COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, November 12, 2024 - 7:00 p.m.

AGENDA

The Public may attend this meeting in person at the District Office located at 766 Main Street, Half Moon Bay or choose to watch and/or participate in the public meeting by joining the meeting through the Zoom Videoconference link provided below. The public may also join the meeting by calling the below listed teleconference phone number.

The meeting will begin at 7:00 p.m.

Join Zoom Meeting
https://us06web.zoom.us/j/81277240724?pwd=XJ7TeJrfranJhOfbPSvqFqeIky9RPI.1

Meeting ID: 812 7724 0724
Passcode: 513540
One tap mobile
+16699006833,,81277240724#,,,,*513540# US (San Jose)

Dial by your location
• +1 669 900 6833 US (San Jose)

Meeting ID: 812 7724 0724
Passcode: 513540
Find your local number: https://us06web.zoom.us/u/kb6E8hiiR

Procedures to make a public comment with Zoom Video/Conference – All participants except the Board Members and Staff are muted on entry and video is disabled. Participants may not unmute themselves unless asked to unmute by the Moderator.

- ***From a computer:*** *(1) Using the Zoom App. at the bottom of your screen, click on "Participants" and then "Raise Hand". Participants will be called to comment in the order in which they are received.*
- ***From a phone:*** *Using your keypad, dial *9, and this will notify the Moderator that you have raised your hand. The Moderator will call on you by stating the last 4 digits of your phone number.*

The Coastside County Water District (CCWD) does not discriminate against persons with disabilities. Upon request, the agenda and agenda packet materials can be provided in a format to accommodate special needs. If you require a copy of the agenda or related materials in an alternative format to accommodate a disability, or if you wish to attend this public meeting and will require special assistance or other special equipment, please call the District at (650) 726-4405 in advance and we will make every reasonable attempt to provide such an accommodation.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the CCWD District Office, located at 766 Main Street, Half Moon Bay, CA at the same time that the public records are distributed or made available to the legislative body.

This agenda and accompanying materials can be viewed on Coastside County Water District's website located at: www.coastsidewater.org.

The Board of the Coastside County Water District reserves the right to take action on any item included on this agenda.

1) ROLL CALL

2) PLEDGE OF ALLEGIANCE

3) PUBLIC COMMENT

At this time members of the public may address the Board of Directors on issues not listed on the agenda which are within the purview of the Coastside County Water District. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of three (3) minutes. Members of the public attending in-person must complete and submit a speaker slip. Members of the public attending via Zoom must first "raise hand" and the Moderator will "ask to unmute". The President of the Board will recognize each speaker, at which time the speaker can provide their comments to the Board.

4) SPECIAL ORDER OF BUSINESS (attachment)

Resolution Presentation to James Teter for his Retirement:
Approve Resolution 2024-06 of the Board of Directors of the Coastside County Water District Conveying Appreciation to James S. Teter for his Fifty Years of Dedicated Engineering Services and Releasing Him from his Professional Services Agreement Dated May 15, 1974 that Appointed Mr. Teter as District Engineer

5) CONSENT CALENDAR

The following matters before the Board of Directors are recommended for action as stated by the General Manager. All matters listed hereunder constitute a Consent Calendar, are considered as routine by the Board of Directors, and will be acted upon by a single vote of the Board. There will be no separate discussion of these items unless a member of the

Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

A. Approval of disbursements for the month ending October 31, 2024:
Claims: $ 1,325,254.67; Payroll: $ 237,794.62 for a total of $ 1,563,049.29 (attachment)
October 2024 Monthly Financial Claims reviewed and approved by Director Feldman
B. Acceptance of Financial Reports (attachment)
C. Approval of Minutes of October 3, 2024, Special Board of Directors Meeting (attachment)
D. Approval of Minutes of October 8, 2024, Regular Board of Directors Meeting (attachment)
E. Approval of Minutes of October 28, 2024, Special Board of Directors Meeting (attachment)
F. Installed Water Connection Capacity and Water Meters Report (attachment)
G. Total CCWD Production Report (attachment)
H. CCWD Monthly Sales by Category Report – October 2024 (attachment)
I. Leak/Flushing Report – October 2024 (attachment)
J. Monthly Rainfall Reports (attachment)
K. SFPUC Hydrological Conditions Report – September 2024 (attachment)

6) MEETINGS ATTENDED / DIRECTOR COMMENTS

7) GENERAL BUSINESS

A. Public Hearing to Consider Proposed Amendment to the Rate and Fee Schedule to Increase Water Service Rates and Water Shortage Rates Effective January 20, 2025, January 19, 2026, and January 18, 2027, and Finding that the Amendments are Exempt from the California Environmental Quality Act (attachment)

1. **Presentations by Staff and Water Resources Economics, LLC**
2. **Open Public Hearing**
   - Proposed Amendment to the Rate and Fee Schedule to Increase Water Service Rates and Water Shortage Rates effective January 20, 2025, January 19, 2026, and January 18, 2027, to achieve an overall up to 8% annual increase in total operating revenues for each year.
3. **Close Public Hearing**
4. **Board Comments/Board Action**
   - Adoption of Resolution 2024-07 – A Resolution of the Board of Directors of Coastside County Water District Amending the Rate and Fee Schedule to Increase Water Service Rates and Water Shortage Rates, and Finding that the Amendments are Exempt from the California Environmental Quality Act

B. Waive the Procedural Requirements for Sealed Competitive Bids and Authorize the General Manager to Procure a New Ford F150 4x4 Regular Cab Truck from Serramonte Ford, Inc. (attachment)
C. Waive the District's Procedural Requirements for Sealed Competitive Bids and Authorize the General Manager to Award a Contract to Brush Hog Tree Care Inc. For Eucalyptus Tree Removal and Trimming at the Carter Hill Tank Site (attachment)

D. Carter Hill Prestressed Concrete Tank and Seismic Upgrades Project Update #1 (attachment)

8) MONTHLY INFORMATIONAL REPORTS

A. General Manager's Report (attachment)
B. Operations Report (attachment)
C. Water Resources Analyst Report (attachment)

9) DIRECTOR AGENDA ITEMS – REQUESTS FOR FUTURE BOARD MEETINGS

10) ADJOURNMENT

STAFF REPORT

To:	**Coastside County Water District Board of Directors**
From:	**Mary Rogren, General Manager**
Agenda:	**November 12 2024**
Date:	**November 8, 2024**
Agenda Title:	Special Order of Business - Resolution Presentation to James Teter for his Retirement: Approve Resolution 2024-06 of the Board of Directors of the Coastside County Water District Conveying Appreciation to James S. Teter for his Fifty Years of Dedicated Engineering Services and Releasing Him from his Professional Services Agreement Dated May 15, 1974 that Appointed Mr. Teter as District Engineer

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Recommendation/Motion:
Approve Resolution 2024-06 of the Board of Directors of the Coastside County Water District conveying appreciation to James S. Teter for his fifty years of dedicated engineering services and releasing him from his Professional Services Agreement dated May 15, 1974 that appointed Mr. Teter as District Engineer.

Background:

James Teter first started working with the District in the early 1960's as an engineer with Kennedy Engineers Inc. (now Kennedy-Jenks Consultants Inc.), and he played a key role in creating and designing the vision of the District's water system from an early start in the District's history. In May 1974, the District officially entered into a professional services agreement with James, and by Resolution 462, the Board of Directors appointed James as the official "District Engineer".

Over the past fifty years serving as District Engineer, James has his "stamp" on nearly every significant piece of the District's infrastructure. James was a visionary for the District. He designed projects with future generations in mind. He imagined projects like the Crystal Springs Pump Station and pipeline that eventually was built to bring water from Upper Crystal Springs Reservoir – and persevered with the dream even though many would have said that the project couldn't be done. And he configured the District's water system with redundancy always in mind.

James has recently notified the District that he is officially retiring from his District Engineer role and would like the District to release him from his May 1974 agreement.

The attached resolution 2024-06 conveys the Board's appreciation for all of James' work as District Engineer over the last 50 years and releases him from his May 1974 agreement.

The District will also mount a commemorative plaque of appreciation for James at the Nunes Water Treatment Plant, which was one of James' hallmark design achievements.

Please join the District Board and Staff in honoring James Teter on his official retirement from the District!

RESOLUTION NO. 2024 - 06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
COASTSIDE COUNTY WATER DISTRICT
CONVEYING APPRECIATION TO JAMES S. TETER
FOR HIS FIFTY YEARS OF DEDICATED ENGINEERING SERVICES AND
RELEASING HIM FROM HIS PROFESSIONAL SERVICES AGREEMENT DATED
MAY 14, 1974 THAT APPOINTED MR. TETER AS DISTRICT ENGINEER

WHEREAS, James S. Teter has been an esteemed member of our team since 1974, serving as the District Engineer with unwavering dedication and professionalism; and

WHEREAS, over his five decades of service as District Engineer, James has been instrumental in the successful planning, design, and execution of numerous major projects that have significantly enhanced our community's infrastructure; and

WHEREAS, James has played a key role in the design of critical facilities, including the Denniston and Nunes Water Treatment Plants, Denniston and Alves Pump Stations, and Carter Hill No. 3, Alves and Miramontes water storage tanks, ensuring that our community has access to reliable and sustainable water resources; and

WHEREAS, in addition to these major projects, James has designed over 100 distribution pipelines and pipeline replacement projects, consistently improving the efficiency and effectiveness of our water distribution system while providing system redundancy; and

WHEREAS, James was deeply involved in the Crystal Springs Project, where he showcased his exceptional skills in evaluating and preparing from the concept design to permitting, as well as conducting precise and accurate analyses of hydraulic demand; and

WHEREAS, his tireless commitment to excellence and innovation has not only improved our infrastructure that will serve our community for generations to come, but has also inspired his colleagues and set a high standard for future engineering endeavors; and

WHEREAS, as James approaches his well-deserved retirement, we wish to formally acknowledge his invaluable contributions to our District and express our heartfelt gratitude for his years of dedicated service;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Coastside County Water District releases James S. Teter from his Professional Services Agreement Dated May 14, 1974 and approved as part of Resolution 462 and that appointed James District Engineer; and

BE IT FURTHER RESOLVED that the Board of Directors of Coastside County Water District hereby honor and commend James S. Teter for his outstanding service and dedication over the past 50 years. We extend our best wishes for his future endeavors and express our deep appreciation for his lasting impact on our community.

BE IT FURTHER RESOLVED that a copy of this resolution be presented to James S. Teter as a token of our gratitude and admiration.

PASSED AND ADOPTED this 12th^{h} day of November, 2024, by the following votes of the Board of Directors:

AYES:

NOES:

ABSENT:

_____

Chris Mickelsen, President
Board of Directors

ATTEST:

_____

Mary Rogren, General Manager
Secretary of the District

COASTSIDE COUNTY WATER DISTRICT
CLAIMS FOR OCTOBER 2024

CHECKS				
CHECK DATE	**CHECK NO.**	**VENDOR**		**AMOUNT**
10/04/2024	34278	AMBER CURTIS	$	10.42
10/04/2024	34279	MANUJ NANGIA	$	22.36
10/09/2024	34280	ACCELA, INC.	$	14,186.06
10/09/2024	34281	AMAZON CAPITAL SERVICES, INC.	$	251.90
10/09/2024	34282	BADGER METER, INC.	$	66.00
10/09/2024	34283	BAY AREA WATER SUPPLY &	$	11,678.00
10/09/2024	34284	TIMOTHY C BOWSER	$	3,566.04
10/09/2024	34285	GINA BRAZIL	$	325.00
10/09/2024	34286	CINTAS FIRST AID & SAFETY	$	199.71
10/09/2024	34287	JAMES COZZOLINO, TRUSTEE	$	275.00
10/09/2024	34288	DISCOUNTCELL LLC	$	4,322.50
10/09/2024	34289	EKI INC.	$	4,134.78
10/09/2024	34290	IRON MOUNTAIN	$	759.48
10/09/2024	34291	IRVINE CONSULTING SERVICES, INC.	$	1,147.50
10/09/2024	34292	MISSION UNIFORM SERVICES INC.	$	86.00
10/09/2024	34293	OCCUPATIONAL HEALTH CENTERS OF CALIFORNIA, A MEDICAL CORP.	$	186.00
10/09/2024	34294	PACIFIC GAS & ELECTRIC CO.	$	86,732.99
10/09/2024	34295	PASTORINO HAY & RANCH SUPPLY, INC.	$	1,212.50
10/09/2024	34296	PAULO'S AUTO CARE	$	75.59
10/09/2024	34297	UBEO WEST, LLC	$	1,013.91
10/09/2024	34298	REPUBLIC SERVICES	$	636.37
10/09/2024	34299	ROGUE WEB WORKS, LLC	$	727.70
10/09/2024	34300	SAN MATEO CTY PUBLIC HEALTH LAB	$	988.00
10/09/2024	34301	SCAPES, INC	$	380.00
10/09/2024	34302	STATE WATER RESOURCES CONTROL BD	$	60.00
10/09/2024	34303	STATE WATER RESOURCES CONTROL BD	$	60.00
10/09/2024	34304	STATE WATER RESOURCES CONTROL BD	$	60.00
10/09/2024	34305	STANDARD INSURANCE COMPANY	$	605.58
10/09/2024	34306	TPX COMMUNICATIONS	$	2,037.89
10/09/2024	34307	WATER RESEARCH FOUNDATION	$	1,289.00
10/11/2024	34308	JAMES DERBIN	$	2,224.25
10/11/2024	34309	JAMES DERBIN	$	16,378.75
10/16/2024	34310	JAMES AND LINDA COZZOLINO	$	45,369.00
10/16/2024	34311	MARY ALICE COZZOLINO, TRUSTEE OF THE	$	105,869.00
10/22/2024	34312	FRANK VASQUEZ	$	1,199.28
10/22/2024	34313	HEALTH BENEFITS ACWA-JPIA	$	45,311.65
10/22/2024	34314	ASSOC. CALIF. WATER AGENCY	$	18,417.89
10/22/2024	34315	TEAMSTERS LOCAL UNION #856	$	1,715.00
10/22/2024	34316	TRI COUNTIES BANK	$	7,475.35
10/24/2024	34317	ADP, INC.	$	815.25
10/24/2024	34318	AMAZON CAPITAL SERVICES, INC.	$	467.76
10/24/2024	34319	AT&T MOBILTY	$	126.72
10/24/2024	34320	BAY ALARM COMPANY	$	444.51
10/24/2024	34321	BSK ASSOCIATES	$	1,132.00
10/24/2024	34322	CALIFORNIA C.A.D. SOLUTIONS, INC	$	875.00
10/24/2024	34323	KELLY HOFFMAN-DAVIS	$	1,456.88
10/24/2024	34324	IRON MOUNTAIN	$	141.21
10/24/2024	34325	IRVINE CONSULTING SERVICES, INC.	$	4,178.26
10/24/2024	34326	MONTEREY BAY ANALYTICAL SERVICES, INC.	$	2,700.18
10/24/2024	34327	MTA PARTS, INC.	$	22.13
10/24/2024	34328	OCCU-MED, LTD	$	353.60
10/24/2024	34329	PACIFIC GAS & ELECTRIC CO.	$	40.38
10/24/2024	34330	PACIFICA COMMUNITY TV	$	300.00

10/24/2024	34331	PASTORINO HAY & RANCH SUPPLY, INC.	$	589.61
10/24/2024	34332	SAN MATEO CTY TAX COLLECTOR	$	1,668.02
10/24/2024	34333	NANCY TRUJILLO	$	40.00
10/24/2024	34334	TYLER TECHNOLOGIES, INC	$	11,653.25
10/24/2024	34335	UGSI CHEMICAL FEED, INC.	$	412.37
10/29/2024	34336	AMAZON CAPITAL SERVICES, INC.	$	345.53
10/29/2024	34337	AT&T	$	2,007.34
10/29/2024	34338	AT&T	$	613.49
10/29/2024	34339	JULIE MARIE BROWN	$	2,000.00
10/29/2024	34340	DEL GAVIO GROUP	$	529.06
10/29/2024	34341	DE LAGE LANDEN FINANCIAL SERVICES, INC.	$	1,108.98
10/29/2024	34342	GEO BLUE CONSULTING, INC.	$	8,981.25
10/29/2024	34343	HANSONBRIDGETT. LLP	$	37,740.50
10/29/2024	34344	HDR ENGINEERING, INC	$	18,678.24
10/29/2024	34345	MISSION UNIFORM SERVICES INC.	$	72.56
10/29/2024	34346	MONTEREY BAY ANALYTICAL SERVICES, INC.	$	1,046.00
10/29/2024	34347	ACI PAYMENTS, INC.	$	150.00
10/29/2024	34348	PETERSON POWER & LIGHT, INC	$	150.00
10/29/2024	34349	MIKE PODLECH	$	2,716.07
10/29/2024	34350	FERGUSON ENTERPRISES, INC.	$	489.19
10/29/2024	34351	SAN FRANCISCO WATER DEPT.	$	323,265.56
10/29/2024	34352	UNDERGROUND REPUBLIC WATER WORKS, INC.	$	1,114.20
10/29/2024	34353	WATER INDUSTRY TRAINING SPECIALISTS, INC.	$	3,200.00
10/29/2024	34354	YOUNG'S AUTO SUPPLY CENTER LLC	$	132.08
10/04/2024	34355	JAMES SHEPHERD	$	12.27
10/18/2024	34356	SEQUOIA PACIFIC BUILDERS INC.	$	42.77
10/18/2024	34357	JULIO SALAS	$	29.52
10/18/2024	34358	POPPY ROAD CT LLC	$	14.54
10/31/2024	34359	ADVANCED AUTOMATIC GATES	$	325.00
10/31/2024	34360	AMAZON CAPITAL SERVICES, INC.	$	634.08
10/31/2024	34361	ASSOC.CALIF.WATER AGENCIES	$	21,670.00
10/31/2024	34362	ACWA/JPIA	$	167,593.20
10/31/2024	34363	BADGER METER, INC.	$	66.00
10/31/2024	34364	BALANCE HYDROLOGICS, INC	$	9,340.50
10/31/2024	34365	BAY ALARM COMPANY	$	142.83
10/31/2024	34366	BIG CREEK LUMBER	$	6.38
10/31/2024	34367	GINA BRAZIL	$	119.83
10/31/2024	34368	BRUSH HOG TREE CARE, INC.	$	5,600.00
10/31/2024	34369	CALCON SYSTEMS, INC.	$	4,578.13
10/31/2024	34370	CALIFORNIA SPECIAL DISTRICT	$	9,548.00
10/31/2024	34371	CHEMTRADE CHEMICALS US LLC	$	4,030.13
10/31/2024	34372	PETTY CASH	$	35.14
10/31/2024	34373	COMCAST	$	213.01
10/31/2024	34374	JAMES DERBIN	$	40.00
10/31/2024	34375	DOANE AND HARTWIG WATER SYSTEMS, INC.	$	1,411.59
10/31/2024	34376	EKI INC.	$	3,767.92
10/31/2024	34377	EMSL ANALYTICAL, INC	$	957.10
10/31/2024	34378	CASTANEDA & PEREZ INC	$	1,012.16
10/31/2024	34379	FREYER & LAURETA, INC.	$	1,253.50
10/31/2024	34380	GALLAGHER BENEFIT SERVICES, INC	$	6,500.00
10/31/2024	34381	GRAINGER, INC.	$	1,824.78
10/31/2024	34382	HACH CO., INC.	$	1,569.05
10/31/2024	34383	HDR ENGINEERING, INC	$	16,797.56
10/31/2024	34384	HERC RENTALS, INC.	$	2,784.53
10/31/2024	34385	IRON MOUNTAIN	$	900.16
10/31/2024	34386	GLENNA LOMBARDI	$	86.00
10/31/2024	34387	MISSION UNIFORM SERVICES INC.	$	250.06
10/31/2024	34388	MONTEREY BAY ANALYTICAL SERVICES, INC.	$	160.00

10/31/2024	34389	OCCU-MED, LTD	$	709.50
10/31/2024	34390	PAULO'S AUTO CARE	$	446.62
10/31/2024	34391	UBEO WEST, LLC	$	1,013.91
10/31/2024	34392	SMDJ LLC	$	4,320.00
10/31/2024	34393	STANDARD INSURANCE COMPANY	$	605.58
10/31/2024	34394	JIM STEELE	$	7,000.00
10/31/2024	34395	JAMES TETER	$	480.00
10/31/2024	34396	THE ADAM-HILL COMPANY	$	372.48
10/31/2024	34397	UNDERGROUND REPUBLIC WATER WORKS, INC.	$	1,505.58
10/31/2024	34398	HD SUPPLY INC	$	1,012.95
10/31/2024	34399	VERIZON WIRELESS	$	2,090.92
10/31/2024	34400	US BANK NA	$	1,253.78
10/31/2024	34401	JUAN CARLOS SALAZAR	$	2,640.00
10/31/2024	34402	ANDREINI BROS. INC.	$	167,129.89
		SUBTOTAL CLAIMS FOR MONTH	$	1,266,710.58

WIRE PAYMENTS				
10/24/2024	DFT0000588	EMPOWER RETIREMENT, LLC	$	2,643.96
10/24/2024	DFT0000589	VALIC	$	5,108.48
10/31/2024	DFT0000590	EMPOWER RETIREMENT, LLC	$	2,643.96
10/31/2024	DFT0000591	PUB. EMP. RETIRE SYSTEM	$	18,313.93
10/31/2024	DFT0000592	PUB. EMP. RETIRE SYSTEM	$	18,823.13
10/31/2024	DFT0000593	VALIC	$	5,108.48
10/31/2024		BANK AND CREDIT CARD FEES	$	5,902.15
		SUBTOTAL WIRE PAYMENTS FOR MONTH	$	58,544.09

TOTAL CLAIMS FOR THE MONTH	**$**	**1,325,254.67**

Coastside County Water District

Monthly Budget Report

Account Summary

For Fiscal: 2024-2025 Period Ending: 10/31/2024

		October Budget	October Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget
Revenue										
RevType: 1 - Operating										
1-4120-00	Water Revenue	1,213,000.00	1,295,768.03	82,768.03	6.82%	5,309,000.00	5,311,062.78	2,062.78	0.04%	13,684,409.00
	Total RevType: 1 - Operating:	**1,213,000.00**	**1,295,768.03**	**82,768.03**	**6.82%**	**5,309,000.00**	**5,311,062.78**	**2,062.78**	**0.04%**	**13,684,409.00**
RevType: 2 - Non-Operating										
1-4170-00	Water Taken From Hydrants	5,500.00	8,622.47	3,122.47	56.77%	23,500.00	36,772.64	13,272.64	56.48%	52,000.00
1-4180-00	Late Notice - 10% Penalty	8,400.00	8,884.80	484.80	5.77%	33,600.00	35,767.13	2,167.13	6.45%	100,000.00
1-4230-00	Service Connections	1,300.00	380.51	-919.49	-70.73%	5,200.00	2,371.43	-2,828.57	-54.40%	15,000.00
1-4920-00	Interest Earned	28,000.00	45,752.64	17,752.64	63.40%	128,000.00	181,816.71	53,816.71	42.04%	300,000.00
1-4930-00	Tax Apportionments/County Checks	2,000.00	599.15	-1,400.85	-70.04%	3,000.00	721.45	-2,278.55	-75.95%	1,092,000.00
1-4950-00	Miscellaneous Income	400.00	228.14	-171.86	-42.97%	1,600.00	1,028.14	-571.86	-35.74%	5,000.00
1-4955-00	Cell Site Lease Income	16,900.00	19,381.68	2,481.68	14.68%	67,600.00	76,568.32	8,968.32	13.27%	203,000.00
1-4965-00	ERAF Refund - County Taxes	0.00	0.00	0.00	0.00%	291,000.00	340,700.20	49,700.20	17.08%	600,000.00
	Total RevType: 2 - Non-Operating:	**62,500.00**	**83,849.39**	**21,349.39**	**34.16%**	**553,500.00**	**675,746.02**	**122,246.02**	**22.09%**	**2,367,000.00**
	Total Revenue:	**1,275,500.00**	**1,379,617.42**	**104,117.42**	**8.16%**	**5,862,500.00**	**5,986,808.80**	**124,308.80**	**2.12%**	**16,051,409.00**
Expense										
ExpType: 1 - Operating										
1-5130-00	Water Purchased	348,231.00	398,410.56	-50,179.56	-14.41%	1,407,924.00	1,343,691.73	64,232.27	4.56%	2,587,024.00
1-5230-00	Nunes T P Pump Expense	5,000.00	5,280.13	-280.13	-5.60%	20,000.00	21,488.13	-1,488.13	-7.44%	65,550.00
1-5231-00	CSP Pump Station Pump Expense	60,000.00	25,959.23	34,040.77	56.73%	260,000.00	200,668.62	59,331.38	22.82%	500,000.00
1-5232-00	Other Trans. & Dist Pump Expense	2,500.00	2,264.90	235.10	9.40%	10,000.00	11,009.71	-1,009.71	-10.10%	31,050.00
1-5233-00	Pilarcitos Canyon Pump Expense	1,300.00	1,015.92	284.08	21.85%	7,200.00	6,743.60	456.40	6.34%	79,350.00
1-5234-00	Denniston T P Pump Expense	7,000.00	2,888.11	4,111.89	58.74%	56,000.00	38,780.22	17,219.78	30.75%	102,350.00
1-5242-00	CSP Pump Station Operations	1,300.00	849.65	450.35	34.64%	4,800.00	2,966.42	1,833.58	38.20%	13,000.00
1-5243-00	CSP Pump Station Maintenance	3,000.00	2,528.75	471.25	15.71%	15,000.00	10,884.78	4,115.22	27.43%	45,000.00
1-5246-00	Nunes T P Operations - General	9,000.00	4,193.70	4,806.30	53.40%	36,000.00	27,255.74	8,744.26	24.29%	109,000.00
1-5247-00	Nunes T P Maintenance	11,000.00	11,689.02	-689.02	-6.26%	44,000.00	42,595.78	1,404.22	3.19%	135,000.00
1-5248-00	Denniston T P Operations-General	6,000.00	4,788.98	1,211.02	20.18%	25,000.00	27,560.51	-2,560.51	-10.24%	78,000.00
1-5249-00	Denniston T.P. Maintenance	14,000.00	35,990.55	-21,990.55	-157.08%	56,000.00	56,160.41	-160.41	-0.29%	165,000.00
1-5250-00	Laboratory Expenses	7,000.00	6,735.28	264.72	3.78%	28,000.00	28,965.72	-965.72	-3.45%	81,000.00
1-5260-00	Maintenance - General	35,000.00	15,301.94	19,698.06	56.28%	140,000.00	107,145.49	32,854.51	23.47%	421,000.00
1-5261-00	Maintenance - Well Fields	10,000.00	91,155.00	-81,155.00	-811.55%	18,000.00	96,548.14	-78,548.14	-436.38%	50,000.00
1-5263-00	Uniforms	1,000.00	0.00	1,000.00	100.00%	6,700.00	14,728.75	-8,028.75	-119.83%	14,700.00
1-5318-00	Studies/Surveys/Consulting	10,000.00	13,381.25	-3,381.25	-33.81%	35,000.00	32,723.80	2,276.20	6.50%	160,000.00
1-5321-00	Water Resources	1,600.00	161.57	1,438.43	89.90%	6,400.00	646.28	5,753.72	89.90%	20,000.00

		October Budget	October Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget
1-5322-00	Community Outreach	5,000.00	4,620.00	380.00	7.60%	14,000.00	26,245.67	-12,245.67	-87.47%	68,000.00
1-5381-00	Legal	9,700.00	15,664.00	-5,964.00	-61.48%	38,800.00	43,326.50	-4,526.50	-11.67%	116,000.00
1-5382-00	Engineering	7,500.00	5,641.50	1,858.50	24.78%	30,000.00	31,098.06	-1,098.06	-3.66%	90,000.00
1-5383-00	Financial Services	5,000.00	5,000.00	0.00	0.00%	14,000.00	11,722.00	2,278.00	16.27%	24,150.00
1-5384-00	Computer Services	32,000.00	29,258.19	2,741.81	8.57%	125,000.00	127,146.09	-2,146.09	-1.72%	375,000.00
1-5410-00	Salaries/Wages-Administration	129,084.00	123,595.74	5,488.26	4.25%	493,886.00	463,362.44	30,523.56	6.18%	1,459,211.00
1-5411-00	Salaries & Wages - Field	185,192.00	183,140.37	2,051.63	1.11%	708,562.00	659,529.29	49,032.71	6.92%	2,093,480.00
1-5420-00	Payroll Tax Expense	22,505.00	19,036.44	3,468.56	15.41%	86,106.00	77,962.44	8,143.56	9.46%	254,404.00
1-5435-00	Employee Medical Insurance	40,375.00	40,517.98	-142.98	-0.35%	161,500.00	155,083.11	6,416.89	3.97%	520,835.00
1-5436-00	Retiree Medical Insurance	4,840.00	5,678.38	-838.38	-17.32%	19,360.00	20,156.63	-796.63	-4.11%	62,407.00
1-5440-00	Employees Retirement Plan	58,985.00	53,525.22	5,459.78	9.26%	235,940.00	219,285.02	16,654.98	7.06%	707,803.00
1-5445-00	Supplemental Retirement 401a	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%	38,016.00
1-5510-00	Motor Vehicle Expense	7,700.00	2,950.26	4,749.74	61.68%	30,800.00	22,517.93	8,282.07	26.89%	95,000.00
1-5620-00	Office & Billing Expenses	33,500.00	34,765.25	-1,265.25	-3.78%	134,000.00	120,622.27	13,377.73	9.98%	418,000.00
1-5625-00	Meetings / Training / Seminars	4,400.00	4,811.86	-411.86	-9.36%	17,600.00	9,613.64	7,986.36	45.38%	52,300.00
1-5630-00	Insurance	16,200.00	31,843.26	-15,643.26	-96.56%	64,800.00	83,290.32	-18,490.32	-28.53%	209,000.00
1-5687-00	Membership, Dues, Subscript.	18,333.00	17,200.43	1,132.57	6.18%	49,582.00	44,787.02	4,794.98	9.67%	125,000.00
1-5688-00	Election Expenses	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%	30,000.00
1-5689-00	Labor Relations	500.00	0.00	500.00	100.00%	2,000.00	0.00	2,000.00	100.00%	6,000.00
1-5700-00	San Mateo County Fees	2,750.00	2,658.02	91.98	3.34%	11,000.00	11,014.02	-14.02	-0.13%	33,000.00
1-5705-00	State Fees	0.00	0.00	0.00	0.00%	1,500.00	1,260.31	239.69	15.98%	50,600.00
	Total ExpType: 1 - Operating:	**1,116,495.00**	**1,202,501.44**	**-86,006.44**	**-7.70%**	**4,414,460.00**	**4,198,586.59**	**215,873.41**	**4.89%**	**11,485,230.00**
ExpType: 4 - Capital Related										
1-5715-00	Debt Service/CIEDB 11-099	0.00	0.00	0.00	0.00%	278,127.00	278,126.96	0.04	0.00%	335,173.00
1-5716-00	Debt Service/CIEDB 2016	0.00	0.00	0.00	0.00%	242,657.00	242,657.22	-0.22	0.00%	321,412.00
1-5717-00	Chase Bank - 2018 Loan	0.00	0.00	0.00	0.00%	388,521.00	388,520.67	0.33	0.00%	432,821.00
1-5718-00	First Foundation Bank - 2022	0.00	0.00	0.00	0.00%	348,541.00	348,540.88	0.12	0.00%	417,434.00
	Total ExpType: 4 - Capital Related:	**0.00**	**0.00**	**0.00**	**0.00%**	**1,257,846.00**	**1,257,845.73**	**0.27**	**0.00%**	**1,506,840.00**
	Total Expense:	**1,116,495.00**	**1,202,501.44**	**-86,006.44**	**-7.70%**	**5,672,306.00**	**5,456,432.32**	**215,873.68**	**3.81%**	**12,992,070.00**
	Report Total:	**159,005.00**	**177,115.98**	**18,110.98**		**190,194.00**	**530,376.48**	**340,182.48**		**3,059,339.00**

COASTSIDE COUNTY WATER DISTRICT
MONTHLY INVESTMENT REPORT
October 31, 2024

RESERVE BALANCES	**Current Year as of 10/31/2024**	**Prior Year as of 10/31/2023**
CAPITAL AND OPERATING RESERVE	$11,564,197.43	$12,127,058.18
RATE STABILIZATION RESERVE	$250,000.00	$250,000.00
TOTAL DISTRICT RESERVES	**$11,814,197.43**	**$12,377,058.18**

ACCOUNT DETAIL

ACCOUNTS WITH TRI COUNTIES BANK		
CHECKING ACCOUNT	$1,830,524.91	$1,022,895.87
CSP T & S ACCOUNT	$671,354.57	$168,294.97
MONEY MARKET GEN. FUND (Opened 7/20/17)	$19,944.93	$19,807.89
LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	$9,291,573.02	$11,165,259.45
DISTRICT CASH ON HAND	$800.00	$800.00
TOTAL ACCOUNT BALANCES	**$11,814,197.43**	**$12,377,058.18**

This report is in conformity with CCWD's Investment Policy.

COASTSIDE COUNTY WATER DISTRICT 11/8/2024

CAPITAL IMPROVEMENT PROJECTS - STATUS REPORT 10/31/2024

FISCAL YEAR TO DATE 2024/2025 - OCTOBER 31, 2024

* Approved June 2024

		Status	Approved* CIP Budget FY24/25	Actual To Date FY24/25	Projected FY24/25	Variance vs. Budget	% Completed	Project Status/ Comments
Equipment Purchases & Replacement								
06-03	SCADA/Telemetry/Electrical Controls Replacement	ongoing	$ 50,000		$ 50,000	$ -	n/a	
99-02	Vehicle Fleet Replacement	ongoing	$ 50,000		$ 50,000	$ -	0%	
Facilities & Maintenance								
09-09	Fire Hydrant Replacement	ongoing	$ 140,000	$ 22,529	$ 140,000	$ -	16%	
23-13	Pilarcitos Canyon Culvert Replacement	in design	$ 400,000	$ 26,379	$ 400,000	$ -	0%	Engineering; surveying; geotech in process
99-01	Meters	ongoing	$ 10,000		$ 10,000	$ -	n/a	
Pipeline Projects								
14-01/23-10	Highway 92 Potable Water Pipeline Emergency Restoration Project	Bid Ready	$ 3,000,000	$ 98,384	$ 3,000,000	$ -	0%	
21-01	Pipeline Replacement Projects: Alcatraz and Santa Cruz Aves/Redondo Beach Loop/Ocean Colony	In design	$ 400,000	$ 8,894	$ 400,000	$ -	100%	
Pump Stations / Tanks / Wells								
21-07	Carter Hill Tank Improvement Project	Construction	$ 4,000,000	$ 59,623	$ 4,000,000	$ -	0%	
16-08	Denniston Well Field Replacements	TBD	$ 450,000		$ 450,000	$ -	0%	
23-11	CSP Screens - Intake Valves	Feasibility	$ 50,000		$ 50,000	$ -	0%	
19-05	Tanks - THM Control	Ongoing	$ 50,000		$ 50,000	$ -	0%	
Water Supply Development								
14-25	San Vicente/Denniston Water Supply Development	ongoing	$ 2,000,000	$ 118,972	$ 2,000,000	$ -	n/a	
25-02	Denniston Sluice Gates	TBD	$ 50,000		$ 50,000	$ -	0%	
Water Treatment Plants								
23-05	Sodium Hypochlorite Generator Replacement (Nunes)	Construction	$ 200,000		$ 200,000	$ -	50%	
23-06	Existing Sedimentation Basin Rehabilitation	TBD	$ 300,000		$ 300,000	$ -	0%	
UNSCHEDULED/NEW CIP ITEMS FOR CURRENT FISCAL YEAR 2024/2025								
25-01	Nunes Water Treatment Plant Paving Project	Construction		$ 338,325	$ 350,000	$ (350,000)		Project awarded in August 2024
23-09	Denniston Contact Clarifier Hatch Replacements	Construction		$ 22,657	$ 350,000	$ (350,000)		In CIP in future years
NN-00	Unscheduled CIP		$ 100,000		$ 100,000	$ -	0%	
	NEW FY2024/2025 CIP TOTAL		**$ 11,250,000**	**$ 695,762**	**$ 11,950,000**	**$ (700,000)**		

COASTSIDE COUNTY WATER DISTRICT 11/8/2024

CAPITAL IMPROVEMENT PROJECTS - STATUS REPORT 10/31/2024

FISCAL YEAR TO DATE 2024/2025 - OCTOBER 31, 2024

* Approved June 2024

		Status	Approved* CIP Budget FY24/25	Actual To Date FY24/25	Projected FY24/25	Variance vs. Budget	% Completed	Project Status/ Comments
FY2023/2024 CIP Carryover Projects								
20-14	Nunes Water Treatment Plant Improvement Project	complete		$ 3,671	$ 3,671	$ (3,671)	100%	
22-07	Alameda Ave Crossing at Medio Creek	complete		$ 4,622	$ 4,622	$ (4,622)	100%	
24-01	Myrtle/2nd Ave Valve Replacement	complete		$ 4,559	$ 4,559	$ (4,559)	100%	
FY2022/2023 CARRYOVER PROJECTS			**$ -**	**$ 12,852**	**$ 12,852**	**$ (12,852)**		
Green = approved by the Board/in process								
TOTAL - FY 2023/2024 CIP + PRIOR YEAR CARRYOVER			**$ 11,250,000**	**$ 708,614**	**$ 11,962,852**	**$ (712,852)**		

Legal Cost Tracking Report
12 Months At-A-Glance

Acct. No.5681
Patrick Miyaki - HansonBridgett, LLP
Legal

Month	Admin (General Legal Fees)	Water Supply Development	Recycled Water	Uninstalled Connection Transfer Program	Capital Improvement Projects	Labor & Employment	Cell Tower Leases	Public Records Requests	Litigation	Non CIP / Infrastructure (Project Review) *Reimbursable*	Total
Nov-23	7,278			252	378	1,176	1,596		1,470		**12,150**
Dec-23	3,486		2,814	564	4,980		168		2,424		**14,436**
Jan-24	2,790				624			546	399		**4,359**
Feb-24	3,783			897	6,398		846		178		**12,101**
Mar-24	2,622	223		178	1,830		979				**5,831**
Apr-24	5,485	2,003	356	1,342	3,239		223		89		**12,736**
May-24	6,817	89		178	11,676	401	846				**20,006**
Jun-24	4,420	1,691	490		3,821	6,497					**16,919**
Jul-24	14,688				14,213	1,388	1,495				**31,783**
Aug-24	6,663			267	10,550	2,359	134				**19,972**
Sep-24	4,904				25,059	2,448	935		223		**33,567**
Oct-24	2,848			589	21,488	12,683	134				**37,741**

TOTAL	**65,783**	**4,005**	**3,660**	**4,266**	**104,254**	**26,950**	**7,353**	**546**	**4,783**	**0**	**221,598**

Engineer Cost Tracking Report
12 Months At-A-Glance

Acct. No. 5682
JAMES TETER
Engineer

Month	Admin & Retainer	CIP	Studies and Non - CIP Project	TOTAL	Reimburseable from Projects
Nov-23	480			**480**	
Dec-23	480			**480**	
Jan-24	480			**480**	
Feb-24	480			**480**	
Mar-24	480			**480**	
Apr-24	480			**480**	
May-24	480			**480**	
Jun-24	480			**480**	
Jul-24	480			**480**	
Aug-24	480			**480**	
Sep-24	480			**480**	
Oct-24	480			**480**	
TOTAL	**5,760**	**0**	**0**	**5,760**	**0**

Calcon T&M Projects Tracking

10/31/2024

Project No.	Name	Status	Proposal Date	Approved Date	Project Budget	Project Billings FY2024-2025
FY 2024-2025 Open Projects:						
		Open Projects - Subtotal				$0.00
Other:	**Monthly Maintenance**					
	Tanks					
	Crystal Springs Maintenance					
	Nunes Maintenance					$ 4,970.00
	Denniston Maintenance					$ 5,880.00
	Distribution System					$ 17,450.00
	Wells					
	Cellular Telemetry					$ 984.39
		Subtotal Maintenance				$ 29,284.39
		FINAL TOTAL FY 2024/2025				$29,284.39

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

Thursday, October 3, 2024

The Public was able to participate in the public meeting by joining the meeting in person or through the Zoom Video Conference link provided. The public was also able to join the meeting by calling a provided teleconference phone number.

1) ROLL CALL – President Mickelsen called the meeting to order at 8:02 a.m. Present at roll call: Director Ken Coverdell, Director Bob Feldman, and Director John Muller. Vice President Reynolds arrived at 8:05 a.m.

Also present: Mary Rogren, General Manager, Jeffrey Schneider, Assistant General Manager Finance & Administration, Patrick Miyaki, Legal Counsel, Patrick Glenn, Legal Counsel and Lisa Sulzinger, Administrative Analyst

2) PLEDGE OF ALLEGIANCE

3) PUBLIC COMMENT – There were no public comments.

4) CLOSED SESSION

A) Pursuant to California Government Code Section 54957
Public Employee Dismissal/Release

5) RECONVENE TO OPEN SESSION – at 9:08 a.m.

Public Report of closed session action – Mr. Miyaki reported:
The Board took action by a 5 to 0 vote, but that action does not need to be reported at this time.

6) ADJOURNMENT – Special Board Meeting Adjourned at 9:09 a.m.

Respectfully submitted,

_____
Mary Rogren, General Manager
Secretary to the District

_____
Chris Mickelsen, President
Board of Directors

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, October 8, 2024

The Public was able to participate in the public meeting by joining the meeting in person or through the Zoom Video Conference link provided. The public was also able to join the meeting by calling a provided teleconference phone number.

1) ROLL CALL – President Mickelsen called the meeting to order at 7:00 p.m. Present at roll call in person in the Board room: Vice President Glenn Reynolds, Director Ken Coverdell, Director Bob Feldman, and Director John Muller.

Also present: Jeffery Schneider, Asst. General Manager Finance/Admin., Patrick Miyaki, Legal Counsel, Gina Brazil, Office Manager, Darin Sturdivan, Distribution Supervisor, Nancy Trujillo, Accounting Manager and Lisa Sulzinger, Administrative Analyst

Also Participating: Jonathan Sutter, EKI Environment and Water, Inc.

2) PLEDGE OF ALLEGIANCE

3) PUBLIC COMMENT – There were no public comments.

4) CONSENT CALENDAR

- **A.** Approval of disbursements for the month ending September 30, 2024:
  Claims: $ 1,212,317.23; Payroll: $ 231,918.78 for a total of $ 1,444,236.01
  September 2024 Monthly Financial Claims reviewed and approved by Director Reynolds
- **B.** Acceptance of Financial Reports
- **C.** Approval of Minutes of September 10, 2024, Regular Board of Directors Meeting
- **D.** Installed Water Connection Capacity and Water Meters Report
- **E.** Total CCWD Production Report
- **F.** CCWD Monthly Sales by Category Report – September 2024
- **G.** Leak/Flushing Report – September 2024
- **H.** Monthly Rainfall Reports
- **I.** SFPUC Hydrological Conditions Report – August 2024
- **J.** Water Service Connection Transfer Report for September 2024

Director Reynolds reviewed the Claims Report, and all appear to be in order.

ON MOTION BY Vice President Reynolds and seconded by President Mickelsen, the Board voted by roll call vote to approve the Consent Calendar:

Director Coverdell	**Aye**
Director Feldman	**Aye**
Director Muller	**Aye**
Vice-President Reynolds	**Aye**
President Mickelsen	**Aye**

Director Coverdell asked why there was nothing listed on the Flushing report. Staff responded that there was no flushing and no more flushing scheduled for the year.

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

- Director Muller reported that he attended the September 13, 2024 ACWA Region 5 program tour in Watsonville/Pajaro Valley.
- President Mickelsen and Vice President Reynolds reported that they recently visited the DN Tank project under construction in Pacifica for North Coast County Water District.
- Vice President Reynolds commented that in early October, the EPA issued a final Lead and Copper Rule Improvements (LCRI) mandate requiring drinking water systems to identify and replace lead pipes within 10 years. He noted that the District has followed the EPA guidance regarding lead for decades, and that the District has complied with regular "lead and copper rule" testing requirements. Per Staff all District laterals have been tested for lead and passed.

6) GENERAL BUSINESS

A. <u>Approval of Professional Services Agreement with EKI Environment and Water, Inc. for Capital Project Management and As-Needed Engineering Services</u>

Mr. Schneider summarized that the current agreement with EKI Environment and Water, Inc. (EKI) for capital project management was executed in January 2024 and those funds are now fully expended. Based on EKI's past responsiveness and excellent support, staff recommends a new twelve month agreement for capital project management and as-needed engineering services, including hydraulic modeling.

ON MOTION BY Vice President Reynolds and seconded by President Mickelsen, the Board voted by roll call vote to authorize the General Manager to retain the professional management services of EKI Environment and Water, Inc. (EKI) for capital project management and as needed engineering support, including hydraulic modeling for 12 months for a not-to-exceed budget of $100,000

Director Coverdell	**Aye**
Director Feldman	**Aye**

Director Muller	**Aye**
Vice-President Reynolds	**Aye**
President Mickelsen	**Aye**

B. <u>Approval of Professional Services Agreement with EKI Environment and Water, Inc. for Environmental Services related to the Pilarcitos Creek Road Bank Stabilization Project</u>

Mr. Schneider summarized that during the December 2022/January 2023 storm event, the District sustained significate damage in Pilarcitos Canyon to the existing road. In January, 2024, the District engaged a geotechnical services firm and a civil engineering firm to design the repairs for the road. The engineering design is 40% complete, and the next step is to develop an environmental regulatory permitting strategy. EKI 's subconsultant, Environmental Science Associates (ESA) will prepare a California Environmental Quality Act (CEQA) and permitting strategy memo, and EKI will provide oversight of the environmental services.

ON MOTION BY Director Coverdell and seconded by President Mickelsen, the Board voted by roll call vote to authorize the General Manager to enter into a professional services agreement with EKI Environment and Water, Inc. for environmental services related to the Pilarcitos Creek Road Stabilization Project for an amount not-to-exceed cost of $44,800

Director Coverdell	**Aye**
Director Feldman	**Aye**
Director Muller	**Aye**
Vice-President Reynolds	**Aye**
President Mickelsen	**Aye**

C. <u>Approval of Professional Services Agreement with EKI Environment and Water, Inc. for Engineering Services for the Pilarcitos Well Field Replacement Project</u>

Mr. Schneider summarized that there are five wells in Pilarcitos Canyon that were installed over 45 years ago and one installed 30 years ago. In recent years, these wells have required increased maintenance due to the scale buildup which results in reduced yield and operational limitations. The District would like to replace these wells to regain capacity and to optimize production allowed under its Pilarcitos Creek surface water license. The scope of the Pilarcitos Well Field Replacement Project will also consider connecting the wells to the District's SCADA system to automate operation.

ON MOTION BY Director Muller and seconded by Director Coverdell, the Board voted by roll call vote to authorize the General Manager to enter into a professional services agreement with EKI Environment and Water, Inc. for engineering services for the Pilarcitos Well Field Replacement Project for an amount not-to-exceed cost of $378,300

Director Coverdell	**Aye**

Director Feldman	**Aye**
Director Muller	**Aye**
Vice-President Reynolds	**Aye**
President Mickelsen	**Aye**

D. Quarterly Financial Review

Mr. Schneider summarized the year-to-day revenue and expenses for the first three months of Fiscal Year 2024-2025. He recapped the District's Cash reserves and the Capital Improvement Program expenditure.

7) MONTHLY INFORMATIONAL REPORTS

A. General Manager

- BAWSCA selected a new CEO/General Manager, Thomas Smegel who will succeed Nicole Sandkulla who is retiring December 2024.

- North Coast County Water District is in the process of construction a 600,000 gallon prestressed DN Tank. District staff along with President Mickelsen and Vice President Reynolds, the District's design engineer, HDR and construction manager, Freyer and Laureta, Inc. were all able to visit the construction site.

B. Operations Report

Mr. Sturdivan summarized the Operation Highlights for the month of September 2024.

8) DIRECTOR AGENDA ITEMS – REQUESTS FOR FUTURE BOARD MEETINGS

There were no requests for future agenda items from the Board members.

9) CLOSED SESSION

A) Conference with Legal Counsel – Existing Litigation
Pursuant to California Government Code Section 54956.9(d)(1)
Name of Case: Coastside County Water District v. Mary Alice Cozzolino, Trustee of the James and Alice Cozzolino Trust, et al., Case No. 24-civ-05456.

B) Conference with Legal Counsel – Existing Litigation
Pursuant to California Government Code Section 54956.9(d)(1)
Name of Case: Coastside County Water District v. James Salvatore Cozzolino, a Married Man as His Sole and Separate Property, and Linda Jean Cozzolino, a Single Woman, as Tenants in Common, et al., Case No.24-civ-05502.

10) RECONVENE TO OPEN SESSION – at 7:51 p.m.

Public Report of closed session action– Mr. Miyaki reported that no action was taken in either of the two closed session items.

11) ADJOURNMENT – Board Meeting Adjourned at 7:52 p.m.

Respectfully submitted,

_____
Mary Rogren, General Manager
Secretary to the District

_____
Chris Mickelsen, President
Board of Directors

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

Monday, October 28, 2024

The Public was able to participate in the public meeting by joining the meeting in person or through the Zoom Video Conference link provided. The public was also able to join the meeting by calling a provided teleconference phone number.

1) ROLL CALL – Vice President Reynolds called the meeting to order at 10:00 a.m. Present at roll call: Director Ken Coverdell, Director Bob Feldman, and Director John Muller. President Mickelsen participated by teleconference using Zoom from the location identified on the agenda.

Also present: Mary Rogren, General Manager; Patrick Miyaki, Legal Counsel; Patrick Glenn, Legal Counsel; and Lisa Sulzinger, Administrative Analyst

2) PLEDGE OF ALLEGIANCE

3) PUBLIC COMMENT – There were no public comments.

4) CLOSED SESSION

A) Pursuant to California Government Code Section 54957
Public Employee Dismissal/Release

5) RECONVENE TO OPEN SESSION – at 11:07 a.m.

Public Report of closed session action – Mr. Miyaki reported that the Board took action by a 3 to 2 vote, but that action does not need to be reported at this time.

6) ADJOURNMENT – Special Board Meeting Adjourned at 11:08 a.m.

Respectfully submitted,

_____
Mary Rogren, General Manager
Secretary to the District

_____
Chris Mickelsen, President
Board of Directors

COASTSIDE COUNTY WATER DISTRICT
Installed Water Connection Capacity & Water Meters

FY 2024 / 2025

Installed Water Meters	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
HMB Non-Priority													
0.5" capacity increase													
5/8" meter	1	1		1									**3**
3/4" meter			1										**1**
1" meter													
1 1/2" meter				1									**1**
2" meter													
3" meter													
HMB Priority													
0.5" capacity increase													
5/8" meter			1										**1**
3/4" meter													
1" meter													
1 1/2" meter													
2" meter													
County Non-Priority													
0.5" capacity increase													
5/8" meter													
3/4" meter													
1" meter													
County Priority													
5/8" meter													
3/4" meter													
1" meter													
1.5" meter													
2" meter													
Totals	**1**	**1**	**2**	**2**									**6**

5/8" meter = 1.0 connection
3/4" meter = 1.5 connections
1" meter = 2.5 connections
1.5" meter = 5.0 connections
2" meter = 8 connections
3" meter= 17.5 connections

FY 23/24 Capacity (5/8" connection equivalents)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
HMB Non-Priority	1.0	1.0	1.5	3.5									**7.0**
HMB Priority			1.0										**1.0**
County Non-Priority													**0.0**
County Priority													**0.0**
Total	**1.0**	**1.0**	**2.5**	**3.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**8.0**

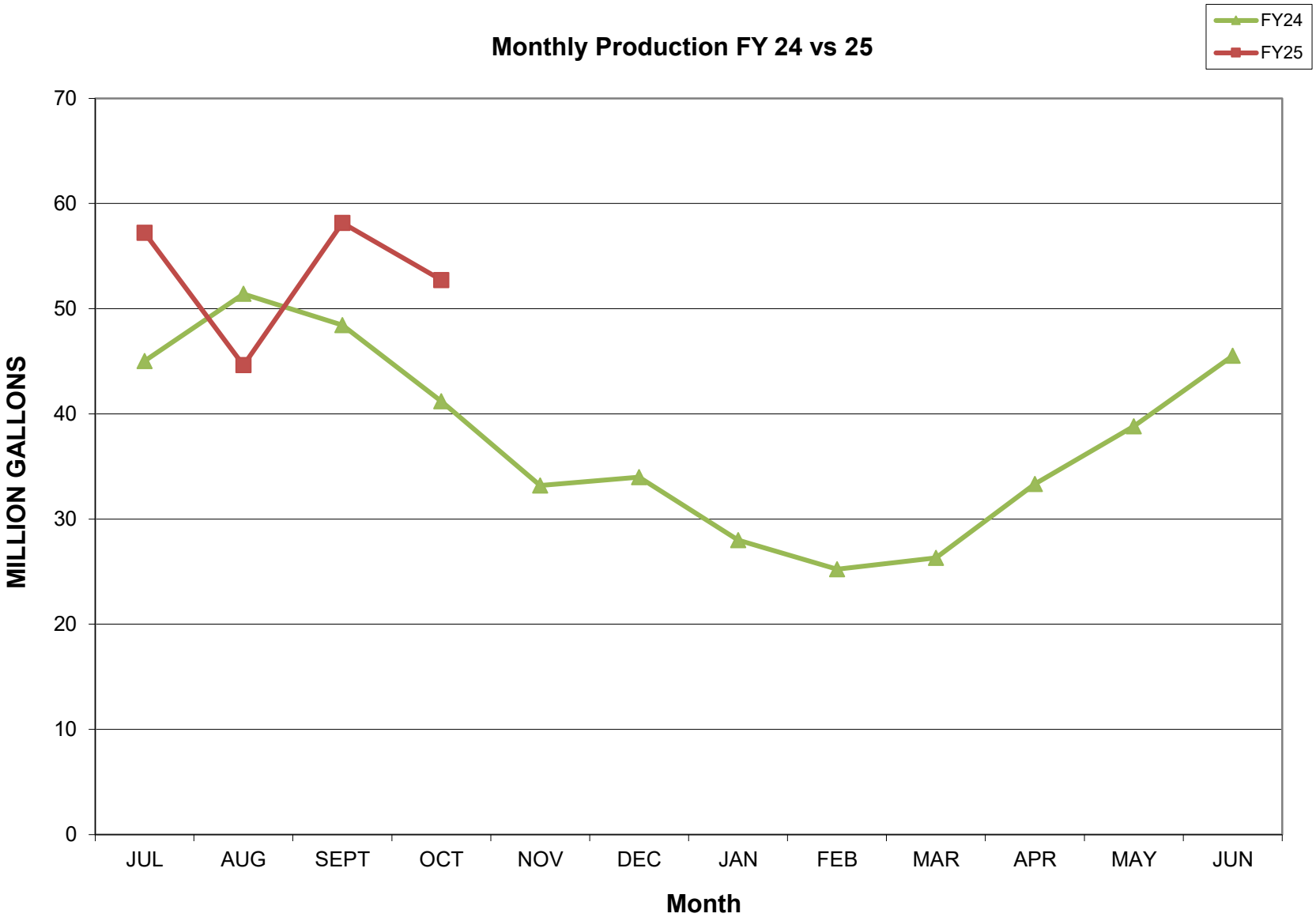
TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2025

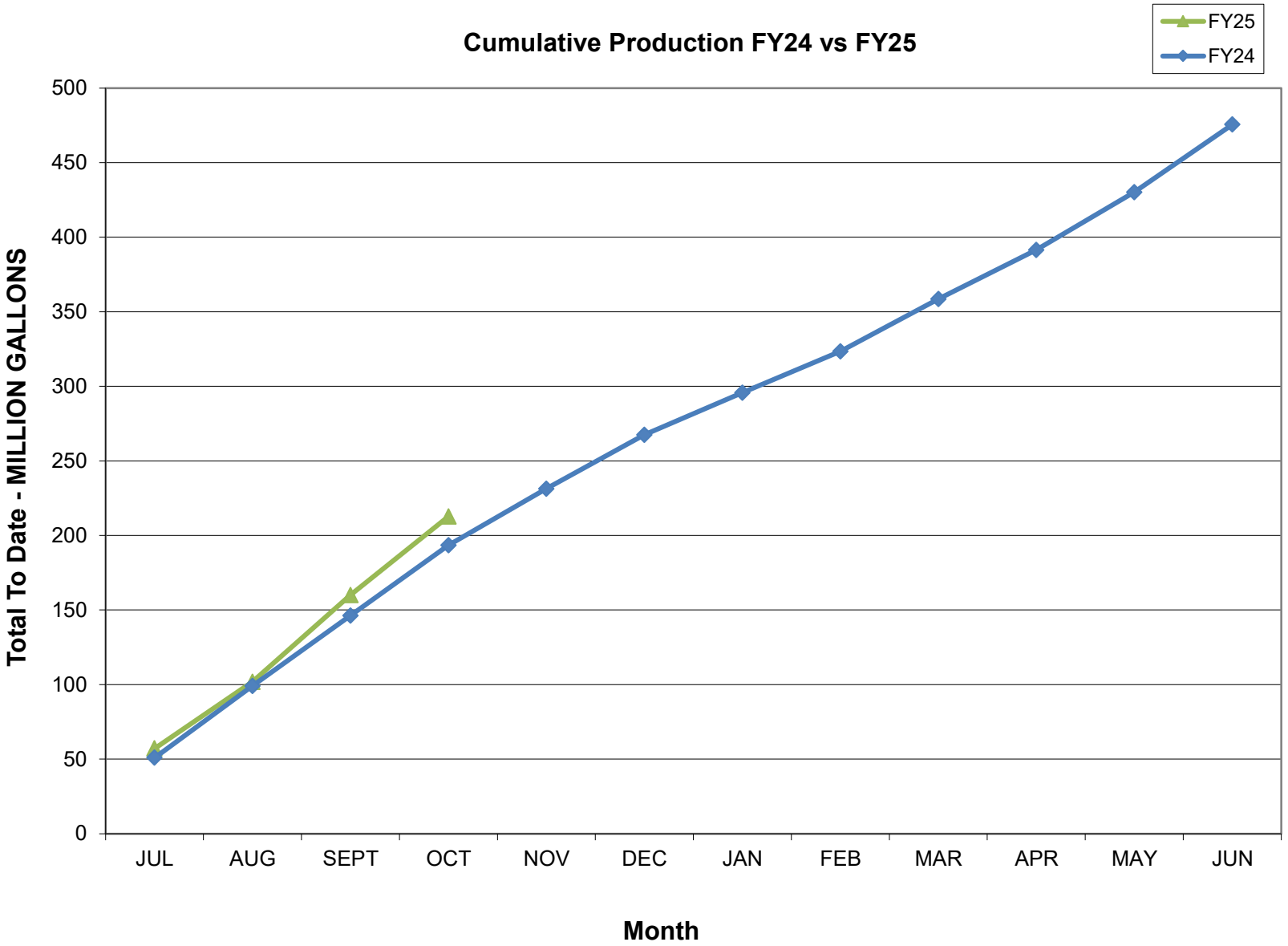
	CCWD Sources			SFPUC Sources				
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
JUL	0.00	13.20	0.00	26.41	21.34	60.95	3.73	57.22
AUG	0.00	14.60	0.00	9.07	24.80	48.47	3.84	44.63
SEPT	0.00	14.90	0.00	0.00	46.17	61.07	2.91	58.16
OCT	0.00	0.00	0.00	24.84	30.12	54.96	2.24	52.72
NOV						0.00		0.00
DEC						0.00		0.00
JAN						0.00		0.00
FEB						0.00		0.00
MAR						0.00		0.00
APR						0.00		0.00
MAY						0.00		0.00
JUN						0.00		0.00
TOTAL	0.00	42.70	0.00	60.32	122.43	225.45	12.72	212.73
% MONTHLY TOTAL	0.0%	0.0%	0.0%	45.2%	54.8%	100.0%	4.1%	95.9%
% ANNUAL TO DATE TOTAL	0.0%	18.9%	0.0%	26.8%	54.3%	100.0%	5.6%	94.4%

CCWD vs SFPUC- month	0.0%
CCWD vs SFPUC- annual	18.9%

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2024

	CCWD Sources			SFPUC Sources				
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
JUL	0.32	17.08	0.00	30.54	6.02	53.64	2.66	50.98
AUG	2.37	22.03	0.00	23.30	6.40	51.73	3.69	48.04
SEPT	2.31	18.49	0.00	24.22	8.42	51.13	3.87	47.26
OCT	0.51	6.09	0.00	37.04	6.54	49.67	2.58	47.09
NOV	0.05	15.80	11.9	9.68	2.94	40.32	2.42	37.90
DEC	0.00	7.40	17.29	11.08	2.46	38.23	2.03	36.20
JAN	0.00	4.60	15.68	10.14	0.00	30.42	2.11	28.31
FEB	0.00	0.00	15.84	13.16	0.00	29.00	1.37	27.63
MAR	0.00	2.90	13.13	16.81	4.33	37.17	1.94	35.23
APR	0.00	12.90	0.00	22.99	1.09	36.98	4.19	32.79
MAY	0.14	6.30	0.00	34.52	3.13	43.95	5.11	38.84
JUN	0.00	6.60	0.00	40.43	2.47	49.50	4.15	45.35
TOTAL	5.70	120.19	73.84	273.91	43.80	511.74	36.12	475.62
% Annual Total	n/a	23.5%	14.4%	53.5%	8.6%	100.0%	7.1%	92.9%


Monthly Production FY 24 vs 25
FY24
FY25
MILLION GALLONS
70
60
50
40
30
20
10
0
JUL
AUG
SEPT
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN
Month


Cumulative Production FY24 vs FY25
FY25
FY24
Total To Date - MILLION GALLONS
500
450
400
350
300
250
200
150
100
50
0
JUL
AUG
SEPT
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN
Month

Coastside County Water District Monthly Sales By Category (MG)
FY2025

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	MG to Date
RESIDENTIAL	27.94	27.90	26.65	25.55									**108.04**
COMMERCIAL	3.21	3.18	2.97	3.01									**12.38**
RESTAURANT	1.83	1.85	1.63	1.67									**6.98**
HOTELS/MOTELS	2.65	3.14	2.75	2.54									**11.07**
SCHOOLS	0.77	0.70	0.80	0.63									**2.89**
MULTI DWELL	2.72	2.77	2.73	2.52									**10.74**
BEACHES/PARKS	0.85	0.99	0.82	0.48									**3.14**
AGRICULTURE	1.92	2.15	2.19	2.07									**8.33**
RECREATIONAL	0.23	0.25	0.25	0.26									**1.00**
MARINE	0.36	0.38	0.36	0.34									**1.43**
RES. IRRIGATION	1.65	1.68	1.51	1.24									**6.08**
DETECTOR CHECKS	0.02	0.03	0.02	0.01									**0.08**
NON-RES. IRRIGATION	2.48	1.52	3.54	2.25									**9.79**
RAW WATER	4.20	4.98	6.48	7.25									**22.91**
PORTABLE METERS	0.34	0.46	0.32	0.34									**1.45**
CONSTRUCTION	0.38	0.37	0.29	0.27									**1.32**
TOTAL - MG	**51.55**	**52.35**	**53.31**	**50.44**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**207.64**
Non Residential Usage	23.61	24.45	26.66	24.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Running 12 Month Total				**488.88**									
12 mo Residential				**275.99**									
12 mo Non Residential				**212.88**									

FY2024

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	MG to Date
RESIDENTIAL	24.40	25.26	26.27	24.96	22.90	21.49	20.13	17.91	19.14	19.21	21.74	25.46	**268.84**
COMMERCIAL	2.73	2.96	2.92	2.93	2.66	2.74	2.33	2.39	2.50	2.54	2.80	3.21	**32.72**
RESTAURANT	1.50	1.54	1.70	1.57	1.46	1.28	1.26	1.17	1.31	1.37	1.45	1.62	**17.22**
HOTELS/MOTELS	2.56	2.65	2.73	2.51	2.24	1.92	1.85	1.51	1.86	1.77	2.11	2.46	**26.18**
SCHOOLS	0.41	0.79	0.68	0.48	0.45	0.25	0.14	0.16	0.15	0.19	0.20	0.36	**4.25**
MULTI DWELL	2.41	2.55	2.60	2.46	2.44	2.34	2.32	2.11	2.32	2.23	2.33	2.56	**28.67**
BEACHES/PARKS	0.48	0.49	0.39	0.37	0.33	0.26	0.16	0.13	0.18	0.19	0.24	0.55	**3.78**
AGRICULTURE	1.86	3.04	1.63	1.46	1.63	1.43	1.19	1.25	1.77	1.88	1.99	2.06	**21.22**
RECREATIONAL	0.18	0.16	0.17	0.15	0.14	0.14	0.11	0.11	0.15	0.15	0.16	0.26	**1.88**
MARINE	0.28	0.35	0.35	0.26	0.28	0.27	0.28	0.45	0.34	0.24	0.26	0.29	**3.65**
RES. IRRIGATION	1.25	1.38	1.40	1.32	0.90	0.56	0.29	0.23	0.17	0.17	0.70	1.19	**9.56**
DETECTOR CHECKS	0.01	0.02	0.02	0.01	0.03	0.01	0.01	0.01	0.02	0.01	0.01	0.02	**0.16**
NON-RES. IRRIGATION	0.33	0.71	1.31	0.35	0.31	0.18	0.15	0.11	0.05	0.08	0.17	1.16	**4.91**
RAW WATER	3.49	7.33	5.45	8.34	4.22	2.24	0.00	0.00	0.00	4.93	0.00	3.85	**39.85**
PORTABLE METERS	0.17	0.24	0.20	0.21	0.12	0.04	0.08	0.02	0.06	0.07	0.23	0.40	**1.85**
CONSTRUCTION	0.50	0.53	0.52	0.47	0.44	0.43	0.40	0.38	0.36	0.37	0.41	0.46	**5.27**
TOTAL - MG	**42.54**	**50.00**	**48.35**	**47.87**	**40.54**	**35.57**	**30.72**	**27.95**	**30.39**	**35.38**	**34.78**	**45.90**	**470.00**

Running 12 Month Total	**470.00**
12 mo Residential	**268.84**
12 mo Non Residential	**201.16**

MONTH	October-24										
Coastside County Water District Monthly Discharge Report											
EMERGENCY MAIN AND SERVICE REPAIRS											
Count	Date Reported Discovered	Time Reported	Date Repaired	Time Repaired	Estimated Duration of Leak	(Identifier) Location	Estimated Water Volume Loss (MG)	Class Type	Material Type	Size (Inches)	Work Order Number
1	10/20/2024	0930	10/20/2024	1830	9 Hours	531 Ave Balboa	0.010	Service	Plastic	1"	8571
2											
3											
4											
5											
6											
7											
8											
						Total	**0.010**				

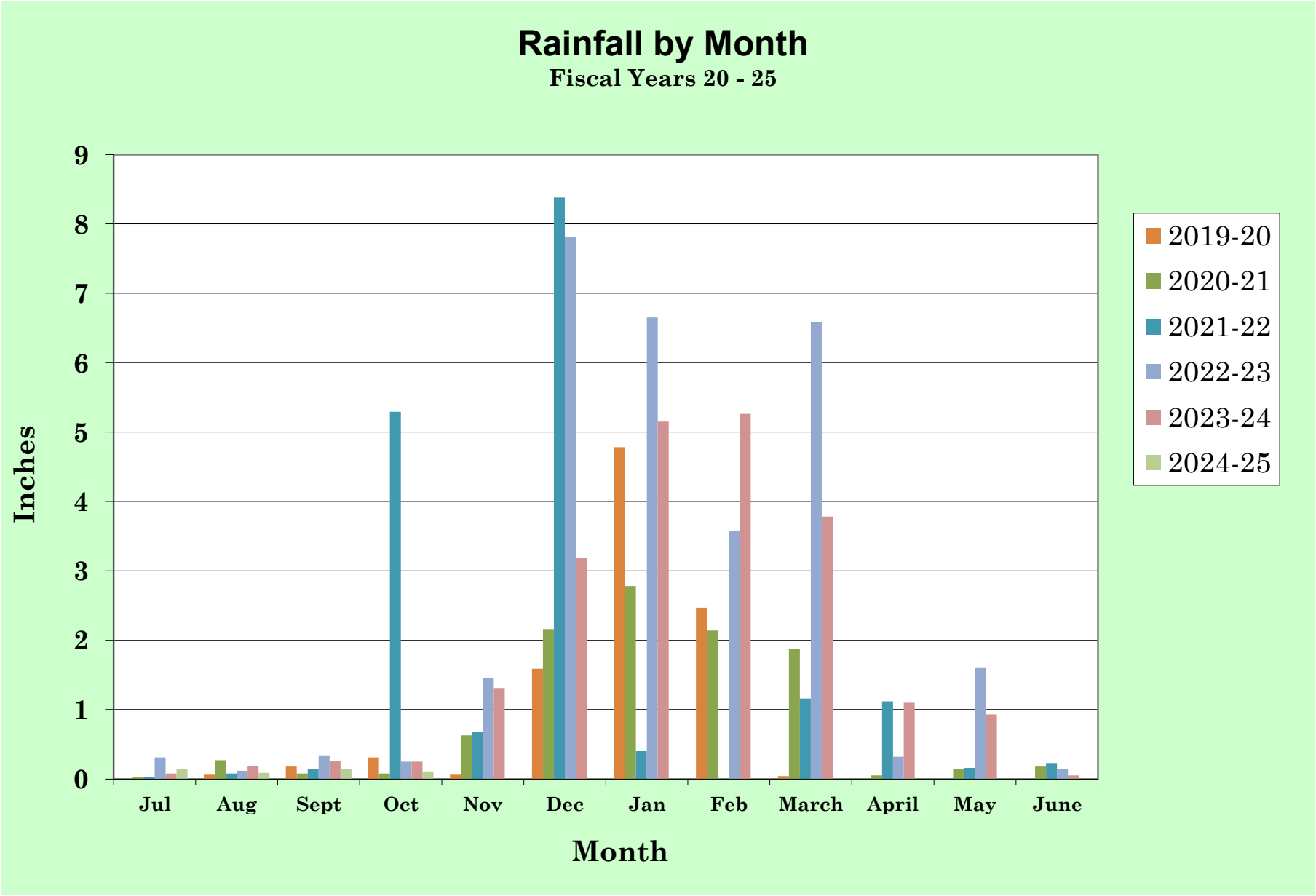
OTHER DISCHARGES	
Total Volumes (MG)	
Flushing Program	0.004
Reservoir Cleaning	0.000
Automatic Blowoffs	0.203
Dewatering Operations	0.000
Other (includes flow testing)	0.000
DISCHARGES GRAND TOTAL (MG)	
0.207	

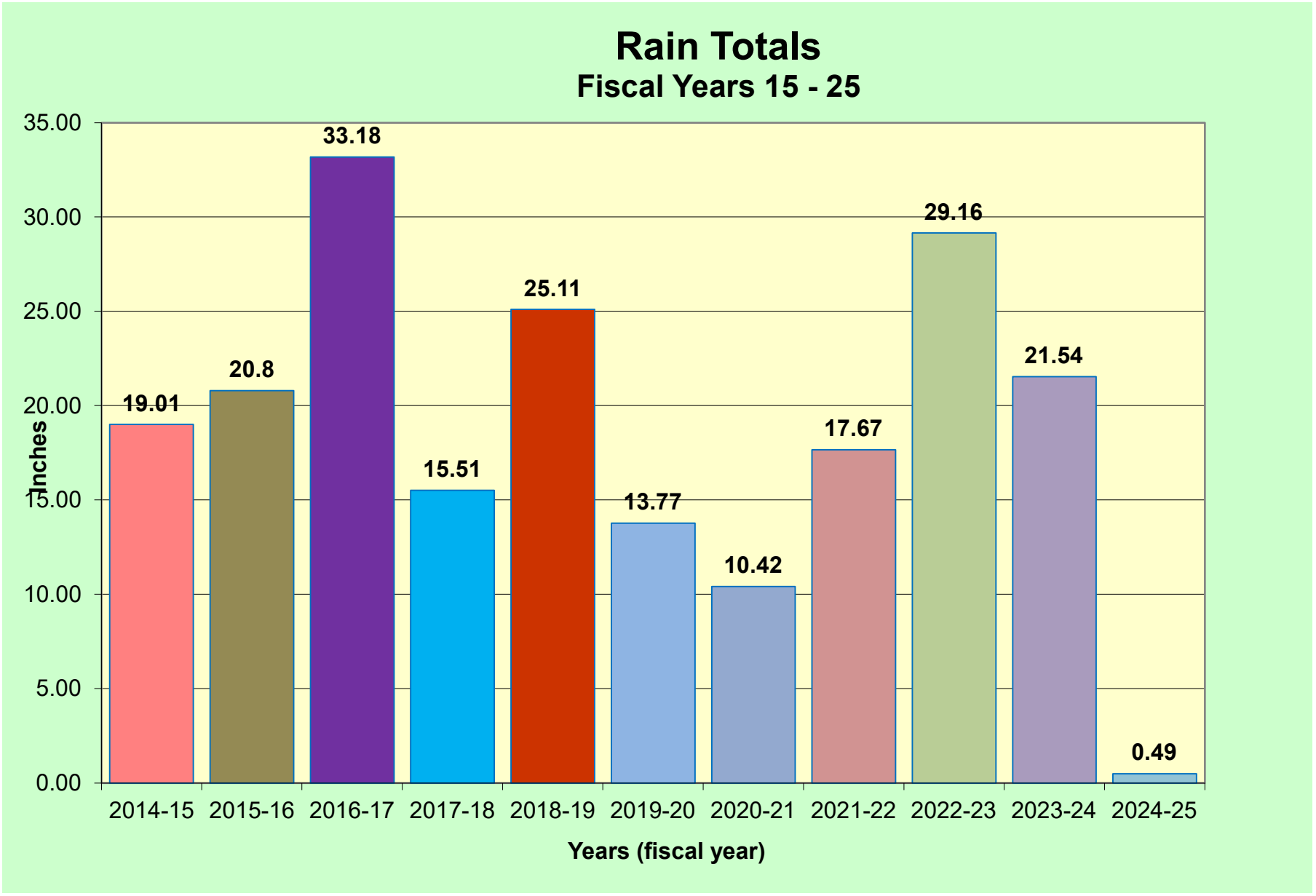
Coastside County Water District
766 Main Street
July 2024 - June 2025

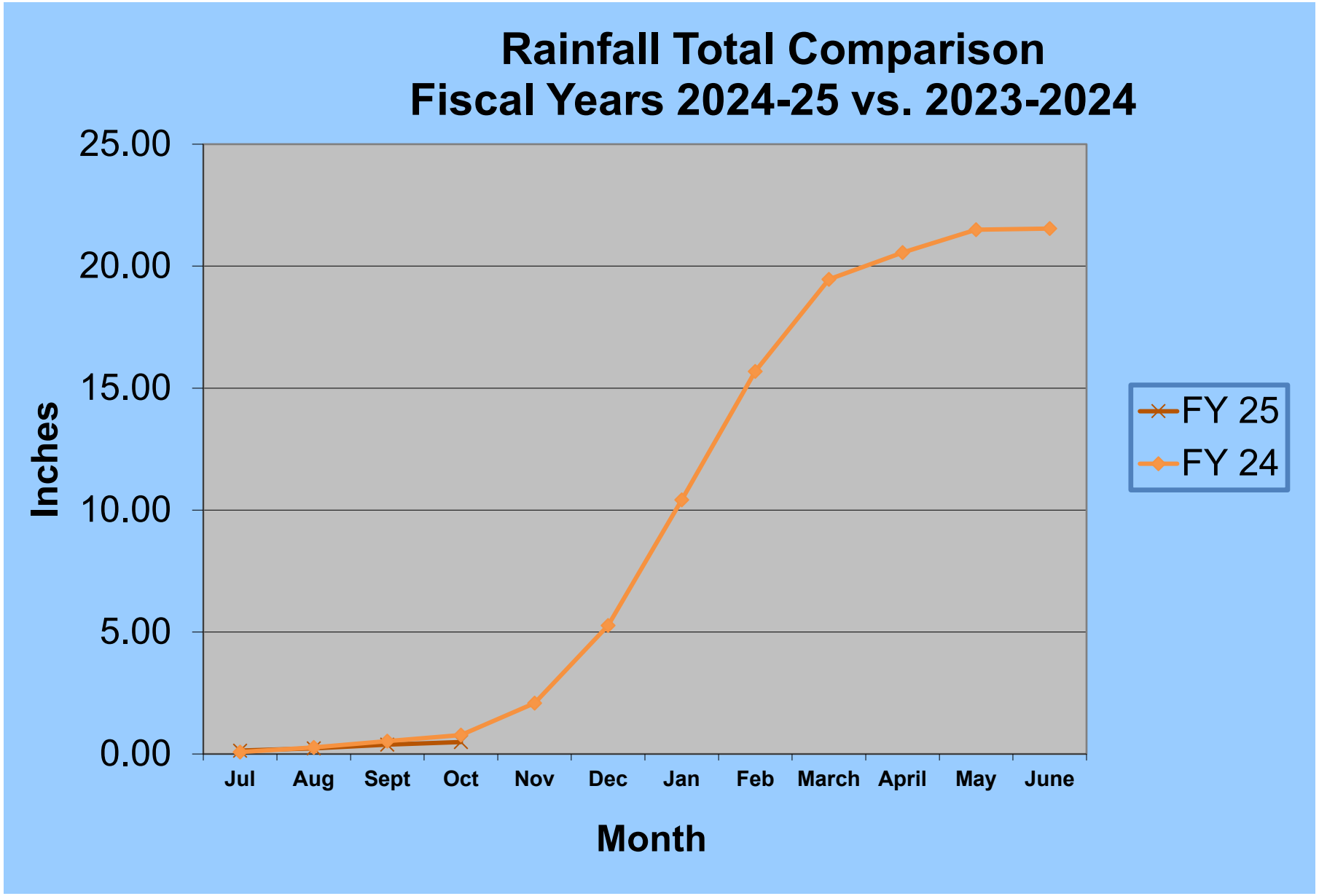
Nunes
Rainfall in Inches

	2024				2025							
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
1	0.01	0.01	0.00	0.00								
2	0	0.01	0.00	0.00								
3	0	0	0.00	0.00								
4	0	0.01	0.00	0.00								
5	0	0.01	0.00	0.00								
6	0	0	0.00	0.00								
7	0	0	0.00	0.00								
8	0.01	0	0.00	0.00								
9	0	0	0.00	0.03								
10	0	0	0.00	0.00								
11	0.01	0.01	0.00	0.00								
12	0	0.01	0.00	0.00								
13	0	0	0.00	0.01								
14	0.01	0	0.01	0.02								
15	0	0	0.02	0.00								
16	0	0	0.00	0.00								
17	0	0.02	0.01	0.00								
18	0	0.01	0.04	0.00								
19	0	0	0.00	0.00								
20	0	0	0.02	0.00								
21	0.01	0	0.00	0.00								
22	0	0	0.01	0.00								
23	0	0	0.01	0.00								
24	0	0	0.00	0.00								
25	0	0	0.00	0.00								
26	0	0	0.01	0.00								
27	0.01	0	0.00	0.00								
28	0.01	0	0.01	0.00								
29	0.02	0	0.00	0.00								
30	0.04	0	0.01	0.00								
31	0.01	0		0.05								
Mon.Total	0.14	0.09	0.15	0.11								
Year Total	0.14	0.23	0.38	0.49								

Coastside County Water District




Rain Totals
Fiscal Years 15 - 25
35.00
30.00
25.00
20.00
15.00
10.00
5.00
0.00
Inches
19.01
20.8
33.18
15.51
25.11
13.77
10.42
17.67
29.16
21.54
0.49
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
2024-25
Years (fiscal year)


Rainfall Total Comparison
Fiscal Years 2024-25 vs. 2023-2024
25.00
20.00
15.00
10.00
5.00
0.00
Inches
Jul
Aug
Sept
Oct
Nov
Dec
Jan
Feb
March
April
May
June
Month
FY 25
FY 24

San Francisco Public Utilities Commission
Hydrological Conditions Report
September 2024

B. Barry, C. Graham, H. Forrester, N. Waelty

Prepared October 4, 2024

Stanislaus National Forest and Hetch Hetchy Water and Power staff travel by foot down Upper Cherry Creek during the annual snow survey resupply trip (left). During these trips, staff maintain snow courses and backcountry cabins (right) in preparation for mid-winter snow surveys.

