106 | 106 | 106 | 106 | 108 | 110 | 112 | 115 | 117 |
| 37 | 21615136 | Retirement - Employee Contribu | \$ 3,833 | 4,232 | 4,561 | 4,877 | 5,245 | 5,641 | 6,067 | 6,526 | 7,019 | 7,549 |
| 38 | 21615137 | Retirement - Employer Contribu | \$ - | - | - | - | - | - | - | - | - | - |
| 39 | 21615140 | Medicare (1.45% of salary) | \$ 274 | 274 | 274 | 274 | 274 | 279 | 285 | 291 | 297 | 303 |
| 40 | 21615143 | Auto Allowance | \$ 582 | 582 | 582 | 582 | 582 | 594 | 606 | 618 | 630 | 643 |
| 41 | 21635101 | Salaries - Regular | \$ 102,607 | 102,607 | 102,607 | 102,607 | 102,607 | 104,659 | 106,752 | 108,887 | 111,065 | 113,286 |
| 42 | 21635104 | Overtime Salaries | \$ - | - | - | - | - | - | - | - | - | - |
| 43 | 21635108 | Sick Leave/Vacation Accrual | \$ - | - | - | - | - | - | - | - | - | - |
| 44 | 21635110 | Opt-Out/SPIL | \$ 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,326 | 1,353 | 1,380 | 1,407 | 1,435 |
| 45 | 21635123 | Health Insurance | \$ 3,000 | 3,240 | 3,499 | 3,779 | 4,081 | 4,408 | 4,761 | 5,141 | 5,553 | 5,997 |
| 46 | 21635124 | Dental Insurance | \$ 430 | 464 | 502 | 542 | 585 | 632 | 682 | 737 | 796 | 860 |
| 47 | 21635125 | Vision Insurance | \$ 23 | 25 | 27 | 29 | 31 | 34 | 36 | 39 | 43 | 46 |
| 48 | 21635129 | Other Insurance | \$ 646 | 646 | 646 | 646 | 646 | 659 | 672 | 686 | 699 | 713 |
| 49 | 21635131 | Workers' Compensation | \$ 1,593 | 1,593 | 1,593 | 1,593 | 1,593 | 1,625 | 1,657 | 1,691 | 1,724 | 1,759 |
| 50 | 21635136 | Retirement - Employee Contribu | \$ 24,832 | 27,418 | 29,546 | 31,592 | 33,979 | 36,546 | 39,307 | 42,276 | 45,470 | 48,905 |
| 51 | 21635137 | Retirement - Employer Contribu | \$ - | - | - | - | - | - | - | - | - | - |
| 52 | 21635140 | Medicare (1.45% of salary) | \$ 1,507 | 1,507 | 1,507 | 1,507 | 1,507 | 1,537 | 1,568 | 1,599 | 1,631 | 1,664 |
| 53 | 21635142 | Bilingual Pay | \$ - | - | - | - | - | - | - | - | - | - |
| 54 | 21645101 | Salaries - Regular | \$ 14,877 | 14,877 | 14,877 | 14,877 | 14,877 | 15,175 | 15,478 | 15,788 | 16,103 | 16,425 |

Projection of Cash Outflows (page 2 of 9)

Schedule 2

| | | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---------|---------------------|------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| GL CODE | Expense Description | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| 55 | 21645110 | \$ 260 | 260 | 260 | 260 | 260 | 265 | 271 | 276 | 281 | 287 |
| 56 | 21645123 | \$ 594 | 642 | 693 | 748 | 808 | 873 | 943 | 1,018 | 1,099 | 1,187 |
| 57 | 21645124 | \$ 61 | 66 | 71 | 77 | 83 | 90 | 97 | 105 | 113 | 122 |
| 58 | 21645125 | \$ 12 | 13 | 14 | 15 | 16 | 18 | 19 | 21 | 22 | 24 |
| 59 | 21645129 | \$ 102 | 102 | 102 | 102 | 102 | 104 | 106 | 108 | 110 | 113 |
| 60 | 21645131 | \$ 230 | 230 | 230 | 230 | 230 | 235 | 239 | 244 | 249 | 254 |
| 61 | 21645136 | \$ 3,705 | 4,091 | 4,408 | 4,714 | 5,070 | 5,453 | 5,865 | 6,308 | 6,784 | 7,297 |
| 62 | 21645137 | \$ - | - | - | - | - | - | - | - | - | - |
| 63 | 21645140 | \$ 222 | 222 | 222 | 222 | 222 | 226 | 231 | 236 | 240 | 245 |
| 64 | 21645142 | \$ - | - | - | - | - | - | - | - | - | - |
| 65 | 21655101 | \$ 456,897 | 456,897 | 456,897 | 456,897 | 456,897 | 466,035 | 475,356 | 484,863 | 494,560 | 504,451 |
| 66 | 21655102 | \$ - | - | - | - | - | - | - | - | - | - |
| 67 | 21655104 | \$ - | - | - | - | - | - | - | - | - | - |
| 68 | 21655107 | \$ - | - | - | - | - | - | - | - | - | - |
| 69 | 21655110 | \$ 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,326 | 1,353 | 1,380 | 1,407 | 1,435 |
| 70 | 21655123 | \$ 66,948 | 72,304 | 78,088 | 84,335 | 91,082 | 98,369 | 106,238 | 114,737 | 123,916 | 133,829 |
| 71 | 21655124 | \$ 2,349 | 2,537 | 2,740 | 2,959 | 3,196 | 3,451 | 3,728 | 4,026 | 4,348 | 4,696 |
| 72 | 21655125 | \$ 752 | 812 | 877 | 947 | 1,023 | 1,105 | 1,193 | 1,289 | 1,392 | 1,503 |
| 73 | 21655126 | \$ 7,011 | 7,011 | 7,011 | 7,011 | 7,011 | 7,151 | 7,294 | 7,440 | 7,589 | 7,741 |
| 74 | 21655129 | \$ 3,052 | 3,052 | 3,052 | 3,052 | 3,052 | 3,113 | 3,175 | 3,239 | 3,304 | 3,370 |
| 75 | 21655131 | \$ 9,452 | 9,452 | 9,452 | 9,452 | 9,452 | 9,641 | 9,834 | 10,031 | 10,231 | 10,436 |
| 76 | 21655136 | \$ 111,090 | 122,660 | 132,180 | 141,334 | 152,011 | 163,494 | 175,845 | 189,129 | 203,416 | 218,782 |
| 77 | 21655137 | \$ - | - | - | - | - | - | - | - | - | - |
| 78 | 21655139 | \$ - | - | - | - | - | - | - | - | - | - |
| 79 | 21655140 | \$ 6,718 | 6,718 | 6,718 | 6,718 | 6,718 | 6,852 | 6,989 | 7,129 | 7,272 | 7,417 |
| 80 | 21655142 | \$ 5,148 | 5,148 | 5,148 | 5,148 | 5,148 | 5,251 | 5,356 | 5,463 | 5,572 | 5,684 |
| 81 | 21656202 | \$ 50 | 51 | 52 | 53 | 55 | 56 | 57 | 58 | 60 | 61 |
| 82 | 21656212 | \$ 850 | 869 | 888 | 907 | 927 | 948 | 969 | 990 | 1,012 | 1,034 |
| 83 | 21656301 | \$ 1,000 | 1,022 | 1,044 | 1,067 | 1,091 | 1,115 | 1,139 | 1,165 | 1,190 | 1,216 |
| 84 | 21656319 | \$ 94,000 | 96,068 | 98,181 | 100,341 | 102,549 | 104,805 | 107,111 | 109,467 | 111,876 | 114,337 |
| 85 | 21656356 | \$ - | - | - | - | - | - | - | - | - | - |
| 86 | 21656401 | \$ 10,000 | 10,220 | 10,445 | 10,675 | 10,909 | 11,149 | 11,395 | 11,645 | 11,902 | 12,163 |
| 87 | 21656408 | \$ 92,000 | 94,024 | 96,093 | 98,207 | 100,367 | 102,575 | 104,832 | 107,138 | 109,495 | 111,904 |
| 88 | 21656423 | \$ 3,000 | 3,066 | 3,133 | 3,202 | 3,273 | 3,345 | 3,418 | 3,494 | 3,570 | 3,649 |
| 89 | 21656432 | \$ 3,400 | 3,475 | 3,551 | 3,629 | 3,709 | 3,791 | 3,874 | 3,959 | 4,047 | 4,136 |
| 90 | 21656443 | \$ 35,000 | 35,770 | 36,557 | 37,361 | 38,183 | 39,023 | 39,882 | 40,759 | 41,656 | 42,572 |
| 91 | 21656501 | \$ 5,100 | 5,212 | 5,327 | 5,444 | 5,564 | 5,686 | 5,811 | 5,939 | 6,070 | 6,203 |
| 92 | 21656521 | \$ - | - | - | - | - | - | - | - | - | - |
| 93 | 21656522 | \$ - | - | - | - | - | - | - | - | - | - |
| 94 | 21656552 | \$ 4,700 | 4,803 | 4,909 | 5,017 | 5,127 | 5,240 | 5,356 | 5,473 | 5,594 | 5,717 |
| 95 | 21656553 | \$ - | - | - | - | - | - | - | - | - | - |
| 96 | 21656604 | \$ - | - | - | - | - | - | - | - | - | - |
| 97 | 21656703 | \$ 50,000 | 51,100 | 52,224 | 53,373 | 54,547 | 55,747 | 56,974 | 58,227 | 59,508 | 60,817 |
| 98 | 21656709 | \$ 420 | 429 | 439 | 448 | 458 | 468 | 479 | 489 | 500 | 511 |
| 99 | 21656717 | \$ 125,000 | 127,750 | 130,561 | 133,433 | 136,368 | 139,368 | 142,435 | 145,568 | 148,771 | 152,044 |
| 100 | 21656801 | \$ - | - | - | - | - | - | - | - | - | - |
| 101 | 21656802 | \$ 26,010 | 26,582 | 27,167 | 27,765 | 28,376 | 29,000 | 29,638 | 30,290 | 30,956 | 31,637 |
| 102 | 21656804 | \$ 29,410 | 30,057 | 30,718 | 31,394 | 32,085 | 32,791 | 33,512 | 34,249 | 35,003 | 35,773 |
| 103 | 21656805 | \$ 6,460 | 6,602 | 6,747 | 6,896 | 7,048 | 7,203 | 7,361 | 7,523 | 7,688 | 7,858 |
| 104 | 21656806 | \$ 3,980 | 4,068 | 4,157 | 4,249 | 4,342 | 4,437 | 4,535 | 4,635 | 4,737 | 4,841 |
| 105 | 21656808 | \$ 550 | 562 | 574 | 587 | 600 | 613 | 627 | 640 | 655 | 669 |
| 106 | 21656809 | \$ 49,360 | 50,446 | 51,556 | 52,690 | 53,849 | 55,034 | 56,245 | 57,482 | 58,747 | 60,039 |
| 107 | 21656810 | \$ 9,280 | 9,280 | 9,280 | 9,280 | 9,280 | 9,466 | 9,655 | 9,848 | 10,045 | 10,246 |
| 108 | 21715101 | \$ 23,164 | 23,164 | 23,164 | 23,164 | 23,164 | 23,627 | 24,100 | 24,582 | 25,073 | 25,575 |
| 109 | 21715123 | \$ 3,360 | 3,629 | 3,919 | 4,233 | 4,571 | 4,937 | 5,332 | 5,758 | 6,219 | 6,717 |

Projection of Cash Outflows (page 3 of 9)

Schedule 2

| | | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--------------|--------------------------------|------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| GL CODE | Expense Description | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| 110 21715124 | Dental Insurance | \$ 82 | 89 | 96 | 103 | 112 | 120 | 130 | 141 | 152 | 164 |
| 111 21715125 | Vision Insurance | \$ 33 | 36 | 38 | 42 | 45 | 48 | 52 | 57 | 61 | 66 |
| 112 21715129 | Other Insurance | \$ 157 | 157 | 157 | 157 | 157 | 160 | 163 | 167 | 170 | 173 |
| 113 21715131 | Worker's Compensation | \$ 900 | 900 | 900 | 900 | 900 | 918 | 936 | 955 | 974 | 994 |
| 114 21715136 | Retirement - Employee Contribu | \$ 5,709 | 6,304 | 6,793 | 7,263 | 7,812 | 8,402 | 9,037 | 9,719 | 10,454 | 11,243 |
| 115 21715137 | Retirement - Employer Contribu | \$ - | - | - | - | - | - | - | - | - | - |
| 116 21715140 | Medicare (1.45% of salary) | \$ 336 | 336 | 336 | 336 | 336 | 343 | 350 | 357 | 364 | 371 |
| 117 23225101 | Salaries - Regular | \$ 28,815 | 28,815 | 28,815 | 28,815 | 28,815 | 29,391 | 29,979 | 30,579 | 31,190 | 31,814 |
| 118 23225110 | Opt-Out/SPIL | \$ 260 | 260 | 260 | 260 | 260 | 265 | 271 | 276 | 281 | 287 |
| 119 23225123 | Health Insurance | \$ 900 | 972 | 1,050 | 1,134 | 1,224 | 1,322 | 1,428 | 1,542 | 1,666 | 1,799 |
| 120 23225124 | Dental Insurance | \$ 45 | 49 | 52 | 57 | 61 | 66 | 71 | 77 | 83 | 90 |
| 121 23225125 | Vision Insurance | \$ 13 | 14 | 15 | 16 | 18 | 19 | 21 | 22 | 24 | 26 |
| 122 23225126 | Retiree Health Insurance | \$ 2,241 | 2,241 | 2,241 | 2,241 | 2,241 | 2,286 | 2,332 | 2,378 | 2,426 | 2,474 |
| 123 23225129 | Other Insurance | \$ 179 | 179 | 179 | 179 | 179 | 183 | 186 | 190 | 194 | 198 |
| 124 23225131 | Workers' Compensation | \$ 1,737 | 1,737 | 1,737 | 1,737 | 1,737 | 1,772 | 1,807 | 1,843 | 1,880 | 1,918 |
| 125 23225136 | Retirement - Employee Contribu | \$ 7,102 | 7,842 | 8,450 | 9,036 | 9,718 | 10,452 | 11,242 | 12,091 | 13,004 | 13,987 |
| 126 23225137 | Retirement - Employer Contribu | \$ - | - | - | - | - | - | - | - | - | - |
| 127 23225140 | Medicare (1.45% of salary) | \$ 422 | 422 | 422 | 422 | 422 | 430 | 439 | 448 | 457 | 466 |
| 128 23225142 | Bilingual Pay | \$ - | - | - | - | - | - | - | - | - | - |
| 129 23225153 | Contract Administration | \$ - | - | - | - | - | - | - | - | - | - |
| 130 23225157 | Right-of-Way Labor | \$ - | - | - | - | - | - | - | - | - | - |
| 131 23226212 | Training and Meetings | \$ - | - | - | - | - | - | - | - | - | - |
| 132 23226319 | Professional & Contractual Fee | \$ - | - | - | - | - | - | - | - | - | - |
| 133 23226802 | Insurance Alloc - Public Liab | \$ 4,090 | 4,180 | 4,272 | 4,366 | 4,462 | 4,560 | 4,660 | 4,763 | 4,868 | 4,975 |
| 134 23226804 | Building Maint. Svc Alloc | \$ 930 | 950 | 971 | 993 | 1,015 | 1,037 | 1,060 | 1,083 | 1,107 | 1,131 |
| 135 23226805 | Custodial Services Allocation | \$ 210 | 215 | 219 | 224 | 229 | 234 | 239 | 245 | 250 | 255 |
| 136 23226806 | Facility Capital Repair Alloc. | \$ 170 | 174 | 178 | 181 | 185 | 190 | 194 | 198 | 202 | 207 |
| 137 23226809 | IT Services Allocation | \$ 1,940 | 1,983 | 2,026 | 2,071 | 2,116 | 2,163 | 2,211 | 2,259 | 2,309 | 2,360 |
| 138 23226810 | Benefits Admin. Allocation | \$ 200 | 204 | 209 | 213 | 218 | 223 | 228 | 233 | 238 | 243 |
| 139 23235101 | Salaries - Regular | \$ 576,996 | 576,996 | 576,996 | 576,996 | 576,996 | 588,536 | 600,307 | 612,313 | 624,559 | 637,050 |
| 140 23235102 | Wages - Nonregular | \$ 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 51,000 | 52,020 | 53,060 | 54,122 | 55,204 |
| 141 23235104 | Overtime Salaries | \$ 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,060 | 3,121 | 3,184 | 3,247 | 3,312 |
| 142 23235107 | Retirement & Termination - Pay | \$ - | - | - | - | - | - | - | - | - | - |
| 143 23235108 | Sick Leave/Vacation Accrual | \$ - | - | - | - | - | - | - | - | - | - |
| 144 23235110 | Opt-Out/SPIL | \$ 2,145 | 2,145 | 2,145 | 2,145 | 2,145 | 2,188 | 2,232 | 2,276 | 2,322 | 2,368 |
| 145 23235123 | Health Insurance | \$ 62,658 | 67,671 | 73,084 | 78,931 | 85,246 | 92,065 | 99,430 | 107,385 | 115,976 | 125,254 |
| 146 23235124 | Dental Insurance | \$ 2,168 | 2,341 | 2,529 | 2,731 | 2,950 | 3,186 | 3,440 | 3,716 | 4,013 | 4,334 |
| 147 23235125 | Vision Insurance | \$ 587 | 634 | 685 | 739 | 799 | 862 | 931 | 1,006 | 1,086 | 1,173 |
| 148 23235129 | Other Insurance | \$ 3,683 | 3,683 | 3,683 | 3,683 | 3,683 | 3,757 | 3,832 | 3,908 | 3,987 | 4,066 |
| 149 23235131 | Workers' Compensation | \$ 32,238 | 32,238 | 32,238 | 32,238 | 32,238 | 32,883 | 33,540 | 34,211 | 34,895 | 35,593 |
| 150 23235136 | Retirement - Employee Contribu | \$ 136,727 | 150,968 | 162,684 | 173,951 | 187,091 | 201,225 | 216,426 | 232,775 | 250,360 | 269,272 |
| 151 23235137 | Retirement - Employer Contribu | \$ - | - | - | - | - | - | - | - | - | - |
| 152 23235139 | Retirement - Nonregular-3.75% | \$ 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 1,418 | 1,446 | 1,475 | 1,505 | 1,535 |
| 153 23235140 | Medicare (1.45% of salary) | \$ 8,398 | 8,398 | 8,398 | 8,398 | 8,398 | 8,566 | 8,737 | 8,912 | 9,090 | 9,272 |
| 154 23235142 | Bilingual Pay | \$ - | - | - | - | - | - | - | - | - | - |
| 155 23235141 | Uniform / Boot Allowance | \$ - | - | - | - | - | - | - | - | - | - |
| 156 23235152 | Survey | \$ - | - | - | - | - | - | - | - | - | - |
| 157 23235151 | Project Design | \$ - | - | - | - | - | - | - | - | - | - |
| 158 23235153 | Contract Administration | \$ - | - | - | - | - | - | - | - | - | - |
| 159 23235154 | Plan Check | \$ - | - | - | - | - | - | - | - | - | - |
| 160 23235159 | Studies | \$ - | - | - | - | - | - | - | - | - | - |
| 161 23236202 | Auto Expense | \$ 100 | 102 | 104 | 107 | 109 | 111 | 114 | 116 | 119 | 122 |
| 162 23236211 | Dues & Subscriptions | \$ 12,200 | 12,468 | 12,743 | 13,023 | 13,310 | 13,602 | 13,902 | 14,207 | 14,520 | 14,839 |
| 163 23236212 | Meetings, Conferences, & Train | \$ 4,300 | 4,395 | 4,491 | 4,590 | 4,691 | 4,794 | 4,900 | 5,008 | 5,118 | 5,230 |
| 164 23236301 | Legal Fees | \$ 5,000 | 5,110 | 5,222 | 5,337 | 5,455 | 5,575 | 5,697 | 5,823 | 5,951 | 6,082 |

