

West Kern Water District

Water Rate Study

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Prepared for:
West Kern Water District
Taft, California

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1 Introduction

West Kern Water District (WKWD or District) authorized Provost & Pritchard Consulting Group to conduct a review of the water rates and make recommendations for rate adjustments to meet the current cost of service. This report discusses the current revenue and budget for the District, as well as projections of required revenue over the next five years. Based on these revenue projections, a cost-of-service analysis was performed. The cost-of-service analysis results in recommended adjustments to the District's water rate schedule to meet funding needs over the next five years.

1.1 Background

WKWD was formed in May 1959, and includes the incorporated cities of Taft and Maricopa, together with the Westside communities of Taft Heights, South Taft, Ford City, Tupman, Dustin Acres, Valley Acres, Derby Acres, Fellows and McKittrick. The District has an irregular boundary and encompasses a service area of approximately 300 square miles. A map of the District is shown below as **Figure 1-1**.

Only a small portion of the District is developed for residential use. A significant percentage of the water supply (~80%) is delivered to industrial customers, primarily oil development companies and power plants. Oil companies utilize the District's water to supplement their produced water supply for steam injection which began during the mid-1960s. Electrical power generating companies began operation within the District service area during the late 1990s. Domestic water sales account for the remaining twenty percent of the District annual sales. The District also includes two correctional facilities including the Federal Taft Correctional Institution and the Taft Community Correctional Facility. In May 2020, the Federal prison closed temporarily for renovations. The Taft Community Correctional Facility closed permanently in May 2021.

The District supplies potable water to approximately 7,400 metered connections. One industrial customer, La Paloma Power Co. LLC (La Paloma), located east of McKittrick, receives State Water Project (SWP) water (i.e. raw water) directly from the California Aqueduct. The historical water demands in the District are shown in **Figure 1-2** and are based on Fiscal Year (begins on July 1st and ends June 30th of the following year). Water use has declined in recent years, primarily due to reductions in water use by industrial customers. The average trendline reduction in overall water demands is about 3% per year. Also, minimal growth for residential and commercial customers has occurred in recent years and is anticipated to remain low into the future (approximately 0.4% annual increase).

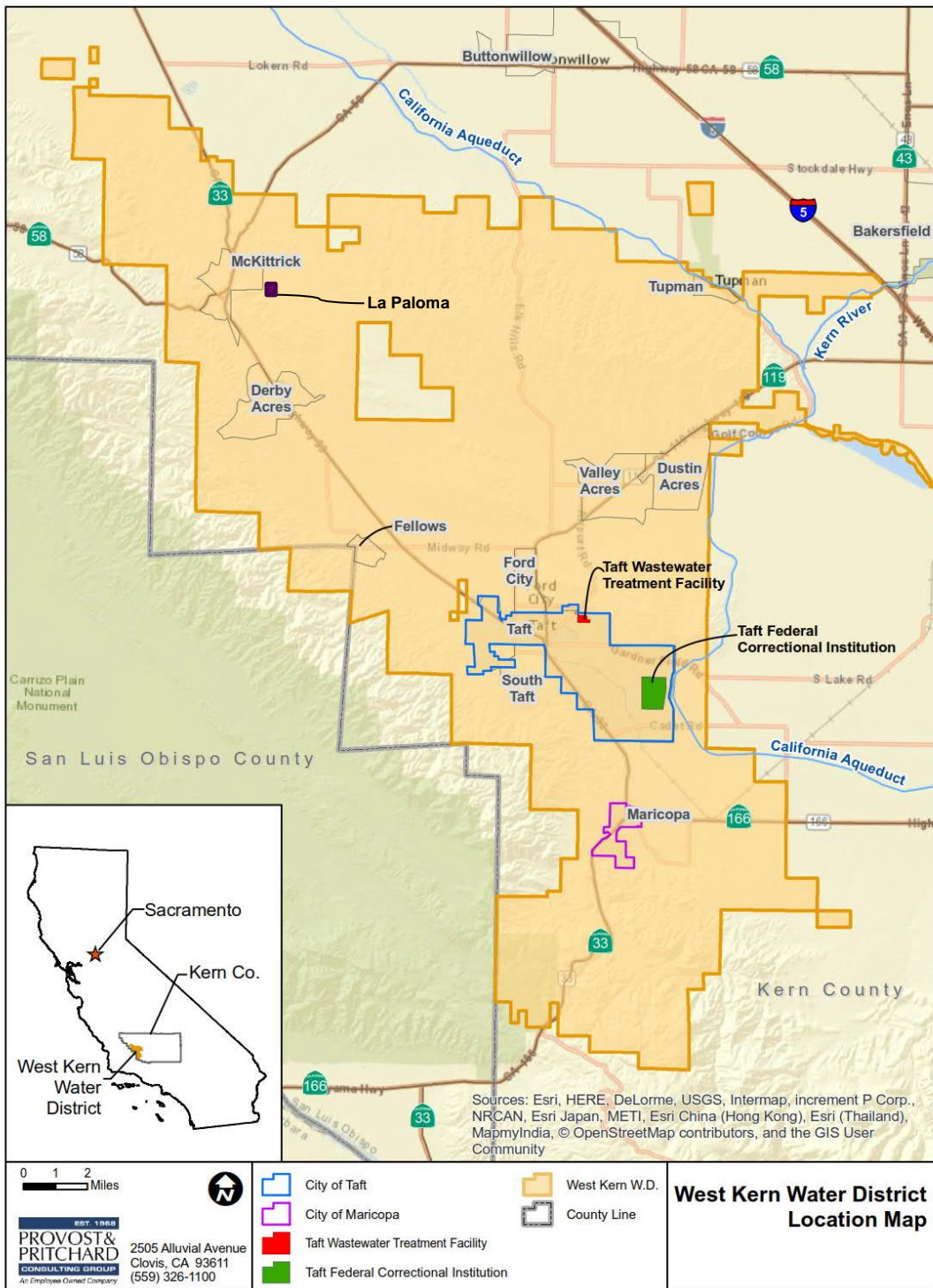


Figure 1-1: District Map

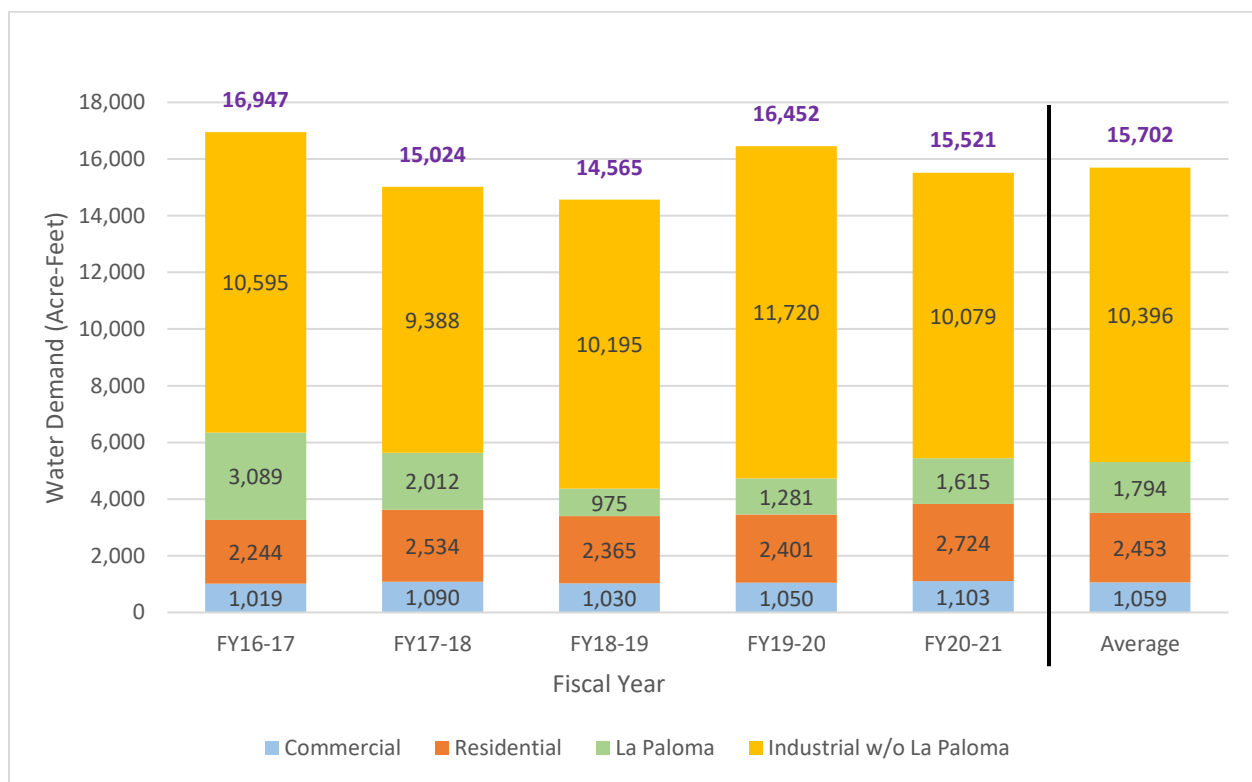


Figure 1-2: WKWD Historical Water Usage

This reduced water use results in decreased water revenues. To compensate, the District has operated with the reduced revenue through delay of needed facility maintenance and use of reserves. These measures are considered temporary and unsustainable. Additional revenue is required to improve maintenance of the water system and implement essential capital improvement projects. Without this additional revenue, service will be degraded, and facilities would be subject to increased failure, which would ultimately cost significantly more than the preventative maintenance. Additional impacts to the budget have included increased expenses for SWP water supply, Sustainable Groundwater Management Act (SGMA) compliance, insurance rates, and pension funds.

1.2 Utility Rate Setting Principles and Methodology

The methods used to establish utility rates are based on principles that are commonly used in the water utility industry. These principles are designed to produce rates that equitably recover costs from each class of customer by setting the appropriate level of revenue to be collected. The primary tasks of this rate study are as follows:

- Revenue Requirements Analysis – This analysis identifies the total revenue requirement to be recovered from utility rates, taking into account: operating and maintenance expenses, a capital improvement program, satisfying bond covenants, and meeting the Board of Director’s policy objectives.

- Cost of Service Analysis and Rate Design – The purpose of this task is to develop an allocation of the revenue requirements and distribute those costs to customers based on their proportionate demand and use of the system.
- Rate Design – This task involves the development of a rate structure that produces the revenue for sound District fiscal operations, while achieving rate equity.

2 Existing Rates and Revenue

2.1 Existing Rate Structure

The existing WKWD water rate schedule is included as **Appendix A** and a summary of the rates is provided in **Table 2-1**. At the current time, all residential, commercial, public entities, and fire services are charged on a bi-monthly basis. Industrial customers are charged on a monthly basis.

Table 2-1: Existing WKWD Water Rates Schedule

Residential & Commercial/Public Entity Customers:

<u>Minimum Charge:</u>	<u>Bi-Monthly Rate</u>
5/8 x 3/4 inch meter	\$17.30
1 inch meter	\$21.52
2 inch meter	\$46.64
3 inch meter	\$86.13
4 inch meter	\$119.07
6 inch meter	\$190.21
<u>Quantity Rates (per Meter)</u>	
First 10 HCF or less	Incl. w/ min. charge
Over 10 HCF, less than 40 HCF	\$1.73 / HCF
Over 40 HCF	\$1.24 / HCF

Ex. Bi-Monthly Fire Service Charge	
Size (in)	Ex. Charge
2	\$14.95
3	\$19.39
4	\$29.90
6	\$59.80
8	\$89.72
10	\$119.62
12	\$149.53
14	\$179.44
16	\$209.34

Industrial Customers:

Customer Class	Monthly Meter Charge	Existing Initial Allotment (HCF)	Existing Water Use Rate (\$/HCF)
Industrial Rate - IW*	\$68/\$111	0	\$2.24 T1 / \$2.70 T2
Industrial Rate - IW-1	\$67.20	0	\$2.24
Industrial Rate - IW-2	**	0	\$1.37
Industrial Rate - IW-3	\$109.60	80	\$1.64
Industrial Rate - IW-4	**	0	\$2.33
Industrial Rate - IW-5	**	0	\$1.50
Cogen Plant - S-1 (aka RW-1)	**	0	\$1.58
Cogen Plant - S-2 (aka IW-5)	**	0	\$1.76
Cogen Plant - S-3 (aka IW-7)	**	0	\$2.00

* Tier 1 applies to water use below 30 HCF.
Tier 2 applies to water use above 30 HCF.

** Meter Charge embedded within Water Use Rate

Regarding residential and commercial customers, a minimum charge is applied based on the size of the water meter. With that minimum charge, an allotment of the first 10 hundred cubic feet (HCF) of water is included with that minimum charge. Water use above 10 HCF, but less than or equal to 40 HCF, has a Tier 1 charge of \$1.73/HCF; above 40 HCF, a Tier 2 charge of \$1.24/HCF is applied.