System Storage

Current Tuolumne System and Local Bay Area storage conditions are summarized in Table 1.

Table 1. Current System Storage as of October 1, 2024

	Current Storage		Maximum Storage		Available Capacity		Percentage of Maximum Storage
	acre-feet	millions of gallons	acre-feet	millions of gallons	acre-feet	millions of gallons	
Tuolumne System							
Hetch Hetchy Reservoir[1]	287,997		360,360		72,363		80%
Cherry Reservoir[2]	241,796		268,811		27,015		90%
Lake Eleanor[3]	19,691		27,100		7,409		73%
Water Bank	569,947		570,000		53		100%
Tuolumne Storage	1,119,431		1,226,271		106,840		91%
Local Bay Area Storage							
Calaveras Reservoir	88,001	28,675	96,670	31,500	8,669	2,825	91%
San Antonio Reservoir	48,777	15,894	52,506	17,109	3,729	1,215	93%
Crystal Springs Reservoir	51,803	16,880	68,743	22,400	16,940	5,520	75%
San Andreas Reservoir	11,806	3,847	18,898	6,158	7,092	2,311	63%
Pilarcitos Reservoir	2,326	758	3,118	1,016	792	258	75%
Total Local Storage	202,713	66,054	239,936	78,183	37,223	12,129	85%
Total System	1,322,144		1,466,207		144,063		90%

[1] Maximum Hetch Hetchy Reservoir storage with drum gates activated.
[2] Maximum Cherry Reservoir storage with flashboards removed. Boards were removed September 12.
[3] Maximum Lake Eleanor storage with flashboards installed. Boards were removed October 4. Reduced storage will be reflected in the next report.

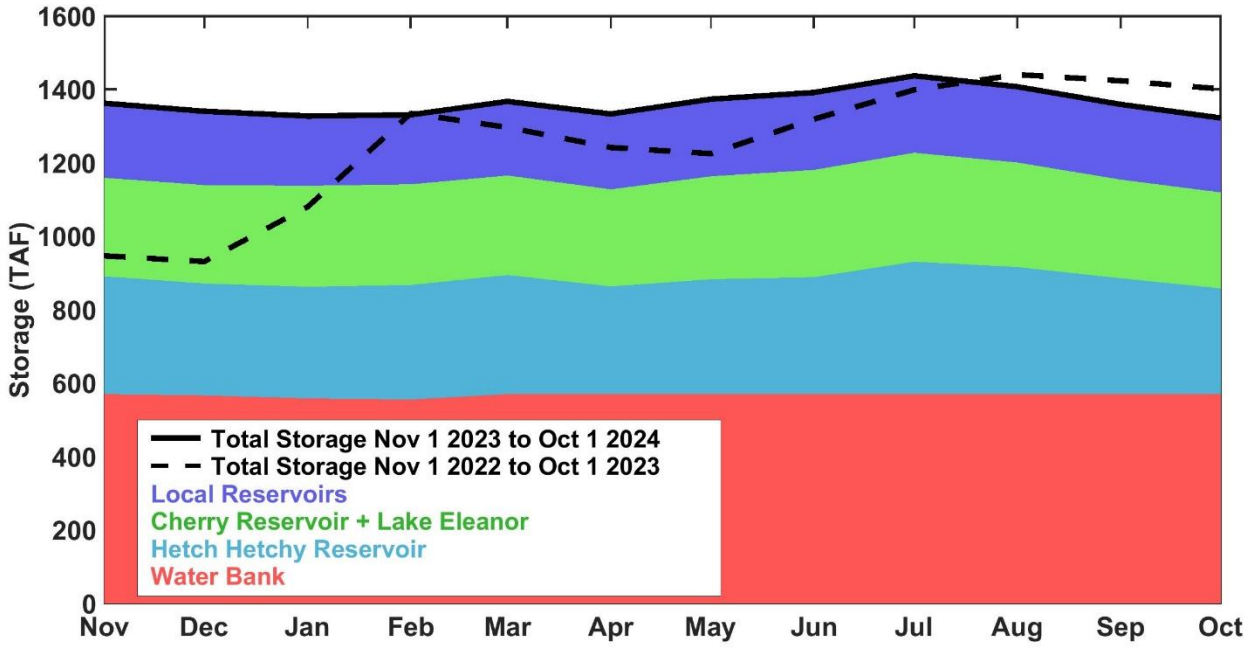


Figure 1: Local and Upcountry Reservoir storage. Color bands show contributions to total system storage. Solid black line shows total system storage for the past 12 months. Dashed black line shows total system storage the previous 12 months.

Hetch Hetchy System Precipitation Index

Current Month: The September 2024 six-station precipitation index was 0.05 inches, which is 30% of the 1991-2020 September median.

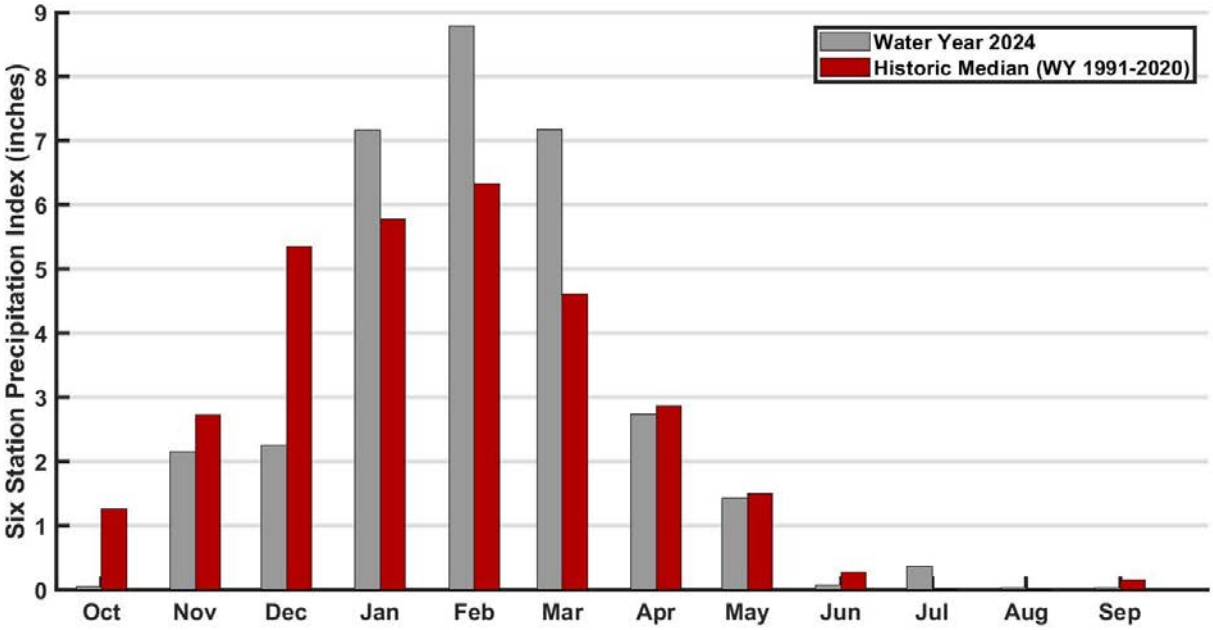


Figure 2: Monthly distribution of the six-station precipitation index relative to the monthly precipitation medians as of October 1. The precipitation index is computed as the average of six Sierra precipitation stations and is an indicator of the overall basin wetness.

Cumulative Precipitation to Date: The cumulative six-station precipitation index for Water Year (WY) 2024 is 32.27 inches, which is 104% of the median to-date. The Hetch Hetchy Weather Station received 0.09 inches of precipitation in September resulting in a total of 30.13 inches for WY 2024, or 87% of median for the Water Year to-date. The cumulative WY 2024 Hetch Hetchy Weather Station precipitation is shown in Figure 3 in red.

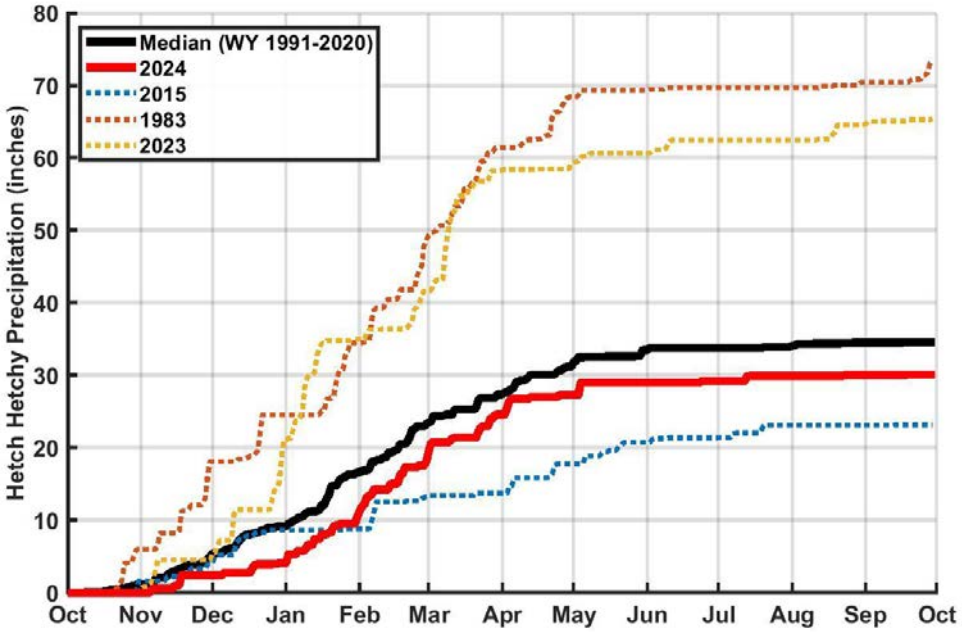


Figure 3: Water Year 2024 cumulative precipitation measured at Hetch Hetchy Weather Station as of October 1. Median cumulative precipitation measured at Hetch Hetchy Weather Station and example wet and dry years are included with Water Year 2024 for comparison purposes.

Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and the Tuolumne River at La Grange for September 2024 and Water Year 2024 is summarized below in Table 2.

Table 2. Calculated reservoir inflows and Water Available to City

* All flows are in acre-feet	September 2024				October 1, 2023 through September 30, 2024			
	Observed Flow	Median[1]	Mean[1]	Percent of Mean	Observed Flow	Median[1]	Mean[1]	Percent of Mean
Inflow to Hetch Hetchy Reservoir	900[2]	1,669	3,314	27%	613,158	703,970	762,304	80%
Inflow to Cherry Reservoir and Lake Eleanor	100[2]	1,537	1,969	5%	458,344	465,619	508,322	90%
Tuolumne River at La Grange	10,120	8,681	12,079	84%	1,715,906	1,664,299	1,942,410	88%
Water Available to City	0	0	5	0%	643,192	580,260	870,173	74%

[1]Hydrologic Record: 1991-2020

[2]Observed flow this month is based on inflow monitoring data vs the usual mass balance calculations. The mass balance calculations resulted in negative calculated inflows due to evaporation and finite resolution in the reservoir rating tables.

Hetch Hetchy System Operations

Water deliveries via the San Joaquin Pipeline (SJPL) decreased from 235 MGD to 210 MGD on September 25.

Hetch Hetchy Reservoir power draft and stream releases during the month totaled 24,805 acre-feet. Required minimum instream release during September 1-14 was 80 cfs; during September 15-30 it was 65 cfs (Type B). On October 1, required minimum instream release decreased to 50 cfs (Type B).

Cherry Reservoir power draft and stream releases totaled 5,603 acre-feet during the month of September. Required minimum instream release was 15 cfs from July 1 through September 30. On October 1, required minimum instream release decreased to 5 cfs.

Lake Eleanor stream releases totaled 990 acre-feet during the month of September. Required minimum instream release was 20 cfs from July 1 through September 15. On September 16, required minimum release decreased to 10 cfs and will remain at 10 cfs through October. The Cherry Pump Station transferred 4,403 acre-ft of water from Lake Eleanor into Cherry Reservoir.

Regional System Treatment Plant Production

The Harry Tracy Water Treatment Plant production rate for the month was 31 MGD. Sunol Valley Water Treatment Plant was offline for the entire month.

Regional System Water Delivery

The average September delivery rate was 222 MGD which is an 3.1% decrease compared to the August delivery rate of 229 MGD.

Local Precipitation

The rainfall summary for September 2024 and Water Year 2024 is presented in Table 3.

Table 3
Precipitation Totals at Three Local Area Reservoirs

Weather Station Location	September 2024		October 1, 2023 through September 30, 2024	
	Total (inches)	Percent of Mean for the Month	Total (inches)	Percent of Mean for the Year-To-Date
Pilarcitos Reservoir	0.05	50%	43.18	129%
Lower Crystal Springs Reservoir	0.00	0%	32.57	147%
Calaveras Reservoir	0.00	0%	24.51	136%

*Mean Period = WY 1991-2020

Water Supply and Planned Water Supply Management

Water Year 2024 began with below average precipitation and above average temperatures. Well above-average precipitation and cooler temperatures January through March led to the emergence of near-normal total precipitation. Near-normal precipitation continued in April and May (Figure 2 and 3). Above average temperatures in May generated above average runoff for the month. This was followed by a dramatic cooldown and rapid reduction in reservoir inflows in mid-June (Figure 4). An extreme heatwave in early July and sustained above-average temperatures throughout the month lead to July 2024 being the hottest July on record. Temperatures moderated substantially in August; an anomalously cold low-pressure system generated record cold maximum temperatures August 24 and 25. Aside from a minor low-pressure system in the middle of the month, September was characterized by persistent above-average temperatures and dry conditions. Water Year cumulative runoff was below average (Table 2, Figure 4).

This Fall, Hetch Hetchy Reservoir is drafting via SJPL deliveries, Moccasin Fish Hatchery flows and minimum instream releases. Cherry Reservoir is drafting via minimum instream releases; generation at Holm Powerhouse ceased on October 1 and Holm Powerhouse will remain out of service until significant precipitation occurs. Lake Eleanor is drafting via minimum instream releases and pumping transfer. Water Bank is anticipated to remain nearly full or debit slightly as upcountry reservoir releases balance inflows through October.

Cumulative Water Available to the City for WY 2024 was 643,192 acre-feet on October 1 (Figure 4). Measured inflows to date on the Tuolumne River at La Grange have resulted in Water Year runoff (1,715,906 acre-ft) between the median and mean of the 1991 and 2020 period (Table 2).

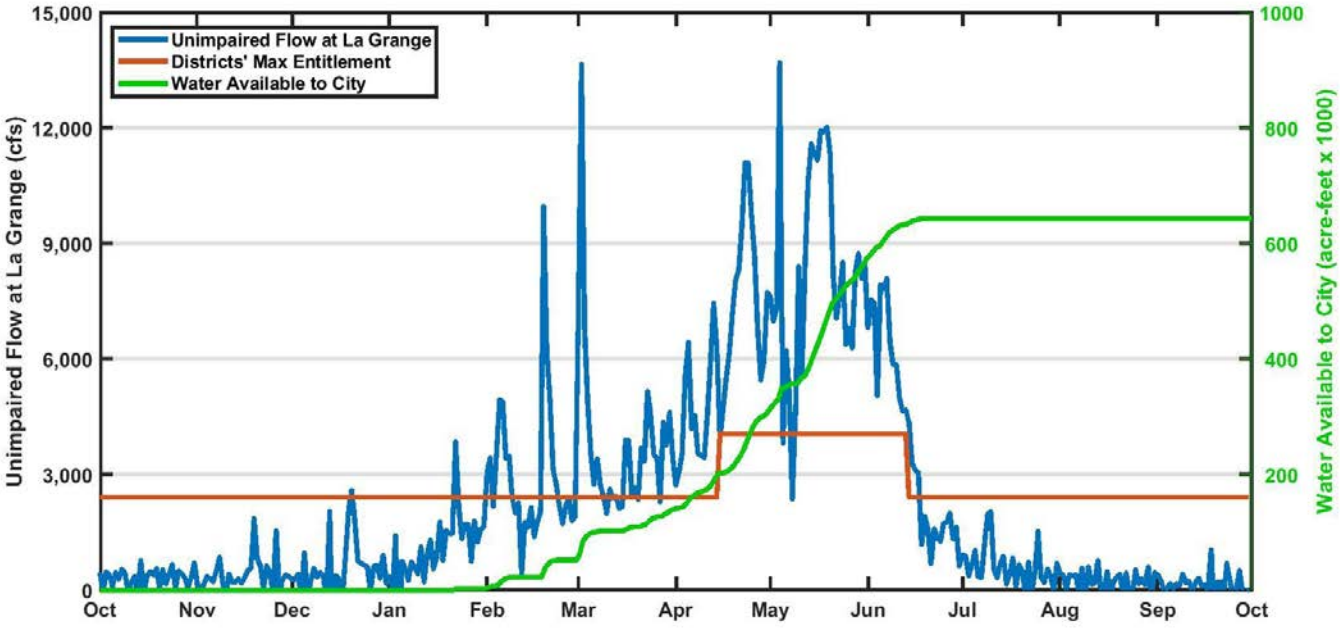


Figure 4: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City.

STAFF REPORT

To: **Coastside County Water District Board of Directors**

From: **Jeffrey Schneider, Assistant General Manager**

Agenda: **November 12, 2024**

Report Date: **November 8, 2024**

Agenda Title: Public Hearing to Consider Proposed Amendment to the Rate and Fee Schedule to Increase Water Service Rates and Water Shortage Rates effective January 20, 2025, January 19, 2026, and January 18, 2027, and Finding that the Amendments are Exempt from the California Environmental Quality Act.

Recommendation:

1. **Conduct a public hearing on proposed increases to Water Service Rates and Water Shortage Rates effective January 20, 2025, January 19, 2026, and January 18, 2027 to achieve an overall 8% annual increase in total operating revenues for each year.**
2. **Adopt Resolution 2024-07 Amending the Rate and Fee Schedule and finding that the amendments are exempt from the California Environmental Quality Act (Exhibits D and E).**

Background:

At its November 14, 2023 meeting, the Board authorized Water Resources Economics, LLC. ("WRE") to conduct a comprehensive water rate study consisting of:

- A five-year Water Financial Plan;
- A Cost-of-Service Analysis based on the most recent financial data and customer use characteristics;
- Rate Design, including a three-year water rate schedule effective January 2025, January 2026, and January 2027 and corresponding three-year Water Shortage Rates; and
- Rate Study documentation including a 2024 Water Rate Study Report documenting the proposed rate development process and providing support and transparency in consideration of Proposition 218 requirements.

This staff report provides a summary-level view of the 2024 Water Rate Study process undertaken by WRE and staff, and the resulting proposals for water rate increases and capital project financing. Numerous Committee and Board of Director meetings, together with frequent working sessions by staff and WRE, have led to the completion of the 2024 Water Rate Study and the proposed rate adjustments. (See Exhibit A or **https://coastsidewater.org/resources/reports-and-studies/** to view the 2024 Water Rate Study dated July 1, 2024.)

The process timelines associated with the District's O&M budget, CIP plan, and Water Rate Study are presented below as a means of documenting the opportunities for public comment and participation, and the significant milestones in support of the District's development of its proposed water rate adjustments.

FY 24-25 Budget (O&M and CIP) and Water Rate Study – Process Timeline

Date	Description
February 13, 2024	Facilities Committee - Capital Improvement Program (CIP) Review
March 11, 2024	Finance Committee – Review of Draft O&M / CIP Budgets
March 12, 2024 Regular Board Meeting	Present Draft O&M and CIP Budgets and Rate Study Timeline for Board Review
March 20, 2024	Finance Committee Review of Draft "Water Financial Plan and Rate Update Study" prepared by consultants from Water Resources Economics (WRE)
March 29, 2024	Facilities Committee - Capital Improvement Program (CIP) Review
April 29, 2024	Finance Committee Review of Draft "Water Financial Plan and Rate Update Study" prepared by WRE
April 30, 2024 *Special Board Meeting*	Board Workshop - Review of Draft "Water Financial Plan and Rate Update Study" prepared by WRE.
May 1, 2024	Facilities Committee - Capital Improvement Program (CIP) Review
May 14, 2024	Facilities Committee - Review of Draft CIP Budget
May 14, 2024 Regular Board Meeting	Board Presentation of Draft O&M and CIP Budget
May 21, 2024	Finance Committee Review of Draft O&M/CIP Budgets and WRE's Draft Water Shortage Rates.
June 11, 2024 *Special Board Meeting*	Board Presentation by WRE of draft Water Shortage Rates and Water Rate Study/Financial Plan
June 11, 2024 Regular Board Meeting	Board Approval of FY24-25 O&M/CIP Budgets
June 25, 2024	Finance Committee Review of Draft "Water Financial Plan and Rate Update Study" Report prepared by WRE, including Water Shortage Rates
July 9, 2024 Regular Board Meeting	Board Received "2024 Water Rate Study" – prepared by WRE
August 13, 2024 Regular Board Meeting	Review Draft Prop 218 Notice. Schedule a Public Hearing on Proposed Rate Adjustments and Authorize Issuance of Notice of Public Hearing (Prop 218 Notice)
Week of September 16, 2024	Prop 218 Notice re: Public Hearing - written notice mailed to customers and noticed in the Daily Journal and the Half Moon Bay Review.
Mid-September, 2024	Customer Outreach: Social Media message: "Understanding Proposed Rate Increase"
November 12, 2024	Public Hearing – Prop 218 – Approve Rate Adjustments to be effective January 2025, January 2026, and January 2027
January 20, 2025	Rate Change Year 1 Effective

Water Financial Plan and Rate Study (dated July, 2024 – Exhibit A):

Financial Plan:

Staff took the first step toward the development of the Water Financial Plan by reviewing drafts of the FY 2024/25 Operating and Maintenance (O&M) budget and the FY 2024/25 through 2033/34 Capital Improvement Program (CIP) plan with the Finance and Facilities Committees in February and March, 2024. During this same period, staff worked with WRE to support their development of a five-year interactive financial model that was first presented to the Finance Committee in late March, 2024. With WRE's assistance, Committee members were able to determine the effect of various water rate increases and capital project financing assumptions on the District's cash reserves and on each of the District's customer types. This same interactive process was used in a Finance Committee review on April 29, 2024 as well as by the Board of Directors at a Special Board meeting/workshop held on April 30, 2024. Considering the District's Reserve Policy targets and its O&M budget and CIP plans, WRE 's interactive financial model enabled the Board to view the results of several combinations of water rate increases and capital financing assumptions to determine their proposed Water Financial Plan. The resulting financial plan assumes an 8% increase in total operating revenues in January 2025, and 8% across the board increases in January 2026 and January 2027, along with $8 Million of debt financing to fund CIP projects in Fiscal Year 2025.

Cost of Service Analysis:

Following the completion of the Water Financial Plan, WRE completed a Cost of Service Analysis, which is the fundamental benchmark used to establish utility rates in the United States. The District must comply with the substantive requirements of California's Proposition 218 and Proposition 26. The cost-of-service analysis is used to allocate/recover the District's costs to users in proportion to their use of the system, recognizing the impact of each customer class on system facilities and operations.

As stated by WRE, the cost-of-service analysis is "revenue neutral" meaning the cost-of-service based water rates collect the same amount of revenue as the District expects to collect in FYE 2024 based on its current water rates. These "revenue neutral" rates are then adjusted based on the draft water financial plan using the proposed 8% per year revenue increase to be effective January 20, 2025, January 19, 2026, and January 18, 2027 to arrive at the District's proposed water rates.

Rate Design:

The District's existing rate structure was evaluated by WRE and no potential changes were identified. The District's rate structure includes fixed Monthly Base Charges, fixed Monthly Fire Service Charges, and Quantity Charges. Base Charges are assessed based on meter size, as are Fire Service Charges. Effective January 20, 2025, Fire Service Charges will be calculated utilizing an updated methodology that considers the fire capacity of the diameter of the pipe based on the Hazen-Williams equation rather than using the current existing linear factor. Quantity Charges are assessed per unit (defined as 100 cubic feet or "hcf") based on customer type (Residential, Multi-Family, and All Other Customers). In the case of Residential customers, three rate tiers are utilized: Tier 1 (1-4 units), Tier 2 (5-8 units), and Tier 3 (9+ units).

Water Shortage Rates:

Having established the draft Water Financial Plan, draft Cost-of-Service Analysis, and draft Water Rates, WRE calculated proposed Water Shortage Rates. The District's Water Shortage Rates are a tool for the District to effectively respond to water shortage emergencies while maintaining operational reliability and financial sufficiency and are thus designed to recover the costs of a shortage, which include:

- Loss of Quantity Charge revenues;
- Water supply cost differences; and
- Other shortage-related O&M expenses.

On May 21, 2024, the Finance Committee received its first view of potential changes to the District's Water Shortage rates, which were the focus of a Special Board meeting held on June 11, 2024. The proposed Water Shortage Rates represent the maximum that the Board could elect to implement at each stage in a water emergency. Further, Water Shortage Rates can only go into effect if the Board takes the following two actions: 1) A water shortage emergency must be declared by the Board of Directors; and 2) the Board must take action to implement the Water Shortage Rates. In addition, written notice must be mailed to all customers at least 30 days prior to implementing the Water Shortage Rates.

SFPUC Pass-Through Wholesale Water Shortage Rates or Surcharges:

If San Francisco Public Utilities Commission (SFPUC) imposes an additional wholesale charge to the cost of water as a result of a water shortage, the District may pass

through the additional SFPUC per unit wholesale charge as set forth in Section 3.P of the District's Rate and Fee Schedule.

Summary of Proposed Rates:

At the July 9, 2024 Regular Board of Directors' Meeting, the Board received the 2024 Water Rate Study Report prepared by Water Resources Economics, LLC. The Water Rate Study Report provides the administrative record that complies with the Proposition 218 requirements and that shows the nexus between the cost of providing water service and the rates that are charged to customers. The District is proposing three years of rate increases for water services, as outlined in the attached proposed Resolution 2024-07 (Exhibit D). The proposed rate increases will support the District's revenue requirement of up to an overall 8% annual increase in total operating revenues for each of the next three years, and if approved, the proposed rate increases will become effective on January 20, 2025 for year 1, on January 19, 2026 for year 2, and on January 18, 2027 for year 3.

Because the District's cost structure and customer usage characteristics have changed since the last cost of service study was completed in 2018, the adjustments to water rates across each customer class and residential tier will vary in magnitude. In other words, for the proposed increase effective January 20, 2025, some rates and charges will be lower or higher than the proposed up to 8% increase, and some customers will see lower or higher water bills than the proposed up to 8% increase to the District's overall revenue requirement. For the proposed up to 8% increase to be effective on January 19, 2026 and on January 18, 2027, the increase will be applied proportionately across all of the previous year's rates.

In addition, the District is proposing adjustments to its Water Shortage Rates to be effective January 20, 2025 for year 1, January 19, 2026 for year 2, and January 18, 2027 for year 3.

Proposition 218 Compliance:

At the August 13, 2024 Regular Board of Directors Meeting, the Board directed staff to prepare a notice for a public hearing to be held on November 12, 2024 to amend the Rate and Fee Schedule to increase the District's Water Service Rates and Water Shortage Rates to achieve an "up to 8% total operating revenue increase" effective January 20, 2025, and "up to 8% across the board increases" effective January 19, 2026 and January 18, 2027.

The District has complied with the public notice requirements of Proposition 218.

The notice of the public hearing and proposed amendment was mailed to property owners and customers on September 25, 2024. The notice was placed on the District's website and posted at the District Office on September 26, 2024 and advertised in the Daily Journal from October 7, 2024 through October 12, 2024.

The "2024 Water Rate Study", dated July, 2024 and attached as Exhibit A, was prepared in compliance with the substantive requirements of Proposition 218. Revenues derived from the water rates do not exceed the funds required to provide the services for which the rates are charged, and the amounts of the rates imposed do not exceed the proportional cost of service attributable to the property. The recommended amendment to the Rate and Fee Schedule complies with the requirements of Proposition 218 as interpreted by the courts.

Proposition 218 specifies that the District may not adopt the proposed amendment to the Rate and Fee Schedule if written protests are received from a majority of owners of affected parcels, or approximately 3,300 District customers.

As of the date of this report, staff has received 13 letters regarding the proposed amendment to the Rate and Fee Schedule. A copy of each letter is attached as Exhibit G.

Statute of Limitations For Challenging Proposed Rates

Pursuant to California Government Code Section 53759, there is a 120-day statute of limitations for challenging the Water Service Rates and Water Shortage Rates from the date the Board of Directors adopts the resolution approving these rates. The Proposition 218 notice that was mailed and posted included a statement regarding this 120-day statute of limitations.

Recommendation

The Draft Resolution 2024-07 (Exhibit D) for the Board's consideration provides for the recommended changes amending the Rate and Fee Schedule to increase Water Service Rates and Water Shortage Rates (an 8% increase effective January 20, 2025, an 8% increase effective January 19, 2026, and an 8% increase effective January 18, 2027.) The Resolution also provides language finding that the amendments are exempt from the California Environmental Quality Act (see Exhibit E).

EXHIBITS

A. **Water Resources Economics, LLC. ("WRE") "2024 Water Rate Study" dated July, 2024**

B. **Approved Fiscal Year 2024-2025 Operations and Maintenance Budget**

C. **Approved Fiscal Year 2024/25 to 2033/34 Capital Improvement Program**

D. **Proposed Resolution 2024-07 Amending the Rate and Fee Schedule to Increase Water Service Rates and Water Shortage Rates and Finding that the Amendment is exempt from the California Environmental Quality Act**

E. **Notice of Exemption**

F. **WRE – November 12, 2024 Presentation**

G. **Protest and Support Letters**

Exhibit A

Water Resources Economics, LLC. ("WRE")
"2024 Water Rate Study" dated July, 2024

Exhibit A

Coastside County Water District

2024 Water Rate Study

Final Report – July 2024

Prepared by: Water Resources Economics, LLC

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July 1, 2024

Mary Rogren
General Manager
Coastside County Water District
766 Main Street
Half Moon Bay, CA

Subject: Coastside County Water District Water Rate Study Report

Dear Ms. Rogren,

Water Resources Economics, LLC (WRE) is pleased to submit this 2024 Water Rate Study Report to the Coastside County Water District (District). This report documents the results and recommendations of the District's water rates study. The goal of the study was to develop an updated three-year schedule of water rates and water shortage rates that will sufficiently fund the District's water system expenses, allow the District to meet its financial goals within the study period, and comply with cost-of-service principles.

This study utilized industry-standard rate-setting methodology in accordance with guidelines developed by the American Water Works Association and incorporates guidance provided by the District's Board of Directors and Finance Committee. Our project team has a proven track record of developing fair and equitable water rates for numerous public water agencies in California over the past 25 years. We are confident in our ability to develop sound water rates that satisfy the requirements of Proposition 218.

It has been a pleasure assisting the District, and we appreciate the support provided by yourself, Mr. Jeffrey Schneider, the Board of Directors, and other District staff during this study.

Sincerely,

Sanjay Gaur
Principal Consultant

Nancy Phan
Senior Consultant

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1. EXECUTIVE SUMMARY

1.1 SYSTEM OVERVIEW

The Coastside County Water District (District) provides water service to over 6,500 metered connections, which include Single Family Residential, Multi-Family Residential, and Commercial/All Other customer classes. The District's service area encompasses the city of Half Moon Bay and the unincorporated areas of Princeton, Miramar, and El Granada within San Mateo County and is approximately 14 square miles.

The water system, which is owned and operated by the District, consists of two water treatment plants (the Nunes and Denniston Water Treatment Plants), over 100 miles of transmission and distribution pipelines, multiple pump stations, and multiple water storage facilities and tanks.

The District's water supply sources include local surface water from Pilarcitos Creek and Denniston Creek and imported, untreated water from the San Francisco Public Utilities Commission (SFPUC) via the Pilarcitos Reservoir and Upper Crystal Springs Reservoir. The District purchases approximately 60-70% of its water from SFPUC to meet customer demand, although there is some variability depending on local water supply availability and water supply conditions, such as water shortages.

1.2 RATE STUDY OVERVIEW

Public retail water agencies in California typically conduct a cost-of-service study every five years to ensure that customers are appropriately charged for water service and to reestablish the cost-of-service nexus that is required by Proposition 218. The District's existing rate structure was developed in 2018 in a cost-of-service water rate study. Since 2018, the District has adopted updated water rates every two years based on the cost-of-service rate structure developed in 2018 with additional rate increases to meet financial targets.

The District engaged Water Resources Economics, LLC (WRE) in 2023 to conduct a comprehensive water rate study, with the following objectives:

- Develop a three-year water rate schedule for Fiscal Year Ending (FYE) 2025[1] through FYE 2027
- Conduct a cost-of-service analysis based on the most recent data and customer use characteristics
- Evaluate a five-year financial plan scenario to meet financial targets for FYE 2025 to FYE 2029
- Develop updated water shortage rates for a three-year period for FYE 2025 to FYE 2027

1.3 LEGAL REQUIREMENTS

Legal considerations relating to retail water rates in California focus heavily on Proposition 218, which was enacted in 1996 and is now reflected in Article XIII C and Article XIII D of the California

[1] FYE 2025 is the year starting July 1, 2024 and ending June 30, 2025.

Constitution. Proposition 218 states that "property related fees and charges" (which include retail water rates) may not exceed the proportional cost of providing the service to the customer and may not be used for any purpose other than providing said service. The practical implication is that public retail water agencies in California must demonstrate a sufficient nexus between the costs incurred by the agency to provide water service and the rates charged to customers. The primary means by which retail water agencies address this requirement is by conducting a "cost-of-service analysis."

Proposition 218 also affects the rate adoption process by requiring agencies to hold a public hearing to adopt rates. The agency must mail public hearing notices to all customers no fewer than 45 days prior to the public hearing. The public hearing notices must clearly show all proposed rate changes, provide information on the public hearing date/time/location, and provide instructions on how customers may protest the proposed rate changes. If a majority of customers submit a protest, the proposed rate changes cannot be adopted.

1.4 RATE-SETTING METHODOLOGY

This study was conducted using industry-standard methodology outlined by the American Water Works Association (AWWA) in its *Manual of Water Supply Practices M1: Principles of Water Rates, Fees and Charges, Seventh Edition* (M1 Manual). The rate study process includes the following steps:

1. **Financial Plan**: Annual revenues and expenses are projected over the rate-setting period to determine the magnitude of rate increases needed to maintain financial sufficiency. Financial policies, such as reserve targets, are also evaluated and updated if necessary.
2. **Cost-of-Service Analysis**: Costs are allocated to customers in proportion to use of and burden on the water system. The overall goal is to establish a robust nexus between the costs incurred by an agency and the rates charged to customers, as required by Proposition 218.
3. **Rate Design**: The existing rate structure is evaluated, and potential changes are identified. A multi-year proposed rate schedule is then calculated directly from the results of the financial plan and cost-of-service analysis.
4. **Rate Study Documentation**: A rate study report is developed to document the proposed rate development process. This provides transparency and enhances legal defensibility in light of Proposition 218 requirements. This document serves as the report for this rate study.

1.5 ADDITIONAL INFORMATION AND DISCLAIMERS

This report summarizes the data, analyses, processes, and results of the District's water rate study. Some important information to keep in mind when reading the report includes the following:

- All study projections are based on the best available data as of June 2024.
- All table values are rounded to the nearest digit shown unless stated otherwise. However, all calculations are based on precise values. Attempting to manually recreate the calculations described in this report from the values displayed in tables may therefore produce slightly different results.

- All current and proposed rates and charges in this report are shown on a monthly basis.

1.6 CURRENT WATER RATES

CURRENT WATER RATES

The District's current water rate structure includes fixed monthly base charges by meter size, fixed monthly fire service charges by fire line diameter (charged to private fire customers only), and quantity charges by water usage measured in hundred cubic feet (hcf). Single Family Residential customers' quantity charges have three tiers; other customers, including Multi-Family and All Other, have a uniform quantity charge.

Table 1-1, **Table 1-2**, and **Table 1-3** show the current monthly base charges, monthly fire service charges, and quantity charges, respectively, that were adopted in the most recent two-year plan.

Table 1-1: Current Monthly Base Charges

Line	Monthly Base Charge	As of 1/19/23	As of 1/18/24
1	5/8 inch	$33.78	$35.81
2	3/4 inch	$49.92	$52.92
3	1 inch	$82.17	$87.10
4	1.5 inch	$162.82	$172.59
5	2 inch	$259.60	$275.18
6	3 inch	$566.06	$600.02
7	4 inch	$1,017.73	$1,078.79

Table 1-2: Current Monthly Fire Service Charges

Line	Monthly Fire Service Charge	As of 1/19/23	As of 1/18/24
1	3/4 inch	$5.67	$6.01
2	1 inch	$7.56	$8.01
3	1.5 inch	$11.34	$12.02
4	2 inch	$15.12	$16.02
5	3 inch	$22.68	$24.03
6	4 inch	$30.24	$32.04
7	6 inch	$45.36	$48.06
8	8 inch	$60.48	$64.08
9	10 inch	$75.60	$80.10

Table 1-3: Current Quantity Charges

Line	Quantity Charge ($/hcf)	As of 1/19/23	As of 1/18/24
1	Single Family Residential		
2	Tier 1 (1-4 units)	$10.75	$11.40
3	Tier 2 (5-8 units)	$15.72	$16.66
4	Tier 3 (9+ units)	$19.02	$20.16
5	Multi-Family	$14.33	$15.19
6	All Other Customers	$15.27	$16.19

CURRENT WATER SHORTAGE RATES

The current water rate structure includes water shortage rates based on each stage of the District's Water Shortage Contingency Plan (WSCP). **Table 1-4** shows the current water shortage rates for each of the six stages, which are based on the same customer classes and tiers as the quantity charges.

Table 1-4: Current Water Shortage Rates

Line	Incremental Water Shortage Rates ($/hcf)	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	**As of 1/18/24**						
2	Single Family Residential						
3	Tier 1 (1-4 units)	$2.57	$4.58	$6.48	$9.03	$13.67	$27.17
4	Tier 2 (5-8 units)	$3.75	$6.69	$9.47	$13.20	$19.98	$39.71
5	Tier 3 (9+ units)	$4.53	$8.10	$11.46	$15.97	$24.18	$48.05
6	Multi-Family	$3.42	$6.10	$8.64	$12.03	$18.22	$36.20
7	All Other Customers	$3.64	$6.50	$9.21	$12.83	$19.42	$38.59

1.7 FINANCIAL PLAN

WRE worked closely with District staff and the District's Board of Directors and Finance Committee (a subcommittee of the Board) to determine the financial plan scenario that best suits the District's needs. The results and recommendations of the water rate study are driven by the District's financial performance, input from District staff, and feedback and direction from the Board.

FACTORS AFFECTING FINANCIAL PERFORMANCE

The water system's financial performance is driven by the ability of the current water rates to meet the District's funding needs. To maintain financial sufficiency, water rates must fully fund operations and maintenance (O&M) costs, capital improvement plan (CIP) expenditures, and any relevant financial policies, which typically include target reserve balances and debt coverage.

The key factors affecting financial performance include:

- **Substantial capital investment needs over the next five years:** The cost of planned capital projects over the next five years (FYE 2025 through FYE 2029) is approximately $33.8 million. The capital execution rate is based on the District's 10-year average capital spending rate. After applying the capital execution rate of 85%, the expected CIP costs are equal to $28.7

million. Key projects include the Carter Hill Tank Improvement Project and the Highway 92 Emergency Pipeline Project.

- **Cost increases for SFPUC water:** The District is expected to purchase 65% of its water from SFPUC each year of the study. On average, purchased water costs from SFPUC are expected to increase approximately 6.5% each year. For the study period, SFPUC water costs represent approximately 24% of the District's annual O&M budget, on average.
- **Reserve policy targets:** The District's current reserve policy, which is shown in **Table 1-5**, includes targets for operating, capital replacement, and debt service reserves. The reserve policy in place allows the District to maintain cash on hand to meet short-term cash flow requirements, to execute CIP projects, and to meet debt covenants. The fund balances for FYE 2025 (the first year of the study) prior to any revenue adjustments is approximately half of the reserve target.

Table 1-5: Reserve Policy Targets

Line	Reserve Policy	Policy Targets	FYE 2025
1	Operating Reserve Target	25% of O&M expenses	$2,823,837
2	Capital Replacement Target	1 year of 5-year average CIP	$5,738,928
3	Debt Service Target	1 year of debt service	$2,029,867
4	Combined Target		$10,592,632
5			
6	Projected Reserves (Before Increases)		$5,160,634

STATUS QUO FINANCIAL PLAN

The first step in evaluating the District's financial performance is to develop a "status quo financial plan," which is the scenario in which the District does not increase its water rate revenues or issue new debt to fund CIP. This exercise is to determine whether the District's current water rates are sufficient to meet key financial performance metrics. This section shows two important metrics: fund balance and debt coverage.

Figure 1-1 shows the projected fund balances under the status quo scenario. The green bars represent the ending fund balances, and the dashed line represents the reserve policy targets. In this scenario, the District will not meet its reserve targets starting in FYE 2025. Projected fund balances will be negative starting in FYE 2028. Without additional rate revenues, the District is constrained by its fund balances.

Figure 1-1: Projected Fund Balances (Status Quo Financial Plan)

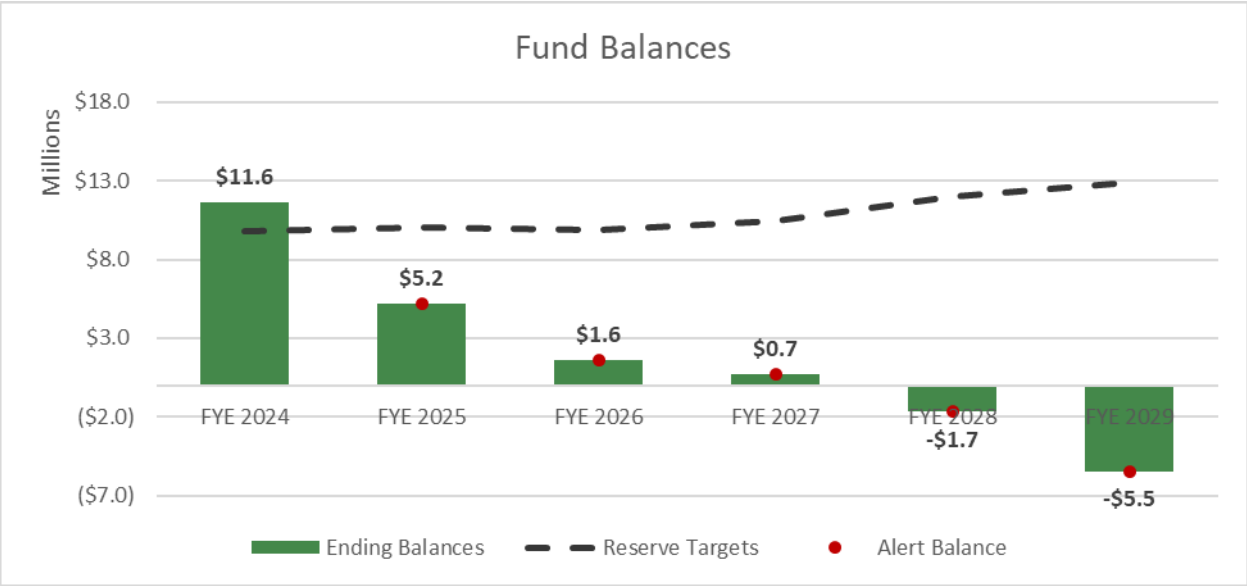
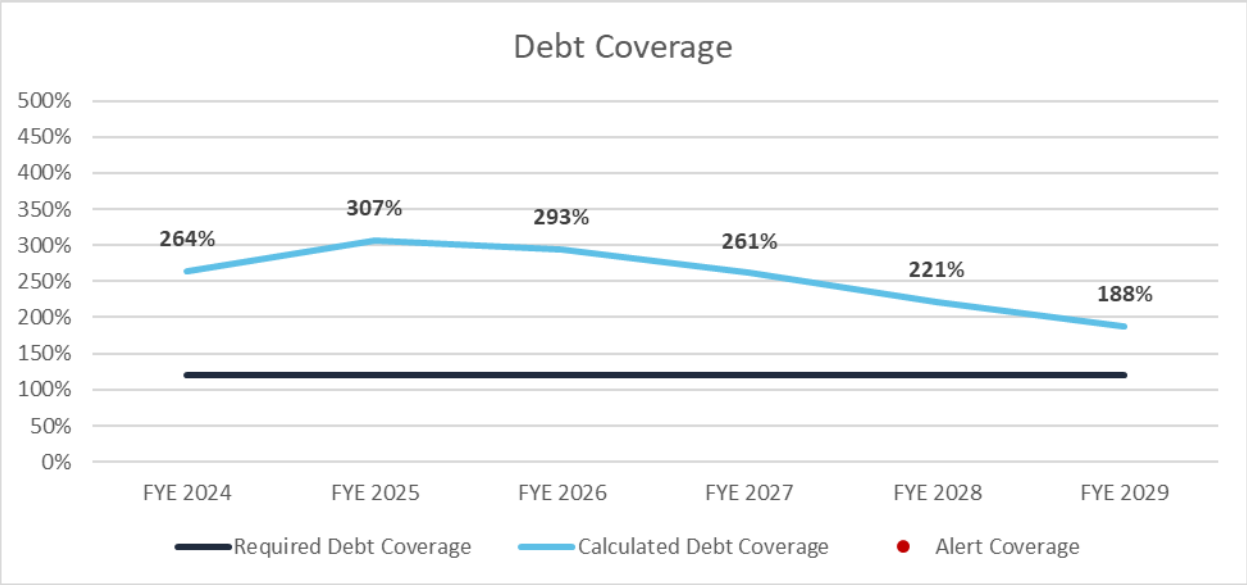


Figure 1-2 shows the projected debt coverage under the status quo scenario. The District's existing debt service has a required coverage of 120%. Debt coverage is calculated by dividing the net operating revenue (revenues less O&M expenses) by annual debt service payments. In this scenario, the District is able to meet its debt coverage requirements without revenue adjustments.

Figure 1-2: Projected Debt Coverage (Status Quo Financial Plan)



PROPOSED REVENUE ADJUSTMENTS AND DEBT ISSUANCES

Overall annual increases in water rate revenues resulting from rate increases are referred to as "revenue adjustments." WRE worked with the Board, Finance Committee, and District staff to determine the most appropriate financial plan scenario, which is shown in **Table 1-6**. Although the

District plans to adopt three years of rates, the financial plan scenario includes revenue adjustments for five years to evaluate the District's financial performance over a longer planning horizon.

The proposed financial plan scenario includes five years of revenue adjustments, which are required to maintain financial sufficiency and resiliency, and one debt issuance in FYE 2025 to fund $8 million worth of CIP projects (the Carter Hill Tank Improvement Project costs approximately $9.6 million from FYE 2025 to FYE 2026).

Table 1-6: Proposed Financial Plan Scenario

Line	Fiscal Year	Revenue Adjustments	Debt Issuance	Debt Proceeds for CIP
1	FYE 2025	8.0%	$8,040,201	$8,000,000
2	FYE 2026	8.0%	$0	$0
3	FYE 2027	8.0%	$0	$0
4	FYE 2028	8.0%	$0	$0
5	FYE 2029	8.0%	$0	$0

PROPOSED FINANCIAL PLAN

The proposed financial plan applies the revenue adjustments and debt issuance, shown in **Table 1-6**, to reevaluate financial performance based on the same two metrics: fund balance and debt coverage.

Figure 1-3 shows the projected fund balances under the proposed scenario. In this scenario, the District will meet its reserve targets for all years of the planning period.

Figure 1-3: Projected Fund Balances (Proposed Financial Plan)

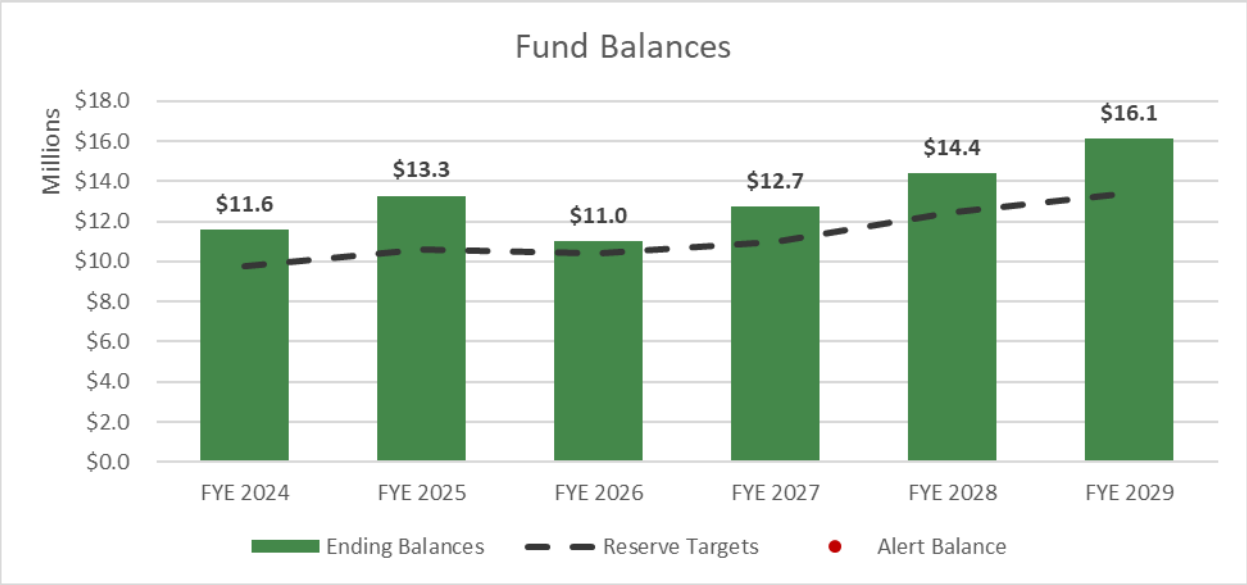
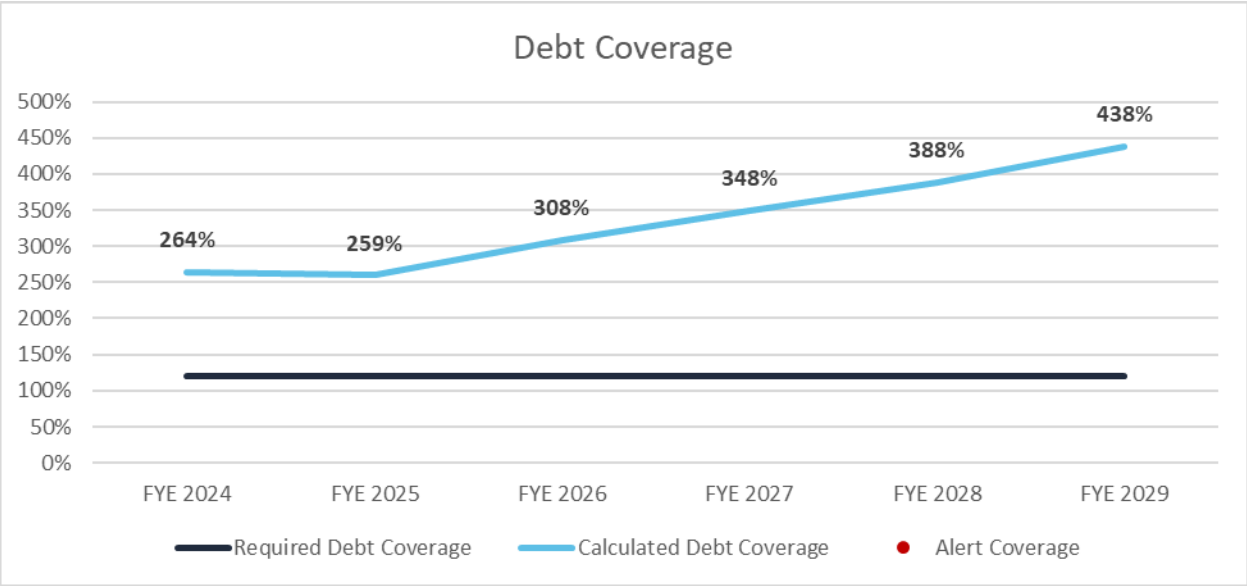


Figure 1-4 shows the projected debt coverage under the proposed scenario. Although this scenario includes an additional $8 million in debt, the District will meet coverage requirements for all years.

Figure 1-4: Projected Debt Coverage (Proposed Financial Plan)



1.8 COST-OF-SERVICE ANALYSIS

A cost-of-service analysis is a technical process used to determine the cost of providing water service to the District's customers based on each customer's use of and burden on the water system. The cost-of-service analysis is the basis of the nexus between the costs incurred by the utility to provide water service and the water rates charged to customers, which is a requirement of Proposition 218.

COST-OF-SERVICE METHODOLOGY

The cost-of-service methodology is based on industry standards set forth by AWWA in its M1 Manual; this rate study utilizes the base-extra capacity method. The overall goal of the cost-of-service analysis is to develop "unit costs," which provide the basis from which proposed rates are directly calculated. Note that although the study period spans three years, the cost-of-service analysis is limited to a single representative year referred to as the "test year." The test year in this study is FYE 2024. The key steps in conducting a water cost-of-service analysis are outlined below:

- **Revenue requirement determination**: The total rate revenue requirement for the test year is determined based on the results of the proposed financial plan and divided into primary sub-components (operating, capital, etc.).
- **Cost functionalization**: Operating and capital costs are evaluated and assigned to "functional categories" in the water system (e.g., customer service, water supply, distribution, etc.). This provides a proportional breakdown of system costs by functional category.
- **Revenue requirement allocation to cost causation components**: Functionalized costs are allocated to "cost causation components" (e.g., water supply, base delivery, max day delivery, etc.), which is used to attribute customers' use of the system to the costs incurred by the District.

- **Unit cost development**: The rate revenue requirement allocation for each individual cost causation component is divided by the appropriate units of service to establish unit costs for the test year. Unit costs provide the basis from which proposed rates are calculated.

1.9 PROPOSED WATER RATES

WRE worked closely with the Board, Finance Committee, and District staff to determine the most appropriate water rate structure that meets the District's needs.

PROPOSED RATE STRUCTURE CHANGES

The main objective was to conduct an updated cost-of-service analysis while maintaining as much of the current water rate structure as possible to minimize customer impacts. The District's current rate structure includes a monthly base charge, a monthly private fire service charge, three-tiered quantity charges for Single Family Residential, and uniform quantity charges for other customers; this rate structure best suits the needs of the District. WRE evaluated the District's Single Family tier definitions and rate methodology to validate their adherence to cost-of-service principles.

Single Family Tier 1 is based on indoor usage, which is defined as the average winter water usage per customer. Currently, Tier 1 is up to 4 hcf of water. The average winter water usage per customer based on FYE 2023 data (the most recent full year of water usage data) is 4 hcf. Single Family Tier 2 is defined by efficient outdoor usage for an average water user, which was defined in the 2018 Water Rate Study. WRE is not recommending changes to Tiers 1, 2, or 3.

After examining the existing rate methodology, WRE recommends an update to the methodology to calculate monthly fire service charges for private fire customers. The District's monthly fire service charges are currently based on a linear factor; for example, the rate for a 4" fire line is twice the rate for a 2" fire line. However, based on the Hazen-Williams equation to calculate the flow of water through a pipe, the capacity of a fire line increases exponentially as its diameter size increases. WRE recommends an update to the methodology of calculating fire capacity based on the exponential capacity factor, rather than the existing linear factor.

PROPOSED THREE-YEAR WATER RATE SCHEDULE

The proposed three-year water rate schedules in this section are based on the proposed rate structure and methodology changes, the updated cost-of-service analysis, and the proposed revenue adjustments in the three-year period. The rate schedule shows the proposed water rates to be implemented in January 2025 through January 2027. **Table 1-7**, **Table 1-8**, and **Table 1-9** show the current and proposed monthly base charges, monthly fire service charges, and quantity charges, respectively.

Table 1-7: Proposed Monthly Base Charges

Line	Monthly Base Charge	As of 1/18/24	Effective 1/1/25	Effective 1/1/26	Effective 1/1/27
1	5/8 inch	$35.81	$38.36	$41.43	$44.75
2	3/4 inch	$52.92	$53.32	$57.59	$62.20
3	1 inch	$87.10	$83.26	$89.93	$97.13
4	1.5 inch	$172.59	$158.09	$170.74	$184.40
5	2 inch	$275.18	$247.89	$267.73	$289.15
6	3 inch	$600.02	$532.27	$574.86	$620.85
7	4 inch	$1,078.79	$951.34	$1,027.45	$1,109.65
8	6 inch		$2,028.96	$2,191.28	$2,366.59

Table 1-8: Proposed Monthly Fire Service Charges

Line	Monthly Fire Service Charge	As of 1/18/24	Effective 1/1/25	Effective 1/1/26	Effective 1/1/27
1	3/4 inch	$6.01	$8.87	$9.58	$10.35
2	1 inch	$8.01	$9.37	$10.12	$10.93
3	1.5 inch	$12.02	$11.19	$12.09	$13.06
4	2 inch	$16.02	$14.31	$15.46	$16.70
5	3 inch	$24.03	$25.52	$27.57	$29.78
6	4 inch	$32.04	$44.86	$48.45	$52.33
7	6 inch	$48.06	$114.26	$123.41	$133.29
8	8 inch	$64.08	$233.97	$252.69	$272.91
9	10 inch	$80.10	$414.03	$447.16	$482.94

Table 1-9: Proposed Quantity Charges

Line	Quantity Charge ($/hcf)	As of 1/18/24	Effective 1/1/25	Effective 1/1/26	Effective 1/1/27
1	Single Family Residential				
2	Tier 1 (1-4 units)	$11.40	$12.31	$13.30	$14.37
3	Tier 2 (5-8 units)	$16.66	$18.29	$19.76	$21.35
4	Tier 3 (9+ units)	$20.16	$22.15	$23.93	$25.85
5	Multi-Family	$15.19	$14.69	$15.87	$17.14
6	All Other Customers	$16.19	$17.60	$19.01	$20.54

CUSTOMER IMPACTS

WRE evaluated the impacts to the Single Family Residential customer class, which represents approximately 90% of the District's meter connections, and the Commercial/All Others customer class based on the proposed water rates for FYE 2025.

Table 1-10 shows the proposed impacts without private fire for a Residential customer with a 5/8" meter (the most common meter size within this class, representing approximately 96% of customers) at various levels of monthly usage. For the average Single Family Residential customer that uses 5 hcf of water a month, the monthly impact will be $7.82 or 8%, which reflects the impact of the cost-of-service analysis and the 8% revenue adjustment applied to FYE 2025.

Table 1-10: Proposed Residential Customer Impacts (Without Fire)

Line	Residential Customer Impacts	Monthly Usage (hcf)	Current Bill	Proposed Bill	Difference ($)	Difference (%)
1	Single Family - Very Low Usage	1	$47.21	$50.67	$3.46	7.3%
2	Single Family - Low Usage	2	$58.61	$62.98	$4.37	7.5%
3	Single Family - Median Usage	4	$81.41	$87.60	$6.19	7.6%
4	Single Family - Average Usage	5	$98.07	$105.89	$7.82	8.0%
5	Single Family - High Usage	7	$131.39	$142.47	$11.08	8.4%
6	Single Family - Very High Usage	10	$188.37	$205.06	$16.69	8.9%
7	Multi-Family - Average Usage	28	$461.13	$449.68	($11.45)	-2.5%

Table 1-11 shows the proposed impacts for a Residential customer with a 5/8" meter and a 1" private fire line (the most common fire line size). Approximately 13% of Single Family Residential customers have a private fire line. A Single Family Residential customer using 5 hcf of water will see an increase of $9.18 per month.

Table 1-11: Proposed Residential Customer Impacts (With Fire)

Line	Residential Customer Impacts	Monthly Usage (hcf)	Current Bill w/ 1" Fire	Proposed Bill w/ 1" Fire	Difference ($)	Difference (%)
1	Single Family - Very Low Usage	1	$55.22	$60.04	$4.82	8.7%
2	Single Family - Low Usage	2	$66.62	$72.35	$5.73	8.6%
3	Single Family - Median Usage	4	$89.42	$96.97	$7.55	8.4%
4	Single Family - Average Usage	5	$106.08	$115.26	$9.18	8.7%
5	Single Family - High Usage	7	$139.40	$151.84	$12.44	8.9%
6	Single Family - Very High Usage	10	$196.38	$214.43	$18.05	9.2%
7	Multi-Family - Average Usage	28	$469.14	$459.05	($10.09)	-2.2%

Table 1-12 shows the proposed impacts without private fire for various Commercial/All Other customers based on estimated monthly usage and meter size.

Table 1-12: Proposed Commercial/All Other Customer Impacts (Without Fire)

Line	Commercial/All Other Customer Impacts	Monthly Usage (hcf)	Meter Size	Private Fire Line	Current Bill	Proposed Bill	Difference ($)	Difference (%)
1	Agriculture	600	2 inch	none	$9,989.18	$10,807.89	$818.71	8.2%
2	Commercial Grocery	150	1.5 inch	6 inch	$2,601.09	$2,798.09	$197.00	7.6%
3	Commercial Grocery	200	1 inch	8 inch	$3,325.10	$3,603.26	$278.16	8.4%
4	Commercial Retail	50	1 inch	6 inch	$896.60	$963.26	$66.66	7.4%
5	Commercial Office	11	1 inch	none	$265.19	$276.86	$11.67	4.4%
6	Hotel	850	4 inch	6 inch	$14,840.29	$15,911.34	$1,071.05	7.2%
7	Hotel	300	2 inch	4 inch	$5,132.18	$5,527.89	$395.71	7.7%
8	Hotel	64	1.5 inch	8 inch	$1,208.75	$1,284.49	$75.74	6.3%
9	Restaurant	205	1 inch	4 inch	$3,406.05	$3,691.26	$285.21	8.4%
10	Restaurant	78	3/4 inch	none	$1,315.74	$1,426.12	$110.38	8.4%

Table 1-13 shows the proposed impacts with private fire for various Commercial/All Other customers based on estimated monthly usage, meter size, and private fire line size.

Table 1-13: Proposed Commercial/All Other Customer Impacts (With Fire)

Line	Commercial/All Other Customer Impacts	Monthly Usage (hcf)	Meter Size	Private Fire Line	Current Bill	Proposed Bill	Difference ($)	Difference (%)
1	Agriculture	600	2 inch	none	$9,989.18	$10,807.89	$818.71	8.2%
2	Commercial Grocery	150	1.5 inch	6 inch	$2,649.15	$2,912.35	$263.20	9.9%
3	Commercial Grocery	200	1 inch	8 inch	$3,389.18	$3,837.23	$448.05	13.2%
4	Commercial Retail	50	1 inch	6 inch	$944.66	$1,077.52	$132.86	14.1%
5	Commercial Office	11	1 inch	none	$265.19	$276.86	$11.67	4.4%
6	Hotel	850	4 inch	6 inch	$14,888.35	$16,025.60	$1,137.25	7.6%
7	Hotel	300	2 inch	4 inch	$5,164.22	$5,572.75	$408.53	7.9%
8	Hotel	64	1.5 inch	8 inch	$1,272.83	$1,518.46	$245.63	19.3%
9	Restaurant	205	1 inch	4 inch	$3,438.09	$3,736.12	$298.03	8.7%
10	Restaurant	78	3/4 inch	none	$1,315.74	$1,426.12	$110.38	8.4%

1.10 PROPOSED WATER SHORTAGE RATES

PROPOSED WATER SHORTAGE RATES

The District's WSCP includes six stages of water shortages, which all require a different level of usage reduction by the District's customers. When customers reduce their usage in each stage, the District's rate revenues from quantity charges are directly impacted. Water shortage rates are a tool for the District to effectively respond to water shortage emergencies while maintaining financial sufficiency and operational reliability. Water shortage rates are designed to recover the costs of a water shortage: loss of quantity charge revenues, water supply cost differences, and other water shortage-related O&M expenses.

Table 1-14 shows the proposed water shortage rates in each stage, which are incremental charges in addition to the quantity charges shown in **Table 1-9**.

Table 1-14: Proposed Water Shortage Rates

Line	Water Shortage Rates ($/hcf)	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	**As of 1/18/24**						
2	Single Family Residential						
3	Tier 1 (1-4 units)	$2.57	$4.58	$6.48	$9.03	$13.67	$27.17
4	Tier 2 (5-8 units)	$3.75	$6.69	$9.47	$13.20	$19.98	$39.71
5	Tier 3 (9+ units)	$4.53	$8.10	$11.46	$15.97	$24.18	$48.05
6	Multi-Family	$3.42	$6.10	$8.64	$12.03	$18.22	$36.20
7	All Other Customers	$3.64	$6.50	$9.21	$12.83	$19.42	$38.59
8							
9	**Effective 1/1/25**						
10	Single Family Residential						
11	Tier 1 (1-4 units)	$1.86	$4.42	$6.66	$10.50	$14.13	$19.58
12	Tier 2 (5-8 units)	$2.77	$6.57	$9.89	$15.60	$20.99	$29.08
13	Tier 3 (9+ units)	$3.35	$7.95	$11.97	$18.89	$25.42	$35.22
14	Multi-Family	$2.22	$5.27	$7.94	$12.53	$16.86	$23.36
15	All Other Customers	$2.66	$6.32	$9.51	$15.01	$20.20	$27.98
16							
17	**Effective 1/1/26**						
18	Single Family Residential						
19	Tier 1 (1-4 units)	$2.01	$4.78	$7.20	$11.34	$15.27	$21.15
20	Tier 2 (5-8 units)	$3.00	$7.10	$10.69	$16.85	$22.67	$31.41
21	Tier 3 (9+ units)	$3.62	$8.59	$12.93	$20.41	$27.46	$38.04
22	Multi-Family	$2.40	$5.70	$8.58	$13.54	$18.21	$25.23
23	All Other Customers	$2.88	$6.83	$10.28	$16.22	$21.82	$30.22
24							
25	**Effective 1/1/27**						
26	Single Family Residential						
27	Tier 1 (1-4 units)	$2.18	$5.17	$7.78	$12.25	$16.50	$22.85
28	Tier 2 (5-8 units)	$3.24	$7.67	$11.55	$18.20	$24.49	$33.93
29	Tier 3 (9+ units)	$3.91	$9.28	$13.97	$22.05	$29.66	$41.09
30	Multi-Family	$2.60	$6.16	$9.27	$14.63	$19.67	$27.25
31	All Other Customers	$3.12	$7.38	$11.11	$17.52	$23.57	$32.64

Table 1-15 shows the current and proposed combined quantity charges and water shortage rates in each stage. The quantity charges in **Table 1-9** are added to the incremental water shortage rates in **Table 1-14** to calculate the current and proposed combined charges.

Table 1-15: Proposed Combined Quantity Charges and Water Shortage Rates

Line	Combined Quantity Charges ($/hcf)	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	**As of 1/18/24**						
2	Single Family Residential						
3	Tier 1 (1-4 units)	$13.97	$15.98	$17.88	$20.43	$25.07	$38.57
4	Tier 2 (5-8 units)	$20.41	$23.35	$26.13	$29.86	$36.64	$56.37
5	Tier 3 (9+ units)	$24.69	$28.26	$31.62	$36.13	$44.34	$68.21
6	Multi-Family	$18.61	$21.29	$23.83	$27.22	$33.41	$51.39
7	All Other Customers	$19.83	$22.69	$25.40	$29.02	$35.61	$54.78
8							
9	**Effective 1/1/25**						
10	Single Family Residential						
11	Tier 1 (1-4 units)	$14.17	$16.73	$18.97	$22.81	$26.44	$31.89
12	Tier 2 (5-8 units)	$21.06	$24.86	$28.18	$33.89	$39.28	$47.37
13	Tier 3 (9+ units)	$25.50	$30.10	$34.12	$41.04	$47.57	$57.37
14	Multi-Family	$16.91	$19.96	$22.63	$27.22	$31.55	$38.05
15	All Other Customers	$20.26	$23.92	$27.11	$32.61	$37.80	$45.58
16							
17	**Effective 1/1/26**						
18	Single Family Residential						
19	Tier 1 (1-4 units)	$15.31	$18.08	$20.50	$24.64	$28.57	$34.45
20	Tier 2 (5-8 units)	$22.76	$26.86	$30.45	$36.61	$42.43	$51.17
21	Tier 3 (9+ units)	$27.55	$32.52	$36.86	$44.34	$51.39	$61.97
22	Multi-Family	$18.27	$21.57	$24.45	$29.41	$34.08	$41.10
23	All Other Customers	$21.89	$25.84	$29.29	$35.23	$40.83	$49.23
24							
25	**Effective 1/1/27**						
26	Single Family Residential						
27	Tier 1 (1-4 units)	$16.55	$19.54	$22.15	$26.62	$30.87	$37.22
28	Tier 2 (5-8 units)	$24.59	$29.02	$32.90	$39.55	$45.84	$55.28
29	Tier 3 (9+ units)	$29.76	$35.13	$39.82	$47.90	$55.51	$66.94
30	Multi-Family	$19.74	$23.30	$26.41	$31.77	$36.81	$44.39
31	All Other Customers	$23.66	$27.92	$31.65	$38.06	$44.11	$53.18

CUSTOMER IMPACTS

WRE evaluated the impacts of the water shortage rates for Residential customers. This section shows the impacts for Stages 2 and 3, which are the water shortage rates that are most likely to be implemented in a water shortage. The body of the report includes the customer impacts for all six stages.

