

## **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.

**STAFF REPORT**

Agenda: November 12, 2024

Subject: Public Hearing to Consider Proposed Amendment of Rate and Fee Schedule

Page : 2

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**

| <b>Date</b>                              | <b>Description</b>  |
|--|---|
| 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<br>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<br>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<br>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<br>Special Board Meeting   | Board Presentation by WRE of draft Water Shortage Rates and Water Rate Study/ Financial Plan  |
| June 11, 2024<br>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<br>Regular Board Meeting    | Board Received “2024 Water Rate Study” – prepared by WRE  |
| August 13, 2024<br>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



**Water Resources  
Economics**

PROMOTING THE VALUE AND PRICE OF  
WATER SERVICE

---

This page intentionally left blank



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

This page intentionally left blank

## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>1. Executive Summary</b> .....               | <b>1</b>  |
| 1.1 System Overview .....                       | 1         |
| 1.2 Rate Study Overview .....                   | 1         |
| 1.3 Legal Requirements .....                    | 1         |
| 1.4 Rate-Setting Methodology .....              | 2         |
| 1.5 Additional Information and Disclaimers..... | 2         |
| 1.6 Current Water Rates.....                    | 3         |
| 1.7 Financial Plan .....                        | 4         |
| 1.8 Cost-of-Service Analysis.....               | 8         |
| 1.9 Proposed Water Rates.....                   | 9         |
| 1.10 Proposed Water Shortage Rates .....        | 12        |
| <b>2. Financial Plan</b> .....                  | <b>17</b> |
| 2.1 Financial Plan Methodology .....            | 17        |
| 2.2 Revenues.....                               | 17        |
| 2.3 Operating Expenses .....                    | 23        |
| 2.4 Debt Service.....                           | 25        |
| 2.5 Capital Improvement Plan .....              | 25        |
| 2.6 Financial Policies.....                     | 26        |
| 2.7 Status Quo Financial Plan .....             | 27        |
| 2.8 Proposed Financial Plan.....                | 32        |
| <b>3. Cost-of-Service Analysis</b> .....        | <b>37</b> |
| 3.1 Cost-of-Service Methodology.....            | 37        |
| 3.2 Revenue Requirement.....                    | 37        |
| 3.3 Cost Functionalization .....                | 38        |
| 3.4 Cost Causation Components.....              | 40        |
| 3.5 System Capacity Allocations.....            | 46        |
| 3.6 Allocation to Cost Components.....          | 50        |
| 3.7 Unit Cost Calculation .....                 | 52        |
| 3.8 Cost-of-Service by Customer Class .....     | 54        |
| <b>4. Water Rates</b> .....                     | <b>55</b> |
| 4.1 Rate Design Methodology .....               | 55        |
| 4.2 Proposed Changes to Rate Structure.....     | 55        |
| 4.3 Proposed Monthly Base Charges.....          | 55        |
| 4.4 Proposed Monthly Fire Service Charges.....  | 56        |
| 4.5 Proposed Quantity Charges.....              | 57        |
| 4.6 Proposed Water Rate Schedule.....           | 61        |
| 4.7 Customer Impacts.....                       | 62        |
| <b>5. Water Shortage Rates</b> .....            | <b>64</b> |

Coastside County Water District 2024 Water Rate Study

- 5.1 Water Shortage Rate Design Methodology..... 64
- 5.2 Risks Related to Water Shortages ..... 64
- 5.3 Proposed Water Shortage Rates ..... 64
- 5.4 Proposed Water Shortage Rate Schedule ..... 69
- 5.5 Customer Impacts..... 71
- 6. Appendices ..... 78**
- 6.1 Financial Plan Appendices ..... 78
- 6.2 Cost-of-Service Analysis Appendices ..... 82

## LIST OF TABLES

|   |    |
|---|----|
| Table 1-1: Current Monthly Base Charges.....                                    | 3  |
| Table 1-2: Current Monthly Fire Service Charges.....                            | 3  |
| Table 1-3: Current Quantity Charges.....  | 4  |
| Table 1-4: Current Water Shortage Rates .....                                   | 4  |
| Table 1-5: Reserve Policy Targets .....   | 5  |
| Table 1-6: Proposed Financial Plan Scenario.....                                | 7  |
| Table 1-7: Proposed Monthly Base Charges.....                                   | 10 |
| Table 1-8: Proposed Monthly Fire Service Charges.....                           | 10 |
| Table 1-9: Proposed Quantity Charges.....                                       | 10 |
| Table 1-10: Proposed Residential Customer Impacts (Without Fire).....           | 11 |
| Table 1-11: Proposed Residential Customer Impacts (With Fire) .....             | 11 |
| Table 1-12: Proposed Commercial/All Other Customer Impacts (Without Fire) ..... | 11 |
| Table 1-13: Proposed Commercial/All Other Customer Impacts (With Fire).....     | 12 |
| Table 1-14: Proposed Water Shortage Rates .....                                 | 13 |
| Table 1-15: Proposed Combined Quantity Charges and Water Shortage Rates.....    | 14 |
| Table 1-16: Proposed Residential Customer Impacts (Stage 2 Water Shortage)..... | 15 |
| Table 1-17: Proposed Residential Customer Impacts (Stage 3 Water Shortage)..... | 16 |
| Table 2-1: Current Monthly Base Charges.....                                    | 18 |
| Table 2-2: Current Monthly Fire Service Charges.....                            | 18 |
| Table 2-3: Current Quantity Charges.....  | 18 |
| Table 2-4: Effective Monthly Base Charges (Current) .....                       | 19 |
| Table 2-5: Effective Monthly Fire Service Charges (Current) .....               | 19 |
| Table 2-6: Effective Quantity Charges (Current) .....                           | 19 |
| Table 2-7: Projected Customer Accounts (Meters).....                            | 20 |
| Table 2-8: Projected Customer Accounts (Fire).....                              | 21 |
| Table 2-9: Water Demand Growth Assumptions .....                                | 21 |
| Table 2-10: Projected Customer Water Usage (hcf).....                           | 21 |
| Table 2-11: Calculated Rate Revenues at Current Rates.....                      | 22 |
| Table 2-12: Revenue Summary.....  | 23 |
| Table 2-13: Expense Inflationary Assumptions .....                              | 23 |
| Table 2-14: Calculated SFPUC Water Supply Costs .....                           | 24 |
| Table 2-15: Operating Expense Summary .....                                     | 25 |
| Table 2-16: Existing and Proposed Debt Service .....                            | 25 |
| Table 2-17: Capital Project Costs and Execution Rate.....                       | 26 |
| Table 2-18: Capital Expense Summary .....                                       | 26 |
| Table 2-19: Status Quo Financial Plan Scenario .....                            | 27 |
| Table 2-20: Projected Cash Flows (Status Quo Financial Plan) .....              | 28 |
| Table 2-21: Projected Fund Balances (Status Quo Financial Plan).....            | 29 |
| Table 2-22: Forecasted Financial Performance (Status Quo Financial Plan).....   | 30 |
| Table 2-23: Proposed Financial Plan Scenario.....                               | 32 |
| Table 2-24: Projected Cash Flows (Proposed Financial Plan).....                 | 33 |
| Table 2-25: Projected Fund Balances (Proposed Financial Plan) .....             | 34 |

## Coastside County Water District 2024 Water Rate Study

|  |    |
|--|----|
| Table 2-26: Forecasted Financial Performance (Proposed Financial Plan) .....                       | 35 |
| Table 3-1: FYE 2024 Revenue Requirement .....  | 38 |
| Table 3-2: Operating Costs by System Functions .....   | 39 |
| Table 3-3: Capital Assets by System Functions.....   | 40 |
| Table 3-4: Revenue Offsets by System Functions.....  | 40 |
| Table 3-5: System-Wide Maximum Capacity Allocation .....   | 41 |
| Table 3-6: System Function Allocation to Cost Components .....                                     | 42 |
| Table 3-7: Operating Allocation by Cost Component.....   | 43 |
| Table 3-8: Capital Allocation by Cost Component.....   | 44 |
| Table 3-9: Revenue Offset Allocation by Cost Component .....                                       | 45 |
| Table 3-10: Equivalent Meter Units.....  | 46 |
| Table 3-11: Equivalent Fire Lines.....   | 47 |
| Table 3-12: Max Month Maximum Capacity Factor by Customer Class and Tier .....                     | 48 |
| Table 3-13: Customer Demand Capacity .....   | 48 |
| Table 3-14: Maximum Capacity Allocation by Fire and Customer Demand.....                           | 49 |
| Table 3-15: Cost-of-Service Allocation by Cost Component (Preliminary, General).....               | 50 |
| Table 3-16: Cost-of-Service Allocation by Cost Component (Fire Protection, Maximum Capacity) ..... | 51 |
| Table 3-17: Cost-of-Service Allocation by Cost Component (Final).....                              | 52 |
| Table 3-18: Units of Service Definitions .....   | 52 |
| Table 3-19: Unit Cost by Cost Component .....  | 53 |
| Table 3-20: Cost-of-Service Allocation by Cost Component and Customer Class.....                   | 54 |
| Table 4-1: Revenue Neutral Monthly Base Charges.....   | 56 |
| Table 4-2: Proposed Monthly Base Charges after Adjustment .....                                    | 56 |
| Table 4-3: Revenue Neutral Monthly Fire Service Charges.....                                       | 57 |
| Table 4-4: Proposed Monthly Fire Service Charges after Adjustment .....                            | 57 |
| Table 4-5: Unit Cost by Source of Supply .....   | 58 |
| Table 4-6: Supply Unit Cost by Customer Class .....  | 58 |
| Table 4-7: Maximum Capacity Unit Cost by Customer Class.....                                       | 59 |
| Table 4-8: Conservation Unit Cost by Customer Class .....  | 59 |
| Table 4-9: Revenue Offset by Customer Class.....   | 60 |
| Table 4-10: Revenue Neutral Quantity Charges .....   | 60 |
| Table 4-11: Proposed Quantity Charges after Adjustment .....                                       | 60 |
| Table 4-12: Proposed Revenue Adjustments .....   | 61 |
| Table 4-13: Proposed Monthly Base Charges.....   | 61 |
| Table 4-14: Proposed Monthly Fire Service Charges.....   | 61 |
| Table 4-15: Proposed Quantity Charges.....   | 62 |
| Table 4-16: Proposed Residential Customer Impacts (Without Fire).....                              | 62 |
| Table 4-17: Proposed Residential Customer Impacts (With Fire) .....                                | 62 |
| Table 4-18: Proposed Commercial/All Other Customer Impacts (Without Fire) .....                    | 63 |
| Table 4-19: Proposed Commercial/All Other Customer Impacts (With Fire).....                        | 63 |
| Table 5-1: Water Usage Reductions by Stage and Customer Class.....                                 | 65 |
| Table 5-2: Consumption Revenue Loss by Stage .....   | 66 |
| Table 5-3: Water Supply Cost Differences by Stage .....  | 67 |
| Table 5-4: Water Shortage Costs by Stage .....   | 68 |

## Coastside County Water District 2024 Water Rate Study

|   |    |
|---|----|
| Table 5-5: Proposed Water Shortage Rates (FYE 2025) .....                       | 69 |
| Table 5-6: Proposed Revenue Adjustments .....                                   | 69 |
| Table 5-7: Proposed Water Shortage Rates .....                                  | 70 |
| Table 5-8: Proposed Combined Quantity Charges and Water Shortage Rates.....     | 71 |
| Table 5-9: Proposed Residential Customer Impacts (Stage 1 Water Shortage).....  | 72 |
| Table 5-10: Proposed Residential Customer Impacts (Stage 2 Water Shortage)..... | 73 |
| Table 5-11: Proposed Residential Customer Impacts (Stage 3 Water Shortage)..... | 73 |
| Table 5-12: Proposed Residential Customer Impacts (Stage 4 Water Shortage)..... | 74 |
| Table 5-13: Proposed Residential Customer Impacts (Stage 5 Water Shortage)..... | 75 |
| Table 5-14: Proposed Residential Customer Impacts (Stage 6 Water Shortage)..... | 76 |
| Table 6-1: Operating Expenses (Detail) .....                                    | 78 |
| Table 6-2: Capital Projects (Detail) .....                                      | 80 |
| Table 6-3: Operating Expenses by System Functions (Detail) .....                | 82 |
| Table 6-4: Capital Assets by System Functions (Detail).....                     | 84 |

## LIST OF FIGURES

|  |    |
|--|----|
| Figure 1-1: Projected Fund Balances (Status Quo Financial Plan).....             | 6  |
| Figure 1-2: Projected Debt Coverage (Status Quo Financial Plan) .....            | 6  |
| Figure 1-3: Projected Fund Balances (Proposed Financial Plan) .....              | 7  |
| Figure 1-4: Projected Debt Coverage (Proposed Financial Plan).....               | 8  |
| Figure 1-5: Proposed Residential Customer Impacts (Stage 2 Water Shortage) ..... | 15 |
| Figure 1-6: Proposed Residential Customer Impacts (Stage 3 Water Shortage) ..... | 16 |
| Figure 2-1: Revenue Requirements vs. Revenues (Status Quo Financial Plan).....   | 31 |
| Figure 2-2: Projected Debt Coverage (Status Quo Financial Plan) .....            | 31 |
| Figure 2-3: Projected Fund Balances (Status Quo Financial Plan).....             | 32 |
| Figure 2-4: Revenue Requirements vs. Revenues (Proposed Financial Plan) .....    | 35 |
| Figure 2-5: Projected Debt Coverage (Proposed Financial Plan).....               | 36 |
| Figure 2-6: Projected Fund Balances (Proposed Financial Plan) .....              | 36 |
| Figure 5-1: Proposed Residential Customer Impacts (Stage 1 Water Shortage) ..... | 72 |
| Figure 5-2: Proposed Residential Customer Impacts (Stage 2 Water Shortage) ..... | 73 |
| Figure 5-3: Proposed Residential Customer Impacts (Stage 3 Water Shortage) ..... | 74 |
| Figure 5-4: Proposed Residential Customer Impacts (Stage 4 Water Shortage) ..... | 75 |
| Figure 5-5: Proposed Residential Customer Impacts (Stage 5 Water Shortage) ..... | 76 |
| Figure 5-6: Proposed Residential Customer Impacts (Stage 6 Water Shortage) ..... | 77 |

# 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<sup>1</sup> 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

---

<sup>1</sup> FYE 2025 is the year starting July 1, 2024 and ending June 30, 2025.

## Coastside County Water District 2024 Water Rate Study

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.