The following is an example charge for a residential 3/4-inch diameter water meter that uses 60 HCF for a two-month period:

Charge	Amount
Minimum 3/4-in Meter Charge	\$17.30
Less than 10 HCF	(incl. in Min. Charge)
Tier 1 – Over 10 HCF, less than or equal to 40 HCF	\$51.90 (\$1.73/HCF x 30 HCF)
Tier 2 – Over 40 HCF	\$24.80 (\$1.24/HCF x 20 HCF)
Total Charge	<u>\$94.00</u>

In October 2022, the District will be moving residential, commercial and fire service customers to a monthly billing schedule versus the current bi-monthly billing schedule. This move to a monthly billing schedule will adjust the meter charge and initial allotment to be half of the current amounts. The following is an example charge for a ¾ inch diameter water meter that uses 30 HCF for a one-month period:

Charge	Amount
Minimum ¾-in Meter Charge	\$8.65
Less than 5 HCF	(incl. in Min. Charge)
Tier 1 – Over 5 HCF, less than or equal to 20 HCF	\$25.95 (\$1.73/HCF x 15 HCF)
Tier 2 – Over 20 HCF	\$12.40 (\$1.24/HCF x 10 HCF)
Total Charge	\$47.00

Industrial customers under Schedule IW are billed a meter charge of \$68 per month for sizes up to 4-inches diameter and \$111 for a 6-inch meter or greater. Under this schedule, the Tier 1 rate is \$2.24/HCF for use under 30 HCF, and the Tier 2 rate is \$2.70/HCF for use in excess of 30 HCF. Other industrial customers are charged in accordance with the rates in **Table 2-1** and are based on existing contracts with these industrial customers.

2.2 Historical and Projected Revenue from Existing Rates

Budgeted revenue for the past 5 fiscal years is included as **Appendix B**. In FY22-23, the District budgeted \$15 million water sales revenue, which is based on estimated water rate charges. Other revenue sources include new water services, water supply fees, fire protection service, “Take or Pay” revenue, and other non-operating revenues. The “Take or Pay” revenue is collected from existing contracts with industrial users that agree to pay a specific amount to reserve water, whether or not it is used by the customer. The total FY22-23 revenue budgeted is \$17.3 million.

Included in **Appendix B** are projected revenues for the next 5 fiscal years. It is assumed that water use, and therefore revenues, will remain stagnant over this time period with the exception of regular industrial customers (IW), which is projected to continue to decrease in the coming years. The decreasing revenue from IW customers is due to decreasing oil industry activity, and this revenue is expected to decrease by around 3% per year. Revenue has also decreased significantly for La Paloma (S1) over the past five years but is expected to have mostly stabilized for operations into the future.

There are many factors that affect future water use including: economic pressures to residential and commercial customers, economic pressures and regulatory impacts to the oil and gas industry, continuing droughts and related water use restrictions, and other factors. It is important for WKWD to include contingencies in a proposed rate structure in order to mitigate these factors and rebuild reserves to withstand changes in water use patterns and catastrophic system failures.

Figure 2-1 graphically represents the water sales revenues based on customer class for the prior 5 fiscal years and the projected next 5 fiscal years. Projected water sales are based on the average of the prior 5 fiscal years and reflect a decreasing revenue from lower IW water use. **Figure 2-2** is a chart of the estimated total revenues from the District’s three main revenue sources.

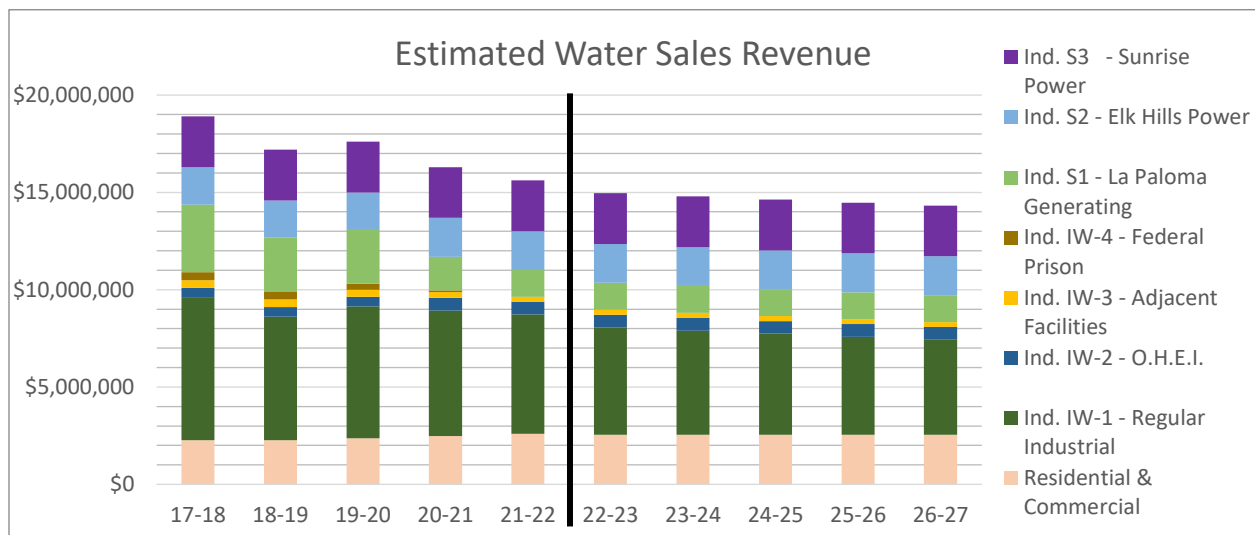


Figure 2-1: WKWD Historical and Projected Water Sales Revenue

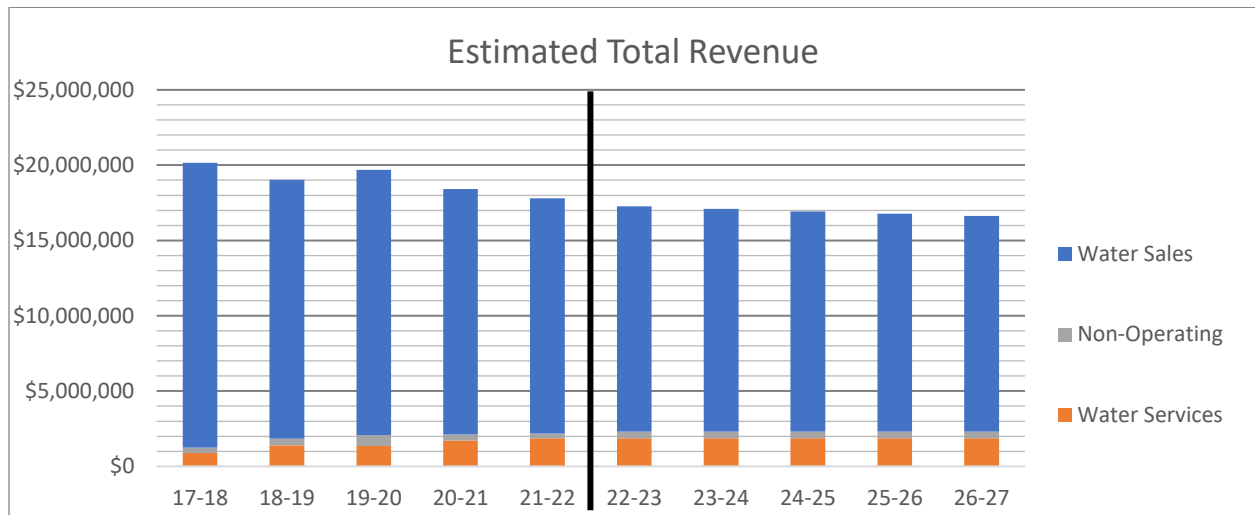


Figure 2-2: WKWD Historical and Projected Total Revenue

3 Revenue Requirements

The total water revenue generated each year from the customer rates should be equal to the total water operation expenditures planned for that year. The revenue requirements are to include long term financial objectives such as capital improvements, existing and future debt obligations, and maintaining adequate reserves. With these basic principles, the required revenue can be projected and then recommended rates can be determined. The following sections describe the different factors and assumptions used for determining the required revenue for WKWD.

3.1 Operating Expenditures

The projected operating expenditures were developed using the FY22-23 budgeted expenditures as a baseline and modified based on the prior 5 years of data as well as other factors. A summary chart of the estimated expenditures for the prior 5 fiscal years and projected expenditures for the next 5 fiscal years is shown in **Figure 3-1**. The budgets and projections of expenditures by category is provided in **Appendix C**.

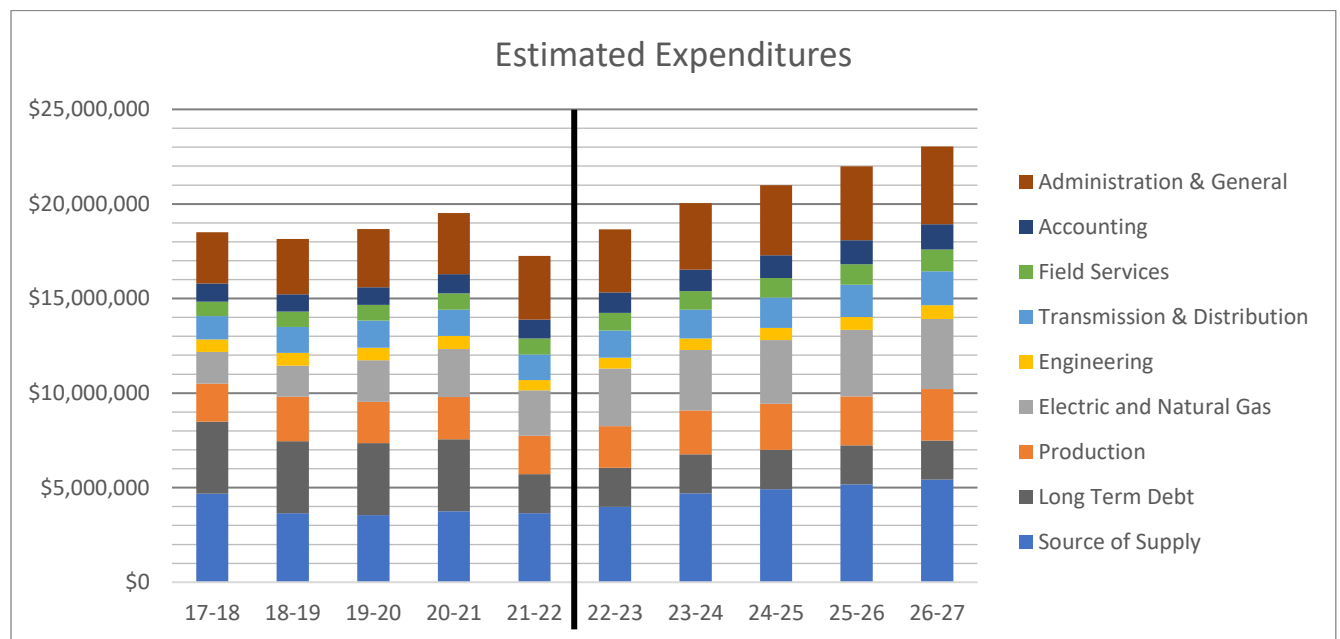


Figure 3-1: WKWD Historical and Projected Operating Expenditures

The following are assumptions that have been used in developing the projected expenditures for the next five fiscal years:

- Most budget line items have assumed a growth rate of 5% per year to account for inflation. Some line items have a higher growth rate due to recent historical experience

(e.g. CalPERS Pension and health insurance line items). See tables in **Appendix C** for assumed rates.

- District staffing will be examined each year but is expected to remain at current levels.
- Long term debt will remain constant over the next five years (note that reserves were used in FY20-21 to pay down debt resulting in the current annual amount of \$2.1 million).
- Source of Supply Expenses – A significant increase is included for the SWP Delta Conveyance Project (DCP) line item. The DCP is a proposed water conveyance tunnel system that will divert SWP water around the Sacramento-San Joaquin River Delta in order to protect and augment SWP water supplies delivered to the WKWD and other agencies. The project is currently in a planning and permitting phase and is projected to increase the District’s annual water supply costs by about \$1 million beginning in 2023. Ultimately, project construction and implementation costs will be incurred, but are not included in this 5-year period. Note that these future costs are in the order of \$1.5 million per year.

The total budgeted expenditures are estimated to increase by \$1.4 million in FY22-23 to \$18.6 million total. With inflation, the expenditures are projected to increase by around \$1 million per year through 2027.

3.2 Capital Expenditures

Based on past experience and the current status of the water system facilities, WKWD projects that it will fund approximately \$3.3 million in FY22-23 in equipment procurements and capital improvements (refer to **Figure 3-2**). A 5% inflation factor was included in this budget item for future years.