Table 1-16 shows the proposed Stage 2 impacts for a Single Family Residential customer with a 5/8" meter using 5 hcf of usage per month (prior to any usage reductions mandated by stage). During a Stage 2 water shortage, this customer will pay $24.25 more each month if they do not reduce their usage according to Stage 2, which correlates to a 20% reduction. However, if this customer does reduce their usage by 20% and uses 4 hcf per month instead, they will have a monthly bill approximately equal to their bill in normal, non-water shortage, conditions.

Table 1-16: Proposed Residential Customer Impacts (Stage 2 Water Shortage)

Line	Stage 2 Residential Impacts (5/8 inch meter, 5 hcf use)	No Water Shortage (5 hcf)	Water Shortage, No Reduction (5 hcf)	Water Shortage, w/ 20% Reduction (4 hcf)
1	Monthly Base Charge (5/8 inch)	$38.36	$38.36	$38.36
2	Quantity Charge	$67.53	$67.53	$49.24
3	Water Shortage Charge	$0.00	$24.25	$17.68
4	**Total Monthly Bill**	**$105.89**	**$130.14**	**$105.28**

Figure 1-5 shows the impacts in **Table 1-16** in a graphical format.

Figure 1-5: Proposed Residential Customer Impacts (Stage 2 Water Shortage)

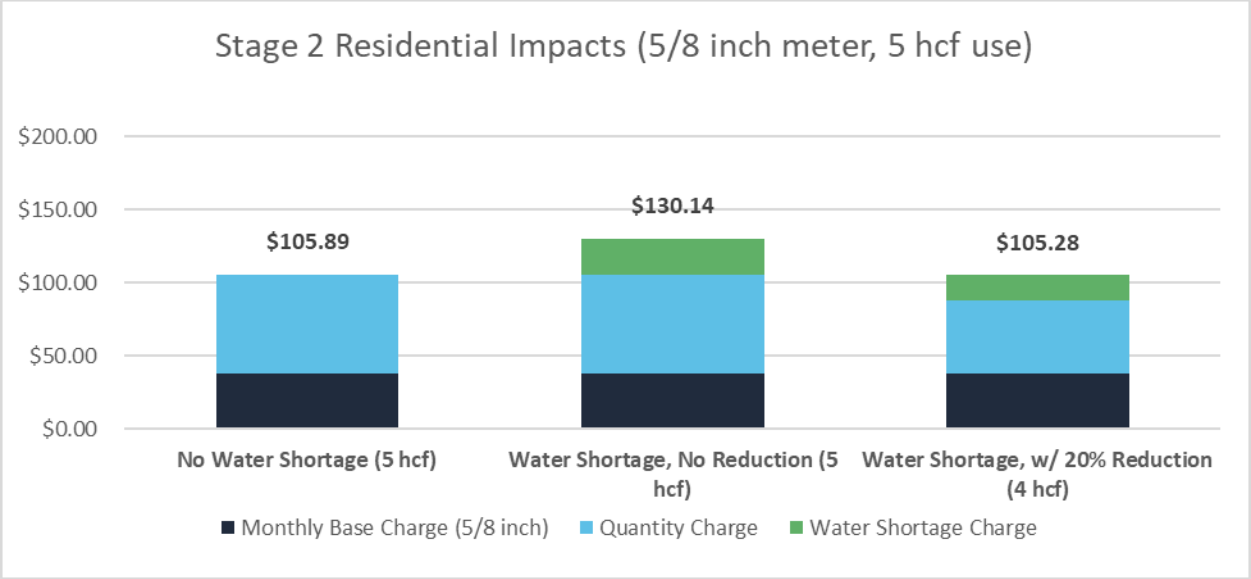


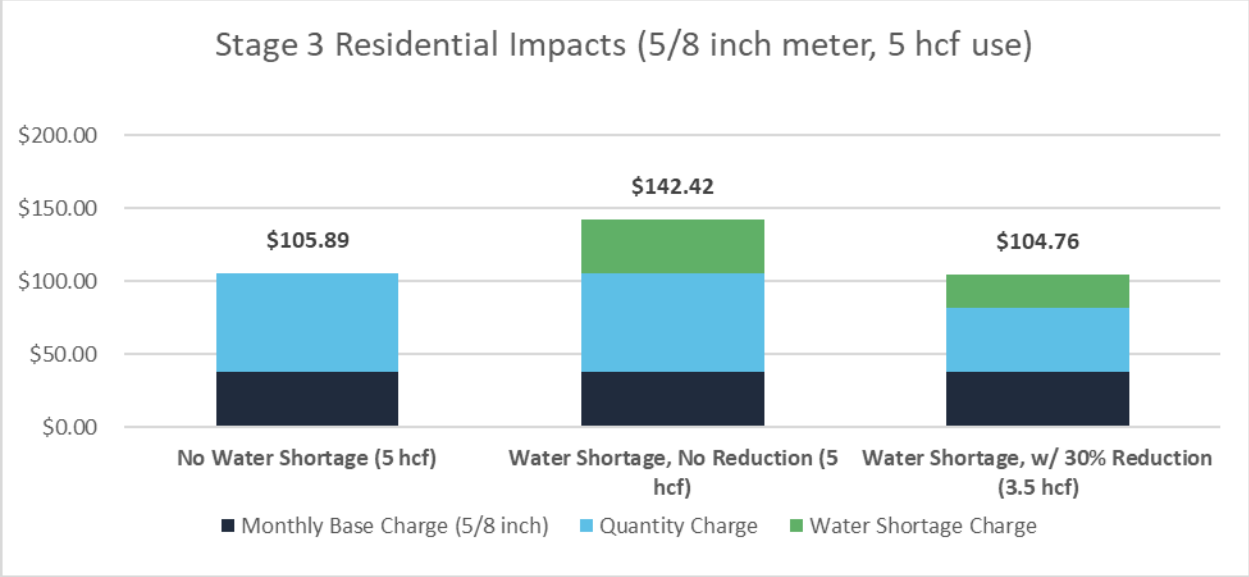
Table 1-17 shows the proposed Stage 3 impacts for a Single Family Residential customer with a 5/8" meter using 5 hcf of usage per month (prior to any usage reductions mandated by stage). During a Stage 3 water shortage, this customer will pay $36.53 more each month if they do not reduce their usage according to Stage 3, which correlates to a 30% reduction. However, if this customer does reduce their usage by 30% and uses 3.5 hcf per month instead, they will have a monthly bill approximately equal to their bill in normal, non-water shortage conditions.

Table 1-17: Proposed Residential Customer Impacts (Stage 3 Water Shortage)

Line	Stage 3 Residential Impacts (5/8 inch meter, 5 hcf use)	No Water Shortage (5 hcf)	Water Shortage, No Reduction (5 hcf)	Water Shortage, w/ 30% Reduction (3.5 hcf)
1	Monthly Base Charge (5/8 inch)	$38.36	$38.36	$38.36
2	Quantity Charge	$67.53	$67.53	$43.09
3	Water Shortage Charge	$0.00	$36.53	$23.31
4	**Total Monthly Bill**	**$105.89**	**$142.42**	**$104.76**

Figure 1-6 shows the impacts in **Table 1-17** in a graphical format.

Figure 1-6: Proposed Residential Customer Impacts (Stage 3 Water Shortage)



2. FINANCIAL PLAN

2.1 FINANCIAL PLAN METHODOLOGY

The purpose of a financial plan is to project revenues, expenses, cash flows, reserve balances, and debt coverage over a multi-year period to assess financial sufficiency and performance and to determine the amount of required rate revenue. For this study, the planning period is from FYE 2025 through FYE 2029; data for FYE 2023 and FYE 2024 are shown when needed to represent actual or budgeted data inputs. The key steps in developing a financial plan for a water enterprise are below:

- **Revenue projections:** Annual revenues from rates and other miscellaneous sources are projected over the planning period. Rate revenues are projected based on current rates to establish baseline revenues from which the need for additional rate increases can be evaluated.
- **Expense projections:** Annual expenses are projected over the study period, including O&M expenses, debt service, and CIP costs. CIP funding options (grants, debt, etc.) are evaluated.
- **Financial policy evaluation:** Key financial policies include debt coverage requirements and reserve targets. Debt coverage requirements are typically explicitly stated in official agreements on outstanding debt issuances. Reserve targets are typically set by an agency's elected officials and may need to be periodically evaluated and updated.
- **Status quo financial plan projections:** Cash flow, reserve balances, and debt coverage are projected over the study period in the absence of additional rate increases (this scenario is called the "status quo"). Projected reserve balances and debt coverage are then compared to the agency's financial policy requirements and targets. The status quo financial plan provides a baseline to evaluate the need for rate increases.
- **Proposed financial plan projections:** The magnitude and timing of annual proposed revenue increases over the study period are evaluated and determined based on the agency's financial policies, financial performance, and policy objectives. Proposed rate increases (referred to as "revenue adjustments") should generate sufficient revenue to recover the agency's expenses, maintain adequate reserves, and meet all debt coverage requirements. The proposed financial plan determines the total annual rate revenue requirement over the study period.

2.2 REVENUES

CURRENT WATER RATES

The District's current water rates include a monthly base charge based on meter size, a monthly fire service charge based on fire line diameter (for customers with private fire service), and a quantity charge based on units of water in hcf. Single Family Residential customers have a three-tiered quantity charge; Multi-Family and All Other customers have a uniform quantity charge.

Table 2-1, **Table 2-2**, and **Table 2-3** show the current monthly base charges, monthly fire service charges, and quantity charges, respectively. The current rates are based on the District's most recent water rate study and were implemented on January 19, 2023 (for FYE 2023) and January 18, 2024 (for FYE 2024).

Table 2-1: Current Monthly Base Charges

Line	Monthly Base Charge	As of 1/19/23	As of 1/18/24
1	5/8 inch	$33.78	$35.81
2	3/4 inch	$49.92	$52.92
3	1 inch	$82.17	$87.10
4	1.5 inch	$162.82	$172.59
5	2 inch	$259.60	$275.18
6	3 inch	$566.06	$600.02
7	4 inch	$1,017.73	$1,078.79

Table 2-2: Current Monthly Fire Service Charges

Line	Monthly Fire Service Charge	As of 1/19/23	As of 1/18/24
1	3/4 inch	$5.67	$6.01
2	1 inch	$7.56	$8.01
3	1.5 inch	$11.34	$12.02
4	2 inch	$15.12	$16.02
5	3 inch	$22.68	$24.03
6	4 inch	$30.24	$32.04
7	6 inch	$45.36	$48.06
8	8 inch	$60.48	$64.08
9	10 inch	$75.60	$80.10

Table 2-3: Current Quantity Charges

Line	Quantity Charge ($/hcf)	As of 1/19/23	As of 1/18/24
1	Single Family Residential		
2	Tier 1 (1-4 units)	$10.75	$11.40
3	Tier 2 (5-8 units)	$15.72	$16.66
4	Tier 3 (9+ units)	$19.02	$20.16
5	Multi-Family	$14.33	$15.19
6	All Other Customers	$15.27	$16.19

EFFECTIVE FISCAL YEAR WATER RATES

The District's budget is based on a Fiscal Year starting July 1 and ending June 30. Since the current water rates were implemented in mid-year, this section shows the effective water rates for each fiscal year prior to any revenue adjustments in **Table 2-4**, **Table 2-5**, and **Table 2-6**. FYE 2024 rates were implemented on January 18, 2024, meaning that those rates were effective for 162 days out of the year. The remaining 203 days of FYE 2024 are charged based on the FYE 2023 rate. The effective FYE 2024 rate is pro-rated based on the mid-year implementation date. The current water rates for all other years are representative of the full fiscal year before revenue adjustments are assumed.

Table 2-4: Effective Monthly Base Charges (Current)

Line	Effective Monthly Base Charge	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	5/8 inch	$34.68	$35.81	$35.81	$35.81	$35.81	$35.81
2	3/4 inch	$51.25	$52.92	$52.92	$52.92	$52.92	$52.92
3	1 inch	$84.36	$87.10	$87.10	$87.10	$87.10	$87.10
4	1.5 inch	$167.16	$172.59	$172.59	$172.59	$172.59	$172.59
5	2 inch	$266.51	$275.18	$275.18	$275.18	$275.18	$275.18
6	3 inch	$581.13	$600.02	$600.02	$600.02	$600.02	$600.02
7	4 inch	$1,044.83	$1,078.79	$1,078.79	$1,078.79	$1,078.79	$1,078.79

Table 2-5: Effective Monthly Fire Service Charges (Current)

Line	Effective Monthly Fire Service Charge	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	3/4 inch	$5.82	$6.01	$6.01	$6.01	$6.01	$6.01
2	1 inch	$7.76	$8.01	$8.01	$8.01	$8.01	$8.01
3	1.5 inch	$11.64	$12.02	$12.02	$12.02	$12.02	$12.02
4	2 inch	$15.52	$16.02	$16.02	$16.02	$16.02	$16.02
5	3 inch	$23.28	$24.03	$24.03	$24.03	$24.03	$24.03
6	4 inch	$31.04	$32.04	$32.04	$32.04	$32.04	$32.04
7	6 inch	$46.56	$48.06	$48.06	$48.06	$48.06	$48.06
8	8 inch	$62.08	$64.08	$64.08	$64.08	$64.08	$64.08
9	10 inch	$77.60	$80.10	$80.10	$80.10	$80.10	$80.10

Table 2-6: Effective Quantity Charges (Current)

Line	Effective Quantity Charge ($/hcf)	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	Single Family Residential						
2	Tier 1 (1-4 units)	$11.04	$11.40	$11.40	$11.40	$11.40	$11.40
3	Tier 2 (5-8 units)	$16.14	$16.66	$16.66	$16.66	$16.66	$16.66
4	Tier 3 (9+ units)	$19.53	$20.16	$20.16	$20.16	$20.16	$20.16
5	Multi-Family	$14.71	$15.19	$15.19	$15.19	$15.19	$15.19
6	All Other Customers	$15.68	$16.19	$16.19	$16.19	$16.19	$16.19

CUSTOMER ACCOUNTS AND USAGE

This section details the customer accounts and water usage for all years of the study, which are referred to as the units of service. Units of service represent the quantity of billing units that are subject to the District's water rates and charges.

Table 2-7 shows the projected number of meters for each customer class for the study period. District staff provided actual data for FYE 2024; this study assumes no growth in metered connections throughout the period. The number of metered connections is the unit of service for the District's monthly base charges.

Table 2-7: Projected Customer Accounts (Meters)

Line	Customer Accounts (Meters)	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	**Single Family Residential**						
2	5/8 inch	5,650	5,650	5,650	5,650	5,650	5,650
3	3/4 inch	172	172	172	172	172	172
4	1 inch	63	63	63	63	63	63
5	1.5 inch	0	0	0	0	0	0
6	2 inch	0	0	0	0	0	0
7	3 inch	0	0	0	0	0	0
8	4 inch	0	0	0	0	0	0
9	**Subtotal**	**5,885**	**5,885**	**5,885**	**5,885**	**5,885**	**5,885**
10							
11	**Multi-Family**						
12	5/8 inch	74	74	74	74	74	74
13	3/4 inch	3	3	3	3	3	3
14	1 inch	26	26	26	26	26	26
15	1.5 inch	8	8	8	8	8	8
16	2 inch	0	0	0	0	0	0
17	3 inch	3	3	3	3	3	3
18	4 inch	0	0	0	0	0	0
19	**Subtotal**	**114**	**114**	**114**	**114**	**114**	**114**
20							
21	**All Other Customers**						
22	5/8 inch	390	390	390	390	390	390
23	3/4 inch	26	26	26	26	26	26
24	1 inch	98	98	98	98	98	98
25	1.5 inch	23	23	23	23	23	23
26	2 inch	35	35	35	35	35	35
27	3 inch	2	2	2	2	2	2
28	4 inch	2	2	2	2	2	2
29	**Subtotal**	**576**	**576**	**576**	**576**	**576**	**576**
30							
31	**Total - Meters**	**6,575**	**6,575**	**6,575**	**6,575**	**6,575**	**6,575**

Table 2-8 shows the projected number of private fire lines for the study period. District staff provided actual date for FYE 2024; this study assumes no growth in private fire connections for the period. The number of private fire lines is the unit of service for the District's monthly fire service charges.

Table 2-8: Projected Customer Accounts (Fire)

Line	Customer Accounts (Fire)	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	**Private Fire**						
2	3/4 inch	10	10	10	10	10	10
3	1 inch	753	753	753	753	753	753
4	1.5 inch	50	50	50	50	50	50
5	2 inch	89	89	89	89	89	89
6	3 inch	4	4	4	4	4	4
7	4 inch	130	130	130	130	130	130
8	6 inch	61	61	61	61	61	61
9	8 inch	15	15	15	15	15	15
10	10 inch	1	1	1	1	1	1
11	**Total**	**1,113**	**1,113**	**1,113**	**1,113**	**1,113**	**1,113**

Table 2-9 shows the water demand growth assumptions for each customer class. WRE worked with District staff to determine the most appropriate estimates for annual water usage based on historical trends and expected water usage rebounds from the most recent water shortage.

Table 2-9: Water Demand Growth Assumptions

Line	Water Demand Growth	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	Single Family Residential	2.8%	5.4%	0.0%	0.0%	0.0%
2	Multi-Family	6.5%	5.8%	0.0%	0.0%	0.0%
3	All Other Customers	12.0%	6.2%	0.0%	0.0%	0.0%

Table 2-10 shows the projected water usage for each customer class and tier. District staff provided estimated water usage projections for FYE 2024, which are then projected forward based on the water demand growth assumptions (**Table 2-9**). The District expects a rebound to 550 million gallons (MG) per year of water usage by FYE 2026 from the current levels of 488 MG in FYE 2024, but growth is expected to remain flat thereafter.

Table 2-10: Projected Customer Water Usage (hcf)

Line	Water Usage (hcf)	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	Single Family Residential						
2	Tier 1 (1-4 units)	225,000	231,264	243,849	243,849	243,849	243,849
3	Tier 2 (5-8 units)	95,000	97,645	102,958	102,958	102,958	102,958
4	Tier 3 (9+ units)	48,000	49,336	52,021	52,021	52,021	52,021
5	Multi-Family	39,000	41,552	43,961	43,961	43,961	43,961
6	All Other Customers	246,000	275,572	292,717	292,717	292,717	292,717
7	**Total (hcf)**	**653,000**	**695,369**	**735,507**	**735,507**	**735,507**	**735,507**
8	**Total (MG)**	**488**	**520**	**550**	**550**	**550**	**550**

REVENUES FROM CURRENT RATES

Table 2-11 shows the calculated water rate revenues for the study period based on the current effective water rates and the projected units of service. The monthly base charge revenues (Lines 1-5) are calculated by multiplying the effective monthly base charge (**Table 2-4**) by the projected meter connections (**Table 2-7**) for a period of 12 months. The monthly fire service charge revenues (Lines 7-9) are calculated by multiplying the effective monthly fire service charge (**Table 2-5**) by the projected private fire connections (**Table 2-8**) for a period of 12 months. The quantity charge revenues (Lines 11-15) are calculated by multiplying the effective quantity charges (**Table 2-6**) by the projected water usage (**Table 2-9**) in each year.

Table 2-11: Calculated Rate Revenues at Current Rates

Line	Calculated Rate Revenues	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	**Monthly Base Charge**						
2	Single Family Residential	$2,520,929	$2,602,992	$2,602,992	$2,602,992	$2,602,992	$2,602,992
3	Multi-Family	$95,929	$99,049	$99,049	$99,049	$99,049	$99,049
4	All Other Customers	$474,597	$490,033	$490,033	$490,033	$490,033	$490,033
5	**Subtotal**	**$3,091,455**	**$3,192,075**	**$3,192,075**	**$3,192,075**	**$3,192,075**	**$3,192,075**
6							
7	**Monthly Fire Service Charge**						
8	Private Fire	$190,098	$196,229	$196,229	$196,229	$196,229	$196,229
9	**Subtotal**	**$190,098**	**$196,229**	**$196,229**	**$196,229**	**$196,229**	**$196,229**
10							
11	**Quantity Charge**						
12	Single Family Residential	$4,953,942	$5,257,786	$5,543,912	$5,543,912	$5,543,912	$5,543,912
13	Multi-Family	$573,756	$631,180	$667,772	$667,772	$667,772	$667,772
14	All Other Customers	$3,809,834	$4,413,518	$4,690,864	$4,690,864	$4,690,864	$4,690,864
15	**Subtotal**	**$9,337,532**	**$10,302,484**	**$10,902,548**	**$10,902,548**	**$10,902,548**	**$10,902,548**
16							
17	**Total - Rate Revenues**	**$12,619,085**	**$13,690,788**	**$14,290,852**	**$14,290,852**	**$14,290,852**	**$14,290,852**

REVENUE SUMMARY

Table 2-12 shows the summary of projected revenues for the study period. District staff provided the budgeted revenues for FYE 2024 and FYE 2025; all other years are projected based on the relevant assumptions or calculations. Water rate revenues (Line 1) are equal to the rate revenues at current rates (**Table 2-11**, Line 17). Hydrant sales (Line 2) are projected based on temporary usage estimates. Property Taxes (Line 3) are not inflated for future years. Miscellaneous Revenues (Line 4) are inflated based on a 2% growth rate, and Interest Income (Line 5) is calculated based on ending fund balances and a 0.9% interest rate.

Table 2-12: Revenue Summary

Line	Revenues	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	Water Rate Revenues	$12,619,085	$13,690,788	$14,290,852	$14,290,852	$14,290,852	$14,290,852
2	Hydrant Sales	$52,000	$68,212	$68,455	$68,455	$68,455	$68,455
3	Property Taxes	$995,000	$1,035,000	$1,035,000	$1,035,000	$1,035,000	$1,035,000
4	Miscellaneous Revenues	$825,000	$921,000	$927,420	$933,968	$940,648	$947,461
5	Interest Income	$108,005	$300,014	$104,050	$101,733	$116,173	$130,711
6	**Total - Revenues**	**$14,599,090**	**$16,015,014**	**$16,425,777**	**$16,430,008**	**$16,451,128**	**$16,472,479**

2.3 OPERATING EXPENSES

INFLATIONARY ASSUMPTIONS

WRE worked with District staff to determine the annual inflationary assumptions to apply to the District's O&M expense budget. District staff provided the budgeted O&M expenses for FYE 2024 and FYE 2025; all other years are projected based on the inflationary assumptions shown in **Table 2-13**.

Table 2-13: Expense Inflationary Assumptions

Line	Inflationary Assumptions	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	General	2.7%	2.7%	2.7%	2.7%
2	Salary	4.5%	4.5%	4.5%	4.5%
3	Benefits	4.5%	4.5%	4.5%	4.5%
4	Power	7.0%	7.0%	7.0%	7.0%
5	Water Purchases	1.5%	3.4%	7.9%	3.8%
6	Capital	3.2%	3.2%	3.2%	3.2%

WATER SUPPLY COSTS

The District has two main sources of supply: local sources of water and purchased water from SFPUC. The cost of purchasing water from SFPUC represents a significant portion, approximately 24% on average, of the District's O&M expenses and can vary based on supply availability from local sources, water demand and production for each year, and the projected variable rate of SFPUC water. **Table 2-14** shows the calculated SFPUC water supply costs for the study period based on these factors.

During non-water shortage years, the District expects to purchase approximately 65% of its water from SFPUC to meet customer water demand (Line 3); the remaining is supplied via local sources. The system water loss percentage of 4% (Line 5) is applied to the total water demand in each year (Line 7; equal to **Table 2-10**, Line 7) to determine the amount of water produced each year (Line 8). Water production by source is calculated by multiplying the percentage of water produced by each source (Lines 2-3) by the total amount of water produced (Line 8).

The SFPUC net variable rate (Line 18) is the sum of the variable wholesale treated water rate (Line 16) and the credit applied to the District for purchasing untreated water from SFPUC (Line 17). The projected SFPUC variable rates for future years were provided by District staff. The net variable rate (Line 18) is multiplied by the water production for SFPUC (Line 12) to determine the SFPUC water

purchase cost (Line 20). The District also pays for a portion of debt service (Line 21) as a member agency of the Bay Area Water Supply and Conservation Agency (BAWSCA) that receives SFPUC water.

Table 2-14: Calculated SFPUC Water Supply Costs

Line	SFPUC Supply Cost	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	**Water Supply Sources**						
2	Local Supply	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
3	SFPUC	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
4							
5	System Water Loss (%)	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
6							
7	Water Demand (hcf)	653,000	695,369	735,507	735,507	735,507	735,507
8	**Water Production (hcf)**	**680,208**	**724,342**	**766,153**	**766,153**	**766,153**	**766,153**
9							
10	**Water Production by Source**						
11	Local Supply	238,073	253,520	268,154	268,154	268,154	268,154
12	SFPUC	442,135	470,823	498,000	498,000	498,000	498,000
13	**Total**	**680,208**	**724,342**	**766,153**	**766,153**	**766,153**	**766,153**
14							
15	**SFPUC Water Purchases**						
16	Variable Rate ($/hcf)	$5.21	$5.67	$5.75	$5.93	$6.37	$6.60
17	Wholesale Rate Credit ($/hcf)	($0.38)	($0.39)	($0.39)	($0.39)	($0.39)	($0.39)
18	Net SFPUC Rate	**$4.83**	**$5.28**	**$5.36**	**$5.54**	**$5.98**	**$6.21**
19							
20	SFPUC Water Purchase Cost	$2,260,502	$2,551,972	$2,669,278	$2,758,918	$2,978,038	$3,092,578
21	BAWSCA Bond Surcharge	$200,844	$38,772	$200,844	$200,844	$200,844	$200,844
22	**Total Purchased Water Costs**[2]	**$2,461,346**	**$2,590,744**	**$2,870,122**	**$2,959,762**	**$3,178,882**	**$3,293,422**

OPERATING EXPENSE SUMMARY

Table 2-15 shows the summary of O&M expenses for the study period. District staff provided budgeted expenses for FYE 2024 and FYE 2025; expenses for other years are projections. SFPUC and BAWSCA costs (Line 1) are from **Table 2-14**. All other expenses are inflated based on the assumptions in **Table 2-13**. Detailed operating expense projections are included in the **Appendix** (**Table 6-1**).

[2] FYE 2024 and FYE 2025 costs for SFPUC are derived from the District's operating budget, which differ slightly from the calculated costs. All other years are projected based on the calculated costs.

Table 2-15: Operating Expense Summary

Line	Operating Expenses	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	SFPUC and BAWSCA	$2,461,346	$2,590,744	$2,870,122	$2,959,762	$3,178,882	$3,293,422
2	Operations and Maintenance	$1,598,000	$1,775,300	$1,852,729	$1,934,299	$2,020,266	$2,110,901
3	Salaries and Benefits	$4,792,603	$5,042,555	$5,269,470	$5,506,596	$5,754,393	$6,013,341
4	Other Expenses	$1,757,699	$1,886,750	$1,938,258	$1,991,173	$2,045,532	$2,101,375
5	**Total - Operating Expenses**	**$10,609,648**	**$11,295,349**	**$11,930,580**	**$12,391,831**	**$12,999,073**	**$13,519,038**

2.4 DEBT SERVICE

EXISTING AND PROPOSED DEBT SERVICE

Table 2-16 shows the District's annual debt service for the study period. The District has existing debt service payments on four outstanding issues (Lines 1-6), totaling approximately $1.5 million each year. The proposed financial plan scenario also includes a new debt issuance in FYE 2025 of $8,040,201 (assuming a 5% interest rate, a 30-year term, and 0.5% issuance cost), resulting in $0.5 million of additional annual debt service payments. This debt issuance results in $8 million of proceeds used to fund CIP.

Table 2-16: Existing and Proposed Debt Service

Line	Debt Service	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	**Existing Debt Service**						
2	2011 - Ibank	$335,343	$335,173	$334,998	$334,819	$334,634	$334,444
3	2017 - Ibank	$321,923	$321,412	$320,883	$320,337	$319,771	$319,186
4	2018 - Chase	$437,233	$432,821	$432,880	$437,180	$435,634	$432,944
5	2022 - First Foundation	$417,501	$417,434	$417,365	$417,295	$417,223	$417,150
6	**Subtotal**	**$1,512,000**	**$1,506,840**	**$1,506,127**	**$1,509,630**	**$1,507,262**	**$1,503,724**
7							
8	**Proposed Debt Service**						
9	Proposed FYE 2025 Issuance	$0	$523,027	$523,027	$523,027	$523,027	$523,027
10	**Subtotal**	**$0**	**$523,027**	**$523,027**	**$523,027**	**$523,027**	**$523,027**
11							
12	**Total - Debt Service**	**$1,512,000**	**$2,029,867**	**$2,029,153**	**$2,032,657**	**$2,030,289**	**$2,026,751**

2.5 CAPITAL IMPROVEMENT PLAN

CAPITAL IMPROVEMENT PROJECTS

Table 2-17 shows the District's six-year CIP; project costs are inflated based on the Capital factor (Table 2-13, Line 6) starting in FYE 2026. The capital execution rate (Line 10) is then applied to the total CIP (Line 8) to determine the total CIP executed each year. The execution rate is based on the District's 10-year average executed CIP. The execution rate for FYE 2024 is 90%, rather than 85%, to match what the District expects to spend at the end the year based on year-to-date capital spending data. Detailed CIP costs are included in the **Appendix** (**Table 6-2**).

Table 2-17: Capital Project Costs and Execution Rate

Line	Capital Improvement Projects	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	Equipment Purchase & Replacement	$0	$100,000	$103,200	$106,502	$109,910	$680,566
2	Facilities & Maintenance	$250,000	$550,000	$154,800	$159,754	$164,866	$170,141
3	Pipeline Projects	$1,820,000	$3,500,000	$825,600	$958,522	$3,956,777	$3,516,256
4	Pump Stations/Tanks/Wells	$665,000	$4,550,000	$5,985,600	$2,130,048	$219,821	$1,134,276
5	Water Supply Development	$550,000	$2,050,000	$567,600	$479,261	$494,597	$510,424
6	Water Treatment Plants	$1,700,000	$500,000	$0	$79,877	$0	$0
7	Other Capital Projects	$0	$0	$0	$0	$0	$0
8	**Total - Capital Projects**	**$4,985,000**	**$11,250,000**	**$7,636,800**	**$3,913,963**	**$4,945,971**	**$6,011,663**
9							
10	Capital Execution Rate	90.0%	85.0%	85.0%	85.0%	85.0%	85.0%
11	**Total - Executed Projects**	**$4,486,500**	**$9,562,500**	**$6,491,280**	**$3,326,869**	**$4,204,076**	**$5,109,914**

CAPITAL EXPENSE SUMMARY

Table 2-18 shows the capital expense summary and funding sources. The proposed debt issuance will provide $8 million in debt proceeds, which will fund capital projects in FYE 2025 (Line 1). All other project costs will be funded by water rates or reserves (Line 2). Unfunded CIP (Line 3) is equal to the difference between total capital projects (**Table 2-17**, Line 8) and executed capital projects (**Table 2-17**, Line 11).

Table 2-18: Capital Expense Summary

Line	Capital Financing Plan	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	Debt Funded CIP	$0	$8,000,000	$0	$0	$0	$0
2	Rate Funded CIP	$4,486,500	$1,562,500	$6,491,280	$3,326,869	$4,204,076	$5,109,914
3	Unfunded CIP	$498,500	$1,687,500	$1,145,520	$587,094	$741,896	$901,750
4	**Total - Capital Financing Plan**	**$4,985,000**	**$11,250,000**	**$7,636,800**	**$3,913,963**	**$4,945,971**	**$6,011,663**

2.6 FINANCIAL POLICIES

RESERVE POLICY

The District's reserve policy maintains cash on hand to meet short-term cash imbalances, to execute CIP projects, and to meet required debt covenants. The reserve target for the study period ranges from approximately $11 to $16 million in the District's reserve funds.

The District currently has an adopted reserve policy that consists of the following components:

- Operating Reserve Target: 25% of annual operating expenses
- Capital Replacement Reserve Target: 100% of five-year average CIP costs
- Debt Service Reserve Target: 100% of annual debt service

DEBT COVERAGE REQUIREMENT

The District's debt coverage requirement is 120% of annual debt service. To meet coverage requirements, net revenues (revenues less operating expenses) must be 120% or more of annual debt service.

2.7 STATUS QUO FINANCIAL PLAN

STATUS QUO FINANCIAL PLAN SCENARIO

Table 2-19 shows the status quo financial plan scenario, which assumes no revenue adjustments and no proposed debt issuances. This scenario is used to evaluate the ability of the current water rates to meet the District's financial targets and to determine the need for revenue adjustments.

Table 2-19: Status Quo Financial Plan Scenario

Line	Fiscal Year	Revenue Adjustments	Effective Month	Debt Issuance	Debt Proceeds for CIP
1	FYE 2025	0.0%	January	$0	$0
2	FYE 2026	0.0%	January	$0	$0
3	FYE 2027	0.0%	January	$0	$0
4	FYE 2028	0.0%	January	$0	$0
5	FYE 2029	0.0%	January	$0	$0

STATUS QUO CASH FLOW PROJECTIONS

Table 2-20 shows the cash flow projections for the status quo financial plan. Revenues[3] (Lines 1-8) are from **Table 2-12**. Operating expenses (Lines 10-15) are from **Table 2-15**. Net operating revenue (Line 17) is equal to the difference between total revenues (Line 8) and total expenses (Line 15). Debt service (Lines 19-22) is from **Table 2-16**. Rate funded CIP (Line 25) is from **Table 2-18**. The status quo scenario assumes no new debt; all CIP is expected to be rate funded. Net cash flow (Line 28) is equal to the net operating revenue (Line 17) less debt service (Line 22) and rate funded CIP (Line 25). Debt proceeds and debt funded CIP are not included in the cash flow projections.

The net operating revenue in this scenario is positive for all years, meaning that the District's current revenues are sufficient to fund its operating expenses. However, the net cash flow in the status quo scenario is negative for all years, meaning that the District's current revenues are not sufficient to fund its debt service and annual CIP.

[3] Interest income (Line 7) is different in the status quo financial plan scenario because it is based on projected fund balances. The status quo scenario results in lower fund balances; therefore, the District has less interest income. **Table 2-12** shows the interest income for the proposed financial plan scenario.

Table 2-20: Projected Cash Flows (Status Quo Financial Plan)

Line	Cash Flow Projections	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	**Revenues**						
2	Rate Revenues at Existing Rates	$12,619,085	$13,690,788	$14,290,852	$14,290,852	$14,290,852	$14,290,852
3	Revenue Adjustments	$0	$0	$0	$0	$0	$0
4	Hydrant Sales	$52,000	$68,212	$68,455	$68,455	$68,455	$68,455
5	Property Taxes	$995,000	$1,035,000	$1,035,000	$1,035,000	$1,035,000	$1,035,000
6	Miscellaneous Revenues	$825,000	$921,000	$927,420	$933,968	$940,648	$947,461
7	Interest Income	$108,005	$202,114	$28,875	$9,746	$0	$0
8	**Subtotal**	**$14,599,090**	**$15,917,114**	**$16,350,602**	**$16,338,022**	**$16,334,955**	**$16,341,768**
9							
10	**Operating Expenses**						
11	SFPUC and BAWSCA	$2,461,346	$2,590,744	$2,870,122	$2,959,762	$3,178,882	$3,293,422
12	Operations and Maintenance	$1,598,000	$1,775,300	$1,852,729	$1,934,299	$2,020,266	$2,110,901
13	Salaries and Benefits	$4,792,603	$5,042,555	$5,269,470	$5,506,596	$5,754,393	$6,013,341
14	Other Expenses	$1,757,699	$1,886,750	$1,938,258	$1,991,173	$2,045,532	$2,101,375
15	**Subtotal**	**$10,609,648**	**$11,295,349**	**$11,930,580**	**$12,391,831**	**$12,999,073**	**$13,519,038**
16							
17	**Net Operating Revenue**	**$3,989,443**	**$4,621,765**	**$4,420,022**	**$3,946,191**	**$3,335,882**	**$2,822,730**
18							
19	**Debt Service**						
20	Existing Debt Service	$1,512,000	$1,506,840	$1,506,127	$1,509,630	$1,507,262	$1,503,724
21	Proposed Debt Service	$0	$0	$0	$0	$0	$0
22	**Subtotal**	**$1,512,000**	**$1,506,840**	**$1,506,127**	**$1,509,630**	**$1,507,262**	**$1,503,724**
23							
24	**Capital Projects**						
25	Rate Funded CIP	$4,486,500	$9,562,500	$6,491,280	$3,326,869	$4,204,076	$5,109,914
26	**Subtotal**	**$4,486,500**	**$9,562,500**	**$6,491,280**	**$3,326,869**	**$4,204,076**	**$5,109,914**
27							
28	**Net Cash Flow**	**($2,009,057)**	**($6,447,575)**	**($3,577,384)**	**($890,308)**	**($2,375,456)**	**($3,790,908)**

STATUS QUO FUND BALANCE PROJECTIONS

Table 2-21 shows the fund balance projections for the status quo financial plan. Based on the sources (revenues) and uses (operating expenses, debt service, and CIP) of funds, the District's fund balances will be negative by the end of FYE 2028. At the end of the study period, the District's fund balances will be approximately negative $5.5 million in FYE 2029, from a starting balance of $13.6 million in FYE 2024. This represents a net loss of $19.1 million in six years.

Table 2-21: Projected Fund Balances (Status Quo Financial Plan)

Line	Fund Balance Projections	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	**Beginning Balance**	**$13,617,266**	**$11,608,209**	**$5,160,634**	**$1,583,250**	**$692,942**	**($1,682,514)**
2							
3	**Sources of Funds**						
4	Rate Revenues at Existing Rates	$12,619,085	$13,690,788	$14,290,852	$14,290,852	$14,290,852	$14,290,852
5	Revenue Adjustments	$0	$0	$0	$0	$0	$0
6	Hydrant Sales	$52,000	$68,212	$68,455	$68,455	$68,455	$68,455
7	Property Taxes	$995,000	$1,035,000	$1,035,000	$1,035,000	$1,035,000	$1,035,000
8	Miscellaneous Revenues	$825,000	$921,000	$927,420	$933,968	$940,648	$947,461
9	Debt Proceeds for CIP	$0	$0	$0	$0	$0	$0
10	Interest Income	$108,005	$202,114	$28,875	$9,746	$0	$0
11	**Subtotal**	**$14,599,090**	**$15,917,114**	**$16,350,602**	**$16,338,022**	**$16,334,955**	**$16,341,768**
12							
13	**Uses of Funds**						
14	Operating Expenses	$10,609,648	$11,295,349	$11,930,580	$12,391,831	$12,999,073	$13,519,038
15	Debt Service	$1,512,000	$1,506,840	$1,506,127	$1,509,630	$1,507,262	$1,503,724
16	Debt Funded CIP	$0	$0	$0	$0	$0	$0
17	Rate Funded CIP	$4,486,500	$9,562,500	$6,491,280	$3,326,869	$4,204,076	$5,109,914
18	**Subtotal**	**$16,608,147**	**$22,364,689**	**$19,927,986**	**$17,228,329**	**$18,710,411**	**$20,132,676**
19							
20	**Ending Balance**	**$11,608,209**	**$5,160,634**	**$1,583,250**	**$692,942**	**($1,682,514)**	**($5,473,422)**

STATUS QUO FINANCIAL PERFORMANCE

The District's financial performance is evaluated based on the reserve targets and debt coverage requirements, as shown in **Table 2-22**. Under the status quo financial plan, the District will not meet its reserve targets from FYE 2025 to FYE 2029. The District will be able to meet its debt coverage requirements in all years without any revenue adjustments. Fund balances are the District's constraining factor during the study period.

Table 2-22: Forecasted Financial Performance (Status Quo Financial Plan)

Line	Financial Performance	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	**Reserve Policy**						
2	Operating Reserve Target	$2,652,412	$2,823,837	$2,982,645	$3,097,958	$3,249,768	$3,379,760
3	Capital Replacement Target	$5,614,245	$5,738,928	$5,388,557	$5,846,175	$7,204,799	$8,015,313
4	Debt Service Target	$1,512,000	$1,506,840	$1,506,127	$1,509,630	$1,507,262	$1,503,724
5	Combined Target	$9,778,657	$10,069,605	$9,877,329	$10,453,763	$11,961,830	$12,898,796
6	Combined Reserves	$11,608,209	$5,160,634	$1,583,250	$692,942	($1,682,514)	($5,473,422)
7	Meets Target?	Yes	No	No	No	No	No
8							
9	**Debt Coverage**						
10	Required Debt Coverage	120%	120%	120%	120%	120%	120%
11	Calculated Debt Coverage	264%	307%	293%	261%	221%	188%
12	Meets Target?	Yes	Yes	Yes	Yes	Yes	Yes

Figure 2-1 shows the comparison of revenues and the revenue requirement for the status quo scenario. The stacked bars represent the revenue requirements, or costs: dark teal for O&M expenses, green for debt service, and turquoise for rate funded CIP. The District will not be adding to its reserves (grey bars) in this scenario. The current revenue, shown as a solid line, is lower than the revenue requirements, meaning that revenues are insufficient to fund necessary costs.

Figure 2-1: Revenue Requirements vs. Revenues (Status Quo Financial Plan)

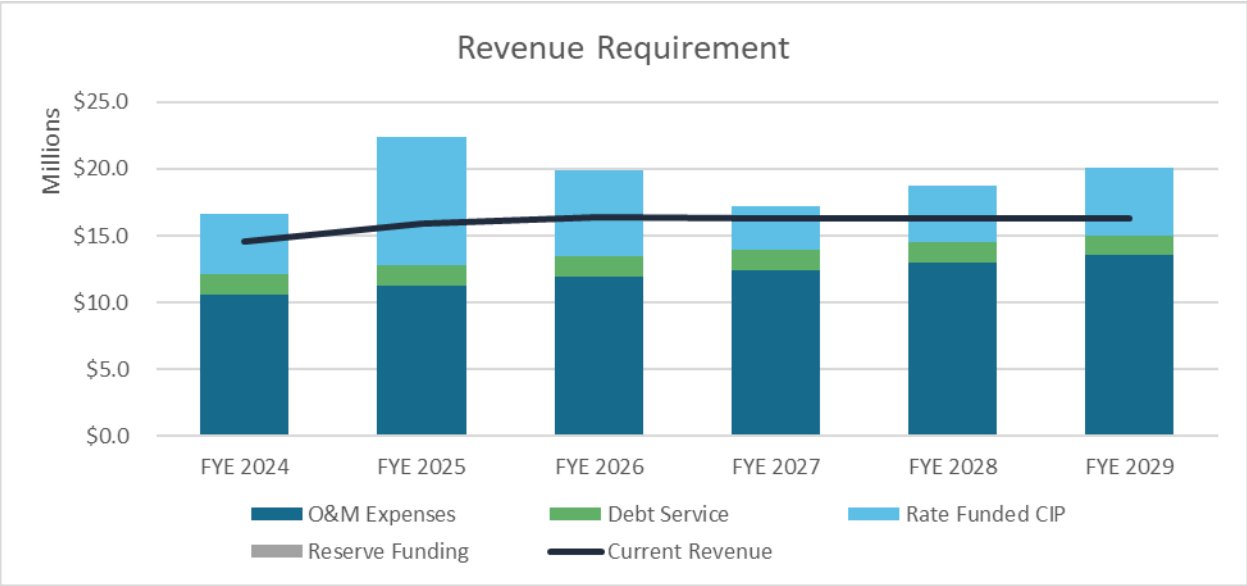


Figure 2-2 shows the debt coverage projections in the status quo financial plan. The required debt coverage (solid black line) is equal to 120%. The District is expected to meet its debt coverage requirements for all years of this scenario.

Figure 2-2: Projected Debt Coverage (Status Quo Financial Plan)

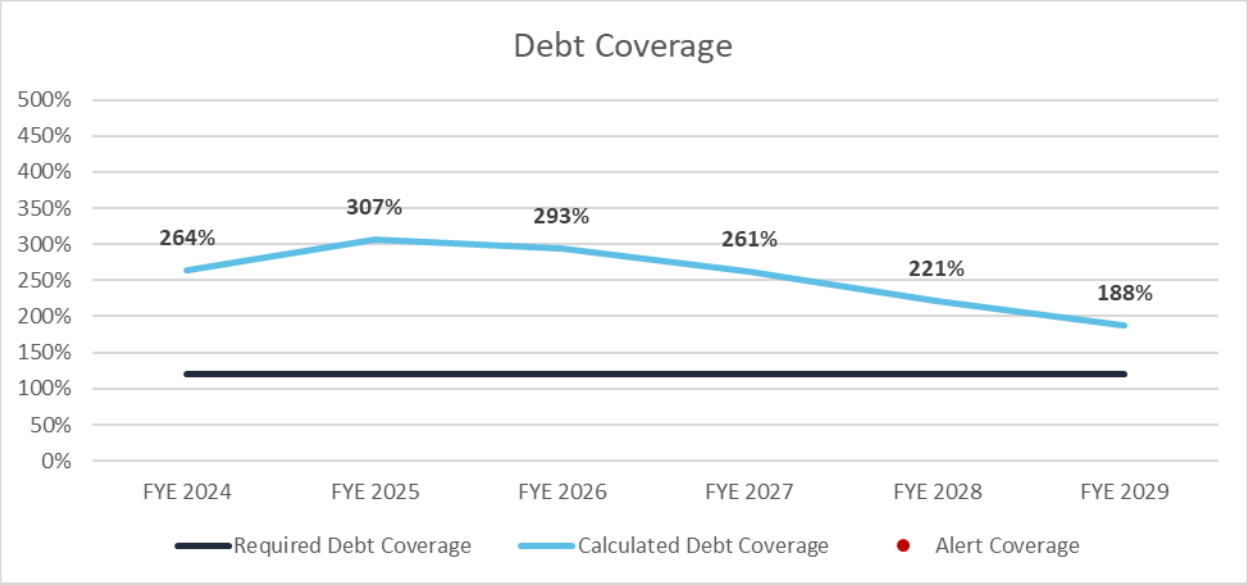
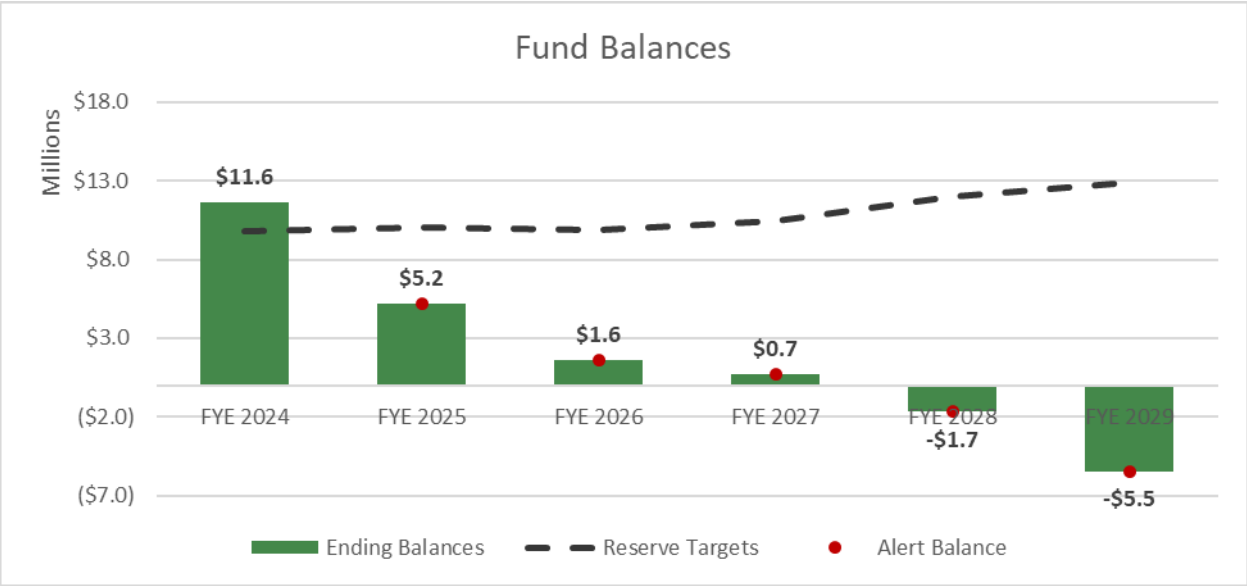


Figure 2-3 shows the fund balance projections in the status quo financial plan. The District's ending balance (green bars) will not meet the reserve targets (dashed line) from FYE 2025 through FYE 2029. The District's fund balances will be negative by FYE 2028.

Figure 2-3: Projected Fund Balances (Status Quo Financial Plan)



2.8 PROPOSED FINANCIAL PLAN

PROPOSED FINANCIAL PLAN SCENARIO

The proposed financial plan includes five years of revenue adjustments and a debt issuance in FYE 2025, shown in **Table 2-23**. These adjustments are needed to maintain the District's financial sufficiency and were developed based on direction from the District's Board and Finance Committee.

Table 2-23: Proposed Financial Plan Scenario

Line	Fiscal Year	Revenue Adjustments	Effective Month	Debt Issuance	Debt Proceeds for CIP
1	FYE 2025	8.0%	January	$8,040,201	$8,000,000
2	FYE 2026	8.0%	January	$0	$0
3	FYE 2027	8.0%	January	$0	$0
4	FYE 2028	8.0%	January	$0	$0
5	FYE 2029	8.0%	January	$0	$0

PROPOSED CASH FLOW PROJECTIONS

Table 2-24 shows the cash flow projections for the proposed financial plan. Revenues (Lines 1-8) are from **Table 2-12**. Revenue adjustments (Line 3) are based on the proposed revenue adjustments in **Table 2-23**. Operating expenses (Lines 10-15) are from **Table 2-15**. Net operating revenue (Line 17) is equal to the difference between total revenues (Line 8) and total expenses (Line 15). Debt service (Lines 19-22) is from **Table 2-16**. Rate funded CIP (Line 25) is from **Table 2-18**. Net cash flow (Line 28) is equal to the net operating revenue (Line 17) less debt service (Line 22) and rate funded CIP (Line 25). Debt proceeds and debt funded CIP are not included in the cash flow projections, since they are included in the rate funded CIP projection numbers.

Table 2-24: Projected Cash Flows (Proposed Financial Plan)

Line	Cash Flow Projections	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	**Revenues**						
2	Rate Revenues at Existing Rates	$12,619,085	$13,690,788	$14,290,852	$14,290,852	$14,290,852	$14,290,852
3	Revenue Adjustments	$0	$547,632	$1,760,633	$3,044,752	$4,431,600	$5,929,396
4	Hydrant Sales	$52,000	$68,212	$68,455	$68,455	$68,455	$68,455
5	Property Taxes	$995,000	$1,035,000	$1,035,000	$1,035,000	$1,035,000	$1,035,000
6	Miscellaneous Revenues	$825,000	$921,000	$927,420	$933,968	$940,648	$947,461
7	Interest Income	$108,005	$300,014	$104,050	$101,733	$116,173	$130,711
8	**Subtotal**	**$14,599,090**	**$16,562,646**	**$18,186,410**	**$19,474,760**	**$20,882,728**	**$22,401,875**
9							
10	**Operating Expenses**						
11	SFPUC and BAWSCA	$2,461,346	$2,590,744	$2,870,122	$2,959,762	$3,178,882	$3,293,422
12	Operations and Maintenance	$1,598,000	$1,775,300	$1,852,729	$1,934,299	$2,020,266	$2,110,901
13	Salaries and Benefits	$4,792,603	$5,042,555	$5,269,470	$5,506,596	$5,754,393	$6,013,341
14	Other Expenses	$1,757,699	$1,886,750	$1,938,258	$1,991,173	$2,045,532	$2,101,375
15	**Subtotal**	**$10,609,648**	**$11,295,349**	**$11,930,580**	**$12,391,831**	**$12,999,073**	**$13,519,038**
16							
17	**Net Operating Revenue**	**$3,989,443**	**$5,267,297**	**$6,255,830**	**$7,082,930**	**$7,883,655**	**$8,882,837**
18							
19	**Debt Service**						
20	Existing Debt Service	$1,512,000	$1,506,840	$1,506,127	$1,509,630	$1,507,262	$1,503,724
21	Proposed Debt Service	$0	$523,027	$523,027	$523,027	$523,027	$523,027
22	**Subtotal**	**$1,512,000**	**$2,029,867**	**$2,029,153**	**$2,032,657**	**$2,030,289**	**$2,026,751**
23							
24	**Capital Projects**						
25	Rate Funded CIP	$4,486,500	$1,562,500	$6,491,280	$3,326,869	$4,204,076	$5,109,914
26	**Subtotal**	**$4,486,500**	**$1,562,500**	**$6,491,280**	**$3,326,869**	**$4,204,076**	**$5,109,914**
27							
28	**Net Cash Flow**	**($2,009,057)**	**$1,674,930**	**($2,264,603)**	**$1,723,404**	**$1,649,291**	**$1,746,173**

PROPOSED FUND BALANCE PROJECTIONS

Table 2-25 shows the fund balance projections for the proposed financial plan. Based on the sources (revenues, revenue adjustments, debt proceeds) and uses (operating expenses, debt service, and CIP) of funds, the District's fund balances will be approximately $16.1 million at the end of the study.

Table 2-25: Projected Fund Balances (Proposed Financial Plan)

Line	Fund Balance Projections	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	**Beginning Balance**	**$13,617,266**	**$11,608,209**	**$13,283,139**	**$11,018,536**	**$12,741,940**	**$14,391,231**
2							
3	**Sources of Funds**						
4	Rate Revenues at Existing Rates	$12,619,085	$13,690,788	$14,290,852	$14,290,852	$14,290,852	$14,290,852
5	Revenue Adjustments	$0	$547,632	$1,760,633	$3,044,752	$4,431,600	$5,929,396
6	Hydrant Sales	$52,000	$68,212	$68,455	$68,455	$68,455	$68,455
7	Property Taxes	$995,000	$1,035,000	$1,035,000	$1,035,000	$1,035,000	$1,035,000
8	Miscellaneous Revenues	$825,000	$921,000	$927,420	$933,968	$940,648	$947,461
9	Debt Proceeds for CIP	$0	$8,000,000	$0	$0	$0	$0
10	Interest Income	$108,005	$300,014	$104,050	$101,733	$116,173	$130,711
11	**Subtotal**	**$14,599,090**	**$24,562,646**	**$18,186,410**	**$19,474,760**	**$20,882,728**	**$22,401,875**
12							
13	**Uses of Funds**						
14	Operating Expenses	$10,609,648	$11,295,349	$11,930,580	$12,391,831	$12,999,073	$13,519,038
15	Debt Service	$1,512,000	$2,029,867	$2,029,153	$2,032,657	$2,030,289	$2,026,751
16	Debt Funded CIP	$0	$8,000,000	$0	$0	$0	$0
17	Rate Funded CIP	$4,486,500	$1,562,500	$6,491,280	$3,326,869	$4,204,076	$5,109,914
18	**Subtotal**	**$16,608,147**	**$22,887,716**	**$20,451,013**	**$17,751,356**	**$19,233,437**	**$20,655,703**
19							
20	**Ending Balance**	**$11,608,209**	**$13,283,139**	**$11,018,536**	**$12,741,940**	**$14,391,231**	**$16,137,404**

PROPOSED FINANCIAL PERFORMANCE

Table 2-26 shows the forecasted financial performance for the proposed financial plan. Under this plan, the District will meet its reserve targets in all years of the study. The District will be able to meet its debt coverage requirements in all years without any revenue adjustments.

Table 2-26: Forecasted Financial Performance (Proposed Financial Plan)

Line	Financial Performance	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	**Reserve Policy**						
2	Operating Reserve Target	$2,652,412	$2,823,837	$2,982,645	$3,097,958	$3,249,768	$3,379,760
3	Capital Replacement Target	$5,614,245	$5,738,928	$5,388,557	$5,846,175	$7,204,799	$8,015,313
4	Debt Service Target	$1,512,000	$2,029,867	$2,029,153	$2,032,657	$2,030,289	$2,026,751
5	Combined Target	$9,778,657	$10,592,632	$10,400,355	$10,976,789	$12,484,856	$13,421,823
6	Combined Reserves	$11,608,209	$13,283,139	$11,018,536	$12,741,940	$14,391,231	$16,137,404
7	Meets Target?	Yes	Yes	Yes	Yes	Yes	Yes
8							
9	**Debt Coverage**						
10	Required Debt Coverage	120%	120%	120%	120%	120%	120%
11	Calculated Debt Coverage	264%	259%	308%	348%	388%	438%
12	Meets Target?	Yes	Yes	Yes	Yes	Yes	Yes

Figure 2-4 shows the comparison of revenues and the revenue requirement for the proposed scenario. The stacked bars represent the revenue requirements, or costs. The District will add to its reserves (grey bars) in this scenario. The current revenue, shown as a solid line, is lower than the revenue requirements. The proposed revenue, shown as a dotted line, is greater than the revenue requirements (except for FYE 2026), meaning that the District's revenues are able to sufficiently fund its expenses.

Figure 2-4: Revenue Requirements vs. Revenues (Proposed Financial Plan)

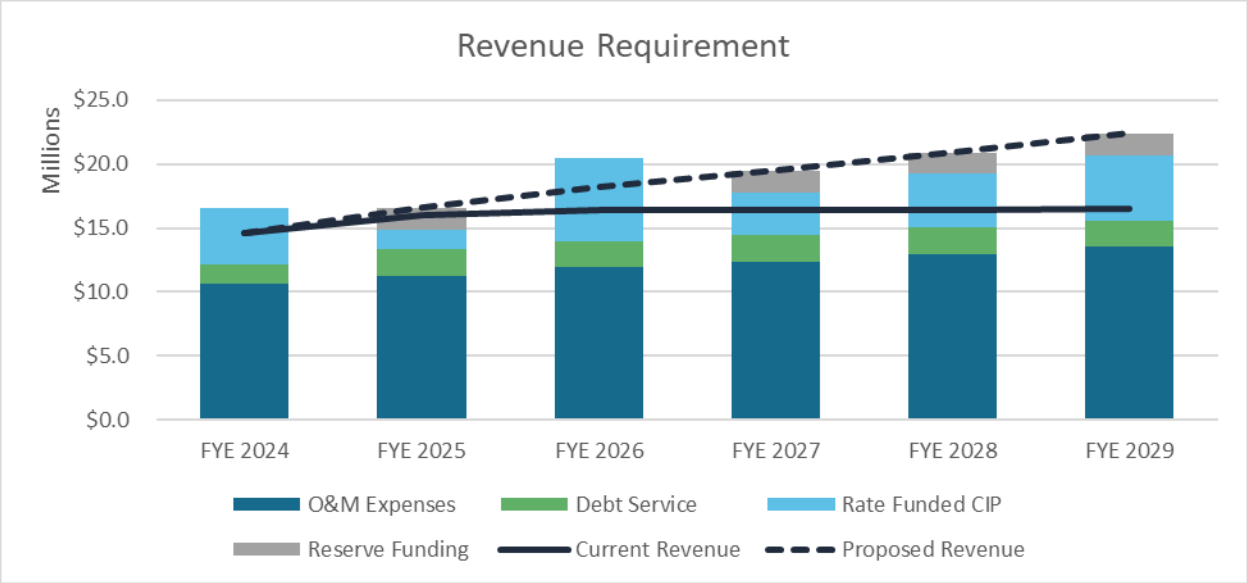


Figure 2-5 shows the debt coverage projections in the proposed financial plan. The required debt coverage (solid black line) is equal to 120%. The District is expected to meet its debt coverage requirements for all years of this scenario.

Figure 2-5: Projected Debt Coverage (Proposed Financial Plan)

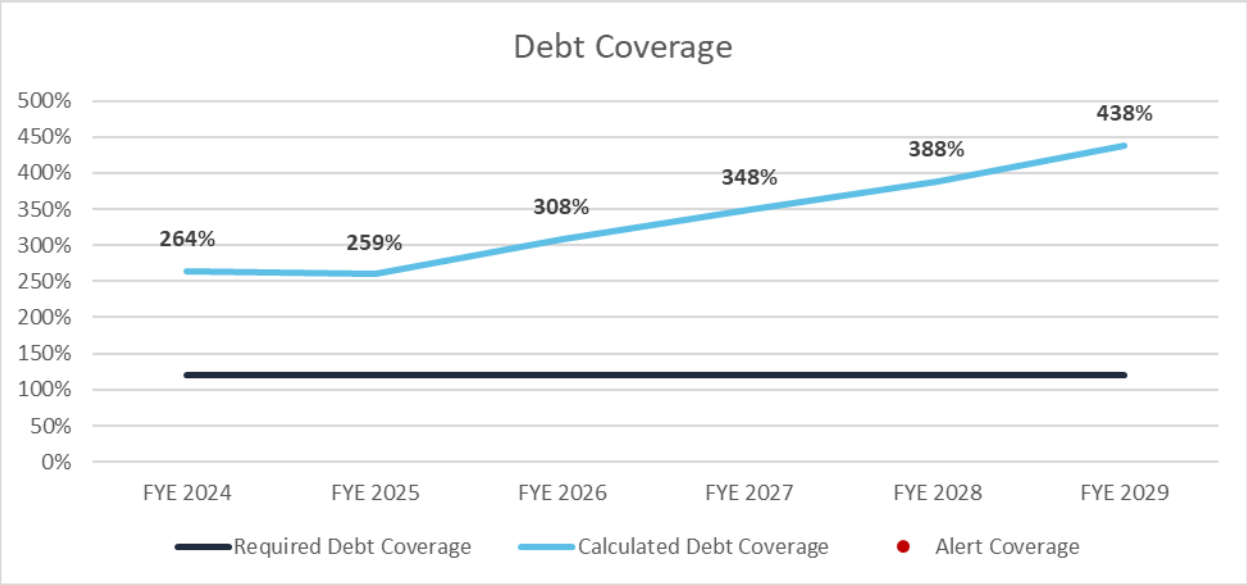
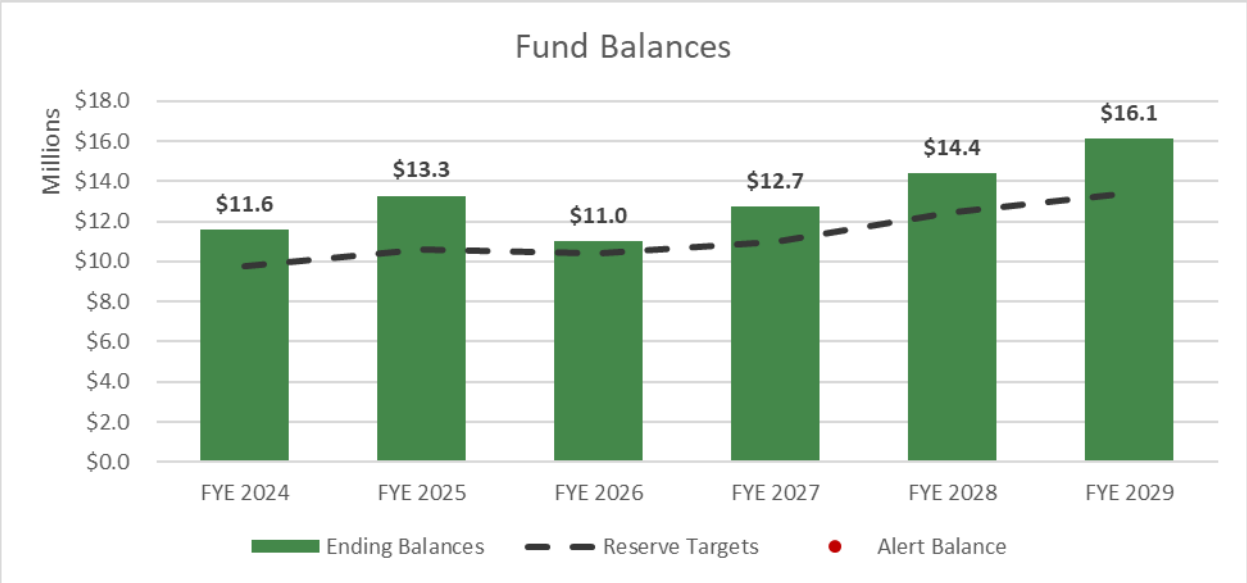


Figure 2-6 shows the fund balance projections in the proposed financial plan. The District's ending balance (green bars) will meet the reserve targets (dashed line) from FYE 2024 through FYE 2029.

Figure 2-6: Projected Fund Balances (Proposed Financial Plan)



3. COST-OF-SERVICE ANALYSIS

3.1 COST-OF-SERVICE METHODOLOGY

A cost-of-service analysis was conducted to allocate the proposed FYE 2024 rate revenue requirement to customers in proportion to use of and burden on the District's water system. The overall goal of the cost-of-service analysis is to develop "unit costs," which provide the basis from which proposed rates are directly calculated from. Note that although the study period spans five years, the cost-of-service analysis is limited to a single representative year referred to as the "test year." The test year in this study is FYE 2024.

The cost-of-service analysis is "revenue neutral," meaning that the resulting cost-of-service based rates collect the same amount of revenue as the District expects to collect in FYE 2024[4]. The revenue neutral unit costs determine revenue neutral rates, which are then adjusted based on the proposed financial plan increases to arrive at the proposed water rates for five years. All values presented in this section pertain to FYE 2024 and are revenue neutral unless stated otherwise.

The key steps in conducting a water cost-of-service analysis are outlined below:

- **Revenue requirement determination**: The total rate revenue requirement for the test year is determined based on the results of the proposed financial plan and divided into primary sub-components (operating, capital, etc.).
- **Cost functionalization**: Operating and capital costs are evaluated and assigned to "functional categories" in the water system (e.g., customer service, water supply, distribution, etc.). This provides a proportional breakdown of system costs by functional category.
- **Revenue requirement allocation to cost causation components**: Functionalized costs are allocated to "cost causation components" (e.g., water supply, base delivery, max day delivery, etc.), which is used to attribute customers' use of the system to the costs incurred by the District.
- **Unit cost development**: The rate revenue requirement allocation for each individual cost causation component is divided by the appropriate units of service to establish unit costs for the test year. Unit costs provide the basis from which proposed rates are calculated.

3.2 REVENUE REQUIREMENT

REVENUE REQUIREMENT DETERMINATION

The total rate revenue requirement for the test year, FYE 2024, is based on the financial plan projections (**Table 2-24**) and is allocated between the Operating, Capital, and Revenue Offset components, as shown in **Table 3-1**. The Operating revenue requirement consists of operating expenses (Line 2), adjustments for cash from reserves (Line 15; from **Table 2-24**, Line 28), and

[4] The FYE 2024 revenue requirement will differ from the expected revenues in FYE 2024 due to a mid-year rate increase. The revenue requirement reflects a full fiscal year of rate revenues based on the District's current water rates.

adjustments for to annualize the revenue adjustment in FYE 2024 (Line 16). The District adopted its FYE 2024 rates on January 18, 2024; this adjustment is to calculate the total rate revenue if the FYE 2024 rates were effective for the full fiscal year. The Capital revenue requirement includes debt service (Line 3) and rate funded CIP (Line 4). The Revenue Offset revenue requirement reduces the overall revenue requirement by the miscellaneous non-rate revenues (Lines 8-11; from **Table 2-24**, Lines 4-7). The total revenue requirement (Line 19) less the adjustment for the mid-year rate increase (Line 16) is equal to the amount of rate revenue collected in FYE 2024 (**Table 2-24**, Line 2).

Table 3-1: FYE 2024 Revenue Requirement

Line	FYE 2024 Revenue Requirement	Operating	Capital	Rev. Offset	Total
1	**Revenue Requirements**				
2	Operating Expenses	$10,609,648	$0	$0	$10,609,648
3	Debt Service	$0	$1,512,000	$0	$1,512,000
4	Rate Funded CIP	$0	$4,486,500	$0	$4,486,500
5	**Subtotal**	**$10,609,648**	**$5,998,500**	**$0**	**$16,608,147**
6					
7	**Revenue Offsets**				
8	Hydrant Sales	$0	$0	($52,000)	($52,000)
9	Property Taxes	$0	$0	($995,000)	($995,000)
10	Miscellaneous Revenues	$0	$0	($825,000)	($825,000)
11	Interest Income	$0	$0	($108,005)	($108,005)
12	**Subtotal**	**$0**	**$0**	**($1,980,005)**	**($1,980,005)**
13					
14	**Adjustments**				
15	Cash to/(from) Reserves	($2,009,057)	$0	$0	($2,009,057)
16	Revenue Adjustment Annualization	$411,179	$0	$0	$411,179
17	**Subtotal**	**($1,597,879)**	**$0**	**$0**	**($1,597,879)**
18					
19	**Total - Revenue Requirement**	**$9,011,769**	**$5,998,500**	**($1,980,005)**	**$13,030,264**

3.3 COST FUNCTIONALIZATION

FUNCTIONAL CATEGORY DEFINITIONS

After determining the revenue requirement, the next step in the cost-of-service analysis is to allocate the District's costs into various functional categories. These categories represent the main functions of the District's water system and include:

- **Meters**: costs of meter maintenance and replacement
- **Customer**: costs related to customer service and billing
- **Fire**: costs related to providing fire protection services
- **SFPUC Supply**: costs of acquiring water from SFPUC to serve the District's customers
- **Local Supply**: costs of supplying water from local sources to serve the District's customers
- **Treatment**: costs related to the treatment of water to potable standards
- **Pumping**: costs relating to pumping water to higher elevations
- **Storage**: costs related to water storage facilities (such as reservoirs and tanks)

- **Transmission and Distribution (T&D)**: costs related to the transmission and distribution of water through the District's water system
- **Maintenance**: costs of equipment and vehicles for staff
- **Conservation**: costs related to the District's water conservation program
- **General**: costs that are not directly attributable to any other functional category
- **Revenue Offset**: miscellaneous revenues that are not generated by specific customer classes or for payment of services provided by the District; these revenues can be used to offset rates at the District's discretion under Proposition 218 requirements

OPERATING COST FUNCTIONALIZATION

WRE worked closely with District staff to evaluate and allocate the operating expenses for FYE 2024 (**Table 2-15**) to the most closely associated functional categories within the water system, as shown in **Table 3-2**. The detailed allocation of the operating expense budget to the functional categories is included in the **Appendix** (**Table 6-3**).

Table 3-2: Operating Costs by System Functions

Line	Cost Functions	Operating Expenses	Percent of Total
1	Meters	$124,087	1.2%
2	Customer	$754,561	7.1%
3	Supply	$2,461,346	23.2%
4	Treatment	$1,710,558	16.1%
5	Pumping	$1,577,783	14.9%
6	T&D	$1,238,337	11.7%
7	Conservation	$89,500	0.8%
8	General	$2,653,476[5]	25.0%
9	**Total**	**$10,609,648**	**100.0%**

CAPITAL ASSET FUNCTIONALIZATION

WRE worked with District staff to evaluate and allocate the District's current capital assets to the most closely associated functional categories within the water system, as shown in **Table 3-3**. The detailed allocation of the current capital assets to the functional categories is included in the **Appendix** (**Table 6-4**).

It is standard practice in most water cost-of-service studies to functionalize current capital assets rather than planned CIP costs, since the latter can fluctuate more significantly from year to year. The current capital asset base provides a more stable representation of long-term capital needs and their associated costs. The asset valuation methodology used in this study is Replacement Cost Less Depreciation (RCLD), which takes both inflation and depreciation of the District's water system into account.

[5] General operating costs include the majority of administrative salaries, payroll-related expenses, and some administrative expenses.

Table 3-3: Capital Assets by System Functions

Line	Cost Functions	Capital Assets (RCLD)	Percent of Total
1	Meters	$2,375,498	2.7%
2	Fire	$786,499	0.9%
3	Local Supply	$2,192,109	2.5%
4	Treatment	$12,610,488	14.5%
5	Pumping	$23,056,728	26.5%
6	Storage	$3,296,769	3.8%
7	T&D	$38,851,024	44.7%
8	Maintenance	$748,283	0.9%
9	General	$2,961,665	3.4%
10	**Total**	**$86,879,063**	**100.0%**

REVENUE OFFSET FUNCTIONALIZATION

Table 3-4 shows the revenue offsets allocated by functional categories. Based on the definition of Revenue Offsets in the beginning of this subsection of the report, only property tax revenues can be allocated to this function (Line 13; from **Table 3-1**, Line 9). The remaining non-rate revenues, which include hydrant sales, miscellaneous revenues, and interest income (**Table 3-1**, Lines 8 and 10-11) are allocated to the General cost function.

Table 3-4: Revenue Offsets by System Functions

Line	Cost Functions	Revenue Offsets	Percent of Total
1	General	($985,005)	49.7%
2	Revenue Offset	($995,000)	50.3%
3	**Total**	**($1,980,005)**	**100.0%**

3.4 COST CAUSATION COMPONENTS

COST COMPONENT DEFINITIONS

While the functional categories represent the costs of system functions, cost causation components represent the reasons for why and how those costs are incurred within the system (thus, cost causation). Cost causation components will be referred to as cost components in this report. The next step of the cost-of-service analysis is to allocate the Operating, Capital, and Revenue Offsets in the functional categories between the cost components, most of which directly correspond to a single functional category.

