

JUNE LAKE PUBLIC UTILITY DISTRICT

2025 Water and Wastewater Rate Study

Draft Report

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SUSP



SPECIALIZED UTILITIES SERVICES PROGRAM
ENGINEERING

**JUNE LAKE PUBLIC UTILITY DISTRICT
2025 WATER AND WASTEWATER RATE STUDY**

DRAFT REPORT

Prepared for:

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EXECUTIVE SUMMARY

Background

June Lake Public Utility District (JLPUD, or the District) was formed in 1947 as an independent special district to provide services in the June Lake area. The District serves a full-time residential population and a substantial visitor population in the community of June Lake. The residential population is approximately 611 people; the seasonal visitor population is approximately 2,500 people. The District provides water treatment and distribution, sewer collection and treatment, and mosquito abatement services. The District provides water services to June Lake Village, West Village, and Down Canyon areas within the District, as well as to areas outside of the district, i.e. Pine Cliff, Oh! Ridge, and June Lake Junction. The District provides sewer services to June Lake Village, Down Canyon, and the US Forest Service's Silver Lake Tract. Sewer service is provided on a contractual basis to US Forest Service areas. The district currently has around 835 water connections and sewer connections.

The District's water supply is surface water from creeks and June Lake. This water is available through various diversion rights allotted to JLPUD and to the Inyo National Forest. The diversion rights for the Village System equal approximately 594,566 gallons per day (gpd). The Forest Service "loans" 116,057 gpd to the district to supply Forest Service campgrounds and developments owned or leased by individuals on land managed by the Forest Service. JLPUD utilizes four surface water treatment plants. All four plants were retrofitted with a remote access control system (SCADA) in 2005, which allows District staff to make changes to the treatment process from the District office. The sewer system currently includes 14 miles of pipeline, 29 lift stations, 5 pump stations, and the wastewater treatment plant. The treatment plant provides secondary treatment. The District's Wastewater System Evaluation contains recommendations for improvements to the system to meet current and projected future demand.

In July 2023, the California Rural Water Association (CRWA) retained Robert D. Niehaus, Inc. (RDN) to develop a comprehensive rate study, which includes financial planning, revenue requirements, cost of service, and rate-setting analyses (Study) for the JLPUD. The overall goal of this Study is to develop a financial plan to identify necessary revenues to meet the District's financial needs and design rates which recover the costs from ratepayers commensurate with their service requirements. RDN amended the District's current rates to further improve equity, promote efficiency and conservation, and ensure compliance with Proposition 218 (Prop 218) requirements and other legal mandates.

Figure 1 presents the limits of the District JLPUD in Red.

Figure 1. June Lake Public Utility District Boundary



Purpose of Study

The purpose of this analysis is to conduct a rate study which evaluates the District's current rates and financial data and propose new rates, if necessary, that meet the District's financial and strategic goals.

The primary objectives of this Study include:

- Projecting revenues and expenses for a ten-year study period
- Proposing five-year revenue adjustments to fund the District's projected financial needs
- Proposing rates which do not overly impact customers
- Producing an administrative record which effectively summarizes all findings
- Supporting the District through the Proposition 218 process

Rate Recommendations and Proposed Rates

Water
<ul style="list-style-type: none"> Adjusting rates by the recommended revenue adjustment of 4.0 percent per year for 2026 through 2030 Removing the free water allocation from the fixed charge for residential customers and billing for all water use Billing all customers based on their meter size
Wastewater
<ul style="list-style-type: none"> Adjusting rates by the recommended revenue adjustment of 10.0 percent per year for 2026 through 2030. Implementing rates that allocate costs equitably across equivalent customers.

39.53 +
1.58 = 41.11

40.64 +
4.06 = 44.70

85.81

Current Water Rates

Currently, customers pay a monthly fixed charge as well as variable rates based on monthly water use. All customer fixed charges are either based on customer class or meter size. Residential customers pay a fixed charge of \$39.53 per month. Commercial customers have a fixed charge based on their meter size, increasing for larger meters. Non-metered customers pay a monthly flat rate of \$43.29. All metered residential have 5,000 gallons included in their fixed rate and pay \$4.07 per 1,000 gallons for all use above the 5,000 gallons in a month. Commercial customers pay for all water use at a rate of \$2.52 per 1,000 gallons (Tgal). The current rates as described are displayed in **Table 1**.

Table 1. Current Water Rates

Fixed Charges		
Customer Class	Meter Size	Monthly Fee
Residential	Per Unit	\$39.53
Commercial	3/4"	\$39.53
	1"	\$39.53
	1 1/2"	\$79.06
	2"	\$126.10
	3"	\$235.43
	4"	\$378.31
	6"	\$436.15
	8"	\$436.15
Non-Meter	Flat Rate	\$43.29

Variable Charges		
Customer Class	Tier - Width	Unit Cost
Residential	Tier 1 - 5,000 gallons	\$0.00
	Tier 2 - All Additional Use	\$4.07
Commercial	Tier 1 - All Use	\$2.52

Proposed Water Rates

RDN proposes the following rate and revenue adjustments to accomplish the District's goals of capital and reserve funding as well as maintaining debt service coverage ratios. To maintain the proposed financial plan, the District should raise sewer revenues by 4.0 percent per year for 2026 through 2030. **Table 2** shows the proposed water revenue adjustments for the five-year rate study period. The proposed water rates will no longer include a free tier of water use for residential customers. Instead, all water will be billed. Additionally, the proposed rates will be billed to all customers at the same rate based on the size of their meter, rather than a count of residential units. The rates which result from these adjustments are shown in **Table 3**.

Table 2. Proposed Revenue Adjustments 2026 to 2030

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenue Adjustment	4.0%	4.0%	4.0%	4.0%	4.0%

Table 3. Proposed Rates for 2026 through 2030

Fixed Rate					
Meter Size	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
3/4"	\$35.80	\$37.23	\$38.72	\$40.27	\$41.88
1"	\$35.80	\$37.23	\$38.72	\$40.27	\$41.88
1 1/2"	\$68.01	\$70.73	\$73.56	\$76.51	\$79.57
2"	\$106.67	\$110.94	\$115.37	\$119.99	\$124.79
3"	\$229.08	\$238.25	\$247.78	\$257.69	\$268.00
4"	\$409.49	\$425.86	\$442.90	\$460.62	\$479.04
6"	\$841.16	\$874.80	\$909.80	\$946.19	\$984.04
Unmetered	\$45.56	\$47.39	\$49.28	\$51.25	\$53.30
Variable Rate					
Tier	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
All Use	\$3.32	\$3.46	\$3.59	\$3.74	\$3.89

Current Sewer Rates

District customers currently pay a fixed rate based on their customer class. The current rates were designed to recover an equitable portion of costs based on the amount of sewer flows and relative strength of the sewer output. The current rates as described are displayed in **Table 4**.

Table 4. Current Sewer Rates

Customer Class	Monthly Fee
Residential	\$40.64
Automobile Service	\$60.95
Car Washing Racks	\$101.60
Automobile Service (restrc	\$30.48
Bakeries	\$30.48
Barbershops	\$30.48
Bars (per seat)	\$2.03
Hotels (manager)	\$40.64
per rental unit no kitchen	\$11.15
per rental unit with kitchen	\$15.17
Trailer Park (manager)	\$40.64
per trailer	\$16.21
Laundry machine	\$60.95
Coin Operated Washer	\$40.64
Professional Offices	\$30.48
Public Showers	\$10.21
Retail Stores	\$30.48
Retail Stores (produce)	\$60.95
Campground (per space)	\$7.78
Picnic (per parking)	\$0.87
Church	\$30.48
Hospital Bed	\$10.16
Hospital Kitchen	\$30.48
Hospital Laundry	\$60.95
Lodge	\$30.48
School (per student)	\$0.80

Proposed Sewer Rates

RDN proposes the following rate and revenue adjustments to accomplish the District's goals of capital and reserve funding as well as maintaining debt service coverage ratios. To maintain the proposed financial plan, the District should raise sewer revenues by 10.0 percent per year for 2026 through 2030. **Table 5** shows the proposed sewer revenue adjustments for the five-year rate study period. The proposed sewer rates maintain the current rate structure, which bills all charges through a fixed rate. The rates which result from these adjustments are shown in **Table 6**.

Table 5. Proposed Revenue Adjustments 2026 to 2030

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenue Adjustment	10.0%	10.0%	10.0%	10.0%	10.0%

Table 6. Proposed Rates for 2026 through 2030

Customer Class	Fixed Charges				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential	\$44.70	\$49.17	\$54.09	\$59.50	\$65.45
Automobile Service	\$67.05	\$73.75	\$81.12	\$89.24	\$98.16
Car Washing Racks	\$111.76	\$122.94	\$135.23	\$148.75	\$163.63
Automobile Service (restroom)	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Bakeries	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Barbershops	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Bars (per seat)	\$2.23	\$2.46	\$2.70	\$2.97	\$3.27
Hotels (manager)	\$44.70	\$49.17	\$54.09	\$59.50	\$65.45
per rental unit no kitchen	\$12.27	\$13.49	\$14.84	\$16.32	\$17.96
per rental unit with kitchen	\$16.69	\$18.36	\$20.19	\$22.21	\$24.43
Trailer Park (manager)	\$44.70	\$49.17	\$54.09	\$59.50	\$65.45
per trailer	\$17.83	\$19.61	\$21.58	\$23.73	\$26.11
Laundry machine	\$67.05	\$73.75	\$81.12	\$89.24	\$98.16
Coin Operated Washer	\$44.70	\$49.17	\$54.09	\$59.50	\$65.45
Professional Offices	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Public Showers	\$11.23	\$12.35	\$13.59	\$14.95	\$16.44
Retail Stores	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Retail Stores (produce)	\$67.05	\$73.75	\$81.12	\$89.24	\$98.16
Campground (per space)	\$8.56	\$9.41	\$10.36	\$11.39	\$12.53
Picnic (per parking)	\$0.96	\$1.05	\$1.16	\$1.27	\$1.40
Church	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Hospital Bed	\$11.18	\$12.29	\$13.52	\$14.88	\$16.36
Hospital Kitchen	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Hospital Laundry	\$67.05	\$73.75	\$81.12	\$89.24	\$98.16
Lodge	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
School (per student)	\$0.88	\$0.97	\$1.06	\$1.17	\$1.29

METHODOLOGY

General Methodology

The water and sewer rates were developed using principles set forth by the American Water Works Association (AWWA) and the Water Environment Federation (WEF). RDN rate-making practices incorporate methods described in the AWWA Manual 1 (M1)¹ for Water Systems and the WEF Financing and Charges for Sewer Systems² wherever possible. **Figure 2** presents the steps taken to develop the District's proposed rates.

Figure 2. Rate Study Process



- **Growth Projection:** project customer growth for the current year and the ten-year study period, 2025 through 2034, using the District customers' historical growth data. Forecast revenues for the study period based on projected customer growth.
- **Financial Planning and Revenue Requirements:** develop a ten-year financial plan based on the projected revenues and annual costs which include both operating and capital expenses. The District's target reserve level should also be considered as part of the financial planning. Based on the financial planning, revenue requirements are determined for each year of the study period.
- **Cost of Service:** evaluate the customer classifications and allocate costs based on their service requirements.
- **Rate Design:** design rates to equitably recover the rate revenue requirements from each customer.

¹ Principles of Water Rates, Fees, and Charges, Seventh Edition, Manual of Water Supply Practices, American Water Works Association

² Financing and Charges for Sewer Systems, WEF Manual of Practice Number 27, Water Environment Federation

Legal Considerations

This section describes the legal framework considered in the development of the recommended rates to ensure that the calculated cost of service rates provide a fair and equitable allocation of costs to each customer class.

California Constitution-Article XIII C (Proposition 26)

California voters approved Proposition 26 on November 2, 2010. Proposition 26 amended Article XIII C of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" with listed exceptions. By means of these exceptions, Article XIII C classifies several types of charges, in addition to property-related charges, that are not taxes, such as charges for specific services or benefits, regulatory charges and penalties.

Article XIII C's definition of "tax" lists the following exceptions: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

Proposition 26 also provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payer bear a fair or reasonable relationship to the payer's burdens on, or benefits received from, the governmental activity. Like the proportionality requirements of Article XIII D, assessment of rates under these requirements, if applicable, would be supported by the cost of service approach.

