

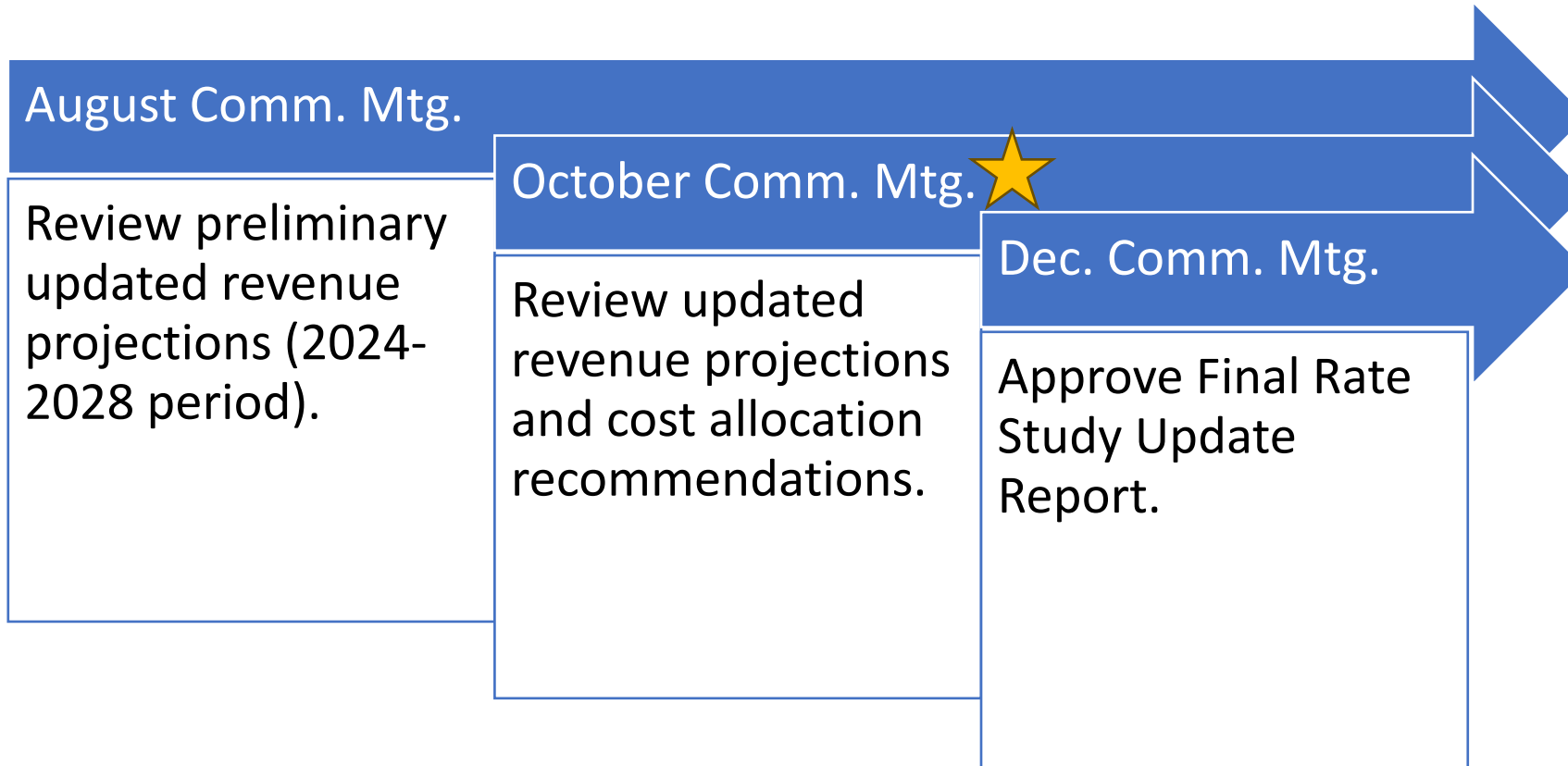
# Wild Wings CSA Advisory Committee Meeting Water/Sewer Rate Update Project Presentation

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October 04, 2023



# Wild Wings 2023 Rate Study Update Project – Upcoming Milestones



# Developing a Rate Under Proposition 218

1. Update Revenue Projections – July/Aug. 2023
2. Rate Update Technical Memo. – October 2023
  - Identify costs, confirm revenue needs, and develop cost allocation alternatives
  - Update rate methodologies and related information
3. Public Outreach – throughout project implementation period
4. Review of Final Rate Report – Dec. 2023
5. Proposition 218 Notice Distribution – March 2024
6. Notice of Public Hearing mailed – 14 days prior to public hearing
7. Informational Workshop – Spring 2024
8. Public Hearing – Rate Approval – May 2024
9. Fee placed on Assessor's Tax Roll – 8/10/24 (for property tax bill)



# Wild Wings Utilities



LSCE Project Update Objective: keep total CSA annual charges as low as possible.



# Wild Wings CSA – Current Utility Charges Summary

## WILD WINGS CSA CHARGES

The Wild Wings County Services Area (CSA) provides services related to water, sewer and golf course. The CSA is funded by collecting fees for these services which are charged on an annual basis and added to the property tax bill. Online tax statements are available [here](#).

Information on the charges below can be found in the linked documents next to the total for each charge.

Wild Wings CSA Charges		2023-24	
	# of Accts	Annual Charge	Revenue Budgeted
CPI applied to charges in blue		5.3%	
Water Base Rate	338	\$1,130.31	\$382,043
Water Usage (\$0.30/100 gal over 250k)	338	Varies	TBD
Water Treatment Charge (arsenic removal)	338	\$241	\$81,699
<b>Total Water Charge (<a href="#">06-26-18 Prop. 218</a>)</b>		<b>\$1,371.31</b>	<b>\$463,502</b>
Sewer Base Rate	338	\$3,170.44	\$1,071,607
<b>Total Sewer Charge (<a href="#">06-26-18 Prop. 218</a>)</b>			<b>\$1,071,607</b>
Golf Course Rate	338	\$1,838	\$621,487
<b>Total Golf Course Charge (<a href="#">03-10-09 Measure O</a>)</b>			<b>\$621,487</b>
<b>TOTAL CHARGES</b>			<b>\$2,156,597</b>

Total annual sewer charges = \$3,248

Total annual charges = \$6,478

# Updated Utility Costs

## – Water, Sewer and Golf Course (FY24-25)

Recommended total FY24-25 utility costs increase by 1.5%.

**NOTE: water and sewer fund cover golf course utility costs.**

Wild Wings CSA Charges (FY23-24)				
CPI applied to charges in blue				5.30%
	# of	Accounts	Annual Charge	Revenue Budgeted
<u>Water Base Rate</u>		338	\$1,130	\$382,043
Water Usage (\$0.30/100 gal over 250k)		338	Varies	TBD
Water Treatment Charge (arsenic removal)		338	\$241	\$81,699
<b>Total Water Charge (06-26-18 Prop. 218)</b>			<b>\$1,371</b>	<b>\$463,502</b>
<u>Sewer Base Rate</u>		338	\$3,268	\$1,104,733
<b>Total Sewer Charge (06-26-18 Prop. 218)</b>				<b>\$1,104,733</b>
<u>Golf Course Rate</u>		338	\$1,838	\$621,487
<b>Total Golf Course Charge (03-10-09 Measure O)</b>				<b>\$621,487</b>
<b>TOTAL CHARGES</b>				<b>\$2,156,597</b>
			<b>\$6,478</b>	<b>\$2,189,722</b>

Wild Wings CSA Charges (FY24-25)				
CPI applied to charges in blue				5.30%
June 2024 Prop. 218 Fee Report				
	# of	Accounts	Annual Charge	Revenue Budgeted
<b>WATER CHARGES</b>				
<u>Water Base Rate</u>				
Residential (1-inch meter size)		338	\$875.32	\$295,858
Commercial (2-inch meter size)		1	\$2,100.76	\$2,101
<b>Water Base Rate Sub-total</b>				<b>\$297,959</b>
<u>Water Quantity Charges</u>				
Tier 1 Use (\$0.601/100 gal up to 180k gal/yr.)		339	\$886.82	\$300,634
Tier 2 Use (\$1.2521/100 gal > 180K gal/yr.)		339	\$386.12	\$130,896
<b>Water Quantity Charges Sub-total</b>			<b>\$1,762</b>	<b>\$431,529</b>
<b>TOTAL WATER CHARGES</b>				<b>\$729,488</b>
<b>SEWER CHARGES</b>				
<u>Sewer Base Rate</u>		338	\$3,586	\$1,212,142
<b>Total Sewer Charge</b>				<b>\$1,212,142</b>
<u>Golf Course Rate</u>		338	\$1,200	\$405,600
<b>Total Golf Course Charge (03-10-09 Measure O)</b>				<b>\$405,600</b>
<b>TOTAL CHARGES</b>				<b>\$2,156,597</b>
			<b>\$6,548</b>	<b>\$2,049,272</b>