The cost components in this study include the following:

- **Meter**: directly corresponds to the Meter functional category
- **Customer**: directly corresponds to the Customer functional category
- **Fire**: directly corresponds to the Fire functional category
- **SFPUC Supply**: directly corresponds to the SFPUC Supply functional category

- **Local Supply**: directly corresponds to the Local Supply functional category
- **Average Day Demand (Base)**: costs associated with delivering water to customers during average water demand conditions (average daily use)
- **Maximum Day Demand (Max Day)**: costs associated with delivering water to customers during maximum day demand conditions (water usage during highest day of year)
- **Maximum Hour Demand (Max Hour)**: costs associated with delivering water to customer during maximum hour demand conditions (water usage during highest hour of highest day)
- **Conservation**: directly corresponds to the Conservation functional category
- **Revenue Offset**: directly corresponds to the Revenue Offset functional category
- **General**: directly corresponds to the General functional category

SYSTEM-WIDE MAXIMUM CAPACITY FACTORS

System-wide maximum capacity factors for the District's water system, shown in **Table 3-5**, are used to allocate costs associated with the Treatment, Pumping, Storage, and T&D functional categories to the Base, Max Day, and Max Hour cost components. Maximum capacity factors represent the ratio of maximum to average water demand over the course of one year for the entire system. This provides a basis to identify costs incurred to provide water service during average demand conditions and to provide additional capacity during maximum demand conditions.

District staff provided the average day, maximum day, and maximum hour demand capacity factors, which are normalized based on average day demand (meaning that the average day demand is always equal to 1.00).

The percentage allocations to the Base, Max Day, and Max Hour cost components based on the average day, maximum day, and maximum demand capacity factors are calculated as follows:

- Average day demand is allocated entirely to Base
- Max day demand is allocated proportionately to Base[6] and Max Day[7]
- Max hour demand is allocated proportionately to Base[8], Max Day[9], and Max Hour[10]
- Average of max day and max hour is based on the average percentages of Lines 2-3

Table 3-5: System-Wide Maximum Capacity Allocation

Line	System-Wide Maximum Capacity	Factor	Base	Max Day	Max Hour	Total
1	Average Day Demand	1.00	100.0%	0.0%	0.0%	100.0%
2	Max Day Demand	1.40	71.4%	28.6%	0.0%	100.0%
3	Max Hour Demand	2.80	35.7%	14.3%	50.0%	100.0%
4	Average of Max Day/Hour		53.6%	21.4%	25.0%	100.0%

[6] 1.00/1.40 = 71.4%
[7] (1.40-1.00)/1.40 = 28.6%
[8] 1.00/2.80 = 35.7%
[9] (1.40-1.00)/2.80 = 14.3%
[10] (2.80-1.40)/2.80 = 50.0%

COST COMPONENT ALLOCATION FACTORS

Table 3-6 shows the factors used to allocate the functionalized costs to the cost components. For the cost components that directly correlate to a functional category (Meter, Customer, Fire, SFPUC Supply, Local Supply, Conservation, Revenue Offset, and General), the functionalized costs are allocated entirely to the matching cost component. Treatment, Pumping, and Storage facilities (Lines 6-8) are sized based on maximum day demand and are allocated based on the Max Day maximum capacity factor (**Table 3-5**, Line 2). Transmission and Distribution facilities (Line 9) are sized based on maximum day and maximum hour demand, respectively, and are allocated based on the average of Max Day and Max Hour maximum capacity factors (**Table 3-5**, Line 4). Maintenance costs (Line 10) are incurred to support water system staff and are allocated to General to be indirectly allocated to all other cost components.

Table 3-6: System Function Allocation to Cost Components

Line	Cost Functions	Meter	Customer	Fire	SFPUC Supply	Local Supply	Base	Max Day	Max Hour	Conser-vation	Rev. Offset	General	Total
1	Meters	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2	Customer	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
3	Fire	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
4	SFPUC Supply	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
5	Local Supply	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
6	Treatment	0.0%	0.0%	0.0%	0.0%	0.0%	71.4%	28.6%	0.0%	0.0%	0.0%	0.0%	100.0%
7	Pumping	0.0%	0.0%	0.0%	0.0%	0.0%	71.4%	28.6%	0.0%	0.0%	0.0%	0.0%	100.0%
8	Storage	0.0%	0.0%	0.0%	0.0%	0.0%	71.4%	28.6%	0.0%	0.0%	0.0%	0.0%	100.0%
9	T&D	0.0%	0.0%	0.0%	0.0%	0.0%	53.6%	21.4%	25.0%	0.0%	0.0%	0.0%	100.0%
10	Maintenance	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
11	Conservation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
12	General	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
13	Revenue Offset	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%

OPERATING COST COMPONENT ALLOCATION

Table 3-7 shows the operating cost allocation by cost component. The functionalized operating expenses from **Table 3-2** are allocated based on the cost component allocation factors in **Table 3-6**. The operating allocation (Line 15) is derived from the total operating expenses by cost component (Line 14) and represents the proportion of the Operating revenue requirement that will be allocated to each cost component.

Table 3-7: Operating Allocation by Cost Component

Line	Operating Expenses	Meter	Customer	Fire	SFPUC Supply	Local Supply	Base	Max Day	Max Hour	Conser-vation	Rev. Offset	General	Total
1	Meters	$124,087	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$124,087
2	Customer	$0	$754,561	$0	$0	$0	$0	$0	$0	$0	$0	$0	$754,561
3	Fire	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	SFPUC Supply	$0	$0	$0	$2,461,346	$0	$0	$0	$0	$0	$0	$0	$2,461,346
5	Local Supply	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6	Treatment	$0	$0	$0	$0	$0	$1,221,827	$488,731	$0	$0	$0	$0	$1,710,558
7	Pumping	$0	$0	$0	$0	$0	$1,126,988	$450,795	$0	$0	$0	$0	$1,577,783
8	Storage	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
9	T&D	$0	$0	$0	$0	$0	$663,395	$265,358	$309,584	$0	$0	$0	$1,238,337
10	Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11	Conservation	$0	$0	$0	$0	$0	$0	$0	$0	$89,500	$0	$0	$89,500
12	General	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,653,476	$2,653,476
13	Revenue Offset	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
14	**Total**	**$124,087**	**$754,561**	**$0**	**$2,461,346**	**$0**	**$3,012,210**	**$1,204,884**	**$309,584**	**$89,500**	**$0**	**$2,653,476**	**$10,609,648**
15	***Operating Allocation***	***1.2%***	***7.1%***	***0.0%***	***23.2%***	***0.0%***	***28.4%***	***11.4%***	***2.9%***	***0.8%***	***0.0%***	***25.0%***	***100.0%***

CAPITAL COST COMPONENT ALLOCATION

Table 3-8 shows the capital cost allocation by cost component. The functionalized capital assets from **Table 3-3** are allocated based on the cost component allocation factors in **Table 3-6**. The capital allocation (Line 15) is derived from the total capital asset value by cost component (Line 14) and represents the proportion of the Capital revenue requirement that will be allocated to each cost component.

Table 3-8: Capital Allocation by Cost Component

Line	Capital Assets (RCLD)	Meter	Customer	Fire	SFPUC Supply	Local Supply	Base	Max Day	Max Hour	Conser-vation	Rev. Offset	General	Total
1	Meters	$2,375,498	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,375,498
2	Customer	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	Fire	$0	$0	$786,499	$0	$0	$0	$0	$0	$0	$0	$0	$786,499
4	SFPUC Supply	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5	Local Supply	$0	$0	$0	$0	$2,192,109	$0	$0	$0	$0	$0	$0	$2,192,109
6	Treatment	$0	$0	$0	$0	$0	$9,007,491	$3,602,996	$0	$0	$0	$0	$12,610,488
7	Pumping	$0	$0	$0	$0	$0	$16,469,092	$6,587,637	$0	$0	$0	$0	$23,056,728
8	Storage	$0	$0	$0	$0	$0	$2,354,835	$941,934	$0	$0	$0	$0	$3,296,769
9	T&D	$0	$0	$0	$0	$0	$20,813,049	$8,325,220	$9,712,756	$0	$0	$0	$38,851,024
10	Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$748,283	$748,283
11	Conservation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
12	General	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,961,665	$2,961,665
13	Revenue Offset	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
14	**Total**	**$2,375,498**	**$0**	**$786,499**	**$0**	**$2,192,109**	**$48,644,466**	**$19,457,787**	**$9,712,756**	**$0**	**$0**	**$3,709,948**	**$86,879,063**
15	***Capital Allocation***	***2.7%***	***0.0%***	***0.9%***	***0.0%***	***2.5%***	***56.0%***	***22.4%***	***11.2%***	***0.0%***	***0.0%***	***4.3%***	***100.0%***

REVENUE OFFSET COST COMPONENT ALLOCATION

Table 3-8 shows the allocation of revenue offsets to each cost component. The functionalized revenue offsets from **Table 3-4** are allocated based on the cost component allocation factors in **Table 3-6**. The revenue offsets (Line 14) in each cost component will be applied to the total revenue requirement based on these allocations.

Table 3-9: Revenue Offset Allocation by Cost Component

Line	Revenue Offsets	Meter	Customer	Fire	SFPUC Supply	Local Supply	Base	Max Day	Max Hour	Conser-vation	Rev. Offset	General	Total
1	Meters	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2	Customer	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	Fire	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	SFPUC Supply	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5	Local Supply	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6	Treatment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	Pumping	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	Storage	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
9	T&D	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10	Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11	Conservation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
12	General	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($985,005)	($985,005)
13	Revenue Offset	$0	$0	$0	$0	$0	$0	$0	$0	$0	($995,000)	$0	($995,000)
14	**Total**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**($995,000)**	**($985,005)**	**($1,980,005)**

3.5 SYSTEM CAPACITY ALLOCATIONS

The costs for certain system functions are based on the capacity requirements related to that function. For example, meter-related costs are allocated based on meter capacity, which is defined by the safe maximum operating capacity of each meter size. This section describes and defines capacity requirements and allocations relating to water meters, private fire lines, customer water usage, and fire protection.

EQUIVALENT METER UNITS

Costs related to meter capacity increase based on meter size. Therefore, equivalent meter units are calculated to provide a basis from which to allocate costs in proportion to meter size. Equivalent meter calculations are shown in **Table 3-10**.

Equivalent meters are calculated based on meter capacity ratios, which represent the safe operating capacity of a water meter relative to the base meter size. For this study, the base meter size is a 5/8" meter, which is the most common meter size in the District's system. Capacity in gallons per minute (gpm) is derived from the AWWA M1 Manual. The meter ratio for a 1.5" meter is 5.00, which means that the capacity of a 1.5" meter is five times that of a 5/8" meter.

The number of meters in each meter size is from **Table 2-7**. Equivalent meters are calculated by multiplying the meter counts by the meter ratio in each size.

Table 3-10: Equivalent Meter Units

Line	Meter Size	Safe Operating Capacity (gpm)	Meter Ratio	Meter Counts	Meter Equivalents
1	5/8 inch	20	1.00	6,114	6,114
2	3/4 inch	30	1.50	201	302
3	1 inch	50	2.50	187	468
4	1.5 inch	100	5.00	31	155
5	2 inch	160	8.00	35	280
6	3 inch	350	17.50	5	88
7	4 inch	630	31.50	2	63
8	6 inch	1,350	67.50	0	0
9	**Total**			**6,575**	**7,469**

EQUIVALENT FIRE LINES

WRE recommends an update to the methodology used to calculate fire capacity and equivalent fire lines. The District's current methodology is based on a linear factor; for example, the rate for a 4" fire line is twice the rate for a 2" fire line. However, based on the Hazen-Williams equation to calculate the flow of water through a pipe, the capacity of a fire line increases exponentially as its diameter size increases. WRE recommends an update to the methodology of calculating fire capacity based on the exponential capacity factor, rather than the existing linear factor.

Costs related to fire protection capacity increase exponentially based on fire line diameter and are attributable to both public fire hydrants and private fire connections. Therefore, equivalent fire lines are calculated to provide a basis from which to allocate costs in proportion to fire line size, and between public and private fire connections. Equivalent fire line calculations are shown in **Table 3-11**; private fire line counts are from **Table 2-8**.

The capacity of a fire line is based on the diameter of the connection and is equal to the connection diameter in inches raised to power of 2.63 based on the Hazen-Williams equation in the AWWA M1 Manual. The fire line ratio is the fire capacity of each diameter size divided by the base fire line, which is a 3/4" diameter. Equivalent fire lines are calculated by multiplying the fire line ratio of each diameter size by the number of connections by size.

The concept of equivalent fire lines provides a methodology to compare the capacity requirements of both private fire protection and public hydrants. The fire protection capacity attributed to private fire connections is equal to 19%; the remaining 81% is attributed to public fire hydrants (Line 11).

Table 3-11: Equivalent Fire Lines

Line	Fire Line Size	Fire Capacity	Fire Line Ratio	Private Fire Counts	Public Hydrant Counts	Private Fire Equivalents	Public Hydrant Equivalents
1	3/4 inch	0.47	1.00	10	0	10	0
2	1 inch	1.00	2.13	753	0	1,605	0
3	1.5 inch	2.90	6.19	50	0	310	0
4	2 inch	6.19	13.19	89	0	1,174	0
5	3 inch	17.98	38.32	4	0	153	0
6	4 inch	38.32	81.66	130	0	10,616	0
7	6 inch	111.31	237.21	61	665	14,470	157,742
8	8 inch	237.21	505.49	15	0	7,582	0
9	10 inch	426.58	909.05	1	0	909	0
10	**Total**			**1,113**	**665**	**36,828**	**157,742**
11	***Percent of Total***			***63%***	***37%***	***19%***	***81%***

CUSTOMER DEMAND AND FIRE CAPACITY

Cost-of-service allocations are typically based on system-wide capacity (which is the combination of customer demand and fire protection). However, Max Day and Max Hour cost components are further allocated between customer demand and fire protection based on their proportion share of each within the water system.

Table 3-12 shows the maximum month capacity factor by customer class and tier. The maximum monthly usage is divided by the average monthly usage to determine the maximum capacity factor for all customer groups. Max Month maximum capacity factor data is typically used as a proxy for Max Day maximum capacity factors in lieu of daily water use data for all customers.

Table 3-12: Max Month Maximum Capacity Factor by Customer Class and Tier

Line	Customer Class	Max Month Usage	Average Month Usage	Max Month Capacity Factor
1	Single Family Residential			
2	Tier 1 (1-4 units)	19,889	18,753	1.06
3	Tier 2 (5-8 units)	10,076	7,500	1.34
4	Tier 3 (9+ units)	6,090	3,426	1.78
5	Multi-Family	3,606	3,182	1.13
6	All Other Customers	27,617	15,798	1.75

Table 3-13 shows the customer demand capacity calculations for Max Day and Max Hour. Max Day maximum capacity is from **Table 3-12**. Max Hour maximum capacity is equal to the customer-specific Max Day maximum capacity increased by the ratio of system-wide Max Hour to system-wide Max Day (**Table 3-5**). The annual use for each customer class and tier is from **Table 2-10**. The daily use is equal to the annual use divided by 365 days.

Max Day demand is calculated by multiplying the daily use in hcf by the Max Day maximum capacity factor for each customer class and tier. Max Day extra capacity is equal to Max Day demand less daily use. Similarly, Max Hour demand is calculated by multiplying the daily use in hcf by the Max Hour maximum capacity factor for each customer class and tier. Max Hour extra capacity is equal to the Max Hour demand less Max Day demand.

The total Max Day and Max Hour extra capacity (Line 7) represents the capacity required to meet customer demand that will be used to allocate Max Day and Max Hour costs between public fire hydrant capacity, private fire line capacity, and customer demand capacity.

Table 3-13: Customer Demand Capacity

Line	Customer Class	Annual Use	Daily Use	Max Day Capacity Factor	Max Day Demand	Max Day Extra Capacity	Max Hour Capacity Factor	Max Hour Demand	Max Hour Extra Capacity
1	Single Family Residential								
2	Tier 1 (1-4 units)	225,000	616	1.06	654	37	2.12	1,308	654
3	Tier 2 (5-8 units)	95,000	260	1.34	350	89	2.69	699	350
4	Tier 3 (9+ units)	48,000	132	1.78	234	102	3.55	467	234
5	Multi-Family	39,000	107	1.13	121	14	2.27	242	121
6	All Other Customers	243,000	666	1.75	1,164	498	3.50	2,328	1,164
7	**Total**	**650,000**	**1,781**		**2,522**	**741**		**5,044**	**2,522**

Table 3-14 shows the calculation of fire capacity requirements in the District's system and the maximum capacity allocation between fire and customer demand. The extra capacity required for fire is based on a maximum fire that lasts two hours using 1,000 gpm of water based on the District's Water Master Plan. The fire capacity is allocated between public hydrants (Line 5) and private fire (Line 6) using the proportion of equivalent fire lines attributed to each service (**Table 3-11**).

The customer demand (**Table 3-13**), public hydrant, and private fire extra capacity (Lines 9-11) are added together to form the total capacity requirements of the system within the Max Day and Max Hour cost components. From there, the capacity allocation factors (Lines 15-17) are calculated based on the proportion of the total capacity requirements related to each service. These allocations are used in a later section of the report to reallocate Max Day and Max Hour costs.

Table 3-14: Maximum Capacity Allocation by Fire and Customer Demand

Line	Maximum Capacity Allocation	Max Day	Max Hour
1	**Fire Capacity**		
2	Hours for Fire	2	2
3	Capacity for Fire (gpm)	1,000	1,000
4	Fire Extra Capacity	160[11]	1,765[12]
5	*Public Hydrants*	*81.1%*	*81.1%*
6	*Private Fire*	*18.9%*	*18.9%*
7			
8	**Capacity Requirements (hcf/day)**		
9	Customer Demand	741	2,522
10	Public Hydrants	130	1,431
11	Private Fire	30	334
12	**Total**	**902**	**4,287**
13			
14	**Fire Capacity Allocation**		
15	Customer Demand	82.2%	58.8%
16	Public Hydrants	14.4%	33.4%
17	Private Fire	3.4%	7.8%
18	**Total**	**100.0%**	**100.0%**

[11] 2 hours x 1,000 gpm x 60 minutes/hour x 748 gallons/hcf

[12] (1,000 gpm x 60 minutes/hour x 24 hours/day / 748 gallons/hcf) - 160 (Max Day fire capacity)

3.6 ALLOCATION TO COST COMPONENTS

PRELIMINARY COST-OF-SERVICE ALLOCATION AND GENERAL REALLOCATION

Table 3-15 shows the preliminary cost-of-service allocation prior to any adjustments and the adjusted cost-of-service allocations after the General cost reallocation. The Operating costs (Line 1) are equal to the total Operating revenue requirements (**Table 3-1**, Line 19) allocated to each cost component based on the Operating allocation (**Table 3-7**, Line 15). The Capital costs (Line 2) are equal to the total Capital revenue requirements (**Table 3-1**, Line 19) allocated to each cost component based on the Capital allocation (**Table 3-8**, Line 15). The Revenue Offsets (Line 3) are equal to the total Revenue Offset requirements (**Table 3-1**, Line 19) and are allocated based on the Revenue Offset allocation (**Table 3-9**, Line 14). Note that the total cost-of-service (Line 4) is equal to the total rate revenue requirement for FYE 2024 (**Table 3-1**, Line 19).

The next step is to reallocate General costs (Line 5) based on the proportion of costs in each cost component (except General and Revenue Offset, which is restricted to specific revenues only) in the preliminary allocation. The total revenue requirement (Line 6) stays the same after the General cost reallocation.

Table 3-15: Cost-of-Service Allocation by Cost Component (Preliminary, General)

Line	Revenue Requirement	Meter	Customer	Fire	SFPUC Supply	Local Supply	Base	Max Day	Max Hour	Conser-vation	Rev. Offset	General	Total
1	Operating Costs	$105,399	$640,919	$0	$2,090,652	$0	$2,558,552	$1,023,421	$262,959	$76,021	$0	$2,253,846	$9,011,769
2	Capital Costs	$164,014	$0	$54,303	$0	$151,353	$3,358,621	$1,343,448	$670,610	$0	$0	$256,151	$5,998,500
3	Revenue Offsets	$0	$0	$0	$0	$0	$0	$0	$0	$0	($995,000)	($985,005)	($1,980,005)
4	**Preliminary Allocation**	**$269,413**	**$640,919**	**$54,303**	**$2,090,652**	**$151,353**	**$5,917,173**	**$2,366,869**	**$933,569**	**$76,021**	**($995,000)**	**$1,524,992**	**$13,030,264**
5	General Cost Allocation	$32,868	$78,190	$6,625	$255,053	$18,465	$721,875	$288,750	$113,892	$9,274	$0	($1,524,992)	$0
6	**Adjusted for General**	**$302,281**	**$719,109**	**$60,928**	**$2,345,704**	**$169,817**	**$6,639,049**	**$2,655,619**	**$1,047,461**	**$85,295**	**($995,000)**	**$0**	**$13,030,264**

FIRE PROTECTION AND MAXIMUM CAPACITY REALLOCATION

Table 3-16 shows the cost-of-service in each cost component after reallocating fire protection and maximum capacity-related costs. The cost-of-service after General cost reallocation (Line 1) is from **Table 3-15**.

Public Fire costs (Line 2) are reallocated from Fire, Max Day, and Max Hour based on the proportion of public fire capacity related to those components. Public Fire costs within the Fire cost component are reallocated based on the proportion of equivalent fire lines for public hydrants (**Table 3-14**, Line 5). Public Fire costs within the Max Day and Max Hour components are reallocated based on the proportion of

capacity related to public fire protection (**Table 3-14**, Line 16). All Public Fire costs are reallocated to the Meter component, since public fire protection is a safety benefit shared by all District customers.

Private Fire costs (Line 3) are reallocated from Max Day and Max Hour to the Fire cost component based on the proportion of capacity related to private fire service (**Table 3-14**, Line 17).

Finally, the maximum capacity reallocation (Line 5) adjusts the costs in Max Day and Max Hour to recover maximum capacity costs in the Meter cost component. This allocation is to maintain the same percentage of fixed revenue recovery (26% fixed revenues to 74% variable revenues), which will provide a similar level of financial and rate stability for the District. 50% of Max Day and Max Hour costs are reallocated to the Meter component to achieve the same percentage of fixed revenues.

Table 3-16: Cost-of-Service Allocation by Cost Component (Fire Protection, Maximum Capacity)

Line	Revenue Requirement	Meter	Customer	Fire	SFPUC Supply	Local Supply	Base	Max Day	Max Hour	Conser-vation	Rev. Offset	Total
1	**Adjusted for General**	**$302,281**	**$719,109**	**$60,928**	**$2,345,704**	**$169,817**	**$6,639,049**	**$2,655,619**	**$1,047,461**	**$85,295**	**($995,000)**	**$13,030,264**
2	Public Fire Allocation	$782,034	$0	($49,396)	$0	$0	$0	($383,056)	($349,583)	$0	$0	$0
3	Private Fire Allocation	$0	$0	$171,050	$0	$0	$0	($89,433)	($81,617)	$0	$0	$0
4	**Adjusted for Fire**	**$1,084,315**	**$719,109**	**$182,582**	**$2,345,704**	**$169,817**	**$6,639,049**	**$2,183,131**	**$616,261**	**$85,295**	**($995,000)**	**$13,030,264**
5	Maximum Capacity Reallocation	$1,399,696	$0	$0	$0	$0	$0	($1,091,565)	($308,131)	$0	$0	$0
6	**Adjusted for Max. Capacity**	**$2,484,011**	**$719,109**	**$182,582**	**$2,345,704**	**$169,817**	**$6,639,049**	**$1,091,565**	**$308,131**	**$85,295**	**($995,000)**	**$13,030,264**

FINAL COST-OF-SERVICE ALLOCATION

Table 3-17 shows the final cost-of-service allocation based on the adjustments for General, Fire, and Maximum Capacity from the prior report tables. The Fire component, after removing costs related to public fire protection, now represents Private Fire costs and is renamed in the following table. The Max Day and Max Hour components now represent the capacity requirements of customer water demand only and do not include costs related to public or private fire protection capacity.

Table 3-17: Cost-of-Service Allocation by Cost Component (Final)

Line	Cost Components	Final Cost Allocation
1	Meter	$2,484,011
2	Customer	$719,109
3	Private Fire	$182,582
4	SFPUC Supply	$2,345,704
5	Local Supply	$169,817
6	Base	$6,639,049
7	Max Day	$1,091,565
8	Max Hour	$308,131
9	Conservation	$85,295
10	Rev. Offset	($995,000)
11	**Total**	**$13,030,264**

3.7 UNIT COST CALCULATION

UNITS OF SERVICE DEFINITIONS

The appropriate units of service are then established for each cost component based on cost causation, which is shown in **Table 3-18**. Cost components to be recovered by the fixed charges are assigned units of service based on the number of equivalent meters (**Table 3-10**), customers (sum of meter counts and private fire line counts from **Table 3-10** and **Table 3-11**), and equivalent fire lines (**Table 3-11**). Cost components to be recovered by the quantity charges are assigned units based on annual usage in hcf or extra capacity for Max Day or Max Hour (**Table 3-13**).

Table 3-18: Units of Service Definitions

Line	Cost Components	Units of Service Definition	Units of Service	Units
1	Meter	*Equivalent meters x 12 mo.*	89,622	equiv. meters/year
2	Customer	*Meter & private fire counts x 12 mo.*	92,256	bills/year
3	Private Fire	*Equivalent fire lines x 12 mo.*	441,940	equiv. lines/year
4	SFPUC Supply	*Annual usage in hcf*	650,000	hcf/year
5	Local Supply	*Annual usage in hcf*	650,000	hcf/year
6	Base	*Annual usage in hcf*	650,000	hcf/year
7	Max Day	*Max Day extra capacity*	741	hcf/day
8	Max Hour	*Max Hour extra capacity*	2,522	hcf/day
9	Conservation	*Annual usage in hcf*	650,000	hcf/year
10	Rev. Offset	*Annual usage in hcf*	650,000	hcf/year

UNIT COST BY COST COMPONENT

Table 3-19 shows the calculation of unit costs by each cost component. The final cost-of-service allocation (**Table 3-17**) is divided by the units of service (**Table 3-18**) for each cost component to derive the unit cost. These unit costs will determine the cost-of-service by customer class.

Table 3-19: Unit Cost by Cost Component

Line	Cost Components	Final Cost Allocation	Units of Service	Unit Cost	Units
1	Meter	$2,484,011	89,622	$27.72	per equiv. meter
2	Customer	$719,109	92,256	$7.79	per bill
3	Private Fire	$182,582	441,940	$0.41	per equiv. line
4	SFPUC Supply	$2,345,704	650,000	$3.61	per hcf
5	Local Supply	$169,817	650,000	$0.26	per hcf
6	Base	$6,639,049	650,000	$10.21	per hcf
7	Max Day	$1,091,565	741	$1,472.59	per hcf/day
8	Max Hour	$308,131	2,522	$122.17	per hcf/day
9	Conservation	$85,295	650,000	$0.13	per hcf
10	Rev. Offset	($995,000)	650,000	($1.53)	per hcf

3.8 COST-OF-SERVICE BY CUSTOMER CLASS

The final step in the cost-of-service analysis is to determine the cost to serve each customer class based on the cost components, which is shown in **Table 3-20**. The unit cost by cost component (**Table 3-19**) is multiplied by the units of service for each customer class to determine the cost to serve each class. Note that the total cost-of-service is equal to the total rate revenue requirement for FYE 2024 (**Table 3-1**).

Table 3-20: Cost-of-Service Allocation by Cost Component and Customer Class

Line	Customer Class	Meter	Customer	Private Fire	SFPUC Supply	Local Supply	Base	Max Day	Max Hour	Conser-vation	Rev. Offset	Total
1	Single Family Residential	$2,017,375	$550,463	$0	$1,328,030	$96,143	$3,758,723	$337,179	$151,152	$48,290	($563,323)	$7,724,031
2	*Tier 1 (1-4 units)*						*$2,298,132*	*$55,007*	*$79,876*			
3	*Tier 2 (5-8 units)*						*$970,322*	*$131,631*	*$42,719*			
4	*Tier 3 (9+ units)*						*$490,268*	*$150,542*	*$28,556*			
5	Multi-Family	$78,493	$10,663	$0	$140,742	$10,189	$398,343	$20,976	$14,794	$5,118	($59,700)	$619,618
6	All Other Customers	$388,142	$53,877	$0	$876,933	$63,485	$2,481,983	$733,410	$142,185	$31,887	($371,977)	$4,399,926
7	Private Fire	$0	$104,106	$182,582	$0	$0	$0	$0	$0	$0	$0	$286,689
8	**Total**	**$2,484,011**	**$719,109**	**$182,582**	**$2,345,704**	**$169,817**	**$6,639,049**	**$1,091,565**	**$308,131**	**$85,295**	**($995,000)**	**$13,030,264**

4. WATER RATES

4.1 RATE DESIGN METHODOLOGY

A three-year proposed water rate schedule was developed based on the results of the proposed financial plan and cost-of-service analysis. The key steps in developing the proposed rate schedule are outlined below:

- **Rate structure evaluation**: The existing rate structure is evaluated, and any proposed changes are identified. Proposed rate structure changes are typically intended to address specific policy objectives or to allocate costs based on the cost-of-service analysis.
- **Test year rate development**: Rates are calculated for the proposed rate structure for the cost-of-service test year (FYE 2024). Rate calculations directly incorporate the unit costs developed in the cost-of-service analysis. The test year rates are revenue neutral, then are increased based on the proposed financial plan revenue adjustments. Although total rate revenues in the first year of adjustments (FYE 2025) are designed to increase by the proposed revenue adjustment percentage (8% in FYE 2025), the proposed percentage increase to each rate/charge varies due to the updated cost-of-service allocations.
- **Three-year rate schedule development**: Proposed rates for the full three-year period are calculated by increasing the cost-of-service rates by the proposed annual revenue adjustment percentages from the proposed financial plan.

4.2 PROPOSED CHANGES TO RATE STRUCTURE

The main objective of the rate study was to conduct an updated cost-of-service analysis while maintaining as much of the current water rate structure as possible to minimize customer impacts. The District's current rate structure includes a monthly base charge, a monthly fire service charge, three-tiered quantity charges for Single Family Residential, and uniform quantity charges for other customers. Aside from a change in cost-of-service methodology for the monthly fire service charges, WRE is not recommending any changes to the District's water rate structure. The water rate structure aligns with cost-of-service principles and is best suited to meet the District's needs.

4.3 PROPOSED MONTHLY BASE CHARGES

REVENUE NEUTRAL RATES

The revenue neutral rate represents the cost-of-service analysis for FYE 2024 but does not include the proposed revenue adjustments for the first year of rates in FYE 2025. **Table 4-1** shows the revenue neutral monthly base charge calculations. The Meter and Customer unit costs are from **Table 3-19** (Lines 1-2). Meter unit costs are multiplied by the meter capacity ratio; Customer costs do not vary based on meter size and thus are the same for all meter sizes.

Table 4-1: Revenue Neutral Monthly Base Charges

Line	Meter Size	Meter Ratio	Number of Accounts	Meter Cost	Customer Cost	Revenue Neutral Rate
1	5/8 inch	1.00	6,114	$27.72	$7.79	$35.52
2	3/4 inch	1.50	201	$41.57	$7.79	$49.37
3	1 inch	2.50	187	$69.29	$7.79	$77.09
4	1.5 inch	5.00	31	$138.58	$7.79	$146.38
5	2 inch	8.00	35	$221.73	$7.79	$229.53
6	3 inch	17.50	5	$485.04	$7.79	$492.84
7	4 inch	31.50	2	$873.07	$7.79	$880.87
8	6 inch	67.50	0	$1,870.87	$7.79	$1,878.67

PROPOSED RATES WITH ADJUSTMENT

Table 4-2 shows the proposed monthly base charges for FYE 2025 based on the revenue neutral rate (**Table 4-1**) adjusted by the proposed revenue adjustment of 8% in the first year (**Table 2-23**) and rounded up to the nearest cent.

Table 4-2: Proposed Monthly Base Charges after Adjustment

Line	Meter Size	Revenue Neutral Rate	Proposed Rate (w/ 8% Adj.)	Current Rate	Difference ($)	Difference (%)
1	5/8 inch	$35.52	$38.36	$35.81	$2.55	7.1%
2	3/4 inch	$49.37	$53.32	$52.92	$0.40	0.8%
3	1 inch	$77.09	$83.26	$87.10	($3.84)	-4.4%
4	1.5 inch	$146.38	$158.09	$172.59	($14.50)	-8.4%
5	2 inch	$229.53	$247.89	$275.18	($27.29)	-9.9%
6	3 inch	$492.84	$532.27	$600.02	($67.75)	-11.3%
7	4 inch	$880.87	$951.34	$1,078.79	($127.45)	-11.8%
8	6 inch	$1,878.67	$2,028.96			

4.4 PROPOSED MONTHLY FIRE SERVICE CHARGES

REVENUE NEUTRAL RATES

The revenue neutral rate represents the cost-of-service analysis for FYE 2024 but does not include the proposed revenue adjustments for the first year of rates in FYE 2025. **Table 4-3** shows the revenue neutral monthly fire service charge calculations. The Private Fire and Customer unit costs are from **Table 3-19** (Lines 2-3). Private Fire unit costs are multiplied by the fire ratio; Customer costs do not vary based on fire line size and thus are the same for all sizes.

Table 4-3: Revenue Neutral Monthly Fire Service Charges

Line	Fire Line Size	Fire Ratio	Number of Accounts	Private Fire Cost	Customer Cost	Revenue Neutral Rate
1	3/4 inch	1.00	10	$0.41	$7.79	$8.21
2	1 inch	2.13	753	$0.88	$7.79	$8.68
3	1.5 inch	6.19	50	$2.56	$7.79	$10.36
4	2 inch	13.19	89	$5.45	$7.79	$13.25
5	3 inch	38.32	4	$15.83	$7.79	$23.63
6	4 inch	81.66	130	$33.74	$7.79	$41.54
7	6 inch	237.21	61	$98.00	$7.79	$105.80
8	8 inch	505.49	15	$208.84	$7.79	$216.64
9	10 inch	909.05	1	$375.57	$7.79	$383.36

PROPOSED RATES WITH ADJUSTMENT

Table 4-4 shows the proposed monthly fire service charges for FYE 2025 based on the revenue neutral rate (**Table 4-3**) adjusted by the proposed revenue adjustment of 8% in the first year (**Table 2-23**) and rounded up to the nearest cent.

Table 4-4: Proposed Monthly Fire Service Charges after Adjustment

Line	Fire Line Size	Revenue Neutral Rate	Proposed Rate (w/ 8% Adj.)	Current Rate	Difference ($)	Difference (%)
1	3/4 inch	$8.21	$8.87	$6.01	$2.86	47.6%
2	1 inch	$8.68	$9.37	$8.01	$1.36	17.0%
3	1.5 inch	$10.36	$11.19	$12.02	($0.83)	-6.9%
4	2 inch	$13.25	$14.31	$16.02	($1.71)	-10.7%
5	3 inch	$23.63	$25.52	$24.03	$1.49	6.2%
6	4 inch	$41.54	$44.86	$32.04	$12.82	40.0%
7	6 inch	$105.80	$114.26	$48.06	$66.20	137.7%
8	8 inch	$216.64	$233.97	$64.08	$169.89	265.1%
9	10 inch	$383.36	$414.03	$80.10	$333.93	416.9%

4.5 PROPOSED QUANTITY CHARGES

The quantity charge calculations include the Supply, Base, Maximum Capacity, Conservation, and Revenue Offset components, which are detailed in this section.

SUPPLY COST

Table 4-5 shows the calculation of unit cost by source of supply: Local Supply and SFPUC Supply. The total cost (Line 1) is equal to the cost-of-service allocation to the Local Supply and SFPUC Supply cost components (**Table 3-17**, Lines 4-5). The availability of each source (Line 2) is the same percentage as that shown in the financial plan for FYE 2024 (**Table 2-14**, Lines 2-3).

The available supply in hcf (Line 3) is calculated by multiplying the total annual water use for all customers (**Table 3-13**) by the available percentage from each source. The unit cost for each source (Line 4) is calculated by dividing the total cost (Line 1) by the available supply in hcf (Line 3).

Table 4-5: Unit Cost by Source of Supply

Line	Water Supply Cost	Local Supply Cost	SFPUC Supply Cost	Total
1	Total Cost of Service	$169,817	$2,345,704	$2,515,521
2	Available Supply (%)	35%	65%	100%
3	Available Supply (hcf)	227,500	422,500	650,000
4	**Unit Cost ($/hcf)**	**$0.75**	**$5.55**	**$3.87**

Table 4-6 shows the supply unit cost by customer class and tier. The available water from each source of supply (**Table 4-5**, Line 3) is divided between each customer class based on proportion of usage. For Single Family Residential customers, the cheapest source of supply (Local Supply) is allocated to the lower tiers first. This follows the guidance set by Article X of the California Constitution, which prioritizes the most "beneficial use" of water, typically defined as indoor water usage for health and safety requirements. Tier 1 includes a combination of Local Supply and SFPUC Supply; Tiers 2 and 3 are served entirely by more expensive SFPUC water. The Supply Unit cost for each customer class and tier is the weighted average of the two unit costs for each source.

Table 4-6: Supply Unit Cost by Customer Class

Line	Customer Class	Usage (hcf)	Local Supply	SFPUC Supply	Supply Unit Cost
1	Single Family Residential		*128,800*	*239,200*	
2	Tier 1 (1-4 units)	225,000	128,800	96,200	$2.80
3	Tier 2 (5-8 units)	95,000	0	95,000	$5.55
4	Tier 3 (9+ units)	48,000	0	48,000	$5.55
5	Multi-Family	39,000	13,650	25,350	$3.87
6	All Other Customers	243,000	85,050	157,950	$3.87
7	**Total**	**650,000**	**227,500**	**422,500**	

BASE COST

The Base unit cost of $10.21 per hcf is from **Table 3-19** and is charged to all customer classes and tiers equally.

MAXIMUM CAPACITY COST

Table 4-7 shows the combined Maximum Capacity unit cost by customer class and tier. The total Maximum Capacity costs are the sum of Max Day and Max Hour costs (**Table 3-20**). The Maximum Capacity unit cost is calculated by dividing the total Maximum Capacity costs by the annual usage in hcf for each customer class and tier.

Table 4-7: Maximum Capacity Unit Cost by Customer Class

Line	Customer Class	Usage (hcf)	Max Day Cost	Max Hour Cost	Total Cost	Maximum Capacity Unit Cost
1	Single Family Residential					
2	Tier 1 (1-4 units)	225,000	$55,007	$79,876	$134,882	$0.60
3	Tier 2 (5-8 units)	95,000	$131,631	$42,719	$174,351	$1.84
4	Tier 3 (9+ units)	48,000	$150,542	$28,556	$179,098	$3.73
5	Multi-Family	39,000	$20,976	$14,794	$35,770	$0.92
6	All Other Customers	243,000	$733,410	$142,185	$875,595	$3.60
7	**Total**	**650,000**	**$1,091,565**	**$308,131**		

CONSERVATION COST

Table 4-8 shows the calculation of Conservation unit costs by customer class and tier. Conservation costs for Single Family Residential customers are allocated entirely to Tier 3, which represents the usage tier that the District's water conservation program targets. The Conservation costs for all other customer classes are allocated to all usage. Conservation costs are from **Table 3-20** and are divided by the annual usage in each customer class and applicable usage tier.

Table 4-8: Conservation Unit Cost by Customer Class

Line	Customer Class	Usage (hcf)	Allocated to Conservation	Allotted Usage (hcf)	Conservation Cost	Conservation Unit Cost
1	Single Family Residential					
2	Tier 1 (1-4 units)	225,000	0%	0	$0	$0.00
3	Tier 2 (5-8 units)	95,000	0%	0	$0	$0.00
4	Tier 3 (9+ units)	48,000	100%	48,000	$48,290	$1.01
5	Multi-Family	39,000	100%	39,000	$5,118	$0.13
6	All Other Customers	243,000	100%	243,000	$31,887	$0.13
7	**Total**	**650,000**			**$85,295**	**$0.13**

REVENUE OFFSET

Table 4-9 shows the Revenue Offset by customer class and tier. Revenue offsets consist of property tax revenues, which are not generated by any specific customer class for a direct water service that the District provides. The District has discretion to use these revenues to offset the cost of water; all customer classes benefit from the Revenue Offsets equally, which are allocated based on usage in each customer class.

Within the Single Family Residential class, Tier 1 receives the full Revenue Offset, while Tier 2 receives a partial offset. This allocation within the Single Family Residential class is to lower costs of water for low water users, enhancing affordability of essential uses of water.

Table 4-9: Revenue Offset by Customer Class

Line	Customer Class	Usage (hcf)	Allocated to Rev. Offset	Allotted Usage (hcf)	Rev. Offset	Rev. Offset Unit Cost
1	Single Family Residential			*253,500*	*($563,323)*	*($2.22)*
2	Tier 1 (1-4 units)	225,000	100%	225,000	$0	($2.22)
3	Tier 2 (5-8 units)	95,000	30%	28,500	$0	($0.67)
4	Tier 3 (9+ units)	48,000	0%	0	$0	$0.00
5	Multi-Family	39,000	100%	39,000	($59,700)	($1.53)
6	All Other Customers	243,000	100%	243,000	($371,977)	($1.53)
7	**Total**	**650,000**			**($995,000)**	

REVENUE NEUTRAL RATES

The revenue neutral rate represents the cost-of-service analysis for FYE 2024 but does not include the proposed revenue adjustments for the first year of rates in FYE 2025. **Table 4-10** shows the revenue neutral quantity charges for all classes and tiers, based on the Supply unit cost from **Table 4-6**, the Base unit cost from **Table 3-19**, the Maximum Capacity unit cost from **Table 4-7**, the Conservation unit cost from **Table 4-8**, and the Revenue Offset from **Table 4-9**.

Table 4-10: Revenue Neutral Quantity Charges

Line	Customer Class	Usage (hcf)	Supply Cost	Base Cost	Max. Capacity Cost	Conserv-ation Cost	Rev. Offset	Revenue Neutral Rate
1	Single Family Residential							
2	Tier 1 (1-4 units)	225,000	$2.80	$10.21	$0.60	$0.00	($2.22)	$11.40
3	Tier 2 (5-8 units)	95,000	$5.55	$10.21	$1.84	$0.00	($0.67)	$16.94
4	Tier 3 (9+ units)	48,000	$5.55	$10.21	$3.73	$1.01	$0.00	$20.51
5	Multi-Family	39,000	$3.87	$10.21	$0.92	$0.13	($1.53)	$13.61
6	All Other Customers	243,000	$3.87	$10.21	$3.60	$0.13	($1.53)	$16.29

PROPOSED RATES WITH ADJUSTMENT

Table 4-11 shows the proposed quantity charges for FYE 2025 based on the revenue neutral rate (**Table 4-10**) adjusted by the proposed revenue adjustment of 8% in the first year (**Table 2-23**) and rounded up to the nearest cent.

Table 4-11: Proposed Quantity Charges after Adjustment

Line	Customer Class	Revenue Neutral Rate	Proposed Rate (w/ 8% Adj.)	Current Rate	Difference ($)	Difference (%)
1	Single Family Residential					
2	Tier 1 (1-4 units)	$11.40	$12.31	$11.40	$0.91	8.0%
3	Tier 2 (5-8 units)	$16.94	$18.29	$16.66	$1.63	9.8%
4	Tier 3 (9+ units)	$20.51	$22.15	$20.16	$1.99	9.9%
5	Multi-Family	$13.61	$14.69	$15.19	($0.50)	-3.3%
6	All Other Customers	$16.29	$17.60	$16.19	$1.41	8.7%

4.6 PROPOSED WATER RATE SCHEDULE

PROPOSED THREE-YEAR REVENUE ADJUSTMENTS

Table 4-12 shows the revenue adjustments for the three-year period and their effective date based on the proposed financial plan (**Table 2-23**).

Table 4-12: Proposed Revenue Adjustments

Line	Fiscal Year	Revenue Adjustments	Effective Date
1	FYE 2025	8.0%	1/1/2025
2	FYE 2026	8.0%	1/1/2026
3	FYE 2027	8.0%	1/1/2027

PROPOSED THREE-YEAR WATER RATE SCHEDULE

The proposed three-year water rate schedules are based on the proposed rate methodology changes, the updated cost-of-service analysis, and the proposed revenue adjustments (**Table 4-12**) in the three-year period. The proposed rates for FYE 2026 and FYE 2027 were calculated by increasing the FYE 2025 rates by the revenue adjustments, rounded up to the nearest cent. **Table 4-13**, **Table 4-14**, and **Table 4-15** show the current and proposed monthly base charges, monthly fire service charges, and quantity charges, respectively.

Table 4-13: Proposed Monthly Base Charges

Line	Monthly Base Charge	As of 1/18/24	Effective 1/1/25	Effective 1/1/26	Effective 1/1/27
1	5/8 inch	$35.81	$38.36	$41.43	$44.75
2	3/4 inch	$52.92	$53.32	$57.59	$62.20
3	1 inch	$87.10	$83.26	$89.93	$97.13
4	1.5 inch	$172.59	$158.09	$170.74	$184.40
5	2 inch	$275.18	$247.89	$267.73	$289.15
6	3 inch	$600.02	$532.27	$574.86	$620.85
7	4 inch	$1,078.79	$951.34	$1,027.45	$1,109.65
8	6 inch		$2,028.96	$2,191.28	$2,366.59

Table 4-14: Proposed Monthly Fire Service Charges

Line	Monthly Fire Service Charge	As of 1/18/24	Effective 1/1/25	Effective 1/1/26	Effective 1/1/27
1	3/4 inch	$6.01	$8.87	$9.58	$10.35
2	1 inch	$8.01	$9.37	$10.12	$10.93
3	1.5 inch	$12.02	$11.19	$12.09	$13.06
4	2 inch	$16.02	$14.31	$15.46	$16.70
5	3 inch	$24.03	$25.52	$27.57	$29.78
6	4 inch	$32.04	$44.86	$48.45	$52.33
7	6 inch	$48.06	$114.26	$123.41	$133.29
8	8 inch	$64.08	$233.97	$252.69	$272.91
9	10 inch	$80.10	$414.03	$447.16	$482.94

Table 4-15: Proposed Quantity Charges

Line	Quantity Charge ($/hcf)	As of 1/18/24	Effective 1/1/25	Effective 1/1/26	Effective 1/1/27
1	Single Family Residential				
2	Tier 1 (1-4 units)	$11.40	$12.31	$13.30	$14.37
3	Tier 2 (5-8 units)	$16.66	$18.29	$19.76	$21.35
4	Tier 3 (9+ units)	$20.16	$22.15	$23.93	$25.85
5	Multi-Family	$15.19	$14.69	$15.87	$17.14
6	All Other Customers	$16.19	$17.60	$19.01	$20.54

4.7 CUSTOMER IMPACTS

RESIDENTIAL CUSTOMER IMPACTS

Table 4-16 shows the proposed impacts without private fire for a Residential customer with a 5/8" meter (the most common meter size within this class, representing approximately 96% of customers) at various levels of monthly usage. For the average Single Family Residential customer that uses 5 hcf of water a month, the monthly impact will be $7.82 or 8%, which reflects the impact of the cost-of-service analysis and the 8% revenue adjustment applied to FYE 2025.

Table 4-16: Proposed Residential Customer Impacts (Without Fire)

Line	Residential Customer Impacts	Monthly Usage (hcf)	Current Bill	Proposed Bill	Difference ($)	Difference (%)
1	Single Family - Very Low Usage	1	$47.21	$50.67	$3.46	7.3%
2	Single Family - Low Usage	2	$58.61	$62.98	$4.37	7.5%
3	Single Family - Median Usage	4	$81.41	$87.60	$6.19	7.6%
4	Single Family - Average Usage	5	$98.07	$105.89	$7.82	8.0%
5	Single Family - High Usage	7	$131.39	$142.47	$11.08	8.4%
6	Single Family - Very High Usage	10	$188.37	$205.06	$16.69	8.9%
7	Multi-Family - Average Usage	28	$461.13	$449.68	($11.45)	-2.5%

Table 4-17 shows the proposed impacts for a Residential customer with a 5/8" meter and a 1" private fire line (the most common fire line size). Approximately 13% of Single Family Residential customers have a private fire line. A Single Family Residential customer using 5 hcf of water will see an increase of $9.18 per month.

Table 4-17: Proposed Residential Customer Impacts (With Fire)

Line	Residential Customer Impacts	Monthly Usage (hcf)	Current Bill w/ 1" Fire	Proposed Bill w/ 1" Fire	Difference ($)	Difference (%)
1	Single Family - Very Low Usage	1	$55.22	$60.04	$4.82	8.7%
2	Single Family - Low Usage	2	$66.62	$72.35	$5.73	8.6%
3	Single Family - Median Usage	4	$89.42	$96.97	$7.55	8.4%
4	Single Family - Average Usage	5	$106.08	$115.26	$9.18	8.7%
5	Single Family - High Usage	7	$139.40	$151.84	$12.44	8.9%
6	Single Family - Very High Usage	10	$196.38	$214.43	$18.05	9.2%
7	Multi-Family - Average Usage	28	$469.14	$459.05	($10.09)	-2.2%

COMMERCIAL AND ALL OTHER CUSTOMER IMPACTS

Table 4-18 shows the proposed impacts without private fire for various Commercial/All Other customers based on estimated monthly usage and meter size.

Table 4-18: Proposed Commercial/All Other Customer Impacts (Without Fire)

Line	Commercial/All Other Customer Impacts	Monthly Usage (hcf)	Meter Size	Private Fire Line	Current Bill	Proposed Bill	Difference ($)	Difference (%)
1	Agriculture	600	2 inch	none	$9,989.18	$10,807.89	$818.71	8.2%
2	Commercial Grocery	150	1.5 inch	6 inch	$2,601.09	$2,798.09	$197.00	7.6%
3	Commercial Grocery	200	1 inch	8 inch	$3,325.10	$3,603.26	$278.16	8.4%
4	Commercial Retail	50	1 inch	6 inch	$896.60	$963.26	$66.66	7.4%
5	Commercial Office	11	1 inch	none	$265.19	$276.86	$11.67	4.4%
6	Hotel	850	4 inch	6 inch	$14,840.29	$15,911.34	$1,071.05	7.2%
7	Hotel	300	2 inch	4 inch	$5,132.18	$5,527.89	$395.71	7.7%
8	Hotel	64	1.5 inch	8 inch	$1,208.75	$1,284.49	$75.74	6.3%
9	Restaurant	205	1 inch	4 inch	$3,406.05	$3,691.26	$285.21	8.4%
10	Restaurant	78	3/4 inch	none	$1,315.74	$1,426.12	$110.38	8.4%

Table 4-19 shows the proposed impacts with private fire for various Commercial/All Other customers based on estimated monthly usage, meter size, and fire line size.

Table 4-19: Proposed Commercial/All Other Customer Impacts (With Fire)

Line	Commercial/All Other Customer Impacts	Monthly Usage (hcf)	Meter Size	Private Fire Line	Current Bill	Proposed Bill	Difference ($)	Difference (%)
1	Agriculture	600	2 inch	none	$9,989.18	$10,807.89	$818.71	8.2%
2	Commercial Grocery	150	1.5 inch	6 inch	$2,649.15	$2,912.35	$263.20	9.9%
3	Commercial Grocery	200	1 inch	8 inch	$3,389.18	$3,837.23	$448.05	13.2%
4	Commercial Retail	50	1 inch	6 inch	$944.66	$1,077.52	$132.86	14.1%
5	Commercial Office	11	1 inch	none	$265.19	$276.86	$11.67	4.4%
6	Hotel	850	4 inch	6 inch	$14,888.35	$16,025.60	$1,137.25	7.6%
7	Hotel	300	2 inch	4 inch	$5,164.22	$5,572.75	$408.53	7.9%
8	Hotel	64	1.5 inch	8 inch	$1,272.83	$1,518.46	$245.63	19.3%
9	Restaurant	205	1 inch	4 inch	$3,438.09	$3,736.12	$298.03	8.7%
10	Restaurant	78	3/4 inch	none	$1,315.74	$1,426.12	$110.38	8.4%

5. WATER SHORTAGE RATES

5.1 WATER SHORTAGE RATE DESIGN METHODOLOGY

In addition to the base water rates developed in the prior section of the report, water shortage rates were developed to be implemented during water shortage emergencies. The key steps in determining the water shortage rates are as follows:

- **Evaluate financial risks**: the District faces different risks based on two main water shortage conditions – a constrained year water supply (when water supply is low and more expensive to purchase) and a water shortage emergency (when government-mandated usage cutbacks reduce the District 's consumption charge revenues).
- **Determine cost impact**: the cost impact is dependent upon the water shortage condition. Constrained water supply results in higher costs to purchase water for the District to meet its customer demand. Water shortage emergencies result in lost revenues from consumption charges when customers use less water.
- **Calculate water shortage rates**: the resulting cost impact is then used to calculate water shortage rates, to be implemented during water shortage emergencies and which vary based on stages (from the District's Water Shortage Contingency Plan).

5.2 RISKS RELATED TO WATER SHORTAGES

WATER SHORTAGE EMERGENCIES

The District's WCSP includes six stages of water shortage, which all require a different level of usage reduction from the District's customers. When customers reduce their usage in each stage, the District's rate revenues from quantity charges are directly impacted. When water shortage emergencies occur, especially during more severe stages, the amount of lost revenue can significantly impact the District's ability to meet its operating, capital, and reserve requirements.

Water shortage rates are a tool for the District to effectively respond to water shortage emergencies while maintaining financial sufficiency and operational reliability. Water shortage rates are designed to recover the costs of water shortage: loss of quantity charge rate revenues, water supply cost differences, and other water shortage-related O&M expenses.

5.3 PROPOSED WATER SHORTAGE RATES

USAGE REDUCTIONS BY WATER SHORTAGE STAGE

Table 5-1 shows the projected water usage reductions in each water shortage stage by customer class. The total usage reduction (Line 1) for each stage is based on the District's WSCP. The total usage reduction in each stage is applied to the total usage for each customer class equally. For example, in Stage 1, Single Family Residential, Multi-Family, and All Other Customers are expected to reduce their class usage by 10%.

However, within the Single Family Residential class, the usage reductions are assumed to happen at the highest tiers first. Customers using water in the highest usage tiers have more capacity to

conserve water during a shortage compared to lower water users that are already conserving. By Stage 2, Single Family Residential Tier 3 usage reduces to zero; by Stage 4, Tier 2 usage reduces to zero, leaving only Tier 1 usage.

Table 5-1: Water Usage Reductions by Stage and Customer Class

Line	Water Shortage Stages	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	**Total Usage Reduction**	**0%**	**10%**	**20%**	**30%**	**40%**	**50%**	**60%**
2								
3	**Usage Reduction by Class**							
4	Single Family Residential	*378,245*	*340,420*	*302,596*	*264,771*	*226,947*	*189,122*	*151,298*
5	Tier 1 (1-4 units)	231,264	231,264	231,264	231,264	226,947	189,122	151,298
6	Tier 2 (5-8 units)	97,645	97,645	71,332	33,508	0	0	0
7	Tier 3 (9+ units)	49,336	11,512	0	0	0	0	0
8	Multi-Family	41,552	37,397	33,242	29,087	24,931	20,776	16,621
9	All Other Customers	275,572	248,015	220,457	192,900	165,343	137,786	110,229
10	**Total**	**695,369**	**625,832**	**556,295**	**486,758**	**417,221**	**347,684**	**278,147**
11	***Total Usage Reduction***	***0%***	***-10%***	***-20%***	***-30%***	***-40%***	***-50%***	***-60%***

CONSUMPTION REVENUE LOSS

Table 5-2 shows the estimated consumption revenue loss by stage based on the proposed quantity charges for FYE 2025 (**Table 4-15**). The proposed FYE 2025 quantity charge is multiplied by the estimated usage in each stage (**Table 5-1**) to determine the consumption revenues by stage. The difference from Baseline, or the "no water shortage" scenario, represents the revenue loss during each water shortage stage (Line 18).

Table 5-2: Consumption Revenue Loss by Stage

Line	Consumption Revenue Loss	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	**Quantity Charges FYE 2025**							
2	Single Family Residential							
3	Tier 1 (1-4 units)	$12.31	$12.31	$12.31	$12.31	$12.31	$12.31	$12.31
4	Tier 2 (5-8 units)	$18.29	$18.29	$18.29	$18.29	$18.29	$18.29	$18.29
5	Tier 3 (9+ units)	$22.15	$22.15	$22.15	$22.15	$22.15	$22.15	$22.15
6	Multi-Family	$14.69	$14.69	$14.69	$14.69	$14.69	$14.69	$14.69
7	All Other Customers	$17.60	$17.60	$17.60	$17.60	$17.60	$17.60	$17.60
8								
9	**Consumption Revenues**							
10	Single Family Residential							
11	Tier 1 (1-4 units)	$2,846,856	$2,846,856	$2,846,856	$2,846,856	$2,793,715	$2,328,096	$1,862,477
12	Tier 2 (5-8 units)	$1,785,921	$1,785,921	$1,304,662	$612,853	$0	$0	$0
13	Tier 3 (9+ units)	$1,092,798	$254,986	$0	$0	$0	$0	$0
14	Multi-Family	$610,404	$549,364	$488,323	$427,283	$366,243	$305,202	$244,162
15	All Other Customers	$4,850,062	$4,365,056	$3,880,049	$3,395,043	$2,910,037	$2,425,031	$1,940,025
16	**Total**	**$11,186,041**	**$9,802,183**	**$8,519,891**	**$7,282,035**	**$6,069,994**	**$5,058,329**	**$4,046,663**
17								
18	**Consumption Revenue Loss**	**$0**	**$1,383,858**	**$2,666,150**	**$3,904,006**	**$5,116,047**	**$6,127,713**	**$7,139,378**

WATER SUPPLY COST DIFFERENCES

Table 5-3 shows the calculation of water supply costs for each stage based on changing supply availability. The water supply cost differences in this section do not assume an increase to the SFPUC variable cost of water. In Stage 1, the availability of local water is

reduced to 25%. In Stages 2 and 3, the availability of local water is reduced to 6%. In Stages 4 through 6, local water is not expected to be available. The District must purchase more water from SFPUC to offset the reduction in local supply availability.

The total consumption in each stage (Line 7) is from **Table 5-1**. The demand served by SFPUC (Line 8) is calculated by multiplying the total consumption (Line 7) by the SFPUC supply availability (Line 3). A water loss percentage of 4% (Line 9; from **Table 2-14**, Line 5) is applied to the demand served by SFPUC (Line 8) to determine the total amount of water purchased from SFPUC (Line 10). The SFPUC net unit cost (Line 10; from **Table 2-14**, Line 18) is the FYE 2025 rate. The SFPUC variable cost (Line 12) is calculated by multiplying the SFPUC purchases (Line 10) by the SFPUC net unit cost (Line 11). Note that the water supply cost differences do not assume any change to SFPUC variable costs; water shortage rates are designed to recover the costs of each stage, with all other costs being equal.

The supply cost difference (Line 14) represents the impacts of the changing water supply availability and the usage reductions in each stage. The District will incur additional costs in Stages 1-3 by purchasing more SFPUC water; however, the District will see cost savings in Stages 4-6 due to more severe usage reductions in those stages, despite purchasing SFPUC water to meet all demand.

Table 5-3: Water Supply Cost Differences by Stage

Line	Water Supply Cost	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	**Water Supply Mix**							
2	Local Supply	35%	25%	6%	6%	0%	0%	0%
3	SFPUC	65%	75%	94%	94%	100%	100%	100%
4	**Total**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
5								
6	**SFPUC Water Purchases**							
7	Total Consumption (hcf)	695,369	625,832	556,295	486,758	417,221	347,684	278,147
8	Served by SFPUC (hcf)	451,990	469,374	522,917	457,553	417,221	347,684	278,147
9	Water Loss	4%	4%	4%	4%	4%	4%	4%
10	SFPUC Purchases (hcf)	470,823	488,931	544,705	476,617	434,605	362,171	289,737
11	SFPUC Net Unit Cost	$5.28	$5.28	$5.28	$5.28	$5.28	$5.28	$5.28
12	**SFPUC Variable Cost**	**$2,485,943**	**$2,581,556**	**$2,876,045**	**$2,516,539**	**$2,294,717**	**$1,912,264**	**$1,529,811**
13								
14	**Supply Cost Difference**	**$0**	**$95,613**	**$390,102**	**$30,596**	**($191,226)**	**($573,679)**	**($956,132)**

WATER SHORTAGE COSTS

Table 5-4 shows the water shortage costs by stage, which includes the consumption revenue loss (**Table 5-2**), supply cost differences (**Table 5-3**), and additional O&M expenses in Stages 4-6. The additional O&M expenses (Line 3) include the addition of two full-time temporary positions, additional outreach costs, door tagging costs, and purchases of bottled water in the more severe water shortage stages.

The total cost of each water shortage stage (Line 4) represents the costs that the proposed water shortage rates are designed to recover. The consumption revenues (Line 6) are from the projections shown in **Table 5-2** for each stage. The percent change from revenues (Line 7) is calculated by dividing the cost in each stage (Line 4) by the consumption revenues in that stage (Line 6).

Table 5-4: Water Shortage Costs by Stage

Line	Water Shortage Costs	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Consumption Revenue Loss	$0	$1,383,858	$2,666,150	$3,904,006	$5,116,047	$6,127,713	$7,139,378
2	Supply Cost Difference	$0	$95,613	$390,102	$30,596	($191,226)	($573,679)	($956,132)
3	O&M Expense Difference	$0	$0	$0	$0	$250,000	$250,000	$250,000
4	**Total Costs**	**$0**	**$1,479,472**	**$3,056,252**	**$3,934,602**	**$5,174,821**	**$5,804,034**	**$6,433,246**
5								
6	**Consumption Revenues**	**$11,186,041**	**$9,802,183**	**$8,519,891**	**$7,282,035**	**$6,069,994**	**$5,058,329**	**$4,046,663**
7	***% Change from Revenues***	***0%***	***15%***	***36%***	***54%***	***85%***	***115%***	***159%***

PROPOSED WATER SHORTAGE RATES

Table 5-5 shows the proposed water shortage rates by stage for FYE 2025. The Baseline quantity charges are equal to the first year of quantity rates (**Table 4-15**). The percentage increase to quantity charges (Line 1) is from **Table 5-4**.

The percentage increase for each stage is applied to the Baseline quantity charges (Lines 2-7). The difference between the combined rates in each stage by the Baseline quantity charge represents the incremental water shortage rate by stage (Line 10-15).

Table 5-5: Proposed Water Shortage Rates (FYE 2025)

Line	Water Shortage Rates ($/hcf)	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	**Increase to Quantity Charges**	**0%**	**15%**	**36%**	**54%**	**85%**	**115%**	**159%**
2	Single Family Residential							
3	Tier 1 (1-4 units)	$12.31	$14.17	$16.73	$18.97	$22.81	$26.44	$31.89
4	Tier 2 (5-8 units)	$18.29	$21.06	$24.86	$28.18	$33.89	$39.28	$47.37
5	Tier 3 (9+ units)	$22.15	$25.50	$30.10	$34.12	$41.04	$47.57	$57.37
6	Multi-Family	$14.69	$16.91	$19.96	$22.63	$27.22	$31.55	$38.05
7	All Other Customers	$17.60	$20.26	$23.92	$27.11	$32.61	$37.80	$45.58
8								
9	**Incremental Water Shortage Rates**							
10	Single Family Residential							
11	Tier 1 (1-4 units)	$0.00	$1.86	$4.42	$6.66	$10.50	$14.13	$19.58
12	Tier 2 (5-8 units)	$0.00	$2.77	$6.57	$9.89	$15.60	$20.99	$29.08
13	Tier 3 (9+ units)	$0.00	$3.35	$7.95	$11.97	$18.89	$25.42	$35.22
14	Multi-Family	$0.00	$2.22	$5.27	$7.94	$12.53	$16.86	$23.36
15	All Other Customers	$0.00	$2.66	$6.32	$9.51	$15.01	$20.20	$27.98

5.4 PROPOSED WATER SHORTAGE RATE SCHEDULE

PROPOSED THREE-YEAR REVENUE ADJUSTMENTS

Table 5-6 shows the revenue adjustments for the three-year period and their effective date based on the proposed financial plan (**Table 2-23**).

Table 5-6: Proposed Revenue Adjustments

Line	Fiscal Year	Revenue Adjustments	Effective Date
1	FYE 2025	8.0%	1/1/2025
2	FYE 2026	8.0%	1/1/2026
3	FYE 2027	8.0%	1/1/2027

PROPOSED THREE-YEAR WATER SHORTAGE RATE SCHEDULE

Table 5-7 shows the current and proposed water shortage rates in each stage for the three-year period, which are incremental charges in addition to the quantity charges shown in **Table 4-15**. The proposed rates for FYE 2026 and FYE 2027 were calculated by increasing the FYE 2025 rates by the revenue adjustments, rounded up to the nearest cent.

Table 5-7: Proposed Water Shortage Rates

Line	Water Shortage Rates ($hcf)	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	**As of 1/18/24**						
2	Single Family Residential						
3	Tier 1 (1-4 units)	$2.57	$4.58	$6.48	$9.03	$13.67	$27.17
4	Tier 2 (5-8 units)	$3.75	$6.69	$9.47	$13.20	$19.98	$39.71
5	Tier 3 (9+ units)	$4.53	$8.10	$11.46	$15.97	$24.18	$48.05
6	Multi-Family	$3.42	$6.10	$8.64	$12.03	$18.22	$36.20
7	All Other Customers	$3.64	$6.50	$9.21	$12.83	$19.42	$38.59
8							
9	**Effective 1/1/25**						
10	Single Family Residential						
11	Tier 1 (1-4 units)	$1.86	$4.42	$6.66	$10.50	$14.13	$19.58
12	Tier 2 (5-8 units)	$2.77	$6.57	$9.89	$15.60	$20.99	$29.08
13	Tier 3 (9+ units)	$3.35	$7.95	$11.97	$18.89	$25.42	$35.22
14	Multi-Family	$2.22	$5.27	$7.94	$12.53	$16.86	$23.36
15	All Other Customers	$2.66	$6.32	$9.51	$15.01	$20.20	$27.98
16							
17	**Effective 1/1/26**						
18	Single Family Residential						
19	Tier 1 (1-4 units)	$2.01	$4.78	$7.20	$11.34	$15.27	$21.15
20	Tier 2 (5-8 units)	$3.00	$7.10	$10.69	$16.85	$22.67	$31.41
21	Tier 3 (9+ units)	$3.62	$8.59	$12.93	$20.41	$27.46	$38.04
22	Multi-Family	$2.40	$5.70	$8.58	$13.54	$18.21	$25.23
23	All Other Customers	$2.88	$6.83	$10.28	$16.22	$21.82	$30.22
24							
25	**Effective 1/1/27**						
26	Single Family Residential						
27	Tier 1 (1-4 units)	$2.18	$5.17	$7.78	$12.25	$16.50	$22.85
28	Tier 2 (5-8 units)	$3.24	$7.67	$11.55	$18.20	$24.49	$33.93
29	Tier 3 (9+ units)	$3.91	$9.28	$13.97	$22.05	$29.66	$41.09
30	Multi-Family	$2.60	$6.16	$9.27	$14.63	$19.67	$27.25
31	All Other Customers	$3.12	$7.38	$11.11	$17.52	$23.57	$32.64

Table 5-8 shows the current and proposed combined quantity charges and water shortage rates in each stage for the three-year period. The quantity charges in **Table 4-15** are added to the incremental water shortage rates in **Table 5-7** to calculate the combined charges.

Table 5-8: Proposed Combined Quantity Charges and Water Shortage Rates

Line	Combined Quantity Charges ($/hcf)	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	**As of 1/18/24**						
2	Single Family Residential						
3	Tier 1 (1-4 units)	$13.97	$15.98	$17.88	$20.43	$25.07	$38.57
4	Tier 2 (5-8 units)	$20.41	$23.35	$26.13	$29.86	$36.64	$56.37
5	Tier 3 (9+ units)	$24.69	$28.26	$31.62	$36.13	$44.34	$68.21
6	Multi-Family	$18.61	$21.29	$23.83	$27.22	$33.41	$51.39
7	All Other Customers	$19.83	$22.69	$25.40	$29.02	$35.61	$54.78
8							
9	**Effective 1/1/25**						
10	Single Family Residential						
11	Tier 1 (1-4 units)	$14.17	$16.73	$18.97	$22.81	$26.44	$31.89
12	Tier 2 (5-8 units)	$21.06	$24.86	$28.18	$33.89	$39.28	$47.37
13	Tier 3 (9+ units)	$25.50	$30.10	$34.12	$41.04	$47.57	$57.37
14	Multi-Family	$16.91	$19.96	$22.63	$27.22	$31.55	$38.05
15	All Other Customers	$20.26	$23.92	$27.11	$32.61	$37.80	$45.58
16							
17	**Effective 1/1/26**						
18	Single Family Residential						
19	Tier 1 (1-4 units)	$15.31	$18.08	$20.50	$24.64	$28.57	$34.45
20	Tier 2 (5-8 units)	$22.76	$26.86	$30.45	$36.61	$42.43	$51.17
21	Tier 3 (9+ units)	$27.55	$32.52	$36.86	$44.34	$51.39	$61.97
22	Multi-Family	$18.27	$21.57	$24.45	$29.41	$34.08	$41.10
23	All Other Customers	$21.89	$25.84	$29.29	$35.23	$40.83	$49.23
24							
25	**Effective 1/1/27**						
26	Single Family Residential						
27	Tier 1 (1-4 units)	$16.55	$19.54	$22.15	$26.62	$30.87	$37.22
28	Tier 2 (5-8 units)	$24.59	$29.02	$32.90	$39.55	$45.84	$55.28
29	Tier 3 (9+ units)	$29.76	$35.13	$39.82	$47.90	$55.51	$66.94
30	Multi-Family	$19.74	$23.30	$26.41	$31.77	$36.81	$44.39
31	All Other Customers	$23.66	$27.92	$31.65	$38.06	$44.11	$53.18

5.5 CUSTOMER IMPACTS

WRE evaluated the customer impacts for Single Family Residential customers for Stages 1-6 based on the proposed water shortage rates. The customer impacts are based on the first year of water shortage rates (FYE 2025).

RESIDENTIAL CUSTOMER IMPACTS (STAGE 1)

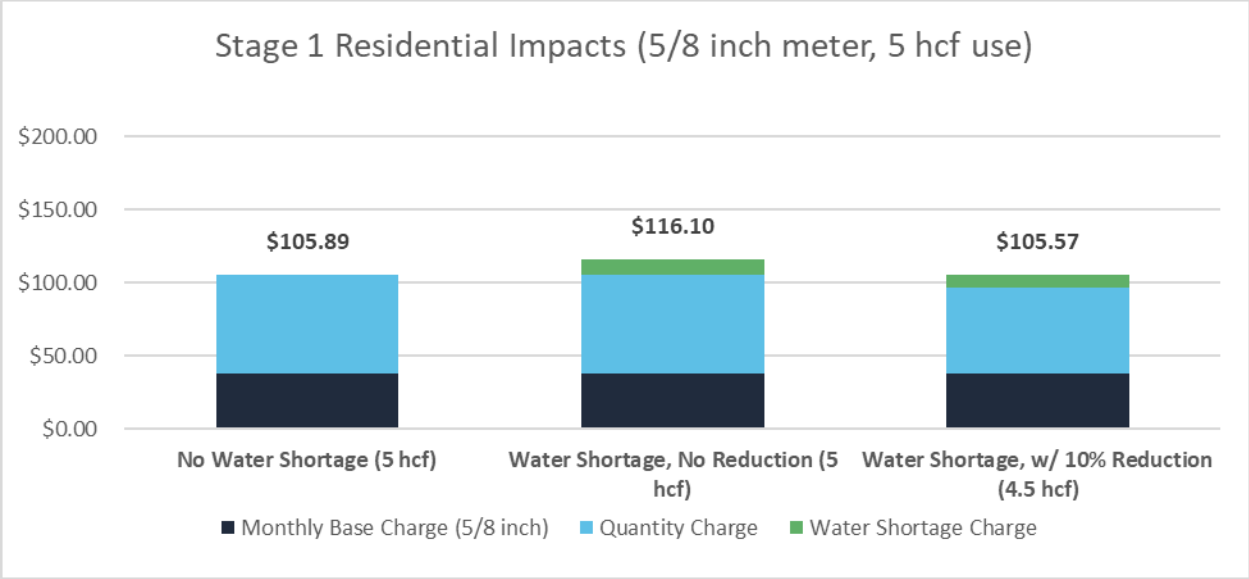
Table 5-9 and **Figure 5-1** show the proposed Stage 1 impacts for a Single Family Residential customer with a 5/8" meter using 5 hcf of usage per month (prior to any usage reductions mandated by stage). During a Stage 1 water shortage, this customer will pay $10.21 more each month if they do not reduce their usage according to Stage 1 (i.e., a 10% reduction). However, if this customer does reduce

their usage by 10% and uses 4.5 hcf per month instead, they will have a monthly bill approximately equal to their bill in normal, non-water shortage conditions.

Table 5-9: Proposed Residential Customer Impacts (Stage 1 Water Shortage)

Line	Stage 1 Residential Impacts (5/8 inch meter, 5 hcf use)	No Water Shortage (5 hcf)	Water Shortage, No Reduction (5 hcf)	Water Shortage, w/ 10% Reduction (4.5 hcf)
1	Monthly Base Charge (5/8 inch)	$38.36	$38.36	$38.36
2	Quantity Charge	$67.53	$67.53	$58.39
3	Water Shortage Charge	$0.00	$10.21	$8.83
4	**Total Monthly Bill**	**$105.89**	**$116.10**	**$105.57**

Figure 5-1: Proposed Residential Customer Impacts (Stage 1 Water Shortage)



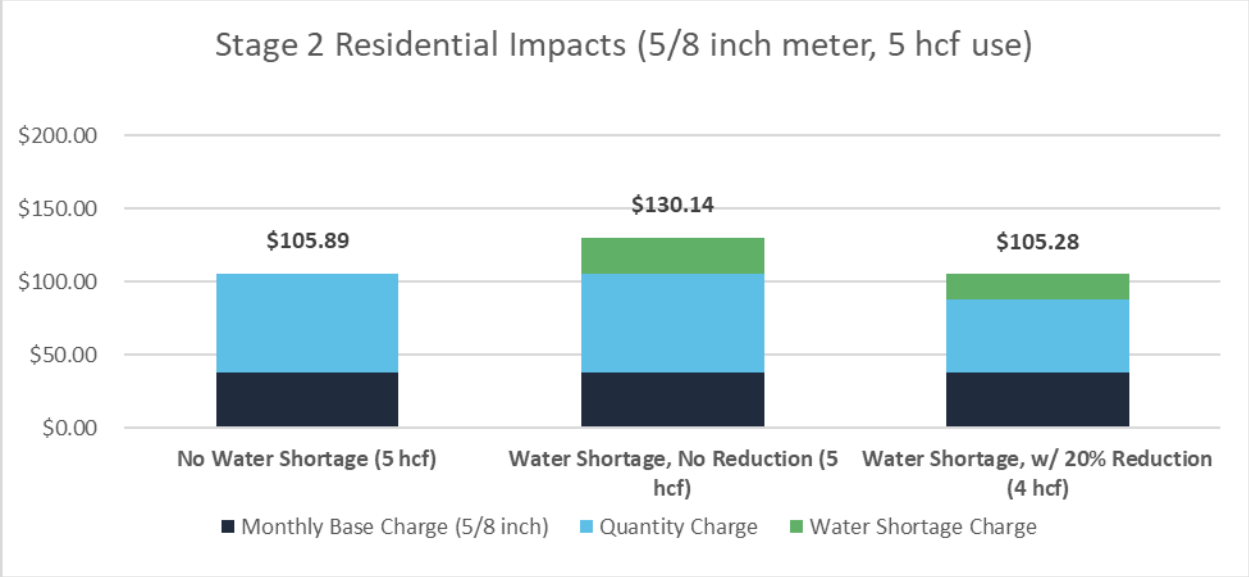
RESIDENTIAL CUSTOMER IMPACTS (STAGE 2)

Table 5-10 and **Figure 5-2** show the proposed Stage 2 impacts for a Single Family Residential customer with a 5/8" meter using 5 hcf of usage per month (prior to any usage reductions mandated by stage). During a Stage 2 water shortage, this customer will pay $24.25 more each month if they do not reduce their usage according to Stage 2 (i.e., a 20% reduction). However, if this customer does reduce their usage by 20% and uses 4 hcf per month instead, they will have a monthly bill approximately equal to their bill in normal, non-water shortage conditions.

