

CALAVERAS PUBLIC UTILITY DISTRICT

WATER RATE COST OF SERVICE STUDY

MAY 21 AND MAY 23, 2019

PUBLIC OUTREACH MEETINGS

WHY DOES THE DISTRICT NEED A RATE MODIFICATION?

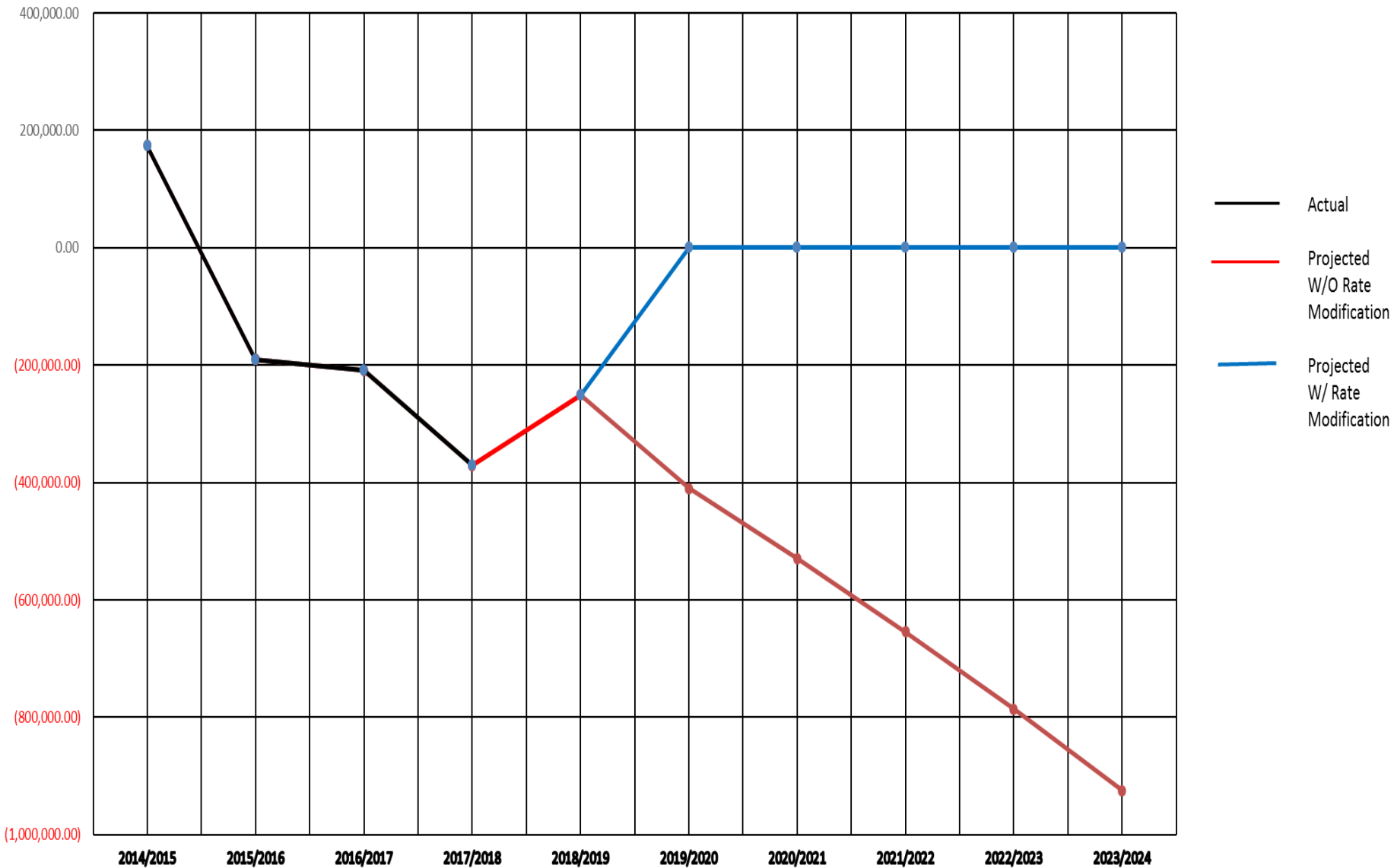
2015-2018 AUDIT SUMMARY

INCOME						
AUDIT YEAR	USER FEES		PROPERTY TAXES	HYDRO ELECTRIC	INTEREST/ MISC.	TOTAL
	BASE	USAGE				
2014/2015	\$1,083,004	\$269,656	\$93,211	\$54,722	\$79,682	\$1,580,275
2015/2016	\$1,067,393	\$321,531	\$99,528	\$63,382	\$82,411	\$1,634,245
2016/2017	\$1,161,276	\$362,607	\$98,368	\$88,586	\$94,348	\$1,805,185
2017/2018	\$1,213,156	\$361,457	\$113,511	\$104,973	\$129,798	\$1,922,895

