AGENDA ITEM

06

AGENDA STAFF REPORT

DATE: July 5, 2018
(Public Hearing Continued from June 27, 2018)

TO: Mayor and City Council

APPROVED BY: David B. Dale, City Manager DD

PREPARED BY: David B. Dale, City Manager

SUBJECT: Presentation, Further Discussion and Potential Action on the Proposed Water and Sewer Rate Structure Change
a) Adopt a Resolution Adopting Fees and Charges for Water and Sewer Service and Making Certain Findings and Taking Certain Actions Relating Thereto

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Recommendation:

Approve and adopt a Resolution Adopting Fees and Charges for Water and Sewer Service and Making Certain Findings and Taking Certain Actions Relating Thereto.

Background:

On November 15, 2017, the Calexico City Council approved an agreement with Willdan Financial Services to prepare a Water and Sewer Rate and Connection Fee Study. The Cost-of-Service Study analysis has now been completed by Willdan Financial. Over the course of the Study, policy issues aimed at accomplishing the original objectives of the Study were examined in detail. Those objectives included achieving full cost recovery, revenue stabilization, and simplification of the rate structure, while proportionately allocating the costs of service amongst the city's customer classes.

The City last conducted a Water and Sewer Rate Study in 2006, with annual increases through 2009. There have been no modifications to the rates since FY 2009. With annual inflation rates above 2%, the cost of collection and treatment of sewer and the treatment and distribution of potable water have risen greatly since 2009. Also, the City has identified a substantial Capital Improvement Program (CIP) for the next five years that requires funding. Although there are considerable assets in the Enterprise Funds, it is estimated that it is not enough fund the CIP.

Local cities in Imperial County have recently modified their water and sewer rates due to rising costs to purchase, treat and distribute water; and collect and treat sewer to increasingly stricter State of California Department of Water Resources regulations. Infrastructure that was installed in the mid 1900's is starting to fail and requires costly replacement.

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City Council held an initial public hearing on June 20, 2018 to receive public input on the proposed water and sewer rates increase. Council continued the public hearing to June 27, 2018 at 6:30 p.m. to allow for further discussion and input from the public. On June 27, 2018, council continued the public hearing to receive input from the public. Public hearing was once again continued to the meeting of July 5, 2018 at 6:30 p.m. for additional discussion and public input.

Discussion & Analysis:

The purpose of the rate study is to identify the cost of service to deliver safe and reliable water, collect and treat sewer, and maintain the infrastructure associated with both the water and sewer systems.

Considerations include the funding needed for the next five years to operate and maintain the systems, and determination of the adequate revenue necessary to fund the Capital Improvement Projects ("CIPs") identified in the Capital Improvement Program. Ultimately the goal is to adequately fund the operations to provide clean, safe and reliable water that meet environmental standards now and into the future. That goal includes the funding of system rehabilitation costs and the maintenance to extend the useful lives of the existing infrastructure and assets, as well as maintaining a reserve for emergencies and changes to state and federal water regulations.

The proposed water and sewer rate structure is unlike the existing structures, as there is no proposed minimum water usage. This will incentivize consumers to conserve water to save on their bill. The proposed residential rates include a fixed base rate of $17.24 (FY 18-19) plus $1.99 for every cubic foot of water used. The commercial base rate will be established on the meter size plus usage. Multi-unit commercial buildings with one water meter will be charged one base rate (charge dependent on meter size) plus consumption.

The proposed sewer rate structure is also modified from the existing, by reducing the monthly sewer charges for multifamily units with one water meter. Additionally, the proposed rate officially removes the excess water fees from the residential and multifamily sewer rate structure. The proposed sewer rates for residential will be $44.46 per month. Monthly charges for multifamily units after the first unit will be $22.23 per month.

With the proposed changes to the water and sewer rates, the average City of Calexico rates will still be substantially lower than the surrounding communities in compared costs, both in water and sewer. This is due to City staff efficiency to complete the tasks to treat and distribute the water, and to collect and treat the sewer. It is also due to the working capital the City has built up over the past years in the enterprise funds.

Pursuant to California Constitution article XIII D, section 6 (approved by the voters by Proposition 218), prior to imposing a new or increasing an existing property-related fee such as water rates, the City is required to hold a public hearing and mail notice of the public hearing to the record owner of the property and any tenant who is directly liable for the payment of the proposed fees (i.e., a customer of record). Proposition 218 requires that the notice include the following: (a) the amount of the fee or charge proposed to be imposed; (b) the basis upon which it was calculated; (c) the reason for the fee or charge; and (d) the date, time, and location of the public hearing. Consistent with these

requirements, the attached Proposition 218 Notice presents the proposed modifications to the water and sewer rate structure and connection fees and provides examples of the impact to typical users within the various customer classes, along with a summary explanation of the reason for the proposed rate structure changes and increases, and the basis upon which the rates were calculated. The notices were mailed at least 45 days in advance of the Public Hearing to consider modifications to the rates. As indicated above, this Public Hearing is to consider adoption of the proposed water and sewer rates. If approved, the proposed water and sewer rates would go into effect on August 1, 2018 and first appear on customer bills in early September 2018.

Fiscal Impact:

The cumulative result of the sewer rate structure change is an estimated 5.0% Sewer Enterprise Fund revenue increase FY 18-19, 4.5% increase in FY 19-20 and FY 20-21, and 2.0 % increase in FY 21-22 and FY 22-23.

The cumulative result of the water rate structure change is an estimated 5.0% Water Enterprise Fund revenue increase FY 18-19, and 4.5% increase in revenue each year thereafter for the next four years.

Coordinated With:

Public Works Department.
Finance Department.

Attachment(s):

1. Resolution Adopting Fees and Charges for Water and Sewer and Making Certain Findings and Taking Certain Actions Relating Thereto.

2. Water and Sewer Rate and Connection Fee Study, Willdan, May 2018.

3. Presentation made on June 27, 2018 on Water and Sewer Proposed Rates.

RESOLUTION NO. 2018-31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO, CALIFORNIA, ADOPTING FEES AND CHARGES FOR WATER AND SEWER SERVICE, AND MAKING CERTAIN FINDINGS AND TAKING CERTAIN ACTIONS RELATING THERETO.

WHEREAS, the City of Calexico (the "City") provides certain water and wastewater services and charges rate-payers fees for such services; and

WHEREAS, the Water and Sewer Fees were previously adopted in 2006, and have not been updated to reflect increased costs of providing water and sewer services for which they are charged; and

WHEREAS, the City retained Willdan Financial Services ("Willdan"), an independent fee consultant, to prepare a Water and Sewer Rate and Connection Fee Study (the "Study") to determine the rates necessary to meet the cost of providing the water and sewer services provided by the City, and a copy of the Study has been made available and remains available for public inspection at the office of the City Clerk and is incorporated herein by this reference; and

WHEREAS, based on the findings set forth in the Study, the City now wishes to adopt new and increased Water and Sewer Service Fees (collectively, the "Fees"), which are fair and equitable and compensate the City for the cost of providing the respective services; and

WHEREAS, the proposed Water Service Fees comprise two components: (1) a monthly fixed water charge ("Fixed Water Charge"), and (2) monthly volumetric water rates ("Volumetric Water Charge"); and

WHEREAS, the City charges its customers based on customer class, including Residential, Commercial, Manufacturing, and Industrial, as well as Construction/Truck customers and customers purchasing water for resale ("Wholesale Customers"); and

WHEREAS, the City's customer classes are established based on shared water usage and consumption patterns, reflecting the varying demands placed on the City's water system; and

WHEREAS, Water Service Fees imposed on Construction/Truck customers and Wholesale Customers are not subject to the requirements of article XIII D, section 6 of the California Constitution, because they are not imposed as an incident of property ownership; and

WHEREAS, the Fixed Water Charge is designed to recover a portion of the City's fixed costs for providing water service, including billing, customer service, and meter service costs; and

WHEREAS, the Fixed Water Charge is calculated based on customer class, with Residential customers paying a flat fee based on the number of dwelling units, Construction/Truck, and Wholesale Customers paying a flat fee, and the remaining Commercial, Manufacturing and Industrial customers paying a fee based on meter size; and

WHEREAS, the Volumetric Water Charge is designed to recover the remainder of the City's fixed costs for providing water service, and variable portions of the City's operating costs, and is imposed based on hundred cubic feet ("HCF") of water used per month; and

WHEREAS, the Sewer Service Fees are designed to recover the costs of providing sewer service to the City's customers, and are imposed on customers based on customer class; and

WHEREAS, the City has established four customer classes for sewer service: Residential and Non-Residential Customers, with Non-Residential Customers including Non-Residential Rate II, Non-Residential Rate III, and Non-Residential Rate IV; and

WHEREAS, Sewer Service Fees for Residential customers include a uniform rate determined based on the number of dwelling units served by the sewer connection, and the Non-Residential Rate customers include a monthly fixed charge and a flow rate, measured as dollars per HCF of flow; and

WHEREAS, the Sewer Service Fees are calculated based on shared characteristics of strength and flow of wastewater, and the varying demands placed on the City's sewer system per customer class; and

WHEREAS, the Fees are proposed to take effect on August 1, 2018, and to be increased in accordance with the maximum amounts set forth in Exhibit "A" hereto on each July 1 thereafter, through and including July 1, 2022; and

WHEREAS, the revenues derived from the Fees will not exceed the funds required to provide water or sewer service, and shall be used exclusively for the operation and maintenance of the water or sewer system, as the case may be; and

WHEREAS, the Fees are equitable to all customers; and

WHEREAS, the amount of the proposed Fees will not exceed the proportional cost of the water service or sewer service, as applicable, attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the proposed Fees will not be imposed on a parcel unless water or sewer service is actually used by, or immediately available to, the owner of the parcel, as applicable; and

WHEREAS, in addition, the Fees applicable to Construction/Truck and Wholesale Customers: (1) are imposed for a specific government activity, service, or product, provided directly to the payor; (2) are no more than necessary to recover the estimated reasonable costs of the governmental activity, service, or product, for which the Water and Sewer Fees are imposed; and (3) the manner in which those costs are allocated to the payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity, service, or product, for which the Fees on such customers are imposed, and the Fees applicable to

Construction/Truck and Wholesale Customers are not taxes within the meaning of California Constitution, article XIII C, §1(e); and

WHEREAS, article XIII D, section 6 of the California Constitution ("Article XIII D") requires that prior to imposing any new property-related fee such as the Fees, or any increase to existing Fees, the City shall provide written notice (the "Notice") by mail of the proposed increases to the Fees to the record owner of each parcel upon which the Fees are proposed for imposition and any tenant directly liable for payment of the Fees, the amount of the Fees proposed to be imposed on each parcel, the basis upon which the Fees were calculated, the reason for the Fees, and the date, time and location of a public hearing (the "Hearing") on the proposed Fees; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and tenants directly liable for the payment of the Fees not less than forty-five days prior to the Hearing on the proposed Fees; and

WHEREAS, the City did provide such Notice to the affected property owners and tenants in compliance with Article XIII D on or before May 6, 2018, and such Notice was provided in both English and Spanish; and

WHEREAS, a public Hearing was held on June 20, 2018, noticed in the manner and for the time required by law and the hearing was continued until June 27, 2018 and July 5, 2018; and

WHEREAS, at the Hearings, the City Council (the "City Council") considered all written materials and written protests to the proposed new or increased Fees received prior to the close of the Hearing, and heard oral testimony concerning the establishment and imposition of the proposed Fees, and at the close of the Hearing the City determined that it did not receive written protests against the establishment and imposition of the proposed Fees from a majority of the affected property owners or tenants directly liable for the payment of such Fees; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CALEXICO DOES RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct statements, and are incorporated as an operative part of this Resolution and made findings and determinations of the City Council by this reference.

SECTION 2. Adoption. The City Council hereby adopts the Fees in the maximum amounts and on the effective dates set forth in Exhibit "A" hereto. A bill for the Water and Sewer Fees shall be sent to the responsible parties directly.

SECTION 3. Inconsistency with Other Fees. To the extent the Fees established by this Resolution are inconsistent with any other fee or charge previously adopted by the City Council, it is the explicit intention of the City Council that the Fees adopted pursuant to this Resolution shall prevail.

SECTION 4. Rules and Regulations. The City Council may make rules or regulations and from time to time may amend, revoke, or add rules and regulations, not consistent with this Resolution, as they may deem necessary or expedient in respect to billing for the Fees adopted hereby; provided, however, that no such action shall result in any Fees being increased or exceeding the cost of providing the service or product for which it is imposed.

SECTION 5. Severability. If any section, subsection, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provision to other persons or circumstances shall not be affected thereby. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.

SECTION 6. Further Action. The City Council authorizes the City Manager, and other City staff members as designated by the City Manager or the Calexico Municipal Code, to take all actions necessary to effectuate the intent of this resolution and to implement the Water and Sewer Fees adopted pursuant to this Resolution.

SECTION 7. Attestation. The Mayor shall sign this Resolution and the City Clerk shall attest thereto, and thereafter this Resolution shall take effect and be in force.

SECTION 8. Effective Date. This Resolution shall take effect August 1, 2018.

SECTION 9. CEQA Compliance. The City Council finds that the administration, operation, maintenance, and improvements of the City's water and sewer systems, which are to be funded by the Fees as set forth herein, are necessary to maintain water and sewer service within the City's existing service areas as described herein. The City Council further finds that the administration, operation, maintenance and improvements of the City's water and sewer systems, to be funded by the Fees, will not expand the City's water and sewer systems. The City Council further finds that the adoption of the rates for the Fees is necessary and reasonable to fund the administration, operation, maintenance and improvements of the City's water and sewer systems. Based on these findings, the City Council determines that the adoption of the Fees established by this Resolution are exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resources Code and section 15273(a) of the State CEQA Guidelines. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the City's offices, 608 Heber Avenue, Calexico, CA 92231.

PASSED, APPROVED AND ADOPTED, this _____, day of _____, 2018.

_____

Maritza Hurtado, Mayor

ATTEST:

_____
Gabriela Garcia
City Clerk

APPROVED AS TO FORM:

_____
Carlos Campos
City Attorney

State of California)
County of Imperial) §
City of Calexico)

I, Gabriela T. Garcia, City Clerk of the City of Calexico do hereby certify the above Resolution No. 2018-31 was approved at a regular City Council meeting held on the _____ day of _____, 2018, by the following vote to wit.

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Gabriela T. Garcia
City Clerk

EXHIBIT "A"

Water Volumetric Rates					
	Rate per HCF of Water Use				
HCF per Month	August 1, 2018	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Residential					
All Use (1)	$1.99	$2.08	$2.17	$2.27	$2.37
Commercial, Manufacturing and Industrial					
All Use (1)	$3.19	$3.33	$3.48	$3.64	$3.80
Construction/Truck					
All Use (1)	$7.56	$7.90	$8.26	$8.63	$9.02
Water for Resale					
All Use (1)	$10.86	$11.35	$11.86	$12.40	$12.95

(1) Current rate structure volume rates are for use above the minimum included in the monthly charge

Monthly Water Fixed Charges					
Meter Size	August 1, 2018	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Residential					
First Dwelling Unit (1)	$17.24	$18.02	$18.83	$19.67	$20.56
Additional Dwelling Unit (2)	8.62	9.01	9.41	9.84	10.28
Commercial, Manufacturing and Industrial					
3/4-inch (2)	$19.11	$19.97	$20.87	$21.81	$22.79
1-inch (2)	31.92	33.36	34.86	36.42	38.06
1 ½-inch (2)	63.65	66.51	69.50	72.63	75.90
2-inch (2)	101.87	106.46	111.25	116.25	121.49
3-inch (2)	203.94	213.11	222.70	232.73	243.20
4-inch (2)	318.62	332.95	347.94	363.59	379.96
6-inch (2)	637.04	665.71	695.67	726.97	759.68
Construction/Truck	102.42	107.06	111.88	116.91	122.17
Water for Resale	102.46	107.07	111.89	116.92	122.18

(1) Current rate structure includes the first 3,000 cubic feet of water
(2) Current rate structure includes the first 1,000 cubic feet of water use

Sewer Rates					
Customer Class	August 1, 2018	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Residential					
Monthly Charge					
First Dwelling Unit [1]	$44.46	$46.46	$48.55	$49.52	$50.51
Additional Dwelling Unit	22.23	23.23	24.27	24.76	25.25
Non-Residential Rate II					
Monthly Charge [2]	$39.98	$41.78	$43.66	$44.54	$45.43
Flow Rate ($/100 CF)	4.00	4.18	4.37	4.46	4.55
Non-Residential Rate III					
Monthly Charge [2]	$45.06	$47.08	$49.20	$50.19	$51.19
Flow Rate ($/100 CF)	4.50	4.71	4.92	5.02	5.12
Non-Residential Rate IV					
Monthly Charge [2]	$50.01	$52.26	$54.61	$55.71	$56.82
Flow Rate ($/100 CF)	5.00	5.22	5.46	5.57	5.68

(1) Current monthly charge includes the first 3,000 cubic feet of flow
(2) Includes the first 1,000 cubic feet of flow

CITY OF CALEXICO

Water and Sewer Rate and Connection Fee Study

Final Report

May 2018

WILLDAN

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Section 1 - Introduction

1.1 Introduction

Willdan Financial Services ("Willdan") was retained by the City of Calexico, California ("City") to conduct a Water and Sewer Rate Study ("Rate Study") for the City's Water and Sewer utilities ("Utilities"). This report details the results of the Rate Study analysis for the forecast period, Fiscal Year (FY) 2018-19 to FY 2022-23.

The results of the Rate Study presented herein include a financial plan and rate structure designed to provide revenues sufficient to fund the ongoing operating and Council approved capital costs necessary to operate the City's water and sewer utilities, while meeting the financial requirements and goals set forth by the City for the water and sewer enterprise funds.

1.2 Goal and Objectives

The primary goal of the Rate Study was to develop cost based rates that will allow the City to meet its ongoing costs (operations & maintenance and capital), and to maintain industry standard financially prudent cash reserves for the utilities. More specifically the Rate Study was undertaken to:

- Conduct the analysis in accordance with industry standards consistent with American Water Works ("AWWA") and Water Environment Federation ("WEF") guidelines;
- Develop financial plans and rates consistent with industry standards and best practices while recognizing the needs specific to the City;
- Recommend rates that will meet the City's revenue requirements based on City specific water and Sewer utility operating and capital costs and reserve requirements; and
- Recommend rates that adhere to and meet Proposition 218 requirements.

1.3 Overview of the Rate Study Process

The Rate Study process consisted of two primary study components. First, a determination of the adequacy of system revenues to meet system expenses during the study forecast period was made. The result of this analysis, known as the Revenue Sufficiency Analysis, is an assessment of the ability of the existing water and sewer rate revenue streams to meet the projected financial requirements of the systems during the forecast period. This analysis also identifies, to the extent required, the magnitude and timing of any required rate adjustments.

Second, specific rates and charges were developed which when implemented, are projected to provide sufficient revenue, as identified in the Revenue Sufficiency Analysis, to recover costs in a manner consistent with general rate-making practices. This step is known as the Rate Design Analysis.

1.4 Organization of this Report

This Rate Study presents an overview of the rate-making concepts utilized in the development of the analysis outlined in this report. The analysis is followed by a discussion of the data, assumptions and results associated with each component of the analysis. Finally, appendices with detailed schedules are presented for further investigation into the data, assumptions and calculations which drive the results presented in this Rate Study. The report is organized as follows:

- Section 1 - Introduction
- Section 2 – Overview of Utility Rate-Making Principles, Processes and Issues
- Section 3 – Rate Study Development and Results
- Section 4 – Connection Fees
- Section 4 – Conclusions and Recommendations
- Appendix A – Water Financial Plan
- Appendix B - Sewer Financial Plan
- Appendix C – Water Rates
- Appendix D – Sewer Rates
- Appendix E – Water Connection Fees
- Appendix F – Sewer Connection Fees

1.5. Reliance on Data

During the course of this project the City (and/or its representatives) provided Willdan with a variety of technical information, including cost and revenue data. Willdan did not independently assess or test for the accuracy of such data – historic or projected. Willdan has relied on this data in the formulation of its findings and subsequent recommendations, as well as in the preparation of this report. As is often the case, there will be differences between actual and projected data, and these differences may be significant. Therefore, Willdan does not take responsibility for the accuracy of data or projections provided by or prepared on behalf of the City, nor does Willdan have responsibility for updating this report for events occurring after the date of this report.

1.6. Acknowledgements

We wish to extend our appreciation to the City and its staff for their cooperation during the progress of this study. In particular, we would like to thank Mr. David Dale PE, PLS, City Manager and Ms. Lilliana Reyes, Revenue Officer for their guidance and assistance throughout this project.

Section 2 – Overview of Utility Rate Making Principals, Processes and Issues

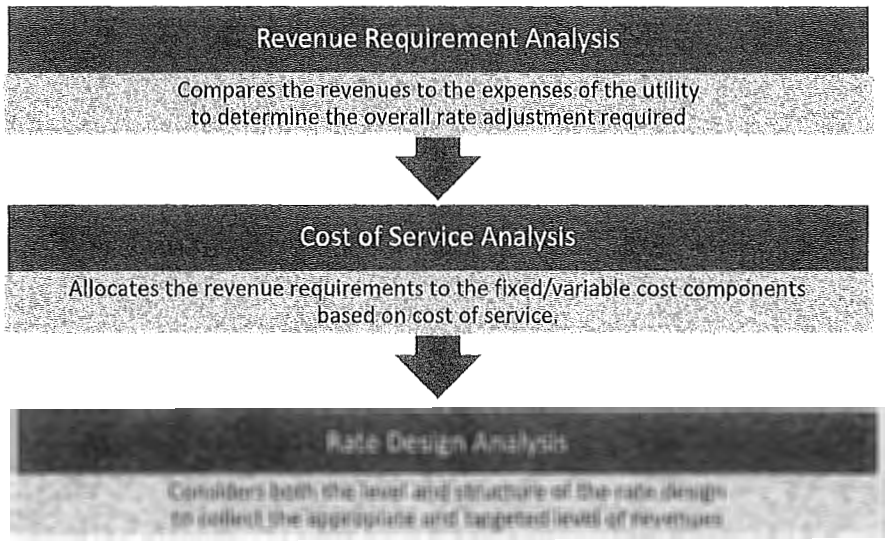
2.1 Introduction

The scope of this study included the development of cost-based water and sewer user charges through a cost of service and rate design analysis. Utility rates must be set at a level where operating and capital expenses are met with the revenues received from customers. This is a significant point, as failure to achieve this level could lead to insufficient funds being available to adequately maintain the system. A comprehensive rate study typically consists of following three interrelated analyses:

I. **Financial Planning/Revenue Requirement Analysis**: Create a ten-year plan to support an orderly, efficient program of on-going maintenance and operating costs, capital improvement and replacement activities, debt financing, and retirement of any outstanding debt. In addition, the long-term plan should fund and maintain reserve balances to adequate levels based on industry standards and the City of Calexico's fiscal policies.