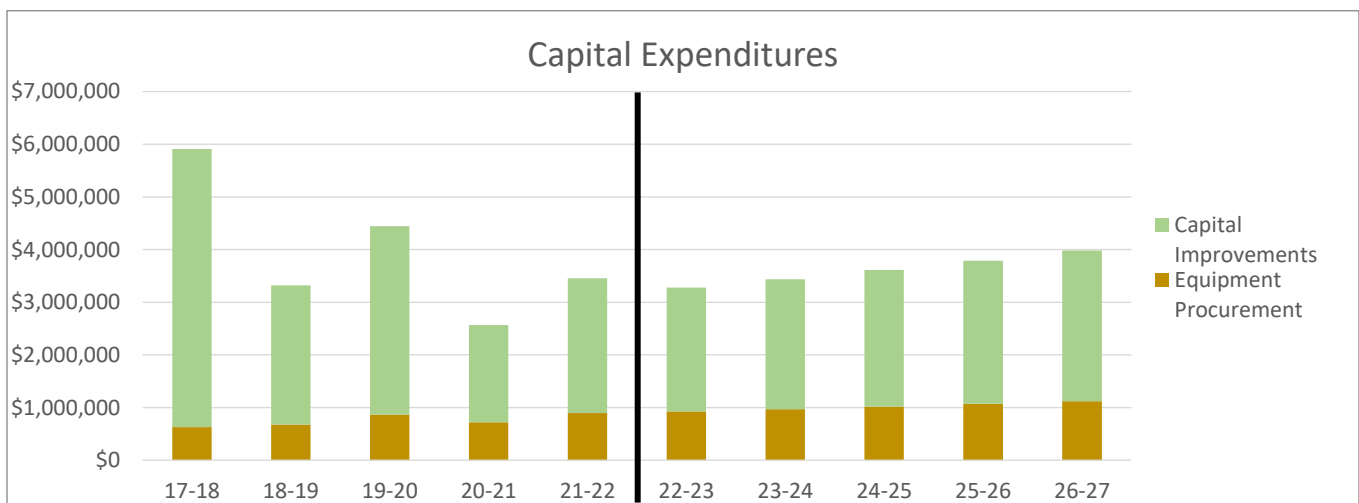


Figure 3-2: WKWD Historical and Projected Capital Expenditures

Each year, District staff plan capital improvement projects and equipment procurements as part of its budgeting process. Expenditures have included the following:

- Capital improvement projects
 - Water pipeline and valve replacements
 - Tank rehabilitation
 - Pump station rehabilitation
 - Solar component replacements
 - Well rehabilitation
 - Electrical facility improvements
 - Supervisory Control and Data Acquisition (SCADA) improvements
 - Automated water meter installation
 - Office improvements
- Equipment Procurement
 - Pipeline, valves, vaults, etc.
 - Engines and components
 - Pumps and motors
 - Vehicle replacement
 - Heavy equipment replacement
 - Automated Meter Reading (AMR) equipment
 - Computer, software purchases

In general, WKWD staff will prepare a capital expenditures budget that will accomplish the most immediate needs of the District. The total amount varies and may exceed the projected amounts in certain years. Should this budgeted amount be exceeded, reserves will be utilized to meet the needs of the District.

Potential sources of revenue to fund these projects include capacity fees (to the extent that the project benefits the customers that have or will pay capacity fees), grants, loans, and direct funding from water rates. For purposes of this study, we assumed that no loan funding will be used to meet the projected costs for the capital expenditures. It is also assumed that grant funding is not planned to meet budget needs; however, the District will pursue grant funding opportunities as they are available and applicable to a project.

3.3 Summary Financial Plan Prior to Rate Adjustments

Table 3-1 provides a summary of the historical and future projected revenue and expenditures assuming the water rates do not change. As seen in the table, the operating expenditures will outpace total revenue without factoring in Capital Expenditures or contributions to reserves.

Table 3-1: Summary Financial Plan before Rate Adjustments

Item	Past Budget					Projected Budget				
	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27
Revenues										
Water Sales	\$18,899,250	\$17,194,250	\$17,602,500	\$16,298,000	\$15,618,900	\$14,955,000	\$14,789,610	\$14,629,182	\$14,473,566	\$14,322,619
Water Services	\$883,000	\$1,394,000	\$1,344,000	\$1,722,000	\$1,873,500	\$1,873,500	\$1,873,500	\$1,873,500	\$1,873,500	\$1,873,500
Non-Operating	\$373,000	\$449,000	\$733,000	\$401,000	\$312,000	\$432,000	\$432,000	\$432,000	\$432,000	\$432,000
Revenue Subtotal	\$20,155,250	\$19,037,250	\$19,679,500	\$18,421,000	\$17,804,400	\$17,260,500	\$17,095,110	\$16,934,682	\$16,779,066	\$16,628,119
Expenditures										
Source of Supply	\$4,688,500	\$3,650,000	\$3,550,000	\$3,750,000	\$3,650,000	\$3,983,000	\$4,692,500	\$4,927,125	\$5,173,481	\$5,432,155
Production	\$2,002,237	\$2,345,344	\$2,172,994	\$2,221,525	\$2,025,070	\$2,201,641	\$2,320,434	\$2,445,930	\$2,578,532	\$2,718,670
Electric and Natural Gas	\$1,681,500	\$1,643,000	\$2,210,000	\$2,540,200	\$2,412,153	\$3,048,336	\$3,200,753	\$3,360,790	\$3,528,830	\$3,705,271
Engineering	\$658,926	\$673,113	\$649,938	\$698,622	\$535,551	\$578,457	\$610,602	\$644,626	\$680,648	\$718,792
Transmission & Distribution	\$1,231,528	\$1,369,466	\$1,440,117	\$1,377,933	\$1,347,412	\$1,440,944	\$1,522,534	\$1,609,036	\$1,700,773	\$1,798,086
Accounting	\$955,426	\$923,210	\$923,346	\$1,004,626	\$995,535	\$1,080,445	\$1,142,018	\$1,207,305	\$1,276,547	\$1,350,002
Field Services	\$766,560	\$813,981	\$839,287	\$872,366	\$850,360	\$921,344	\$972,886	\$1,027,492	\$1,085,360	\$1,146,701
Administration & General	\$2,711,574	\$2,922,058	\$3,074,788	\$3,235,009	\$3,374,240	\$3,340,632	\$3,516,752	\$3,702,471	\$3,898,339	\$4,104,942
Long Term Debt	\$3,807,000	\$3,809,000	\$3,808,000	\$3,815,000	\$2,068,000	\$2,066,000	\$2,066,000	\$2,066,000	\$2,066,000	\$2,066,000
Expenditures Subtotal	\$18,503,251	\$18,149,172	\$18,668,470	\$19,515,281	\$17,258,321	\$18,660,799	\$20,044,478	\$20,990,775	\$21,988,509	\$23,040,620
Excess Revenue	\$1,651,999	\$888,078	\$1,011,030	-\$1,094,281	\$546,079	-\$1,400,299	-\$2,949,368	-\$4,056,093	-\$5,209,443	-\$6,412,501
Capital Expenditures										
Equipment Procurement	\$629,024	\$677,604	\$867,138	\$718,327	\$893,779	\$924,190	\$970,400	\$1,018,919	\$1,069,865	\$1,123,359
Capital Improvements	\$5,279,979	\$2,642,338	\$3,577,605	\$1,847,602	\$2,560,113	\$2,350,369	\$2,467,887	\$2,591,282	\$2,720,846	\$2,856,888
Capital Expenditures Subtotal	\$5,909,003	\$3,319,942	\$4,444,743	\$2,565,929	\$3,453,892	\$3,274,559	\$3,438,287	\$3,610,201	\$3,790,711	\$3,980,247
Reserves Contribution	-\$4,257,004	-\$2,431,864	-\$3,433,713	-\$3,660,210	-\$2,907,813	-\$4,674,858	-\$6,387,655	-\$7,666,295	-\$9,000,154	-\$10,392,748

Water use is not expected to increase for residential and commercial customers. Some customers have implemented permanent water conservation measures (e.g. low water use landscaping, plumbing retrofits, etc.), and water conservation has become a way of life for many customers. Industrial water use is expected to decrease as discussed previously. Based on these assumptions, the estimated Water Sales revenue for FY22-23 is \$15 million (decreasing by approximately 1% in subsequent years).

Based on the estimated total revenue along with the operating expenses and capital expenditures, the District is projecting significant and concerning deficits increasing from \$4.6 million to \$10.4 million over the projected 5-year period (see **Figure 3-3**).

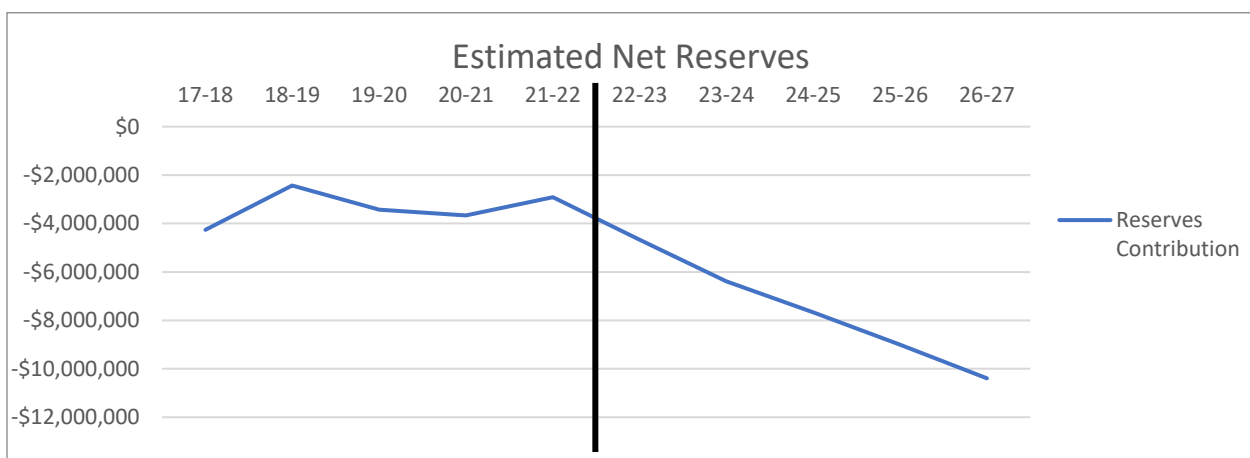


Figure 3-3: WKWD Historical and Projected Net Reserves (w/o Rate Increase)

In the past, the District has been able to operate with the lower revenue through the use of reserves. If this condition were to continue, it is projected that the District will expend its remaining reserves by FY 24-25 (see **Figure 3-4**). With the existing rate structure, the District is not able to set aside funding into its reserve funds and maintain healthy reserves for the various needs of the District.

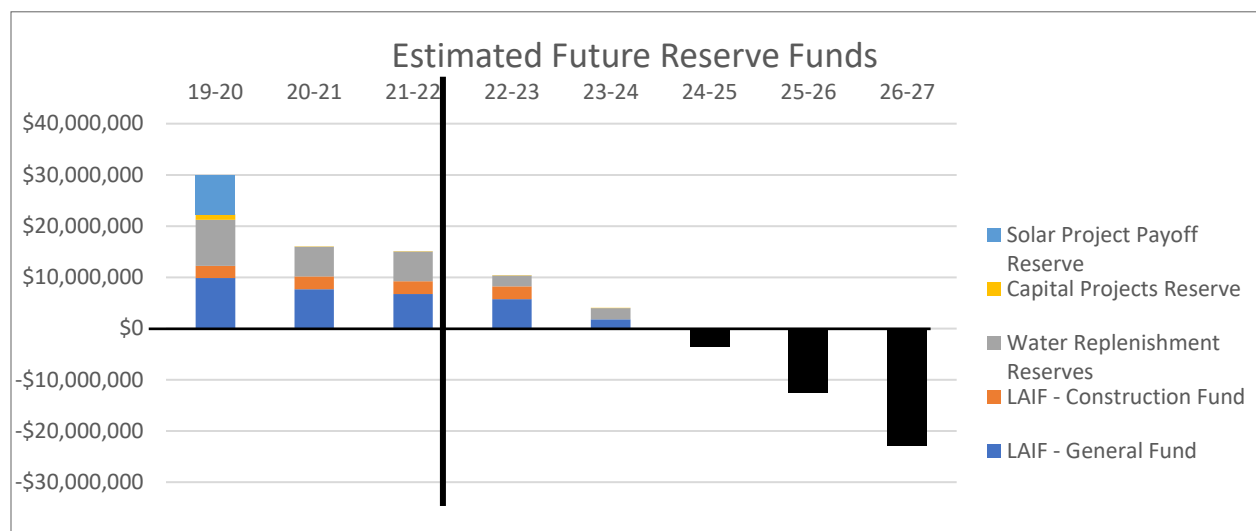


Figure 3-4: WKWD Estimated Future Reserve Funds (w/o Rate Increase)

Based on the summary financial plan, additional revenue is required to cover the operating expenses and capital expenditures. After these operating costs are covered, additional funds are also required to maintain sufficient reserves to help keep the District financially stable.

4 Proposed Rate Schedule and Revenues

4.1 Adjustments to Rate Schedule

The two goals for conducting rate adjustments include fairness of the rates and equity among the different classes of customers, so that individuals pay their share of the cost incurred by the utility in providing the service. The following proposed rates that have been developed in this Rate Study have been determined to be equitable in their allocation to the different classes of customers. As discussed previously, all rates will be billed on a monthly basis going forward.

Regarding the **Meter Charge**, the District will continue with a structure that is based on meter size. It is recommended that the District move to an industry standard meter size rate structure that is based on equivalent meter factors (EMF) as listed in **Table 4-1**, which is based on the American Water Works Association’s (AWWA) Standard C700 for Cold-Water Meters. The base meter factor is a 3/4-inch meter that would have an EMF of 1.0. The EMF is the water delivery capacity of the meter relative to the 3/4-inch base meter size. The service charges for meters larger in size are multiplied by the EMF. A higher charge is warranted because the District has constructed, operates, and maintains sufficient facilities to meet these higher instantaneous demands of customers with larger water meters.

Table 4-1: Equivalent Meter Factors (EMF)

Meter Size	EMF
3/4"	1.00
1"	1.67
1-1/2"	3.33
2"	5.33
3"	10.00
4"	16.67
6"	33.33
8"	53.33

Regarding **Water Use Rates**, the industry standard recommendation is to eliminate the initial allotment (i.e. the current 10 HCF included with the residential customer minimum meter charge). Also it is recommended that a Tier 2 rate should be higher than the Tier 1 rate and the additional charge pay for the incremental higher cost of service (rather than the current rate structure of having a Tier 2 rate lower than the Tier 1 rate, which encourages wasteful water use).

