

City of Dixon

RAC

Water Rate Workshop

April 8, 2024

BCONSULTING

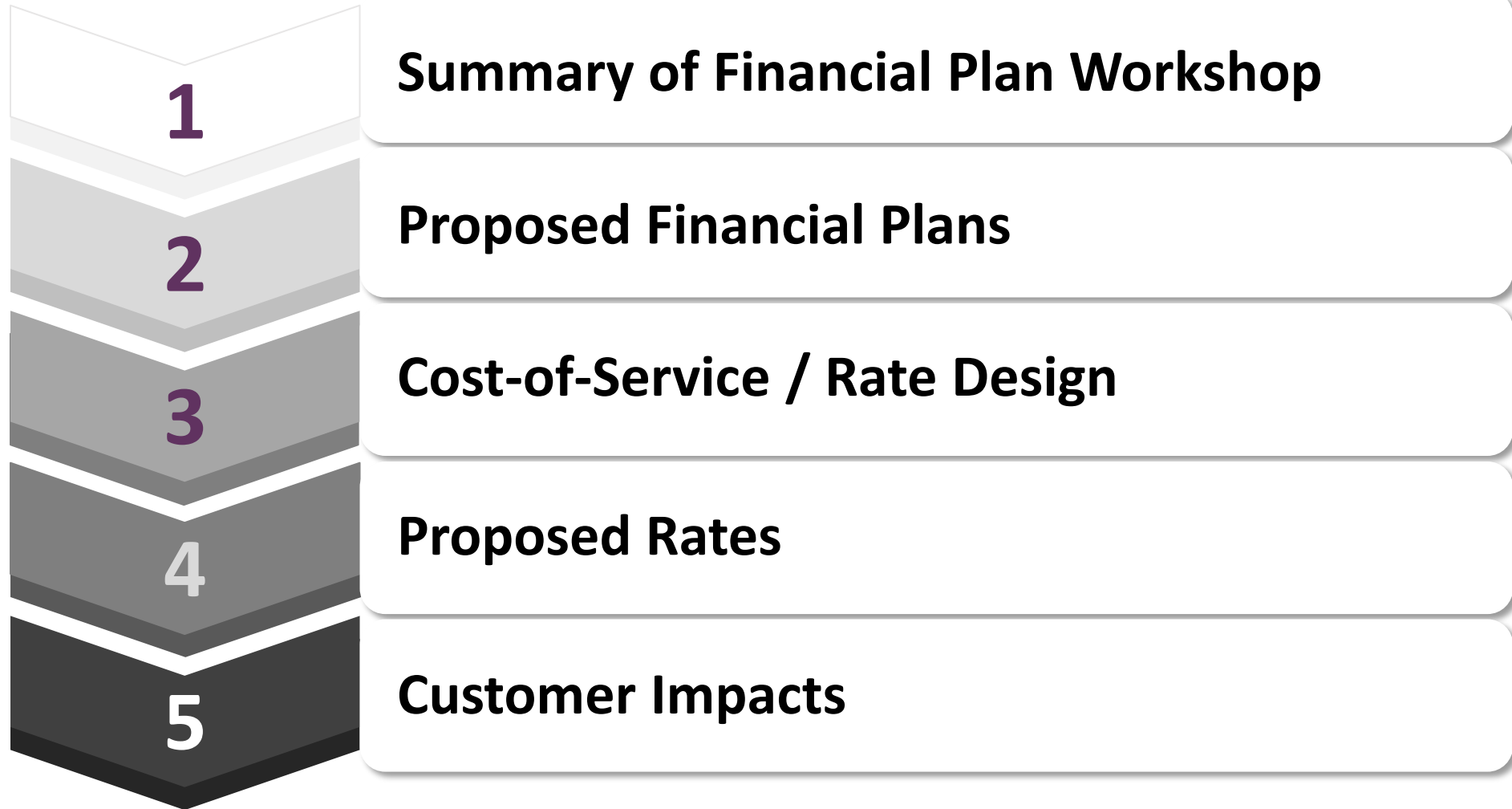


Water Rate Study Schedule



Financial Plan Workshop

Agenda



Summary of Financial Plan Workshop

Long-Term Financial Plans



Pressure on Rate Increases

Components Impacting Revenue Needs

- Water demand is reducing and hardening
 - Not the same level of usage as 2013, even with new connections
 - 17% reduction in demand
 - Less revenue from variable rates
- Historical inflation and extraordinarily high inflationary climate in recent years
 - 50% increase in Engineer's News Record and Consumer Price Index from 2013 (repealed back to 2013)
 - 28% increase since 2018
- Projected cost increases in future years
 - Averages slightly over 5% per year
- Capital Improvement Plan (CIP)
 - 2018 rate study included \$27.4M in CIP (\$29.5M in today's dollars)
 - Engineering department developed **three** capital spending options ranging from \$8.3M up to \$20.1M
 - ❖ Critical = \$8.3
 - ❖ Critical + Near Term Projects = \$13.5M
 - ❖ Near Term + R&R = \$20.1M

Feedback from RAC and CC

Financial Plan Workshops

➤ Rate Advisory Committee

- Appreciated different capital spending options
 - ❖ Understand the need for Repair & Replacement funding
- Favored debt-financing to spread the cost of capital needs
- Requested all financial plan options be evaluated through rates
- Inquired why Chromium 6 was not part of capital spending plan options

➤ City Council

- Critical capital spending option doesn't position the utility well for lower future increases
 - ❖ Eliminated the critical spending plan option
- Favored "Critical + Near-Term" and "Near-Term with R&R"
 - ❖ Added additional financial Plan options to evaluate
 - ❖ "Critical + Near Term" and "Near-Term with R&R" with no debt funding

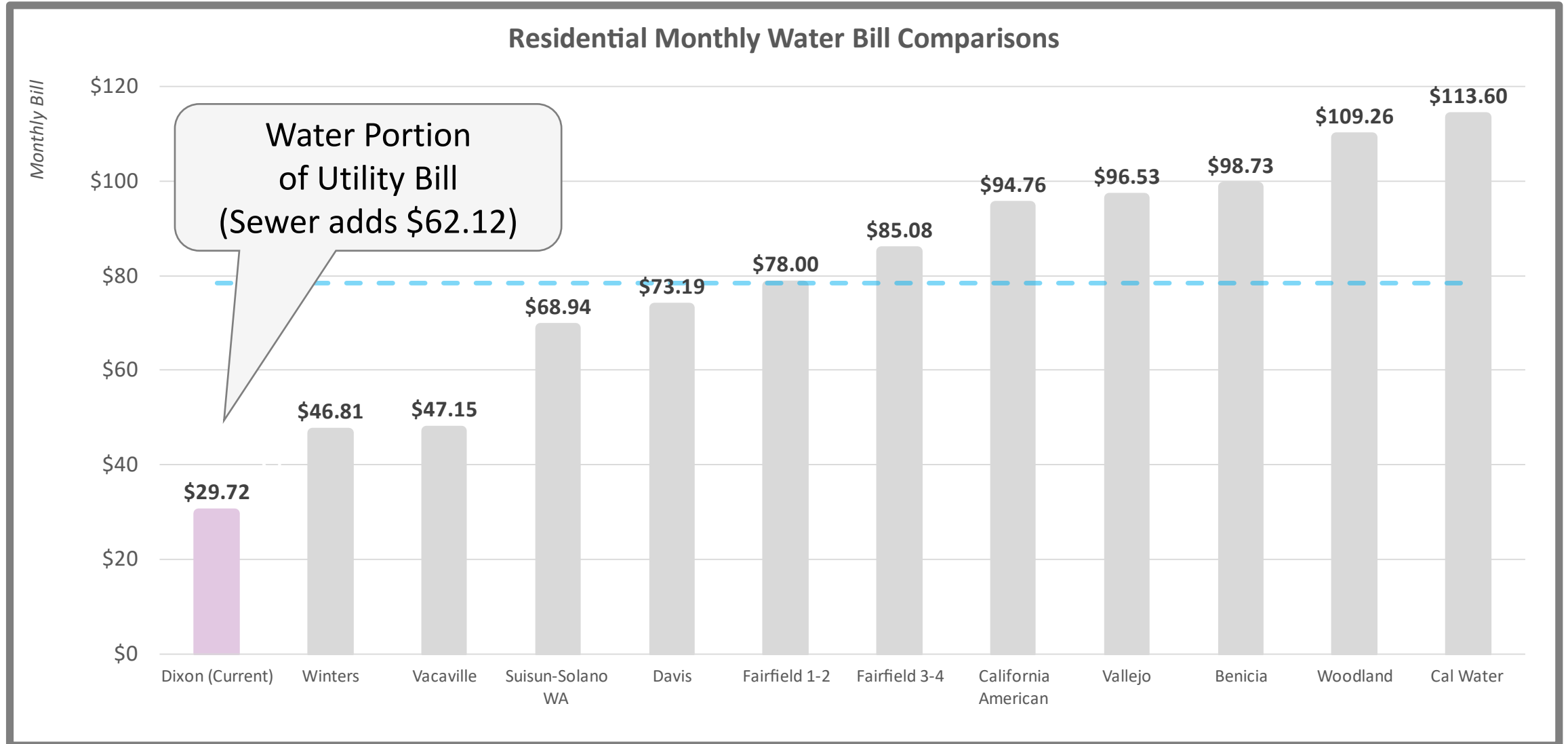
Chromium 6

Financial Plan Workshop Feedback

- The City is currently in compliance with the standard set by the State Water Resources Control Board, Division of Drinking Water (DDW)
 - A new standard is currently making its way through the DDW
- The implementation cost are unknown
- Grant funding is unknown but will be explored
- When the new standard is issued, we will develop an implementation plan
- City Council can designate seed money for Chrom 6 (surcharge)
- The Prop. 218 Notice will indicate any funding for Chrom 6 is included