# Following Prop. 218 Rate Development Process

## Establish Revenue Needs (Operational and Implementation Costs)

- Revenue needs – Operations and Maintenance
- Revenue needs – Capital Costs
- Five-year Revenue Projections – planning horizon
- Adequate for regulatory compliance
- Meet CSA financial assurance/sustainability goal

## Cost Allocation

- By type – operations vs. implementation
- By User Class – weighted by effort
- By use – weight by water use
- Proportional relative to user costs and service/benefit received

## Proposed Fees/Charges

- Public notification
- Stakeholder outreach
- Public hearing and majority protest

YOU  
ARE  
HERE



# Wild Wings Water System

## – AWWA Rate Setting Principles (2018 vs. 2023)

The County prepared the following three (3) Reserve Reports to provide guidance for asset management purposes (published in 2021).

Water Reserve Report

Wastewater Reserve Report

Golf Course Reserve Report

Water and wastewater CIP improvements consistent with Report recommendations.

These documents are available on the County CSA website.

Updated revenue projections were developed based on reviewing historical data, conducting interviews with current utility system operators, discussing County administration costs, and evaluation of recent labor, product, supply, material and project delivery costs.



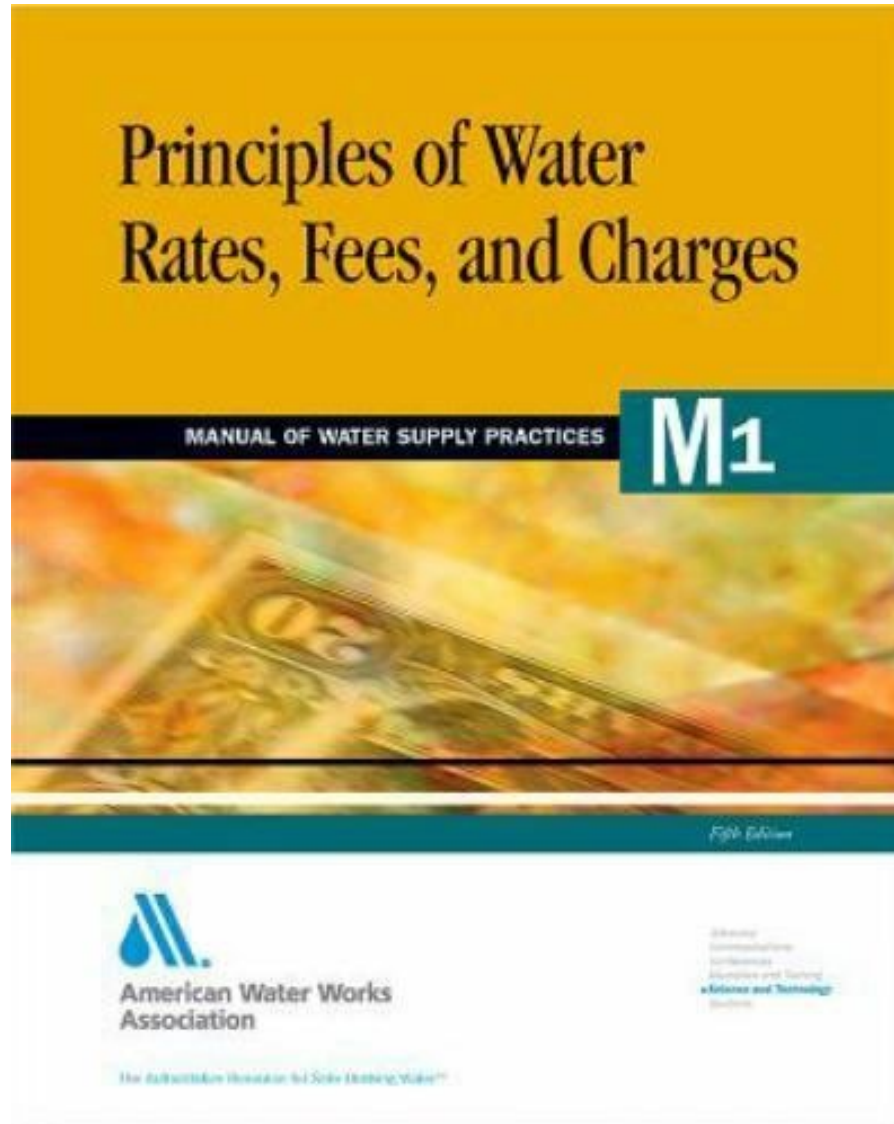


# Wild Wings Water System

## – AWWA Rate Setting Principles (2018 vs. 2023)

Follow standard water industry standards for establishing rates, fees, and charges.

Reasonable  
Equitable  
Nexus between  
fee and benefits.



A closer look at some pillars of Fitch's water utility analysis reveals the following:

**Operating Costs will continue to rise:** On the labor front, utilities have faced staffing challenges like many other industries. This is pushing personnel costs higher as utilities implement significant cost of living pay increases for existing employees and face the necessity of offering higher pay to recruit new employees. Energy costs have also skyrocketed with electricity prices in some regions more than double compared to last summer. Decreased availability and supply chain disruptions have pushed the cost of chemicals higher, as well.

**On the capital side, utilities have reported 50-60 percent increases in steel costs over the last year.** Rebar, concrete and lumber prices are also up anywhere from 10 to 35 percent. Contractor costs have increased so substantially that, in some cases, existing bids are being renegotiated as increases cannot be absorbed by contingency budgets. To date, most utilities have been able to absorb the higher costs as appropriated capital budgets often exceed actual spending by a healthy margin, but future spending flexibility will certainly be limited.

**Days cash on hand will fall; Debt will rise:** Utilities will likely tap their strong cash reserves to cover higher costs and capital spending over the near term. The draw down in cash along with higher daily operating costs will both contribute to weaker cash on hand metrics. Additional debt issuance could help restore cash balances, but with long-term revenue bond interest rates up roughly 200 basis points since the end of 2021 borrowing could be delayed. Nevertheless, higher capital costs and spending will trigger higher than anticipated debt issuance over the next several years as infrastructure is appropriately funded with long-term debt.