California Constitution-Article XIII D, Section 6 (Proposition 218)

In November 1996, California voters passed Proposition 218, the Right to Vote on Taxes Act. This constitutional amendment protects taxpayers by limiting the methods by which local governments can create or increase taxes, fees and charges without taxpayer consent. Between 2002 and 2017, California courts have ruled that fees associated with providing water services are property-related and thus under the jurisdiction of Prop 218. The principal requirements for fairness of the fees, as they relate to public water service, are as follows: Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service. Revenues derived by the fee or charge shall not be used for any other purpose other than that for which the charge was imposed. The amount of the fee or charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel. Reliance by an agency on any parcel map, including, but not limited to, an assessor s parcel map, may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership for purposes of this article.

The rates developed in this report use a methodology to establish an equitable system of charges that recovers the cost of providing service and fairly apportion costs to each customer as required by Proposition 218.

Key Assumptions

A test year, 2025, was selected for which costs are to be analyzed for this study. The financial plan was built for the next ten years, including the five-year study period, FY 2026 through FY 2030 with a detailed revenue adjustment plan. The District's fiscal year begins on January 1 and ends on December 31.

Escalation Factors

The financial plan was built based on an assumption in the projected escalation of revenues and expenses associated with both operations and maintenance (O&M) and capital improvement projects (CIPs). Bureau of Labor Statistics (BLS) Consumer Price Index (CPI), Federal Reserve Bank of St. Louis (FRED) Economic Research Division, Quarterly Census of Employment and Wages (QCEW), and Engineering News Record (ENR) Building Cost Index (BCI). Escalation factors used in this study are shown in **Table 7**. This study assumes that recent record inflation levels will recede and return to more normal levels in future years.

Table 7. Expense Escalation Factors

Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Payroll	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%
Other Employee	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Utilities	5.2%	5.2%	4.9%	4.1%	3.7%	3.7%
Chemicals	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Water Treatment	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Fuel/Automobile	6.0%	3.3%	3.3%	3.3%	3.3%	3.3%
Construction	6.3%	6.3%	6.3%	4.4%	4.4%	4.4%
Insurance	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Overall	4.9%	4.3%	4.3%	3.3%	3.3%	2.5%

Customer Growth

All the analyses performed for this Study were based on an assumption of customer account growth. RDN, at the direction of District staff, projected account growth based on local planned building permits. There is an expectation that 60 new residential units will come online in FY 2027 and an additional 12 residential units will be built by FY 2030. This translates into 72 new sewer customer units and approximately 15 new meters joining the water system through the study period. **Table 8** shows the projected number of water meters for all customer classes during the rate setting period. **Table 9** shows the total sewer units by customer class for the rate setting period.

Table 8. Annual Water Meter Count 2025 through 2030

Meter Size	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
3/4"	0	0	0	0	0	0
1"	791	791	791	791	791	805
1 1/2"	17	17	17	17	17	17
2"	14	14	14	14	14	14
3"	1	1	1	1	1	1
4"	1	1	1	1	1	1
6"	1	1	1	1	1	1
Non Metered	10	10	10	10	10	10
Total	835	835	835	835	835	849

Table 9. Annual Sewer Customer Units 2025 through 2030³

Customer Class	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential	770	770	830	830	830	842
Retail/Office	46	46	46	46	46	46
Motel Room - Kitchen	25	25	25	25	25	25
Motel Room - No Kitchen	1,477	1,477	1,477	1,477	1,477	1,477
Restaurant/Bar Seats	291	291	291	291	291	291
Camping Space	197	197	197	197	197	197
School - Student	125	125	125	125	125	125
Total	2,931	2,931	2,991	2,991	2,991	3,003

Reserve Policy

The District currently has no reserve policy. RDN developed three funds to include in the rate study to provide the District justification to maintain sufficient fund balances. The proposed reserves include an Operating Reserve, an Emergency Reserve, and a Capital Reserve. The total water fund reserve target for 2025 is \$1,639,834. The total reserve target for the sewer utility is \$1,032,091 million in 2025. **Table 10** shows the reserve target for 2025 for each utility, as well as the proposed reserve policy for each individual reserve. Due to the potential increased volatility of water revenues due to the collection of variable revenues, which can fluctuate each year and impact revenue projections, the water reserve targets are set at a higher level than sewer reserves.

Table 10. Proposed Reserve Policies and FY 2025 target⁴

Reserve	Water Policy	Water 2025 Target	Sewer Policy	Sewer 2025 Target
Operating Reserve	6 Months Operating	\$420,928	3 Months Operating	\$271,293
Emergency Reserve	3 Months Operating	\$210,464	3 Months Operating	\$271,293
Capital Reserve	Sum of 5 Year CIP	\$1,008,442	Average of 5 Year CIP	\$489,505
Total Reserve Target		\$1,639,834		\$1,032,091

³ Note that sewer customer units are based on the billing unit value of each customer type; for example, motel rooms include the count of rooms in each category and the school category is a count of students.

⁴ Reserve Policies developed as part of the study process

WATER FINANCIAL PLAN

RDN built a 10-year financial model to meet the District's long-term financial goals.

Demand Projections

Using historical billing records, RDN first derived aggregate usage levels to project water demand. Next, we calculated water usage per account for each customer by dividing the aggregate usage by the number of accounts. RDN assumed constant per account usage over the study period. Finally, the forecast number of accounts and per-account usage were multiplied to estimate aggregate use by customer class. Water use for non-metered customers is not tracked, thus this water is not included in the use projections.

Table 11 shows the annual water use projection, in thousands of gallons, by customer class for the rate setting period.

Table 11. Annual Water Use by Customer Class, 2025 through 2030⁵

Customer Class	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential						
Tier 1	15,033	15,033	15,085	15,085	15,085	15,347
Tier 2	14,120	14,120	14,169	14,169	14,169	14,415
Commercial						
Tier 1	28,528	28,528	28,528	28,528	28,528	28,528
Total Metered Water Use (Tgal)	57,681	57,681	57,782	57,782	57,782	58,291

Revenues

Based on the account growth and water demand projections, RDN forecasted revenues generated from customer rates using the current water rates for the study period, which total approximately \$536,000 annually. Other operating income and non-operating revenue are estimated to provide supplemental revenue each year. The District collects significant tax revenue in each fiscal year. The total tax revenue is split between the water and sewer utility and makes up a large part of the non-operating revenue category. Total non-operating revenues are projected to average \$530,000 per year. The system's total revenue for the study period is estimated to average approximately \$1.1 million annually under the current rates. **Table 12** shows the projected revenue flow for the study period (2025 – 2030) without any revenue adjustments, projections are based on water use and customer growth projections as well as other operating and non-operating revenue estimates provided by District staff.

⁵ Use projections derived from historical monthly customer billing records and trends in water use.

Table 12. Water Utility Operating Forecast, 2025 through 2030

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenue from Rates						
Fixed Charges	\$407,082	\$407,082	\$407,082	\$407,556	\$407,556	\$407,556
Variable Charges	\$129,359	\$129,359	\$129,359	\$129,558	\$129,558	\$129,558
Rate Revenue Total	\$536,441	\$536,441	\$536,441	\$537,114	\$537,114	\$537,114
Other Operating Revenues	\$10,120	\$10,120	\$10,120	\$10,120	\$10,120	\$10,120
Non-operating Revenues	\$509,191	\$517,167	\$525,302	\$533,598	\$542,060	\$550,691
Total	\$1,055,752	\$1,063,728	\$1,071,863	\$1,080,832	\$1,089,294	\$1,097,925

Operating and Maintenance (O&M) Expense

The water utility's operating budget included \$804,000 in operating expenses for FY 2024. Total operating expenses are expected to increase approximately 4.7 percent in FY 2025. By the end of the five-year rate setting period, total operating expenses are expected to reach \$1.03 Million. Annual overall inflation for operating expenses for the ten-year financial planning period is expected to average around 4.1 percent per year. **Table 13** shows projected operating expenses for the rate-setting period by budget category.

Table 13. Operating Expenses by Expense Category, 2025 through 2030⁶

Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Total Operating Expense	\$841,855	\$879,216	\$918,132	\$955,089	\$993,347	\$1,030,280
Pumping Utilities	\$34,292	\$36,061	\$37,839	\$39,396	\$40,866	\$42,391
Treatment Salaries	\$104,581	\$108,849	\$113,291	\$117,914	\$122,726	\$127,735
Treatment Supplies	\$121,687	\$126,884	\$132,301	\$136,686	\$141,216	\$144,749
Treatment Contractual Services	\$20,981	\$21,876	\$22,811	\$23,567	\$24,348	\$24,957
Treatment Utilities	\$20,375	\$21,426	\$22,482	\$23,407	\$24,281	\$25,187
T&D Salaries	\$39,874	\$41,502	\$43,195	\$44,958	\$46,793	\$48,703
T&D Supplies	\$17,265	\$18,002	\$18,771	\$19,393	\$20,036	\$20,537
T&D Contractual Services	\$40,912	\$42,659	\$44,481	\$45,955	\$47,478	\$48,666
Meter Salaries	\$20,047	\$20,865	\$21,717	\$22,603	\$23,525	\$24,485
Meter Supplies	\$15,735	\$16,407	\$17,108	\$17,675	\$18,261	\$18,718
A&G Salaries	\$138,224	\$143,865	\$149,736	\$155,846	\$162,207	\$168,826
Directors Fees	\$2,229	\$2,324	\$2,424	\$2,504	\$2,587	\$2,652
Vac/Hol/SL	\$13,461	\$14,010	\$14,582	\$15,177	\$15,796	\$16,441
Travel, Meetings and Mileage	\$2,623	\$2,735	\$2,851	\$2,946	\$3,043	\$3,120
PERS Employer Contribution	\$21,322	\$22,601	\$23,957	\$25,395	\$26,918	\$28,534
Calpers Unfunded Liability	\$12,931	\$13,707	\$14,529	\$15,401	\$16,325	\$17,305
Health Insurance	\$63,000	\$66,150	\$69,458	\$72,930	\$76,577	\$80,406
Dental Vision Insurance	\$2,100	\$2,205	\$2,315	\$2,431	\$2,553	\$2,680
LTD & Life Insurance	\$3,003	\$3,153	\$3,311	\$3,476	\$3,650	\$3,833
State Compensation	\$21,938	\$23,254	\$24,649	\$26,128	\$27,696	\$29,358
Employer Social Security	\$106	\$112	\$119	\$126	\$134	\$142
Employer Medicare	\$3,978	\$4,217	\$4,470	\$4,738	\$5,022	\$5,324
Gas, Oil and Fuel	\$11,884	\$12,275	\$12,679	\$13,097	\$13,528	\$13,974
Maintenance, Vehicle, and Contractual	\$3,179	\$3,284	\$3,392	\$3,503	\$3,619	\$3,738
Office Expenses	\$3,147	\$3,281	\$3,422	\$3,535	\$3,652	\$3,744
Communication	\$8,392	\$8,751	\$9,124	\$9,427	\$9,739	\$9,983
Small Tools and Supplies	\$2,098	\$2,188	\$2,281	\$2,357	\$2,435	\$2,496
A&G Contractual Services	\$26,226	\$27,346	\$28,513	\$29,458	\$30,434	\$31,196
Dues, Subs, and Fees	\$18,063	\$18,835	\$19,639	\$20,290	\$20,962	\$21,486
Professional Services	\$26,226	\$27,346	\$28,513	\$29,458	\$30,434	\$31,196
General Insurance	\$18,244	\$19,156	\$20,114	\$21,119	\$22,175	\$23,284
Rents and Leases	\$3,732	\$3,892	\$4,058	\$4,192	\$4,331	\$4,440

Other Obligations

Other obligations included in the financial plan are capital improvement projects funded by PAYGO (Pay As You Go), debt service obligations, and reserve contributions made from rates.

Capital Improvement Projects

The District plans to spend nearly \$1.1 million on rate funded capital expenditures for the water utility over the next ten years which include water specific projects such as SCADA upgrades, meter replacements, and water tank refinishing. **Table 14** shows the planned water rate funded capital projects for FY 2025 through FY 2030.

⁶ District staff provided current year operating expenses; projections are based on individual line-item inflationary factors shown in Table 5. T&D stand for Transmission and Distribution expenses. A&G stand for Administrative and General Expenses.