## Coastside County Water District 2024 Water Rate Study

- 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<br>1/19/23 | As of<br>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<br>1/19/23 | As of<br>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    | <b>As of 1/18/24</b>                      |         |         |         |         |         |         |
| 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

## Coastside County Water District 2024 Water Rate Study

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)

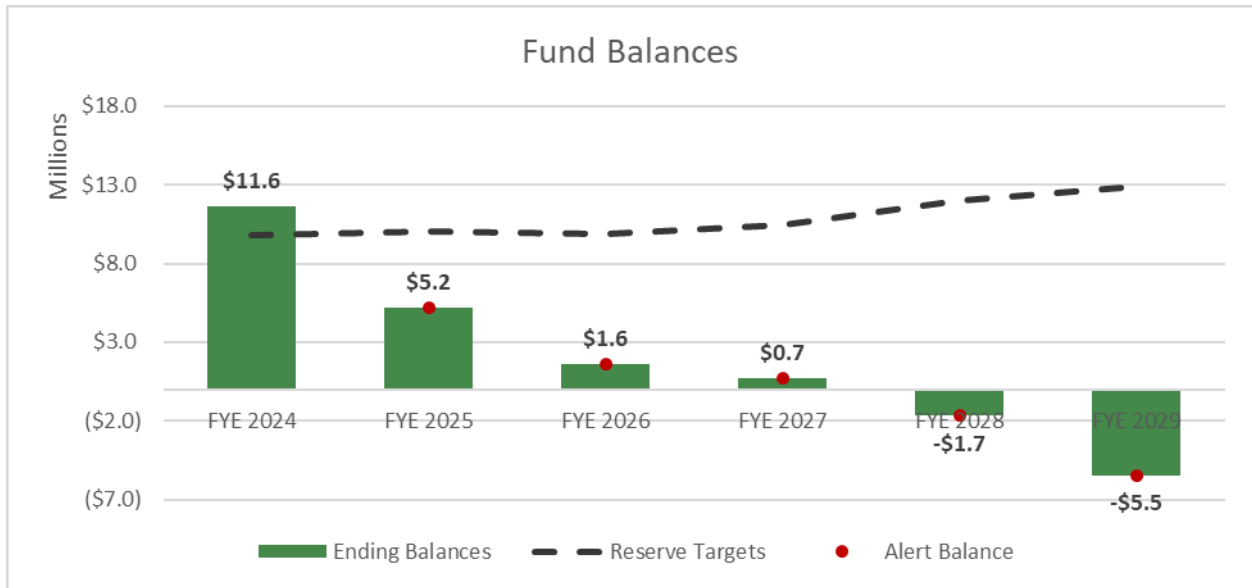
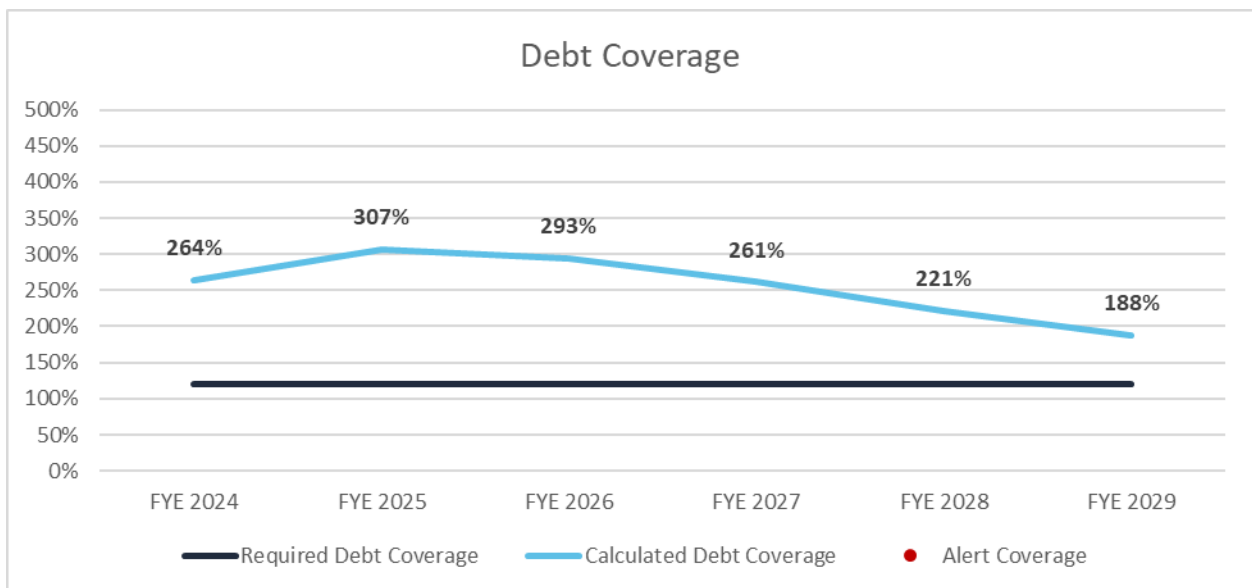


Figure 1-2 shows the projected debt coverage under the status quo scenario. The District’s existing debt service has a required coverage of 120%. Debt coverage is calculated by dividing the net operating revenue (revenues less O&M expenses) by annual debt service payments. In this scenario, the District 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

## Coastside County Water District 2024 Water Rate Study

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**

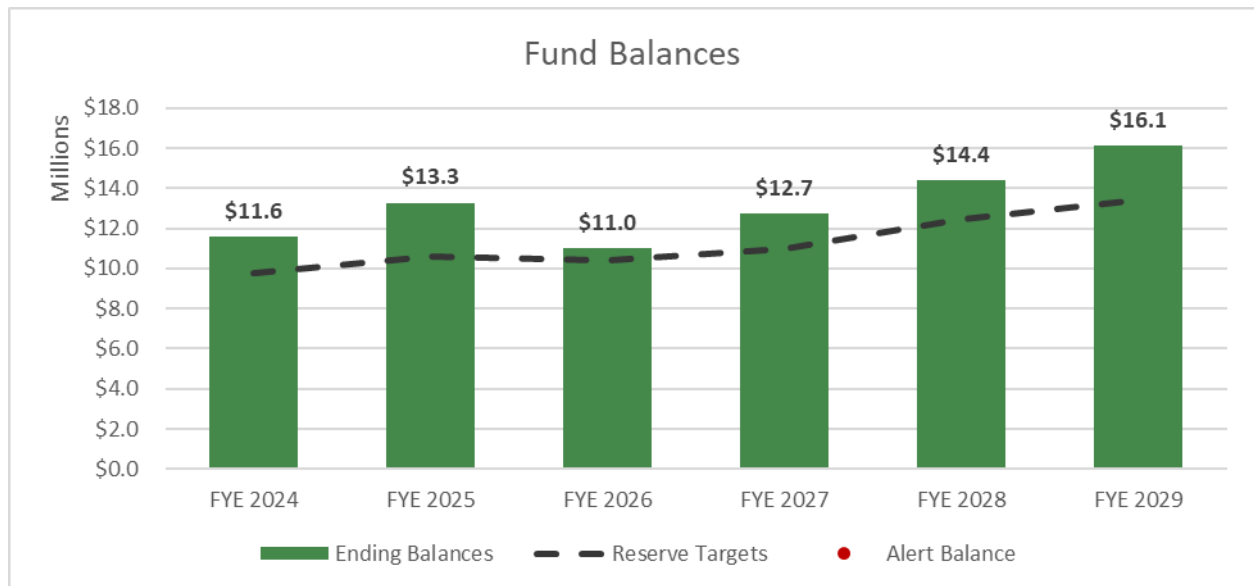
| Line | Fiscal Year | Revenue Adjustments | Debt Issuance | Debt Proceeds for CIP |
|------|-------------|---------------------|---------------|-----------------------|
| 1    | FYE 2025    | 8.0%                | \$8,040,201   | \$8,000,000           |
| 2    | FYE 2026    | 8.0%                | \$0           | \$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.

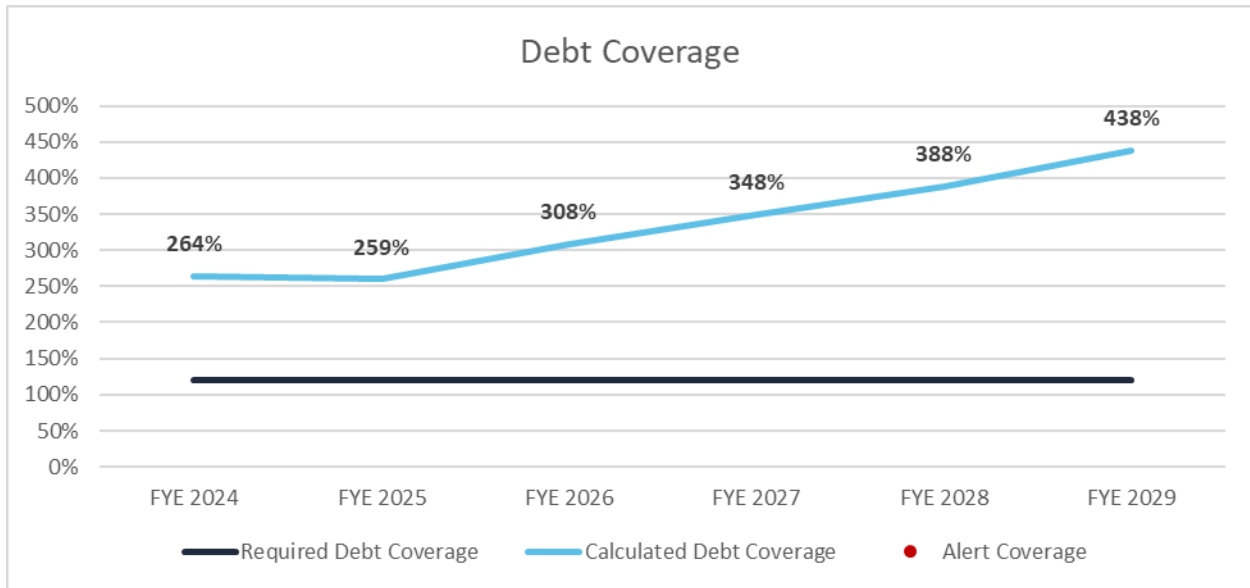
**Figure 1-3** shows the projected fund balances under the proposed scenario. In this scenario, the District will meet its reserve targets for all years of the planning period.

**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.

## Coastside County Water District 2024 Water Rate Study

- **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.

Coastside County Water District 2024 Water Rate Study

**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.

Coastside County Water District 2024 Water Rate Study

**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%           |

## Coastside County Water District 2024 Water Rate Study

**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**.

Coastside County Water District 2024 Water Rate Study

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    | <b>As of 1/18/24</b>          |         |         |         |         |         |         |
| 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    | <b>Effective 1/1/25</b>       |         |         |         |         |         |         |
| 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   | <b>Effective 1/1/26</b>       |         |         |         |         |         |         |
| 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   | <b>Effective 1/1/27</b>       |         |         |         |         |         |         |
| 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 |

## Coastside County Water District 2024 Water Rate Study

**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    | <b>As of 1/18/24</b>               |         |         |         |         |         |         |
| 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    | <b>Effective 1/1/25</b>            |         |         |         |         |         |         |
| 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   | <b>Effective 1/1/26</b>            |         |         |         |         |         |         |
| 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   | <b>Effective 1/1/27</b>            |         |         |         |         |         |         |
| 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.

## Coastside County Water District 2024 Water Rate Study

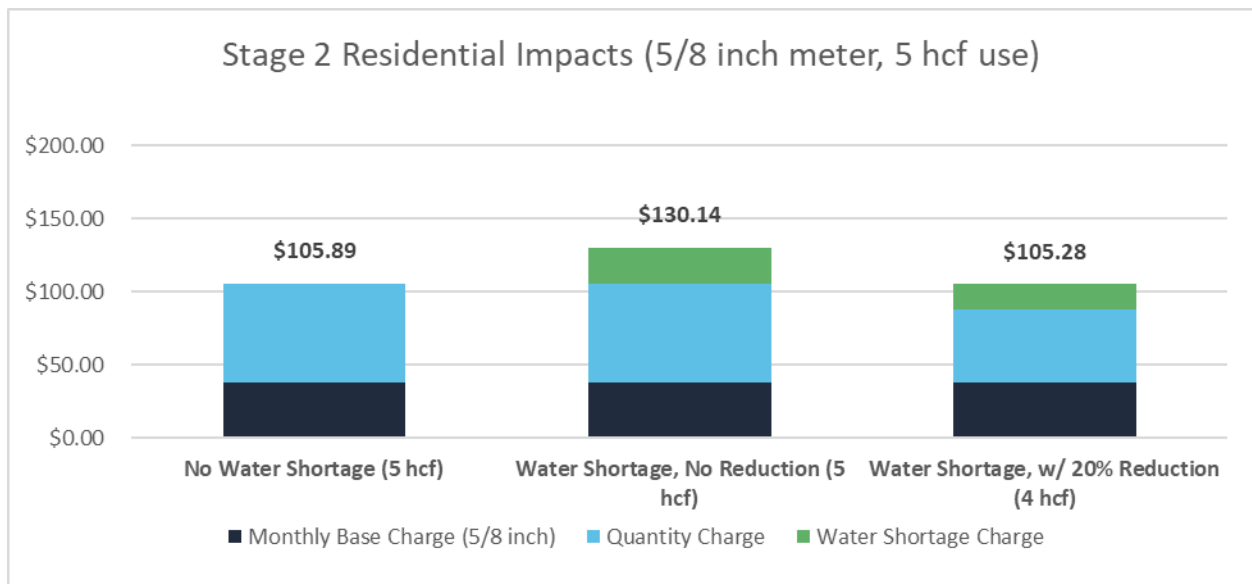
**Table 1-16** shows the proposed Stage 2 impacts for a Single Family Residential customer with a 5/8” meter using 5 hcf of usage per month (prior to any usage reductions mandated by stage). During a Stage 2 water shortage, this customer will pay \$24.25 more each month if they do not reduce their usage 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    | <b>Total Monthly Bill</b>                               | <b>\$105.89</b>           | <b>\$130.14</b>                      | <b>\$105.28</b>                          |

**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.

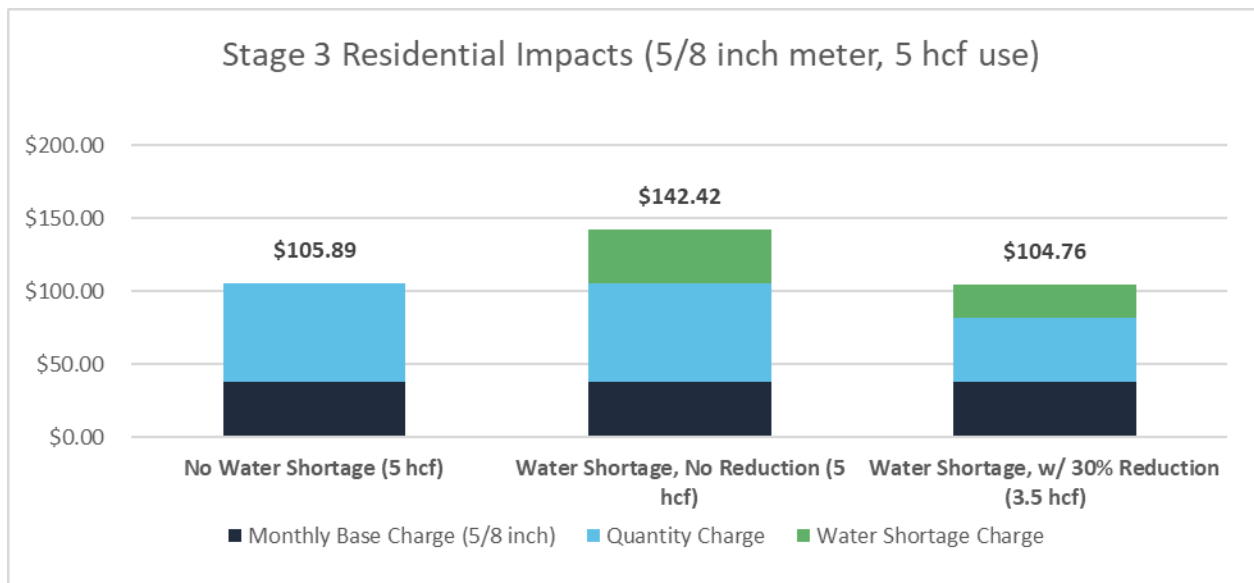
Coastside County Water District 2024 Water Rate Study

**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    | <b>Total Monthly Bill</b>                               | <b>\$105.89</b>           | <b>\$142.42</b>                      | <b>\$104.76</b>                            |

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).

Coastside County Water District 2024 Water Rate Study

**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.

Coastside County Water District 2024 Water Rate Study

**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.

Coastside County Water District 2024 Water Rate Study

Table 2-7: Projected Customer Accounts (Meters)

| Line | Customer Accounts (Meters)       | FYE 2024     | FYE 2025     | FYE 2026     | FYE 2027     | FYE 2028     | FYE 2029     |
|------|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1    | <b>Single Family Residential</b> |              |              |              |              |              |              |
| 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    | <b>Subtotal</b>                  | <b>5,885</b> | <b>5,885</b> | <b>5,885</b> | <b>5,885</b> | <b>5,885</b> | <b>5,885</b> |
| 10   |                                  |              |              |              |              |              |              |
| 11   | <b>Multi-Family</b>              |              |              |              |              |              |              |
| 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   | <b>Subtotal</b>                  | <b>114</b>   | <b>114</b>   | <b>114</b>   | <b>114</b>   | <b>114</b>   | <b>114</b>   |
| 20   |                                  |              |              |              |              |              |              |
| 21   | <b>All Other Customers</b>       |              |              |              |              |              |              |
| 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   | <b>Subtotal</b>                  | <b>576</b>   | <b>576</b>   | <b>576</b>   | <b>576</b>   | <b>576</b>   | <b>576</b>   |
| 30   |                                  |              |              |              |              |              |              |
| 31   | <b>Total - Meters</b>            | <b>6,575</b> | <b>6,575</b> | <b>6,575</b> | <b>6,575</b> | <b>6,575</b> | <b>6,575</b> |

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.

