BOARD PACKAGE

October 11, 2023

Regular Board Meeting – 5:00 p.m.

Phelan Piñon Hills CSD
Established 2008

A. 4176 Warbler Road
P.O. Box 294049
Phelan, CA 92329
P. (760) 868-1212
F. (760) 868-2323
W. www.pphcsd.org

REGULAR BOARD MEETING AGENDA
October 11, 2023 – 5:00 p.m.
Phelan Community Center
4128 Warbler Road, Phelan, CA 92371
& Via Conference Call (see below)

REGULAR BOARD MEETING – 5:00 P.M.

Call to Order – Pledge of Allegiance

Roll Call

1) **Approval of Agenda**

2) **Public Comment** – Under this item, any member of the public wishing to directly address the Board on any item of interest that may or may not be within the subject matter jurisdiction of the Board, but not listed on the agenda, may do so at this time. However, the Board is prohibited by law from taking any action on any item not appearing on the agenda unless the action is otherwise authorized by the Brown Act. Any member of the public wishing to directly address the Board on any item listed on the agenda may do so when the item is being considered by the Board. Speakers are requested to be brief in their remarks. The Chair may limit each speaker to a comment period of five (5) minutes.
   a) **General Public**
   b) **Community Reports**
      - C.E.R.T.
      - County Supervisor
      - Federal Representatives
      - Fire
      - Mojave Water Agency
      - School District
      - Sheriff
      - State Representatives

3) **Consent Items**
   a) Approval of Minutes
   b) Approval of Board Stipends/Reimbursements

4) **Matters Removed from Consent Items**

5) **Presentations/Appointments**
   - Water Rate Study Report
     By: Habib Isaac, IB Consulting, Inc.

6) **Continued/New Agenda Items**
   a) Public Hearing on Proposed Water Rates
      1. Secretary's Report
      2. Attorney's Report on Action Taken Prior to this Hearing
      3. Staff's Report
      4. Public Comments, Protests, and Objections

Mission Statement:

The Mission of the Phelan Piñon Hills Community Services District is to efficiently provide authorized services and maximize resources for the benefit of the community.

Authorized Services:

- *Water*
- *Parks & Recreation*
- *Street Lighting*
- *Solid Waste & Recycling*

a. Any person may address the Board on the Proposed Water Rates
b. Staff responses to comments, protests, and objections

b) Discussion & Possible Adoption of Resolution No. 2023-27; Determining There Was No Majority Protest of the Proposed Water Rate Increases and Adopting a Water Rate Schedule and Superceding Existing Rates

c) Update on Solid Waste Program Implementation

d) Update on the Proposed Civic Center & Phelan Park Expansion Projects

7) **Committee Reports/Comments**
a) Engineering Committee (Standing)
b) Finance Committee (Standing)
c) Legislative Committee (Standing)
d) Parks, Recreation & Street Lighting Committee (Standing)
e) Waste & Recycling Committee (Standing)

8) **Staff and General Manager's Report**

9) **Reports**
a) Director's Report
b) President's Report

10) **Correspondence/Information**

11) **Review of Action Items**
a) Prior Meeting Action Items
b) Current Meeting Action Items

12) **Set Agenda for Next Meeting**
- Regular Board Meeting – October 25, 2023

13) **Recess to Closed Session**
CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: 17900 Sheep Creek Road, El Mirage, California (APN 0457-161-83 & 0457-161-83)
District Negotiator: Donald J. Bartz, General Manager; Steven M. Kennedy, General Counsel
Negotiating Party: Circle Green, Inc.
Under Negotiation: Price & Terms of Purchase

14) **Return to Open Session** – Announcement of Reportable Action

15) **Adjournment**

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above-agendized public meeting should be directed to the District's General Manager at (760) 868-1212 at least 24 hours prior to said meeting.

Agenda materials can be viewed online at www.pphcsd.org

Remote Viewing:
To watch the livestream (view only – nonparticipating), visit our YouTube channel:

PPHCSD YouTube Channel Link

Remote Participation:
To provide public comment, or otherwise participate remotely, select the meeting you wish to attend on the District's website and then click the "Join Remote Meeting" option.

https://www.pphcsd.org/meetings

Please be advised that remote participation and livestreaming options are provided as a courtesy to the public and technical issues could occur, resulting in delays or the inability to participate remotely or livestream. It is recommended that you attend in person to ensure you are able to participate.

Written Comments:
You may also email your public comment to the Board Secretary at ksevy@pphcsd.org by the meeting start time listed on this agenda. Your comment will be added to the record by the Board Secretary.

Please check the District website for updates on this meeting. We encourage you to sign up for our email notifications by emailing ksevy@pphcsd.org or by visiting our website and completing the signup form at www.pphcsd.org under the "Agendas and Minutes" tab.

Agenda Item 3a

Approval of Board Minutes

Phelan Piñon Hills CSD
Established 2008

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REGULAR BOARD MEETING MINUTES
September 27, 2023
Phelan Community Center
4128 Warbler Road, Phelan, CA 92371
& Remotely Via Zoom or Conference Call

Board Members Present:	Rebecca Kujawa, President Mark Roberts, Vice President Chuck Hays, Director Deborah Philips, Director Greg Snyder, Director
Board Members Absent:	None
Staff Present:	Lori Lowrance, Assistant General Manager/CFO George Cardenas, Engineering Manager Kim Sevy, HR & Solid Waste Manager/District Clerk Sean Wright, Water Operations Manager Chris Cummings, Assistant Water Operations Manager Jennifer Oakes, Executive Management Analyst
District Counsel:	Steve Kennedy, General Counsel

REGULAR BOARD MEETING – 5:00 P.M.

Call to Order
President Kujawa called the meeting to order at 5:00 p.m. and the Pledge of Allegiance was conducted.

Roll Call
All Directors were present at roll call.

1) **Approval of Agenda**
Ms. Sevy requested to remove the Closed Session. Director Philips moved to approve the Agenda as amended. Director Snyder seconded the motion. Motion carried 5-0.

2) **Public Comment**
   a) **General Public**
      - A member of the public commented on storm damage repair on Del Rosa Rd. and future garbage truck related damage to roads.
   b) **Community Reports** – None

3) **Consent Items**
Vice President Roberts moved to approve the consent items. Director Philips seconded the motion. Motion carried 5-0.

4) **Matters Removed from Consent Items** – None

5) **Presentations/Appointments** – None

6) **Continued/New Agenda Items**

a) **Presentation, Discussion, & Possible Action Regarding Draft Water Rate Study Report**
Staff Recommendation: None

Mr. Isaac, from IB Consulting, provided a presentation of the draft Water Rate Study Report and answered questions from the Board and public.

No action taken; not an action item.

b) **Update on Solid Waste Program Implementation**
Staff Recommendation: None

Ms. Sevy provided a presentation. Note: The presentation is available at www.PPHCSD.org.

No action taken; not an action item.

c) **Update on the Proposed Civic Center & Phelan Park Expansion**
Staff Recommendation: None

Mr. Cardenas provided information on this item.

No action taken; not an action item.

7) **Committee Reports/Comments**
a) **Engineering Committee (Standing)** – Met and reviewed projects and the water system.
b) **Finance Committee (Standing)** – Has not met since last Board meeting.
c) **Legislative Committee (Standing)** – Has not met since last Board meeting.
d) **Parks, Recreation & Street Lighting Committee (Standing)** – Has not met.
e) **Waste & Recycling Committee (Standing)** – Reviewed the cost of service proposal for a rate study.

8) **Staff and General Manager's Report**
A revised management report was handed out. Note: The report is on the District's website at www.PPHCSD.org. Mr. Cardenas provided an update on the Phelan Road repair in Sheep Creek Wash.

9) **Reports**
   a) **Director's Report**
   Philips – Attended ASBCSD where the topic was outreach.
   Roberts – Nothing to report.
   Hays – Nothing to report.
   Snyder – Nothing to report.

   b) **President's Report** – Also attended ASBCSD.

10) **Correspondence/Information** – The items in the packet were noted.

11) **Review of Action Items**
   a) **Prior Meeting Action Items** – Fuel Storage options will be brought to a future Board meeting after proposals are finalized.
   b) **Current Meeting Action Items** – Contact MWA about providing a presentation on rampdown and the adjudication at a future meeting.

12) **Set Agenda for Next Meeting**
   - Regular Board Meeting – October 11, 2023, 5:00 p.m.

13) **Adjournment**
   With no further business before the Board, the meeting was adjourned at 6:14 p.m.

Agenda materials can be viewed online at www.pphcsd.org

_____ _____
Rebecca Kujawa, President of the Board Date

_____ _____
Kim Sevy, HR & Solid Waste Manager/District Clerk Date

Agenda Item 3b

Approval of Board Stipends/Reimbursements

Phelan Piñon Hills Community Services District

BOARD STIPEND & EXPENSE VOUCHER/REPORT

2023

AB1234 Compliant

**MAXIMUM PAID @ $120 PER MEETING DAY AND LIMITED TO 10 MEETINGS PER MONTH*

Name: Chuck Hays

Date: September 28, 2023

Report of items paid for with District Credit Card***

				Reimbursed @ 0.625	REIMBURSEMENT REQUESTED				CREDIT CARD EXPENSES		
Date of mtg. or event	A	Expense Description / Business Purpose	*Meeting ($120 or N/C)	Miles	Mileage**	Meals	Lodging	Other	Meals	Lodging	Other
08/27/23		CSDA Conference	120.00	348.00	227.94						
08/28/23		CSDA Conference	120.00		-						
08/29/23		CSDA Conference	120.00		-						
08/30/23		CSDA Conference	120.00		-						
08/31/23		CSDA Conference	120.00	348.00	227.94						
09/13/23		Regular Board Meeting	120.00	11.20	7.34						
09/20/23		Solid Waste Committee Meeting	120.00	11.20	7.34						
09/27/23		Regular Board Meeting	120.00	11.20	7.34						
					-						
					-						
					-						
					-						
					-						
					-						
					-						
					-						
					-						
		Totals	960.00	729.60	477.89	-	-	-	-	-	-

A: Board Approved? (section 2.4)

I certify the expenses listed above are related to my authorized travel according to the Phelan Piñon Hills Community Services District Policies.

Board member's signature below

Charles Hays

Signature

Totals:

Acct #				Date
	Meetings	960.00	Payroll	
	Mileage	477.89	Board Mtg	
	Meals	-		
	Lodging	-		
	Other	-		
	Grand Total	**1,437.89**		

Meals	-
Lodging	-
Other	-
	-

**Mileage is automatically calculated based on the number of miles entered.

***Credit card receipts must be turned in to the office within 24 hours of the charge or return to the District.

Phelan Piñon Hills Community Services District

Board Stipend & Mileage Report - 2023

Name:	Rebecca Kujawa
Current Date:	September 28, 2023
Reimbursement Month:	September

Meeting No. 1:	
Date of Meeting/Event:	Monday, September 11, 2023
Expense Description/Business Purpose:	ASBCSD Board Meeting
Charge Amount:	$120
Mileage (Distance):	0
Meeting No. 2:	
Date of Meeting/Event (2):	Wednesday, September 13, 2023
Expense Description/Business Purpose (2):	Board Meeting
Charge Amount (2):	$120
Mileage (Distance) (2):	0
Meeting No. 3:	
Date of Meeting/Event (3):	Monday, September 18, 2023
Expense Description/Business Purpose (3):	ASBCSD Dinner
Charge Amount (3):	$120
Mileage (Distance) (3):	34.8
Meeting No. 4:	
Date of Meeting/Event (4):	Wednesday, September 20, 2023
Expense Description/Business Purpose (4):	Engineering Committee Meeting
Charge Amount (4):	$120
Mileage (Distance) (4):	0
Meeting No. 5:	
Date of Meeting/Event (5):	Wednesday, September 27, 2023
Expense Description/Business Purpose (5):	Board Meeting
Charge Amount (5):	$120
Mileage (Distance) (5):	0
Meeting No. 6:	
Date of Meeting/Event (6):	
Expense Description/Business Purpose (6):	
Charge Amount (6):	
Mileage (Distance) (6):	
Meeting No. 7:	
Date of Meeting/Event (7):	
Expense Description/Business Purpose (7):	
Charge Amount (7):	
Mileage (Distance) (7):	
Meeting No. 8:	
Date of Meeting/Event (8):	
Expense Description/Business Purpose (8):	
Charge Amount (8):	
Mileage (Distance) (8):	
Meeting No. 9:	
Date of Meeting/Event (9):	
Expense Description/Business Purpose (9):	
Charge Amount (9):	
Mileage (Distance) (9):	
Meeting No. 10:	
Date of Meeting/Event (10):	
Expense Description/Business Purpose (10):	
Charge Amount (10):	
Mileage (Distance) (10):	

Other Expenses:

List any meals, lodging, or other expenses you are requesting reimbursement for. Be sure to email or turn in your receipts within 24 hours of charges or return to the District.:

Certification:

I certify the expenses listed above are related to my authorized travel according to District polices.:

Rebecca Kujawa

Reimbursement Summary:	
TOTAL MILEAGE:	34.80
TOTAL REIMBURSED MILEAGE REQUESTED:	$22.79
TOTAL MEETINGS:	5
TOTAL MEETING REIMBURSEMENT REQUESTED:	$600.00
OTHER EXPENSES REQUESTED:	$0.00
Grand Total Reimbursement Requested:	**$622.79**

Phelan Piñon Hills Community Services District

Board Stipend & Mileage Report - 2023

Name:	Deborah Philips
Current Date:	September 28th 2023
Reimbursement Month:	September

Meeting No. 1:	
Date of Meeting/Event:	Tuesday, September 12, 2023
Expense Description/Business Purpose:	Legislative Committee
Charge Amount:	$120
Mileage (Distance):	10
Meeting No. 2:	
Date of Meeting/Event (2):	Wednesday, September 13, 2023
Expense Description/Business Purpose (2):	Board Meeting
Charge Amount (2):	$120
Mileage (Distance) (2):	10
Meeting No. 3:	
Date of Meeting/Event (3):	Thursday, September 14, 2023
Expense Description/Business Purpose (3):	Meeting with GM
Charge Amount (3):	$120
Mileage (Distance) (3):	10
Meeting No. 4:	
Date of Meeting/Event (4):	Monday, September 18, 2023
Expense Description/Business Purpose (4):	ASBCSD
Charge Amount (4):	$120
Mileage (Distance) (4):	54
Meeting No. 5:	
Date of Meeting/Event (5):	Wednesday, September 20, 2023
Expense Description/Business Purpose (5):	Solid Waste and Recycling Committee
Charge Amount (5):	$120
Mileage (Distance) (5):	10
Meeting No. 6:	
Date of Meeting/Event (6):	Tuesday, September 26, 2023
Expense Description/Business Purpose (6):	Mojave Water Agency Wonders of Water
Charge Amount (6):	$120
Mileage (Distance) (6):	54
Meeting No. 7:	
Date of Meeting/Event (7):	Wednesday, September 27, 2023
Expense Description/Business Purpose (7):	Board Meeting
Charge Amount (7):	$120
Mileage (Distance) (7):	10
Meeting No. 8:	
Date of Meeting/Event (8):	
Expense Description/Business Purpose (8):	
Charge Amount (8):	
Mileage (Distance) (8):	
Meeting No. 9:	
Date of Meeting/Event (9):	
Expense Description/Business Purpose (9):	
Charge Amount (9):	
Mileage (Distance) (9):	
Meeting No. 10:	
Date of Meeting/Event (10):	
Expense Description/Business Purpose (10):	
Charge Amount (10):	
Mileage (Distance) (10):	

Other Expenses:

List any meals, lodging, or other expenses you are requesting reimbursement for. Be sure to email or turn in your receipts within 24 hours of charges or return to the District.:

Certification:

I certify the expenses listed above are related to my authorized travel according to District polices.:

Deborah Philips

Reimbursement Summary:

TOTAL MILEAGE:	158.00
TOTAL REIMBURSED MILEAGE REQUESTED:	$103.49
TOTAL MEETINGS:	7
TOTAL MEETING REIMBURSEMENT REQUESTED:	$840.00
OTHER EXPENSES REQUESTED:	$0.00
Grand Total Reimbursement Requested:	**$943.49**

Agenda Item 4

Matters Removed from Consent Items

Agenda Item 5

Presentations/Appointments

- Water Rate Study Report

  By: Habib Isaac, IB Consulting, Inc.

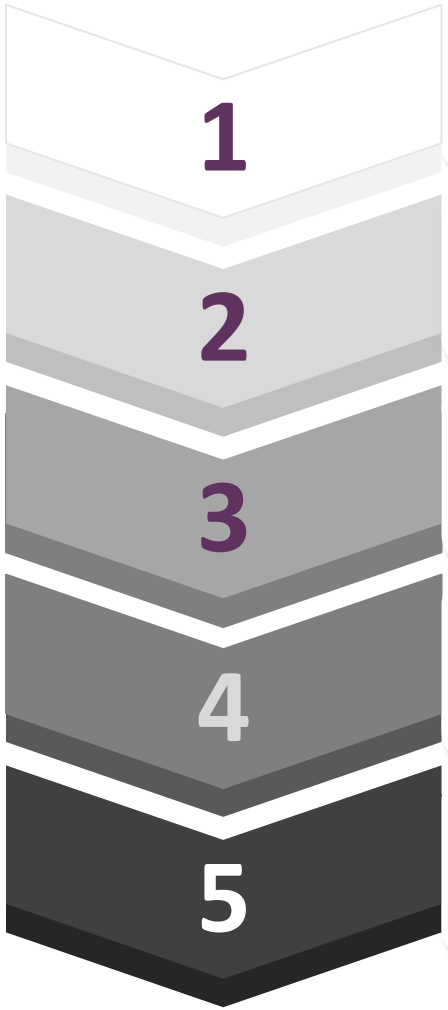
Phelan Piñon Hills Community Services District

Public Hearing

October 11, 2023

Financial Plan Workshop

Agenda



1. **Existing Rates**
2. **Current Financial Position**
3. **Proposed Financial Plan**
4. **Cost-of-Service Analysis**
5. **Proposed rates**

Existing Rates

Fixed Charges and Variable Rates

Existing Rates

Monthly Fixed Charges and Variable Rates

Fixed Charges ($/Month)	
Meter Size	Existing
Base Fixed Charge	
≤3/4"	$25.63
1"	$38.77
1 1/2"	$71.64
2"	$111.08
3"	$235.96
4"	$420.01
6"	$860.41
8"	$1,846.37
Chromium-6 Surcharge	
All Meters	$9.71

Variable Rates ($/HCF)	
Customer Class	Existing
Residential	
Tier 1	$3.08
Tier 2	$3.51
Tier 3	$8.47
Commercial	$4.11
Institutional	$4.46

Current Financial Position

Long-Term Financial Plan

Current Financial Position – Operating

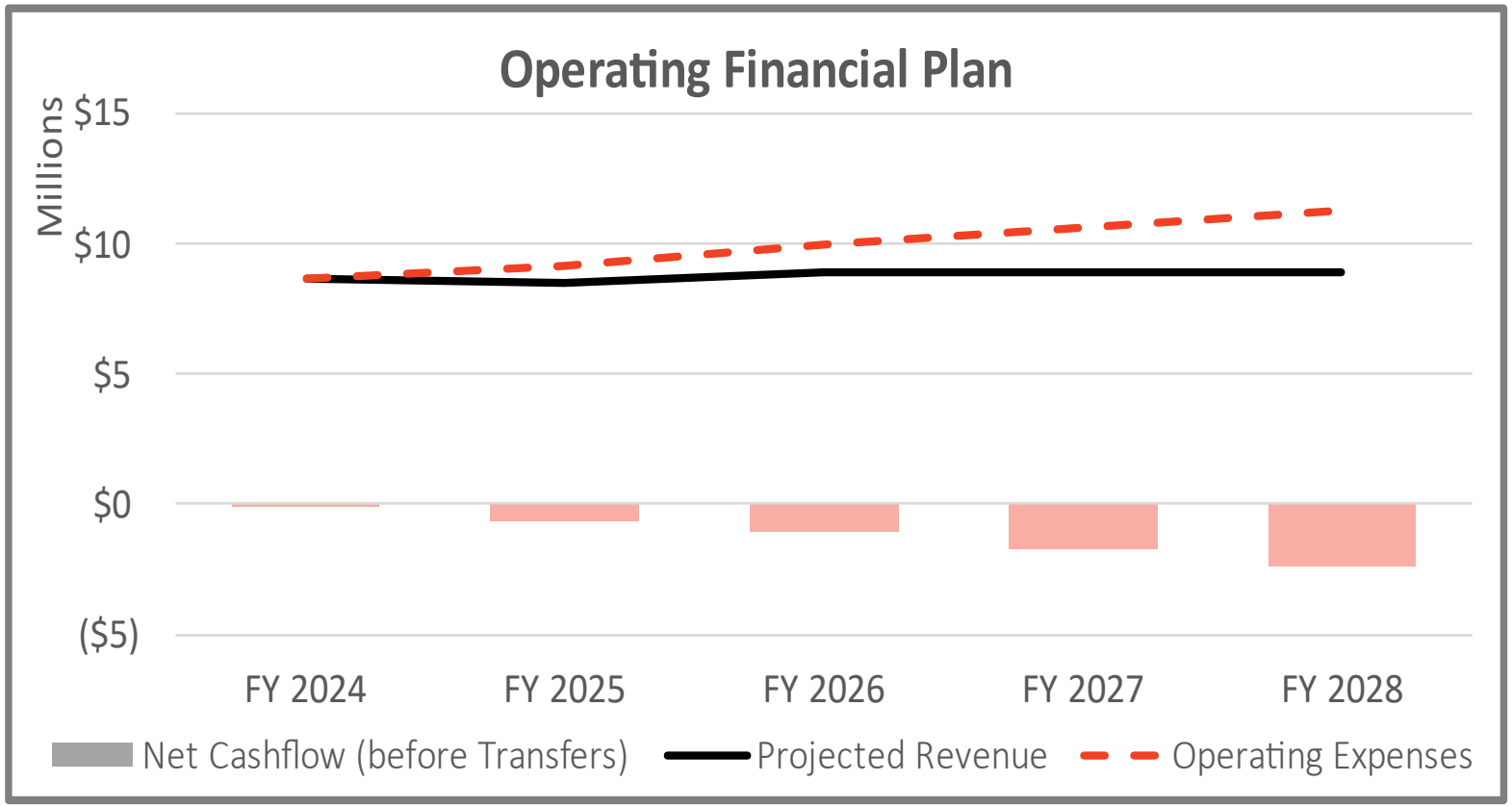
Water Enterprise

Financial Plan Metrics

- Generate Positive Net Income
- Comply with Debt Covenants
- Sufficiently Fund Capital Needs
- Meet Reserve Targets

Additional Comments

- Includes rate adjustments for FY 2024 through FY 2026
- Includes $6M debt proceeds for Civic Center
- CIP = $18.6M through FY 2028



Current Financial Position – Capital

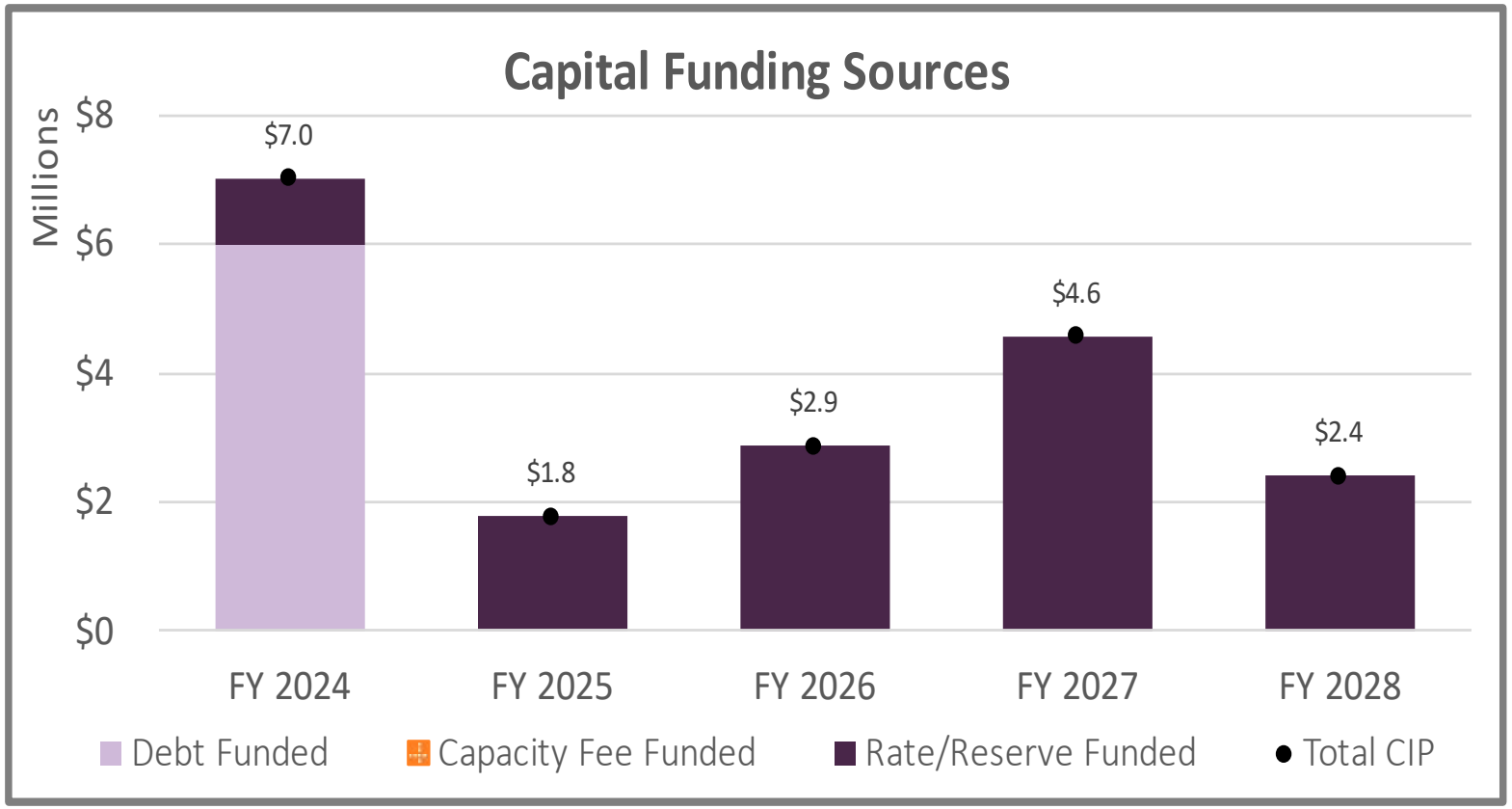
Water Enterprise

Financial Plan Metrics

- Generate Positive Net Income
- Comply with Debt Covenants
- Sufficiently Fund Capital Needs
- Meet Reserve Targets

Additional Comments

- Includes rate adjustments for FY 2024 through FY 2026
- Includes $6M debt proceeds for Civic Center
- CIP = $18.6M through FY 2028



Current Financial Position – Reserves

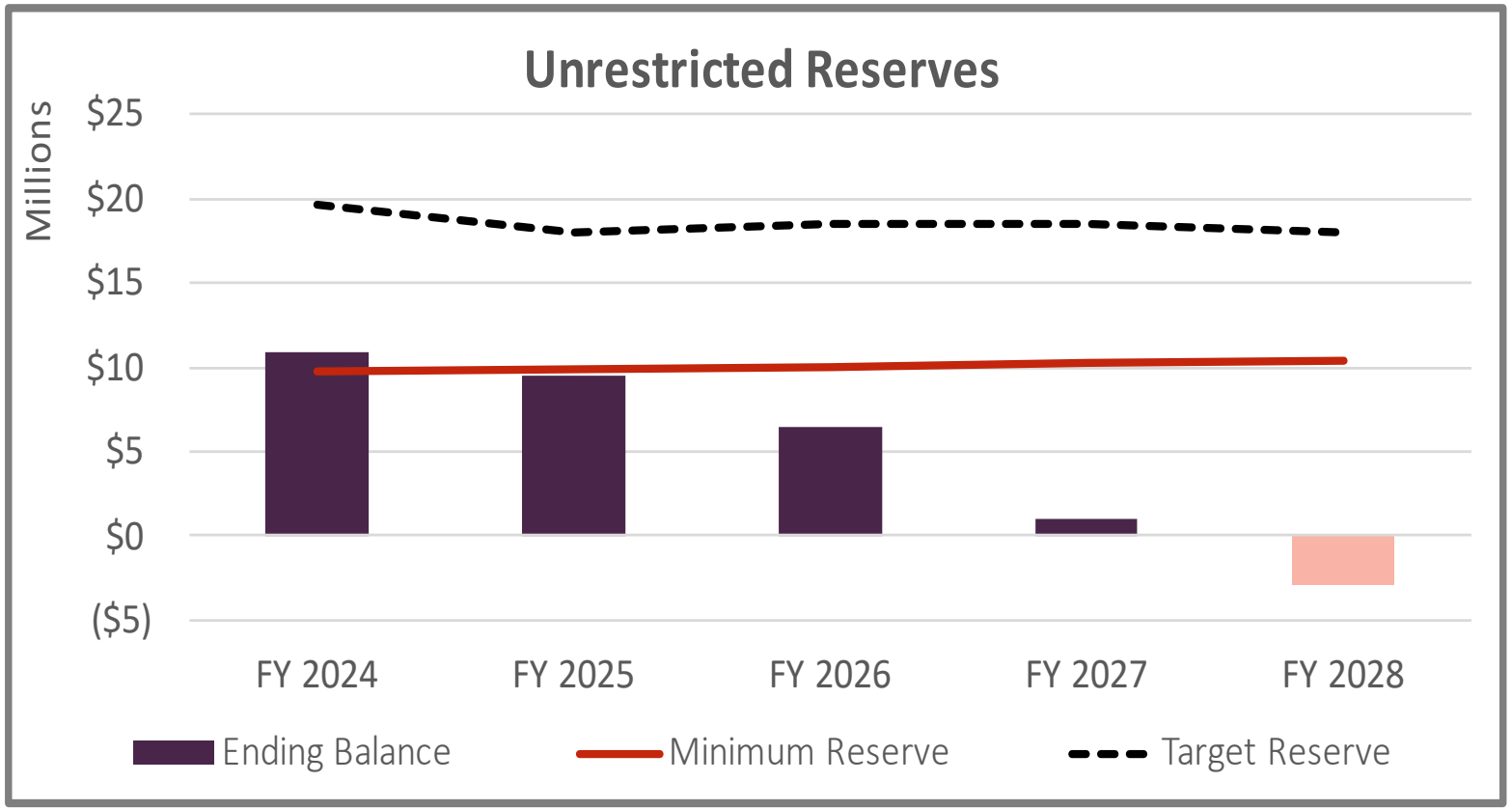
Water Enterprise

Financial Plan Metrics

- Generate Positive Net Income
- Comply with Debt Covenants
- Sufficiently Fund Capital Needs
- Meet Reserve Targets

Additional Comments

- Includes rate adjustments for FY 2024 through FY 2026
- Includes $6M debt proceeds for Civic Center
- CIP = $18.6M through FY 2028



Current Financial Position

Previously noticed rates

Results From Review

- Outlook reflects operating deficit beginning in FY 2025
- Not meeting debt coverage
- Capital spending reduced, but still requires the use of reserves
- No longer meeting the minimum reserve targets by FY 2025

