



# CITY COUNCIL SPECIAL MEETING

January 29, 2025 at 6:00 PM

Angels Fire House – 1404 Vallecito Road

## AGENDA

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**In person public attendance will be available with limited seating. Seats are available on a first come, first served basis. Members of the public shall have the right to observe and offer public comment at the appropriate time.**

**CITY COUNCIL** appreciates your interest and encourages your participation. Regularly scheduled meetings are held the 1st and 3rd Tuesday of each month. The Agenda is divided into two sections:

**CONSENT AGENDA:** These matters include routine financial and administration actions and are usually approved by a single majority vote.

**REGULAR AGENDA:** These items include significant financial and administration actions of special interest, hearings and work sessions. The numerical order of the items on this agenda is for convenience of reference. Items may be taken out of order upon request of the Mayor or Council Members. All questions shall be directed to the Mayor who, at his/her discretion, will refer to Staff.

**Mayor** Michael Chimente | **Vice Mayor** Caroline Schirato

**Council Members** Isabel Moncada, Alvin Broglio, Scott Behiel

**Interim City Administrator** Steve Williams | **City Attorney** Doug White

### 6:00 PM REGULAR MEETING

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF THE AGENDA AS POSTED (OR AMENDED)

#### **4. PUBLIC COMMENT**

The public may address the Council on any item of public interest not otherwise on the agenda that is within the jurisdiction of the city. No action may be taken. Matters to be addressed may be referred to City Staff or placed on a subsequent meeting Agenda. Speakers are limited to five minutes per person.

#### **5. REGULAR AGENDA**

**A.** Presentation on Water Wastewater Rates and Workshop, Bartle Wells Associates (Consultant) and City Staff

#### **6. ADJOURNMENT**

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at City Hall 209-736-2181. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II) Materials related to an item on this Agenda submitted to the City Council after distribution of the Agenda packet are available for public inspection at City Hall at 200 Monte Verda Street Ste. B, Angels Camp, CA 95222 during normal business hours. The Agenda is also available on line at [www.angelscamp.gov](http://www.angelscamp.gov).*



City of Angels  
Investing in Our Community's Future  
Water & Wastewater Rate Study Workshop  
City Council Special Meeting, January 29, 2025

# Welcome and thank you for attending!

The City of Angels is conducting a Proposition 218 Water & Wastewater Rate Study to ensure reliable and sustainable services.

Our goal is to provide transparency and answer your questions about the proposed changes.

Tonight, we will cover:

- Planned capital improvement projects for water and wastewater systems.
- How rate adjustments will support infrastructure and ongoing operations.
- A rate comparison and potential impact on monthly bills.
- Financial overview focusing on the cost of operations.

# Why Are We Here?

## Decision-Making Process for Rate Increases:

- The City conducts a comprehensive review of expenditures, capital projects, and water consumption every five years through an independent consultant.
- Over three Council meetings, proposed rate increases were adjusted from 5% for both water and wastewater to 3% for water and 2% for wastewater, addressing Council's concerns about affordability.
- Discussions included:
  - UWPA rates.
  - Reserve account analyses.
  - Consultant scenarios for funding large capital projects using debt. However, these scenarios were not pursued due to increased revenue requirements for debt service.

# Legal Requirements (Proposition 218)

## Procedural

Must mail a notice of the proposed rate increases to all affected property owners.

Must hold a public hearing prior to adopting the proposed rate increases not less than 45 days after the required notices are mailed.

## Substantive

The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.

Revenues derived from the fee or charge cannot exceed the funds required to provide the service.

Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.

# Overview of a Rate Study Under Proposition 218

## Purpose of a Water & Wastewater Rate Study

- A rate study evaluates the financial needs of a utility system to ensure:
- Long-term financial sustainability.
- Compliance with state and federal regulations.
- Fair and equitable distribution of costs among ratepayers.
- Adequate funding for operations, maintenance, and infrastructure improvements.



# Key Components of a Rate Study

- 1. Cost of Service Analysis** – Determines the actual cost to provide water and wastewater services, including treatment, delivery, and administration.
- 2. Revenue Requirements** – Assesses current and future costs, such as operating expenses, capital improvements, and debt service.
- 3. Rate Design & Structure** – Develops a fair and legally defensible rate structure that aligns with customer usage patterns.
- 4. Capital Improvement Plan (CIP) Funding** – Identifies necessary infrastructure projects and how rate increases will fund them over time.



# Prop 218 Public Notice & Approval Process

- **Public Notification:** Agencies must mail notices to all affected property owners at least **45 days** before a public hearing.
- **Public Hearing & Protest Process:** Ratepayers have the right to submit written protests. If a majority of property owners protest, the rate increase cannot proceed.
- **Council/Board Adoption:** If the majority does not protest, the governing body may approve the rate adjustments.

# 5-Year Water Capital Improvement Plan

## WTP-2 Transmission Main Replacement



### Benefits

- Replace Pipeline / Exceeded Service Life
- Improve Reliability of Water Delivery System
- Facilitates Future Expansion

\$2,180,000

## WDP-1 Mark Twain Road



### Benefits

- Eliminates Dead End Line/Min Interruptions
- Increases Pressure w/in Local System
- Replaces Undersized Pipelines

\$680,000

## WTM-2 M.G. Rd Transmission Main Upgrade



### Benefits

- Improves Deliveries to the Main System
- Improves Fire Protection along SR-49
- Increase Resiliency in Event of Emergency

\$2,300,000



# 5-Year Water Capital Improvement Plan – Continued

## Pressure Valve Replacements

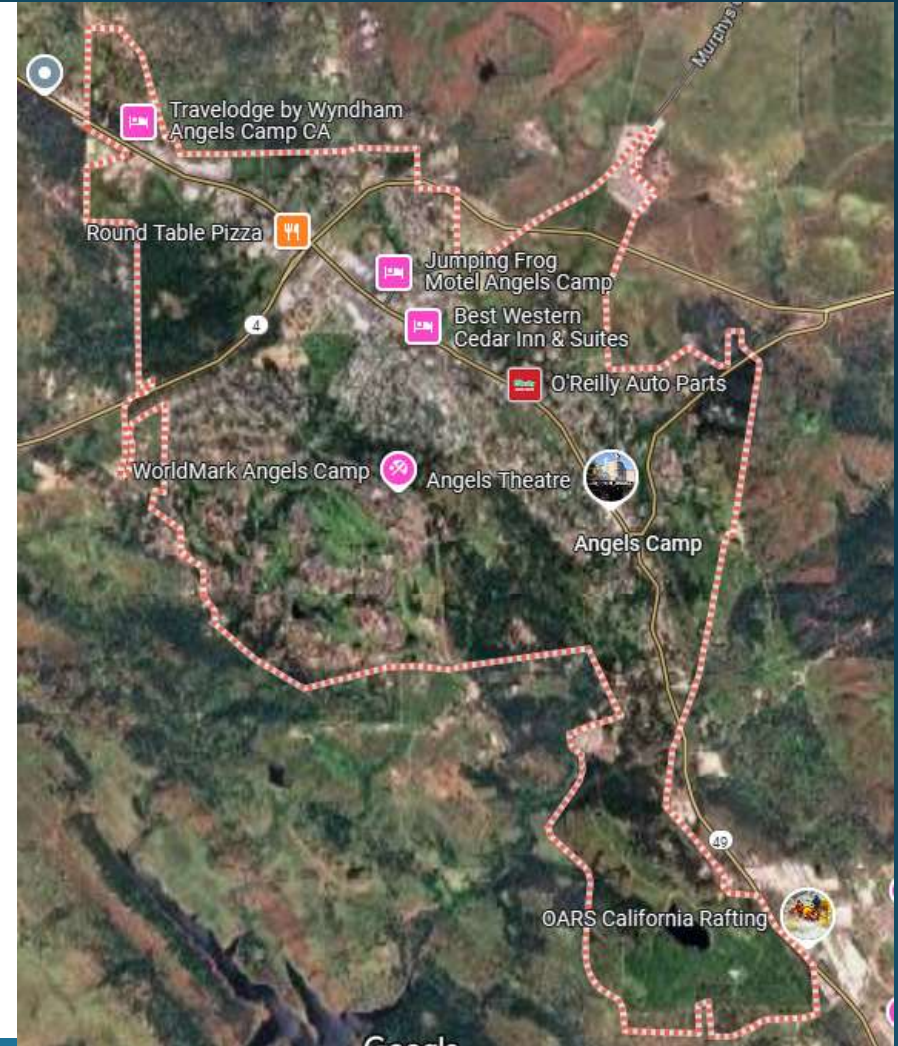
### Benefits

- Replace End of Life Components
- Reduce Maintenance Requirements
- Improved Control of System Pressures
- \$980,000 (actual will be less than half)

## Automated Meter Reader Project

### Benefits

- Improve Efficiency & Accuracy Meter Readings
- Reduce Operational Costs
- Improve Ability to Manage Water System
- \$760,000



# Water Capital Improvement Projects

<b>0 - 5 Years</b>	<b>Priority</b>	<b>Estimated Cost</b>	<b>Funding</b>
WDP-3 Pressure Relief Valve Replacements	Medium	980,000	Pay Go
Automated Meter Reader Project	Medium	760,000	Pay Go
WTP-2 Transmission Main Replacement	High	2,180,000	Pay Go
WDP-1 Mark Twain Road	Medium	680,000	Pay Go
WTM-2 M.G. Rd Transmission Main Upgrade	Medium	2,300,000	Pay Go
	<b>Total</b>	<b>6,900,000</b>	

<b>6-10 Years</b>	<b>Priority</b>	<b>Estimated Cost</b>	<b>Funding</b>
WTP-1 Backwash Handling Improvements	High	6,660,000	Grant/Debt
WDP-2 Hillcrest/Gold Cliff/McCauley	Medium	590,000	Pay Go
WTM-1 SR49 Transmission Main Upgrade	Low	1,015,000	Grant/Debt
	<b>Total</b>	<b>8,265,000</b>	



# 5-Year Wastewater Capital Improvement Plan

### WWCS-1&2 Booster Way/Vallecito/East Angels



**Benefits**  
Increase Flexibility During  
Weather Events  
Improve Resiliency following  
Emergencies

**\$2,900,000**

### WWCS-3 Main Street Sewer Replacement



**Benefits**  
Replace "Failed" Sewer Lines  
Improve Reliability of Sewer Lines  
Reduce Disruption of Downtown  
Businesses

**\$700,000**

### WWCS-4 Murphys Grade Road Sewer Rehab I & I Projects



**Benefits**  
Removes Manholes/Minimizes  
Overflows  
Reduces I&I and Peak Hydraulic Flows  
Simplifies Sewer Network near High  
School