Table 14. Rate Funded Capital Expenses, 2025 through 2030

Project	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SCADA System Upgrades	\$0	\$8,000	\$0	\$8,000	\$75,000	\$0
Turbidimeters/sensors	\$6,523	\$30,000	\$8,000	\$5,000	\$0	\$0
Water Tank Refinish Clark	\$0	\$0	\$16,000	\$25,000	\$0	\$0
Water Tank Refinish Snow Creek	\$0	\$0	\$16,000	\$25,000	\$0	\$0
Field Vehicle Replacement Prgm	\$0	\$0	\$0	\$0	\$32,500	\$0
Meter Replacement Prgm	\$33,419	\$60,000	\$15,000	\$15,000	\$15,000	\$0
Diversion upgrades	\$0	\$150,000	\$0	\$0	\$0	\$0
Replump Upper Clark water lines	\$0	\$40,000	\$0	\$0	\$0	\$0
Water Main Replacement Campground	\$0	\$0	\$350,000	\$0	\$0	\$0
Total PAYGO Capital Projects	\$39,942	\$288,000	\$405,000	\$78,000	\$122,500	\$0

Debt Service and Coverage Ratios

The District currently has no outstanding debt service and has no plans to issue debt in the future.

Reserves

The District must maintain an appropriate reserve balance to ensure the day-to-day operation will continue during emergencies and guarantee the future stability of the system. The District’s financial goal is to build an appropriate level of cash reserves for each reserve fund included in the financial plan of this Study. The District currently maintains a cash balance but has no formal policy. As part of this study, RDN recommended three reserve funds with targets based on the long-term financial plan. The proposed reserve balances will reduce long-term risk and allow the District to have cash available to accomplish the capital improvement goals. Water reserve targets are described below:

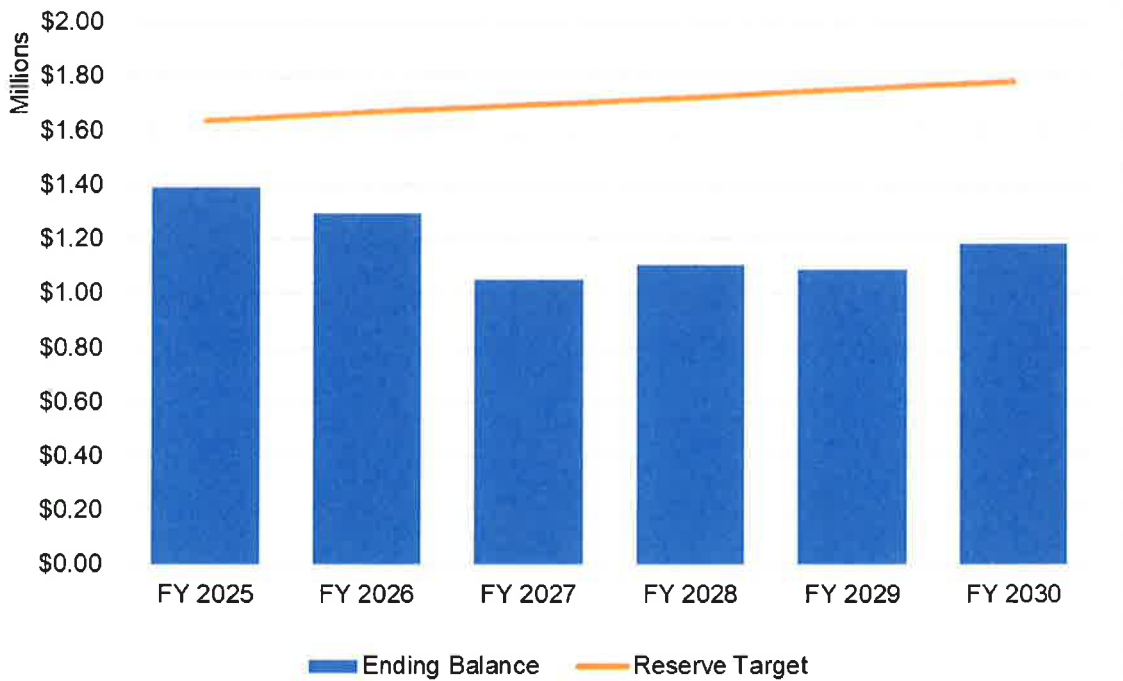
- **Operating Reserve:** 6 months of operations
- **Emergency Reserve:** 3 months of operations
- **Capital Reserve:** Sum of 10 years of planned capital projects.

Reserve targets at the end of the study period reach \$1.8 million. **Table 15** shows the District’s reserve targets for 2025 through 2030 based on the proposed reserve policy. **Figure 3** displays the resulting cash balances versus the reserve target under the current rates. Reserve targets are based on the reserve policy shown in **Table 10** and operating and capital totals shown in **Tables 13 and 14**, respectively.

Table 15. Reserve Targets, 2025 through 2030

Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operating Reserve	\$420,928	\$439,608	\$459,066	\$477,544	\$496,674	\$515,140
Emergency Reserve	\$210,464	\$219,804	\$229,533	\$238,772	\$248,337	\$257,570
Capital Reserve	\$1,008,442	\$1,008,442	\$1,008,442	\$1,008,442	\$1,008,442	\$1,008,442
Total Reserve Target	\$1,639,834	\$1,667,854	\$1,697,041	\$1,724,758	\$1,753,452	\$1,781,152

Figure 3. Cash Balances and Reserve Target With Current Rates, 2025 through 2030



Financial Plan

Based on the projected total revenue and necessary costs to be recovered during the study period, RDN built a financial plan that will generate sufficient revenues for the day-to-day operation and annual PAYGO and maintain reserve targets. The District currently had a projected ending cash balance of \$1.2 million in July of 2024, which it is projected to increase to the end of the year. **Table 16** shows the status quo water pro forma with no revenue adjustments and the resulting ending balances based on the revenues and expenses outlined in this section. RDN recommends that the District increase water revenues by 4.0 percent per year in order to fund capital expenses and maintain fund balances.

Table 16. Status Quo Financial Pro Forma for June Lake Public Utility District, 2025 through 2030

Rate Increase	0.0%		0.0%		0.0%	
Rate Month Implemented	September		July		July	
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Cash Position Opening Balance	\$ 1,209,134	\$ 1,391,064	\$ 1,295,711	\$ 1,053,412	\$ 1,104,617	\$ 1,086,695
Revenues						
Water Rate Revenue	\$ 536,441	\$ 536,441	\$ 537,114	\$ 537,114	\$ 537,114	\$ 544,887
Other Operating Revenue	\$ 10,120	\$ 10,120	\$ 10,120	\$ 10,120	\$ 10,120	\$ 10,120
Non-Operating Revenue	\$ 517,167	\$ 525,302	\$ 533,598	\$ 542,060	\$ 550,691	\$ 559,494
Total Revenues	\$ 1,063,728	\$ 1,071,863	\$ 1,080,832	\$ 1,089,294	\$ 1,097,925	\$ 1,114,500
Operating Expenses	\$ 841,855	\$ 879,216	\$ 918,132	\$ 955,089	\$ 993,347	\$ 1,030,280
Net Operating Revenues	\$ 221,872	\$ 192,647	\$ 162,701	\$ 134,206	\$ 104,578	\$ 84,220
Capital Expenditure	\$ 39,942	\$ 288,000	\$ 405,000	\$ 83,000	\$ 122,500	\$ -
Debt Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash	\$ 39,942	\$ 288,000	\$ 405,000	\$ 83,000	\$ 122,500	\$ -
Alternate Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income	\$ 181,930	\$ (95,353)	\$ (242,299)	\$ 51,206	\$ (17,922)	\$ 84,220
Ending Balance	\$1,391,064	\$1,295,711	\$1,053,412	\$1,104,617	\$1,086,695	\$1,170,915

Table 41 shows the proposed water pro forma for the study period with the recommended revenue adjustments per year.

Table 17. Proposed Financial Pro Forma for June Lake Public Utility District, 2025 through 2030

Rate Increase	4.0%		4.0%		4.0%	
Rate Month Implemented	September		July		July	
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Cash Position Opening Balance	\$ 1,209,134	\$ 1,391,064	\$ 1,311,804	\$ 1,113,333	\$ 1,231,605	\$ 1,304,916
Revenues						
Water Rate Revenue	\$ 536,441	\$ 552,534	\$ 580,942	\$ 604,180	\$ 628,347	\$ 650,189
Other Operating Revenue	\$ 10,120	\$ 10,120	\$ 10,120	\$ 10,120	\$ 10,120	\$ 10,120
Non-Operating Revenue	\$ 517,167	\$ 525,302	\$ 533,598	\$ 542,060	\$ 550,691	\$ 559,494
Total Revenues	\$ 1,063,728	\$ 1,087,956	\$ 1,124,661	\$ 1,156,360	\$ 1,189,158	\$ 1,219,803
Operating Expenses	\$ 841,855	\$ 879,216	\$ 918,132	\$ 955,089	\$ 993,347	\$ 1,030,280
Net Operating Revenues	\$ 221,872	\$ 208,740	\$ 206,529	\$ 201,272	\$ 195,811	\$ 189,523
Capital Expenditure	\$ 39,942	\$ 288,000	\$ 405,000	\$ 83,000	\$ 122,500	\$ -
Debt Proceeds New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash	\$ 39,942	\$ 288,000	\$ 405,000	\$ 83,000	\$ 122,500	\$ -
Alternate Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income	\$ 181,930	\$ (79,260)	\$ (198,471)	\$ 118,272	\$ 73,311	\$ 189,523
Ending Balance	\$ 1,391,064	\$1,311,804	\$1,113,333	\$1,231,605	\$1,304,916	\$1,494,439

Revenue Requirements

Table 42 displays the sewer utility's revenue requirements for 2025. The total expense is offset by other operating revenues and non-operating revenues to compute a pure portion of revenue requirements that need to be recovered from customers' rates. RDN proposes annual revenue adjustments of 4.0 percent in 2026, 4.0 percent in 2027, 4.0 percent in 2028, 4.0 percent in 2029, and 4.0 percent in 2030 to reach the financial goals set by the District.

Table 18. Revenue Requirements for June Lake Public Utility District, 2025

Revenue Requirement	FY 2025
Operating Expenses	\$841,855
Non-Operating Expenses	\$39,942
Total Expense	\$881,797
Other Operating Revenues	(\$10,120)
Non-Operating Revenues	(\$517,167)
Net Balance Adjustment	\$200,198
Rate Revenue Requirement	\$554,709

COST OF SERVICE AND WATER RATE DESIGN

The last step of a rate study is designing rates. Rates must be designed to equitably recover the rate revenue requirements from each customer given the projected customer demand identified. The relative impact and potential impact each type of customer has on the water system based on the number of representative units was used as a basis to allocate costs between customer types. For example, larger water meters have the potential for increased water flow as well as having a higher cost to maintain. Thus, customers with larger meters have a larger impact on system maintenance and demand, meaning they should pay more for their service.

Functionalization of Costs

Operating and capital costs are functionalized based on operating categories used in the District's budget and input from District staff with expertise on the system and utility industry knowledge. The functionalization of capital expenses is based on the ten year capital plan, which represents a better overall estimate of systemwide needs versus just one year of capital expenditure. The functions of the water system for both operating and capital expenses include:

- Water Supply □ costs associated groundwater procurement and water purchases
- Pumping □ costs associated with general pumping and energy use
- Storage □ costs associated with water storage for distribution
- Treatment □ costs associated with treating water
- Transmission and Distribution □ costs associated with transmitting and distributing water to customers
- Meter Reading and Bill Collections □ costs associated with customer service and billing related tasks
- Meter and Services □ costs associated with the maintenance of meters
- Administrative and General □ costs associated with administrative and general functions

Costs were functionalized based on industry-standard budget determinations and input from staff. **Table 19** shows the amount and percentage of test year operating expenses allocated to each function. **Table 20** shows the amount and percentage of the District's long-term capital plan allocated to each function. A single year of non-operating expenses typically does not reflect an adequate ratio of overall system values.

Table 19. Percentage of Operating Costs Allocated to Standard Functions

O&M Expense		
Category	Allocation	Percent
Total O&M	\$841,855	100.0%
Transmission and Distribution	\$98,052	11.6%
Pumping	\$34,292	4.1%
Treatment	\$267,624	31.8%
Meters	\$35,782	4.3%
Administrative and General	\$406,105	48.2%

Table 20. Percentage of Non-operating Costs Allocated to Standard Functions

Non-Operating Expense		
Category	Allocation	Percent
Total CIP	\$1,112,180	100.0%
Water Supply	\$162,338	14.6%
Storage	\$41,000	3.7%
Transmission and Distribution	\$248,900	22.4%
Pumping	\$157,419	14.2%
Treatment	\$71,523	6.4%
Meters	\$41,000	3.7%
Administrative and General	\$390,000	35.1%

The cost causative components include:

- **Source of Supply** □ water purchase costs, groundwater procurement, pumping costs, etc.
- **Base** □ delivering water to customers under average demand conditions
- **Meters** □ the costs of servicing and reading meters
- **Customer Service** □ billing and other customer service-related costs

Water supply costs are allocated 100 percent to the Supply component as they relate to groundwater production. Pumping and treatments costs are allocated between supply and based delivery categories. Meter Reading and Customer Service-related costs are allocated directly to those cost components as they are not impacted by water source availability or delivery dynamics. Administrative and general costs are allocated to cost components based on the percentage of the functions allocated to the other cost categories.