Single-Family Rate Survey

Current Dixon Water Rates (3/4" Meter using 12 ccf)



Proposed Financial Plans

Long-Term Financial Plans



Proposed Financial Plans

Evaluate through Rate Development

	CIP Scenarios	CIP Total	Debt Proceeds	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
A	Critical (no Debt)	\$8.3M	-	40%	25%	25%	25%	25%
B	Critical	\$8.3M	\$4.0M	40%	22%	14%	14%	14%
C1	Critical + Near-Term	\$13.5M	\$7.0M	40%	25%	25%	25%	25%
D1	Near-Term with R&R *	\$20.1M	\$10.5M	60%	30%	30%	30%	30%
C2	Critical + Near-Term	\$13.5M	-	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>
D2	Near-Term with R&R	\$20.1M	-	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>

* R&R = Repair & Replacement

- Solve Financial Plans for new C2 and D2 options
 - Eliminate using debt-financing

Critical Capital Improvement Plan

FY 2025 – FY 2029

Project Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Tier 1 - Critical Projects					
Water Meter Replacement Program	\$0	\$250,000	\$250,000	\$250,000	\$250,000
Watson Ranch Well Improvements	\$205,000	\$0	\$0	\$0	\$0
New Well at Industrial	\$100,000	\$1,000,000	\$2,000,000	\$0	\$0
Arc Flash Study & Labeling	\$25,000	\$0	\$0	\$0	\$0
Parklane Electrical Upgrades	\$0	\$0	\$0	\$150,000	\$200,000
Watson Range Tank Rehab	\$0	\$0	\$0	\$150,000	\$0
School Well Site Upgrades	\$0	\$0	\$0	\$495,000	\$600,000
Urban Water Management Plan	\$50,500	\$0	\$0	\$0	\$0
Storage Tank Management Plan	\$0	\$30,000	\$0	\$0	\$0
Parklane Tank #1 Rehab	\$200,000	\$0	\$0	\$0	\$0
Parklane Tank #2 Rehab	\$0	\$0	\$0	\$200,000	\$0
Water Ops: Cyber Security Implementation	\$50,000	\$150,000	\$0	\$0	\$0
Water Ops: Cyber Security - Telecom Upgrades	\$0	\$500,000	\$0	\$0	\$0
Subtotal Scenario 3 - Critical	\$630,500	\$1,930,000	\$2,250,000	\$1,245,000	\$1,050,000
Scenario 3 - Critical Total Costs	\$662,784	\$2,132,710	\$2,613,630	\$1,520,261	\$1,347,800

5-Year Total = \$8.3M

Critical + Near Term CIP

FY 2025 – FY 2029

Project Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Tier 1 - Critical Projects	\$630,500	\$1,930,000	\$2,250,000	\$1,245,000	\$1,050,000
Tier 2 - Near Term Projects					
Generator Replacement Program	\$0	\$150,000	\$150,000	\$0	\$150,000
Fitzgerald Tank Rehab	\$0	\$100,000	\$0	\$0	\$0
Hydropneumatic Tank Rehab	\$30,000	\$0	\$0	\$0	\$0
Watson Ranch Well Replacement	\$0	\$450,000	\$3,200,000	\$0	\$0
Parklane Instrumentation Upgrades	\$55,000	\$0	\$0	\$0	\$0
Valley Glen Well Instrumentation Upgrades	\$35,000	\$0	\$0	\$0	\$0
Valley Gley Hydropneumatic Tank Rehab	\$30,000	\$0	\$0	\$0	\$0
Watson Ranch Instrumentation Upgrades	\$25,000	\$0	\$0	\$0	\$0
Dorset Court Fire Flow Deficiency	\$0	\$0	\$0	\$0	\$150,000
Subtotal Scenario 2 - T1 & T2 Projects	\$805,500	\$2,630,000	\$5,600,000	\$1,245,000	\$1,350,000
Scenario 2 - T1 & T2 Projects Total Costs	\$846,745	\$2,906,231	\$6,505,035	\$1,520,261	\$1,732,885

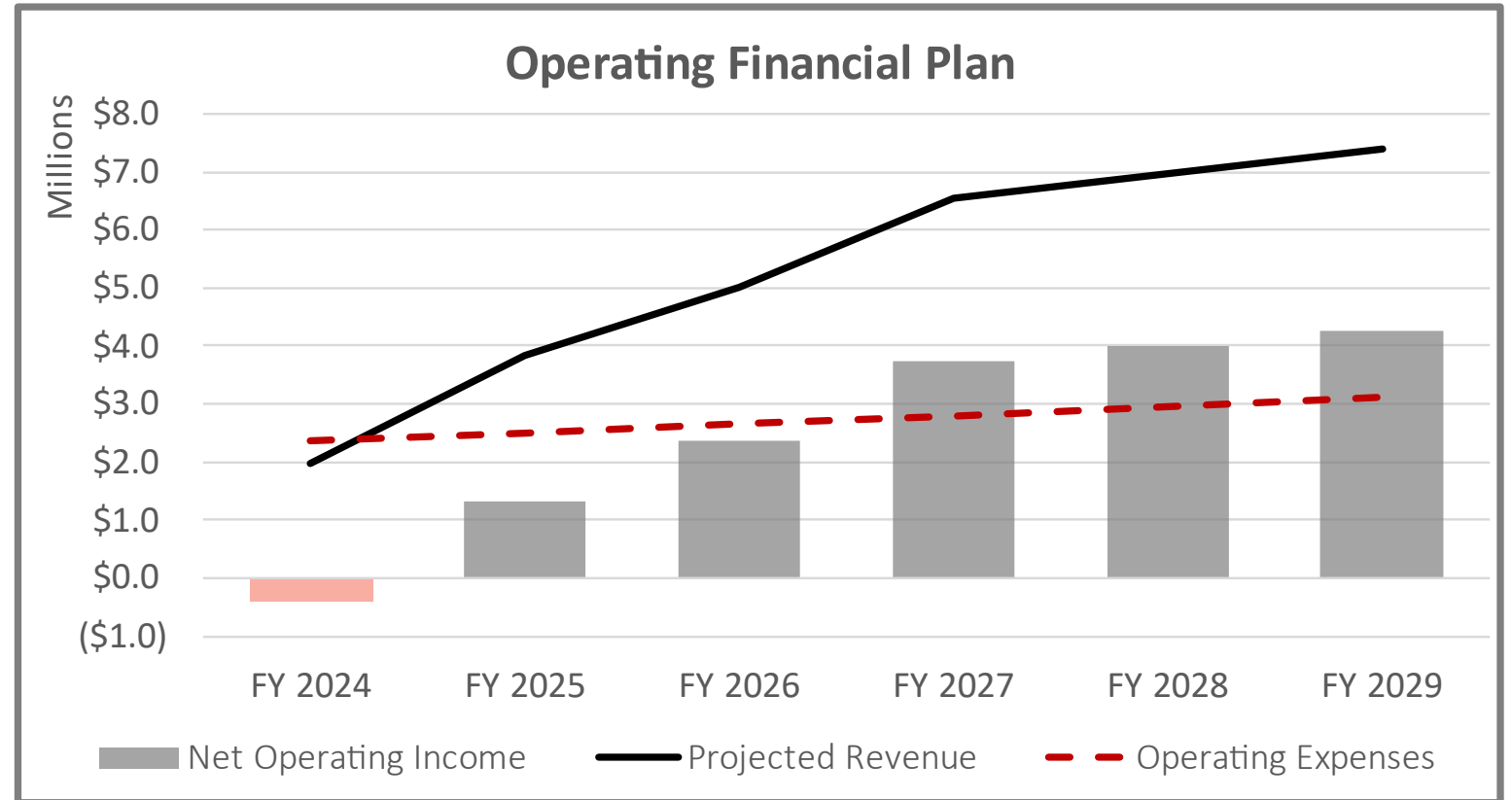
5-Year Total = \$13.5M

C2: Critical + Near-Term (No Debt) – Operating

FY 2024 – FY 2029 Planning Period

Proposed Financial Plan

- Requires a substantial amount of additional net income to fund CIP on a PAYGO basis
- Major projects in FY 2026 and FY 2027 drives the need for significant increases in the first two years
 - Limited amount of time for rates to increase