**\$760,000 MGR**  
**\$300,000 I&I**

# Wastewater Capital Improvement Projects

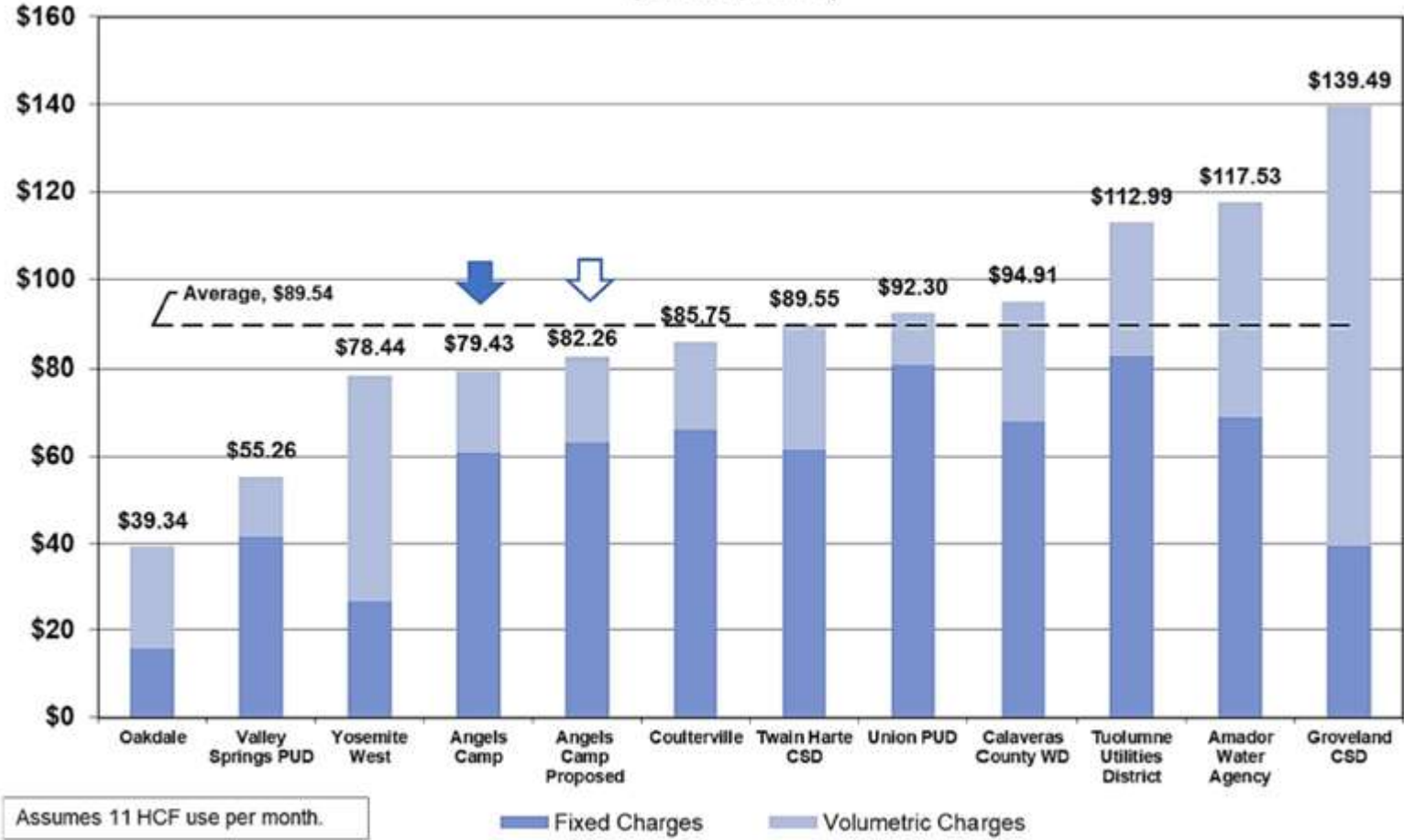
## 0 - 5 Years

	Priority	Estimated Cost	Funding
WWCS-1 & 2 Booster Way/Vallecito/East Angels	High	2,900,000	Pay Go/Grant
WWCS-3 Main Street Sewer Replacement	High	700,000	Pay Go
WWCS-4 Murphys Grade Road Sewer Rehab	High	760,000	Pay Go
I & I Projects	High	300,000	Pay Go
	<b>Total</b>	<b>4,660,000</b>	

## 6-10 Years

	Priority	Estimated Cost	Funding
WWTP-1 Emergency Storage Basin Improvements	Medium	550,000	Grant/Debt
WWTP-2 Grit Removal Systems	Low	700,000	Grant/Debt
	<b>Total</b>	<b>1,250,000</b>	

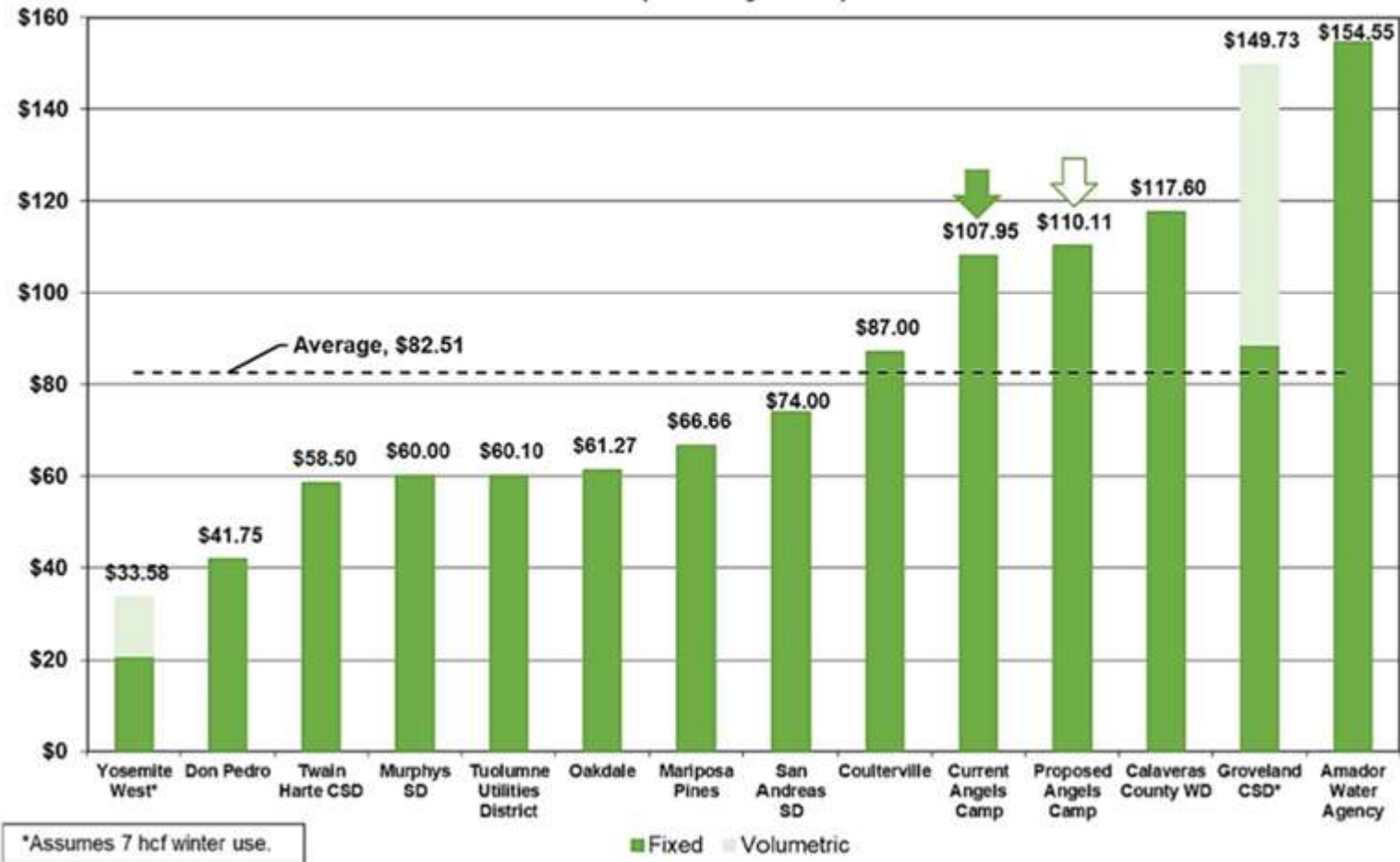
### Single Family Residential Monthly Water Rate Survey (January 2024)



# How Do Our Rates Compare?



### Single Family Residential Monthly Wastewater Rate Survey (January 2024)



# How Do Our Rates Compare?

# What Will This Mean for You?

- The rate increases will fund essential upgrades to water and wastewater infrastructure, ensuring reliable and safe services for the community.
- These improvements help address aging systems and prepare for future growth.
- The modest rate adjustments are designed to account for rising costs in materials, labor, and operations.
- This ensures the City can continue providing high-quality services without sacrificing maintenance or project funding.
- By implementing smaller annual rate increases (3% for water, 2% for wastewater), the City avoids large, sudden hikes that could burden residents and businesses.
- This approach provides predictability for budgeting and helps the community



# Average Bill - Residential

## Average Bill - Residential

### Current Rate Structure

Meter 5/8" *	65.52
UWPA	13.91
Wastewater	107.95
<b>Total</b>	<b>187.38</b>

### Proposed Yr. 1 Rate Structure

Meter 5/8" *	67.48
UWPA	14.78
Wastewater	110.11
<b>Total</b>	<b>192.37</b>

### Proposed Yr. 5 Rate Structure

Meter 5/8" *	75.96
UWPA	18.60
Wastewater	119.19
<b>Total</b>	<b>213.75</b>

\*Average Usage 11 hundred cubic feet (hcf)

# Average Bill – Non-Residential

## Average Bill - Non - Residential

Current Rate Structure		Proposed Yr. 1 Rate Structure		Proposed Yr. 5 Rate Structure	
Meter 5/8" *	61.73	Meter 5/8" *	63.59	Meter 5/8" *	71.69
UWPA	13.91	UWPA	14.78	UWPA	18.60
Wastewater **	136.30	Wastewater **	139.03	Wastewater **	150.49
<b>Total</b>	<b>211.94</b>	<b>Total</b>	<b>217.40</b>	<b>Total</b>	<b>240.78</b>

\*Average usage 9 hundred cubic feet (hcf)

\*\* Minimum charges includes 9 hcf per account per month



# City's Funding Agreement with UWPA

- **UWPA Financial Model (2024):**

- Projected revenues/expenses for 5-10 years.
- Six funding scenarios based on Water Year 2.5 (10-year average).

- **City's Funding Agreement (5-Year):**

- Contributions aligned with Water Year 2.5.
- FY 24/25 contribution: \$370,000.
- Annual 10% increases: FY 25/26 to FY 28/29.
- City is proposing only passing on a 6.22% increase FY 2025 – 2028 and 5% in FY2029.
- The City will use reserves to ease the increases.

- **Passthrough Costs:**

- Higher water year (e.g., Year 3–6) costs may be passed through to rates under Government Code 53756.
- This applies to UWPA passthrough costs only and not proposed Water and Wastewater rates.

# UWPA Rate

**Table 8. UWPA Passthrough Fees Allocation**

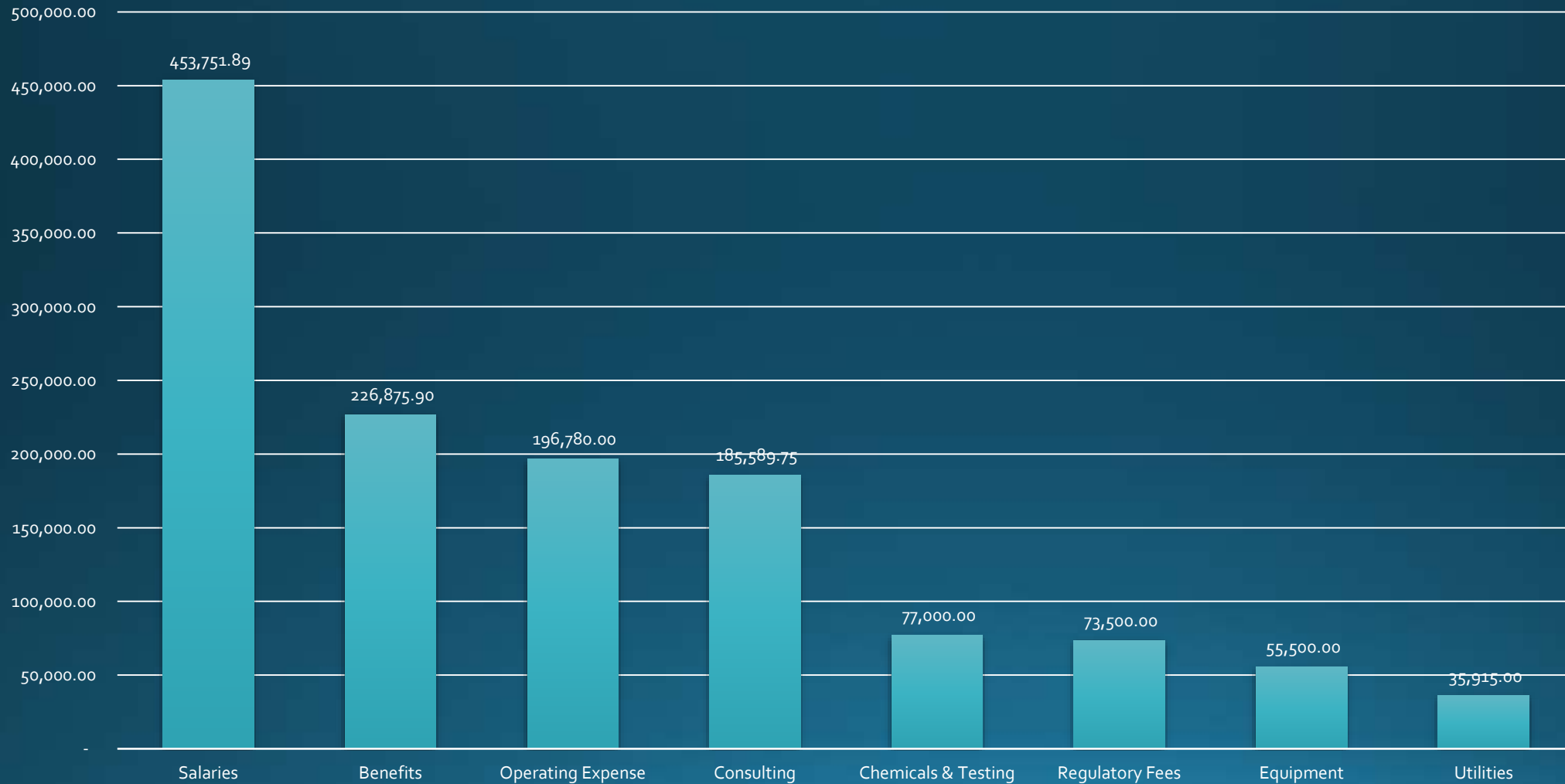
<b>Water Year 2.5</b>		<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
Utica Water And Power Contribution		\$370,000	\$407,000	\$447,700	\$492,470	\$541,717	\$568,803
Growth		65	42	0	0	0	0
Projected 5/8" Meter Equivalents		2,507	2,549	2,549	2,549	2,549	2,549
Meter Size	AWWA Meter Ratio						
5/8"	1	\$13.91	\$14.78	\$15.70	\$16.67	\$17.71	\$18.60
3/4"	1.5	20.86	22.16	23.54	25.01	26.57	27.89
1"	2.5	34.77	36.94	39.24	41.68	44.28	46.49
1 1/2"	5	69.55	73.88	78.48	83.36	88.55	92.98
2"	8	111.28	118.20	125.56	133.38	141.68	148.76
3"	15	208.64	221.63	235.43	250.08	265.65	278.93
4"	25	347.74	369.39	392.38	416.81	442.75	464.89
6"	50	695.48	738.77	784.76	833.61	885.51	929.78
Construction Meter	1.5	20.86	22.16	23.54	25.01	26.57	27.89