Table 5-10: Proposed Residential Customer Impacts (Stage 2 Water Shortage)

Line	Stage 2 Residential Impacts (5/8 inch meter, 5 hcf use)	No Water Shortage (5 hcf)	Water Shortage, No Reduction (5 hcf)	Water Shortage, w/ 20% Reduction (4 hcf)
1	Monthly Base Charge (5/8 inch)	$38.36	$38.36	$38.36
2	Quantity Charge	$67.53	$67.53	$49.24
3	Water Shortage Charge	$0.00	$24.25	$17.68
4	**Total Monthly Bill**	**$105.89**	**$130.14**	**$105.28**

Figure 5-2: Proposed Residential Customer Impacts (Stage 2 Water Shortage)



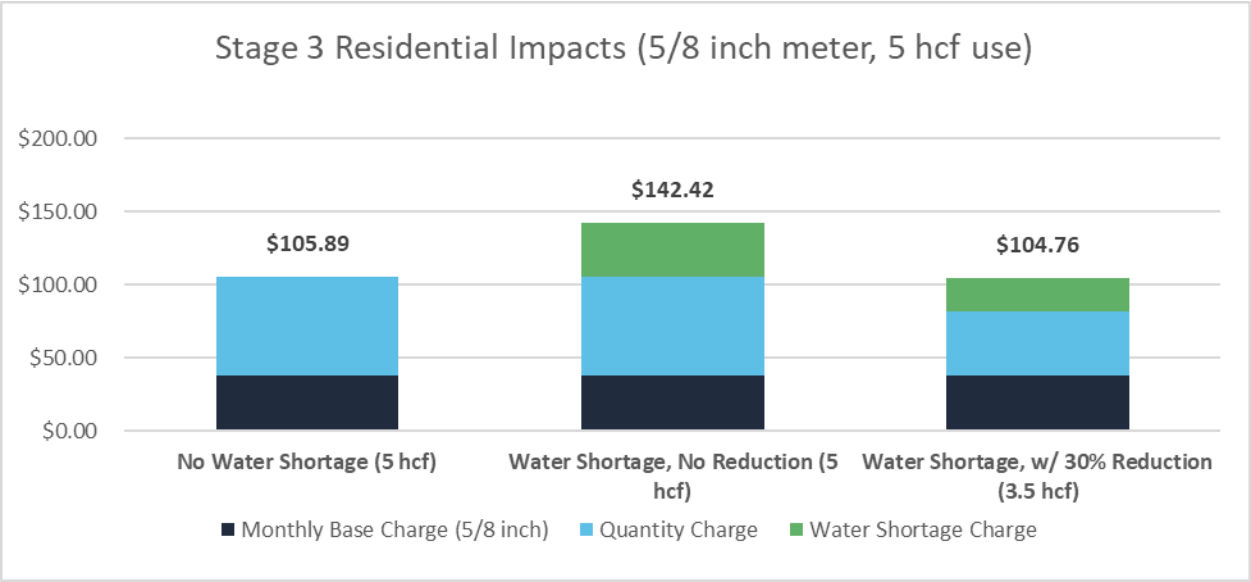
RESIDENTIAL CUSTOMER IMPACTS (STAGE 3)

Table 5-11 and **Figure 5-3** show the proposed Stage 3 impacts for a Single Family Residential customer with a 5/8" meter using 5 hcf of usage per month (prior to any usage reductions mandated by stage). During a Stage 3 water shortage, this customer will pay $36.53 more each month if they do not reduce their usage according to Stage 3 (i.e., a 30% reduction). However, if this customer does reduce their usage by 30% and uses 3.5 hcf per month instead, they will have a monthly bill approximately equal to their bill in normal, non-water shortage conditions.

Table 5-11: Proposed Residential Customer Impacts (Stage 3 Water Shortage)

Line	Stage 3 Residential Impacts (5/8 inch meter, 5 hcf use)	No Water Shortage (5 hcf)	Water Shortage, No Reduction (5 hcf)	Water Shortage, w/ 30% Reduction (3.5 hcf)
1	Monthly Base Charge (5/8 inch)	$38.36	$38.36	$38.36
2	Quantity Charge	$67.53	$67.53	$43.09
3	Water Shortage Charge	$0.00	$36.53	$23.31
4	**Total Monthly Bill**	**$105.89**	**$142.42**	**$104.76**

Figure 5-3: Proposed Residential Customer Impacts (Stage 3 Water Shortage)



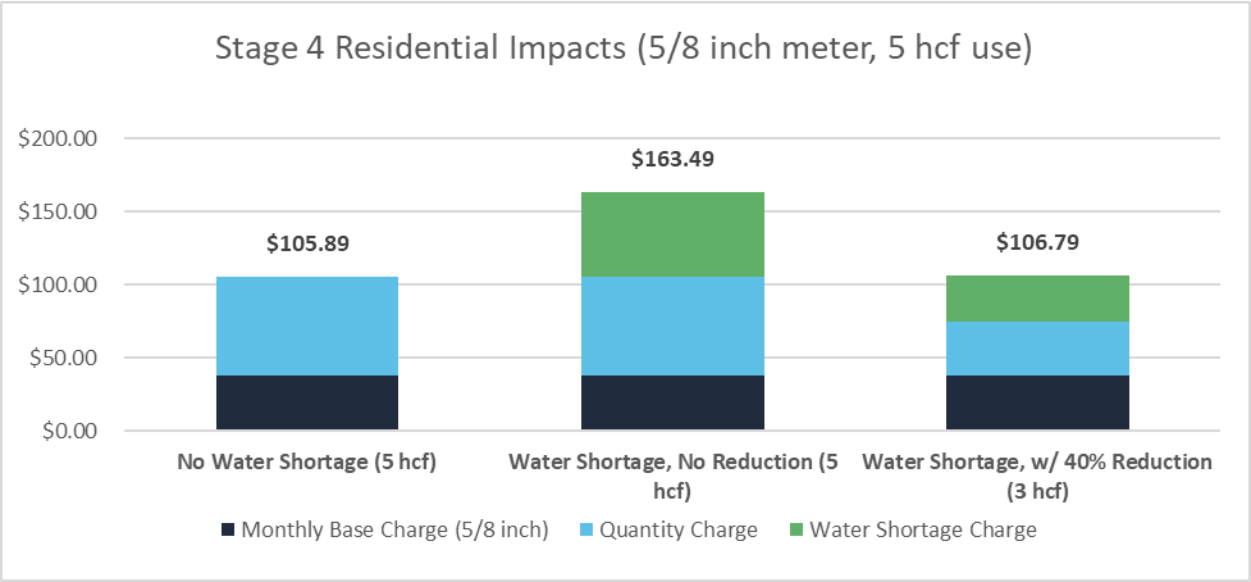
RESIDENTIAL CUSTOMER IMPACTS (STAGE 4)

Table 5-12 and **Figure 5-4** show the proposed Stage 4 impacts for a Single Family Residential customer with a 5/8" meter using 5 hcf of usage per month (prior to any usage reductions mandated by stage). During a Stage 4 water shortage, this customer will pay $57.60 more each month if they do not reduce their usage according to Stage 4 (i.e., a 40% reduction). However, if this customer does reduce their usage by 40% and uses 3 hcf per month instead, they will have a monthly bill approximately equal to their bill in normal, non-water shortage conditions.

Table 5-12: Proposed Residential Customer Impacts (Stage 4 Water Shortage)

Line	Stage 4 Residential Impacts (5/8 inch meter, 5 hcf use)	No Water Shortage (5 hcf)	Water Shortage, No Reduction (5 hcf)	Water Shortage, w/ 40% Reduction (3 hcf)
1	Monthly Base Charge (5/8 inch)	$38.36	$38.36	$38.36
2	Quantity Charge	$67.53	$67.53	$36.93
3	Water Shortage Charge	$0.00	$57.60	$31.50
4	**Total Monthly Bill**	**$105.89**	**$163.49**	**$106.79**

Figure 5-4: Proposed Residential Customer Impacts (Stage 4 Water Shortage)



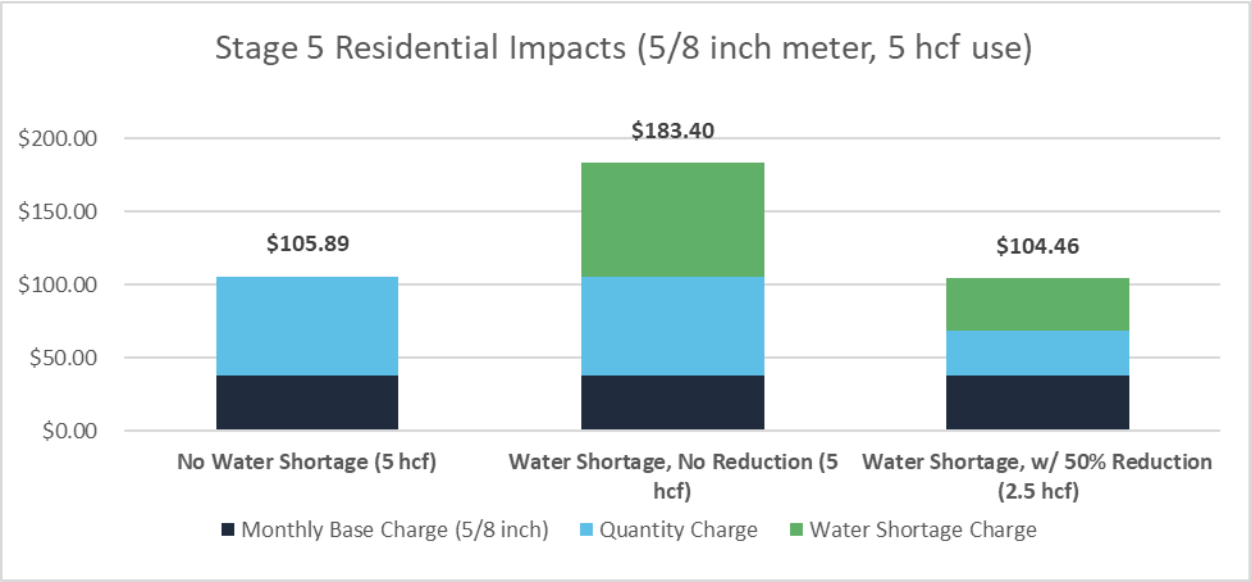
RESIDENTIAL CUSTOMER IMPACTS (STAGE 5)

Table 5-13 and **Figure 5-5** show the proposed Stage 5 impacts for a Single Family Residential customer with a 5/8" meter using 5 hcf of usage per month (prior to any usage reductions mandated by stage). During a Stage 5 water shortage, this customer will pay $77.51 more each month if they do not reduce their usage according to Stage 5 (i.e., a 50% reduction). However, if this customer does reduce their usage by 50% and uses 2.5 hcf per month instead, they will have a monthly bill approximately equal to their bill in normal, non-water shortage conditions.

Table 5-13: Proposed Residential Customer Impacts (Stage 5 Water Shortage)

Line	Stage 5 Residential Impacts (5/8 inch meter, 5 hcf use)	No Water Shortage (5 hcf)	Water Shortage, No Reduction (5 hcf)	Water Shortage, w/ 50% Reduction (2.5 hcf)
1	Monthly Base Charge (5/8 inch)	$38.36	$38.36	$38.36
2	Quantity Charge	$67.53	$67.53	$30.78
3	Water Shortage Charge	$0.00	$77.51	$35.33
4	**Total Monthly Bill**	**$105.89**	**$183.40**	**$104.46**

Figure 5-5: Proposed Residential Customer Impacts (Stage 5 Water Shortage)



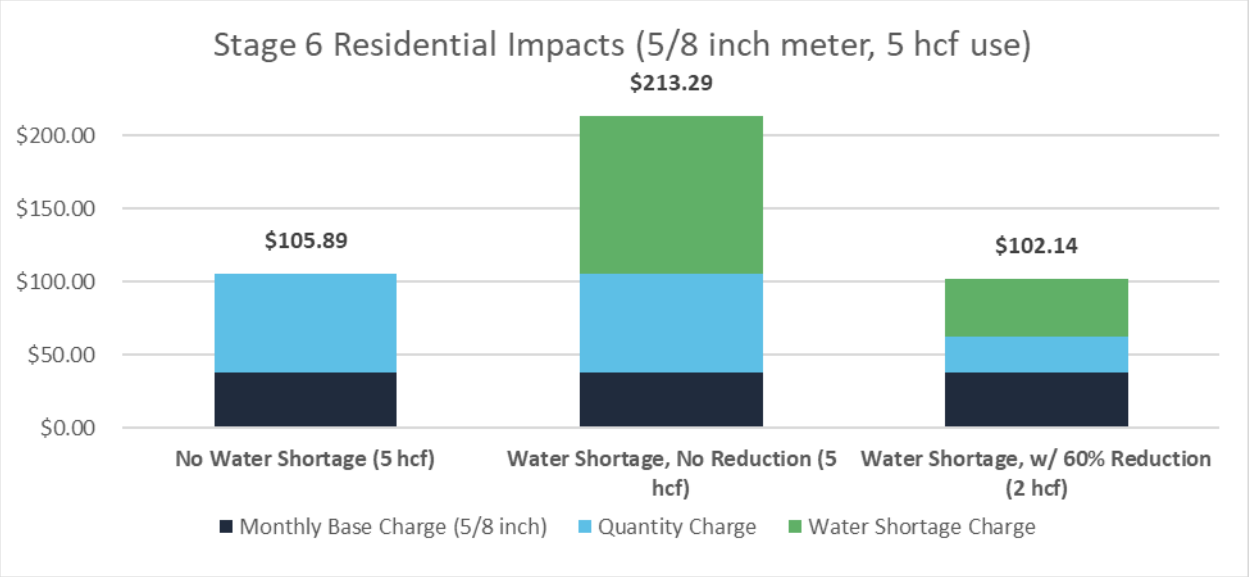
RESIDENTIAL CUSTOMER IMPACTS (STAGE 6)

Table 5-14 and **Figure 5-6** show the proposed Stage 6 impacts for a Single Family Residential customer with a 5/8" meter using 5 hcf of usage per month (prior to any usage reductions mandated by stage). During a Stage 6 water shortage, this customer will pay $107.40 more each month if they do not reduce their usage according to Stage 6 (i.e., a 60% reduction). However, if this customer does reduce their usage by 60% and uses 2 hcf per month instead, they will have a monthly bill approximately equal to their bill in normal, non-water shortage conditions.

Table 5-14: Proposed Residential Customer Impacts (Stage 6 Water Shortage)

Line	Stage 6 Residential Impacts (5/8 inch meter, 5 hcf use)	No Water Shortage (5 hcf)	Water Shortage, No Reduction (5 hcf)	Water Shortage, w/ 60% Reduction (2 hcf)
1	Monthly Base Charge (5/8 inch)	$38.36	$38.36	$38.36
2	Quantity Charge	$67.53	$67.53	$24.62
3	Water Shortage Charge	$0.00	$107.40	$39.16
4	**Total Monthly Bill**	**$105.89**	**$213.29**	**$102.14**

Figure 5-6: Proposed Residential Customer Impacts (Stage 6 Water Shortage)



6. APPENDICES

6.1 FINANCIAL PLAN APPENDICES

Table 6-1: Operating Expenses (Detail)

Line	Operating Expenses	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	SFPUC Water Purchased	$2,260,502	$2,551,972	$2,669,278	$2,758,918	$2,978,038	$3,092,578
2	BAWSCA Bond Surcharge	$200,844	$38,772	$200,844	$200,844	$200,844	$200,844
3	Electrical Exp. Nunes WTP	$57,000	$65,550	$70,139	$75,048	$80,302	$85,923
4	Electrical Expenses, CSP	$350,000	$400,000	$428,000	$457,960	$490,017	$524,318
5	Electrical Expenses/Trans. & Dist.	$27,000	$31,050	$33,224	$35,549	$38,038	$40,700
6	Elec Exp/Pilarcitos Cyn	$69,000	$79,350	$84,905	$90,848	$97,207	$104,012
7	Electrical Exp., Denn	$89,000	$102,350	$109,515	$117,181	$125,383	$134,160
8	CSP - Operation	$13,000	$13,000	$13,355	$13,719	$14,094	$14,479
9	CSP - Maintenance	$35,000	$45,000	$46,229	$47,491	$48,787	$50,119
10	Nunes WTP Oper	$102,000	$109,000	$111,976	$115,033	$118,173	$121,399
11	Nunes WTP Maint	$125,000	$135,000	$138,686	$142,472	$146,361	$150,357
12	Denn. WTP Oper.	$54,000	$78,000	$80,129	$82,317	$84,564	$86,873
13	Denn WTP Maint	$155,000	$165,000	$169,505	$174,132	$178,886	$183,769
14	Laboratory Expenses	$77,000	$81,000	$83,211	$85,483	$87,817	$90,214
15	Maintenance Expenses	$395,000	$421,000	$432,493	$444,300	$456,430	$468,890
16	Maintenance, Wells	$50,000	$50,000	$51,365	$52,767	$54,208	$55,688
17	Uniforms	$14,000	$14,700	$15,101	$15,514	$15,937	$16,372
18	Studies/Surveys/Consulting	$160,000	$160,000	$164,368	$168,855	$173,465	$178,201
19	Water Resources	$21,500	$20,000	$20,546	$21,107	$21,683	$22,275
20	Community Outreach	$68,000	$68,000	$69,856	$71,763	$73,723	$75,735
21	Water Shortage Program	$0	$0	$0	$0	$0	$0
22	Legal	$110,000	$116,000	$119,167	$122,420	$125,762	$129,195
23	Engineering	$86,000	$90,000	$92,457	$94,981	$97,574	$100,238
24	Financial Services	$23,000	$24,150	$24,809	$25,487	$26,182	$26,897
25	Computer Services	$339,974	$357,000	$366,746	$376,758	$387,044	$397,610
26	Salaries, Admin.	$1,381,887	$1,448,113	$1,513,278	$1,581,376	$1,652,538	$1,726,902
27	Salaries - Field	$1,931,847	$2,020,370	$2,111,286	$2,206,294	$2,305,577	$2,409,328
28	Payroll Taxes	$235,945	$248,189	$259,358	$271,029	$283,225	$295,970

Line	Operating Expenses	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
29	Employee Medical Insurance	$516,000	$516,434	$539,674	$563,959	$589,338	$615,858
30	Retiree Medical Insurance	$46,000	$58,151	$60,768	$63,503	$66,360	$69,346
31	Employee Retirement	$642,924	$713,281	$745,379	$778,921	$813,973	$850,601
32	SIP 401a Plan	$38,000	$38,016	$39,727	$41,514	$43,383	$45,335
33	Motor Vehicle Exp.	$90,000	$95,000	$97,594	$100,258	$102,995	$105,807
34	Office, Billing & Facilities Expenses	$414,000	$436,000	$447,903	$460,131	$472,692	$485,597
35	Meetings/Training/Seminars	$45,000	$52,300	$53,728	$55,195	$56,701	$58,249
36	Insurance	$182,000	$209,000	$214,706	$220,567	$226,589	$232,775
37	Memberships & Subscriptions	$118,825	$125,000	$128,413	$131,918	$135,520	$139,219
38	Election Expense	$0	$30,000	$30,819	$31,660	$32,525	$33,413
39	Labor Relations	$6,000	$6,000	$6,164	$6,332	$6,505	$6,683
40	County Fees	$31,400	$33,000	$33,901	$34,826	$35,777	$36,754
41	State Fees	$48,000	$50,600	$51,981	$53,400	$54,858	$56,356
42	**Total - Operating Expenses**	**$10,609,648**	**$11,295,349**	**$11,930,580**	**$12,391,831**	**$12,999,073**	**$13,519,038**

Table 6-2: Capital Projects (Detail)

Line	Capital Projects (Inflated)	Project Number	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	**Equipment Purchase & Replacement**							
2	SCADA/Telemetry/Electric Controls Replacement	06-03	$0	$50,000	$51,600	$53,251	$54,955	$56,714
3	Vactor Truck/Trailer	15-04	$0	$0	$0	$0	$0	$567,138
4	Vehicle Fleet Replacement	99-02	$0	$50,000	$51,600	$53,251	$54,955	$56,714
5	Facilities & Maintenance							
6	Fire Hydrant Replacement	09-09	$140,000	$140,000	$144,480	$149,103	$153,875	$158,799
7	Pilarcitos Canyon Culvert Replacement/Slides	NN-00	$100,000	$400,000	$0	$0	$0	$0
8	Meter Change Program	99-01	$10,000	$10,000	$10,320	$10,650	$10,991	$11,343
9	**Pipeline Projects**							
10	Highway 92 - Emergency Pipeline Restoration/Replacement	14-01	$600,000	$3,000,000	$206,400	$213,005	$3,846,867	$0
11	Magellan at Hwy 1/Miramar Dead Ends	16-09	$250,000	$0	$0	$639,014	$0	$0
12	Alameda Ave Crossing at Medio Creek	22-07	$150,000	$0	$0	$0	$0	$0
13	Pine Willow Oak Pipeline Replacement	18-01	$0	$0	$0	$0	$0	$2,835,690
14	Redondo Beach Loop to St Andrews Road	21-01	$70,000	$400,000	$516,000	$0	$0	$0
15	Miramar Tank/Pipeline Replacement (600 ft)	21-09	$0	$0	$0	$0	$0	$567,138
16	Poplar Street Pipeline Replacement	23-02	$400,000	$0	$0	$0	$0	$0
17	HMB Valve Replacement	24-01	$250,000	$0	$0	$0	$0	$0
18	Unscheduled CIP	NN-00	$100,000	$100,000	$103,200	$106,502	$109,910	$113,428
19	**Pump Stations/Tanks/Wells**							
20	Carter Hill Tank Improvement Project	21-07	$300,000	$4,000,000	$5,572,800	$0	$0	$0
21	Alves Tank Rehabilitation/Replacement	08-14	$0	$0	$0	$0	$0	$1,134,276
22	EG#1 Tank Improvement Project/New Pump Station	19-01	$150,000	$0	$0	$1,065,024	$0	$0
23	Miramar Tank Rehabilitation	14-33	$0	$0	$0	$0	$219,821	$0
24	Cahill Tank Rehabilitation	08-16	$0	$0	$206,400	$0	$0	$0
25	Denniston Tank Rehabilitation	20-16	$0	$0	$206,400	$0	$0	$0
26	Upper Pilarcitos Well Field Replacements	09-18	$0	$0	$0	$532,512	$0	$0
27	Denniston Well Field Replacements	16-08	$50,000	$450,000	$0	$0	$0	$0
28	CSP Pump #1/2 Spare	20-01	$90,000	$0	$0	$0	$0	$0
29	CSP Pump #3 Replacement	21-03	$0	$0	$0	$266,256	$0	$0
30	CSP Screens - Intake Valves	23-11	$25,000	$50,000	$0	$266,256	$0	$0
31	Tanks - THM Control	19-05	$50,000	$50,000	$0	$0	$0	$0
32	**Water Supply Development**							

Line	Capital Projects (Inflated)	Project Number	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
33	San Vicente/Denniston Water Supply Project	12-12	$350,000	$2,000,000	$206,400	$213,005	$219,821	$226,855
34	Lower Pilarcitos Well Development	23-04	$0	$0	$103,200	$266,256	$274,776	$283,569
35	Water Reuse Project Development	17-12	$200,000	$0	$0	$0	$0	$0
36	Denniston Sluice Gates		$0	$50,000	$258,000	$0	$0	$0
37	**Water Treatment Plants**							
38	Nunes Water Treatment Plant Improvement Project	20-14	$1,700,000	$0	$0	$0	$0	$0
39	Sodium Hypochlorite Generator Replacement (Nunes)	23-05	$0	$200,000	$0	$0	$0	$0
40	Existing Sedimentation Basin Rehabilitation	23-06	$0	$300,000	$0	$0	$0	$0
41	Denniston Contact Clarifier Hatch Replacements	23-07	$0	$0	$0	$79,877	$0	$0
42	**Total - Capital Projects**		**$4,985,000**	**$11,250,000**	**$7,636,800**	**$3,913,963**	**$4,945,971**	**$6,011,663**

6.2 COST-OF-SERVICE ANALYSIS APPENDICES

Table 6-3: Operating Expenses by System Functions (Detail)

Line	Operating Expenses	FYE 2024	Meters	Customer	Fire	Supply	Local Supply	Treatment	Pumping	Storage	T&D	Main-tenance	Conserv-ation	General	Total
1	SFPUC Water Purchased	$2,260,502	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
2	BAWSCA Bond Surcharge	$200,844	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
3	Electrical Exp. Nunes WTP	$57,000	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	100%
4	Electrical Expenses, CSP	$350,000	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%
5	Electrical Expenses/Trans. & Dist.	$27,000	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%
6	Elec Exp/Pilarcitos Cyn	$69,000	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%
7	Electrical Exp., Denn	$89,000	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%
8	CSP - Operation	$13,000	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%
9	CSP - Maintenance	$35,000	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%
10	Nunes WTP Oper	$102,000	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	100%
11	Nunes WTP Maint	$125,000	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	100%
12	Denn. WTP Oper.	$54,000	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	100%
13	Denn WTP Maint	$155,000	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	100%
14	Laboratory Expenses	$77,000	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	100%
15	Maintenance Expenses	$395,000	0%		0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%
16	Maintenance, Wells	$50,000	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%
17	Uniforms	$14,000	0%	0%	0%	0%	0%	37%	36%	0%	27%	0%	0%	0%	100%
18	Studies/Surveys/Consulting	$160,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
19	Water Resources	$21,500	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
20	Community Outreach	$68,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
21	Water Shortage Program	$0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
22	Legal	$110,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
23	Engineering	$86,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
24	Financial Services	$23,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
25	Computer Services	$339,974	19%	15%	0%	0%	0%	27%	0%	0%	0%	0%	0%	39%	100%
26	Salaries, Admin.	$1,381,887	0%	31%	0%	0%	0%	0%	0%	0%	0%	0%	0%	69%	100%
27	Salaries - Field	$1,931,847	2%	0%	0%	0%	0%	36%	35%	0%	26%	0%	0%	0%	100%
28	Payroll Taxes	$235,945	1%	13%	0%	0%	0%	21%	21%	0%	15%	0%	0%	29%	100%
29	Employee Medical Insurance	$516,000	1%	13%	0%	0%	0%	21%	21%	0%	15%	0%	0%	29%	100%
30	Retiree Medical Insurance	$46,000	1%	13%	0%	0%	0%	21%	21%	0%	15%	0%	0%	29%	100%

Coastside County Water District 2024 Water Rate Study

Line	Operating Expenses	FYE 2024	Meters	Customer	Fire	Supply	Local Supply	Treatment	Pumping	Storage	T&D	Main-tenance	Conserv-ation	General	Total
31	Employee Retirement	$642,924	1%	13%	0%	0%	0%	21%	21%	0%	15%	0%	0%	29%	100%
32	SIP 401a Plan	$38,000	1%	13%	0%	0%	0%	21%	21%	0%	15%	0%	0%	29%	100%
33	Motor Vehicle Exp.	$90,000	2%	0%	0%	0%	0%	36%	35%	0%	26%	0%	0%	0%	100%
34	Office, Billing & Facilities Expenses	$414,000	0%	22%	0%	0%	0%	0%	0%	0%	0%	0%	0%	78%	100%
35	Meetings/Training/Seminars	$45,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
36	Insurance	$182,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
37	Memberships & Subscriptions	$118,825	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
38	Election Expense	$0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
39	Labor Relations	$6,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
40	County Fees	$31,400	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
41	State Fees	$48,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
42	**Total - Operating Expenses**	**$10,609,648**	**$124,087**	**$754,561**	**$0**	**$2,461,346**	**$0**	**$1,710,558**	**$1,577,783**	**$0**	**$1,238,337**	**$0**	**$89,500**	**$2,653,476**	**$10,609,648**

Table 6-4: Capital Assets by System Functions (Detail)

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
1	1050 - General	00000663	06/30/2017	120	$17,032	$8,456	Treatment
2	1050 - General	00000692	12/07/2017	120	$26,528	$14,817	Treatment
3	1050 - General	00000730	05/31/2019	120	$29,171	$20,390	Treatment
4	1050 - General	196	01/01/1993	360	$659	$0	T&D
5	1050 - General	235	12/01/2000	600	$2,095,491	$2,461,516	T&D
6	1050 - General	248	12/01/1999	600	$1,145,990	$1,331,743	T&D
7	1051 - Nunes WTP	00000616	09/30/2015	240	$5,133	$4,176	Treatment
8	1051 - Nunes WTP	00000617	11/09/2015	240	$1,227	$1,012	Treatment
9	1051 - Nunes WTP	00000618	12/31/2015	240	$29,680	$24,635	Treatment
10	1051 - Nunes WTP	00000619	07/01/2015	240	$58,174	$46,355	Treatment
11	1051 - Nunes WTP	00000664	06/20/2017	240	$87,001	$75,591	Treatment
12	1051 - Nunes WTP	00000665	02/28/2017	240	$28,194	$23,914	Treatment
13	1051 - Nunes WTP	00000681	10/25/2017	120	$17,450	$9,386	Treatment
14	1051 - Nunes WTP	00000693	10/31/2017	240	$14,850	$13,210	Treatment
15	1051 - Nunes WTP	00000751	04/30/2019	60	$99,673	$19,625	Treatment
16	1051 - Nunes WTP	00000805	09/30/2020	84	$16,249	$11,467	Treatment
17	1051 - Nunes WTP	00000829	06/28/2022	240	$177,030	$172,317	Treatment
18	1051 - Nunes WTP	171	01/01/1992	360	$420	$0	Treatment
19	1051 - Nunes WTP	172	01/01/1992	360	$92	$0	Treatment
20	1051 - Nunes WTP	173A-161	01/01/1992	360	$2,144	$0	Treatment
21	1051 - Nunes WTP	174	01/01/1993	360	$119	$0	Treatment
22	1051 - Nunes WTP	175	01/01/1993	360	$428	$0	Treatment
23	1051 - Nunes WTP	176	01/01/1993	360	$3,116	$0	Treatment
24	1051 - Nunes WTP	177	01/01/1993	360	$144	$0	Treatment
25	1051 - Nunes WTP	178	01/01/1993	360	$452	$0	Treatment
26	1051 - Nunes WTP	179	01/01/1993	360	$99	$0	Treatment
27	1051 - Nunes WTP	180	01/01/1993	360	$13,860	$0	Treatment
28	1051 - Nunes WTP	181	01/01/1993	360	$826	$0	Treatment
29	1051 - Nunes WTP	182	01/01/1993	360	$20,790	$0	Treatment
30	1051 - Nunes WTP	183	01/01/1993	360	$12,909	$0	Treatment
31	1051 - Nunes WTP	184	01/01/1993	360	$21,190	$0	Treatment
32	1051 - Nunes WTP	185	01/01/1993	360	$429	$0	Treatment

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
33	1051 - Nunes WTP	186	01/01/1993	360	$3,850	$0	Treatment
34	1051 - Nunes WTP	187	01/01/1993	360	$85	$0	Treatment
35	1051 - Nunes WTP	197	01/01/1993	360	$14	$0	Treatment
36	1051 - Nunes WTP	313	11/04/2004	600	$60,737	$71,482	Treatment
37	1051 - Nunes WTP	317	06/01/2005	600	$75,253	$85,977	Treatment
38	1051 - Nunes WTP	341	08/02/2005	120	$41,728	$0	Treatment
39	1051 - Nunes WTP	377	05/31/2007	120	$10,777	$0	Treatment
40	1051 - Nunes WTP	380	01/01/2007	120	$94,544	$0	Treatment
41	1051 - Nunes WTP	383	10/01/2006	120	$6,078	$0	Treatment
42	1051 - Nunes WTP	384	03/01/2007	120	$5,228	$0	Treatment
43	1051 - Nunes WTP	416	08/28/2007	60	$4,588	$0	Treatment
44	1051 - Nunes WTP	417	12/26/2007	60	$11,486	$0	Treatment
45	1051 - Nunes WTP	418	01/25/2008	120	$14,156	$0	Treatment
46	1051 - Nunes WTP	419	04/25/2008	60	$1,282	$0	Treatment
47	1051 - Nunes WTP	420	05/29/2008	60	$272	$0	Treatment
48	1051 - Nunes WTP	421	05/15/2008	120	$7,748	$0	Treatment
49	1051 - Nunes WTP	422	06/30/2008	60	$8,016	$0	Treatment
50	1051 - Nunes WTP	441	09/26/2008	120	$4,131	$0	Treatment
51	1051 - Nunes WTP	442	10/31/2008	120	$15,064	$0	Treatment
52	1051 - Nunes WTP	443	06/26/2009	120	$8,891	$0	Treatment
53	1051 - Nunes WTP	448	10/29/2008	120	$1,039	$0	Treatment
54	1051 - Nunes WTP	452	04/14/2009	120	$62,114	$0	Treatment
55	1051 - Nunes WTP	453	07/08/2008	120	$63,344	$0	Treatment
56	1051 - Nunes WTP	460	05/11/2010	600	$49,487	$55,340	Treatment
57	1051 - Nunes WTP	469	06/30/2009	120	$7,421	$0	Treatment
58	1051 - Nunes WTP	470	03/25/2010	120	$40,290	$0	Treatment
59	1051 - Nunes WTP	471	04/05/2010	120	$1,398	$0	Treatment
60	1051 - Nunes WTP	472	05/26/2010	120	$2,961	$0	Treatment
61	1051 - Nunes WTP	497	09/27/2010	120	$44,311	$0	Treatment
62	1051 - Nunes WTP	498	11/24/2010	120	$11,000	$0	Treatment
63	1051 - Nunes WTP	499	06/27/2011	120	$11,400	$0	Treatment
64	1051 - Nunes WTP	507	12/14/2010	600	$1,866,199	$2,119,914	Treatment
65	1051 - Nunes WTP	522	09/27/2011	60	$3,795	$0	Treatment

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
66	1051 - Nunes WTP	537	10/25/2012	60	$1,009	$0	Treatment
67	1051 - Nunes WTP	538	11/26/2012	120	$10,272	$0	Treatment
68	1051 - Nunes WTP	539	11/26/2012	84	$1,104	$0	Treatment
69	1051 - Nunes WTP	540	02/26/2013	120	$17,840	$0	Treatment
70	1051 - Nunes WTP	549	12/24/2013	240	$6,455	$4,731	Treatment
71	1051 - Nunes WTP	550	12/24/2013	240	$11,208	$8,214	Treatment
72	1051 - Nunes WTP	551	02/13/2014	240	$8,426	$6,107	Treatment
73	1051 - Nunes WTP	552	02/13/2014	240	$2,603	$1,886	Treatment
74	1051 - Nunes WTP	553	03/26/2014	240	$3,905	$2,853	Treatment
75	1051 - Nunes WTP	554	05/27/2014	60	$7,724	$0	Treatment
76	1051 - Nunes WTP	555	04/25/2014	120	$989	$112	Treatment
77	1051 - Nunes WTP	586	07/01/2014	120	$94,697	$12,870	Treatment
78	1051 - Nunes WTP	588	07/01/2014	360	$87,602	$83,340	Treatment
79	1051 - Nunes WTP	599	04/27/2015	120	$3,019	$735	Treatment
80	1051 - Nunes WTP	600	04/27/2015	120	$5,680	$1,383	Treatment
81	1051 - Nunes WTP	601	05/27/2015	60	$828	$0	Treatment
82	1051 - Nunes WTP	602	06/25/2015	120	$5,428	$1,442	Treatment
83	1051 - Nunes WTP	603	07/01/2014	120	$159,502	$21,677	Treatment
84	1051 - Nunes WTP	74	01/01/1998	120	$101	$0	Treatment
85	1052 - Denniston WTP	00000611	05/17/2016	240	$6,119	$5,094	Treatment
86	1052 - Denniston WTP	00000620	11/19/2015	60	$2,495	$0	Treatment
87	1052 - Denniston WTP	00000627	02/19/2016	240	$94,509	$77,161	Treatment
88	1052 - Denniston WTP	00000682	01/05/2018	120	$9,370	$5,174	Treatment
89	1052 - Denniston WTP	00000694	04/03/2018	60	$29,866	$0	Treatment
90	1052 - Denniston WTP	00000726	07/01/2017	120	$479,916	$238,273	Treatment
91	1052 - Denniston WTP	00000727	07/01/2017	120	$510,060	$253,239	Treatment
92	1052 - Denniston WTP	00000736	12/31/2018	240	$34,328	$32,052	Treatment
93	1052 - Denniston WTP	00000758	08/01/2018	60	$6,599	$133	Treatment
94	1052 - Denniston WTP	00000775	10/11/2019	240	$11,010	$10,622	Treatment
95	1052 - Denniston WTP	00000776	11/15/2019	120	$29,736	$22,541	Treatment
96	1052 - Denniston WTP	00000778	01/07/2020	120	$22,676	$17,351	Treatment
97	1052 - Denniston WTP	00000806	06/30/2021	240	$558,626	$552,240	Treatment
98	1052 - Denniston WTP	00000807	06/30/2021	240	$6,964	$6,884	Treatment

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
99	1052 - Denniston WTP	00000808	08/25/2020	180	$473,339	$446,245	Treatment
100	1052 - Denniston WTP	00000811	09/30/2020	84	$16,249	$11,467	Treatment
101	1052 - Denniston WTP	00000830	03/11/2022	120	$29,591	$26,529	Treatment
102	1052 - Denniston WTP	00000837	06/30/2022	120	$98,661	$90,980	Treatment
103	1052 - Denniston WTP	147	01/01/1992	360	$11,403	$0	Treatment
104	1052 - Denniston WTP	148	01/01/1992	360	$2,250	$0	Treatment
105	1052 - Denniston WTP	162	01/01/1992	360	$275	$0	Treatment
106	1052 - Denniston WTP	163	01/01/1993	360	$8,507	$0	Treatment
107	1052 - Denniston WTP	164	01/01/1993	360	$6,032	$0	Treatment
108	1052 - Denniston WTP	165	01/01/1993	360	$1,174	$0	Treatment
109	1052 - Denniston WTP	166	01/01/1993	360	$108	$0	Treatment
110	1052 - Denniston WTP	167	01/01/1993	360	$54	$0	Treatment
111	1052 - Denniston WTP	168	01/01/1993	360	$41	$0	Treatment
112	1052 - Denniston WTP	169	01/01/1993	360	$137	$0	Treatment
113	1052 - Denniston WTP	170	01/01/1993	360	$359	$0	Treatment
114	1052 - Denniston WTP	199	01/01/1993	360	$359	$0	Treatment
115	1052 - Denniston WTP	225	01/01/2000	360	$78,352	$36,368	Treatment
116	1052 - Denniston WTP	226	01/01/2000	360	$292	$136	Treatment
117	1052 - Denniston WTP	227	01/01/2000	360	$27,638	$12,828	Treatment
118	1052 - Denniston WTP	229A-232	01/01/2000	360	$18,606	$8,636	Treatment
119	1052 - Denniston WTP	230	01/01/2000	360	$8,499	$3,945	Treatment
120	1052 - Denniston WTP	254	01/01/2002	600	$259	$301	Treatment
121	1052 - Denniston WTP	295	01/01/2003	600	$101,959	$119,763	Treatment
122	1052 - Denniston WTP	378	06/27/2007	120	$1,988	$0	Treatment
123	1052 - Denniston WTP	381	06/01/2007	120	$3,008	$0	Treatment
124	1052 - Denniston WTP	382	03/01/2007	120	$32,324	$0	Treatment
125	1052 - Denniston WTP	389	12/12/2006	600	$25,000	$28,800	Treatment
126	1052 - Denniston WTP	423	08/10/2007	60	$2,152	$0	Treatment
127	1052 - Denniston WTP	424	12/26/2007	60	$8,529	$0	Treatment
128	1052 - Denniston WTP	425	04/25/2008	120	$74,997	$0	Treatment
129	1052 - Denniston WTP	426	05/29/2008	60	$4,412	$0	Treatment
130	1052 - Denniston WTP	444	09/26/2008	120	$11,204	$0	Treatment
131	1052 - Denniston WTP	445	09/26/2008	120	$1,923	$0	Treatment

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
132	1052 - Denniston WTP	446	09/26/2008	120	$1,323	$0	Treatment
133	1052 - Denniston WTP	447	10/29/2008	120	$1,806	$0	Treatment
134	1052 - Denniston WTP	449	03/05/2009	120	$7,198	$0	Treatment
135	1052 - Denniston WTP	450	03/05/2009	120	$11,150	$0	Treatment
136	1052 - Denniston WTP	459	05/11/2010	600	$85,134	$95,204	Treatment
137	1052 - Denniston WTP	473	04/29/2010	120	$8,303	$0	Treatment
138	1052 - Denniston WTP	500	02/25/2011	120	$7,725	$0	Treatment
139	1052 - Denniston WTP	528	11/08/2011	600	$296,324	$334,535	Treatment
140	1052 - Denniston WTP	531	11/13/2012	600	$34,348	$38,769	Treatment
141	1052 - Denniston WTP	544	02/28/2013	600	$6,424,141	$7,114,367	Treatment
142	1052 - Denniston WTP	556	11/26/2013	240	$2,480	$1,803	Treatment
143	1052 - Denniston WTP	557	03/26/2014	180	$9,518	$4,959	Treatment
144	1052 - Denniston WTP	558	12/24/2013	240	$15,480	$11,345	Treatment
145	1052 - Denniston WTP	559	03/26/2014	180	$13,592	$7,081	Treatment
146	1052 - Denniston WTP	564	11/12/2013	600	$46,715	$52,712	Treatment
147	1052 - Denniston WTP	577	07/01/2014	180	$30,031	$16,326	Treatment
148	1052 - Denniston WTP	578	07/01/2014	180	$2,648	$1,440	Treatment
149	1052 - Denniston WTP	582	07/01/2014	60	$188,217	$0	Treatment
150	1052 - Denniston WTP	604	07/01/2014	120	$13,047	$1,773	Treatment
151	1055 - Crystal Springs PS	00000628	03/02/2016	60	$437	$0	Pumping
152	1055 - Crystal Springs PS	00000666	06/30/2017	120	$16,467	$8,176	Pumping
153	1055 - Crystal Springs PS	00000680	06/30/2017	240	$63,953	$55,566	Pumping
154	1055 - Crystal Springs PS	00000696	11/15/2017	240	$24,705	$22,104	Pumping
155	1055 - Crystal Springs PS	00000697	06/18/2018	240	$43,880	$39,648	Pumping
156	1055 - Crystal Springs PS	00000698	12/27/2017	240	$81,926	$73,724	Pumping
157	1055 - Crystal Springs PS	00000704	06/30/2018	240	$31,227	$28,216	Pumping
158	1055 - Crystal Springs PS	00000705	02/01/2018	120	$64,161	$35,428	Pumping
159	1055 - Crystal Springs PS	00000706	06/30/2018	240	$29,168	$26,355	Pumping
160	1055 - Crystal Springs PS	00000728	07/01/2017	12	$48,137	$0	Pumping
161	1055 - Crystal Springs PS	00000737	10/31/2018	120	$70,556	$45,335	Pumping
162	1055 - Crystal Springs PS	00000738	12/31/2018	120	$11,399	$7,553	Pumping
163	1055 - Crystal Springs PS	00000739	08/31/2018	120	$41,450	$25,801	Pumping
164	1055 - Crystal Springs PS	00000740	06/30/2019	120	$113,183	$80,226	Pumping

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
165	1055 - Crystal Springs PS	00000752	06/30/2019	60	$20,670	$4,884	Pumping
166	1055 - Crystal Springs PS	00000759	09/30/2018	120	$1,485	$939	Pumping
167	1055 - Crystal Springs PS	00000767	06/30/2019	120	$13,795	$9,778	Pumping
168	1055 - Crystal Springs PS	00000777	06/30/2020	120	$47,396	$38,562	Pumping
169	1055 - Crystal Springs PS	00000779	05/21/2020	120	$5,220	$4,197	Pumping
170	1055 - Crystal Springs PS	00000780	09/04/2019	120	$89,803	$66,307	Pumping
171	1055 - Crystal Springs PS	00000782	03/24/2020	180	$70,440	$64,134	Pumping
172	1055 - Crystal Springs PS	00000847	01/31/2023	120	$292,779	$280,580	Pumping
173	1055 - Crystal Springs PS	133	6/30/1951	360	$512,814	$0	T&D
174	1055 - Crystal Springs PS	133	6/30/1955	360	$20,381	$0	T&D
175	1055 - Crystal Springs PS	133	6/30/1960	360	$39,303	$0	T&D
176	1055 - Crystal Springs PS	133	6/30/1965	360	$429,670	$0	T&D
177	1055 - Crystal Springs PS	133	6/30/1970	360	$740,972	$0	T&D
178	1055 - Crystal Springs PS	133	6/30/1975	360	$1,978,822	$0	T&D
179	1055 - Crystal Springs PS	133	6/30/1980	360	$1,051,660	$0	T&D
180	1055 - Crystal Springs PS	133	6/30/1985	360	$1,334,526	$0	T&D
181	1055 - Crystal Springs PS	133	6/30/1985	360	$2,200,393	$0	Treatment
182	1055 - Crystal Springs PS	133	6/30/1990	360	$129,268	$0	T&D
183	1055 - Crystal Springs PS	133	6/30/1990	360	$31,089	$0	Treatment
184	1055 - Crystal Springs PS	133	6/30/1991	360	$14,423	$0	Treatment
185	1055 - Crystal Springs PS	133	6/30/1991	360	$621,098	$0	T&D
186	1055 - Crystal Springs PS	236	07/01/1992	600	$2,746,355	$2,790,021	Pumping
187	1055 - Crystal Springs PS	237	04/01/1993	600	$3,221,460	$3,254,951	Pumping
188	1055 - Crystal Springs PS	238	07/01/1993	600	$3,197,786	$3,271,930	Pumping
189	1055 - Crystal Springs PS	239	12/01/1995	600	$7,249,622	$7,917,391	Pumping
190	1055 - Crystal Springs PS	240	12/01/1995	600	$2,769,920	$3,025,060	Pumping
191	1055 - Crystal Springs PS	241	12/01/1995	120	$6,397	$0	Pumping
192	1055 - Crystal Springs PS	242	01/01/1996	600	$4,928	$5,259	Pumping
193	1055 - Crystal Springs PS	243	01/01/1997	600	$135,363	$145,532	Pumping
194	1055 - Crystal Springs PS	244	01/01/1998	600	$545,714	$601,966	Pumping
195	1055 - Crystal Springs PS	245	01/01/1999	600	$106,909	$119,927	Pumping
196	1055 - Crystal Springs PS	246	01/31/2000	600	$23,034	$26,235	Pumping
197	1055 - Crystal Springs PS	247	01/01/2000	600	$39,183	$44,488	Pumping

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
198	1055 - Crystal Springs PS	256	01/01/2002	600	$596	$692	Pumping
199	1055 - Crystal Springs PS	268	01/01/2002	600	$50,499	$58,674	Pumping
200	1055 - Crystal Springs PS	276	01/01/2003	600	$17,999	$21,142	Pumping
201	1055 - Crystal Springs PS	291	06/01/2003	600	$353	$420	Pumping
202	1055 - Crystal Springs PS	300	01/01/2004	600	$25,909	$29,603	Pumping
203	1055 - Crystal Springs PS	318	07/01/2004	600	$95,117	$110,460	Pumping
204	1055 - Crystal Springs PS	325	12/31/2004	600	$9,337	$11,018	Pumping
205	1055 - Crystal Springs PS	345	12/31/2005	600	$4,106	$4,777	Pumping
206	1055 - Crystal Springs PS	368	04/26/2006	120	$4,135	$0	Pumping
207	1055 - Crystal Springs PS	474	02/25/2010	120	$36,080	$0	Pumping
208	1055 - Crystal Springs PS	475	05/26/2010	120	$13,365	$0	Pumping
209	1055 - Crystal Springs PS	501	03/25/2011	180	$25,981	$6,999	Pumping
210	1055 - Crystal Springs PS	502	06/27/2011	120	$1,698	$0	Pumping
211	1055 - Crystal Springs PS	503	06/30/2011	120	$1,098	$0	Pumping
212	1055 - Crystal Springs PS	512	05/10/2011	600	$105,321	$117,354	Pumping
213	1055 - Crystal Springs PS	529	07/10/2012	600	$119,554	$133,801	Pumping
214	1055 - Crystal Springs PS	541	02/26/2013	180	$38,162	$16,573	Pumping
215	1055 - Crystal Springs PS	560	06/25/2014	240	$41,046	$30,681	Pumping
216	1055 - Crystal Springs PS	574	07/01/2014	360	$243,550	$231,701	Pumping
217	1055 - Crystal Springs PS	576	07/01/2014	240	$208,589	$155,917	Pumping
218	1055 - Crystal Springs PS	605	05/27/2015	60	$828	$0	Pumping
219	1055 - Crystal Springs PS	606	07/01/2014	120	$33,868	$4,603	Pumping
220	1056 - Other Pump Stations	581	07/01/2014	120	$14,994	$2,038	Pumping
221	1058 - Tanks	00000612	06/29/2016	240	$23,544	$19,728	Storage
222	1058 - Tanks	00000649	07/29/2016	240	$3,128	$2,637	Storage
223	1058 - Tanks	00000679	02/28/2017	240	$206,019	$174,739	Storage
224	1058 - Tanks	00000699	01/05/2018	120	$11,666	$6,442	Storage
225	1058 - Tanks	00000708	06/30/2018	360	$864,932	$868,359	Storage
226	1058 - Tanks	00000709	06/30/2018	360	$39,129	$39,284	Storage
227	1058 - Tanks	00000741	01/31/2019	240	$10,410	$9,582	Storage
228	1058 - Tanks	00000744	06/30/2019	120	$128,685	$91,214	Storage
229	1058 - Tanks	00000783	03/05/2020	120	$32,845	$25,769	Storage
230	1058 - Tanks	00000812	03/11/2021	120	$29,900	$25,453	Storage

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231	1058 - Tanks	00000813	06/21/2021	120	$35,506	$31,200	Storage
232	1058 - Tanks	00000848	06/30/2023	120	$19,872	$19,872	Storage
233	1058 - Tanks	457	07/14/2009	600	$585,280	$656,828	Storage
234	1058 - Tanks	506	07/13/2010	600	$311,145	$349,518	Storage
235	1058 - Tanks	511	05/10/2011	600	$27,512	$30,655	Storage
236	1058 - Tanks	523	12/31/2011	120	$13,432	$0	Storage
237	1058 - Tanks	524	11/28/2011	180	$17,589	$5,887	Storage
238	1058 - Tanks	525	03/13/2012	180	$14,734	$5,274	Storage
239	1058 - Tanks	530	08/14/2012	240	$352,207	$231,130	Storage
240	1058 - Tanks	542	12/31/2012	120	$8,537	$0	Storage
241	1058 - Tanks	561	08/15/2013	120	$5,860	$136	Storage
242	1058 - Tanks	562	12/31/2013	120	$28,930	$2,019	Storage
243	1058 - Tanks	584	07/01/2014	180	$28,055	$15,251	Storage
244	1058 - Tanks	587	07/01/2014	360	$704,721	$670,434	Storage
245	1058 - Tanks	608	07/01/2014	120	$1,613	$219	Storage
246	1058 - Tanks	609	05/27/2015	120	$14,522	$3,697	Storage
247	1058 - Tanks	610	07/01/2014	120	$84,176	$11,440	Storage
248	1059 - Well Fields	00000652	02/28/2017	120	$15,181	$6,909	T&D
249	1059 - Well Fields	00000668	04/30/2017	120	$108,309	$51,533	T&D
250	1059 - Well Fields	00000724	07/01/2017	240	$39,460	$34,285	T&D
251	1059 - Well Fields	159	01/01/1991	360	$18,930	$0	T&D
252	1059 - Well Fields	255	01/01/2002	600	$26,344	$30,609	T&D
253	1059 - Well Fields	296	01/01/2003	600	$23,302	$27,371	T&D
254	1059 - Well Fields	567	07/01/2014	120	$149,736	$20,350	T&D
255	1060 - New Pipeline/Pipeline Replacement	00000615	04/19/2016	360	$13,009	$12,764	T&D
256	1060 - New Pipeline/Pipeline Replacement	00000621	02/29/2016	360	$25,972	$25,297	T&D
257	1060 - New Pipeline/Pipeline Replacement	00000624	06/30/2016	600	$821,515	$910,772	T&D
258	1060 - New Pipeline/Pipeline Replacement	00000629	06/30/2016	600	$505,130	$560,012	T&D
259	1060 - New Pipeline/Pipeline Replacement	00000630	06/30/2016	120	$12,913	$4,994	T&D
260	1060 - New Pipeline/Pipeline Replacement	00000631	04/30/2016	600	$460,520	$508,577	T&D
261	1060 - New Pipeline/Pipeline Replacement	00000632	02/29/2016	120	$10,512	$3,614	T&D
262	1060 - New Pipeline/Pipeline Replacement	00000653	03/31/2017	360	$33,684	$33,099	T&D
263	1060 - New Pipeline/Pipeline Replacement	00000654	10/17/2016	600	$5,775	$6,452	T&D

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264	1060 - New Pipeline/Pipeline Replacement	00000667	02/28/2017	600	$713,211	$773,121	T&D
265	1060 - New Pipeline/Pipeline Replacement	00000669	05/31/2017	60	$95,633	$0	T&D
266	1060 - New Pipeline/Pipeline Replacement	00000670	10/31/2016	60	$82,781	$0	T&D
267	1060 - New Pipeline/Pipeline Replacement	00000672	02/28/2017	600	$6,194	$6,714	T&D
268	1060 - New Pipeline/Pipeline Replacement	00000673	10/31/2016	60	$21,979	$0	T&D
269	1060 - New Pipeline/Pipeline Replacement	00000677	07/01/2016	600	$1,836	$2,035	T&D
270	1060 - New Pipeline/Pipeline Replacement	00000733	03/31/2019	240	$15,032	$13,985	T&D
271	1060 - New Pipeline/Pipeline Replacement	00000742	02/28/2019	600	$230,991	$249,235	T&D
272	1060 - New Pipeline/Pipeline Replacement	00000746	03/31/2019	600	$16,673	$18,023	T&D
273	1060 - New Pipeline/Pipeline Replacement	00000750	02/28/2019	600	$602,382	$649,960	T&D
274	1060 - New Pipeline/Pipeline Replacement	00000753	02/28/2019	600	$354,779	$382,800	T&D
275	1060 - New Pipeline/Pipeline Replacement	00000754	02/28/2019	600	$46,932	$50,639	T&D
276	1060 - New Pipeline/Pipeline Replacement	00000755	03/31/2019	360	$43,722	$44,334	T&D
277	1060 - New Pipeline/Pipeline Replacement	00000768	04/30/2019	600	$60,679	$65,711	T&D
278	1060 - New Pipeline/Pipeline Replacement	00000784	02/14/2020	600	$364,340	$395,243	T&D
279	1060 - New Pipeline/Pipeline Replacement	00000785	02/13/2020	240	$76,481	$74,079	T&D
280	1060 - New Pipeline/Pipeline Replacement	00000786	06/30/2020	600	$640,222	$699,485	T&D
281	1060 - New Pipeline/Pipeline Replacement	00000787	02/29/2020	180	$617,828	$558,526	T&D
282	1060 - New Pipeline/Pipeline Replacement	00000788	05/31/2020	600	$1,350,370	$1,472,755	T&D
283	1060 - New Pipeline/Pipeline Replacement	00000789	05/31/2020	600	$25,370	$27,670	T&D
284	1060 - New Pipeline/Pipeline Replacement	00000803	02/29/2020	180	$25,503	$23,055	T&D
285	1060 - New Pipeline/Pipeline Replacement	00000810	07/01/2020	60	$15,756	$7,325	T&D
286	1060 - New Pipeline/Pipeline Replacement	00000814	10/08/2020	240	$17,738	$17,868	T&D
287	1060 - New Pipeline/Pipeline Replacement	00000815	10/08/2020	240	$1,433	$1,443	T&D
288	1060 - New Pipeline/Pipeline Replacement	00000817	10/02/2020	600	$110,523	$121,610	T&D
289	1060 - New Pipeline/Pipeline Replacement	00000818	10/02/2020	600	$364	$400	T&D
290	1060 - New Pipeline/Pipeline Replacement	00000819	02/08/2021	120	$338	$285	T&D
291	1060 - New Pipeline/Pipeline Replacement	00000820	02/08/2021	120	$85,218	$71,764	T&D
292	1060 - New Pipeline/Pipeline Replacement	00000832	06/30/2022	480	$126,409	$126,281	T&D
293	1060 - New Pipeline/Pipeline Replacement	00000849	02/28/2023	480	$676,839	$671,199	T&D
294	1060 - New Pipeline/Pipeline Replacement	00000850	06/30/2023	480	$1,905,235	$1,905,235	T&D
295	1060 - New Pipeline/Pipeline Replacement	100	09/29/2000	120	$2,809	$0	T&D
296	1060 - New Pipeline/Pipeline Replacement	101	09/29/2000	120	$606	$0	T&D

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297	1060 - New Pipeline/Pipeline Replacement	102	09/29/2000	120	$224	$0	T&D
298	1060 - New Pipeline/Pipeline Replacement	103	12/29/2000	120	$2,090	$0	T&D
299	1060 - New Pipeline/Pipeline Replacement	104	04/30/2001	120	$2,277	$0	T&D
300	1060 - New Pipeline/Pipeline Replacement	105	04/30/2001	120	$228	$0	T&D
301	1060 - New Pipeline/Pipeline Replacement	11	05/01/1992	120	$475	$0	T&D
302	1060 - New Pipeline/Pipeline Replacement	124	01/01/1999	60	$2,718	$0	T&D
303	1060 - New Pipeline/Pipeline Replacement	126	06/01/2000	60	$1,695	$0	T&D
304	1060 - New Pipeline/Pipeline Replacement	127	07/01/2000	60	$3,219	$0	T&D
305	1060 - New Pipeline/Pipeline Replacement	129	08/01/2000	60	$1,586	$0	T&D
306	1060 - New Pipeline/Pipeline Replacement	130	09/01/2000	60	$2,187	$0	T&D
307	1060 - New Pipeline/Pipeline Replacement	132	11/01/2000	60	$712	$0	T&D
308	1060 - New Pipeline/Pipeline Replacement	150	01/01/1992	360	$568	$0	T&D
309	1060 - New Pipeline/Pipeline Replacement	152	01/01/1991	360	$780	$0	T&D
310	1060 - New Pipeline/Pipeline Replacement	153	01/01/1992	360	$275	$0	T&D
311	1060 - New Pipeline/Pipeline Replacement	154	01/01/1992	360	$202,337	$0	T&D
312	1060 - New Pipeline/Pipeline Replacement	155	01/01/1991	360	$1,532	$0	T&D
313	1060 - New Pipeline/Pipeline Replacement	156	01/01/1991	360	$1,275	$0	T&D
314	1060 - New Pipeline/Pipeline Replacement	157	01/01/1991	360	$125,674	$0	T&D
315	1060 - New Pipeline/Pipeline Replacement	158	01/01/1991	360	$150	$0	T&D
316	1060 - New Pipeline/Pipeline Replacement	160	01/01/1991	360	$131,256	$0	T&D
317	1060 - New Pipeline/Pipeline Replacement	188	01/01/1993	360	$142,863	$0	T&D
318	1060 - New Pipeline/Pipeline Replacement	189	01/01/1993	360	$714	$0	T&D
319	1060 - New Pipeline/Pipeline Replacement	19	06/01/1993	120	$1,190	$0	T&D
320	1060 - New Pipeline/Pipeline Replacement	190	01/01/1993	360	$588	$0	T&D
321	1060 - New Pipeline/Pipeline Replacement	191	01/01/1993	360	$140	$0	T&D
322	1060 - New Pipeline/Pipeline Replacement	192	01/01/1993	360	$3,862	$0	T&D
323	1060 - New Pipeline/Pipeline Replacement	194	01/01/1992	360	$300	$0	T&D
324	1060 - New Pipeline/Pipeline Replacement	195	01/01/1992	360	$67	$0	T&D
325	1060 - New Pipeline/Pipeline Replacement	200	01/01/1994	360	$1,922	$79	T&D
326	1060 - New Pipeline/Pipeline Replacement	201	01/01/1994	360	$273,802	$11,246	T&D
327	1060 - New Pipeline/Pipeline Replacement	202	01/01/1994	360	$11,312	$465	T&D
328	1060 - New Pipeline/Pipeline Replacement	203	01/01/1994	360	$32,136	$1,320	T&D
329	1060 - New Pipeline/Pipeline Replacement	204	09/01/1994	360	$1,975	$189	T&D

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330	1060 - New Pipeline/Pipeline Replacement	205	01/01/1995	360	$13,995	$1,705	T&D
331	1060 - New Pipeline/Pipeline Replacement	206	03/01/1995	360	$5,706	$772	T&D
332	1060 - New Pipeline/Pipeline Replacement	207	01/01/1995	360	$14,071	$1,714	T&D
333	1060 - New Pipeline/Pipeline Replacement	209	01/01/1996	360	$180,171	$35,604	T&D
334	1060 - New Pipeline/Pipeline Replacement	21	10/01/1992	120	$110	$0	T&D
335	1060 - New Pipeline/Pipeline Replacement	211	01/01/1997	360	$24,338	$6,495	T&D
336	1060 - New Pipeline/Pipeline Replacement	212	01/01/1997	360	$467,253	$124,698	T&D
337	1060 - New Pipeline/Pipeline Replacement	214	01/01/1998	360	$993	$335	T&D
338	1060 - New Pipeline/Pipeline Replacement	215	01/01/1998	360	$270,577	$91,368	T&D
339	1060 - New Pipeline/Pipeline Replacement	216	01/01/1998	360	$17	$6	T&D
340	1060 - New Pipeline/Pipeline Replacement	22	11/01/1992	120	$67	$0	T&D
341	1060 - New Pipeline/Pipeline Replacement	220	01/01/2000	360	$319	$148	T&D
342	1060 - New Pipeline/Pipeline Replacement	221	01/01/2000	360	$61,047	$28,335	T&D
343	1060 - New Pipeline/Pipeline Replacement	222	01/01/2000	360	$28,635	$13,291	T&D
344	1060 - New Pipeline/Pipeline Replacement	223	01/01/2000	360	$431,945	$200,490	T&D
345	1060 - New Pipeline/Pipeline Replacement	224	01/01/2000	360	$130,742	$60,685	T&D
346	1060 - New Pipeline/Pipeline Replacement	228	01/01/2000	360	$11,119	$5,161	T&D
347	1060 - New Pipeline/Pipeline Replacement	233	01/01/2000	360	$19,700	$9,144	T&D
348	1060 - New Pipeline/Pipeline Replacement	249	07/10/2001	600	$33,850	$39,946	T&D
349	1060 - New Pipeline/Pipeline Replacement	250	03/12/2002	600	$582,387	$682,601	T&D
350	1060 - New Pipeline/Pipeline Replacement	251	11/13/2001	600	$34,139	$40,765	T&D
351	1060 - New Pipeline/Pipeline Replacement	252	03/12/2002	600	$72,573	$85,061	T&D
352	1060 - New Pipeline/Pipeline Replacement	253	04/09/2002	600	$12,799	$15,045	T&D
353	1060 - New Pipeline/Pipeline Replacement	257	01/01/2002	600	$2,001	$2,325	T&D
354	1060 - New Pipeline/Pipeline Replacement	259	01/01/2002	600	$336	$390	T&D
355	1060 - New Pipeline/Pipeline Replacement	260	01/01/2002	600	$512	$595	T&D
356	1060 - New Pipeline/Pipeline Replacement	261	01/01/2002	600	$70	$81	T&D
357	1060 - New Pipeline/Pipeline Replacement	262	01/01/2002	600	$15,536	$18,051	T&D
358	1060 - New Pipeline/Pipeline Replacement	264	01/01/2002	600	$393	$457	T&D
359	1060 - New Pipeline/Pipeline Replacement	265	01/01/2002	120	$5,411	$0	T&D
360	1060 - New Pipeline/Pipeline Replacement	266	01/01/2002	600	$3,708	$4,308	T&D
361	1060 - New Pipeline/Pipeline Replacement	273	01/01/2002	120	$428	$0	T&D
362	1060 - New Pipeline/Pipeline Replacement	274	01/01/2003	600	$7,980	$9,373	T&D

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363	1060 - New Pipeline/Pipeline Replacement	279	11/26/2002	120	$1,624	$0	T&D
364	1060 - New Pipeline/Pipeline Replacement	280	01/24/2003	120	$812	$0	T&D
365	1060 - New Pipeline/Pipeline Replacement	282	04/30/2003	120	$1,085	$0	T&D
366	1060 - New Pipeline/Pipeline Replacement	292	01/01/2003	600	$102,993	$120,978	T&D
367	1060 - New Pipeline/Pipeline Replacement	293	01/01/2003	600	$415,523	$488,083	T&D
368	1060 - New Pipeline/Pipeline Replacement	294	01/01/2003	600	$100,613	$118,182	T&D
369	1060 - New Pipeline/Pipeline Replacement	297	01/01/2003	600	$17,916	$21,045	T&D
370	1060 - New Pipeline/Pipeline Replacement	298	01/01/2004	600	$4,211	$4,811	T&D
371	1060 - New Pipeline/Pipeline Replacement	308	09/15/2003	600	$48,125	$57,966	T&D
372	1060 - New Pipeline/Pipeline Replacement	309	01/11/2005	600	$28,000	$31,656	T&D
373	1060 - New Pipeline/Pipeline Replacement	310	05/10/2005	600	$11,800	$13,482	T&D
374	1060 - New Pipeline/Pipeline Replacement	311	06/14/2005	600	$14,100	$16,151	T&D
375	1060 - New Pipeline/Pipeline Replacement	312	06/01/2005	600	$316,134	$361,184	T&D
376	1060 - New Pipeline/Pipeline Replacement	314	12/31/2004	120	$20,753	$0	T&D
377	1060 - New Pipeline/Pipeline Replacement	315	03/08/2005	600	$240,333	$273,147	T&D
378	1060 - New Pipeline/Pipeline Replacement	316	11/16/2004	600	$384,659	$452,714	T&D
379	1060 - New Pipeline/Pipeline Replacement	319	01/31/2004	600	$113,570	$130,118	T&D
380	1060 - New Pipeline/Pipeline Replacement	320	04/01/2004	600	$605,609	$697,629	T&D
381	1060 - New Pipeline/Pipeline Replacement	321	05/01/2004	600	$852,293	$984,457	T&D
382	1060 - New Pipeline/Pipeline Replacement	322	12/31/2004	600	$58,236	$68,721	T&D
383	1060 - New Pipeline/Pipeline Replacement	323	12/31/2004	600	$20,426	$24,104	T&D
384	1060 - New Pipeline/Pipeline Replacement	324	06/01/2005	600	$5,612	$6,412	T&D
385	1060 - New Pipeline/Pipeline Replacement	327	12/31/2004	600	$29,165	$34,416	T&D
386	1060 - New Pipeline/Pipeline Replacement	338	05/02/2006	600	$3,797	$4,298	T&D
387	1060 - New Pipeline/Pipeline Replacement	339	08/02/2005	600	$30,471	$35,086	T&D
388	1060 - New Pipeline/Pipeline Replacement	340	11/15/2005	120	$201,659	$0	T&D
389	1060 - New Pipeline/Pipeline Replacement	342	03/14/2006	600	$1,379,917	$1,554,064	T&D
390	1060 - New Pipeline/Pipeline Replacement	343	12/31/2005	600	$12,338	$14,354	T&D
391	1060 - New Pipeline/Pipeline Replacement	346	07/28/2005	120	$5,612	$0	T&D
392	1060 - New Pipeline/Pipeline Replacement	347	12/31/2005	600	$48,771	$56,739	T&D
393	1060 - New Pipeline/Pipeline Replacement	37	08/01/1994	120	$2,697	$0	T&D
394	1060 - New Pipeline/Pipeline Replacement	370	12/31/2006	600	$1,563	$1,801	T&D
395	1060 - New Pipeline/Pipeline Replacement	379	07/01/2006	600	$439,289	$498,504	T&D

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
396	1060 - New Pipeline/Pipeline Replacement	386	09/01/2006	600	$308,593	$351,959	T&D
397	1060 - New Pipeline/Pipeline Replacement	388	03/01/2007	600	$6,500	$7,322	T&D
398	1060 - New Pipeline/Pipeline Replacement	390	07/01/2006	600	$52,910	$60,042	T&D
399	1060 - New Pipeline/Pipeline Replacement	393	05/01/2008	600	$219,937	$245,728	T&D
400	1060 - New Pipeline/Pipeline Replacement	394	12/31/2007	600	$6,337	$7,315	T&D
401	1060 - New Pipeline/Pipeline Replacement	42	12/01/1994	120	$680	$0	T&D
402	1060 - New Pipeline/Pipeline Replacement	427	07/01/2007	600	$795,508	$904,994	T&D
403	1060 - New Pipeline/Pipeline Replacement	429	12/31/2008	360	$5,123	$4,245	T&D
404	1060 - New Pipeline/Pipeline Replacement	43	02/01/1995	120	$111	$0	T&D
405	1060 - New Pipeline/Pipeline Replacement	44	03/01/1995	120	$324	$0	T&D
406	1060 - New Pipeline/Pipeline Replacement	451	04/15/2009	600	$1,618,920	$1,804,239	T&D
407	1060 - New Pipeline/Pipeline Replacement	454	12/09/2008	600	$5,907,607	$6,726,689	T&D
408	1060 - New Pipeline/Pipeline Replacement	458	12/08/2009	600	$128,619	$146,008	T&D
409	1060 - New Pipeline/Pipeline Replacement	477	12/31/2009	600	$32,447	$36,833	T&D
410	1060 - New Pipeline/Pipeline Replacement	482	12/31/2010	600	$11,005	$12,502	T&D
411	1060 - New Pipeline/Pipeline Replacement	508	03/08/2011	600	$93,592	$103,827	T&D
412	1060 - New Pipeline/Pipeline Replacement	509	03/08/2011	600	$25,839	$28,665	T&D
413	1060 - New Pipeline/Pipeline Replacement	51	09/01/1995	120	$41	$0	T&D
414	1060 - New Pipeline/Pipeline Replacement	510	05/10/2011	600	$24,771	$27,601	T&D
415	1060 - New Pipeline/Pipeline Replacement	516	12/31/2011	600	$2,421	$2,740	T&D
416	1060 - New Pipeline/Pipeline Replacement	526	02/14/2012	600	$38,780	$42,939	T&D
417	1060 - New Pipeline/Pipeline Replacement	527	12/11/2011	600	$107,536	$121,666	T&D
418	1060 - New Pipeline/Pipeline Replacement	53	02/01/1996	120	$130	$0	T&D
419	1060 - New Pipeline/Pipeline Replacement	532	03/12/2013	600	$162,580	$180,427	T&D
420	1060 - New Pipeline/Pipeline Replacement	533	04/19/2013	600	$552,411	$614,334	T&D
421	1060 - New Pipeline/Pipeline Replacement	54	05/01/1996	120	$575	$0	T&D
422	1060 - New Pipeline/Pipeline Replacement	55	12/01/1996	120	$500	$0	T&D
423	1060 - New Pipeline/Pipeline Replacement	563	09/10/2013	600	$133,576	$150,103	T&D
424	1060 - New Pipeline/Pipeline Replacement	565	12/10/2013	600	$32,764	$37,046	T&D
425	1060 - New Pipeline/Pipeline Replacement	566	04/08/2014	600	$350,245	$388,738	T&D
426	1060 - New Pipeline/Pipeline Replacement	568	07/01/2014	120	$221,672	$30,127	T&D
427	1060 - New Pipeline/Pipeline Replacement	570	07/01/2014	600	$97,723	$108,906	T&D
428	1060 - New Pipeline/Pipeline Replacement	575	07/01/2014	600	$29,414	$32,780	T&D