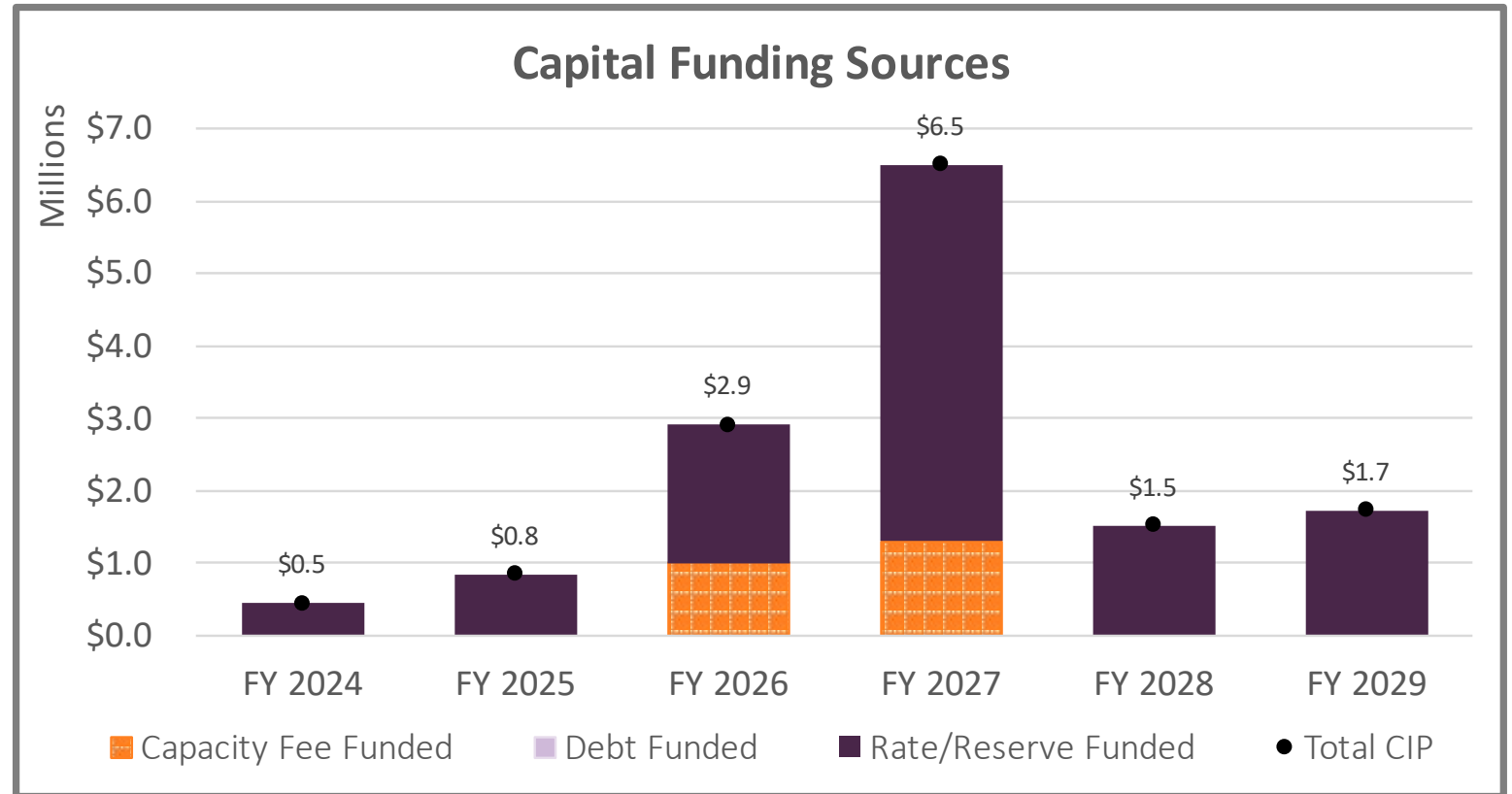


C2: Critical + Near-Term (No Debt) – Capital Spending

FY 2024 – FY 2029 Planning Period

Proposed Financial Plan

- Substantial increase in Net Income to fund CIP
- Critical + Near-Term CIP
 - \$7M of CIP funding needed from rates for FY 2026 and FY 2027
 - Current rate revenue generates \$1.8M
 - Requires rate revenue to generate \$6.4M in FY 2027



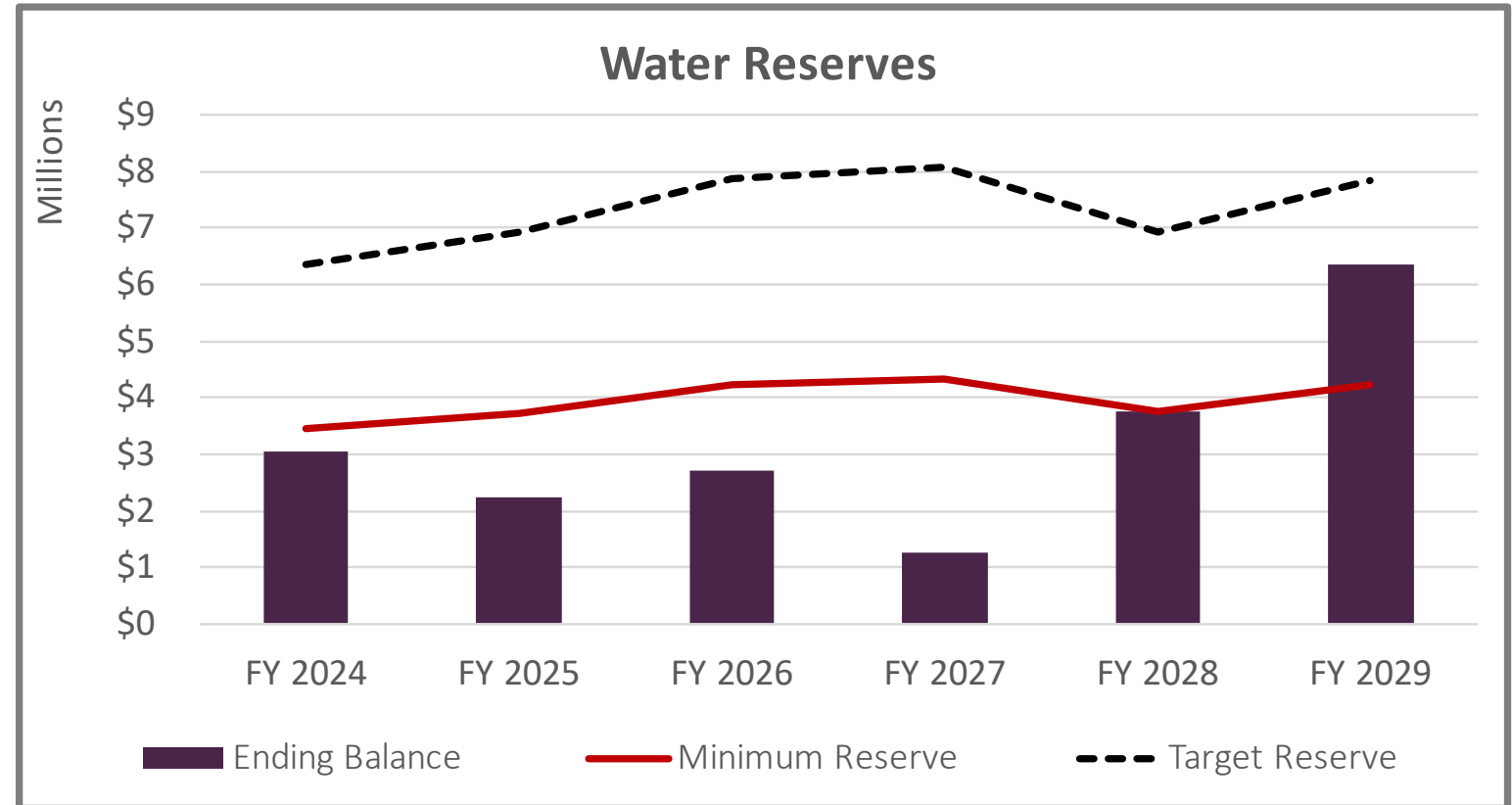
C2: Critical + Near-Term (No Debt) – Reserves

FY 2024 – FY 2029 Planning Period

Revenue Adjustments:
FY 2025 – FY 2029: 100%, 30%, 30%, 5%, 5%

Proposed Financial Plan

- Substantial increase in Net Income to fund CIP
- Critical + Near-Term CIP
 - \$7M of CIP funding needed from rates for FY 2026 and FY 2027
- Meets minimum reserve in FY 2029
 - Operating reserve meets minimum requirement each fiscal year
 - Rate increases provide ongoing PAYGO funding for CIP in future years



Near-Term with R&R CIP

FY 2025 – FY 2029

Project Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Tier 1 - Critical + Near-Term Projects	\$805,500	\$2,630,000	\$5,600,000	\$1,245,000	\$1,350,000
Tier 3 - Standard R&R					
Valve Replacement Program	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Asbestos Concrete Pipe Replacement	\$0	\$550,000	\$570,000	\$585,000	\$600,000
Distribution System Appurtenance Replacement	\$0	\$570,000	\$585,000	\$605,000	\$620,000
Storage Tank Piping Seismic Upgrades	\$0	\$200,000	\$0	\$0	\$0
Fitzgerald Electrical & Mechanical Upgrades	\$0	\$0	\$410,000	\$0	\$0
Subtotal Scenario 1 - Full CIP	\$855,500	\$4,000,000	\$7,215,000	\$2,485,000	\$2,620,000
Scenario 1 - Full CIP Total Costs	\$899,305	\$4,420,123	\$8,381,041	\$3,034,417	\$3,363,081

