



Budget & Finance Committee Meeting  
Tuesday, February 16, 2021 at 1:00 PM  
Valley Sanitary District Board  
45-500 Van Buren Street, Indio, CA 92201

**\*\*\*\*\*SPECIAL NOTICE – VIA VIDEOCONFERENCE\*\*\*\*\***

Pursuant to the Governor's Executive Order N-25-20 issued on March 4, 2020 and N-29-20 issued on March 18, 2020; The Budget & Finance Committee special meeting will be conducted remotely through Zoom. Members of the public wanting to participate in the open session of the meeting may do so via the following Zoom registration link <https://zoom.us/j/93995876880?pwd=THZ0SDI3bnJHMjcwMXdPRURSTExoZz09> Meeting ID 939 9587 6880 or by telephone by calling 669-900-9128.

Members of the public wanting to address the Board, either during public comment or for a specific agenda item, or both, are requested to send an email notification no later than 12:30 p.m. on the day of the meeting to the Valley Sanitary District's Clerk of the Board at [hgould@valley-sanitary.org](mailto:hgould@valley-sanitary.org).

Page

**1. CALL TO ORDER**

- 1.1. Roll Call
- 1.2. Pledge of Allegiance

**2. PUBLIC COMMENT**

*This is the time set aside for public comment on any item not appearing on the agenda. Please notify the Secretary in advance of the meeting if you wish to speak on a non-hearing item.*

### 3. DISCUSSION / ACTIONS ITEMS

3.1. Discussion of the Wastewater Rate Study Presented by NBS 3 - 41

[3.1 Review Wastewater Rate Study.pdf](#) 

[3.1 Attachment Wastewater Rate Study.pdf](#) 

### 4. FUTURE MEETING ITEMS

### 5. ADJOURNMENT

Pursuant to the Brown Act, items may not be added to this agenda unless the Secretary to the Board has at least 72 hours advance notice prior to the time and date posted on this notice.



**Valley Sanitary District  
Budget & Finance Committee  
February 16, 2021**

**TO:** Budget & Finance Committee

**FROM:** Jeanette Juarez, Business Services Manager

**SUBJECT:** Discussion of the Wastewater Rate Study Presented by NBS

<input type="checkbox"/> Board Action	<input type="checkbox"/> New Budget Approval	<input type="checkbox"/> Contract Award
<input checked="" type="checkbox"/> Board Information	<input type="checkbox"/> Existing FY Approved Budget	<input type="checkbox"/> Closed Session

**Executive Summary**

The purpose of this report is to review and discuss the presentation of the wastewater rate study presented by NBS.

**Strategic Plan Compliance**

This item complies with VSD Strategic Plan Objective 5.3: Update rate structure to ensure it is up-to-date and fair to all classes of customers.

**Fiscal Impact**

There is no fiscal impact from this report.

**Background**

At the August 25, 2020 Board Meeting, the Board authorized the General Manager to execute a contract with NBS to perform a Comprehensive Wastewater Rate Study.

NBS has prepared a wastewater rate study presentation to review and examine four (4) components:

1. Financial Plan
2. Cost-of-Service Analysis
3. Rate Design & Proposed Rates
4. Monthly Bill Impacts

The rates presented in this report are preliminary and aligned to meet the District’s financial plan and revenue requirements. The proposed rates are also designed in a “fair and equitable” manner that complies with Prop 218.

**Recommendation**

Recommend that the Budget and Finance Committee receive this report for information.

**Attachments**

Attachment A: Wastewater Rate Study Presentation

***Valley Sanitary District  
Wastewater Rate Study  
Budget and Finance Committee Meeting  
February 16, 2021***

# Presentation Overview

- **Key Rate Study Issues & Assumptions**
- **Rate Study Technical Components**
- **Review Wastewater Rate Study:**
  - Financial Plan
  - Cost-of-Service Analysis
  - Rate Design & Proposed Rates
  - Monthly Bill Impacts
- **Overview of Proposition 218 Process**
- **Next Steps**
- **Timeline**
- **Questions & Discussion**

# Key Rate Study Issues

- The rates presented today are preliminary; additional work needs to be done on the customer data.
- The number of dwelling units for Multi-Family Residential accounts was not available, so rates were calculated based on the number of accounts (or parcels).
- There are approximately 4,525 IWA water accounts (1.5 million HCF) that could not be matched to an APN. This excludes all city, irrigation, construction, and landscape & light accounts.

# Key Rate Study Assumptions

- Combined all Commercial accounts into two categories:
  1. Commercial – Low Strength (e.g., medical, churches, offices, shopping centers, etc.)
  2. Commercial – High Strength (e.g., restaurants, groceries, hotels with dining, etc.).
- For Mobile Home and RV Parks, the number of accounts is based on the number of total lots.
- Timeshare units are charged the same as other multi-unit parcels (i.e., condominiums).



# Rate Study Technical Components



## Step 1: Financial Plan/ Revenue Requirements -

Compares current sources and uses of funds and determines the revenue needed from rates and projected rate adjustments.

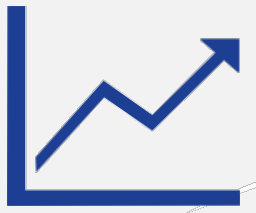
## Step 2: Cost-of-Service Analysis -

Allocates the revenue requirements to the customer classes in a "fair and equitable" manner that complies with Prop 218.

## Step 3: Rate Design -

Considers what rate structure alternatives will best meet the Utility's needs to collect rate revenue from each customer class.

# *Financial Plan*



# Financial Plan: 30-Year Debt Issue

## Financial Alternative: Full CIP with a \$185 Million Debt Issue

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget	Projected Rates for Adoption Period				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<b>Sources of Sewer Funds</b>						
Rate Revenue Under Prevailing Rates	\$ 11,979,000	\$ 12,098,790	\$ 12,219,778	\$ 12,341,976	\$ 12,465,395	\$ 12,590,049
Additional Revenue from Rate Increases <sup>1</sup>	-	1,451,855	3,108,711	5,307,247	8,034,177	8,942,701
Non-Rate Revenues	1,072,300	1,223,505	1,257,390	1,225,070	1,268,723	1,392,709
<b>Total Sources of Funds</b>	<b>\$ 13,051,300</b>	<b>\$ 14,774,150</b>	<b>\$ 16,585,879</b>	<b>\$ 18,874,293</b>	<b>\$ 21,768,295</b>	<b>\$ 22,925,460</b>
<b>Uses of Sewer Funds</b>						
Operating Expenses	\$ 8,092,960	\$ 8,878,352	\$ 9,470,994	\$ 9,808,141	\$ 10,157,538	\$ 10,519,638
Debt Service	1,445,048	3,827,601	3,826,851	3,825,913	8,601,269	8,601,019
Rate-Funded Capital Expenses	350,000	1,456,296	629,681	1,854,235	343,492	1,006,391
<b>Total Use of Funds</b>	<b>\$ 9,888,008</b>	<b>\$ 14,162,250</b>	<b>\$ 13,927,526</b>	<b>\$ 15,488,290</b>	<b>\$ 19,102,299</b>	<b>\$ 20,127,048</b>
<b>Surplus (Deficiency) before Rate Increase</b>	<b>\$ 3,163,292</b>	<b>\$ 611,900</b>	<b>\$ 2,658,353</b>	<b>\$ 3,386,003</b>	<b>\$ 2,665,996</b>	<b>\$ 2,798,412</b>
<b>Surplus (Deficiency) after Rate Increase</b>	<b>\$ 3,163,292</b>	<b>\$ 2,063,755</b>	<b>\$ 5,767,064</b>	<b>\$ 8,693,250</b>	<b>\$ 10,700,173</b>	<b>\$ 11,741,113</b>
<b>Projected Annual Rate Increase</b>	<b>0.00%</b>	<b>12.00%</b>	<b>12.00%</b>	<b>14.00%</b>	<b>15.00%</b>	<b>4.00%</b>
<b>Cumulative Rate Increases</b>	<b>0.00%</b>	<b>12.00%</b>	<b>25.44%</b>	<b>43.00%</b>	<b>64.45%</b>	<b>71.03%</b>
<b>Net Revenue Requirement <sup>2</sup></b>	<b>\$ 8,815,708</b>	<b>\$ 12,938,745</b>	<b>\$ 12,670,137</b>	<b>\$ 14,263,220</b>	<b>\$ 17,833,576</b>	<b>\$ 18,734,339</b>
<b>Debt Coverage After Rate Increase</b>	<b>3.43</b>	<b>1.54</b>	<b>1.86</b>	<b>2.37</b>	<b>1.35</b>	<b>1.44</b>