Finally, the District recommended that the rate increases be staggered over a five-year period to reduce financial impacts to its customers, which would occur if a large one-year increase

was implemented. Should the rate structure be approved, the District’s Board of Directors can annually increase rates up to the maximum rates in the rate schedule.

The proposed water rate schedule is provided in **Table 4-2**. As discussed, the meter charge will be incurred every month by customers. Industrial customers will also incur the same meter charge as residential and commercial customers, and will be based on the customer’s meter size, unless the industrial customer has a contract with the District that is based on a water use rate only (which is a higher charge ultimately). The Residential/Commercial Water Use Rate has two tiers. The net additional revenue from the Tier 2 rate will partially fund the higher cost of water that is obtained from the SWP, a water source that is required to meet these higher water demands. The industrial rates do not have a second tier and are higher than the residential/commercial rates as they are fully dependent on SWP supplies. Some industrial customer classes have an overage charge of an additional 20% for water use above its contracted amount as specified in those customers contracts.

Table 4-2: Proposed Rate Schedule

Residential & Commercial/Public Entity Customers:

		Proposed Monthly Meter Charge				
Meter Size	Meter Size Multiplier	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
3/4 inch	1.00	\$9.50	\$11.88	\$14.25	\$16.63	\$19.00
1 inch	1.67	\$15.87	\$19.83	\$23.80	\$27.76	\$31.73
1-1/2 inch	3.33	\$31.64	\$39.54	\$47.45	\$55.36	\$63.27
2 inch	5.33	\$50.64	\$63.29	\$75.95	\$88.61	\$101.27
3 inch	10.00	\$95.00	\$118.75	\$142.50	\$166.25	\$190.00
4 inch	16.67	\$158.37	\$197.96	\$237.55	\$277.14	\$316.73
6 inch	33.33	\$316.64	\$395.79	\$474.95	\$554.11	\$633.27
8 inch	53.33	\$506.64	\$633.29	\$759.95	\$886.61	\$1,013.27

		Proposed Water Use Rate (\$/HCF)				
Quantity Rates		FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
15 HCF or less, per HCF		\$1.30	\$1.38	\$1.45	\$1.53	\$1.60
Over 15 HCF, per HCF		\$1.55	\$1.64	\$1.73	\$1.81	\$1.90

Industrial Customers:

Customer Class	Proposed Water Use Rate (\$/HCF)					Meter Charge	Overage Charge
	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27		
General Industrial - IW	\$3.27	\$3.65	\$4.02	\$4.40	\$4.78	See Table	
Industrial Water Take or Pay - IW-1	\$3.27	\$3.65	\$4.02	\$4.40	\$4.78	*	***
Industrial Rate - IW-2	\$1.75	\$1.96	\$2.16	\$2.36	\$2.56	*	***
Industrial Rate - IW-3	\$2.08	\$2.32	\$2.56	\$2.80	\$3.03	*	
Industrial Rate - IW-4	\$2.98	\$3.33	\$3.67	\$4.01	\$4.36	*	***
Industrial Rate - IW-5	\$1.92	\$2.14	\$2.36	\$2.58	\$2.81	*	***
Cogen Rate - S-1 (aka RW-1)	\$2.07	\$2.33	\$2.58	\$2.84	\$3.10	*	***
Cogen Rate - S-2 (aka IW-5)	\$2.25	\$2.51	\$2.77	\$3.03	\$3.29	*	***
Cogen Rate - S-3 (aka IW-7)	\$2.56	\$2.86	\$3.15	\$3.45	\$3.74	*	
WD - Water Purchases	\$2.66	\$2.97	\$3.28	\$3.58	\$3.89	*	

* Meter Charge is embedded within the Water Use Rate

** Tier 1 Rate applies to water use up to 15 HCF, Tier 2 Rate applies to water use greater than 15 HCF

*** An Overage Charge of an additional 20% is applied for water use above contract amount.

Meter Size (in.)	Meter Size Multiplier	Proposed Monthly Meter Charge				
		FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
3/4	1.00	\$9.50	\$11.88	\$14.25	\$16.63	\$19.00
1	1.67	\$15.87	\$19.83	\$23.80	\$27.76	\$31.73
1-1/2	3.33	\$31.64	\$39.54	\$47.45	\$55.36	\$63.27
2	5.33	\$50.64	\$63.29	\$75.95	\$88.61	\$101.27
3	10.00	\$95.00	\$118.75	\$142.50	\$166.25	\$190.00
4	16.67	\$158.37	\$197.96	\$237.55	\$277.14	\$316.73
6	33.33	\$316.64	\$395.79	\$474.95	\$554.11	\$633.27
8	53.33	\$506.64	\$633.29	\$759.95	\$886.61	\$1,013.27

For this rate study, a rate model was prepared using historical monthly customer water use data to estimate the water sales revenue based on a selected rate structure. Using this model and the proposed rate structure, it is estimated that the residential/commercial rate change will generate an estimated 28% increase in revenue for the first year and an average of 10% annual increase in the subsequent 4 years.

Table 4-3 provides a comparison of the existing and proposed residential/commercial rate schedules. The proposed rate schedule shows the rates for FY22-23 (beginning of rate increase) and FY26-27 (last rate increase under this rate structure). Additionally, the table provides a comparison of example 3/4-inch meter residential bills based on differing water use amounts (water use volumes of 10, 20, and 50 HCF/month).

To make the rate increase equitable to other customer classes, it was determined that a similar increase in revenue was to be generated by the industrial rate change. Many of the industrial customers have specific contracts with set water use rates with the District that can be adjusted through a rate increase. It was determined appropriate to adjust each industrial rate by an amount that generated an equivalent increase in revenue as residential/commercial customers (i.e. about 28% in the first year and an average of 10% in the subsequent 4 years). The proposed industrial water use rates in **Table 4-2** generate this equivalent revenue increase.

Table 4-3: Existing and Proposed Residential/Commercial Rate Schedules and Example Residential Bill Comparison

Category	WKWD Existing Rates		WKWD Proposed Rates	
	Bi-monthly Basis	Monthly Equivalent	FY22-23 (Monthly Basis)	FY26-27 (Monthly Basis)
Meter Charge:				
Meter Size (inch)	Meter Charge (bi-monthly)	Meter Charge (monthly)	Meter Charge (monthly)	Meter Charge (monthly)
3/4	\$17.30	\$8.65	\$9.50	\$19.00
1	\$21.53	\$10.77	\$15.87	\$31.73
1-1/2			\$31.64	\$63.27
2	\$46.62	\$23.31	\$50.64	\$101.27
3	\$86.14	\$43.07	\$95.00	\$190.00
4	\$119.07	\$59.54	\$158.37	\$316.73
6	\$190.22	\$95.11	\$316.64	\$633.27
8			\$506.64	\$1,013.27
Consumption Charge:				
Tier 1 Initial HCF	10	5	0	0
Tier 1 Charge (/HCF)	\$1.73	\$1.73	\$1.30	\$1.60
Tier 2 HCF Threshold	40	20	15	15
Tier 2 Charge (/HCF)	\$1.24	\$1.24	\$1.55	\$1.90
Tier 3 HCF Threshold				
Tier 3 Charge (/HCF)				

Example 3/4" Minimal Water Use Residential Bill:				
Meter Charge	\$17.30	\$8.65	\$9.50	\$19.00
Example Water Use	20	10	10	10
Water Use Charge	\$17.30	\$8.65	\$13.00	\$16.00
Total Example Bill	\$34.60	\$17.30	\$22.50	\$35.00

Example 3/4" Low Water Use Residential Bill:				
Meter Charge	\$17.30	\$8.65	\$9.50	\$19.00
Example Water Use	40	20	20	20
Water Use Charge	\$51.90	\$25.95	\$27.25	\$33.50
Total Example Bill	\$69.20	\$34.60	\$36.75	\$52.50

Example 3/4" High Water Use Residential Bill:				
Meter Charge	\$17.30	\$8.65	\$9.50	\$19.00
Example Water Use	100	50	50	50
Water Use Charge	\$126.30	\$63.15	\$73.75	\$90.50
Total Example Bill	\$143.60	\$71.80	\$83.25	\$109.50

The proposed fire service charge will continue to be based on the size of the fire service line and will be in accordance with **Table 4-4**. The rate increase in this table matches the same increase as the other rate classes (i.e. 28% increase in revenue for the first year and a 10% annual increase).

Table 4-4: Proposed Monthly Fire Service Rate Schedule

Service Size (in)	Multiplier*	Proposed Fire Service Charge (per service)				
		FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
2	3.2	\$6.55	\$7.21	\$7.86	\$8.52	\$9.18
3	6.0	\$12.29	\$13.52	\$14.75	\$15.97	\$17.20
4	10.0	\$20.48	\$22.53	\$24.58	\$26.62	\$28.67
6	20.0	\$40.96	\$45.06	\$49.15	\$53.25	\$57.34
8	32.0	\$65.54	\$72.09	\$78.64	\$85.20	\$91.75
10	46.0	\$94.21	\$103.63	\$113.05	\$122.47	\$131.89
12	86.0	\$176.13	\$193.74	\$211.35	\$228.97	\$246.58
14	128.0	\$262.14	\$288.36	\$314.57	\$340.79	\$367.00
16	183.2	\$375.19	\$412.71	\$450.23	\$487.75	\$525.27

*Multiplier is based on a 1-in service size being 1.0.

4.2 Rate Schedule Comparison to Other Water Purveyors

The proposed residential/commercial rates were compared with surrounding water purveyors below in **Table 4-5**. The table shows that the proposed rates are well below the rates of most of the surrounding water purveyors. Additionally, the table provides a comparison of example ¾-inch meter residential bills based on differing water use amounts (water use volumes of 10, 20, and 50 HCF/month).

Industrial rates cannot be compared to other water purveyors because of the unique service WKWD provides for the local industries. A significant cost-of-service factor for WKWD is the amount of infrastructure (e.g. long pipelines, more booster pump stations, etc.) that is required to serve these customers, which results in a higher cost of service.

Table 4-5: Proposed Residential/Commercial Rates Compared to Surrounding Water Purveyors

Category	WKWD	City of Bakersfield	Calwater (COB)	City of Shafter	East Niles CSD	Vaughn Water Company	Oildale MWC
	FY22-23 - Proposed Rates	Water Rates (w/in City, eff. 7/1/22)	Water Rates (eff. 1/1/22)	Water Rates (eff. 7/1/21)	Water Rates (eff. 4/1/21)	Water Rates (eff. 1/1/18)	Water Rates (eff. 1/1/22)
Meter Charge:							
Meter Size (inch)	Meter Charge (monthly)	Meter Charge (monthly)	Meter Charge (monthly)	Meter Charge (monthly)	Meter Charge (monthly)	Meter Charge (monthly)	Meter Charge (monthly)
3/4	\$9.50	\$12.52	\$27.71	\$43.97	\$42.90	\$39.38	\$23.40
1	\$15.87	\$19.08	\$46.18	\$73.43	\$107.30	\$52.54	\$34.30
1-1/2	\$31.64	\$29.12	\$92.35	\$146.42	\$214.50	\$78.84	\$83.05
2	\$50.64	\$39.62	\$147.76	\$234.36	\$343.20	\$105.02	\$105.35
3	\$95.00	\$73.22	\$277.05	\$513.13	\$965.30	\$157.62	\$167.75
4	\$158.37	\$106.43	\$461.75	\$879.40	\$1,930.50	n/a	\$247.60
6	\$316.64	\$191.28	\$923.50	\$1,832.23	\$4,290.00	n/a	\$358.05
8	\$506.64	\$294.03	\$1,477.60	\$2,931.34	\$8,580.00	n/a	\$522.50
Consumption Charge:							
Tier 1 Initial HCF	-	-	-	-	-	-	-
Tier 1 Charge (/HCF)	\$1.30	\$1.19	\$1.84	\$0.92	\$1.60	\$0.32	\$1.20
Tier 2 HCF Threshold	15		15			33.8 (3/4")	
Tier 2 Charge (/HCF)	\$1.55		\$2.31			\$0.36	
Tier 3 HCF Threshold			26			67.5 (3/4")	
Tier 3 Charge (/HCF)			\$3.46			\$1.15	
Est. Connections:	7,400	48,000	72,000	4,800	8,000	11,000	11,700
Example 3/4" Minimal Water Use Residential Bill:							
Meter Charge	\$9.50	\$12.52	\$27.71	\$43.97	\$42.90	\$39.38	\$23.40
Example Water Use	10	10	10	10	10	10	10
Water Use Charge	\$13.00	\$11.90	\$18.45	\$9.20	\$16.00	\$3.20	\$12.00
Total Example Bill	\$22.50	\$24.42	\$46.16	\$53.17	\$58.90	\$42.58	\$35.40
Example 3/4" Low Water Use Residential Bill:							
Meter Charge	\$9.50	\$12.52	\$27.71	\$43.97	\$42.90	\$39.38	\$23.40
Example Water Use	20	20	20	20	20	20	20
Water Use Charge	\$27.25	\$23.80	\$39.20	\$18.40	\$32.00	\$6.40	\$24.00
Total Example Bill	\$36.75	\$36.32	\$66.91	\$62.37	\$74.90	\$45.78	\$47.40
Example 3/4" High Water Use Residential Bill:							
Meter Charge	\$9.50	\$12.52	\$27.71	\$43.97	\$42.90	\$39.38	\$23.40
Example Water Use	50	50	50	50	50	50	50
Water Use Charge	\$73.75	\$59.50	\$136.03	\$46.00	\$80.00	\$16.65	\$60.00
Total Example Bill	\$83.25	\$72.02	\$163.74	\$89.97	\$122.90	\$56.03	\$83.40

4.3 Financial Plan after Proposed Rate Adjustments

A financial plan has been developed using the estimated revenue generated from the proposed rate structure as shown in **Table 4-6**. A chart of the proposed additional revenue collection from increased rates is shown in **Figure 4-1**. Total revenue increases to \$18.9 million in FY22-23 up to \$30.3 million in FY26-27. Note that the revenue for FY22-23 takes into account that the rate increase is effective for the second half of the FY (January through June 2023). Refer to **Appendix D** for a table of projected revenue from the various customer classes.