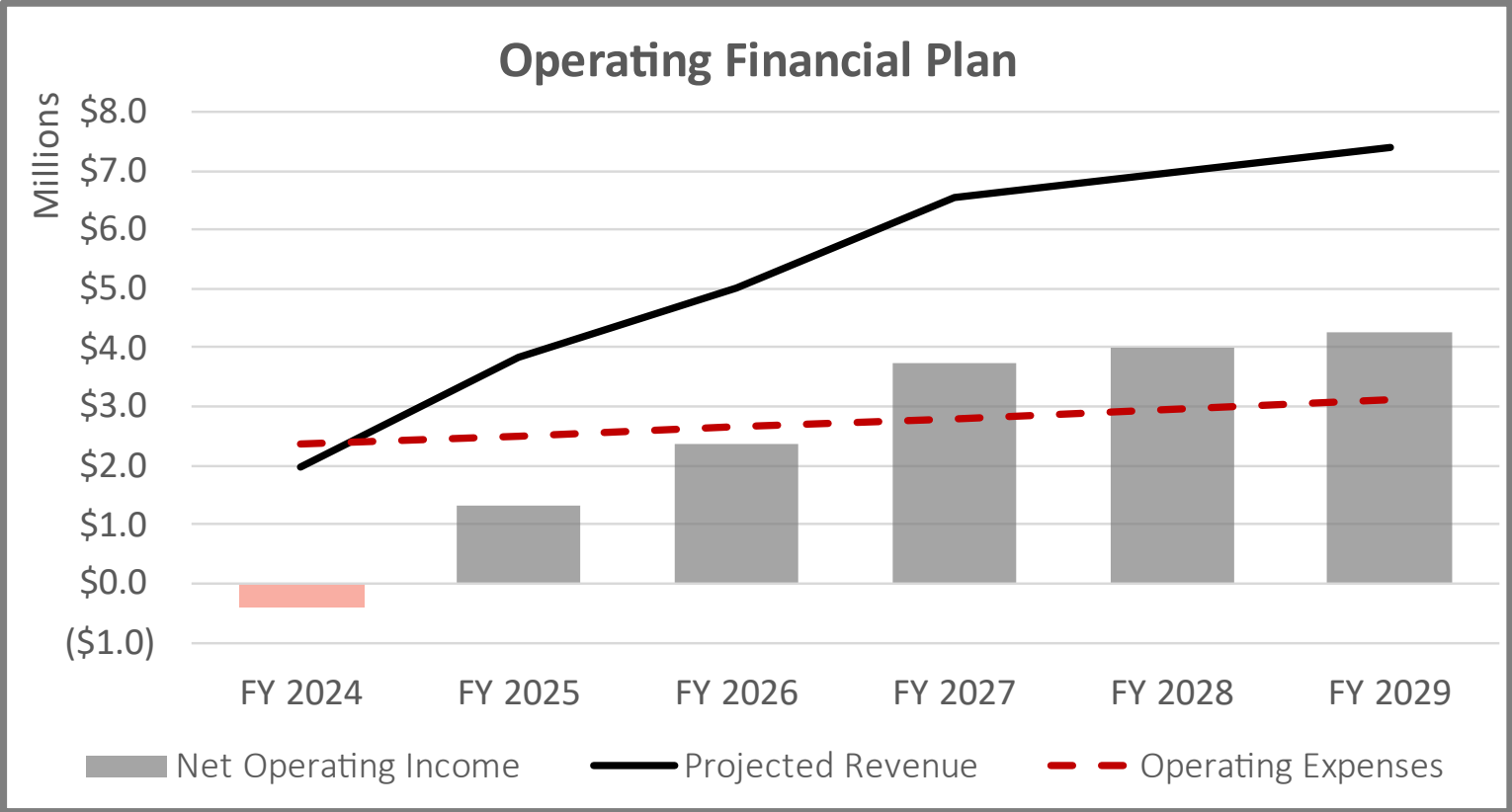
5-Year Total = \$20.1M

D2: Near-Term + R&R (No Debt) – Operating

FY 2024 – FY 2029 Planning Period

Proposed Financial Plan

- Requires a substantial amount of additional net income to fund CIP on a PAYGO basis
- Major projects in FY 2026 and FY 2027 drives the need for significant increases in the first two years
 - Limited amount of time for rates to increase

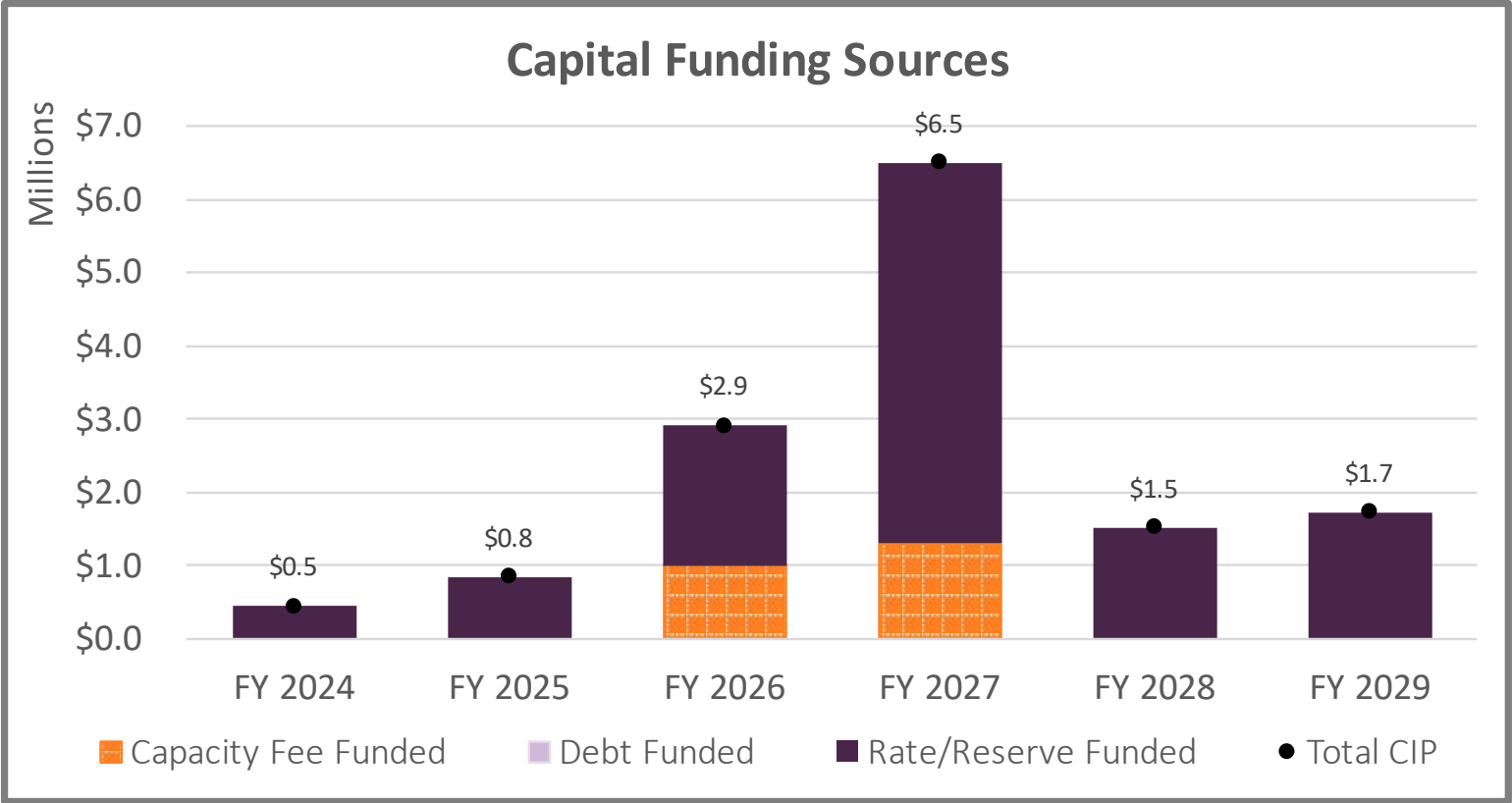


D2: Near-Term + R&R (No Debt) – Capital Spending

FY 2024 – FY 2029 Planning Period

Proposed Financial Plan

- Substantial increase in Net Income to fund CIP
- Near-Term + R&R CIP
 - \$10.5M of CIP funding needed from rates for FY 2026 and FY 2027
 - Current rate revenue generates \$1.8M
 - Requires rate revenue to generate \$8.3M in FY 2027



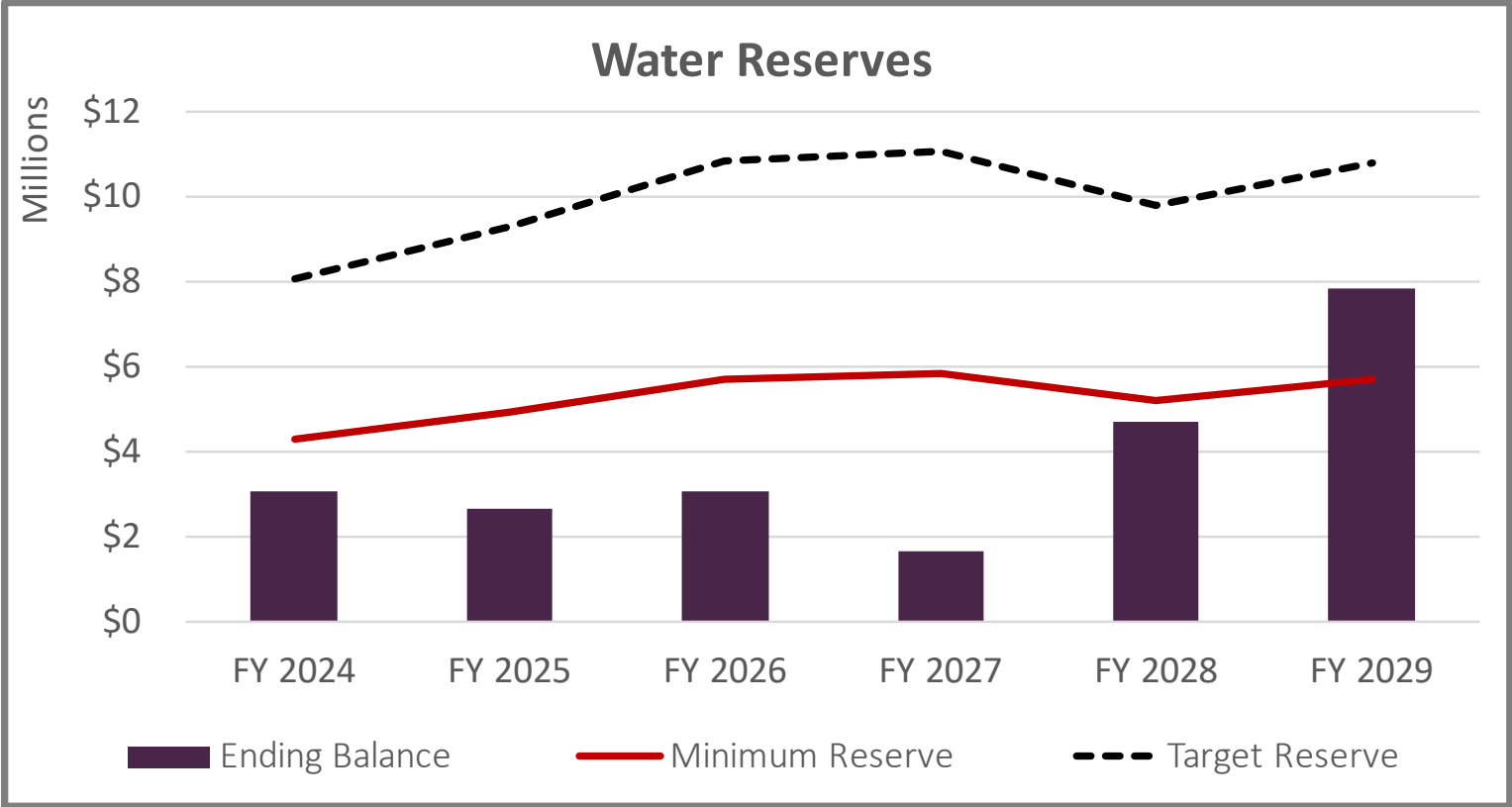
D2: Near-Term + R&R (No Debt) – Reserves