II. **Cost of Service Analysis**: Identifies and apportions annual revenue requirements to functional cost components based on the demand placed on the utility system.

III. **Rate Design:** Develops an equitable and proportionate fixed/variable schedule of rates for the City's customer base. This is also where other policy objectives can be achieved, such as, promoting the efficient use of water. The policy objectives are harmonized with cost of service objectives to achieve the delicate balance between customer equity, financial stability and resource conservation goals.



The Rate Study utilized generally accepted rate-making principles established by the American Water Works Association (AWWA) in its "M1 Principles of Water Rates Fees and Charges" manual and by the Water Environment Federation (WEF) in its "Financing and Charges for Sewer Systems, Manual of Practice No. 27 (2004)". The principles used resulted in the development of rates and charges which are projected to: 1) generate sufficient revenue to meet the financial requirements of the water and sewer utilities, and 2) address the need to recover costs from users in a manner which is proportionate to the cost of providing service on a fair and equitable basis relative to the service provided, and which does not exceed the cost of providing the service. A discussion of some of the key principles of rate-making, and how the processes employed herein are guided by those principles, is presented below.

2.2 Discussion of General Rate-Making Principles

While the individual rates for the utility vary based on a variety of factors, the development of rates should, for the most part, be consistent with general rate-making principles set forth in utility rate-making practice and literature, and in compliance with State law (Proposition 218). State Law requires that property-related fees and charges (including water and sewer utility rates) must be based upon the proportionate cost of providing the services, and not exceed the cost of providing the services. The principles by which rate practitioners are guided is that rates designed for any utility should strike a reasonable balance between several key factors. In general, rates designed should:

- Generate a stable rate revenue stream which, when combined with other sources of funds, is sufficient to meet the financial requirements and goals of the utility;
- Be fair and equitable – that is, they should generate revenue from customer classes which is reasonably in proportion to the cost to provide service to that customer class;
- Be easy to understand by customers; and
- Be easy to administer by the utility.

Striking the appropriate balance between the principles of rate-making is the result of a detailed process of evaluation of revenue requirements and cost of service, and how those translate into the rate design alternatives which meet legal requirements and the specific objectives of the utility under the circumstances in which the utility operates.

2.3 The Revenue Sufficiency Process

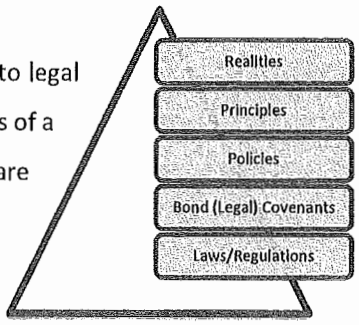
In order to develop rates and charges which will generate sufficient revenue to meet the fiscal requirements of the water and sewer utilities, a determination of the annual rate revenue required must be completed. The first step in the process is the Revenue Sufficiency Analysis. The Revenue Sufficiency Analysis compares the forecasted revenues of the utility under its existing rates to its forecasted operations and maintenance, capital, and reserve costs to determine the adequacy of the existing rates to recover the utility's costs.

The process employed in the Revenue Sufficiency Analysis involves a rigorous review of operating, maintenance and capital budgets for the utility, and results in the identification of revenue requirements of the system, such as operating expenses, capital expenses (minor and major), debt service expense (including a provision for debt service coverage), transfers in and out, and the maintenance of both restricted and unrestricted reserves at appropriate levels. These revenue requirements are then compared to the total sources of funds available during each year of the forecast period to determine the adequacy of projected revenues to meet projected revenue requirements. To the extent that the existing revenue stream is projected to be insufficient to meet the annual revenue requirements of the system during the projection period, a series of rate revenue increases are calculated which would be required to provide revenue sufficient to meet those needs.

2.3.1 Determination of the Revenue Requirements

Considerations in Setting Revenue Requirements

There are a multitude of considerations, ranging from financial to political to legal that must be analyzed or discussed during the revenue requirements process of a rate analysis. This section provides an overview of the considerations that are reviewed during this process.



Capital Budgeting and Financing

Capital needs are defined by the City's Water and Sewer Capital Improvement Plan. As part of its budget and planning process, the City identifies capital improvements that are necessary for the continued delivery of clean, safe, drinking water, and collection and treatment of sewer flows. The Capital Improvement Plan is funded by a variety of sources including system depreciation, water rates, connection (impact) fees, and capital reserves.

Capital Funding: Debt vs. PAYGO

The selection of the most appropriate funding strategy for capital projects is primarily a policy decision between use of cash ("Pay-as-you-go financing" or PAYGO), the issuance of debt, or a combination. PAYGO is the use or build-up of cash to fund capital improvements. With debt financing, capital improvements are funded with

borrowed funds (usually through the issuance of bonds) with the obligation of repayment, typically with interest, in future years. Development of an optimal capital financial plan depends on the definition of optimal. Each funding mechanism has a different impact on water rates in the short and long run, different net present values, risks, and legal obligations. Due to the borrowing costs associated with debt, cash funding can be cheaper in the end; however, debt typically ensures greater generational equity for larger and longer lasting capital projects.

The City, as is typical for a public utility, operates its water and sewer utilities on a "cash basis". Under the "cash basis" approach, revenues and expenses are recognized at the time physical cash is received or paid out. Revenue requirements are determined for a specified period of time (in the case of the City an annual fiscal year), by summing the total anticipated expenses to be paid out during the fiscal year. Where cash flows and balances are insufficient, the revenue requirements analysis recommends the needed additional cash flows to meet all funding goals. The two primary categories of expenses are as follows:

- Operations and Maintenance (O&M) expenses, such as salaries and benefits of utility personnel, transfers out, existing and anticipated debt service, and reserves; and
- Capital expenses, such as the annual capital improvement program, including waterline replacements and sewer capacity projects.

Financial Planning

In the development of the revenue requirements, certain parameters are utilized to project future expenditures, growth in customers and consumption, and necessary revenue adjustments. The City's budget documents are used as the baseline, which are then projected over a planning horizon to account for fluctuations in costs from year to year as well as any adjustments to debt service payments. Conservative growth assumptions and prudent financial planning are fundamental in ensuring adequate rate revenue to promote financial stability. The financial model developed for this study considers the City's existing debt service coverage ratio and operating cash balances (cash on hand). The cost of depreciated infrastructure is collected and used to fund annual repair and replacement. As existing debt is redeemed, additional debt may be utilized to fund additional capital improvements required due to aging infrastructure.

2.4 The Cost Allocation Process

In order to provide guidance to the City as to how to appropriately recover the rate revenue requirements identified in the Revenue Sufficiency Analysis, a Cost of Service Analysis is required.

The process employed in the Cost of Service Analysis results in the identification of the cost to provide water and sewer service to customers. These water and sewer cost allocations are then used as the basis for the assignment of revenue requirements to customer classes, upon which the development of rates and charges is based.

The industry standard approach to the development of a cost of service analysis is the Base-Extra Capacity methodology, as detailed in the American Water Works Association (AWWA) M1 Manual – Principles of Water Rates, Fees and Charges.

The general approach to the development of cost of service allocations under the Base-Extra Capacity methodology is to: 1) identify the costs by functional cost category, 2) allocate the functionalized costs further to cost categories and then 3) allocate rate revenue requirements to customer classes based on the distribution of costs and customer characteristics.

The resulting allocations provide guidance to the rate practitioner which, combined with the other goals and objectives of the utility, provides the necessary information required to proceed to the development of utility rates and charges.

2.5 The Rate Design Process

With the rate revenue requirement determined in the Revenue Sufficiency Analysis, the development of specific rates and charges can be undertaken. Once the rate revenue requirement has been identified, the manner in which those requirements should be recovered, and the billing units to be used to recover the required revenue determined, specific rates and charges can then be developed.

Utilities consider a variety of factors in establishing rates, including cost allocation, customer impact, conservation of resources and ease of administration. The rate design process seeks to find the balance between the need to recover sufficient revenue in a fair and equitable manner and the need to do so within the constraints of other objectives which are unique to each utility. By understanding the types of customers served by the utility, and the general usage characteristics of those customers, a system of rates and charges can be developed that balances those many objectives while also generating sufficient revenue.

First, the rate design goals of the utility are reviewed to identify areas the utility wishes to address over the course of the Rate Study. Next, an assessment of the existing rate design is undertaken to identify what has worked well for the utility with regard to their specific goals and objectives, and the general goals and objectives of utility rate-making. This assessment typically also identifies areas for improvement which can provide guidance to the rate practitioner with respect to the design of future rates and charges.

After a review of the existing rates and charges, a dialog of how to build on the positive aspects of the existing structure and how to address deficiencies in the existing structure occurs with utility management and staff. For instance, for a utility with a primary goal of encouraging water conservation, the substitution of a uniform rate structure, which charges the same unit price for water regardless of consumption level, with a conservation/inclining block rate structure, which charges a greater unit price as usage levels increase beyond certain thresholds, would better address that primary goal.

With an evaluation of the strengths and weaknesses of the existing rate structure and the goals of the utility going forward, the development of a new rate structure can begin. Development of a new rate structure which recovers the costs to provide water and sewer service in a manner which achieves the goals of the utility in a manner consistent with standard rate-making practice requires an analysis of the projected usage characteristics of the customer base to which the rates will apply. This analysis is typically referred to as a billing frequency analysis.

In the State of California, rates must adhere to and conform to the California Constitution article XIII D, section 6 commonly referred to as Proposition 218 (Prop 218). More specifically, Prop 218 requires that property related fees and charges, such as water and sewer rates, must not exceed the reasonable cost of providing the service associated with the fee or charge, and shall not exceed the proportional cost of the service attributable to the parcel that is subject to the fee or charge.

Besides ensuring compliance with State law, another key principle for a comprehensive Rate Study is found in economic theory, which suggests the price of a commodity must roughly equal its cost or value if equity among customers is to be maintained – i.e., cost-based. In terms of economic theory, the principle is that the price of a commodity (water or sewer service) must be proportionately equal to its cost (the City's cost of providing the service).

This Rate Study was performed to allocate the costs of providing service to users to ensure that rates are equitable and in compliance with Proposition 218 requirements.

2.6 Financial Management Goals of the City

The establishment of specific financial management goals of a utility is a key step in developing financial plans which will ensure the financial health of the utility remains strong. The financial management goals of the City are described below.

2.6.1 Minimum Unrestricted Working Capital Balance

In order to maintain a certain level of liquidity, the financial plans are premised upon a goal of maintaining unrestricted working capital reserves in an amount greater than or equal to approximately 90 days of operating expenses.

2.6.2 Debt Service Coverage

The City currently has outstanding water related debt which contains covenants requiring the City to maintain rates and charges such that a debt service coverage ratio, defined as Current Year Net Revenues divided by Current Year Debt Service, be maintained at a minimum of 1.10. The coverage requirements of 1.10x is associated with all outstanding debt for each specific year the coverage is being calculated. The analysis presented herein meets this goal in each year of the forecast period. The debt service coverage requirement is intended to provide assurance to debt holders that the City will be able to meet its annual debt obligations.

Section 3 – Rate Study Development and Results

3.1 Revenue Sufficiency Analysis

3.1.1 General Methodology

The general methodology utilized in the Revenue Sufficiency Analysis was discussed previously in Section 2.3. In summary, however, the level of revenues generated by rates must be sufficient to recover the fiscal requirements, or projected expenditures of the utility. To the extent that the projected revenue stream based upon current water and sewer rates are not sufficient to meet the annual revenue requirements of the systems, a series of rate revenue increases were calculated to provide the revenue necessary to meet those expenditure needs, while satisfying the financial goals and objectives of the utilities. From a financial perspective, the City's utilities must "stand on their own" by meeting its respective financial obligations without assistance from other City funds. The financial plan was developed for the period fiscal year (FY) 2016-17 through FY 2022-23.

3.1.2 Data Items

Key data items reviewed, discussed and incorporated into the Revenue Sufficiency Analysis were:

- Financial management goals of the City;
- FY 2015-16 fund balance;
- FY 2016-17 and FY 2017-18 budgets; and
- Capital Improvement Program (CIP).

General assumptions utilized in the analysis include the following:

- Customer growth; and
- Cost escalation factors.

A discussion of the use of each of the above data items and general assumptions is presented below.

3.1.3 FY 2015-16 Fund Balance

To better understand what funds the City will have on hand to start the forecast period, a detailed review of fund balances from the FY 2015-16 period was discussed and reviewed with City staff. Assumptions were made to estimate the actual unrestricted cash (available cash) balances available at the end of FY 2015-16, and therefore at the beginning of FY 2016-17. A summary of the fund balances for the water and Sewer utilities, for the end of FY 2015-16 and therefore the beginning of FY 2016-17, as adjusted and subsequently used in this analysis, is presented in Table 3-1 below.

Table 3-1 Beginning Fund Balance Fiscal Year Ending June 30, 2016		
Description	Water	Sewer
Cash Balance	$11,874,548	$13,285,987

3.1.4 FY 2016-17 and FY 2017-18 Budgets

Staff provided Willdan with the FY 2016-17 and FY 2017-18 budgets, and associated line-item detail, as the basis for the projection of financial needs for FY 2018-19 (the base year). The FY 2017-2018 budget was also used as the basis for the projection of future budgetary line-items for the remainder of the forecast period. Cost escalation factors were reviewed by staff (see section 3.1.6.2) and were used to project line-item costs beyond the FY 2017-18 budget. Those factors were applied based on line-item cost classifications.

In order to maintain a certain level of liquidity, the financial plans for the Water and Sewer utilities have been developed with a goal of maintaining unrestricted working capital reserves in an amount greater than or equal to approximately 90 days of operating expenses.

A summary of the FY 2017-18 operating budgets for Water and Sewer, as well as subsequent projected budgetary expenses through FY 2022-23 is presented in Table 3-2

A more detailed presentation of the line-item budgeted and projected revenues and expenses is presented in Schedules A-3 through A-5 of Appendix A and B-3 through B-5 of Appendix B.

Table 3-2 Operating Budget Fiscal Years Ending June 30						
Description	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
			Water			
O&M	$3,602,792	$4,475,527	$4,801,678	$4,952,629	$5,108,539	$5,269,572
Debt Service	987,220	986,450	984,680	986,880	987,815	987,688
Total Expenses	**$4,590,012**	**$5,461,977**	**$5,786,358**	**$5,939,509**	**$6,096,354**	**$6,257,260**
			Sewer			
O&M	$2,816,695	$3,818,155	$4,122,978	$4,251,935	$4,385,164	$4,522,807
Debt Service	0	0	0	0	0	0
Total Expenses	**$2,816,695**	**$3,818,155**	**$4,122,978**	**$4,251,935**	**$4,385,164**	**$4,522,807**

3.1.5 Capital Improvements Plan (CIP)

The City provided Willdan with a forecast of capital requirements for the study period. The capital projects identified by the City are required to maintain service to customers by making investments in the water and sewer systems to repair or replace aging system components as they wear out over time. The City provided cost

estimates for capital projects in current day dollars which were subsequently annually escalated at 2.59% using the Engineering News Record (ENR) Construction Cost Index (CCI) to adjust the cost items to real dollars for the years in which construction is estimated to occur. These adjusted capital costs were then used in the analysis for rate-making purposes.

A summary table of the adjusted CIP for the FY 2017-18 – FY 2022-23 study period is presented below in Table 3-3. The CIP for the full forecast period is presented in the Schedules B-6 of Appendix B.

Table 3-3
Capital Improvement Plan – Cash Funded
Fiscal Years Ending June 30 ($ thousands)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Capital Costs - W	$3,255	$3,207	$7,812	$1,267	$1,244	$1,276	$18,061
Capital Costs - S	967	2,2324	8,688	6,349	1,086	1,148	20,561

Note: Values are rounded to the nearest $1,000

3.1.6 General Assumptions

In order to develop the financial and rate projections, certain assumptions were made with regard to elements of the revenue sufficiency analysis. A summary of those assumptions is presented below.

3.1.6.1. System Growth

The City anticipates population growth of 1.92% per year based on their analysis of current City population growth projections and trends. Through discussions with City staff, it was determined that the 1.92% annual population increase would reasonably translate to a 1.92% annual increase in water and sewer service units respectively, and is consistent with recent system growth trends.

3.1.6.2. O&M Escalation Factors

Willdan worked with City staff to identify reasonable cost escalation factors to be applied to operations and maintenance expenses in recognition of increasing costs over time. It was determined that a 2.5% general inflationary factor represented a reasonable estimate of annual cost increases during the study period. There were, however, some expenses which were anticipated to have increases above the projected 2.5% general inflationary increase. Due to recent trends in medical related cost increases, personnel increases were projected to increase at an annual rate of 3.0%. Electricity costs were projected to increase at the rate of system growth as there is a correlation between increased system use and increased electricity costs and chemicals at an annual inflationary rate of 3.5% to reflect increased costs to the City as more water is treated. A lease for land utilized by the water and sewer utility in the amount of $180,000 a year for each utility is anticipated to begin in FY 2018-19 and continue through the study period.

3.1.6.3. Debt Service

As previously discussed, the City currently has outstanding water related debt which requires a 1.10x debt service coverage. The City is anticipating a large sewer system capital expenditure, estimated at $25.50 million for treatment plant improvements. The financial plan anticipates that $17.68 million of the treatment plan improvements will be funded through a debt issuance with a term of 30 years, a 5.50% interest rate and 2% issuance costs. Debt funding a portion of the project helps to minimize rate increases that would need to occur through cash funding the full project. It also provides a matching between the cost of the upgrades and the users who will benefit by spreading the cost (through debt service) over the period where existing and future customers pay for the plant debt service through their rates.

3.1.6.4. Results of the Revenue Sufficiency Analysis

After a thorough review of the above-mentioned data elements, a draft of the Revenue Sufficiency Analysis was developed and reviewed with City staff. This draft provided the forum in which various alternative assumptions were discussed, tested and evaluated for both their reasonableness and their impact upon the ultimate financial health of the utility. Table 3-4 provides a summary of the annual revenue requirements for both the water and sewer utilities incorporating the assumptions in Section 3 of this report as compared to the projected rate revenue described in in more detail in Schedules A-1 and B-1 of the appendices.

Table 3-4
Revenue Requirements vs. Revenue Under Existing Rates
Fiscal Years Ending June 30 ($ thousands)

	2019	2020	2021	2022	2023
Water					
Revenue Under Existing Rates	$6,057	$6,172	$6,290	$6,410	$6,532
Revenue Requirements	8,993	13,752	7,363	7,501	7,699
Difference	(2,936)	(7,580)	(1,073)	(1,092)	(1,168)
Sewer					
Revenue Under Existing Rates	$5,541	$5,646	$5,754	$5,864	$5,976
Revenue Requirements	6,447	5,619	5,727	5,837	5,949
Difference	(906)	(7,294)	(4,980)	255	163

Note: Values are rounded to the nearest $1,000

The resulting financial plans presented herein are the embodiment of the data, assumptions and review process undertaken with City staff.

3.1.6.5. Rate Revenue Increases Required

As discussed in section 3.1.6.2, operations and maintenance expenses are growing at a faster rate than the City's increase in service units (section 3.1.6.1). The average annual increase in revenue requirements (identified in Table 3-4) is projected at 3.98% for water and 4.11% for sewer. Our financial analysis of the utilities indicates that the increase in operating costs is projected to outpace revenue increases through growth in service units alone. Revenue increases above growth in service units are therefore required in order to maintain the financial integrity of the water and sewer utilities.

The analysis indicated that the City would need to increase water and sewer rate revenues in addition to the anticipated growth in service units, in order to meet revenue requirements (O&M, capital and debt service). Table 3-5 reflects our projections of revenue increases required during the forecast period in order for the City to meet its ongoing operational costs (revenue requirements) and meet minimum prudent financial and system maintenance standards.

Table 3-5
Projected Rate Revenue Increases
Fiscal Years Ending June 30

Description	Water Rate Revenue Increases	Sewer Rate Revenue Increases
2018-19	5.0%	5.0%
2019-20	4.5%	4.5%
2020-21	4.5%	4.5%
2021-22	4.5%	2.0%
2022-23	4.5%	2.0%

A more detailed presentation of the pro forma, including a fund balance reconciliation is presented in Schedules A-1 and B-1 of the appendices.

3.1.6.6. Summary of Revenue Sufficiency Analysis

The resulting financial plan is presented in Table 3-6, which provides for funding of projected revenue requirements based on the current knowledge of expected expenditure forecasts during the forecast period, as provided by the City, and is projected to meet or exceed the financial operations of the sewer utility. A more detailed presentation of the financial plan, including fund balance reconciliations for the forecast period, is presented in appendices A and B.

Table 3-6 Projected Net Operating Fund Results Fiscal Years 2017-18- to 2021-22 ($ thousands)					
Description	**18-19**	**19-20**	**20-21**	**21-22**	**22-23**
	Water				
Beginning Fund Balance	$10,918	$8,282	$1,297	$1,139	$1,307
Total Operating Revenue	6,357	6,767	7,204	7,669	8,165
Operating Expenses	4,802	4,953	5,109	5,270	5,436
Net Revenue	1,556	1,815	2,096	2,400	2,729
Less:					
CIP and Debt Service	4,192	8,799	2,254	2,232	2,264
Net Cash Flow	**(2,636)**	**(6,985)**	**(159)**	**168**	**465**
Ending Fund Balance	**$8,282**	**$1,297**	**$1,139**	**$1,307**	**$1,772**
	Sewer				
Beginning Fund Balance	$16,560	$14,689	$6,700	$1,318	$1,321
Total Operating Revenue	5,816	6,192	6,592	6,852	7,122
Operating Expenses	4,123	4,252	4,385	4,523	4,665
Net Revenue	1,693	1,940	2,207	2,329	2,457
Less:					
CIP and Debt Service	3,564	9,929	7,589	2,326	2,388
Net Cash Flow	**(1,870)**	**(7,989)**	**(5,382)**	**3**	**68**
Ending Fund Balance	**$14,689**	**$6,700**	**$1,318**	**$1,321**	**$1,389**
Note: Variances are due to rounding values to the nearest $1,000					

3.1.6.7. Revenue Sufficiency Analysis Conclusions

Based on the revenue requirements identified in our analysis, it is our opinion that:

- Revenue projections based on existing rates are insufficient to meet the revenue requirements for FY 2018-19 through FY 2022-23;
- Rate revenue adjustments are needed in order to keep pace with increasing O&M and capital costs; and
- The proposed rate revenue increases identified in Table 3-6, maintain the financial integrity of the City's utilities based upon the assumptions contained in this report.

3.2 Rate Design Analysis

3.2.1 General Methodology

With the rate revenue requirement determined in the Revenue Sufficiency Analysis, the development of specific rates and charges was completed as described below.

First, the rate design goals of the City were reviewed to identify areas the City wanted to address over the forecast period included in this Rate Study. Next, an assessment of the existing rate design was completed to identify areas which have worked well for the City with regard to their specific goals and objectives, and the general goals and objectives of utility rate-making. In addition to the City's goals, rate design should seek to achieve the following industry standard objectives:

- Generate a stable rate revenue stream which, when combined with other sources of funds, is sufficient to meet the financial requirements and goals of the utility;
- Be fair and equitable – that is, they should generate revenue from customer classes which is reasonably in proportion to the cost to provide service to that customer class;
- Be easy to understand by customers;
- Be easy to administer by the utility; and
- Be compliant with State law, specifically Proposition 218, whereby the rates must be based upon the proportionate cost of providing sewer service.

