

**2024 Alternate Rate Increase by Mike Thornbrough**  
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18-Nov-24

<u>Revenue</u>	FY 24/25	Treated	Irrigation	Treated	Irrigation
		Percent	Percent	Amount	Amount
Treated Water Sales	\$ 3,000,000	100%	0%	\$ 3,000,000	\$ -
Irrigation Water Sales	\$ 380,000		100%	\$ -	\$ 380,000
Penalties	\$ 80,000	88%	12%	\$ 70,400	\$ 9,600
Property Taxes	\$ 2,100,000	88%	12%	\$ 1,848,000	\$ 252,000
Leases	\$ 100,000	88%	12%	\$ 88,000	\$ 12,000
Investment Interest	\$ 350,000	0%	0%	\$ -	\$ -
SMUD	\$ 135,000	88%	12%	\$ 118,800	\$ 16,200
Hydro	\$ 55,000	27%	73%	\$ 14,850	\$ 40,150
Meter Installation Fee	\$ 20,000	100%	0%	\$ 20,000	\$ -
<b>Total</b>	<b>\$ 6,220,000</b>			<b>\$ 5,160,050</b>	<b>\$ 709,950</b>

<u>Expenses</u>	FY 24/25	Treated	Irrigation	Treated	Irrigation
		Percent	Percent	Amount	Amount
Source of Supply (5100)	\$ 725,812	72%	28%	\$ 522,585	\$ 203,227
Raw Water (5200)	\$ 721,139	72%	28%	\$ 519,220	\$ 201,919
Water Treatment (5300)	\$ 949,075	100%	0%	\$ 949,075	\$ -
Treated Water T&D (5400)	\$ 1,210,275	100%	0%	\$ 1,210,275	\$ -
Admin & Customer Service (5600)	\$ 2,172,908	88%	12%	\$ 1,912,159	\$ 260,749
	<b>\$ 5,779,209</b>			<b>\$ 5,113,314</b>	<b>\$ 665,895</b>

**Treated Water Revenue & Expenses**

Rate Increase Year	Proposed Percentage Inc.	Increased Water Sales	Total Water Sales	Mike T's Alt Percent Inc.	Increased Water Sales	Total Water Sales
2025	15%	\$ 450,000	\$ 3,450,000	15%	\$ 450,000	\$ 3,450,000
2026	10%	\$ 345,000	\$ 3,795,000	7%	\$ 241,500	\$ 3,691,500
2027	10%	\$ 379,500	\$ 4,174,500	7%	\$ 258,405	\$ 3,949,905
2028	10%	\$ 417,450	\$ 4,591,950	7%	\$ 276,493	\$ 4,226,398
2029	10%	\$ 459,195	\$ 5,051,145	7%	\$ 295,848	\$ 4,522,246
Total	55%	\$ 2,051,145		43%	\$ 1,522,246	
Actual Rate Increase Percentage	68.4%			50.7%		
Percent Increase of total Treated Revenue	39.8%			29.5%		
Percent Increase, total Treated Rev per yr	8.0%			5.9%		

Treated Water Expense Inflation Adjustments	Annual Increase	Operating Expenses
2025	\$ 255,666	\$ 5,368,979
2026	\$ 268,449	\$ 5,637,428
2027	\$ 281,871	\$ 5,919,300
2028	\$ 295,965	\$ 6,215,265
2029	\$ 310,763	\$ 6,526,028

Projected Annual Inflation Rate	5.0%
Previous Annual Inflation Rate (19% divided by 5 years)	3.8%

**Irrigation Revenue & Expenses**

<b>Rate Increase Year</b>	<b>Proposed Percentage Inc.</b>	<b>Increased Irrig. Sales</b>	<b>Total Irrig. Sales</b>	<b>Mike T's Alt Percent</b>	<b>Increased Irrig Sales</b>	<b>Total Irrig. Sales</b>
2025	15%	\$ 57,000	\$ 437,000	15%	\$ 57,000	\$ 437,000
2026	10%	\$ 43,700	\$ 480,700	7%	\$ 30,590	\$ 467,590
2027	10%	\$ 48,070	\$ 528,770	7%	\$ 32,731	\$ 500,321
2028	10%	\$ 52,877	\$ 581,647	7%	\$ 35,022	\$ 535,344
2029	10%	\$ 58,165	\$ 639,812	7%	\$ 37,474	\$ 572,818
	55%	\$ 259,812		43%	\$ 192,818	
Actual Rate Increase Percentage	68.4%			50.7%		
Percent Increase of total Irrigation Revenue	36.6%			27.2%		
Percent Increase, total Irrigation Rev per yr	7.3%			5.4%		