Coastside County Water District 2024 Water Rate Study

**Table 2-8: Projected Customer Accounts (Fire)**

| Line | Customer Accounts (Fire) | FYE 2024     | FYE 2025     | FYE 2026     | FYE 2027     | FYE 2028     | FYE 2029     |
|------|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1    | <b>Private Fire</b>      |              |              |              |              |              |              |
| 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   | <b>Total</b>             | <b>1,113</b> | <b>1,113</b> | <b>1,113</b> | <b>1,113</b> | <b>1,113</b> | <b>1,113</b> |

**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    | <b>Total (hcf)</b>        | <b>653,000</b> | <b>695,369</b> | <b>735,507</b> | <b>735,507</b> | <b>735,507</b> | <b>735,507</b> |
| 8    | <b>Total (MG)</b>         | <b>488</b>     | <b>520</b>     | <b>550</b>     | <b>550</b>     | <b>550</b>     | <b>550</b>     |

**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    | <b>Monthly Base Charge</b>         |                     |                     |                     |                     |                     |                     |
| 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    | <b>Subtotal</b>                    | <b>\$3,091,455</b>  | <b>\$3,192,075</b>  | <b>\$3,192,075</b>  | <b>\$3,192,075</b>  | <b>\$3,192,075</b>  | <b>\$3,192,075</b>  |
| 6    |                                    |                     |                     |                     |                     |                     |                     |
| 7    | <b>Monthly Fire Service Charge</b> |                     |                     |                     |                     |                     |                     |
| 8    | Private Fire                       | \$190,098           | \$196,229           | \$196,229           | \$196,229           | \$196,229           | \$196,229           |
| 9    | <b>Subtotal</b>                    | <b>\$190,098</b>    | <b>\$196,229</b>    | <b>\$196,229</b>    | <b>\$196,229</b>    | <b>\$196,229</b>    | <b>\$196,229</b>    |
| 10   |                                    |                     |                     |                     |                     |                     |                     |
| 11   | <b>Quantity Charge</b>             |                     |                     |                     |                     |                     |                     |
| 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   | <b>Subtotal</b>                    | <b>\$9,337,532</b>  | <b>\$10,302,484</b> | <b>\$10,902,548</b> | <b>\$10,902,548</b> | <b>\$10,902,548</b> | <b>\$10,902,548</b> |
| 16   |                                    |                     |                     |                     |                     |                     |                     |
| 17   | <b>Total - Rate Revenues</b>       | <b>\$12,619,085</b> | <b>\$13,690,788</b> | <b>\$14,290,852</b> | <b>\$14,290,852</b> | <b>\$14,290,852</b> | <b>\$14,290,852</b> |

**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    | <b>Total - Revenues</b> | <b>\$14,599,090</b> | <b>\$16,015,014</b> | <b>\$16,425,777</b> | <b>\$16,430,008</b> | <b>\$16,451,128</b> | <b>\$16,472,479</b> |

## 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

## Coastside County Water District 2024 Water Rate Study

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    | <b>Water Supply Sources</b>                    |                    |                    |                    |                    |                    |                    |
| 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    | <b>Water Production (hcf)</b>                  | <b>680,208</b>     | <b>724,342</b>     | <b>766,153</b>     | <b>766,153</b>     | <b>766,153</b>     | <b>766,153</b>     |
| 9    |  |                    |                    |                    |                    |                    |                    |
| 10   | <b>Water Production by Source</b>              |                    |                    |                    |                    |                    |                    |
| 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   | <b>Total</b>                                   | <b>680,208</b>     | <b>724,342</b>     | <b>766,153</b>     | <b>766,153</b>     | <b>766,153</b>     | <b>766,153</b>     |
| 14   |  |                    |                    |                    |                    |                    |                    |
| 15   | <b>SFPUC Water Purchases</b>                   |                    |                    |                    |                    |                    |                    |
| 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                                 | <b>\$4.83</b>      | <b>\$5.28</b>      | <b>\$5.36</b>      | <b>\$5.54</b>      | <b>\$5.98</b>      | <b>\$6.21</b>      |
| 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   | <b>Total Purchased Water Costs<sup>2</sup></b> | <b>\$2,461,346</b> | <b>\$2,590,744</b> | <b>\$2,870,122</b> | <b>\$2,959,762</b> | <b>\$3,178,882</b> | <b>\$3,293,422</b> |

### 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)**.

<sup>2</sup> 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    | <b>Total - Operating Expenses</b> | <b>\$10,609,648</b> | <b>\$11,295,349</b> | <b>\$11,930,580</b> | <b>\$12,391,831</b> | <b>\$12,999,073</b> | <b>\$13,519,038</b> |

## 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    | <b>Existing Debt Service</b> |                    |                    |                    |                    |                    |                    |
| 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    | <b>Subtotal</b>              | <b>\$1,512,000</b> | <b>\$1,506,840</b> | <b>\$1,506,127</b> | <b>\$1,509,630</b> | <b>\$1,507,262</b> | <b>\$1,503,724</b> |
| 7    |                              |                    |                    |                    |                    |                    |                    |
| 8    | <b>Proposed Debt Service</b> |                    |                    |                    |                    |                    |                    |
| 9    | Proposed FYE 2025 Issuance   | \$0                | \$523,027          | \$523,027          | \$523,027          | \$523,027          | \$523,027          |
| 10   | <b>Subtotal</b>              | <b>\$0</b>         | <b>\$523,027</b>   | <b>\$523,027</b>   | <b>\$523,027</b>   | <b>\$523,027</b>   | <b>\$523,027</b>   |
| 11   |                              |                    |                    |                    |                    |                    |                    |
| 12   | <b>Total - Debt Service</b>  | <b>\$1,512,000</b> | <b>\$2,029,867</b> | <b>\$2,029,153</b> | <b>\$2,032,657</b> | <b>\$2,030,289</b> | <b>\$2,026,751</b> |

## 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    | <b>Total - Capital Projects</b>  | <b>\$4,985,000</b> | <b>\$11,250,000</b> | <b>\$7,636,800</b> | <b>\$3,913,963</b> | <b>\$4,945,971</b> | <b>\$6,011,663</b> |
| 9    |                                  |                    |                     |                    |                    |                    |                    |
| 10   | Capital Execution Rate           | 90.0%              | 85.0%               | 85.0%              | 85.0%              | 85.0%              | 85.0%              |
| 11   | <b>Total - Executed Projects</b> | <b>\$4,486,500</b> | <b>\$9,562,500</b>  | <b>\$6,491,280</b> | <b>\$3,326,869</b> | <b>\$4,204,076</b> | <b>\$5,109,914</b> |

**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    | <b>Total - Capital Financing Plan</b> | <b>\$4,985,000</b> | <b>\$11,250,000</b> | <b>\$7,636,800</b> | <b>\$3,913,963</b> | <b>\$4,945,971</b> | <b>\$6,011,663</b> |

**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<sup>3</sup> (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.

---

<sup>3</sup> 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.

Coastside County Water District 2024 Water Rate Study

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    | <b>Revenues</b>                 |                      |                      |                      |                     |                      |                      |
| 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    | <b>Subtotal</b>                 | <b>\$14,599,090</b>  | <b>\$15,917,114</b>  | <b>\$16,350,602</b>  | <b>\$16,338,022</b> | <b>\$16,334,955</b>  | <b>\$16,341,768</b>  |
| 9    |                                 |                      |                      |                      |                     |                      |                      |
| 10   | <b>Operating Expenses</b>       |                      |                      |                      |                     |                      |                      |
| 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   | <b>Subtotal</b>                 | <b>\$10,609,648</b>  | <b>\$11,295,349</b>  | <b>\$11,930,580</b>  | <b>\$12,391,831</b> | <b>\$12,999,073</b>  | <b>\$13,519,038</b>  |
| 16   |                                 |                      |                      |                      |                     |                      |                      |
| 17   | <b>Net Operating Revenue</b>    | <b>\$3,989,443</b>   | <b>\$4,621,765</b>   | <b>\$4,420,022</b>   | <b>\$3,946,191</b>  | <b>\$3,335,882</b>   | <b>\$2,822,730</b>   |
| 18   |                                 |                      |                      |                      |                     |                      |                      |
| 19   | <b>Debt Service</b>             |                      |                      |                      |                     |                      |                      |
| 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   | <b>Subtotal</b>                 | <b>\$1,512,000</b>   | <b>\$1,506,840</b>   | <b>\$1,506,127</b>   | <b>\$1,509,630</b>  | <b>\$1,507,262</b>   | <b>\$1,503,724</b>   |
| 23   |                                 |                      |                      |                      |                     |                      |                      |
| 24   | <b>Capital Projects</b>         |                      |                      |                      |                     |                      |                      |
| 25   | Rate Funded CIP                 | \$4,486,500          | \$9,562,500          | \$6,491,280          | \$3,326,869         | \$4,204,076          | \$5,109,914          |
| 26   | <b>Subtotal</b>                 | <b>\$4,486,500</b>   | <b>\$9,562,500</b>   | <b>\$6,491,280</b>   | <b>\$3,326,869</b>  | <b>\$4,204,076</b>   | <b>\$5,109,914</b>   |
| 27   |                                 |                      |                      |                      |                     |                      |                      |
| 28   | <b>Net Cash Flow</b>            | <b>(\$2,009,057)</b> | <b>(\$6,447,575)</b> | <b>(\$3,577,384)</b> | <b>(\$890,308)</b>  | <b>(\$2,375,456)</b> | <b>(\$3,790,908)</b> |

Coastside County Water District 2024 Water Rate Study

**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    | <b>Beginning Balance</b>        | <b>\$13,617,266</b> | <b>\$11,608,209</b> | <b>\$5,160,634</b>  | <b>\$1,583,250</b>  | <b>\$692,942</b>     | <b>(\$1,682,514)</b> |
| 2    |                                 |                     |                     |                     |                     |                      |                      |
| 3    | <b>Sources of Funds</b>         |                     |                     |                     |                     |                      |                      |
| 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   | <b>Subtotal</b>                 | <b>\$14,599,090</b> | <b>\$15,917,114</b> | <b>\$16,350,602</b> | <b>\$16,338,022</b> | <b>\$16,334,955</b>  | <b>\$16,341,768</b>  |
| 12   |                                 |                     |                     |                     |                     |                      |                      |
| 13   | <b>Uses of Funds</b>            |                     |                     |                     |                     |                      |                      |
| 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   | <b>Subtotal</b>                 | <b>\$16,608,147</b> | <b>\$22,364,689</b> | <b>\$19,927,986</b> | <b>\$17,228,329</b> | <b>\$18,710,411</b>  | <b>\$20,132,676</b>  |
| 19   |                                 |                     |                     |                     |                     |                      |                      |
| 20   | <b>Ending Balance</b>           | <b>\$11,608,209</b> | <b>\$5,160,634</b>  | <b>\$1,583,250</b>  | <b>\$692,942</b>    | <b>(\$1,682,514)</b> | <b>(\$5,473,422)</b> |

**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    | <b>Reserve Policy</b>      |              |              |             |              |               |               |
| 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    | <b>Debt Coverage</b>       |              |              |             |              |               |               |
| 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)

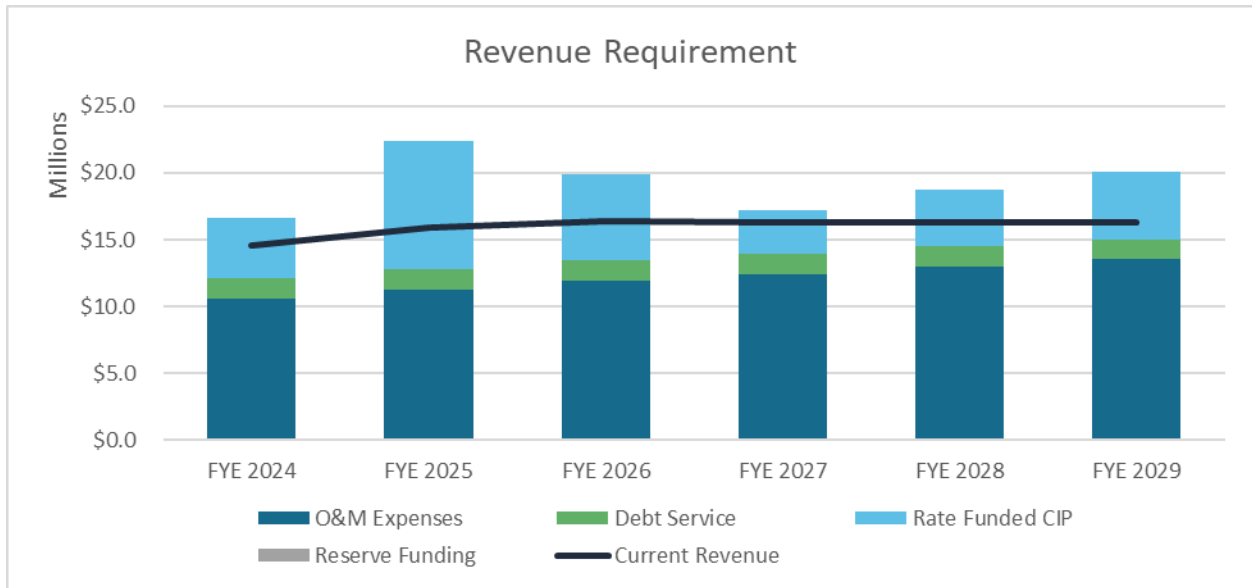


Figure 2-2 shows the debt coverage projections in the status quo financial plan. The required debt coverage (solid black line) is equal to 120%. The District is expected to meet its debt coverage requirements for all years of this scenario.

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

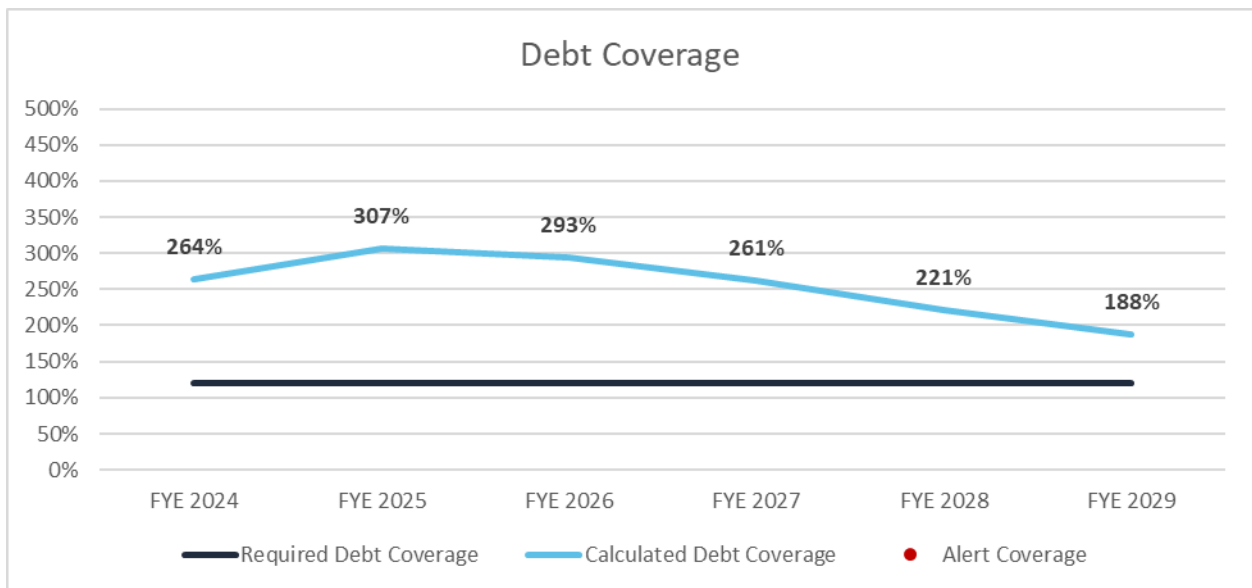
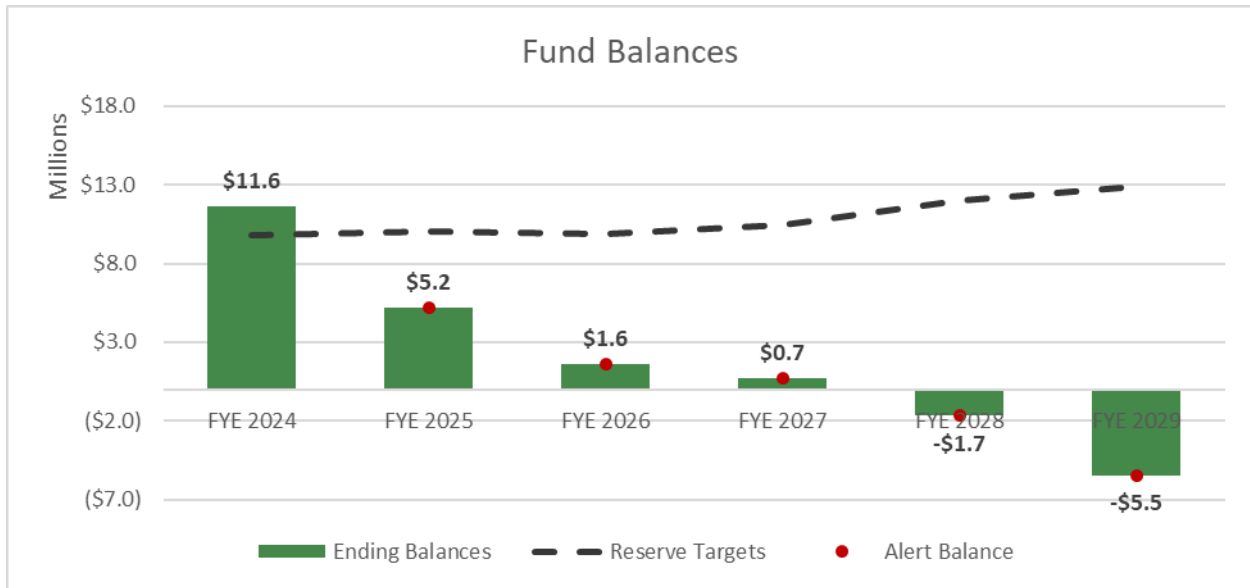


Figure 2-3 shows the fund balance projections in the status quo financial plan. The District’s ending balance (green bars) will not meet the reserve targets (dashed line) from FYE 2025 through FYE 2029. The District’s fund balances will be negative by FYE 2028.