# Where Does the Money Go?

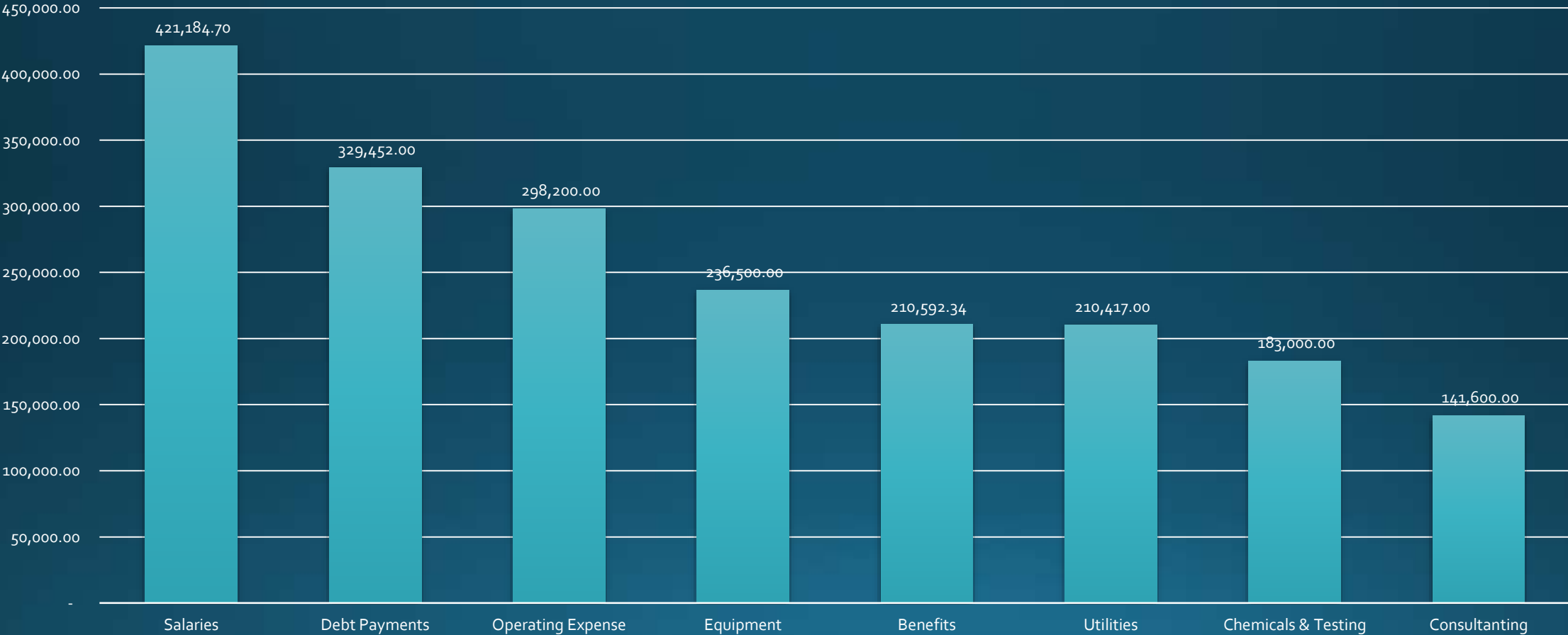
- **Staffing & Budget Overview**
- **Salaries and Benefits** make up the largest portion of the budget.
- The department consists of **6 full-time employees**:
  - **Superintendent**
  - **Chief Plant Operator**
  - **Plant Operators I, II, III, and OIT**
- Additionally, **6 Public Works employees** split their time between City duties and Water/Wastewater operations.



# Water Operating Expense



# Wastewater Operating Expense



# Investing in Our Community

## **Why Rate Increases Are Necessary:**

- To keep aging infrastructure up to date and ensure compliance with regulatory requirements.
- To keep up with the rising cost of living for goods and services.

## **•Key Considerations:**

- Rates remain competitive with the regional average.
- Annually, the Council will review projected expenditures and scheduled projects to set a rate increase **no higher** than what is approved in the Proposition 218 Rate Study.

## **•Next Steps in the Proposition 218 Process:**

- Public Hearing:** February 4, 2025 – City Council Meeting at 6:00 PM

# Questions & Feedback

Thank You for  
Participating!

- Contact Information:
  - [www.angelscamp.gov](http://www.angelscamp.gov)
  - City Hall – 200 Monte Verda, Ste B
  - 209-736-2181
  - COA@angelscamp.gov

CITY OF ANGELS CAMP

FOUNDED 1848 - EST 1912



# 2024 Water and Wastewater Rates Cost of Service Study

Draft  
January 23, 2025



**BARTLE WELLS ASSOCIATES**

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# 1. EXECUTIVE SUMMARY

The City of Angels Camp (“the City”) provides water and wastewater services to a population of approximately 3,800 residents. The City retained Bartle Wells Associates (“BWA”) to develop a financial plan and cost of service study for the City’s water and wastewater enterprise funds to ensure their financial stability over the next five-year period. The rates developed in this study represent maximum annual rate increases. Actual annual rate increases implemented may be less than the proposed rates developed in this study, as approved by the City Council each year.

The proposed rates also outline passthrough fees for the City’s share of costs under its Joint Powers Agreement (JPA) with the Utica Water and Power Authority (UWPA) under an average water year (water year 2.5). In early 2024, the UWPA developed a financial model for their projected revenues and expenses over the next five and ten years. The purpose of this analysis was to develop sound budget projections that could be provided to the JPA member agencies to use as a planning tool for future contributions. A total of six funding scenarios were developed. All six scenarios assumed Water Year 2.5, which is based on the average water year UWPA has experienced over the past 10 years. After consideration of all member funding scenarios, the City selected into a five year funding agreement. The agreement assumes member contributions under a water year 2.5, contribution for FY 24/25 set at \$370,000, and 10% increases each year beginning in FY 25/26 and ending in FY 28/29. Should costs come in higher than projected, such as if the UWPA declare a water year 3, 4, 5, or 6, the City has the option to automatically pass through the additional cost through water rates under Government Code 53756.

## Water Issues

The water system is a self-supporting enterprise that includes water supply, treatment, storage, and distribution facilities. Water supply is provided through a JPA between the City of Angels and Union Public Utility District (UPUD). The JPA, known as UWPA, has served the City and its partner agency since 1995.

Proposed water rate increases are needed to fund:

- Ongoing JPA Obligations - Member agency costs are increasing by 10% annually. BWA recommends that these costs are gradually phased in over the five year period.
- Ongoing cost inflation - Projected 5% annual operating costs increases.
- Capital Projects - near-term capital improvement program totaling ~\$15.6 million in water projects.

## Wastewater Issues

The wastewater system is a self-supporting enterprise comprised of six pump stations, 4.5 miles of forced main lines, and 22.5 miles of gravity sewer lines.

Proposed wastewater rate increases are needed to fund:

- Debt Obligations - The wastewater enterprise needs to fund annual debt obligations of ~\$348,000.
- Ongoing cost inflation - Projected 5% annual operating costs increases.
- Capital Projects - near-term capital improvement program totaling ~\$7 million in wastewater projects. The projects aim to increase the safety and security of the system and to promote regulatory compliance.

**Table 1** on the following page shows the current and proposed rates developed in this study.

**Table 1. Current and Proposed Rates**

**Current & Proposed Water Rates**

<u>Monthly Fixed Rates</u>		<u>Meter Charges</u>				
Effective Date	Current	6/21/2025	6/21/2026	6/21/2027	6/21/2028	6/21/2029
<b>Proposed Maximum Increase (%)<sup>1</sup></b>		<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
<u>Meter Size</u>						
5/8"	\$46.93	\$48.34	\$49.79	\$51.28	\$52.82	\$54.40
3/4"	\$70.40	\$72.51	\$74.69	\$76.92	\$79.23	\$81.60
1"	\$117.33	\$120.85	\$124.48	\$128.20	\$132.05	\$136.00
1 1/2"	\$234.65	\$241.70	\$248.95	\$256.40	\$264.10	\$272.00
2"	\$375.44	\$386.72	\$398.32	\$410.24	\$422.56	\$435.20
3"	\$703.95	\$725.10	\$746.85	\$769.20	\$792.30	\$816.00
4"	\$1,173.25	\$1,208.50	\$1,244.75	\$1,282.00	\$1,320.50	\$1,360.00
6"	\$2,346.51	\$2,417.00	\$2,489.50	\$2,564.00	\$2,641.00	\$2,720.00
Construction Meter	\$70.40	\$72.51	\$74.69	\$76.92	\$79.23	\$81.60
<u>Volumetric Rates</u>						
All use, \$ / hcf <sup>2</sup>	\$1.69	\$1.74	\$1.79	\$1.84	\$1.90	\$1.96
<u>Monthly Fixed Rates</u>		<u>UWPA Fees (Water Year 2.5)</u>				
Proposed Maximum Increase (%) <sup>3</sup>		6.22%	6.22%	6.22%	6.22%	5.00%
<u>Meter Size</u>						
5/8"	\$13.91	\$14.78	\$15.70	\$16.67	\$17.71	\$18.60
3/4"	\$20.86	\$22.16	\$23.54	\$25.01	\$26.57	\$27.89
1"	\$34.77	\$36.94	\$39.24	\$41.68	\$44.28	\$46.49
1 1/2"	\$69.55	\$73.88	\$78.48	\$83.36	\$88.55	\$92.98
2"	\$111.27	\$118.20	\$125.56	\$133.38	\$141.68	\$148.76
3"	\$208.64	\$221.63	\$235.43	\$250.08	\$265.65	\$278.93
4"	\$347.73	\$369.39	\$392.38	\$416.81	\$442.75	\$464.89
6"	\$695.46	\$738.77	\$784.76	\$833.61	\$885.51	\$929.78
Construction Meter	\$20.86	\$22.16	\$23.54	\$25.01	\$26.57	\$27.89

**Current & Proposed Wastewater Rates**

<u>Monthly Fixed Rates</u>						
Effective Date	Current	6/21/2025	6/21/2026	6/21/2027	6/21/2028	6/21/2029
<b>Proposed Maximum Increase (%)<sup>1</sup></b>		<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>
Residential Users	\$107.95	\$110.11	\$112.31	\$114.56	\$116.85	\$119.19
Non-Residential Minimum Charges <sup>4</sup>	\$136.30	\$139.03	\$141.81	\$144.65	\$147.54	\$150.49
<u>Volumetric Rates</u>						
Non-Residential Users, \$ / hcf, winter use <sup>5</sup>	Various	\$0.0212	\$0.0216	\$0.0220	\$0.0224	\$0.0228

<sup>1</sup> Represents maximum annual % increases, actual annual % increases implemented may be less than proposed as approved by City Council each year.