Projection of Cash Outflows (page 4 of 9)

Schedule 2

| | | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | |
|---------|---------------------|---------------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|
| GL CODE | Expense Description | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | |
| 165 | 23236319 | Professional & Contractual Fee | \$ 10,000 | 10,220 | 10,445 | 10,675 | 10,909 | 11,149 | 11,395 | 11,645 | 11,902 | 12,163 |
| 166 | 23236331 | Water Quality Report | \$ 3,000 | 3,066 | 3,133 | 3,202 | 3,273 | 3,345 | 3,418 | 3,494 | 3,570 | 3,649 |
| 167 | 23236332 | Calif. Dept of Health Svc Fee | \$ 70,000 | 71,540 | 73,114 | 74,722 | 76,366 | 78,046 | 79,763 | 81,518 | 83,312 | 85,144 |
| 168 | 23236333 | Water Quality Testing | \$ 60,000 | 61,320 | 62,669 | 64,048 | 65,457 | 66,897 | 68,369 | 69,873 | 71,410 | 72,981 |
| 169 | 23236334 | Water Efficiency Fees | \$ 38,000 | 38,836 | 39,690 | 40,564 | 41,456 | 42,368 | 43,300 | 44,253 | 45,226 | 46,221 |
| 170 | 23236401 | Supplies | \$ 3,500 | 3,577 | 3,656 | 3,736 | 3,818 | 3,902 | 3,988 | 4,076 | 4,166 | 4,257 |
| 171 | 23236408 | Postage | \$ 20,000 | 20,440 | 20,890 | 21,349 | 21,819 | 22,299 | 22,790 | 23,291 | 23,803 | 24,327 |
| 172 | 23236423 | Small Equipment/Furniture | \$ 1,500 | 1,533 | 1,567 | 1,601 | 1,636 | 1,672 | 1,709 | 1,747 | 1,785 | 1,825 |
| 173 | 23236442 | Advertising & Promotion | \$ 5,000 | 5,110 | 5,222 | 5,337 | 5,455 | 5,575 | 5,697 | 5,823 | 5,951 | 6,082 |
| 174 | 23236443 | Printing, Binding, & Duplicate | \$ 5,000 | 5,110 | 5,222 | 5,337 | 5,455 | 5,575 | 5,697 | 5,823 | 5,951 | 6,082 |
| 175 | 23236501 | Maintenance & Repairs | \$ 10,000 | 10,220 | 10,445 | 10,675 | 10,909 | 11,149 | 11,395 | 11,645 | 11,902 | 12,163 |
| 176 | 23236551 | Rentals | \$ 7,100 | 7,256 | 7,416 | 7,579 | 7,746 | 7,916 | 8,090 | 8,268 | 8,450 | 8,636 |
| 177 | 23236604 | Telephone | \$ 1,800 | 1,840 | 1,880 | 1,921 | 1,964 | 2,007 | 2,051 | 2,096 | 2,142 | 2,189 |
| 178 | 23236705 | Reimbursable Services | \$ - | - | - | - | - | - | - | - | - | - |
| 179 | 23236706 | Overhead | \$ 65,000 | 66,430 | 67,891 | 69,385 | 70,912 | 72,472 | 74,066 | 75,695 | 77,361 | 79,063 |
| 180 | 23236802 | Insurance Alloc - Public Liab | \$ 94,460 | 96,538 | 98,662 | 100,833 | 103,051 | 105,318 | 107,635 | 110,003 | 112,423 | 114,896 |
| 181 | 23236804 | Custodial Services Allocation | \$ 21,560 | 22,034 | 22,519 | 23,014 | 23,521 | 24,038 | 24,567 | 25,108 | 25,660 | 26,224 |
| 182 | 23236805 | Facility Capital Repair Alloc. | \$ 4,860 | 4,967 | 5,076 | 5,188 | 5,302 | 5,419 | 5,538 | 5,660 | 5,784 | 5,911 |
| 183 | 23236806 | Vehicle Replacement Reserve | \$ 3,410 | 3,485 | 3,562 | 3,640 | 3,720 | 3,802 | 3,886 | 3,971 | 4,058 | 4,148 |
| 184 | 23236807 | Insurance Alloc - Public Liab | \$ 2,440 | 2,494 | 2,549 | 2,605 | 2,662 | 2,720 | 2,780 | 2,841 | 2,904 | 2,968 |
| 185 | 23236809 | IT Services Allocation | \$ 59,380 | 60,686 | 62,021 | 63,386 | 64,780 | 66,206 | 67,662 | 69,151 | 70,672 | 72,227 |
| 186 | 23236810 | Benefits Admin. Allocation | \$ 6,980 | 7,134 | 7,290 | 7,451 | 7,615 | 7,782 | 7,954 | 8,129 | 8,307 | 8,490 |
| 187 | 23237400 | Furniture, Equipment, & Machin | \$ 25,000 | 25,625 | 26,266 | 26,922 | 27,595 | 28,285 | 28,992 | 29,717 | 30,460 | 31,222 |
| 188 | 23245101 | Salaries - Regular | \$ 53,494 | 53,494 | 53,494 | 53,494 | 53,494 | 54,564 | 55,655 | 56,768 | 57,904 | 59,062 |
| 189 | 23245104 | Overtime Salaries - Misc. | \$ 460 | 460 | 460 | 460 | 460 | 469 | 479 | 488 | 498 | 508 |
| 190 | 23245108 | Sick Leave/Vacation Accrual | \$ - | - | - | - | - | - | - | - | - | - |
| 191 | 23245110 | Opt-Out/SPIIL | \$ 2,060 | 2,060 | 2,060 | 2,060 | 2,060 | 2,101 | 2,143 | 2,186 | 2,230 | 2,274 |
| 192 | 23245123 | Health Insurance | \$ 9,000 | 9,720 | 10,498 | 11,337 | 12,244 | 13,224 | 14,282 | 15,424 | 16,658 | 17,991 |
| 193 | 23245124 | Dental Insurance | \$ 150 | 162 | 175 | 189 | 204 | 220 | 238 | 257 | 278 | 300 |
| 194 | 23245125 | Vision Insurance | \$ 40 | 43 | 47 | 50 | 54 | 59 | 63 | 69 | 74 | 80 |
| 195 | 23245129 | Other Insurance | \$ 335 | 335 | 335 | 335 | 335 | 342 | 349 | 356 | 363 | 370 |
| 196 | 23245131 | Workers' Compensation | \$ 3,473 | 3,473 | 3,473 | 3,473 | 3,473 | 3,542 | 3,613 | 3,686 | 3,759 | 3,834 |
| 197 | 23245136 | Retirement - Employee Contribu | \$ 13,209 | 14,585 | 15,717 | 16,805 | 18,075 | 19,440 | 20,909 | 22,488 | 24,187 | 26,014 |
| 198 | 23245137 | Retirement - Employer Contribu | \$ - | - | - | - | - | - | - | - | - | - |
| 199 | 23245140 | Medicare (1.45% of salary) | \$ 807 | 807 | 807 | 807 | 807 | 823 | 840 | 856 | 874 | 891 |
| 200 | 23245141 | Uniform / Boot Allowance | \$ 100 | 100 | 100 | 100 | 100 | 102 | 104 | 106 | 108 | 110 |
| 201 | 23245142 | Bilingual Pay | \$ - | - | - | - | - | - | - | - | - | - |
| 202 | 23245151 | Project Design | \$ - | - | - | - | - | - | - | - | - | - |
| 203 | 23245153 | Contract Administration | \$ - | - | - | - | - | - | - | - | - | - |
| 204 | 23245155 | Inspection | \$ - | - | - | - | - | - | - | - | - | - |
| 205 | 23245156 | Design Administration & Bidding | \$ - | - | - | - | - | - | - | - | - | - |
| 206 | 23246211 | Dues & Subscriptions | \$ 200 | 204 | 209 | 213 | 218 | 223 | 228 | 233 | 238 | 243 |
| 207 | 23246212 | Meetings, Conferences & Train | \$ 640 | 654 | 668 | 683 | 698 | 714 | 729 | 745 | 762 | 778 |
| 208 | 23246604 | Telephone | \$ 600 | 613 | 627 | 640 | 655 | 669 | 684 | 699 | 714 | 730 |
| 209 | 23246802 | Insurance Alloc - Public Liab | \$ 34,000 | 34,748 | 35,512 | 36,294 | 37,092 | 37,908 | 38,742 | 39,595 | 40,466 | 41,356 |
| 210 | 23246804 | Building Maint. Svc Alloc | \$ 7,760 | 7,931 | 8,105 | 8,284 | 8,466 | 8,652 | 8,842 | 9,037 | 9,236 | 9,439 |
| 211 | 23246805 | Custodial Services Allocation | \$ 1,750 | 1,789 | 1,828 | 1,868 | 1,909 | 1,951 | 1,994 | 2,038 | 2,083 | 2,129 |
| 212 | 23246806 | Facility Capital Repair Alloc. | \$ 1,180 | 1,206 | 1,232 | 1,260 | 1,287 | 1,316 | 1,345 | 1,374 | 1,404 | 1,435 |
| 213 | 23246807 | Vehicle Replacement Reserve | \$ 160 | 164 | 167 | 171 | 175 | 178 | 182 | 186 | 190 | 195 |
| 214 | 23246808 | Vehicle Maintenance Allocation | \$ 6,000 | 6,132 | 6,267 | 6,405 | 6,546 | 6,690 | 6,837 | 6,987 | 7,141 | 7,298 |
| 215 | 23246809 | IT Services Allocation | \$ 13,240 | 13,531 | 13,829 | 14,133 | 14,444 | 14,762 | 15,087 | 15,419 | 15,758 | 16,104 |
| 216 | 23246810 | Benefits Admin. Allocation | \$ 3,430 | 3,505 | 3,583 | 3,661 | 3,742 | 3,824 | 3,908 | 3,994 | 4,082 | 4,172 |
| 217 | 23245139 | Retirement - Nonregular | \$ - | - | - | - | - | - | - | - | - | - |
| 218 | 23245154 | Plan Check | \$ - | - | - | - | - | - | - | - | - | - |
| 219 | 23266319 | Professional & Contractual Fee | \$ - | - | - | - | - | - | - | - | - | - |

Projection of Cash Outflows (page 5 of 9)

Schedule 2

| | | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | |
|---------|---------------------|-------------------------------------|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| GL CODE | Expense Description | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | |
| 220 | 23266531 | Public Safety Support | \$ 42,510 | 43,445 | 44,401 | 45,378 | 46,376 | 47,396 | 48,439 | 49,505 | 50,594 | 51,707 |
| 221 | 23266552 | Lease Payment | \$ 1,203,270 | 1,511,400 | 1,525,140 | 1,525,140 | 1,525,140 | 1,525,140 | 1,525,140 | 1,525,140 | 1,525,140 | 1,525,140 |
| 222 | 23266601 | Water | \$ 18,500,000 | 19,483,033 | 19,032,227 | 19,497,800 | 20,353,451 | 21,246,651 | 22,179,048 | 23,152,363 | 24,168,392 | 25,229,008 |
| 223 | 23266604 | Telephone | \$ 540 | 552 | 564 | 576 | 589 | 602 | 615 | 629 | 643 | 657 |
| 224 | 23266605 | Gas | \$ 200 | 204 | 209 | 213 | 218 | 223 | 228 | 233 | 238 | 243 |
| 225 | 23266606 | Electricity | \$ 5,000 | 5,110 | 5,222 | 5,337 | 5,455 | 5,575 | 5,697 | 5,823 | 5,951 | 6,082 |
| 226 | 23266607 | Water Pumping Power | \$ 1,950,000 | 1,992,900 | 1,915,850 | 1,957,999 | 2,001,075 | 2,045,098 | 2,090,090 | 2,136,072 | 2,183,066 | 2,231,093 |
| 227 | 23266709 | Property Tax | \$ 20,000 | 20,440 | 20,890 | 21,349 | 21,819 | 22,299 | 22,790 | 23,291 | 23,803 | 24,327 |
| 228 | 23266717 | Fees and Charges | \$ 2,400 | 2,453 | 2,507 | 2,562 | 2,618 | 2,676 | 2,735 | 2,795 | 2,856 | 2,919 |
| 229 | 23266718 | Public Street Rt-of-Way Impact | \$ 222,260 | 227,150 | 232,147 | 237,254 | 242,474 | 247,808 | 253,260 | 258,832 | 264,526 | 270,346 |
| 230 | 24115101 | Salaries - Regular | \$ 166,324 | 166,324 | 166,324 | 166,324 | 166,324 | 169,650 | 173,043 | 176,504 | 180,034 | 183,635 |
| 231 | 24115102 | Wages - Nonregular | \$ - | - | - | - | - | - | - | - | - | - |
| 232 | 24115104 | Overtime Salaries | \$ - | - | - | - | - | - | - | - | - | - |
| 233 | 24115108 | Sick Leave/Vacation Accrual | \$ - | - | - | - | - | - | - | - | - | - |
| 234 | 24115110 | 5110 Opt-Out/SPIL | \$ 281 | 281 | 281 | 281 | 281 | 287 | 292 | 298 | 304 | 310 |
| 235 | 24115123 | Health Insurance | \$ 17,218 | 18,595 | 20,083 | 21,690 | 23,425 | 25,299 | 27,323 | 29,509 | 31,869 | 34,419 |
| 236 | 24115124 | Dental Insurance | \$ 692 | 747 | 807 | 872 | 941 | 1,017 | 1,098 | 1,186 | 1,281 | 1,383 |
| 237 | 24115125 | Vision Insurance | \$ 161 | 174 | 188 | 203 | 219 | 237 | 255 | 276 | 298 | 322 |
| 238 | 24115126 | Retiree Health Insurance | \$ 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,601 | 2,653 | 2,706 | 2,760 | 2,760 |
| 239 | 24115129 | Other Insurance | \$ 1,099 | 1,099 | 1,099 | 1,099 | 1,099 | 1,121 | 1,143 | 1,166 | 1,190 | 1,213 |
| 240 | 24115131 | Workers' Compensation | \$ 9,030 | 9,030 | 9,030 | 9,030 | 9,030 | 9,211 | 9,395 | 9,583 | 9,774 | 9,970 |
| 241 | 24115136 | Retirement - Employee Contribu | \$ 39,405 | 43,509 | 46,886 | 50,133 | 53,920 | 57,993 | 62,374 | 67,086 | 72,154 | 77,605 |
| 242 | 24115137 | Retirement - Employer Contribu | \$ - | - | - | - | - | - | - | - | - | - |
| 243 | 24115139 | Retirement - Nonregular-3.75% | \$ - | - | - | - | - | - | - | - | - | - |
| 244 | 24115140 | Medicare (1.45% of salary) | \$ 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,483 | 2,532 | 2,583 | 2,635 | 2,687 |
| 245 | 24115142 | Bilingual Pay | \$ - | - | - | - | - | - | - | - | - | - |
| 246 | 24115143 | Auto Allowance | \$ 1,259 | 1,259 | 1,259 | 1,259 | 1,259 | 1,284 | 1,310 | 1,336 | 1,363 | 1,390 |
| 247 | 24115153 | Contract Administration | \$ - | - | - | - | - | - | - | - | - | - |
| 248 | 24115160 | Admin. Salary | \$ - | - | - | - | - | - | - | - | - | - |
| 249 | 24116301 | Legal Fees | \$ - | - | - | - | - | - | - | - | - | - |
| 250 | 24116423 | Small Equipment/Furniture | \$ 1,080 | 1,104 | 1,128 | 1,153 | 1,178 | 1,204 | 1,231 | 1,258 | 1,285 | 1,314 |
| 251 | 24116501 | Maintenance & Repairs | \$ 13,750 | 14,053 | 14,362 | 14,678 | 15,001 | 15,331 | 15,668 | 16,012 | 16,365 | 16,725 |
| 252 | 24116802 | Insurance Alloc - Public Liab | \$ 38,180 | 39,020 | 39,878 | 40,756 | 41,652 | 42,569 | 43,505 | 44,462 | 45,440 | 46,440 |
| 253 | 24116804 | Building maint. Svc Alloc | \$ 3,990 | 4,078 | 4,167 | 4,259 | 4,353 | 4,449 | 4,547 | 4,647 | 4,749 | 4,853 |
| 254 | 24116805 | Custodial Services Allocation | \$ 630 | 644 | 658 | 673 | 687 | 702 | 718 | 734 | 750 | 766 |
| 255 | 24116806 | Facility Capital Repair Alloc. | \$ 610 | 623 | 637 | 651 | 665 | 680 | 695 | 710 | 726 | 742 |
| 256 | 24116809 | IT Services Allocation | \$ 18,980 | 19,398 | 19,824 | 20,260 | 20,706 | 21,162 | 21,627 | 22,103 | 22,589 | 23,086 |
| 257 | 24116810 | Benefits Admin. Allocation | \$ 2,940 | 3,005 | 3,071 | 3,138 | 3,207 | 3,278 | 3,350 | 3,424 | 3,499 | 3,576 |
| 258 | 24135101 | Salaries - Regular | \$ 88,768 | 88,768 | 88,768 | 88,768 | 88,768 | 90,543 | 92,354 | 94,201 | 96,085 | 98,007 |
| 259 | 24135104 | Overtime Salaries | \$ - | - | - | - | - | - | - | - | - | - |
| 260 | 24135110 | Opt-Out/SPIL | \$ 105 | 105 | 105 | 105 | 105 | 107 | 109 | 111 | 114 | 116 |
| 261 | 24135123 | Health Insurance | \$ 19,183 | 20,718 | 22,375 | 24,165 | 26,098 | 28,186 | 30,441 | 32,876 | 35,506 | 38,347 |
| 262 | 24135124 | Dental Insurance | \$ 405 | 437 | 472 | 510 | 551 | 595 | 643 | 694 | 750 | 810 |
| 263 | 24135125 | Vision Insurance | \$ 81 | 87 | 94 | 102 | 110 | 119 | 129 | 139 | 150 | 162 |
| 264 | 24135129 | Other Insurance | \$ 581 | 581 | 581 | 581 | 581 | 593 | 604 | 617 | 629 | 641 |
| 265 | 24135131 | Workers' Compensation | \$ 7,789 | 7,789 | 7,789 | 7,789 | 7,789 | 7,945 | 8,104 | 8,266 | 8,431 | 8,600 |
| 266 | 24135136 | Retirement - Employee Contribu | \$ 21,566 | 23,812 | 25,660 | 27,437 | 29,510 | 31,739 | 34,137 | 36,716 | 39,489 | 42,472 |
| 267 | 24135137 | Retirement - Employer Contribu | \$ - | - | - | - | - | - | - | - | - | - |
| 268 | 24135140 | Medicare (1.45% of salary) | \$ 1,293 | 1,293 | 1,293 | 1,293 | 1,293 | 1,319 | 1,345 | 1,372 | 1,400 | 1,428 |
| 269 | 24135141 | Uniform / Boot Allowance | \$ 290 | 290 | 290 | 290 | 290 | 296 | 302 | 308 | 314 | 320 |
| 270 | 24136709 | Property Tax | \$ 3,800 | 3,884 | 3,969 | 4,056 | 4,146 | 4,237 | 4,330 | 4,425 | 4,523 | 4,622 |
| 271 | 24136802 | 6802 Insurance Alloc - Public Liab | \$ 120,770 | 123,427 | 126,142 | 128,917 | 131,754 | 134,652 | 137,615 | 140,642 | 143,736 | 146,898 |
| 272 | 24136804 | 6804 Building Maint. Svc Alloc | \$ 12,610 | 12,887 | 13,171 | 13,461 | 13,757 | 14,059 | 14,369 | 14,685 | 15,008 | 15,338 |
| 273 | 24136805 | 6805 Custodial Services Allocation | \$ 1,990 | 2,034 | 2,079 | 2,124 | 2,171 | 2,219 | 2,268 | 2,317 | 2,368 | 2,421 |
| 274 | 24136806 | 6806 Facility Capital Repair Alloc. | \$ 1,580 | 1,615 | 1,650 | 1,687 | 1,724 | 1,762 | 1,800 | 1,840 | 1,880 | 1,922 |