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.

Coastside County Water District 2024 Water Rate Study

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    | <b>Revenues</b>                 |                      |                     |                      |                     |                     |                     |
| 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    | <b>Subtotal</b>                 | <b>\$14,599,090</b>  | <b>\$16,562,646</b> | <b>\$18,186,410</b>  | <b>\$19,474,760</b> | <b>\$20,882,728</b> | <b>\$22,401,875</b> |
| 9    |                                 |                      |                     |                      |                     |                     |                     |
| 10   | <b>Operating Expenses</b>       |                      |                     |                      |                     |                     |                     |
| 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   | <b>Subtotal</b>                 | <b>\$10,609,648</b>  | <b>\$11,295,349</b> | <b>\$11,930,580</b>  | <b>\$12,391,831</b> | <b>\$12,999,073</b> | <b>\$13,519,038</b> |
| 16   |                                 |                      |                     |                      |                     |                     |                     |
| 17   | <b>Net Operating Revenue</b>    | <b>\$3,989,443</b>   | <b>\$5,267,297</b>  | <b>\$6,255,830</b>   | <b>\$7,082,930</b>  | <b>\$7,883,655</b>  | <b>\$8,882,837</b>  |
| 18   |                                 |                      |                     |                      |                     |                     |                     |
| 19   | <b>Debt Service</b>             |                      |                     |                      |                     |                     |                     |
| 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   | <b>Subtotal</b>                 | <b>\$1,512,000</b>   | <b>\$2,029,867</b>  | <b>\$2,029,153</b>   | <b>\$2,032,657</b>  | <b>\$2,030,289</b>  | <b>\$2,026,751</b>  |
| 23   |                                 |                      |                     |                      |                     |                     |                     |
| 24   | <b>Capital Projects</b>         |                      |                     |                      |                     |                     |                     |
| 25   | Rate Funded CIP                 | \$4,486,500          | \$1,562,500         | \$6,491,280          | \$3,326,869         | \$4,204,076         | \$5,109,914         |
| 26   | <b>Subtotal</b>                 | <b>\$4,486,500</b>   | <b>\$1,562,500</b>  | <b>\$6,491,280</b>   | <b>\$3,326,869</b>  | <b>\$4,204,076</b>  | <b>\$5,109,914</b>  |
| 27   |                                 |                      |                     |                      |                     |                     |                     |
| 28   | <b>Net Cash Flow</b>            | <b>(\$2,009,057)</b> | <b>\$1,674,930</b>  | <b>(\$2,264,603)</b> | <b>\$1,723,404</b>  | <b>\$1,649,291</b>  | <b>\$1,746,173</b>  |

## Coastside County Water District 2024 Water Rate Study

### 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    | <b>Beginning Balance</b>        | <b>\$13,617,266</b> | <b>\$11,608,209</b> | <b>\$13,283,139</b> | <b>\$11,018,536</b> | <b>\$12,741,940</b> | <b>\$14,391,231</b> |
| 2    |                                 |                     |                     |                     |                     |                     |                     |
| 3    | <b>Sources of Funds</b>         |                     |                     |                     |                     |                     |                     |
| 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   | <b>Subtotal</b>                 | <b>\$14,599,090</b> | <b>\$24,562,646</b> | <b>\$18,186,410</b> | <b>\$19,474,760</b> | <b>\$20,882,728</b> | <b>\$22,401,875</b> |
| 12   |                                 |                     |                     |                     |                     |                     |                     |
| 13   | <b>Uses of Funds</b>            |                     |                     |                     |                     |                     |                     |
| 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   | <b>Subtotal</b>                 | <b>\$16,608,147</b> | <b>\$22,887,716</b> | <b>\$20,451,013</b> | <b>\$17,751,356</b> | <b>\$19,233,437</b> | <b>\$20,655,703</b> |
| 19   |                                 |                     |                     |                     |                     |                     |                     |
| 20   | <b>Ending Balance</b>           | <b>\$11,608,209</b> | <b>\$13,283,139</b> | <b>\$11,018,536</b> | <b>\$12,741,940</b> | <b>\$14,391,231</b> | <b>\$16,137,404</b> |

**PROPOSED FINANCIAL PERFORMANCE**

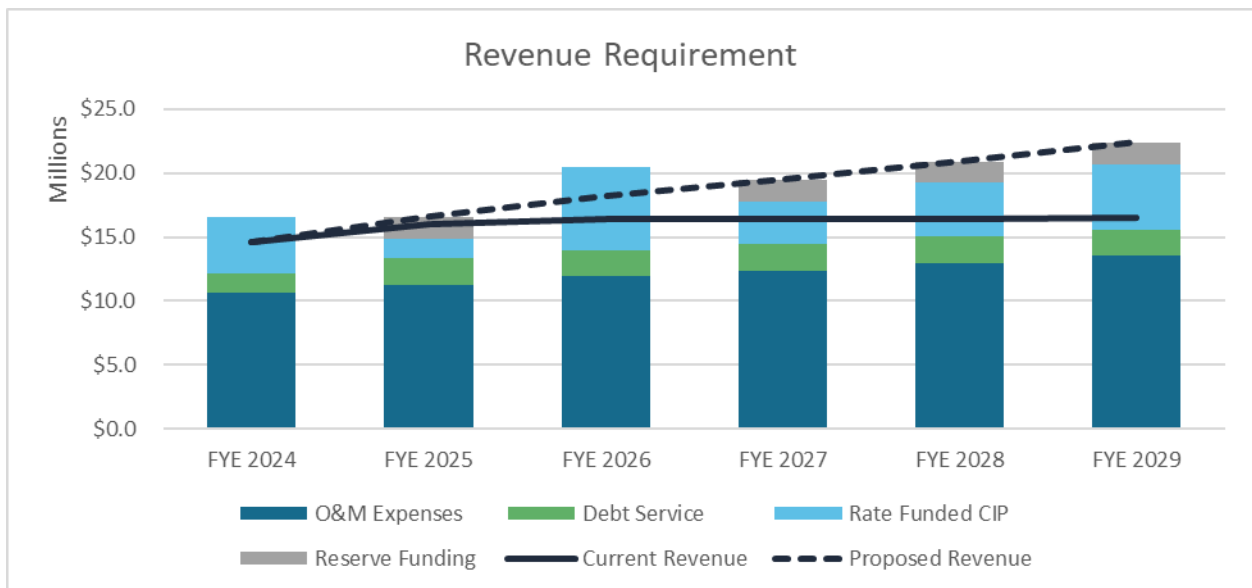
**Table 2-26** shows the forecasted financial performance for the proposed financial plan. Under this plan, the District will meet its reserve targets in all years of the study. The District will be able to meet its debt coverage requirements in all years without any revenue adjustments.

**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    | <b>Reserve Policy</b>      |              |              |              |              |              |              |
| 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    | <b>Debt Coverage</b>       |              |              |              |              |              |              |
| 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.

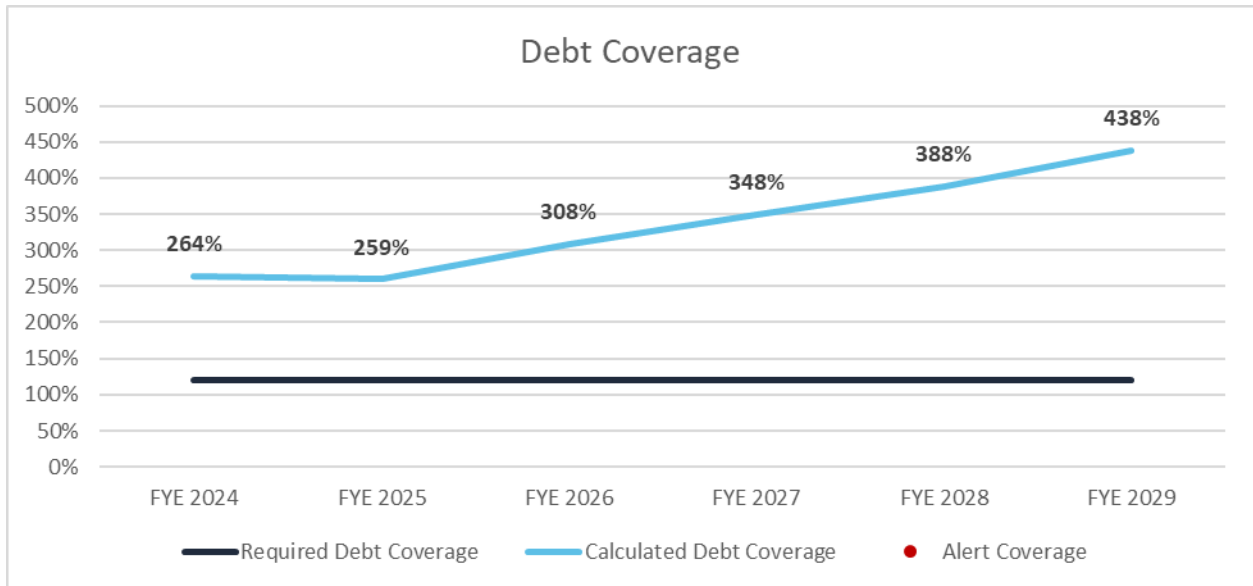
**Figure 2-4: Revenue Requirements vs. Revenues (Proposed Financial Plan)**



## Coastside County Water District 2024 Water Rate Study

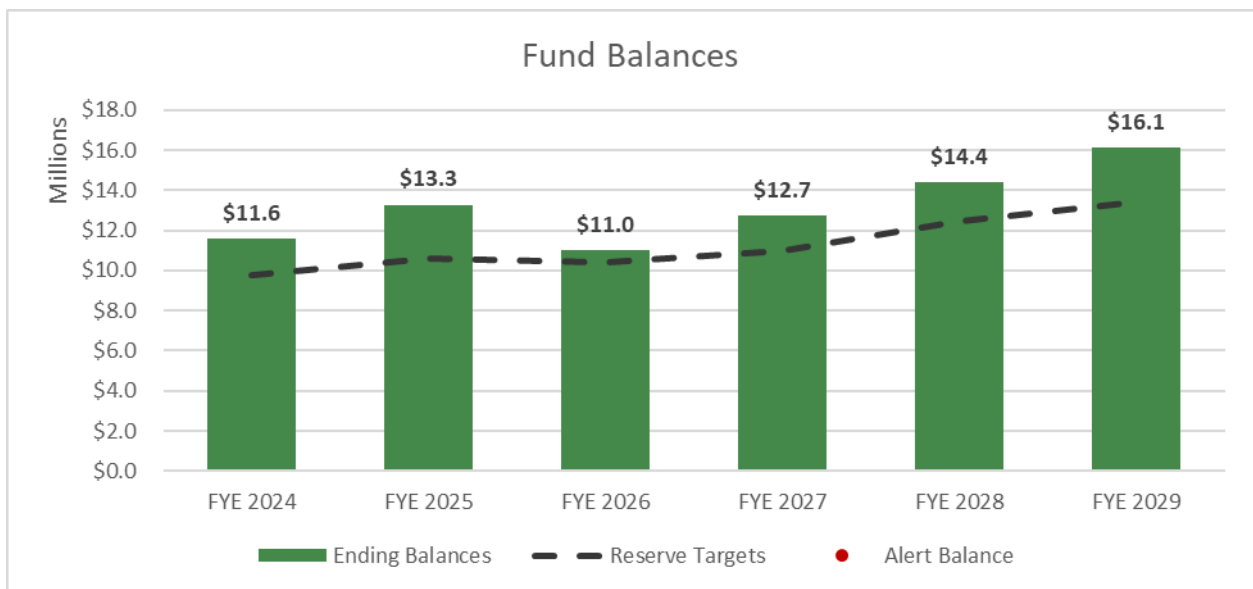
**Figure 2-5** shows the debt coverage projections in the proposed financial plan. The required debt coverage (solid black line) is equal to 120%. The District is expected to meet its debt coverage requirements for all years of this scenario.

**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<sup>4</sup>. 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

---

<sup>4</sup> 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.

## Coastside County Water District 2024 Water Rate Study

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    | <b>Revenue Requirements</b>        |                      |                    |                      |                      |
| 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    | <b>Subtotal</b>                    | <b>\$10,609,648</b>  | <b>\$5,998,500</b> | <b>\$0</b>           | <b>\$16,608,147</b>  |
| 6    |                                    |                      |                    |                      |                      |
| 7    | <b>Revenue Offsets</b>             |                      |                    |                      |                      |
| 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   | <b>Subtotal</b>                    | <b>\$0</b>           | <b>\$0</b>         | <b>(\$1,980,005)</b> | <b>(\$1,980,005)</b> |
| 13   |                                    |                      |                    |                      |                      |
| 14   | <b>Adjustments</b>                 |                      |                    |                      |                      |
| 15   | Cash to/(from) Reserves            | (\$2,009,057)        | \$0                | \$0                  | (\$2,009,057)        |
| 16   | Revenue Adjustment Annualization   | \$411,179            | \$0                | \$0                  | \$411,179            |
| 17   | <b>Subtotal</b>                    | <b>(\$1,597,879)</b> | <b>\$0</b>         | <b>\$0</b>           | <b>(\$1,597,879)</b> |
| 18   |                                    |                      |                    |                      |                      |
| 19   | <b>Total - Revenue Requirement</b> | <b>\$9,011,769</b>   | <b>\$5,998,500</b> | <b>(\$1,980,005)</b> | <b>\$13,030,264</b>  |

### 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)

## Coastside County Water District 2024 Water Rate Study

- **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 <sup>5</sup> | 25.0%            |
| 9    | <b>Total</b>   | <b>\$10,609,648</b>      | <b>100.0%</b>    |

### 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.

<sup>5</sup> 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   | <b>Total</b>   | <b>\$86,879,063</b>   | <b>100.0%</b>    |

**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    | <b>Total</b>   | <b>(\$1,980,005)</b> | <b>100.0%</b>    |

**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

## Coastside County Water District 2024 Water Rate Study

- **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<sup>6</sup> and Max Day<sup>7</sup>
- Max hour demand is allocated proportionately to Base<sup>8</sup>, Max Day<sup>9</sup>, and Max Hour<sup>10</sup>
- 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% |

<sup>6</sup> 1.00/1.40 = 71.4%

<sup>7</sup> (1.40-1.00)/1.40 = 28.6%

<sup>8</sup> 1.00/2.80 = 35.7%

<sup>9</sup> (1.40-1.00)/2.80 = 14.3%

<sup>10</sup> (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 | Conservation | 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% |

## Coastside County Water District 2024 Water Rate Study

### 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         | Conservation    | 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   | <b>Total</b>                | <b>\$124,087</b> | <b>\$754,561</b> | <b>\$0</b>  | <b>\$2,461,346</b> | <b>\$0</b>   | <b>\$3,012,210</b> | <b>\$1,204,884</b> | <b>\$309,584</b> | <b>\$89,500</b> | <b>\$0</b>  | <b>\$2,653,476</b> | <b>\$10,609,648</b> |
| 15   | <b>Operating Allocation</b> | <b>1.2%</b>      | <b>7.1%</b>      | <b>0.0%</b> | <b>23.2%</b>       | <b>0.0%</b>  | <b>28.4%</b>       | <b>11.4%</b>       | <b>2.9%</b>      | <b>0.8%</b>     | <b>0.0%</b> | <b>25.0%</b>       | <b>100.0%</b>       |