<sup>2</sup> HCF = hundred cubic feet or approximately 748 gallons.

<sup>3</sup> Should UWPA declare a water year 3, 4, 5, or 6, the City may automatically recalculate rates for passthrough fees.

<sup>4</sup> Mixed class users are subject to one minimum commercial charge per commercial account plus one residential charge per residential dwelling unit.

<sup>5</sup> Winter use is calculated as the monthly use from January - April of the prior year divided by four.

## 2. BACKGROUND AND OBJECTIVES

---

### 2.1. Background

In 2023, the City engaged BWA to perform a rate study analyzing the capital and operating costs associated with the City’s water and wastewater utilities and to determine recovery of costs for providing water and wastewater utility services. This report presents BWA’s analysis of the operating and non-operating expenses of the City’s water and wastewater enterprises. The goals of this study were to analyze the City’s enterprise funds, make recommendations that enhance the financial sustainability of each enterprise, and to review utility rates to ensure that they adhere to the State’s legal requirements.

### 2.2. Rate Study Objectives

Key goals and objectives of the financial plans and rate studies for the water and wastewater enterprises include developing rates that:

- Capture enough revenues to move forward with and complete capital projects that will provide City of Angels Camp water rate payers with clean and safe drinking water.
- Capture enough revenues to move forward with and complete capital projects and that will ensure reliable wastewater collection and treatment for City of Angels Camp wastewater rate payers.
- Recover the costs of providing utility services including operating costs, capital costs, and build prudent reserves to ensure the water and wastewater funds continue to operate as financially self-sustaining Enterprise Funds.
- Are fair and equitable to all customers.
- Are easy to understand and implement.
- Comply with the substantive cost-of-service requirements of the California Constitution, Article 13D, Section 6 (established by Proposition 218) and the general mandate of Article 10, Section 2 that prohibits the wasteful use of water.
- Support the City’s long-term operational and financial stability.

This report summarizes key findings and recommendations for overall rate revenue increases over the next five years.

### 3. LEGAL REQUIREMENTS

#### 3.1. Constitutional Rate Requirements

The California Constitution includes two key articles that directly govern or impact the City’s water and wastewater rates: Article 10 and Article 13D. The rates developed in this study were designed to comply with both constitutional mandates as well as various provisions of the California Water Code and Government Code that support and add further guidance for implementing these constitutional requirements. In accordance with the constitutional provisions, the proposed rates are designed to a) recover the City’s cost of providing water and wastewater service; b) allocate costs in proportion to the cost for serving each customer class; and c) promote conservation and discourage waste.

##### Article 10, Section 2

Article 10, Section 2 of the California Constitution was established by voter-approval in 1976 and requires public agencies to maximize the beneficial use of water, prevent waste, and encourage conservation. Section 2 states that:

*It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.*

##### Article 13D, Section 6

Proposition 218 was adopted by California voters in 1996 and added Articles 13C and 13D to the California Constitution. Article 13D, Section 6 governs property-related charges, which the California Supreme Court subsequently ruled includes ongoing utility service charges such as water, sewer, and garbage rates. Article 13D, Section 6 establishes a) procedural requirements for imposing or increasing property-related charges, and b) substantive requirements for those charges. Article 13D also requires voter approval for new or increased property-related charges but exempts from this voting requirement rates for water, sewer, and garbage service.

The substantive requirements of Article 13D, Section 6 require the City’s water and wastewater rates to meet the following conditions:

- 1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service.
- 2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- 3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- 4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question.

Pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fees. This statute of limitations applies to the water and wastewater rates proposed in this rate study and is included in the Proposition 218 Notice.

### 3.2. Use of Generally Accepted Rate-Making Principles

The rates developed in this report use a straightforward methodology to establish an equitable system of fixed and variable charges that recover the cost of providing service and fairly apportion costs to each rate component. The rates were developed using generally accepted cost-based principles and methodologies for establishing water rates, charges, and fees contained and discussed in the AWWA M1 Manual. In developing water rates, it is important to know that there is no “one-size-fits-all” approach for establishing cost-based water rates, “the (M1 Manual) is aimed at outlining the basic elements involved in water rates and suggesting alternative rules of procedure for formulating rates, thus permitting the exercise of judgment and preference to meet local conditions and requirements.”<sup>1</sup>

BWA uses a straightforward methodology to establish equitable charges that recover the cost of providing service and fairly apportion costs.

Key elements of this study include:

- 1) **Project Initiation and Data Collection** – Review financial policies; collect financial and other relevant data; and review rate structures;
- 2) **Demand Analysis** – Analyze past customer demands and customer characteristics to forecast future demands;
- 3) **Long Range Financial Plans** – Develop financial projections to evaluate annual revenue requirements from rates and the overall level of rate increases needed to fund the costs of providing service and support long term financial stability;
- 4) **Cost Allocation** – Group the City’s costs in terms of the function they serve as a basis to proportionally allocate the revenue requirement from rates;
- 5) **Cost-of-Service Rate Design** – Develop rates that proportionately recover costs; and
- 6) **Prop 218 Process** – Ensure compliance with the substantive and procedural requirements of Proposition 218.

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<sup>1</sup> AWWA Manual M1 Manual, Principles of Water Rates, Fees, and Charges, Sixth Edition, 2012, page 5.

## 4. WATER SYSTEM OVERVIEW

### 4.1. Water Supply

The City’s water supply is provided through a Joint Powers Agreement (JPA) between the City of Angels and Union Public Utility District (UPUD). The JPA, known as Utica Water and Power Authority (UWPA), has served the City and its partner agency since 1995 when local officials purchased the 27-mile-long flumes, ditches, and two powerhouses from PG&E. The purchase, led by Calaveras County Water District (CCWD), was meant to secure the valuable 1914 water rights for the residents of Angels Camp. The original JPA included CCWD, the City, and UPUD. CCWD left the partnership in 2004 over concerns about the financial costs of participating in the partnership.

From 1995 to 2013 communities served by the UWPA received water from the North Fork Stanislaus River at little to no cost. The UWPA further elected to offset water costs by utilizing its hydro-power generation revenues in efforts to keep water costs low. While residents had enjoyed a low-cost water source for decades, the model built to sustain this commodity has now become outmoded. The system experienced unprecedented dry years between the years of 2012-2015. Less water results in less power generation resulting in less revenue available to offset low to no cost water to customers, and maintenance deferral has become less and less of an option for savings. The UWPA is further burdened by the impending FERC relicensing, which requires funding additional financial investments and reserves.

These financial challenges coupled with the changing energy markets have chipped away at what was once a low-cost water supply. Member agencies hold the responsibility to ensure the financial viability of the JPA.

### 4.2. City Water Distribution

The City acquired the water treatment plant in 1984 from PG&E. A 2.5 million gallon tank located at the plant is the only existing storage tank within the City water system. Water to the City is fed by the original PG&E transmission line and is assumed to be greater than 50 years old. City staff maintains 167,000 linear feet of pipelines with diameters ranging from 2-14”. The system includes 300 hydrants, 30 air relieve valves, 14 blow-off valves, ten pressure reducing valves, and one surge valve. In certain locations, pipe is reasonably estimated to be greater than 50 years in use.

### 4.3. Current Water Rates

As shown in **Table 2**, the current rate structure includes a uniform volumetric rate based on usage, a monthly meter service charge, and a monthly UWPA passthrough fee.

**Table 2. Current Water Rates**

All water users	\$/hcf		
All use	\$1.69		
<b>UWPA Fee</b>			
Meter Size	Meter Charge	(Water Year 2.5)	Total Monthly Fixed Charge
5/8"	\$46.93	\$13.91	\$60.84
3/4"	70.40	20.86	91.26
1"	117.33	34.77	152.10
1 1/2"	234.65	69.55	304.20
2"	375.44	111.27	486.71
3"	703.95	208.64	912.59
4"	1,173.25	347.73	1,520.98
6"	2,346.51	695.46	3,041.97
Construction meter	70.40	20.86	91.26

**4.4. Water Enterprise Debt**

The water enterprise does not have any outstanding debt service as of FY 2024/25.

**4.5. Capital Improvement Plan**

**Table 3** shows the water enterprise near term capital improvement program. The Capital Improvement Plan (CIP) has identified project costs in the amount of \$15.67 million. The projects aim to increase the safety and security of the system and to promote regulatory compliance. In an effort to help keep water rates low for their customers, the City plans to use financial reserves to help fund proposed water projects.

**Table 3. Water Enterprise Capital Improvement Plan**

<b>Project Name &amp; Description</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>Totals</b>
<b>WTP 1 &amp; 2</b>							
Backwash Handling Improvements		\$3,330,000	\$3,330,000				<b>\$6,660,000</b>
Treated Water Transmission Main Replacement				2,180,000			<b>2,180,000</b>
<b>WTM 1 &amp; 2</b>							
SR-49 Transmission Main Upgrade				1,015,000			<b>1,015,000</b>
Murphys Grade Rd Transmission Main Upgrade					2,300,000		<b>2,300,000</b>
<b>WDP 1, 2, &amp; 3</b>							
Mark Twain Road Water System Improvements	680,000						<b>680,000</b>
Hillcrest, Gold Cliff, McCauley Ranch Rd Water System Improvements	590,000						<b>590,000</b>
Pressure Relief Valve Replacement	980,000						<b>980,000</b>
Automatic Meter Reading Project	152,000	152,000	152,000	152,000	152,000		<b>760,000</b>
Capital Projects						<u>500,000</u>	<b><u>500,000</u></b>
<b>Total</b>	<b>\$2,402,000</b>	<b>\$3,482,000</b>	<b>\$3,482,000</b>	<b>\$3,347,000</b>	<b>\$2,452,000</b>	<b>\$500,000</b>	<b>\$15,665,000</b>

**4.6. Cash Flow Projection**

The City is anticipating several manageable financial challenges that will require gradual rate increases in the upcoming years. Annual rate increases are needed to keep revenues in line with inflation and to prevent rates from falling behind the cost of providing water services.

BWA determined that the City needs to raise rate revenue (excluding the UWPA passthrough fees) by 3% per year to meet the goal of funding the City’s operating and capital needs. The UWPA passthrough fees are recommended to be gradually phased in and fully cover projected UWPA contributions.