1. Assumes new rates are implemented July 1, 2021 and on July 1st each year thereafter.

2. Total Use of Funds less Non-Rate Revenues. This is the annual amount needed from wastewater rates.

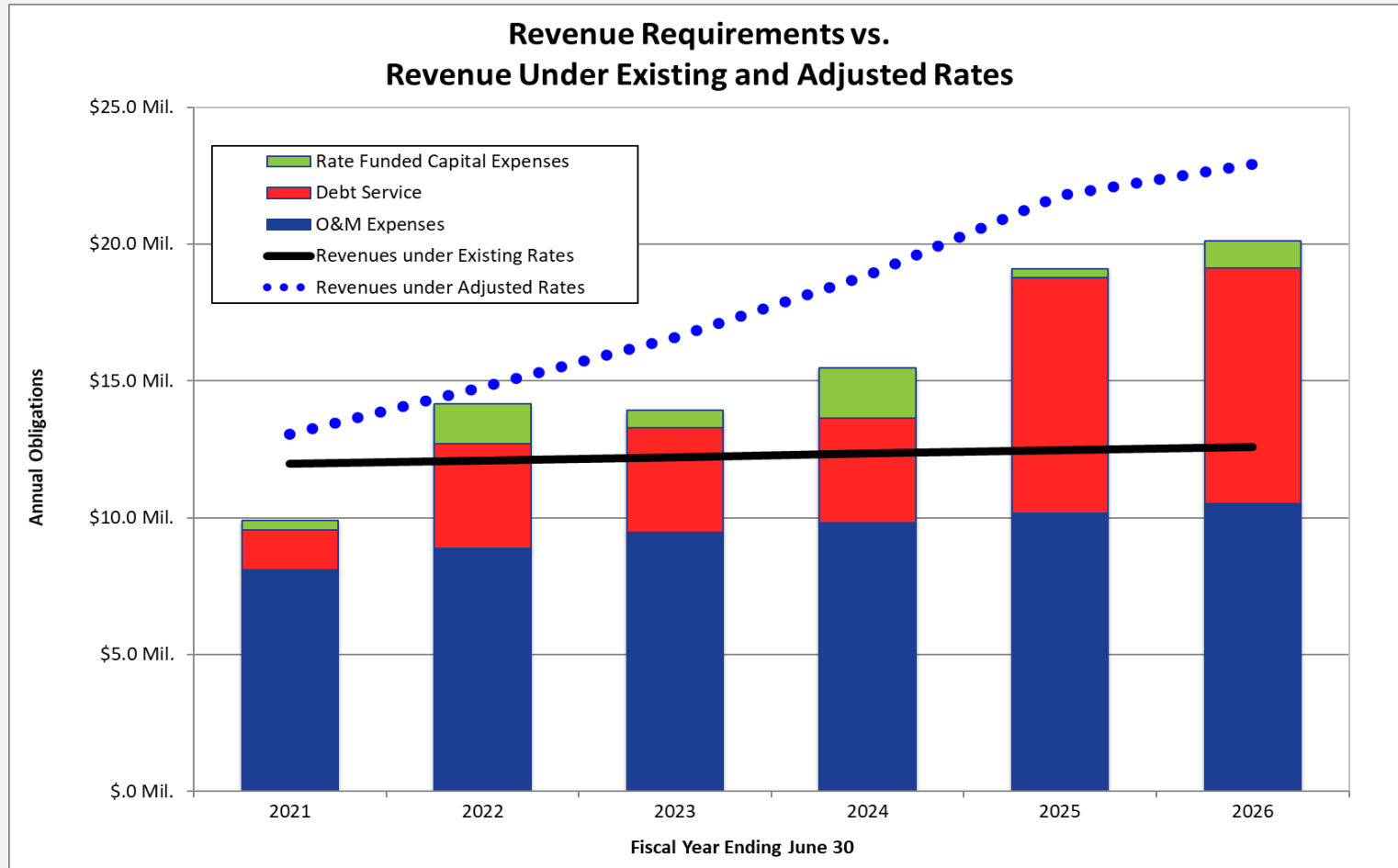
# Financial Plan: 30-Year Debt Issue, cont.

## Financial Alternative: Full CIP with a \$185 Million Debt Issue

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget	Projected Rates for Adoption Period				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<b>Un-Restricted Reserves</b>						
<b>Operating Reserve</b>						
Ending Balance	\$ 4,046,500	\$ 4,439,200	\$ 4,735,500	\$ 4,904,100	\$ 5,078,800	\$ 5,259,800
<i>Recommended Minimum Target</i>	\$ 4,046,500	\$ 4,439,200	\$ 4,735,500	\$ 4,904,100	\$ 5,078,800	\$ 5,259,800
<b>Capital Rehabilitation &amp; Replacement Reserve</b>						
Ending Balance	\$ 22,409,818	\$ 21,980,568	\$ 24,756,085	\$ 28,432,742	\$ 31,443,363	\$ 34,702,969
<i>Recommended Minimum Target</i>	\$ 3,237,184	\$ 3,551,341	\$ 3,788,398	\$ 3,923,257	\$ 4,063,015	\$ 4,207,855
<b>Emergency Fund Balance</b>						
Ending Balance	\$ 404,648	\$ 443,918	\$ 443,918	\$ 443,918	\$ 443,918	\$ 443,918
<i>Recommended Minimum Target</i>	\$ 404,648	\$ 443,918	\$ 473,550	\$ 490,407	\$ 507,877	\$ 525,982
<b>Total Ending Balance</b>	<b>\$ 26,860,966</b>	<b>\$ 26,863,685</b>	<b>\$ 29,935,502</b>	<b>\$ 33,780,760</b>	<b>\$ 36,966,081</b>	<b>\$ 40,406,687</b>
<i>Recommended Minimum Target</i>	<i>\$ 7,688,332</i>	<i>\$ 8,434,459</i>	<i>\$ 8,997,447</i>	<i>\$ 9,317,764</i>	<i>\$ 9,649,692</i>	<i>\$ 9,993,637</i>
<b>Restricted Reserves</b>						
<b>Connection Fee Reserve</b>						
Ending Balance	\$ 6,838,607	\$ 404,648	\$ 443,918	\$ 443,918	\$ 443,918	\$ 443,918
<i>Recommended Minimum Target</i>	\$ -	\$ 39,270	\$ -	\$ -	\$ -	\$ -
<b>Debt Reserve Fund</b>						
Ending Balance	\$ 317,042	\$ 2,663,967	\$ 2,620,170	\$ 2,571,560	\$ 7,290,904	\$ 7,229,725
<i>Recommended Minimum Target</i>	\$ 317,042	\$ 2,663,967	\$ 2,620,170	\$ 2,571,560	\$ 7,290,904	\$ 7,229,725
<b>CSWRCB Reserve Fund</b>						
Ending Balance	\$ 1,123,323	\$ 1,140,173	\$ 1,157,275	\$ 1,174,634	\$ 1,192,254	\$ 1,210,138
<i>Recommended Minimum Target</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Ending Balance</b>	<b>\$ 8,278,972</b>	<b>\$ 4,208,787</b>	<b>\$ 4,221,363</b>	<b>\$ 4,190,112</b>	<b>\$ 8,927,076</b>	<b>\$ 8,883,780</b>
<i>Recommended Minimum Target</i>	<i>\$ 317,042</i>	<i>\$ 2,703,236</i>	<i>\$ 2,620,170</i>	<i>\$ 2,571,560</i>	<i>\$ 7,290,904</i>	<i>\$ 7,229,725</i>

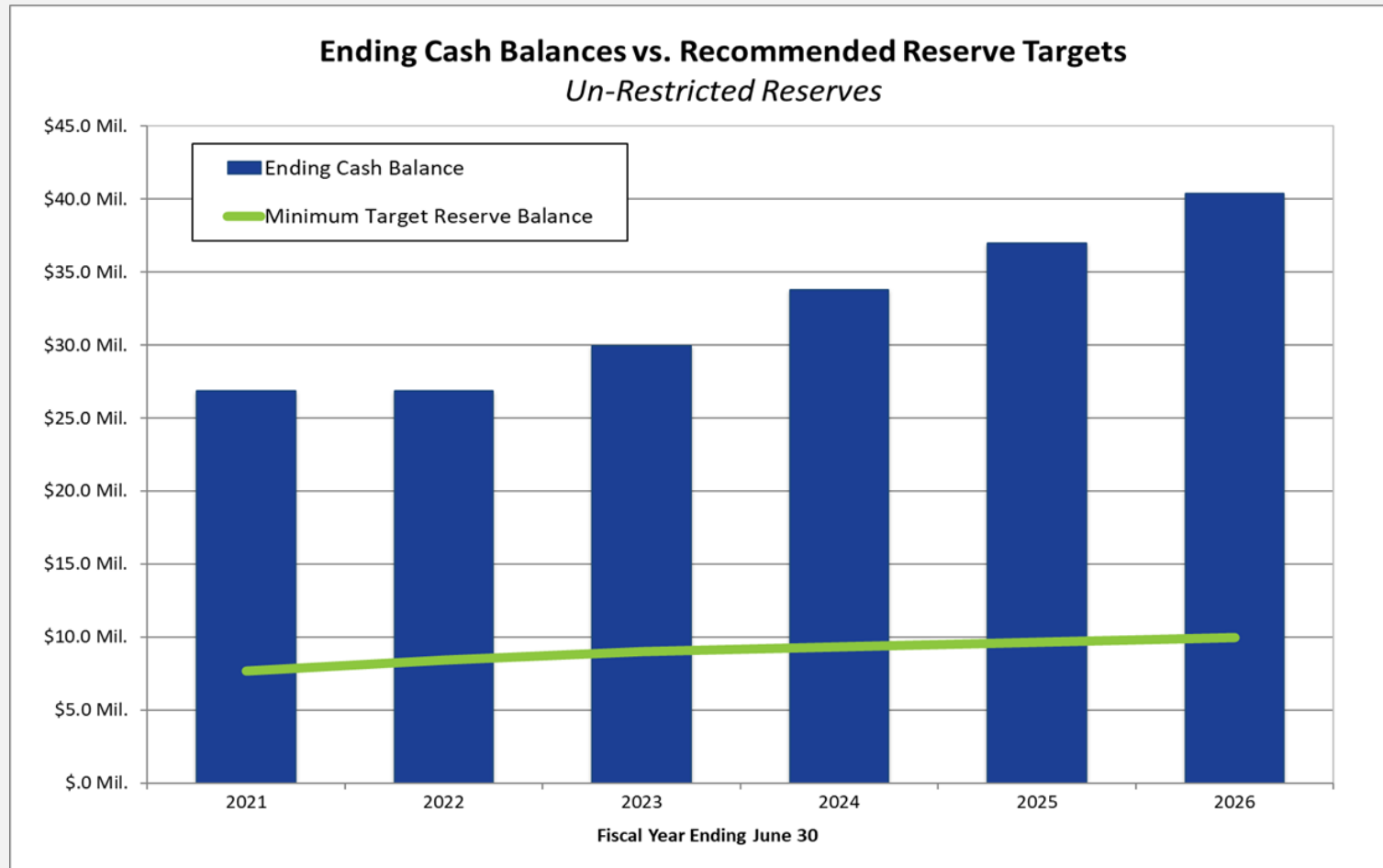
# Financial Plan: 30-Year Debt Issue, cont.