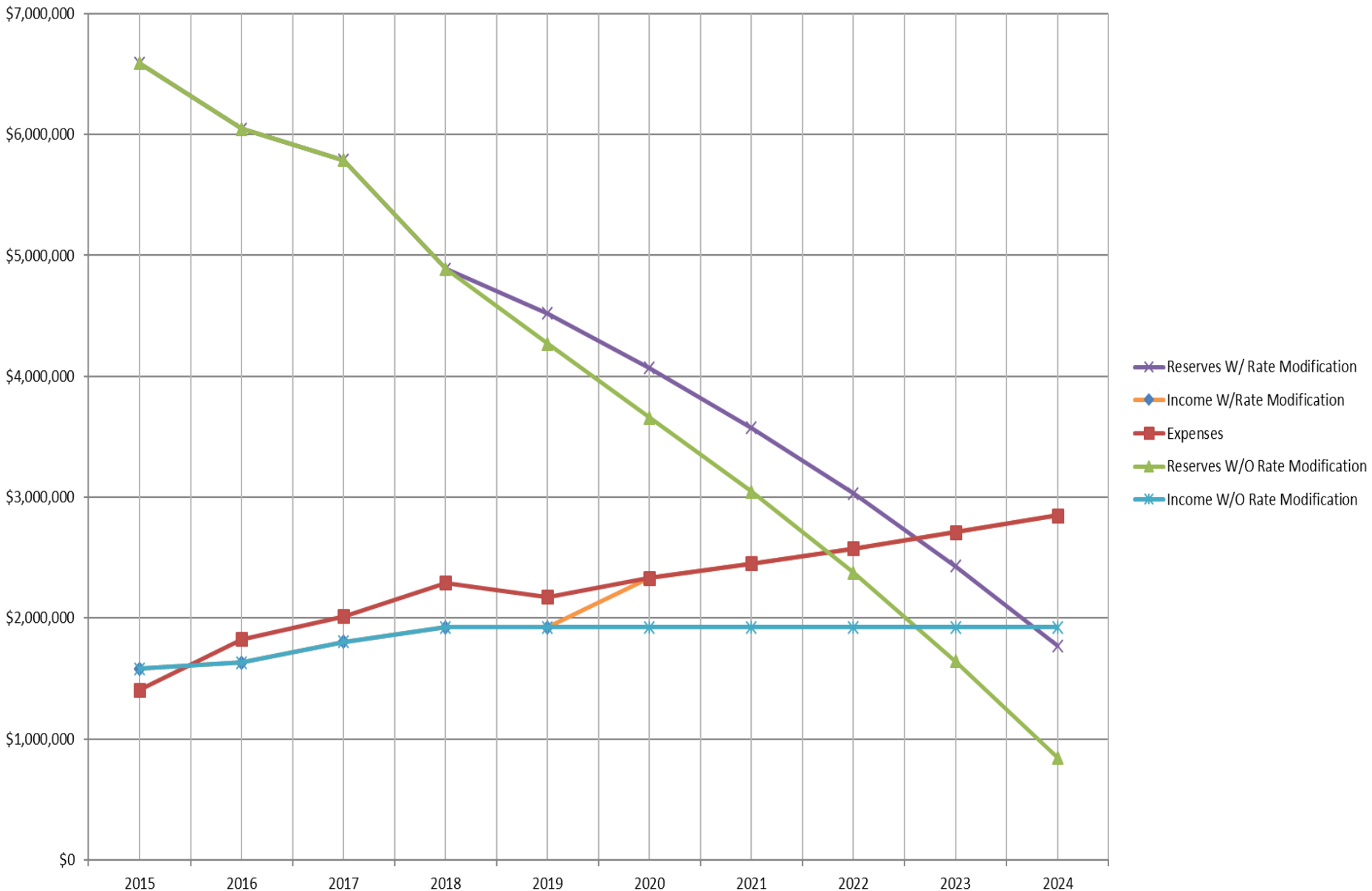
EXPENSES					
AUDIT YEAR	OPERATING	CAPITAL OUTLAY	DEPRECIATION	DEBT SERVICE	TOTAL
2014/2015	\$747,925	\$424,266	\$213,285	\$20,700	\$1,406,176
2015/2016	\$1,196,181	\$381,163	\$226,161	\$20,670	\$1,824,175
2016/2017	\$1,313,717	\$431,959	\$247,441	\$21,378	\$2,014,495
2017/2018	\$1,436,756	\$594,419	\$262,253	\$0	\$2,293,428