FY 2024 – FY 2029 Planning Period

Revenue Adjustments:
FY 2025 – FY 2029: 125%, 50%, 30%, 5%, 5%

Proposed Financial Plan

- Substantial increase in Net Income to fund CIP
- Critical + Near-Term CIP
 - \$10.5M of CIP funding needed from rates for FY 2026 and FY 2027
- Meets minimum reserve in FY 2029
 - Operating reserve meets minimum requirement each fiscal year
 - Rate increases provide ongoing PAYGO funding for CIP in future years



Revised Proposed Financial Plans

Evaluate through Rate Development

	CIP Scenarios	CIP Total	Debt Proceeds	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
C1	Critical + Near-Term	\$13.5M	\$7.0M	40%	25%	25%	25%	25%
D1	Near-Term with R&R	\$20.1M	\$10.5M	60%	30%	30%	30%	30%
C2	Critical + Near-Term	\$13.5M	-	100%	30%	30%	5%	5%
D2	Near-Term with R&R	\$20.1M	-	125%	50%	30%	5%	5%

Cost-of-Service / Rate Design

Critical + Near-Term (with Debt)



Cost-of-Service Considerations

Rate Objectives

➤ Affordability

- Maintain fixed charge recovery at 42% (updated based on current usage trend)
- Include development tiered rates for Single-Family and Multi-Family

➤ Revenue Stability

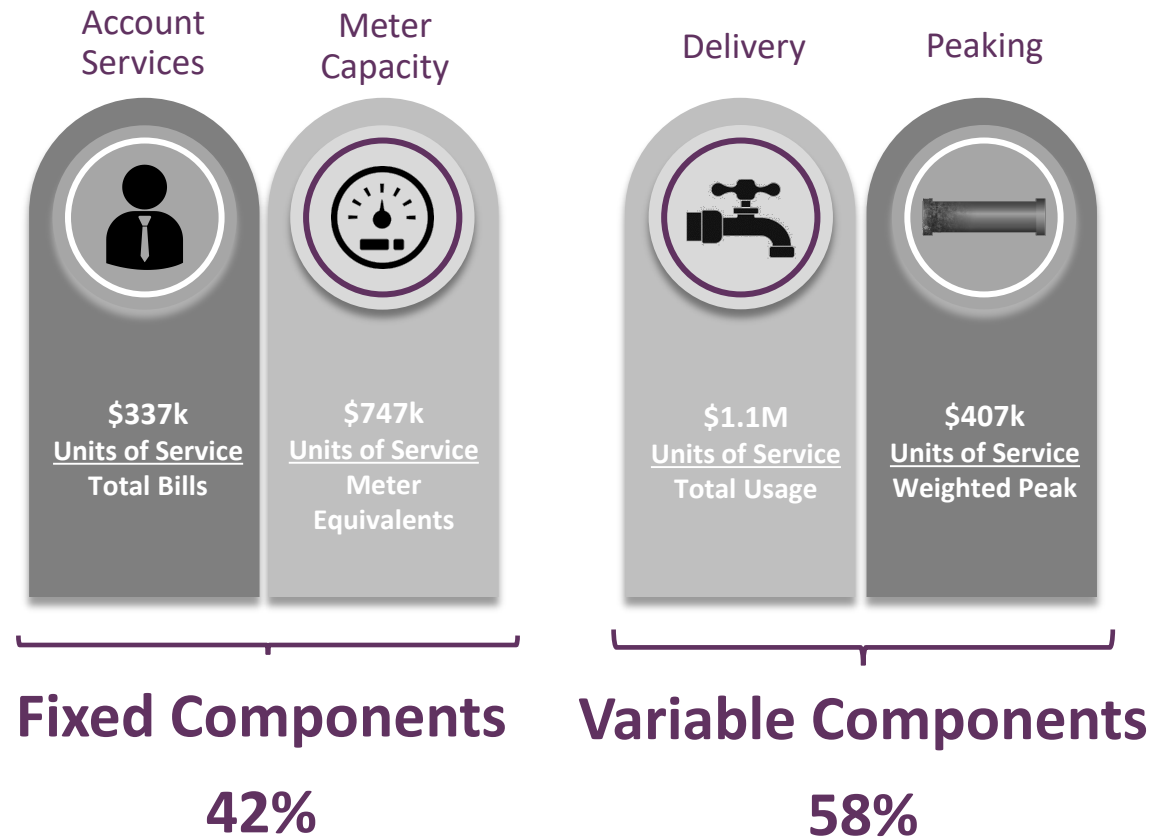
- Maintain fixed charge recovery at 42% (updated based on current usage trend)
- Include development of a uniform rates by customer class

➤ Defensibility

- Cost-of-Service analysis develops cost-based rates
- Costs are first allocated to customer class then to tiers
 - ❖ Ensures each customer class is paying their proportionate share of cost

FY 2025 Cost-of-Service

C1: Critical + Near-Term (with Debt)



FY 2025 Fixed and Variable Cost Components

Unit Rate Calculations

Account Services

Account Services Component - Unit Rate

Revenue Requirement	\$336,789
÷ Annual Bills	45,216
Monthly Unit Rate	\$7.45

Meter Capacity

Meter Capacity Component - Unit Rate

Revenue Requirement	\$746,927
÷ Annual ME's	54,616
Monthly Unit Rate	\$13.68

Delivery

Delivery Allocation to Customer Classes				
Customer Class	Projected Usage [A]	% Allocation [B] = A as %	Revenue Requirement [C] = Rev Req x B	Unit Rate (\$ / ccf) [D] = C ÷ A
Single-Family	463,859	59.7%	\$657,175	\$1.42
Multi-Family	37,348	4.8%	\$52,913	\$1.42
Non-Residential	138,148	17.8%	\$195,722	\$1.42
Irrigation	137,025	17.6%	\$194,131	\$1.42
Total	776,380	100.0%	\$1,099,940	

Peaking

Peaking Allocation to Customer Classes				
Customer Class	Peak Month [A]	% Allocation [B] = A as %	Revenue Requirement [C] = Rev Req x B	Unit Rate (\$ / ccf) [D] = C ÷ A
Single-Family	63,646	57.0%	\$232,115	<i>Further Allocated</i>
Multi-Family	4,706	4.2%	\$17,163	<i>Further Allocated</i>
Non-Residential	17,605	15.8%	\$64,205	\$0.47
Irrigation	25,737	23.0%	\$93,862	\$0.69
Total	111,694	100.0%	\$407,344	

FY 2025 Proposed Fixed Charges

Monthly Fixed Charge Components

Proposed Monthly Fixed Charges						Proposed vs. Existing	
Meter Size	Capacity Ratio	# of Meters	Account Services	Meter Capacity	FY 2025 Proposed Fixed Charge	Existing Fixed Charge	Difference (\$)
	[A]	[B]	[C] = \$7.45	[D] = \$13.68 x A	[E] = C + D	[F]	[G] = E - F
3/4"	1.00	3,520	\$7.45	\$13.68	\$21.13	\$14.34	\$6.79
1"	1.67	104	\$7.45	\$22.80	\$30.25	\$23.90	\$6.35
1 1/2"	3.33	59	\$7.45	\$45.60	\$53.05	\$47.79	\$5.26
2"	5.33	71	\$7.45	\$72.96	\$80.41	\$76.47	\$3.94
3"	11.67	6	\$7.45	\$159.60	\$167.05	\$160.10	\$6.95
4"	21.00	6	\$7.45	\$287.28	\$294.73	\$270.02	\$24.71
6"	43.33	2	\$7.45	\$592.80	\$600.25	\$573.49	\$26.76