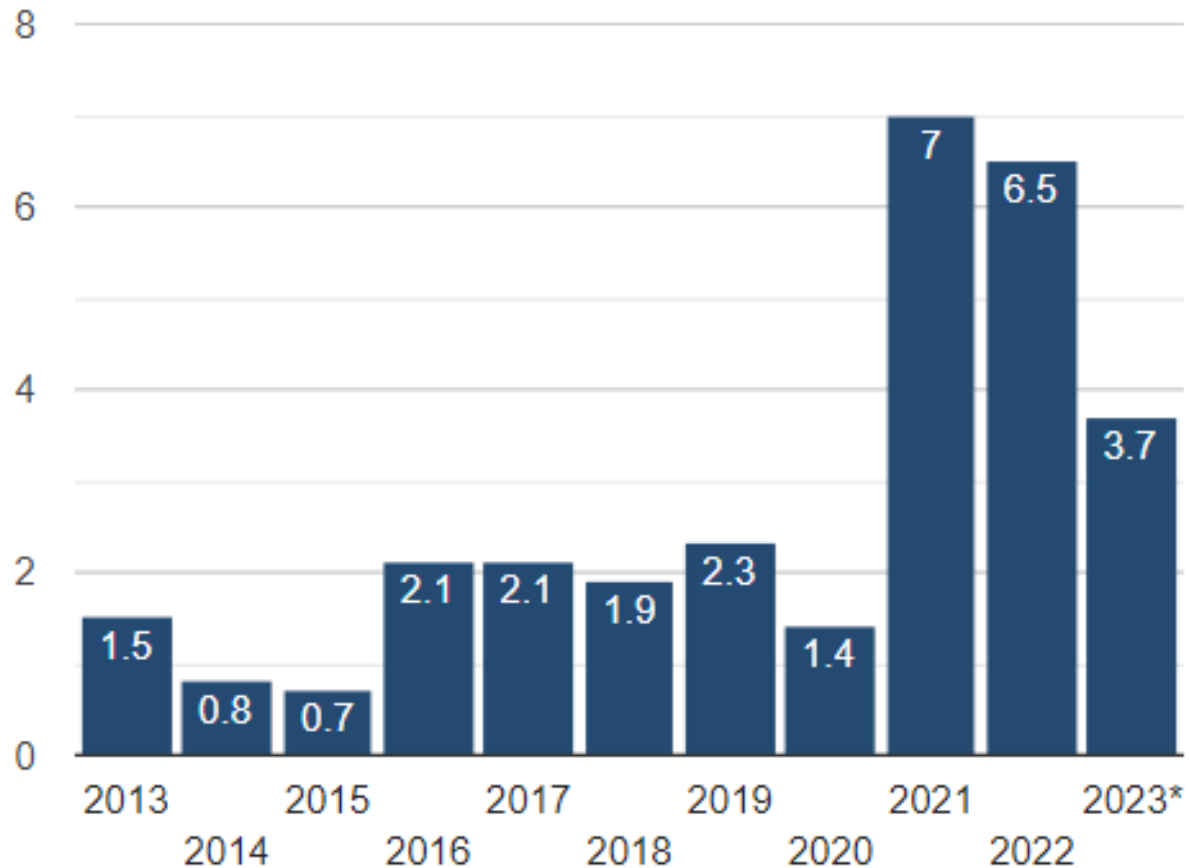
**Affordability will be pressured:** Larger and more frequent rate increases necessary to offset rising costs, together with higher inflation and lower economic growth, will almost certainly strain affordability measures. Despite strong employment and robust nominal wage growth, real household income has fallen modestly since 2019 and is projected to remain flat over the next few years. Higher water and sewer charges, even after adjusting for inflation, are therefore likely to account for a higher percentage of household income going forward, and could be particularly burdensome for the most vulnerable and economically sensitive households.

# Wild Wings Water System

## – AWWA Rate Setting Principles (2018 vs. 2023)

The costs of labor, materials, supplies, and products has increased substantially over the past five years for water and wastewater utilities.

Chart: United States Annual Inflation Rates (2013 to 2023)



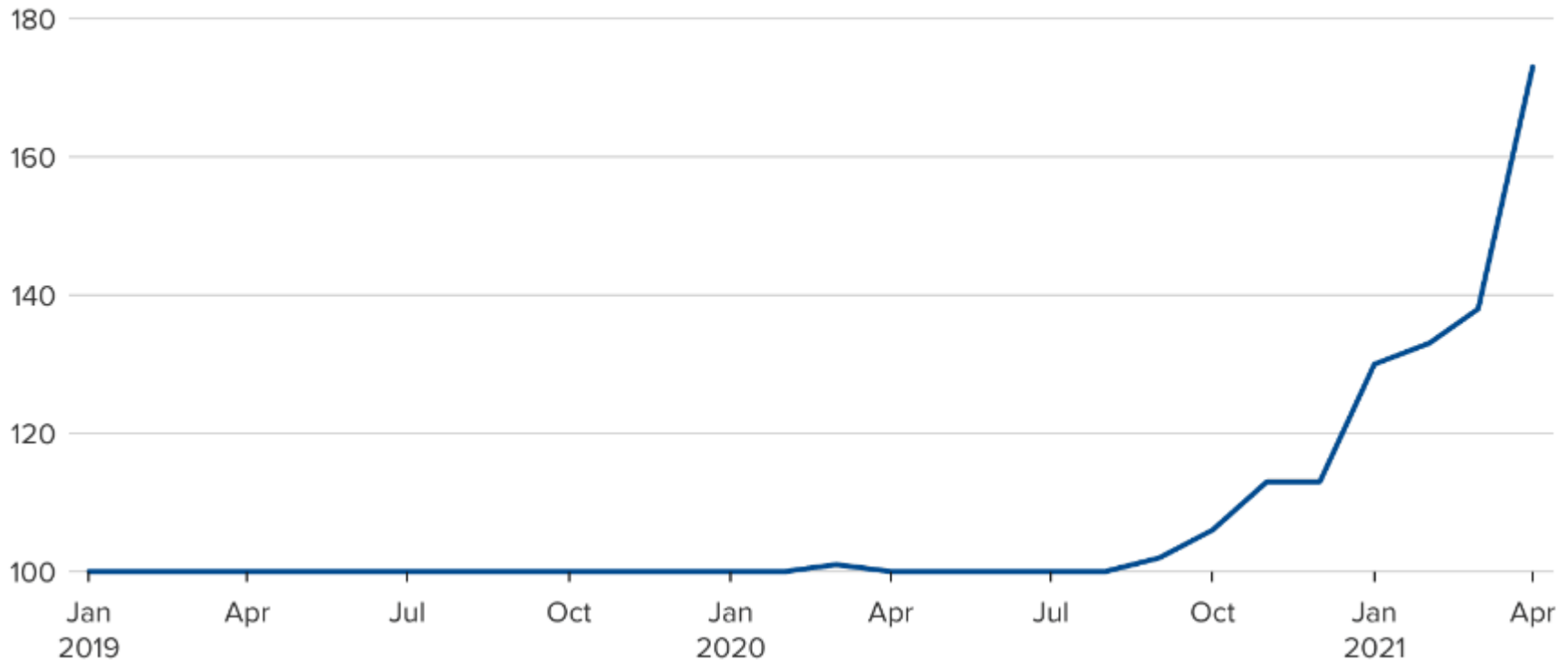
# Wild Wings Water System

## – AWWA Rate Setting Principles (2018 vs. 2023)

The costs of chlorine continued to increase in 2022, up over 40%. Chlorine costs have increased substantially over the past five years.

### Chlorine prices take off

Monthly chlorine prices, indexed to January 2019. Prices are up 72% since then.





# Wild Wings Water System

## – AWWA Rate Setting Principles (2018 vs. 2023)

The costs of energy will continue to increase in 2024, with latest PUC rate case to be approved in Nov. 2023. PG&E energy costs have been increasing > inflation since 2015.

Pacific Gas and Electric Co. customers will pay between about \$25 and \$31 more each month for energy next year, according new rate estimates from state regulators obtained Thursday by the Chronicle.

PG&E has asked the California Public Utilities Commission for permission to collect more money from customers in its pending four-year budget to help the company pay for wildfire safety improvements and meet rising demand for electricity.

The PUC, which will finalize the new rates Nov. 2, is considering two proposals that will increase customer bills. On Thursday, the PUC provided more details for how those two proposals would impact customers. The main proposal would generate a 12.2% increase in average monthly bills, and the other would boost bills by about 9.9%.



# Wild Wings Water System

## – Updated Revenue Projections (2024-2028)

### Water System Revenue Projection Scenarios:

Scenario 1: Assumes no additional DWR Grant Funds (w/Pintail CIP Project)

Scenario 2: **Assumes no additional DWR Grant Funds (w/Pintail & Wood Duck Projects)**

**NOTE: The County will likely not have final DWR grant funding levels until Nov. Committee Meeting. Bid results shared in CIP budget discussion.**

# Wild Wings Water System

## – Updated Revenue Projections (2024-2028)

### **DWR Grant Funds – Final Allocation Must Be Known To Finalize Water Rates:**

Scenario 1: Assumes no additional DWR Grant Funds (w/Pintail CIP Project)

Scenario 2: **Assumes no additional DWR Grant Funds (w/Pintail & Wood Duck Projects)**

**NOTE: The County will likely not have final DWR grant funding levels until Nov. Committee Meeting. Bid results shared in CIP budget discussion.**

# Efforts To Keep Rates As Low As Possible

Awarded DWR grant funds help offset water system costs during 2022-24 period.

## BUDGET

All work associated with the Project must be completed prior to payment of retention. The Grantee is required to maintain all financial documents related to the Project in accordance with Exhibit G (State Audit Document Requirements for Grantees).