## Coastside County Water District 2024 Water Rate Study

### 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-<br>vation | Rev.<br>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   | <b>Total</b>              | <b>\$2,375,498</b> | <b>\$0</b>  | <b>\$786,499</b> | <b>\$0</b>   | <b>\$2,192,109</b> | <b>\$48,644,466</b> | <b>\$19,457,787</b> | <b>\$9,712,756</b> | <b>\$0</b>        | <b>\$0</b>     | <b>\$3,709,948</b> | <b>\$86,879,063</b> |
| 15   | <b>Capital Allocation</b> | <b>2.7%</b>        | <b>0.0%</b> | <b>0.9%</b>      | <b>0.0%</b>  | <b>2.5%</b>        | <b>56.0%</b>        | <b>22.4%</b>        | <b>11.2%</b>       | <b>0.0%</b>       | <b>0.0%</b>    | <b>4.3%</b>        | <b>100.0%</b>       |

## Coastside County Water District 2024 Water Rate Study

### 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   | Conservation | 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   | <b>Total</b>    | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b>   | <b>\$0</b>   | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b>   | <b>(\$995,000)</b> | <b>(\$985,005)</b> | <b>(\$1,980,005)</b> |

### 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    | <b>Total</b> |                               |             | <b>6,575</b> | <b>7,469</b>      |

#### 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.

## Coastside County Water District 2024 Water Rate Study

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   | <b>Total</b>            |               |                 | <b>1,113</b>        | <b>665</b>            | <b>36,828</b>            | <b>157,742</b>             |
| 11   | <b>Percent of Total</b> |               |                 | <b>63%</b>          | <b>37%</b>            | <b>19%</b>               | <b>81%</b>                 |

### 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    | <b>Total</b>              | <b>650,000</b> | <b>1,781</b> |                         | <b>2,522</b>   | <b>741</b>             |                          | <b>5,044</b>    | <b>2,522</b>            |

**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**).

## Coastside County Water District 2024 Water Rate Study

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

<sup>11</sup> 2 hours x 1,000 gpm x 60 minutes/hour x 748 gallons/hcf

<sup>12</sup> (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           | Conservation    | 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    | <b>Preliminary Allocation</b> | <b>\$269,413</b> | <b>\$640,919</b> | <b>\$54,303</b> | <b>\$2,090,652</b> | <b>\$151,353</b> | <b>\$5,917,173</b> | <b>\$2,366,869</b> | <b>\$933,569</b>   | <b>\$76,021</b> | <b>(\$995,000)</b> | <b>\$1,524,992</b> | <b>\$13,030,264</b> |
| 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    | <b>Adjusted for General</b>   | <b>\$302,281</b> | <b>\$719,109</b> | <b>\$60,928</b> | <b>\$2,345,704</b> | <b>\$169,817</b> | <b>\$6,639,049</b> | <b>\$2,655,619</b> | <b>\$1,047,461</b> | <b>\$85,295</b> | <b>(\$995,000)</b> | <b>\$0</b>         | <b>\$13,030,264</b> |

#### 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

## Coastside County Water District 2024 Water Rate Study

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-<br>vation | Rev.<br>Offset     | Total               |
|------|-----------------------------------|--------------------|------------------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|-------------------|--------------------|---------------------|
| 1    | <b>Adjusted for General</b>       | <b>\$302,281</b>   | <b>\$719,109</b> | <b>\$60,928</b>  | <b>\$2,345,704</b> | <b>\$169,817</b> | <b>\$6,639,049</b> | <b>\$2,655,619</b> | <b>\$1,047,461</b> | <b>\$85,295</b>   | <b>(\$995,000)</b> | <b>\$13,030,264</b> |
| 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    | <b>Adjusted for Fire</b>          | <b>\$1,084,315</b> | <b>\$719,109</b> | <b>\$182,582</b> | <b>\$2,345,704</b> | <b>\$169,817</b> | <b>\$6,639,049</b> | <b>\$2,183,131</b> | <b>\$616,261</b>   | <b>\$85,295</b>   | <b>(\$995,000)</b> | <b>\$13,030,264</b> |
| 5    | Maximum Capacity Reallocation     | \$1,399,696        | \$0              | \$0              | \$0                | \$0              | \$0                | (\$1,091,565)      | (\$308,131)        | \$0               | \$0                | \$0                 |
| 6    | <b>Adjusted for Max. Capacity</b> | <b>\$2,484,011</b> | <b>\$719,109</b> | <b>\$182,582</b> | <b>\$2,345,704</b> | <b>\$169,817</b> | <b>\$6,639,049</b> | <b>\$1,091,565</b> | <b>\$308,131</b>   | <b>\$85,295</b>   | <b>(\$995,000)</b> | <b>\$13,030,264</b> |

**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   | <b>Total</b>    | <b>\$13,030,264</b>   |

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

## Coastside County Water District 2024 Water Rate Study

### 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-<br>vation | Rev.<br>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    | <i>Tier 1 (1-4 units)</i> |                    |                  |                  |                    |                  | \$2,298,132        | \$55,007           | \$79,876         |                   |                    |                     |
| 3    | <i>Tier 2 (5-8 units)</i> |                    |                  |                  |                    |                  | \$970,322          | \$131,631          | \$42,719         |                   |                    |                     |
| 4    | <i>Tier 3 (9+ units)</i>  |                    |                  |                  |                    |                  | \$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    | <b>Total</b>              | <b>\$2,484,011</b> | <b>\$719,109</b> | <b>\$182,582</b> | <b>\$2,345,704</b> | <b>\$169,817</b> | <b>\$6,639,049</b> | <b>\$1,091,565</b> | <b>\$308,131</b> | <b>\$85,295</b>   | <b>(\$995,000)</b> | <b>\$13,030,264</b> |

## 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).

## Coastside County Water District 2024 Water Rate Study

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    | <b>Unit Cost (\$/hcf)</b> | <b>\$0.75</b>     | <b>\$5.55</b>     | <b>\$3.87</b> |

**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    | <b>Total</b>              | <b>650,000</b> | <b>227,500</b> | <b>422,500</b> |                  |

### 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    | <b>Total</b>              | <b>650,000</b> | <b>\$1,091,565</b> | <b>\$308,131</b> |            |                            |

**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    | <b>Total</b>              | <b>650,000</b> |                           |                      | <b>\$85,295</b>   | <b>\$0.13</b>          |

**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    | <b>Total</b>              | <b>650,000</b> |                          |                      | <b>(\$995,000)</b> |                       |

**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 | Conservation 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%          |

## Coastside County Water District 2024 Water Rate Study

### 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 WCSP. 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

## Coastside County Water District 2024 Water Rate Study

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    | <b>Total Usage Reduction</b>    | <b>0%</b>      | <b>10%</b>     | <b>20%</b>     | <b>30%</b>     | <b>40%</b>     | <b>50%</b>     | <b>60%</b>     |
| 2    |                                 |                |                |                |                |                |                |                |
| 3    | <b>Usage Reduction by Class</b> |                |                |                |                |                |                |                |
| 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   | <b>Total</b>                    | <b>695,369</b> | <b>625,832</b> | <b>556,295</b> | <b>486,758</b> | <b>417,221</b> | <b>347,684</b> | <b>278,147</b> |
| 11   | <b>Total Usage Reduction</b>    | <b>0%</b>      | <b>-10%</b>    | <b>-20%</b>    | <b>-30%</b>    | <b>-40%</b>    | <b>-50%</b>    | <b>-60%</b>    |

## Coastside County Water District 2024 Water Rate Study

### 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    | <b>Quantity Charges FYE 2025</b> |                     |                    |                    |                    |                    |                    |                    |
| 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    | <b>Consumption Revenues</b>      |                     |                    |                    |                    |                    |                    |                    |
| 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   | <b>Total</b>                     | <b>\$11,186,041</b> | <b>\$9,802,183</b> | <b>\$8,519,891</b> | <b>\$7,282,035</b> | <b>\$6,069,994</b> | <b>\$5,058,329</b> | <b>\$4,046,663</b> |
| 17   |                                  |                     |                    |                    |                    |                    |                    |                    |
| 18   | <b>Consumption Revenue Loss</b>  | <b>\$0</b>          | <b>\$1,383,858</b> | <b>\$2,666,150</b> | <b>\$3,904,006</b> | <b>\$5,116,047</b> | <b>\$6,127,713</b> | <b>\$7,139,378</b> |

### 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

## Coastside County Water District 2024 Water Rate Study

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    | <b>Water Supply Mix</b>       |                    |                    |                    |                    |                    |                    |                    |
| 2    | Local Supply                  | 35%                | 25%                | 6%                 | 6%                 | 0%                 | 0%                 | 0%                 |
| 3    | SFPUC                         | 65%                | 75%                | 94%                | 94%                | 100%               | 100%               | 100%               |
| 4    | <b>Total</b>                  | <b>100%</b>        | <b>100%</b>        | <b>100%</b>        | <b>100%</b>        | <b>100%</b>        | <b>100%</b>        | <b>100%</b>        |
| 5    |                               |                    |                    |                    |                    |                    |                    |                    |
| 6    | <b>SFPUC Water Purchases</b>  |                    |                    |                    |                    |                    |                    |                    |
| 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   | <b>SFPUC Variable Cost</b>    | <b>\$2,485,943</b> | <b>\$2,581,556</b> | <b>\$2,876,045</b> | <b>\$2,516,539</b> | <b>\$2,294,717</b> | <b>\$1,912,264</b> | <b>\$1,529,811</b> |
| 13   |                               |                    |                    |                    |                    |                    |                    |                    |
| 14   | <b>Supply Cost Difference</b> | <b>\$0</b>         | <b>\$95,613</b>    | <b>\$390,102</b>   | <b>\$30,596</b>    | <b>(\$191,226)</b> | <b>(\$573,679)</b> | <b>(\$956,132)</b> |

**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    | <b>Total Costs</b>            | <b>\$0</b>          | <b>\$1,479,472</b> | <b>\$3,056,252</b> | <b>\$3,934,602</b> | <b>\$5,174,821</b> | <b>\$5,804,034</b> | <b>\$6,433,246</b> |
| 5    |                               |                     |                    |                    |                    |                    |                    |                    |
| 6    | <b>Consumption Revenues</b>   | <b>\$11,186,041</b> | <b>\$9,802,183</b> | <b>\$8,519,891</b> | <b>\$7,282,035</b> | <b>\$6,069,994</b> | <b>\$5,058,329</b> | <b>\$4,046,663</b> |
| 7    | <b>% Change from Revenues</b> | <b>0%</b>           | <b>15%</b>         | <b>36%</b>         | <b>54%</b>         | <b>85%</b>         | <b>115%</b>        | <b>159%</b>        |

## Coastside County Water District 2024 Water Rate Study

### 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    | <b>Increase to Quantity Charges</b>     | <b>0%</b> | <b>15%</b> | <b>36%</b> | <b>54%</b> | <b>85%</b> | <b>115%</b> | <b>159%</b> |
| 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    | <b>Incremental Water Shortage Rates</b> |           |            |            |            |            |             |             |
| 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       |

Coastside County Water District 2024 Water Rate Study

**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    | <b>As of 1/18/24</b>         |         |         |         |         |         |         |
| 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    | <b>Effective 1/1/25</b>      |         |         |         |         |         |         |
| 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   | <b>Effective 1/1/26</b>      |         |         |         |         |         |         |
| 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   | <b>Effective 1/1/27</b>      |         |         |         |         |         |         |
| 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    | <b>As of 1/18/24</b>               |         |         |         |         |         |         |
| 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    | <b>Effective 1/1/25</b>            |         |         |         |         |         |         |
| 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   | <b>Effective 1/1/26</b>            |         |         |         |         |         |         |
| 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   | <b>Effective 1/1/27</b>            |         |         |         |         |         |         |
| 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

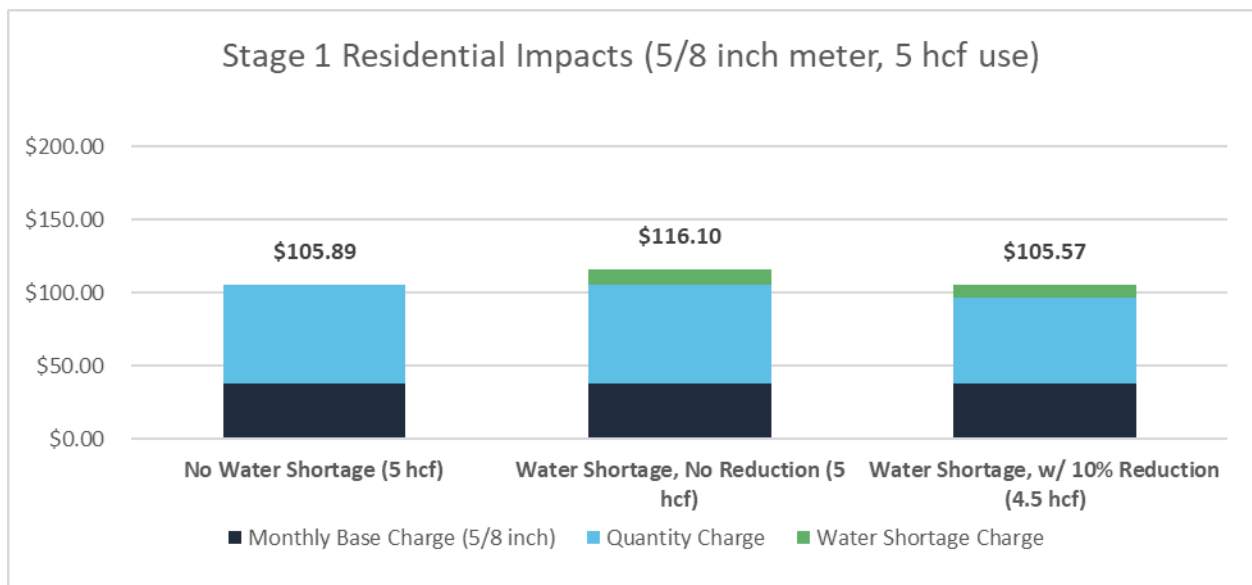
## Coastside County Water District 2024 Water Rate Study

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    | <b>Total Monthly Bill</b>                               | <b>\$105.89</b>           | <b>\$116.10</b>                      | <b>\$105.57</b>                            |

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



## RESIDENTIAL CUSTOMER IMPACTS (STAGE 2)

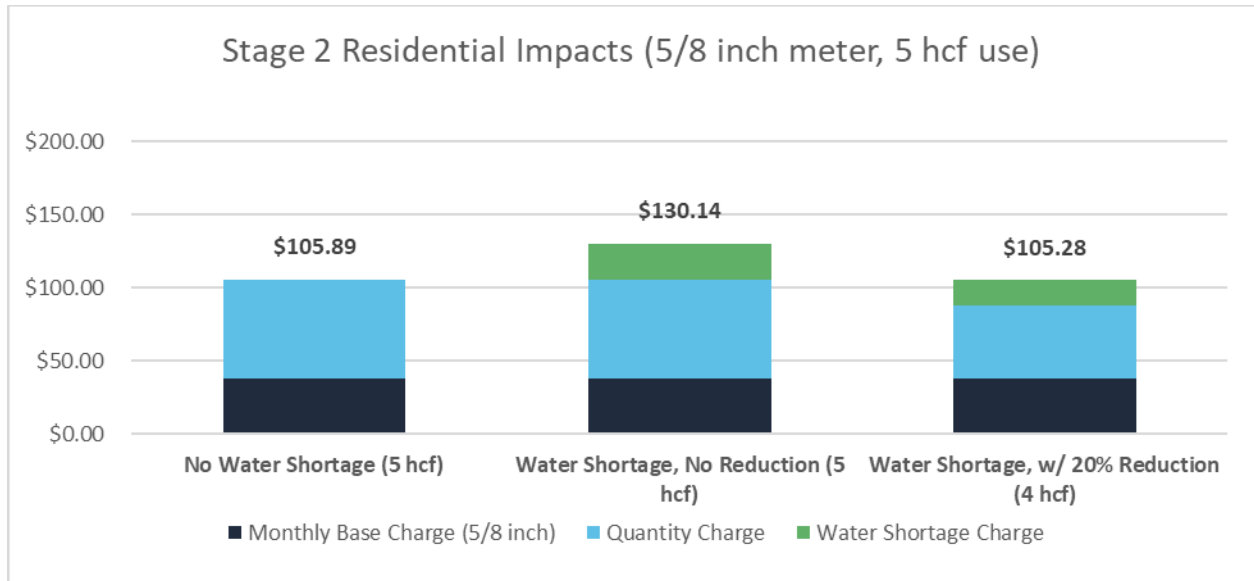
**Table 5-10** and **Figure 5-2** show the proposed Stage 2 impacts for a Single Family Residential customer with a 5/8" meter using 5 hcf of usage per month (prior to any usage reductions mandated by stage). During a Stage 2 water shortage, this customer will pay \$24.25 more each month if they do not 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.