Proposed Financial Plan

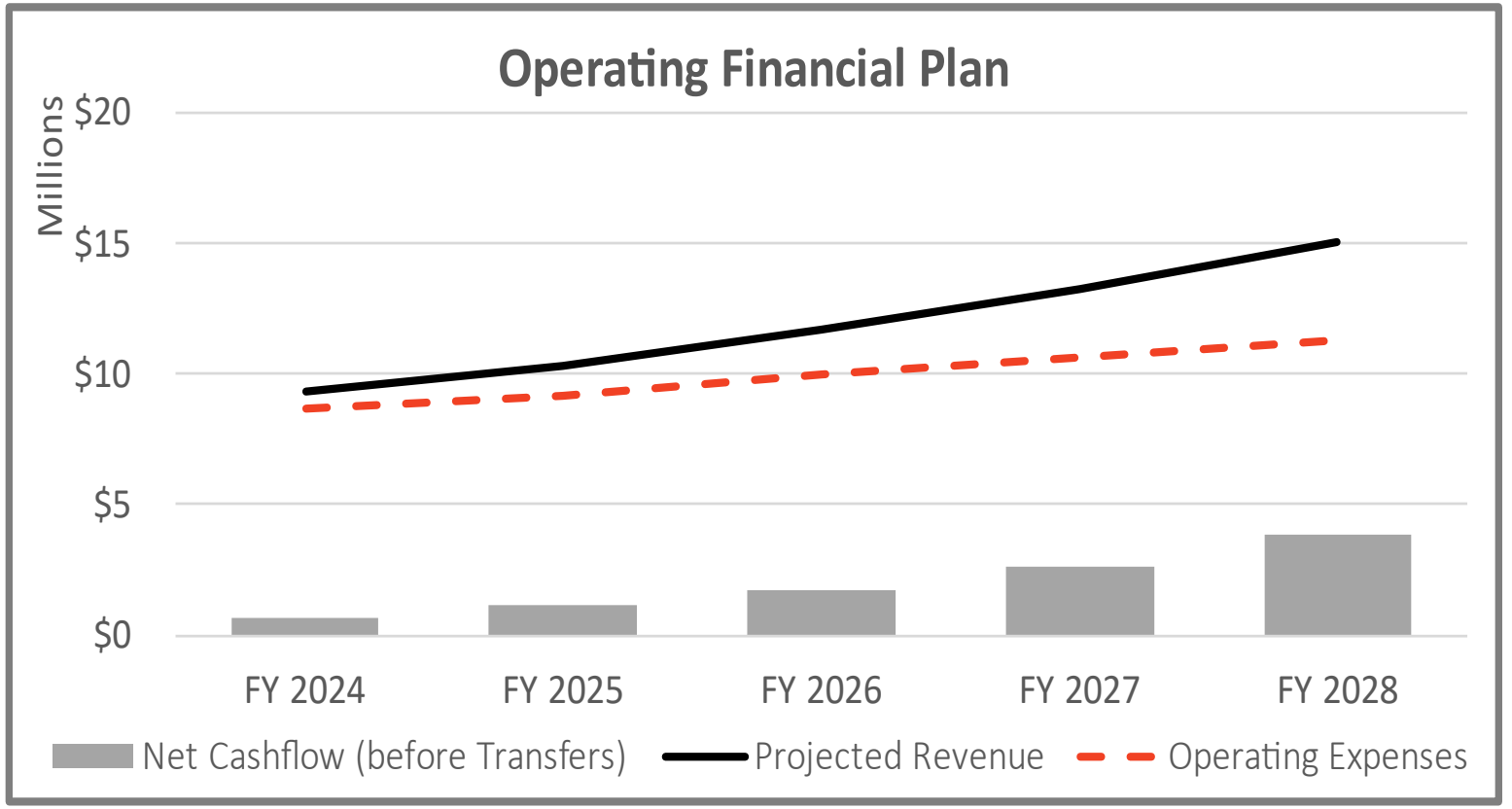
Proposed Financial Plan – Operating

FY 2024 – FY 2028 Planning Period

Revenue Adjustments:
FY 2024 – FY 2028: 16%, 16%, 16%, 16%, 16%

Proposed Financial Plan

- Positive Net Income
- Meets minimum reserve target each year
- Fully Fund Planned CIP



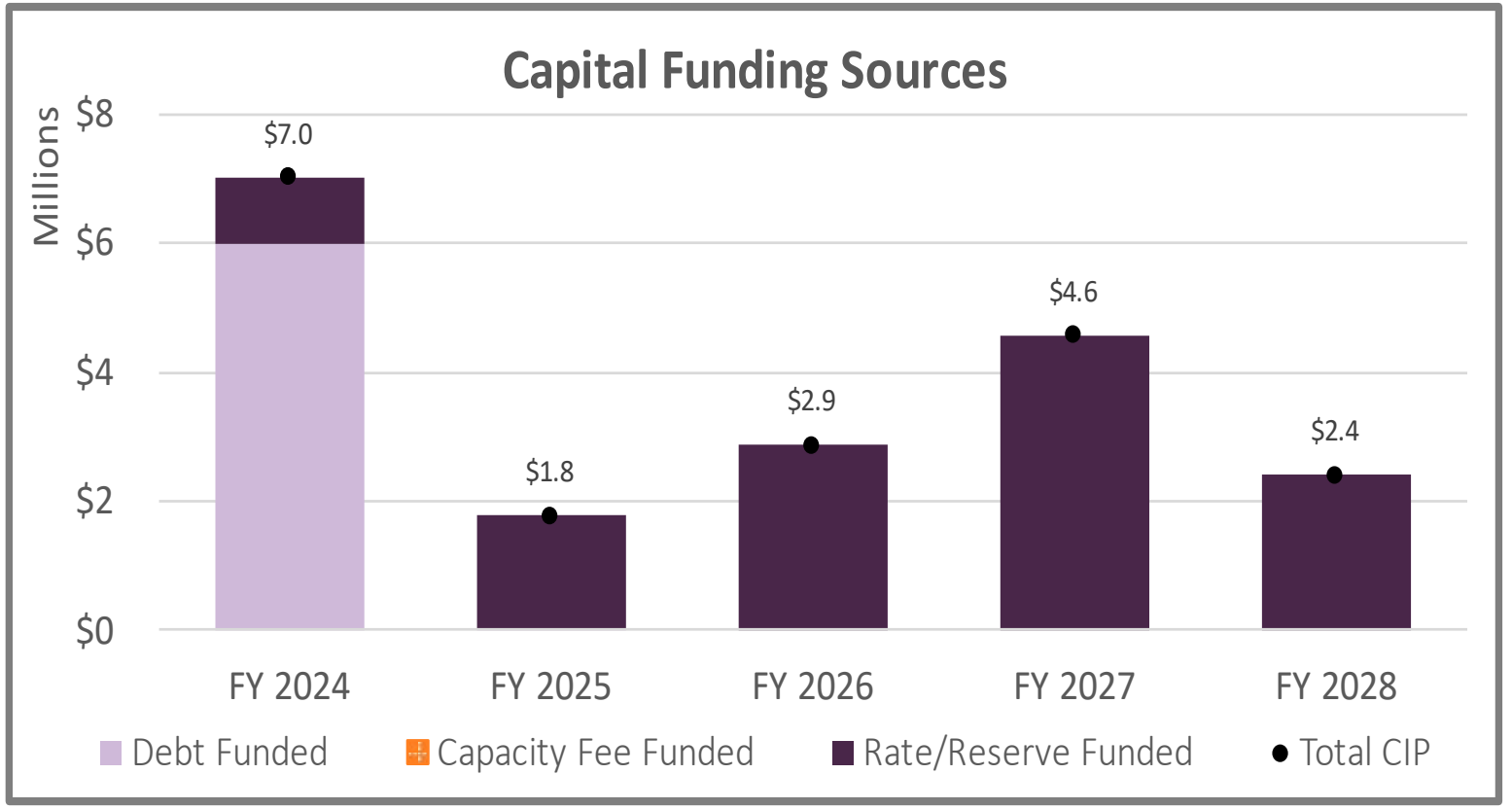
Option 1: Proposed Financial Plan – Capital

FY 2024 – FY 2028 Planning Period

Revenue Adjustments:
FY 2024 – FY 2028: 16%, 16%, 16%, 16%, 16%

Proposed Financial Plan

- Positive Net Income
- Meets minimum reserve target each year
- Fully Fund Planned CIP



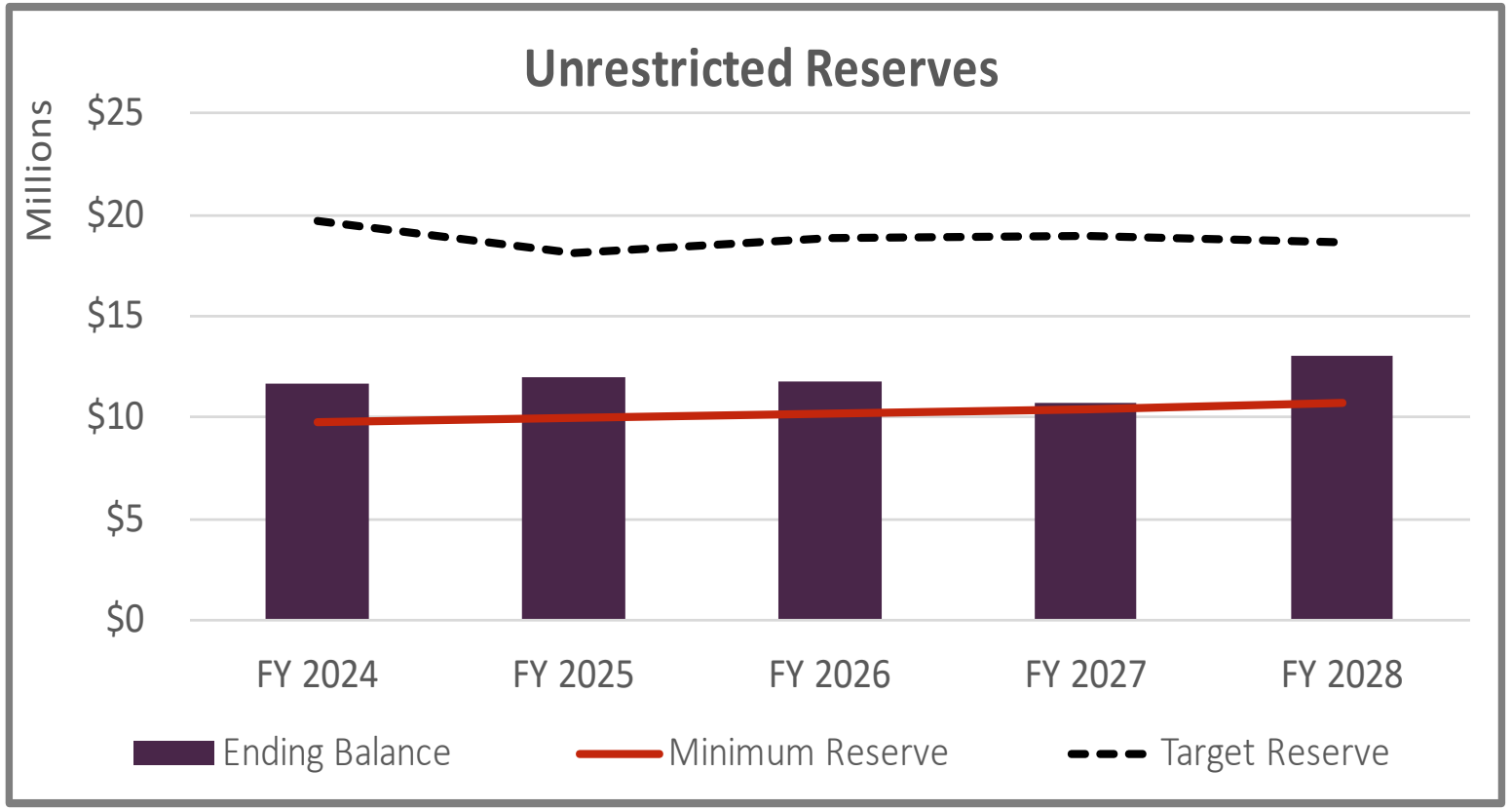
Option 1: Proposed Financial Plan – Reserves

FY 2024 – FY 2028 Planning Period

Revenue Adjustments:
FY 2024 – FY 2028: 16%, 16%, 16%, 16%, 16%

Proposed Financial Plan

- Positive Net Income
- Meets minimum reserve target each year
- Fully Fund Planned CIP



Water Reserves

Description and Minimum Requirements

Reserves	Purpose	Minimum Requirement	FY 2024 Minimum Requirement
Operating Reserve	Funds monthly operating expenses	90 days of operating expenses	$1.9M
Capital Reserve	Covers capital expenses for current year	2 year of annual depreciation	$3.6M
Rate Stabilization Reserve	Covers unforeseen expense increases, fluctuations in rate revenues, and may use for rate smoothing	5% of Rate Revenue	$0.4M
Disaster Reserve	Mitigates risk due to system failures and new regulations/treatment requirements	10% of System Asset Value	$3.8M
Total			**$9.7M**

Cost-of-Service / Rate Design

Rate Structure Revisions and Proposed Rates

Legal Requirements

Proposition 218 (Article XIII C and D of State Constitution)

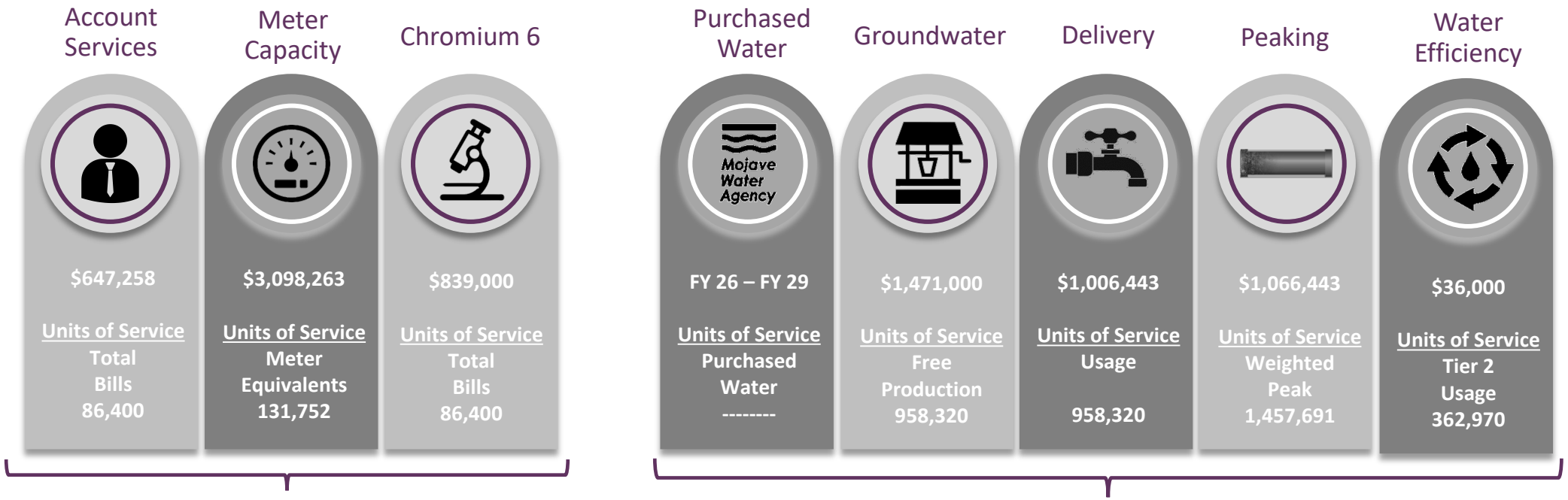
- An agency cannot collect revenue beyond what is necessary to provide service
- Revenues derived by the charge shall not be used for any other purpose other than that for which the charge was imposed
- The amount of the fee may not exceed the proportional cost of service for the parcel
- No charge may be imposed for a service unless that service is actually used or immediately available to the owner of property
- A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing

Government Code – Section 53756 (Pass-Through Provision)

- Allows an agency to authorize automatic adjustments that pass-through increases that are outside of the agencies control

FY 2024 Cost-of-Service Requirements = $8.16M

Rate Components



Fixed Components

56%

Variable Components

44%

- Costs for each component based on updated cost-of-service analysis
- Lease water costs will be incurred in FY 2026 and beyond
  - Carryover water covers FY 2024 and FY 2025

FY 2024 Fixed Charges

Fixed Charge Rate Components

Base Fixed Charge							
Meter Size	Capacity Ratio	Meters	Account Services	Meter Capacity	FY 2024 Proposed Base Fixed Charge	Existing Fixed Charge	Difference ($)
≤3/4"	1.00	1,915	$7.50	$23.52	**$31.02**	$25.63	$5.39
1"	1.67	5,212	$7.50	$39.20	**$46.70**	$38.77	$7.93
1 1/2"	3.33	20	$7.50	$78.40	**$85.90**	$71.64	$14.26
2"	5.33	50	$7.50	$125.44	**$132.94**	$111.08	$21.86
3"	11.67	2	$7.50	$274.40	**$281.90**	$235.96	$45.94
4"	21.00	1	$7.50	$493.92	**$501.42**	$420.01	$81.41

Water Supply

Tiered Rates

- District is within adjudicated basin
  - Free production allowance continues to ramp down each year
  - Cost-of-Service analysis models the annual ramp down through FY 2029
    - FY 2024 = 50% reduction, with 5% annual reductions through FY 2029 (25% reduction)
- Rate Structure adjusted to 2-tiers reflecting groundwater rights
  - Tier 1 allocates Free Production Allowance (FPA) to all customers evenly
  - Tier 2 captures usage above available FPA
    - FY 2026 and beyond – Lease water required causing Tier 2 rate to increase in FY 2026 and beyond
  - All customers are subject to Tier 2 rate structure, reflecting water rights and FPA

FY 2024 and FY 2025 Variable Rates

Variable Rate Components

FY 2024

Customer Class & Tier	Tier Definitions (HCF)	Projected Usage (HCF)	Water Supply	Delivery	Peaking	Water Efficiency	FY 2024 Proposed Variable Rate
All Customer Classes							
Tier 1	0 - 11	595,350	$1.54	$1.06	$0.86	$0.00	**$3.46**
Tier 2	>11	362,970	$1.54	$1.06	$1.55	$0.10	**$4.25**

- Water Supply same source and rate (Groundwater)

FY 2025

Customer Class & Tier	Tier Definitions (HCF)	Projected Usage (HCF)	Water Supply	Delivery	Peaking	Water Efficiency	FY 2025 Proposed Variable Rate
All Customer Classes							
Tier 1	0 - 11	595,350	$1.69	$1.32	$1.03	$0.00	**$4.04**
Tier 2	>11	362,970	$1.69	$1.32	$1.85	$0.11	**$4.97**

- Water Supply same source and rate (Groundwater)

FY 2026 – FY 2027 Variable Rates

Variable Rate Components

FY 2026

Customer Class & Tier	Tier Definitions (HCF)	Water Supply	Delivery	Peaking	Water Efficiency	FY 2026 Proposed Variable Rate
All Customer Classes						
Tier 1	0 - 9	$1.86	$1.57	$1.12	$0.00	$4.55
Tier 2	>9	$2.58	$1.57	$2.02	$0.10	$6.27

FY 2027

Customer Class & Tier	Tier Definitions (HCF)	Water Supply	Delivery	Peaking	Water Efficiency	FY 2027 Proposed Variable Rate
All Customer Classes						
Tier 1	0 - 8	$2.04	$1.86	$1.30	$0.00	$5.20
Tier 2	>8	$3.00	$1.86	$2.33	$0.09	$7.28

FY 2028

Customer Class & Tier	Tier Definitions (HCF)	Water Supply	Delivery	Peaking	Water Efficiency	FY 2028 Proposed Variable Rate
All Customer Classes						
Tier 1	0 - 7	$2.25	$2.20	$1.51	$0.00	$5.96
Tier 2	>7	$3.38	$2.20	$2.69	$0.09	$8.36

Proposed Fixed Charges

Five Year Rate Schedule

Meter Size	Existing	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
≤3/4"	$25.63	$31.02	$35.76	$39.75	$45.88	$53.13
1"	$38.77	$46.70	$53.61	$59.41	$68.36	$78.95
1 1/2"	$71.64	$85.90	$98.22	$108.56	$124.56	$143.50
2"	$111.08	$132.94	$151.76	$167.54	$192.00	$220.96
3"	$235.96	$281.90	$321.31	$354.31	$405.56	$466.25
4"	$420.01	$501.42	$571.16	$629.55	$720.28	$827.73

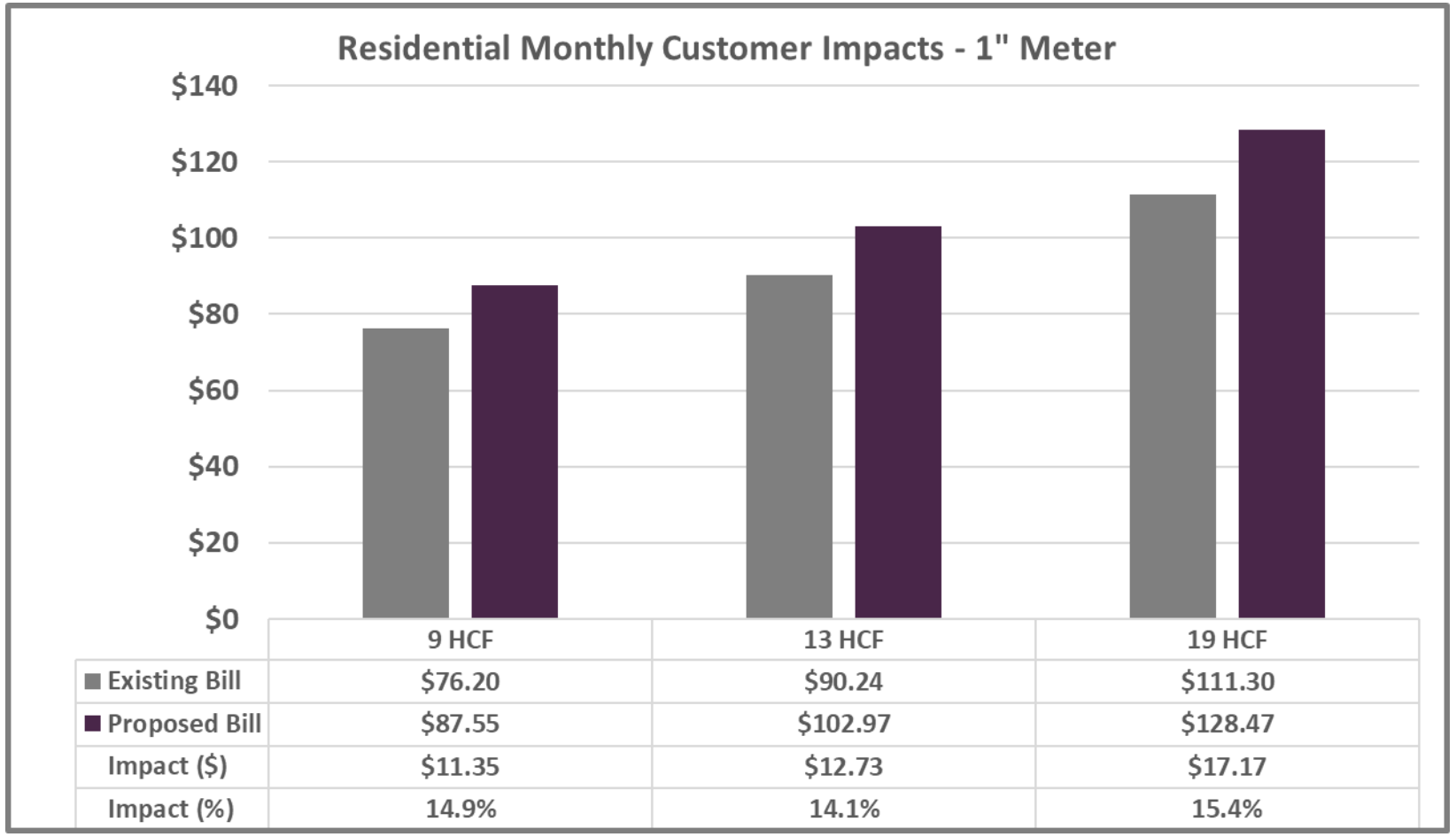
Proposed Variable Rates

Five Year Rate Schedule

Customer Class	Existing	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Residential						
Tier 1	$3.08	$3.46	$4.04	$4.55	$5.20	$5.96
Tier 2	$3.51	$4.25	$4.97	$6.27	$7.28	$8.36
Tier 3	$8.47	N/A	N/A	N/A	N/A	N/A
Commercial						
Tier 1	$4.11	$3.46	$4.04	$4.55	$5.20	$5.96
Tier 2	N/A	$4.25	$4.97	$6.27	$7.28	$8.36
Institutional						
Tier 1	$4.46	$3.46	$4.04	$4.55	$5.20	$5.96
Tier 2	N/A	$4.25	$4.97	$6.27	$7.28	$8.36

Single-Family Customer Impact – Full Capital

FY 2024 Rates for 1” Meter



	9 HCF	13 HCF	19 HCF
Existing Bill	$76.20	$90.24	$111.30
Proposed Bill	$87.55	$102.97	$128.47
Impact ($)	$11.35	$12.73	$17.17
Impact (%)	14.9%	14.1%	15.4%

Agenda Item 6a

Public Hearing on Proposed Water Rates

1. Secretary's Report
2. Attorney's Report on Action Taken Prior to this Hearing
3. Staff's Report
4. Public Comments, Protests, and Objections
    a. Any person may address the Board on the Proposed Water Rates
    b. Staff responses to comments, protests, and objections

NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING REGARDING PROPOSED WATER RATES

Hearing Date & Time: October 11, 2023, at 5:00 PM
Hearing Location: Phelan Community Center · 4128 Warbler Road, Phelan, CA 92371

WHY ARE YOU RECEIVING THIS NOTICE?

The Phelan Piñon Hills Community Services District (the "District") is mailing this notice to you because you are a water customer directly liable for the payment of water service fees, or the owner of record of a property that receives water service. This notice describes proposed changes to the rates for the District's water service fees, and provides notice of a public hearing regarding these proposed changes to be held on: Wednesday, October 11, 2023, at 5:00 p.m. at Phelan Community Center, 4128 Warbler Road, Phelan, CA 92371.

WHAT DO WATER RATES FUND?

The District provides water service to approximately 7,200 customers, and monthly water service fees are the primary source of revenue to operate the water system. Service fees fund costs related to system operations, capital projects, debt service, administration, as well as costs related to prudent long-term operational or financial management of the water system, such as maintaining adequate fund reserves and planning for contingencies.

Revenues received from water service fees are used solely to fund the water enterprise. The objective of the proposed five-year rate schedule is to fully fund operations, address capital replacement, and adequately build-up reserves to meet reserve policies through Fiscal Year 2028. In addition, the District needs to ensure adequate funding to address additional capital and operating expenses related to new requirements for the allowable levels of Chromium-6 in water produced for sale. The proposed rates for the District's water service fees are based on a comprehensive rate study prepared by an independent consultant. The Chromium-6 surcharge will remain at $9.71 and is set to expire by Fiscal Year 2031.

WHY ARE RATE INCREASES NEEDED?

The District anticipates purchasing replacement water from Mojave Water Agency as the District's Free Production Allowance (FPA) is scheduled to reduce over time. Note: FPA is the amount of water the District is allowed to pump free-of-charge utilizing existing water rights. The cost of water has increased, and will continue to increase, every year.

Additionally, the District will be investing approximately $18 million to repair and replace critical water facilities over the next five years. Compliance with regulatory requirements, maintaining emergency and fire response capabilities, labor and employment costs, energy costs, increasing costs for materials, and the need for prudent reserves are also drivers of costs that were factored into the proposed new rates and charges described in this notice and in the Rate Study.

The rates presented herein were developed as part of a comprehensive Cost of Service Study. As part of this detailed process, consumption data by account was analyzed to create an appropriate and equitable rate design. The total cost of serving various customers is determined by distributing utility cost components among all accounts based upon the respective service requirements of each. As such, a cost of service rate study enables a water utility to proportionately allocate costs to customers based on consumption, and adopt rates that equitably recover those costs from all accounts in the existing system.

NEW WATER RATES:

The District is proposing to phase in a series of annual water rate adjustments. After the initial rate adjustment on November 1, 2023, the yearly rate adjustments will take place July 1st of each year, starting on July 1, 2024, in the amounts and period of time set forth in the chart below. The District may elect to pass-through wholesale water rate increases that are beyond the annual adjustments that are assumed in the Rate Study and incorporated into the proposed rate/charge schedules. Water rate increases that are imposed on the District by its water wholesalers - Mojave Water Agency and Antelope Valley Water Master - may impact District costs of service and may require adjustments of rates over and above the rates/charges set out in the schedules below. If such an adjustment is implemented, the water pass-through rate for each subsequent fiscal year will be calculated as the difference between actual wholesale purchased water costs and projected wholesale water purchased costs imposed on the District divided by the estimated water use for that fiscal year. Future year wholesale water costs and the resulting pass-through costs/rates are not known at this time, but customers will receive at least 30 days' notice prior to an increase greater than that shown in this notice.

FIXED CHARGES

METER SIZE	EXISTING RATE	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
3/4"	$25.63	$31.02	$35.76	$39.75	$45.88	$53.13
1"	$38.77	$46.70	$53.61	$59.41	$68.36	$78.95
1 1/2"	$71.64	$85.90	$98.22	$108.56	$124.56	$143.50
2"	$111.08	$132.94	$151.76	$167.54	$192.00	$220.96
3"	$235.96	$281.90	$321.31	$354.31	$405.56	$466.25
4"	$420.01	$501.42	$571.16	$629.55	$720.28	$827.73

VARIABLE CHARGES

CUSTOMER CLASS	EXISTING RATE	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Residential						
Tier 1	$3.08	$3.46	$4.04	$4.55	$5.20	$5.96
Tier 2	$3.51	$4.25	$4.97	$6.27	$7.28	$8.36
Tier 3	$8.47	N/A	N/A	N/A	N/A	N/A
Commercial						
Tier 1	$4.11	$3.46	$4.04	$4.55	$5.20	$5.96
Tier 2	N/A	$4.25	$4.97	$6.27	$7.28	$8.36
Institutional						
Tier 1	$4.46	$3.46	$4.04	$4.55	$5.20	$5.96
Tier 2	N/A	$4.25	$4.97	$6.27	$7.28	$8.36

NEW TIER STRUCTURE:

The tier structure will vary each year based upon the amount of Free Production Allowance (FPA) the District has available. Tier 1 will allocate FPA evenly to all customers. Tier 2 captures water usage above the District's FPA. In Fiscal Year (FY) 2024 and FY 2025, carryover water is expected to be available to cover excess water demand without needing to purchase replacement water. Beginning in FY 2026, replacement water purchases will likely be required causing the Tier 2 rate to increase in FY 2026 and beyond.

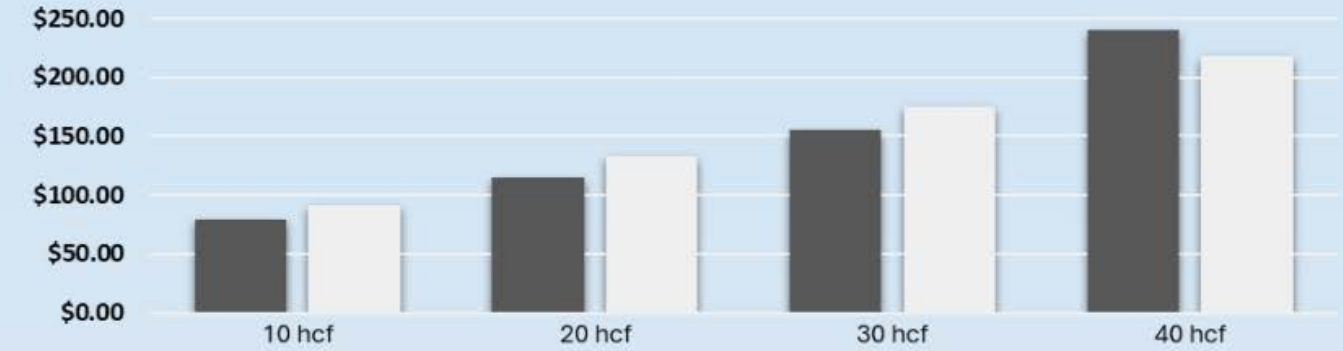
TIER DEFINITIONS - ALL CUSTOMER CLASSES

	CURRENT	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Tier 1	0-9 hcf	0-11 hcf	0-11 hcf	0-9 hcf	0-8 hcf	0-7 hcf
Tier 2	9-29 hcf	11+ hcf	11+ hcf	9+ hcf	8+ hcf	7+ hcf
Tier 3	29+ hcf	N/A	N/A	N/A	N/A	N/A

IMPACT ON YOUR BILL:

The District is proposing to phase in a series of annual water rate adjustments. After the initial rate adjustment on November 1, 2023, the yearly rate adjustments will take place July 1st of each year, starting on July 1, 2024, in the amounts and period of time set forth in the charts on Page 2.

SINGLE FAMILY RESIDENTIAL METER IMPACT - 1" METER - FY 2024



	10 hcf	20 hcf	30 hcf	40 hcf
Existing	$79.71	$114.81	$149.91	$234.61
Proposed	$91.01	$132.72	$175.22	$217.72
Impact ($)	$11.30	$17.91	$25.31	-$16.89
Impact (%)	14.2%	15.6%	13.1%	-9.1%

1 ccf / hcf = 748 gallons.

HOW DO YOU FILE A PROTEST OR PARTICIPATE IN THE PUBLIC HEARING?

Any property owner of a parcel upon which the water service fees will be imposed or any tenant directly responsible for the payment of water service fees (i.e., a customer of record) may submit a written protest to the proposed increases to the water service fees; provided, however, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or customer of record is in opposition to the proposed water service fees; (2) provide the location of the identified parcel (by assessor's parcel number or street address); and (3) include the name and signature of the property owner or customer of record submitting the protest.

Written protests may be submitted by mail to the Phelan Piñon Hills Community Services District at: 4176 Warbler Road, Phelan, CA 92371, or in person, or at the Public Hearing (date and time noted above). Regardless of how the written protest is submitted, it must be received by the District prior to the conclusion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the Board Secretary, that the enclosed protest is for the Public Hearing on the Proposed Water Service Fees.