Projection of Cash Outflows (page 6 of 9)

Schedule 2

| | | | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---------|---------------------|-------------------------------------|------------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|
| GL CODE | Expense Description | | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| 275 | 24136807 | 6807 Vehicle Replacement Reserve | \$ 6,790 | 6,939 | 7,092 | 7,248 | 7,408 | 7,570 | 7,737 | 7,907 | 8,081 | 8,259 |
| 276 | 24136808 | 6808 Vehicle Maintenance Allocation | \$ 16,620 | 16,986 | 17,359 | 17,741 | 18,132 | 18,530 | 18,938 | 19,355 | 19,781 | 20,216 |
| 277 | 24136809 | 6809 IT Services Allocation | \$ 3,840 | 3,924 | 4,011 | 4,099 | 4,189 | 4,281 | 4,376 | 4,472 | 4,570 | 4,671 |
| 278 | 24136810 | 6810 Benefits Admin. Allocation | \$ 3,060 | 3,127 | 3,196 | 3,266 | 3,338 | 3,412 | 3,487 | 3,564 | 3,642 | 3,722 |
| 279 | 24196401 | Supplies | \$ 9,270 | 9,474 | 9,682 | 9,895 | 10,113 | 10,336 | 10,563 | 10,795 | 11,033 | 11,276 |
| 280 | 24235101 | Salaries - Regular | \$ 85,862 | 85,862 | 85,862 | 85,862 | 85,862 | 87,579 | 89,331 | 91,117 | 92,940 | 94,799 |
| 281 | 24235104 | Overtime Salaries | \$ - | - | - | - | - | - | - | - | - | - |
| 282 | 24235110 | Opt-Out/SPIL | \$ 451 | 451 | 451 | 451 | 451 | 460 | 469 | 479 | 488 | 498 |
| 283 | 24235123 | Health Insurance | \$ 21,887 | 23,638 | 25,529 | 27,571 | 29,777 | 32,159 | 34,732 | 37,510 | 40,511 | 43,752 |
| 284 | 24235124 | Dental Insurance | \$ 416 | 449 | 485 | 524 | 566 | 611 | 660 | 713 | 770 | 832 |
| 285 | 24235125 | Vision Insurance | \$ 64 | 69 | 75 | 81 | 87 | 94 | 102 | 110 | 118 | 128 |
| 286 | 24235129 | Other Insurance | \$ 588 | 588 | 588 | 588 | 588 | 600 | 612 | 624 | 636 | 649 |
| 287 | 24235131 | Workers' Compensation | \$ 10,160 | 10,160 | 10,160 | 10,160 | 10,160 | 10,363 | 10,570 | 10,782 | 10,998 | 11,217 |
| 288 | 24235136 | Retirement - Employee Contribu | \$ 20,662 | 22,814 | 24,585 | 26,287 | 28,273 | 30,409 | 32,706 | 35,177 | 37,834 | 40,692 |
| 289 | 24235137 | Retirement - Employer Contribu | \$ - | - | - | - | - | - | - | - | - | - |
| 290 | 24235140 | Medicare (1.45% of salary) | \$ 1,257 | 1,257 | 1,257 | 1,257 | 1,257 | 1,282 | 1,308 | 1,334 | 1,361 | 1,388 |
| 291 | 24235141 | Uniform/Boot Allowance | \$ 410 | 410 | 410 | 410 | 410 | 418 | 427 | 435 | 444 | 453 |
| 292 | 24236319 | Professional & Contractual Fee | \$ 39,790 | 40,665 | 41,560 | 42,474 | 43,409 | 44,364 | 45,340 | 46,337 | 47,357 | 48,399 |
| 293 | 24236401 | Supplies | \$ 17,320 | 17,701 | 18,090 | 18,488 | 18,895 | 19,311 | 19,736 | 20,170 | 20,614 | 21,067 |
| 294 | 24236423 | Small Equipment/Furniture | \$ 2,650 | 2,708 | 2,768 | 2,829 | 2,891 | 2,955 | 3,020 | 3,086 | 3,154 | 3,223 |
| 295 | 24236601 | Water | \$ - | - | - | - | - | - | - | - | - | - |
| 296 | 24236807 | Vehicle Replacement Reserve | \$ 8,170 | 8,350 | 8,533 | 8,721 | 8,913 | 9,109 | 9,310 | 9,514 | 9,724 | 9,938 |
| 297 | 24236808 | Vehicle Maintenance Allocation | \$ 9,220 | 9,423 | 9,630 | 9,842 | 10,059 | 10,280 | 10,506 | 10,737 | 10,973 | 11,215 |
| 298 | 24236810 | Benefits Admin. Allocation | \$ 2,720 | 2,780 | 2,841 | 2,903 | 2,967 | 3,033 | 3,099 | 3,168 | 3,237 | 3,308 |
| 299 | 24255101 | Salaries - Regular | \$ 992,797 | 992,797 | 992,797 | 992,797 | 992,797 | 1,012,653 | 1,032,906 | 1,053,564 | 1,074,635 | 1,096,128 |
| 300 | 24255104 | Overtime Salaries | \$ 104,500 | 104,500 | 104,500 | 104,500 | 104,500 | 106,590 | 108,722 | 110,896 | 113,114 | 115,376 |
| 301 | 24255110 | Opt-Out/SPIL | \$ - | - | - | - | - | - | - | - | - | - |
| 302 | 24255123 | Health Insurance | \$ 214,920 | 232,114 | 250,683 | 270,737 | 292,396 | 315,788 | 341,051 | 368,335 | 397,802 | 429,626 |
| 303 | 24255124 | Dental Insurance | \$ 4,686 | 5,061 | 5,466 | 5,903 | 6,375 | 6,885 | 7,436 | 8,031 | 8,673 | 9,367 |
| 304 | 24255125 | Vision Insurance | \$ 765 | 826 | 892 | 964 | 1,041 | 1,124 | 1,214 | 1,311 | 1,416 | 1,529 |
| 305 | 24255126 | Retiree Health Insurance | \$ 7,223 | 7,223 | 7,223 | 7,223 | 7,223 | 7,367 | 7,515 | 7,665 | 7,818 | 7,975 |
| 306 | 24255129 | Other Insurance | \$ 6,475 | 6,475 | 6,475 | 6,475 | 6,475 | 6,605 | 6,737 | 6,871 | 7,009 | 7,149 |
| 307 | 24255131 | Workers' Compensation | \$ 81,330 | 81,330 | 81,330 | 81,330 | 81,330 | 82,957 | 84,616 | 86,308 | 88,034 | 89,795 |
| 308 | 24255136 | Retirement - Employee Contribu | \$ 241,373 | 266,513 | 287,197 | 307,086 | 330,284 | 355,235 | 382,070 | 410,933 | 441,976 | 475,364 |
| 309 | 24255137 | Retirement - Employer Contribu | \$ - | - | - | - | - | - | - | - | - | - |
| 310 | 24255140 | Medicare (1.45% of salary) | \$ 14,491 | 14,491 | 14,491 | 14,491 | 14,491 | 14,781 | 15,076 | 15,378 | 15,686 | 15,999 |
| 311 | 24255141 | Uniform/Boot Allowance | \$ - | - | - | - | - | - | - | - | - | - |
| 312 | 24255142 | Bilingual Pay | \$ - | - | - | - | - | - | - | - | - | - |
| 313 | 24255991 | Pension Exp-GASB 68 Contra | \$ - | - | - | - | - | - | - | - | - | - |
| 314 | 24256205 | Uniforms & Laundry | \$ 8,090 | 8,268 | 8,450 | 8,636 | 8,826 | 9,020 | 9,218 | 9,421 | 9,628 | 9,840 |
| 315 | 24256211 | Dues & Subscriptions | \$ 900 | 920 | 940 | 961 | 982 | 1,003 | 1,026 | 1,048 | 1,071 | 1,095 |
| 316 | 24256212 | Meetings, Conferences, & Train | \$ 2,400 | 2,453 | 2,507 | 2,562 | 2,618 | 2,676 | 2,735 | 2,795 | 2,856 | 2,919 |
| 317 | 24256319 | Professional & Contractual Fee | \$ 260,670 | 266,405 | 272,266 | 278,255 | 284,377 | 290,633 | 297,027 | 303,562 | 310,240 | 317,066 |
| 318 | 24256401 | Supplies | \$ 555,069 | 567,281 | 579,761 | 592,515 | 605,551 | 618,873 | 632,488 | 646,403 | 660,624 | 675,157 |
| 319 | 24256423 | Small Equipment/Furniture | \$ 12,615 | 12,893 | 13,176 | 13,466 | 13,762 | 14,065 | 14,374 | 14,691 | 15,014 | 15,344 |
| 320 | 24256501 | Maintenance & Repairs | \$ 6,780 | 6,929 | 7,082 | 7,237 | 7,397 | 7,559 | 7,726 | 7,896 | 8,069 | 8,247 |
| 321 | 24256551 | Rentals | \$ 15,870 | 16,219 | 16,576 | 16,941 | 17,313 | 17,694 | 18,083 | 18,481 | 18,888 | 19,303 |
| 322 | 24256604 | Telephone | \$ 7,920 | 8,094 | 8,272 | 8,454 | 8,640 | 8,830 | 9,025 | 9,223 | 9,426 | 9,633 |
| 323 | 24256802 | Insurance Alloc - Public Liab | \$ 235,050 | 240,221 | 245,506 | 250,907 | 256,427 | 262,068 | 267,834 | 273,726 | 279,748 | 285,903 |
| 324 | 24256804 | Building Maint. Svc Alloc | \$ 24,540 | 25,080 | 25,632 | 26,196 | 26,772 | 27,361 | 27,963 | 28,578 | 29,207 | 29,849 |
| 325 | 24256805 | Facility Capital Repair Alloc. | \$ 3,870 | 3,955 | 4,042 | 4,131 | 4,222 | 4,315 | 4,410 | 4,507 | 4,606 | 4,707 |
| 326 | 24256806 | Vehicle Replacement Reserve | \$ 2,930 | 2,994 | 3,060 | 3,128 | 3,196 | 3,267 | 3,339 | 3,412 | 3,487 | 3,564 |
| 327 | 24256807 | Insurance Alloc - Public Liab | \$ 120,000 | 122,640 | 125,338 | 128,096 | 130,914 | 133,794 | 136,737 | 139,745 | 142,820 | 145,962 |
| 328 | 24256808 | Vehicle Maintenance Allocation | \$ 191,810 | 196,030 | 200,342 | 204,750 | 209,255 | 213,858 | 218,563 | 223,371 | 228,286 | 233,308 |
| 329 | 24256809 | IT Services Allocation | \$ 29,520 | 30,169 | 30,833 | 31,511 | 32,205 | 32,913 | 33,637 | 34,377 | 35,134 | 35,907 |

Projection of Cash Outflows (page 7 of 9)