Through this revenue increase, reserves will also be built up over time. Industry recommendations for reserves vary depending on the size and type of water agency. For WKWD, it is recommended to have the following reserves:

- Operating Reserve - at least annual operating expenses be considered (approximately \$18.7 million).
- Capital Improvement Reserve - greater than the annual depreciation of the District's assets (approximately \$4 million).
- Water Replenishment Reserve – at least \$5 million.

In total, reserves of at least \$27 million are recommended for the District. A significant portion of these reserve amounts can be rebuilt over the next 5+ years, but the Operating Reserve is expected to lag in meeting its replenishment goal.

A chart of the net reserve contribution and a chart of the resulting future reserve estimates is shown in **Figure 4-2**. Through the rate increase, the District is able to meet its operating expenses, pay for needed capital improvements and equipment procurements, and over time build up the recommended reserves for the District. This Rate Study is based on an implementation beginning at the start of the 2023 calendar year.

Table 4-6: Summary Financial Plan after Rate Adjustments

Item	Past Budget					Projected Budget (w/Rate Increase)				
	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27
Revenues										
Water Sales	\$18,899,250	\$17,194,250	\$17,602,500	\$16,298,000	\$15,618,900	\$17,048,700	\$21,056,640	\$23,162,304	\$25,478,534	\$28,026,388
Water Services	\$883,000	\$1,394,000	\$1,344,000	\$1,722,000	\$1,873,500	\$1,443,300	\$1,873,500	\$1,873,500	\$1,873,500	\$1,873,500
Non-Operating	\$373,000	\$449,000	\$733,000	\$401,000	\$312,000	\$453,600	\$432,000	\$432,000	\$432,000	\$432,000
Revenue Subtotal	\$20,155,250	\$19,037,250	\$19,679,500	\$18,421,000	\$17,804,400	\$18,945,600	\$23,362,140	\$25,467,804	\$27,784,034	\$30,331,888
Expenditures										
Source of Supply	\$4,688,500	\$3,650,000	\$3,550,000	\$3,750,000	\$3,650,000	\$3,983,000	\$4,692,500	\$4,927,125	\$5,173,481	\$5,432,155
Production	\$2,002,237	\$2,345,344	\$2,172,994	\$2,221,525	\$2,025,070	\$2,201,641	\$2,320,434	\$2,445,930	\$2,578,532	\$2,718,670
Electric and Natural Gas	\$1,681,500	\$1,643,000	\$2,210,000	\$2,540,200	\$2,412,153	\$3,048,336	\$3,200,753	\$3,360,790	\$3,528,830	\$3,705,271
Engineering	\$658,926	\$673,113	\$649,938	\$698,622	\$535,551	\$578,457	\$610,602	\$644,626	\$680,648	\$718,792
Transmission & Distribution	\$1,231,528	\$1,369,466	\$1,440,117	\$1,377,933	\$1,347,412	\$1,440,944	\$1,522,534	\$1,609,036	\$1,700,773	\$1,798,086
Field Services	\$955,426	\$923,210	\$923,346	\$1,004,626	\$995,535	\$1,080,445	\$1,142,018	\$1,207,305	\$1,276,547	\$1,350,002
Accounting	\$766,560	\$813,981	\$839,287	\$872,366	\$850,360	\$921,344	\$972,886	\$1,027,492	\$1,085,360	\$1,146,701
Administration & General	\$2,711,574	\$2,922,058	\$3,074,788	\$3,235,009	\$3,374,240	\$3,340,632	\$3,516,752	\$3,702,471	\$3,898,339	\$4,104,942
Long Term Debt	\$3,807,000	\$3,809,000	\$3,808,000	\$3,815,000	\$2,068,000	\$2,066,000	\$2,066,000	\$2,066,000	\$2,066,000	\$2,066,000
Expenditures Subtotal	\$18,503,251	\$18,149,172	\$18,668,470	\$19,515,281	\$17,258,321	\$18,660,799	\$20,044,478	\$20,990,775	\$21,988,509	\$23,040,620
Excess Revenue	\$1,651,999	\$888,078	\$1,011,030	-\$1,094,281	\$546,079	\$284,801	\$3,317,662	\$4,477,029	\$5,795,526	\$7,291,268
Capital Expenditures										
Equipment Procurement	\$629,024	\$677,604	\$867,138	\$718,327	\$893,779	\$924,190	\$970,400	\$1,018,919	\$1,069,865	\$1,123,359
Capital Improvements	\$5,279,979	\$2,642,338	\$3,577,605	\$1,847,602	\$2,560,113	\$2,350,369	\$2,467,887	\$2,591,282	\$2,720,846	\$2,856,888
Capital Expenditures Subtotal	\$5,909,003	\$3,319,942	\$4,444,743	\$2,565,929	\$3,453,892	\$3,274,559	\$3,438,287	\$3,610,201	\$3,790,711	\$3,980,247
Reserves Contribution	-\$4,257,004	-\$2,431,864	-\$3,433,713	-\$3,660,210	-\$2,907,813	-\$2,989,758	-\$120,625	\$866,828	\$2,004,814	\$3,311,021

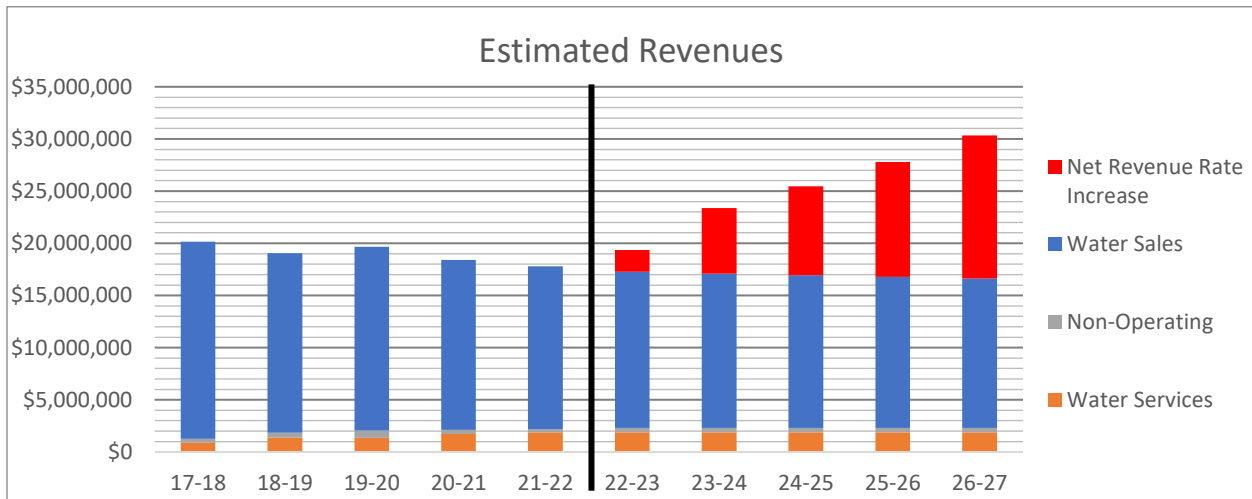


Figure 4-1: WKWD Estimated Revenues (w/ Rate Increase)

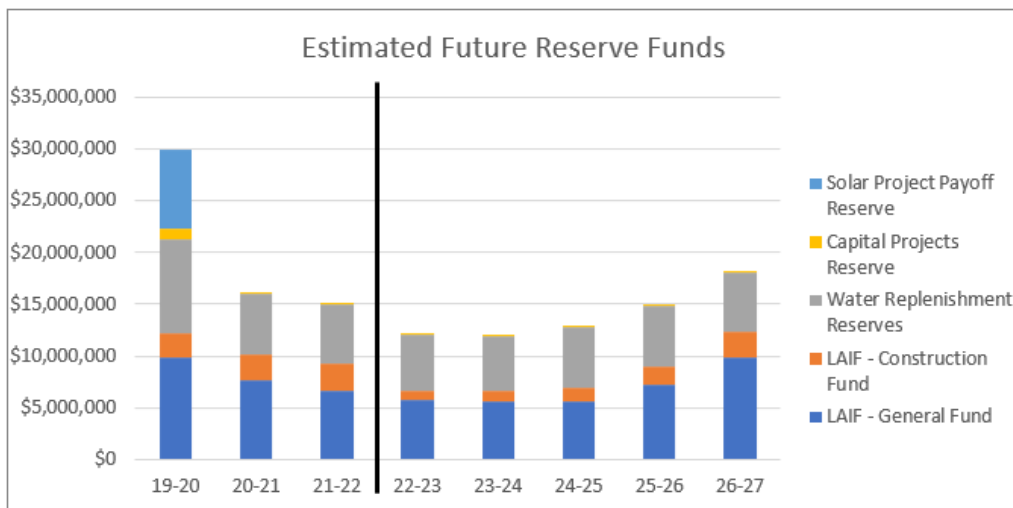
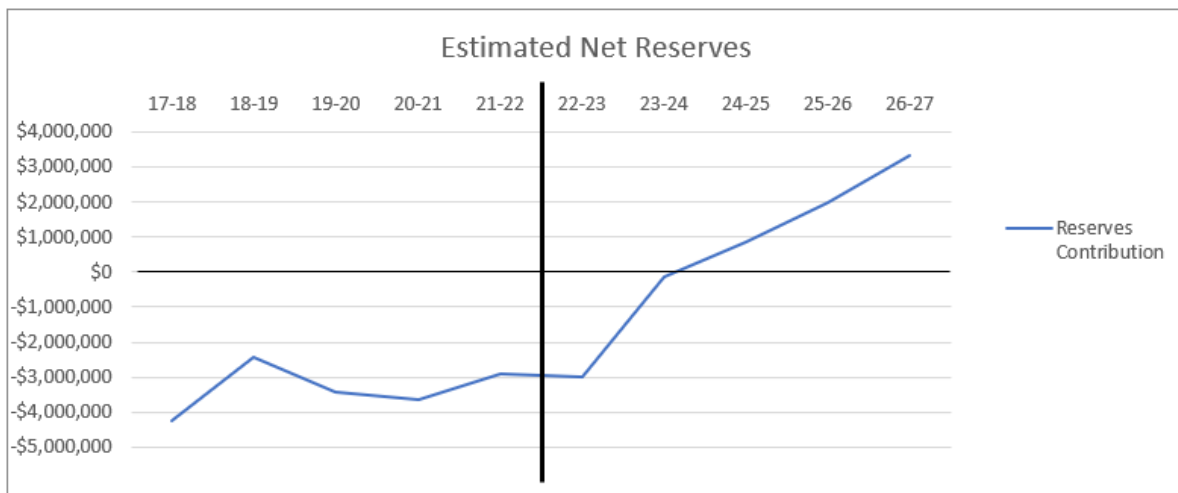


Figure 4-2: WKWD Estimated Net Reserves and Estimated Future Reserve Funds (w/ Rate Increase)

5 Conclusion & Implementation Plan

5.1 Conclusion

This study summarizes the cost-of-service analysis and recommendations for adjustments to the District's water rate structure. The recommended rate adjustments proposed in this study allow the District to equalize its revenues, expenses, and establish sufficient District reserves, while maintaining equitable charges to the District's customer base. Therefore, it is our recommendation that the District implement the proposed water rate increase.

5.2 Implementation Plan

The proposed rate increase is a property related fee and thus must be implemented in accordance with the requirements of Proposition 218. The District's attorney should be consulted on the proper procedures, notices, ordinances and resolutions necessary to adopt and implement the proposed rate increases. The general implementation plan is as follows:

1. District Board of Directors (and District attorney) reviews and accepts the report and recommendations.
2. The Board sets a date for a public protest hearing not less than 45 days after notices to customers have been mailed. The Board adopts a resolution to proceed with the Proposition 218 process.
3. Mail customer notices with the proposed rate increase and time and date of the public protest hearing as well as any other required notice information as specified in Government Code Section 53753.
4. Hold a water rate workshop to review the proposed rates with the public and answer questions (optional).
5. Hold public majority protest hearing.
6. Adopt revised rate structure should a majority not protest.
7. Prepare monthly water bills under the new rates after one month of water use following the adoption of the revised rate structure.
8. Review revenue versus expenditures annually to verify assumptions and projections in Water Rate Study. At the Board's option, increase rates to maximum amount defined in rate structure, or a lesser amount if warranted.
9. Conduct Water Rate Study update in FY26-27.

APPENDICES

Appendix A

Existing WKWD Water Rates

WEST KERN WATER DISTRICT
WATER RATES

Appendix A

(Public)

RESIDENTIAL/COMMERCIAL/PUBLIC ENTITY (Schedule No. R) Effective 6/11 Billing

Applicable to all metered water service other than for industrial purposes.