FY 2025 Peaking Allocation to Tiers

Single-Family and Multi-Family

Peaking Allocation to Tiers					
Customer Class & Tier	Projected Usage [A]	Peak Month [B]	% Allocation [C] = B as a %	Revenue Requirement [D] = Rev Req × C	Unit Rate [E] = D ÷ A
Single-Family					
Tier 1	205,094	17,860	28.1%	\$65,135	\$0.32
Tier 2	197,335	29,587	46.5%	\$107,903	\$0.55
Tier 3	61,429	16,199	25.5%	\$59,077	\$0.97
Subtotal Single-Family	463,859	63,646	100.0%	\$232,115	
Multi-Family					
Tier 1	29,275	2,778	59.0%	\$10,131	\$0.35
Tier 2	8,073	1,928	41.0%	\$7,031	\$0.88
Subtotal Multi-Family	37,348	4,706	100.0%	\$17,163	

➤ Tier 1:

- Reflects State Water Efficiency Standards (SB 1157):
- 47 gallons per capita per day = 6 ccf

➤ Tier 2:

- Single-Family: Captures average usage during peak month = 21 ccf (additional 15 ccf)
- Multi-Family: Captures usage exceeding Tier 1
 - ❖ Only 2 tiers due to differences between complexes

FY 2025 Proposed Variable Rates

Variable Rates

Proposed Variable Rates (\$/ccf)					Proposed vs. Existing		
Customer Class & Tier	Tiers	Projected Usage (ccf)	Delivery [B]	Peaking [C]	FY 2025 Proposed Variable Rates [D] = B + C	Existing Variable Rates [E]	Difference (\$) [F] = D - E
Single-Family							
Tier 1	0 - 6	205,094	\$1.42	\$0.32	\$1.74	\$1.23	\$0.51
Tier 2	7 - 21	197,335	\$1.42	\$0.55	\$1.97	\$1.54	\$0.43
Tier 3	>21	61,429	\$1.42	\$0.97	\$2.39	\$2.32	\$0.07
Subtotal Single-Family		463,859					
Multi-Family							
Tier 1	0 - 6	29,275	\$1.42	\$0.35	\$1.77	\$1.40	\$0.37
Tier 2	>6	8,073	\$1.42	\$0.88	\$2.30	\$1.40	\$0.90
Subtotal Multi-Family		37,348					
Non-Residential	<i>Uniform</i>	138,148	\$1.42	\$0.47	\$1.89	\$1.40	\$0.49
Irrigation	<i>Uniform</i>	137,025	\$1.42	\$0.69	\$2.11	\$1.40	\$0.71

Proposed Rate Schedules

Financial Plans
C1, D1, C2, D2



5-year Rate Schedule

C1: Critical + Near-Term (with Debt)

Proposed Monthly Fixed Charges						
Meter Size	Existing	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
3/4"	\$14.34	\$21.13	\$26.42	\$33.03	\$41.29	\$51.62
1"	\$23.90	\$30.25	\$37.82	\$47.28	\$59.10	\$73.88
1 1/2"	\$47.79	\$53.05	\$66.32	\$82.90	\$103.63	\$129.54
2"	\$76.47	\$80.41	\$100.52	\$125.65	\$157.07	\$196.34
3"	\$160.10	\$167.05	\$208.82	\$261.03	\$326.29	\$407.87
4"	\$270.02	\$294.73	\$368.42	\$460.53	\$575.67	\$719.59
6"	\$573.49	\$600.25	\$750.32	\$937.90	\$1,172.38	\$1,465.48

Proposed Variable Rates (\$/ccf)						
Customer Class	Existing	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Single-Family						
Tier 1	\$1.23	\$1.74	\$2.18	\$2.73	\$3.42	\$4.28
Tier 2	\$1.54	\$1.97	\$2.47	\$3.09	\$3.87	\$4.84
Tier 3	\$2.32	\$2.39	\$2.99	\$3.74	\$4.68	\$5.85
Multi-Family						
Tier 1	\$1.40	\$1.77	\$2.22	\$2.78	\$3.48	\$4.35
Tier 2	\$1.40	\$2.30	\$2.88	\$3.60	\$4.50	\$5.63
Non-Residential	\$1.40	\$1.89	\$2.37	\$2.97	\$3.72	\$4.65
Irrigation	\$1.40	\$2.11	\$2.64	\$3.30	\$4.13	\$5.17

5-year Rate Schedule

D1: Near-Term + R&R (with Debt)

Proposed Monthly Fixed Charges						
Meter Size	Existing	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
3/4"	\$14.34	\$24.15	\$31.40	\$40.82	\$53.07	\$69.00
1"	\$23.90	\$34.57	\$44.95	\$58.44	\$75.98	\$98.78
1 1/2"	\$47.79	\$60.62	\$78.81	\$102.46	\$133.20	\$173.16
2"	\$76.47	\$91.88	\$119.45	\$155.29	\$201.88	\$262.45
3"	\$160.10	\$190.87	\$248.14	\$322.59	\$419.37	\$545.19
4"	\$270.02	\$336.75	\$437.78	\$569.12	\$739.86	\$961.82
6"	\$573.49	\$685.82	\$891.57	\$1,159.05	\$1,506.77	\$1,958.81

Proposed Variable Rates (\$/ccf)						
Customer Class	Existing	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Single-Family						
Tier 1	\$1.23	\$1.99	\$2.59	\$3.37	\$4.39	\$5.71
Tier 2	\$1.54	\$2.25	\$2.93	\$3.81	\$4.96	\$6.45
Tier 3	\$2.32	\$2.72	\$3.54	\$4.61	\$6.00	\$7.80
Multi-Family						
Tier 1	\$1.40	\$2.02	\$2.63	\$3.42	\$4.45	\$5.79
Tier 2	\$1.40	\$2.62	\$3.41	\$4.44	\$5.78	\$7.52
Non-Residential	\$1.40	\$2.16	\$2.81	\$3.66	\$4.76	\$6.19
Irrigation	\$1.40	\$2.41	\$3.14	\$4.09	\$5.32	\$6.92

5-year Rate Schedule

C2: Critical + Near-Term (No Debt)

Proposed Monthly Fixed Charges						
Meter Size	Existing	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
3/4"	\$14.34	\$30.20	\$39.26	\$51.04	\$53.60	\$56.28
1"	\$23.90	\$43.24	\$56.22	\$73.09	\$76.75	\$80.59
1 1/2"	\$47.79	\$75.82	\$98.57	\$128.15	\$134.56	\$141.29
2"	\$76.47	\$114.92	\$149.40	\$194.22	\$203.94	\$214.14
3"	\$160.10	\$238.74	\$310.37	\$403.49	\$423.67	\$444.86
4"	\$270.02	\$421.20	\$547.56	\$711.83	\$747.43	\$784.81
6"	\$573.49	\$857.82	\$1,115.17	\$1,449.73	\$1,522.22	\$1,598.34

Proposed Variable Rates (\$/ccf)						
Customer Class	Existing	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Single-Family						
Tier 1	\$1.23	\$2.49	\$3.24	\$4.22	\$4.44	\$4.67
Tier 2	\$1.54	\$2.82	\$3.67	\$4.78	\$5.02	\$5.28
Tier 3	\$2.32	\$3.41	\$4.44	\$5.78	\$6.07	\$6.38
Multi-Family						
Tier 1	\$1.40	\$2.53	\$3.29	\$4.28	\$4.50	\$4.73
Tier 2	\$1.40	\$3.28	\$4.27	\$5.56	\$5.84	\$6.14
Non-Residential	\$1.40	\$2.70	\$3.51	\$4.57	\$4.80	\$5.04
Irrigation	\$1.40	\$3.01	\$3.92	\$5.10	\$5.36	\$5.63

5-year Rate Schedule

D2: Near-Term + R&R (No Debt)

Proposed Monthly Fixed Charges						
Meter Size	Existing	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
3/4"	\$14.34	\$33.96	\$50.94	\$66.23	\$69.55	\$73.03
1"	\$23.90	\$48.62	\$72.93	\$94.81	\$99.56	\$104.54
1 1/2"	\$47.79	\$85.25	\$127.88	\$166.25	\$174.57	\$183.30
2"	\$76.47	\$129.21	\$193.82	\$251.97	\$264.57	\$277.80
3"	\$160.10	\$268.42	\$402.63	\$523.42	\$549.60	\$577.08
4"	\$270.02	\$473.56	\$710.34	\$923.45	\$969.63	\$1,018.12
6"	\$573.49	\$964.45	\$1,446.68	\$1,880.69	\$1,974.73	\$2,073.47

Proposed Variable Rates (\$/ccf)						
Customer Class	Existing	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Single-Family						
Tier 1	\$1.23	\$2.80	\$4.20	\$5.46	\$5.74	\$6.03
Tier 2	\$1.54	\$3.16	\$4.74	\$6.17	\$6.48	\$6.81
Tier 3	\$2.32	\$3.83	\$5.75	\$7.48	\$7.86	\$8.26
Multi-Family						
Tier 1	\$1.40	\$2.84	\$4.26	\$5.54	\$5.82	\$6.12
Tier 2	\$1.40	\$3.68	\$5.52	\$7.18	\$7.54	\$7.92
Non-Residential	\$1.40	\$3.03	\$4.55	\$5.92	\$6.22	\$6.54
Irrigation	\$1.40	\$3.39	\$5.09	\$6.62	\$6.96	\$7.31