The Board of Directors will hear and consider all written and oral protests to the proposed rate increases at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest, submitted prior to the conclusion of the Public Hearing. Upon the conclusion of the Public Hearing, the Board of Directors will consider adoption of the proposed rates for water service described in this notice. If written protests against the proposed rates, as outlined above, are not presented by a majority of property owners or customers of record, the Board of Directors may adopt the proposed rates. If adopted, the proposed rates for the water utility will be in effect beginning November 1, 2023, and be adjusted each July 1st beginning in 2024 and thereafter through June 30, 2028. Pursuant to Government Code Section 53759, there is a 120-day statute of limitations for any judicial action or proceeding challenging any new, increased, or extended water fee or charge.

If you have any questions about the proposed rate increase, please contact the District at (760) 868-1212 during normal business hours. For additional information on the water rate study and the proposed water rate increase, visit www.PPHCSD.org/water-rate-study

Phelan Piñon Hills Community Services District
P.O. BOX 294049 • Phelan, CA 92329-4049

NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING REGARDING PROPOSED WATER RATES

Hearing Date & Time: October 11, 2023, at 5:00 PM
Hearing Location: Phelan Community Center
4128 Warbler Road, Phelan, CA 92371

PUBLIC MEETING OUTREACH SCHEDULE

DATE	TIME	TOPIC	LOCATION
August 2, 2023	4:00 PM	Water Rate Workshop	Phelan Community Center & Zoom
August 9, 2023	5:00 PM	Regular Board Meeting: Water Rate Presentation	Phelan Community Center & Zoom
August 23, 2023	5:00 PM	Regular Board Meeting: Authorization to Mail Proposition 218 Notification	Phelan Community Center & Zoom
September 27, 2023	5:00 PM	Regular Board Meeting: Water Rate Study Presentation	Phelan Community Center & Zoom
October 11, 2023	5:00 PM	Regular Board Meeting: Public Hearing & Possible Adoption of Rate Study	Phelan Community Center & Zoom

Phelan Piñon Hills Community Services District
P.O. BOX 294049 · 4176 Warbler Road · Phelan, CA 92329
Phone: 760-868-1212 · Website: www.PPHCSD.org

Agenda Item 6b

Discussion & Possible Adoption of Resolution No. 2023-27; Determining There Was No Majority Protest of the Proposed Water Rate Increases and Adopting a Water Rate Schedule and Superceding Existing Rates

Phelan Piñon Hills CSD
Established 2008

A. 4176 Warbler Road
P.O. Box 294049
Phelan, CA 92329
P. (760) 868-1212
F. (760) 868-2323
W. www.pphcsd.org

MEMORANDUM

DATE: October 11, 2023

TO: Board of Directors

FROM: Don Bartz, General Manager
By: Kim Sevy, HR & Solid Waste Manager/District Clerk

SUBJECT: Discussion & Possible Adoption of Resolution No. 2023-27; Determining There Was No Majority Protest of the Proposed Water Rate Increases and Adopting a Water Rate Schedule and Superceding Existing Rates

RECOMMENDATION

For the Board to adopt Resolution No. 2023-27; Determining There Was No Majority Protest of the Proposed Water Rate Increases and Adopting a Water Rate Schedule and Superceding Existing Rates.

BACKGROUND

The District periodically reviews water rates to determine if revenues are sufficient to pay for costs to operate the water utility and to build, repair, and upgrade infrastructure. The District engaged IB Consulting, Inc. to prepare the District's required Water Rate Study. The purpose of the Rate Study is to develop a financial plan, with associated rates and charges, designed to ensure revenues are sufficient to fund the ongoing operating and capital costs necessary to operate the water department, while meeting the financial requirements and goals set forth by the District. Please note that water rates do not provide funding for government fund activities such as parks and recreation.

The District's most recent water rates were adopted in December 2021. Since then, the District has experienced an increase in operating costs primarily due to hyperinflation. Additionally, the District is preparing for increased water costs resulting from ramp down of the District's free production allowance, or the District's ability to pump groundwater without paying replacement water costs to the watermaster. To ensure the proportional share of water costs are allocated fairly, a new tier structure based on the free production allowance has been recommended for all customer classes. This will reduce the number of tiers from three to two and will remove commercial, institutional, and industrial customer classes.

Below is the timeline of public meetings and notifications regarding the Rate Study:

DATE:	ACTION:
8/2/2023	Public Water Rate Workshop
8/9/2023	Public Water Rate Presentation
8/25/2023	Water Rate Information & Water Rate Calculator on Website
8/25/2023	Notice of Hearing Posted in District Office
8/25/2023	Notice of Hearing Posted on District Website

8/25/2023 Notice Mailed
9/27/2023 Water Rate Study Report Presentation #1
10/11/2023 Water Rate Study Report Presentation #2
10/11/2023 Public Hearing

The District mailed notification of the proposed action, and information relating to Proposition 218 requirements, to the District's customers on August 25, 2023. As of the publication of this memo, two written protests, objections, or comments had been received.

FISCAL IMPACT
Increase in water rate revenue, beginning December 1, 2023. Note: Water rate implementation is subject to Board review annually. The increase in revenue is detailed in the attached Water Rate Study (Exhibit A).

ATTACHMENT(S)
Resolution No. 2023-27; Adopting a Water Rate Schedule
Exhibit A – Water Rate Study Report

RESOLUTION NO. 2023-27

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT DETERMINING THAT THERE WAS NO MAJORITY PROTEST OF THE PROPOSED WATER RATE INCREASES AND ADOPTING A WATER RATE SCHEDULE AND SUPERCEDING EXISTING RATES

WHEREAS, the Phelan Piñon Hills Community Services District ("District") is a Community Services District located within the County of San Bernardino and is organized and operates pursuant to the California Government Code Section 61000, et seq.; and

WHEREAS, pursuant to Resolution No. 2994 of the Local Agency Formation Commission of the County of San Bernardino ("LAFCO") adopted on March 18, 2008, the District is the successor agency to County Service Area 9, County Service Area 56 Improvement Zone F-1, and County Service Area 70 Improvement Zones L and P-4 ("the CSAs"); and

WHEREAS, prior to the adoption of LAFCO Resolution No. 2994, the territory within the CSAs was subject to water rates that had been established by the County of San Bernardino pursuant to ordinances and resolutions that had been adopted by its Board of Supervisors; and

WHEREAS, by minute action taken at its first meeting on March 19, 2008, the District's Board of Directors approved the continuation and extension of all previously authorized fees and charges that had been fixed, levied, and imposed as a condition of water service within the CSAs; and

WHEREAS, pursuant to Condition No. 6 of LAFCO Resolution No. 2994 and Section 61100(a) of the California Government Code, the District is authorized to supply water for any beneficial uses in the same manner as a municipal water district formed pursuant to CaliforniaWater Code Section 71000; and

WHEREAS, under California Water Code Sections 71613-71617, a municipal water district is authorized to fix rates and charges for the water it delivers; and

WHEREAS, under California Water Code Section 61115(a), the District is authorized to establish rates or other charges for services and facilities that the District supplies and to provide forthe collection and enforcement of those rates or charges; and

WHEREAS, the District has retained the services of a qualified firm, IB Consulting, Inc., to prepare the Water Rate Study that is attached hereto as Exhibit "A" and incorporated herein by this reference ("the Water Rate Study"); and

WHEREAS, the revenue raised by the District's rates and charges will be used to modify or construct additional public facilities and to procure additional sources of supply to provide adequatewater services, and do not exceed the total cost of such facilities and services; and

WHEREAS, this action is necessary to meet the District's operating expenses, to purchase and/or lease supplies, equipment, and materials, to meet the District's financial reserve needs and requirements, and to obtain funds for capital projects necessary to maintain water service within the boundaries of the District, and is therefore exempt from the requirements of the California Environmental Quality Act as provided by Public Resources Code Section 21080(b)(8); and

WHEREAS, the amount of the rates and charges hereby adopted do not exceed the reasonable anticipated costs for the corresponding services provided by the District, and therefore the fees imposed hereby to not qualify as a "tax" under Article XIIIC, Section 1(e) of the California Constitution or Section 50076 of the California Government Code, and the actions taken herein are exempt from the additional notice and public meeting requirements of the Brown Act pursuant to Government Code Section 54954.6(a)(1)(A) and (B); and

WHEREAS, the District has satisfied all of the substantive and procedural prerequisites of Articles XIIIC and XIIID of the California Constitution in establishing the rates and charges set forth herein, including but not limited to, the identification of the parcels upon which the rates and charges will be imposed; the calculation of the rates and charges; the mailing of written notice tothe record owners of each parcel upon which the rates and charges will be imposed describing the amount thereof, the basis upon which the rates and charges were calculated, the reason for the rates and charges, and the date, time, and location of the public hearing to be held thereon; and the conducting of a public hearing on the rates and charges not less than 45 days after mailing thenotice during which all protests against the fee were considered.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Phelan Piñon Hills Community Services District does hereby resolve and determine that the written protests against the rates and charges set forth herein that were received by the District prior to the close of the public hearing hereon represented less than a majority of the parcels subject to the rates and charges set forth below and, thus, the District's Board of Directors further finds that the public interest and necessity requires the adoption of the content and findings of the Water Rate Study and the following rates and charges for water service by the District, as well as affirmation and ratification of all prior rates and charges previously adopted by the District's Board of Directors:

SECTION 1. WATER SERVICE CHARGE

The proposed rates are based upon the revenue required to operate the system and are comprised of two components – fixed cost recovery ("Meter Charge" & "Surcharge") and variable cost recovery ("Commodity Charge") which is based on water usage. The projected revenue is based on reviewing historical volumetric usage (consumption), and setting water demand at FY 2023 usage.

A. The Meter Charge is calculated to recover a portion of the fixed costs of providing water service related to account services and meter capacity. Additionally, there is a fixed Surcharge to recover the costs associated with addressing the Chromium-6 requirements which will remain at the current rate equal to $9.71 monthly for the five-year rate schedule.

B. The Commodity Charge is based on usage and recovers costs associated with water supply, the delivery of water, peaking, and water efficiency. The Commodity Charge consists of two tiers which will impose higher rates per unit of water (measured in hundreds of cubic feet, or CCF / HCF) as the level of consumption increases. The tier structure is based on the District's free production allowance which will reduce over time. All customers will have a two-tiered variable rate structure. Each customer class will receive a proportionate share of groundwater supply in Tier 1, and Tier 2 will capture any water usage above Tier 1. The District will annually review revenues and expenditures for the water fund to ensure that sufficient and appropriate revenues are collected to effectively provide for the short and long-term water service needs of the community. Collectively, the proposed rates recover the proportionate share of cost for providing water service to each parcel.

SECTION 2. GENERAL MANAGER AUTHORITY

The District's General Manager is hereby authorized to take any and all actions necessary tocarry out the intent of the District's Board of Directors as is stated herein and as otherwise required in order to comply with applicable law.

SECTION 3. EFFECTIVE DATE

This Resolution shall take effect immediately upon adoption and shall supersede Resolution No. 2021-22 adopted by the Board on December 1, 2021.

ADOPTED by the Board of Directors of the Phelan Piñon Hills Community Services District at a regular meeting held on October 11, 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
President, Board of Directors

Attest:

_____
Secretary, Board of Directors

Public Hearing

October 11, 2023

Cost-of-Service Water Rate Study

Phelan Piñon Hills

Community Services District

IB CONSULTING

IB Consulting, LLC

31938 Temecula Parkway, Suite A #350

Temecula, CA 92592

TABLE OF CONTENTS

TABLES

FIGURES

Executive Summary

The Phelan Piñon Hills Community Services District (CSD) periodically reviews its water utility to determine if adjustments are required to continue meeting its operational costs, system improvements, and adequate reserve funding based on the adopted reserve policies. The CSD must collect sufficient revenues from its customers to pay the costs to (1) prudently operate and maintain the water utility; (2) build, renew, replace, and upgrade its infrastructure, which includes pipelines, chromium 6 mitigation, reservoirs, pumps, and administration buildings and related facilities; and (3) ensure a prudent reserve of funds.

The CSD collects revenues primarily through user fees (rates and charges) that are designed to ensure that each customer pays their fair share of their total use of the water system. This Cost-of-Service Study is intended to (1) establish the total projected cost over a five-year period (the financial plan); (2) allocate those costs among customers in a way that ensures that each customer pays its fair share of those costs in compliance with California Constitution Article XIII D, section 6, also known as Proposition 218 (the rate structure).

The CSD's most recent 5-year rate schedule was adopted in December 2021. Due to increases in capital expenses and the recent hyper-inflationary climate, the CSD determined that the financial plan needed to be updated to reflect increased costs, and that rate increases would be needed to replace the current noticed rates for Fiscal Year 2023-24 (FY 2024) through FY 2026. The CSD selected IB Consulting to conduct a comprehensive cost-of-service analysis to establish water rates for the CSD's for the 5-year period from FY 2024 through FY 2028 (Rate Setting Period). That analysis is set forth below.

The CSD's groundwater is within two separate adjudicated areas known as the Mojave Basin Area (MBA) and the Antelope Valley Adjudicated Area (AVAA). The CSD has 17 wells, with one of them located within the AVAA (Well 14). Through the MBA, the CSD has limits on groundwater production, which are set on an annual basis by the Mojave Water Agency (MWA) as Watermaster of the MBA. The amount of groundwater production allowed by the CSD is known as their Free Production Allowance (FPA). The Mojave Water Agency has been ramping down the FPA over the past several years to ensure the sustainability of the MBA. For FY 2024, the CSD's FPA is set to 50% of its base water rights production (FY 2024 FPA = 2,518 AF) and will continue to reduce each year. By FY 2028, the CSD's FPA will decrease to 1,582 AF.

The CSD's current water demand is approximately 2,588 AF, which is greater than the current amount of its FPA. As the FPA continues to ramp down, the CSD will need to lease increasing amounts of replacement water from the MWA, incurring higher purchased water costs each year. The cost-of-service analysis accounts for the FPA reductions and the proposed rates have been restructured to a two-tiered rate structure. The two-tiered rate structure reflects the CSD's FPA reductions each year, with the Tier 1 allotment based on available groundwater and Tier 2 recovering increases in leased water. However, for FY 2024 and FY 2025, the CSD has available carryover groundwater production rights from previous years to cover its customer's total water demand and not incur replacement water. All customers will have a two-tiered variable rate structure. Each customer class will receive a proportionate share of groundwater supply in Tier 1 and Tier 2 will capture any water usage above Tier 1.

The last cost-of-service study was completed in 2021, setting rates for FY 2022 through FY 2026 (2021 Report). The 2021 Report identified a 4% revenue adjustment effective on January 1, 2022, followed by 6% revenue adjustments for FY 2023 through FY 2026, effective each July 1. The new proposed rates require a 16% revenue adjustment for the remainder of FY 2024, commencing on November 1, 2023, followed by 16% revenue adjustments for FY 2025 through FY 2028.

The proposed rates derived within this report include five years of rate adjustments, commencing on November 1, 2023, for FY 2024, followed by rate adjustments each July 1st for FY 2025 through FY 2028. With the proposed rates, the utility will generate adequate funding above operating expenses to fully fund its capital projects while building reserves up to meet the minimum reserve targets[1]. The Chromium 6 surcharge will remain at $9.71 per account, is in addition to the Monthly Fixed charges shown below and is forecasted to remain constant over the next five years. The recommended rates were incorporated into a Proposition 218 Notice and mailed to each customer. A Public Hearing is scheduled for October 11, 2023, on the proposed rates identified in Table 1 and Table 2.

Table 1: Proposed FY 2024 – FY 2028 Monthly Fixed Charges

Fixed Charges ($/Month)					
Meter Size	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
≤3/4"	$31.02	$35.76	$39.75	$45.88	$53.13
1"	$46.70	$53.61	$59.41	$68.36	$78.95
1 1/2"	$85.90	$98.22	$108.56	$124.56	$143.50
2"	$132.94	$151.76	$167.54	$192.00	$220.96
3"	$281.90	$321.31	$354.31	$405.56	$466.25
4"	$501.42	$571.16	$629.55	$720.28	$827.73
6"	$1,026.70	$1,169.02	$1,288.16	$1,473.36	$1,692.70
8"	$2,202.70	$2,507.52	$2,762.66	$3,159.36	$3,629.20

Table 2: Proposed FY 2024 – FY 2028 Variable Charges

Variable Rates ($/HCF)					
Customer Class	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
All Customers					
Tier 1	$3.46	$4.04	$4.55	$5.20	$5.96
Tier 2	$4.25	$4.97	$6.27	$7.28	$8.36

[1] The Proposed financial plan assumes water usage does not fall below 2,200 Acre Feet of demand and future expenses do not exceed the projected costs identified herein.

Overview

CSD Background

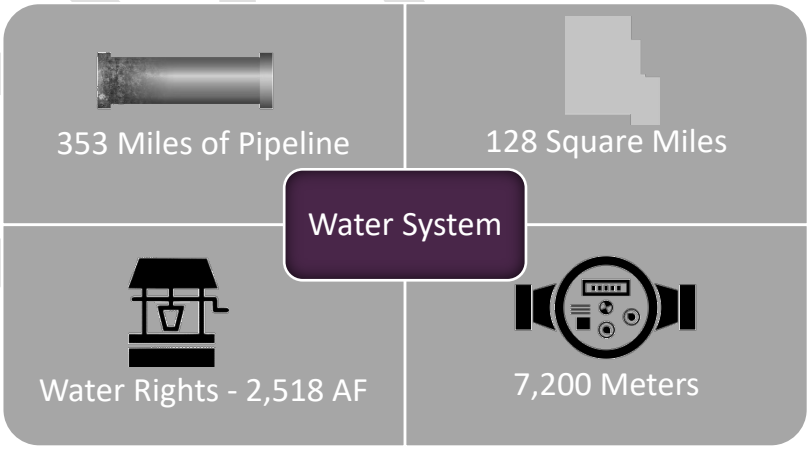
The CSD was formed in 2008 and the service area spans approximately 128 square miles in San Bernardino County. Since its inception, the CSD has made significant improvements to the water system, including:

- Addressing necessary repair and replacements
- Acquiring additional water rights
- Implementing a meter replacement program
- Addressing new regulations by the State for Chromium 6 detection to ensure safe, high-quality water is delivered now and in the future.

Water System

The water system includes 353 miles of pipeline that ranges in diameter from 4 inches to 16 inches. Customers are primarily served with groundwater from the local aquifer through wells within the MBA and AVAA. Groundwater is treated locally with chlorine before being discharged into the distribution system. In 2008, additional water rights were acquired through the purchase of Meadowbrook Dairy. The acquisition increased the annual rights within the MBA to approximately 5,000 Acre Feet (AF), but with production ramp downs by MWA, the CSD's FPA for FY 2024 is 2,518 AF and will reduce to 1,582 AF by FY 2028.

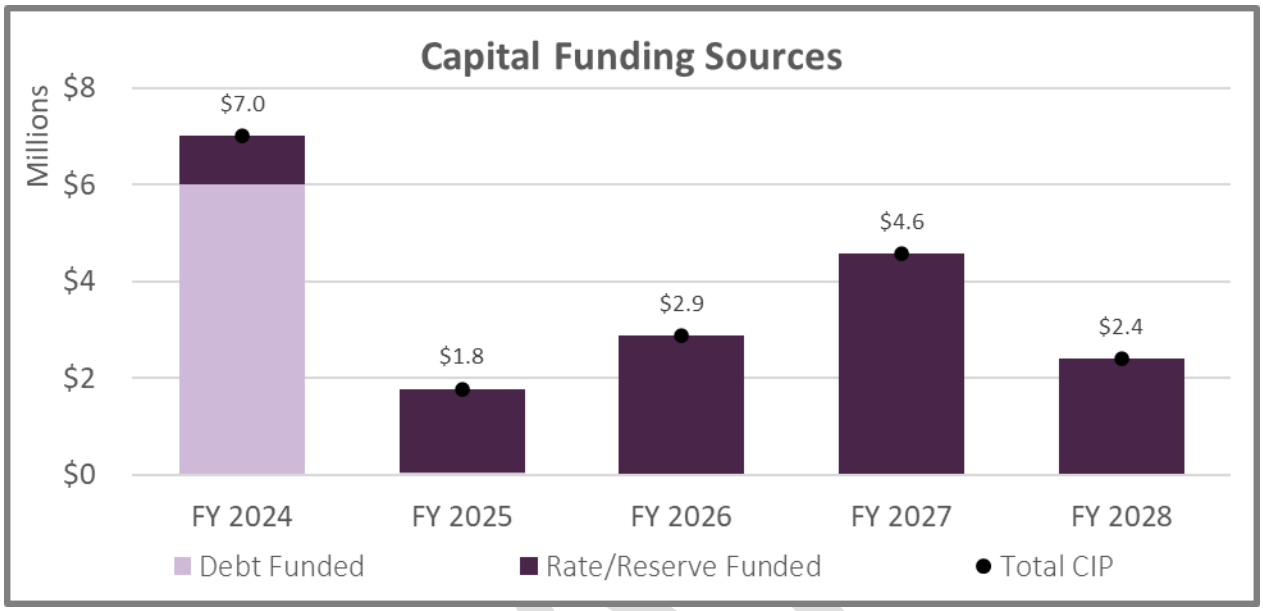
Figure 1: Phelan Pinon Hills CSD Water System



The CSD's water system net capital assets, based on its audited 2022 Audited Financial Statement, is approximately $38.1M with an annual depreciation of $1.8M. The CSD developed a detailed Capital Improvement Plan (CIP) through FY 2028 that continues a contribution to system reinvestment that outpaces the annual deprecation of capital assets and totals approximately $18.6M over the Rate Setting Period. The CIP major improvements include Chromium 6 mitigation ($3.4M), reservoirs ($2.8M), and the water utility's share of the administrative building ($6.5M), which has been debt financed over 20 years. With these significant improvements and ongoing repair and replacements to the water system, average capital spending

is approximately $3.7M per year through FY 2028. Figure 2 shows the CSD's capital plan with current funding sources.

Figure 2: Capital Improvement Plan



Customers

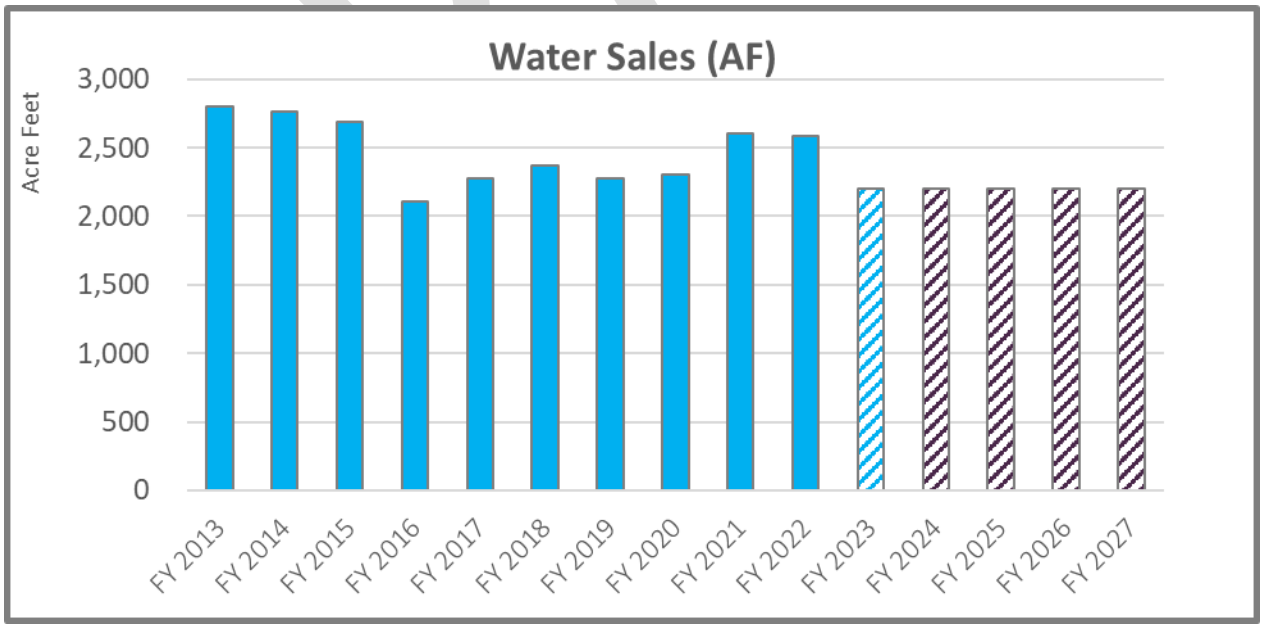
The CSD serves approximately 7,200 accounts, with over 95% of accounts classified as Residential. Table 3 provides a summary of accounts by meter size.

Table 3: Accounts by Meter Size

Meter Size	Number of Accounts
≤3/4"	1,915
1"	5,212
1 1/2"	20
2"	50
3"	2
4"	1
Total	7,200

During FY 2021 and FY 2022, water sales increased requiring the periodic use of Well 14. However, due to significant rainfall, water sales in FY 2023 decreased by approximately 385 AF. Figure 3 shows both historical water sales and projected water sales in AF. For the Rate Setting Period, water sales are expected to remain around FY 2023 usage due to the CSD's FPA continuing reductions each year.

Figure 3: Water Sales



The current rate structure consists of a monthly fixed meter charge, a monthly account Chromium 6 Surcharge, and variable rates that vary by customer class. Residential customers are currently on a 3-tiered variable rate structure, and non-residential customers (Commercial and Institutional) are on a uniform variable rate structure. Current monthly fixed charges are identified in Table 4, followed by variable rates shown in Table 5 by customer class and tier. Variable rates are charged per Hundred Cubic Feet (HCF).[2]

Table 4: FY 2024 Monthly Fixed Charges

Fixed Charges ($/Month)	
Meter Size	**Existing**
Base Fixed Charge	
≤3/4"	$25.63
1"	$38.77
1 1/2"	$71.64
2"	$111.08
3"	$235.96
4"	$420.01
6"	$860.41
8"	$1,846.37
Chromium-6 Surcharge	
≤3/4"	$9.71
1"	$9.71
1 1/2"	$9.71
2"	$9.71
3"	$9.71
4"	$9.71
6"	$9.71
8"	$9.71

Table 5: FY 2024 Variable Rates

Variable Rates ($/HCF)	
Customer Class	**Existing**
Residential	
Tier 1	$3.08
Tier 2	$3.51
Tier 3	$8.47
Commercial	$4.11
Institutional	$4.46

[2] 1 HCF = 748.05 gallons of water

Financial Plan Overview

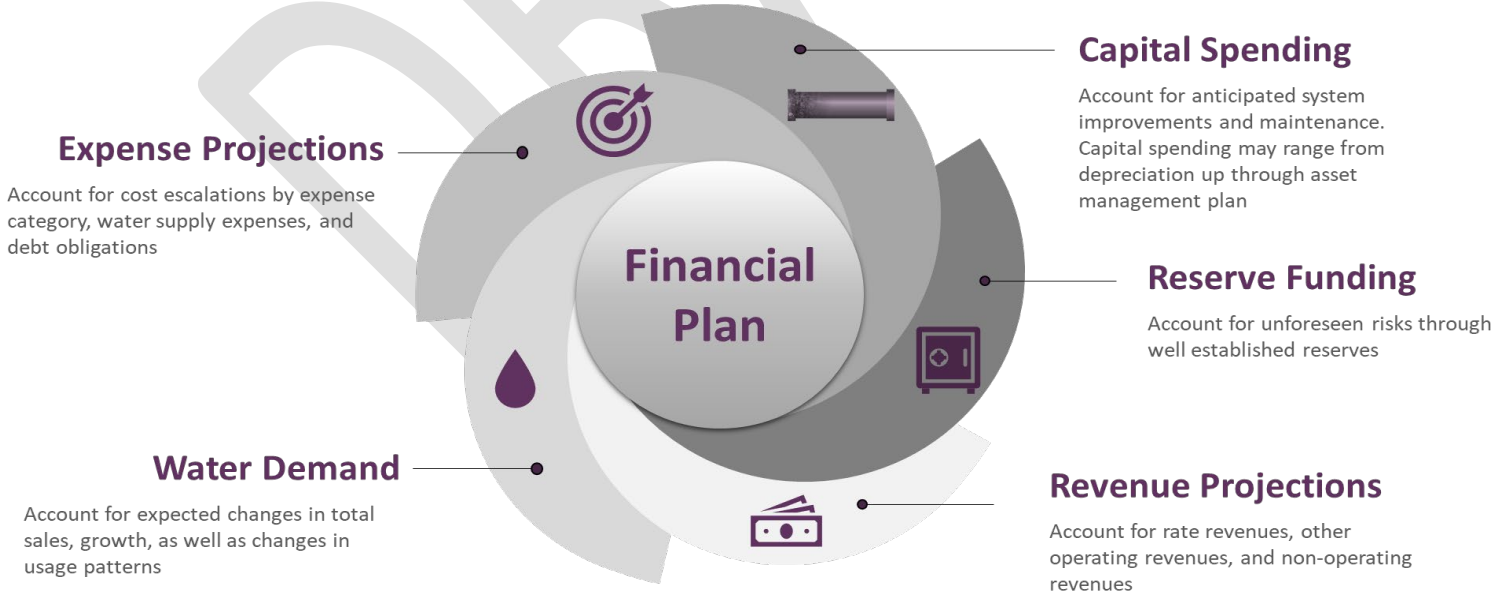
Financial Planning

Financial planning incorporates numerous considerations in addition to projecting operating expenses and forecasting expected costs through various inflationary adjustments. Utilities also need to account for changes in water demand driven by variations in usage due to weather, water availability, State mandates, growth, and economic factors. In addition, system maintenance and reinvestment, reserves, and debt compliance all influence revenues needed in future years. Therefore, a comprehensive financial plan reviews the following:

1) Historical water sales and consumption patterns to determine an appropriate usage level for projecting future water demands.
2) Water supplies by source for each year and related costs.
3) Operational costs that may change over the planning period because of inflation, unique circumstances of the agency, new expenditures added to meet strategic goals, state mandates, or changes in operations.
4) Multi-year system improvement needs, and scheduling based on priority. This review also considers available funding sources to complete projects such as PAYGO, grants, loans, and debt financing.
5) Reserve funding to meet adopted reserve policies. The goal is to generate adequate cash on hand to mitigate financial risks related to operating cashflow needs, unexpected increases in expenses, shortages in system reinvestment, and mitigating potential system failures.

Figure 4 illustrates the key elements when developing a long-term financial plan.

Figure 4: Financial Plan Key Elements



Financial Planning Assumptions

Developing a long-term financial plan requires understanding the utility's financial position by evaluating existing revenue streams, ongoing expenses, and how those expenses will change over time, including existing debt requirements and reserves. With these considerations, certain assumptions are required for projecting revenues, expenses, and ending fund balances. Through discussions with staff and their understanding of historical budget data and future obligations, Table 6 identifies assumptions used for forecasting revenues. For forecasting revenues, our analysis assumes no growth in accounts as a conservative assumption so projected revenues do not rely on growth to occur. Table 7 provides details on the number of accounts by meter size and Table 8 identifies projected usage by customer class and tier. Tier 3 water usage was reduced to zero and is captured within Tier 2 for the Rate Setting Period.

Table 6: Assumptions for Forecasting Revenues

Key Assumptions	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue Escalation					
Non-Inflated	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Rate Revenues	0.0%	0.0%	0.0%	0.0%	0.0%
Reserve Interest	1.5%	1.5%	1.5%	1.5%	1.5%
Account Growth	0.0%	0.0%	0.0%	0.0%	0.0%

Table 7: Accounts by Meter Size – FY 2024 through FY 2028

Customer Accounts	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
All Meters					
Meter Size					
≤3/4"	1,915	1,915	1,915	1,915	1,915
1"	5,212	5,212	5,212	5,212	5,212
1 1/2"	20	20	20	20	20
2"	50	50	50	50	50
3"	2	2	2	2	2
4"	1	1	1	1	1
6"	0	0	0	0	0
8"	0	0	0	0	0
Total All Meters	7,200	7,200	7,200	7,200	7,200

Table 8: Projected Consumption (HCF) – FY 2024 through FY 2028

Consumption by Customer Class	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Residential					
Tier 1	511,842	511,842	511,842	511,842	511,842
Tier 2	374,997	374,997	374,997	374,997	374,997
Tier 3	0	0	0	0	0
Subtotal Residential Consumption (HCF)	886,839	886,839	886,839	886,839	886,839
Commercial	9,089	9,089	9,089	9,089	9,089
Institutional	62,392	62,392	62,392	62,392	62,392
Total Consumption (HCF)	**958,320**	**958,320**	**958,320**	**958,320**	**958,320**

Table 9 identifies assumptions used to forecast expense increases over the Rate Setting Period.