Rates

Per Meter - Bimonthly

Quantity Rates

First 1000 cu.ft. or less	\$ 17.30
Over 1000 cu.ft. per 100 cu.ft.	\$ 1.73
Over 4000 cu.ft. per 100 cu.ft.	\$ 1.24

Minimum Charge

For 5/8 x 3/4 meter	\$ 17.30
For 1 inch meter	\$ 21.53
For 2 inch meter	\$ 46.62
For 3 inch meter	\$ 86.14
For 4 inch meter	\$119.07
For 6 inch meter	\$190.22

INDUSTRIAL (Schedule No. IW-1) Effective 6/11 Billing

Applicable to all metered water service furnished for industrial purposes except water furnished to NPR No. 1, Elk Hills, Buena Vista Golf Course, Federal Prison, La Paloma Generating, Sunrise, and Occidental of Elk Hills Cogen Plants and raw water.

Rates

Quantity Rates

All water up to 3000 cu.ft.	\$ 2.24 per meter \$975.74 per AF
Add'l water per 100 cu.ft.	\$ 2.70/hcf

*All industrial customers will be charged \$68 per meter per month.
6" meters will be charged a minimum of \$111 per meter per month.*

Issued 6/1/11

APPENDIX B

Historical and Projected Revenue with Existing Rates

REVENUES

Existing Scenario - No Rate Increase

Item	Past Budget					Average FY17-18 to FY21-22	Projected Budget					Growth Rate Assumed
	17-18	18-19	19-20	20-21	21-22		22-23	23-24	24-25	25-26	26-27	
Water Sales												
Residential & Commercial	\$2,269,000	\$2,269,000	\$2,360,000	\$2,478,000	\$2,601,900	\$2,395,580	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000	
Ind. IW-1 - Regular Industrial	\$7,342,000	\$6,342,000	\$6,786,000	\$6,447,000	\$6,125,000	\$6,608,400	\$5,513,000	\$5,347,610	\$5,187,182	\$5,031,566	\$4,880,619	-3%
Ind. IW-2 - O.H.E.I.	\$490,500	\$490,500	\$490,500	\$654,000	\$654,000	\$555,900	\$654,000	\$654,000	\$654,000	\$654,000	\$654,000	
Ind. IW-3 - Adjacent Facilities	\$394,500	\$394,500	\$354,000	\$301,000	\$255,000	\$339,800	\$255,000	\$255,000	\$255,000	\$255,000	\$255,000	
Ind. IW-4 - Federal Prison	\$411,250	\$411,250	\$325,000	\$90,000	\$0	\$247,500	\$0	\$0	\$0	\$0	\$0	
Ind. S1 - La Paloma Generating	\$3,465,000	\$2,760,000	\$2,760,000	\$1,725,000	\$1,380,000	\$2,418,000	\$1,380,000	\$1,380,000	\$1,380,000	\$1,380,000	\$1,380,000	
Ind. S2 - Elk Hills Power	\$1,920,000	\$1,920,000	\$1,920,000	\$1,996,000	\$1,996,000	\$1,950,400	\$1,996,000	\$1,996,000	\$1,996,000	\$1,996,000	\$1,996,000	
Ind. S3 - Sunrise Power	\$2,607,000	\$2,607,000	\$2,607,000	\$2,607,000	\$2,607,000	\$2,607,000	\$2,607,000	\$2,607,000	\$2,607,000	\$2,607,000	\$2,607,000	
Subtotal	\$18,899,250	\$17,194,250	\$17,602,500	\$16,298,000	\$15,618,900	\$17,122,580	\$14,955,000	\$14,789,610	\$14,629,182	\$14,473,566	\$14,322,619	
Water Services												
Meter Service Installation	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	
Water Supply Fees	\$150,000	\$150,000	\$100,000	\$80,000	\$60,000	\$108,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	
Fire Protection	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
Misc. Revenue - Take or Pay	\$673,000	\$1,184,000	\$1,184,000	\$1,582,000	\$1,753,500	\$1,275,300	\$1,753,500	\$1,753,500	\$1,753,500	\$1,753,500	\$1,753,500	
Subtotal	\$883,000	\$1,394,000	\$1,344,000	\$1,722,000	\$1,873,500	\$1,443,300	\$1,873,500	\$1,873,500	\$1,873,500	\$1,873,500	\$1,873,500	
Total Operating Revenues	\$19,782,250	\$18,588,250	\$18,946,500	\$18,020,000	\$17,492,400	\$18,565,880	\$16,828,500	\$16,663,110	\$16,502,682	\$16,347,066	\$16,196,119	
Non-Operating Revenues	\$373,000	\$449,000	\$733,000	\$401,000	\$312,000	\$453,600	\$432,000	\$432,000	\$432,000	\$432,000	\$432,000	
TOTAL REVENUES	\$20,155,250	\$19,037,250	\$19,679,500	\$18,421,000	\$17,804,400	\$19,019,480	\$17,260,500	\$17,095,110	\$16,934,682	\$16,779,066	\$16,628,119	

APPENDIX C

Itemized Expenditures

EXPENSES

Source of Supply Expenses

Item	Past Budget					Assumptions for Future Years	Growth Rate Assumed	Projected Budget					
	17-18	18-19	19-20	20-21	21-22			22-23	23-24	24-25	25-26	26-27	
Source of Supply Expenses													
SWP Table 1	\$2,475,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	25,000 AFY @ 50% Allocation, Recharge @ 95%, Cost = \$200	5%	\$2,500,000	\$2,625,000	\$2,756,250	\$2,894,063	\$3,038,766	
Sunrise SWP Table 1	\$643,500	\$650,000	\$650,000	\$650,000	\$650,000	6,500 AFY @ 50% Allocation, Recharge @ 95%, Cost = \$200	5%	\$650,000	\$682,500	\$716,625	\$752,456	\$790,079	
Pool Water Purchases	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000		5%	\$100,000	\$105,000	\$110,250	\$115,763	\$121,551	
KWB, BV Recharge Costs	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	5,000 AFY @ \$20	5%	\$100,000	\$105,000	\$110,250	\$115,763	\$121,551	
Buena Vista Replacement Fee	\$1,170,000	\$0	\$0	\$0	\$0	5,000 AFY @\$200 (avg. cost over 5 yr)	5%	\$0	\$200,000	\$210,000	\$220,500	\$231,525	
Delta Conveyance Project (GAP)	\$200,000	\$300,000	\$200,000	\$400,000	\$300,000		5%	\$633,000	\$975,000	\$1,023,750	\$1,074,938	\$1,128,684	
Delta Conveyance Project (Project Costs)						Not included in planning period		\$0	\$0	\$0	\$0	\$0	
CVC Turn-In Water (Kern Tulare)	\$0	\$0	\$0	\$0	\$0		5%	\$0	\$0	\$0	\$0	\$0	
TOTAL	\$ 4,688,500	\$ 3,650,000	\$ 3,550,000	\$ 3,750,000	\$ 3,650,000			\$ 3,983,000	\$ 4,692,500	\$ 4,927,125	\$ 5,173,481	\$ 5,432,155	

EXPENSES

Production Expenses

Item	Past Budget					Growth Rate Assumed	Projected Budget				
	17-18	18-19	19-20	20-21	21-22		22-23	23-24	24-25	25-26	26-27
Production Expenses											
Salaries, Supervision	\$100,976	\$208,013	\$106,607	\$109,825	\$112,853	5%	\$115,676	\$121,460	\$127,533	\$133,909	\$140,605
Salaries, Operation	\$589,441	\$582,545	\$605,742	\$632,697	\$632,721	5%	\$653,721	\$686,407	\$720,727	\$756,764	\$794,602
Overtime, Call Out, Standby	\$0	\$0	\$0	\$0	\$0	5%	\$17,134	\$17,991	\$18,890	\$19,835	\$20,826
Sick Leave	\$23,752	\$27,272	\$24,509	\$25,546	\$25,653	5%	\$26,472	\$27,796	\$29,185	\$30,645	\$32,177
Vacation	\$54,631	\$62,725	\$56,370	\$58,756	\$59,002	5%	\$60,886	\$63,930	\$67,127	\$70,483	\$74,007
Holiday	\$36,420	\$41,817	\$37,580	\$39,171	\$39,335	5%	\$40,591	\$42,621	\$44,752	\$46,989	\$49,339
Jury Duty Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Bereavement Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Seminar Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Worker's Compensation Insurance	\$24,287	\$41,889	\$38,852	\$49,578	\$23,125	5%	\$23,139	\$24,296	\$25,511	\$26,786	\$28,126
F.I.C.A	\$64,619	\$73,451	\$61,891	\$64,510	\$64,780	5%	\$66,848	\$70,190	\$73,700	\$77,385	\$81,254
457 Employer Match	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
CalPERS Pension	\$86,000	\$117,030	\$103,112	\$107,475	\$71,500	10%	\$101,868	\$112,055	\$123,260	\$135,586	\$149,145
Health Insurance	\$154,440	\$171,600	\$184,140	\$191,916	\$180,900	7%	\$180,900	\$193,563	\$207,112	\$221,610	\$237,123
Uniforms	\$5,000	\$5,000	\$7,000	\$7,000	\$7,000	5%	\$8,000	\$8,400	\$8,820	\$9,261	\$9,724
Safety Boots	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	5%	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216
Group Life Insurance	\$4,371	\$5,182	\$4,664	\$4,772	\$4,772	5%	\$4,886	\$5,130	\$5,387	\$5,656	\$5,939
Supplies, Chlorine	\$71,000	\$71,000	\$78,000	\$105,000	\$95,000	5%	\$127,120	\$133,476	\$140,150	\$147,157	\$154,515
Supplies, Field Materials	\$130,000	\$150,000	\$150,000	\$150,000	\$150,000	5%	\$240,000	\$252,000	\$264,600	\$277,830	\$291,722
Miscellaneous Tools	\$5,000	\$9,500	\$7,500	\$10,000	\$10,000	5%	\$10,000	\$10,500	\$11,025	\$11,576	\$12,155
La Paloma Maintenance Expenses	\$28,000	\$25,000	\$20,000	\$20,000	\$20,000	5%	\$10,000	\$10,500	\$11,025	\$11,576	\$12,155
Solar Project Maintenance Expenses	\$54,000	\$85,300	\$89,000	\$93,000	\$68,000	5%	\$68,000	\$71,400	\$74,970	\$78,719	\$82,654
Contract Work- Labor	\$14,100	\$20,270	\$28,127	\$15,879	\$15,879	5%	\$14,850	\$15,593	\$16,372	\$17,191	\$18,050
Contract Work- Permits	\$26,000	\$16,000	\$17,600	\$17,600	\$17,600	5%	\$18,000	\$18,900	\$19,845	\$20,837	\$21,879
Pump Station Maint. Expense	\$52,000	\$59,550	\$56,100	\$51,600	\$51,750	5%	\$51,750	\$54,338	\$57,054	\$59,907	\$62,902
Spreading Pond Maint. Expense NRRP/SRRP	\$90,000	\$87,000	\$87,000	\$87,000	\$87,000	5%	\$45,000	\$47,250	\$49,613	\$52,093	\$54,698
Vehicle Maint. Expense	\$15,000	\$15,000	\$14,000	\$16,000	\$16,000	5%	\$15,000	\$15,750	\$16,538	\$17,364	\$18,233
Vehicle Gasoline Expense	\$15,000	\$15,000	\$14,000	\$13,000	\$13,000	5%	\$15,000	\$15,750	\$16,538	\$17,364	\$18,233
Oper. & Maint- Equip. Maint. Exp	\$87,000	\$130,000	\$55,000	\$55,000	\$25,000	5%	\$55,800	\$58,590	\$61,520	\$64,595	\$67,825
Oper. & Maint.- Gas Engine Oil	\$175,000	\$170,000	\$170,000	\$150,000	\$150,000	5%	\$150,000	\$157,500	\$165,375	\$173,644	\$182,326
Oper. & Maint.- Telemetry Maint.	\$91,000	\$120,000	\$120,000	\$110,000	\$75,000	5%	\$60,000	\$63,000	\$66,150	\$69,458	\$72,930
Oper. & Maint.- Radio Purch. & Maint.	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	5%	\$3,000	\$3,150	\$3,308	\$3,473	\$3,647
Oper. & Maint.- Electricity Exp	\$295,000	\$275,000	\$285,000	\$353,200	\$347,519	5%	\$343,399	\$360,569	\$378,597	\$397,527	\$417,404
Oper. & Maint.- Natural Gas Exp.	\$1,386,500	\$1,368,000	\$1,925,000	\$2,187,000	\$2,064,634	5%	\$2,704,937	\$2,840,184	\$2,982,193	\$3,131,303	\$3,287,868
Oper. & Maint.- Propane Exp	\$0	\$30,000	\$30,000	\$30,000	\$3,000	5%	\$15,000	\$15,750	\$16,538	\$17,364	\$18,233
Oper. & Maint.- Miscellaneous Exp.	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	5%	\$2,000	\$2,100	\$2,205	\$2,315	\$2,431
TOTAL	\$ 3,683,737	\$ 3,988,344	\$ 4,382,994	\$ 4,761,725	\$ 4,437,223		\$ 5,249,977	\$ 5,521,187	\$ 5,806,721	\$ 6,107,362	\$ 6,423,942