## Financial Alternative: Full CIP with a \$185 Million Debt Issue

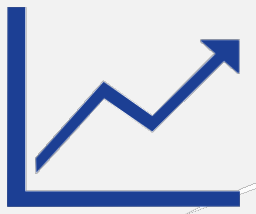


# Financial Plan: 30-Year Debt Issue, cont.

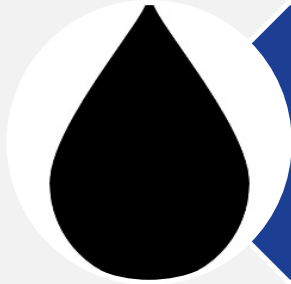
*Financial Alternative: Full CIP with a \$185 Million Debt Issue*



# *Cost-of-Service Analysis*



# Cost-of-Service Analysis (COSA)



**Flow related costs** are primarily related to the sewer collection system which transports effluent from customers to the treatment facility.



**Strength related costs** related to the treatment of effluent at the Wastewater Treatment Plant. Two factors, Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) measure different aspects of the treatment process.



**Customer related costs** are associated with having a customer connected to the sewer system, such as billing, postage and customer service.



# Cost-of-Service Analysis (COSA), cont.

Total Revenue Requirement is Distributed to Each Functional Cost Component:

Percentage Allocated to Each Factor				
Customer Class	Volume	BOD	TSS	Customer
<b>Residential</b>				
Single-Family Residential	73.5%	60.4%	60.7%	59.8%
Multi-Family Residential	9.5%	7.8%	7.9%	16.7%
Mobile Home	2.8%	2.3%	2.3%	4.5%
RV Park	3.7%	2.3%	1.4%	4.7%
<b>Non-Residential Totals</b>				
Commercial - Low Strength	2.4%	1.7%	1.7%	3.0%
Commercial - High Strength	8.1%	25.5%	26.0%	11.4%
<b>Total:</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

# Cost-of-Service Analysis (COSA), cont.

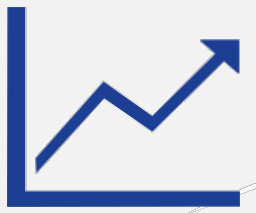
*Financial Alternative: Full CIP with a \$185 Million Debt Issue*

**Total Revenue Requirement of \$13,550,645 is Distributed to Each Customer Class Based on the Allocation Factors:**

Allocation of FY 2021/22 Revenue Requirements by Customer Class						
Customer Class	Cost Classification Components				Cost-of-Service Net Revenue Req'ts.	% of COS Net Revenue Req'ts.
	Volume	Treatment		Customer Related		
		BOD	TSS			
<b>Net Revenue Requirements<sup>1</sup></b>	<b>\$ 7,170,133</b>	<b>\$ 2,034,414</b>	<b>\$ 2,034,414</b>	<b>\$ 2,311,682</b>	<b>\$ 13,550,645</b>	<b>--</b>
	52.9%	15.0%	15.0%	17.1%	100.0%	
<b>Residential</b>						
Single-Family Residential	\$ 5,267,437	\$ 1,229,152	\$ 1,235,333	\$ 1,818,533	\$ 9,550,455	70.5%
Multi-Family Residential	683,221	159,429	160,231	27,134	1,030,014	7.6%
Mobile Home <sup>2</sup>	199,273	46,500	46,734	139,131	431,638	3.2%
RV Park <sup>2</sup>	268,766	46,589	28,815	256,408	600,579	4.4%
<b>Residential Totals</b>	<b>\$ 6,418,697</b>	<b>\$ 1,481,670</b>	<b>\$ 1,471,112</b>	<b>\$ 2,241,207</b>	<b>\$ 11,612,686</b>	<b>85.7%</b>
<b>Non-Residential</b>						
Commercial - Low Strength	\$ 171,025	\$ 34,207	\$ 34,379	\$ 9,288	\$ 248,899	1.8%
Commercial - High Strength	580,412	518,537	528,923	61,188	1,689,060	12.5%
<b>Non-Residential Totals</b>	<b>\$ 751,437</b>	<b>\$ 552,744</b>	<b>\$ 563,302</b>	<b>\$ 70,476</b>	<b>\$ 1,937,959</b>	<b>14.3%</b>
<b>Total</b>	<b>\$ 7,170,133</b>	<b>\$ 2,034,414</b>	<b>\$ 2,034,414</b>	<b>\$ 2,311,682</b>	<b>\$ 13,550,645</b>	<b>100%</b>

1. Revenue requirement for each customer class is determined by multiplying the revenue requirement from each cost classification by the allocation factors for each customer class.
2. Number of accounts for Mobile Homes and RV Parks are based on the number of lots.

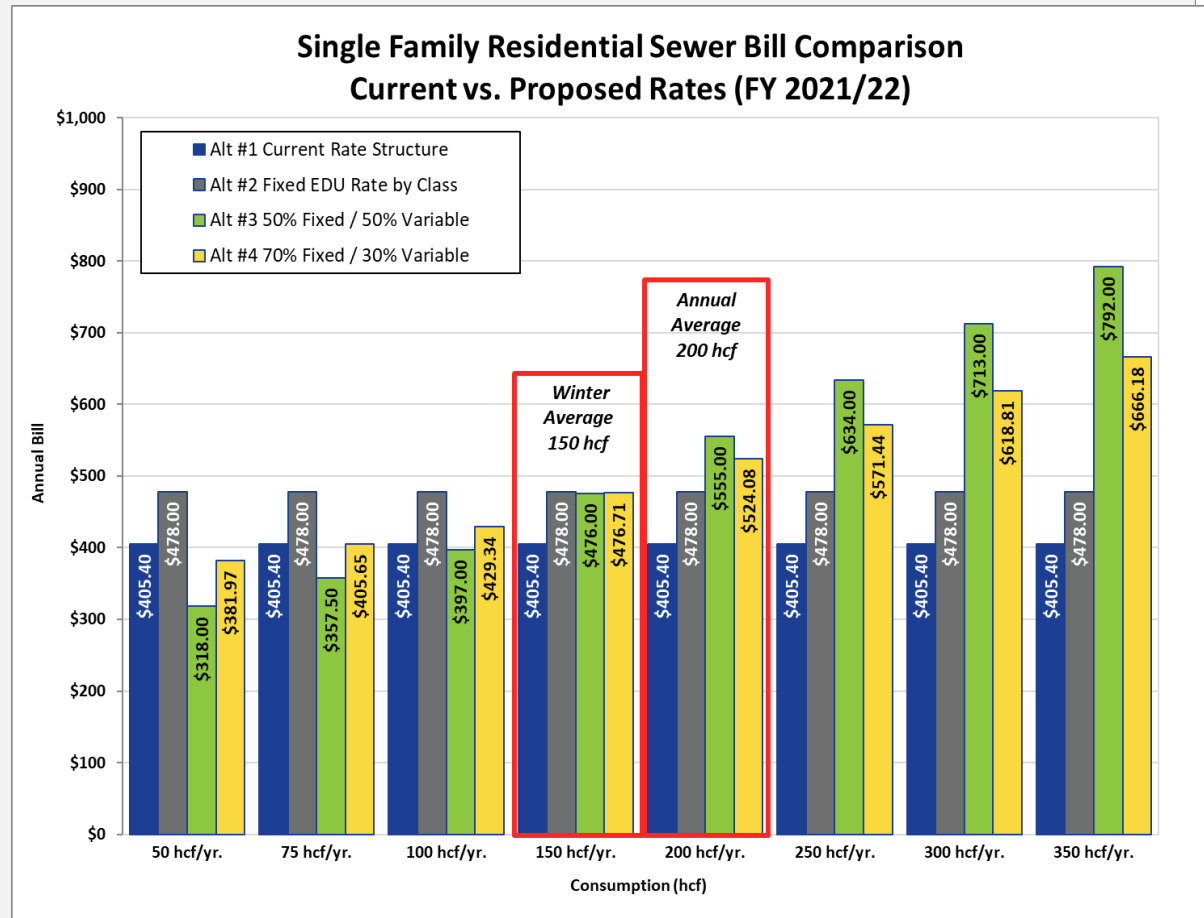
# *Rate Design & Proposed Rates*



# Rate Study Alternatives Considered

## Four Rate Alternatives were Evaluated:

- Current Rate Structure (same fixed rates for all customers)
- Revenue Collected from Fixed Rates – Varies by Class
- Revenue Collected from Fixed vs. Volumetric Rates:
  - 50% Fixed / 50% Vol.
  - 70% Fixed / 30% Vol.