Schedule 2

| | | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | |
|---------|---------------------|--------------------------------|------------|----------|----------|----------|----------|----------|----------|----------|----------|---------|
| GL CODE | Expense Description | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | |
| 330 | 24256810 | Benefits Admin. Allocation | \$ 16,830 | 17,200 | 17,579 | 17,965 | 18,361 | 18,765 | 19,177 | 19,599 | 20,030 | 20,471 |
| 331 | 24257400 | Furniture, Equipment, & Machin | \$ 25,000 | 25,625 | 26,266 | 26,922 | 27,595 | 28,285 | 28,992 | 29,717 | 30,460 | 31,222 |
| 332 | 24257600 | WtrLines,Mains,Sewer,StormDrai | \$ 140,000 | 143,500 | 147,088 | 150,765 | 154,534 | 158,397 | 162,357 | 166,416 | 170,576 | 174,841 |
| 333 | 24265101 | Salaries - Regular | \$ 491,289 | 491,289 | 491,289 | 491,289 | 491,289 | 501,115 | 511,137 | 521,360 | 531,787 | 542,423 |
| 334 | 24265102 | 5102 Wages - Nonregular | \$ 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,300 | 15,606 | 15,918 | 16,236 | 16,561 |
| 335 | 24265104 | Overtime Salaries | \$ 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,440 | 22,889 | 23,347 | 23,814 | 24,290 |
| 336 | 24265108 | Sick Leave/Vacation Accrual | \$ - | - | - | - | - | - | - | - | - | - |
| 337 | 24265110 | Opt-Out/SPIL | \$ 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,550 | 2,601 | 2,653 | 2,706 | 2,760 |
| 338 | 24265123 | Health Insurance | \$ 100,650 | 108,702 | 117,398 | 126,790 | 136,933 | 147,888 | 159,719 | 172,496 | 186,296 | 201,200 |
| 339 | 24265124 | Dental Insurance | \$ 2,240 | 2,419 | 2,613 | 2,822 | 3,047 | 3,291 | 3,555 | 3,839 | 4,146 | 4,478 |
| 340 | 24265125 | Vision Insurance | \$ 311 | 336 | 363 | 392 | 423 | 457 | 494 | 533 | 576 | 622 |
| 341 | 24265126 | Retiree Health Insurance | \$ 13,644 | 13,644 | 13,644 | 13,644 | 13,644 | 13,917 | 14,195 | 14,479 | 14,769 | 15,064 |
| 342 | 24265129 | Other Insurance | \$ 3,208 | 3,208 | 3,208 | 3,208 | 3,208 | 3,272 | 3,338 | 3,404 | 3,472 | 3,542 |
| 343 | 24265131 | Workers' Compensation | \$ 36,203 | 36,203 | 36,203 | 36,203 | 36,203 | 36,927 | 37,666 | 38,419 | 39,187 | 39,971 |
| 344 | 24265136 | Retirement - Employee Contribu | \$ 120,489 | 133,038 | 143,364 | 153,292 | 164,872 | 177,327 | 190,723 | 205,130 | 220,626 | 237,293 |
| 345 | 24265137 | Retirement - Employer Contribu | \$ - | - | - | - | - | - | - | - | - | - |
| 346 | 24265140 | Medicare (1.45% of salary) | \$ 7,160 | 7,160 | 7,160 | 7,160 | 7,160 | 7,303 | 7,449 | 7,598 | 7,750 | 7,905 |
| 347 | 24265141 | Uniform/Boot Allowance | \$ - | - | - | - | - | - | - | - | - | - |
| 348 | 24275125 | Vision Insurance | \$ - | - | - | - | - | - | - | - | - | - |
| 349 | 24275142 | Bilingual Pay | \$ - | - | - | - | - | - | - | - | - | - |
| 350 | 24266205 | Uniforms & Laundry | \$ 2,700 | 2,759 | 2,820 | 2,882 | 2,946 | 3,010 | 3,077 | 3,144 | 3,213 | 3,284 |
| 351 | 24266211 | Dues & Subscriptions | \$ 1,280 | 1,308 | 1,337 | 1,366 | 1,396 | 1,427 | 1,459 | 1,491 | 1,523 | 1,557 |
| 352 | 24266212 | Meetings, Conferences, & Train | \$ 740 | 756 | 773 | 790 | 807 | 825 | 843 | 862 | 881 | 900 |
| 353 | 24266319 | Professional & Contractual Fee | \$ 10,000 | 10,220 | 10,445 | 10,675 | 10,909 | 11,149 | 11,395 | 11,645 | 11,902 | 12,163 |
| 354 | 24266401 | Supplies | \$ 189,640 | 193,812 | 198,076 | 202,434 | 206,887 | 211,439 | 216,090 | 220,844 | 225,703 | 230,668 |
| 355 | 24266423 | Small Equipment/Furniture | \$ 3,310 | 3,383 | 3,457 | 3,533 | 3,611 | 3,690 | 3,772 | 3,855 | 3,939 | 4,026 |
| 356 | 24266501 | Maintenance & Repairs | \$ 103,830 | 106,114 | 108,449 | 110,835 | 113,273 | 115,765 | 118,312 | 120,915 | 123,575 | 126,293 |
| 357 | 24266604 | Telephone | \$ 5,500 | 5,621 | 5,745 | 5,871 | 6,000 | 6,132 | 6,267 | 6,405 | 6,546 | 6,690 |
| 358 | 24266802 | Insurance Alloc - Public Liab | \$ 94,370 | 96,446 | 98,568 | 100,736 | 102,953 | 105,218 | 107,532 | 109,898 | 112,316 | 114,787 |
| 359 | 24266804 | Building Maint. Svc Alloc | \$ 9,850 | 10,067 | 10,288 | 10,515 | 10,746 | 10,982 | 11,224 | 11,471 | 11,723 | 11,981 |
| 360 | 24266805 | Facility Capital Repair Alloc. | \$ 1,560 | 1,594 | 1,629 | 1,665 | 1,702 | 1,739 | 1,778 | 1,817 | 1,857 | 1,898 |
| 361 | 24266806 | Vehicle Replacement Reserve | \$ 1,160 | 1,186 | 1,212 | 1,238 | 1,265 | 1,293 | 1,322 | 1,351 | 1,381 | 1,411 |
| 362 | 24266807 | Insurance Alloc - Public Liab | \$ 44,990 | 45,980 | 46,991 | 48,025 | 49,082 | 50,161 | 51,265 | 52,393 | 53,546 | 54,724 |
| 363 | 24266808 | Vehicle Maintenance Allocation | \$ 58,820 | 60,114 | 61,437 | 62,788 | 64,169 | 65,581 | 67,024 | 68,499 | 70,006 | 71,546 |
| 364 | 24266809 | IT Services Allocation | \$ 12,650 | 12,928 | 13,213 | 13,503 | 13,800 | 14,104 | 14,414 | 14,731 | 15,056 | 15,387 |
| 365 | 24266810 | Benefits Admin. Allocation | \$ 7,490 | 7,655 | 7,823 | 7,995 | 8,171 | 8,351 | 8,535 | 8,722 | 8,914 | 9,110 |
| 366 | 24275101 | Salaries-Regular Miscellaneous | \$ 11,346 | 11,346 | 11,346 | 11,346 | 11,346 | 11,573 | 11,804 | 12,040 | 12,281 | 12,527 |
| 367 | 24275123 | Health Insurance | \$ 1,570 | 1,696 | 1,831 | 1,978 | 2,136 | 2,307 | 2,491 | 2,691 | 2,906 | 3,138 |
| 368 | 24275124 | Dental Insurance | \$ 52 | 56 | 61 | 66 | 71 | 76 | 83 | 89 | 96 | 104 |
| 369 | 24275129 | Other Insurance | \$ 76 | 76 | 76 | 76 | 76 | 78 | 79 | 81 | 82 | 84 |
| 370 | 24275131 | 5131 Workers' Compensation | \$ - | - | - | - | - | - | - | - | - | - |
| 371 | 24275136 | PERS Misc. - Employee Paid | \$ 2,464 | 2,721 | 2,932 | 3,135 | 3,372 | 3,626 | 3,900 | 4,195 | 4,512 | 4,853 |
| 372 | 24275137 | PERS Misc. - Employer Paid | \$ - | - | - | - | - | - | - | - | - | - |
| 373 | 24275140 | Medicare (1.45% of salary) | \$ 165 | 165 | 165 | 165 | 165 | 168 | 172 | 175 | 179 | 182 |
| 374 | 24285101 | Salaries - Regular | \$ 587,096 | 587,096 | 587,096 | 587,096 | 587,096 | 598,838 | 610,815 | 623,031 | 635,492 | 648,201 |
| 375 | 24285104 | Overtime Salaries | \$ 5,530 | 5,530 | 5,530 | 5,530 | 5,530 | 5,641 | 5,753 | 5,868 | 5,986 | 6,106 |
| 376 | 24285108 | Sick Leave/Vacation Accrual | \$ - | - | - | - | - | - | - | - | - | - |
| 377 | 24285110 | Opt-Out/SPIL | \$ - | - | - | - | - | - | - | - | - | - |
| 378 | 24285123 | Health Insurance | \$ 137,790 | 148,813 | 160,718 | 173,576 | 187,462 | 202,459 | 218,655 | 236,148 | 255,040 | 275,443 |
| 379 | 24285124 | Dental Insurance | \$ 2,434 | 2,629 | 2,839 | 3,066 | 3,311 | 3,576 | 3,862 | 4,171 | 4,505 | 4,866 |
| 380 | 24285125 | Vision Insurance | \$ 398 | 430 | 464 | 501 | 541 | 585 | 632 | 682 | 737 | 796 |
| 381 | 24285129 | Other Insurance | \$ 3,825 | 3,825 | 3,825 | 3,825 | 3,825 | 3,902 | 3,980 | 4,059 | 4,140 | 4,223 |
| 382 | 24285131 | Workers' Compensation | \$ 47,610 | 47,610 | 47,610 | 47,610 | 47,610 | 48,562 | 49,533 | 50,524 | 51,535 | 52,565 |
| 383 | 24285136 | Retirement - Employee Contribu | \$ 141,206 | 141,206 | 141,206 | 141,206 | 141,206 | 144,030 | 146,911 | 149,849 | 152,846 | 155,903 |
| 384 | 24285137 | PERS Misc. - Employer Paid | \$ - | - | - | - | - | - | - | - | - | - |

Projection of Cash Outflows (page 8 of 9)

Schedule 2

| | | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| GL CODE | Expense Description | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| 385 | 24285140 Medicare (1.45% of salary) | \$ 8,539 | 8,539 | 8,539 | 8,539 | 8,539 | 8,710 | 8,884 | 9,062 | 9,243 | 9,428 |
| 386 | 24285141 Uniform/Boot Allowance | \$ 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,836 | 1,873 | 1,910 | 1,948 | 1,987 |
| 387 | 24285142 Bilingual Pay | \$ - | - | - | - | - | - | - | - | - | - |
| 388 | 24286205 Uniforms & Laundry | \$ 4,240 | 4,333 | 4,429 | 4,526 | 4,626 | 4,727 | 4,831 | 4,938 | 5,046 | 5,157 |
| 389 | 24286211 Dues & Subscriptions | \$ 350 | 358 | 366 | 374 | 382 | 390 | 399 | 408 | 417 | 426 |
| 390 | 24286212 Meetings, Conferences, & Train | \$ 320 | 327 | 334 | 342 | 349 | 357 | 365 | 373 | 381 | 389 |
| 391 | 24286319 Professional & Contractual Fee | \$ 10,000 | 10,220 | 10,445 | 10,675 | 10,909 | 11,149 | 11,395 | 11,645 | 11,902 | 12,163 |
| 392 | 24286401 Supplies | \$ 60,000 | 61,320 | 62,669 | 64,048 | 65,457 | 66,897 | 68,369 | 69,873 | 71,410 | 72,981 |
| 393 | 24286423 Small Equipment/Furniture | \$ 7,500 | 7,665 | 7,834 | 8,006 | 8,182 | 8,362 | 8,546 | 8,734 | 8,926 | 9,123 |
| 394 | 24286427 Water Meters | \$ 300,000 | 306,600 | 313,345 | 320,239 | 327,284 | 334,484 | 341,843 | 349,363 | 357,049 | 364,905 |
| 395 | 24286501 Maintenance & Repairs | \$ 6,910 | 7,062 | 7,217 | 7,376 | 7,538 | 7,704 | 7,874 | 8,047 | 8,224 | 8,405 |
| 396 | 24286551 Rentals | \$ 5,480 | 5,601 | 5,724 | 5,850 | 5,978 | 6,110 | 6,244 | 6,382 | 6,522 | 6,666 |
| 397 | 24286604 Telephone | \$ 3,300 | 3,373 | 3,447 | 3,523 | 3,600 | 3,679 | 3,760 | 3,843 | 3,928 | 4,014 |
| 398 | 24286802 Insurance Alloc - Public Liab | \$ 124,200 | 126,932 | 129,725 | 132,579 | 135,496 | 138,476 | 141,523 | 144,636 | 147,818 | 151,070 |
| 399 | 24286804 Building Maint. Svc Alloc | \$ 12,960 | 13,245 | 13,537 | 13,834 | 14,139 | 14,450 | 14,768 | 15,093 | 15,425 | 15,764 |
| 400 | 24286805 Custodial Services Allocation | \$ 2,060 | 2,105 | 2,152 | 2,199 | 2,247 | 2,297 | 2,347 | 2,399 | 2,452 | 2,506 |
| 401 | 24286806 Facility Capital Repair Alloc. | \$ 1,630 | 1,666 | 1,703 | 1,740 | 1,778 | 1,817 | 1,857 | 1,898 | 1,940 | 1,983 |
| 402 | 24286807 Insurance Alloc - Public Liab | \$ 17,960 | 18,355 | 18,759 | 19,172 | 19,593 | 20,024 | 20,465 | 20,915 | 21,375 | 21,846 |
| 403 | 24286808 Vehicle Maintenance Allocation | \$ 36,650 | 37,456 | 38,280 | 39,123 | 39,983 | 40,863 | 41,762 | 42,681 | 43,620 | 44,579 |
| 404 | 24286809 IT Services Allocation | \$ 12,670 | 12,949 | 13,234 | 13,525 | 13,822 | 14,126 | 14,437 | 14,755 | 15,079 | 15,411 |
| 405 | 24286810 Benefits Admin. Allocation | \$ 11,600 | 11,855 | 12,116 | 12,383 | 12,655 | 12,933 | 13,218 | 13,509 | 13,806 | 14,110 |
| 406 | 25115101 Salaries-Regular Miscellaneous | \$ 21,200 | 21,200 | 21,200 | 21,200 | 21,200 | 21,624 | 22,056 | 22,498 | 22,948 | 23,407 |
| 407 | 25115104 Overtime Salaries - Misc | \$ - | - | - | - | - | - | - | - | - | - |
| 408 | 25115123 Health Insurance | \$ 3,000 | 3,240 | 3,499 | 3,779 | 4,081 | 4,408 | 4,761 | 5,141 | 5,553 | 5,997 |
| 409 | 25115124 Dental Insurance | \$ 103 | 111 | 120 | 130 | 140 | 151 | 163 | 177 | 191 | 206 |
| 410 | 25115129 Other Insurance | \$ 144 | 144 | 144 | 144 | 144 | 147 | 150 | 153 | 156 | 159 |
| 411 | 25115131 Workers' Compensation | \$ 890 | 890 | 890 | 890 | 890 | 908 | 926 | 944 | 963 | 983 |
| 412 | 25115107 Retirement & Termination - Pay | \$ - | - | - | - | - | - | - | - | - | - |
| 413 | 25115136 PERS Misc. - Employee Paid | \$ 4,883 | 5,392 | 5,810 | 6,212 | 6,682 | 7,186 | 7,729 | 8,313 | 8,941 | 9,617 |
| 414 | 25115137 PERS Misc. - Employer Paid | \$ - | - | - | - | - | - | - | - | - | - |
| 415 | 25115140 Medicare (1.45% of salary) | \$ 307 | 307 | 307 | 307 | 307 | 313 | 319 | 326 | 332 | 339 |
| 416 | 30005158 Labor Overhead-Sick Leave/Vact | \$ - | - | - | - | - | - | - | - | - | - |
| 417 | 30005160 Labor Overhead - Admin. Salary | \$ - | - | - | - | - | - | - | - | - | - |
| 418 | 30006301 Legal Fees | \$ - | - | - | - | - | - | - | - | - | - |
| 419 | 30006319 Professional & Contractual Fee | \$ - | - | - | - | - | - | - | - | - | - |
| 420 | 30006370 Consultant Services - Studies | \$ - | - | - | - | - | - | - | - | - | - |
| 421 | 30006371 Consultant Services - Design | \$ - | - | - | - | - | - | - | - | - | - |
| 422 | 30006373 Contract Testing | \$ - | - | - | - | - | - | - | - | - | - |
| 423 | 30006379 Misc. Construction Costs | \$ - | - | - | - | - | - | - | - | - | - |
| 424 | 30006388 Geodetic Survey - In House | \$ - | - | - | - | - | - | - | - | - | - |
| 425 | 30006389 Geodetic Survey Consultant | \$ - | - | - | - | - | - | - | - | - | - |
| 426 | 30006401 Supplies | \$ - | - | - | - | - | - | - | - | - | - |
| 427 | 30006443 Printing, Binding, & Duplicate | \$ - | - | - | - | - | - | - | - | - | - |
| 428 | 30006706 Overhead | \$ - | - | - | - | - | - | - | - | - | - |
| 429 | 30008997 CIP Costs Allocation | \$ - | - | - | - | - | - | - | - | - | - |
| 430 | Sub-Total Operations & Maintenance Expenses | \$ 32,240,373 | \$ 33,811,691 | \$ 33,527,279 | \$ 34,269,227 | \$ 35,420,225 | \$ 36,713,561 | \$ 38,063,332 | \$ 39,472,302 | \$ 40,943,386 | \$ 42,479,660 |
| 431 | O&M Execution Percentage | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| 432 | Total Operations & Maintenance Expenses | \$ 32,240,373 | \$ 33,811,691 | \$ 33,527,279 | \$ 34,269,227 | \$ 35,420,225 | \$ 36,713,561 | \$ 38,063,332 | \$ 39,472,302 | \$ 40,943,386 | \$ 42,479,660 |
| Long-Term Debt Service Payments: | | | | | | | | | | | |
| 433 | Existing Debt Service | 620,813 | 621,213 | 472,313 | 477,013 | 472,731 | 472,731 | 472,731 | 472,731 | 472,731 | 469,650 |
| 434 | Total Long-Term Debt Service Payments | \$ 620,813 | \$ 621,213 | \$ 472,313 | \$ 477,013 | \$ 472,731 | \$ 472,731 | \$ 472,731 | \$ 472,731 | \$ 472,731 | \$ 469,650 |
| Other Below the Line Expenses: | | | | | | | | | | | |

Projection of Cash Outflows (page 9 of 9)

Schedule 2

| GL CODE | Expense Description | FY 2019 Budget | FY 2020 Forecast | FY 2021 Forecast | FY 2022 Forecast | FY 2023 Forecast | FY 2024 Forecast | FY 2025 Forecast | FY 2026 Forecast | FY 2027 Forecast | FY 2028 Forecast |
|------------|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 435 | Transfers Out | - | - | - | - | - | - | - | - | - | - |
| 436 | Total Other Below the Line Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 437 | TOTAL CASH OUTFLOWS | \$ 32,861,186 | \$ 34,432,904 | \$ 33,999,592 | \$ 34,746,240 | \$ 35,892,956 | \$ 37,186,293 | \$ 38,536,063 | \$ 39,945,033 | \$ 41,416,117 | \$ 42,949,310 |