EXPENSES
ENGINEERING EXPENSES

Item	Past Budget					Growth Rate Assumed	Projected Budget				
	17-18	18-19	19-20	20-21	21-22		22-23	23-24	24-25	25-26	26-27
ENGINEERING EXPENSES											
Salaries, Supervision	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Salaries, Operation	\$257,982	\$253,487	\$261,568	\$260,947	\$226,573	5%	\$235,368	\$247,136	\$259,493	\$272,468	\$286,091
Overtime, Call Out, Standby	\$0	\$0	\$0	\$0	\$0	5%	\$5,573	\$5,852	\$6,144	\$6,451	\$6,774
Sick Pay	\$7,865	\$7,728	\$7,975	\$7,956	\$6,908	5%	\$7,176	\$7,535	\$7,912	\$8,307	\$8,722
Vacation	\$21,708	\$21,330	\$22,010	\$21,958	\$19,065	5%	\$19,805	\$20,795	\$21,835	\$22,927	\$24,073
Holiday	\$14,472	\$14,220	\$14,673	\$14,638	\$12,710	5%	\$13,204	\$13,864	\$14,557	\$15,285	\$16,050
Jury Duty Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Bereavement Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Seminar Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Workers Compensation	\$1,209	\$1,928	\$1,987	\$2,535	\$887	5%	\$887	\$931	\$978	\$1,027	\$1,078
F.I.C.A.	\$24,075	\$23,655	\$24,165	\$24,108	\$20,932	5%	\$21,745	\$22,832	\$23,974	\$25,173	\$26,431
457 Employer Match	\$15,964	\$14,535	\$15,100	\$19,838	\$20,870	5%	\$21,736	\$22,823	\$23,964	\$25,162	\$26,420
CalPERS Pension	\$34,000	\$39,797	\$40,247	\$40,165	\$22,048	10%	\$31,174	\$34,291	\$37,721	\$41,493	\$45,642
Health Insurance	\$98,208	\$98,208	\$95,040	\$95,856	\$70,884	7%	\$83,160	\$88,981	\$95,210	\$101,875	\$109,006
Safety Boots	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	5%	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216
Group Life Insurance	\$1,943	\$2,073	\$2,073	\$2,121	\$1,591	5%	\$1,629	\$1,710	\$1,796	\$1,886	\$1,980
Supplies, Field Materials	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	5%	\$2,000	\$2,100	\$2,205	\$2,315	\$2,431
Contract Work- Consultants	\$100,000	\$75,000	\$75,000	\$140,000	\$80,000	5%	\$80,000	\$84,000	\$88,200	\$92,610	\$97,241
Preliminary Project Work	\$71,500	\$111,152	\$80,100	\$59,500	\$44,083	5%	\$47,000	\$49,350	\$51,818	\$54,408	\$57,129
Vehicle Maint. Expense	\$3,000	\$3,000	\$2,000	\$2,000	\$2,000	5%	\$2,000	\$2,100	\$2,205	\$2,315	\$2,431
Vehicle Gasoline Expense	\$3,000	\$3,000	\$4,000	\$3,000	\$3,000	5%	\$4,000	\$4,200	\$4,410	\$4,631	\$4,862
Software Subscriptions	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Fees, Dues & Mmemberships	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Miscellaneous Expense	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	5%	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216
Miscellaneous Tools	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
TOTAL	\$ 658,926	\$ 673,113	\$ 649,938	\$ 698,622	\$ 535,551		\$ 578,457	\$ 610,602	\$ 644,626	\$ 680,648	\$ 718,792

EXPENSES

TRANSMISSION & DISTRIBUTION EXPENSES

Item	Past Budget					Growth Rate Assumed	Projected Budget				
	17-18	18-19	19-20	20-21	21-22		22-23	23-24	24-25	25-26	26-27
TRANSMISSION & DISTRIBUTION EXPENSES											
Salaries, Supervision	\$88,302	\$90,959	\$93,231	\$96,049	\$98,686	5%	\$101,150	\$106,208	\$111,518	\$117,094	\$122,948
Salaries, Operation	\$462,661	\$524,937	\$526,703	\$494,420	\$514,544	5%	\$533,328	\$559,994	\$587,994	\$617,394	\$648,264
Overtime, Call Out, Standby	\$0	\$0	\$0	\$0	\$0	5%	\$16,434	\$17,256	\$18,118	\$19,024	\$19,976
Sick Leave	\$25,173	\$28,218	\$28,389	\$26,964	\$28,014	5%	\$28,995	\$30,445	\$31,967	\$33,565	\$35,244
Vacation	\$50,709	\$56,743	\$57,108	\$54,334	\$56,437	5%	\$58,399	\$61,319	\$64,385	\$67,604	\$70,984
Holiday	\$33,806	\$37,829	\$38,072	\$36,223	\$37,624	5%	\$38,933	\$40,880	\$42,924	\$45,070	\$47,323
Jury Duty Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Beveavment Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Seminar Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Worker's Compensation Insurance	\$24,287	\$41,889	\$43,169	\$49,578	\$25,694	5%	\$25,710	\$26,996	\$28,345	\$29,763	\$31,251
F.I.C.A	\$59,979	\$67,184	\$62,701	\$59,655	\$61,963	5%	\$64,118	\$67,324	\$70,690	\$74,225	\$77,936
457 Employer Match	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
CalPERS Pension	\$79,000	\$105,870	\$104,462	\$99,387	\$72,215	10%	\$110,448	\$121,493	\$133,642	\$147,006	\$161,707
Health Insurance	\$154,440	\$171,600	\$204,600	\$191,916	\$201,000	7%	\$201,000	\$215,070	\$230,125	\$246,234	\$263,470
Uniforms	\$6,000	\$6,000	\$8,000	\$8,000	\$8,000	5%	\$9,000	\$9,450	\$9,923	\$10,419	\$10,940
Safety Boots	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	5%	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216
Group Life Insurance	\$4,371	\$5,182	\$5,182	\$4,772	\$5,302	5%	\$5,429	\$5,700	\$5,985	\$6,285	\$6,599
Supplies, Field Materials	\$120,000	\$120,000	\$165,000	\$140,000	\$140,000	5%	\$150,000	\$157,500	\$165,375	\$173,644	\$182,326
Miscellaneous Tools	\$28,300	\$18,555	\$6,000	\$18,135	\$15,433	5%	\$6,000	\$6,300	\$6,615	\$6,946	\$7,293
Contractt Work- Labor	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Contract Work- Material	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Solar Field/Spreading Pond Maintenance	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Vehicle Maint. Expense	\$40,000	\$40,000	\$40,000	\$41,000	\$25,000	5%	\$25,000	\$26,250	\$27,563	\$28,941	\$30,388
Vehicle Gasoline Expense	\$40,000	\$40,000	\$45,000	\$43,000	\$43,000	5%	\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Equip. Maint. Exp	\$12,000	\$12,000	\$10,000	\$12,000	\$12,000	5%	\$15,000	\$15,750	\$16,538	\$17,364	\$18,233
Miscellaneous Exp.	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	5%	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216
TOTAL	1,231,528	1,369,466	1,440,117	1,377,933	1,347,412		1,440,944	1,522,534	1,609,036	1,700,773	1,798,086

EXPENSES**ACCOUNTING EXPENSES**

Item	Past Budget					Growth Rate Assumed	Projected Budget				
	17-18	18-19	19-20	20-21	21-22		22-23	23-24	24-25	25-26	26-27
ACCOUNTING EXPENSES											
Salaries, Supervision	\$76,458	\$78,757	\$73,083	\$77,524	\$81,559	5%	\$85,649	\$89,931	\$94,428	\$99,149	\$104,107
Salaries, Operation	\$436,484	\$409,708	\$409,126	\$454,302	\$474,397	5%	\$492,690	\$517,325	\$543,191	\$570,350	\$598,868
Overtime, Call Out, Standby	\$0	\$0	\$0	\$0	\$0	5%	\$13,096	\$13,751	\$14,438	\$15,160	\$15,918
Sick Leave	\$21,535	\$20,510	\$20,245	\$22,327	\$23,340	5%	\$24,280	\$25,494	\$26,769	\$28,107	\$29,512
Vacation	\$41,275	\$39,311	\$38,803	\$42,793	\$44,735	5%	\$46,537	\$48,864	\$51,307	\$53,872	\$56,566
Holiday	\$27,517	\$26,207	\$25,869	\$28,529	\$29,823	5%	\$31,024	\$32,575	\$34,204	\$35,914	\$37,710
Jury Duty Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Beveavment Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Seminar Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Worker's Compensation Insurance	\$9,607	\$14,976	\$15,434	\$19,695	\$9,186	5%	\$9,192	\$9,652	\$10,134	\$10,641	\$11,173
F.I.C.A	\$45,706	\$43,526	\$42,603	\$46,984	\$49,116	5%	\$51,094	\$53,649	\$56,331	\$59,148	\$62,105
457 Employer Match	\$21,718	\$16,485	\$19,880	\$19,162	\$22,165	5%	\$23,192	\$24,352	\$25,569	\$26,848	\$28,190
CalPERS Pension	\$75,000	\$73,345	\$70,978	\$78,276	\$51,532	10%	\$71,448	\$78,593	\$86,452	\$95,097	\$104,607
Health Insurance	\$174,240	\$174,240	\$180,180	\$183,792	\$178,440	7%	\$198,900	\$212,823	\$227,721	\$243,661	\$260,717
Uniforms	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	5%	\$4,000	\$4,200	\$4,410	\$4,631	\$4,862
Safety Boots	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Group Life Insurance	\$3,886	\$4,145	\$4,145	\$4,242	\$4,242	5%	\$4,343	\$4,560	\$4,788	\$5,028	\$5,279
Supplies, Field Materials	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	5%	\$4,000	\$4,200	\$4,410	\$4,631	\$4,862
Short - Over Drawer	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Contract Work- Labor	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Uncollectible Accts.	\$11,000	\$11,000	\$11,000	\$15,000	\$15,000	5%	\$15,000	\$15,750	\$16,538	\$17,364	\$18,233
Vehicle Maint. Expense	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	5%	\$2,000	\$2,100	\$2,205	\$2,315	\$2,431
Vehicle Gasoline Expense	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	5%	\$4,000	\$4,200	\$4,410	\$4,631	\$4,862
Miscellaneous Tools	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Miscellaneous Exp.	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
TOTAL	955,426	923,210	923,346	1,004,626	995,535		1,080,445	1,142,018	1,207,305	1,276,547	1,350,002

EXPENSES

FIELD SERVICES EXPENSES

Item	Past Budget					Growth Rate Assumed	Projected Budget				
	17-18	18-19	19-20	20-21	21-22		22-23	23-24	24-25	25-26	26-27
FIELD SERVICES EXPENSES											
Salaries, Supervision	\$93,128	\$95,931	\$98,327	\$101,279	\$104,061	5%	\$106,661	\$111,994	\$117,594	\$123,473	\$129,647
Salaries, Operation	\$267,604	\$279,892	\$288,610	\$298,999	\$308,994	5%	\$318,471	\$334,395	\$351,114	\$368,670	\$387,103
Overtime, Call Out, Standby	\$0		\$0	\$0	\$0	5%	\$9,475	\$9,949	\$10,446	\$10,968	\$11,517
Sick Leave	\$14,909	\$15,531	\$15,990	\$16,540	\$17,068	5%	\$17,566	\$18,444	\$19,367	\$20,335	\$21,352
Vacation	\$28,575	\$29,768	\$30,647	\$31,702	\$32,713	5%	\$33,668	\$35,351	\$37,119	\$38,975	\$40,924
Holiday	\$19,050	\$19,845	\$20,431	\$21,135	\$21,808	5%	\$22,445	\$23,567	\$24,746	\$25,983	\$27,282
Jury Duty Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Beavavment Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Seminar Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Worker's Compensation Insurance	\$13,493	\$20,945	\$21,585	\$27,544	\$12,847	5%	\$12,855	\$13,498	\$14,173	\$14,881	\$15,625
F.I.C.A	\$32,072	\$33,414	\$33,648	\$34,807	\$35,916	5%	\$36,965	\$38,813	\$40,754	\$42,792	\$44,931
457 Employer Match	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
CalPERS Pension	\$55,000	\$55,539	\$56,058	\$57,989	\$40,742	10%	\$69,290	\$76,219	\$83,841	\$92,225	\$101,447
Health Insurance	\$85,800	\$85,800	\$102,300	\$106,620	\$100,500	7%	\$100,500	\$107,535	\$115,062	\$123,117	\$131,735
Uniforms	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	5%	\$4,000	\$4,200	\$4,410	\$4,631	\$4,862
Safety Boots	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	5%	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216
Group Life Insurance	\$2,429	\$2,591	\$2,591	\$2,651	\$2,651	5%	\$2,714	\$2,850	\$2,992	\$3,142	\$3,299
Supplies, Field Materials	\$20,000	\$30,310	\$21,000	\$21,000	\$21,000	5%	\$21,000	\$22,050	\$23,153	\$24,310	\$25,526
Equipment Procurement	\$0	\$0	\$0	\$0	\$0	5%	\$1,500	\$1,575	\$1,654	\$1,736	\$1,823
Miscellaneous Tools	\$1,000	\$1,100	\$1,100	\$1,000	\$1,000	5%	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216
Contract Work- Labor	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Vehicle Maint. Expense	\$9,000	\$9,000	\$8,000	\$7,000	\$7,000	5%	\$7,000	\$7,350	\$7,718	\$8,103	\$8,509
Vehicle Gasoline Expense	\$12,000	\$12,000	\$12,000	\$11,000	\$11,000	5%	\$12,000	\$12,600	\$13,230	\$13,892	\$14,586
Equip. Maint. Exp	\$26,000	\$26,000	\$26,000	\$20,000	\$20,000	5%	\$20,000	\$21,000	\$22,050	\$23,153	\$24,310
Water Sample Exp.	\$75,000	\$82,500	\$80,000	\$80,000	\$80,000	5%	\$80,000	\$84,000	\$88,200	\$92,610	\$97,241
Utility Serv. Member Fee (USA)	\$5,500	\$7,815	\$15,000	\$27,100	\$27,060	5%	\$42,234	\$44,346	\$46,563	\$48,891	\$51,336
Miscellaneous Exp.	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	5%	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216
TOTAL	766,560	813,981	839,287	872,366	850,360		921,344	972,886	1,027,492	1,085,360	1,146,701