Task	Funding Amount	Cost Share: Non-State Fund Source	Total Cost
Task 1 - Project Administration	\$10,000	\$140,000	\$ 150,000
Task 2 - New Well Design and Construction	\$1,760,000	\$140,000	\$1,900,000
Task 3 - Water Treatment Facility	\$1,350,000	\$250,000	\$ 1,600,000
Task 4 - Pintail Well Pump Replacement	\$335,000	\$415,000	\$750,000
Task 5 - Water Meter Replacement	\$200,000	\$0	\$200,000
Task 6 - Consolidation Feasibility Study	\$145,000	\$0	\$145,000
<b>Grand Total</b>	<b>\$3,800,000</b>	<b>\$ 945,000</b>	<b>\$4,745,000</b>

# Wild Wings Water System

## – Updated Revenue Projections (2024-2028)

### DWR Grant Funds – Scenarios For Final Allocation:

County meeting with DWR to discuss funding Wood Duck Project and extending project schedules to complete funded projects.

Original DWR Grant - Wild Wings CSA Water Improvements			
Task	Funding Amount	Cost Share	Total Cost
Task 1 - Project Administration	\$10,000	\$140,000	\$150,000
Task 2 - New Well Design & Construction	\$1,760,000	\$140,000	\$1,900,000
Task 3 - Water Treatment Facility	\$1,350,000	\$250,000	\$1,600,000
Task 4 - Pintail Well Pump Replacement	\$335,000	\$415,000	\$750,000
Task 5 - Water Meter Replacement	\$200,000		\$200,000
Task 6 - Consolidation Feasibility Study	\$145,000		\$145,000
<b>Grant Total</b>	<b>\$3,800,000</b>	<b>\$945,000</b>	<b>\$4,745,000</b>

Preferred DWR Grant - Wild Wings CSA Water Improvements (w/Pintail Project)			
Task	Funding Amount	Cost Share	Total Cost
Task 1 - Project Administration	\$10,000	\$140,000	\$150,000
Task 2 - New Well Design/Construction	\$1,760,000	\$140,000	\$1,900,000
Task 3 - Water Treatment Facility (Pintail)	\$1,745,000	\$250,000	\$1,995,000
Task 4 - Pintail Well Pump Replacement	\$0	\$0	\$0
Task 5 - Water Meter Replacement	\$200,000		\$200,000
Task 6 - Consolidation Feasibility Study	\$145,000		\$145,000
<b>Grant Total</b>	<b>\$3,860,000</b>	<b>\$530,000</b>	<b>\$4,390,000</b>



With Wood Duck Project

\$9,479,500 (subject to DWR approval)



# Wild Wings Water System

## – Updated Revenue Projections (2024-2028)

### Pintail and Wood Duck Project Bid Results – September 14, 2023:

Pintail Arsenic Treatment Project Low Bid = \$1,995,000

**Wood Duck Project = \$5,697,500 (subject to DWR approval)**

Discussion regarding importance of completing both projects through the Wild Wings Water CIP program during the 2024-28 period for water resiliency to meet community and golf course water needs with one well out of service.

# Wild Wings CSA – Water System O&M Revenue Projections

Assuming County Admin. and SUSP private operations continue for reliable water system operations.

**NOTE: Includes only activities to achieve water permit and SDWA requirements.**

WILD WINGS WATER SYSTEM - Updated Revenue Projections					
Five-Year DRAFT Water System Operational Budget - With CIP Implementation/SDWA Compliance Costs					
5-Year Revenue Projection Inflation Adjustment		2.5%	2.5%	2.5%	2.5%
Cost Category-Water Operations & Maintenance (O&M) Costs	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
<b>Personnel/Staffing Costs</b>					
Admin/Mgmt. - County	\$29,500	\$30,238	\$30,975	\$31,713	\$32,450
Operations-SUSP (with Arsenic Treatment)	\$108,132	\$110,835	\$150,289	\$153,867	\$157,445
<b>Personnel/Staffing Costs - Subtotal</b>	<b>\$137,632</b>	<b>\$141,073</b>	<b>\$181,264</b>	<b>\$185,579</b>	<b>\$189,895</b>
<b>Legal Costs</b>					
Legal Services - County Agency costs	\$15,000	\$15,375	\$15,750	\$16,125	\$16,500
Legal Services - Outside Counsel costs	\$0	\$0	\$0	\$0	\$0
<b>Legal Costs - Subtotal</b>	<b>\$15,000</b>	<b>\$15,375</b>	<b>\$15,750</b>	<b>\$16,125</b>	<b>\$16,500</b>
<b>Direct Costs</b>					
State SWRCB Annual Permit Cost (Annual Fee)	\$3,361	\$3,445	\$3,529	\$3,613	\$3,697
Energy Costs (PG&E) - w/15% rate increase projected for 2024	\$75,900	\$77,798	\$79,695	\$81,593	\$83,490
Additional Treatment Costs - Arsenic Treatment (Acid/Caustic)			\$31,980	\$32,780	\$33,599
Chemical Costs (Chlorination, Treatment)	\$5,195	\$5,325	\$5,455	\$5,585	\$5,715
Chemical Costs (Arsenic Filter Media Replacement)					\$70,000
Water Quality Sampling/Analysis	\$9,668	\$9,910	\$10,151	\$10,393	\$10,635
Annual Consumer Confidence Report	\$5,000	\$5,125	\$5,250	\$5,375	\$5,500
Water Facilities Maintenance - ex. meters/valves/hydrants/pipes	\$26,021	\$26,672	\$27,322	\$27,973	\$28,623
Water Meter Reading Costs - reading/billing	\$13,800	\$14,145	\$14,490	\$14,835	\$15,180
Technology - Cell phones/computers/software costs	\$4,465	\$4,577	\$4,688	\$4,800	\$4,912
SCADA/Operations Software-Apps: Maintenance and Upgrades	\$5,000	\$5,125	\$5,250	\$5,375	\$5,500
Insurance (assuming no claims over next five years)	\$0	\$0	\$0	\$0	\$0
<b>Direct Costs - Subtotal</b>	<b>\$148,410</b>	<b>\$152,120</b>	<b>\$187,811</b>	<b>\$192,320</b>	<b>\$266,850</b>
<b>Professional Services</b>					
Planning/Design/Operations/Compliance (Outside Engineering)	\$35,000	\$35,875	\$36,750	\$37,625	\$38,500
<b>Reserve and Contingency</b>					
Water O&M Reserves (2 months of O&M costs, 15%)	\$95,563	\$97,952	\$120,960	\$123,851	\$147,749
<b>Water O&amp;M Costs Sub-total</b>	<b>\$431,605</b>	<b>\$442,395</b>	<b>\$542,534</b>	<b>\$555,501</b>	<b>\$659,494</b>



# Wild Wings CSA – Water System Capital Project Revenue Projections

Recommended CIP improvements consistent with Water Reserves Report recommendations for prudent asset management.

Final CIP actions to be based on final DWR grant funding determination expected in Nov. 2023.