**Table 4** shows the water enterprise 10-year cash flow projection.



**Table 4. Water Cashflow Projections**

Fiscal Year	Projected										
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
<b>Beginning Fund Balance</b>	<b>\$7,559,047</b>	<b>\$5,710,330</b>	<b>\$6,109,148</b>	<b>\$6,482,412</b>	<b>\$3,746,948</b>	<b>\$1,832,102</b>	<b>\$1,850,225</b>	<b>\$1,847,020</b>	<b>\$1,820,035</b>	<b>\$1,767,973</b>	<b>\$1,686,724</b>
<b>% Rate Revenue Increase</b>	<b>0.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>
<b>Growth - %</b>	<b>2.7%</b>	<b>1.7%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>REVENUES</b>											
<b>Water Rate Revenue</b>											
Water Service Charges	\$1,926,235	\$2,017,261	\$2,077,778	\$2,140,112	\$2,204,315	\$2,270,445	\$2,338,558	\$2,408,715	\$2,480,976	\$2,555,405	\$2,632,068
UWPA Charges	418,456	451,952	480,086	509,971	541,717	568,803	597,243	627,105	658,460	691,383	725,953
<b>Total Rate Revenues</b>	<b>2,344,691</b>	<b>2,469,213</b>	<b>2,557,865</b>	<b>2,650,083</b>	<b>2,746,032</b>	<b>2,839,248</b>	<b>2,935,801</b>	<b>3,035,820</b>	<b>3,139,437</b>	<b>3,246,789</b>	<b>3,358,020</b>
<b>Misc Operating Revenues</b>											
Water Connection Fees	0	0	0	0	0	0	0	0	0	0	0
Misc. Revenue <sup>1</sup>	28,600	3,338,600	3,338,600	68,600	28,600	28,600	28,600	28,600	28,600	28,600	28,600
Interest	34,000	35,020	36,071	37,153	38,267	39,415	40,598	41,816	43,070	44,362	45,693
<b>Total Misc Operating Revenues</b>	<b>62,600</b>	<b>3,373,620</b>	<b>3,374,671</b>	<b>105,753</b>	<b>66,867</b>	<b>68,015</b>	<b>69,198</b>	<b>70,416</b>	<b>71,670</b>	<b>72,962</b>	<b>74,293</b>
<b>Total Revenues</b>	<b>2,407,291</b>	<b>5,842,833</b>	<b>5,932,535</b>	<b>2,755,836</b>	<b>2,812,899</b>	<b>2,907,263</b>	<b>3,004,999</b>	<b>3,106,236</b>	<b>3,211,107</b>	<b>3,319,751</b>	<b>3,432,313</b>
<b>EXPENSES</b>											
<b>Operating Expenses</b>											
Personnel Costs	642,162	674,270	707,983	743,382	780,551	819,579	860,558	903,586	948,765	996,203	1,046,013
Water UL	88,889	93,333	98,000	102,900	108,045	113,447	119,120	125,076	131,330	137,896	144,791
Utica Water and Power Contribution	370,000	407,000	447,700	492,470	541,717	568,803	597,243	627,105	658,460	691,383	725,953
Utilities	35,690	37,475	39,348	41,316	43,381	45,550	47,828	50,219	52,730	55,367	58,135
Repairs & Maintenance	60,500	63,525	66,701	70,036	73,538	77,215	81,076	85,130	89,386	93,855	98,548
Tools & Equipment	6,000	6,300	6,615	6,946	7,293	7,658	8,041	8,443	8,865	9,308	9,773
Professional Services	214,700	225,435	236,707	248,542	260,969	274,018	287,719	302,104	317,210	333,070	349,724
Materials & Supplies	91,357	95,925	100,721	105,757	111,045	116,597	122,427	128,548	134,976	141,724	148,811
Other Services & Charges	130,825	137,366	144,235	151,446	159,019	166,970	175,318	184,084	193,288	202,953	213,100
O&M Cost Allocations	150,000	157,500	165,375	173,644	182,326	191,442	201,014	211,065	221,618	232,699	244,334
<b>Total Operating Expenses</b>	<b>1,790,122</b>	<b>1,898,128</b>	<b>2,013,385</b>	<b>2,136,439</b>	<b>2,267,884</b>	<b>2,381,279</b>	<b>2,500,343</b>	<b>2,625,360</b>	<b>2,756,628</b>	<b>2,894,459</b>	<b>3,039,182</b>
<b>Non Operating Expenses</b>											
Vehicle Replacement Set Aside	63,886	63,886	63,886	7,861	7,861	7,861	7,861	7,861	6,541	6,541	6,541
Projected Loan Debt Service				0	0	0	0	0	0	0	0
Existing Debt Service	0	0	0	0	0	0	0	0	0	0	0
Capital Improvement Projects	2,402,000	3,482,000	3,482,000	3,347,000	2,452,000	500,000	500,000	500,000	500,000	500,000	500,000
<b>Total Non Operating Expenses</b>	<b>2,465,886</b>	<b>3,545,886</b>	<b>3,545,886</b>	<b>3,354,861</b>	<b>2,459,861</b>	<b>507,861</b>	<b>507,861</b>	<b>507,861</b>	<b>506,541</b>	<b>506,541</b>	<b>506,541</b>
<b>Total Expenses</b>	<b>4,256,008</b>	<b>5,444,014</b>	<b>5,559,271</b>	<b>5,491,300</b>	<b>4,727,745</b>	<b>2,889,140</b>	<b>3,008,204</b>	<b>3,133,221</b>	<b>3,263,169</b>	<b>3,401,000</b>	<b>3,545,723</b>
<b>Net Revenues for Debt Service/Capital</b>	<b>617,169</b>	<b>3,944,704</b>	<b>3,919,150</b>	<b>619,397</b>	<b>545,015</b>	<b>525,984</b>	<b>504,656</b>	<b>480,876</b>	<b>454,479</b>	<b>425,292</b>	<b>393,131</b>
<b>Net Income</b>	<b>(1,848,717)</b>	<b>398,818</b>	<b>373,264</b>	<b>(2,735,464)</b>	<b>(1,914,846)</b>	<b>18,123</b>	<b>(3,205)</b>	<b>(26,985)</b>	<b>(52,062)</b>	<b>(81,249)</b>	<b>(113,410)</b>
<b>Ending Fund Balance</b>	<b>\$5,710,330</b>	<b>\$6,109,148</b>	<b>\$6,482,412</b>	<b>\$3,746,948</b>	<b>\$1,832,102</b>	<b>\$1,850,225</b>	<b>\$1,847,020</b>	<b>\$1,820,035</b>	<b>\$1,767,973</b>	<b>\$1,686,724</b>	<b>\$1,573,315</b>
<b>Total Unrestricted Fund Target (25% O&amp;M)</b>											
Target Met	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Debt Service Coverage (Minimum 1.20x)</b>											
Target Met	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

1 - Connection Fees, Inspections, Water Meter Charge, Utility Processing Fee, Door Hanger Fee, Restoration Fee, Utility Late Fee, Other

#### 4.7. Current Customer Base & Revenue Estimate

**Table 5** shows the water enterprise's current number of customers by meter size and projected rate revenue under current rates. The meter cost ratio is based on American Water Works Association (AWWA) standard ratios. Excluding UWPA passthrough fees, the water enterprise currently collects approximately 71% of rate revenue from fixed meter charges and 29% from volumetric charges. Total water usage amounted to 326,031 hundred cubic feet in FY 2023/24.

**Table 5. Current Water Rate Revenue**

<b>Meter Size</b>	<b>Number of Customers</b>	<b>Monthly Meter Rate</b>	<b>Monthly Meter Revenue</b>	<b>Current Meter Cost Ratio</b>	<b>5/8" Meter Equivalents</b>
5/8"	1,656	\$46.93	\$77,716.08	1	1,656
3/4"	36	70.40	2,534.40	1.5	54
1"	59	117.33	6,922.47	2.5	148
1 1/2"	21	234.65	4,927.65	5	105
2"	35	375.44	13,140.40	8	280
3"	8	703.95	5,631.60	15	120
4"	1	1,173.25	1,173.25	25	25
6"	1	2,346.51	2,346.51	50	50
Construction Meter	<u>3</u>	70.40	<u>211.20</u>	1.5	<u>5</u>
	1,820		\$114,603.56		2,442
<b>Current Water Rate Revenue Estimate</b>					
Total Annual Rate Revenue	\$1,926,235		100%		
Annual Meter Revenue	1,375,243		71%		
Annual Volumetric Rate Revenue	550,992		29%		
Total Use (HCF)	326,031				
\$/hcf	\$1.69				

#### 4.8. Cost Allocation to Billing Components

In **Table 6**, BWA allocated FY 2023/24 costs (excluding UWPA costs) to billing components (meter versus usage). Costs are allocated more toward the fixed meter charges to represent that they are more recurrent regardless of water usage. BWA recommends collecting approximately 70% of rate revenue based on meter charges and 30% based on usage charges based on this analysis.

**Table 6. Water Cost Allocation**

	<b>2023/24</b>		<b>Meter Charge</b>		<b>Usage Charge</b>
<b>Operating Expenses</b>					
Personnel Costs	\$566,221	70%	\$397,793	30%	\$168,428
Water UL	98,943	70%	69,511	30%	29,432
Utilities	46,400	70%	32,598	30%	13,802
Repairs & Maintenance	76,500	70%	53,744	30%	22,756
Tools & Equipment	6,000	70%	4,215	30%	1,785
Professional Services	142,300	70%	99,971	30%	42,329
Materials & Supplies	77,139	70%	54,193	30%	22,946
Other Services & Charges	131,750	70%	92,560	30%	39,190
O&M Cost Allocations	<u>150,000</u>	70%	<u>105,381</u>	30%	<u>44,619</u>
<b>Total Operating Expenses</b>	1,295,253		909,967		385,286
<b>Non Operating Expenses</b>					
Vehicle Replacement Set Aside	63,886	70%	44,882	30%	19,004
Debt Service	37,234	70%	26,158	30%	11,076
Capital Improvement Projects	<u>2,165,000</u>	70%	<u>1,520,999</u>	30%	<u>644,001</u>
<b>Total Non Operating Expenses</b>	2,266,120		1,592,039		674,081
<b>Total Expenses</b>	3,561,373		2,502,006		1,059,367
<b>Adjustments</b>					
Less: Non Rate Revenue	62,600	70%	43,979	30%	18,621
Less: Use of Reserves	<u>1,541,251</u>	70%	<u>1,082,790</u>	30%	<u>458,461</u>
<b>Total Adjustments</b>	1,603,851		1,126,769		477,082
<b>Angel's Camp Revenue Requirements</b>	<u>\$1,957,522</u>	70%	<u>\$1,375,237</u>	30%	<u>\$582,285</u>

#### 4.9. Current Meter Charges

**Table 7** shows the development of the meter charges. The \$1,375,237 of costs allocated to meter charges in **Table 6** is divided by estimated 5/8" meter equivalents of 2,442 to get an annual charge of \$563.16, or \$46.93 per month. Customers with meters larger than the 5/8" base would pay proportionally more based on the capacity of the meter.

**Table 7. Current Water Meter Cost Allocation**

Meter Charge Allocation	\$1,375,237
5/8" AWWA Meter Equivalents	<u>2,442</u>
Annual \$ per 5/8" Meter Equivalent	\$563.16
Monthly \$/per 5/8" Meter Equivalent	\$46.93

Meter Size	AWWA Meter Ratio	Current	Proposed
5/8"	1	\$46.93	\$46.93
3/4"	1.5	70.40	70.40
1"	2.5	117.33	117.33
1 1/2"	5	234.65	234.65
2"	8	375.44	375.44
3"	15	703.95	703.95
4"	25	1,173.25	1,173.25
6"	50	2,346.51	2,346.50

#### 4.10. Current and Projected UWPA Passthrough Fees

**Table 8** shows the development of the UWPA passthrough fees under an average water year 2.5. Projected Utica Water and Power Contributions are divided by total meter equivalents to get a cost per 5/8" meter. Larger meters pay proportionally more based on their metered capacity. The fee is designed to cover the costs of the City's water supply based on projected annual contribution amounts. The projected costs utilized to develop these fees are based on Utica Water and Power projected contributions based on an average water year and do not account for additional wholesale cost increases beyond 10% per year.

BWA recommends implementing passthrough fees based on UWPA's average water year, water year 2.5. Should contribution amounts be less than average, such as in the case of a water year 1 or 2, the City is recommended to save any additional amount in a balancing account that can be used to offset fee increases in bad years (water years 4, 5 or 6). Any increases, such as in the case of a water year 3, 4, 5, or 6, may be passed through via Government Code 53756.

**Table 8. UWPA Passthrough Fees Allocation**

<b>Water Year 2.5</b>		<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
Utica Water And Power Contribution		\$370,000	\$407,000	\$447,700	\$492,470	\$541,717	\$568,803
Growth		65	42	0	0	0	0
Projected 5/8" Meter Equivalents		2,507	2,549	2,549	2,549	2,549	2,549
Meter Size	AWWA Meter Ratio						
5/8"	1	\$13.91	\$14.78	\$15.70	\$16.67	\$17.71	\$18.60
3/4"	1.5	20.86	22.16	23.54	25.01	26.57	27.89
1"	2.5	34.77	36.94	39.24	41.68	44.28	46.49
1 1/2"	5	69.55	73.88	78.48	83.36	88.55	92.98
2"	8	111.28	118.20	125.56	133.38	141.68	148.76
3"	15	208.64	221.63	235.43	250.08	265.65	278.93
4"	25	347.74	369.39	392.38	416.81	442.75	464.89
6"	50	695.48	738.77	784.76	833.61	885.51	929.78
Construction Meter	1.5	20.86	22.16	23.54	25.01	26.57	27.89



#### 4.11. Proposed City Water Rates

**Table 9** shows the current and proposed water rates for the City. The proposed rates incorporate the cost allocation developed in **Table 6** and the annual projected costs over the next five-year period.