This analysis was conducted consistent with the provisions of Proposition 218.

3.2.2 Review of Existing Rate Structure

The City's current water rates are comprised of a minimum monthly charge that includes the first 3,000 cubic feet (CF) of water use for the first residential dwelling unit, an additional 1,000 CF for each additional dwelling unit, and 1,000 CF for non-residential customers. In addition to the monthly minimum charge there is a volume rate per 100 CF of use above the monthly minimum. The City's sewer rate structure mirrors the water rate structure with a monthly minimum charge and a flow based charge for sewer flows above the minimum. The minimum monthly sewer flows are the same as for water.

3.2.2.1. Allocation to Cost Categories

Water costs are allocated on their need to meet base demand, peak demand (max day and max hour water needs), as well as customer service costs such as billing and collection. Table 3-7 summarizes the cost of service based allocation of the City's water costs.

Table 3-7
Water System - Summary of Functional Allocations to Cost Categories
Fiscal Year 2018-19

Functional Cost	Base	Max Day	Max Hour	Meters & Services	Billing & Collection	Total
Treatment	$1,154,664	$944,725	$-	$-	$-	$2,099,389
Transmission & Distribution	146,545	299,656	409,960	-	-	856,161
Customer Service	-	-	-	56,189	56,189	112,378
Administration	866,875	-	-	433,437	433,437	1,733,750
Debt Service	738,510	-	-	246,170	-	984,680
CIP	2,565,571	-	-	641,393	-	3,206,963
Non-Operating Revenue/Changes in Reserves (1)	(1,214,641)	(697,149)	(229,675)	(274,307)	(274,307)	(2,690,079)
Total	$4,257,523	$547,233	$180,285	$1,102,882	$215,319	$6,303,242
Units (CF/Bills)	2,299,554	387	6,531	109,669	109,669	
Cost per Unit	$1.85	$1,413.28	$27.60	$10.06	$1.96	

(1) A positive value results in an increase of reserves through rates, while a negative value indicates use of non-operating revenue and existing reserves to meet annual expenses in addition to rates.

Table 3-7 illustrates the distribution of the costs that are incurred by the utility, to provide water service to customers. Total costs are allocated to functional categories such as treatment or transmission and distribution and then to cost categories such as base or peak demand (max day and max hour). The cost categories are then used to distribute costs to each respective customer class such as residential or commercial, based on their respective demand factors. Table 3-8 provides a summary of the cost categories and ultimately the cost to serve each customer class. The full cost analysis can be found in Appendix C-3.

Table 3-8
Water System – Allocation of Costs to Class
Fiscal Year 2018-19

Functional Cost	Base Costs	Max Day Costs	Max Hour Costs	Meters & Services Costs	Billing & Collection Costs	Total Cost
Residential	$3,918,253	$247,251	$156,311	$1,036,929	$202,443	$5,561,188
Commercial, Manufacturing & Industrial	332,710	274,508	22,773	63,314	12,361	705,668
Construction/Truck	2,496	8,620	417	1,028	201	12,762
Water for Resale	4,064	16,853	784	1,610	314	23,625
Total	**$4,257,523**	**$547,233**	**$180,285**	**$1,102,882**	**$215,319**	**$6,303,242**

3.2.3 Revised Rates

Through discussions with City staff it was determined that improvements could be made to the existing water rate structure. The water rate structure was revised to change the minimum monthly charge to a monthly fixed charge that does not include any water use. Under the revised approach a customer only pays for the water they use, and has greater control over their monthly bill. As a result of the elimination of the minimum charge, it was assumed that water use would decrease by 10% as there would be more incentive to use less water under the new structure. The second change that is being proposed is that the monthly fixed charge varies by meter size. The larger the meter the higher the monthly fixed charge. This recognizes the fact that larger meters have higher flow capacity, place higher demands on the City's water resources, and are costlier to maintain and repair. The third change that is proposed relates to multiple commercial units sharing the same meter. Currently if there is a strip mall with 4 separate business units, each unit is assessed the monthly minimum charge. Under the proposed rate structure, there will only be one monthly fixed charge per meter. The proposed water rates are summarized in Table 3-9.

Table 3-9
Proposed Water Rates
Fiscal Years 2018-19 through FY 2022-23

Monthly Charge/ Volume Rate	18-19	19-20	20-21	21-22	22-23
Fixed Charge - $/Month					
Residential					
First Dwelling Unit	$17.24	$18.02	$18.83	$19.67	$20.56
Additional Dwelling Units	8.62	9.01	9.41	9.84	10.28
Commercial, Manufacturing and Industrial					
3/4-inch	$19.11	$19.97	$20.87	$21.81	$22.79
1-inch	31.92	33.36	34.86	36.42	38.06
1 1/2-inch	63.65	66.51	69.50	72.63	75.90
2-inch	101.87	106.46	111.25	116.25	121.49
3-inch	203.94	213.11	222.70	232.73	243.20
4-inch	318.62	332.95	347.94	363.59	379.96
6-inch	637.04	665.71	695.67	726.97	759.68
Volume Rate - $/100 Cubic Feet					
Residential – All Use	$1.99	$2.08	$2.17	$2.27	$2.37
Commercial, Manufacturing & Industrial – All Use	3.19	3.33	3.48	3.64	3.80
Construction/Truck	7.56	7.90	8.26	8.63	9.02
Water for Resale	10.86	11.35	11.86	12.40	12.95

Willdan did not identify any significant issues with the City's existing sewer rate structure, furthermore, through discussions with City staff it was determined that the existing sewer structure is effectively meeting the City's goals and is consistent with both AWWA and WEF rate making practices. One refinement is proposed to the sewer rate structure for the residential class such that it matches the water rate structure whereby additional dwelling units are assessed a reduced monthly rate. The residential class is proposed to be assessed a flat monthly charge only. The proposed sewer rates are illustrated in Table 3-10.

Table 3-10
Proposed Sewer Rates
Fiscal Years 2018-19 through FY 2022-23

Class	18-19	19-20	20-21	21-22	22-23
Fixed Charge $/Month					
Residential – First Dwelling Unit	$44.46	$46.46	$48.45	$49.52	$50.51
Additional Dwelling Unit	22.23	23.23	24.27	24.76	25.25
Non-Residential II	39.98	41.78	43.66	44.54	45.43
Non-Residential III	45.06	47.08	49.20	50.19	51.19
Non-Residential IV	50.01	52.26	54.61	55.71	56.82
Flow Rate $/100 Cubic Feet					
Non-Residential II (over 1,000 cubic feet)	$4.00	$4.18	$4.37	$4.46	$4.55
Non-Residential III (over 1,000 cubic feet)	4.50	4.71	4.92	5.02	5.12
Non-Residential IV (over 1,000 cubic feet)	5.00	5.22	5.46	5.57	5.68

Water and sewer rates are further presented in appendices C and D.

3.2.4 Summary of the Rate Study

The Rate Study presented herein utilized generally accepted rate-making principles which resulted in the development of rates and charges which are projected to: 1) generate sufficient revenue to meet the financial requirements of the utility, 2) address the need to recover costs from users in a manner which is fair and equitable relative to service provided, and 3) meet the financial and rate design goals of the City.

Section 4 – Connection Fees

4.1 Connection Fee Calculation Methodology

There are three basic industry standard methodologies used to calculate connection fees. There is no single right approach to be used in developing all connection fees. The methodologies are used to determine an equitable measure of demand created by or consumed by new development. The methodologies can be classified as looking at the past or future system infrastructure capacities. The three basic methodologies are described below:

The **buy-in** methodology is used where system infrastructure has been built in advance of new development and excess capacity is available for new development. Under this methodology, new development repays the system for previous capacity investments via the connection fee.

The second approach is the **incremental cost** methodology. This methodology uses a capital improvement plan (CIP) and any related plans to determine new developments' share of planned future projects. Projects that do not add capacity, such as routine maintenance or replacement of existing facilities, are not included in the calculation. Projects that add capacity are further evaluated as to the percentage of the project attributable to existing development versus new development. Only the incremental growth-related projects attributable to new development are included in the connection fee calculation.

The third approach that is often used is the **hybrid** methodology. The hybrid methodology is a combination of the buy-in method and the incremental cost method. It looks at both past investments in system infrastructure that have capacity to serve future development, as well as the need for future projects to serve anticipated growth.

The buy-in approach was used to calculate both the City's water and sewer connection fees.

4.1.1 System Valuation

The current value of the City's water and sewer system assets were brought to today's dollars using the Engineering News Record (ENR) Construction Cost Index (CCI). Using this index attempts to value the City's assets at what it would cost to purchase or construct those assets today. It is important to recognize, however, that these assets are not new and are not being purchased today, but rather have been depreciated over time. Therefore, the accumulated depreciation is subtracted from the calculated current day value of the assets to determine what is referred to as the Replacement Cost New Less Depreciation (RCNLD) fixed asset value. The RCNLD fixed asset value for water was calculated at $115,925,539 and at $47,855,425 for sewer. The water system has outstanding debt that was used to fund the fixed assets of the water system and the debt will be repaid through user rates. To prevent new development from paying for the assets twice (once through the connection fee and then again through rates to pay debt service), the outstanding debt is subtracted from the system value to determine a new system value for the basis of calculating connection fees. is A summary of the

fixed assets by asset classification is shown in Table 4-1. A full list of the City's fixed assets can be found in Appendices E and F.

Table 4-1
Replacement Cost New Less Depreciation Value of Fixed Assets

Description	Water	Sewer
Land	$180,000	$30,000
Buildings	7,325,757	0
Improvements	69,952,938	30,577,790
Infrastructure	29,482,318	13,641,663
Equipment	8,984,526	1,340,244
Construction Work In Progress	0	2,265,729
Total	115,925,539	47,855,425
Less: Outstanding Debt	19,725,451	0
Revised Total	**$96,200,088**	**$47,855,425**

4.1.2 System Capacity

The second step in the connection fee calculation process is to determine the denominator of the equation, in this case the current number of equivalent units that can be served by existing system assets. The City's master plan was used to identify flows per capita as well as the capacities of the water and sewer systems. Flows were identified at 142 gallons per person per day and an estimated 4 persons per household the average flows per equivalent dwelling unit (EDU) is 568 gallons per day. However, the systems are designed to meet peak demand not average demand. Peak demand is the flow capacity required to meet system needs during the period of highest demand. For water, the max day demand was identified as 1.58 average day demand and for sewer it was 1.52 times average day demand, based on City of Calexico system operating data as included in the Water Master Plan. Thus, the peak demand gallons per day per EDU is 899 and 863 for water and sewer respectively. The flows per EDU are then divided into the total capacity of each respective system to determine the number of EDUs that can be served. Per the City's master plan, the water system has a peak demand capacity of 9.1 million gallons per day (MGD) and can therefore serve 10,123 EDUs (9,100,000 / 899). The sewer system has a capacity of 4.3 MGD and can serve 4,981 EDUs (4,300,000 / 863).

4.1.3 Buy-In Fee

Having identified the current value of the City's water and sewer systems (Section 4.1.1) and the projected number of equivalent units that can be served (Section 4.1.2), the buy-in fee or value of the existing water system is calculated at $9,503 per equivalent unit ($96,200,088 / 10,123). The sewer fee per unit is calculated at $9,608 ($47,855,425 / 4,981). As was the case for the monthly fixed charge for water, connection fees are higher for larger meter sizes due to the larger capacity associated with larger meters. Connection fees for meter sizes 1-inch and greater are determined based on the meter capacity ratios of maximum safe continuous

capacity as published in the AWWA Manual M6. For example, the capacity of a 1-inch meter is roughly 1.67 times greater than that of a ¾-inch meter. Thus, a 1-inch meter represents 1.67 equivalent meters and the fee for a 1-inch meter is approximately 1.67 times greater than that of the ¾-inch meter. The maximum supportable connection fees for all meter sizes are presented in Table 4-2.

Table 4-2
Maximum Supportable Connection Fees by Meter Size

Meter Size	Meter Capacity Ratio	Water	Sewer
¾-inch	1.00	$9,503	$9,608
1-inch	1.67	15,870	16,046
1 1/2-inch	3.33	31,645	31,996
2-inch	5.33	50,650	51,213
3-inch	10.00	95,029	96,085
4-inch	16.67	158,413	160,173
6-inch	33.33	316,732	320,251

The connection fees presented in Table 4-2 represent the maximum supportable connection fees we feel the City could justify assessing new development. Through discussions with City staff, a lower fee is being proposed. The proposed fees are presented in Table 4-3.

Table 4-2
Proposed Connection Fees by Meter Size

Meter Size	Meter Capacity Ratio	Water	Sewer
¾-inch	1.00	$5,000	$5,000
1-inch	1.67	8,350	8,350
1 1/2-inch	3.33	16,650	16,650
2-inch	5.33	26,650	26,650
3-inch	10.00	50,000	50,000
4-inch	16.67	83,350	83,350
6-inch	33.33	166,650	166,650

The full connection analysis can be found in Appendices E and F.

Section 5 – Concultions and Recommendations

5.1 Conclusions

- Projected operating revenues and operating expenses for the forecast period were developed by, and/or in consultation with, City staff and are based upon reasonable projections.
- The projected capital project expenses have been developed by City staff to address water and sewer systems renewal and replacement.
- Based on Conclusions 1 and 2 above, Willdan is of the opinion that the financial projections presented herein demonstrate the water and sewer utilities' ability to meet their obligations with regard to:
    - Operating expenses,
    - Non-operating expenses,
    - Capital project expenses, and
    - Key financial policies, including maintenance of at least 45 days of operating reserve balances.
- The proposed rates presented herein are in conformance with industry standard rate-making practice, Proposition 218 and/or the City's rate policies with respect to:
    - The fair and equitable recovery of costs through water and sewer rates;
    - Water and sewer rates based upon the proportionate cost of providing services, and
    - Generation of sufficient revenue to fully recover system revenue requirements and reserve requirements.
- The connection fees presented in this report represent the maximum supportable fees that the City can assess to new development.

5.2 Recommendations

- It is recommended that the City implement the proposed rates presented in this Report for FY 2018-19 through FY 2022-23.
- It is recommended that the City update the Revenue Sufficiency Analysis portion of this study each year to ensure projected revenue is sufficient to fund projected expenses going forward as assumptions made during this analysis may change and have a material impact upon the analysis.

Appendix A

City of Calexico
Projected Operating Results - Water System
Fiscal Years 2017 - 2023

Line No.	Description	2017	2018	2019	2020	2021	2022	2023
	Sources of Funds							
1	Beginning-of-Year Cash	$11,974,548	$13,691,163	$10,918,186	$8,282,107	$1,297,464	$1,138,742	$1,306,913
	Operating Revenues							
2	Operating Revenue	$ 6,253,259	$ 5,890,000	$ 6,303,242	$ 6,713,357	$ 7,150,154	$ 7,615,372	$ 8,110,859
3	Other Revenues	33,368	34,000	34,000	34,000	34,000	34,000	34,000
4	Total Operating Revenues	$ 6,286,627	$ 5,924,000	$ 6,337,242	$ 6,747,357	$ 7,184,154	$ 7,649,372	$ 8,144,859
	Non-Operating Revenue							
5	Interest Income	20,000	20,000	20,000	20,000	20,000	20,000	20,000
6	Total Non-Operating Revenue	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
7	Total Operating Revenues	$ 6,306,627	$ 5,944,000	$ 6,357,242	$ 6,767,357	$ 7,204,154	$ 7,669,372	$ 8,164,859
	Operating Expenses							
8	Water Admin	$ 1,031,730	$ 1,678,720	$ 1,733,750	$ 1,790,594	$ 1,849,312	$ 1,909,967	$ 1,972,623
9	Treatment	1,797,785	1,858,734	2,099,389	2,162,035	2,226,737	2,293,564	2,362,586
10	Repairs & Maint	-	-	-	-	-	-	-
11	Transmission & Distribution	719,652	828,973	856,161	884,246	913,257	943,226	974,184
12	Insurance - Gen	-	-	-	-	-	-	-
13	Water Customer Service	53,625	109,100	112,378	115,755	119,233	122,815	126,505
14	Total Operating Expenses	$ 3,602,792	$ 4,475,527	$ 4,801,678	$ 4,952,629	$ 5,108,539	$ 5,269,572	$ 5,435,897
15	Net Result of Operations	$ 2,703,835	$ 1,468,473	$ 1,555,565	$ 1,814,728	$ 2,095,615	$ 2,399,800	$ 2,728,961
	Non-Operating Expenses							
16	Capital Improvements	$ -	$ 3,255,000	$ 3,206,963	$ 7,812,491	$ 1,266,523	$ 1,243,941	$ 1,276,159
17	Existing Debt Service	987,220	986,450	984,680	986,880	987,815	987,688	987,438
18	Other Miscellaneous	-	-	-	-	-	-	-
19	Total Non-Operating Expenses	$ 987,220	$ 4,241,450	$ 4,191,643	$ 8,799,371	$ 2,254,338	$ 2,231,629	$ 2,263,597
20	Net Available After Operations	$ 1,716,615	$ (2,772,977)	$ (2,636,079)	$ (6,984,643)	$ (158,723)	$ 168,171	$ 465,364
	Other Uses							
	New Debt Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Additional Capital Improvements	-	-	-	-	-	-	-
21	Total Other Uses	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22	Net Available After Other Uses	$ 1,716,615	$ (2,772,977)	$ (2,636,079)	$ (6,984,643)	$ (158,723)	$ 168,171	$ 465,364
23	End-of-Year Cash	$13,691,163	$10,918,186	$8,282,107	$1,297,464	$1,138,742	$1,306,913	$1,772,277
24	Target Cash	$888,360	$1,103,555	$1,183,975	$1,221,196	$1,259,640	$1,299,347	$1,340,358
25	Debt Service Coverage Ratio (Operations)	2.74	1.49	1.58	1.84	2.12	2.43	2.76
26	Debt Service Coverage Ratio (All Debt)	2.74	1.49	1.58	1.84	2.12	2.43	2.76
27	Target Debt Service Coverage Ratio	1.10	1.10	1.10	1.10	1.10	1.10	1.10

Line No	Description	Beginning Balances Operating Fund
	Current Assets:	
1	Cash and investments	$ 11,974,548
2	Accounts Receivable	-
3	Due From Other Funds	-
4	Interest Receivable	-
5	Prepaid items	-
6	Inventory	-
7	**Total Current Assets**	**$ 11,974,548**
	Current Liabilities (payalbe from current assets):	
8	Accounts Payable	$ -
9	Accrued Wages	-
10	Deposits Held for Others	-
11	Interest Payable	-
12	Matured Debt Principalk Payments	-
13	Loans Payable	-
14	Compensated Absences	-
15	Advances In Aid of Construction	-
16	**Total Current Liabilities**	**$ -**
	Adjustments:	
	Less:	
17	Per City Staff	$ -
18	Prepaid items	-
19	Inventory	-
20	**Net Adjustments**	**$ -**
21	**Net Beginning Balances (Current Assets less Current Liabilities - Including Adjustments)**	**$ 11,974,548**

City of Calexico
Revenues - Water System
Water Financial Model

Line No.	Description	Estimated 2017	2018	2019	2020	2021	2022	2023
	Operating Revenues							
	Water							
1	Operating Revenue	$ 6,253,259	$ 5,890,000	$ 6,303,242	$ 6,713,357	$ 7,150,154	$ 7,615,372	$ 8,110,859
2	Other Revenues	33,368	34,000	34,000	34,000	34,000	34,000	34,000
3	**Total Operating Revenues**	**$ 6,286,627**	**$ 5,924,000**	**$ 6,337,242**	**$ 6,747,357**	**$ 7,184,154**	**$ 7,649,372**	**$ 8,144,859**
	Non-Operating Revenue							
4	Non-Utility Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	Interest Income	20,000	20,000	20,000	20,000	20,000	20,000	20,000
6	**Total Non-Operating Revenue**	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**
7	**Total Revenues**	**$ 6,306,627**	**$ 5,944,000**	**$ 6,357,242**	**$ 6,767,357**	**$ 7,204,154**	**$ 7,669,372**	**$ 8,164,859**
	OPERATING REVENUES							
	Charges for Services							
8	Rate Revenue	$ 6,253,259	$ 5,890,000	$ 5,890,000	$ 6,303,242	$ 6,713,357	$ 7,150,154	$ 7,615,372
9	*Growth*	0.00%	0.00%	1.92%	1.92%	1.92%	1.92%	1.92%
	Revenues Adjusted for Growth	$ 6,253,259	$ 5,890,000	$ 6,003,088	$ 6,424,265	$ 6,842,253	$ 7,287,437	$ 7,761,587
10	*Revenue Increase*	0.0%	0.00%	5.00%	4.50%	4.50%	4.50%	4.50%
11	Percent of Year w/Rate Increase	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
12	Revenues under old rates	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13	Revenues under new rates	6,253,259	5,890,000	6,303,242	6,713,357	7,150,154	7,615,372	8,110,859
14	Total Charges for Services - After Revenue Increase	$ 6,253,259	$ 5,890,000	$ 6,303,242	$ 6,713,357	$ 7,150,154	$ 7,615,372	$ 8,110,859
	Other Water Revenue							
15	Other Water Fees - Online ACH	6,732	7,000	7,000	7,000	7,000	7,000	7,000
16	Other Non-Operating Revenue	6,732	7,000	7,000	7,000	7,000	7,000	7,000
17	Other Water Fees - Distribution Department	19,903	20,000	20,000	20,000	20,000	20,000	20,000
	Interest Income							
18	Investment Earnings	20,000	20,000	20,000	20,000	20,000	20,000	20,000
22	**Total Operating Revenues**	**$ 6,306,627**	**$ 5,944,000**	**$ 6,357,242**	**$ 6,767,357**	**$ 7,204,154**	**$ 7,669,372**	**$ 8,164,859**

City of Calexico
Estimated & Projected Uses of Funds - Water System
Water Financial Model

Line No	Description	Estimated 2017	2018	2019	2020	2021	2022	2023
	OPERATING EXPENSES							
	Water Costs							
1	Water Admin	$ 1,031,730	$ 1,678,720	$ 1,733,750	$ 1,790,594	$ 1,849,312	$ 1,909,967	$ 1,972,623
2	Treatment	1,797,785	1,858,734	2,099,389	2,162,035	2,226,737	2,293,564	2,362,586
3	Transmission & Distribution	719,652	828,973	856,161	884,246	913,257	943,226	974,184
4	Water Customer Service	53,625	109,100	112,378	115,755	119,233	122,815	126,505
5	**Total OPERATING EXPENSES**	**$ 3,602,792**	**$ 4,475,527**	**$ 4,801,678**	**$ 4,952,629**	**$ 5,108,539**	**$ 5,269,572**	**$ 5,435,897**