AUDIT YEAR	INCOME	EXPENSES	GAIN/ (LOSS)
2014/2015	\$1,580,275	\$1,406,176	\$174,099
2015/2016	\$1,634,245	\$1,824,175	(\$189,930)
2016/2017	\$1,805,185	\$2,014,495	(\$209,310)
2017/2018	\$1,922,895	\$2,293,428	(\$370,533)

CALAVERAS PUBLIC UTILITY DISTRICT
2019 WATER RATE STUDY
PROJECTED
NET ANNUAL OPERATING GAIN/LOSS



CALAVERAS PUBLIC UTILITY DISTRICT 2019 WATER RATE STUDY INCOME/EXPENSE/RESERVE LEVEL PROJECTIONS



CALAVERAS PUBLIC UTILITY DISTRICT

2019 RATE STUDY

BASELINE OPERATING EXPENSES

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	BUDGET	1ST	2ND	3RD	4TH	5TH
EXPENSE CATEGORY	OPERATION	YEAR	YEAR	YEAR	YEAR	YEAR
	OPERATION	OPERATION	OPERATION	OPERATION	OPERATION	OPERATION
FIXED OPERATION AND MAINTENANCE⁽¹⁾	\$1,247,333	1,309,700	1,375,185	1,443,944	1,516,141	1,591,948
VARIABLE OPERATION AND MAINTENANCE⁽¹⁾	\$312,000	327,600	343,980	361,179	379,238	398,200
INDIRECT⁽¹⁾	\$614,667	645,400	677,670	711,554	747,132	784,488
CAPITAL OUTLAY TO BE TAKEN FROM RESERVES	370,000	450,000	495,000	544,500	598,950	658,845
CAPITAL OUTLAY TO BE RECOVERED FROM RATES		50,000	55,000	60,500	66,550	73,205
TOTAL:	2,174,000	2,332,700	2,451,835	2,577,177	2,709,061	2,847,841

⁽¹⁾ ASSUMES 5% INCREASE PER YEAR

**CALAVERAS PUBLIC UTILITY DISTRICT
2019 RATE STUDY - 5%/YEAR
EXISTING RATE STRUCTURE WITH SINGLE USAGE TIER**

EXPENSE CATEGORY	2018/2019 BUDGET	2019/2020 1ST YEAR OPERATION	2020/2021 2ND YEAR OPERATION	2021/2022 3RD YEAR OPERATION	2022/2023 4TH YEAR OPERATION	2023/2024 5TH YEAR OPERATION	TOTAL
FIXED OPERATION AND MAINTENANCE⁽¹⁾	\$1,247,333	1,309,700	1,375,185	1,443,944	1,516,141	1,591,948	
VARIABLE OPERATION AND MAINTENANCE⁽¹⁾	\$312,000	327,600	343,980	361,179	379,238	398,200	
INDIRECT⁽¹⁾	\$614,667	645,400	677,670	711,554	747,132	784,488	
CAPITAL OUTLAY TO BE TAKEN FROM RESERVES	\$370,000	\$450,000	\$495,000	\$544,500	\$598,950	\$658,845	\$2,747,295
CAPITAL OUTLAY TO BE RECOVERED FROM RATES		\$50,000	\$55,000	\$60,500	\$66,550	\$73,205	\$305,255
TOTAL:	\$2,174,000	\$2,332,700	\$2,451,835	\$2,577,177	\$2,709,061	\$2,847,841	
MISC. INCOME: ⁽¹⁾	\$324,483	\$289,936	304,433	319,654	335,637	352,419	
ADDITIONAL FUNDS REQUIRED:	----	\$2,042,764	\$2,147,402	\$2,257,522	\$2,373,423	\$2,495,422	
USAGE (GALLONS): ⁽²⁾⁽³⁾	209,976,113	210,000,000	210,000,000	210,000,000	210,000,000	210,000,000	
USAGE CHARGE/1000 GALLONS: ⁽¹⁾⁽⁴⁾	----	\$2.00	\$2.10	\$2.21	\$2.32	\$2.43	
USAGE INCOME:	\$362,607	\$420,000	\$441,000	\$463,050	\$486,203	\$510,513	
# EM (EQUIVALENT 5/8" METERS): ⁽³⁾	2429	2429	2429	2429	2429	2429	
MONTHLY BASE RATE/EQUIV. 5/8" METER:	----	\$55.68	\$58.55	\$61.57	\$64.75	\$68.10	
BASE RATE INCOME:		\$1,622,764	\$1,706,402	\$1,794,472	\$1,887,221	\$1,984,909	
CAPITAL OUTLAY	\$700,000	\$500,000	\$550,000	\$605,000	\$665,500	\$732,050	\$3,052,550
RESERVE FUND LEVEL AT END OF YEAR	\$4,518,953	\$4,068,953	\$3,573,953	\$3,029,453	\$2,430,503	\$1,771,658	