Cost Category-Water CIP Project Summary	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
<u>1000 - Paving</u>					
200 - Slurry Coat the Pintail and Canvas Back Sites	\$3,340			\$3,774	
<u>2000 Structural Repairs</u>					
100 - Misc Building Repairs				\$5,943	
<u>3000 - Site Facilities</u>					
100 - Concrete Slabs for Key Pads	\$3,975				
200 - Concrete - For Coils	\$4,859				
200 - Coils for Key Pads	\$884				
<u>23000 Mechanical Equipment</u>					
200 - HVAC - Replacement Units at Pintail and Canvas Back		\$7,354			
400 - Solar - 3 Panels and Batteries - 3 Ponds	\$23,180				
<u>28000 - Water System</u>					
124 - Rebuild Control Valves	\$12,063	\$12,063			
130 - 5 Backflow devices	\$13,402	\$13,402	\$13,402		
214 - Install transducers in all three monitoring wells	\$7,500				
214 - Equip all three monitoring wells with sample pumps		\$15,000			
260 - Pintail Well: modify electrical			\$131,250	\$306,250	
260 - Install new Pintail Arsenic Treatment System (Fully grant funded)	\$1,000,000	\$995,000			
260 - Install new pump and station at Wood Duck (deferred)	\$0	\$0	\$0		
260 - Efficiency and Performance testing	\$2,000	\$3,000	\$3,075	\$3,152	\$3,231
260 - Replace Packing Seals on Pintail and Canvas Back Pumps		\$4,000			
268 - Replace Jockey Pump at Pintail Pump Station	\$97,500				
268 - Install new jockey pump at Canvas Back		\$100,000			
272 - Replace four booster pumps		\$62,545	\$62,545	\$62,545	
304 - Water Storage: Recoat the existing storage tank		\$50,000	\$83,091	\$83,091	
308 - Water Storage: Replace Cathodic Protection system at Pintail			\$28,162		
312 - Water Storage: Replace air compressors at Pintail & Canvas Back				\$5,500	
316 - Water Storage: Coating Pintail and Canvas Back Hydro Tanks		\$13,402	\$13,402		
400 - Electrical Panel: Replace 2 Panels		\$243,681	\$243,681	\$487,361	
874 - Water Meters: new meter stand				\$16,500	
880 - Flow Meters: 2 instrumentation, flow meters	\$33,115	\$33,115			
900 - Miscellaneous: Replace 2 MCC Units		\$268,192	\$268,192		
906 - Miscellaneous: Telemetry at Canvas Back Well	\$91,065	\$91,065			
908 - Miscellaneous: Metering Pumps (2)				\$38,500	\$38,500
990 - Miscellaneous: Install Emergency Generator at Canvas Back Well				\$38,500	\$275,000
Water CIP Funding (Services to Obtain Grants & Loans for CIP Projects)	\$25,000	\$25,000	\$15,000	\$15,000	\$15,000
Water CIP DWR Grant Funding Allocation	(\$1,000,000)	(\$995,000)			
Water CIP Reserves (Application of Arsenic Reserves)	(\$20,000)	(\$643,000)	(\$300,000)	\$0	\$0
Water CIP Reserves (Water Only)	\$0	\$0	(\$364,000)	(\$880,000)	(\$225,000)
<b>Water CIP Project Summary Costs Sub-total</b>	<b>\$297,882</b>	<b>\$298,817</b>	<b>\$197,800</b>	<b>\$186,116</b>	<b>\$106,731</b>





# Wild Wings Water System (Capital Costs) – Updated Revenue Projections (2024-2028)



Replace Booster Pumps



MCC Replacements



# Wild Wings Water System

## – Updated Total Revenue Projections (2024-2028)

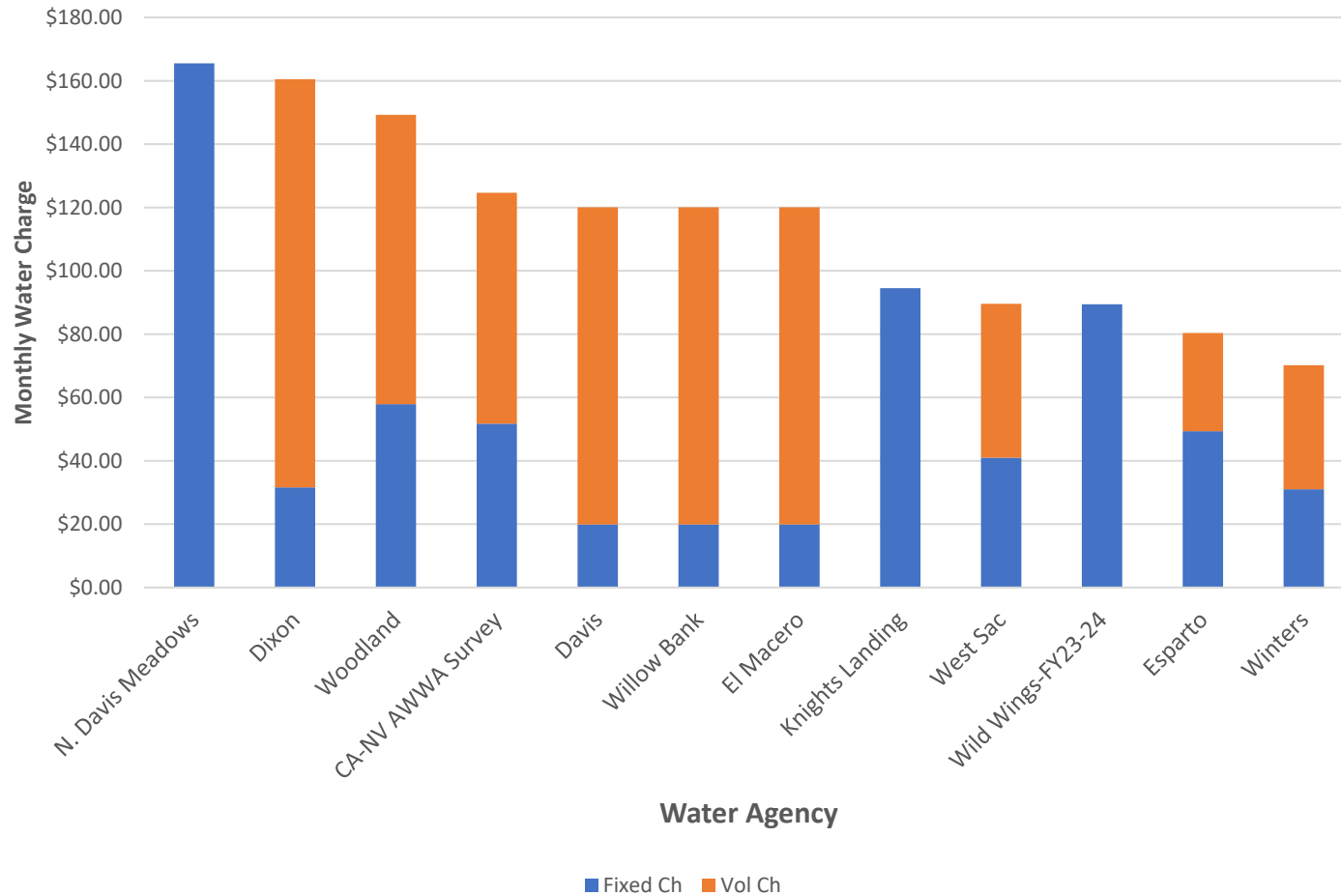
Cost Category-Water System Debt Service	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Water System Loan - No current financing	\$0	\$0	\$0	\$0	\$0
<b>Water System Debt Service Sub-total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL WILD WINGS WATER BUDGET (O&amp;M/Capital/Debt Service)</b>	<b>\$729,487</b>	<b>\$741,212</b>	<b>\$740,334</b>	<b>\$741,617</b>	<b>\$766,225</b>

Addresses recommended improvements in County Reserve Study Report to address State treatment and on-going asset management related costs. Assumes implementation of Pintail Arsenic Treatment Project, and implementation of Wood Duck Project improvements if additional grant funds are approved by DWR.

# Wild Wings Water System – Water Rate Comparison (2023)

Average residential water use in Wild Wings was 20 ccf/month for past two years.

Wild Wings 2023 Rate Update Project  
Water Rate Comparison (1-inch meter, 20 ccf/mo.)