	OPERATING EXPENSES							
	Water Administration							
6	Regular Salaries and Earnings	$ 126,380	$ 744,528	$ 770,586	$ 797,557	$ 825,472	$ 854,363	$ 884,266
7	Overtime	2,709	1,697	1,756	1,818	1,881	1,947	2,016
8	Other Earnings	609	3,569	3,694	3,823	3,957	4,096	4,239
9	Retirement - Unfunded Liability	-	13,941	14,429	14,934	15,457	15,998	16,558
10	Retirement	15,635	11,208	11,600	12,006	12,427	12,861	13,312
11	OASI (FICA)	9,420	13,126	13,585	14,061	14,553	15,062	15,590
12	Medical Insurance	7,400	11,560	11,965	12,383	12,817	13,265	13,730
13	Workers Compensation	14,492	20,590	21,311	22,057	22,829	23,627	24,454
14	Unemployment Insurance	2,649	1,716	1,776	1,838	1,903	1,969	2,038
15	Life Insurance	198	307	318	329	340	352	365
16	Sick Leave Buy-Back	2,543	-	-	-	-	-	-
17	Health Allowance Benefit	4,614	8,780	9,087	9,405	9,735	10,075	10,428
18	Retiree Medical	35,933	37,260	38,564	39,914	41,311	42,757	44,253
19	Medical Program Administration	5,482	5,328	5,514	5,707	5,907	6,114	6,328
20	Temporary Staffing	60,000	60,000	62,100	64,274	66,523	68,851	71,261
21	Gen Liability Insurance	223,696	167,000	172,010	177,170	182,485	187,960	193,599
22	Admin Cost Allocation	369,970	378,110	389,453	401,137	413,171	425,566	438,333
23	Equipment Repairs and Maintenance	150,000	200,000	206,000	212,180	218,545	225,102	231,855
	Water Customer Service							
24	Bank Fees	35,000	35,000	36,050	37,132	38,245	39,393	40,575
25	Credit Card Processing Fees	15,000	20,000	20,600	21,218	21,855	22,510	23,185
26	Office Supplies	500	500	515	530	546	563	580
27	Postage	500	500	515	530	546	563	580
28	Utility Payments - Electric	600	1,000	1,035	1,071	1,109	1,148	1,188
29	Cleaning Supplies	25	100	103	106	109	113	116
30	Other Operating Costs	2,000	2,000	2,060	2,122	2,185	2,251	2,319
31	IT Software & User Licenses	-	50,000	51,500	53,045	54,636	56,275	57,964
	Water Treatment Plant							
32	Regular Salaries and earnings	481,504	487,719	504,789	522,457	540,743	559,669	579,257
33	Overtime	111,580	99,915	103,412	107,031	110,778	114,655	118,668
34	Other Earnings	38,156	69,926	72,373	74,906	77,528	80,242	83,050
35	Retirement - Unbfunded Liability	-	33,650	34,828	36,047	37,308	38,614	39,966
36	Retirement	84,501	60,046	62,148	64,323	66,574	68,904	71,316
37	OASI (FICA)	47,927	44,793	46,361	47,983	49,663	51,401	53,200
38	Medical Insurance	94,995	96,311	99,682	103,171	106,782	110,519	114,387
39	Worker's Compensation	67,507	78,907	81,669	84,527	87,486	90,548	93,717
40	Unemployment Ins-ISF Contrib	12,716	6,576	6,806	7,044	7,291	7,546	7,810
41	Life Insurance	694	741	767	794	822	850	880
42	Sick Leave Buy-Back	4,552	-	-	-	-	-	-
43	Health Allowance Benefit	2,183	-	-	-	-	-	-
44	Administration/Office Costs	3,500	4,000	4,120	4,244	4,371	4,502	4,637
45	Membership Dues	750	800	824	849	874	900	927
46	Permit Fees	10,200	15,000	15,450	15,914	16,391	16,883	17,389
47	Travel, Conferenmces & Meetings	100	1,500	1,545	1,591	1,639	1,688	1,739
48	Training	-	500	515	530	546	563	580
49	Bank Fees	4,000	4,000	4,120	4,244	4,371	4,502	4,637
50	Telephone	4,000	4,500	4,635	4,774	4,917	5,065	5,217
51	Cell Phone	800	850	876	902	929	957	985
52	Tuition/Recertification	200	1,000	1,030	1,061	1,093	1,126	1,159
53	Internet/Cable	1,000	1,500	1,545	1,591	1,639	1,688	1,739
54	Materials and Supplies	50,000	50,000	51,500	53,045	54,636	56,275	57,964
55	Unifoprms/Cleaning	2,000	2,000	2,060	2,122	2,185	2,251	2,319
56	Vehicle Parts and Equipment	6,000	6,000	6,180	6,365	6,556	6,753	6,956
57	Chemicals	100,000	100,000	103,000	106,090	109,273	112,551	115,927
58	Vehicle Fuel and Oil	6,500	6,500	6,695	6,896	7,103	7,316	7,535

City of Calexico
Estimated & Projected Uses of Funds - Water System
Water Financial Model

Line No.	Description	Estimated 2017	2018	2019	2020	2021	2022	2023
59	Office Supplies	2,000	2,000	2,060	2,122	2,185	2,251	2,319
60	Postage	5,500	5,500	5,665	5,835	6,010	6,190	6,376
61	Raw Water	90,000	90,000	92,700	95,481	98,345	101,296	104,335
62	Utility Payments - Electric	300,000	300,000	309,000	318,270	327,818	337,653	347,782
63	Utility Payments - Gas	200	500	515	530	546	563	580
64	Cleaning Supplies	600	1,000	1,030	1,061	1,093	1,126	1,159
65	Lab Samples	35,000	40,000	41,200	42,436	43,709	45,020	46,371
66	Professional Services	14,000	14,500	14,935	15,383	15,845	16,320	16,809
67	Communications	4,000	4,000	4,120	4,244	4,371	4,502	4,637
68	Advertising	270	300	309	318	328	338	348
69	Other Operating Contracts	70,000	70,000	72,100	74,263	76,491	78,786	81,149
70	IT Software & User Licenses	150	200	206	212	219	225	232
71	Pest Control	3,500	3,500	3,605	3,713	3,825	3,939	4,057
72	Equipment Repairs & Maintenance	95,000	95,000	97,850	100,786	103,809	106,923	110,131
73	Building Maintenance	1,500	15,000	15,450	15,914	16,391	16,883	17,389
74	Office Equipment Maintenance	300	500	515	530	546	563	580
75	Other Maintenance	15,400	15,000	15,450	15,914	16,391	16,883	17,389
76	Land Lease	-	-	180,000	180,000	180,000	180,000	180,000
77	Machinery and Equipment	25,000	25,000	25,750	26,523	27,318	28,138	28,982
	Water Distribution System							
78	Regular Salaries and Earnings	236,615	237,336	245,643	254,240	263,139	272,349	281,881
79	Overtime	32,485	30,582	31,652	32,760	33,907	35,094	36,322
80	Other Earnings	24,403	28,780	29,787	30,830	31,909	33,026	34,182
81	Retirement - Unfunded Liability	-	24,036	24,877	25,748	26,649	27,582	28,547
82	Retirement	38,588	26,636	27,568	28,533	29,532	30,565	31,635
83	OASI (FICA)	22,085	22,697	23,491	24,314	25,165	26,045	26,957
84	Medical Insurance	54,393	54,606	56,517	58,495	60,543	62,662	64,855
85	Worker's Compensation	31,439	35,604	36,850	38,140	39,475	40,856	42,286
86	Unemployment Insurance	5,933	2,967	3,071	3,178	3,290	3,405	3,524
87	Life Insurance	343	529	548	567	587	607	628
88	Sick Leave Buy-Back	3,158	-	-	-	-	-	-
89	Membership Dues	500	1,000	1,030	1,061	1,093	1,126	1,159
90	Permit Fees	7,925	8,500	8,755	9,018	9,288	9,567	9,854
91	Travel, Conferences & Meetings	1,000	1,500	1,545	1,591	1,639	1,688	1,739
92	Training	-	500	515	530	546	563	580
93	Bank Fees	44	-	-	-	-	-	-
94	Cell Phone	650	700	721	743	765	788	811
95	Tuition/Recertification	180	1,500	1,545	1,591	1,639	1,688	1,739
96	Materials and Supplies	150,000	150,000	154,500	159,135	163,909	168,826	173,891
97	Uniforms/Cleaning	500	500	515	530	546	563	580
98	Vehicle Parts & Equipment	10,000	10,000	10,300	10,609	10,927	11,255	11,593
99	Vehicle Fuel and Oil	10,000	10,000	10,300	10,609	10,927	11,255	11,593
100	Water Meter Material & Supplies	-	10,000	10,300	10,609	10,927	11,255	11,593
101	Computer Supplies	-	5,000	5,150	5,305	5,464	5,628	5,796
102	Office Supplies	1,500	2,000	2,060	2,122	2,185	2,251	2,319
103	Postage	-	150	155	159	164	169	174
104	Utility Payments - Electric	-	1,600	1,648	1,697	1,748	1,801	1,855
105	Utility Payments - Water	161	200	206	212	219	225	232
106	Equipment - Small/Non Capitalized	2,000	25,000	25,750	26,523	27,318	28,138	28,982
107	Other Professional Fees & Charges	-	40,000	41,200	42,436	43,709	45,020	46,371
108	Temporary Staffing	70,000	75,000	77,250	79,568	81,955	84,413	86,946
109	Other Operating Contracts	550	550	567	583	601	619	638
110	Alarm/Security	200	500	515	530	546	563	580
111	Equipment Repairs & Maintenance	15,000	20,000	20,600	21,218	21,855	22,510	23,185
112	Building Maintenance	-	1,000	1,030	1,061	1,093	1,126	1,159
113	TOTAL OPERATING EXPENSES	$ 3,602,792	$ 4,475,527	$ 4,801,678	$ 4,952,629	$ 5,108,539	$ 5,269,572	$ 5,435,897

City of Calexico
Capitial Improvement Plan

Updated: 12/1/2017

SUMMARY

CIP Summary

#	Item	Est. $
1	Water Treatment Facility	$ 9,718,000
2	Water Distribution System	$ 7,505,000
	Total	$ 17,223,000

WATER

Water Treatment Facility

#	Item	Project Number	$	Year of Expenditure Current/2018	2019	2020	2021	2022	2023
1	THM Analyzer		$ 55,000	$ -	$ 55,000	$ -	$ -	$ -	$ -
2	Chlorine Analyzer		$ 73,000	-	73,000	-	-	-	-
3	Emergency Generator Replacement		$ 1,200,000	1,200,000	-	-	-	-	-
4	Chlorine Unloading Ramp		$ 50,000	50,000	-	-	-	-	-
5	Filter Control Replacement		$ 1,200,000	-	1,200,000	-	-	-	-
6	Storage Tank Baffle Repairs		$ 120,000	-	120,000	-	-	-	-
7	Raw Water Reservoir Improvements		$ 1,100,000	-	-	1,100,000	-	-	-
8	New Clarifier and Filter System		$ 5,200,000	-	-	5,200,000	-	-	-
9	Vehicle and Equipment Replacement		$ 320,000	80,000	48,000	48,000	48,000	48,000	48,000
###	Switch to Sodium Hypochlorite		$ 400,000	-	400,000	-	-	-	-
			$ 9,718,000	$ 1,330,000	$ 1,896,000	$ 6,348,000	$ 48,000	$ 48,000	$ 48,000

Water Distribution System

#	Item	Project Number	Est. $						
1	Eastside Storage Tank Improvements		$ 155,000	$ -	$ 155,000	$ -	$ -	$ -	$ -
2	Water Pipeline Replacement Program		$ 5,000,000	250,000	950,000	950,000	950,000	950,000	950,000
3	Fifth and C. Chavez 24" Water Pipeline		$ 1,200,000	1,200,000	-	-	-	-	-
4	Automated Meters		$ 200,000	200,000	-	-	-	-	-
5	Vehicle and Equipment Replacement		$ 725,000	100,000	125,000	125,000	125,000	125,000	125,000
6	Water System Mater Plan		$ 125,000	125,000		-	-	-	-
7	Water Rate Study		$ 50,000	50,000	-	-	-	-	-
8	Urban Water Management Study		$ 50,000	-	-	-	50,000	-	-
			$ 7,505,000	$ 1,925,000	$ 1,230,000	$ 1,075,000	$ 1,125,000	$ 1,075,000	$ 1,075,000

City of Calexico
Existing Debt

	2017	2018	2019	2020	2021	2022	2023
Water System Lease Revenue Bonds 2007	$987,220	$986,450	$984,680	$986,880	$987,815	$987,688	$987,438
Total	$987,220	$986,450	$984,680	$986,880	$987,815	$987,688	$987,438

Appendix B

City of Calexico
Projected Operating Results - Sewer System
Fiscal Years 2017 - 2023

Line No.	Description	2017	2018	2019	2020	2021	2022	2023
	Sources of Funds							
1	**Beginning-of-Year Cash**	$13,285,987	$15,908,292	$16,560,137	$14,688,867	$6,700,153	$1,318,006	$1,320,972
	Operating Revenues							
2	Operating Revenue	$ 5,400,000	$ 5,400,000	$ 5,778,864	$ 6,154,860	$ 6,555,320	$ 6,814,806	$ 7,084,563
3	Other Revenues	12,000	10,000	10,000	10,000	10,000	10,000	10,000
4	**Total Operating Revenues**	$ 5,412,000	$ 5,410,000	$ 5,788,864	$ 6,164,860	$ 6,565,320	$ 6,824,806	$ 7,094,563
	Non-Operating Revenue							
5	Interest Income	27,000	27,000	27,000	27,000	27,000	27,000	27,000
6	**Total Non-Operating Revenue**	$ 27,000	$ 27,000	$ 27,000	$ 27,000	$ 27,000	$ 27,000	$ 27,000
7	**Total Operating Revenues**	$ 5,439,000	$ 5,437,000	$ 5,815,864	$ 6,191,860	$ 6,592,320	$ 6,851,806	$ 7,121,563
	Operating Expenses							
8	Wastewater Administration	$ 590,231	$ 1,155,429	$ 1,192,367	$ 1,230,522	$ 1,269,934	$ 1,310,647	$ 1,352,702
9	Purchased Water	-	-	-	-	-	-	-
10	Wastewater Treatment Plant	1,578,776	1,882,772	2,124,584	2,188,437	2,254,399	2,322,540	2,392,931
11	Wastewater Collection System	647,688	779,954	806,027	832,976	860,830	889,621	919,378
12	Insurance - Gen	-	-	-	-	-	-	-
13	Misc	-	-	-	-	-	-	-
14	**Total Operating Expenses**	$ 2,816,695	$ 3,818,155	$ 4,122,978	$ 4,251,935	$ 4,385,164	$ 4,522,807	$ 4,665,012
15	**Net Result of Operations**	$ 2,622,305	$ 1,618,845	$ 1,692,886	$ 1,939,925	$ 2,207,156	$ 2,328,999	$ 2,456,551
	Non-Operating Expenses							
16	Capital Improvements	$ -	$ 967,000	$ 2,323,664	$ 8,688,147	$ 6,348,811	$ 1,085,541	$ 1,147,748
17	Existing Debt Service	$0	$0	$0	$0	$0	$0	$0
18	Other Miscellaneous	-	-	-	-	-	-	-
19	**Total Non-Operating Expenses**	$ -	$ 967,000	$ 2,323,664	$ 8,688,147	$ 6,348,811	$ 1,085,541	$ 1,147,748
20	**Net Available After Operations**	$ 2,622,305	$ 651,845	$ (630,778)	$ (6,748,222)	$ (4,141,655)	$ 1,243,458	$ 1,308,803
	Other Uses							
21	New Debt Service	$ -	$ -	$ 1,240,492	$ 1,240,492	$ 1,240,492	$ 1,240,492	$ 1,240,492
22	**Total Other Uses**	$ -	$ -	$ 1,240,492	$ 1,240,492	$ 1,240,492	$ 1,240,492	$ 1,240,492
23	**Net Available After Other Uses**	$ 2,622,305	$ 651,845	$ (1,871,270)	$ (7,988,714)	$ (5,382,147)	$ 2,966	$ 68,311
24	End-of-Year Cash	$15,908,292	$16,560,137	$14,688,867	$6,700,153	$1,318,006	$1,320,972	$1,389,283
25	Target Cash	$694,528	$941,463	$1,016,625	$1,048,422	$1,081,273	$1,115,213	$1,150,277
26	Debt Service Coverage Ratio (Operations)	#DIV/0!	#DIV/0!	1.36	1.56	1.78	1.88	1.98
27	Debt Service Coverage Ratio (All Debt)	#DIV/0!	#DIV/0!	1.36	1.56	1.78	1.88	1.98
28	Target Debt Service Coverage Ratio	1.10	1.10	1.10	1.10	1.10	1.10	1.10

Line No	Description		Operating Fund
	Current Assets:		
1	Cash and investments	$	13,285,987
2	Accounts Receivable		-
3	Due From Other Funds		-
4	Interest Receivable		-
5	Prepaid items		-
6	Inventory		-
7	**Total Current Assets**	$	13,285,987
	Current Liabilities (payalbe from current assets):		
8	Accounts Payable	$	-
9	Accrued Wages		-
10	Deposits Held for Others		-
11	Interest Payable		-
12	Matured Debt Principalk Payments		-
13	Loans Payable		-
14	Compensated Absences		-
15	Advances In Aid of Construction		-
16	**Total Current Liabilities**	$	-
	Adjustments:		
	Less:		
17	Per City Staff	$	-
18	Prepaid items		-
19	Inventory		-
20	**Net Adjustments**	$	-
21	**Net Beginning Balances (Current Assets less Current Liabilities - including Adjustments)**	$	13,285,987

City of Calexico
Revenues - Sewer System
Sewer Financial Model

Line No.	Description	Estimated 2017	2018	2019	2020	2021	2022	2023
	Operating Revenues							
	Sewer							
1	Operating Revenue	$ 5,400,000	$ 5,400,000	$ 5,778,864	$ 6,154,860	$ 6,555,320	$ 6,814,806	$ 7,084,563
2	Other Revenues	12,000	10,000	10,000	10,000	10,000	10,000	10,000
3	**Total Operating Revenues**	$ 5,412,000	$ 5,410,000	$ 5,788,864	$ 6,164,860	$ 6,565,320	$ 6,824,806	$ 7,094,563
	Non-Operating Revenue							
4	Non-Utility Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	Interest Income	27,000	27,000	27,000	27,000	27,000	27,000	27,000
6	**Total Non-Operating Revenue**	$ 27,000	$ 27,000	$ 27,000	$ 27,000	$ 27,000	$ 27,000	$ 27,000
7	**Total Revenues**	$ 5,439,000	$ 5,437,000	$ 5,815,864	$ 6,191,860	$ 6,592,320	$ 6,851,806	$ 7,121,563
	OPERATING REVENUES							
	Charges for Services							
8	Rate Revenue	$ 5,400,000	$ 5,400,000	$ 5,400,000	$ 5,778,864	$ 6,154,860	$ 6,555,320	$ 6,814,806
9	*Growth*	0.00%	0.00%	1.92%	1.92%	1.92%	1.92%	1.92%
	Revenues Adjusted for Growth	$ 5,400,000	$ 5,400,000	$ 5,503,680	$ 5,889,818	$ 6,273,033	$ 6,681,182	$ 6,945,650
10	*Revenue Increase*	0.0%	0.00%	5.00%	4.50%	4.50%	2.00%	2.00%
11	Percent of Year w/Rate Increase	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
12	Revenues under old rates	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13	Revenues under new rates	5,400,000	5,400,000	5,778,864	6,154,860	6,555,320	6,814,806	7,084,563
14	Total Charges for Services - After Revenue Increase	$ 5,400,000	$ 5,400,000	$ 5,778,864	$ 6,154,860	$ 6,555,320	$ 6,814,806	$ 7,084,563
	Other Sewer Revenue							
15	Other fees/charges	12,000	10,000	10,000	10,000	10,000	10,000	10,000
16	Investment Earnings	27,000	27,000	27,000	27,000	27,000	27,000	27,000
20	**Total Operating Revenues**	$ 5,439,000	$ 5,437,000	$ 5,815,864	$ 6,191,860	$ 6,592,320	$ 6,851,806	$ 7,121,563

City of Calexico
Estimated & Projected Uses of Funds - Sewer System
Sewer Financial Model