Table 9: Assumptions for Forecasting Expense Requirements[3]

Key Assumptions	Source:	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Expenditure Escalation						
Benefits		5.0%	4.0%	4.0%	4.0%	4.0%
CalPers		5.0%	6.0%	6.0%	6.0%	6.0%
Capital Construction	ENR 20-City 5-Year Average	7.2%	3.9%	3.9%	3.9%	3.9%
Energy Costs		5.0%	10.0%	10.0%	10.0%	10.0%
General Costs	CPI - LA (BLS) 5-Year Average	7.4%	4.0%	4.0%	4.0%	4.0%
Salaries		5.0%	6.0%	6.0%	6.0%	6.0%

Current Financial Position

Revenues

Based on the forecasting assumptions, fixed revenues were calculated by multiplying existing fixed charges (Table 4) by accounts by meter size (Table 7) by the number of effective months (12). Variable revenues were calculated multiplying existing variable rates (Table 5) by projected total water sales (Table 8). Table 10 shows the calculated rate revenues through the Rate Setting Period. Table 11 summarizes calculated rate revenues from Table 10 and other operating and non-rate revenues available through the Rate Setting Period with projections rounded to the nearest thousands.

Table 10: Calculated Rate Revenues

Fixed Revenue	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Fixed Charge	$3,108,353	$3,108,353	$3,108,353	$3,108,353	$3,108,353
Variable Revenue	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Residential					
Tier 1	$1,576,473	$1,576,473	$1,576,473	$1,576,473	$1,576,473
Tier 2	$1,316,239	$1,316,239	$1,316,239	$1,316,239	$1,316,239
Tier 3	$0	$0	$0	$0	$0
Residential Variable Revenue	$2,892,713	$2,892,713	$2,892,713	$2,892,713	$2,892,713
Commercial	$37,356	$37,356	$37,356	$37,356	$37,356
Institutional	$278,268	$278,268	$278,268	$278,268	$278,268
Total Variable Rate Revenue	$3,208,337	$3,208,337	$3,208,337	$3,208,337	$3,208,337
Total Rate Revenue	$6,316,690	$6,316,690	$6,316,690	$6,316,690	$6,316,690

[3] Capital Construction inflation and General Costs for FY 2024 were increased to 7.2% and 7.4%, respectively, to account for recent increases due to inflation. Outer years reduce to 3.9% and 4.0%, reflecting the 5-year average of the Engineering News-Record – Construction Cost index and the Los Angeles Area Consumer Price Index, respectively.

Table 11: Projected Revenues

Revenue Summary	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenue					
Base Fixed Charge	$3,108,000	$3,108,000	$3,108,000	$3,108,000	$3,108,000
Variable Revenue	$3,208,000	$3,208,000	$3,208,000	$3,208,000	$3,208,000
Subtotal Rate Revenue	$6,316,000	$6,316,000	$6,316,000	$6,316,000	$6,316,000
Chromium-6 Surcharge	$839,000	$839,000	$839,000	$839,000	$839,000
Meter Installation/Fees/Connections	$88,000	$88,000	$88,000	$88,000	$88,000
Other Operating Income	$305,000	$305,000	$305,000	$305,000	$305,000
Non-Operating Revenues	$1,123,000	$607,000	$596,000	$574,000	$574,000
Total Revenues	$8,671,000	$8,155,000	$8,144,000	$8,122,000	$8,122,000

Expenses

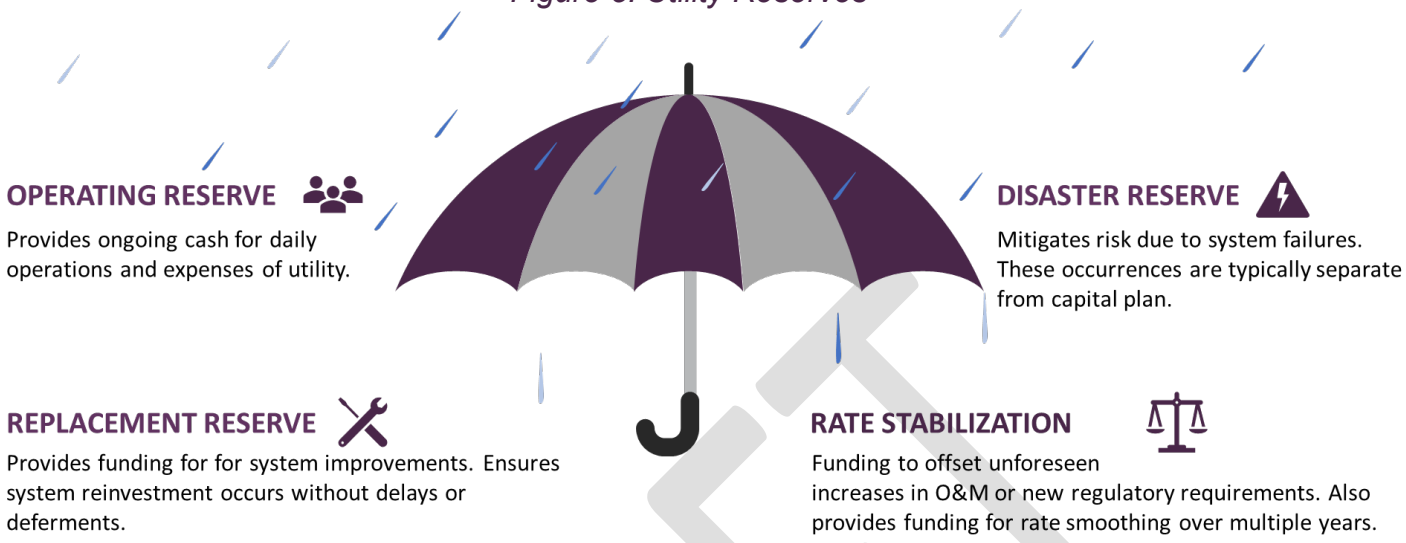
The FY 2024 budget was used to derive the unit rates for Water Supply costs. Any increases for purchased water will be passed through. The Operating Expenses are based on the FY 2024 Budget and adjusted in subsequent years based on the escalation factors shown in Table 9. Table 12 provides projected Operational & Maintenance (O&M) costs through the Rate Setting Period, with future projections rounded to the nearest thousands. Each expense category includes detailed line-item expenditures that were discussed with staff to determine the appropriate escalation factor to use for forecasting how costs will increase over time. The Inter-Fund Transfers are property tax revenues from the general fund that are scheduled to be phased out by FY 2026. Debt offsets are from the CSD's solar power credits.

Table 12: Projected O&M Expenses

O&M Expenses	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water Supply					
MWA/Antelope WM Admin. & Bio Fee	$15,000	$15,000	$12,000	$10,000	$9,000
MWA/Antelope WM Make Up Water	$3,000	$3,000	$3,000	$5,000	$6,000
MWA/AVW Replacement Water	$0	$0	$315,000	$451,000	$588,000
AVW Purchases (Emergency)	$5,000	$5,000	$6,000	$8,000	$11,000
Electricity GW	$1,453,000	$1,598,000	$1,392,000	$1,356,000	$1,300,000
Electricity Leased Water	$0	$0	$366,000	$577,000	$827,000
Chromium 6 Mitigation	$839,000	$839,000	$839,000	$839,000	$839,000
Conservation	$36,000	$38,000	$40,000	$41,000	$43,000
Subtotal Water Supply	$2,351,000	$2,498,000	$2,973,000	$3,287,000	$3,623,000
Operating Expenses					
Administration	$2,177,000	$2,287,000	$2,402,000	$2,524,000	$2,653,000
Customer Accounts/Meters	$718,000	$756,000	$796,000	$838,000	$882,000
Distribution/Transmission	$615,000	$644,000	$674,000	$706,000	$739,000
Engineering	$450,000	$475,000	$501,000	$529,000	$558,000
Operations	$822,000	$867,000	$913,000	$962,000	$1,014,000
Production (Source of Supply)	$511,000	$536,000	$563,000	$592,000	$621,000
Vehicles and Equipment	$219,000	$228,000	$237,000	$246,000	$256,000
Water Quality	$106,000	$112,000	$118,000	$124,000	$131,000
Inter-Transfers	($104,000)	($52,000)	$0	$0	$0
Subtotal Operating Expenses	$5,514,000	$5,853,000	$6,204,000	$6,521,000	$6,854,000
Debt Service					
Existing Debt	$1,365,000	$1,351,000	$1,338,000	$1,338,000	$1,338,000
Existing Debt Offsets	($522,222)	($522,222)	($522,222)	($522,222)	($522,222)
Subtotal Debt Service	$842,778	$828,778	$815,778	$815,778	$815,778
Total Expenses	**$8,707,778**	**$9,179,778**	**$9,992,778**	**$10,623,778**	**$11,292,778**

Reserves

Figure 5: Utility Reserves



Established unrestricted reserves include Operating Reserve, Replacement Reserve, Disaster Reserve, and a Rate Stabilization Reserve. These robust reserves help mitigate risks to the utility by ensuring sufficient cash is on hand for daily operations and to fund annual system improvements. In addition, these reserves help smooth rates and mitigate rate spikes due to emergencies or above-average system costs. The most recent adopted reserve policies identify the function of each reserve, the minimum reserve requirements, and the ideal funding targets, as summarized in Table 13.

Table 13: Reserve Requirements and Targets

Reserve	Minimum Requirement	Reserve Target
Operating	3 months of operating costs	6 months of operating costs
Replacement	2 years of annual depreciation	2 years of 5-year annual average CIP
Disaster	10% of Asset Value	20% of Asset Value
Rate Stabilization	5% of rate revenue	10% of rate revenue

For FY 2024, the unrestricted reserve balances (as of July 1, 2023) equaled approximately $11.1M.

Financial Outlook at Existing Rates

Calculating revenue using current rates and projecting expenses helps determine the financial health of the utility. Revenues generated from current rates are projected to reflect a very slight year-end deficit for FY 2024, which will continue to grow over the Rate Setting Period. In addition, capital spending towards repair & replacement would require the use of reserves as the primary funding source for all capital projects besides the administrative building that is funded through debt, which is not sustainable. Table 14 forecasts existing revenues and expenses through the Rate Setting Period. Table 15 identifies reserve transfers and reserve activity, with projected FY 2024 starting reserve balances shown for each reserve.

Table 14: Financial Plan at Existing Rates

Revenue		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenue						
Base Fixed Charge	Table 10	$3,108,000	$3,108,000	$3,108,000	$3,108,000	$3,108,000
Variable Revenue		$3,208,000	$3,208,000	$3,208,000	$3,208,000	$3,208,000
Total Rate Revenue		$6,316,000	$6,316,000	$6,316,000	$6,316,000	$6,316,000
Other Rate Revenue						
Chromium-6 Surcharge	Table 11	$839,000	$839,000	$839,000	$839,000	$839,000
Projected Rate Revenue		**$7,155,000**	**$7,155,000**	**$7,155,000**	**$7,155,000**	**$7,155,000**
Meter Installation/Fees/Connections		$88,000	$88,000	$88,000	$88,000	$88,000
Other Operating Income	Table 11	$305,000	$305,000	$305,000	$305,000	$305,000
Non-Operating Revenues		$1,123,000	$607,000	$596,000	$574,000	$574,000
Total Revenues		$8,671,000	$8,155,000	$8,144,000	$8,122,000	$8,122,000

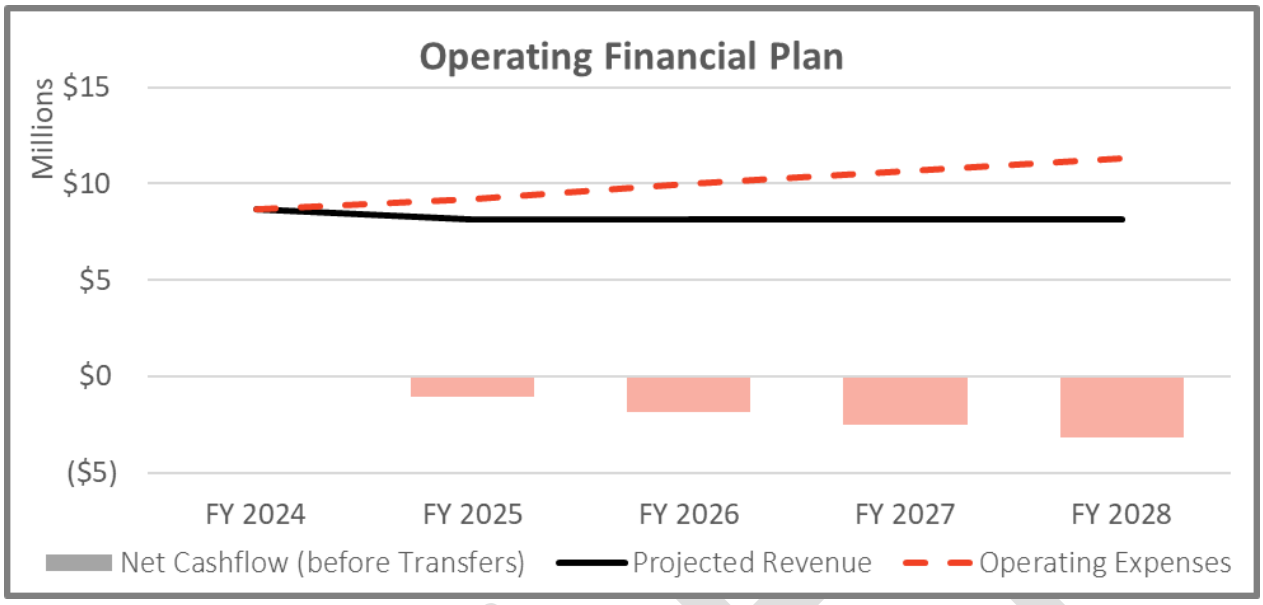
O&M Expenses		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water Supply						
MWA/Antelope WM Admin. & Bio Fee		$15,000	$15,000	$12,000	$10,000	$9,000
MWA/Antelope WM Make Up Water		$3,000	$3,000	$3,000	$5,000	$6,000
MWA/AVW Replacement Water		$0	$0	$315,000	$451,000	$588,000
AVW Purchases (Emergency)		$5,000	$5,000	$6,000	$8,000	$11,000
Electricity GW	Table 12	$1,453,000	$1,598,000	$1,392,000	$1,356,000	$1,300,000
Electricity Leased Water		$0	$0	$366,000	$577,000	$827,000
Chromium 6 Mitigation		$839,000	$839,000	$839,000	$839,000	$839,000
Conservation		$36,000	$38,000	$40,000	$41,000	$43,000
Subtotal Water Supply		$2,351,000	$2,498,000	$2,973,000	$3,287,000	$3,623,000
Operating Expenses						
Administration		$2,177,000	$2,287,000	$2,402,000	$2,524,000	$2,653,000
Customer Accounts/Meters		$718,000	$756,000	$796,000	$838,000	$882,000
Distribution/Transmission		$615,000	$644,000	$674,000	$706,000	$739,000
Engineering		$450,000	$475,000	$501,000	$529,000	$558,000
Operations	Table 12	$822,000	$867,000	$913,000	$962,000	$1,014,000
Production (Source of Supply)		$511,000	$536,000	$563,000	$592,000	$621,000
Vehicles and Equipment		$219,000	$228,000	$237,000	$246,000	$256,000
Water Quality		$106,000	$112,000	$118,000	$124,000	$131,000
Inter-Transfers		($104,000)	($52,000)	$0	$0	$0
Subtotal Operating Expenses		$5,514,000	$5,853,000	$6,204,000	$6,521,000	$6,854,000
Debt Service						
Existing Debt	Table 12	$1,365,000	$1,351,000	$1,338,000	$1,338,000	$1,338,000
Existing Debt Offsets		($522,222)	($522,222)	($522,222)	($522,222)	($522,222)
Subtotal Debt Service		$842,778	$828,778	$815,778	$815,778	$815,778
Total Expenses		$8,707,778	$9,179,778	$9,992,778	$10,623,778	$11,292,778
Net Cashflow		($36,778)	($1,024,778)	($1,848,778)	($2,501,778)	($3,170,778)

Table 15: Transfers and Reserve Activity at Existing Rates

Operating Fund	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Beginning Balance	$2,467,970	$1,939,315	$914,537	($934,241)	($3,436,019)
Transfers (Net Cashflow)	($36,778)	($1,024,778)	($1,848,778)	($2,501,778)	($3,170,778)
Transfers from/(to) Replacement Reserve	($491,877)	$0	$0	$0	$0
Ending Balance	**$1,939,315**	**$914,537**	**($934,241)**	**($3,436,019)**	**($6,606,797)**
Replacement Reserve	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$4,300,072	$4,682,819	$3,856,053	$1,861,414	($1,869,644)
Plus:					
Transfers from/(to) Operating Fund	$491,877	$0	$0	$0	$0
Payback (Chromium 6)	$839,000	$839,000	$839,000	$839,000	$839,000
Sources & Uses					
Use of Remaining Debt Proceeds	$6,000,000	$48,369	$0	$0	$0
Less:					
CIP	($7,015,000)	($1,777,700)	($2,876,200)	($4,570,058)	($2,408,018)
Subtotal Replacement Reserve	$4,615,949	$3,792,488	$1,818,853	($1,869,644)	($3,438,662)
Interest Earnings	$66,870	$63,565	$42,562	$0	$0
Ending Balance	**$4,682,819**	**$3,856,053**	**$1,861,414**	**($1,869,644)**	**($3,438,662)**
Disaster Reserve	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$3,946,325	$3,946,325	$3,946,325	$3,946,325	$3,946,325
Ending Balance	**$3,946,325**	**$3,946,325**	**$3,946,325**	**$3,946,325**	**$3,946,325**
Rate Stabilization Reserve	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$389,304	$389,304	$389,304	$389,304	$389,304
Ending Balance	**$389,304**	**$389,304**	**$389,304**	**$389,304**	**$389,304**
Ending Unrestricted Reserve Balance	**$10,957,763**	**$9,106,219**	**$5,262,803**	**($970,033)**	**($5,709,829)**

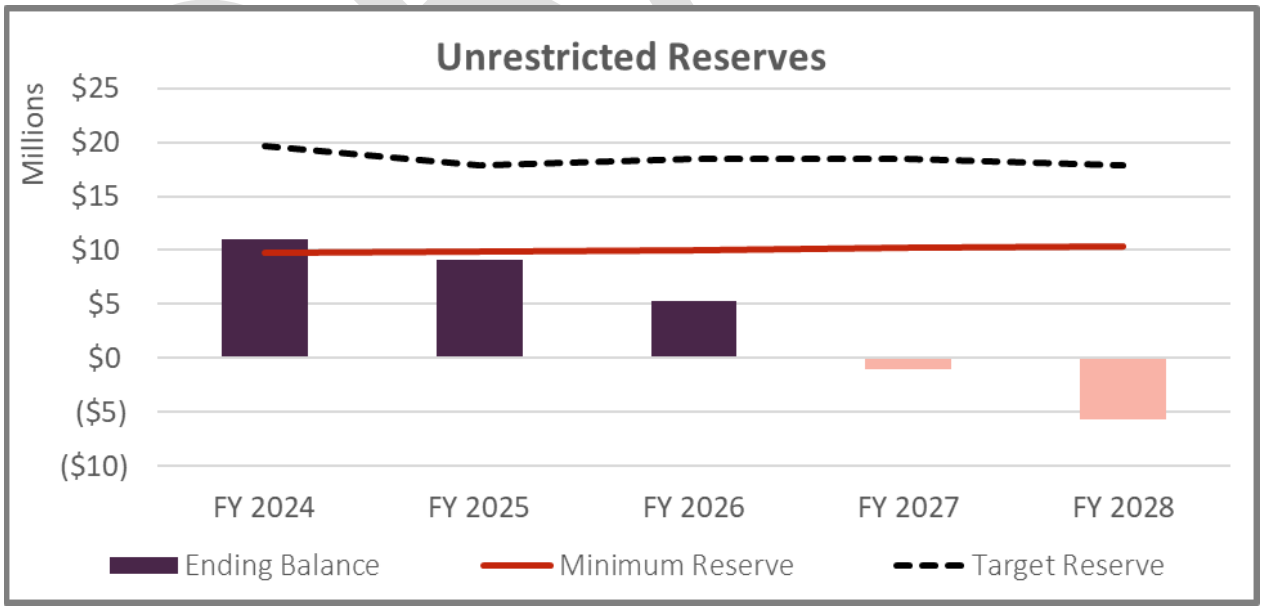
Figure 6 illustrates the operating position of the utility, where O&M expenses are identified with the dashed red trendline, and the horizontal black trendline shows total revenues at current rates. The bars represent the amount of net operating income, which reflects an annual deficit that is absorbed by reserves.

Figure 6: Current Operating Financial Position



With the capital improvement plan reflecting more than $18.6M in spending, as shown in Figure 2, existing debt proceeds and reserves will be utilized to cover the capital expenses. However, by FY 2025, reserves are below the recommended minimum target and are depleted by FY 2027. Figure 7 reflects the projected ending balances of unrestricted reserves after funding operating and capital projects. Unrestricted reserves include Operating, Replacement, Disaster, and Rate Stabilization. An increase in rate revenue is necessary to fully-fund the CSD's capital needs and generate additional net income to maintain healthy reserves.

Figure 7: Projected Ending Reserves at Noticed Rates



Proposed Financial Plan

From our review of the utility's financial outlook at noticed rates, a proposed financial plan is developed to fund the multi-year revenue requirements. The proposed financial plan generates approximately $18.5M in additional revenue over the Rate Setting Period. The additional revenue generates positive net operating income to go towards capital spending and satisfy reserve requirements. Table 16 forecasts the projected revenues, ***with annual revenue adjustments,*** and expenses through FY 2028. Table 17 identifies the projected FY 2024 total starting reserve balances, activity within each reserve (including net income transfer from Table 16, transfers between reserves, and annual CIP), and projected ending balances for each fiscal year of the Rate Setting Period.

Table 16: Proposed Financial Plan

Revenue		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenue						
Base Fixed Charge	Table 10	$3,108,000	$3,108,000	$3,108,000	$3,108,000	$3,108,000
Variable Revenue		$3,208,000	$3,208,000	$3,208,000	$3,208,000	$3,208,000
Total Rate Revenue		$6,316,000	$6,316,000	$6,316,000	$6,316,000	$6,316,000
Additional Revenue (from revenue adjustments):						
FY 2024 (16.0% Revenue Adjustment, November Effective Month)		$673,000	$1,010,000	$1,010,000	$1,010,000	$1,010,000
FY 2025 (16.0% Revenue Adjustment, July Effective Month)			$1,172,000	$1,172,000	$1,172,000	$1,172,000
FY 2026 (16.0% Revenue Adjustment, July Effective Month)				$1,359,000	$1,359,000	$1,359,000
FY 2027 (16.0% Revenue Adjustment, July Effective Month)					$1,577,000	$1,577,000
FY 2028 (16.0% Revenue Adjustment, July Effective Month)						$1,829,000
Total Additional Revenue		$673,000	$2,182,000	$3,541,000	$5,118,000	$6,947,000
Other Rate Revenue						
Chromium-6 Surcharge	Table 11	$839,000	$839,000	$839,000	$839,000	$839,000
Projected Rate Revenue		**$7,828,000**	**$9,337,000**	**$10,696,000**	**$12,273,000**	**$14,102,000**
Meter Installation/Fees/Connections		$88,000	$88,000	$88,000	$88,000	$88,000
Other Operating Income	Table 11	$305,000	$305,000	$305,000	$305,000	$305,000
Non-Operating Revenues		$1,123,000	$607,000	$604,000	$607,000	$609,000
Total Revenues		$9,344,000	$10,337,000	$11,693,000	$13,273,000	$15,104,000
O&M Expenses		**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Water Supply						
MWA/Antelope WM Admin. & Bio Fee		$15,000	$15,000	$12,000	$10,000	$9,000
MWA/Antelope WM Make Up Water		$3,000	$3,000	$3,000	$5,000	$6,000
MWA/AVW Replacement Water		$0	$0	$315,000	$451,000	$588,000
AVW Purchases (Emergency)		$5,000	$5,000	$6,000	$8,000	$11,000
Electricity GW	Table 12	$1,453,000	$1,598,000	$1,392,000	$1,356,000	$1,300,000
Electricity Leased Water		$0	$0	$366,000	$577,000	$827,000
Chromium 6 Mitigation		$839,000	$839,000	$839,000	$839,000	$839,000
Conservation		$36,000	$38,000	$40,000	$41,000	$43,000
Subtotal Water Supply		$2,351,000	$2,498,000	$2,973,000	$3,287,000	$3,623,000
Operating Expenses						
Administration		$2,177,000	$2,287,000	$2,402,000	$2,524,000	$2,653,000
Customer Accounts/Meters		$718,000	$756,000	$796,000	$838,000	$882,000
Distribution/Transmission		$615,000	$644,000	$674,000	$706,000	$739,000
Engineering		$450,000	$475,000	$501,000	$529,000	$558,000
Operations	Table 12	$822,000	$867,000	$913,000	$962,000	$1,014,000
Production (Source of Supply)		$511,000	$536,000	$563,000	$592,000	$621,000
Vehicles and Equipment		$219,000	$228,000	$237,000	$246,000	$256,000
Water Quality		$106,000	$112,000	$118,000	$124,000	$131,000
Inter-Transfers		($104,000)	($52,000)	$0	$0	$0
Subtotal Operating Expenses		$5,514,000	$5,853,000	$6,204,000	$6,521,000	$6,854,000
Debt Service						
Existing Debt	Table 12	$1,365,000	$1,351,000	$1,338,000	$1,338,000	$1,338,000
Existing Debt Offsets		($522,222)	($522,222)	($522,222)	($522,222)	($522,222)
Subtotal Debt Service		$842,778	$828,778	$815,778	$815,778	$815,778
Total Expenses		$8,707,778	$9,179,778	$9,992,778	$10,623,778	$11,292,778
Net Cashflow		$636,222	$1,157,222	$1,700,222	$2,649,222	$3,811,222

Table 17: Transfers and Reserves Activity through FY 2028

Operating Fund	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Beginning Balance	$2,467,970	$1,939,315	$2,059,151	$2,262,822	$2,418,411
Transfers (Net Cashflow)	$636,222	$1,157,222	$1,700,222	$2,649,222	$3,811,222
Transfers from/(to) Replacement Reserve	($1,164,877)	($1,037,386)	($1,496,551)	($2,493,633)	($3,646,263)
Ending Balance	**$1,939,315**	**$2,059,151**	**$2,262,822**	**$2,418,411**	**$2,583,370**
Replacement Reserve	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$4,300,072	$5,360,866	$5,589,438	$5,128,575	$3,958,798
Plus:					
Transfers from/(to) Operating Fund	$1,164,877	$1,037,386	$1,496,551	$2,493,633	$3,646,263
Payback (Chromium 6)	$839,000	$839,000	$839,000	$839,000	$839,000
Sources & Uses					
Use of Remaining Debt Proceeds	$6,000,000	$48,369	$0	$0	$0
Less:					
CIP	($7,015,000)	($1,777,700)	($2,876,200)	($4,570,058)	($2,408,018)
Subtotal Replacement Reserve	$5,288,949	$5,507,922	$5,048,789	$3,891,150	$6,036,043
Interest Earnings	$71,918	$81,516	$79,787	$67,648	$74,961
Ending Balance	**$5,360,866**	**$5,589,438**	**$5,128,575**	**$3,958,798**	**$6,111,004**
Disaster Reserve	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$3,946,325	$3,946,325	$3,946,325	$3,946,325	$3,946,325
Ending Balance	**$3,946,325**	**$3,946,325**	**$3,946,325**	**$3,946,325**	**$3,946,325**
Rate Stabilization Reserve	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$389,304	$389,304	$389,304	$389,304	$389,304
Ending Balance	**$389,304**	**$389,304**	**$389,304**	**$389,304**	**$389,304**
Ending Unrestricted Reserve Balance	**$11,635,810**	**$11,984,217**	**$11,727,026**	**$10,712,838**	**$13,030,003**

Figure 8 identifies the operating position based on the proposed financial plan, and Figure 9 and Figure 10 identify the capital plan with funding sources and ending reserve balances, respectively.