# Proposed Rates – 30-Year Debt Issue

## *Financial Alternative: Full CIP with a \$185 Million Debt Issue*

### *Alternative 1 - 100% Fixed based on EDU - Same for all Classes*

Sewer Rate Schedule	Current Rates	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<i>Projected Increase in Rate Revenue per Financial Plan:</i>		12.00%	12.00%	14.00%	15.00%	4.00%
<b>Annual Service Charges</b>						
Per EDU (All Customer Classes)	<b>\$330.00</b>	\$405.40	\$454.05	\$517.62	\$595.26	\$619.07

# Proposed Rates – 30-Year Debt Issue, cont.

## *Financial Alternative: Full CIP with a \$185 Million Debt Issue*

### *Alternative 2 - 100% Fixed based on EDU – Varies by Class*

Sewer Rate Schedule	Current Rates	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<i>Projected Increase in Rate Revenue per Financial Plan:</i>		12.00%	12.00%	14.00%	15.00%	4.00%
<b>Fixed Service Charges (Per EDU)</b>						
<b>Residential</b>						
Single-Family Residential	<b>\$330.00</b>	\$478.00	\$535.36	\$610.31	\$701.86	\$729.93
Multi-Family Residential	<b>\$330.00</b>	\$185.05	\$207.26	\$236.28	\$271.72	\$282.59
Mobile Home	<b>\$330.00</b>	\$284.44	\$318.57	\$363.17	\$417.65	\$434.36
RV Park	<b>\$330.00</b>	\$380.96	\$426.68	\$486.42	\$559.38	\$581.76
<b>Non-Residential</b>						
Commercial - Low Strength	<b>\$330.00</b>	\$251.29	\$281.44	\$320.84	\$368.97	\$383.73
Commercial - High Strength	<b>\$330.00</b>	\$445.13	\$498.55	\$568.35	\$653.60	\$679.74

# Proposed Rates – 30-Year Debt Issue, cont.

## Financial Alternative: Full CIP with a \$185 Million Debt Issue

### Alternative 3 - 50% Fixed / 50% Volumetric

Sewer Rate Schedule	Current Rates	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<i>Projected Increase in Rate Revenue per Financial Plan:</i>		12.00%	12.00%	14.00%	15.00%	4.00%
<b>Fixed Service Charges</b>						
<b>Residential</b>	Rate Per EDU	Rates Per EDU				
Single-Family Residential	<b>\$330.00</b>	\$239.00	\$267.68	\$305.16	\$350.93	\$364.97
Multi-Family Residential **	<b>\$330.00</b>	\$1,728.21	\$1,935.60	\$2,206.58	\$2,537.57	\$2,639.07
Mobile Home	<b>\$330.00</b>	\$142.22	\$159.29	\$181.59	\$208.83	\$217.18
RV Park	<b>\$330.00</b>	\$190.48	\$213.34	\$243.21	\$279.69	\$290.88
<b>Non-Residential</b>	Rate Per EDU	Rates Per Account				
Commercial - Low Strength	<b>\$330.00</b>	\$1,220.09	\$1,366.50	\$1,557.81	\$1,791.48	\$1,863.14
Commercial - High Strength	<b>\$330.00</b>	\$1,256.74	\$1,407.55	\$1,604.61	\$1,845.30	\$1,919.11
<b>Volumetric Rate (\$/hcf of annualized average winter water consumption)</b>						
<b>Residential</b>		Rates Per HCF				
Single-Family Residential	--	\$1.58	\$1.77	\$2.02	\$2.32	\$2.41
Multi-Family Residential **	--	\$1.58	\$1.77	\$2.02	\$2.32	\$2.41
Mobile Home	--	\$1.58	\$1.77	\$2.02	\$2.32	\$2.41
RV Park	--	\$1.97	\$2.21	\$2.52	\$2.90	\$3.02
<b>Non-Residential</b>						
Commercial - Low Strength	--	\$1.28	\$1.43	\$1.63	\$1.87	\$1.94
Commercial - High Strength	--	\$2.57	\$2.88	\$3.28	\$3.77	\$3.92

# Proposed Rates – 30-Year Debt Issue, cont.

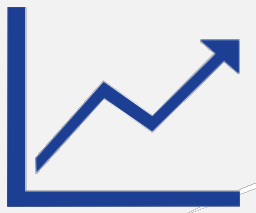
## Financial Alternative: Full CIP with a \$185 Million Debt Issue

### Alternative 4 - 70% Fixed / 30% Volumetric

Sewer Rate Schedule	Current Rates	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Projected Increase in Rate Revenue per Financial Plan:		12.00%	12.00%	14.00%	15.00%	4.00%
<b>Fixed Service Charges (Per EDU)</b>						
<b>Residential</b>	Rate Per EDU	Rates Per EDU				
Single-Family Residential	<b>\$330.00</b>	\$334.60	\$374.75	\$427.22	\$491.30	\$510.95
Multi-Family Residential ** **	<b>\$330.00</b>	\$2,419.50	\$2,709.84	\$3,089.22	\$3,552.60	\$3,694.70
Mobile Home	<b>\$330.00</b>	\$199.11	\$223.00	\$254.22	\$292.35	\$304.04
RV Park	<b>\$330.00</b>	\$266.67	\$298.68	\$340.50	\$391.58	\$407.24
<b>Non-Residential</b>	Rate Per EDU	Rates Per Account				
Commercial - Low Strength	<b>\$330.00</b>	\$1,708.13	\$1,913.10	\$2,180.93	\$2,508.07	\$2,608.39
Commercial - High Strength	<b>\$330.00</b>	\$1,759.44	\$1,970.57	\$2,246.45	\$2,583.42	\$2,686.76
<b>Volumetric Rate (\$/hcf of annualized average winter water consumption)</b>						
<b>Residential</b>		Rates Per HCF				
Single-Family Residential	--	\$0.95	\$1.06	\$1.21	\$1.39	\$1.45
Multi-Family Residential ** **	--	\$0.95	\$1.06	\$1.21	\$1.39	\$1.45
Mobile Home	--	\$0.95	\$1.06	\$1.21	\$1.39	\$1.45
RV Park	--	\$1.18	\$1.32	\$1.50	\$1.73	\$1.80
<b>Non-Residential</b>						
Commercial - Low Strength	--	\$0.77	\$0.86	\$0.98	\$1.13	\$1.18
Commercial - High Strength	--	\$1.54	\$1.72	\$1.96	\$2.25	\$2.34