**Table 9. Current and Proposed Water Rates**

		<b>Fiscal Year</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
		<b>Effective Date</b>	<b>6/21/2025</b>	<b>6/21/2026</b>	<b>6/21/2027</b>	<b>6/21/2028</b>	<b>6/21/2029</b>
		<b>Proposed Increase</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Monthly Use</b>		<b>Current Rate</b>					
All use, \$/hcf		\$1.69	\$1.74	\$1.79	\$1.84	\$1.90	\$1.96
<b>Meter Size</b>	<b>Meter Cost Ratio</b>	<b>Current Meter Rates</b>					
5/8"	1	46.93	48.34	49.79	51.28	52.82	54.40
3/4"	1.5	70.40	72.51	74.69	76.92	79.23	81.60
1"	2.5	117.33	120.85	124.48	128.20	132.05	136.00
1 1/2"	5	234.65	241.70	248.95	256.40	264.10	272.00
2"	8	375.44	386.72	398.32	410.24	422.56	435.20
3"	15	703.95	725.10	746.85	769.20	792.30	816.00
4"	25	1,173.25	1,208.50	1,244.75	1,282.00	1,320.50	1,360.00
6"	50	2,346.51	2,417.00	2,489.50	2,564.00	2,641.00	2,720.00
Construction Meter	1.5	70.40	72.51	74.69	76.92	79.23	81.60

### 4.12. Proposed UWPA Passthrough Fees

Table 10 shows the current and proposed passthrough fees for annual UWPA contributions based on an average water year.

**Table 10. Current and Proposed Passthrough Fees**

<b>Water Year 2.5 (Average Contribution)</b>			<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
		<b>Fiscal Year Effective Date</b>	<b>6/21/2025</b>	<b>6/21/2026</b>	<b>6/21/2027</b>	<b>6/21/2028</b>	<b>6/21/2029</b>
		<b>Proposed Increase</b>	<b>6.22%</b>	<b>6.22%</b>	<b>6.22%</b>	<b>6.22%</b>	<b>5.00%</b>
<b>Meter Size</b>	<b>Meter Cost Ratio</b>	<b>Current UWPA Passthrough Fee</b>					
5/8"	1	\$13.91	\$14.78	\$15.70	\$16.67	\$17.71	\$18.60
3/4"	1.5	20.86	\$22.16	\$23.54	\$25.01	\$26.57	\$27.89
1"	2.5	34.77	\$36.94	\$39.24	\$41.68	\$44.28	\$46.49
1 1/2"	5	69.55	\$73.88	\$78.48	\$83.36	\$88.55	\$92.98
2"	8	111.27	\$118.20	\$125.56	\$133.38	\$141.68	\$148.76
3"	15	208.64	\$221.63	\$235.43	\$250.08	\$265.65	\$278.93
4"	25	347.73	\$369.39	\$392.38	\$416.81	\$442.75	\$464.89
6"	50	695.46	\$738.77	\$784.76	\$833.61	\$885.51	\$929.78
Construction Meter	1.5	20.86	\$22.16	\$23.54	\$25.01	\$26.57	\$27.89

### 4.13. Water Bill Impacts

Table 11 shows the bill impacts of the proposed water rates on a variety of usage levels for a typical residential user.

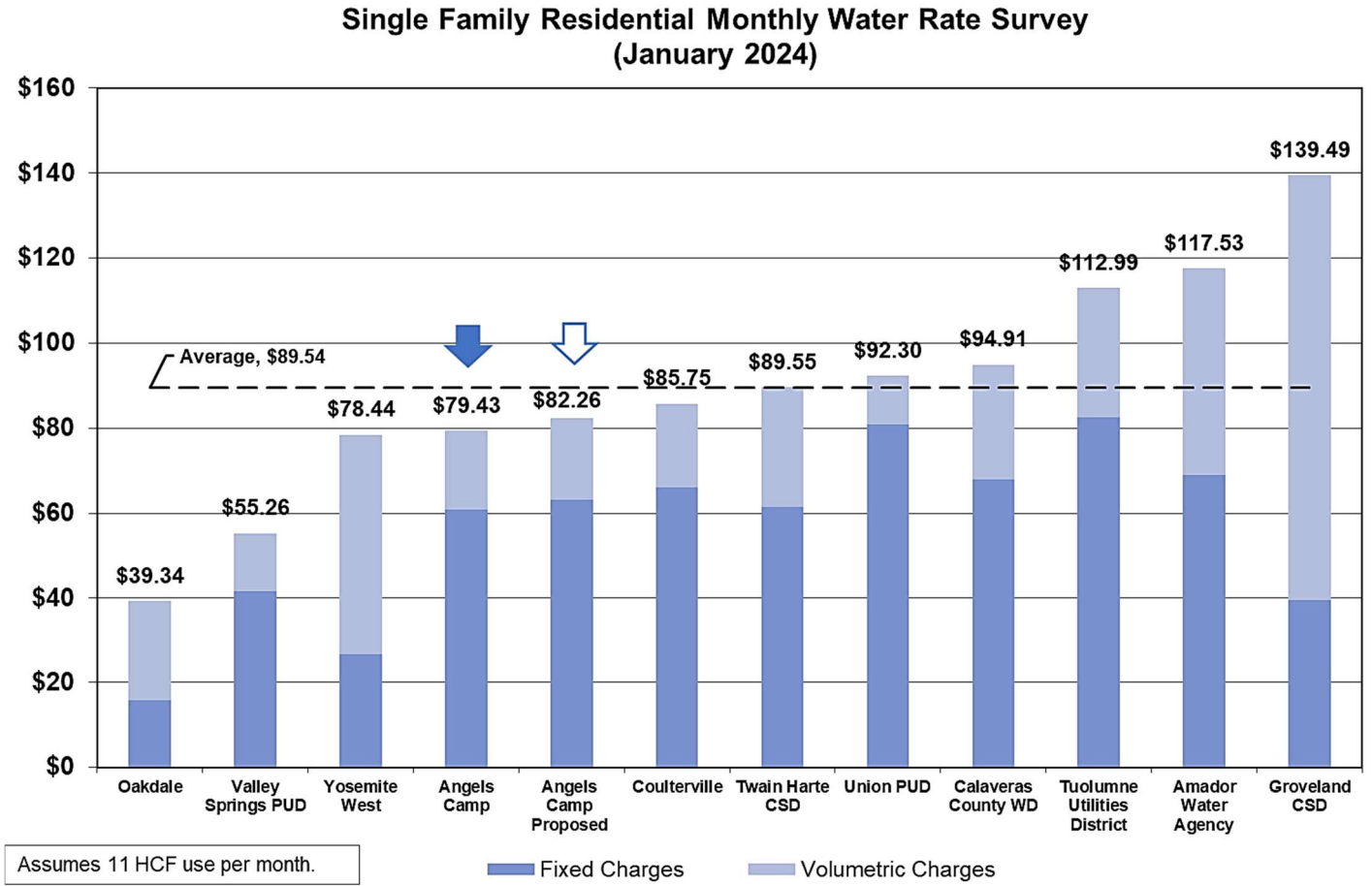
**Table 11. Water Bill Impacts**

<b>Single Family Residential - 5/8" Meter</b>							
<b>Monthly Use</b>	<b>hcf</b>	<b>Current Billing</b>	<b>Projected 2025/26</b>	<b>Projected 2026/27</b>	<b>Projected 2027/28</b>	<b>Projected 2028/29</b>	<b>Projected 2029/30</b>
Low	7	\$72.67	\$75.30	\$78.02	\$80.83	\$83.83	\$86.72
Average	11	79.43	82.26	85.18	88.19	91.43	94.56
Moderate	15	86.19	89.22	92.34	95.55	99.03	102.40
High	40	128.44	132.72	137.09	141.55	146.53	151.40

### 4.14. Regional Water Rate Survey

Figure 1 compares the water bills for a typical single family home to those of other regional agencies.

Figure 1: Regional Water Rate Survey



## 5. WASTEWATER SYSTEM OVERVIEW

### 5.1. Wastewater Treatment and Collection

The existing wastewater system is comprised of six lift stations, 4.5 miles of forced main lines, and 22.5 miles of gravity sewer lines. The system is comprised of three district sub-systems: Altaville, Downtown, and Angel Oaks/Greenhorn.

The Water Treatment Plant consists of headworks, an equalization basin, three sequencing batch reactors, an intermediate storage basin, four filters ultraviolet disinfection facilities, a diversion storage basin, two aerobic digesters, belt filter press, eight sludge drying beds, and a storage reservoir. Recycled water is used for irrigation of a 136-acre sprayfield adjacent to Holman Reservoir and the 110-acre Golf Course at Greenhorn Creek.

### 5.2. Current Wastewater Rates

**Table 12** shows the City’s current wastewater rates. Current residential rates are based on dwelling units and commercial rates are based on connections per commercial establishment. Current wastewater rates for Other Institutions are per gallon of winter use, and per gallon of use for Six Mile Village (Outside Agency). BWA recommends updating the City’s current rate structure to include fixed charges for all user groups receiving wastewater services from the City.

**Table 12. Current Wastewater Rates**

<u>Residential</u>	<u>\$ / Dwelling Unit / Month</u>
Single Family	\$107.95
Mobile Home	107.95
Multi-Family	107.95
<u>Commercial &amp; Industrial</u>	<u>\$ / Establishment / Month</u>
Commercial & Industrial	136.30
<u>Other Institutional</u>	<u>\$ / gallon , winter use</u>
Other Institutional	0.0208
<u>Six Mile Village (Outside Agency)</u>	<u>\$ / gallon</u>
Domestic-Strength	0.0144

### 5.3. Wastewater Enterprise Debt

Table 13 shows the wastewater enterprise’s current debt obligation schedules.

**Table 13. Current Wastewater Enterprise Debt Schedules**

<b>2017 USDA Refinancing Loan Agreement (Wastewater)</b>			
<b>Repayment Date</b>	<b>Loan</b>	<b>Interest</b>	<b>Total Repayment</b>
Sept. 1, 2017	\$119,510.00	\$35,877.95	\$155,387.95
Mar. 1, 2018	\$119,511.00	\$53,565.53	\$173,076.53
Sept. 1, 2018	\$113,769.00	\$51,934.21	\$165,703.21
Mar. 1, 2019	\$113,768.00	\$50,381.26	\$164,149.26
Sept. 1, 2019	\$114,970.00	\$48,828.33	\$163,798.33
Mar. 1, 2020	\$114,970.00	\$47,258.99	\$162,228.99
Sept. 1, 2020	\$118,722.00	\$45,689.65	\$164,411.65
Mar. 1, 2021	\$118,722.00	\$44,069.09	\$162,791.09
Sept. 1, 2021	\$122,469.00	\$42,448.54	\$164,917.54
Mar. 1, 2022	\$122,470.00	\$40,776.84	\$163,246.84
Sept. 1, 2022	\$126,213.00	\$39,105.12	\$165,318.12
Mar. 1, 2023	\$126,214.00	\$37,382.31	\$163,596.31
Sept. 1, 2023	\$129,953.00	\$35,659.49	\$165,612.49
Mar. 1, 2024	\$129,954.00	\$33,885.63	\$163,839.63
Sept. 1, 2024	\$133,690.00	\$32,111.76	\$165,801.76
Mar. 1, 2025	\$133,689.00	\$30,286.89	\$163,975.89
Sept. 1, 2025	\$137,420.00	\$28,462.04	\$165,882.04
Mar. 1, 2026	\$137,421.00	\$26,586.26	\$164,007.26
Sept. 1, 2026	\$141,147.00	\$24,710.46	\$165,857.46
Mar. 1, 2027	\$141,148.00	\$22,783.80	\$163,931.80
Sept. 1, 2027	\$144,870.00	\$20,857.13	\$165,727.13
Mar. 1, 2028	\$144,870.00	\$18,879.66	\$163,749.66
Sept. 1, 2028	\$148,587.00	\$16,902.18	\$165,489.18
Mar. 1, 2029	\$148,589.00	\$14,873.97	\$163,462.97
Sept. 1, 2029	\$152,301.00	\$12,845.73	\$165,146.73
Mar. 1, 2030	\$152,301.00	\$10,766.82	\$163,067.82
Sept. 1, 2030	\$156,009.00	\$8,687.91	\$164,696.91
Mar. 1, 2031	\$156,009.00	\$6,558.39	\$162,567.39
Sept. 1, 2031	\$162,230.00	\$4,428.87	\$166,658.87
Mar. 1, 2032	\$162,229.00	\$2,214.43	\$164,443.43
<b>TOTALS:</b>	<b>\$4,043,725.00</b>	<b>\$888,819.24</b>	<b>\$4,932,544.24</b>

<b>State Department of Water Resources (Wastewater)</b>			
<b>Fiscal Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Repayment</b>
2018	\$13,858	\$2,071	\$15,929
2019	\$13,996	\$1,933	\$15,929
2020	\$14,136	\$1,793	\$15,929
2021	\$14,278	\$1,651	\$15,929
2022	\$14,420	\$1,509	\$15,929
2023 - 2027	\$74,294	\$5,351	\$79,645
2028 - 2031	<u>\$62,155</u>	<u>\$1,561</u>	<u>\$63,716</u>
Totals	\$207,137	\$15,869	\$223,006



### 5.4. Capital Improvement Plan

As shown on **Table 14**, the near term CIP has identified capital project costs in the amount of \$7.00 million. The projects aim to increase the safety and security of the system and to promote regulatory compliance. The City estimates the wastewater enterprise will obtain a \$567,000 loan in FY 2026/27 to fund the projected capital program.