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
429	1060 - New Pipeline/Pipeline Replacement	579	07/01/2014	600	$344,656	$384,096	T&D
430	1060 - New Pipeline/Pipeline Replacement	580	07/01/2014	600	$1,150	$1,282	T&D
431	1060 - New Pipeline/Pipeline Replacement	583	07/01/2014	120	$139,511	$18,960	T&D
432	1060 - New Pipeline/Pipeline Replacement	589	07/01/2014	600	$151,724	$169,087	T&D
433	1060 - New Pipeline/Pipeline Replacement	590	07/01/2014	600	$34,489	$38,436	T&D
434	1060 - New Pipeline/Pipeline Replacement	6	04/05/1998	360	$11,418	$4,141	T&D
435	1060 - New Pipeline/Pipeline Replacement	66	01/01/1998	120	$271	$0	T&D
436	1060 - New Pipeline/Pipeline Replacement	67	01/01/1998	120	$325	$0	T&D
437	1060 - New Pipeline/Pipeline Replacement	68	01/01/1998	120	$223	$0	T&D
438	1060 - New Pipeline/Pipeline Replacement	69	01/01/1998	120	$257	$0	T&D
439	1060 - New Pipeline/Pipeline Replacement	72	01/01/1998	120	$567	$0	T&D
440	1060 - New Pipeline/Pipeline Replacement	75	01/01/1999	120	$3,149	$0	T&D
441	1060 - New Pipeline/Pipeline Replacement	79	03/01/1999	120	$262	$0	T&D
442	1060 - New Pipeline/Pipeline Replacement	80	10/01/1999	120	$125	$0	T&D
443	1060 - New Pipeline/Pipeline Replacement	81	01/01/2000	120	$123	$0	T&D
444	1060 - New Pipeline/Pipeline Replacement	82	01/01/2000	120	$220	$0	T&D
445	1060 - New Pipeline/Pipeline Replacement	83	05/01/2000	120	$1,693	$0	T&D
446	1060 - New Pipeline/Pipeline Replacement	84	06/01/2000	120	$247	$0	T&D
447	1060 - New Pipeline/Pipeline Replacement	85	06/01/2000	120	$1,031	$0	T&D
448	1060 - New Pipeline/Pipeline Replacement	86	07/01/1999	120	$701	$0	T&D
449	1060 - New Pipeline/Pipeline Replacement	87	08/01/1999	120	$97	$0	T&D
450	1060 - New Pipeline/Pipeline Replacement	88	10/01/1999	120	$1,630	$0	T&D
451	1060 - New Pipeline/Pipeline Replacement	89	05/01/1999	120	$10,906	$0	T&D
452	1060 - New Pipeline/Pipeline Replacement	91	06/01/1999	120	$1,594	$0	T&D
453	1060 - New Pipeline/Pipeline Replacement	99	08/31/2000	120	$167	$0	T&D
454	1061 - Transmission and Distribution	00000684	12/31/2017	360	$12,501	$12,672	T&D
455	1061 - Transmission and Distribution	00000685	06/27/2018	360	$16,175	$16,239	T&D
456	1061 - Transmission and Distribution	00000701	02/27/2018	600	$13,138	$14,140	T&D
457	1061 - Transmission and Distribution	00000703	01/31/2018	600	$220,330	$236,687	T&D
458	1061 - Transmission and Distribution	00000711	04/25/2018	600	$11,339	$12,249	T&D
459	1061 - Transmission and Distribution	00000712	12/05/2017	600	$226,898	$250,651	T&D
460	1061 - Transmission and Distribution	00000713	12/05/2017	600	$9,183	$10,145	T&D
461	1061 - Transmission and Distribution	00000716	03/31/2018	600	$2,376,375	$2,562,340	T&D

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
462	1061 - Transmission and Distribution	00000717	03/31/2018	360	$326,592	$324,607	T&D
463	1061 - Transmission and Distribution	00000723	07/01/2017	60	$166,807	$0	T&D
464	1061 - Transmission and Distribution	00000725	07/01/2017	600	$23,472	$25,638	T&D
465	1061 - Transmission and Distribution	00000760	05/31/2019	360	$20,791	$21,218	T&D
466	1061 - Transmission and Distribution	00000800	06/30/2020	360	$11,683	$12,221	T&D
467	1061 - Transmission and Distribution	00000801	06/30/2020	360	$27,321	$28,580	T&D
468	1062 - Non-Complex Pipeline	455	02/10/2009	600	$35,000	$38,825	T&D
469	1062 - Non-Complex Pipeline	456	06/09/2009	600	$17,826	$19,959	T&D
470	1062 - Non-Complex Pipeline	461	09/08/2009	600	$275,760	$310,900	T&D
471	1062 - Non-Complex Pipeline	462	04/13/2010	600	$46,475	$51,855	T&D
472	1062 - Non-Complex Pipeline	513	07/13/2010	600	$57,334	$64,405	T&D
473	1062 - Non-Complex Pipeline	514	10/12/2010	600	$5,000	$5,655	T&D
474	1062 - Non-Complex Pipeline	515	04/12/2011	600	$4,000	$4,447	T&D
475	1062 - Non-Complex Pipeline	518	05/25/2012	600	$4,648	$5,179	T&D
476	1062 - Non-Complex Pipeline	543	08/27/2012	600	$5,000	$5,608	T&D
477	1064 - Meters/Hydrants	00000613	04/13/2016	240	$149	$123	Meters
478	1064 - Meters/Hydrants	00000622	06/24/2016	240	$3,331	$2,792	Meters
479	1064 - Meters/Hydrants	00000633	09/30/2015	240	$7,323	$5,957	Meters
480	1064 - Meters/Hydrants	00000634	10/31/2015	240	$5,863	$4,802	Meters
481	1064 - Meters/Hydrants	00000635	11/30/2015	240	$9,130	$7,527	Meters
482	1064 - Meters/Hydrants	00000636	12/31/2015	240	$8,670	$7,196	Meters
483	1064 - Meters/Hydrants	00000637	01/31/2016	240	$7,655	$6,208	Meters
484	1064 - Meters/Hydrants	00000638	02/29/2016	240	$6,380	$5,209	Meters
485	1064 - Meters/Hydrants	00000639	03/31/2016	240	$7,924	$6,512	Meters
486	1064 - Meters/Hydrants	00000640	08/31/2015	240	$17,113	$13,825	Fire
487	1064 - Meters/Hydrants	00000659	06/30/2017	240	$23,600	$20,505	Fire
488	1064 - Meters/Hydrants	00000674	06/30/2017	240	$24,660	$21,426	Fire
489	1064 - Meters/Hydrants	00000676	06/30/2017	240	$296	$257	Fire
490	1064 - Meters/Hydrants	00000678	06/30/2017	240	$70,038	$60,853	Meters
491	1064 - Meters/Hydrants	00000714	06/30/2018	360	$43,884	$44,058	Fire
492	1064 - Meters/Hydrants	00000718	10/06/2017	240	$1,234,251	$1,097,919	Meters
493	1064 - Meters/Hydrants	00000719	06/30/2018	240	$309	$279	Meters
494	1064 - Meters/Hydrants	00000720	06/30/2018	240	$82,259	$74,326	Meters

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
495	1064 - Meters/Hydrants	00000721	06/30/2018	240	$732,499	$661,861	Meters
496	1064 - Meters/Hydrants	00000756	06/30/2019	240	$265,949	$251,347	Meters
497	1064 - Meters/Hydrants	00000757	06/30/2019	240	$218,651	$206,645	Fire
498	1064 - Meters/Hydrants	00000790	06/30/2020	240	$158,033	$156,130	Fire
499	1064 - Meters/Hydrants	00000799	06/30/2020	180	$37,880	$35,222	Meters
500	1064 - Meters/Hydrants	00000823	06/30/2021	180	$13,577	$12,925	Meters
501	1064 - Meters/Hydrants	00000824	06/30/2021	240	$56,915	$56,264	Fire
502	1064 - Meters/Hydrants	00000841	06/30/2022	240	$161,374	$157,077	Fire
503	1064 - Meters/Hydrants	00000852	06/30/2023	180	$24,929	$24,929	Meters
504	1064 - Meters/Hydrants	00000853	06/30/2023	240	$44,023	$44,023	Fire
505	1064 - Meters/Hydrants	149	01/01/1992	360	$3,193	$0	Fire
506	1064 - Meters/Hydrants	231	10/01/1999	360	$50	$23	Fire
507	1064 - Meters/Hydrants	569	07/01/2014	180	$121,892	$66,264	Fire
508	1064 - Meters/Hydrants	571	05/27/2015	180	$18,612	$11,397	Meters
509	1064 - Meters/Hydrants	572	06/25/2015	180	$7,521	$4,661	Meters
510	1064 - Meters/Hydrants	573	07/01/2014	180	$171,907	$93,453	Meters
511	1065 - Buildings/Structures	00000641	10/31/2015	120	$9,889	$3,064	General
512	1065 - Buildings/Structures	00000642	07/01/2015	240	$687,956	$548,185	General
513	1065 - Buildings/Structures	00000675	03/04/2017	120	$8,610	$4,008	General
514	1065 - Buildings/Structures	00000770	06/30/2020	120	$12,650	$10,292	General
515	1065 - Buildings/Structures	00000771	10/16/2019	120	$5,676	$4,247	General
516	1065 - Buildings/Structures	00000772	06/17/2020	120	$4,550	$3,702	General
517	1065 - Buildings/Structures	00000773	06/30/2020	240	$154,073	$152,218	General
518	1065 - Buildings/Structures	00000774	11/14/2019	60	$9,950	$3,330	General
519	1065 - Buildings/Structures	00000802	06/30/2020	240	$10,266	$10,142	General
520	1065 - Buildings/Structures	00000825	09/30/2020	180	$18,335	$17,404	General
521	1065 - Buildings/Structures	00000826	10/31/2020	120	$23,420	$19,962	General
522	1065 - Buildings/Structures	00000833	02/16/2022	120	$163,432	$145,126	General
523	1065 - Buildings/Structures	198	01/01/1993	360	$1,100	$0	General
524	1065 - Buildings/Structures	3	06/30/1991	360	$144,177	$0	General
525	1065 - Buildings/Structures	301	04/29/2004	600	$9,470	$10,939	General
526	1065 - Buildings/Structures	397	11/30/2007	120	$7,580	$0	General
527	1065 - Buildings/Structures	463	01/26/2010	180	$11,688	$1,869	General

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
528	1065 - Buildings/Structures	591	07/01/2014	60	$135,470	$0	General
529	1066 - Vehicles	00000655	10/31/2016	60	$30,483	$0	Maintenance
530	1066 - Vehicles	00000656	09/14/2016	120	$14,661	$6,142	Maintenance
531	1066 - Vehicles	00000657	11/15/2016	60	$22,528	$0	Maintenance
532	1066 - Vehicles	00000686	10/31/2017	120	$213,772	$114,980	Maintenance
533	1066 - Vehicles	00000687	04/12/2018	60	$29,161	$0	Maintenance
534	1066 - Vehicles	00000688	04/12/2018	60	$27,856	$0	Maintenance
535	1066 - Vehicles	00000689	01/16/2018	60	$28,844	$0	Maintenance
536	1066 - Vehicles	00000761	12/17/2018	60	$27,925	$3,364	Maintenance
537	1066 - Vehicles	00000762	12/05/2018	60	$25,755	$3,103	Maintenance
538	1066 - Vehicles	00000763	12/05/2018	60	$25,755	$3,103	Maintenance
539	1066 - Vehicles	00000764	05/07/2019	60	$5,626	$1,219	Maintenance
540	1066 - Vehicles	00000791	10/15/2019	180	$157,846	$140,892	Maintenance
541	1066 - Vehicles	00000792	01/10/2020	60	$25,995	$9,568	Maintenance
542	1066 - Vehicles	00000793	01/10/2020	60	$25,945	$9,549	Maintenance
543	1066 - Vehicles	00000794	01/10/2020	60	$29,812	$10,973	Maintenance
544	1066 - Vehicles	00000804	10/15/2019	180	$15,000	$13,389	Maintenance
545	1066 - Vehicles	00000834	08/01/2021	120	$225,495	$200,213	Maintenance
546	1066 - Vehicles	00000839	08/01/2021	60	$187,209	$126,807	Maintenance
547	1066 - Vehicles	00000856	06/15/2023	60	$70,109	$70,109	Maintenance
548	1066 - Vehicles	00000857	11/22/2022	60	$34,476	$31,203	Maintenance
549	1066 - Vehicles	367	04/26/2006	120	$14,056	$0	Maintenance
550	1066 - Vehicles	411	12/26/2007	60	$61,296	$0	Maintenance
551	1066 - Vehicles	536	11/26/2012	60	$135,986	$0	Maintenance
552	1066 - Vehicles	597	11/25/2014	120	$19,059	$3,670	Maintenance
553	1067 - Software/Telemetry/Mapping/Communications	00000623	06/30/2016	120	$41,250	$15,953	General
554	1067 - Software/Telemetry/Mapping/Communications	00000625	06/30/2016	120	$39,170	$15,149	General
555	1067 - Software/Telemetry/Mapping/Communications	00000643	06/30/2016	120	$100,090	$38,709	General
556	1067 - Software/Telemetry/Mapping/Communications	00000644	06/30/2016	120	$148,073	$57,266	General
557	1067 - Software/Telemetry/Mapping/Communications	00000661	06/30/2017	120	$131,558	$65,317	General
558	1067 - Software/Telemetry/Mapping/Communications	00000690	06/30/2018	60	$13,267	$0	General
559	1067 - Software/Telemetry/Mapping/Communications	00000715	09/25/2017	120	$30,693	$16,191	General
560	1067 - Software/Telemetry/Mapping/Communications	00000766	06/30/2019	60	$30,891	$7,299	General

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
561	1067 - Software/Telemetry/Mapping/Communications	00000795	05/21/2020	120	$125,060	$100,539	General
562	1067 - Software/Telemetry/Mapping/Communications	00000822	05/31/2021	120	$24,807	$21,572	General
563	1067 - Software/Telemetry/Mapping/Communications	00000835	06/30/2022	120	$44,575	$41,105	General
564	1067 - Software/Telemetry/Mapping/Communications	00000838	02/28/2022	60	$162,531	$122,122	General
565	1067 - Software/Telemetry/Mapping/Communications	00000855	06/30/2023	60	$27,987	$27,987	General
566	1067 - Software/Telemetry/Mapping/Communications	00000858	06/30/2023	60	$36,890	$36,890	General
567	1067 - Software/Telemetry/Mapping/Communications	476	01/26/2010	120	$10,506	$0	General
568	1067 - Software/Telemetry/Mapping/Communications	504	08/26/2010	120	$2,501	$0	General
569	1067 - Software/Telemetry/Mapping/Communications	505	05/26/2011	120	$1,981	$0	General
570	1067 - Software/Telemetry/Mapping/Communications	585	07/01/2014	180	$414,313	$225,231	General
571	1067 - Software/Telemetry/Mapping/Communications	598	07/01/2014	180	$226,638	$123,206	General
572	1067 - Software/Telemetry/Mapping/Communications	607	07/01/2014	60	$33,706	$0	General
573	1068 - General Office	00000645	11/30/2015	120	$3,988	$1,280	General
574	1068 - General Office	00000647	04/30/2016	36	$2,988	$0	General
575	1068 - General Office	00000662	12/14/2016	240	$11,400	$9,920	General
576	1068 - General Office	00000691	03/23/2018	36	$9,734	$0	General
577	1068 - General Office	00000796	10/18/2019	60	$11,765	$3,706	General
578	1068 - General Office	00000797	10/24/2019	36	$23,322	$0	General
579	1068 - General Office	00000798	04/30/2020	36	$27,510	$0	General
580	1068 - General Office	00000840	06/01/2022	60	$22,897	$18,377	General
581	1068 - General Office	10	05/01/1992	120	$637	$0	General
582	1068 - General Office	593	12/23/2014	60	$980	$0	General
583	1068 - General Office	596	07/01/2014	60	$5,573	$0	General
584	1069 - Shop	00000648	02/29/2016	60	$9,208	$0	General
585	1069 - Shop	272	01/01/2002	120	$4,401	$0	General
586	1069 - Shop	286	02/28/2003	120	$5,650	$0	General
587	1069 - Shop	287	03/31/2003	120	$1,873	$0	General
588	1069 - Shop	305	11/25/2003	120	$2,101	$0	General
589	1069 - Shop	328	12/31/2004	120	$661	$0	General
590	1069 - Shop	364	02/09/2006	120	$1,116	$0	General
591	1069 - Shop	365	06/27/2006	120	$7,089	$0	General
592	1069 - Shop	374	07/26/2006	60	$380	$0	General
593	1069 - Shop	385	06/01/2007	120	$51,296	$0	General

Line	Department	Asset ID	Acquired Date	Asset Life (Months)	Original Cost	RCLD	Cost Function
594	1069 - Shop	401	12/26/2007	60	$3,566	$0	General
595	1069 - Shop	405	07/26/2007	60	$8,119	$0	General
596	1069 - Shop	406	08/28/2007	60	$3,011	$0	General
597	1069 - Shop	407	09/25/2007	60	$2,590	$0	General
598	1069 - Shop	408	09/25/2007	60	$4,171	$0	General
599	1069 - Shop	410	10/25/2007	60	$2,566	$0	General
600	1069 - Shop	428	01/31/2003	120	$2,490	$0	General
601	1069 - Shop	481	06/30/2010	60	$2,512	$0	General
602	1069 - Shop	57	08/01/1996	120	$4,054	$0	General
603	1069 - Shop	71	01/01/1998	120	$1,911	$0	General
604	1115 - Treatment Plants (not specified)	134	07/01/1991	360	$2,613	$0	Treatment
605	1115 - Treatment Plants (not specified)	135	09/01/1991	360	$928	$0	Treatment
606	1115 - Treatment Plants (not specified)	136	01/01/1991	360	$463	$0	Treatment
607	1115 - Treatment Plants (not specified)	137	01/01/1991	360	$13,931	$0	Treatment
608	1115 - Treatment Plants (not specified)	138	01/01/1991	360	$2,276	$0	Treatment
609	1115 - Treatment Plants (not specified)	139	01/01/1991	360	$1,105	$0	Treatment
610	1115 - Treatment Plants (not specified)	140	01/01/1991	360	$1,548	$0	Treatment
611	1115 - Treatment Plants (not specified)	141	01/01/1991	360	$792	$0	Treatment
612	1115 - Treatment Plants (not specified)	142	01/01/1991	360	$24,951	$0	Treatment
613	1115 - Treatment Plants (not specified)	143	01/01/1992	360	$381	$0	Treatment
614	1115 - Treatment Plants (not specified)	144	01/01/1992	360	$4,050	$0	Treatment
615	1115 - Treatment Plants (not specified)	145	01/01/1992	360	$3,109	$0	Treatment
616	1115 - Treatment Plants (not specified)	146	01/01/1992	360	$4,770	$0	Treatment
617	1112 - Land	00000827	12/15/2020	0	$413,761	$480,916	General
618	1112 - Land	1	06/30/1991	0	$136,922	$377,406	General
619	1112 - Land	2	08/15/1996	0	$23,690	$56,177	General
620	1113 - Easements	00000842	05/31/2022	0	$76,860	$78,751	General
621	1113 - Easements	00000844	06/30/2022	0	$62,465	$64,002	General
622	1113 - Easements	00000851	06/30/2023	0	$19,000	$19,000	General
623	1113 - Easements	479	01/08/2010	0	$2,053	$3,109	General
624	1112 - Land		01/01/2020	0	$1,886,000	$2,192,109	Local Supply
625	**Total - Capital Assets**				**$98,105,352**	**$86,879,063**	

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Exhibit B

Approved Fiscal Year 2024-2025
Operations and Maintenance Budget

COASTSIDE COUNTY WATER DISTRICT

Exhibit B

Final 6.11.2024

Operations & Maintenance Budget - FY 2024-2025

Account Number	Description	Final FY 2024/2025 Budget	Approved FY 2023/2024 Budget	FY24/25 Budget Vs. FY 23/24 Budget	FY24/25 Budget Vs. FY 23/24 Budget %
				$ Changed	% Changed
	OPERATING REVENUE				
4120	*Water Sales (*)*	***$ 13,684,409***	***$12,963,614***	*$ 720,796*	5.6%
	Water Sales in MG	*520 MG*	*506 MG*	*14 MG*	2.8%
Total Operating Revenue		***$ 13,684,409***	***$12,963,614***	***720,796***	**5.6%**
	(*) Excludes January, 2025 Rate increase				
	NON-OPERATING REVENUE				
4170	Hydrant Sales	**$52,000**	**$52,000**	$0	0.0%
4180	Late Penalty	**$100,000**	**$65,000**	$35,000	53.8%
4230	Service Connections	**$15,000**	**$10,000**	$5,000	50.0%
4920	Interest Earned	**$300,000**	**$90,000**	$210,000	233.3%
4930	Property Taxes	**$1,092,000**	**$995,000**	$97,000	9.7%
4950	Miscellaneous	**$5,000**	**$5,000**	$0	0.0%
4955	Cell Site Lease Income	**$203,000**	**$195,000**	$8,000	4.1%
4965	ERAF Refund	**$600,000**	**$550,000**	$50,000	9.1%
Total Non-Operating Revenue		**$2,367,000**	**$1,962,000**	**$405,000**	**20.6%**
TOTAL REVENUES		**$16,051,409**	**$14,925,614**	**$1,125,796**	**7.5%**
	OPERATING EXPENSES				
5130	Water Purchased	**$2,548,252**	**$2,260,502**	$287,751	12.7%
5130A	BAWSCA Bond Surcharge	**$38,772**	**$200,844**	($162,072)	(80.7%)
5230	Electrical Exp. Nunes WTP	**$65,550**	**$57,000**	$8,550	15.0%
5231	Electrical Expenses, CSP	**$500,000**	**$350,000**	$150,000	42.9%
5232	Electrical Expenses/Trans. & Dist.	**$31,050**	**$27,000**	$4,050	15.0%
5233	Elec Exp/Pilarcitos Cyn	**$79,350**	**$69,000**	$10,350	15.0%
5234	Electrical Exp., Denn	**$102,350**	**$89,000**	$13,350	15.0%
5242	CSP - Operation	**$13,000**	**$13,000**	$0	0.0%
5243	CSP - Maintenance	**$45,000**	**$35,000**	$10,000	28.6%
5246	Nunes WTP Oper	**$109,000**	**$102,000**	$7,000	6.9%
5247	Nunes WTP Maint	**$135,000**	**$125,000**	$10,000	8.0%
5248	Denn. WTP Oper.	**$78,000**	**$54,000**	$24,000	44.4%
5249	Denn WTP Maint	**$165,000**	**$155,000**	$10,000	6.5%
5250	Laboratory Expenses	**$81,000**	**$77,000**	$4,000	5.2%
5260	Maintenance Expenses	**$421,000**	**$395,000**	$26,000	6.6%
5261	Maintenance, Wells	**$50,000**	**$50,000**	$0	0.0%
5263	Uniforms	**$14,700**	**$14,000**	$700	5.0%
5318	Studies/Surveys/Consulting	**$160,000**	**$160,000**	$0	0.0%
5321	Water Resources	**$20,000**	**$21,500**	($1,500)	(7.0%)
5322	Community Outreach	**$68,000**	**$68,000**	$0	0.0%
5325	Water Shortage Program	**$0**	**$0**	$0	

Operations & Maintenance Budget - FY 2024-2025

Account Number	Description	Final FY 2024/2025 Budget	Approved FY 2023/2024 Budget	FY24/25 Budget Vs. FY 23/24 Budget	FY24/25 Budget Vs. FY 23/24 Budget %
				$ Changed	% Changed
5381	Legal	**$116,000**	**$110,000**	$6,000	5.5%
5382	Engineering	**$90,000**	**$86,000**	$4,000	4.7%
5383	Financial Services	**$24,150**	**$23,000**	$1,150	5.0%
5384	Computer Services	**$375,000**	**$339,974**	$35,026	10.3%
5410	Salaries, Admin.	**$1,459,211**	**$1,381,887**	$77,324	5.6%
5411	Salaries - Field	**$2,093,480**	**$1,931,847**	$161,634	8.4%
5420	Payroll Taxes	**$254,402**	**$235,945**	$18,457	7.8%
5435	Employee Medical Insurance	**$520,835**	**$516,000**	$4,835	0.9%
5436	Retiree Medical Insurance	**$62,407**	**$46,000**	$16,407	35.7%
5440	Employee Retirement	**$707,803**	**$642,924**	$64,879	10.1%
5445	SIP 401a Plan	**$38,016**	**$38,000**	$16	0.0%
5510	Motor Vehicle Exp.	**$95,000**	**$90,000**	$5,000	5.6%
5620	Office, Billing & Facilities Expenses	**$418,000**	**$414,000**	$4,000	1.0%
5620B	Bad Debt Expense			$0	-
5625	Meetings/Training/Seminars	**$52,300**	**$45,000**	$7,300	16.2%
5630	Insurance	**$209,000**	**$182,000**	$27,000	14.8%
5687	Memberships & Subscriptions	**$125,000**	**$118,825**	$6,175	5.2%
5688	Election Expense	**$30,000**	**$0**	$30,000	
5689	Labor Relations	**$6,000**	**$6,000**	$0	0.0%
5700	County Fees	**$33,000**	**$31,400**	$1,600	5.1%
5705	State Fees	**$50,600**	**$48,000**	$2,600	5.4%
Total Operating Expenses		**$11,485,230**	**$10,609,648**	**$875,582**	**8.3%**
	CAPITAL ACCOUNTS				
5715	Existing Bond-CIEDB 11-099	**$335,173**	**$335,343**	($170)	(0.1%)
5716	CIEDB 16-111	**$321,412**	**$321,923**	($511)	(0.2%)
5717	Chase-2018 Loan	**$432,821**	**$437,233**	($4,412)	(1.0%)
5718	First Foundation Bank - 2022	**$417,434**	**$417,501**	($67)	(0.0%)
Total Capital Accounts		**$1,506,840**	**$1,512,000**	**($5,160)**	**(0.3%)**
TOTAL REVENUE LESS TOTAL EXPENSE		**$3,059,339**	**$2,803,966**	**$255,373**	
5713	Cont. to CIP & Reserves	**$3,059,339**	**$2,803,966**		

Exhibit C

Approved Fiscal Year 2024/25 to 2033/34
Capital Improvement Program

Exhibit C

CCWD - CIP FY 2024/25 to FY 2033/34

FINAL 6.11.2024

Project #	Project Name	Status	Projected FY 24/25 to FY 33/34 Total	FY 24/25	FY 25/26	FY26/27	FY27/28	FY28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	Projected FY 24/25 to FY 33/34 Total
Equipment Purchase & Replacement														
06-03	SCADA	Ongoing	$ 500,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 500,000
15-04	Vactor	Concept	$ 500,000					$ 500,000						$ 500,000
99-02	Vehicle Fleet Replacement	Ongoing	$ 500,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 500,000
	Equipment Purchase & Replacement Totals		**$ 1,500,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 600,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 1,500,000**
Facilities & Maintenance														
09-09	Fire Hydrant Upgrades	Ongoing	$ 1,400,000	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 1,400,000
23-13	Pilarcitos Canyon Culvert Replacement/Slide Repairs (January 2023 storm damage)	Design/Permitting	$ 400,000	$ 400,000										$ 400,000
99-01	Meters	Ongoing	$ 100,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 100,000
	Facilities and Maintenance Totals		**$ 1,900,000**	**$ 550,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 1,900,000**
Pipeline Projects														
14-01	Highway 92 Treated Water Pipeline Replacement (replacement of welded steel pipe)	Design/Permitting	$ 6,900,000	$ 3,000,000	$ 200,000	$ 200,000	$ 3,500,000							$ 6,900,000
14-33	Miramar Neighborhood Pipeline Replacement (replacement of cast iron pipe)	Concept	$ 2,500,000						$ 1,000,000	$ 1,500,000				$ 2,500,000
16-09	Miramar Pipeline Loop (to loop dead ends off of Magellan/Alameda/Medio neighborhood)	Feasibility	$ 600,000			$ 600,000								$ 600,000
18-01	Pine/Willow/Oak Pipeline Replacement (replacement of cast iron pipe)	Bid Ready	$ 2,500,000					$ 2,500,000						$ 2,500,000
21-01	Pipeline Replacement Projects: Alcatraz and Santa Rosa Aves/Redondo Beach Loop/Ocean Colony	Design	$ 900,000	$ 400,000	$ 500,000									$ 900,000
21-09	Upper Miramar Pipeline Replacement	Concept	$ 500,000					$ 500,000						$ 500,000
22-01	Miramontes Point Road Pipeline Replacement	Design	$ 3,800,000						$ 2,300,000	$ 1,500,000				$ 3,800,000
23-01	Seahaven/Spindrift Neighborhood Pipeline Replacement (replacement of cast iron pipe and install pressure reducing valve)	Concept	$ 2,000,000								$ 2,000,000			$ 2,000,000
23-02	Poplar Street Pipeline Replacement (west side of Hwy 1 - replacement of cast iron pipe)	Concept	$ 2,000,000									$ 2,000,000		$ 2,000,000
25-01	Kehoe Neighborhood Pipeline Replacement (replacement of cast iron pipe)	Concept	$ 3,000,000										$ 3,000,000	$ 3,000,000
NN-00	Unscheduled CIP	Concept	$ 1,000,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 1,000,000
	Pipeline Projects Totals		**$ 25,700,000**	**$ 3,500,000**	**$ 800,000**	**$ 900,000**	**$ 3,600,000**	**$ 3,100,000**	**$ 3,400,000**	**$ 3,100,000**	**$ 2,100,000**	**$ 2,100,000**	**$ 3,100,000**	**$ 25,700,000**
Pump Stations/Tanks/Wells														
21-07	Carter Hill Tank Improvement Project (Phase I to begin FY24/25 -includes replacement of (2) steel tanks with (1) 2.1MG prestressed concrete tank. Phase II - to occur FY30/31 includes replacement of Tank #3 with a 3MG prestressed concrete tank.)	Bid Ready (Phase I)	$ 19,900,000	$ 4,000,000	$ 5,400,000					$ 500,000	$ 5,000,000	$ 5,000,000		$ 19,900,000
08-14	Alves Tank Rehabilitation/Replacement Project	Concept	$ 3,000,000					$ 1,000,000	$ 2,000,000					$ 3,000,000
19-01	EG#1 Tank Site - New Pump Station Project	Feasibility	$ 1,000,000			$ 1,000,000								$ 1,000,000
14-33	Miramar Tank Rehabilitation	Concept	$ 200,000				$ 200,000							$ 200,000
08-16	Cahill Tank Exterior Recoat	Feasibility	$ 200,000		$ 200,000									$ 200,000
20-16	Denniston Tank Exterior Recoat	Feasibility	$ 200,000		$ 200,000									$ 200,000
09-18	Upper Pilarcitos Well Field Replacements	Concept	$ 500,000			$ 500,000								$ 500,000
16-08	Denniston Well Field Replacements	Feasibility	$ 950,000	$ 450,000						$ 500,000				$ 950,000

Project #	Project Name	Status	Projected FY 24/25 to FY 33/34 Total	FY 24/25	FY 25/26	FY26/27	FY27/28	FY28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	Projected FY 24/25 to FY 33/34 Total
21-03	CSP Pump #3 Replacement	Bid Ready	$ 250,000			$ 250,000								$ 250,000
23-11	CSP Screens - Intake Valves	Feasibility	$ 300,000	$ 50,000		$ 250,000								$ 300,000
19-05	Tanks - THM Control	Ongoing	$ 50,000	$ 50,000										$ 50,000
	Pump Stations/Tanks/Wells Totals		**$ 26,550,000**	**$ 4,550,000**	**$ 5,800,000**	**$ 2,000,000**	**$ 200,000**	**$ 1,000,000**	**$ 2,000,000**	**$ 1,000,000**	**$ 5,000,000**	**$ 5,000,000**	**$ -**	**$ 26,550,000**
Water Supply Development														
12-12	San Vicente/Denniston Water Supply Project	Design/Ongoing	$ 3,800,000	$ 2,000,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 3,800,000
13-04	Denniston Reservoir Restoration	Concept	$ 2,000,000								$ 2,000,000			$ 2,000,000
23-04	Lower Pilarcitos Well Development	Concept	$ 2,850,000		$ 100,000	$ 250,000	$ 250,000	$ 250,000	$ 2,000,000					$ 2,850,000
25-02	Denniston Sluice Gates	Concept	$ 300,000	$ 50,000	$ 250,000									$ 300,000
	Water Supply Development Totals		**$ 8,950,000**	**$ 2,050,000**	**$ 550,000**	**$ 450,000**	**$ 450,000**	**$ 450,000**	**$ 2,200,000**	**$ 200,000**	**$ 2,200,000**	**$ 200,000**	**$ 200,000**	**$ 8,950,000**
Water Treatment Plants														
23-05	Sodium Hypochlorite Generator Replacement (Nunes)	Bid Ready	$ 200,000	$ 200,000										$ 200,000
23-06	Existing Sedimentation Basin Rehabilitation	Concept	$ 300,000	$ 300,000										$ 300,000
23-07	Denniston Contact Clarifier Hatch Replacements	Bid Ready	$ 75,000			$ 75,000								$ 75,000
NN-00	Denniston Water Treatment Plant Improvement Project	Concept	$ 4,000,000							$ 4,000,000				$ 4,000,000
	Water Treatment Plants Totals		**$ 4,575,000**	**$ 500,000**	**$ -**	**$ 75,000**	**$ -**	**$ -**	**$ -**	**$ 4,000,000**	**$ -**	**$ -**	**$ -**	**$ 4,575,000**
	GRAND TOTAL		**$ 69,175,000**	**$ 11,250,000**	**$ 7,400,000**	**$ 3,675,000**	**$ 4,500,000**	**$ 5,300,000**	**$ 7,850,000**	**$ 8,550,000**	**$ 9,550,000**	**$ 7,550,000**	**$ 3,550,000**	**$ 69,175,000**

Status Key:
Ongoing: Ongoing Project
Concept: Not Yet Started
Feasibility: Feasibility Study in Process
Design/Permitting: In Engineering Design/Permitting
Bid Ready: Bid Set Prepared/Ready for Construction
Construction: Under Construction

Exhibit D

Proposed Resolution 2024-07
Amending the Rate and Fee Schedule to Increase Water Service Rates and Water Shortage Rates and Finding that the Amendment is exempt from the California Environmental Quality Act

Exhibit D

RESOLUTION NO. 2024-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COASTSIDE COUNTY WATER DISTRICT AMENDING THE RATE AND FEE SCHEDULE TO INCREASE WATER SERVICE RATES AND WATER SHORTAGE RATES AND FINDING THAT THE AMENDMENTS ARE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

THIS RESOLUTION IS ADOPTED with reference to the following facts and circumstances which are found and declared by the Board of Directors:

1. The General Manager and Finance Committee, during consideration and preparation of the Operations and Maintenance Budget for Fiscal Year 2024-2025 and Capital Improvement Program for Fiscal Years Fiscal Years 2024/25 to 2033/34 determined that financing the District's operating expenses, debt service, and capital improvement program, as well as maintaining the District's existing reserve levels, will require an increase in water rates. California Water Code Section 31007 authorizes the District to establish rates and charges to yield an amount sufficient to pay operating expenses, to provide for repairs and depreciation of works owned and operated by the District, to pay interest on bonded debt, and to provide a fund to pay principal on bonded debt.

2. The District's financial consultant, Water Resource Economics, LLC ("WRE"), prepared a "2024 Water Rate Study" dated July 1, 2024. This study includes a five year Water Financial Plan and an updated Cost-of-Service analysis which is used to allocate and recover costs from customers in proportion to their use of the system, recognizing the impact of each customer class (residential, multi-family, non-residential, and fire services) on system facilities and operations. The 2024 Water Rate Study analyzed the District's Fiscal Year 2024-2025, Fiscal Year 2025-2026, and Fiscal Year 2026-2027 revenue requirements based upon the Cost of Service analysis in order to comply with the substantive requirements of Proposition 218. The 2024 Water Rate Study provides support for an overall 8% annual increase in total operating revenues for each of the next three years. Increases in Water Service Rates will become effective on January 20, 2025 for year 1, on January 19, 2026 for year 2, and January 18, 2027 for year 3. Because the District's cost structure and customer usage characteristics have changed since the last cost of service study that was completed in 2018, the adjustments to water rates across each customer class and residential tier will vary in magnitude. In other words, for the increase effective January 20, 2025, some rates and charges will be lower or higher than the overall 8% revenue increase, and some customers will see lower or higher water bills than the District's overall 8% revenue requirement. For the 8% revenue increase effective

January 19, 2026 and 8% revenue increase effective January 18, 2027, the increase will be applied proportionately across all of the previous year's rates.

3. Utilizing the Water Financial Plan, Cost-of-Service Analysis, and Water Service Rates effective January 20, 2025, January 19, 2026, and January 18, 2027 included in the 2024 Water Rate Study and in consideration of the 8% annual revenue requirement, WRE next developed Water Shortage Rates that are also included in the 2024 Water Rate Study. These rates can be used as a tool that allows the District to reliably recover the necessary revenue to fully fund the water system in times of reduced water demand at each of the six Board declared water shortage stages and as included in the District's "Water Shortage Contingency Plan" adopted in June 2021 (required by California Water Code Section 10632.) The 2024 Water Rate Study provides support for the Water Shortage Rates to be effective January 20, 2025, January 19, 2026, and January 18, 2027, and in accordance with substantive requirements of Proposition 218. Water Shortage Rates can only go into effect if the Board of Directors takes the following two actions: 1) A Water Shortage Stage must be declared by the Board; 2) The Board must take action to implement the Water Shortage Rates. In addition, the District is required to provide written notice of the proposed rates changes to all customers 30 days prior to their effective date. The District Rate and Fee Schedule also includes a San Francisco Public Utility Commission (SFPUC) Pass-Through of Wholesale Water Shortage Rates or Surcharges if the SFPUC imposes an additional wholesale charge to the cost of water as a result of a water shortage.

4. WRE conducted a Board Workshop at a Special Meeting on April 30, 2024 to review the District's financing model and Water Financial Plan and Cost-of-Service Analysis and to evaluate the District's reserves and proposed reserve targets and proposed increases to the District's Water Service Rates. At a special meeting on June 11, 2024, the Board reviewed the proposed Water Shortage Rates, and at the July 9, 2024 Regular Board Meeting, the Board received the Water Rate Study dated July 1, 2024 prepared by WRE. District staff prepared staff reports and presentations for these above-mentioned meetings and for the March 12, 2024, May 14, 2024, and June 11, 2024 Regular Board of Directors Meetings on presentations of the draft Fiscal Year 2024-2025 O&M budget and Fiscal Years 2024/25 to 2033/34 Capital Improvement Program. The Water Rate Study dated July 1, 2024, staff reports, and staff and WRE presentations are incorporated into this Resolution by this reference.

5. The Board has considered the July 1, 2024 Water Rate Study in light of the approved Fiscal Year 2024-2025 Operation and Maintenance Budget and Fiscal Years 2024/25 to 2033/34 Capital Improvement Program and determined that the projects identified are important for the safe and efficient operation of the District's water system and to preserve and improve the reliability of the water system. The Fiscal Year 2024-2025 Operations and Maintenance Budget and the Fiscal Year 2024/25 to 2033/34 Capital Improvement Program were approved at the June 11, 2024 Regular Board of Directors Meeting. The approved budget and Capital Improvement program documents, by this reference are incorporated into this resolution.

6. The anticipated increases in expenses are attributable to a number of factors including but not limited to, payment of capital project costs, debt service for financing of necessary capital improvements and replacement of aging facilities, higher costs for personnel, materials, and services.

7. On August 13, 2024, the Board of Directors at its Regular Board meeting evaluated the proposed modifications to the District's Rate and Fee Schedule and set a scheduled public hearing for November 12, 2024 at its Regular Board Meeting at 7 PM to consider the modifications to the District's Rate and Fee Schedule.

8. The District prepared a notice that described the amounts, the basis for calculating, and the reasons for the adjusted Water Service Rates and charges and Water Shortage Rates, and identified the date, time, and location for the public hearing on the adjusted rates and charges, and the procedures for submitting a protest. The District mailed the written notice to the property owners and customers in the District at least 45 days before the date of the public hearing.

9. The Board considered its options at a public hearing at which the specific rate proposal enacted herein was addressed. Notice of the public hearing was provided to each parcel subject to the proposed rate increase. Notice of the public hearing was also advertised in the October 7-12, 2024 San Mateo Daily Journal. Additionally, the notice was placed on the District's website. At the public hearing, the Board of Directors considered all protests against the proposed rate modification to the Water Service Rates and Water Shortage Rates, and written protests against the proposed rate increase were not presented by a majority of owners of the parcels subject to the proposed rate increase.

10. After discussion and consideration of the comments received before and at the public hearing, the Board finds the Water Service Rates and Water Shortage Rates hereinafter set forth to be reasonable and required for the proper operation of the District.

11. The Board further finds that the amendments to the Rate and Fee Schedule and the amount of the Water Service Rates and Water Shortage Rates hereinafter set forth do not exceed the amount of the estimated costs required to provide the services for which the rates are levied.

12. The Board further finds that the increases in Water Service Rates and Water Shortage Rates effected by this Resolution are reasonable and required for the proper operation of the District, and are exempt from the California Environmental Quality Act, pursuant to Section 21080(b)(8) of the Public Resources Code, because they are for the purposes of (1) meeting operating expenses, (2) purchasing or leasing supplies, equipment and materials, (3) meeting financial reserve requirements, and (4) obtaining funds for capital projects necessary to maintain service within existing service areas. The analysis in this Resolution and the documents incorporated into this Resolution by reference justify that the modifications to the rates and charges are for the purposes set forth in section 21080(b)(8).

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

1. Section 1.A, Base Charge, of the Rate and Fee Schedule is hereby amended to read as follows:

A. Base Charge

The following base charge is the minimum charge to be paid by all customers on a monthly basis. Customers may be billed on a monthly basis depending on type of meter, customer class, service address, or water usage:

Size of Meter	Effective January 20, 2025 Monthly Base Charge	Effective January 19, 2026 Monthly Base Charge	Effective January 18, 2027 Monthly Base Charge
5/8 x ¾ inch	$38.36	$41.43	$44.75
3/4 inch	$53.32	$57.59	$62.20
1 inch	$83.26	$89.93	$97.13
1-1/2 inch	$158.09	$170.74	$184.40
2 inch	$247.89	$267.73	$289.15
3 inch	$532.27	$574.86	$620.85
4 inch	$951.34	$1,027.45	$1,109.65
6 inch	$2,028.96	$2,191.28	$2,366.59

Meters larger than 6 inches will be subject to base charges as determined by the Board of Directors.

2. Section 1.B, Quantity Charge, of the Rate and Fee Schedule is hereby amended to read as follows:

B. Quantity Charge

In addition to the base charge set forth in Section 1A, the following quantity charges shall be paid per one hundred cubic feet (hcf) of water delivered:

Residential Customers

Quantity Delivered (During Monthly Billing Period)	Effective January 20, 2025 Monthly Water Consumption Charge per hcf	Effective January 19, 2026 Monthly Water Consumption Charge per hcf	Effective January 18, 2027 Monthly Water Consumption Charge per hcf
1 - 4 hcf	$12.31	$13.30	$14.37
5 - 8 hcf	$18.29	$19.76	$21.35
9 or more hcf	$22.15	$23.93	$25.85

Definition of Residential Customers: For purposes of Sections 1 and 2, Residential Customers are single family homes, single family homes with one accessory dwelling unit, condominiums, townhouses and all residential buildings with individual meters for separate residential dwelling units. Residential buildings with a single "master meter" measuring consumption within multiple dwelling units are not "Residential Customers" for purposes of Sections 1 and 2 but are classified as "Multi-Family" in Section 3 below.

All Other Customers

Customer Type	Effective January 20, 2025 Monthly Water Consumption Charge per hcf	Effective January 19, 2026 Monthly Water Consumption Charge per hcf	Effective January 18, 2027 Monthly Water Consumption Charge per hcf
Multi-Family	$14.69	$15.87	$17.14
All Other Customers	$17.60	$19.01	$20.54

A. Section 3.D, Portable Meters, of the Rate and Fee Schedule, is hereby amended to read as follows:

D. Portable Meters

Customers requesting water service through portable meters shall pay:

1. a deposit in an amount, as estimated by the General Manager, equal to the replacement cost of the meter:
2. a monthly rental charge of $112.36
3. the quantity/consumption charge per hcf for "All Other Customers" as shown in Section 1B above, and follows below:

a. Effective January 20, 2025, $17.60 per hcf
b. Effective January 19, 2026, $19.01 per hcf
c. Effective January 18, 2027, $20.54 per hcf.

B. Section 3.E, Fire Service Charge, is hereby amended to read as follows:

E. Fire Service Charge

Fire Service Charges are calculated utilizing a methodology that considers the fire capacity of the diameter of the pipe based on the Hazen-Williams equation. In addition, the customer must pay the actual cost of installation of the fire service.

Size of Meter	Effective January 20, 2025 Monthly Service Charge	Effective January 19, 2026 Monthly Service Charge	Effective January 18, 2027 Monthly Service Charge
3/4 inch	$8.87	$9.58	$10.35
1 inch	$9.37	$10.12	$10.93
1-1/2 inch	$11.19	$12.09	$13.06
2 inch	$14.31	$15.46	$16.70
3 inch	$25.52	$27.57	$29.78
4 inch	$44.86	$48.45	$52.33
6 inch	$114.26	$123.41	$133.29
8 inch	$233.97	$252.69	$272.91
10 inch	$414.03	$447.16	$482.94

C. Section 3.O. Water Shortage Rates is hereby amended to read as follows:

O. Water Shortage Rates

To ensure that the District receives sufficient revenues to cover its cost of providing water service when consumption decreases due to a Board declared water shortage situation such as a drought, natural disaster, or other water supply interruption, the Board of Directors, at its discretion, may implement Water Shortage Rates (formerly called Water Shortage Contingency Stage Rates.). Water Shortage Rates are set up incrementally to reflect the stages of a water shortage that the District has defined in its Urban Water Management Plan, specifically the Water Shortage Contingency Plan. The Water Shortage Rates show the maximum rate levels that could be charged PER UNIT during each of the six (6) Water Shortage Stages when the District's Board of Directors activates the Water Shortage Contingency Plan.

There are two actions by the Board of Directors and one additional notice that must take place before the Water Shortage Rates are implemented:

1. First, a Water Shortage Stage must be declared by the Board of Directors.
2. Second, the Board of Directors must take action to implement the Water Shortage Rates.
3. Third, a written notice must be mailed to all customers at least 30 days prior to implementing the Water Shortage Rates.

If a higher water shortage stage is declared by the Board, the Board may choose to increase the Water Shortage Rates up to the maximum level of the declared stage, and upon 30 days advance written notice to all customers. If a lower water shortage stage is declared by the Board, the Board will adjust the Water Shortage Rates to no more than the maximum level of the lower stage. The Water Shortage Rates would be repealed when the Water Shortage situation is declared to be over by the Board of Directors.

WATER SHORTAGE RATES - QUANTITY CHARGE (Monthly Rates)
Effective January 20, 2025

Table 1A shows the incremental Monthly **Water Shortage Rate Quantity Charge** per UNIT* by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Residential							
Tier 1 1 - 4 units	$0.00	$1.86	$4.42	$6.66	$10.50	$14.13	$19.58
Tier 2 5 - 8 units	$0.00	$2.77	$6.57	$9.89	$15.60	$20.99	$29.08
Tier 3 9+ units	$0.00	$3.35	$7.95	$11.97	$18.89	$25.42	$35.22
Multi-Family	$0.00	$2.22	$5.27	$7.94	$12.53	$16.86	$23.36
Non-Residential	$0.00	$2.66	$6.32	$9.51	$15.01	$20.20	$27.98

Table 1B shows the combined Monthly **Baseline Quantity Charge** (rates in effect January 20, 2025) **plus the Water Shortage Rate Quantity Charge** per UNIT by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Residential							
Tier 1 1 - 4 units	$12.31	$14.17	$16.73	$18.97	$22.81	$26.44	$31.89
Tier 2 5 - 8 units	$18.29	$21.06	$24.86	$28.18	$33.89	$39.28	$47.37
Tier 3 9+ units	$22.15	$25.50	$30.10	$34.12	$41.04	$47.57	$57.37
Multi-Family	$14.69	$16.91	$19.96	$22.63	$27.22	$31.55	$38.05
Non-Residential	$17.60	$20.26	$23.92	$27.11	$32.61	$37.80	$45.58

** Baseline - Quantity Charge effective 1/20/2025*
1 Unit = 1 hcf (hundred cubic feet) = 748 gallons

WATER SHORTAGE RATES - QUANTITY CHARGE (Monthly Rates)
Effective January 19, 2026

Table 2A shows the incremental Monthly **Water Shortage Rate Quantity Charge** per UNIT* by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Residential							
Tier 1 1 - 4 units	$0.00	$2.01	$4.78	$7.20	$11.34	$15.27	$21.15
Tier 2 5 - 8 units	$0.00	$3.00	$7.10	$10.69	$16.85	$22.67	$31.41
Tier 3 9+ units	$0.00	$3.62	$8.59	$12.93	$20.41	$27.46	$38.04
Multi-Family	$0.00	$2.40	$5.70	$8.58	$13.54	$18.21	$25.23
Non-Residential	$0.00	$2.88	$6.83	$10.28	$16.22	$21.82	$30.22

Table 2B shows the combined Monthly **Baseline Quantity Charge** (rates in effect January 19, 2026) **plus the Water Shortage Rate Quantity Charge** per UNIT by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Residential							
Tier 1 1 - 4 units	$13.30	$15.31	$18.08	$20.50	$24.64	$28.57	$34.45
Tier 2 5 - 8 units	$19.76	$22.76	$26.86	$30.45	$36.61	$42.43	$51.17
Tier 3 9+ units	$23.93	$27.55	$32.52	$36.86	$44.34	$51.39	$61.97
Multi-Family	$15.87	$18.27	$21.57	$24.45	$29.41	$34.08	$41.10
Non-Residential	$19.01	$21.89	$25.84	$29.29	$35.23	$40.83	$49.23

** Baseline - Quantity Charge effective 1/19/2026*
1 Unit = 1 hcf (hundred cubic feet) = 748 gallons

WATER SHORTAGE RATES - QUANTITY CHARGE (Monthly Rates)
Effective January 18, 2027

Table 3A shows the incremental Monthly **Water Shortage Rate Quantity Charge** per UNIT* by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Residential							
Tier 1 1 - 4 units	$0.00	$2.18	$5.17	$7.78	$12.25	$16.50	$22.85
Tier 2 5 - 8 units	$0.00	$3.24	$7.67	$11.55	$18.20	$24.49	$33.93
Tier 3 9+ units	$0.00	$3.91	$9.28	$13.97	$22.05	$29.66	$41.09
Multi-Family	$0.00	$2.60	$6.16	$9.27	$14.63	$19.67	$27.25
Non-Residential	$0.00	$3.12	$7.38	$11.11	$17.52	$23.57	$32.64

Table 3B shows the combined Monthly **Baseline Quantity Charge** (rates in effect January 18, 2027) **plus the Water Shortage Rate Quantity Charge** per UNIT by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Residential							
Tier 1 1 - 4 units	$14.37	$16.55	$19.54	$22.15	$26.62	$30.87	$37.22
Tier 2 5 - 8 units	$21.35	$24.59	$29.02	$32.90	$39.55	$45.84	$55.28
Tier 3 9+ units	$25.85	$29.76	$35.13	$39.82	$47.90	$55.51	$66.94
Multi-Family	$17.14	$19.74	$23.30	$26.41	$31.77	$36.81	$44.39
Non-Residential	$20.54	$23.66	$27.92	$31.65	$38.06	$44.11	$53.18

** Baseline - Quantity Charge effective 1/18/2027*
2 Unit = 1 hcf (hundred cubic feet) = 748 gallons

Table 3 shows the six **(6) Water Shortages Stages** outlined in the District's Water Shortage Contingency Plan.

Water Shortage Stage	Shortage Level	Shortage Description
Stage 1	Up to 10%	Water Shortage Advisory
Stage 2	Up to 20%	Water Shortage Emergency Warning
Stage 3	Up to 30%	Water Shortage Emergency
Stage 4	Up to 40%	Water Shortage Severe Emergency
Stage 5	Up to 50%	Water Shortage Extreme Emergency
Stage 6	Greater than 50%	Water Shortage Catastrophic Emergency

D. This Resolution shall be effective for water delivered and services provided on or after January 20, 2025, January 19, 2026 and January 18, 2027 and any billing for the current billing cycle that includes water delivered before the effective date shall be pro-rated.

E. The General Manager shall arrange for the Rate and Fee Schedule to be re-codified to incorporate the changes effected by this Resolution.

F. The General Manager is directed to file a Notice of Exemption with the County Clerk and to take such other actions as may be necessary to give effect to this Resolution.

PASSED AND ADOPTED THIS 12th day of November, 2024, by the following vote of the Board:

AYES:

NOES:

ABSENT:

_____

Chris Mickelsen, President
Board of Directors

ATTEST:

_____

Mary Rogren, General Manager
Secretary of the District

Exhibit E

Notice of Exemption

Exhibit E

NOTICE OF EXEMPTION

COASTSIDE COUNTY WATER DISTRICT

TO: San Mateo County
Assessor-County Clerk-Recorder
555 County Center, 1st Floor
Redwood City, CA 94063-1665

FROM: Coastside County Water District
766 Main Street
Half Moon Bay, California 94019

PROJECT TITLE: Increase of Certain District Rates and Fees (Water Service Rates and Water Shortage Rates) to be effective January 20, 2025, January 19, 2026, and January 18, 2027.

PROJECT LOCATION: Throughout the service area of the Coastside County Water District, which is within the City of Half Moon Bay and certain areas of unincorporated San Mateo County.

DESCRIPTION OF NATURE, PURPOSE AND BENEFICIARIES OF PROJECT:

The nature of the project is to amend and increase certain District rates and fees. The purpose of the project is to generate revenue for the purposes listed below. The beneficiaries of the project are the customers of the District.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Coastside County Water District.

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: Coastside County Water District.

EXEMPT STATUS: **(Check One)**

- X Statutory Exemption (Public Resources Code Section 21080(b)(8)) – Meeting operating expenses; purchasing or leasing supplies, equipment or materials; meeting financial reserve needs and requirements; obtaining funds for capital projects necessary to maintain services within existing service areas.
- ___ Ministerial (Sec. 15073)
- ___ Declared Emergency (Sec. 15071 (a))
- ___ Emergency Project (Sec. 15071 (b) and (c))
- ___ Categorical Exemption (State Type and Section Number :)
- ___ No possible significant effect on the environment (Sec. 15060)

REASON WHY PROJECT IS EXEMPT:

The "2024 Water Rate Study" prepared by Water Resources Economics, LLC. (dated July, 2024) was prepared in compliance with the substantive requirements of Proposition 218. Revenues derived from the water rates do not exceed the funds required to provide the services for which the rates are charged, and the amounts of the rates imposed do not exceed the proportional cost of service attributable to the property. The District's water rates enable the District to (1) meet its operating expenses; (2) purchase or lease supplies, equipment, and materials; (3) meet financial reserve needs and requirements; and (4) obtain funds for capital projects necessary to maintain service within the existing service area. The District's rate studies, budgets, and Capital Improvement Program are available at the District and on the District's website. All projects to be funded by the increased rates and charges are to maintain existing water service provided within the District's service area.

Contact Person	Area Code	Telephone
Mary Rogren	(650)	726-4405

Date: November 12, 2024

_____

Mary Rogren, General Manager

Exhibit F

WRE – November 12, 2024 Presentation

Exhibit F

Coastside County Water District

2024 Water Cost-of-Service Rate Study

Public Hearing – November 12, 2024

Water Resources Economics

PROMOTING THE VALUE AND PRICE OF WATER SERVICE

Agenda

- Rate Study Overview
- Financial Plan
- Cost-of-Service
- Water Rates
- Water Shortage Rates

Rate Study Overview

Rate Study Process

1. **Policy framework**: Identify key policy objectives (revenue stability, customer affordability, conservation, etc.)
2. **Financial plan**: Develop multi-year projections to determine annual rate revenue requirement
3. **Cost-of-service analysis**: Allocate the rate revenue requirement to customers in proportion to use of and burden on the water system
4. **Rate design**: Identify appropriate rate structure and calculate rates
5. **Documentation**: Develop a study report for transparency and defensibility

Water Resources Economics
PROMOTING THE VALUE AND PRICE OF WATER SERVICE

Proposition 218 Requirements

- Proposition 218 requirements for water rates:
  - Rates must be proportional to and may not exceed the cost of providing water service
  - One customer class (residential, commercial, etc.) may not subsidize another customer class
  - **Retail water agencies typically conduct a "cost-of-service analysis" at least once every 5 years to ensure a sufficient nexus between rates and costs**
  - Last cost-of-service analysis for CCWD was in 2018

Water Resources Economics
PROMOTING THE VALUE AND PRICE OF WATER SERVICE

Rate Study Schedule

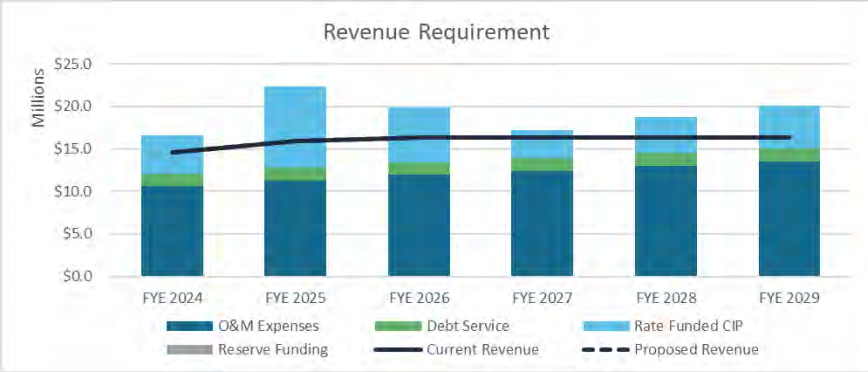
Date	Meeting
December 11, 2023	Kick-off meeting with District staff
March 20, 2024	Finance Committee meeting, rate study overview
April 30, 2024	Board meeting, financial plan and draft rates
May 21, 2024	Finance Committee meeting, water shortage rates
June 11, 2024	Board meeting, water shortage rates
July 9, 2024	Board meeting, rate study report
November 12, 2024 (today)	Public Hearing to adopt water rates

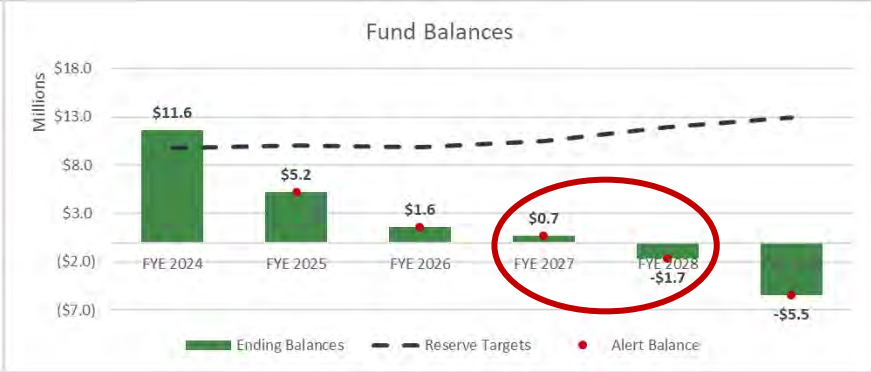
Water Rate Study Report

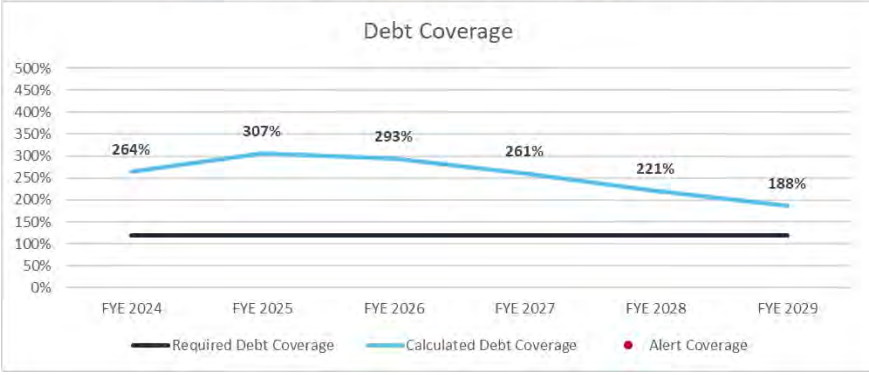
- Water rate study report is part of the “administrative record”
- The report is the District’s justification supporting the proposed increases in water rates and water shortage rates
- Proposition 218 requires that agencies show the “nexus” between the cost of providing water service and the rates that are charged to customers
- The rate study report is how we “show our work” and demonstrate the nexus
- Report has been posted on District’s website since July 2024

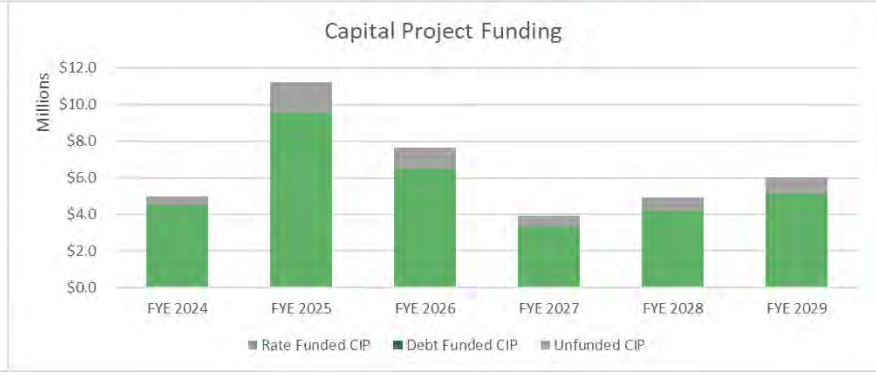
Financial Plan

Financial Plan – Status Quo



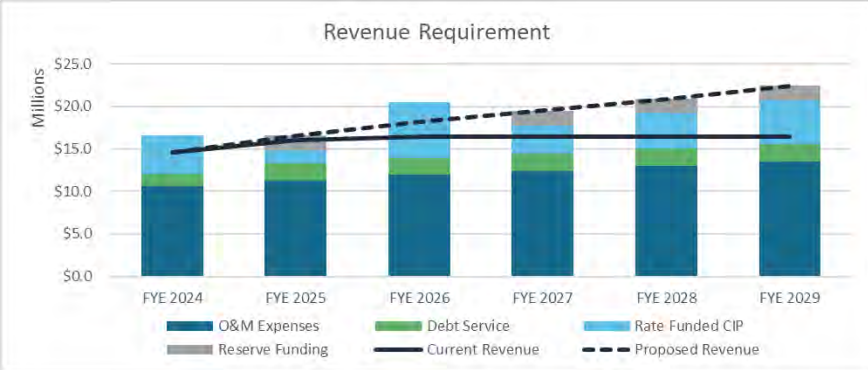


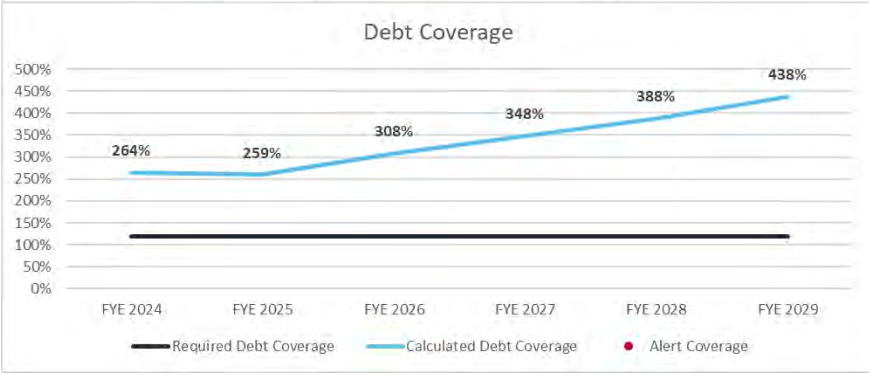


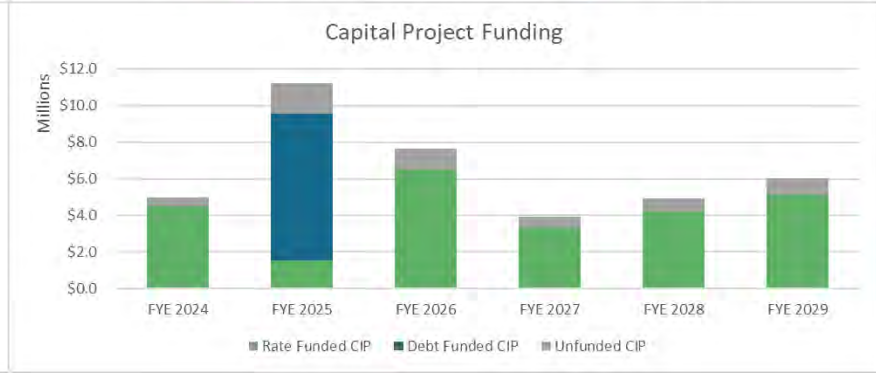


Fiscal Year	Rev. Adj.	New Debt	CIP Comp.
2025	0.0%	$0	85%
2026	0.0%	$0	85%
2027	0.0%	$0	85%
2028	0.0%	$0	85%
2029	0.0%	$0	85%

Financial Plan – Proposed







Fiscal Year	Rev. Adj.	New Debt	CIP Comp.
2025	8.0%	$8.0M	85%
2026	8.0%	$0	85%
2027	8.0%	$0	85%
2028	8.0%	$0	85%
2029	8.0%	$0	85%

Cost-of-Service

Cost-of-Service Analysis

- The District's last cost-of-service (COS) analysis was during 2018 study
  - Agencies typically complete a COS every 5 years
- Changes in the water system since prior COS are reflected in new COS
  - Customer use characteristics: total water use, demand patterns, etc.
  - Capital investments, operational changes
- A COS is a "snapshot in time" – it reestablishes the nexus based on the most recent customer and cost data

Fire Service Change

- Fire protection cost allocation methodology has been updated
  - More accurate calculation to allocate capacity required for fire protection
  - Linear fire line ratios vs. fire capacity ratios (Hazen-Williams equation)
  - Fire capacity is industry standard

Water Rates

Water Resources Economics
PROMOTING THE VALUE AND PRICE OF WATER SERVICE

Proposed Monthly Base Charges

Proposed Rates	Current FYE 2024	Proposed FYE 2025	Proposed FYE 2026	Proposed FYE 2027
Monthly Base Charge				
5/8 inch	$35.81	$38.36	$41.43	$44.75
3/4 inch	$52.92	$53.32	$57.59	$62.20
1 inch	$87.10	$83.26	$89.93	$97.13
1.5 inch	$172.59	$158.09	$170.74	$184.40
2 inch	$275.18	$247.89	$267.73	$289.15
3 inch	$600.02	$532.27	$574.86	$620.85
4 inch	$1,078.79	$951.34	$1,027.45	$1,109.65
6 inch		$2,028.96	$2,191.28	$2,366.59

Water Resources Economics
PROMOTING THE VALUE AND PRICE OF WATER SERVICE

Proposed Monthly Private Fire Charges

Proposed Rates	Current FYE 2024	Proposed FYE 2025	Proposed FYE 2026	Proposed FYE 2027
Monthly Private Fire Charge				
3/4 inch	$6.01	$8.87	$9.58	$10.35
1 inch	$8.01	$9.37	$10.12	$10.93
1.5 inch	$12.02	$11.19	$12.09	$13.06
2 inch	$16.02	$14.31	$15.46	$16.70
3 inch	$24.03	$25.52	$27.57	$29.78
4 inch	$32.04	$44.86	$48.45	$52.33
6 inch	$48.06	$114.26	$123.41	$133.29
8 inch	$64.08	$233.97	$252.69	$272.91
10 inch	$80.10	$414.03	$447.16	$482.94

Water Resources Economics
PROMOTING THE VALUE AND PRICE OF WATER SERVICE

Proposed Quantity Charges

Proposed Rates	Current FYE 2024	Proposed FYE 2025	Proposed FYE 2026	Proposed FYE 2027
Quantity Charges				
Single Family Residential				
Tier 1	$11.40	$12.31	$13.30	$14.37
Tier 2	$16.66	$18.29	$19.76	$21.35
Tier 3	$20.16	$22.15	$23.93	$25.85
Multi-Family	$15.19	$14.69	$15.87	$17.14
All Other Customers	$16.19	$17.60	$19.01	$20.54

Water Resources Economics
PROMOTING THE VALUE AND PRICE OF WATER SERVICE

Residential Impacts (5/8” Meter, No Fire)

Usage Level	Monthly Usage (hcf)	Current Bill	Proposed Bill	Difference ($)	Difference (%)
Single Family - Very Low Usage	1	$47.21	$50.67	$3.46	7.3%
Single Family - Low Usage	2	$58.61	$62.98	$4.37	7.5%
Single Family - Median Usage	4	$81.41	$87.60	$6.19	7.6%
Single Family - Average Usage	5	$98.07	$105.89	$7.82	8.0%
Single Family - High Usage	7	$131.39	$142.47	$11.08	8.4%
Single Family - Very High Usage	10	$188.37	$205.06	$16.69	8.9%
Multi-Family - Average Usage	28	$461.13	$449.68	($11.45)	-2.5%

Water Resources Economics
PROMOTING THE VALUE AND PRICE OF WATER SERVICE

Residential Impacts (5/8” Meter, 1” Fire)

Usage Level	Monthly Usage (hcf)	Current Bill w/ 1" Fire	Proposed Bill w/ 1" Fire	Difference ($)	Difference (%)
Single Family - Very Low Usage	1	$55.22	$60.04	$4.82	8.7%
Single Family - Low Usage	2	$66.62	$72.35	$5.73	8.6%
Single Family - Median Usage	4	$89.42	$96.97	$7.55	8.4%
Single Family - Average Usage	5	$106.08	$115.26	$9.18	8.7%
Single Family - High Usage	7	$139.40	$151.84	$12.44	8.9%
Single Family - Very High Usage	10	$196.38	$214.43	$18.05	9.2%
Multi-Family - Average Usage	28	$469.14	$459.05	($10.09)	-2.2%

13% of Single Family customers have a 1” private fire line

Water Resources Economics
PROMOTING THE VALUE AND PRICE OF WATER SERVICE

All Other Impacts (No Private Fire)

Customer Type	Meter Size	Monthly Usage (hcf)	Current Bill	Proposed Bill	Difference ($)	Difference (%)
Agriculture	2 inch	600	$9,989.18	$10,807.89	$818.71	8.2%
Commercial Grocery	1.5 inch	150	$2,601.09	$2,798.09	$197.00	7.6%
Commercial Grocery	1 inch	200	$3,325.10	$3,603.26	$278.16	8.4%
Commercial Retail	1 inch	50	$896.60	$963.26	$66.66	7.4%
Commercial Contractor/Office	1 inch	11	$265.19	$276.86	$11.67	4.4%
Hotel	4 inch	850	$14,840.29	$15,911.34	$1,071.05	7.2%
Hotel	2 inch	300	$5,132.18	$5,527.89	$395.71	7.7%
Hotel	1.5 inch	64	$1,208.75	$1,284.49	$75.74	6.3%
Restaurant	1 inch	205	$3,406.05	$3,691.26	$285.21	8.4%
Restaurant	3/4 inch	78	$1,315.74	$1,426.12	$110.38	8.4%

Water Resources Economics

PROMOTING THE VALUE AND PRICE OF WATER SERVICE

All Other Impacts (With Private Fire)

Customer Type	Meter Size	Monthly Usage (hcf)	Private Fire Line	Current Bill w/ Fire	Proposed Bill w/ Fire	Difference ($)	Difference (%)
Agriculture	2 inch	600	none	$9,989.18	$10,807.89	$818.71	8.2%
Commercial Grocery	1.5 inch	150	6 inch	$2,649.15	$2,912.35	$263.20	9.9%
Commercial Grocery	1 inch	200	8 inch	$3,389.18	$3,837.23	$448.05	13.2%
Commercial Retail	1 inch	50	6 inch	$944.66	$1,077.52	$132.86	14.1%
Commercial Contractor/Office	1 inch	11	none	$265.19	$276.86	$11.67	4.4%
Hotel	4 inch	850	6 inch	$14,888.35	$16,025.60	$1,137.25	7.6%
Hotel	2 inch	300	4 inch	$5,164.22	$5,572.75	$408.53	7.9%
Hotel	1.5 inch	64	8 inch	$1,272.83	$1,518.46	$245.63	19.3%
Restaurant	1 inch	205	4 inch	$3,438.09	$3,736.12	$298.03	8.7%
Restaurant	3/4 inch	78	none	$1,315.74	$1,426.12	$110.38	8.4%

Water Shortage Rates

Water Shortage Rates

- Based on District's adopted Water Shortage Contingency Plan, Stages 1-6
- Water shortage rates are designed to maintain the District's financial position with usage reductions
- Usage reductions do not include fire protection services, which will be available during all water shortage stages as a health and safety requirement

Water Resources Economics
PROMOTING THE VALUE AND PRICE OF WATER SERVICE

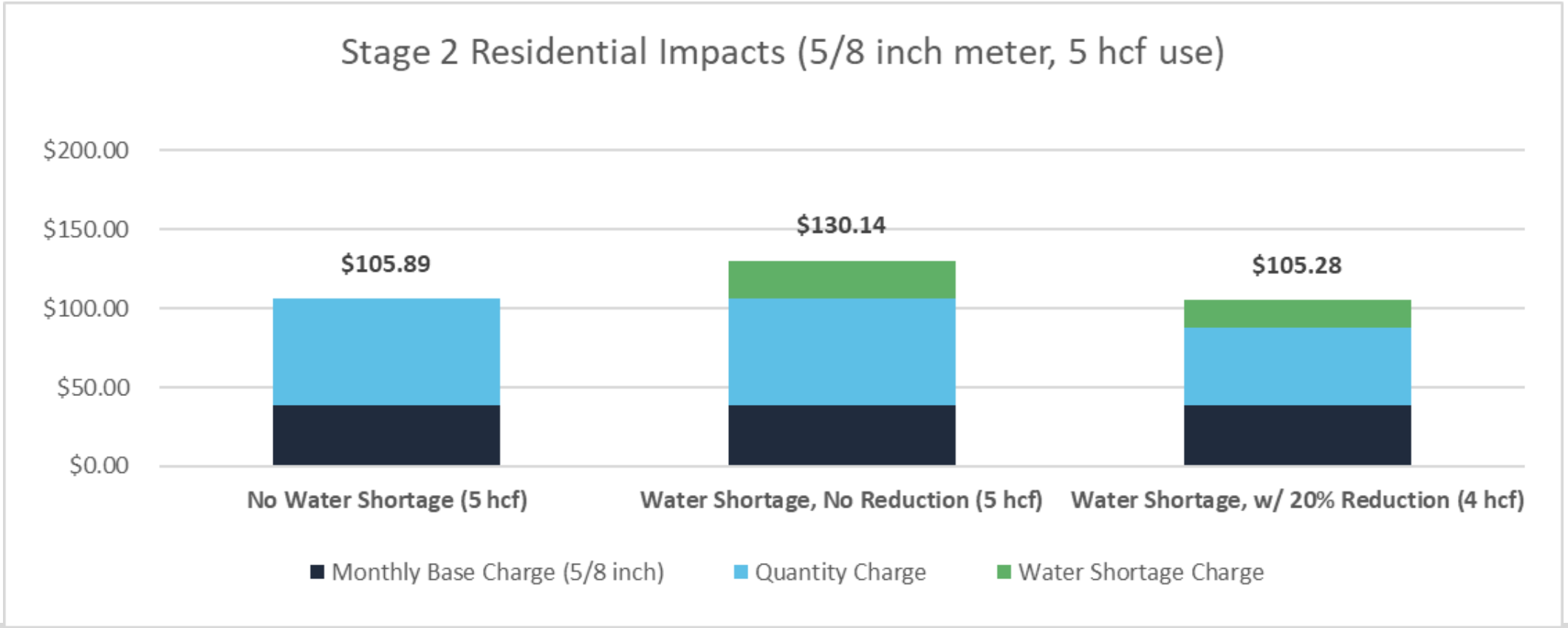
Proposed Water Shortage Rates

Proposed Water Shortage Rates (FYE 2025)	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Water Shortage Rates						
Single Family Residential						
Tier 1	$1.86	$4.42	$6.66	$10.50	$14.13	$19.58
Tier 2	$2.77	$6.57	$9.89	$15.60	$20.99	$29.08
Tier 3	$3.35	$7.95	$11.97	$18.89	$25.42	$35.22
Multi-Family	$2.22	$5.27	$7.94	$12.53	$16.86	$23.36
All Other Customers	$2.66	$6.32	$9.51	$15.01	$20.20	$27.98
Combined Quantity Charges						
Single Family Residential						
Tier 1	$14.17	$16.73	$18.96	$22.80	$26.43	$31.88
Tier 2	$21.05	$24.85	$28.17	$33.88	$39.28	$47.37
Tier 3	$25.49	$30.10	$34.12	$41.03	$47.57	$57.36
Multi-Family	$16.91	$19.96	$22.63	$27.21	$31.55	$38.04
All Other Customers	$20.26	$23.91	$27.11	$32.60	$37.79	$45.58

*Water shortage rates for FYE 2026 and FYE 2027 will increase at the same rate as the financial plan – 8% annually

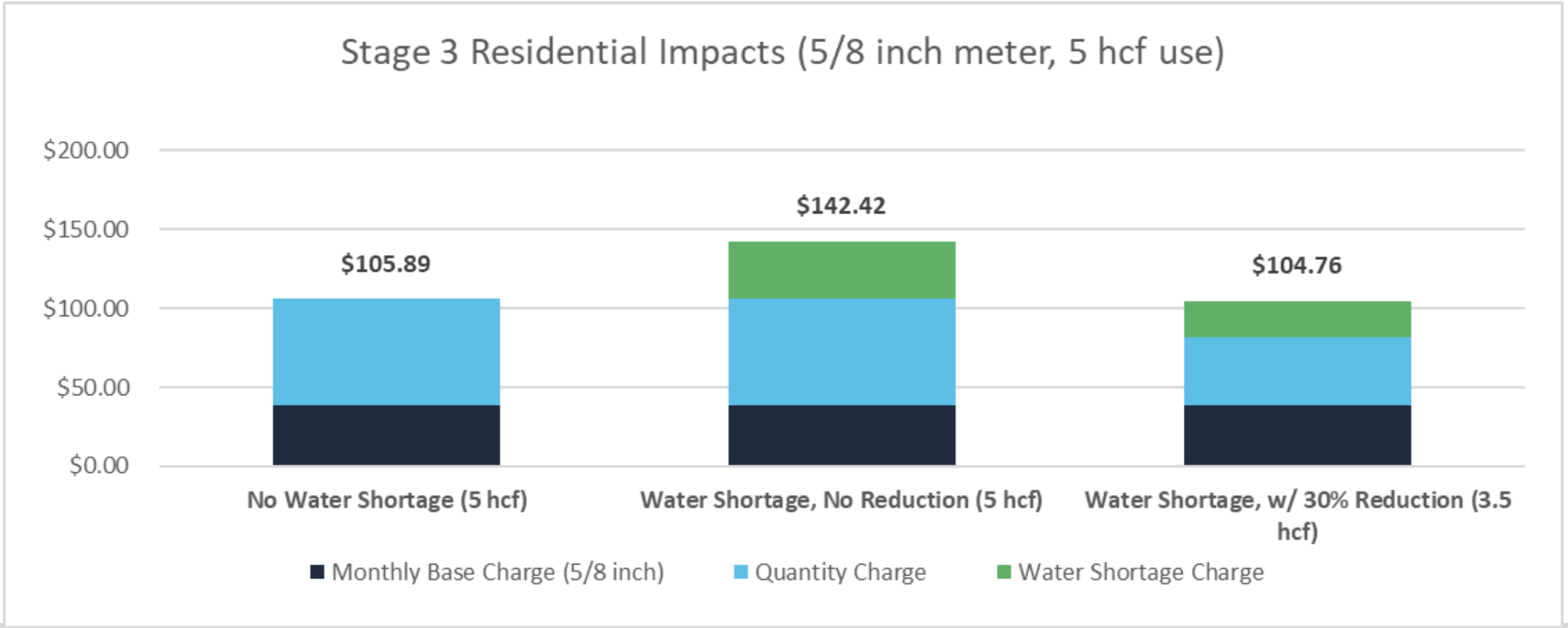
Water Resources Economics
PROMOTING THE VALUE AND PRICE OF WATER SERVICE

Residential Impacts, Stage 2 Shortage



Water Resources Economics
PROMOTING THE VALUE AND PRICE OF WATER SERVICE

Residential Impacts, Stage 3 Shortage



Water Resources Economics

PROMOTING THE VALUE AND PRICE OF WATER SERVICE

Contact Information

Sanjay Gaur
Founder / President
sgaur@water-economics.com

Nancy Phan
Principal Consultant
nphan@water-economics.com

Exhibit G

Protest and Support Letters

Exhibit G

JAMES BERNARD SUTRO

Oct 1, 2024

Attn: General Manager - Coastside Water

Re: Prop 218 - Three years of progressive rate increases

RECEIVED
OCT 03 2024
COASTSIDE COUNTY WATER DISTRICT

PROPERTY: 738 Kelly Ave HMB 94019

Acct # 091-06872-00

This letter is to advocate IN FAVOR of the rate increases. Infrastructure improvements are essential for the supply of quality potable water for the Coastside.