# Wild Wings Water System

## – Tiered Water Rate Discussion

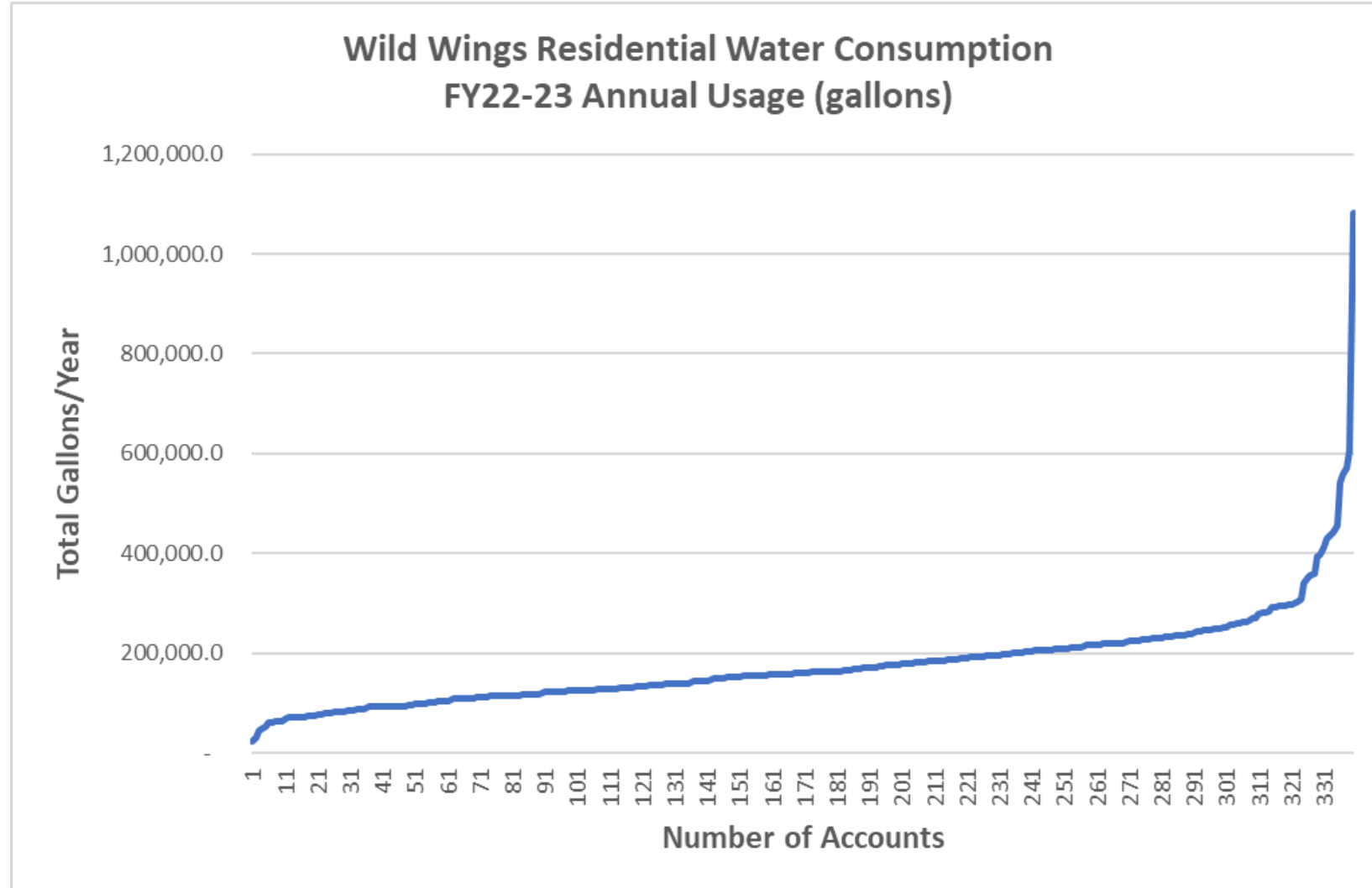
Average annual water use for the past two years averaged 20 ccf/month which is equivalent to 180,000 gallons per year.

The two-tier water rate based on updated water use patterns would be as follows:

Tier 1 = 0-180,000 gpy

Tier 2 = > 180,000 gpy

gpy = gallons per year.



# Wild Wings Water System

## – Tiered Water Rate Cost Allocation

Cost allocation follows typical water industry allocations between fixed and variable costs and allocates peaking costs to higher tier usage. Tiers based on updated water demand patterns.

Current rates based on average annual historic use equivalent to 27 ccf per month or 240,000 gallons per year.

Wild Wings Water System - Cost Allocation Summary For Tiered Rate Option					
Water System Facilities Cost Allocation Item	FY24-25 Total Expenses	% Fixed Costs	\$ Fixed Costs		
<b>Expenses Recovered By Base Rate:</b>					
O&M - Staffing and Legal Costs	\$152,632	55%	\$83,947.60		
O&M - Direct Costs	\$148,410	40%	\$59,364		
O&M - Professional Services	\$35,000	50%	\$17,500		
O&M - Reserve & Contingency	\$95,563	50%	\$47,782		
Water CIP Costs - Blg/Equip/Veh/Misc	\$297,882	30%	\$89,365		
Debt Service	\$0	0%	\$0		
<b>Total</b>	<b>\$729,487</b>		<b>\$297,958</b>		
				<b>Variable Cost Allocation:</b>	
<b>Expenses Recovered By Quantity Charge:</b>					
O&M - Staffing and Legal Costs	\$152,632	45%	\$68,684	% Peaking 0%	\$ Peaking \$0
O&M - Direct Costs	\$148,410	60%	\$89,046	25%	\$22,262
O&M - Professional Services	\$35,000	50%	\$17,500	25%	\$4,375
O&M - Reserve & Contingency	\$95,563	50%	\$47,782	0%	\$0
Water CIP Costs - Other Projects	\$297,882	70%	\$208,517	50%	\$104,259
Debt Service	\$0	0%	\$0	0%	\$0
<b>Total</b>	<b>\$729,487</b>		<b>\$431,529</b>		<b>\$130,895</b>
<b>Water Meter Charge Calculation</b>					
Fixed Rate Revenue Requirements	\$297,958				
Number of Residential Meters (1-inch)	338				
Number of Commercial Meters (2-inch)	1				
Projected Annual Meter Charge-Residential	\$875.32				
Projected Annual Meter Charge-Commercial	\$2,100.76				
Projected Meter Charge Revenue	\$297,958				
<b>Tier 1 Quantity Rate Calculation</b>					
	Per 100-gals.				
Tier 1 Variable Revenue Requirements	\$300,634				
Tier 1 Total CCF	66893				
Projected Tier 1 Charge/100-gallons	\$0.60				
Projected Tier 1 Charge Revenue	\$300,634				
<b>Tier 2 Quantity Rate Calculation</b>					
	Per 100-gals.				
Tier 2 Variable Revenue Requirements	\$130,895				
Tier 2 Total CCF	13975				
Projected Tier 2 Charge/100-gallons	\$1.25				
Projected Tier 2 Charge Revenue	\$130,895				





# Wild Wings Water System

## – Tiered Rates Recommended For 2024-2028

### Why introduce tiered water rates in Wild Wings:

Recovers revenues needed to meet updated water system revenue projections

Improves equity – higher water users pay a higher share of total costs

Most common water rate structure in the U.S. and California

Sets tiers based on updated Wild Wings water use patterns (most recent two-year period)

Conservation-oriented – provides incentive to use water efficiently

**NOTE: Tiered rates can be updated periodically to reflect changing water use patterns, updated revenue needs, or to improve overall rate equity. Additional tiers can be added as long as they have a nexus with the costs of providing service.**

# Wild Wings Sewer System

## – Updated Revenue Projections (2024-2028)

### **Sewer System Revenue Projection Scenarios:**

Scenario 1: Assumes inclusion of 2<sup>nd</sup> Treatment Train project at WW Facility

Scenario 2: Assumes not including 2<sup>nd</sup> Treatment Train project at WW Facility

**NOTE: This assumes RWQCB does issue Compliance Order for 2<sup>nd</sup> Treatment Train improvement during 2024-2028 period.**

# Wild Wings Sewer System

## – Updated Revenue Projections (2024-2028)

Table 4

Estimated Costs for Option 4 Build a Second Smaller Plant		
Item	Estimated Construction Cost	Estimated Increase in Ongoing Annual Costs <sup>1</sup>
Treatment Plant (60,000 gpd)	\$829,000	
Yard Piping	\$41,000	
Blowers & Blower Building	\$132,000	
Modify Existing Sludge Press	\$30,000	
Control & Instrumentation	\$352,000	
<b>Subtotal</b>	<b>\$1,384,000</b>	
Contingency (30%)	\$415,000	
<b>Subtotal</b>	<b>\$1,799,000</b>	
Engineering, Construction Inspection, & Admin. (25%)	\$450,000	
<b>Total</b>	<b>\$2,249,000</b>	<b>\$83,000</b>

2018 Rate Study Costs:  
\$2.249M

2023 Rate Study Costs:  
\$3.3M (2024 dollars)

2<sup>nd</sup> Treatment Train costs assumed to be 100% financed with CWSRF low interest loan if implemented.



# Wild Wings Sewer System (O&M Costs)

## – Updated Revenue Projections (2024-2028)

Final revenue projections to address timing for State treatment plant redundancy requirements.