Capital Improvement Program

Schedule 3

| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Water Revenue Fund | | | | | | | | | | |
| 1 Water Main | \$ - | - | 4,200,000 | 7,000,000 | 9,800,000 | 12,600,000 | 12,600,000 | 12,600,000 | 12,600,000 | 12,600,000 |
| 2 Wells | \$ - | - | - | - | - | - | - | - | - | - |
| 3 New Well 7A | \$ - | - | 2,000,000 | - | - | - | - | - | - | - |
| 4 Rehab Well 6 | \$ - | - | - | 200,000 | - | - | - | - | - | - |
| 5 Rehab Well 8 | \$ - | - | - | - | 200,000 | - | - | - | - | - |
| 6 Rehab Well 15A | \$ - | - | - | - | - | - | - | - | - | - |
| 7 New Well 2A | \$ - | - | - | - | - | 2,500,000 | 2,500,000 | - | - | 250,000 |
| 8 Booster Pump Station | \$ - | - | - | - | - | - | - | - | - | - |
| 9 Las Palmas | \$ - | - | 1,500,000 | - | - | - | - | - | - | - |
| 10 Tank Farm | \$ - | - | - | - | 1,200,000 | - | - | - | - | - |
| 11 Hermitage | \$ - | - | - | - | - | - | 1,800,000 | - | - | - |
| 12 Hillcrest | \$ - | - | - | - | - | - | - | 1,500,000 | - | - |
| 13 Main Plant | \$ - | - | - | - | - | - | - | - | 1,800,000 | - |
| 14 Tank | \$ - | - | - | - | - | - | - | - | - | - |
| 15 Tank Farm (Tank 2) | \$ - | - | - | - | 1,000,000 | - | - | - | - | - |
| 16 Tank Farm (Tank 5) | \$ - | - | - | - | - | - | - | 2,000,000 | - | - |
| 17 Coyote | \$ - | - | - | 2,500,000 | - | - | - | - | - | - |
| 18 Others | \$ - | - | - | - | - | - | - | - | - | - |
| 19 Isolation Valve Replacement | \$ - | 500,000 | - | - | - | - | - | - | - | - |
| 20 Electrical Generators - Various locations | \$ - | - | 800,000 | - | - | - | - | - | - | - |
| 21 Abandon and Remove Well 12A | \$ - | - | - | - | - | - | - | 150,000 | - | - |
| 22 SCADA Upgrade | \$ - | - | - | - | - | 500,000 | - | - | - | - |
| 23 Soil Removal | \$ - | - | - | - | - | - | - | - | - | 3,000,000 |
| 24 Asphalt Repair - various sites | \$ - | - | - | - | - | - | - | - | 1,000,000 | - |
| 25 Miscellaneous | \$ - | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| 26 Existing CIP to be Completed | \$ - | - | - | - | - | - | - | - | - | - |
| 27 Valencia Dr. Infrastructure Improvements (Gilbert to Brookhurst) | \$ 257,300 | - | - | - | - | - | - | - | - | - |
| 28 Valencia Dr./Basque Area Infrastructure Improvement Project | \$ 32,031 | 987,000 | - | - | - | - | - | - | - | - |
| 29 Rolling Hills Area Improvement | \$ 1,055,494 | - | - | - | - | - | - | - | - | - |
| 30 Commonwealth Avenue (and Raymond Avenue Area) Reconstruction Project | \$ - | 1,800,000 | - | - | - | - | - | - | - | - |
| 31 Elm/Malden Area Street, Sewer & Water Improvement Project | \$ 50,976 | - | - | - | - | - | - | - | - | - |
| 32 Water Rate Study | \$ 32,546 | 62,319 | - | - | - | - | - | - | - | - |
| 33 Misc. Distribution Improvements | \$ 29,054 | - | - | - | - | - | - | - | - | - |
| 34 Water Quality Improvements | \$ 56,686 | - | 16,384 | - | - | - | - | - | - | - |
| 35 Water Well Replacement Program | \$ - | 2,000,000 | - | - | - | - | - | - | - | - |
| 36 Main Plant Site Improvement | \$ 26,753 | - | 89,461 | - | - | - | - | - | - | - |
| 37 Loma Alta Area Infrastructure | \$ 48,275 | 1,400,000 | - | - | - | - | - | - | - | - |
| 38 Main Plant Well Rehabilitation | \$ 69,649 | - | - | - | - | - | - | - | - | - |
| 39 Wilshire Ave Wtr&Sewer Improvement | \$ 11,569 | - | - | - | - | - | - | - | - | - |
| 40 El Rancho Vista Infrastructure | \$ 2,040,000 | 100,000 | - | - | - | - | - | - | - | - |
| 41 Nutwood / Yale Infrastructure | \$ 100,000 | 930,681 | - | - | - | - | - | - | - | - |
| 42 San Juan Area Water Main | \$ 100,000 | 200,000 | - | - | - | - | - | - | - | - |
| 43 Trenchless Pipe Technology | \$ 120,000 | - | - | - | - | - | - | - | - | - |
| 44 Water Valve Replacement | \$ 20,000 | - | - | - | - | - | - | - | - | - |
| 45 Wtr System Master Plan Update | \$ - | 400,000 | - | - | - | - | - | - | - | - |
| 46 Wtr Production Equip.Upgrade 14/15 | \$ 1,233,871 | - | - | - | - | - | - | - | - | - |
| 47 Upgrade/Rehab City Reservoir 15/16 | \$ - | - | - | - | - | - | - | - | - | - |
| 48 Upgrade/Rehab City Reservoirs | \$ 1,818,775 | - | - | - | - | - | - | - | - | - |
| 49 53627 Upgrade/Rehab City Reservoir 18/19 | \$ - | - | 500,000 | - | - | - | - | - | - | - |
| 50 Upgrade Maint. Management Sys | \$ 86,000 | - | - | - | - | - | - | - | - | - |
| 51 | | | | | | | | | | |
| 52 TOTAL CIP (Current Dollars) | \$ 7,188,978 | \$ 8,530,000 | \$ 9,255,845 | \$ 9,850,000 | \$ 12,350,000 | \$ 15,750,000 | \$ 17,050,000 | \$ 16,400,000 | \$ 15,550,000 | \$ 16,000,000 |
| 53 TOTAL CIP (With Escalation) | \$ 7,404,648 | \$ 9,049,477 | \$ 10,065,014 | \$ 10,978,889 | \$ 14,109,545 | \$ 18,443,803 | \$ 20,465,302 | \$ 20,177,227 | \$ 19,609,743 | \$ 20,681,658 |

Forecast of Net Revenues and Debt Service Coverage for Water Enterprise Fund

Schedule 4

| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| 1 Rate Revenue Increase | 2.25% | 15.00% | 14.00% | 11.00% | 5.00% | 4.00% | 2.50% | 2.50% | 2.50% | 2.50% |
| Revenues | | | | | | | | | | |
| 2 Rate Revenue Before Adjustments | \$ 31,617,513 | 32,242,970 | 30,484,396 | 30,484,396 | 30,484,396 | 30,484,396 | 30,484,396 | 30,484,396 | 30,484,396 | 30,484,396 |
| 3 Additional Rate Revenue From Rate Adjustment | \$ 711,394 | 5,654,549 | 10,714,001 | 15,245,825 | 17,532,336 | 19,453,005 | 20,701,440 | 21,981,086 | 23,292,723 | 24,637,151 |
| 4 Pass-Through Revenue Projection | \$ - | - | 706,656 | 1,172,229 | 2,027,879 | 2,921,079 | 3,853,477 | 4,826,792 | 5,842,821 | 6,903,437 |
| 5 Other Operating Revenues | \$ 1,058,739 | 1,080,037 | 1,095,579 | 1,111,432 | 1,127,603 | 1,144,096 | 1,160,919 | 1,178,079 | 1,195,582 | 1,213,436 |
| 6 Interest Income | \$ 16 | 46,963 | 36,541 | 43,157 | 55,471 | 58,101 | 50,864 | 43,602 | 42,872 | 45,373 |
| 7 Non-Operating Revenue | \$ 415,916 | 427,834 | 440,117 | 452,776 | 465,823 | 479,270 | 493,131 | 507,419 | 522,148 | 537,331 |
| 8 Frontage/Impact/Developer Fees | \$ 33,302 | 33,786 | 34,280 | 34,783 | 35,297 | 35,821 | 36,355 | 36,900 | 37,456 | 38,023 |
| 9 Total Revenues | \$ 33,836,880 | \$ 39,486,139 | \$ 43,511,570 | \$ 48,544,598 | \$ 51,728,805 | \$ 54,575,769 | \$ 56,780,583 | \$ 59,058,275 | \$ 61,417,999 | \$ 63,859,148 |
| 10 Operating Expenses | | | | | | | | | | |
| 11 Salaries and Benefits | \$ 5,971,869 | 6,107,019 | 6,232,357 | 6,359,907 | 6,503,140 | 6,747,801 | 7,006,262 | 7,279,492 | 7,568,533 | 7,874,507 |
| 12 Water Purchases | \$ 18,500,000 | 19,483,033 | 19,032,227 | 19,497,800 | 20,353,451 | 21,246,651 | 22,179,048 | 23,152,363 | 24,168,392 | 25,229,008 |
| 13 Other Variable Operating Costs | \$ 1,950,000 | 1,992,900 | 1,915,850 | 1,957,999 | 2,001,075 | 2,045,098 | 2,090,090 | 2,136,072 | 2,183,066 | 2,231,093 |
| 14 Fixed Operating Costs | \$ 5,628,504 | 6,033,989 | 6,147,226 | 6,248,912 | 6,352,835 | 6,459,044 | 6,567,590 | 6,678,524 | 6,791,899 | 6,907,767 |
| 15 Capital Outlay | \$ 190,000 | 194,750 | 199,619 | 204,609 | 209,724 | 214,968 | 220,342 | 225,850 | 231,497 | 237,284 |
| 16 Total Operating Expenses | \$ 32,240,373 | \$ 33,811,691 | \$ 33,527,279 | \$ 34,269,227 | \$ 35,420,225 | \$ 36,713,561 | \$ 38,063,332 | \$ 39,472,302 | \$ 40,943,386 | \$ 42,479,660 |
| 17 Net Revenues | \$ 1,596,507 | \$ 5,674,448 | \$ 9,984,291 | \$ 14,275,371 | \$ 16,308,580 | \$ 17,862,207 | \$ 18,717,251 | \$ 19,585,973 | \$ 20,474,613 | \$ 21,379,488 |
| 18 Debt Service | | | | | | | | | | |
| 19 Existing Debt Service | \$ 620,813 | 621,213 | 472,313 | 477,013 | 472,731 | 472,731 | 472,731 | 472,731 | 472,731 | 469,650 |
| 20 New Debt Service | \$ - | - | - | - | - | - | - | - | - | - |
| 21 Total Debt Service | \$ 620,813 | \$ 621,213 | \$ 472,313 | \$ 477,013 | \$ 472,731 | \$ 472,731 | \$ 472,731 | \$ 472,731 | \$ 472,731 | \$ 469,650 |
| 22 Capital Spending | | | | | | | | | | |
| 23 Cash-funded with Rate Revenue | \$ 7,404,648 | 8,949,562 | 10,030,570 | 10,944,106 | 14,074,248 | 18,407,982 | 20,428,947 | 20,140,327 | 19,572,287 | 20,643,635 |
| 24 Cash-funded with Other Funds | \$ - | 99,915 | 34,445 | 34,784 | 35,297 | 35,821 | 36,355 | 36,900 | 37,456 | 38,023 |
| 25 Capital Projects Paid with Debt Proceeds | \$ - | - | - | - | - | - | - | - | - | - |
| 26 Total Capital Spending | \$ 7,404,648 | \$ 9,049,477 | \$ 10,065,014 | \$ 10,978,889 | \$ 14,109,545 | \$ 18,443,803 | \$ 20,465,302 | \$ 20,177,227 | \$ 19,609,743 | \$ 20,681,658 |
| 27 Other Cash Flows | | | | | | | | | | |
| 28 Balance of Transfer In/(Out) | \$ 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 |
| 29 Transfer of Available Impact Fees In/(Out) | \$ (33,302) | 66,129 | 165 | 0 | 0 | 0 | 0 | 0 | - | - |
| 30 Total Other Cash Flows | \$ 156,698 | \$ 256,129 | \$ 190,165 | \$ 190,000 | \$ 190,000 | \$ 190,000 | \$ 190,000 | \$ 190,000 | \$ 190,000 | \$ 190,000 |
| 31 Revenues Over (Under) Expenses | \$ (6,272,255) | \$ (3,740,113) | \$ (362,871) | \$ 3,009,469 | \$ 1,916,304 | \$ (864,326) | \$ (2,030,783) | \$ (873,986) | \$ 582,138 | \$ 418,180 |
| 32 Operating Fund - Beginning Balance | \$ 17,498,646 | 11,226,391 | 7,486,278 | 7,123,408 | 10,132,877 | 12,049,181 | 11,184,854 | 9,154,071 | 8,280,086 | 8,862,224 |
| 33 Operating Fund - Ending Balance | \$ 11,226,391 | \$ 7,486,278 | \$ 7,123,408 | \$ 10,132,877 | \$ 12,049,181 | \$ 11,184,854 | \$ 9,154,071 | \$ 8,280,086 | \$ 8,862,224 | \$ 9,280,404 |
| 34 Operating Fund - Target Reserves | \$ 9,566,791 | 9,747,003 | 9,826,528 | 9,902,940 | 9,985,325 | 10,102,282 | 10,224,617 | 10,352,672 | 10,486,811 | 10,627,425 |
| 35 Debt Service Coverage (1.5 Req.) | 2.82 | 9.39 | 21.49 | 30.28 | 34.87 | 38.16 | 39.98 | 41.83 | 43.72 | 45.95 |

Appendix B: Cost-of-Service Schedules

Schedule 5 – Allocation of Costs to Functional Components



Water System Expense Allocation to Functions (page 1 of 8)

Schedule 5

| Budget Line Items | General & Admin | Source of Supply | Treatment | Transmission & Distribution | Pumping | Storage | Customer Service | Meters & Services | Conservation | Purchased Water | Total |
|--|--------------------------------|------------------|-------------|-----------------------------|-------------|-------------|------------------|-------------------|--------------|-----------------|------------------|
| Department 2110 City Council | | | | | | | | | | | |
| Program 2111 City Council | | | | | | | | | | | |
| 1 | Salaries - Regular | \$ 4,500 | - | - | - | - | - | - | - | - | \$ 4,500 |
| 2 | Opt-Out/SPIL | \$ 520 | - | - | - | - | - | - | - | - | \$ 520 |
| 3 | Dental Insurance | \$ 125 | - | - | - | - | - | - | - | - | \$ 125 |
| 4 | Other Insurance | \$ 43 | - | - | - | - | - | - | - | - | \$ 43 |
| 5 | Workers' Compensation | \$ 504 | - | - | - | - | - | - | - | - | \$ 504 |
| 6 | Retirement - Non Safety | \$ 357 | - | - | - | - | - | - | - | - | \$ 357 |
| 7 | Medicare (1.45% of Salary) | \$ 73 | - | - | - | - | - | - | - | - | \$ 73 |
| 8 | Subtotal | \$ 6,122 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,122 |
| Department 2120 City Manager | | | | | | | | | | | |
| Program 2121 City Manager's Office | | | | | | | | | | | |
| 9 | Salaries - Regular | \$ 47,397 | - | - | - | - | - | - | - | - | \$ 47,397 |
| 10 | Opt-Out/SPIL | \$ 260 | - | - | - | - | - | - | - | - | \$ 260 |
| 11 | Health Insurance | \$ 2,516 | - | - | - | - | - | - | - | - | \$ 2,516 |
| 12 | Dental Insurance | \$ 91 | - | - | - | - | - | - | - | - | \$ 91 |
| 13 | Other Insurance | \$ 325 | - | - | - | - | - | - | - | - | \$ 325 |
| 14 | Woker's Compensation | \$ 442 | - | - | - | - | - | - | - | - | \$ 442 |
| 15 | Retirement - Employee Contribu | \$ 10,763 | - | - | - | - | - | - | - | - | \$ 10,763 |
| 16 | Medicare (1.45% of salary) | \$ 701 | - | - | - | - | - | - | - | - | \$ 701 |
| 17 | Auto Allowance | \$ 715 | - | - | - | - | - | - | - | - | \$ 715 |
| Program 2125 City Clerk's Office | | | | | | | | | | | |
| 18 | Salaries - Regular | \$ 12,306 | - | - | - | - | - | - | - | - | \$ 12,306 |
| 19 | Health Insurance | \$ 713 | - | - | - | - | - | - | - | - | \$ 713 |
| 20 | Dental Insurance | \$ 23 | - | - | - | - | - | - | - | - | \$ 23 |
| 21 | Other Insurance | \$ 74 | - | - | - | - | - | - | - | - | \$ 74 |
| 22 | Workers' Compensation | \$ 111 | - | - | - | - | - | - | - | - | \$ 111 |
| 23 | Retirement - Employee Contribu | \$ 3,349 | - | - | - | - | - | - | - | - | \$ 3,349 |
| 24 | Medicare (1.45% of salary) | \$ 178 | - | - | - | - | - | - | - | - | \$ 178 |
| 25 | Subtotal | \$ 79,964 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 79,964 |
| Department 2160 Administrative Services | | | | | | | | | | | |
| Program 2161 AS - Administration | | | | | | | | | | | |
| 26 | Salaries - Regular | \$ 18,300 | - | - | - | - | - | - | - | - | \$ 18,300 |
| 27 | Health Insurance | \$ 1,750 | - | - | - | - | - | - | - | - | \$ 1,750 |
| 28 | Dental Insurance | \$ 63 | - | - | - | - | - | - | - | - | \$ 63 |
| 29 | Other Insurance | \$ 124 | - | - | - | - | - | - | - | - | \$ 124 |
| 30 | Workers' Compensation | \$ 106 | - | - | - | - | - | - | - | - | \$ 106 |
| 31 | Retirement - Employee Contribu | \$ 4,232 | - | - | - | - | - | - | - | - | \$ 4,232 |
| 32 | Medicare (1.45% of salary) | \$ 274 | - | - | - | - | - | - | - | - | \$ 274 |
| 33 | Auto Allowance | \$ 582 | - | - | - | - | - | - | - | - | \$ 582 |
| Program 2163 Fiscal Services | | | | | | | | | | | |
| 34 | Salaries - Regular | \$ 102,607 | - | - | - | - | - | - | - | - | \$ 102,607 |
| 35 | Opt-Out/SPIL | \$ 1,300 | - | - | - | - | - | - | - | - | \$ 1,300 |
| 36 | Health Insurance | \$ 3,240 | - | - | - | - | - | - | - | - | \$ 3,240 |
| 37 | Dental Insurance | \$ 464 | - | - | - | - | - | - | - | - | \$ 464 |
| 38 | Vision Insurance | \$ 25 | - | - | - | - | - | - | - | - | \$ 25 |
| 39 | Other Insurance | \$ 646 | - | - | - | - | - | - | - | - | \$ 646 |