Figure 8: Proposed Operating Position

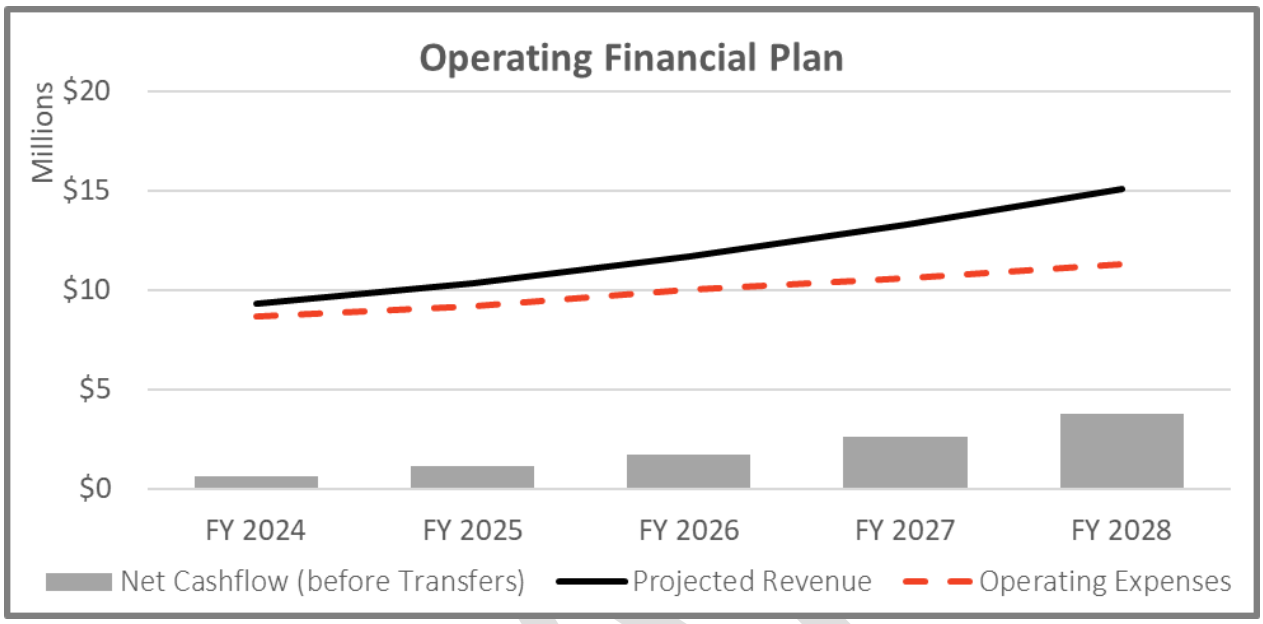


Figure 9: Capital Improvement Plan with Funding Sources

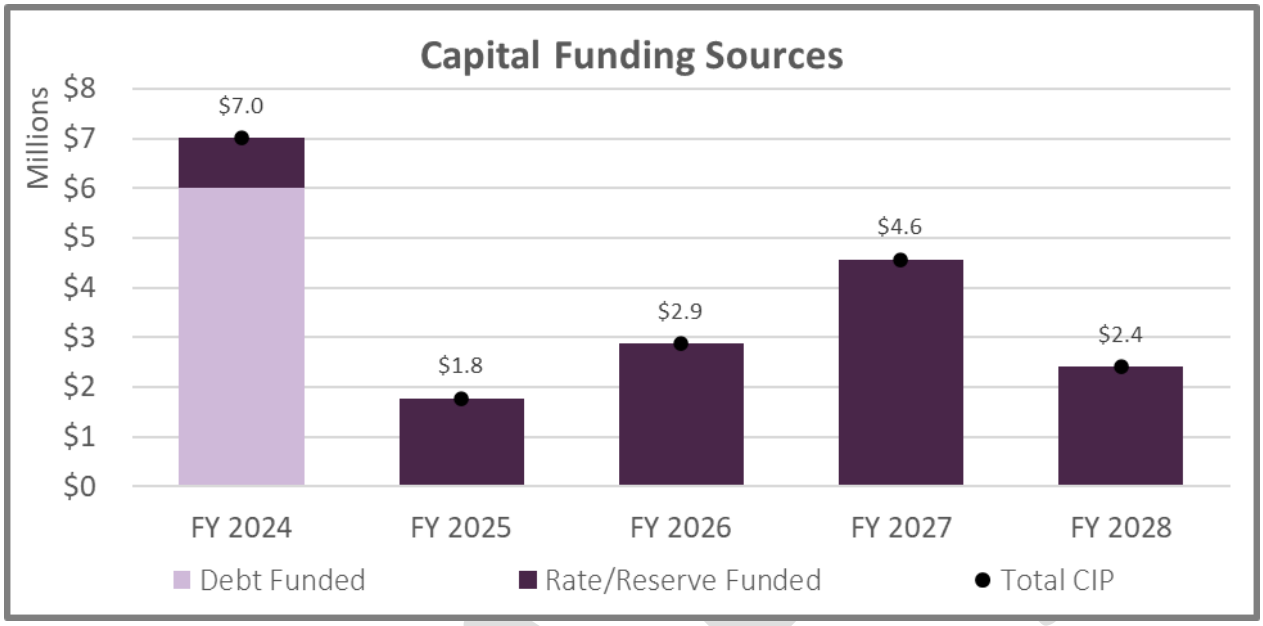
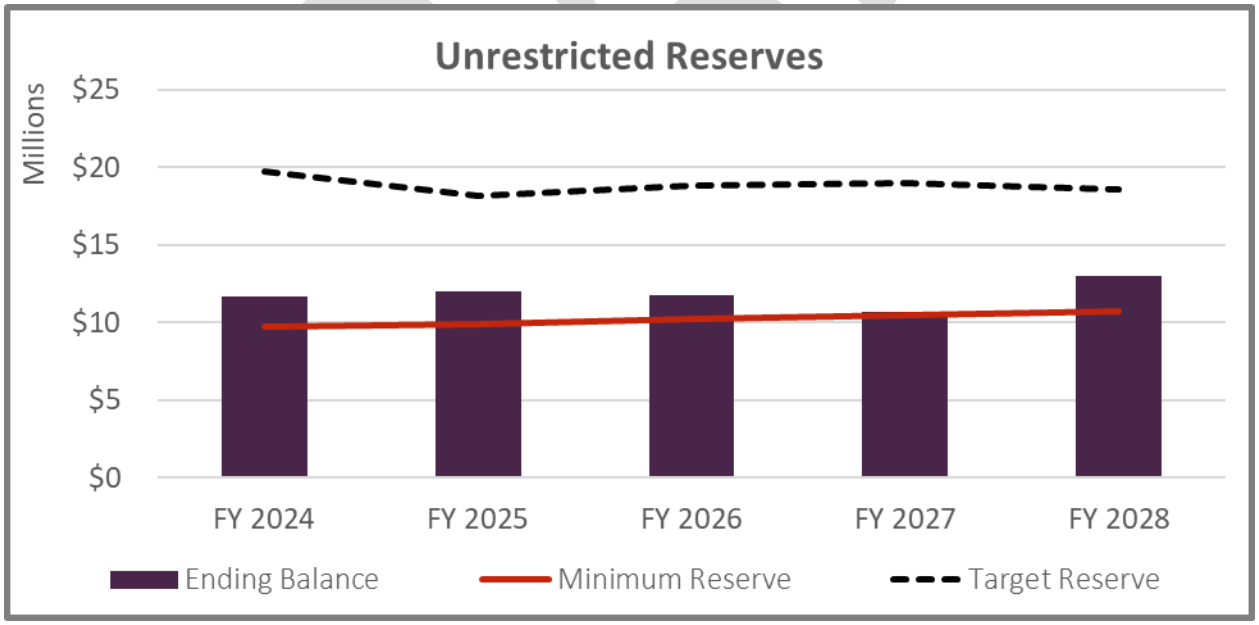


Figure 10: Proposed Ending Reserves



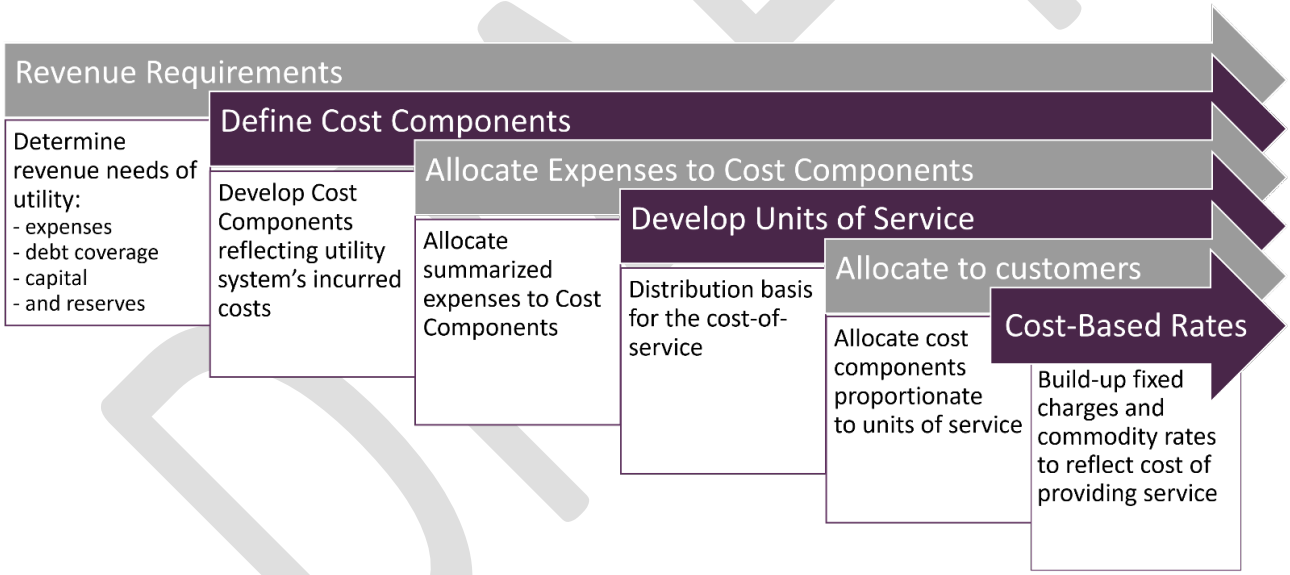
Cost-of-Service Analysis

Cost-of-Service Process

The next step in developing rates is to perform a cost-of-service analysis. This step develops proposed water rates that are cost-based and equitable. Meeting the requirements of Proposition 218 is of paramount importance in developing utility rates. Proposition 218 does not provide a particular methodology for establishing cost-based rates. This study and analysis herein allocates costs proportionately to each parcel served by the CSD and derives water rates that adheres to the cost-of-service provisions of Proposition 218.

It is important to understand **how** costs are incurred to determine the most appropriate way to recover them. The following graphic summarizes the cost-of-service process. Through this process, costs incurred are allocated to customer classes and tiers based on their proportional share. As a result, proposed rates are cost-based and reflect costs incurred by the utility to provide service to each parcel and corresponding account. Due to the ramp down in the CSD's FPA and increased replacement water costs each year, the cost-of-service analysis was performed for each year of the Rate Setting Period.

Figure 11: Cost-of-Service Process



Revenue Requirements

Revenue requirements are determined for FY 2024 through FY 2028 and used for the cost-of-service. Revenue requirements include O&M expenses, debt service, available offsets from non-rate revenues, annual net income, and any mid-year adjustments if rates are implemented after the start of the fiscal year. Funding the capital plan and replenishing reserves to meet or exceed the minimum reserve requirement is achieved over the Rate Setting Period. The proposed revenue adjustments and corresponding rates collectively accumulate the necessary funding over the Rate Setting Period to fund the CSD's total revenue requirements. The results of the financial plan analysis are summarized in Table 18 and represent the revenue required from rates for FY 2024 through FY 2028.

Table 18: Revenue Requirements

Revenue Requirements	FY 2024 Total	FY 2025 Total	FY 2026 Total	FY 2027 Total	FY 2028 Total
Specific Expenses					
Water Supply					
MWA/Antelope WM Admin. & Bio Fee	$15,000	$15,000	$12,000	$10,000	$9,000
MWA/Antelope WM Make Up Water	$3,000	$3,000	$3,000	$5,000	$6,000
MWA/AVW Replacement Water	$0	$0	$315,000	$451,000	$588,000
AVW Purchases (Emergency)	$5,000	$5,000	$6,000	$8,000	$11,000
Electricity GW	$1,453,000	$1,598,000	$1,392,000	$1,356,000	$1,300,000
Electricity Leased Water	$0	$0	$366,000	$577,000	$827,000
Chromium 6 Mitigation	$839,000	$839,000	$839,000	$839,000	$839,000
Conservation	$36,000	$38,000	$40,000	$41,000	$43,000
Total Specific Expenses	$2,351,000	$2,498,000	$2,973,000	$3,287,000	$3,623,000
Operating Expenses					
Administration	$2,177,000	$2,287,000	$2,402,000	$2,524,000	$2,653,000
Customer Accounts/Meters	$718,000	$756,000	$796,000	$838,000	$882,000
Distribution/Transmission	$615,000	$644,000	$674,000	$706,000	$739,000
Engineering	$450,000	$475,000	$501,000	$529,000	$558,000
Operations	$822,000	$867,000	$913,000	$962,000	$1,014,000
Production (Source of Supply)	$511,000	$536,000	$563,000	$592,000	$621,000
Vehicles and Equipment	$219,000	$228,000	$237,000	$246,000	$256,000
Water Quality	$106,000	$112,000	$118,000	$124,000	$131,000
Inter-Transfers	($104,000)	($52,000)	$0	$0	$0
Total Operating Expenses	$5,514,000	$5,853,000	$6,204,000	$6,521,000	$6,854,000
Debt Service					
Existing Debt	$1,365,000	$1,351,000	$1,338,000	$1,338,000	$1,338,000
Existing Debt Offsets	($522,222)	($522,222)	($522,222)	($522,222)	($522,222)
Total Debt Service	$842,778	$828,778	$815,778	$815,778	$815,778
Other Funding					
Revenue Offsets					
Meter Installation/Fees/Connections	($88,000)	($88,000)	($88,000)	($88,000)	($88,000)
Other Operating Income	($305,000)	($305,000)	($305,000)	($305,000)	($305,000)
Non-Operating Revenues	($1,123,000)	($607,000)	($604,000)	($607,000)	($609,000)
Total Revenue Offsets	($1,516,000)	($1,000,000)	($997,000)	($1,000,000)	($1,002,000)
Adjustments					
Reserve Funding	$636,222	$1,157,222	$1,700,222	$2,649,222	$3,811,222
Adjustment for Mid-Year Increase	$336,500	$0	$0	$0	$0
Total Adjustments	$972,722	$1,157,222	$1,700,222	$2,649,222	$3,811,222
Total Other Funding	($543,278)	$157,222	$703,222	$1,649,222	$2,809,222
Revenue Requirement from Rates	**$8,164,500**	**$9,337,000**	**$10,696,000**	**$12,273,000**	**$14,102,000**

Define Cost Components

The utility incurs costs to accommodate total water demand and peak demands that vary throughout the year. Therefore, to determine the most appropriate way to recover the utility's expenses, cost components are identified to allocate expenses based on how they are incurred. With our review of the revenue requirements and understanding of the utility system, it is appropriate and reasonable to utilize the base-extra capacity methodology outlined in the American Water Works Association M1 Manual. This methodology accounts for the utility's costs to meet both total volume and peak use demands. For example, if a utility's average use and peak use were equivalent, the utility system could be sized solely to accommodate the average demand on the system. However, customer water usage peaks at various periods throughout the year, such as the morning when everyone wakes up, evenings when customers are home from work / school, and other times of the year as outdoor water needs fluctuate based on the weather. The cost components shown in Figure 12 reflect the cost components used within this study.

Figure 12: Cost Components

Account Services – Fixed expenses that do not necessarily fluctuate based on usage nor are a function of meter size. These expenses include customer call center, billing, and other expenses incurred based on an account.
Meter Capacity – Expenses associated with capital and administration of the system.
Chromium 6 – Specific expenses associated with Chromium 6 Mitigation that will remain constant over the 5-year Rate Setting Period.
Water Supply – Groundwater supply costs and purchased replacement water from MWA.
Delivery – Operating and capital expenses of the water system associated with serving customers at a constant average use or average daily demand. These costs tend to vary with the total water used.
Peaking – Expenses incurred to meet customer peak demands above average daily usage.
Water Efficiency – Expenses associated with the CSD programs for efficient water use and rebates.

The Chromium 6 Surcharge will remain in place as capital projects associated with the Chromium 6 Mitigation are part of the current five-year capital plan. Therefore, the Chromium 6 surcharge will remain as a separate fixed charge.

The analysis herein establishes cost components for developing monthly fixed charges and utilizes the base-extra capacity method for developing consumption-based charges. Total volume and usage patterns of customers and tier are analyzed to proportionately allocate expenses based on total usage and peak demands. Peak demand is a function of Max Day Demand (Max Day) and Max Hour Demand (Max Hour) placed on the system in comparison to average Day Demand (Avg Day). The system is configured with various distribution and transmission lines ranging from 4" diameter to 16" diameter. The system's configuration accounts for peak water demands generated by how customers use water in excess of Avg Day and fire flow demand inherent to a utility system. Max Day is the maximum amount of water used in a single day of a calendar year and Max Hour reflects the peak hourly use on the system compared to Avg Day.

Allocate Expenses to Cost Components

Utilizing these cost components allows us to distribute the total revenue requirements to the various customer classes reflecting the cost of providing service. This approach provides a nexus between the costs incurred and the proposed rates by meter size and customer class. When allocating expenses to the defined costs components it is important to have a sound basis as to why an expense was allocated to a certain fixed cost component versus a variable cost component or split between fixed and variable. The allocation of expenses to the cost components should be straightforward to ensure the method of apportionment is **understandable** and easily **correlates to how expenses are incurred**. A description of each expense category is identified on the next page.

Expense Categories:

Water Supply – Costs associated with groundwater supplies and replacement water from MWA.

Chromium 6 Mitigation – Costs associated with Chromium 6 improvements, including planning, design, construction, and ongoing maintenance.

Conservation – Costs associated with conservation programs, including personnel, advertising, and supplies.

Administration – General and overhead costs, including the Board, legal services, personnel, and supplies.

Customer Accounts/Meters – Costs associated with customer service and billing.

Distribution/Transmission – Costs associated with system maintenance, personnel, supplies, and tools.

Engineering – Costs associated with the engineering department, including personnel, supplies, training, software, and travel.

Operations – Costs associated with the daily operations of the utility, including personnel, repairs, supplies, software, insurance, and taxes.

Production – Costs associated with groundwater production, personnel, supplies, and insurance. Solar credits, net of debt offsets, are also included as part of production.

Vehicles and Equipment – Costs associated with rentals, vehicles, insurance, maintenance, and fuel.

Water Quality – Costs associated with testing, including personnel, equipment, and laboratory analysis.

Inter-Transfers – Property tax transfers from the general fund, determined by the Board, to offset expenses.

Debt – Existing and proposed debt payments to fund capital assets, including water rights and solar credit offsets.

System peaking factors are used to allocate costs to Avg Day (Delivery) and Max Day / Max Hour (collectively, Peaking). Avg Day is assigned a value of 1.0, signifying no peaking. The Peaking factors shown in Table 19 were based on the Water Master Plan. A Max Day factor of 2.0 means that the system delivers approximately 2.0 times the average daily demand during a peak day. Therefore, the Avg Day factor of 1.0 makes up 50% of Max Day (1.0 / 2.0 = 0.5). The Max Hour factor of 3.0 means that the Avg Day factor of 1.0 makes up 33.3% of Max Hour (1.0 / 3.0 = 0.333), with the increment related to Peaking making up another 66.7%. These peaking factors and corresponding allocations provide a means to spread costs incurred as a function of serving Max Day and Max Hour proportionately between Delivery and Peaking.

Table 19: System Peaking Factors and Distribution Basis

System Peak	Factor	Base	Peaking
	[A]	[B] = A ÷ Avg Day	[C] = 100% - B
Average Day Demand	1.00	100.0%	0.0%
Max Day Demand	2.00	50.0%	50.0%
Max Hour Demand	3.00	33.3%	66.7%

Table 20 summarizes the methodology/allocations of specific expenses including water supplies, Chromium 6 mitigation, and Conservation to the cost components.

Table 20: FY 2024 Specific Expense Allocation to Cost Components (%)

		Cost Components								
					Water Supply					
Specific Expenses	Methodology / Allocation Basis	Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Water Supply										
MWA/Antelope WM Admin. & Bio Fee	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
MWA/Antelope WM Make Up Water	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
MWA/AVW Replacement Water	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
AVW Purchases (Emergency)	Specific	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
Water Purchases - Other	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Electricity GW	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Electricity Leased Water	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Chromium 6 Mitigation	Specific	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Conservation	Specific	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

The percent allocations listed in Table 20 are used to allocate FY 2024 specific expenses to each cost component shown in Table 21.

Table 21: FY 2024 Specific Expense Allocation to Cost Components ($)

		Cost Components								
					Water Supply					
Specific Expenses	Methodology / Allocation Basis	Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Water Supply										
MWA/Antelope WM Admin. & Bio Fee	Specific	$0	$0	$0	$0	$15,000	$0	$0	$0	$15,000
MWA/Antelope WM Make Up Water	Specific	$0	$0	$0	$0	$3,000	$0	$0	$0	$3,000
MWA/AVW Replacement Water	Specific	$0	$0	$0	$0	$0	$0	$0	$0	$0
AVW Purchases (Emergency)	Specific	$0	$0	$0	$0	$0	$5,000	$0	$0	$5,000
Water Purchases - Other	Specific	$0	$0	$0	$0	$0	$0	$0	$0	$0
Electricity GW	Specific	$0	$0	$0	$0	$1,453,000	$0	$0	$0	$1,453,000
Electricity Leased Water	Specific	$0	$0	$0	$0	$0	$0	$0	$0	$0
Chromium 6 Mitigation	Specific	$0	$0	$839,000	$0	$0	$0	$0	$0	$839,000
Conservation	Specific	$0	$0	$0	$0	$0	$0	$0	$36,000	$36,000
Total Allocation ($)		**$0**	**$0**	**$839,000**	**$0**	**$1,471,000**	**$5,000**	**$0**	**$36,000**	**$2,351,000**

Table 22 summarizes the methodology/percent allocations of FY 2024 operating expenses to the cost components Table 23 reflects the cost in dollars allocated to each cost component.

Table 22: FY 2024 O&M Expense Allocation to Cost Components (%)

		Cost Components								
					Water Supply					
Operating Expenses	Methodology / Allocation Basis	Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Administration	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Customer Accounts/Meters	Specific	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Distribution/Transmission	Max Hour Demand	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	100.0%
Engineering	Max Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	100.0%
Operations	Max Hour Demand	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	100.0%
Production (Source of Supply)	Average Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
Vehicles and Equipment	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Water Quality	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Inter-Transfers	Average Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%

Table 23: FY 2024 O&M Expense Allocation to Cost Components ($)

Operating Expenses	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Administration	*Specific*	$0	$2,177,000	$0	$0	$0	$0	$0	$0	$2,177,000
Customer Accounts/Meters	*Specific*	$718,000	$0	$0	$0	$0	$0	$0	$0	$718,000
Distribution/Transmission	*Max Hour Demand*	$0	$0	$0	$0	$0	$205,000	$410,000	$0	$615,000
Engineering	*Max Day Demand*	$0	$0	$0	$0	$0	$225,000	$225,000	$0	$450,000
Operations	*Max Hour Demand*	$0	$0	$0	$0	$0	$274,000	$548,000	$0	$822,000
Production (Source of Supply)	*Average Day Demand*	$0	$0	$0	$0	$0	$511,000	$0	$0	$511,000
Vehicles and Equipment	*Specific*	$0	$219,000	$0	$0	$0	$0	$0	$0	$219,000
Water Quality	*Specific*	$0	$106,000	$0	$0	$0	$0	$0	$0	$106,000
Inter-Transfers	*Average Day Demand*	$0	$0	$0	$0	$0	($104,000)	$0	$0	($104,000)
Total Allocation ($)		**$718,000**	**$2,502,000**	**$0**	**$0**	**$0**	**$1,111,000**	**$1,183,000**	**$0**	**$5,514,000**
Operating Expenses Allocation (%)		*13.0%*	*45.4%*	*0.0%*	*0.0%*	*0.0%*	*20.1%*	*21.5%*	*0.0%*	*100.0%*

The CSD's debt was allocated to Meter Capacity because the debt is used for capital improvements of the water system, and Meter Capacity is a fixed cost recovery component that reflects the potential demand each meter places on the water system. Table 24 summarizes the percent allocation of existing indebtedness. Table 25 provides the cost in dollars allocated to each cost component. The debt offsets are from CSD's solar power credits.

Table 24: FY 2024 Debt Expense Allocation to Cost Components (%)

Debt Service	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Existing Debt	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Existing Debt Offsets	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Table 25: FY 2024 Debt Expense Allocation to Cost Components ($)

Debt Service	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Existing Debt	*Specific*	$0	$1,365,000	$0	$0	$0	$0	$0	$0	$1,365,000
Existing Debt Offsets	*Specific*	$0	($522,222)	$0	$0	$0	$0	$0	$0	($522,222)
Total Allocation ($)		**$0**	**$842,778**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$842,778**

Other Funding includes other operating and non-operating revenues, reserve funding, and mid-year adjustment when proposed rates are implemented after the start of the fiscal year. The mid-year adjustment annualizes the proposed revenue adjustment to account for the time elapsed before new rates take effect. All items under "Other Funding" are allocated based on the O&M percentages derived in Table 23 to maintain proportionately in how expenses were allocated to the cost components. Table 26 summarizes the percent allocation to the cost components, and Table 27 uses the percent allocations in Table 26 to allocate FY 2024 expenses in dollars to each cost component.

Table 26: FY 2024 Other Funding Allocation to Cost Components (%)

Other Funding	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Revenue Offsets										
Meter Installation/Fees/Connections	O&M Allocation	13.0%	45.4%	0.0%	0.0%	0.0%	20.1%	21.5%	0.0%	100.0%
Other Operating Income	O&M Allocation	13.0%	45.4%	0.0%	0.0%	0.0%	20.1%	21.5%	0.0%	100.0%
Non-Operating Revenues	O&M Allocation	13.0%	45.4%	0.0%	0.0%	0.0%	20.1%	21.5%	0.0%	100.0%
Adjustments										
Reserve Funding	O&M Allocation	13.0%	45.4%	0.0%	0.0%	0.0%	20.1%	21.5%	0.0%	100.0%
Adjustment for Mid-Year Increase	O&M Allocation	13.0%	45.4%	0.0%	0.0%	0.0%	20.1%	21.5%	0.0%	100.0%

Table 27: FY 2024 Other Funding Allocation to Cost Components ($)

Other Funding	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Revenue Offsets										
Meter Installation/Fees/Connections	O&M Allocation	($11,459)	($39,930)	$0	$0	$0	($17,731)	($18,880)	$0	($88,000)
Other Operating Income	O&M Allocation	($39,715)	($138,395)	$0	$0	$0	($61,454)	($65,436)	$0	($305,000)
Non-Operating Revenues	O&M Allocation	($146,230)	($509,566)	$0	$0	$0	($226,270)	($240,934)	$0	($1,123,000)
Adjustments										
Reserve Funding	O&M Allocation	$82,845	$288,688	$0	$0	$0	$128,191	$136,498	$0	$636,222
Adjustment for Mid-Year Increase	O&M Allocation	$43,817	$152,688	$0	$0	$0	$67,800	$72,194	$0	$336,500
Total Allocation ($)		**($70,742)**	**($246,515)**	**$0**	**$0**	**$0**	**($109,463)**	**($116,557)**	**$0**	**($543,278)**

Table 28 summarizes the FY 2024 total revenue requirements derived in Table 18 by cost component.

Table 28: FY 2024 Cost-of-Service Requirements

Revenue Requirement		Fixed Components: Account Services	Meter Capacity	Chromium 6	Variable Components: Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Specific Expenses	Table 21	$0	$0	$839,000	$0	$1,471,000	$5,000	$0	$36,000	$2,351,000
Operating Expenses	Table 23	$718,000	$2,502,000	$0	$0	$0	$1,111,000	$1,183,000	$0	$5,514,000
Debt Service	Table 25	$0	$842,778	$0	$0	$0	$0	$0	$0	$842,778
Other Funding	Table 27	($70,742)	($246,515)	$0	$0	$0	($109,463)	($116,557)	$0	($543,278)
COS Requirements		**$647,258**	**$3,098,263**	**$839,000**	**$0**	**$1,471,000**	**$1,006,537**	**$1,066,443**	**$36,000**	**$8,164,500**

The total revenue requirements by cost component for FY 2025 through FY 2028 can be found in Appendix A-1 through D-1,respectively. The same approach shown for FY 2024 was used for each year of the Rate Setting Period but reflects each fiscal year's revenue requirement.

Rate Design

Develop Units of Service

Unit rates for the cost components are derived by spreading the corresponding revenue requirements over appropriate units of service (distribution basis). This approach provides a clear connection between costs incurred and the proportionate share attributable to each corresponding meter, tier, and customer account. When designing rates, the most critical component is connecting the proposed rates to the costs incurred, resulting in a rate structure that is cost-based and in compliance with Proposition 218. The previous section summarized costs by expense category and then allocated to cost components based on how each cost is incurred for each fiscal year. The next step in designing rates is to apportion the total amount of each cost component to customers in relation to their use of the system and facilities. The method of apportionment considers each customer's share of system costs and is reflected by the units of service used to equitably distribute the cost components to each customer account. The distribution basis varies by cost component and includes total accounts, Meter Equivalents (MEs), which reflect demand placed on the system based on meter size, total water sales, and usage by tier. In Table 29 each meter size was assigned an equivalency factor using the flow characteristics of a 3/4" meter. Based on the CSD's meter inventory, the safe maximum operating flow capacity for these meter types, as identified in the AWWA M1 Manual, 6th Edition, Table B-2, were used for determining meter equivalencies.

The safe maximum operating flow capacity for each meter was divided by the 3/4" meters' safe operating flow capacity of 30 gpm to determine the equivalent meter ratio. In other words, the calculations convert all larger sized meters to an equivalent number of 3/4" meters based on the safe operating flow capacity of 30 gpm. The Capacity Ratio represents the potential flow through each meter size compared to the flow through the base 3/4" meter to establish parity between meter sizes. Total MEs are determined by multiplying the number of meters by the Capacity Ratio and then multiplying the result by the billing periods in a year (12 billing periods). Table 29 summarizes the units of service related to Total Annual Bills and Annual MEs for each year of the Rate Setting Period.

Table 29: Accounts and Meter Equivalents

Meter Size	AWWA Capacity (gpm) [A]	Capacity Ratio [B] = A ÷ 30	Number of Accounts [C]	Meter Equivalents [D] = B x C
≤3/4"	30	1.00	1,915	1,915
1"	50	1.67	5,212	8,687
1 1/2"	100	3.33	20	67
2"	160	5.33	50	267
3"	350	11.67	2	23
4"	630	21.00	1	21
6"	1,300	43.33	0	0
8"	2,800	93.33	0	0
Total			7,200	10,979
Annual Units (Total x 12 Bills)			86,400	131,752

Total usage by customer class and tier must be known to derive the units of service for allocating variable costs. Due to the decrease in the FPA each year, the tier definitions will vary based on the amount of groundwater available to the CSD. However, for FY 2024 and FY 2025, the CSD has carryover water to maintain a Tier 1 allotment of 11 HCF. Each customer class will receive a proportionate share of the groundwater supply available in Tier 1. Tier 1 definitions were determined for each year by dividing the amount of groundwater available, after water loss, by the annual bills shown in Table 29. Tier definitions were rounded up to the nearest whole HCF. Table 30 shows the tier definitions for each year of the Rate Setting Period.

Table 30: FY 2024 to FY 2028 Tier Definitions (HCF)

Groundwater		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Groundwater Available (HCF)		958,320	958,320	758,848	672,207	585,566
÷ Annual Accounts	Table 29	86,400	86,400	86,400	86,400	86,400
Groundwater Allocation per Account		11 HCF	11 HCF	9 HCF	8 HCF	7 HCF
Tier Definitions						
All Customers						
Tier 1		0 - 11 HCF	0 - 11 HCF	0 - 9 HCF	0 - 8 HCF	0 - 7 HCF
Tier 2		>11 HCF	>11 HCF	>9 HCF	>8 HCF	>7 HCF

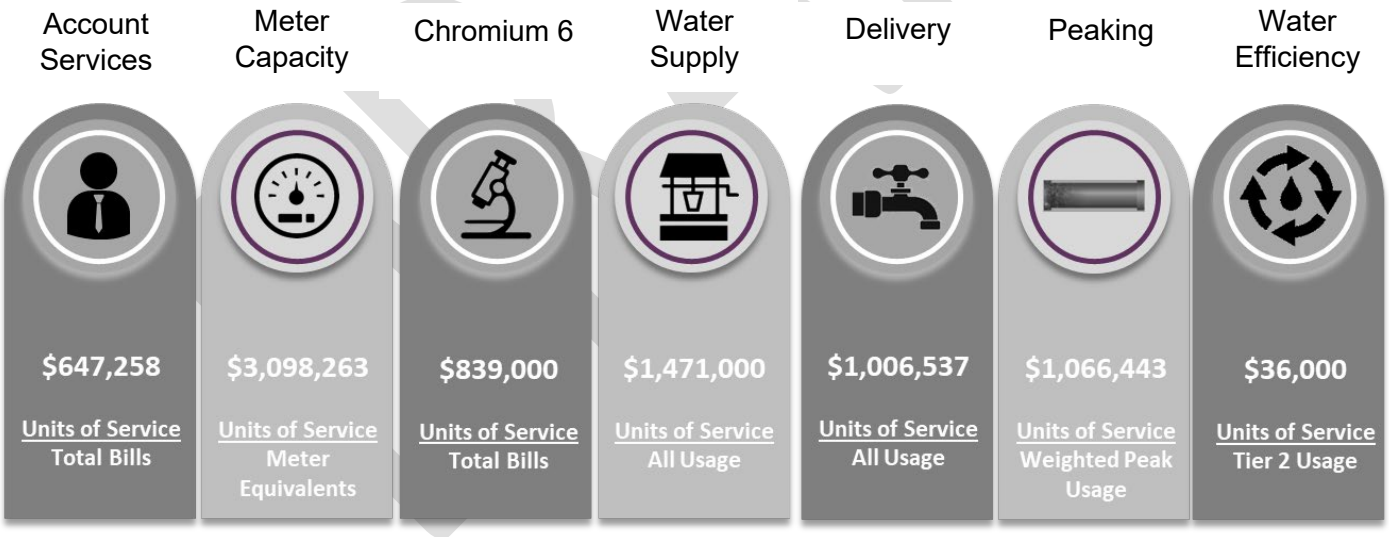
The FY 2024 projected usage by tier was determined using the revised tier definitions in Table 30. Table 31 summarizes the FY 2024 projected usage and the weighted peak usage by tier. FY 2025 through FY 2028 can be found in Appendix A-2 through Appendix D-2, respectively.

Table 31: FY 2024 Projected Usage by Tier (HCF)

Customer Class / Tier	Projected Usage (HCF) [A]	Peaking Factors [B]	Weighted Peak (HCF) [C] = A x B
All Customer Classes			
Tier 1	595,350	1.16	693,002
Tier 2	362,970	2.11	764,690
Total	958,320		1,457,691

With the units of service shown in Table 29 and Table 31, the distribution basis can be identified for each cost component. Figure 13 identifies the total revenue requirements for FY 2024 by cost component from Table 28 and the corresponding service units. The Purchased Water and Groundwater components are combined to make up the Water Supply component.

Figure 13: Distribution Basis and Units of Service by Cost Component



Using the revenue requirements, the cost-of-service allocates expenses to customers based on the service demands that each place on the system (cost causation). This approach was repeated for each year of the Rate Setting Period (as shown in Appendix A-1 through D-1) and ensures that each customer proportionately shares in the financial obligation of the water utility. For the following unit rate computations for each cost component, unit rates were rounded up to the nearest penny.

Fixed Cost Recovery

Account Services

Each customer incurs Account Services costs regardless of the type of land use, meter size, or total amount of water used. These costs should be spread equally across all accounts. This is achieved by using the distribution basis of Total Bills. Total Bills are determined by multiplying the total accounts by the number of billing periods over the fiscal year (12 billing periods). Therefore, the revenue requirement for Account Services is apportioned based on the Total Bills (Table 29 – Number of accounts, Annual Units) to determine the monthly unit cost-of-service shown in Table 32. The Account Services unit rate was determined for each year using the same approach shown for FY 2024, see Appendix A-2 through D-2.

Table 32: FY 2024 Account Services Monthly Unit Rate

Account Services Component Unit Rate	
Revenue Requirement	$647,258
÷ Total Bills	86,400
Monthly Unit Rate	**$7.50**

Meter Capacity

The Meter Capacity Component includes system-wide costs and debt. The revenue requirement for Meter Capacity is apportioned based on meter size. Larger-sized meters can generate a greater demand on the system from the amount of potential water flow that may pass through the meter in gallons per minute (gpm). Meter equivalents were used to create parity among the various meter sizes ranging from 3/4" to 4". In Table 29, each meter size was assigned an equivalency factor determined by the flow characteristics of a 3/4" meter based on the safe maximum operating flow capacity by meter type, as identified in the AWWA M1 Manual, 6th Edition, Table B-2. Each meter's safe maximum operating flow capacity was divided by the base meter's safe operating flow capacity of 30 gpm to determine the equivalent meter ratio. The Capacity Factors in Table 29 represent the potential flow through each meter size compared to the flow through a 3/4" meter to establish parity between meter sizes. Total MEs are determined by multiplying the number of meters by the Capacity Factors and multiplying the result by 12 billing periods (Table 29). The revenue requirement for Meter Capacity is then apportioned based on meter size as represented by total MEs and summarized in Table 33. The Meter Capacity unit rate was determined for each year using the same approach shown for FY 2024, as shown in Appendix A-2 through D-2.