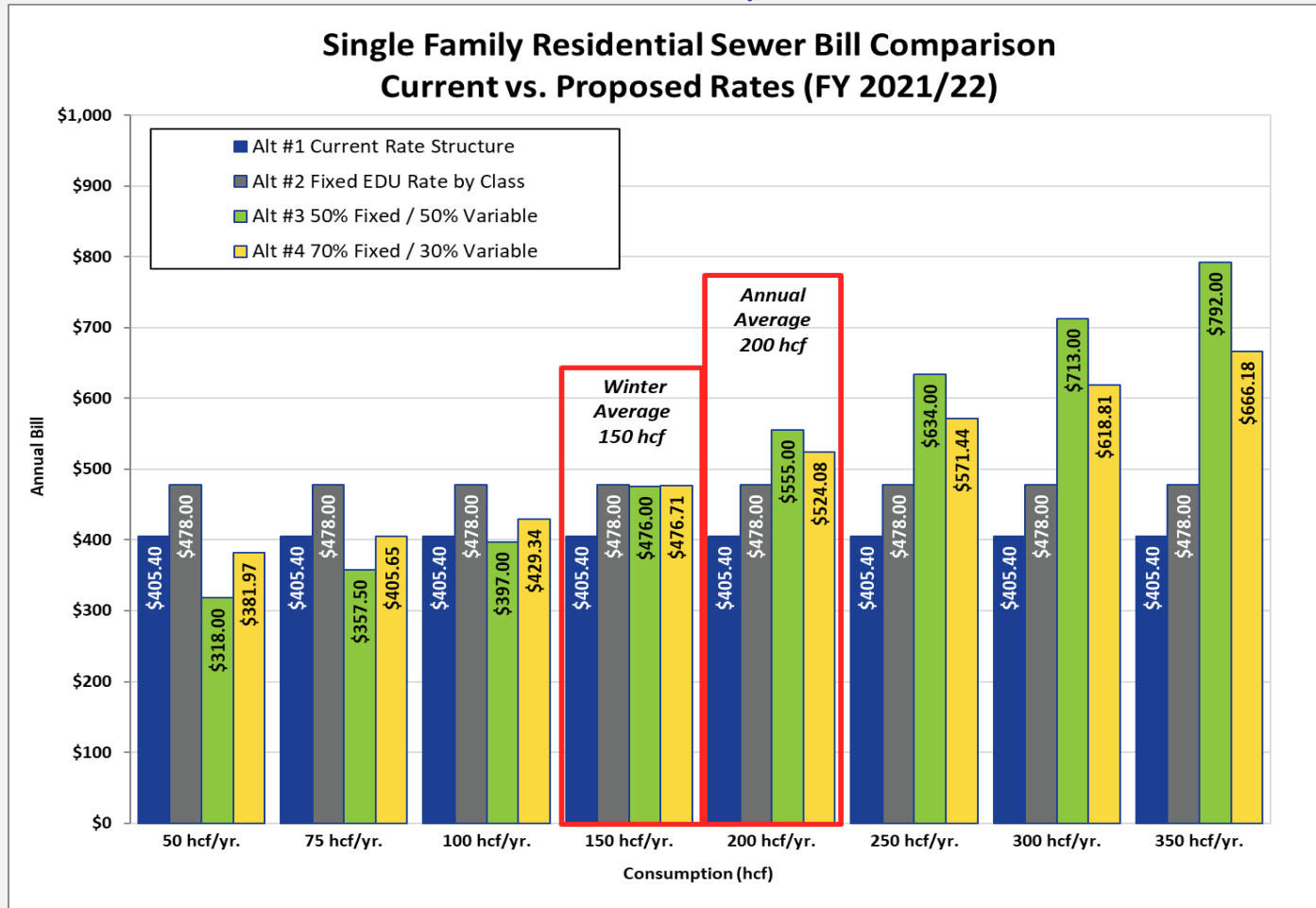


# *Customer Bill Impacts*



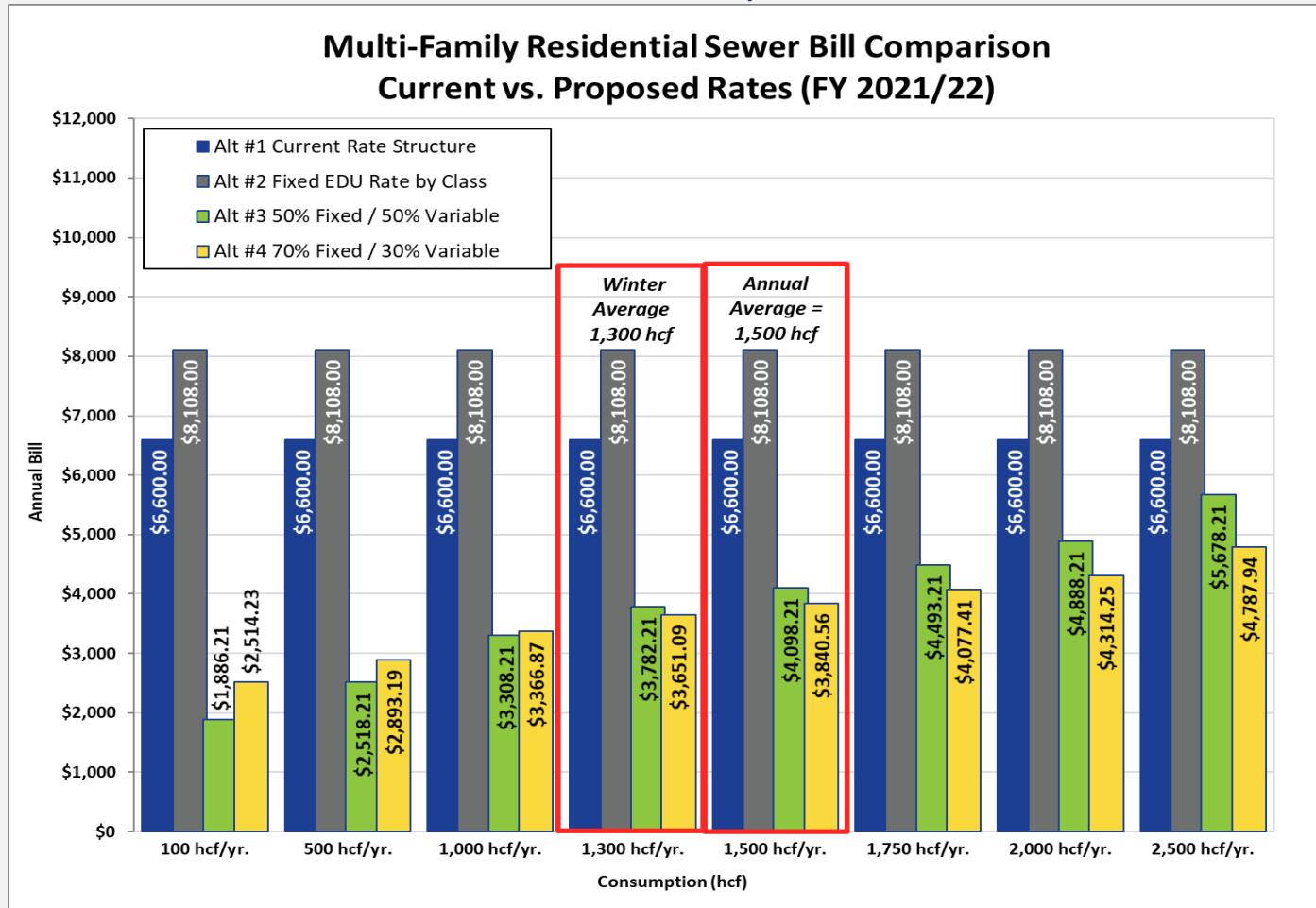
# Bill Impact – Residential: 30-Year Debt Issue

## Financial Alternative: Full CIP with a \$185 Million Debt Issue



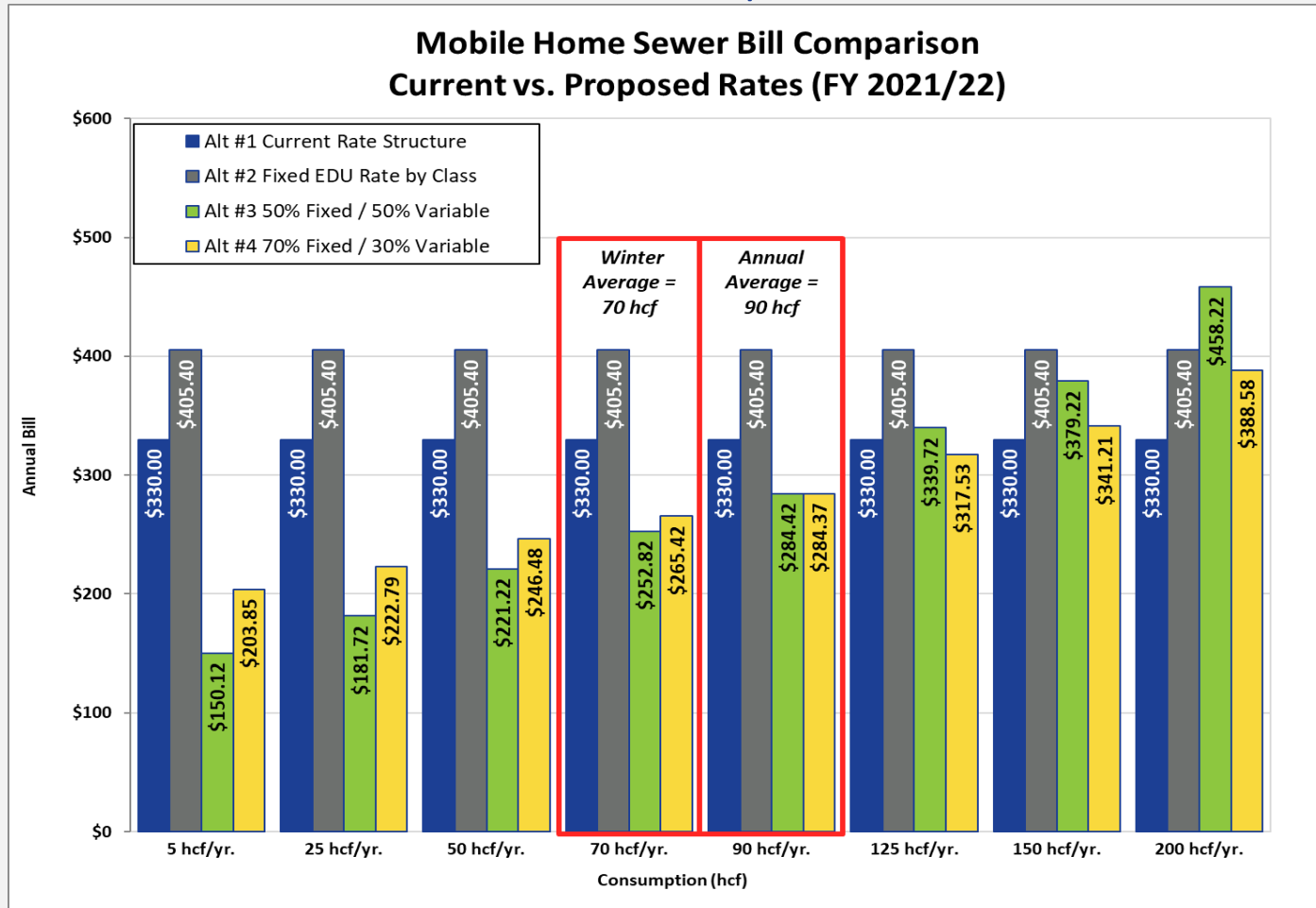
# Bill Impact – Multi-Family: 30-Year Debt Issue