Line No.	Dept Desc	Description	Estimated 2017	2018	2019	2020	2021	2022	2023
		OPERATING EXPENSES							
1		Wastewater Administration	$ 590,231	$ 1,155,429	$ 1,192,367	$ 1,230,522	$ 1,269,934	$ 1,310,647	$ 1,352,702
2		Wastewater Treatment Plant	1,578,776	1,882,772	2,124,584	2,188,437	2,254,399	2,322,540	2,392,931
3		Wastewater Collection System	647,688	779,954	806,027	832,976	860,830	889,621	919,378
4		**Total OPERATING EXPENSES**	$ 2,816,695	$ 3,818,155	$ 4,122,978	$ 4,251,935	$ 4,385,164	$ 4,522,807	$ 4,665,012
		OPERATING EXPENSES							
		Wastewater Administration							
5		Regulr Salaries and Earnings	$ 81,445	$ 597,764	$ 618,686	$ 640,340	$ 662,752	$ 685,948	$ 709,956
6		Overtime	1,348	-	-	-	-	-	-
7		Other Earnings	109	1,799	1,862	1,927	1,995	2,064	2,137
8		Retirement - Unfunded Liability	-	9,134	9,454	9,785	10,127	10,481	10,848
9		Refirement	9,718	8,935	9,248	9,571	9,906	10,253	10,612
10		OASI (FICA)	5,759	9,511	9,844	10,188	10,545	10,914	11,296
11		Medical Insurance	7,401	11,560	11,965	12,383	12,817	13,265	13,730
12		Worker's Compensation	9,312	14,919	15,441	15,982	16,541	17,120	17,719
13		Unemployment Insurance	1,692	1,243	1,287	1,332	1,378	1,426	1,476
14		Life Insurance	104	201	208	215	223	231	239
15		Sick leave Buyback	1,475	-	-	-	-	-	-
16		Health Allowance Benefit	-	4,159	4,305	4,455	4,611	4,773	4,940
17		Retiree Medical	26,421	27,397	28,356	29,348	30,376	31,439	32,539
18		Medical Program Administration	4,031	3,918	4,055	4,197	4,344	4,496	4,653
19		Bank Fees	30,000	35,000	36,050	37,132	38,245	39,393	40,575
20		Temporary Staffing	25,000	-	-	-	-	-	-
21		Gen Liability Insurance	98,057	69,000	71,070	73,202	75,398	77,660	79,990
22		Airport Lease	-	58,901	59,490	60,085	60,686	61,293	61,906
22		Admin Cost Allocation	288,359	301,988	311,048	320,379	329,990	339,890	350,087
		Wastewater Treatment Plant							
23		Regular Salaries and Earnings	393,891	404,543	418,702	433,357	448,524	464,222	480,470
24		Overtime	14,323	15,558	16,103	16,666	17,249	17,853	18,478
25		Other Earnings	28,823	36,685	37,969	39,298	40,673	42,097	43,570
26		Retirement - Unfunded Liability	-	28,843	29,853	30,897	31,979	33,098	34,256
27		Retirement	67,452	47,439	49,099	50,818	52,596	54,437	56,343
28		OASI (FICA)	33,022	34,944	36,167	37,433	38,743	40,099	41,503
29		Medical Insurance	69,465	68,551	70,950	73,434	76,004	78,664	81,417
30		Worker's Compensation-ISF Contrib.	48,118	54,814	56,732	58,718	60,773	62,900	65,102
31		Unemployment Insurance	8,831	4,568	4,728	4,893	5,065	5,242	5,425
32		Life Insurance	593	635	657	680	704	729	754
33		Sick leave Buyback	4,531	-	-	-	-	-	-
34		Health Allowance Benefit	9,227	9,242	9,565	9,900	10,247	10,605	10,977
35		Administration/Office Costs	1,700	2,000	2,060	2,122	2,185	2,251	2,319
36		Membership Dues	1,500	1,500	1,545	1,591	1,639	1,688	1,739
37		Permit Fees	21,000	25,000	25,750	26,523	27,318	28,138	28,982
38		Travel, Conferences & Meetings	100	1,500	1,545	1,591	1,639	1,688	1,739
39		Training	550	600	618	637	656	675	696
40		Telephone	4,000	4,500	4,635	4,774	4,917	5,065	5,217
41		Cell Phone	650	650	670	690	710	732	754
42		Tuition/Recertification	1,000	1,000	1,030	1,061	1,093	1,126	1,159
43		Material & Supplies	22,000	25,000	25,750	26,523	27,318	28,138	28,982
44		Uniforms/Cleaning	1,000	1,000	1,030	1,061	1,093	1,126	1,159
45		Vegicle Parts and equipment	2,500	2,500	2,575	2,652	2,732	2,814	2,898
46		Chemicals	3,000	3,500	3,605	3,713	3,825	3,939	4,057
47		Vehicle fuel and oil	3,000	3,500	3,605	3,713	3,825	3,939	4,057
48		Computer supplies	500	500	515	530	546	563	580
49		Office supplies	1,300	1,500	1,545	1,591	1,639	1,688	1,739
50		Books, maps and publications	-	500	515	530	546	563	580
51		Postage	200	500	515	530	546	563	580
52		Utility payments - electric	350,000	360,000	372,600	385,641	399,138	413,108	427,567
53		Utility payments - water	-	36,000	37,080	38,192	39,338	40,518	41,734
54		Equipment - small/non-capitalize	10,000	10,000	10,300	10,609	10,927	11,255	11,593
55		Lab Samples	60,000	65,000	66,950	68,959	71,027	73,158	75,353
56		Drinking Water	1,000	1,000	1,030	1,061	1,093	1,126	1,159
57		Professional Services	-	30,000	30,900	31,827	32,782	33,765	34,778
58		Temporary Staffing	-	25,000	25,750	26,523	27,318	28,138	28,982

City of Calexico
Estimated & Projected Uses of Funds - Sewer System
Sewer Financial Model

Line No.	Dept Desc	Description	Estimated 2017	2018	2019	2020	2021	2022	2023
59		Communications	4,000	5,000	5,150	5,305	5,464	5,628	5,796
60		Other Operating Contracts	190,000	200,000	206,000	212,180	218,545	225,102	231,855
61		IT Software & User Licenses	-	500	515	530	546	563	580
62		Alarm/Security	-	50,000	51,500	53,045	54,636	56,275	57,964
63		Pest Control	1,500	2,000	2,060	2,122	2,185	2,251	2,319
64		Equip Repair & Maintenance	220,000	300,000	309,000	318,270	327,818	337,653	347,782
65		Building Maintenance	-	15,000	15,450	15,914	16,391	16,883	17,389
66		Office Equipment Maintenance	-	500	515	530	546	563	580
67		Other Maintenance	-	1,200	1,236	1,273	1,311	1,351	1,391
68		Land Lease	-	-	180,000	180,000	180,000	180,000	180,000
69		Janitorial	-	500	515	530	546	563	580
		Wastewater Collection System							
70		Regular Salaries and Earnings	241,439	239,354	247,731	256,402	265,376	274,664	284,277
71		Overtime	63,006	28,735	29,741	30,782	31,859	32,974	34,128
72		Other Earnings	23,891	26,394	27,318	28,274	29,263	30,288	31,348
73		Retirement-Unfunded Liability	-	19,229	19,902	20,599	21,320	22,066	22,838
74		Retirement	40,187	26,407	27,331	28,288	29,278	30,303	31,363
75		OASI (FICA)	24,610	22,528	23,316	24,133	24,977	25,851	26,756
76		Medical Insurance	69,465	68,551	70,950	73,434	76,004	78,664	81,417
77		Worker's Compensation	36,246	35,338	36,575	37,855	39,180	40,551	41,970
78		Unemployment Ins-ISF Contrib	6,589	2,945	3,048	3,155	3,265	3,379	3,498
79		Life Insurance	405	423	438	453	469	485	502
80		Sick leave Buyback	1,100	-	-	-	-	-	-
81		Membership Dues	1,000	1,500	1,545	1,591	1,639	1,688	1,739
82		Permit Fees	10,000	10,000	10,300	10,609	10,927	11,255	11,593
83		Unknown	-	1,500	1,545	1,591	1,639	1,688	1,739
84		Training	-	250	258	265	273	281	290
85		Bank Fees	100	100	103	106	109	113	116
86		Telephone	-	500	515	530	546	563	580
87		Cell Phone	350	400	412	424	437	450	464
88		Tuition/Recertification	200	300	309	318	328	338	348
89		Material & Supplies	20,000	25,000	25,750	26,523	27,318	28,138	28,982
90		Uniforms/Cleaning	650	700	721	743	765	788	811
91		Vehicle parts and equipment	5,000	5,500	5,665	5,835	6,010	6,190	6,376
92		Chemicals	3,000	10,000	10,300	10,609	10,927	11,255	11,593
93		Vehicle fuel and oil	18,500	20,000	20,600	21,218	21,855	22,510	23,185
94		Office supplies	750	1,000	1,030	1,061	1,093	1,126	1,159
95		Postage	-	150	155	159	164	169	174
96		Utility Payments - Electric	60,000	65,000	67,275	69,630	72,067	74,589	77,200
97		Temporary Staffing	20,000	50,000	51,500	53,045	54,636	56,275	57,964
98		Other Operating Contracts	600	650	670	690	710	732	754
99		Alarm/Security	200	500	515	530	546	563	580
100		Equip Repair & Maintenance	-	35,000	36,050	37,132	38,245	39,393	40,575
101		Building Maintenance	-	1,500	1,545	1,591	1,639	1,688	1,739
102		Other Maintenance	400	500	515	530	546	563	580
103		Machinery & Equipment	-	80,000	82,400	84,872	87,418	90,041	92,742
104	total	TOTAL OPERATING EXPENSES	$ 2,816,695	$ 3,818,155	$ 4,122,978	$ 4,251,935	$ 4,385,164	$ 4,522,807	$ 4,665,012

City of Calexico
Capitial Improvement Plan

SUMMARY

CIP Summary

#	Item		Est. $	Year of Expenditure Current/2018	2019	2020	2021	2022	2023
1	Wastewater Treatment		$ 30,169,000						
2	Wastewater Collection		$ 5,763,000						
		Total	$ 35,932,000						

SEWER

Wastewater Treatment

#	Item	Project Number	$	Current/2018	2019	2020	2021	2022	2023
1	Boiler Replacement Project	930	$ 287,000	$ 287,000	$ -	$ -	$ -	$ -	$ -
2	Emergency Generator Replacement	934	$ 1,200,000	-	-	1,200,000	-	-	-
3	Centrifuge Unit Replacement	935	$ -	-	-	-	-	-	-
4	UV Disinfection System Upgrade	936	$ 200,000	-	-	200,000	-	-	-
5	Laboratory Equipment Replacement	937	$ 100,000	-	-	100,000	-	-	-
6	Compactor/Bar Screen Replacement (Headwork)	938	$ 250,000	-	-	250,000	-	-	-
7	Aeration System Replacement	967	$ 250,000	-	250,000	-	-	-	-
8	Clarifier Rehabilitation (1996)	968	$ -	-	-	-	-	-	-
9	Grid Chamber Rehabilitation	969	$ 150,000	-	-	150,000	-	-	-
10	Heat Exchanger	930	$ 250,000	250,000	-	-	-	-	-
11	Lagoon System Rehabilitation	971	$ 750,000	-	-	750,000	-	-	-
12	Lift Station No. 1 Replacement at Headworks	972	$ 950,000	-	-	950,000	-	-	-
13	Wastewater Treatment Plant Improvements	973	$ 25,500,000	-	1,000,000	10,500,000	14,000,000	-	-
14	Vehicle and Equipment Replacement	975	$ 282,000	40,000	44,000	44,000	44,000	44,000	66,000
			$ 30,169,000	$ 577,000	$ 1,294,000	$ 14,144,000	$ 14,044,000	$ 44,000	$ 66,000

Wastewater Collection

#	Item	Project Number	Est. $	Current/2018	2019	2020	2021	2022	2023
1	Lift Station Replacement and Rehabilitation	933	$ 350,000	$ -	$ 350,000	$ -	$ -	$ -	$ -
2	Sewer Manhole Rehabilitation	940	$ 4,600,000	100,000	900,000	900,000	900,000	900,000	900,000
3	CCTV Inside of Sewer Collection Pipes	974	$ 150,000	-	150,000	-	-	-	-
4	Vehicle and Equipment Replacement	975	$ 238,000	50,000	36,000	36,000	36,000	36,000	44,000
5	Wastewater Master Plan/CCTV Sewer System	931	$ 190,000	190,000	-	-	-	-	-
6	Wastewater Rate Study	977	$ 235,000	50,000	185,000	-	-	-	-
7			$ -	-	-	-	-	-	-
			$ 5,763,000	$ 390,000	$ 1,621,000	$ 936,000	$ 936,000	$ 936,000	$ 944,000
			Sewer Total	$ 967,000	$ 2,915,000	$ 15,080,000	$ 14,980,000	$ 980,000	$ 1,010,000

Appendix C

City of Calexico

Development of Rate Revenue Requirement

Line No:		A Test Year for Rate Revenue Requirement FY 2019
1	**Total Operating Revenue Requirement**	**$ 6,337,242**
	Less:	
	Other Operating Revenues	
2	Other Water Fees - Online ACH	$ 7,000
3	Other Non-Operating Revenue	$ 7,000
4	Other Water Fees - Distribution Department	$ 20,000
5	Investment Earnings	$ 20,000
6	Increase/(Decrease) in Reserves	$ (20,000)
	Total Other Operating Revenues	$ 34,000
7	**Total Rate Revenue Requirement**	**$ 6,303,242**
8	Portion to Fixed Charge	
9	Portion to Flow Charge	
10	**Total Rate Revenue Requirement**	**$ 6,303,242**

City of Calexico

Allocation of Test Year Costs to Water Function

		A
	Test Year Rate Revenue Requirements	
Line No:	**Expense Group**	**FY 2019**
1	Treat	2,099,389
2	T&D	856,161
3	CS	112,378
4	Admin	1,733,750
5	Existing Bond DS	984,680
6	New Bond DS	0
7	CIP	3,206,963
8	**Total**	**$ 8,993,321**

City of Calexico
Allocation of Water Costs Test Year FY 2019

Allocation to Base Extra Capacity - Water

Line No:		Water Costs	Base	Extra Capacity: Max Day	Extra Capacity: Max Hour	Meters & Services	Billing & Collection	Total	
1	Treat	$2,099,389	$1,154,664	$944,725	$0	$0	$0	$2,099,389	-
2	T&D	856,161	146,545	299,656	409,960	0	0	856,161	-
3	CS	112,378	0	0	0	56,189	56,189	112,378	-
4	Admin	1,733,750	866,875	0	0	433,437	433,437	1,733,750	-
5	Existing Bond DS	984,680	738,510	0	0	246,170	0	984,680	-
6	New Bond DS	0	0	0	0	0	0	-	-
7	CIP	3,206,963	2,565,571	0	0	641,393	0	3,206,963	-
8	New Bond DS - General	0	0	0	0	0	0	-	-
9	Transfers	0	0	0	0	0	0	-	-
10	Non-Rate Revenue & Fund Balance	(2,690,079)	(1,214,641)	(697,149)	(229,675)	(274,307)	(274,307)	(2,690,079)	-
11	Total	$6,303,242	$ 4,257,523	$ 547,233	$ 180,285	$ 1,102,882	$ 215,319	$ 6,303,242	$ -
12	Fixed Charge Component					$ 1,102,882	$ 215,319	$ 1,318,202	20.91%
13	Flow Charge Component		$ 4,257,523	$ 547,233	$ 180,285			$ 4,985,041	79.09%
14	Total		$ 4,257,523	$ 547,233	$ 180,285	$ 1,102,882	$ 215,319	$ 6,303,242	100.00%
						$ 10.06	$ 1.96		

Allocation to Customer Class - Water - Annual Basis

15	Customer Class	Total Annual Flow	Average Daily Flow	Base	Maximum Day: Capacity Factor	Maximum Day: Total Capacity	Maximum Day: Extra Capacity	Maximum Hour: Capacity Factor	Maximum Hour: Total Capacity	Maximum Hour: Extra Capacity	Total Costs
16	RES	2,116,309	5,798		103%	5,973	175	198%	11,461	5,663	
17	COM	179,702	492		139%	687	194	268%	1,317	825	
18	CONST	1,348	4		265%	10	6	509%	19	15	
19	RESALE	2,195	6		298%	18	12	572%	34	28	
20	Total	2,299,554	6,300			6,687	387		12,832	6,531	
21	Allocated Costs			$ 4,257,523			$ 547,233			$ 180,285	$ 4,985,041
22	Billing Units			2,299,554			387			6,531	
23	Rate			$ 1.85			$ 1,413.28			$ 27.60	

24	Customer Class	Total Annual Flow	Base Costs Allocated to Customer Class	Extra Capacity	Max Day Costs Allocated to Customer Class	Extra Capacity	Max Hour Costs Allocated to Customer Class	Meters & Services	Billing & Collection	Total Base Extra Capacity Costs Allocated to Customer Class
25	RES	2,116,309	$ 3,918,253	175	$ 247,251	5,663	$ 156,311	$ 1,036,929	$ 202,443	$ 5,561,188
26	COM	179,702	332,710	194	274,508	825	22,773	63,314	12,361	705,668
27	CONST	1,348	2,496	6	8,620	15	417	1,028	201	12,762
28	RESALE	2,195	4,064	12	16,853	28	784	1,610	314	23,625
29	Total	2,299,554	$ 4,257,523	387	$ 547,233	6,531	$ 180,285	$ 1,102,882	$ 215,319	$ 6,303,242

City of Calexico
Calculation of Fixed Charge Rates/ Revenue - Water FY 2019

Line No.			
1	**Total Water Revenue Target**	$	6,303,242
2	Percent from Fixed Charge		30%
3	**Total Fixed Charge Revenue Requirement - Water**	$	1,890,973
4	Total Equivalent Meters		109,669
5	Monthly Water Fixed Charge per Equivalent Meter	$	17.24

Water Fixed Charge - By Meter Size

	Meter Size	Meter Equivalency		Monthly Water Fixed Charge
6				
7	First	1.00	$	17.24
8	Additional	0.50	$	8.62
9	Commercial	1.11	$	19.20
10	Other	2.22	$	38.33

Water
I

Meter Size	Class --> / Billing Basis-->	RES Bills	COM Bills	CONST Bills	RESALE Bills	Total Total
First		90,273				90,273
Additional		25,681				25,681
Commercial			5,652			5,652
Other				46	72	118
Total		115,954	5,652	46	72	121,724

Calculation of Equivalent Meters / Units - Inside

Meter Size	Bills	Equiv. Factor	Inside / Outside Factor	Equivalent Meters	Units	Equiv. Factor	Inside / Outside Factor	Equivalent Units
First	90,273	1.00	1.00	90,273	-	1.00	1.00	-
Additional	25,681	0.50	1.00	12,838	-	0.50	1.00	-
Commercial	5,652	1.11	1.00	6,296				
Other	118	2.22	1.00	262		2.22	1.00	-
Total	121,724			109,669	-			-

REVENUE TEST

Water
I

Meter Size	Class --> / Billing Basis-->	RES Bills	COM Bills	CONST Bills	RESALE Bills	Total
First		$ 17.24	$ 17.24	$ 17.24	$ 17.24	
Additional		$ 8.62	$ 8.62	$ 8.62	$ 8.62	
Commercial		$ 19.20	$ 19.20	$ 19.20	$ 19.20	
Incremental		$ 38.33	$ 38.33	$ 38.33	$ 38.33	
Total						

Calculation of Fixed Charge Revenue - Inside

Meter Size	RES Bills	COM Bills	CONST Bills	RESALE Bills	Total Total
First	1,556,307	-	-	-	1,556,307
Additional	221,370	-	-	-	221,370
Commercial	-	108,518	-	-	108,518
Incremental	-	-	1,763	2,760	4,523
Total	$ 1,777,677	$ 108,518	$ 1,763	$ 2,760	$ 1,890,718

Total Fixed Charge Revenue - Calc'd	$	1,890,718
Total Fixed Charge Revenue - Target	$	1,890,973
Variance - $	$	(255)
Variance - %		-0.01%

Development of Proposed FY 2019 Residential Rates

Residential - Cost of Service Component						$5,561,188
Service Charge, $ per Bill		Rate	Bills	Revenue		
First Unit	$	17.24	90,273	$1,556,307		
Additional Unit		8.62	25,681	221,370		
Total Service Charge Revenue						$1,777,677
Volume Charge Revenue to be Recovered						$3,783,511
Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate		Rate Revenue
All Use	100.0%	2,116,309	1.00	$1.99		$3,790,608
Total	**100%**	**2,116,309**				**$3,790,608**

Development of Proposed FY 2019 Commercial Rates

Commercial Cost of Service						$705,668
Service Charge, $ per Bill		Rate	Bills	Revenue		
3/4-inch		$19.11	1,056	$20,184		
1-inch		31.92	3,300	105,333		
1 1/2-inch		63.65	0	0		
2-inch		101.87	1,176	119,803		
3-inch		203.94	12	2,447		
4-inch		318.62	96	30,587		
6-inch		637.04	12	7,645		
Total Service Charge Revenue						$285,998
Volume Charge Revenue to be Recovered						$419,670
Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate		Rate Revenue
All Use	100.0%	144,062	1.00	$3.19		$413,032
Total	**100%**	**144,062**				**$413,032**

Development of Proposed FY 2019 Construction/Truck Rates

Construction/Truck Cost of Service	**$12,762**

Service Charge, $ per Bill		Rate	Bills	Revenue	
Per Unit	$	102.45	46	$4,713	
Total Service Charge Revenue					$4,713
Volume Charge Revenue to be Recovered					$8,049

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue
All Use	100.0%	1,160	1.00	$7.56	$7,894
Total	**100%**	**1,160**			**$7,894**

Development of Proposed FY 2019 Resale Rates

Resale Cost of Service	**$23,625**

Service Charge, $ per Bill		Rate	Bills	Revenue	
Per Unit	$	102.46	72	$7,377	
Total Service Charge Revenue					$7,377
Volume Charge Revenue to be Recovered					$16,248

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue
All Use	100.0%	1,631	1.00	$10.86	$15,945
Total	**100%**	**1,631**			**$15,945**

Appendix D

Sewer Rate Design FY 208-19

Proposed 2018-19 Residential Rates

Residential	Revenue Requirement	$4,862,914
	Bills - First Unit	95,307
	Bills - Additional Units	27,113
	Rate per Month - First Unit	$44.46
	Rate per Month - Additional Units	$22.23

Proposed 2018-19 Commercial II Rates

	Rates
Commercial - Fixed Charge	$39.98
Commercial - Volume Rate (Over 10 HCF)	4.00