EXPENSES

ADMINISTRATION & GENERAL EXPENSES

Item	Past Budget					Growth Rate Assumed	Projected Budget				
	17-18	18-19	19-20	20-21	21-22		22-23	23-24	24-25	25-26	26-27
ADMINISTRATION & GENERAL EXPENSES											
Salaries, Supervision	\$459,333	\$473,091	\$458,741	\$472,507	\$485,494	5%	\$351,608	\$369,188	\$387,648	\$407,030	\$427,382
Salaries, Operation	\$253,725	\$265,548	\$335,448	\$355,071	\$370,391	5%	\$384,780	\$404,019	\$424,220	\$445,431	\$467,702
Overtime, Call Out, Stanby	\$0	\$0	\$0	\$0	\$0	5%	\$17,042	\$17,894	\$18,789	\$19,728	\$20,715
Sick Leave	\$34,570	\$35,912	\$40,492	\$42,403	\$43,972	5%	\$40,321	\$42,337	\$44,454	\$46,677	\$49,010
Vacation	\$58,290	\$60,389	\$65,077	\$67,829	\$70,158	5%	\$60,557	\$63,585	\$66,764	\$70,102	\$73,607
Holiday	\$38,860	\$40,259	\$43,385	\$45,219	\$46,772	5%	\$40,371	\$42,390	\$44,509	\$46,734	\$49,071
Jury Duty Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Beveavment Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Seminar Pay	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Worker's Compensation Insurance	\$2,116	\$3,373	\$3,973	\$5,070	\$2,365	5%	\$2,070	\$2,174	\$2,282	\$2,396	\$2,516
F.I.C.A	\$63,998	\$65,003	\$71,450	\$74,472	\$77,029	5%	\$66,487	\$69,811	\$73,302	\$76,967	\$80,815
457 Employer Match	\$59,318	\$56,030	\$58,960	\$47,112	\$64,290	5%	\$51,350	\$53,918	\$56,613	\$59,444	\$62,416
CalPERS Pension	\$98,100	\$110,462	\$119,037	\$124,072	\$84,903	10%	\$104,156	\$114,572	\$126,029	\$138,632	\$152,495
Health Insurance	\$171,864	\$171,864	\$190,080	\$191,712	\$189,024	7%	\$194,040	\$207,623	\$222,156	\$237,707	\$254,347
Uniforms	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Group Lif Insurance	\$3,400	\$3,627	\$4,145	\$4,242	\$4,242	5%	\$3,800	\$3,990	\$4,190	\$4,399	\$4,619
Retiree Medical	\$55,000	\$55,000	\$55,000	\$32,000	\$30,000	5%	\$67,000	\$70,350	\$73,868	\$77,561	\$81,439
Kern River- FAN Group	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	5%	\$10,000	\$10,500	\$11,025	\$11,576	\$12,155
Delta Reliability/IRWMP/WTR Mgmt	\$279,000	\$439,000	\$239,000	\$164,000	\$164,000	5%	\$164,000	\$172,200	\$180,810	\$189,851	\$199,343
Contract Work- Labor	\$90,000	\$95,000	\$103,000	\$97,000	\$97,000	5%	\$82,700	\$86,835	\$91,177	\$95,736	\$100,522
Vehicle Maint- Expense	\$3,000	\$4,000	\$5,000	\$5,000	\$5,000	5%	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078
Vehicle Gasoline Expense	\$8,000	\$8,000	\$8,000	\$6,000	\$6,000	5%	\$6,000	\$6,300	\$6,615	\$6,946	\$7,293
Educ. Exp.- Classes & Seminars	\$60,000	\$60,000	\$50,000	\$60,000	\$40,000	5%	\$40,000	\$42,000	\$44,100	\$46,305	\$48,620
Certifications Renewals	\$3,000	\$10,000	\$8,000	\$8,000	\$8,000	5%	\$8,000	\$8,400	\$8,820	\$9,261	\$9,724
Rebates- Washers/Toilets	\$60,000	\$50,000	\$50,000	\$50,000	\$50,000	5%	\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Conservation/Water Reporting			\$90,000	\$108,000	\$115,000	5%	\$115,000	\$120,750	\$126,788	\$133,127	\$139,783
Public Relations	\$5,000	\$5,000	\$5,000	\$10,000	\$10,000	5%	\$10,000	\$10,500	\$11,025	\$11,576	\$12,155
Safety Program Expense	\$45,000	\$52,000	\$63,000	\$127,100	\$45,000	5%	\$45,000	\$47,250	\$49,613	\$52,093	\$54,698
Safety Program Consultant				\$102,100		5%	\$102,100	\$107,205	\$112,565	\$118,194	\$124,103
Equip. Procurement Exp.	\$8,000	\$8,000	\$9,000	\$11,000	\$8,000	5%	\$6,000	\$6,300	\$6,615	\$6,946	\$7,293
Equip. Maint. Exp.	\$10,000	\$10,000	\$9,000	\$9,000	\$9,000	5%	\$8,000	\$8,400	\$8,820	\$9,261	\$9,724
Books & Subscriptions	\$20,000	\$20,000	\$28,000	\$38,000	\$38,000	5%	\$28,000	\$29,400	\$30,870	\$32,414	\$34,034
Fee, Dues & Memebership	\$40,000	\$40,000	\$40,000	\$41,000	\$41,000	5%	\$41,000	\$43,050	\$45,203	\$47,463	\$49,836
Software	\$35,000	\$27,500	\$92,000	\$85,000	\$85,000	5%	\$81,750	\$85,838	\$90,129	\$94,636	\$99,368

EXPENSES

ADMINISTRATION & GENERAL EXPENSES

Item	Past Budget					Growth Rate Assumed	Projected Budget				
	17-18	18-19	19-20	20-21	21-22		22-23	23-24	24-25	25-26	26-27
Outside Serv.- Accounting	\$36,000	\$40,000	\$45,000	\$45,000	\$50,000	5%	\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Outside Serv- Legal	\$130,000	\$130,000	\$130,000	\$120,000	\$95,000	5%	\$95,000	\$99,750	\$104,738	\$109,974	\$115,473
Outside Serv- Public Relations	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	5%	\$15,000	\$15,750	\$16,538	\$17,364	\$18,233
Assessmnets, Fees State & Co.	\$25,000	\$25,000	\$20,000	\$25,000	\$25,000	5%	\$20,000	\$21,000	\$22,050	\$23,153	\$24,310
Outside Serv. Misc.	\$25,000	\$25,000	\$25,000	\$30,000	\$30,000	5%	\$30,000	\$31,500	\$33,075	\$34,729	\$36,465
General Plant- Answer	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	5%	\$6,000	\$6,300	\$6,615	\$6,946	\$7,293
General Plant- Yard Maint,	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	5%	\$6,000	\$6,300	\$6,615	\$6,946	\$7,293
General Plant Office Exp.	\$12,000	\$12,000	\$15,000	\$14,000	\$14,000	5%	\$14,000	\$14,700	\$15,435	\$16,207	\$17,017
General Plant-Rent Exp.	\$6,000	\$6,000	\$7,000	\$11,200	\$16,500	5%	\$18,500	\$19,425	\$20,396	\$21,416	\$22,487
Utilities - Electricity	\$34,000	\$35,000	\$37,000	\$38,000	\$38,000	5%	\$38,000	\$39,900	\$41,895	\$43,990	\$46,189
Utilities - Gas	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	5%	\$2,000	\$2,100	\$2,205	\$2,315	\$2,431
Utilities - Telephone	\$32,000	\$32,000	\$34,000	\$33,000	\$33,000	5%	\$35,000	\$36,750	\$38,588	\$40,517	\$42,543
Security Alarm & Patrol	\$36,000	\$36,000	\$35,000	\$34,000	\$34,000	5%	\$30,000	\$31,500	\$33,075	\$34,729	\$36,465
Sanitation	\$5,000	\$5,000	\$5,000	\$4,000	\$4,000	5%	\$4,000	\$4,200	\$4,410	\$4,631	\$4,862
Postage	\$27,000	\$27,000	\$25,000	\$24,000	\$24,000	5%	\$28,000	\$29,400	\$30,870	\$32,414	\$34,034
Printing/Newsletter	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	5%	\$12,000	\$12,600	\$13,230	\$13,892	\$14,586
Office Supplies	\$25,000	\$26,000	\$27,000	\$27,000	\$27,000	5%	\$25,000	\$26,250	\$27,563	\$28,941	\$30,388
Copier/Postage Meter Rentals	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	5%	\$12,000	\$12,600	\$13,230	\$13,892	\$14,586
Directors Fees	\$44,000	\$44,000	\$40,000	\$42,000	\$42,000	5%	\$40,000	\$42,000	\$44,100	\$46,305	\$48,620
Insurance - Gen. Liability	\$220,000	\$220,000	\$290,000	\$410,000	\$553,000	5%	\$640,000	\$672,000	\$705,600	\$740,880	\$777,924
Empl. Benefits	\$11,000	\$11,000	\$15,000	\$13,000	\$13,000	5%	\$11,000	\$11,550	\$12,128	\$12,734	\$13,371
OPEB	\$0	\$0	\$0	\$0	\$0	5%	\$0	\$0	\$0	\$0	\$0
Directors Perf. Recognition Fund	\$14,000	\$14,000	\$15,000	\$15,000	\$15,000	5%	\$14,000	\$14,700	\$15,435	\$16,207	\$17,017
Empl. Misc.	\$7,000	\$7,000	\$6,000	\$5,000	\$5,000	5%	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078
District Facility Security Fund	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	5%	\$4,000	\$4,200	\$4,410	\$4,631	\$4,862
P&I on Long Term Debt	\$3,807,000	\$3,809,000	\$3,808,000	\$3,815,000	\$2,068,000	0%	\$2,066,000	\$2,066,000	\$2,066,000	\$2,066,000	\$2,066,000
TOTAL	\$6,518,574	\$6,731,058	\$6,882,788	\$7,050,009	\$5,442,240		\$5,406,632	\$5,582,752	\$5,768,471	\$5,964,339	\$6,170,942

APPENDIX D

Historical and Projected Revenue with Proposed Rates

REVENUES

With Rate Increase	Past Budget					Projected Budget				
	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27
Water Sales										
Residential & Commercial	\$2,269,000	\$2,269,000	\$2,360,000	\$2,478,000	\$2,601,900	\$2,907,000	\$3,590,400	\$3,949,440	\$4,344,384	\$4,778,822
Ind. IW-1 - Regular Industrial	\$7,342,000	\$6,342,000	\$6,786,000	\$6,447,000	\$6,125,000	\$6,284,820	\$7,762,304	\$8,538,534	\$9,392,388	\$10,331,627
Ind. IW-2 - O.H.E.I.	\$490,500	\$490,500	\$490,500	\$654,000	\$654,000	\$745,560	\$920,832	\$1,012,915	\$1,114,207	\$1,225,627
Ind. IW-3 - Adjacent Facilities	\$394,500	\$394,500	\$354,000	\$301,000	\$255,000	\$290,700	\$359,040	\$394,944	\$434,438	\$477,882
Ind. IW-4 - Federal Prison	\$411,250	\$411,250	\$325,000	\$90,000	\$0	\$0	\$0	\$0	\$0	\$0
Ind. S1 - La Paloma Generating	\$3,465,000	\$2,760,000	\$2,760,000	\$1,725,000	\$1,380,000	\$1,573,200	\$1,943,040	\$2,137,344	\$2,351,078	\$2,586,186
Ind. S2 - Elk Hills Power	\$1,920,000	\$1,920,000	\$1,920,000	\$1,996,000	\$1,996,000	\$2,275,440	\$2,810,368	\$3,091,405	\$3,400,545	\$3,740,600
Ind. S3 - Sunrise Power	\$2,607,000	\$2,607,000	\$2,607,000	\$2,607,000	\$2,607,000	\$2,971,980	\$3,670,656	\$4,037,722	\$4,441,494	\$4,885,643
Subtotal	\$18,899,250	\$17,194,250	\$17,602,500	\$16,298,000	\$15,618,900	\$17,048,700	\$21,056,640	\$23,162,304	\$25,478,534	\$28,026,388
Water Services										
Meter Service Installation	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Water Supply Fees	\$150,000	\$150,000	\$100,000	\$80,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Fire Protection	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Misc. Revenue - Take or Pay	\$673,000	\$1,184,000	\$1,184,000	\$1,582,000	\$1,753,500	\$1,753,500	\$1,753,500	\$1,753,500	\$1,753,500	\$1,753,500
Subtotal	\$883,000	\$1,394,000	\$1,344,000	\$1,722,000	\$1,873,500	\$1,873,500	\$1,873,500	\$1,873,500	\$1,873,500	\$1,873,500
Total Operating Revenues	\$19,782,250	\$18,588,250	\$18,946,500	\$18,020,000	\$17,492,400	\$18,922,200	\$22,930,140	\$25,035,804	\$27,352,034	\$29,899,888
Non-Operating Revenues	\$373,000	\$449,000	\$733,000	\$401,000	\$312,000	\$432,000	\$432,000	\$432,000	\$432,000	\$432,000
TOTAL REVENUES	\$20,155,250	\$19,037,250	\$19,679,500	\$18,421,000	\$17,804,400	\$19,354,200	\$23,362,140	\$25,467,804	\$27,784,034	\$30,331,888