Water System Expense Allocation to Functions (page 2 of 8)

Schedule 5

| Budget Line Items | | General & Admin | Source of Supply | Treatment | Transmission & Distribution | Pumping | Storage | Customer Service | Meters & Services | Conservation | Purchased Water | Total |
|--|----------------------------------|-------------------|------------------|-------------|-----------------------------|-------------|-------------|---------------------|-------------------|--------------|-----------------|---------------------|
| 40 | Workers' Compensation | \$ 1,593 | - | - | - | - | - | - | - | - | - | \$ 1,593 |
| 41 | Retirement - Employee Contribu | \$ 27,418 | - | - | - | - | - | - | - | - | - | \$ 27,418 |
| 42 | Medicare (1.45% of salary) | \$ 1,507 | - | - | - | - | - | - | - | - | - | \$ 1,507 |
| Program 2164 Purchasing | | | | | | | | | | | | |
| 43 | Salaries - Regular | \$ 14,877 | - | - | - | - | - | - | - | - | - | \$ 14,877 |
| 44 | Opt-Out/SPIL | \$ 260 | - | - | - | - | - | - | - | - | - | \$ 260 |
| 45 | Health Insurance | \$ 642 | - | - | - | - | - | - | - | - | - | \$ 642 |
| 46 | Dental Insurance | \$ 66 | - | - | - | - | - | - | - | - | - | \$ 66 |
| 47 | Vision Insurance | \$ 13 | - | - | - | - | - | - | - | - | - | \$ 13 |
| 48 | Other Insurance | \$ 102 | - | - | - | - | - | - | - | - | - | \$ 102 |
| 49 | Workers' Compensation | \$ 230 | - | - | - | - | - | - | - | - | - | \$ 230 |
| 50 | Retirement - Employee Contribu | \$ 4,091 | - | - | - | - | - | - | - | - | - | \$ 4,091 |
| 51 | Medicare (1.45% of salary) | \$ - | - | - | - | - | - | 222 | - | - | - | \$ 222 |
| Program 2165 Revenue & Utility Svcs | | | | | | | | | | | | |
| 52 | Salaries - Regular | \$ - | - | - | - | - | - | 456,897 | - | - | - | \$ 456,897 |
| 53 | Opt-Out/SPIL | \$ - | - | - | - | - | - | 1,300 | - | - | - | \$ 1,300 |
| 54 | Health Insurance | \$ - | - | - | - | - | - | 72,304 | - | - | - | \$ 72,304 |
| 55 | Dental Insurance | \$ - | - | - | - | - | - | 2,537 | - | - | - | \$ 2,537 |
| 56 | Vision Insurance | \$ - | - | - | - | - | - | 812 | - | - | - | \$ 812 |
| 57 | 5126 Retiree Health Insurance | \$ - | - | - | - | - | - | 7,011 | - | - | - | \$ 7,011 |
| 58 | Other Insurance | \$ - | - | - | - | - | - | 3,052 | - | - | - | \$ 3,052 |
| 59 | Workers' Compensation | \$ - | - | - | - | - | - | 9,452 | - | - | - | \$ 9,452 |
| 60 | Retirement - Employee Contribu | \$ - | - | - | - | - | - | 122,660 | - | - | - | \$ 122,660 |
| 61 | Medicare (1.45% of salary) | \$ - | - | - | - | - | - | 6,718 | - | - | - | \$ 6,718 |
| 62 | Bilingual Pay | \$ - | - | - | - | - | - | 5,148 | - | - | - | \$ 5,148 |
| 63 | Auto Expense | \$ - | - | - | - | - | - | 51 | - | - | - | \$ 51 |
| 64 | Meetings, Conferences, & Train | \$ - | - | - | - | - | - | 869 | - | - | - | \$ 869 |
| 65 | Legal Fees | \$ - | - | - | - | - | - | 1,022 | - | - | - | \$ 1,022 |
| 66 | Professional & Contractual Fee | \$ - | - | - | - | - | - | 96,068 | - | - | - | \$ 96,068 |
| 67 | Supplies | \$ - | - | - | - | - | - | 10,220 | - | - | - | \$ 10,220 |
| 68 | Postage | \$ - | - | - | - | - | - | 94,024 | - | - | - | \$ 94,024 |
| 69 | Small Equipment/Furniture | \$ - | - | - | - | - | - | 3,066 | - | - | - | \$ 3,066 |
| 70 | Program Expense | \$ - | - | - | - | - | - | 3,475 | - | - | - | \$ 3,475 |
| 71 | Printing, Binding, & Duplicate | \$ - | - | - | - | - | - | 35,770 | - | - | - | \$ 35,770 |
| 72 | Maintenance & Repairs | \$ - | - | - | - | - | - | 5,212 | - | - | - | \$ 5,212 |
| 73 | Lease Payment | \$ - | - | - | - | - | - | 4,803 | - | - | - | \$ 4,803 |
| 74 | Uncollectable Accounts | \$ - | - | - | - | - | - | 51,100 | - | - | - | \$ 51,100 |
| 75 | Property Tax | \$ - | - | - | - | - | - | 429 | - | - | - | \$ 429 |
| 76 | Fees and Charges | \$ - | - | - | - | - | - | 127,750 | - | - | - | \$ 127,750 |
| 77 | Building Maint. - SVC Allocation | \$ - | - | - | - | - | - | 26,582 | - | - | - | \$ 26,582 |
| 78 | Custodial Services Allocation | \$ - | - | - | - | - | - | 30,057 | - | - | - | \$ 30,057 |
| 79 | Facility Capital Repair Alloc. | \$ - | - | - | - | - | - | 6,602 | - | - | - | \$ 6,602 |
| 80 | Vehicle Replacement Reserve | \$ - | - | - | - | - | - | 4,068 | - | - | - | \$ 4,068 |
| 81 | Vehicle Maintenance Allocation | \$ - | - | - | - | - | - | 562 | - | - | - | \$ 562 |
| 82 | IT Services Allocation | \$ - | - | - | - | - | - | 50,446 | - | - | - | \$ 50,446 |
| 83 | Benefits Admin. Allocation | \$ - | - | - | - | - | - | 9,280 | - | - | - | \$ 9,280 |
| 84 | Subtotal | \$ 184,511 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,249,570 | \$ - | \$ - | \$ - | \$ 1,434,081 |

Department 2170 Human Resources

Water System Expense Allocation to Functions (page 3 of 8)

Schedule 5

| Budget Line Items | | General & Admin | Source of Supply | Treatment | Transmission & Distribution | Pumping | Storage | Customer Service | Meters & Services | Conservation | Purchased Water | Total |
|---|--------------------------------|------------------|------------------|-------------|-----------------------------|-------------|-------------|------------------|-------------------|--------------|-----------------|------------------|
| Program 2171 Personnel Services | | | | | | | | | | | | |
| 85 | Salaries - Regular | \$ 23,164 | - | - | - | - | - | - | - | - | - | \$ 23,164 |
| 86 | Health Insurance | \$ 3,629 | - | - | - | - | - | - | - | - | - | \$ 3,629 |
| 87 | Dental Insurance | \$ 89 | - | - | - | - | - | - | - | - | - | \$ 89 |
| 88 | Vision Insurance | \$ 36 | - | - | - | - | - | - | - | - | - | \$ 36 |
| 89 | Other Insurance | \$ 157 | - | - | - | - | - | - | - | - | - | \$ 157 |
| 90 | Worker's Compensation | \$ 900 | - | - | - | - | - | - | - | - | - | \$ 900 |
| 91 | Retirement - Employee Contribu | \$ 6,304 | - | - | - | - | - | - | - | - | - | \$ 6,304 |
| 92 | Medicare (1.45% of salary) | \$ 336 | - | - | - | - | - | - | - | - | - | \$ 336 |
| 93 | Subtotal | \$ 34,614 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 34,614 |
| Department 2320 Engineering | | | | | | | | | | | | |
| Program 2321 Engineering - Admin | | | | | | | | | | | | |
| 94 | Salaries - Regular | \$ - | 1,435 | 37 | 26,035 | 54 | 1,253 | - | - | - | - | \$ 28,815 |
| 95 | Opt-Out/SPIL | \$ - | 13 | 0 | 235 | 0 | 11 | - | - | - | - | \$ 260 |
| 96 | Health Insurance | \$ - | 48 | 1 | 878 | 2 | 42 | - | - | - | - | \$ 972 |
| 97 | Dental Insurance | \$ - | 2 | 0 | 44 | 0 | 2 | - | - | - | - | \$ 49 |
| 98 | Vision Insurance | \$ - | 1 | 0 | 13 | 0 | 1 | - | - | - | - | \$ 14 |
| 99 | Retiree Health Insurance | \$ - | 112 | 3 | 2,025 | 4 | 97 | - | - | - | - | \$ 2,241 |
| 100 | Other Insurance | \$ - | 9 | 0 | 162 | 0 | 8 | - | - | - | - | \$ 179 |
| 101 | Workers' Compensation | \$ - | 87 | 2 | 1,569 | 3 | 76 | - | - | - | - | \$ 1,737 |
| 102 | Retirement - Employee Contribu | \$ - | 391 | 10 | 7,085 | 15 | 341 | - | - | - | - | \$ 7,842 |
| 103 | Medicare (1.45% of salary) | \$ - | 21 | 1 | 381 | 1 | 18 | - | - | - | - | \$ 422 |
| 104 | Insurance Alloc - Public Liab | \$ - | 208 | 5 | 3,777 | 8 | 182 | - | - | - | - | \$ 4,180 |
| 105 | Building Maint. Svc Alloc | \$ - | 47 | 1 | 859 | 2 | 41 | - | - | - | - | \$ 950 |
| 106 | Custodial Services Allocation | \$ - | 11 | 0 | 194 | 0 | 9 | - | - | - | - | \$ 215 |
| 107 | Facility Capital Repair Alloc. | \$ - | 9 | 0 | 157 | 0 | 8 | - | - | - | - | \$ 174 |
| 108 | IT Services Allocation | \$ - | 99 | 3 | 1,791 | 4 | 86 | - | - | - | - | \$ 1,983 |
| 109 | Benefits Admin. Allocation | \$ - | 10 | 0 | 185 | 0 | 9 | - | - | - | - | \$ 204 |
| Program 2323 Water System Mgmt | | | | | | | | | | | | |
| 110 | Salaries - Regular | \$ - | 25,861 | 676 | 469,193 | 978 | 22,589 | - | - | 57,700 | - | \$ 576,996 |
| 111 | Wages - Nonregular | \$ - | 2,241 | 59 | 40,658 | 85 | 1,957 | - | - | 5,000 | - | \$ 50,000 |
| 112 | Overtime Salaries | \$ - | 134 | 4 | 2,439 | 5 | 117 | - | - | 300 | - | \$ 3,000 |
| 113 | Opt-Out/SPIL | \$ - | 107 | 3 | 1,938 | 4 | 93 | - | - | - | - | \$ 2,145 |
| 114 | Health Insurance | \$ - | 3,033 | 79 | 55,027 | 115 | 2,649 | - | - | 6,767 | - | \$ 67,671 |
| 115 | Dental Insurance | \$ - | 105 | 3 | 1,904 | 4 | 92 | - | - | 234 | - | \$ 2,341 |
| 116 | Vision Insurance | \$ - | 28 | 1 | 516 | 1 | 25 | - | - | 63 | - | \$ 634 |
| 117 | Other Insurance | \$ - | 165 | 4 | 2,995 | 6 | 144 | - | - | 368 | - | \$ 3,683 |
| 118 | Workers' Compensation | \$ - | 1,445 | 38 | 26,215 | 55 | 1,262 | - | - | 3,224 | - | \$ 32,238 |
| 119 | Retirement - Employee Contribu | \$ - | 6,766 | 177 | 122,762 | 256 | 5,910 | - | - | 15,097 | - | \$ 150,968 |
| 120 | Retirement - Nonregular-3.75% | \$ - | 62 | 2 | 1,130 | 2 | 54 | - | - | 139 | - | \$ 1,390 |
| 121 | Medicare (1.45% of salary) | \$ - | 376 | 10 | 6,829 | 14 | 329 | - | - | 840 | - | \$ 8,398 |
| 122 | Auto Expense | \$ - | 5 | 0 | 92 | 0 | 4 | - | - | - | - | \$ 102 |
| 123 | Dues & Subscriptions | \$ - | 621 | 16 | 11,265 | 23 | 542 | - | - | - | - | \$ 12,468 |
| 124 | Meetings, Conferences, & Train | \$ - | 219 | 6 | 3,971 | 8 | 191 | - | - | - | - | \$ 4,395 |
| 125 | Legal Fees | \$ - | 254 | 7 | 4,617 | 10 | 222 | - | - | - | - | \$ 5,110 |
| 126 | Professional & Contractual Fee | \$ - | 509 | 13 | 9,234 | 19 | 445 | - | - | - | - | \$ 10,220 |
| 127 | Water Quality Report | \$ - | 153 | 4 | 2,770 | 6 | 133 | - | - | - | - | \$ 3,066 |
| 128 | Calif. Dept of Health Svc Fee | \$ - | 3,563 | 93 | 64,638 | 135 | 3,112 | - | - | - | - | \$ 71,540 |

Water System Expense Allocation to Functions (page 4 of 8)