⁽¹⁾ ASSUMES 5% INCREASE PER YEAR

⁽²⁾ BASED ON 2017/2018 FISCAL YEAR ACTUAL USAGE SUBJECT TO USAGE CHARGES

⁽³⁾ ASSUMES 0% INCREASE PER YEAR

⁽⁴⁾ FOR USAGE GREATER THAN 20,000 GALLONS, DUE TO MU ACCOUNTS, \$2.24/1000 GALLONS FOR USAGE OF 5,000 TO 20,000 GALLONS IN 2019/2020 INCREASED YEARLY THEREAFTER

Capital Outlay Budget - 2019/2020 thru 2023/2024

Fiscal Year/ Capital Outlay Budget	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Treatment Plant Improvements	\$150,000	\$150,000	\$135,000	\$160,000	\$260,050
Pipeline / Schaads Hydros	\$70,000	\$60,000	\$90,000	\$70,000	\$70,000
Schaads	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Inline Hydros	\$40,000	\$30,000	\$60,000	\$40,000	\$40,000
Transmission & Distribution	\$80,000	\$150,000	\$160,000	\$140,000	\$80,000
Equipment/Vehicle Replacement	\$50,000	\$30,000	\$100,000		\$35,000
Storage Tank Repairs	\$30,000	\$120,000	\$60,000	\$80,000	
Main Transmission Line Evaluation				\$60,000	
Glencoe Pump Station Evaluation					\$45,000
Line Replacement / System Improvements	\$170,000	\$160,000	\$180,000	\$250,000	\$275,000
Meter Replacements	\$30,000		\$20,000	\$30,000	
Line Replacements	\$110,000	\$120,000	\$160,000	\$220,000	\$275,000
Water Loss Program	\$30,000	\$20,000			
GIS Mapping/Computer Model		\$20,000			
General & Administration	\$30,000	\$30,000	\$40,000	\$45,000	\$47,000
Total:	\$500,000	\$550,000	\$605,000	\$665,000	\$732,050

CALAVERAS PUBLIC UTILITY DISTRICT
2019 RATE STUDY
WATER SUPPLY SHORTAGE SURCHARGE CALCULATION

WATER SUPPLY SHORTAGE	CONSERVATION LEVEL	REDUCTION IN USAGE ⁽³⁾ (gallons)	REDUCTION IN USAGE INCOME ⁽¹⁾⁽²⁾	USAGE SURCHARGE
STAGE 1	20%	42,000,000	\$49,830	11%
STAGE 2	40%	84,000,000	\$99,660	21%
STAGE 3	Assumed 75%	157,500,000	\$186,863	41%

(1) Annual Total Usage Income = \$464,153 (5 YEAR AVERAGE)

(2) Assumes corresponding % reduction in variable costs (utility pumping power and water treatment supplies) of \$215,000/year

(3) Based upon total of 210,000,000 gallons per year subject to usage charges

**CALAVERAS PUBLIC UTILITY DISTRICT
2019 RATE STUDY
PROPOSED RATES**

BASE RATE:

Residential & Commerical Meter Size	July 2019 - June 2020	July 2020-June 2021	July 2021-June 2022	July 2022-June 2023	Beginning July 2023	Usage Covered by Minimum (Gallons)
5/8" x 3/4"	\$55.68	\$58.55	\$61.57	\$64.75	\$68.10	5,000
1"	\$89.22	\$93.81	\$98.66	\$103.75	\$109.12	20,000
1-1/2"	\$162.05	\$170.40	\$179.19	\$188.46	\$198.21	40,000
2"	\$307.68	\$323.54	\$340.24	\$357.83	\$376.35	80,000
4"	\$562.56	\$591.56	\$622.09	\$654.24	\$688.11	150,000
6"	\$744.62	\$783.00	\$823.41	\$865.97	\$910.80	200,000
8"	\$926.68	\$974.44	\$1,024.74	\$1,077.70	\$1,133.49	250,000

Residential & Commerical Multiple Units	July 2019 - June 2020	July 2020-June 2021	July 2021-June 2022	July 2022-June 2023	Beginning July 2023
Usage 3000 Gallons or less /month avg./unit	\$33.26	\$34.97	\$36.77	\$38.68	\$40.68

Agricultural/Untreated	July 2019 - June 2020	July 2020-June 2021	July 2021-June 2022	July 2022-June 2023	Beginning July 2023
First 60,000 gallons of usage	\$234.87	\$246.97	\$259.72	\$273.14	\$287.28

Industrial	July 2019 - June 2020	July 2020-June 2021	July 2021-June 2022	July 2022-June 2023	Beginning July 2023
First 200,000 gallons of usage	\$744.62	\$783.00	\$823.41	\$865.97	\$910.80

**CALAVERAS PUBLIC UTILITY DISTRICT
2019 RATE STUDY
PROPOSED RATES**

USAGE CHARGE:

Residential & Commercial	July 2019 - June 2020	July 2020-June 2021	July 2021-June 2022	July 2022-June 2023	Beginning July 2023
5,001 to 20,000 gallons	\$2.24 / 1000 gallons	\$2.35 / 1000 gallons	\$2.47 / 1000 gallons	\$2.60 / 1000 gallons	\$2.73 / 1000 gallons
> 20,000 gallons	\$2.00 / 1000 gallons	\$2.10 / 1000 gallons	\$2.21 / 1000 gallons	\$2.32 / 1000 gallons	\$2.43 / 1000 gallons

Residential & Commercial Multiple Units	July 2019 - June 2020	July 2020-June 2021	July 2021-June 2022	July 2022-June 2023	Beginning July 2023
Usage below 5,000 gallons that is not included in base rate	\$1.12 / 100 gallons	\$1.18 / 100 gallons	\$1.24 / 100 gallons	\$1.31 / 100 gallons	\$1.37 / 100 gallons
from 5,001 to 20,000 gallons	\$2.24 / 1000 gallons	\$2.35 / 1000 gallons	\$2.47 / 1000 gallons	\$2.60 / 1000 gallons	\$2.73 / 1000 gallons
> 20,000 gallons	\$2.00 / 1000 gallons	\$2.10 / 1000 gallons	\$2.21 / 1000 gallons	\$2.32 / 1000 gallons	\$2.43 / 1000 gallons

Agricultural/Untreated	July 2019 - June 2020	July 2020-June 2021	July 2021-June 2022	July 2022-June 2023	Beginning July 2023
> 60,000 gallons	\$1.54 / 1000 gallons	\$1.62 / 1000 gallons	\$1.70 / 1000 gallons	\$1.78 / 1000 gallons	\$1.87 / 1000 gallons

Industrial	July 2019 - June 2020	July 2020-June 2021	July 2021-June 2022	July 2022-June 2023	Beginning July 2023
> 200,000 gallons of usage	\$2.00 / 1000 gallons	\$2.10 / 1000 gallons	\$2.21 / 1000 gallons	\$2.32 / 1000 gallons	\$2.43 / 1000 gallons

DROUGHT MANAGEMENT PLAN SURCHARGE:

WATER SUPPLY SHORTAGE	CONSERVATION LEVEL	USAGE SURCHARGE
Stage 1	20%	11%
Stage 2	40%	21%
Stage 3	75%	41%