Table 33: FY 2024 Meter Capacity Monthly Unit Rate

Meter Capacity Component Unit Rate	
Revenue Requirement	$3,098,263
÷ Total ME's	131,752
Monthly Unit Rate	**$23.52**

Chromium 6 Surcharge

The Chromium 6 Surcharge will continue at the current cost recovery. Therefore, the revenue requirement for Chromium 6 is apportioned based on total bills to determine the monthly unit cost-of-service shown in Table 34. The Chromium 6 fixed charge will remain constant for all five years.

Table 34: FY 2024 Chromium 6 Monthly Unit Rate

Chromium 6 Component Unit Rate	
Revenue Requirement	$839,000
÷ Total Bills	86,400
Monthly Unit Rate	$9.71

Variable Cost Recovery

The remaining cost components are recovered through the variable rates. The proposed variable rate structure includes tiers for all customer classes.

Water Supply

The CSD's water supplies are solely groundwater, with most of its groundwater production from the MBA. The CSD has limits on groundwater production, which is set on an annual basis by the Mojave Water Agency as Watermaster. The CSD's FPA has decreased by almost 950 AF since FY 2021 and equals 2,518 AF for FY 2024. By FY 2028, the CSD's FPA will decrease to 1,582 AF.

The CSD's current water demand is approximately 2,588 AF, which is greater than the amount of the FPA. However, for FY 2024 and FY 2025, the CSD has available carryover groundwater production rights from previous years to cover its customer's total water demand and not incur replacement water. As the FPA continues to ramp down in future years, the CSD will need to lease replacement water from the MWA, incurring higher purchased water costs each year, commencing in FY 2026.

Tiered rates reflect the different water supply costs by source to serve each tier, with the groundwater from the FPA serving Tier 1 followed by a blend of remaining groundwater and more expensive leased water from MWA to serve Tier 2. The CSD's water loss is 15%, which is caused by evaporation, exfiltration, and leaks/breaks in the distribution system. The water loss percentage was applied to the water production to derive the net amount of each water supply available to serve customer demands. In FY 2024 and FY 2025, the water supply costs for each tier are the same due to the use of carryover water. Table 35 summarizes the unit rates for each water supply available to the CSD for FY 2024. The Water Supply unit rates were determined for each year using the same approach shown for FY 2024, as shown in Appendix A-2 through D-2.

Table 35: FY 2024 Water Supply Unit Rates

Water Supplies	Production / Purchases (AF)	Water Loss	Net Water Supply (AF)	Avaliable Supply (HCF)	Revenue Requirement	Unit Rate
	[A]	[B]	[C] = A x (1-B)	[D] = C x 435.6	[E]	[F] = E ÷ D
Purchased Water	0	15.0%	0	0	$0	$0.00
Groundwater	2,588	15.0%	2,200	958,320	$1,471,000	$1.53
Total	2,588		2,200	958,320	$1,471,000	

Unit rates must be determined for each tier that corresponds to the water source serving the usage within each tier. Table 36 summarizes the amount of water - by source - used to serve total water demand in each tier for FY 2024. The corresponding unit rate is rounded up to the nearest penny. Groundwater is used to cover the total demand in Tier 1 and Tier 2 for FY 2024 and FY 2025. However, due to the ramp down of the FPA, in FY 2026 through FY 2028, leased water is required to meet the remaining demand in Tier 2, as shown in Appendix A-2 through D-2.

Table 36: FY 2024 Tier Water Supply Unit Rates

Water Supply Allocation	Projected Usage (HCF)	Groundwater	Purchased Water	Total Usage	Total Cost	Water Supply Unit Rate
	[A]	[B]	[C] = (A-B)	[D] = (B + C)	[E] = Unit Rate x Usage	[F] = (E ÷ A)
Available Supply	Table 35	*958,320*	*0*			
Effective Unit Cost		*$1.53*	*$0.00*			
All Customer Classes						
Tier 1	595,350	595,350	0	595,350	$913,849	$1.54
Tier 2	362,970	362,970	0	362,970	$557,151	$1.54
Total	958,320	958,320	0	958,320	$1,471,000	

Delivery

Delivery costs are incurred based on the total volume of water produced and delivered to customers at a constant average demand throughout the year. Therefore, the revenue requirement for Delivery is apportioned based on projected usage identified in Table 31, for FY 2024, to determine the unit cost-of-service, irrespective of tier, as shown in Table 37. The Delivery unit rate was determined for each year using the same approach shown for FY 2024, as shown in Appendix A-2 through D-2.

Table 37: FY 2024 Delivery Unit Rate

Delivery Cost Component Unit Rate	
Revenue Requirement	$1,006,537
÷ Projected Usage (HCF)	958,320
Monthly Unit Rate	$1.06

Peaking

Peaking costs are incurred not only based on the total volume of water produced and delivered but also as a function of the peaking characteristics of tiers. Therefore, the revenue requirement for Peaking is apportioned by weighting each customer class's peaking factor by total usage as shown in Table 31, for FY 2024. Table 38 provides the usage characteristics for FY 2024 by tier, the corresponding weighted peak, and the proportionate share of the revenue requirement for each tier. The unit rate per tier is then determined by taking the revenue requirement divided by the projected usage. The Peaking unit rate was determined for each year using the same approach shown for FY 2024, as shown in Appendix A-2 through D-2.

Table 38: FY 2024 Peaking Unit Rate by Tier

Customer Class	Projected Usage [A]	Weighted Peak (HCF) [B]	% Allocation [C] = B as %	Revenue Requirement [D] = $1,066,443 x C	Unit Rate [E] = D ÷ A
All Customer Classes					
Tier 1	595,350	693,002	47.5%	$506,998	$0.86
Tier 2	362,970	764,690	52.5%	$559,445	$1.55
	958,320	1,457,691	100.0%	$1,066,443	

Water Efficiency

Water Efficiency revenue requirements are apportioned to each tier as shown in Table 39. The entire revenue requirement is recovered proportionately over Tier 2 as conservation programs and rebates aim to mitigate high water usage above the CSD's FPA (usage over Tier 1). The Water Efficiency unit rate was determined for each year using the same approach shown for FY 2024, as shown in Appendix A-2 through D-2.

Table 39: FY 2024 Water Efficiency Unit Rate by Tier

Customer Class	Projected Usage (HCF) [A]	Factor [B]	Weighted Usage [C] = A x B	% Allocation [D] = C as %	Revenue Requirement [E] = $36,000 x D	Unit Rate [F] = E ÷ A
All Customer Classes						
Tier 1	595,350	0.00	0	0.0%	$0	$0.00
Tier 2	362,970	1.00	362,970	100.0%	$36,000	$0.10
Total	958,320		362,970	100.0%	$36,000	

FY 2024 Cost-of-Service Rates

Proposed FY 2024 Monthly Fixed Charges

Table 40 reflects the combined charges of the CSD's proposed fixed charge of Account Services and Meter Capacity for FY 2024. Account Services are constant for all meter sizes. Meter Capacity is multiplied by the corresponding Capacity Ratios of each meter size to derive the FY 2024 fixed charges. The fixed charges were determined for each year using the same approach shown for FY 2024, as shown in Appendix A-2 through D-2.

Table 40: FY 2024 Monthly Fixed Charges by Meter Size

Meter Size	Capacity Ratio [A]	Meters	Account Services [B] = $7.50	Meter Capacity [C] = $23.52 x A	FY 2024 Proposed Base Fixed Charge [D] = B + C
≤3/4"	1.00	1,915	$7.50	$23.52	$31.02
1"	1.67	5,212	$7.50	$39.20	$46.70
1 1/2"	3.33	20	$7.50	$78.40	$85.90
2"	5.33	50	$7.50	$125.44	$132.94
3"	11.67	2	$7.50	$274.40	$281.90
4"	21.00	1	$7.50	$493.92	$501.42
6"	43.33	0	$7.50	$1,019.20	$1,026.70
8"	93.33	0	$7.50	$2,195.20	$2,202.70

Table 41 shows the Chromium 6 Surcharge. The Chromium 6 Surcharge is constant for all meter sizes and will remain constant throughout the Rate Setting Period.

Table 41: Monthly Chromium 6 Surcharges by Meter Size

Meter Size	Capacity Ratio	Meters	Chromium 6	Proposed Chromium-6 Surcharge
≤3/4"	1.00	1,915	$9.71	$9.71
1"	1.67	5,212	$9.71	$9.71
1 1/2"	3.33	20	$9.71	$9.71
2"	5.33	50	$9.71	$9.71
3"	11.67	2	$9.71	$9.71
4"	21.00	1	$9.71	$9.71
6"	43.33	0	$9.71	$9.71
8"	93.33	0	$9.71	$9.71

Proposed FY 2024 Variable Rates

The proposed variable rates for FY 2024 are shown in Table 42 for each tier, reflecting the combined rate components of Water Supply, Delivery, Peaking, and Water Efficiency. The variable rates were determined for each year using the same approach shown for FY 2024, as shown in Appendix A-2 through D-2.

Table 42: FY 2024 Variable Rates by Tier (HCF)

Customer Class & Tier	Tier Definitions (HCF)	Projected Usage (HCF)	Water Supply [A]	Delivery [B]	Peaking [C]	Water Efficiency [D]	FY 2024 Proposed Variable Rate [E] = A + B + C + D
All Customer Classes							
Tier 1	0 - 11	595,350	$1.54	$1.06	$0.86	$0.00	**$3.46**
Tier 2	>11	362,970	$1.54	$1.06	$1.55	$0.10	**$4.25**

Cost-Based Rates

Cost-of-Service and Rate Summary

The comprehensive cost-of-service analysis and rate development meet the requirements of Proposition 218 and identify the cost components that make up the proposed water and wastewater rates. Proposition 218 requires the following conditions:

1. An agency cannot collect revenue beyond what is necessary to provide service.

   The long-term financial plan identifies the CSD's revenue requirements for the water utility, including operating expenses, capital improvement programs, debt, and reserves.

2. Revenues derived by the charge shall not be used for any other purpose other than that for which the charge was imposed.

   The CSD's water utility is analyzed as a separate business enterprise to track revenues and expenses and does not fund services other than those necessary for the provision of water.

3. The amount of the fee may not exceed the proportional cost-of-service for the parcel.

   The comprehensive cost-of-service analysis, updated fixed charges, and variable rates reflect each customer's fair share of water costs. Through this updated analysis, each customer will pay the proportional cost of providing service to that parcel.

4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of a property.

   Only properties that are receiving water service or have service immediately available to them are required to pay the fixed and variable charges described in this study.

5. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing.

   Notices were mailed to each affected parcel owner 45 days before the October 11, 2023, Public Hearing.

The proposed water 5-year rate schedules (FY 2024 through FY 2028) are shown in the following section. If a majority protest does not occur by or at the October 11th Public Hearing, the CSD Board may adopt the rates with an effective date of November 1, 2023.

Rate Schedules

Table 43 through Table 45 summarizes the five-year water rate schedule for the monthly fixed charges and variable rates, respectively.

Table 43: Proposed Monthly Fixed Charge (FY 2024 – FY 2028)

Fixed Charges ($/Month)					
Meter Size	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
≤3/4"	$31.02	$35.76	$39.75	$45.88	$53.13
1"	$46.70	$53.61	$59.41	$68.36	$78.95
1 1/2"	$85.90	$98.22	$108.56	$124.56	$143.50
2"	$132.94	$151.76	$167.54	$192.00	$220.96
3"	$281.90	$321.31	$354.31	$405.56	$466.25
4"	$501.42	$571.16	$629.55	$720.28	$827.73
6"	$1,026.70	$1,169.02	$1,288.16	$1,473.36	$1,692.70
8"	$2,202.70	$2,507.52	$2,762.66	$3,159.36	$3,629.20

Table 44: Proposed Monthly Chromium 6 Surcharge (FY 2024 – FY 2028)

Chromium 6 Surcharges ($/Month)					
Meter Size	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
≤3/4"	$9.71	$9.71	$9.71	$9.71	$9.71
1"	$9.71	$9.71	$9.71	$9.71	$9.71
1 1/2"	$9.71	$9.71	$9.71	$9.71	$9.71
2"	$9.71	$9.71	$9.71	$9.71	$9.71
3"	$9.71	$9.71	$9.71	$9.71	$9.71
4"	$9.71	$9.71	$9.71	$9.71	$9.71
6"	$9.71	$9.71	$9.71	$9.71	$9.71
8"	$9.71	$9.71	$9.71	$9.71	$9.71

Table 45: Proposed Variable Charge (FY 2024 – FY 2028)

Variable Rates ($/HCF)					
Customer Class	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
All Customers					
Tier 1	$3.46	$4.04	$4.55	$5.20	$5.96
Tier 2	$4.25	$4.97	$6.27	$7.28	$8.36

Appendix A-1 – FY 2025 Cost-of-Service Analysis

Table 46: FY 2025 Specific Expense Allocation to Cost Components (%)

Specific Expenses	Methodology / Allocation Basis	Cost Components: Water Supply: Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Water Supply										
MWA/Antelope WM Admin. & Bio Fee	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
MWA/Antelope WM Make Up Water	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
MWA/AVW Replacement Water	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
AVW Purchases (Emergency)	Specific	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
Water Purchases - Other	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Electricity GW	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Electricity Leased Water	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Chromium 6 Mitigation	Specific	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Conservation	Specific	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

Table 47: FY 2025 Specific Expense Allocation to Cost Components ($)

Specific Expenses	Methodology / Allocation Basis	Cost Components: Water Supply: Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Water Supply										
MWA/Antelope WM Admin. & Bio Fee	Specific	$0	$0	$0	$0	$15,000	$0	$0	$0	$15,000
MWA/Antelope WM Make Up Water	Specific	$0	$0	$0	$0	$3,000	$0	$0	$0	$3,000
MWA/AVW Replacement Water	Specific	$0	$0	$0	$0	$0	$0	$0	$0	$0
AVW Purchases (Emergency)	Specific	$0	$0	$0	$0	$0	$5,000	$0	$0	$5,000
Water Purchases - Other	Specific	$0	$0	$0	$0	$0	$0	$0	$0	$0
Electricity GW	Specific	$0	$0	$0	$0	$1,598,000	$0	$0	$0	$1,598,000
Electricity Leased Water	Specific	$0	$0	$0	$0	$0	$0	$0	$0	$0
Chromium 6 Mitigation	Specific	$0	$0	$839,000	$0	$0	$0	$0	$0	$839,000
Conservation	Specific	$0	$0	$0	$0	$0	$0	$0	$38,000	$38,000
Total Allocation ($)		**$0**	**$0**	**$839,000**	**$0**	**$1,616,000**	**$5,000**	**$0**	**$38,000**	**$2,498,000**

Table 48: FY 2025 O&M Expense Allocation to Cost Components (%)

Operating Expenses	Methodology / Allocation Basis	Cost Components: Water Supply: Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Administration	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Customer Accounts/Meters	Specific	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Distribution/Transmission	Max Hour Demand	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	100.0%
Engineering	Max Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	100.0%
Operations	Max Hour Demand	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	100.0%
Production (Source of Supply)	Average Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
Vehicles and Equipment	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Water Quality	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Inter-Transfers	Average Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%

Table 49: FY 2025 O&M Expense Allocation to Cost Components ($)

Operating Expenses	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Water Supply: Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Administration	Specific	$0	$2,287,000	$0	$0	$0	$0	$0	$0	$2,287,000
Customer Accounts/Meters	Specific	$756,000	$0	$0	$0	$0	$0	$0	$0	$756,000
Distribution/Transmission	Max Hour Demand	$0	$0	$0	$0	$0	$214,667	$429,333	$0	$644,000
Engineering	Max Day Demand	$0	$0	$0	$0	$0	$237,500	$237,500	$0	$475,000
Operations	Max Hour Demand	$0	$0	$0	$0	$0	$289,000	$578,000	$0	$867,000
Production (Source of Supply)	Average Day Demand	$0	$0	$0	$0	$0	$536,000	$0	$0	$536,000
Vehicles and Equipment	Specific	$0	$228,000	$0	$0	$0	$0	$0	$0	$228,000
Water Quality	Specific	$0	$112,000	$0	$0	$0	$0	$0	$0	$112,000
Inter-Transfers	Average Day Demand	$0	$0	$0	$0	$0	($52,000)	$0	$0	($52,000)
Total Allocation ($)		**$756,000**	**$2,627,000**	**$0**	**$0**	**$0**	**$1,225,167**	**$1,244,833**	**$0**	**$5,853,000**
Operating Expenses Allocation (%)		*12.9%*	*44.9%*	*0.0%*	*0.0%*	*0.0%*	*20.9%*	*21.3%*	*0.0%*	*100.0%*

Table 50: FY 2025 Debt Expense Allocation to Cost Components (%)

Debt Service	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Water Supply: Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Existing Debt	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Existing Debt Offsets	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Table 51: FY 2025 Debt Expense Allocation to Cost Components ($)

Debt Service	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Water Supply: Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Existing Debt	Specific	$0	$1,351,000	$0	$0	$0	$0	$0	$0	$1,351,000
Existing Debt Offsets	Specific	$0	($522,222)	$0	$0	$0	$0	$0	$0	($522,222)
Total Allocation ($)		**$0**	**$828,778**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$828,778**

Table 52: FY 2025 Other Funding Allocation to Cost Components (%)

Other Funding	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Water Supply: Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Revenue Offsets										
Meter Installation/Fees/Connections	O&M Allocation	12.9%	44.9%	0.0%	0.0%	0.0%	20.9%	21.3%	0.0%	100.0%
Other Operating Income	O&M Allocation	12.9%	44.9%	0.0%	0.0%	0.0%	20.9%	21.3%	0.0%	100.0%
Non-Operating Revenues	O&M Allocation	12.9%	44.9%	0.0%	0.0%	0.0%	20.9%	21.3%	0.0%	100.0%
Adjustments										
Reserve Funding	O&M Allocation	12.9%	44.9%	0.0%	0.0%	0.0%	20.9%	21.3%	0.0%	100.0%
Adjustment for Mid-Year Increase	O&M Allocation	12.9%	44.9%	0.0%	0.0%	0.0%	20.9%	21.3%	0.0%	100.0%

Table 53: FY 2025 Other Funding Allocation to Cost Components ($)

Other Funding	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Water Supply: Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Revenue Offsets										
Meter Installation/Fees/Connections	O&M Allocation	($11,366)	($39,497)	$0	$0	$0	($18,420)	($18,716)	$0	($88,000)
Other Operating Income	O&M Allocation	($39,395)	($136,893)	$0	$0	$0	($63,843)	($64,868)	$0	($305,000)
Non-Operating Revenues	O&M Allocation	($78,403)	($272,440)	$0	$0	$0	($127,059)	($129,099)	$0	($607,000)
Adjustments										
Reserve Funding	O&M Allocation	$149,472	$519,396	$0	$0	$0	$242,233	$246,121	$0	$1,157,222
Adjustment for Mid-Year Increase	O&M Allocation	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Allocation ($)		**$20,308**	**$70,566**	**$0**	**$0**	**$0**	**$32,910**	**$33,438**	**$0**	**$157,222**

Table 54: FY 2025 Cost-of-Service Requirements

Revenue Requirement		Fixed Components			Variable Components					Total
					Water Supply					
		Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	
Specific Expenses	Table 47	$0	$0	$839,000	$0	$1,616,000	$5,000	$0	$38,000	$2,498,000
Operating Expenses	Table 49	$756,000	$2,627,000	$0	$0	$0	$1,225,167	$1,244,833	$0	$5,853,000
Debt Service	Table 51	$0	$828,778	$0	$0	$0	$0	$0	$0	$828,778
Other Funding	Table 53	$20,308	$70,566	$0	$0	$0	$32,910	$33,438	$0	$157,222
COS Requirements		**$776,308**	**$3,526,344**	**$839,000**	**$0**	**$1,616,000**	**$1,263,077**	**$1,278,272**	**$38,000**	**$9,337,000**

Appendix A-2 – FY 2025 Rate Design

Table 55: FY 2025 Projected Usage by Tier (HCF)

Customer Class / Tier	Projected Usage (HCF) [A]	Peaking Factors [B]	Weighted Peak (HCF) [C] = A x B
All Customer Classes			
Tier 1	595,350	1.16	693,002
Tier 2	362,970	2.11	764,690
Total	958,320		1,457,691

Table 56: FY 2025 Account Services Monthly Unit Rate

Account Services Component Unit Rate	
Revenue Requirement	$776,308
÷ Total Bills	86,400
Monthly Unit Rate	$8.99

Table 57: FY 2025 Meter Capacity Monthly Unit Rate

Meter Capacity Component Unit Rate	
Revenue Requirement	$3,526,344
÷ Total ME's	131,752
Monthly Unit Rate	$26.77

Table 58: FY 2025 Chromium 6 Monthly Unit Rate

Chromium 6 Component Unit Rate	
Revenue Requirement	$839,000
÷ Total Bills	86,400
Monthly Unit Rate	$9.71

Table 59: FY 2025 Water Supply Unit Rates

Water Supplies	Production / Purchases (AF) [A]	Water Loss [B]	Net Water Supply (AF) [C] = A x (1-B)	Avaliable Supply (HCF) [D] = C x 435.6	Revenue Requirement [E]	Unit Rate [F] = E ÷ D
Purchased Water	0	15.0%	0	0	$0	$0.00
Groundwater	2,588	15.0%	2,200	958,320	$1,616,000	$1.69

Table 60: FY 2025 Tier Water Supply Unit Rates

Water Supply Allocation	Projected Usage (HCF) [A]	GW Allocation [B]	Groundwater [B]	Purchased Water [C] = (A-B)	Total Usage [D] = (B + C)	Total Cost [E] = Unit Rate x Usage	Water Supply Unit Rate [F] = (E ÷ A)
Available Supply	Table 59		*958,320*	*0*			
Effective Unit Cost			*$1.69*	*$0.00*			
All Customer Classes							
Tier 1	595,350	950,400	595,350	0	595,350	$1,003,929	**$1.69**
Tier 2	362,970	7,920	362,970	0	362,970	$612,071	**$1.69**
Total	958,320	958,320	958,320	0	958,320	$1,616,000	

Table 61: FY 2025 Delivery Unit Rate

Delivery Cost Component Unit Rate	
Revenue Requirement	$1,263,077
÷ Projected Usage (HCF	958,320
Monthly Unit Rate	$1.32

Table 62: FY 2025 Peaking Unit Rate by Tier

Customer Class	Projected Usage (HCF) [A]	Weighted Peak (HCF) [B]	% Allocation [C] = B as %	Revenue Requirement [D] = $1,278,272 x C	Unit Rate [E] = D ÷ A
All Customer Classes					
Tier 1	595,350	693,002	47.5%	$607,704	**$1.03**
Tier 2	362,970	764,690	52.5%	$670,568	**$1.85**
	958,320	1,457,691	100.0%	$1,278,272	

Table 63: FY 2025 Water Efficiency Unit Rate by Tier

Customer Class	Projected Usage (HCF) [A]	Factor [B]	Weighted Usage [C] = A x B	% Allocation [D] = C as %	Revenue Requirement [E] = $38,000 x D	Unit Rate [F] = E ÷ A
All Customer Classes						
Tier 1	595,350	0.00	0	0.0%	$0	**$0.00**
Tier 2	362,970	1.00	362,970	100.0%	$38,000	**$0.11**
Total	958,320		362,970	100.0%	$38,000	

Table 64: FY 2025 Monthly Fixed Charges by Meter Size

Meter Size	Capacity Ratio [A]	Meters	Account Services [B] = $8.99	Meter Capacity [C] = $26.77 x A	FY 2025 Proposed Base Fixed Charge [D] = B + C
≤3/4"	1.00	1,915	$8.99	$26.77	$35.76
1"	1.67	5,212	$8.99	$44.62	$53.61
1 1/2"	3.33	20	$8.99	$89.23	$98.22
2"	5.33	50	$8.99	$142.77	$151.76
3"	11.67	2	$8.99	$312.32	$321.31
4"	21.00	1	$8.99	$562.17	$571.16
6"	43.33	0	$8.99	$1,160.03	$1,169.02
8"	93.33	0	$8.99	$2,498.53	$2,507.52

Table 65: FY 2025 Variable Rates by Tier (HCF)

Customer Class & Tier	Tier Definitions (HCF)	Projected Usage (HCF)	Water Supply [A]	Delivery [B]	Peaking [C]	Water Efficiency [D]	FY 2025 Proposed Variable Rate [E] = A + B + C + D
All Customer Classes							
Tier 1	0 - 11	595,350	$1.69	$1.32	$1.03	$0.00	$4.04
Tier 2	>11	362,970	$1.69	$1.32	$1.85	$0.11	$4.97

Appendix B-1 – FY 2026 Cost-of-Service Analysis

Table 66: FY 2026 Specific Expense Allocation to Cost Components (%)

Specific Expenses	Methodology / Allocation Basis	Cost Components: Water Supply: Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Water Supply										
MWA/Antelope WM Admin. & Bio Fee	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
MWA/Antelope WM Make Up Water	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
MWA/AVW Replacement Water	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
AVW Purchases (Emergency)	Specific	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
Water Purchases - Other	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Electricity GW	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Electricity Leased Water	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Chromium 6 Mitigation	Specific	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Conservation	Specific	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

Table 67: FY 2026 Specific Expense Allocation to Cost Components ($)

Specific Expenses	Methodology / Allocation Basis	Cost Components: Water Supply: Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Water Supply										
MWA/Antelope WM Admin. & Bio Fee	Specific	$0	$0	$0	$0	$12,000	$0	$0	$0	$12,000
MWA/Antelope WM Make Up Water	Specific	$0	$0	$0	$0	$3,000	$0	$0	$0	$3,000
MWA/AVW Replacement Water	Specific	$0	$0	$0	$315,000	$0	$0	$0	$0	$315,000
AVW Purchases (Emergency)	Specific	$0	$0	$0	$0	$0	$6,000	$0	$0	$6,000
Water Purchases - Other	Specific	$0	$0	$0	$0	$0	$0	$0	$0	$0
Electricity GW	Specific	$0	$0	$0	$0	$1,392,000	$0	$0	$0	$1,392,000
Electricity Leased Water	Specific	$0	$0	$0	$366,000	$0	$0	$0	$0	$366,000
Chromium 6 Mitigation	Specific	$0	$0	$839,000	$0	$0	$0	$0	$0	$839,000
Conservation	Specific	$0	$0	$0	$0	$0	$0	$0	$40,000	$40,000
Total Allocation ($)		**$0**	**$0**	**$839,000**	**$681,000**	**$1,407,000**	**$6,000**	**$0**	**$40,000**	**$2,973,000**

Table 68: FY 2026 O&M Expense Allocation to Cost Components (%)

Operating Expenses	Methodology / Allocation Basis	Cost Components: Water Supply: Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Administration	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Customer Accounts/Meters	Specific	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Distribution/Transmission	Max Hour Demand	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	100.0%
Engineering	Max Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	100.0%
Operations	Max Hour Demand	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	100.0%
Production (Source of Supply)	Average Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
Vehicles and Equipment	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Water Quality	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Inter-Transfers	Average Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%

Table 69: FY 2026 O&M Expense Allocation to Cost Components ($)

Operating Expenses	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Administration	*Specific*	$0	$2,402,000	$0	$0	$0	$0	$0	$0	$2,402,000
Customer Accounts/Meters	*Specific*	$796,000	$0	$0	$0	$0	$0	$0	$0	$796,000
Distribution/Transmission	*Max Hour Demand*	$0	$0	$0	$0	$0	$224,667	$449,333	$0	$674,000
Engineering	*Max Day Demand*	$0	$0	$0	$0	$0	$250,500	$250,500	$0	$501,000
Operations	*Max Hour Demand*	$0	$0	$0	$0	$0	$304,333	$608,667	$0	$913,000
Production (Source of Supply)	*Average Day Demand*	$0	$0	$0	$0	$0	$563,000	$0	$0	$563,000
Vehicles and Equipment	*Specific*	$0	$237,000	$0	$0	$0	$0	$0	$0	$237,000
Water Quality	*Specific*	$0	$118,000	$0	$0	$0	$0	$0	$0	$118,000
Inter-Transfers	*Average Day Demand*	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Allocation ($)		**$796,000**	**$2,757,000**	**$0**	**$0**	**$0**	**$1,342,500**	**$1,308,500**	**$0**	**$6,204,000**
Operating Expenses Allocation (%)		*12.8%*	*44.4%*	*0.0%*	*0.0%*	*0.0%*	*21.6%*	*21.1%*	*0.0%*	*100.0%*

Table 70: FY 2026 Debt Expense Allocation to Cost Components (%)

Debt Service	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Existing Debt	**Specific**	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Existing Debt Offsets	**Specific**	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Table 71: FY 2026 Debt Expense Allocation to Cost Components ($)

Debt Service	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Existing Debt	*Specific*	$0	$1,338,000	$0	$0	$0	$0	$0	$0	$1,338,000
Existing Debt Offsets	*Specific*	$0	($522,222)	$0	$0	$0	$0	$0	$0	($522,222)
Total Allocation ($)		**$0**	**$815,778**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$815,778**

Table 72: FY 2026 Other Funding Allocation to Cost Components (%)

Other Funding	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Revenue Offsets										
Meter Installation/Fees/Connections	**O&M Allocation**	12.8%	44.4%	0.0%	0.0%	0.0%	21.6%	21.1%	0.0%	100.0%
Other Operating Income	**O&M Allocation**	12.8%	44.4%	0.0%	0.0%	0.0%	21.6%	21.1%	0.0%	100.0%
Non-Operating Revenues	**O&M Allocation**	12.8%	44.4%	0.0%	0.0%	0.0%	21.6%	21.1%	0.0%	100.0%
Adjustments										
Reserve Funding	**O&M Allocation**	12.8%	44.4%	0.0%	0.0%	0.0%	21.6%	21.1%	0.0%	100.0%
Adjustment for Mid-Year Increase	**O&M Allocation**	12.8%	44.4%	0.0%	0.0%	0.0%	21.6%	21.1%	0.0%	100.0%

Table 73: FY 2026 Other Funding Allocation to Cost Components ($)

Other Funding	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Revenue Offsets										
Meter Installation/Fees/Connections	*O&M Allocation*	($11,291)	($39,106)	$0	$0	$0	($19,043)	($18,560)	$0	($88,000)
Other Operating Income	*O&M Allocation*	($39,133)	($135,539)	$0	$0	$0	($66,000)	($64,328)	$0	($305,000)
Non-Operating Revenues	*O&M Allocation*	($77,496)	($268,412)	$0	$0	$0	($130,701)	($127,391)	$0	($604,000)
Adjustments										
Reserve Funding	*O&M Allocation*	$218,146	$755,563	$0	$0	$0	$367,916	$358,598	$0	$1,700,222
Adjustment for Mid-Year Increase	*O&M Allocation*	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Allocation ($)		**$90,226**	**$312,505**	**$0**	**$0**	**$0**	**$152,172**	**$148,318**	**$0**	**$703,222**

Table 74: FY 2026 Cost-of-Service Requirements

Revenue Requirement		Fixed Components			Variable Components					Total
					Water Supply					
		Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	
Specific Expenses	**Table 67**	$0	$0	$839,000	$681,000	$1,407,000	$6,000	$0	$40,000	$2,973,000
Operating Expenses	**Table 69**	$796,000	$2,757,000	$0	$0	$0	$1,342,500	$1,308,500	$0	$6,204,000
Debt Service	**Table 71**	$0	$815,778	$0	$0	$0	$0	$0	$0	$815,778
Other Funding	**Table 73**	$90,226	$312,505	$0	$0	$0	$152,172	$148,318	$0	$703,222
COS Requirements		**$886,226**	**$3,885,283**	**$839,000**	**$681,000**	**$1,407,000**	**$1,500,672**	**$1,456,818**	**$40,000**	**$10,696,000**

Appendix B-2 – FY 2026 Rate Design

Table 75: FY 2026 Projected Usage by Tier (HCF)

Customer Class / Tier	Projected Usage (HCF) [A]	Peaking Factors [B]	Weighted Peak (HCF) [C] = A x B
All Customer Classes			
Tier 1	529,597	1.13	597,202
Tier 2	428,723	2.04	872,497
Variable Units	958,320		1,469,700

Table 76: FY 2026 Account Services Monthly Unit Rate

Account Services Component Unit Rate	
Revenue Requirement	$886,226
÷ Total Bills	86,400
Monthly Unit Rate	$10.26

Table 77: FY 2026 Meter Capacity Monthly Unit Rate

Meter Capacity Component Unit Rate	
Revenue Requirement	$3,885,283
÷ Total ME's	131,752
Monthly Unit Rate	$29.49