**NOTE: updates can be made before finalizing.**

Table 1. Wild Wings CSA – Long-Term Rate Update Project					
Updated Five-Year Revenue Projections – CSA Operations and Maintenance (O&M) Budget					
5-Year Annual Inflation Adjustments	0%	2.5%	2.5%	2.5%	2.5%
Proposed	Year 1	Year 2	Year 3	Year 4	Year 5
Cost Category – Wastewater O&M Costs	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
<b>Personnel/Staffing Costs</b>					
Admin./Mgmt. - County	\$26,000	\$26,650	\$27,316	\$27,999	\$28,699
Operations-SUSP	\$218,049	\$223,500	\$229,088	\$234,815	\$240,685
<b>Personnel/Staffing Costs – Subtotal</b>	<b>\$244,049</b>	<b>\$250,150</b>	<b>\$256,404</b>	<b>\$262,814</b>	<b>\$269,384</b>
<b>Legal Costs</b>					
Legal Services - County Counsel costs	\$26,000	\$26,650	\$27,316	\$27,999	\$28,699
Legal Services - Outside Counsel costs	\$0	\$0	\$0	\$0	\$0
Premia Liability Insurance (Due to HOA Lawsuit, anticipated for next 5-yrs)	\$169,853	\$174,099	\$178,452	\$182,913	\$187,486
<b>Legal Costs - Subtotal</b>	<b>\$195,853</b>	<b>\$200,749</b>	<b>\$205,768</b>	<b>\$210,912</b>	<b>\$216,185</b>
<b>Direct Costs</b>					
State RWQCB Annual Permit Cost (Annual Fee)	\$24,687	\$25,304	\$25,937	\$26,585	\$27,250
Energy Costs (PG&E + 15% Projected Rate Increase & Ramos Oil)	\$67,850	\$69,546	\$71,285	\$73,067	\$74,894
Chemical Costs (Chorine, Permanganate, Odor Blocks, and others)	\$30,049	\$30,800	\$31,570	\$32,359	\$33,168
Wastewater Quality Sampling/Analysis (Laboratory Fees, Sampling Equip.)	\$75,780	\$77,675	\$79,616	\$81,607	\$83,647
WWTP Facilities Maint. (Aeration, Pumps, Blowers, Sludge Hauling, Generators, etc.)	\$83,829	\$85,925	\$88,073	\$90,275	\$92,532
Technology: (SCADA/programming /cell phones/computers/software costs)	\$45,381	\$46,516	\$47,678	\$48,870	\$50,092
Golf Course Recycled Water Disposal Costs (Pumps, Filters, Piping, Valving, Repairs)	\$77,523	\$79,461	\$81,448	\$83,484	\$85,571
Second Train O & M Costs (Starts after Completion of Construction)	\$0	\$0	\$0	\$130,669	\$133,936
<b>Direct Costs - Subtotal</b>	<b>\$405,099</b>	<b>\$415,226</b>	<b>\$425,607</b>	<b>\$566,916</b>	<b>\$581,089</b>
<b>Professional Services</b>					
Planning/Design/Operations/Compliance (Outside Engineering)	\$35,000	\$35,875	\$36,772	\$37,691	\$38,633
<b>Reserves and Contingency</b>					
Wastewater O&M Contingency (2 Mos. Cash flow/15%) (2)	\$0	\$0	\$0	\$162,744	\$166,812
<b>Wastewater O&amp;M Costs - Subtotal</b>	<b>\$880,001</b>	<b>\$902,001</b>	<b>\$924,551</b>	<b>\$1,241,078</b>	<b>\$1,272,104</b>



# Wild Wings Sewer System (Capital Costs – 1/2) – Updated Revenue Projections (2024-2028)

Final revenue projections to address timing for State treatment plant redundancy requirements.

**NOTE: updates can be made before finalizing.**

Table 2. Wild Wings CSA Wastewater CIP Project Priority List (FY24-25 through FY28-29)					
Cost Category – Wastewater CIP Projects	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
<u>1000 - Paving</u>					
200 - Crack Fill/Slurry Coat WWTP Yard	\$6,600				
<u>4000 - Structural Repairs</u>					
910 - Roof Building Repairs-2	\$11,000				
<u>18500 - Lakes/Ponds (Lined Ponds)</u>					
990 - Recycled Pond Liner Repairs			\$19,135		
994 - Emergency Pond Liner Repairs			\$6,378		
<u>19000 - Fencing</u>					
110 - Gate replacement/repair	\$16,500				
<u>23000 - Mechanical Equipment</u>					
200 - HVAC Replacement in Office				\$5,632	
<u>28500 - Wastewater Treatment</u>					
100 - EQ & Filter Blowers & Motors					\$21,649
200 - Lift Sta. B, Replace Pumps-2	\$27,344				
204 - Lift Sta. A, Replace Pumps-2		\$47,647			
212 – Surge Pump Replacement-1	\$10,254				
216 – Backwash Pumps Replace-2	\$27,344				
220 – Storm Water Pumps-2		\$28,027			
224 – Irrig. Pumps & Telemetry-4	\$40,700	\$41,718	\$42,760	\$43,829	\$44,925
700 – Irrig. PLC/Prog./Switchgear		\$39,600	\$44,000		
908 – Sludge Press Repairs				\$55,000	
920 – Filter Media Replacement-2	\$76,562				
928 – Steel Tank Painting (1)					\$225,000
932 – Steel Cat Walk Replacement		\$26,805			
948 – RAS & WAS Line Replacement	\$32,813				
952 – RAS/WAS/Aeration Valves	\$10,391				
956 – Level Sensor Replacements					\$24,200
960 – Flow Meter/Transmitters	\$6,835				
964 – Telemetry Replacement		\$22,000			
967 – 9 Radios, 3 Antennas, Comm. Software, 6 Solar Panels, 6 Batteries		\$62,227			
972 - Sludge & Aeration Blowers-3				\$31,682	
977 – Sludge & Aeration Blower Motors-3			\$10,990		





# Wild Wings Sewer System (Capital Costs – 2/2)

## – Updated Revenue Projections (2024-2028)

Final revenue projections to address timing for State treatment plant redundancy requirements.

**NOTE: updates can be made before finalizing.**

Cost Category – Wastewater CIP Projects	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
<u>29000 - Infrastructure</u>					
320 – Sewer Pipe Repairs		\$34,000	\$28,000		
<u>30000 - Miscellaneous</u>					
720 - Safety Equipment		\$14,014			
724 - Misc. Equip. (hand tools, etc.)		\$14,014			
1000 – SCADA Upgrade for Permanganate Odor Control	\$22,000				
1050 – Repair Existing Steel Tank Leak	\$55,000				
1080 - Wastewater CIP Funding (CIP Grant and Loan Procurement & Management Services for 2 <sup>nd</sup> Train)	\$25,000	\$25,000	\$15,000	\$15,000	\$15,000
Wastewater CIP Reserves	\$0	\$0	\$100,000	\$102,500	\$105,063
<b>Wastewater CIP Project Costs - Subtotal</b>	<b>\$368,343</b>	<b>\$355,052</b>	<b>\$266,263</b>	<b>\$253,643</b>	<b>\$435,837</b>

# Wild Wings Sewer System (Capital Costs – 2/2) – Updated Revenue Projections (2024-2028)



Leaky Roof Repair



Pump Replacement



MCC Replacement

# Wild Wings Sewer System (Annual Totals)

## – Updated Revenue Projections (2024-2028)

Final revenue projections to address timing for State treatment plant redundancy requirements.