The result of the COS analysis determines how the total revenue requirements should be allocated to each of the cost components, which are categorized and grouped based on the similar cost driving elements. **Table 21** through **Table 24** show the percent and total value of functionalized operating and capital costs.

Table 21. Percent of Operating Function Categories Allocated to Cost Components

O&M Expense						
Category	Total Allocation	Source of Supply	Base	Meters	Customer Service	Total
Transmission and Distribution	\$98,052	0.0%	100.0%	0.0%	0.0%	100.0%
Pumping	\$34,292	100.0%	0.0%	0.0%	0.0%	100.0%
Treatment	\$267,624	40.0%	60.0%	0.0%	0.0%	100.0%
Meters	\$35,782	0.0%	0.0%	50.0%	50.0%	100.0%
Administrative and General	\$406,105	0.0%	81.8%	9.1%	9.1%	100.0%

Table 22. Total of Operating Functional Categories Allocated to Cost Components

O&M Expense					
Category	Total Allocation	Source of Supply	Base	Meters	Customer Service
Transmission and Distribution	\$98,052	\$0	\$98,052	\$0	\$0
Pumping	\$34,292	\$34,292	\$0	\$0	\$0
Treatment	\$267,624	\$107,049	\$160,574	\$0	\$0
Meters	\$35,782	\$0	\$0	\$17,891	\$17,891
Administrative and General	\$406,105	\$0	\$332,100	\$37,003	\$37,003
Percent of Total		16.8%	70.2%	6.5%	6.5%

Table 23. Percent of Non-Operating Function Categories Allocated to Cost Components

Non-Operating Expense						
Category	Total Allocation	Source of Supply	Base	Meters	Customer Service	Total
Water Supply	\$162,338	100.0%	0.0%	0.0%	0.0%	100.0%
Storage	\$41,000	100.0%	0.0%	0.0%	0.0%	100.0%
Transmission and Distribution	\$248,900	50.0%	50.0%	0.0%	0.0%	100.0%
Pumping	\$157,419	100.0%	0.0%	0.0%	0.0%	100.0%
Treatment	\$71,523	0.0%	100.0%	0.0%	0.0%	100.0%
Meters	\$41,000	0.0%	0.0%	100.0%	0.0%	100.0%
Administrative and General	\$390,000	0.0%	63.6%	36.4%	0.0%	100.0%

Table 24. Total of Non-Operating Functional Categories Allocated to Cost Components

Category	Non-Operating Expense				
	Total Allocation	Source of Supply	Base	Meters	Customer Service
Water Supply	\$162,338	\$162,338	\$0	\$0	\$0
Storage	\$41,000	\$41,000	\$0	\$0	\$0
Transmission and Distribution	\$248,900	\$124,450	\$124,450	\$0	\$0
Pumping	\$157,419	\$157,419	\$0	\$0	\$0
Treatment	\$71,523	\$0	\$71,523	\$0	\$0
Meters	\$41,000	\$0	\$0	\$41,000	\$0
Administrative and General	\$390,000	\$0	\$247,896	\$142,104	\$0
Percent of Total		43.6%	39.9%	16.5%	0.0%

The non-operating expenses for the test year are made up of capital expenditures totaling approximately \$40,000. Those costs are distributed to the cost components based on the final percentages shown in Table 24. Operating allocations are based on the actual projected test year expenses and the total for each cost component reflect the percentages in Table 22.

Table 25 shows the cost allocation by cost causative components under the proposed financial plan. Non-operating and other operating revenues are allocated to each cost component based on the overall cost allocation percentages shown in the Percent of Total row.

Table 25. Rate Revenue Requirements for Test Year, FY 2025

Cost Allocation Summary	Total	Source of Supply	Base	Meters	Customer Service
O&M Revenue Requirements	\$841,855	\$141,342	\$590,726	\$54,894	\$54,894
Non-Operating Revenue Requirements	\$39,942	\$17,425	\$15,941	\$6,576	\$0
Total	\$881,797	\$158,767	\$606,666	\$61,470	\$54,894
Percent of Total		18.0%	68.8%	7.0%	6.2%
Other Operating Revenue	(\$10,120)	(\$1,822)	(\$6,962)	(\$705)	(\$630)
Non-Operating Revenue	(\$517,167)	(\$93,116)	(\$355,805)	(\$36,052)	(\$32,195)
Net Balance From Operations	\$200,198	\$36,046	\$137,734	\$13,956	\$12,463
Rate Revenue Requirement	\$554,709	\$99,875	\$381,633	\$38,669	\$34,532

Allocation to Units

The final step of the COS analysis is to allocate the cost causative components back to the customers. In order to perform this, unit values were determined for each cost component. Equivalent meters are determined by multiplying the total meters by their equivalent meter value. **Table 26** shows the meters currently connected to the water system and the number of equivalent meters based on AWWA meter equivalency factors.

Table 26. Total Equivalent Meters Used for Cost Allocation

Meters Size	Number of Meters	Meter Equivalence	Total Equivalent Meters
3/4"	-	1.00	-
1"	791	1.00	791
1 1/2"	17	2.00	34
2"	14	3.20	45
3"	1	7.00	7
4"	1	12.60	13
6"	1	26.00	26
No Meter	10	1.00	10
Total	835		925
Water Use			55,157

The number of bills in one year (the number of accounts multiplied by 12) serves as the basis for distributing billing and customer service costs associated with meter reading, customer billing and collection, and other customer services costs. The number of equivalent meters is used to distribute meter related service costs.

The water rates have two components: 1) a fixed monthly service charge and 2) volumetric rates. Customers must pay the fixed charge regardless of the water use. In addition, the customers pay volumetric rates based on the volume of water use.

1. **Fixed monthly service charge:** the rates are established based on the size of the meter at the property receiving water service and are calculated to recover a portion of the District's fixed costs, such as water facilities repairs and replacements, meter reading, and customer service.
2. **Variable rates:** the rates are calculated based on the cost of water supplies, the cost of managing the District's water resources throughout the system to customers. The remaining fixed costs that are not recovered via fixed charges are also recovered from variable charges. The rates are billed per hundred cubic feet.

Together, the two components (fixed and variable) are calculated to recover the proportionate cost of providing water service attributable to each customer. **Table 27** shows the costs which are allocated to either fixed or variable rates.

Table 27. Allocation of Fixed and Variable Costs⁷

Cost Category	Total Cost	Fixed Cost	Variable Cost
Source of Supply	\$99,875		\$99,875
Base	\$381,633	\$305,306	\$76,327
Meters	\$38,669	\$38,669	\$0
Customer Service	\$34,532	\$34,532	\$0
Total	\$554,709	\$378,507	\$176,202

Monthly Fixed Charge

All meter and base delivery costs are divided by the number of equivalent meters using the AWWA ratio discussed in the Key Assumptions section to compute the unit cost for each cost component. Customer service costs are simply divided by the number of bills since the service requirements of this cost type are the same regardless of the meter size installed on a property. **Table 28** shows the total costs allocated to each cost category, the number of units for the category, and the cost for a month of service for each cost unit. The resulting monthly unit costs are used to calculate the fixed customer rates.

Table 28. Fixed Cost Components Divided by Number of Units

Cost Category	Total Cost	Unit	Unit Cost
Base	\$305,306	925	\$27.49
Meters	\$38,669	925	\$3.48
Customer Service	\$34,532	835	\$3.45

Table 29 shows the monthly fixed charge calculation by meter size for water service customer connections.

⁷ Revenue offsets are the direct use of non-operating revenues shown in table 11 to offset variable rates.

Table 29. Monthly Water Service Fixed Charge Calculation

Meter Size	Customer Service		Base and Meter		Equivalent Meter		COS Rate
3/4"	\$3.45	+	\$30.98	x	1.00	=	\$34.42
1"	\$3.45	+	\$30.98	x	1.00	=	\$34.42
1 1/2"	\$3.45	+	\$30.98	x	2.00	=	\$65.40
2"	\$3.45	+	\$30.98	x	3.20	=	\$102.57
3"	\$3.45	+	\$30.98	x	7.00	=	\$220.27
4"	\$3.45	+	\$30.98	x	12.60	=	\$393.74
6"	\$3.45	+	\$30.98	x	26.00	=	\$808.81

The District uses the 1" meter as the base size, so all meters 1" and smaller are normalized to a common rate because these meters typically have the same use patterns and are the most common meters.

The proposed five-year monthly fixed charges for all water customers are shown in **Table 30**:

Table 30. Proposed 5-year Fixed Charge Schedule

Meter Size	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
3/4"	\$35.80	\$37.23	\$38.72	\$40.27	\$41.88
1"	\$35.80	\$37.23	\$38.72	\$40.27	\$41.88
1 1/2"	\$68.01	\$70.73	\$73.56	\$76.51	\$79.57
2"	\$106.67	\$110.94	\$115.37	\$119.99	\$124.79
3"	\$229.08	\$238.25	\$247.78	\$257.69	\$268.00
4"	\$409.49	\$425.86	\$442.90	\$460.62	\$479.04
6"	\$841.16	\$874.80	\$909.80	\$946.19	\$984.04

Variable Water Rates

Volumetric charges are established based on variable costs such as water purchases, treatment, and energy costs. The base delivery costs on the volumetric side are the remaining fixed costs intended to be recovered from volumetric charges.

Variable Cost components

Table 31 shows the projected unit costs for each unit of water in 2025, the total units of water projected to be pumped, and the total costs allocated in the cost of service analysis. The allocated unit costs include any administrative costs included in the cost allocation and is based on the total direct cost estimates.

Table 31. Water Unit Costs

Cost Category	Total Cost	Unit	Unit Cost
Source of Supply	\$99,875	55,157	\$1.81
Base	\$76,327	55,157	\$1.38

Table 32 shows the calculation used to determine water supply unit costs for water use.

Table 32. Unit Cost Calculation for Water Supply

Unit	Source of Supply		Base		COS Rate
1,000 Gallons	\$1.81	+	\$1.38	=	\$3.19

Table 33 shows the proposed variable rates for each year of the study period.

Table 33. Proposed 5-year Variable Rate Schedule

Water Use	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
per 1,000 gallons	\$3.32	\$3.46	\$3.59	\$3.74	\$3.89

Unmetered Water Connections

Customers who don't have a meter should also pay their fair share for their billing, line maintenance, and for the water they use. Non-metered customer calculations include the average monthly water use for residential customers added to their base fee. So the COS based rates include a standard equivalent meter unit and water use of 2,940 gallons per month. Table 34 shows the calculation for Non-metered customers. Table 35 show the proposed rates for the five year study period.

Table 34. Unit Cost Calculation for Non-Metered Customers

Residential Meter		Water Rate		Average Residential Use		COS Rate
\$34.42	+	\$3.19	x	2.94	=	\$43.81

Table 35. Proposed 5-year Rate Schedule

Meter Size	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
No Meter	\$45.56	\$47.39	\$49.28	\$51.25	\$53.30

WASTEWATER FINANCIAL PLAN

RDN built a 10-year financial model to meet the District’s long-term financial goals.

Revenues

Based on the account growth projections, RDN forecasted revenues generated from customer rates using the current sewer rates for the study period, which total approximately \$620,000 annually. **Table 36** shows the projected revenues for each year. Other operating income and non-operating revenue are estimated to provide supplemental revenue each year. The system’s total revenue for the study period is estimated to be approximately \$1.1 million annually under the current rates.

Table 36. Annual Revenue by Source, 2025 to 2030

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenue from Rates						
Flat Rate Residential	\$375,514	\$375,514	\$404,774	\$404,774	\$404,774	\$410,627
Non-Residential	\$245,834	\$245,834	\$245,834	\$245,834	\$245,834	\$245,834
Rate Revenue Total	\$621,348	\$621,348	\$650,609	\$650,609	\$650,609	\$656,461
Other Operating Revenues	\$42,709	\$42,709	\$42,709	\$42,709	\$42,709	\$42,709
Non-operating Revenues	\$429,723	\$438,055	\$446,554	\$455,223	\$464,065	\$473,084
Total	\$1,093,780	\$1,102,112	\$1,139,871	\$1,148,540	\$1,157,382	\$1,172,254

Operating and Maintenance (O&M) Expense

The sewer utility’s operating budget includes \$1,036,083 in operating expenses for FY 2024. By the end of the five-year rate setting period, total operating expenses are expected to reach \$1.3 million. Annual overall inflation for operating expenses for the ten-year financial planning period is expected to average around 4.1 percent per year. **Table 37** shows projected operating expenses for the rate setting period by budget category.