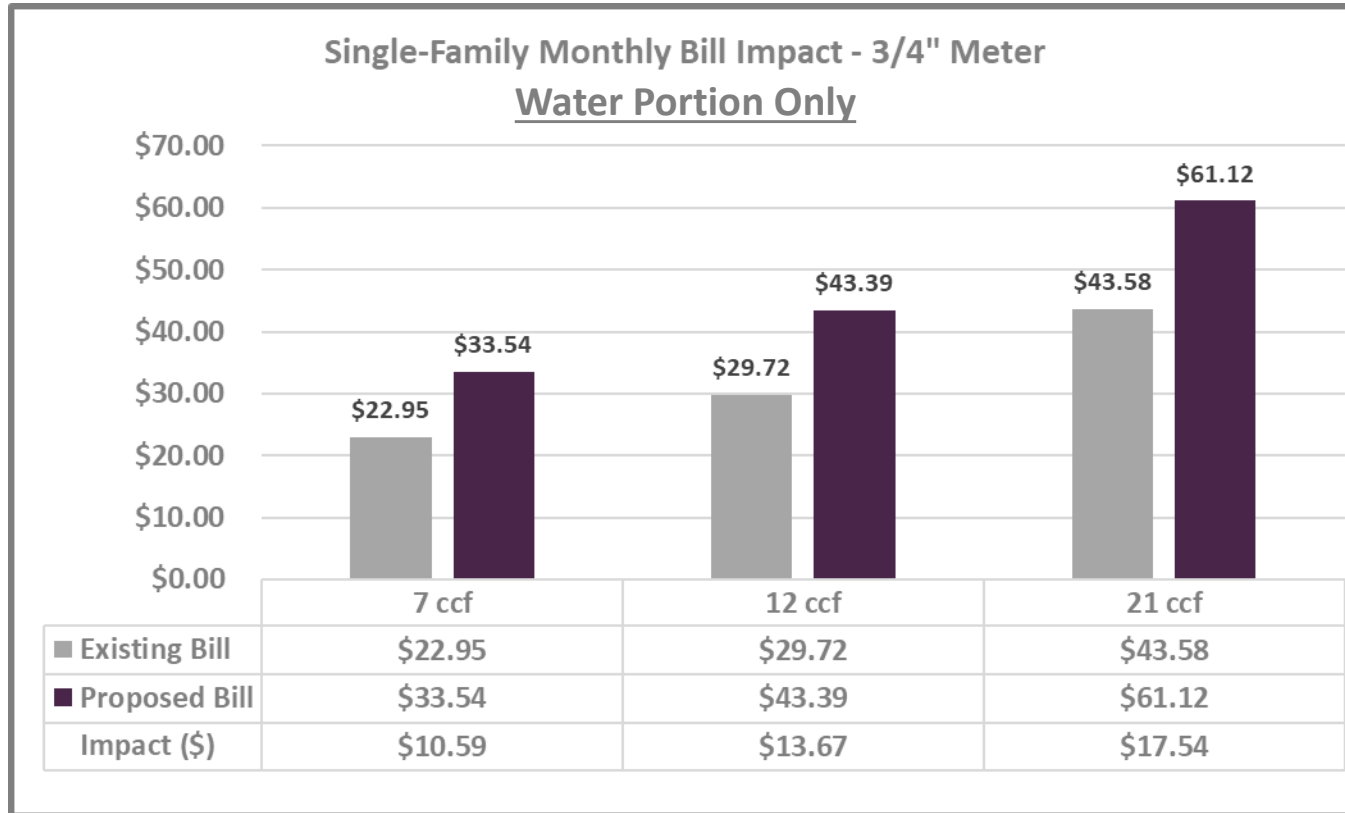
Customer Impacts

Financial Plans
C1, D1, C2, D2



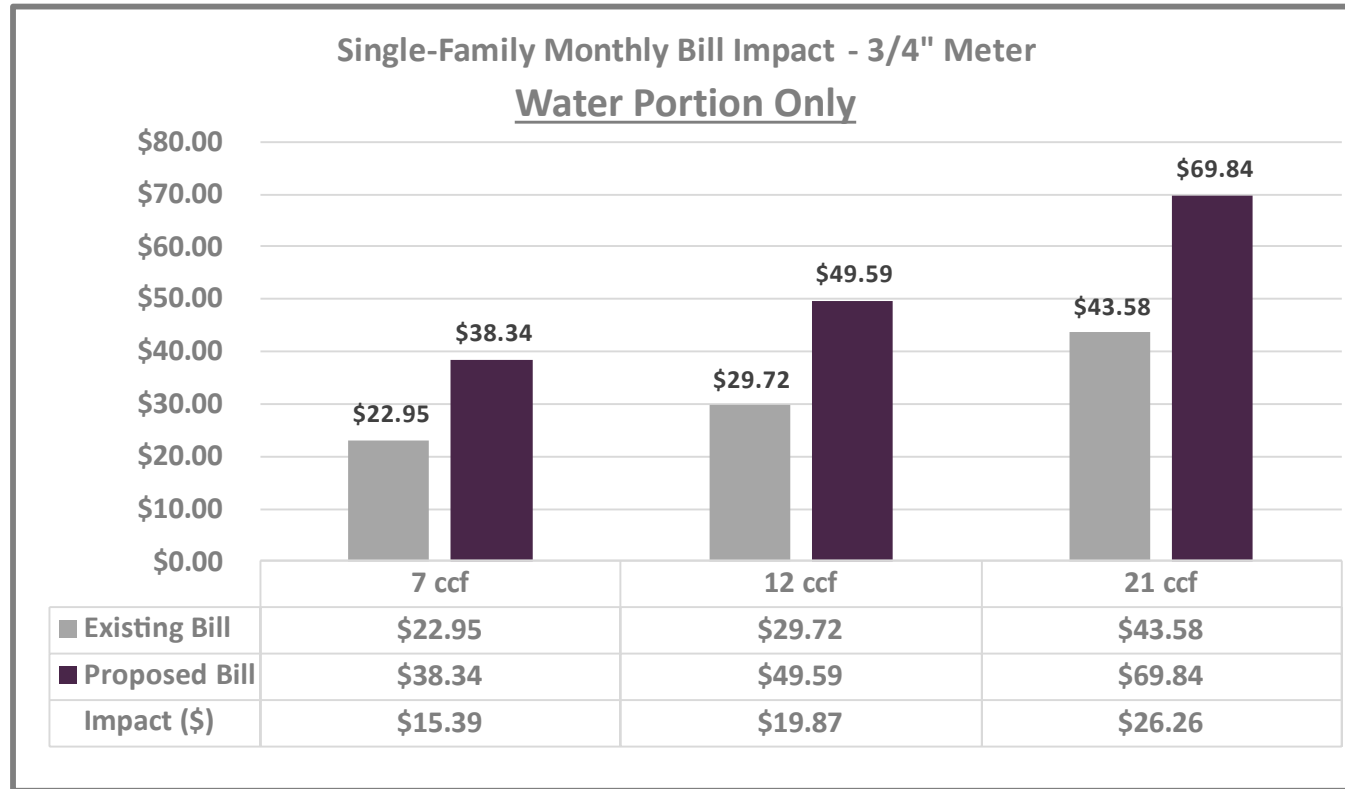
FY 2025 Single-Family Bill Impacts (3/4" Meter)

C1: Critical + Near-Term (with Debt)



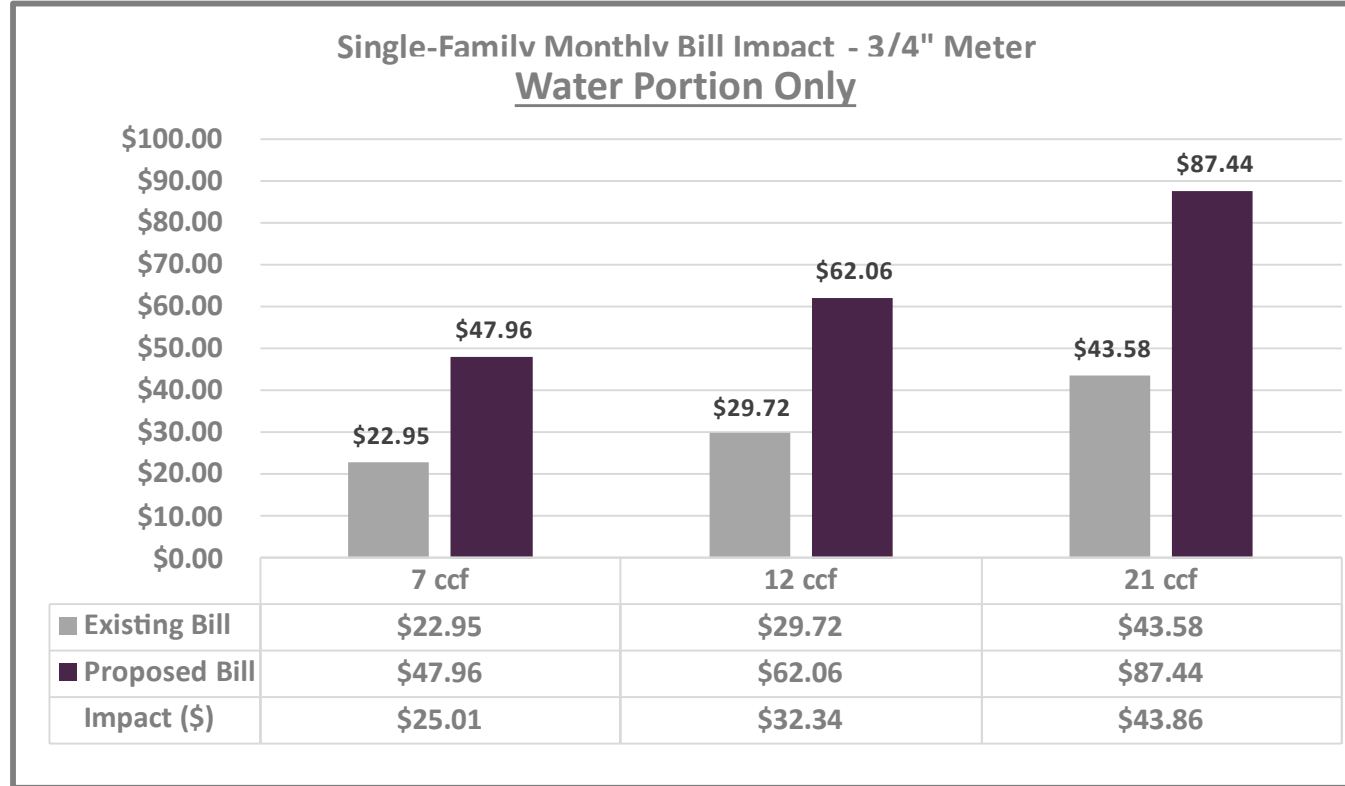
FY 2025 Single-Family Bill Impacts (3/4" Meter)