**NOTE: updates can be made before finalizing.**

Table 3. Wild Wings CSA – Long-Term Funding Fee Project, Cont. Updated Five-Year Revenue Projections – Wastewater O&M and CIP Budgets					
5-Year Implementation Inflation Adjustment	0%	2.5%	2.5%	2.5%	2.5%
Proposed	Year 1	Year 2	Year 3	Year 4	Year 5
Cost Category – Wastewater CIP Costs	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
<b>Wastewater CIP Project Summary</b>					
Paving (Asphalt Crack Repair)	\$6,600				
Structural Repairs (Roof Repairs)	\$11,000				
Lined Ponds (HDPE Liner Repairs)			\$25,512		
Fencing (WWTP Gate Replacement)	\$16,500				
Mechanical Equipment (WWTP HVAC Replace.)				\$5,632	
WWTP (Replace Pumps, Blowers, Catwalks, Telemetry)	\$232,243	\$268,023	\$97,750	\$130,512	\$90,774
WWTP (Paint Tanks after Second Train Built)					\$225,000
Distribution System Infrastructure (Valves, Lift Stations, Piping, etc.)		\$34,000	\$28,000		
Misc. (Safety Equip. Tank Leak Repair, SCADA for Odor Control)	\$77,000	\$28,028			
Wastewater CIP Funding (Obtain Grants and Loans for Second Train)	\$25,000	\$25,000	\$15,000	\$15,000	\$15,000
Wastewater Reserves (Based on Reserve Study)	\$0	\$0	\$100,000	\$102,500	\$105,063
<b>Wastewater CIP Subtotal</b>	<b>\$368,343</b>	<b>\$355,051</b>	<b>\$266,263</b>	<b>\$253,644</b>	<b>\$435,837</b>
<b>Cost Category – Wastewater System Debt Service</b>					
Second Train Loan (\$2.849 M, 30 yrs., 2.1% int.)	\$0	\$0	\$67,283	\$134,566	\$134,566
<b>Debt Service Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$67,283</b>	<b>\$134,566</b>	<b>\$134,566</b>
<b>Total CSA Wastewater System Budget</b>	<b>\$1,248,344</b>	<b>\$1,257,052</b>	<b>\$1,258,097</b>	<b>\$1,629,288</b>	<b>\$1,842,507</b>



# Wild Wings Sewer System

## – Cost Allocation Summary (2024-2028)

Cost allocation similar to methodology used in 2018 Rate Study Report.

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Total CSA Revenue Needs (\$)	\$1,248,344	\$1,257,052	\$1,258,097	\$1,629,288	\$1,842,507
Residential Allocation (97.1%)	\$1,212,142	\$1,220,597	\$1,221,612	\$1,582,039	\$1,789,074
Golf Course Allocation (2.9%)	\$36,202	\$36,455	\$36,485	\$47,249	\$53,433
<b>Annualized Total Assessment (100%)</b>	1,248,344	\$1,257,052	\$1,258,097	\$1,629,288	\$1,842,507

**NOTE:** discuss removing cost allocation from golf course budget consistent with water utility costs.





# Wild Wings Sewer System

## – Cost Impact Summary (FY2024-25)

Table 5. Wild Wings CSA Wastewater Cost Impact Summary FY 24-25							
	Proposed Annual Fee			FY 22-23 Annual Fee			Change in Fee
	# of Accounts	Annual Charge	Revenue Budgeted	# of Accounts	Annual Charges	Revenue Budgeted	
<b>Wastewater Charges</b>							
<b>Residential (338 Units)</b>	338	\$3,586.22	\$1,212,142	338	\$3,268.42	\$1,104,726	\$318.22
<b>Golf Course</b>	1	\$36,202	\$36,202	1	\$26,704	\$26,704	\$9,498.00
<b>Total Wastewater Charges</b>			\$1,248,344			\$1,131,430	

Note: The current annual fee for the residential units includes the wastewater annual fee plus the fee to repay the loan from the water fund.

Rate Impact Summary: First three years the sewer rate would adjust with inflation, years 4 and 5 the rates would increase to cover projected CWSRF low interest loan costs for 2<sup>nd</sup> Treatment Train project implementation by 2028.

Not including 2<sup>nd</sup> Treatment Train project smooths rate increases over entire five-year period, eliminating year 4 and 5 increases for CWSRF loan repayment.



# Wild Wings Golf Course

## – Water Budget Summary (Based on Avg. ET values)

Wild Wings Golf Course - Estimated Water Use (Gallons) Based on CIMIS Average ET Values and 2019 Water Use Figures (CB Well)

CIMIS-Location	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Woodland-100% Eto	1	1.8	3.2	4.7	6.1	7.7	8.2	7.2	5.4	3.7	1.7	1	51.7
Woodland-65% Eto	0.65	1.17	2.08	3.055	3.965	5.005	5.33	4.68	3.51	2.405	1.105	0.65	33.605
Water Use/Ac	17,650	31,770	56,481	82,956	107,667	135,907	144,732	127,082	95,311	65,306	30,005	17,650	912,519
Water Use/Wild Wings	1,164,917	2,096,851	3,727,735	5,475,111	7,105,996	8,969,863	9,552,322	8,387,405	6,290,554	4,310,194	1,980,359	1,164,917	60,226,226
Water Use/Wild Wings-2019	1,160,542	2,088,975	3,713,733	5,454,545	7,079,304	8,936,170	9,516,441	8,355,899	6,266,925	4,294,004	1,972,921	1,160,542	60,000,000

### Golf Course Water Sources:

Canvas Back Well – annual costs for operations

Moore Canal – annual costs (\$15K) plus one-time \$15K cost for SCADA upgrades

Wastewater ponds

Annual demand = 50-60 million gallons/year or 153-185 acre-feet/year.

Source diversity provides dry year reliability and at a reasonable cost.

# Updated Utility Costs

## – Water, Sewer and Golf Course (FY24-25)

Majority of utility costs allocated to utility budgets to isolate golf course operational costs.

Current Golf Course Annual Fee = \$1,838

Proposed Golf Course Annual Fee = \$1,200 (with adjusted utility costs)

Water and wastewater utilities funds budget for long term utility costs to support golf course irrigation and utility services. Golf course annual budget reduced from \$621,244 per year to \$405,600 per year.

New lease arrangements do not include irrigation costs. Proposed utility rates separate golf course operational costs from utility costs.

**NOTE: new lease arrangement does not include water irrigation costs.**

# Updated Utility Costs

## – Water, Sewer and Golf Course (FY24-25)

Recommended total  
FY24-25 utility costs  
increase by 1.5%.

**NOTE: water and sewer  
fund cover golf course  
utility costs.**

Wild Wings CSA Charges (FY23-24)				
CPI applied to charges in blue 5.3%				5.30%
	# of	Accounts	Annual Charge	Revenue Budgeted
<u>Water Base Rate</u>		338	\$1,130	\$382,043
Water Usage (\$0.30/100 gal over 250k)		338	Varies	TBD
Water Treatment Charge (arsenic removal)		338	\$241	\$81,699
<b>Total Water Charge (06-26-18 Prop. 218)</b>			<b>\$1,371</b>	<b>\$463,502</b>
<u>Sewer Base Rate</u>		338	\$3,268	\$1,104,733
<b>Total Sewer Charge (06-26-18 Prop. 218)</b>				<b>\$1,104,733</b>
<u>Golf Course Rate</u>		338	\$1,838	\$621,487
<b>Total Golf Course Charge (03-10-09 Measure O)</b>				<b>\$621,487</b>
<b>TOTAL CHARGES</b>				<b>\$2,156,597</b>
			<b>\$6,478</b>	<b>\$2,189,722</b>

Wild Wings CSA Charges (FY24-25)				
CPI applied to charges in blue 5.3%				5.30%
June 2024 Prop. 218 Fee Report				
	# of	Accounts	Annual Charge	Revenue Budgeted
<b>WATER CHARGES</b>				
<u>Water Base Rate</u>				
Residential (1-inch meter size)		338	\$875.32	\$295,858
Commercial (2-inch meter size)		1	\$2,100.76	\$2,101
<b>Water Base Rate Sub-total</b>				<b>\$297,959</b>
<u>Water Quantity Charges</u>				
Tier 1 Use (\$0.601/100 gal up to 180k gal/yr.)		339	\$886.82	\$300,634
Tier 2 Use (\$1.2521/100 gal > 180K gal/yr.)		339	\$386.12	\$130,896
<b>Water Quantity Charges Sub-total</b>			<b>\$1,762</b>	<b>\$431,529</b>
<b>TOTAL WATER CHARGES</b>				<b>\$729,488</b>
<b>SEWER CHARGES</b>				
<u>Sewer Base Rate</u>		338	\$3,586	\$1,212,142
<b>Total Sewer Charge</b>				<b>\$1,212,142</b>
<u>Golf Course Rate</u>		338	\$1,200	\$405,600
<b>Total Golf Course Charge (03-10-09 Measure O)</b>				<b>\$405,600</b>
<b>TOTAL CHARGES</b>				<b>\$2,156,597</b>
			<b>\$6,548</b>	<b>\$2,049,272</b>



# Next Steps

1. Determine final DWR grant funding amounts for water system improvements.
2. Finalize water revenue requirements and revised recommended rates based on final DWR grant funding levels.
3. Present Rate Studies at December 2023 Committee Meeting with final rate recommendations.



# Wild Wings CSA – 2023 Rate Update Project

**QUESTIONS?**