Coastside County Water District 2024 Water Rate Study

**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    | <b>Total Monthly Bill</b>                               | <b>\$105.89</b>           | <b>\$130.14</b>                      | <b>\$105.28</b>                          |

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



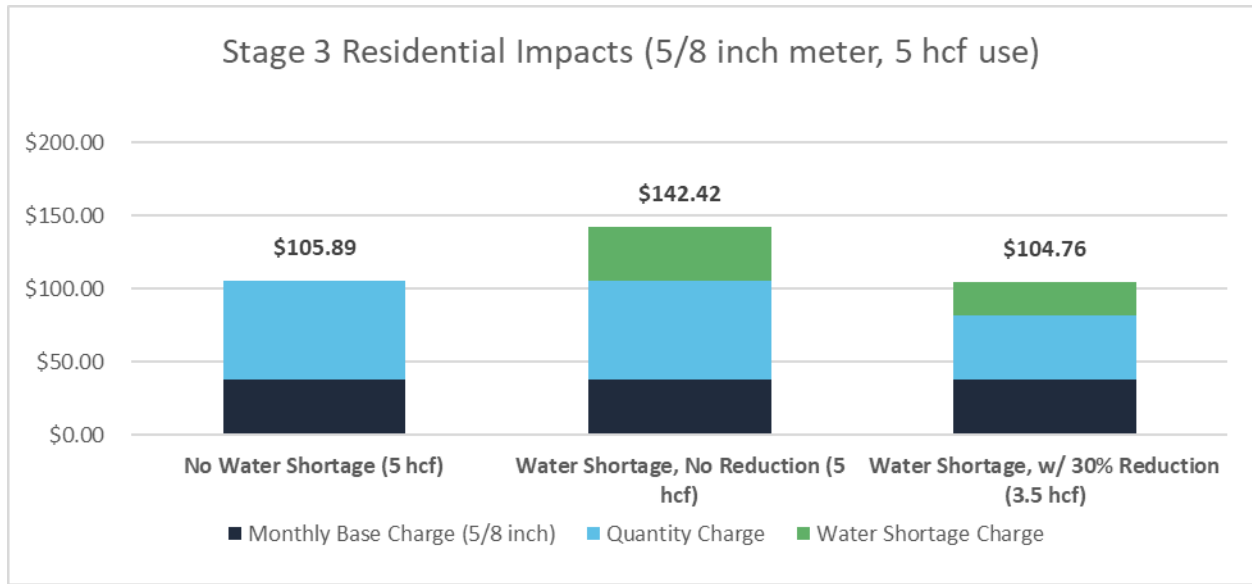
**RESIDENTIAL CUSTOMER IMPACTS (STAGE 3)**

**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    | <b>Total Monthly Bill</b>                               | <b>\$105.89</b>           | <b>\$142.42</b>                      | <b>\$104.76</b>                            |

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



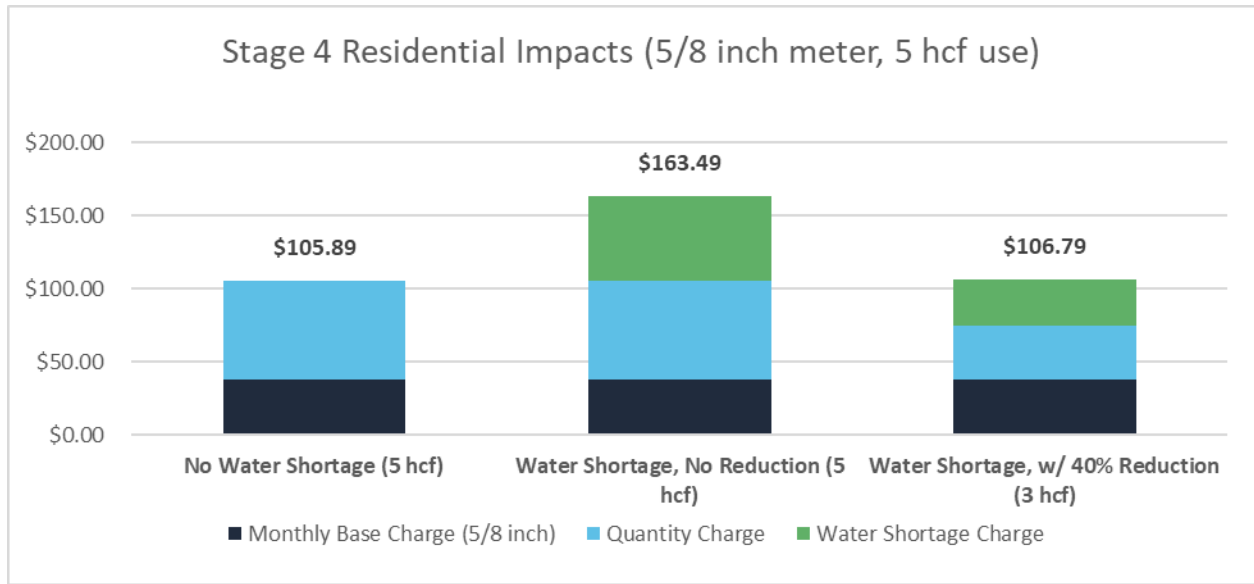
**RESIDENTIAL CUSTOMER IMPACTS (STAGE 4)**

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    | <b>Total Monthly Bill</b>                               | <b>\$105.89</b>           | <b>\$163.49</b>                      | <b>\$106.79</b>                          |

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



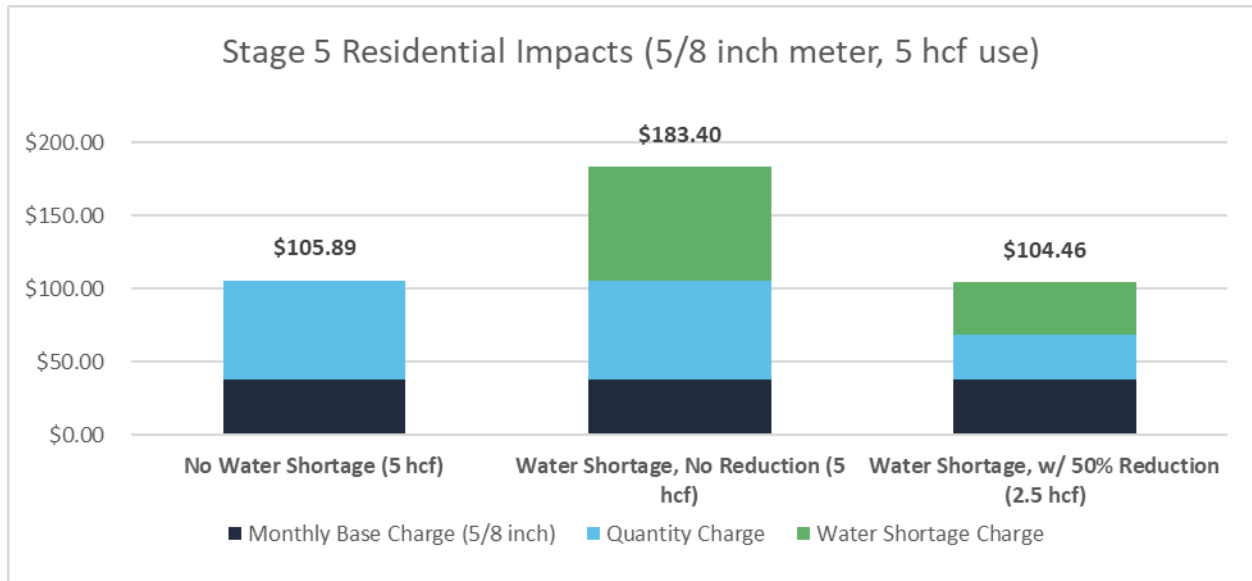
**RESIDENTIAL CUSTOMER IMPACTS (STAGE 5)**

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    | <b>Total Monthly Bill</b>                               | <b>\$105.89</b>           | <b>\$183.40</b>                      | <b>\$104.46</b>                            |

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



**RESIDENTIAL CUSTOMER IMPACTS (STAGE 6)**

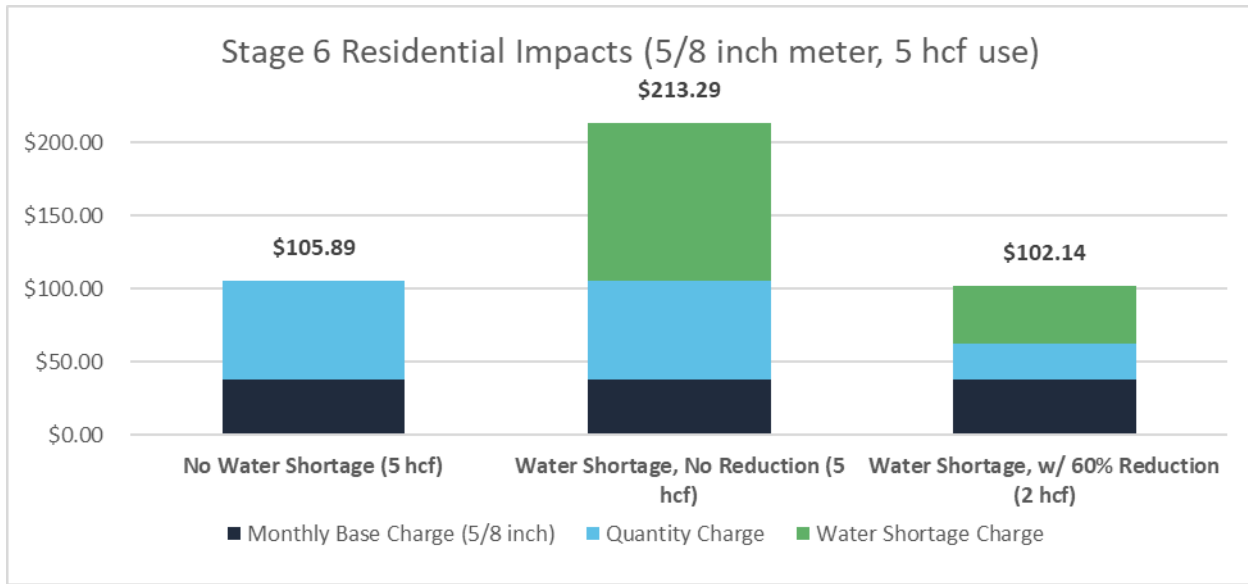
Table 5-14 and Figure 5-6 show the proposed Stage 6 impacts for a Single Family Residential customer with a 5/8” meter using 5 hcf of usage per month (prior to any usage reductions mandated by stage). During a Stage 6 water shortage, this customer will pay \$107.40 more each month if they do not reduce 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    | <b>Total Monthly Bill</b>                               | <b>\$105.89</b>           | <b>\$213.29</b>                      | <b>\$102.14</b>                          |

Coastside County Water District 2024 Water Rate Study

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   |

## Coastside County Water District 2024 Water Rate Study

| 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   | <b>Total - Operating Expenses</b>     | <b>\$10,609,648</b> | <b>\$11,295,349</b> | <b>\$11,930,580</b> | <b>\$12,391,831</b> | <b>\$12,999,073</b> | <b>\$13,519,038</b> |

Coastside County Water District 2024 Water Rate Study

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    | <b>Equipment Purchase &amp; Replacement</b>             |                |           |             |             |             |             |             |
| 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    | <b>Pipeline Projects</b>                                |                |           |             |             |             |             |             |
| 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   | <b>Pump Stations/Tanks/Wells</b>                        |                |           |             |             |             |             |             |
| 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   | <b>Water Supply Development</b>                         |                |           |             |             |             |             |             |

## Coastside County Water District 2024 Water Rate Study

| 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   | <b>Water Treatment Plants</b>                     |                |                    |                     |                    |                    |                    |                    |
| 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   | <b>Total - Capital Projects</b>                   |                | <b>\$4,985,000</b> | <b>\$11,250,000</b> | <b>\$7,636,800</b> | <b>\$3,913,963</b> | <b>\$4,945,971</b> | <b>\$6,011,663</b> |

## Coastside County Water District 2024 Water Rate Study

### 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%      | 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   | <b>Total - Operating Expenses</b>     | <b>\$10,609,648</b> | <b>\$124,087</b> | <b>\$754,561</b> | <b>\$0</b> | <b>\$2,461,346</b> | <b>\$0</b>   | <b>\$1,710,558</b> | <b>\$1,577,783</b> | <b>\$0</b> | <b>\$1,238,337</b> | <b>\$0</b>   | <b>\$89,500</b> | <b>\$2,653,476</b> | <b>\$10,609,648</b> |

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     |

## Coastside County Water District 2024 Water Rate Study

| 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     |

## Coastside County Water District 2024 Water Rate Study

| 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     |

## Coastside County Water District 2024 Water Rate Study

| 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     |

## Coastside County Water District 2024 Water Rate Study

| 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       |

## Coastside County Water District 2024 Water Rate Study

| 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       |

## Coastside County Water District 2024 Water Rate Study

| 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       |

## Coastside County Water District 2024 Water Rate Study

| Line | Department                               | Asset ID | Acquired Date | Asset Life (Months) | Original Cost | RCLD      | Cost Function |
|------|--|----------|---------------|---------------------|---------------|-----------|---------------|
| 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           |

## Coastside County Water District 2024 Water Rate Study

| Line | Department                               | Asset ID | Acquired Date | Asset Life (Months) | Original Cost | RCLD        | Cost Function |
|------|--|----------|---------------|---------------------|---------------|-------------|---------------|
| 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           |

## Coastside County Water District 2024 Water Rate Study

| Line | Department                               | Asset ID | Acquired Date | Asset Life (Months) | Original Cost | RCLD     | Cost Function |
|------|--|----------|---------------|---------------------|---------------|----------|---------------|
| 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           |

## Coastside County Water District 2024 Water Rate Study

| Line | Department                               | Asset ID | Acquired Date | Asset Life (Months) | Original Cost | RCLD      | Cost Function |
|------|--|----------|---------------|---------------------|---------------|-----------|---------------|
| 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           |

## Coastside County Water District 2024 Water Rate Study

| Line | Department                               | Asset ID | Acquired Date | Asset Life (Months) | Original Cost | RCLD        | Cost Function |
|------|--|----------|---------------|---------------------|---------------|-------------|---------------|
| 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           |

## Coastside County Water District 2024 Water Rate Study

| 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           |

## Coastside County Water District 2024 Water Rate Study

| 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           |

## Coastside County Water District 2024 Water Rate Study

| 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        |

## Coastside County Water District 2024 Water Rate Study

| 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       |

## Coastside County Water District 2024 Water Rate Study

| 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       |

## Coastside County Water District 2024 Water Rate Study

| 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       |

## Coastside County Water District 2024 Water Rate Study

| 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  | <b>Total - Capital Assets</b>           |          |               |                     | <b>\$98,105,352</b> | <b>\$86,879,063</b> |               |