Table 37. Operating Expenses by Expense Category, 2025 to 2030⁸

Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Total	\$1,085,173	\$1,133,322	\$1,183,419	\$1,230,163	\$1,278,408	\$1,324,301
Collection Salaries	\$76,395	\$79,513	\$82,758	\$86,135	\$89,651	\$93,309
Collection Supplies	\$71,744	\$74,808	\$78,002	\$80,587	\$83,258	\$85,341
Collection Contractual Services	\$251,767	\$262,518	\$273,727	\$282,798	\$292,170	\$299,481
Collection Utilities	\$31,832	\$33,473	\$35,124	\$36,569	\$37,933	\$39,349
Treatment Salaries	\$78,219	\$81,411	\$84,733	\$88,191	\$91,791	\$95,536
Treatment Supplies	\$10,490	\$10,938	\$11,405	\$11,783	\$12,174	\$12,478
Treatment Contractual Services	\$14,094	\$14,696	\$15,323	\$15,831	\$16,355	\$16,765
Treatment Utilities	\$61,095	\$64,245	\$67,413	\$70,186	\$72,805	\$75,522
Mosquito Salaries	\$9,367	\$9,750	\$10,147	\$10,562	\$10,993	\$11,441
Mosquito Supplies	\$2,098	\$2,188	\$2,281	\$2,357	\$2,435	\$2,496
Mosquito Contractual Services	\$525	\$547	\$570	\$589	\$609	\$624
A&G Salaries	\$139,944	\$145,655	\$151,600	\$157,786	\$164,226	\$170,928
Directors Fees	\$2,229	\$2,324	\$2,424	\$2,504	\$2,587	\$2,652
Vac/Hol/SL	\$57,606	\$59,957	\$62,403	\$64,950	\$67,601	\$70,360
Travel, Meetings and Mileage	\$1,309	\$1,365	\$1,423	\$1,471	\$1,519	\$1,557
PERS Employer Contribution	\$28,620	\$30,337	\$32,157	\$34,087	\$36,132	\$38,300
Calpers Unfunded Liability	\$12,931	\$13,707	\$14,529	\$15,401	\$16,325	\$17,305
Health Insurance	\$61,702	\$64,787	\$68,027	\$71,428	\$74,999	\$78,749
Dental Vision Insurance	\$2,100	\$2,205	\$2,315	\$2,431	\$2,553	\$2,680
LTD & Life Insurance	\$3,150	\$3,308	\$3,473	\$3,647	\$3,829	\$4,020
State Compensation	\$21,942	\$23,259	\$24,654	\$26,133	\$27,701	\$29,363
Employer Social Security	\$1,060	\$1,124	\$1,191	\$1,262	\$1,338	\$1,419
Employer Medicare	\$4,729	\$5,012	\$5,313	\$5,632	\$5,970	\$6,328
Gas, Oil and Fuel	\$11,837	\$12,227	\$12,630	\$13,046	\$13,475	\$13,919
Maintenance, Vehicle, and Contr	\$3,179	\$3,284	\$3,392	\$3,503	\$3,619	\$3,738
Office Expenses	\$3,147	\$3,281	\$3,422	\$3,535	\$3,652	\$3,744
Communication	\$11,539	\$12,032	\$12,546	\$12,962	\$13,391	\$13,726
Small Tools and Supplies	\$3,147	\$3,281	\$3,422	\$3,535	\$3,652	\$3,744
A&G Contractual Services	\$13,637	\$14,220	\$14,827	\$15,318	\$15,826	\$16,222
A&G Utilities	\$452	\$475	\$499	\$519	\$539	\$559
Dues, Subs, and Fees	\$41,961	\$43,753	\$45,621	\$47,133	\$48,695	\$49,913
Professional Services	\$26,226	\$27,346	\$28,513	\$29,458	\$30,434	\$31,196
General Insurance	\$18,244	\$19,156	\$20,114	\$21,119	\$22,175	\$23,284
Rents and Leases	\$3,732	\$3,892	\$4,058	\$4,192	\$4,331	\$4,440
USFS Salaries	\$3,122	\$3,250	\$3,382	\$3,521	\$3,664	\$3,814

Other Obligations

Other obligations included in the financial plan are capital improvement projects funded by PAYGO (Pay As You Go), debt service obligations, and reserve contributions made from rates.

Capital Improvement Projects

The financial plan allocates an average of \$260,000 annually for sewer rate-related capital expenditures during the rate setting period. The District may use a variety of funding sources including grants,

⁸ District staff provided FY 2024 operating expenses; projections are based on individual line-item inflationary factors shown in Table 5. A&G stand for Administrative and General Expenses.

financing, and customer rates to accomplish the proposed capital plan; however, the current plan assumes that these capital expenditures will be rate funded. **Table 38** shows the planned sewer rate funded capital projects for FY 2025 through FY 2030.

Table 38. Rate Funded Capital Expenses, 2025 through 2030

Project	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Sewer Slip Line Project	\$0	\$0	\$0	\$0	\$0	\$162,370
SCADA System Upgrades	\$0	\$16,000	\$0	\$0	\$75,000	\$0
WasteWater Treatment Plant Rehab	\$0	\$0	\$0	\$0	\$0	\$200,000
Vactor Truck Replacement	\$446,653	\$0	\$0	\$0	\$0	\$0
Silver Lake LIFT ST Replacements	\$0	\$0	\$130,000	\$130,000	\$130,000	\$130,000
GIS Mapping Project	\$0	\$0	\$0	\$5,000	\$0	\$0
Trailer Trash Pump 6"	\$0	\$0	\$0	\$120,000	\$0	\$0
Field Vehicle Replacement Prgm	\$0	\$0	\$0	\$0	\$32,500	\$0
Total	\$446,653	\$16,000	\$130,000	\$255,000	\$237,500	\$492,370

Debt Service and Coverage Ratios

The District currently has no outstanding debt service and has no plans to issue debt in the future.

Reserves

The District must maintain an appropriate reserve balance to ensure the day-to-day operation will continue during emergencies and guarantee the future stability of the system. The District's financial goal is to build an appropriate level of cash reserves for each reserve fund included in the financial plan of this Study. The District currently maintains a cash balance but has no formal policy. As part of this study, RDN recommended three reserve funds with targets based on the long-term financial plan. The proposed reserve balances will reduce long-term risk and allow the District to have cash available to accomplish the capital improvement goals. Reserve targets are described below:

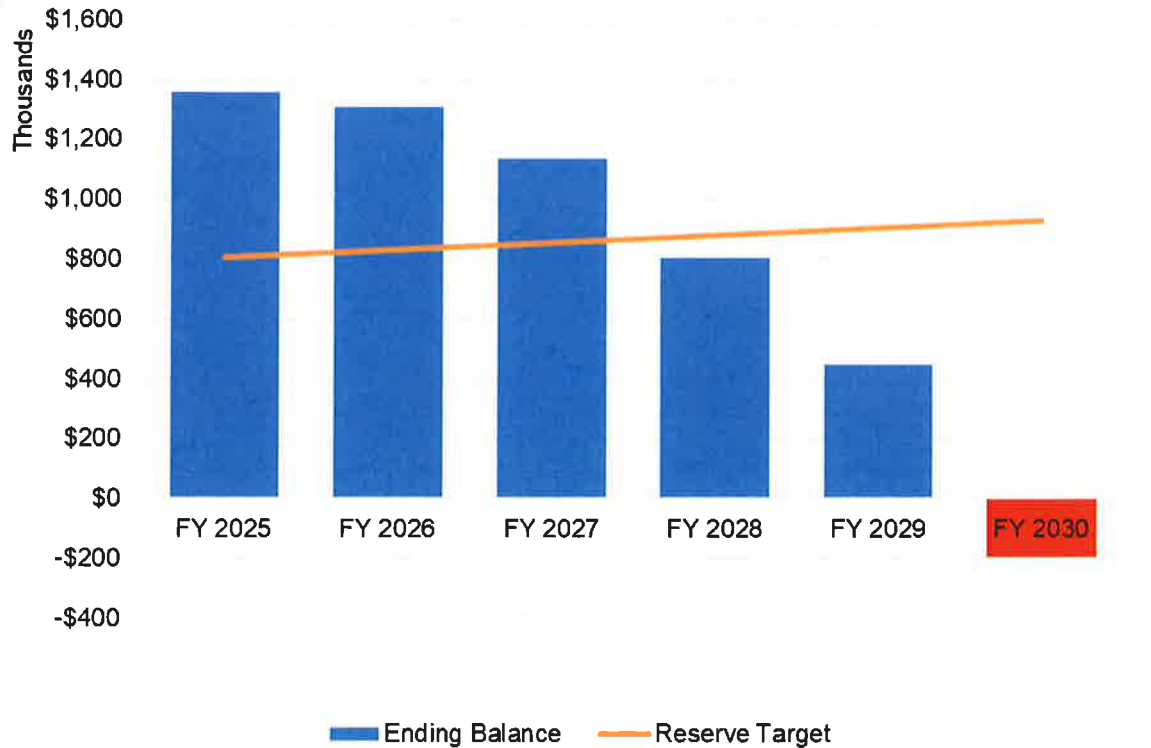
- **Operating Reserve:** 3 months of operations
- **Emergency Reserve:** 3 months of operations
- **Capital Reserve:** Rolling average of 5 years of planned capital projects.

Reserve targets at the end of the study period reach \$1.3 million. **Table 39** shows the District's reserve targets for 2025 through 2030 based on the proposed reserve policy. **Figure 4** displays the resulting cash balances versus the reserve target under the current rates. Reserve targets are based on the reserve policy shown in **Table 10** and operating and capital totals shown in **Tables 16 and 17**, respectively.

Table 39. Reserve Targets, 2025 through 2030

Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operating Reserve	\$271,293	\$283,331	\$295,855	\$307,541	\$319,602	\$331,075
Emergency Reserve	\$271,293	\$283,331	\$295,855	\$307,541	\$319,602	\$331,075
Capital Reserve	\$489,505	\$453,700	\$523,500	\$620,500	\$679,500	\$592,000
Total Reserve Target	\$1,032,091	\$1,020,361	\$1,115,210	\$1,235,581	\$1,318,704	\$1,254,150

Figure 4. Cash Balances and Reserve Target With Current Rates, 2025 through 2030



Financial Plan

Based on the projected total revenue and necessary costs to be recovered during the study period, RDN built a financial plan that will generate sufficient revenues for the day-to-day operation and annual PAYGO and make appropriate contributions to reserves. The District currently had a projected ending cash balance of \$1.8 million in 2024. **Table 40** shows the status quo sewer pro forma with no revenue adjustments and the resulting ending balances based on the revenues and expenses outlined in this section.

Table 40. Status Quo Financial Pro Forma for June Lake Public Utility District, 2025 through 2030

Rate Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rate Month Implemented						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Cash Position Opening Balance	\$ 1,800,000	\$ 1,199,584	\$ 1,152,373	\$ 428,825	\$ (357,797)	\$ (916,323)
Revenues						
Sewer Rate Revenue	\$ 621,348	\$ 621,348	\$ 650,609	\$ 650,609	\$ 650,609	\$ 656,461
Other Operating Revenue	\$ 42,709	\$ 42,709	\$ 42,709	\$ 42,709	\$ 42,709	\$ 42,709
Non-Operating Revenue	\$ 429,723	\$ 438,055	\$ 446,554	\$ 455,223	\$ 464,065	\$ 473,084
Total Revenues	\$ 1,093,780	\$ 1,102,112	\$ 1,139,871	\$ 1,148,540	\$ 1,157,382	\$ 1,172,254
Operating Expenses	\$ 1,085,173	\$ 1,133,322	\$ 1,183,419	\$ 1,230,163	\$ 1,278,408	\$ 1,324,301
Net Operating Revenue	\$ 8,607	\$ (31,210)	\$ (43,548)	\$ (81,623)	\$ (121,025)	\$ (152,047)
Capital Expenditure	\$ 609,023	\$ 16,000	\$ 680,000	\$ 705,000	\$ 437,500	\$ 430,000
Debt Proposed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash	\$ 609,023	\$ 16,000	\$ 680,000	\$ 705,000	\$ 437,500	\$ 430,000
Net Income	\$ (600,416)	\$ (47,210)	\$ (723,548)	\$ (786,623)	\$ (558,525)	\$ (582,047)
Ending Balance	\$ 1,199,584	\$ 1,152,373	\$ 428,825	\$ (357,797)	\$ (916,323)	\$ (1,498,370)

Table 41 shows the proposed sewer pro forma for the study period with the recommended revenue adjustments per year.