Schedule 5

| Budget Line Items | General & Admin | Source of Supply | Treatment | Transmission & Distribution | Pumping | Storage | Customer Service | Meters & Services | Conservation | Purchased Water | Total |
|--|-----------------|------------------|-----------|-----------------------------|---------|---------|------------------|-------------------|--------------|-----------------|---------------|
| 129 Water Quality Testing | \$ - | 3,054 | 80 | 55,404 | 115 | 2,667 | - | - | - | - | \$ 61,320 |
| 130 Water Efficiency Fees | \$ - | - | - | - | - | - | - | - | 38,836 | - | \$ 38,836 |
| 131 Supplies | \$ - | 178 | 5 | 3,232 | 7 | 156 | - | - | - | - | \$ 3,577 |
| 132 Postage | \$ - | - | - | - | - | - | - | - | 20,440 | - | \$ 20,440 |
| 133 Small Equipment/Furniture | \$ - | 76 | 2 | 1,385 | 3 | 67 | - | - | - | - | \$ 1,533 |
| 134 Advertising & Promotion | \$ - | - | - | - | - | - | - | - | 5,110 | - | \$ 5,110 |
| 135 Printing, Binding, & Duplicate | \$ - | - | - | - | - | - | - | - | 5,110 | - | \$ 5,110 |
| 136 Maintenance & Repairs | \$ - | 509 | 13 | 9,234 | 19 | 445 | - | - | - | - | \$ 10,220 |
| 137 Rentals | \$ - | 361 | 9 | 6,556 | 14 | 316 | - | - | - | - | \$ 7,256 |
| 138 Telephone | \$ - | 92 | 2 | 1,662 | 3 | 80 | - | - | - | - | \$ 1,840 |
| 139 Overhead | \$ - | 3,308 | 86 | 60,021 | 125 | 2,890 | - | - | - | - | \$ 66,430 |
| 140 Insurance Alloc - Public Liab | \$ - | 4,808 | 126 | 87,224 | 182 | 4,199 | - | - | - | - | \$ 96,538 |
| 141 Custodial Services Allocation | \$ - | 1,097 | 29 | 19,908 | 41 | 958 | - | - | - | - | \$ 22,034 |
| 142 Facility Capital Repair Alloc. | \$ - | 247 | 6 | 4,488 | 9 | 216 | - | - | - | - | \$ 4,967 |
| 143 Vehicle Replacement Reserve | \$ - | 174 | 5 | 3,149 | 7 | 152 | - | - | - | - | \$ 3,485 |
| 144 Insurance Alloc - Public Liab | \$ - | 124 | 3 | 2,253 | 5 | 108 | - | - | - | - | \$ 2,494 |
| 145 IT Services Allocation | \$ - | 3,022 | 79 | 54,831 | 114 | 2,640 | - | - | - | - | \$ 60,686 |
| 146 Benefits Admin. Allocation | \$ - | 355 | 9 | 6,445 | 13 | 310 | - | - | - | - | \$ 7,134 |
| 147 Furniture, Equipment, & Machin | \$ - | 1,276 | 33 | 23,153 | 48 | 1,115 | - | - | - | - | \$ 25,625 |
| Program 2324 Project Dev & Design | | | | | | | | | | | |
| 148 Salaries - Regular | \$ - | 2,664 | 70 | 48,333 | 101 | 2,327 | - | - | - | - | \$ 53,494 |
| 149 Overtime Salaries - Misc. | \$ - | 23 | 1 | 416 | 1 | 20 | - | - | - | - | \$ 460 |
| 150 Opt-Out/SPIL | \$ - | 103 | 3 | 1,861 | 4 | 90 | - | - | - | - | \$ 2,060 |
| 151 Health Insurance | \$ - | 484 | 13 | 8,782 | 18 | 423 | - | - | - | - | \$ 9,720 |
| 152 Dental Insurance | \$ - | 8 | 0 | 146 | 0 | 7 | - | - | - | - | \$ 162 |
| 153 Vision Insurance | \$ - | 2 | 0 | 39 | 0 | 2 | - | - | - | - | \$ 43 |
| 154 Other Insurance | \$ - | 17 | 0 | 303 | 1 | 15 | - | - | - | - | \$ 335 |
| 155 Workers' Compensation | \$ - | 173 | 5 | 3,138 | 7 | 151 | - | - | - | - | \$ 3,473 |
| 156 Retirement - Employee Contribu | \$ - | 726 | 19 | 13,178 | 27 | 634 | - | - | - | - | \$ 14,585 |
| 157 Medicare (1.45% of salary) | \$ - | 40 | 1 | 729 | 2 | 35 | - | - | - | - | \$ 807 |
| 158 Uniform / Boot Allowance | \$ - | 5 | 0 | 90 | 0 | 4 | - | - | - | - | \$ 100 |
| 159 Dues & Subscriptions | \$ - | 10 | 0 | 185 | 0 | 9 | - | - | - | - | \$ 204 |
| 160 Meetings, Conferences & Train | \$ - | 33 | 1 | 591 | 1 | 28 | - | - | - | - | \$ 654 |
| 161 Telephone | \$ - | 31 | 1 | 554 | 1 | 27 | - | - | - | - | \$ 613 |
| 162 Insurance Alloc - Public Liab | \$ - | 1,730 | 45 | 31,395 | 65 | 1,512 | - | - | - | - | \$ 34,748 |
| 163 Building Maint. Svc Alloc | \$ - | 395 | 10 | 7,166 | 15 | 345 | - | - | - | - | \$ 7,931 |
| 164 Custodial Services Allocation | \$ - | 89 | 2 | 1,616 | 3 | 78 | - | - | - | - | \$ 1,789 |
| 165 Facility Capital Repair Alloc. | \$ - | 60 | 2 | 1,090 | 2 | 52 | - | - | - | - | \$ 1,206 |
| 166 Vehicle Replacement Reserve | \$ - | 8 | 0 | 148 | 0 | 7 | - | - | - | - | \$ 164 |
| 167 Vehicle Maintenance Allocation | \$ - | 305 | 8 | 5,540 | 12 | 267 | - | - | - | - | \$ 6,132 |
| 168 IT Services Allocation | \$ - | 674 | 18 | 12,226 | 25 | 589 | - | - | - | - | \$ 13,531 |
| 169 Benefits Admin. Allocation | \$ - | 175 | 5 | 3,167 | 7 | 152 | - | - | - | - | \$ 3,505 |
| Program 2326 Water Supply | | | | | | | | | | | |
| 170 Public Safety Support | \$ 43,445 | - | - | - | - | - | - | - | - | - | \$ 43,445 |
| 171 Lease Payment | \$ 1,511,400 | - | - | - | - | - | - | - | - | - | \$ 1,511,400 |
| 172 Water | \$ - | - | - | - | - | - | - | - | - | 19,483,033 | \$ 19,483,033 |
| 173 Telephone | \$ - | 552 | - | - | - | - | - | - | - | - | \$ 552 |
| 174 Gas | \$ - | 204 | - | - | - | - | - | - | - | - | \$ 204 |
| 175 Electricity | \$ - | 5,110 | - | - | - | - | - | - | - | - | \$ 5,110 |

Water System Expense Allocation to Functions (page 5 of 8)

Schedule 5

| Budget Line Items | | General & Admin | Source of Supply | Treatment | Transmission & Distribution | Pumping | Storage | Customer Service | Meters & Services | Conservation | Purchased Water | Total |
|-------------------|--------------------------------|---------------------|------------------|-----------------|-----------------------------|-----------------|------------------|------------------|-------------------|-------------------|----------------------|----------------------|
| 176 | Water Pumping Power | \$ - | - | - | - | - | - | - | - | - | 1,992,900 | \$ 1,992,900 |
| 177 | Property Tax | \$ 20,440 | - | - | - | - | - | - | - | - | - | \$ 20,440 |
| 178 | Fees and Charges | \$ 2,453 | - | - | - | - | - | - | - | - | - | \$ 2,453 |
| 179 | Public Street Rt-of-Way Impact | \$ 227,150 | - | - | - | - | - | - | - | - | - | \$ 227,150 |
| 180 | Subtotal | \$ 1,804,888 | \$ 80,452 | \$ 1,949 | \$ 1,353,219 | \$ 2,819 | \$ 65,151 | \$ - | \$ - | \$ 159,228 | \$ 21,475,933 | \$ 24,943,639 |

Department 2410 Maintenance Services

| Department 2410 Maintenance Services | | | | | | | | | | | | |
|--|------------------------------------|------|-------|-----|---------|-----|-------|---|---|---|---|------------|
| Program 2411 MS - Administration | | | | | | | | | | | | |
| 181 | Salaries - Regular | \$ - | 8,283 | 216 | 150,277 | 313 | 7,235 | - | - | - | - | \$ 166,324 |
| 182 | 5110 Opt-Out/SPIL | \$ - | 14 | 0 | 254 | 1 | 12 | - | - | - | - | \$ 281 |
| 183 | Health Insurance | \$ - | 926 | 24 | 16,801 | 35 | 809 | - | - | - | - | \$ 18,595 |
| 184 | Dental Insurance | \$ - | 37 | 1 | 675 | 1 | 33 | - | - | - | - | \$ 747 |
| 185 | Vision Insurance | \$ - | 9 | 0 | 157 | 0 | 8 | - | - | - | - | \$ 174 |
| 186 | Retiree Health Insurance | \$ - | 124 | 3 | 2,259 | 5 | 109 | - | - | - | - | \$ 2,500 |
| 187 | Other Insurance | \$ - | 55 | 1 | 993 | 2 | 48 | - | - | - | - | \$ 1,099 |
| 188 | Workers' Compensation | \$ - | 450 | 12 | 8,159 | 17 | 393 | - | - | - | - | \$ 9,030 |
| 189 | Retirement - Employee Contribu | \$ - | 2,167 | 57 | 39,311 | 82 | 1,893 | - | - | - | - | \$ 43,509 |
| 190 | Medicare (1.45% of salary) | \$ - | 121 | 3 | 2,199 | 5 | 106 | - | - | - | - | \$ 2,434 |
| 191 | Auto Allowance | \$ - | 63 | 2 | 1,138 | 2 | 55 | - | - | - | - | \$ 1,259 |
| 192 | Small Equipment/Furniture | \$ - | 55 | 1 | 997 | 2 | 48 | - | - | - | - | \$ 1,104 |
| 193 | Maintenance & Repairs | \$ - | 700 | 18 | 12,697 | 26 | 611 | - | - | - | - | \$ 14,053 |
| 194 | Insurance Alloc - Public Liab | \$ - | 1,943 | 51 | 35,255 | 73 | 1,697 | - | - | - | - | \$ 39,020 |
| 195 | Building maint. Svc Alloc | \$ - | 203 | 5 | 3,684 | 8 | 177 | - | - | - | - | \$ 4,078 |
| 196 | Custodial Services Allocation | \$ - | 32 | 1 | 582 | 1 | 28 | - | - | - | - | \$ 644 |
| 197 | Facility Capital Repair Alloc. | \$ - | 31 | 1 | 563 | 1 | 27 | - | - | - | - | \$ 623 |
| 198 | IT Services Allocation | \$ - | 966 | 25 | 17,526 | 37 | 844 | - | - | - | - | \$ 19,398 |
| 199 | Benefits Admin. Allocation | \$ - | 150 | 4 | 2,715 | 6 | 131 | - | - | - | - | \$ 3,005 |
| Program 2413 Building & Fac Maintenance | | | | | | | | | | | | |
| 200 | Salaries - Regular | \$ - | 4,421 | 115 | 80,203 | 167 | 3,861 | - | - | - | - | \$ 88,768 |
| 201 | Opt-Out/SPIL | \$ - | 5 | 0 | 95 | 0 | 5 | - | - | - | - | \$ 105 |
| 202 | Health Insurance | \$ - | 1,032 | 27 | 18,719 | 39 | 901 | - | - | - | - | \$ 20,718 |
| 203 | Dental Insurance | \$ - | 22 | 1 | 395 | 1 | 19 | - | - | - | - | \$ 437 |
| 204 | Vision Insurance | \$ - | 4 | 0 | 79 | 0 | 4 | - | - | - | - | \$ 87 |
| 205 | Other Insurance | \$ - | 29 | 1 | 525 | 1 | 25 | - | - | - | - | \$ 581 |
| 206 | Workers' Compensation | \$ - | 388 | 10 | 7,037 | 15 | 339 | - | - | - | - | \$ 7,789 |
| 207 | Retirement - Employee Contribu | \$ - | 1,186 | 31 | 21,515 | 45 | 1,036 | - | - | - | - | \$ 23,812 |
| 208 | Medicare (1.45% of salary) | \$ - | 64 | 2 | 1,168 | 2 | 56 | - | - | - | - | \$ 1,293 |
| 209 | Uniform / Boot Allowance | \$ - | 14 | 0 | 262 | 1 | 13 | - | - | - | - | \$ 290 |
| 210 | Property Tax | \$ - | 193 | 5 | 3,509 | 7 | 169 | - | - | - | - | \$ 3,884 |
| 211 | 6802 Insurance Alloc - Public Lia | \$ - | 6,147 | 161 | 111,518 | 232 | 5,369 | - | - | - | - | \$ 123,427 |
| 212 | 6804 Building Maint. Svc Alloc | \$ - | 642 | 17 | 11,644 | 24 | 561 | - | - | - | - | \$ 12,887 |
| 213 | 6805 Custodial Services Allocati | \$ - | 101 | 3 | 1,838 | 4 | 88 | - | - | - | - | \$ 2,034 |
| 214 | 6806 Facility Capital Repair Alloc | \$ - | 80 | 2 | 1,459 | 3 | 70 | - | - | - | - | \$ 1,615 |
| 215 | 6807 Vehicle Replacement Rese | \$ - | 346 | 9 | 6,270 | 13 | 302 | - | - | - | - | \$ 6,939 |
| 216 | 6808 Vehicle Maintenance Alloc | \$ - | 846 | 22 | 15,347 | 32 | 739 | - | - | - | - | \$ 16,986 |
| 217 | 6809 IT Services Allocation | \$ - | 195 | 5 | 3,546 | 7 | 171 | - | - | - | - | \$ 3,924 |
| 218 | 6810 Benefits Admin. Allocation | \$ - | 156 | 4 | 2,826 | 6 | 136 | - | - | - | - | \$ 3,127 |
| Program 2419 Street Maintenance | | | | | | | | | | | | |
| 219 | Supplies | \$ - | - | - | 9,474 | - | - | - | - | - | - | \$ 9,474 |

Water System Expense Allocation to Functions (page 6 of 8)

Schedule 5

| Budget Line Items | General & Admin | Source of Supply | Treatment | Transmission & Distribution | Pumping | Storage | Customer Service | Meters & Services | Conservation | Purchased Water | Total |
|---|--------------------------------|------------------|-----------|-----------------------------|---------|---------|------------------|-------------------|--------------|-----------------|------------|
| Program 2423 Landscape Maintenance | | | | | | | | | | | |
| 220 | Salaries - Regular | \$ 85,862 | - | - | - | - | - | - | - | - | \$ 85,862 |
| 221 | Opt-Out/SPIL | \$ 451 | - | - | - | - | - | - | - | - | \$ 451 |
| 222 | Health Insurance | \$ 23,638 | - | - | - | - | - | - | - | - | \$ 23,638 |
| 223 | Dental Insurance | \$ 449 | - | - | - | - | - | - | - | - | \$ 449 |
| 224 | Vision Insurance | \$ 69 | - | - | - | - | - | - | - | - | \$ 69 |
| 225 | Other Insurance | \$ 588 | - | - | - | - | - | - | - | - | \$ 588 |
| 226 | Workers' Compensation | \$ 10,160 | - | - | - | - | - | - | - | - | \$ 10,160 |
| 227 | Retirement - Employee Contribu | \$ 22,814 | - | - | - | - | - | - | - | - | \$ 22,814 |
| 228 | Medicare (1.45% of salary) | \$ 1,257 | - | - | - | - | - | - | - | - | \$ 1,257 |
| 229 | Uniform/Boot Allowance | \$ 410 | - | - | - | - | - | - | - | - | \$ 410 |
| 230 | Professional & Contractual Fee | \$ 40,665 | - | - | - | - | - | - | - | - | \$ 40,665 |
| 231 | Supplies | \$ 17,701 | - | - | - | - | - | - | - | - | \$ 17,701 |
| 232 | Small Equipment/Furniture | \$ 2,708 | - | - | - | - | - | - | - | - | \$ 2,708 |
| 233 | Vehicle Replacement Reserve | \$ 8,350 | - | - | - | - | - | - | - | - | \$ 8,350 |
| 234 | Vehicle Maintenance Allocation | \$ 9,423 | - | - | - | - | - | - | - | - | \$ 9,423 |
| 235 | Benefits Admin. Allocation | \$ 2,780 | - | - | - | - | - | - | - | - | \$ 2,780 |
| Program 2425 Water Transmission & Distribution | | | | | | | | | | | |
| 236 | Salaries - Regular | \$ - | - | - | 992,797 | - | - | - | - | - | \$ 992,797 |
| 237 | Overtime Salaries | \$ - | - | - | 104,500 | - | - | - | - | - | \$ 104,500 |
| 238 | Health Insurance | \$ - | - | - | 232,114 | - | - | - | - | - | \$ 232,114 |
| 239 | Dental Insurance | \$ - | - | - | 5,061 | - | - | - | - | - | \$ 5,061 |
| 240 | Vision Insurance | \$ - | - | - | 826 | - | - | - | - | - | \$ 826 |
| 241 | Retiree Health Insurance | \$ - | - | - | 7,223 | - | - | - | - | - | \$ 7,223 |
| 242 | Other Insurance | \$ - | - | - | 6,475 | - | - | - | - | - | \$ 6,475 |
| 243 | Workers' Compensation | \$ - | - | - | 81,330 | - | - | - | - | - | \$ 81,330 |
| 244 | Retirement - Employee Contribu | \$ - | - | - | 266,513 | - | - | - | - | - | \$ 266,513 |
| 245 | Medicare (1.45% of salary) | \$ - | - | - | 14,491 | - | - | - | - | - | \$ 14,491 |
| 246 | Uniforms & Laundry | \$ - | - | - | 8,268 | - | - | - | - | - | \$ 8,268 |
| 247 | Dues & Subscriptions | \$ - | - | - | 920 | - | - | - | - | - | \$ 920 |
| 248 | Meetings, Conferences, & Train | \$ - | - | - | 2,453 | - | - | - | - | - | \$ 2,453 |
| 249 | Professional & Contractual Fee | \$ - | - | - | 266,405 | - | - | - | - | - | \$ 266,405 |
| 250 | Supplies | \$ - | - | - | 567,281 | - | - | - | - | - | \$ 567,281 |
| 251 | Small Equipment/Furniture | \$ - | - | - | 12,893 | - | - | - | - | - | \$ 12,893 |
| 252 | Maintenance & Repairs | \$ - | - | - | 6,929 | - | - | - | - | - | \$ 6,929 |
| 253 | Rentals | \$ - | - | - | 16,219 | - | - | - | - | - | \$ 16,219 |
| 254 | Telephone | \$ - | - | - | 8,094 | - | - | - | - | - | \$ 8,094 |
| 255 | Insurance Alloc - Public Liab | \$ - | - | - | 240,221 | - | - | - | - | - | \$ 240,221 |
| 256 | Building Maint. Svc Alloc | \$ - | - | - | 25,080 | - | - | - | - | - | \$ 25,080 |
| 257 | Facility Capital Repair Alloc. | \$ - | - | - | 3,955 | - | - | - | - | - | \$ 3,955 |
| 258 | Vehicle Replacement Reserve | \$ - | - | - | 2,994 | - | - | - | - | - | \$ 2,994 |
| 259 | Insurance Alloc - Public Liab | \$ - | - | - | 122,640 | - | - | - | - | - | \$ 122,640 |
| 260 | Vehicle Maintenance Allocation | \$ - | - | - | 196,030 | - | - | - | - | - | \$ 196,030 |
| 261 | IT Services Allocation | \$ - | - | - | 30,169 | - | - | - | - | - | \$ 30,169 |
| 262 | Benefits Admin. Allocation | \$ - | - | - | 17,200 | - | - | - | - | - | \$ 17,200 |
| 263 | Furniture, Equipment, & Machin | \$ - | - | - | 25,625 | - | - | - | - | - | \$ 25,625 |
| 264 | WtrLines,Mains,Sewer,StormDre | \$ - | - | - | 143,500 | - | - | - | - | - | \$ 143,500 |
| Program 2426 Water Production & Storage | | | | | | | | | | | |
| 265 | Salaries - Regular | \$ - | - | - | - | 491,289 | - | - | - | - | \$ 491,289 |

Water System Expense Allocation to Functions (page 7 of 8)