Proposed 2018-19 Commercial III Rates

Commercial - Fixed Charge	$45.06
Commercial - Volume Rate (Over 10 HCF)	4.50

Proposed 2018-19 Commercial IV Rates

Commercial - Fixed Charge	$50.01
Commercial - Volume Rate (Over 10 HCF)	5.00

Appendix E

Calexico
Water Connection Fee Model
Fixed Assets by Valuation Method

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
	Land					
2008-020	Land	2005	$180,000	$0	1.41	$180,000
	Buildings					
2011-026	Land Improvements	2011	15,965	4,124	1.16	11,841
3180024	Land Improvements	1980	37,131	37,131	3.25	0
2009-035	Construction	2009	2,327,000	333,537	1.23	1,993,463
2009-037	Construction	2009	2,353,943	337,399	1.23	2,016,544
2009-045	Construction	2008	110,000	16,867	1.27	93,133
2009-046	Construction	2008	3,715,129	569,653	1.27	3,145,476
2010-029	Construction	2009	75,929	10,630	1.23	65,299
	Improvements					
2009-040	Land Improvements	2009	403,484	144,582	1.23	258,903
2010-028	Land Improvements	2009	526,882	173,432	1.23	353,450
2011-025	Portable Structures/Construction	2010	148,165	33,584	1.20	114,581
1010004	Portable Structures/Construction	1990	29,769	29,769	2.23	0
1010010	Portable Structures/Construction	1999	23,135	16,194	1.74	6,940
1010011	Portable Structures/Construction	1998	100,303	74,224	1.78	26,079
1010016	Portable Structures/Construction	1970	12,553	12,553	7.63	0
1015001	Portable Structures/Construction	1970	6,783	6,783	7.63	0
1015002	Portable Structures/Construction	1970	5,134	5,134	7.63	0
1010001	Construction	1949	308,570	308,570	22.08	6,503,578
1010003	Construction	1949	22,944	22,944	22.08	483,588
1010006	Construction	1960	273,627	273,627	12.79	3,225,313
1010007	Construction	2001	811,000	251,410	1.66	1,095,262
1010008	Construction	1998	333,743	123,485	1.78	470,202
1010009	Construction	2000	1,583,644	522,602	1.69	2,158,197
1010014	Construction	1950	2,067,694	2,067,694	20.66	40,659,749
1015003	Construction	1970	700,566	651,527	7.63	4,690,704
20070013	Construction	2007	14,334	2,580	1.32	16,367
2011-002	Construction	2010	784,208	92,798	1.20	845,768
2011-004	Construction	2010	1,715,688	194,445	1.20	1,858,948
2011-005	Construction	2011	32,944	3,294	1.16	34,956
2011-027	Construction	2011	10,646	1,136	1.16	11,225
2015-007	Construction	2015	5,498,366	155,787	1.05	5,614,888
2015-017	Construction	2015	1,428,399	40,471	1.05	1,458,670
2015-016	Land Improvements	2015	70,514	4,945	1.05	65,570
	Infrastructure					
2010-011	Collect & Distribute (Water/Sewer)	2009	178,240	18,052	1.23	200,971
2010-012	Collect & Distribute (Water/Sewer)	2009	22,669	2,296	1.23	25,560
20050053	Collect & Distribute (Water/Sewer)	2005	8,860	1,499	1.41	11,031
20050055	Collect & Distribute (Water/Sewer)	2005	15,000	2,538	1.41	18,676
20050057	Collect & Distribute (Water/Sewer)	2005	13,000	2,200	1.41	16,186
20040119	Infrastructure	2004	5,974	1,149	1.48	7,693
20040112	Collect & Distribute (Water/Sewer)	2004	22,000	4,231	1.48	28,332
20040135	Collect & Distribute (Water/Sewer)	2004	16,500	3,173	1.48	21,249
980702260015	Collect & Distribute (Water/Sewer)	1940	6,090	6,090	43.52	258,968
980702260016	Collect & Distribute (Water/Sewer)	1950	9,570	9,570	20.66	188,187
980702260017	Collect & Distribute (Water/Sewer)	1955	6,708	6,347	15.96	100,731
980702260018	Collect & Distribute (Water/Sewer)	1960	8,256	7,176	12.79	98,395
980702260019	Collect & Distribute (Water/Sewer)	1965	8,256	6,541	10.85	82,999
980702260020	Collect & Distribute (Water/Sewer)	1970	10,836	7,752	7.63	74,879
980702260021	Collect & Distribute (Water/Sewer)	1975	15,996	10,213	4.76	65,941
980702260022	Collect & Distribute (Water/Sewer)	1980	22,188	12,459	3.25	59,725
980702260023	Collect & Distribute (Water/Sewer)	1985	33,024	16,004	2.51	66,898
980702260024	Collect & Distribute (Water/Sewer)	1990	37,668	15,357	2.23	68,472
980702260025	Collect & Distribute (Water/Sewer)	1992	39,732	14,976	2.11	68,959
980702260026	Collect & Distribute (Water/Sewer)	1994	42,828	14,825	1.95	68,573
980702260027	Collect & Distribute (Water/Sewer)	1996	45,408	14,321	1.87	70,766
980702260028	Collect & Distribute (Water/Sewer)	1998	48,504	13,805	1.78	72,478
980702260029	Collect & Distribute (Water/Sewer)	2000	50,568	12,837	1.69	72,765
980702260030	Collect & Distribute (Water/Sewer)	2002	51,600	11,511	1.61	71,603
980702260031	Collect & Distribute (Water/Sewer)	1920	5,148	5,148	41.96	210,841
980702260032	Collect & Distribute (Water/Sewer)	1930	6,864	6,864	51.88	349,217
980702260033	Collect & Distribute (Water/Sewer)	1940	12,012	12,012	43.52	510,792
980702260034	Collect & Distribute (Water/Sewer)	1950	18,876	18,876	20.66	371,183
980702260035	Collect & Distribute (Water/Sewer)	1955	13,572	12,841	15.96	203,805
980702260036	Collect & Distribute (Water/Sewer)	1960	16,704	14,520	12.79	199,079
980702260037	Collect & Distribute (Water/Sewer)	1965	16,704	13,235	10.85	167,928
980702260038	Collect & Distribute (Water/Sewer)	1970	21,924	15,684	7.63	151,499
980702260039	Collect & Distribute (Water/Sewer)	1975	32,364	20,663	4.76	133,416
980702260040	Collect & Distribute (Water/Sewer)	1980	44,892	25,209	3.25	120,839
980702260041	Collect & Distribute (Water/Sewer)	1985	66,816	32,380	2.51	135,352
980702260042	Collect & Distribute (Water/Sewer)	1990	76,212	31,071	2.23	138,537
980702260043	Collect & Distribute (Water/Sewer)	1992	80,388	30,300	2.11	139,522
980702260044	Collect & Distribute (Water/Sewer)	1994	86,652	29,995	1.95	138,742
980702260045	Collect & Distribute (Water/Sewer)	1996	91,872	28,975	1.87	143,178
980702260046	Collect & Distribute (Water/Sewer)	1998	98,136	27,931	1.78	146,641
980702260047	Collect & Distribute (Water/Sewer)	2000	102,312	25,972	1.69	147,223
980702260048	Collect & Distribute (Water/Sewer)	2002	104,400	23,289	1.61	144,871
980702260049	Collect & Distribute (Water/Sewer)	1920	6,534	6,534	41.96	267,606
980702260050	Collect & Distribute (Water/Sewer)	1930	8,712	8,712	51.88	443,237
980702260051	Collect & Distribute (Water/Sewer)	1940	15,246	15,246	43.52	648,313
980702260052	Collect & Distribute (Water/Sewer)	1950	23,958	23,958	20.66	471,117
980702260053	Collect & Distribute (Water/Sewer)	1955	25,857	24,465	15.96	388,284
980702260054	Collect & Distribute (Water/Sewer)	1960	31,824	27,662	12.79	379,279
980702260055	Collect & Distribute (Water/Sewer)	1965	31,824	25,214	10.85	319,931
980702260056	Collect & Distribute (Water/Sewer)	1970	41,769	29,881	7.63	288,632
980702260057	Collect & Distribute (Water/Sewer)	1975	61,659	39,367	4.76	254,181

Calexico
Water Connection Fee Model
Fixed Assets by Valuation Method

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
980702260058	Collect & Distribute (Water/Sewer)	1980	85,527	48,027	3.25	230,218
980702260059	Collect & Distribute (Water/Sewer)	1985	79,680	38,614	2.51	161,411
980702260060	Collect & Distribute (Water/Sewer)	1990	145,197	59,196	2.23	263,936
980702260061	Collect & Distribute (Water/Sewer)	1992	153,153	57,727	2.11	265,813
980702260062	Collect & Distribute (Water/Sewer)	1994	103,335	35,770	1.95	165,453
980702260063	Collect & Distribute (Water/Sewer)	1996	175,032	55,202	1.87	272,778
980702260064	Collect & Distribute (Water/Sewer)	1998	186,966	53,213	1.78	279,376
980702260065	Collect & Distribute (Water/Sewer)	2000	122,010	30,972	1.69	175,567
980702260066	Collect & Distribute (Water/Sewer)	2002	198,900	44,370	1.61	276,004
980702260067	Collect & Distribute (Water/Sewer)	1960	9,136	7,941	12.79	108,883
980702260068	Collect & Distribute (Water/Sewer)	1965	9,136	7,239	10.85	91,846
980702260069	Collect & Distribute (Water/Sewer)	1970	11,991	8,578	7.63	82,860
980702260070	Collect & Distribute (Water/Sewer)	1975	17,701	11,301	4.76	72,970
980702260071	Collect & Distribute (Water/Sewer)	1980	24,553	13,787	3.25	66,091
980702260072	Collect & Distribute (Water/Sewer)	1985	36,544	17,710	2.51	74,029
980702260073	Collect & Distribute (Water/Sewer)	1990	41,683	16,994	2.23	75,771
980702260074	Collect & Distribute (Water/Sewer)	1992	43,967	16,572	2.11	76,309
980702260075	Collect & Distribute (Water/Sewer)	1994	47,393	16,405	1.95	75,883
980702260076	Collect & Distribute (Water/Sewer)	1996	50,248	15,848	1.87	78,309
980702260077	Collect & Distribute (Water/Sewer)	1998	53,674	15,276	1.78	80,203
980702260078	Collect & Distribute (Water/Sewer)	2000	55,958	14,205	1.69	80,521
980702260079	Collect & Distribute (Water/Sewer)	2002	57,100	12,738	1.61	79,235
980702260080	Collect & Distribute (Water/Sewer)	1920	10,212	10,212	41.96	418,242
980702260081	Collect & Distribute (Water/Sewer)	1930	13,616	13,616	51.88	692,735
980702260082	Collect & Distribute (Water/Sewer)	1940	23,828	23,828	43.52	1,013,249
980702260083	Collect & Distribute (Water/Sewer)	1950	37,444	37,444	20.66	736,310
980702260084	Collect & Distribute (Water/Sewer)	1955	54,717	51,771	15.96	821,663
980702260085	Collect & Distribute (Water/Sewer)	1960	67,344	58,537	12.79	802,607
980702260086	Collect & Distribute (Water/Sewer)	1965	67,344	53,357	10.85	677,019
980702260087	Collect & Distribute (Water/Sewer)	1970	88,389	62,232	7.63	611,786
980702260088	Collect & Distribute (Water/Sewer)	1975	130,479	83,306	4.76	537,882
980702260089	Collect & Distribute (Water/Sewer)	1980	180,987	101,631	3.25	487,174
980702260090	Collect & Distribute (Water/Sewer)	1985	269,376	130,544	2.51	545,686
980702260091	Collect & Distribute (Water/Sewer)	1990	307,257	125,266	2.23	558,526
980702260092	Collect & Distribute (Water/Sewer)	1992	324,093	122,158	2.11	562,497
980702260093	Collect & Distribute (Water/Sewer)	1994	349,347	120,928	1.95	559,352
980702260094	Collect & Distribute (Water/Sewer)	1996	370,392	116,816	1.87	577,237
980702260095	Collect & Distribute (Water/Sewer)	1998	395,646	112,607	1.78	591,198
980702260096	Collect & Distribute (Water/Sewer)	2000	412,482	104,707	1.69	593,545
980702260097	Collect & Distribute (Water/Sewer)	2002	420,900	93,893	1.61	584,062
980702260098	Collect & Distribute (Water/Sewer)	1990	84,826	34,583	2.23	154,195
980702260099	Collect & Distribute (Water/Sewer)	1992	89,474	33,725	2.11	155,291
980702260100	Collect & Distribute (Water/Sewer)	1994	96,446	33,385	1.95	154,423
980702260101	Collect & Distribute (Water/Sewer)	1996	102,256	32,250	1.87	159,361
980702260102	Collect & Distribute (Water/Sewer)	1998	109,228	31,088	1.78	163,215
980702260103	Collect & Distribute (Water/Sewer)	2000	113,876	28,907	1.69	163,863
980702260104	Collect & Distribute (Water/Sewer)	2002	116,200	25,922	1.61	161,245
980702260105	Collect & Distribute (Water/Sewer)	1994	56,537	19,508	1.95	90,586
980702260106	Collect & Distribute (Water/Sewer)	1996	59,752	18,845	1.87	93,120
980702260107	Collect & Distribute (Water/Sewer)	1998	63,826	18,166	1.78	95,373
980702260108	Collect & Distribute (Water/Sewer)	2000	66,542	16,891	1.69	95,751
980702260109	Collect & Distribute (Water/Sewer)	2002	67,900	15,147	1.61	94,221
980702260110	Collect & Distribute (Water/Sewer)	1994	575,356	199,162	1.95	921,223
980702260111	Collect & Distribute (Water/Sewer)	1996	310,376	97,888	1.87	483,705
980702260112	Collect & Distribute (Water/Sewer)	1998	651,608	185,458	1.78	973,672
980702260113	Collect & Distribute (Water/Sewer)	2000	679,336	172,447	1.69	977,537
980702260114	Collect & Distribute (Water/Sewer)	2002	693,200	154,637	1.61	961,920
2011-003	Collect & Distribute (Water/Sewer)	2011	227,538	18,086	1.16	246,102
	Equipment					
2009-036	Machinery & Tools	2009	300,000	143,333	1.23	156,667
2009-039	Machinery & Tools	2009	160,000	76,444	1.23	83,556
2009-041	Machinery & Tools	2008	320,000	163,556	1.27	156,444
2009-042	Machinery & Tools	2008	500,000	255,556	1.27	244,444
2009-043	Machinery & Tools	2008	200,000	102,222	1.27	97,778
2009-038	Utilities/Water/Sewer/Elec Equip	2009	1,451,346	346,710	1.23	1,104,636
2009-044	Utilities/Water/Sewer/Elec Equip	2008	367,700	93,968	1.27	273,732
4883	Computer Equipment	2004	7,430	7,430	1.48	0
4884	Licensed Vehicles	2006	13,962	13,962	1.36	0
4889	Licensed Vehicles	2006	13,962	13,962	1.36	0
458	Machinery & Tools	1999	5,882	5,882	1.74	0
489	Machinery & Tools	2001	5,000	5,000	1.66	0
519	Machinery & Tools	1999	29,409	29,409	1.74	0
520	Machinery & Tools	1999	29,409	29,409	1.74	0
521	Machinery & Tools	1999	7,352	7,352	1.74	0
522	Machinery & Tools	1999	7,352	7,352	1.74	0
523	Machinery & Tools	1999	7,352	7,352	1.74	0
524	Machinery & Tools	1999	7,352	7,352	1.74	0
525	Machinery & Tools	1999	7,352	7,352	1.74	0
741	Machinery & Tools	1990	100,787	100,787	2.23	0
742	Machinery & Tools	1985	9,758	9,758	2.51	0
973	Utilities/Water/Sewer/Elec Equip	2003	9,021	3,909	1.57	5,112
974	Utilities/Water/Sewer/Elec Equip	2003	6,435	2,699	1.57	3,736
978	Utilities/Water/Sewer/Elec Equip	2003	35,564	15,214	1.57	20,351
2061	Licensed Vehicles	2007	34,416	34,416	1.32	0
2062	Licensed Vehicles	2006	59,263	59,263	1.36	0
2063	Grounds & Maintenance Equipment	2007	5,388	3,262	1.32	2,125
2064	Licensed Vehicles	2007	33,510	33,510	1.32	0
2065	Grounds & Maintenance Equipment	2006	75,371	48,991	1.36	26,380
4886	Machinery & Tools	2006	26,598	17,880	1.36	8,718
4887	Machinery & Tools	2006	76,986	51,752	1.36	25,234

Calexico
Water Connection Fee Model
Fixed Assets by Valuation Method

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
1.50003E+11	Machinery & Tools	1985	6,970	6,970	2.51	0
1.50003E+11	Machinery & Tools	1985	6,970	6,970	2.51	0
1.50003E+11	Machinery & Tools	1985	6,970	6,970	2.51	0
1.50003E+11	Machinery & Tools	1985	6,970	6,970	2.51	0
2.30003E+11	Machinery & Tools	1980	15,885	15,885	3.25	0
2.30003E+11	Machinery & Tools	1980	15,885	15,885	3.25	0
2.30003E+11	Machinery & Tools	1999	5,269	5,269	1.74	0
2.30003E+11	Machinery & Tools	1999	5,269	5,269	1.74	0
2.30003E+11	Machinery & Tools	1999	5,269	5,269	1.74	0
2.30003E+11	Machinery & Tools	2001	7,000	7,000	1.66	0
2.30003E+11	Machinery & Tools	2001	5,000	5,000	1.66	0
2.30003E+11	Machinery & Tools	1998	9,139	9,139	1.78	0
2.30003E+11	Machinery & Tools	1998	9,139	9,139	1.78	0
2.30003E+11	Machinery & Tools	1998	9,139	9,139	1.78	0
2.30003E+11	Machinery & Tools	1998	9,139	9,139	1.78	0
2.30003E+11	Machinery & Tools	1999	8,333	8,333	1.74	0
2.30003E+11	Machinery & Tools	1999	9,313	9,313	1.74	0
2.30003E+11	Machinery & Tools	1999	8,333	8,333	1.74	0
004882A	Machinery & Tools	2006	10,763	7,474	1.36	3,289
004901A	Business Machines	2005	13,374	13,374	1.41	0
08-012	Furniture & Accessories	2007	19,670	8,442	1.32	11,228
08-013	Machinery & Tools	2007	5,924	3,522	1.32	2,403
08-014	Machinery & Tools	2007	9,698	5,711	1.32	3,987
08-015	Machinery & Tools	2007	7,866	4,545	1.32	3,321
08-018	Licensed Vehicles	2008	41,846	41,846	1.27	0
2009-004	Utilities/Water/Sewer/Elec Equip	2008	59,386	15,506	1.27	43,880
2009-005	Utilities/Water/Sewer/Elec Equip	2009	54,103	13,075	1.23	41,028
2009-006	Computer Equipment	2009	6,863	6,863	1.23	0
2010-013	Machinery & Tools	2010	49,829	20,209	1.20	29,621
2010-014	Utilities/Water/Sewer/Elec Equip	2010	154,626	31,355	1.20	123,271
2010-016	Licensed Vehicles	2010	40,308	31,910	1.20	8,397
2011-028	Machinery & Tools	2011	14,310	4,770	1.16	9,540
2012-15	Communications Equipment	2011	13,983	6,525	1.16	7,458
2014-101	Machinery & Tools	2014	8,384	1,351	1.07	7,034
2014-102	Machinery & Tools	2014	9,165	1,477	1.07	7,689
2014-103	Machinery & Tools	2014	7,679	1,109	1.07	6,570
2014-104	Machinery & Tools	2014	7,679	1,109	1.07	6,570
2014-105	Machinery & Tools	2014	7,679	1,109	1.07	6,570
2014-106	Machinery & Tools	2014	7,679	1,109	1.07	6,570
2014-107	Machinery & Tools	2014	7,679	1,109	1.07	6,570
2014-108	Machinery & Tools	2014	7,679	1,109	1.07	6,569
2014-109	Machinery & Tools	2014	46,976	6,524	1.07	40,452
2014-110	Machinery & Tools	2014	15,574	2,076	1.07	13,497
2014-111	Machinery & Tools	2014	15,574	2,076	1.07	13,497
2015-008	Audio/Visual Equipment	2014	13,763	2,408	1.07	11,354
2015-009	Machinery & Tools	2014	14,190	1,655	1.07	12,534
2015-010	Machinery & Tools	2014	14,190	1,655	1.07	12,534
2015-011	Machinery & Tools	2014	14,190	1,577	1.07	12,613
2015-012	Machinery & Tools	2014	14,698	1,633	1.07	13,065
2015-013	Machinery & Tools	2014	14,698	1,633	1.07	13,065
2015-058	Audio/Visual Equipment	2014	13,763	2,408	1.07	11,354
2015-059	Machinery & Tools	2014	14,190	1,655	1.07	12,534
2015-060	Machinery & Tools	2014	14,190	1,655	1.07	12,534
2015-061	Machinery & Tools	2014	14,190	1,577	1.07	12,613
2015-062	Machinery & Tools	2014	14,698	1,633	1.07	13,065
2015-063	Machinery & Tools	2014	14,698	1,633	1.07	13,065
2015-081	Machinery & Tools	2015	15,938	1,151	1.05	14,787
2015-082	Machinery & Tools	2015	15,953	1,152	1.05	14,801
2015-083	Machinery & Tools	2015	5,916	493	1.05	5,423
2015-084	Machinery & Tools	2015	5,916	394	1.05	5,521
2015-085	Machinery & Tools	2015	5,916	394	1.05	5,521
2015-086	Machinery & Tools	2015	18,925	1,367	1.05	17,558
2015-087	Computer Software	2015	25,000	5,000	1.05	20,000
2015-088	Grounds & Maintenance Equipment	2015	46,671	3,111	1.05	43,560
2015-090	Machinery & Tools	2014	21,485	2,507	1.07	18,978
2015-091	Machinery & Tools	2014	41,877	4,420	1.07	37,456
2015-092	Licensed Vehicles	2015	50,759	6,874	1.05	43,885
2015-094	Machinery & Tools	2015	18,821	1,882	1.05	16,939
2015-095	Machinery & Tools	2015	18,851	1,885	1.05	16,966
2015-096	Machinery & Tools	2015	107,978	8,398	1.05	99,580
2016-23	Equipment	2016	9,785	326	1.00	9,459
2016-24	Equipment	2016	8,428	281	1.00	8,147
2016-25	Equipment	2016	8,428	281	1.00	8,147
2016-26	Equipment	2016	8,428	281	1.00	8,147
2016-27	Equipment	2016	8,428	281	1.00	8,147
2016-28	Equipment	2016	7,717	257	1.00	7,459
2016-39	Equipment	2016	6,005,993	200,200	1.00	5,805,794
			$48,324,818	$12,822,851		$115,925,539

Calexico
Water Connection Fee Model
Summary of System Assets by Valuation Method

Item	Replacement Cost New Less Depreciation (RCNLD)
ASSETS	
Fixed Assets	$115,925,539
TOTAL ASSETS	115,925,539
Add: Debt (Growth)	0
Less: Debt (Non-Growth)	19,725,451
Net System Value	**$96,200,088**

Calexico
Water Connection Fee Model
Connection Fee Calculation - Buy-In

Description	Replacement Cost New Less Depreciation (RCNLD)
Fixed Assets	
Land	$180,000
Buildings	7,325,757
Improvements	69,952,938
Infrastructure	29,482,318
Equipment	8,984,526
Total Fixed Assets	115,925,539
Add: Debt (Growth)	0
Less: Debt (Non-Growth)	19,725,451
Total Assets	96,200,088
Number of EDU's	10,123
Proposed Capacity Fee per EDU	$9,503
Current Capacity Fee per EDU	$3,707
Change	$5,796

Peak Day Demand Capacity			9,100,000
Average Water Flows per person (gpd)	142		
Average Use per EDU (4 pph)		568	
Peak Demand (Max Day to Avg Day)		1.58	
Water Flows per EDU			899
Total EDUs			10,123

Calexico
Water Connection Fee Model
Connection Fee Calculation - Summary

Approach: Buy-In	Replacement Cost New Less Depreciation (RCNLD)
Calculated Fee	$9,503
Current Fee	3,707
Change	$5,796

Meter Size	Meter Capacity Ratio	
3/4"	1.00	$9,503
1"	1.67	15,870
1 1/2"	3.33	31,645
2"	5.33	50,650
3"	10.00	95,029
4"	16.67	158,413
6"	33.33	316,732
8"	53.33	506,789
10"	76.67	728,587