Table 41. Proposed Financial Pro Forma for June Lake Public Utility District, 2025 through 2030

Rate Increase	20.0%		20.0%		20.0%	
Rate Month Implemented	September		July		July	
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Cash Position Opening Balance	\$ 1,800,000	\$ 1,199,584	\$ 1,245,575	\$ 808,295	\$ 495,316	\$ 635,284
Revenues						
Sewer Rate Revenue	\$ 621,348	\$ 714,550	\$ 936,876	\$ 1,124,252	\$ 1,349,102	\$ 1,633,484
Other Operating Revenue	\$ 42,709	\$ 42,709	\$ 42,709	\$ 42,709	\$ 42,709	\$ 42,709
Non-Operating Revenue	\$ 429,723	\$ 438,055	\$ 446,554	\$ 455,223	\$ 464,065	\$ 473,084
Total Revenues	\$ 1,093,780	\$ 1,195,314	\$ 1,426,139	\$ 1,622,183	\$ 1,855,876	\$ 2,149,277
Operating Expenses	\$ 1,085,173	\$ 1,133,322	\$ 1,183,419	\$ 1,230,163	\$ 1,278,408	\$ 1,324,301
Net Operating Revenue	\$ 8,607	\$ 61,992	\$ 242,720	\$ 392,021	\$ 577,468	\$ 824,977
Capital Expenditure	\$ 609,023	\$ 16,000	\$ 680,000	\$ 705,000	\$ 437,500	\$ 430,000
Debt Proceeds Proposed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Proceeds New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash	\$ 609,023	\$ 16,000	\$ 680,000	\$ 705,000	\$ 437,500	\$ 430,000
Net Income	\$ (600,416)	\$ 45,992	\$ (437,280)	\$ (312,979)	\$ 139,968	\$ 394,977
Ending Balance	\$ 1,199,584	\$ 1,245,575	\$ 808,295	\$ 495,316	\$ 635,284	\$ 1,030,260

Revenue Requirements

Table 42 displays the sewer utility revenue requirements for 2025. The total expense is offset by other operating revenues and non-operating revenues to compute a pure portion of revenue requirements that need to be recovered from customers rates. RDN proposes annual revenue adjustments of 10.0 percent in 2026, 10.0 percent in 2027, 10.0 percent in 2028, 10 percent in 2029, and 10.0 percent in 2030 to reach the financial goals set by the District.

Table 42. Revenue Requirements for June Lake Public Utility District, 2025

Revenue Requirement	FY 2025
Operating Expenses	\$1,085,173
Non-Operating Expenses	\$609,023
Total Expense	\$1,694,196
Other Operating Revenues	(\$42,709)
Non-Operating Revenues	(\$429,723)
Net Balance Adjustment	(\$600,416)
Rate Revenue Requirement	\$621,348

COST OF SERVICE AND WASTEWATER RATE DESIGN

The last step of a rate study is designing rates. Rates must be designed to equitably recover the rate revenue requirements from each customer given the projected customer demand identified. The relative impact each type of customer has on the sewer system based on the number of representative units was used as a basis to allocate costs between customer types. For example, a car wash customer was assumed to have 2.5 times more impact on the sewer system than a regular residential customer, because the current rate considers the differences in customer capacity, flow, and strength averaged across the customer type.

The District currently maintains a rate class for 26 different customer types. **Table 43** shows the customer class description and their relative impact on the sewer system compared to a residential unit. These ratios are used to apply costs to the customers based on the revenue requirements.

Table 43. Customer Class and Sewer Impact Ratio

Customer Class	Sewer Ratio	Customer Class	Sewer Ratio
Residential	100%	Coin Operated Washer	100%
Automobile Service	150%	Professional Offices	75%
Car Washing Racks	250%	Public Showers	25%
Automobile Service (restroom)	75%	Retail Stores	75%
Bakeries	75%	Retail Stores (produce)	150%
Barbershops	75%	Campground (per space)	19%
Bars (per seat)	5%	Picnic (per parking)	2%
Hotels (manager)	100%	Church	75%
per rental unit no kitchen	27%	Hospital Bed	25%
per rental unit with kitchen	37%	Hospital Kitchen	75%
Trailer Park (manager)	100%	Hospital Laundry	150%
per trailer	40%	Lodge	75%
Laundry machine	150%	School (per student)	2%

Because the District does not have customers in all the rate categories the costs need must be borne by the current customers. **Table 44** shows the current count of customer billed units. To fairly allocate the costs between customer units, the total costs are divided by the number of base billing units shown in **Table 45**, which is the regularized number in relation to the flat rate residential customer. This allows for a unit cost to be developed based on the current cost of service. **Table 46** shows the calculation used to develop a rate per flat rate residential standardized unit. The total cost of service is divided by the number of standardized units then divided by the number of bills (12). The cost per month per unit is based on the current cost of service (FY 2025) and future rate adjustments are applied to that value each year.

Table 47 shows the application of the base unit cost to each customer billing unit based on the ratio of their impact on the sewer system.

Table 44. Customer Class Counts

Customer Class	Units
Flat Rate	770
Retail/Office	46
Motel Room - Kitchen	25
Motel Room - No Kitchen	1,477
Restaurant/Bar Seats	291
Camping Space	197
School-Student	125
Total Units	2,931

Table 45. Customer Class Counts and Billing Unit Ratio

Customer Class	Units	Sewer Ratio	Billing Units
Flat Rate	770	100%	770
Retail/Office	46	75%	35
Motel Room - Kitchen	25	37%	9
Motel Room - No Kitchen	1,477	27%	406
Restaurant/Bar Seats	291	5%	15
Camping Space	197	19%	38
School-Student	125	2%	2
	2,931		1,274

Table 46. Cost per Billing Unit Derivation

Category	Cost of Service
Rate Revenue Requirement	\$621,348
Billing Units	1,274
Cost per Unit	\$487.68
Cost Per Unit per Month	\$40.64

Table 47. Cost of Service Sewer Rates by Customer Class

Customer Class	Base Rate	Sewer Ratio	Sewer Rate	Customer Class	Base Rate	Sewer Ratio	Sewer Rate
Residential	\$40.64	100%	\$40.64	Coin Operated Washer	\$40.64	100%	\$40.64
Automobile Service	\$40.64	150%	\$60.95	Professional Offices	\$40.64	75%	\$30.48
Car Washing Racks	\$40.64	250%	\$101.60	Public Showers	\$40.64	25%	\$10.21
Automobile Service (restroom)	\$40.64	75%	\$30.48	Retail Stores	\$40.64	75%	\$30.48
Bakeries	\$40.64	75%	\$30.48	Retail Stores (produce)	\$40.64	150%	\$60.95
Barbershops	\$40.64	75%	\$30.48	Campground (per space)	\$40.64	19%	\$7.78
Bars (per seat)	\$40.64	5%	\$2.03	Picnic (per parking)	\$40.64	2%	\$0.87
Hotels (manager)	\$40.64	100%	\$40.64	Church	\$40.64	75%	\$30.48
per rental unit no kitchen	\$40.64	27%	\$11.15	Hospital Bed	\$40.64	25%	\$10.16
per rental unit with kitchen	\$40.64	37%	\$15.17	Hospital Kitchen	\$40.64	75%	\$30.48
Trailer Park (manager)	\$40.64	100%	\$40.64	Hospital Laundry	\$40.64	150%	\$60.95
per trailer	\$40.64	40%	\$16.21	Lodge	\$40.64	75%	\$30.48
Laundry machine	\$40.64	150%	\$60.95	School (per student)	\$40.64	2%	\$0.80

In reviewing the District's sewer rates and finances, RDN used the following criteria in developing our recommendations:

- 1) Revenue sufficiency: rates should recover the annual cost of service and provide revenue stability.
- 2) Rate impacts: while rates are calculated to generate sufficient revenue to cover all costs, they should be designed to minimize, as much as possible, the impacts on ratepayers.
- 3) Equitability: rates should be fairly allocated among all customers based on their estimated demand characteristics.
- 4) Practicality: rates should be simple in form and, therefore, adaptable to changing conditions, easy to administer, and easy to understand.

RDN proposes the following adjustments to customer sewer rates:

- Adjusting rates by the recommended revenue adjustment of 10.0 percent per year for 2026 through 2030.
- Implementing rates that allocate costs equitably across equivalent customers.

The proposed sewer rates maintain the current rate structure, which bills all customers based on the engineering estimate of single family equivalents allocated to that customer.

The proposed five-year monthly fixed charges for all sewer customers are shown in **Table 48**. The cost of service based calculation is compounded by the proposed annual revenue adjusted to develop the fixed rate for each year.

Table 48. Proposed 5-year Fixed Charge Schedule

Customer Class	Fixed Charges				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential	\$44.70	\$49.17	\$54.09	\$59.50	\$65.45
Automobile Service	\$67.05	\$73.75	\$81.12	\$89.24	\$98.16
Car Washing Racks	\$111.76	\$122.94	\$135.23	\$148.75	\$163.63
Automobile Service (restroom)	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Bakeries	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Barbershops	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Bars (per seat)	\$2.23	\$2.46	\$2.70	\$2.97	\$3.27
Hotels (manager)	\$44.70	\$49.17	\$54.09	\$59.50	\$65.45
per rental unit no kitchen	\$12.27	\$13.49	\$14.84	\$16.32	\$17.96
per rental unit with kitchen	\$16.69	\$18.36	\$20.19	\$22.21	\$24.43
Trailer Park (manager)	\$44.70	\$49.17	\$54.09	\$59.50	\$65.45
per trailer	\$17.83	\$19.61	\$21.58	\$23.73	\$26.11
Laundry machine	\$67.05	\$73.75	\$81.12	\$89.24	\$98.16
Coin Operated Washer	\$44.70	\$49.17	\$54.09	\$59.50	\$65.45
Professional Offices	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Public Showers	\$11.23	\$12.35	\$13.59	\$14.95	\$16.44
Retail Stores	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Retail Stores (produce)	\$67.05	\$73.75	\$81.12	\$89.24	\$98.16
Campground (per space)	\$8.56	\$9.41	\$10.36	\$11.39	\$12.53
Picnic (per parking)	\$0.96	\$1.05	\$1.16	\$1.27	\$1.40
Church	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Hospital Bed	\$11.18	\$12.29	\$13.52	\$14.88	\$16.36
Hospital Kitchen	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
Hospital Laundry	\$67.05	\$73.75	\$81.12	\$89.24	\$98.16
Lodge	\$33.53	\$36.88	\$40.57	\$44.63	\$49.09
School (per student)	\$0.88	\$0.97	\$1.06	\$1.17	\$1.29

CONCLUSION

Summary of Recommendations and Financial Results

Recommendations:

Water

- Adjusting rates by the recommended revenue adjustment of 4.0 percent per year for 2026 through 2030
- Removing the water allocation from the fixed charge for residential customers and billing for all water use

Wastewater

- Adjusting rates by the recommended revenue adjustment of revenue adjustments of 10.0 percent per year for 2026 through 2030.
- Maintaining rates that allocate costs equitably across equivalent customers.

The following figures summarize the recommendations of this report:

Figure 5 shows the status quo water financial plan used for this study.