This page intentionally left blank

## **Exhibit B**

### **Approved Fiscal Year 2024-2025 Operations and Maintenance Budget**

**COASTSIDE COUNTY WATER DISTRICT**  
**Operations & Maintenance Budget - FY 2024-2025**

**Exhibit B**  
**Final 6.11.2024**

| 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                            |
| <b>OPERATING REVENUE</b>                 |                                    |                           |                              |                                    |                                      |
| 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%                                 |
| <b>Total Operating Revenue</b>           |                                    | <b>\$ 13,684,409</b>      | <b>\$12,963,614</b>          | <b>720,796</b>                     | <b>5.6%</b>                          |
| (*) Excludes January, 2025 Rate increase |                                    |                           |                              |                                    |                                      |
| <b>NON-OPERATING REVENUE</b>             |                                    |                           |                              |                                    |                                      |
| 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%                                 |
| <b>Total Non-Operating Revenue</b>       |                                    | <b>\$2,367,000</b>        | <b>\$1,962,000</b>           | <b>\$405,000</b>                   | <b>20.6%</b>                         |
| <b>TOTAL REVENUES</b>                    |                                    | <b>\$16,051,409</b>       | <b>\$14,925,614</b>          | <b>\$1,125,796</b>                 | <b>7.5%</b>                          |
| <b>OPERATING EXPENSES</b>                |                                    |                           |                              |                                    |                                      |
| 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

|   |                                       | Final FY<br>2024/2025<br>Budget | Approved FY<br>2023/2024<br>Budget | FY24/25<br>Budget Vs. FY<br>23/24 Budget | FY24/25<br>Budget Vs.<br>FY 23/24<br>Budget % |
|---|---------------------------------------|---------------------------------|------------------------------------|--|---|
| Account<br>Number                       | Description                           |                                 |                                    | \$ 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%  |
|   |                                       |                                 |                                    |  |   |
| <b>Total Operating Expenses</b>         |                                       | <b>\$11,485,230</b>             | <b>\$10,609,648</b>                | <b>\$875,582</b>                         | <b>8.3%</b>                                   |
| <b>CAPITAL ACCOUNTS</b>                 |                                       |                                 |                                    |  |   |
| 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%)  |
| <b>Total Capital Accounts</b>           |                                       | <b>\$1,506,840</b>              | <b>\$1,512,000</b>                 | <b>(\$5,160)</b>                         | <b>(0.3%)</b>                                 |
| <b>TOTAL REVENUE LESS TOTAL EXPENSE</b> |                                       | <b>\$3,059,339</b>              | <b>\$2,803,966</b>                 | <b>\$255,373</b>                         |   |
| 5713                                    | Cont. to CIP & Reserves               | \$3,059,339                     | \$2,803,966                        |  |   |

## **Exhibit C**

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

| 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 |
|---|--|---------------------|--------------------------------------|---------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------------------------|
| <b>Equipment Purchase &amp; Replacement</b> |  |                     |                                      |                     |                   |                   |                     |                     |                     |                     |                     |                     |                     |                                      |
| 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                           |
|   | <b>Equipment Purchase &amp; Replacement Totals</b>   |                     | <b>\$ 1,500,000</b>                  | <b>\$ 100,000</b>   | <b>\$ 100,000</b> | <b>\$ 100,000</b> | <b>\$ 100,000</b>   | <b>\$ 600,000</b>   | <b>\$ 100,000</b>   | <b>\$ 100,000</b>   | <b>\$ 100,000</b>   | <b>\$ 100,000</b>   | <b>\$ 100,000</b>   | <b>\$ 1,500,000</b>                  |
| <b>Facilities &amp; Maintenance</b>         |  |                     |                                      |                     |                   |                   |                     |                     |                     |                     |                     |                     |                     |                                      |
| 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                           |
|   | <b>Facilities and Maintenance Totals</b>   |                     | <b>\$ 1,900,000</b>                  | <b>\$ 550,000</b>   | <b>\$ 150,000</b> | <b>\$ 150,000</b> | <b>\$ 150,000</b>   | <b>\$ 150,000</b>   | <b>\$ 150,000</b>   | <b>\$ 150,000</b>   | <b>\$ 150,000</b>   | <b>\$ 150,000</b>   | <b>\$ 150,000</b>   | <b>\$ 1,900,000</b>                  |
| <b>Pipeline Projects</b>                    |  |                     |                                      |                     |                   |                   |                     |                     |                     |                     |                     |                     |                     |                                      |
| 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                         |
|   | <b>Pipeline Projects Totals</b>  |                     | <b>\$ 25,700,000</b>                 | <b>\$ 3,500,000</b> | <b>\$ 800,000</b> | <b>\$ 900,000</b> | <b>\$ 3,600,000</b> | <b>\$ 3,100,000</b> | <b>\$ 3,400,000</b> | <b>\$ 3,100,000</b> | <b>\$ 2,100,000</b> | <b>\$ 2,100,000</b> | <b>\$ 3,100,000</b> | <b>\$ 25,700,000</b>                 |
| <b>Pump Stations/Tanks/Wells</b>            |  |                     |                                      |                     |                   |                   |                     |                     |                     |                     |                     |                     |                     |                                      |
| 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                            |
|                                 | <b>Pump Stations/Tanks/Wells Totals</b>             |                | <b>\$ 26,550,000</b>                 | <b>\$ 4,550,000</b>  | <b>\$ 5,800,000</b> | <b>\$ 2,000,000</b> | <b>\$ 200,000</b>   | <b>\$ 1,000,000</b> | <b>\$ 2,000,000</b> | <b>\$ 1,000,000</b> | <b>\$ 5,000,000</b> | <b>\$ 5,000,000</b> | <b>\$ -</b>         | <b>\$ 26,550,000</b>                 |
| <b>Water Supply Development</b> |   |                |                                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                                      |
| 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                           |
|                                 | <b>Water Supply Development Totals</b>              |                | <b>\$ 8,950,000</b>                  | <b>\$ 2,050,000</b>  | <b>\$ 550,000</b>   | <b>\$ 450,000</b>   | <b>\$ 450,000</b>   | <b>\$ 450,000</b>   | <b>\$ 2,200,000</b> | <b>\$ 200,000</b>   | <b>\$ 2,200,000</b> | <b>\$ 200,000</b>   | <b>\$ 200,000</b>   | <b>\$ 8,950,000</b>                  |
| <b>Water Treatment Plants</b>   |   |                |                                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                                      |
| 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                         |
|                                 | <b>Water Treatment Plants Totals</b>                |                | <b>\$ 4,575,000</b>                  | <b>\$ 500,000</b>    | <b>\$ -</b>         | <b>\$ 75,000</b>    | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 4,000,000</b> | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 4,575,000</b>                  |
| <b>GRAND TOTAL</b>              |   |                | <b>\$ 69,175,000</b>                 | <b>\$ 11,250,000</b> | <b>\$ 7,400,000</b> | <b>\$ 3,675,000</b> | <b>\$ 4,500,000</b> | <b>\$ 5,300,000</b> | <b>\$ 7,850,000</b> | <b>\$ 8,550,000</b> | <b>\$ 9,550,000</b> | <b>\$ 7,550,000</b> | <b>\$ 3,550,000</b> | <b>\$ 69,175,000</b>                 |

**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**

**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 Coastsides 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:

| <b>Size of Meter</b> | <b>Effective January 20, 2025<br/>Monthly Base Charge</b> | <b>Effective January 19, 2026<br/>Monthly Base Charge</b> | <b>Effective January 18, 2027<br/>Monthly Base Charge</b> |
|----------------------|---|---|---|
| 5/8 x 3/4 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 <u>inch</u>        | \$247.89  | \$267.73  | \$289.15  |
| 3 <u>inch</u>        | \$532.27  | \$574.86  | \$620.85  |
| 4 <u>inch</u>        | \$951.34  | \$1,027.45  | \$1,109.65  |
| 6 <u>inch</u>        | \$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<br>Monthly Water Consumption Charge per hcf | Effective January 19, 2026<br>Monthly Water Consumption Charge per hcf | Effective January 18, 2027<br>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<br>Monthly Water Consumption Charge per hcf | Effective January 19, 2026<br>Monthly Water Consumption Charge per hcf | Effective January 18, 2027<br>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.

| <b>Size of Meter</b> | <b>Effective January 20, 2025<br/>Monthly Service Charge</b> | <b>Effective January 19, 2026<br/>Monthly Service Charge</b> | <b>Effective January 18, 2027<br/>Monthly Service Charge</b> |
|----------------------|--|--|--|
| 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 |
|------------------------|-----------|---------|---------|---------|---------|---------|---------|
| <b>Residential</b>     |           |         |         |         |         |         |         |
| Tier 1<br>1 - 4 units  | \$0.00    | \$1.86  | \$4.42  | \$6.66  | \$10.50 | \$14.13 | \$19.58 |
| Tier 2<br>5 - 8 units  | \$0.00    | \$2.77  | \$6.57  | \$9.89  | \$15.60 | \$20.99 | \$29.08 |
| Tier 3<br>9+ units     | \$0.00    | \$3.35  | \$7.95  | \$11.97 | \$18.89 | \$25.42 | \$35.22 |
| <b>Multi-Family</b>    | \$0.00    | \$2.22  | \$5.27  | \$7.94  | \$12.53 | \$16.86 | \$23.36 |
| <b>Non-Residential</b> | \$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 |
|------------------------|-----------|---------|---------|---------|---------|---------|---------|
| <b>Residential</b>     |           |         |         |         |         |         |         |
| Tier 1<br>1 - 4 units  | \$12.31   | \$14.17 | \$16.73 | \$18.97 | \$22.81 | \$26.44 | \$31.89 |
| Tier 2<br>5 - 8 units  | \$18.29   | \$21.06 | \$24.86 | \$28.18 | \$33.89 | \$39.28 | \$47.37 |
| Tier 3<br>9+ units     | \$22.15   | \$25.50 | \$30.10 | \$34.12 | \$41.04 | \$47.57 | \$57.37 |
| <b>Multi-Family</b>    | \$14.69   | \$16.91 | \$19.96 | \$22.63 | \$27.22 | \$31.55 | \$38.05 |
| <b>Non-Residential</b> | \$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 |
|------------------------|-----------|---------|---------|---------|---------|---------|---------|
| <b>Residential</b>     |           |         |         |         |         |         |         |
| Tier 1<br>1 - 4 units  | \$0.00    | \$2.01  | \$4.78  | \$7.20  | \$11.34 | \$15.27 | \$21.15 |
| Tier 2<br>5 - 8 units  | \$0.00    | \$3.00  | \$7.10  | \$10.69 | \$16.85 | \$22.67 | \$31.41 |
| Tier 3<br>9+ units     | \$0.00    | \$3.62  | \$8.59  | \$12.93 | \$20.41 | \$27.46 | \$38.04 |
| <b>Multi-Family</b>    | \$0.00    | \$2.40  | \$5.70  | \$8.58  | \$13.54 | \$18.21 | \$25.23 |
| <b>Non-Residential</b> | \$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 |
|------------------------|-----------|---------|---------|---------|---------|---------|---------|
| <b>Residential</b>     |           |         |         |         |         |         |         |
| Tier 1<br>1 - 4 units  | \$13.30   | \$15.31 | \$18.08 | \$20.50 | \$24.64 | \$28.57 | \$34.45 |
| Tier 2<br>5 - 8 units  | \$19.76   | \$22.76 | \$26.86 | \$30.45 | \$36.61 | \$42.43 | \$51.17 |
| Tier 3<br>9+ units     | \$23.93   | \$27.55 | \$32.52 | \$36.86 | \$44.34 | \$51.39 | \$61.97 |
| <b>Multi-Family</b>    | \$15.87   | \$18.27 | \$21.57 | \$24.45 | \$29.41 | \$34.08 | \$41.10 |
| <b>Non-Residential</b> | \$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 |
|------------------------|-----------|---------|---------|---------|---------|---------|---------|
| <b>Residential</b>     |           |         |         |         |         |         |         |
| Tier 1<br>1 - 4 units  | \$0.00    | \$2.18  | \$5.17  | \$7.78  | \$12.25 | \$16.50 | \$22.85 |
| Tier 2<br>5 - 8 units  | \$0.00    | \$3.24  | \$7.67  | \$11.55 | \$18.20 | \$24.49 | \$33.93 |
| Tier 3<br>9+ units     | \$0.00    | \$3.91  | \$9.28  | \$13.97 | \$22.05 | \$29.66 | \$41.09 |
| <b>Multi-Family</b>    | \$0.00    | \$2.60  | \$6.16  | \$9.27  | \$14.63 | \$19.67 | \$27.25 |
| <b>Non-Residential</b> | \$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 |
|------------------------|-----------|---------|---------|---------|---------|---------|---------|
| <b>Residential</b>     |           |         |         |         |         |         |         |
| Tier 1<br>1 - 4 units  | \$14.37   | \$16.55 | \$19.54 | \$22.15 | \$26.62 | \$30.87 | \$37.22 |
| Tier 2<br>5 - 8 units  | \$21.35   | \$24.59 | \$29.02 | \$32.90 | \$39.55 | \$45.84 | \$55.28 |
| Tier 3<br>9+ units     | \$25.85   | \$29.76 | \$35.13 | \$39.82 | \$47.90 | \$55.51 | \$66.94 |
| <b>Multi-Family</b>    | \$17.14   | \$19.74 | \$23.30 | \$26.41 | \$31.77 | \$36.81 | \$44.39 |
| <b>Non-Residential</b> | \$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.

| <b>Water Shortage Stage</b> | <b>Shortage Level</b> | <b>Shortage Description</b>           |
|-----------------------------|-----------------------|---------------------------------------|
| 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**

**NOTICE OF EXEMPTION**

**COASTSIDE COUNTY WATER DISTRICT**

**TO:** San Mateo County  
Assessor-County Clerk-Recorder  
555 County Center, 1<sup>st</sup> 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)**

- 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**

Mary Rogren

Date: November 12, 2024

**Area Code Telephone**

(650) 726-4405

---

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



# 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



# 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

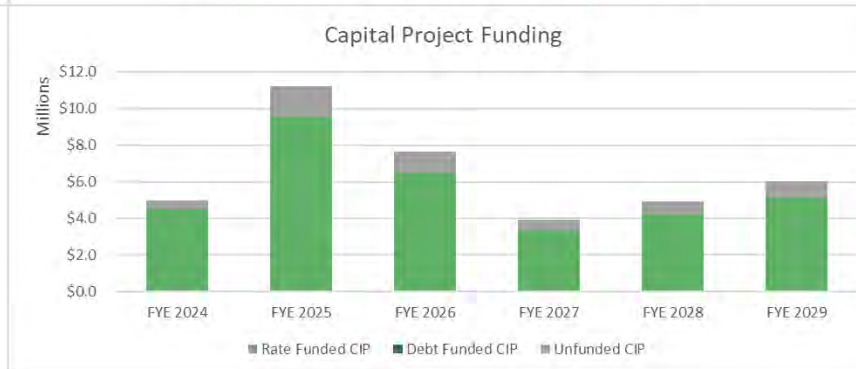
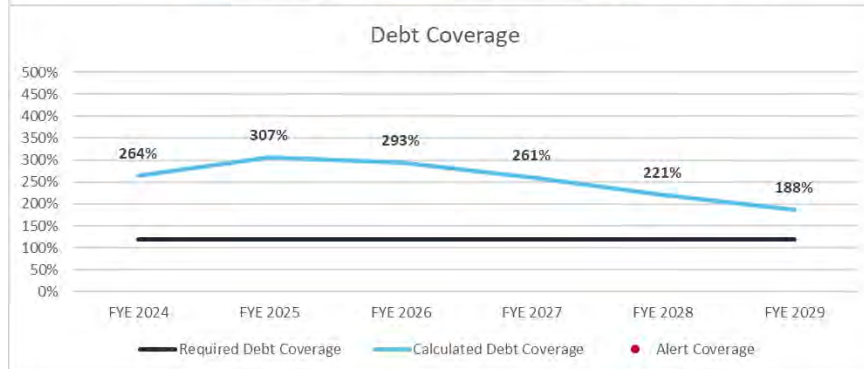
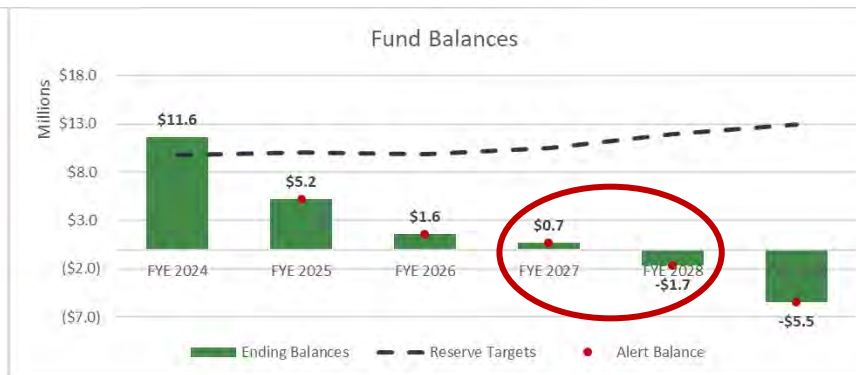
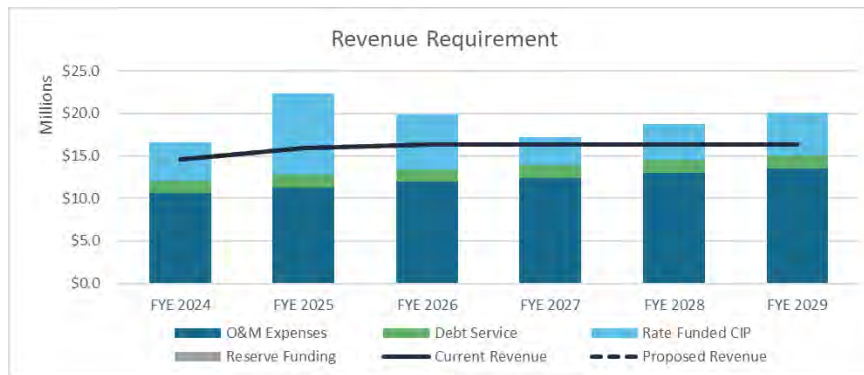