## Financial Alternative: Full CIP with a \$185 Million Debt Issue



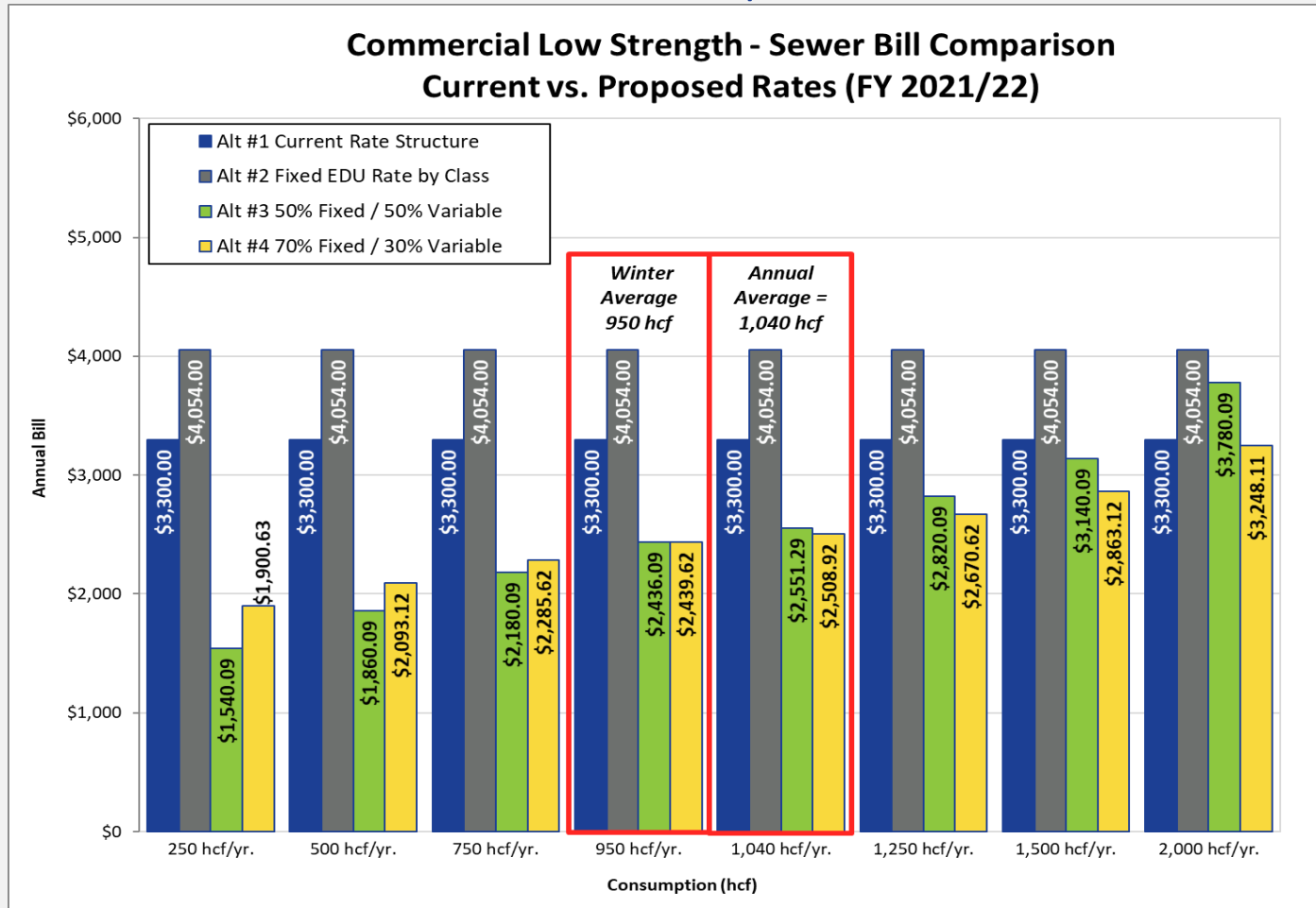
# Bill Impact – Mobile Home: 30-Year Debt Issue

## Financial Alternative: Full CIP with a \$185 Million Debt Issue



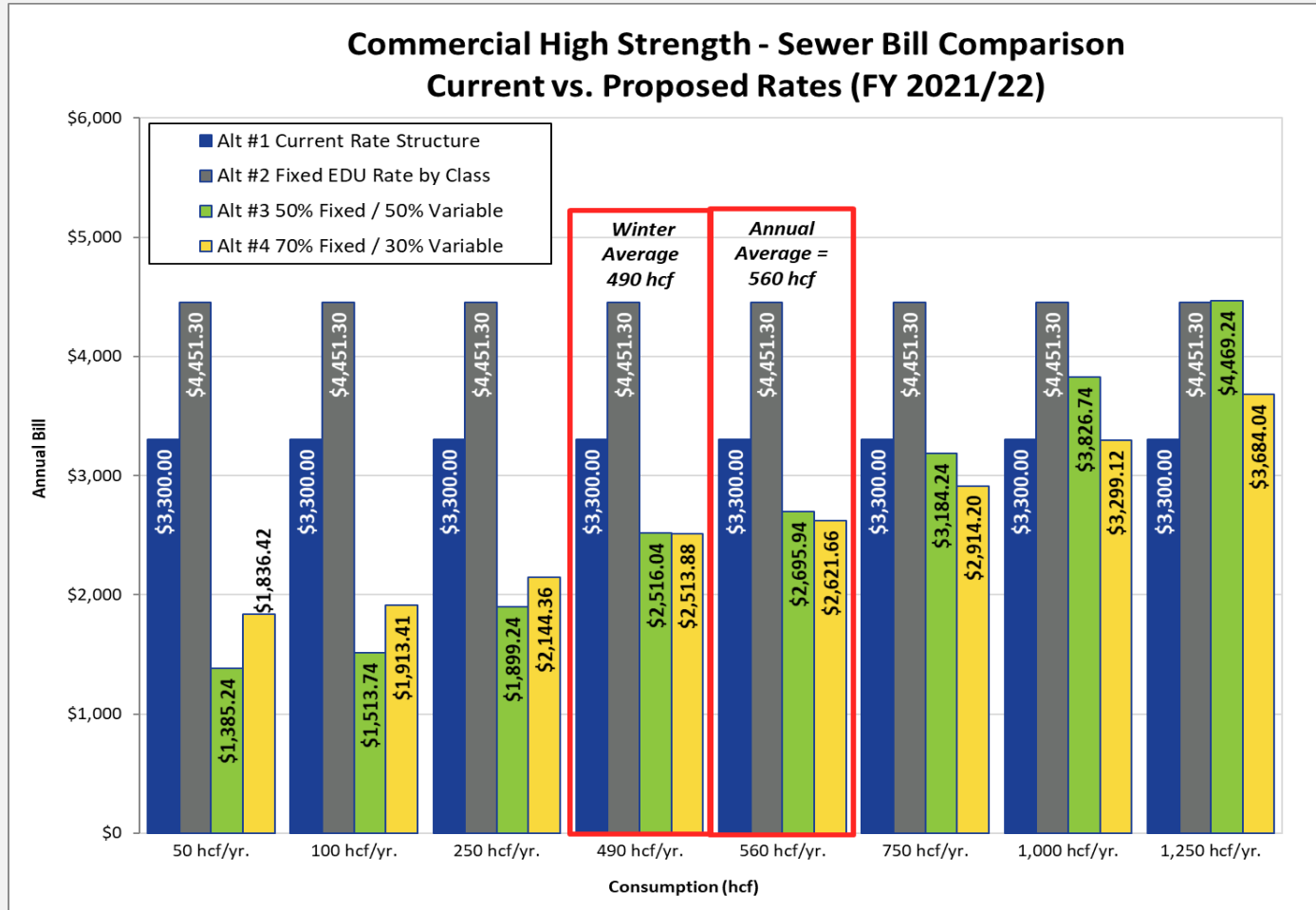
# Commercial – Low Strength: 30-Year Debt Issue

## Financial Alternative: Full CIP with a \$185 Million Debt Issue



# Commercial – High Strength: 30-Year Debt Issue

## Financial Alternative: Full CIP with a \$185 Million Debt Issue



# Overview of Proposition 218 Process

## Procedural Requirements for the Prop. 218 Protest Procedure:

1. Board directs staff to mail out 218 Notices.
2. Mail Notices to all customers/property owners.
3. Hold Public Hearing no sooner than 45-days after mailing notices.
4. Collect and count all written protests collected through the end of the Public Hearing.
5. If no majority protest (50% + 1), new rates can be adopted.

# Next Steps

- Accept the draft rate study (or request changes) and select rate alternatives to proceed with.
- Review final report and direct staff to mail Proposition 218 Notice, Or provide direction on modifications
- Complete Proposition 218 Protest Ballot Process
- Board can approve new rates after the Public Hearing if there is no majority protest