Appendix F

Calexico
Sewer Connection Fee Model
Fixed Assets by Valuation Method

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
	Land					
2010-018	Land	2010	$30,000	$0	1.20	$30,000
	Construction Work In Progress					
20070016	Construction in Progress	2007	652,926	0	1.32	863,051
2015-023	Construction in Progress	2015	572,449	0	1.05	572,449
2015-024	Construction in Progress	2015	59,621	0	1.05	59,621
20060007	Construction in Progress	2006	120,477	0	1.36	120,477
20070015	Construction in Progress	2007	351,597	0	1.32	351,597
2008-018	Construction in Progress	2008	120,021	0	1.27	120,021
2009-050	Construction in Progress	2009	83,507	0	1.23	83,507
2010-042	Construction in Progress	2010	95,006	0	1.20	95,006
	Improvements					
2009-051	Portable Structure/Construction	2008	331,593	106,110	1.27	225,483
2006002	Construction	2006	206,609	43,044	1.36	237,667
1007001	Construction	1950	34,608	24,608	20.66	690,517
1007002	Construction	1999	192,378	67,332	1.74	267,034
1007003	Construction	1985	86,922	54,761	2.51	163,444
1007004	Construction	1994	201,671	90,752	1.95	301,960
1007005	Portable Structure/Construction	1980	10,906	10,906	3.25	0
1007007	Construction	1970	420,198	390,785	7.63	2,813,476
1007008	Construction	1970	420,198	390,785	7.63	2,813,476
1007009	Construction	1990	2,425,111	1,285,309	2.23	4,111,711
1007010	Construction	1970	378,746	352,234	7.63	2,535,929
1007011	Construction	1970	378,746	352,234	7.63	2,535,929
1007013	Portable Structure/Construction	1967	12,716	12,716	9.81	111,967
1007014	Portable Structure/Construction	1970	14,555	14,555	7.63	96,438
1007015	Construction	1969	144,014	136,813	8.30	1,058,300
1007016	Construction	1969	144,014	136,813	8.30	1,058,300
1007017	Construction	1969	87,506	83,131	8.30	643,049
1007018	Construction	1990	289,364	153,363	2.23	490,609
1007019	Construction	1980	1,051,228	767,396	3.25	2,652,566
1007020	Construction	1980	149,651	109,245	3.25	377,615
1007021	Portable Structure/Construction	1967	36,504	36,504	9.81	321,430
1007022	Construction	1975	34,446	28,590	4.76	135,399
1007023	Portable Structure/Construction	1967	35,662	35,662	9.81	314,014
1007024	Portable Structure/Construction	1975	8,891	8,891	4.76	33,439
1007025	Portable Structure/Construction	1967	18,262	18,262	9.81	0
1007026	Construction	1967	356,782	353,214	9.81	3,145,157
1007027	Construction	1967	26,911	26,642	9.81	237,227
1007030	Construction	1997	212,364	82,822	1.81	301,108
1016001	Portable Structure/Construction	2001	110,900	68,758	1.66	115,392
1017001	Portable Structure/Construction	1980	47,082	47,082	3.25	106,090
1018001	Portable Structure/Construction	1996	101,677	83,375	1.87	107,150
1019001	Portable Structure/Construction	1996	101,677	83,375	1.87	107,150
1020001	Portable Structure/Construction	1995	100,670	86,576	1.92	107,200
1021001	Portable Structure/Construction	1995	100,670	86,576	1.92	107,200
1022001	Portable Structure/Construction	1997	104,625	81,608	1.81	107,543
124001	Portable Structure/Construction	1985	76,022	76,022	2.51	114,820
1025001	Portable Structure/Construction	1989	83,449	83,449	2.28	106,973
1026001	Portable Structure/Construction	1990	87,108	87,108	2.23	106,748
1027001	Portable Structure/Construction	1994	97,751	87,976	1.95	102,373
1029001	Portable Structure/Construction	1980	58,999	58,999	3.25	132,942
1031001	Portable Structure/Construction	1980	58,999	58,999	3.25	132,942
1032001	Portable Structure/Construction	2000	108,619	108,619	1.69	75,252
1033001	Portable Structure/Construction	1960	19,360	19,360	12.79	228,204
3180002	Construction	2002	19,037	5,457	1.61	25,206
20060004	Land Improvements	2006	37,312	18,811	1.36	18,501
20070018	Portable Structure/Construction	2007	223,000	80,280	1.32	214,486
150003190026	Land Improvements	1980	30,164	30,164	3.25	0
150003190027	Land Improvements	1980	6,973	6,973	3.25	0
150003190028	Land Improvements	1980	43,886	43,886	3.25	0
150003190029	Land Improvements	1980	31,357	31,357	3.25	0
2011-006	Construction	2010	89,511	10,443	1.20	96,687
2011-007	Construction	2010	89,511	10,443	1.20	96,687
2011-008	Construction	2010	174,060	20,597	1.20	187,724
2011-010	Construction	2010	125,567	15,068	1.20	135,215
2014-057	Construction	2013	353,845	18,282	1.10	372,031
	Equipment					
185	Machinery & Tools	1975	37,651	37,651	4.76	0
187	Machinery & Tools	1985	6,970	6,970	2.51	0
189	Machinery & Tools	1985	15,334	15,334	2.51	0
190	Machinery & Tools	1985	15,334	15,334	2.51	0
191	Machinery & Tools	1985	9,758	9,758	2.51	0
192	Machinery & Tools	1985	9,758	9,758	2.51	0
193	Machinery & Tools	1985	23,697	23,697	2.51	0
300	Machinery & Tools	1985	12,197	12,197	2.51	0
303	Science & Engineering Equipment	1985	5,470	5,470	2.51	0
308	Science & Engineering Equipment	1998	285,569	285,569	1.78	0
309	Machinery & Tools	1998	17,316	17,316	1.78	0
313	Machinery & Tools	1980	59,567	59,567	3.25	0
314	Machinery & Tools	1985	52,273	52,273	2.51	0
316	Machinery & Tools	1994	6,597	6,597	1.95	0
320	Machinery & Tools	1985	87,122	87,122	2.51	0
322	Machinery & Tools	1995	7,218	7,218	1.92	0
324	Machinery & Tools	1985	16,727	16,727	2.51	0
325	Machinery & Tools	1990	96,755	96,755	2.23	0
412	Grounds & Maintenance Equipment	2002	5,159	4,987	1.61	172
419	Machinery & Tools	1990	6,047	6,047	2.23	0
420	Grounds & Maintenance Equipment	2000	25,337	25,337	1.69	0
425	Machinery & Tools	1967	8,866	8,866	9.81	0
426	Machinery & Tools	1980	14,892	14,892	3.25	0
429	Machinery & Tools	1998	72,152	72,152	1.78	0
431	Machinery & Tools	1995	108,263	108,263	1.92	0
432	Machinery & Tools	1995	50,523	50,523	1.92	0
752	Machinery & Tools	2000	5,923	5,923	1.69	0
756	Machinery & Tools	1995	5,413	5,413	1.92	0
778	Machinery & Tools	1995	5,413	5,413	1.92	0
858	Utilities/Water/Sewer/Elec Equip	2004	5,175	2,099	1.48	3,076
2059	Licensed Vehicles	2007	34,416	34,416	1.32	0
2060	Licensed Vehicles	2006	59,263	59,263	1.36	0
4851	Machinery & Tools	2004	6,120	4,692	1.48	1,428
4853	Grounds & Maintenance Equipment	2004	63,418	13,388	1.48	50,030
4857	Licensed Vehicles	2006	5,720	5,720	1.36	0
10976	Licensed Vehicles	2003	14,431	14,431	1.57	0
20050010	Machinery & Tools	2005	47,000	34,728	1.41	12,272
20060003	Machinery & Tools	2006	605,130	420,229	1.36	184,901
98000391	Machinery & Tools	2003	8,227	7,176	1.57	1,051
150002270018	Machinery & Tools	1995	15,337	15,337	1.92	0
150002270038	Machinery & Tools	1990	16,126	16,126	2.23	0
150002270039	Machinery & Tools	1990	16,126	16,126	2.23	0
150002270040	Machinery & Tools	1990	16,126	16,126	2.23	0
150002270041	Machinery & Tools	1990	16,126	16,126	2.23	0
150002270042	Machinery & Tools	1990	16,126	16,126	2.23	0
150002270043	Machinery & Tools	1990	16,126	16,126	2.23	0

Calexico
Sewer Connection Fee Model
Fixed Assets by Valuation Method

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
150003130111	Licensed Vehicles	1994	14,000	14,000	1.95	0
150003130112	Licensed Vehicles	1997	14,000	14,000	1.81	0
150003130113	Licensed Vehicles	1999	20,000	20,000	1.74	0
150003130115	Licensed Vehicles	2002	20,000	20,000	1.61	0
150003130116	Licensed Vehicles	2003	47,000	47,000	1.57	0
150003130118	Licensed Vehicles	1987	8,000	8,000	2.39	0
150003130120	Licensed Vehicles	1999	19,000	19,000	1.74	0
150003103121	Licensed Vehicles	2000	18,000	18,000	1.69	0
150003130123	Licensed Vehicles	2001	13,333	13,333	1.66	0
230002270023	Machinery & Tools	1980	8,439	8,439	3.25	0
230002270024	Machinery & Tools	1980	8,439	8,439	3.25	0
230002270025	Machinery & Tools	1980	8,439	8,439	3.25	0
230002270028	Machinery & Tools	1980	8,439	8,439	3.25	0
230002270051	Machinery & Tools	1995	10,826	10,826	1.92	0
230002270052	Machinery & Tools	1995	10,826	10,826	1.92	0
230002270058	Machinery & Tools	2003	15,000	13,500	1.57	1,500
230002270059	Machinery & Tools	2003	15,000	13,500	1.57	1,500
230002270061	Machinery & Tools	1983	9,211	9,211	2.59	0
230002270062	Machinery & Tools	1983	9,211	9,211	2.59	0
230002270063	Machinery & Tools	1983	9,211	9,211	2.59	0
230002270064	Machinery & Tools	1983	9,211	9,211	2.59	0
230002270065	Machinery & Tools	1983	9,211	9,211	2.59	0
230002270066	Machinery & Tools	1983	9,211	9,211	2.59	0
230002270067	Machinery & Tools	1983	9,211	9,211	2.59	0
230002270068	Machinery & Tools	1983	9,211	9,211	2.59	0
230002270069	Machinery & Tools	1983	9,211	9,211	2.59	0
230002270070	Machinery & Tools	1983	9,211	9,211	2.59	0
230002270071	Machinery & Tools	1983	9,211	9,211	2.59	0
230002270072	Machinery & Tools	1983	9,211	9,211	2.59	0
230002270083	Machinery & Tools	1980	8,439	8,439	3.25	0
230002270084	Machinery & Tools	1980	8,439	8,439	3.25	0
980702270029	Machinery & Tools	1996	12,582	12,582	1.87	0
980702270033	Machinery & Tools	1980	6,949	6,949	3.25	0
980702270034	Machinery & Tools	1980	6,949	6,949	3.25	0
980702270035	Machinery & Tools	1980	6,949	6,949	3.25	0
980702270045	Machinery & Tools	1988	6,322	6,322	2.33	0
9.80702E+11	Machinery & Tools	2003	5,400	4,860	1.57	540
9.80702E+11	Machinery & Tools	1990	6,047	6,047		0
041852A	Kitchen/Appliance/Custodial Equip	2006	5,544	3,727	1.36	1,817
08-019	Utilities/Water/Sewer/Elec Equip	2008	12,559	3,524	1.27	9,036
08-020	Utilities/Water/Sewer/Elec Equip	2008	6,625	1,822	1.27	4,803
08-021	Utilities/Water/Sewer/Elec Equip	2008	8,027	2,208	1.27	5,820
08-024	Licensed Vehicles	2008	22,874	22,874	1.27	0
2009-008	Machinery & Tools	2008	37,853	19,978	1.27	17,875
2009-009	Machinery & Tools	2008	13,132	6,858	1.27	6,274
2009-010	Machinery & Tools	2008	59,386	31,013	1.27	28,373
2009-011	Machinery & Tools	2009	7,267	3,512	1.23	3,755
2009-012	Machinery & Tools	2009	9,401	4,544	1.23	4,857
2009-013	Machinery & Tools	2009	17,700	8,260	1.23	9,440
2009-014	Machinery & Tools	2009	30,104	14,049	1.23	16,056
2010-019	Licensed Vehicles	2009	12,318	10,393	1.23	1,925
2010-020	Utilities/Water/Sewer/Elec Equip	2010	32,939	7,045	1.20	25,894
2010-021	Utilities/Water/Sewer/Elec Equip	2010	32,939	7,045	1.20	25,894
2010-022	Licensed Vehicles	2010	40,308	31,910	1.20	8,397
2010-023	Licensed Vehicles	2010	40,308	31,910	1.20	8,397
2012-16	Machinery & Tools	2011	21,921	6,576	1.16	15,344
2012-17	Machinery & Tools	2011	21,921	6,576	1.16	15,344
2013-018	Machinery & Tools	2013	19,540	4,234	1.10	15,306
2014-058	Machinery & Tools	2014	56,914	8,853	1.07	48,060
2014-063	Machinery & Tools	2013	7,704	1,327	1.10	6,377
2014-064	Machinery & Tools	2013	7,704	1,327	1.10	6,377
2014-065	Machinery & Tools	2013	10,028	1,727	1.10	8,301
2014-066	Machinery & Tools	2013	10,028	1,727	1.10	8,301
2014-067	Machinery & Tools	2013	7,704	1,370	1.10	6,334
2014-068	Machinery & Tools	2013	7,704	1,370	1.10	6,334
2014-069	Machinery & Tools	2013	14,376	2,556	1.10	11,820
2014-070	Audio/Visual Equipment	2013	6,628	1,823	1.10	4,805
2015-089	Grounds & Maintenance Equipment	2015	46,671	3,111	1.05	43,560
2015-093	Licensed Vehicles	2015	50,759	6,345	1.05	44,414
2015-097	Licensed Vehicles	2015	419,260	61,142	1.05	358,118
2015-098	Machinery & Tools	2015	70,700	6,499	1.05	64,201
2015-099	Machinery & Tools	2015	24,952	1,802	1.05	23,150
2015-100	Machinery & Tools	2015	12,807	925	1.05	11,882
2015-101	Machinery & Tools	2015	5,475	395	1.05	5,080
2015-102	Machinery & Tools	2015	5,475	395	1.05	5,080
2015-103	Machinery & Tools	2014	10,588	1,353	1.07	9,235
2015-104	Machinery & Tools	2015	19,014	1,268	1.05	17,746
2015-105	Machinery & Tools	2015	19,014	1,268	1.05	17,746
2015-106	Machinery & Tools	2014	22,717	2,903	1.07	19,814
2015-107	Machinery & Tools	2014	18,461	2,256	1.07	16,204
	New	2017	15,995	533	1.00	15,462
	New	2017	15,995	533	1.00	15,462
	New	2017	15,995	533	1.00	15,462
	New	2017	72,246	2,408	1.00	69,838
	Infrastructure					
9.80703E+11	Collect & Distribute (Water/Sewer)	1980	6,278	3,525	3.25	16,899
9.80703E+11	Collect & Distribute (Water/Sewer)	1985	9,344	4,528	2.51	18,929
9.80703E+11	Collect & Distribute (Water/Sewer)	1990	10,658	4,345	2.23	19,374
9.80703E+11	Collect & Distribute (Water/Sewer)	1992	11,242	4,237	2.11	19,512
9.80703E+11	Collect & Distribute (Water/Sewer)	1994	12,118	4,195	1.95	19,403
9.80703E+11	Collect & Distribute (Water/Sewer)	1996	12,848	4,052	1.87	20,023
9.80703E+11	Collect & Distribute (Water/Sewer)	1998	13,724	3,906	1.78	20,507
9.80703E+11	Collect & Distribute (Water/Sewer)	2000	14,308	3,632	1.69	20,589
9.80703E+11	Collect & Distribute (Water/Sewer)	2002	14,600	3,257	1.61	20,260
9.80703E+11	Collect & Distribute (Water/Sewer)	1920	6,333	6,333	41.96	259,374
9.80703E+11	Collect & Distribute (Water/Sewer)	1930	8,444	8,444	51.88	429,602
9.80703E+11	Collect & Distribute (Water/Sewer)	1940	14,777	14,777	43.52	628,369
9.80703E+11	Collect & Distribute (Water/Sewer)	1950	23,221	23,221	20.66	456,625
9.80703E+11	Collect & Distribute (Water/Sewer)	1955	15,704	14,858	15.96	235,820
9.80703E+11	Collect & Distribute (Water/Sewer)	1960	19,328	16,800	12.79	230,351
9.80703E+11	Collect & Distribute (Water/Sewer)	1965	19,328	15,314	10.85	194,307
9.80703E+11	Collect & Distribute (Water/Sewer)	1970	25,368	18,148	7.63	175,298
9.80703E+11	Collect & Distribute (Water/Sewer)	1975	37,448	23,909	4.76	154,374
9.80703E+11	Collect & Distribute (Water/Sewer)	1980	51,944	29,169	3.25	139,821
9.80703E+11	Collect & Distribute (Water/Sewer)	1985	77,312	37,467	2.51	156,614
9.80703E+11	Collect & Distribute (Water/Sewer)	1990	88,184	35,952	2.23	160,299
9.80703E+11	Collect & Distribute (Water/Sewer)	1992	93,016	35,060	2.11	161,439
9.80703E+11	Collect & Distribute (Water/Sewer)	1994	100,264	34,707	1.95	160,536
9.80703E+11	Collect & Distribute (Water/Sewer)	1996	106,304	33,527	1.87	165,669
9.80703E+11	Collect & Distribute (Water/Sewer)	1998	113,522	32,319	1.78	169,623
9.80703E+11	Collect & Distribute (Water/Sewer)	2000	118,384	30,051	1.69	170,350
9.80703E+11	Collect & Distribute (Water/Sewer)	2002	120,800	26,948	1.61	167,628
9.80703E+11	Collect & Distribute (Water/Sewer)	1970	5,187	3,710	7.63	35,844
9.80703E+11	Collect & Distribute (Water/Sewer)	1975	7,657	4,889	4.76	31,565
9.80703E+11	Collect & Distribute (Water/Sewer)	1980	5,117	2,873	3.25	13,774
9.80703E+11	Collect & Distribute (Water/Sewer)	1985	7,616	3,691	2.51	15,428

Calexico
Sewer Connection Fee Model
Fixed Assets by Valuation Method

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
9.80703E+11	Collect & Distribute (Water/Sewer)	1990	8,687	3,542	2.23	15,791
9.80703E+11	Collect & Distribute (Water/Sewer)	1992	9,163	3,451	2.11	15,903
9.80703E+11	Collect & Distribute (Water/Sewer)	1994	9,877	3,419	1.95	15,814
9.80703E+11	Collect & Distribute (Water/Sewer)	1996	10,472	3,303	1.87	16,320
9.80703E+11	Collect & Distribute (Water/Sewer)	1998	11,186	3,184	1.78	16,715
9.80703E+11	Collect & Distribute (Water/Sewer)	2000	11,662	2,960	1.69	16,781
9.80703E+11	Collect & Distribute (Water/Sewer)	2002	11,900	2,655	1.61	16,513
9.80703E+11	Collect & Distribute (Water/Sewer)	1940	6,188	6,188	43.52	263,135
9.80703E+11	Collect & Distribute (Water/Sewer)	1950	9,724	9,724	20.66	191,216
9.80703E+11	Collect & Distribute (Water/Sewer)	1955	11,492	10,873	15.96	172,571
9.80703E+11	Collect & Distribute (Water/Sewer)	1960	14,144	12,294	12.79	168,568
9.80703E+11	Collect & Distribute (Water/Sewer)	1965	14,144	11,206	10.85	142,192
9.80703E+11	Collect & Distribute (Water/Sewer)	1970	18,564	13,280	7.63	128,281
9.80703E+11	Collect & Distribute (Water/Sewer)	1975	27,404	17,496	4.76	112,969
9.80703E+11	Collect & Distribute (Water/Sewer)	1980	21,586	12,121	3.25	58,104
9.80703E+11	Collect & Distribute (Water/Sewer)	1985	32,128	15,570	2.51	65,083
9.80703E+11	Collect & Distribute (Water/Sewer)	1990	36,646	14,940	2.23	66,614
9.80703E+11	Collect & Distribute (Water/Sewer)	1992	38,654	14,570	2.11	67,088
9.80703E+11	Collect & Distribute (Water/Sewer)	1994	41,666	14,423	1.95	66,713
9.80703E+11	Collect & Distribute (Water/Sewer)	1996	44,176	13,932	1.87	68,846
9.80703E+11	Collect & Distribute (Water/Sewer)	1998	47,188	13,430	1.78	70,511
9.80703E+11	Collect & Distribute (Water/Sewer)	2000	49,196	12,488	1.69	70,791
9.80703E+11	Collect & Distribute (Water/Sewer)	2002	50,200	11,198	1.61	69,660
9.80703E+11	Collect & Distribute (Water/Sewer)	1960	5,152	4,478	12.79	61,402
9.80703E+11	Collect & Distribute (Water/Sewer)	1965	5,152	4,082	10.85	51,794
9.80703E+11	Collect & Distribute (Water/Sewer)	1970	6,762	4,837	7.63	46,727
9.80703E+11	Collect & Distribute (Water/Sewer)	1975	9,982	6,373	4.76	41,149
9.80703E+11	Collect & Distribute (Water/Sewer)	1980	8,722	4,926	3.25	23,450
9.80703E+11	Collect & Distribute (Water/Sewer)	1985	13,056	6,327	2.51	26,448
9.80703E+11	Collect & Distribute (Water/Sewer)	1990	14,892	6,071	2.23	27,070
9.80703E+11	Collect & Distribute (Water/Sewer)	1992	15,708	5,921	2.11	27,263
9.80703E+11	Collect & Distribute (Water/Sewer)	1994	16,932	5,861	1.95	27,110
9.80703E+11	Collect & Distribute (Water/Sewer)	1996	17,952	5,662	1.87	27,977
9.80703E+11	Collect & Distribute (Water/Sewer)	1998	19,176	5,458	1.78	27,654
9.80703E+11	Collect & Distribute (Water/Sewer)	2000	19,992	5,075	1.69	28,768
9.80703E+11	Collect & Distribute (Water/Sewer)	2002	20,400	4,551	1.61	28,308
9.80703E+11	Collect & Distribute (Water/Sewer)	1960	5,300	4,659	12.79	63,881
9.80703E+11	Collect & Distribute (Water/Sewer)	1965	5,300	4,247	10.85	53,885
9.80703E+11	Collect & Distribute (Water/Sewer)	1970	7,035	5,033	7.63	48,613
9.80703E+11	Collect & Distribute (Water/Sewer)	1975	10,385	6,630	4.76	42,811
9.80703E+11	Collect & Distribute (Water/Sewer)	1980	8,342	4,684	3.25	22,455
9.80703E+11	Collect & Distribute (Water/Sewer)	1985	12,416	6,017	2.51	25,152
9.80703E+11	Collect & Distribute (Water/Sewer)	1990	14,162	5,774	2.23	25,743
9.80703E+11	Collect & Distribute (Water/Sewer)	1992	14,938	5,631	2.11	25,926
9.80703E+11	Collect & Distribute (Water/Sewer)	1994	16,102	5,574	1.95	25,782
9.80703E+11	Collect & Distribute (Water/Sewer)	1996	17,072	5,384	1.87	26,606
9.80703E+11	Collect & Distribute (Water/Sewer)	1998	18,236	5,190	1.78	27,249
9.80703E+11	Collect & Distribute (Water/Sewer)	2000	19,012	4,826	1.69	27,358
9.80703E+11	Collect & Distribute (Water/Sewer)	2002	19,400	4,328	1.61	26,920
9.80703E+11	Collect & Distribute (Water/Sewer)	1955	5,278	4,994	15.96	79,258
9.80703E+11	Collect & Distribute (Water/Sewer)	1960	6,496	5,647	12.79	77,419
9.80703E+11	Collect & Distribute (Water/Sewer)	1965	6,496	5,147	10.85	65,305
9.80703E+11	Collect & Distribute (Water/Sewer)	1970	8,526	6,099	7.63	58,916
9.80703E+11	Collect & Distribute (Water/Sewer)	1975	12,586	8,036	4.76	51,884
9.80703E+11	Collect & Distribute (Water/Sewer)	1980	9,632	5,409	3.25	25,927
9.80703E+11	Collect & Distribute (Water/Sewer)	1985	14,336	6,947	2.51	29,041
9.80703E+11	Collect & Distribute (Water/Sewer)	1990	16,352	6,667	2.23	29,724
9.8078E+12	Collect & Distribute (Water/Sewer)	1992	17,248	6,501	2.11	29,936
9.80703E+11	Collect & Distribute (Water/Sewer)	1994	18,592	6,436	1.95	29,768
9.80703E+11	Collect & Distribute (Water/Sewer)	1996	19,712	6,217	1.87	30,720
9.80703E+11	Collect & Distribute (Water/Sewer)	1998	21,056	5,993	1.78	31,463
9.80703E+11	Collect & Distribute (Water/Sewer)	2000	21,952	5,572	1.69	31,588
9.80703E+11	Collect & Distribute (Water/Sewer)	2002	22,400	4,997	1.61	31,083
9.80703E+11	Collect & Distribute (Water/Sewer)	1990	81,531	34,464	2.23	153,664
9.80703E+11	Collect & Distribute (Water/Sewer)	1992	89,156	33,609	2.11	154,736
9.80703E+11	Collect & Distribute (Water/Sewer)	1994	96,114	33,270	1.95	153,891
9.80703E+11	Collect & Distribute (Water/Sewer)	1996	101,904	32,139	1.87	158,812
9.80703E+11	Collect & Distribute (Water/Sewer)	1998	108,852	30,981	1.78	162,653
9.80703E+11	Collect & Distribute (Water/Sewer)	2000	113,484	28,808	1.69	163,299
9.80703E+11	Collect & Distribute (Water/Sewer)	2002	115,800	25,832	1.61	160,690
9.80703E+11	Collect & Distribute (Water/Sewer)	1990	62,123	25,327	2.23	112,926
9.80703E+11	Collect & Distribute (Water/Sewer)	1992	65,527	24,699	2.11	113,729
9.80703E+11	Collect & Distribute (Water/Sewer)	1994	70,633	24,450	1.95	113,093
9.80703E+11	Collect & Distribute (Water/Sewer)	1996	74,888	23,618	1.87	116,709
9.80703E+11	Collect & Distribute (Water/Sewer)	1998	79,994	22,768	1.78	119,532
9.80703E+11	Collect & Distribute (Water/Sewer)	2000	83,398	21,170	1.69	120,006
9.80703E+11	Collect & Distribute (Water/Sewer)	2002	85,100	18,984	1.61	118,089
9.80703E+11	Collect & Distribute (Water/Sewer)	1990	77,453	31,577	2.23	140,793
9.80703E+11	Collect & Distribute (Water/Sewer)	1992	81,697	30,794	2.11	141,793
9.80703E+11	Collect & Distribute (Water/Sewer)	1994	88,063	30,483	1.95	141,001
9.80703E+11	Collect & Distribute (Water/Sewer)	1996	93,368	29,447	1.87	145,509
9.80703E+11	Collect & Distribute (Water/Sewer)	1998	997,354	28,386	1.78	1,745,782
9.80703E+11	Collect & Distribute (Water/Sewer)	2000	103,978	26,394	1.69	149,620
9.80703E+11	Collect & Distribute (Water/Sewer)	2002	106,100	23,668	1.61	147,230
2011-009	Collect & Distribute (Water/Sewer)	2010	376,026	34,710	1.20	415,331
2011-011	Collect & Distribute (Water/Sewer)	2010	220,079	18,904	1.20	244,494
2012-23	Collect & Distribute (Water/Sewer)	2012	126,383	8,426	1.13	134,562
2013-010	Collect & Distribute (Water/Sewer)	2012	10,842	667	1.13	11,600
2013-011	Collect & Distribute (Water/Sewer)	2012	10,842	667	1.13	11,600
2013-012	Collect & Distribute (Water/Sewer)	2012	42,047	2,372	1.13	45,199
2013-013	Collect & Distribute (Water/Sewer)	2012	42,047	2,372	1.13	45,199
2013-014	Collect & Distribute (Water/Sewer)	2012	42,047	2,372	1.13	45,199
2013-015	Collect & Distribute (Water/Sewer)	2013	28,526	1,426	1.10	30,040
2013-016	Collect & Distribute (Water/Sewer)	2013	38,426	1,823	1.10	40,563
2013-017	Collect & Distribute (Water/Sewer)	2013	114,632	5,585	1.10	120,861
2014-059	Collect & Distribute (Water/Sewer)	2013	17,630	746	1.10	18,702
2014-060	Collect & Distribute (Water/Sewer)	2013	13,355	565	1.10	14,167
2014-061	Collect & Distribute (Water/Sewer)	2013	36,400	1,400	1.10	38,751
2014-062	Collect & Distribute (Water/Sewer)	2013	16,805	619	1.10	17,918
			$22,341,607	$10,742,977		$47,855,425