Figure 5. Rate Study Water Status Quo Financial Plan

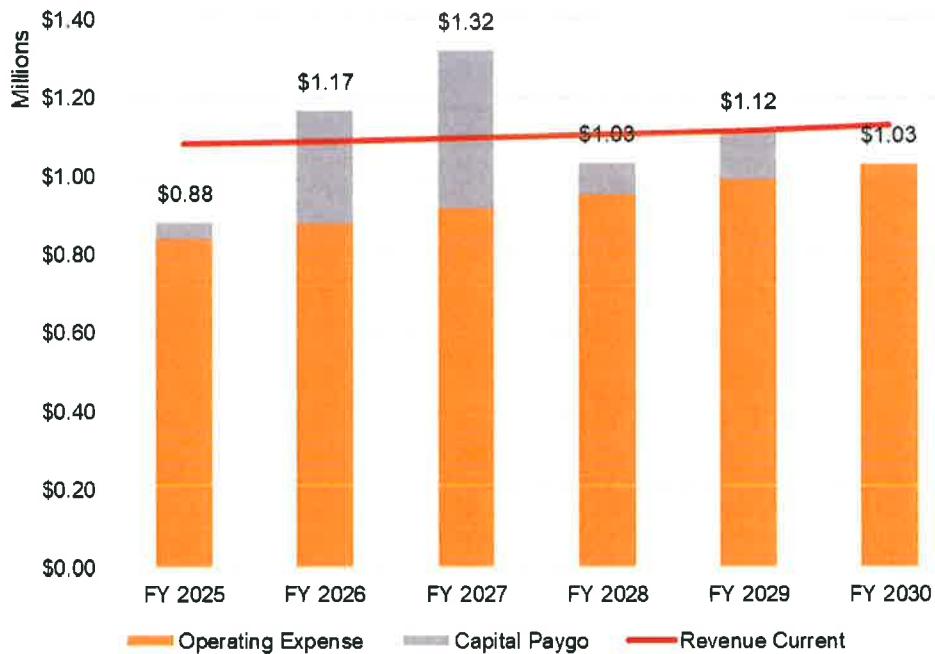


Figure 6 shows the District's water utility ending cash balances with no adjustments to the revenue requirements.

Figure 6. Ending Water Cash Balances with No Revenue Adjustment

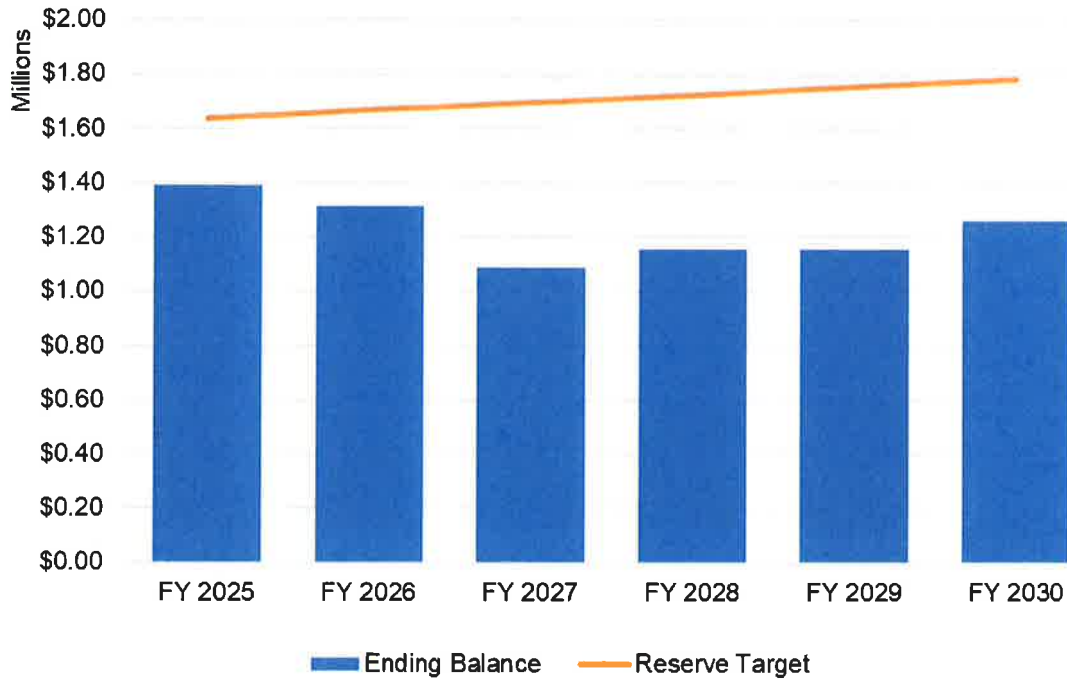


Figure 7 shows the recommended water rate adjustments.

Figure 7. Recommended Water Revenue Adjustment

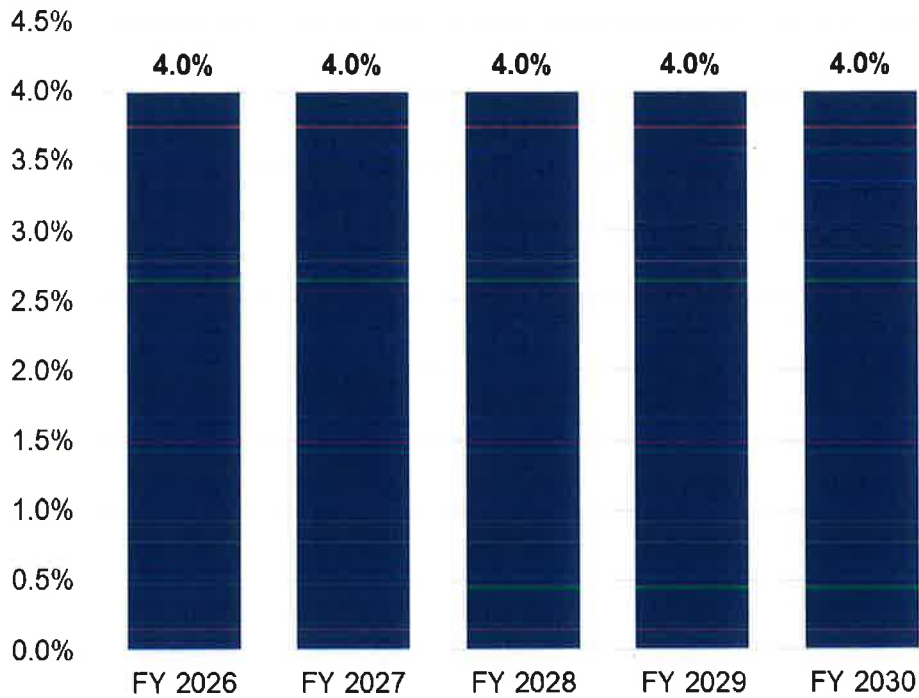


Table 50 shows the proposed rates based on the proposed revenue adjustments and cost of service analysis for each year of the rate setting period, respectively.

Table 49. Proposed Water Rates Based on Revenue Adjustment

Meter Size	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
3/4"	\$35.80	\$37.23	\$38.72	\$40.27	\$41.88
1"	\$35.80	\$37.23	\$38.72	\$40.27	\$41.88
1 1/2"	\$68.01	\$70.73	\$73.56	\$76.51	\$79.57
2"	\$106.67	\$110.94	\$115.37	\$119.99	\$124.79
3"	\$229.08	\$238.25	\$247.78	\$257.69	\$268.00
4"	\$409.49	\$425.86	\$442.90	\$460.62	\$479.04
6"	\$841.16	\$874.80	\$909.80	\$946.19	\$984.04
Water Use	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
per 1,000 gallons	\$3.32	\$3.46	\$3.59	\$3.74	\$3.89

Figure 8 shows the proposed financial plan with revenue adjustments used for this study.

Figure 8. Recommended Rate Study Adjusted Water Financial Plan

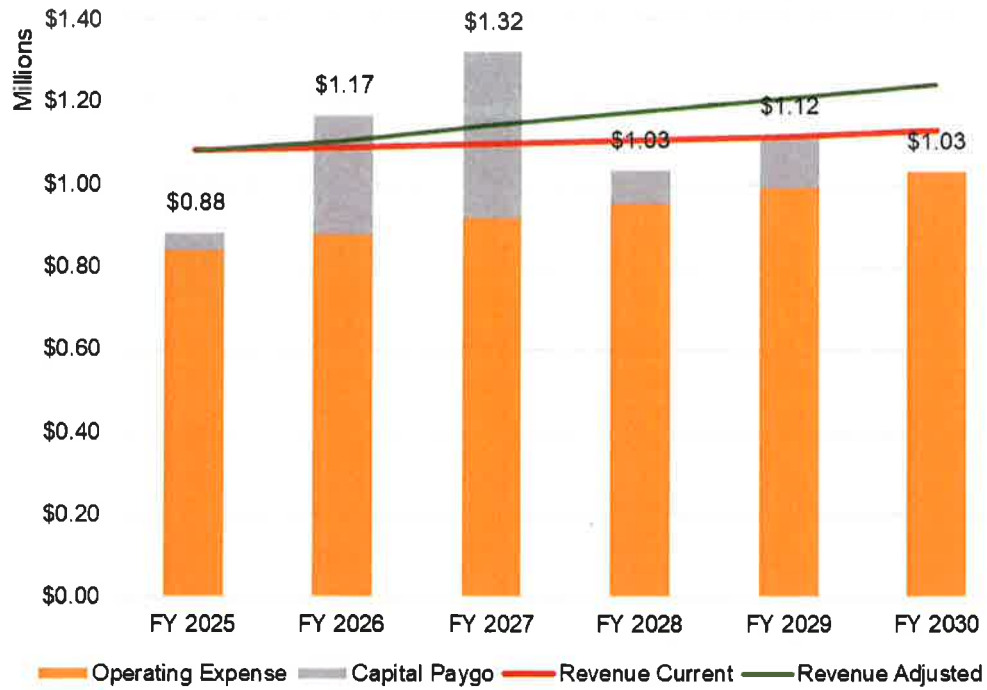


Figure 9 shows the District's ending cash balance with the proposed adjustments to the revenue requirements.

Figure 9. Ending Water Cash Balances with Revenue Adjustment

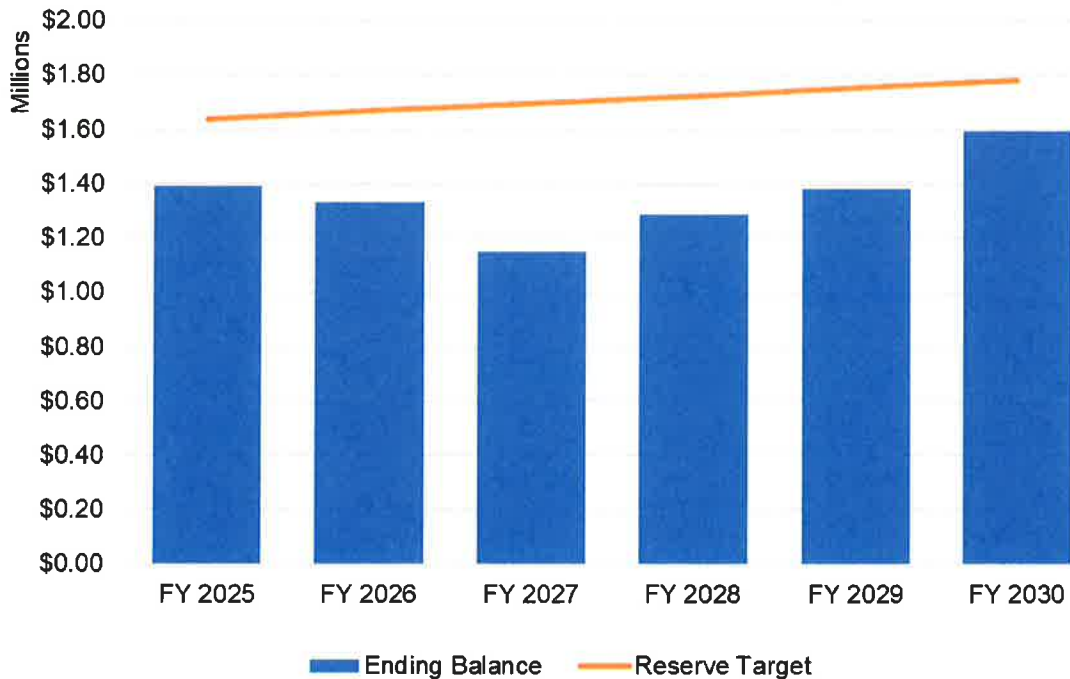


Figure 10 shows the status quo sewer financial plan used for this study.