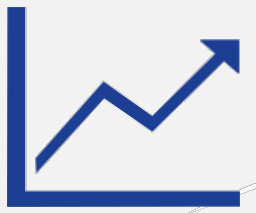




# Questions & Discussion

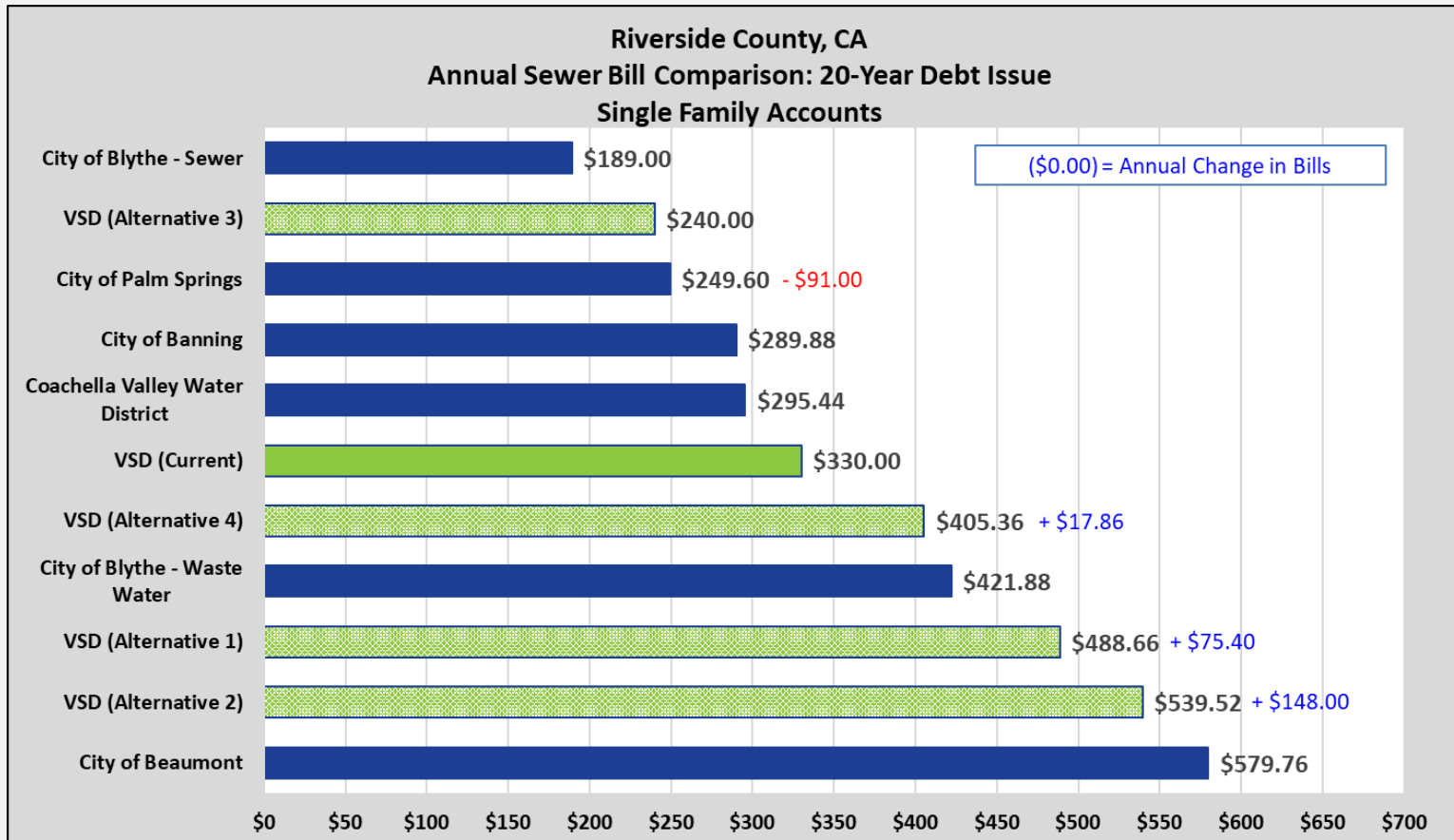


# *Supplemental Charts*



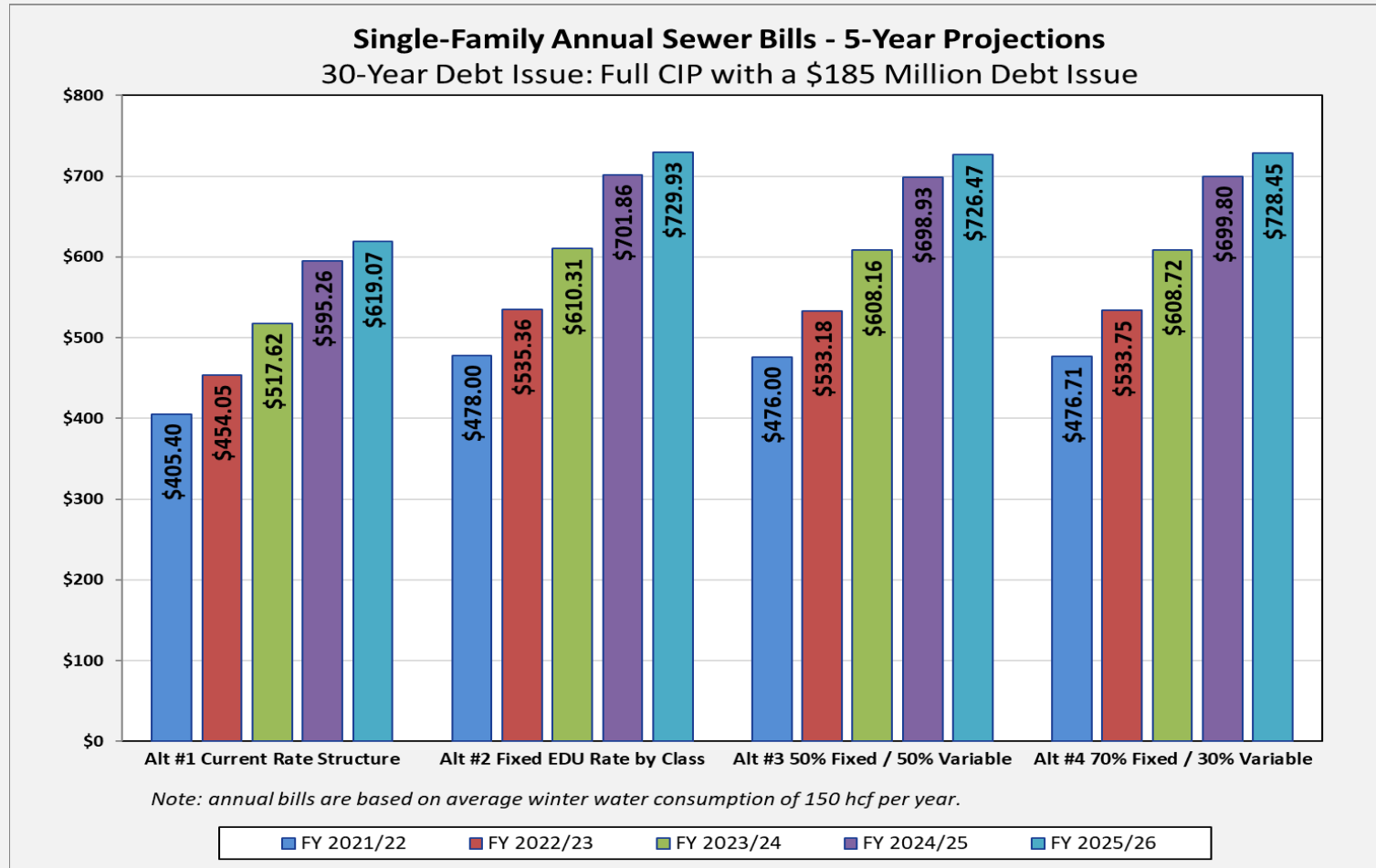
# Bill Impact – Residential: 30-Year Debt Issue

*Financial Alternative: Full CIP with a \$185 Million Debt Issue*



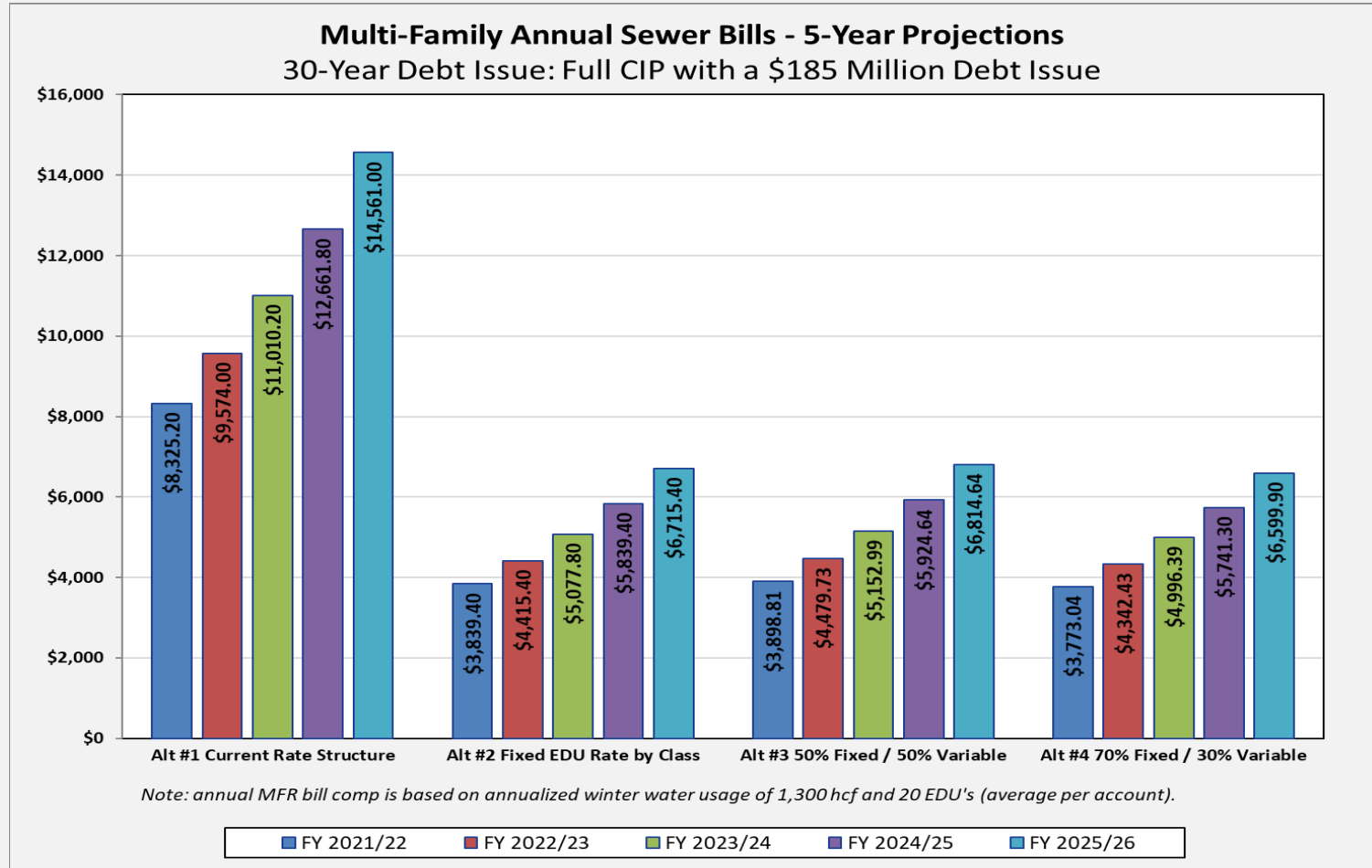
# Bill Impact – Residential: 30-Year Debt Issue