Schedule 5

| Budget Line Items | General & Admin | Source of supply | Treatment | Transmission & Distribution | Pumping | Storage | Customer Service | Meters & Services | Conservation | Purchased Water | Total |
|--|-----------------|------------------|-----------|-----------------------------|---------|---------|------------------|-------------------|--------------|-----------------|------------|
| 266 5102 Wages - Nonregular | \$ - | - | - | - | - | 15,000 | - | - | - | - | \$ 15,000 |
| 267 Overtime Salaries | \$ - | - | - | - | - | 22,000 | - | - | - | - | \$ 22,000 |
| 268 Opt-Out/SPIL | \$ - | - | - | - | - | 2,500 | - | - | - | - | \$ 2,500 |
| 269 Health Insurance | \$ - | - | - | - | - | 108,702 | - | - | - | - | \$ 108,702 |
| 270 Dental Insurance | \$ - | - | - | - | - | 2,419 | - | - | - | - | \$ 2,419 |
| 271 Vision Insurance | \$ - | - | - | - | - | 336 | - | - | - | - | \$ 336 |
| 272 Retiree Health Insurance | \$ - | - | - | - | - | 13,644 | - | - | - | - | \$ 13,644 |
| 273 Other Insurance | \$ - | - | - | - | - | 3,208 | - | - | - | - | \$ 3,208 |
| 274 Workers' Compensation | \$ - | - | - | - | - | 36,203 | - | - | - | - | \$ 36,203 |
| 275 Retirement - Employee Contribu | \$ - | - | - | - | - | 133,038 | - | - | - | - | \$ 133,038 |
| 276 Medicare (1.45% of salary) | \$ - | - | - | - | - | 7,160 | - | - | - | - | \$ 7,160 |
| 277 Uniforms & Laundry | \$ - | - | - | - | - | 2,759 | - | - | - | - | \$ 2,759 |
| 278 Dues & Subscriptions | \$ - | - | - | - | - | 1,308 | - | - | - | - | \$ 1,308 |
| 279 Meetings, Conferences, & Train | \$ - | - | - | - | - | 756 | - | - | - | - | \$ 756 |
| 280 Professional & Contractual Fee | \$ - | - | - | - | - | 10,220 | - | - | - | - | \$ 10,220 |
| 281 Supplies | \$ - | - | - | - | - | - | - | - | - | 193,812 | \$ 193,812 |
| 282 Small Equipment/Furniture | \$ - | - | - | - | - | 3,383 | - | - | - | - | \$ 3,383 |
| 283 Maintenance & Repairs | \$ - | - | - | - | - | 106,114 | - | - | - | - | \$ 106,114 |
| 284 Telephone | \$ - | - | - | - | - | 5,621 | - | - | - | - | \$ 5,621 |
| 285 Insurance Alloc - Public Liab | \$ - | - | - | - | - | 96,446 | - | - | - | - | \$ 96,446 |
| 286 Building Maint. Svc Alloc | \$ - | - | - | - | - | 10,067 | - | - | - | - | \$ 10,067 |
| 287 Facility Capital Repair Alloc. | \$ - | - | - | - | - | 1,594 | - | - | - | - | \$ 1,594 |
| 288 Vehicle Replacement Reserve | \$ - | - | - | - | - | 1,186 | - | - | - | - | \$ 1,186 |
| 289 Insurance Alloc - Public Liab | \$ - | - | - | - | - | 45,980 | - | - | - | - | \$ 45,980 |
| 290 Vehicle Maintenance Allocation | \$ - | - | - | - | - | 60,114 | - | - | - | - | \$ 60,114 |
| 291 IT Services Allocation | \$ - | - | - | - | - | 12,928 | - | - | - | - | \$ 12,928 |
| 292 Benefits Admin. Allocation | \$ - | - | - | - | - | 7,655 | - | - | - | - | \$ 7,655 |
| Program 2427 Sewer Maintenance & Repair | | | | | | | | | | | |
| 293 Salaries-Regular Miscellaneous | \$ - | 565 | 15 | 10,251 | 21 | 494 | - | - | - | - | \$ 11,346 |
| 294 Health Insurance | \$ - | 84 | 2 | 1,532 | 3 | 74 | - | - | - | - | \$ 1,696 |
| 295 Dental Insurance | \$ - | 3 | 0 | 51 | 0 | 2 | - | - | - | - | \$ 56 |
| 296 Other Insurance | \$ - | 4 | 0 | 69 | 0 | 3 | - | - | - | - | \$ 76 |
| 297 PERS Misc. - Employee Paid | \$ - | 135 | 4 | 2,458 | 5 | 118 | - | - | - | - | \$ 2,721 |
| 298 Medicare (1.45% of salary) | \$ - | 8 | 0 | 149 | 0 | 7 | - | - | - | - | \$ 165 |
| Program 2428 Water Quality/Metering | | | | | | | | | | | |
| 299 Salaries - Regular | \$ - | - | - | - | - | - | - | - | - | 587,096 | \$ 587,096 |
| 300 Overtime Salaries | \$ - | - | - | - | - | - | - | - | - | 5,530 | \$ 5,530 |
| 301 Health Insurance | \$ - | - | - | - | - | - | - | - | - | 148,813 | \$ 148,813 |
| 302 Dental Insurance | \$ - | - | - | - | - | - | - | - | - | 2,629 | \$ 2,629 |
| 303 Vision Insurance | \$ - | - | - | - | - | - | - | - | - | 430 | \$ 430 |
| 304 Other Insurance | \$ - | - | - | - | - | - | - | - | - | 3,825 | \$ 3,825 |
| 305 Workers' Compensation | \$ - | - | - | - | - | - | - | - | - | 47,610 | \$ 47,610 |
| 306 Retirement - Employee Contribu | \$ - | - | - | - | - | - | - | - | - | 141,206 | \$ 141,206 |
| 307 Medicare (1.45% of salary) | \$ - | - | - | - | - | - | - | - | - | 8,539 | \$ 8,539 |
| 308 Uniform/Boot Allowance | \$ - | - | - | - | - | - | - | - | - | 1,800 | \$ 1,800 |
| 309 Uniforms & Laundry | \$ - | - | - | - | - | - | - | - | - | 4,333 | \$ 4,333 |
| 310 Dues & Subscriptions | \$ - | - | - | - | - | - | - | - | - | 358 | \$ 358 |
| 311 Meetings, Conferences, & Train | \$ - | - | - | - | - | - | - | - | - | 327 | \$ 327 |
| 312 Professional & Contractual Fee | \$ - | - | - | - | - | - | - | - | - | 10,220 | \$ 10,220 |

Water System Expense Allocation to Functions (page 8 of 8)

Schedule 5

| Budget Line Items | General & Admin | Source of Supply | Treatment | Transmission & Distribution | Pumping | Storage | Customer Service | Meters & Services | Conservation | Purchased Water | Total |
|---|-----------------|------------------|-----------|-----------------------------|-----------|--------------|------------------|-------------------|--------------|-----------------|---------------|
| 313 Supplies | \$ - | - | - | - | - | - | - | - | - | 61,320 | \$ 61,320 |
| 314 Small Equipment/Furniture | \$ - | - | - | - | - | - | - | - | - | 7,665 | \$ 7,665 |
| 315 Water Meters | \$ - | - | - | - | - | - | - | - | - | 306,600 | \$ 306,600 |
| 316 Maintenance & Repairs | \$ - | - | - | - | - | - | - | - | - | 7,062 | \$ 7,062 |
| 317 Rentals | \$ - | - | - | - | - | - | - | - | - | 5,601 | \$ 5,601 |
| 318 Telephone | \$ - | - | - | - | - | - | - | - | - | 3,373 | \$ 3,373 |
| 319 Insurance Alloc - Public Liab | \$ - | - | - | - | - | - | - | - | - | 126,932 | \$ 126,932 |
| 320 Building Maint. Svc Alloc | \$ - | - | - | - | - | - | - | - | - | 13,245 | \$ 13,245 |
| 321 Custodial Services Allocation | \$ - | - | - | - | - | - | - | - | - | 2,105 | \$ 2,105 |
| 322 Facility Capital Repair Alloc. | \$ - | - | - | - | - | - | - | - | - | 1,666 | \$ 1,666 |
| 323 Insurance Alloc - Public Liab | \$ - | - | - | - | - | - | - | - | - | 18,355 | \$ 18,355 |
| 324 Vehicle Maintenance Allocation | \$ - | - | - | - | - | - | - | - | - | 37,456 | \$ 37,456 |
| 325 IT Services Allocation | \$ - | - | - | - | - | - | - | - | - | 12,949 | \$ 12,949 |
| 326 Benefits Admin. Allocation | \$ - | - | - | - | - | - | - | - | - | 11,855 | \$ 11,855 |
| Program 2511 Administration & Community Ctr | | | | | | | | | | | |
| 327 Salaries-Regular Miscellaneous | \$ - | - | - | - | - | - | 21,200 | - | - | - | \$ 21,200 |
| 328 Health Insurance | \$ - | - | - | - | - | - | 3,240 | - | - | - | \$ 3,240 |
| 329 Dental Insurance | \$ - | - | - | - | - | - | 111 | - | - | - | \$ 111 |
| 330 Other Insurance | \$ - | - | - | - | - | - | 144 | - | - | - | \$ 144 |
| 331 Workers' Compensation | \$ - | - | - | - | - | - | 890 | - | - | - | \$ 890 |
| 332 PERS Misc. - Employee Paid | \$ - | - | - | - | - | - | 5,392 | - | - | - | \$ 5,392 |
| 333 Medicare (1.45% of salary) | \$ - | - | - | - | - | - | 307 | - | - | - | \$ 307 |
| 334 Subtotal | \$ 227,326 | \$ 32,999 | \$ 862 | \$ 4,016,386 | \$ 1,247 | \$ 1,230,456 | \$ 31,284 | \$ - | \$ - | \$ 1,772,712 | \$ 7,313,271 |
| 335 Existing Debt Service Total | \$ 4,386 | \$ 29,895 | \$ 781 | \$ 542,388 | \$ 1,130 | \$ 26,113 | \$ - | \$ 16,519 | \$ - | \$ - | \$ 621,213 |
| 0 Transfers Total | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 336 Capital Projects Total | \$ 63,189 | \$ 430,686 | \$ 11,253 | \$ 7,813,969 | \$ 16,280 | \$ 376,203 | \$ - | \$ 237,983 | \$ - | \$ - | \$ 8,949,562 |
| 337 Total Revenue Requirements | \$ 2,405,000 | \$ 574,032 | \$ 14,845 | \$ 13,725,962 | \$ 21,476 | \$ 1,697,922 | \$ 1,280,853 | \$ 254,502 | \$ 159,228 | \$ 23,248,645 | \$ 43,382,466 |
| 338 Indirect Reallocation of General & Admin | \$ - | \$ 11,701 | \$ 294 | \$ 458,192 | \$ 426 | \$ 99,078 | \$ 95,122 | \$ 1,810 | \$ 11,825 | \$ 1,726,552 | \$ 2,405,000 |
| 339 Total Functionalized Costs (G&A reallocated) | \$ - | \$ 585,733 | \$ 15,139 | \$ 14,184,154 | \$ 21,902 | \$ 1,797,001 | \$ 1,375,976 | \$ 256,312 | \$ 171,053 | \$ 24,975,197 | \$ 43,382,466 |

Appendix C: Proposed Rate Schedules

Schedule 6 – Proposed Rates effective July 1, 2019

Schedule 7 – Proposed Rates effective July 1, 2020

Schedule 8 – Proposed Rates effective July 1, 2021

Schedule 9 – Proposed Rates effective July 1, 2022

Schedule 10 – Proposed Rates effective July 1, 2023



Projected Rate Schedule - FY 2020

Schedule 6

Fixed Meter Charge

| Meter Size | Monthly Rate |
|------------|--------------|
| 5/8" | \$26.07 |
| 1" | \$41.30 |
| 1 1/2" | \$79.39 |
| 2" | \$125.08 |
| 3" | \$246.95 |
| 4" | \$384.04 |
| 6" | \$764.86 |
| 8" | \$1,221.84 |
| 10" | \$1,831.15 |
| 12" | \$2,573.75 |

Tiered Usage Rate (Residential Accounts)

| Tier | Rate (per TGAL) | Allocation (Single Family) | Allocation (Multi-Family) (per unit) |
|------|--------------------|-------------------------------|--|
| 1 | \$2.28 | 12,800 gal. | 5,100 gal. |
| 2 | \$4.58 | 20,200 gal. | 6,700 gal. |
| 3 | \$4.96 | (na) | (na) |

Uniform Usage Rate (Non-Residential)

| Customer Class | Rate (per TGAL) |
|-------------------|--------------------|
| Non-Residential | \$2.88 |

Projected Rate Schedule - FY 2021

Schedule 7

Fixed Meter Charge

| Meter Size | Monthly Rate |
|------------|--------------|
| 5/8" | \$29.72 |
| 1" | \$47.08 |
| 1 1/2" | \$90.50 |
| 2" | \$142.59 |
| 3" | \$281.52 |
| 4" | \$437.81 |
| 6" | \$871.94 |
| 8" | \$1,392.90 |
| 10" | \$2,087.51 |
| 12" | \$2,934.08 |

Tiered Usage Rate (Residential Accounts)

| Tier | Rate (per TGAL) | Allocation (Single Family) | Allocation (Multi-Family) (per unit) |
|------|--------------------|-------------------------------|--|
| 1 | \$2.60 | 12,800 gal. | 5,100 gal. |
| 2 | \$5.22 | 20,200 gal. | 6,700 gal. |
| 3 | \$5.65 | (na) | (na) |

Uniform Usage Rate (Non-Residential)

| Customer Class | Rate (per TGAL) |
|-----------------|--------------------|
| Non-Residential | \$3.28 |

Note: Projected rate schedules do not include pass-through rate adjustments. Adjustments to Tiered and Uniform Usage Rates are to be made on an annual basis to account for increases in pass-through costs according to the approved pass-through policy.

Projected Rate Schedule - FY 2022

Schedule 8

Fixed Meter Charge

| Meter Size | Monthly Rate |
|------------|--------------|
| 5/8" | \$32.99 |
| 1" | \$52.26 |
| 1 1/2" | \$100.46 |
| 2" | \$158.28 |
| 3" | \$312.49 |
| 4" | \$485.96 |
| 6" | \$967.85 |
| 8" | \$1,546.12 |
| 10" | \$2,317.14 |
| 12" | \$3,256.82 |

Tiered Usage Rate (Residential Accounts)

| Tier | Rate (per TGAL) | Allocation (Single Family) | Allocation (Multi-Family) (per unit) |
|------|--------------------|-------------------------------|--|
| 1 | \$2.89 | 12,800 gal. | 5,100 gal. |
| 2 | \$5.80 | 20,200 gal. | 6,700 gal. |
| 3 | \$6.28 | (na) | (na) |

Uniform Usage Rate (Non-Residential)

| Customer Class | Rate (per TGAL) |
|-------------------|--------------------|
| Non-Residential | \$3.64 |

Note: Projected rate schedules do not include pass-through rate adjustments. Adjustments to Tiered and Uniform Usage Rates are to be made on an annual basis to account for increases in pass-through costs according to the approved pass-through policy.

Projected Rate Schedule - FY 2023

Schedule 9

Fixed Meter Charge

| Meter Size | Monthly Rate |
|------------|--------------|
| 5/8" | \$34.64 |
| 1" | \$54.87 |
| 1 1/2" | \$105.48 |
| 2" | \$166.19 |
| 3" | \$328.12 |
| 4" | \$510.26 |
| 6" | \$1,016.25 |
| 8" | \$1,623.42 |
| 10" | \$2,432.99 |
| 12" | \$3,419.66 |

Tiered Usage Rate (Residential Accounts)

| Tier | Rate (per TGAL) | Allocation (Single Family) | Allocation (Multi-Family) (per unit) |
|------|--------------------|-------------------------------|--|
| 1 | \$3.03 | 12,800 gal. | 5,100 gal. |
| 2 | \$6.09 | 20,200 gal. | 6,700 gal. |
| 3 | \$6.59 | (na) | (na) |

Uniform Usage Rate (Non-Residential)

| Customer Class | Rate (per TGAL) |
|-------------------|--------------------|
| Non-Residential | \$3.83 |

Note: Projected rate schedules do not include pass-through rate adjustments. Adjustments to Tiered and Uniform Usage Rates are to be made on an annual basis to account for increases in pass-through costs according to the approved pass-through policy.

Projected Rate Schedule - FY 2024

Schedule 10

Fixed Meter Charge

| Meter Size | Monthly Rate |
|------------|--------------|
| 5/8" | \$36.02 |
| 1" | \$57.07 |
| 1 1/2" | \$109.70 |
| 2" | \$172.84 |
| 3" | \$341.24 |
| 4" | \$530.67 |
| 6" | \$1,056.90 |
| 8" | \$1,688.36 |
| 10" | \$2,530.31 |
| 12" | \$3,556.45 |

Tiered Usage Rate (Residential Accounts)

| Tier | Rate (per TGAL) | Allocation (Single Family) | Allocation (Multi-Family) (per unit) |
|------|--------------------|-------------------------------|--|
| 1 | \$3.15 | 12,800 gal. | 5,100 gal. |
| 2 | \$6.33 | 20,200 gal. | 6,700 gal. |
| 3 | \$6.85 | (na) | (na) |

Uniform Usage Rate (Non-Residential)

| Customer Class | Rate (per TGAL) |
|-----------------|--------------------|
| Non-Residential | \$3.98 |

Note: Projected rate schedules do not include pass-through rate adjustments. Adjustments to Tiered and Uniform Usage Rates are to be made on an annual basis to account for increases in pass-through costs according to the approved pass-through policy.