Calexico
Sewer Connection Fee Model
Summary of System Assets by Valuation Method

Item	Replacement Cost New Less Depreciation (RCNLD)
ASSETS	
Fixed Assets	$47,855,425
TOTAL ASSETS	47,855,425
Add: Debt (Growth)	0
Less: Debt (Non-Growth)	0
Net System Value	**$47,855,425**

Calexico
Sewer Connection Fee Model
Connection Fee Calculation - Buy-In

Description	Replacement Cost New Less Depreciation (RCNLD)
Fixed Assets	
Land	$30,000
Construction Work In Progress	2,265,729
Improvements	30,577,790
Equipment	1,340,244
Infrastructure	13,641,663
Total Fixed Assets	47,855,425
Add: Debt (Growth)	0
Less: Debt (Non-Growth)	0
Total Assets	47,855,425
Number of EDU's	4,981
Proposed Capacity Fee per EDU	$9,608
Current Capacity Fee per EDU	$2,884
Change	$6,724

Peak Day Demand Capacity			4,300,000
Average Flows per person (gpd)	142		
Average Use per EDU (4 pph)		568	
Peak Demand (Max Day to Avg Day)		1.52	
Flows per EDU			863
Total EDUs			4,981

Calexico
Sewer Connection Fee Model
Connection Fee Calculation - Summary

Approach: Buy-In	Replacement Cost New Less Depreciation (RCNLD)
Calculated Fee	$9,608
Current Fee	2,884

Change	$6,724

Meter Size	Meter Capacity Ratio	
3/4"	1.00	$9,608
1"	1.67	16,046
1 1/2"	3.33	31,996
2"	5.33	51,213
3"	10.00	96,085
4"	16.67	160,173
6"	33.33	320,251
8"	53.33	512,420
10"	76.67	736,682

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WATER AND SEWER PROPOSED RATES

PROPUESTA DE TARIFAS DE AGUA Y ALCANTARILLADO SANITARIO

Why do we need to change the rates?

- The current rates are unfair.
  - ✓ Users should be charged for what they use
  - ✓ Those who use less than 30 units of water (22,441 gallons) per month are paying for those who use the full 30 units because they currently pay the same $100.94.
- Up to 25% of residential customers currently use 10 units of water or less and will pay LESS or the same with the new rates.

¿Por que se necesita cambiar las tarifas?

- Las tarifas actuales no son justas.
  - ✓ A los usuarios se les debe cobrar por lo que usan
  - ✓ Aquellos que usan menos de 30 unidades de agua (22,441 galones) al mes están pagando por los que usan el total de los 30 unidades, porque ellos actualmente pagan lo mismo $100.94.
- Hasta el 25% de los clientes residenciales usan actualmente 10 unidades del agua o menos y pagan menos o lo mismo con las nuevas tarifas.

Current Water Rate Comparison

30 Units = **$43.89**

5 Units = **$43.89**

Why do we need to change the rates?

- City's costs go up every year 2% to 3%
  - ✓ Electricity, Pumps, materials, supplies, etc.
- Rates have not been increased in nine years
  - ✓ City can only charge rates that cover the costs
- Current rates do not encourage conservation.

¿Por que necesitamos cambiar la tarifas?

- El costo a la cuidad, sube cada año del 2% a 3%
  - ✓ Electricidad, bombas, materiales, suministros, etc.
- Las tarifas no han aumentado en nueve años
  - ✓ La cuidad solo puede cobrar tarifas que cubran los gastos
- Las tarifas actuales no promueven la conservación.

Why do we need to change the rates?

- Infrastructure is old and needs to be replaced to make sure the City continues to provide healthy and safe water to your homes and businesses
  - ✓ Water pipes and pumps
  - ✓ Water treatment plant needs improvements
  - ✓ The sewer treatment plant (2007)
  - ✓ Sewer pump stations are falling apart
  - ✓ Sewer manholes and pipes are collapsing

¿Por que necesitamos cambiar las tarifas?

- La infraestructura es vieja y necesita ser reemplazada para asegurar que la cuidad continúe proveyendo agua sana y segura a tu hogar y negocios
  - ✓ Tuberías de agua y bombas de agua
  - ✓ El tratamiento de agua necesita mejoras
  - ✓ La planta de tratamiento de agua sanitarias (2007)
  - ✓ Las estaciones de bombeo de agua sanitarias están despedazándose
  - ✓ Tuberías y pozos de alcantarillado sanitario están colapsándose

Needed Water Improvements
(5 year plan)

TTHM and Chlorine Analyzers	$128,000
Change from Chlorine Gas to Liquid Chlorine	$400,000
Filter Control Replacement System	$1,700,000
New Clarifier and Filter System	$5,200,000
Raw Water Reservoir Improvements	$1,100,000
Storage Tank Baffle Repairs	$120,000
Urban Water Management Study	$50,000
Eastside Storage Tank THM Project	$500,000
Water Pipeline Replacements	$8,250,000

Total: $17,448,000

Needed Sewer Improvements
(5 Year Plan)

Emergency Generator Replacement	$1,000,000
UV Disinfection System	$450,000
Laboratory Equipment Replacement	$100,000
Compactor/Bar Screen/Grit Chamber	$1,200,000
Lift Station No. 1	$1,700,000
Wastewater Treatment Plant Improvements	$25,800,000
Lift Station #9 and #11 Rehabilitation	$1,950,000
Sewer Manhole/Collection System Rehab	$5,400,000
Wastewater Collection System Master Plan	$185,000
CCTV Inside of Sewer Collection System	$150,000

Total: $37,935,000

QUESTIONS

What can the City do to keep rates as low as possible?

- Stay efficient as possible

What will happen if the rates do not change?

- Needed improvements will not be made
- Lower water users will keep paying the same as the larger water users
- There will not be enough money to run the systems

What could happen if rates do not change?

- Rates could increase substantially more within 2 years – costs for improvements increase

¿PREGUNTAS?

¿Que puede hacer la ciudad para tener las tarifas lo mas bajas posibles?

- Mantenerse lo mas eficiente posible

¿Que pasa si las tarifas no cambian?

- Mejoras necesarias no se harán
- Usuarios de bajo consumo pagaran lo mismo que los usuarios de alto uso
- No habrá suficiente dinero para manejar el sistema

¿Que puede pasar si las tarifas no cambien?

- Las tarifas pueden subir substancialmente dentro de 2 anos por aumento en las mejoras

30 Unit Comparison

Golden State Water Company charges the citizens of Calipatria and Niland (30 total units):

Fixed Charge (1" meter comparable to Calexico):	$38.50
Plus $3.85 per HCF (unit) up to 13 units:	$50.05
Next 8 units at $4.428:	$35.42
Next 9 units at $5.092:	$45.83
Total bill for 30 units of water use:	**$169.80 for Water Only**

Calexico Proposal (Year 1):

Fixed Charge:	$17.24
Plus $1.99 per HCF (unit) x 30units:	$59.70
Total bill for 30 units of water use:	**$76.94 for Water Only**

Questions

How can you compare Calexico to other Cities' rates?

- All Cities are required to treat water and wastewater to the same strict California standards.

How do you determine what rates should be charged?

- A professional outside engineering firm studies the system and prepares a report
- Rates must be reasonable and based on cost of service

How do the residents protest the proposed rates?

- 50% (approx. 4,250) or more of the property owners (approx. 8,500) must file a written objection

¿Preguntas?

¿Como comparar las tarifas de Calexico con otras ciudades?

- Todas las ciudades son requeridas a tratar el agua y alcantarillado como marcan las leyes de California.

¿Como se determina cuales tarifas serán cobradas?

- Una firma externa profesional de ingeniería estudia el sistema y prepara el reporte.
- Las tarifas deben de ser razonables y basadas en costos de servicio.

¿Como los residentes deben de protestar por las tarifas?

- 50% (approx. 4,250) o mas de los dueños de la propiedad (approx. 8,500) deben de protestar por escrito.

Sample Water and Sewer Monthly Bills

EJEMPLOS DE RECIBOS DE AGUA Y ALCANTARILLADO SANITARIO POR MES

Real Calexico Water, Sewer and Trash Bill Examples

Senior Citizen – average usage 2.5 units

June 2018 total bill:	**$100.94**
Proposed total bill:	**$86.41**
Savings:	**-$14.53**

Senior Apartment Complex

June 2018 total bill:	**$1,942.59**
Proposed total bill:	**$1,330.15**
Savings:	**-$612.44**

Real World Water, Sewer and Trash Bill Examples

Resident 1 – usage 42.13 units

June 2018 total bill:	**$127.87**
Proposed total bill:	**$160.48**
Difference:	**+$32.61**

Resident 2 – usage 21.2 units

June 2018 total bill:	**$100.94**
Proposed total bill:	**$123.63**
Difference:	**+$22.69**

Real World Water, Sewer and Trash Bill Examples

Resident 3 – usage 16.4 units

June 2018 total bill:	**$100.94**
Proposed total bill:	**$114.07**
Savings:	+**$13.13**

Commercial Center – usage 50.88 units

June 2018 total bill:	**$695.76**
Proposed total bill:	**$507.68**
Savings:	-**$188.08**

Sample Water, Sewer and Trash Monthly bills – Year 1

3 Units (3,740 gallons or 3 HCF) – $87.41

10 Units (7,480 gallons or 10 HCF) - $101.34

15 Units (11,221 gallons or 15 HCF) - $111.29

20 Units (14,961 gallons or 20 HCF) - $121.24

25 Units (18,701 gallons or 25 HCF) - $131.19

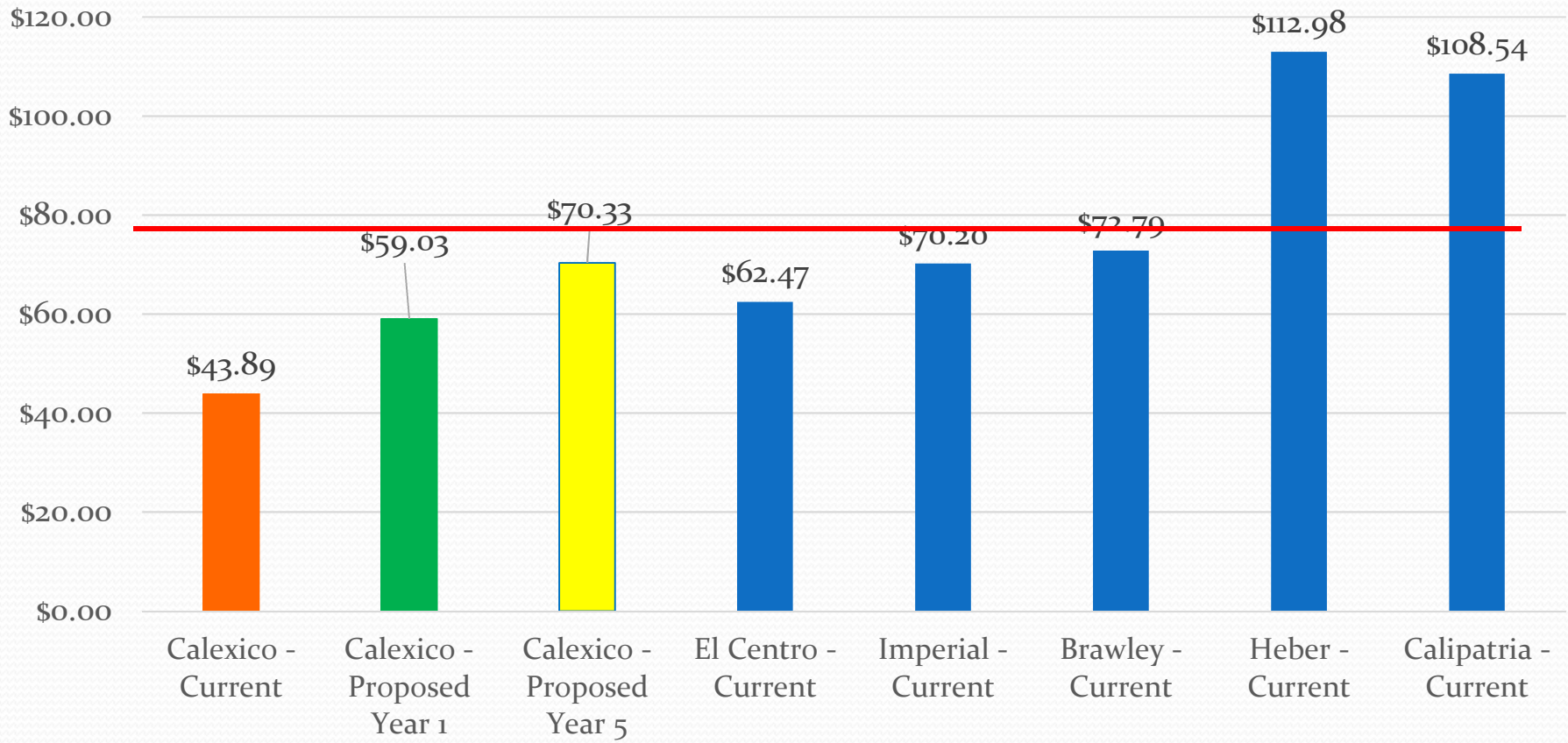
30 Units (22,442 gallons or 30 HCF) - $141.14

Calexico Water Accounts Usage – June 2018

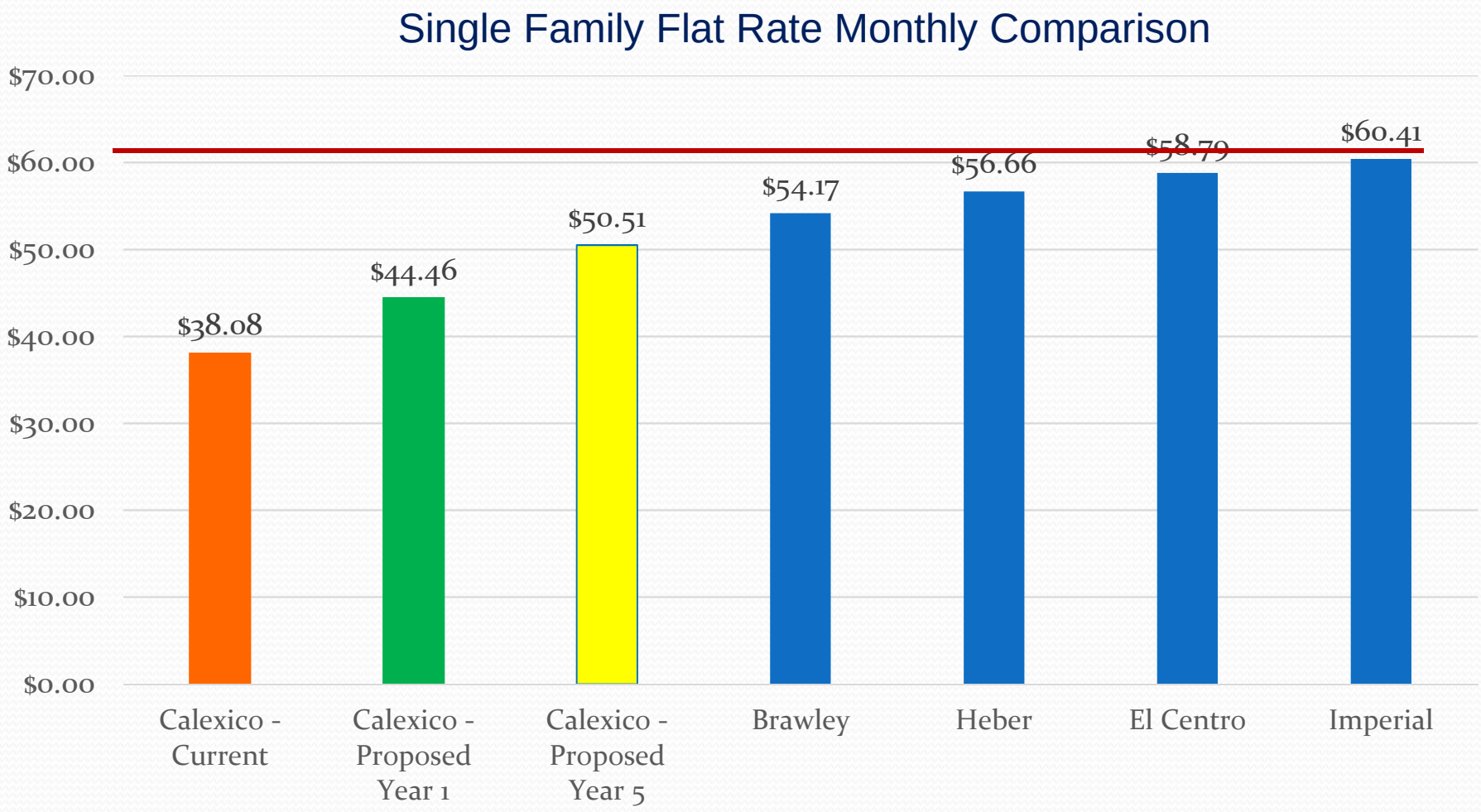
1,833 Accounts	0 to 10.9 units	25%
1,354 Accounts	11 to 15.9 units	18%
1,441 Accounts	16 to 20.9 units	20%
1,143 Accounts	21 to 25.9 units	16%
721 Accounts	26 to 30.9 units	10%
833 Accounts	over 31 units	11%

Comparison to Neighbors
Water average water use

Single Family Monthly Comparison ¾-inch meter, 21 HCF (15,709 gallons)



Comparison to Neighbors Sewer



Conservation

- The City will be providing training materials in the coming months to assist customers on how to conserve water.

- Conservation goals will become mandatory.

- Governor Brown signed 2 bills into law May 31, 2018 establishing an indoor per person water use goal of 55 gallons per day, with these new standards and oversight required to be in place by 2022.

Conservación

- La Ciudad va a tener materiales en los próximos meses para asistir al cliente en como conservar el agua.
- La conservación va hacer obligatoria.
- El Gobernador Brown firmo 2 proyectos de ley en Mayo 31, 2018 estableciendo que por persona el uso de agua será de 55 galones al día, con estos nuevos reglamentos y requisitos serán obligatorios para el año 2022.

Questions & Discussion

PREGUNTAS Y DISCUSIÓN