D1: Near-Term + R&R (with Debt)



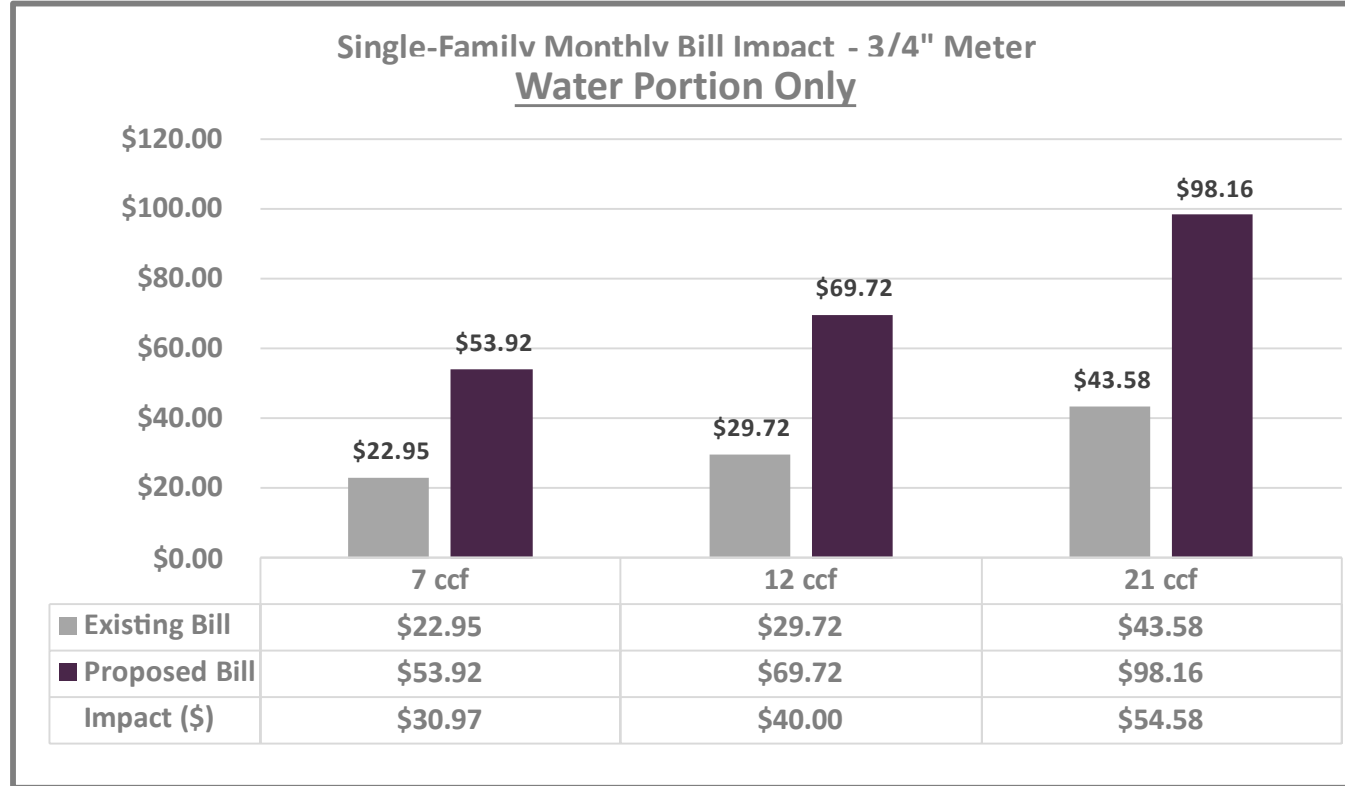
FY 2025 Single-Family Bill Impacts (3/4" Meter)

C2: Critical + Near-Term (No Debt)



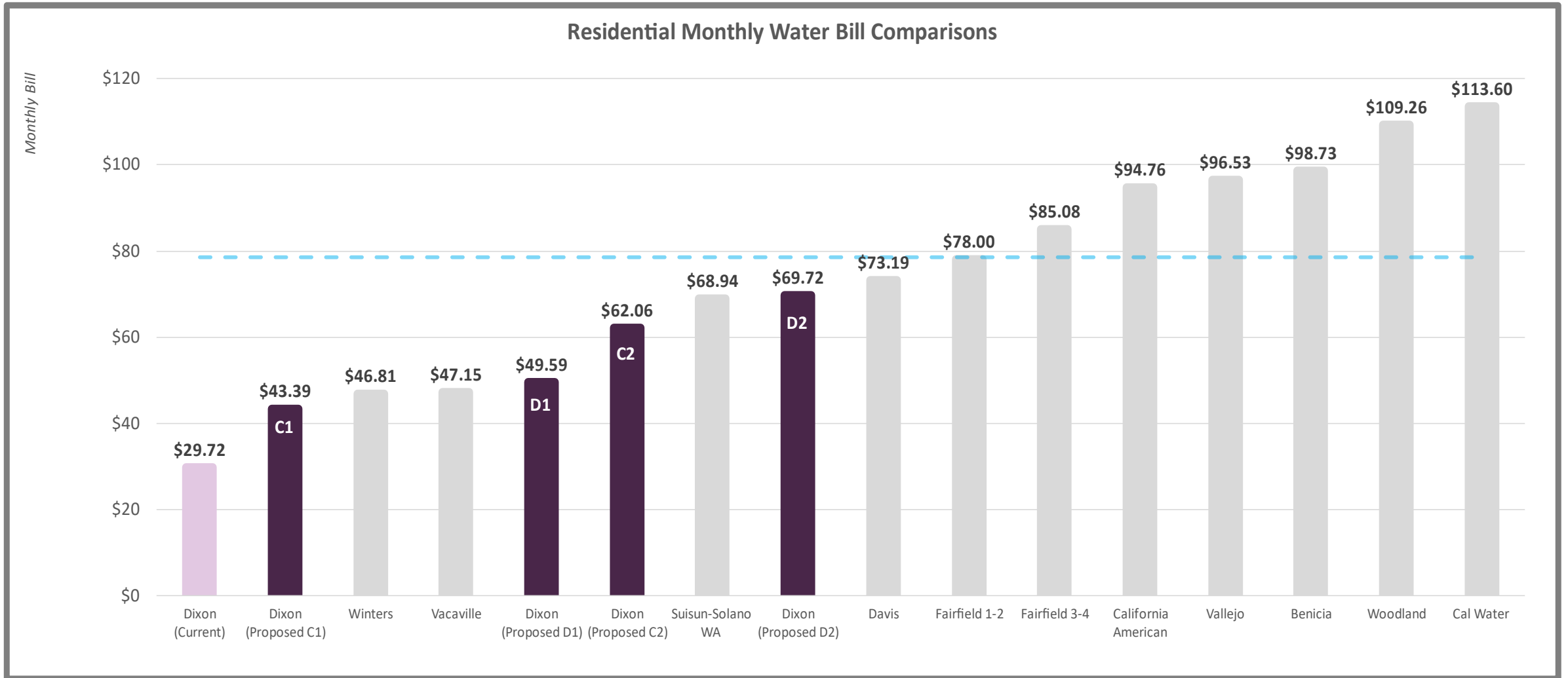
FY 2025 Single-Family Bill Impacts (3/4" Meter)

D2: Near-Term + R&R (No Debt)



Single-Family Rate Survey (FY 2025 Rates)

SFR with a 3/4" Meter using 12 ccf (C1, D1, C2, D2)



Five-Year Bill Impacts

Single-Family with a 3/4" Meter using 12 ccf

	CIP Scenarios	CIP Total	Debt Proceeds	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
C1	Critical + Near-Term	\$13.5M	\$7.0M	\$43.39	\$54.32	\$67.95	\$85.03	\$106.34
D1	Near-Term with R&R	\$20.1M	\$10.5M	\$49.59	\$64.52	\$83.90	\$109.17	\$141.96
C2	Critical + Near-Term	\$13.5M	-	\$62.06	\$80.72	\$105.04	\$110.36	\$115.98
D2	Near-Term with R&R	\$20.1M	-	\$69.72	\$104.58	\$136.01	\$142.87	\$150.07

Next Steps

FY 2024 Rate Study

- Identify RAC's preferred rate option
- Rate workshop with City Council (May 7th)
- Draft Cost-of-Service Rate Study Report
- Mail Proposition 218 Notices
- Hold Public Hearing on July 16th

Habib Isaac

IB Consulting

Principal | Managing Partner

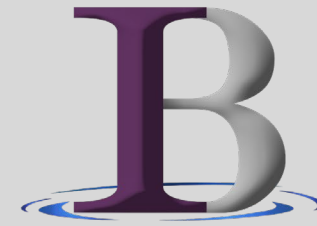
Phone: 951-595-9354 | Email: hisaac@IBConsultingInc.com

Andrea Boehling

IB Consulting

Principal | Managing Partner

Phone: 615-870-9371 | Email: aboehling@IBConsultingInc.com



C O N S U L T I N G