J Sutro 650-867-5018

738 Kelly Avenue, Half Moon Bay, California 94019 650/726-6456 Cell: 650/867-5018
jsutro@coastside.net

JAMES BERNARD SUTRO

RECEIVED
OCT 03 2024
COASTSIDE COUNTY WATER DISTRICT

Att'N General Manager
Coastside County Water District
766 Main St, HMB 94019

This Letter is to advocate IN FAVOR of 3 years of progressive rate increases. Infra-structure improvements are essential for the supply of quality Potable Water for the Coastside.

Property Address 151 Isabella, El Granada
Account # 231-05505-03

J Sutro

738 Kelly Avenue, Half Moon Bay, California 94019 650/726-6456 Cell: 650/867-5018
jsutro@coastside.net

To CCWD Mgmt, 9-25-24

This is to formally protest & object to the proposed rate hikes per Prop 218 that you are considering on Nov 12, 2024. I fail to understand why a majority of homeowners allow you to do this every year. Where do you think the magic money is coming from?

Sincerely,

Brian Dantes
107 DOLPHINE AVE
EL GRANADA, CA 94018
PARCEL 047-163-600

RECEIVED
SEP 26 2024
COASTSIDE COUNTY
WATER DISTRICT

P.S. It's also very annoying that the only way to object is in writing. That probably explains why you don't get more protests!

9/25/2024

I protest the proposed water rate hike.

Laurie Schutters
740 Le Mans Way
Half Moon Bay, CA 94019

Deana and Adam Hawkins

526 Terrace Drive

Half Moon Bay, CA 94019

deana_casale@yahoo.com, ahawk11@hotmail.com

September 30, 2024

Coastside County Water District

General Manager

766 Main Street

Half Moon Bay, CA 94019

Dear Coastside County Water District Customer Service Department,

I hope this letter finds you well. I am writing to express my protest to the proposed upcoming rate hike..

As a long-time customer, I appreciate the essential service your company provides. However, I am concerned about the impact of increasing rates on our community, especially during these challenging economic times. Many residents, including myself, are already facing rising costs in other areas, and an additional financial burden from a water rate increase would be difficult to manage.

I urge you to reconsider this proposal and explore alternative solutions that would allow you to maintain service quality without placing additional strain on your customers.

Thank you for considering my concerns. I hope to see a resolution that supports both the company's needs and the financial well-being of your customers.

Sincerely,

Deana and Adam Hawkins

Account # 391-03770-01

09/27/2024

To: General Manager
Coastside County Water District
766 Main St, Half Moon Bay, 94019

I am writing to protest the proposed rate increases scheduled for January 20, 2025, January 19, 2026, and January 18, 2027. An increase of nearly 26% in 3 years is unreasonable, especially considering that rates were already increased by 17-18% in the last 3 years. That's 3+ times my pay increase in the last 6 years.

Christine Villanis
403 Kehoe Ave
Half Moon Bay, CA
94019

9-26-24

To whom it may concern:

I am writting to you to protest the proposed rate change. I feel that rate increase is too high and you are planning to make increases yearly.

This increase is higher than my cost of living increase that I receive.

Thank you.

Kay Williamson

Kay Williamson
255 Ave Balboa
El Granada, CA
94018

Shirley Moorhouse
755 Vasques Dr.
Half Moon Bay, CA 94019

General Manager
Coastside County Water District
766 Main St.
Half Moon Bay, CA 94019

Dear General Manager:

I oppose your proposed rate increases. Your rate increase percentage far exceeds my employment salary increase percentage.

I am the property owner & customer responsible for paying the water bill at my residence of:

755 Vasques Drive
Half Moon Bay, CA 94019

Thank you for considering my opposition.

Sincerely,
Shirley moorhouse

General Manager,

I Protest the Proposed Rate and Fee Increases for 1/20/25, 1/19/26, and 1/18/27

Ronald Laurent Ronald Laurent

309 Myrtle ST
Half Moon Bay, Ca 94019

Account Number 141-04018-01

Daniel J. Bohnert

370 Saint Andrews Lane
Half Moon Bay, CA 94019

October 24, 2024

Attention: General Manager
Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019

Re: Proposed 2025-207 Rate Increases for Water Services

I am writing to protest the water rate increases proposed for 2025-2027. The logic behind these increases is both flawed and contradictory.

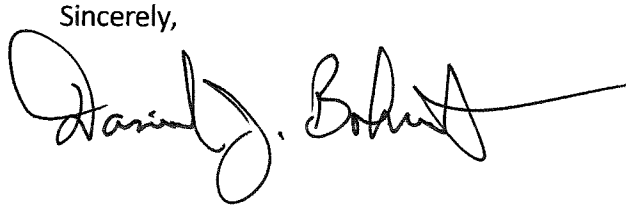
The flaws relate to the projected costs and revenue for the District. Costs, across the board increase every year, with no costs escaping the broad inflationary generalization. There is not one cost category that is controlled from growth by any proposed district program. This is at minimum bad management.

Revenues are another area of concern. Projected unit growth across all connection types for the five-year study period is modeled at ZERO growth. How can this be? Half Moon Bay is seeing unprecedented growth in building. New single family residential, multi-family, hotel, etc. are growing. Yet, the financial model shows not one new connection?

The District is justifying residential usage rate increases far above the actual wholesale water rate increases. The District does not appear to be implementing a reduced/more efficient infrastructure that would complement a low usage environment. In fact, the District proposes to increase infrastructure spending and "Drought Management" expenses in spite of a lower use future. This is a recipe for continued cost/rate increases for many years to come.

Please revisit the proposed rate structure and more importantly, begin implementing a long-term, lower cost infrastructure for water delivery and management.

Sincerely,



Oct. 28, 2024

General Manager-
Coastside county water District
766 Main street HMB CA 94018

We would like to submit
our protest for the proposed
rate increase.

Sincerely,
Susan + Alan O'Driscoll

610 coronado st
El Granada CA 94018
Account #'s 222-06 802-00
222-06 803-00

AOD

Chad Hooker
423 San Benito Street
Half Moon Bay, CA 94019

November 1, 2024

CCWD Board of Directors

Board Members All,

I need to preface my comments by saying I have strong confidence in the Water Board and am consistently pleased with the product and service your district provides. I think the community as a whole feels this way and I would like that confidence to hold.

That said, I received with some dismay the announcement of the proposed 8% rate increase which is 25% over 3 years. (The consumer price index is 3.15% now.) Knowing as I do that costs are rising for all of us and all businesses, including for the District, I looked at your P&L records and budgets going back twelve years and I looked at CIP projections, all in an effort to understand why the District needs 8% yearly when the rest of the country is dealing with a 3+ percent inflation rate and, perhaps, small wage hikes. I did review the WRE 2024 Rate Study. Then Mary Rogren met with me to help me understand the outcome. Jeffery Schneider also attended the meeting was similarly helpful.

I have reached two conclusions which I will outline separately:

ONE: The Board has elected to fund most of the CIP with current rate increases. (That is not clearly outlined in the notice to the public; in fact, it is quite hard to discern.) As shown in WRE Table 2-20 Projected Cash Flows Status Quo, the current operating revenues cover the current operating expenses and debt service. Minor to moderate rate increases are needed to keep that balance. But, same table, it can be seen that funding CIP with cash and no rate increase is not feasible, as demonstrated further in the next table 2-21 Fund Balances.

From there, WRE jumps to Table 2-24 Projected Cash Flows with 8% rate increases, and 2-25 Fund Balances with $8M in new debt. In this scenario, ratepayers cover $25.2 million in CIP as shown in Table 2-18, AND build the Reserve Account up by $5M, all in five years. That appears to be $30M from the community in five years, most of it for long term infrastructure improvements.

I did not understand why a smaller rate increase and more long-term debt would not be the preferred approach so I kept reading, given that WRE

stated "CIP funding options (grant, debt, etc.) were evaluated". Unfortunately, such evaluation is NOT part of their report.

To that point, Mary and Jeff explained that the Board ran multiple rate-increase/ debt incursion scenarios at Finance Committee meetings and a Board workshop and decided upon the current proposed plan of $8M in new debt in 2025 and an 8% per year rate increase. I similarly outlined an idea with an additional $8M bond in 2026 and an additional $4M in '27, with a 3% rate increase starting in 2025 and found that the account balances still work, the CIP gets funded as needed, and the public gets a much lower rate increase. That approach structures in long-term debt, the dark side of which I do understand. However, as figure 2-5 on page 36 shows, the District is clearly in a comfortable place to carry some more debt, letting future rate payers fund a portion of the cost of infrastructure they will be utilizing. So, we disagree on this approach to financing long-term infrastructure on the backs of current rate payers. I would like you to reconsider alternate CIP financing schemes but I will respect your decision.

TWO: I am disappointed in WRE's presentation of the study. If they did, in fact, evaluate other rate and debt options, why are they not shown?

Why do they show the debt-funded CIP of $8M in the Capital Expense Summary 2-18, but in the Status Quo summary of Account Balances 2-20, they call the associated CIP expenditure rate-funded, It seems like an effort to exaggerate the impending deficit issue without accounting for the essentially foregone conclusion that the $8M will be borrowed (as shown in 2-18). They do note that debt proceeds and debt-funded CIP are not in the cash flow projections but, again, this seems to distort the severity of the status quo picture, repeated in 2-21 Account Balances.

Finally regarding the WRE report, try as I will, I cannot figure out the values shown on 2-24, line 3. A previous rate revenue times 8% would seem to be the approach but it renders different numbers. The fact that I don't get it doesn't mean it's incorrect.

I thank you for your time and consideration of my concerns. I would very much like to attend the meeting on November 12 to listen to a discussion on all this but I sit on the AAC and we have a joint study session with the Planning Commission that evening. I wish you well in your deliberations and I thank you for your service on the Board.

Sincerely,
Chad Hooker

Robert and Debbe Barbara
359 Burning Tree Court
Half Moon Bay, CA 94019

November 5, 2024

GENERAL MANAGER
Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019-1925

RE: PROTEST TO RATE INCREASE plus SHORTAGE RATES UNLESS 20% REDUCTION IN USAGE
ACCOUNT NO. 173-00295-00 359 BURNING TREE COURT HALF MOON BAY

To the General Manager and the District:

I am writing to STRONGLY object to any additional increase in water rates for the home located at 359 Burning Tree Court, Half Moon Bay, CA.

The charges for water are already unreasonably high and have been increased multiple times in the last several years.

` Unlike many of our neighbors and other residents and business in Half Moon Bay, we have already taken the following steps to conserve water:

We have artificial Turf in our Front Yard;
We have Artificial Turf in our Back Yard;
We have drip lines on potted plants in our yard;
We take our car to the car wash and do not use the hose;
We only flush our toilets twice a day – morning and night;
We use paper plates and bowls on a daily basis to reduce dish washing;
My husband takes short showers and I shower at a workout facility twice a week;
We drink and cook only with bottled water, and I give my dogs bottled water;
I take my dogs to Pampered Pups dog wash when they need a bath;
We use only the speed wash cycle when washing clothes.

In addition, we do not have confidence in the reporting of water usage at this address. Our statement showed higher usage for July and August of this year which seems incorrect. We were visiting friends for one week in July, and we were gone for two full weeks in August.

Please do not apply these increases to our address. We are both in our 70's and no longer working. Please pursue your needed increases from those wasting water.

Debbe Barbara

Debbe and Robert Barbara Account # 173-00295-00

STAFF REPORT

To: **Coastside County Water District Board of Directors**

From: **Jeffrey Schneider, Assistant General Manager**

Agenda: **November 12, 2024**

Report Date: **November 8, 2024**

Agenda Title: Waive the Procedural Requirements for Sealed Competitive Bids and Authorize the General Manager to Procure a New Ford F150 4x4 Regular Cab Truck from Serramonte Ford, Inc.

Recommendation/Motion:
Waive the procedural requirements for sealed competitive bids and authorize the General Manager to procure a new Ford F150 4x4 regular cab truck from Serramonte Ford, Inc. for a not-to-exceed amount of $44,745.

Background:

The District budgets annually for vehicle replacements as a part of its Capital Improvement Program (CIP). The CIP budget approved by the Board of Directors in June, 2024 includes $50,000 per year for the acquisition of 1 new vehicle for each year of the 10 year CIP planning horizon.

Staff obtained three quotes for a Ford F150 4x4 Regular Cab truck which reflect government fleet pricing. Quotes were received from Serramonte Ford, James Ford, and Towne Ford. At $44,744.11 including sales tax and all applicable fees, the quote from Serramonte Ford is the lowest of the three quotes.

The vehicle requested will be equipped per the District's standard configuration for its typical Ford fleet orders.

Determination of Waiving Competitive Bidding Requirements:

Staff is requesting the Board to waive the formal competitive bidding requirements of Resolution 2016-09 and to purchase a vehicle from Serramonte Ford for a not to exceed amount of $44,745. Note that staff received quotes from three dealerships.

Fiscal Impact: $44,745.

Prepared For:
COASTSIDE COUNTY WATER DISTRICT

Date: 10/21/2024

HALF MOON BAY, CA 94019
Ph. Cell. 650-276-0129

YOUR SAN FRANCISCO BAY AREA FORD DEALER
SERRAMONTE Ford

VEHICLE PURCHASE INFORMATION			TRADE INFORMATION
Vehicle:	New 2024 FORD TRKS		(No Trade-in)
Stock No:			
VIN:			
Mileage:	20		
Vehicle Price		$45,780.00	
Customer Savings		- $4,994.00	
Selling Price of Vehicle		= $40,786.00	
Less Rebates(s)		- $0.00	
Dealer Added Accessories***		+ $0.00	
Cash Price		= $40,786.00	
Sales Tax: (estimate)*		+ $3,831.66	
Total Fees **		+ $126.75	
Total Cash Price (estimate)		= $44,744.41	
Payoff balance of Trade(s) (estimate)		+ $0.00	
Total Charges (estimate)		**= $44,744.41**	

*Finance Tax City 0.00000%, Finance Tax County 1.37500%, Finance Tax District 2.00000%, Finance Tax State 6.00000%

**Fees Include: Administration Fee $85.00, Electronic Filing $33.00, Tire Fee $8.75

Retail payments are an estimate and may vary among lending institutions. Tax rules may vary per state. The final terms of your loan may differ depending on the actual terms of the financial institution's acceptance and are negotiable. Retail Net Sales Price is based on 0 down payment.

1st. Payment, security deposit, tax on down payment, license, title and documentation due at delivery.

Customer Approval

Management Approval

Preview Order Y630 - F1L - 4x4 XL Regular Cab: Order Summary Time of Preview: 10/21/2024 13:53:51 Receipt: 10/21/2024

Dealership Name: Serramonte Ford **Sales Code :** F72024

Dealer Rep.	Michael Stewart	**Type**	Fleet	**Vehicle Line**	F-150	**Order Code**	Y630
Customer Name	COASTSIDE COU	**Priority Code**	M1	**Model Year**	2025	**Price Level**	530

DESCRIPTION	MSRP	DESCRIPTION	MSRP
F150 4X4 REGULAR CAB XL - 141	$42365	FRONT LICENSE PLATE BRACKET	$0
141 INCH WHEELBASE	$0	BLACK PLATFORM RUNNING BOARDS	$250
TOTAL BASE VEHICLE	$42365	SKID PLATES	$160
OXFORD WHITE	$0	50 STATE EMISSIONS	$0
VINYL 40/20/40 FRONT SEAT	$0	EXTENDED RANGE 36GAL FUEL TANK	$0
MEDIUM DARK SLATE	$0	INTEGRATED TRAILER BRAKE CONT	$275
EQUIPMENT GROUP 101A	$0	BACKUP ALARM SYSTEM	$220
.XL SERIES	$0	FLEET DRL - REPLACE STD DRL	$45
.17" SILVER STEEL WHEELS	$0	SPECIAL DEALER ACCOUNT ADJUSTM	$0
2.7L V6 ECOBOOST	$0	SPECIAL FLEET ACCOUNT CREDIT	$0
ELEC TEN-SPEED AUTO TRANS	$0	FUEL CHARGE	$0
.265/70R 17 BSW ALL-TERRAIN	$0	NET INVOICE FLEET OPTION (B4A)	$0
3.55 ELECTRONIC LOCK RR AXLE	$470	PRICED DORA	$0
6450# GVWR PACKAGE	$0	ADVERTISING ASSESSMENT	$0
CA NEW MTR VEHICLE BOARD FEES	$0	DESTINATION & DELIVERY	$1995
FORD FLEET SPECIAL ADJUSTMENT	$0		

	MSRP
TOTAL BASE AND OPTIONS	$45780
DISCOUNTS	NA
TOTAL	$45780

ORDERING FIN: QL450 **END USER FIN:** QL450 **PO NUMBER:** 00
SHIP TO : **F72024**
999 Serramonte Blvd., Colma, CA, 94014-3283

Customer Name:
Customer Address:

Customer Email:

Customer Phone:

Customer Signature Date

This order has not been submitted to the order bank.
This is not an invoice.

STAFF REPORT

To:	**Coastside County Water District Board of Directors**
From:	**Mary Rogren, General Manager**
Agenda:	**November 12, 2024**
Date:	**November 8, 2024**
Agenda Title:	Waive the District's Procedural Requirements for Sealed Competitive Bids and Authorize the General Manager to Award a Contract to Brush Hog Tree Care Inc. For Eucalyptus Tree Removal and Trimming at the Carter Hill Tank Site

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Recommendation/Motion:
Waive the District's competitive bidding requirement of Resolution 2016-09 and authorize the General Manager to award a contract to Brush Hog Tree Care Inc. for eucalyptus tree removal and trimming at the Carter Hill tank site for $50,000

Background:

At the July 9, 2024 Board of Directors Meeting, the Board awarded DN Tanks, LLC. a contract to construct a new 2.1 million gallon prestressed concrete tank on Carter Hill near the Nunes Water Treatment Plant. Construction is planned to start in the next quarter.

When recently surveying and staking the tank location, staff and the contractor voiced concerns regarding the possible impact of eucalyptus trees located on District property but just outside the fence lines that could impede the construction of the new tank. Staff would like to expedite the removal of the first row of eucalyptus trees next to each of the fence lines and crown trees in the second row in order to:

- Reduce fire danger during construction
- Protect construction workers on scaffolding
- Provide a buffer zone from trees or limbs falling on the construction site (or on the new tank after construction)

Attached is a quote (Exhibit A) from Brush Hog Tree Care Inc. ("Brush Hog") for $50,000 for the proposed tree work. Brush Hog is a local tree care company that the District has utilized for many years. Brush Hog is specifically equipped and

experienced in removing wide diameter trees and with disposing of wood either by chipping or hauling off oversized wood.

Determination of Waiving Competitive Bidding Requirements:

Staff is requesting to waive the competitive bidding requirements of Resolution 2016-09 in order to sole source the purchase of tree services from Brush Hog Tree Care Inc. Given Brush Hog's specialized experience in removing wide diameter trees, their ability to accommodate the District's tight schedule, and their long-term experience with the District, staff requests that the Board approve entering into a contract with Brush Hog

Fiscal Impact: $50,000. (Charged to the CIP Project.)

Exhibit A

Brush Hog Tree Care Inc

799 Main Street | Suite P | Half Moon Bay, California 94019
6504007280 | office@brushhogtreecare.com | www.brushhogtreecare.com

RECIPIENT:

Coastside County Water District

766 Main Street
Half Moon Bay, CA 9019
Phone: 6505540007

SERVICE ADDRESS:

Nunes Water Treatment Plant
500 Lewis Foster Drive
Half Moon Bay, California 94019

Estimate #3831

Sent on	Nov 06, 2024
Expiration Date	12/31/2024
Addendum B - 3 Day Right to Cancel	https://drive.google.com/file/d/1Vh1o9-bA_hJrkpBL_QjIUEqtN15-s39D/view?usp=drive_link
Total	**$50,000.00**

Product/Service	Description	Qty.	Unit Price	Total
Tree Services	At fence line; Remove first row of Eucalyptus trees as necessary. Selectively crown reduce second row of Eucalyptus trees by up 50% as possible. Chip all brush, leave all chips on site. Haul and dispose oversized wood.	1	$50,000.00	$50,000.00*

Total **$50,000.00**

Price(s) estimated above are contingent upon all line items accepted and scheduled to be completed at the same time. Modification or selection of individual line items will result in additional charges. A change in the scope of work may void any previously offered discounts.
When a tree removal permit is required it is the responsibility of the property owner to pay for, obtain, and submit the approved permit to Brush Hog Tree Care Inc (Brush Hog) prior to confirmed scheduling of services. Upon customer request, Brush Hog may provide permit application services for an additional fee, plus the actual cost of the permit(s).
Brush Hog is not responsible for any underground utilities, irrigation or low

Brush Hog Tree Care Inc

799 Main Street | Suite P | Half Moon Bay, California 94019
6504007280 | office@brushhogtreecare.com | www.brushhogtreecare.com

Notes Continued...

voltage lines.
A 10% deposit is required to confirm scheduling of work. Please sign, date and return estimate with deposit. Prices are valid for 90 days. Invoices Terms: Due Upon Receipt.
A prorated late charge of 1% interest per month applies if full payment is not received on any invoice within 30 days (12% maximum per year). Partial payments will be deducted from the interest calculation.
See Addendum A and B for other information and terms regarding your agreement with Brush Hog effective as of the date accepted by you below.

* Non-taxable

Signature: _____ Date: _____

STAFF REPORT

To: **Coastside County Water District Board of Directors**

From: **Mary Rogren**

Agenda: **November 12, 2024**

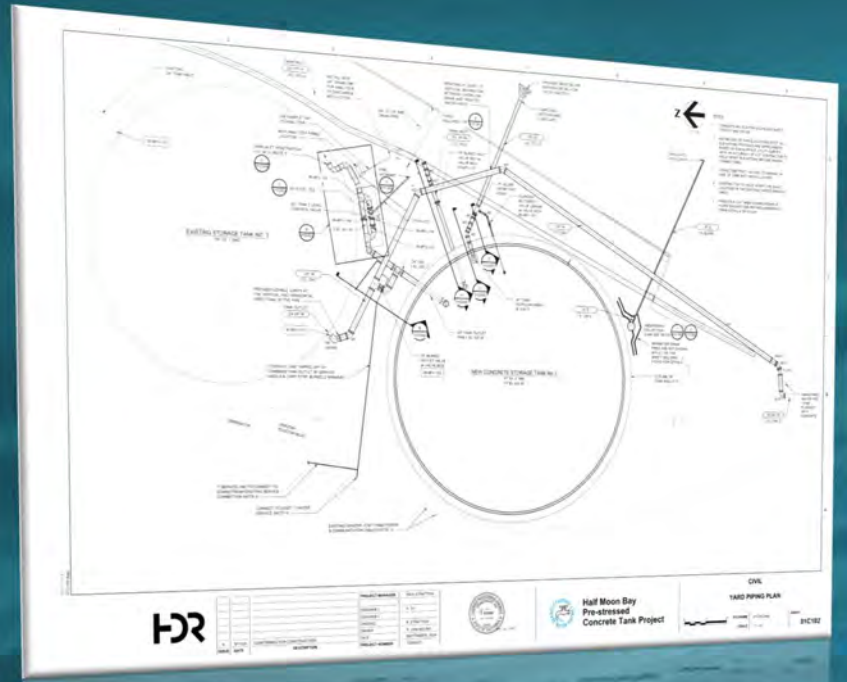
Report Date: **November 8, 2024**

Agenda Title: **Carter Hill Prestressed Concrete Tank and Seismic Upgrades Project – Update #1**

Informational Item

At the July 9, 2024 Regular Board of Directors Meeting, the Board authorized an award of contract to DN Tanks, LLC. ("DN Tanks") for the construction of the Carter Hill Prestressed Concrete Tank and Seismic Upgrades Project. The District issued a "limited notice to proceed" on September 13, 2024. The limited notice to proceed was issued to allow DN Tank to commence preparation of submittals and conduct early preparation work while the District sorted out the possible relocation of PG&E utilities. Once the full "notice to proceed" is issued, the contract duration is 480 days with estimated completion in Spring 2026.

Freyer and Laureta, Inc., the Construction Management firm on this project has put together a brief summary of progress to date. See Attachment A.



Coastside County Water District

Carter Hill Prestressed Concrete Tank and Seismic Upgrades Project

November 12, 2024 Board Meeting

FREYER & LAURETA, INC.
Civil Engineers – Surveyors – Construction Managers

Contract Data as of Board Meeting Date

Contract Data as of Meeting Date:

Contract Time (Calendar Days)		Contract Value	
Base Contract Duration	480	Base Contract	$10,968,951.00
Approved Change Order Days Added	0	Approved Change Order Added	-
Approved Change Order Days Subtracted	0	Approved Change Order %	-
Total Contract Duration	480	Total Contract Approved	$10,968,951.00
Elapsed (Start Date TBD)	-	Billed to Date [1]	$0.00
Remaining Days	480	Remaining Value	$10,968,951.00

[1] Billed to date value is the contract work complete including the 10% retention that will be paid to Contractor upon project completion.

Construction Progress Update #1

Progress to Date:

- Issuance of Limited Notice to Proceed Date: September 13, 2024.
- Processing of Contractor Submittals, Requests for Information (RFIs) and Scheduling.
- Surveying and Staking
- Coordination with PG&E regarding existing Primary and Secondary Power.
- Verizon relocated their antenna from Tank 1 to shelter area between existing Tanks 2 and 3.
- Public Relations Coordination with Half Moon Bay High School.
- Potholing of existing electrical conduits.

Construction Progress Update #1

Three-Week Look Ahead Schedule:

Major items of work anticipated over next 3-4 weeks are as follows:

- Further potholing investigation.
- Installation of SWPPP measures.
- Design Team looking into option of not relocating PG&E duct bank.

Overall Project Schedule:

- Anticipated completion in Spring 2026.

Construction Photos

STAFF REPORT

To: **Coastside County Water District Board of Directors**

From: **Mary Rogren, General Manager**

Agenda: **November 12, 2024**

Report Date: **November 8, 2024**

Agenda Title: General Manager's Report

Information Only:

SFPUC & San Mateo County Partners Winter Touch Base Meeting

On November 1, 2024, SFPUC held a meeting with San Mateo County partners (including the City of Half Moon Bay, Sewer Authority Mid-Coast, BAWSCA, and County of San Mateo Emergency Services) to check in regarding the Peninsula watershed status, Pilarcitos Reservoir operations given the Division of Safety of Dams (DSOD) mandates, and the status of wet weather operations for winter 2024/early 2025.

SFPUC will soon be updating their website for the Winter 2024-2025 season. Note that the site includes links to USGS Current Conditions Data for California, Streamflow data as well as links to local gauges.

https://www.sfpuc.gov/PeninsulaReservoirWetWeather

Human Resource Committee Meeting

Staff met with the Human Resource Committee on November 6. The committee suggested that we share updates on our staff given recent additions.

New Hires in 2024
January 16, 2024 – Nicolas Garcia (Treatment/Distribution Operator) Has T2, D2 and Backflow Prevention Assembly Tester Certificate

July 8, 2024 – Miriam Salazar (Customer Service Specialist I) Customer Service and Accounts Payable

September 30, 2024 – Ingrid Anderson (Customer Service Specialist II) Customer Service and Accounts Receivable.

Anniversaries – Years of Service as of December 1, 2024
The District will be honoring staff who have hit anniversary milestones (1, 5, 10, 15, 20+ years) at its holiday lunch in December.

20 Years and Over:
Sean Donovan (29)
Gina Brazil (24)
Matt Damrosch (24)
Jack Whelen (20)

10 Years – Todd Schmidt
5 Years - Darin Sturdivan
1 Year - Michelle Dutto
1 Year - Jeffrey Schneider

Other: In January 2025, a Board HR Workshop is planned to discuss organizational and succession planning.

MONTHLY REPORT

To: **Mary Rogren, General Manager**

From: **Darin Sturdivan, Distribution Supervisor**
Sean Donovan, Treatment Supervisor
Todd Schmidt, Senior Treatment Operator
Dustin Jahns, Senior Distribution Operator

Agenda: **November 12, 2024**
Report Date: **November 8, 2024**

Monthly Highlights

- Annual dredging of Denniston Reservoir completed October 1-4
- Pilarcitos well cleaning and rehabilitation by Pump Repair Service completed in time for 11/1 start of using Pilarcitos wells (allowed by permit.)
- With completion of siphon installation at Pilarcitos Reservoir by SFPUC, the District was able to start taking water again from Pilarcitos Reservoir as of October 4 (@ 600 gpm.)
- Nunes WTP paving project complete.
- Nunes WTP reroofing project 95%+ complete.
- Plans finalized for Denniston contact clarifier hatch replacement. Fabrication of the hatches is in process, and coating contractor is scheduled to start November 18.
- Lead and copper sampling results received and letters mailed to all participants. (No issues were detected.)
- Staff attend Distribution review and backflow regulation update classes.
- Staff participated in the annual Great Shake Out earthquake exercise.

September Sources: Pilarcitos Reservoir, Crystal Springs.

Projects

- Carter Hill DN Tank Project
  - Conducted multiple onsite construction meetings with DN Tanks, F&L, subcontractors and PG&E. Also conducted potholing to determine exact utility line locations and if relocation is required.
- EKI Environment and Water, Inc.
  - Currently finalizing bid documents for Highway 92 Pipeline Replacement Project. Project will go out to bid in mid-November with a planned bid opening in mid-December.
  - Working on environmental permitting requirements and design for Pilarcitos culvert/slide repair and Pilarcitos well field potential well replacements.

  - Participating in DN Tank construction meetings as needed.

- HDR, Inc.
  - Carter Hill DN Tank Replacement Project
    - Submittal review is in process with F&L/HDR
    - HDR is updating DN Tank plans with new PG&E pothole and survey data
  - HDR continues work with the District on San Vicente Treatability Study and Corrosion Study

STAFF REPORT

To: **Board of Directors**

From: **Cathleen Brennan, Water Resource Analyst**

Agenda: **November 12, 2024**

Report: November 8, 2024

Subject: Water Resources Informational Report

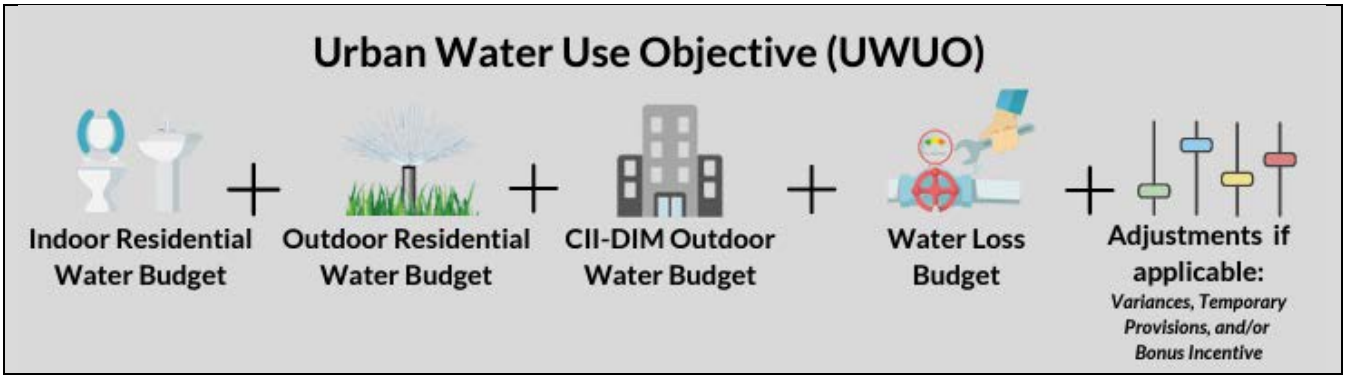
Attachment: Text of Water Conservation Regulation

In 2018, Senate Bill 606 and Assembly Bill 1668 were passed and formed what is now referred to as "Making Conservation a California Way of Life" water conservation legislation.

The regulation was adopted by the State Water Resources Control Board on July 3, 2024, to implement the legislation passed in 2018. It was recently finalized after the State Water Resources Control Board staff responded to comments on the proposed text for accuracy, erroneous information, and typographical errors. This regulation applies to urban retail water suppliers that provide an average annual total of 3,000 acre-feet of water for municipal purposes or serves 3,000 or more service connections.

The term "framework" is used to describe the structure of the regulation that consists of standards and performance measures. The framework consists of three water use standards, one water loss standard, commercial industrial, and institutional (CII) performance measures, and a variety of potential adjustments that are used to calculate an urban water supplier's budget or Urban Water Use Objective ("UWUO"). The standards are not static. They change over the next decade to become more restrictive.

The infographic below summarizes the standards that go into the UWUO.



The performance measures will be burdensome for the District to fully implement. The water loss budget will also be challenging. To comply with all the requirements will require the use of consultants and / or hiring additional staff.

Indoor Residential Standard or Budget

The indoor standard is multiplied by the service area population of the District to get a gallons per year budget.

Compliance Year	Standard
2020-2024	55 gallons per day per capita
2025-2029	47 gallons per day per capita
2030	42 gallons per day per capita

A census is only completed every ten years, so the accuracy of the service area population is difficult to verify.

Outdoor Residential Standard or Budget

The Department of Water Resources has already provided us with measured residential landscaped area in our service area. The state also provides the effective precipitation (Peff), and the reference evapotranspiration (ETo).

Date	Standard
Through June 30, 2035	0.8
July 1, 2035	0.63
June 30, 2040	0.55
Formula for Residential Outdoor Budget	
Budget = Standard x Residential Landscaped Area x Net ETo x 0.62	

CII – Dedicated Irrigation Meter (DIM) Outdoor Water Standard or Budget

The District does not have the data from DWR on the measured landscaped area for CII, but it is expected by the first quarter of next year. DWR has warned water agencies that the data will need to be vetted carefully. This may require the assistance of a consultant or additional staff.

Date	Standard
Through June 30, 2028	Actual water use
July 1 2028	0.8
July 1 2035	0.63
July 1 2040	0.45
Formula for CII DIM Irrigation Budget	
Budget=Standard x DIM Landscaped Area x Net ETo x 0.62	

CII Performance Measures

The District Will need to classify all our CII water services with categories that the SWRCB has provided in the regulations. The Utility Billing Manager has already created a drop-down menu in our utility billing system to allow for this classification in a user defined field, so that we are able to download the classifications and report to the state annually. The Water Resource Analyst will need to go into each CII account and do the classification. The District must maintain a 95% classification rate for its CII accounts / users.

22 Classification Categories			
Banking / Financial	Mixed Use Properties	Technology / Science	Landscapes with DIMs
Education	Offices	Services	Water Recreation
Entertainment / Public Assembly	Parking	Utility	Car Wash
Food Sales and Service	Public Services	Warehouse / Storage	
Healthcare	Religious Worship	Other	
Manufacturing / Industrial	Retail	CII Laundries	

There are options in other parts of the CII performance measures. By (a) June 30, 2027, the District will need to identify all existing CII water users associated with large landscapes. For purposes of performance measures, a large landscape is defined as half of one acre. If an agency cannot meet that deadline, they have the option (b) of identifying all existing CII large landscapes and determining which users exceed the water budget allowed for a CII outdoor use per the standard by June 30, 2029. It would make sense that most agencies would choose option (a) because it is significantly less workload.

For existing CII large landscapes, a supplier shall install a DIM or employ in lieu technologies and offer BMPs. The District will need to identify existing large landscapes served by a mixed-use meter (MUM) and decide how to get that landscape into compliance with the performance measures.

By June 30, 2024, the District had to identify the disclosable buildings in its service area, as defined by California Energy Commission (CRC 1683). The District will then need to provide specific information at the request of the owner / operator of the disclosable building.

CII water users must be identified according to water consumption and classification. There are three different tracks to choose from for compliance. Track 1 is the least work intensive and the preferrable compliance option but the compliance date is six months away.

1 By June 30th, 2025, identify (a) all CII water users at or above the 97.5th percentile for CII water use, and (b) existing CII water users at or above the supplier's 80th percentile for CII water use.

2 By June 30th, 2027, identify existing CII water users at or above the supplier's 97.5th percentile for CII water use, and existing water users at or above the supplier's 80th percentile for water use in each of the classification described in Section 972.

3 By June 30th, 2029, identify existing CII water users that appear to be inefficient according to key business activity indicators (KBAI) the supplier has developed for the classification categories described in section 972. A supplier may also develop KBAIs for the specific ENERGY STAR portfolio manager property types.

For water users identified in option 1a or 2a, the water supplier shall design and implement a conservation program that includes at least two of the best management practices listed in the regulations.

For water users identified pursuant to 1b or 2b or 3, a supplier shall design and implement a conservation program that includes at least one of the best management practices listed in the regulations. Best management practices by category are listed below.

1 Outreach, Technical Assistance, and Education
2 Incentive
3 Landscape
4 Collaboration and Coordination
5 Operational

Water Loss Budget Standard or Budget

This standard is comprised of two separate standards. There is a real loss standard and an apparent loss standard. There are additional requirements under a different regulation (CWC 10608.34) that require the submittal an annual water loss audit and have a level 1 validation by a certified third party by January 1st of each year. In addition, the District has submitted questionnaires on pressure management, assets, and data management.

Description	Coastside CWD Standard
Real Water Loss Standard	15.3 gallons per service connection per day
Apparent Water Loss Standard	3.1 gallons per service connection per day

Adjustments

Water suppliers with indirect potable reuse are able to receive an adjustment (bonus incentive) to their urban water use objective. A variances is allowed for a specific threshold of livestock within the service area. Adjustments can be made for urban / rural wildfire response, recycled water with high total dissolved solids that requires dilution, watering of horse corrals, and supplemental water for wildlife.

Other Considerations

There is a non-functional turf ban (CWC 10608.14) for irrigation with potable water on CII properties. Public water systems shall (no later than January 1, 2027) revise their regulations, ordinances, or policies regarding water service to include the requirements prohibiting irrigation of non-functional turf and communicate the requirements to their customers on or before that date.

Annual Reporting

Legislation required that by January 1, 2024, each urban water retail supplier calculate their objective. The January 2024 submittal was considered a pilot run for reporting since the regulation had not been adopted. The state has provided a workbook to complete the required reporting per the different standards and there is also a certification form required to be signed that will need to be submitted. The actual reporting forms will need to be updated each year to accommodate the phased compliance standards and requirements.

Enforcement of UWUO

There is enforcement associated with the UWUO with civil liability for the urban water supplier.

FINAL TEXT OF "MAKING CONSERVATION A CALIFORNIA WAY OF LIFE" REGULATION

California Code of Regulations
Title 23. Waters
Division 3. State Water Resources Control Board and Regional Water Quality Control Boards
Chapter 3.5. Urban Water Use Efficiency and Conservation
Article 1. Urban Water Use Efficiency Standards, Objectives, and Performance Measures
Effective January 1, 2025

Table of Contents

Adopt new section 965:

§ 965. Definitions

Definitions used in this Article:

(a) "Animal type-classes" (T) means major categories of animal types based on similar water use and animal weight.

(b) "Annual precipitation" means total annual precipitation, in inches per year. Annual precipitation will be updated annually by the Department and derived from Parameter-elevation Regressions on Independent Slopes Model data.

(c) "Augmented Surface Water Reservoir" or "Augmented Reservoir" has the same meaning as "reservoir water augmentation" in section 13561 of the Water Code.

(d) "Augmented Groundwater Basin" or "Augmented Basin" has the same meaning as "indirect potable reuse for groundwater recharge" in section 13561 of the Water Code.

(e) "Basin" means either a basin or subbasin as defined and delineated by bulletin 118, or as defined and delineated through an adjudication process.

(f) "Board" means the State Water Resources Control Board.

(g) "Budget" means the calculated volume of water for a discrete category of water use associated with efficiency standards, variances, or temporary provisions.

(h) "Climate zones" means the California Energy Code climate zones as defined by zip code and listed in California Energy Commission Reference Joint Appendix JA2 (Title 24, Part 6, Section 100.1).

(i) "Climate-ready landscapes" are designed and maintained to reduce greenhouse gas emissions and weather more extreme conditions, save water, reduce waste, nurture soil, sequester carbon, conserve energy, reduce urban heat, protect air and water quality, and create habitat for native plants and pollinators.

(j) "Collaboration and Coordination best management practices" means formalized operational and institutional arrangements, such as cooperative agreements among parties to streamline requirements, data collection, or implementation of best management practices by coordinating with necessary entities.

(k) "Commercial, industrial, and institutional water user" means a CII water user meeting any of the definitions in Water Code section 10608.12 (f), (p) and (q).

(l) "Crop-specific landscape area" means residential agricultural landscapes disaggregated by each crop or crop type grown within the supplier's service area.

(m) "Customer" has the same meaning as in section 10611.3 of the Water Code.

(n) "Dedicated Irrigated Meter" (DIM) means a water meter that is operated and maintained by the supplier that exclusively measures the water a customer uses for irrigation.

(o) "Department" means the Department of Water Resources.

(p) "Direct Potable Reuse" (DPR) has the same meaning as in section 13561 of the Water Code. DPR does not require an environmental buffer.

(q) "Direct potable reuse project" or "DPR project" has the same meaning as in California Code of Regulations, title 22, section 64669.05.

(r) "Disclosable Building" has the same meaning as in section 1681 in California Code of Regulations, title 20.

(s) "Effective precipitation" (P_{eff}) means 25 percent of total annual precipitation, or a lower value generated by the California Simulation of Evapotranspiration of Applied Water model if provided by the Department, in inches per year.

(t) "ENERGY STAR Portfolio Manager" means the tool developed and maintained by the United States Environmental Protection Agency to track and assess building performance.

(u) "ENERGY STAR Portfolio Manager broad categories" means a superset of property types based on sector.

(v) “ENERGY STAR Portfolio Manager property types” means a subgroup of ENERGY STAR Portfolio Manager broad categories.
(w) “Equivalent Technologies” are technologies that are functionally equivalent to Dedicated Irrigation Meters in terms of accuracy and supplier access to the data.
(x) “Existing CII water users” means CII water users served by the supplier on or before the effective date of this article.
(y) "Finished water" has the same meaning as in California Code of Regulations, title 22, section 64400.41.
(z) “High levels of Total Dissolved Solids” (TDS) means concentrations above 900 mg/L.
(aa) “Indirect Potable Reuse” (IPR) includes “Indirect potable reuse for groundwater recharge” and “reservoir water augmentation” as defined in section 13561 of the Water Code. IPR requires an environmental buffer, including a river, lake, reservoir, or a groundwater aquifer that is used as a source of drinking water.
(bb) “Irrigable Irrigated Area” is residential area of healthy vegetation where the vegetation appears to be in growth, not senesced, and is foliated. The area is presumed to be maintained and managed through active irrigation, comprising an irrigated hydro-zone. Non-vegetative features may be included.
(cc) “Irrigable Not Irrigated Area” is residential area that is not currently being irrigated, but was irrigated in the past, or may be managed with irrigation in the future.
(dd) “In-Lieu Technologies” are technologies that support landscape water use efficiency improvements by means other than the direct measure of water use. They include but are not limited to the technologies identified in section 973.
(ee) “LA_{crop}” means the landscape area for a crop grown on residential landscapes included in the Department’s agricultural land mask and associated with an account the supplier categorizes as residential, in square feet.
(ff) “Landscape efficiency factor” (LEF) means a factor applied at the supplier-level that adjusts net reference evapotranspiration for plant factors and irrigation efficiency, two major influences upon the amount of water that is applied to the landscape.
(gg) “Large landscapes” are Commercial, Industrial, and Institutional landscapes that are ½ acre in size or larger with Mixed-Use meters.
(hh) “Livestock” has the same meaning as in section 3080 of the Civil Code.
(ii) “Low-impact development” means new development or redevelopment projects that employ natural and constructed features that reduce the rate of stormwater runoff, filter out pollutants, facilitate stormwater storage onsite, infiltrate stormwater into the ground to replenish groundwater supplies, or improve the quality of receiving groundwater and surface water.
(jj) “Mixed-Use Meter” (MUM) means a water meter that is operated and maintained by the supplier and that measures the volume of water a customer uses indoors and outdoors.
(kk) “Net reference evapotranspiration” or “Net ET_0” is the difference between reference evapotranspiration and effective precipitation, in inches per year.
(ll) “Net $ET_{0\ crop}$” means the net reference evapotranspiration for a supplier’s service area growing season, in inches per year.
(mm) “Newly constructed residential landscapes” (RLA_{new}) means landscapes that were added to a supplier’s service area in accordance with section 968 (e) after the time period captured by the Landscape Area Measurements Project update released by the Department on December 6, 2023, or any subsequent update to the supplier’s residential landscape area pursuant to section 968 (b)(3).
(nn) "Newly constructed CII landscapes with DIMs" (DIM LA_{new}) means CII landscapes with DIMs that are added to a supplier's service area in accordance with section 969 (d)(2) after the most recent analysis a supplier conducts in accordance with section 969 (b)(2).

(oo) "Owner's Agent" means a person with authorization from a building owner to act on behalf of the building owner.
(pp) "Plant factor" has the same meaning as in section 491.
(qq) "Potable deliveries to residential properties and CII landscapes with DIMs" (D_{RLI}) means the total potable water volume delivered to both residential and landscape irrigation connections, as reported to the Board pursuant to Health and Safety Code section 116530.
(rr) "Potable Reuse Water" includes water produced through both direct potable reuse and indirect potable reuse systems.
(ss) "Potable Reuse Volume" (V_{PR}) is defined as the individual supplier's volume of potable reuse water.
(tt) "Process water" has the same meaning as in section 10608.12 of the Water Code.
(uu) "Recycled water" means water produced by a wastewater treatment plant or water recycling treatment plant permitted to produce recycled water pursuant to California Code of Regulations, title 22.
(vv) "Reference evapotranspiration" or "ET_0" has the same meaning as in section 491 and is expressed in inches per year. Reference evapotranspiration will be updated annually by the Department and derived from the California Simulation of Evapotranspiration of Applied Water model using Spatial California Irrigation Management Information System data.
(ww) "Residential agricultural landscapes" means the residential agricultural area, in square feet, included in the Landscape Area Measurements Project update (released by the Department December 6, 2023), or as later updated by the Department. It is limited to land on which agricultural use is occurring and that is associated with a service connection the supplier categorizes as residential.
(xx) "Agricultural use" means "agricultural use" as defined in Government Code section 51201 (b), but does not include cleaning, processing, or other similar post-harvest activities.
(yy) "Residential landscape area" (RLA) means residential Irrigable Irrigated area plus approved Irrigable Not Irrigated area, in square feet.
(zz) "Residential service area population" (P) means the service area population reported to the Board as "residential" pursuant to Health and Safety Code section 116530 and California Code of Regulations, title 22, section 64412.
(aaa) "Residential special landscape area" (RSLA) means residential pools, spas, and similar water features, residential areas dedicated solely to edible plants, and residential areas irrigated with recycled water, in square feet.
(bbb) "Service Connection" (C) has the same meaning as in Health and Safety Code section 116275.
(ccc) "Temporary provision" means an additional volume of water that an urban retail water supplier may request to add to its urban water use objective for a limited time for a specified beneficial use that will require less water over time.
(ddd) "Turf" has the same meaning as in section 491.
(eee) "Total potable water production" (T_{PW}) means all potable water that enters into a supplier's distribution system, excluding water placed into storage and not withdrawn for use during the reporting period and excluding water exported outsider the supplier's service area during the reporting period, as reported to the Board pursuant to Health and Safety Code section 116530. Total potable water production includes all non-revenue water, which has the same meaning as in section 638.1 and is equal to the sum of the supplier's unbilled authorized consumption and apparent and real losses.
(fff) "Urban retail water supplier" or "supplier," has the same meaning as in section 980.

(ggg) "Urban water use objective" (WUO) means an estimate of aggregate efficient water use for the previous year based on adopted water use efficiency standards and local service area characteristics for that year, as described in Water Code section 10609.20 and as calculated pursuant to section 966 (d).

(hhh) "Variance" means an additional volume of water that an urban retail water supplier may request to add to its urban water use objective for a unique use that has a material effect on a supplier's urban water use objective.

Authority: Sections 1058, 10609.2, and 10609.10, Water Code.
References: Article X, Section 2, California Constitution; Sections 3080, 4080, 4100, and 4100, Civil Code; Section 51201, Government Code; Section 116275 and 116530, Health and Safety Code; Sections 102, 104, 105, 350, 1122, 1123, 1124, 1846, 1846.5, 10608.12, 10609.2, 10609.10, 10609.20, 10611.3, and 13561, Water Code.

Adopt new section 966:

§ 966. Urban Water Use Objectives

(a) No later than January 1, 2025, and by January 1 every year thereafter, each urban retail water supplier shall calculate its urban water use objective and, beginning January 1, 2027, annually demonstrate compliance with its objective.

(b) The calculation shall be based on the supplier's water use conditions for the previous state fiscal year.

(c) The objective shall be composed of the sum of the following budgets:

(1) A budget for efficient indoor residential water use (R_{indoor}) as described in section 967.

(2) A budget for efficient outdoor residential water use ($R_{outdoor}$) as described in section 968.

(3) A budget for efficient water use on commercial, industrial, and institutional landscapes with dedicated irrigation meters or equivalent technology (CII_{DIM}) as described in section 969.

(4) A budget for efficient real water losses (L) as described in section 970.

(5) Budgets for any approved variances (V) and temporary provisions (Pr) as described in sections 967, 968, and 969.

(6) A bonus incentive for potable reuse (B_{PR}) as described in section 971.

(d) The formula for calculating a supplier's urban water use objective (WUO), in gallons, is expressed mathematically as follows:

$$\mathrm{WUO} = \mathrm{R_{indoor}} + \mathrm{R_{outdoor}} + \mathrm{CII_{DIM}} + \mathrm{L} + \mathrm{V} + \mathrm{Pr} + \mathrm{B_{PR}}$$

(e) If any system owned and operated by a supplier is lacking the data needed to calculate the budgets described in subdivision (c)(1) through (4), that system shall be excluded from the overall objective calculation until the requisite data are obtained. The requisite data must be obtained no later than July 1, 2028, for use in the 2030 reporting year.

(f) For systems that do not meet the criteria to be considered an urban retail water supplier until after the effective date of this section, and for a system that hydraulically consolidates with a supplier, this section applies beginning five (5) years after the system meets the criteria to be considered a supplier or consolidates with a supplier.

(g) Compliance with this section shall be assessed on the overall objective, not the individual budgets identified in subdivision (c), except for water loss, which shall also be assessed individually pursuant to section 981.

(h) If a supplier's calculated objective-based total use is larger than its target-based total use, the supplier's urban water use objective shall be its Water Code section 10608.20 individual target less excluded demands as described in paragraph (3). If the supplier's section 10608.20 target is expressed in gallons per capita daily, the supplier shall multiply the target by its residential service area population for the reporting year and the number of days in the year.
   (1) For purposes of this subdivision, objective-based total water use, in gallons, is the sum of excluded demands and the urban water use objective calculated pursuant to subdivision (c).
   (2) For purposes of this subdivision, target-based total water use, in gallons, is a supplier's individual Water Code section 10608.20 target plus demands not included in the target. Demands not included in the section 10608.20 target may include process water and recycled water.
   (3) Excluded demands are those values provided by the supplier to the Board pursuant to Health and Safety Code section 116530, for the following delivery categories: other; commercial and institutional; and industrial.
   (4) Until June 30, 2040, this subdivision does not apply to any supplier that is achieving its Water Code section 10608.20 target on a regional basis but has not achieved its individual target.

(i) Notwithstanding subdivision (a), a supplier shall be considered in compliance with its objective provided all of the following are met:
   (1) The median household income of the supplier's service area is equal to or less than the median household income of California. The median household income of the supplier's service area shall be the average for the three years preceding the year the supplier initially asserts compliance with its objective pursuant to this subdivision;
   (2) The supplier's urban water use objective calculated by the supplier pursuant to subdivision (c), using the standards that apply July 1, 2040, would result in an objective that is 80 percent or less of the supplier's average annual water use for the reporting categories identified in section 975 (c)(1)(D) for the state fiscal years ending in 2024, 2025, and 2026;
   (3) The supplier develops, posts to its public-facing website, and implements a plan that is designed with the goal of achieving, by June 30, 2041, or a different date approved by Board staff, the supplier's urban water use objective. The plan must additionally include efforts to keep trees healthy; and
   (4) The annual reports the supplier has submitted pursuant to section 975 show that the supplier is reducing its per capita water use by an average of no less than 1.0 percent per year, as shown by data from the reporting year and the immediately preceding two years, from its average per capita annual water use for the state fiscal years ending in 2024, 2025, and 2026.

(j) Notwithstanding subdivision (a), a supplier shall be considered in compliance with its objective provided all of the following are met:
   (1) The supplier's urban water use objective, calculated pursuant to subdivision (c), using the standards that apply July 1, 2040, would result in an objective that is 70 percent or less of the supplier's average annual water use for the reporting categories identified in section 975 (c)(1)(D) for the state fiscal years ending in 2024, 2025, and 2026;
   (2) The supplier develops, posts to its public-facing website, and implements a plan that is designed with the goal of achieving, by June 30, 2041, or a different date approved by Board staff, the supplier's urban water use objective. The plan must demonstrate that the supplier has carefully analyzed the data used to calculate its urban water use objective, including, but not limited to, the data associated with variances and special landscape areas. The plan must additionally include efforts to:

(A) Increase support for disadvantaged communities, as defined in title 22, section 64300 of the California Code of Regulations, and low-income households;
(B) Leverage regional and local partnerships to support the installation and maintenance of climate-ready landscapes; and
(C) Keep trees healthy;

(3) The supplier verifies adherence to the American Water Works Association G480-20 Water Conservation and Efficiency Program Operation and Management Standard (published February 1, 2021), which is hereby incorporated by reference; and

(4) The annual reports the supplier has submitted pursuant to section 975 show that the supplier is reducing its per capita urban water use by an average of no less than 2.0 percent per year, as shown by data from the reporting year and the immediately preceding two years, from its average per capita annual water use for the state fiscal years ending in 2024, 2025, and 2026.

(k) For the purposes of subdivisions (i) and (j):

(1) A supplier shall calculate average annual per capita water use by dividing the average annual demand for the reporting categories identified in section 975 (c)(1)(D) for the state fiscal years ending in 2024, 2025, and 2026, by the average annual residential service area population for the state fiscal years ending in 2024, 2025, and 2026, and by the days of the year; and

(2) A supplier shall calculate annual per capita water use for the reporting year and the immediately preceding two years by, for each year, dividing annual demand for the reporting categories identified in section 975 (c)(1)(D), by annual residential service area population, and by the days of the year.

Authority: Sections 1058, 10609.2, and 10609.20, Water Code.
References: Article X, Section 2, California Constitution; Section 3080, Civil Code; Section 51201, Government Code; Section 116530, Health and Safety Code; Sections 102, 104, 105, 350, 1122, 1123, 1124, 1846, 1846.5, 10608.12, 10608.20, 10609.2, 10609.10, 10609.12, and 10609.27, Water Code.

Adopt new section 967:

§ 967. Indoor Residential Water Use Standard

(a)

(1) Each year, a supplier shall calculate its budget for residential indoor water use (R_{indoor}), in gallons, by multiplying the applicable standard (S_{indoor}) described in Water Code section 10609.4, subdivision (a) by the supplier's residential service area population (P), and by the number of days in the year. This formula is expressed mathematically as follows:

$$R_{indoor} = S_{indoor} \times P \times \text{days in year}$$

(2) For any reporting year that includes more than one standard, each applicable standard shall be multiplied by the number of days for which the standard applies pursuant to Water Code section 10609.4 that occur in the reporting period.

(b)

(1) An urban retail water supplier may, in calculating its urban water use objective, include budgets for variances identified in paragraph (2) for residential indoor use, if:
(A) The supplier submits supporting information meeting the criteria described in subdivision (e); and

(B) The associated water use, for any individual variance, represents 5 percent or more of the budget associated with the standard described in section 966 (c)(1).

(2) Variances may be requested for water use associated with any of the following:

(A) Significant use of evaporative coolers

(B) Significant fluctuations in seasonal population.

(c) Variances available pursuant to subdivision (b) shall be calculated as follows:

(1) A variance for water use associated with evaporative coolers (V_{EC}) represents the volume of water evaporative coolers used on operating days. Operating days (N_{DAYS}) are days when the average temperature in the supplier's service area was greater than 78 degrees Fahrenheit for at least one hour. V_{EC} shall be calculated by multiplying the number of evaporative coolers in the service area (N_{EC}) by the number of operating days (N_{DAYS}), the average daily evaporative cooler operating hours (H_O), and the average daily evaporative rate (R_{EC}). This formula is expressed mathematically follows:

$$V_{EC} = N_{EC} \times N_{DAYS} \times H_O \times R_{EC}$$

(A) The number of evaporative coolers in the service area (N_{EC}) may be estimated based on a representative sample of customers meeting the criteria specified in paragraph (D).

(B) The evaporative cooler operating hours (H_O) may be a daily average based on a sample meeting the criteria specified in paragraph (D). A supplier shall use the service area average operating hours or the daily maximum operating hours, whichever is lower.

(i) The service area wide average operating hours shall equal the average of all operating hours based on the sample.

(ii) The service area daily maximum operating hours shall equal the number of hours in a day when the temperature was above 78 degrees Fahrenheit within the supplier's service area.

(C) The evaporative cooler evaporation rate (R_{EC}) may be a daily average based on a sample meeting the criteria specified in paragraph (D). R_{EC}, in gallons per hour, shall be calculated by multiplying the average air exchange rate of the evaporative cooler units within the supplier's service areas (CFM), in cubic feet per minute, by the average daily difference in hourly wet and dry bulb temperatures (ΔT_{Bulb}), in degrees Fahrenheit, and by a representative efficiency rate of 80 percent. To convert the heat absorbed, in British Thermal Units, to the volume of water evaporated by the coolers, in gallons, that product shall be divided by 8700. This formula is expressed mathematically as follows:

$$R_{EC} = \frac{CFM \times \Delta T_{Bulb} \times 0.8}{8700}$$

The average air exchange rate of the evaporative cooler units within the supplier's service areas (CFM) and the average daily difference in hourly wet and dry bulb temperatures (ΔT_{Bulb}) shall be calculated according to the Department's Methods for Estimating Residential Cooler Water Consumption and Prevalence using Account-Level Water and Energy Consumption Data (published April 15, 2022), which is hereby incorporated by reference, or an alternative method that the supplier has demonstrated to the Department, in coordination with the Board, to be equivalent, or superior, in quality and accuracy.

(D) For the purposes of this section, the sample must represent at least 10,000 residential connections, or ten percent of residential connections, whichever is smaller.

(2) A variance for water use associated with seasonal populations (V_{SP}), in gallons, shall be calculated by multiplying the number of dwelling units associated with seasonal occupancy (N_{DU}) by the occupancy rate (R_O) and by the residential indoor use standard for the given time period (S_{indoor}). This formula is expressed mathematically as follows:

$$V_{SP} = N_{DU} \times R_o \times S_{indoor}$$

(A) The number of dwelling units associated with seasonal occupancy (N_{DU}) shall be calculated according to the Department's Methods for Estimating Seasonal Populations with Water and Energy Data (published by June 22, 2022), which is hereby incorporated by reference, or an alternative method that the supplier has demonstrated to the Department, in coordination with the Board, to be equivalent, or superior, in quality and accuracy.

(B) The occupancy rate (R_O) shall be calculated by dividing the average number of seasonally occupied rooms (R_S) by the average number of rooms occupied by permanent residents (R_P) and multiplying the quotient by the average number of people per permanently occupied household (H_P) and the average number of days households are seasonally occupied (S_{DAYS}). This formula is expressed mathematically as follows:

$$R_O = \frac{R_S}{R_P} \times H_P \times S_{DAYS}$$

The average number of days households are seasonally occupied (S_{DAYS}) shall be calculated according to the Department's Methods for Estimating Seasonal Populations with Water and Energy Data (published June 22, 2022), which is hereby incorporated by reference, or an alternative method that the supplier has demonstrated to the Department, in coordination with the Board, to be equivalent, or superior, in quality and accuracy.

(C) Notwithstanding subdivision (b)(1)(B), a supplier is eligible for the variance for water use associated with seasonal populations if the supplier uses detailed daily or hourly Advanced Metering Infrastructure (AMI) data to effectively identify dwelling units with seasonal population and the associated water use represents 1 percent or more of the budget associated with the standard described in section 966 (c)(1). If the supplier uses detailed daily or hourly AMI data, then the occupancy rate (R_O) shall be calculated by multiplying the water used by seasonally occupied homes (W_{SO}) by the supplier's residential service area population (P) and dividing the product by the water used for permanently occupied homes (W_{PO}). The quotient shall be multiplied by the average number of days households are seasonally occupied (S_{DAYS}). This formula is expressed mathematically as follows:

$$R_O = \left(\frac{W_{SO} \times P}{W_{PO}}\right) \times S_{DAYS}$$

The average number of days households are seasonally occupied (S_{DAYS}) shall be calculated according to the Department's Methods for Estimating Seasonal

Populations with Water and Energy Data (published June 22, 2022), or an alternative method that the supplier has demonstrated to the Department, in coordination with the Board, to be equivalent, or superior, in quality and accuracy.

(d) An urban retail water supplier may request a temporary provision to respond to negative impacts to wastewater collection, treatment, and reuse systems, if the supplier shows to the satisfaction of the Board that meeting the objective pursuant to section 966 would require adhering to the applicable residential indoor standard identified in Water Code section 10609.4 and that meeting the budget for efficient residential indoor use is causing challenges within wastewater collection, treatment, and reuse systems.

(e) In order to receive approval for a variance or a temporary provision, an urban retail water supplier must submit to the Board, in a machine-readable format for review and approval by the Executive Director, or the Executive Director's designee, a request that includes information quantifying and substantiating each request; information demonstrating that the water applicable to the request is water delivered by the supplier; information verifying that the approval of the request would not jeopardize the ability of a permittee within the supplier's service area to comply with existing permit requirements; and information describing and supporting the methodology the supplier will use to estimate the parameters described in subdivision (c), including the number of households sampled and the total number of residential connections, as reported to the Board pursuant to Health and Safety Code section 116530.

(1) Approved variances or temporary provisions submitted between July 1 and October 1 may be included in the associated budget for the prior state fiscal year.

(2) Approved variances or temporary provisions submitted between October 2 and June 30 may be included in the associated budget for the current state fiscal year.

(3) Approved variances and temporary provisions may be included in the associated budget for up to five years. Variance and temporary provision approval constitutes approval of both methodology and data. Unless otherwise specified in section 975, a supplier may use the same data for each year or update the data annually in accordance with the approved variance or temporary provision methodology.

Authority: Sections 1058,10609.2, and 10609.20, Water Code.
References: Article X, Section 2, California Constitution; Section 51201, Government Code; Sections 102, 104, 105, 350, 1122, 1123, 1124, 1846, 1846.5, 10608.12, 10609.2, 10609.4, and 10609.10, Water Code.

Adopt new section 968:

§ 968. Outdoor Residential Water Use Standard

(a)

(1) Through June 30, 2035, the standard for efficient residential outdoor use ($S_{outdoor}$) shall be a landscape efficiency factor of 0.80.

(2) Beginning July 1, 2035, and through June 30, 2040, the standard for efficient residential outdoor use shall be a landscape efficiency factor of 0.63.

(3) Beginning July 1, 2040, the standard for efficient residential outdoor use shall be a landscape efficiency factor of 0.55.

(4) The standard for efficient residential outdoor use for residential special landscape areas shall be a landscape efficiency factor of 1.0.

(5) The standard for newly constructed residential landscapes (S_{new}) shall be a landscape efficiency factor of 0.55.

(b)

(1) Each year, an urban retail water supplier shall calculate its budget for efficient residential outdoor water use ($R_{outdoor}$), in gallons, by multiplying the applicable standard ($S_{outdoor}$) described in subdivision (a) by the square footage of the most current available residential landscape area (RLA) as described in subdivision (b)(2) or (b)(3), net reference evapotranspiration (Net ET_0), and a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$\mathrm{R_{outdoor}} = \mathrm{S_{outdoor}} \times \mathrm{RLA} \times \mathrm{Net\ ET_0} \times 0.62$$

(2) Until updated residential landscape area data are available pursuant to paragraph (3), residential landscape area shall be, for each supplier:

(A)

(i) The supplier's unique square footage of Irrigable Irrigated area included in the Landscape Area Measurements Project update released by the Department on December 6, 2023. After the effective date of this section, a supplier may adjust this value by adding the residential parkway area provided by the Department that the supplier has confirmed is associated with a residential service connection; or

(ii) For a supplier that has not received residential landscape area data from the Department by the effective date of this section, the supplier's unique square footage of Irrigable Irrigated area shall be what the Department first provides after this section takes effect.

(B) If the supplier's actual urban water use for the reporting year, calculated in accordance with Water Code section 10609.22, is greater than the urban water use objective calculated pursuant to section 966 without inclusion of Irrigable Not Irrigated area, a supplier may include:

(i) Twenty percent of the supplier's unique square footage of Irrigable Not Irrigated area included in the Landscape Area Measurements Project update released by the Department on December 6, 2023; or

(ii) For a supplier that has not received residential landscape area data from the Department by the effective date of this section, twenty percent of the supplier's unique square footage of Irrigable Not Irrigated area first provided by the Department after this section takes effect.

(3) Residential landscape area shall be, for each supplier, the most current updated Irrigable Irrigated area:

(A) Provided by the Department;
(B) Updated by a supplier pursuant to paragraph (4); or
(C) Provided by an entity other than the Department or a supplier according to the following criteria:
(i) The residential landscape area is generated as part of a transparent statewide analysis covering the service areas of all urban retail water suppliers;
(ii) Developed with methodologies and procedures that have been demonstrated to the Department to be equivalent, or superior, in quality and accuracy, to those used by the Department to develop residential landscape area; and
(iii) Results in landscape area data that have been demonstrated to the Department to be equivalent, or superior, in quality and accuracy to the data included in the Landscape Area Measurements Project update released by the Department on December 6, 2023.

(4) A supplier may, for each reporting year, use an alternative data source for reference evapotranspiration, effective precipitation, or its Irrigable Irrigated area, if it demonstrates to the Department, in coordination with the Board, that the data are equivalent, or superior, in quality and accuracy to the data included in the Landscape Area Measurements Project update released by the Department on December 6, 2023. Alternative data pursuant to this paragraph shall be reported pursuant to section 975.

(5) Notwithstanding subdivisions (b)(2) and (b)(3), a supplier may subtract landscape area that has been categorized as residential but that the supplier has identified as Commercial, Industrial, or Institutional (CII). If the area consists of CII landscapes with dedicated irrigation meters, it shall be included in a supplier's objective pursuant to section 969.

(c)

(1) Notwithstanding subdivision (b)(1), an urban retail water supplier may calculate its residential outdoor water use budget ($R_{outdoor}$), in gallons, by subtracting the square footage of residential special landscape areas (RSLA) from the square footage of the most currently available residential landscape area (RLA) as defined in subdivision (b)(2) and multiplying the result by the applicable standard ($S_{outdoor}$) described in subdivision (a); then, by adding that value to the product of the standard for residential special landscape areas (S_{RSLA}) as described in subdivision (a)(4) and the square footage of residential special landscape areas (RSLA); and lastly, by multiplying that sum by net reference evapotranspiration (Net ET_0) and a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$R_{outdoor} = (S_{outdoor} \times (RLA - RSLA) + S_{RSLA} \times RSLA) \times Net\ ET_0 \times 0.62$$

(2) In order to calculate a residential outdoor budget pursuant to this subdivision, a supplier shall demonstrate to the Department, in coordination with the Board, that the landscape areas meet the definition specified in section 965 (aaa). Residential special landscape area data shall be reported pursuant to section 975, and, unless updated by a supplier pursuant to this paragraph, data approved by the Department may be included for up to five years.

(3) For the purposes of this subdivision, the square footage of existing pools, spas, and similar water features shall be either (A) the value included in the Landscape Area Measurements Project update released by the Department on December 6, 2023, or any updates thereafter, or (B) alternative data, if the supplier demonstrates to the Department, in coordination with the Board, that the data are equivalent, or superior, in quality and accuracy to the data provided by the Department.