**Table 14. Wastewater Enterprise Capital Improvement Plan**

<b><u>Project Name &amp; Description</u></b>	<b><u>2024/25</u></b>	<b><u>2025/26</u></b>	<b><u>2026/27</u></b>	<b><u>2027/28</u></b>	<b><u>2028/29</u></b>	<b><u>2029/30</u></b>	<b><u>Totals</u></b>
<b>WWTP 1</b>							
Emergency Storage Basin Improvements				\$275,000	\$275,000		<b>\$550,000</b>
<b>WWTP 2</b>							
Grit Removal Systems		350,000	350,000				<b>\$700,000</b>
<b>WWCS 1 &amp; 2</b>							
Booster Way Sewerline	1,950,000	950,000					<b>\$2,900,000</b>
<b>WWCS 3</b>							
Main Street Sewer Replacement			700,000				<b>\$700,000</b>
<b>WWCS 4</b>							
Murphys Grade Rd Sewer Rehabilitation				380,000	380,000		<b>\$760,000</b>
I & I Projects				300,000			<b>\$300,000</b>
Capital Projects	<u>95,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<b>\$1,095,000</b>
<b>Total Sewer CIP</b>	<b>\$2,045,000</b>	<b>\$1,300,000</b>	<b>\$1,050,000</b>	<b>\$955,000</b>	<b>\$655,000</b>	<b>\$1,000,000</b>	<b>\$7,005,000</b>

### 5.5. Cash Flow Projection

**Table 15** shows the wastewater enterprise 10-year cash flow projection. BWA determined that the City needs to raise rate revenues by 2% per year for the next 5 years to meet the goal of funding the City’s operating and capital needs.

**Table 15. Wastewater Cash Flow Projections**

Fiscal Year	Projected										
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2032/34	2032/35
Beginning Fund Balance	\$5,830,442	\$5,280,531	\$5,531,513	\$6,534,449	\$7,104,499	\$7,953,053	\$8,431,815	\$8,751,536	\$8,914,773	\$9,236,990	\$9,373,603
<b>% Rate Revenue Increase</b>	<b>0.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Growth - %</b>	<b>3.1%</b>	<b>1.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>REVENUES</b>											
<b>Operating Revenue</b>											
Sewer Service Fee - O&M	\$3,587,146	\$3,728,996	\$3,803,575	\$3,879,647	\$3,957,240	\$4,036,385	\$4,036,385	\$4,036,385	\$4,036,385	\$4,036,385	\$4,036,385
Sewer Connection Fee	0	0	0	0	0	0	0	0	0	0	0
Misc. Revenue	0	0	0	0	0	0	0	0	0	0	0
Interest Earnings	<u>122,400</u>	<u>126,072</u>	<u>129,854</u>	<u>133,750</u>	<u>137,762</u>	<u>141,895</u>	<u>146,152</u>	<u>150,537</u>	<u>155,053</u>	<u>159,704</u>	<u>164,495</u>
<b>Total Operating Revenues</b>	<b>3,709,546</b>	<b>3,855,068</b>	<b>3,933,430</b>	<b>4,013,397</b>	<b>4,095,002</b>	<b>4,178,280</b>	<b>4,182,537</b>	<b>4,186,921</b>	<b>4,191,437</b>	<b>4,196,089</b>	<b>4,200,880</b>
<b>Non Operating Revenues</b>											
Projected Loan (6%, 20 Years)	0	0	<u>566,500</u>	0	0	0	0	0	0	0	0
<b>Total Non Operating Revenues</b>	<b>0</b>	<b>0</b>	<b>566,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Revenues</b>	<b>3,709,546</b>	<b>3,855,068</b>	<b>4,499,930</b>	<b>4,013,397</b>	<b>4,095,002</b>	<b>4,178,280</b>	<b>4,182,537</b>	<b>4,186,921</b>	<b>4,191,437</b>	<b>4,196,089</b>	<b>4,200,880</b>
<b>EXPENSES</b>											
<b>Operating Expenses</b>											
Personnel Costs	611,316	641,882	673,976	707,675	743,059	780,212	819,222	860,184	903,193	948,352	995,770
Sewer UL	62,721	65,857	69,150	72,607	76,237	80,049	84,052	88,254	92,667	97,300	102,165
Utilities	226,417	237,738	249,625	262,106	275,211	288,972	303,420	318,591	334,521	351,247	368,809
Repairs & Maintenance	178,625	187,556	196,934	206,781	217,120	227,976	239,375	251,343	263,910	277,106	290,961
Tools & Equipment	10,000	10,500	11,025	11,576	12,155	12,763	13,401	14,071	14,775	15,513	16,289
Professional Services	173,805	182,495	191,620	201,201	211,261	221,824	232,915	244,561	256,789	269,629	283,110
Materials & Supplies	139,236	146,198	153,507	161,183	169,242	177,704	186,589	195,919	205,715	216,000	226,800
Other Services & Charges	188,200	197,610	207,491	217,865	228,758	240,196	252,206	264,816	278,057	291,960	306,558
O&M Cost Allocations	<u>200,000</u>	<u>210,000</u>	<u>220,500</u>	<u>231,525</u>	<u>243,101</u>	<u>255,256</u>	<u>268,019</u>	<u>281,420</u>	<u>295,491</u>	<u>310,266</u>	<u>325,779</u>
<b>Total Operating Expenses</b>	<b>1,790,320</b>	<b>1,879,836</b>	<b>1,973,828</b>	<b>2,072,519</b>	<b>2,176,145</b>	<b>2,284,952</b>	<b>2,399,200</b>	<b>2,519,160</b>	<b>2,645,118</b>	<b>2,777,374</b>	<b>2,916,242</b>
<b>Non Operating Expenses</b>											
Vehicle Replacement	78,431	78,431	78,431	21,406	21,406	21,406	21,406	21,406	17,086	17,086	17,086
Projected Loan Debt Service			49,016	49,016	49,016	49,016	49,016	49,016	49,016	49,016	49,016
Existing Debt Service	345,707	345,818	345,718	345,406	344,881	344,144	343,193	331,102	0	0	0
Capital	<u>2,045,000</u>	<u>1,300,000</u>	<u>1,050,000</u>	<u>955,000</u>	<u>655,000</u>	<u>1,000,000</u>	<u>1,050,000</u>	<u>1,103,000</u>	<u>1,158,000</u>	<u>1,216,000</u>	<u>1,277,000</u>
<b>Total Non Operating Expenses</b>	<b>2,469,138</b>	<b>1,724,249</b>	<b>1,523,166</b>	<b>1,370,828</b>	<b>1,070,303</b>	<b>1,414,566</b>	<b>1,463,616</b>	<b>1,504,525</b>	<b>1,224,102</b>	<b>1,282,102</b>	<b>1,343,102</b>
<b>Total Expenses</b>	<b>4,259,458</b>	<b>3,604,085</b>	<b>3,496,993</b>	<b>3,443,347</b>	<b>3,246,448</b>	<b>3,699,518</b>	<b>3,862,815</b>	<b>4,023,684</b>	<b>3,869,220</b>	<b>4,059,476</b>	<b>4,259,345</b>
<b>Net Revenues for Debt Service / Capital</b>											
	1,919,226	1,975,232	2,526,102	1,940,878	1,918,857	1,893,328	1,783,337	1,667,761	1,546,320	1,418,715	1,284,638
<b>Net Income</b>	<b>(549,911)</b>	<b>250,982</b>	<b>1,002,936</b>	<b>570,050</b>	<b>848,554</b>	<b>478,762</b>	<b>319,721</b>	<b>163,237</b>	<b>322,217</b>	<b>136,613</b>	<b>(58,465)</b>
Ending Fund Balance	\$5,280,531	\$5,531,513	\$6,534,449	\$7,104,499	\$7,953,053	\$8,431,815	\$8,751,536	\$8,914,773	\$9,236,990	\$9,373,603	\$9,315,138
<b>Total Unrestricted Fund Target (25% O&amp;M)</b>											
	447,580	469,959	493,457	518,130	544,036	571,238	599,800	629,790	661,279	694,343	729,061
<b>Target Met</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>
<b>Debt Service Coverage (Min. 1.3x)</b>											
	5.6	5.7	6.4	4.9	4.9	4.8	4.5	4.4	31.5	28.9	26.2
<b>Target Met</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>

## 5.6. Cost Allocation

**Table 16** shows the projected wastewater flows and loadings of the City's wastewater customers by equivalent dwelling units (EDUs). BWA estimates total flows to the wastewater system of 435,155 gallons per day or 212,327 hundred cubic feet (hcf) annually. Total annual estimated projected biochemical oxygen demand (BOD) amounts to 265,148 pounds and total estimated suspended solids (SS) amounts to 265,148 pounds.

**Table 16. Flows and Loadings**

	# of Sewer EDUs	Est. Mo Flow (hcf) Per EDU <sup>1</sup>	Projected Wastewater Flow			Strength (mg/l)		Loadings (lbs)	
			hcf	mg	gpd	BOD	SS	BOD	SS
Total Residential	1,942	7	161,681	121	331,358	200	200	201,903	201,903
Total Commercial & Industrial	<u>221</u>	Varies <sup>2</sup>	<u>50,646</u>	<u>38</u>	<u>103,797</u>	200	200	<u>63,245</u>	<u>63,245</u>
<b>Total</b>	<b>2,163</b>		<b>212,327</b>	<b>159</b>	<b>435,155</b>			<b>265,148</b>	<b>265,148</b>

<sup>1</sup> Based on analysis of City of Angel's Camp water use billing records from 2019-2024.

<sup>2</sup> A typical commercial account uses approximately 9 hcf per account per month.

**Table 17** shows an allocation of the various cost categories of the wastewater enterprise in FY 2023/24. BWA recommends recovering wastewater costs based on flow and 25% based on strength components. Excluding the additional revenue generated from minimum charges, rate revenue requirement in FY 2023/24 is \$3,303,690, with a cost of \$11.67 per hcf of flow, \$1.56 per pound of BOD and \$1.56 per pound of SS.