Figure 10. Rate Study Sewer Status Quo Financial Plan

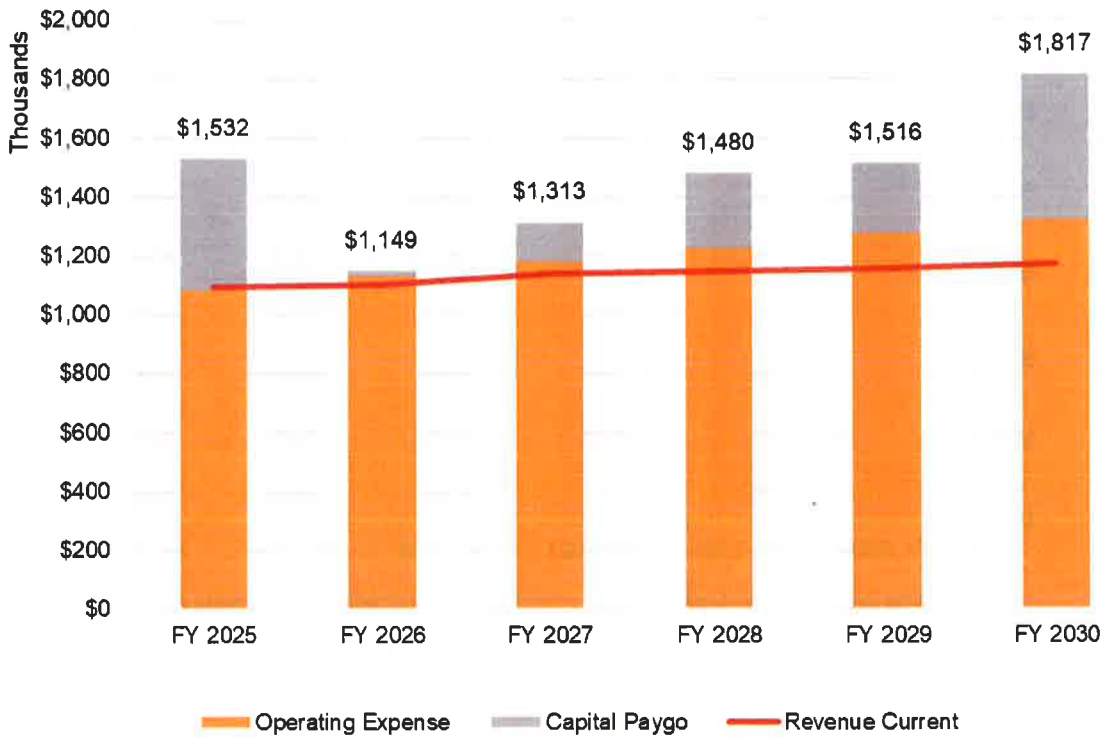


Figure 11 shows the District's sewer utility ending cash balances with no adjustments to the revenue requirements.

Figure 11. Ending Sewer Cash Balances with No Revenue Adjustment

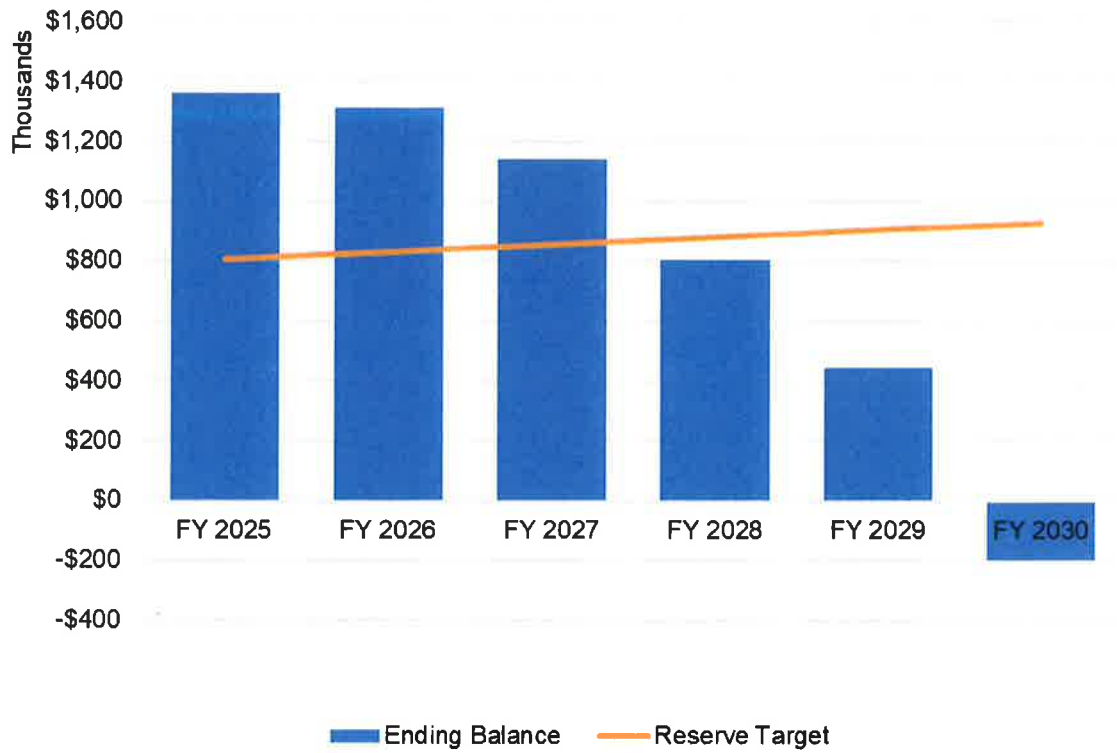


Figure 12 shows the recommended annual sewer revenue adjustments for each year of the rate setting period.

Figure 12. Recommended Sewer Revenue Adjustment

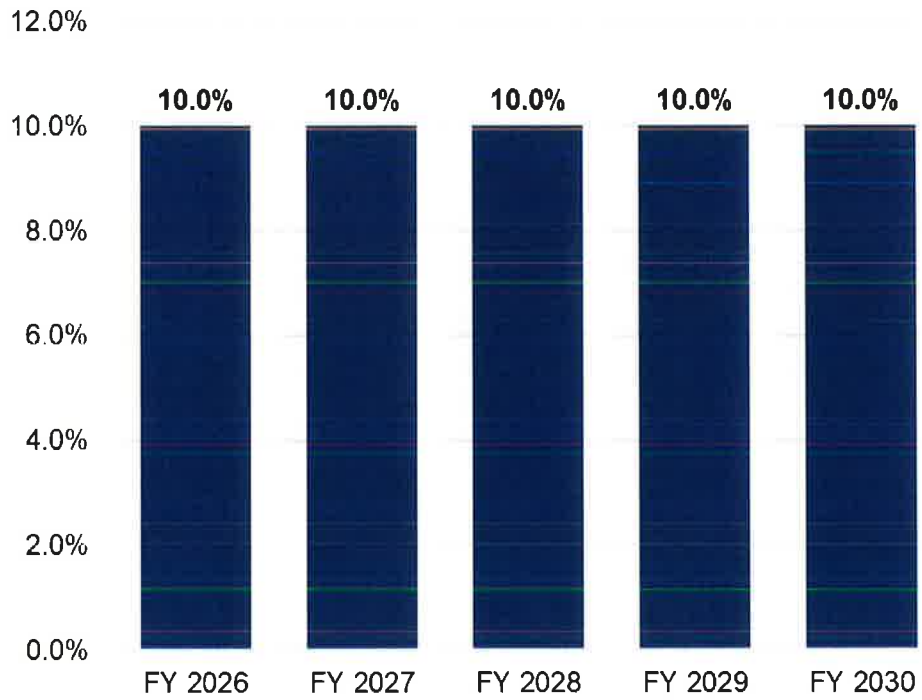


Table 50 shows the proposed fixed rates per SFE based on the proposed revenue adjustments and cost of service analysis for each year of the rate setting period, respectively.

Table 50. Proposed Fixed Rates Based on Revenue Adjustment

Customer Class	Fixed Charges				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential	\$40.64	\$40.64	\$40.64	\$40.64	\$40.64
Automobile Service	\$60.95	\$60.95	\$60.95	\$60.95	\$60.95
Car Washing Racks	\$101.60	\$101.60	\$101.60	\$101.60	\$101.60
Automobile Service (restroom)	\$30.48	\$30.48	\$30.48	\$30.48	\$30.48
Bakeries	\$30.48	\$30.48	\$30.48	\$30.48	\$30.48
Barbershops	\$30.48	\$30.48	\$30.48	\$30.48	\$30.48
Bars (per seat)	\$2.03	\$2.03	\$2.03	\$2.03	\$2.03
Hotels (manager)	\$40.64	\$40.64	\$40.64	\$40.64	\$40.64
per rental unit no kitchen	\$11.15	\$11.15	\$11.15	\$11.15	\$11.15
per rental unit with kitchen	\$15.17	\$15.17	\$15.17	\$15.17	\$15.17
Trailer Park (manager)	\$40.64	\$40.64	\$40.64	\$40.64	\$40.64
per trailer	\$16.21	\$16.21	\$16.21	\$16.21	\$16.21
Laundry machine	\$60.95	\$60.95	\$60.95	\$60.95	\$60.95
Coin Operated Washer	\$40.64	\$40.64	\$40.64	\$40.64	\$40.64
Professional Offices	\$30.48	\$30.48	\$30.48	\$30.48	\$30.48
Public Showers	\$10.21	\$10.21	\$10.21	\$10.21	\$10.21
Retail Stores	\$30.48	\$30.48	\$30.48	\$30.48	\$30.48
Retail Stores (produce)	\$60.95	\$60.95	\$60.95	\$60.95	\$60.95
Campground (per space)	\$7.78	\$7.78	\$7.78	\$7.78	\$7.78
Picnic (per parking)	\$0.87	\$0.87	\$0.87	\$0.87	\$0.87
Church	\$30.48	\$30.48	\$30.48	\$30.48	\$30.48
Hospital Bed	\$10.16	\$10.16	\$10.16	\$10.16	\$10.16
Hospital Kitchen	\$30.48	\$30.48	\$30.48	\$30.48	\$30.48
Hospital Laundry	\$60.95	\$60.95	\$60.95	\$60.95	\$60.95
Lodge	\$30.48	\$30.48	\$30.48	\$30.48	\$30.48
School (per student)	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80

Figure 13 shows the proposed financial plan with revenue adjustments used for this study.

Figure 13. Recommended Rate Study Adjusted Sewer Financial Plan

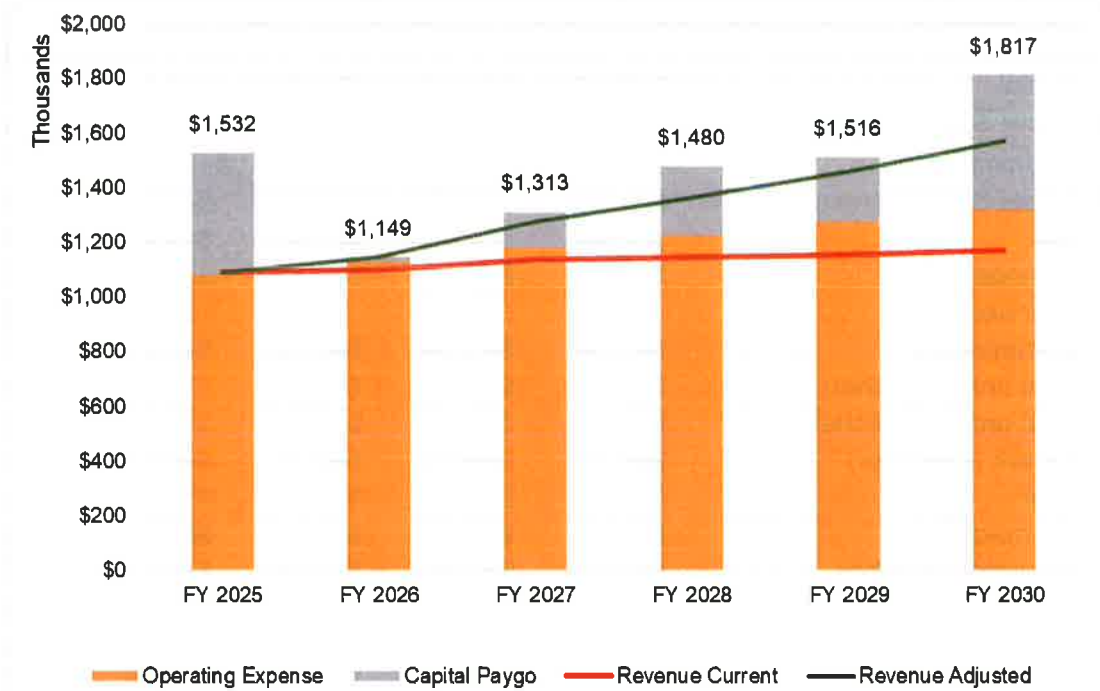


Figure 14 shows the District's ending cash balance with the proposed adjustments to the revenue requirements.

Figure 14. Ending Sewer Cash Balances with Revenue Adjustment