Table 78: FY 2026 Chromium 6 Monthly Unit Rate

Chromium 6 Component Unit Rate	
Revenue Requirement	$839,000
÷ Total Bills	86,400
Monthly Unit Rate	$9.71

Table 79: FY 2026 Water Supply Unit Rates

Water Supplies	Production / Purchases (AF) [A]	Water Loss [B]	Net Water Supply (AF) [C] = A x (1-B)	Avaliable Supply (HCF) [D] = C x 435.6	Revenue Requirement [E]	Unit Rate [F] = E ÷ D
Purchased Water	539	15.0%	458	199,472	$681,000	$3.41
Groundwater	2,050	15.0%	1,742	758,848	$1,407,000	$1.85
Total	2,588		2,200	958,320	$2,088,000	

Table 80: FY 2026 Tier Water Supply Unit Rates

Water Supply Allocation	Projected Usage (HCF) [A]	Groundwater [B]	Purchased Water [C] = (A-B)	Total Usage [D] = (B + C)	Total Cost [E] = Unit Rate x Usage	Water Supply Unit Rate [F] = (E ÷ A)
Available Supply	Table 79	*758,848*	*199,472*			
Effective Unit Cost		*$1.85*	*$3.41*			
All Customer Classes						
Tier 1	529,597	529,597	0	529,597	$981,940	**$1.86**
Tier 2	428,723	229,251	199,472	428,723	$1,106,060	**$2.58**
Total	958,320	758,848	199,472	958,320	$2,088,000	

Table 81: FY 2026 Delivery Unit Rate

Delivery Cost Component Unit Rate	
Revenue Requirement	$1,500,672
÷ Projected Usage (HCF)	958,320
Monthly Unit Rate	**$1.57**

Table 82: FY 2026 Peaking Unit Rate by Tier

Customer Class	Projected Usage (HCF) [A]	Weighted Peak (HCF) [B]	% Allocation [C] = B as %	Revenue Requirement [D] = $1,456,818 x C	Unit Rate [E] = D ÷ A
All Customer Classes					
Tier 1	529,597	597,202	40.6%	$591,968	**$1.12**
Tier 2	428,723	872,497	59.4%	$864,850	**$2.02**
	958,320	1,469,700	100.0%	$1,456,818	

Table 83: FY 2026 Water Efficiency Unit Rate by Tier

Customer Class	Projected Usage (HCF) [A]	Factor [B]	Weighted Usage [C] = A x B	% Allocation [D] = C as %	Revenue Requirement [E] = $40,000 x D	Unit Rate [F] = E ÷ A
All Customer Classes						
Tier 1	529,597	0.00	0	0.0%	$0	**$0.00**
Tier 2	428,723	1.00	428,723	100.0%	$40,000	**$0.10**
Total	958,320		428,723	100.0%	$40,000	

Table 84: FY 2026 Monthly Fixed Charges by Meter Size

Meter Size	Capacity Ratio [A]	Meters	Account Services [B] = $10.26	Meter Capacity [C] = $29.49 x A	FY 2026 Proposed Base Fixed Charge [D] = B + C
≤3/4"	1.00	1,915	$10.26	$29.49	$39.75
1"	1.67	5,212	$10.26	$49.15	$59.41
1 1/2"	3.33	20	$10.26	$98.30	$108.56
2"	5.33	50	$10.26	$157.28	$167.54
3"	11.67	2	$10.26	$344.05	$354.31
4"	21.00	1	$10.26	$619.29	$629.55
6"	43.33	0	$10.26	$1,277.90	$1,288.16
8"	93.33	0	$10.26	$2,752.40	$2,762.66

Table 85: FY 2026 Variable Rates by Tier (HCF)

Customer Class & Tier	Tier Definitions (HCF)	Projected Usage (HCF)	Water Supply [A]	Delivery [B]	Peaking [C]	Water Efficiency [D]	FY 2026 Proposed Variable Rate [E] = A + B + C + D
All Customer Classes							
Tier 1	0 - 9	529,597	$1.86	$1.57	$1.12	$0.00	$4.55
Tier 2	>9	428,723	$2.58	$1.57	$2.02	$0.10	$6.27

Appendix C-1 – FY 2027 Cost-of-Service Analysis

Table 86: FY 2027 Specific Expense Allocation to Cost Components (%)

Specific Expenses	Methodology / Allocation Basis	Cost Components: Water Supply: Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Water Supply										
MWA/Antelope WM Admin. & Bio Fee	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
MWA/Antelope WM Make Up Water	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
MWA/AVW Replacement Water	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
AVW Purchases (Emergency)	Specific	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
Water Purchases - Other	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Electricity GW	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Electricity Leased Water	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Chromium 6 Mitigation	Specific	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Conservation	Specific	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

Table 87: FY 2027 Specific Expense Allocation to Cost Components ($)

Specific Expenses	Methodology / Allocation Basis	Cost Components: Water Supply: Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Water Supply										
MWA/Antelope WM Admin. & Bio Fee	Specific	$0	$0	$0	$0	$10,000	$0	$0	$0	$10,000
MWA/Antelope WM Make Up Water	Specific	$0	$0	$0	$0	$5,000	$0	$0	$0	$5,000
MWA/AVW Replacement Water	Specific	$0	$0	$0	$451,000	$0	$0	$0	$0	$451,000
AVW Purchases (Emergency)	Specific	$0	$0	$0	$0	$0	$8,000	$0	$0	$8,000
Water Purchases - Other	Specific	$0	$0	$0	$0	$0	$0	$0	$0	$0
Electricity GW	Specific	$0	$0	$0	$0	$1,356,000	$0	$0	$0	$1,356,000
Electricity Leased Water	Specific	$0	$0	$0	$577,000	$0	$0	$0	$0	$577,000
Chromium 6 Mitigation	Specific	$0	$0	$839,000	$0	$0	$0	$0	$0	$839,000
Conservation	Specific	$0	$0	$0	$0	$0	$0	$0	$41,000	$41,000
Total Allocation ($)		**$0**	**$0**	**$839,000**	**$1,028,000**	**$1,371,000**	**$8,000**	**$0**	**$41,000**	**$3,287,000**

Table 88: FY 2027 O&M Expense Allocation to Cost Components (%)

Operating Expenses	Methodology / Allocation Basis	Cost Components: Water Supply: Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Administration	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Customer Accounts/Meters	Specific	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Distribution/Transmission	Max Hour Demand	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	100.0%
Engineering	Max Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	100.0%
Operations	Max Hour Demand	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	100.0%
Production (Source of Supply)	Average Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
Vehicles and Equipment	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Water Quality	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Inter-Transfers	Average Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%

Table 89: FY 2027 O&M Expense Allocation to Cost Components ($)

Operating Expenses	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Administration	*Specific*	$0	$2,524,000	$0	$0	$0	$0	$0	$0	$2,524,000
Customer Accounts/Meters	*Specific*	$838,000	$0	$0	$0	$0	$0	$0	$0	$838,000
Distribution/Transmission	*Max Hour Demand*	$0	$0	$0	$0	$0	$235,333	$470,667	$0	$706,000
Engineering	*Max Day Demand*	$0	$0	$0	$0	$0	$264,500	$264,500	$0	$529,000
Operations	*Max Hour Demand*	$0	$0	$0	$0	$0	$320,667	$641,333	$0	$962,000
Production (Source of Supply)	*Average Day Demand*	$0	$0	$0	$0	$0	$592,000	$0	$0	$592,000
Vehicles and Equipment	*Specific*	$0	$246,000	$0	$0	$0	$0	$0	$0	$246,000
Water Quality	*Specific*	$0	$124,000	$0	$0	$0	$0	$0	$0	$124,000
Inter-Transfers	*Average Day Demand*	$0	$0	$0	$0	$0	$0	$0	$0	$0
Placeholder	*Specific*	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Allocation ($)		**$838,000**	**$2,894,000**	**$0**	**$0**	**$0**	**$1,412,500**	**$1,376,500**	**$0**	**$6,521,000**
Operating Expenses Allocation (%)		*12.9%*	*44.4%*	*0.0%*	*0.0%*	*0.0%*	*21.7%*	*21.1%*	*0.0%*	*100.0%*

Table 90: FY 2027 Debt Expense Allocation to Cost Components (%)

Debt Service	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Existing Debt	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Existing Debt Offsets	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Table 91: FY 2027 Debt Expense Allocation to Cost Components ($)

Debt Service	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Existing Debt	*Specific*	$0	$1,338,000	$0	$0	$0	$0	$0	$0	$1,338,000
Existing Debt Offsets	*Specific*	$0	($522,222)	$0	$0	$0	$0	$0	$0	($522,222)
Total Allocation ($)		**$0**	**$815,778**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$815,778**

Table 92: FY 2027 Other Funding Allocation to Cost Components (%)

Other Funding	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Revenue Offsets										
Meter Installation/Fees/Connections	O&M Allocation	12.9%	44.4%	0.0%	0.0%	0.0%	21.7%	21.1%	0.0%	100.0%
Other Operating Income	O&M Allocation	12.9%	44.4%	0.0%	0.0%	0.0%	21.7%	21.1%	0.0%	100.0%
Non-Operating Revenues	O&M Allocation	12.9%	44.4%	0.0%	0.0%	0.0%	21.7%	21.1%	0.0%	100.0%
Adjustments										
Reserve Funding	O&M Allocation	12.9%	44.4%	0.0%	0.0%	0.0%	21.7%	21.1%	0.0%	100.0%
Adjustment for Mid-Year Increase	O&M Allocation	12.9%	44.4%	0.0%	0.0%	0.0%	21.7%	21.1%	0.0%	100.0%

Table 93: FY 2027 Other Funding Allocation to Cost Components ($)

Other Funding	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Revenue Offsets										
Meter Installation/Fees/Connections	*O&M Allocation*	($11,309)	($39,054)	$0	$0	$0	($19,061)	($18,576)	$0	($88,000)
Other Operating Income	*O&M Allocation*	($39,195)	($135,358)	$0	$0	$0	($66,065)	($64,382)	$0	($305,000)
Non-Operating Revenues	*O&M Allocation*	($78,004)	($269,385)	$0	$0	$0	($131,481)	($128,130)	$0	($607,000)
Adjustments										
Reserve Funding	*O&M Allocation*	$340,446	$1,175,717	$0	$0	$0	$573,842	$559,217	$0	$2,649,222
Adjustment for Mid-Year Increase	*O&M Allocation*	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Allocation ($)		**$211,938**	**$731,920**	**$0**	**$0**	**$0**	**$357,235**	**$348,130**	**$0**	**$1,649,222**

Table 94: FY 2027 Cost-of-Service Requirements

Revenue Requirement		Fixed Components			Variable Components					Total
					Water Supply					
		Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	
Specific Expenses	Table 87	$0	$0	$839,000	$1,028,000	$1,371,000	$8,000	$0	$41,000	$3,287,000
Operating Expenses	Table 89	$838,000	$2,894,000	$0	$0	$0	$1,412,500	$1,376,500	$0	$6,521,000
Debt Service	Table 91	$0	$815,778	$0	$0	$0	$0	$0	$0	$815,778
Other Funding	Table 93	$211,938	$731,920	$0	$0	$0	$357,235	$348,130	$0	$1,649,222
COS Requirements		**$1,049,938**	**$4,441,698**	**$839,000**	**$1,028,000**	**$1,371,000**	**$1,777,735**	**$1,724,630**	**$41,000**	**$12,273,000**

Appendix C-2 – FY 2027 Rate Design

Table 95: FY 2027 Projected Usage by Tier (HCF)

Customer Class / Tier	Projected Usage (HCF) [A]	Peaking Factors [B]	Weighted Peak (HCF) [C] = A x B
All Customer Classes			
Tier 1	490,837	1.11	544,474
Tier 2	467,483	1.99	932,127
Variable Units	958,320		1,476,601

Table 96: FY 2027 Account Services Monthly Unit Rate

Account Services Component Unit Rate	
Revenue Requirement	$1,049,938
÷ Total Bills	86,400
Monthly Unit Rate	$12.16

Table 97: FY 2027 Meter Capacity Monthly Unit Rate

Meter Capacity Component Unit Rate	
Revenue Requirement	$4,441,698
÷ Total ME's	131,752
Monthly Unit Rate	$33.72

Table 98: FY 2027 Chromium 6 Monthly Unit Rate

Chromium 6 Component Unit Rate	
Revenue Requirement	$839,000
÷ Total Bills	86,400
Monthly Unit Rate	$9.71

Table 99: FY 2027 Water Supply Unit Rates

Water Supplies	Production / Purchases (AF) [A]	Water Loss [B]	Net Water Supply (AF) [C] = A x (1-B)	Avaliable Supply (HCF) [D] = C x 435.6	Revenue Requirement [E]	Unit Rate [F] = E ÷ D
Purchased Water	773	15.0%	657	286,113	$1,028,000	$3.59
Groundwater	1,816	15.0%	1,543	672,207	$1,371,000	$2.04
Total	2,588		2,200	958,320	$2,399,000	

Table 100: FY 2027 Tier Water Supply Unit Rates

Water Supply Allocation	Projected Usage (HCF) [A]	Groundwater [B]	Purchased Water [C] = (A-B)	Total Usage [D] = (B + C)	Total Cost [E] = Unit Rate x Usage	Water Supply Unit Rate [F] = (E ÷ A)
Available Supply	Table 99	*672,207*	*286,113*			
Effective Unit Cost		*$2.04*	*$3.59*			
All Customer Classes						
Tier 1	490,837	490,837	0	490,837	$1,001,087	$2.04
Tier 2	467,483	181,370	286,113	467,483	$1,397,913	$3.00
Total	958,320	672,207	286,113	958,320	$2,399,000	

Table 101: FY 2027 Delivery Unit Rate

Delivery Cost Component Unit Rate	
Revenue Requirement	$1,777,735
÷ Projected Usage (HCF)	958,320
Monthly Unit Rate	$1.86

Table 102: FY 2027 Peaking Unit Rate by Tier

Customer Class	Projected Usage (HCF) [A]	Weighted Peak (HCF) [B]	% Allocation [C] = B as %	Revenue Requirement [D] = $1,724,630 x C	Unit Rate [E] = D ÷ A
All Customer Classes					
Tier 1	490,837	544,474	36.9%	$635,931	$1.30
Tier 2	467,483	932,127	63.1%	$1,088,699	$2.33
	958,320	1,476,601	100.0%	$1,724,630	

Table 103: FY 2027 Water Efficiency Unit Rate by Tier

Customer Class	Projected Usage (HCF) [A]	Factor [B]	Weighted Usage [C] = A x B	% Allocation [D] = C as %	Revenue Requirement [E] = $41,000 x D	Unit Rate [F] = E ÷ A
All Customer Classes						
Tier 1	490,837	0.00	0	0.0%	$0	$0.00
Tier 2	467,483	1.00	467,483	100.0%	$41,000	$0.09
Total	958,320		467,483	100.0%	$41,000	

Table 104: FY 2027 Monthly Fixed Charges by Meter Size

Meter Size	Capacity Ratio [A]	Meters	Account Services [B] = $12.16	Meter Capacity [C] = $33.72 x A	FY 2027 Proposed Base Fixed Charge [D] = B + C
≤3/4"	1.00	1,915	$12.16	$33.72	$45.88
1"	1.67	5,212	$12.16	$56.20	$68.36
1 1/2"	3.33	20	$12.16	$112.40	$124.56
2"	5.33	50	$12.16	$179.84	$192.00
3"	11.67	2	$12.16	$393.40	$405.56
4"	21.00	1	$12.16	$708.12	$720.28
6"	43.33	0	$12.16	$1,461.20	$1,473.36
8"	93.33	0	$12.16	$3,147.20	$3,159.36

Table 105: FY 2027 Variable Rates by Tier (HCF)

Customer Class & Tier	Tier Definitions (HCF)	Projected Usage (HCF)	Water Supply [A]	Delivery [B]	Peaking [C]	Water Efficiency [D]	FY 2027 Proposed Variable Rate [E] = A + B + C + D
All Customer Classes							
Tier 1	0 - 8	490,837	$2.04	$1.86	$1.30	$0.00	$5.20
Tier 2	>8	467,483	$3.00	$1.86	$2.33	$0.09	$7.28

Appendix D-1 – FY 2028 Cost-of-Service Analysis

Table 106: FY 2028 Specific Expense Allocation to Cost Components (%)

Specific Expenses	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Water Supply										
MWA/Antelope WM Admin. & Bio Fee	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
MWA/Antelope WM Make Up Water	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
MWA/AVW Replacement Water	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
AVW Purchases (Emergency)	Specific	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
Water Purchases - Other	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Electricity GW	Specific	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Electricity Leased Water	Specific	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Chromium 6 Mitigation	Specific	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Conservation	Specific	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

Table 107: FY 2028 Specific Expense Allocation to Cost Components ($)

Specific Expenses	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Water Supply										
MWA/Antelope WM Admin. & Bio Fee	Specific	$0	$0	$0	$0	$9,000	$0	$0	$0	$9,000
MWA/Antelope WM Make Up Water	Specific	$0	$0	$0	$0	$6,000	$0	$0	$0	$6,000
MWA/AVW Replacement Water	Specific	$0	$0	$0	$588,000	$0	$0	$0	$0	$588,000
AVW Purchases (Emergency)	Specific	$0	$0	$0	$0	$0	$11,000	$0	$0	$11,000
Water Purchases - Other	Specific	$0	$0	$0	$0	$0	$0	$0	$0	$0
Electricity GW	Specific	$0	$0	$0	$0	$1,300,000	$0	$0	$0	$1,300,000
Electricity Leased Water	Specific	$0	$0	$0	$827,000	$0	$0	$0	$0	$827,000
Chromium 6 Mitigation	Specific	$0	$0	$839,000	$0	$0	$0	$0	$0	$839,000
Conservation	Specific	$0	$0	$0	$0	$0	$0	$0	$43,000	$43,000
Total Allocation ($)		**$0**	**$0**	**$839,000**	**$1,415,000**	**$1,315,000**	**$11,000**	**$0**	**$43,000**	**$3,623,000**

Table 108: FY 2028 O&M Expense Allocation to Cost Components (%)

Operating Expenses	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Chromium 6	Water Supply: Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Administration	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Customer Accounts/Meters	Specific	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Distribution/Transmission	Max Hour Demand	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	100.0%
Engineering	Max Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	100.0%
Operations	Max Hour Demand	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	100.0%
Production (Source of Supply)	Average Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
Vehicles and Equipment	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Water Quality	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Inter-Transfers	Average Day Demand	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%

Table 109: FY 2028 O&M Expense Allocation to Cost Components ($)

Operating Expenses	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Water Supply: Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Administration	Specific	$0	$2,653,000	$0	$0	$0	$0	$0	$0	$2,653,000
Customer Accounts/Meters	Specific	$882,000	$0	$0	$0	$0	$0	$0	$0	$882,000
Distribution/Transmission	Max Hour Demand	$0	$0	$0	$0	$0	$246,333	$492,667	$0	$739,000
Engineering	Max Day Demand	$0	$0	$0	$0	$0	$279,000	$279,000	$0	$558,000
Operations	Max Hour Demand	$0	$0	$0	$0	$0	$338,000	$676,000	$0	$1,014,000
Production (Source of Supply)	Average Day Demand	$0	$0	$0	$0	$0	$621,000	$0	$0	$621,000
Vehicles and Equipment	Specific	$0	$256,000	$0	$0	$0	$0	$0	$0	$256,000
Water Quality	Specific	$0	$131,000	$0	$0	$0	$0	$0	$0	$131,000
Inter-Transfers	Average Day Demand	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Allocation ($)		**$882,000**	**$3,040,000**	**$0**	**$0**	**$0**	**$1,484,333**	**$1,447,667**	**$0**	**$6,854,000**
Operating Expenses Allocation (%)		*12.9%*	*44.4%*	*0.0%*	*0.0%*	*0.0%*	*21.7%*	*21.1%*	*0.0%*	*100.0%*

Table 110: FY 2028 Debt Expense Allocation to Cost Components (%)

Debt Service	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Water Supply: Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Existing Debt	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Existing Debt Offsets	Specific	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Table 111: FY 2028 Debt Expense Allocation to Cost Components ($)

Debt Service	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Water Supply: Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Existing Debt	Specific	$0	$1,338,000	$0	$0	$0	$0	$0	$0	$1,338,000
Existing Debt Offsets	Specific	$0	($522,222)	$0	$0	$0	$0	$0	$0	($522,222)
Total Allocation ($)		**$0**	**$815,778**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$815,778**

Table 112: FY 2028 Other Funding Allocation to Cost Components (%)

Other Funding	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Water Supply: Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Revenue Offsets										
Meter Installation/Fees/Connections	O&M Allocation	12.9%	44.4%	0.0%	0.0%	0.0%	21.7%	21.1%	0.0%	100.0%
Other Operating Income	O&M Allocation	12.9%	44.4%	0.0%	0.0%	0.0%	21.7%	21.1%	0.0%	100.0%
Non-Operating Revenues	O&M Allocation	12.9%	44.4%	0.0%	0.0%	0.0%	21.7%	21.1%	0.0%	100.0%
Adjustments										
Reserve Funding	O&M Allocation	12.9%	44.4%	0.0%	0.0%	0.0%	21.7%	21.1%	0.0%	100.0%
Adjustment for Mid-Year Increase	O&M Allocation	12.9%	44.4%	0.0%	0.0%	0.0%	21.7%	21.1%	0.0%	100.0%

Table 113: FY 2028 Other Funding Allocation to Cost Components ($)

Other Funding	Methodology / Allocation Basis	Cost Components: Account Services	Meter Capacity	Water Supply: Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	Total
Revenue Offsets										
Meter Installation/Fees/Connections	O&M Allocation	($11,324)	($39,031)	$0	$0	$0	($19,058)	($18,587)	$0	($88,000)
Other Operating Income	O&M Allocation	($39,249)	($135,279)	$0	$0	$0	($66,052)	($64,421)	$0	($305,000)
Non-Operating Revenues	O&M Allocation	($78,369)	($270,114)	$0	$0	$0	($131,888)	($128,630)	$0	($609,000)
Adjustments										
Reserve Funding	O&M Allocation	$490,443	$1,690,417	$0	$0	$0	$825,376	$804,987	$0	$3,811,222
Adjustment for Mid-Year Increase	O&M Allocation	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Allocation ($)		**$361,502**	**$1,245,993**	**$0**	**$0**	**$0**	**$608,378**	**$593,349**	**$0**	**$2,809,222**

Table 114: FY 2028 Cost-of-Service Requirements

Revenue Requirement		Fixed Components			Variable Components					Total
					Water Supply					
		Account Services	Meter Capacity	Chromium 6	Purchased Water	Groundwater	Delivery	Peaking	Water Efficiency	
Specific Expenses	Table 107	$0	$0	$839,000	$1,415,000	$1,315,000	$11,000	$0	$43,000	$3,623,000
Operating Expenses	Table 109	$882,000	$3,040,000	$0	$0	$0	$1,484,333	$1,447,667	$0	$6,854,000
Debt Service	Table 111	$0	$815,778	$0	$0	$0	$0	$0	$0	$815,778
Other Funding	Table 113	$361,502	$1,245,993	$0	$0	$0	$608,378	$593,349	$0	$2,809,222
COS Requirements		**$1,243,502**	**$5,101,771**	**$839,000**	**$1,415,000**	**$1,315,000**	**$2,103,711**	**$2,041,016**	**$43,000**	**$14,102,000**

Appendix D-2 – FY 2028 Rate Design

Table 115: FY 2028 Projected Usage by Tier (HCF)

Customer Class / Tier	Projected Usage (HCF) [A]	Peaking Factors [B]	Weighted Peak (HCF) [C] = A x B
All Customer Classes			
Tier 1	447,574	1.09	488,163
Tier 2	510,746	1.95	995,839
Variable Units	958,320		1,484,001

Table 116: FY 2028 Account Services Monthly Unit Rate

Account Services Component Unit Rate	
Revenue Requirement	$1,243,502
÷ Total Bills	86,400
Monthly Unit Rate	$14.40

Table 117: FY 2028 Meter Capacity Monthly Unit Rate

Meter Capacity Component Unit Rate	
Revenue Requirement	$5,101,771
÷ Total ME's	131,752
Monthly Unit Rate	$38.73

Table 118: FY 2028 Chromium 6 Monthly Unit Rate

Chromium 6 Component Unit Rate	
Revenue Requirement	$839,000
÷ Total Bills	86,400
Monthly Unit Rate	$9.71

Table 119: FY 2028 Water Supply Unit Rates

Water Supplies	Production / Purchases (AF) [A]	Water Loss [B]	Net Water Supply (AF) [C] = A x (1-B)	Avaliable Supply (HCF) [D] = C x 435.6	Revenue Requirement [E]	Unit Rate [F] = E ÷ D
Purchased Water	1,007	15.0%	856	372,754	$1,415,000	$3.80
Groundwater	1,582	15.0%	1,344	585,566	$1,315,000	$2.25
Total	2,588		2,200	958,320	$2,730,000	

Table 120: FY 2028 Tier Water Supply Unit Rates

Water Supply Allocation	Projected Usage (HCF) [A]	Groundwater [B]	Purchased Water [C] = (A-B)	Total Usage [D] = (B + C)	Total Cost [E] = Unit Rate x Usage	Water Supply Unit Rate [F] = (E ÷ A)
Available Supply	Table 119	*585,566*	*372,754*			
Effective Unit Cost		*$2.25*	*$3.80*			
All Customer Classes						
Tier 1	447,574	447,574	0	447,574	$1,005,111	$2.25
Tier 2	510,746	137,993	372,754	510,746	$1,724,889	$3.38
Total	958,320	585,566	372,754	958,320	$2,730,000	

Table 121: FY 2028 Delivery Unit Rate

Delivery Cost Component Unit Rate	
Revenue Requirement	$2,103,711
÷ Projected Usage (HCF)	958,320
Monthly Unit Rate	$2.20

Table 122: FY 2028 Peaking Unit Rate by Tier

Customer Class	Projected Usage (HCF) [A]	Weighted Peak (HCF) [B]	% Allocation [C] = B as %	Revenue Requirement [D] = $2,041,016 x C	Unit Rate [E] = D ÷ A
All Customer Classes					
Tier 1	447,574	488,163	32.9%	$671,393	$1.51
Tier 2	510,746	995,839	67.1%	$1,369,624	$2.69
	958,320	1,484,001	100.0%	$2,041,016	

Table 123: FY 2028 Water Efficiency Unit Rate by Tier

Customer Class	Projected Usage (HCF) [A]	Factor [B]	Weighted Usage [C] = A x B	% Allocation [D] = C as %	Revenue Requirement [E] = $43,000 x D	Unit Rate [F] = E ÷ A
All Customer Classes						
Tier 1	447,574	0.00	0	0.0%	$0	$0.00
Tier 2	510,746	1.00	510,746	100.0%	$43,000	$0.09
Total	958,320		510,746	100.0%	$43,000	

Table 124: FY 2028 Monthly Fixed Charges by Meter Size

Meter Size	Capacity Ratio [A]	Meters	Account Services [B] = $14.40	Meter Capacity [C] = $38.73 x A	FY 2028 Proposed Base Fixed Charge [D] = B + C
≤3/4"	1.00	1,915	$14.40	$38.73	$53.13
1"	1.67	5,212	$14.40	$64.55	$78.95
1 1/2"	3.33	20	$14.40	$129.10	$143.50
2"	5.33	50	$14.40	$206.56	$220.96
3"	11.67	2	$14.40	$451.85	$466.25
4"	21.00	1	$14.40	$813.33	$827.73
6"	43.33	0	$14.40	$1,678.30	$1,692.70
8"	93.33	0	$14.40	$3,614.80	$3,629.20

Table 125: FY 2028 Variable Rates by Tier (HCF)

Customer Class & Tier	Tier Definitions (HCF)	Projected Usage (HCF)	Water Supply [A]	Delivery [B]	Peaking [C]	Water Efficiency [D]	FY 2028 Proposed Variable Rate [E] = A + B + C + D
All Customer Classes							
Tier 1	0 - 7	447,574	$2.25	$2.20	$1.51	$0.00	$5.96
Tier 2	>7	510,746	$3.38	$2.20	$2.69	$0.09	$8.36

Agenda Item 6c

Update on Solid Waste Program Implementation

Phelan Piñon Hills CSD
Established 2008

A. 4176 Warbler Road
P.O. Box 294049
Phelan, CA 92329
P. (760) 868-1212
F. (760) 868-2323
W. www.pphcsd.org

MEMORANDUM

DATE: October 11, 2023

TO: Board of Directors

FROM: Don Bartz, General Manager
By: Kim Sevy, HR & Solid Waste Manager/District Clerk

SUBJECT: Update on Solid Waste Program Implementation

STAFF RECOMMENDATION
None

BACKGROUND
Staff will update the Board on Solid Waste Program Implementation.

FISCAL IMPACT
None

ATTACHMENT(S)
None

Agenda Item 6d

Update on the Proposed Civic Center &
Phelan Park Expansion Projects

Phelan Piñon Hills CSD
Established 2008

A. 4176 Warbler Road
P.O. Box 294049
Phelan, CA 92329
P. (760) 868-1212
F. (760) 868-2323
W. www.pphcsd.org

MEMORANDUM

DATE: October 11, 2023

TO: Board of Directors

FROM: Don Bartz, General Manager
By: Kim Sevy, HR & Solid Waste Manager/District Clerk

SUBJECT: Update on the Proposed Civic Center & Phelan Park Expansion Project

STAFF RECOMMENDATION
None

BACKGROUND
Staff will update the Board on the Proposed Civic Center and Phelan Park Expansion Project.

FISCAL IMPACT
None

ATTACHMENT(S)
None

Agenda Item 7

Committee Reports/Comments

Phelan Piñon Hills CSD
Established 2008

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SPECIAL ENGINEERING COMMITTEE MEETING MINUTES

September 20, 2023 – 4:30 p.m.
Phelan Community Center
4128 Warbler Road, Phelan, CA 92371
& Remotely Via Zoom or Conference Call

Board Members Present: Mark Roberts, Director (Chair)
Rebecca Kujawa, President

Staff Present: George Cardenas, Engineering Manager
Sean Wright, Water Operations Manager
Chris Cummings, Water Operations Assistant Manager
Tony De La Rosa, Engineering Technician
Jennifer Oakes, Executive Management Analyst
Aimee Williams, Asst. Board Clerk/Administrative Specialist

Call to Order
Director Roberts called the meeting to order at 4:30 p.m.

Roll Call
All Committee Members were present at Roll Call.

1) **Approval of Agenda**
Vice President Roberts moved to approve the Agenda. President Kujawa seconded the motion. Motion passed unanimously.

2) **Public Comment** – None

3) **Approval of Minutes**
Vice President Roberts moved to approve the Minutes. President Kujawa seconded the motion. Motion passed unanimously.

4) **Oeste Recharge Study Project**
Mr. Wright provided an update. A report was included in the packet.

5) **Discussion Regarding Water System**
- **Pumps and Wells Services Agreement**
- **10-Year Tank Rehabilitation & Maintenance Service**
- **Water Quality**
- **Service Line Replacement Program**
- **Other Repairs/Replacements/Updates/Maintenance**

Mr. Wright reported on system repairs, tank maintenance, water meter replacement program, the fill station, and Tropical Storm Hillary damage throughout the District. A written report was provided in the agenda packet.

6) **Smithson Springs Update**
Mr. Wright reported that the vegetation is getting thick and overgrown; will report flows at next month's meeting.

7) **State Regulations Update**
Ms. Oakes reported that there are no new updates, just ongoing implementation of state programs.

8) **GIS Presentation**
Mr. Cardenas and Mr. De La Rosa provided a presentation on the GIS system.

9) **Review of Current Projects**
- **New Well No. 15**
- **Well No. 17**
- **Tank 6A**

Mr. Wright and Mr. Cardenas provided updates on the current projects.

10) **Staff Reports**
Nothing new to report; a written report is in the agenda packet.

11) **Review of Action Items**
a) **Prior Meeting** – Complete
b) **Current Meeting**
- MWA Monitoring Wells – Depth to Water, Water Quality, & Drill Logs
- Hot Spot Map
- Smithson Spring Flows
- Hydrographs
- Presentation on Chromium-6 to Board in October

12) **Set Agenda for Next Meeting** – October 18, 2023
- Remove Item 8

13) **Adjournment**
With no further business before the Committee, the meeting adjourned at 5:52 p.m.

Agenda materials can be viewed online at www.pphcsd.org

Phelan Piñon Hills CSD
Established 2008

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LEGISLATIVE COMMITTEE MEETING MINUTES

September 12, 2023
Phelan Community Center
4128 Warbler Road, Phelan, CA 92371
& Remotely Via Zoom or Conference Call

Board Members Present: Greg Snyder, Chair
Deborah Philips, Director

Board Members Absent: None

Staff Present: Aimee Williams, Asst. Board Clerk/Administrative Specialist

Call to Order
The meeting was called to order at 3:00 p.m.