**Table 17. Wastewater Cost Allocation**

Costs Allocated to All Customers	2023/24	Allocation %			Allocation \$			Projected Loadings (lbs)		
		Flow	BOD	SS	Flow	BOD	SS	Flow (hcf)	BOD	SS
								237,078	414,470	374,999
<b>Operating Cost Component</b>										
Personnel Costs	\$461,953	75.0%	12.5%	12.5%	\$346,465	\$57,744	\$57,744	\$1.46	\$0.14	\$0.15
Sewer UL	66,836	75.0%	12.5%	12.5%	50,127	8,355	8,355	0.21	0.02	0.02
Utilities	302,000	75.0%	12.5%	12.5%	226,500	37,750	37,750	0.96	0.09	0.10
Repairs & Maintenance	150,500	75.0%	12.5%	12.5%	112,875	18,813	18,813	0.48	0.05	0.05
Tools & Equipment	11,000	75.0%	12.5%	12.5%	8,250	1,375	1,375	0.03	0.00	0.00
Professional Services	174,200	75.0%	12.5%	12.5%	130,650	21,775	21,775	0.55	0.05	0.06
Materials & Supplies	154,379	75.0%	12.5%	12.5%	115,784	19,297	19,297	0.49	0.05	0.05
Other Services & Charges	190,600	75.0%	12.5%	12.5%	142,950	23,825	23,825	0.60	0.06	0.06
O&M Cost Allocations	<u>150,000</u>	75.0%	12.5%	12.5%	<u>112,500</u>	<u>18,750</u>	<u>18,750</u>	<u>0.47</u>	<u>0.05</u>	<u>0.05</u>
<b>Total Operating Expenses</b>	<b>1,661,468</b>				<b>1,246,101</b>	<b>207,684</b>	<b>207,684</b>	<b>5.26</b>	<b>0.50</b>	<b>0.55</b>
<b>Capital Cost Component</b>										
Vehicle Replacement	78,431	75.0%	12.5%	12.5%	58,823	9,804	9,804	0.25	0.02	0.03
Existing Debt Service	345,381	75.0%	12.5%	12.5%	259,036	43,173	43,173	1.09	0.10	0.12
Capital	<u>2,595,000</u>	75.0%	12.5%	12.5%	<u>1,946,250</u>	<u>324,375</u>	<u>324,375</u>	<u>8.21</u>	<u>0.78</u>	<u>0.87</u>
<b>Total Capital Expenses</b>	<b>3,018,812</b>				<b>2,264,109</b>	<b>377,352</b>	<b>377,352</b>	<b>9.55</b>	<b>0.91</b>	<b>1.01</b>
<b>Total Expenses</b>	<b>4,680,280</b>				<b>3,510,210</b>	<b>585,035</b>	<b>585,035</b>	<b>14.81</b>	<b>1.41</b>	<b>1.56</b>
<b>Adjustments</b>										
Less: Non-Rate Operating Revenue	(120,000)	75.0%	12.5%	12.5%	(90,000)	(15,000)	(15,000)	(0.38)	(0.04)	(0.04)
Less: Minimum Charges	(177,085)	75.0%	12.5%	12.5%	(132,814)	(22,136)	(22,136)	(0.63)	(0.08)	(0.08)
Less: Use of Reserves	<u>(1,079,505)</u>	75.0%	12.5%	12.5%	<u>(809,628)</u>	<u>(134,938)</u>	<u>(134,938)</u>	<u>(3.42)</u>	<u>(0.33)</u>	<u>(0.36)</u>
<b>Total adjustments</b>	<b>(1,376,590)</b>				<b>(1,032,442)</b>	<b>(172,074)</b>	<b>(172,074)</b>	<b>(4.86)</b>	<b>(0.65)</b>	<b>(0.65)</b>
<b>Revenue Requirement</b>	<b>\$3,303,690</b>				<b>\$2,477,768</b>	<b>\$412,961</b>	<b>\$412,961</b>	<b>\$11.67</b>	<b>\$1.56</b>	<b>\$1.56</b>

**Table 18** shows the calculation of costs for each customer class.

BWA divided the total costs allocated to residential users by total residential dwelling units to derive a rate of \$107.95 per month per residential dwelling unit.

For all non-residential users, BWA divided total costs allocated to Commercial and Industrial customers to determine a rate of \$0.0208 per gallon of estimated winter use flow. Winter use is calculated as the monthly use from January – April of the prior year divided by four. BWA recommends establishing minimum charges per account per month based on typical use for commercial accounts, approximately 9 hcf per month. The minimum charge is recommended for non-residential accounts because the costs of operating the wastewater system are largely fixed regardless of customer usage. The minimum charge ensures that customers are paying to maintain their share of the system capacity. Mixed use customer minimum charges are recommended to be one commercial account minimum charge plus one residential charge per dwelling unit.

**Table 18. Wastewater Rate Calculation**

	# of Sewer EDUs	Est. Mo Flow (hcf) Per EDU	Projected Wastewater Flow			Loadings (lbs)		FY 2023/24 Unit Rate Per Class				FY 2023/24 Cost Recovery			FY 2023/24 Recalculated
			hcf	mg	gpd	BOD	SS	\$/hcf	\$/lb BOD	\$/lb SS	\$/hcf	\$/lb BOD	\$/lb SS		
Total Residential	1,942	7	161,681	121	331,358	201,903	201,903	\$11.67	\$1.56	\$1.56	\$1,886,750	\$314,458	\$314,458	\$107.95	
Total Commerical & Industrial	<u>221</u>	Varies <sup>1</sup>	<u>50,646</u>	<u>38</u>	<u>103,797</u>	<u>63,245</u>	<u>63,245</u>	\$11.67	\$1.56	\$1.56	<u>\$591,018</u>	<u>\$98,503</u>	<u>\$98,503</u>	\$0.0208 <sup>2</sup>	
<b>Totals</b>	<b>2,163</b>		<b>212,327</b>	<b>159</b>	<b>435,155</b>	<b>265,148</b>	<b>265,148</b>				<b>\$2,477,768</b>	<b>\$412,961</b>	<b>\$412,961</b>	<b>\$3,303,690</b>	

<sup>1</sup> A typical commercial account uses approximately 9 hcf per account per month.

<sup>2</sup> Users subject to minimum charges per account per month, based on typical monthly use for commercial users (~9 hcf).

## 5.7. Proposed Wastewater Rates & Bill Impacts

**Table 19** shows the proposed wastewater rates. The first year of the proposed rates includes a one-time update to the rate structure, where all residential users are billed per dwelling unit, and all non-residential users are charged based on their winter usage, with a minimum charge per account. The wastewater utility will also require 2% annual rate increases to keep revenues in line with inflation and prevent rates from falling behind the cost of providing services.

The proposed rates represent the maximum annual increases. Actual annual increases implemented may be less than proposed, as approved by the City Council each year. BWA recommends that the City continue to perform regular rate studies to ensure future wastewater rates are aligned with the cost of service.

**Table 19. Proposed Wastewater Rates**

		Fiscal Year	2025/26	2026/27	2027/28	2028/29	2029/30
		Effective Date	6/21/2025	6/21/2026	6/21/2027	6/21/2028	6/21/2029
		Proposed Increase	2.0%	2.0%	2.0%	2.0%	2.0%
User Class	Current Rates	Proposed Monthly Fixed Rate					
<b>Residential</b>							
Single Family, Mobile Home, Multi-Family	\$/month \$107.95	\$110.11	\$112.31	\$114.56	\$116.85	\$119.19	
Six Mile Village - Residential	\$/gallon 0.0144	110.11	112.31	114.56	116.85	119.19	
<b>Non - Residential <sup>1</sup></b>		<b>Proposed Volumetric Rate ( \$ / gallon, winter use )</b>					
Commercial & Industrial	\$/ Establishment 136.30	0.0212	0.0216	0.0220	0.0224	0.0228	
Other Institutional	\$/ gallon, winter use 0.0208	0.0212	0.0216	0.0220	0.0224	0.0228	
Six Mile Village - Non Residential	\$/gallon 0.0144	0.0212	0.0216	0.0220	0.0224	0.0228	
<sup>1</sup> Minimum Wastewater Charges (\$/ month)		139.03	141.81	144.65	147.54	150.49	

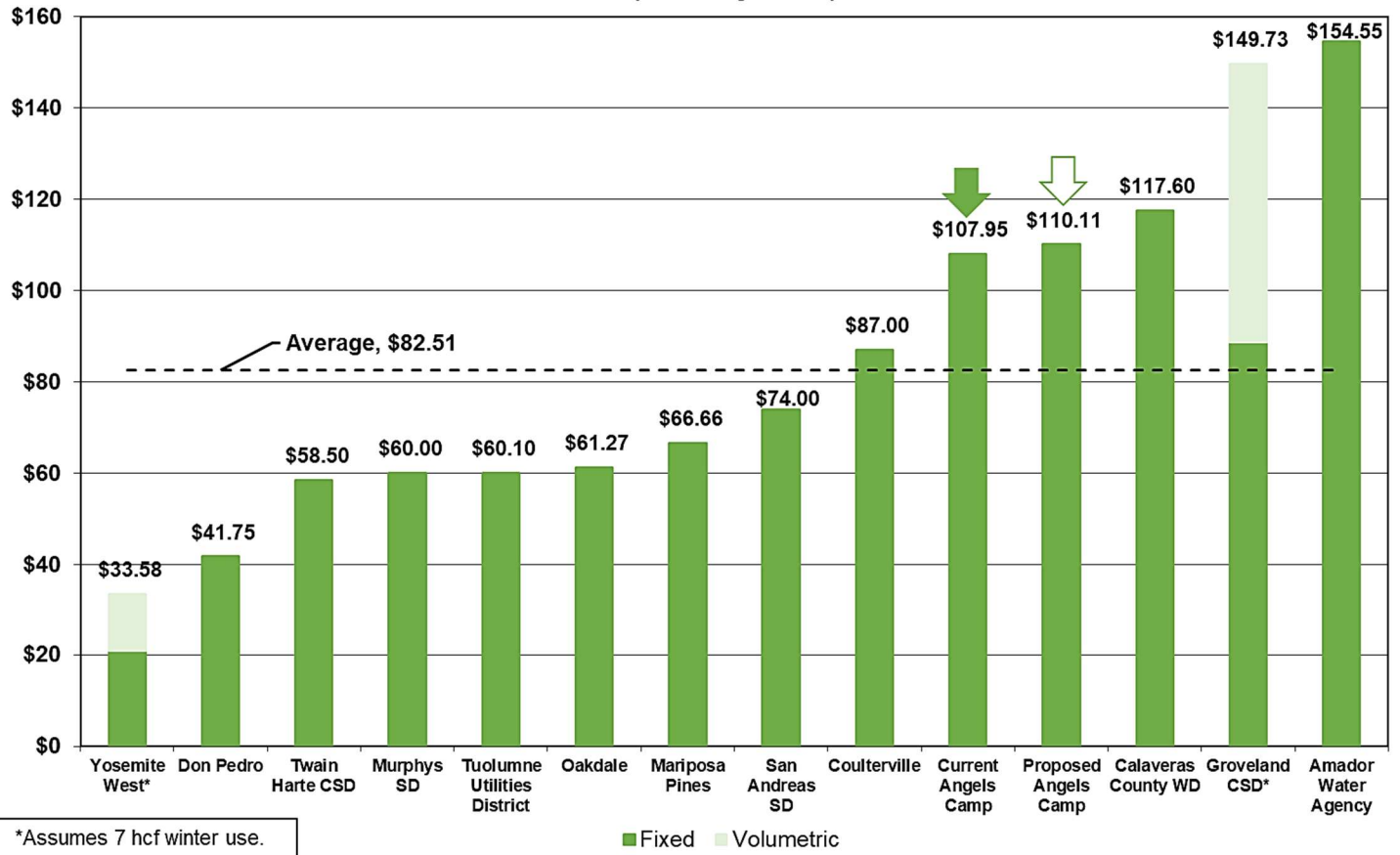


### 5.8. Regional Wastewater Rate Survey

Figure 2 compares the wastewater bills for a typical single family home to those of other regional agencies.

Figure 2: Regional Wastewater Rate Survey

#### Single Family Residential Monthly Wastewater Rate Survey (January 2024)



## 6. LOW INCOME DISCOUNT

To help offset the impact of rate increases for low-income customers, the City has established a low-income discount program utilizing non-rate sources of revenue (late payment fees), estimated at approximately \$20,000 per year for water and \$20,000 per year for wastewater. The applicant may only apply for their permanent residence, must be the bill payer of record, and must provide a copy of a current PG&E bill showing participation in the PG&E CARE Program or required documentation verifying a household income at or below 200% of the federal poverty guidelines.

Once applicants are approved by City staff, they would receive the following credits (as funds are available):

- Water only customers: \$2.68 per monthly billing period
- Wastewater only customers: \$2.68 per monthly billing period
- Water & Wastewater customers: \$5.36 per monthly billing period