*Financial Alternative: Full CIP with a \$185 Million Debt Issue*



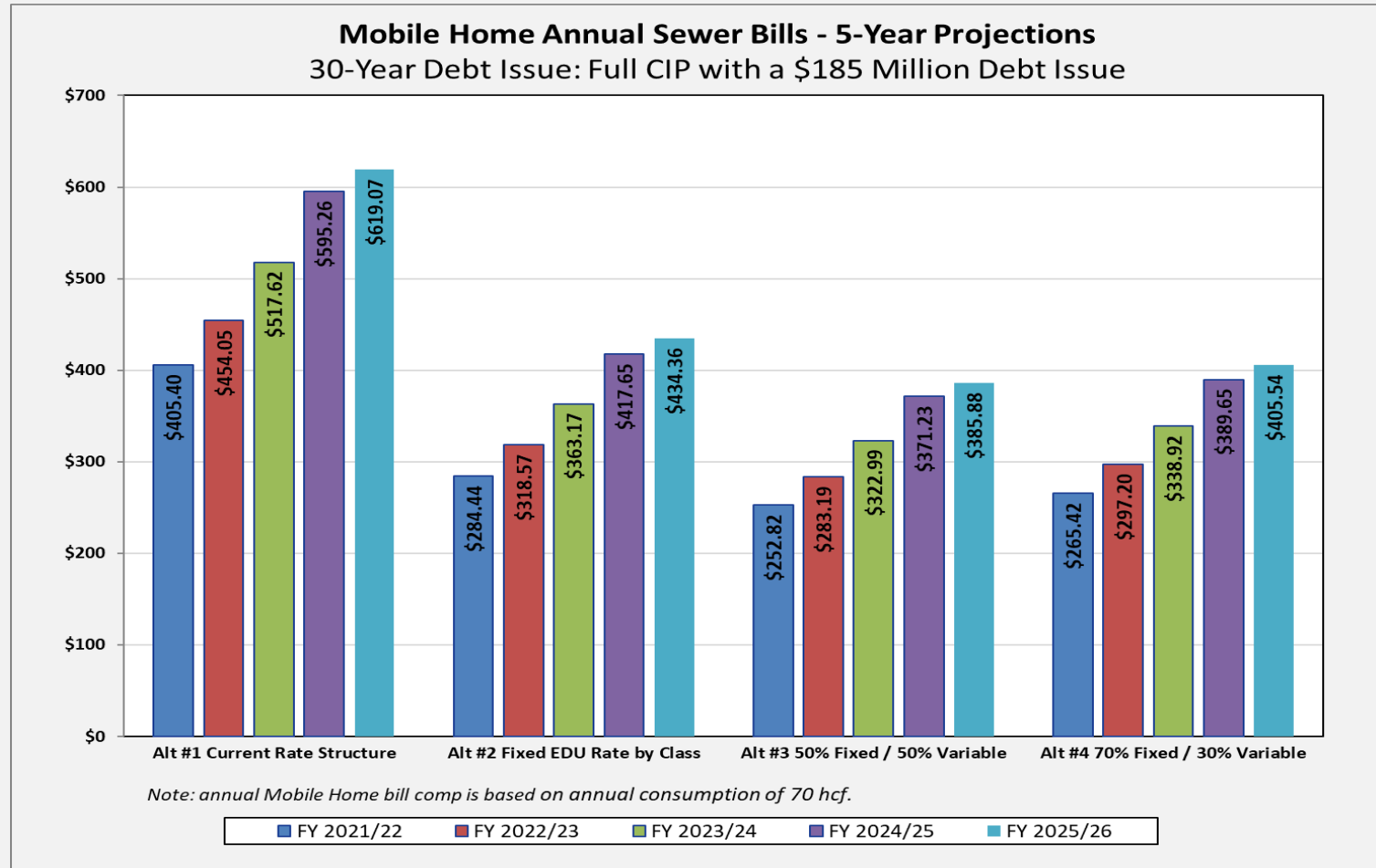
# Bill Impact – MFR: 30-Year Debt Issue

*Financial Alternative: Full CIP with a \$185 Million Debt Issue*



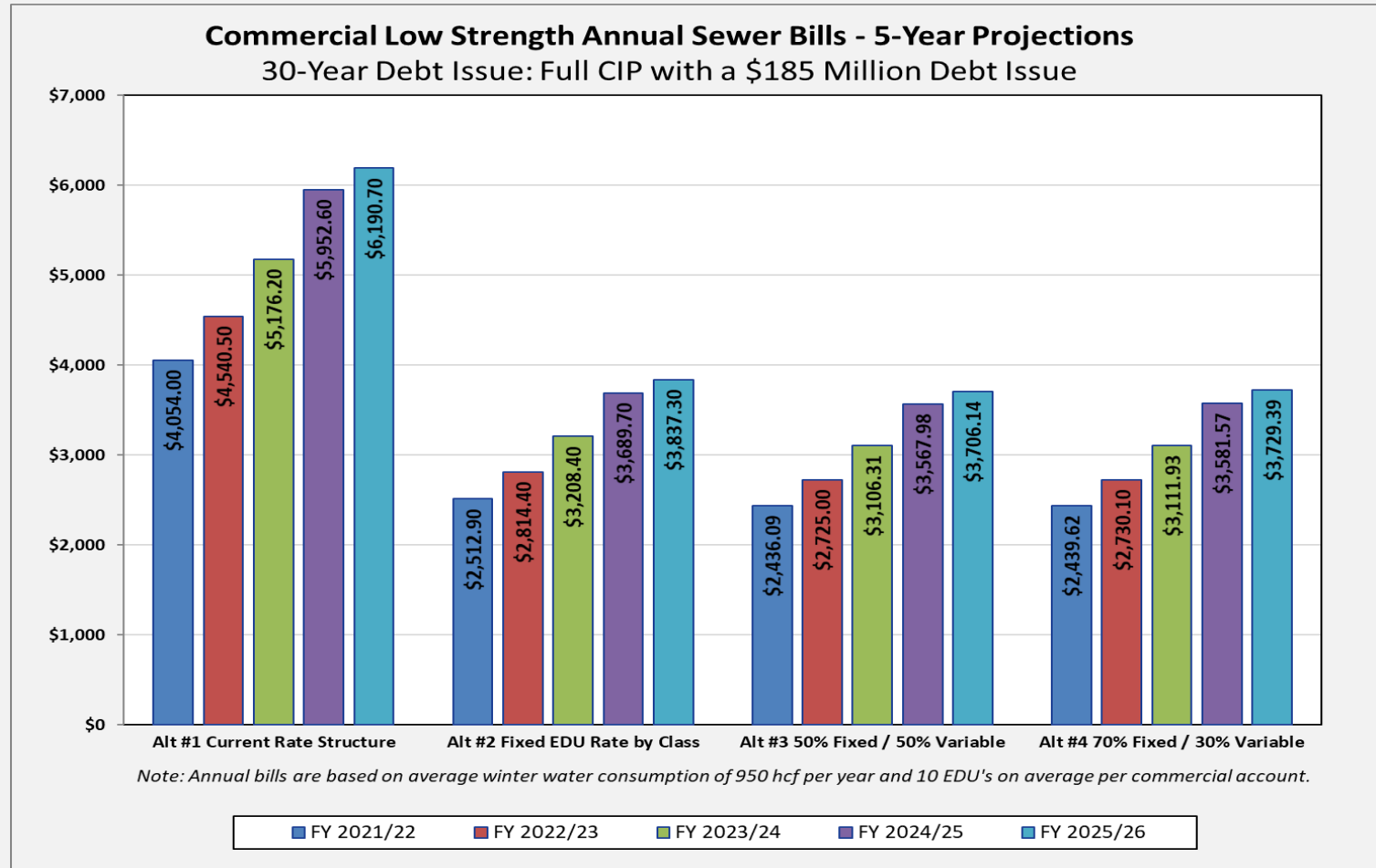
# Bill Impact – MH: 30-Year Debt Issue

*Financial Alternative: Full CIP with a \$185 Million Debt Issue*



# Commercial – Low Strength: 30-Year Debt Issue

*Financial Alternative: Full CIP with a \$185 Million Debt Issue*





# Commercial – High Strength: 30-Year Debt Issue

*Financial Alternative: Full CIP with a \$185 Million Debt Issue*