(d) If not included as a variance pursuant to subdivision (g)(3), an urban retail water supplier may add to its residential outdoor budget calculated pursuant to subdivisions (b)(1) or (c)(1) the volume of water associated with residential agricultural landscapes. The budget for residential outdoor water use associated with residential agricultural landscapes (R_{Ag}), in gallons, is calculated by multiplying a unit conversion factor of 0.62 by the standard for residential special landscape areas (S_{RSLA}) described in subdivision (a)(4) and by the values provided by the Department for the following parameters: the square footage of residential agricultural landscapes (LA_{Ag}) and the net reference evapotranspiration for the aggregated growing seasons associated with the crops grown on residential agricultural landscapes (Net $ET_{0\ Ag}$). This formula is expressed mathematically as follows:

$$R_{Ag} = S_{RSLA} \times LA_{Ag} \times \text{Net } ET_{0\ Ag} \times 0.62$$

(e)

(1) An urban retail water supplier may add to its residential outdoor budget calculated pursuant to subdivision (b)(1) or (c)(1) the volume of water associated with newly constructed residential landscapes. The budget for residential outdoor water use associated with newly constructed residential landscapes ($R_{outdoor,\ new}$), in gallons, is calculated by multiplying the standard (S_{new}) described in subdivision (a)(5) by the square footage of the supplier's newly constructed residential landscape area (RLA_{new}) as described in subdivision (e)(2), net reference evapotranspiration (Net ET_0), and a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$R_{outdoor,\ new} = S_{new} \times RLA_{new} \times \text{Net } ET_0 \times 0.62$$

(2) The existence of newly constructed residential landscape area shall be demonstrated by using:

(A) Data from annual reporting required by section 495 (b)(6), provided the report has disaggregated newly constructed residential landscapes from the total landscape area reported;

(B) On the ground measurements of newly constructed residential landscapes; or

(C) Measurements of newly constructed residential landscapes collected using accurate remote sensing methods.

(f)

(1) An urban retail water supplier may annually, in calculating its urban water use objective, include budgets for variances for residential outdoor water use as follows:

(A) the supplier submits supporting information meeting the criteria described in subdivision (j).

(B) The associated water use must, for any individual variance identified in paragraph (2)(A) through (C), represent 5 percent or more of the budget associated with the standard described in section 966 (c)(2).

(C) The associated water use for the variances identified in paragraph (2)(D) and in section 969 (e)(2)(A), or the associated water use for the variance identified in paragraph (2)(E) and in section 969 (e)(2)(B), must represent 5 percent or more of the sum of the budgets associated with the standards described in section 966 (c)(2) and (3).

(2) Variances may be requested for water use associated with any of the following:

(A) Populations of horses and other livestock

(B) Controlling dust on horse corrals or other animal exercise arenas

(C) Irrigating agricultural landscapes that are within residential areas but have not been classified as irrigable irrigated by the Department

(D) Responding to emergency events, not including drought

(E) Landscapes irrigated with recycled water containing high levels of TDS

(F) Supplementing ponds and lakes to sustain wildlife as required by existing regulations or local ordinances

(G) Irrigating existing residential trees.

(g) Variances available pursuant to subdivision (f) shall be calculated as follows:

(1) A variance for water use associated with horses and other livestock ($V_{livestock}$), shall be calculated as the sum of water allocations for each animal type-class (T). The water allocation for an animal type-class shall be calculated by multiplying the daily water use of the animal type-class (V_T), as specified in paragraphs (A) through (D), by the number of animals (N_T), by the average number of days per year where water is provided to the animal type (D_T). This formula is expressed mathematically as follows:

$$V_{livestock} = \sum_{T} (V_T \times N_T \times D_T)$$

(A) For sheep, llama, donkey, swine, and other medium-sized livestock between 200 and 500 pounds, the daily water use shall be the lesser of 8 gallons of water per day per animal or the amount specified in section 697.

(B) For cattle, bulls, and other livestock greater than 500 pounds, the daily water use shall be 11 gallons of water per day per animal.

(C) For horses and mules, the daily water use shall be 13 gallons of water per day per animal.

(D) For milking cows, the daily water use shall be 16 gallons of water per day per animal.

(2) A variance for water use associated with dust control on horse corrals or other animal exercise arenas (V_{corral}) shall be calculated by multiplying the square footage of corrals or other animal exercise arenas (A_{corral}) by the number of days per year the corrals or other animal exercise arenas may be watered (N_W) pursuant to paragraph (B), by 0.021 feet of water per water day, and then by 7.48 gallons per cubic foot. This formula is expressed mathematically as follows:

$$V_{corral} = A_{corral} \times N_W \times 0.021 \times 7.48$$

(A) The square footage of corrals or other animal exercise arenas in the supplier's service area (A_{corral}) shall be either the value included in the Landscape Area Measurements Project update released as a separate corral dataset by the Department on December 6, 2023, or any updates thereafter, or alternative data, if the supplier demonstrates to the Department, in coordination with the Board, that the data are equivalent, or superior, in quality and accuracy to the data provided by the Department.

(B) The number of days per year that corrals or other animal exercise arenas (N_W) may receive a water budget varies by climate zone as follows:

(i) For climate zones 1 through 5 and zone 7, corrals or other animal exercise arenas shall be watered no more than 2 days per week.

(ii) For climate zones 6, 8 through 10, 12, and 16, corrals or other animal exercise arenas shall be watered no more than 3 days per week.

(iii) For climate zones 11 and 13 through 15, corrals or other animal exercise arenas shall be watered no more than 4 days per week.

(iv) If a supplier's service area spans multiple climate zones, the supplier shall, for the purposes of calculating this variance, use the climate zone that covers the majority of the supplier's service area. A supplier may, upon a showing to the satisfaction of the Board, use the climate zone that covers the majority of the square footage of corrals or other animal exercise arenas within the supplier's service area.

(3) A variance for water used to irrigate residential agricultural landscapes (V_{Ag}) shall be calculated by multiplying a unit conversion factor of 0.62 by the values provided by the Department for the following parameters: the landscape efficiency factor (LEF_{Ag}) as described in paragraph (B), the square footage of residential agricultural landscapes (LA_{Ag}), and the net reference evapotranspiration for the aggregated growing seasons associated with the crops grown on residential agricultural landscapes (Net $ET_{0\ Ag}$). This formula is expressed mathematically as follows:

$$V_{Ag} = LEF_{Ag} \times LA_{Ag} \times \text{Net } ET_{0\ Ag} \times 0.62$$

(A) Notwithstanding subdivision (f)(1)(B), if a supplier is using crop-specific landscape area, then the supplier may, in calculating its residential outdoor budget, include an approved variance for water used to irrigate residential agricultural landscapes if the associated water use for this variance represents 1 percent or more of the budget associated with the standard described in section 966 (c)(2). A supplier using crop-specific landscape area shall calculate a variance for water used to irrigate residential agricultural landscapes (V_{Ag}) by multiplying the square footage of the landscape area used for each crop (LA_{crop}) by each crop's unique efficiency factor (EF_{crop}) described in paragraph (C), by the net reference evapotranspiration associated with each crop's growing season (Net $ET_{0\ crop}$), and by a unit conversion factor of 0.62; and then summing the products for each crop. This formula is expressed mathematically as follows:

$$V_{Ag} = \sum_{crop} EF_{crop} \times LA_{crop} \times Net\ ET_{o\ crop} \times 0.62$$

(B) The landscape efficiency factor for residential agricultural landscapes (LEF_{Ag}) shall be the annual factor, calculated using data provided by the Department, as the average regional crop coefficient divided by the average regional irrigation efficiency. The average regional crop coefficient for the reporting year will be based on the most recent Statewide Crop Mapping dataset developed by the Department and the most recent crop coefficients identified in the Food and Agriculture Organization of the United Nation's (FAO) Irrigation and Drainage Paper 24 (published in 1977), FAO's Irrigation and Drainage Paper 56 (published in 1998), the University of California Cooperative Extension's (UCCE) Leaflet 21427: Using Reference Evapotranspiration (ET_0) and Crop Coefficients to Estimate Crop Evapotranspiration (ET_C) for Agronomic Crops, Grasses, and Vegetable Crops (published in 1989), or UCCE's Leaflet 21428: Using Reference Evapotranspiration and Crop Coefficients to Estimate Crop Evapotranspiration for Trees and Vines (published in 1989), which are hereby incorporated by reference. The irrigation efficiency shall be based on the Application Efficiency: Hydrologic Region 2010 values developed by the University of California (UC) Davis Water Management Research Group that are located in the Research Report: Spatial Analysis of Application Efficiencies in Irrigation for the State of California (published in June 2013), hereby incorporated by reference, or a comparable tool if the supplier demonstrates to the Department that the tool is equivalent, or superior, in quality and accuracy.

(C) Each crop's unique efficiency factor (EF_{crop}) shall be calculated as the crop coefficient divided by efficiency of the irrigation system associated with that specific crop in the supplier's service area. The crop coefficient values shall be the most recent crop coefficients identified in the FAO's Irrigation and Drainage Paper 24 (published in 1977), FAO's Irrigation and Drainage Paper 56 (published in 1998), UCCE's Leaflet 21427: Using Reference Evapotranspiration (ET_0) and Crop Coefficients to Estimate Crop Evapotranspiration (ET_C) for Agronomic Crops, Grasses, and Vegetable Crops (published in 1989), or UCCE's Leaflet 21428: Using Reference Evapotranspiration and Crop Coefficients to Estimate Crop Evapotranspiration for Trees and Vines (published in 1989). The irrigation efficiency shall be based on Application Efficiency: Hydrologic Region 2010 values developed by the UC Davis Water Management Research Group that are located in the Research Report: Spatial Analysis of Application Efficiencies in Irrigation for the State of California (published in June 2013), or a comparable tool if the supplier demonstrates to the Department that the tool is equivalent, or superior, in quality and accuracy.

(4) A variance for water used to respond to a state or local emergency declared in accordance with Government Code section 8558 (b) or 8558 (c), not including a drought, shall be equal to the volume of water used to respond to the emergency event.

(A) To be eligible for this variance, a supplier shall provide a copy of the emergency declaration pursuant to Government Code section 8558 (b) or 8558 (c), official evacuation orders, official incident reports, a document describing or map showing impacted parcels, and records of the total volume of water used as part of the emergency response efforts.

(B) This variance shall not include water reported to the Board supporting a variance for unexpected adverse conditions pursuant to section 985.

(5)

(A) A variance for the volume of water associated with landscapes irrigated with recycled water containing high levels of TDS (V_{HTDS}) shall be calculated by multiplying the applicable landscape efficiency factor (LEF_A) described in paragraph (i) or (ii) by the square footage of the landscape area irrigated with recycled water containing high levels of TDS (LA_{HTDS}), by net reference evapotranspiration (Net ET_0), and by a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$V_{HTDS} = LEF_A \times LA_{HTDS} \times \text{Net } ET_0 \times 0.62$$

(i) The landscape efficiency factor (LEF_A) for landscapes using recycled water with TDS concentrations between 900 and 1,600 milligrams per liter (mg/L) shall be calculated by multiplying 0.000371 by the difference between the TDS concentration, in mg/L, of the applied recycled water and 900. This formula is expressed mathematically as follows:

$$LEF_A = 0.000371 \times (\text{Concentration of recycled water} - 900)$$

(ii) The landscape efficiency factor (LEF_A) for landscapes using recycled water with concentrations of TDS equal to or above 1,600 mg/L shall be 0.26.

(B) Notwithstanding subdivision (f)(1)(C), a supplier may include a variance for water used to irrigate landscapes with recycled water containing high levels of TDS for which the sum of the associated water use calculated pursuant to this paragraph and section 969 (e)(2)(B) represents 1 percent or more of the sum of budgets described in section 966(c)(2) and (c)(3), if the supplier is using detailed plant based leaching requirements. A supplier using detailed, plant based leaching requirements shall calculate a variance for water used to irrigate landscapes with recycled water containing high levels of TDS (V_{HTDS}) by subtracting one from the applicable landscape efficiency factor (LEF_B) described below and multiplying the difference by the square footage of the landscape area irrigated with recycled water containing high levels of TDS (LA_{HTDS}), net reference evapotranspiration (Net ET_0), and a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$V_{HTDS} = (LEF_B - 1) \times LA_{HTDS} \times \text{Net } ET_0 \times 0.62$$

(i) The landscape efficiency factor (LEF_B) for recycled water applied via sprinkler systems shall be calculated by dividing the plant factor (PF) described in paragraph (iii) by the product of an irrigation efficiency factor of 0.75 and the difference between one and the plants' leaching requirement (LR) described in paragraph (iv). This formula is expressed mathematically as follows:

$$LEF_B = \frac{PF}{0.75 \times (1 - LR)}$$

(ii) The landscape efficiency factor (LEF_B) for recycled water applied via drip irrigation systems shall be calculated by dividing the plant factor (PF) as described in paragraph (iii) by the product of an irrigation efficiency factor of 0.81 and the difference between one and the plants' leaching requirement (LR) as described in paragraph (iv). This formula is expressed mathematically as follows:

$$LEF_B = \frac{PF}{0.81 \times (1 - LR)}$$

(iii) The plant factor shall be that of the lowest water-using plant that is present in at least 30 percent of the landscaped area.

(iv) The leaching requirement (LR) shall be equal to the salinity of the recycled water measured as electrical conductivity (EC_{iw}), in dS/m, divided by the difference between the product of 5 and the plant's salinity threshold measured as electrical conductivity (EC_e), in dS/m, and the salinity of the recycled water measured as electrical conductivity (EC_{iw}), in dS/m. EC_{iw} shall be capped at the equivalent of 1,600 mg/L. This formula is expressed mathematically as follows:

$$LR = \frac{EC_{iw}}{(5 \times EC_e) - EC_{iw}}$$

(C) Suppliers delivering recycled water with high levels of TDS for landscape irrigation shall only be eligible for the variance if the following conditions are met:

(i) The facility that produces the recycled water has completed annual volumetric reporting requirements consistent with the Board's Water Quality Control Policy for Recycled Water, Resolution No. 2018-0057 (adopted by the Board on December 12, 2018), which is hereby incorporated by reference;

(ii) The application of the recycled water complies with all applicable waste discharge requirements;

(iii) The application of the recycled water does not violate the terms of the applicable salt or nutrient management plan;

(iv) The application of the recycled water adheres to the Board's Anti-Degradation Policy, Resolution No. 68-16 (adopted by the Board on October 28, 1968), which is hereby incorporated by reference, or any update thereto.

(6) A supplier may include a variance for water use associated with ponds and lakes for sustaining wildlife, if the pond or lake is required to be maintained by regulation or local ordinance. A variance for water associated with ponds or lakes required to be maintained by regulation or local ordinance ($V_{wildlife}$) shall be calculated by multiplying 1.1 by the square footage of applicable ponds and lakes, by reference evapotranspiration less annual precipitation, and by a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$V_{wildlife} = 1.1 \times \text{Ponds and Lakes Area} \times (ET_0 - \text{Annual Precipitation}) \times 0.62$$

(A) A supplier may, for each reporting year, use an alternative data source for annual precipitation, if it demonstrates to the Department, in coordination with the Board, that the data are equivalent, or superior, in quality and accuracy to the data provided by the Department. Alternative data pursuant to this paragraph shall be reported pursuant to section 975.

(7)

(A) Beginning July 1, 2040, a supplier may include a variance for water use associated with the irrigation of existing residential trees. This variance ($V_{R\text{-}trees}$), in gallons, shall be calculated by multiplying the square footage of existing residential trees ($A_{R\text{-}trees}$), by 0.08, by net reference evapotranspiration (Net ET_0), and by a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$V_{R\text{-}trees} = A_{R\text{-}trees} \times 0.08 \times \text{Net } ET_0 \times 0.62$$

(B) The square footage of existing residential trees ($A_{R\text{-}trees}$) shall be the square footage of existing residential tree canopy coverage within the supplier's residential landscape area, as described in subdivisions (b)(2) and (3). A supplier must describe and substantiate how the square footage of existing tree canopy was quantified.

(C) A supplier shall only be eligible for the variance for existing residential trees if the following conditions are met:

(i) The supplier submits to the Board an analysis that quantifies the irrigation needs of existing trees and evaluates how those needs are being met. The analysis shall be based on an inventory of existing trees within the supplier's service area. The inventory must include detailed tree data including but not limited to tree species and tree diameter at breast height for at least 10 percent of trees, or a statistically valid sample. The analysis and inventory must be prepared or validated by a credentialed or certified urban forester or certified arborist.

(ii) The supplier submits to the Board an analysis demonstrating that meeting its water use objective pursuant to section 966 would require adhering to the residential outdoor standard identified in section 968 (a)(3) and that meeting the budget for efficient residential outdoor use would unavoidably and adversely affect tree health. The analysis must also demonstrate that the supplier cannot meet its water use objective pursuant to section 966 by first taking, incentivizing, or causing other feasible actions, such as the conversion of high-water use landscapes to climate-ready landscapes.

(iii) The supplier submits, as an attachment to its annual report required by section 975(a), a link to, or an electronic copy of, the urban forest management plan or plans covering the supplier's service area and a description of efforts to prioritize water for existing residential trees, as described in subdivision (j); leverage regional and local partnerships to support the installation and maintenance of climate-ready landscapes; and expand green infrastructure, such as swales or rain gardens, to help meet tree irrigation needs.

(h)

(1) An urban retail water supplier may, in calculating its annual urban water use objective, include budgets for temporary provisions for residential outdoor use if the supplier submits supporting information meeting the criteria described in subdivision (j).

(2) Temporary provisions may be requested for water use associated with any of the following:

(A) The planting of new, climate-ready trees

(B) The establishment of qualifying landscapes.

(i) Temporary provisions available pursuant to subdivision (h) shall be calculated as follows:

(1) A temporary provision for the volume of water associated with planting climate-ready trees (Pr_{trees}) shall be calculated by multiplying the number of newly planted climate-ready trees (N_{trees}) by 4 square feet, by the number of days per year the newly planted climate-ready trees may be watered (N_W) pursuant to paragraph (C), by 0.85, by net reference evapotranspiration (Net ET_0), and by a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$\mathrm{Pr}_{\mathrm{trees}}=(\mathrm{N}_{\mathrm{trees}} \times 4) \times \mathrm{N}_{\mathrm{W}} \times 0.85 \times \mathrm{Net\ ET}_0 \times 0.62$$

(A) A climate-ready tree is a tree that can be reasonably expected to survive both present and future climatic challenges such as heat, drought, extreme weather events, and pests within the supplier's service area. Each newly planted climate-ready tree is assumed to occupy 4 square feet.

(B) A temporary provision for the volume of water associated with planting climate-ready trees applies for three years, starting with the fiscal year in which the trees were planted.

(C) The number of days per year that newly planted climate-ready trees (N_W) may receive a water budget varies by climate zone as follows:

(i) For climate zones 1 through 5 and zone 7, no more than 2 days per week.

(ii) For climate zones 6, 8 through 10, 12, and 16, no more than 3 days per week.

(iii) For climate zones 11 and 13 through 15, no more than 4 days per week.

(iv) If a supplier's service area spans multiple climate zones, the supplier shall, for the purposes of calculating this temporary provision, use the climate zone that covers the majority of the supplier's service area.

(2) A temporary provision for the volume of water associated with the establishment of qualifying landscapes (Pr_{land}) as described in paragraph (A), shall be calculated by multiplying the square footage of the qualifying landscapes (LA_{land}) by 0.85, by net reference evapotranspiration (Net ET_0), and by a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$\mathrm{Pr}_{\mathrm{land}}=\mathrm{LA}_{\mathrm{land}} \times 0.85 \times \mathrm{Net\ ET}_0 \times 0.62$$

(A) Qualifying landscapes are those that require temporary irrigation and are associated with at least one of the following: low-impact development, ecological restoration, and mined-land reclamation projects.

(B) A temporary provision for water for the establishment of qualifying landscapes applies for three reporting periods, starting with the fiscal year in which irrigation of the qualifying landscape begins.

(j) In order to receive approval for either a variance or a temporary provision, an urban retail water supplier must submit to the Board in a machine-readable format for review and approval by the Executive Director, or the Executive Director's designee, a request that includes information quantifying and substantiating each request; information demonstrating that the water applicable to the request is water delivered by the supplier; information verifying that the approval of the request would not jeopardize the ability of a permittee within the supplier's service area to comply with existing permit requirements; information describing and supporting the methodology the supplier will use to estimate the parameters described in section 968 (f) and 968 (h); and a description of efforts to prioritize water for existing trees, including, but not limited to service-area wide rebate, direct install, and educational programs focused on transitioning to irrigation systems that promote deep and healthy root growth. Such irrigation systems include but are not limited to soaker hoses, deep drip watering stakes, drip tubing, and emitters.

(1) Approved variances or temporary provisions submitted between July 1 and October 1 may be included in the associated budget for the prior state fiscal year.

(2) Approved variances or temporary provisions submitted between October 2 and June 30 may be included in the associated budget for the current state fiscal year.

(3) Approved variances and temporary provisions may be included in the associated budget for up to five years. Variance and temporary provision approval constitutes approval of both methodology and data. Unless otherwise specified in section 975, a supplier may use the same data for each year or update the data annually in accordance with the approved variance or temporary provision methodology.

Authority: Sections 1058 and 10609.2, Water Code.
References: Article X, Section 2, California Constitution; Section 3080, Civil Code; Sections 8558 and 51201, Government Code; Sections 102, 104, 105, 350, 1122, 1123, 1124, 1846, 1846.5, 10608.12, 10609.2, and 10609.6, Water Code.

Adopt new section 969:

§ 969. Standard for outdoor irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with commercial, industrial, and institutional (CII) water use.

(a)

(1) Through June 30, 2028, an urban retail water supplier's budget for commercial, industrial, and institutional landscapes with dedicated irrigation meters (S_{DIM}) shall be the supplier's actual deliveries associated with landscape irrigation reported to the Board pursuant to Health and Safety Code section 116530.

(2) Beginning July 1, 2028, and through June 30, 2035, the standard for CII landscapes with DIMs (S_{DIM}) shall be a landscape efficiency factor of 0.80.

(3) Beginning July 1, 2035, and through June 30, 2040, the standard for CII landscapes with DIMs (S_{DIM}) shall be a landscape efficiency factor of 0.63.

(4) Beginning July 1, 2040, the standard for CII landscapes with DIMs (S_{DIM}) shall be a landscape efficiency factor of 0.45.

(5) For CII landscapes with DIMs that are special landscape areas, the standard ($S_{DIM\ SLA}$) shall be a landscape efficiency factor of 1.0. The $S_{DIM\ SLA}$ shall be applied to CII landscapes with DIMs that are special landscape areas as defined in section 491 as well as CII landscapes with DIMs that are any of the following:

(A) Slopes designed and constructed with live vegetation as an integral component of stability;

(B) Ponds or lakes receiving supplemental water for purposes of sustaining wildlife, recreation, or other public benefit, excluding water reported to the Board supporting a variance for ponds and lakes for sustaining wildlife required to be maintained by regulation or local ordinance;
(C) Plant collections, botanical gardens, and arboretums;
(D) Public swimming pools and similar recreational water features;
(E) Cemeteries built before 2015; and
(F) Landscapes irrigated with recycled water.

(6) The standard for newly constructed CII landscapes with DIMs shall be a landscape efficiency factor of 0.45.

(b)

(1) Beginning July 1, 2028, an urban retail water supplier shall calculate its budget for commercial, industrial, and institutional landscapes with dedicated irrigation meters (CII_{DIM}), in gallons, by multiplying the applicable standard (S_{DIM}) described in subdivision (a) by the measured total square footage of the irrigated area of CII landscapes with DIMs (DIM LA), by net reference evapotranspiration (Net ET_0), and by a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$CII_{DIM} = S_{DIM} \times \text{DIM LA} \times \text{Net } ET_0 \times 0.62$$

(2) No later than July 1, 2028, and periodically thereafter, a supplier shall quantify the measured total square footage of the irrigated area of CII landscapes with DIMs (DIM LA) and describe and substantiate how that area was quantified. Annual updates shall include the square footage of large landscapes that have had DIMs installed in accordance with section 973.

(3) A supplier may, for each reporting year, use alternative data sources for reference evapotranspiration and effective precipitation if the supplier demonstrates to the Department, in coordination with the Board, that the data are equivalent, or superior, in quality and accuracy to the data provided by the Department. The alternative data shall be reported pursuant to section 975.

(c)

(1) Notwithstanding subdivision (b)(1), if an urban retail water supplier delivers water to commercial, industrial, and institutional landscapes with dedicated irrigation meters that are special landscape areas, the supplier may calculate its budget for CII landscapes with DIMs as follows: Subtract the square footage of CII landscapes with DIMs that are special landscape areas (DIM SLA) from the total area of CII landscapes with DIMs (DIM LA). Then multiply the result by the applicable standard for CII landscapes with DIMs (S_{DIM}) described in subdivision (a). Add that value to the product of the standard for CII landscapes with DIMs that are special landscape areas ($S_{DIM\ SLA}$) described in subdivision (a)(5) and the square footage of CII landscapes with DIMs that are special landscape areas (DIM SLA). Then, multiply that sum by net reference evapotranspiration (Net ET_0) and by a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$CII_{DIM} = ((S_{DIM} \times (\text{DIM LA} - \text{DIM SLA})) + (S_{DIM\ SLA} \times \text{DIM SLA})) \times \text{Net } ET_0 \times 0.62$$

(2) In order to calculate the budget pursuant to this subdivision, a supplier may demonstrate to the Department, in coordination with the Board, that the landscape areas meet the definition specified in subdivision (a)(5). Special landscape area data shall be reported pursuant to section 975, and, unless updated pursuant to this paragraph, approved data may be included for up to five years.

(d)

(1) Beginning July 1, 2028, an urban retail water supplier may add to its budget for commercial, industrial, and institutional landscapes with dedicated irrigation meters (CII_{DIM}) calculated pursuant to (b)(1) or (c)(1) the volume of water associated with CII landscapes with DIMs that are newly constructed landscapes. The budget for CII landscapes with DIMs that are newly constructed landscapes ($C_{DIM,\ new}$), in gallons, is calculated by multiplying the standard ($S_{DIM\text{-}new}$) described in subdivision (a)(6) by the square footage of newly constructed CII landscapes with DIMs (DIM LA_{new}), by net reference evapotranspiration (Net ET_0), and by a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$\mathrm{CII}_{\mathrm{DIM,\ new}} = \mathrm{S}_{\mathrm{DIM\text{-}new}} \times \mathrm{DIM\ LA}_{\mathrm{new}} \times \mathrm{Net\ ET}_0 \times 0.62$$

(2) The existence of newly constructed CII landscapes with DIMs shall be demonstrated by using:

(A) Data from annual reporting required by section 495(b)(6), provided the report has disaggregated newly constructed CII landscapes with DIMs from the total landscape area reported,

(B) On the ground measurements of newly constructed CII landscapes with DIMs, or

(C) Measurements of newly constructed CII landscapes with DIMs collected using accurate remote sensing methods.

(e)

(1) An urban retail water supplier may annually, in calculating its urban water use objective, include budgets for variances for water use on commercial, industrial, and institutional landscapes with dedicated irrigation meters, if the supplier submits supporting information meeting the criteria described in section 968(j), and, for the variances identified in (2)(A) and (2)(B), the associated water use meets the applicable criteria specified in section 968(f)(1)(C) or section 968(g)(5)(B).

(2) Variances may be requested for water use associated with any of the following:

(A) Responding to emergency events, not including drought

(B) Irrigating landscapes with recycled water containing high levels of TDS

(C) Supplementing ponds and lakes to sustain wildlife as required by existing regulations or local ordinances

(D) Irrigating existing trees on CII landscapes with DIMs.

(f) Variances available pursuant to subdivision (e) shall be calculated as follows:

(1) A variance for water used to respond to a state or local emergency, not including a drought, shall be calculated in the manner described in section 968(g)(4).

(2) A variance for water used for landscapes irrigated with recycled water containing high levels of TDS shall be calculated in the manner described in section 968(g)(5).

(3) A variance for water used to supplement ponds and lakes to sustain wildlife as required by existing regulations or local ordinances shall be calculated in the manner described in section 968(g)(6).

(4)

(A) Beginning July 1, 2040, a supplier may include a variance for water use associated with the irrigation of existing trees on CII landscapes with DIMs. The variance ($V_{CII\text{-}trees}$) for water used to irrigate existing trees on CII landscapes with DIMs, in gallons, shall be calculated by multiplying the square footage of existing trees ($A_{CII\text{-}trees}$) by 0.18, by net reference evapotranspiration (Net ET_0), and by a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$V_{CII\text{-}trees} = A_{CII\text{-}trees} \times 0.18 \times \text{Net } ET_0 \times 0.62$$

(B) The square footage of existing trees on CII landscapes with DIMs ($A_{CII\text{-}trees}$) shall be the square footage of existing tree canopy coverage within the square footage of CII landscapes with DIMs calculated pursuant to subdivision (b)(2). A supplier must describe and substantiate how the square footage of existing tree canopy was quantified.

(C) A supplier shall only be eligible for this variance if the conditions described in section 968(g)(7)(C) are met for existing trees on CII landscapes with DIMs, except that the supplier must substantiate that meeting its water use objective pursuant to section 966 would require adhering to the outdoor standard identified in section 969(a)(3) and that meeting the budget for efficient outdoor use on CII landscapes with DIMs would unavoidably and adversely affect tree health. The analysis must also demonstrate that the supplier cannot meet its water use objective pursuant to section 966 by first taking, incentivizing, or causing other feasible actions, such as the conversion of high-water use landscapes to climate-ready landscapes.

(g)

(1) An urban retail water supplier may annually, in calculating its urban water use objective, include budgets for temporary provisions for water use on commercial, industrial, and institutional landscapes with dedicated irrigation meters if the supplier submits supporting information meeting the criteria described in section 968(j).

(2) Temporary provisions may be requested for water use associated with any of the following:

(A) Planting new, climate-ready trees

(B) Establishing qualifying landscapes, as defined in section 968(i)(2)(A).

(h) Temporary provisions available pursuant to subdivision (g) shall be calculated as follows:

(1) A temporary provision for the planting of new, climate-ready trees shall be calculated in the manner described in section 968(i)(1).

(2) A temporary provision for water used for the establishment of qualifying landscapes that require temporary irrigation shall be calculated in the manner described in section 968(i)(2).

Authority: Sections 1058 and 10609.2, Water Code.
References: Article X, Section 2, California Constitution; Section 51201, Government Code; Sections 102, 104, 105, 350, 1122, 1123, 1124, 1846, 1846.5, 10608.12, 10609.2, 10609.8, and 10609.9, Water Code.

Adopt new section 970:

§ 970. Water Loss

(a) Suppliers shall calculate system-specific standards for real water loss pursuant to section 982.

(b)

(1) Each year, suppliers that own and operate a single system shall calculate their water loss budget ($B_{water\ loss}$), in gallons, by multiplying the applicable water loss standard ($S_{water\ loss}$) calculated pursuant to section 982 by the number of days in the year, and, depending on the units associated with the standard calculated pursuant to section 982, by either the number of total service connections (C) or the length of the distribution system, in miles (M). These formulas are expressed mathematically as follows:

$$B_{water\ loss} = S_{water\ loss} \times C \times \text{days in the year}$$

OR

$$B_{water\ loss} = S_{water\ loss} \times M \times \text{days in the year}$$

(2) Suppliers that own and operate multiple systems shall calculate an aggregate annual water loss budget ($SB_{water\ loss}$) as described in paragraph (1) for each system and then by summing the estimated efficient water loss budgets associated with each system. This formula is expressed mathematically as follows, with $B_{water\ loss\ for\ system\ (i)}$ referring to the water loss budget for system i in the set of all the systems owned and operated by the supplier (i is the summation index):

$$SB_{water\ loss} = \sum_{\substack{i\ in\ the\ set\ of \\ all\ the\ systems \\ of\ the\ supplier}} B_{water\ loss\ for\ system\ (i)}$$

(c) Prior to a supplier's initial compliance deadline specified in section 981, the supplier's water loss budget may, alternatively, be equal to its previous year's real water losses reported in its annual water loss audit submitted to the Department pursuant to Water Code section 10608.34 (c).

Authority: Sections 1058 and 10609.2, Water Code.
References: Article X, Section 2, California Constitution; Sections 102, 104, 105, 350, 1122, 1123, 1124, 1846, 1846.5, 10608.12, 10608.34, 10609.2, and 10609.12, Water Code.

Adopt new section 971:

§ 971. Bonus Incentive

(a) If an urban retail water supplier delivers water from a groundwater basin, reservoir, or other source that is augmented by potable reuse water, the supplier may add a bonus incentive to its objective. The bonus incentive shall be calculated pursuant to subdivision (b), in accordance with one of the following:

(1) If the potable reuse water is produced at an existing facility as defined in Water Code section 10609.20(d)(4), the bonus incentive shall not exceed 15 percent of the sum of the budgets described in section 966(c)(1) through (5).

(2) For potable reuse water produced at all other facilities, the bonus incentive shall not exceed 10 percent of the sum of the budgets described in section 966(c)(1) through (5).

(b) The bonus incentive shall be calculated by multiplying the urban retail water supplier's potable reuse volume (V_{PR}), in gallons, calculated in accordance with any combination of paragraphs (1), (2), or (3), depending on where the potable reuse water is obtained, by the portion of total potable water production (T_{PW}) delivered to residential and landscape irrigation connections (D_{RLI}) for the reporting year. This formula is expressed mathematically as follows:

$$Bonus\ Incentive\ = V_{PR} \times \frac{D_{RLI}}{T_{PW}}$$

(1) A supplier shall calculate the volume of potable reuse water obtained from a groundwater source (V_{PRG}) by dividing the product of the loss factor for groundwater recharge and recovery (LF_G) and the volume of potable recycled water recharging the groundwater basin (R) by total groundwater basin extractions (V_{BP}). The quotient is then multiplied by the supplier's groundwater basin extraction (V_G). The formula is expressed mathematically as follows:

$$V_{PRG} = \left(\frac{LF_G \times R}{V_{BP}}\right) \times V_G$$

The loss factor for groundwater recharge and recovery (LF_G) shall be calculated according to the Department's Recommendations for Bonus Incentive Methods of Calculation and Supporting Data Requirements (published September 22, 2022), which is hereby incorporated by reference, or an alternative method that the supplier has demonstrated to the Department, in coordination with the Board, to be equivalent, or superior, in quality and accuracy.

(2) A supplier shall calculate the volume of potable reuse water obtained from an augmented reservoir source (V_{PRS}) by dividing the product of the loss factor for evaporation and seepage (LF_S) and the volume of potable recycled water augmenting the reservoir (A) by the total volume of water produced from the augmented reservoir (V_{SWP}). The quotient is then multiplied by the volume of water the supplier produced from the augmented reservoir (V_{SW}). The formula is expressed mathematically as follows:

$$V_{PRS} = \left(\frac{LF_S \times A}{V_{SWP}}\right) \times V_{SW}$$

(3) A supplier shall calculate the volume of potable reuse water obtained from a Direct Potable Reuse project (V_{PRD}) by multiplying the volume of finished water produced from the DPR project ($V_{FIN\text{-}DPR}$) by the fraction (F) of water the supplier derived from the facility producing the finished water. The formula is expressed mathematically as follows:

$$V_{PRD} = V_{FIN-DPR} \times F$$

Authority: Sections 1058 and 10609.20, Water Code.
References: Article X, Section 2, California Constitution; Sections 102, 104, 105, 350, 1122, 1123, 1124, 1846, 1846.5, 10608.12, 10609.2, 10609.20, and 10609.21, Water Code.

Adopt new section 972:

§ 972. Performance Measures: Commercial, Industrial, and Institutional classification system

(a) Each urban retail water supplier shall annually classify each commercial, industrial, and institutional water user, based on the end-use of water for the water user, in accordance with ENERGY STAR Portfolio Manager's broad categories.

(b) In addition to ENERGY STAR Portfolio Manager's broad categories, each supplier shall identify every CII water user associated with:
  (1) CII laundries
  (2) Landscapes with Dedicated Irrigation Meters
  (3) Water recreation
  (4) Car wash. For every CII water user associated with a car wash for which the car wash accounts for the majority of that water user's water use, the supplier shall also identify the water user's ENERGY STAR Portfolio Manager property type.

(c) Each supplier shall classify its existing CII water users by June 30, 2027. By June 30, 2028 and thereafter, the supplier shall maintain, for each reporting year, at least a 95 percent classification rate of all its CII water users.

(d) For systems that do not meet the criteria to be considered an urban retail water supplier until after the effective date of this section, and for a system that hydraulically consolidates with a supplier, this section applies beginning five (5) years after the system meets the criteria to be considered a supplier or consolidates with a supplier.

Authority: Sections 1058 and 10609.10, Water Code.
References: Article X, Section 2, California Constitution; Sections 102, 104, 105, 350, 1122, 1123, 1124, 1846, 1846.5, 10608.12, 10609.2, and 10609.10, Water Code.

Adopt new section 973:

§ 973. Threshold for converting Commercial, Industrial, and Institutional landscapes with mixed meters to Dedicated Irrigation Meters or employing in-lieu water management technologies

(a) Each urban retail water supplier shall either:
  (1) By June 30, 2027, identify all existing commercial, industrial, and institutional (CII) water users associated with large landscapes; or
  (2) By June 30, 2029, identify all existing CII water users associated with a large landscape and for which estimated outdoor water use exceeds the water budget calculated pursuant to subdivision (c)(1).

(b)
  (1) For existing CII water users identified pursuant to subdivision (a), a supplier shall either install dedicated irrigation meters (DIMs) or employ at least one of the in-lieu technologies from paragraph (2) and offer the best management practices (BMPs) from paragraph (3).
  (2) In-lieu technologies include:
    (A) Water budget-based management program without a rate structure
    (B) Water budget-based rate structures
    (C) Installation of technologies that enables the supplier to identify, estimate, and analyze outdoor water use, which may include but is not limited to Advanced Metering Infrastructure
    (D) Use of technologies that enable suppliers to identify, estimate, and analyze outdoor water use, which may include but are not limited to remote sensing
    (E) Other in-lieu technologies that enable suppliers to identify, estimate, and analyze water use or improve outdoor water use efficiency, subject to Board approval.
  (3) Best management practices include, at a minimum, one BMP from section 974(f)(1) and at least two BMPs identified in section 974 (f)(3), including (B) and (C).

(c)
  (1) A supplier that calculates a budget for commercial, industrial, and institutional water users associated with large landscapes (CII_{MUM}) pursuant to subdivision (a)(2) shall do so by multiplying the area of those landscapes (LA_{LL}) by net reference evapotranspiration (Net ET_0), by 0.63 or, for Special Landscape Areas, 1.0, and by a unit conversion factor of 0.62. This formula is expressed mathematically as follows:

$$\text{CII}_{\text{MUM}} = \text{LA}_{\text{LL}} \times \text{Net ET}_0 \times (0.63 \text{ or, for Special Landscape Areas, } 1.0) \times 0.62$$

  (2) For purposes of this section, the area of the landscapes (LA_{LL}) shall include only CII water users associated with large landscapes and shall be quantified and substantiated by the supplier using data generated by the Department.
  (3) Notwithstanding paragraph (2), a supplier may use data that it has demonstrated to the Department, in coordination with the Board, to be equivalent or superior in quality and accuracy.

(d) By June 30, 2039, a supplier shall have either installed dedicated irrigation meters (DIMs) on, or employed in-lieu water technologies for and offered BMPs to, all the water users identified pursuant to subdivision (a). By June 30, 2040 and thereafter, the supplier shall either have installed a DIM on, or employed in-lieu water technologies for and offered BMPs to, at least 95 percent of all commercial, industrial, and institutional (CII) water users associated with large landscapes, as assessed on a reporting year basis.

(e) For systems that do not meet the criteria to be considered an urban retail water supplier until after the effective date of this section, and for a system that hydraulically consolidates with a supplier, this section applies beginning fifteen (15) years after the system meets the criteria to be considered a supplier or consolidates with a supplier.

Authority: Sections 1058 and 10609.10, Water Code.
References: Article X, Section 2, California Constitution; Sections 102, 104, 105, 350, 1122, 1123, 1124, 1846, 1846.5, 10608.12, 10609.2, and 10609.10, Water Code.

Adopt new section 974:

§ 974. Commercial, Industrial and Institutional water use best management practices for customers that exceed a recommended size, volume of water use, or other threshold

(a) By June 30, 2024, or the effective date of this section, whichever comes later, each supplier shall identify the disclosable buildings in its service area. In identifying the disclosable buildings within its service area, a supplier shall use the list of disclosable buildings the California Energy Commission has made available on its public website pursuant to California Code of Regulations, title 20, section 1683.

(b) For a building that meets the definition of a disclosable building in section 1681 of the California Code of Regulations at title 20, a supplier shall, upon the building owner or Owner's Agent request, complete the following:

(1) For each meter, deliver the last four characters of the meter serial number serving the building.

(2) For each meter, aggregate water use data, in monthly intervals, for at least the previous year, by one of the following methods:

(A) A supplier not using ENERGY STAR Portfolio Manager's Data Exchange Services shall send the data to the building owner or Owner's Agent using the template provided by ENERGY STAR Portfolio Manager or in a format compatible with the template.

(B) Suppliers using ENERGY STAR Portfolio Manager's Data Exchange Services shall provide the data by direct upload to the building owner's or Owner's Agent's ENERGY STAR Portfolio Manager account, or, at the building owner's or Owner's Agent's request, send the data to the building owner or Owner's Agent using the template provided by ENERGY STAR Portfolio Manager or in a format compatible with the template.

(c) Each supplier shall identify CII water users according to one of the following paragraphs (1), (2), or (3):

(1) By June 30, 2025, identify:

(A) Existing CII water users at or above the 97.5th percentile for CII water use; and

(B) Existing CII water users at or above the supplier's 80th percentile for CII water use.

(2) By June 30, 2027, identify:

(A) Existing CII water users at or above the supplier's 97.5th percentile for CII water use; and

(B) Existing CII water users at or above the supplier's 80th percentile for water use in each of the classification categories described in section 972.

(3) By June 30, 2029, identify existing CII water users that appear to be inefficient according to key business activity indicators (KBAI) the supplier has developed for the classification categories described in section 972. A supplier may also develop KBAIs for the specific ENERGY STAR Portfolio Manager property types.

(d) For the water users identified pursuant to (c)(1)(A) or (c)(2)(A), a supplier shall design, and implement pursuant to subdivision (h), a conservation program that includes at least two of the best management practices from each of paragraphs (1) through (5) in subdivision (f).

(e) For the water users identified pursuant to (c)(1)(B), (c)(2)(B), or (c)(3), a supplier shall design, and implement pursuant to subdivision (h), a conservation program that includes at least one of the best management practices from each of paragraphs (1) through (5) in subdivision (f).

(f)

(1) Outreach, Technical Assistance, and Education best management practices.
  (A) Direct contacts via site visits or phone calls
  (B) Informative or educational bill inserts
  (C) Conducting workshop or developing training videos
  (D) Webpage portals to access information, tools, and rebates
  (E) Cost-effectiveness analysis tools
  (F) Commercials or advertisements
  (G) Grass roots marketing
  (H) Community based social marketing
  (I) Other CII-best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval

(2) Incentive best management practices.
  (A) Rebates and cost-sharing for replacing inefficient fixtures, equipment, irrigation systems or landscapes with water efficient ones
  (B) Certification or branding programs that recognize customers as water efficient
  (C) Incentives for technologies that enable customers to identify, measure, and analyze indoor and outdoor water use
  (D) Other CII-best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval

(3) Landscape best management practices.
  (A) Landscape and irrigation management practices to promote improved water use efficiency
  (B) Irrigation system inspections, audits, or surveys
  (C) Training or guidance on irrigation scheduling and maintenance
  (D) New development landscape inspection, workshops, and training
  (E) Programs to remove turf and replace it with climate-ready vegetation
  (F) Programs to decrease urban heat and reduce turf water use by planting trees
  (G) Programs to install green infrastructure such as swales or rain gardens that offset irrigation needs
  (H) Other CII-best management practices derived from additional innovation and technology advancement that can be used by suppliers, subject to Board approval

(4) Collaboration and coordination best management practices.
  (A) Coordination with “green” building certification or recognition programs to promote water use efficiency
  (B) Coordination with land use authorities to check new landscapes design and implementation
  (C) Collaboration with non-governmental organizations on outreach and education
  (D) Collaboration with municipal arborists and tree planting organizations to expand and maintain urban forests
  (E) Collaboration with stormwater agencies to install green infrastructure such as swales or rain gardens to also offset irrigation needs

(F) Other CII-best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval

(5) Operational best management practices.

(A) Infrastructure changes (for example, smart meter replacement programs)

(B) Billing or data collection procedures (for example, data tracking, analysis, and reporting improvements)

(C) Other operational best management practices to facilitate CII best management practices program implementation and evaluation

(D) Other CII best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval

(g)

(1) Notwithstanding subdivisions (d) and (e), a supplier for which annual CII water deliveries are 10 percent or less of total deliveries, as averaged over a five-year period, shall design and implement pursuant to subdivision (h) a conservation program that includes at least two of the best management practices from in subdivision (f)(1).

(2) Notwithstanding subdivisions (d) and (e), a supplier need not offer BMPs from subdivision (f)(3) to customers that meet the criteria identified in this section but do not use water outdoors.

(3) For purposes of subdivisions (d) and (e), a supplier may rely on a regional entity in lieu of designing its own conservation program.

(h)

(1) By June 30, 2039, a supplier shall implement a conservation program for existing CII customers meeting the criteria identified in this section. After June 30, 2040, the supplier shall maintain a conservation program for all CII customers meeting the criteria identified in this section.

(2) For purposes of this section, a supplier may rely on implementation by a regional entity in lieu of implementing its own conservation program.

(i) For systems that do not meet the criteria to be considered an urban retail water supplier until after the effective date of this section, and for a system that hydraulically consolidates with a supplier, this section applies beginning fifteen (15) years after the system meets the criteria to be considered a supplier or consolidates with a supplier.

Authority: Sections 1058 and 10609.10, Water Code.
References: Article X, Section 2, California Constitution; Section 4185, Civil Code; Sections 102, 104, 105, 350, 1122, 1123, 1124, 1846, 1846.5, 10608.12, 10609.2, and 10609.10, Water Code.

Adopt new section 975:

§ 975. Reporting

(a) Each urban retail water supplier shall submit to the Board, no later than January 1, 2024, and by January 1 every year thereafter, the report required by Water Code section 10609.24. The report shall reflect the conditions of the previous state fiscal year, except as specified in subdivision (b).

(b) No later than January 1, 2025, and by January 1 every year thereafter, each urban retail water supplier shall submit to the Board, on a machine-readable form provided by the Board, the supplier's urban water use objective calculated pursuant to section 966 along with relevant and supporting data. Relevant and supporting data shall reflect the previous state fiscal year's conditions, unless approved pursuant to section 967(e) or section 968(j), and shall include:

(1) For the residential indoor water use budget described in section 967, the following parameters:
(A) The volume of water associated with the residential indoor budget (R_{indoor}) calculated pursuant to section 967.
(B) Residential service area population. The residential service area population shall be the annual value reported to the Board pursuant to Health and Safety code section 116530 and California Code of Regulations, title 22, section 64412.
(C) If the supplier has requested and received approval to include in its objective a budget associated with the evaporative cooler variance pursuant to section 967(b)(2), the following information:
(i) The volume of water associated with the variance (V_{EC}) calculated pursuant to section 967(c)(1). This must be calculated and updated annually.
(ii) The number of evaporative coolers in the service area (N_{EC})
(iii) The average daily operating hours (H_O)
(iv) The average daily evaporative rate (R_{EC})
(v) The number of operating days as described in section 967(c)(1). This must be calculated and updated annually.
(D) If the supplier has requested and received approval to include in its objective a budget associated with the seasonal population variance pursuant to section 967(b)(2), the following information:
(i) The volume of water associated with the variance (V_{SP}) calculated pursuant to section 967(c)(2)
(ii) The number of dwelling units associated with seasonal occupancy (N_{DU})
(iii) The occupancy rate (R_O)
(iv) If using the method described in section 967(c)(2)(C), the parameters described in this paragraph must be calculated and updated annually.
(2) For the residential outdoor water use budget described in section 968:
(A) The volume of water associated with the residential outdoor budget ($R_{outdoor}$) calculated pursuant to section 968.
(B) Annual reference evapotranspiration and effective precipitation data provided by the Department, or alternative reference evapotranspiration or effective precipitation data meeting the criteria specified in section 968(b)(4).
(C) Residential landscape area data provided by the Department, or alternative residential landscape area data meeting the criteria specified in section 968(b)(3).
(D) Any residential special landscape area meeting the criteria specified in section 968 (c). For residential special landscape areas irrigated with recycled water, the supplier shall, unless otherwise specified, provide information to trace the recycled water network at least once every five years:
(i) The Public Water System Identification (PWSID) number associated with each system delivering recycled water to residential landscapes
(ii) Annual metered non-potable residential landscape irrigation demand, as reported to the Board pursuant to Health and Safety Code section 116530. This must be updated annually.
(iii) The GeoTracker Global Identification Number used for Volumetric Annual Reporting by each facility producing the recycled water that the supplier reported delivering to residential landscapes
(iv) The PWSID number associated with each system producing the recycled water from each facility identified in (iii)

(v) The square footage of residential land irrigated with recycled water. If annually reported to a Regional Water Quality Control Board, the value reported pursuant to this section shall be the same value as annually reported to the Regional Water Quality Control Board.

(vi) The Waste Discharge Identification Number (WDID) associated with the land application of recycled water.

(E) Any residential landscape area associated with new construction and meeting the criteria specified section 968 (e)(2).

(F) If the supplier has requested and received approval to include in its objective a budget associated with the variance for horses and other livestock water use pursuant to section 968(f)(2):

(i) The volume of water associated with the variance ($V_{livestock}$) calculated pursuant to section 968(g)(1)

(ii) The number of animals according to each animal type-class

(iii) The average number of days per year that water is provided to each animal type-class.

(G) If the supplier has requested and received approval to include in its objective a budget associated with the variance for water associated with dust control on horse corrals or other animal exercise arenas pursuant to section 968(f)(2):

(i) The volume of water associated with the variance (V_{corral}) calculated pursuant to section 968(g)(2)

(ii) The square footage of corrals or other animal exercise arenas provided by the Department, or alternative data as specified in section 968(g)(2)(A).

(H) If the supplier has requested and received approval to include in its objective a budget associated with the variance to irrigate residential agricultural landscapes pursuant to section 968(f)(2), the following information:

(i) The volume of water associated with the variance (V_{Ag}) calculated pursuant to section 968(g)(3). This must be calculated and updated on an annual basis.

(ii) Reference evapotranspiration and effective precipitation data for the aggregated growing seasons associated with the crops grown on residential agricultural landscapes This must be calculated and updated on an annual basis

(iii) The average regional crop coefficient

(iv) The average regional irrigation efficiency

(v) The square footage of residential agricultural landscapes.

(I) If the supplier has requested and received approval to include in its objective a budget associated with the variance to irrigate residential agricultural landscapes pursuant to section 968(f)(2) and if the variance is calculated using crop-specific landscape area, the following information:

(i) The volume of water associated with the variance (V_{Ag}) calculated pursuant to section 968(g)(3)(A). This must be calculated and updated on an annual basis

(ii) The reference evapotranspiration and effective precipitation data associated with each crop's growing season. This must be calculated and updated on an annual basis

(iii) The unique efficiency factor for each crop, calculated according to section 968(g)(3)(C)

(iv) The landscape area associated with each crop, as estimated by the supplier.

(J) If the supplier has requested and received approval to include in its objective a budget associated with the variance for water used to respond to state or local emergency events pursuant to sections 968(f)(2), the following information, which must be calculated and updated on an annual basis:
  (i) The volume of water associated with the variance
  (ii) The required documentation described in section 968(g)(4).

(K) If the supplier has requested and received approval to include in its objective a budget associated with the variance to irrigate landscapes with recycled water containing high levels of TDS pursuant to section 968(f)(2) and relied on the calculation method described in section 968(g)(5)(A):
  (i) The volume of water associated with the variance (V_{HTDS}) calculated pursuant to section 968(g)(5)(A). This must be calculated and updated on an annual basis.
  (ii) The square footage of residential land irrigated with recycled water containing high levels of TDS. If reported to a Regional Water Quality Control Board, the value reported pursuant to this section shall be the same value as reported to the Regional Water Quality Control Board.
  (iii) The concentration of TDS, in mg/L
  (iv) The Public Water System Identification (PWSID) number associated with each system delivering to residential landscapes recycled water containing high levels of TDS
  (v) Annual metered non-potable residential landscape irrigation demand, as reported to the Board pursuant to Health and Safety Code section 116530. This must be updated annually.
  (vi) The GeoTracker Global Identification Number used for Volumetric Annual Reporting by each facility producing the recycled water containing high levels of TDS
  (vii) The PWSID associated with each system producing the recycled water from each facility identified in (vi)
  (viii) The waste discharge identification number (WDID) for the Waste Discharge Requirements associated with the land application of treated recycled water with high levels of TDS
  (ix) The permitted concentration of TDS, in mg/L
  (x) The permitted volume of applied recycled water, in gallons
  (xi) An electronic copy of the applicable salt and nutrient management plan or plans, if any.

(L) If the supplier has requested and received approval to include in its objective a budget associated with the variance to irrigate landscapes with recycled water containing high levels of TDS pursuant to section 968(f)(2) and relied on the calculation method described in section 968(g)(5)(B):
  (i) All parameters identified in paragraph (K), except (iii)
  (ii) The plant factor
  (iii) The leaching requirement
  (iv) The salinity of the recycled water
  (v) The plant threshold salinity.

(M) If the supplier has requested and received approval to include in its objective the budget associated with the variance for water used to sustain wildlife in ponds and lakes pursuant to section 968 (f)(2):
  (i) The volume of water associated with the variance ($V_{wildlife}$), calculated pursuant to section 968 (g)(6). This must be calculated and updated annually

(ii) The area of ponds and lakes, in square feet

(iii) Annual precipitation data provided by the Department or annual precipitation data meeting the criteria in section 968 (g)(6)(A).

(N) If the supplier has requested and received approval to include in its objective the budget associated with the variance for water used to irrigate existing residential trees pursuant to section 968 (f)(2):

(i) The volume of water associated with the variance ($V_{R\text{-}trees}$), calculated pursuant to section 968 (g)(7). This must be calculated and updated annually

(ii) The area of existing residential trees, in square feet.

(O) If the supplier has requested and received approval to include in its objective a budget associated with the temporary provision for new, climate-ready trees pursuant to section 968 (h)(2):

(i) The volume of water associated with the temporary provision (Pr_{trees}), calculated pursuant to section 968 (i)(1). This must be calculated and updated annually

(ii) The number of newly planted trees.

(P) If the supplier has requested and received approval to include in its objective a temporary provision associated with establishing qualifying landscapes pursuant to section 968 (h)(2):

(i) The volume of water associated with the temporary provision (Pr_{land}), calculated pursuant to section 968 (i)(2). This must be calculated and updated annually

(ii) The square footage of qualifying landscapes receiving temporary irrigation.

(3) For the budget for commercial, industrial, and institutional landscapes with Dedicated Irrigation Meters described in section 969:

(A) The volume of water for CII landscapes with DIMs (CII_{DIM}) calculated pursuant to section 969.

(B) Annual reference evapotranspiration and effective precipitation data provided by the Department, or alternative reference evapotranspiration or effective precipitation data meeting the criteria specified in section 969(b)(3).

(C) The area of CII landscapes with DIMs measured by the supplier and meeting the criteria specified in section 969(b)(1).

(D) Any special landscape area meeting the criteria specified in section 969(c). For CII landscapes with DIMs irrigated with recycled water, the supplier shall, unless otherwise specified, provide information to trace the recycled water network at least once every five years:

(i) The Public Water System Identification (PWSID) number associated with each system delivering recycled water to CII landscapes with DIMs

(ii) Annual Non-Residential Recycled Water demand, as reported to the Board pursuant to Health and Safety Code section 116530. This must be updated annually.

(iii) Annual Non-Residential Non-Potable demand, as reported to the Board pursuant to Health and Safety Code section 116530. This must be updated annually.

(iv) The GeoTracker Global Identification Number used for Volumetric Annual Reporting by each facility producing the recycled water

(v) The PWSID associated with each system producing the recycled water from each facility identified in (iv)

(vi) The square footage of CII landscapes with DIMs irrigated with recycled water. If annually reported to a Regional Water Quality Control Board, the value reported pursuant to this section shall be the same value as annually reported to the Regional Water Quality Control Board

(vii) The Waste Discharge Identification Number (WDID) associated with the land application of recycled water.

(E) Any CII landscape area with DIMs associated with new construction and meeting the criteria specified section 969(d)(2).

(F) Any landscape area associated with a DIM that the Department classified as residential and included in the residential landscape area defined in section 968(b)(2), but that the supplier classifies as CII and has therefore subtracted from residential landscape area.

(G) If the supplier has requested and received approval to include in its objective a budget for the variance for water used to respond to state or local emergency events pursuant to section 969(f)(1), the following information, which must be calculated and updated on an annual basis:

(i) The volume of water associated with the variance

(ii) The required documentation described in section 968(g)(4).

(H) If the supplier has requested and received approval to include in its objective a budget associated with the variance to irrigate landscapes with recycled water containing high levels of TDS pursuant to section 969(f)(2) and relied on the calculation method described in 968(g)(5)(A):

(i) The volume of water associated with the variance (V_{HTDS}) calculated pursuant to section 968(g)(5)(A). This must be calculated and updated on an annual basis.

(ii) The square footage of CII landscapes with DIMs irrigated with recycled water containing high levels of TDS. If reported to a Regional Water Quality Control Board, the value reported pursuant to this section shall be the same value as reported to the Regional Water Quality Control Board.

(iii) The concentration of TDS, in mg/L

(iv) The Public Water System Identification (PWSID) number associated with each system delivering recycled water containing high levels of TDS to CII landscapes with DIMs

(v) Annual metered non-potable non-residential landscape irrigation demand, as reported to the Board pursuant to Health and Safety Code section 116530. This must be updated annually.

(vi) The GeoTracker Global Identification Number used for Volumetric Annual Reporting by each facility producing the recycled water containing high levels of TDS

(vii) The PWSID associated with each system producing the recycled water from each facility identified in (vi)

(viii) The waste discharge identification number (WDID) for the Waste Discharge Requirements associated with the land application of treated recycled water with high levels of TDS

(ix) The permitted concentration of TDS, in mg/L

(x) The permitted volume of applied recycled water, in gallons

(xi) An electronic copy of the applicable salt and nutrient management plan or plans, if any.

(I) If the supplier has requested and received approval to include in its objective a budget associated with the variance to irrigate landscapes with recycled water containing high levels of TDS pursuant to section 969(f)(2) and relied on the calculation method described in section 968(g)(5)(B):
(i) All parameters identified in paragraph (H), except (iii)
(ii) The plant factor
(iii) The leaching requirement
(iv) The salinity of the recycled water
(v) The plant threshold salinity

(J) If the supplier has requested and received approval to include in its objective a budget associated with the variance for water used to sustain wildlife in ponds and lakes pursuant to section 969(f)(3):
(i) The volume of water associated with the variance ($V_{wildlife}$), calculated pursuant to section 968(g)(6). This must be calculated and updated annually.
(ii) The area of ponds and lakes, in square feet
(iii) Annual precipitation data provided by the Department or annual precipitation data meeting the criteria in section 968(g)(6)(A).

(K) If the supplier has requested and received approval to include in its objective the budget associated with the variance for water used to irrigate existing trees on CII landscapes with DIMs pursuant to section 969(f)(4):
(i) The volume of water associated with the variance ($V_{CII\text{-}trees}$), calculated pursuant to section 969(f)(4). This must be calculated and updated annually
(ii) The area of existing trees on CII landscapes with DIMs, in square feet.

(L) If the supplier has requested and received approval to include in its objective a budget associated with the temporary provision to plant new, climate-ready trees pursuant to section 969(g)(2):
(i) The volume of water associated with the temporary provision (Pr_{trees}), calculated pursuant to section 968(i)(1). This must be calculated and updated annually.
(ii) The number of newly planted trees.

(M) If the supplier has requested and received approval to include in its objective a budget associated with the temporary provision for qualifying landscapes pursuant to section 969(g)(2):
(i) The volume of water associated with the temporary provision (Pr_{land}) calculated pursuant to section 968(i)(2). This must be calculated and updated annually.
(ii) The square footage of qualifying landscapes receiving temporary irrigation.

(4) For the budget for real water losses described in section 970:
(A) The volume of water in gallons per year associated with the real water loss budget ($B_{water\ loss}$) calculated pursuant to section 970.
(B) For systems with water loss standards expressed in units of gallons per connection per day, the supplier shall report the number of service connections for each system it owns and operates, as reported to the Department pursuant to Water Code section 10608.34.
(C) For systems with water loss standards expressed in units of gallons per mile per day, the supplier shall report the length of mains for each system it owns and operates, as reported to the Department pursuant to Water Code section 10608.34.

(5) For the bonus incentive described in section 971, the following parameters, which, unless otherwise specified, must be calculated and updated on an annual basis:
(A)

(i) The volume of the bonus incentive calculated pursuant to section 971(b) and subject to the limitations described in section 971(a)

(ii) Annual total potable water production (T_{PW}) reported to the Board pursuant to Health and Safety Code section 116530

(iii) Annual potable water deliveries to single-family residential, multi-family residential, and landscape irrigation (D_{RLI}) reported to the Board pursuant to Health and Safety Code section 116530.

(B) If a supplier delivers water from a groundwater basin that is augmented by potable reuse water, the following information:

(i) Volume of potable reuse water obtained from a groundwater source (V_{PRG}) for the reporting year, calculated pursuant to section 971(b)(1)

(ii) The annual loss factor for recharge and recovery (LF_G). The supplier shall document that the loss factor was calculated and provided by the appropriate groundwater basin management authority in accordance with section 971(b)(1).

(iii) The total volume of potable recycled water recharged into the basin. The total volume of potable recycled water recharged into the basin shall be an annual average, calculated using the values provided to the Board through the Volumetric Annual Report, for the preceding five years, for each facility producing recycled water used to recharge the basin. It shall be confirmed by the appropriate groundwater basin authority.

(iv) The GeoTracker Global Identification Number used for Volumetric Annual Reporting by each facility producing recycled water used to recharge the basin. This identifier shall be provided at least once every five years.

(v) The total volume of water extracted from the augmented groundwater basin (V_{BP}), to be obtained from the appropriate groundwater basin authority

(vi) The Public Water System Identification (PWSID) number associated with each system drawing from the augmented basin

(vii) The Primary Station Codes identifying each source drawing from the augmented basin

(viii) The volume of water the supplier produces from the augmented basin (V_G) reported to the Board pursuant to Health and Safety Code section 116530

(ix) The name of the basin augmented by potable reuse water. This shall be provided at least once every five years.

(x) The Bulletin 118 identification number. This shall be provided at least once every five years.

(C) If a supplier delivers water from a reservoir that is augmented by potable reuse water, the following information:

(i) The volume of potable reuse water obtained from an augmented surface water reservoir source (V_{PRS}) for the reporting year, calculated pursuant to section 971(b)(2)

(ii) The annual loss factor for evaporation and seepage (LF_S). The supplier shall document that the loss factor was calculated and provided by the owner or operator of the augmented surface water reservoir.

(iii) The total volume of potable recycled water used to augment the reservoir. The total volume of potable recycled water used to augment the reservoir shall be an annual average, calculated using the values provided to the Board through the Volumetric Annual Report, for the preceding five years, for each facility producing recycled water used to augment the reservoir. It shall be confirmed by the appropriate surface water authority.

(iv) The GeoTracker Identification Number used for Volumetric Annual Reporting by each facility producing recycled water used to augment the surface water reservoir. This identifier shall be provided at least once every five years.

(v) The total volume of water obtained from the augmented reservoir (V_{SWP}), to be obtained from the owner or operator of the augmented surface water reservoir

(vi) The Public Water System Identification (PWSID) number associated with each system drawing from the augmented reservoir

(vii) The Primary Station Codes identifying each source drawing from the augmented reservoir

(viii) The volume of water the supplier produces from the augmented reservoir (V_{SW}), as reported to the Board pursuant to Health and Safety Code section 116530.

(D) If a supplier delivers water from direct potable reuse (DPR) project, the following information:

(i) The volume of potable reuse water obtained from the DPR project (V_{PRD})

(ii) The volume of finished water produced from the DPR project ($V_{FIN-DPR}$)

(iii) The fraction of water the supplier derived from the facility producing the finished water

(6) The supplier's urban water use objective calculated pursuant to section 966.

(7)

(A) If a supplier meets the criteria described in section 966(i), the following:

(i) For the reporting year the supplier initially asserts compliance with its objective pursuant to section 966(i), the average median household income of the service area in accordance with section 966(i)(1), based on data from the United States Census Bureau's American Community Survey or an alternative source that the supplier has demonstrated to the Board to be equivalent, or superior, in quality and accuracy.

(ii) Average annual per capita water use for the state fiscal years ending in 2024, 2025, and 2026, pursuant to section 966(k)(1).

(iii) Annual per capita water use for the reporting year and the immediately preceding two years pursuant to section 966(k)(2).

(iv) A link to the plan required pursuant to section 966(i)(3).

(B) If a supplier meets the criteria described in section 966(j), the following:

(i) Average annual per capita water use for the state fiscal years ending in 2024, 2025, and 2026, pursuant to section 966(k)(1).

(ii) Annual per capita water use for the reporting year and the immediately preceding two years pursuant to section 966(k)(2).

(iii) Verified adherence to the American Water Works Association G480-20 Water Conservation and Efficiency Program Operation and Management Standard (published February 1, 2021).

(iv) A link to the plan required pursuant to section 966(j)(2).

(c) No later than January 1, 2025, and by January 1 every year thereafter, each urban retail water supplier shall submit to the Department and the Board, on a machine-readable form provided by the Board, the actual urban water use for the previous state fiscal year, calculated in accordance with section 10609.22 along with relevant supporting data for:

(1) Demands relevant to the objective, specifically:

(A)

(i) Annual deliveries to "Single-Family Residential" connections, as reported to the Board pursuant to Health and Safety Code section 116530

(ii) Annual deliveries to "Multi-Family Residential" connections, as reported to the Board pursuant to Health and Safety Code section 116530

(iii) Annual "Residential Recycled Water Demand," as reported to the Board pursuant to Health and Safety Code section 116530

(iv) Annual "Residential Non-potable Water Demand," as reported to the Board pursuant to Health and Safety Code section 116530

(v) The volume of annual deliveries to single-family residential customers that are at or above the 90th percentile for single-family residential water use across the supplier's service area

(vi) The volume of annual deliveries to multi-family residential customers that are at or above the 90th percentile for multi-family residential water use across the supplier's service area

(vii) Deliveries to residential landscapes with dedicated irrigation meters, where the supplier classifies those landscapes as residential, and the Department included those landscapes in the supplier's residential landscape area described in section 968(b)(2)

(viii) Deliveries to landscapes the supplier categorizes as residential landscapes but were not included in the supplier's residential landscape area described in section 968(b)(2). The supplier shall report these deliveries separate from paragraph (A)(i) or (A)(ii) until residential landscape area is updated to include these landscapes pursuant to section 968(b)(2) or 968(b)(3).

(B) Aggregate annual deliveries to "Metered Irrigation of Commercial, Industrial, or Institutional Landscapes," as reported to the Board pursuant to Health and Safety Code section 116530. This shall be limited to:

(i) Potable demand

(ii) Non-potable demand

(iii) Deliveries to landscapes the Department included in the supplier's residential landscape area described in section 968(b)(2) but that the supplier categorizes as CII. If this condition is met, the supplier shall correspondingly adjust its residential landscape area pursuant to section 968(b)(2) or (b)(3).

(C) Aggregated real water losses. If available, the real water losses shall be those reported in the water audits submitted to the Department pursuant to Water Code section 10608.34.

(D) Total demands relevant to the objective, which shall be the sum of the values reported in paragraphs (A)(i) through (iv), (B)(i) and (B)(ii), and (C).

(2) Excluded demands, specifically:

(A) Aggregate annual water deliveries to "Commercial and Institutional" connections, as reported to the Board pursuant to Health and Safety Code section 116530. This includes deliveries to landscapes the supplier categorizes as commercial or institutional and that are served by mixed-use meters. If the Department included such landscapes in a supplier's residential landscape area described in section 968(b)(2), then the supplier shall correspondingly adjust its residential landscape area pursuant to section 968(b)(2) or (b)(3).

(B) Aggregate annual water deliveries to "Industrial" connections, as reported to the Board pursuant to Health and Safety Code section 116530. The supplier shall additionally estimate the percentage of aggregate annual water deliveries to "Industrial" connections that is process water, as defined by Water Code section 10608.12(y).

(C) Aggregate annual water deliveries to "Other" connections, as reported to the Board pursuant to Health and Safety Code section 116530.

(D) Aggregate annual water deliveries to “Agriculture” connections, as reported to the Board pursuant to Health and Safety Code section 116530.

(E) Total aggregate demands excluded from the objective, which shall be the sum of the values reported in paragraphs (A), (B), and (C).

(d) No later than January 1, 2025, and by January 1 every year thereafter, each urban retail water supplier shall submit to the Department and the Board, for the previous state fiscal year, on a machine-readable form provided by the Board, the following:

(1) Relevant data pursuant to section 972, specifically:

(A) The total number of commercial, industrial, and institutional (CII) connections served, as reported to the Board pursuant to Health and Safety Code section 116530.

(B) The total number of CII water users classified pursuant to section 972.

(C) The number of CII water users falling into each of the classification categories specified in section 972(a) and section 972(b).

(2) Relevant data pursuant to section 973, specifically:

(A) For all suppliers:

(i) The total number of water users associated with large landscapes

(ii) The total estimated, aggregate volume of water applied to large landscapes

(iii) The total aggregate square footage of large landscapes.

(B) For suppliers that identified water users pursuant to section 973(a)(2):

(i) The number of water users associated with those large landscapes

(ii) The estimated, aggregate volume of water applied to those large landscapes

(iii) The total aggregate square footage of those large landscapes.

(C) For suppliers that have installed dedicated irrigation meters (DIMs) pursuant to section 973(b):

(i) The number of water users associated with large landscapes that have had a DIM installed

(ii) The aggregate square footage of large landscapes that have had a DIM installed.

(D) For suppliers that have employed in-lieu technologies and offered Best Management Practices (BMPs) pursuant to section 973(b):

(i) The number of water users associated with large landscapes for which the supplier has employed in-lieu technologies and offered BMPs

(ii) The aggregate square footage of those large landscapes

(iii) The in-lieu technologies that have been employed

(iv) If the Board has approved the use of an in-lieu technology other than those listed in section 973(b)(2), a narrative description of the technology employed

(v) The BMPs offered pursuant to section 973(b)(3)

(vi) The estimated annual water savings associated with section 973(b).

(3) Relevant data pursuant to section 974(a) and (b), specifically:

(A) The number of disclosable buildings identified pursuant to 974(a).

(B) The number of customers for which the supplier has provided the information required pursuant to section 974(b).

(4) Relevant data pursuant to section 974(c) through 974(h) in accordance with paragraph (A), (B), or (C) below, as applicable:

(A) For suppliers that have identified water users pursuant to 974(c)(1):

(i) The number of CII water users at or above the 97.5th percentile for water use

(ii) The best management practices (BMPs) offered to the water users identified in paragraph (i)

(iii) The estimated annual water savings associated with the BMPs identified in paragraph (ii)
(iv) The number of CII water users at or above the 80th percentile for CII water use
(v) The BMPs offered to the water users identified in paragraph (iv)
(vi) The estimated annual water savings associated with the BMPs identified in paragraph (v).

(B) For suppliers that have identified water users pursuant to 974(c)(2):
(i) The number of CII water users at or above the 97.5th percentile for water use
(ii) The best management practices offered to the water users identified in paragraph (i)
(iii) The estimated annual water savings associated with the BMPs identified in paragraph (ii)
(iv) The number of water users at or above the 80th percentile for water use in each of the classification categories specified in section 972(a) and 972(b)
(v) The BMPs offered to the water users within each of the classification categories identified in paragraph (iv)
(vi) The estimated annual water savings associated with the BMPs identified in paragraph (v).

(C) For suppliers that have identified water users pursuant to 974(c)(3):
(i) The key business activity indicators (KBAI) developed for each of the classification categories specified in section 972(a) and 972(b)
(ii) Any KBAI the supplier has developed for specific ENERGY STAR Portfolio Manager property types
(iii) For each of the classification categories specified in section 972(a) and(b), the number of water users identified pursuant to section 974(c)(3)
(iv) The BMPs offered to the water users within each of the classification categories identified in paragraph (iii)
(v) The estimated annual water savings associated with the BMPs identified in paragraph (iv).

(e) Unless otherwise specified, any volume of water reported pursuant to this section shall be reported in gallons.

(f) On or before January 1, 2027, a copy of a supplier's regulation, ordinance, or policy governing water service that shows the supplier's compliance with Water Code section 10608.14.

Authority: Sections 1058 and 10609.28, Water Code.
References: Article X, Section 2, California Constitution; Section 116530, Health and Safety Code; Sections 102, 104, 105, 350, 1122, 1123, 1124, 1846, 1846.5, 10608.12, 10608.14, 10608.34, 10609.2, 10609.10, 10609.22, 10609.24, 10728, and 12924 Water Code.

Adopt new section 978:

§ 978. Urban Water Use Objectives – Enforcement

(a) The failure to provide the information requested under this article within the time provided in the order, or as specified under this article, is a violation subject to civil liability pursuant to Water Code section 1846 or 1846.5.

(b) A decision or order issued under this article or under Water Code section 10609.24, subdivision (c), section 10609.26, subdivisions (a) or (c), or section 10609.28 is subject to reconsideration under article 2 (commencing with section 1122) of chapter 4 of part 1 of division 2 of the Water Code.
(c) Orders issued under this article are effective upon issuance.

Authority: Sections 1058, Water Code.
References: Article X, Section 2, California Constitution; Sections 102, 104, 105, 350, 1122, 1123, 1124, 1846, 1846.5, 10609.24, 10609.26, 10609.27, 10609.28, 10617, and 10632, Water Code.

Title 23. Waters
Division 3. State Water Resources Control Board and Regional Water Quality Control Boards
Chapter 3.5. Urban Water Use Efficiency and Conservation
~~Article 1~~Article 2. Water Loss Performance Standards for Urban Retail Water Suppliers
…

~~Article 2~~Article 3. Reporting
…

~~Article 3~~ Article 4. Prevention of Drought Wasteful Water Uses
…