---

# Financial Plan



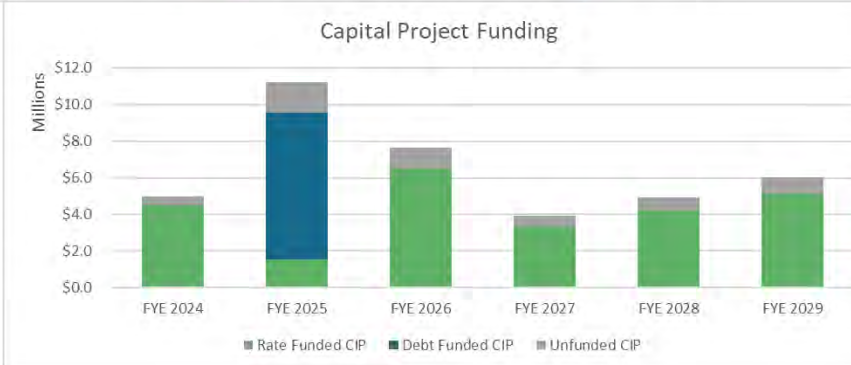
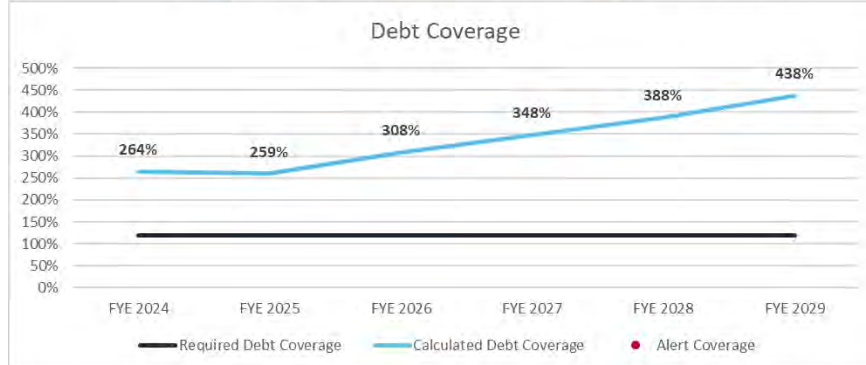
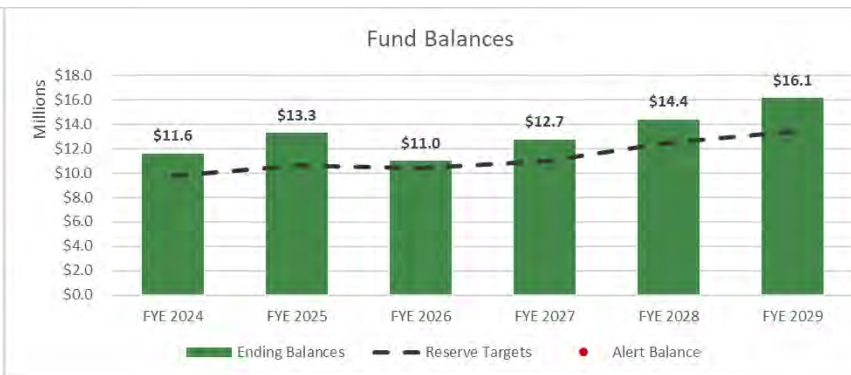
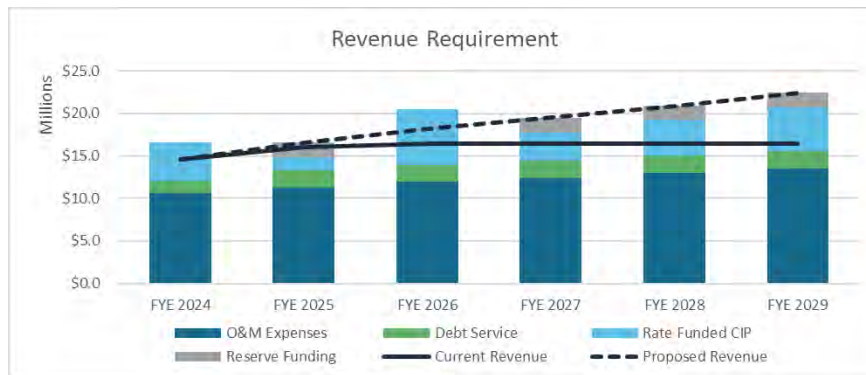
# Financial Plan – Status Quo



| 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



# Proposed Monthly Base Charges

| <b>Proposed Rates</b>      | <b>Current<br/>FYE 2024</b> | <b>Proposed<br/>FYE 2025</b> | <b>Proposed<br/>FYE 2026</b> | <b>Proposed<br/>FYE 2027</b> |
|----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| <b>Monthly Base Charge</b> |                             |                              |                              |                              |
| 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                   |



# Proposed Monthly Private Fire Charges

| <b>Proposed Rates</b>              | <b>Current<br/>FYE 2024</b> | <b>Proposed<br/>FYE 2025</b> | <b>Proposed<br/>FYE 2026</b> | <b>Proposed<br/>FYE 2027</b> |
|------------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| <b>Monthly Private Fire Charge</b> |                             |                              |                              |                              |
| 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                     |



# Proposed Quantity Charges

| <b>Proposed Rates</b>     | <b>Current<br/>FYE 2024</b> | <b>Proposed<br/>FYE 2025</b> | <b>Proposed<br/>FYE 2026</b> | <b>Proposed<br/>FYE 2027</b> |
|---------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| <b>Quantity Charges</b>   |                             |                              |                              |                              |
| 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                      |



# 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%          |



# 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



# 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%           |



# 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



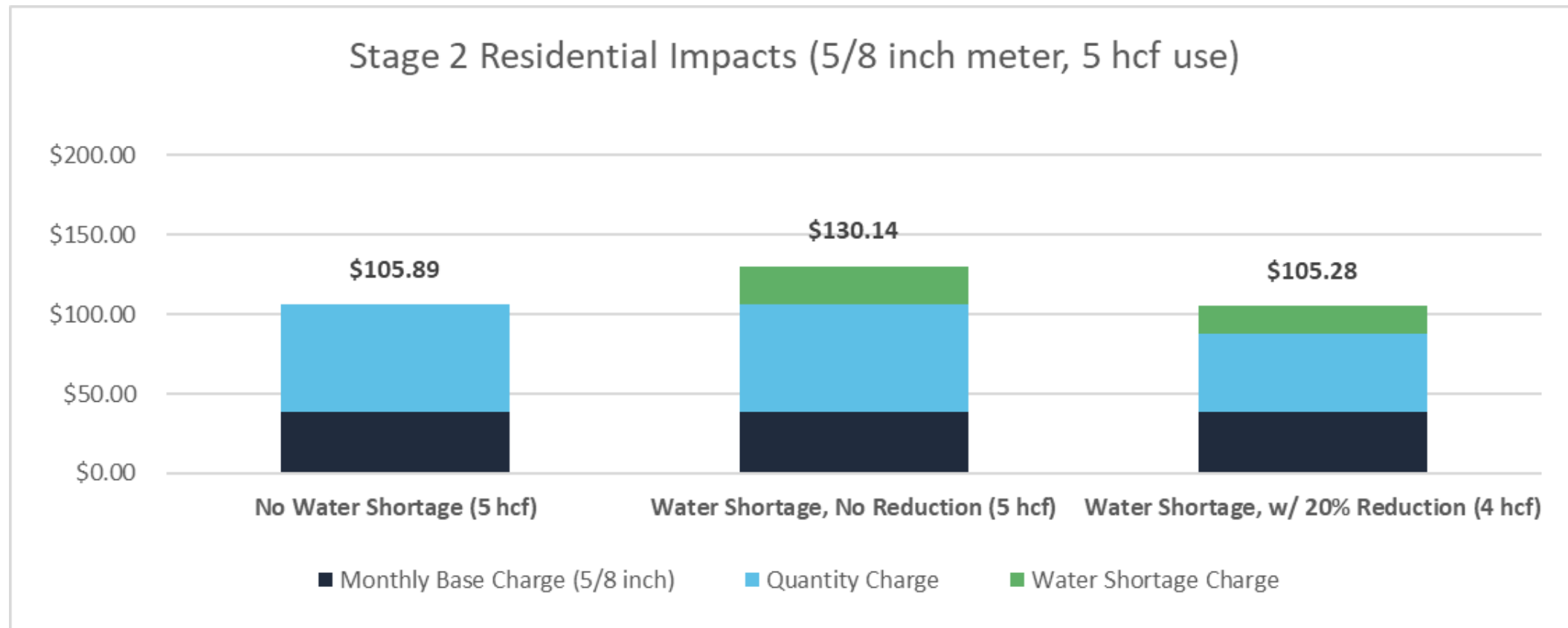
# Proposed Water Shortage Rates

| <b>Proposed Water Shortage Rates (FYE 2025)</b> | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Stage 4</b> | <b>Stage 5</b> | <b>Stage 6</b> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Water Shortage Rates</b>                     |                |                |                |                |                |                |
| 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        |
| <b>Combined Quantity Charges</b>                |                |                |                |                |                |                |
| 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

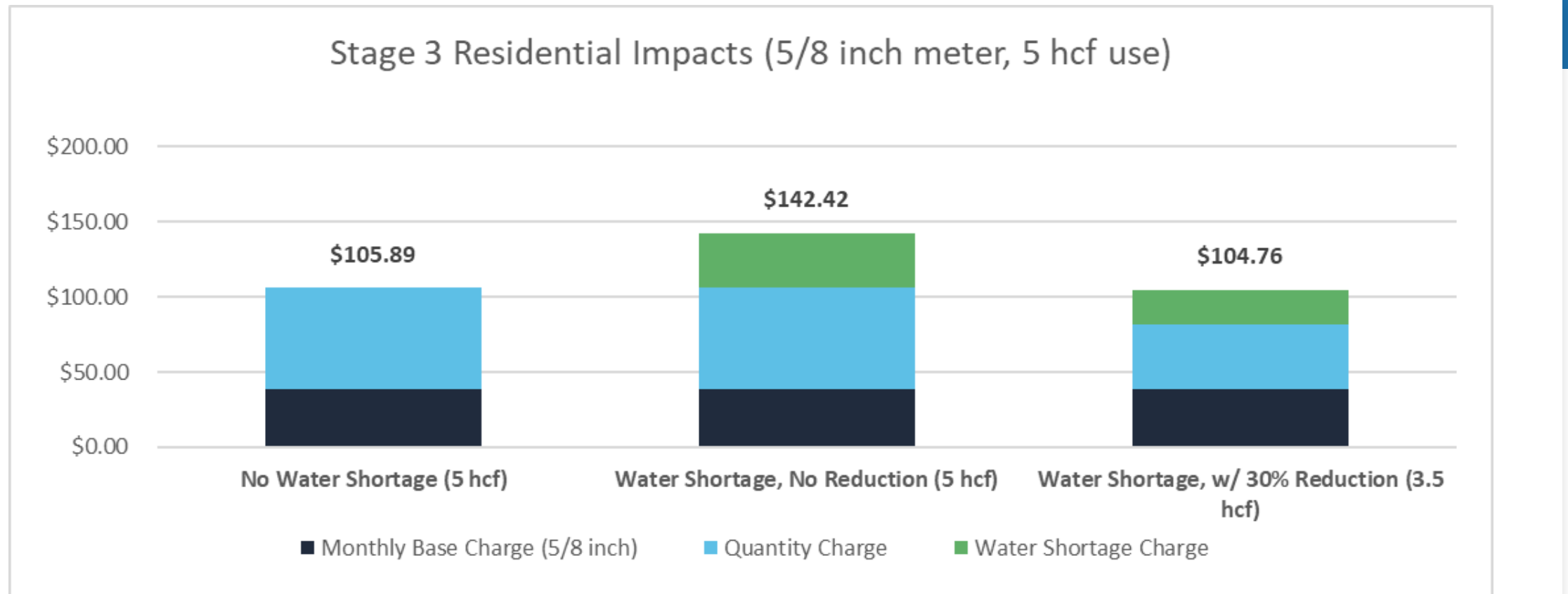


# Residential Impacts, Stage 2 Shortage





# 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](mailto:sgaur@water-economics.com)

Nancy Phan  
Principal Consultant  
[nphan@water-economics.com](mailto:nphan@water-economics.com)

## **Exhibit G**

### **Protest and Support Letters**

Exhibit G

Attn: General Manager - Coastside Water  
JAMES BERNARD SUTRO

Oct 1, 2024

Re: Prop 218 - Three years of **RECEIVED**

OCT 03 2024

progressive rate increases

COASTSIDE COUNTY  
WATER DISTRICT

PROPERTY: 738 Kelly Ave HMB 94015

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

JAMES BERNARD SUTRO

RECEIVED

OCT 03 2024

COASTSIDE COUNTY  
WATER DISTRICT

ATTN 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

To CWD 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.

**RECEIVED**

SEP 30 2024

COASTSIDE COUNTY  
WATER DISTRICT

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

RECEIVED

OCT 03 2024

COASTSIDE COUNTY  
WATER DISTRICT

Deana and Adam Hawkins

526 Terrace Drive

Half Moon Bay, CA 94019

[deana\\_casale@yahoo.com](mailto:deana_casale@yahoo.com), [ahawk11@hotmail.com](mailto: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

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

09/27/2024  
**RECEIVED**

OCT 03 2024

COASTSIDE COUNTY  
WATER DISTRICT

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 Kehoa Ave  
Half Moon Bay, CA  
94019

9-26-24

To Whom it may concern:

I am writing 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

**RECEIVED**

OCT 04 2024

COASTSIDE COUNTY  
WATER DISTRICT

RECEIVED

OCT 11 2024

COASTSIDE COUNTY  
WATER DISTRICT

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

RECEIVED

OCT 22 2024

COASTSIDE COUNTY  
WATER DISTRICT

**Daniel J. Bohnert**

370 Saint Andrews Lane  
Half Moon Bay, CA 94019

RECEIVED

OCT 28 2024

COASTSIDE COUNTY  
WATER DISTRICT

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,

A handwritten signature in black ink, appearing to read "Daniel J. Bohnert", with a long horizontal line extending to the right.

RECEIVED

NOV 01 2024

COASTSIDE COUNTY  
WATER DISTRICT

Oct. 28, 2024

General Manager  
Coastside County Water District  
700 Main Street HMB CA 94018

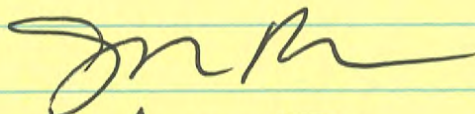
We would like to submit  
our protest for the proposed  
rate increase.

Sincerely,  
Susan + Alan O'Driscoll

610 Coronado St  
El Granada CA 94018

Account #'s 222-06802-00

222-06803-00

  
AOD

RECEIVED

NOV 01 2024

COASTSIDE COUNTY  
WATER DISTRICT

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

RECEIVED

NOV 08 2024

COASTSIDE COUNTY  
WATER DISTRICT

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 and Robert Barbara Account # 173-00295-00

RECEIVED

NOV 12 2024

COASTSIDE COUNTY  
WATER DISTRICT

Jack Dvorkin  
80 Patrick Way  
Half Moon Bay, CA 94019

November 06, 2024

To: General Manager, Coastside County Water District  
Re: Water bill rate increase

Dear Sir/Madam:

**I strongly object and protest the proposed water rate increase.** I am a senior citizen living on Social Security income and can hardly afford the already high water bills. I realize the need for updating the water supply infrastructure. However, I suggest that the means of accomplishing this task should be found in optimized management and the funds should be sought at the County and State levels.

Best wishes,



Jack P. Dvorkin