<b>Irrigation Expenses Inflation Adjustments</b>	<b>Annual Increase</b>	<b>Operating Expenses</b>
2025	\$ 33,295	\$ 699,190
2026	\$ 34,960	\$ 734,150
2027	\$ 36,707	\$ 770,857
2028	\$ 38,543	\$ 809,400
2029	\$ 40,470	\$ 849,870
	<b>\$ 183,975</b>	

<u>Recap</u>	<b>Total</b>	<b>Operating</b>		<b>Investment</b>	<b>Left over</b>	
<b>Proposed Rates Treated Water</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Balance</b>	<b>Interest</b>	<b>for CIP</b>	
2025	\$ 5,698,050	\$ 5,368,979	\$ 329,071	\$ 350,000	\$ 679,071	
2026	\$ 6,131,050	\$ 5,637,428	\$ 493,622	\$ 350,000	\$ 843,622	
2027	\$ 6,598,550	\$ 5,919,300	\$ 679,250	\$ 350,000	\$ 1,029,250	
2028	\$ 7,104,000	\$ 6,215,265	\$ 888,735	\$ 350,000	\$ 1,238,735	
2029	\$ 7,651,195	\$ 6,526,028	\$ 1,125,167	\$ 350,000	\$ 1,475,167	
					\$ 5,265,844	<b>\$ 5,265,844</b>
<b>Proposed Rates Irrigation Water</b>						
2025	\$ 778,950	\$ 699,190	\$ 79,760	0	\$ 79,760	
2026	\$ 834,650	\$ 734,150	\$ 100,500	0	\$ 100,500	
2027	\$ 894,720	\$ 770,857	\$ 123,863	0	\$ 123,863	
2028	\$ 959,597	\$ 809,400	\$ 150,197	0	\$ 150,197	
2029	\$ 1,029,762	\$ 849,870	\$ 179,892	0	\$ 179,892	
					\$ 634,213	<b>\$ 634,213</b>
						<b>\$ 5,900,057</b>
	<b>Target CIP</b>	<b>Collected</b>	<b>Difference</b>			
<b>Total Propoaed Rates over 5 years</b>	\$ 4,215,000	\$ 5,900,057	\$ 1,685,057			

<b>Alternate Rates Treated Water</b>	<b>Total Revenue</b>	<b>Operating Expenses</b>	<b>Balance</b>	<b>Investment Interest</b>	<b>Left over for CIP</b>
2025	\$ 5,698,050	\$ 5,368,979	\$ 329,071	\$ 350,000	\$ 679,071
2026	\$ 6,027,550	\$ 5,637,428	\$ 390,122	\$ 350,000	\$ 740,122
2027	\$ 6,373,955	\$ 5,919,300	\$ 454,655	\$ 350,000	\$ 804,655
2028	\$ 6,738,448	\$ 6,215,265	\$ 523,184	\$ 350,000	\$ 873,184
2029	\$ 7,122,296	\$ 6,526,028	\$ 596,268	\$ 350,000	\$ 946,268
					\$ 4,043,299
					<b>\$ 4,043,299</b>

**Alternate Rates Irrigation Water**

2025	\$ 778,950	\$ 699,190	\$ 79,760	0	\$ 79,760
2026	\$ 821,540	\$ 734,150	\$ 87,390	0	\$ 87,390
2027	\$ 866,271	\$ 770,857	\$ 95,414	0	\$ 95,414
2028	\$ 913,294	\$ 809,400	\$ 103,894	0	\$ 103,894
2029	\$ 962,768	\$ 849,870	\$ 112,898	0	\$ 112,898
					\$ 479,357
					<b>\$ 479,357</b>
					<b>\$ 4,522,656</b>

	<b>Target CIP</b>	<b>Collected</b>	<b>CIP/Reserves Over Target</b>
<b>Total Alternate Rates over 5 years</b>	\$ 4,215,000	\$ 4,522,656	\$ 307,656
<b>Total Propoaed Rates over 5 years</b>	\$ 4,215,000	\$ 5,900,057	\$ 1,685,057

**CIP and Reserves**

	<b>Operating Reserves</b>	<b>CIP</b>	<b>Emergency On hand</b>	<b>Total</b>
2024	\$ 1,907,139			
2025	\$ 288,960	\$ 606,000		\$ 894,960
2026	\$ 303,408	\$ 606,000		\$ 909,408
2027	\$ 318,579	\$ 606,000		\$ 924,579
2028	\$ 334,508	\$ 606,000		\$ 940,508
2029	\$ 351,233	\$ 606,000		\$ 957,233
	\$ 1,596,689	\$ 3,030,000		\$ 4,626,689