Roll Call
All committee members were present at Roll Call.

1) **Approval of Agenda**
Director Philips moved to approve the Agenda. Director Snyder seconded the motion. Motion passed unanimously.

2) **Public Comment** – None

3) **Acceptance of Minutes**
The minutes were accepted.

4) **Update from Representatives**
There were no representatives in attendance.

5) **Review of CSDA's Mid-Year Legislative Report**
The committee reviewed the report provided in the agenda packet.

6) **Staff Report**
Nothing new to report.

7) **Committee Comments**
Director Philips asked if there was any outreach that she can do as a director to encourage representative attendance or if a possible meeting time change might help.

8) **Review of Action Items**
   a) **Prior Meeting** – Complete
   b) **Current Meeting** – Monitor Santa Monica case regarding voting rights

9) **Set Agenda for Next Meeting** – December 12, 2023

10) **Adjournment**
With no further business before the Committee, the meeting adjourned at 3:08 p.m.

Agenda materials can be viewed online at www.pphcsd.org

Phelan Piñon Hills CSD
Established 2008

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SOLID WASTE & RECYCLING COMMITTEE MEETING MINUTES

September 20, 2023 – 2:30 p.m.
Phelan Community Center
4128 Warbler Road, Phelan, CA 92371
& Remotely Via Zoom or Conference Call

Board Members Present: Deborah Philips
Chuck Hays

Board Members Absent: None

Staff Present: Kim Sevy, HR & Solid Waste Manager/District Clerk
Aimee Williams, Asst. Board Clerk/Administrative Specialist

CR&R Staff Present: Brandon McGill, Operations Manager

Call to Order
Director Philips called the meeting to order at 2:30 p.m.

Roll Call
All Committee Members were present at Roll Call.

1) **Approval of Agenda**
Director Hays moved to approve the Agenda. Director Philips seconded the motion. Motion passed unanimously.

2) **Public Comment**
None

3) **Approval of Minutes**
Director Philips moved to approve the minutes. Director Hays seconded the motion. Motion passed unanimously.

4) **Review of Solid Waste Events**
Ms. Sevy reviewed the programs and events. Mr. McGill reported that 8 tons of solid waste and 4 ½ tons of tires were collected at the Free Tire Disposal & Community Cleanup Day.

5) **Update on Uniform Collection**
Ms. Sevy reported on the implementation of the collection program.

6) **SB 1383 & Recycling Requirements**
Ms. Sevy provided an update on SB 1383 & recycling requirements.

7) **Review of Cost-of-Service Study Proposal**

The committee reviewed the Cost-of-Service Study Proposal, and it will go to the Board for approval.

8) **Staff Reports**
A written report was included in the packet.

9) **Review of Action Items**
a) **Prior Meeting** – Complete
b) **Current Meeting** – Cost-of-Service Study Proposal to the Board

10) **Set Agenda for Next Meeting** – October 18, 2023
- Remove Item 7

11) **Adjournment**
With no further business before the Committee, the meeting adjourned at 2:49 p.m.

Agenda materials can be viewed online at www.pphcsd.org

Agenda Item 8

Staff & General Manager's Report

Phelan Piñon Hills CSD
Established 2008

A. 4176 Warbler Road
P.O. Box 294049
Phelan, CA 92329
P. (760) 868-1212
F. (760) 868-2323
W. www.pphcsd.org

Water Operations Manager's Report
September 2023

Introduction

The Phelan Piñon Hills Community Services District (District) maintains a large water distribution system that includes over three hundred & forty miles of water lines. The following are District statistics and information related to the operations of this distribution system and the quality of the water supplied to District customers.

Summary

The District's water distribution system is in compliance with the State Water Resources Control Board- Division of Drinking Water, The Environmental Protection Agency, the Safe Drinking Water Act, Cal OSHA, and all other governing agencies.

Current chlorine demand has remained low and steady due to routine maintenance and flushing. Chlorine demand is found by subtracting the chlorine residual from the total chlorine added to the water system. A low chlorine demand indicates water-free or nearly free of pathogenic microorganisms.

Water Quality Samples

The following is a summary of all water quality samples collected this month and any pertinent information related to said samples.

TEST TYPE	NO. OF COLLECTIONS THIS MONTH	TESTING SCHEDULE	NOTES
Raw water and Bac-t samples	53 samples	Monthly	All in compliance, Sampled Weekly
General physical samples	6 samples	Monthly	All in compliance, Sampled Weekly
TTHM/HAA5	4 samples sets	Quarterly	All in compliance.
Title 22	0 sample sets	TBD	All in Compliance.
Inorganics	0 samples	Yearly	All in compliance.
Radiological (Gross Alpha)	0 samples	Every 3 Years	All in compliance.
Trichloropropane 1,2,3-TCP	0 samples	Quarterly	All in compliance.
Regulated VOC	2 samples	As needed	All in compliance.
Nitrate as N	8 samples	As needed	All in Compliance.
Chromium 6	14 samples	Quarterly	All in Compliance.
Secondary GP'S	1 samples	As needed	All in Compliance.
Uranium	0 samples	As needed	All in Compliance

Production and Service Order Report

The following is a summary of the District's water production and service orders for the current month.

Total Monthly Production	234.83 A. F. 12 % less than 2022
2022 Monthly Production	267.39 A. F.
USA's Marked	502
Service Orders Completed	543 service orders completed
Main/Service Line Leaks	55 service line leaks repaired. 6 Main line leak/ breaks repaired
Hydrant Repairs/Replacements	2 hydrant repaired/0 replaced
Residential Meters Sold	6
Commercial Meters Sold	0
YTD Total Meters Sold (Calendar)	37 (86 in 2022) (95 in 2021)
Construction Meters Out	2
Service Lines Replaced	0

Job Code Summary

Job Code	Total Completed
C-Lock - Lock	89
C-Read & Unlock-Open - Read & Unlock - Opening	5
C-Read & Unlock-OC-DM - Read & Unlock - Opening-OC-DM	46
D-Closing Read & Lck - Closing Read & Lock DO NOT USE	3
D-Closing Read-OC-DM - Closing Read & Lock-OC-DM DO NOT USE	3
M- Investigate Lock - Verify Meter Still Locked	11
M- Verify Acct Class - Verify Account Class	0
M- Water Audit - Audit Water Usage	6
M-Backflow - Backflow Information	0
M-Cost Estimate Req - Cost Estimate Request	1
M-Data - Data Log	3
M-Bees- Bees	0
M-Investigate Leak - Investigate Leak	0
M-Investigate No Wtr - Investigate No Water	2
M-Lock No N/O Info - Meter Locked No New Owner Info	0
M-Low/No Consumption - Investigate Low/No Consumption	6
M-Meter Leaking - Meter Leaking	0
M-Meter UTL - Buried - Meter UTL - Buried	2
M-Pressure Ck Hi-Low - Pressure Check Hi-Low	1
M-R/R Angle Stop - Repair/ Replace Angle Stop	2
M-R/R Gate Valve - Repair/ Replace Gate Valve	2
M-Read - Read (do not update Read)	1
M-Repair Svc Line - Repair Service Line	55
M-Repair/Install Box - Meter Box	4
M-Replace Serv Line - Replace Service Line	0

M-Stake Meter Loc - Stake Meter Location	2
M-Status - Status	13
M-Turn off-Cust Req - Turn off - Customer Request	6
M-UNLOCK – UNLOCK	24
M-Verify Leak Repair - Verify Leak Repaired	1
M-Water Loss Leak - Door Hanger Water Loss Leak	3
M-Water Quality Taste - Water Quality - Taste	0
S- Replace Register - Register Not Sending Signal	192
S- Meter Downsize - Meter Downsizing	0
Service Change - Service Status Change	13
S-Replace Mtr & Reg - Replace Entire Meter Max Life Usage	0
S-Replace Reg Hotrod - Replace Register Hotrod Died	0
S-Replace Register - Replace Register Mueller	0
S-Replace Mtr- Replace Entire Meter Bottom Seal Leaking	0
Grand Totals	543

Summary of Current Projects

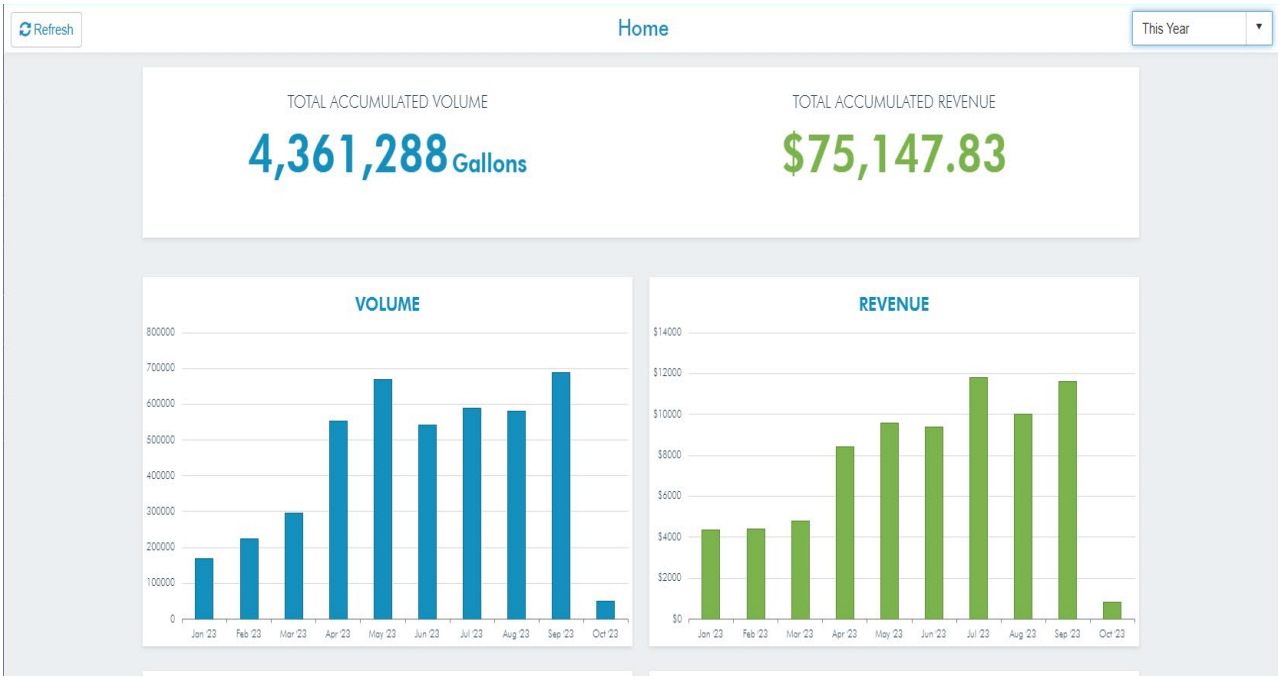
The following is a brief summary of all current and completed projects for the reported period

- Well Soundings at all wells are being done monthly
- Well 14 Production for September 0.30 AF, YTD 7.19 AF @ $1055 per AF replacement C/Y 2023
- Valves and Hydrants Maintenance: 2 hydrants flushed and painted YTD Total-70
- Service line replacement program. 24 Replaced Calendar Year to Date, 11 Replaced Fiscal Year to Date
- Air-Vac maintenance & flushing program-0 Flushed & Maintenance YTD-0 of 336 Total Project 0% Complete
- Cla-Val automatic controls valves being systematically rebuilt as a water conservation measure- 24 Complete YTD Water savings from this project is 17 GPM and counting in conjunction with operational efficiency @ 7MG
- Water Meter Replacement Project- 5835 of 7204 Replaced – 81 % Complete
- Tank 1C-2 Interior coating sand, blast, re-coat- 100% Complete
- Outfitting & Equipping of Mountain well (Well 17)- 98% Complete
- Well 15 Outfitting, and Equipping - 75% Complete

Projects Completed

- Booster 3A-B Suction can hole repair- 100% Complete
- Well Meter and inter-tie Meter annual accuracy program FY 22/23- 100 % Complete
- Electrical Efficiency test performed @ every booster and well within the District- 100% Complete with summaries of notable replacements attached
- Oil Changes and greasing at all district wells 100% Complete Boosters 100 % Complete
- 0 Valves Turned this month as part of the district Valve Exercising Program, 41 Year to Date Turned of 4291
- 168 Dead ends flushed of 317 = every year no matter what < No goal, this is mandatory
- 1936 hydrants = 50 flushed this Year to Date 162 Painted Goal is 968 annually, this is done Bi-Annual
- Tank washouts of 10&11, 3B,2A-1,4B,3A,2A,4A,5A,1A-2,8A Complete

- The Fill Station Stats For Year to Date 2023



- Well 15 Progression


Kubota

Agenda Item 9

Director Reports

Agenda Item 10

Correspondence/Information

Fall Baking Class

Come learn to make Mini Apple Pies at our

Kids Baking Class

Ages 5-17

November 4, 2023
10:00 a.m. - 12:00 p.m.

Phelan Senior Center
4128 Warbler Road
Phelan, CA

RSVP Required: www.pphcsd.org/sign-up-for-classes

*All minors must be accompanied by an adult.

Phelan Piñon Hills Community Services District
Established 2008

Go Play at the Park
Phelan Piñon Hills CSD Parks and Recreation

4176 Warbler Road
Phelan, CA 92371
760-868-1212
www.pphcsd.org

JOIN US FOR OUR

Fall Painting Class

Saturday, November 11, 2023
9 AM - Ages 5-12
11 AM - Ages 13 and Up

RSVP Required: www.pphcsd.org/events
Phelan Senior Center
4128 Warbler Road
Phelan, CA
760-868-1212

Go Play at the Park
Phelan Piñon Hills CSD Parks and Recreation

Phelan Piñon Hills Community Services District
Established 2008

Join Us for Our

Merry Christmas

PAINTING CLASS

DECEMBER 2

9 AM
AGES 5 - 12

11 AM
AGES 13 AND UP

RSVP Required:
www.pphcsd.org/events
Phelan Senior Center
4128 Warbler Road
Phelan, CA
760-868-1212

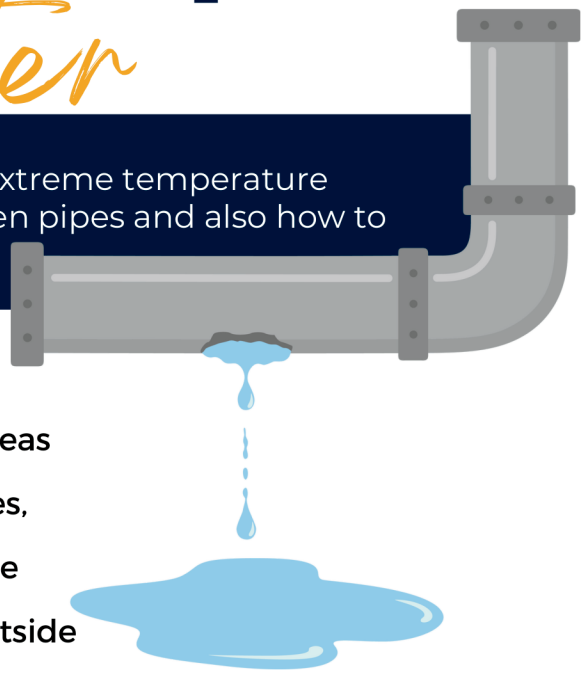
Go Play at the Park
Phelan Piñon Hills CSD Parks and Recreation

Phelan Piñon Hills Community Services District
Established 2008

Learn How To:

Protect Your Pipes *This Winter*

Exposed pipes are especially vulnerable to the extreme temperature changes in the winter. Learn how to prevent frozen pipes and also how to safely deal with pipes if they do freeze.



Prevent Frozen Pipes

- Wrap Your Pipes - Check around your home for areas where water supply lines are located and are in unheated and exposed areas. Look in crawl spaces, attics, garages, and under kitchen and bathroom cabinets. Both hot and cold water pipes should be insulated.
- Let Water Drip - When the weather is very cold outside (such as at night), let the cold water drip from the faucet being served by exposed pipes. Make sure to capture this water in a bucket for use elsewhere. Running water through the pipe - even at a trickle - helps prevent pipes from freezing.
- Leave the Heat On - If you will be going away during cold weather, leave the heat on in your home. Set the temperature no lower than 55 degrees fahrenheit.

To Thaw Frozen Pipes

- When in Doubt - If you turn on a faucet and only a trickle comes out, suspect a frozen pipe. Locate the suspected frozen area of the water pipe. Likely places include pipes running against exterior walls or where your water service enters your home through the foundation.
- Let Water Run - Keep the faucet open. As you treat the frozen pipe and the frozen area begins to melt, water will begin to flow through the frozen area.
    - Warm it Up - Apply heat to the frozen section of pipe using an electric heating pad wrapped around the pipe, an electric hair dryer, a portable space heater, or wrapping pipes with towels soaked in hot water. Apply heat until full water pressure is restored.
        - DO NOT use a blowtorch, kerosene or propane heater, charcoal stove, or other open flame devices.
            - Call for Help - If you are unable to locate the frozen area or have other problems, call a licensed plumber.

For more information and other useful tips, visit our website at www.pphcsd.org or follow us on Facebook and Instagram.

4176 Warbler Road
Phelan, CA 92371
760-868-1212
www.pphcsd.org

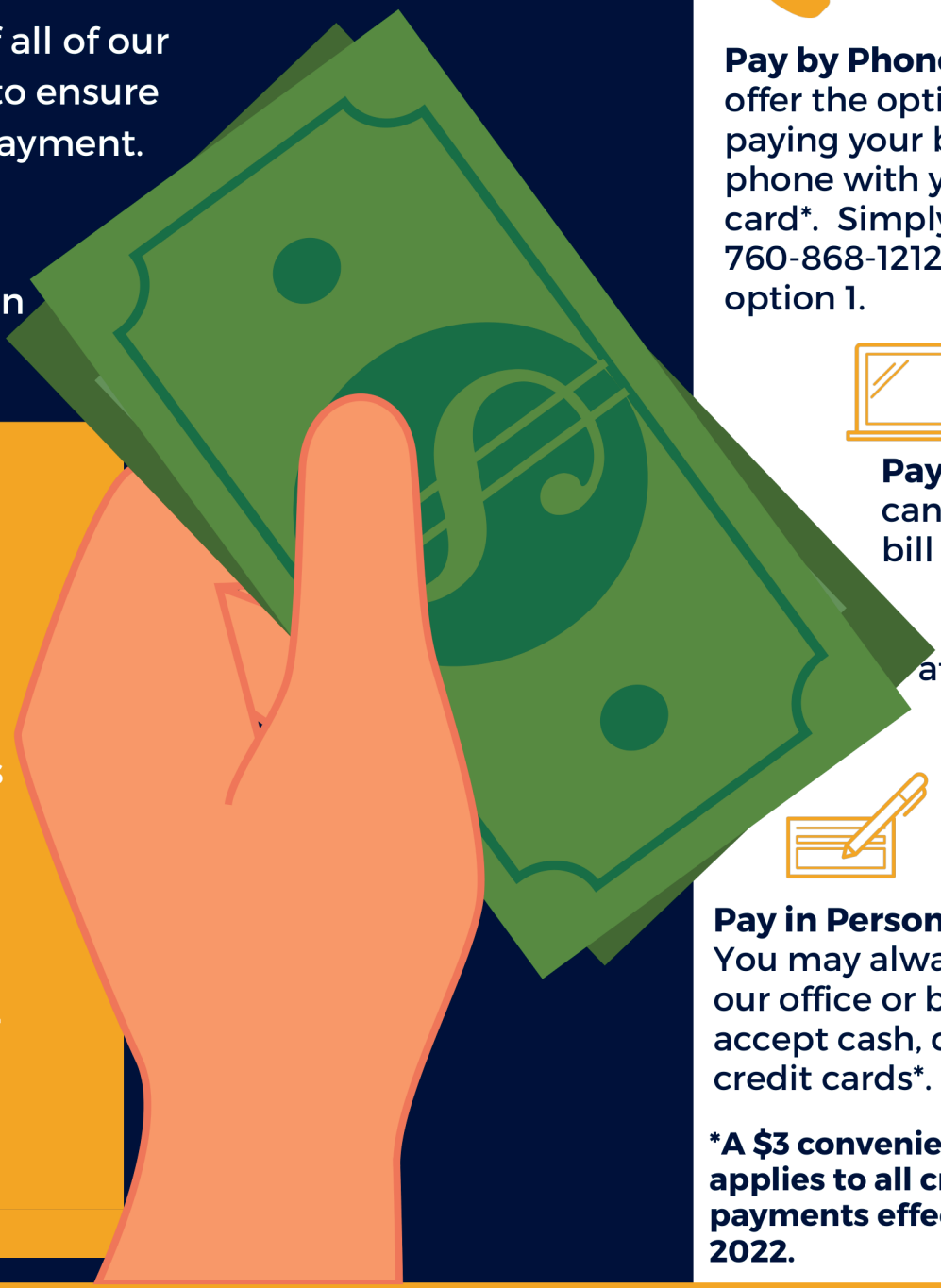
Phelan Piñon Hills Community Services District
Established 2008

Now it's easier than ever to pay

Your Bill

Take advantage of all of our payment options to ensure you don't miss a payment.

And follow us on Facebook to stay up to date on when your bill is due!



Did you know?

When you use your bank's bill pay, most banks now have the option to have your payment made next day or on whichever day you select.

Auto Pay- Establish a recurring monthly payment using your Visa*, Mastercard*, Discover Card*, or your bank account.

Pay by Phone- We now offer the option of paying your bill over the phone with your credit card*. Simply call 760-868-1212 and select option 1.

Pay Online- You can pay your bill online at your convenience at pphcsd.org.

Pay in Person or By Mail- You may always pay in our office or by mail. We accept cash, check, and credit cards*.

***A $3 convenience fee applies to all credit card payments effective July 1, 2022.**

760-868-1212
www.pphcsd.org

Phelan Piñon Hills
Community Services District
4176 Warbler Road
Phelan, CA 92371

Learn to Compost

EACH CLASS ATTENDEE WILL RECEIVE A FREE TUMBLING COMPOSTER AND A FREE ZERO WATER TREE

SATURDAY, OCTOBER 14, 2023

11 AM - 12 PM
(IMMEDIATELY FOLLOWING THE COMMUNITY TEACHING GARDEN CLASS, "HARVESTING AND STORING VEGETABLES AND FRUIT")

PHELAN COMMUNITY CENTER
4128 WARBLER ROAD, PHELAN

RSVP REQUIRED:
WWW.PPHCSD.ORG/EVENTS

Go Play at the Park
Phelan Piñon Hills CSD Parks and Recreation

Phelan Piñon Hills CSD
Established 2008

PHELAN PIÑON HILLS CSD
SOLID WASTE SERVICES

Mojave Desert Resource Conservation District

Master Gardener
University of California Cooperative Extension

San Bernardino County Tri-Community Residents:

HOUSEHOLD HAZARDOUS WASTE COLLECTION

Saturday, October 14, 2023 | 9a.m. to 1p.m.

CR&R Yard, 9828 Buckwheat Road, Phelan, 92371

RECYCLE USED OIL

Funded By CalRecycle

We Accept...

- Antifreeze
- Auto & Household Batteries
- Computer Monitors, TVs
- CPUs, Printers
- Fluorescent Tubes
- Home-Generated Sharps/Needles in approved container
- Household Cleaners
- Medications – separate liquids from solids (excluding controlled substances)
- Microwave Ovens
- Motor Oil/Used Filters
- Musical Cards, Clothes Irons
- Paint Products
- Pesticides & Fertilizers
- Space Heaters, Stereos, Radios
- Telephones
- VCRs/DVD Players

We Do NOT Accept...

- Asbestos
- Business/Commercial Wastes
- Explosives
- Medical Wastes other than sharps
- Radioactive Wastes
- Reactives
- Tire, Appliances, Furniture, Air Conditioner, etc.
- Wastes from foreclosed properties & non-profit organizations

Take the last step! Recycle your USED MOTOR OIL and OIL FILTERS!

- **Dumping used oil (or any chemical) is a crime – legally and environmentally**
- **Dumped oil contaminates ground water – our drinking water source**
- **Used oil is insoluble and can contain toxic chemicals**
- **Used oil kills plant and aquatic life**
- **One pint of used oil can create an acre-sized oil slick on surface waters**

Remember when recycling oil to...

- Drain your oil from cars, trucks, motorcycles, boats, recreational vehicles, lawnmowers, etc., into a reusable, sealable container.
- Do not dump oil on the ground, in the gutter or storm drain, or throw in the trash
- Do not mix anything with the oil (water, paint, pesticides, diesel, antifreeze or gasoline)

Call us today to find out how to get a free oil container at the next Oil Filter Event in your City/Town.

Before transporting, be sure that...

- Waste is properly labeled or in its original container
- The container is no larger than 5 gallons. Transport no more than 15 gallons or 125 lbs.
- Sharps/needles are in approved container, illegal to transport in plastic bag, coffee cans, milk jugs, or soda cans
- Containers are sound and not leaking
- Waste is **securely placed in the back of the vehicle** for safe transport

The following guidelines apply:

- Household Hazardous Waste ONLY. No Business-Generated Waste Accepted
- San Bernardino County Residents ONLY. Identification will be required
- No Early Birds (waste brought before 9:00a.m. will not be accepted)
- Waste must be accepted by County Fire Protection District personnel.
-

For questions or more information, contact:

San Bernardino County Fire Protection District, Household Hazardous Waste Program

1.800.OILY.CAT (1.800.645.9228)

Visit SBCfire.org/hhw

SAN BERNARDINO COUNTY

Cosponsored by San Bernardino County Board of Supervisors and San Bernardino County Fire Protection District

SAN BERNARDINO COUNTY FIRE RESCUE EMS

Condado de San Bernardino:

RECOLECCIÓN DE DESECHOS PELIGROSOS DEL HOGAR

Sabado Octubre, 14, 2023 | 9 a.m. a 1 p.m.

CR&R Yard, 9828 Buckwheat Road, Phelan, 92371

RECICLE ACEITE USADO

Financiado Por CalRecycle

Aceptamos...

- Aceite para cocinar
- Aceite y filtros usados provenientes del hogar
- Anticongelante
- Baterías del hogar y de vehículos
- Fertilizantes
- Limpiadores químicos (hogar y piscina)
- Medicamentos personales – separe liquidos y solidos (excluye sustancias controladas)
- Productos de pintura
- Pesticidas y fertilizantes
- Objetos punzantes/agujas generados en casa. Traer en contenedor aprobado
- Televisores y monitores de la computadora
- CPU's e impresoras
- Tubos fluorescentes
- Microondas
- Teléfonos celulares, teléfonos
- Calentadores de espacio, estéreos, radios
- Aparato de video/CD
- Tarjetas musicales, planchas

NO Aceptamos...

- Asbestos/amianto
- Aparatos domésticos y muebles
- Desperdicio comercial
- Desperdicio de jardinería
- Desperdicio médico
- Desperdicio reactivo y radioactivo
- Explosivos
- Llantas
- Desechos de propiedades hipotecadas y organizaciones sin fines de lucro

¡Demos el ultimo paso! ¡Reciclemos el aceite de motor y los filtros de aceite usados!

- **El abandono ilegal de aceite usado (ó cualquier otro químico) es un crimen—legal y del medio ambiente.**
- **El abandono ilegal de aceite usado contamina el agua potable.**
- **Aceite usado no se puede diluir y puede contener químicos tóxicos.**
- **Aceite usado mata plantas y vida acuática.**
- **Medio litro de aceite usado puede crear por lo menos 1 acre de contaminación en el agua potable.**

Al reciclar aceite recuerde lo siguiente...

- Cuando saque el aceite usado de sus vehículos, camiones, motos, lanchas, cortadoras de césped, etc. póngalo en un contenedor que se pueda cerrar y que sea reutilizable.
- No ponga su aceite usado en el suelo, ni en los canales, desagües ó basureros.
- No mezcle nada con su aceite usado (agua, pintura, pesticidas, diesel, anticoagulantes ó gasolina).

Guías de transporte...

- El desperdicio debe estar en su contenedor original ó con las etiquetas adequadas identificando el contenido.
- La cantidad de desperdicio que transporte no puede ser más de 15 galones ó 125 libras. Los contenedores no deben ser mas grandes que 5 galones cada uno.
- Los contenedores deben ser sólidos, estar sellados y sin agujeros.
- Los objetos punzantes/agujas deben estar en un contenedor aprobado. No se aceptarán objetos punzantes en bolsas de plástico, latas de café o otros recipients.
- El desperdicio esta puesto en la parte trasera del vehiculo para transportar.

Se aplican las siguientes directivas:

- Solo desechos peligrosos del hogar.
- Solo para residentes del Condado de San Bernardino. Para verificar su dirección traiga una identificación o una factura de un servicio público.
- No se aceptaran a residentes que traigan su desperdicio antes de las 9:00 am.
- Los desechos deben ser aceptados por el personal del Distrito de Protección contra Incendios del Condado de San Bernardino.
- Permanecer en el vehículo en todo momento.
-

Para más información llame

Distrito de Protección Contra Incendios del Condado de San Bernardino, Programa de Desechos Peligrosos del Hogar:

1.800.OILY.CAT (1.800.645.9228)

Visit SBCfire.org/hhw

SAN BERNARDINO COUNTY

Copatrocinado por la Junta de Supervisores del Condado de San Bernardino y Distrito de Protección contra Incendios del Condado de San Bernardino

SAN BERNARDINO COUNTY FIRE RESCUE EMS

Helping People. Changing Lives.
Community Action Partnership
AMERICA'S POVERTY FIGHTING NETWORK
Community Action Partnership of San Bernardino County

Community Action Partnership of San Bernardino County (CAPSBC)

Low-Income Household Water Assistance Program (LIHWAP)

What is LIHWAP?

- **LIHWAP** stands for the Low-Income Household Water Assistance Program.
- It is a federally funded program that offers a **one-time** payment, **up to a maximum of $2,000**, to help you pay your current or past-due water and/or wastewater bills that accrued during **any timeframe**.

Get help paying your water bill

Income guidelines:

Household Size	Monthly Income
1	$2,700.17 & below
2	$3,531.00 & below
3	$4,361.83 & below
4	$5,192.75 & below
5	$6,023.59 & below
6	$6,854.43 & below
7	$7,010.21 & below
8	$7,166.00 & below
9	$7,321.78 & below
10	$7,477.56 & below

Who qualifies?

- Your household may qualify if your total household gross income is at or below 60% of the State Median Income or a household member is a current recipient of CalFresh or CalWORKs.
- You receive service from a participating community water system or wastewater treatment provider (private wells and septic excluded). Visit our website for a list of participating providers.
- Renters may also qualify if your water and/or wastewater bill is included in your rental payment, and you are past due on rent.

How do I apply for services?

To learn more or to start an application:

- Call **909-723-1500**
- E-mail **utilityassistance@capsbc.org**
- Visit us at **www.capsbc.org/lihwap**

Helping People. Changing Lives.
Community Action Partnership
AMERICA'S POVERTY FIGHTING NETWORK
Community Action Partnership of San Bernardino County

Community Action Partnership of San Bernardino County (CAPSBC)

Programa de Asistencia de Agua para Hogares de Bajos Ingresos (LIHWAP)

¿Qué es LIHWAP?

- **LIHWAP** significa Programa de Asistencia de Agua para Hogares de Bajos Ingresos.
- Es un programa financiado con fondos federales que ofrece un **pago único**, hasta un **máximo de $ 2,000**, para ayudarlo a pagar sus **facturas actuales o vencidas de agua y / o aguas residuales** que se acumularon durante **cualquier período de tiempo.**

Reciba ayuda para pagar su factura del agua

Guía de ingresos:

Tamaño del Hogar	Ingresos Mensuales
1	$2,700.17 o menos
2	$3,531.00 o menos
3	$4,361.83 o menos
4	$5,192.75 o menos
5	$6,023.59 o menos
6	$6,854.43 o menos
7	$7,010.21 o menos
8	$7,166.00 o menos
9	$7,321.78 o menos
10	$7,477.56 o menos

¿Quién califica?

- Su hogar puede calificar si el ingreso bruto total de su hogar es igual o inferior al 60% del ingreso medio estatal o si un miembro del hogar es un beneficiario actual de CalFresh o CalWORKs.
- Usted recibe servicio de un sistema de agua comunitario participante o proveedor de tratamiento de aguas residuales (pozos privados y sépticos excluidos). Visite nuestro sitio web para obtener una lista de los proveedores participantes.
- Los inquilinos también pueden calificar si su factura de agua y / o aguas residuales está incluida en su pago de alquiler, y usted está atrasado en el alquiler.

¿Cómo solicito servicios?

Para obtener más información o iniciar una aplicación:

- Llamar al **909-723-1500**
- Correo electrónico: **utilityassistance@capsbc.org**
- Visítenos en **www.capsbc.org/lihwap**

Agenda Item 11

Review of Action Items

Agenda Item 12

Set Agenda for Next Meeting